

Trading update

Solid Q1-21 trends drive outlook upgrade

Group Q1-21 sales summary

The Group's combined¹ sales increased by 7.8% to €1,990.8m.

- **Belron's sales increased** by 9.5%, with all regions contributing to this positive top-line evolution. Volumes recovered and grew by 1.4% versus Q1-20, when operations at the end of the period were completely shut down in most of the regions. Besides the slight volume increase, sales growth was driven by a continuing positive price/mix effect, ADAS calibration fees and value-added products and services (VAPS).
- **D'leteren Automotive's** sales increased with 6.1%, and this in a Belgian new car market which declined by 7.5% YoY in volume in the first quarter, and where D'leteren Automotive's net market share also declined somewhat by 98bps to 21.6%. Delivered volumes were also impacted by factory supply issues (shortage of components). The volume decline was more than compensated at the sales level by a positive price/mix.
- **Moleskine's** sales reached €21.5m in Q1-21, a 4.7% decline compared to the same period last year. While sales grew in Americas and APAC, they were still strongly negatively impacted in EMEA as shops in several countries were still closed during the first quarter and wholesale customers remained cautious in reordering.

Revised outlook 2021

While the timing of the end of the Covid-19 crisis is still unknown, based on the absence of renewed or more severe lockdowns in its main operating regions, and given the year to date financial performance, D'leteren Group now expects its *adjusted* consolidated profit before tax, Group's share⁴ **to grow by at least 45%** compared to €332.7m in 2020 (previous guidance: at least 25% growth), excluding the impact of the refinancing at Belron announced on April 1st, estimated at €12m group's share. This improvement is driven by Belron's and D'leteren Automotive's prospects and assumes a 53.75% stake in Belron in 2020 and 2021 and average exchange rates that are in line with the rates that prevailed at the end of 2020.

General Meetings

D'leteren holds its General Meetings today starting at 3.00pm. The Board of Directors will propose to distribute a gross dividend per share of €1.35 to its shareholders.

Also, should the resolution be adopted by the shareholders, the company's legal name will become D'leteren Group.

Belron

Q1-21 sales

Belron's total sales (at 100%) increased by 9.5% to €1,060.6m in Q1-21. While volumes increased by 1.4% YoY, sales growth was further driven by a continuing positive price / mix, ADAS recalibration fees (ADAS penetration rate at 19.8%) and VAPS in all regions.

Sales from continuing operations increased by 9.9%, comprised of:

- Organic² growth of 13.0%;
- and a negative currency translation effect of 3.0% which is primarily due to the depreciation of the US dollar.

North America (55% of total) sales from continuing operations increased by 8.5%. Organic² improvement of 15.0% is exclusively driven by the US, thanks to slightly higher volumes (+2.3%), recalibrations and VAPS. This was partly offset by a negative currency effect of 6.5%.

Eurozone (30% of total) saw a 13.3% growth in sales from continuing operations, comprising 13.4% organic growth and a marginally negative 0.1% currency impact, with different performances by country. Volumes in the region were up by 5.5%, with a solid volume recovery in France and still declining volumes in Germany.

Rest of World (15% of total) sales from continuing operations increased by 8.1%, of which 3.8% organic² and 4.3% favourable currency translation (mostly AUD). The UK, with severe lockdown measures still in place, reported negative YoY volumes, while Australia held up well.

Evolution post Q1

Volumes in April were strongly up versus the same period last year, and the trend continued in May, although at a slightly slower pace. The volume recovery is mostly significant in the Eurozone, which suffered the most from the Spring 2020 lockdowns, but all regions contributed to the trend. Positive price / mix, ADAS recalibration fees and VAPS further contributed to significant sales growth.

D'leteren Automotive

Q1-21 sales

Market

The Belgian new car market was still negatively impacted by the Covid-19 crisis in the first quarter, and to supply issues due to the shortage of components (semiconductors). Excluding de-registrations within 30 days³, the number of Belgian new car registrations decreased by 7.5% YoY to 114,859 units in the quarter, of which -24.9% in January-February, and +52.1% in March. Including registrations of less than 30 days, the number reached 119,237 units (-6.4%).

The private segment declined by 14.6% while the business segment (53.0% of total new car registrations) was slightly up by +2.2%. The share of SUV's increased from 40.3% in Q1-20 to 47.5% in Q1-21. New energy share in the market mix continued to increase to 19% versus 11% in the first quarter of last year.

