

# AutoWallis Group 2021 Results Presentation

April 29, 2022

AutoWallis  
GROUP

# AGENDA

INTRODUCTION

2021 HEADLINE IN KPIs

KEY FINANCIALS 2021

CAPITAL MARKET

SUPPORTING SLIDES

**DISCLAIMER**

*This presentation was not prepared on the basis of IAS 34 (Interim Financial Reporting); the information contained herein was not audited by an independent auditor. This presentation is for advance information purposes only*

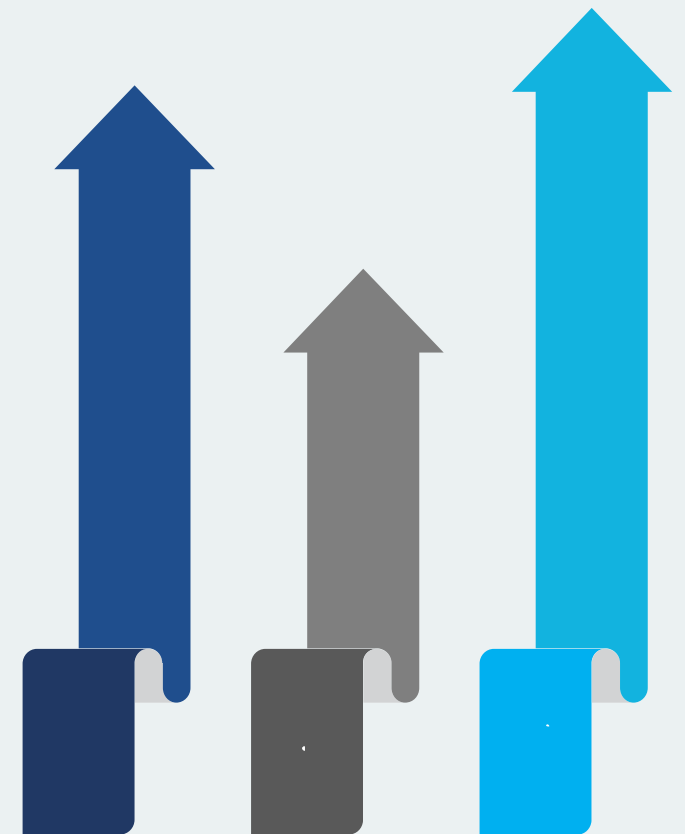
# AUTO WALLIS GROUP TODAY

## BUILDING THE LEADING CAR DEALERSHIP AND MOBILITY SERVICE PROVIDER IN THE CENTRAL AND EASTERN EUROPEAN REGION

- In the automotive market for nearly **30 years** – wide **experience** in car sales and services
- **Listed on BSE** (Budapest Stock Exchange) since 2019
- Included in the BUX and BUMIX indices and listed in the Premium Category
- "**Capital increase of the year**" award by BSE in 2020 and 2021
- Over **4,100 shareholders**
- Committed to sustainable operation and **Green Financing**
- Scope Ratings: B+, stable growth outlook
- **HUF 9.69 billion** raised through long-term **bonds** since 2020
- Nearly **HUF 6 billion in capital increases** since 2020 and **HUF 10 billion via public offering**
- Over **700 employees**
- Continuously **rising revenues** in recent years
- Drivers of growth
  - Consistently growing regional market
  - New markets, acquisitions and transactions
  - Dynamic growth strategy

# 2021 INVESTMENT HIGHLIGHTS

- One of the largest and most recognized **car distributor and mobility service provider group in CEE**
- Our 2021 expansion achieved an attractive **growth and increased market presence** with further **diversification**
- **Strong, resilient cash flow generation** coupled with disciplined capital accumulation drives long-term value
- Leveraging **digital capabilities** to exploit new operating environment and drive cost efficiencies



# DEVELOPMENT PROJECTS ORGANIZED IN STRATEGIC PILLARS

## STRATEGIC PILLARS

### GROWTH

- Wholesale development & growth
- Retail growth
- Services growth

### ORG & IT DEV

- CRM and omnichannel
- Process, IT, and BI development

### BUSINESS DEV

- Used vehicles
- Aftersales

## SUCCESSFUL PROJECTS IN 2021

1

### BI, IT & CRM development

Designing sales process, developing modern website.

2

### Organizational development

Exploring, evaluating and identifying lean processes.  
Organization restructuring to business units

3

### Used vehicle

Designing group-level used car sales & management strategy.

## PROJECTS IN 2022

4-5

### Wholesale & Retail benchmarking

Identifying best practices and operations.

