



Year-End Report 1 Jan – 31 Dec 2018

Record results yet again for the quarter and the full year

Fourth quarter 2018

- Net turnover amounted to SEK 6,956 M (7,186), a decrease of 3 per cent.
- Operational earnings totalled SEK 296 M (278).
- The improved profit was attributable to the Service Business and sales of used cars.
- Profit for the period amounted to SEK 214 M (184) and earnings per share to SEK 2.10 (1.80).
- Operating cash flow amounted to SEK 79 M (53).

Full year 2018

- Net turnover amounted to SEK 28,382 M (27,492), an increase of 3 per cent.
- Operational earnings totalled SEK 1,034 M (1,006).
- Profit for the year amounted to SEK 734 M (691) and earnings per share to SEK 7.25 (6.75).
- Operating cash flow amounted to SEK 542 M (355).
- The Board proposes an ordinary dividend of SEK 4.75 (4.50) per share.

Events after the balance sheet date

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

SEK M	Fourth quarter		Full year	
	2018	2017	2018	2017
The Group				
Net turnover	6,956	7,186	28,382	27,492
Operational earnings ¹⁾	296	278	1,034	1,006
Operational margin, %	4.3	3.9	3.6	3.7
Operating profit	272	258	943	923
Operating margin, %	3.9	3.6	3.3	3.4
Profit before tax	267	252	922	896
Net profit for the period/year	214	184	734	691
Earnings per share, SEK ²⁾	2.10	1.80	7.25	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

Continued growth and record performance for the Service Business
Improved profits for used cars in the Car Business



Results for the fourth quarter

Our operational earnings for the fourth quarter once again set a new record, with both the Service and the Car Businesses contributing to the improved results. The demand for service continued to grow compared with last year and the Service Business reported growth of just over 4 per cent adjusted for comparable activities and working days. Operational earnings for the Service Business improved by SEK 16 M or 7 per cent compared with last year. Profit from the Car Business was positively impacted by high demand for used cars and the profit from the sales of used cars was SEK 38 M higher than last year. Deliveries of new cars, adjusted for acquired operations, were lower than last year.

Continued growth in customer service subscriptions

At the end of the fourth quarter we had about 105,000 customers with service subscriptions for new and used cars, an increase of 6 per cent on the previous year. Service subscriptions make life easier for our customers at a favourable price, and allow us to offer customers further services for their cars' needs. Furthermore, at the end of the fourth quarter, we stored almost 311,000 tyres on behalf of our customers at our 76 tyre hotels, an increase of 9 per cent on the previous year.

The investment continues for used car sales

We are now continuing our investment of used car sales under the name Netbil Begagnat. Netbil Begagnat currently sells used cars via online auctions and in car showrooms. During the first quarter of 2019 we are opening a further two showrooms in Stockholm and Malmö, close to our existing operations. After that we will have a total of four sales centres for used cars. Bilja has always sold used cars and has focused on the newer segment of the market. The range is now being extended to include more models of car, including older cars and marques which Bilja does not represent in its new car sales. It is our goal to sell 25,000 cars via this sales channel within five years.

Car market forecasts for 2019

The forecasts for car markets in 2019 are historically high in all countries, albeit slightly lower than in 2018. The markets, primarily in Norway, but also somewhat in Sweden, are affected by tax regulations, which means an increase in the demand for green cars and electric cars in particular. This could adversely impact sales of new cars in the short term, as the marques we sell only offer a limited number of electric models in 2019, although new models are expected in 2020. The historically strong car markets in recent years together with an expected growth of our service subscriptions ensure that we will continue to work at high capacity in our Service Business in the next few years, despite if it gets a slightly weaker car market in 2019.

Per Avander, Managing Director and CEO

Group results

Net turnover and earnings

Fourth quarter 2018

Net turnover amounted to SEK 6,956 M (7,186). For comparable operations and adjusted for currency exchange rates, net turnover decreased by just under 7 per cent.

Operating profit amounted to SEK 272 M (258). Adjusted for revenues and costs affecting comparability, **operational earnings** amounted to SEK 296 M (278) with an operating margin of 4.3 per cent (3.9). The Service Business reported a profit that was higher than last year, mainly attributable to underlying growth of just over 4 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 remained unchanged compared to last year. Overheads totalled 13.9 per cent in relation to net turnover, which was 0.9 percentage points higher 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 213 M (213) with a margin of 5.0 per cent (4.8). Profit in the Norwegian operation totalled SEK 75 M (67) with a margin of 4.0 per cent (3.3). The operation in Western Europe reported a profit of SEK 43 M (24) with a margin of 5.3 per cent (3.3). Profits in our German operation improved upon previous quarters. The operating loss for the Parent Company in the fourth quarter amounted to SEK -26 M (-24).

Profit for the period amounted to SEK 214 M (184) and earnings per share to SEK 2.10 (1.80). Exchange rate fluctuations did not have a material impact on profit.

The **number of employees** increased by 43 persons during the quarter and totalled 4,785 persons. Adjusted for acquired operations, the number of employees decreased by 22.

Full year 2018

Net turnover amounted to SEK 28,382 M (27,492). For comparable operations and adjusted for exchange rate fluctuations, net turnover increased by approximately 1 per cent.

Operating profit amounted to SEK 943 M (923). Adjusted for revenues and costs affecting comparability, **operational earnings** amounted to SEK 1,034 M (1,006) with an operating margin of 3.6 per cent (3.7). 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, and this is attributable to sales of new cars.

The Group's underlying overheads increased by approximately 4 per cent compared with last year. Overheads totalled 12.8 per cent in relation to net turnover, which was 0.4 percentage points higher than last year. As a result of the profit level and customer satisfaction during the year, a provision totalling SEK 24 M (20) was made for employee bonuses in Sweden.

