

2019 HALF-YEAR RESULTS

D'Ieteren adopted IFRS 16 "Leases" from 1 January 2019 onwards using the retrospective approach (see notes 2 and 4 of the "2019 Half-Yearly Financial Report"). 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. The H1 2019 results are shown both on a "Post-IFRS 16" and "Pre-IFRS 16" basis. The latter facilitates the comparison with the H1 2018 results. Comments in this press release refer to the figures on a "Pre-IFRS 16" basis unless otherwise stated.

D'Ieteren group's key performance indicator (KPI) – the *adjusted* consolidated result before tax, group's share¹ – rose by 25.3% to EUR 178.9 million on a comparable basis (54.10% stake in Belron in H1 2018 and H1 2019).

- **D'Ieteren Auto's** share³ improved in a new car market³ that was down 7.4%, in line with expectations. The decline in sales (-3.1%) and the *adjusted* result before tax, group's share^{1,2} (-7.2%) reflects lower volumes, a negative mix effect and a lower contribution from the Retail activities.
- **Belron** delivered solid organic⁶ sales growth (+5.1%). Its *adjusted* result before tax, group's share^{1,2} improved by 88.8% reflecting good progress on its Fit for Growth programme.
- **Moleskine's** sales recovered in Q2 2019 (+9.3%) following the drop in Q1 2019 (-14.7%) to arrive at -2.2% in H1 2019. The decline in Q1 2019 was mainly due to some exceptionally large B2B orders in Q1 2018. The *adjusted* result before tax, group's share^{1,2} reached EUR -1.7 million (EUR 0.4 million in H1 2018).
- **Other** (including corporate and real estate activities) reported an *adjusted* result before tax, group's share¹ of EUR -9.1 million in H1 2019 compared to EUR -4.6 million in H1 2018.

Unchanged FY 2019 guidance: D'Ieteren aims at an *adjusted* consolidated result before tax, group's share^{1,2} that is at least 25% higher compared to last year's result (EUR 220.4 million when restated to reflect the current 54.10% stake in Belron). This guidance reflects continued progress of Belron's results.

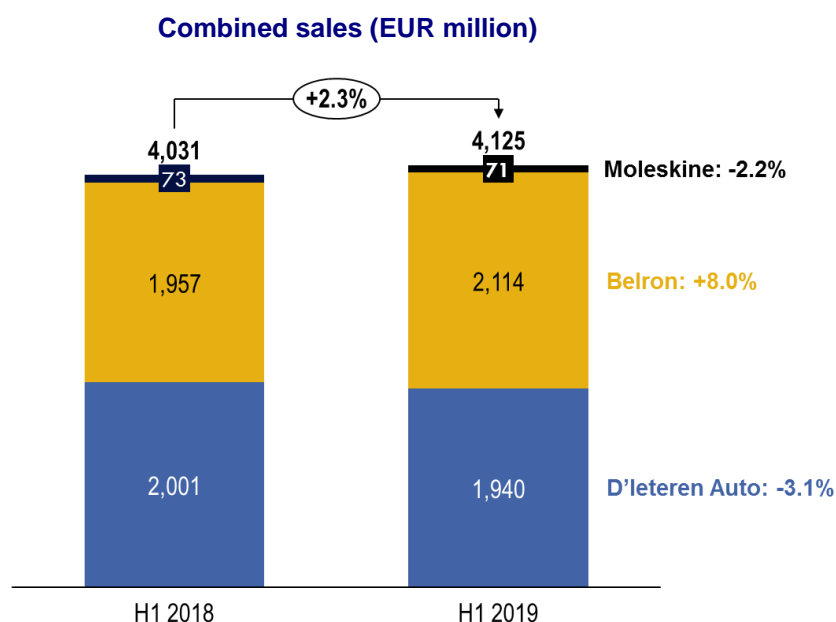
GROUP SUMMARY

A. SALES

Consolidated sales under IFRS amounted to **EUR 2,010.6 million (-3.0%)**. This figure excludes Belron. **Combined sales** (including 100% of Belron) amounted to **EUR 4,125.0 million (+2.3%** compared to H1 2018).

Combined sales growth per activity:

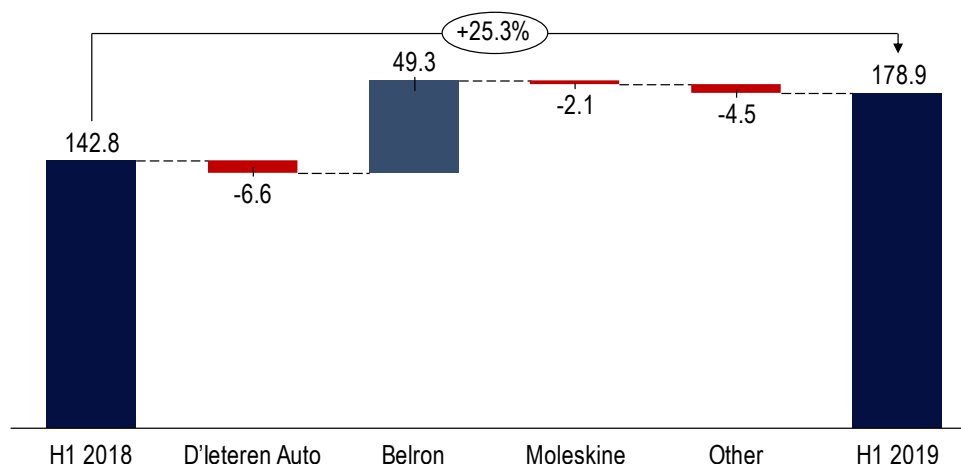
- **D'Ieteren Auto: -3.1%** due to lower new car volumes and a negative model mix effect at Volkswagen and Porsche. Excluding registrations of less than 30 days³, Belgian new car registrations dropped by 7.4% due a tough base of comparison following last year's WLTP effect. D'Ieteren Auto's market share³ improved by 9bps to 22.04%. The total number of vehicles, including commercial vehicles, delivered by D'Ieteren Auto reached 71,517 units (-2.3%).
- **Belron: +8.0%** comprising a 5.1% organic increase⁶ and a positive currency translation impact of 2.9%. Sales growth was solid in North America with the Eurozone and the Rest of the World adversely impacted essentially by milder winter conditions compared to 2018.
- **Moleskine: -2.2%** with solid growth in Wholesale offset by a decline in the other channels. The sales momentum improved significantly in Q2 2019 (+9.3%) following a 14.7% drop in Q1 2019 which was due to exceptionally large B2B orders during the same period last year.



B. RESULTS

- The **consolidated result before tax² (under IFRS)** reached EUR 125.5 million (EUR 95.5 million in H1 2018) (see note 4 of the 2019 Half-Yearly Financial Report for further details).
- Our key performance indicator – the **adjusted consolidated result before tax, group's share^{1,2}** – amounted to EUR 178.9 million, up 25.3% on a comparable basis (54.10% stake in Belron). It breaks down as follows:
 - **D'Ieteren Auto:** EUR 84.9 million, -7.2% year-on-year, mainly due to lower new car deliveries, a negative model effect at Volkswagen and Porsche, higher inventory write-downs and higher investments at Lab Box. The results of the Import activity improved, while the performance of Retail deteriorated.
 - **Belron:** EUR 104.8 million, up 88.8% year-on-year reflecting good progress on the Fit for Growth programme partly offset by higher financial charges following the new loan and dividend pay-out in Q4 2018.
 - **Moleskine:** EUR -1.7 million, mainly reflecting the impact from lower B2B sales and the resulting negative operating leverage.
 - **Other (including corporate and real estate activities):** EUR -9.1 million compared to EUR -4.6 million in H1 2018.

