



Belron

Making a difference by solving people's problems
with real care.



What we do

Belron has a clear purpose: “making a difference by solving people’s problems with real care”. It is the worldwide leader in vehicle glass repair, replacement recalibration and operates in 39 countries, through wholly owned businesses and franchises, with market leading brands – including Carglass®, Safelite® and Autoglass®. In addition, Belron manages vehicle glass and other insurance claims on behalf of insurance companies.

	2016	2017	2018	2019
Consumers (in millions) ¹	15.5	16.8	18.2	18.2
NPS ²	82.6%	83.1%	82.8%	84.2%

¹ Including franchisees

² Net Promoter Score



*Message from
Gary Lubner,
CEO of Belron*



“We focused on making the business more profitable – notably through better procurement, productivity and job optimisation.”

2019 has been an outstanding year for Belron due, in large part, to the success of our business transformation programme, Fit for Growth. By focusing on boosting the financial performance of the business, the programme delivered strong growth and profit while ensuring we remain committed to our purpose of making a difference to our customers, people and society.

Fit for Growth focused on accelerating performance in a number of critical areas in our vehicle glass repair and replacement business. An adaptation to when and how we advertised saw us further develop our digital marketing while continuing to deliver tailored TV and radio advertising. We made significant progress in our recalibration work through our increased investment in recalibration capability and coverage, and are proud to be the technical experts in this field, performing 875,000 calibrations in 2019. We also increased our value added products and services – predominantly wipers – with 19% of our vehicle glass repair

and replacement customers buying additional products. These successes, combined with a continued focus on building our brands and strengthening our partnerships with insurance, fleet and lease companies saw us delivering record sales and serving a record number of customers. Our number one priority remains our customers and we were proud to have achieved an overall NPS score of 84.2% for the year.

In addition, we focused on making the business more profitable – notably through better procurement, productivity and job optimisation. On the procurement front, we leveraged our scale more effectively, especially in the buying of vehicle glass and polyurethane. We enhanced our technician productivity by using a new metric, Our People's Time Index, which enabled us to identify and correct operational inefficiencies. Similarly, we established new ways of working for technicians through a job optimisation plan. The business continued to focus on maintaining an efficient



“Our number one priority remains our customers”

supply chain leveraging the regional structure we established in 2018. Forming three regions (North America, Eurozone and Rest of World) has given us the platform to leverage our scale more effectively.

We also enhanced our ways of working by bringing in new reporting and introducing monthly reviews for every country and region with a balanced focus on performance, projects and people. We recruited new leaders for our HR and IT functions adding expertise to both of these key areas and launched a new talent management and succession planning programme to develop our talent and build a platform for the future. Major technology projects kicked off in all three regions built on business process reengineering and leveraging cloud-based technology. I am excited about the future potential in both of these functional areas.

During this period of transformation, it was essential to engage our people in our change journey. I'm pleased that we were able to maintain high engagement levels throughout the year and award 77 people across the business with a Belron Exceptional People Award for 'outstanding achievement'. I am forever grateful to the wonderful people here at Belron.

Belron takes its societal responsibilities extremely seriously and we continue to work hard to improve our recycling rates and sustainability metrics across the company. However, we know there is still more to do.

We had an impressive year of fundraising for charitable causes including raising a record amount at the Spirit of Belron Challenge, where we were privileged to celebrate 25 years of Afrika Tikkun. Our fundraising efforts rounded off a truly incredible year for Belron, and one in which I am extremely proud and thankful to all those people who made it possible.

> Overview of 2019

Business environment

Severe winter weather in North America, comparable to 2018, led to a strong demand for vehicle glass repair and replacement (VGRR) services there, whereas a milder winter in Europe saw demand significantly decline during the first half of the year.

The technical complexity of VGRR services continues to rise, as the penetration of Advanced Driver Assistance Systems (ADAS) increases. This requires enhanced recalibration capability and knowledge. It is estimated that circa 16% of the vehicle park in North America and Europe had a windscreen-mounted ADAS installed, compared to 10% at the end of 2018.

The demands from motorists, insurers and fleet and lease customers remained consistent with a focus on convenience and value. This requires an on-going investment in driving-repair awareness, and an expanding operational footprint, as effective recalibration specifically requires a level platform and good lighting. The increasing complexity of vehicle glass requires investment by glass manufacturers, leading to cost and price increases down the line. There were no significant changes in the competitive environment in 2019.

For 2020, we forecast relatively stable demand for VGRR services in the geographies in which Belron operates, albeit slightly lower in North America assuming average winter weather versus the severe weather of 2019. We expect the technical complexity of the services to increase, especially

as it relates to the recalibration of ADAS. Customer demands are expected to continue with no significant changes expected in the competitive environment.

