FY 2017 Results

D'IETEREN

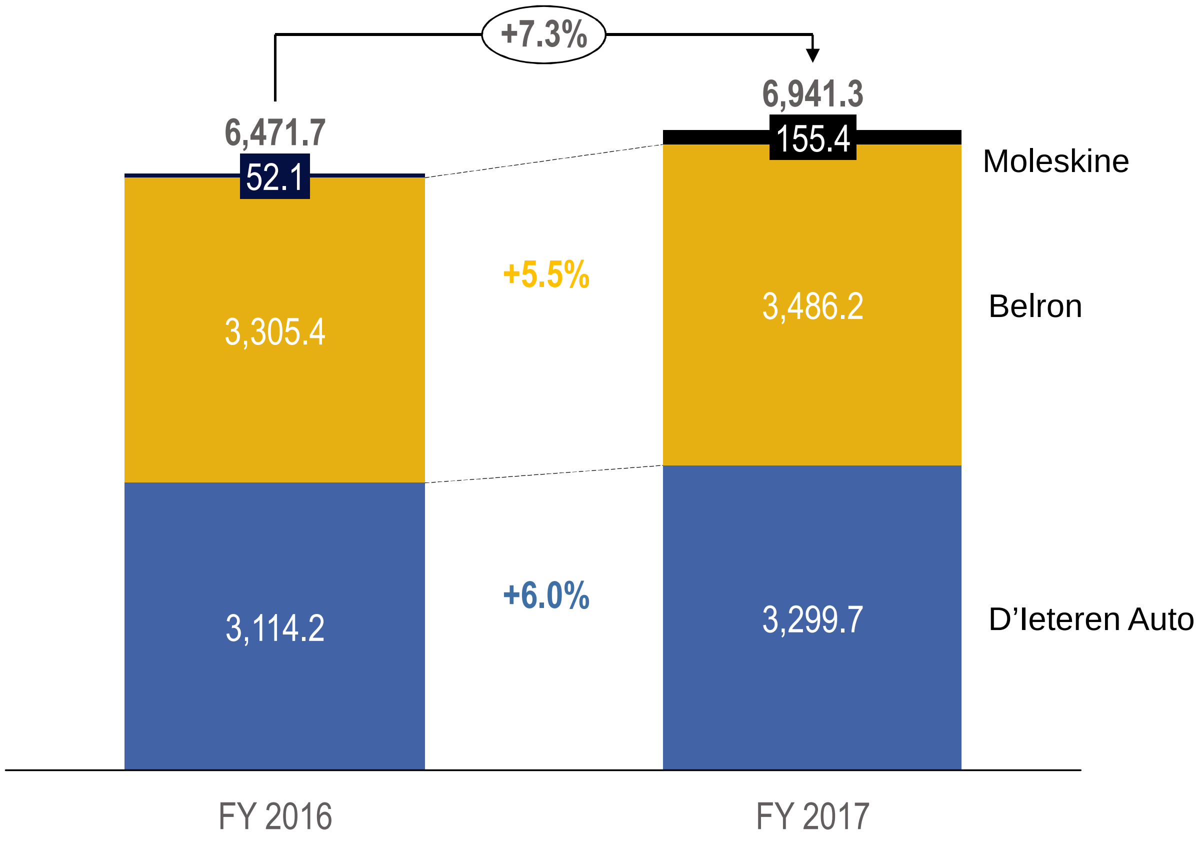
28 February 2018

HIGHLIGHTS

- **2017 was a positive year: healthy sales growth** across the three activities and an **adjusted PBT g.s.** that was **up 2.6%** (in line with latest guidance for low single-digit growth)
- Closing of **CD&R's partnership investment in Belron** in February 2018. **D'Ieteren sells 40% in Belron** to CD&R and keeps a **stake of 54.85%**
- Active search for **new investment opportunities**
- **2018 outlook**: on a comparable basis, D'Ieteren is aiming for a **mid-to-high single digit improvement for its *adjusted* PBT g.s.** This guidance assumes average foreign exchange rates in 2018 that are in line with the exchange rates that prevailed at the end of 2017
- **Stable gross ordinary dividend of EUR 0.95 per share and a gross extraordinary dividend of EUR 2.85 per share, totalling EUR 3.80 per share.** The proposal to pay an exceptional dividend has been made following the sale of 40% of the shares held by D'Ieteren SA in Belron (after refinancing), which constitutes a one-off transaction, in order to allow shareholders to benefit in a tangible way from the value thus created.

