

PRESS RELEASE

AutoWallis closed 2020 with an all-time record revenue and six successful transactions¹

Budapest, March 30, 2021 – AutoWallis has closed another banner year, with its revenue increasing by 17 percent to HUF 88 billion in 2020. However, the company expects even such a major expansion to be only a minor step ahead of the 2021 leap. Namely, the revenue of the stock exchange automotive company may present a nearly threefold increase when compared to 2020, to as much as HUF 230 billion, owing to organic growth and the six transactions concluded last year. Similarly to the majority of the corporate sector, AutoWallis's results were not untouched by the outbreak of the COVID-19 epidemic: the negative impacts of the pandemic could be felt primarily in relation to the car rental activities, while one-time expenses burdened the launching of the new retail and wholesale activities related to the business developments. As a result, AutoWallis's EBITDA was HUF 2.1 billion, which represents a 28 percent decline compared to the previous year.

AutoWallis Nyrt. had closed the most active year of its history in terms of acquisitions and transactions, significantly contributing to the realization of the Budapest Stock Exchange Premium category corporation's growth strategy announced in 2019, said **Zsolt Müllner, President of the company**, in the context of evaluating the year 2020. He added that the positive impact of the six acquisitions and business developments carried out last year may be fully felt in 2021, when the revenue of the group present in 14 countries is expected to show a threefold increase as compared to 2020, possibly up to as much as HUF 230 billion. In order to provide financing for the growth strategy, the Executive Board does not recommend paying dividends from the HUF 1.2 billion dividend fund generated in 2020, and composed of the HUF 910 million total comprehensive annual earnings and retained profit (according to the separate (stand-alone) financial statement of the IFRS serving as the basis for dividend-related decisions), and of the dividends received from the subsidiaries. **AutoWallis CEO Gábor Ormosy** pointed out that **the most significant transaction was the acquisition of the four-country importer rights of the Opel brand** (Bosnia and Herzegovina, Croatia, Hungary, Slovenia), which could increase AutoWallis' revenue by more than HUF 100 billion in 2021. The second largest transaction was acquiring majority ownership in **Iniciál Autóház**, a significant company of the Western Hungarian region involved in the sales and after-sales services of seven vehicle brands, which could contribute over HUF 18 billion to the company's growth in 2021. According to the plans, **the acquisition of the largest Slovenian BMW dealership**, as well as **obtaining the exclusive importer rights of Jaguar and Land Rover vehicles and spare parts and beginning their distribution in Hungary** could increase the corporation's revenue by about HUF 24 billion. The acquisition of **Wallis Kerepesi**, the operating company of one of the largest Opel and KIA dealerships in Hungary could result in an additional revenue of more than HUF 8 billion for AutoWallis this year. **Partly as a result of these transactions, AutoWallis's 2020 revenue set another record, increasing by 17 percent to HUF 88.4 billion**, while the restrictive measures imposed by the outbreak of the COVID-19 epidemic had a negative impact on the company in several areas, similarly to the majority of the corporate sector. Nevertheless, the revenue of the AutoWallis Distribution Business Unit increased by 7 percent to HUF 38.5 billion, while that of the Retail & Services Business Unit by 27 percent to HUF 49.9 billion. Within the Retail & Services Business Unit, after-sales services were impacted to a smaller degree by the epidemic-related

¹ In this announcement, the source of financial data for 2020 is the consolidated annual financial statement of the IFRS, which is not yet adopted by the issuer's Executive Board acting on behalf of the General Assembly.

restrictions, while the significant decline in tourism and business travel had a negative effect on car rentals.

