

September 27<sup>th</sup>, 2021

Europe | Hungary | Mobility

## Initiating Coverage

## BUY

Target price: 218 HUF (12 months)

Industry:	Mobility
Country:	Hungary
ISIN:	HU0000164504
Reuters:	AUTW.BU
Bloomberg:	AUTOWALL HB
Website:	autowallis.hu

Last price:	118.00
High	Low
Price 52 W.:	123.50 75.60
Market cap. (HUF)	38,269,014,240.00
Number of shares (thousands)	324,313,680.00

Shareholders	
Wallis Asset Management Zrt.	62.9%
Autowallis MRP Szervezet	6.1%
Free Float	31.0%

Performance	
4 weeks	18.00%
24 weeks	16.80%
52 weeks	47.00%

Dividend		
	in EUR	in %
2016	0.00	0.00%
2017	0.00	0.00%
2018	0.00	0.00%
2019	0.00	0.00%
2020	0.00	0.00%

## Chart: 12 months (Source: Hung. Stockex.)



DR. KALLIWODA RESEARCH on  
Bloomberg Page: KALL

Analyst: Dr. Norbert Kalliwoda

Email: nk@kalliwoda.com

Phone: +49 69 97 20 58 53

www.kalliwoda.com

DR. KALLIWODA  
RESEARCH GmbH

## AutoWallis Plc.

- The semi-annual report on the AutoWallis group for H1 2021 shows, that our recent positive thoughts about AutoWallis was not only confirmed, it was even exceeded our forecast. 2021 Revenue expected to exceed HUF 230 BN
- The first half of 2021 was a period of increasing efficiency for the AutoWallis Group, with revenue growth passing the increase in the cost of goods sold by 2 percent, resulting in the company's margin production growing from 11.5 percent to 12.3 percent.
- Successful Strategic Progress in 2020: 6 transactions done in 2020
- Automotive industry in transition: Changing customer needs and behavior
- Extraordinary measures due to COVID-19
- Chance for AutoWallis: Producers would get back to their core activity and separate distribution and retail. AND Producers give up distribution on fragmented small markets.
- Based on our DCF-Model our target price is HUF 218 on a 12-month view.

## Key Figures

in '000 HUF	2019	2020	2021E	2022E	2023E	2024E	2025E
Net sales	75,272,908	88,412,726	234,293,725	278,809,533	322,025,010	365,498,387	400,220,733
EBITDA	4,871,133	2,139,482	6,306,706	9,226,548	13,674,686	11,747,516	13,597,549
EBIT	1,804,357	655,266	3,963,768	6,438,453	11,098,486	9,554,525	10,796,004
Net income	916,611	-679,331	2,926,991	4,928,551	9,191,656	7,887,003	9,209,143
EPS	0.00	0.00	2.38	4.00	7.47	6.41	7.48
BVPS	4.88	8.77	3.54	5.25	8.78	7.79	8.94
RoE	17.95%	-7.40%	79.04%	89.71%	100.05%	96.76%	98.49%
EBIT margin	4.90%	0.74%	1.69%	2.31%	3.45%	2.61%	2.70%
P/E	0.00	#DIV/0!	84.14	49.97	26.79	31.23	26.74
P/BVPS	41.00x	22.81x	56.53x	38.10x	22.79x	25.68x	22.39x
EV/EBITDA	17.56x	50.62x	22.57x	16.67x	11.84x	14.95x	13.63x

Source: Dr. Kalliwoda Research GmbH © 2021 &amp; AutoWallis

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## 1. Company Profile

**AutoWallis Nyrt.** is one of the leading companies in the automotive sector in Hungary. The Company was formerly called ALTERA Assed Management Public Limited Company. Currently its shares are listed in the Premium category of the Budapest Stock Exchange and are included in the BUX and BUMIX indices. The BUX index is a stock market index of blue-chip shares consisting up to 25 major Hungarian companies. The BUMIX (Budapest Stock Exchange Mid and Small Cap Share Index) is a stock market index consisting between 12 and 25 small and medium-sized companies listed on stock exchange in Budapest.

The aim of **AutoWallis Nyrt.** is to become the leading mobility service provider in Central and Eastern Europe at the end of the decade. The next objective of **AutoWallis Nyrt.** is to expand its investment portfolio, which is focused on automotive investments through acquisitions. The Company operates as a traditional asset management company with conservative business policy. In 2020 **AutoWallis** has received an award at the Legek 2020 (Budapest Stock Exchange event) for capital increase of the year. The list of well-established automotive brands represented by the **AutoWallis Group** is long and comprise of: BMW, Dacia, Isuzu, Jaguar, Land Rover, MINI, Nissan, Opel, Peugeot, Renault, SsangYong, Suzuki, Toyota, Saab, KIA, and Maserati.

Presently the **AutoWallis Group** is active in 14 countries in the Central and Eastern Europe, precisely in: Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Hungary, Kosovo, Montenegro, North Macedonia, Poland, Romania, Serbia, Slovakia, Slovenia, and the Czech Republic. The Company deals with: short-term and long-term car rental, servicing activities, distribution of vehicles and parts, as well as retail of motor vehicles and components. Currently, the **AutoWallis Group** is a market leader in the Hungarian market for premium and luxury cars, it comprises the largest and the oldest dealerships in for BMW and MINI cars. Those dealerships, in terms of the numbers of cars sold and the floor space, are the largest in Hungary.

Currently, the network of the **AutoWallis Group** consist of nearly 60 partners and co-operators, but there are six main members of this sizeable company - **AutoWallis Group** includes following components: Wallis Automotive Europe, Wallis Autókölcöző, Wallis Kerepesi, Wallis Motor Ljubljana, Wallis Motor Pest with Wallis Motor Duna, and Inicial Autóház.

**Wallis Automotive Europe (WAE)** has the largest revenue among the members of the **Wallis Group**. It represents brands such as: Isuzu, Jaguar, Land Rover, Opel, and SsangYong. In Hungary it has a track record of more than 20 years as an independent vehicle distributor. In 2012 **WAE** has introduced the South Korean brand SsangYong in Romania, and since 2018 SsangYong is available in the Czech Republic and Slovakia as well. Additionally, **WAE** acts as an exclusive distributor of Jaguar and Land Rover vehicles and components in countries such as: Albania, Bosnia and Herzegovina, Croatia, Hungary, Kosovo, Macedonia, Montenegro, Serbia, and Slovenia.

The second member of the **AutoWallis Group**, **Wallis Autókölcöző** operates in Hungary, where it offers complex mobility services as the franchise partner of *Sixt Rent-a-car*. The *Sixt Rent-a-car*, widely renowned international firm, is present 20 years at the Hungarian automotive market, while it has over 100 years of history worldwide. The Sixt Rent-a-car has grown to become one of the leading mobility services over the world. When the company has entered the Hungarian automotive market in 1999 it owned 30 cars initially, but today the fleet is approximately 1000 cars, which is a considerable rise and an attainment.

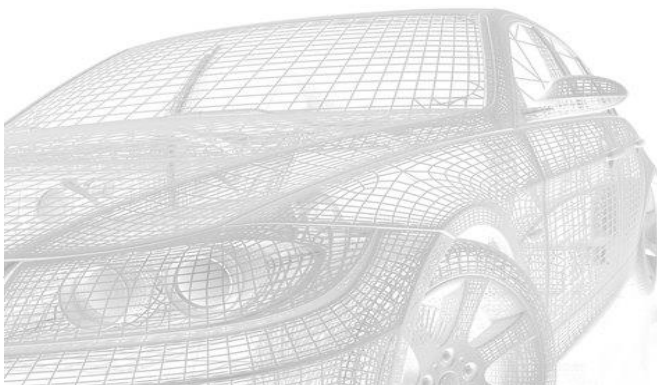
The next member of the group, **Wallis Kerepesi**, distributes Opel-branded and KIA-branded vehicles since 1990 and 2015 respectively. It acts as the provider of servicing for Opel, KIA and Isuzu vehicles. Most importantly, based on market data for the past 5 to 10 years, **Wallis Kerepesi** is one of the most successful dealerships in Hungary. In 2019 **Wallis Kerepesi** had the biggest share of the market for Opel models (at 6-7%) and the third biggest market share for KIA models (at 10-12%).

