

# Binding offer for Parts Holding Europe (PHE)

Building a unique growth platform in the mobility spare parts  
industry

14 February 2022





# Key highlights

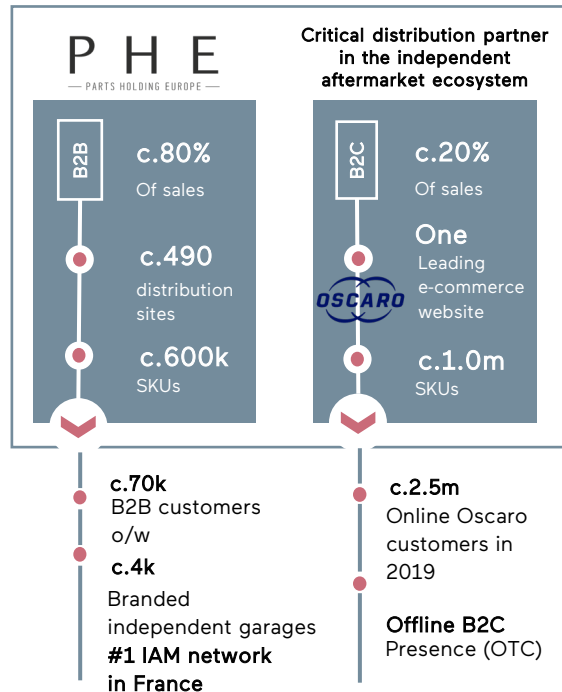
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- D'Ieteren Group ('DIG') has issued a binding offer and entered into exclusive negotiations regarding the acquisition of 100% of Parts Holding Europe ('PHE') from Bain Capital Private Equity. The proposed transaction is subject to an information and consultation process with PHE's works councils. Completion of the transaction will be subject to the approval of the relevant competition authorities and expected by the end of 3Q-2022.
- We are very excited to partner with the management in order to continue to develop PHE. It complements our family of businesses, has substantial value creation potential and is consistent with our ambition of adding several growth pillars to the group, focusing on leading companies reinventing their industries in search of excellence and meaningful impact. PHE has a clear mission of promoting affordable and sustainable mobility and helps to reduce the environmental impact of the existing vehicle fleet by providing repair and maintenance solutions at a reasonable price, while contributing to the extension of the life of vehicles.
- PHE is fully aligned with D'Ieteren Group's investment criteria and values. It is a critical distribution partner in the independent aftermarket for auto spare parts, holding strong positions in 6 Western European countries: France, Italy, Spain and the Benelux. The independent aftermarket ('IAM') is a large, resilient, predictable and structurally growing market. The company's winning operating model is based on its superior scale and sourcing capabilities, its leading online platforms, its logistics excellence and dense distribution network.
- Value creation will be driven by organic growth in existing markets and categories through market share gains, expansion into new geographies, products and services, M&A opportunities, and margin improvement.
- The proposed transaction values PHE at an EV of €1.7bn, corresponding to an equity value of €540m, to be financed with D'Ieteren Group's excess liquidity. The valuation multiple of 7x LTM September EV/EBITDA provides for attractive and relatively low-risk returns.



# Overview of PHE

European leader in spare parts omni-channel distribution and services for light vehicles and trucks



## Market positions<sup>1</sup>

#4 in The Netherlands

#2 in Belgium

#1 in France

#1 in French e-commerce B2C (Oscaro)

#1 in Catalonia

#2 in Italy



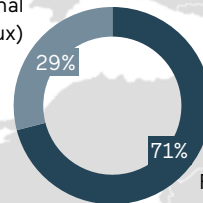
6 countries



8,400 employees

LTM Sep-21 revenues  
€1.9bn

International  
(Italy, Spain, Benelux)

