s.a. D'Ieteren n.v.

2020 Half-Yearly Financial Report

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Declaration by Responsible Persons

Statement on the true and fair view of the condensed consolidated interim financial statements and the fair overview of the management report

Nicolas D'Ieteren, Chairman of the Board, and Olivier Périer, Deputy Chairman of the Board, certify, on behalf and for the account of s.a. D'Ieteren n.v., that, to the best of their knowledge, these condensed consolidated interim financial statements which have been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the European Union, give a true and fair view of the equity, financial position and financial performance of s.a. D'Ieteren n.v. and the entities included in the consolidation as a whole, and the interim management report includes a fair overview of the development and performance of the business and the position of s.a. D'Ieteren n.v., and the entities included in the consolidation, together with a description of the principal risks and uncertainties which they are exposed to.

Interim management report

D'Ieteren adopted IFRS 16 "Leases" from 1 January 2019 onwards using the retrospective approach. Leases that were previously accounted for as operating leases are now included on the balance sheet. Depreciation on the right-of-use assets and interest on the lease payments are now charged in the income statement. All figures are now shown only on a "Post-IFRS 16" basis.

D'Ieteren group's key performance indicator (KPI) – the *adjusted* consolidated result before tax, group's share[1] – reached EUR 103.9 million. On a comparable basis (54.79% stake in Belron in H1 2019 and H1 2020) this is 41% less versus the first six months of last year.

From mid-March all our activities have been negatively impacted by the COVID-19 pandemic with either partial or full lockdowns. First and foremost, we have taken the necessary measures to protect our employees, customers and suppliers. The group is extremely grateful to all members of staff who continued working with care during the pandemic.

We have also mitigated the impact of the crisis on our liquidity position and our profitability by managing adequately our costs, capital expenditures and working capital.

This has allowed our *adjusted* free cash flow[6] (group's share) generated by our activities to reach EUR 439 million during the period.

The net cash position at the Corporate segment reaches EUR 1,451 million.

After the trough of April our activities have progressively recovered and have sequentially improved on a weekly basis since then, and especially in June with outstanding results for the month. This trend has continued in July.

- **D'Ieteren Auto's** share[2] improved from 22.0% to 23.0% in a new car market[2] that was down 29.6%. The decline in sales (-24%) at EUR 1,470 million and in the *adjusted* result before tax, group's share[1] (-58%) at EUR 36 million reflects essentially much lower volumes despite significant cost savings.
- **Belron** sales declined by 12% at EUR 1,853 million and its *adjusted* result before tax, group's share[1] declined by 9% reaching EUR 93 million reflecting lower volumes, improved mix and strong cost containment.
- **Moleskine's** sales dropped by 42% to EUR 41 million and its *adjusted* result before tax, group's share[1] landed at EUR -16 million (EUR -1.8 million in H1 2019). A EUR 21 million impairment charge has been taken in relation to the impact of COVID-19 pandemic on the short-term performance.
- **Corporate & unallocated** (including corporate and real estate activities) reported an *adjusted* result before tax, group's share[1] of EUR -9.3 million in H1 2020, including a EUR 8 million provision for the announced Solidarity program, compared to EUR -9.1 million in H1 2019.

Given the uncertainties linked to the evolution of the COVID-19 pandemic going forward, D'Ieteren Group is not providing a quantified full year 2020 guidance.

Group Summary

A. Sales

Consolidated sales under IFRS amounted to **EUR 1,510.8 million (-24.9%)**. This figure excludes Belron. **Combined sales** (including 100% of Belron) amounted to **EUR 3,364.1 million (-18.4%** compared to H1 2019).

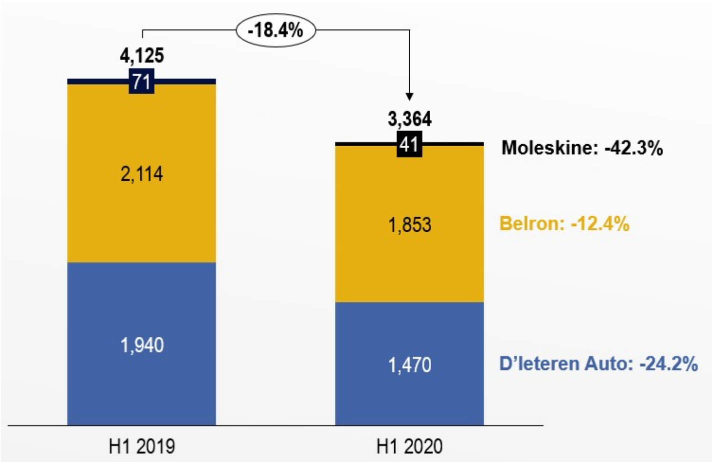
Combined sales growth per activity:

- **D'Ieteren Auto**: **-24%** due to a 30% drop in volume partly compensated by favourable price and mix effect. Excluding registrations of less than 30 days[2], Belgian new car registrations dropped by 30% due mainly to the COVID-19 pandemic. D'Ieteren Auto's market share[2] improved by 98bps to 23.0%. The total number of vehicles, including commercial vehicles, delivered by D'Ieteren Auto reached 50,445 (-29.5%).

- **Belron: -12%** comprising a -15% organic[5] decrease and a positive acquisition contribution of 2%. Organic[5] sales declines were 11% in North America and Rest of the World and of 22% in Eurozone. These differences in regional sales declines are mainly attributable to the types of lockdown measures imposed by local authorities.

- **Moleskine: -42%** due essentially to the pandemic with all regions and channels, except e-commerce (+9%), experiencing a decline.

Combined Sales (EUR million)



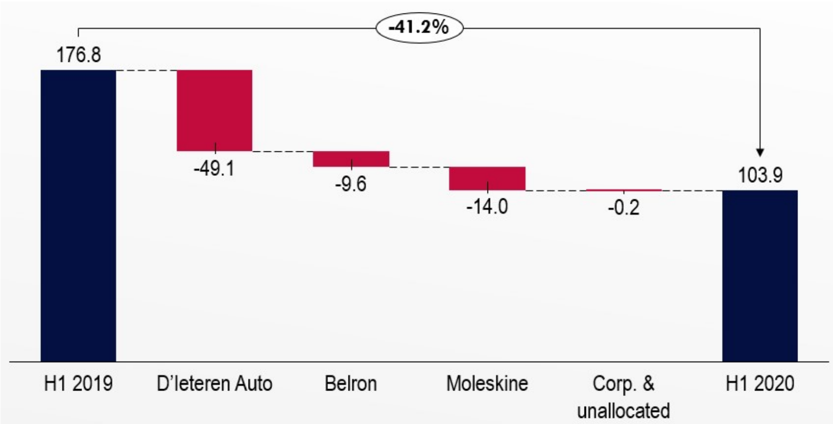
B. Results

- The **consolidated result before tax (under IFRS)** reached EUR 25.5 million (EUR 120.4 million in H1 2019) (see note 4 of the 2020 Half-Yearly Financial Report for further details).

- Our key performance indicator – the *adjusted* consolidated result before tax, group's share[1] – amounted to EUR 103.9 million, down 41.2% on a comparable basis (54.79% stake in Belron). It breaks down as follows:

  - **D'Ieteren Auto**: EUR 35.7 million, -58% year-on-year, mainly due to much lower new car deliveries, with both the import and retail activities impacted.
  - **Belron:** EUR 93.3 million, down by 9% year-on-year driven by lower sales and higher financial charges following the new loan issued in Q4 2019. These impacts however were partly compensated by the absence of ESP (Employee Share Plan) charges (EUR 22.7 million in H1 2019) and good progress on the Fit for Growth programme.
  - **Moleskine:** EUR -15.8 million (EUR -1.8 million in H1 2019), mainly reflecting the impact from much lower sales, the resulting negative operating leverage and higher financial charges.
  - **Corporate & unallocated (including corporate and real estate activities):** EUR -9.3 million, including EUR 8 million provision for the Solidarity fund, compared to EUR -9.1 million in H1 2019.

Segment contribution to the change in *adjusted* PBT, g.s.[1] (EUR million)



- The **group's share in the net result for the period** equalled EUR 20.6 million (EUR 107.3 million in H1 2019).

1. D'Ieteren Auto

- **Excluding registrations of less than 30 days[2], the Belgian market dropped by 29.6% year-on-year and D'Ieteren Auto's share[2] improved to 23.0% in H1 2020 (22.0% in H1 2019) underpinned by the continuing success of our SUV models.**
- **Total sales reached EUR 1,470 million (-24.2%).**
- **The operating result of D'Ieteren Auto reached EUR 18.4 million (EUR 80 million in H1 2019).**
  - **The *adjusted* operating result[1] decreased by 56.5% to EUR 35.2 million mainly due to lower revenues.**
  - **The *adjusting* items[1] comprised in the operating result (EUR -16.8 million) relate to the provision of EUR 20.9 million for the acceleration of the transformation of the activity and to the unwinding of pension provisions for EUR 4.1 million.**
- **The result before tax reached EUR 16.2 million (-80.3%).**
- **The *adjusted* result before tax, group's share[1], reached EUR 35.7 million (EUR 84.8 million in H1 2019), down 57.9%.**
- **The *adjusted* free cash flow[6] of the activity amounted to EUR 240.7 million thanks mainly to a significantly improved working capital.**
- **Due to the uncertainties around the evolution of COVID-19 pandemic no more guidance is given.**

€m	H1 2019				**H1 2020**			
		APM (non-GAAP measures) [1]			*APM (non-GAAP measures)* [1]			
	Total	*Adjusting items*	*Adjusted items*	*% change adjusted items*	*Adjusted items*	*Adjusting items*	**Total**	***% change total***
New vehicles delivered (in units)	**71,517**	-	-	-	-	-	**50,445**	***-29.5%***
External sales	**1,939.5**	-	*1,939.5*	*-24.2%*	*1,469.8*	-	**1,469.8**	***-24.2%***
Operating result	**80.0**	*-1.0*	*81.0*	*-56.5%*	*35.2*	*-16.8*	**18.4**	***-77.0%***
Net finance costs	**-1.3**	-	*-1.3*	*69.2%*	*-2.2*	-	**-2.2**	***69.2%***
Result before tax (PBT)	**82.1**	*-1.0*	*83.1*	*-58.6%*	*34.4*	*-18.2*	**16.2**	***-80.3%***
Adjusted PBT, group's share[1]	**-**	-	*84.8*	*-57.9%*	*35.7*	-	**-**	-

1.1 Activities, sales and results

Market, share and deliveries

Excluding registrations of less than 30 days[2], the number of new car registrations in Belgium decreased by 29.6% year-on-year to 210,497 units. The share of the business segment, including registrations of less than 30 days dropped to 49.5% (vs 52.5% last year) reflecting uncertain economic conditions.

The share of diesel stabilized at 31.6% while the share of new energy engines (electric, hybrid, CNG and LPG) rose from 7% in H1 2019 to 12.3% in H1 2020 at the expense of the gasoline segment which decreased to 56% in H1 2020. The share of SUV models continued to rise (41.8% in H1 2020 versus 40% in H1 2019).

Registrations of new light commercial vehicles (0 to 6 tonnes) declined by 22.1% to 34,361 units. D'Ieteren Auto's market share in this segment declined by 185bps to 9.8%.

The total number of new vehicles, including commercial vehicles, invoiced by D'Ieteren Auto in H1 2020 reached 50,445 units (-29.5% compared to H1 2019).

Sales

D'Ieteren Auto's sales decreased by 24.2% (-24.7% excluding acquired dealerships) to EUR 1,470 million in H1 2020:

- While sales were solid in January and February, they were severely hit in March (-40% vs 2019), April (-88%) and May (-39%) and recovered in June (+18%);
- New vehicle sales dropped by 25.5% to EUR 1,281.7 million mainly on the back of lower volumes following the two-month lockdown period;
- The sale of spare parts and accessories reached EUR 86.2 million (-22.0% year-on-year);
- Revenues from after-sales activities of the corporately owned dealerships decreased by 16.4% to EUR 39.7 million;
- D'Ieteren Sport's sales, which are mainly comprised of Yamaha motorbikes, quads and scooters, reached EUR 17.8 million (-2.7%);
- Used car sales reached EUR 35.1 million (+7.3%).

Results

The operating result declined from EUR 80.0 million in H1 2019 to EUR 18.4 million in H1 2020, mainly due to much lower sales and a provision for the acceleration of the transformation of the activity. The 56.5% decline in the *adjusted* operating result[1] (EUR 35.2 million) is mainly due to lower revenues despite significant cost savings. The *adjusting* items[1] in operating result (EUR -16.8 million) relate to the acceleration of the transformation plan and to the unwinding of pension provisions.

Net financial expenses equalled EUR -2.2 million in H1 2020 (EUR -1.3 million in H1 2019).

The result before tax reached EUR 16.2 million (EUR 82.1 million in H1 2019). The *adjusted* result before tax, group's share[1] amounted to EUR 35.7 million (-57.9%). The contribution of the equity accounted entities (in *adjusted* result before tax, group's share[1]) amounted to EUR 2.7 million (EUR 5.1 million in H1 2019).

Income tax expenses reached EUR 6.5 million (EUR 24.5 million in H1 2019). *Adjusted* tax expenses[1] equalled EUR 10.8 million (EUR 25.1 million in H1 2019).

The result after tax, group's share, amounted to EUR 9.8 million (EUR 57.6 million in H1 2019). The *adjusted* result after tax, group's share[1], declined from EUR 58.0 million to EUR 23.7 million.

1.2 Net debt and cash flow

D'Ieteren Auto's net debt[3] position reached EUR 97.9 million at the end of June 2020 (EUR 12.4 million post IFRS 16 at the end of June 2019).

The *adjusted* free cash flow[6] increased significantly from EUR 75.7 million in H1 2019 to EUR 240.7 million in H1 2020. The free cash flow generation is mainly due to a cash inflow from working capital of EUR 209.2 million. The *adjusted* EBITDA[1,4] reached EUR 44.6 million in H1 2020 versus EUR 88.7 million in H1 2019 and capex decreased by EUR 3 million to EUR 9.8 million. The net debt evolution also reflects the new EUR 200 million inter-segment financing put in place during H1 2020.

1.3 Key developments and COVID-19 related disclosures

D'Ieteren Auto reacted to the challenges of the COVID-19 pandemic to mitigate its impact.

To cope with the crisis, D'Ieteren Auto took the following measures:

- To protect employees, teleworking was enforced since March 16th
- To protect customers, dealerships and showrooms were closed from March 18th to May 4th
- Cost containment measures, include marketing, external contractors and transport and logistics fees
- Tight cash and working capital management
- For the emergency and health sectors, D'Ieteren's after-sales activities continued to provide essential services, with free access to vehicles and Poppy fleet

At the beginning of June 2020, D'Ieteren Auto announced its intention to carry out a project that will accelerate the transformation of its activities to counteract the impact of the current pandemic crisis and its long-term effects on demand and customer behaviour. This project would entail measures to adapt internal structures and working methods to the new market realities and would transform or cease activities that no longer meet the needs of dealers or customers.