Segment contribution to the change in *adjusted PBT, g.s.*^{1,2} (EUR million)



- The **group's share in the net result for the period** equalled EUR 108.8 million (EUR 1,082.4million in H1 2018) on a pre-IFRS 16 basis or EUR 106.3 million on a post-IFRS 16 basis. The H1 2018 figure included the consolidation gain associated with the loss of control on the sale of a 40% stake in Belron to CD&R. The *adjusted* net profit, group's share¹, reached EUR 134.1 million, up 10.0% year-on-year (pre-IFRS 16).

D'IETEREN AUTO

- Excluding registrations of less than 30 days³, the Belgian market dropped by 7.40% year-on-year and D'Ieteren Auto's share³ improved marginally to 22.04% in H1 2019 (21.95% in H1 2018) underpinned by the continuing success of the SUV models.
- New vehicle sales fell by 3.6% to EUR 1,719.5 million reflecting lower car sales, partly offset by higher commercial vehicle sales.
- Total sales reached EUR 1,939.5 million (-3.1%).
- The operating result² of D'Ieteren Auto reached EUR 80.0 million (EUR 83.7 million in H1 2018). The impact from IFRS 16 is nil.
 - The *adjusted* operating result^{1,2} decreased by 8.1% to EUR 81.0 million mainly due to lower revenues, a negative model mix effect at Volkswagen and Porsche, higher inventory write-downs, lower contribution from Retail and higher investments at Lab Box.
 - The *adjusting* items¹ comprised in the operating result (EUR -1.0 million) relate to the Market Area strategy.
- The result before tax² reached EUR 82.2 million (-7.5%).
- The *adjusted* result before tax, group's share^{1,2}, reached EUR 84.9 million (EUR 91.5 million in H1 2018), down 7.2%.
- Revised outlook for FY 2019: D'Ieteren Auto aims at a higher market share in a Belgian new car market that is expected to be slightly down. The *adjusted* result before tax, group's share^{1,2}, is expected to be broadly stable (previous guidance: "improve slightly").

€m	H1 2018			% change adjusted items	H1 2019			% change total
	Total Pre-IFRS 16	APM (non-GAAP measures) ¹			Total Pre-IFRS 16	APM (non-GAAP measures) ¹		
		A djusting items	A djusted items			A djusted items	A djusting items	
New vehicles delivered (in units)	73,178	-	-	-	-	-	71,517	-2.3%
External sales	2,000.8	-	2,000.8	-3.1%	1,939.5	-	1,939.5	-3.1%
Operating result	83.7	-4.4	88.1	-8.1%	81.0	-1.0	80.0	-4.4%
Net finance costs	-0.7	0.5	-1.2	0.0%	-1.2	0.0	-1.2	71.4%
Result before tax (PBT)	88.9	-0.9	89.8	-7.3%	83.2	-1.0	82.2	-7.5%
Adjusted PBT, group's share ¹	-	-	91.5	-7.2%	84.9	-	-	-

1.1. Activities, sales and results

Market, share and deliveries

Excluding registrations of less than 30 days³, the number of new car registrations in Belgium decreased by 7.40% year-on-year to 299,126 units. Including these registrations, the Belgian market totalled 310,488 new car registrations, down 6.3% year-on-year. The evolution of new car registrations showed diverging trends with a 0.8% rise in the business segment and a 13.2% decline in the individual customer segment. In the individual customer segment potential buyers postponed their purchase because of uncertainty related to the fiscal regime (e.g. road taxes, taxes on diesel) and regulation (e.g. city bans) governing various fuel types and propulsion systems. This uncertainty was exacerbated by the absence of a federal and regional governments.

The share of diesel reached 31% in H1 2019 compared to 36% in H1 2018 and the share of new energy engines (electric, hybrid, CNG and LPG) rose from 6% in H1 2018 to 7% in H1 2019. The share of SUV models continued to rise (40% in H1 2019 versus 37% in H1 2018).

Excluding new car registrations of less than 30 days³, the market share of the brands distributed by D'Ieteren Auto improved from 21.95% in H1 2018 to 22.04% in H1 2019 underpinned by the continuing success of the SUV models (e.g. Audi Q3, Volkswagen T-Roc, Škoda Karoq, Seat Tarraco and Porsche Macan).

Registrations of new light commercial vehicles (0 to 6 tonnes) rose by 2.8% to 44,103 units. D'Ieteren Auto's market share improved by 128bps to 11.63% reflecting the success of the Volkswagen Caddy and Crafter.

The total number of new vehicles, including commercial vehicles, delivered by D'Ieteren Auto in H1 2019 reached 71,517 units (-2.3% compared to H1 2018) with a 8.0% rise in commercial vehicles more than offset by a 3.7% drop in passenger cars.

Sales

D'Ieteren Auto's sales decreased by 3.1% (-3.6% excluding acquired dealerships) to EUR 1,939.5 million in H1 2019:

- New vehicle sales dropped by 3.6% to EUR 1,719.5 million mainly on the back of lower volumes and a negative model mix effect at Volkswagen and Porsche;
- The sale of spare parts and accessories reached EUR 110.5 million (+3.7% year-on-year);
- Revenues from after-sales activities of the corporately-owned dealerships rose by 12.8% (+7.2% excluding acquired dealerships) to EUR 47.5 million;
- D'Ieteren Sport's sales, which are mainly comprised of Yamaha motorbikes, quads and scooters, reached EUR 18.3 million (-6.2%);
- Used car sales reached EUR 32.7 million (-9.9%).

Results

The operating result² declined from EUR 83.7 million in H1 2018 to EUR 80.0 million in H1 2019 in spite of better results at Import. The 8.1% decline of the *adjusted* operating result^{1,2} (EUR 81.0 million) is mainly due to lower revenues, a negative model mix effect at Volkswagen and Porsche, higher inventory write-downs, lower results at Retail and higher investments at Lab Box. As a reminder, inventory write-down reversals due to the transfer of buy-back agreements with rental car companies, had a positive impact of EUR 4.1 million on the *adjusted* operating result^{1,2} in H1 2018. D'Ieteren Auto also faced a tough comparison base in H1 2019. Note also that the *adjusted* operating result^{1,2} was up 29.4% y/y in H1 2018 partly due to the WLTP effect. The *adjusting* items¹ (EUR -1.0 million) are related to the Market Area strategy.

Net financial expenses equalled EUR -1.2 million in H1 2019 (EUR -0.7 million in H1 2018).

The result before tax² reached EUR 82.2 million (EUR 88.9 million in H1 2018). The *adjusted* result before tax, group's share^{1,2} amounted to EUR 84.9 million (-7.2%). The contribution of the equity accounted entities amounted to EUR 5.1 million (EUR 4.6 million in H1 2018).

Income tax expenses reached EUR 24.5 million (EUR 28.9 million in H1 2018). *Adjusted* tax expenses¹ equalled EUR 25.1 million (EUR 30.4 million in H1 2018).

The result after tax, group's share, amounted to EUR 57.7 million (EUR 60.0 million in H1 2018). The *adjusted* result after tax, group's share^{1,2}, declined slightly from EUR 59.4 million to EUR 58.1 million.