D'leteren Automotive

D'leteren Automotive's market share declined by 98bps to 21.6% excluding deregistrations within 30 days. This was primarily due to the VW brand. D'leteren Automotive remains the leader in full electric vehicles (market share of 27.5%).

Registrations of new light commercial vehicles (0 to 3.5 tonnes) increased by 14.9% to 21,421 units and D'leteren Automotive's market share declined to 7.5% of net registrations.

The total number of new vehicles, including commercial vehicles, delivered by D'leteren Automotive in Q1-21 reached 28,560 units (-7.1%), also impacted by factory supply issues due to a shortage of components.

Despite lower volumes year-over-year, D'leteren Automotive's sales increased by 6.1% to €908.7m in Q1-21, essentially driven by a positive price / mix due to the continued premiumization of the car park.

Evolution post Q1

Gross registrations in Belgium in April 2021 grew by 602.3%, bringing YTD growth at +17.9%, as Belgium was in full lock-down in April 2020. YTD April gross market share reached 22.0%, only marginally down versus last year and further improving in May. The order book remains very healthy.

Moleskine

Q1-21 sales

Sales declined from €22.5m in Q1-20 to €21.5m in Q1-21 (-4.7%). The first quarter of this year is still suffering from partial lockdowns in major EMEA countries, impacting retail. E-commerce showed a positive performance of +45%.

Sales evolution by region:

- **EMEA** (36% of total): -13%. The region was still heavily impacted by various local Covid-19 restrictions.
- **Americas** (47% of total): +7% was the best performing geography, essentially driven by e-commerce and wholesale online sales.
- **APAC** (17% of total): +5%, also driven by e-commerce, but retail was also up YoY in APAC as the region came out of the crisis in the course of 2020.

Evolution post Q1

As anticipated, the trend turned positive in April. Retail stores are gradually re-opening. Regionally, the growth was mainly driven by EMEA. This brought the YTD April YoY comparison in sales back to the positive territory.

Notes

¹ Combined sales include Belron at 100%.

² "Organic growth" is an Alternative Performance Measure used by the Group to measure the year-on-year evolution of revenue at constant currency and excluding the impact of changes to the perimeter of consolidation or business acquisitions.

³ In order to provide an accurate picture of the car market, Febiac publishes market figures excluding registrations that have been cancelled within 30 days. Most of them relate to vehicles that are unlikely to have been put into circulation in Belgium by the end customer.

⁴ The Group uses as key performance indicator the *adjusted* consolidated result before tax, Group's share (*Adjusted PBT*, Group's share). This APM consists of the segment reported result before tax (PBT), taking into account the result before tax of the discontinued operations, and excluding *adjusting* items and the share of minority shareholders.

Forward looking statements

This document contains forward-looking information that involves risks and uncertainties, including statements about D'leteren's plans, objectives, expectations and intentions. Readers are cautioned that forward-looking statements include known and unknown risks and are subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond the control of D'leteren. Should one or more of these risks, uncertainties or contingencies materialise, or should any underlying assumptions prove incorrect, actual results could vary materially from those anticipated, expected, estimated or projected. As a result, D'leteren does not assume any responsibility for the accuracy of these forward-looking statements.

End of press release

D'leteren Group profile

In existence since 1805, and across family generations, D'leteren Group 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 and geographies. The Group currently owns the following activities:

- **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 40 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 €3,899m and €583.1m in FY20.
- **D'leteren Automotive** distributes Volkswagen, Audi, SEAT, Škoda, Bentley, Lamborghini, Bugatti, and Porsche vehicles in Belgium. It has a market share of more than 23% 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 €3,216m and €98.9m in FY20.
- **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 global multichannel platform. Sales and adjusted operating result reached respectively €102.3m and -€1.5m in FY20.
- **D'leteren Immo** (100%) groups together the Belgian real estate interests of D'leteren Group. It owns and manages approximately 30 properties which generated €19.5m net rental income in FY20. It also pursues investment projects and carries out studies into possible site renovations.

Financial Calendar

Last five press releases

(with the exception of press releases related to the repurchase or sale of own shares)

21 April 2021	Publication of the Annual Report 2020
1 April 2021	Belron successfully allocated its new term loans
22 March 2021	Belron launches new loan
8 March 2021	2020 Full-Year Results
10 November 2020	Strong resilience expected in a volatile environment

Next events

27 May 2021	General Assembly
1 September 2021	2021 Half-Year Results

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