

Acquisition of a 40% stake in TVH Parts

Partnering to keep clients going & growing

9 July 2021



Key highlights

- D'leteren Group has signed an agreement to acquire a 40% stake in TVH Parts from the Vanhalst family. Closing is subject to customary merger control filings and regulatory approvals, and expected in the course of Q4 2021.
- D'leteren Group is thus joining the Thermote family, one of the two founding families of TVH Parts, as a long-term partner to help develop and grow further the company. The values of the two Belgian-based families and their new partnership are fully aligned.
- This acquisition represents an important step for D'leteren Group, consistent with the ambition of adding several growth pillars to its family of businesses, focusing on leading companies reinventing their industries in search of excellence and meaningful impact.
- TVH Parts, founded in 1969, is the world's leading independent one-stop-shop for aftermarket parts related to material handling, industrial, construction and agriculture equipment. The group benefits from unmatched scale and density, and is active in end-markets that are sizeable, resilient and growing. TVH Parts is known for its customer and people centricity.
- The company has grown by 8% per year on average over the last 15 years and has strong prospects for further growth, taking advantage of key trends in the market and building on strong foundations.
- The acquisition values the company at an EV of €3,650m and D'leteren Group's equity contribution of €1,172m will be financed by its excess liquidity.

A strong fit

D'Ieteren Group purpose

*"Our purpose is to build a family of businesses that **reinvent** ¹ **industries** in search of ² **excellence** and **meaningful impact**" ³*

TVH Parts attributes

- ¹
 - ✓ Global leader in spare parts distribution and value-added services for many types of rolling equipment
 - ✓ Unique operating model driven by intellectual capital
- ²
 - ✓ Global reach with a one-stop-shop customer offering
 - ✓ Best-in-class logistic capabilities
 - ✓ Customer-centric approach (omni-channel)
 - ✓ Agile & resilient business model with healthy financial profile
- ³
 - ✓ Strong culture and values
 - ✓ High customer NPS
 - ✓ Contribution to circular economy through spare parts and remanufacturing
 - ✓ ESG metrics & awareness

TVH Parts purpose

*"We are committed to delivering all products and services to keep equipment running smoothly. **We keep you going and growing**"*

Acquisition aligned with D'Ieteren Group's criteria

Market

- Large market
- Long-term sustainable growth trends
- Preference for fragmented market with consolidation potential



- ✓ Large and growing addressable market
- ✓ Underpinned by powerful structural tailwinds
- ✓ Leading global independent distributor
- ✓ History of market consolidation and further M&A potential

Business model

- Proven and scalable business model with global reach potential
- Sustainable competitive advantages
- Ability to generate superior returns for employees, customers, society and shareholders



- ✓ Unique business model based on unmatched part availability, highly efficient logistics, strong technical knowledge and sourcing capabilities and intellectual capital developed over decades
- ✓ Customer centricity and omnichannel approach leading to high NPS
- ✓ Meaningful opportunities and optionality for value creation

Management

- Strong, ambitious and purposeful management teams
- Cultural proximity and shared values



- ✓ Seasoned and genuine management team led by inspiring CEO, stewarding a strong culture
- ✓ Very good cultural fit with management, fully aligned on purpose and values

Deal structure

- Preference to be lead shareholder with like-minded partners in private or public companies
- Equity ticket of € 100m - € 700m, with ability to reinvest follow-on capital
- Moderate use of leverage, tailored to each business' specificity



- ✓ Partnership with like-minded family / investor
- ✓ Moderate leverage

Overview of TVH Parts

Founded in 1969, TVH Parts is the leading worldwide provider of quality after-market parts for rolling equipment

Market presence

#1 Globally
in material
handling



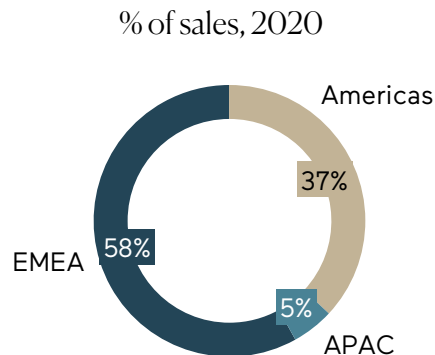
#1 Globally
in
construction
and industrial



