

D'leteren Group Investor Day

D'leteren

*"Building seamless and sustainable mobility
for everyone"*



D'leterenGroup

April 28th, 2022



Today's Presenters



DENIS GORTEMAN
Chief Executive Officer
Years of service 34



REGINALD GILLET
Chief Financial Officer
Years of service 2

Agenda

I. Who We Are & What We Do

II. Our Market & Positioning

III. Our Performance

IV. Our Ambition

V. Current Trading

VI. Key Takeaways

Ambition & Strategy

MISSION

Building seamless and sustainable mobility for everyone

AMBITION

Be the natural choice in Belgium for mobility

STRATEGIC PRIORITIES

- ▶ **Products & services portfolio**
Create and adapt a sustainable portfolio of products & services in line with our customer needs
- ▶ **Customer experience**
Improve our customers' life by continuously seeking to improve their mobility experience
- ▶ **Mobility ecosystem**
Build a coherent ecosystem to deliver mobility solutions through our channels, network(s) and partners
- ▶ **People**
Provide our employees with a great place to work by living our values

D'leteren: 6 main activities covering mobility



#1 Retailer in Belgium
on the Antwerpen-
Mechelen-Brussels
Axis



Focusing on multi-
brand aftersales &
used car markets



Importer for 11 brands
vehicles, parts &
accessories



Providing a wide range
of financial services for
the VW Group brands

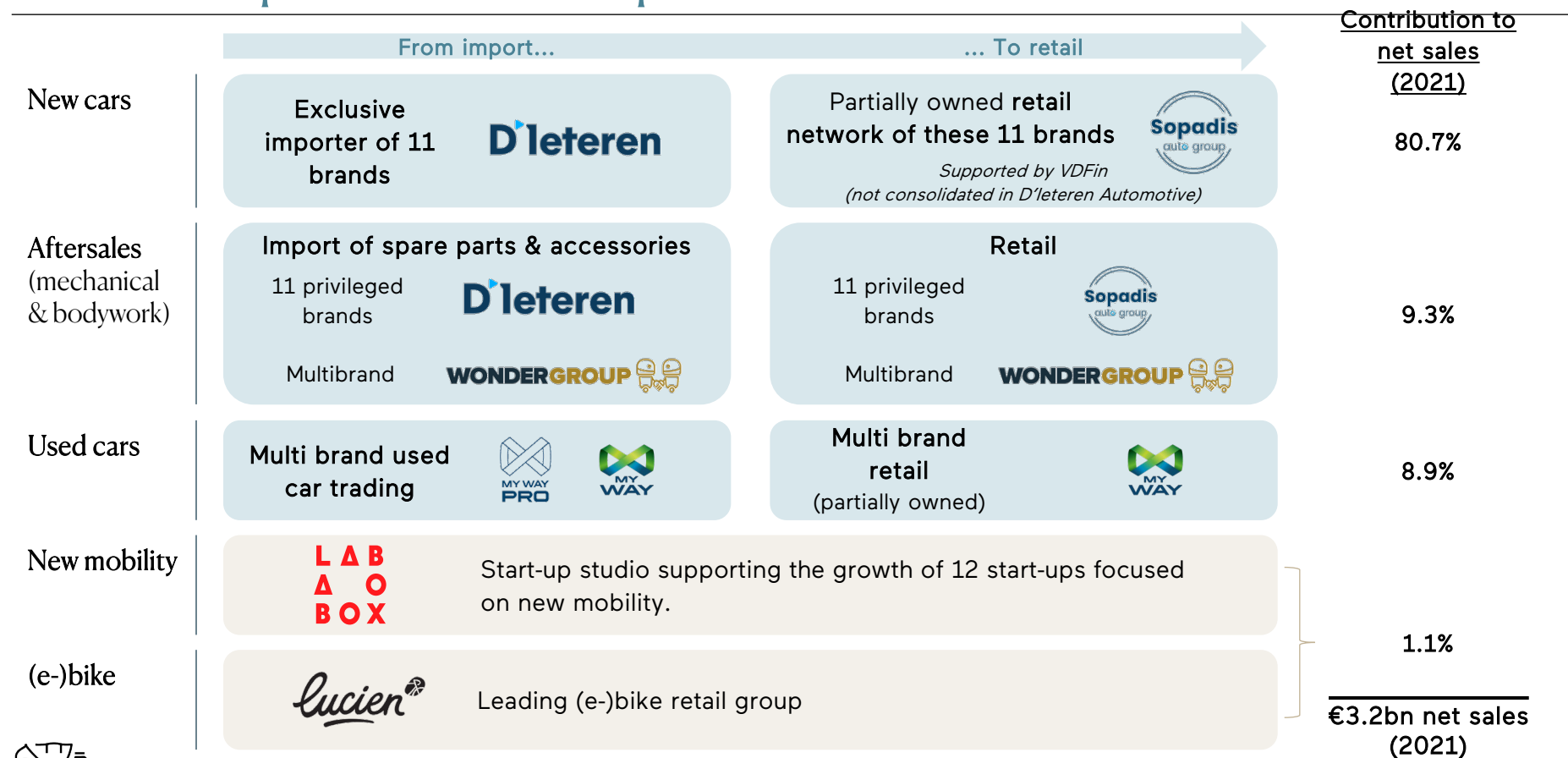


Becoming the most loved
bike retailer in Belgium



Focusing on the
future of mobility

Activities span across multiple value chains & markets



Lab Box is the leader for new mobility in Belgium

POPPY

*Free floating
vehicle sharing*

#1 Short term vehicle sharing solutions
in Belgium (~8,000 vehicles in fleet)

1st European shared mobility player to
offer 3 types of vehicles on a single
platform



ED1
Electric by D'leteren

*Charging stations
for electric vehicles*

#1

BEV charger installer in Belgium
with 5,000 units in 2021



Plan to broaden product portfolio
to solar panels, home batteries
and EMS



And many more...

