

D'leteren Group Investor Day



“Keeps you going & growing”



D'leterenGroup

April 28th, 2022



Today's presenters



Dominiek Valcke
CEO

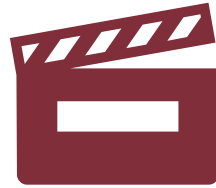
Years of TVH Service: 19



Mark Oosterlinck
CFO

Years of TVH Service: 4

Video



Agenda

I. Who We Are & What We Do

II. Our Market & Positioning

III. Our Performance

IV. Our Ambition

V. Current Trading

VI. Key Takeaways

TVH keeps you going and growing

1. MPA

Material Handling Parts & Accessories

Forklifts
Rough terrain
Handling equipment
Truck mounted

3. APA

Agricultural Parts & Accessories

Tractors
Implements
Combines

2. CPA

Construction Parts & Accessories

Mini excavators
Compact track loaders
Skid steers
MEWPs¹
Telehandlers

4. IPA

Industrial Parts & Accessories

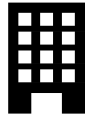
Container handling
Personnel & burden
Sweepers & scrubbers
Tail lifts
Ground support equipment



Helping farmers to
grow food for
people



Helping to build and maintain
infrastructure and serve
manufacturing needs for
people



Helping to support
the supply chain
for people



¹ Mobile elevated working platform

Overview of TVH

TVH is the leading worldwide aftermarket specialist providing quality parts for equipment

Market presence

#1 Globally¹
in material
handling



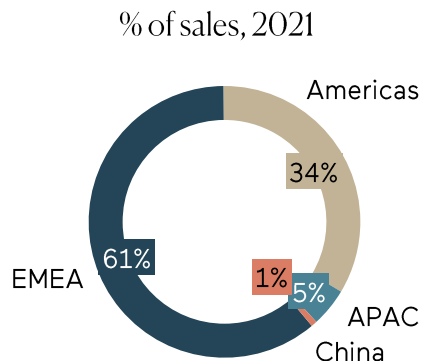
#1 Globally¹
in MEWP² &
THL³



#3 EMEA¹
in tractors



Geographic exposure



Main figures

> 75k active customers
in over 180 countries

> 85% offers via
e-commerce

5,000+ employees

60 nationalities
42 spoken languages

> 44,000,000 known
references

> 930,000 different
stock items

81 branches
worldwide

95% same-day
shipment



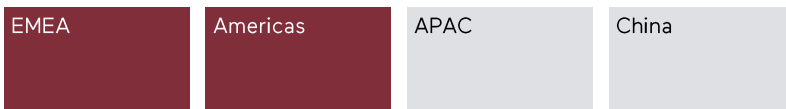
¹ Market position in independent distributors market

² Mobile Elevated Working Platforms

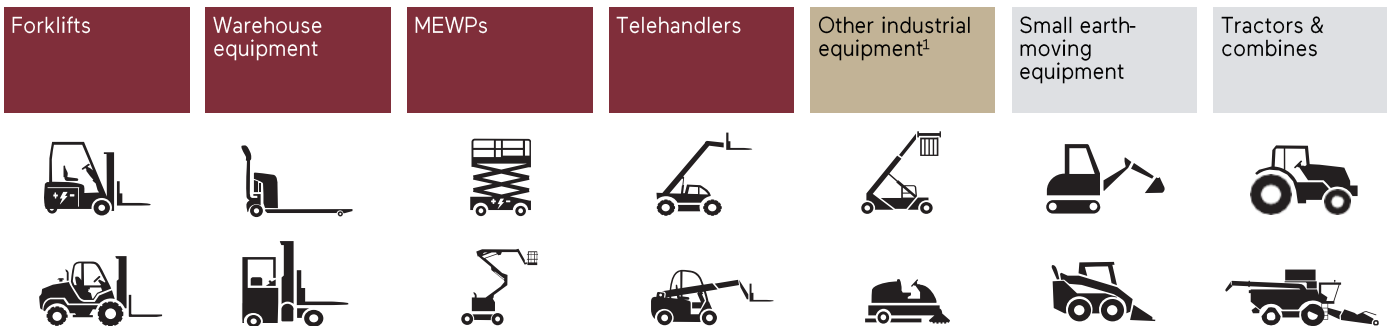
³ Telehandlers

Geographical presence, products and customers

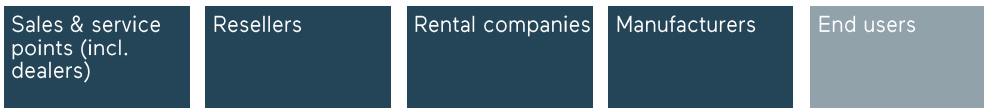
Geography



Equipment type



Customer segment



High market share
 Medium market share
 Low market share



¹ Including sweepers & scrubbers, tail lifts, ground support equipment, etc.

