



Third quarter 2019

Strong result for Service Business and used cars

Third quarter 2019

- Net turnover amounted to SEK 6,805 M (6,119), an increase of 11 per cent.
- Operational earnings amounted to SEK 280 M (221) and SEK 270 M excl. IFRS 16.
- Profits were positively affected by strong growth in the Service Business and the highest result ever, for sales of used cars, during a single quarter.
- Profit for the period amounted to SEK 188 M (158), SEK 196 M excl. IFRS 16, and earnings per share to SEK 1.85 (1.55).
- Operating cash flow amounted to SEK 460 M (140) and SEK 376 M excl. IFRS 16.

First nine months of 2019

- Net turnover amounted to SEK 21,105 M (21,426), a decrease of 1 per cent.
- Operational earnings amounted to SEK 824 M (738) and SEK 793 M excl. IFRS 16.
- Profit for the period amounted to SEK 545 M (520), SEK 567 M excl. IFRS 16, and earnings per share to SEK 5.40 (5.15).
- Operating cash flow amounted to SEK 1,139 M (463) and SEK 814 M excl. IFRS 16.

Events after the balance sheet date

- No notable events have occurred after the end of the quarter.

SEK M	Third quarter		Nine months		Oct. 18 - Sept. 19	Full year 2018
	2019	2018	2019	2018		
The Group						
Net turnover	6,805	6,119	21,105	21,426	28,061	28,382
Operational earnings ¹⁾	280	221	824	738	1,120	1,034
Operational earnings, excluding IFRS 16 ²⁾	270	221	793	738	1,089	1,034
Operational margin, %	4.1	3.6	3.9	3.4	4.0	3.6
Operating profit	264	201	755	671	1,027	943
Operating profit, excluding IFRS 16 ²⁾	254	201	724	671	996	943
Operating margin, %	3.9	3.3	3.6	3.1	3.7	3.3
Profit before tax	237	197	680	655	947	922
Profit before tax, excluding IFRS 16 ²⁾	247	197	708	655	975	922
Net profit for the period/year	188	158	545	520	759	734
Earnings per share, SEK ³⁾	1.85	1.55	5.40	5.15	7.50	7.25

¹⁾ For reconciliation of operational earnings with operating profit, see Note 3.

²⁾ IFRS 16 Leases was introduced on 1 January 2019. Bilia has used a modified retroactive method, which means that figures for 2018 are not restated. Some items for 2019 have, however, been reported excluding IFRS 16 to enable comparison with 2018. See Note 1 and Definitions and performance measures.

³⁾ The number of shares used in the calculation is shown in the Consolidated Statement of Income and Other Comprehensive Income.

The Managing Director's comments

Highest Q3 profits ever
Strong growth and margin in Service Business
Record result for used cars in Car Business



New record results for a third quarter

The strong result from our Service Business and sales of used cars allowed us to present yet again a record result for the third quarter. Operational earnings for the Group excluding IFRS 16 amounted to SEK 270 M compared with SEK 221 M, and the operational margin was 4.0 per cent compared with 3.6 per cent last year. The Service Business reported a strong increase in adjusted turnover of a full 7 per cent. Demand for used cars also remained strong, and operational earnings excluding IFRS 16 amounted to SEK 90 M, and a full SEK 40 M higher than last year. This result was the highest result ever for a quarter for sales of used cars. Car Business profits were, however, negatively affected by a loss of SEK 8 M for sales of new cars. However, it is pleasing to note that the order backlog for new cars adjusted for acquired operations was almost 3,400 cars more than at the beginning of the year and just over 2,900 cars more than last year.

Expansion of sales of used cars and wheel storage

As a stage in expanding our sales of used cars our fifth facility opened during the third quarter in Gothenburg. The expansion is taking place via our subsidiary Netbil Begagnat, which sells cars both via online auction and in traditional showrooms. The cars are purchased from Bilia's other businesses, but also from companies and private individuals. With Netbil Begagnat, Bilia has access to a wider range of older cars and more car brands than we could previously offer. Today, the Group sells approximately 50,000 used cars a year. Our long-term goal is to sell 25,000 cars via Netbil Begagnat, compared to original 3,500 cars.

An agreement was signed during the third quarter to acquire En Bättre Däckaffär Scandinavia AB, a supplier of wheel hotels for car dealerships. The investment is part of Bilia's strategy to expand and strengthen its position within the wheels business. During 2018, Bilia's wheel hotels stored approximately 311,000 wheels at 76 sites in Sweden and Norway. The acquisition will afford Bilia better conditions for increasing both volume and efficiency in wheel storage. Bilia's new long-term goal is to store 600,000 wheels on behalf of our customers.

Choice of car vital to sustainability

The percentage of electric, plug-in and hybrid cars sold continues to increase in the countries where we operate. We look forward to seeing the new models of electric, plug-in and hybrid cars being launched from 2020, thereby increasing the range of models we can offer our customers. When choosing a car from a sustainability perspective, the choice of fuel is an important consideration. By understanding our customers' needs, we recommend the fuel type that best suits each individual. If the car will be driving short distances and can be charged, an electric, plug-in or hybrid is to be preferred, while for longer distances and without charging capabilities, other types of fuel remain of interest from a sustainability perspective.

Per Avander, Managing Director and CEO

Group results

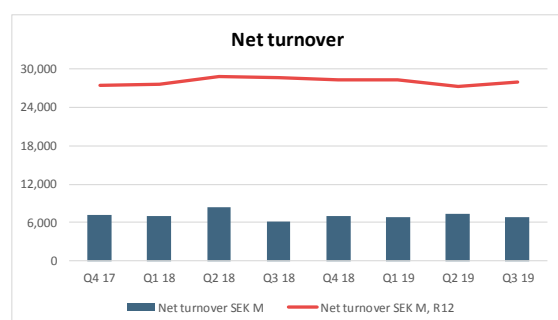
Net turnover and earnings

Third quarter 2019

Net turnover amounted to SEK 6,805 M (6,119). For comparable operations and adjusted for exchange rate fluctuations, net turnover increased by approximately 8 per cent.

Operating profit amounted to SEK 264 M (201) and SEK 254 M excluding IFRS 16. **Operational earnings** amounted to SEK 280 M (221) and SEK 270 M excluding IFRS 16. The operational margin was 4.1 per cent (3.6) and 4.0 per cent excluding IFRS 16.

The Service Business reported a profit excluding IFRS 16 a full SEK 52 M or 38 per cent higher than last year. Adjusted turnover for the Service Business increased by a full 7 per cent. There was 1 more working day than in the previous year. The Car Business reported a profit excluding IFRS 16 on a par with last year. Sales of used cars reported the highest result ever for a single quarter, mainly attributable to a higher gross profit margin. The result was SEK 40 M higher compared with last year, while sales of new cars presented a result which was SEK 39 M, mainly attributable to a lower gross profit margin.



The Group's underlying overheads were 2 per cent higher compared with last year. Overheads amounted to 12.6 per cent of net turnover, which was 0.7 percentage points lower than last year. As a result of the profit level and customer satisfaction during the quarter, a provision totalling SEK 10 M (3) was made for employee bonuses in Sweden.

The operation in **Sweden** reported a profit of SEK 223 M (166) and SEK 217 M excluding IFRS 16. The margin amounted to 5.5 per cent (4.3) and 5.4 per cent excluding IFRS 16. The higher profit was mainly attributable to strong growth in the Service Business. The operation in **Norway** reported a profit of SEK 48 M (52) and SEK 45 M excluding IFRS 16. The margin amounted to 2.6 per cent (3.2) and 2.4 per cent excluding IFRS 16. The lower profit was mainly attributable to a lower gross profit margin in the sale of new cars. The operation in **Western Europe** reported a profit of SEK 16 M (5) and SEK 15 M excluding IFRS 16. The margin amounted to 1.7 per cent (0.9) and 1.7 per cent excluding IFRS 16. The higher profit was attributable to both the Car Business and the Service Business. The operating loss for the **Parent Company** in the third quarter amounted to SEK -12 M (-7).

Profit for the period amounted to SEK 188 M (158) and SEK 196 M excluding IFRS 16. Earnings per share amounted to SEK 1.85 (1.55). Exchange rate fluctuations did not have a material impact on profit.

The **number of employees** decreased by 18 during the quarter and amounted to 4,930.

First nine months 2019

Net turnover amounted to SEK 21,105 M (21,426). For comparable operations and adjusted for exchange rate fluctuations, net turnover decreased by approximately 5 per cent.

Operating profit amounted to SEK 755 M (671) and SEK 724 M excluding IFRS 16. **Operational earnings** amounted to SEK 824 M (738) and SEK 793 M excluding IFRS 16. The operational margin was 3.9 per cent (3.4) and 3.8 per cent excluding IFRS 16. The Service Business reported a profit excluding IFRS 16 that was SEK 97 M or 19 per cent higher than last year, mainly attributable to strong demand. Adjusted turnover increased by approximately 5 per cent in Sweden and Norway. The Car Business reported a profit lower than last year, mainly attributable to a 12 per cent underlying drop in deliveries of new cars. Sales of used cars, however, generated a far higher profit than last year of SEK 134 M, which is mainly attributable to a higher gross profit margin.

The Group's underlying overheads were 1 per cent higher compared with last year. Overheads equated to 13.1 per cent of net turnover, which was 0.7 percentage points higher than last year. As a result of the profit level and customer satisfaction during the first half of the year, a provision totalling SEK 24 M (14) was made for employee bonuses in Sweden.