#3 EMEA¹
in tractors



Geographic exposure



Main figures

81 branches in 26 countries

4,500+ employees

17k orders per day,
95% same day shipment

933k different stock items



1: Market position in independent distributors market, incl. TVH Parts and other distributors

TVH Parts – presence by market segment

Geography



| | | | | |
|--------|---------------|------|-------|--------------------|
| Europe | North America | APAC | LATAM | Middle East Africa |
|--------|---------------|------|-------|--------------------|

Vehicle types



| | | | | | | |
|-----------|---------------------|-------|--------------|---------------------|------------------------------|-----------------------------------------|
| Forklifts | Warehouse equipment | MEWPs | Telehandlers | Tractors & combines | Small earth-moving equipment | Other industrial equipment ¹ |
|-----------|---------------------|-------|--------------|---------------------|------------------------------|-----------------------------------------|



Customer type



| | | | |
|----------------------------------------|-----------|------------------|-----------|
| Sales & service points (incl. dealers) | Resellers | Rental companies | End users |
|----------------------------------------|-----------|------------------|-----------|

Strong presence Intermediate presence Small/no presence

DIG to support TVH Parts' next growth chapter

Reinforce TVH Parts' leadership position

- ✓ Preferred choice for customers & employees
- ✓ Extend & build global leadership position across existing markets
- ✓ Support new product introductions

Support bold ambitions

- ✓ Expand to new geographies and equipment segments
- ✓ Pursue add-on and/or transformative M&A
- ✓ Lead the ESG journey

Continuous reinvention

- ✓ Optimize business processes to achieve more operating leverage
- ✓ Develop new value-added services
- ✓ Digital agenda