 USH

 mbrella
MOBILITY MANAGEMENT

 MY MOVE

 HUSK

 LIZY

 MOB BOX

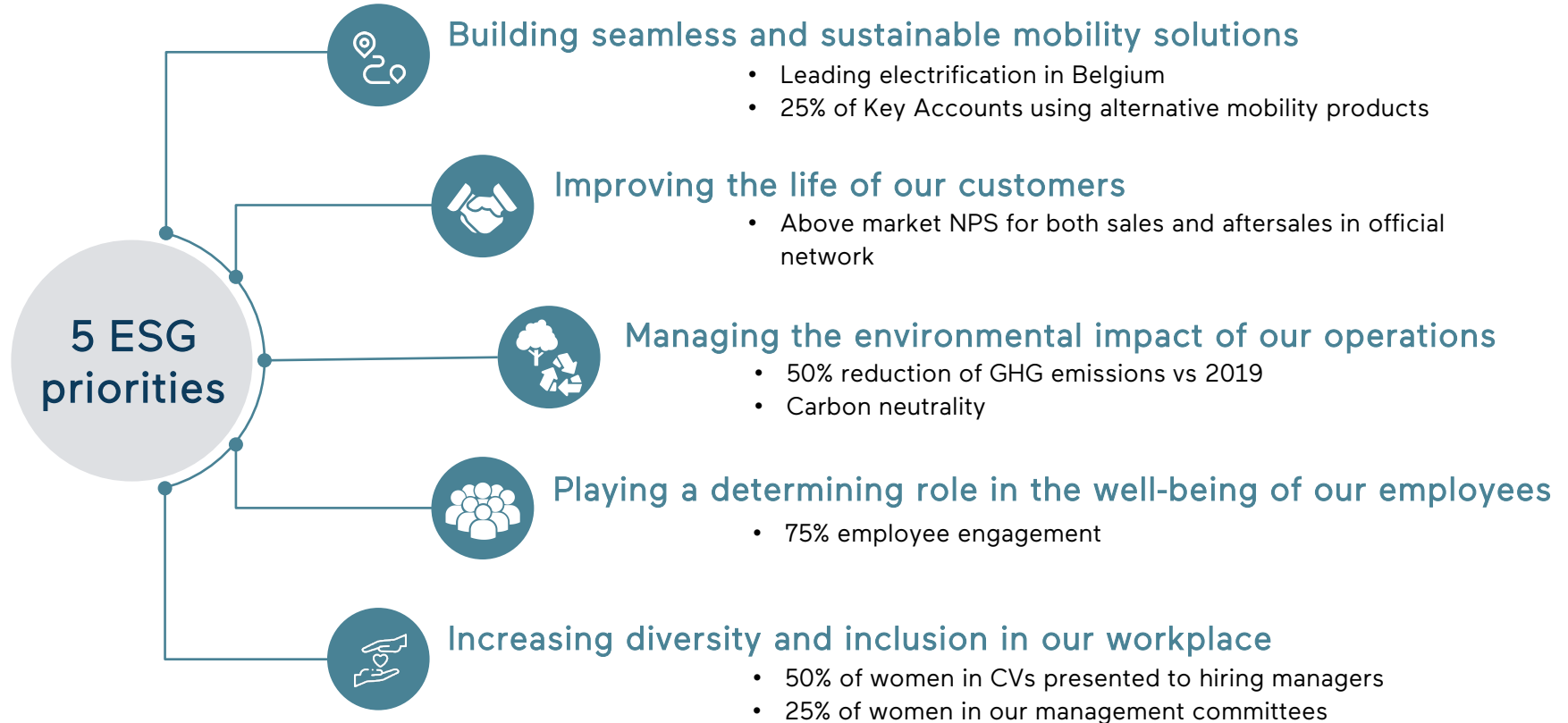
 mobvious

 skipr

 JØULE

 TAXIS VERTS

5 strategic ESG pillars with clear 2025 ambitions



Strong and experienced leadership team



Years at D'Ieteren



Years of relevant experience

DENIS GORTEMAN
CEO



34 30+

REGINALD GILLET
CFO



2 20+

PIERRE DOUMIT
CHIEF STRATEGY
& TRANSFO. OFFICER



2 15+

OLIVIER LE FEVERE
CHIEF BRANDS
& NETWORK OFFICER



22 20+

DIDIER WILLEMS,
COO VOLKSWAGEN
D'IETEREN FINANCE



33 30+

GIOVANNI PALMIERI
CIO



4 30+

EMANUELLA PICCOLI
CHIEF HR OFFICER



31 30+

JOSE FERNANDEZ
CHIEF MARKETING
OFFICER



3 30+

MICHAEL GRANDFILS
MANAGING DIRECTOR
LAB BOX



6 14+

STEFAN KERCKHOVEN
CEO SOPADIS



23 20+

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Polaris Mobility Survey | What our clients told us



56% of all trips by 2030



15% of all trips by 2030



12% of all trips by 2030 with carsharing



A reduction by
6% of all trips by 2030



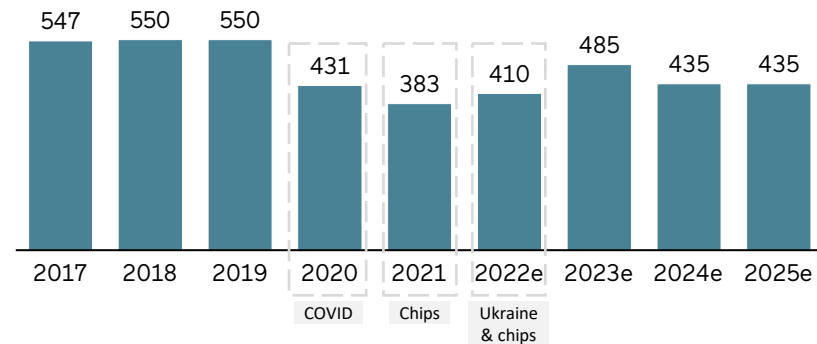
2/3 of new vehicle
sales in the Belgian
market by 2030 will be
electric