Offering a unique range of parts and services

Our commitment to our customers is to deliver all products and services to keep their equipment running smoothly

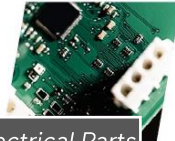
A global one stop shop for parts¹



Cooling



Cabin Parts



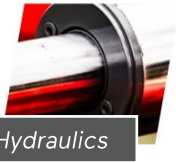
Electrical Parts



Wheels



Filtration



Hydraulics



Engine Parts

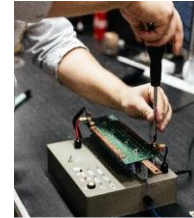


Chains

Offering services taking your business to the next level



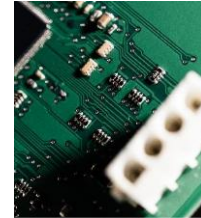
Technical services



Manufacturing services



Re-Manufacturing services



Electronic parts repair



TVH University



Batteries & chargers solutions



Telematics solution



¹ Presented parts are a limited selection for illustrative purposes

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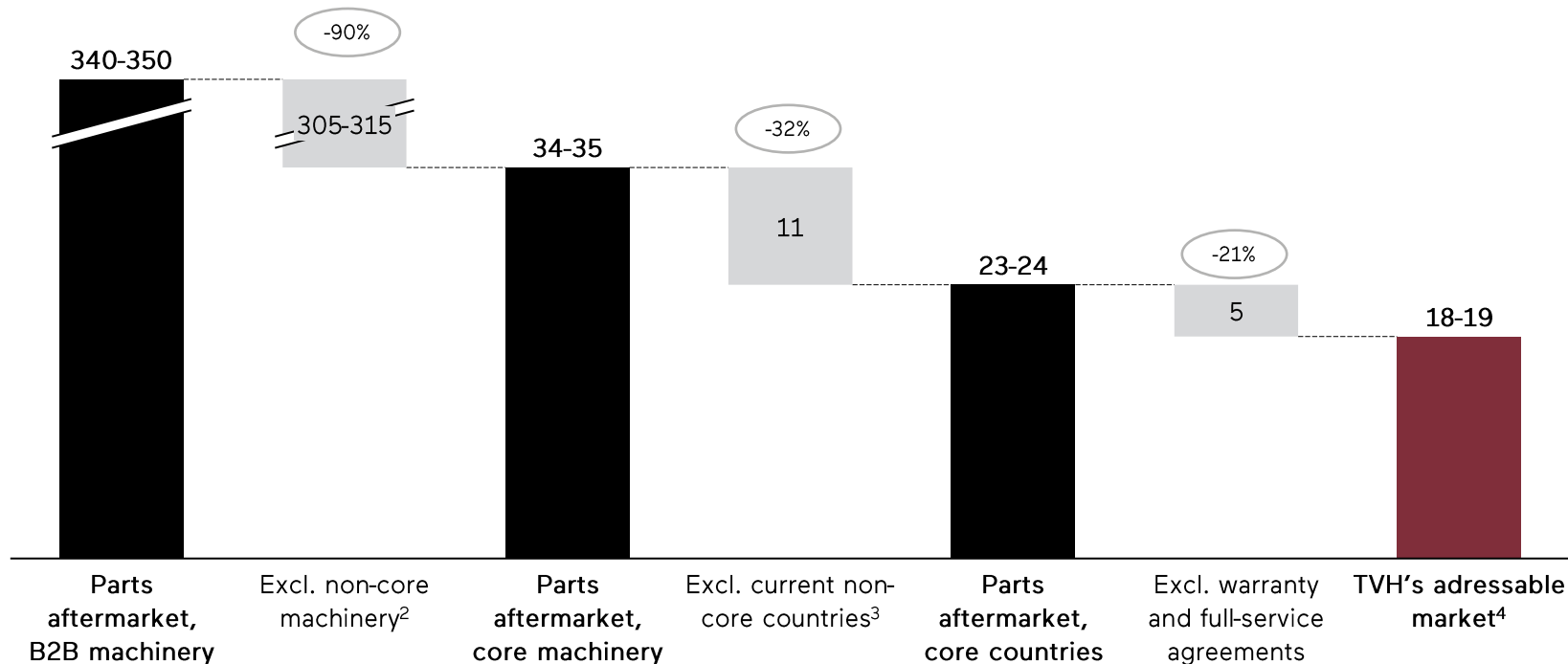
IV. Our Ambition

V. Current Trading

VI. Key Takeaways

TVH serves an addressable market of ~€19bn

Addressable markets breakdown, 2021, €bn¹



¹ Market sizing only for machines representing 90% of TVH revenue

² Non-core machinery such as: Large earthmoving equipment (>10tons), Mining equipment, Metallurgy equipment and Small tractors (<40HP)

