D’Ieteren Group H1-2021 results

1 September 2021

Key highlights on H1-2021

Results show a strong performance…

- D'Ieteren Group's KPI – *adjusted* PBT g.s. **rose significantly** by 183.1% to €288.8m, showing a strong improvement in profitability thanks to the top-line evolution (combined sales up by 25.2%) and to continued significant efforts on costs
- *Adjusted* **free cash-flow** g.s. remained strong, at €218m
- At the end of June 2021, the Group's **net cash position** at the Corporate level stood at €2,095m (including inter-segment loans)[1]

…driven by all businesses:

- Belron reached a **historical** *adjusted* operating profit **margin** of 20.0%, mainly thanks to volume recovery, increased contribution from ADAS recalibrations and value-added products & services, as well as cost containment initiatives and productivity gains
- Automotive continued to gain market share, in a timidly recovering Belgian car market impacted by a shortage of components, and to benefit from the premiumization of the car park and from the transformation initiatives taken in 2020, leading to an improved profitability level
- Moleskine **also started to recover** from the Covid-19 crisis, although retail operations continued to be heavily impacted. Sales increased, and cost control initiatives led to a positive *adjusted* operating profit

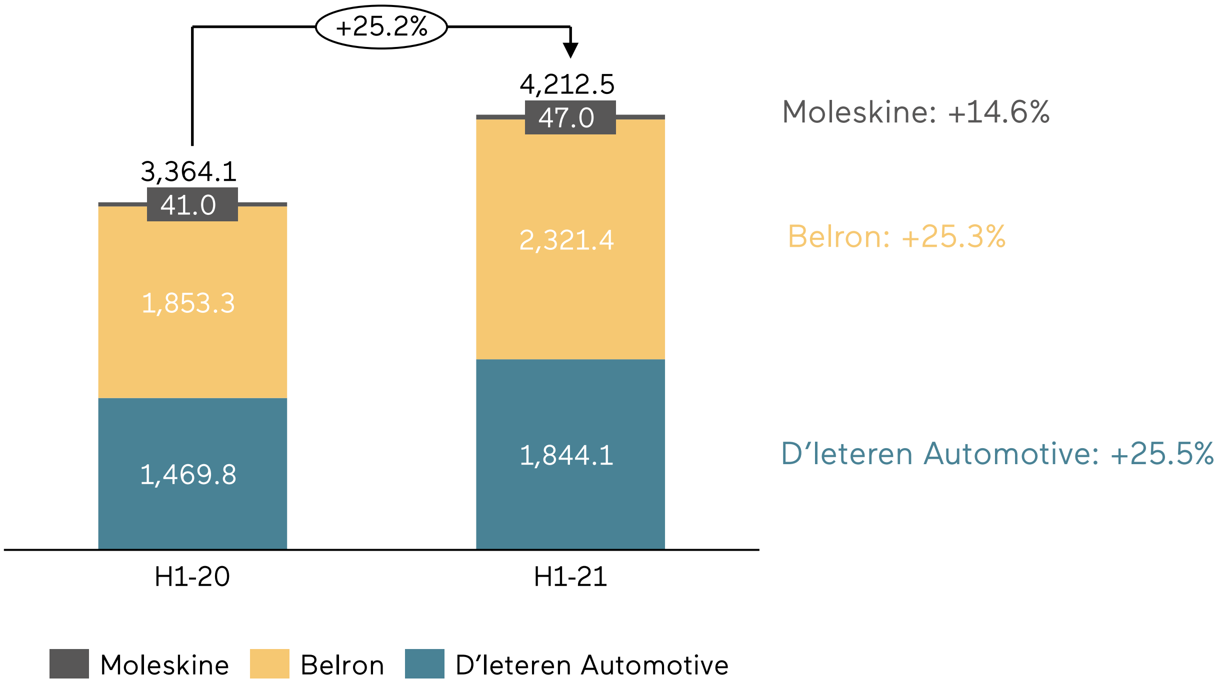
For 2021, despite continued uncertainty and in the absence of renewed or more severe lockdowns compared to what we know today, the Group confirms its guidance and expects its *adjusted* profit before tax, group's share to further **grow by at least 45%,** driven by all three activities

[1] Excluding the impact of the agreement to acquire 40% of TVH Parts for an equity consideration of €1,172m, for which closing is expected in the course of Q4-21

