

## PRESS RELEASE

**AutoWallis: Record revenue and profit accompanied by increasing efficiency in the first half**

**Budapest, September 3, 2021 – In just half a year, last year’s entire revenue was surpassed by AutoWallis while the efficiency of its operations also grew in line with the contents of its strategy. The Group’s revenue in the first six months amounted to HUF 97.7 billion, its total comprehensive profit to HUF 1.2 billion, and its earning per share (EPS) to HUF 3.52.**

In the second quarter, AutoWallis Group’s revenue grew even faster than in the first quarter, as a result of which the automotive company of the Budapest Stock Exchange realised a total of **HUF 97.7 billion in revenue** in half a year, which exceeds last year’s comparable figures by 156 percent. **This means that in the course of six months, the company realised more revenue than in all of last year.** This exceptional growth is due, in addition to organic growth, to the Company’s transactions in the region last year. The company listed in the Premium Category of the Budapest Stock Exchange achieved growth in its business results that exceeded even the two and a half times increase in revenue: **EBITDA**, which AutoWallis’s management considers to be the best indicator of profitability, jumped to more than four times its comparable value, to HUF 3.2 billion (+320%) while **total comprehensive income** amounted to HUF 1.2 billion in profits, up from HUF 854 million in losses last year. Based on the above, AutoWallis’s **earning per share (EPS)** was HUF 3.52 in the first six months of the year. **The CEO of AutoWallis, Gábor Ormosy said, evaluating the performance of the first half of the year, that despite of the third wave of the coronavirus epidemic the Group’s activities underwent significant expansion. What is more, this took place while operational efficacy increased, which is in line with the targets laid down in the strategy announced by AutoWallis. The CEO added that results had thus far not been significantly impacted by the increasing global chip shortage, as despite the fact that troubles in supply led to a slow in sales in the case of certain brands in the year to date, sales margins have increased, with an increase in prices also experienced on the used car market, leading to positive results as regards profitability as well. Meanwhile, the manufacturing difficulties suffered by vehicle manufacturers had a negative effect on the market as a whole, which impacts volumes in the coming periods as well. The company expected to realise more than HUF 200 billion in revenue in 2021, though, primarily to the delivery delays caused by the chip shortage, it feels this figure can not be guaranteed even despite of the exceptional results of the first half. Despite of the expected drop in sales volumes (as regards both volumes and revenue), the company does not expect its margin and result-producing capability to decrease, with EBITDA still expected to be around HUF 6 billion.**

The revenue of AutoWallis’s both business units enjoyed a great increase in the first half: due to the launch of Opel sales in four countries at the beginning of the year, the **Distribution Business Unit** almost tripled its revenue to HUF 54.9 billion (+181%). In addition to organic growth, the **Retail & Services Business Unit**’s revenue more than doubled (+130%) to HUF 42.7 billion, also thanks to the acquisitions and transactions completed last 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 hard-hit by the coronavirus epidemic, with the number of rental days increasing by more than two-fold to 66,183 (+101.5%). The restructuring of the company’s sales strategy was successful: in absence of travel for tourism, the company transitioned to longer term rentals, and the available fleet grew slightly, by 9 percent, contributing to an increase in efficiency. The advantageous trend also extended to service hours: as a result of the transactions closed last year and the company’s organic

growth, hours increased by two and a half times (+163.6%) to 62,666 hours, with organic growth in itself equal to 67 percent.

The first half was a period of increasing efficiency for the AutoWallis Group, with revenue growth outpacing the increase in the **cost of goods sold (CoGS)** 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 both average wages and the average statistical headcount of the AutoWallis Group by 355 to 686. **Financial gains or losses** decreased by 86 percent to HUF 111 million.

	H1 2021	H1 2020 (Restated) ***	Changes
<b>Revenue</b>	<b>97 651 046</b>	<b>38 152 265</b>	<b>+156%</b>
<i>Distribution Business Unit</i>	54 919 266	19 575 257	+181%
<i>Retail &amp; Services Business Unit</i>	42 731 781	18 577 009	+130%
Material expense	-1 777 019	-1 172 767	+52%
Services	-4 014 929	-1 452 261	+176%
Cost of goods sold	-85 630 998	-33 766 534	+154%
Personnel expenses	-3 235 554	-1 051 849	+208%
Depreciation	-1 430 022	-669 387	+114%
<b>Profit or loss from trading</b>	<b>1 562 524</b>	<b>39 467</b>	<b>+3859%</b>
<b>Other income and expenses</b>	<b>99 574</b>	<b>-40 776</b>	<b>N.A.</b>
<b>OPERATING PROFIT OR LOSS - EBIT</b>	<b>1 662 098</b>	<b>-1 309</b>	<b>N.A.</b>
<b>Financial gains or losses</b>	<b>-111 346</b>	<b>-788 850</b>	<b>-86%</b>
<b>PROFIT BEFORE TAX</b>	<b>1 550 751</b>	<b>-790 159</b>	<b>N.A.</b>
Tax expense	-351 324	-72 370	+385%
<b>NET PROFIT OR LOSS</b>	<b>1 199 427</b>	<b>-862 529</b>	<b>N.A.</b>
Retranslation of subsidiaries	-6 474	8 044	N.A.
<b>Total comprehensive income</b>	<b>1 192 953</b>	<b>-854 485</b>	<b>N.A.</b>
<b>EPS (HUF/ share)</b>	<b>3,52</b>	<b>-3,19</b>	<b>N.A.</b>
<b>EBITDA**</b>	<b>3 181 210</b>	<b>757 168</b>	<b>+320%</b>

\* IFRS consolidated audited results

\*\* Earnings before interest, tax, depreciation and amortization

\*\*\* As recommended by the auditor, the Group's management modified the accounting treatment of the ESO program launched in 2019 (ESO1). As a result, the part of the program where the beneficiaries are employees of the Group is shown in personnel-type expenses, despite the fact that the consideration for the program was provided by WALLIS ASSET MANAGEMENT Zrt. free of charge. The prorated cost of the ESO1 program for H1 2020 was HUF 89 million. The program was not presented in the financial statements for financial years 2019 and 2020 and for Q1 2021; therefore, it is included in the report for H1 2021 retrospectively by way of restatement and is presented against the comparative period.

A unique feature of this program is that the shares transferred to the ESO Organisation in 2019 were not provided by the Company or a member of the Group, but instead by the legal entity that controls the Company (WALLIS ASSET MANAGEMENT Zrt.), as a result of which the ESO1 share-based compensation program will never have an impact on the Group's net assets and will never cause and has never caused any cash outflows.

The profit impact of items which never generate any net outflow of assets is not taken into account by the Group when calculating the EBITDA indicator and, therefore, this effect is adjusted for.

## 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 vehicle trading company and 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, 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 BSE Award 2020 Gala. [www.autowallis.hu](http://www.autowallis.hu) [www.facebook.com/AutoWallis](https://www.facebook.com/AutoWallis)



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