Key achievements

- Belron has been able to maintain the record high level of 18.2 million consumers achieved in 2018.
- Customer service remains at the heart of Belron, and this was shown with an NPS of 84.2%, the highest score in Belron's history.
- Belron performed 875,000 calibrations — an increase of 112% on 2018 — ensuring more drivers stay safe on the road.
- In 2019, the annual 'Spirit of Belron' Challenge raised a record 26 million ZAR, a fitting way to celebrate Afrika Tikkun's 25th birthday (<https://afrikatikkun.org/>).
- Belron achieved record sales of EUR 4.2 billion — this figure includes the expansion of our operations in the US following the acquisition of TruRoad Holdings Inc. (TruRoad).
- Belron made 'more of a difference' to our customers through our value added products and services offering.
- Belron's commitment to the environment continued as it recycled 68% of glass — more than it had ever recycled before.



Johan Mortier - Head of Belron Technical

Responding to a rapidly growing ADAS market

2019 saw the penetration of ADAS (Advanced Driver-Assistance Systems) increase exponentially, as safety systems on vehicles become more common.

Belron responded to this market growth with a focused global investment in its recalibration knowledge, capability and coverage. Through our Fit for Growth transformation programme, the business was able to follow a comprehensive action plan to accelerate growth and profit whilst also enhancing customer safety.

Better recalibration tool coverage was key. In addition to using tools from two of the leading recalibration suppliers worldwide, we expanded our reach still further via a global partnership with an over-the-air provider who uses original

vehicle manufacturer tools to ensure reliable recalibration. By working closely with our three recalibration partners, we can ensure we have industry-leading recalibration capabilities at all times.

Training our technicians and educating our Key Accounts in the importance of calibrating correctly – and the impact of a bad calibration – was also a continued focus, and we were proud that our calibration work was approved to an industry standard by the Institute of Motor Industry (IMI) – a first for a global VGRR company.

Through our global focus and continued investment, we have now become the world's largest recalibration company.

Hugo Vinerier - VAPS Manager

Offering more convenience and value to our customers

A focus on VAPS (Value Added Products and Services) in our Fit for Growth transformation programme has given us the opportunity to extend our partnership with our Business Units and offer more value to our vehicle glass repair and replacement customers, while also delivering a boost in financial performance for our shareholders.

By focusing on a core range of products at a competitive price, and offering it consistently to customers, by driving more operational discipline across all contact channels, we were able to grow our Attachment Rate (percentage of customers who buy at least one additional product or

service) to 19% and increase our sales by more than 35% vs 2018. Better still, by providing this convenient service, we saw our NPS increase too, confirming that we are indeed making a positive difference to our customers.

VAPS remains a big opportunity in 2020 and we are committed to offering our additional products and services to even more customers. By using our winning contact channel formula, we know we can enhance customer service and deliver further growth for Belron.

Making a difference to Society

We know that our business has a big impact on the world we live in and we take this responsibility extremely seriously. In 2019, we saw good progress in managing and reducing our environmental impact, but we know there is still more to do and we are focused on continuously improving for the future

our glass recycling capacity and to meet our ambition to recycle 100% of all glass.

These successes, along with many other initiatives and activities, are reflected in the results of the corporate responsibility benchmarking programme (Ecovadis) which saw Belron in the top 10% of businesses in the same industry sector.

Our environmental impact

We are pleased that the company's carbon intensity (CO₂ per job) continues to decrease. Our Repair First strategy – repairing a windscreen rather than replacing it wherever possible – saved over 140,000 tCO₂, and over the last five years our carbon intensity overall has been reduced by 17%. As one of the top vehicle glass purchasers in the world Belron has a duty to dispose of its glass in an environmentally-friendly way. This year we recycled more glass than we have ever done before, and we continue to work hard to increase

Transforming communities

We believe in changing lives – making a difference to the communities in which we operate – is part of who we are. In 2019, Belron was proud to raise a record amount of money to benefit over 300 charities around the world. Alongside this, our annual triathlon event raised a record 26 million ZAR (circa EUR 1.5 million) for our global charity partner Afrika Tikkun, showing our continued commitment to changing the lives of young people in South Africa from where our business started.



> Strategy for 2020 and beyond

Belron's strategic priorities for 2020 are aligned with its purpose of 'making a difference with real care' to its customers, people, society and shareholders.

Building on the successes of 2019 in both growth and profitability, Belron will continue on its business transformation journey. This will require further improvements in its marketing, and to its value added products and services offering. Belron will also look to enhance its operational footprint to ensure that it can meet the increased demand for recalibration services.

In addition, the company will progress how it procures goods and services across the business, both directly and indirectly, and continue to grow technician productivity.