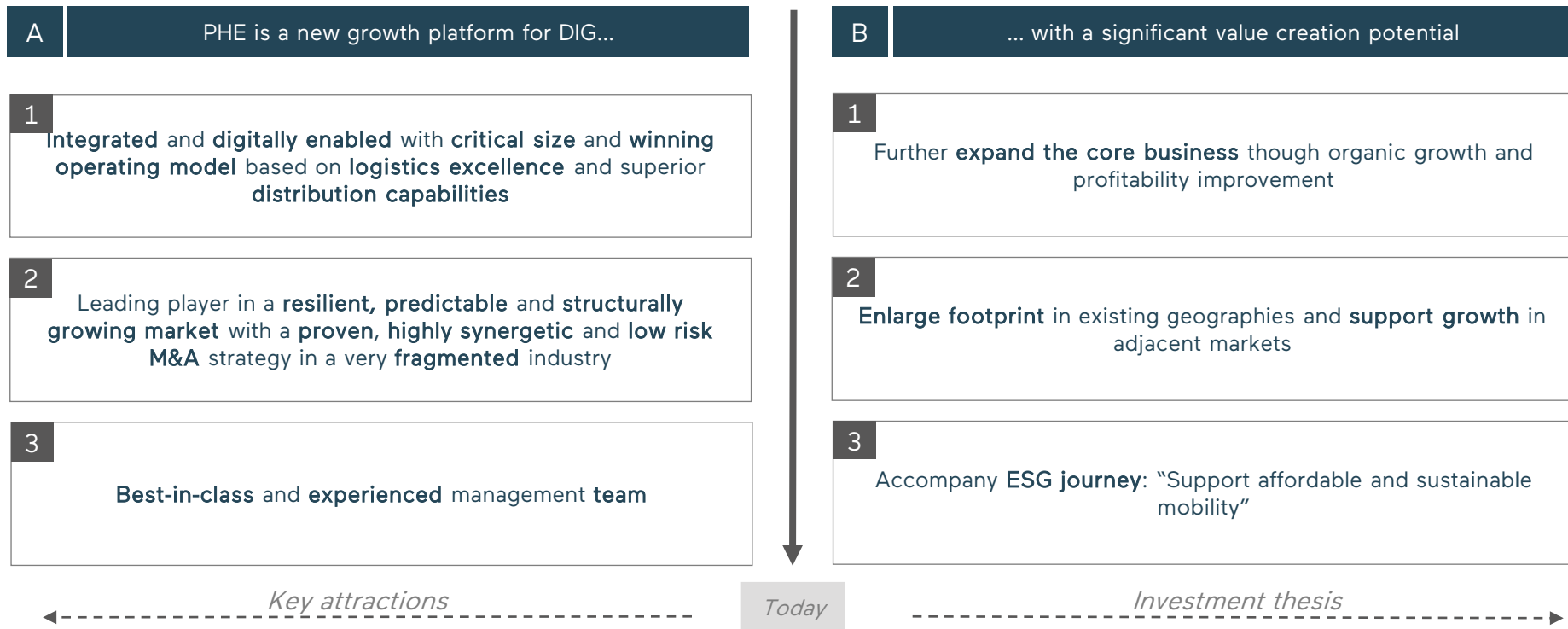


France



<sup>1</sup> In B2B Light Vehicle (\*LV\*)

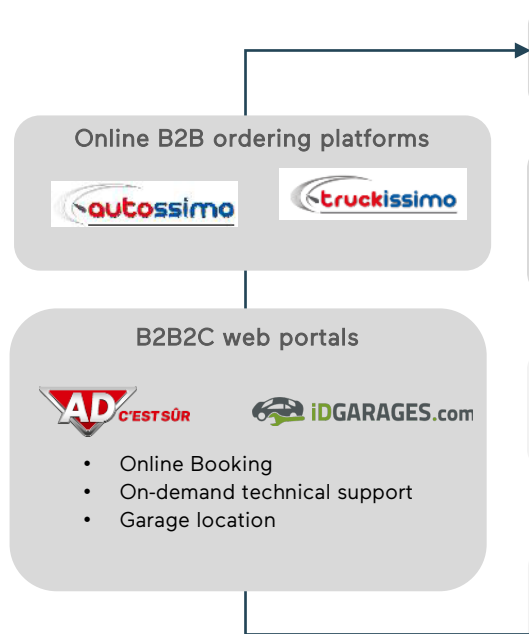
# Investment attractions & value creation levers