Group

Combined[1] Group sales: +25.2%

€m

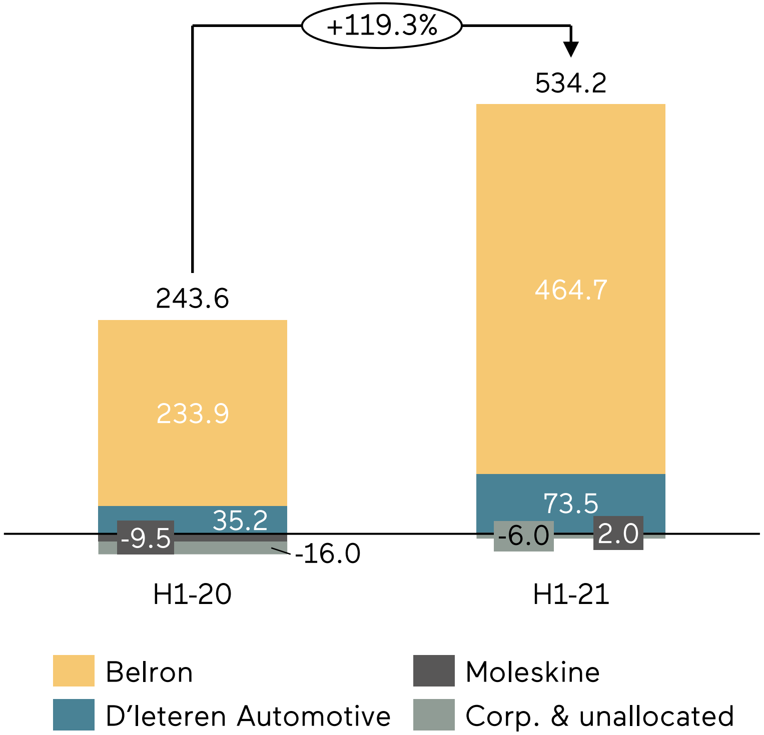


[1] Including 100% of Belron

Group

Combined[1] *adjusted* operating result: +119.3%

€m



Belron: +98.7%

D'Ieteren Automotive: +108.8%

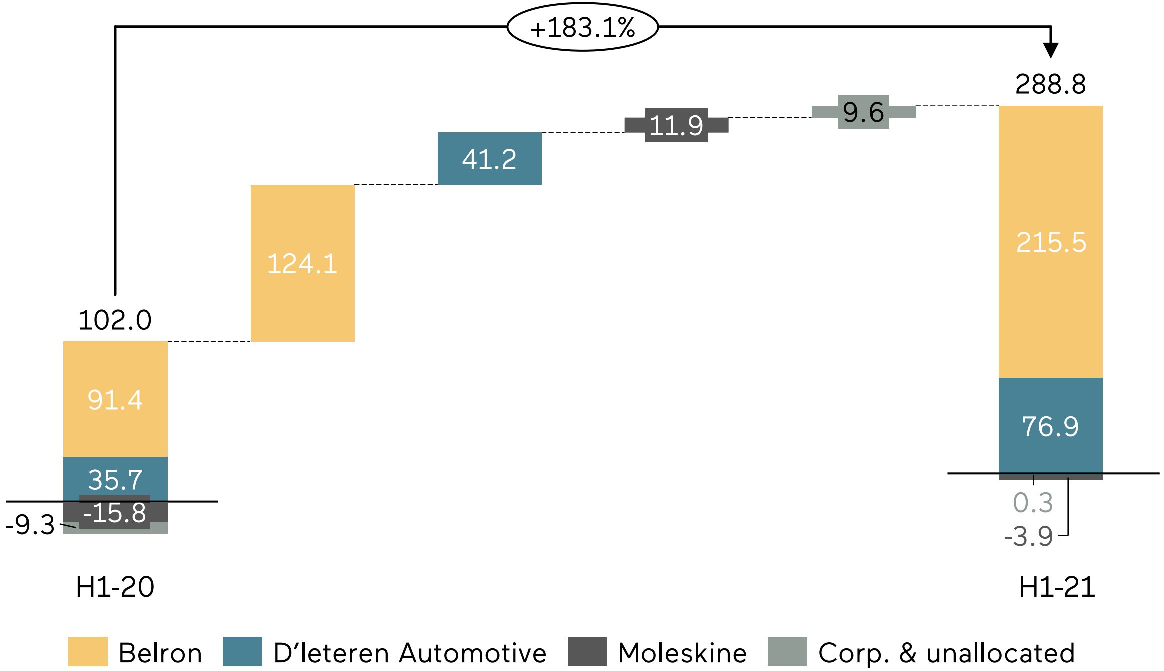
Moleskine: N/A

[1] Including 100% of Belron

Group

Adjusted PBT g.s.: +183.1% on a comparable basis[1]

€m



[1] Assuming 53.65% stake in Belron in H1-20 and H1-21

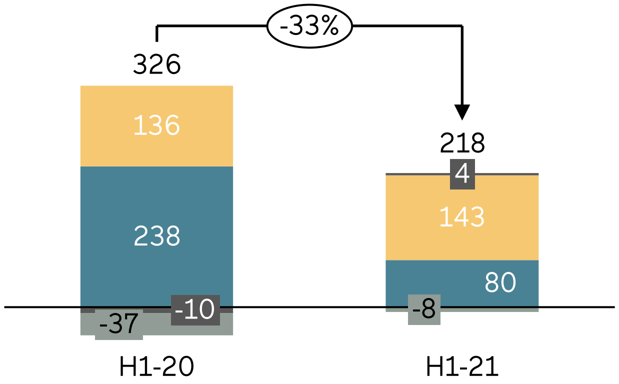
Group

Adjusted free cash-flow[1] generation

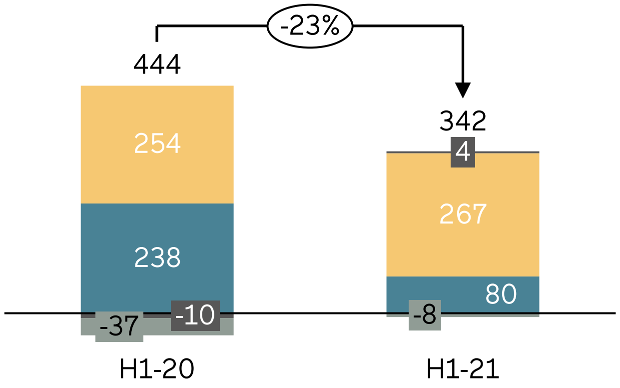
€m

- D'Ieteren Group's *adjusted* FCF remained very strong with decline mainly explained by strong increase in working capital (compared to an exceptional situation in H1-20)

Belron @ 53.65%



Belron @ 100%



Moleskine | Belron | D'Ieteren Auto | Corp. & unallocated

[1] *Adjusted* Free Cash Flow = [*Adjusted* EBITDA - other non-cash items – change in working capital – capital expenditures – capital paid on lease liabilities – taxes paid – interest paid – acquisitions + disposals – cash-out related to employee share plans – cash-flow from *adjusting* items + other cash items]

D'Ieteren Group's debt structure

€m	June 30th 2021			
	Auto	100% Belron	Moleskine	Corp & Unallocated
Loans & Borrowings	57.0	3,873.2	68.4	5.3
Inter-segment	204.3	-	259.0	-463.3
Gross debt	261.3	3,873.2	327.4	-458.0
Cash & cash equivalents	-72.3	-282.5	-29.9	-951.3
Current financial assets	-92.8	-	-	-684.0
Other	-3.0		-	-2.0
Net debt in assets & liabilities classified as held for sale	-	1.4	-	-
Total net debt	**93.2**	**3,592.1**	**297.5**	**-2,095.3**

- The net cash position of Corporate & Unallocated increased by €640.2m since 31st December 2020 to €2,095.3m (of which €463.3m inter-segment loan) as a result of the Belron distributions of €724.3m in H1-21, partially offset by the payment in June 2021 of the dividend (€72.9m) to the shareholders of D'Ieteren Group.
- Subsequent to H1-21, D'Ieteren Group has announced the agreement to acquire a 40% stake in TVH Parts for an equity investment of €1,172m.

