

Wednesday 3 June 2020 – 8:45 am CEST

The Management of D'Ieteren Auto has announced its intention to carry out a project that will accelerate the transformation of its activities in order to respond to significant changes in the automotive market

In order to counteract the impact of the current health crisis and its long-term effects on demand and customer behaviour, the Management of D'Ieteren Auto has announced its intention to carry out a project for accelerating the transformation of its activities - which has already been underway for over a year - in response to a rapidly changing market. This project would entail measures to adapt internal structures and working methods to the new market realities and would transform or cease those activities that no longer meet the needs of dealers or customers. If confirmed, this project could result in the loss of 211 jobs in Belgium.

For several months, D'Ieteren Auto has been in the process of transforming its core activities in a market in which the digitization, electrification and automation of vehicles and new mobility are causing a structural decline in sales and after-sales activities.

"Our ambition is to be a key player in the development of flexible, accessible and sustainable mobility for the benefit of our customers, our employees, our partners and society in general", declares Denis Gorteman, Chief Executive Officer of D'Ieteren Auto. "To achieve this, we defined a strategy up to 2025 which will require an overall investment of EUR 182 million over this period."

The aims of the strategy for 2025 include:

- excellence and efficiency of the core business of D'Ieteren Auto in line with customer expectations;
- expansion into automotive activities adjacent to this core business which are promising for the future, particularly in the used vehicle and after-sales sector;
- innovation in the mobility solutions of the future.

Due to the current health crisis, D'Ieteren Auto is facing a strong drop in demand that is likely to persist. By the end of the year, the markets for cars and commercial vehicles are expected to decline compared to 2019, falling to 435,000 and 55,000 new registrations respectively, and could stabilise at 450,000 and 60,000 new registrations in the next five years.

The drop in demand, combined with changes in customer behaviour in terms of mobility and digitization in particular, are having a major impact on D'Ieteren Auto's activities, and this could put pressure on the realisation of the 2025 strategy.

"Faced with these developments, we must take the appropriate measures in order to continue to be able to make the investments that are essential to the success of our 2025 strategy. This would allow us to maintain a stimulating and attractive employment over the long term, in the interests of the majority of our staff", explains Denis Gorteman.

The project to accelerate the transformation aims to adapt internal structures and working methods to new market realities as well as transforming existing activities in order to align them with the new consumption habits of

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customers, especially in terms of digitization. This project also aims to terminate activities that no longer meet the needs of dealers or customers. In this context, the Management intends to stop the activity of the Contact Centers in Kortenberg, as test drives are now mainly organized at local level by dealers at the request of customers. The Management also intends to stop the importation of Yamaha products into Belgium and the Grand Duchy of Luxembourg, which is currently handled by D'Ieteren Sport, and to find someone to take over these activities.

The Management's project could result in the loss of 211 jobs within D'Ieteren s.a., D'Ieteren Sport s.a. and Volkswagen D'Ieteren Finance s.a.

This project would have no impact on customer relations or on the continuity of the activities of independent dealers who provide the marketing and after-sales services of the brands distributed.

Denis Gorteman: *"This project is necessary for building a sustainable future for D'Ieteren Auto in a market that is undergoing profound change. I am well aware of its impact on people who would lose their jobs. We want to engage in a constructive dialogue with our social partners in order to find appropriate solutions in the interest of all the employees potentially concerned."*

The legal procedure for informing and consulting employee representatives, known as the Renault Act, began today. The Management will listen carefully to staff representatives, answer their questions and assess their counter-proposals. At the end of this phase, it will be up to the Boards of Directors of the concerned entities to take a decision on the proposed project. The Management will of course remain attentive to the social repercussions of the announcement of this intention and of its implementation, if confirmed.

An information session for all staff is being held today at 10:15 a.m., via a webinar, in light of the necessary health safety measures.

End of press release

PERSCONTACT

Denis Gorteman, CEO of D'Ieteren Auto, will be available from 11:30 a.m. onwards to answer questions from journalists.

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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 <i>(with the exception of press releases related to the repurchase or sale of own shares)</i> | | Next events | |
|--|--|--------------------|------------------------|
| 28 May 2020 | Trading update | 27 August 2020 | 2020 Half-Year Results |
| 28 April 2020 | Publication of the annual report and organisation of the AGM and EGM | | |
| 27 April 2020 | Proposal to allocate the dividend increase to a solidarity program | | |
| 6 April 2020 | COVID-19: impact and measures | | |
| 16 March 2020 | Daniela Riccardi appointed as CEO of Moleskine | | |