

# 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

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D'leteren 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<sup>1</sup> – 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<sup>1</sup>, Group's share increased by 7.3% to €212.6m.
- **D'leteren Automotive**, in a currently declining Belgian new car market<sup>2</sup> (-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<sup>1</sup> also gained 19.5% to €93.1m.
- **TVH** delivered a 24% sales growth at €790.8m. Its *adjusted* operating profit<sup>1</sup> landed at €143.2m, up by 8.8% YoY, corresponding to a margin of 18.1%. *Adjusted* operating profit before tax, Group's share<sup>1</sup> 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<sup>1</sup> was close to break-even (-€1.0m).
- **Corporate & Unallocated** (including corporate and real estate activities) reported an *adjusted* profit before tax, Group's share<sup>1</sup> 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**<sup>6</sup> remained flat for the Group (group's share) at €208m during H1-22. Most businesses posted a positive free cash-flow<sup>6</sup> generation thanks to the solid operational results, with notably significant cash generation of €199.2m at Belron (100%) and €122.9m at D'leteren 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

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We increase our guidance for the full-year, now expecting our *adjusted* consolidated profit before tax, Group's share<sup>1</sup> to grow by at least 35% (previously 25%) versus the comparable 2021, based on a stronger than expected performance at D'leteren 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<sup>1</sup> 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. 15), fees to system integrators hired in the framework of Belron's transformation programme are now being reported by the Group as *adjusting* items<sup>1</sup>. 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<sup>1</sup> (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<sup>1</sup> 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<sup>1</sup>.
  - Free cash-flow<sup>6</sup> 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<sup>1</sup> is now expected to land above €250m.
- D'leteren 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<sup>1</sup> is now expected to achieve around 25% YoY growth for FY-22.
  - Free cash-flow<sup>6</sup> 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<sup>1</sup> should more than double compared to the €12.3m achieved in 2021.

## Key developments

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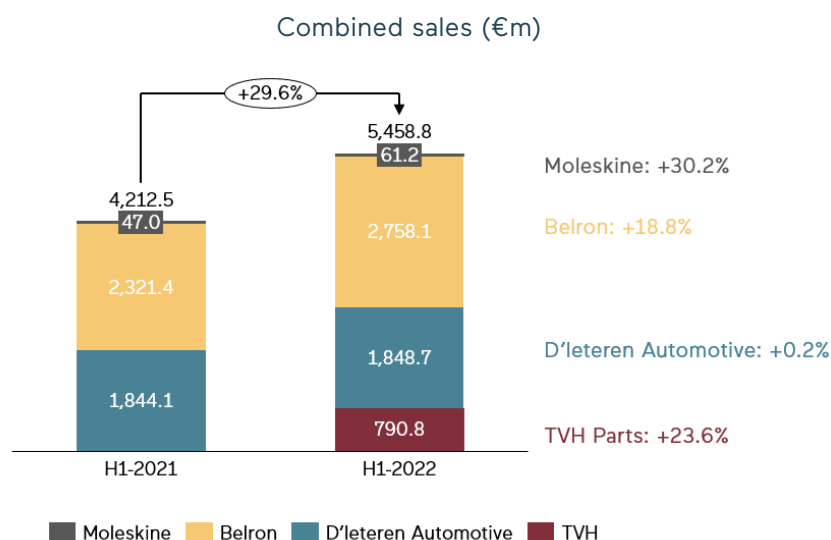
- The impact of the ongoing **war in Ukraine** in the medium and long term remains uncertain. Belron had franchise activities in Russia which have been suspended and in Ukraine, where operations paused at the start of the war, but were resumed in June. The contribution of the franchised activities in 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'leteren 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'leteren Group has held its **Investor Day**, setting new ambitions for 2025.
- On May 2, 2022, D'leteren 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'leteren 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'leteren Group) with cash on balance sheet.
- On August 4, 2022, D'leteren 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'leteren 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'leteren 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<sup>4</sup> 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<sup>4</sup> 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'leteren 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'leteren 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.

