PRESS RELEASE:
TRADING UPDATE

INSIDE INFORMATION

Thursday 16 May 2019 – 5:45 pm CEST

Trading update

Note : the IFRS figures and comments contained in this press release do not take into account the impacts of the adoption (as from 1 January 2019) of IFRS 16 "Leases". See note 32 of our 2018 Consolidated Financial Statements for more details on the estimated impacts.

- **For FY 2019, D'Ieteren aims at an *adjusted* consolidated result before tax, Group's share[4] that is at least 25% higher (previous guidance: "a double-digit improvement") compared to last year's result (EUR 220.4 million when restated to reflect the current 54.10% stake in Belron). This revised guidance reflects good progress on Belron's profit improvement programme, especially in the US.** The guidance assumes a 54.10% stake in Belron in 2018 (rebased) and 2019 and average foreign exchange rates in 2019 that are in line with the exchange rates that prevailed at the end of 2018.

- **D'Ieteren Group's combined[1] sales growth (+3.5%) in Q1 2019 was underpinned by Belron's strong performance, particularly in the US.**

  - **D'Ieteren Auto**'s market share[2] improved by 21bps in a new car market that declined by 6.3%[2]. Sales dropped by 3.8% with lower new vehicle sales volumes partly offset by higher prices. The pre-IFRS16 *adjusted* operating result[4] improved thanks to cost control (e.g. lower marketing expenses).
  - **Belron's** sales rose by 12.0%. Organic sales[3] growth reached 7.8% with a particularly strong performance in North America (+13.5%).
  - **Moleskine's** sales dropped by 14.7%. More than 90% of the decline is due to lower B2B sales as Q1 2018 sales were boosted by some exceptionally large orders. Note however that B2B sales increased by 21.4% versus Q1 2017.

D'IETEREN AUTO[5]

Q1 2019 performance

Excluding registrations of less than 30 days[2], Belgian new car registrations fell by 6.3% year-on-year to 151,638 units. Including these registrations, the Belgian market totalled 155,865 new car registrations, down 5.9% year-on-year. The decline is partly explained by the tail end effect of WLTP and uncertainty related to the regulatory and fiscal environment ahead of the federal and regional elections on 26 May. Registrations declined by 0.5% in the business segment and by 10.9% in the private segment. Potential buyers are undecided as to which propulsion system (petrol, diesel, electric, hybrid, CNG) to choose because changes in regulation (e.g. city bans on diesel engines and tax regime related to salary cars) could impact the residual value. SUV's continued to gain in popularity with a share of 38.6% in Q1 2019 versus 35.4% in Q1 2018.

	Q1 18	FY 2018	Q1 19
New car registrations (in units)[2]	**161,906**	**528,174**	**151,638**
% change yoy	*0.6%*	*-0.9%*	*-6.3%*
Total market share new cars[2]	**20.37%**	**21.45%**	**20.58%**
Volkswagen	9.41%	9.91%	10.04%
Audi	5.44%	5.38%	4.72%
Škoda	3.41%	3.74%	3.55%
SEAT	1.55%	1.79%	1.86%
Porsche	0.55%	0.60%	0.39%
Bentley/Lamborghini	0.01%	0.01%	0.02%
Market share commercial vehicles	**9.84%**	**10.56%**	**10.82%**

The market share[2] of the brands distributed by D'Ieteren Auto reached 20.58% (+21bps) in Q1 2019 with share gains at Volkswagen, Seat and Škoda. Volkswagen reinforced its leadership position on the Belgian market with a share of 10.04% (+63bps) mainly thanks to the success of the T-Roc, the Touran, the Touareg and the Tiguan. Audi's market share[2] (4.72%) was down 72bps down in spite of higher demand for the Q3 (replaced), Q8 (new), the fully electric e-tron (new) and A7. Audi's lower market share reflects the tail-end effect of WLTP and long delivery times. SEAT's market share[2] continued to improve (1.86% or +31bps) due the success of the Arona and Leon. Škoda's share[2] improved by 14bps to 3.55% with strong demand for its SUVs (Karoq, Kodiaq) and the Octavia. Porsche's market share[2] (0.39% or -16bps) declined in spite of higher demand for the Macan.

