

2020 HALF-YEAR RESULTS

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 share¹ – 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 flow⁶ (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** share² improved from 22.0% to 23.0% in a new car market² that was down 29.6%. The decline in sales (-24%) at EUR 1,470 million and in the *adjusted* result before tax, group's share¹ (-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 share¹ 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 share¹ 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 share¹ 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

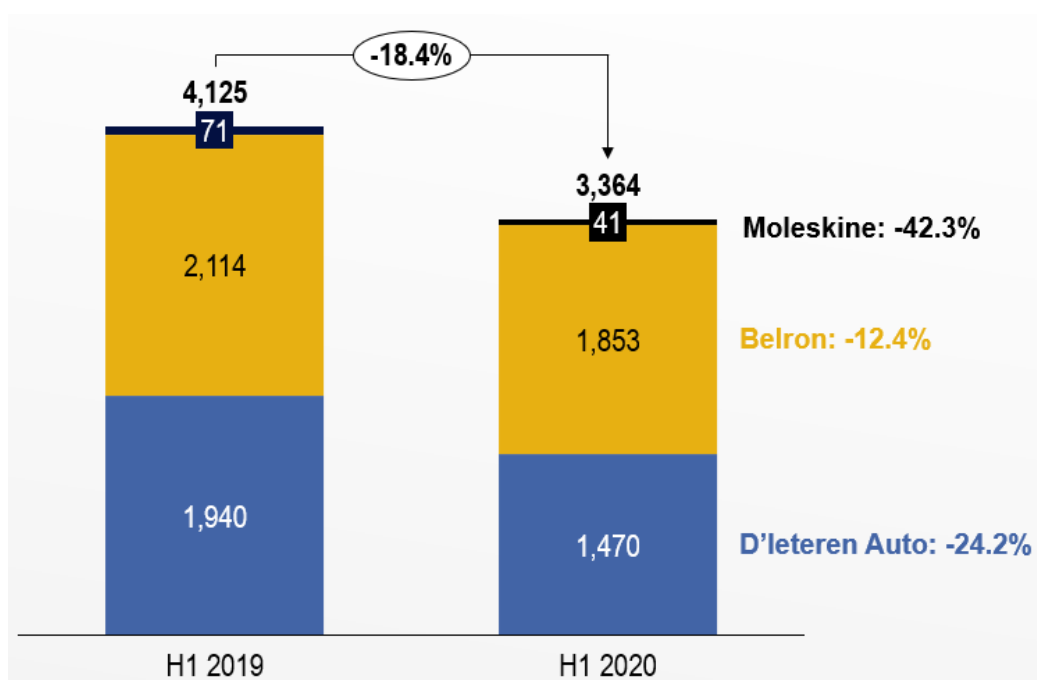
A. SALES

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 days², Belgian new car registrations dropped by 30% due mainly to the COVID-19 pandemic. D'Ieteren Auto's market share² 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% organic⁵ decrease and a positive acquisition contribution of 2%. Organic⁵ 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.

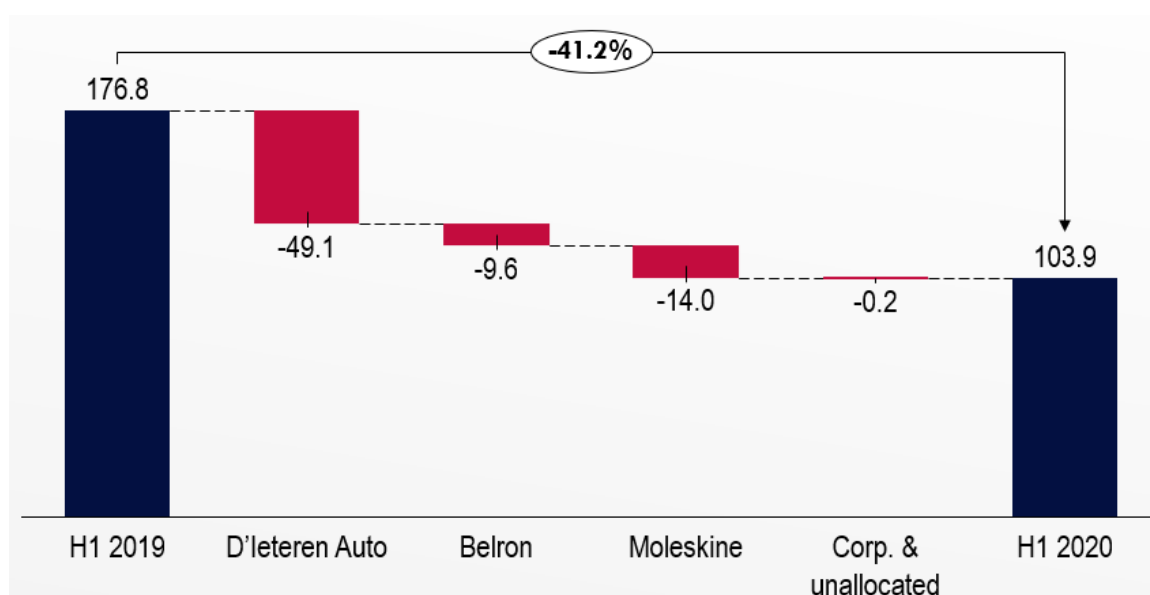
Combined Sales (Eur million)



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 share¹ – 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).