The operation in Sweden reported a profit of SEK 769 M (773) with a margin of 4.3 per cent (4.5). Profit in the Norwegian operation totalled SEK 258 M (243) with a margin of 3.5 per cent (3.3). The operation in Western Europe reported a profit of SEK 73 M (53) with a margin of 2.3 per cent (1.8). The car market in Germany remained challenging in terms of profitability during 2018. Operating loss for the Parent Company was SEK -70 M (-68).

Profit for the year amounted to SEK 734 M (691) and earnings per share to SEK 7.25 (6.75). Exchange rate fluctuations did not have a material impact on profit.

The **number of employees** increased by 77 persons during 2018 and totalled 4,785. Adjusted for acquired operations, the number of employees decreased by 18.

Net turnover by geographic market

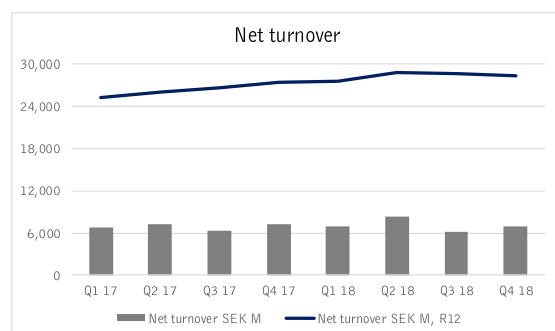
SEK M	Fourth quarter		Full year	
	2018	2017	2018	2017
Sweden	4,247	4,423	17,742	17,235
Norway	1,897	2,051	7,473	7,324
Western Europe	803	708	3,143	2,923
Parent Company, other	9	4	24	10
Total	6,956	7,186	28,382	27,492

Operational earnings by geographic market

SEK M	Fourth quarter		Full year	
	2018	2017	2018	2017
Sweden	213	213	769	773
Norway	75	67	258	243
Western Europe	43	24	73	53
Parent Company, other	-35	-26	-66	-63
Total	296	278	1,034	1,006

Margin by geographic market

Per cent	Fourth quarter		Full year	
	2018	2017	2018	2017
Sweden	5.0	4.8	4.3	4.5
Norway	4.0	3.3	3.5	3.3
Western Europe	5.3	3.3	2.3	1.8
Parent Company, other	-	-	-	-
Total	4.3	3.9	3.6	3.7



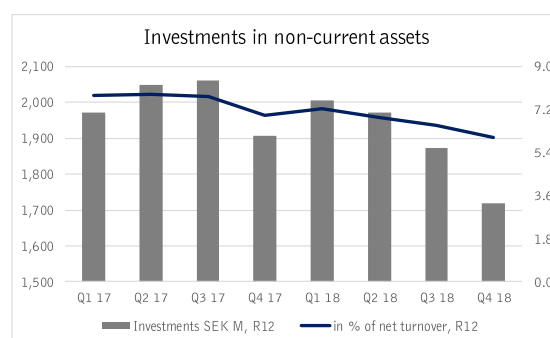
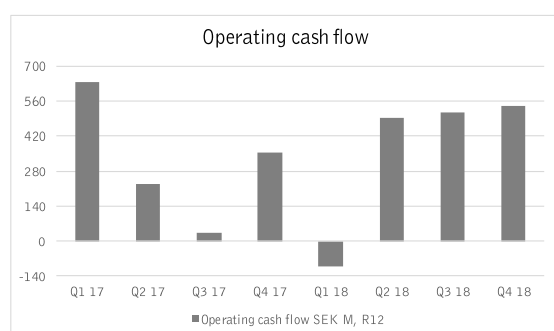
Net financial items and tax

Net financial items for the fourth quarter amounted to SEK -5 M (-6).

Tax for the fourth quarter amounted to SEK -53 M (-68), and the effective tax rate was 20 per cent (27). The decision to reduce future tax rates had a positive impact on the effective tax rate.

Operating cash flow

Operating cash flow for the fourth quarter totalled SEK 79 M (53). After acquisitions and disposals of operations and changes in financial assets, cash flow amounted to SEK -205 M (53).



Financial position

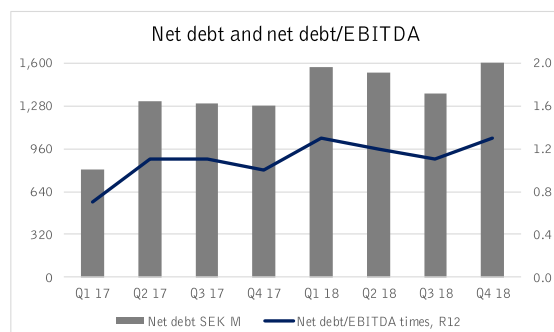
The **total assets** increased by SEK 1,113 M during 2018, amounted to SEK 12,071 M. The increase was primarily attributable to acquired operations, as well as a higher stock of new cars compared to last year.

Equity increased by SEK 295 M in 2018, totalling SEK 2,915 M. A dividend of SEK 456 M was paid to the shareholders.

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

Net debt increased by SEK 321 M during 2018, amounted to SEK 1,603 M. Operations were acquired in Norway and Belgium during the year, which increased net debt by SEK 385 M. A dividend of SEK 456 M was paid to the shareholders in April 2018.

The ratio of net debt to EBITDA was 1.3 times compared with 1.0 times in the previous year.



Liquidity remained good, and at the end of December a net claim against the banks (Nordea and DNB) of SEK 37 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 fourth quarter amounted to SEK 91 M (80) **excluding lease vehicles** and SEK 372 M (526) **including lease vehicles**. Replacement investments represented SEK 20 M (14), expansion investments SEK 24 M (25), environmental investments SEK 3 M (2), investments in new construction and additions to properties SEK 32 M (30), financial leases SEK 12 M (9) and leased vehicles SEK 281 M (446).

