

COVID-19: impact and measures

Francis Deprez, CEO of D'Ieteren Group: “*The current situation is probably one of the most uncertain we have ever witnessed, as it affects us both personally and at the corporate level. Our priority is to take measures with the safety and interest of all stakeholders in mind. D'Ieteren is a resilient and financially robust group. During the 215 years of its existence, D'Ieteren has weathered several crises. We are confident that we will also get through this one, and that we will emerge from it stronger thanks to our values and our team efforts. Our activities are already preparing themselves for a restart as soon as the lockdown comes to an end. A big thank you to all our personnel for their commitment and leadership in these unprecedented times.*”

1. Group level

Since the outset of the COVID-19 crisis, D'Ieteren has taken swift measures to ensure the safety of its employees, clients and suppliers. The Group is also taking steps to minimize the impact of the pandemic on cash flow while ensuring that it has the necessary liquidity for a prolonged crisis. The EUR 150 million share buyback program has therefore been temporarily suspended. Since the start of the share buyback program on the 4th of September 2019, D'Ieteren has purchased a total of 934,692 treasury shares, for a total amount of EUR 43,353,416.

COVID-19 will have a significant impact on D'Ieteren's FY 2020 results, even when it is impossible to quantify this at this stage. We therefore withdraw our guidance. The outlook for the year has become highly uncertain due to the lack of clarity on the duration and the economic impact of the lockdowns.

With our important cash balance at the level of Corporate, we continue to look for interesting M&A opportunities that are consistent with D'Ieteren's investment strategy.

2. D'Ieteren Auto

Teleworking for D'Ieteren Auto's office personnel has been enforced since the 16th of March. The dealerships and showrooms closed down on the 18th of March when the Belgian lockdown became effective. The European factories of Volkswagen Group are currently closed. D'Ieteren's after-sales activities continue to provide essential services for customers in the health and emergency sectors. We also provide them with access to vehicles from our Contact Centers, and our Poppy fleet (shared mobility) is for free at their disposal. The Belgian authorities have already extended the lockdown to the 19th of April and have indicated that a further extension is possible. Scenarios have been drawn up for resuming activity as soon as this is allowed. D'Ieteren Auto's share in the Belgian new car market improved from 21.1% in March 2019 to 24.4% in March 2020 and from 20.1% in Q1 2019 to 22.3% in Q1 2020.

All necessary measures are being taken to limit the impact on the results and cash flows with economic unemployment, postponement of some projects, curtailed marketing spend and improved working capital.

3. Belron

All countries in the Belron portfolio are currently impacted and operating at different levels of activity. Italy, France and Spain have by and large shut down their network in line with government measures, while Germany, the UK and the USA are operating at a significantly reduced level of activity.

Cost containment and cash management measures have been activated in all countries to minimize the cash burn; projects are on hold and capex spending has also been postponed. Many Belron countries are helping the medical communities in their respective countries wherever they can, for instance by donating gloves and masks, or giving voluntary time to help out. Each of the countries where Belron is present is also able and ready to resume activity as soon as local regulations allow it.

There are no covenants on the Term Loans B (EUR 2.6 billion equivalent), and the first maturity of the TLB is on the 7th of November 2024. The revolving credit facility (RCF) of EUR 280 million was drawn in March 2020 as a precautionary measure.

4. Moleskine

Moleskine's activities in China were impacted by COVID-19 from the end of January. The Chinese suppliers stopped their production at the end of January but resumed it in March. Stores in Europe and the US are currently closed but they have reopened in APAC with shorter opening times. The Wholesale and B2B channels are affected by the impact of the lockdowns on our clients. Commercial actions are implemented to increase revenues from Moleskine's own E-Commerce platform (www.Moleskine.com) and third-party platforms (e.g. Amazon, Alibaba).

Moleskine has put in place multiple cost containment and cash protection measures.

At the end of 2019, Moleskine's external net debt (pre-IFRS 16) amounted to EUR 77 million. The bank loan repayment schedule foresees a repayment of EUR 16.5 million in 2020.

End of press release

GROUP PROFILE

In existence since 1805, and across family generations, D'Ieteren seeks growth and value creation by pursuing a strategy on the long term for its businesses and actively encouraging and supporting them to develop their position in their industry or in their geographies. The Group has currently the following activities:

- *D'Ieteren Auto distributes Volkswagen, Audi, SEAT, Škoda, Bentley, Lamborghini, Bugatti, Porsche and Yamaha vehicles in Belgium. It has a market share of around 22% and 1.2 million vehicles on the road. Its business model is evolving towards improving the lives of citizens with fluid, accessible and sustainable mobility. Sales and adjusted operating result reached respectively EUR 3.6 billion and EUR 119.0 million in FY 2019.*
- *Belron (54.85% of the voting rights) has a clear purpose: "making a difference by solving people's problems with real care". It is the worldwide leader in vehicle glass repair and replacement 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 customers. Sales and adjusted operating result reached respectively EUR 4.2 billion and EUR 400.5 million in FY 2019.*
- *Moleskine (100% owned) is a premium and aspirational lifestyle brand which develops and sells iconic branded notebooks and writing, travel and reading accessories through a multichannel distribution strategy across 114 countries. Sales and adjusted operating result reached respectively EUR 163.9 million and EUR 18.6 million in FY 2019.*
- *D'Ieteren Immo (100%) groups together the Belgian real estate interests of D'Ieteren Group. It owns and manages approximately 30 properties which generated EUR 19.7 million net rental income in FY 2019. It also pursues investment projects and carries out studies into possible site renovations.*

FINANCIAL CALENDAR

Last five press releases <small>(with the exception of press releases related to the repurchase or sale of own shares)</small>		Next events	
16 March 2020	Daniela Riccardi appointed as CEO of Moleskine	28 May 2020	General Assembly
5 March 2020	2019 Full-year Results	27 August 2020	2020 Half-Year Results
8 February 2020	D'Ieteren acquires additional preference shares in Belron from CD&R		
26 October 2019	Belron has successfully allocated its new term loans of EUR 850 million equivalent		
18 October 2019	Belron launches syndication of EUR 850 million equivalent of additional debt		

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