Strong 2023 half year results

Half-year 2023 highlights

D'Ieteren Group reports strong H1-23 results and revises its 2023 guidance slightly upwards.

D'Ieteren Group pursued its growth path during the first semester, driven by a generally strong operational performance and the consolidation of PHE. The Group's key performance indicator (KPI) – the *adjusted* consolidated profit before tax, Group's share[1] – reached €548.9m, up by 46.5% compared to H1-22 (restated at €374.8m, see below) including PHE, and with Belron at 50.07% for both periods. On a like-for-like basis, excluding PHE, the KPI grew by 25.6% YoY.

- **Belron's** *adjusted* profit before tax, Group's share[1] improved by 34.8% YoY to €286.8m, reflecting solid top-line evolution and strong fall-through with a significant *adjusted* operating margin[1] improvement at 21.9% primarily reflecting higher sales and strong cost control.
- **D'Ieteren Automotive**, boosted by the upturn in car production levels at the VW Group, market share gains, a positive price / mix effect and other mobility activities, posted a 42.1% growth in *adjusted* profit before tax, Group's share[1] to €143.2m. The Belgian new car market[2] was up by 34.8% YoY.
- **PHE**, consolidated since August 2022, contributed for €78.0m to the *adjusted* profit before tax, Group's share[1]. This solid contribution stems from positive top-line developments, including pricing initiatives to mitigate inflationary pressure, as well as profitability improvement in recently acquired entities.
- **TVH** recorded an *adjusted* profit before tax, Group's share[1] of €36.9m, down by -33.6% YoY, the decrease being essentially due to the effect of the cyberattack incurred on March 19th which led to a significant temporary interruption of activity.
- **Moleskine** was impacted by a more cautious inventory management by retail and online accounts, especially in the first quarter. Revenues for H1-23 declined by -6.0% YoY, while *adjusted* operating result[1] increased by 22.6% thanks to significant cost control initiatives. These were more than offset at the *adjusted* profit before tax, Group's share[1] level, which came in at -€4.6m in H1-23 due to higher non-cash financial charges related to the shareholder loan.
- **Corporate & Unallocated** (including corporate and real estate activities) reported an *adjusted* profit before tax, Group's share[1] of €8.6m compared to €5.0m in H1-22, largely thanks to financial income. The net cash position[3] of the segment at the end of June 2023 stands at €934.9m (€612.0m excluding inter-segment loans).
- **Free cash flow**[6] Group's share reached €186.1m, primarily driven by Belron and the sale of Mondial Pare-Brise at PHE, as well as positive operational developments, and despite a significant increase in working capital at D'Ieteren Automotive due to bottlenecks in delivering new cars to end-customers.

Note that 2022 figures have been restated. The **restatements** performed mainly include the following:

- The finalisation of the purchase price allocation of TVH in the second half of 2022, already reflected in the 2022 annual consolidated financial statements (see note 17 of the 2022 annual consolidated financial statements). The restatement on the 30 June 2022 consolidated statement of profit or loss is only related to the additional amortisation of customer contracts.
- The finalisation of the purchase price allocation of PHE in the first semester of 2023 (see note 13 of the interim financial statements for more information about the adjustments made to the provisional fair value of assets acquired and liabilities assumed at acquisition date).
- The correction of the accounting of post-employment benefits schemes in the D'Ieteren Automotive and Belron segments.
- The classification of share-based payment expenses and other long-term incentive plans as *adjusting* items[1] at D'Ieteren Automotive, Moleskine, TVH and Corporate & Unallocated segments.

Outlook 2023

Following a strong H1-23, D'Ieteren Group revises its guidance slightly upwards, now expecting its *adjusted* profit before tax, Group's share[1] **to be above €960m** including the additional interest costs linked to Belron's term loan issuance in April 2023. This upgrade takes into account a good operational performance of its businesses, as well as the reclassification of share-based payment expenses and other long-term incentive plans as *adjusting* items[1] at D'Ieteren Automotive, Moleskine, TVH, PHE and Corporate & Unallocated segments (€31.1m in H1-23 and c.€50m expected for the full-year).

It assumes average foreign exchange rates that are in line with the rates that prevailed at the end of H1-23 and a 50.01% stake in Belron.

The operational changes pertain to the following elements:

- At **Belron**, FY-23 margin should improve by more than 200bps compared to FY-22.
- **D'Ieteren Automotive** expects the Belgian market to record 480,000 new registrations in 2023, and D'Ieteren Automotive's volumes will remain high, though constrained by the capacity to deliver the vehicles. The inventory impact related to the bottlenecks in deliveries should persist until the first quarter 2024.
- **TVH**'s results will reflect a lower volume growth environment and a decline in operating profit margin for the full year.
- **Moleskine**, having experienced, especially in the first quarter and in the US, a cautious inventory management by retail and online accounts, expects to gradually recover in the coming quarters, leading to a low FY-23 sales growth.

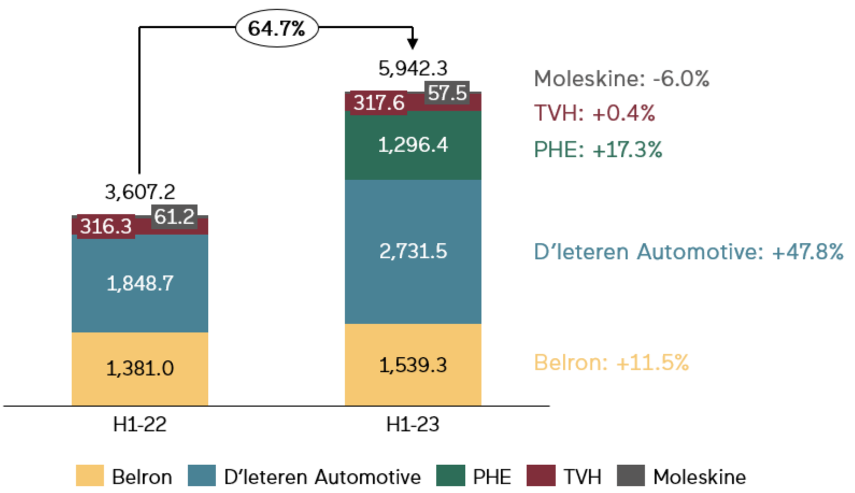
Key developments in H1-23

- In February 2023, PHE has closed the disposal of Mondial Pare-Brise.
- On April 7th, Belron has successfully allocated a new USD term loan of €800m equivalent which, together with c.€300m available liquidity, has been upstreamed to the shareholders of Belron.
- In May 2023, D'Ieteren Group has completed its solidarity-based share buyback programme of €150m which started on 4 September 2019. As a result, D'Ieteren Group acquired 1,593,621 own shares during the programme, of which 934,692 have been cancelled in May 2020 after the first phase of the programme, and 658,929 in May 2023 after the second phase. The solidarity-based share buy-back programme has generated €362,786 to be allocated to D'Ieteren Group's future philanthropic projects.
- Also in May 2023, D'Ieteren Group and other shareholders have bought additional shares in Belron from the Employee Benefits Trust. The new shareholding structure is as follows:
  - D'Ieteren Group: 50.3% (average economic interest for H1-23: 50.07%)
  - CD&R: 20.4%
  - H&F, GIC and BlackRock: 18.2%
  - Management & Atessa: 11.0%.
- After almost 8 years, Arnaud Laviolette is retiring as Group CFO as of 1 September 2023. Following his departure, Edouard Janssen is appointed Group CFO and Nicolas Saillez is appointed Group CIO (Chief Investment Officer). Together with Amélie Coens (Chief Legal Officer), they are joining Francis Deprez in the Group Executive Committee.
- D'Ieteren Group submitted its Science Based Target to SBTi and took part in the CDP 2023 assessment for the first time.

