

27 September 2021

# Strategy 2025 and vision 2030

We are building the leading car distributor and mobility service provider in the Central and Eastern European region

**AutoWallis**  
GROUP



# Agenda – strategy and vision

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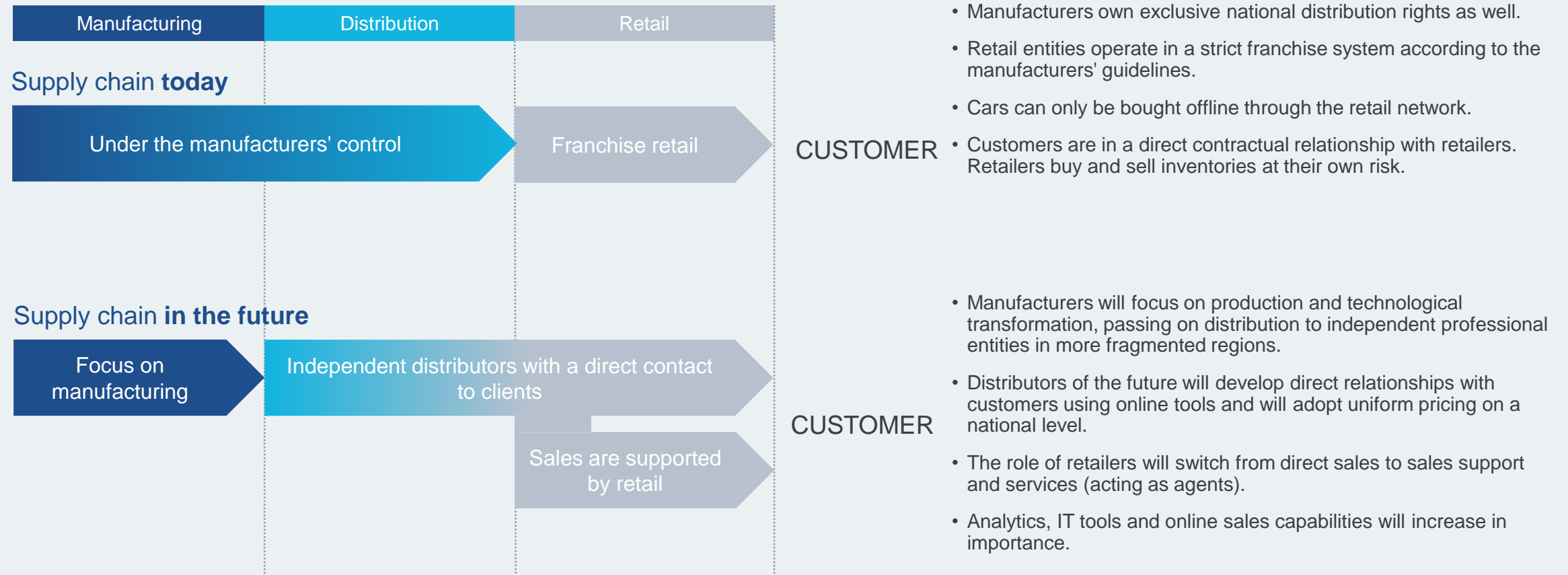


# 1. A changing automotive industry

Growth opportunities for the AutoWallis Group

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# How is the supply chain changing in the region?



# What drives these changes in the automotive value chain?

1

## Technological transformation

manufacturers are forced to engage in capital-intensive, innovative and continuous technological improvement due to

- environmental regulations becoming more stringent and
- the technological development of alternative propulsion systems

2

## The role of digital sales channels

online marketing, sales and distribution are becoming increasingly important the focus of retail is switching to professional sales support and services instead of direct sales

3

## Mobility services are becoming increasingly important

the demand for alternative mobility is growing, but ownership is still popular alongside car sharing; the brand loyalty of customers is declining, and so customers will be more open to brand-independent mobility solutions

**Manufacturers rely on regional merchants:** Funding technological transformation, improving cost efficiency and streamlining

### To achieve this, they are:

1. returning to their core activity of production
2. opening up to digital sales channels and concentrating the franchise network
3. selling distribution rights and passing on **exclusive** distribution activities to local entities in more fragmented markets