Focusing on its ways of working, it will improve the efficiency of support functions through enhanced processes and digital technology, and future proof the business with a new talent programme and succession planning processes.

New services – namely Automotive Damage Repair and Replacement (ADRR) and Home Damage Repair and Replacement (HDDR) – have been de-prioritised given the significant opportunities and priorities in VGRR, although care will be taken with the existing non-VGRR operations.

Finally, Belron will continue to pursue its commitments to both society and the environment by enhancing its corporate responsibility strategy.

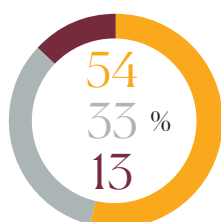
“Belron’s strategic priorities for 2020 are aligned with its purpose of ‘making a difference with real care’ to its customers, people, society and shareholders.”

Belron

Key Figures

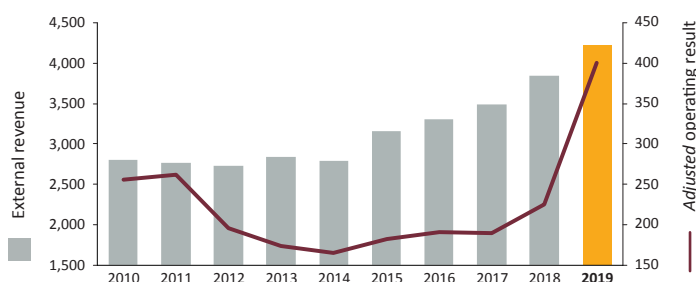
(EUR million)	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019 ³
External revenue	2,800.9	2,769.0	2,727.2	2,843.1	2,792.6	3,161.2	3,305.4	3,486.2	3,839.7	4,228.1
Adjusted operating result ¹	255.6	262.3	196.0	173.5	165.1	182.0	190.7	189.8	225.7	400.5
Adjusted operating margin ¹	9.1%	9.5%	7.2%	6.1%	5.9%	5.8%	5.8%	5.4%	5.9%	9.5%
Adjusted result, group's share										
before tax ^{1,2}	211.3	213.1	147.7	130.5	123.4	137.6	148.4	134.5	90.3	172.8
after tax ^{1,2}	155.5	162.3	110.9	93.1	94.3	112.2	122.6	116.0	74.9	120.4
Average workforce (average full time equivalents)	24,790	25,199	24,200	25,645	25,204	26,390	26,340	28,994	30,567	29,121

REVENUE BREAKDOWN BY REGION

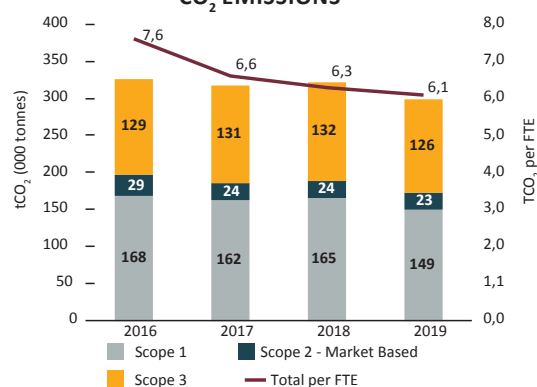


EUR million	2018	2019	Change
North America	1,896.5	2,280.0	+20.2%
Eurozone	1,365.2	1,374.5	+0.7%
Rest of the World	578.0	573.6	-0.8%
Total	3,839.7	4,228.1	+10.1%

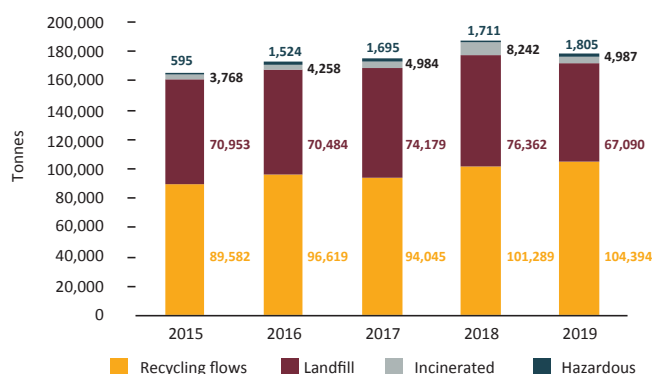
REVENUE AND ADJUSTED OPERATING RESULT^{1,3} (EUR million)



CO₂ EMISSIONS



BELRON WASTE STREAM



1 Excluding *adjusting* items (APMs - see glossary on page 68).

2 Average stake in Belron: 94.85% in 2017, 57.78% in 2018 and 52.48% in 2019.

3 Pre-IFRS 16.