Another important part of the group, **Wallis Motor Ljubljana** (it was previously called A-Cosmos d.d.) is the largest dealership of BMW in Slovenia. The dealership is well located in the central part of Ljubljana and it is engaged in the sale and servicing BMW vehicles (this includes servicing of MINI vehicles). Another old and well established dealership in Hungary called **Wallis Motor Pest and Wallis Motor Duna** is engaged in distribution and servicing of BMW cars and motorcycles as well as MINI vehicles. This firm was separated from the main Wallis Motor dealership and has become independent as a company in 2001. Recently, Maserati, luxurious Italian brand has been added to the range of products. Those elegant, premium vehicles are now exhibited in the new exclusive showroom. The last member of the AutoWallis Group, **Iniciál Autóház** is based in Western Hungary (in four cities: Győr, Mosonmagyaróvár, Sopron, Szombathely), where it is a leading car dealership. The firm is involved in servicing and distribution of several well-known car brands such as: Dacia, Nissan, Opel, Peugeot, Renault, Suzuki, and Toyota.

## 2. H1 2021 Report

### a. Summary

Compared with last year the entire revenue was surpassed in just half a year by the company while the efficiency of its operations also grew in line with the contents of its strategy. The **revenue** of AutoWallis was in the first half of the year amounted to HUF 97.7 billion, its total comprehensive **profit** to HUF 1.2 billion, and its **earning per share** to HUF 3.52. In the second quarter of 2021, AutoWallis Group's revenue grew even faster than in the first quarter. This means that in the course of six months, the company realized more revenue than summed up of 2020. The company exceeded even the two and a half times increase in revenue. **EBITDA** jumped to more than four times its original value, to HUF 3.2 billion (+320%) while total comprehensive **income** amounted to HUF 1.2 billion in profits. The semi-annual report on the AutoWallis group for H1 2021 shows, that our recent positive thoughts about AutoWallis was not only confirmed, it was even exceeded by our forecast. Despite the fact of further restrictions due the third wave of the COVID-19 pandemic, the company's activity went through considerable expansion. In the same time, the manufacturing difficulties suffered by vehicle manufacturers had an additional down side effect on the market as a whole, which has an impact on volumes in the future.



The revenue of AutoWallis's both business units went through a great boost in the first half of this year. The **Distribution Business Unit** tripled its **revenue** to HUF 54.9 billion (+181%) and in addition to organic growth, **the Retail &**

**Services Business Unit's revenue** rose up to HUF 42.7 billion, which is also correlated to the acquisitions and transactions deal which has been closed in the past year. In addition to the positive vehicle sales trends, there was also an increase in vehicle rentals this year even though it had previously been strong affected by the COVID-19 pandemic, with the number of rental days increasing by more than two-fold to 66,183 (+101.5%). Due to travel restrictions for tourism, the company adjusted their contracts to longer term rentals, and the available fleet grew slightly, by 9 percent, contributing to an increase in efficiency. As a result of the transactions closed last year and the company's organic growth, the **hours** increased by two and a half times (+163.6%) to 62,666 hours, which is an increase of +163.6%.

The first half of 2021 was a period of increasing efficiency for the AutoWallis Group, with **revenue growth** passing the increase in the **cost of goods sold** by 2 percent, resulting in the company's **margin production** growing from 11.5 percent to 12.3 percent. The 208 percent increase in **personnel expenses** is the result of the transactions carried out last year, which increased average wages and also the average statistical **headcount** of the Group by 355 to 686. **Financial losses** decreased by 86 percent to HUF 111 million.

## b. Financial results

The **revenue** of the whole company for H1 2021 was around HUF 97.7 billion, which is an increase of HUF 59.5 billion than the revenue for the comparative period of the previous year. Despite the 156% increase in revenue, **material expense** was up by a mere 53% in H1 2021 from the comparative period, the reason being that the significant increase in the volume generated by the Distribution Business Unit entails a much less considerable increase in material used in relative terms.

Consolidated IFRS income statement in H1 2021 - AutoWallis Plc.				
Value in HUF 1,000	H1 2021	H1 2020	Absolute change	Relative change
<b>Revenue</b>	<b>97.651.046</b>	<b>38.152.265</b>	<b>59.498.781</b>	<b>+156%</b>
<i>Distribution Business Unit</i>	54.919.266	19.575.257	35.344.009	+181%
<i>Retail &amp; Services Business Unit</i>	42.731.781	18.577.009	24.154.772	+130%
Material expense	-1.777.019	-1.172.767	-604.252	+52%
Services	-4.014.929	-1.452.261	-2.562.668	+176%
Cost of goods sold	-85.630.998	-33.766.534	-51.864.464	+154%
Personnel expenses	-3.235.554	-1.051.849	-2.183.705	+208%
Depreciation	-1.430.022	-669.387	-760.635	+114%
<b>Profit from trading</b>	<b>1.562.524</b>	<b>39.467</b>	<b>1.523.057</b>	<b>+3859%</b>
Other income and expenses	99.574	-40.776	140.350	-344%
<b>OPERATING PROFIT - EBIT</b>	<b>1.662.098</b>	<b>-1.309</b>	<b>1.663.407</b>	<b>-127075%</b>
Financial gains or losses	-111.346	-788.850	677.504	-86%
<b>PROFIT BEFORE TAX</b>	<b>1.550.751</b>	<b>-790.159</b>	<b>2.340.910</b>	<b>-296%</b>
Tax expense	-351.324	-72.370	-278.954	+385%
<b>NET PROFIT</b>	<b>1.199.427</b>	<b>-862.529</b>	<b>2.061.956</b>	<b>-239%</b>
Retranslation of subsidiaries	-6.474	8.044	-14.518	-180%
<b>Total comprehensive income</b>	<b>1.192.953</b>	<b>-854.485</b>	<b>2.047.438</b>	<b>-240%</b>
EPS (HUF/ share)	3,52	-3,19	6,71	-210%
<b>EBITDA</b>	<b>3.181.210</b>	<b>757.168</b>	<b>2.424.042</b>	<b>+320%</b>

Source: Dr. Kalliwoda Research GmbH, AutoWallis Plc. 2021

Summed up, **EBIT** increased to HUF 1,662 million during the current period, which reflects both the outstanding sales figures resulting from organic growth in H1 and the acquisitions completed in 2020

as well as the results of the continuation of disciplined cost management in H1 2021. Nevertheless, the **losses on financial items** in H1 2021 was HUF 111 million, the majority of which is attributable to financial expenses associated with interest and leases as part of the normal course of business.

Financial Data for H1/21 and Q1/21 - AutoWallis Plc.					
Value in HUV 1.000	H1 2021	Q1 2021	Absolute Change	Relative change	
Revenue	97.651	48.708	+ 48.943	100%	
EBIT	1.662	744	+ 918	123%	
Net income from financial activities	- 111	- 149	+ 37	-25%	
Profit before tax	1.551	596	+ 955	160%	
Profit after tax	1.199	411	+ 788	192%	
EBITDA	3.181	1.465	+ 1.716	117%	

Source: Dr. Kalliwoda Research GmbH, AutoWallis Plc. 2021

The **EBITDA** increased by 320% to HUF 3,181 million from the comparative period. In other words, that's an increase of HUF 1,716 million from Q1/21 to Q2/21 for the **EBITDA**.

### c. Operating results

The management of the Group managed the difficulties posed by the transformed business environment effectively, even during the third wave of the COVID-19 pandemic. AutoWallis had an outstanding first half of 2021 in terms of organic growth and completed acquisitions as the Distribution Business Unit and the Retail & Services Business Unit performed exceptionally well, exceeding last year's prediction by several factors. The services segment is likely to continue expanding as a result of the economic recovery and the expected boom in tourism, and the number of orders already placed for new vehicles is also promising. Nevertheless, the temporary chip shortage for certain brands could negatively impact the expected sales figures of upcoming periods, although, these supply issues will likely only cause temporary shifts in the timing of sales.