Group Summary

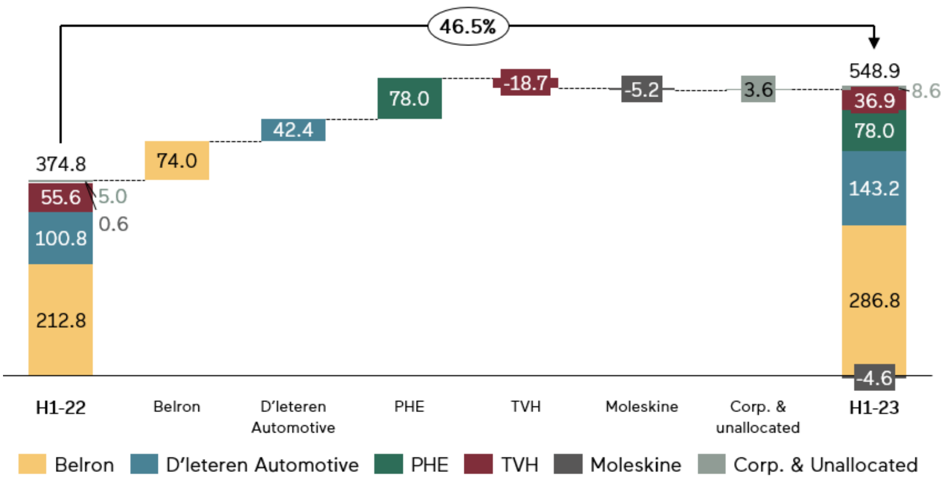
Consolidated sales under IFRS amounted to **€4,085.4m (+113.9% YoY)**. This figure excludes Belron and TVH and includes PHE at 100% for the full semester. **Sales, Group's share**[1] amounted to **€5,942.3m (+64.7% YoY)** with Belron at 50.07% for both periods.

Sales, Group's share[1] (€m)



The **consolidated profit before tax under IFRS** reached €351.6m (€205.1m in H1-22). The key performance indicator, the ***adjusted* consolidated profit before tax, Group's share**[1], amounted to €548.9m, an increase of 46.5% over H1-22 and of 25.6% excluding PHE (Belron at 50.07% for both periods).

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



The **Group's share in the net result** equalled €285.9m (€180.3m in H1-22). **The *adjusted* net profit, Group's share**[1], reached €381.4m (50.07% stake in Belron) compared to €273.5m (50.01% stake in Belron) in H1-22.

The net cash position[3] **of "Corporate & Unallocated"** amounted to **€934.9m** at the end of June 2023 (€612.0m excluding inter-segment loans) compared to €634.9m at the end of December 2022 and €1,001.0m at the end of June 2022.

Belron

€m	H1-2022 APM (non-GAAP measures)[1] Adjusted items	H1-2022 Adjusting items	H1-2022 Total	H1-2023 APM (non-GAAP measures)[1] Adjusted items	H1-2023 Adjusting items	H1-2023 Total	% change adjusted items	% change total
VGRR prime jobs (in million)	-	-	6.6	-	-	6.7	-	1.5%
External sales	2,758.1	-	2,758.1	3,074.3	-	3,074.3	11.5%	11.5%
Operating result	495.9	-52.6	443.3	673.3	-82.4	590.9	35.8%	33.3%
Net finance costs	-71.0	-125.5	-196.5	-100.8	-2.2	-103.0	42.0%	-47.6%
Result before tax (PBT)	425.1	-178.1	247.0	572.8	-84.6	488.2	34.7%	97.7%
Adjusted PBT, group's share[1] (@ 50.07%)	212.8	-	-	286.8	-	-	34.8%	-

Sales

Belron's total sales (at 100%) **increased by 11.5%** to €3,074.3m in H1-23. While total prime jobs increased by 1.5% YoY, Belron benefited from positive price / mix, increased recalibration revenues (penetration rate of 35.2%) and increased sales from value-added products and services (VAPS) (attachment rate of 22.2%).

The increase in sales is comprised of 10.1% organic[5] growth, contribution from acquisitions of 1.9% and a negative currency effect of -0.5%.

Organic growth[5] **in North America** (59% of total) was at 7.1%. The **Eurozone** (28% of total) showed a 12.3% organic[5] growth and it was 18.8% in the **Rest of World** (13% of total).

Results

The **operating result** (at 100%) for the half year increased by 33.3% YoY to €590.9m and the ***adjusted* operating result**[1] improved by 35.8% to €673.3m. This reflects higher sales and strong cost control. The group-wide **transformation programme** is making satisfactory progress and incurred costs of €66.3m for the half year of which €28.8m of *adjusting* items[1] related to system integrators fees (H1-22: €56.7m costs of which €20.2m in *adjusting* items[1]).

***Adjusted* operating result[1] margin** improvement from 18.0% in H1-22 to 21.9% in H1-23. This mainly reflects higher sales and strong cost control. In addition, the Group benefited from steps taken to address inflationary pressures, the impact of this is expected to be less pronounced during the second half of 2023. In the second half of the year the Group intends to invest in building further capacity for the future.

***Adjusting* items**[1] at the level of the operating result totalled -€82.4m of which -€28.8m of fees to system integrators (see details in the APMs section).

The **profit before tax** reached €488.2m in H1-23 (€247.0m in H1-22).

The ***adjusted* profit before tax, Group's share**[1] increased by 34.8% YoY to €286.8m on a comparable basis (assuming 50.07% stake in H1-23 and H1-22).

Net debt and free cash flow

The **free cash flow**[6] (after tax) amounted to €409.0m (€199.2m in H1-22). The strong increase in free cash flow[6] generation versus last year of €209.8m is largely explained by the better operational performance, as well as a strong improvement in working capital and a lower cash outflow from *adjusting* items[1]. These effects were partially offset by higher cash interest paid (due to the new debt issuance and higher interest rates) and higher taxes paid.

Belron's **net financial debt**[3] reached €4,537.0m (100%) at the end of June 2023 compared to €4,020.1m at the end of December 2022. The increase of €516.9m is mainly explained by the dividend paid to Belron's shareholders (€1,091.3m, of which €572.9m to D'Ieteren Group) following April 2023 new debt issuance, partially compensated by the €409.0m free cash flow generation in H1-23.

Belron's Senior Secured Net Leverage Ratio (Senior Secured indebtedess[3]/proforma EBITDA post-IFRS 16[4] multiple) reached 3.03x at the end of June 2023 compared to 2.95x at the end of December 2022.

Sustainability

Belron reached 96% vehicle glass waste recycling, up from 89% in FY-22, driven by strong progress in the US and stable performance by nearly all businesses around the world.

Regarding its recently submitted plan to SBTi, as Belron's global fleet of c. 11,000 vehicles represents the largest part of its direct emissions (scope 1) and against its ambition to reduce its fleet emissions by at least two thirds by 2030, the company began the rollout of EVs in France where it is on track to have a 100% EV technician fleet by year end. It also introduced EVs in the US and UK as part of on-going trials.

Belron deployed a new renewable energy strategy and plan. Since the beginning of the year, 5 additional countries are now sourcing renewable electricity.

