



The third quarter of 2018

New record results for a third quarter

The third quarter of 2018

- Net turnover amounted to SEK 6,119 M (6,302), a decrease of 3 per cent.
- Operational earnings amounted to SEK 221 M (200).
- The improved profit was attributable to sales of used cars and the Service Business.
- Profit for the period amounted to SEK 158 M (143) and earnings per share to SEK 1.55 (1.40).
- Operating cash flow amounted to SEK 140 M (116).

The first nine months of 2018

- Net turnover amounted to SEK 21,426 M (20,306), an increase of 6 per cent.
- Operational earnings amounted to SEK 738 M (728).
- Profit for the period amounted to SEK 520 M (507) and earnings per share to SEK 5.15 (4.95).
- Operating cash flow amounted to SEK 463 M (302).

Events after the end of the quarter

- Bilia repurchased SEK 500 M of unsecured bond loans at the same time as issuing SEK 800 M in a new senior unsecured bond loan with variable interest rate and maturity in 2023.

SEK M	Third quarter		Nine months		Oct. 17 - Sept. 18	Full year 2017
	2018	2017	2018	2017		
The Group						
Net turnover	6,119	6,302	21,426	20,306	28,612	27,492
Operational earnings ¹⁾	221	200	738	728	1,016	1,006
Operational margin, %	3.6	3.2	3.4	3.6	3.6	3.7
Operating profit	201	181	671	665	929	923
Operating margin, %	3.3	2.9	3.1	3.3	3.2	3.4
Profit before tax	197	176	655	644	907	896
Net profit for the period/year	158	143	520	507	704	691
Earnings per share, SEK ²⁾	1.55	1.40	5.15	4.95	6.95	6.75

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

²⁾ 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

Strong profit from used cars in the Car Business
Continued growth for the Service Business



Results for the third quarter

Our reported operational earnings of SEK 221 M are the highest ever for a third quarter. Profit from the Car Business was positively impacted by higher demand for used cars and the profit from the sales of used cars was SEK 26 M higher compared with last year. The demand for service continued to grow compared with last year and the Service Business reported growth of approximately 2 per cent adjusted for comparable activities and working days. Operational earnings for the Service Business improved by SEK 9 M or 7 per cent compared with last year. Deliveries of new cars were significantly fewer compared with last year. The order backlog, however, increased during the third quarter.

Investment in used cars under the name Netbil

Used cars make up almost half the number of cars we sell in our Car Business. We are now investing in expanding our offer in the used car market with more brands and a wider assortment of model years, which will generate further growth in our Service Business through service subscriptions and tyre hotels. Investments in Sweden will take place under the company name Netbil, which was started in 2005 and now sells used cars through online car auctions. Our goal is to sell around 25,000 used cars through Netbil within a period of five years. We will therefore be opening seven new facilities close to the larger towns in Sweden and Norway.

Discussion of business models for sales of new cars

Today's business model for selling new cars is currently being debated and discussed within the industry. Recommendations from some include replacing the current model with a digitised sales channel in future, where dealerships are no longer required. My view is that the business model will develop over time, but a personal meeting and sales experience will also continue to be crucial for a good customer experience, which in turn is crucial for customer loyalty. We are working very closely with our brands during these discussions, and are convinced that we will find models that contribute to continued development and loyal customers for everyone.

Continued growth in customer service subscriptions

At the end of the third quarter, we had approximately 103,000 customers with service subscriptions for new and used cars. The service subscription offers our customers an easy and comfortable existence at a favourable price and allows us to offer customers further services for their car's needs. Our goal is to achieve 130,000 service subscriptions within three years. Furthermore, at the end of the third quarter, we stored almost 292,000 tyres on behalf of our customers at our 78 tyre hotels in Sweden and Norway. Our goal is to store 350,000 tyres on behalf of our customers within three years.

Per Avander, Managing Director and CEO

Group results

Net turnover and earnings

The third quarter of 2018

Net turnover amounted to SEK 6,119 M (6,302). For comparable operations and adjusted for currency exchange rates, net turnover decreased by just under 7 per cent.

Operating profit amounted to SEK 201 M (181). Adjusted for revenues and costs affecting comparability, **operational earnings** amounted to SEK 221 M (200) with an operational margin of 3.6 per cent (3.2). The Service Business reported a profit that was higher than last year, mainly attributable to underlying growth of approximately 2 per cent. The Car Business reported a profit that was higher than last year, attributable to sales of used cars.

The Group's underlying overheads increased by approximately 3 per cent on last year. Overheads amounted to 13.3 per cent of net turnover, which was 1.3 percentage points higher than last year. As a result of the profit level and customer satisfaction during the quarter, a provision totalling SEK 3 M (4) was made for employee bonuses in Sweden.

The operation in Sweden reported a profit of SEK 166 M (154) with a margin of 4.3 per cent (3.9). Profit in the Norwegian operation totalled SEK 52 M (51) with a margin of 3.2 per cent (3.1). The operation in Western Europe reported a profit of SEK 5 M (4) with a margin of 0.9 per cent (0.5). The car market in Germany remained challenging in terms of profitability. The operating loss for the Parent Company in the third quarter amounted to SEK -7 M (-12).

Profit for the period amounted to SEK 158 M (143) and earnings per share to SEK 1.55 (1.40). Exchange rate fluctuations did not have a material impact on profit.

The number of employees decreased by 62 persons during the quarter and amounted to 4,742 persons.

The first nine months of 2018

Net turnover amounted to SEK 21,426 M (20,306). Adjusted for comparable operations and exchange rate fluctuations, net turnover increased by approximately 3 per cent.

Operating profit amounted to SEK 671 M (665). Adjusted for revenues and costs affecting comparability, **operational earnings** amounted to SEK 738 M (728) with an operating margin of 3.4 per cent (3.6). The Service Business reported a profit that was higher than last year, mainly attributable to higher turnover. The Car Business reported a profit that was lower than last year, attributable to sales of both new and used cars.

The Group's underlying overheads increased by approximately 5 per cent on last year. Overheads amounted to 12.4 per cent in relation to net turnover, which was 0.3 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 14 M (17) was made for employee bonuses in Sweden.