ESG

Responsible investment

- D'Ieteren Group published a Responsible Investment Charter stating its responsible investment commitments, processes and governance. The Charter is available on the Group's website.
- In August 2021, D'Ieteren Group received an ESG Rating of 11.6 from Sustainalytics©[1] and was assessed to be at low level risk of experiencing material financial impacts from ESG factors. D'Ieteren Group's ESG Rating places it 2nd percentile in the Diversified Financials industry assessed by Sustainalytics.
- D'Ieteren Group performed its first reporting on a voluntary basis as a signatory of the UN Principles of Responsible Investment (PRI) in April 2021.

SUSTAINALYTICS
a Morningstar company
RATED

Active ownership

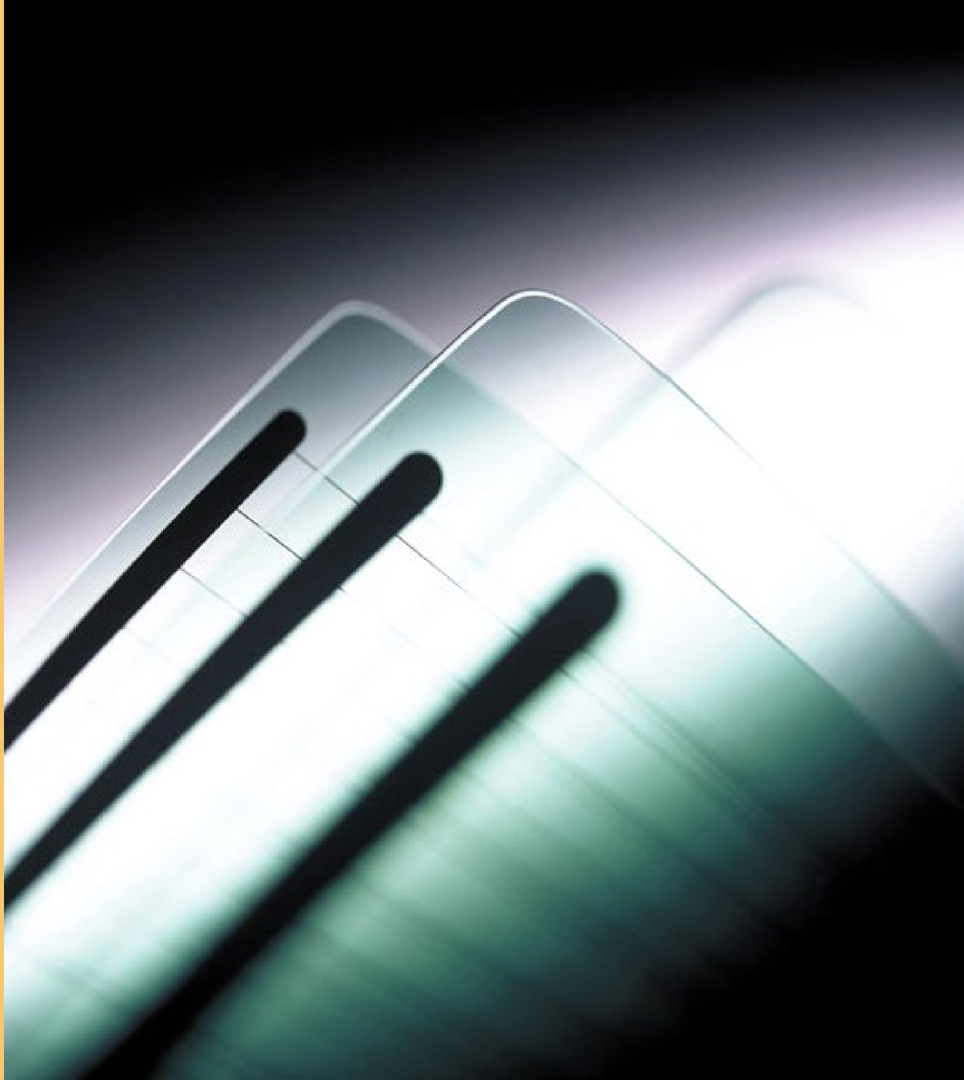
- All activities have launched their business-specific ESG strategy, which were developed in 2020 based on the results of the materiality assessments led in 2019-20.
- All activities have defined carbon reduction ambitions. While D'Ieteren Automotive has started implementing its plan to cut emissions by 50% by 2025, Belron and Moleskine have planned to set a carbon emission reduction target in line with SBT.

Solidarity with the victims of the flooding in Belgium

- D'Ieteren Group donated €100,000 from its solidarity fund (initiated to support employees stricken by the Covid crisis or any other sorts of natural disasters) to help D'Ieteren automotive people facing serious consequences from the flooding that arose in July. D'Ieteren Group helped other non-profit organisations impacted by the flooding in the region of Liège/Verviers as part of its philanthropic initiatives.