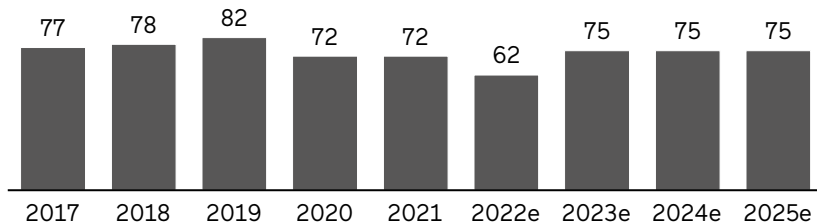
**B2B customers are
leading**
the change to electrification and
multimodal mobility services

New car volume will recover despite difficult market

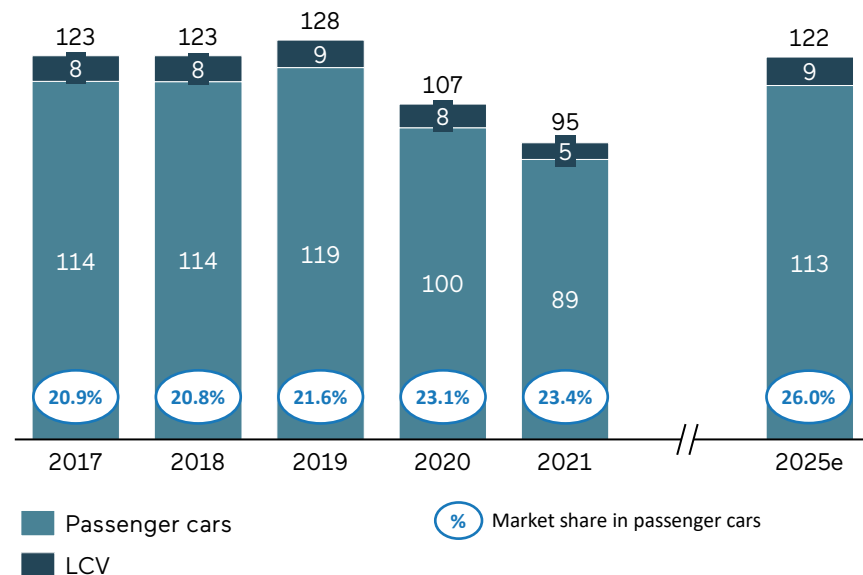
New passenger car volume, '000 registrations



New light commercial vehicles volume, '000 registrations



D'leteren car volume, '000 registrations



B2B and electrification will support our market share



**30% BEVs by
2025**

in new car sales, vs. 6% in
2021



VW ID.3 (2020)



Skoda Enyaq (2021)



VW ID.BUZZ (2022)



Cupra Born (2021)



Audi Q4 e-tron (2021)



Porsche Macan BEV
(2023)



60% B2B

secured by recent legal
changes

Group 
Mobility Solutions

VOLKSWAGEN - AUDI - SEAT - ŠKODA - CVI - PORSCHE - CUPRA
& MOBILITY SERVICES

We offer a truly multi-channel customer experience

>90% of customers
use online sources
early in their customer
journey

... but ~80% of them
still want physical
contact when buying a
car



Major shift towards Digital media up to ~50% media spend



2 successful Digital Motorshows incl. first multi-brand platform



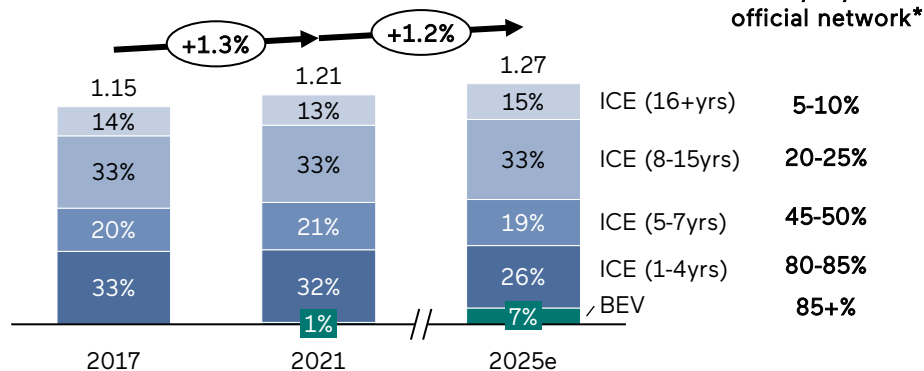
90,000+ leads generated online in 2021 (+50% vs 2020)