Lab Box, D'Ieteren Auto's start-up accelerator that focuses on the future of mobility, continues to operate a portfolio of activities in new mobility. Lab Box recently opened the capital of Skipr to Belfius to have a strong strategic partner and develop internationally. Skipr is a mobility application that combines different modes of mobility including public transport, ride hailing and other sharing solutions (cars, scooters, bicycles).

1.4 Outlook 2020

D'Ieteren Auto aims at a higher market share in a Belgian new car market that is expected to be down by more than 20% in FY 2020.

The July results confirm the recovery experienced in June.

The pipeline of H2 2020 includes:

- **New models:** Volkswagen Arteon Shooting Brake, Volkswagen ID.3, Seat Cupra Formentor
- **Model replacements:** Volkswagen Golf Variant
- **Facelifts:** Volkswagen Arteon, Volkswagen Tiguan, Audi Q2, Seat Ateca & Cupra Ateca, Porsche Panamera

Due to the continued unstable economic environment linked to the COVID-19 pandemic, no more guidance is given.

2. Belron

At Belron's level (at 100%):

- **Sales (EUR 1,853 million) declined by 12.4% in H1 2020, comprising a 14.9% organic[5] decline and a negative contribution from disposals (-0.3%), partially offset by the positive contribution from acquisitions (2.4%) and a currency effect (0.4%). Belron served 7.4 million consumers (of which 7.2 million in Vehicle Glass Repair and Replacement and Claims Management), a decrease of 19.4%. The sales evolution mainly reflected the impact of the COVID-19 global pandemic, which affected differently the trading conditions in each country. Europe saw the greatest impact as a result of significant temporary branch closures in various countries.**
- **The operating result reached EUR 198.1 million (EUR 199.2 million in H1 2019):**
  - **The *adjusted* operating result[1] remained almost flat (-0.3%) at EUR 233.9 million.**
  - **The *adjusting items*[1] amounted to EUR -35.8 million, including EUR 12.8 million related to the amortisation of customer contracts from recent acquisitions.**

At the level of the reporting segment of Belron in D'Ieteren's consolidated accounts:

- **The result before tax totalled EUR 134.2 million (EUR 152.3 million in H1 2019), a decrease of 11.9% versus H1 2019 reflecting a net financial cost increase of EUR 17.0 million following the issuance of a new term loan in Q4 2019.**
- **The *adjusted* result before tax, group's share[1], reached EUR 93.3 million, a 9.3% decline compared to EUR 102.9 million in H1 2019 (restated to reflect the same stake of 54.79% as in H1 2020).**
- **Due to the lack of visibility related to the impact of COVID-19 future evolution, no new guidance is provided. Trading in July and August have continued to improve and the results for these months are expected to be up versus last year.**

€m	H1 2019			% change adjusted items	H1 2020			% change total
		APM (non-GAAP measures) [1]			APM (non-GAAP measures) [1]			
	Total	*Adjusting items*	*Adjusted items*		*Adjusted items*	*Adjusting items*	**Total**	
Number of consumers incl. franchisees *(million)*	**9.2**	-	-	-	-	-	**7.4**	***-19.4%***
External sales	**2,114.4**	-	*2,114.4*	*-12.4%*	*1,853.3*	-	**1,853.3**	***-12.4%***
Operating result	**199.2**	*-35.5*	*234.7*	*-0.3%*	*233.9*	*-35.8*	**198.1**	***-0.6%***
Net finance costs	**-46.9**	-	*-46.9*	*35.6%*	*-63.6*	*-0.3*	**-63.9**	***36.2%***
Result before tax (PBT)	**152.3**	*-35.5*	*187.8*	*-9.3%*	*170.3*	*-36.1*	**134.2**	***-11.9%***
Adjusted PBT, group's share[1] (@ 54.79%)	**-**	-	*102.9*	*-9.3%*	*93.3*	-	**-**	**-**

2.1 Sales and results

Sales

Belron's sales reached EUR 1,853 million during H1 2020, a year-on-year decrease of 12.4%, comprising a 14.9% organic[5] decline and a negative contribution from disposals (-0.3%) partially offset by a positive contribution from acquisitions of 2.4% and a positive currency translation effect of 0.4%. The organic decline reflects the impact of the global pandemic, during which there have been different trading conditions in each country depending on Government measures in place. In many markets the business was deemed an essential service and therefore continued to operate, albeit at a lower level of demand.

The total number of consumers served reached 7.4 million (-19%), of which 7.2 million (versus 8.9 million in H1 2019) were in Vehicle Glass Repair and Replacement (VGRR) and Claims Management. The table below shows the number of consumers including those of the franchisees.

Consumers (million)	H1 2019	H1 2020	% change
Vehicle Glass Repair and Replacement (VGRR)	6.91	5.73	-17%
Claims Management	1.99	1.43	-28%
Automotive Damage Repair and Replacement (ADRR)	0.08	0.05	-36%
Home Damage Repair and Replacement (HDRR)	0.20	0.19	-4%
Total	**9.18**	**7.40**	**-19%**

North America sales declined by 5.3% of which organic[5] sales fell by 11.3% due to the impact of the pandemic. Regional acquisitions, the largest of which being TruRoad in August 2019, contributed 4.4% of growth together with 1.6% from favourable currency translation. Prior to the pandemic and as the recovery began, there have been increases in both volume and value, including product mix, and higher revenues from ancillary products and recalibrations.

The Eurozone saw the greatest impact on trading from COVID-19 with significant and forced branch closures in France, Italy, Spain and Belgium as a result of government restrictions. Sales in the first half fell by 22.0%, comprising a 22.2% decrease on organic[5] basis, 0.1% from acquisitions and a 0.1% positive contribution from currency translation. Prior to the pandemic and as the recovery began there have been improvements in product mix, and higher revenues from ancillary products.

Rest of World sales fell by 14.4% of which organic[5] sales declined by 11.5%, acquisitions contributed for 0.3% sales growth offset by adverse currency translation of 3.2%. The UK has been most impacted while sales in Australia and the Nordics held up relatively well. Prior to the pandemic and as the recovery began there have been improvements in product mix and higher revenues from ancillary products.

Results

The operating result for the period is EUR 198.1 million which is 0.6% lower than the same period last year. The *adjusted* operating result[1] remained almost flat (-0.3%) at EUR 233.9 million reflecting market volume decline, compensated by market share gains, value growth notably from model and product mix, the rising penetration of ADAS recalibrations, growth in VAPS attachment rate as well as extraordinary measures and stringent cost control implemented to mitigate the impact of the crisis.

A EUR 2.8 million credit was included in the operating result for the legacy long-term management incentive plan due to the release of a surplus provision. This compares with a charge of EUR 22.7 million in H1 2019. The plan has been replaced by an equity-based reward plan or Management Reward Plan (MRP) in June 2018.

Adjusting items[1] at the level of the operating result totalling EUR -35.8 million included EUR 14.6 million of amortisation of brands and customer contracts following recent acquisitions, EUR 6.1 million of impairment of goodwill and non-current assets, a EUR 4.9 million fair value loss on fuel hedges as well as EUR 10.2 million of other adjusting items mainly related to restructuring and integrations costs.

Net financial costs reached EUR 63.9 million in H1 2020, an increase of EUR 17.0 million on the same period last year following the issuance of a new term loan in Q4 2019.

The result before tax reached EUR 134.2 million in H1 2020 (EUR 152.3 million in H1 2019). The *adjusted* result before tax, group's share[1] decreased by 9.3% to EUR 93.3 million on a comparable basis (assuming 54.79% stake in H1 2019 and in H1 2020).

The result after tax, group's share, rose from EUR 53.3 million in H1 2019 to EUR 55.4 million in H1 2020 (+3.9%). The *adjusted* result after tax[1], group's share, totalled EUR 67.9 million in H1 2020 compared to EUR 71.4 million last year. These results are based on a weighted average stake of 54.79% in Belron in H1 2020 and 54.10% in H1 2019.

2.2 Net debt and cash flow

On a post-IFRS 16 basis, Belron's net financial debt[3] reached EUR 2,736.9 million (EUR 2,120.4 million pre-IFRS16) at the end of June 2020. This compares with EUR 2,181.3 million at the end of June 2019 (EUR 1,535.8 million pre-IFRS16) and EUR 2,979.1 million at the end of December 2019 (EUR 2,324.4 million pre-IFRS16). The decline versus the end of 2019 reflects the strong cash generation in H1 2020 as a result of actions taken by management amid COVID-19 crisis and the strong recovery of the business. Belron's net financial debt/EBITDA[4] multiple (Senior Secured Net Leverage Ratio according to the lenders documentation) reached 3.3x at the end of June 2020.

The *adjusted* free cash flow[6] amounted to EUR 357.8 million in H1 2020 compared to EUR 157.0 million in H1 2019, including the cash outflow related to capital paid on leases (EUR 87.4 million in H1 2020 and EUR 83.9 million in H1 2019). The significant improvement is mainly due to:

- A flat *adjusted* EBITDA[1,4] of EUR 371.6 million (EUR 371.0 million in H1 2019);
- A large cash inflow from changes in working capital of EUR 163.8 million as a result of stringent management during COVID-19 crisis;
- Lower net capex (excl. lease payments) of EUR 16.2 million, reflecting a decrease of 52% versus last year.

The free cash flow after the impact of capital paid on leases, restructurings, acquisitions and the legacy long-term management incentive programme reached EUR 251.9 million, compared to EUR 104.3 million in H1 2019.

2.3 Key developments & COVID-19-related disclosures

As the COVID-19 pandemic unfolded management ensured that there was a strong focus on cost and efficiency. Swift mitigating actions were taken to preserve cash and offset the lower revenues, including participation in local government support schemes where they were available (no applications were made for loans). Other actions included significantly reducing capital expenditure, deferring non-essential expenditure, and working closely with key customers and suppliers. Some tax and social security payments have been deferred.

The result of these actions, together with a strong recovery, has been to increase cash over the period from EUR 282.6 million at December 2019 to EUR 476.9 million at June 2020 with the EUR 280 million revolving credit facility undrawn. The group recognises that this has been achieved with significant support from our customers and suppliers and payments are being normalised. Capital projects are now also restarting, especially with respect to technology investments.

Besides, management continues to examine the cost base and ensure that the business model is resilient should there be another period of lower revenues. The group has reconfigured it's Fit for Growth program to become a group-wide 'Acceleration and Transformation' project including initiatives across a number of functions to improve efficiency and performance.

The safety and well-being of employees and customers remained an absolute priority throughout the crisis. Personal protective equipment was provided for technicians and other at-risk staff to reduce the risk of transmission and keep staff and customers safe. Touchpoint sanitisation was introduced on Vehicle Glass Repair and Replacement (VGRR) jobs and an optional full interior sanitisation is being offered in some countries.

2.4 Outlook 2020

Following the restart trading volumes continued to improve and results in July and August are expected to be up versus last year. The liquidity position is very strong with EUR 476.9 million of cash at the end of the first semester and a EUR 280 million RCF that was repaid in full in June 2020.

As part of the group's adoption of the going concern basis management has prepared a trading and cash forecast scenario that reflects the impact of lower revenues as the group recovers from the pandemic, as well as a downside scenario. Under both scenarios the group has sufficient headroom under its existing borrowing facilities to continue operating for the foreseeable future.

Due to the continued unstable economic environment linked to the COVID-19 pandemic, no more guidance is given.

3. Moleskine

- **Sales declined by 42.3% to EUR 41.0 million mainly due to the Covid-19 pandemic.**
- **The *adjusted* operating result[1] reached EUR -9.5 million versus EUR 2.9 million in H1 2019 mainly reflecting the impact from lower sales and the resulting negative operating leverage.**
- **The *adjusted* result before tax[1] reached EUR -15.8 million (EUR -1.8 million in H1 2019).**
- **Due to the impact of the COVID-19-pandemic on the current and expected results, an impairment of EUR 21 million on the goodwill has been taken in H1 2020.**
- **Due to uncertainties around COVID-19 pandemic no guidance is given.**
- **Daniela Riccardi has joined the company as CEO on the 1st of April and is developing a strategy to bring Moleskine back to solid sales growth and higher profitability.**

€m	H1 2019			% change adjusted items	H1 2020			% change total
		APM (non-GAAP measures) [1]			APM (non-GAAP measures) [1]			
	Total	Adjusting items	Adjusted items		Adjusted items	Adjusting items	Total	
External sales	**71.1**	-	*71.1*	*-42.3%*	*41.0*	-	**41.0**	***-42.3%***
Operating result	**2.9**	-	*2.9*	*-427.6%*	*-9.5*	*-21.0*	**-30.5**	***n.s.***
Net finance costs	**-4.7**	-	*-4.7*	*34.0%*	*-6.3*	-	**-6.3**	***34.0%***
Result before tax (PBT)	**-1.8**	-	*-1.8*	*777.8%*	*-15.8*	*-21.0*	**-36.8**	***-***
Adjusted PBT, group's share[1]	**-**		*-1.8*	*777.8%*	*-15.8*		**-**	***-***

3.1 Sales and results

Sales

Sales reached EUR 41.0 million (-42%).

Sales evolution by region:

The decline of sales has followed the geographical path of COVID-19.

- **Americas** (45% of total): 36% decline mainly impacted by Wholesale (-29%), B2B (-60%), Retail (-66%) not compensated by the increase in e-commerce (+8%);
- **EMEA** (39% of total): 50% drop driven by Wholesale (-52%), B2B (-70%) and Retail (-58%) and not compensated by strong e-commerce growth (+18%);
- **APAC** (16% of total): 33% fall with all channels declining, especially Retail due to the temporary closure of our shops due to the pandemic.

Sales evolution by channel:

- **Wholesale** (63% of total): down by 39% following the impact of lockdown on a lot of retailers. Online wholesale was picking up**;**
- **B2B** (14% of total): -56% as corporate gifting and events went to a sudden stop with the crisis;
- **Retail** (10% of total): -58% as the network continued to be pruned (60 stores at the end of 1H 2020 versus 77 at the end of 2019) and as the majority of our stores have been temporarily closed since mid-March, with progressive reopening in June (33 stores were reopened at the end of H1);
- **E-Commerce** (8% of total): +9%. This channel benefitted from the various local lockdowns, even if Moleskine's website remains relatively subscale and will be fully renewed by H1 2021.

Results

The *adjusted* operating result[1] reached EUR -9.5 million in H1 2020 compared to EUR 2.9 million in H1 2019 mainly reflecting the impact from much lower sales and the resulting negative operating leverage.

Moleskine has started to strongly adjust its cost structure with already EUR 12.6 million of savings (recuperating 42% of decline in sales).

Net financial charges increased from EUR 4.7 million to EUR 6.3 million, mainly due to interest increase on inter-segment financing.

