# D'Ieteren Group

# 2022 Half-Yearly Financial Report

## Content

# Declaration by Responsible Persons

**Statement on the true and fair view of the condensed consolidated interim financial statements and the fair overview of the management report.**

Nicolas D'Ieteren, Chairman of the Board of Directors, and Olivier Périer, Deputy Chairman of the Board of Directors, certify, on behalf and for the account of D'Ieteren Group SA/NV, that, to the best of their knowledge, these condensed consolidated interim financial statements which have been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the European Union, give a true and fair view of the equity, financial position and financial performance of D'Ieteren Group SA/NV and the entities included in the consolidation as a whole, and the interim management report includes a fair overview of the development and performance of the business and the position of D'Ieteren Group SA/NV, and the entities included in the consolidation, together with a description of the principal risks and uncertainties which they are exposed to.

# Interim management report

## 2022 Half-Year results:
## Strong performance driven by all businesses
## First H1 contribution of TVH
## 2022 outlook is revised upwards and integrates PHE

### Half-year 2022 highlights

**D'Ieteren Group continued on its growth path in H1-22 driven by solid progress and good performance of all its businesses and the contribution from TVH. The Group's key performance indicator (KPI) – the *adjusted* consolidated profit before tax, Group's share[1] – came in at €363.1m, up by 33.5% compared to €272.1m in H1-21. On a comparable basis (excluding TVH contribution in H1-22), the KPI grew by 13.1% YoY.**

- **Belron's** top-line growth of 20.4% from continuing operations was driven by volume growth, positive price / mix and ADAS (Advanced Driver Assistant Systems) and VAPS (Value-added Products & Services) contribution. *Adjusted* operating profit was up by 7.9%, implying a margin of 18.0%, comparing to 18.0% in FY-21 and to 19.8% in H1-21, reflecting top-line trends and running cost inflation (supply chain & staff costs), as well as additional costs related to the transformation programme. *Adjusted* profit before tax[1], Group's share increased by 7.3% to €212.6m.
- **D'Ieteren Automotive**, in a currently declining Belgian new car market[2] (-13.9%) due to production delays linked to the shortage of several components, recorded flat sales despite a 17.2% decline in cars delivered, thanks to a strongly positive price / mix effect and a 19.5% growth in *adjusted* operating profit corresponding to a 4.8% margin. *Adjusted* operating profit before tax, Group's share[1] also gained 19.5% to €93.1m.
- **TVH** delivered a 24% sales growth at €790.8m. Its *adjusted* operating profit[1] landed at €143.2m, up by 8.8% YoY, corresponding to a margin of 18.1%. *Adjusted* operating profit before tax, Group's share[1] contribution from TVH amounted to €55.3m.
- **Moleskine** continued on its growth trajectory with 30.2% revenue growth and a much improved *adjusted* operating profit of €3.7m (+85.0% YoY. *Adjusted* profit before tax, Group's share[1] was close to break-even (-€1.0m).
- **Corporate & Unallocated** (including corporate and real estate activities) reported an *adjusted* profit before tax, Group's share[1] of €3.1m in H1-22 compared to -€0.1m in H1-21. The Corporate & Unallocated segment ends H1-22 with a net cash position of €1,001.0m (or €690.9m excluding inter-segment loans).
- **Free cash-flow**[6] remained flat for the Group (group's share) at €208m during H1-22. Most businesses posted a positive free cash-flow[6] generation thanks to the solid operational results, with notably significant cash generation of €199.2m at Belron (100%) and €122.9m at D'Ieteren Automotive. TVH used the first half of the year to build its inventory substantially, tying up more working capital in order to face the challenges of its supply chain and allow for continued strong growth.

Note that H1-21 figures have been restated to reflect the IFRS® Interpretations Committee (IFRIC) final agenda decisions on cloud computing arrangements issued in March 2019 and March 2021. Refer to note 1 of the H1-22 financial report for more information on the restatement of comparative information.

# Outlook 2022

We increase our guidance for the full-year, now expecting our *adjusted* consolidated profit before tax, Group's share[1] to grow by at least 35% (previously 25%) versus the comparable 2021, based on a stronger than expected performance at D'Ieteren Automotive and TVH, and assuming no major further deterioration in general geopolitical and economic conditions.

PHE's contribution (5 months in 2022) should add around 5% to the Group's PBT, Group's share[1] KPI, which brings our overall guidance for the full year to **at least 40% growth including PHE**.

In accordance with its definition of Alternative Performance Measure (see p. 13), fees to system integrators hired in the framework of Belron's transformation programme are now being reported by the Group as *adjusting* items[1]. The impact on H1-21 is immaterial, but H2-21 has been restated accordingly (impact of c.€21m for Belron at 100%). Hence, the Group's FY-21 *adjusted* profit before tax, Group's share[1] (comparison basis, with Belron at 50.01%) is €484.4m. The guided PBT growth compares to this increased figure.

It assumes a 50.01% stake in Belron in 2022 and in 2021 and average exchange rates that are in line with the rates that prevailed at the end of H1-22.

For the full-year, we expect the following financial performance from our companies:

- Belron
  - Mid-teens organic sales growth due to volumes and price / mix and increased ADAS recalibration penetration and VAPS contribution.
  - *Adjusted* operating result[1] margin to slightly increase YoY driven by top-line development despite the expected impact of c.€115m from costs related to the transformation plan, of which c.€50m from fees to system integrators classified as *adjusting* items[1].
  - Free cash-flow[6] is expected to remain high, comparable to 2021, with better operational results being offset by increased capital expenditures, namely in ADAS equipment and in the footprint, and a slight working capital outflow.
- TVH
  - Top-line growth is expected to be above 20%, *adjusted* operating result[1] is now expected to land above €250m.
- D'Ieteren Automotive
  - Strong order backlog to be translated into deliveries over time once supply chain issues are solved, with volume and market share improvements expected in H2-22.
  - Taking this and rising costs into account, *adjusted* operating result[1] is now expected to achieve around 25% YoY growth for FY-22.
  - Free cash-flow[6] is expected to remain at least stable vs. 2021 (€108.4m).
- Moleskine
  - Sales are expected to get closer to pre-Covid levels, hence to grow by at least 25% YoY.
  - *Adjusted* operating result[1] should more than double compared to the €12.3m achieved in 2021.

# Key developments

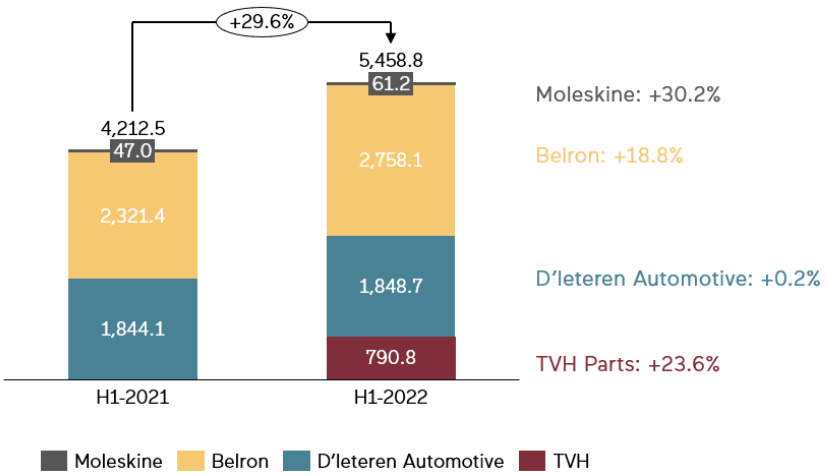
- The impact of the ongoing **war in Ukraine** in the medium and long term remains uncertain. Belron had franchise activities in Russia which have been suspended and in Ukraine, where operations paused at the start of the war, but were resumed in June. The contribution of the franchised activities in those two countries were not financially meaningful. However, Belron sourced some glass (less than 5% of the total) from Russia and has therefore found alternative sources of supply. At D'Ieteren Automotive, volumes on certain models are negatively impacted by supply chain issues as Volkswagen Group sources some components in the region. The conflict is also impacting TVH, which had generated combined sales of around €50m in those countries in 2021 and had decided to stop operating in Russia. TVH is currently selling the activities in Russia to the local management. For this reason, the activity in Russia is qualified as "Assets/Liabilities held for sale". Moleskine's exposure to the region is immaterial. The Group and Group's activities are monitoring the situation on a daily basis, complying with all EU sanctions.
- On April 28, 2022, D'Ieteren Group has held its **Investor Day**, setting new ambitions for 2025.

- On May 2, 2022, D'Ieteren Group has restarted stock purchases under its **share buyback programme**, put on hold in April 2020 following the Covid-19 pandemic outbreak. It is expected to run for about a year. The share buyback is solidarity-based.
- Mid-July 2022, H&F and GIC have slightly increased their **participation in Belron**, buying shares back mostly from natural leavers at the same financial consideration as the one that prevailed in December 2021. Belron's shareholding structure is now as follows: 50.01% D'Ieteren Group, 20.26% CD&R, 11.20% H&F, 3.97% GIC, 2.73% BlackRock Private Equity Partners, and 11.83% management, employees and founding family.
- At the beginning of August 2022, Belron has distributed €411m of **interim ordinary dividends** to its shareholders (€212m for D'Ieteren Group) with cash on balance sheet.
- On August 4, 2022, D'Ieteren Group has **closed the acquisition of PHE**, subject to the disposal of PHE's specialized vehicle glass repair activities. In the meantime, PHE has refinanced and upsized its RCF to €180m. At the date of the closing, D'Ieteren Group owns 100% of PHE and will fully consolidate the company (global consolidation) as from August 1st, 2022. Minority investors, including management and several partners and independent distributors will invest alongside D'Ieteren Group in PHE, up to a combined ownership of c.10%.
- At end-June, **PHE** generated last 12 months sales of €2,147m and EBITDA[4] of €269m (post-IFRS 16, including acquisitions). For H1-22, sales grew by 13.8% YoY (of which 8.3% organic) to €1,130.1m. Growth is mainly driven by increase in volume and price and excellent product availability thanks to inventory build-up. EBITDA[4] came in at €143.0m, up by 19.3% YoY, implying an increased margin of 12.7% due to top-line drivers.
- In order to provide the portfolio companies with a clear route to reduce greenhouse gas emissions, D'Ieteren Group has committed to the **Science Based Targets initiative (SBTi)** with the goal of having 100% of its portfolio covered by a validated SBT by the end of 2025. Accordingly, all our businesses have progressed on their own carbon emission reduction trajectory in H1.
- Other businesses' **ESG** achievements consist notably of:
    - the improved glass waste recycling by Belron from 72% in 2021 to above 80% in H1-22,
    - D'Ieteren Automotive's major developments towards building seamless and sustainable mobility for everyone with the development of EDI, Poppy and Lucien as well as the acquisitions of Taxis Verts, Go Solar and Joule,
    - the pursuit of Moleskine's circular economy action plan, with pilot projects in EU, US and APAC, which enabled the company to recycle 37t of paper products in H1-22 (versus 45t in FY-21),
    - the comprehensive sustainability programme initiated by TVH and presented to the Board of Directors in H1-22.

## Group Summary

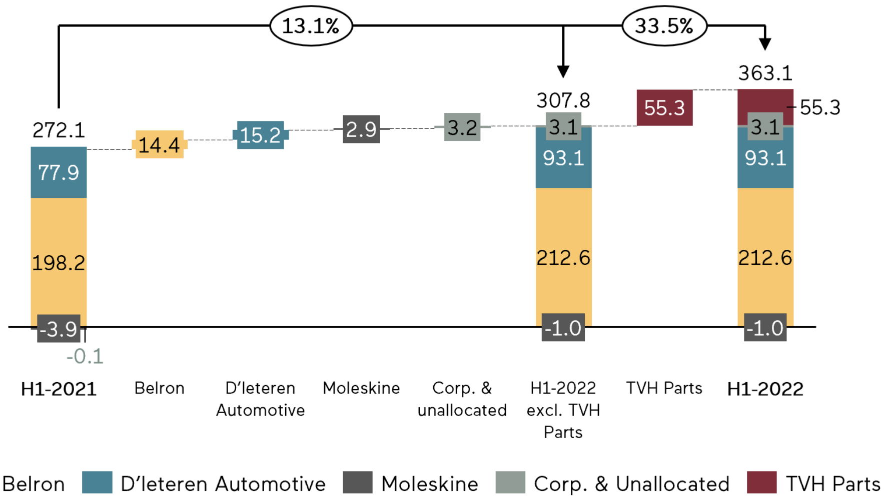
**Consolidated sales under IFRS** amounted to **€1,909.9m (+1.0% YoY)**. This figure corresponds to D'Ieteren Automotive, Moleskine and Corporate & Unallocated (excludes Belron and TVH). **Combined sales** (including 100% of Belron and of TVH) amounted to **€5,458.8m (+29.6%)**.

Combined sales (€m)



The **consolidated profit before tax under IFRS** reached €216.4m (€201.6m in H1-21). Our key performance indicator, the ***adjusted* consolidated profit before tax, Group's share**[1], amounted to €363.1m (+33.5% YoY), or €307.8m on a comparable basis (50.01% stake in Belron and excluding TVH's contribution in H1-21), which represents a **13.1% YoY growth**.

Evolution of the *adjusted* consolidated profit before tax, Group's share[1] (€m)




The **Group's share in the net result** equalled to €191.6m (€181.1m in H1-21). **The *adjusted* net profit, Group's share[1],** reached €263.9m (50.01% stake in Belron) compared to €203.5m (53.65% stake in Belron) in H1-21.

**The net cash position[3] of "Corporate & Unallocated"** amounted to **€1,001.0m** at the end of H1-22 (or €690.9m excluding €310.1m inter-segment loans) compared to €2,095.3m at the end of H1-21 and €1,087.5m at the end of FY-21.

# Belron

| €m | H1-2021 | | | H1-2022 | | | | |
|---|---|---|---|---|---|---|---|---|
| | *APM (non-GAAP measures)* [1] | | | *APM (non-GAAP measures)* [1] | | | | |
| | *Adjusted items* | *Adjusting items* | Total | *Adjusted items* | *Adjusting items* | Total | *% change adjusted items* | *% change total* |
| VGRR prime jobs (in million) | - | - | 6.1 | - | - | 6.6 | - | *7.1%* |
| External sales | *2,321.4* | - | 2,321.4 | *2,758.1* | - | 2,758.1 | *18.8%* | *18.8%* |
| Operating result | *459.4* | *-21.6* | 437.8 | *495.9* | *-52.6* | 443.3 | *7.9%* | *1.3%* |
| Net finance costs | *-63.2* | *-34.9* | -98.1 | *-71.0* | *-125.5* | -196.5 | *12.3%* | - |
| Result before tax (PBT) | *396.4* | *-56.5* | 339.9 | *425.1* | *-178.1* | 247.0 | *7.3%* | *-27.3%* |
| *Adjusted* PBT, group's share[1] (@ 50.01%) | *198.2* | - | - | *212.6* | - | - | *7.3%* | - |

## Sales and results

### Sales

**Belron's total sales** (at 100%) **increased by 18.8%**, reaching €2,758.1m in H1-22, or **20.4% from continuing operations**. This solid top-line growth is notably driven by a 7.1% growth in volumes (VGRR prime jobs), a favourable price / mix effect, and a positive contribution from ADAS and VAPS. Volumes are 4% above 2019 (pre-pandemic) levels.

Sales growth from continuing operations is comprised of a 13.3% organic growth, 1.1% growth coming from acquisitions, and a positive currency translation effect of 6.0%, primarily due to the appreciation of the US Dollar.

**North America** (59% of total) sales from continuing operations increased by 27.9%, resulting from organic[5] growth of 17.1%, 0.5% growth from acquisitions and a positive currency effect of 10.2%. The **Eurozone** (28% of total) saw a 10.8%

growth in sales from continuing operations, resulting from 8.4% organic[5] growth, with different performances per country, 2.3% growth from acquisitions, and a marginally positive currency impact of 0.1%. **Rest of World** (13% of total) sales from continuing operations increased by 11.4%, resulting from 8.8% organic[5] growth, a 1.0% contribution from acquisitions, and a favourable currency translation effect of 1.6% (varying between different currencies).

### Results

The operating result (at 100%) was slightly up by 1.3% compared to H1-21 to €443.3m and the ***adjusted* operating result**[1] improved by 7.9% to €495.9m. The Group-wide **transformation programme** maintained its momentum and incurred costs of €56.7m (of which €20.2m in *adjusting*[1] items relating to fees from system integrators) versus €13.5m in H1-21. Note that in accordance with its definition of Alternative Performance Measure (see p. 13), fees from system integrators hired in the framework of Belron's transformation programme are now being reported by the Group as *adjusting* items[1] to reflect the one-off dimension of those implementation costs The impact on H1-21 is immaterial, but H2-21 has been restated accordingly (impact of €21m @100%).

The ***adjusted* operating margin**[1] margin of 18.0% compares with 18.0% in FY-21 and to 19.8% in H1-21. The decline versus last year relates to the strong comparison base (high productivity levels, contribution from sanitization fees and lower transformation costs in H1-21) as well as the tight labour market and cost inflation not yet fully reflected in pricing given that there is a time lag in passing these through to customers.

***Adjusting* items**[1] at the level of the operating result amounted to -€52.6m, notably comprising of:

- -€38.0m of 'other' *adjusting*[1] items: -€19.3m of employees costs mainly in relation to the restricted share units ('RSUs') awarded by the Board of Directors of Belron in December 2021 to c.24,000 employees (see p.37 of the FY-21 financial highlights for a detailed description of the accounting impacts for the Group – this reward has no economic impact on D'Ieteren Group) and -€20.2m of fees to system integrators in relation to the business transformation programme as mentioned above, and
- -€15.5m related to the amortisation of some customer contracts recognised as intangible assets in the framework of recent acquisitions.