Full online journey for cars in inventory, with 700+ sales in 2021

Solid aftersales with growing car parc

D'Ieteren Brands Car Parc, m passenger cars



~1m mechanical repairs

in official dealer network per year



~65k bodywork repairs

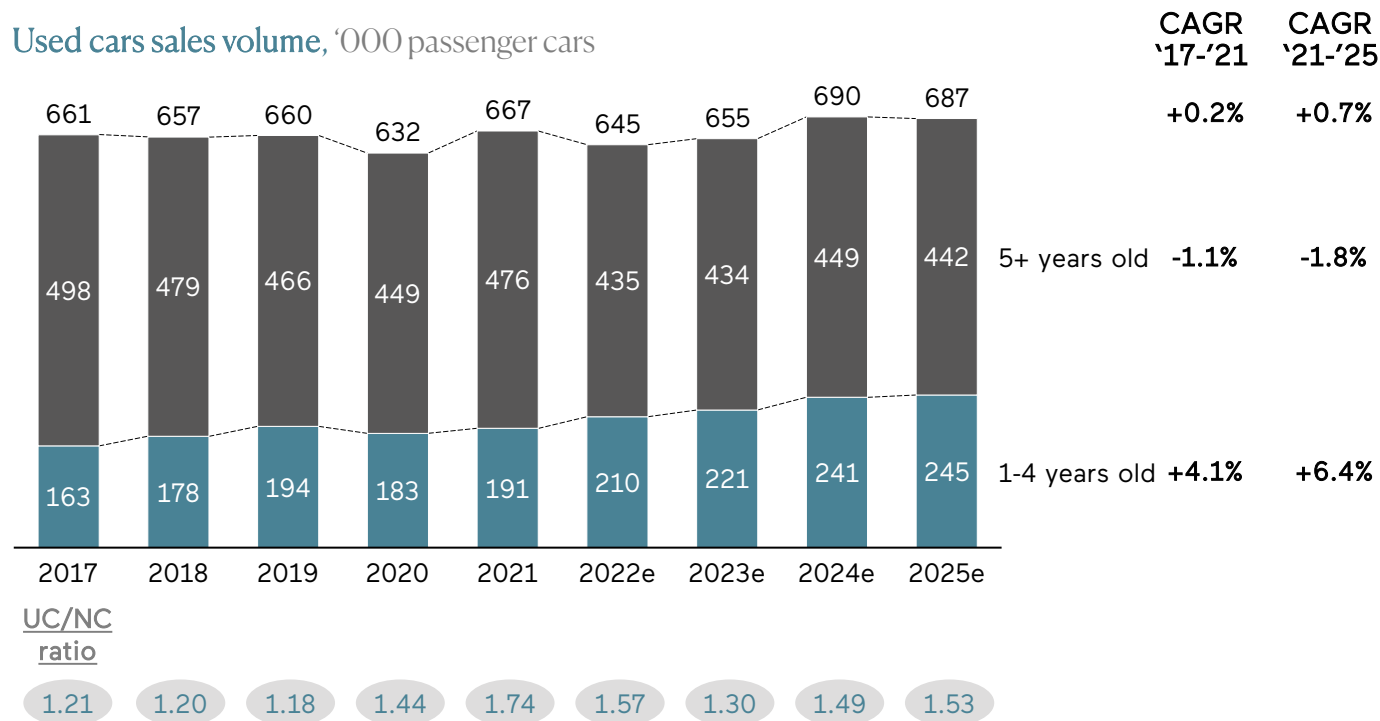
in official dealer network per year

Beyond official network, launch of franchise concepts targeted at **2nd-tier and multi-brand aftersales**



Young segment of used car market is attractive

Used cars sales volume, '000 passenger cars



Not a focus as cheaper cars and 0% VAT C2C

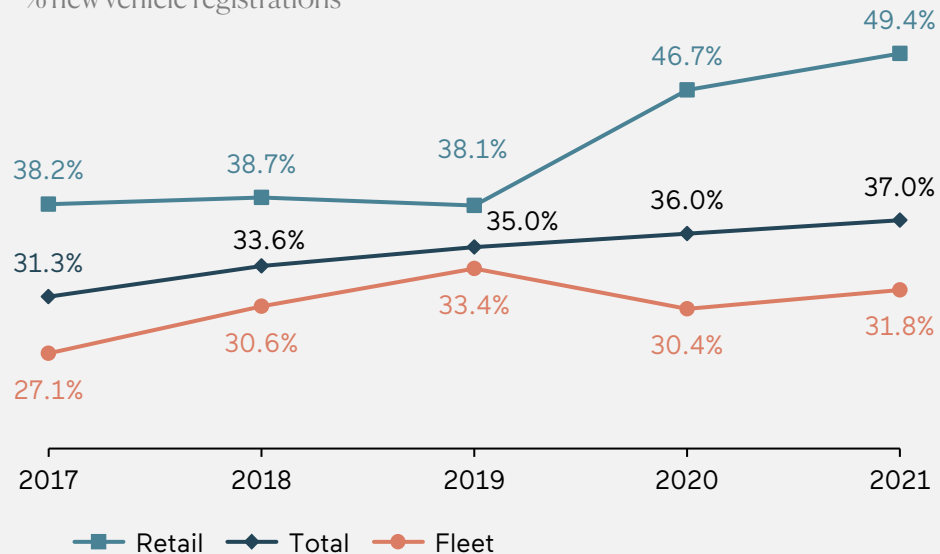
Target of 30.000 cars p.a.



1 out of 3 customers finances their vehicle via VDFin

Penetration rate of financing contracts

% new vehicle registrations¹



Volkswagen D'leteren Finance
driving your mobility



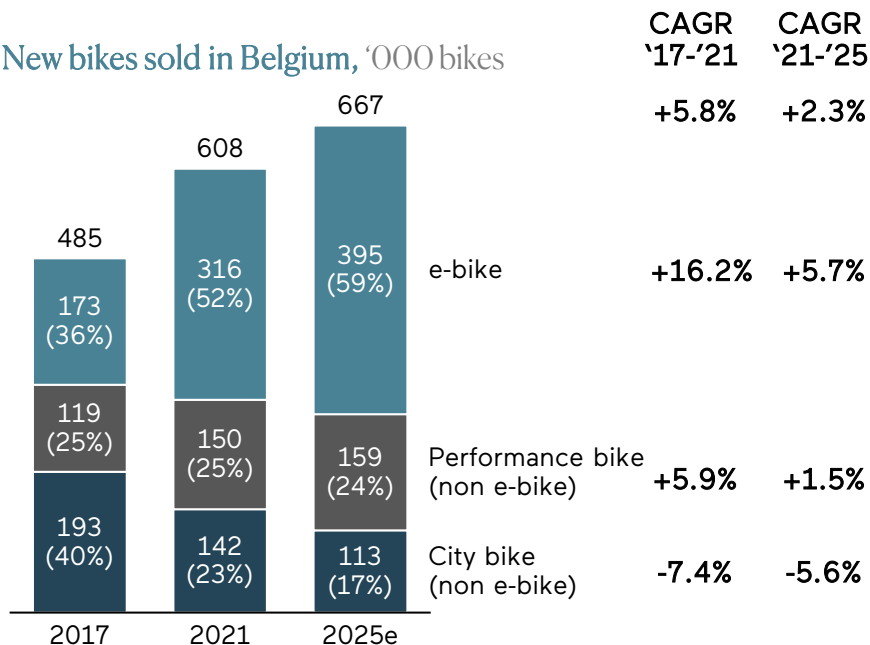
¹ Excluding Lamborghini, Bentley and Bugatti