COMBINED[1] SALES BY SEGMENT

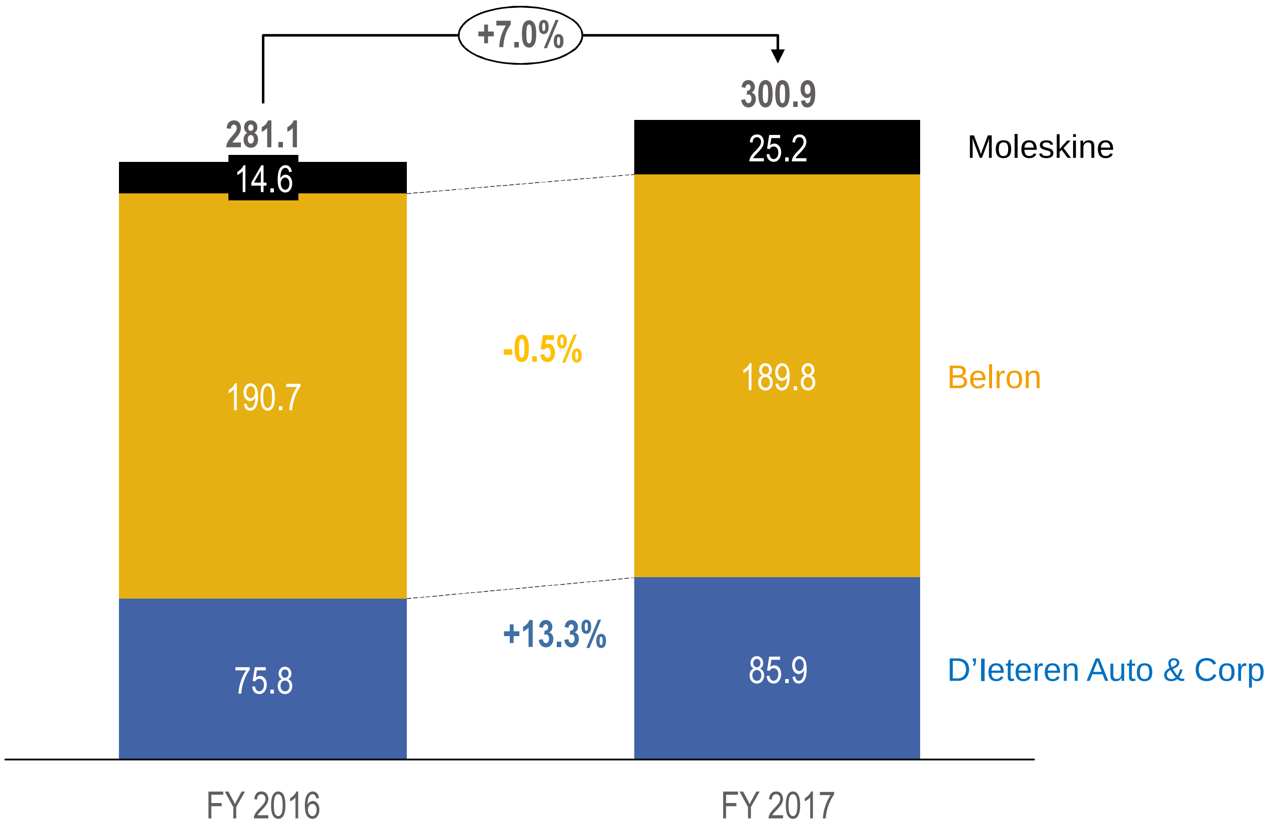
€ million



[1] Including 100% of Belron

COMBINED[1] *ADJUSTED* OPERATING RESULT BY SEGMENT

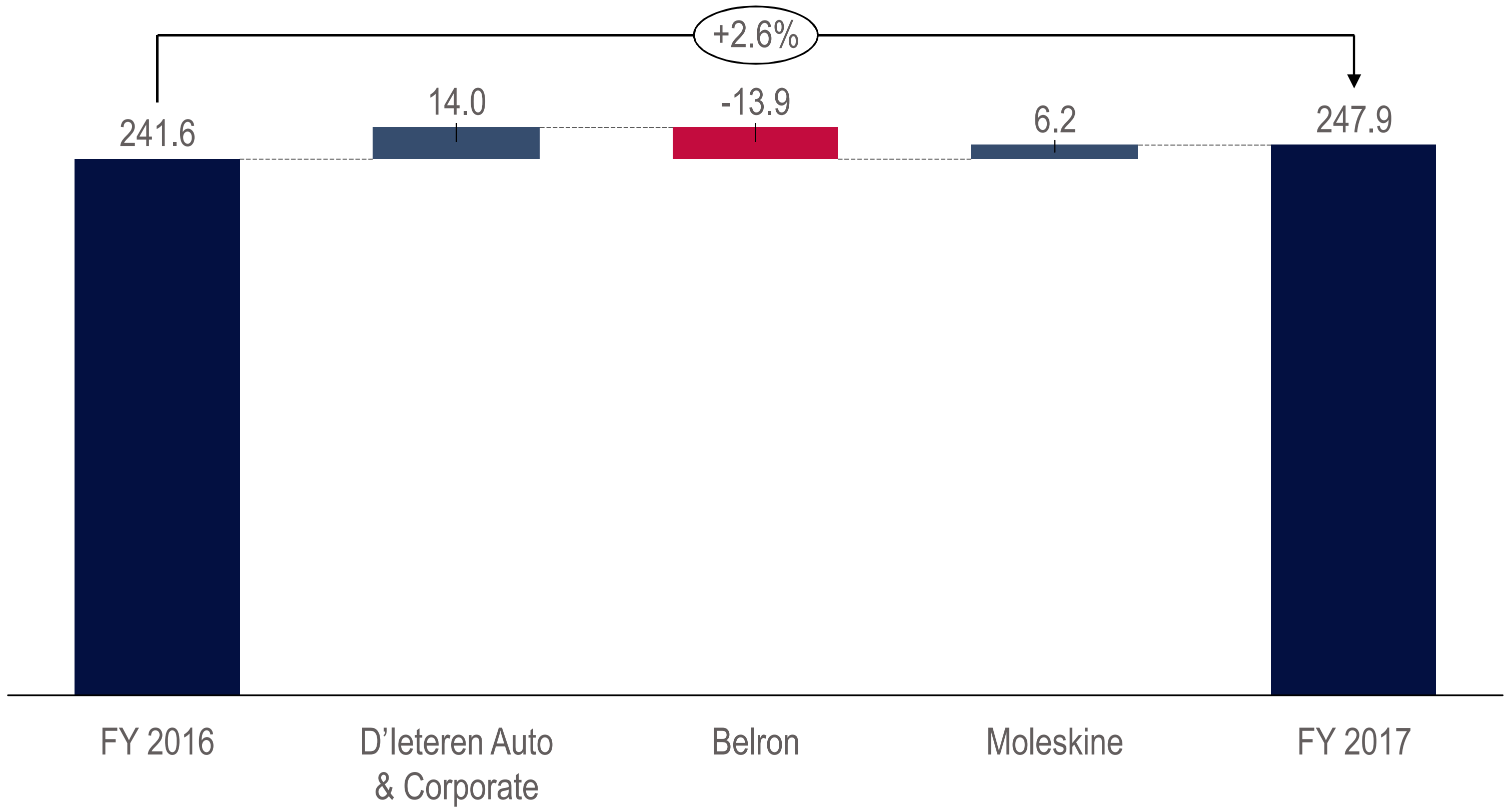
€ million



1) Including 100% of Belron

KPI: *ADJUSTED* RESULT BEFORE TAX, GROUP'S SHARE

€ million



BELRON

—

Making a difference by solving people's problems with real care

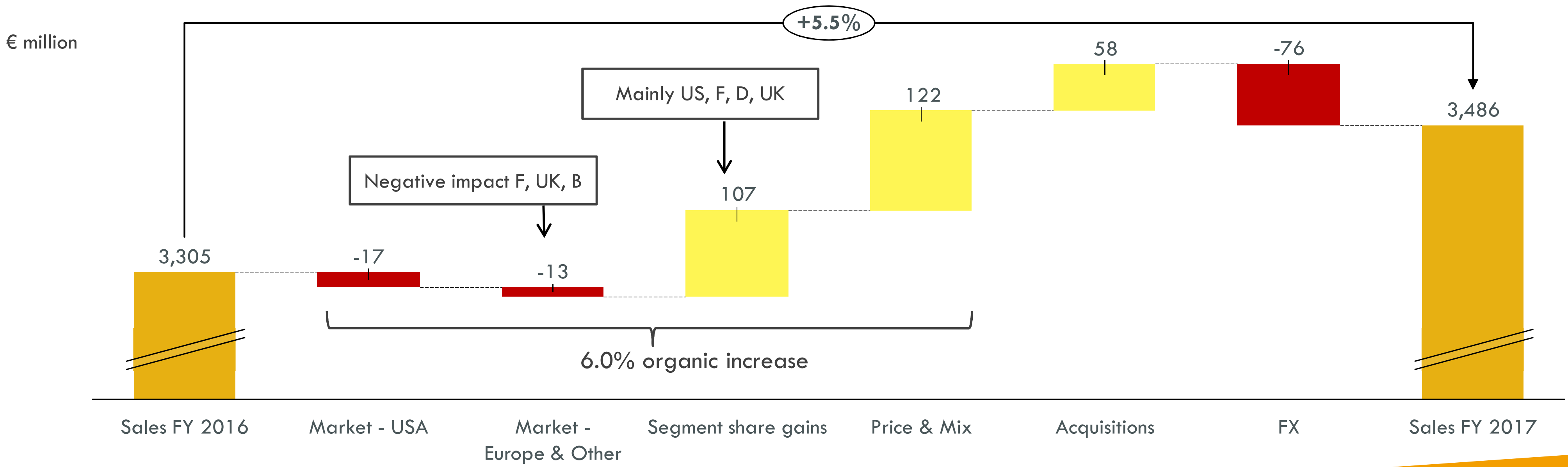
FY 2017 results – 28 February 2018

BELRON – HIGHLIGHTS

- **NPS** reached a **record 83.1% (+50bps)**
- **16.5 million (+7%) consumers served** across four activities (VGRR, ADRR, HDRR and Claims Management)
- **Sales:** EUR 3.5 billion, **+5.5%** (of which **6.0% organic**)
- **Solid organic sales momentum** in Europe (+5.2%) and outside Europe (+6.3%)
- ***Adjusted* operating result decreased by 0.5% to** EUR 189.8 million
- ***Adjusted*** **PBT g.s. (KPI)**: **EUR 134.5 million (-9.4%)**
- **Progress and significant investment in service extension**
- **2018 outlook**:
  - ✓ **Moderate organic sales growth**
  - ✓ On a comparable basis, the ***adjusted*** **PBT g.s. is expected to rise 'high single digit'** assuming average foreign exchange rates in 2018 that are in line with the exchange rates that prevailed at the end of 2017

SALES GROWTH DRIVEN BY MARKET SHARE GAINS, PRICE/MIX AND SERVICE EXTENSION

- 7 out of the top 10 **VGRR markets declined** in 2017
- Belron's **organic growth** was driven by **market share gains** (mainly in the US, France, Germany and UK), a **positive price/mix effect** and higher revenues from **complementary products**
- **External growth**: **CARe** Carrosserie Belgium, **Speedy** in Canada, **Maisoning** in France and **Eurocar Point** in Italy
- The negative currency effect is due to the **weaker GBP and USD**



BROADLY FLAT *ADJUSTED* OPERATING RESULT

- The broadly flat ***adjusted* operating result** was impacted by **two offsetting factors**:
  - ✓ a **EUR 10.7 million rise in ELTIP charges**
  - ✓ Under IFRS 5, Belron's assets and liabilities are booked under 'Non-current assets/liabilities classified as held for sale' as from 28 November 2017 => **non-current assets were not depreciated in December 2017**. **Positive impact of EUR 10.5 million**
- **Evolution differed from country to country:**
  - ✓ **Broadly stable result (in $) at Safelite (USA) :** positive impact from **significant market share growth** in a lower market was offset by **investments in people, brand and technology**
  - ✓ **Profitability improved in many countries** (UK, D, SP, F, CH, AT, S, N, FI, P, TR and AU)
  - ✓ Offset by a **decline in Italy, Belgium and the Netherlands**
- Start-up and acquisitions **costs related to service extension** (EUR 10.6 million)

