

D'leteren Group Investor Day



"Making a difference with real care"



D'leterenGroup

April 28th, 2022



Today's presenters



Gary Lubner
CEO

Years of Belron Service: 32



Humphrey Singer
CFO

Years of Belron Service: 2

Previously: CFO Marks & Spencer,
Dixons Carphone, Coca-Cola

Agenda

I. Who We Are & What We Do

II. Our Market & Positioning

III. Our Performance

IV. Our Ambition

V. Current Trading

VI. Key Takeaways

Belron today – at a glance

#1

VGRR & Recalibration
company in the world

12.2m

VGRR & Recalibration
jobs in 2021

83.4

Group Net
Promoter Score

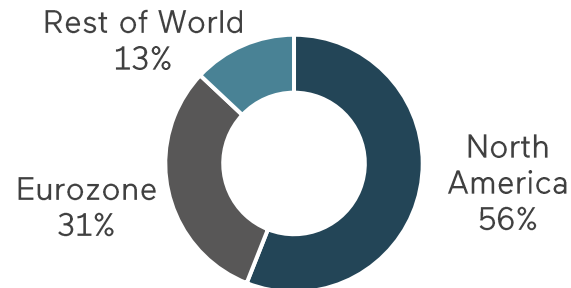
29,388

Employees

1

VGRR consumer served
every 2 seconds

Global presence, 37 countries¹ served



Market leading consumer
brands



Note: Figures refer to FY-2021. Employees figure at 31/12/2021.
¹As of April 2022.

World leader in VGRR, Recalibration & VAPS

3 service areas with highly positive structural tailwinds of value growth

VGRR Services



Recalibration



Value Added Products & Services (VAPS)

Belron's core VGRR services

Significant growth driver

Significant cross-sell opportunity at strong margin

Replace

Repair



9m Jobs

74% of VGRR Jobs

3.2m Jobs

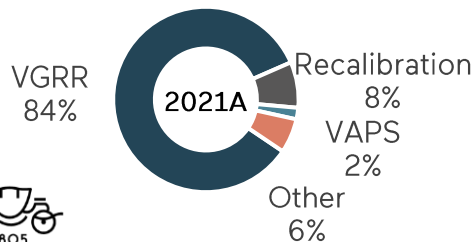
26% of VGRR Jobs

1.9m Recalibrations

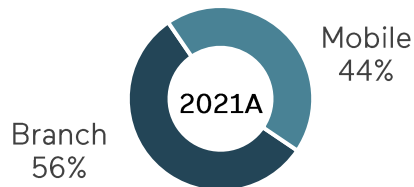
24% Penetration

21% Attachment Rate

Revenue by Service



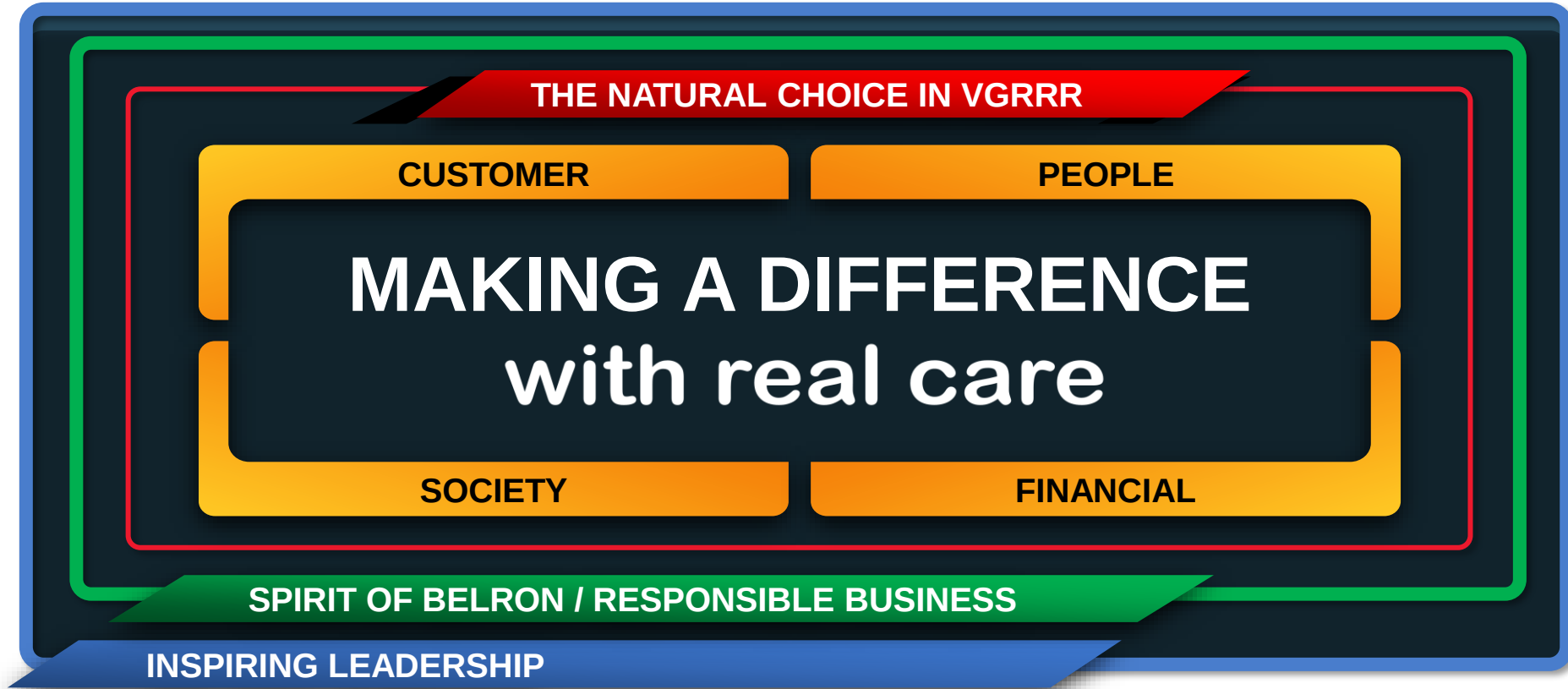
Service Delivery



Revenue by Channel



Making a difference with real care for all stakeholders



How do we become the 'natural choice in VGRRR'?