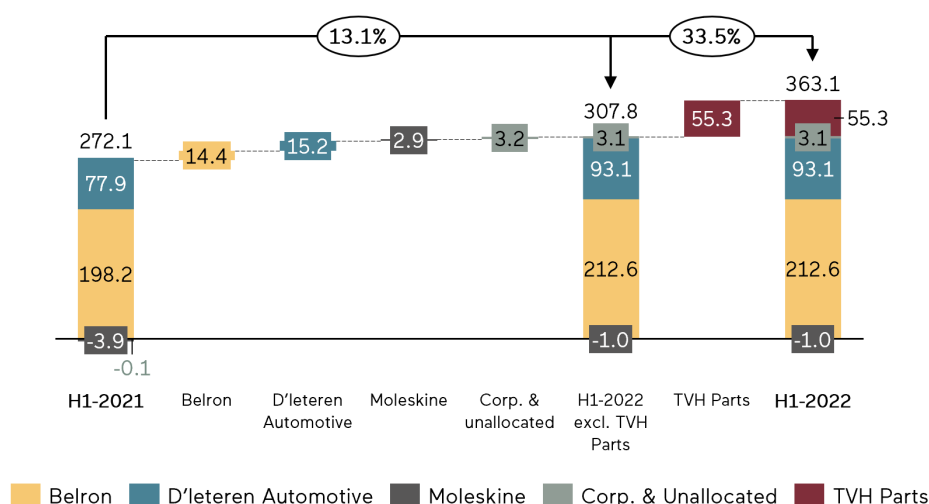
## Group Summary

**Consolidated sales under IFRS** amounted to **€1,909.9m (+1.0% YoY)**. This figure corresponds to D'leteren 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%)**.



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<sup>1</sup>**, 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<sup>1</sup> (€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<sup>1</sup>**, reached €263.9m (50.01% stake in Belron) compared to €203.5m (53.65% stake in Belron) in H1-21.

The **net cash position<sup>3</sup> 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			% change adjusted items	% change total
	APM (non-GAAP measures) <sup>1</sup>			APM (non-GAAP measures) <sup>1</sup>				
	Adjusted items	Adjusting items	Total	Adjusted items	Adjusting items	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 <sup>1</sup> (@ 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<sup>5</sup> 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<sup>5</sup> 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<sup>5</sup> 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**<sup>1</sup> 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*<sup>1</sup> 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. 15), fees from system integrators hired in the framework of Belron's transformation programme are now being reported by the Group as *adjusting* items<sup>1</sup> 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**<sup>1</sup> 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**<sup>1</sup> at the level of the operating result amounted to -€52.6m, notably comprising of:

- €38.0m of 'other' *adjusting*<sup>1</sup> 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'leteren 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.

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**Net financial costs** increased by €98.4m in H1-22 to €196.5m. The majority of the increase (€90.6m) is treated as *adjusting*<sup>2</sup> 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**<sup>1</sup> increased by 7.3% YoY to €212.6m on a comparable basis (assuming 50.01% stake in both periods). **Adjusted income tax expenses**<sup>1</sup> equalled €116.2m (€113.3m in H1-21).

The **adjusted result after tax, Group's share**<sup>1</sup>, 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**<sup>6</sup> (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<sup>6</sup>, partly compensated by stronger operational performance (*adjusted* EBITDA<sup>6</sup> +€40.4m YoY).

Belron's **net financial debt**<sup>3</sup> 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 indebtedness<sup>3</sup>/proforma EBITDA post-IFRS 16<sup>4</sup> multiple) reached 3.11x at the end of H1-22.