² WeCare and Fleet contracts

³ Actel Maxi (Private) and Fleet contracts

Lucien is active in the fast growing (e-)bike market

New bikes sold in Belgium, '000 bikes



e-bikes are **4X more expensive** than city bikes



25 stores across Belgium by 2025

Omnichannel approach

Diversified **brand portfolio**

Services and aftersales offering

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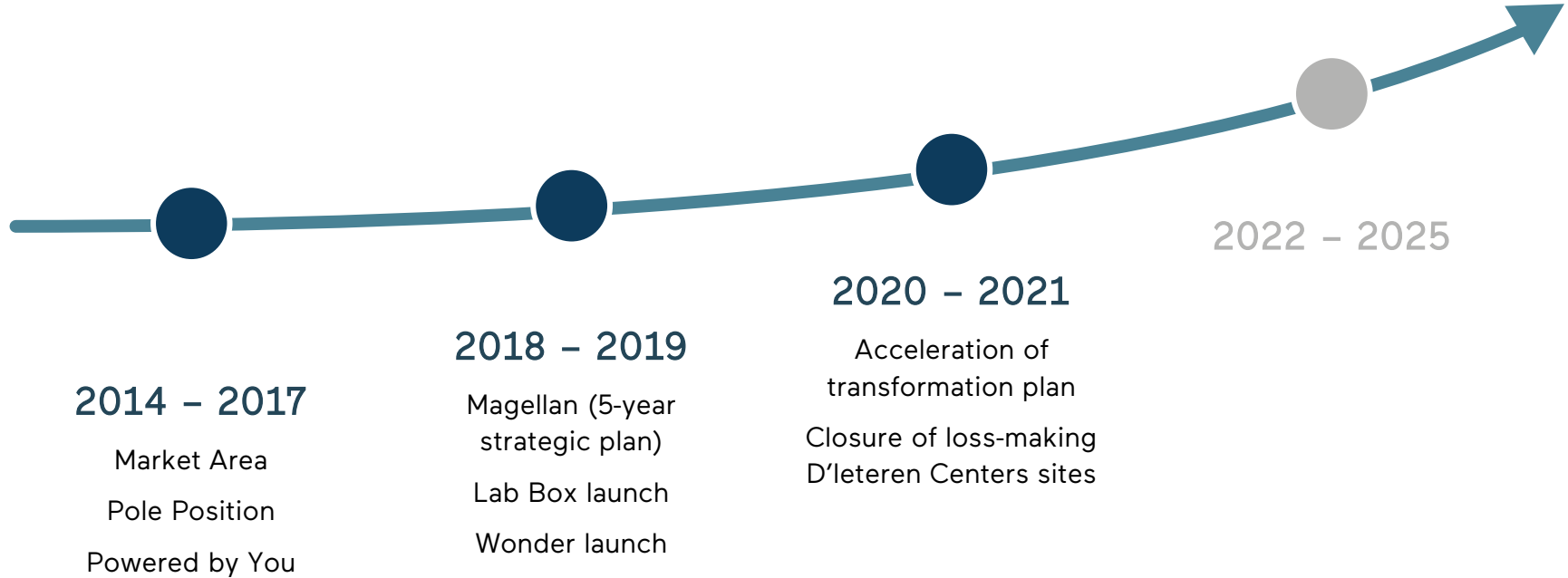
III. Our Performance

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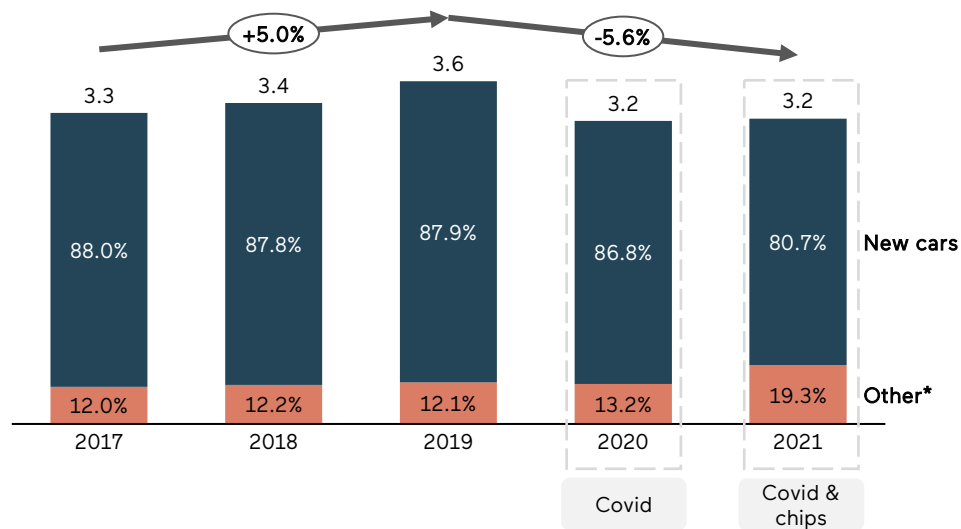
VI. Key Takeaways