Key sales - AutoWallis Plc.				
Item	H1 2021	H1 2020	Absolute change	Relative change
<b>Distribution Business Unit</b>				
Number of vehicles sold	7.385	1.804	5.581	309%
<b>Retail &amp; Services Business Unit</b>				
Number of new vehicles sold	3.428	987	2.441	247%
Number of used vehicles sold	842	349	493	141%
<b>Total vehicles sales</b>	<b>11.655</b>	<b>3.140</b>	<b>8.515</b>	<b>271%</b>
Number of service hours	62.666	23.772	38.894	164%
Fleet soze for car rental	478	438	40	9%
Number of rental transactions	4.396	4.352	44	1%
Number of rental days	66.183	32.850	33.333	101%

Source: Dr. Kalliwoda Research GmbH, AutoWallis Plc. 2021

As a result of its business transactions and organic growth, the **Distribution Business Unit** sold 7,385 cars during H1 2021 compared to 1,804 last year, of which 32.2% was attributable to organic growth during the period. Within the **Retail & Services Business Unit**, the number of new and used vehicles sold increased by 247.3% from 987 to 3,428 and from 349 to 842, respectively, a significant part of

which was down to the four transactions concluded last year. Following a decline in demand due to the restrictions, servicing activities experienced organic growth once again and, taking into account the effect of last year's transactions as well, the **number of service hours** increased over two-and-a-half fold to 62,666 in H1 2021. The **number of rental days** recorded by the Group was up by 101.5% (66,183 compared to 32,850), even though the **fleet size** was only 9% larger.

#### d. Outlook

AutoWallis expected to realize more than HUF 200 billion in **revenue** in the end financial year of 2021. Despite of the expected drop in sales volumes and sales revenue, because of the outstanding delivery delays in H1/21 due the chip shortages, the company doesn't forecast its margin and profit-generating capability to decrease, while **EBITDA** is still expected to be around HUF 6 billion in the end of 2021.

### 3. The 2 Business lines: Distribution, Retail & Service

The group structure has changed during the reporting period, since 10 new entities were included in the consolidated financial statements. These entities are all operating in the car retail segment. In 2020 the company transferred Wallis British Motors Kft. through a reorganization to be a direct subsidiary of legal parent, previously it was held by WAE Kft. The first business unit is to be described as follows:

#### 1<sup>st</sup> Business line - Distribution

The AutoWallis Group being present in Central and Eastern Europe is responsible for distribution of several brands exclusively. The Auto Wallis acts as an exclusive distributor of:

- **SsangYong** vehicles in: the Czech Republic, Hungary, Romania, and Slovakia,
- **Jaguar** and **Land Rover** vehicles and parts in: Hungary, Albania, Bosnia and Herzegovina, Croatia, Kosovo, Montenegro, North Macedonia, Serbia, and Slovenia,
- **Opel** vehicles in: Bosnia and Herzegovina, Croatia, Hungary, and Slovenia,
- **Isuzu** vehicles in Hungary.
- **Saab** parts in Hungary and other countries.

In recent times, the AutoWallis Group has established a new subsidiary in Zagreb (in Croatia), a company called: **Wallis Adria**. This entity, Wallis Adria d.o.o. manages Jaguar and Land Rover distribution activities in Albania and the Yugoslav states.



Source Picture: AutoWallis Plc.

## 2<sup>nd</sup> Business line – Retail and Services

### *Retail of BMW cars, motorcycles and parts, and MINI cars and parts*

The AutoWallis Group carries out the retail BMW and MINI in 4 locations:

1. Budapest – street Hungaria körút 95:
  - two-storey building
  - one of the largest and most-of-the-art dealership in Central and Eastern Europe
  - great variety of BMW and MINI models: electric, hybrid, motorcycles, premium, new and used
2. Budapest – street Könyves Kálmán krt. 5:
  - fully renovated dealership
  - all new BMW models
  - full range of parts for BMW and MINI
3. Budapest – street Váci út 175:
  - retail of cars and motorcycles
  - full range of service
  - retail of Maserati vehicles
4. Ljubljana (capital of Slovenia):
  - BMW and MINI vehicles are retailed by newly purchased A-Cosmos d.d.
  - full range of service
  - retail fo BMW and MINI

### Retail of Jaguar and Land Rover motor vehicles and parts

Location: Budapest – intersection of Könyves Kálmán and Máriásy út:

- retail of Jaguar and Land Rover motor vehicles and parts
- full range of service
- commenced the retail on 1st April 2020

### Retail of KIA and Opel passenger cars and parts

Location: Szombathely

- commenced the retail in February 2020
- full range of service



- retail of KIA and Opel passenger cars and parts
- the biggest dealership of KIA in the region

#### ***Retail of Maserati passenger cars and part***

Location: Budapest – street Váci út 175

- retail of Maserati vehicles and parts
- full range of service

#### ***Retail of Dacia, Nissan, Peugeot, Renault, Suzuki, Toyota, KIA passenger cars and parts***

Location: Győr (Hungary)

- full range of authorized servicing of Dacia, KIA, Nissan, Opel, Peugeot, Renault, Suzuki, and Toyota
- retail of passenger cars and parts

Location: Mosonmagyaróvár (Hungary)

- full range of authorized servicing of Dacia, KIA, Nissan, Opel, Peugeot, Renault, Suzuki, and Toyota
- retail of passenger cars and parts

Location: Sopron (Hungary)

- full range of authorized servicing of Dacia, KIA, Nissan, Opel, Peugeot, Renault, Suzuki, and Toyota
- retail of passenger cars and parts

Location: Szombathely (Hungary)

- full range of authorized servicing of Dacia, KIA, Nissan, Opel, Peugeot, Renault, Suzuki, and Toyota
- retail of passenger cars and parts

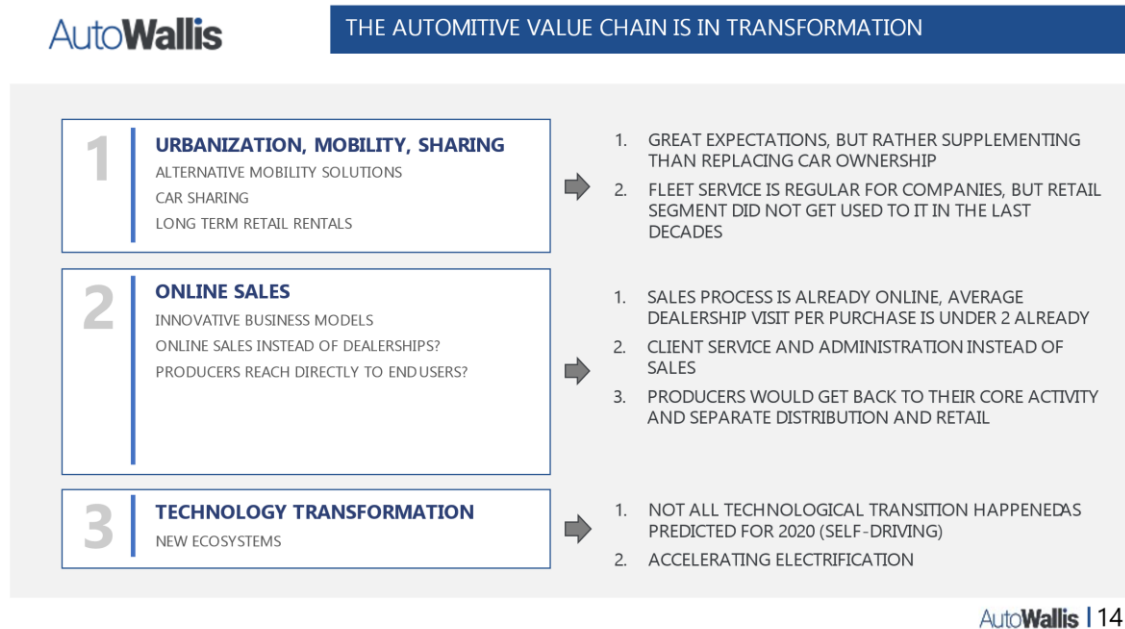
#### ***Retail of used cars – Wallis Premium Used Car Centre***

In 2018 the AutoWallis Group has opened a new unit in Budapest where approximately 60 premium category used cars are permanently on sale. The **Wallis Premium Used Car Centre** offers wide range of nearly new cars with certified history card, 24-month warranty, and 6-months or 10,000 kilometers of free servicing. The AutoWallis Group had been engaged in the sale of used vehicles for more than 20 years before the opening the premium used car centre, hence it has decades of experience in this field.

**Servicing activities.** The AutoWallis Group offers a full range of servicing options and additional services for all brands involved. The comprehensive service is available for vehicles manufactured by: BMW, Maserati, Isuzu, Jaguar, Land Rover, Renault, Dacia, Nissan, Peugeot, Toyota, Opel, Suzuki and KIA.

