D'IeterenGroup

PRESS RELEASE:
FAMILY SHAREHOLDING REORGANISATION / EXTRAORDINARY DIVIDEND DISTRIBUTION FOR D'IETEREN GROUP SHAREHOLDERS

REGULATED INFORMATION
INSIDE INFORMATION

Monday 9 September 2024 – 6:00pm CET

Family shareholding reorganisation for long-term stability Extraordinary dividend for D'Ieteren Group shareholders

- **Nayarit plans to acquire 16.7% of D'Ieteren Group's capital[1] from SPDG group at a price equivalent to €223.75 per ordinary share[2], thereby increasing its shareholding to 50.1%[3], and SPDG group aims to gradually dispose of its remaining 10.6% stake in D'Ieteren Group[4] over the next 5 years**
- **D'Ieteren Group plans to distribute an extraordinary dividend of €74 per share**
- **D'Ieteren Group intends to raise new debt facility of €1bn at D'Ieteren Group level**
- **Belron plans, subject to market conditions, to refinance existing debt and raise c.€3.8bn of additional institutional debt, which would enable funding an extraordinary dividend for Belron's shareholders**
- **Target completion in the fourth quarter of 2024**

The family shareholders of D'Ieteren Group have reached an agreement to reorganise their respective shareholdings, cementing the long-term stability of the Group's family shareholding.

The envisaged reorganisation to concentrate family ownership in one single family branch represents a once-in-a-generation moment for D'Ieteren Group, optimally positioning it for the next decades while also sharing a considerable part of the value created through an extraordinary dividend to all shareholders. With the contemplated move, D'Ieteren Group confirms the continuation of its strategy and its ambition to create value for all its stakeholders.

Under the terms of the agreement, Nayarit plans to acquire 16.7% of D'Ieteren Group's capital[2] from SPDG group, including all profit shares held by SPDG group, at a price equivalent of €223.75 per ordinary share cum dividend. SPDG group has undertaken a best-efforts commitment to dispose of its remaining 10.6% stake in D'Ieteren Group in an orderly manner over the next five years, market conditions permitting. SPDG group will also continue to support the Company with one Board position so long as its stake exceeds 5%.

This shareholder transaction, which is subject to the D'Ieteren Group and Belron Group financings, is expected to be accompanied by an exceptional return to shareholders in the form of a dividend to be paid by D'Ieteren Group, totalling c.€4bn or €74 per ordinary share, rewarding all D'Ieteren Group shareholders for their continued support after significant value creation over the past years.

D'Ieteren Group will use c.€850m of existing liquidity to fund the extraordinary dividend. Alongside the operation, it intends to raise a new debt facility of €1bn[6], which is structured as underwritten bank loans, half through a 5-year maturity and half through a shorter-term loan. The latter is intended to be repaid within two years thanks to the cash upstream from D'Ieteren Group's businesses.

Concurrently, Belron intends to refinance its existing €4.3bn loans and to raise additional financing for c.€3.8bn on a best-efforts basis. Combined with available liquidity, this additional debt would allow the funding of a c.€4.3bn dividend distribution from Belron to its shareholders, of which c.€2.2bn would be distributed to D'Ieteren Group. Following this, Belron's net debt is expected to represent c.€8.9bn, or 5.5x *adjusted* EBITDA[5] of the last 12 months as of June 2024. Given Belron's proven track record of strong cash generation, this ratio is expected to rapidly decrease over the next few years.

Going forward, D'Ieteren Group will continue to fully support the development of all its businesses and expects to gradually step up its strategic investment capacity again. Post-transaction, all of D'Ieteren Group's businesses will stand focused on their respective strategies consisting of organic growth, bolt-on acquisitions, execution of transformation programs and continued operational improvement.