The operation in **Sweden** reported a profit of SEK 630 M (556) and SEK 612 M excluding IFRS 16. The margin amounted to 5.0 per cent (4.1) and 4.8 per cent excluding IFRS 16. Profit in the **Norwegian** operation amounted to SEK 188 M (183) and SEK 177 M excluding IFRS 16. The margin amounted to 3.5 per cent (3.3) and 3.3 per cent excluding IFRS 16. The operation in **Western Europe** reported a profit of SEK 47 M (30) and SEK 45 M excluding IFRS 16. The margin amounted to 1.5 per cent (1.3) and 1.5 per cent excluding IFRS 16. The operating loss for the **Parent Company** in the first nine months amounted to SEK -51 M (-44).

Profit for the period amounted to SEK 545 M (520) and SEK 567 M excluding IFRS 16. Earnings per share amounted to SEK 5.40 (5.15). Exchange rate fluctuations did not have a material impact on profit.

The **number of employees** increased by 145 during the first nine months of the year and amounted to 4,930. Adjusted for acquired operations, the number of employees increased by 72.

Net turnover by geographic market

SEK M	Third quarter		Nine months		Oct. 18 - Sept. 19	Full year 2018
	2019	2018	2019	2018		
Sweden	4,060	3,832	12,697	13,495	16,944	17,742
Norway	1,829	1,599	5,346	5,576	7,243	7,473
Western Europe	910	683	3,044	2,340	3,847	3,143
Parent Company, other	6	5	18	15	27	24
Total	6,805	6,119	21,105	21,426	28,061	28,382

Operational earnings by geographic market

SEK M	Third quarter		Nine months		Oct. 18 - Sept. 19	Full year 2018
	2019	2018	2019	2018		
Sweden	223	166	630	556	843	769
Norway	48	52	188	183	263	258
Western Europe	16	5	47	30	90	73
Parent Company, other	-7	-2	-41	-31	-76	-66
Total	280	221	824	738	1,120	1,034

Operational earnings by geographic market, excluding IFRS 16

SEK M	Third quarter		Nine months		Oct. 18 - Sept. 19	Full year 2018
	2019	2018	2019	2018		
Sweden	217	166	612	556	825	769
Norway	45	52	177	183	252	258
Western Europe	15	5	45	30	88	73
Parent Company, other	-7	-2	-41	-31	-76	-66
Total	270	221	793	738	1,089	1,034

Margin by geographic market

Per cent	Third quarter		Nine months		Oct. 18 - Sept. 19	Full year 2018
	2019	2018	2019	2018		
Sweden	5.5	4.3	5.0	4.1	5.0	4.3
Norway	2.6	3.2	3.5	3.3	3.6	3.5
Western Europe	1.7	0.9	1.5	1.3	2.3	2.3
Parent Company, other	-	-	-	-	-	-
Total	4.1	3.6	3.9	3.4	4.0	3.6

Margin by geographic market, excluding IFRS 16

Per cent	Third quarter		Nine months		Oct. 18 - Sept. 19	Full year 2018
	2019	2018	2019	2018		
Sweden	5.4	4.3	4.8	4.1	4.9	4.3
Norway	2.4	3.2	3.3	3.3	3.5	3.5
Western Europe	1.7	0.9	1.5	1.3	2.3	2.3
Parent Company, other	-	-	-	-	-	-
Total	4.0	3.6	3.8	3.4	3.9	3.6

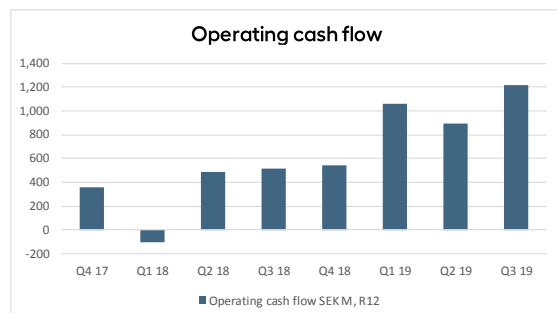
Net financial items and tax

Net financial items for the third quarter amounted to SEK -27 M (-4) and SEK -7 M excluding IFRS 16.

Tax for the third quarter amounted to SEK -49 M (-39), and the effective tax rate was 21 per cent (20).

Operating cash flow

Operating cash flow for the third quarter amounted to SEK 460 M (140). **Operating cash flow** excluding IFRS 16 for the third quarter amounted to SEK 376 M. After acquisitions and disposals of operations and changes in financial assets, cash flow for the third quarter amounted to SEK 459 M (140). The corresponding figure excluding IFRS 16 was SEK 375 M.



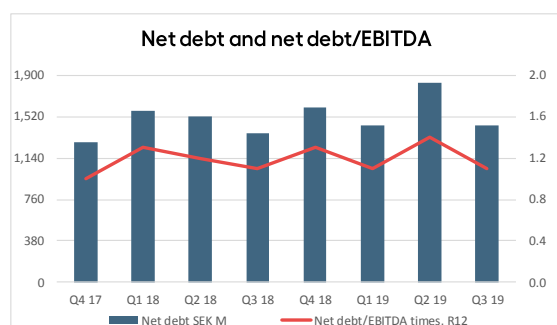
Financial position

The **balance sheet total** increased by SEK 2,598 M during the first nine months of 2019 and amounted to SEK 14,669 M. The increase can mainly be attributed to the introduction of the new accounting standard IFRS 16 Leases, which increased the balance sheet total by SEK 2,419 M.

Equity increased by SEK 118 M during 2019, amounting to SEK 3,033 M. A dividend of SEK 483 M was paid to shareholders during the third quarter.

The **equity/assets ratio** amounted to 21 per cent (25), and 25 per cent excluding IFRS 16.

Net debt increased by SEK 2,272 M during the first nine months of 2019 and amounted to SEK 3,875 M. The increase was explained by the introduction of the new accounting standard IFRS 16. Excluding lease liabilities attributable to IFRS 16, net debt amounted to SEK 1,443 M, a decrease of SEK 160 M since December 2018. A dividend of SEK 483 M was paid to shareholders during the second quarter, which is why net debt adjusted for this payment decreased by SEK 643 M. The ratio of net debt to EBITDA including IFRS 16 was 2.3 times compared with 1.1 times in the previous year. The ratio of net debt to EBITDA excluding IFRS 16 was 1.1 times.



Excluding IFRS 16

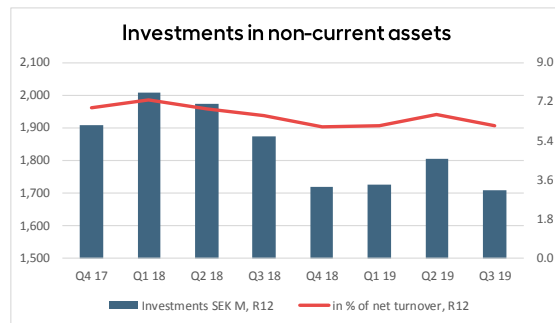
Liquidity remained good, and at the end of September a receivable from the banks (Nordea and DNB) of SEK 294 M was reported (debt: 6) Bilia's combined credit limit with Nordea and DNB amounts to SEK 1,500 M.

Investments (excluding right-of-use assets)

Acquisitions of non-current assets during the third quarter amounted to SEK 54 M (43) **excluding lease vehicles** and SEK 225 M (323) **including lease vehicles**. Replacement investments represented SEK 9 M (2), expansion investments SEK 19 M (18), environmental investments SEK 11 M (0), investments in new construction and additions to properties SEK 5 M (21), finance leases SEK 10 M (2) and lease vehicles SEK 171 M (280).

Investments in non-current assets by geographic market

SEK M	Third quarter		Nine months		Oct. 18 - Sept. 19	Full year 2018
	2019	2018	2019	2018		
Sweden	184	234	981	980	1,157	1,156
Norway	13	60	253	280	378	405
Western Europe	8	6	21	17	61	57
Parent Company, other	20	23	80	69	111	100
Total	225	323	1,335	1,346	1,707	1,718



Excluding right-of-use assets

Notable events

Events during the third quarter

- Netbil Begagnat AB (Netbil), a company in the Bilia Group that sells used cars via two sales channels – online auctions and showrooms – opened a further facility for sales of used cars in Gothenburg. This is the latest addition in a strategic focus by Bilia on sales of used cars, encompassing a total of seven new facilities.
- Bilia's Board of Directors reached an agreement with Managing Director and CEO Per Avander that he may remain in his current role for a further seven years, until 2026.
- An agreement was signed to acquire En Bättre Däckaffär Scandinavia AB, which had a turnover of approximately SEK 14 M in 2018 and 3 employees. The capital employed in the operation plus agreed surplus value amounts to approximately SEK 6 M. Bilia took over the operation on 1 October 2019.

Events during the first half of the year

- Netbil Begagnat AB (Netbil), a company in the Bilia Group that sells used cars via two sales channels – online auctions and showrooms – opened a further two facilities in the first quarter: Netbil in Kungens Kurva, southern Stockholm and Netbil in Jägersro, Malmö.
- In February Bilia signed an agreement to acquire Jensen & Scheele Bil AS. The business is located in Halden, Østfold, south of Oslo in Norway. Jensen & Scheele Bil AS comprises a complete Volvo facility, a bodyshop and a facility for sales of used cars including a service workshop. The company joined the Group on 1 April 2019. During the 2018 financial year, Jensen & Scheele Bil AS's turnover amounted to approximately NOK 370 M, with an average operating margin of around 3.5 per cent over the past four years.

Notable events after the balance sheet date

- No notable events have occurred after the end of the quarter.

Further information about the above-mentioned events along with other press information is available at bilias.com.

Service Business

Strong growth generated considerable higher profit compared to last year

Third quarter 2019

- Turnover amounted to SEK 1,570 M (1,405), an increase of 12 per cent.
- Operational earnings amounted to SEK 195 M (137), and SEK 189 M excluding IFRS 16.
- The margin amounted to 12.4 per cent (9.8) and 12.0 per cent excluding IFRS 16.