**Short-term and long-term car rental.** The AutoWallis Group is a franchise partner of the international company Sixt Rent-a-car. It offers high-quality short-term and long-term car rental services for corporate client. Additionally it offers small commercial vehicles for rent. Rental services

are being offered at two locations in Budapest. The first from the offices is in Váci út, the second office is located at Terminal 2B of Liszt Ferenc International Airport. Following chart shows the changing value chain in the automotive service industry. AutoWallis is caring on new customer needs.



## Changes in the market situation

The operation of the AutoWallis Group is not independent from the changing European automotive market as a whole, but when assessing its high efficiency and ability to create value, it is important to point out that the region of the Group's actual business is located in Central and Eastern Europe. The strategy of the Company focuses on this region and this specific environment. The Group's experts have hands-on and highly relevant experience.

In spite of restrictions related to the Covid-19 pandemics there was a 3.2% growth in the EU passenger car market (first registrations of new vehicles) during the first three months of Q1 2021. Generally the passenger car market of EU, EFTA countries and the United Kingdom expanded by nearly 1% (first registrations of new vehicles) in Q1 2021. At the same time, despite the challenging external environment caused by the COVID-19 pandemic, the performance of the AutoWallis Group was well above market average in terms of new vehicle sales during Q1 2021: while the average decline in sales in Hungary was 1.5%, AutoWallis recorded a 228% growth in domestic sales compared to the previous year.

The AutoWallis Group improved its vehicle sales by 309.8% in volume terms in Q1 2021, which includes an increase of 382.5% in new vehicle sales for the distribution business and growth of 238.3% for the retail & services business.

Starting from the beginning of the year, the sale of Opel vehicles brought a substantial change in the distribution business of the AutoWallis Group. The Group sold 4,555 cars during Q1 2021 compared to 944 last year, of which 32.5% was attributable to organic growth during the period.

Within the retail & services business, the number of new and used vehicles sold increased by 238.3% from 496 to 1,678 and from 187 to 434, respectively, a significant part of which was down to the four transactions concluded last year (the acquisition of the Inicial Group and Wallis Kerepesi, as well as the launch of the Jaguar Land Rover dealership in Hungary and the BMW dealership in Ljubljana). Beside those four high performing dealerships, the number of first registrations increased by 42% from 705 to 973 compared to the 0.9% growth in the market. Similarly, the number of service hours increased to 29,447 in Q 2021, which is two and a half times the previous figure, all thanks to the effect of the mentioned above transactions.

Car rental services, within the retail & services business, were negatively affected by the decline in tourism and business travel (Covid-19 pandemic confinement measures) during the recent period as well. Despite this, the number of rental days recorded by the Group was up by 42.9% (30,320 compared to 21,211) even though the fleet size was 22% smaller. This proves that AutoWallis was able to react swiftly to the changes in the business environment caused by the Covid-19 lockdown.

The services division is quite likely to continue the expansion assuming the economy will recover and the boom in tourism will match expectations. The number of orders, already placed for the new vehicles, is promising, but the full effect of the five successful transactions made in 2020 will be reflected in the sales figures for 2021. Following picture shows AutoWallis' brands and sites (distributors and dealerships).

## AutoWallis



Source: AutoWallis Plc. 2021

### Growth objectives and trends in 2021

The AutoWallis Group is aiming to achieve greater consolidation in the region, all through well-thought-out and persistent acquisitions as well as significant organic growth. To achieve this, the Group completed five important transactions in 2020. These transactions in 2020 were as follows:

1. Acquisition of one of the largest Opel and KIA dealerships in Hungary;
2. Acquisition of the distribution rights for Jaguar and Land Rover models in Hungary;

3. Acquisition of the largest BMW dealership in Slovenia;

4. Acquisition of a business share in Inicial Autóház Kft., a market leader in Western Hungary selling and servicing high-profile car brands: Dacia, Nissan, Opel, Peugeot, Renault, Suzuki and Toyota;



5. Acquisition of the import rights for Opel vehicles, spare parts, tools and accessories in Croatia, Slovenia, Bosnia and Herzegovina and Hungary

In November 2020, the AutoWallis entered into a preliminary agreement on transaction of Avto Aktiv, the important player in the Slovenian automotive market. Avto Aktiv distributes and services vehicles of BMW, MINI, Jaguar, Land Rover, Toyota and Suzuki brands in four distinctive locations. As a result of the

transactions concluded in 2020, midsize car brands have been added to the product offering. This means that currently the AutoWallis Group is able to target wider range of customers both of retail and fleet sales.

#### 4. SWOT-Analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• <b>Growing industry:</b> The automotive sector is highly growing industry. Vehicles allow clients to work, travel, and are recognizable symbols of financial and social status. The demand for good quality vehicles, as well as cars from luxury segment will increase in the future in the Central and Eastern Europe alongside the growth and changes of all European countries.</li> <li>• <b>Innovative industry:</b> The industry is very innovative and keeps up with technological advancement. All the new models of hybrid cars are on offer at the retail outlets of AutoWallis Group, which means that the company recognizes the trend, which leads us towards alternative fuels, renewable sources of energy and technologically advanced e-vehicles.</li> <li>• <b>Exclusive retailer of luxury brands:</b> The AutoWallis is exclusive dealer of many luxury brands such as: Jaguar, Land Rover (in several</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Influence of fuel prices:</b> Fluctuations in fuel prices, so difficult to predict at times, are among the most important factors determining growth of automotive industry. Additionally, related to fuel issues, some new ecological regulations imposed by international entities may influence the cost of usage of vehicles for customers and therefore affect the whole sector.</li> <li>• <b>Sluggish market:</b> Uncertainty among customers related to Covid-19, accompanied by recession and unemployment are those economic factors which may disrupt growth of automotive companies such as AutoWallis Group for an extended period of time.</li> </ul>

countries) BMW, MINI, Maserati (in Hungary).

- **Recognized car rental provider:** Strong cooperation with The Sixt Rent-a-car firm, well established, widely renowned international car rental entity, may enable AutoWallis Group to gain control over the car rental market in Central and Eastern Europe and become one of the leading players in the car rental field.
- **Rapid, visible growth:** In 2021 AutoWallis has received an award at the Legek, which is special event organized by Budapest Stock Exchange, for capital increase of the year. AutoWallis has a chance to become the leading mobility service provider in Central and Eastern Europe. AutoWallis Group is presently active in 14 countries in Central and Eastern Europe.

#### Opportunities

- **Manufacturing facilities in Hungary:** Having several, sizeable manufacturing facilities in Hungary (Mercedes-Benz is currently building its second factory, four Original Equipment Manufacturers (OEM) of Opel, Suzuki, Audi, Mercedes are based there, presence of companies from the field of artificial intelligence and autonomous driving such as: Valeo, AVL, Ibsen, TDK, NNG and many more) AutoWallis Group has more control over the cost of their vehicles and may offer lower prices for their clients. These are ideal conditions for companies like AutoWallis Group to sustain constant growth.
- **Development of e-mobility:** Hungary has adopted e-mobility concept and increased the number of charging station to 447 in 2018, which was the highest number of stations in Central and Eastern Europe. There are plans to upgrade the public transport and government fleets to electric vehicles (EV) to 30% and 25% respectively by 2030. The AutoWallis Group has significant part of the market of luxury, hybrid cars, therefore the increase of charging

#### Threats

- **New lifestyle and new customers:** There are predictions that advancements in technology and digitalization will change drastically the automotive industry. New types of engines, new types of fuels, as well as fuel-efficient cars will force increase of investments in automotive industry. At the same time, younger generation of clients, which expect fully digitalized services, may use vehicles differently than previous generations; hence the expected shift in consumer demand may be seen either as thread or as opportunity for the players in this sector.
- **Negative influence of changes in the travel industry:** Covid-19 has impacted travel and tourism industry globally. The AutoWallis Group claims that significant part of turnover of rent cars is generated by tourist travelling to Liszt Ferenc International Airport. In the situation of pandemic car rental sector may not be as profitable as before the lockdowns. Generally, the outbreak of Covid-19 has severely affected this segment of automotive industry.

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stations may be seen as positive factor for this retailer.