Nicolas D'Ieteren, Chairman of D'Ieteren Group, commented: "*We are all delighted to carry out this transaction, which marks a new chapter in D'Ieteren Group's 220-year history and perpetuates the company's family anchoring. I believe more than ever in our recent strategic choices, which have led to a significant increase in D'Ieteren Group's value over* *the past few years, highlighting our recent successes. This orderly realignment will confirm continued efficient decision-making and execution of D'Ieteren Group's strategy, allowing us to capture the opportunities ahead and enhance long-term value creation for all stakeholders."*

Olivier Périer, Vice-Chairman of D'Ieteren Group and Chairman of its Strategic Committee stated: "*The Périer-D'Ieteren family is proud of its strategic contribution to the development of D'Ieteren Group as an active shareholder over generations. D'Ieteren Group is today on a strong growth path, as a family of businesses, and our branch has decided that now is the right moment to seek its own investments in different sectors. We are truly grateful and want to pay a tribute to all the operational teams who are part of this outstanding entrepreneurial journey.*"

Francis Deprez, CEO of D'Ieteren Group, added: "*The agreement between the family shareholders concentrates and anchors the long-term family foundation of the Group, including for the transition towards the future generations. This gives us stability for the decades to come. The proposed exceptional dividend would allow all shareholders to benefit from the value creation of the recent years. We will continue to build on our successes, actively supporting each of our businesses in their growth and development, strengthening our family of businesses going forward and creating value for all stakeholders.*"

In accordance with legal provisions, D'Ieteren Group has appointed an ad hoc committee of independent Directors. With the assistance of independent legal and financial experts, the Committee has advised D'Ieteren Group's Board of Directors on certain aspects of the operation, which can be considered a related party transaction. Based on this thorough analysis, the Board of Directors fully supports the envisaged transaction. The announcement in accordance with article 7:97, §4 of the Belgian Code for Companies and Associations is attached to this press release.

The transaction is expected to be completed in the fourth quarter of 2024, subject to regulatory approvals, financing, and a special General Meeting of D'Ieteren Group's shareholders, which will notably vote on the extraordinary dividend distribution. Any dividend to be distributed by the Group companies remains subject to financing and to relevant corporate governance measures and distributable reserve requirements.

Final details about the transaction, including an estimate of the impact on the companies' interest charges for the 2024 outlook, will be provided once the respective financings have been completed.

Conference Call

D'Ieteren Group's management will organise a conference call for analysts and investors starting today at 7:00pm CET.

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

- Pre-register yourself for this call using the following link.
- 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 (the Group) is an investment company seeking growth and value creation by building a family of businesses that reinvent their industries and search for excellence and meaningful impact. It currently owns the following businesses:

- **Belron** (50.30% in fully diluted economic rights): worldwide leader in vehicle glass repair, replacement and recalibration.
- **D'Ieteren Automotive** (100% owned): distributor of Volkswagen, Audi, SEAT, Škoda, Bentley, Lamborghini, Bugatti, Cupra, Rimac, Microlino, Maserati and Porsche vehicles in Belgium and expanding into other mobility services.
- **PHE** (100% in economic rights) 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.
- **TVH** (40% owned): leading global independent distributor for aftermarket parts for material handling, construction & industrial, and agricultural equipment.
- **Moleskine** (100% owned): develops and sells iconic branded notebooks and writing, travel and reading accessories through a global multichannel platform.
- **D'Ieteren Immo** (100% owned): groups together the Belgian real estate interests of D'Ieteren Group.

Financial Calendar

Last five press releases

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

9 September 2024	Half-Year 2024 results
30 May 2024	Q1-24 sales trading update
29 April 2024	Publication of the Annual Report 2023
5 March 2024	2023 Full-Year Results
23 January 2024	PHE refinances its existing bonds

Next events

10 March 2025	Full-Year 2024 results
14 May 2025	2025 Investor Day

Contacts

Francis Deprez, *Chief Executive Officer*
Edouard Janssen, *Chief Financial Officer*

Anne-Catherine Zoller, Press Relations – Tel: +32 (0)2 536.55.65
Stéphanie Voisin, Investor Relations - Tel: + 32 (0)2 536.54.39
Bram Geeroms, Investor Relations – Tel: +32 (0)486.02.99.34
E-mail: financial.communication@dieterengroup.com – Website: www.dieterengroup.com