Belron

Making a difference with real care



Belron

H1-2021 highlights

- Sales recovery of +25.3% versus H1-20 (29.1% organic, at constant currency), underpinned by:
  - A 20.6% volume growth in VGRR (prime jobs), leaving overall volumes still 3.0% below H1-19 levels
  - Value growth from positive model and product mix as well as growth in ADAS[1] recalibrations and VAPS[1]
- *Adjusted* operating result grew by 98.7% versus H1-20 to €464.7m, representing a record *adjusted* margin of 20.0%, driven by the top-line growth, continued focus on cost control and productivity improvement
- *Adjusted* PBT, group's share increased by 135.8% on a comparable basis[2]
- *Adjusted* free cash flow slightly improved to €266.6m (€12.3m) as the significantly higher operating results were only partly offset by a negative working capital evolution, normalizing from last year's very low level
- Net financial debt reached €3,592.1m following the refinancing and the distribution to shareholders in Q2-21. The Senior Secured Net Leverage ratio[3] was at 3.23x at the end of H1-21 versus 2.57x at the end of December 2020
- NPS (83.2%) slightly declined over the semester due to increased capacity constraints

[1] Advanced Driver Assistance Systems ('ADAS'); Value Added Products and Services ('VAPS')
[2] Assuming 53.65% stake in Belron in H1-20 and H1-21
[3] Senior secured indebtedness/pro forma EBITDA post-IFRS 16, as defined in Belron's Credit Agreement and Compliance Certificate for debt lenders

Belron

Sales evolution and growth drivers

- Sales grew by 25.3% to €2,321.4m or by 26.6% for continuing operations, composed of an organic growth of 29.8% and a slightly positive impact from acquisitions (+0.3%), partly offset by a negative currency impact (-3.4%)
- Geographic split:
  - North America (56% of sales): +30.3% organic from continuing operations
  - Eurozone (30% of sales): +39.1% organic from continuing operations
  - ROW (14% of sales): +26.1% organic from continuing operations
- VGRR volumes recovered from last year's levels, which were heavily impacted by the Covid-19 crisis, and were up by 20.6% YoY
- VGRR value growth due to increased windscreen complexity and product mix
- ADAS recalibrations volume and value growth with increased penetration (22.0% penetration rate vs. 14.8% in H1-20) and higher sales from value added products (VAPS attachment rate: 21.6% vs. 17.0% in H1-20)
- Negative FX impact mainly from the USD depreciation

Sales growth	**Organic**	**Acquisitions**	**Forex**	**Total**
North America	30.3%	0.3%	-6.9%	**23.7%**
Eurozone	39.1%	0.3%	-0.1%	**39.3%**
ROW	26.1%	0.3%	4.5%	**30.9%**
TOTAL (continuing operations)	**29.8%**	**0.3%**	**-3.4%**	**26.6%**
TOTAL	**29.1%**	**-0.5%**	**-3.3%**	**25.3%**

Belron

Summary of H1-2021 results – Record *adjusted* operating profit margin

€m	**H1-20**	**H1-21**	*% change*
VGRR prime jobs[1] (in million)	5.1	6.1	*20.6%*
External sales	1,853.3	2,321.4	*25.3%*
***Adjusted* operating result**	**233.9**	**464.7**	***98.7%***
Adjusted operating margin	*12.6%*	*20.0%*	
Adjusted net finance costs	-63.6	-63.2	*-0.6%*
Adjusted PBT	170.3	401.7	*135.8%*
***Adjusted* PBT, group's share[2]**	**91.4**	**215.5**	***135.8%***

- *Adjusted* operating profit growth of 98.7% was driven by the strong top-line, as well as continued focus on cost containment and productivity improvement, and includes €13.5m costs spent in consultancy and IT related to the newly launched Transformation programme
- *Adjusted* operating profit margin came in at a record level of 20.0% versus 12.6% in the same period last year
- *Adjusted* PBT, group's share stood at €215.5m, a 135.8% increase compared to H1-20

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[1] VGRR jobs on passenger cars
[2] Assuming the same stake in Belron in H1-21 as in H1-20 (53.65%)

Belron

Adjusting items at the level of operating result

€m	**H1-21**
Re-measurements of financial instruments	4.1
Amortisation of customer contracts	-11.5
Amortisation of brands with finite useful life	-1.7
Other adjusting items	-12.5
Total	**-21.6**

- Re-measurements of financial instruments relate to the fair value recognition of fuel hedging instruments
- Amortisation of brands and customer contracts relates mainly to recent acquisitions (mainly TruRoad acquired in August 2019 in the US)
- No goodwill impairment was booked following impairment review
- Other *adjusting* items relate to disposal-related costs and restructurings

Adjusted free cash flow and net debt

- *Adjusted* free cash flow (after capital lease repayments) slightly improved from €254.3m in H1-20 to €266.6m in H1-21 as a result of the following main YoY movements:
  - +€211.9m higher *adjusted* EBITDA
  - +€87.5m payment on legacy ESP plan paid in H1-20
  - -€201.1m negative impact from working capital, normalizing from last year's level
  - -€1.5m higher capex
  - -€7.8m more spent on acquisitions
  - -€54.1m higher taxes paid related to the deferral of tax payments amid the Covid-19 crisis in H1-20, and to the significantly improved operating results
- Net debt increased as a result of the refinancing and distribution to Belron's shareholders in Q2-21, partly offset by cash generation
- The Senior Secured Net Leverage ratio post-IFRS 16[1] stands at 3.23x on 30th June 2021 (vs 2.57x at the end of 2020)

€m	H1-20	H1-21
***Adjusted* EBITDA**	**371.6**	**583.5**
Change in WCR	163.8	-37.3
Net capex	-16.2	-17.7
Capital paid on lease liabilities	-87.4	-86.4
Other	-0.2	-1.0
Trading cash-flow	431.6	441.1
CF from *adjusting* items	-13.3	-21.8
Acquisitions	-5.3	-13.1
Taxes paid	-7.7	-61.8
Net interest paid	-63.5	-77.8
ESP	-87.5	-
***Adjusted* free cash flow**	**254.3**	**266.6**
Net debt (June 30th)	**2,736.9**	**3,592.1**

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[1] As defined in Belron's Credit Agreement and Compliance Certificate for debt lenders.