D'Ieteren Automotive

€m	H1-2022 APM (non-GAAP measures)[1] Adjusted items	H1-2022 Adjusting items	H1-2022 Total	H1-2023 APM (non-GAAP measures)[1] Adjusted items	H1-2023 Adjusting items	H1-2023 Total	% change adjusted items	% change total
New vehicles delivered (in units)	-	-	46,902	-	-	66,362	-	41.5%
External sales	1,848.7	-	1,848.7	2,731.5	-	2,731.5	47.8%	47.8%
Operating result	96.7	-7.7	89.0	146.6	-8.2	138.4	51.6%	55.5%
Net finance costs	-1.2	10.2	9.0	-6.3	-	-6.3	-	-
Result before tax (PBT)	98.7	2.5	101.2	141.5	-8.2	133.3	43.4%	31.7%
Adjusted PBT, group's share[1]	100.8	-	-	143.2	-	-	42.1%	-

Market and deliveries

The Belgian new car market significantly rebounded following a period of shortage of vehicle components production. Excluding de-registrations within 30 days[2], the number of Belgian **new car registrations** increased by 34.8% YoY in the first half of 2023 to 259,088 units. The **business segment**'s share in new car sales increased further to 66.7% of total new car registrations (including self-employed). **New energy** share in the market mix continued to increase as well from 32.4% in H1-22 to 44.1% in H1-23. D'Ieteren Automotive remains the leader in full electric vehicles in Belgium with a 27.8% market share. The first half 2023 was positively impacted by the change in fiscal regulation for hybrid vehicles as from July 1st 2023.

D'Ieteren Automotive's overall **net market share** increased by 61bps to 22.9%. This was mainly driven by VW, Cupra and Skoda.

The total number of **new vehicles**, including commercial vehicles, delivered by D'Ieteren Automotive in H1-23 reached 66,362 units (+41.5%). The order book at end-June 2023 remains high, above 90,000 vehicles.

Sales

In this context, D'Ieteren Automotive's **sales** increased by 47.8% to €2,731.5m supported mainly by volumes, as well as price / mix and other mobility services:

- New vehicles sales increased by 49.1% to €2,233.6m
- Used cars sales gained 40.1% YoY, reaching €219.9m
- Spare parts and accessories sales gained 13.0%, reaching €159.4m
- Revenues from after-sales activities amounted to €35.9m (+31.5% YoY)
- Other revenues from new or developing activities related to mobility more than tripled YoY to €82.7m.

Results

The **operating result** reached €138.4m (+55.5% YoY) and the ***adjusted* operating result**[1] (€146.6m) increased by 51.6% leading to a record margin of 5.4%. This evolution was largely driven by the sales trends.

***Adjusting* items**[1] in operating result were at -€8.2m, primarily related to the cash-settled share-based payment expense recognised as part of the Long-Term Incentive Plan (LTIP) put in place in April 2021 amounting to -€7.3m (-€7.7m in the prior period, as restated to classify the share-based payment and long-term incentive program expenses of the Group as *adjusting* items[1]) (see details in the APMs section).

The **profit before tax** reached €133.3m (+31.7%) or €141.5m (+43.4%) excluding *adjusting* items[1].

The ***adjusted* profit before tax, Group's share**[1], improved by 42.1% to €143.2m. The contribution of the equity accounted entities amounted to €2.4m (€5.1m in H1-22).

Net debt and free cash flow

The **free cash flow**[6] (after tax) equalled -€21.2m in H1-23 compared to €122.9m in H1-22. The decline YoY mainly reflects:

- a significant cash outflow from working capital, driven by a sharp increase in inventory as the deliveries from the factories accelerated, with vehicles being delivered even earlier than when customers need them, and some bottlenecks due to logistic issues, while H1-22 saw a significant inflow in working capital due to receivables and inventories at very low levels and;
- an increase in capital expenditures mainly related to Poppy's fleet;
- an increase in cash taxes due to the strong operating results; and
- an increase in acquisitions spend (mainly Jennes and several acquisitions at Lucien).

These elements were partly compensated for by a better operational performance and lower cash outflow from *adjusting* items[1].

The situation on the inventory side explained above should persist until Q1-24.

D'Ieteren Automotive's **net financial debt**[3] increased from €210.8m at the end 2022 to €310.5m at the end of June 2023. This is mainly due to the working capital impact of inventories on free cash flow. D'Ieteren Automotive's leverage ratio net debt[3] / LTM *adjusted*[1] EBITDA[4] was at 1.4x at the end of June 2023.

Sustainability

D'Ieteren Automotive has launched a strategic plan in line with its ESG ambitions, called Project ZERO. This plan, which is in line with the SBTi guidelines, aims to reduce the company's (incl. subsidiaries) CO_2 emissions (scopes 1,2,3) by 50% by 2030, in order to achieve Net Zero by 2050 at the latest. It sets out the key elements on which to build to achieve this, namely the mass electrification of vehicles sold, investment in low-carbon mobility activities and increasing the life cycle of low-polluting vehicles. Among other developments, D'Ieteren Automotive continued to invest in soft mobility with the expansion of Lucien and the purchase of 7 shops across Belgium.

PHE

NB: The figures presented below represent D'Ieteren Group's PHE segment, composed of PHE operating company and PHE's holding company.

€m	H1-2023		
	APM (non-GAAP measures)[1]		
	Adjusted items	Adjusting items	Total
External sales	*1,296.4*	*-*	1,296.4
Operating result	*123.8*	*-35.3*	88.5
Net finance costs	*-41.7*	*0.7*	-41.0
Result before tax (PBT)	*82.2*	*-34.6*	47.6
Adjusted PBT, group's share[1]	*78.0*	*-*	-

Sales

PHE's H1-23 **total sales** (at 100%), excluding Mondial Pare-Brise, were at €1,296.4m (+17.3% versus H1-22). This strong performance comprises a 12.2% organic growth and 5.1% from acquisitions.

France (65.3% of total) showed a 12.1% organic growth[4] and international activities' (34.7% of total) organic growth was 12.4%, highlighting a strong level of activity and market share gains in a context of high but gradually declining pricing impact.

Results

Operating result for H1-23 stood at €88.5m. The ***adjusted* operating result**[1] came in at €123.8m, representing a strong *adjusted* operating margin[1] of 9.5%. This performance is resulting from the positive top-line developments, profitability improvement in recently acquired entities, as well as cost containment initiatives in the context of inflationary pressure (energy, personnel).

***Adjusting* items**[1] were at -€35.3m at the operating result level (see details in the APMs section), primarily reflecting the amortisation of customer relationships recognised as intangibles (-€12.9m) following the purchase price allocation finalised by the Group and the cash-settled share-based payment expense of -€17.8m.

The **profit before tax** reached €47.6m and the ***adjusted* profit before tax, Group's share**[1] amounted to €78.0m.

Net debt and free cash flow

Free cash flow[6] for PHE segment after acquisitions and the disposal of Mondial Pare-Brise was at €17.7m, driven by strong operational results and €92.1m proceeds from the disposal of Mondial Pare-Brise partly offset by:

- a working capital outflow primarily related to PHE's decision to contain finance costs by decreasing significantly non-recourse factoring (impact on working capital of -€103.8m);
- capital expenditures of -€22.5m (1.7% of sales);
- cash interests paid of -€40.3m; and
- -€11.8m of cash taxes.

PHE's stand-alone free cash flow (as per PHE definition) was at €40.4m.

Net financial debt[3] according to D'Ieteren Group's definition amounts to €1,203.0m at the end of June 2023, compared to €1,231.8m at the end of December 2022. This decrease is mainly attributable to the proceeds from the disposal of Mondial Pare-Brise (€92.1m, net of cash disposed of) and strong operational results, partially compensated by the working capital outflow in H1-23. This definition does not include the put options granted to non-controlling shareholders holding minority interests in some of PHE's direct and indirect subsidiaries and the put options granted to minority investors (including management and several partners and independent distributors), who invested alongside D'Ieteren Group in the holding company of PHE, up to a combined ownership of c.9%. The leverage ratio net financial debt[3] /

EBITDA[4] (post-IFRS 16), according to lenders' definition, was 3.7x at the end of June 2023, down from 4.0x at the end of 2022.