SUMMARY OF 2017 RESULTS

€m	2016	2017	*% change*
Total number of consumers *(million)*	15.4	16.5	*+7.1*
External sales	**3,305.4**	**3,486.2**	***+5.5***
***Adjusted* operating result**	190.7	189.8	*-0.5*
Adjusted operating margin	*5.8%*	*5.4%*	
Adjusted net finance costs	-34.1	-37.4	*+9.7*
Adjusted PBT	156.6	152.3	*-2.7*
***Adjusted* PBT, group's share**	**148.4**	**144.5**	***-2.6***
Depreciation of fixed assets (group's share)		-10.0	-
***KPI's adjusted* PBT, group's share**	**148.4**	**134.5**	***-9.4***
Net result g.s	-39.9	41.3	**-**

ADJUSTING ITEMS AT PBT

€m	2017
Impairments	**-19.5**
Goodwill in Italy	-16.0
Capitalised IT software in the US	-3.5
Other *adjusting* items	**-70.4**
Professional fees to bring in a minority partner	-8.1
Fair value of fuel hedge instruments	+1.6
Amortisation of brands and customer contracts	-5.3
Provisions for legal disputes (Brazil, UK, US)	-11.4
Refinancing fees (Term Loans B) and make whole costs (early reimbursement of USPPs)	-48.6
Other	+1.4
Total	**-89.9**

ADDITIONAL INFORMATION

- Definitive agreement with CD&R on 28 Nov 2017 => the criteria under **IFRS 5 "non-current assets held for sale and discontinued operations"** are satisfied. The P&L of 2016 was restated
- From **2018** onwards, Belron will be included via **equity accounting**
- **Net finance costs** (EUR 86.1 million) include EUR 48.6 million *adjusting* items (refinancing fees and make whole costs for early reimbursement of the USPPs)

CASH FLOW AND NET DEBT

€m	FY 2016	FY 2017
Adjusted EBITDA	314.0	321.6
Net interest paid	-34.8	-37.7
Taxes paid	-15.7	-28.8
Change in WCR	-16.6	-9.7
Net capex (incl. finance leases)	-156.9	-175.5
Free cash flow	**90.0**	**69.9**
Acquisitions (incl. net debt acquired)	-22.5	-50.2
Net debt at period-end	793.1	1,271.9

Increase in net debt reflects refinancing (issue of EUR 1.3bn Term Loans B) and extraordinary dividend (EUR 453 million) . Rationale of financing:

- To align capital structure with the profile of the activities and future financial needs
- To extend the duration of Belron's debt profile
- To benefit from attractive financing conditions

LATEST DEVELOPMENTS

- 7 February 2018: **closing** of transaction whereby **CD&R acquired a 40% stake in Belron**. D'Ieteren retains a stake of 54.85%. Proceeds EUR 629 million.
- **Service extension strategy:**
  - ✓ Acquisition of **Maisoning Group**: home repair services in France
  - ✓ Agreement (Dec. 2017) to acquire assets and operations of **Laser Group**: provides **HDRR services** (plumbing and electricity) in Australia and New Zealand
  - ✓ ADRR: **SMART repair pilots** launched in several countries
  - ✓ Identification and sharing of **best practices** (e.g. tools, training, marketing)

OUTLOOK FOR 2018

- **Moderate organic sales growth**
- *Adjusted* PBT g.s. will reflect D'Ieteren's 94.85% ownership interest in January 2018 and **54.85% from February 2018 onwards**
- On a comparable basis (@58.18%), ***adjusted*** **PBT g.s. is expected to rise 'high single digit'.** This guidance assumes average foreign exchange rates in 2018 that are in line with the exchange rates that prevailed at the end of 2017
- The improvement will reflect **sales growth and efficiency initiatives**
- **Lower ELTIP charges:** the 3-year rolling programme will be replaced by a direct equity investment opportunity that will be offered to the management. In 2018, there will still be charges related to the programmes that were launched in 2016 and 2017. In 2019, the charges will be limited to the programme that started in 2017
- **Disposal 40% stake in Belron**: the transaction price translates into an equity value of about EUR 1.55 billion) => the total **consolidated gain on disposal** (recognised on 100% of Belron in accordance with the requirements of IFRS 10) amounts to ca. **EUR 1 billion**. This will be booked under ***adjusting items*** in 2018
- Capex set to decline in 2018 (EUR 175.5 million in 2017)

MEDIUM TERM TARGETS

	Targets (2017-2022)	FY 2015	FY 2016	FY 2017
Sales growth	Mid single digit	+13.2%	+4.6%	+5.5%
of which organic	Mid single digit	+4.7%	+4.6%	+6.0%
Adjusted operating result growth	Low double digit	+10.2%	+4.8%	-0.5%
ROE (1)	15%			7.9%
Free cash flow (EUR million) (2)	>200	132	90	70

(1) *Adjusted* net income/EUR 1,550 million (Note: equity value of transaction with CD&R)
(2) Free cash flow = *adjusted* EBITDA +/- changes in working capital – capex - net interest paid – taxes paid

D’IETEREN AUTO

To be the natural choice for mobility in Belgium

D'IETEREN AUTO - HIGHLIGHTS

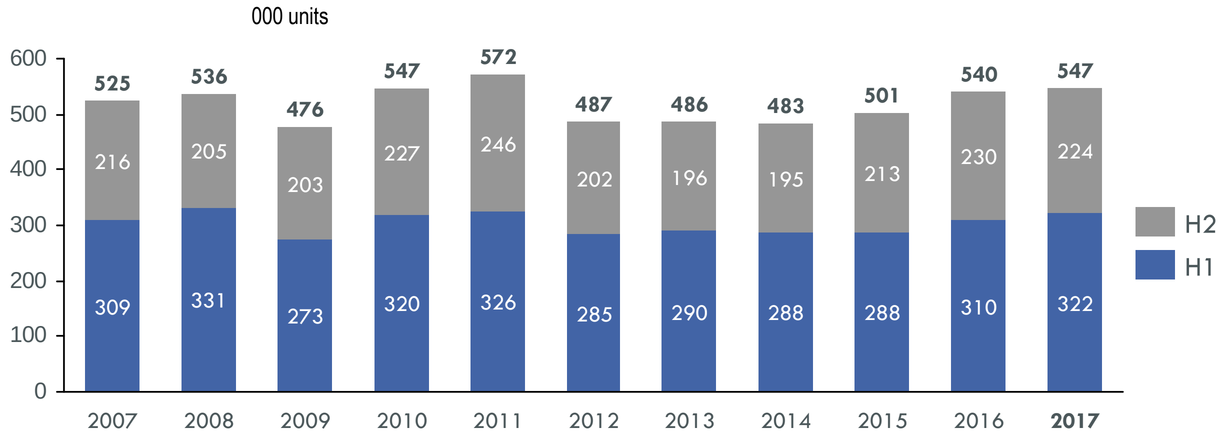
- **Resilient new car market (+2.7% net) and a positive mix (more SUV's)**
- D'Ieteren Auto's **net market share**: **21.29% (-54bps)**. VW remains the leading brand
- **Light commercial vehicle market** was **up 12%** and **D'Ieteren's share rose by 69bps** to 10.7%
- **Brussels Motor Show of 2018 was very successful for D'Ieteren Auto**. The number of client contracts signed during January were up respectively 18% and 29% versus the same period in 2017 and 2016
- **2017 sales**: EUR 3.3 billion, **+6.0%**
- ***Adjusted* operating result**: EUR 85.9 million (**+13.3%)**
- ***Adjusted* PBT g.s.**: EUR 98.2 million, **+16.6%**
- **Outlook 2018**: The Belgian new **car market is expected to contract slightly**. D'Ieteren Auto aims at **flat volumes** thanks to commercial initiatives and new model launches. The ***adjusted* PBT g.s**. is set to improve slightly.
- **Strategy**: further reinforcement of core activities and focus on efficiency gains while exploring new solutions in mobility