THE NATURAL CHOICE

BRAND



CUSTOMER SERVICE



KEY ACCOUNT PARTNERSHIPS



Allstate



AVIVA



— Creating value together —



"Pull"

"Moment of Truth"

"Push"

Belron has customer delight at the heart of everything & everyone

The 360°Customer experience – solving People's problems with real care

(1) Customer-oriented digital solutions for job booking

*At time of damage occurring,
Customers contact Belron via a
complete omnichannel solution
24/7 and 365 days a year*

(4) Positive experience increases Customer retention

*Exceptional Customer delight
measured by NPS drives
Customer loyalty and boosts
policy retention for Key Accounts*



(2) Customer chooses Branch or Mobile

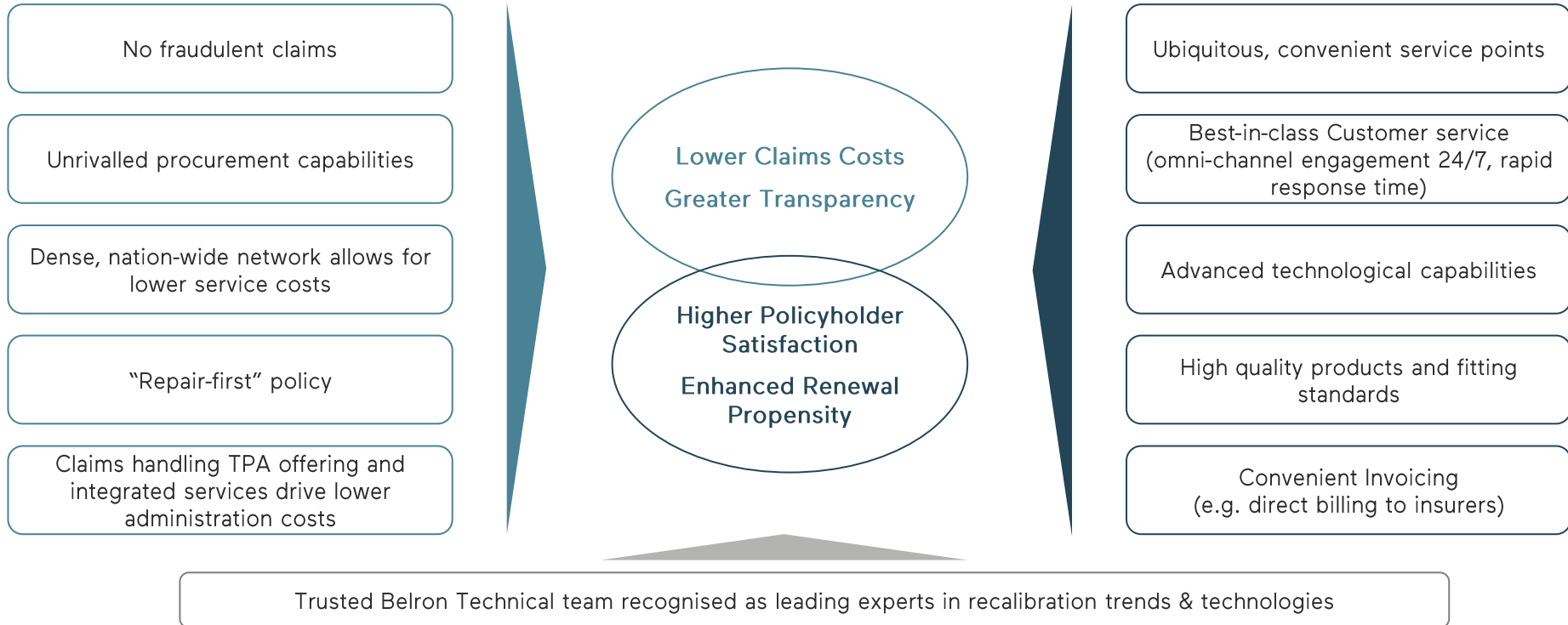
*Service is provided at a time and
place convenient for the
customer*

(3) Technicians complete the job using 'Belron Way of Fitting'

*Best-in-class trained Technicians
and the highest quality products,
equipment and fitting standards
are used*

Trusted partner of choice for insurers in all markets

Belron's clear value proposition to insurance companies



A purpose-led business with strong people values

A business driven by a clear & consistent purpose...

- Deeply embedded Purpose of “**making a difference with real care**” for customers, people, society and shareholders
- Purpose drives **leadership decisions & actions every day** – a ‘guiding star’ in the management of Covid through 2020
- ‘Real care’ underpins **Customer delight** for motorists & exceptional partnerships with Key Accounts & Suppliers
- Culture & strategy underpinned by Belron’s focus on building **Inspiring Leadership talent**
- Deep-seated **focus on Society** – with exceptional level of ‘Giving Back’ charitable fund-raising & action

...built on strong people-centred values

- Unique culture based on strong ‘**Spirit of Belron**’ values:



86% people
engagement

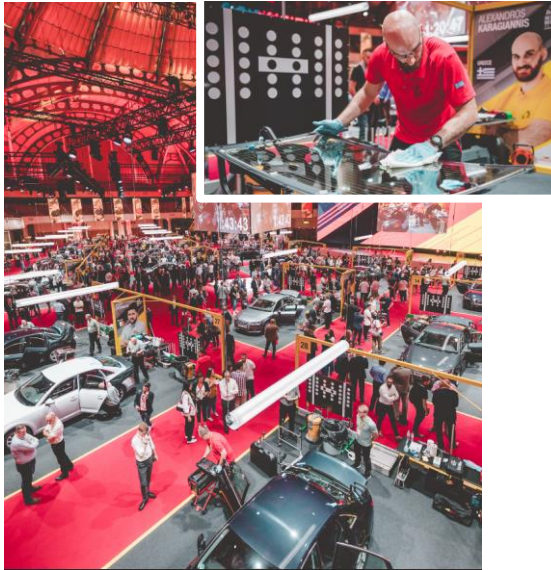
Belron Exceptional People Awards



The unique 'Spirit of Belron'

Best of Belron

Celebration of our Technicians' excellence every two years



Spirit of Belron challenge

Annual celebration of Belron culture & generosity of spirit

Weekend with thousands of staff from 29 countries running, walking, cycling & swimming for charity



Belron® Ronnie Lubner Charitable Foundation

Exceptional exec-level commitment to 'Giving Back' exemplified via Belron® Ronnie Lubner Charity Foundation



Long-standing commitment to ESG...