## D'leteren Automotive

€m	H1-2021			H1-2022			% change adjusted items	% change total
	APM (non-GAAP measures) <sup>1</sup>			APM (non-GAAP measures) <sup>1</sup>				
	Adjusted items	Adjusting items	Total	Adjusted items	Adjusting items	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 <sup>1</sup>	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<sup>2</sup>, 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'leteren 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'leteren 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'leteren Automotive's market share declined to 7.1% (of net registrations).

The total number of **new vehicles**, including commercial vehicles, delivered by D'leteren 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'leteren 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<sup>1</sup> 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.



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**Adjusting items**<sup>1</sup> 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*<sup>1</sup>.

The **adjusted profit before tax, Group's share**<sup>1</sup>, 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**<sup>1</sup> increased from €56.8m to €67.5m.

### Net debt and free cash flow

The **free cash flow**<sup>6</sup> (after tax) equalled €122.9m in H1-22 compared to €79.5m in H1-21. The positive change mainly reflects an improved EBITDA<sup>4</sup> 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'leteren Car Centers in Brussels), partly offset by higher taxes paid and a higher cash spent on acquisitions.

D'leteren Automotive's **net financial position** went from a €93.2m net debt<sup>3</sup> 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) <sup>1</sup>		
	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 <sup>1</sup>	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 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*<sup>4</sup> 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<sup>1</sup> relating to the change in fair value of interest rates swaps.

The **profit before tax** reached €142.2m and the *adjusted* profit before tax<sup>1</sup> €138.3m.

**Adjusted profit before tax, Group's share**<sup>1</sup> amounted to €55.3m.

The **adjusted result after tax, Group's share**<sup>1</sup>, 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<sup>4</sup> of the semester. Net financial debt / LTM EBITDA<sup>4</sup> stands at 2.52x (in BEGAAP, excluding shareholder loan).

## Moleskine

€m	H1-2021			H1-2022			% change adjusted items	% change total
	APM (non-GAAP measures) <sup>1</sup>			APM (non-GAAP measures) <sup>1</sup>				
	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 <sup>1</sup>	-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**<sup>1</sup> 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**<sup>1</sup> compared to -€3.7m in H1-21.

### Net debt and free cash flow

The **free cash flow**<sup>6</sup> 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			% change adjusted items	% change total
	APM (non-GAAP measures) <sup>1</sup>			APM (non-GAAP measures) <sup>1</sup>				
	Adjusted items	Adjusting items	Total	Adjusted items	Adjusting items	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 <sup>1</sup>	-0.1	-	-	3.1	-	-	-	-

## Results

The reportable operating segment "Corporate and Unallocated" mainly includes the Corporate and Real Estate activities (D'leteren Immo SA). The **adjusted operating result<sup>1</sup>** 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'leteren Immo.

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

**Adjusted profit before tax, group's share<sup>1</sup>** reached €3.1m (-€0.1m in H1-21).

## Net cash

The net cash<sup>3</sup> 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'leteren 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'leteren Automotive segment in June 2022.

### Notes

<sup>1</sup> In order to better reflect its underlying performance and assist investors in gaining a better understanding of its financial performance, D'leteren Group uses Alternative Performance Measures ("APMs"). These APMs are non-GAAP measures, i.e. their definitions are not addressed by IFRS. D'leteren 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 15 for the definition of these performance indicators.

<sup>2</sup> 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.

<sup>3</sup> The net financial debt is not an IFRS indicator. D'leteren 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 22.

<sup>4</sup> 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.

<sup>5</sup> "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.

<sup>6</sup> 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]

### Auditor's Report

"KPMG Réviseurs d'Entreprises represented by Axel Jorion has reviewed the condensed consolidated interim financial statements of D'leteren Group SA/NV as of and for the six-month period ended June 30, 2022. Their review was conducted in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" and their unqualified review report dated September 5, 2022 is attached to the interim financial information."