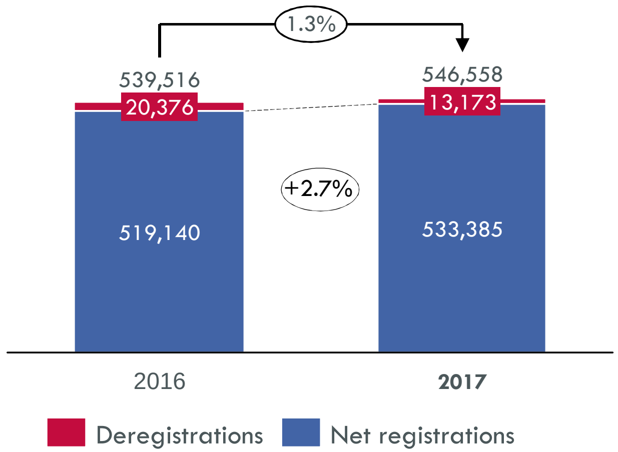
BELGIAN NEW CAR MARKET: +2.7%

Belgian new car market was up 2.7% excluding de-registrations of less than 30 days

or +**1.3%** including the de-registrations

New car registrations



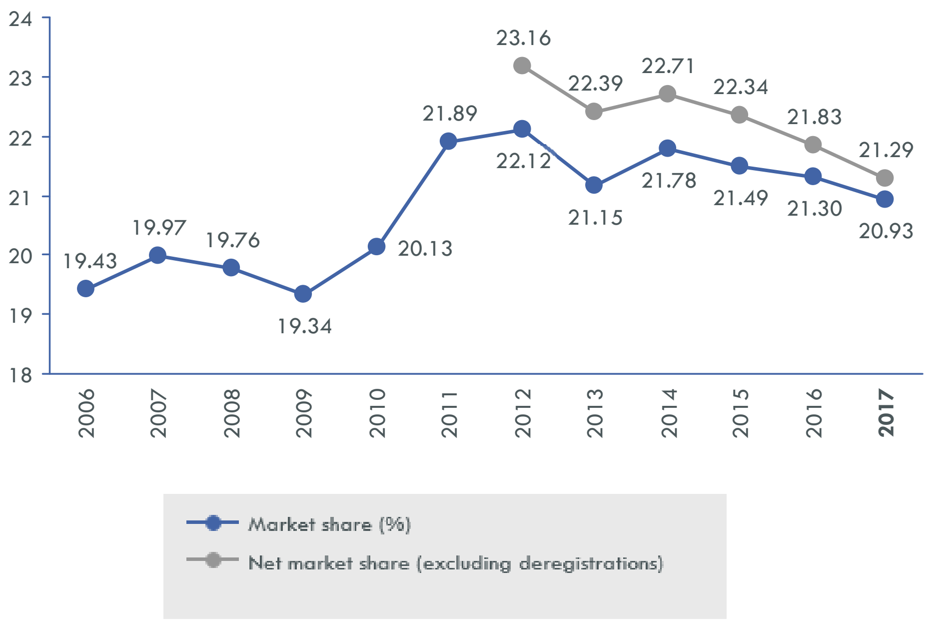


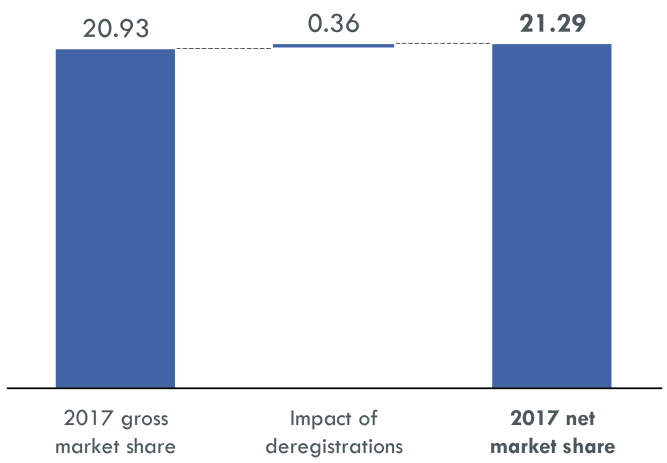
The historical graph above contains gross figures only. In order to provide an accurate picture of the car market, Febiac publishes since mid-2013 market figures excluding registrations that have been cancelled within 30 days.

NET MARKET SHARE AT 21.29%

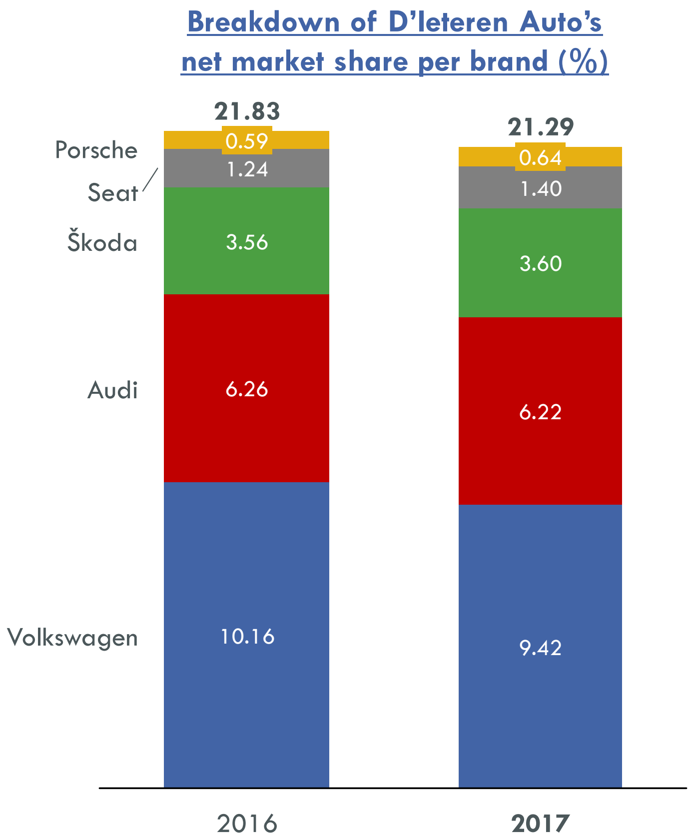
Market share excluding de-registrations down 54bps to 21.29% in 2017 due to tough comparables (successful run-out campaign for the old Tiguan in H1 2016)

D'Ieteren Auto's market share (%)