1.2. Net cash and cash flow

On a pre-IFRS 16 basis, D'Ieteren Auto's net cash position reached EUR 0.5 million at the end of June 2019 (EUR 12.4 million at the end of June 2018). Including lease liabilities (IFRS 16), net debt amounted to EUR 12.4 million at the end of June 2019.

The *adjusted* free cash flow¹ (after tax) increased significantly from EUR 24.7 million in H1 2018 to EUR 64.8 million in H1 2019. The improvement is due to a cash inflow from working capital of EUR 15.9 million versus a cash outflow of EUR 44.5 million in H1 2018. Trade and other payables rose by EUR 130.3 million compared to the end of 2018 due to the timing of some payments. Inventory levels rose by EUR 42.6 million due to a high level of deliveries from the OEMs in June and stocking ahead of the launch of WLTP for light commercial vehicles as from 1 September 2019. The *adjusted* EBITDA^{1,5} reached EUR 85.5 million in H1 2019 versus EUR 91.7 million in H1 2018 and capex increased by EUR 5.9 million to EUR 12.8 million.

1.3. Key developments

At the end of June 2019, D'Ieteren SA announced its intention to carve-out its vehicle distribution and retail business, D'Ieteren Auto, into a new fully owned subsidiary. At a second level, D'Ieteren Auto has the intention to carve-out part of its own activities (D'Ieteren Car Centres, the Porsche Centres in Brussels and Antwerp and EDI, the new electric vehicle charging service) into several new subsidiaries. These operations would make D'Ieteren Auto more flexible and bring it closer to its customers in a market where digitisation and new mobility solutions make it strategically vital to have direct contact with different types of customers.

Within the framework of the Magellan project, D'Ieteren Auto has identified and started to implement improvement measures in its core businesses (import and retail). It has also identified new growth initiatives in vehicle related services.

Lab Box, D'Ieteren Auto's start-up accelerator that focuses on the future of mobility, continued to expand its portfolio:

- It acquired an 80% stake in CarASAP, a ride-hailing platform that allows customers (mainly B2B) to book a car with a professional driver in the Brussels region;
- Poppy, the mobility sharing platform that has been active in Antwerp since the beginning of 2018, has entered the Brussels region through the acquisition of Zipcar's Belgian activities from Avis Budget Group;
- Poppy also expanded its fleet to become the first European shared mobility player offering 3 forms of transport. Its fleet now consists in 300 eco-friendly cars, 300 electric scooters and 400 electric steps;
- After a test phase, Lab Box launched Skipr (formerly Pikaway), a mobility application that combines different modes of mobility including public transport, ride-hailing and other sharing solutions (cars,

scooters, bicycles). For a given journey, Skipr proposes different itineraries and allows to book and pay directly via the app.

- Lab Box also launched Lizy, an innovative digital platform allowing B2B customers to acquire recent second-hand vehicles with a leasing contract.

1.4. Outlook 2019

D'Ieteren Auto aims at a higher market share in a Belgian new car market that is expected to be slightly down in FY 2019. The comparison base will be easier in H2 2019 because new car registrations declined by 5.9% in H2 2018 due to the introduction of WLTP in September. The drop was even more pronounced for the brands distributed by D'Ieteren (-10.9%).

The pipeline of H2 2019 includes a facelift of the Audi A4, the introduction of the A1 City Carver, the Q3 Sportback and the e-tron Sportback and the replacement of the A3 Sportback. The new Volkswagen Golf will be launched in Q4. The Škoda Octavia Combi will be replaced and a new SUV (Kamiq) will be introduced.

Revised guidance: the *adjusted* result before tax, Group's share^{1,2}, is expected to be broadly stable (previous guidance: "improve slightly") in FY 2019.

BELRON

At Belron's level (at 100%):

- Sales (EUR 2,114.4 million) rose by 8.0% in H1 2019, comprising 5.1% organic growth⁶ and a positive currency effect of 2.9%. Belron served 9.18 million consumers (of which 6.91 million in Vehicle Glass Repair and Replacement), a decrease of 2.0%. Solid growth in North America was offset by a drop in the number of VGRR consumers in Europe and the Rest of the World essentially due to milder winter weather.
- The operating result reached EUR 192.1 million (EUR 106.9 million in H1 2018) on a pre-IFRS 16 basis:
 - The *adjusted* operating result^{1,2} rose by 55.9% to EUR 227.6 million or by 67.7% on a comparable basis (after having applied a EUR 10.3 million depreciation charge in H1 2018) (see details on the following page).
 - The *adjusting items*¹ which amounted to EUR -35.5 million include a EUR 21.0 million impairment charge related to the activities in Italy.
- IFRS 16 has a positive impact of EUR 7.1 million on the operating result in H1 2019 as operating lease expenses are replaced by a depreciation charge for the right-of-use assets and interest expenses (below operating result) on lease liabilities (see notes 2 and 4 of the “2019 Half-Yearly Financial Report” for further details).

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

- The result before tax totalled EUR 158.2 million (EUR 1,066.2 million in H1 2018). The H1 2018 figure included the consolidated gain on the disposal of the 40% stake in Belron.
- The *adjusted* result before tax, group's share¹, reached EUR 104.8 million compared to EUR 55.5 million (restated to reflect the same stake of 54.10% as in H1 2019). The strong rise reflects a strong improvement in the underlying operating performance, in North America in particular.
- Revised guidance: on a comparable basis (54.10% stake and pre IFRS 16 in 2019 and 2018), Belron's *adjusted* result before tax, group's share¹ is expected to rise by at least 70% (previous guidance: “at least 30%”) in FY 2019 as Fit for Growth initiatives bear fruit.

€m	H1 2018			% change adjusted items	H1 2019			% change total
	Total Pre-IFRS 16	APM (non-GAAP measures) ¹			APM (non-GAAP measures) ¹		Total Pre-IFRS 16	
		A djusting items	A djusted items		A djusted items	A djusting items		
Number of consumers (million)	9.4	-	-	-	-	-	9.2	-2.0%
External sales	1,957.2	-	1,957.2	8.0%	2,114.4	-	2,114.4	8.0%
Operating result	106.9	-39.1	146.0	55.9%	227.6	-35.5	192.1	79.7%
Net finance costs	959.3	987.7	-28.4	19.4%	-33.9	0.0	-33.9	-
Result before tax (PBT)	1,066.2	948.6	117.6	64.7%	193.7	-35.5	158.2	-85.2%
Adjusted PBT, group's share ¹ (@ 54.10%)	-	-	55.5	88.8%	104.8	-	-	-

2.1. Sales and results

Sales

Belron's sales reached EUR 2,114.4 million during H1 2019, a year-on-year increase of 8.0%, comprising a 5.1% organic increase⁶ and a positive currency translation impact of 2.9%. Acquisition growth of 1% was offset by 1% reduction from disposals.

The total number of consumers served reached 9.2 million (-2%). The slight decline is due to the discontinuation of Claims Management in Canada and a decline in VGRR, with mid-single digit growth in North America offset by high-single digit declines in the Eurozone and the Rest of the World due to milder winter weather. The table below shows the number of consumers including those of the franchisees.