Strategic actions taken to support profitable growth



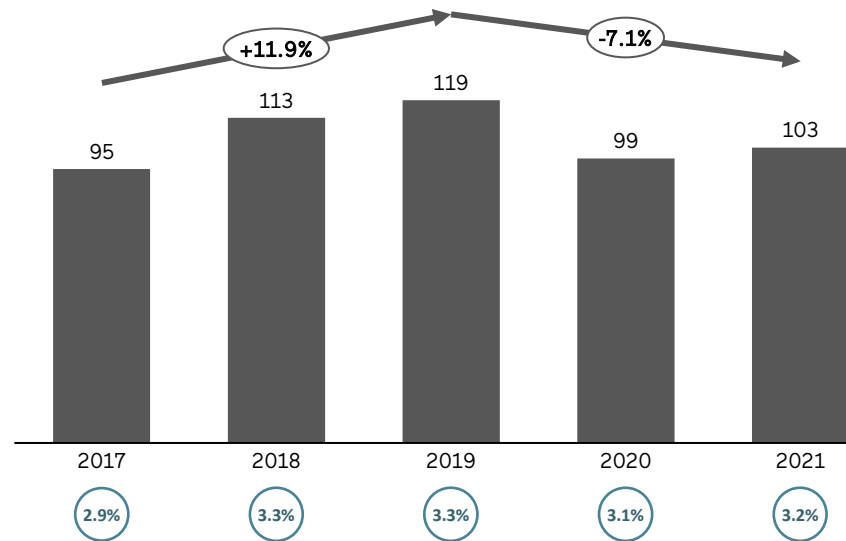
Despite strong headwinds, proven model leads to resilient results

Net Sales D'Ieteren, € bn



- Sales basis remained robust despite challenging external factors (covid & chips crisis) over last two years
- Diversification of historical activities yielded initial results in 2021 with 19.3% of total sales

Adjusted EBIT, € m



- Strategic initiatives helped to sustain EBIT margin despite external adverse events impacting volumes
- Premiumisation of the mix sold (brands & type of vehicles) support margin improvements



* Spare parts & accessories, used cars, new mobilities, bikes,...

CAGR %

x.x% EBIT margin

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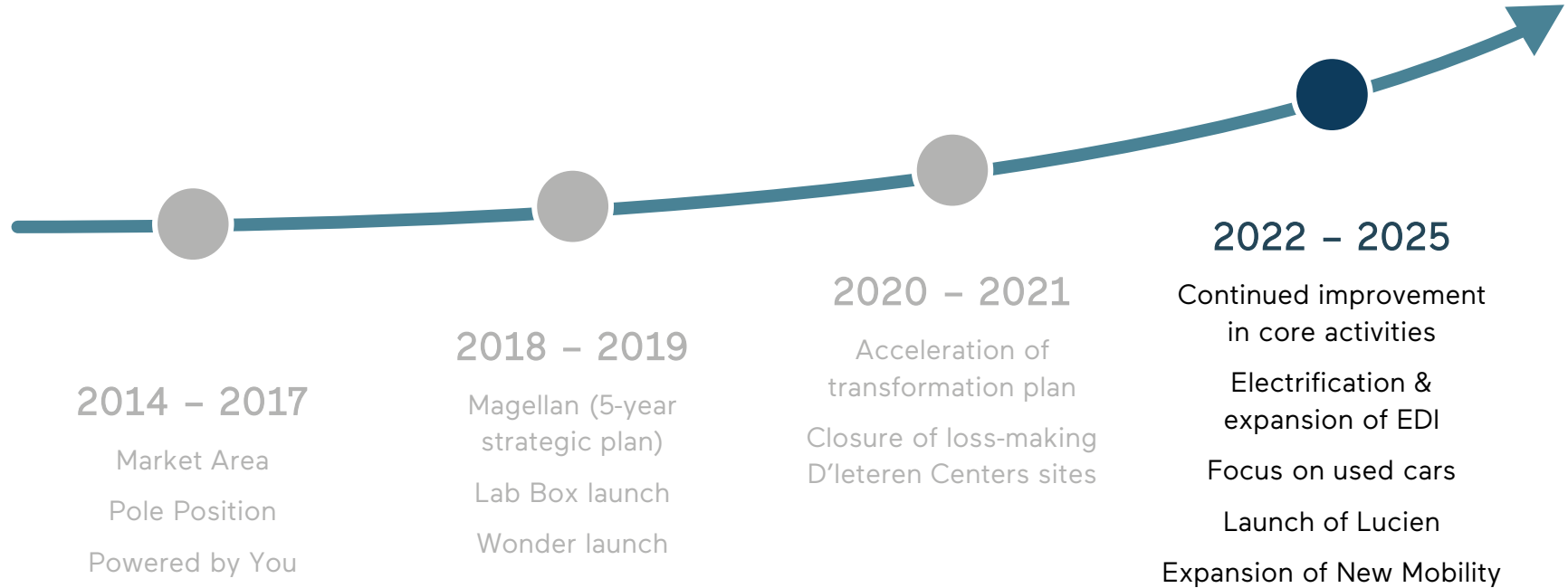
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Building on historic actions, several growth engines are defined



D'leteren automotive has a strategy to win

Market outlook summary

New cars

- ▶ Passenger Car: volume rebound, compounded by price increases driven by electrification
- ▶ Commercial Vehicles: resilient volumes

Used cars

- ▶ Used cars to new cars ratio to remain high and resilient following the significant market increase in 2021

Aftersales

- ▶ Aftersales markets rely on large and stable car parc, however with challenges in the longer-term (electrification & ADAS)