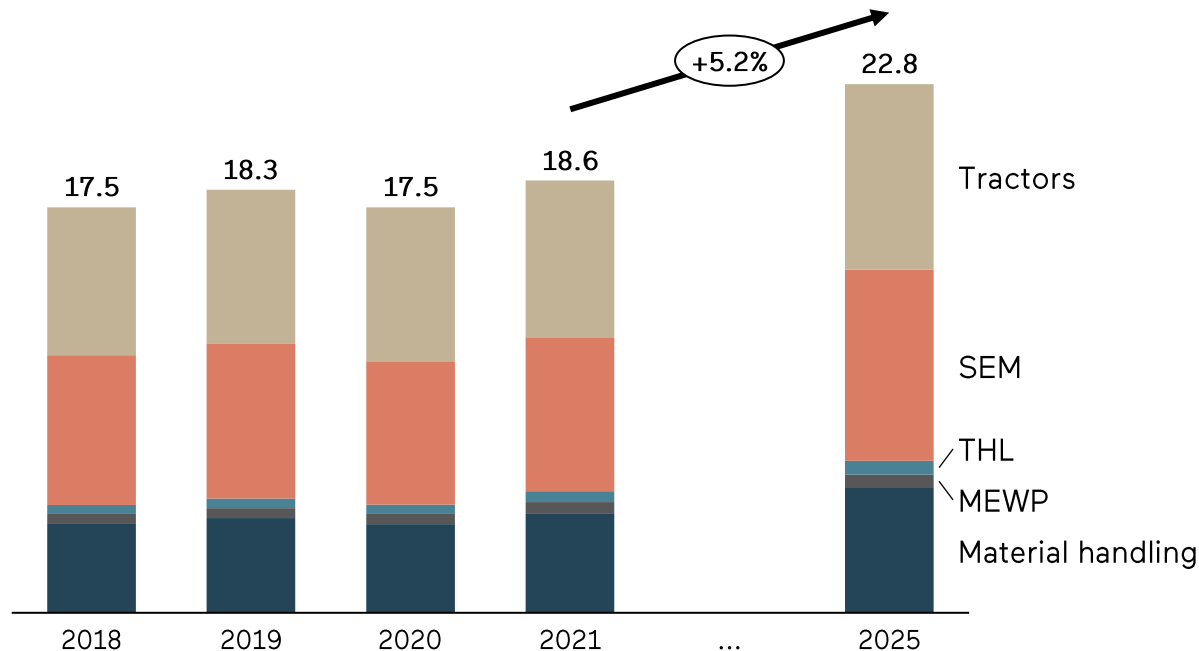
³ Non-core countries include China, Japan and India