Consumers (million)	H1 2018	H1 2019	% Change
Vehicle Glass Repair and Replacement (VGRR)	7.02	6.91	-2%
Claims Management	2.16	1.99	-8%
Automotive Damage Repair and Replacement (ADRR)	0.08	0.08	2%
Home Damage Repair and Replacement (HDRR)	0.12	0.20	70%
Total	9.37	9.18	-2%

North America sales increased by 19.9% of which 12.4% was organic⁶, as a result of increases in both volume and value, including product mix. Regional acquisitions contributed 1.2% of growth and 6.3% was from favourable currency translation.

Eurozone sales decreased by 0.4%, excluding the impact of disposals, comprising 1.2% organic⁶ decline, offset by 0.7% growth from minor acquisitions and a 0.1% positive contribution from currency translation. The organic decline reflects lower volumes essentially due to milder weather.

Rest of World sales decreased by 0.6%, with 1.4% lower organic⁶ sales, offset by 0.9% increase from acquisitions. There was minimal currency translation impact. The organic⁶ decline reflects lower volumes in the UK due to milder weather. The acquired growth primarily relates to Laser, the Home Damage Repair and Replacement (HDRR) business in Australasia, which was acquired in March 2018.

Results

The operating result rose by 79.7% to EUR 192.1 million on a pre-IFRS 16 basis. The *adjusted* operating result¹ improved by 55.9% to EUR 227.6 million reflecting volume growth, value growth notably from product mix, the rising penetration of ADAS and tight control of costs. Note that according to IFRS 5, Belron's assets and liabilities were classified under 'Non-current assets/liabilities classified as held for sale' as from 28 November 2017 when D'Ieteren and CD&R signed a definitive agreement regarding CD&R's acquisition of a 40% stake in Belron. Under IFRS 5, these tangible and intangible fixed assets were not depreciated between 1 January 2018 and 7 February 2018, which had a positive impact of EUR 10.3 million (at 100%) on Belron's (*adjusted*¹) operating result in H1 2018. If one takes into account the EUR 10.3 million depreciation charge, the *adjusted* operating result¹ increased by 67.7% in H1 2019.

Charges related to the legacy long-term management incentive plan included in the operating result equalled EUR 22.7 million (H1 2018: EUR 14.2 million). The increase reflects the improved performance. The plan has been replaced by an equity-based reward plan or Management Reward Plan (MRP) in June 2018 so these charges will cease after the end of 2019.

Adjusting items¹ at the level of the operating result totalling EUR -35.5 million included an impairment charge of €21.0m related to the activities in Italy in view of lower expectations for this business. There were also restructuring costs, costs related to the set-up of the new joint-venture in Ireland and charges relating to the closure of Canada's claims management business.

Net financial costs reached EUR 33.9 million in H1 2019. Net financial income in H1 2018 (EUR 959.3 million) included the consolidated gain (EUR 987.7 million) on the disposal of the 40% stake in Belron. The *adjusted* net financial expenses¹ (pre-IFRS 16) rose from EUR 28.4 million in H1 2018 to EUR 33.9 million in H1 2019 due to the new loan (EUR 400 million equivalent) in Q4 2018.

The result before tax reached EUR 158.2 million in H1 2019 (EUR 1,066.2 million in H1 2018). *Adjusted* income tax expenses¹ equalled EUR 55.8 million (EUR 28.7 million in H1 2018).

The *adjusted* result before tax, group's share¹ increased by 88.8% to EUR 104.8 million on a comparable basis (assuming 54.10% stake in H1 2018 and in H1 2019).

The result after tax, group's share, reached EUR 55.6 million in H1 2019 (EUR 1,023.6 million in H1 2018). The *adjusted* result after tax¹, group's share, rose from EUR 54.0 million to EUR 73.7 million (+36.5%). These results are based on a weighted average stake of 64.68% in Belron in H1 2018 and 54.10% in H1 2019.

2.2. Net debt and cash flow

On a pre-IFRS 16 basis, Belron's net financial debt⁴ reached EUR 1,535.8 million (100%) at the end of June 2019. This compares with EUR 1,264.1 million at the end of June 2018 and EUR 1,638.6 million at the end of 2018. The decline versus the end of 2018 reflects the strong cash generation (particularly in the US) in H1 2019. Including lease liabilities (IFRS 16), net debt amounted to EUR 2,181.3 million at the end of June 2019.

The free cash flow (after tax) amounted to EUR 165.5 million in H1 2019 compared to EUR 103.5 million in H1 2018. The significant improvement is due to higher *adjusted* EBITDA^{1,2,5}, (EUR 102.9 million improvement), lower capex including finance lease payments (EUR 48.4 million compared to EUR 57.5 million) and a EUR 14.1 million decline in tax payments, partly offset by higher interests paid and a cash outflow of EUR 56.2 million from changes in working capital in H1 2019 compared to a cash inflow of EUR 2.6 million in H1 2018.

2.3. Key developments

Belron continued to pursue its Fit for Growth profit improvement plan focusing on accelerating growth as well as improving efficiency. Numerous initiatives are underway within this programme. It has also continued to make progress on its service extension initiatives with a focus on profitability.

The portfolio restructuring was completed during H1 2019, converting the Greek and Hungarian corporate operations into franchisees and transferring the Irish business into a new joint venture with a local partner.

Last week, Safelite® Group, Belron's subsidiary in the US, announced that it has reached an agreement to acquire the assets of TruRoad Holdings, Inc. (TruRoad) a vehicle glass repair and replacement (VGRR), ADAS recalibration and claims-management player. TruRoad serves customers across 17 US states, including consumers, commercial clients (fleets) and insurance carriers. Its annualized revenues amount to about USD 116 million.

2.4. Outlook 2019

Belron continues to anticipate mid-single digit organic sales growth⁶.

On a comparable basis (54.10% stake and pre IFRS 16 in 2019 and 2018), Belron's *adjusted* result before tax, group's share¹ is expected to rise by at least 70% (previous guidance: "at least 30% rise") in FY 2019 thanks to sales growth and efficiency initiatives.

Charges related to the long-term management incentive programme are expected to reach EUR 45 million (EUR 34.1 million in FY 2018). This year, these charges are limited to the 2017-2019 programme. There won't be any charges related to this programme as from 2020. The legacy incentive plan was replaced by an equity-based reward plan (MRP) in June 2018.

MOLESKINE

- Sales recovered in Q2 2019 (+9.3%) following the drop in Q1 2019 (-14.7%) to arrive at -2.2% in H1 2019. At constant exchange rates, sales dropped by 5.2%. The decline in Q1 2019 was largely due to lower B2B sales as Q1 2018 sales were boosted by some exceptionally large orders. The Wholesale channel performed well in H1 2019 with sales improving by 7.5%;
- The operating result reached EUR 2.7 million (-48.1%) mainly reflecting the impact from lower B2B sales and the resulting negative operating leverage. The bulk of the operating result was generated in June (EUR 5 million);
- The result before tax reached EUR -1.7 million (EUR 0.3 million in H1 2018);
- Unchanged guidance: Moleskine aims at accelerated sales and profit growth in H2 2019 and double-digit growth at constant exchange rates of its FY 2019 *adjusted* profit before tax¹.