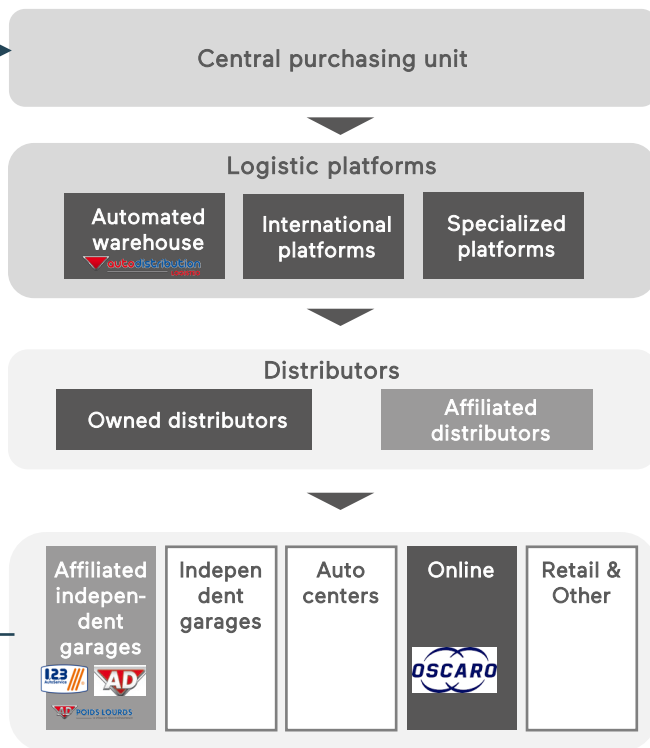
# Digitally-enabled leading player in distribution

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## Digitally enabled distributor...



## .. with winning operating model...



Owned by PHE

Affiliated to PHE

## ...supporting a great value proposition

Superior sourcing and **purchasing capabilities**, self-helped by **increasing scale** leading to significant **cost advantage** as well as broad and deep **SKU assortment incl. private label products**

**Outstanding logistics** with a highly automated integrated central warehouse (Logisteo) enabling **consolidation of supply flows** (c.60% single delivery point today) with capacity to serve neighbouring countries

Very **dense distribution network** (e.g. c.400 sites in France) enabling **top-tier availability** and **delivery speed** (c.90% of deliveries in H+2, c.95% in H+4 and 100% in D+1)

**Barrier to entry** as coverage very hard to replicate

Unique ability to deliver the right part at the right place in a minimum time  
"Yes, we have!"



# Leading player in a resilient market

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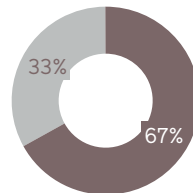
## Structurally growing...

Market:  
c. €50bn

- **C.1.4% market growth** p.a. over '14-'19 thanks to growing and ageing car parc, and increasing prices of parts
- **Sustained share gains of IAM over OEM** (IAM represents 63% market share vs 61% in 2014 and 55% in 2010)

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## ...& consolidating market



Top 10 Others

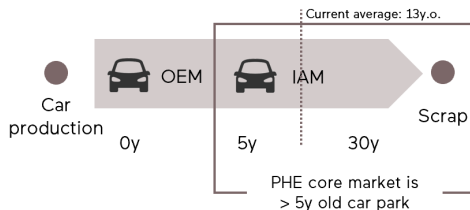
- **Fragmented** European market
- Larger players are continuing to **gain market share**
- **Scale is key**

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## Predictable...

Average car age served by PHE:  
c. 13y.o.

- **Slow** and **gradual** evolution
- Reliable **10-year visibility** allowing ability to anticipate and seize opportunities from long term trends



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## ... & high margin vs other B2B distribution

- **Double digit** EBITDA margin
- Controlled **working capital** at around 20% of sales
- **High service** component
- Complex logistics and SKU requirements

# With a proven and low-risk M&A strategy

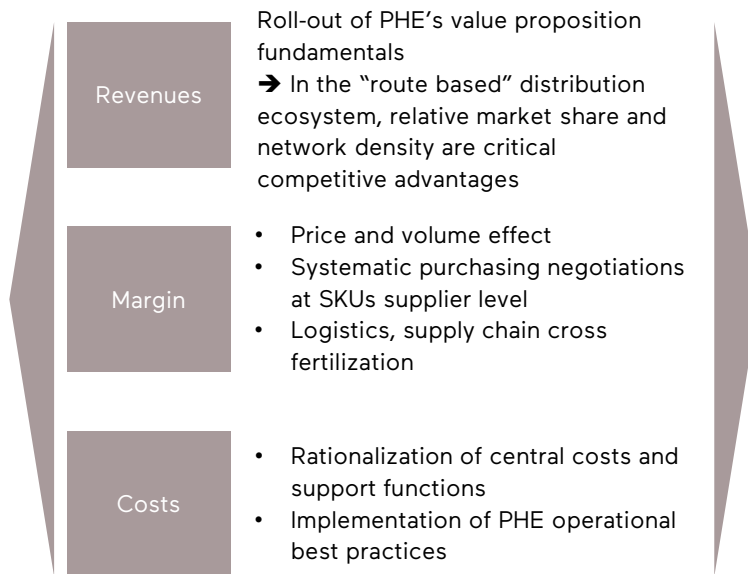
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## Proven M&A track record