The operation in Sweden reported a profit of SEK 556 M (560) and a margin of 4.1 per cent (4.4). Profit in the Norwegian operation totalled SEK 183 M (176) with a margin of 3.3 per cent (3.3). The operation in Western Europe reported a profit of SEK 30 M (29) with a margin of 1.3 per cent (1.3). The car market in Germany remained challenging in terms of profitability. The operating loss for the parent company in the first nine months amounted to SEK -44 M (-44).

Profit for the period amounted to SEK 520 M (507) and earnings per share to SEK 5.15 (4.95). Exchange rate fluctuations did not have a material impact on profit.

The number of employees increased by 34 persons during the first nine months of the year and amounted to 4,742 persons. Adjusted for acquired operations, the number of employees increased by 4 persons.

Net turnover by geographic market

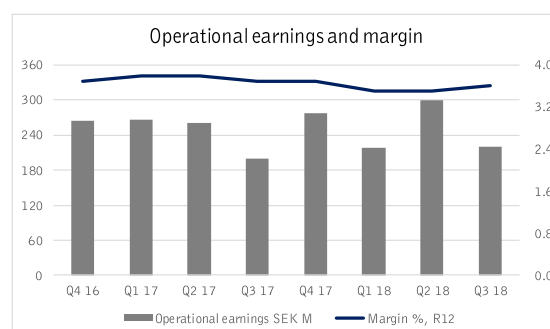
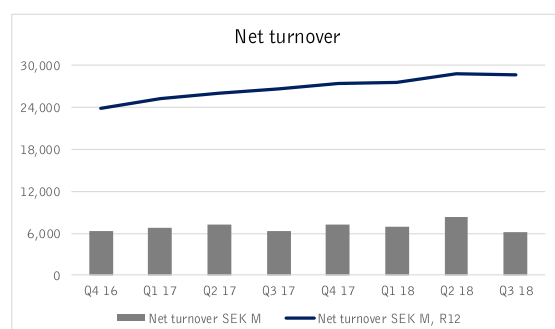
SEK M	Third quarter		Nine months		Oct. 17 - Sept. 18	Full year 2017
	2018	2017	2018	2017		
Sweden	3,832	3,972	13,495	12,812	17,918	17,235
Norway	1,599	1,680	5,576	5,273	7,627	7,324
Western Europe	683	649	2,340	2,215	3,048	2,923
Parent Company, other	5	1	15	6	19	10
Total	6,119	6,302	21,426	20,306	28,612	27,492

Operational earnings by geographic market

SEK M	Third quarter		Nine months		Oct. 17 - Sept. 18	Full year 2017
	2018	2017	2018	2017		
Sweden	166	154	556	560	769	773
Norway	52	51	183	176	250	243
Western Europe	5	4	30	29	54	53
Parent Company, other	-2	-9	-31	-37	-57	-63
Total	221	200	738	728	1,016	1,006

Margin by geographic market

Per cent	Third quarter		Nine months		Oct. 17 - Sept. 18	Full year 2017
	2018	2017	2018	2017		
Sweden	4.3	3.9	4.1	4.4	4.3	4.5
Norway	3.2	3.1	3.3	3.3	3.3	3.3
Western Europe	0.9	0.5	1.3	1.3	1.8	1.8
Parent Company, other	-	-	-	-	-	-
Total	3.6	3.2	3.4	3.6	3.6	3.7



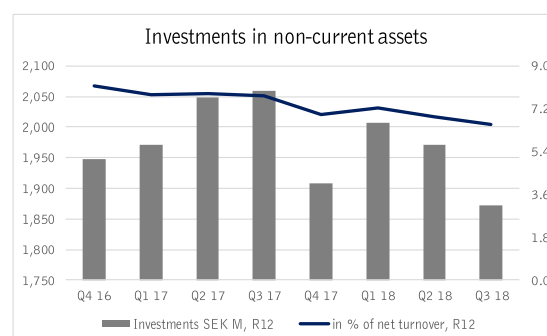
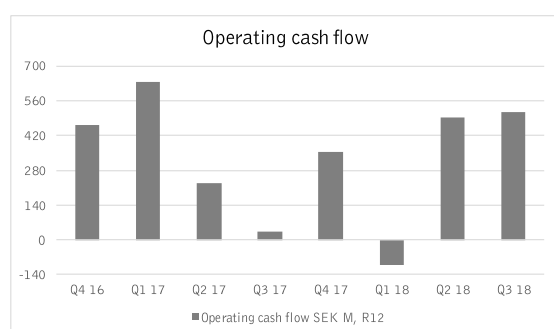
Net financial items and tax

Net financial items for the third quarter amounted to SEK -4 M (-5).

Tax for the third quarter amounted to SEK -39 M (-33), and the effective tax rate was 20 per cent (19).

Operating cash flow

Operating cash flow for the third quarter totalled SEK 140 M (116). After acquisitions and disposals of operations and changes in financial assets, cash flow amounted to SEK 140 M (116).



Financial position

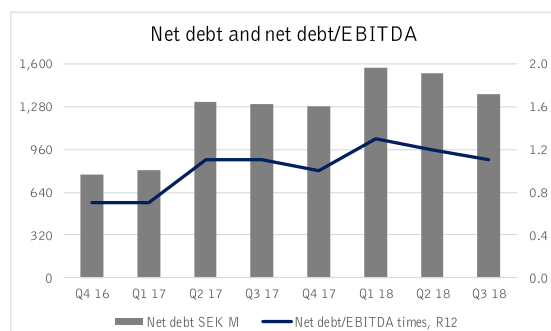
The **total assets** decreased by SEK 62 M during the first nine months and amounted to SEK 10,896 M.

Equity increased by 126 M during the first nine months of the year and amounted to SEK 2,746 M. A dividend of SEK 456 M was paid to the shareholders.

The **equity/assets ratio** amounted to 25 per cent (24).

Net debt increased by SEK 90 M during the first nine months and amounted to SEK 1,372 M. A dividend of SEK 456 M was paid to the shareholders in April 2018.

The ratio of net debt to EBITDA was 1.1 times compared with 1.0 times on 31 December 2017 and 1.1 times the previous year.



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

Investments

Acquisitions of non-current assets during the third quarter amounted to SEK 43 M (51) excluding lease vehicles and SEK 323 M (423) including lease vehicles. Replacement investments represented SEK 2 M (17), expansion investments SEK 18 M (11), environmental investments SEK 0 M (1), investments in new construction and additions to properties SEK 21 M (11), financial leases SEK 2 M (11) and leased vehicles SEK 280 M (372).