D'IETEREN AUTO

- Excluding registrations of less than 30 days², the Belgian market dropped by 29.6% year-on-year and D'Ieteren Auto's share² 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 result¹ decreased by 56.5% to EUR 35.2 million mainly due to lower revenues.
 - The *adjusting* items¹ 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 share¹, reached EUR 35.7 million (EUR 84.8 million in H1 2019), down 57.9%.
- The *adjusted* free cash flow⁶ 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 | | | % change adjusted items | H1 2020 | | | % change total |
|--|---------|--------------------------------------|----------------|-------------------------|--------------------------------------|-----------------|---------|----------------|
| | Total | APM (non-GAAP measures) ¹ | | | APM (non-GAAP measures) ¹ | | Total | |
| | | Adjusting items | Adjusted items | | Adjusted items | Adjusting items | | |
| 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 | - | - | - |

Activities, sales and results

Market, share and deliveries

Excluding registrations of less than 30 days², 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 result¹ (EUR 35.2 million) is mainly due to lower revenues despite significant cost savings. The *adjusting* items¹ 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 share¹ amounted to EUR 35.7 million (-57.9%). The contribution of the equity accounted entities (in *adjusted* result before tax, group's share¹) 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 expenses¹ 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 share¹, declined from EUR 58.0 million to EUR 23.7 million.

Net debt and cash flow

D'Ieteren Auto's net debt³ 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 flow⁶ 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.

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).

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.

BELRON

At Belron's level (at 100%):

- Sales (EUR 1,853 million) declined by 12.4% in H1 2020, comprising a 14.9% organic⁵ 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 result¹ 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 share¹, 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 |
|---|---------|--------------------------------------|-----------------|-------------------------------|--------------------------------------|-----------------|---------|-------------------|
| | Total | APM (non-GAAP measures) ¹ | | | APM (non-GAAP measures) ¹ | | Total | |
| | | A | adjusting items | | A | adjusting items | | |
| 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 | - | - | - |

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% organic⁵ 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 organic⁵ 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 organic⁵ 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 organic⁵ 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 result¹ 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 items¹ 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 share¹ 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 tax¹, 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.

Net debt and cash flow

On a post-IFRS 16 basis, Belron's net financial debt³ 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/EBITDA⁴ multiple (Senior Secured Net Leverage Ratio according to the lenders documentation) reached 3.3x at the end of June 2020.

The *adjusted* free cash flow⁶ 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.

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 its 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.

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.

MOLESKINE

- Sales declined by 42.3% to EUR 41.0 million mainly due to the Covid-19 pandemic.
- The *adjusted* operating result¹ 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 tax¹ 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 |
|--|---------|--------------------------------------|-----------------|-------------------------------|---------|--------------------------------------|------------------|-------------------|
| | Total | APM (non-GAAP measures) ¹ | | | Total | APM (non-GAAP measures) ¹ | | |
| | | A djusting items | A djusted items | | | A djusted items | A djusting items | |
| 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 | - | - | - |

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 result¹ 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 tax¹ 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 share¹, reached EUR -16.2 million (EUR -2.6 million in H1 2019).

Net debt and free cash flow

Moleskine's net debt³ reached EUR 308.4 million (of which EUR 194.7 million intra-group borrowing) at the end of June 2020.

Adjusted free cash flow⁶ 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}.

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.

Outlook for 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.

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 loss¹ 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* item¹ in the operating result related to a gain on the disposal of a property and the *adjusting* item¹ 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 share¹ 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 | A adjusting items | A djusted items | | A djusted items | A 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% |
| <i>Adjusted</i> 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 of this press release 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 of this press release.

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 adjusted¹ EBITDA⁴ +/- 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.

Auditor's Report

“KPMG Réviseurs d'Entreprises represented by Axel Jorion has reviewed the condensed consolidated interim financial statements of D'Ieteren SA as of and for the six-month period ended June 30, 2020. Their review was conducted in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” and their unqualified review report dated August 27, 2020 is attached to the interim financial information.”

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.

WEBCAST

D'Ieteren's management will organise a webcast for analysts and investors starting today at 06:00 pm CEST (Brussels time).

The webcast can be attended by clicking on the following link <https://live.mymediazone.be/pages/dieteren-half-year-results-2020-earnings-conference-webcast>. The presentation slides will be made available online simultaneously to the publication of this press release at the following address:

<http://www.dieteren.com/en/newsroom/press-releases> (then select the HY 2020 results event).