⁴ Pre Russia/Ukraine war

TVH's core markets expected to grow robustly

Addressable markets development €bn¹

x% CAGR



2021-2025
CAGR

~4%



~5%



~6%



~3%



~6%



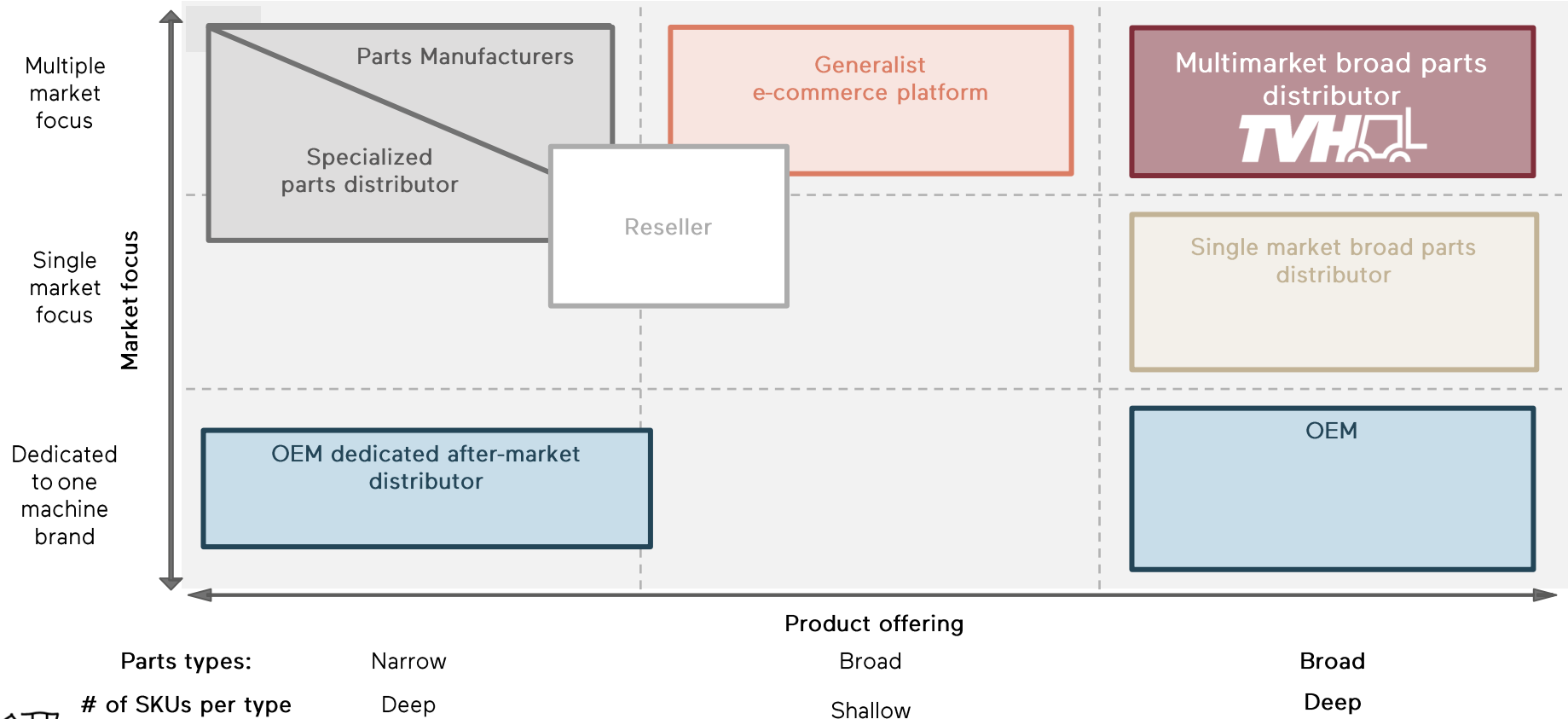
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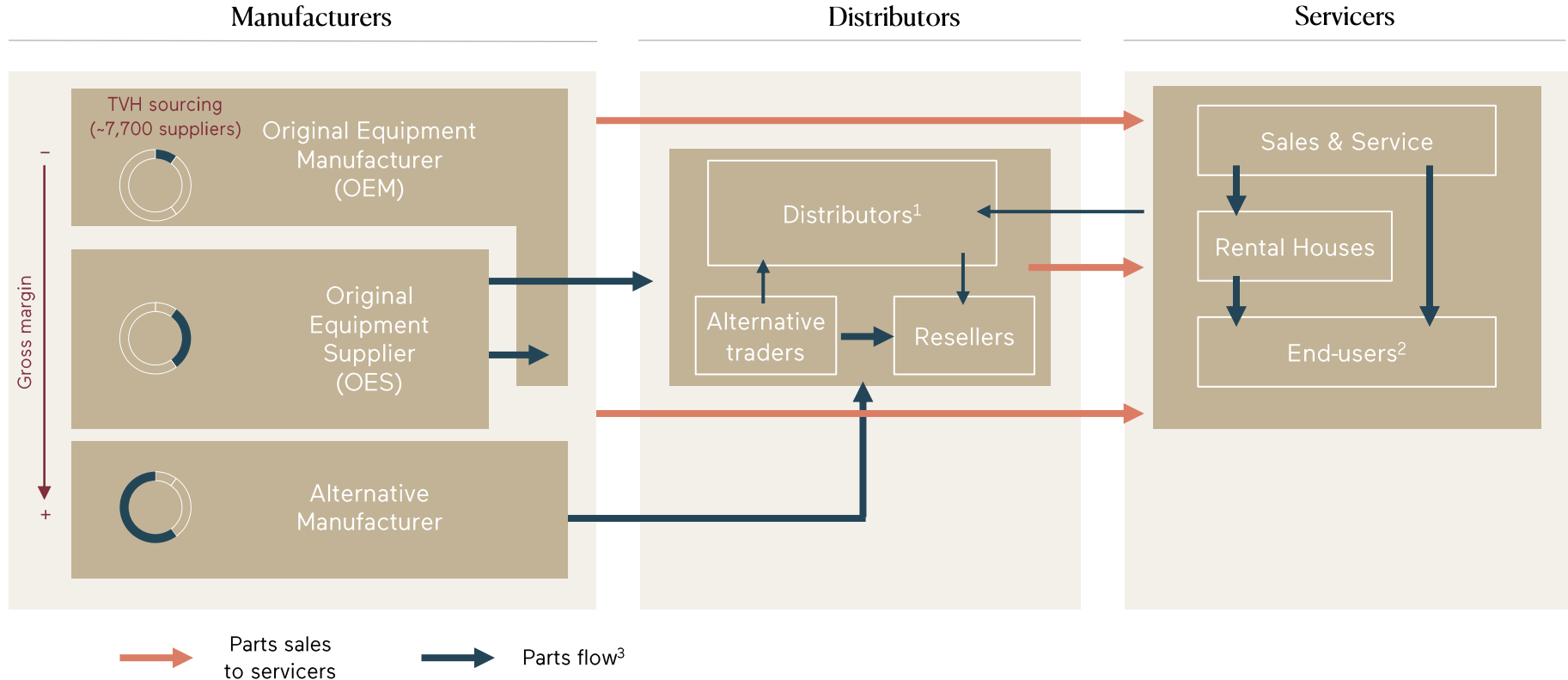
³ Non-core countries include China, Japan and India

⁴ Pre Russia/Ukraine war

Unique positioning across the value chain



Unique positioning across the value chain



¹ Includes E-commerce and broad/specialized independent distributors

² End-users are not the main customer focus of TVH, which typically serves sales and service partners and rental houses