Investments in non-current assets by geographic market						
SEK M	Third quarter		Nine months		Oct. 17 - Sept. 18	Full year 2017
	2018	2017	2018	2017		
Sweden	234	273	980	1,123	1,388	1,531
Norway	60	125	280	163	342	225
Western Europe	6	10	17	47	44	74
Parent Company, other	23	15	69	49	98	78
Total	323	423	1,346	1,382	1,872	1,908

Notable events

Events during the third quarter

- During the third quarter, Bilja entered agreements to acquire a BMW and MINI dealership in Flanders, Belgium. The operation is being run through the companies Verstraeten NV and Gent Store by Verstraeten BVBA. For the past three years, the companies have had an annual turnover of approximately SEK 750 M and an average operating profit of around SEK 40 M. The number of employees amounts to approximately 60 persons. The capital employed in the operation plus agreed surplus value amounts to approximately SEK 270 M. The agreement also includes taking over two properties in which the operations are conducted, at a total value of SEK 100 M. The properties are leased with an option to acquire the properties. The annual leasing cost that effects the operation amounts to approximately SEK 7 M. The deal will increase the Bilja Group's employed capital and net debt by a total of approximately SEK 370 M.

Events during the first half of the year

- At the end of February 2018, Bilja opened a showroom for Renault electric cars in Stockholm. It was Renault's first showroom for electric cars in Europe.
- The AGM decided to set up a long-term incentive programme in the form of a share savings programme. The programme is targeted at approximately 40 senior officers and other key persons at Bilja.

Notable events after the end of the quarter

- On 4 October, Bilja repurchased SEK 500 M of the outstanding unsecured bond loans with ordinary maturity in March 2021 at a price of 104 per cent. At the same time, a new senior unsecured bond loan was issued to a value of SEK 800 M. The new bond loan has a variable interest rate on STIBOR 3-months plus 140 basis points and has a final maturity in October 2023.

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

Service Business

Continued growth with improved profits and margin

The third quarter of 2018

- Turnover amounted to SEK 1,405 M (1,317).
- Operational earnings amounted to SEK 137 M (128).
- The margin was 9.8 per cent (9.7).

The first nine months of 2018

- Turnover amounted to SEK 4,663 M (4,303).
- Operational earnings amounted to SEK 515 M (469).
- The margin was 11.0 per cent (10.9).

Turnover and earnings

The third quarter of 2018

The Service Business continued to grow during the third quarter and the adjusted turnover for Sweden and Norway increased by 2.1 per cent. The number of working days in the third quarter was the same as 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>						
Underlying turnover	3.3	-0.9	2.1	4.8	3.7	4.5
Calendar effect	0.0	0.0	0.0	0.0	0.5	0.1
Adjusted turnover	3.3	-0.9	2.1	4.8	4.2	4.6

The Service Business's profit continued to grow and operational earnings increased by SEK 9 M or 7 per cent compared with last year. Operational earnings amounted to SEK 137 M (128), with a margin of 9.8 per cent (9.7). The improved profit was primarily attributable to higher turnover compared with last year.

Adjusted turnover for the Service Business in Sweden increased by 3.3 per cent and operational earnings amounted to SEK 98 M (91). We still need to hire more mechanics.

Adjusted turnover for the Service Business in Norway decreased by 0.9 per cent and operational earnings amounted to SEK 29 M (30). The lower adjusted turnover compared with last year was mainly attributable to significantly fewer deliveries of new cars.

In Western Europe, the operational earnings in the Service Business increased by SEK 3 M compared with last year. Operational earnings totalled SEK 10 M (7).

The first nine months of 2018

The Service Business also showed good growth for the first nine months of the year and the adjusted turnover for Sweden and Norway increased by 4.6 per cent.

The Service Business's profit continued to grow and operational earnings increased by SEK 46 M or 10 per cent compared with last year. Operational earnings amounted to SEK 515 M (469), with a margin of 11.0 per cent (10.9). The improved profit was primarily attributable to higher turnover compared with last year.

Adjusted turnover for the Service Business in Sweden increased by 4.8 per cent and operational earnings amounted to SEK 346 M (326). The number of mechanics in Sweden also increased slightly, but we still need to employ more mechanics.

Adjusted turnover for the Service Business in Norway increased by 4.2 per cent and operational earnings amounted to SEK 122 M (127).

In Western Europe, the operational earnings in the Service Business increased by SEK 31 M compared with last year. Operational earnings totalled SEK 47 M (16).

Turnover by geographic market

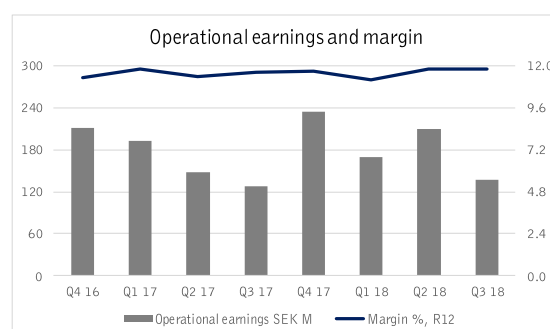
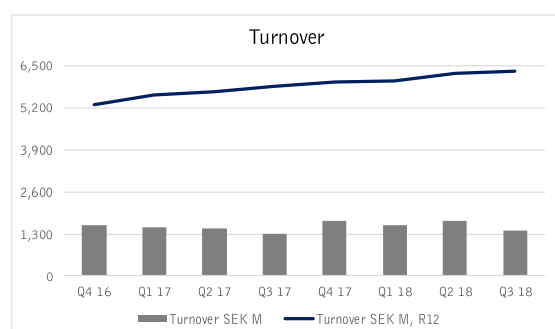
SEK M	Third quarter		Nine months		Oct. 17 - Sept. 18	Full year 2017
	2018	2017	2018	2017		
Sweden	893	864	3,009	2,853	4,120	3,964
Norway	363	332	1,183	1,079	1,584	1,480
Western Europe	149	121	471	371	654	554
Total	1,405	1,317	4,663	4,303	6,358	5,998

Operational earnings by geographic market

SEK M	Third quarter		Nine months		Oct. 17 - Sept. 18	Full year 2017
	2018	2017	2018	2017		
Sweden	98	91	346	326	523	503
Norway	29	30	122	127	162	167
Western Europe	10	7	47	16	65	34
Total	137	128	515	469	750	704

Margin by geographic market

Per cent	Third quarter		Nine months		Oct. 17 - Sept. 18	Full year 2017
	2018	2017	2018	2017		
Sweden	10.9	10.6	11.5	11.4	12.7	12.7
Norway	8.0	8.9	10.3	11.7	10.2	11.3
Western Europe	7.2	4.9	9.9	4.3	9.9	6.2
Total	9.8	9.7	11.0	10.9	11.8	11.7



Car Business

Strong profit from sales of used cars

The third quarter of 2018

- Turnover amounted to SEK 4,655 M (4,961).
- Operational earnings totalled SEK 81 M (75).
- The margin was 1.7 per cent (1.5).