- **Excellent transport network in Hungary:** The transportation network is well developed in Hungary and with three important corridors of TEN-T (the Trans-European Transport Network), extensive road and railway network, as well as advanced logistics and telecommunication infrastructure the country seems to be a good place to offer specialized automotive services.
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## 5. Valuation

For the valuation of AutoWallis Nyrt., we use a traditional DCF model, from which a 12-month price target for the share of **HUF 218** is derived. Compared to the current market level, this corresponds to **an upside of around 85%**.

### Discounted Cash Flow Model (2021), calculated on the 21th of September 2021

in EUR '000	2021E	2022E	2023E	2024E	2025E
<b>Net sales</b>	<b>207,769,907.04</b>	<b>278,411,675.43</b>	<b>321,565,485.13</b>	<b>364,976,825.62</b>	<b>399,649,624.05</b>
(y-o-y change)	135.0%	34.0%	15.5%	13.5%	9.5%
<b>EBIT</b>	<b>4,016,815.93</b>	<b>6,434,872.16</b>	<b>12,660,964.63</b>	<b>11,118,833.33</b>	<b>11,828,972.43</b>
EBIT margin	1.9%	2.3%	3.9%	3.0%	3.0%
<b>NOPLAT</b>	<b>3,372,770.44</b>	<b>5,403,122.02</b>	<b>10,630,939.53</b>	<b>9,336,069.43</b>	<b>9,932,346.73</b>
+ Depreciation	2,077,699.07	2,784,116.75	2,572,523.88	2,189,860.95	2,797,547.37
= Net operating cash flow	5,450,469.51	8,187,238.78	13,203,463.41	11,525,930.38	12,729,894.10
- Total investments (Capex and WC)	466,916.64	5,350,473.90	6,822,288.95	1,042,282.11	2,386,405.44
Capital expenditure	608,054.56	574,611.56	439,167.41	461,125.78	484,182.07
change of Working capital	-	4,775,862.34	6,383,121.54	581,156.33	1,902,223.37
= Free Cash Flow (FCF)	4,983,552.87	2,836,764.87	6,381,174.46	10,483,648.27	10,343,488.66
<b>PV of FCFs</b>	<b>4,983,552.87</b>	<b>2,550,553.58</b>	<b>5,158,492.94</b>	<b>7,619,838.64</b>	<b>6,759,451.97</b>
<b>Terminal Value</b>					<b>96,956,312.69</b>
Source: Dr. Kalliwoda Research GmbH © 2021					
PV of FCFs in explicit period	27,071,890.00				
PV of terminal period	63,360,782.84				
<b>Implied Enterprise value (EV)</b>	<b>90,432,672.85</b>				
- Net debt	26,881,602.00				
+ Investments / - Minorities	-121.40				
<b>Shareholder value</b>	<b>63,550,949.45</b>				
Number of shares outstanding (thousands) <b>324,313.68</b>					
<b>WACC</b>	11.22%				
Equity costs	20.9%				
Debt costs before tax	1.9%				
Tax rate	16.0%				
Debt costs after tax	1.6%				
Equity ratio	15.9%				
Debt ratio	84.1%				
<b>Fair value per share in HUF today</b>	<b>195.96</b>	<b>67,843.61</b>			
<b>Fair value per share in HUF in 12 months</b>	<b>217.94</b>	<b>75,456.70</b>			
Source: Dr. Kalliwoda Research GmbH © 2021					

Upside  
85%

### WACC assumptions

#### Growth assumptions

Long-term growth rate **0.5%**

#### Equity

Risk-free rate **3.49%**

Market risk premium **10.9%**

Beta **1.60**

**Equity costs 20.86%**

#### Debt costs

Debt costs (before tax) **1.90%**

Tax rate on interest **16.03%**

**Debt costs (after tax) 1.60%**

Equity **16%**

Debt **84%**

**WACC 11.22%**

Source: Dr. Kalliwoda Research GmbH © 2021

## 6. Profit and Loss Statement

Profit and Loss Statement - AutoWallis Plc.							
<i>all figures in '000 HUF unless otherwise indicated</i>	2019	2020	2021E	Fiscal Year 2022E	2023E	2024E	2025E
Revenue	75,272,908	88,412,726	229,873,089	262,055,321	294,812,236	322,819,399	353,487,241
Materials used	-2,519,905	-2,675,705	-18,389,847	-20,964,426	-23,584,979	-25,825,552	-28,278,979
Services	-3,704,672	-4,231,452	-11,493,654	-11,792,489	-14,445,800	-15,172,512	-16,260,413
Cost of goods sold	-64,439,124	-77,236,279	-185,047,836	-209,382,202	-236,734,226	-260,192,435	-285,617,691
Personal type expenses							
<b>Gross Profit</b>	<b>4,609,208</b>	<b>4,269,292</b>	<b>14,941,751</b>	<b>19,916,204</b>	<b>20,047,232</b>	<b>21,628,900</b>	<b>23,330,158</b>
Personal type expenses	-1,758,630	-2,681,180	-9,194,924	-10,482,213	-9,194,924	-9,194,924	-9,194,924
Other Income	948,404	1,881,811	1,505,449	1,204,359	2,360,544	4,626,666	9,068,265
Impairment and write off of non-financial assets	-143,566	-102,115	-249,529	-609,752	-1,489,995	-3,640,966	-8,897,099
Other expenses	-673,876	-1,228,326	-1,289,742	-1,380,024	-690,012	-345,006	-172,503
<b>Other operating income and expenses</b>	<b>130,963</b>	<b>551,371</b>	<b>-33,822</b>	<b>-785,416</b>	<b>-628,333</b>	<b>-502,667</b>	<b>-402,133</b>
Income from the sale of subsidiaries	0	0	0	0	0	0	0
<b>EBITDA</b>	<b>4,871,133</b>	<b>2,690,853</b>	<b>5,679,183</b>	<b>7,863,159</b>	<b>10,404,512</b>	<b>12,572,003</b>	<b>13,731,764</b>
Depreciation, Amortization and Impairment	-1,177,184	-1,484,216	-2,298,731	-2,620,553	-2,358,498	-2,259,736	-3,534,872
<b>Operating Profit (ca. EBIT)</b>	<b>1,804,357</b>	<b>655,266</b>	<b>3,380,452</b>	<b>5,242,605</b>	<b>8,046,014</b>	<b>10,312,267</b>	<b>10,196,891</b>
Interest income	16,910	5,447	27,912	30,847	33,732	36,291	39,165
Interest expenses	-105,289	-252,028	-351,766	-388,761	-425,114	-457,367	-493,589
lease expenses, Other Financial income (expense)	-202,402	-170,875	455,479	361,040	601,360	658,490	1,068,720
Net gain or loss on currency translations	-101,234	-691,377	-421,347	-505,915	-221,906	-242,988	-310,417
Gain or loss on disposal of equity items	3,965	3,531	10,645	11,300	13,182	14,435	15,806
Impairment and expected credit loss of financial assets	-160,015	-29,691	-282,931	-205,273	-296,895	-325,100	-355,985
Revaluation gain or loss of financial instruments	3,655	69,230	95,580	157,080	149,649	163,865	179,432
Profit and Loss Attributable to Associates	0	0	-3,832	523	705	773	-582
<b>Profit on financial items</b>	<b>-544,410</b>	<b>-1,065,764</b>	<b>-470,260</b>	<b>-539,159</b>	<b>-145,286</b>	<b>-151,602</b>	<b>142,552</b>
<b>EBT</b>	<b>1,259,947</b>	<b>-410,497</b>	<b>2,910,192</b>	<b>4,703,447</b>	<b>7,900,728</b>	<b>10,160,665</b>	<b>10,339,443</b>
Income Tax	-343,336	-268,833	-466,612	-754,138	-1,266,781	-1,629,134	-1,657,798
<b>Net Income</b>	<b>916,611</b>	<b>-679,331</b>	<b>2,443,580</b>	<b>3,949,309</b>	<b>6,633,946</b>	<b>8,531,532</b>	<b>8,681,644</b>
<b>Other comprehensive gain or loss on translating subsidi</b>	<b>34,661</b>	<b>21,196</b>	<b>80,480</b>	<b>77,286</b>	<b>95,081</b>	<b>104,114</b>	<b>114,004</b>
<b>Profit Attr. to Parent Company Shareholders</b>	<b>951,272</b>	<b>-658,135</b>	<b>2,077,043</b>	<b>3,356,912</b>	<b>5,638,854</b>	<b>7,251,802</b>	<b>7,379,398</b>
<i>Profit Attr. to Non-Controlling Interests</i>	<i>-34,661</i>	<i>-21,196</i>	<i>366,537</i>	<i>592,396</i>	<i>995,092</i>	<i>1,279,730</i>	<i>1,302,247</i>
<i>Earnings per Share</i>	<i>0.91</i>	<i>0.63</i>	<i>1.99</i>	<i>3.21</i>	<i>5.39</i>	<i>6.93</i>	<i>7.05</i>
<i>Diluted Earnings per Share</i>	<i>0.91</i>	<i>0.63</i>	<i>1.99</i>	<i>3.21</i>	<i>5.39</i>	<i>6.93</i>	<i>7.05</i>
Price/Earnings (X)		-369	116.97	72.38	43.09	33.50	32.92
Net interest coverage	20	3	10.44	14.65	20.56	24.49	22.44