VOLKSWAGEN REMAINS MARKET LEADER

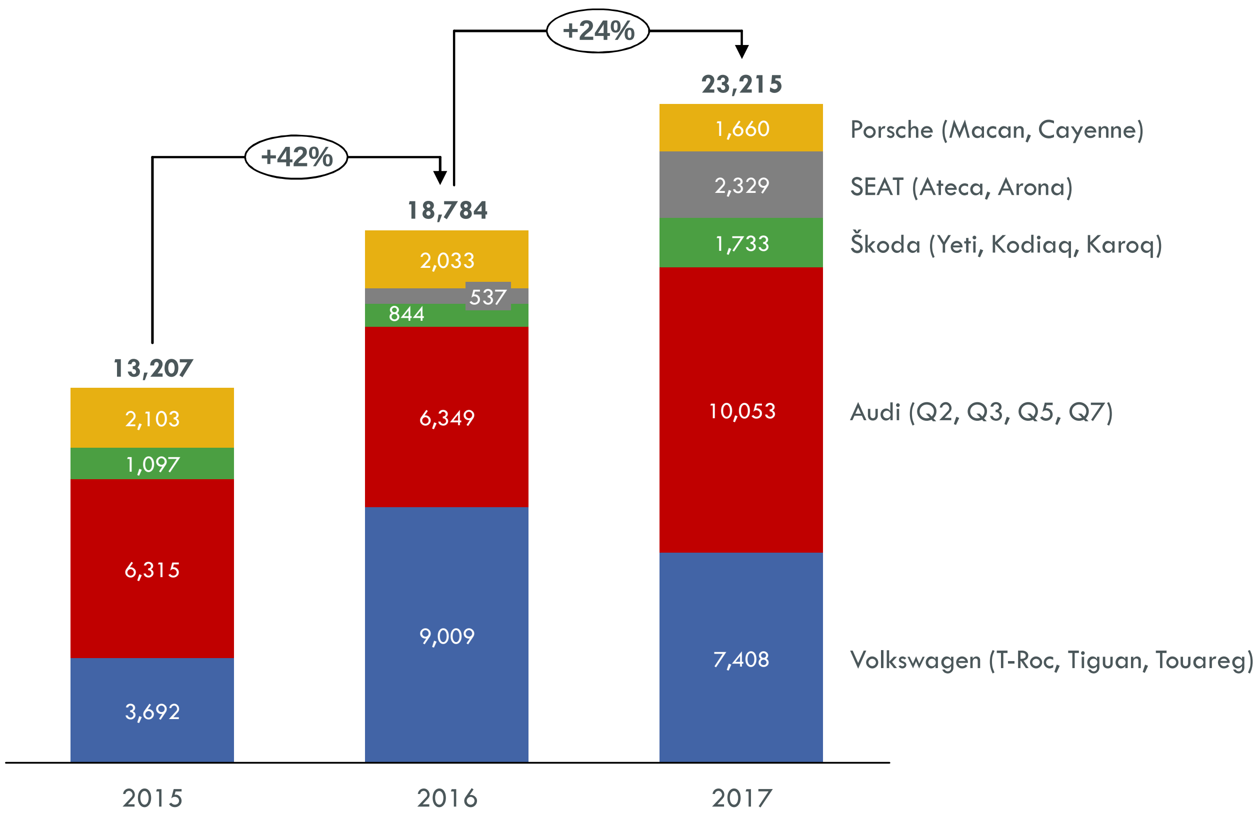


The combined market share of Bentley and Lamborghini totals 0.02% in 2017

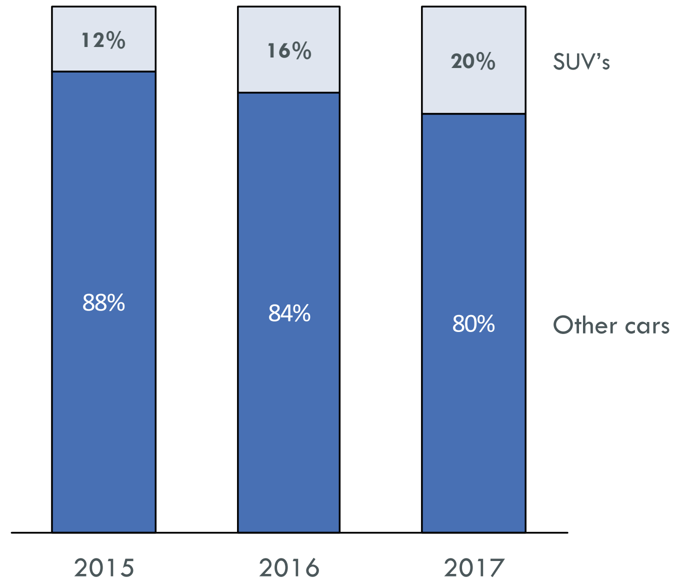
- **VW** remains the market leader with a net share of 9.42% in spite of tough comparables (successful run-out campaign of the old Tiguan in H1 2016)
- **Audi's** share was almost flat thanks to the success of the Q2, the A5 and Q5.
- **Škoda** benefited from the **s**uccess of Kodiaq
- **SEAT's** share was up thanks to the Ateca
- **Porsche's** share improvement is underpinned by the higher demand for the Panamera