### Forward looking statements

"This document contains forward-looking information that involves risks and uncertainties, including statements about D'leteren Group's and its portfolio companies' financial projections, future performance, plans, objectives, expectations and intentions. Forward-looking statements can be identified by the use of words such as "expects", "plans", "will", "believes", "may", "could", "estimates", "intends", "targets", "objectives", "potential", and other words of similar meaning. Readers are cautioned that forward-looking statements include known and unknown risks and are subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond the control of D'leteren Group and its portfolio companies'. Should one or more of these risks, uncertainties or contingencies materialise, or should any underlying assumptions prove incorrect, actual results could vary materially from those anticipated, expected, estimated or projected. Neither D'leteren Group nor its portfolio companies assumes any responsibility for the accuracy of these forward-looking statements and is under no obligation to update any such statements. Readers should therefore not place undue reliance on any forward-looking statements, which speak only as of the date of this document."

## Conference Call

D'leteren Group's management will organise a conference call for analysts and investors starting today at 6:00pm CET.

The conference call can be attended by calling the number +32 2 403 58 16. PIN code: 82553746#.

The presentation slides will be made available online simultaneously to the publication of this press release at the following address: <https://www.dieterengroup.com/press-releases> (then select the H1-22 results event)

End of press release

## D'leteren Group profile

In existence since 1805, and across family generations, D'leteren 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%) has a clear purpose: "making a difference by solving people's problems with real care". It is the worldwide leader in vehicle glass repair and replacement and operates in 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. Sales and adjusted operating result reached respectively €4,647m and €815m in FY-21.
- **D'leteren Automotive** (100%) 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". Sales and adjusted operating result reached respectively €3,239m and €103m in FY-21.
- **PHE** (100%) is a leader in the independent distribution of spare parts for vehicles in Western Europe, present in France, Belgium, The Netherlands, Luxemburg, Italy and Spain. Its mission aims at "promoting affordable and sustainable mobility". It generated sales of €2.0bn and EBITDA of €246m in FY-21.
- **TVH** (40%), 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%) 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". Sales and adjusted operating result reached respectively €122m and €12m in FY-21.
- **D'leteren Immo** (100%) groups together the Belgian real estate interests of D'leteren Group. It owns and manages 36 sites which generated €21.7m net rental income in FY-21. It also pursues investment projects and carries out studies into possible site renovations.

## Financial Calendar

### Last five press releases

*(with the exception of press releases related to the repurchase or sale of own shares)*

4 August 2022	Closing of the acquisition of PHE
13 May 2022	D'leteren Group starts purchases under its share buyback programme
2 May 2022	D'leteren Group announces the launch of a transformational project for its HQ in Brussels
28 April 2022	2025 Ambitions and Q1-22 Trading Update
21 April 2022	Publication of the Annual Report 2021