**Net financial costs** increased by €98.4m in H1-22 to €196.5m. The majority of the increase (€90.6m) is treated as *adjusting*[1] and mainly relates to the YoY variation of unrealised foreign currency losses arising on the retranslation of USD borrowings. The balance of the increase reflects the full six months charge of interest on the term loan taken out in April 2021.

The **profit before tax** reached €247.0m in H1-22 (€339.9m in H1-21), the decrease resulting from higher transformation costs and net finance costs mentioned above. The result after tax, Group's share, reached €71.4m (€129.8m in H1-21).

The ***adjusted* profit before tax, Group's share**[1] increased by 7.3% YoY to €212.6m on a comparable basis (assuming 50.01% stake in both periods). ***Adjusted* income tax expenses**[1] equalled €116.2m (€113.3m in H1-21).

The ***adjusted* result after tax, Group's share[1]**, rose by 1.8% to €154.5m, with Belron at 50.01% versus 53.65% in H1-21.

## Net debt and free cash flow

The **free cash flow**[6] (after tax) amounted to €199.2m (€266.7m in H1-21). The decline versus last year was driven by increased working capital requirements, higher capital expenditures, notably related to recalibration tooling upgrade and branch network expansion, higher spend for acquisitions and a more negative cash-flow from *adjusting* items[6], partly compensated by stronger operational performance (*adjusted* EBITDA[6] +€40.4m YoY).

Belron's **net financial debt**[3] reached €3,800.3m (100%) at the end of H1-22 compared to €3,592.1m at the end of H1-21 and is broadly unchanged compared to €3,794.9m at the end of December 2021.

Belron's Senior Secured Net Leverage Ratio (Senior Secured indebtedess[3]/proforma EBITDA post-IFRS 16[4] multiple) reached 3.11x at the end of H1-22.

# D'Ieteren Automotive

| €m | H1-2021 | | | H1-2022 | | | | |
|---|---|---|---|---|---|---|---|---|
| | APM (non-GAAP measures)[1] | | | APM (non-GAAP measures)[1] | | | | |
| | Adjusted items | Adjusting items | Total | Adjusted items | Adjusting items | Total | % change adjusted items | % change total |
| New vehicles delivered (in units) | - | - | 56,643 | - | - | 46,902 | - | -17.2% |
| External sales | 1,844.1 | - | 1,844.1 | 1,848.7 | - | 1,848.7 | 0.2% | 0.2% |
| Operating result | 74.5 | - | 74.5 | 89.0 | - | 89.0 | 19.5% | 19.5% |
| Net finance costs | -2.2 | - | -2.2 | -1.2 | 10.2 | 9.0 | - | - |
| Result before tax (PBT) | 76.0 | - | 76.0 | 91.0 | 10.2 | 101.2 | 19.7% | 33.2% |
| *Adjusted PBT*, group's share[1] | 77.9 | - | - | 93.1 | - | - | 19.5% | - |

## Activities and results

### Market and deliveries

The Belgian new passenger car market continued to be severely impacted by the shortage in components. Net of deregistrations within 30 days[2], the number of Belgian new passenger **car registrations** decreased by 13.9% to 192,210 units. Before deregistrations within 30 days, the number reached 195,387 units (-15.9%). The **business segment** continued to drive the market with a share of 61.8%. **New energy** share in the market mix continued to increase from 20.5% in H1-21 to 32.4% in H1-22. D'Ieteren Automotive remains the leader in full electric vehicles in Belgium with a 25.5% market share, with Audi the leading brand in the market.

D'Ieteren Automotive's overall **market share** slightly decreased to 22.2% (-129bps versus H1-21) net of deregistrations within 30 days. The decline was mainly due to VW and Skoda, while Porsche's and Audi's market shares increased by respectively 37bps and 41bps.

Registrations of new **light commercial vehicles** decreased by 29.7% to 28,313 units and D'Ieteren Automotive's market share declined to 7.1% (of net registrations).

The total number of **new vehicles**, including commercial vehicles, delivered by D'Ieteren Automotive in H1-22 reached 46,902 units (-17.2%). The order book, which should lead to market share improvement, remains significant, around 97,000 units, nearly doubling compared to last year with all brands contributing.

### Sales

Despite the components shortage hitting the number of cars delivered, D'Ieteren Automotive managed to keep **sales broadly flat YoY** (+0.2%) to €1,848.7m helped by the continued market premiumization. The mix of cars delivered was particularly skewed towards higher-end models and brands, and unit prices increased, implying a strongly positive price / mix. Sales from 'other' services contributed positively to top-line development.

- New vehicles sales declined by 3.6% to €1,498.4m
- Used cars sales increased by 27.1%, reaching €157.0m
- Spare parts and accessories sales gained 17.9% to €141.1m
- Revenues from after-sales activities increased by 4.6% to €27.3m
- Other sales increased by 19.7%, reaching €24.9m

### Results

The **operating result** reached €89.0m (+19.5% YoY) and there are no *adjusting* items[1] at the operating result level, nor in H1-21. This evolution led to a margin of 4.8%, driven by the premiumization trend, cost control and an improved performance from loss-making activities, notably the closure of the 2 dealerships in Brussels.

***Adjusting* items**[1] at the level of net finance costs relate to a gain recognized on the loss of exclusive control of Lizy and MyMove following the entry into capital by investors of respectively 29% and 33% of the capital.

The **profit before tax** reached €101.2m (+33.2%) or €91.0m (+19.7%) excluding *adjusting* items[1].

The ***adjusted* profit before tax, Group's share**[1], improved by 19.5% to €93.1m. The contribution of the equity accounted entities amounted to €5.1m (€4.7m in H1-21).

**Income tax expenses** reached €23.7m (€20.1m in H1-21). The increase reflects the higher profit before taxes.

The **result after tax, Group's share**, amounted to €77.7m (€56.8m in H1-21). The ***adjusted* result after tax, Group's share**[1] increased from €56.8m to €67.5m.

## Net debt and free cash flow

The **free cash flow**[6] (after tax) equalled €122.9m in H1-22 compared to €79.5m in H1-21. The positive change mainly reflects an improved EBITDA[4] generation, a large cash inflow from working capital driven by receivables, an outflow in H1-21 of €35.1m related to the acceleration of the transformation plan versus €17.5m in H1-22 (closure of the 2 D'Ieteren Car Centers in Brussels), partly offset by higher taxes paid and a higher cash spent on acquisitions.

D'Ieteren Automotive's **net financial position** went from a €93.2m net debt[3] at the end of June 2021 and €55.7m at the end of December 2021 to a net cash surplus of €12.7m at the end of H1-22 as a result of the strong free cash flow generation, despite the distribution of a €51.6m dividend.

# TVH

| €m | H1-2022 | | |
|---|---|---|---|
| | *APM (non-GAAP measures)*[1] | | |
| | *Adjusted items* | *Adjusting items* | Total |
| External sales | *790.8* | - | 790.8 |
| Operating result | *143.2* | - | 143.2 |
| Net finance costs | *-4.9* | *3.9* | -1.0 |
| Result before tax (PBT) | *138.3* | *3.9* | 142.2 |
| *Adjusted* PBT, group's share[1] | *55.3* | - | - |

## Sales and results

(Absolute H1-22 figures are in IFRS. Comparison with H1-21 is based on BEGAAP figures)

### Sales

TVH posted **total sales** (at 100%) of €790.8m (+23.6% YoY). This evolution was driven by strong organic growth (+20.0% YoY) mainly contributed by the core regions EMEA & Americas (which also includes a positive FX impact of 4.6%, primarily due to the appreciation of the USD) and inorganic growth (+3.6% YoY).

Growth in H1-22 was driven by a healthy mix of volume and price across all regions and markets:

- **Americas** region (34% of total) continued to perform very well with sales at +21.5% in USD vs. H1-21 (and +34.1% in €), with strong growth across all market segments.
- The **EMEA** region (59% of total) also performed well, with sales +11.5% vs. H1-21 (despite being impacted in the CIS countries from to the Russia-Ukraine war), with particularly strong growth in the CPA (Construction Parts & Accessories) and the MPA (Material Handling Parts & Accessories) markets.
- **APAC** region (4% of total) sales grew by +16.9% vs H1-21, even if Covid had a negative impact in certain countries during H1-22.

### Results

**Operating result** (at 100%) amounted to €143.2m, representing an *adjusted*[1] EBIT margin of 18.1%, which implies a slight YoY dilution due primarily to revenue mix and higher inventory write downs versus H1-21.

**Net financial costs** amounted to -€1.0m in H1-22, of which €3.9m *adjusting* items[1] relating to the change in fair value of interest rates swaps.

The **profit before tax** reached €142.2m and the *adjusted* profit before tax[1] €138.3m.

***Adjusted* profit before tax, Group's share**[1] amounted to €55.3m.

The ***adjusted* result after tax, Group's share[1]**, stood at €41.5m.

## Net debt and free cash flow

The IFRS net debt of TVH amounts to €882.8m (including €100m shareholder loan) at the end of June 2022, an increase of €55.7m compared to the €827.1m at 31 December 2021 (restated to improve the consistency of the accounting policies across all affiliates and to be fully in line with the IFRS requirements – see note 1 of the 2022 half-yearly financial report). This increase is mainly reflecting the significant working capital investments impacting the free cash flow (increase in inventory and receivables, in order to cope with supply chain issues and allow for continued strong growth) and capital expenditure, more than compensating the strong EBITDA[4] of the semester.
Net financial debt / LTM EBITDA[4] stands at 2.52x (in BEGAAP, excluding shareholder loan).

# Moleskine

| €m | H1-2021 | | | H1-2022 | | | % change adjusted items | % change total |
|---|---|---|---|---|---|---|---|---|
| | APM (non-GAAP measures)[1] | | | APM (non-GAAP measures)[1] | | | | |
| | *Adjusted items* | *Adjusting items* | Total | *Adjusted items* | *Adjusting items* | Total | | |
| External sales | *47.0* | - | 47.0 | *61.2* | - | 61.2 | *30.2%* | *30.2%* |
| Operating result | *2.0* | *-0.2* | 1.8 | *3.7* | - | 3.7 | *85.0%* | *105.6%* |
| Net finance costs | *-5.7* | *-0.2* | -5.9 | *-4.7* | - | -4.7 | - | - |
| Result before tax (PBT) | *-3.7* | *-0.4* | -4.1 | *-1.0* | - | -1.0 | - | - |
| *Adjusted* PBT, group's share[1] | *-3.9* | - | - | *-1.0* | - | - | - | - |

## Sales and results

### Sales

Sales growth came in at 30.2% YoY to €61.2m in H1-22 thanks to the continued recovery from Covid-19 pandemic. The core paper category is leading the growth versus last year.

**Sales evolution by region:**

- **EMEA** (41% of total): 24.0% YoY growth, mostly driven by France, and the DACH region (Germany, Austria, Switzerland) and despite slowed down online demand.
- **Americas** (49% of total): 50.0% YoY growth, driven by strong Wholesale and Strategic Partnerships, also partly driven by FX.
- **APAC** (10% of total): 10.6% YoY decline. APAC is down YoY due to China lockdown at the beginning of the year and Japan also still in state of emergency.

**Sales evolution by channel:**

- **Wholesale** (65% of total): 23.4% YoY growth. The sales improvement was again driven by top accounts, with a few top customers being in line or above 2019 levels.
- **Strategic Partnerships (B2B)** (21% of total): 68.3% YoY growth. Substantial growth led by few top customers in US and EMEA.
- **E-Commerce** (4% of total): 17.5% decline YoY. E-commerce continued to suffer from a post-covid decrease in online channels consumption in Europe.
- **Retail** (8% of total): 78.6% improvement versus last year. Retail pursued its acceleration in both EMEA and US driven by strong physical stores consumption and the new store experience strategy.

- **Other** (including Royalties & Apps, 2% of total): YoY decline of 6.1%. Temporary decline in sales until new app releases in June.

### Results

Reported **operating result** more than doubled compared to H1-21 to €3.7m. The ***adjusted* operating result**[1] showed an 85% YoY growth. The significant improvement is primarily the result of the better sales performance as well as continued significant cost efforts.

There are no ***adjusting* items** in operating result in H1-22 versus -€0.2m in H1-21. At half-year 2022, no indication of possible impairment was identified.

**Net financial charges** equalled €4.7m (€5.9m in H1-21). The profit before tax amounted to -€1.0m, same as the ***adjusted* profit before tax**[1] compared to -€3.7m in H1-21.

### Net debt and free cash flow

The **free cash flow**[6] amounted to €2.9m compared to €3.9m in H1-21. This evolution was primarily driven by a working capital outflow in H1-22 versus a slight working capital inflow in H1-21.

Moleskine's **net debt** reached €288.6m (of which €269.5m of inter-segment financing) at the end of June 2022, compared to €297.5m at the end of June 2021 and broadly stable versus the level at the end of December 2021 (€287.0m).

## Corporate and unallocated

| €m | H1-2021 | | | H1-2022 | | | | |
|---|---|---|---|---|---|---|---|---|
| | APM (non-GAAP measures)[1] | | | APM (non-GAAP measures)[1] | | | | |
| | *Adjusted items* | *Adjusting items* | Total | *Adjusted items* | *Adjusting items* | Total | *% change adjusted items* | *% change total* |
| External sales | - | - | - | - | - | - | - | - |
| Operating result | *-6.4* | - | -6.4 | *-3.1* | *-1.4* | -4.5 | - | - |
| Net finance costs | *6.3* | - | 6.3 | *6.2* | - | 6.2 | *-1.6%* | *-1.6%* |
| Result before tax (PBT) | *-0.1* | - | -0.1 | *3.1* | *-1.4* | 1.7 | - | - |
| *Adjusted* PBT, group's share[1] | *-0.1* | - | - | *3.1* | - | - | - | - |

### Results

The reportable operating segment "Corporate and Unallocated" mainly includes the Corporate and Real Estate activities (D'Ieteren Immo SA). The ***adjusted* operating result**[1] reached -€3.1m versus -€6.4m in H1-21 driven by the positive impact from royalty and management fees invoiced to the businesses and a higher result from D'Ieteren Immo.

**Net finance income** of €6.2m was broadly in line with last year's figure.

***Adjusted* profit before tax, group's share**[1] reached €3.1m (-€0.1m in H1-21).

### Net cash

The net cash[3] position of the Corporate & unallocated segment decreased from €2,095.3m at the end of June 2021 to €1,087.5m at the end of December 2021 and to €1,001.0m at the end of June 2022. The decrease in the net financial position compared to December 2021 is primarily the result of the dividend (€113.6m) paid out to the shareholders of D'Ieteren Group in June 2022 and the acquisition of treasury shares in H1-22 (€30.0m), partially offset by the dividend (€51.6m) received from the D'Ieteren Automotive segment in June 2022.

**Notes**

*[1] In order to better reflect its underlying performance and assist investors in gaining a better understanding of its financial performance, D'Ieteren Group uses Alternative Performance Measures ("APMs"). These APMs are non-GAAP measures, i.e. their definitions are not addressed by IFRS. D'Ieteren 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. See page 13 for the definition of these performance indicators.*

*[2] In order to provide an accurate picture of the car market, Febiac publishes market figures excluding registrations that have been cancelled within 30 days. Most of them relate to vehicles that are unlikely to have been put into circulation in Belgium by the end customer.*

*[3] The net financial debt is not an IFRS indicator. D'Ieteren Group 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 20.*

*[4] EBITDA is not an IFRS indicator. This APM (non-GAAP indicator) is defined as earnings before interest, taxes, depreciation and amortization. Since the method for calculating the EBITDA is not governed by IFRS, the method applied by the Group may not be the same as that adopted by others and therefore may not be comparable.*

*[5] "Organic growth" is an Alternative Performance Measure used by the Group to measure the evolution of revenue between two consecutive periods, at constant currency and excluding the impact of change in perimeter of consolidation or business acquisitions.*

*[6] Free cash-flow is not an IFRS indicator. This APM measure is defined as [Adjusted EBITDA - other non-cash items – change in working capital – capital expenditures – capital paid on lease liabilities – taxes paid – interest paid – acquisitions + disposals – employee share plans – cash-flow from adjusting items + other cash items]*

# Appendix

# Alternative Performance Measurement (APM) – Non-Gaap Measurement

## Framework and definitions

In order to better reflect its underlying performance and assist investors, securities analysts and other interested parties in gaining a better understanding of its financial performance, the Group uses Alternative Performance Measures (“APMs”). These alternative performance metrics are used internally for analysing the Group’s results as well as its business units.

These APMs are non-GAAP measures, i.e. their definition is not addressed by IFRS. They are derived from the audited IFRS accounts. The APMs may not be comparable to similarly titled measures of other companies and have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of the Group’s performance or liquidity under IFRS. The Group does not present APMs as an alternative to financial measures determined in accordance with IFRS and does not give to APMs greater prominence than defined IFRS measures.

Each line of the statement of profit or loss (see below), and each subtotal of the segment statement of profit or loss (see below), is broken down in order to provide information on the *adjusted* result and on the *adjusting* items.

The *adjusting* items are identified by the Group in order to present comparable figures, giving to the investors a better view on the way the Group is measuring and managing its financial performance. They comprise the following items, but are not limited to:

(a) Recognised fair value gains and losses on financial instruments (i.e. change in fair value between the opening and the end of the period, excluding the accrued cash flows of the derivatives that occurred during the period), where hedge accounting may not be applied under IAS 39/IFRS 9 (in this case recognised fair value gains and losses being directly accounted for in the Consolidated Statement of Comprehensive Income);

(b) Exchange gains and losses arising upon the translation of foreign currency loans and borrowings at the closing rate;

(c) Impairment of goodwill and other non-current assets;

(d) Amortisation of intangible assets with finite useful lives recognised in the framework of the allocation as defined by IFRS 3 of the cost of a business combination;

(e) Other material items that derive from events or transactions that fall within the ordinary activities of the Group, and which individually or, if of a similar type, in aggregate, are separately disclosed by virtue of their size or incidence.

