

1Q 2018 trading update

Positive start to the year – full-year guidance unchanged

- **D'Ieteren group's combined¹ sales** rose by 3.5% in 1Q 2018.
- **D'Ieteren Auto's** sales increased by 2.4%, mainly reflecting a positive price and model mix effect partly offset by a decline in new vehicle deliveries. D'Ieteren Auto's market share² improved by 8bps to 20.37% in a broadly flat market (+0.6%)².
- **Belron's sales rose by 4.1%, comprising a 9.6% organic³ increase**, thanks to market share gains and positive mix developments supported by favourable weather conditions, together with 3.1% from acquisitions. This was partially offset by a 7.3% negative currency translation effect and a 1.3% negative trading day impact due to the timing of Easter.
- **Moleskine's** strong organic³ revenue growth (+27.2%) was underpinned by higher B2B sales across the regions and solid Wholesale and Retail revenues in the Americas and EMEA. At actual exchange rates, sales were up 19.0%.
- **Unchanged full-year guidance:** D'Ieteren is aiming for a mid-to-high single-digit improvement for its *adjusted* consolidated result before tax, group's share⁴. Following the sale of 40% of its shares in Belron to CD&R, D'Ieteren's stake in Belron stands at 54.85% as from February 2018. The guidance assumes a 58.18% stake (a 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 result before tax, group's share⁴, 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.

Message from the Management

"1Q 2018 was positive for each of our three activities.

Belron's performance was driven by market share gains made possible by sustained investments in marketing, key account relationships and service levels. The business continues to innovate, with improvements to the operational performance and its key account offering, as well as expansion into new services.

D'Ieteren Auto managed to increase its market share and saw sales growth underpinned by the successful launch of new SUVs. The network optimization is nearing completion and investments are being made to improve customer experience using an approach that is increasingly based on digital and mobile platforms.

Moleskine reported a significant pick-up in sales momentum underpinned by its multi-channel distribution and product expansion strategy.

Following the partial sale of D'Ieteren's stake in Belron, the Corporate team is continuing to look at new investment opportunities."

D'ITEREN AUTO AND CORPORATE ACTIVITIES

Q1 2018 performance

| | Q1 17 | FY 2017 | Q1 18 |
|---|----------------|----------------|----------------|
| New car registrations (in units)* | 160,872 | 533,385 | 161,906 |
| % change yoy | 10.3% | 2.7% | 0.6% |
| Total market share new cars* | 20.29% | 21.29% | 20.37% |
| Volkswagen | 8.96% | 9.42% | 9.41% |
| Audi | 5.67% | 6.22% | 5.44% |
| Škoda | 3.65% | 3.60% | 3.41% |
| SEAT | 1.44% | 1.40% | 1.55% |
| Porsche | 0.55% | 0.64% | 0.55% |
| Bentley/Lamborghini | 0.02% | 0.02% | 0.01% |
| Market share commercial vehicles** | 10.25% | 10.69% | 9.84% |

* Excluding deregistrations within 30 days

** Gross figures

Excluding registrations of less than 30 days², Belgian new car registrations rose by 0.6% year-on-year to 161,906 units. Including these registrations, the Belgian market totalled 165,557 new car registrations, up 0.5% year-on-year. The shift from diesel engines to petrol and cleaner engines continued, with the share of diesel falling from 46.6% in 1Q 2017 to 37.6% in 1Q 2018. The share of alternative energy engines (electric, hybrid, CNG) rose from 4.8% to 5.8%. SUV models continue to gain market share (35.4% in 1Q 2018 versus 29.9% in 1Q 2017).

The market share² of the brands distributed by D'Ieteren Auto improved by 8bps to 20.37% in Q1 2018. Volkswagen remained the Belgian market leader

with a market share of 9.41% (+45 bps) thanks to the successes of the T-Roc, the Tiguan, the Arteon, the Passat and the Polo. Audi's market share² (5.44%) was slightly down in spite of higher demand for the A5, Q5 and Q2. The Audi A7 was replaced during Q1 2018. SEAT's market share² gain (+11bps) mainly reflects the success of its SUVs (Ateca and the newly-launched Arona). Škoda's share² declined by -24bps to 3.41% but demand for its SUVs (Karoq, Kodiaq) was strong. Porsche's flat market share² was underpinned by the success of the Panamera.

Belgian registrations of new light commercial vehicles (0-6 tonnes) reached 21,636 units in Q1 2018, down 1.1% year-on-year. D'Ieteren Auto's market share declined by 41bps year-on-year to 9.84% due to a temporary suspension of deliveries of the T6 passenger vans. Deliveries began to catch up in March.