Belgian registrations of new light commercial vehicles (0-6 tonnes) reached 22,362 units in Q1 2019, up 3.4% year-on-year. D'Ieteren Auto's higher market share (10.82% or +98bps) reflects higher demand for the T6.

D'Ieteren Auto's sales declined by 3.8%. Acquisitions (Bourgoo/Coast Motor Knokke, Clissen, Bruynseels and Dielis) contributed about EUR 6 million to D'Ieteren Auto's net sales in Q1 2019. The total number of new vehicles, including commercial vehicles, delivered by D'Ieteren Auto fell by 2.4% to 34,746. New vehicle sales (in EUR) declined by 3.4% with lower volumes and a negative brand/model mix effect partly offset by higher prices and the contribution of acquired dealerships. Revenues from used cars fell by 4.9%. The top-line contribution from spare parts and accessories and after-sales activities rose by 4.7%. The *adjusted* operating result[4] improved thanks to cost control (e.g. lower marketing expenses).

Outlook for FY 2019

D'Ieteren Auto aims at a higher market share in a Belgian new car market that is expected to be slightly down in 2019. The *adjusted* result before tax, Group's share[4,5], is expected to improve slightly in FY 2019 thanks to cost containment and the contribution of acquisitions.

BELRON

Q1 2019 performance

Belron sales rose by 12.0%, comprising a 7.8% organic[3] increase, 1.1% from acquisitions and a positive currency translation effect of 3.8%, partially offset by a 0.7% adverse impact from disposals. The number of consumers served reached 4.2 million (+0.2%) reflecting strong growth in North America in VGRR partially offset by the impact of a milder winter in Europe.

Belron's geographic footprint includes the following regions:

- North America: US and Canada;
- Europe: France, Germany, Belgium, Spain, Italy, Netherlands, Switzerland, Portugal and Austria.
- Rest of the World: UK, Australia, Norway, New Zealand, Sweden, Denmark, Ireland and Finland.

Sales rose by 22.8% in North America of which 13.5% was organic[3], reflecting increases in both volume and value, including a positive product mix effect. Acquisitions contributed 1.2% of growth and 8.1% was from favourable currency translation due to the strengthening of the USD and CAD versus the EUR.

In Europe, sales increased by 3.1%, excluding the impact of disposals, comprising 2.2% organic[3] growth, 0.8% from minor acquisitions and a 0.1% positive contribution from currency translation. Organic[3] growth was impacted by the milder winter.

Rest of World sales increased by 6.6% of which 4.4% was organic[3], 1.7% from acquisitions and 0.4% from favourable currency translation which was mostly related to the GBP. The acquired growth primarily relates to Laser, the Home Damage Repair and Replacement (HDRR) business in Australasia which was acquired in March 2018.

Latest developments

Belron has converted four of its smaller corporate operations into franchisees: Russia and Turkey in the last quarter of 2018 and Greece and Hungary in Q1 2019. In Ireland, Belron transferred its business to a new joint venture with a local partner in return for a 40% stake. The five countries generated about EUR 47 million in sales in 2018 and their contribution to the *adjusted* operating result[4] was slightly negative last year.

Outlook for FY 2019

Belron anticipates mid-single digit organic sales growth[3] and the *adjusted* result before tax[4] (D'Ieteren Group's share) should improve by at least 30% (previous guidance: "double digit improvement"). This positive outlook reflects good progress on the profit improvement programme, especially in the US. This guidance assumes average exchange rates that are in line with the rates that prevailed at the end of 2018 and a 54.10% stake in Belron in 2018 (rebased) and 2019.