## Following a clear synergy framework



## Oscaro Case

- Leading B2C E-commerce player with strong fundamentals
- Undisputed leader in France
- With key competitive differentiators:
  - Broad and deep catalogue
  - Superior logistics
  - Tailored user experience and value proposition
  - Best-in-class identification tool



### Successful turnaround under PHE

- NWC clean up
- Turnaround cash generation
- Significant cost reduction



### Stable platform ready for growth



# Best-in-class and committed management team

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## Leadership team with strong track record

 <b>Stéphane Antiglio</b> Group CEO 11 years at PHE	 <b>Thierry Zimmermann</b> CIO 3 years at PHE
 <b>Christophe Gouthière</b> Group CFO 12 years at PHE	 <b>Laurent Desrouffet</b> General Manager of the LV Repair Network and Activities 11 years at PHE
 <b>Murielle André</b> Group CHRO 10 years at PHE	 <b>Emmanuel Duverger</b> Legal Director 13 years at PHE
 <b>Jeremy de Brabant</b> Group B2B COO 3 years at PHE	 <b>Guillaume Faures</b> General Manager of Trucks Activities 5 years at PHE
 <b>Patrick Desmases</b> Head of Oscaro 	 <b>Frédéric Gaillard</b> General Manager of the LV Distribution Activities 13 years at PHE
 <b>Christophe Boutemy</b> Group Purch. Director 4 years at PHE	 <b>Nicolas Bencteux</b> Head of ACR Group 1 year at PHE 
 <b>Stéphane Holt</b> Head of Cora 15 years at PHE 	 <b>Patrice Astor</b> Head of Doyen 10 years at PHE 
 <b>Paolo Morfino</b> Head of Autodis Italia 5 years at PHE 	 <b>Boud van Beurden</b> Head of Geevers 
 <b>Joseph Bosch Merino</b> Head of AD Bosch 	 <b>Isaac Equiza Herce</b> Head of Regenauto 
 <b>Quim Aymerich</b> Head of AD Marina 	

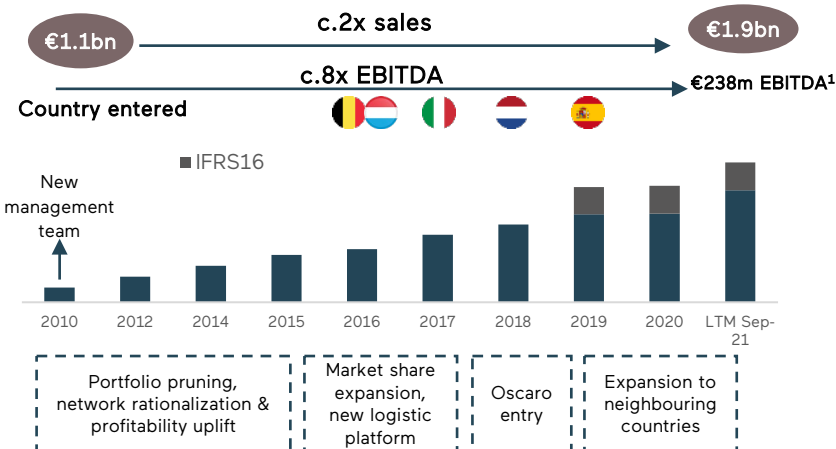
## Experienced teams

c. 8,400 employees

c. 60% FTEs over 5 years experience

c. 11 years average PHE seniority

- In-depth market knowledge
- Strong corporate culture
- Strong anchor on local markets
- Positive social environment
- Long-term involvement with PHE
- Skilled execution of best-in-class professionals



<sup>1</sup> €244m proforma for acquisitions made in the last twelve months

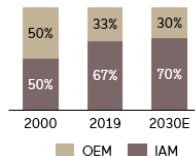
# Value creation potential: Organic growth