First nine months 2019

- Turnover amounted to SEK 5,024 M (4,663), an increase of 8 per cent.
- Operational earnings amounted to SEK 630 M (515) and SEK 612 M excluding IFRS 16.
- The margin amounted to 12.5 per cent (11.0) and 12.2 per cent excluding IFRS 16.

Turnover and earnings

Third quarter 2019

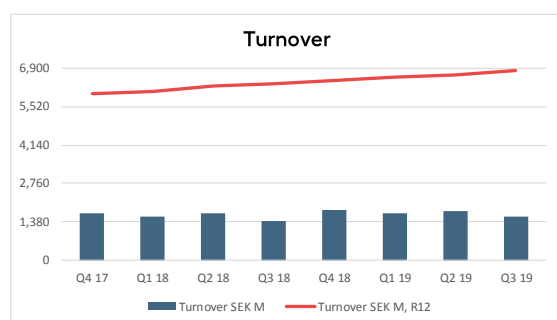
The Service Business continued to grow strongly during the third quarter and the adjusted turnover for Sweden and Norway increased by a full 7 per cent. There was 1 more working day than in the previous year.

Growth in the Service Business

Per cent	Third quarter			Nine months		
	Sweden	Norway	Total	Sweden	Norway	Total
<i>Change from last year</i>						
Reported turnover	8.5	13.0	9.8	5.2	8.0	6.0
Underlying turnover	8.5	8.7	8.6	5.2	3.6	4.9
Calendar effect	-1.5	-1.5	-1.5	0.0	0.0	0.0
Adjusted turnover	7.0	7.2	7.1	5.2	3.6	4.9

Operational earnings during the third quarter, excluding IFRS 16, improved by SEK 52 M or 38 per cent compared with last year. The improved profit was mainly attributable to the strong demand and growth during the quarter. The margin also improved considerably, from 9.8 per cent to 12.0 per cent.

Adjusted turnover for the Service Business in Sweden increased as much as 7 per cent and operational earnings amounted to SEK 145 M (98), and SEK 142 M excluding IFRS 16. Adjusted turnover for the Service Business in Norway also increased by 7 per cent and operational earnings amounted to SEK 37 M (29), and SEK 35 M excluding IFRS 16. Adjusted turnover in Western Europe increased by a full 9 per cent and operational earnings amounted to SEK 13 M (10), and SEK 12 M excluding IFRS 16.



At the end of the third quarter Bilias had approximately 110,000 (103,000) customers with service subscriptions, compared to our long-term goal of 130,000. We had just over 314,000 (292,000) wheels in storage for customers, compared to our new long-term goal of 600,000.

First nine months 2019

The Service Business continued to grow during the first nine months of the year, and the adjusted turnover for Sweden and Norway increased by 5 per cent. There was the same number of working days as in the previous year.

Operational earnings during the first nine months of the year, excluding IFRS 16, improved by SEK 97 M or 19 per cent compared with last year. The margin improved from 11.0 per cent to 12.2 per cent. The improvement was mainly attributable to growth in turnover during the year.

Adjusted turnover for the Service Business in Sweden increased by just over 5 per cent and operational earnings amounted to SEK 436 M (346), and SEK 426 M excluding IFRS 16. Adjusted turnover for the Service Business in Norway increased by just under 4 per cent and operational earnings amounted to SEK 145 M (122), and SEK 139 M excluding IFRS 16. Adjusted turnover in Western Europe increased by just under 4 per cent and operational earnings amounted to SEK 49 M (47), and SEK 47 M excluding IFRS 16.

Turnover by geographic market

SEK M	Third quarter		Nine months		Oct. 18 - Sept. 19	Full year 2018
	2019	2018	2019	2018		
Sweden	969	893	3,167	3,009	4,306	4,148
Norway	410	363	1,278	1,183	1,727	1,632
Western Europe	191	149	579	471	781	673
Total	1,570	1,405	5,024	4,663	6,814	6,453

Operational earnings by geographic market

SEK M	Third quarter		Nine months		Oct. 18 - Sept. 19	Full year 2018
	2019	2018	2019	2018		
Sweden	145	98	436	346	610	520
Norway	37	29	145	122	199	176
Western Europe	13	10	49	47	72	70
Total	195	137	630	515	881	766

Operational earnings by geographic market, excluding IFRS 16

SEK M	Third quarter		Nine months		Oct. 18 - Sept. 19	Full year 2018
	2019	2018	2019	2018		
Sweden	142	98	426	346	600	520
Norway	35	29	139	122	193	176
Western Europe	12	10	47	47	70	70
Total	189	137	612	515	863	766

Margin by geographic market

Per cent	Third quarter		Nine months		Oct. 18 - Sept. 19	Full year 2018
	2019	2018	2019	2018		
Sweden	15.0	10.9	13.8	11.5	14.2	12.5
Norway	9.0	8.0	11.4	10.3	11.5	10.8
Western Europe	6.5	7.2	8.3	9.9	9.2	10.4
Total	12.4	9.8	12.5	11.0	12.9	11.9

Margin by geographic market, excluding IFRS 16

Per cent	Third quarter		Nine months		Oct. 18 - Sept. 19	Full year 2018
	2019	2018	2019	2018		
Sweden	14.6	10.9	13.4	11.5	13.9	12.5
Norway	8.4	8.0	10.9	10.3	11.2	10.8
Western Europe	6.4	7.2	8.2	9.9	9.0	10.4
Total	12.0	9.8	12.2	11.0	12.7	11.9

Car Business

Record result for sales of used cars offset for weaker result in sales of new cars

Third quarter 2019

- Turnover amounted to SEK 5,223 M (4,655), a decrease of 12 per cent.
- Operational earnings amounted to SEK 86 M (81), and SEK 82 M excluding IFRS 16.
- The margin amounted to 1.6 per cent (1.7) and 1.6 per cent excluding IFRS 16.

First nine months 2019

- Turnover amounted to SEK 16,101 M (16,750), a decrease of 4 per cent.
- Operational earnings amounted to SEK 212 M (229) and SEK 199 M excluding IFRS 16.
- The margin amounted to 1.3 per cent (1.4) and 1.2 per cent excluding IFRS 16.

Turnover and earnings

Third quarter 2019

The Car Business's deliveries of new and used cars during the third quarter, adjusted for comparable operations, was on a par with and 1 per cent higher respectively compared with last year.

The order intake of new cars for the Group, adjusted for comparable operations, was 1 per cent lower than last year. The order backlog amounted to 13,083 cars, which was an underlying increase of 2,931 cars or 30 per cent compared with last year. Since the turn of the year, the order backlog has an underlying increase of 3,380 cars.

New cars by geographic market

Number of	Deliveries				Order backlog			
	Third quarter		Nine months		Oct. 18 - Sept. 19	Full year 2018	30 Sept. 2019	30 Sept. 2018
	2019	2018	2019	2018				
Sweden	6,496	6,512	23,069	26,767	31,262	34,960	9,421	6,390
Norway ¹⁾	1,962	1,869	6,395	7,196	9,095	9,896	2,387	2,319
Western Europe ²⁾	1,400	1,291	4,808	3,983	6,293	5,468	1,275	1,171
Total	9,858	9,672	34,272	37,946	46,650	50,324	13,083	9,880

¹⁾ Jensen & Scheele Bil AS is included in deliveries during the quarter with 34 (-) and during the first nine months with 76 (-) and with 57 (-) in order backlog.

²⁾ Verstraeten and Gent Store by Verstraeten are included in deliveries during the quarter with 192 (-) and during the first nine months with 727 (-) and with 215 (-) in order backlog.

Used cars by geographic market

Number of	Deliveries				Oct. 18 - Sept. 19	Full year 2018
	Third quarter		Nine months			
	2019	2018	2019	2018		
Sweden	8,713	8,936	25,174	25,867	33,094	33,787
Norway ¹⁾	2,865	2,417	8,193	7,554	10,439	9,800
Western Europe ²⁾	1,387	1,005	4,460	3,539	5,447	4,526
Total	12,965	12,358	37,827	36,960	48,980	48,113

¹⁾ Jensen & Scheele Bil AS is included during the quarter with 174 (-) and during the first nine months with 346 (-).

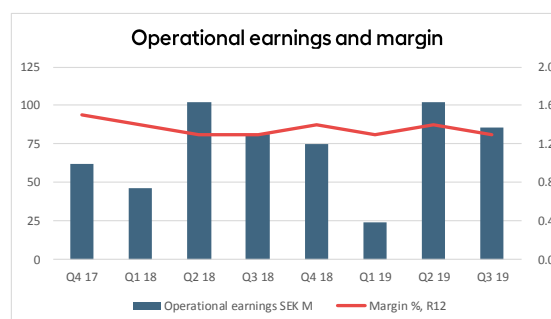
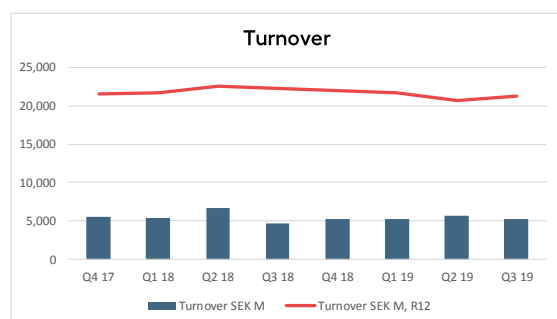
²⁾ Verstraeten and Gent Store by Verstraeten are included during the quarter with 274 (-) and during the first nine months with 784 (-).

Adjusted for comparable operations and exchange rate fluctuations, turnover during the third quarter was approximately 8 per cent higher than last year.

Profit from the sale of used cars set a new record ever. For the third quarter the operational earnings excluding IFRS 16, for sales of used cars amounted to SEK 90 M (50), which was fully SEK 40 M higher compared to previous year. The improved profit was mainly attributable to a higher gross profit margin. The turnover rate of the stock of used cars has remained a priority and was at a high level.