SUCCESS OF SUV'S CONTINUES: GROWING SHARE IN PRODUCT MIX

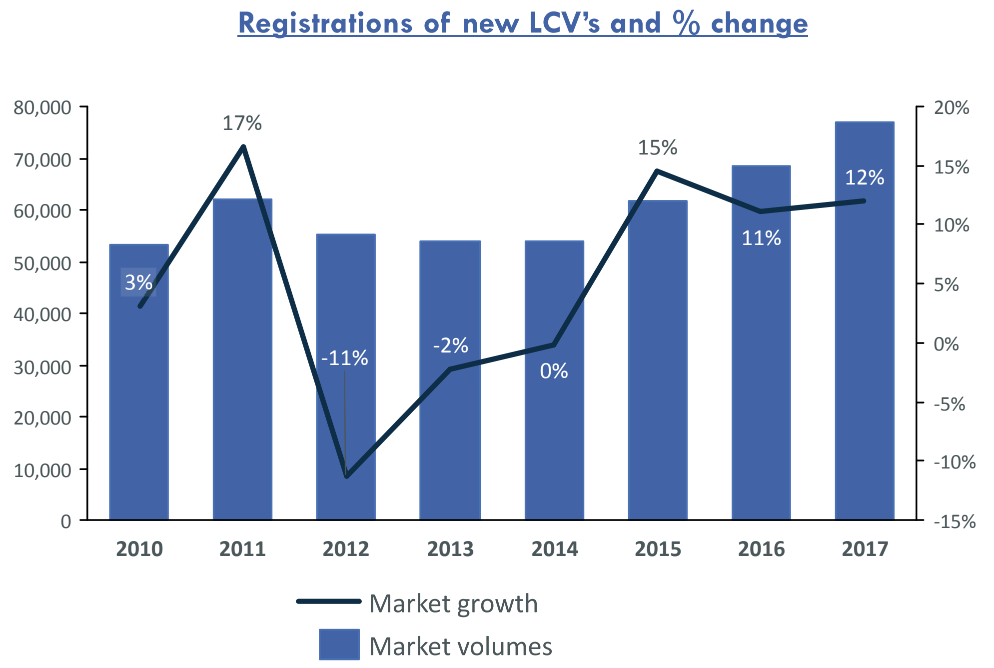
Registrations (gross) of SUV's

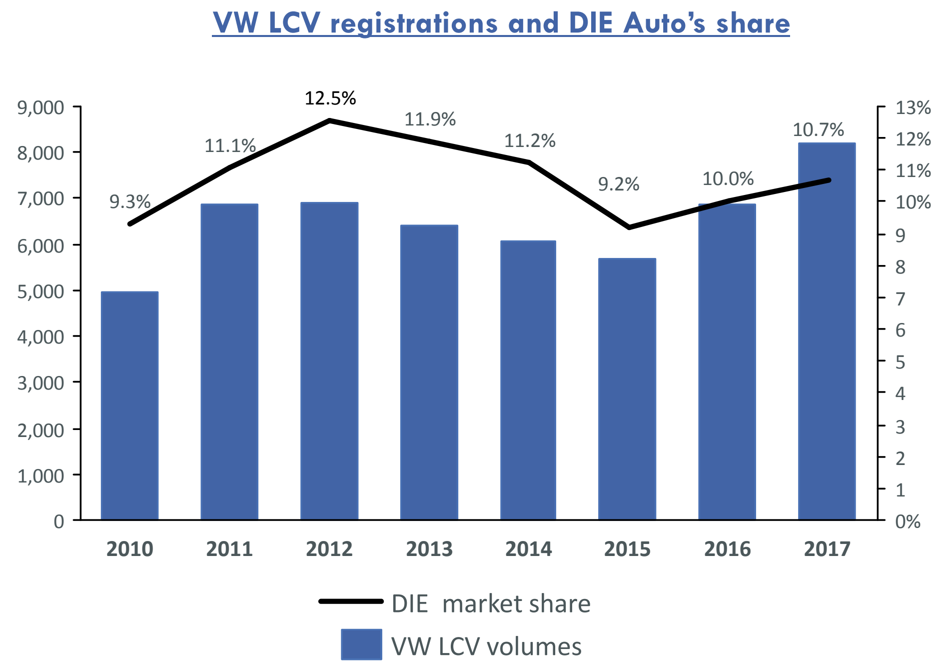


Registrations (gross):
D'Ieteren Auto's car mix



GROWING SHARE IN SOLID LCV MARKET





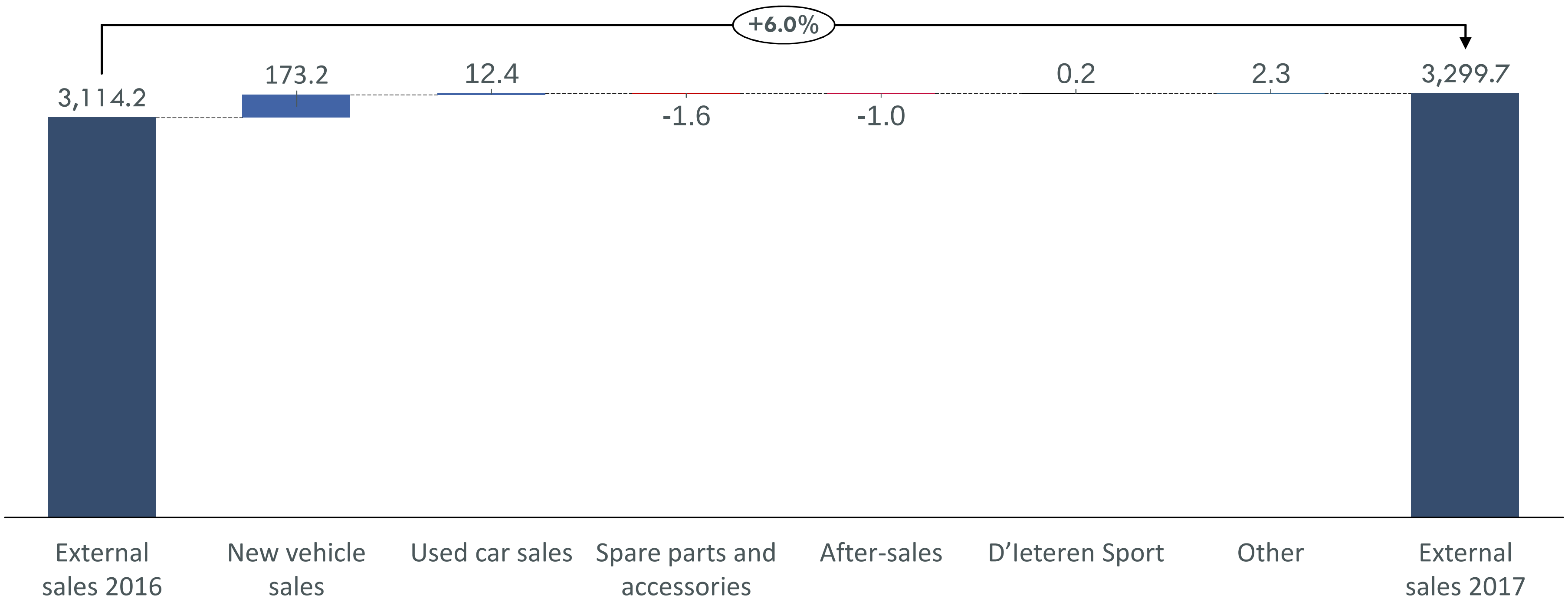
Demand for light commercial vehicles (LCV) is underpinned by:

- Macro-economic tailwinds
- Rising e-commerce related parcel deliveries
- Kilometer based toll on heavy commercial vehicle traffic

EXTERNAL SALES UP 6.0%

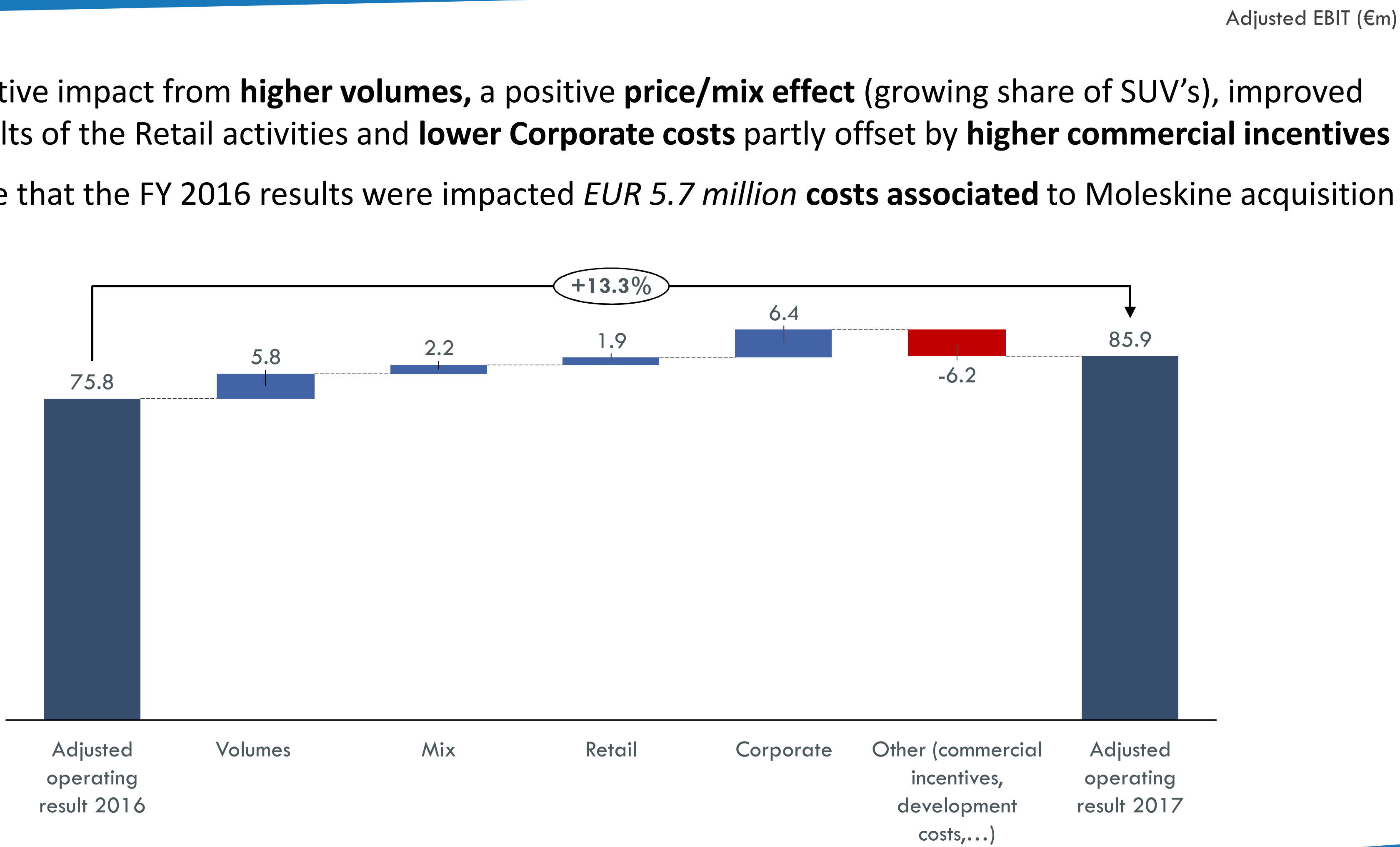
External sales (€m)

- New vehicle sales rose by 6.3% due to higher volumes (number of deliveries +2.2%) and a positive price/mix effect.
- The success of the newly launched SUV's largely explains the positive mix effect



ADJUSTED OPERATING RESULT UP 13.3%

- Positive impact from **higher volumes,** a positive **price/mix effect** (growing share of SUV's), improved results of the Retail activities and **lower Corporate costs** partly offset by **higher commercial incentives**
- Note that the FY 2016 results were impacted *EUR 5.7 million* **costs associated** to Moleskine acquisition



SUMMARY OF 2017 RESULTS

€m	2016	2017	*% change*
New vehicles delivered *(in units)*	122,489	125,229	+2.2
SALES	3,114.2	3,299.7	**+6.0**
***ADJUSTED* OPERATING RESULT**	75.8	85.9	***+13.3***
Adjusted operating margin (in %)	*2.4*	*2.6*	
Adjusted net finance (costs)/income	-0.1	3.5	
Share in *adjusted* net profits of JV and associates	5.4	5.6	
***ADJUSTED* PBT**	**81.1**	**95.0**	***+17.1***
Adjusted income taxes	5.6	-26.3	
***ADJUSTED* NET PROFITS**	**86.7**	**68.7**	***-20.8***
Adjusting items in net profits	-2.9	-7.5	
REPORTED NET PROFITS	**83.8**	**61.2**	***-27.0***

CALCULATION *ADJUSTED* PBT, GROUP SHARE

€m	2016	2017	*% change*
***ADJUSTED* OPERATING RESULT**	**75.8**	**85.9**	***+13.3***
Adjusted net finance (costs)/income	-0.1	3.5	
Share in *adjusted* net profits of JV and associates	5.4	5.6	***+3.7***
Share in tax on adjusted results of JV and associates	3.1	3.2	+3.2
ADJUSTED PBT gs	**84.2**	**98.2**	***+16.6***