Sustainability

PHE has launched the double materiality assessment with the help of an external advisor, which will enable the company to identify the key ESG focus areas to be addressed as part of its new integrated sustainability strategy.

TVH

€m	H1-2022 APM (non-GAAP measures)[1] Adjusted items	H1-2022 Adjusting items	H1-2022 Total	H1-2023 APM (non-GAAP measures)[1] Adjusted items	H1-2023 Adjusting items	H1-2023 Total	% change adjusted items	% change total
External sales	790.8	-	790.8	794.0	-	794.0	0.4%	0.4%
Operating result	143.9	-38.3	105.6	106.1	-53.3	52.8	-26.3%	-50.0%
Net finance costs	-4.9	3.9	-1.0	-13.9	-6.1	-20.0	-	-
Result before tax (PBT)	139.0	-34.4	104.6	92.2	-59.4	32.8	-33.7%	-68.6%
Adjusted PBT, group's share[1]	55.6	-	-	36.9	-	-	-33.6%	-

Sales

TVH posted **total sales** (at 100%) of €794.0m in H1-23, which represents a 0.4% YoY growth, of which 0.5% organic[4], 1.2% external and -1.3% related to a negative currency translation impact. Sales growth was largely impacted by the cyberattack, which prevented most systems from working between March 19th and April 5th. Systems became progressively operational since April 5th and were fully restored by April 17th thanks to significant efforts and energy from the teams. While activity was strong prior to the attack and is normalizing, the one-off sales loss due to the attack is estimated at c.€85m. Sales were also impacted by €10.8m of lost sales from the CIS region.

Results

Operating result (at 100%) stood at €52.8m, and ***adjusted* operating result**[1] at €106.1m (-26.3% YoY), representing an *adjusted* operating margin[1] of 13.4%, mainly reflecting the impact of the cyberattack and personnel and SG&A increases.

There were c.€20m total costs related to the IT and business transformation programme Innovatis, primarily related to various new software solutions that are being implemented. €8.0m of these costs relate to system integrators fees and were reported as *adjusting* items[1].

***Adjusting* items**[1] at the operating result level totalled -€53.3m (see details in the APMs section), primarily related to the purchase price allocation finalised in the second half of 2022. It also notably includes the -€8.0m of fees to system integrators from the Innovatis programme as stated above.

The **profit before tax** reached €32.8m in H1-23 and the ***adjusted* profit before tax, Group's share**[1] amounted to €36.9m, down by -33.6% compared to the same period last year.

Net debt and free cash flow

Free cash flow[6] generation improved compared to the same period last year, at -€18.7m versus -€43.2m. This evolution was mainly driven by a significantly lower outflow from working capital as last year's inventories were increased voluntarily to cope with supply chain issues and allow for continued strong growth. The improvement was further driven by lower spending on acquisitions and less taxes paid. These elements were offset by higher capital expenditures, namely related to growth investments such as the Innovatis programme and warehouse automation projects.

TVH **net financial debt**[3] (100%) slightly increased to €907.2m at the end of June 2023 from €900.1m at the end of 2022 (including the shareholder loans of which €40.6m inter-segment loan from D'Ieteren Group's Corporate & Unallocated segment). The leverage ratio net financial debt[3] / LTM *adjusted*[1] EBITDA[4] stands at 3.1x (excluding shareholder loan) due to the EBITDA[4] impact of the cyberattack.

Sustainability

Alongside the other workstreams in its sustainability roadmap, TVH pursued its decarbonization trajectory by increasing the production of renewable energy. New solar panels enabled the company to add 270 kW to its peak power capacity of 5500kW in H1, with the aim of adding 1500 kW by the end of the year.

With regards to people safety, a single global dashboard was set up to collect all data on occupational accidents and their impacts in all plants worldwide.

Moleskine

€m	H1-2022 APM (non-GAAP measures)[1] Adjusted items	H1-2022 Adjusting items	H1-2022 Total	H1-2023 APM (non-GAAP measures)[1] Adjusted items	H1-2023 Adjusting items	H1-2023 Total	% change adjusted items	% change total
External sales	61.2	-	61.2	57.5	-	57.5	-6.0%	-6.0%
Operating result	5.3	-1.6	3.7	6.5	-1.2	5.3	22.6%	43.2%
Net finance costs	-4.7	-	-4.7	-11.1	-	-11.1	-	-
Result before tax (PBT)	0.6	-1.6	-1.0	-4.6	-1.2	-5.8	-	-
Adjusted PBT, group's share[1]	0.6	-	-	-4.6	-	-	-	-

Sales

Moleskine's **sales** declined by -6.0% YoY in H1-23 to €57.5m. The organic[4] decline of -6.2% was slightly compensated by a 0.2% positive currency impact.

Sales evolution by region:

- **EMEA** (44% of total): posted 0.8% YoY growth, primarily due to a strong performance in retail, a positive growth in wholesale with some big orders from key accounts, offset by declines in the other channels.
- **Americas** (43% of total): declined by -12.3% YoY, still impacted in wholesale by cautious inventory management, while direct channels posted a strong YoY performance.
- **APAC** (10% of total): declined by -3.3% YoY. Retail nicely rebounded versus last year. This was offset by a negative trend in the other channels.

Results

Operating result increased from €3.7m in H1-22 to €5.3m in H1-23. *Adjusted* operating result[1] stood at €6.5m, increasing by 22.6% despite the negative sales evolution thanks to a strong focus on costs.

Adjusting items[1] at the operating result level amounted to -€1.2m in H1-23 (see more details in the APMs section).

Adjusted operating margin[1] stood at 11.3% compared to 8.7% in H1-22.

The **profit before tax** amounted to -€5.8m from -€1.0m and the ***adjusted* profit before tax, Group's share**[1] stood at -€4.6m, down from €0.6m in H1-22 as a result of higher non-cash financial charges related to the shareholder loan.

Net debt and free cash flow

Free cash flow[6] increased versus H1-22, at €5.9m (€2.9m in H1-22), reflecting primarily the improvement in working capital requirements and a better *adjusted*[1] EBITDA[4].

Moleskine's net financial debt[3] stayed broadly stable in H1-23 compared to the end of 2022, at €278.5m (of which €282.3m of inter-segment financing), as the capitalized interests related to the inter-segment financing were compensated by the positive free cash flow generation. Excluding the inter-segment loan, Moleskine is now in a net financial cash[3] position.

Sustainability

Moleskine's carbon emission reduction target - to reduce its direct emissions by 42% by 2030 - was approved by the Science Based Target initiative.

Corporate and unallocated

€m	H1-2022 APM (non-GAAP measures)[1] Adjusted items	H1-2022 Adjusting items	H1-2022 Total	H1-2023 APM (non-GAAP measures)[1] Adjusted items	H1-2023 Adjusting items	H1-2023 Total	% change adjusted items	% change total
Operating result	-1.2	-3.3	-4.5	-5.1	-3.0	-8.1	-	-
Net finance costs	6.2	-	6.2	13.7	-	13.7	121.0%	121.0%
Result before tax (PBT)	5.0	-3.3	1.7	8.6	-3.0	5.6	72.0%	229.4%
Adjusted PBT, group's share[1]	5.0	-	-	8.6	-	-	72.0%	-

Results

The segment "Corporate and Unallocated" mainly includes the Corporate and Real Estate activities (D'Ieteren Immo S.A.). The ***adjusted* operating result**[1] declined to -€5.1m versus -€1.2m in H1-22. This is primarily due to higher expert fees (the expert fees related to PHE's acquisition were reported as *adjusting* items[1] in H1-22). The H1-23 reported operating result includes -€3.0m of *adjusting* items[1] relating to the equity-settled share based payment scheme (-€1.9m in the prior period, as restated to classify the share based payment and long-term incentive programme expenses of the Group as *adjusting* items[1] - see details in the APMs section).