*Adjusted* result consists of the IFRS reported result, excluding *adjusting* items as listed above.

The Group uses as key performance indicator the *adjusted* consolidated result before tax, Group’s share (*Adjusted* PBT, Group’s share). This APM consists of the segment reported result before tax (PBT), taking into account the result before tax of the discontinued operations, and excluding *adjusting* items and the share of minority shareholders.

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

| €m | 2022 | | | 2021(1) | | |
|---|---|---|---|---|---|---|
| | Total | *Of which* | | Total | *Of which* | |
| | | *Adjusted result* | *Adjusting items* | | *Adjusted result* | *Adjusting items* |
| **Revenue** | **1,909.9** | *1,909.9* | - | **1,891.1** | *1,891.1* | - |
| Cost of sales | -1,613.4 | *-1,613.4* | - | -1,634.3 | *-1,634.3* | - |
| **Gross margin** | **296.5** | *296.5* | - | **256.8** | *256.8* | - |
| Commercial and administrative expenses | -216.2 | *-212.1* | *-4.1* | -193.1 | *-193.1* | - |
| Other operating income | 10.2 | *7.5* | *2.7* | 7.8 | *7.8* | - |
| Other operating expenses | -2.3 | *-2.3* | - | -1.6 | *-1.4* | *-0.2* |
| **Operating result** | **88.2** | *89.6* | *-1.4* | **69.9** | *70.1* | *-0.2* |
| Net finance costs | 10.5 | *0.3* | *10.2* | -1.8 | *-1.6* | *-0.2* |
| Finance income | 13.6 | *3.4* | *10.2* | 1.2 | *1.2* | - |
| Finance costs | -3.1 | *-3.1* | - | -3.0 | *-2.8* | *-0.2* |
| Share of result of equity-accounted investees and long-term interest in equity-accounted investees, net of income tax | 117.7 | *199.2* | *-81.5* | 133.5 | *155.5* | *-22.0* |
| **Result before tax** | **216.4** | *289.1* | *-72.7* | **201.6** | *224.0* | *-22.4* |
| Income tax expense | -25.0 | *-25.4* | *0.4* | -21.3 | *-21.3* | - |
| **Result from continuing operations** | **191.4** | *263.7* | *-72.3* | **180.3** | *202.7* | *-22.4* |
| Discontinued operations | - | - | - | - | - | - |
| **RESULT FOR THE PERIOD** | **191.4** | *263.7* | *-72.3* | **180.3** | *202.7* | *-22.4* |
| **Result attributable to:** | | | | | | |
| **Equity holders of the Company** | **191.6** | *263.9* | *-72.3* | **181.1** | *203.5* | *-22.4* |
| Non-controlling interests | -0.2 | *-0.2* | - | -0.8 | *-0.8* | - |
| Earnings per share | | | | | | |
| Basic (€) | 3.55 | *4.88* | *-1.33* | 3.36 | *3.77* | *-0.41* |
| Diluted (€) | 3.51 | *4.83* | *-1.32* | 3.32 | *3.73* | *-0.41* |
| Earnings per share - Continuing operations | | | | | | |
| Basic (€) | 3.55 | *4.88* | *-1.33* | 3.36 | *3.77* | *-0.41* |
| Diluted (€) | 3.51 | *4.83* | *-1.32* | 3.32 | *3.73* | *-0.41* |

(1) As restated to reflect the IFRS® Interpretations Committee (IFRIC) final agenda decisions on cloud computing arrangements issued in March 2019 and March 2021. Refer to note 1 of the 2022 half-yearly financial report for more information on the restatement of comparative information.

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

The Group's reportable operating segments are D'Ieteren Automotive, Belron, Moleskine and TVH (as from 1st October 2021). The other segments are disclosed in the category "Corporate & Unallocated" (D'Ieteren Group, 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 their classification as equity-accounted investees, Belron and TVH (as from 1st October 2021) remain separate reportable operating segments, reflecting the Group's internal reporting structure.

| €m | 2022 | | | | | | |
|---|---|---|---|---|---|---|---|
| | **D'Ieteren Automotive** | **Belron (100%)** | **Moleskine** | **TVH (100%)** | **Corp. & unallocated** | **Eliminations** | **Group** |
| External revenue | 1,848.7 | 2,758.1 | 61.2 | 790.8 | - | -3,548.9 | 1,909.9 |
| Inter-segment revenue | - | - | - | - | - | - | - |
| **Segment revenue** | **1,848.7** | **2,758.1** | **61.2** | **790.8** | **-** | **-3,548.9** | **1,909.9** |
| **Operating result (being segment result)** | **89.0** | **443.3** | **3.7** | **143.2** | **-4.5** | **-586.5** | **88.2** |
| *Of which Adjusted result* | *89.0* | *495.9* | *3.7* | *143.2* | *-3.1* | *-639.1* | *89.6* |
| *Adjusting items* | - | *-52.6* | - | - | *-1.4* | *52.6* | *-1.4* |
| Net finance costs | 9.0 | -196.5 | -4.7 | -1.0 | 6.2 | 197.5 | 10.5 |
| Finance income | 10.6 | 5.7 | 1.7 | 13.3 | 1.3 | -19.0 | 13.6 |
| Finance costs | -1.6 | -202.2 | -1.1 | -13.2 | -1.5 | 216.5 | -3.1 |
| Inter-segment financing interest | - | - | -5.3 | -1.1 | 6.4 | - | - |
| Share of result of equity-accounted investees and long-term interest in equity-accounted investees, net of income tax | 3.2 | 0.2 | - | - | - | 114.3 | 117.7 |
| **Result before tax** | **101.2** | **247.0** | **-1.0** | **142.2** | **1.7** | **-274.7** | **216.4** |
| *Of which Adjusted result* | *91.0* | *425.1* | *-1.0* | *138.3* | *3.1* | *-367.4* | *289.1* |
| *Adjusting items* | *10.2* | *-178.1* | - | *3.9* | *-1.4* | *92.7* | *-72.7* |
| Income tax expense | -23.7 | -104.2 | - | -34.6 | -1.3 | 138.8 | -25.0 |
| **Result from continuing operations** | **77.5** | **142.8** | **-1.0** | **107.6** | **0.4** | **-135.9** | **191.4** |
| *Of which Adjusted result* | *67.3* | *308.9* | *-1.0* | *103.7* | *1.4* | *-216.6* | *263.7* |
| *Adjusting items* | *10.2* | *-166.1* | - | *3.9* | *-1.0* | *80.7* | *-72.3* |
| Discontinued operations | - | - | - | - | - | - | - |
| **RESULT FOR THE PERIOD** | **77.5** | **142.8** | **-1.0** | **107.6** | **0.4** | **-135.9** | **191.4** |

| **Attributable to:** | **D'Ieteren Automotive** | **Belron(*)** | **Moleskine** | **TVH(*)** | **Corp. & unallocated** | **Group** |
|---|---|---|---|---|---|---|
| **Equity holders of the Company** | **77.7** | **71.4** | **-1.0** | **43.1** | **0.4** | **191.6** |
| *Of which Adjusted result* | *67.5* | *154.5* | *-1.0* | *41.5* | *1.4* | *263.9* |
| *Adjusting items* | *10.2* | *-83.1* | - | *1.6* | *-1.0* | *-72.3* |
| Non-controlling interests | -0.2 | - | - | - | - | -0.2 |
| **RESULT FOR THE PERIOD** | **77.5** | **71.4** | **-1.0** | **43.1** | **0.4** | **191.4** |

(*) Belron at 50.01% (fully diluted economic rights) and TVH at 40.00% – see note 10 of the 2022 half-yearly financial report).

In 2022, the column "Eliminations" reconciles the segment statement of profit or loss (with the 6-month results of Belron and TVH presented on all lines under global integration method) to the IFRS Group consolidated statement of profit or loss (with the net result of Belron and TVH presented in the line "share of result of equity-accounted investees and long-term interest in equity-accounted investees, net of income tax", representing the share of the Group in the 6-month net results of Belron and TVH).

## Presentation of APMs in the segment statement of profit or loss for the 6-month period ended 30 June (continued)

| €m | | 2021(1) | | | | | |
|---|---|---|---|---|---|---|---|
| | | **D'Ieteren Automotive** | **Belron (100%)** | **Moleskine** | **Corp. & unallocated** | **Eliminations** | **Group** |
| External revenue | | 1,844.1 | 2,321.4 | 47.0 | - | -2,321.4 | 1,891.1 |
| Inter-segment revenue | | - | - | - | - | - | - |
| **Segment revenue** | | **1,844.1** | **2,321.4** | **47.0** | **-** | **-2,321.4** | **1,891.1** |
| **Operating result (being segment result)** | | **74.5** | **437.8** | **1.8** | **-6.4** | **-437.8** | **69.9** |
| *Of which* | *Adjusted result* | *74.5* | *459.4* | *2.0* | *-6.4* | *-459.4* | *70.1* |
| | *Adjusting items* | *-* | *-21.6* | *-0.2* | *-* | *21.6* | *-0.2* |
| Net finance costs | | -2.2 | -98.1 | -5.9 | 6.3 | 98.1 | -1.8 |
| Finance income | | 0.1 | 1.2 | 0.5 | 0.6 | -1.2 | 1.2 |
| Finance costs | | -0.6 | -99.3 | -1.3 | -1.1 | 99.3 | -3.0 |
| Inter-segment financing interest | | -1.7 | - | -5.1 | 6.8 | - | - |
| Share of result of equity-accounted investees and long-term interest in equity-accounted investees, net of income tax | | 3.7 | 0.2 | - | - | 129.6 | 133.5 |
| **Result before tax** | | **76.0** | **339.9** | **-4.1** | **-0.1** | **-210.1** | **201.6** |
| *Of which* | *Adjusted result* | *76.0* | *396.4* | *-3.7* | *-0.1* | *-244.6* | *224.0* |
| | *Adjusting items* | *-* | *-56.5* | *-0.4* | *-* | *34.5* | *-22.4* |
| Income tax expense | | -20.1 | -97.9 | -0.8 | -0.4 | 97.9 | -21.3 |
| **Result from continuing operations** | | **55.9** | **242.0** | **-4.9** | **-0.5** | **-112.2** | **180.3** |
| *Of which* | *Adjusted result* | *55.9* | *283.1* | *-4.5* | *-0.5* | *-131.3* | *202.7* |
| | *Adjusting items* | *-* | *-41.1* | *-0.4* | *-* | *19.1* | *-22.4* |
| Discontinued operations | | - | - | - | - | - | - |
| **RESULT FOR THE PERIOD** | | **55.9** | **242.0** | **-4.9** | **-0.5** | **-112.2** | **180.3** |

| **Attributable to:** | | **D'Ieteren Automotive** | **Belron(*)** | **Moleskine** | **Corp. & unallocated** | **Group** |
|---|---|---|---|---|---|---|
| **Equity holders of the Company** | | **56.8** | **129.8** | **-5.0** | **-0.5** | **181.1** |
| *Of which* | *Adjusted result* | *56.8* | *151.8* | *-4.6* | *-0.5* | *203.5* |
| | *Adjusting items* | *-* | *-22.0* | *-0.4* | *-* | *-22.4* |
| Non-controlling interests | | -0.9 | - | 0.1 | - | -0.8 |
| **RESULT FOR THE PERIOD** | | **55.9** | **129.8** | **-4.9** | **-0.5** | **180.3** |

(1) As restated to reflect the IFRS® Interpretations Committee (IFRIC) final agenda decisions on cloud computing arrangements issued in March 2019 and March 2021. Refer to note 1 of the 2022 half-yearly financial report for more information on the restatement of comparative information.
(*) Belron at 53.65% (weighted average percentage for the 2021 period – see note 10 of the 2022 half-yearly financial report).

In 2021, the column "Eliminations" reconciles the segment statement of profit or loss (with the 6-month result of Belron presented on all lines under global integration method) to the IFRS Group consolidated statement of profit or loss (with the net result of Belron presented in the line "share of result of equity-accounted investees and long-term interest in equity-accounted investees, net of income tax", representing the share of the Group in the 6-month net result of Belron).

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

| €m | 2022 | | | | | |
|---|---|---|---|---|---|---|
| | **D'Ieteren Automotive** | **Belron (100%)** | **Moleskine** | **TVH (100%)** | **Corp. & unallocated** | **Total (segment)*** |
| **Adjusting items** | | | | | | |
| **Included in operating result** | **-** | **-52.6** | **-** | **-** | **-1.4** | **-54.0** |
| *Re-measurements of financial instruments* | *-* | *2.7 (b)* | *-* | *-* | *-* | *2.7* |
| *Amortisation of customer contracts* | *-* | *-15.5 (c)* | *-* | *-* | *-* | *-15.5* |
| *Amortisation of brands with finite useful life* | *-* | *-1.8 (d)* | *-* | *-* | *-* | *-1.8* |
| *Other adjusting items* | *-* | *-38.0 (e)* | *-* | *-* | *-1.4 (i)* | *-39.4* |
| **Included in net finance costs** | **10.2** | **-125.5** | **-** | **3.9** | **-** | **-111.4** |
| *Re-measurements of financial instruments* | *-* | *-* | *-* | *3.9 (h)* | *-* | *3.9* |
| *Foreign exchange losses on net debt* | | *-127.3 (f)* | | *-* | *-* | *-127.3* |
| *Other adjusting items* | *10.2 (a)* | *1.8 (f)* | *-* | *-* | *-* | *12.0* |
| **Included in equity accounted result** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Included in segment result before taxes (PBT)** | **10.2** | **-178.1** | **-** | **3.9** | **-1.4** | **-165.4** |

* Total of the adjusting items at the level of each segment. The adjusting items presented in the Belron & TVH segments should be deducted from this total to reconcile with the Group figures reported in the segment statement of profit or loss.

| €m | 2021 | | | | |
|---|---|---|---|---|---|
| | **D'Ieteren Automotive** | **Belron (100%)** | **Moleskine** | **Corp. & unallocated** | **Total (segment)*** |
| **Adjusting items** | | | | | |
| **Included in operating result** | **-** | **-21.6** | **-0.2** | **-** | **-21.8** |
| *Re-measurements of financial instruments* | *-* | *4.1 (b)* | *-0.2 (g)* | *-* | *3.9* |
| *Amortisation of customer contracts* | *-* | *-11.5 (c)* | *-* | *-* | *-11.5* |
| *Amortisation of brands with finite useful life* | *-* | *-1.7 (d)* | *-* | *-* | *-1.7* |
| *Other adjusting items* | *-* | *-12.5 (e)* | *-* | *-* | *-12.5* |
| **Included in net finance costs** | **-** | **-34.9** | **-0.2** | **-** | **-35.1** |
| *Re-measurements of financial instruments* | *-* | *-* | *-0.2 (g)* | *-* | *-0.2* |
| *Foreign exchange losses on net debt* | *-* | *-9.4 (f)* | *-* | *-* | *-* |
| *Other adjusting items* | *-* | *-25.5 (f)* | *-* | *-* | *-25.5* |
| **Included in equity accounted result** | **-** | **-** | **-** | **-** | **-** |
| **Included in segment result before taxes (PBT)** | **-** | **-56.5** | **-0.4** | **-** | **-56.9** |

* Total of the adjusting items at the level of each segment. The adjusting items presented in the Belron segment should be deducted from this total to reconcile with the Group figures reported in the segment statement of profit or loss.

## Explanations and details of the figures presented as *adjusting* items (continued)

D'Ieteren Automotive

(a) In the period, other *adjusting* items included in net finance costs relate to a consolidated gain of €10.2m recognized on the loss of exclusive control of Lizy and MyMove following the entry into capital by investors for 29% in Lizy and 33% in MyMove (both through capital increases). The consolidated gain represents the difference between the fair value of the non-controlling interests retained in the companies (39% in Lizy and 56% in MyMove) and the carrying amount of the assets and liabilities of the subsidiaries at the date the control was lost. These two entities are accounted for as equity accounted investees as from the 1st of January 2022.

Belron

(b) Fair value of fuel hedge instruments (used by Belron USA to hedge its fuel exposure) amounts to €2.7m (€4.1m 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.

(c) In the framework of the recent acquisitions (mainly TruRoad in the United States), certain customer contracts were recognised as intangible assets with a finite useful life. The amortisation amounts to -€15.5m in the current period and -€11.5m in the prior period.

(d) 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 -€1.8m (-€1.7m in the prior period).

(e) In the current period, other *adjusting* items of -€38.0m notably include -€19.3m of employees costs mainly in relation to the restricted share units ('RSUs') awarded by the Board of Directors of Belron in December 2021 to c.24,000 employees (this comprises a share-based payment charge of -€20.2m and associated payroll taxes of -€2.8m - see note 17 of the 2021 Consolidated Financial Statements for more information on this equity-settled share-based payment transaction – this transaction has and will have no economic impact on the Group and on the 50.01% fully diluted stake held by the Group in Belron) and -€20.2m of fees from system integrators in relation to the business transformation program.

In the prior period, other *adjusting* items of -€12.5m mainly included -€6.1m costs related to the disposal of "other services" businesses in Belgium, Italy and in the UK and -€5.6m in relation to restructurings (in the Netherlands and in the United States).

(f) In both periods, foreign exchange losses on net debt and other *adjusting* items in net finance costs are related to the refinancing operated in April 2021. In the current period, it includes -€127.3m of non-cash foreign exchange losses arising upon the translation of the USD Term Loan at the closing rate (-€9.4m in the prior period) and €1.8m of fair value gain on the ineffective portion of interest rate swaps. In the prior period, other *adjusting* items in net finance costs included de-designation of interest rate swaps, write-off of previously deferred financing costs, professional fees and legal expenses and foreign exchange losses (arising upon the translation of the new USD Term Loan at the closing rate).

Moleskine

(g) In the prior period, a total amount of -€0.4m (-€0.2m in operating result and -€0.2m in net finance costs) was recognised to reflect the change in the fair value of a forward contract used to hedge transactional and financial exposure against the fluctuation of the USD.

TVH

(h) In the period, the re-measurement of financial instruments of €3.9m relates to the change in fair value of interest rates swaps.

Corporate & unallocated

(i) In the current period, other *adjusting* items in operating result include €2.7m of gain on the disposal of a property in Belgium, and -€4.1m of fees incurred in relation to the acquisition of Parts Holding Europe (closing of the acquisition on the 4th of August 2022 - refer to note 13 of the 2022 half-yearly financial report for additional information on the transaction).

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

| €m | 2022 | | | | | | 2021(1) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | D'Ieteren Automotive | Belron (50.01%) | Moleskine | TVH (40%) | Corp. & unallocated | Total (segment) | D'Ieteren Automotive | Belron (53.65%) | Moleskine | Corp. & unallocated | Total (segment) |
| **Segment reported PBT** | **101.2** | **247.0** | **-1.0** | **142.2** | **1.7** | **491.1** | **76.0** | **339.9** | **-4.1** | **-0.1** | **411.7** |
| Less: adjusting items in PBT | -10.2 | 178.1 | - | -3.9 | 1.4 | 165.4 | - | 56.5 | 0.4 | - | 56.9 |
| **Segment adjusted PBT** | **91.0** | **425.1** | **-1.0** | **138.3** | **3.1** | **656.5** | **76.0** | **396.4** | **-3.7** | **-0.1** | **468.6** |
| Share of the group in tax on adjusted results of equity-accounted investees | 1.9 | - | - | - | - | 1.9 | 1.0 | - | - | - | 1.0 |
| Share of third parties in adjusted PBT | 0.2 | -212.5 | - | -83.0 | - | -295.3 | 0.9 | -183.7 | -0.2 | - | -183.0 |
| **Segment adjusted PBT, Group's share** | **93.1** | **212.6** | **-1.0** | **55.3** | **3.1** | **363.1** | **77.9** | **212.7** | **-3.9** | **-0.1** | **286.6** |

(1) As restated to reflect the IFRS® Interpretations Committee (IFRIC) final agenda decisions on cloud computing arrangements issued in March 2019 and March 2021. Refer to note 1 of the 2022 half-yearly financial report for more information on the restatement of comparative information.

In the period, the percentage used for computing the segment *adjusted* PBT, Group's share of Belron amounts to 50.01% (53.65% in the prior period). See note 10 of the 2022 half yearly financial report.

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

| €m | 2022 | | | | | | 2021(1) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | D'Ieteren Automotive | Belron (50.01%) | Moleskine | TVH (40%) | Corp. & unallocated | Total (segment) | D'Ieteren Automotive | Belron (50.01%) | Moleskine | Corp. & unallocated | Total (segment) |
| **Segment adjusted PBT, Group's share** | **93.1** | **212.6** | **-1.0** | **55.3** | **3.1** | **363.1** | **77.9** | **212.7** | **-3.9** | **-0.1** | **286.6** |
| Adjustment of the share of the Group (comparable basis with 2022) | - | - | - | - | - | - | - | -14.5 | - | - | -14.5 |
| **Adjusted PBT, Group's share (key performance indicator)** | **93.1** | **212.6** | **-1.0** | **55.3** | **3.1** | **363.1** | **77.9** | **198.2** | **-3.9** | **-0.1** | **272.1** |

(1) As restated to reflect the IFRS® Interpretations Committee (IFRIC) final agenda decisions on cloud computing arrangements issued in March 2019 and March 2021. Refer to note 1 of the 2022 half-yearly financial report for more information on the restatement of comparative information.
The column Belron has also been restated based on the fully diluted economic rights percentage used for computing the segment adjusted PBT in 2022 (50.01% in 2022 vs weighted average percentage of 53.65% in 2021) to make both periods comparable.

## 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.

| €m | 30 June 2022 | | | | | 30 June 2021 | | | |
|---|---|---|---|---|---|---|---|---|---|
| | D'Ieteren Automotive | Belron (100%) | Moleskine | TVH (100%) | Corp. & unallocated | D'Ieteren Automotive | Belron (100%) | Moleskine | Corp. & unallocated |
| Non-current loans and borrowings | 118.5 | 4,059.3 | 12.4 | 722.1 | 4.9 | 13.9 | 3,695.5 | 50.7 | 4.9 |
| Current loans and borrowings | 37.0 | 197.5 | 26.8 | 260.1 | 0.6 | 43.1 | 160.5 | 17.7 | 0.4 |
| Inter-segment financing | - | - | 269.5 | 40.6 | -310.1 | 204.3 | - | 259.0 | -463.3 |
| Adjustment for hedged borrowings | - | -27.8 | - | - | - | - | 17.2 | - | - |
| **Gross debt** | **155.5** | **4,229.0** | **308.7** | **1,022.8** | **-304.6** | **261.3** | **3,873.2** | **327.4** | **-458.0** |
| Less: cash and cash equivalents | -164.5 | -428.7 | -20.1 | -140.0 | -98.2 | -72.3 | -282.5 | -29.9 | -951.3 |
| Less: current financial investments | - | - | - | - | -593.2 | -92.8 | - | - | -684.0 |
| Less: other non-current receivables | -3.7 | - | - | - | -2.8 | -3.0 | - | - | -2.0 |
| Less: other current receivables | - | - | - | - | -2.2 | - | - | - | - |
| **Net debt from continuing activities excluding assets and liabilities classified as held for sale** | **-12.7** | **3,800.3** | **288.6** | **882.8** | **-1,001.0** | **93.2** | **3,590.7** | **297.5** | **-2,095.3** |
| Net debt in assets and liabilities classified as held for sale | - | - | - | - | - | - | 1.4 | - | - |
| **Total net debt** | **-12.7** | **3,800.3** | **288.6** | **882.8** | **-1,001.0** | **93.2** | **3,592.1** | **297.5** | **-2,095.3** |

In both periods, the inter-segment loans comprise amounts lent by the Corporate & unallocated segment to the Moleskine segment (non-recourse loan in the framework of the acquisition, increased by €10.5m compared to 30 June 2021, representing capitalized interests), at arm's length conditions. In the prior period, the inter-segment loan also related to amounts lent by the Corporate & unallocated segment to the D'Ieteren Automotive segment, fully reimbursed in December 2021. In 2022, the inter-segment loan in the TVH segment relates to the shareholder loan from the Corporate & unallocated segment put in place on 1st October 2021 in the framework of the acquisition of a 40% stake in TVH, of which €0.6m represents accrued interests.

D'Ieteren Automotive's net financial position improved from a net debt position of €93.2m at the end of June 2021 and €55.7m at the end of December 2021, to a net cash surplus of €12.7m at the end of June 2022. The improvement in the net financial position compared to December 2021 is the result of a strong free cash-flow generation in H1 2022 (strong EBITDA and positive inflow from change in net working capital), partially compensated by the dividend (€51.6m) paid to the Corporate & unallocated segment in June 2022, the tax paid (€12m) and the net capital expenditure (€15m).

Belron's net financial debt reached €3,800.3m at the end of June 2022. This compares with €3,592.1m at the end of June 2021 and €3,794.9m at the end of December 2021. The increase of €5.4m compared to December 2021 is the result of the strong free cash flow generation of Belron in H1 2022 (strong EBITDA partially compensated by the negative impact from working capital, capital expenditure, tax and interests paid), compensated by the foreign exchange impact of €206m.

Moleskine's net debt reached €288.6m (of which €269.5m of inter-segment financing) at the end of June 2022, compared to €297.5m at the end of June 2021 and €287.0m (of which €264.1m of inter-segment financing) at the end of December 2021. The slight increase compared to December 2021 is explained by the capitalized interests related to the inter-segment financing partially compensated by the positive free cash flow generation during the semester.

## Net debt (continued)

The net debt of TVH amounts to €882.8m at the end of June 2022 (of which €40.6m of inter-segment financing), an increase of €55.7m compared to the €827.1m at 31 December 2021 (restated to improve the consistency of the accounting policies across all affiliates and to be fully in line with the IFRS requirements – see note 1 of the 2022 half-yearly financial report). This increase is mainly due to the negative impact from working capital (increase in inventory and receivables, mainly reflecting the sales growth and an inventory buffer in order to cope with supply chain issues) and capital expenditure, more than compensating the strong EBITDA of the semester.

The net cash position of the Corporate & unallocated segment decreased from €2,095.3m at the end of June 2021 to €1,087.5m at the end of December 2021 and to €1,001.0m at the end of June 2022. The decrease in the net financial position compared to December 2021 is primarily the result of the dividend (€113.6m) paid out to the shareholders of D'Ieteren Group in June 2022 and the acquisition of treasury shares in H1 2022 (€30.0m), partially offset by the dividend (€51.6m) received from the D'Ieteren Automotive segment in June 2022.

# Major risk factors

This report should be read together with the section "Risk Factors" of our 2021 financial and directors' report (pages 66-69 and 117-132), which describes various risks and uncertainties to which the Group is or may become subject. The risks described in the 2021 financial and director's report are not the only risks facing the Group. Additional risks and uncertainties not currently known to the Group or that the Group currently deems to be immaterial also may materially adversely affect its business, financial condition and/or operating results.

# Condensed Consolidated Interim Financial Statements

## Consolidated Statement of Profit or Loss

6-months period ended 30 June

| €m | Notes | 2022 | 2021[1] |
|---|---|---|---|
| **Revenue** | 5 | **1,909.9** | **1,891.1** |
| Cost of sales | | -1,613.4 | -1,634.3 |
| **Gross margin** | | **296.5** | **256.8** |
| Commercial and administrative expenses | | -216.2 | -193.1 |
| Other operating income | 4 | 10.2 | 7.8 |
| Other operating expenses | | -2.3 | -1.6 |
| **Operating result** | 4 | **88.2** | **69.9** |
| Net finance costs | 4 | 10.5 | -1.8 |
| Finance income | 4 | 13.6 | 1.2 |
| Finance costs | 4 | -3.1 | -3.0 |
| Share of result of equity-accounted investees and long-term interest in equity-accounted investees, net of income tax | 10 | 117.7 | 133.5 |
| **Result before tax** | | **216.4** | **201.6** |
| Income tax expense | 8 | -25.0 | -21.3 |
| **Result from continuing operations** | | **191.4** | **180.3** |
| Discontinued operations | | - | - |
| **RESULT FOR THE PERIOD** | | **191.4** | **180.3** |
| **Result attributable to:** | | | |
| **Equity holders of the Company** | | **191.6** | **181.1** |
| Non-controlling interests ("NCI") | | -0.2 | -0.8 |
| Earnings per share | | | |
| Basic (€) | 6 | 3.55 | 3.36 |
| Diluted (€) | 6 | 3.51 | 3.32 |
| Earnings per share - Continuing operations | | | |
| Basic (€) | 6 | 3.55 | 3.36 |
| Diluted (€) | 6 | 3.51 | 3.32 |

(1) As restated to reflect the IFRS® Interpretations Committee (IFRIC) final agenda decisions on cloud computing arrangements issued in March 2019 and March 2021. Refer to note 1 for more information on the restatement of comparative information.

The notes on pages 28 to 45 are an integral part of these condensed consolidated interim financial statements.

The Group uses Alternative Performance Measures (non-GAAP measures) to reflect its financial performance – See interim management report and press release.

# Consolidated Statement of Comprehensive Income

6-months period ended 30 June

| €m | Notes | 2022 | 2021(1) |
|---|---|---|---|
| Result for the period | | 191.4 | 180.3 |
| Other comprehensive income | | | |
| Items that will never be reclassified to profit or loss (net of tax): | | -8.2 | 4.6 |
| *Re-measurements of defined benefit liabilities/assets* | | *9.7* | *2.9* |
| *Equity-accounted investees - share of OCI* | *10* | *-17.9* | *1.7* |
| | | | |
| Items that may be reclassified subsequently to profit or loss (net of tax) | | 67.4 | 9.4 |
| *Translation differences* | | *1.5* | *-0.3* |
| *Equity-accounted investees - share of OCI* | *10* | *65.9* | *9.7* |
| | | | |
| Other comprehensive income, net of tax | | 59.2 | 14.0 |
| | | | |
| **Total comprehensive income for the period** | | **250.6** | **194.3** |
| ***being: attributable to equity holders of the Company*** | | ***250.8*** | ***195.1*** |
| ***attributable to non-controlling interests ("NCI")*** | | ***-0.2*** | ***-0.8*** |

(1) As restated to reflect the IFRS® Interpretations Committee (IFRIC) final agenda decisions on cloud computing arrangements issued in March 2019 and March 2021. Refer to note 1 for more information on the restatement of comparative information.

The notes on pages 28 to 45 are an integral part of these condensed consolidated interim financial statements.

# Consolidated Statement of Financial Position

| €m | Notes | 30 June 2022 | 31 Dec. 2021[2] | 30 June 2021[1] |
|---|---|---|---|---|
| Goodwill | 4/9 | 89.9 | 83.2 | 76.2 |
| Intangible assets | | 440.1 | 439.1 | 436.3 |
| Property, plant & equipment | | 272.3 | 265.4 | 263.9 |
| Investment property | | 33.4 | 33.6 | 31.1 |
| Equity-accounted investees and long-term interests in equity-accounted investees | 10 | 1,409.6 | 1,226.3 | 92.9 |
| Financial investments | | 0.1 | 0.1 | 0.1 |
| Deferred tax assets | | 46.9 | 46.6 | 46.0 |
| Other receivables | | 50.1 | 49.0 | 8.0 |
| **Non-current assets** | | **2,342.4** | **2,143.3** | **954.5** |
| Inventories | | 465.8 | 446.2 | 407.1 |
| Financial investments | 4 | 593.2 | 544.1 | 776.8 |
| Current tax assets | | 7.2 | 9.4 | 10.6 |
| Trade and other receivables | 4 | 316.5 | 380.6 | 439.0 |
| Cash and cash equivalents | 4 | 282.8 | 354.6 | 1,053.5 |
| Assets classified as held for sale | | 3.2 | 0.1 | 0.8 |
| **Current assets** | | **1,668.7** | **1,735.0** | **2,687.8** |
| **TOTAL ASSETS** | | **4,011.1** | **3,878.3** | **3,642.3** |
| Capital & reserves attributable to equity holders | | 3,100.1 | 2,981.6 | 2,836.3 |
| Non-controlling interests ("NCI") | | 0.7 | 0.4 | 2.7 |
| **Equity** | | **3,100.8** | **2,982.0** | **2,839.0** |
| Employee benefits | 4 | 11.8 | 25.5 | 29.1 |
| Provisions | 4 | 25.6 | 15.5 | 10.9 |
| Loans & borrowings | 4 | 135.8 | 158.4 | 69.5 |
| Other payables | | 0.1 | - | - |
| Deferred tax liabilities | | 135.2 | 133.1 | 132.7 |
| **Non-current liabilities** | | **308.5** | **332.5** | **242.2** |
| Provisions | 4 | 7.3 | 11.3 | 6.5 |
| Loans & borrowings | 4 | 64.4 | 53.1 | 61.2 |
| Current tax liabilities | | 17.0 | 2.8 | 13.7 |
| Trade and other payables | | 512.6 | 496.0 | 478.9 |
| Liabilities directly associated with the assets held for sale | | 0.5 | 0.6 | 0.8 |
| **Current liabilities** | | **601.8** | **563.8** | **561.1** |
| **TOTAL EQUITY AND LIABILITIES** | | **4,011.1** | **3,878.3** | **3,642.3** |

(1) As restated to reflect the IFRS® Interpretations Committee (IFRIC) final agenda decisions on cloud computing arrangements issued in March 2019 and March 2021. Refer to note 1 for more information on the restatement of comparative information.
(2) As restated to reflect the adjustments performed on the 3 months statement of profit or loss and other comprehensive income of TVH to improve the consistency of the accounting policies across all affiliates and to be fully in line with the IFRS requirements. Refer to note 1 for more information on the restatement of comparative information.

The notes on pages 28 to 45 are an integral part of these condensed consolidated interim financial statements.