ADJUSTING ITEMS IN RESULT BEFORE TAX

€m	**2017**
Market Area related provisions	-7.2
Professional fees and transaction bonus related to disposal of a 40% stake in Belron	-7.6
Revaluation of Belron put options	1.7
Disposal gain Ota Keys	2.9
Other	-0.2
Total *adjusting items* in PBT	**-10.4**

FY 2017 RESULTS: FURTHER DETAILS

- **Net financial income** includes interest on intra-group loans to Belron and Moleskine, partly offset by commission on unused credit lines.
- Contribution from **equity accounted equities** to *adjusted* result before tax, group's share, reached **EUR 8.8 million** in 2017 (EUR 8.5 million in 2016). This reflects a 9% rise in the number of asset based contracts at VDFin
- **Income tax expense** of EUR 23.4 million in 2017 **compared to income tax revenue** of EUR 2.7 million in 2016. Swing is due to a reduction in the notional interest rate and movements in deferred tax assets related to the deductibility of certain provisions and tax credits
- Decline in net profits is mainly due to the swing in income taxes

CASH FLOW AND NET DEBT

- **The decline in free cash flow** is due to higher capex, swing in working capital needs and higher taxes paid. Note: trade receivables declined sharply in 2016 as independent dealers switched to cash payments
- **Net cash** increased from EUR 71.7 million at the end of 2016 to **EUR 549.5 million at the end of 2017.** This increase mainly reflects **Belron's extraordinary dividend (EUR 429 million)**
- Note: the proceeds (EUR 629 million) of the disposal of 40% in Belron were received in February 2018

€m	FY 2016	FY 2017
Adjusted EBITDA	80.1	87.3
Net interest paid	-0.3	0.0
Taxes paid	-4.8	-10.8
Change in WCR	61.4	-3.1
Net capex	-17.3	-22.8
Free cash flow	**119.1**	**50.6**
Acquisitions (incl. net debt acquired)	-216.7	-
Net cash position	**71.7**	**549.5**

LATEST DEVELOPMENTS

- **Brussels Motor Show** (Jan. 2018) was a **great success** for D'Ieteren Auto. Number of client **contracts** +18% in Jan. 2018 vs. Jan. 2017 and +26% vs. Jan. 2016. **Orderbook** at the end of January 2018: +17% y/y_{-1} and +26% y/y_{-2}
- Acquisition of **Rietje** closed in January 2018: Volkswagen (cars and commercial vehicles), Audi and Škoda dealerships and a multi-brand body shop in the northern Antwerp region
- D'Ieteren Auto aims to play a role in the mobility of the future. The goal of **Lab Box**, which was established as an independent legal entity in 2017, is to analyze and develop innovative mobility solutions. **Poppy**, a car-sharing venture in Antwerp, is one of Lab Box's first initiatives. After a test phase, Poppy was officially launched in January 2018 with a fleet of 350 'clean' cars (Volkswagen e-Golfs and Audi A3 g-trons).

OUTLOOK FOR 2018

- In a **market** that is expected to **decrease slightly**, D'Ieteren Auto aims at **stable volumes** thanks to commercial initiatives and new model launches
- ***Adjusted* PBT g.s.** is expected to improve slightly
- **Product pipeline** in 2018:
  - **New models:** Audi Q8 and e-tron, Lamborghini Urus (SUV)
  - **Model replacements:** Volkswagen Touareg, Audi Q3, A7, A6 and A1, Porsche 911
  - **Facelifts:** Škoda Fabia, Audi TT and Porsche Macan

NEW MODELS

Audi Q6

SEAT Arona

VW T-Roc

Audi Q8 – Concept car

Škoda Karoq

Lamborghini URUS

MEDIUM TERM TARGETS - D'IETEREN AUTO INCL. CORPORATE

	Targets 2017-2022	FY 2015	FY 2016	FY 2017
Sales growth	2-3%	+8.0%	+8.4%	+6.0%
Adjusted operating margin	>3%	2.3%	2.4%	2.6%
ROCE (pre-tax) (1)	20%	14.1%	18.2%	18.1%
Free cash flow (EUR million) (2)	70	53	119	51

(1) ROCE = *adjusted* operating result/(non-impaired capital employed)
(2) Free cash flow = *adjusted* EBITDA +/- changes in working capital – capex - net interest paid – taxes paid

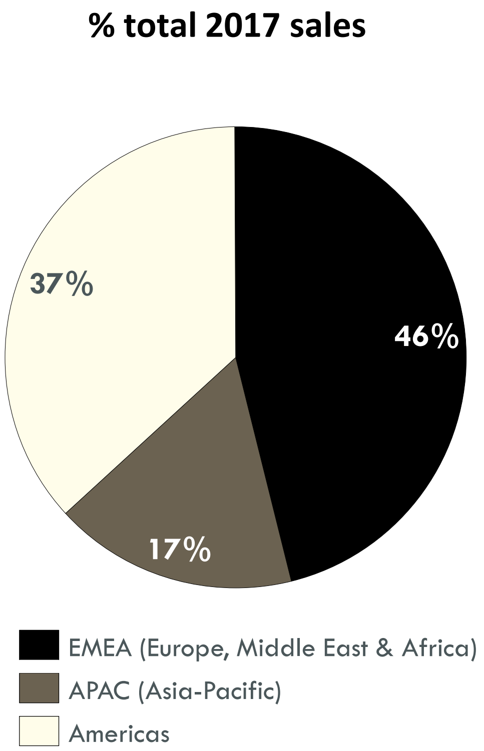
MOLESKINE

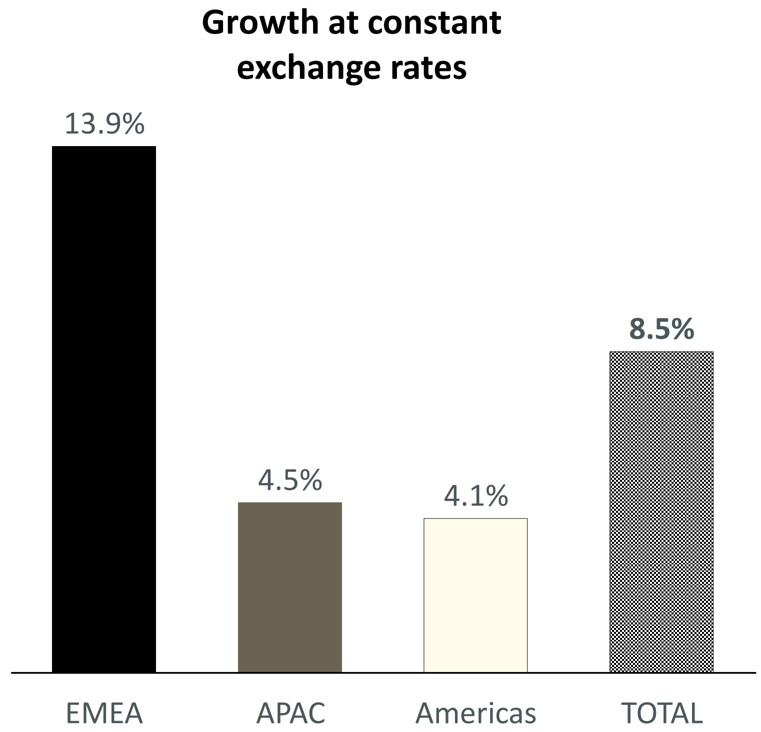
Contributing to the development and sharing of human knowledge and culture