Fit for Growth – Ambitious Transformation programme under way

Acceleration workstreams (2018-to be continued)

- Recalibration
- VAPS
- Value
- Productivity
- Procurement

Focus on growth, efficiency and standardisation

Value delivered by fast 'best practices' adoptions

Common business priority focus in key areas

- Investment programme behind, now focused on continuous improvement
- That programme delivered and will continue to deliver solid improvements in Belron's financial performance

Transformation workstreams (2021-2025)

- Supply chain optimization
- Data-driven decisions
- Technology
- People
- Customer experience
- Finance

Focus on process improvement through leveraging modern technology

Leverages internal process experts for each workstream

- ~€230-250m additional operational costs over 2021-2025, notably on IT infrastructure and system integration
- SaaS implementation and running costs considered as expenses as recommended by IFRIC
- FY-21 costs to be skewed towards H2-21
- Positive net P&L and FCF impacts starting as from 2023
- Ambition to modernize and enhance *adjusted* EBIT margin by 2p.p. by 2025
- Update on the project to be provided regularly

Belron

Latest developments

- Volumes continue to recover and are approaching pre-crisis levels
- The global Transformation programme has been approved and is making solid progress. It will weigh on the operating margins on H2-21 and FY-22
- The exit of the service extensions activities is almost completed, with all but one of the discontinued businesses disposed of in the period
- Safelite Group has announced management changes: Renee Cacchillo has been named President and CEO. Tom Feeney, current CEO, will become Executive Chairman of Belron North America. These changes will be effective as of 6 December 2021

Outlook

- Trading remains very robust
- H2-21 should show lower operating margins compared to H1-21, partly due to seasonality, and partly to the phasing of costs relating to the Transformation programme
- From H2-21 onwards, following the conversion of preference shares into ordinary shares and given the full dilution of the management reward plan, Belron's integration percentage in D'Ieteren Group's results will be 50.01%

D’Ieteren Automotive

Building seamless and sustainable mobility for everyone

D'Ieteren Automotive

H1-2021 highlights

- New car registrations market[1] showed a positive trend, moderated by supply chain issues due to a shortage of components, increasing by 6.1% on H1-20
- D'Ieteren Automotive's share[1] of the new car market improved by 49bps YoY to 23.5%
- Number of new vehicles delivered by D'Ieteren: +12.3% YoY
- Net Sales increased by 25.5%, driven by volume growth and a continued positive trend in price / mix. *Adjusted* operating result increased by 108.8%, further supported by tight operational cost management, the transformation project carried out in 2020, as well as a positive evolution in Retail
- *Adjusted* operating result margin improved from 2.4% of sales in H1-20 to 4.0% in H1-21
- Strong free cash-flow generation of €79.5m, lower however than same period last year given the exceptional working capital (receivables) situation in H1-20

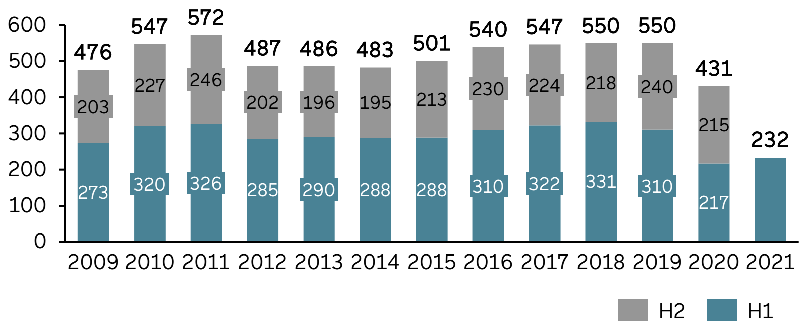
[1] Excluding registrations that have been cancelled within 30 days

D'Ieteren Automotive

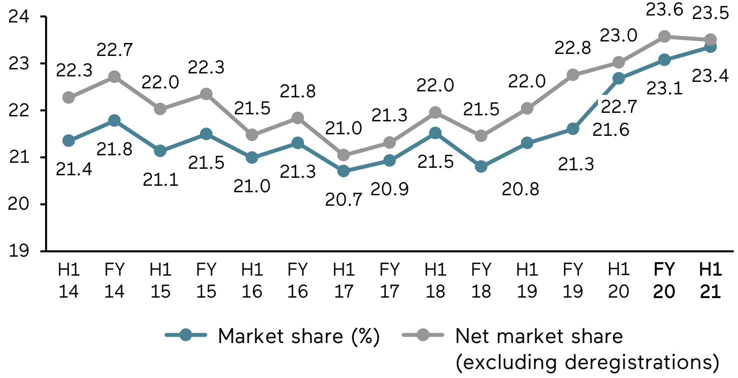
Belgian new car market showed timid recovery, moderated by supply chain issues

- The Belgian new car market increased by 6.1% (or by 7.3% including registrations of less than 30 days), showing a partial recovery from H1-20 depressed levels, moderated by supply chain issues related to the shortage of components
- D'Ieteren Automotive's net market share rose by 49bps compared to the same period in 2020 to 23.5%
- Commercial vehicles' registrations increased by 23.2% compared to H1-20. D'Ieteren Automotive's market share declined to 8.2% in that segment

New car registrations[1] (thousands)



D'Ieteren Automotive's market share (%)



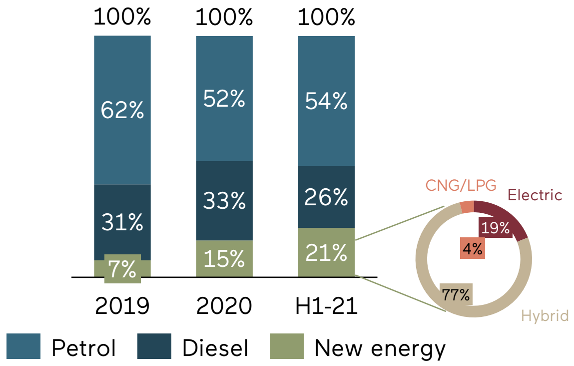
[1] The historical graph above contains gross figures only. In order to provide an accurate picture of the car market, Febiac publishes since mid-2013 market figures excluding registrations that have been cancelled within 30 days.