€m	H1 2018			% change adjusted items	H1 2019			% change total	
	Total Pre-IFRS 16	APM (non-GAAP measures) ¹			Total Pre-IFRS 16	APM (non-GAAP measures) ¹			
		A djusting items	A djusted items				A djusted items		A djusting items
External sales	72.7	-	72.7	-2.2%	71.1	-	71.1	-2.2%	
Operating result	5.2	-	5.2	-48.1%	2.7	-	2.7	-48.1%	
Net finance costs	-4.9	-0.1	-4.8	-8.3%	-4.4	-	-4.4	-10.2%	
Result before tax (PBT)	0.3	-0.1	0.4	-	-1.7	-	-1.7	-	
Adjusted PBT, group's share ¹	-	-	0.4	-	-1.7	-	-	-	

3.1. Sales and results

Sales

Sales reached EUR 71.1 million (-2.2% or -5.2% at constant exchange rates). The positive currency effect reflects the strengthening of the USD and the HKD versus the EUR. Sales growth in Wholesale and E-Commerce was largely offset by a decline in B2B sales following some exceptionally large B2B orders in EMEA and APAC in 1H 18. As a reminder, B2B revenues had increased by 73.6% in H1 2018.

Sales growth by region:

- **Americas** (41% of total): 9.5% growth (2.7% at constant exchange rates) was underpinned by double-digit growth in Wholesale and B2B;
- **EMEA** (45% of total): the 11.2% drop was due to exceptionally large B2B orders in H1 2018. The other channels realized growth;
- **APAC** (14% of total): -3.5% (-8.1% at constant exchange rates) with growth in Wholesale more than offset by a drop in B2B, Retail and E-Commerce.

Sales growth by channel:

- **Wholesale** (61% of total): the 7.5% improvement (3.9% at constant exchange rates) reflects solid growth across all regions. Growth in EMEA was driven by a positive momentum in Italy and Spain and continued strength of bag sales. US sales were underpinned by solid sales levels at online retailers and the launch of back-to-school programs. The Canadian operations benefited from the rollout of a visual merchandising program at a key retailer. APAC's double-digit growth was driven by trade marketing initiatives at leading Japanese retailers and online bag sales;
- **B2B** (19% of total): -24.7% (-27.9% at constant exchange rates) reflecting large orders in H1 2018 in EMEA and APAC. Note: H1 2019 B2B sales are up 30.1% (y/y-2) versus H1 2017;
- **Retail** (14% of total): -4.2% (-6.1% at constant exchange rates). The decline was partly due to network pruning (78 stores at the end of 1H 2019 versus 80 at the end of 1H 2018). Like-for-like store sales growth was slightly negative as weak in-store traffic was only partially compensated by improved conversion and a higher average transaction value. The bags category continued to show double-digit growth despite a tough comparable base (bag sales growth exceeded 30% in H1 2018);
- **E-Commerce** (4% of total): -4.2%. At constant exchange rates, sales were flat with growth in EMEA and Americas offset by a drop APAC.

Results

The operating result reached EUR 2.7 million (EUR 2.9 million post-IFRS 16) in H1 2019 compared to EUR 5.2 million in H1 2018 mainly reflecting the impact from lower B2B sales and the resulting negative operating leverage. The performance improved significantly towards the end of the semester with an operating result of EUR 5.5 million in June.

Net financial charges decreased from EUR 4.9 million to EUR 4.4 million. The *adjusted* result before tax amounted to EUR -1.7 million (EUR 0.4 million in H1 2018).

The income tax expense totalled EUR 0.9 million in H1 2019. The EUR 6.6 million income tax revenue in H1 2018 was due to the Patent Box benefit (related to the period 2015-2018). The result after tax, group's share, reached EUR -2.5 million (EUR 6.9 million in H1 2018).

3.2. Net debt and free cash flow

Moleskine's net debt (pre-IFRS 16) reached EUR 291.2 million (of which EUR 158.3 million intra-group borrowing) at the end of June 2019 compared to EUR 296.5 million at the end of June 2018 and EUR 282.2 million at December 2018. Including lease liabilities (IFRS 16), net debt amounted to EUR 325.4 million at the end of June 2019.

Free cash flow after tax amounted to EUR -7.3 million in H1 2019 compared to EUR -4.2 million in H1 2018. The evolution is mainly due to lower EBITDA (EUR 7.4 million in H1 2019 versus EUR 11.8 million in H1 2018).

3.3. Latest developments

The distribution of the Backpack was rolled out across the Wholesale (including specialized distribution) and direct-to-consumer channels (Retail and E-Commerce). The Backpack collection will be increasingly positioned as the hero product within the wider bags category in order to accentuate its distinctive positioning while enhancing communication. The collection is expected to significantly contribute to growth in 2019 and beyond.

Technological developments have shifted towards greater mobility and new ways of interacting. Moleskine has welcomed these technological changes as opportunities to transform and enrich its relationship with its customer base. For example, in May 2019 Moleskine acquired Edo.io, one of the start-ups from the Moleskine Open Innovation Program. Edo.io is the maker of the Edo Agenda, a digital planner service, which is designed to enable user productivity and creativity. The idea and scope of the application is thus perfectly in line with the Moleskine brand values of culture, imagination, memory, self-expression and personal identity.

Moleskine is one of the winners of this year's Apple Design Awards thanks to Flow, an all-new way to create simple drawings, complex works of art, and beautiful notes on an iPad and iPhone. The app has been built from the ground up with creators in mind, offering dozens of combinations for paper types, colors, and tools.

3.4. Outlook for 2019

Unchanged guidance: Moleskine aims at double-digit growth at constant exchange rates of its FY 2019 *adjusted* profit before tax¹.

Sales and profit growth is expected to accelerate in H2 2019 thanks to:

- Continued mid-single digit sales growth in the Wholesale channel;
- Improving B2B sales growth underpinned by a solid order book;
- The seasonal uplift in the direct channels (Retail and E-Commerce).

OTHER

The reportable operating segment “Other” 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 result¹ reached EUR -11.4 million in H1 2019 compared to EUR -7.0 million in H1 2018. This reflects a temporary rise in Corporate costs and certain administrative taxes.

The EUR 6.5 million *adjusting* item¹ in the operating result relates to a gain on the disposal of a property. The *adjusting* item¹ in the financial result includes a loss on the fair value of a contingent liability relating to the disposal of the 40% stake in Belron to CD&R.

Adjusted result before tax, group’s share¹ reached EUR -9.1 million (EUR -4.6 million in H1 2018).

€m	H1 2018			% change adjusted items	H1 2019			% change total
	Total IFRS	APM (non-GAAP measures) ¹			Total IFRS	APM (non-GAAP measures) ¹		
		A djusting items	A djusted items			A djusting items	A djusted items	
External sales	-	-	-	-	-	-	-	-
Operating result	-18.3	-11.3	-7.0	62.9%	-11.4	6.5	-4.9	-73.2%
Net finance costs	2.4	0.0	2.4	-4.2%	2.3	-11.6	-9.3	-
Result before tax (PBT)	-15.9	-11.3	-4.6	97.8%	-9.1	-5.1	-14.2	-10.7%
Adjusted PBT, group's share ¹		-	-4.6	97.8%	-9.1	-	-	

The decline in the net cash position (pre-IFRS 16) from EUR 1,142.2 million at the end of 2018 to EUR 1,073.3 million at the end of June 2019 is largely due to the EUR 54.8 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 page 18 for the definition of these performance indicators.

² Pre-IFRS 16

³ 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.

⁴ 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 page 25.

⁵ 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.

⁶ "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.