In 2020, the results of AutoWallis showed a significant temporary decrease, partly due to one-time expenses (HUF 87 million) related to the business developments (the new Jaguar Land Rover retail launched in Hungary in April, and the cost of starting the distribution of Opel vehicles in four countries in December), as well as the unfavorable economic impacts of the epidemic (especially in the field of car rentals). Within costs, the *cost of goods sold* (CoGS) showed a higher increase than that of the revenue, rising by 20 percent to HUF 77.2 billion. *Material costs* increased by 6 percent, while the *value of contracted services* grew by 14 percent. 90 percent of the 52 percent increase in *personnel expenses* is in connection with the developments and acquisitions related to the growth strategy of the corporation (the average statistical headcount in the group increased from 309 to 662). The value of *financial gains or losses* is a loss of HUF 1.1 billion in 2020, a portion of which (HUF 226 million) is the not realized accounting exchange loss resulting from the revaluation of the open currency credit volume used for inventory financing at an extremely high euro rate. Based on this, the figure considered by the management to be the most indicative of profitability, that is, the **earnings before interest, taxes, depreciation and amortization (EBITDA) decreased by 28 percent to HUF 2.1 billion** (while the total comprehensive income was a loss of HUF 658 million).

Regarding the plans for 2021, Gábor Ormosy pointed out that following the success of the capital market closed capital increase of HUF 1.4 billion at the end of last year, AutoWallis was currently looking into ways of financing the robust growth, and possible further acquisitions outlined in its strategy. He added that for this purpose, the corporation was considering another bond issuance on the one hand, and – in case the market conditions are suitable – to initiate public funding for institutional and private investors as well.

	Year 2020	Year 2019	Changes
Revenue	88 412 726	75 272 908	+17%
<i>Distribution Business Unit</i>	38 527 340	35 865 556	+7%
<i>Retail & Services Business Unit</i>	49 885 386	39 407 352	+27%
Material expense	-2 675 705	-2 519 905	+6%
Services	-4 231 452	-3 704 672	+14%
Cost of goods sold	-77 236 279	-64 439 124	+20%
Personnel expenses	-2 681 180	-1 758 630	+52%
Depreciation	-1 484 216	-1 177 184	+26%
Profit or loss from trading	103 896	1 673 395	-94%
Other income and expenses	551 371	130 962	+321%
OPERATING PROFIT OR LOSS - EBIT	655 266	1 804 357	-64%
Financial gains or losses	-1 065 764	-544 410	+96%
PROFIT BEFORE TAX	-410 497	1 259 947	-133%
Tax expense	-268 833	-343 336	-22%
NET PROFIT OR LOSS	-679 331	916 611	N.A.
Retranslation of subsidiaries	21 196	34 661	-39%
Total comprehensive income	-658 135	951 272	N.A.
EPS (HUF/ share)	-2,36	3,39	N.A.
EBITDA**	2 139 482	2 981 540	-28%

* IFRS consolidated audited results included in the Board of Directors' submission to the Annual General Meeting

** Earnings Before Interest, Taxes, Depreciation and Amortization

	Q1-Q4 2020	Q1-Q 2019	Changes
Distribution Business Unit			
Number of new vehicles sold (pcs.) *	3 980	2 964	+34,3%
Retail & Services Business Unit			
Number of new vehicles sold (pcs.)	3 196	2 242	+42,6%
Number of used vehicles sold (pcs.)	1 200	802	+49,6%
<i>Total Vehicle Sales</i>	8 376	<i>6 008</i>	+39,4%
Number of service hours (hours)	65 823	49 640	+32,6%
Rental Fleet Size (pcs.)	425	592	-28,2%
Number of rental events (pcs.)	9 616	24 619	-60,9%
Number of rental days (pcs.)	101 405	139 437	-27,3%

* 262 vehicles from intragroup sales

AutoWallis Plc.

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 mobility service provider in the Central and Eastern European region by 2029. The company intends to operate as an asset management company that represents a traditional, conservative business policy through the continuous, acquisition-based expansion of its portfolio focusing on automotive investments. 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, Citroën, 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 received "The Share Capital Increase of the Year" award at the Best of Budapest Stock Exchange Award 2020 Gala. www.autowallis.hu www.facebook.com/AutoWallis



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