Source: Dr. Kalliwoda Research GmbH © 2021



## 7. Balance Sheet

Balance Sheet - Autowallis							
<i>all figures in '000 HUF unless otherwise indicated</i>							
	2019	2020	2021E	2022E	2023E	2024E	2025E
<b>Non Current Assets</b>							
Property, plant and equipment	1,940,274	7,600,682	8,208,737	8,783,348	9,222,516	9,683,641	10,167,823
Assets held for operating leases	2,072,060	1,833,469	2,545,393	2,723,570	2,859,749	3,002,736	3,152,873
Right-of-use assets	3,797,811	7,657,595	6,521,697	6,978,216	7,327,127	7,693,483	8,078,157
Goodwill	515,034	898,738	824,218	881,913	926,009	972,309	1,020,925
Rights and similar assets	50,038	3,752,964					
Deferred tax assets	6,160	13,241					
Equity instruments	0	2,200					
Investments in debt instruments	865	0					
<b>Total Non-Current Assets</b>	<b>8,382,242</b>	<b>21,758,889</b>	<b>18,100,044</b>	<b>19,367,048</b>	<b>20,335,400</b>	<b>21,352,170</b>	<b>22,419,778</b>
<b>Current Assets</b>							
Goods	14,137,468	22,245,246	44,206,363	49,444,400	54,093,988	58,694,436	64,270,408
Other inventories	413	70,628	121,856	138,916	156,281	171,127	187,384
Account receivables	3,812,609	4,477,784	11,643,251	13,273,306	14,932,469	16,351,054	17,904,404
Income tax receivables	85,501	155,374	356,404	406,301	457,088	500,512	548,060
Other receivables	3,674,346	3,906,080	10,510,605	11,982,090	13,479,851	14,760,437	16,162,678
Loan receivables	0	35	-785	5,580	5,859	6,152	6,460
Other financial assets	3,655	72,885					
Cash and cash equivalents	1,890,714	5,076,070	5,076,070	5,685,198	6,367,422	7,131,513	7,987,294
<b>Total Current Assets</b>	<b>23,604,706</b>	<b>36,004,101</b>	<b>66,837,694</b>	<b>75,250,593</b>	<b>83,125,536</b>	<b>90,483,717</b>	<b>99,079,394</b>
<b>Total Assets</b>	<b>31,986,948</b>	<b>57,762,990</b>	<b>84,937,739</b>	<b>94,617,640</b>	<b>103,460,936</b>	<b>111,835,887</b>	<b>121,499,172</b>
<b>Equity</b>							
Issued capital	3,383,268	4,053,921	5,504	5,504	5,504	5,504	5,504
Share Premium	0	3,810,598					
Treasury shares		-798,700					
Retained earnings	1,702,971	1,006,112					
Accumulated translation difference	19,107	40,303	56,514	62,955	68,839	74,411	80,841
Redeemed Treasury Shares		0	-65	-67	-68	-69	-71
Parent Company's Share of the Profit or Loss	0	0	2,077,043	3,356,912	5,638,854	7,251,802	7,379,398
Proprietary transactions	0	0					
Accumulated exchange difference	0	0					
<b>Equity Attributable to Parent Company's Shareholders</b>	<b>5,105,346</b>	<b>8,112,233</b>	<b>2,138,996</b>	<b>3,425,305</b>	<b>5,713,122</b>	<b>7,331,648</b>	<b>7,465,672</b>
Non-Controlling Interests		1,065,678	1,152,445	1,233,116	1,294,772	1,359,511	1,427,486
<b>Total Equity</b>	<b>5,105,346</b>	<b>9,177,911</b>	<b>3,291,441</b>	<b>4,658,421</b>	<b>7,007,902</b>	<b>8,691,159</b>	<b>8,893,158</b>
<b>Long-Term Liabilities</b>							
Long-Term Loans	309,593	1,534,354	2,255,146	2,512,153	2,746,947	2,969,307	3,225,873
3% debentures	0	3,041,552	2,767,812	2,712,456	2,658,207	2,605,043	2,552,942
Deferred Tax Liabilities	36,798	116,494	146,771	163,498	178,779	193,251	209,949
Provisions	8,856	86,023	8,603,301	9,788,383	11,011,931	12,058,064	13,203,580
Other Long-Term Liabilities	12,961	3,223,145	4,740,975	5,284,620	5,778,540	6,246,301	6,786,018
Lease Liabilities	3,999,961	7,536,663					
<b>Total Non-Current Liabilities</b>	<b>4,368,169</b>	<b>15,538,231</b>	<b>18,514,005</b>	<b>20,461,110</b>	<b>22,374,403</b>	<b>24,071,965</b>	<b>25,978,362</b>
<b>Current Liabilities</b>							
Short-Term Loans	6,998,855	10,000,568	53,592,909	58,738,611	62,205,140	66,183,954	72,552,924
Account Payables	11,230,619	15,625,306	2,166,475	2,498,500	2,778,504	3,021,236	3,370,235
Short Term Financial Leasing Liabilities	1,739,838	2,131,859	3,629,785	4,043,452	4,421,368	4,779,268	5,192,226
Advance payment received from customers	1,337,947	2,536,615					
Other Current Financial Liabilities	0	0	1,324	1,475	1,613	1,744	1,894
Taxes Payable	20,216	59,438	65,320	105,571	177,335	228,060	232,073
Current Part of Deferred Income	0	0	-267	-304	-342	-375	-410
Provisions	9,704	43,438	51,231	57,069	62,403	67,455	73,283
Other Current Liabilities	1,176,254	2,649,624	3,625,515	4,053,734	4,432,610	4,791,421	5,205,428
<b>Total Current Liabilities</b>	<b>22,513,433</b>	<b>33,046,848</b>	<b>63,132,293</b>	<b>69,498,109</b>	<b>74,078,631</b>	<b>79,072,763</b>	<b>86,627,652</b>
<b>Total Liabilities</b>	<b>26,881,602</b>	<b>48,585,079</b>	<b>81,646,298</b>	<b>89,959,219</b>	<b>96,453,034</b>	<b>103,144,728</b>	<b>112,606,014</b>
<b>Equity and Liabilities</b>	<b>31,986,948</b>	<b>57,762,990</b>	<b>84,937,739</b>	<b>94,617,640</b>	<b>103,460,936</b>	<b>111,835,887</b>	<b>121,499,172</b>

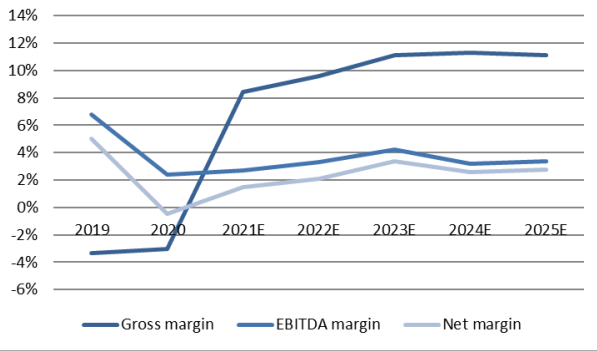
Source: Dr. Kalliwoda Research GmbH © 2021