A unique growth opportunity for acquisitions in the regional distribution and retail market and the related services

**AutoWallis Group is one of the leading consolidators in the region**

# What market participants will be successful in the future?

Based on the industry trends presented, successful car dealership and service provider groups of the future need to have the following characteristics:

- A **regional leader** that has successfully seized any available opportunities for consolidating distribution operations and represents a **number of brands** on group level.
- Has **high-quality retail facilities** in strategic locations.
- **Covers the entire value chain**, i.e. its portfolio includes everything from distribution through retail to all mobility and related services that offer high added value:

Fleet management, car rental service,  
alternative mobility, car sharing

Repair, chassis and parts  
trade

Sale of third-party products (including  
insurance and financial products)

- Develops a **multi-channel sales model** and its own online marketplaces. Uses digital tools to communicate with customers in addition to conventional face-to-face sales.
- Accomplishes all of this by relying on **professional IT solutions** and analytics competencies.

These opportunities serve as the basis for the strategy of the AutoWallis Group

# Vision 2030

AutoWallis Group is one of the leading consolidators in the region

Strong and profitable car dealership and mobility service provider

Selective growth in retail and distribution

A group that operates efficiently and utilises synergies

Car rental and fleet management  
New service activities  
New mobility services

Development of a regional retail and distribution network  
Professional operation

A portfolio that covers our entire value chain under the AutoWallis Brand  
Modern IT and organisation

**Goal:** To become the leading car dealership and mobility service provider in the Central and Eastern European region by 2030.



## 2. Environmentally conscious growth strategy

Further strengthening its role as a regional consolidator through business development and acquisitions



# Strategic focus

AutoWallis Group is one of the leading consolidation platforms in the region





# 3. Accelerating growth

Updating the strategy announced in 2019

# Expected financial impact of the transactions completed in 2020 on the year 2021

Strong acquisition and consolidation activities

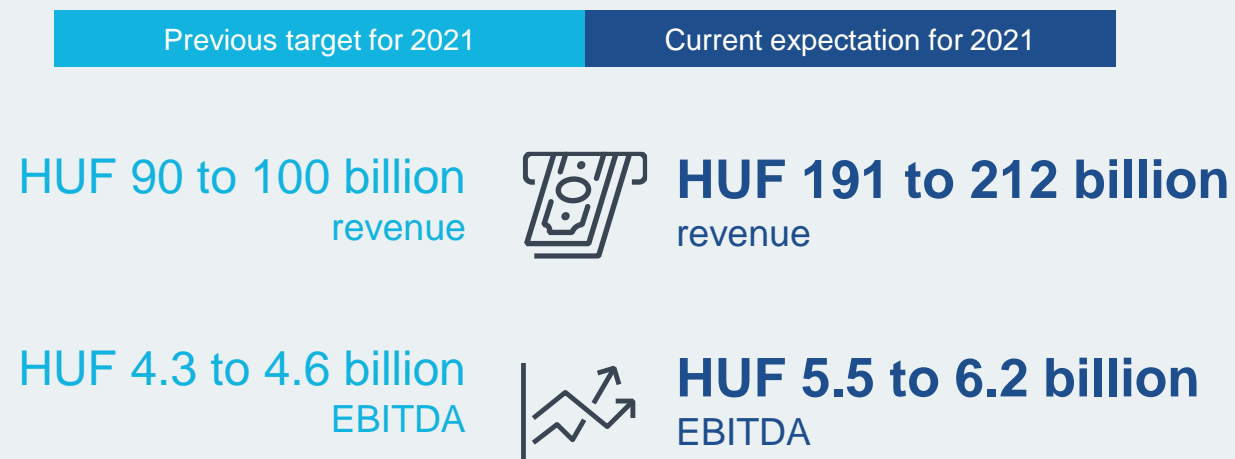


\* In 2021 compared to the base year 2019, if the targets are achieved

\*\* A binding agreement was signed on 9 September 2021 on the acquisition of the operations and assets of the Slovenian entity Avto Aktiv (retail and servicing), which has a marginal impact on the target for 2021.