### Next events

8 March 2023	2022 Full-Year Results
25 May 2023	General Assembly
7 September 2023	2023 Half-Year Results

## Contacts

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# 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 <sup>(1)</sup>		
	Total	Of which Adjusted result	Adjusting items	Total	Of which Adjusted result	Adjusting items
<b>Revenue</b>	<b>1,909.9</b>	<b>1,909.9</b>	<b>-</b>	<b>1,891.1</b>	<b>1,891.1</b>	<b>-</b>
Cost of sales	-1,613.4	-1,613.4	-	-1,634.3	-1,634.3	-
<b>Gross margin</b>	<b>296.5</b>	<b>296.5</b>	<b>-</b>	<b>256.8</b>	<b>256.8</b>	<b>-</b>
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
<b>Operating result</b>	<b>88.2</b>	<b>89.6</b>	<b>-1.4</b>	<b>69.9</b>	<b>70.1</b>	<b>-0.2</b>
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
<b>Result before tax</b>	<b>216.4</b>	<b>289.1</b>	<b>-72.7</b>	<b>201.6</b>	<b>224.0</b>	<b>-22.4</b>
Income tax expense	-25.0	-25.4	0.4	-21.3	-21.3	-
<b>Result from continuing operations</b>	<b>191.4</b>	<b>263.7</b>	<b>-72.3</b>	<b>180.3</b>	<b>202.7</b>	<b>-22.4</b>
Discontinued operations	-	-	-	-	-	-
<b>RESULT FOR THE PERIOD</b>	<b>191.4</b>	<b>263.7</b>	<b>-72.3</b>	<b>180.3</b>	<b>202.7</b>	<b>-22.4</b>
<b>Result attributable to:</b>						
<b>Equity holders of the Company</b>	<b>191.6</b>	<b>263.9</b>	<b>-72.3</b>	<b>181.1</b>	<b>203.5</b>	<b>-22.4</b>
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'leteren Automotive, Belron, Moleskine and TVH (as from 1st October 2021). The other segments are disclosed in the category "Corporate & Unallocated" (D'leteren 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'leteren 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	-	-	-	-	-	-	-
<b>Segment revenue</b>	<b>1,848.7</b>	<b>2,758.1</b>	<b>61.2</b>	<b>790.8</b>	<b>-</b>	<b>-3,548.9</b>	<b>1,909.9</b>
<b>Operating result (being segment result)</b>	<b>89.0</b>	<b>443.3</b>	<b>3.7</b>	<b>143.2</b>	<b>-4.5</b>	<b>-586.5</b>	<b>88.2</b>
<i>Of which Adjusted result</i>	<i>89.0</i>	<i>495.9</i>	<i>3.7</i>	<i>143.2</i>	<i>-3.1</i>	<i>-639.1</i>	<i>89.6</i>
<i>Adjusting items</i>	<i>-</i>	<i>-52.6</i>	<i>-</i>	<i>-</i>	<i>-1.4</i>	<i>52.6</i>	<i>-1.4</i>
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
<b>Result before tax</b>	<b>101.2</b>	<b>247.0</b>	<b>-1.0</b>	<b>142.2</b>	<b>1.7</b>	<b>-274.7</b>	<b>216.4</b>
<i>Of which Adjusted result</i>	<i>91.0</i>	<i>425.1</i>	<i>-1.0</i>	<i>138.3</i>	<i>3.1</i>	<i>-367.4</i>	<i>289.1</i>
<i>Adjusting items</i>	<i>10.2</i>	<i>-178.1</i>	<i>-</i>	<i>3.9</i>	<i>-1.4</i>	<i>92.7</i>	<i>-72.7</i>
Income tax expense	-23.7	-104.2	-	-34.6	-1.3	138.8	-25.0
<b>Result from continuing operations</b>	<b>77.5</b>	<b>142.8</b>	<b>-1.0</b>	<b>107.6</b>	<b>0.4</b>	<b>-135.9</b>	<b>191.4</b>
<i>Of which Adjusted result</i>	<i>67.3</i>	<i>308.9</i>	<i>-1.0</i>	<i>103.7</i>	<i>1.4</i>	<i>-216.6</i>	<i>263.7</i>
<i>Adjusting items</i>	<i>10.2</i>	<i>-166.1</i>	<i>-</i>	<i>3.9</i>	<i>-1.0</i>	<i>80.7</i>	<i>-72.3</i>
Discontinued operations	-	-	-	-	-	-	-
<b>RESULT FOR THE PERIOD</b>	<b>77.5</b>	<b>142.8</b>	<b>-1.0</b>	<b>107.6</b>	<b>0.4</b>	<b>-135.9</b>	<b>191.4</b>