Signatory
to UN Global
Compact

ecovadis

11 businesses
- Gold

1 business
- Platinum

Top 5% overall



Glass recycling
72%

Maximizing
recycling
opportunities



€8.6m



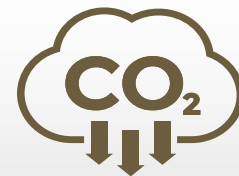
Afrika Tikkun
Developing Young People
from Cradle to Career

€5.4m



BELRON Ronnie Lubner
Charitable Foundation

€5m



Reducing CO₂
emissions per
prime job

Route
optimisation
planning

Eco-driving
training

...with increasing focus around the Responsible Business framework

DOING BUSINESS RESPONSIBLY

Sustainable products and services

Reducing waste and building a circular economy

Target: 95% glass waste recycled by end 2025

Driving down emissions

SBT¹ in place by end 2024

Investing in people and society

Promoting diversity equity, inclusion and wellbeing

Giving back opportunity

Sustainable procurement

People safety

Strong governance & inspiring leadership

Our values & ethics

Robust reporting & measurement

Inspiring leadership: team culture of ambition & performance



Gary Lubner
CEO

- 32 years at Belron



Humphrey Singer
Group CFO

- 2 years at Belron
- Previously: CFO Marks & Spencer, Dixons Carphone, Coca-Cola



Gérard Damski
Regional General Manager (Eurozone)

- 25 years at Belron



Nigel Doggett
Regional General Manager (RoW)

- 23 years at Belron



Tom Feeney
Executive Chairman of Belron NA

- 34 years at Belron



Renee Cacchillo
President and CEO of Safelite Group

- 11 years at Belron

✓ Focus: Fit for Growth Acceleration workstreams



Richard Tyler
Group Customer Director

- Previously: Unilever
- 12 years at Belron

✓ Focus: Talent & Succession planning and ESG



Susan Ormiston
Chief People Officer

- Previously: CHRO Avon, IBM
- 3 years at Belron

✓ Focus: Fit for Growth Transformation workstreams & digital



Phil Pavitt
Group Technology and Transformation Officer

- 3 years at Belron
- Previously: CIO Specsavers, Aviva

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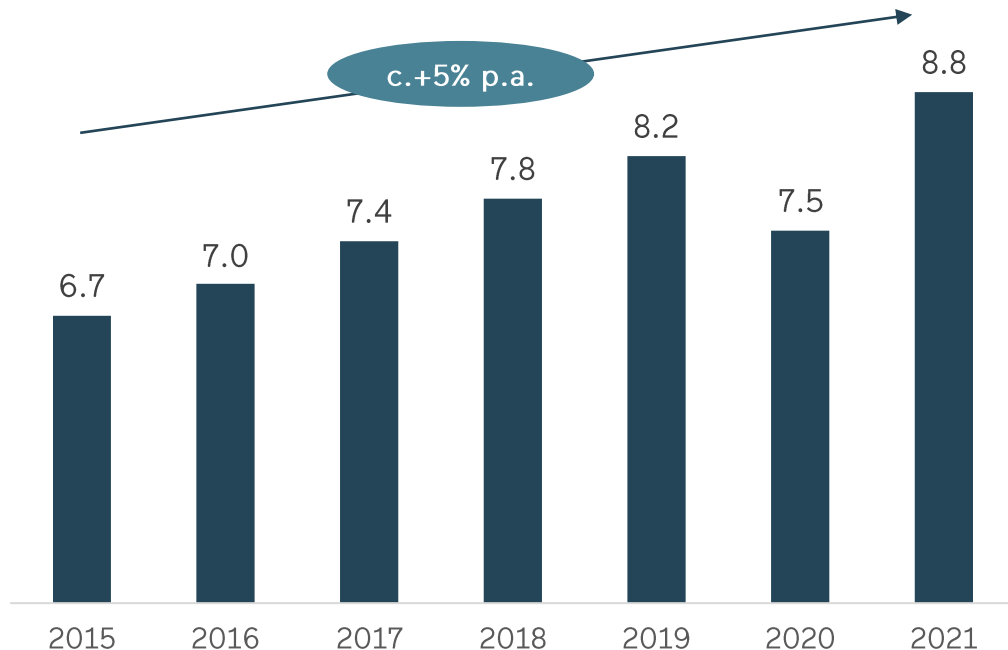
V. Current Trading

VI. Key Takeaways

Large VGRR segment underpinned by structural tailwinds

Total VGRR segment value in Belron's top 10 countries

€ billions, excludes recalibration and VAPS



Market drivers

- **Number of Jobs**

- Miles driven
- Incident/breakage rate
- Propensity to fix

- **Average job price ('AJP')**

- Tailwinds from market
 - Industry indexation e.g. Audatex
 - Model updates and mix changes
 - Labour times
 - Labour rate inflation
 - Other mix (account / type of job)
- Controllable factors
 - Price negotiations
 - Labour price