# Consolidated Statement of Changes in Equity

| €m | Capital and reserves attributable to equity holders | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Share capital | Share premium | Treasury shares reserve | Hedging reserve | Retained earnings | Cumulative translation differences | Total Group's share | Non-controlling interests | Equity |
| **At 1 January 2021** | **160.0** | **24.4** | **-38.0** | **-24.7** | **2,598.0** | **19.7** | **2,739.4** | **3.5** | **2,742.9** |
| Restatement(1) | - | - | - | - | -15.7 | - | -15.7 | - | -15.7 |
| **At 1 January 2021** | **160.0** | **24.4** | **-38.0** | **-24.7** | **2,582.3** | **19.7** | **2,723.7** | **3.5** | **2,727.2** |
| Profit for the period(1) | - | - | - | - | 181.1 | - | 181.1 | -0.8 | 180.3 |
| Other comprehensive income | - | - | - | 9.8 | 3.1 | 1.1 | 14.0 | - | 14.0 |
| **Total comprehensive income for the period** | **-** | **-** | **-** | **9.8** | **184.2** | **1.1** | **195.1** | **-0.8** | **194.3** |
| Movement of treasury shares | - | - | -10.5 | - | - | - | -10.5 | - | -10.5 |
| Dividends | - | - | - | - | -72.9 | - | -72.9 | - | -72.9 |
| Other movements | - | - | - | - | 0.9 | - | 0.9 | - | 0.9 |
| **Total contribution and distribution** | **-** | **-** | **-10.5** | **-** | **-72.0** | **-** | **-82.5** | **-** | **-82.5** |
| **Total change in ownership interests** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| **At 30 June 2021** | **160.0** | **24.4** | **-48.5** | **-14.9** | **2,694.5** | **20.8** | **2,836.3** | **2.7** | **2,839.0** |
| **At 1 January 2022** | **160.0** | **24.4** | **-47.4** | **-3.9** | **2,814.5** | **30.8** | **2,978.4** | **0.4** | **2,978.8** |
| Restatement(2) | - | - | - | - | 3.2 | - | 3.2 | - | 3.2 |
| **At 1 January 2022** | **160.0** | **24.4** | **-47.4** | **-3.9** | **2,817.7** | **30.8** | **2,981.6** | **0.4** | **2,982.0** |
| Profit for the period | - | - | - | - | 191.6 | - | 191.6 | -0.2 | 191.4 |
| Other comprehensive income | - | - | - | 47.3 | -20.9 | 32.8 | 59.2 | - | 59.2 |
| **Total comprehensive income for the period** | **-** | **-** | **-** | **47.3** | **170.7** | **32.8** | **250.8** | **-0.2** | **250.6** |
| Movement of treasury shares (see note 11) | - | - | -30.0 | - | - | - | -30.0 | - | -30.0 |
| Dividends (see note 11) | - | - | - | - | -113.8 | - | -113.8 | - | -113.8 |
| Other movements (see notes 7 & 10) | - | - | - | - | 11.5 | - | 11.5 | - | 11.5 |
| **Total contribution and distribution** | **-** | **-** | **-30.0** | **-** | **-102.3** | **-** | **-132.3** | **-** | **-132.3** |
| Acquisition of subsidiary with NCI | - | - | - | - | - | - | - | 0.3 | 0.3 |
| Loss of control of subsidiaries | - | - | - | - | - | - | - | 0.2 | 0.2 |
| **Total change in ownership interests** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **0.5** | **0.5** |
| **At 30 June 2022** | **160.0** | **24.4** | **-77.4** | **43.4** | **2,886.1** | **63.6** | **3,100.1** | **0.7** | **3,100.8** |

(1) As restated to reflect the IFRS® Interpretations Committee (IFRIC) final agenda decisions on cloud computing arrangements issued in March 2019 and March 2021. Refer to note 1 for more information on the restatement of comparative information.
(2) As restated to reflect the adjustments performed on the 3 months statement of profit or loss and other comprehensive income of TVH to improve the consistency of the accounting policies across all affiliates and to be fully in line with the IFRS requirements. Refer to note 1 for more information on the restatement of comparative information.

The notes on pages 28 to 45 are an integral part of these condensed consolidated interim financial statements.

# Condensed Consolidated Statement of Cash Flows

6-months period ended 30 June

| €m | Notes | 2022 | 2021(1) |
|---|---|---|---|
| **Cash flows from operating activities - Continuing** | | | |
| Result for the period | | 191.4 | 180.3 |
| Income tax expense | 8 | 25.0 | 21.3 |
| Share of result of equity-accounted investees and long-term interest in equity-accounted investees, net of income tax | 10 | -117.7 | -133.5 |
| Net finance costs | 4 | -10.5 | 1.8 |
| **Operating result from continuing operations** | | **88.2** | **69.9** |
| Depreciation and amortisation | | 23.2 | 23.1 |
| Other non-cash items | 4 | -5.4 | 0.8 |
| Share-based payment and other employee benefit expenses | 7 | 11.4 | 3.8 |
| Other cash items | | - | 0.2 |
| Change in net working capital | | 66.6 | 13.2 |
| **Cash generated from operations** | | **184.0** | **111.0** |
| Income tax paid | | -12.7 | -5.7 |
| **Net cash from operating activities** | | **171.3** | **105.3** |
| **Cash flows from investing activities - Continuing** | | | |
| Purchase of property, plant and equipment and intangible assets | | -22.8 | -19.0 |
| Sale of property, plant and equipment and intangible assets | | 4.1 | 0.9 |
| **Net capital expenditure** | | **-18.7** | **-18.1** |
| Acquisition of subsidiaries (net of cash acquired) | 4 | -6.0 | - |
| Proceeds from the sale of/(investments in) financial assets | 4 | -49.0 | -39.5 |
| Interest received | | 1.7 | 0.5 |
| Dividends and proceeds from capital reduction received from equity-accounted investees & long-term interests in equity accounted-investees | 10 | 4.5 | 724.3 |
| Reimbursment of loans granted to equity-accounted investees | | 2.3 | - |
| Loans to employees in relation to Long Term Incentive Plan and stock options | | -1.5 | -3.9 |
| **Net cash from investing activities** | | **-66.7** | **663.3** |
| **Cash flows from financing activities - Continuing** | | | |
| Acquisition of treasury shares | | -54.4 | -13.6 |
| Disposal of treasury shares | | 24.4 | 3.1 |
| Repayment of lease liabilities | | -10.0 | -8.8 |
| Proceeds from loans and borrowings | | 6.0 | 32.7 |
| Repayment of loans and borrowings | 4 | -26.8 | -4.1 |
| Interest paid | | -2.6 | -2.6 |
| Dividends paid by the Company | 11 | -113.6 | -72.9 |
| **Net cash from financing activities** | | **-177.0** | **-66.2** |
| **Cash flows from continuing operations** | | **-72.4** | **702.4** |
| **TOTAL CASH FLOW FOR THE PERIOD** | | **-72.4** | **702.4** |
| **Reconciliation with statement of financial position** | | | |
| Cash at the beginning of the period | | 295.1 | 254.3 |
| Cash equivalents at the beginning of the period | | 59.5 | 97.0 |
| **Cash and cash equivalents at the beginning of the period** | | **354.6** | **351.3** |
| Total cash flow for the period | | -72.4 | 702.4 |
| Effects of movement in exchange rates | | 0.6 | -0.2 |
| **Cash and cash equivalents at the end of the period** | | **282.8** | **1,053.5** |
| *Included within "Cash and cash equivalents"* | | *282.8* | *1,053.5* |
| *Included within "Non-current assets classified as held for sale"* | | - | - |

(1) As restated to reflect the IFRS® Interpretations Committee (IFRIC) final agenda decisions on cloud computing arrangements issued in March 2019 and March 2021 and to reflect the reclassification of amounts related to employee benefits from the line “Other non-cash items” to the line “Share-based payment and other employee benefit expenses” in the framework of continuous improvement of the financial reporting presentation. Refer to note 1 for more information on the restatement of comparative information.

The notes on pages 28 to 45 are an integral part of these condensed consolidated interim financial statements.

# Notes to the Condensed Consolidated Financial Statements

## Note 1: General information

D'Ieteren Group SA/NV (the Company) is a public company incorporated and domiciled in Belgium, whose controlling shareholders are listed in note 11 of these Condensed Consolidated Financial Statements. The address of the Company's registered office is: Rue du Mail 50, B-1050 Brussels (Belgium).

In existence since 1805, and across family generations, D'Ieteren Group 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 and geographies. The Group currently owns the following businesses:

- Belron (50.01% of economic rights, fully diluted) has a clear purpose: "making a difference by solving people's problems with real care". It is the worldwide leader in vehicle glass repair, replacement and recalibration, and operates in 37 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.
- D'Ieteren Automotive (100% owned) distributes Volkswagen, Audi, SEAT, Škoda, Bentley, Lamborghini, Bugatti, Cupra, Rimac and Porsche vehicles in Belgium. It has a market share of more than 22% and 1.2 million vehicles on the road. Its business model is evolving towards "improving the lives of citizens with fluid, accessible and sustainable mobility".
- TVH (40% owned) is a leading global independent distributor for aftermarket parts for material handling, construction & industrial, and agricultural equipment. It operates in 26 countries worldwide. It has a unique operating model and has a clear purpose of "keeping customers going and growing".
- 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 global multichannel platform. Its purpose is to "unleash the human genius through hands on paper to empower creativity and knowledge in each individual and the entire world".
- D'Ieteren Immo (100% owned) groups together the Belgian real estate interests of D'Ieteren Group. It owns and manages 36 sites. It also pursues investment projects and carries out studies into possible site renovations.

The Company is listed on Euronext Brussels.

These condensed consolidated interim financial statements have been authorized for issue by the Board of Directors on the 5th of September 2022.

**Restatement of comparative information**

According to IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity, and the condensed consolidated statement of cash flows have been restated in H1-2021 to take into account the IFRS® Interpretations Committee (IFRIC) final agenda decisions on cloud computing arrangements issued in March 2019 and March 2021. These agenda decisions were already applicable at the time of issuance of the half-yearly 2021 condensed consolidated financial statements, however the Group was not able to accurately assess the impact at that time and proceeded with the restatement of comparative information for the first time in its 2021 annual consolidated financial statements. The March 2019 decision considers whether a customer receives a software asset at the contract commencement date or a service over the contract term. The March 2021 decision builds on the 2019 decision and considers how a customer accounts for configuration or customisation costs where an intangible asset is not recognised.
Implementation costs in relation to cloud computing arrangements were previously capitalised as intangible assets as part of software assets and have been de-recognised from the statement of financial position as a result of the new interpretation. Following the interpretation in which it was assessed that the implementation costs are not intangible assets, and is a service which is distinct from the access to the software, the expense is recognised as incurred (i.e. when the service was received). The tables below show the amount of restatement operated in the H1-2021 segment statement of profit or loss, the segment statement of financial position as at 30 June 2021, and the segment statement of cash flows for the D'Ieteren Automotive, Belron and Corporate & unallocated segments (other segments are not impacted by those new interpretations), and reconciles the segment information to the Group IFRS consolidated figures.

## Note 1: General information (continued)

| €m - restatement of the segment statement of profit or loss | 30 June 2021 | | | | |
|---|---|---|---|---|---|
| | D'Ieteren Automotive | Belron (100%) | Corporate & unallocated | Eliminations | Group |
| Costs of assets acquired (commercial and administrative expenses) | -0.3 | -6.3 | -0.4 | 6.3 | -0.7 |
| Reversal of amortisation on intangible assets (commercial and administrative expenses) | 1.3 | 1.0 | - | -1.0 | 1.3 |
| **Operating result** | **1.0** | **-5.3** | **-0.4** | **5.3** | **0.6** |
| Share of result of equity-accounted investees and long-term interests in equity-accounted investees, net of income tax | - | - | - | -2.3 | -2.3 |
| **Profit before tax** | **1.0** | **-5.3** | **-0.4** | **3.0** | **-1.7** |
| Income tax expense | -0.3 | 1.1 | 0.3 | -1.1 | - |
| **Result from continuing operations** | **0.7** | **-4.2** | **-0.1** | **1.9** | **-1.7** |
| *of which: attributable to equity holders of the Company** | *0.7* | *-2.3* | *-0.1* | | *-1.7* |

*Belron at 53.65% (weighted average percentage for H1-2021)

| €m - restatement of the segment statement of financial position | 30 June 2021 | | | | |
|---|---|---|---|---|---|
| | D'Ieteren Automotive | Belron (100%) | Corporate& unallocated | Eliminations | Group |
| Intangible assets | -15.0 | -13.3 | -1.0 | 13.3 | -16.0 |
| Deferred tax assets | 3.7 | 3.3 | 0.3 | -3.3 | 4.0 |
| Equity-accounted investees and long-term interests in equity-accounted investees | - | - | - | -5.4 | -5.4 |
| **Capital & reserves** | **-11.3** | **-10.0** | **-0.7** | **4.6** | **-17.4** |
| *of which: attributable to equity holder of the Company** | *-11.3* | *-5.4* | *-0.7* | | *-17.4* |

*Belron at 53.65% (weighted average percentage for H1-2021)

| €m - restatement of the segment statement of cash flows | 30 June 2021 | | | | |
|---|---|---|---|---|---|
| | D'Ieteren Automotive | Belron (100%) | Corporate & unallocated | Eliminations | Group |
| Operating result from continuing operations | 1.0 | -5.3 | -0.4 | 5.3 | 0.6 |
| Amortisation of intangible assets | -1.3 | -1.0 | - | 1.0 | -1.3 |
| Purchase of property, plant and equipment and intangible assets | 0.3 | 6.3 | 0.4 | -6.3 | 0.7 |
| **Net cash from operating activities** | **-** | **-** | **-** | **-** | **-** |

In addition, and according to IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", the line "equity accounted investees & long-term interests in equity-accounted investees" in the consolidated statement of financial position has been increased by €3.0m as at 31 December 2021 to mainly reflect the share of the Group in the adjustments performed on the 3 months statement of profit or loss and other comprehensive income of TVH to improve the consistency of the accounting policies across all affiliates and to be fully in line with the IFRS requirements, with a corresponding impact in shareholder's equity.

Finally, the condensed consolidated statement of cash flows as at 30 June 2021 has been restated to reflect the reclassification of amounts related to employee benefits from the line "Other non-cash items" to the line "Share-based payments and other employee benefit expenses" in the framework of continuous improvement of the financial reporting presentation.

**Risks and uncertainties**

The COVID-19 pandemic and the ongoing war in Ukraine have had a significant impact on the world economy and have increased the overall uncertainties, inflationary pressures and market instability. The Board of Directors considered the impact of these risks on the basis of preparation of this half-yearly financial report.

Thanks to its adequate measures taken to preserve cash, the Group has a strong funding and liquidity structure in place as at 30 June 2022, with approximately €676m of net cash (cash, cash equivalents and non-current and current asset investments less loans and borrowings) on the consolidated balance sheet level and a well-balanced debt profile at Belron level. As of 30 June 2022, the Group complied with all requirements of any loan covenants.

## Note 1: General information (continued)

The Group continues to take measures to minimize the impact of the crisis on cash flows and is ensuring that it has the necessary liquidity structure in place for the foreseeable future. Taking this into account, the Board of Directors has a reasonable expectation that the Group is well placed to manage its business risks, has enough funds to continue to meet its liabilities as they fall due and to continue in operational existence for the foreseeable future. This half-yearly financial report has therefore been prepared on a going concern basis.

The impact of the ongoing war in Ukraine in the medium and long term remains uncertain. Belron had franchise activities in Russia which have been suspended and in Ukraine, where operations paused at the start of the war, but were resumed in June. The contribution of the franchised activities in those two countries were not financially meaningful. However, Belron sourced some glass (less than 5% of the total) from Russia and has therefore found alternative sources of supply. At D'Ieteren Automotive, volumes on certain models are negatively impacted by supply chain issues as Volkswagen Group sources some components in the region. The conflict is also impacting TVH, which had generated combined sales of around €50m in those countries in 2021 and had decided to stop operating in Russia. TVH is currently selling the activities in Russia to the local management. For this reason, the activity in Russia is qualified as "Assets/Liabilities held for sale". Moleskine's exposure to the region is immaterial. The Group and Group's activities are monitoring the situation on a daily basis, complying with all EU sanctions.

**Alternative Performance Measurement – Non-GAAP measurement**

In order to better reflect its underlying performance and assist investors in gaining a better understanding of its financial performance, the Group uses Alternative Performance Measures ("APMs"). These APMs are non-GAAP measures, i.e. their definition is not addressed by 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. These APMs are presented in the interim management report and in the press release.

## Note 2: Basis of preparation and accounting policies

**Note 2.1: Basis of Preparation**

These condensed consolidated interim financial statements are for the six months ended 30 June 2022. They are presented in euro, which is the Group's functional currency. All amounts have been rounded to the nearest million, unless otherwise indicated. They have been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the European Union ("EU"). They do not include all the information required for a complete set of IFRS financial statements. They have been prepared in a condensed format, with selected explanatory notes to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements. Therefore, they should be read in conjunction with the 2021 annual consolidated financial statements.

These condensed consolidated interim financial statements are prepared on the assumption that the Group is a going concern and will continue in operation for the foreseeable future.

In preparing these condensed consolidated interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the 2021 annual consolidated financial statements, together with judgments related to the ongoing uncertainty surrounding the war in Ukraine (see note 1 of these interim financial statements).

The assumptions used for the preparation of these condensed consolidated interim financial statements reflected the reasonable and supportable information which were available as at 30 June 2022.

**Note 2.2: Significant Accounting Policies**

The accounting policies applied are consistent with those summarized in note 33 of the 2021 annual consolidated financial statements.

The new standards and amendments to standards that are mandatory for the first time for the Group's accounting period beginning on 1 January 2022 (and endorsed by the EU) are listed below:

- Amendments to IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" - Onerous Contracts – Cost of Fulfilling a Contract;
- Amendments to IAS 16 "Property, Plant and Equipment" - Proceeds before Intended Use;
- Amendments to IFRS 3 "Business Combinations" - Reference to the Conceptual Framework;
- Annual improvements to IFRS Standards 2018-2020 Cycle.

These new standards do not have a material impact on the Group's financial statements.

## Note 2: Basis of preparation and accounting policies (continued)

The standards, amendments and interpretations to existing standards issued by the IASB but not yet effective in 2022 have not been early adopted by the Group.

They are listed below:

- Amendments to IAS 1 "Presentation of Financial Statements" – Classification of Liabilities as Current or Non-current (effective 1 January 2023 – subject to endorsement by the EU);
- Amendments to IAS 1 "Presentation of Financial Statements" and IFRS Practice Statement 2 - Disclosure of Accounting policies (effective 1 January 2023 – endorsed by the EU);
- Amendments to IAS 8 "Accounting policies, Changes in Accounting Estimates and Errors" - Definition of Accounting Estimates (effective 1 January 2023 – endorsed by the EU);
- Amendments to IAS 12 "Income Taxes" - Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective 1 January 2023 – subject to endorsement by the EU).

The amendments are not expected to have a material impact on the Group's consolidated financial statements.