Bikes & broader mobility

- ▶ Bike is growing fast, in volume and average price
- ▶ New mobility remains small but continues to grow, especially in B2B to offer flexible mobility to employees



D'leteren strategy

Accelerate electrification of our sales (for Import, Retail and EDI), while increasing price discipline to ensure uplifts are realized

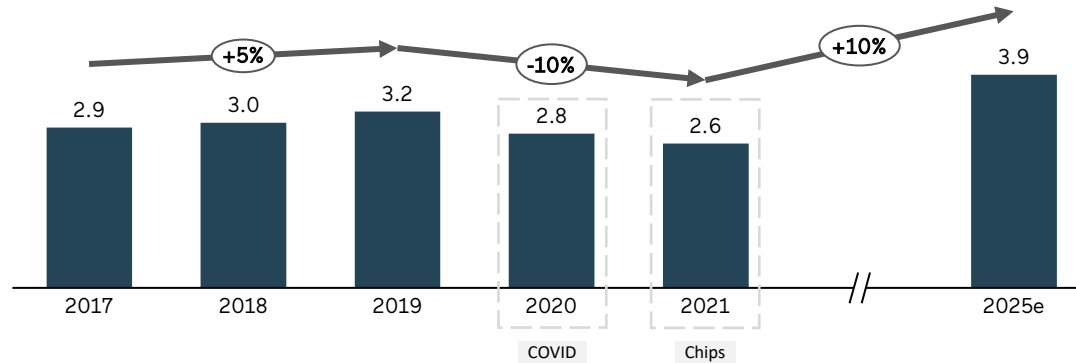
Focus on used cars, in particular B2C Used Car sales for MyWay

Increased penetration of maintenance contracts in both Import and Retail

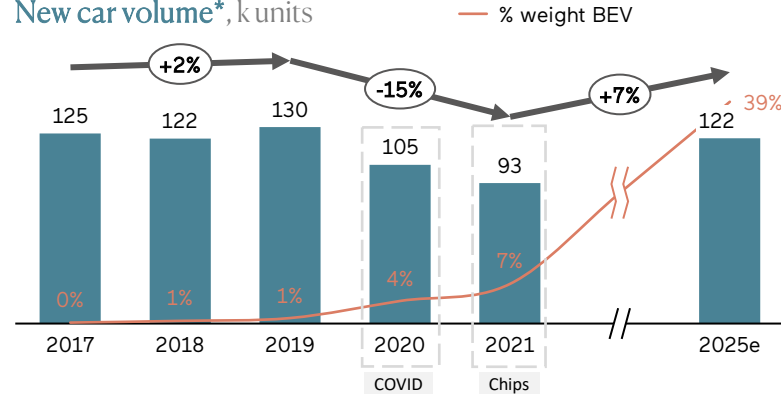
Launch of Lucien as omnichannel (e-)bike leader
New mobility solutions (e.g. Poppy);
Offer **bundled mobility services for B2B clients**

Solid new car sales growth both in volume and value

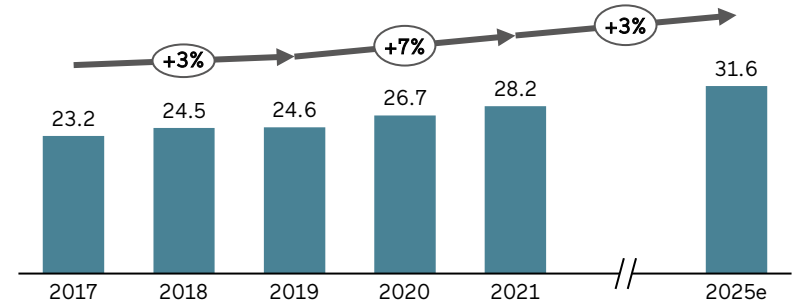
New car net sales, € bn



New car volume*, k units



New car average selling price, € k per car



* Invoiced volumes might differ from registrations

CAGR %

D'Ieteren Automotive strategic plan financial goals 2025

Net sales
CAGR 2021-2025

- **>10%**
 - **New car net sales YoY growth of c.10%**, and >20% YoY growth for the other segments (spare parts & accessories, used cars, new mobilities, bikes, ...)
 - **Ambitious sales growth** driven by volumes, prices/mix and diversification

EBIT margin in 2025

- **>4.0%**
- 2025 target of >200m of Adjusted EBIT

PBT g.s. of equity
accounted companies

- **Increased contribution (x2.8) of PBT g.s. of equity accounted companies driven by >29% YoY growth**

Capex / Sales in 2025

- **0.4%**
- c. €20m (Excl. ROU¹)

WC / Sales in 2025

- **c. 34 days**

Free cash-flow²
in 2025

- **The strong EBITDA growth and capex control will drive EBITDA cash conversion to 70%**
- **Free cash-flow² should be >€165m in 2025**