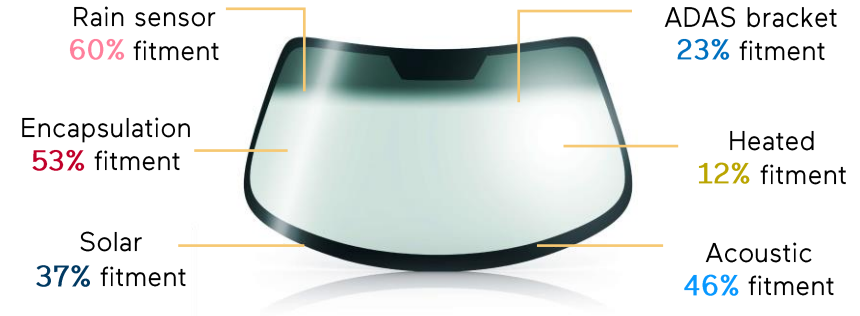
Windscreen complexity increase driven by technology

The 1990s windscreen

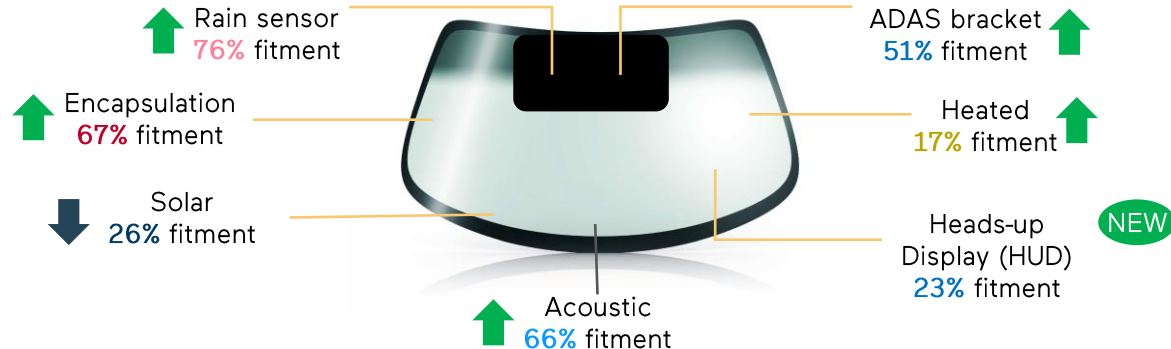
- Smaller total surface area
- Minimal technical complexity
- More simple curvature of glass
- Low/no encapsulation



The 2020 windscreen

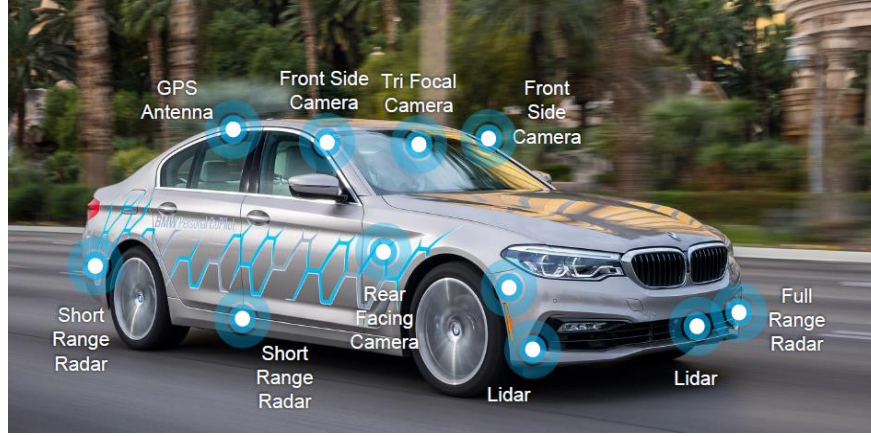


The 2025 windscreen



Significant opportunity with penetration of ADAS in car parc

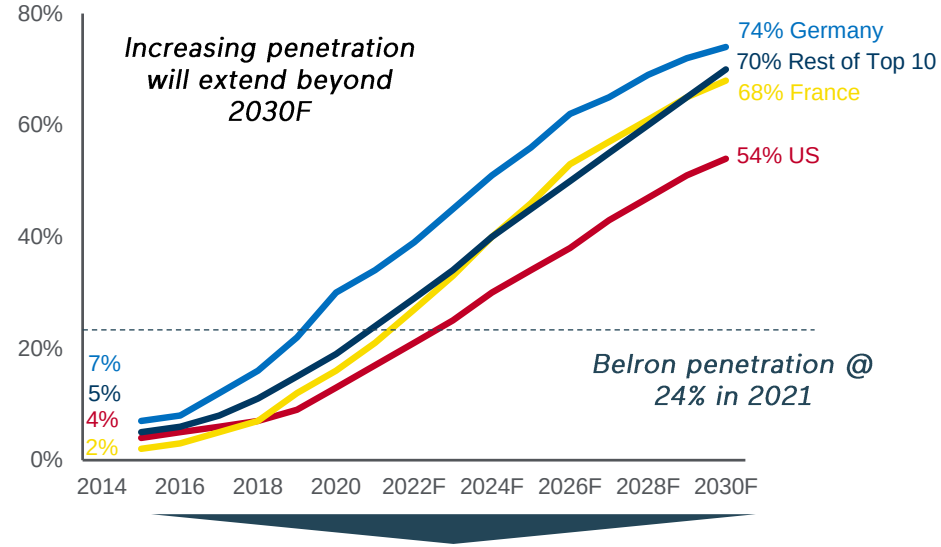
Increasingly sophisticated ADAS systems



- European Commission legislation mandating by mid-2022, all new vehicles models meet standard ADAS requirements
- US - 20 OEMs agreed to make ADAS standard in all new vehicle models produced from Sep 2022
- US Safety Administration (NHTSA) encouraging ADAS adoption