The *adjusted* result before tax[1] amounted to EUR -15.8 million (EUR -1.8 million in H1 2019).

The income tax expense totalled EUR 0.3 million in H1 2020.

Due to the impact of the COVID-19 pandemic on the current and expected results, an impairment of EUR 21 million on the goodwill has been taken in H1 2020.

The result after tax, group's share, totalled EUR -37.2 million (EUR -2.6 million in H1 2019). The *adjusted* result after tax, group's share[1], reached EUR -16.2 million (EUR -2.6 million in H1 2019).

3.2 Net debt and free cash flow

Moleskine's net debt[3] reached EUR 308.4 million (of which EUR 194.7 million intra-group borrowing) at the end of June 2020.

Adjusted free cash flow[6] amounted to EUR -8.6 million in H1 2020 compared to EUR -2.4 million in H1 2019. The evolution is mainly due to lower *adjusted* EBITDA[1,4].

3.3 Latest developments

Daniela Riccardi has joined the company as CEO on the 1st of April, bringing with her a passion for the brand and deep experience with consumer goods. She has already started to have an impact on the company and is completing a 5-year plan, including a "fewer, better, bigger" strategy to bring Moleskine back to solid sales growth and higher profitability.

The customer experience will be improved by fully redesigning Moleskine's e-commerce and installing a new CRM. A full scope analysis of the potential of our Retail stores (including category management) is ongoing.

The portfolio of products will be optimized to focus on the most impactful ones and diminish the inefficient costs related to underperforming SKUs.

Social communication and digital strategy are being revamped, building on the strength and uniqueness of the brand.

3.4 Outlook 2020

As a result of what is mentioned above, 2020 will be a transition year.

Due to the continued unstable economic environment linked to the COVID-19 pandemic, no more guidance is given.

4. Corporate & unallocated

The operating segment "Corporate & unallocated" mainly includes the corporate and real estate activities. The following table summarizes the contribution of this segment to the group's consolidated results. The *adjusted* operating loss[1] reached EUR -16.0 million in H1 2020 compared to EUR -11.4 million in H1 2019. The higher loss mainly reflects the EUR 8 million of provision for the announced Solidarity program.

In H1 2019 the EUR 6.5 million *adjusting* item[1] in the operating result related to a gain on the disposal of a property and the *adjusting* item[1] in the financial result included a loss on the fair value of a contingent liability relating to the disposal of the 40% stake in Belron to CD&R. This liability has been settled during the first semester of the year 2020.

Adjusted result before tax, group's share[1] reached EUR -9.3 million (EUR -9.1 million in H1 2019).

€m	H1 2019			% change adjusted items	H1 2020			% change total
		APM (non-GAAP measures) [1]			APM (non-GAAP measures) [1]			
	Total	Adjusting items	Adjusted items		Adjusted items	Adjusting items	**Total**	
External sales	**-**	-	-	-	-	-	**-**	-
Operating result	**-4.9**	*6.5*	*-11.4*	*40.4%*	*-16.0*	-	**-16.0**	***226.5%***
Net finance costs	**-8.3**	*-10.6*	*2.3*	*191.3%*	*6.7*	-	**6.7**	***-180.7%***
Result before tax (PBT)	**-13.2**	*-4.1*	*-9.1*	*2.2%*	*-9.3*	-	**-9.3**	***-29.5%***
Adjusted PBT, group's share[1]	**-**	-	*-9.1*	*2.2%*	*-9.3*	-	**-**	-

The slightly lower net cash position from EUR 1,516.4 million at the end of 2019 to EUR 1,451.0 million at the end of June 2020 is largely due to the EUR 54.0 million dividend payment to shareholders of D'Ieteren.

Notes

[1] In order to better reflect its underlying performance and assist investors in gaining a better understanding of its financial performance, D'Ieteren uses Alternative Performance Measures ("APMs"). These APMs are non-GAAP measures, i.e. their definitions are not addressed by IFRS. D'Ieteren does not present APMs as an alternative to financial measures determined in accordance with IFRS and does not give to APMs greater prominence than defined IFRS measures. See appendix for the definition of these performance indicators.

[2] 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.

[3] The net financial debt is not an IFRS indicator. D'Ieteren uses this Alternative Performance Measure to reflect its indebtedness. This non-GAAP indicator is defined as the sum of the borrowings minus cash, cash equivalents and investments in non-current and current financial assets. See appendix.

[4] EBITDA is not an IFRS indicator. This APM (non-GAAP indicator) is defined as earnings before interest, taxes, depreciation and amortization. Since the method for calculating the EBITDA is not governed by IFRSs, the method applied by the Group may not be the same as that adopted by others and therefore may not be comparable.

[5] "Organic growth" is an Alternative Performance Measure used by the Group to measure the evolution of revenue between two consecutive periods, at constant currency and excluding the impact of change in perimeter of consolidation or business acquisitions.

[6] "Adjusted free cash flow" is an Alternative Performance Measure and is defined as adjusted[1] EBITDA[4] +/- non-cash items - net interest paid - taxes paid - changes in working capital - net capex. Otherwise stated, adjusted free cash flow does not include capital lease repayments and ESP payment.

Appendix

Alternative Performance Measurement (APM) – Non-Gaap Measurement

Framework and definitions

In order to better reflect its underlying performance and assist investors, securities analysts and other interested parties in gaining a better understanding of its financial performance, the Group uses Alternative Performance Measures (“APMs”). These alternative performance metrics are used internally for analysing the Group’s results as well as its business units.

These APMs are non-GAAP measures, i.e. their definition is not addressed by IFRS. They are derived from the audited IFRS accounts. The APMs may not be comparable to similarly titled measures of other companies and have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of the Group’s performance or liquidity under IFRS. The Group does not present APMs as an alternative to financial measures determined in accordance with IFRS and does not give to APMs greater prominence than defined IFRS measures.

Each line of the statement of profit or loss (see below), and each subtotal of the segment statement of profit or loss (see below), is broken down in order to provide information on the *adjusted* result and on the *adjusting* items.

The *adjusting* items are identified by the Group in order to present comparable figures, giving to the investors a better view on the way the Group is measuring and managing its financial performance. They comprise the following items, but are not limited to:

(a) Recognised fair value gains and losses on financial instruments (i.e. change in fair value between the opening and the end of the period, excluding the accrued cash flows of the derivatives that occurred during the period), where hedge accounting may not be applied under IAS 39/IFRS 9 (in this case recognised fair value gains and losses being directly accounted for in the Consolidated Statement of Comprehensive Income);

(b) Exchange gains and losses arising upon the translation of foreign currency loans and borrowings at the closing rate;

(c) Impairment of goodwill and other non-current assets;

(d) Amortisation of intangible assets with finite useful lives recognised in the framework of the allocation as defined by IFRS 3 of the cost of a business combination;

(e) Other material items that derive from events or transactions that fall within the ordinary activities of the Group, and which individually or, if of a similar type, in aggregate, are separately disclosed by virtue of their size or incidence.

Adjusted result consists of the IFRS reported result, excluding *adjusting* items as listed above.

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.

Presentation of the APMs in the consolidated statement of profit or loss for the 6-month period ended 30 June

EUR million	2020			2019 (1)		
	Total	*Of which*		**Total**	*Of which*	
		Adjusted result	*Adjusting items*		*Adjusted result*	*Adjusting items*
Revenue	**1,510.8**	*1,510.8*	-	**2,010.6**	*2,010.6*	-
Cost of sales	-1,319.2	*-1,319.2*	-	-1,746.9	*-1,746.9*	-
Gross margin	**191.6**	*191.6*	-	**263.7**	*263.7*	-
Commercial and administrative expenses	-200.1	*-183.3*	*-16.8*	-190.6	*-189.6*	*-1.0*
Other operating income	5.9	*5.9*	-	13.5	*7.0*	*6.5*
Other operating expenses	-25.5	*-4.5*	*-21.0*	-8.6	*-8.6*	-
Operating result	**-28.1**	*9.7*	*-37.8*	**78.0**	*72.5*	*5.5*
Net finance costs	-1.8	*-1.8*	-	-14.3	*-3.7*	*-10.6*
Finance income	2.5	*2.5*	-	0.5	*0.5*	-
Finance costs	-4.3	*-4.3*	-	-14.8	*-4.2*	*-10.6*
Share of result of equity-accounted investees and long-term interest in equity-accounted investees, net of income tax	55.4	*69.3*	*-13.9*	56.7	*74.8*	*-18.1*
Result before tax	**25.5**	*77.2*	*-51.7*	**120.4**	*143.6*	*-23.2*
Income tax expense	-4.9	*-9.2*	*4.3*	-13.2	*-12.1*	*-1.1*
Result from continuing operations	**20.6**	*68.0*	*-47.4*	**107.2**	*131.5*	*-24.3*
Discontinued operations	-	-	-	-	-	-
RESULT FOR THE PERIOD	**20.6**	*68.0*	*-47.4*	**107.2**	*131.5*	*-24.3*
Result attributable to:						
Equity holders of the Company	**20.6**	*68.0*	*-47.4*	**107.3**	*131.6*	*-24.3*
Non-controlling interests	-	-	-	-0.1	*-0.1*	-
Earnings per share						
Basic (EUR)	0.38	*1.26*	*-0.88*	1.96	*2.40*	*-0.44*
Diluted (EUR)	0.38	*1.25*	*-0.87*	1.96	*2.40*	*-0.44*
Earnings per share - Continuing operations						
Basic (EUR)	0.38	*1.26*	*-0.88*	1.96	*2.40*	*-0.44*
Diluted (EUR)	0.38	*1.25*	*-0.87*	1.96	*2.40*	*-0.44*

(1) As restated to reflect the adjustment of the fair value of the contingent liability relating to the disposal in 2018 of the 40% stake of Belron to CD&R – see note 1 of the 2020 half-yearly financial report for more information on the restatement of comparative information.

Presentation of APMs in the segment statement of profit or loss for the 6-month period ended 30 June

The Group's reportable operating segments are D'Ieteren Auto (automobile distribution activities), Belron, Moleskine and Corporate & Unallocated (corporate and real estate activities). These operating segments are consistent with the Group's organisational and internal reporting structure, and with the requirements of IFRS 8 "Operating Segments".

Despite its classification as an equity-accounted investee, Belron remains a reportable operating segment, reflecting the Group's internal reporting structure.

The Group had initially adopted IFRS 16 at 1 January 2019 (using the modified retrospective approach). The Group currently presents in both periods the results of its operating segments on a post-IFRS 16 basis, reflecting the Group's internal reporting structure.

EUR million	**2020**					
	D'Ieteren Auto	**Belron (100%)**	**Moleskine**	**Corp. & unallocated**	**Eliminations**	**Group**
External revenue	1,469.8	1,853.3	41.0	-	-1,853.3	1,510.8
Inter-segment revenue	-	-	-	-	-	-
Segment revenue	**1,469.8**	**1,853.3**	**41.0**	**-**	**-1,853.3**	**1,510.8**
Operating result (being segment result)	**18.4**	**198.1**	**-30.5**	**-16.0**	**-198.1**	**-28.1**
Of which Adjusted result	*35.2*	*233.9*	*-9.5*	*-16.0*	*-233.9*	*9.7*
Adjusting items	*-16.8*	*-35.8*	*-21.0*	*-*	*35.8*	*-37.8*
Net finance costs	-2.2	-63.9	-6.3	6.7	63.9	-1.8
Finance income	-	6.5	0.4	2.1	-6.5	2.5
Finance costs	-1.4	-70.4	-2.8	-0.1	70.4	-4.3
Inter-segment financing interest	-0.8	-	-3.9	4.7	-	-
Share of result of equity-accounted investees and long-term interest in equity-accounted investees, net of income tax	-	-	-	-	55.4	55.4
Result before tax	**16.2**	**134.2**	**-36.8**	**-9.3**	**-78.8**	**25.5**
Of which Adjusted result	*34.4*	*170.3*	*-15.8*	*-9.3*	*-102.4*	*77.2*
Adjusting items	*-18.2*	*-36.1*	*-21.0*	*-*	*23.6*	*-51.7*
Income tax expense	-6.5	-33.1	-0.3	1.9	33.1	-4.9
Result from continuing operations	**9.7**	**101.1**	**-37.1**	**-7.4**	**-45.7**	**20.6**
Of which Adjusted result	*23.6*	*123.9*	*-16.1*	*-7.4*	*-56.0*	*68.0*
Adjusting items	*-13.9*	*-22.8*	*-21.0*	*-*	*10.3*	*-47.4*
Discontinued operations	-	-	-	-	-	-
RESULT FOR THE PERIOD	**9.7**	**101.1**	**-37.1**	**-7.4**	**-45.7**	**20.6**

Attributable to:						
Equity holders of the Company (*)	**9.8**	**55.4**	**-37.2**	**-7.4**		**20.6**
Of which Adjusted result	*23.7*	*67.9*	*-16.2*	*-7.4*		*68.0*
Adjusting items	*-13.9*	*-12.5*	*-21.0*	*-*		*-47.4*
Non-controlling interests	-0.1	-	0.1	-		-
RESULT FOR THE PERIOD	**9.7**	**55.4**	**-37.1**	**-7.4**		**20.6**

(*) Belron at 54.79% (weighted average percentage for the 2020 period – see note 10 of the 2020 half-yearly financial report).

Presentation of APMs in the segment statement of profit or loss for the 6-month period ended 30 June (continued)

EUR million		**2019 (1)**				
	D'Ieteren Auto	**Belron (100%)**	**Moleskine**	**Corp. & unallocated**	**Eliminations**	**Group**
External revenue	1,939.5	2,114.4	71.1	-	-2,114.4	2,010.6
Inter-segment revenue	-	-	-	-	-	-
Segment revenue	**1,939.5**	**2,114.4**	**71.1**	**-**	**-2,114.4**	**2,010.6**
Operating result (being segment result)	**80.0**	**199.2**	**2.9**	**-4.9**	**-199.2**	**78.0**
Of which Adjusted result	*81.0*	*234.7*	*2.9*	*-11.4*	*-234.7*	*72.5*
Adjusting items	*-1.0*	*-35.5*	*-*	*6.5*	*35.5*	*5.5*
Net finance costs	-1.3	-46.9	-4.7	-8.3	46.9	-14.3
Finance income	0.1	8.4	0.3	0.1	-8.4	0.5
Finance costs	-1.4	-55.3	-2.7	-10.7	55.3	-14.8
Inter-segment financing interest	-	-	-2.3	2.3	-	-
Share of result of equity-accounted investees and long-term interest in equity-accounted investees, net of income tax	3.4	-	-	-	53.3	56.7
Result before tax	**82.1**	**152.3**	**-1.8**	**-13.2**	**-99.0**	**120.4**
Of which Adjusted result	*83.1*	*187.8*	*-1.8*	*-9.1*	*-116.4*	*143.6*
Adjusting items	*-1.0*	*-35.5*	*-*	*-4.1*	*17.4*	*-23.2*
Income tax expense	-24.5	-53.8	-0.9	12.2	53.8	-13.2
Result from continuing operations	**57.6**	**98.5**	**-2.7**	**-1.0**	**-45.2**	**107.2**
Of which Adjusted result	*58.0*	*132.0*	*-2.7*	*4.8*	*-60.6*	*131.5*
Adjusting items	*-0.4*	*-33.5*	*-*	*-5.8*	*15.4*	*-24.3*
Discontinued operations	-	-	-	-	-	-
RESULT FOR THE PERIOD	**57.6**	**98.5**	**-2.7**	**-1.0**	**-45.2**	**107.2**

Attributable to:						
Equity holders of the Company (*)	**57.6**	**53.3**	**-2.6**	**-1.0**		**107.3**
Of which Adjusted result	*58.0*	*71.4*	*-2.6*	*4.8*		*131.6*
Adjusting items	*-0.4*	*-18.1*	*-*	*-5.8*		*-24.3*
Non-controlling interests	-	-	-0.1	-		-0.1
RESULT FOR THE PERIOD	**57.6**	**53.3**	**-2.7**	**-1.0**		**107.2**

(1) As restated to reflect the adjustment of the fair value of the contingent liability relating to the disposal in 2018 of the 40% stake of Belron to CD&R – see note 1 of the 2020 half-yearly financial report for more information on the restatement of comparative information.