The first nine months of 2018

- Turnover amounted to SEK 16,750 M (16,032).
- Operational earnings totalled SEK 229 M (271).
- The margin was 1.4 per cent (1.7).

Turnover and earnings

The third quarter of 2018

The Car Business' deliveries of new cars and transport vehicles for comparable operations decreased by 16 and 2 per cent respectively. Deliveries of used cars increased by 3 per cent compared with last year.

The order intake for new cars for comparable operations decreased by 3 per cent compared with last year. The order backlog increased by 1,556 cars during the third quarter, and amounted to 9,880 cars, which was 1,356 cars fewer than last year.

New cars by geographic market

Number of	Third quarter		Deliveries				Order backlog	
	2018	2017	Nine months		Oct. 17 - Sept. 18	Full year 2017	30 Sept. 2018	30 Sept. 2017
			2018	2017				
Sweden	6,512	8,000	26,767	27,873	35,747	36,853	6,390	7,357
Norway ¹⁾	1,869	2,137	7,196	7,138	9,998	9,940	2,319	2,980
Western Europe	1,291	1,343	3,983	4,568	5,518	6,103	1,171	899 ²⁾
Total	9,672	11,480	37,946	39,579	51,263	52,896	9,880	11,236 ²⁾

¹⁾ Bilsalongen is included in deliveries during the quarter with 105 (-) and during the first nine months with 311 (-) and with 58 (-) in order backlog.

²⁾ Earlier figures published for Western Europe have been corrected.

Used cars by geographic market

Number of	Second quarter		Deliveries		July 17 - June 18	Full year 2017
	2018	2017	First six months			
			2018	2017		
Sweden	8,936	8,031	25,867	24,621	34,197	32,951
Norway ¹⁾	2,417	2,680	7,554	8,052	9,803	10,301
Western Europe	1,005	990	3,539	3,474	4,446	4,381
Total	12,358	11,701	36,960	36,147	48,446	47,633

¹⁾ Bilsalongen is included in deliveries during the quarter with 140 (-) and during the first nine months with 373 (-).

Turnover for the Car Business was affected by a higher average selling price than last year, attributable to the mixture of brands and models of the delivered cars.

Operational earnings for the Car Business in the third quarter were SEK 6 M higher than last year, attributable to higher turnover and gross profit margin from sales of used cars. The turnover rate of the stock of used cars has continued to be a priority in the third quarter and it remained at a high level. Profit from sales of used cars amounted to SEK 50 M (24).

Operational earnings for the Car Business in Sweden were SEK 7 M higher than last year, attributable to a higher gross profit margin in sales of used cars. Profit from sales of used cars amounted to SEK 46 M (22). The number of used cars in stock was at a favourable level. Profit from sales of new cars was negatively impacted by significantly fewer deliveries compared with last year.

Operational earnings for the Car Business in Norway were SEK 1 M higher than last year. Profit from sales of used cars amounted to SEK 7 M (8). The number of used cars in stock was at a favourable level.

The Car Business in Western Europe reported operational earnings SEK 2 M lower than last year, chiefly attributable to lower turnover from sales of new cars. The loss from sales of used cars amounted to SEK -3 M (-6).

The agreed savings programme, with annual savings of SEK 55 M from 2019, is being implemented.

The first nine months of 2018

The Car Business' deliveries of new cars and transport vehicles for comparable operations increased by 4 and 14 per cent respectively during the first nine months of the year. Deliveries of used cars increased by 1 per cent compared with last year.

The order intake for new cars for comparable operations decreased by 8 per cent compared with last year.

Turnover for the Car Business was affected by a higher average selling price than last year, attributable to the mixture of brands and models of the delivered cars.

Operational earnings for the Car Business in the first nine months were SEK 42 M lower than last year, attributable to a lower gross profit margin and higher relative costs in sales of cars. Profit from sales of used cars during the first nine months amounted to SEK 47 M (58). Profit from sales of new cars was SEK 31 M lower than last year, mainly attributable to transport vehicles in Sweden.

Operational earnings for the Car Business in Sweden were SEK 24 M lower than last year, attributable to sales of new cars. The lower profit from sales of new cars was attributable to a lower gross profit margin and higher relative costs compared with last year. Profit from sales of used cars amounted to SEK 70 M (65). The improvement can be attributed to higher turnover.

Operational earnings for the Car Business in Norway were SEK 12 M higher than last year, attributable to sales of new cars. The improvement can be explained by a higher average selling price per car than last year. The loss from sales of used cars amounted to SEK -8 M (7), attributable to lower volume and higher relative costs.

The Car Business in Western Europe reported operational earnings SEK 30 M lower than last year, chiefly attributable to a lower gross profit margin from sales of new cars. The loss from sales of used cars amounted to SEK -15 M (-14).

Turnover by geographic market

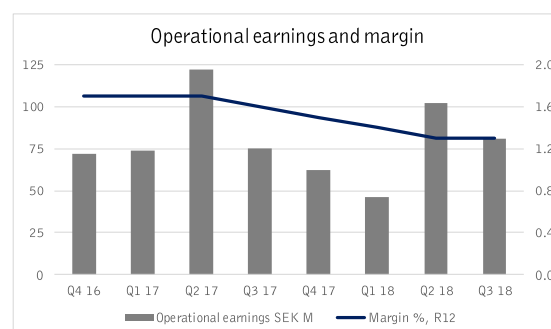
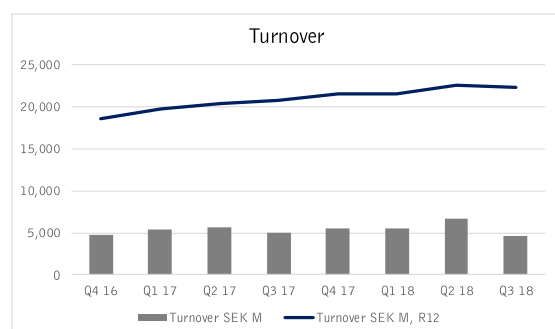
SEK M	Third quarter		Nine months		Oct. 17 - Sept. 18	Full year 2017
	2018	2017	2018	2017		
Sweden	2,772	2,982	10,107	9,661	13,362	12,916
Norway	1,336	1,440	4,722	4,489	6,491	6,258
Western Europe	547	539	1,921	1,882	2,472	2,433
Total	4,655	4,961	16,750	16,032	22,325	21,607