Front facing camera penetration in car parc

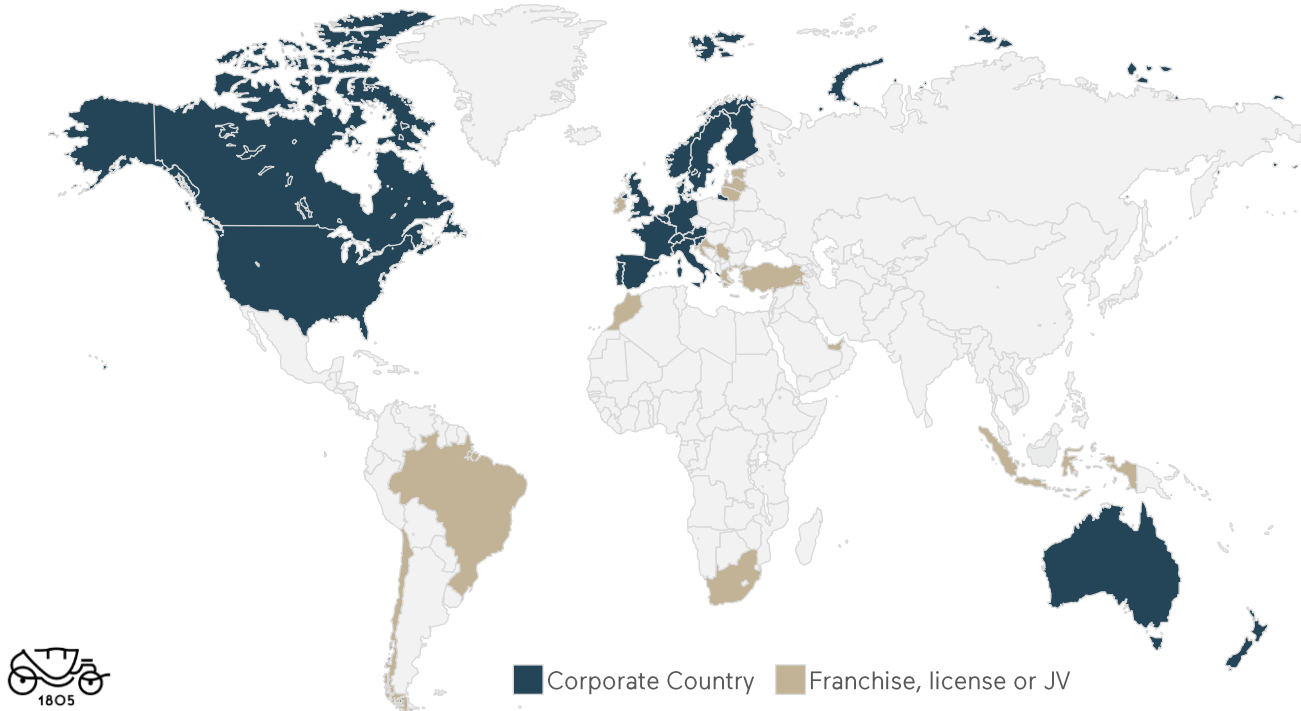


Increasing requirement to recalibrate cameras to comply with regulations and ensure safety of the drivers

Requires large IT investments as well as technical knowledge and ongoing training to provide insurance that recalibration is well done

Unique global reach, leadership positions & scale

- The business is organised in **3 regions**: North America, Eurozone and RoW
- **Presence in 37 countries**: 19 countries directly and 18 countries through franchises
- **Clear market leadership** in all key countries of operation
- **Continued geographic expansion** over the past 30+ years
- 3 main groups of competitors: VGRR specialists, bodyshops and OEM dealers



Top 10 countries	Rank
North America	
	#1
	#1
Eurozone	
	#1
	#1
	#1
	#1
	#1
	#1
Rest of World	
	#1
	#1

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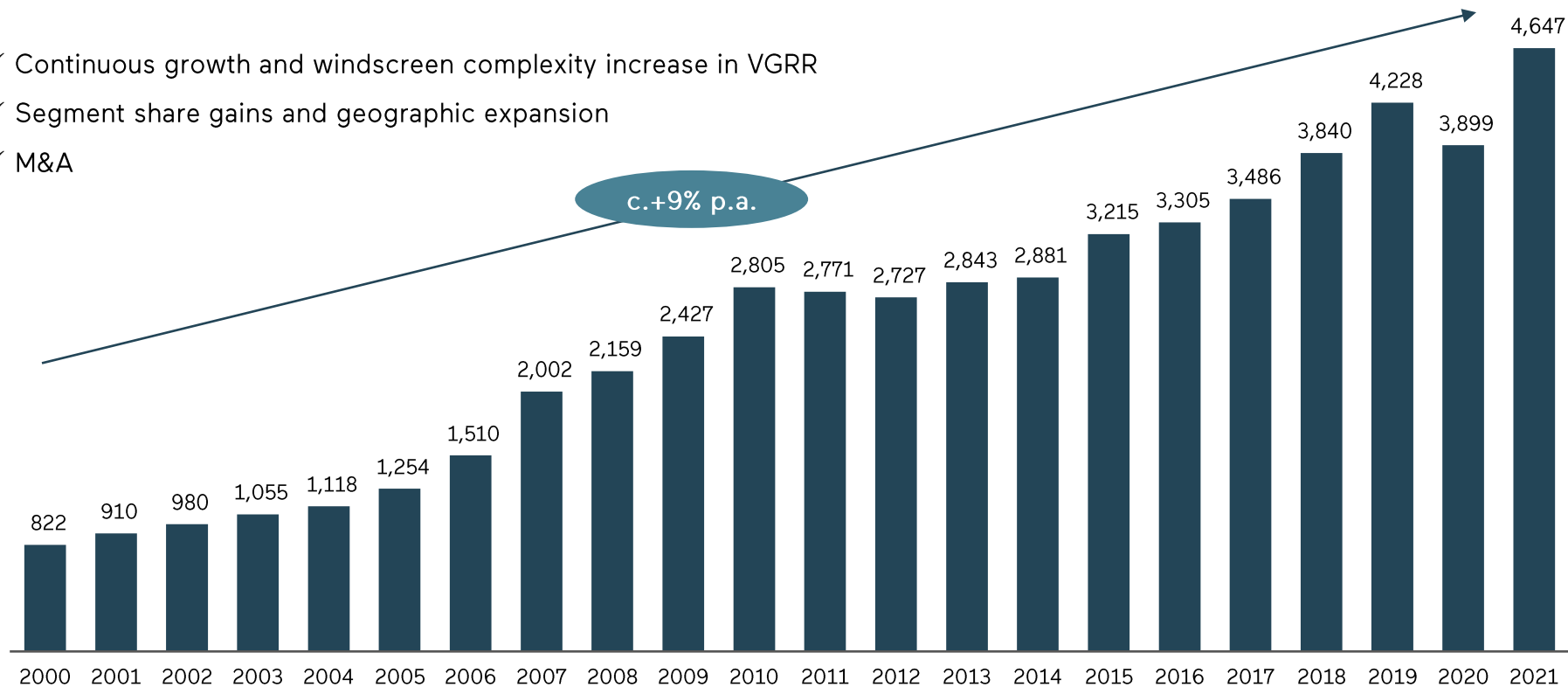
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A proven track record of growth