Profit from the sale of new cars was SEK 39 M lower than last year, mainly attributable to a lower gross profit margin. The operational earnings for the third quarter, excluding IFRS 16, for sales of new cars amounted to a loss of SEK 8 M (profit 31).

All in all, operational earnings for the Car Business were on a par with last year and amounted to SEK 86 M (81), and SEK 82 M excluding IFRS 16.



Operational earnings for the Car Business in Sweden were SEK 9 M higher than last year (SEK 6 M excluding IFRS 16), which is mainly attributable to a higher turnover and gross profit margin in sales of used cars. Profit from sales of used cars excluding IFRS 16 was SEK 24 M up on last year and amounted to SEK 70 M (46). The number of used cars in stock was at a favourable level.

Operational earnings for the Car Business in Norway were SEK 12 M lower than last year (SEK 13 M excluding IFRS 16), which is mainly attributable to a lower gross profit margin in sales of new cars. Profit from sales of used cars excluding IFRS 16 was, however, SEK 12 M up on last year and amounted to SEK 19 M (7). The number of used cars in stock was slightly high.

The Car Business in Western Europe reported operational earnings SEK 8 M higher than last year, mainly attributable to sales of both new and used cars. Profit from sales of used cars, excluding IFRS 16, amounted to SEK 1 M (loss: -3). Profit on sales of new cars, excluding IFRS 16, was positively affected by higher sales and a higher profit margin.

First nine months 2019

The Car Business's deliveries of new and used cars, adjusted for comparable operations, decreased by 12 and 1 per cent respectively compared with last year.

The order intake of new cars for the Group, adjusted for comparable operations, was 1 per cent higher than last year.

Adjusted for comparable operations and exchange rate fluctuations, turnover during the first nine months of 2019 was approximately 8 per cent lower than last year, attributable to fewer deliveries of new cars. The lower number of new cars delivered along with a lower gross profit margin impacted negatively on Car Business profits, and profit from sales of new cars was SEK 164 M lower compared with last year. The operational earnings, excluding IFRS 16, in sales of new cars amounted to SEK 18 M (182).

Profit from the sale of used cars, however, set a new record in the first nine months of the year and was SEK 134 M up on the previous year. The improved profit was mainly attributable to a higher gross profit margin. Operational earnings from sales of used cars, excluding IFRS 16, amounted to SEK 181 M (47). The turnover rate of the stock of used cars has remained a priority and was at a high level.

All in all, operational earnings for the Car Business were lower than last year and amounted to SEK 212 M (229), and SEK 199 M excluding IFRS 16.

The Car Business in Sweden reported operational earnings SEK 14 M lower (SEK 22 M excluding IFRS 16) than last year, mainly attributable to lower turnover due to 14 per cent fewer deliveries of new cars. Profit from sales of used cars excluding IFRS 16 was SEK 77 M up on last year and amounted to SEK 147 M (70). The improvement was mainly attributable to a higher gross profit margin. The number of used cars in stock was at a favourable level.

The Car Business in Norway reported operational earnings SEK 18 M (SEK 23 M excluding IFRS 16) lower than last year, mainly attributable to 12 per cent fewer underlying deliveries of new cars. Profit from sales of used cars excluding IFRS 16 was, however, SEK 39 M up on last year and amounted to SEK 31 M (-8). The number of used cars in stock was at a slightly high level.

Operational earnings for the Car Business in Western Europe were SEK 15 M higher than last year, which is mainly attributable to a higher turnover and gross profit margin in sales of used cars. Profit from sales of used cars, excluding IFRS 16, amounted to SEK 3 M (loss: -15). Profit on sales of new cars excluding IFRS 16 was negatively affected by a lower gross profit margin.

Turnover by geographic market

SEK M	Third quarter		Nine months		Oct. 18 - Sept. 19	Full year 2018
	2019	2018	2019	2018		
Sweden	2,963	2,772	9,184	10,107	12,220	13,143
Norway	1,532	1,336	4,389	4,722	5,967	6,300
Western Europe	738	547	2,528	1,921	3,152	2,545
Total	5,233	4,655	16,101	16,750	21,339	21,988

Operational earnings by geographic market

SEK M	Third quarter		Nine months		Oct. 18 - Sept. 19	Full year 2018
	2019	2018	2019	2018		
Sweden	72	63	171	185	205	219
Norway	11	23	43	61	64	82
Western Europe	3	-5	-2	-17	18	3
Total	86	81	212	229	287	304

Operational earnings by geographic market, excluding IFRS 16

SEK M	Third quarter		Nine months		Oct. 18 - Sept. 19	Full year 2018
	2019	2018	2019	2018		
Sweden	69	63	163	185	197	219
Norway	10	23	38	61	59	82
Western Europe	3	-5	-2	-17	18	3
Total	82	81	199	229	274	304

Margin by geographic market

Per cent	Third quarter		Nine months		Oct. 18 - Sept. 19	Full year 2018
	2019	2018	2019	2018		
Sweden	2.4	2.3	1.9	1.8	1.7	1.7
Norway	0.7	1.7	1.0	1.3	1.1	1.3
Western Europe	0.4	-0.8	-0.1	-0.9	0.6	0.1
Total	1.6	1.7	1.3	1.4	1.3	1.4

Margin by geographic market, excluding IFRS 16

Per cent	Third quarter		Nine months		Oct. 18 - Sept. 19	Full year 2018
	2019	2018	2019	2018		
Sweden	2.3	2.3	1.8	1.8	1.6	1.7
Norway	0.6	1.7	0.9	1.3	1.0	1.3
Western Europe	0.4	-0.8	-0.1	-0.9	0.6	0.1
Total	1.6	1.7	1.2	1.4	1.3	1.4

Fuel Business

Strong margin during the third quarter

Third quarter 2019

- Turnover amounted to SEK 338 M (339).
- Operational earnings amounted to SEK 6 M (5).
- The margin was 1.9 per cent (1.5).

First nine months 2019

- Turnover amounted to SEK 1,007 M (970), an increase of 4 per cent.
- Operational earnings amounted to SEK 23 M (25).
- The margin was 2.3 per cent (2.6).

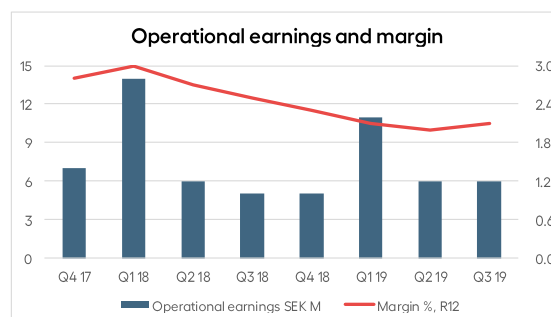
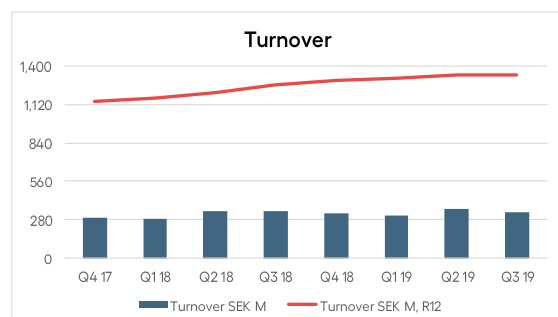
Turnover and earnings

Third quarter 2019

The Fuel Business is concentrated mainly in Sweden and profit for the third quarter amounted to SEK 6 M (5).

First nine months 2019

The Fuel Business is concentrated mainly in Sweden and profit for the first nine months amounted to SEK 23 M (25).



Turnover

SEK M	Third quarter		Nine months		Oct. 18 - Sept. 19	Full year 2018
	2019	2018	2019	2018		
Total	338	339	1,007	970	1,334	1,297

Operational earnings

SEK M	Third quarter		Nine months		Oct. 18 - Sept. 19	Full year 2018
	2019	2018	2019	2018		
Total	6	5	23	25	28	30

Margin

Per cent	Third quarter		Nine months		Oct. 18 - Sept. 19	Full year 2018
	2019	2018	2019	2018		
Total	1.9	1.5	2.3	2.6	2.1	2.3

Other information

Risks and uncertainties

As a result of its operations, the Bilia Group is exposed to both operating risks and financial risks.

The operating risks include:

- Risks related to changes in demand for Bilia's products and services due to changes in the market related to economic conditions, government decisions, the establishment of alternative sales channels, the competitiveness of products and technological development. Lower demand for cars could entail risks related to the current stock of cars and cars with guaranteed buy-back values.
- Risks related to dealer/service authorisations, since Bilia is dependent on approval by manufacturers/general agents to conduct, expand and establish new sales of new cars. Authorisation agreements can be terminated by the other party and Bilia's vehicle suppliers could become insolvent, which could entail the risk of disruption in the operation.
- Risks related to Bilia not having the capacity and resources to develop its own concepts and services, and of our suppliers not being able to offer competitive products in line with the customers' wishes and requirements.
- Risks related to recruiting and retaining skilled employees, retaining strategic business locations for our operations, acquiring and integrating new operations in a successful manner, which could affect Bilia's potential to expand its operations according to its set financial goals.
- Risks related to non-compliance with regulations, a lack of environmental pollution remediation and a lack of control over IT operation could entail regulatory consequences, financial burdens, operational disruptions and an adverse impact on Bilia's reputation.

The financial risks include liquidity risks, interest rate risks, credit risks and currency risks.

Bilia works continuously with risk identification and risk assessment. For further published information about the risks that affect the Group, please refer to the 2018 Annual Report.



Seasonal variations and number of working days

Bilia's operations and operating profit are influenced to a limited extent by seasonal variations. The number of working days during the report periods is influenced by how holidays fall in the different countries in different years. The number of working days in the period influences business operations and profits in the Service Business in particular, but also in the Car Business.