MOLESKINE – HIGHLIGHTS

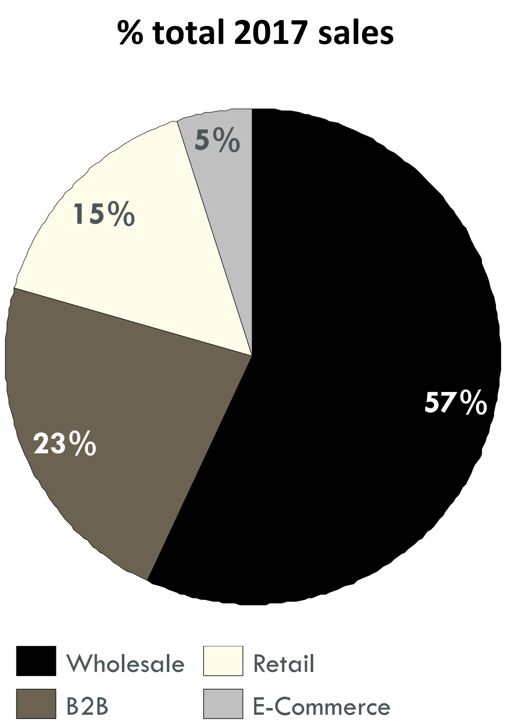
- **A transition year**: strategic initiatives and organizational developments
- **6.7% sales growth** or +**8.5% at constant exchange rates**
- **Growth across all products, regions and channels** (with the exception of e-commerce)
- **The operating result reached EUR 25.2 million (**EUR 34.0 million full year 2016)
- Evolution reflects **'fit-for-growth' costs to sustain future development**, **integration costs** and a more **challenging retail environment in the US**
- **Outlook: double-digit growth for its sales and adjusted PBT**

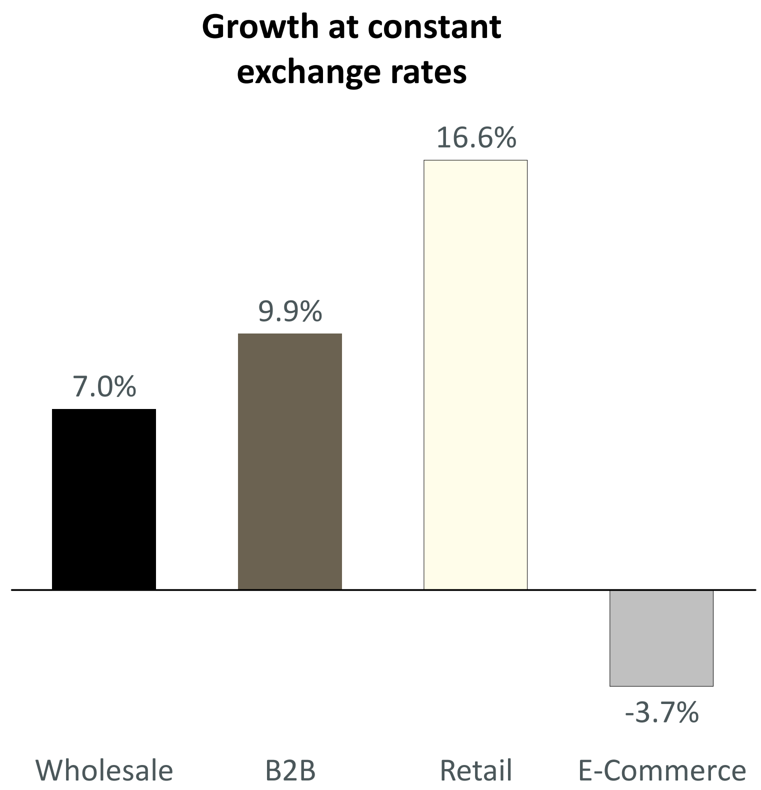
SALES GROWTH ACROSS ALL REGIONS





SALES GROWTH ACROSS THE MAJOR CHANNELS





SALES INITIATIVES

- **Wholesale**:
  - ✓ Expansion into **new channels** for bags (e.g. fashion stores, travel and leather goods) and M+ products (e.g. consumer electronic chains)
  - ✓ **Dedicated visual merchandising projects with key retailers**
- **B2B:**
  - ✓ **Focus on key markets and large deals** including cross country contracts and full service projects
- **Retail:**
  - ✓ **Number of stores** increased from 79 at the end of 2016 to **87** at the end of 2017
- **E-Commerce:**
  - ✓ Migration to a **new platform**

RESULTS IMPACTED BY INVESTMENTS IN FUTURE GROWTH

EUR million	IFRS (3 months 2016)	FY 2016	FY 2017	FY 2017/FY 2016
External sales	**52.1**	**145.2**	**155.4**	*7%*
Operating result	**14.6**	**34.0**	**25.2**	*-26%*
Operating margin	*28.0%*	*23.4%*	*16.2%*	
Net financial result	**-1.4**	**-1.0**	**-10.0**	
Pretax profits	**13.2**	**32.9**	**15.2**	*-54%*
Taxes	-4.1	-9.6	-5.1	*-47%*
Tax rate	*31.1%*	*29.2%*	*33.6%*	
Net profits	**9.1**	**23.3**	**10.1**	*-57%*
Minorities	-3.1		-	
Net profits, group's share	**6.0**		**10.1**	

FACTORS IMPACTING FY 2017 RESULTS

- **The decline in operating margin reflects**:
  - ✓ Costs related to **strategic projects for future growth** (e.g. strengthening of the regional platforms, digital innovation projects, move to new headquarters…)
  - ✓ Increase in the number of **FTEs from 401 at the end of 2016 to 468 at the end of 2017**
  - ✓ Strengthening of the **IT infrastructure** (SAP was launched across the company on 1st January)
  - ✓ A EUR 2.5 million charge related to the **new long-term incentive program**
  - ✓ **Consultancy fees** for the development of a new 5-year business plan
  - ✓ **Merger costs** (Moleskine SpA merged with its parent company DM Invest Srl)
  - ✓ **A negative channel mix effect**: higher weight of the loss-making Retail channel
  - ✓ **A negative currency impact of EUR 1.3 million:** mainly due to the weakening of the USD (related to USD receivables)
- **Net financial charges increased from EUR 1.0 million (12 months in 2016) to EUR 10.0 million** due to the financing costs related to the acquisition by D'Ieteren.

CASH FLOW AND NET DEBT

€m	FY 2017
EBITDA	37.9
Net interest paid	-7.4
Taxes paid	-12.3
Change in WCR	-7.7
Capex	-10.4
Free cash flow	**0.2**
Net debt	**289.4**

- **Higher WCR**: mainly due to a rise in **inventories** as a result of lower than expected sales and back-ended sales
- **Capex:** investments in new store openings, IT (SAP implementation, E-Commerce platform) and new HQ
- At the end of 2017, Moleskine's net debt amounted to EUR 289.4 million of which a EUR 152 million loan provided by D'Ieteren SA

OUTLOOK

- For 2018, Moleskine aims at **double digit growth for its sales and *adjusted* PBT underpinned by its strengthened organization and strategic initiatives**
- **The share of non-paper products and M+ as a % of total sales is expected to increase further**
- **Profitability of the Retail channel is a strategic priority** which will be driven by the ongoing pursuit of operational excellence aimed at delivering an improved customer experience
- **Additional strategic priorities** include the further development of the new product categories (bags & digital products) and the reinforcement of the IT systems and tools (e.g. CRM).

2018 OUTLOOK – GROUP LEVEL

On a comparable basis, D'Ieteren aims for a 'mid-to-high single digit improvement' in its *adjusted* consolidated PBT g.s. Note that D'Ieteren's share in Belron fell to 54.85% in February 2018. The guidance assumes a 58.18% stake (weighted average of 94.85% for one month and 54.85% over 11 months) in 2017 and 2018. If Belron had been consolidated according to this ratio (58.18%) in 2017, the *adjusted* consolidated PBT g.s. would have been EUR 195.9 million. This guidance assumes average foreign exchange rates in 2018 that are in line with the exchange rates that prevailed at the end of 2017.

Q&A

FORWARD-LOOKING STATEMENTS

“To the extent that any statements made in this presentation contain information that is not historical, these statements are essentially forward-looking. The achievement of forward-looking statements contained in this presentation is subject to risks and uncertainties because of a number of factors, including general economic factors, interest rate and foreign currency exchange rate fluctuations; changing market conditions, product competition, the nature of product development, impact of acquisitions and divestitures, restructurings, products withdrawals; regulatory approval processes and other unusual items. Consequently, actual results may differ materially from those expressed or implied by such forward-looking statements. Forward-looking statements can be identified by the use of words such as "expects", "plans", "will", "believes", "may", "could", "estimates", "intends", "targets", "objectives", "potential", and other words of similar meaning. Should known or unknown risks or uncertainties materialize, or should our assumptions prove inaccurate, actual results could vary materially from those anticipated. The Company undertakes no obligation to publicly update any forward-looking statements.”

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