6

### Evaluation of acquisition targets

Developing a high-level detailed pipeline of mergers & acquisitions

7-8

### Regional fleet management and alternative mobility

Analysis, evaluation and classification of the service providers of the region

9-10

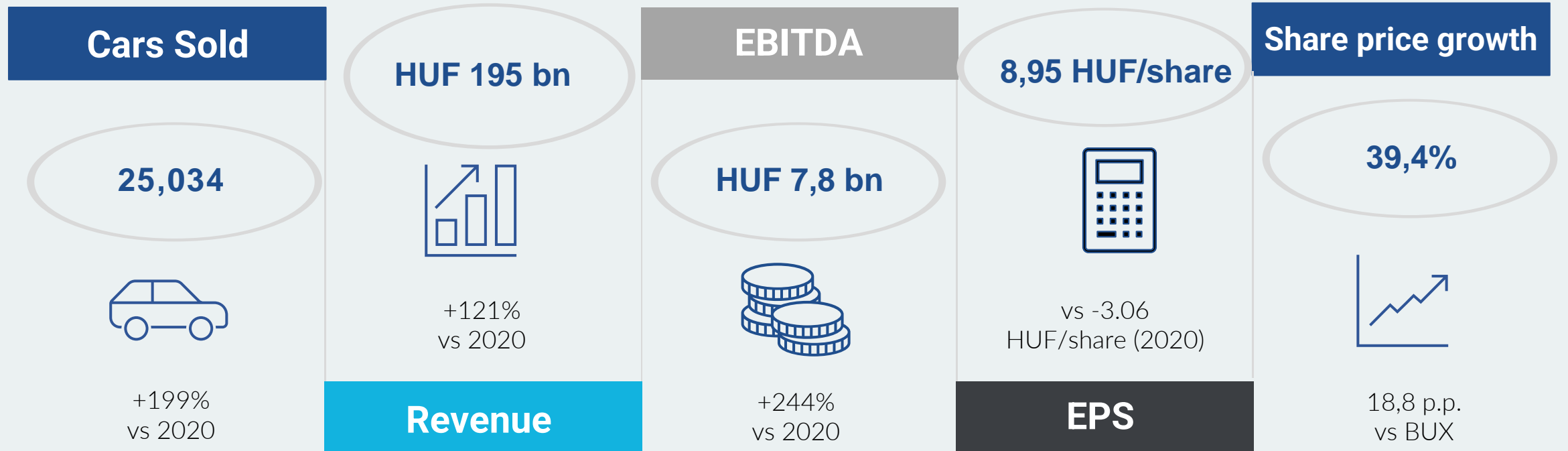
### Further development of CRM, BPR & Sales

# 2021 headline in KPIs

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# 2021 HEADLINE IN KPIs

OUTSTANDING RESULTS, STRONG BASE TO EXECUTE ON THE STRATEGIC PLANS



# Key Financials 2021

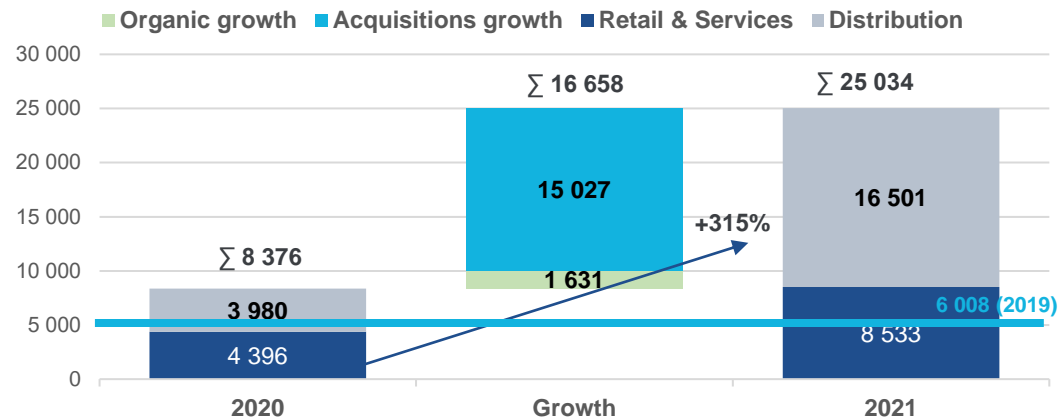
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# BUSINESS DRIVERS

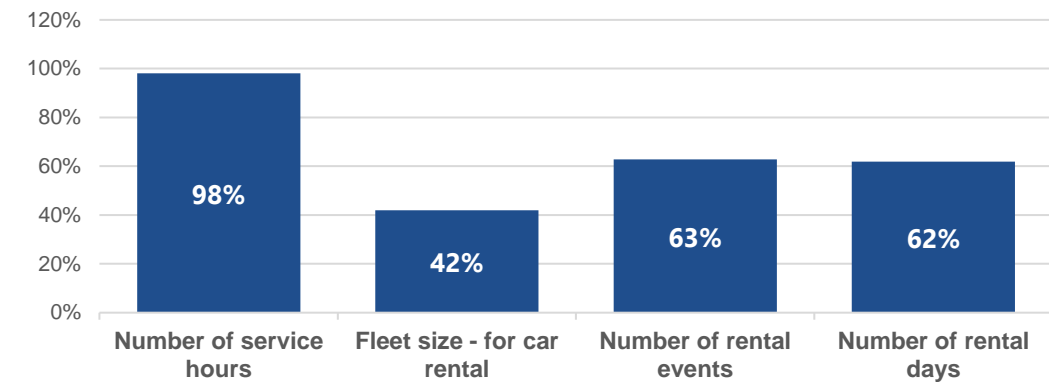
## NEW RECORDS IN ALL BUSINESS UNITS

Change in sold vehicles by business unit (2020-2021)



Source: the Company's consolidated IFRS financial statements and own data

Growth rates by services (2021)