Wednesday 28 August 2019 – 5:45 pm CEST

Auditor's Report

“KPMG Réviseurs d’Entreprises represented by Alexis Palm has reviewed the condensed consolidated interim financial statements of D'Ieteren SA as of and for the six-month period ended June 30, 2019. 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 28, 2019 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.

CONFERENCE CALL

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

The conference call can be attended by calling the number + 32 2 403 58 16 (participant code: 56654731#). 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 2019 results event).

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

EUR million	2019			2018 ⁽¹⁾		
	Total	Of which Adjusted result	Adjusting items	Total	Of which Adjusted result	Adjusting items
Revenue	2,010.6	2,010.6	-	2,073.5	2,073.5	-
Cost of sales	-1,746.9	-1,746.9	-	-1,803.7	-1,803.7	-
Gross margin	263.7	263.7	-	269.8	269.8	-
Commercial and administrative expenses	-190.6	-189.6	-1.0	-197.2	-181.5	-15.7
Other operating income	13.5	7.0	6.5	3.2	3.2	-
Other operating expenses	-8.6	-8.6	-	-5.2	-5.2	-
Operating result	78.0	72.5	5.5	70.6	86.3	-15.7
Net finance costs	-15.3	-3.7	-11.6	-3.2	-3.6	0.4
Finance income	0.5	0.5	-	1.1	0.6	0.5
Finance costs	-15.8	-4.2	-11.6	-4.3	-4.2	-0.1
Share of result of equity-accounted investees, net of income tax	56.7	74.8	-18.1	28.1	43.2	-15.1
Result before tax	119.4	143.6	-24.2	95.5	125.9	-30.4
Income tax expense	-13.2	-12.1	-1.1	-14.5	-17.7	3.2
Result from continuing operations	106.2	131.5	-25.3	81.0	108.2	-27.2
Discontinued operations	-	-	-	1,002.1	14.4	987.7
RESULT FOR THE PERIOD	106.2	131.5	-25.3	1,083.1	122.6	960.5
Result attributable to:						
Equity holders of the Company	106.3	131.6	-25.3	1,082.4	121.9	960.5
Non-controlling interests	-0.1	-0.1	-	0.7	0.7	-
Earnings per share						
Basic (EUR)	1.94	2.40	-0.46	19.75	2.22	17.53
Diluted (EUR)	1.94	2.40	-0.46	19.71	2.22	17.49
Earnings per share -Continuing operations						
Basic (EUR)	1.94	2.40	-0.46	1.48	1.98	-0.50
Diluted (EUR)	1.94	2.40	-0.46	1.48	1.97	-0.49

(1) As restated to reflect reallocation of costs in the framework of continuous improvement of the financial reporting presentation – See note 1 of the 2019 half-yearly financial report for more information.

The Group has initially adopted IFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, comparative information has not been restated and the cumulative effect of initially applying IFRS 16 is recognized in retained earnings at the date of initial application. See note 2 of the 2019 half-yearly financial report for more 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 Other (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 has initially adopted IFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, comparative information has not been restated. The Group presents the 6-month results ended 30 June 2019 of its operating segments on a pre-IFRS 16 basis, reflecting the Group's internal reporting structure and facilitating the comparison with the prior period results.

EUR million	2019						
	D'Ieteren Auto	Belron	Mole- skine	Other	IFRS 16 Impacts	Elimi- nations	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	192.1	2.7	-4.9	7.3	-199.2	78.0
<i>Of which Adjusted result</i>	<i>81.0</i>	<i>227.6</i>	<i>2.7</i>	<i>-11.4</i>	<i>7.3</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>-</i>	<i>35.5</i>	<i>5.5</i>
Net finance costs	-1.2	-33.9	-4.4	-9.3	-13.4	46.9	-15.3
Finance income	0.1	8.4	0.3	0.1	-	-8.4	0.5
Finance costs	-1.3	-42.3	-2.4	-11.7	-13.4	55.3	-15.8
Inter-segment financing interest	-	-	-2.3	2.3	-	-	-
Share of result of equity-accounted investees, net of income tax	3.4	-	-	-	-	53.3	56.7
Result before tax	82.2	158.2	-1.7	-14.2	-6.1	-99.0	119.4
<i>Of which Adjusted result</i>	<i>83.2</i>	<i>193.7</i>	<i>-1.7</i>	<i>-9.1</i>	<i>-6.1</i>	<i>-116.4</i>	<i>143.6</i>
<i>Adjusting items</i>	<i>-1.0</i>	<i>-35.5</i>	<i>-</i>	<i>-5.1</i>	<i>-</i>	<i>17.4</i>	<i>-24.2</i>
Income tax expense	-24.5	-55.4	-0.9	12.2	1.6	53.8	-13.2
Result from continuing operations	57.7	102.8	-2.6	-2.0	-4.5	-45.2	106.2
<i>Of which Adjusted result</i>	<i>58.1</i>	<i>136.3</i>	<i>-2.6</i>	<i>4.8</i>	<i>-4.5</i>	<i>-60.6</i>	<i>131.5</i>
<i>Adjusting items</i>	<i>-0.4</i>	<i>-33.5</i>	<i>-</i>	<i>-6.8</i>	<i>-</i>	<i>15.4</i>	<i>-25.3</i>
Discontinued operations	-	-	-	-	-	-	-
RESULT FOR THE PERIOD	57.7	102.8	-2.6	-2.0	-4.5	-45.2	106.2

Attributable to:	D'Ieteren Auto	Belron	Mole- skine	Other	IFRS 16 impact	Group
Equity holders of the Company	57.7	55.6	-2.5	-2.0	-2.5	106.3
<i>Of which Adjusted result</i>	<i>58.1</i>	<i>73.7</i>	<i>-2.5</i>	<i>4.8</i>	<i>-2.5</i>	<i>131.6</i>
<i>Adjusting items</i>	<i>-0.4</i>	<i>-18.1</i>	<i>-</i>	<i>-6.8</i>	<i>-</i>	<i>-25.3</i>
Non-controlling interests	-	-	-0.1	-	-	-0.1
RESULT FOR THE PERIOD	57.7	55.6	-2.6	-2.0	-2.5	106.2

In the period, the column “IFRS 16 impacts” reconciles the segment statement of profit or loss, with the 6-month results presented, as previously reported, under IAS 17, to the IFRS Group consolidated statement of profit or loss under IFRS 16. See note 4 of the 2019 of the half-yearly financial report for more details.

In the period, 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, net of income tax”, representing the share of the Group in the net result of Belron over the first six months of the year).