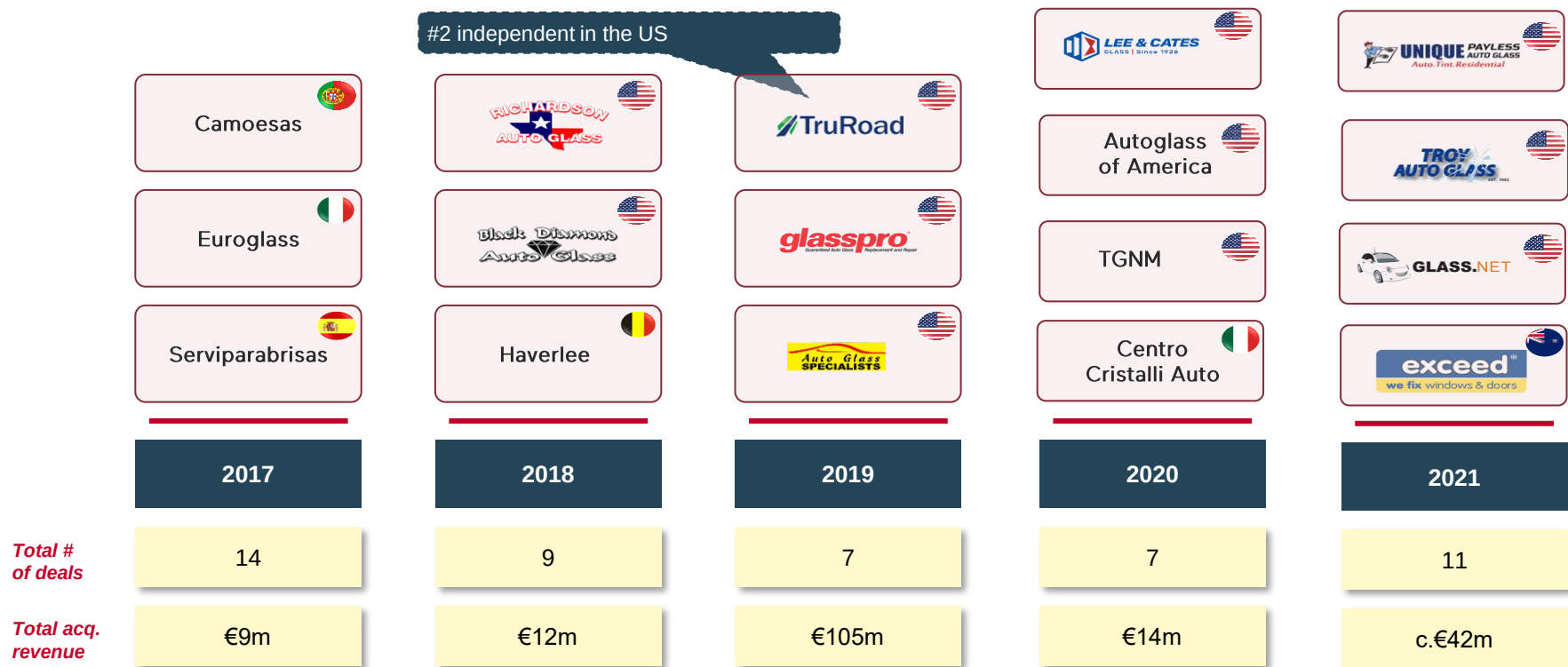
Belron sales, € millions

- ✓ Continuous growth and windscreen complexity increase in VGRR
- ✓ Segment share gains and geographic expansion
- ✓ M&A



Also driven by accretive acquisitions

Acquisition history since 2017



Outstanding performance over the last 5 years

	2017A	2021A	'17A – '21A CAGR / Δ
Sales	€3,486m	€4,647m	7.5% / 1.3x
Adj. EBITDA Margin %	€332m 10%	€1,122m 24%	3.4x/2.2x ²
Adj. EBIT Margin %	€210m 6%	€880m 19%	4.2x
Trading cash-flow ¹	€130m	€825m	6.3x
Cash conversion ¹	45%	79%	
Net debt leverage ratio	3.8x Dec-17	3.2x Dec-21	€3bn cumulative dividends
	'18 dividend €400m '19 dividend €850m '21 dividend €1,462m +€300m		



Note: Figures reported based on management accounts. See appendix for reconciliation with D'leteren Group reported figures.

¹ Trading cash flow defined as Adj. EBITDA – Change in WC – net capex (incl. IFRS leases). Conversion defined as (Adj. EBITDA – net capex incl. lease payments) / Adj. EBITDA.

² EBITDA comparison stated both on reported basis (3.4x) and on a comparable IFRS-16 basis (2.2x)

2021 - A record year across all metrics

Customers

- 83.4 NPS in 2021
 - 24% Recalibration Penetration
 - 21% VAPS Attachment Rate
- ➔ Record level of customer satisfaction driving continued share gains

People

- 86% Global Employee Engagement survey result
 - Incredible stamina & agility of all our people
 - Belron Thank You¹
- ➔ Record engagement levels and continuous investment in our people



Society

- >€2m Raised for global charity partners
 - 500 charities around the world receiving donations
 - Clear focus on Responsible Business
 - Recycling targets set & committed to emission targets
- ➔ Strong belief in making a difference to the communities in which we operate

Financial

- >€1,122m EBITDA²
 - 24% EBITDA Margin²
 - €825m Trading cash-flow²
- ➔ All-time record financial performance in 2021



¹ All employees provided with a share award to benefit from the future growth of the Company.