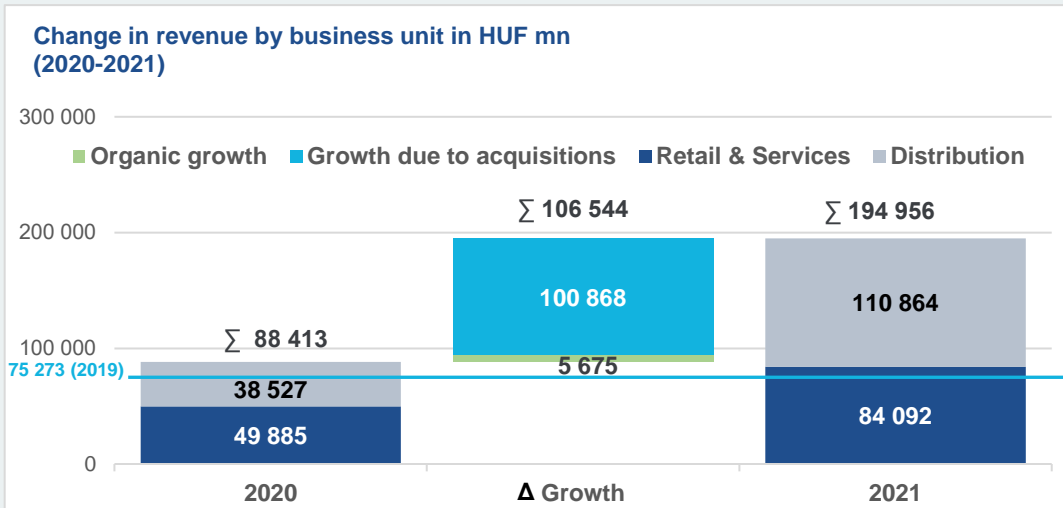


Source: the Company's consolidated IFRS financial statements and own data

- The Group achieved **226% growth in new car sales**. Effect of acquisitions was 198% while organic growth was 28% (higher than market average of 15%).
- **Distribution** sales more than **quadrupled** (+ 315%) compared to last year, due to the start of Opel sales in 4 countries and booming Ssangyong sales.
- **Retail doubled sales of new vehicles (117%)** that significantly exceeded the market trends. Organic volume, excluding the effect of the previous year's transactions, increased by 26% to a total of 6,920 pieces.
- **Sales of used cars** also performed well, **increasing by 34%** to 1,613 units.
- The Group was able to respond well to business environment changes: sold 62% more rental days with a 42% higher number of fleet.

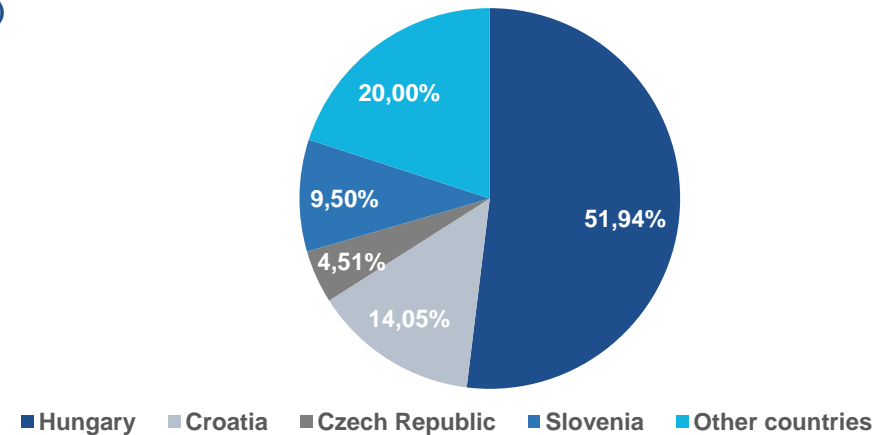
# REVENUES

## ROBUST GROWTH IN BOTH BUSINESS UNITS, FUELED PRIMARILY BY ACQUISITIONS



Source: the Company's consolidated IFRS financial statements and own data

Revenue breakdown by country (2021)

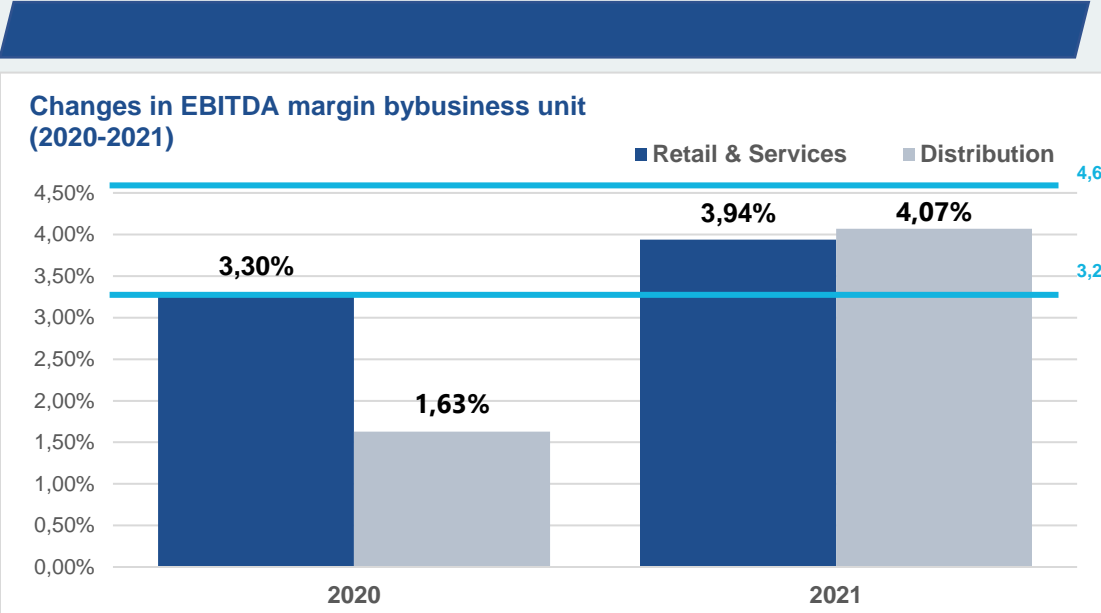
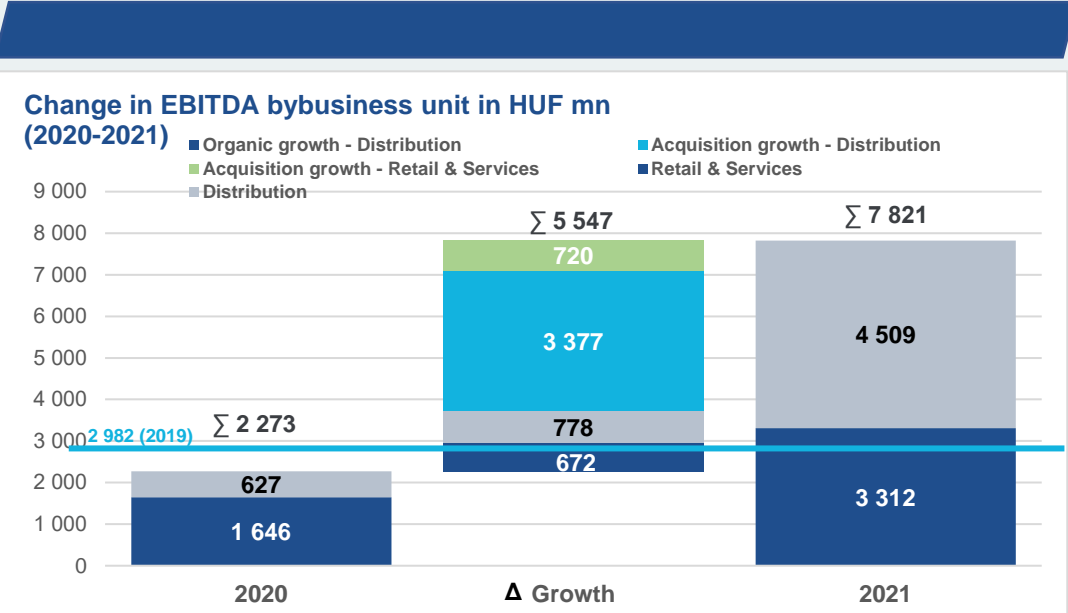