D'Ieteren Auto's sales rose by 2.4% in Q1 2018. The total number of new vehicles, including commercial vehicles, delivered by D'Ieteren Auto fell by 5.1% to 35,586. The 2.0% rise in new vehicle sales (in EUR) reflects a positive model mix (SUVs and Porsche Panamera) and price effect, partly offset by lower volumes and a negative brand effect (lower Audi volumes in the brand mix). Revenues from used cars were flat. The top-line contribution from spare parts and accessories, after-sales activities and D'Ieteren Sport improved.

Rietje, the latest acquisition on the Antwerp-Brussels axis, was included in D'Ieteren Auto's accounts as from 1 January 2018. The acquisition, which included Volkswagen (cars and commercial vehicles), Audi and Škoda dealerships and a multi-brand body shop in the northern Antwerp region, had a positive impact of EUR 8 million on consolidated sales (after elimination of intracompany sales).

Activity outlook 2018

Belgium's new car market is expected to shrink slightly in 2018. D'Ieteren Auto is aiming at flat volumes thanks to commercial initiatives and new model launches. There is a risk that the implementation of WLTP (Worldwide Harmonised Light Vehicle Test Procedure) might lead to delivery delays as all car model variants need to be tested and certified in accordance with WLTP by September 2018.

The product pipeline for the remainder of the year includes the replacement of the Volkswagen Touareg. Audi will launch the new Q8 and the electric e-Tron and replace the Q3, A6 and A1. Porsche will replace the 911 and the Macan will receive a facelift. Lamborghini will introduce the Urus (SUV). SEAT announced the launch of CUPRA, a new sports car brand with its own identity. Škoda is planning a facelift for the Fabia later this year.

At the end of April 2018, D'Ieteren Auto's order book (in number of units) was 32.9% higher than April 2017 and 35.2% up on April 2016. Note that 2018 and 2016 were both 'major' editions of the Brussels Motor Show.

Unchanged FY 2018 guidance for D'Ieteren Auto including Corporate: the *adjusted* result before tax, group's share⁴, is set to improve slightly.

BELRON

Q1 2018 performance

Belron's sales rose by 4.1%, comprising a 9.6% organic³ increase, thanks to market share gains and positive mix developments supported by favourable weather conditions, together with 3.1% from acquisitions. This was partially offset by a 7.3% negative currency translation effect and a 1.3% negative trading day impact due to the timing of Easter. The number of total consumers served rose to 4.2 million (of which 3.2 million in Vehicle Glass Repair and Replacement), up 7.2% compared to Q1 2017.

In Europe, sales increased by 10.3%, consisting of a 6.4% organic³ increase and a 6.5% increase from acquisitions, partially offset by a 1.6% decrease due to trading days and a 1.0% negative currency translation effect. The organic³ sales increase reflects increases in market share and higher pricing, primarily due to product complexity. The acquired growth in Europe mainly relates to the 2017 acquisitions of Care Carrosserie NV in Belgium and Maisoning Group in France. The trading day impact mainly reflects Easter falling in Q1 in 2018 compared to Q2 in 2017. The translation impact is primarily due to the weaker GBP.

Outside Europe, sales decreased by 1.5%, comprising an 11.8% organic³ increase and a 0.2% growth from acquisitions offset by a 12.4% negative currency impact and a 1.1% decrease due to trading days. Safelite delivered record sales over the quarter while increasing its market share. The growth acquired outside Europe mainly relates to the completion of the Laser Group acquisition in Australia and New Zealand in March 2018. The translation impact is primarily due to the weaker US dollar.

Activity outlook 2018

Belron is aiming for moderate organic³ sales growth and a higher *adjusted*⁴ operating result in 2018. Its contribution to D'Ieteren's *adjusted* result before tax, group's share⁴, will reflect D'Ieteren's 94.85% ownership interest in January 2018 and 54.85% from February 2018 onwards. On a comparable basis, Belron's *adjusted* result before tax, group's share⁴ is expected to rise in the 'high single digits'. 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 together with lower charges related to the long-term management incentive programme. This 3-year rolling programme will be replaced by a direct equity investment opportunity that has been offered to management. In 2018, there will still be charges related to the programmes that were launched in 2016 and 2017, but in 2019, these charges will be limited to the programme that started in 2017.

Adjusting items

Based on the transaction price agreed between D'Ieteren and CD&R (EUR 3 billion of enterprise value which, after deduction of debt-like items, 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, of which ca. EUR 0.6 billion is cash. This gain will be shown under *adjusting items*⁴ in H1 2018. The under *adjusting items*⁴ will also include a transaction bonus of about EUR 33 million for Belron's management.