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

(\*) 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 <sup>(a)</sup>					
		D'leteren 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		-	-	-	-	-	-
<b>Segment revenue</b>		<b>1,844.1</b>	<b>2,321.4</b>	<b>47.0</b>	<b>-</b>	<b>-2,321.4</b>	<b>1,891.1</b>
<b>Operating result (being segment result)</b>		<b>74.5</b>	<b>437.8</b>	<b>1.8</b>	<b>-6.4</b>	<b>-437.8</b>	<b>69.9</b>
<i>Of which</i>	<i>Adjusted result</i>	<i>74.5</i>	<i>459.4</i>	<i>2.0</i>	<i>-6.4</i>	<i>-459.4</i>	<i>70.1</i>
<i>Adjusting items</i>		<i>-</i>	<i>-21.6</i>	<i>-0.2</i>	<i>-</i>	<i>21.6</i>	<i>-0.2</i>
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
<b>Result before tax</b>		<b>76.0</b>	<b>339.9</b>	<b>-4.1</b>	<b>-0.1</b>	<b>-210.1</b>	<b>201.6</b>
<i>Of which</i>	<i>Adjusted result</i>	<i>76.0</i>	<i>396.4</i>	<i>-3.7</i>	<i>-0.1</i>	<i>-244.6</i>	<i>224.0</i>
<i>Adjusting items</i>		<i>-</i>	<i>-56.5</i>	<i>-0.4</i>	<i>-</i>	<i>34.5</i>	<i>-22.4</i>
Income tax expense		-20.1	-97.9	-0.8	-0.4	97.9	-21.3
<b>Result from continuing operations</b>		<b>55.9</b>	<b>242.0</b>	<b>-4.9</b>	<b>-0.5</b>	<b>-112.2</b>	<b>180.3</b>
<i>Of which</i>	<i>Adjusted result</i>	<i>55.9</i>	<i>283.1</i>	<i>-4.5</i>	<i>-0.5</i>	<i>-131.3</i>	<i>202.7</i>
<i>Adjusting items</i>		<i>-</i>	<i>-41.1</i>	<i>-0.4</i>	<i>-</i>	<i>19.1</i>	<i>-22.4</i>
Discontinued operations		-	-	-	-	-	-
<b>RESULT FOR THE PERIOD</b>		<b>55.9</b>	<b>242.0</b>	<b>-4.9</b>	<b>-0.5</b>	<b>-112.2</b>	<b>180.3</b>

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

(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'leteren Automotive	Belron (100%)	Moleskine	TVH (100%)	Corp. & unallocated	Total (segment)*
<b>Adjusting items</b>						
<b>Included in operating result</b>	-	-52.6	-	-	-1.4	-54.0
<i>Re-measurements of financial instruments</i>	-	2.7 (b)	-	-	-	2.7
<i>Amortisation of customer contracts</i>	-	-15.5 (c)	-	-	-	-15.5
<i>Amortisation of brands with finite useful life</i>	-	-1.8 (d)	-	-	-	-1.8
<i>Other adjusting items</i>	-	-38.0 (e)	-	-	-1.4 (i)	-39.4
<b>Included in net finance costs</b>	10.2	-125.5	-	3.9	-	-111.4
<i>Re-measurements of financial instruments</i>	-	-	-	3.9 (h)	-	3.9
<i>Foreign exchange losses on net debt</i>		-127.3 (f)		-	-	-127.3
<i>Other adjusting items</i>	10.2 (a)	1.8 (f)	-	-	-	12.0
<b>Included in equity accounted result</b>	-	-	-	-	-	-
<b>Included in segment result before taxes (PBT)</b>	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'leteren Automotive	Belron (100%)	Moleskine		Corp. & unallocated	Total (segment)*
<b>Adjusting items</b>						
<b>Included in operating result</b>	-	-21.6	-0.2		-	-21.8
<i>Re-measurements of financial instruments</i>	-	4.1 (b)	-0.2 (g)		-	3.9
<i>Amortisation of customer contracts</i>	-	-11.5 (c)	-		-	-11.5
<i>Amortisation of brands with finite useful life</i>	-	-1.7 (d)	-		-	-1.7
<i>Other adjusting items</i>	-	-12.5 (e)	-		-	-12.5
<b>Included in net finance costs</b>	-	-34.9	-0.2		-	-35.1
<i>Re-measurements of financial instruments</i>	-	-	-0.2 (g)		-	-0.2
<i>Foreign exchange losses on net debt</i>	-	-9.4 (f)	-		-	-
<i>Other adjusting items</i>	-	-25.5 (f)	-		-	-25.5
<b>Included in equity accounted result</b>	-	-	-		-	-
<b>Included in segment result before taxes (PBT)</b>	-	-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'leteren 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 <sup>ω</sup>				
	D'leteren Automotive	Belron (50.01%)	Moleskine	TVH (40%)	Corp. & unallocated	Total (segment)	D'leteren Automotive	Belron (53.65%)	Moleskine	Corp. & unallocated	Total (segment)
<b>Segment reported PBT</b>	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
<b>Segment adjusted PBT</b>	<b>91.0</b>	<b>425.1</b>	<b>-1.0</b>	<b>138.3</b>	<b>3.1</b>	<b>656.5</b>	<b>76.0</b>	<b>396.4</b>	<b>-3.7</b>	<b>-0.1</b>	<b>468.6</b>
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
<b>Segment adjusted PBT, Group's share</b>	<b>93.1</b>	<b>212.6</b>	<b>-1.0</b>	<b>55.3</b>	<b>3.1</b>	<b>363.1</b>	<b>77.9</b>	<b>212.7</b>	<b>-3.9</b>	<b>-0.1</b>	<b>286.6</b>