Source: the Company's consolidated IFRS financial statements and own data

- **Acquisitions completed in 2020** were the major drivers of growth in both Distribution and Retail&Services segments
- AutoWallis is a regional player: half of the **Group's revenues comes from out of Hungary**
- This outstanding development was achieved despite headwinds in 2021 (COVID, chip shortage etc).

# PROFITABILITY

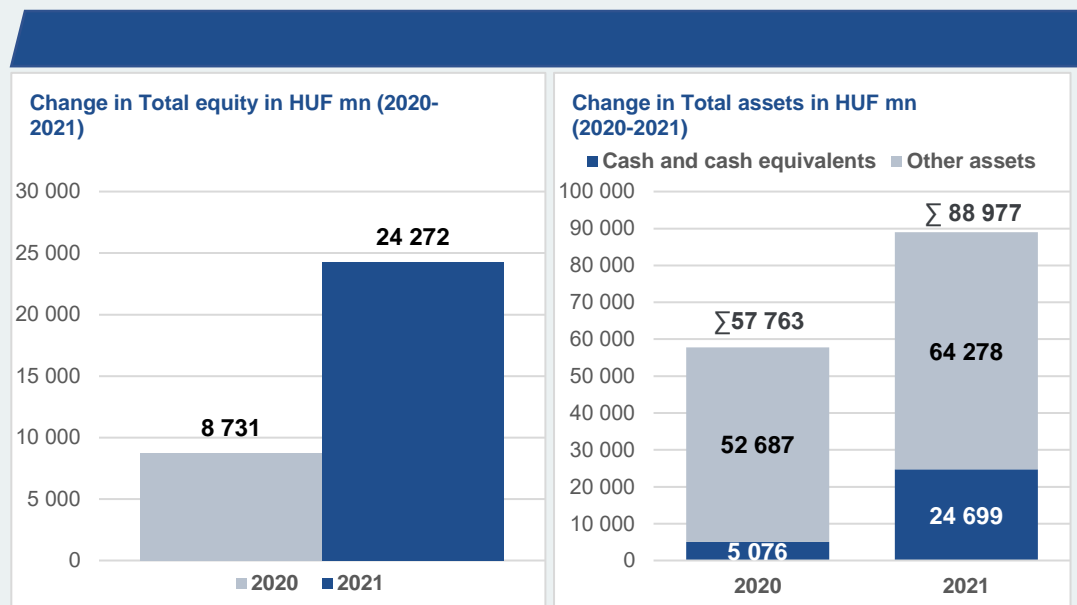
## EBITDA MORE THAN TRIPLED, EBITDA MARGIN EXCEEDED 4%