Operational earnings by geographic market

SEK M	Third quarter		Nine months		Oct. 17 - Sept. 18	Full year 2017
	2018	2017	2018	2017		
Sweden	63	56	185	209	214	238
Norway	23	22	61	49	88	76
Western Europe	-5	-3	-17	13	-11	19
Total	81	75	229	271	291	333

Margin by geographic market

Per cent	Third quarter		Nine months		Oct. 17 - Sept. 18	Full year 2017
	2018	2017	2018	2017		
Sweden	2.3	1.9	1.8	2.2	1.6	1.8
Norway	1.7	1.5	1.3	1.1	1.4	1.2
Western Europe	-0.8	-0.4	-0.9	0.7	-0.4	0.8
Total	1.7	1.5	1.4	1.7	1.3	1.5



Fuel Business

Continued growth in operations

The third quarter of 2018

- Turnover amounted to SEK 339 M (284).
- Operational earnings totalled SEK 5 M (6).
- The margin was 1.5 per cent (2.3).

The first nine months of 2018

- Turnover amounted to SEK 970 M (848).
- Operational earnings totalled SEK 25 M (25).
- The margin was 2.6 per cent (2.9).

Turnover and earnings

The third quarter of 2018

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

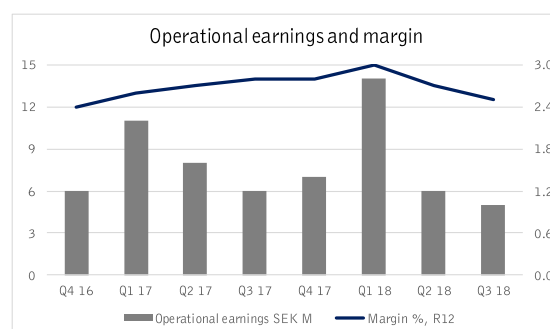
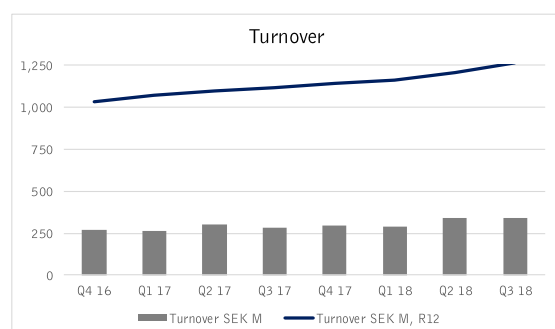
The first nine months of 2018

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

SEK M	Third quarter		Nine months		Oct. 17 - Sept. 18	Full year 2017
	2018	2017	2018	2017		
Total	339	284	970	848	1,263	1,141

SEK M	Third quarter		Nine months		Oct. 17 - Sept. 18	Full year 2017
	2018	2017	2018	2017		
Total	5	6	25	25	32	32

Per cent	Third quarter		Nine months		Oct. 17 - Sept. 18	Full year 2017
	2018	2017	2018	2017		
Total	1.5	2.3	2.6	2.9	2.5	2.8



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:

- Development of the market for new cars, new technology and alternative sales channels.
- Diminished demand for cars can also affect the value of stock in hand and guaranteed residual values.
- Reduced demand for service and repairs.
- Increased competition in the markets where Bilia is active.
- The ability of suppliers to offer competitive products.
- Vehicle suppliers become insolvent or cancel their distribution agreements with Bilia.
- Regulatory decisions that lead to changes in taxes and charges on the products Bilia sells can influence both demand for and the valuation of cars in stock and cars sold with guaranteed residual values.

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 information about the risks that affect the Group, please refer to the 2017 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 66 of the 2017 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 2019

The Annual General Meeting will be held on 8 April 2019 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 18 February 2019 in order for the matter to be included in the notice of the meeting.

The annual report for 2018 will be published on Bilia's website on 18 March 2019.

Accounts - Group

Consolidated Statement of Income and Other Comprehensive Income

SEK M	Third quarter		Nine months		Oct. 17 - Sept. 18	Full year 2017
	2018	2017	2018	2017		
Net turnover	6,119	6,302	21,426	20,306	28,612	27,492
Costs of goods sold	-5,104	-5,362	-18,093	-17,174	-24,088	-23,169
Gross profit	1,015	940	3,333	3,132	4,524	4,323
Other operating income	0	1	2	12	7	17
Selling expenses	-693	-620	-2,209	-2,004	-2,967	-2,762
Administrative expenses	-120	-139	-445	-458	-618	-631
Other operating expenses	-1	-1	-10	-17	-17	-24
Operating profit ¹⁾	201	181	671	665	929	923
Financial income	0	-5	2	19	9	26
Financial expenses	-14	-9	-47	-63	-69	-85
Shares in profits of associated companies	10	9	29	23	38	32
Profit before tax	197	176	655	644	907	896
Tax	-39	-33	-135	-137	-203	-205
Net profit for the period	158	143	520	507	704	691
Other comprehensive income/loss						
<i>Items that can be reclassified to profit or loss</i>						
Translation differences attributable to foreign operations	-13	0	68	-18	72	-14
Other comprehensive income/loss after tax	-13	0	68	-18	72	-14
Comprehensive income for the period	145	143	588	489	776	677
Net profit for the period attributable to:						
Parent Company's shareholders	158	143	520	507	704	691
Comprehensive income for the period attributable to:						
Parent Company's shareholders	145	143	588	489	776	677
Weighted average number of shares, '000:						
- before dilution	100,951	102,326	100,951	102,640	101,019	102,283
- after dilution	101,058	102,326	100,999	102,640	101,055	102,283
Basic earnings/loss per share, SEK	1.55	1.40	5.15	4.95	6.95	6.75
Diluted earnings/loss per share, SEK	1.55	1.40	5.15	4.95	6.95	6.75
Weighted average number of own shares, '000	1,849	474	1,849	160	1,781	339
1) Straight-line amortisation/depreciation by asset class:						
- Intellectual property	-25	-23	-74	-71	-96	-93
- Land and buildings	-11	-9	-33	-25	-58	-50
- Equipment, tools, fixtures and fittings	-26	-26	-78	-76	-91	-89
- Leased vehicles	-105	-106	-313	-304	-424	-415
Total	-167	-164	-498	-476	-669	-647