Investments in non-current assets by geographic market

SEK M	Fourth quarter		Full year	
	2018	2017	2018	2017
Sweden	176	408	1,156	1,531
Norway	125	62	405	225
Western Europe	40	27	57	74
Parent Company, other	31	29	100	78
Total	372	526	1,718	1,908

Notable events

Events during the fourth quarter

- In October 2018, Bilia 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. The loan prospectus was published in November and was listed on Nasdaq Stockholm.
- In October 2018, Bilia announced an investment in seven new used car sales centres in Sweden and Norway. The range of used cars is being extended to include more models of car, both older vehicles and marques which Bilia does not represent in its sales of new cars. Bilia expects to sell 25,000 cars via this channel within a five-year period.
- In November 2018, Bilia agreed to acquire an authorised BMW service centre, Furubakken Bilverksted AS, south-west of Oslo, Norway. Furubakken had a turnover of NOK 35 M in 2017, with an average operating margin of 12.9 per cent over the past three years. Bilia took over the centre on 1 January 2019.
- In December 2018, Bilia took over operations at Verstraeten NV and Gent Store by Verstraeten BVBA, following approval of the acquisition by the Belgian competition authority.

Events during the first nine months

- At the end of February 2018, Bilia opened a showroom for Renault electric cars in Stockholm. It was Renault's first showroom for electric cars in Europe.
- The AGM decided in April 2018 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 Bilia.
- In September 2018, Bilia entered into an agreement to acquire a BMW and MINI dealer, Verstraeten NV and Gent Store by Verstraeten BVBA, in Flanders, Belgium. 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.

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 bilia.com.

Service Business

Continued growth with record profits and margin

Fourth quarter 2018

- Turnover amounted to SEK 1,790 M (1,695).
- Operational earnings totalled SEK 251 M (235).
- The margin was 14.0 per cent (13.9).

Full year 2018

- Turnover amounted to SEK 6,453 M (5,998).
- Operational earnings totalled SEK 766 M (704).
- The margin was 11.9 per cent (11.7).

Turnover and earnings

Fourth quarter 2018

The Service Business continued to grow during the fourth quarter and the adjusted turnover for Sweden and Norway increased by 4.3 per cent. There was one less working day in Sweden and Norway during the fourth quarter than in the same period the previous year.

Growth in the Service Business

Per cent	Fourth quarter			Full year		
	Sweden	Norway	Total	Sweden	Norway	Total
<i>Change from last year</i>						
Underlying turnover	2.2	4.0	2.7	4.1	3.8	4.0
Calendar effect	1.6	1.6	1.6	0.4	0.8	0.5
Adjusted turnover	3.8	5.6	4.3	4.5	4.6	4.5

The Service Business's profit continued to grow and operational earnings increased by SEK 16 M or 7 per cent compared with last year, despite one less working day. Operational earnings amounted to SEK 251 M (235), with a margin of 14.0 per cent (13.9). The improved profit was primarily attributable to higher turnover compared with last year.

At the end of the fourth quarter Bilja had approximately 105,000 (99,000) customers with service subscriptions, and almost 311,000 (285,000) tyres in storage for customers. There were 76 tyre hotels in all.

Adjusted turnover for the Service Business in Sweden increased by 3.8 per cent and operational earnings amounted to SEK 174 M (177). Adjusted turnover for the Service Business in Norway increased by 5.6 per cent and operational earnings amounted to SEK 54 M (40). In Western Europe, the operational earnings in the Service Business increased by SEK 5 M compared with last year. Operational earnings totalled SEK 23 M (18).

Full year 2018

The Service Business also showed good growth for the full year 2018 and the adjusted turnover for Sweden and Norway increased by 4.5 per cent.

The Service Business's profit continued to grow in 2018, and operational earnings increased by SEK 62 M or a full 9 per cent compared with last year. Operational earnings amounted to SEK 766 M (704), with a margin of 11.9 per cent (11.7), which is a new record for a full year. The improved profit was primarily attributable to higher turnover compared with last year.

Adjusted turnover for the Service Business in Sweden increased by 4.5 per cent and operational earnings amounted to SEK 520 M (503). 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 4.6 per cent and operational earnings amounted to SEK 176 M (167). In Western Europe, the operational earnings in the Service Business increased by SEK 36 M compared with last year. Operational earnings totalled SEK 70 M (34).

Turnover by geographic market

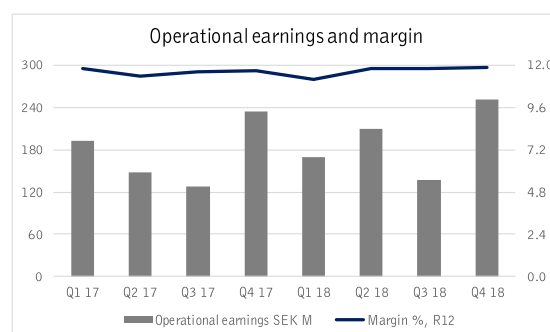
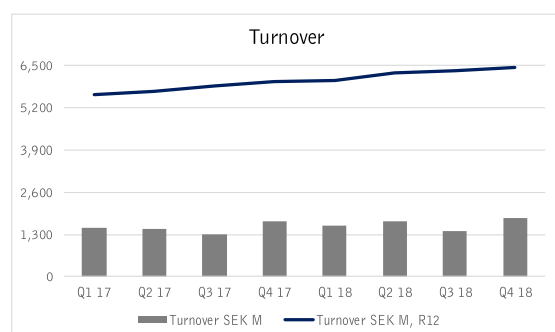
SEK M	Fourth quarter		Full year	
	2018	2017	2018	2017
Sweden	1,139	1,111	4,148	3,964
Norway	449	401	1,632	1,480
Western Europe	202	183	673	554
Total	1,790	1,695	6,453	5,998