² Financials based on management accounts at reported FX, see appendix for reconciliation with D'leteren Group reported figures.

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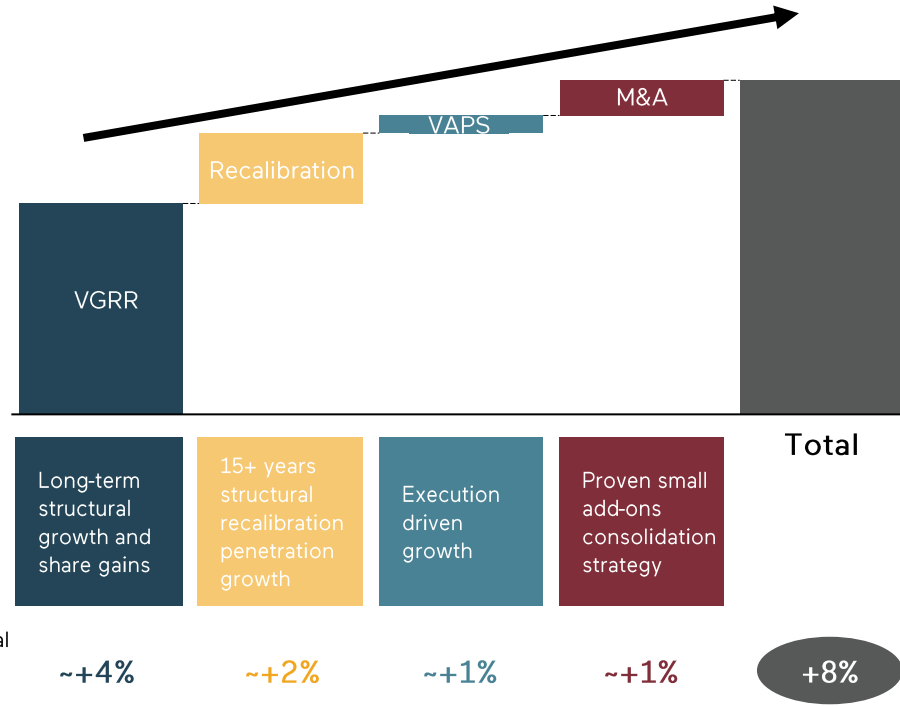
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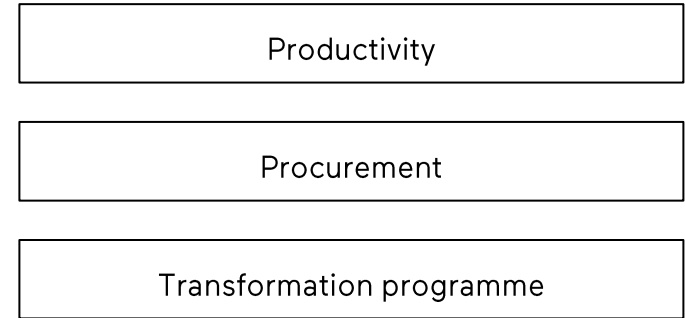
VI. Key Takeaways

Belron's value creation levers

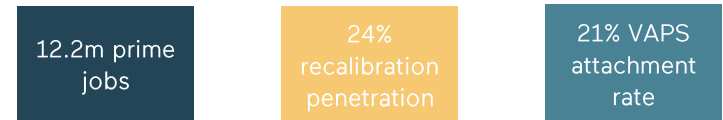
Key drivers of Belron's revenue growth...