## 8. Financial Ratios

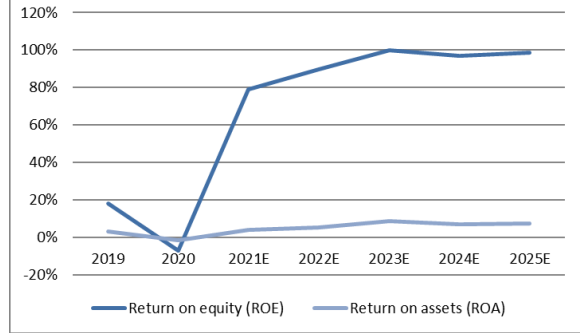
Fiscal year	2019	2020	2021E	2022E	2023E	2024E	2025E
Gross margin	-3%	-3%	8%	10%	11%	11%	11%
EBITDA margin	7%	2%	3%	3%	4%	3%	3%
EBIT margin	5%	1%	2%	2%	3%	3%	3%
Net margin	5%	0%	1%	2%	3%	3%	3%
Return on equity (ROE)	18%	-7%	79%	90%	100%	97%	98%
Return on assets (ROA)	3%	-2%	4%	5%	9%	7%	7%
Return on capital employed (ROCE)	19.05%	2.65%	17.62%	23.86%	33.41%	27.44%	28.28%
Net debt (HUF '000)	26,881,602.00	48,585,044.00	32,387,342.52	35,643,596.30	36,491,694.62	42,060,622.69	44,492,361.22
Net gearing	527%	529%	875%	649%	397%	516%	476%
Equity ratio	16%	16%	4%	6%	8%	7%	7%
Current ratio	1.05	1.09	1.07	1.11	1.17	1.15	1.16
Quick ratio	0.42	0.42	0.36	0.38	0.41	0.40	0.41
Net interest cover	-	2.66	12.06	17.13	26.40	20.48	21.41
Net debt/EBITDA	5.52	22.71	5.14	3.86	2.67	3.58	3.27
Tangible BVPS	2.90	7.02	1.11	2.65	6.05	4.92	5.92
Capex/Sales	3%	8%	1%	1%	1%	1%	1%
Working capital/Sales	1%	3%	2%	3%	4%	4%	4%
EV/Sales	0.88	0.56	0.14	0.13	0.12	0.12	0.11
EV/EBITDA	12.82	23.25	5.33	4.01	2.77	3.70	3.38
EV/EBIT	17.92	75.91	8.49	5.74	3.41	4.55	4.26
Price/Tangible BVPS	34.42	14.22	90.18	37.69	16.50	20.28	16.85
P/E	-	-	2.38	4.00	7.47	6.41	7.48
Revenue	75,272,908.00	88,412,726.40	234,293,724.96	278,809,532.70	322,025,010.27	365,498,386.66	400,220,733.39
Revenue Growth (%)	10%	17%	165%	19%	16%	14%	10%

Source: Dr. Kalliwoda Research GmbH © 2021

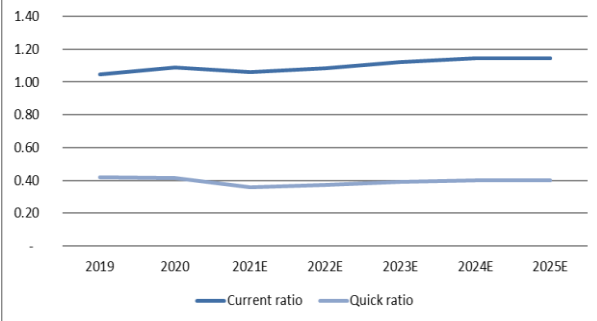
### Margin Development



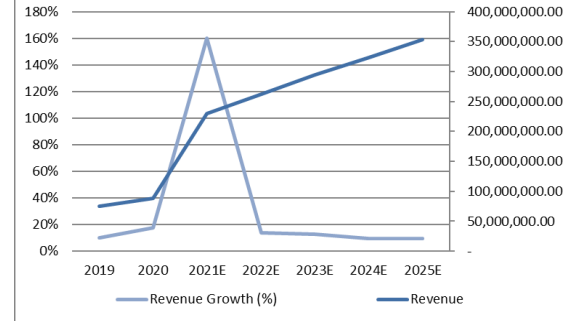
### Profitability



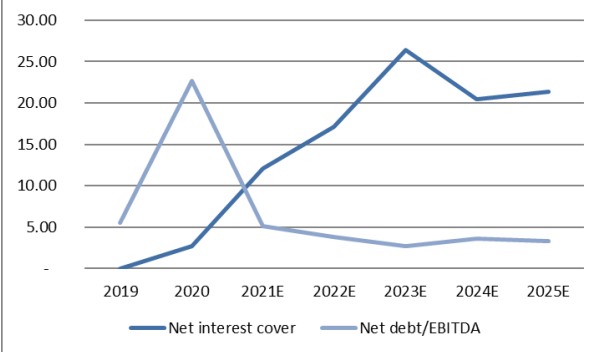
### Liquidity



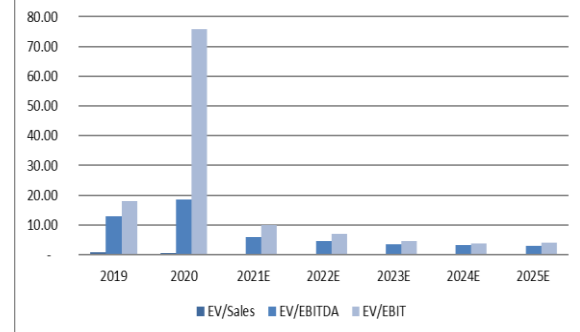
### Revenue Development



### Coverage



### Multiples



## 9. APPENDIX:

### Economic result 2020

- The **sales revenue** of the AutoWallis Group was **HUF 88.4 billion**, exceeding the sales revenue for the comparative period of 2019 by 17% despite the decline caused by COVID-19, partly as a result of the transactions conducted in 2020.
- The increase in **COGS marginally exceeded the increase in sales revenue**, resulting in a **decline in the profit margin** of the AutoWallis Group **from 14.4% to 12.6%** in 2020.
- **EBITDA**, the indicator that best summarises the results of the AutoWallis Group in the management's opinion, **decreased by 28% to HUF 2,139 million**.
- The **balance of financial income and expenses was a loss of HUF 1,066 million**, which is nearly twice as much as the amount for last year's comparative period. The reason behind this substantial increase is the significant weakening and higher fluctuation of the forint compared to the Euro. Of the total amount of recorded exchange rate loss (HUF 622 million), an amount of HUF 396 million was realised exchange rate loss, while HUF 226 million was unrealised exchange rate loss resulting from revaluation at the end of the period. Additionally, the HUF 147 million increase in interest expenses also contributed to the increase from the previous year, which relates to the new companies acquired as a result of the transactions successfully completed in 2020.
- The **overall profit or loss was a loss of HUF 658 million** in 2020, which includes the temporary and one-off effects highlighted above, compared to the profit of HUF 951 million 2019. The primary reasons for the loss include the loss of profit due to a decline in car rental resulting from the complete shutdown of airport traffic due to COVID-19, the planned loss relating to the launch of the new domestic Jaguar Land Rover dealership in April, the Q4 loss of the BMW dealership opened in October, the initial costs of the launch of the distribution of Opel vehicles in four countries incurred in 2020, as well as the exchange rate loss arising from the weakening of the forint and, as a result, the decline in the margin potential of the distribution business.
- Accordingly, earnings per share (**EPS**) was *HUF -2.36*