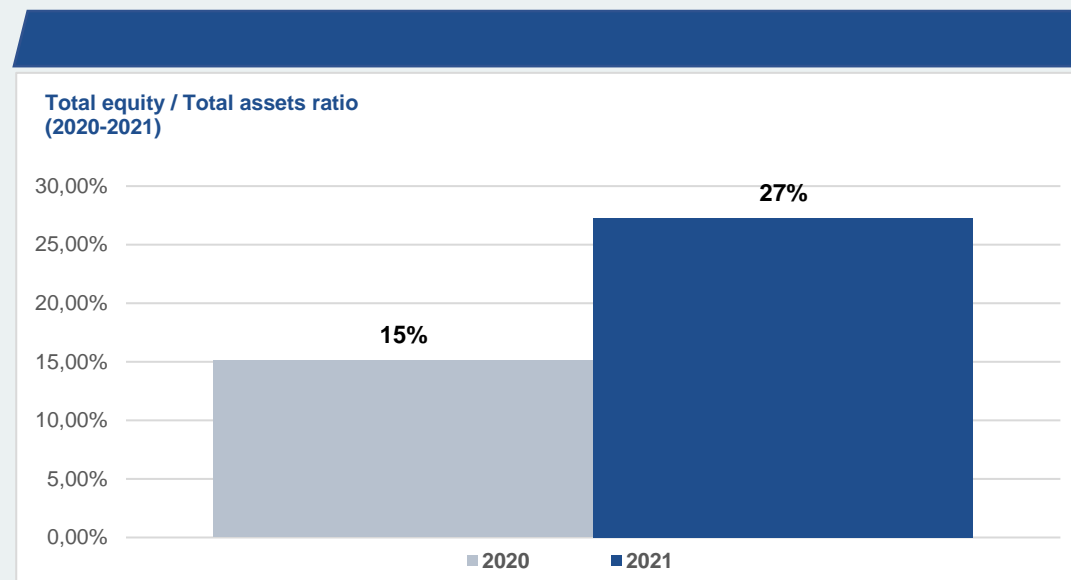
- Margins have significantly improved in both business units
- The improvement is due to both acquisitional and organic volume growth, improved margin production and disciplined cost management throughout the period.

# FINANCIAL STRENGTH

VERY HEALTHY BALANCE SHEET, PROVIDING SOLID FOUNDATION FOR FURTHER GROWTH



Source: the Company's consolidated IFRS financial statements and own data

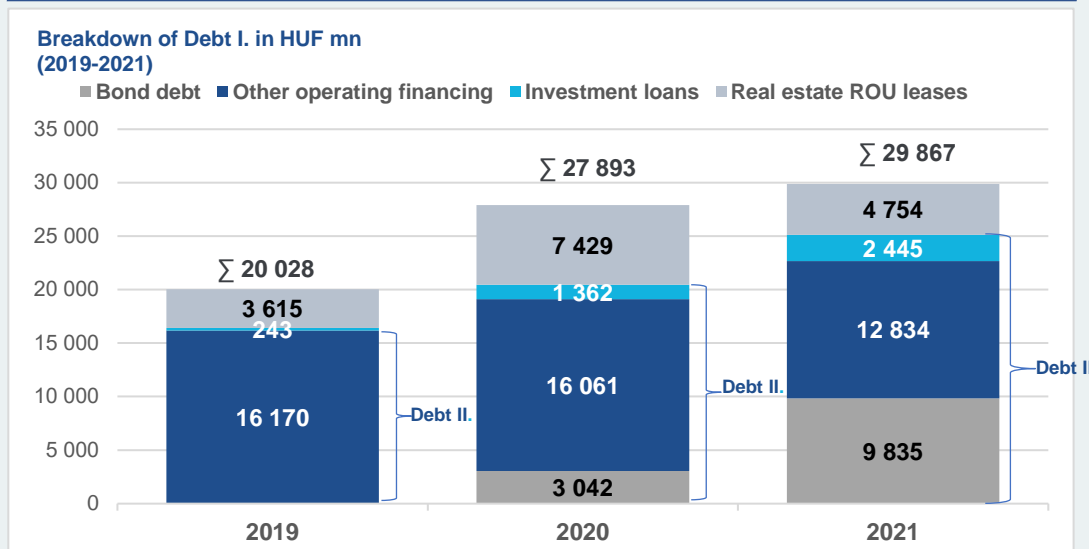


Source: the Company's consolidated IFRS financial statements and own data

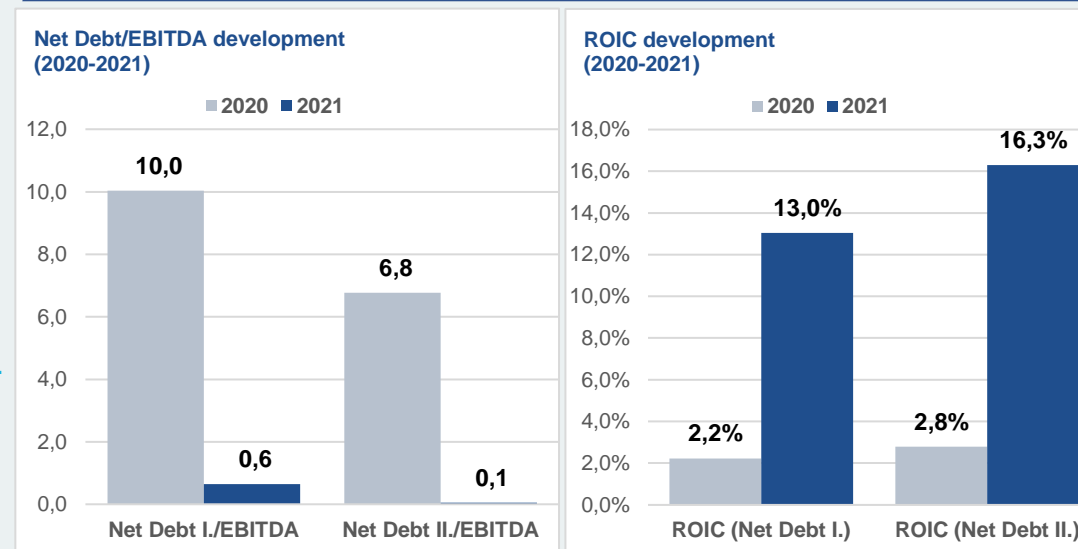
- **Successful capital market transactions** in 2020 and 2021: HUF 10bn NKP bonds (incl. Green bond), HUF 10bn SPO
- Organic growth and transactional impact of the acquisitions

# FINANCIAL STRENGTH – CONT'D

## STRONG AND IMPROVED FINANCING BACKGROUND



Source: the Company's consolidated IFRS financial statements and own data



Source: the Company's consolidated IFRS financial statements and own data

- Debt I. is equal to total external financing, Debt II. is equal to Total external financing - Real estate leases („ROU”)
- Cash and cash equivalents amounted to HUF 5.1 billion in 2020 and HUF 24.7 billion in 2021
- As operating income increased and net debt decreased, **ROIC increased significantly** in 2021.