³ Arrow size illustrates relative importance of parts flow

Unique operating model

Parts availability

- ✓ Significant inventory: **>930k SKUs on stock**
- ✓ Parts for over 615 makes
- ✓ Uniquely high **offer rates of 90-95%** in MPA market
- ✓ **Unmatched SKU availability:** >500k different SKUs ordered in the last 12 months

Parts Sourcing

- ✓ Ability to **source qualitative parts** from global supplier base of >7,700 suppliers
- ✓ In-house **remanufacturing & engineering activities**
- ✓ 175 FTE working in product development and >550 FTE working in manufacturing
- ✓ Knowledge of which part type to offer between OEM/OES/ALT



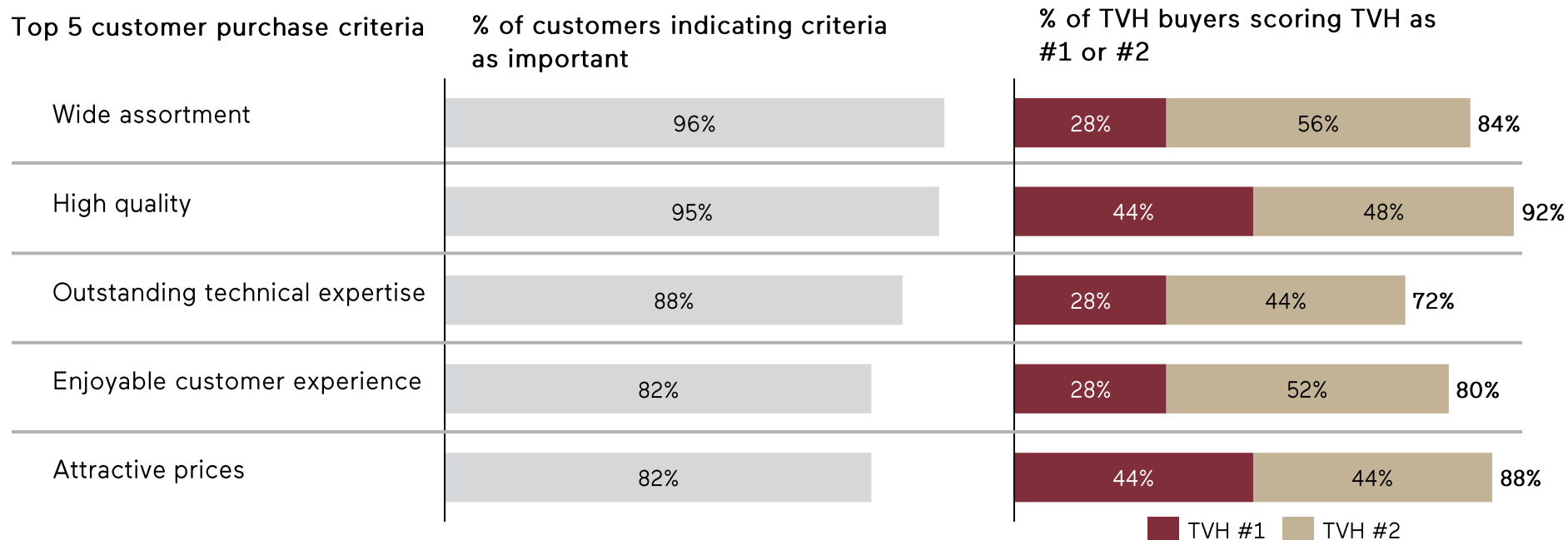
Digital capabilities

- ✓ Strong online presence, operating multiple e-commerce platforms enabling an omnichannel approach with >85% offers via e-commerce
- ✓ Extensive and unique **'look-up' database** of more than 44m machine parts
- ✓ Dynamic, intelligent **pricing engine**
- ✓ Full-service **telematics solution**

Supply chain

- ✓ **>300,000m²** of warehousing space
- ✓ Highly **automated warehouses** enabling high service levels (guaranteed 24/48-hr worldwide)
- ✓ ~17k orders and ~60k order lines per day
- ✓ **95% same day shipment**

Consistently ranked as top supplier



TVH is predominantly ranked as top 2 by recent buyers for key purchasing criteria



NPS of 46

Strong leadership team and culture

Leadership team with strong track record



Joeri De Waele
Chief Customer
Experience Officer

3 17

Simon Witdouck
Senior VP Americas

9 16

Peter Geiregeat
Chief People Officer

1 22

Kobe Naert
Chief Material Officer

3 18

Guy Vandendriessche
Chief Material Officer
Emeritus

37 39

Kris Thermote
VP Logistics & Supply
Chain

20 21

Kristof Bolle
Senior VP EMEA

22 22

Lien Callens
Chief Information
Officer

3 28

Dominiek Valcke
Chief Executive Officer

19 31

Anne-Marie Rasschaert
Chief Corporate
Development Officer

6 14

Mark Oosterlinck
Chief Financial Officer

4 22

x

Years at TVH Parts

x

Years of relevant experience

TVH values: We are One



P Pursue
excellence



A Act with joy



R Remain
open(-minded)