MOLESKINE

Q1 2018 performance

Moleskine's revenues increased organically³ by 27.2% in Q1 2018 and by 19.0% at actual exchange rates. The negative foreign exchange effect mainly reflects the weakening of the USD (-13%), the HKD (-14%), the GBP (-14%) and the CNY (-6%) versus the EUR.

At constant exchange rates:

- **Wholesale** revenues increased by 6%, reflecting solid growth in EMEA and Americas. The drop in revenue in APAC was mainly due to a change in the distribution model in Japan.
- **B2B** revenues increased by 145%, driven by a strong performance across all geographies. Revenues were boosted by large projects that were phased differently compared to last year.
- **Retail** revenues increased by 10%, reflecting moderate network expansion (82 directly-operated stores at the end of 1Q 2018 compared to 76 at the end of 1Q 2017) and overall solid comparable store sales growth.
- **E-Commerce** revenues decreased by 5%, reflecting some logistics issues linked to the migration to the new platform and overall fine-tuning of customer experience. A return to growth is expected later in the year.

Latest developments

Over the last two years, Moleskine has developed the Smart Writing System, which includes Paper Tablet Smart Notebooks, the Smart Diary/Planner, the Moleskine Notes app and a Smart Pen allowing its increasingly mobile users to migrate content effortlessly from their paper notebooks to their digital devices. In February 2018, Moleskine launched a new pen called Pen+ Ellipse. Elegantly designed and sensitive to the lightest touch, the Pen+ Ellipse instantly transfers all hand-written content such as drawings, ideas and appointments to the compatible digital device of the user's choice.

The bags category contributed to sales growth in Q1 2018, mainly driven by the launch of "Nomad", a collection designed to seamlessly complement a contemporary lifestyle, and the introduction of new models in the Classic collection.

Moleskine took part in Milan's Design Week with an installation at the Mudec Museum of Culture, one of the city's most important venues for the exhibition of contemporary art and culture. A kinetic show of light and sound introduced visitors to the Pen+ Ellipse, the company's new smart pen that combines practicality with aesthetics.

Finally, following the success of the first Moleskine Café, which was opened in the heart of Milan's Brera district in 2016, the concept has now been replicated in Beijing and Hamburg.

Activity outlook 2018

Unchanged guidance: Moleskine aims at double-digit growth at constant exchange rates for its sales and *adjusted*⁴ profit before tax, underpinned by a strengthened organization and strategic initiatives.

Notes

¹ Combined figures include Belron at 100%. Note that under IFRS, Belron is included under the equity accounting method from 2018 onwards following the loss of exclusive control (according to IFRS rules). The transaction whereby CD&R acquired a 40% stake in Belron closed on 7 February 2018.

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 APMs greater prominence than defined IFRS measures. See page 10 of the Full-Year 2017 Financial and Directors' Report for the definition of these performance indicators.

End of press release

Wednesday 30 May 2018 – 7:30 am CEST

GROUP PROFILE

In existence since 1805, and across family generations, D'Ieteren seeks growth and value creation by pursuing a long-term strategy for its businesses and actively encouraging and supporting them to strengthen their positions in their respective industries and geographies. The group currently has 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 at the end of 2017. Sales and adjusted operating result reached respectively EUR 3.3 billion and EUR 85.9 million in FY 2017.
- **Belron** (54.85% owned) makes a difference by solving people's problems with real care. It is the worldwide leader in vehicle glass repair and replacement, trading under more than 10 major brands including Carglass®, Safelite® AutoGlass and Autoglass®. In addition, it manages vehicle glass and other insurance claims on behalf of insurance customers. Belron is also expanding its services to focus on solving problems for people who need assistance with repairs to their vehicles and homes. Sales and adjusted operating result reached respectively EUR 3.5 billion and EUR 189.8 million in FY 2017.
- **Moleskine** (100% owned) is a premium aspirational lifestyle brand that 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 155 million and EUR 25 million in FY 2017.

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 | |
|---|--|----------------|-----------------------|
| | | | |
| 30 April 2018 | Publication of the annual report 2017 | 31 May 2018 | General Meeting |
| 27 April 2018 | Proposal to appoint two new Directors to D'Ieteren's Board | 5 June 2018 | Ex-dividend date |
| 28 February 2018 | FY 2017 results | 6 June 2018 | Dividend record date |
| 7 February 2018 | Closing of CD&R's partnership investment in Belron | 7 June 2018 | Dividend payment date |
| 21 December 2017 | Belron enters an agreement to acquire Laser Group | 30 August 2018 | H1 2018 results |

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The D'Ieteren app is available on:

