

31 August 2022

Investor presentation

Results for 2022H1

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

AutoWallis
GROUP



Disclaimers

This investor presentation is based on the semi-annual report prepared by the Company in accordance with IAS 34 Interim Financial Reporting. The information contained therein and in this presentation has not been audited and has not been reviewed by an independent auditor.

This investor presentation contains forward-looking statements and prospective statements on the Company's opinions and expectations, which are presented by the Company in good faith and in a reasonable manner. Such forward-looking statements rely on current plans, expectations and projections and may be affected by known or unknown risks, uncertainties or other factors which may cause the specific results, financial situation, performance or achieved goals of the Company or the industry to differ significantly from those explicitly or implicitly described in such forward-looking statements.

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The Company's financial figures relating to this investor presentation are also published in detail on the Company's website in a format that facilitates their use. The detailed financial data are available at: <https://www.autowallis.hu/hu/befektetoknek/kozzetetelek>

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1. Executive Summary

A blue-tinted image of a car, likely an Astra, with the word 'ASTRA' on the license plate. The car is overlaid with a network diagram consisting of nodes and connecting lines, suggesting a digital or data-driven theme. The background is a gradient of blue.

AutoWallis
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Key events in H1 2022

We are making progress implementing our previously announced dynamic growth strategy

Events in 2022H1

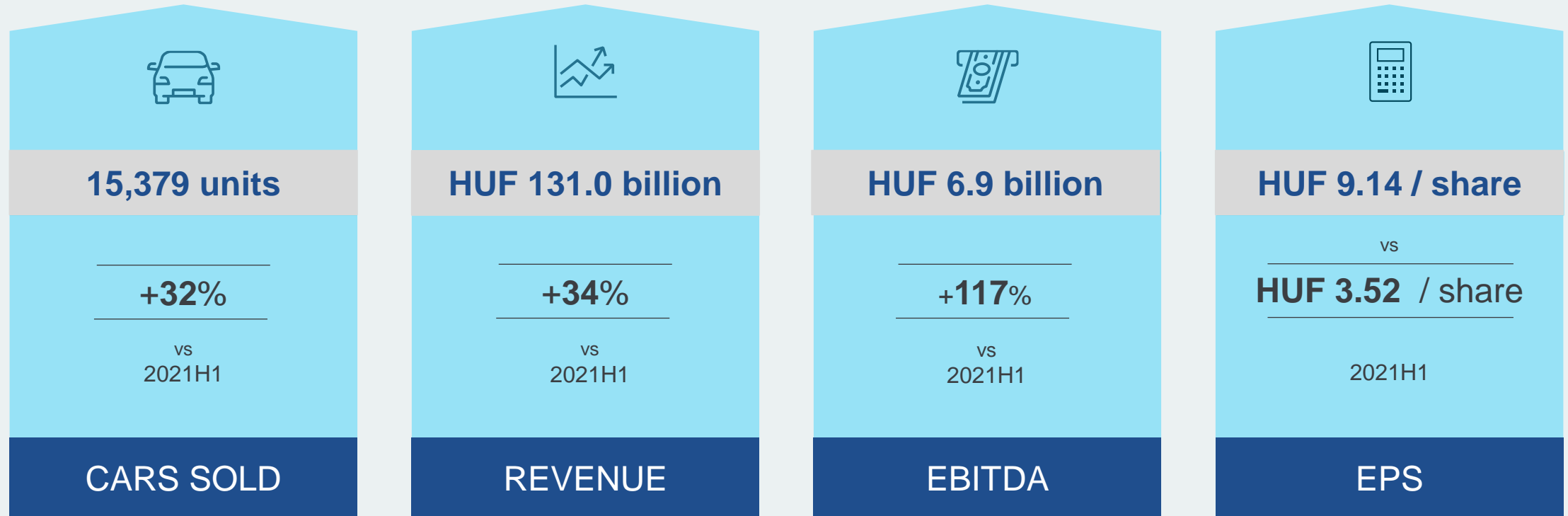
- In **January 2022**, the Group opened its new Jaguar and Land Rover **dealership and service centre** in Budapest.
- In **March 2022**, a **new brand was added to the Group's retail portfolio** as we entered the retail market for SsangYong vehicles to complement our presence in the distribution market.
- In **March 2022**, the Group once again **won the award for "Capital increase of the year"** awarded by the jury of the Budapest Stock Exchange. In addition, our shares were included in the quoting scheme of the Budapest Stock Exchange.
- In **April 2022**, the Group successfully **completed the acquisition** of the operations and real estate of the **Slovenian entity Avto Aktiv**.
- In **May 2022**, the Group **opened the only Land Rover dealership in Slovenia**.
- In **June 2022**, the Group **established a service centre for Sixt that spans 1,349 square metres** on a property of nearly 6,000 square metres.
- In cooperation with a key European car dealership partner, AutoWallis acquired the exclusive **Hungarian import rights for the Renault, Dacia and Alpine brands**. Due to a delay with the competition proceedings, the acquisition of Renault Hungária will be finalised later than expected, most likely during the autumn.