Net finance income evolution was mainly due to inter-segment financing interests.

***Adjusted* profit before tax, Group's share**[1] reached €8.6m (€5.0m in H1-22) thanks to the improvement in financial income.

Net cash

The **net cash**[3] position of "Corporate & Unallocated", which includes Corporate, increased to €934.9m at the end of June 2023 (€612.0m excluding inter-segment loans) compared to €634.9m at the end of December 2022 (€322.0m excluding inter-segment loans), primarily resulting from the dividend received from the Belron segment (€572.9m), partially compensated by the dividend paid out to the shareholders of D'Ieteren Group in June 2023 (-€160.7m), the acquisition of treasury shares (-€58.6m) and the acquisition in May 2023 of additional Belron's shares (-€50.0m, previously held by the Employee Benefits Trust).

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. Refer to the APMs section 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. Refer to the APMs section.

[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 – net interest paid – acquisitions + disposals – employee share plans – cash-flow from adjusting items +/- other cash items]

[7] D'Ieteren Group measures three non-financial dimensions throughout its businesses, namely customer satisfaction, employee engagement and CO_2 emissions.

Auditor's Report

"KPMG Réviseurs d'Entreprises represented by Axel Jorion has reviewed the condensed consolidated interim financial statements of D'Ieteren Group SA/NV as of and for the six-month period ended June 30, 2023. 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 7, 2023 is attached to the interim financial information."

Forward looking statements

This document contains forward-looking information that involves risks and uncertainties, including statements about D'Ieteren Group's plans, objectives, expectations and intentions. Readers are cautioned that forward-looking statements include known and unknown risks and are subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond the control of D'Ieteren Group. Should one or more of these risks, uncertainties or contingencies materialise, or should any underlying assumptions prove incorrect, actual results could vary materially from those anticipated, expected, estimated or projected. As a result, D'Ieteren Group does not assume any responsibility for the accuracy of these forward-looking statements.

Conference Call

D'Ieteren Group's management will organise a conference call for analysts and investors starting today at 6:30pm CET.

To connect to the webcast: use the following link.
To participate in the conference call:

1) Pre-register yourself for this call using the following link.
2) After registration, you will obtain your personal audio conference call details (number and PIN code).

End of press release

D'Ieteren Group profile

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** (50.3%) 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 €5,574m and €1,017m in FY-22.
- **D'Ieteren Automotive** (100%) distributes Volkswagen, Audi, SEAT, Škoda, Bentley, Lamborghini, Bugatti, Cupra, Rimac and Porsche and Microlino vehicles in Belgium. It has a market share of 22.5% 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 €3,610m and €139m in FY-22.
- **PHE** (c.91%) 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 €2,260m and *adjusted* operating result of €178m in FY-22.
- **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". It generated sales of €1,622m and an adjusted operating profit of €258m in FY-22.
- **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 €143m and €21m in FY-22.
- **D'Ieteren Immo** (100%) groups together the Belgian real estate interests of D'Ieteren Group. It owns and manages 35 sites which generated €22.3m net rental income in FY-22. 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)

30 June 2023	Edouard Janssen appointed Group Chief Financial Officer of D'Ieteren Group
5 June 2023	Voting rights and denominator
25 May 2023	Q1-23 Trading update
25 April 2023	Publication of the Annual Report 2022
7 April 2023	Belron successfully allocated its new term loan

Next events

5 March 2024	2023 Full-Year Results
30 May 2024	General Assembly

Contact

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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) Share-based payment and long-term incentive program expenses;

(f) 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	2023			2022(1)		
	Total	*Of which*		Total	*Of which*	
		Adjusted result	*Adjusting items*		*Adjusted result*	*Adjusting items*
Revenue	**4,085.4**	*4,085.4*	-	**1,909.9**	*1,909.9*	-
Cost of sales	-3,157.2	*-3,157.2*	-	-1,613.4	*-1,613.4*	-
Gross margin	**928.2**	*928.2*	-	**296.5**	*296.5*	-
Commercial and administrative expenses	-715.5	*-668.0*	*-47.5*	-216.2	*-200.9*	*-15.3*
Other operating income	28.2	*28.2*	-	10.2	*7.5*	*2.7*
Other operating expenses	-16.8	*-16.6*	*-0.2*	-2.3	*-2.3*	-
Operating result	**224.1**	*271.8*	*-47.7*	**88.2**	*100.8*	*-12.6*
Net finance costs	-44.7	*-45.4*	*0.7*	10.5	*0.3*	*10.2*
Finance income	6.8	*5.6*	*1.2*	13.6	*3.4*	*10.2*
Finance costs	-51.5	*-51.0*	*-0.5*	-3.1	*-3.1*	-
Share of result of equity-accounted investees, net of income tax	172.2	*223.5*	*-51.3*	106.4	*199.5*	*-93.1*
Result before tax	**351.6**	*449.9*	*-98.3*	**205.1**	*300.6*	*-95.5*
Income tax expense	-63.4	*-66.2*	*2.8*	-25.0	*-27.3*	*2.3*
Result from continuing operations	**288.2**	*383.7*	*-95.5*	**180.1**	*273.3*	*-93.2*
Discontinued operations	-	-	-	-	-	-
RESULT FOR THE PERIOD	**288.2**	*383.7*	*-95.5*	**180.1**	*273.3*	*-93.2*
Result attributable to:						
Equity holders of the Company	**285.9**	*381.4*	*-95.5*	**180.3**	*273.5*	*-93.2*
Non-controlling interests	2.3	*2.3*	-	-0.2	*-0.2*	-
Earnings per share						
Basic (€)	5.33	*7.11*	*-1.78*	3.34	*5.06*	*-1.72*
Diluted (€)	5.29	*7.05*	*-1.76*	3.30	*5.01*	*-1.71*
Earnings per share - Continuing operations						
Basic (€)	5.33	*7.11*	*-1.78*	3.34	*5.06*	*-1.72*
Diluted (€)	5.29	*7.05*	*-1.76*	3.30	*5.01*	*-1.71*

(1) As restated – Refer to note 1 of the 2023 condensed consolidated financial statements 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, TVH and PHE (as from 4th August 2022 – including the holding company of the PHE Group). 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 remain separate reportable operating segments, reflecting the Group's internal reporting structure.