D'Ieteren Automotive

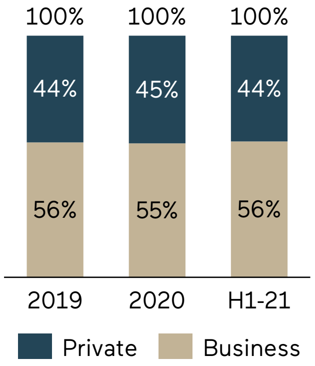
Continued success of the new energy and SUV segments in Belgium

- Belgian new car gross registrations[1]:
  - The share of new vehicles sold powered by new energies (fully electric, hybrid, CNG, LPG) reached 20.5% of total (from 15.3% in FY-2020), with fully electric vehicles at 3.9% of total
  - The decrease in the private segment was more than offset by the business segment as a result of the economic recovery
  - The success of SUVs continued, with penetration rate increasing to 47.2% (from 41.9% in H1-20)

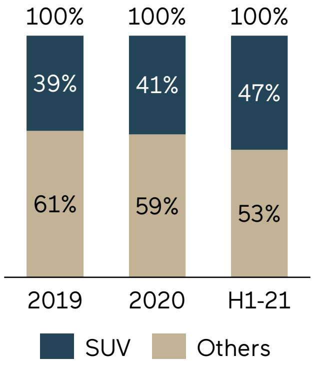
Fuel mix



Buyer mix



Share of SUV[2]

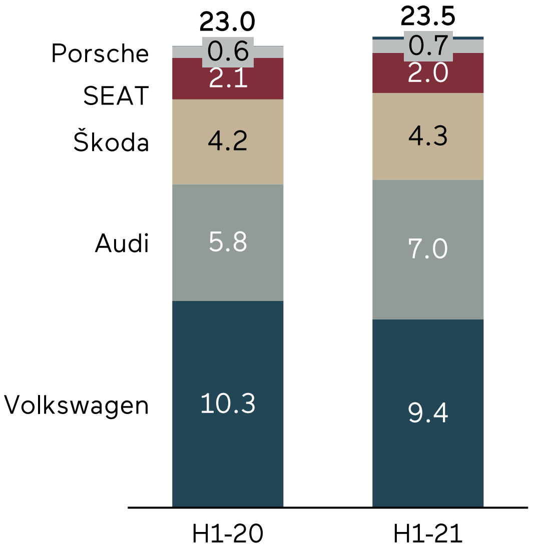


[1] Gross figures (including registrations that have been cancelled within 30 days)
[2] Aligned with Febiac segmentation (excl. Audi Q2)

D'Ieteren Automotive

Market share gain reflects the success of SUVs across brands

Breakdown of D'Ieteren Automotive's net market share per brand (%)



Brands

- VW (9.39% or -92bps) lost share due to the slowdown of Golf, Touran and Polo
- Audi's market share (6.95%, +114bps) was underpinned by the success of the new A3 and the SUVs Q3, Q5 and e-tron, and Q2
- Škoda (4.32%, +9bps) benefited from a good performance of the SUV models Kamiq, Karoq and Kodiaq
- SEAT's share (1.99%) was broadly stable
- Porsche's share increase (0.67%, +15bps) relates to the Taycan and the Panamera

Mix

- New Energy: D'Ieteren Automotive's remains the leader in battery electric vehicles with a 30.6% market share
- SUVs[1]: D'Ieteren Automotive's brands saw a 23.4% increase in the number of SUV registrations which made up 43% of the mix. D'Ieteren Automotive's share in the segment[1] went from 20.3% in H1-20 to 20.5% in H1-21.

[1] Aligned with Febiac segmentation (excl. Audi Q2)

D'Ieteren Automotive

Summary of H1-2021 results – Stronger operating margin

€m	H1-20	H1-21	% change
New vehicles delivered *(in units)*	50,445	56,643	*12.3%*
Sales	**1,469.8**	**1,844.1**	*25.5%*
***Adjusted* operating result**	**35.2**	**73.5**	***108.8%***
Adjusted operating margin (in %)	*2.4%*	*4.0%*	
Adjusted net finance (costs)/income	-2.2	-2.2	*0.0%*
Share in *adjusted* net profits of JV and associates	1.4	3.7	*164.3%*
***Adjusted* PBT**	**34.4**	**75.0**	***118.0%***
Adjusted income taxes	-10.8	-19.8	*83.3%*
***Adjusted* Net profit**	**23.6**	**55.2**	***133.9%***
Adjusting items in net profit	-13.9	-	
Reported net profit group's share	**9.8**	**56.1**	***472.4%***
***Adjusted* PBT g.s. (incl g.s. in VDFin's adj PBT)**	**35.7**	**76.9**	***115.4%***

- The number of new vehicles delivered increased by 12.3% to 56,643 units (Passenger Vehicles: +15.7%; LCV: -10.8%)
- Net sales grew by 25.5% YoY (-4.9% vs. H1-19), mainly reflecting volume recovery, amplified by a positive price / mix related to the increased share of EVs and SUVs and the continued premiumization of the car park
- *Adjusted* operating profit significantly improved by 108.8% reflecting the top-line developments, tight operational control and the savings from the transformation plan, as well as a positive development in Retail
- *Adjusted* operating profit margin stood at 4.0% for H1-21, up by 159bps vs. H1-20
- There are no *adjusting* items in H1-21's operating result (-€16.8m in H1-20 relating to a provision for the transformation of the activity)