T Take initiative

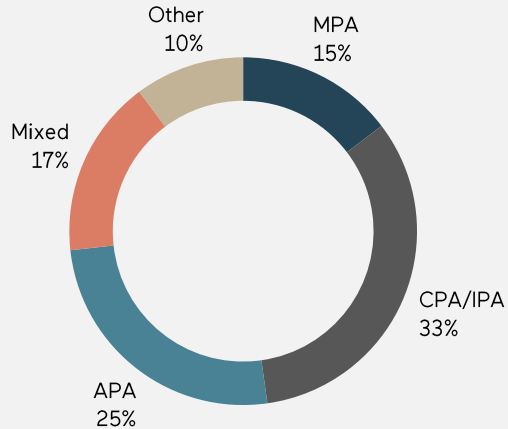


S Show courage

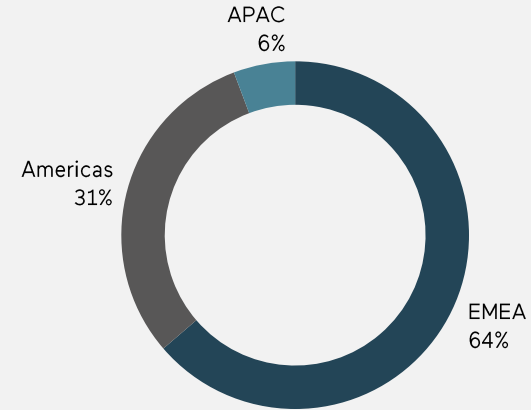
Strong external growth perspectives

M&A watch list of +150 targets¹, of which with +10 in active dialogue²

Watch list targets **by segment**



Watch list targets **by region**³

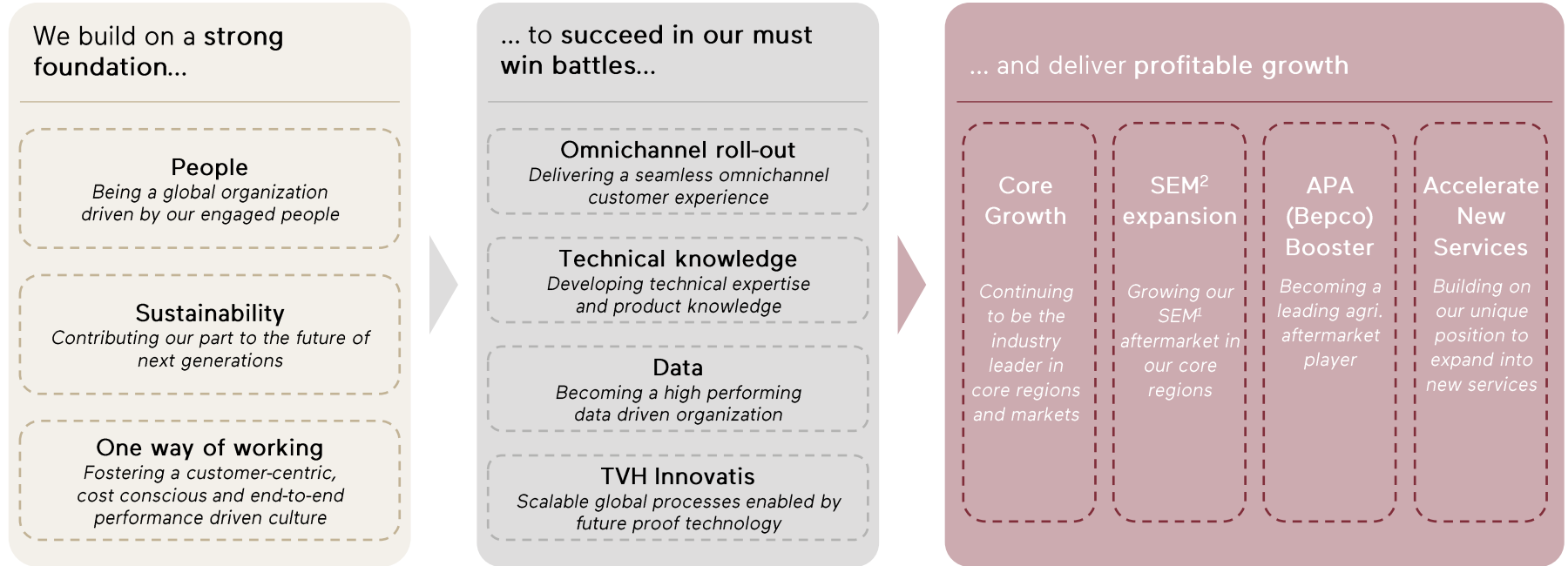


¹ Dynamic list of targets

² NDA signed and / or initial data insights confirm interest

³ Based on location of HQ of the target (several targets have activities across regions)

Strategic plan based on 11 building blocks



Sustainability is an essential part of TVH strategy

TVH vision : “Contributing our part **now** for future generations”

Extending life of equipment

Remanufacturing contributing to circular economy



Sustainability is embedded in the business and our contribution is already recognized