€m	2023							
	D'Ieteren Automotive	Belron (100%)	Moleskine	TVH (100%)	PHE	Corp. & unallocated	Eliminations	Group
External revenue	2,731.5	3,074.3	57.5	794.0	1,296.4	-	-3,868.3	4,085.4
Inter-segment revenue	-	-	-	-	-	-	-	-
Segment revenue	**2,731.5**	**3,074.3**	**57.5**	**794.0**	**1,296.4**	**-**	**-3,868.3**	**4,085.4**
Operating result (being segment result)	**138.4**	**590.9**	**5.3**	**52.8**	**88.5**	**-8.1**	**-643.7**	**224.1**
Of which Adjusted result	*146.6*	*673.3*	*6.5*	*106.1*	*123.8*	*-5.1*	*-779.4*	*271.8*
Adjusting items	*-8.2*	*-82.4*	*-1.2*	*-53.3*	*-35.3*	*-3.0*	*135.7*	*-47.7*
Net finance costs	-6.3	-103.0	-11.1	-20.0	-41.0	13.7	123.0	-44.7
Finance income	0.6	9.6	0.1	4.6	1.9	3.1	-13.1	6.8
Finance costs	-6.9	-112.6	-1.2	-23.5	-42.9	-0.5	136.1	-51.5
Inter-segment financing interest	-	-	-10.0	-1.1	-	11.1	-	-
Share of result of equity-accounted investees, net of income tax	1.2	0.3	-	-	0.1	-	170.6	172.2
Result before tax	**133.3**	**488.2**	**-5.8**	**32.8**	**47.6**	**5.6**	**-350.1**	**351.6**
Of which Adjusted result	*141.5*	*572.8*	*-4.6*	*92.2*	*82.2*	*8.6*	*-442.8*	*449.9*
Adjusting items	*-8.2*	*-84.6*	*-1.2*	*-59.4*	*-34.6*	*-3.0*	*92.7*	*-98.3*
Income tax expense	-41.0	-163.9	-0.2	-11.5	-19.3	-2.9	175.4	-63.4
Result from continuing operations	**92.3**	**324.3**	**-6.0**	**21.3**	**28.3**	**2.7**	**-174.7**	**288.2**
Of which Adjusted result	*101.8*	*387.8*	*-4.8*	*70.0*	*58.9*	*5.6*	*-235.6*	*383.7*
Adjusting items	*-9.5*	*-63.5*	*-1.2*	*-48.7*	*-30.6*	*-2.9*	*60.9*	*-95.5*
Discontinued operations	-	-	-	-	-	-	-	-
RESULT FOR THE PERIOD	92.3	324.3	-6.0	21.3	28.3	2.7	-174.7	288.2

Attributable to:	D'Ieteren Automotive	Belron(*)	Moleskine	TVH(*)	PHE	Corp. & unallocated	Group
Equity holders of the Company(*)	**92.8**	**162.4**	**-6.0**	**8.5**	**25.5**	**2.7**	**285.9**
Of which Adjusted result	*102.3*	*194.2*	*-4.8*	*28.0*	*56.1*	*5.6*	*381.4*
Adjusting items	*-9.5*	*-31.8*	*-1.2*	*-19.5*	*-30.6*	*-2.9*	*-95.5*
Non-controlling interests	-0.5	-	-	-	2.8	-	2.3
RESULT FOR THE PERIOD	92.3	162.4	-6.0	8.5	28.3	2.7	288.2

(*) Belron at 50.07% (weighted average economic percentage for the period) and TVH at 40.00% – see note 10 of the 2023 condensed consolidated financial statements.

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

€m	2022[1]						
	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**	**105.6**	**-4.5**	**-548.9**	**88.2**
Of which Adjusted result	*96.7*	*495.9*	*5.3*	*143.9*	*-1.2*	*-639.8*	*100.8*
Adjusting items	*-7.7*	*-52.6*	*-1.6*	*-38.3*	*-3.3*	*90.9*	*-12.6*
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, net of income tax	3.2	0.2	-	-	-	103.0	106.4
Result before tax	**101.2**	**247.0**	**-1.0**	**104.6**	**1.7**	**-248.4**	**205.1**
Of which Adjusted result	*98.7*	*425.1*	*0.6*	*139.0*	*5.0*	*-367.8*	*300.6*
Adjusting items	*2.5*	*-178.1*	*-1.6*	*-34.4*	*-3.3*	*119.4*	*-95.5*
Income tax expense	-23.7	-104.2	-	-25.2	-1.3	129.4	-25.0
Result from continuing operations	**77.5**	**142.8**	**-1.0**	**79.4**	**0.4**	**-119.0**	**180.1**
Of which Adjusted result	*73.1*	*308.9*	*0.6*	*104.4*	*3.3*	*-217.0*	*273.3*
Adjusting items	*4.4*	*-166.1*	*-1.6*	*-25.0*	*-2.9*	*98.0*	*-93.2*
Discontinued operations	-	-	-	-	-	-	-
RESULT FOR THE PERIOD	77.5	142.8	-1.0	79.4	0.4	-119.0	180.1

Attributable to:	D'Ieteren Automotive	Belron(*)	Moleskine	TVH(*)	Corp. & unallocated	Group
Equity holders of the Company(*)	**77.7**	**71.4**	**-1.0**	**31.8**	**0.4**	**180.3**
Of which Adjusted result	*73.3*	*154.5*	*0.6*	*41.8*	*3.3*	*273.5*
Adjusting items	*4.4*	*-83.1*	*-1.6*	*-10.0*	*-2.9*	*-93.2*
Non-controlling interests	-0.2	-	-	-	-	-0.2
RESULT FOR THE PERIOD	77.5	71.4	-1.0	31.8	0.4	180.1

(1) As restated – Refer to note 1 of the 2023 condensed consolidated financial statements for more information on the restatement of comparative information.

(*) Belron at 50.01% and TVH at 40% – see note 10 of the 2023 condensed consolidated financial statements.

In both periods, the columns "Eliminations" reconcile 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, net of income tax", representing the share of the Group in the 6-month net results of Belron and TVH).

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

€m	2023						
	D'Ieteren Automotive	Belron (100%)	Moleskine	TVH (100%)	PHE	Corp. & unallocated	Total (segment)*
Adjusting items							
Included in operating result	-8.2	-82.4	-1.2	-53.3	-35.3	-3.0	-183.4
Re-measurements of financial instruments	*-*	*0.1 (d)*	*-*	*-*	*-*	*-*	*0.1*
Amortisation of customer contracts	*-*	*-18.0 (e)*	*-*	*-22.3 (k)*	*-14.1 (o)*	*-*	*-54.4*
Amortisation of brands with finite useful life	*-*	*-1.6 (f)*	*-*	*-*	*-*	*-*	*-1.6*
Amortisation of other intangibles with finite useful life	*-*	*-*	*-*	*-15.3 (k)*	*-*	*-*	*-15.3*
Share-based payment and long-term incentive program expenses	*-7.3 (a)*	*-18.6 (g)*	*-1.2 (j)*	*-1.8 (l)*	*-17.8 (p)*	*-3.0 (s)*	*-49.7*
Other adjusting items	*-0.9 (b)*	*-44.3 (h)*	*-*	*-13.9 (m)*	*-3.4 (q)*	*-*	*-62.5*
Included in net finance costs	-	-2.2	-	-6.1	0.7	-	-7.6
Re-measurements of financial instruments	*-*	*-*	*-*	*0.1 (n)*	*1.2 (r)*	*-*	*1.3*
Other adjusting items	*-*	*-2.2 (i)*	*-*	*-6.2 (m)*	*-0.5*	*-*	*-8.9*
Included in equity accounted result	-	-	-	-	-	-	-
Included in segment result before taxes (PBT)	-8.2	-84.6	-1.2	-59.4	-34.6	-3.0	-191.0

* 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	2022(1)					
	D'Ieteren Automotive	Belron (100%)	Moleskine	TVH (100%)	Corp. & unallocated	Total (segment)*
Adjusting items						
Included in operating result	-7.7	-52.6	-1.6	*-38.3*	-3.3	-103.5
Re-measurements of financial instruments	*-*	*2.7 (d)*	*-*	*-*	*-*	*2.7*
Amortisation of customer contracts	*-*	*-15.5 (e)*	*-*	*-22.3 (k)*	*-*	*-37.8*
Amortisation of brands with finite useful life	*-*	*-1.8 (f)*	*-*	*-*	*-*	*-1.8*
Amortisation of other intangibles with finite useful life	*-*	*-*	*-*	*-15.3 (k)*	*-*	*-15.3*
Share-based payment and long-term incentive program expenses	*-7.7 (a)*	*-19.3 (g)*	*-1.6 (j)*	*-0.7 (l)*	*-1.9 (s)*	*-31.2*
Other adjusting items	*-*	*-18.7 (h)*	*-*	*-*	*-1.4 (t)*	*-20.1*
Included in net finance costs	10.2	-125.5	-	*3.9*	-	-111.4
Re-measurements of financial instruments	*-*	*-*	*-*	*3.9 (n)*	*-*	*3.9*
Foreign exchange losses on net debt	*-*	*-127.3 (i)*	*-*	*-*	*-*	*-127.3*
Other adjusting items	*10.2 (c)*	*1.8 (i)*	*-*	*-*	*-*	*12.0*
Included in equity accounted result	-	-	-	-	-	-
Included in segment result before taxes (PBT)	2.5	-178.1	-1.6	*-34.4*	-3.3	-214.9

(1) As restated to present the share-based payment and long-term incentive program expenses as *adjusting* items.