Operational earnings by geographic market

SEK M	Fourth quarter		Full year	
	2018	2017	2018	2017
Sweden	174	177	520	503
Norway	54	40	176	167
Western Europe	23	18	70	34
Total	251	235	766	704

Margin by geographic market

Per cent	Fourth quarter		Full year	
	2018	2017	2018	2017
Sweden	15.3	15.9	12.5	12.7
Norway	12.2	10.0	10.8	11.3
Western Europe	11.4	10.0	10.4	6.2
Total	14.0	13.9	11.9	11.7



Car Business

Improved profit from sales of used car

Fourth quarter 2018

- Turnover amounted to SEK 5,238 M (5,575).
- Operational earnings totalled SEK 75 M (62).
- The margin was 1.4 per cent (1.1).

Full year 2018

- Turnover amounted to SEK 21,988 M (21,607).
- Operational earnings totalled SEK 304 M (333).
- The margin was 1.4 per cent (1.5).

Turnover and earnings

Fourth quarter 2018

The Car Business' deliveries of new cars and transport vehicles for comparable operations decreased by 8 and 20 per cent respectively. Deliveries of used cars decreased by 4 per cent compared with last year.

The order intake for new cars for comparable operations decreased by 11 per cent compared with last year. The order backlog decreased by 234 cars during the fourth quarter, amounting to 9,646 cars, which was 1,600 cars fewer than last year.

New cars by geographic market

Number of	Deliveries				Order backlog	
	Fourth quarter 2018	2017	Full Year 2018	2017	31 Dec. 2018	31 Dec. 2017
Sweden	8,193	8,980	34,960	36,853	6,528	7,715
Norway ¹⁾	2,700	2,802	9,896	9,940	2,065	2,792
Western Europe ²⁾	1,485	1,535	5,468	6,103	1,053	739 ³⁾
Total	12,378	13,317	50,324	52,896	9,646	11,246 ³⁾

¹⁾ Bilsalongen is included in deliveries during the quarter with 118 (-) and during the full year with 429 (-) and with 34 (-) in order backlog.

²⁾ Verstraeten och Gent Store By Verstraeten are included in deliveries during the quarter and during the full year with 66 (-) and with 138 (-) in order backlog.

³⁾ Earlier figures published for Western Europe have been corrected.

Used cars by geographic market

Number of	Deliveries			
	Fourth quarter 2018	2017	Full year 2018	2017
Sweden	7,920	8,330	33,787	32,951
Norway ¹⁾	2,246	2,249	9,800	10,301
Western Europe ²⁾	987	907	4,526	4,381
Total	11,153	11,486	48,113	47,633

¹⁾ Bilsalongen is included in deliveries during the quarter with 104 (-) and during the full year with 477 (-).

²⁾ Verstraeten and Gent Store By Verstraeten are included in deliveries during the quarter and during the full year with 70 (-).

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 fourth quarter were SEK 13 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 and was at a high level. The profit from sales of used cars amounted to SEK 15 M (-23).

Operational earnings for the Car Business in Sweden were SEK 5 M higher than last year, attributable to a higher gross profit margin in sales of used cars. The profit from sales of used cars amounted to SEK 23 M (-14). The number of used cars in stock was at a favourable level. Profit from sales of new cars was negatively impacted by fewer deliveries compared with last year.

Operational earnings for the Car Business in Norway were SEK 6 M lower than last year. The profit from sales of used cars amounted to SEK 0 M (-5). The number of used cars in stock was at a too high level at the end of December 2018.

Operational earnings for the Car Business in Western Europe were SEK 14 M higher than last year, which is chiefly attributable to a higher gross profit margin when selling new cars. The loss from sales of used cars amounted to SEK -8 M (-4).

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

Full year 2018

The Car Business' deliveries of new cars decreased by 5 percent and transport vehicles increased by 5 percent for comparable operations in 2018. Deliveries of used cars were on a par with last year.

The order intake for new cars for comparable operations decreased by 9 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 2018 were SEK 29 M lower than last year. Profit from sales of used cars during 2018 was SEK 27 M up on last year and totalled SEK 62 M (35). The higher profit was primarily attributable to a higher turnover and gross profit margin. Profit from sales of used cars was SEK 56 M down on last year and totalled SEK 242 M (298). The lower profit was mainly attributable to a lower gross profit margin for cars and transport vehicles in Sweden.

Operational earnings for the Car Business in Sweden were SEK 19 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 93 M (51). The improvement can be attributed to a higher turnover and gross profit margin.

Operational earnings for the Car Business in Norway were SEK 6 M higher than last year, attributable to sales of new cars. The improvement can be explained by a higher gross profit margin compared to last year. The loss from sales of used cars amounted to SEK -8 M (+2), attributable to lower volume and higher relative costs.

Operational earnings for the Car Business in Western Europe were SEK 16 M lower than last year, which is largely attributable to sales of new cars and above all to higher relative costs than last year. The loss from sales of used cars amounted to SEK -23 M (-18).