### Key financial results Q1 2021

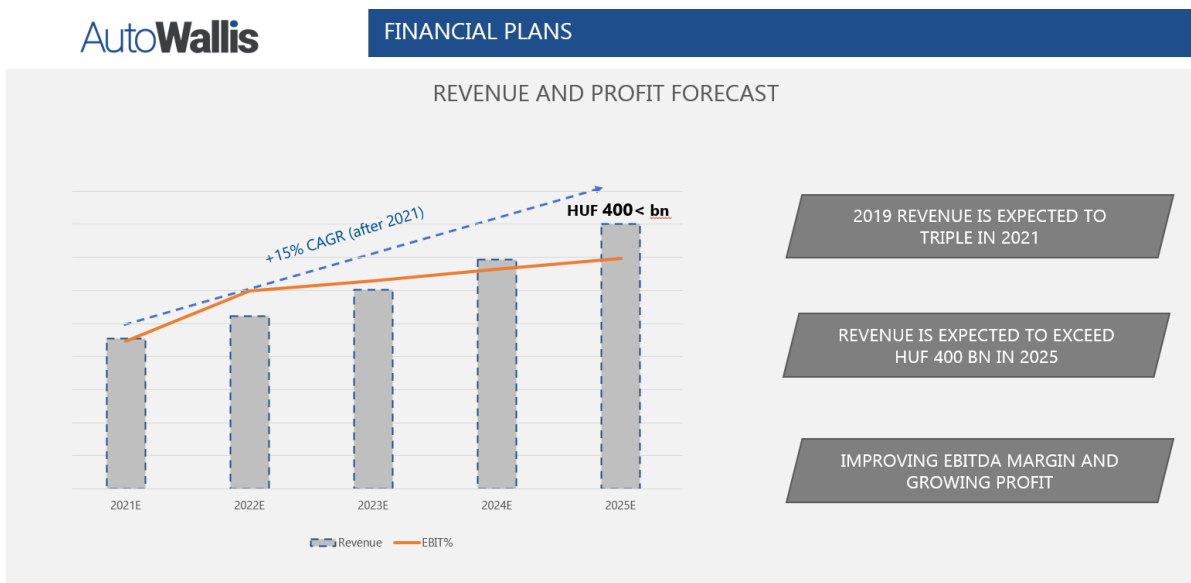
Despite the restrictions due to the Covid-19 the sales revenue of the AutoWallis Group was HUF 48.7 billion, exceeding the sales revenue for the comparative period of 2020 by 142%. The decline in the sales revenue of car rental services was offset by the improvement in vehicle and parts sales in the distribution business and the retail & service business. The number of rental days was up during the first months of the year - thanks to improvement in the number of service hours it exceeded the figures for the base period by nearly 43%.

During the first three months of 2021 the increase in sales revenue surpassed the growth rate of COGS and the profit margin was up from 10.2% to 12.0%. The Group was able to change prices and interact with changing market needs.

In spite of all drawbacks related to the pandemic the EBITDA of AutoWallis Group increased by 188% to HUF 1,465 million. This by cause of: careful cost management, improvement in the profit margin, sensible acquisitions, and steady organic growth.

The overall profit was of HUF 406 million in Q1 2021. The result compared to the loss of HUF 582 million for the same period of 2021 should be visibly highlighted.

Overall balance of financial income and expenses was 79% lower than the amount for the last year's comparative period and it was a loss of HUF 149 million - the exchange rate loss was exceptionally high in Q1 2020 due to the weakening of the HUF against the Euro but this effect was not present in Q1 2021. Following chart shows a company financial plan until 2025e.



## 10. Contacts

Primary Research   Fair Value Analysis   International Roadshows		Dr. Kalliwoda Research GmbH, Steinstraße 24, D-64839 Münster, office Frankfurt Arndtstr. 47, 60325 Frankfurt Tel.: 069-97 20 58 53
Head: <b>Dr. Norbert Kalliwoda</b> E-Mail: <a href="mailto:nk@kalliwoda.com">nk@kalliwoda.com</a>	CEFA-Analyst; University of Frankfurt/Main; PhD in Economics; Dipl.-Kfm., Dipl.-Hdl.	<u>Sectors:</u> IT, Software, Electricals & Electronics, Mechanical Engineering, Logistics, Laser, Technology, Raw Materials
<b>Lukas Ankelmann</b> E-Mail: <a href="mailto:la@kalliwoda.com">la@kalliwoda.com</a>	Junior-Analyst; University Nuremberg	<u>Sectors:</u> Technology, New Media, Food & Beverage
<b>Noah Barnekow</b> E-Mail: <a href="mailto:nb@kalliwoda.com">nb@kalliwoda.com</a>	Frankfurt School of Finance & Management	<u>Sectors:</u> Aviation, Automotive, Technology, Sustainability Approach
<b>Alejandro Cuadros</b> E-Mail: <a href="mailto:ac@kalliwoda.com">ac@kalliwoda.com</a>	Junior-Analyst; University of Frankfurt/Main, Economics	<u>Sectors:</u> Technology, Video Games, Real Estate
<b>Leander Gruß</b> E-Mail: <a href="mailto:lg@kalliwoda.com">lg@kalliwoda.com</a>	Junior-Analyst (University Rotterdam)	<u>Sectors:</u> eSports, Gaming, Consumer, Retail, Fashion
<b>Giuseppe Inserra</b> E-Mail: <a href="mailto:gi@kalliwoda.com">gi@kalliwoda.com</a>	Junior-Analyst (Università degli Studi di Catania, Economics)	<u>Sectors:</u> Gaming Entertainment, Fintech, Financial Markets, Commodities, Real Estate
<b>Michael John</b> E-Mail: <a href="mailto:mj@kalliwoda.com">mj@kalliwoda.com</a>	Dipl.-Ing. (Aachen)	<u>Sectors:</u> Chemicals, Chemical Engineering, Basic Metals, Renewable Energies, Laser/Physics
<b>Witold Konrad Kosinski</b> E-Mail: <a href="mailto:wk@kalliwoda.com">wk@kalliwoda.com</a>	Finance & Banking Warsaw School of Econ, Master of Science; postgrad. Managem. Studies, Prepar. CFA Lev. 2	<u>Sectors:</u> Consumer Goods, Trading Companies, Food & Beverages, Technology
<b>Sebastian Krawczyk</b> E-Mail: <a href="mailto:sk@kalliwoda.com">sk@kalliwoda.com</a>	Bachelor Management, Quant. Meth. in Economics & Inf. Systems at Warsaw School/Mannheim, CFA Can.	<u>Sectors:</u> Quantitative Methods, Automotive, Technology
<b>Dr. Heinz Müller</b> E-Mail: <a href="mailto:hm@kalliwoda.com">hm@kalliwoda.com</a>	Dr. agr, Dipl.-agr. (Agrarökonomie)	<u>Sectors:</u> Agrochemicals, Consumer Chemicals, Chemicals
<b>Dr. Christoph Piechaczek</b> E-Mail: <a href="mailto:cp@kalliwoda.com">cp@kalliwoda.com</a>	Dipl.-Biologist; Technical University Darmstadt; Univ. Witten-Herdecke.	<u>Sectors:</u> Biotech & Healthcare; Medical Technology Pharmaceutical
<b>Nele Rave</b> E-Mail: <a href="mailto:nr@kalliwoda.com">nr@kalliwoda.com</a>	Lawyer; Native Speaker, German School London,	Legal adviser
<b>Hellmut Schaarschmidt;</b> E-Mail: <a href="mailto:hs@kalliwoda.com">hs@kalliwoda.com</a>	Dipl.-Geophysicists; University of Frankfurt/Main.	<u>Sectors:</u> Oil, Regenerative Energies, Specialities Chemicals, Utilities
<b>Dr. Erik Schneider</b> E-Mail: <a href="mailto:es@kalliwoda.com">es@kalliwoda.com</a>	Dipl.-Biologist; Technical University Darmstadt; Univ. Hamburg.	<u>Sectors:</u> Biotech & Healthcare; Medical Technology Pharmaceutical
<b>Leonard Schüppler</b> E-Mail: <a href="mailto:ls@kalliwoda.com">ls@kalliwoda.com</a>	Junior-Analyst; WHU - Otto Beish. School of Management Vallendar	<u>Sectors:</u> Luxury Goods, Consumers, digital businesses.

<b>Hans-Georg Sutter</b> E-Mail: hsu@kalliwoda.com	Dipl.-Wirtschaftsingenieur University Kaiserslautern	<u>Sectors:</u> IT/e-commerce
<b>Lukas Thiele</b> E-Mail: lt@kalliwoda.com	Bachelor Business Administration, Univers. Frankfurt am Main	<u>Sector:</u> Automotive, Technology, IT
<b>Beata Wiendl</b> E-Mail: bw@kalliwoda.com	Dipl.-Ökonomin (Hochsch. für Handel & Wirtschaft, Szolnok, Ungarn)	Office-Manager, native polish, fluent Hungarian and German.
<b>Also view Sales and Earnings  Estimates:</b>  <b>DR. KALLIWODA   RESEARCH on  Terminals of Bloomberg,  Thomson Reuters, vwd group  and Factset</b>	Analyst of this research:  Dr. Norbert Kalliwoda, CEFA	

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Author of this research: Dr. Norbert Kalliwoda, Analyst, CEO and founder of DR. KALLIWODA RESEARCH GmbH.

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