Key investment highlights

1

Leading global one-stop-shop for after-market parts of rolling equipment

2

Large, growing and resilient markets

3

Unique operating model and consolidation platform

4

Customer-centric approach with unique pricing intelligence

5

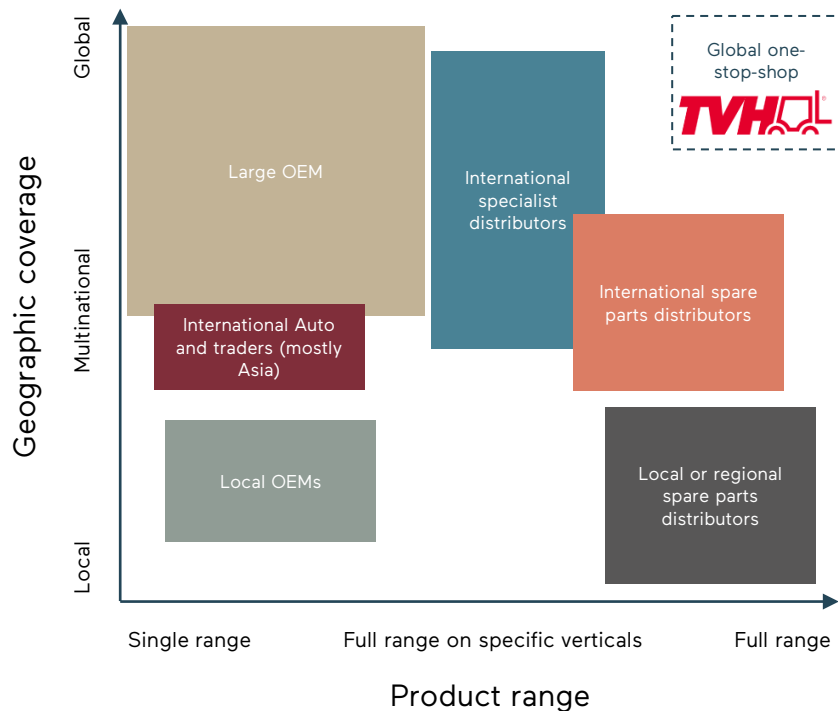
Strong leadership team and culture

6

Attractive financial profile

Leading global one-stop-shop

Differentiated positioning

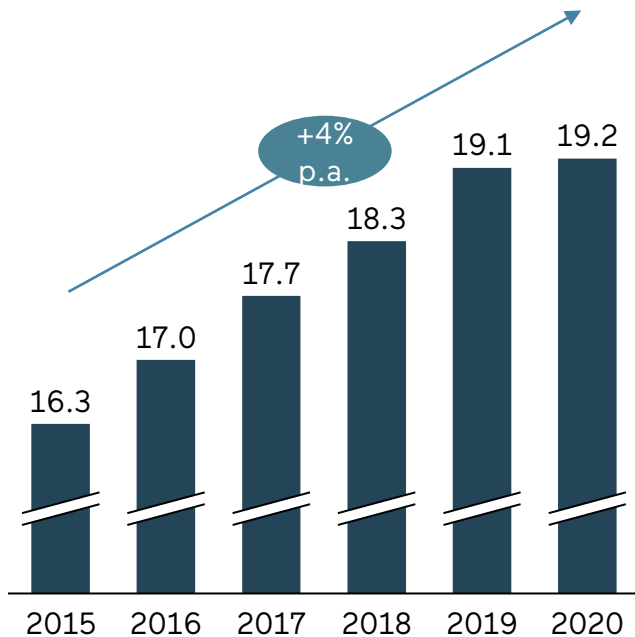


Value-added services

- ✓ Technical client support:
 - Extensive and unique look-up service
 - Helpdesk
- ✓ Technical training to customers and employees via the TVH Parts University
- ✓ Full-service telematics solutions to manage fleets via GemOne

Large, growing and resilient markets

Addressable market development, €bn



CAGR

| | '15-'19 | '19-'25 |
|-------------------------------------------|---------|---------|
| Tractors | ~4% | ~4% |
| SEM (Small Earth-moving Equipment) | ~4% | ~4% |
| THL (Telehandlers) | ~5% | ~7% |
| MEWPs (Mobile Elevated Working Platforms) | ~1% | ~6% |
| Forklifts | ~3% | ~5% |