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Announcement in accordance with article 7:97, §4 of the Belgian Code on Companies and Associations

The Company announces that the procedure set out in article 7:97 of the Belgian Code on Companies and Associations (**BCCA**) was applied with respect to the decision by the Board of Directors in raising new debt of approximately €1bn at D'Ieteren Group level and to collaborate with Belron in raising new debt of approximately €8bn, subject to market conditions. This decision is taken in the context of the envisaged reorganization of the Group's ownership structure pursuant to a transaction between SPDG group and Nayarit and the issuance of an exceptional dividend of approximately €4bn to the shareholders.

SPDG group and Nayarit (jointly the "**Reference Shareholders**" and each individually a "**Reference Shareholder**") as well as Nicolas D'Ieteren and Olivier Périer are considered as related parties to the Company within the meaning of the IAS standards as they are (i) Directors of the Company and/or (ii) have joint control over the Company.

On 9 September 2024, the Board of Directors has approved the envisaged financing and the envisaged transfer of profit shares from SPDG group to Nayarit and from Nicolas D'Ieteren to Nayarit, in accordance with the opinion of the Committee of independent Directors pursuant to article 7:97, §3 of the Belgian Code on Companies and Associations. In doing so, the Board of Directors considered the following:

- A thorough analysis of the financial impact and feasibility of the proposed resolutions was performed, assisted by independent legal and financial experts.
- A detailed assessment was made of the impact and consequences of the proposed resolutions on the Group's business plan and the Company's strategy.
- It is in the Company's interest to facilitate the full alignment between the vision and strategy of the sole Reference Shareholder, Nayarit, and the Company's investment strategy.
- There are no disadvantages for the Company that would be manifestly unreasonable in view of the Company's policy.

This decision is in line with the conclusion of the Committee of independent Directors, which reads:

"The Committee has assessed the Proposed Resolutions as described above in the context of the criteria set out in article 7:97 of the BCCA.

In light of article 7:97 of the BCCA, the Committee has performed, together with the appointed legal and financial experts, a thorough analysis of the financial impact and feasibility of the Proposed Resolutions and a detailed assessment of the impact and consequences of the Proposed Resolutions on the Business Plan of the Company and its strategy.

Based on the above, the Committee has concluded that the Proposed Resolutions are, in the case at hand, not of the nature to cause manifestly abusive disadvantages to the Company in view of the policy pursued by the Company.

Furthermore, given the significant benefits of long-term stability provided by having a single reference shareholder with majority ownership and an aligned vision and strategy with the Company's investment goals, the Committee fully supports the Proposed Resolutions and the overall Transaction."

The Auditor has assessed the financial and accounting information mentioned in the related minutes of the Board of Directors and in the above-mentioned committee's advice. The conclusion of the Auditor reads:
"Based on our assessment, we have not identified any facts that lead us to believe that the financial and accounting data included in the opinion of the independent directors' committee dated September 7, 2024, and in the minutes of the board of directors' meeting dated September 9, 2024, justifying the proposed transaction, are not accurate and sufficient in all their significant aspects with regard to the information available to us within the scope of our mission.

Our mission was carried out solely within the framework of the provisions of Article 7:97 of the Belgian Code of Companies and Associations, and therefore our report cannot be used in any other context."

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Notes

1. 16.7% of economic rights and 17.3% of voting rights, taking into account the profit shares. Each profit share (i) has the same voting right as an ordinary share and (ii) is equal to 1/8 of an ordinary share in economic rights.
2. Excluding the 2023 ordinary dividend and subject to the number of treasury shares held. The price per profit share is €27.96875.
3. 50.1% of economic rights and 53.8% of voting rights.
4. 10.6% of economic rights and 9.8% of voting rights.
5. 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.
   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.
   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.
6. Within the framework of an intra-group share transfer.

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.