# GLOBAL CHALLENGES AND OUR OPERATIONS

CONSTANTLY MONITORING THE SITUATION, HOWEVER, THERE IS NO NEED TO REVISE PROFIT FORECAST.



## Chip shortage

- The effect of chip shortage is imminent but order books are growing.
- Demand is strong and as deliveries pick up, order backlogs will start to decrease.



## Russian-Ukrainian war

- No-direct impact on our activity or balance sheet.
- Indirect effects (eg.: increase in raw-material prices, demand decreasing) will affect all market participants, but they will reach markets to a different extent.

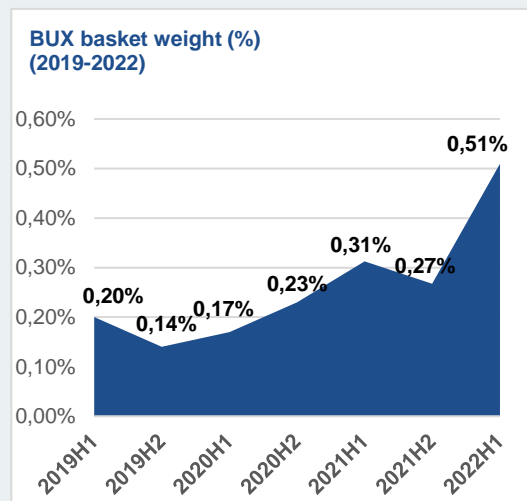
# Capital Market

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# CAPITAL MARKET PRESENCE

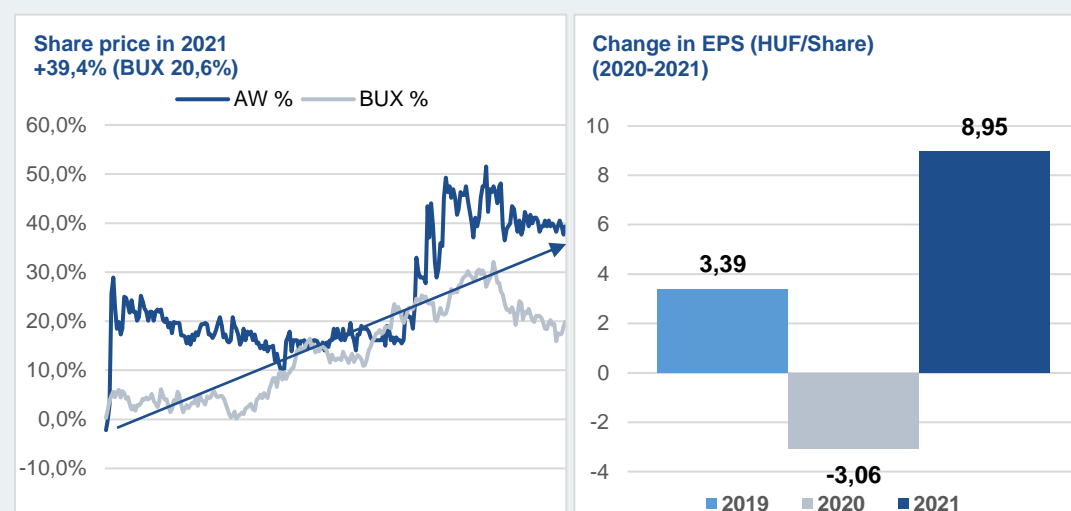
## SUCCESSFUL TRANSACTIONS, RECOGNIZED BY INVESTORS AND BÉT

### Growing BUX basket membership, 10th largest weight



- 9th most liquid share HUF9,3 billion
- 9th in capitalization HUF 51 billion
- Turnover ratio 18.2%
- Free float 35.4%
- 4,100 shareholder (more than 40 investment funds)
- Research target prices: HUF172-230
- Rating: BUY (OTP, Concorde, Kalliwoda)

### Position in the premium category in 2021



- SPO with huge success (HUF 10 bn): first in last 10 years on BÉT
- AutoWallis has repeatedly won the “Equity Increase of the Year” Award by the Budapest Stock Exchange jury
- Green bond issue (HUF 6.6 bn in 2021)
  - Completed construction region’s newest Jaguar and Land Rover dealership (HUF 3bn) with green financing
  - 13 new electric car charging points
  - 700 Number of EV/PHEV car sold in 2021