EUR million		2018 ⁽¹⁾				
		D'Ieteren Auto	Belron	Mole- skine	Other	Elimi- nations Group
External revenue		2,000.8	1,957.2	72.7	-	-1,957.2 2,073.5
Inter-segment revenue		-	-	-	-	-
Segment revenue		2,000.8	1,957.2	72.7	-	-1,957.2 2,073.5
Operating result (being segment result)		83.7	106.9	5.2	-18.3	-106.9 70.6
<i>Of which</i>	<i>Adjusted result</i>	88.1	146.0	5.2	-7.0	-146.0 86.3
	<i>Adjusting items</i>	-4.4	-39.1	-	-11.3	39.1 -15.7
Net finance costs		-0.7	959.3	-4.9	2.4	-959.3 -3.2
	Finance income	0.6	987.9	0.4	0.1	-987.9 1.1
	Finance costs	-1.3	-28.6	-3.0	-	28.6 -4.3
	Inter-segment financing interest	-	-	-2.3	2.3	-
Share of result of equity-accounted investees, net of income tax		5.9	-	-	-	22.2 28.1
Result before tax		88.9	1,066.2	0.3	-15.9	-1,044.0 95.5
<i>Of which</i>	<i>Adjusted result</i>	89.8	117.6	0.4	-4.6	-77.3 125.9
	<i>Adjusting items</i>	-0.9	948.6	-0.1	-11.3	-966.7 -30.4
Income tax expense		-28.9	-23.0	6.6	7.8	23.0 -14.5
Result from continuing operations		60.0	1,043.2	6.9	-8.1	-1,021.0 81.0
<i>Of which</i>	<i>Adjusted result</i>	59.4	88.9	7.0	1.5	-48.6 108.2
	<i>Adjusting items</i>	0.6	954.3	-0.1	-9.6	-972.4 -27.2
Discontinued operations		-	-	-	-	1,002.1 1,002.1
RESULT FOR THE PERIOD		60.0	1,043.2	6.9	-8.1	-18.9 1,083.1

Attributable to:		D'Ieteren Auto	Belron	Mole- skine	Other	Group
Equity holders of the Company		60.0	1,023.6	6.9	-8.1	1,082.4
<i>Of which</i>	<i>Adjusted result</i>	59.4	54.0	7.0	1.5	121.9
	<i>Adjusting items</i>	0.6	969.6	-0.1	-9.6	960.5
Non-controlling interests		-	0.7	-	-	0.7
RESULT FOR THE PERIOD		60.0	1,024.3	6.9	-8.1	1,083.1

(1) As restated to reflect reallocation of costs in the framework of continuous improvement of the financial reporting presentation – See note 1 of the 2019 half-yearly financial report for more information.

The Group has initially adopted IFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, comparative information has not been restated and the cumulative effect of initially applying IFRS 16 is recognized in retained earnings at the date of initial application. See note 2 of the 2019 half-yearly financial report for more information.

In the prior period, the column “Eliminations” reconciled the segment statement of profit or loss (with the 6-month result of Belron presented on all lines as a continuing operation under global integration method) to the IFRS Group consolidated statement of profit or loss (with the net result of Belron presented as a discontinued operation from the beginning of the period until the closing of the transaction with CD&R and in the line “share of result of equity-accounted investees, net of income tax” for the remaining of the period). See note 1 of the 2018 half-yearly financial report for more information.

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

In 2019 and 2018, the Group identified the following items as *adjusting items* throughout the four operating segments:

EUR million	2019				
	D'Ieteren Auto	Belron	Moleskine	Other	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 (d)	-	-	3.4
<i>Amortisation of customer contracts</i>	-	-2.7 (e)	-	-	-2.7
<i>Amortisation of brands with finite useful life</i>	-	-0.2 (f)	-	-	-0.2
<i>Impairment of goodwill and of non-current assets</i>	-	-21.3 (g)	-	-	-21.3
<i>Other adjusting items</i>	-1.0 (a)	-14.7 (h)	-	6.5 (j)	-9.2
Included in net finance costs	-	-	-	-11.6	-11.6
<i>Re-measurements of financial instruments</i>	-	-	-	-11.6 (k)	-11.6
Included in equity accounted result	-	-	-	-	-
Included in segment result before taxes (PBT)	-1.0	-35.5	-	-5.1	-41.6

* 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	2018				
	D'Ieteren Auto	Belron	Moleskine	Other	Total (segment)*
Adjusting items					
Included in operating result	-4.4	-39.1	-	-11.3	-54.8
<i>Re-measurements of financial instruments</i>	-	0.6 (d)	-	-	0.6
<i>Amortisation of customer contracts</i>	-	-2.7 (e)	-	-	-2.7
<i>Amortisation of brands with finite useful life</i>	-	-1.2 (f)	-	-	-1.2
<i>Other adjusting items</i>	-4.4 (a)	-35.8 (h)	-	-11.3 (j)	-51.5
Included in net finance costs	0.5	987.7	-0.1	-	988.1
<i>Other adjusting items</i>	0.5 (b)	987.7 (i)	-0.1	-	988.1
Included in equity accounted result	3.0 (c)	-	-	-	3.0
Included in segment result before taxes (PBT)	-0.9	948.6	-0.1	-11.3	936.3

* 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.

D'Ieteren Auto

- (a) In the period, other *adjusting* items in operating result include a charge of EUR 1.0 million (EUR 4.4 million in the prior period) in the framework of the "Market Area" project (optimization of the independent dealer network).
- (b) In the prior period, other *adjusting* items in net finance costs included the consolidated gain on disposal of a dealership.
- (c) In the prior period, the share of the Group in the *adjusting* items of entities accounted for using the equity method amounted to EUR 3.0 million and was related to the additional revenue recognised following a change in accounting estimates.

Belron

- (d) Fair value of fuel hedge instruments amounts to EUR 3.4 million (EUR 0.6 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.
- (e) 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 2.7 million in both periods.
- (f) 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 0.2 million (EUR 1.2 million in the prior period).
- (g) In the period, a total impairment charge of EUR 21.3 million is recognized and comprises:
 - An impairment charge of EUR 21.0 million in Italy, allocated to the goodwill (EUR 20.6 million), brands (EUR 0.3 million) and other intangible assets (EUR 0.1 million), as a result of lower expectations;
 - An impairment charge of EUR 0.3 million in the Netherlands, allocated to other intangible assets (following the EUR 40.0 million impairment charge recognised in 2018 in the Netherlands, there was no goodwill or significant other intangibles remaining).

These impairment charges are recognized following the impairment calculation performed at half-year, following the identification of indicators of impairment in these two cash-generating units.

- (h) In the period, other *adjusting* items of EUR -14.7 million comprise EUR -11.1 million in relation to restructurings (France, Belgium, Portugal and Spain) and EUR -3.6 million mostly due to disposal costs.
In the prior period, other *adjusting* items of EUR -35.8 million mainly comprised a transaction bonus (EUR -33.1 million) related to the disposal of a 40% stake of Belron to CD&R (see notes 1 and 12 of the 2018 half-yearly financial report and notes 1 and 16 of the 2018 consolidated financial statements) and remaining professional fees related to the above-mentioned transaction and to the set-up of a new management reward plan (EUR -1.8 million).
- (i) In the prior period, other *adjusting* items in net finance costs included the consolidated gain on the disposal of the 40% stake in Belron to CD&R. Refer to notes 1 and 12 of the 2018 half-yearly financial report and to notes 1 and 16 of the 2018 consolidated financial statements for more information and detail on the calculation.

Other

- (j) In the period, the EUR 6.5 million *adjusting* item in operating result relates to the consolidated gain on the disposal of a property. In the prior period, other *adjusting* items in operating result (EUR -11.3 million) related to the remaining professional fees in the framework of the finalisation of the disposal of the 40% stake of Belron to CD&R.
- (k) In the period, the re-measurement of financial instruments represents the loss on the fair value of a contingent liability relating to the disposal of the 40% stake of Belron to CD&R.

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

The 2019 figures are shown on a pre-IFRS 16 basis in accordance with the presentation of the Group's segment results and to facilitate the comparison with the prior period figures.