Turnover by geographic market

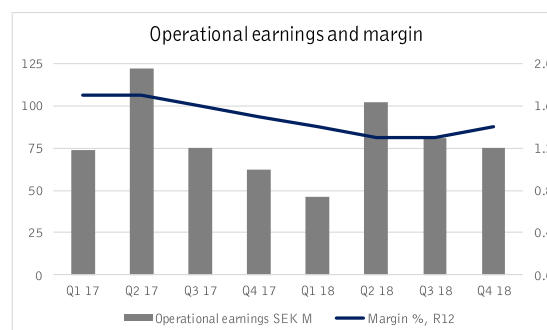
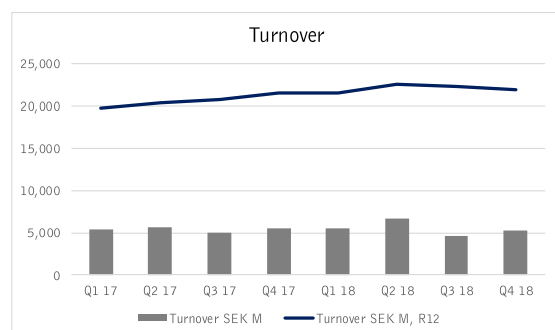
SEK M	Fourth quarter		Full year	
	2018	2017	2018	2017
Sweden	3,036	3,255	13,143	12,916
Norway	1,578	1,769	6,300	6,258
Western Europe	624	551	2,545	2,433
Total	5,238	5,575	21,988	21,607

Operational earnings by geographic market

SEK M	Fourth quarter		Full year	
	2018	2017	2018	2017
Sweden	34	29	219	238
Norway	21	27	82	76
Western Europe	20	6	3	19
Total	75	62	304	333

Margin by geographic market

Per cent	Fourth quarter		Full year	
	2018	2017	2018	2017
Sweden	1.1	0.9	1.7	1.8
Norway	1.4	1.5	1.3	1.2
Western Europe	3.1	1.0	0.1	0.8
Total	1.4	1.1	1.4	1.5



Fuel Business

Continued growth in operations

Fourth quarter 2018

- Turnover amounted to SEK 327 M (293).
- Operational earnings totalled SEK 5 M (7).
- The margin was 1.4 per cent (2.3).

Full year 2018

- Turnover amounted to SEK 1,297 M (1,141).
- Operational earnings totalled SEK 30 M (32).
- The margin was 2.3 per cent (2.8).

Turnover and earnings

Fourth quarter 2018

The Fuel Business was concentrated mainly to Sweden and profit for the fourth quarter amounted to SEK 5 M (7).

Full year 2018

The Fuel Business was concentrated mainly to Sweden and profit for 2018 amounted to SEK 30 M (32).

Turnover

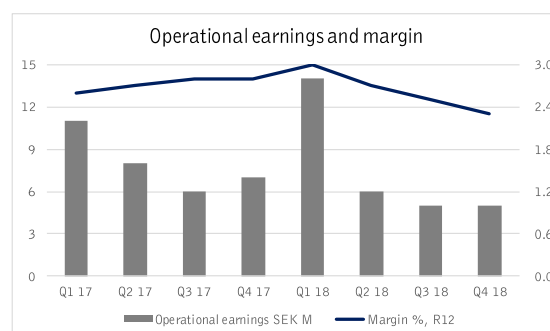
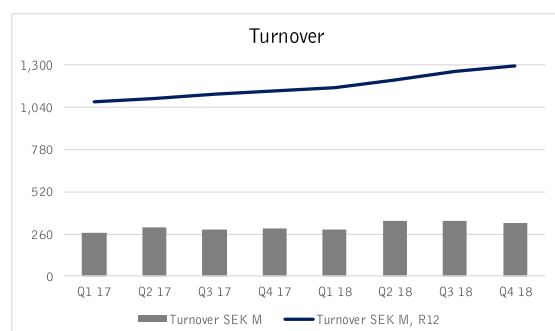
SEK M	Fourth quarter		Full year	
	2018	2017	2018	2017
Total	327	293	1,297	1,141

Operational earnings

SEK M	Fourth quarter		Full year	
	2018	2017	2018	2017
Total	5	7	30	32

Margin

Per cent	Fourth quarter		Full year	
	2018	2017	2018	2017
Total	1.4	2.3	2.3	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:

- 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 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 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	Fourth quarter		Full year	
	2018	2017	2018	2017
Net turnover	6,956	7,186	28,382	27,492
Costs of goods sold	-5,714	-5,995	-23,807	-23,169
Gross profit	1,242	1,191	4,575	4,323
Other operating income	4	5	6	17
Selling expenses	-779	-758	-2,988	-2,762
Administrative expenses	-189	-173	-634	-631
Other operating expenses	-6	-7	-16	-24
Operating profit ¹⁾	272	258	943	923
Financial income	0	7	2	26
Financial expenses	-17	-22	-64	-85
Shares in profits of associated companies	12	9	41	32
Profit before tax	267	252	922	896
Tax	-53	-68	-188	-205
Net profit for the period	214	184	734	691
Other comprehensive income/loss				
<i>Items that can be reclassified to profit or loss</i>				
Translation differences attributable to foreign operations	-37	4	31	-14
Other comprehensive income/loss after tax	-37	4	31	-14
Comprehensive income for the period	177	188	765	677
Net profit for the period attributable to:				
Parent Company's shareholders	214	184	734	691
Comprehensive income for the period attributable to:				
Parent Company's shareholders	177	188	765	677
Weighted average number of shares, '000:				
- before dilution	100,951	101,222	100,951	102,283
- after dilution	101,057	101,222	101,013	102,283
Basic earnings/loss per share, SEK	2.10	1.80	7.25	6.75
Diluted earnings/loss per share, SEK	2.10	1.80	7.25	6.75
Weighted average number of own shares, '000	1,849	870	1,849	339
1) Straight-line amortisation/depreciation by asset class:				
- Intellectual property	-26	-22	-100	-93
- Land and buildings	-25	-25	-58	-50
- Equipment, tools, fixtures and fittings	-15	-13	-93	-89
- Leased vehicles	-114	-111	-427	-415
Total	-180	-171	-678	-647