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## Strong market drivers

- Increasing IAM market penetration:



- Lower price vs OEM
  - Proximity and network density
  - Professionalization: ability to adapt to new technologies
- Increasing **sophistication** is driving **value growth** across product categories
- Increasing average fleet yearly maintenance cost per car
  - Growing car parc and ageing fleet
  - Price / mix effect

## Megatrends



Safety



Comfort



Emissions reduction



EV / Powertrain

Multiple sources of opportunities where scale becomes increasingly critical

- ✓ Take advantage of the increasingly **complex IAM product and services** to capture market share
- ✓ Maintain the **right product offering** and continue **innovation**
- ✓ Develop **new products** and **service offering** and leverage **private label**
- ✓ **Exploit data** and accelerate **digital agenda**
- ✓ Position for long-term **mega-trends opportunities**

# Value creation potential: Profitability

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Best practices  
implementation



- **Close margin gap** between the existing geographies and newly acquired targets

Further  
economies of  
scale



- Continue **purchasing synergies** / improvements and **expand private label products**
- Capitalize on **market share gains**

Operating  
leverage



- **Leverage growth potential** on limited **additional fixed costs**
- Further **exploit logistics synergies** across segments

Digital  
transformation

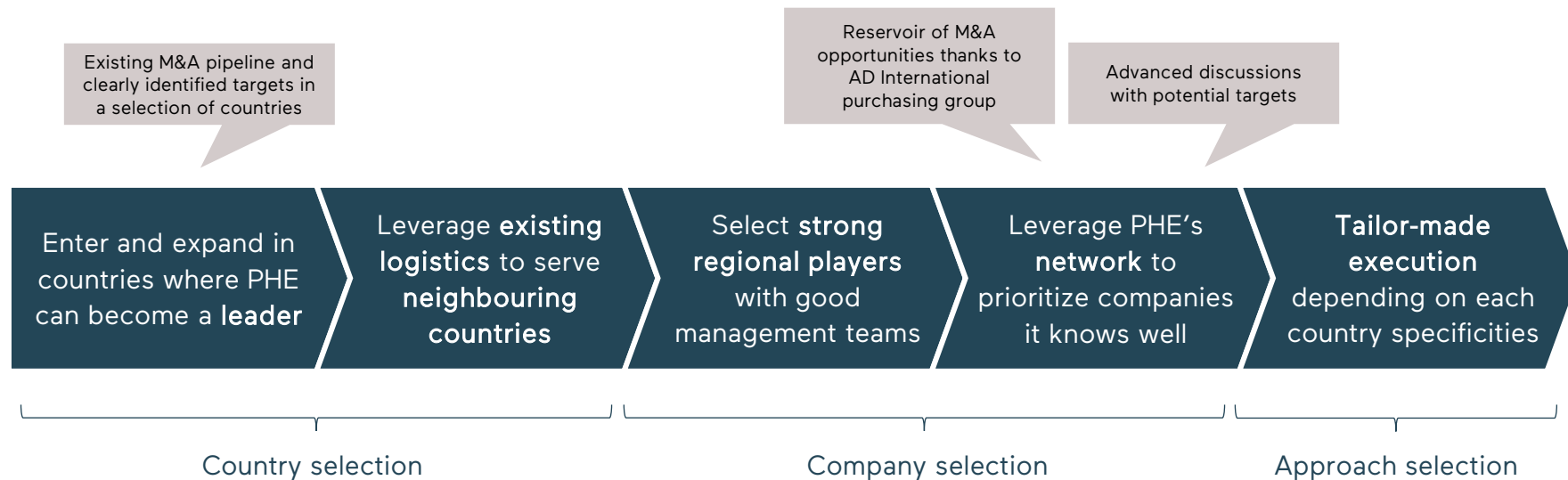


- Benefit from the current and future **IT and digital investments** in data lakes

# Value creation potential: M&A

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# Value creation potential: ESG

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## Environment



Key player in the circular economy



State-of-the art, centralized logistic footprint that significantly reduces emissions



Ongoing focus on reducing waste

## Social



Training and development at the heart of PHE's HR policy



Open dialogue with employees



Diversity in the workplace and role of social leader

## Governance



Code of ethics signed by all employees



Strict application of GDPR in all BUs



Information transparency

PHE aims at promoting **affordable & sustainable** mobility

- Contribute to **life extension of vehicles**
- Help **reduce the environmental impact of vehicle** fleet at a reasonable price