(*) Belron at 54.10% (weighted average percentage for the 2019 period – see note 10 of the 2020 half-yearly financial report).

In both periods, the column "Eliminations" reconciles the segment statement of profit or loss (with the 6-month result of Belron presented on all lines under global integration method) to the IFRS Group consolidated statement of profit or loss (with the net result of Belron presented in the line "share of result of equity-accounted investees and long-term interest in equity-accounted investees, net of income tax", representing the share of the Group in the 6-month net result of Belron).

Explanations and details of the figures presented as *adjusting* items

EUR million	2020								
	D'Ieteren Auto		Belron (100%)		Moleskine		Corp. & unallocated		Total (segment)*
Adjusting items									
Included in operating result	**-16.8**		**-35.8**		**-21.0**		**-**		**-73.6**
Re-measurements of financial instruments	*-*		*-4.9*	*(c)*	*-*		*-*		*-4.9*
Amortisation of customer contracts	*-*		*-12.8*	*(d)*	*-*		*-*		*-12.8*
Amortisation of brands with finite useful life	*-*		*-1.8*	*(e)*	*-*		*-*		*-1.8*
Impairment of goodwill and of non-current assets	*-*		*-6.1*	*(f)*	*-21.0*	*(i)*	*-*		*-27.1*
Other adjusting items	*-16.8*	*(a)*	*-10.2*	*(g)*	*-*		*-*		*-27.0*
Included in net finance costs	**-**		**-0.3**		**-**		**-**		**-0.3**
Other adjusting items	*-*		*-0.3*	*(h)*	*-*		*-*		*-0.3*
Included in equity accounted result	**-1.4**	*(b)*	**-**		**-**		**-**		**-1.4**
Included in segment result before taxes (PBT)	**-18.2**		**-36.1**		**-21.0**		**-**		**-75.3**

* Total of the adjusting items at the level of each segment. The adjusting items presented in the Belron segment should be deducted from this total to reconcile with the Group figures reported in the segment statement of profit or loss.

EUR million	2019 (1)								
	D'Ieteren Auto		Belron (100%)		Moleskine		Corp. & unallocated		Total (segment)*
Adjusting items									
Included in operating result	**-1.0**		**-35.5**		**-**		**6.5**		**-30.0**
Re-measurements of financial instruments	*-*		*3.4*	*(c)*	*-*		*-*		*3.4*
Amortisation of customer contracts	*-*		*-2.7*	*(d)*	*-*		*-*		*-2.7*
Amortisation of brands with finite useful life	*-*		*-0.2*	*(e)*	*-*		*-*		*-0.2*
Impairment of goodwill and of non-current assets	*-*		*-21.3*	*(f)*	*-*		*-*		*-21.3*
Other adjusting items	*-1.0*	*(a)*	*-14.7*	*(g)*	*-*		*6.5*	*(j)*	*-9.2*
Included in net finance costs	**-**		**-**		**-**		**-10.6**		**-10.6**
Re-measurements of financial instruments	*-*		*-*		*-*		*-10.6*	*(k)*	*-10.6*
Included in equity accounted result	**-**		**-**		**-**		**-**		**-**
Included in segment result before taxes (PBT)	**-1.0**		**-35.5**		**-**		**-4.1**		**-40.6**

(1) As restated to reflect the adjustment of the fair value of the contingent liability relating to the disposal in 2018 of the 40% stake of Belron to CD&R – see note 1 of the 2020 half-yearly financial report for more information on the restatement of comparative information.

* Total of the *adjusting* items at the level of each segment. The *adjusting* items presented in the Belron segment should be deducted from this total to reconcile with the Group figures reported in the segment statement of profit or loss.

Explanations and details of the figures presented as *adjusting* items (continued)

D'Ieteren Auto

(a) In the current period, other *adjusting* items in operating result includes a provision related to the intention of D'Ieteren Auto (as announced on 3 June 2020) to carry out a project for accelerating the transformation of its activities 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.

In the prior period, other adjusting items in operating result included a charge of EUR 1.0 million in the framework of the "Market Area" project (optimization of the independent dealer network).

(b) In the current period, *adjusting* items included in equity-accounted result relates to the share of the Group's in the provision related to the intention to carry out a project for accelerating the transformation of D'Ieteren Auto's activities (see (a) above).

Belron

(c) Fair value of the fuel hedge instruments used by Belron USA to hedge its fuel exposure amounts to EUR -4.9 million (EUR 3.4 million in the prior period) and arises from changes in the "clean" fair value of derivatives. Change in "clean" fair value of derivatives corresponds to the change of "dirty" fair value (i.e. the change of value between the opening and the end of the period) excluding the accrued cash flows of the derivatives that occurred during the period.

(d) In the framework of the recent acquisitions (especially in the United States, in France and in Belgium), certain customer contracts were recognised as intangible assets with a finite useful life. The amortisation amounts to EUR 12.8 million in the current period and EUR 2.7 million in the prior period.

(e) The amortisation of brands with finite useful lives (certain brands are no longer considered to be intangibles with indefinite useful lives since there is now a limit to the period over which these assets are expected to generate cash inflows) amounts to EUR 1.8 million (EUR 0.2 million in the prior period) and is related to the recent acquisition of TruRoad in the United States.

(f) In the period, a total impairment charge of EUR 6.1 million is recognized in France (HDRR business as a result of lower expectations) and comprises an impairment charge of EUR 4.0 million allocated to other intangible assets and of EUR 2.1 million allocated to other tangible assets.

In the prior period, a total impairment charge of EUR 21.3 million was recognized in Italy (EUR 21.0 million on goodwill, brands and other intangible assets) and in the Netherlands (EUR 0.3 million on other intangible assets).

(g) In the period, other *adjusting* items of EUR -10.2 million mainly comprise EUR -9.5 million in relation to restructurings (United States and Canada) and integration costs (the majority for the integration of the acquisition of TruRoad in the United States performed in the second half of 2019).

In the prior period, other *adjusting* items of EUR -14.7 million comprised EUR -11.1 million in relation to restructurings (France, Belgium, Portugal and Spain) and EUR -3.6 million mostly due to disposal costs.

(h) In the period, other *adjusting* items in net finance costs are charges in relation to the additional financing undertaken in Q4 2019.

Moleskine

(i) In the period, an impairment charge of EUR 21.0 million is recognized on the Moleskine cash-generating unit (fully allocated to goodwill) as a result of the impairment exercised performed at half year. Refer to note 9 of the 2020 half-yearly financial report for more information.

Corporate & unallocated

(j) In the prior period, the EUR 6.5 million adjusting item in operating result related to the consolidated gain on the disposal of a property.

(k) In the prior period, the re-measurement of financial instruments represented the loss on the fair value of a contingent liability relating to the disposal of the 40% stake of Belron to CD&R. The re-measurement has been adjusted in the comparative information (refer to note 1 of the 2020 half-yearly financial statements for more information)

***Adjusted* result before tax, Group's share (*adjusted* PBT, Group's share)**

All results in both periods are on a post-IFRS 16 basis.

EUR million	2020					2019 (1)				
	D'Ieteren Auto	Belron (54.79%)	Moleskine	Corp. & unallocated	Total (segment)	D'Ieteren Auto	Belron (54.10%)	Moleskine	Corp. & unallocated	Total (segment)
Segment reported PBT	**16.2**	**134.2**	**-36.8**	**-9.3**	**104.3**	**82.1**	**152.3**	**-1.8**	**-13.2**	**219.4**
Less: adjusting items in PBT	18.2	36.1	21.0	-	75.3	1.0	35.5	-	4.1	40.6
Segment adjusted PBT	**34.4**	**170.3**	**-15.8**	**-9.3**	**179.6**	**83.1**	**187.8**	**-1.8**	**-9.1**	**260.0**
Less: share of the group in tax on adjusted results of equity-accounted investees	1.3	-	-	-	1.3	1.7	-	-	-	1.7
Share of non-controlling interests in adjusted PBT	-	-77.0	-	-	-77.0	-	-86.2	-	-	-86.2
Segment adjusted PBT, Group's share	**35.7**	**93.3**	**-15.8**	**-9.3**	**103.9**	**84.8**	**101.6**	**-1.8**	**-9.1**	**175.5**

(1) As restated to reflect the adjustment of the fair value of the contingent liability relating to the disposal in 2018 of the 40% stake of Belron to CD&R – see note 1 of the 2020 half-yearly financial report for more information on the restatement of comparative information.

In the period, the weighted average percentage used for computing the segment adjusted PBT, Group's share of Belron amounts to 54.79% (54.10% in the prior period).

Key Performance Indicator (based on *adjusted* PBT, Group's share)

All results in both periods are on a post-IFRS 16 basis.

EUR million	2020					2019 (1)				
	D'Ieteren Auto	Belron (54.79%)	Moleskine	Corp. & unallocated	Total (segment)	D'Ieteren Auto	Belron (54.79%)	Moleskine	Corp. & unallocated	Total (segment)
Segment adjusted PBT, Group's share	**35.7**	**93.3**	**-15.8**	**-9.3**	**103.9**	**84.8**	**101.6**	**-1.8**	**-9.1**	**175.5**
Excluding:										
Adjustment of the share of the Group (comparable basis with 2020)	-	-	-		-	-	1.3	-		1.3
Adjusted PBT, Group's share (key performance indicator)	**35.7**	**93.3**	**-15.8**	**-9.3**	**103.9**	**84.8**	**102.9**	**-1.8**	**-9.1**	**176.8**

(1) As restated to reflect the adjustment of the fair value of the contingent liability relating to the disposal in 2018 of the 40% stake of Belron to CD&R – see note 1 of the 2020 half-yearly financial report for more information on the restatement of comparative information. The column Belron has also been restated based on the weighted average percentage used for computing the segment adjusted PBT in 2020 (54.79% in 2020 vs 54.10% in 2019) to make both periods comparable.

Net debt (on a post-IFRS 16 basis in both periods)

In order to better reflect its indebtedness, the Group uses the concept of net debt. This non-GAAP measure, i.e. its definition is not addressed by IFRS, is an Alternative Performance Measure ("APM") and is not presented as an alternative to financial measures determined in accordance with IFRS.

Net debt is based on loans and borrowings less cash, cash equivalents and non-current and current asset investments. It excludes the fair value of derivative debt instruments. The hedged loans and borrowings (i.e. those that are accounted for in accordance with the hedge accounting rules of IAS 39) are translated at the contractual foreign exchange rates of the related cross currency swaps. The other loans and borrowings are translated at closing foreign exchange rates.

EUR million	30 June 2020				30 June 2019			
	D'Ieteren Auto	Belron (100%)	Moleskine	Corp. & unallocated	D'Ieteren Auto	Belron (100%)	Moleskine	Corp. & unallocated
Non-current loans and borrowings	10.2	3,030.7	118.5	5.2	7.1	2,242.0	133.1	5.1
Current loans and borrowings	28.0	184.1	27.5	0.5	7.2	180.8	41.5	0.4
Inter-segment financing	200.9	-	194.7	-395.6	-	-	158.3	-158.3
Adjustment for hedged borrowings	-	-1.0	-	-	-	3.2	-	-
Gross debt	**239.1**	**3,213.8**	**340.7**	**-389.9**	**14.3**	**2,426.0**	**332.9**	**-152.8**
Less: cash and cash equivalents	-141.2	-476.9	-32.3	-576.1	-1.9	-244.7	-7.5	-694.1
Less: current financial assets	-	-	-	-485.0	-	-	-	-201.6
Less: other non-current receivables	-	-	-	-	-	-	-	-20.1
Net debt	**97.9**	**2,736.9**	**308.4**	**-1,451.0**	**12.4**	**2,181.3**	**325.4**	**-1,068.6**

In both periods, the inter-segment loans comprise amounts lent by the Corporate department to the Moleskine segment (non-recourse loan in the framework of the acquisition) and, in the current period, to the D'Ieteren Auto segment, at arm's length conditions.

Belron's net financial debt (post-IFRS 16) reached EUR 2,736.9 million at the end of June 2020. This compares with EUR 2,181.3 million at the end of June 2019 and EUR 2,979.1 million at the end of December 2019. The decrease of EUR 242.2 million on the year-end net debt is primarily the result of strong cash generation during the first semester of 2020 and strict working capital management during the lockdown period following the COVID-19 crisis. The increase of EUR 555.6 million on the 2019 half-year net debt is partially explained by issuance in Q4 2019 of a new seven-year Term Loan B of USD 830 million (which matures in October 2026) and a EUR 100 million add-on-loan to the existing EUR Term Loan B (which matures in November 2024).

Under IFRS 16, EUR 616.5 million of lease liabilities are recognised on the balance sheet and therefore included in the net debt calculation (EUR 654.7 million at the end of December 2019 and EUR 645.5 million at the end of June 2019).

The increase in the net cash position of the Corporate & unallocated segment (from EUR 1,068.6 million at the end of June 2019 to EUR 1,451.0 million at the end of June 2020) is primarily the result of the dividend (EUR 460.7 million) received from Belron in Q4 2019 (following the issue of a new term loan – see above), partially offset by the payment in June 2020 of the dividend (EUR 54.0 million) to the shareholders of D'Ieteren.

Major risk factors

This report should be read together with the section “Risk Factors” of our 2019 financial and directors’ report (pages 56-58 and 108-122), which describes various risks and uncertainties to which the Group is or may become subject. The risks described below and in the 2019 financial and director’s report are not the only risks facing the Group. Additional risks and uncertainties not currently known to the Group or that the Group currently deems to be immaterial also may materially adversely affect its business, financial condition and/or operating results.