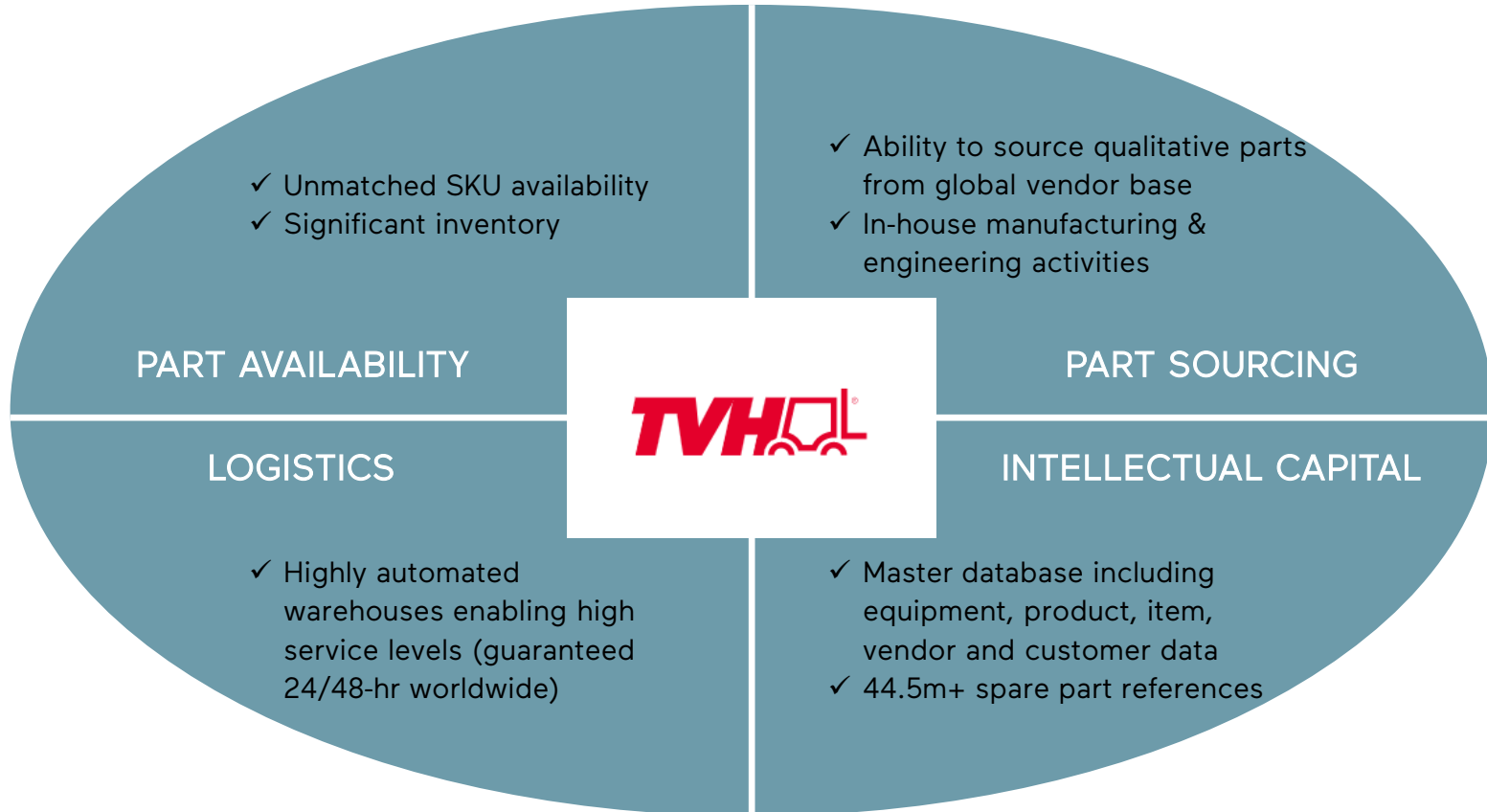
Characteristics & trends

Growth of underlying equipment fleet driven by growth in e-commerce and global material handling flows (MPA)

Demand resilience due to the rolling effect of ageing machines in fleet

Mix shift driven by continued electrification of forklifts and MEWPs

Unique operating model



Customer-centric approach

TVH Parts value proposition

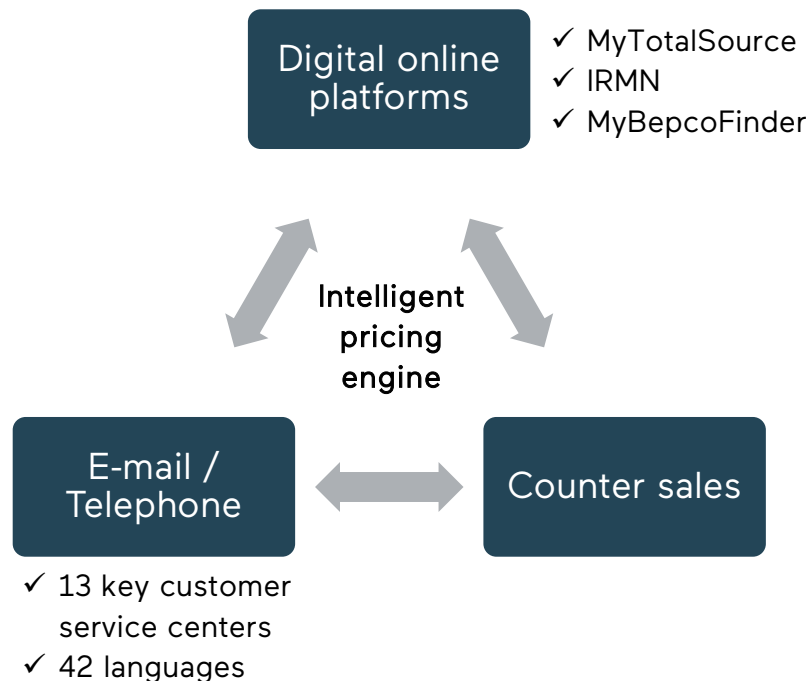
Customer buying factors:

1. Wide assortment
2. High quality
3. Outstanding technical expertise
4. Enjoyable customer experience
5. Attractive prices



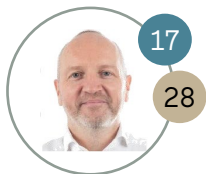
NPS¹ score of 43%
Industry average: 33%

Omnichannel approach

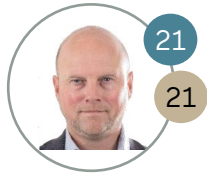


Strong leadership team and culture

Leadership team with strong track record



Dominiek Valcke
CEO



Kristof Bolle
Senior VP EMEA



Anne-Marie Rasschaert
Chief Corporate Development
Officer



Mark Oosterlinck
Chief Financial Officer



Lien Callens
Chief Information
Officer



Joeri De Waele
Chief Customer
Experience Officer



Kris Thermote
VP Logistics & Supply
Chain



Guy Vandendriessche
Chief Materials Officer



Simon Witdouck
Senior VP Americas



X Years at TVH Parts X Years of relevant experience

TVH values: We are One



Pursue excellence



Act with joy



**Remain open
(-minded)**



Take initiatives



Show courage

Attractive financial profile

Revenue (€m)

1,213

LTM-May

Adjusted EBITDA (€m)

250

LTM-May

Margin

20.6%

Main drivers:

1. Constantly growing equipment fleet
2. Segment/ geographical expansion
3. Market share gains
4. M&A
5. Operational efficiency
6. Scale economies

ESG: Sustainability is the essence of business

Sustainability impact within the organisation...



Implementation of Nudge program



Fostering gender equality in leadership positions



Reducing energy usage
Using renewable energy



Fostering sustainable production



Focusing on sustainable commuting



Developing TVH university



Reducing water consumption



Reducing the number of accidents



Ensuring conscious packaging

... as well as broader impact

Keep existing machines running longer

Favouring the circular economy

ESG recognition

- SDG Pioneer (West-Flemish government)
- Certificate UNITAR
- Kansas City Industrial Council Sustainability Award

Deal structure

Offer & transaction details

- D'leteren Group signed an agreement with the Vanhalst family to acquire a 40% stake in TVH Parts at an enterprise value of €3,650m, while the Thermote family will keep their 60% stake.
- D'leteren Group equity stake will amount to €1,172m and will be financed by excess liquidity.
- The acquisition is expected to be completed in the course of Q4 2021 subject to customary merger control filings and regulatory approvals.

Conclusion

Strong fit with D'leteren Group's purpose and mission

Aligned with D'leteren Group's investment criteria around market, business model and deal structure

Investment thesis relying on organic growth potential, operational improvement and M&A

Strong value creation potential for all stakeholders & society

Forward-looking statement

“To the extent that any statements made in this presentation contain information that is not historical, these statements are essentially forward-looking. The achievement of forward-looking statements contained in this presentation is subject to risks and uncertainties because of a number of factors, including general economic factors, interest rate and foreign currency exchange rate fluctuations; changing market conditions, product competition, the nature of product development, impact of acquisitions and divestitures, restructurings, products withdrawals; regulatory approval processes and other unusual items. Consequently, actual results may differ materially from those expressed or implied by such forward-looking statements. Forward-looking statements can be identified by the use of words such as "expects", "plans", "will", "believes", "may", "could", "estimates", "intends", "targets", "objectives", "potential", and other words of similar meaning. Should known or unknown risks or uncertainties materialize, or should our assumptions prove inaccurate, actual results could vary materially from those anticipated. The Company undertakes no obligation to publicly update any forward-looking statements.”

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