Related party transactions

For a description of related party transactions, see page 87 of the 2018 annual report.

Parent Company

Bilia AB is responsible for the Group's management, strategic planning, purchasing, public relations, business development, HR, real estate activities, accounting and financing.

Annual General Meeting 2020

The Annual General Meeting will be held on 17 April 2020 in Stockholm. Premises to be announced at a later time. Shareholders who wish to have a matter on the agenda at the AGM should contact Bilia no later than 28 February 2020 in order for the matter to be included in the notice of the meeting.

The annual report for 2019 will be published on Bilia's website on 23 March 2020.

Accounts - Group

Consolidated Statement of Income and Other Comprehensive Income

SEK M	Third quarter		Nine months		Oct. 18 - Sept. 19 ¹⁾	Full year 2018
	2019	2018	2019 ¹⁾	2018		
Net turnover	6,805	6,119	21,105	21,426	28,061	28,382
Costs of goods sold	-5,692	-5,104	-17,590	-18,093	-23,304	-23,807
Gross profit	1,113	1,015	3,515	3,333	4,757	4,575
Other operating income	8	0	14	2	18	6
Selling and administrative expenses	-857	-813	-2,762	-2,654	-3,730	-3,622
Other operating expenses	0	-1	-12	-10	-18	-16
Operating profit ¹⁾	264	201	755	671	1,027	943
Financial income	1	0	13	2	13	2
Financial expenses	-38	-14	-116	-47	-133	-64
Shares in profits of associated companies	10	10	28	29	40	41
Profit before tax	237	197	680	655	947	922
Tax	-49	-39	-135	-135	-188	-188
Net profit for the period	188	158	545	520	759	734
Other comprehensive income/loss						
<i>Items that can be reclassified to profit or loss</i>						
Translation differences attributable to foreign operations	4	-13	59	68	22	31
Other comprehensive income/loss after tax	4	-13	59	68	22	31
Comprehensive income for the period	192	145	604	588	781	765
Net profit for the period attributable to:						
Parent Company's shareholders	188	158	545	520	759	734
Comprehensive income for the period attributable to:						
Parent Company's shareholders	192	145	604	588	781	765
Weighted average number of shares, '000:						
- before dilution	100,951	100,951	100,951	100,951	100,951	100,951
- after dilution	101,053	101,058	101,054	100,999	101,055	101,013
Basic earnings/loss per share, SEK	1.85	1.55	5.40	5.15	7.50	7.25
Diluted earnings/loss per share, SEK	1.85	1.55	5.40	5.15	7.50	7.25
Weighted average number of own shares, '000	1,849	1,849	1,849	1,849	1,849	1,849
1) Straight-line amortisation/depreciation by asset class:						
- Intellectual property	-31	-25	-92	-74	-118	-100
- Land and buildings	-17	-11	-44	-33	-69	-58
- Equipment, tools, fixtures and fittings	-27	-26	-82	-78	-97	-93
- Leased vehicles	-98	-105	-300	-313	-414	-427
- Right-of-use assets	-116	0	-341	0	-341	0
Total	-289	-167	-859	-498	-1,039	-678

¹⁾ IFRS 16 Leases was introduced on 1 January 2019. Bilias has used a modified retroactive method, which means that figures for 2018 are not restated. See Note 1 and Definitions and performance measures.

Consolidated Statement of Financial Position, Summary

SEK M	30 September 2019 ¹⁾	31 December 2018	30 September 2018
Assets			
Non-current assets			
Intangible assets			
Intellectual property	675	670	568
Goodwill	872	842	770
	1,547	1,512	1,338
Property, plant and equipment			
Land and buildings	744	726	590
Construction in progress	88	83	66
Equipment, tools, fixtures and fittings	507	500	469
Leased vehicles ¹⁾	3,167	2,958	3,008
Right-of-use assets	2,511	-	-
	7,017	4,267	4,133
Long-term investments			
Financial investments ¹⁾	430	449	438
Long-term receivables ²⁾	1	-	-
	431	449	438
Deferred tax assets	97	81	73
Total non-current assets	9,092	6,309	5,982
Current assets			
Inventories, merchandise	3,706	3,992	3,380
Current receivables			
Other receivables ¹⁾	1,386	1,456	1,383
Cash and cash equivalents ²⁾	485	314	151
Total current assets	5,577	5,762	4,914
TOTAL ASSETS	14,669	12,071	10,896
Equity and liabilities			
Equity			
Share capital	257	257	257
Other contributed capital	167	167	167
Reserves	52	-7	30
Retained earnings including net profit for the year	2,557	2,498	2,292
Total equity	3,033	2,915	2,746
Non-current liabilities			
Bond issue ³⁾	1,287	1,281	1,005
Interest-bearing liabilities ⁴⁾	240	282	237
Lease liabilities ⁴⁾	2,015	-	-
Other liabilities and provisions ³⁾	2,216	2,083	2,116
	5,758	3,646	3,358
Current liabilities			
Interest-bearing liabilities ⁴⁾	809	776	715
Lease liabilities ⁴⁾	417	-	-
Other liabilities and provisions	4,652	4,734	4,077
	5,878	5,510	4,792
TOTAL EQUITY AND LIABILITIES	14,669	12,071	10,896
Assets			
¹⁾ Of which interest-bearing	420	441	429
²⁾ Interest-bearing	486	314	151
Liabilities			
³⁾ Of which interest-bearing	1,300	1,300	1,000
⁴⁾ Interest-bearing	3,481	1,058	952

¹⁾ IFRS 16 Leases was introduced on 1 January 2019. Bilia has used a modified retroactive method, which means that figures for 2018 are not restated. See Note 1 and Definitions and performance measures.

Statement of Changes in Group Equity, Summary

SEK M	30 September 2019 ¹⁾	31 December 2018	30 September 2018
Opening balance	2,915	2,620	2,620
Cash dividend to shareholders	-483	-456	-456
Incentive programme	1	1	0
Revaluation of put option	-4	-15	-6
Comprehensive income for the year	604	765	588
Equity at end of period	3,033	2,915	2,746

¹⁾ IFRS 16 Leases was introduced on 1 January 2019. Bilia has used a modified retroactive method, which means that figures for 2018 are not restated. See Note 1 and Definitions and performance measures.

Consolidated Statement of Cash Flows

SEK M	Third quarter		Nine months		Oct. 18 - Sept. 19 ¹⁾	Full year 2018
	2019	2018	2019 ¹⁾	2018		
Operating activities						
Profit before tax	237	197	680	655	947	922
Depreciation and impairment losses	289	167	859	498	1,104	743
Other items not affecting cash	-30	-28	19	-43	23	-39
Tax paid	-48	-34	-240	-140	-280	-180
Change in inventories	-6	143	422	171	-191	-442
Change in operating receivables	140	475	50	173	5	128
Change in operating liabilities	-22	-740	-202	-457	250	-5
Kassaflöde från den löpande verksamheten	560	180	1,588	857	1,858	1,127
Investing activities						
Acquisition of non-current assets (intangible and tangible)	-54	-43	-172	-180	-263	-271
Disposal of non-current assets (intangible and tangible)	27	34	40	34	40	34
Acquisition of leased vehicles	-171	-280	-1,163	-1,166	-1,444	-1,447
Disposal of leased vehicles	111	249	859	918	1,040	1,099
Acquisition of right-of-use assets	-14	0	-18	0	-18	0
Disposal of right-of-use assets	1	0	5	0	5	0
<i>Operating cash flow</i>	<i>460</i>	<i>140</i>	<i>1,139</i>	<i>463</i>	<i>1,218</i>	<i>542</i>
Investment in financial assets	-1	-1	-4	-2	-5	-3
Disposal of financial assets	0	1	2	2	2	2
Acquisition of subsidiary/operation, net	0	0	-67	-51	-350	-334
Disposal of subsidiary/operation, net	0	0	0	0	0	0
Cash flow from investing activities	-101	-40	-518	-445	-993	-920
Cash flow after net investments	459	140	1,070	412	865	207
Financing activities						
Borrowings	147	275	1,117	2,958	1,541	3,382
Repayment of loans	-268	-397	-1,168	-2,919	-1,202	-2,953
Repayment of lease liabilities	-16	-16	-47	-45	-62	-60
Lease liabilities entered IFRS 16	14	0	18	0	18	0
Repayment of lease liabilities IFRS 16	-98	0	-343	0	-343	0
Revaluation of put option	0	1	0	-6	-9	-15
Dividend paid to the company's shareholders	0	0	-483	-456	-483	-456
Cash flow from financing activities	-221	-137	-906	-468	-540	-102
Change in cash and cash equivalents, excl. translation differences	238	3	164	-56	325	105
Exchange difference in cash and cash equivalents	2	-1	7	5	9	7
Change in cash and cash equivalents	240	2	171	-51	334	112
Cash and cash equivalents at start of period	245	149	314	202	151	202
Cash and cash equivalents at end of period	485	151	485	151	485	314

¹⁾ IFRS 16 Leases was introduced on 1 January 2019. Bilia has used a modified retroactive method, which means that figures for 2018 are not restated. See Note 1 and Definitions and performance measures.

Additional disclosures - Group

Note 1 Accounting principles

This interim report has been prepared in accordance with International Financial Accounting Standards (IFRSs) IAS 34 and applicable provisions of the Annual Accounts Act. The interim report for the Parent Company has been prepared in accordance with Chapter 9 of the Annual Accounts Act, "Interim Reports". The same accounting policies and calculation methods have been applied for the Group and the Parent Company as in the most recent annual report.