EUR million	2019					2018				
	D'Ieteren Auto	Belron (54.10%)	Mole- skine	Other	Total (segment)	D'Ieteren Auto	Belron (64.68%)	Mole- skine	Other	Total (segment)
Segment reported PBT (pre-IFRS 16)	82.2	158.2	-1.7	-14.2	224.5	88.9	1,066.2	0.3	-15.9	1,139.5
Less: <i>Adjusting</i> items in PBT	1.0	35.5	-	5.1	41.6	0.9	-948.6	0.1	11.3	-936.3
Segment adjusted PBT (pre-IFRS 16)	83.2	193.7	-1.7	-9.1	266.1	89.8	117.6	0.4	-4.6	203.2
Less: Share of the group in tax on <i>adjusted</i> results of equity-accounted investees	1.7	-	-	-	1.7	1.7	-	-	-	1.7
Share of non-controlling interests in <i>adjusted</i> PBT	-	-88.9	-	-	-88.9	-	-41.5	-	-	-41.5
Segment adjusted PBT, Group's share (pre-IFRS 16)	84.9	104.8	-1.7	-9.1	178.9	91.5	76.1	0.4	-4.6	163.4

In the period, the weighted average percentage used for computing the segment adjusted PBT, Group's share of Belron amounts to 54.10% (64.68% in the prior period).

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

EUR million	2019					2018				
	D'Ieteren Auto	Belron (54.10%)	Mole- skine	Other	Total (segment)	D'Ieteren Auto	Belron (54.10%)	Mole- skine	Other	Total (segment)
Segment adjusted PBT, Group's share (pre-IFRS 16)	84.9	104.8	-1.7	-9.1	178.9	91.5	76.1	0.4	-4.6	163.4
Excluding:										
Depreciation of non-currents assets (Group's Share)	-	-	-	-	-	-	-9.8	-	-	-9.8
Reduction of the share of the group (comparable basis with 2019)	-	-	-	-	-	-	-10.8	-	-	-10.8
Adjusted PBT, Group's share (key performance indicator – pre-IFRS 16)	84.9	104.8	-1.7	-9.1	178.9	91.5	55.5	0.4	-4.6	142.8

In the prior period, in accordance with the requirements of IFRS 5, the Group did not depreciate the Belron's non-current assets as from the date of its classification as held for sale until the date of effective disposal (7 February 2018 – see notes 1 and 12 of the 2018 half-yearly financial report and notes 1 and 16 of the 2018 consolidated financial statements for more information). The impact in the consolidated income statement of the prior period was EUR 10.3 million (EUR 9.8 million for the share of the Group, using the 94.85% stake of ownership of January 2018) and was excluded when calculating the HY2018 Key Performance Indicator.

Net debt

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 2019				30 June 2018 ⁽¹⁾			
	D'Ieteren Auto	Belron (100%)	Mole- skine	Other	D'Ieteren Auto	Belron (100%)	Mole- skine	Other
Non-current loans and borrowings	0.7	1,717.9	106.7	0.8	0.6	1,315.8	122.8	0.9
Current loans and borrowings	0.7	59.4	33.7	-	2.4	56.5	34.0	0.1
Inter-segment financing	-	-	158.3	-158.3	-	-	153.6	-153.6
Adjustment for hedged borrowings	-	3.2	-	-	-	-	-	-
Gross debt	1.4	1,780.5	298.7	-157.5	3.0	1,372.3	310.4	-152.6
Less: Cash and cash equivalents	-1.9	-244.7	-7.5	-694.1	-15.4	-108.2	-13.9	-781.2
Less: Held-to-maturity investments	-	-	-	-201.6	-	-	-	-
Less: Other non-current receivables	-	-	-	-20.1	-	-	-	-20.1
Net debt (pre-IFRS 16)	-0.5	1,535.8	291.2	-1,073.3	-12.4	1,264.1	296.5	-953.9
Non-current lease liabilities arising from IFRS 16 adoption	6.4	524.1	26.4	4.3	-	-	-	-
Current lease liabilities arising from IFRS 16 adoption	6.5	121.4	7.8	0.4	-	-	-	-
Total net debt (post-IFRS 16)	12.4	2,181.3	325.4	-1,068.6	-12.4	1,264.1	296.5	-953.9

(1) The Group has initially adopted IFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, comparative information has not been restated and the cumulative effect of initially applying IFRS 16 is recognized in retained earnings at the date of initial application. See note 2 of the 2019 half-yearly financial report for more information.

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), at arm's length conditions.

On a pre-IFRS16 basis, Belron's net financial debt reached EUR 1,535.8 million (100% stake) at the end of June 2019. This compares with EUR 1,264.1 million at the end of June 2018 and EUR 1,638.6 million at the end of December 2018. The decrease of EUR 102.8 million on the year-end net debt is the result of strong cash generation (particularly from the United States) in the first six months of the year. The increase of EUR 271.7 million on the 2018 half-year net debt is partially explained by the 7-year Term Loan B facility of USD 455 million issued by Belron in November 2018 (proceeds were used to pay a dividend of EUR 400 million to its shareholders). Under IFRS 16, an additional EUR 645.5 million of lease liabilities are recognised on the balance sheet (30 June 2019).

The increase in the net cash position of the segment “Other” (from EUR 953.9 million at 30 June 2018 to EUR 1,073.3 million at the end of June 2019) is primarily the result of the dividend (EUR 217.4 million) received from Belron in Q4 2018 (following the issue of a new term loan – see above), partially offset by the payment in June 2019 of the dividend (EUR 54.8 million) to the shareholders of D'Ieteren

End of press release

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 is the country's number one car distributor, with a market share of around 21% and 1.2 million vehicles on the road. Its business model is evolving towards providing citizens with responsible and innovative mobility. Sales and adjusted operating result reached respectively EUR 3.4 billion and EUR 113.0 million in 2018.
- **Belron** (54.10% owned) has a clear purpose: "making a difference by solving people's problems with real care". It is the worldwide leader in vehicle glass repair and replacement and operates in 35 countries, through wholly owned businesses and franchises, with market leading brands – including Carglass®, Safelite® and Autoglass®. In addition, Belron manages vehicle glass and other insurance claims on behalf of insurance customers. It has also expanded its services into the automotive damage and home damage repair and replacement markets. Sales and adjusted operating result reached respectively EUR 3.8 billion and EUR 225.7 million in FY 2018.
- **Moleskine** (100% owned) is a premium and aspirational lifestyle brand which develops and sells iconic branded notebooks and writing, travel and reading accessories through a multichannel distribution strategy across more than 115 countries. Sales and operating result reached respectively EUR 174.1 million and EUR 28.6 million in FY 2018.
- **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 18.7 million net rental income in FY 2018. 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	
20 August 2019	Safelite (Belron) acquires TruRoad	5 March 2020	2019 Full-year Results
1 July 2019	Francis Deprez becomes the new CEO of D'Ieteren	28 May 2020	General Assembly
27 June 2019	Intention to carve-out vehicle distribution and retail activities into new subsidiaries	27 August 2020	2020 Half-Year Results
16 May 2019	Trading update		
8 April 2019	D'Ieteren Group and Axel Miller terminate their collaboration		

CONTACTS

Francis Deprez, *Chief Executive Officer*
Arnaud Laviolette, *Chief Financial Officer*

Pascale Weber, Investor Relations - Tel: + 32 (0)2 536.54.39

E-mail: financial.communication@dieteren.be – Website: www.dieteren.com