

I.A. Hedin Bil AB interim report Q3 2019

New car sales saw an overall positive development during the third quarter after a slow down during spring. Profit margins from sales of used cars continued to improve and aftermarket services improved during the third quarter.

Gothenburg, 11th of November 2019

The market for new car registrations in Sweden recovered substantially in the third quarter compared to last year. Quarterly comparisons are made difficult because of changes in the regulatory landscape, especially with the introduction of Bonus Malus in the Swedish market. Up until and including the third quarter this year, the total Swedish market has decreased by 13 per cent. While Hedin showed less decrease and gained market share. Norway continued on a path of mixed development, with a strong increase in sales of Electric Vehicles while the sales of petrol and diesel fueled vehicles continued to decrease. Stronger competition from an increase in the offer of Electric Vehicles lead to a decrease in our market share. In Belgium, the market also continued to decrease, while our business grew in both relative and absolute numbers from the strength of the Mercedes-Benz brand, which has established itself as the leading premium brand in Belgium. In conclusion, this year is still very much a wait for the launch of a wider range of Electric Vehicles and Plugin Hybrid Electric Vehicles that will start in 2020.

Sales of used cars continues to improve in all markets, with higher margins and increased inventory turnover.

Aftermarket services has improved margins and we are working to build long term customer relationships through the offer of service agreements and targeted seasonal offers.

During this quarter, we have expanded our market for BMW in Norway and Mercedes-Benz in Belgium through strategic acquisitions. Three years after our initial review of the Belgian market, we have now completed the acquisitions that we initially planned. This serves to prove our strategy of building strong market presence and a competitive customer offer over time.

Key performance indicators compared with previous year:

- Net sales increased by 8 % to MSEK 5 262 (MSEK 4 858).
- Operating profit increased to MSEK 104 (MSEK 21). Excluding IFRS16 operating profit was MSEK 95.
- Profit after financial items increased to MSEK 45 (MSEK -5), or MSEK 52 excluding IFRS 16.

For full report please follow link:

<https://www.hedinbil.se/om-hedin-bil/investor-relations/ekonomiska-rapporter>

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I.A. Hedin Bil is one of the largest privately-owned automotive retailers in the Nordics, with 32 brands in the portfolio, offering full service for private and corporate customers. Financing, service and insurance are some of the components of the total offer. Hedin Bil is represented in more than 100 locations in Sweden, Norway and Belgium. Turnover in 2018 amounted to 21 bn SEK with 2,450 employees. www.hedinbil.se

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