New accounting policies from 1 January 2019

On 1 January 2019, IFRS 16 Leases replaced existing IFRS relating to accounting of leases. The standard removes the division of leases into operating and finance leases for the lessee, as was required by IAS 17, and instead introduces a common model for reporting all leases. According to this model the lessee must report a) assets and liabilities for all leases running for more than 12 months, with the exception of low-value assets, b) depreciation of leased assets separately from the interest expense of leases in the result.

In the transition to IFRS 16 on 1 January 2019 Bilia has used a modified retroactive method, which means that figures for 2018 are not restated. The leasing liability was the total of the present value of all future lease fees until the lease comes to an end. The simplification rule that the right-of-use asset (before adjustments for any advance payments) should correspond to the lease liability has been applied in the transition. The discount rate was Bilia's marginal borrowing rate with regard to the duration of the lease. The simplification rule for definition of a lease has been applied, which means that all components in a lease have been regarded as a lease component. The exceptions for not reporting short-term leases and assets of low value has also been applied.

The estimated opening balance of the lease liability and the right-of-use asset amounted to SEK 2,793 M for existing leases. The largest class of asset for leases was properties, such as the centres where Bilia conducts its business. Bilia's reported profit, financial position and cash flow in the first nine months of 2019 were affected by the introduction of IFRS 16 Leases as described below.

Consolidated statement of income and other comprehensive income, summary

MSEK	Excluding IFRS 16	IFRS 16	Including IFRS 16
	First nine months 2019	IFRS 16	First nine months 2019
Net turnover	21,105	-	21,105
Gross profit	3,503	12	3,515
Other operating income	14	-	14
Selling and administrative expenses	-2,781	19	-2,762
Other operating expenses	-12	-	-12
Operating profit	724	31	755
Net financial items	-16	-59	-75
Profit before tax	708	-28	680
Deferred tax	26	6	32
Tax	-167	-	-167
Net profit for the period	567	-22	545
Translation differences attributable to foreign operations	59	0	59
Comprehensive income for the period	626	-22	604
Total amortisation/depreciation	-518	-341	-859

Consolidated statement of financial position, summary

MSEK	Excluding IFRS 16	IFRS 16	Including IFRS 16
	30 September 2019	IFRS 16	30 September 2019
Assets			
Intangible assets	1,547	-	1,547
Right-of-use assets	-	2,511	2,511
Other property, plant and equipment	4,506	-	4,506
Long-term investments	431	-	431
Deferred tax assets	91	6	97
Total non-current assets	6,575	2,517	9,092
Total current assets	5,675	-98	5,577
TOTAL ASSETS	12,250	2,419	14,669
Equity and liabilities			
Total equity	3,055	-22	3,033
Bond issue	1,287	-	1,287
Interest-bearing liabilities	240	2,015	2,255
Other liabilities and provisions	2,216	-	2,216
Total non-current liabilities	3,743	2,015	5,758
Interest-bearing liabilities	809	417	1,226
Other liabilities and provisions	4,643	9	4,652
Total current liabilities	5,452	426	5,878
TOTAL EQUITY AND LIABILITIES	12,250	2,419	14,669

Consolidated statement of cash flows, summary

MSEK	Excluding IFRS 16	Including IFRS 16	
	First nine months 2019	IFRS 16	First nine months 2019
Profit before tax	708	-28	680
Depreciation and impairment losses	518	341	859
Other items not affecting cash	19	-	19
Tax paid	-240	-	-240
Change in inventories and in operating receivables/liabilities	245	25	270
Cash flow from operating activities	1,250	338	1,588
Acquisition/disposal of non-current assets	-436	-13	-449
<i>Operating cash flow</i>	<i>814</i>	<i>325</i>	<i>1,139</i>
Investment in/disposal of financial assets	-2	-	-2
Acquisition/disposal of subsidiary/operation, net	-67	-	-67
Cash flow from investing activities	-505	-13	-518
Cash flow after net investments	745	325	1,070
Borrowings	1,117	18	1,135
Repayment of loans	-1,215	-343	-1,558
Dividend paid to the company's shareholders	-483	-	-483
Cash flow from financing activities	-581	-325	-906
Change in cash and cash equivalents	164	0	164

Disclosures in accordance with IAS 34, paragraph 16, are made not only in the financial statements and related notes, but also in other parts of this interim report.

Note 2 Fair value of financial instruments

Derivative instruments such as interest rate swaps and forward exchange contracts are used to manage Bilia's interest rate risk. They should only be used to meet the requirements on minimising risk in a cost-effective manner as prescribed by the finance policy. The carrying amount of financial instruments is a reasonable approximation of fair value.

Fair value is determined on the basis of the following three levels:

Level 1: according to prices quoted on an active market for the same instrument.

Level 2: based on directly or indirectly observable market inputs other than those included in level 1.

Level 3: according to inputs not based on observable market data.

Currency derivatives are recognised as financial assets and liabilities and are measured at fair value in accordance with Level 2. The value of the currency derivatives is not material and does not constitute a significant item in the Consolidated Statement of Financial Position. Measurement of the currency derivatives at fair value has resulted in a cost of SEK 0.1 M that is matched by a revenue stemming from revaluation of assets in foreign currencies. The effect on the Group's profit is SEK 0 M.

Calculation of fair value

The fair value of currency derivatives is determined on the basis of market rates. If such rates are not available, the fair value is calculated by discounting the difference between the contracted forward rate and the forward rate that can be obtained on the balance sheet date for the remaining contract period.

Note 3 Revenues and costs that affect comparability

“Gain from sale of property” relate to a facility in Sweden which has been used in the Car Business and the Service Business. Structural costs during 2019 relate to expenses for relocation of operations in Sweden and expenses for reducing employees. “Structural costs” during 2018 primarily relate to expenses for reducing employees. “Acquisition-related costs and value adjustments” pertain to costs for the acquisition of operations.

SEK M	Third quarter		Nine months		Oct. 18 - Sept. 19	Full year 2018
	2019	2018	2019	2018		
The Group						
Operational earnings	280	221	824	738	1,120	1,034
- Gain from sale of property	8	0	8	0	8	0
- Structural costs etc.	0	0	-4	-8	-4	-8
- Acquisition-related costs and value adjustments	0	0	-2	-2	-6	-6
- Amortisation of surplus values	-24	-20	-71	-57	-91	-77
Operating profit	264	201	755	671	1,027	943

SEK M	Third quarter		Nine months		Oct. 18 - Sept. 19	Full year 2018
	2019	2018	2019	2018		
The Group						
Operational earnings, excluding IFRS 16	270	221	793	738	1,089	1,034
- Gain from sale of property	8	0	8	0	8	0
- Structural costs etc.	0	0	-4	-8	-4	-8
- Acquisition-related costs and value adjustments	0	0	-2	-2	-6	-6
- Amortisation of surplus values	-24	-20	-71	-57	-91	-77
Operating profit, excluding IFRS 16	254	201	724	671	996	943

Note 4 Group's operating segments

30 September 2019

SEK M	Service	Car	Fuel	Total	Segment reconciliation	Group
Net turnover						
External sales	3,979	16,101	1,007	21,087	18	21,105
Internal sales	1,045			1,045	-1,045	-
Total net turnover	5,024	16,101	1,007	22,132	-1,027	21,105
Depreciation/amortisation	-282	-530	-4	-816	-43	-859
Operational earnings/Operating profit/loss	630	212	23	865	-110	755
Interest income						13
Interest expenses						-116
Shares in profits of associated companies		28		28		28
Profit before tax						680
Tax expense for the period						-135
Net profit for the period						545
Revenue and costs that affect comparability:						
- Profit from sale of property	4	4		8		8
- Structural costs etc.	-2	-2		-4		-4
- Acquisition-related costs and value adjustments	-1	-1		-2		-2
- Amortisation of surplus values	-36	-35		-71		-71
Total	-35	-34	-	-69	-	-69
Assets						
Interests in associated companies		420		420		420
Deferred tax assets						97
Other assets						14,152
Total assets						14,669
Investments in non-current assets	54	1,198	3	1,255	80	1,335
Liabilities						
Equity						3,033
Liabilities						11,636
Total liabilities and equity						14,669

SEK M	Service			Car		
	Sweden	Norway	Western Europe	Sweden	Norway	Western Europe
Turnover						
External sales	2,511	952	516	9,184	4,389	2,528
Internal sales	656	326	63			
Total turnover	3,167	1,278	579	9,184	4,389	2,528
Depreciation/amortisation	-163	-74	-45	-407	-82	-41
Operational earnings	436	145	49	171	43	-2
Shares in profits of associated companies				28		
Revenue and costs that affect comparability:						
- Profit from sale of property	4			4		
- Structural costs etc.	-2			-2		
- Acquisition-related costs and value adjustments	-1					-1
- Amortisation of surplus values	-9	-9	-18	-9	-9	-17
Total	-8	-9	-18	-7	-9	-18
Interests in associated companies				420		
Investments in non-current assets	20	28	6	958	225	15

SEK M	Revenues from customers	Non-current assets
Geographical segments		
Sweden	12,715	6,956
Norway	5,346	2,219
Germany	949	136
Luxembourg	977	636
Belgium	1,118	652
Segment reconciliation	0	-1,604
Total	21,105	8,995

30 September 2018

SEK M	Service	Car	Fuel	Total	Segment reconciliation	Group
Net turnover						
External sales	3,691	16,750	970	21,411	15	21,426
Internal sales	972			972	-972	-
Total net turnover	4,663	16,750	970	22,383	-957	21,426
Depreciation/amortisation	-84	-379	-3	-466	-32	-498
Operational earnings/Operating profit/loss	515	229	25	769	-98	671
Interest income						2
Interest expenses						-47
Shares in profits of associated companies		29		29		29
Profit before tax						655
Tax expense for the period						-135
Net profit for the period						520
Revenue and costs that affect comparability:						
- Profit from sale of property	0	0		0		0
- Structural costs etc.	-4	-4		-8		-8
- Acquisition-related costs and value adjustments	-1	-1		-2		-2
- Amortisation of surplus values	-29	-28		-57		-57
Total	-34	-33	-	-67	-	-67
Assets						
Interests in associated companies		429		429		429
Deferred tax assets						73
Other assets						10,394
Total assets						10,896
Investments in non-current assets	62	1,211	4	1,277	69	1,346
Liabilities						
Equity						2,746
Liabilities						8,150
Total liabilities and equity						10,896

