

PRESS RELEASE

AutoWallis sees record revenue and earnings despite industry challenges

Budapest, May 27, 2022 – AutoWallis Group, present in 14 countries in the region, closed the first quarter with growth that far exceeded the market average and an exceptional improvement in efficiency. The Group’s net earnings increased more than five-fold to HUF 1.9 billion, its EBITDA more than doubled to HUF 3.1 billion, and its revenue increased by 18 percent. This growth was organic only, driven mainly by the expansion of the Distribution Business Unit.

Despite the challenges faced by the industry, the AutoWallis Group closed a very strong first quarter. **“The excellent performance is driven exclusively by organic growth, with the significant expansion of the Distribution Business Unit standing out,”** said AutoWallis CEO Gábor Ormosy, evaluating the results. He added that the operational efficiency of both of the Group’s business units showed significant improvement, meaning the company’s results reached new heights in all respects. The CEO went on to explain that the difficulties faced by markets, thus including the automotive industry (raw material shortages, supply disruptions, increased delivery times), were accompanied by an increase in sales margins; however, it is impossible to forecast the long-term sustainability of the latter. Gábor Ormosy pointed out that in the first quarter, the Group achieved almost two thirds of last year’s profit, while the company has already performed 40 percent of the value of last year’s total EBITDA, i.e. its earnings before interest, taxes, depreciation, and amortization, which the management considers to be the best indicator of profitability.

AutoWallis’s *revenue* grew by 18 percent to HUF 57.7 billion in the first quarter, even though EU markets experienced a downturn of 12.4 percent. The increase in the operational efficiency of the company listed in the Premium category of the Budapest Stock Exchange is clearly illustrated by the fact that the number of vehicles it sold in this same period showed a slower rate of increase of 11 percent, totaling 7,410 vehicles. The growth was entirely organic, as all previous transactions had already been closed in the base quarter. Of the Group’s two business units, the Distribution Business Unit performed better (primarily thanks to the SsangYong and Isuzu brands): revenue increased by 32 percent in this segment but experienced only slight growth in the Retail & Services Business Unit. The combined strength of the brands represented and sold by the Group and the diversification of the brand range is illustrated by the fact that the Hungarian passenger vehicle market experienced a slowdown of 11 percent.

Within costs, the value of *cost of goods sold* (CoGS) grew by 14 percent to HUF 49 billion, which is significantly less than revenue figures, leading to a substantial increase in the AutoWallis Group’s margin generation from 12 to 14.8 percent in the first quarter. This is mainly due to the cost management and pricing measures put in place by vehicle manufacturers to cope with supply disruptions and other economic effects (e.g. exchange rate increases). The *value of contracted services* grew by 21 percent, mainly due to increases in marketing spending to support sales growth related to the import activities of the Opel and SsangYong brands, as well as in marketing and other turnover-proportionate costs connected to the increased turnover of the rental car service following the end of the coronavirus epidemic. The 30 percent increase in *personnel expenses* was caused primarily by the increase in staff numbers resulting from the organizational development measures taken in 2021 and the salary increases provided to keep pace with labor market changes. Thanks to

the above, both average wages and the Group's average headcount grew, the latter by 49 persons to 711.

The value of *financial gains or losses* in Q1 was HUF 29 million in losses, which is an improvement of 83 percent compared to the 2021 base period, primarily thanks to the exchange rate profits realized in the period. The AutoWallis Group's *EBITDA* more than doubled, to HUF 3.1 billion (+111%), resulting in an increase in its EBITDA margin from 3 percent to 5.4 percent. AutoWallis's total comprehensive income increased by almost six-fold, reaching HUF 2.1 billion (+470%).

	Q1 2022	Q1 2021	Changes
Revenue	57 701 715	48 708 079	+18%
<i>Distribution Business Unit</i>	37 061 099	28 097 614	+32%
<i>Retail & Services Business Unit</i>	20 640 616	20 610 466	+0%
Material expense	-928 247	-818 279	+13%
Services	-2 598 675	-2 150 241	+21%
Cost of goods sold	-49 047 055	-42 861 175	+14%
Personnel expenses	-1 933 795	-1 481 856	+30%
Depreciation and amortization	-747 889	-720 235	+4%
Profit or loss from trading	2 446 054	676 294	+262%
Other income and expenses	-96 134	43 136	N.A.
OPERATING PROFIT OR LOSS - EBIT	2 349 920	719 430	+227%
Financial gains or losses	-28 602	-168 238	-83%
PROFIT BEFORE TAX	2 321 318	551 192	+321%
Tax expense	-372 672	-184 797	+102%
NET PROFIT OR LOSS	1 948 646	366 395	+432%
Retranslation of subsidiaries	109 979	-5 143	N.A.
Total comprehensive income	2 058 625	361 252	+470%
EPS (HUF/ share)	4,38	1,03	+325%
EBITDA**	3 125 329	1 484 210	+111%

* IFRS consolidated audited results

** Earnings before interest, tax, depreciation and amortization

AutoWallis Group

AutoWallis Plc., a company listed in the Premium category of the Budapest Stock Exchange, as well as in the BUX and BUMIX indices, aims to become a major vehicle trading company and mobility service provider in the Central and Eastern European region by the end of the decade and to expand its automotive investment-focused investment portfolio through acquisitions. The AutoWallis Group is present in 14 countries of the Central and Eastern European region (Albania, Bosnia and Herzegovina, Bulgaria, Croatia, the Czech Republic, Hungary, Kosovo, Montenegro, North Macedonia, Poland, Romania, Serbia, Slovakia, Slovenia), where it is engaged in the retail and wholesale of vehicles, parts, and accessories, in repair and maintenance services, as well as in short- and long-term vehicle rentals. The brands represented by the group include BMW cars and motorbikes, Dacia, Isuzu, Jaguar, Land Rover, Maserati, MINI, Nissan, Opel, Peugeot, Renault, SsangYong, Suzuki, and Toyota, as well as Saab spare vehicle parts, and Sixt rent-a-car. AutoWallis is the two-time recipient of the "The Share Capital Increase of the Year" award at Best of BSE Award Galas (2020, 2021). www.autowallis.hu www.facebook.com/AutoWallis



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AutoWallis
GROUP