Consolidated Statement of Financial Position, Summary

SEK M	30 September 2018	31 December 2017	30 September 2017
Assets			
Non-current assets			
Intangible assets			
Intellectual property	568	583	594
Goodwill	770	723	720
	1,338	1,306	1,314
Property, plant and equipment			
Land and buildings	590	599	556
Construction in progress	66	29	28
Equipment, tools, fixtures and fittings	469	453	473
Leased vehicles	3,008	2,966	3,038
	4,133	4,047	4,095
Long-term investments			
Financial investments ¹⁾	438	415	406
Long-term receivables ²⁾	-	0	0
	438	415	406
Deferred tax assets	73	79	82
Total non-current assets	5,982	5,847	5,897
Current assets			
Inventories, merchandise	3,380	3,408	3,248
Current receivables			
Other receivables ¹⁾	1,383	1,501	1,265
Cash and cash equivalents ²⁾	151	202	117
Total current assets	4,914	5,111	4,630
TOTAL ASSETS	10,896	10,958	10,527
Equity and liabilities			
Equity			
Share capital	257	257	257
Other contributed capital	167	167	167
Reserves	30	-38	-42
Retained earnings including net profit for the year	2,292	2,234	2,104
Total equity	2,746	2,620	2,486
Non-current liabilities			
Bond issue ³⁾	1,005	1,006	1,007
Interest-bearing liabilities ⁴⁾	237	163	154
Other liabilities and provisions	2,116	2,246	2,239
	3,358	3,415	3,400
Current liabilities			
Interest-bearing liabilities ⁴⁾	715	729	659
Other liabilities and provisions	4,077	4,194	3,982
	4,792	4,923	4,641
TOTAL EQUITY AND LIABILITIES	10,896	10,958	10,527
Assets			
¹⁾ Of which interest-bearing	429	408	399
²⁾ Interest-bearing	151	202	117
Liabilities			
³⁾ Of which interest-bearing	1,000	1,000	1,001
⁴⁾ Interest-bearing	952	892	813

Statement of Changes in Group Equity, Summary

SEK M	30 September 2018	31 December 2017	30 September 2017
Opening balance	2,620	2,511	2,511
Cash dividend to shareholders	-456	-412	-412
Incentive programme	0	-	-
Buy-back of own shares	-	-147	-100
Revaluation of put option	-6	-9	-2
Comprehensive income for the year	588	677	489
Equity at end of period	2,746	2,620	2,486

Consolidated Statement of Cash Flows

SEK M	Third quarter		Nine months		Oct. 17 - Sept. 18	Full year 2017
	2018	2017	2018	2017		
Operating activities						
Profit before tax	197	176	655	644	907	896
Depreciation and impairment losses	167	164	498	476	714	692
Other items not affecting cash	-28	-24	-43	-40	-61	-58
Tax paid	-34	-30	-140	-150	-193	-203
Change in inventories	143	-56	171	215	-15	29
Change in operating receivables	475	215	173	212	-79	-40
Change in operating liabilities	-740	-107	-457	-265	-215	-23
Cash flow from operating activities	180	338	857	1,092	1,058	1,293
Investing activities						
Acquisition of non-current assets (intangible and tangible)	-43	-51	-180	-251	-260	-331
Disposal of non-current assets (intangible and tangible)	34	0	34	4	37	7
Acquisition of leased vehicles	-280	-372	-1,166	-1,131	-1,612	-1,577
Disposal of leased vehicles	249	201	918	588	1,293	963
<i>Operating cash flow</i>	<i>140</i>	<i>116</i>	<i>463</i>	<i>302</i>	<i>516</i>	<i>355</i>
Investment in financial assets	-1	-1	-2	-3	-3	-4
Disposal of financial assets	1	0	2	12	3	13
Acquisition of subsidiary/operation, net	0	1	-51	-344	-51	-344
Disposal of subsidiary/operation, net	0	0	0	54	0	54
Cash flow from investing activities	-40	-222	-445	-1,071	-593	-1,219
Cash flow after net investments	140	116	412	21	465	74
Financing activities						
Borrowings	275	-14	2,958	648	3,227	917
Repayment of loans	-397	0	-2,919	-100	-3,100	-281
Repayment of lease liabilities	-16	-13	-45	-40	-59	-54
Buy-back of own shares	0	-100	0	-100	-47	-147
Revaluation of put option	1	2	-6	-2	-13	-9
Dividend paid to the company's shareholders	0	-1	-456	-412	-456	-412
Cash flow from financing activities	-137	-126	-468	-6	-448	14
Change in cash and cash equivalents, excl. translation differences	3	-10	-56	15	17	88
Exchange difference in cash and cash equivalents	-1	-1	5	-2	17	10
Change in cash and cash equivalents	2	-11	-51	13	34	98
Cash and cash equivalents at start of period	149	128	202	104	117	104
Cash and cash equivalents at end of period	151	117	151	117	151	202

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 IFRSs have not had any significant effect on the Group's or the Parent Company's financial reports during the year. A number of new or revised IFRSs will enter into effect until during the current and coming financial years. Starting on 1 January 2018, IFRS 9 Financial Instruments came into force and replaced the previous standard IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes a model for classification and measurement, a single, forward-looking "expected loss" impairment model and a substantially reformed approach to hedge accounting. Starting on 1 January 2018, IFRS 15 Revenue from Contracts with Customers came into force and replaced previous IFRS standards dealing with Revenue Recognition. IFRS 15 is based on recognising revenue when control of goods or services is transferred to the customer, which differs from the transfer of risks and benefits. An evaluation has been made of the effects of IFRS 9 and IFRS 15 on Bilia's accounts, and their introduction has no significant effect on the financial statements.