SEK M	Service			Car		
	Sweden	Norway	Western Europe	Sweden	Norway	Western Europe
Turnover						
External sales	2,423	849	419	10,107	4,722	1,921
Internal sales	586	334	52			
Total turnover	3,009	1,183	471	10,107	4,722	1,921
Depreciation/amortisation	-49	-15	-20	-330	-29	-20
Operational earnings	346	122	47	185	61	-17
Shares in profits of associated companies				29		
Revenue and costs that affect comparability:						
- Profit from sale of property						
- Structural costs etc.	-2	-1	-1	-2	0	-2
- Acquisition-related costs and value adjustments	-1	0			-1	
- Amortisation of surplus values	-9	-7	-13	-9	-7	-12
Total	-12	-8	-14	-11	-8	-14
Interests in associated companies				429		
Investments in non-current assets	45	13	4	931	267	13

SEK M	Revenues from customers	Non-current assets
Geographical segments		
Sweden	13,510	5,476
Norway	5,576	1,062
Germany	800	80
Luxembourg	936	615
Belgium	604	269
Segment reconciliation	0	-1,593
Total	21,426	5,909

Note 5 Acquisitions

On 1 April 2019 Bilia acquired Jensen & Scheele Bil AS, a Volvo dealer in Norway. Operations are run from three facilities in Halden, Østfold south of Oslo, and comprise a complete Volvo facility, a bodyshop and a facility for sales of used cars including a service workshop. The business has an annual turnover of about SEK 370 M, with an operating margin of about 3.5 per cent per year. The purchase consideration was SEK 50 M. The entire purchase consideration was paid in cash.

The acquisition brings Bilia further facilities in an attractive area, from which the company will offer customers high-quality service. The expertise and experience of the operation will help to further strengthen and develop Bilia in Norway.

The operation has about 55 employees and will continue to be conducted from the present-day facilities.

Acquisition-related expenses amounting to SEK 0.8 M consist of fees to consultants for due diligence and have been recognized as "Other operating expenses".

Effects of the acquisition

The acquisition has the following effect on the Group's assets and liabilities.

Acquiree's preliminary net assets at the acquisition date:

SEK M	Jensen & Scheele Bil AS
Intangible assets	46
Property, plant and equipment	165
Long-term investments	0
Deferred tax asset	1
Inventories	52
Trade receivables and other receivables	14
Cash and cash equivalents	2
Interest-bearing liabilities	22
Trade payables and other liabilities	199
Deferred tax liability	9
Net identifiable assets and liabilities	50
Consolidated goodwill	-
Net identifiable assets and liabilities, including goodwill	50
Purchase consideration paid	50
Less: Cash and cash equivalents in acquired operation	-2
Net effect on cash and cash equivalents	48

Acquired customer relations totalling SEK 46 M are recognised as intangible assets. These customer relations will be amortised over 10 years.

The acquisition of an authorised service business in Furubakken, Norway in 2019 did not have a material effect on the Group, which is why the acquisition analysis was not reported.

Note 6 Specification of interest-bearing net debt/receivable and EBITDA

Specification of interest-bearing net debt/receivable

SEK M	30 September 2019	31 December 2018	30 September 2018
Current interest-bearing liabilities	809	776	715
Non-current interest-bearing liabilities	1,540	1,582	1,237
Lease liabilities IFRS 16	2,432	-	-
Cash and cash equivalents	-485	-314	-151
Interest-bearing assets	-1	-	-
Interests in associated companies	-420	-441	-429
Net debt(+)/receivable(-) at end of period/year	3,875	1,603	1,372
Net debt(+)/receivable(-) at end of period/year, excluding IFRS 16	1,443	1,603	1,372

The ratio of net debt to EBITDA

SEK M	30 September 2019	31 December 2018	30 September 2018
Operational earnings	824	1,034	738
Operational earnings, excluding IFRS 16	793	1,034	738
Total depreciation/amortisation	859	678	498
-amortisation of surplus values	-71	-77	-57
-depreciation of right-of-use assets	-341	-	-
-depreciation of leased vehicles with repurchase agreements	-256	-366	-270
Depreciation/amortisation added back	532	235	171
Depreciation/amortisation added back, excluding IFRS 16	191	235	171
EBITDA	1,356	1,269	909
EBITDA, excluding IFRS 16	984	1,269	909
The ratio of net debt to EBITDA rolling 12 months, times	2.3	1.3	1.1
The ratio of net debt to EBITDA rolling 12 months, times, excluding IFRS 16	1.1	1.3	1.1

Accounts - Parent Company

Income Statement for Parent Company

SEK M	Third quarter		Nine months		Oct. 18 - Sept. 19	Full year 2018
	2019	2018	2019	2018		
Net turnover	129	125	389	361	513	485
Administrative expenses	-141	-132	-440	-405	-590	-555
Operating loss¹⁾	-12	-7	-51	-44	-77	-70
<i>Result from financial items</i>						
Income from interests in Group companies	0	0	128	69	116	57
Interest income from Group companies	12	10	42	37	51	46
Other interest income and similar line items	0	-1	11	0	11	0
Interest expenses to Group companies	0	0	0	0	0	0
Interest expenses and similar line items	-10	-8	-33	-25	-41	-33
Loss after financial items	-10	-6	97	37	60	0
Appropriations	0	0	0	0	573	573
Profit before tax	-10	-6	97	37	633	573
Tax	0	2	5	0	-107	-112
Net profit for the year	-10	-4	102	37	526	461
¹⁾ Straight-line amortisation/depreciation by asset class:						
- Intellectual property	0	0	0	0	-1	-1
- Buildings	-5	-2	-11	-7	-14	-10
- Equipment, tools, fixtures and fittings	-1	0	-1	0	-1	0
Total	-6	-2	-12	-7	-16	-11

Balance Sheet for Parent Company, Summary

SEK M	30 September 2019	31 December 2018	30 September 2018
Assets			
Non-current assets			
Intangible assets			
Intellectual property	0	0	1
	0	0	1
Property, plant and equipment			
Buildings	115	76	75
Construction in progress	87	82	63
Equipment, tools, fixtures and fittings	3	3	2
	205	161	140
Long-term investments			
Interests in Group companies	1,328	1,328	1,328
Other securities held as non-current assets	1	1	1
Deferred tax asset	49	45	44
	1,378	1,374	1,373
Total non-current assets	1,583	1,535	1,514
Current assets			
Current receivables			
Receivables from Group companies	446	1,922	19
Other receivables	194	99	162
Cash on hand and demand deposits	926	82	996
	1,566	2,103	1,177
TOTAL ASSETS	3,149	3,638	2,691
Equity and liabilities			
Equity			
Restricted equity			
Share capital	257	257	257
Statutory reserve	47	47	47
	304	304	304
Non-restricted equity			
Share premium reserve	167	167	167
Retained earnings including net profit for the year	432	809	385
	599	976	552
Total equity	903	1,280	856
Untaxed reserves	727	727	622
Provisions			
Deferred tax liability	5	5	5
	5	5	5
Non-current liabilities			
Bond issue	1,287	1,281	1,005
Other liabilities	5	5	5
	1,292	1,286	1,010
Current liabilities			
Liabilities to credit institutes	-	42	-
Liabilities to Group companies	1	63	9
Other liabilities	221	235	189
	222	340	198
TOTAL EQUITY AND LIABILITIES	3,149	3,638	2,691

Quarterly review - 8 quarters

The Group

	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019
Continuing operations								
Net turnover, SEK M	7,186	6,978	8,329	6,119	6,956	6,874	7,426	6,805
Operational earnings, SEK M	278	218	299	221	296	238	306	280
Operational margin, %	3.9	3.1	3.6	3.6	4.3	3.5	4.1	4.1
Operating profit, SEK M	258	196	274	201	272	211	280	264
Operating margin, %	3.6	2.8	3.3	3.3	3.9	3.1	3.8	3.9
Profit before tax, SEK M	252	188	270	197	267	192	251	237
The ratio of net debt to EBITDA, times ¹⁾	1.0	1.3	1.2	1.1	1.3	2.9	2.8	2.3
The Bilias Group								
Profit/loss for the period, SEK M	184	146	216	158	214	154	203	188
Return on capital employed, % ¹⁾	23.4	21.0	20.9	21.1	20.5	18.3	16.6	16.0
Return on equity, % ¹⁾	27.0	25.2	26.6	26.6	26.5	26.1	25.7	25.9
Equity/assets ratio, %	24	25	22	25	24	21	19	21
Data per share (SEK) ²⁾								
Earnings/loss for the period	1.80 ³⁾	1.45	2.15	1.55	2.10	1.50	2.05	1.85
Equity	26	28	26	27	29	31	28	30

¹⁾ Rolling 12 months.

²⁾ Based on number of shares outstanding, 100,950,952.

³⁾ Based on weighted average number of shares outstanding during fourth quarter, 101,221,876.