# AutoWallis GROUP

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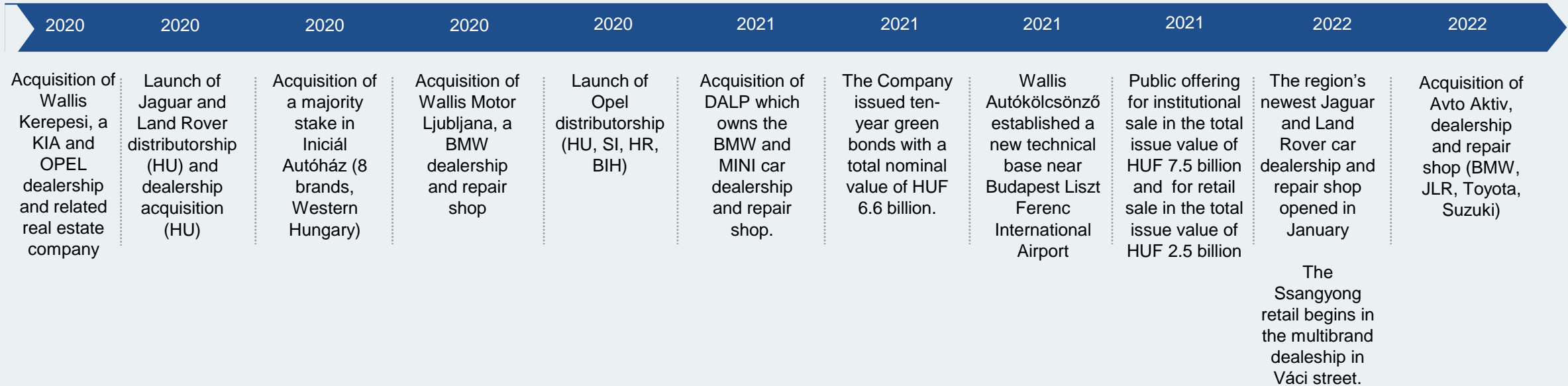
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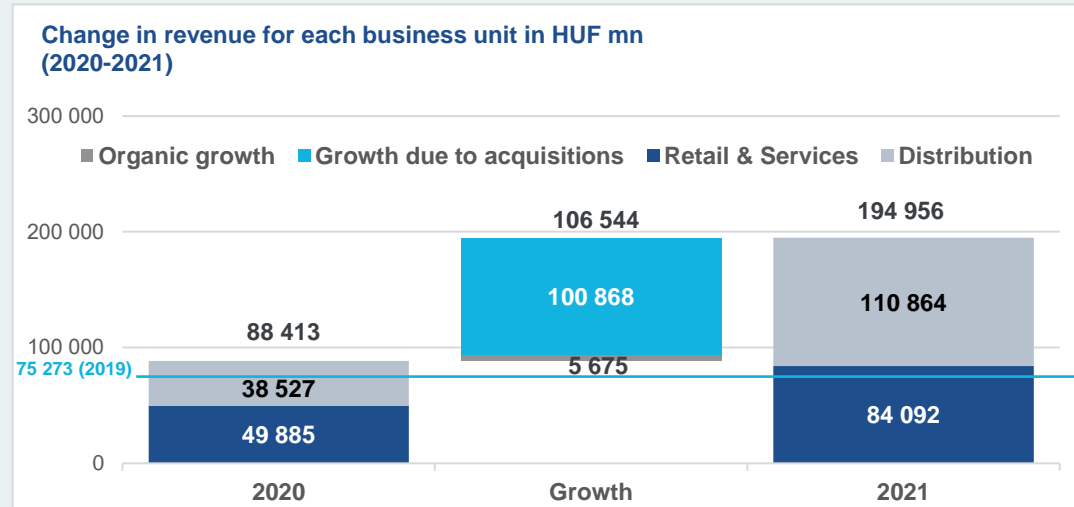
# Supporting Slides

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# MILESTONES OF AUTOWALLIS GROUP FROM 2020

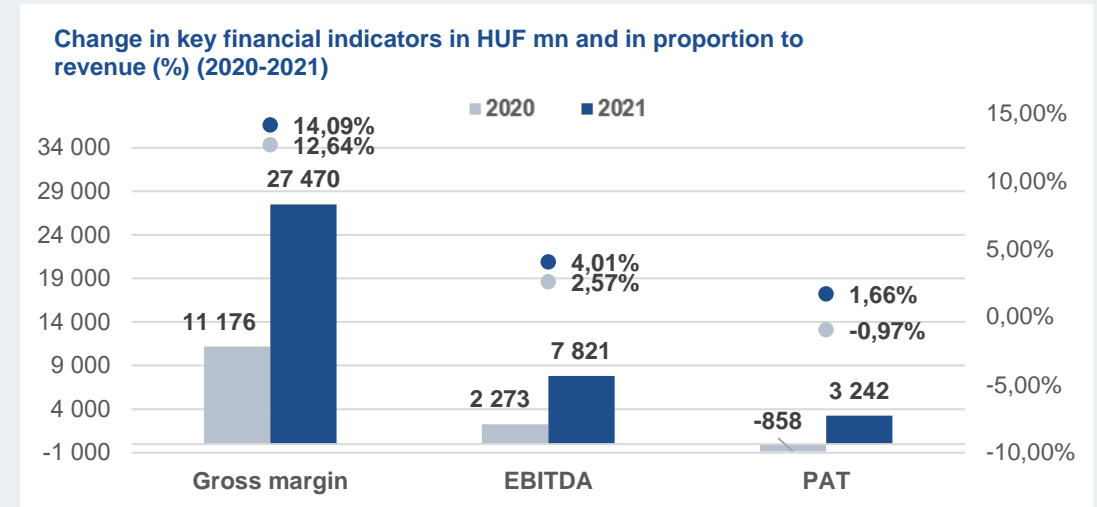


# P&L



Source: the Company's consolidated IFRS financial statements and own data

- Revenue exceeded HUF 195 billion, an increase of more than 121%
- Both business units of the Group contributed to the growth, despite repeated COVID restrictions, a slowdown in supply due to a shortage of chips, and a slow recovery in tourism.
- Outstanding growth of sales revenue is driven by acquisitions completed in 2020 in addition to over the average organic growth.