Consolidated Statement of Financial Position, Summary

SEK M	31 December 2018	31 December 2017
Assets		
Non-current assets		
Intangible assets		
Intellectual property	670	583
Goodwill	842	723
	1,512	1,306
Property, plant and equipment		
Land and buildings	726	599
Construction in progress	83	29
Equipment, tools, fixtures and fittings	500	453
Leased vehicles	2,958	2,966
	4,267	4,047
Long-term investments		
Financial investments ¹⁾	449	415
Long-term receivables ²⁾	-	0
	449	415
Deferred tax assets	81	79
Total non-current assets	6,309	5,847
Current assets		
Inventories, merchandise	3,992	3,408
Current receivables		
Other receivables ¹⁾	1,456	1,501
Cash and cash equivalents ²⁾	314	202
Total current assets	5,762	5,111
TOTAL ASSETS	12,071	10,958
Equity and liabilities		
Equity		
Share capital	257	257
Other contributed capital	167	167
Reserves	-7	-38
Retained earnings including net profit for the year	2,498	2,234
Total equity	2,915	2,620
Non-current liabilities		
Bond issue ³⁾	1,281	1,006
Interest-bearing liabilities ⁴⁾	282	163
Other liabilities and provisions	2,083	2,246
	3,646	3,415
Current liabilities		
Interest-bearing liabilities ⁴⁾	776	729
Other liabilities and provisions	4,734	4,194
	5,510	4,923
TOTAL EQUITY AND LIABILITIES	12,071	10,958
Assets		
¹⁾ Of which interest-bearing	441	408
²⁾ Interest-bearing	314	202
Liabilities		
³⁾ Of which interest-bearing	1,300	1,000
⁴⁾ Interest-bearing	1,058	892

Statement of Changes in Group Equity, Summary

SEK M	31 December 2018	31 December 2017
Opening balance	2,620	2,511
Cash dividend to shareholders	-456	-412
Incentive programme	1	-
Buy-back of own shares	-	-147
Revaluation of put option	-15	-9
Comprehensive income for the year	765	677
Equity at end of period	2,915	2,620

Consolidated Statement of Cash Flows

SEK M	Fourth quarter		Full year	
	2018	2017	2018	2017
Operating activities				
Profit before tax	267	252	922	896
Depreciation and impairment losses	245	216	743	692
Other items not affecting cash	4	-18	-39	-58
Tax paid	-40	-53	-180	-203
Change in inventories	-613	-186	-442	29
Change in operating receivables	-45	-252	128	-40
Change in operating liabilities	452	242	-5	-23
Cash flow from operating activities	270	201	1,127	1,293
Investing activities				
Acquisition of non-current assets (intangible and tangible)	-91	-80	-271	-331
Disposal of non-current assets (intangible and tangible)	0	3	34	7
Acquisition of leased vehicles	-281	-446	-1,447	-1,577
Disposal of leased vehicles	181	375	1,099	963
<i>Operating cash flow</i>	79	53	542	355
Investment in financial assets	-1	-1	-3	-4
Disposal of financial assets	0	1	2	13
Acquisition of subsidiary/operation, net	-283	0	-334	-344
Disposal of subsidiary/operation, net	0	0	0	54
Cash flow from investing activities	-475	-148	-920	-1,219
Cash flow after net investments	-205	53	207	74
Financing activities				
Borrowings	424	269	3,382	917
Repayment of loans	-34	-181	-2,953	-281
Repayment of lease liabilities	-15	-14	-60	-54
Buy-back of own shares	0	-47	0	-147
Revaluation of put option	-9	-7	-15	-9
Dividend paid to the company's shareholders	0	0	-456	-412
Cash flow from financing activities	366	20	-102	14
Change in cash and cash equivalents, excl. translation differences				
	161	73	105	88
Exchange difference in cash and cash equivalents	2	12	7	10
Change in cash and cash equivalents	163	85	112	98
Cash and cash equivalents at start of period	151	117	202	104
Cash and cash equivalents at end of period	314	202	314	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 accounting policies from 1 January 2018

New IFRSs have not had any significant effect on the Group's or the Parent Company's financial reports during the year. 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 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 had no significant effect on the financial statements.

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 income statement.

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 approximately SEK 2,600 M for existing leases. The largest class of asset for leases was properties, such as the centres where Bilia conducts its business. The information provided in Note 29 of the 2017 Annual Report also gives a certain 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 revenue of SEK 3 M that is matched by a cost 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	Fourth quarter		Full year	
	2018	2017	2018	2017
The Group				
Operational earnings	296	278	1,034	1,006
- Gain from sale of operation	0	0	0	8
- Structural costs etc.	0	-3	-8	-17
- Acquisition-related costs and value adjustments	-4	0	-6	-3
- Amortisation of surplus values	-20	-17	-77	-71
Operating profit	272	258	943	923

Note 4 – Group's operating segments

31 December 2018

SEK M	Service	Car	Fuel	Total	Segment reconciliation	Group
Net turnover						
External sales	5,073	21,988	1,297	28,358	24	28,382
Internal sales	1,380			1,380	-1,380	-
Total net turnover	6,453	21,988	1,297	29,738	-1,356	28,382
Depreciation/amortisation	-113	-516	-5	-634	-44	-678
Operational earnings/Operating profit/loss	766	304	30	1,100	-157	943
Interest income						2
Interest expenses						-64
Shares in profits of associated companies		41		41		41
Profit before tax						922
Tax expense for the period						-188
Net profit for the period						734
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	-3	-3		-6		-6
- Amortisation of surplus values	-39	-38		-77		-77
Total	-46	-45	-	-91	-	-91
Assets						
Interests in associated companies		441		441		441
Deferred tax assets						81
Other assets						11,549
Total assets						12,071
Investments in non-current assets	95	1,518	5	1,618	100	1,718
Liabilities						
Equity						2,915
Liabilities						9,156
Total liabilities and equity						12,071