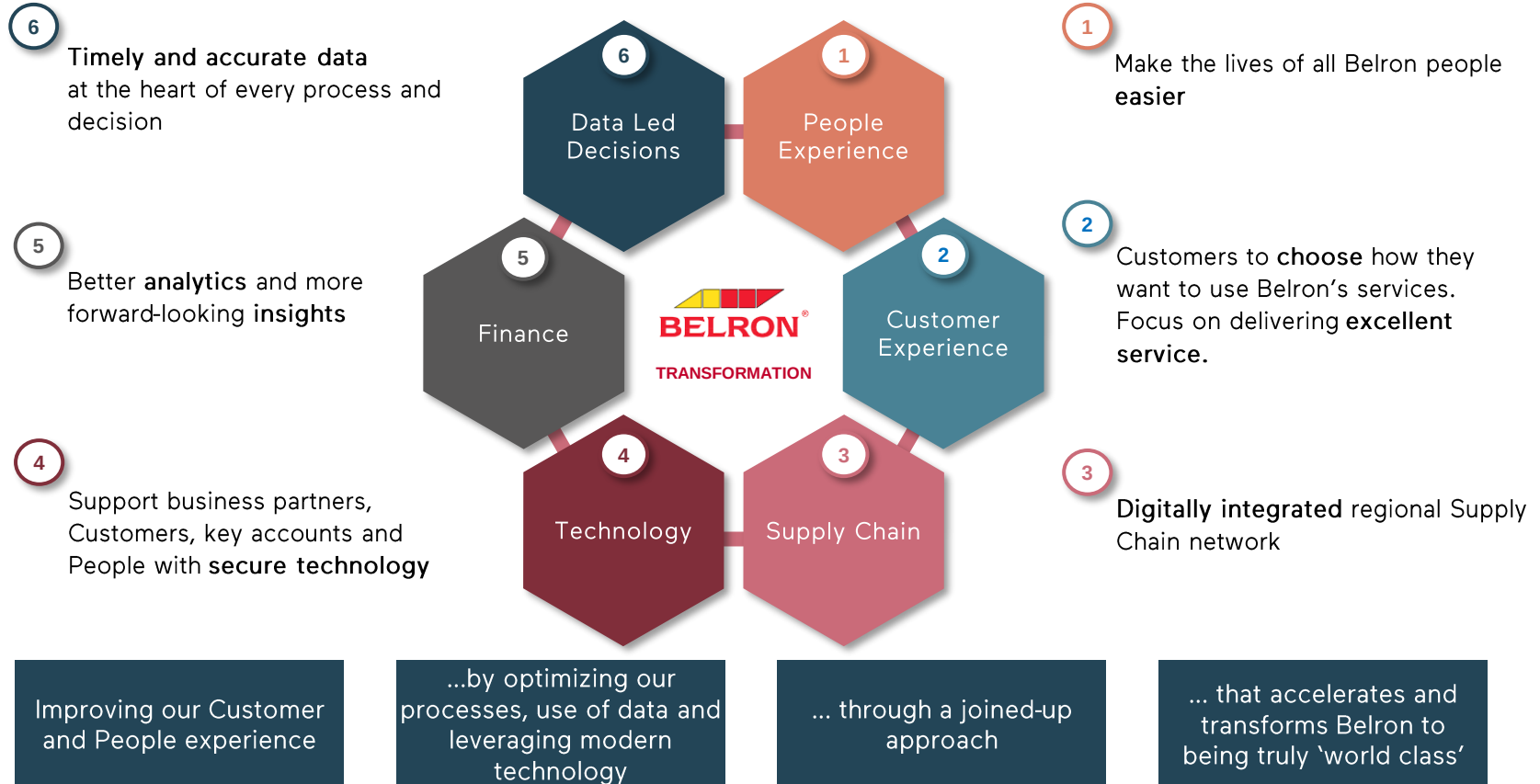
...and cost efficiency



2021 KPIs



Fit for Growth: Transformation programme



Looking forward: a realistically ambitious plan

Our ambition builds on **strong foundations** created by management...

...leveraging **structural segment tailwinds** in VGRR & Recalibration...

...supplemented by significant **new value** from VAPS...

...boosted by improvements in **cost efficiency**...

...with process improvement **underpinned by technology**...

...creating **big opportunities** going beyond 2025

“A realistically ambitious plan, dependent on Belron’s leadership & quality of execution”

Our ambition 2025

Sales
CAGR 21-25

- High single digit

Adj. EBIT
Margin %

- 2025 EBIT margin > 23% of sales

Capex / Sales

- Capex excl. lease payments c.1-1.5% of sales¹

Free cash-flow²

- EBITDA cash conversion rate of >85%³
- FCF >€850m by 2025

Capital allocation



Commitment to converge towards 3.0x ND/EBITDA by 2025

Funding



Strong dividend distribution based on free cash-flow generation and dividend recaps

Dividends

¹ Capex incl. lease payments c.5-5.5%.

² FCF includes potential dividend recaps and is defined as Adj. EBITDA - other non-cash items - change in working capital - capital expenditures - capital paid on lease liabilities - acquisition spend - taxes paid - interest paid +/- other cash items // Assuming current market conditions around interest rates and tax rate.

³ Defined by (Adj. EBITDA - net capex incl. lease payments) / Adj. EBITDA.

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Current trading

- Good start to the year with strong growth in VGRR jobs, continued regular AJP progression, increase in recalibration penetration and VAPs contribution
- Reported sales growth of +18.4% in Q1-22 to €1,255.5m (+21.1% from continuing operations)
- Some continuing challenges from Covid on the market, supply chain and labour
- Focus on delivering price increases in a more inflationary environment

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Key Takeaways - Belron

- 1 The clear global leader in VGRR¹ & recalibration, continuously strengthening its position
- 2 Large markets with long-term structural growth driven by continued windscreen complexity and technology increase
- 3 A highly differentiated branded B2B2C service proposition with long-standing insurer relationships
- 4 Unique culture and values fostering best-in-class service levels and innovation
- 5 Recalibration, VAPS² and Fit For Growth as accelerators of performance
- 6 Best-in-class financial profile with strong momentum: growth, margin increase, cash flow generation and dividend returns
- 7 Inspiring leadership team with unparalleled track record focused on execution
- 8 Strong heritage and clear commitment of doing business responsibly



¹ Vehicle Glass Repair & Replacement

² Value-Added Products & Services



“Making a difference with real care”

Disclaimer

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Nothing in this document purports to define a relevant economic market/segment for the purposes of competition law analysis etc. Defining a relevant economic market/segment is a highly complex exercise requiring detailed analysis of the relevant factual situation at the point in time in question. References to a particular market/segment in this document are made for the convenience of the reader. In particular, references to and the provision of market/segment volume, share and other data in this document are based on the more readily accessible data, in particular for the passenger vehicle and/or light commercial vehicle segments, and may vary when less accessible information/data for other market segments are included. Additionally, the relevant market/segment size is not static, but may vary considerably, for example, according to weather, road conditions, speed limits, miles drive, level of crime etc.



Appendix

Reconciliation of financials

Belron management accounts vs D'Ieteren Group reported figures

	Pre-IFRS16		Post-IFRS16		
	2017	2018	2019	2020	2021
Sales - Belron management accounts	3,486	3,840	4,228	3,899	4,647
Adjustments	-	-	-	-	-
Sales - D'Ieteren Group reporting	3,486	3,840	4,228	3,899	4,647
 Adj. EBITDA - Belron management accounts	 332	 377	 761	 852	 1,122
Depreciation & amortization	122	126	274	269	242
Adj. EBIT - Belron management accounts	210	251	487	583	880
Adjustments	(20)	(26)	(71)	1	(65)
Fit for Growth (FfG) programme	-	-	(11)	(2)	(64)
SaaS write off & restatement (non-FfG related)	-	-	-	1	(2)
Employee Share Plan	(20)	(34)	(60)	3	-
Service extension costs	(11)	(2)	-	-	-
IFRS 5 adjustment	11	10	-	-	-
Other	-	-	-	(1)	-
Adj. EBIT - D'Ieteren Group reporting	190	226	416	584	815
Depreciation & amortisation	122	126	274	269	242
Impact SaaS on D&A	-	-	-	(3)	(2)
Adj. EBITDA - D'Ieteren Group reporting	312	352	691	850	1,055