# Impact of the five transactions completed in 2020 on our targets for 2021

We exceeded the goals set in 2019\*



\* According to the AutoWallis Strategy (bet.hu) defined in 2019



# 4. Results and projections for 2021/2025

Focus on growth

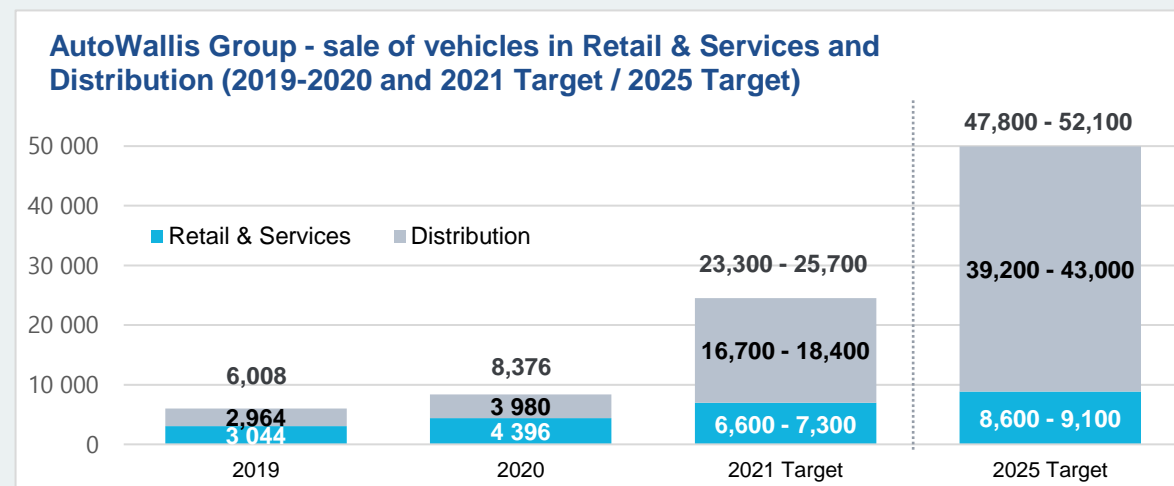
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# Sales figures for each business unit

## Projections for 2021/2025

Data (units)	2019	2020	2021 Target	2025 Target
<b>Retail &amp; Services Business Unit</b>	<b>3,044</b>	<b>4,396</b>	6,600 – 7,300	8,600 – 9,100
New vehicles sold	2,242	3,196		
Used vehicles sold	802	1,200		
<b>Distribution Business Unit</b>	<b>2,964</b>	<b>3,980</b>	16,700 – 18,400	39,200 – 43,000
New vehicles sold	2,964	3,980		
<b>Total vehicle sales</b>	<b>6,008</b>	<b>8,376</b>	<b>23,300 – 25,700</b>	<b>47,800 – 52,100</b>

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



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

Data (units)	2020 H1	2021 H1	Change
<b>Retail &amp; Services Business Unit</b>	<b>1,336</b>	<b>4,270</b>	<b>+ 220%</b>
New vehicles sold	987	3,428	+ 247%
Used vehicles sold	349	842	+ 141%
<b>Distribution Business Unit</b>	<b>1,804</b>	<b>7,385</b>	<b>+ 309%</b>
New vehicles sold	1,804	7,385	+ 309%
<b>Total vehicle sales</b>	<b>3,140</b>	<b>11,655</b>	<b>+ 271%</b>