SEK M	Service			Car		
	Sweden	Norway	Western Europe	Sweden	Norway	Western Europe
Turnover						
External sales	3,308	1,167	598	13,143	6,300	2,545
Internal sales	840	465	75			
Total turnover	4,148	1,632	673	13,143	6,300	2,545
Depreciation/amortisation	-65	-18	-30	-445	-41	-30
Operational earnings	520	176	70	219	82	3
Shares in profits of associated companies				41		
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	-2	-1	-1	-1
- Amortisation of surplus values	-12	-10	-17	-12	-9	-17
Total	-15	-11	-20	-15	-10	-20
Interests in associated companies				441		
Investments in non-current assets	64	21	10	1,087	384	47

SEK M	Revenues from customers	Non-current assets
Geographical segments		
Sweden	17,766	5,446
Norway	7,473	1,054
Germany	1,120	82
Luxembourg	1,202	610
Belgium	821	629
Segment reconciliation	0	-1,593
Total	28,382	6,228

31 December 2017

SEK M	Service	Car	Fuel	Total	Segment reconciliation	Group
Net turnover						
External sales	4,734	21,607	1,141	27,482	10	27,492
Internal sales	1,264			1,264	-1,264	-
Total net turnover	5,998	21,607	1,141	28,746	-1,254	27,492
Depreciation/amortisation	-105	-498	-5	-608	-39	-647
Operational earnings/Operating profit/loss	704	333	32	1,069	-146	923
Interest income						26
Interest expenses						-85
Shares in profits of associated companies		32		32		32
Profit before tax						896
Tax expense for the period						-205
Net profit for the period						691
Revenue and costs that affect comparability:						
- Profit from sale of operation, other	6	2		8		8
- Structural costs etc.	-10	-7		-17		-17
- Acquisition-related costs and value adjustments	-2	-1		-3		-3
- Amortisation of surplus values	-35	-36		-71		-71
Total	-41	-42	-	-83	-	-83
Assets						
Interests in associated companies		408		408		408
Deferred tax assets						79
Other assets						10,471
Total assets						10,958
Investments in non-current assets	139	1,684	7	1,830	78	1,908
Liabilities						
Equity						2,620
Liabilities						8,338
Total liabilities and equity						10,958

SEK M	Service			Car		
	Sweden	Norway	Western Europe	Sweden	Norway	Western Europe
Turnover						
External sales	3,184	1,060	490	12,916	6,258	2,433
Internal sales	780	420	64			
Total turnover	3,964	1,480	554	12,916	6,258	2,433
Depreciation/amortisation	-64	-15	-26	-436	-35	-27
Operational earnings	503	167	34	238	76	19
Shares in profits of associated companies				32		
Revenue and costs that affect comparability:						
- Profit from sale of operation, other	6			2		
- Structural costs etc.	-8	-2		-6		-1
- Acquisition-related costs and value adjustments	-2			-1		
- Amortisation of surplus values	-12	-8	-15	-13	-8	-15
Total	-16	-10	-15	-18	-8	-16
Interests in associated companies				408		
Investments in non-current assets	95	19	25	1,429	206	49

SEK M	Revenues from customers	Non-current assets
Geographical segments		
Sweden	17,248	5,518
Norway	7,324	901
Germany	1,039	80
Luxembourg	1,138	604
Belgium	746	267
Segment reconciliation	-3	-1,602
Total	27,492	5,768

Note 5 – Acquisitions

Bilsalongen AS

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.

Verstraeten NV and Gent Store by Verstraeten BVBA

On 3 December 2018, Bilia acquired Verstraeten NV and Gent Store by Verstraeten BVBA, one BMW and one MINI dealership in Belgium. The operations are conducted in facilities in Flanders. The business has an annual turnover of about SEK 750 M, with an average operating profit of about SEK 40 M per year. The purchase consideration was SEK 434 M. The entire purchase consideration was paid in cash. There is no contingent purchase consideration.

The acquisition is expected to result in future synergies with Bilia's other operations in Belgium and Luxembourg.

The operation has about 60 employees and will continue to be conducted from the present-day facilities.

Acquisition-related expenses amounting to SEK 3.7 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	Verstraeten NV and Gent Store by Verstraeten BVBA
Intangible assets, customer relations	132
Property, plant and equipment	143
Long-term investments	0
Deferred tax asset	0
Inventories	106
Trade receivables and other receivables	36
Cash and cash equivalents	151
Interest-bearing liabilities	44
Trade payables and other liabilities	118
Deferred tax liability	58
Net identifiable assets and liabilities	348
Consolidated goodwill	86
Net identifiable assets and liabilities, including goodwill	434
Purchase consideration paid	434
Less: Cash and cash equivalents in aquired operation	-151
Net effect on cash and cash equivalents	283

Acquired customer relations totalling SEK 132 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	31 December 2018	31 December 2017
Current interest-bearing liabilities	776	729
Non-current interest-bearing liabilities	1,582	1,163
Pension liabilities	-	-
Cash and cash equivalents	-314	-202
Interest-bearing assets	-	0
Interests in associated companies	-441	-408
Net debt(+)/receivable(-) at end of period/year	1,603	1,282

The ratio of net debt to EBITDA

SEK M	31 December 2018	31 December 2017
Operational earnings	1,034	1,006
Total depreciation/amortisation	678	647
-amortisation of surplus values	-77	-71
-depreciation of leased vehicles with repurchase agreements	-366	-354
Depreciation/amortisation added back	235	222
EBITDA	1,269	1,228
The ratio of net debt to EBITDA rolling 12 months, times	1.3	1.0