## Note 3: Seasonality

**D'Ieteren Automotive**

The automobile distribution activities experience a higher demand for new vehicles (under normal conditions, sales of new vehicles represent generally about 80% of total external revenue of the segment) in the first half of the year. This phenomenon is usually further increased every two years by the impact of the Brussels' Car and Motorcycle Show (the last one took place in January 2020).

**Belron**

Belron experiences some natural increases in business at the end of the winter, and in mid-summer prior to the start of the holiday season.

**Moleskine**

The Moleskine segment experiences some natural increases in business during the year. The sales are highly concentrated over the last quarter, as the Christmas and New Year gifting period approaches.

**TVH**

The spare parts distribution activities of TVH for material handling, construction, industrial, and agricultural equipment experiences fairly stable demand throughout the year. Slightly lower activities are noticeable during holiday periods such as the summer months (July/August) and at the end of the year (December).

## Note 4: Segment information

The Group's reportable operating segments are D'Ieteren Automotive, Belron, Moleskine and TVH (as from 1st October 2021 – see note 10). The other segments are disclosed in the category "Corporate & Unallocated" (D'Ieteren Group, 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".

D'Ieteren Automotive comprises the automobile distribution activities of the Group through D'Ieteren Automotive SA/NV and its subsidiaries, affiliates and joint ventures. Belron comprises Belron Group s.a. and its subsidiaries, affiliates and joint ventures. Moleskine includes Moleskine S.r.l. and its subsidiaries, affiliates and joint ventures. TVH includes TVH Global NV and its subsidiaries, affiliates and joint ventures. Despite their classification as equity-accounted investees, Belron and TVH remain separate reportable operating segments, reflecting the Group's internal reporting structure. The segment "Corporate & unallocated" comprises the corporate and the real estate activities of the Group.

**Note 4.1: Segment Statement of Profit or Loss - Operating Segments (6-month period ended 30 June)**

| €m | Notes | 2022 | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | D'Ieteren Automotive | Belron (100%) | Moleskine | TVH (100%) | Corp. & unallocated | Eliminations | Group |
| External revenue | | 1,848.7 | 2,758.1 | 61.2 | 790.8 | - | -3,548.9 | 1,909.9 |
| Inter-segment revenue | | - | - | - | - | - | - | - |
| **Segment revenue** | 5 | **1,848.7** | **2,758.1** | **61.2** | **790.8** | **-** | **-3,548.9** | **1,909.9** |
| **Operating result (being segment result)** | | **89.0** | **443.3** | **3.7** | **143.2** | **-4.5** | **-586.5** | **88.2** |
| Net finance costs | | 9.0 | -196.5 | -4.7 | -1.0 | 6.2 | 197.5 | 10.5 |
| Finance income | | 10.6 | 5.7 | 1.7 | 13.3 | 1.3 | -19.0 | 13.6 |
| Finance costs | | -1.6 | -202.2 | -1.1 | -13.2 | -1.5 | 216.5 | -3.1 |
| Inter-segment financing interest | | - | - | -5.3 | -1.1 | 6.4 | - | - |
| Share of result of equity-accounted investees and long-term interest in equity-accounted investees, net of income tax | 10 | 3.2 | 0.2 | - | - | - | 114.3 | 117.7 |
| **Result before tax** | | **101.2** | **247.0** | **-1.0** | **142.2** | **1.7** | **-274.7** | **216.4** |
| Income tax expense | 8 | -23.7 | -104.2 | - | -34.6 | -1.3 | 138.8 | -25.0 |
| **Result from continuing operations** | | **77.5** | **142.8** | **-1.0** | **107.6** | **0.4** | **-135.9** | **191.4** |
| Discontinued operations | | - | - | - | - | - | - | - |
| **RESULT FOR THE PERIOD** | | **77.5** | **142.8** | **-1.0** | **107.6** | **0.4** | **-135.9** | **191.4** |

| Attributable to: | D'Ieteren Automotive | Belron(*) | Moleskine | TVH(*) | Corp. & unallocated | Group |
|---|---|---|---|---|---|---|
| **Equity holders of the Company** | **77.7** | **71.4** | **-1.0** | **43.1** | **0.4** | **191.6** |
| Non-controlling interests | -0.2 | - | - | - | - | -0.2 |
| **RESULT FOR THE PERIOD** | **77.5** | **71.4** | **-1.0** | **43.1** | **0.4** | **191.4** |

(*) Belron at 50.01% (fully diluted economic rights) and TVH at 40.00% - see note 10.

## Note 4: segment information (continued)

**Note 4.1: Segment Statement of Profit or Loss - Operating Segments (6-month period ended 30 June – continued)**

| €m | 2021(1) | | | | | |
|---|---|---|---|---|---|---|
| | D'Ieteren Automotive | Belron (100%) | Moleskine | Corp. & unallocated | Eliminations | Group |
| External revenue | 1,844.1 | 2,321.4 | 47.0 | - | -2,321.4 | 1,891.1 |
| Inter-segment revenue | - | - | - | - | - | - |
| **Segment revenue** | **1,844.1** | **2,321.4** | **47.0** | **-** | **-2,321.4** | **1,891.1** |
| **Operating result (being segment result)** | **74.5** | **437.8** | **1.8** | **-6.4** | **-437.8** | **69.9** |
| Net finance costs | -2.2 | -98.1 | -5.9 | 6.3 | 98.1 | -1.8 |
| Finance income | 0.1 | 1.2 | 0.5 | 0.6 | -1.2 | 1.2 |
| Finance costs | -0.6 | -99.3 | -1.3 | -1.1 | 99.3 | -3.0 |
| Inter-segment financing interest | -1.7 | - | -5.1 | 6.8 | - | - |
| Share of result of equity-accounted investees and long-term interest in equity-accounted investees, net of income tax | 3.7 | 0.2 | - | - | 129.6 | 133.5 |
| **Result before tax** | **76.0** | **339.9** | **-4.1** | **-0.1** | **-210.1** | **201.6** |
| Income tax expense | -20.1 | -97.9 | -0.8 | -0.4 | 97.9 | -21.3 |
| **Result from continuing operations** | **55.9** | **242.0** | **-4.9** | **-0.5** | **-112.2** | **180.3** |
| Discontinued operations | - | - | - | - | - | - |
| **RESULT FOR THE PERIOD** | **55.9** | **242.0** | **-4.9** | **-0.5** | **-112.2** | **180.3** |

| **Attributable to:** | D'Ieteren Automotive | Belron(*) | Moleskine | Corp. & unallocated | | Group |
|---|---|---|---|---|---|---|
| **Equity holders of the Company** | **56.8** | **129.8** | **-5.0** | **-0.5** | | **181.1** |
| Non-controlling interests | -0.9 | - | 0.1 | - | | -0.8 |
| **RESULT FOR THE PERIOD** | **55.9** | **129.8** | **-4.9** | **-0.5** | | **180.3** |

(*) Belron at 53.65% (weighted average percentage for the 2021 period – see note 10).
(1) As restated to reflect the IFRS® Interpretations Committee (IFRIC) final agenda decisions on cloud computing arrangements issued in March 2019 and March 2021. Refer to note 1 for more information on the restatement of comparative information.

## Note 4: segment information (continued)

**Note 4.1: Segment Statement of Profit or Loss - Operating Segments (6-month period ended 30 June – continued)**

In 2022, in the Belron segment, the line "Operating result" includes, amongst other amounts, -€19.3m of employees costs mainly in relation to the restricted share units ('RSUs') awarded by the Board of Directors of Belron in December 2021 to c.24,000 employees (this comprises a share-based payment charge of -€20.2m and associated payroll taxes of -€2.8m - see note 17 of the 2021 Consolidated Financial Statements for more information on this equity-settled share-based payment transaction – this transaction has and will have no economic impact on the Group and on the 50.01% fully diluted stake held by the Group in Belron) and -€56.7m of costs in relation with the business transformation program.

In 2022, the line "Operating result" in the Corporate & unallocated segment includes, amongst other amounts, €2.7m of gain on the disposal of a property (included in the line "other operating income" in the consolidated statement of profit or loss)

In 2022, in the D'Ieteren Automotive segment, the line "finance income" includes a consolidated gain of €10.2m recognized on the loss of exclusive control of Lizy and MyMove following the entry into capital by investors for 29% in Lizy and 33% in MyMove (both through capital increases). The consolidated gain represents the difference between the fair value of the non-controlling interests retained in the companies (39% in Lizy and 56% in MyMove) and the carrying amount of the assets and liabilities of the subsidiaries at the date the control was lost. These two entities are accounted for as equity accounted investees as from the 1st of January 2022 (see note 10).

In 2022 and 2021, in the Belron segment, the line "finance costs" includes costs related to the refinancing operated in April 2021. In the current period, it includes -€127.3m of non-cash foreign exchange losses arising upon the translation of the USD Term Loan at the closing rate (-€9.4m in the prior period) and €1.8m of fair value gain on the ineffective portion of interest rate swaps. In the prior period, it included costs related to the de-designation of interest rate swaps, write-off of previously deferred financing costs, professional fees and legal expenses and foreign exchange losses (arising upon the translation of the new USD Term Loan at the closing rate).

In 2022, in the TVH segment, the line "finance income" includes €9.3m of unrealized exchange gain arising upon the revaluation of receivables and payables and €3.9m of change in fair value of interest rates swaps.

In 2022, the column "Eliminations" reconciles the segment statement of profit or loss (with the 6-month results of Belron and TVH presented on all lines under global integration method) to the IFRS Group consolidated statement of profit or loss (with the net results of Belron and TVH presented in the line "share of result of equity-accounted investees and long-term interest in equity-accounted investees, net of income tax" representing the share of the Group – 50.01%; see note 10 - in the net result of Belron over the first six months of the year and the share of the Group - 40.00%; see note 10 – in the net result of TVH over the first six months of the year).

In 2021, the column "Eliminations" reconciled the segment statement of profit or loss (with the 6-month result of Belron presented on all lines under global integration method) to the IFRS Group consolidated statement of profit or loss (with the net result of Belron presented in the line "share of result of equity-accounted investees and long-term interest in equity-accounted investees, net of income tax" representing the share of the Group – 53.65%; see note 10 – in the net result of Belron over the first six months of the year).

## Note 4: segment information (continued)

**Note 4.2: Segment Statement of Financial Position - Operating Segments**

| €m | 30 June 2022 | | | | | | |
|---|---|---|---|---|---|---|---|
| | D'Ieteren Automotive | Belron (100%) | Moleskine | TVH (100%) | Corp. & unallocated | Eliminations | Group |
| Goodwill | 38.0 | 670.2 | 48.8 | 1,119.4 | 3.1 | -1,789.6 | 89.9 |
| Intangible assets | 29.0 | 500.0 | 411.1 | 30.5 | - | -530.5 | 440.1 |
| Property, plant & equipment | 75.0 | 856.5 | 17.7 | 432.0 | 179.6 | -1,288.5 | 272.3 |
| Investment property | 0.1 | - | - | - | 33.3 | - | 33.4 |
| Equity-accounted investees and long-term interests in equity-accounted investees | 124.5 | - | - | - | - | 1,285.1 | 1,409.6 |
| Financial investments | 0.1 | 2.1 | - | 7.6 | - | -9.7 | 0.1 |
| Derivative financial instruments | - | 118.2 | - | 0.2 | - | -118.4 | - |
| Employee benefits | - | 131.8 | - | - | - | -131.8 | - |
| Deferred tax assets | 17.4 | 43.8 | 6.9 | 10.8 | 22.6 | -54.6 | 46.9 |
| Other receivables | 4.6 | 28.1 | 1.2 | 6.8 | 44.3 | -34.9 | 50.1 |
| **Non-current assets** | **288.7** | **2,350.7** | **485.7** | **1,607.3** | **282.9** | **-2,672.9** | **2,342.4** |
| Inventories | 429.7 | 382.6 | 36.1 | 472.0 | - | -854.6 | 465.8 |
| Financial investments | - | - | - | 0.3 | 593.2 | -0.3 | 593.2 |
| Derivative financial instruments | - | 13.6 | - | - | - | -13.6 | - |
| Current tax assets | 1.3 | 5.5 | 5.3 | 7.6 | 0.6 | -13.1 | 7.2 |
| Trade and other receivables | 277.2 | 435.1 | 32.3 | 375.5 | 7.0 | -810.6 | 316.5 |
| Cash and cash equivalents | 164.5 | 428.7 | 20.1 | 140.0 | 98.2 | -568.7 | 282.8 |
| Assets classified as held for sale | 0.1 | - | - | 24.8 | 3.1 | -24.8 | 3.2 |
| **Current assets** | **872.8** | **1,265.5** | **93.8** | **1,020.2** | **702.1** | **-2,285.7** | **1,668.7** |
| **TOTAL ASSETS** | **1,161.5** | **3,616.2** | **579.5** | **2,627.5** | **985.0** | **-4,958.6** | **4,011.1** |
| | | | | | | | |
| **Equity** | **-** | **-** | **-** | **-** | **3,100.8** | **-** | **3,100.8** |
| Employee benefits | 9.1 | 3.5 | 2.0 | 3.4 | 0.7 | -6.9 | 11.8 |
| Provisions | 20.6 | 52.3 | 4.9 | 1.5 | 0.1 | -53.8 | 25.6 |
| Loans & borrowings | 118.5 | 4,059.3 | 12.4 | 722.1 | 4.9 | -4,781.4 | 135.8 |
| Inter-segment loan | - | - | 268.2 | 40.0 | -308.2 | - | - |
| Other payables | - | 13.3 | 0.1 | 0.7 | - | -14.0 | 0.1 |
| Deferred tax liabilities | 1.5 | 106.5 | 112.8 | 17.9 | 20.9 | -124.4 | 135.2 |
| **Non-current liabilities** | **149.7** | **4,234.9** | **400.4** | **785.6** | **-281.6** | **-4,980.5** | **308.5** |
| Provisions | - | 43.5 | 2.0 | 2.3 | 5.3 | -45.8 | 7.3 |
| Loans & borrowings | 37.0 | 197.5 | 26.8 | 260.1 | 0.6 | -457.6 | 64.4 |
| Inter-segment loan | - | - | 1.3 | 0.6 | -1.9 | - | - |
| Derivative financial instruments | - | 0.6 | - | - | - | -0.6 | - |
| Current tax liabilities | 16.0 | 93.5 | 0.3 | 16.2 | 0.7 | -109.7 | 17.0 |
| Trade and other payables | 468.7 | 751.8 | 32.8 | 208.9 | 11.1 | -960.7 | 512.6 |
| Liabilities directly associated with the assets held for sale | 0.5 | - | - | 1.8 | - | -1.8 | 0.5 |
| **Current liabilities** | **522.2** | **1,086.9** | **63.2** | **489.9** | **15.8** | **-1,576.2** | **601.8** |
| **TOTAL EQUITY AND LIABILITIES** | **671.9** | **5,321.8** | **463.6** | **1,275.5** | **2,835.0** | **-6,556.7** | **4,011.1** |

For the segment statement of financial position as per 31 December 2021, see note 4 of the 2021 annual consolidated financial statements.

## Note 4: segment information (continued)

**Note 4.2: Segment Statement of Financial Position - Operating Segments (continued)**

| €m | 30 June 2021[1] | | | | | |
|---|---|---|---|---|---|---|
| | D'Ieteren Automotive | Belron (100%) | Moleskine | Corp. & unallocated | Eliminations | Group |
| Goodwill | 24.3 | 594.8 | 48.8 | 3.1 | -594.8 | 76.2 |
| Intangible assets | 24.3 | 493.4 | 411.9 | 0.1 | -493.4 | 436.3 |
| Property, plant & equipment | 69.4 | 775.3 | 21.0 | 173.5 | -775.3 | 263.9 |
| Investment property | 0.1 | - | - | 31.0 | - | 31.1 |
| Equity-accounted investees and long-term interests in equity-accounted investees | 92.5 | - | - | - | 0.4 | 92.9 |
| Financial investments | 0.1 | 1.6 | - | - | -1.6 | 0.1 |
| Employee benefits | - | 162.9 | - | - | -162.9 | - |
| Deferred tax assets | 16.8 | 68.0 | 6.6 | 22.6 | -68.0 | 46.0 |
| Other receivables | 3.7 | 23.1 | 0.8 | 3.5 | -23.1 | 8.0 |
| **Non-current assets** | **231.2** | **2,119.1** | **489.1** | **233.8** | **-2,118.7** | **954.5** |
| Inventories | 378.9 | 301.7 | 28.2 | - | -301.7 | 407.1 |
| Financial investments | 92.8 | - | - | 684.0 | - | 776.8 |
| Derivative financial instruments | - | 6.1 | - | - | -6.1 | - |
| Current tax assets | 1.7 | 6.8 | 8.6 | 0.3 | -6.8 | 10.6 |
| Trade and other receivables | 404.0 | 376.5 | 26.3 | 8.7 | -376.5 | 439.0 |
| Cash and cash equivalents | 72.3 | 282.5 | 29.9 | 951.3 | -282.5 | 1,053.5 |
| Assets classified as held for sale | 0.8 | 0.9 | - | - | -0.9 | 0.8 |
| **Current assets** | **950.5** | **974.5** | **93.0** | **1,644.3** | **-974.5** | **2,687.8** |
| **TOTAL ASSETS** | **1,181.7** | **3,093.6** | **582.1** | **1,878.1** | **-3,093.2** | **3,642.3** |
| | | | | | | |
| **Equity** | **-** | **-** | **-** | **2,839.0** | **-** | **2,839.0** |
| Employee benefits | 25.2 | 5.7 | 2.3 | 1.6 | -5.7 | 29.1 |
| Provisions | 10.6 | 37.0 | - | 0.3 | -37.0 | 10.9 |
| Loans & borrowings | 13.9 | 3,695.5 | 50.7 | 4.9 | -3,695.5 | 69.5 |
| Inter-segment loan | 204.3 | - | 259.0 | -463.3 | - | - |
| Derivative financial instruments | - | 55.6 | - | - | -55.6 | - |
| Other payables | - | 3.1 | - | - | -3.1 | - |
| Deferred tax liabilities | 2.2 | 99.8 | 110.5 | 20.0 | -99.8 | 132.7 |
| **Non-current liabilities** | **256.2** | **3,896.7** | **422.5** | **-436.5** | **-3,896.7** | **242.2** |
| Provisions | - | 37.9 | 1.1 | 5.4 | -37.9 | 6.5 |
| Loans & borrowings | 43.1 | 160.5 | 17.7 | 0.4 | -160.5 | 61.2 |
| Derivative financial instruments | - | 5.8 | - | - | -5.8 | - |
| Current tax liabilities | 13.4 | 98.9 | - | 0.3 | -98.9 | 13.7 |
| Trade and other payables | 429.0 | 697.1 | 27.9 | 22.0 | -697.1 | 478.9 |
| Liabilities directly associated with the assets held for sale | 0.8 | 1.6 | - | - | -1.6 | 0.8 |
| **Current liabilities** | **486.3** | **1,001.8** | **46.7** | **28.1** | **-1,001.8** | **561.1** |
| **TOTAL EQUITY AND LIABILITIES** | **742.5** | **4,898.5** | **469.2** | **2,430.6** | **-4,898.5** | **3,642.3** |

(1) As restated to reflect the IFRS® Interpretations Committee (IFRIC) final agenda decisions on cloud computing arrangements issued in March 2019 and March 2021. Refer to note 1 for more information on the restatement of comparative information.