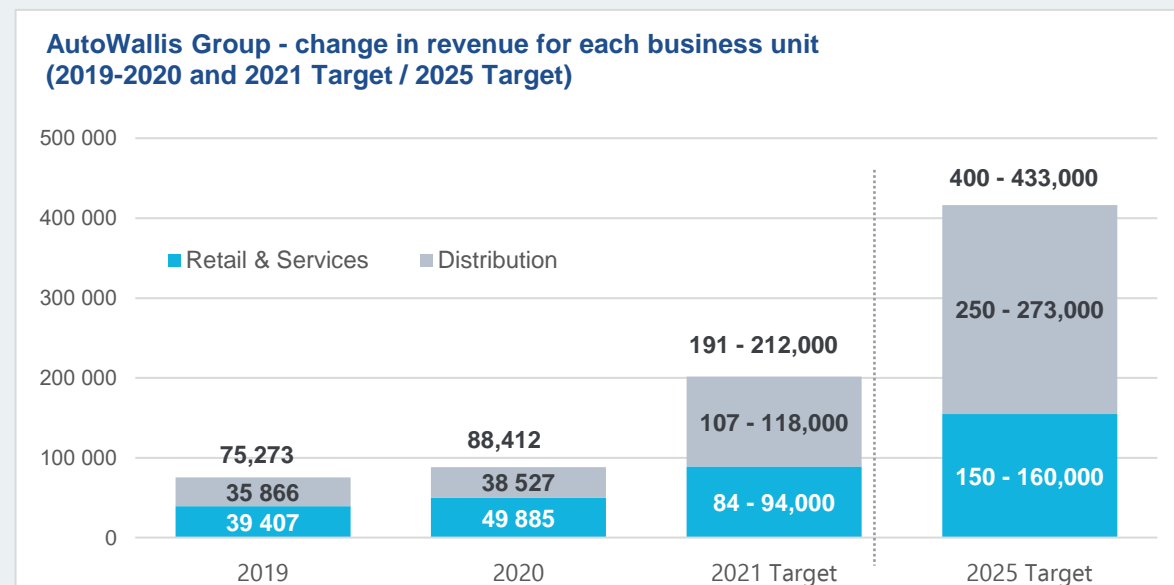
- The goal is to sell as many as 30,000 vehicles in the Retail & Services and Distribution Business Units starting from 2022
- A strategic objective of the AutoWallis Group is to become one of the largest players in the Central and Eastern European region in terms of the number of cars sold.
- Improving services and increasing their percentage share within EBITDA: short-term and long-term car rental and fleet management.
  1. Offering auxiliary activities to cover the entire value chain and retaining the profit generated by vehicle sales within the group.
  2. More efficient operation by exploiting synergies among companies.

# Revenue figures for each business unit

## Projections for 2021/2025

Data (mHUF)	2019	2020	2021 Target	2025 Target
Retail & Services	39,407	49,885	84 – 94,000	150 – 160,000
Distribution	35,866	38,527	107 – 118,000	250 – 273,000
<b>AW Group revenue</b>	<b>75,273</b>	<b>88,412</b>	<b>191 – 212,000</b>	<b>400 – 433,000</b>

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



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

Data (units)	2020 H1	2021 H1	Change
Retail & Services	18,577	42,732	+ 129%
Distribution	18,575	54,919	+ 196%
<b>AW Group revenue</b>	<b>38,152</b>	<b>97,651</b>	<b>+ 156%</b>

- In H1 2021, the Group exceeded the revenue for the entire year 2020 through the transactions conducted in 2020 and the improving performance of the AutoWallis Group.
- The revenue of the Retail & Services Business Unit could be nearly doubled in 2021 as a result of the successful acquisitions and organic growth.
- The revenue of the Distribution Business Unit could increase more than threefold this year, partly thanks to the Opel transaction.
- The revenue for 2020 is expected to more than double by 2021, despite the volume limitations and delays resulting from the chip shortage.
- Revenue growth has been driven by the acquisition of exclusive distribution rights, the expansion of the retail & services business and the ongoing improvement of services (rental and fleet management).
- The annual revenue of the AutoWallis Group is expected to surpass HUF 400 billion in 2025.