Accounts - Parent Company

Income Statement for Parent Company

SEK M	Fourth quarter		Full year	
	2018	2017	2018	2017
Net turnover	124	108	485	423
Administrative expenses	-150	-132	-555	-491
Operating loss ¹⁾	-26	-24	-70	-68
<i>Result from financial items</i>				
Income from interests in Group companies	-12	-24	57	89
Interest income from Group companies	9	8	46	41
Other interest income and similar line items	0	8	0	25
Interest expenses to Group companies	0	0	0	0
Interest expenses and similar line items	-8	-14	-33	-54
Loss after financial items	-37	-46	0	33
Appropriations	573	482	573	482
Profit before tax	536	436	573	515
Tax	-112	-87	-112	-87
Net profit for the year	424	349	461	428
¹⁾ Straight-line amortisation/depreciation by asset class:				
- Intellectual property	-1	0	-1	-1
- Buildings	-3	-2	-10	-8
- Equipment, tools, fixtures and fittings	0	0	0	0
Total	-4	-2	-11	-9

Balance Sheet for Parent Company, Summary

SEK M	31 December 2018	31 December 2017
Assets		
Non-current assets		
Intangible assets		
Intellectual property	0	1
	0	1
Property, plant and equipment		
Buildings	76	73
Construction in progress	82	28
Equipment, tools, fixtures and fittings	3	2
	161	103
Long-term investments		
Interests in Group companies	1,328	1,348
Other securities held as non-current assets	1	0
Deferred tax asset	45	45
	1,374	1,393
Total non-current assets	1,535	1,497
Current assets		
Current receivables		
Receivables from Group companies	1,922	1,489
Other receivables	99	92
Cash on hand and demand deposits	82	107
Total current assets	2,103	1,688
TOTAL ASSETS	3,638	3,185
Equity and liabilities		
Equity		
Restricted equity		
Share capital	257	257
Statutory reserve	47	47
	304	304
Non-restricted equity		
Share premium reserve	167	167
Retained earnings including net profit for the year	809	801
	976	968
Total equity	1,280	1,272
Untaxed reserves	727	622
Provisions		
Deferred tax liability	5	5
	5	5
Non-current liabilities		
Bond issue	1,281	1,006
Other liabilities	5	5
	1,286	1,011
Current liabilities		
Liabilities to Group companies	63	88
Liabilities to credit institutes	42	-
Other liabilities	235	187
	340	275
TOTAL EQUITY AND LIABILITIES	3,638	3,185

Quarterly review - 8 quarters

The Group

	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018
Continuing operations								
Net turnover, SEK M	6,815	7,189	6,302	7,186	6,978	8,329	6,119	6,956
Operational earnings, SEK M	267	261	200	278	218	299	221	296
Operational margin, %	3.9	3.6	3.2	3.9	3.1	3.6	3.6	4.3
Operating profit, SEK M	244	240	181	258	196	274	201	272
Operating margin, %	3.6	3.3	2.9	3.6	2.8	3.3	3.3	3.9
Profit before tax, SEK M	234	234	176	252	188	270	197	267
The ratio of net debt to EBITDA, times ¹⁾	0.7	1.1	1.1	1.0	1.3	1.2	1.1	1.3
The Bilja Group								
Profit/loss for the period, SEK M	181	183	143	184	146	216	158	214
Return on capital employed, % ¹⁾	26.1	25.2	24.1	23.4	21.0	20.9	21.1	20.5
Return on equity, % ¹⁾	28.3	27.4	27.3	27.0	25.2	26.6	26.6	26.5
Equity/assets ratio, %	25	23	24	24	25	22	25	24
Data per share (SEK) ²⁾								
Earnings/loss for the period	1.75	1.80	1.40 ³⁾	1.80 ⁵⁾	1.45 ⁶⁾	2.15 ⁶⁾	1.55 ⁶⁾	2.10 ⁶⁾
Equity	26	24	24 ⁴⁾	26 ⁶⁾	28 ⁶⁾	26 ⁶⁾	27 ⁶⁾	29 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

	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018
Turnover, SEK M	1,500	1,486	1,317	1,695	1,561	1,697	1,405	1,790
Operational earnings, SEK M	193	148	128	235	169	209	137	251
Margin, %	12.9	10.0	9.7	13.9	10.8	12.3	9.8	14.0
Adjusted turnover, growth in %	4.9	6.6	12.0	7.1	3.1	8.2	2.1	4.3

Business area – Car Business

	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018
Turnover, SEK M	5,431	5,640	4,961	5,575	5,463	6,632	4,655	5,238
Operational earnings, SEK M	74	122	75	62	46	102	81	75
Margin, %	1.4	2.2	1.5	1.1	0.9	1.5	1.7	1.4
New cars delivered, number	13,141	14,958	11,480	13,317	12,388	15,886	9,672	12,378
Order backlog of new cars, number ¹⁾	12,758	11,128	11,236	11,246	12,560	8,324	9,880	9,646
Used cars delivered, number	11,786	12,660	11,701	11,486	11,904	12,698	12,358	11,153

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

Business area – Fuel Business

	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018
Turnover, SEK M	265	299	284	293	289	342	339	327
Operational earnings, SEK M	11	8	6	7	14	6	5	5
Margin, %	4.0	2.6	2.3	2.3	4.8	1.8	1.5	1.4

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/.

Additional Bilia disclosures

Press and analyst meeting

On Friday, 8 February 2019, 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 14:00 PM and a meeting in English at 15:00 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

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

Audit

This year-end report has not been subjected to special examination by the auditors.

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, 8 February 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 8 February 2019, at 13:00 PM 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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