Starting on 1 January 2019, IFRS 16 Leases will replace existing IFRS standards dealing with accounting of leases. Bilia is not applying IFRS 16 prospectively, but will introduce the standard in 2019. As an operating lessee, Bilia will be affected by the adoption of IFRS 16. Calculations of the effect of IFRS 16 and choice of transition method are under way but not yet completed. The information provided in Note 29 in the 2017 annual report gives an indication of the type and scope of the leases that currently exist.

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 operation” during 2017 pertains to the sale of the Ford operation in Stockholm. “Structural costs” during 2018 primarily relate to expenses for reducing employees. “Structural costs” during 2017 pertain mainly to the estimated cost of winding up the remaining Ford operation in Sweden and Norway.

“Acquisition-related costs and value adjustments” pertain to costs for the acquisition of operations.

SEK M	Third quarter		Nine months		Oct. 17 - Sept. 18	Full year 2017
	2018	2017	2018	2017		
The Group						
Operational earnings	221	200	738	728	1,016	1,006
- Gain from sale of operation	0	0	0	8	0	8
- Structural costs etc.	0	-1	-8	-14	-11	-17
- Acquisition-related costs and value adjustments	0	-1	-2	-3	-2	-3
- Amortisation of surplus values	-20	-17	-57	-54	-74	-71
Operating profit	201	181	671	665	929	923

Note 4 – Group's operating segments

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 operation, other	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 operation, other						
- 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

30 September 2017

SEK M	Service	Car	Fuel	Total	Segment reconciliation	Group
Net turnover						
External sales	3,420	16,032	848	20,300	6	20,306
Internal sales	883			883	-883	-
Total net turnover	4,303	16,032	848	21,183	-877	20,306
Depreciation/amortisation	-80	-364	-3	-447	-29	-476
Operational earnings/Operating profit/loss	469	271	25	765	-100	665
Interest income						19
Interest expenses						-63
Shares in profits of associated companies		23		23		23
Profit before tax						644
Tax expense for the period						-137
Net profit for the period						507
Revenue and costs that affect comparability:						
- Profit from sale of operation, other	6	2		8		8
- Structural costs etc.	-8	-6		-14		-14
- Acquisition-related costs and value adjustments	-2	-1		-3		-3
- Amortisation of surplus values	-27	-27		-54		-54
Total	-31	-32	-	-63	-	-63
Assets						
Interests in associated companies		399		399		399
Deferred tax assets						82
Other assets						10,046
Total assets						10,527
Investments in non-current assets	112	1,215	6	1,333	49	1,382
Liabilities						
Equity						2,486
Liabilities						8,041
Total liabilities and equity						10,527

SEK M	Service			Car		
	Sweden	Norway	Western Europe	Sweden	Norway	Western Europe
Turnover						
External sales	2,308	779	333	9,661	4,489	1,882
Internal sales	545	300	38			
Total turnover	2,853	1,079	371	9,661	4,489	1,882
Depreciation/amortisation	-48	-12	-20	-320	-24	-20
Operational earnings	326	127	16	209	49	13
Shares in profits of associated companies				23		
Revenue and costs that affect comparability:						
- Profit from sale of operation, other	6			2		
- Structural costs etc.	-6	-2		-5		-1
- Acquisition-related costs and value adjustments	-2			-1		
- Amortisation of surplus values	-10	-6	-11	-9	-6	-12
Total	-12	-8	-11	-13	-6	-13
Interests in associated companies				399		
Investments in non-current assets	84	9	19	1,033	154	28

SEK M	Revenues from customers	Non-current assets
Geographical segments		
Sweden	12,819	5,534
Norway	5,273	947
Germany	751	77
Luxembourg	885	593
Belgium	579	262
Segment reconciliation	-1	-1,598
Total	20,306	5,815

Note 5 – Acquisitions

On 2 January 2018, Bilia acquired Bilsalongen AS, a BMW and MINI dealership in Norway. The operation is conducted in a facility in Skien and comprises sales of BMW and MINI cars plus service. The business has an annual turnover of about SEK 340 M, with an operating profit of about SEK 8 M per year. The purchase consideration was SEK 58 M. The entire purchase consideration was paid in cash. There is no contingent purchase consideration.

The acquisition is expected to result in synergies with the rest of Bilia's BMW operation in Norway and will enable Bilia to grow with BMW in Norway while bringing MINI into the business as well.

The operation has about 30 employees and will continue to be conducted from the present-day facility.

Acquisition-related expenses amounting to SEK 0.4 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 net assets at the acquisition date:

SEK M	Bilsalongen AS
Intangible assets, customer relations	22
Property, plant and equipment	60
Long-term investments	0
Deferred tax asset	1
Inventories	48
Trade receivables and other receivables	16
Cash and cash equivalents	7
Interest-bearing liabilities	7
Trade payables and other liabilities	102
Deferred tax liability	4
Net identifiable assets and liabilities	41
Consolidated goodwill	17
Net identifiable assets and liabilities, including goodwill	58
Purchase consideration paid	58
Less: Cash and cash equivalents in acquired operation	-7
Net effect on cash and cash equivalents	51

Acquired customer relations totalling SEK 22 M are recognised as intangible assets. These customer relations will be amortised over 10 years.

The goodwill item is attributable in its entirety to synergies resulting from the acquisition.

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

Specification of interest-bearing net debt/receivable

SEK M	30 September 2018	31 December 2017	30 September 2017
Current interest-bearing liabilities	715	729	659
Non-current interest-bearing liabilities	1,237	1,163	1,154
Pension liabilities	-	-	1
Cash and cash equivalents	-151	-202	-117
Interest-bearing assets	-	0	0
Interests in associated companies	-429	-408	-399
Net debt(+)/receivable(-) at end of period/year	1,372	1,282	1,298

The ratio of net debt to EBITDA

SEK M	30 September 2018	31 December 2017	30 September 2017
Operational earnings	738	1,006	728
Total depreciation/amortisation	498	647	476
-amortisation of surplus values	-57	-71	-54
-depreciation of leased vehicles with repurchase agreements	-270	-354	-263
Depreciation/amortisation added back	171	222	159
EBITDA	909	1,228	887
The ratio of net debt to EBITDA rolling 12 months, times	1.1	1.0	1.1