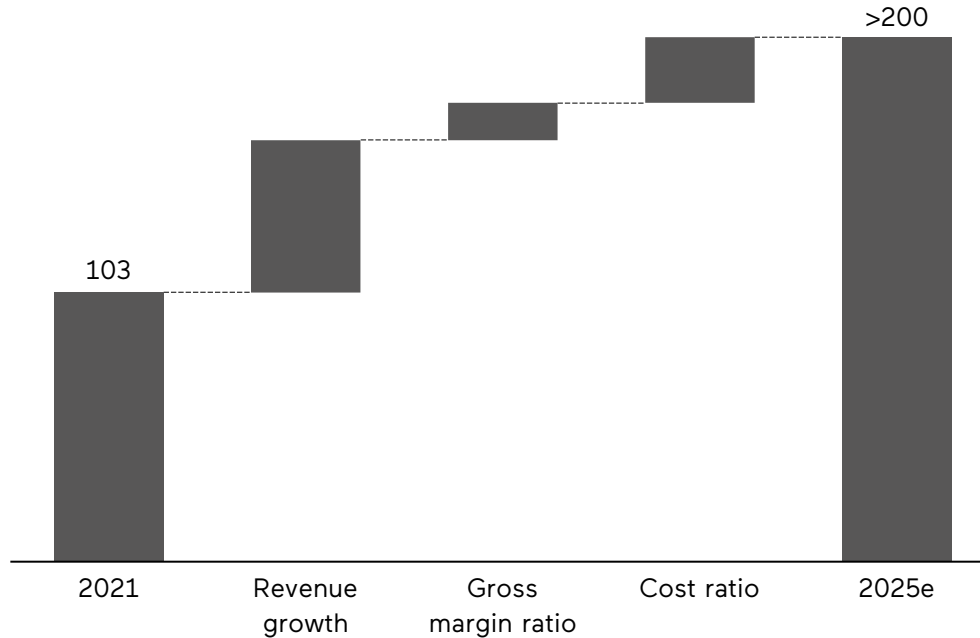


¹ ROU should remain in line with historical figures

²FCF = [Adjusted EBITDA - other non-cash items - change in working capital - capital expenditures - capital paid on lease liabilities - taxes paid - interest paid other cash items]

D'leteren Automotive value creation levers

EBIT D'leteren, €m



Key drivers

- **>10% CAGR revenue growth** supported by both new cars and other activities
- **Positive mix effect** thanks to uptake of other activities (aftersales, new mobility, bikes)
- Realise **economies of scale** in fast growing environment improving cost efficiency

Financial policy



CAPEX

2018-2023: replacement of **key IT softwares**

Specific projects over 2022-2024: New retail outlet in Brussels (**€4.8m**) and Erps Kwerps Campus (**€26.0m**)

Going forward: **~€20m** (**~0.4% net sales**)



Funding

€325m bank financing (5-year, maturity date: December 2026)

- Unsecured & Sustainability-Linked
- €100m amortizing term loan & €225m Revolving Credit Facility (undrawn as at 31-Dec-21)
- Covenant: leverage < 3,0x

Commercial Paper program **€225m**



Dividends

Payout of **75% net income D'leteren Automotive**

Floor at **€50m**

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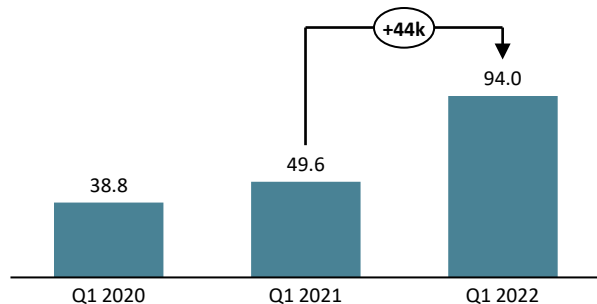
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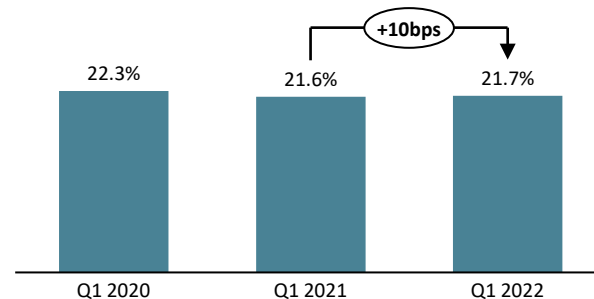
VI. Key Takeaways

Q1-22 Solid commercial dynamics

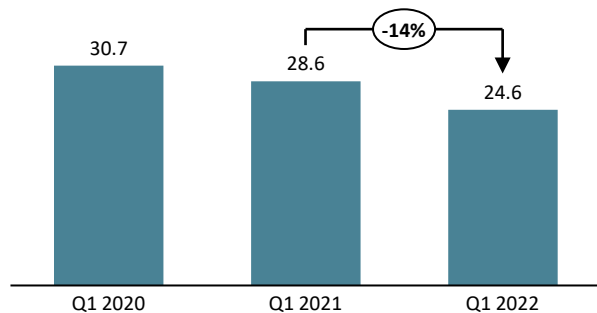
Order book new cars, '000 units



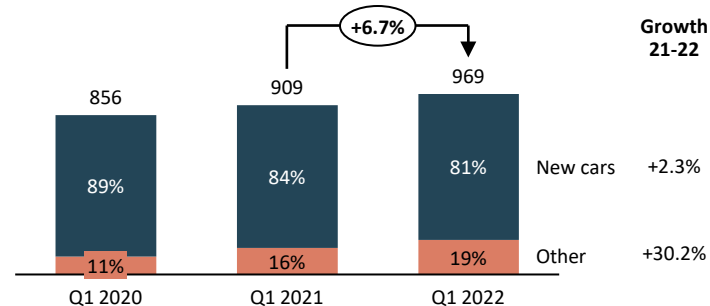
Market share new passenger cars, %



New cars delivered, '000 units



Net Sales D'Ieteren, € m



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Key takeaways

- 1 **Strong brand recognition and EV ecosystem** (vehicles portfolio, EDI, dealers) to further strengthen position as #1 Importer and Retailer of vehicles in Belgium
- 2 **Profitable dealership network** thanks to early consolidation into Market Areas
- 3 **Untapped potential in used car market** with recent investments made
- 4 **Accelerated transformation** enabling strong resilience during crisis and more efficient organization going forward
- 5 **Strong innovation future-proofing D'leteren business** (Wonder, Lab Box, Lucien)
- 6 **Unique positioning & expertise in Belgium** with full spectrum of mobility solutions
- 7 **Very significant value creation by 2025**





*“Building seamless and sustainable mobility
for everyone”*

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