Covid-19

For the last half year, the coronavirus (COVID-19) pandemic has been affecting businesses all over the world – the Group included and is therefore being addressed here with more scrutiny. The public health crisis caused by the COVID-19 pandemic, as well as measures taken in response to contain or mitigate the pandemic, have had, and to a certain extent are expected to continue to have, certain negative impacts on Group’s business including, without limitation, the demand (impact on orders and sales), the opening of our sites, the availability of our personnel, the procurement of inventory, the profit and loss and operating results, the financial condition and cash flows.

Since the outset of the crisis the Group has taken swift and focused measures to protect its employees, its clients and suppliers. Taking into account local, regional and national sanitary and health recommendations, the Group implemented strict sanitary and social distancing measures for employees and clients in all its locations, to ensure a COVID-proof work environment. Some offices and work locations at the level of D’Ieteren Auto, Belron and Moleskine have been closed during the lock-downs and have gradually reopened. Together with the strengthening of personal sanitary measures and other precautionary measures in reopened locations, the Group also expanded throughout its organizations its home-work protocol for its white collars.

The Group has also taken adequate measures to support its activities on a daily basis, to guarantee supply, especially from China, for Moleskine and Belron and to ensure business continuity and protection of its business health throughout the world.

The Group has taken and is currently still taking measures to minimize the impact of the crisis on Group’s cash flows and the Group is ensuring on a weekly basis that it has the necessary liquidity for the negative impacts of a possible prolonged crisis.

Condensed Consolidated Interim Financial Statements

Consolidated Statement of Profit or Loss

6-month period ended 30 June

EUR million	Notes	2020	2019 (1)
Revenue	5	**1,510.8**	**2,010.6**
Cost of sales		-1,319.2	-1,746.9
Gross margin		**191.6**	**263.7**
Commercial and administrative expenses		-200.1	-190.6
Other operating income	4	5.9	13.5
Other operating expenses	4/9	-25.5	-8.6
Operating result		**-28.1**	**78.0**
Net finance costs	4	-1.8	-14.3
Finance income		2.5	0.5
Finance costs	4	-4.3	-14.8
Share of result of equity-accounted investees and long-term interest in equity-accounted investees, net of income tax	10	55.4	56.7
Result before tax		**25.5**	**120.4**
Income tax expense	8	-4.9	-13.2
Result from continuing operations		**20.6**	**107.2**
Discontinued operations		-	-
RESULT FOR THE PERIOD		**20.6**	**107.2**
Result attributable to:			
Equity holders of the Company		**20.6**	**107.3**
Non-controlling interests ("NCI")		-	-0.1
Earnings per share			
Basic (EUR)	6	0.38	1.96
Diluted (EUR)	6	0.38	1.96
Earnings per share - Continuing operations			
Basic (EUR)	6	0.38	1.96
Diluted (EUR)	6	0.38	1.96

(1) As restated to reflect the adjustment of the fair value of the contingent liability relating to the disposal in 2018 of the 40% stake of Belron to CD&R – see note 1 for more information on the restatement of comparative information.

The notes on pages 26 to 40 are an integral part of these condensed consolidated interim financial statements.

The Group uses Alternative Performance Measures (non-GAAP measures) to reflect its financial performance – See interim management report and press release.

Consolidated Statement of Comprehensive Income

6-month period ended 30 June

EUR million	Notes	2020	2019 (1)
Result for the period		20.6	107.2
Other comprehensive income			
Items that will never be reclassified to profit or loss (net of tax):		16.4	3.3
Re-measurements of defined benefit liabilities/assets		*0.6*	*-0.1*
Equity-accounted investees - share of OCI	*10*	*15.8*	*3.4*
Items that may be reclassified subsequently to profit or loss (net of tax)		-26.6	-9.8
Translation differences		-	*1.0*
Cash flow hedges: fair value gains (losses) in equity		*0.1*	*-0.1*
Equity-accounted investees - share of OCI	*10*	*-26.7*	*-10.7*
Other comprehensive income, net of tax		-10.2	-6.5
Total comprehensive income for the period		**10.4**	**100.7**
being: attributable to equity holders of the Company		***10.4***	***100.8***
of which continuing operations		*10.4*	*100.8*
of which discontinued operations		-	-
attributable to non-controlling interests ("NCI")		-	***-0.1***

(1) As restated to reflect the adjustment of the fair value of the contingent liability relating to the disposal in 2018 of the 40% stake of Belron to CD&R – see note 1 for more information on the restatement of comparative information.

The notes on pages 26 to 40 are an integral part of these condensed consolidated interim financial statements.

Consolidated Statement of Financial Position

EUR million	Notes	30 June 2020	31 Dec. 2019 (1)	30 June 2019 (1)
Goodwill	9	76.1	97.1	196.2
Intangible assets		448.6	444.8	437.5
Property, plant & equipment		267.5	268.7	281.9
Investment property		28.5	28.9	14.6
Equity-accounted investees and long-term interests in equity-accounted investees	10	543.8	349.3	764.5
Deferred tax assets		47.0	41.3	42.4
Other receivables		4.5	4.6	24.8
Non-current assets		**1,416.0**	**1,234.7**	**1,761.9**
Inventories		485.0	492.8	501.7
Current financial investments	4	485.0	543.4	201.6
Derivative financial instruments		-	0.1	-
Current tax assets		9.5	10.5	9.3
Trade and other receivables		362.2	454.8	475.1
Cash and cash equivalents		749.6	721.9	703.5
Current assets		**2,091.3**	**2,223.5**	**1,891.2**
TOTAL ASSETS		**3,507.3**	**3,458.2**	**3,653.1**
Capital & reserves attributable to equity holders		2,578.2	2,646.3	2,692.9
Non-controlling interests ("NCI")		4.5	0.6	0.5
Equity		**2,582.7**	**2,646.9**	**2,693.4**
Employee benefits		26.9	31.6	24.8
Provisions		18.3	14.7	21.0
Loans & borrowings		133.9	134.4	145.4
Put options granted to non-controlling interests		-	-	0.3
Other payables		0.1	-	-
Deferred tax liabilities		132.1	132.8	132.8
Non-current liabilities		**311.3**	**313.5**	**324.3**
Provisions	4	23.4	2.5	4.0
Loans & borrowings		56.0	46.5	49.1
Derivative financial instruments		0.4	0.4	0.6
Other financial liabilities	1/4	-	31.9	26.8
Current tax liabilities		14.2	5.0	9.7
Trade and other payables		519.3	411.5	545.2
Current liabilities		**613.3**	**497.8**	**635.4**
TOTAL EQUITY AND LIABILITIES		**3,507.3**	**3,458.2**	**3,653.1**

(1) As restated to reflect the adjustment of the fair value of the contingent liability relating to the disposal in 2018 of the 40% stake of Belron to CD&R – see note 1 for more information on the restatement of comparative information.

The notes on pages 26 to 40 are an integral part of these condensed consolidated interim financial statements.

Consolidated Statement of Changes in Equity

EUR million	Capital and reserves attributable to equity holders						Total Group's share	Non-controlling interests	Equity
	Share capital	Share premium	Treasury shares	Hedging reserve	Retained earnings	Cumulative translation differences			
At 1 January 2019	**160.0**	**24.4**	**-38.3**	**2.6**	**2,521.2**	**-14.8**	**2,655.1**	**0.3**	**2,655.4**
Adjustment on initial application of IFRS 16 (net of tax)	-	-	-	-	-6.4	-	-6.4	-	-6.4
Restatement (1)	-	-	-	-	4.0	-	4.0	-	4.0
At 1 January 2019 (adjusted and restated)	**160.0**	**24.4**	**-38.3**	**2.6**	**2,518.8**	**-14.8**	**2,652.7**	**0.3**	**2,653.0**
Profit for the period	-	-	-	-	107.3	-	107.3	-0.1	107.2
Other comprehensive income	-	-	-	-12.6	4.9	1.2	-6.5	-	-6.5
Total comprehensive income for the period	**-**	**-**	**-**	**-12.6**	**112.2**	**1.2**	**100.8**	**-0.1**	**100.7**
Treasury shares	-	-	-6.9	-	-	-	-6.9	-	-6.9
Dividends	-	-	-	-	-54.8	-	-54.8	-	-54.8
Other movements	-	-	-	-	1.1	-	1.1	-	1.1
Total contribution and distribution	**-**	**-**	**-6.9**	**-**	**-53.7**	**-**	**-60.6**	**-**	**-60.6**
Acquisition of subsidiary with NCI	-	-	-	-	-	-	-	0.3	0.3
Total change in ownership interests	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.3**	**0.3**
At 30 June 2019	**160.0**	**24.4**	**-45.2**	**-10.0**	**2,577.3**	**-13.6**	**2,692.9**	**0.5**	**2,693.4**
At 1 January 2020	**160.0**	**24.4**	**-57.0**	**-7.7**	**2,525.5**	**-4.5**	**2,640.7**	**0.6**	**2,641.3**
Restatement (1)	-	-	-	-	5.6	-	5.6	-	5.6
At 1 January 2020 (restated)	**160.0**	**24.4**	**-57.0**	**-7.7**	**2,531.1**	**-4.5**	**2,646.3**	**0.6**	**2,646.9**
Profit for the period	-	-	-	-	20.6	-	20.6	-	20.6
Other comprehensive income	-	-	-	-19.7	19.0	-9.5	-10.2	-	-10.2
Total comprehensive income for the period	**-**	**-**	**-**	**-19.7**	**39.6**	**-9.5**	**10.4**	**-**	**10.4**
Treasury shares	-	-	-27.4	-	-	-	-27.4	-	-27.4
Treasury shares - cancellation (buy back programme - see note 11)	-	-	43.4	-	-43.4	-	-	-	-
Dividends (see note 11)	-	-	-	-	-54.0	-	-54.0	-	-54.0
Other movements	-	-	-	-	0.8	-	0.8	-	0.8
Total contribution and distribution	**-**	**-**	**16.0**	**-**	**-96.6**	**-**	**-80.6**	**-**	**-80.6**
Transactions with NCI without change in control	-	-	-	-	2.1	-	2.1	3.9	6.0
Total change in ownership interests	**-**	**-**	**-**	**-**	**2.1**	**-**	**2.1**	**3.9**	**6.0**
At 30 June 2020	**160.0**	**24.4**	**-41.0**	**-27.4**	**2,476.2**	**-14.0**	**2,578.2**	**4.5**	**2,582.7**

(1) As restated to reflect the adjustment of the fair value of the contingent liability relating to the disposal in 2018 of the 40% stake of Belron to CD&R – see note 1 for more information on the restatement of comparative information.

The notes on pages 26 to 40 are an integral part of these condensed consolidated interim financial statements.

Condensed Consolidated Statement of Cash Flows

6-month period ended 30 June

EUR million	Notes	2020	2019 [(1)]
Cash flows from operating activities - Continuing			
Result for the period		20.6	107.2
Income tax expense		4.9	13.2
Share of result of equity-accounted investees and long-term interest in equity-accounted investees, net of income tax	10	-55.4	-56.7
Net finance costs		1.8	14.3
Operating result from continuing operations		**-28.1**	**78.0**
Depreciation and amortisation		21.8	19.6
Impairment losses on goodwill and other non-current assets	9	21.0	-
Other non-cash items	4	30.6	6.6
Employee benefits		-3.2	-2.1
Change in net working capital		171.9	5.9
Cash generated from operations		**214.0**	**108.0**
Income tax paid		-2.1	-23.2
Net cash from operating activities		**211.9**	**84.8**
Cash flows from investing activities - Continuing			
Purchase of property, plant and equipment and intangible assets		-16.2	-25.0
Sale of property, plant and equipment and intangible assets		0.5	7.6
Net capital expenditure		**-15.7**	**-17.4**
Acquisition of subsidiaries (net of cash acquired)		-0.3	-5.8
Acquisition of equity-accounted investees and long-term interests in equity-accounted investees	10	-150.0	-
Contribution of cash from/(to) joint ventures		-1.6	-1.5
Proceeds from the sale of/(investments in) financial assets	4	58.4	-201.6
Interest received		1.9	0.1
Net investment in other financial assets		0.3	-0.2
Net cash from investing activities		**-107.0**	**-226.4**
Cash flows from financing activities - Continuing			
Acquisition (-)/Disposal (+) of non-controlling interests		6.0	-
Net disposal/(acquisition) of treasury shares		-27.4	-6.9
Repayment of lease liabilities		-6.2	-6.9
Net change in other loans and borrowings		7.7	-15.8
Interest paid		-3.3	-3.7
Dividends paid by the Company	11	-54.0	-54.8
Net cash from financing activities		**-77.2**	**-88.1**
Cash flows from continuing operations		**27.7**	**-229.7**
Cash flows from discontinued operations		**-**	**-**
TOTAL CASH FLOW FOR THE PERIOD		**27.7**	**-229.7**
Reconciliation with statement of financial position			
Cash and cash equivalents at the beginning of the period		**721.9**	**933.0**
Total cash flow for the period		27.7	-229.7
Translation differences		-	0.2
Cash and cash equivalents at the end of the period		**749.6**	**703.5**
Included within "Cash and cash equivalents"		*749.6*	*703.5*

(1) As restated to reflect the adjustment of the fair value of the contingent liability relating to the disposal in 2018 of the 40% stake of Belron to CD&R – see note 1 for more information on the restatement of comparative information.

The notes on pages 26 to 40 are an integral part of these condensed consolidated interim financial statements.

Notes to the Condensed Consolidated Interim Financial Statements

NOTE 1: GENERAL INFORMATION

s.a. D'Ieteren n.v. (the Company) is a public company incorporated and domiciled in Belgium, whose controlling shareholders are listed in note 11. The address of the Company's registered office is: Rue du Mail 50, B-1050 Brussels (Belgium).

In existence since 1805, and across family generations, the Company 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 Company, its subsidiaries and its interests in associates and joint ventures (together the Group) form an international group, currently active in four activities articulated around strong brands:

- D'Ieteren Auto distributes Volkswagen, Audi, SEAT, Škoda, Bentley, Lamborghini, Bugatti, Porsche and Yamaha vehicles in Belgium. It is the country's number one car distributor, with 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;
- Belron 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, it manages vehicle glass and other insurance claims on behalf of insurance customers.
- Moleskine 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;
- D'Ieteren Immo groups together the Belgian real estate interests of D'Ieteren Group. It owns and manages approximately 30 properties. It also pursues investment projects and carries out studies into possible site renovations.

The Company is listed on Euronext Brussels.

These condensed consolidated interim financial statements have been authorized for issue by the Board of Directors on 27 August 2020.