Accounts - Parent Company

Income Statement for Parent Company

SEK M	Third quarter		Nine months		Oct. 17 - Sept. 18	Full year 2017
	2018	2017	2018	2017		
Net turnover	125	108	361	315	469	423
Administrative expenses	-132	-120	-405	-359	-537	-491
Operating loss ¹⁾	-7	-12	-44	-44	-68	-68
<i>Result from financial items</i>						
Income from interests in Group companies	0	0	69	113	45	89
Interest income from Group companies	10	10	37	33	45	41
Other interest income and similar line items	-1	-6	0	17	8	25
Interest expenses to Group companies	0	0	0	0	0	0
Interest expenses and similar line items	-8	-2	-25	-40	-39	-54
Loss after financial items	-6	-10	37	79	-9	33
Appropriations	0	0	0	0	482	482
Profit before tax	-6	-10	37	79	473	515
Tax	2	2	0	0	-87	-87
Net profit for the year	-4	-8	37	79	386	428
¹⁾ Straight-line amortisation/depreciation by asset class:						
- Intellectual property	0	-1	0	-1	0	-1
- Buildings	-2	-2	-7	-6	-9	-8
- Equipment, tools, fixtures and fittings	0	0	0	0	0	0
Total	-2	-3	-7	-7	-9	-9

Balance Sheet for Parent Company, Summary

SEK M	30 September 2018	31 December 2017	30 September 2017
Assets			
Non-current assets			
Intangible assets			
Intellectual property	1	1	1
	1	1	1
Property, plant and equipment			
Buildings	75	73	72
Construction in progress	63	28	17
Equipment, tools, fixtures and fittings	2	2	2
	140	103	91
Long-term investments			
Interests in Group companies	1,328	1,348	1,355
Other securities held as non-current assets	1	0	0
Deferred tax asset	44	45	46
	1,373	1,393	1,401
Total non-current assets	1,514	1,497	1,493
Current assets			
Current receivables			
Receivables from Group companies	19	1,489	79
Other receivables	162	92	148
Cash on hand and demand deposits	996	107	944
	1,177	1,688	1,171
TOTAL ASSETS	2,691	3,185	2,664
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	385	801	499
	552	968	666
Total equity	856	1,272	970
Untaxed reserves	622	622	495
Provisions			
Deferred tax liability	5	5	3
	5	5	3
Non-current liabilities			
Bond issue	1,005	1,006	1,007
Other liabilities	5	5	5
	1,010	1,011	1,012
Current liabilities			
Liabilities to credit institutes		-	-
Liabilities to Group companies	9	88	10
Other liabilities	189	187	174
	198	275	184
TOTAL EQUITY AND LIABILITIES	2,691	3,185	2,664

Quarterly review - 8 quarters

The Group

	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018
Continuing operations								
Net turnover, SEK M	6,297	6,815	7,189	6,302	7,186	6,978	8,329	6,119
Operational earnings, SEK M	265	267	261	200	278	218	299	221
Operational margin, %	4.2	3.9	3.6	3.2	3.9	3.1	3.6	3.6
Operating profit, SEK M	252	244	240	181	258	196	274	201
Operating margin, %	4.0	3.6	3.3	2.9	3.6	2.8	3.3	3.3
Profit before tax, SEK M	247	234	234	176	252	188	270	197
The ratio of net debt to EBITDA, times ¹⁾	0.7	0.7	1.1	1.1	1.0	1.3	1.2	1.1
The Bilia Group								
Profit/loss for the period, SEK M	173	181	183	143	184	146	216	158
Return on capital employed, % ¹⁾	26.4	26.1	25.2	24.1	23.4	21.0	20.9	21.1
Return on equity, % ¹⁾	27.9	28.3	27.4	27.3	27.0	25.2	26.6	26.6
Equity/assets ratio, %	25	25	23	24	24	25	22	25
Data per share (SEK) ²⁾								
Earnings/loss for the period	1.65	1.75	1.80	1.40 ³⁾	1.80 ⁵⁾	1.45 ⁶⁾	2.15 ⁶⁾	1.55 ⁶⁾
Equity	24	26	24	24 ⁴⁾	26 ⁶⁾	28 ⁶⁾	26 ⁶⁾	27 ⁶⁾

¹⁾ Rolling 12 months.

²⁾ Based on number of shares outstanding, 102,799,952.

³⁾ Based on weighted average number of shares outstanding during third quarter, 102,326,267.

⁴⁾ Based on number of shares outstanding at 30 September 2017, 101,575,952.

⁵⁾ Based on weighted average number of shares outstanding during fourth quarter, 101,221,876.

⁶⁾ Based on number of shares outstanding, 100,950,952.

Business area – Service Business

	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018
Turnover, SEK M	1,564	1,500	1,486	1,317	1,695	1,561	1,697	1,405
Operational earnings, SEK M	211	193	148	128	235	169	209	137
Margin, %	13.5	12.9	10.0	9.7	13.9	10.8	12.3	9.8
Adjusted turnover, growth in %	5.0	4.9	6.6	12.0	7.1	3.1	8.2	2.1

Business area – Car Business

	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018
Turnover, SEK M	4,783	5,431	5,640	4,961	5,575	5,463	6,632	4,655
Operational earnings, SEK M	72	74	122	75	62	46	102	81
Margin, %	1.5	1.4	2.2	1.5	1.1	0.9	1.5	1.7
New cars delivered, number	13,291	13,141	14,958	11,480	13,317	12,388	15,886	9,672
Order backlog of new cars, number ¹⁾	11,245	12,758	11,128	11,236	11,246	12,560	8,324	9,880
Used cars delivered, number	11,341	11,786	12,660	11,701	11,486	11,904	12,698	12,358

¹⁾ Figures published Q4 16 - Q1 18 for Western Europe have been corrected.

Business area – Fuel Business

	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018
Turnover, SEK M	271	265	299	284	293	289	342	339
Operational earnings, SEK M	6	11	8	6	7	14	6	5
Margin, %	2.3	4.0	2.6	2.3	2.3	4.8	1.8	1.5

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.

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.

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.

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 bilias.com/en//finances/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 2018 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, 26 October 2018

KPMG AB

Johan Kratz

Authorised Public Accountant

Additional Bilia disclosures

Press and analyst meeting

On Friday, 26 October 2018, Bilia is hosting press and analyst meetings where 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

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Calendar

Year-end report for full year 2018: 8 February 2019

Annual General Meeting: 8 April 2019

Interim report January-March 2018: 29 April 2019

Interim report April-June 2018: 25 July 2019

Interim report July-September 2019: 25 October 2019

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, 26 October 2018
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 26 October 2018, 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 134 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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