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D'Ieteren Automotive

Adjusted free cash flow and net debt

- *Adjusted* free cash flow decreased from €237.6m in H1-20 to €79.5m in H1-21 mainly reflecting:
    - A significant decline (-€161.8m YoY) in cash inflow from working capital as a result of the exceptional receivables situation in H1-20 linked to the Covid-19 crisis
    - The payment of the transformation plan (CF from *adjusting* items)
    - Only partly compensated by a higher *adjusted* EBITDA (+€43.0m YoY)
- Net debt slightly declined from €167.7m at the end of 2020 to €93.2m at the end of H1-21 due to the cash generation

	H1-20	H1-21
***Adjusted* EBITDA**	**44.6**	**87.6**
Change in WCR	209.1	47.3
Net capex	-9.8	-10.8
Capital paid on lease liabilities	-4.2	-6.1
Other	0.7	1.1
Trading cash-flow	240.4	119.1
CF from *adjusting* items	-	-35.1
Acquisitions	-0.3	-
Taxes paid	-1.1	-4.0
Net interest paid	-1.4	-0.5
***Adjusted* free cash-flow**	**237.6**	**79.5**
Net debt (June 30th)	**97.9**	**93.2**

D'Ieteren Automotive

D'Ieteren Automotive has conducted a survey on mobility in Belgium

- A large qualitative and quantitative market survey was conducted with 3,800+ B2C and ~300 B2B participants
- As part of its societal responsibility and its purpose to build seamless and sustainable mobility for everyone, D'Ieteren Automotive has decided to share its results for free, available as from September 8th on www.dieteren.be/polaris
- The conclusions are the following:
  - Post-Covid economic conditions will affect the mobility market in two major areas: the surge of e-commerce and the structural integration of tele/homeworking in people's lives. Reduced commuting will induce a 6% decrease in the total number of trips to commute to work, to shop or for recreational purposes.
  - Cars will remain central to people's mobility, both in B2C and B2B markets and will still represent 56% of total trips by 2030. Bike mobility is booming and will represent 15% of trips while multimodality will partially benefit from new incentives and will represent up to 12% of trips.
  - B2B customers will drive the change towards electrification and multimodal mobility services in order to address costs, sustainability and talent attractivity challenges
  - EV cars will represent 2/3 of new car sales by 2030 in the Belgian market.

These evolutions will require business adaptability but also open new opportunities for a more sustainable, yet flexible approach to mobility needs, in line with D'Ieteren Automotive's strategy

D'Ieteren Automotive will continuously strive to reduce CO_2 impact by promoting electric vehicles through its large offer and supporting services

D'Ieteren Automotive will play a role in multi-modality initiatives, notably through LabBox entities

D'Ieteren Automotive

Latest developments

- D'Ieteren Automotive makes good progress on the strategic objectives:
  - Excellence & efficiency in the core business
  - Expansion into promising adjacent activities
  - Innovation in the future mobility solutions
  - New Responsible Business strategy, including ambitious targets in terms of emission reduction (-50% by 2025 and Net-Zero emission by 2040) and a focus on increasing diversity throughout the organisation, starting with gender diversity

Outlook

- D'Ieteren Automotive aims at further increasing its market share in a Belgian new car market now expected at ~430,000 vehicles due to components availability issues
- Order book is at record level
- H2-21 expected to show a lower *adjusted* operating profit margin as a result of delivery issues
- Negotiations are ongoing to improve profitability of the retail activities of D'Ieteren Car Centers in Brussels
- Product pipeline expected during H2-21
  - New models: Porsche Taycan Cross Turismo, VW Taigo
  - Model replacements: Skoda Fabia, VW Polo, VW Multivan
  - Facelifts: VW Tiguan allspace, Seat Arona/Ibiza, Skoda Kodiaq, Porsche Macan

New Skoda Fabia

Volkswagen Taigo

Porsche Taycan Cross Turismo

Moleskine

Unleash the human genius through
hands on paper

Moleskine

H1-2021 highlights

- 14.6% sales growth versus H1-20, partly recovering from last year's second quarter Covid-19 lockdowns, with Retail still largely impacted by store closures and subdued footfall
- Strong efforts on cost containment and cash flow preservation continued, and lead to a positive *adjusted* operating result of €2.0m in H1-21 compared to -€9.5m in H1-20
- *Adjusted* PBT, group's share improved from -€15.8m in H1-20 to -€3.9m in H1-21
- *Adjusted* free cash flow turned positive at €3.9m, a €14.3m improvement from the same period last year thanks to cost control and cash preservation
- Net debt slightly declined to €297.5m

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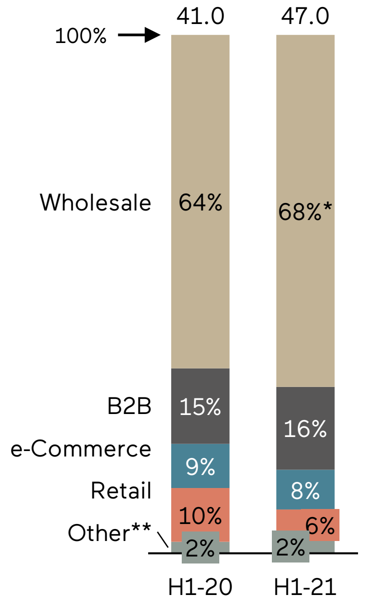
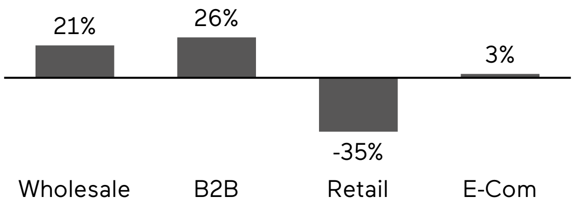
Top-line evolution