Restatement of comparative information

According to IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity, and the condensed consolidated statement of cash flows have been restated in 2019 to take into account the adjustment on the fair value of the contingent liability relating to the disposal in 2018 of the 40% stake of Belron to CD&R (a result of the correction of a past error identified in 2020). As a result, the fair value of the contingent liability in the statement of financial position (included in the line "other financial liabilities") has been reduced by EUR 5.0 million at the end of June 2019 and EUR 5.6 million at the end of December 2019. Finance income increased by EUR 1.0 million over the 6-month period ended 30 June 2019 and by EUR 1.6 million for the year ended 31 December 2019. Opening retained earnings have been restated by EUR 4.0 million as of 1 January 2019. The contingent liability has been settled during the first semester of 2020 for a total amount of EUR 31.9 million.

COVID-19

The coronavirus (COVID-19) pandemic has caused an unprecedented and sudden shock to the overall economy and has been affecting all Group's activities throughout the world. The Group's activities experienced underactivity during Q2 2020 with related decline in sales due the temporary shutdowns of the vast majority of the Group's operations (at the level of D'Ieteren Auto, Belron and Moleskine; most of them have now reopened).

Several measures were launched at the beginning of the pandemic by its activities to preserve cash by reducing costs, optimizing working capital, postponing payments of social expenses in some countries thanks to some national governments initiatives and delay certain non-strategic investments. D'Ieteren Auto, Belron, Moleskine and D'Ieteren Immo rapidly adjusted their capacity where needed and furloughed part of its workforce (most of them have now returned to work) where applicable in conformity with country specific legal framework and regulations.

A Solidarity Programme has been established to support and help employees of the Group who may suffer hardship as a consequence of the COVID-19 crisis. As announced on 27 April 2020, the Board of Directors of the Company has decided to allocate the initially planned dividend increase compared to last year of 0.15 EUR per share to this Solidarity Programme, leading to an approximately EUR 8 million of dedicated provision recognised on the balance sheet as at 30 June 2020 (Corporate and Unallocated segment). Additional contributions from salary and fee from senior managers and Board members will increase during the second semester of the year the level of available cash.

The impact of government stimulus is not material to the income statement, except for support related to the temporary unemployment in Europe (ca. EUR 21 million at Belron level recognized in the income statement, together with a further EUR 25 million directly paid to employees, and ca. EUR 10 million of cost savings at D'Ieteren Auto level). The Group was exposed to additional credit risk arising from its customers (distress resulting from the sanitary crisis). Thanks to the intensified focus and tracking throughout the activities, there has been no significant increase in bad debt.

NOTE 1: GENERAL INFORMATION (continued)

A review was undertaken during Q2 2020 to assess whether the consequences of COVID-19 crisis indicate that some assets could be impaired. This review confirmed that there was an indication of impairment for some cash generating units, notably at Moleskine level. See notes 4 and 9 for more additional information on the performed impairment tests and consequences on the consolidated income statement.

As a consequence of the current environment, the Group also re-assessed the utilization of tax losses previously recognized as deferred tax assets, based on updated forecasts of taxable income. This review concluded that the recognised deferred tax assets are justified.

The Group also reviewed the valuation as at 30 June 2020 of the assets and liabilities considering the potential impacts of the current uncertainties and concluded that the carrying amounts are currently justified.

Despite the crisis and thanks to its adequate taken measures to preserve cash, the Group has a strong funding and liquidity structure in place as at 30 June 2020, with approximately EUR 1.0 billion of net cash sitting on the consolidated balance sheet level and a well-balanced debt profile at Belron level with no near-term significant maturities before 2024. As of 30 June 2020, the Group complied with all requirements of the loan covenants. The Group continues to take measures to minimize the impact of the crisis on cash flows and is ensuring that it has the necessary liquidity structure in place for the foreseeable future to ensure the going concern of the Group.

Brexit

The exit of the UK from the European Union (Brexit) could affect estimations or judgments made in the preparation of the financial statements, mostly for the entities with operations in the UK or Europe. Risks and potential exposures to the Brexit are however assessed as reasonable due to the limited exposure of the Group to the UK economic environment and to the measures taken by local management to mitigate the risks.

Alternative Performance Measurement – Non-GAAP measurement

In order to better reflect its underlying performance and assist investors in gaining a better understanding of its financial performance, the Group uses Alternative Performance Measures ("APMs"). These APMs are non-GAAP measures, i.e. their definition is not addressed by IFRS. The Group does not present APMs as an alternative to financial measures determined in accordance with IFRS and does not give to APMs greater prominence than defined IFRS measures. These APMs are presented in the interim management report and in the press release.

NOTE 2: BASIS OF PREPARATION AND ACCOUNTING POLICIES

Note 2.1: Basis of Preparation

These condensed consolidated interim financial statements are for the six months ended 30 June 2020. They are presented in euro, which is the Group's functional currency. All amounts have been rounded to the nearest million, unless otherwise indicated. They have been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the European Union ("EU"). They do not include all the information required for a complete set of IFRS financial statements. They have been prepared in a condensed format, with selected explanatory notes to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements. Therefore, they should be read in conjunction with the 2019 annual consolidated financial statements.

These condensed consolidated interim financial statements are prepared on the assumption that the Group is a going concern and will continue in operation for the foreseeable future.

In preparing these condensed consolidated interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the 2019 annual consolidated financial statements, except for new significant judgments related to the ongoing uncertainty surrounding the COVID-19 global pandemic (see "Major risks factors" section included in this half-yearly financial report and note 1 of these interim financial statements).

The assumptions used for the preparation of these condensed consolidated interim financial statements reflected the reasonable and supportable information which were available as at 30 June 2020.

NOTE 2: BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

Note 2.2: Significant Accounting Policies

The accounting policies applied are consistent with those summarized in note 33 of the 2019 annual consolidated financial statements.

The new standards and amendments to standards that are mandatory for the first time for the Group's accounting period beginning on 1 January 2020 are listed below:

- Amendments to References to Conceptual Framework in IFRS Standards (effective 1 January 2020, the IASB has issued an exposure draft to defer the effective date to 1 January 2023 – endorsed by the EU);
- Amendments to IFRS 3 "Business Combination" (effective 1 January 2020 – endorsed by the EU);
- Amendments to IAS 1 and IAS 8: Definition of Material (effective 1 January 2020 – endorsed by the EU);
- Amendments to IFRS 9, IAS 39 and IFRS 7: Interest rate benchmark reform (effective 1 January 2020 – endorsed by the EU)

These new standards do not have a material impact on the Group's financial statements.

The standards, amendments and interpretations to existing standards issued by the IASB but not yet effective in 2020 have not been early adopted by the Group, except for the amendment to IFRS 16 "Leases" – Covid-19-Related Rent Concessions (effective for annual period beginning on or after 1 June 2020) that enables companies to elect that Covid-19 related rent concessions are not treated as contract modifications. The early adoption of this standard (ahead of approval by the EU – due Q3 2020) has had no significant impact on the Group's consolidated financial statements.

The other standards are listed below:

- Amendments to IAS 1 "Presentation of Financial Statements" – Classification of Liabilities as Current or Non-current (effective 1 January 2022 – subject to endorsement by the EU);
- Amendments to IFRS 3 "Business Combination" (effective 1 January 2022 – subject to endorsement by the EU);
- Amendments to IAS 16 "Property, Plant and Equipment" (effective 1 January 2022 – subject to endorsement by the EU);
- Amendments to IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" (effective 1 January 2022 – subject to endorsement by the EU);
- Annual Improvements to IFRS Standards 2018–2020 (effective 1 January 2022 – subject to endorsement by the EU);

NOTE 3: SEASONALITY

D'Ieteren Auto

The automobile distribution activities experience a higher demand for new vehicles (under normal conditions, sales of new vehicles represent generally about 80% of total external revenue of the segment) in the first half of the year. This phenomenon is further increased every two years by the impact of the Brussels' Car and Motorcycle Show (the last one took place in January 2020).

Belron

Belron experiences some natural increases in business in the early part of the year corresponding with cold weather in Europe and in North America, and in mid-summer prior to the start of the continental European holiday season.

Moleskine

The Moleskine segment experiences some natural increases in business during the year. The sales are highly concentrated over the last quarter, as the Christmas and gifting period approaches.

NOTE 4: SEGMENT INFORMATION

The Group's reportable operating segments are D'Ieteren Auto, Belron, Moleskine and Corporate & unallocated.

D'Ieteren Auto comprises the automobile distribution activities of the Group. Belron comprises Belron Group s.a. and its subsidiaries. Despite its classification as an equity-accounted investee, Belron remains a reportable operating segment, reflecting the Group's internal reporting structure. Moleskine includes Moleskine S.p.a. and its subsidiaries. The segment Corporate & unallocated comprises the corporate and the real estate activities of the Group.

These operating segments are consistent with the Group's organisational and internal reporting structure.

NOTE 4: SEGMENT INFORMATION (continued)

Note 4.1: Segment Statement of Profit or Loss - Operating Segments (6-month period ended 30 June)

EUR million	Notes	2020					
		D'Ieteren Auto	Belron (100%)	Moleskine	Corp. & unallocated	Eliminations	Group
External revenue		1,469.8	1,853.3	41.0	-	-1,853.3	1,510.8
Inter-segment revenue		-	-	-	-	-	-
Segment revenue	**5**	**1,469.8**	**1,853.3**	**41.0**	**-**	**-1,853.3**	**1,510.8**
Operating result (being segment result)		**18.4**	**198.1**	**-30.5**	**-16.0**	**-198.1**	**-28.1**
Net finance costs		-2.2	-63.9	-6.3	6.7	63.9	-1.8
Finance income		-	6.5	0.4	2.1	-6.5	2.5
Finance costs		-1.4	-70.4	-2.8	-0.1	70.4	-4.3
Inter-segment financing interest		-0.8	-	-3.9	4.7	-	-
Share of result of equity-accounted investees and long-term interest in equity-accounted investees, net of income tax	10	-	-	-	-	55.4	55.4
Result before tax		**16.2**	**134.2**	**-36.8**	**-9.3**	**-78.8**	**25.5**
Income tax expense	8	-6.5	-33.1	-0.3	1.9	33.1	-4.9
Result from continuing operations		**9.7**	**101.1**	**-37.1**	**-7.4**	**-45.7**	**20.6**
Discontinued operations		-	-	-	-	-	-
RESULT FOR THE PERIOD		**9.7**	**101.1**	**-37.1**	**-7.4**	**-45.7**	**20.6**

Attributable to:							
Equity holders of the Company (*)		**9.8**	**55.4**	**-37.2**	**-7.4**		**20.6**
Non-controlling interests		-0.1	-	0.1	-		-
RESULT FOR THE PERIOD		**9.7**	**55.4**	**-37.1**	**-7.4**		**20.6**

(*) Belron at 54.79% (weighted average percentage for the 2020 period – see note 10).

NOTE 4: SEGMENT INFORMATION (continued)

Note 4.1: Segment Statement of Profit or Loss - Operating Segments (6-month period ended 30 June – continued)

EUR million	2019 (1)					
	D'Ieteren Auto	Belron (100%)	Moleskine	Corp. & unallocated	Eliminations	Group
External revenue	1,939.5	2,114.4	71.1	-	-2,114.4	2,010.6
Inter-segment revenue	-	-	-	-	-	-
Segment revenue	**1,939.5**	**2,114.4**	**71.1**	**-**	**-2,114.4**	**2,010.6**
Operating result (being segment result)	**80.0**	**199.2**	**2.9**	**-4.9**	**-199.2**	**78.0**
Net finance costs	-1.3	-46.9	-4.7	-8.3	46.9	-14.3
Finance income	0.1	8.4	0.3	0.1	-8.4	0.5
Finance costs	-1.4	-55.3	-2.7	-10.7	55.3	-14.8
Inter-segment financing interest	-	-	-2.3	2.3	-	-
Share of result of equity-accounted investees and long-term interest in equity-accounted investees, net of income tax	3.4	-	-	-	53.3	56.7
Result before tax	**82.1**	**152.3**	**-1.8**	**-13.2**	**-99.0**	**120.4**
Income tax expense	-24.5	-53.8	-0.9	12.2	53.8	-13.2
Result from continuing operations	**57.6**	**98.5**	**-2.7**	**-1.0**	**-45.2**	**107.2**
Discontinued operations	-	-	-	-	-	-
RESULT FOR THE PERIOD	**57.6**	**98.5**	**-2.7**	**-1.0**	**-45.2**	**107.2**

Attributable to:						
Equity holders of the Company (*)	**57.6**	**53.3**	**-2.6**	**-1.0**		**107.3**
Non-controlling interests	-	-	-0.1	-		-0.1
RESULT FOR THE PERIOD	**57.6**	**53.3**	**-2.7**	**-1.0**		**107.2**

(1) As restated to reflect – in the segment Corporate & unallocated – the adjustment of the fair value of the contingent liability relating to the disposal in 2018 of the 40% stake of Belron to CD&R – see note 1 for more information on the restatement of comparative information.

(*) Belron at 54.10% (weighted average percentage for the 2019 period – see note 10).

NOTE 4: SEGMENT INFORMATION (continued)

Note 4.1: Segment Statement of Profit or Loss - Operating Segments (6-month period ended 30 June – continued)

In 2020, in the Corporate & unallocated segment, the line “Operating result” includes, amongst other amounts, the provision (EUR 8.2 million) related to the decision of the Board of Directors, as announced on 27 April 2020, to allocate the initially planned dividend increase of EUR 0.15 per share to a solidarity program that will help employees of D’Ieteren Group who may suffer hardship as a consequence of the Covid-19 crisis. In 2019, this line included the gain (EUR 6.5 million) realised on the disposal of a property (recognized in other operating income in the consolidated statement of profit or loss).

In 2020, in the D’Ieteren Auto segment, the line “Operating result” includes, amongst other amounts, the provision (EUR 20.9 million) related to the intention (as announced on 3 June 2020) to carry out a project for accelerating the transformation of its activities 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. This non-cash charge is presented in the line “other operating expenses” in the consolidated statement of profit or loss, and in the line “other non-cash items” in the condensed consolidated statement of cash flows.

In 2020, in the Moleskine segment, the line “Operating result” includes, amongst other amounts, the impairment charge recognised in the Moleskine segment (EUR 21.0 million). This non-cash charge is presented in the line “other operating expenses” in the consolidated statement of profit or loss. See note 9 for additional information.

In 2020, in the Belron segment, the increase in net finance costs on the same period last year reflects the new term loan taken out in Q4 2019 (issuance of a new seven-year Term Loan B of USD 830 million - which matures in October 2026 - and a EUR 100 million add-on-loan to the existing EUR Term Loan B which matures in November 2024).

In 2020 and 2019, the column “Eliminations” reconciles the segment statement of profit or loss (with the 6-month result of Belron presented on all lines under global integration method) to the IFRS Group consolidated statement of profit or loss (with the net result of Belron presented in the line “share of result of equity-accounted investees and long-term interest in equity-accounted investees, net of income tax” representing the share of the Group – 54.79% in 2020; 54.10% in 2019; see note 10 – in the net result of Belron over the first six months of the year).