In 2021 sustainability became an integral part of our strategy

In April 2022 we selected 6 core and 2 support SDG's where we will focus on and the metrics on which to measure progress

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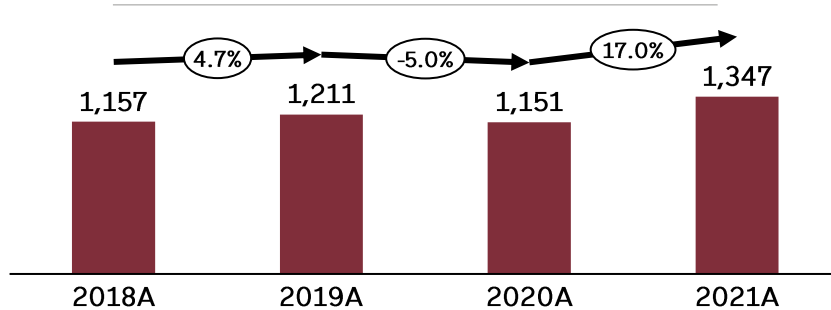
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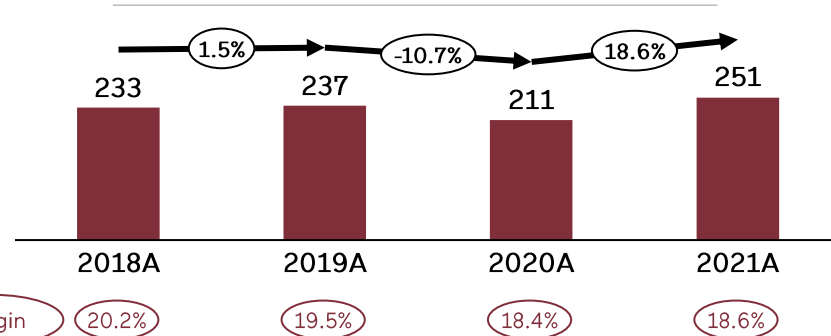
VI. Key Takeaways

Turnover and EBITDA growth 2018-2021

Turnover (€m)



EBITDA – adjusted (€m)



Margin

20.2%

19.5%

18.4%

18.6%



Note: Belgian GAAP, comparable scope
¹ Between 2005 and 2019

Resilient topline growth

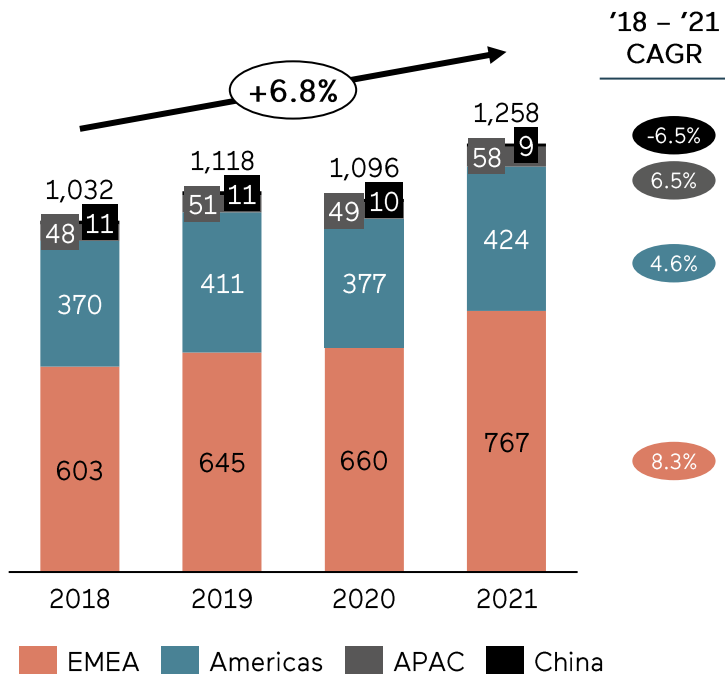
- Long-term¹ historical organic growth of ~8% per annum
- Covid-impact in 2020 relatively minor: TVH markets behave differently than OEM
- Strong rebound in 2021-across regions and markets