## Note 4: segment information (continued)

**Note 4.2: Segment Statement of Financial Position - Operating Segments (continued)**

As at the 30 June 2022, in the D'Ieteren Automotive segment, the increase in goodwill on the same period last year (+€13.7m) is explained by the following acquisitions finalized by the D'Ieteren Automotive segment:
- 100% of the share of Goodbikes s.r.l in H2-2021, a bike dealership active in the Brussels area;
- 100% of the shares of Heremans Ternat b.v., Garage Heremans n.v. and Carrosserie Heremans b.v. in November 2021, two dealerships and one body-shop active in the automobile distribution and services activities in Belgium;
- 100% of the shares of Autralis b.v. in H2-2021, a sofware company specialized in the automobile distribution in Belgium;
- 100% of the shares of iBike b.v.b.a. in H2-2021, a bike store chain active in the Antwerp area;
- 100% of the shares of Taxi Radio Bruxellois s.a in H1-2022, the leading provider of on-demand transportation services in the Brussels-Capital Region and surrounding areas;
- 67.84% of the shares of Joule n.v. in H1-2022, a company specialising in the supply of bicycles to corporate and public sector organisations;
- 100% of the shares of Vélofixer b.v.b.a. in H1-2022, an (e-)bikes store in the center of Brussels.

The goodwill recognised reflects the expected synergies and other benefits resulting from the combination of the acquired activities with those of the D'Ieteren Automotive segment. The acquisitions performed in H1-2022 amounted to €6.0m, presented in the line "acquisition of subsidiaries, net of cash acquired" in the condensed consolidated statement of cash flows.

As at the 30 June 2022, in the TVH segment, the amount on the line "Goodwill" comprises €1,118.6m of provisional goodwill embedded in the equity investment resulting from the difference between the net assets acquired at fair value in the application of the equity method and the consideration paid to acquire the 40% stake. See note 10 for additional information.

As at 30 June 2022, in the Belron segment, the derivative financial instruments included in the non-current assets mainly stem from the significant increase in the fair value of the interest rate swaps (following the sharp rise of interest rates in H1-2022 compared to record low levels seen in 2021) and the cross-currency interest rates swaps (strengthening of USD against EUR).

As at 30 June 2022, in the Belron segment, the decrease in the line "employee benefits" in the non-current assets compared to the 30 June 2021 is primarily the result of an actuarial movement stemming from the increase in the discount rate, leading to a decrease in the fair value of the plan assets.

As at the 30 June 2022 and the 30 June 2021, in the Corporate & unallocated segment and as at the 30 June 2021, in the D'Ieteren Automotive segment, the line "Current financial Investments" comprises investments in a portfolio of marketable securities (mainly corporate bonds in Europe). These investments are accounted at amortized costs (mainly corporate bonds for €474.6m as at the 30 June 2022) and FVTPL (equity instruments for €118.6m as at the 30 June 2022). Related cash movement of -€49.0m is included in the line "proceeds from the sale of / (investment in) financial assets" in the 2022 consolidated statement of cash flows. These investments have a maturity of less than one year and weighted average returns in 2022 close to 0%.

As at 30 June 2022, in the D'Ieteren Automotive segment, the decrease in the trade and other receivables compared to 30 June 2021 in mainly due to the decrease in credit notes to be received from factories.

As at the 30 June 2022, in the Corporate & unallocated segment, the decrease in "cash & cash equivalents" on the same period last year (-€837.1m) is primarily the result of the acquisition on the 1st of October 2021 of a 40% stake in TVH (acquisition price of €1,147m, including transaction costs), the dividend (€113.6m) paid out to the shareholders of D'Ieteren Group in June 2022 and the acquisition of treasury shares in H1 2022 (€30.0m), partially offset by the dividend (€150.0m) received from the Belron segment in H2-2021 and the dividend (€51.6m) received from the D'Ieteren Automotive segment in June 2022.

As at the 30 June 2022, in the TVH segment, the €24.8m on the line "Assets classified as held for sale" and the €1.8m on the line "Liabilities directly associated with the assets held for sale" are related to the decision taken in April 2022 by the Board of Directors of TVH to divest its activities in Russia. TVH Russia is considered as a disposal group (and not as a discontinued operation) and is therefore classified as held for sale in accordance with IFRS 5. The effective sales transaction is expected to occur in the coming months.

As at the 30 June 2022, in the D'Ieteren Automotive segment, the decrease in the line "employee benefits" in the non-current liabilities compared to 30 June 2021 is primarily due to the actuarial movement recognized on the IAS 19 defined benefit obligation, following the increase in the discount rates.

## Note 4: segment information (continued)

**Note 4.2: Segment Statement of Financial Position - Operating Segments (continued)**

As at the 30 June 2022 and the 30 June 2021, in the D'Ieteren Automotive segment, the line "Provisions" in the non-current liabilities includes, amongst other amounts, the provision related to the Long Term Incentive Plan set-up in April 2021 (see note 7).

As at the 30 June 2022, in the Corporate & unallocated segment, the current provisions include the €5.3m provision (€5.4m as at the 30 June 2021) related to the solidarity program put in place in 2020.

As at the 30 June 2022, in the D'Ieteren Automotive segment, the increase in loans and borrowings compared to 30 June 2021 mainly relates to a new 5-year €325m bank financing (established in December 2021 with a maturity date in December 2026), consisting of €100m of amortising term loan and €225m revolving credit facility (currently undrawn as at 30 June 2022). As at the 30 June 2022, there is no breach of covenants attached to the loans.

As at the 30 June 2022, in the Moleskine segment, the decrease in loans and borrowings compared to 30 June 2021 is mainly due to the reimbursement of the external bank loan in H1-2022 (€22m).

As at the 30 June 2022, the inter-segment loan in the TVH segment relates to the shareholder loan from the Corporate and unallocated segment put in place on 1st October 2021 in the framework of the acquisition of a 40% stake in TVH, of which €0.6m represents capitalised interests, classified in the line "inter-segment loan" in the current liabilities.
As at the 30 June 2022 and 30 June 2021, the line "inter-segment loans" comprises amounts lent by the Corporate & unallocated segment to the Moleskine segment (non-recourse loan in the framework of the acquisition; increased by €10.5m compared to 30 June 2021, representing capitalized interests).
As at 30 June 2021, the line "inter-segment loan" included amounts lent by the Corporate & unallocated segment to the D'Ieteren Automotive segment, reimbursed in full in December 2021.

In 2022 and 2021, the column "Eliminations" reconciles the segment statement of financial position (including the assets and liabilities of Belron, and, in 2022 only, the assets and liabilities of TVH) to the IFRS consolidated statement of financial position (with Belron, and in 2022 only, TVH, presented as equity-accounted investees – see note 10).

As at the 30 June 2022 and 30 June 2021, right-of-use assets recognised under IFRS 16 are included in the line "Property, plant and equipment". The related lease liabilities are accounted for under "Loans and borrowings".

## Note 5: Revenue

Disaggregation of revenue issued from contracts with customers for the 6-months period ended 30 June 2022 and 30 June 2021 is presented in the table below:

| €m | 2022 | 2021 |
|---|---|---|
| **D'Ieteren Automotive** | | |
| New vehicles | 1,498.4 | 1,554.0 |
| Used cars | 157.0 | 123.5 |
| Spare parts and accessories | 141.1 | 119.7 |
| After-sales activities | 27.3 | 26.1 |
| Other revenue | 24.9 | 20.8 |
| Subtotal D'Ieteren Automotive | **1,848.7** | **1,844.1** |
| **Moleskine** | | |
| Europe, Middle-East and Africa (EMEA) | 25.3 | 20.4 |
| America | 30.0 | 20.0 |
| Asia-Pacific (APAC) | 5.9 | 6.6 |
| Subtotal Moleskine | **61.2** | **47.0** |
| **Total Revenue** | **1,909.9** | **1,891.1** |

## Note 6: Earnings per share

Earnings per share ("EPS") and earnings per share for continuing operations ("Continuing EPS") are shown above on the face of the consolidated statement of profit or loss. Basic and diluted EPS are based on the result for the period attributable to equity holders of the Company (based on the result from continuing operations attributable to equity holders of the Company for the continuing EPS), after adjustment for participating shares (each participating share confers one voting right and gives right to a dividend equal to one eighth of the dividend of an ordinary share).

The Group has granted options to employees over ordinary shares of the Company. Such shares constitute the only category of potentially dilutive ordinary shares.

The weighted average number of ordinary shares outstanding during the period is 53,400,301 (53,345,978 in the prior period) and the weighted average number of ordinary shares taken into account for diluted EPS is 53,989,854 (53,916,553 in the prior period). The increase in the average number of ordinary shares outstanding is the result of the movement in treasury shares.

## Note 7: Share-based payments

Corporate

There is in the Group an equity-settled share-based payment scheme. Since 1999, share option schemes have been granted to officers and managers of the Corporate & unallocated segment, in the framework of the Belgian law of 26 March 1999. The underlying share is the ordinary share of D'Ieteren Group SA/NV. Under these schemes, vesting conditions are three years' service from grant date and holders of vested options are entitled to purchase shares at the exercise price of the related scheme during the exercise period.

A reconciliation of the movements in the number of outstanding options during the period is as follows:

| | **Number (in units)** | |
|---|---|---|
| | **30 June 2022** | **30 June 2021** |
| Outstanding options at the beginning of the period | 1,009,331 | 975,762 |
| Granted during the period | 183,000 | 172,000 |
| Exercised during the period | -400,520 | -91,253 |
| Other movements during the period | - | -652 |
| **Outstanding options at the end of the period** | **791,811** | **1,055,857** |
| *of which: exercisable at the end of the period* | *85,311* | *345,357* |

All outstanding options are covered by treasury shares (see note 11).

During the period, one new plan totalling 183,000 options was granted at the exercise price of €118.1 and with an exercise period starting 1 January 2026 and ending in March 2032. A non-cash charge of €1.8m (covering the options granted from 2019 to 2022) has been recognized in employee benefit expenses in the period and presented in the line "Share-based payments and other employee benefit expenses" in the condensed consolidated statement of cash flows and in the line "other movements" in the consolidated statement of changes in equity.

D'Ieteren Automotive

In April 2021, D'Ieteren Automotive implemented a new Long Term Incentive Plan (LTIP) also classified as a cash-settled share-based payment plan. The incentives have been granted in the form of stock options to selected key managers of D'Ieteren Automotive and its subsidiaries. Underlying shares are ordinary shares of D'Ieteren Automotive (non-listed shares).

In 2021, D'Ieteren Automotive granted to the managers 272,604 options. In the first half of 2022, another 38.339 options have been granted translating into 310,943 options granted as at the 30 June 2022 (on a total number of available options for this plan of 369,668 options - representing ca 10% of the issued capital). All those options may be exercised from the third calendar year after the offer has been made in 2021 (starting 15 March 2025) during three exercise periods, the last period ending on the 21 March 2027. All granted options are therefore outstanding as per the 30 of June 2022 with a weighted average remaining contractual life of 4.7 years.

## Note 7: Share-based payments (continued)

The fair value of the options granted has been assessed on the 30 of June 2022 based on the classical closed-form Black Scholes formula for European options.

IFRS2 "Share-based Payments" requires D'Ieteren Automotive to remeasure the fair value of the liability at the end of each reporting period and at the date of settlement, with any changes in fair value recognized in profit or loss for the period. In H1-22, a non-cash charge of €7.7m has been recognized in employees benefit expenses for this share-based payment plan. This non-cash charge is presented in the line "Share-based payments and other employee benefit expenses" in the condensed consolidated statement of cash flows.

## Note 8: Income tax expense

The Group's consolidated effective tax rate for the 6-months period ended 30 June 2022, excluding the share of the Group in the net result of equity-accounted investees is 25.3% (31.3% for the six months period ended 30 June 2021). The decrease in effective tax rate is primarily the result of the reversal in 2021 of deferred tax assets in the Moleskine segment and of the recognition in 2022 of a consolidated gain on the loss of exclusive control of two subsidiaries in the D'Ieteren Automotive segment (see note 10) without tax impact.

## Note 9: Goodwill and non-current assets

IAS 36 "Impairment of Assets" requires an impairment test to be performed annually and at each reporting date when there is an indication of a possible impairment (a triggering event).

The Board of Directors of the Company did not identify any indication of possible impairment on the Moleskine CGU and on its investment in Belron and TVH (equity-accounted investees) nor on the assets of D'Ieteren Automotive for the period ended 30 June 2022.

## Note 10: Equity-accounted investees

As per the 30 of June 2022, six entities are accounted for using the equity method: four in the D'Ieteren Automotive segment (Volkswagen D'Ieteren Finance, Skipr, MyMove and Lizy), Belron Group s.a., and TVH Global NV.

| €m | 30 June 2022 | | | | 31 December 2021(1) | | | |
|---|---|---|---|---|---|---|---|---|
| | **D'Ieteren Automotive** | **Belron** | **TVH** | **Group** | **D'Ieteren Automotive** | **Belron** | **TVH** | **Group** |
| Interests in joint ventures | 124.5 | 65.3 | 1,219.8 | 1,409.6 | 113.1 | -49.1 | 1,162.1 | 1,226.1 |
| **Total of equity-accounted investees and long-term interests in equity-accounted investees** | **124.5** | **65.3** | **1,219.8** | **1,409.6** | **113.1** | **-49.1** | **1,162.1** | **1,226.1** |

(1) As restated to reflect the adjustments performed on the 3 months statement of profit or loss and other comprehensive income of TVH to improve the consistency of the accounting policies across all affiliates and to be fully in line with the IFRS requirements. Refer to note 1 for more information on the restatement of comparative information.

| €m | 30 June 2022 | | | | 30 June 2021(1) | | |
|---|---|---|---|---|---|---|---|
| | **D'Ieteren Automotive** | **Belron** | **TVH** | **Group** | **D'Ieteren Automotive** | **Belron** | **Group** |
| Share of profit in joint ventures | 3.2 | 71.4 | 43.1 | 117.7 | 3.7 | 129.8 | 133.5 |
| **Total of share of result after tax of equity-accounted investees and long-term interests in equity-accounted investees** | **3.2** | **71.4** | **43.1** | **117.7** | **3.7** | **129.8** | **133.5** |

(1) As restated to reflect the IFRS® Interpretations Committee (IFRIC) final agenda decisions on cloud computing arrangements issued in March 2019 and March 2021. Refer to note 1 for more information on the restatement of comparative information.

## Note 10: Equity-accounted investees (continued)

**Belron**

In 2022 and in 2021, Belron Group s.a. ("BGSA"), the joint venture holding the Belron activities (see note 1 for more information), is accounted for as an equity-accounted investee, and is owned 50.01% in economic rights by the Group on fully diluted basis. The Group has joint control over BGSA as a result of some reserved matters being shared with Clayton, Dubilier & Rice ("CD&R"). On 17 December 2021, D'Ieteren Group announced that Hellman & Friedman and funds and accounts managed by GIC and BlackRock Private Equity Partners have completed the acquisition of a stake in BGSA, representing 16.8% of BGSA's share capital on a combined basis. Mid-July 2022, H&F and GIC have slightly increased their participation in Belron, buying shares back mostly from natural leavers at the same financial consideration as their previous transaction closed in December 2021. Belron's shareholding structure is now as follows: 50.01% D'Ieteren Group, 20.3% CD&R, 17.9% H&F, GIC and BlackRock Private Equity Partners, 11.8% management & the family holding company of Belron's CEO.

At inception (February 2018), the capital structure of BGSA was composed of voting ordinary shares (ca. 3 % of total equity) and non-voting preference shares (ca. 97% of total equity), in the same proportion between shareholders (the Group, CD&R, and the family holding company of Belron's CEO). In 2021, preference shares have been bearing a fixed annual compounding dividend rate of 10% (any distribution being first allocated to the preference shares in order to satisfy the accumulated dividend and to redeem the subscription amount of preference shares). Having converted in June 2021 its remaining preference shares into ordinary shares (as at 30 June 2021 there was no preference shares remaining in the equity of BGSA), the Group has reaffirmed its long-term commitment to Belron with a 50.01% shareholding (on a fully diluted basis including all management shares).