The improvement will reflect sales growth and efficiency initiatives in all regions. Charges related to the long-term management incentive programme are expected to be broadly in line with last year's level (EUR 34.1 million). In 2019, these charges will be limited to the 2017-2019 programme. The legacy incentive plan was replaced by an equity-based reward plan in June 2018.

MOLESKINE

Q1 2019 performance

Moleskine's revenues fell by 14.7% in Q1 2019. More than 90% of the decline is due to lower B2B sales as Q1 2018 sales were boosted by some exceptionally large orders. Note however that the B2B sales level in Q1 2019 exceeded the Q1 2017 level by 21.4%. At constant exchange rates, revenues declined by 17.7%. The positive foreign exchange effect mainly reflects the strengthening of the USD (+8%), the HKD (+8%) and the CNY (+2%) versus the EUR.

Sales evolution at actual exchange rates:

- **Wholesale** revenues (56% of total) decreased by 2.9%, reflecting lower sales in EMEA and APAC where sales were impacted by different phasing of some distributors' orders (mainly Germany, UK and Australia), partially compensated by solid growth in the Americas and by positive results in Italy, especially in the bags channel.
- **B2B** revenues (18% of total) fell by 47.3%, reflecting exceptionally large orders in Q1 2018 when sales B2B sales were up 130.7%;
- **Retail** (19% of total) revenues dropped by 2.7%, reflecting network pruning (75 directly-operated stores at the end of Q1 2019 compared to 85 at the end of Q1 2018);
- **E-Commerce** (6% of total) revenues increased by 14.1%, reflecting positive trends across all the regions thanks to continued improvement of the platform.

Outlook for FY 2019

Moleskine aims at double-digit growth at constant exchange rates for its *adjusted* profit before tax[4], underpinned by continued sales growth across the regions and product categories. Given the seasonality of the business with sales being skewed towards the second half, the performance in the first quarter is not representative of the performance in the entire year.

Notes

[1] *Combined figures include Belron at 100%.*

[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 these relate to vehicles that are unlikely to have been put into circulation in Belgium by the end customer.*

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

[4] *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.*

[5] *Excluding "Other", the reportable operating segment that includes the Group's corporate and real estate activities.*

Forward looking statements

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

End of press release

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GROUP PROFILE

In existence since 1805, and across family generations, D'Ieteren 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 Group has currently three 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 21% and 1.2 million vehicles on the road. Sales and adjusted operating result reached respectively EUR 3.4 billion and EUR 113.0 million in 2018.*

- ***Belron** (54.10% owned) 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 35 countries, through wholly owned businesses and franchises, with market leading brands – including Carglass®, Safelite® and Autoglass®. In addition, Belron manages vehicle glass and other insurance claims on behalf of insurance customers. It has also expanded its services into the automotive damage and home damage repair and replacement markets. Sales and adjusted operating result reached respectively EUR 3.8 billion and EUR 225.7 million in FY 2018.*

- ***Moleskine** (100% owned) is a premium and aspirational lifestyle brand which develops and sells iconic branded notebooks and writing, travel and reading accessories through a multichannel distribution strategy across more than 115 countries. Sales and operating result reached respectively EUR 174.1 million and EUR 28.6 million in FY 2018.*

FINANCIAL CALENDAR

Last five press releases *(with the exception of press releases related to the repurchase or sale of own shares)*		**Next events**	
8 April 2019	D'Ieteren Group and Axel Miller terminate their collaboration	6 June 2019	General Assembly
28 February 2019	2018 Full-year Results	28 August 2019	2019 Half-Year Results
7 November 2018	Belron has successfully allocated new term loan	5 March 2020	2019 Full-year Results
29 October 2018	Belron launches a new loan of EUR 400 million equivalent	28 May 2020	General Assembly
30 August 2018	2018 Half-Year Results	26 August 2020	2020 Half-Year Results

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