In 2019, in the Corporate & unallocated segment, the net finance costs mainly included the loss (EUR -10.6 million – as restated; see note 1 for more information) on the fair value of the contingent liability relating to the disposal in 2018 of the 40% stake of Belron to CD&R.

NOTE 4: SEGMENT INFORMATION (continued)

Note 4.2: Segment Statement of Financial Position - Operating Segments

EUR million	Notes	30 June 2020					
		D'Ieteren Auto	Belron (100%)	Moleskine	Corp. & unallocated	Eliminations	Group
Goodwill	9	27.3	591.1	48.8	-	-591.1	76.1
Intangible assets		36.5	567.3	411.8	0.3	-567.3	448.6
Property, plant & equipment		58.7	876.4	31.4	177.4	-876.4	267.5
Investment property		0.1	-	-	28.4	-	28.5
Equity-accounted investees and long-term interests in equity-accounted investees	10	84.8	-	-	-	459.0	543.8
Investments		-	1.8	-	-	-1.8	-
Employee benefits		-	150.0	-	-	-150.0	-
Deferred tax assets		17.6	57.8	8.4	21.0	-57.8	47.0
Other receivables		2.2	5.3	1.3	1.0	-5.3	4.5
Non-current assets		**227.2**	**2,249.7**	**501.7**	**228.1**	**-1,790.7**	**1,416.0**
Inventories		452.9	294.5	32.1	-	-294.5	485.0
Current financial investments		-	-	-	485.0	-	485.0
Derivative financial instruments		-	2.3	-	-	-2.3	-
Current tax assets		0.5	5.2	8.9	0.1	-5.2	9.5
Trade and other receivables		327.0	382.6	28.6	6.6	-382.6	362.2
Cash and cash equivalents		141.2	476.9	32.3	576.1	-476.9	749.6
Current assets		**921.6**	**1,161.5**	**101.9**	**1,067.8**	**-1,161.5**	**2,091.3**
TOTAL ASSETS		**1,148.8**	**3,411.2**	**603.6**	**1,295.9**	**-2,952.2**	**3,507.3**
Equity		**-**	**-**	**-**	**2,582.7**	**-**	**2,582.7**
Employee benefits		24.0	8.0	1.8	1.1	-8.0	26.9
Provisions		9.7	25.9	-	8.6	-25.9	18.3
Loans & borrowings		10.2	3,030.7	118.5	5.2	-3,030.7	133.9
Inter-segment loan		200.9	-	194.7	-395.6	-	-
Derivative financial instruments		-	56.5	-	-	-56.5	-
Other payables		-	0.8	0.1	-	-0.8	0.1
Deferred tax liabilities		0.6	98.7	111.2	20.3	-98.7	132.1
Non-current liabilities		**245.4**	**3,220.6**	**426.3**	**-360.4**	**-3,220.6**	**311.3**
Provisions		20.9	43.9	2.5	-	-43.9	23.4
Loans & borrowings		28.0	184.1	27.5	0.5	-184.1	56.0
Derivative financial instruments		-	7.6	0.4	-	-7.6	0.4
Current tax liabilities		13.4	76.3	0.6	0.2	-76.3	14.2
Trade and other payables		476.8	755.6	29.0	13.5	-755.6	519.3
Current liabilities		**539.1**	**1,067.5**	**60.0**	**14.2**	**-1,067.5**	**613.3**
TOTAL EQUITY AND LIABILITIES		**784.5**	**4,288.1**	**486.3**	**2,236.5**	**-4,288.1**	**3,507.3**

For the segment statement of financial position as per 31 December 2019, see note 4.3 of the 2019 annual consolidated financial statements and note 1 of this report for information on the restatement (decrease by EUR 5.6 million of the line “other financial liabilities” with a corresponding increase in equity).

NOTE 4: SEGMENT INFORMATION (continued)

Note 4.2: Segment Statement of Financial Position - Operating Segments (continued)

EUR million	30 June 2019 (1)					
	D'Ieteren Auto	Belron (100%)	Moleskine	Corp. & unallocated	Eliminations	Group
Goodwill	24.0	530.3	172.2	-	-530.3	196.2
Intangible assets	24.7	449.1	412.6	0.2	-449.1	437.5
Vehicles	-	-	-	-	-	-
Property, plant & equipment	50.4	949.4	42.2	189.3	-949.4	281.9
Investment property	0.1	-	-	14.5	-	14.6
Equity-accounted investees and long-term interests in equity-accounted investees	80.0	-	-	-	684.5	764.5
Investments	-	1.8	-	-	-1.8	-
Derivative financial instruments	-	0.3	-	-	-0.3	-
Employee benefits	-	103.6	-	-	-103.6	-
Deferred tax assets	8.8	47.2	12.5	21.1	-47.2	42.4
Other receivables	2.7	8.2	1.2	20.9	-8.2	24.8
Non-current assets	**190.7**	**2,089.9**	**640.7**	**246.0**	**-1,405.4**	**1,761.9**
Inventories	456.6	331.4	45.1	-	-331.4	501.7
Current financial investments	-	-	-	201.6	-	201.6
Derivative financial instruments	-	0.9	-	-	-0.9	-
Current tax assets	2.2	12.6	7.1	-	-12.6	9.3
Trade and other receivables	435.0	426.0	35.8	4.3	-426.0	475.1
Cash and cash equivalents	1.9	244.7	7.5	694.1	-244.7	703.5
Current assets	**895.7**	**1,015.6**	**95.5**	**900.0**	**-1,015.6**	**1,891.2**
TOTAL ASSETS	**1,086.4**	**3,105.5**	**736.2**	**1,146.0**	**-2,421.0**	**3,653.1**
Equity	**-**	**-**	**-**	**2,693.4**	**-**	**2,693.4**
Employee benefits	21.9	6.3	2.1	0.8	-6.3	24.8
Provisions	17.3	19.8	3.3	0.4	-19.8	21.0
Loans & borrowings	7.1	2,242.0	133.1	5.2	-2,242.0	145.4
Inter-segment loan	-	-	158.3	-158.3	-	-
Derivative financial instruments	-	20.5	-	-	-20.5	-
Put options granted to non-controlling interests	0.3	-	-	-	-	0.3
Other payables	-	1.2	-	-	-1.2	-
Deferred tax liabilities	1.6	68.0	110.7	20.5	-68.0	132.8
Non-current liabilities	**48.2**	**2,357.8**	**407.5**	**-131.4**	**-2,357.8**	**324.3**
Provisions	-	106.8	4.0	-	-106.8	4.0
Loans & borrowings	7.2	180.8	41.5	0.4	-180.8	49.1
Derivative financial instruments	-	0.6	0.6	-	-0.6	0.6
Other financial liabilities	-	-	-	26.8	-	26.8
Current tax liabilities	8.9	33.1	0.6	0.2	-33.1	9.7
Trade and other payables	498.1	562.8	33.2	13.9	-562.8	545.2
Current liabilities	**514.2**	**884.1**	**79.9**	**41.3**	**-884.1**	**635.4**
TOTAL EQUITY AND LIABILITIES	**562.4**	**3,241.9**	**487.4**	**2,603.3**	**-3,241.9**	**3,653.1**

(1) As restated to reflect the adjustment – in the segment Corporate & unallocated – of the fair value of the contingent liability relating to the disposal in 2018 of the 40% stake of Belron to CD&R – see note 1 for more information on the restatement of comparative information.

For segment statement of financial position as per 31 December 2019, see note 4.3 of the 2019 annual consolidated financial statements and note 1 of this report for information on the restatement (decrease by EUR 5.6 million of the line “other financial liabilities” with a corresponding increase in equity).

NOTE 4: SEGMENT INFORMATION (continued)

Note 4.2: Segment Statement of Financial Position - Operating Segments (continued)

In 2019 and 2020, in the Corporate & unallocated segment, the line "Current financial investments" comprises investments in a portfolio of marketable securities (corporate bonds in Europe). Cash inflows of EUR 58.4 million is included in the line "proceeds from the sale of current financial investments" in the condensed consolidated statement of cash flows.

In 2019 and 2020, the inter-segment loans comprise amounts lent by the Corporate department to the Moleskine segment (non-recourse loan in the framework of the acquisition) and, in the current period, to the D'Ieteren Auto segment, at arm's length conditions.

In 2020, in the D'Ieteren Auto segment, the current provisions include, amongst other amounts, the provision related to the intention to carry out a project for accelerating the transformation of its activities.

In 2020, in the Corporate & unallocated segment, the non-current provisions include the EUR 8.2 million provision related to the decision of the Board of Directors, as announced on 27 April 2020, to allocate the initially planned dividend increase of EUR 0.15 per share to a solidarity program that will help employees of D'Ieteren Group who may suffer hardship as a consequence of the Covid-19 crisis.

In 2019, the line "Other financial liabilities" of EUR 26.8 million represented the estimate of the financial contingent liability relating to the disposal in 2018 of the 40% stake of Belron to CD&R. The fair value of this contingent liability has been adjusted in the comparative periods (see note 1 for more information on the restatement of comparative information). This contingent liability has been settled in the first semester of 2020 for a total amount of EUR 31.9 million

In 2020 and 2019, the column "Eliminations" reconciles the segment statement of financial position (including the assets and liabilities of Belron) to the IFRS consolidated statement of financial position (with Belron presented as an equity-accounted investee – see note 10).

NOTE 5: REVENUE

Disaggregation of revenue issued from contracts with customers for the 6-month period ended 30 June 2019 and 30 June 2020 is presented in the table below:

EUR million	2020	2019
D'Ieteren Auto		
New vehicles	1,281.7	1,719.5
Used cars	35.1	32.7
Spare parts and accessories	86.2	110.5
After-sales activities by D'Ieteren Car Centers	39.7	47.5
D'Ieteren Sport	17.8	18.3
Other revenue	9.3	11.0
Subtotal D'Ieteren Auto	**1,469.8**	**1,939.5**
Moleskine		
Europe, Middle-East and Africa (EMEA)	16.3	32.3
America	18.3	29.2
Asia-Pacific (APAC)	6.4	9.6
Subtotal Moleskine	**41.0**	**71.1**
Total Revenue	**1,510.8**	**2,010.6**

NOTE 6: EARNINGS PER SHARE

Earnings per share ("EPS") and earnings per share for continuing operations ("Continuing EPS") are shown above on the face of the consolidated statement of profit or loss. Basic and diluted EPS are based on the result for the period attributable to equity holders of the Company (based on the result from continuing operations attributable to equity holders of the Company for the continuing EPS), after adjustment for participating shares (each participating share confers one voting right and gives right to a dividend equal to one eighth of the dividend of an ordinary share).

The Group has granted options to employees over ordinary shares of the Company. Such shares constitute the only category of potentially dilutive ordinary shares.

NOTE 6: EARNINGS PER SHARE (continued)

The weighted average number of ordinary shares outstanding during the period is 53,536,682 (54,100,372 in the prior period) and the weighted average number of ordinary shares taken into account for diluted EPS is 53,899,833 (54,255,510 in the prior period). The decrease in the average number of ordinary shares outstanding is the result of the cancellation, in May 2020, of 934,692 treasury shares held by the Company as part of the programme approved by the Board on 28 August 2019 to repurchase the Company's own shares (see note 11).

The options over ordinary shares of the Company increased the weighted average number of shares of the Company taken into account for diluted earnings per share in the first half of 2019 and 2020 as some option exercise prices were below the average market share price.

NOTE 7: SHARE-BASED PAYMENTS

There is in the Group an equity-settled share-based payment scheme. Since 1999, share option schemes have been granted to officers and managers of the D'Ieteren Auto and Other segments, in the framework of the Belgian law of 26 March 1999. The underlying share is the ordinary share of s.a. D'Ieteren n.v. Under these schemes, vesting conditions are three years' service from grant date and holders of vested options are entitled to purchase shares at the exercice price of the related scheme during the exercise period.

A reconciliation of the movements in the number of outstanding options during the period is as follows:

	Number (in units)	
	30 June 2020	**30 June 2019**
Outstanding options at the beginning of the period	1,059,140	1,127,390
Granted during the period	166,500	185,000
Exercised during the period	-147,108	-77,981
Other movements during the period	-	59,178
Outstanding options at the end of the period	**1,078,532**	**1,293,587**
of which: exercisable at the end of the period	*366,179*	*402,084*

All outstanding options are covered by treasury shares (see note 11).

During the period, one new plan totalling 166,500 options was granted at the exercise price of EUR 49.36 and with an exercise period starting 1 January 2024 and ending in June 2030.

NOTE 8: INCOME TAX EXPENSE

The Group's consolidated effective tax rate for the six months ended 30 June 2020 is 19.2% (six months ended 30 June 2019: 11%). The increase in effective tax rate is primarily the result of the impairment charge (EUR 21.0 million in the Moleskine segment) for which no tax relief is available, and by the recognition, in 2019, of deferred tax assets on previously unrecognised tax losses and credits in the Corporate & unallocated segment.

NOTE 9: GOODWILL AND NON-CURRENT ASSETS

IAS 36 "Impairment of Assets" requires an impairment test to be performed annually and at each reporting date when there is an indication of a possible impairment (a triggering event).

The Board of Directors of the Company identified an indication of possible impairment on its assets in Moleskine (as a result of the lockdown period imposed by governments following the Covid-19 pandemic and the mandatory closure of many retail stores) and has therefore reviewed the carrying amount of its investment in Moleskine. The impairment review, based on the value in use calculation, was carried out to ensure that the carrying value of the assets are stated at no more than their recoverable amount, being the higher of fair value less costs to sell and value in use.

In determining the value in use, the Company calculated the present value of the estimated future cash flows expected to arise, based on a revised version of the Moleskine's latest five-year business plan (over the period H2-2020 to 2023) taking into account the expected impacts over the years of the Covid-19 crisis and approved by the Board of Directors, with extrapolation thereafter (terminal growth rate of 2%, consistent with last year). The discount rate applied (pre-tax rate of 7.9% in 2020 and 2019) is based upon the weighted average cost of capital of the Moleskine segment (taking into account appropriate adjustment for the relevant risks associated with the business and with the underlying country – "country risk premium"). An impairment charge of EUR 21.0 million (EUR 102.3 million at 31 December 2019) is recognised and fully allocated to goodwill (presented in other operating expenses on the statement of profit or loss). The residual value of the goodwill of the Moleskine segment following the impairment equals EUR 48.8 million.

NOTE 9: GOODWILL AND NON-CURRENT ASSETS (continued)

Future cash flows are estimates that may be revised in future periods as underlying assumptions change. Should the assumptions vary adversely in the future, the value in use of goodwill and intangible assets with indefinite useful lives may reduce below their carrying amounts. Sensitivities were also calculated on each of the key assumptions as follows: reduction in the long-term growth rate of 1%, decrease in margins of 0.5% and increase in the discount rate of 1%.