End of press release

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 |
| <i>Of which Adjusted result</i> | 35.2 | 233.9 | -9.5 | -16.0 | -233.9 | 9.7 |
| <i>Adjusting items</i> | -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 |
| <i>Of which Adjusted result</i> | 34.4 | 170.3 | -15.8 | -9.3 | -102.4 | 77.2 |
| <i>Adjusting items</i> | -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 |
| <i>Of which Adjusted result</i> | 23.6 | 123.9 | -16.1 | -7.4 | -56.0 | 68.0 |
| <i>Adjusting items</i> | -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 |
| <i>Of which Adjusted result</i> | 23.7 | 67.9 | -16.2 | -7.4 | | 68.0 |
| <i>Adjusting items</i> | -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 |
| <i>Of which Adjusted result</i> | <i>81.0</i> | <i>234.7</i> | <i>2.9</i> | <i>-11.4</i> | <i>-234.7</i> | <i>72.5</i> |
| <i>Adjusting items</i> | <i>-1.0</i> | <i>-35.5</i> | <i>-</i> | <i>6.5</i> | <i>35.5</i> | <i>5.5</i> |
| 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 |
| <i>Of which Adjusted result</i> | <i>83.1</i> | <i>187.8</i> | <i>-1.8</i> | <i>-9.1</i> | <i>-116.4</i> | <i>143.6</i> |
| <i>Adjusting items</i> | <i>-1.0</i> | <i>-35.5</i> | <i>-</i> | <i>-4.1</i> | <i>17.4</i> | <i>-23.2</i> |
| 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 |
| <i>Of which Adjusted result</i> | <i>58.0</i> | <i>132.0</i> | <i>-2.7</i> | <i>4.8</i> | <i>-60.6</i> | <i>131.5</i> |
| <i>Adjusting items</i> | <i>-0.4</i> | <i>-33.5</i> | <i>-</i> | <i>-5.8</i> | <i>15.4</i> | <i>-24.3</i> |
| 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 |
| <i>Of which Adjusted result</i> | <i>58.0</i> | <i>71.4</i> | <i>-2.6</i> | <i>4.8</i> | | <i>131.6</i> |
| <i>Adjusting items</i> | <i>-0.4</i> | <i>-18.1</i> | <i>-</i> | <i>-5.8</i> | | <i>-24.3</i> |
| 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 |
| <i>Re-measurements of financial instruments</i> | - | -4.9 (c) | - | - | -4.9 |
| <i>Amortisation of customer contracts</i> | - | -12.8 (d) | - | - | -12.8 |
| <i>Amortisation of brands with finite useful life</i> | - | -1.8 (e) | - | - | -1.8 |
| <i>Impairment of goodwill and of non-current assets</i> | - | -6.1 (f) | -21.0 (i) | - | -27.1 |
| <i>Other adjusting items</i> | -16.8 (a) | -10.2 (g) | - | - | -27.0 |
| Included in net finance costs | - | -0.3 | - | - | -0.3 |
| <i>Other adjusting items</i> | - | -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 |
| <i>Re-measurements of financial instruments</i> | - | 3.4 (c) | - | - | 3.4 |
| <i>Amortisation of customer contracts</i> | - | -2.7 (d) | - | - | -2.7 |
| <i>Amortisation of brands with finite useful life</i> | - | -0.2 (e) | - | - | -0.2 |
| <i>Impairment of goodwill and of non-current assets</i> | - | -21.3 (f) | - | - | -21.3 |
| <i>Other adjusting items</i> | -1.0 (a) | -14.7 (g) | - | 6.5 (j) | -9.2 |
| Included in net finance costs | - | - | - | -10.6 | -10.6 |
| <i>Re-measurements of financial instruments</i> | - | - | - | -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 (HRRR 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 (segment) | Total |
| 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 (segment) | Total |
| 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.

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 the following activities:

D'Ieteren Auto distributes Volkswagen, Audi, SEAT, Škoda, Bentley, Lamborghini, Bugatti, Porsche and Yamaha vehicles in Belgium. It has 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. Sales and adjusted operating result reached respectively EUR 3.6 billion and EUR 119.0 million in FY 2019.

Belron (54.85% of the voting rights) 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, Belron manages vehicle glass and other insurance claims on behalf of insurance customers. Sales and adjusted operating result reached respectively EUR 4.2 billion and EUR 400.5 million in FY 2019.

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 114 countries. Sales and adjusted operating result reached respectively EUR 163.9 million and EUR 18.6 million in FY 2019.

D'Ieteren Immo (100%) groups together the Belgian real estate interests of D'Ieteren Group. It owns and manages approximately 30 properties which generated EUR 19.7 million net rental income in FY 2019. It also pursues investment projects and carries out studies into possible site renovations.

FINANCIAL CALENDAR

| Last five press releases <small>(with the exception of press releases related to the repurchase or sale of own shares)</small> | | Next events | |
|---|---|--------------|------------------------|
| 3 June 2020 | D'Ieteren Auto's project to accelerate the transformation of its activities | 8 March 2021 | 2020 Full-Year Results |
| 28 May 2020 | Trading update | 27 May 2021 | General Assembly |
| 28 April 2020 | Publication of the annual report and organisation of the AGM and EGM | | |
| 27 April 2020 | Proposal to allocate the dividend increase to a solidarity program | | |
| 6 April 2020 | COVID-19: impact and measures | | |

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