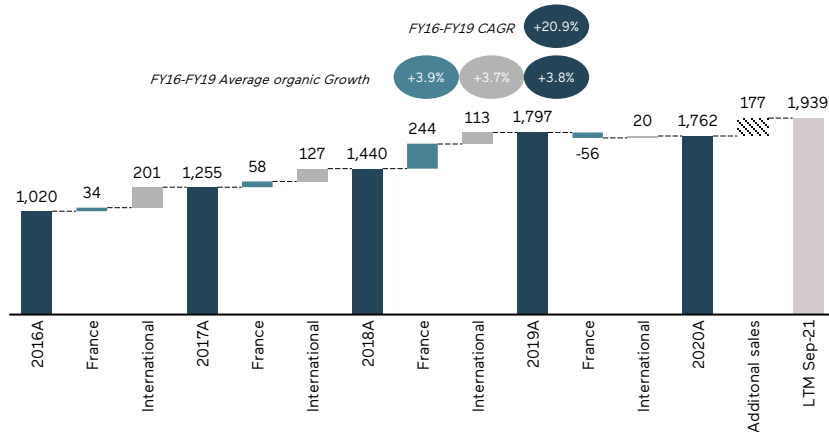
Next steps: build on ongoing **ESG initiatives**

- Define and implement an **integrated sustainability strategy** focused on material ESG aspects, including circular economy
- Develop a **climate approach** (including emission measurement and reduction target)
- **Prepare** for the upcoming European and international sustainability **reporting standards**

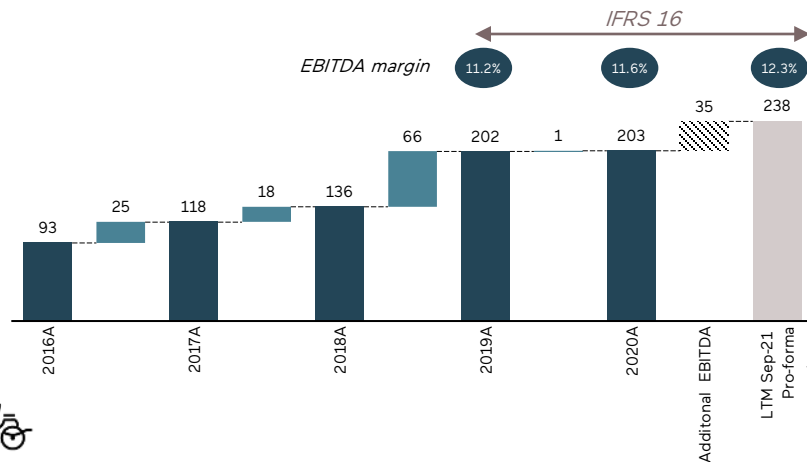


# Financials

Sales (in €m)



EBITDA (in €m)



Structurally low  
Capex

c. 4.0-4.5% as a percentage  
of sales (incl. RoU)

Stable Working  
capital & low  
seasonality

c. 20% as a percentage of  
sales

High cash  
conversion  
[(EBITDA-capex)/EBITDA]  
post-IFRS 16

>65% by 2023

Strong accretion  
to D'leteren  
Group's PBT

>€100m by 2023

c.€244m proforma for acquisitions made  
in the last twelve months.



# Deal structure

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## Offer & transaction details

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- D'leteren Group entered into exclusive negotiations with Bain Capital Private Equity to acquire 100% of PHE at an enterprise value ('EV') of €1.7bn, corresponding to an equity value of €540m, which would be financed by the Group's excess liquidity.
- This represents an attractive transaction multiple of 7x EV/proforma EBITDA.
- The management team would reinvest in the project as well as a consortium of AD affiliated distributors (UDIAD).
- The proposed transaction is subject to an information and consultation process with PHE's works council. The acquisition is expected to be completed by the end of Q3-2022 subject to the approval of the relevant competition authorities.

# Conclusion

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Strong fit with D'leteren Group's culture and expertise

High value creation potential for all stakeholders & society

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

Investment thesis relying on proven management record, organic growth, operating leverage and M&A, with significant long-term opportunities

Attractive valuation and highly accretive



# Forward-looking statement

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“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 Group undertakes no obligation to publicly update any forward-looking statements.”

# Contact information

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