Strong margin profile

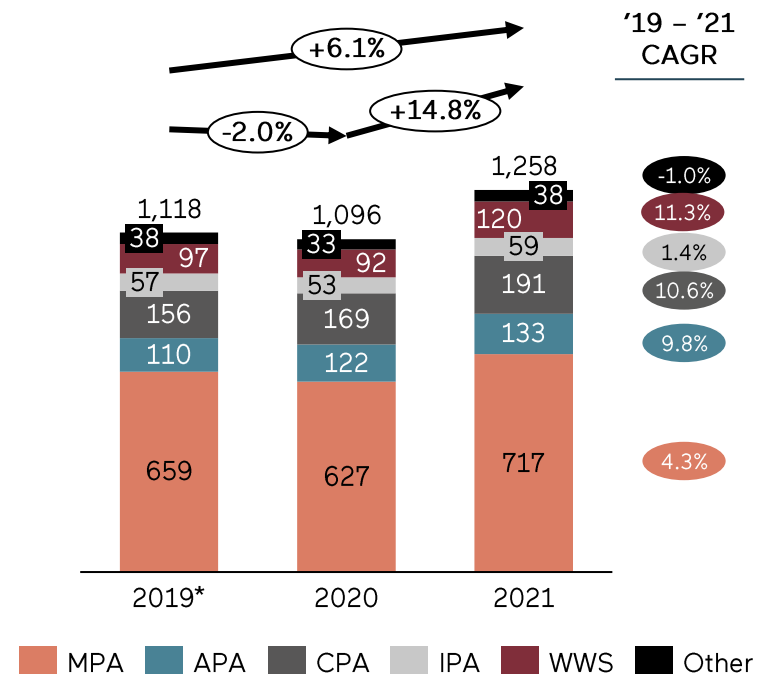
- Stable gross margin incl. transport costs
- Stable EBITDA (and margin) – even if in 2020 impacted by Covid, where TVH maintained a “through the cycle” view on operating expenses (e.g. largely keeping staff on board)
- Operating leverage increasing in 2021

Evolution by region & market

Parts sales (excl. freight recharge) by region (€m)



Parts sales (excl. freight recharge) by market (€m)



Note: MPA = Material Handling Parts & Accessories, APA = Agricultural Parts & Accessories, CPA = Construction Parts & Accessories, IPA = Industrial Parts & Accessories, WWS = Workshop, warehouse Supplies

* No comparable data available for 2018 as market segmentation definitions were redefined as of 2019

Historical capex, working capital and financial leverage

Capital Expenditure

- **Capex historically 3-5% of turnover**, with a historic low in 2020
- 3 main categories of growth investments – accounting each for roughly one third of planned capex:
 1. real estate – mainly warehousing
 2. IT development, “TVH Innovatis” (mostly components which are built in house)
 3. warehouse automation, equipment & infrastructure

Working capital

- **Inventory is key** in aftermarket: an extensive product range and high availability is the winning combination, particularly during covid and the supply chain disruptions since 2021. Deliberate strategy to grow inventory in anticipation of higher sales
- Trade working capital currently at ~43% of turnover, consciously above historical levels

Net debt

- €760m net debt at end-2021, ~3x NFD / EBITDA

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TVH strategic plan financial goals 2025

Turnover
CAGR 2021-2025

- ~8%
 - Largest absolute contribution of growth from MPA, while fastest growth in CPA & IPA
 - Growth estimates before (i) additional inflation pass-through price increases vs. strategic plan assumptions, and (ii) M&A activities

EBITDA margin
by 2025

- >18%
- >14% EBIT margin

Capex / Turnover
by 2025

- 3-5%

WC / Turnover
by 2025

- <40%
- Working capital driven by inventory to support sales growth

Free cash-flow²
by 2025

- EBITDA cash conversion¹ >75%
- FCF expected to grow with EBITDA
- FCF² >€170m by 2025



¹ EBITDA cash conversion = (EBITDA – capex) / EBITDA pre-IFRS16

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

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Q1-22 Trading Update

- Continued strong momentum resulting in **turnover in Q1-22 of €384.1m**, up by **24.0% YoY** composed of:
 - +16.4% organic growth at constant FX,
 - +4.0% growth driven by FX impact, and
 - +3.6% growth of inorganic growth
- Turnover in March 2022 was an all time record with the highest ever sales per workday
- Growth in Q1 is driven by **healthy mix of volume and price** increase across regions and markets
 - **Americas region performing very well at +20% in USD vs. Q1-21 (and +29.5% in EUR)**, strong across all segments
 - **EMEA region performing well at +13% vs. Q1-21**, with particularly strong growth in CPA market. CIS countries still posted growth vs 2021 for Q1 but we see a drop in March (and for sure in April), due to Russia-Ukraine war and imposed sanctions
 - **APAC region performing at +14% vs Q1-21**, even if Covid still had impact in certain countries

2022 – what keeps us busy



Manage through complex times
(Supply chain, inflation, Ukrain-Russia war)



Focus on growth in our selected 4 core markets



Continued execution of the strategic plan 2021-2025



Work on the roadmap for TVH Innovatis



Focus on maintaining our high client satisfaction (NPS) and employee engagement score



Search and realise M&A opportunities



Strengthen and build the TVH organization

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VI. Key Takeaways

TVH key takeaways



Market

Operating in fundamentally attractive markets growing above 2x GDP



Global leader

The leading aftermarket solution provider offering a one-stop-shop customer experience



Business model

Epicentre of the B2B aftermarket value chain with unmatched SKU availability, unique IP, technical expertise and sourcing capabilities



Financials

Outstanding track record of high financial growth and high margins



Resilience

Resilience and agility... evidenced through-the-cycle



Growth

Multiple levers to drive long-term and profitable growth



M&A

Strong M&A track record and attractive M&A pipeline



Team

Experienced and cohesive management team fostering the unique DNA and culture



Sustainability

Sustainability is an integral part of the business model





“Keeps you going & growing”

Disclaimer

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