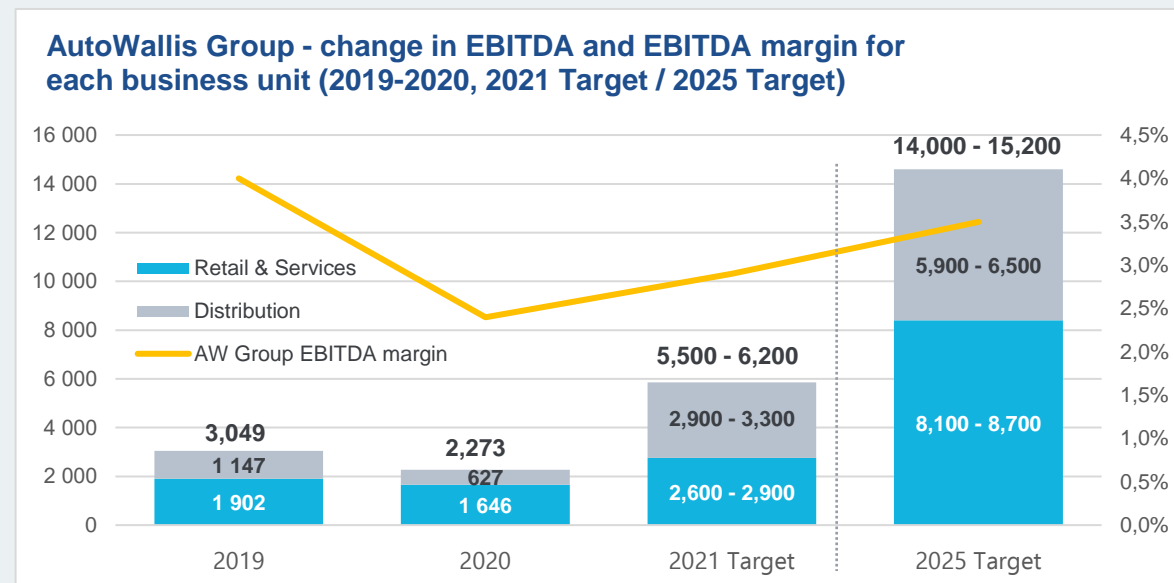
# EBITDA figures for each business unit

## Projections for 2021/2025

Data (mHUF)	2019	2020	2021 Target	2025 Target
Retail & Services	1,902	1,646	2,600 – 2,900	8,100 – 8,700
Distribution	1,147	627	2,900 – 3,300	5,900 – 6,500
<b>AW Group EBITDA</b>	<b>3,049</b>	<b>2,273</b>	<b>5,500 – 6,200</b>	<b>14,000 – 15,200</b>

Source: the Issuer's restated data and own projections for the periods between 2018 and H1 2021

Data (mHUF)	2020 H1	2021 H1	Change
Retail & Services	855	1,837	+ 115%
Distribution	-98	1,344	N/A
<b>AW Group EBITDA</b>	<b>757</b>	<b>3,181</b>	<b>+ 320%</b>



Source: the Issuer's restated data and own projections for the periods between 2018 and H1 2021

- Following a decline in 2020 caused by the COVID-19 pandemic, the Group's EBITDA is expected to grow significantly in 2021, both organically and as a result of acquisitions.
- The average EBITDA margin will decline temporarily due to an increase in the weight of the distribution activity.
- Both the EBITDA and the EBITDA margin are expected to rise by 2025:
  1. Expanding and acquiring services with high added value, such as car rental, fleet management and servicing activities.
  2. Improving economies of scale and exploiting synergies within the AutoWallis Group in connection with purchasing, the sale of used cars, servicing, real estate management and cross-selling.



# 5. Capital market strategy

Optimisation of the capital structure and an active presence in the capital market

# Our strategic goals in the capital market

## Raising funds for further transactions

### Optimising the capital structure

- Increasing the consolidated IFRS equity ratio of 15% for 2020
- Issue of 10-year green bonds with a face value of HUF 6.6 billion on 23 July 2021
- Creating opportunities for obtaining additional funding through bonds or loans

### Increasing free float

- Increasing the number of retail investors by at least 20%
- Increasing free float beyond 35%

### Improving average daily liquidity

- Becoming one of the five most liquid stocks on the Budapest Stock Exchange

### Increasing index weights

- This is affected by an increase in either free float, turnover or share price
- Increasing the BUX weight by a factor of more than two is possible as early as in 2021 (purely based on the planned increase in free float)
- Being included in regional indices (e.g. CECE)

### Raising capital for further transactions

- Public offering of shares in H2 2021 for HUF 6 to 8 billion
- Potential additional funding requirement of transactions in the pipeline: HUF 16 to 38 billion



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