In 2020, a reduction in the long-term growth rate of 1% would result in an additional impairment charge of EUR 53 million on the goodwill and other assets allocated to the Moleskine segment. An increase in the discount rate of 1% would result in an additional impairment charge of EUR 60 million on the goodwill and other assets allocated to the Moleskine segment.

A new formal impairment test will be prepared at year-end to review the carrying value of the investment in Moleskine, based on the new five-year strategic plan than will be prepared during the second semester of the year.

The Board of Directors of the Company did not identify any indication of possible impairment on its investments in Belron (equity-accounted investee) nor on the assets of D'Ieteren Auto for the period ended 30 June 2020.

NOTE 10: EQUITY-ACCOUNTED INVESTEES

In 2020 and 2019, two entities are accounted for using the equity method.

EUR million	30 June 2020			31 December 2019		
	D'Ieteren Auto	Belron	Group	D'Ieteren Auto	Belron	Group
Interests in joint ventures	84.8	459.0	543.8	84.8	264.5	349.3
Interests in associate	-	-	-	-	-	-
Total of equity-accounted investees	**84.8**	**459.0**	**543.8**	**84.8**	**264.5**	**349.3**

EUR million	2020			2019		
	D'Ieteren Auto	Belron	Group	D'Ieteren Auto	Belron	Group
Share of profit in joint ventures	-	55.4	55.4	3.4	53.3	56.7
Share of profit (loss) in associate	-	-	-	-	-	-
Total of share of result after tax of equity-accounted investees	**-**	**55.4**	**55.4**	**3.4**	**53.3**	**56.7**

Belron

In 2020 and in 2019, the largest equity-accounted investee is Belron Group s.a. ("BGSA"), being the joint venture holding the Belron activities (see note 1 for more information), owned 54.85% in voting rights by the Group. The Group has joint control over BGSA as a result of some reserved matters being shared with Clayton, Dubilier & Rice ("CD&R").

At inception (February 2018), the capital structure of BGSA was composed of voting ordinary shares (ca. 3 % of total equity) and non-voting preference shares (ca. 97% of total equity), in the same proportion between shareholders (the Group, CD&R, and the family holding company of Belron's CEO). For the year 2020, preference shares bear a fixed annual compounding dividend rate of 10% (any distribution being first allocated to the preference shares in order to satisfy the accumulated dividend and to redeem the subscription amount of preference shares).

A new Management Reward Plan (MRP) involving about 250 key employees was set up on 15 June 2018. The participants of the MRP acquired non-voting equity instruments in BGSA (representing the fair value of various classes of equity instruments, being all treated as equity under IFRS). Part of the issued equity consists of "ratchet shares" which will allow management to enjoy additional returns if certain performance hurdles (IRR and Cash on Cash) are satisfied at exit, which will result in additional dilution for existing shareholders. Note that the MRP does not impact the Group's percentage voting rights (54.85%).

NOTE 10: EQUITY-ACCOUNTED INVESTEES (continued)

The detailed statement of financial position of Belron as included in its own financial statements (not adjusted for consolidated adjustments) is disclosed in note 4.2 segment information.

The global pandemic being considered as an indicator of impairment at half-year, Belron carried out a full impairment review for each of its cash-generating units (being the different countries where it operates) and identified indicators of impairment in France (lower expectations in HDRR business). In accordance with IAS 36, an impairment review has been performed on this cash-generating unit, based on the value in use calculation, to ensure that the carrying value of the assets are stated at no more than their recoverable amount, being the higher of fair value less costs to sell and value in use. This review led to a total impairment charge of EUR 6.1 million on specific assets of HDRR business in France. This impairment charge in the Belron segment however has no impact on the Group operating result since Belron is an equity-accounted investee (the share of the Group in the impairment charge of Belron is included in the line “share of result of equity-accounted investees and long-term interest in equity-accounted investees, net of tax”). Belron did not identify any impairment for any other countries reflecting the strong trading performance in the first semester.

At half-year, based on IAS28, the Board of Directors of the Company did not identify any indication of possible impairment (a triggering event) on its investment in Belron (equity-accounted investee) and therefore did not perform an impairment test.

A new shareholders’ agreement was signed in May 2018 between the Group and the family holding company of the Belron’s CEO, including put options (with related call options) related to the interest held by the family holding company of the Belron’s CEO. Based on IFRS requirements, the (financial) obligation to buy the equity instruments in an equity-accounted investee does not give rise to a financial liability in the consolidated statement of financial position (because equity-accounted investees are not part of the Group). This contract is a derivative that is in the scope of IFRS 9 “Financial Instruments”, measured at fair value through profit or loss and categorised within the fair value hierarchy as level 3. The fair value of this derivative amounts to nil as at 30 June 2020; the value of the Belron’s share based on the put formula being equal to the recent fair market value of Belron (recent MRP valuation).

In the consolidated statement of comprehensive income, the lines “Equity-accounted investees – share of OCI” mainly relate to the re-measurements of defined benefit assets/liabilities (primarily due to the UK pension scheme recording an actuarial gain with return on scheme assets less than offset by an actuarial loss due to a decrease in the discount rate), to the cash flow hedges (interest rate swaps and cross currency interest rate swaps used to partially hedge the debt) and translation differences of Belron.

The table below presents the revenue, profit before tax, the net result, and the other comprehensive income for the 6-month period ended 30 June 2020 and 30 June 2019. The Group’s share in net result is computed based on a weighted average percentage of 54.79% in 2020 and 54.10% in 2019.

EUR million	**2020**	**2019**
Revenue	1,853.3	2,114.4
Profit before tax	134.2	152.3
Result for the period (100%)	101.1	98.5
Other comprehensive income (100%)	-22.8	-13.5
Profit (or loss) and total comprehensive income (100%)	78.3	85.0
Group's share of profit (or loss) and comprehensive income	**44.5**	**46.0**
of which: Group's share of profit (or loss)	*55.4*	*53.3*
Group's share of other comprehensive income	*-10.9*	*-7.3*

Given the equity structure described above, the Group’s share in the net result of Belron for the 6-month period ended 30 June 2020 and 30 June 2019 was determined based on the Group’s percentage of ownership in the preference shares (for the fixed annual compounding dividend rate of 10% which benefits to preference shares) and based on the Group’s percentage of ownership in the ordinary shares (for the net result in surplus, after deduction of the fixed dividend of the preference shares). This calculation resulted in a Group’s share in the net result of Belron computed based on a weighted average percentage of 54.79% (54.10% in 2019), corresponding to a Group’s share in the profit of Belron of EUR 55.4 million (out of which EUR 20.2 million relate to preference shares and 35.2 million relate to ordinary shares). The 2020 calculation took into account the EUR 150 million non-voting preference shares acquired by the Group in February 2020 (these shares were previously held by CD&R).

NOTE 10: EQUITY-ACCOUNTED INVESTEES (continued)

The reconciliation of the Group's share in the net assets of BGSA from 31 December 2019 to 30 June 2020 is presented below:

EUR million	
Group's share of net assets at 31 December 2019	**264.5**
Group's share in profit (or loss) and comprehensive income	44.5
Acquisition of non-voting preference shares in BGSA	150.0
Group's share of net assets at 30 June 2020	**459.0**

During the period, BGSA repurchased EUR 49 million of its own shares previously held by MRP participants. As the transaction took place at fair value (the fair value of the own shares repurchased corresponds to the cash-out made to acquire these shares at transaction date), the transaction did not impact the carrying amount of the equity-accounted investee that the Group owns in BGSA as at 30 June 2020. These shares will be re-purchased in the future by existing and new participants of the MRP.

D'Ieteren Auto

In 2020 and in 2019, the second largest equity-accounted investee is the joint venture Volkswagen D'Ieteren Finance (VDFin), owned 50% minus one share by the Group and 50% plus one share by Volkswagen Financial Services (a subsidiary of the Volkswagen group), active in a full range of financial services related to the sale of the Volkswagen group vehicles on the Belgian market.

The following table summarises the financial information of VDFin as included in its own financial statements, adjusted for differences in accounting policies, and also reconciles this summarised financial information to the carrying amount of the Group's interest in VDFin.

EUR million	30 June 2020	31 December 2019
Non-current assets	1,508.5	1,556.3
Current assets (excluding cash and cash equivalents)	1,023.1	927.9
Cash and cash equivalents	67.0	66.0
Non-current liabilities (excluding financial liabilities)	-13.4	-10.2
Non-current financial liabilities	-664.1	-886.2
Current liabilities (excluding financial liabilities)	-159.8	-170.0
Current financial liabilities	-1,591.7	-1,314.2
Net assets (100%)	169.6	169.6
Group's share of net assets (49.99%) and carrying amount of interest in joint venture	**84.8**	**84.8**

EUR million	2020	2019
Revenue	301.1	309.3
Profit before tax	1.6	10.2
Result for the period (100%)	-	6.9
Other comprehensive income (100%)	-	-
Profit (or loss) and total comprehensive income (100%)	-	6.9
Group's share of profit (or loss) and comprehensive income (49.99%)	**-**	**3.4**

NOTE 11: CAPITAL AND RESERVES

The Ordinary General Meeting of 28 May 2020 decided to distribute a gross ordinary dividend of EUR 1.00 per share for the year 2019. Payment of the dividend started on 6 June 2020. The aggregate dividend amounts to EUR 54.0 million.

Treasury shares (1,088,532 at the end of the period; 1,508,563 at 31 December 2019) are held to cover the stock option plans set up by the Company since 1999 (see note 7 of these condensed consolidated interim financial statements and note 9 of the 2019 annual consolidated financial statements).

NOTE 11: CAPITAL AND RESERVES (continued)

In May 2020, in the framework of the share buyback programme approved by the Board of Directors on 28 August 2019, the Company cancelled 934,692 ordinary own shares then acquired. The total number of ordinary shares therefore decreased from 55,302,620 at 31 December 2019 to 54,367,928 at 30 June 2020, without change in ordinary share capital (EUR 160.0 million).

The controlling shareholders are listed below:

Shareholders with controlling interest according to the declaration of transparency dated 2 November 2011, and to further communications to the company (of which the latest on 16 January 2020).	**Capital shares**		**Participating shares**		**Total voting rights**	
	Number	**%**	**Number**	**%**	**Number**	**%**
s.a. de Participations et de Gestion, Brussels	12,129,254	22.31%	-	-	12,129,254	20.43%
Reptid Commercial Corporation, Dover, Delaware	1,963,200	3.61%	-	-	1,963,200	3.31%
Mrs Catheline Périer-D'Ieteren	-	-	1,250,000	25.00%	1,250,000	2.11%
Mr Olivier Périer	10,000	0.02%	-	-	10,000	0.02%
The four abovementioned shareholders (collectively "SPDG Group") are associated.	**14,102,454**	**25.94%**	**1,250,000**	**25.00%**	**15,352,454**	**25.86%**
Nayarit Participations s.c.a., Brussels	17,217,830	31.67%	-	-	17,217,830	29.00%
Mr Roland D'Ieteren	466,190	0.86%	3,750,000	75.00%	4,216,190	7.10%
Mr Nicolas D'Ieteren	10,000	0.02%	-	-	10,000	0.02%
The three abovementioned shareholders (collectively "Nayarit Group") are associated.	**17,694,020**	**32.54%**	**3,750,000**	**75.00%**	**21,444,020**	**36.12%**
The shareholders referred to as SPDG Group and Nayarit Group act in concert.						

NOTE 12: FINANCIAL INSTRUMENTS

Financial instruments measured at fair value in the consolidated statement of financial position

All Group's financial assets and liabilities measured at fair value in the consolidated statement of financial position are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: quoted market prices in an active market (that are unadjusted) for identical assets and liabilities;
- Level 2: valuation techniques (for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable);
- Level 3: valuation techniques (for which the lowest level input that is significant to the fair value measurement is unobservable).

At the end of June 2020 and of December 2019, all Group's financial assets and liabilities measured at fair value in the consolidated statement of financial position are classified in level 2, except, at 31 December 2019, the money-market assets (EUR 54.4 million included in the line "cash and cash-equivalents" in the consolidated statement of financial position – see note 19 of the 2019 consolidated financial statements) classified in level 1 and the financial contingent liability relating to the disposal of the 40% stake of Belron classified in level 3 (EUR 26.8 million as at 30 June 2019 and EUR 31.9 million as at 31 December 2019 – both as restated; see note 1 – classified as current other financial liabilities in the Corporate & unallocated segment).

Fair value disclosed

For all Group's financial assets and liabilities not measured at fair value in the consolidated statement of financial position, their fair value approximates their carrying amount.

Valuation techniques

The fair value of the bonds is determined based on their market prices. The fair value of the other loans and borrowings is based on either tradable market values or should such market values not be readily available is estimated by discounting the future contractual cash flows at the current market interest rate available to the Group for similar financial instruments.

The fair values of derivative financial instruments are determined using valuation techniques. The Group uses a variety of methods and makes assumptions based on market conditions at the balance sheet date.

The fair value of cross currency interest rate swaps and interest rate swaps is calculated as the present value of future estimated cash flows. The fair value of interest rate caps and collars is valued using option valuation techniques. The fair value of forward exchange contracts is determined using forward exchange market rates at the balance sheet date. The fair value of fuel hedge instruments (combination of options, collars and swaps used in the Belron segment to hedge the price of fuel purchases) is determined using market valuations prepared by the respective banks that executed the initial transactions at the statement of financial position date based on the present value of the monthly futures forward curve for gasoline given the volume hedged and the contract period. The fair values of forward rate agreements are calculated as the present value of future estimated cash flows.

NOTE 13: SUBSEQUENT EVENTS

No significant transactions out of the ordinary course of business occurred between the closing date and the date these condensed consolidated interim financial statements were authorised for issue.

Auditor's Report

Statutory auditor's report to the Board of Directors of D'Ieteren SA on the review of the condensed consolidated interim financial information as at 30 June 2020 and for the 6-month period then ended.

Introduction

We have reviewed the accompanying consolidated statement of financial position of D'Ieteren SA as at 30 June 2020, the consolidated statements of profit or loss, of comprehensive income, of changes in equity and the condensed consolidated statement of cash flows for the 6-month period then ended, and notes to the interim financial information ("the condensed consolidated interim financial information"). The board of directors is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information as at 30 June 2020 and for the 6-month period then ended is not prepared, in all material respects, in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union.

Emphasis of matter – COVID-19

We draw attention to Note 1 of the condensed consolidated interim financial information, which describes the effects of the COVID-19 crisis on the operations and financial situation of the Group as well as the measures taken by the Group. Our conclusion is not modified in respect of this matter.

Zaventem, 27 August 2020
KPMG Réviseurs d'Entreprises / Bedrijfsrevisoren
Statutory Auditor
represented by

Axel Jorion
Réviseur d'Entreprises / Bedrijfsrevisor