Business area – Service Business

	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019
Turnover, SEK M	1,695	1,561	1,697	1,405	1,790	1,704	1,750	1,570
Operational earnings, SEK M	235	169	209	137	251	218	217	195
Margin, %	13.9	10.8	12.3	9.8	14.0	12.8	12.4	12.4
Adjusted turnover, growth in %	7.1	3.1	8.2	2.1	4.3	6.4	2.0	7.1

Business area – Car Business

	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019
Turnover, SEK M	5,575	5,463	6,632	4,655	5,238	5,214	5,654	5,233
Operational earnings, SEK M	62	46	102	81	75	24	102	86
Margin, %	1.1	0.9	1.5	1.7	1.4	0.5	1.8	1.6
New cars delivered, number	13,317	12,388	15,886	9,672	12,378	11,336	13,078	9,858
Order backlog of new cars, number ¹⁾	11,246	12,560	8,324	9,880	9,646	12,385	11,579	13,083
Used cars delivered, number	11,486	11,904	12,698	12,358	11,153	11,956	12,906	12,965

¹⁾ Figures published Q4 17 - Q1 18 for Western Europe have been corrected.

Business area – Fuel Business

	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019
Turnover, SEK M	293	289	342	339	327	307	362	338
Operational earnings, SEK M	7	14	6	5	5	11	6	6
Margin, %	2.3	4.8	1.8	1.5	1.4	3.6	1.5	1.9

Quarterly review - 8 quarters, excluding IFRS 16

The Group

	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019
Continuing operations								
Net turnover, SEK M	7,186	6,978	8,329	6,119	6,956	6,874	7,426	6,805
Operational earnings, SEK M	278	218	299	221	296	227	296	270
Operational margin, %	3.9	3.1	3.6	3.6	4.3	3.3	4.0	4.0
Operating profit, SEK M	258	196	274	201	272	200	270	254
Operating margin, %	3.6	2.8	3.3	3.3	3.9	2.9	3.6	3.7
Profit before tax, SEK M	252	188	270	197	267	200	261	247
The ratio of net debt to EBITDA, times ¹⁾	1.0	1.3	1.2	1.1	1.3	1.1	1.4	1.1
The Bilias Group								
Profit/loss for the period, SEK M	184	146	216	158	214	161	210	196
Return on capital employed, % ¹⁾	23.4	21.0	20.9	21.1	20.5	20.0	19.6	20.0
Return on equity, % ¹⁾	27.0	25.2	26.6	26.6	26.5	26.4	26.1	26.6
Equity/assets ratio, %	24	25	22	25	24	25	23	25
Data per share (SEK) ²⁾								
Earnings/loss for the period	1.80 ³⁾	1.45	2.15	1.55	2.10	1.50	2.05	1.85
Equity	26	28	26	27	29	31	28	30

¹⁾ Rolling 12 months.

²⁾ Based on number of shares outstanding, 100,950,952.

³⁾ Based on weighted average number of shares outstanding during fourth quarter, 101,221,876.

Business area – Service Business, excluding IFRS 16

	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019
Turnover, SEK M	1,695	1,561	1,697	1,405	1,790	1,704	1,750	1,570
Operational earnings, SEK M	235	169	209	137	251	212	211	189
Margin, %	13.9	10.8	12.3	9.8	14.0	12.4	12.1	12.0
Adjusted turnover, growth in %	7.1	3.1	8.2	2.1	4.3	6.4	2.0	7.1

Business area – Car Business, including IFRS 16

	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019
Turnover, SEK M	5,575	5,463	6,632	4,655	5,238	5,214	5,654	5,233
Operational earnings, SEK M	62	46	102	81	75	20	97	82
Margin, %	1.1	0.9	1.5	1.7	1.4	0.4	1.7	1.6
New cars delivered, number	13,317	12,388	15,886	9,672	12,378	11,336	13,078	9,858
Order backlog of new cars, number ¹⁾	11,246	12,560	8,324	9,880	9,646	12,385	11,579	13,083
Used cars delivered, number	11,486	11,904	12,698	12,358	11,153	11,956	12,906	12,965

¹⁾ Figures published Q4 17 - Q1 18 for Western Europe have been corrected.

Definitions and performance measures

Bilia applies guidelines from ESMA (European Securities and Markets Authority) concerning alternative performance measures (APMs). Even though these performance measures are not defined or specified by IFRSs, Bilia believes that they provide valuable information to investors and Bilia's management as a complement to IFRSs for assessing Bilia's performance.

Return on equity Net profit for the year in relation to average equity.

Return on capital employed Operating profit plus interest expense included in the business and financial income in relation to average capital employed.

Amortisation of surplus values Occurs in connection with acquisitions of operations and is recognised under intangible assets. Normally these surplus values are amortised over a 10-year period.

EBITDA Operational earnings plus total depreciation/amortisation less amortisation of surplus values and depreciation of leased vehicles with repurchase agreements.

Acquisition-related costs and value adjustments Pertains to costs for legal consultants and other external costs associated directly with an acquisition, and value adjustments regarding acquired inventory assets, which are depreciated over the turnover rate of the asset.

IFRS 16 A new reporting standard from 1 January 2019 means that future leased assets are reported as right-of-use assets and financial liabilities in the consolidated statement of financial position. The lease payments for the leased assets are divided into planned depreciation, interest expenses and repayments.

Adjusted turnover Net turnover is adjusted for operations that have been acquired or disposed of during one of the periods. Adjustment is also made for exchange rate differences and for calendar effect.

Comparable operations Financial information and number of units that are adjusted for operations that have been acquired or disposed of during one of the periods.

Deliveries Cars that have been physically turned over to the customer and invoiced and are included in reported net turnover.

Liquidity Unutilised credit with Nordea and DNB and cash and cash equivalents.

Net debt Net debt consists of interest-bearing liabilities less cash and cash equivalents, interest-bearing current and long-term receivables, interests in associated companies and leased vehicles, long-term.

The ratio of net debt to EBITDA Net debt in relation to EBITDA.

Operating cash flow Cash flow from operating activities plus investments in and disposals of intangible assets and property, plant and equipment.



Operational margin Operational earnings in relation to net turnover. For the business areas the operational margin is called “Margin”.

Operational earnings Operating profit, excluding revenues and costs that affect comparability between accounting periods and/or operating segments. They include, but are not limited to, acquisition-related expenses, value adjustments, restructurings and amortisation of surplus values. For the business areas operational earnings are the only result measurement.

Order backlog New cars ordered by the customer but not yet delivered.

Gain from sale of operation Difference between purchase consideration and the operation’s consolidated carrying amount, less selling costs.

Operating margin Operating profit in relation to net turnover.

Equity/assets ratio Equity in relation to balance sheet total.

Structural costs Costs that significantly alter the thrust and/or scope of the operation. Examples of structural costs may be costs for reducing the number of employees and costs for vacating a leased facility before the expiration of the lease.

Capital employed Balance sheet total less non-interest-bearing current liabilities and provisions as well as deferred tax liabilities.

Growth Increase or decrease of net turnover in relation to the preceding year.

Underlying values Values that are adjusted for operations that have been acquired or disposed of during one of the periods. Adjustment is made for exchange rate differences, where applicable.

Reconciliation of performance measures can be found at bilial.com/en/finances/#!15623/finances/performance-measures/.



Review report

To the Board of Directors of Bilia AB (publ), Corp. ID no. 556112-5690

Introduction

We have reviewed the interim financial information in summary (the interim report) for Bilia AB (publ) as per 30 September 2019 and the nine-month period that ended on this date. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion regarding this interim financial information based on our review.

Aim and scope of review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different aim and is substantially less in scope than an audit conducted in accordance with Standards on Auditing in Sweden, RS and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information has not, in all material respects, been prepared in accordance with IAS 34 and the Annual Reports Act with regard to the Group and in accordance with the Annual Reports Act with regard to the Parent Company.

Gothenburg, 25 October 2019
KPMG AB

Johan Kratz
Authorised Public Accountant



Additional Bilia disclosures

Press and analyst meeting

On Thursday, 25 October 2019, Bilia is hosting press and analyst meetings where Managing Director and CEO Per Avander and CFO Kristina Franzén will present the interim report and answer questions. There will be a meeting in Swedish at 09:00 AM and a meeting in English at 13:00 PM. These are telephone meetings and the telephone number for phoning in is +46 (0)8 22 90 90, code 674445.

Contact

For further information please contact:

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Calendar

Year-end report for full year 2019: 12 February 2020
Annual General Meeting: 17 April 2020
Interim report January-March 2020: 29 April 2020
Interim report April-June 2020: 29 July 2020
Interim report July-September 2020: 28 October 2020

Prospective information

Prospective information in this report is based on management's expectations at the time of the report. Even if the Board of Directors and management find the expectations to be reasonable, there is no guarantee that these expectations are or will turn out to be correct. Consequently, future outcomes may vary considerably compared with those foreseen in the prospective information due to such circumstances as a changed market situation for the Group's services or more generally changed conditions relating to the economy, markets and competition, changes in legal requirements and other political measures, as well as fluctuations in exchange rates. The company does not undertake to update or correct such prospective information other than what is stipulated by law.

Gothenburg, 25 October 2019
Bilia AB (publ)
Board of Directors and Managing Director

This is information that Bilia AB (publ) is obliged to make public pursuant to the EU's Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, on 25 October 2019, at 08:30 AM CET.



Bilia is one of Europe's largest car dealership chains, with a leading position in servicing and sales of cars and transport vehicles plus supplementary services such as financing and insurance. Bilia has 136 facilities in Sweden, Norway, Germany, Luxembourg and Belgium plus two online auction sites, one in Sweden and one in Norway.

Bilia's Service Business comprises a well-developed range of services and service concepts that are continuously developed to simplify car ownership for the customers. The Service Business comprises workshop services, spare parts, store sales and e-commerce.

Bilia's Car Business comprises sales of both new and used cars and transport vehicles, plus supplementary services such as financing and insurance. Bilia sells cars from Volvo, BMW, Toyota, Renault, Lexus, MINI and Dacia and transport vehicles from Renault, Toyota and Dacia.

Bilia's Fuel Business comprises fuel sales and car washes.



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