(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 <sup>ω</sup>				
	D'leteren Automotive	Belron (50.01%)	Moleskine	TVH (40%)	Corp. & unallocated	Total (segment)	D'leteren Automotive	Belron (50.01%)	Moleskine	Corp. & unallocated	Total (segment)
<b>Segment adjusted PBT, Group's share</b>	<b>93.1</b>	<b>212.6</b>	<b>-1.0</b>	<b>55.3</b>	<b>3.1</b>	<b>363.1</b>	<b>77.9</b>	<b>212.7</b>	<b>-3.9</b>	<b>-0.1</b>	<b>286.6</b>
Adjustment of the share of the Group (comparable basis with 2022)	-	-	-	-	-	-	-	-14.5	-	-	-14.5
<b>Adjusted PBT, Group's share (key performance indicator)</b>	<b>93.1</b>	<b>212.6</b>	<b>-1.0</b>	<b>55.3</b>	<b>3.1</b>	<b>363.1</b>	<b>77.9</b>	<b>198.2</b>	<b>-3.9</b>	<b>-0.1</b>	<b>272.1</b>

(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'leteren Automotive	Belron (100%)	Moleskine	TVH (100%)	Corp. & unallocated	D'leteren 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	-	-	
<b>Gross debt</b>	<b>155.5</b>	<b>4,229.0</b>	<b>308.7</b>	<b>1,022.8</b>	<b>-304.6</b>	<b>261.3</b>	<b>3,873.2</b>	<b>327.4</b>	<b>-458.0</b>	
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	-	-	-	-	
<b>Net debt from continuing activities excluding assets and liabilities classified as held for sale</b>	<b>-12.7</b>	<b>3,800.3</b>	<b>288.6</b>	<b>882.8</b>	<b>-1,001.0</b>	<b>93.2</b>	<b>3,590.7</b>	<b>297.5</b>	<b>-2,095.3</b>	
Net debt in assets and liabilities classified as held for sale	-	-	-	-	-	-	1.4	-	-	
<b>Total net debt</b>	<b>-12.7</b>	<b>3,800.3</b>	<b>288.6</b>	<b>882.8</b>	<b>-1,001.0</b>	<b>93.2</b>	<b>3,592.1</b>	<b>297.5</b>	<b>-2,095.3</b>	

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'leteren 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 1<sup>st</sup> October 2021 in the framework of the acquisition of a 40% stake in TVH, of which €0.6m represents accrued interests.

D'leteren 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'leteren 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'leteren Automotive segment in June 2022.