* 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.

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

D'Ieteren Automotive

(a) The cash-settled share-based payment expense recognised as part of the Long-Term Incentive Plan (LTIP) put in place in April 2021 amounts to -€7.3m (-€7.7m in the prior period, as restated to classify the share-based payment and long-term incentive program expenses of the Group as *adjusting* items).

(b) In the period, other *adjusting* items in operating result mainly include fees from system integrators in relation to the finance transformation program initiated in 2023.

(c) In the prior period, other *adjusting* items included in net finance costs related 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 represented 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

(d) Fair value of fuel hedge instruments (used by Belron USA to hedge its fuel exposure) amounts to €0.1m (€2.7m in the prior period) and arises from changes in the "clean" fair value of derivatives. Change in "clean" fair value of derivatives corresponds to the change of "dirty" fair value (i.e. the change of value between the opening and the end of the period) excluding the accrued cash flows of the derivatives that occurred during the period.

(e) In the framework of the recent acquisitions (mainly in the United States), certain customer contracts were recognised as intangible assets with a finite useful life. The amortisation amounts to -€18.0m in the current period and -€15.5m in the prior period.

(f) The amortisation of brands with finite useful lives (certain brands are no longer considered to be intangibles with indefinite useful lives since there is now a limit to the period over which these assets are expected to generate cash inflows) amounts to -€1.6m (-€1.8m in the prior period).

(g) In the current period, employee costs of -€18.6m are recognised in relation to the restricted share units ('RSUs') awarded by the Board of Directors of Belron in December 2021 to employees, of which -€16.0m of share-based payment charge and -€2.6m of associated payroll taxes (-€19.3m in the prior period, of which -€20.2m of share-based payment charge and -€2.8m of associated payroll taxes).

(h) In the current period, other *adjusting* items of -€44.3m mainly include -€28.8m of fees from system integrators in relation to the business transformation program, -€3.2m of acquisitions related costs and -€7.9m one-off costs incurred following the alignment to the new inventory provisioning policy adopted by Belron.
In the prior period, other *adjusting* items of -€18.7m notably included -€20.2m of fees from system integrators in relation to the business transformation program.

(i) In the current period, other *adjusting* items in net finance costs relates to the additional financing operated in April 2023 (total amount of $870m – or €800m equivalent – with a maturity of 6 years).
In the prior period, foreign exchange losses on net debt and other *adjusting* items in net finance costs related to the refinancing operated in April 2021. It included -€127.3m of non-cash foreign exchange losses arising upon the translation of the USD Term Loan at the closing rate (the foreign exchange movements on these borrowings did not qualify for quasi-equity accounting) and €1.8m of fair value gain on the ineffective portion of interest rate swaps.

Moleskine

(j) In the period, the provision for the Long-Term Incentive Program (LTIP) amounts to -€1.2m (-€1.6m in the prior period, as restated to classify the share-based payment and long-term incentive program expenses of the Group as *adjusting* items).

TVH

(k) The amortisation of customer contracts and other intangible assets with finite useful lives recognised as part of the purchase price allocation finalised by the Group in the second half of 2022 amounts to -€22.3m and -€15.3m, respectively (-€22.3m and -€15.3m in the prior period, restated – refer to note 1 of the 2023 condensed consolidated financial statements for more information on the restatement of comparative information).

(l) The provision for the Long-Term Incentive Program (LTIP) amounts to -€1.8m (-€0.7m in the prior period, as restated to classify the share-based payment and long-term incentive program expenses of the Group as *adjusting* items).

(m) In the current period, other *adjusting* items include -€8.0m of fees from system integrators in relation to the IT and business transformation programme and -€12.1m (-€5.9m in operating result and -€6.2m in finance costs) related to the full impairment (total impairment charge of -€12.8m, of which -€0.7m in tax expense) of the net assets of TVH Russia, classified as held for sale since 30 June 2022.

(n) The re-measurement of financial instruments of €0.1m (€3.9m in the prior period) relates to the change in fair value of interest rates swaps.

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

PHE

(o) In the current period, following the purchase price allocation finalised by the Group (see note 13 of the 2023 condensed consolidated financial statements) customer relationships have been recognised as intangible assets with finite useful lives. The amortisation amounts to -€12.9m. The remaining -€1.2m relates to the amortisation of customer contracts identified as intangible assets with finite useful lives following the acquisitions performed by PHE since the closing of the acquisition by the Group on the 4th of August 2022.

(p) In the current period, the cash-settled share-based payment expense of -€17.8m represents the portion of the fair value of the free shares granted to PHE's key management personnel as part of the Management Reward Plan, which is spread over their vesting period (see note 7 of the 2023 condensed consolidated financial statements for more information).

(q) Other *adjusting* items in operating result mainly includes costs related to acquisitions and to the restructurings and transformation programme.

(r) The re-measurement of financial instruments of €1.2m relates to the change in fair value of interest rates swaps and caps.

Corporate & unallocated

(s) In the period, the charge of -€3.0m mainly relates to the equity-settled share-based payment scheme, whereby share options are granted to officers and managers of the Corporate & unallocated segment (€-1.9m in the prior period, as restated to classify the share-based payment and long-term incentive program expenses of the Group as *adjusting* items).

(t) In the prior period, other *adjusting* items in operating result included €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).

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

€m	2023							2022[1]					
	D'Ieteren Automotive	Belron (50.07%)	Moleskine	TVH (40%)	PHE	Corp. & unallocated	Total (segment)	D'Ieteren Automotive	Belron (50.01%)	Moleskine	TVH (40%)	Corp. & unallocated	Total (segment)
Segment reported PBT	**133.3**	**488.2**	**-5.8**	**32.8**	**47.6**	**5.6**	**701.7**	**101.2**	**247.0**	**-1.0**	**104.6**	**1.7**	**453.5**
Less: adjusting items in PBT	8.2	84.6	1.2	59.4	34.6	3.0	191.0	-2.5	178.1	1.6	34.4	3.3	214.9
Segment adjusted PBT	**141.5**	**572.8**	**-4.6**	**92.2**	**82.2**	**8.6**	**892.7**	**98.7**	**425.1**	**0.6**	**139.0**	**5.0**	**668.4**
Share of the Group in tax on adjusted results of equity-accounted investees	1.2	-	-	-	-	-	1.2	1.9	-	-	-	-	1.9
Share of third parties in adjusted PBT	0.5	-286.0	-	-55.3	-4.2	-	-345.0	0.2	-212.5	-	-83.4	-	-295.7
Segment adjusted PBT, Group's share	**143.2**	**286.8**	**-4.6**	**36.9**	**78.0**	**8.6**	**548.9**	**100.8**	**212.6**	**0.6**	**55.6**	**5.0**	**374.6**

(1) As restated – Refer to note 1 of the 2023 condensed consolidated financial statements 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 50.07% (50.01% in the prior period). See note 10 of the 2023 condensed consolidated financial statements.