Revenues

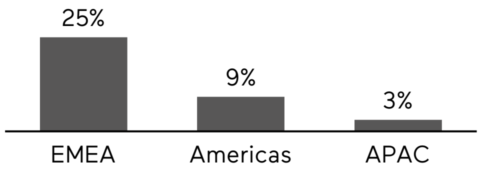


- **Wholesale*** (from 64% of total in H1-20 to 68%): mostly driven by top global accounts and their e-commerce platforms, showing good results of the 'win with the winners' strategy.
- **B2B** (from 15% of total in H1-20 to 16%): rebound from depressed levels, performance primarily driven by Americas thanks to the more selective partnerships.
- **Retail** (from 10% of total in H1-20 to 6%): decline caused by a relatively tough comparison base as the 1H21 was still impacted in full by restrictive measures in some countries and by a very low traffic in shopping areas and travel locations. Pilots for category management in first 5 shops show promising improvements.
- **E-Commerce** (broadly stable at 8% of total): started from a high base last year (full lockdown) and did not yet capture the full potential of the revamped web-shop launched in May 2021.
- **Other**** (2.5% of total): performed well, primarily thanks to a strong double digit growth in Apps
- **Geographies**: EMEA showed strong performance (also the most impacted last year), especially in Wholesale. Americas showed some rebound driven by B2B and online Wholesale, while Retail is still impacted by low traffic and American supply chain congestions. APAC came out of the crisis quicker, hence shows a moderate rebound in H1-21. Top 5 key strategic countries are performing above average.

Revenues YoY evolution by channel



Revenues YoY evolution by geography



* Includes Online Wholesale
** Includes Moleskine Café (previously reported under 'Retail', closed in H1-20) and Royalties & Apps (previously reported under 'e-Commerce')

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Summary of H1-2021 results – On track

€m	H1-20	H1-21	% change
Sales	**41.0**	**47.0**	*14.6%*
***Adjusted* operating result**	**-9.5**	**2.0**	
Adjusted operating margin (in %)	*-23.2%*	*4.3%*	
Adjusted net finance (costs)/income	-6.3	-5.7	*-9.5%*
***Adjusted* PBT**	**-15.8**	**-3.7**	
Adjusted income taxes	-0.3	-0.8	
***Adjusted* Net profit**	**-16.1**	**-4.5**	
Adjusting items in net profit	-21.0	-0.4	
Reported net profit group's share	**-37.2**	**-5.0**	
***Adjusted* PBT g.s.**	**-15.8**	**-3.9**	

- Sales recovery, primarily driven by wholesale and by EMEA
- Improved gross margin as a percentage of sales
- *Adjusted* operating result at €2.0m, +€11.5m versus the same period last year thanks to the sales recovery, improved gross margin and cost containment
- *Adjusting* items:
  - Goodwill impairment charge of €21m (*adjusting* item) in H1-20 following negative impact of COVID-19 on profitability
  - At half year 2021, no indication of possible impairment was identified, since results are evolving according to plan

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Adjusted Free cash flow and net debt

- *Adjusted* FCF turned positive, primarily due to the better operational results and receivable collection, partially offset by a normalization in capital expenditures
- Net debt of €297.5m including €259m shareholder loan

	H1-20	H1-21
***Adjusted* EBITDA**	**-1.7**	**7.9**
Change in WCR	-5.9	0.6
Net capex	-1.0	-2.2
Capital paid on lease liabilities	-1.8	-2.5
Other	2.3	1.9
Trading cash-flow	-8.1	5.7
Taxes paid	-0.5	-0.8
Net interest paid	-1.8	-1.0
***Adjusted* free cash flow**	**-10.4**	**3.9**
Net debt (June 30th)	**308.4**	**297.5**

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Latest developments

- Strategic development axis “fewer, bigger, better” towards simplification of the structures, rationalization of the product offering, and increased people ownership is progressing well
- Masterplan of strategic project on or ahead of schedule
- New e-commerce platform successfully launched on schedule in May 2021
- Acceleration of innovation of products is ongoing
- New sustainability strategy, including the development of eco-friendly solutions for clients. In the short-term, Moleskine will focus on reducing waste (quick wins identified) and will initiate a carbon emission reduction programme.

Outlook

- Moleskine’s financial performance is improving according to plan
- Contingency plans are put in place to mitigate the potential impact of global supply chains congestion

Corporate & Unallocated

Corporate & Unallocated

€m	H1-20	H1-21	% change
***Adjusted* operating result**	**-16.0**	**-6.0**	
Adjusted net finance (costs)/income	6.7	6.3	*-6.0%*
***Adjusted* PBT**	**-9.3**	**0.3**	
Adjusting items in net profit	-	-	
Reported net profit	**-7.4**	**-0.4**	
***Adjusted* PBT g.s.**	**-9.3**	**0.3**	

- "Corporate & Unallocated" mainly includes the corporate and real estate activities
- The evolution in the *adjusted* operating result mainly reflects the H1-20 solidarity programme aiming at helping D'Ieteren Group's employees who may suffer hardship following the COVID-19 outbreak

H1-21 closing remarks

- H1-21 results were strong across the board thanks to top-line developments and cost containment
- D'Ieteren Group reiterates its outlook for a PBT group's share growth of at least 45% YoY
- The projects put in place at all the businesses are making good progresses (ESG, Transformation at Belron & Auto, Fewer Bigger Better at Moleskine)
- Eventful recent months with the signing of the acquisition of 40% in TVH Parts (closing expected in the course of Q4-21) and new minority shareholders (Hellman & Friedman, BlackRock Private Equity Partners and GIC) welcomed at Belron

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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