Given the equity structure described above, the Group's share in the net result of Belron for the 6-month period ended 30 June 2022 corresponds to the Group's percentage of ownership in the ordinary shares (50.01%). For the six month period ended 30 June 2021, the Group's share in the net result of Belron was 53.65%, corresponding to the Group's percentage of ownership in the preference shares (for the fixed annual compounding dividend rate of 10% which benefited to preference shares) and based on the Group's percentage of ownership in the ordinary shares (for the net result in surplus, after deduction of the fixed dividend of the preference shares).

A Management Reward Plan (MRP) involving about 250 key employees was set up in 2018. The participants of the MRP acquired non-voting equity instruments in BGSA (representing the fair value of various classes of equity instruments, being all treated as equity under IFRS). Part of the issued equity consists of "ratchet shares" which will allow management to enjoy additional returns if certain performance hurdles (IRR and Cash on Cash) are satisfied at exit. The share of the Group in the net result of BGSA in 2022 and 2021 already takes into account the dilutive impact of these MRP shares.

The detailed statement of financial position of Belron as included in its own financial statements (not adjusted for consolidated adjustments) is disclosed in note 4.2 "Segment information".

At half year 2022, Belron performed a review for indicators of impairment and concluded that there was no impairment to be recognized.

At half year 2022, based on IAS28, the Board of Directors of the Company did not identify any indication of possible impairment (a triggering event) on its investment in Belron (equity-accounted investee) and therefore did not perform an impairment test.

A shareholders' agreement has been signed between the Group and the family holding company of the Belron's CEO, including put options (with related call options) related to the part of the interest held by the family holding company of the Belron's CEO. Based on IFRS requirements, the (financial) obligation to buy the equity instruments in an equity-accounted investee does not give rise to a financial liability in the consolidated statement of financial position (because equity-accounted investees are not part of the Group). This contract is a derivative that is in the scope of IFRS 9 "Financial Instruments", measured at fair value through profit or loss and categorised within the fair value hierarchy as level 3. The fair value of this derivative amounts to nil as at 30 June 2022; the value of the Belron's share based on the put formula being equal to the most recent fair market value of Belron.

In the consolidated statement of comprehensive income, the lines "Equity-accounted investees – share of OCI" include -€21.0m of remeasurements of defined benefit assets/liabilities (primarily due to the UK pension scheme recording an actuarial loss following the sharp rise in the discount rate), €35.1m of movements in cash flow hedges reserve (interest rate swaps and cross currency interest rate swaps used to partially hedge the debt) and €19.4m related to translation differences.

## Note 10: Equity-accounted investees (continued)

The table below presents the revenue, profit before tax, the net result, and the other comprehensive income for the 6-month period ended 30 June 2022 and 30 June 2021. The Group's share in net result is computed based on the Group's percentage of ownership in the ordinary shares (50.01%) in 2022 and the Group's weighted average percentage of 53.65% in 2021.

| €m - Belron | | 30 June 2022 | 30 June 2021(1) |
|---|---|---|---|
| Revenue (100%) | | 2,758.1 | 2,321.4 |
| Profit before tax (100%) | | 247.0 | 339.9 |
| Result for the period (100%) | | 142.8 | 242.0 |
| Other comprehensive income (100%) | | 66.7 | 22.9 |
| Profit (or loss) and total comprehensive income (100%) | | 209.5 | 264.9 |
| **Group's share of profit (or loss) and comprehensive income** | | **104.8** | **141.2** |
| *of which:* | *Group's share of profit (or loss)* | *71.4* | *129.8* |
| | *Group's share of other comprehensive income* | *33.4* | *11.4* |

(1) As restated to reflect the IFRS® Interpretations Committee (IFRIC) final agenda decisions on cloud computing arrangements issued in March 2019 and March 2021. Refer to note 1 for more information on the restatement of comparative information.

The reconciliation of the Group's share in the net assets of BGSA from 31 December 2021 to 30 June 2022 is presented below:

| €m - Belron | |
|---|---|
| **Group's share of net assets at 31 December 2021** | **-49.1** |
| Group's share in profit (or loss) and comprehensive income | 104.8 |
| Other movements (Group's share) | 9.6 |
| **Group's share of net assets at 30 June 2022** | **65.3** |

In the period, BGSA purchased own shares from previous MRP participants for an amount of €42.7m. As the repurchase transaction took place at fair value (the fair value of the own shares repurchased corresponds to the cash-out made to acquire these shares at transaction date), the transaction did not impact the carrying amount of the equity-accounted investee that the Group owns in BGSA as at 30 June 2022 (these shares will be re-purchased in the future by existing and new participants of the MRP).

Following the closing of the transaction with Belron's new shareholders on 17 December 2021, Belron's Board of Directors has agreed to reward c.24,000 employees with a cash bonus (paid in December 2021) and restricted share units ('RSUs') to thank them for their loyal contribution to the company's success. Under the proposed terms of the equity-settled component of the scheme, BGSA awarded restricted share units ('RSUs') to each participant in the scheme. On vesting, each RSU will entitle the holder to receive an ordinary non-voting share in BGSA. Vesting period is currently estimated at 5 years and may be revised if subsequent information indicates that the length of the vesting period is likely to differ from this estimate. This equity-settled component of the scheme is a share-based payment arrangement. Accordingly, it is classified, and accounted for, as an equity-settled share-based payment transaction in BGSA own financial statements, in accordance with IFRS 2.

Each year during the expected vesting period, the Group will therefore account for its share (50.01%) in the share-based payment expense of BGSA (in the line "share of result of equity-accounted investee, net of income tax" in the consolidated statement of profit or loss), without any impact on the value of the equity-accounted investee (in the consolidated statement of financial position), the share-based payment expense being compensated by a corresponding increase in BGSA shareholder's equity (€9.6m for the first half of 2022, included in the line "other movements" in the consolidated statement of changes in equity). This reward will have no economic impact whatsoever on the Group and other shareholders and there will be no dilution to the 50.01% fully diluted stake held by the Group.

**TVH**

On 9 July 2021, the Group has signed an agreement to acquire a 40% stake in TVH Global NV from the family shareholders. Closing of the transaction occurred on the 1st October 2021. The acquisition price has been set at 1,147m (equity of €1,137m plus acquisition-related costs of €10m). In accordance with IAS 28 "Investments in associates and joint ventures", the €10m of acquisition costs (mainly fees and due diligence costs) were included in the line "Equity-accounted investee and long-term interests in equity-accounted investees" of the consolidated statement of financial position as at 31 December 2021. A shareholder loan of €40m has also been put in place between the Corporate & unallocated segment and TVH as part of the acquisition.

Under the shareholders' agreement, the Group has joint control on TVH with Wehold (the holding company of the family shareholder), some key reserved matters being shared. TVH is therefore accounted for as an equity-accounted investee in the Group's consolidated financial statement, starting 1st October 2021.

## Note 10: Equity-accounted investees (continued)

Upon initial recognition the Group has to make a purchase price allocation (PPA) exercise, i.e. measure the identifiable assets acquired and liabilities assumed at the fair value under IFRS. The difference between these net assets acquired at fair value in the application of the equity method and the consideration paid to acquire the 40% stake determined the provisional goodwill embedded in the equity investment. The purchase price allocation exercise is not finalized at 30 June 2022. As permitted by IFRS 3 "Business Combinations", the Group has a maximum period of 12 months to finalize the acquisition accounting.

In the consolidated statement of comprehensive income, the lines "Equity-accounted investees – share of OCI" include €3.1m of remeasurements of defined benefit assets/liabilities and €11.4m related to translation differences.

The detailed statement of financial position of TVH as included in its own financial statements (not adjusted for consolidated adjustments) is disclosed in note 4.2 "Segment information".

The table below presents the revenue, profit before tax and the net result of TVH for the 6-months period ended 30 June 2022.

| **€m - TVH** | | **30 June 2022** |
|---|---|---|
| Revenue (100%) | | 790.8 |
| Profit before tax (100%) | | 142.2 |
| Result for the period (100%) | | 107.6 |
| Other comprehensive income (100%) | | 36.4 |
| Profit (or loss) and total comprehensive income (100%) | | 144.0 |
| **Group's share of profit (or loss) and comprehensive income (40%)** | | **57.7** |
| *of which:* | *Group's share of profit (or loss)* | *43.1* |
| | *Group's share of other comprehensive income* | *14.6* |

The reconciliation of the Group's share in the net assets of TVH starting from the 31 December 2021 to 30 June 2022 is presented below:

| **€m - TVH** | |
|---|---|
| **Group's share of net assets at 31 December 2021(1)** | **1,162.1** |
| Group's share in profit (or loss) and comprehensive income | 57.7 |
| **Group's share of net assets at 30 June 2022** | **1,219.8** |

(1) As restated to reflect the adjustments performed on the 3 months statement of profit or loss and other comprehensive income of TVH to improve the consistency of the accounting policies across all affiliates and to be fully in line with the IFRS requirements. Refer to note 1 for more information on the restatement of comparative information.

**D'Ieteren Automotive**

The largest equity-accounted investee in the D'Ieteren Automotive segment is the joint venture Volkswagen D'Ieteren Finance (VDFin), owned 50% minus one share by the Group and 50% plus one share by Volkswagen Financial Services (a subsidiary of the Volkswagen group), active in a full range of financial services related to the sale of the Volkswagen group vehicles on the Belgian market.

Following the acquisition of 17% of the share capital of Skipr by ALD Automotive, the Group lost exclusive control of its subsidiary on 1st July 2021. Skipr is therefore accounted for as an equity-accounted investee as from 1st July 2021. The financial information of Skipr is not material to the Group and is not separately disclosed. The Group's share in the net assets of Skipr at 30 June 2022 amounts to €13.9m and the Group's share in the profit or loss of Skipr for the 6 months period ended 30 June 2022 amounts to -€0.6m.

In addition, following the entry into capital by investors for 29% in Lizy and 33% in MyMove (both through capital increases), the Group lost exclusive control of both subsidiaries. This resulted in the recognition of a consolidated gain of 10.2m (accounted for in finance income in H1-2022 in the D'Ieteren Automotive segment), representing the difference between the fair value of the non-controlling interests retained in the companies (39% in Lizy and 56% in MyMove) and the carrying amount of the assets and liabilities of the subsidiaries at the date the control was lost. These two entities are therefore accounted for as equity-accounted investee as from 1st January 2022. The financial information of Lizy and MyMove are not material to the Group and are not separately disclosed. The Group's share in the net assets of Lizy and MyMove at 30 June 2022 amounts to €8.9m and €3.1m respectively and the Group's share in their profit or loss for the 6-month period ended 30 June 2022 amounts to -€0.5m and -€0.3m respectively.

The following table summarises the financial information of VDFin as included in its own financial statements, adjusted for differences in accounting policies, and also reconciles this summarised financial information to the carrying amount of the Group's interest in VDFin.

## Note 10: Equity-accounted investees (continued)

| €m - VDFin (100% - except otherwise stated) | 30 June 2022 | 31 December 2021 |
|---|---|---|
| Non-current assets | 1,723.0 | 1,683.5 |
| Current assets (excluding cash and cash equivalents) | 938.4 | 826.1 |
| Cash and cash equivalents | 65.7 | 77.5 |
| Non-current liabilities (excluding financial liabilities) | -8.7 | -8.6 |
| Non-current financial liabilities | -929.7 | -1,070.3 |
| Current liabilities (excluding financial liabilities) | -159.0 | -137.0 |
| Current financial liabilities | -1,432.5 | -1,174.2 |
| Net assets | 197.2 | 197.0 |
| **Group's share of net assets (49.99%) and carrying amount of interest in joint venture** | **98.6** | **98.5** |

| €m - VDFin (100% - except otherwise stated) | 30 June 2022 | 30 June 2021 |
|---|---|---|
| Revenue | 255.0 | 300.2 |
| Profit before tax | 13.3 | 9.4 |
| Result for the period | 9.2 | 7.5 |
| Other comprehensive income | - | - |
| Profit (or loss) and total comprehensive income | 9.2 | 7.5 |
| **Group's share of profit (or loss) and comprehensive income (49.99%)** | **4.6** | **3.7** |

## Note 11: Capital and reserves

The Ordinary General Meeting of 2 June 2022 decided to distribute a gross ordinary dividend of €2.10 per share for the year 2021. Payment of the dividend has been done in June 2022. The aggregate dividend amounts to €113.7m.

Treasury shares (918,120 at the end of the period; 1,017,135 at 31 December 2021; with a corresponding net movement of -€30.0m in the Treasury shares reserve during the period) are held in the framework of the share buyback programme and liquidity contract and to cover the stock option plans set up by the Company since 1999 (see note 7 of these condensed consolidated interim financial statements and note 9 of the 2021 annual consolidated financial statements).

The controlling shareholders are listed below:

| Shareholders with controlling interest according to the declaration of transparency dated 2 November 2011, and to further communications to the company (of which the latest on 21 March 2022). | Capital shares | | Participating shares | | Total voting rights | |
|---|---|---|---|---|---|---|
| | Number | % | Number | % | Number | % |
| s.a. de Participations et de Gestion, Brussels | 12,716,605 | 23.39% | - | 0 | 12,716,605 | 21.42% |
| Reptid Commercial Corporation, Dover, Delaware | 1,928,875 | 3.55% | - | 0 | 1,928,875 | 3.25% |
| Mrs Catheline Périer-D'Ieteren | - | 0.00% | 1,250,000 | 25.00% | 1,250,000 | 2.11% |
| Mr Olivier Périer | 10,000 | 0.02% | - | 0 | 10,000 | 0.02% |
| **The four abovementioned shareholders (collectively "SPDG Group") are associated.** | **14,655,480** | **26.96%** | **1,250,000** | **25.00%** | **15,905,480** | **26.79%** |
| Nayarit Participations s.c.a., Brussels | 17,684,020 | 32.53% | - | 0 | 17,684,020 | 29.79% |
| Mr Nicolas D'Ieteren | 10,000 | 0.02% | 3,750,000 | 75.00% | 3,760,000 | 6.33% |
| **The two abovementioned shareholders (collectively "Nayarit Group") are associated.** | **17,694,020** | **32.54%** | **3,750,000** | **75.00%** | **21,444,020** | **36.12%** |
| **The shareholders referred to as SPDG Group and Nayarit Group act in concert.** | | | | | | |

## Note 12: Financial instruments

**Financial instruments measured at fair value in the consolidated statement of financial position**

All Group's financial assets and liabilities measured at fair value in the consolidated statement of financial position are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: quoted market prices in an active market (that are unadjusted) for identical assets and liabilities;
- Level 2: valuation techniques (for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable);
- Level 3: valuation techniques (for which the lowest level input that is significant to the fair value measurement is unobservable).

At the end of June 2022, all Group's financial assets and liabilities measured at fair value in the consolidated statement of financial position are classified in level 2 except the equity instruments included in the line "financial investments", classified in level 1.

**Fair value disclosed**

For all Group's financial assets and liabilities not measured at fair value in the consolidated statement of financial position, their fair value approximates their carrying amount.

## Note 13: Subsequent events

On the 4th of August 2022, D'Ieteren Group announced that it has closed the acquisition of Parts Holding Europe (PHE), a Western European leader in independent distribution of vehicle spare parts present in six countries: France, Belgium, The Netherlands, Luxemburg, Italy and Spain. PHE generated sales of €2.0bn and EBITDA of €246m in FY-21.

The transaction has been approved by the European Commission, subject to the disposal of PHE's specialized glass repair activities.

The acquisition price corresponds to an Enterprise Value of €1.7bn, resulting in an equity consideration paid of €571m, to be financed with D'Ieteren Group's excess liquidity. This corresponds to an EV/EBITDA 2021 multiple of 6.9x.

At the date of the closing, D'Ieteren Group owns 100% of PHE and will fully consolidate the company (global consolidation) as from August 1st, 2022. Minority investors, including management and several partners and independent distributors will invest alongside D'Ieteren Group in PHE, up to a combined ownership of c.10%.

Acquisition related costs (recognized in commercial and administrative expenses in the consolidated statement of profit or loss) amount to ca. €14m, of which ca. €10m will be incurred and accounted for in the profit or loss of H2 2022 (these costs are qualified as *adjusting* items).

As of the date of the approval of these condensed consolidated financial statements, the balance sheet of PHE as of the 31st of July (the opening balance sheet) is not yet available. The accounting for the business combination is therefore not yet finalised and no additional information is disclosed in these condensed consolidated financial statements.

On the 4th of August 2022, Belron distributed an ordinary dividend to its shareholders, of which €212.5m to D'Ieteren Group, thanks to available liquidity on the balance sheet.

No other significant transactions out of the ordinary course of business occurred between the closing date and the date these condensed consolidated interim financial statements were authorised for issue.

## Auditor’s Report

**Statutory auditor's report to the board of directors of D’Ieteren Group SA/NV on the review of the condensed consolidated interim financial information as at 30 June 2022 and for the 6-month period then ended**

**Introduction**

We have reviewed the accompanying consolidated statement of financial position of D’Ieteren Group SA as at 30 June 2022, the consolidated statements of profit or loss, comprehensive income and changes in equity and the condensed consolidated statement of cash flows for the 6-month period then ended, and notes to the condensed consolidated interim financial statements (“the condensed consolidated interim financial information”). The board of directors is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34, “Interim Financial Reporting” as adopted by the European Union. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

**Scope of Review**

We conducted our review in accordance with the International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information as at 30 June 2022 and for the 6-month period then ended is not prepared, in all material respects, in accordance with IAS 34, “Interim Financial Reporting” as adopted by the European Union.

Zaventem, 5 September 2022

KPMG Bedrijfsrevisoren - Réviseurs d’Entreprises
Statutory Auditor
represented by

Axel Jorion
Bedrijfsrevisor / Réviseur d’Entreprises