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

€m	2023							2022[1]					
	D'Ieteren Automotive	Belron (50.07%)	Moleskine	TVH (40%)	PHE	Corp. & unallocated	Total (segment)	D'Ieteren Automotive	Belron (50.07%)	Moleskine	TVH (40%)	Corp. & unallocated	Total (segment)
Segment adjusted PBT, Group's share	143.2	286.8	-4.6	36.9	78.0	8.6	548.9	100.8	212.6	0.6	55.6	5.0	374.6
Adjustment of the share of the Group (comparable basis with 2023)	-	-	-	-	-	-	-	-	0.2	-	-	-	0.2
Adjusted PBT, Group's share (key performance indicator)	143.2	286.8	-4.6	36.9	78.0	8.6	548.9	100.8	212.8	0.6	55.6	5.0	374.8

(1) As restated – Refer to note 1 of the 2023 condensed consolidated financial statements for more information on the restatement of comparative information.

The column Belron has also been restated based on the weighted average economic percentage used for computing the segment *adjusted* PBT in 2023 (weighted average percentage of 50.07% in 2023 and 50.01% in 2022) 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 2023						30 June 2022				
	D'Ieteren Automotive	Belron (100%)	Moleskine	TVH (100%)	PHE	Corp. & unallocated	D'Ieteren Automotive	Belron (100%)	Moleskine	TVH (100%)	Corp. & unallocated
Non-current loans and borrowings	128.9	4,706.8	9.1	560.8	1,117.7	4.7	118.5	4,059.3	12.4	722.1	4.9
Current loans and borrowings	240.5	213.6	4.6	431.6	162.4	0.7	37.0	197.5	26.8	260.1	0.6
Inter-segment financing	-	-	282.3	40.6	-	-322.9	-	-	269.5	40.6	-310.1
Adjustment for hedged borrowings	-	-12.5	-	-	-	-	-	-27.8	-	-	-
Gross debt	**369.4**	**4,907.9**	**296.0**	**1,033.0**	**1,280.1**	**-317.5**	**155.5**	**4,229.0**	**308.7**	**1,022.8**	**-304.6**
Less: cash and cash equivalents	-55.3	-370.9	-17.5	-125.5	-77.1	-262.2	-164.5	-428.7	-20.1	-140.0	-98.2
Less: current financial investments	-	-	-	-0.3	-	-350.9	-	-	-	-	-593.2
Less: other non-current receivables	-3.6	-	-	-	-	-4.3	-3.7	-	-	-	-2.8
Less: other current receivables	-	-	-	-	-	-	-	-	-	-	-2.2
Total net debt	**310.5**	**4,537.0**	**278.5**	**907.2**	**1,203.0**	**-934.9**	**-12.7**	**3,800.3**	**288.6**	**882.8**	**-1,001.0**

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 €12.8m compared to 30 June 2022, representing €5.4m of capitalized interests recognised in profit or loss in H2 2022, €10.0m of capitalized interests recognised in profit or loss in H1 2023 and -€2.6m of cash interest payments in H2 2022), and to the TVH segment (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 decreased from a net cash surplus of €12.7m at the end of June 2022 to a net debt of €210.8m at the end of December 2022 and a net debt of €310.5m at the end of June 2023. The increase in the net debt compared to December 2022 is mainly the result of a -€21m free cash flow, -€43m of additions to lease liabilities and -€40m of gross financial debt acquired from business combinations. The free cash-flow consumption is mainly explained by a cash outflow from change in net working capital (-€95m), net capital expenditure (-€37m), tax paid (-€18m), and acquisition of subsidiaries (-€24m, net of cash acquired), despite a strong *adjusted* EBITDA of €166m (an increase of +€56m compared to H1 2022).

Belron's net financial debt reached €4,537.0m at the end of June 2023. This compares with €3,800.3m at the end of June 2022 and €4,020.1m at the end of December 2022. The increase of €516.9m compared to December 2022 is mainly explained by the dividend paid to Belron's shareholders (€1,091.3m, of which €572.9m to D'Ieteren Group) following the additional financing operated in April 2023 (total amount of $870m – or €800m equivalent – with a maturity of 6 years), partially compensated by a €409m free cash flow generation in H1 2023 (strong *adjusted* EBITDA of €803m, partially compensated by -€46m of net Capex, -€89m of tax, -€98m of interests paid, -€93m of lease repayments, -€34m of cash outflow from *adjusting* items and -€24m acquisition of subsidiaries), the proceeds from the disposal of own shares to existing shareholders (€150.0m, of which €50.0m to D'Ieteren Group), the repurchase of shares to MRP participants (-€23m) and favourable foreign exchange impact on cash and external debt of €46m.

Moleskine's net debt reached €278.5m (of which €282.3m of inter-segment financing) at the end of June 2023, compared to €288.6m at the end of June 2022 and €275.7m (of which €272.3m of inter-segment financing) at the end of December 2022. The slight increase compared to December 2022 is explained by the capitalized interests related to the inter-segment financing partially compensated by the positive free cash flow generation during the semester. The external bank loan (€15m as of 31 December 2022) has been fully reimbursed during the first semester of 2023.

Net debt (continued)

The net debt of TVH amounts to €907.2m at the end of June 2023 (of which €40.6m of inter-segment financing), compared to €882.8m at the end of June 2022 and €900.1m at the end of December 2022. The slight increase compared to the 31 December 2022 is mainly explained by the -€19m free cash-flow consumption during the first semester, despite an *adjusted* EBITDA of €125m, compensated by adverse change in net working capital (-€50m), Capex (-€48m), tax (-€27m), cash outflow from *adjusting* items (-€7m) and interests paid (-€11m).

PHE's net financial debt amounts to €1,203.0m at the end of June 2023, compared to €1,231.8m at the end of December 2022. This decrease is mainly due to the proceeds from the disposal of Mondial Pare-Brise (€92m, net of cash disposed of), and the strong *adjusted* EBITDA of €168m, compensated by change in working capital (-€126m), Capex (-€23m), lease repayments (-€24m), tax (-€12m) and interests paid (-€40m). The adverse movement in net working capital is mainly explained by the decision of PHE to decrease significantly non-recourse factoring by using cash received from the disposal of Mondial Pare-Brise (and therefore to reduce associated finance costs).
PHE's net financial debt excludes the put options granted to non-controlling shareholders holding minority interests in some of PHE's direct and indirect subsidiaries (valued at €108.9m at 30 June 2023) and the put options granted to minority investors (including management and several partners and independent distributors), who invested alongside D'Ieteren Group in the holding company of PHE, up to a combined ownership of c.9% (valued at €160.5m at 30 June 2023, increased by €23.1m compared to 31 December 2022, of which €17.8m related to the vesting and change in fair value of the free shares granted to PHE's key management personnel as part of the Management Reward Plan, recognised in profit or loss as *adjusting* items). It also excludes the deferred considerations on acquisitions of €34.9m (presented in the lines "other payables" and "trade and other payables" in the consolidated statement of financial position).

The net cash position (including inter-segment financing loans) of the Corporate & unallocated segment decreased from €1,001.0m at the end of June 2022 to €634.9m at the end of December 2022 and stood at €934.9m at the end of June 2023. The increase in the net financial position compared to 31 December 2022 is primarily the result of the dividend received from the Belron segment (€572.9m), partially compensated by the dividend paid out to the shareholders of D'Ieteren Group in June 2023 (-€160.7m), the acquisition of treasury shares (-€58.6m) and the acquisition in May 2023 of additional Belron's shares (-€50.0m, previously held the Employee Benefit Trust). The additional shares acquired increased the fully diluted percentage of the Group in Belron from 50.01% to 50.30%, leading to a weighted average economic percentage of 50.07% in H1 2023 (see note 10 of the 2023 condensed consolidated financial statements for more information).