Source: the Company's consolidated IFRS financial statements and own data

# REVENUE & EBITDA

Data (mHUF)	2020	2021	Change
Retail & Services	49,885	84,092	+68.6%
Distribution	38,527	110,864	+187.8%
<b>AW Group revenue</b>	<b>88,413</b>	<b>194,956</b>	<b>+120.5%</b>

Source: the Company's consolidated IFRS financial statements and own data

Data (mHUF)	2020	2021	Change
Retail & Services	1,646	3,501	+112.7%
Distribution	627	4,320	+588.4%
<b>AW Group EBITDA</b>	<b>2,273</b>	<b>7,821</b>	<b>+244.0%</b>

Source: the Company's consolidated IFRS financial statements and own data

Data (%)	2020	2021	Change
Retail & Services	3.3%	4.2%	+0.9%
Distribution	1.6%	3.9%	+2.3%
<b>AW Group EBITDA margin</b>	<b>2.6%</b>	<b>4.0%</b>	<b>+1.4%</b>

Source: the Company's consolidated IFRS financial statements and own data

Data	2020	2021	Change
Revenue (mHUF)	88,413	194,956	<b>+120.5%</b>
PAT(mHUF)	-858	3,242	<b>N/A</b>
EBITDA (mHUF)	2,273	7,821	<b>+244.0%</b>
Coverage (mHUF)	11,176	27,470	<b>+145.8%</b>
EPS	-3.06	8.95	<b>N/A</b>

Source: the Company's consolidated IFRS financial statements and own data

Data	Retail & Services	Distribution	Total
Hungary	59,790	41,465	<b>101,255</b>
Croatia	123	27,275	<b>27,398</b>
Czech Republic	1,329	7,466	<b>8,795</b>
Slovenia	5,729	12,791	<b>18,520</b>
Other countries	17,122	21,866	<b>38,988</b>
<b>AW Group revenue</b>	<b>84,092</b>	<b>110,864</b>	<b>194,956</b>

Source: the Company's consolidated IFRS financial statements and own data

# BALANCE SHEET AND SALES KPIs

Data	2020	2021	Change
Total assets (mHUF)	57,763	88,977	+54.0%
Shareholder equity (mHUF)	8,731	24,272	+178.0%
Shareholder equity/ Total assets (%)	15.1%	27.3%	+12.2%

Source: the Company's consolidated IFRS financial statements and own data

Data	2019	2020	2021
Debt I. (mHUF)	20,028	27,893	29,867
Debt II. (mHUF)	16,413	20,465	25,114
Net Debt I. (mHUF)	18,138	22,817	5,169
Net Debt II. (mHUF)	14,523	15,389	415
Net Debt I./EBITDA	5.9	10.0	0.6
Net Debt II./EBITDA	4.8	6.8	0.1
ROIC (Net Debt I.)		2.2%	13.0%
ROIC (Net Debt II.)		2.8%	16.3%

Source: the Company's consolidated IFRS financial statements and own data

Data (units)	2020	2021	Change
<b>Retail &amp; Services Business Unit</b>	<b>4,396</b>	<b>8,533</b>	<b>+94.1%</b>
New vehicles sold	3,196	6,920	+116.5%
Used vehicles sold	1,200	1,613	+34.4%
<b>Distribution Business Unit</b>	<b>3,980</b>	<b>16,501</b>	<b>+314.6%</b>
New vehicles sold	3,980	16,501	+314.6%
<b>Total vehicle sales</b>	<b>8,376</b>	<b>25,034</b>	<b>+198.9%</b>

Source: the Company's consolidated IFRS financial statements and own data

Data (mHUF)	2020	2021	Change
Number of service hours (hours)	65,823	130,375	+98.1%
Fleet size - for car rental (pieces)	425	603	+41.9%
Number of rental events (pieces)	9,616	15,648	+62.7%
Number of rental days (pieces)	101,405	164,132	+61.9%

Source: the Company's consolidated IFRS financial statements and own data

# NET DEBT & ROIC ANALYSIS

Data (mHUF)	2019	2020	2021
Debt I.	20,028	27,893	29,867
Debt II.	16,413	20,465	25,114
Cash and cash equivalents	1,891	5,076	24,699
MRP expenses	0.074	0.178	0.150
Adjusted EBITDA	3,049	2,273	7,970
Adjusted EBIT	1,872	0.789	5,108
Total equity	5,105	8,731	24,272
Net Debt I. (mHUF)	18,138	22,817	5,169
Net Debt II. (mHUF)	14,523	15,389	415
Net Debt I./EBITDA ratio	5.9	10.0	0.6
Net Debt II./EBITDA ratio	4.8	6.8	0.1
IC I.	23,243	31,548	29,440
IC II.	19,628	24,120	24,686
Effective tax for NOPAT	22.16%	22.16%	22.16%
NOPAT (with IFRS tax)	1,457	614	3,976
ROIC (Net Debt I.)		2.2%	13.0%
ROIC (Net Debt II.)		2.8%	16.3%

Source: the Company's consolidated IFRS financial statements and own data

Debt I. is equal to total external financing  
Debt II. is equal to Total external financing - Real estate ROU leases

Adjusted EBITDA is equal to EBITDA - MRP  
Adjusted EBIT is equal to EBIT - MRP

Net Debt I. is equal to Debt I - Cash and cash equivalents  
Net Debt II. is equal to Debt II - Cash and cash equivalents

IC I. is equal to Total equity + Net Debt I.  
IC II. is equal to Total equity + Net Debt II.

Effective tax for NOPAT is equal to tax incurred during full operation  
NOPAT is equal to EBIT - tax

ROIC I. is equal to NOPAT/IC I. (for IC the average of the current year and the previous year)  
ROIC II. is equal to NOPAT/IC II. (for IC the average of the current year and the previous year)