Subsequent events

- **Scope Ratings confirmed the B+ credit rating of AutoWallis with stable prospects**, despite the uncertainties in the economy and the industry.
- In **July 2022**, the Group **acquired ownership** of C182 Razvoj Nepremičnin Ljubljana d.o.o., the entity owning the property where the largest BMW dealership in Slovenia is located.
- In **August 2022**, the Group's first Employee Share Ownership Program launched in 2019 was successfully completed. As part of the program, **23 of the Group's key managers received a total of 3.3 million shares**

Key results of H1 2022

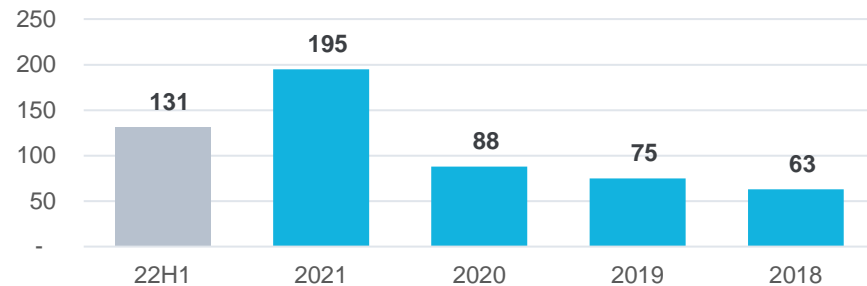
Record-breaking results once again, which continue to provide a solid basis for achieving strategic goals



Portfolio

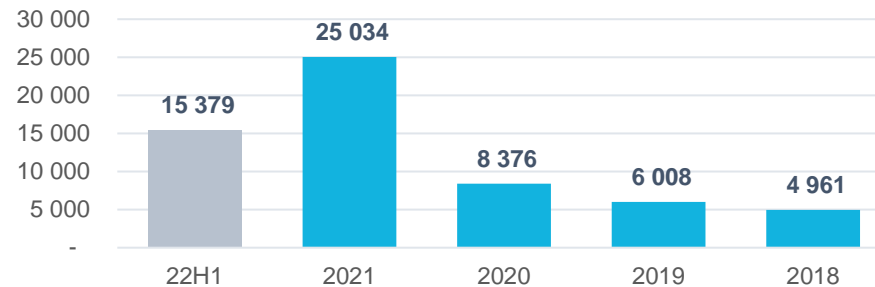
Continuous organic growth supported by growth through acquisitions

Changes in revenue 22H1 - 18FY (HUF billion)



Source: the Company's own data

Changes in the vehicle sales 22H1 - 18FY (unit)



Source: the Company's own data

Distribution Business Unit

Description	Brands	Countries
Exclusive new car and parts distribution activities in Central and Eastern Europe		Hungary, Albania, Croatia, Bosnia and Herzegovina, Serbia, Slovenia, Macedonia, Montenegro, Romania, Slovakia, the Czech Republic, Kosovo, Poland, Bulgaria

Retail & Services Business Unit

Description	Brands	Countries
Sale of new and used motor vehicles and motorcycles, as well as sale of new parts		Hungary (9 sites), Slovenia (6 sites)
Comprehensive servicing activities and auxiliary services relating to the brands distributed by the Group		
Short-term and long-term car rental		Hungary

Economic, market environment

The Group has achieved and expects further growth despite the decline in the region's automotive markets and the unfavourable inflationary and economic outlook in the region

Economic environment

- The GDP is still expected to grow by 4-5% in Hungary in 2022, and an average growth of 4-6% is projected in the region as well.
- Inflation and reference interest rates began rising in 2021 worldwide, including the Group's relevant markets. This has not yet had an observable impact on demand. The increase in the price levels of motor vehicles and mobility services exceeded the rise in inflation.
- Due to the increase in order volumes caused by earlier supply problems, there may be a longer delay than usual in observing these effects (6 to 18 months).
- However, rising inflation and a possible economic downturn are forcing industry players to exercise caution and could act as catalysts for the market consolidation already underway in the industry, which the Group intends to capitalise on to achieve further growth.

Sales and service environment

- The war between Russia and the Ukraine which erupted at the beginning of 2022 and the slowdown in production and supply difficulties resulting from the chip shortage significantly reduced the number of cars that were available for delivery in the first half of the year, particularly in Q2.
- The number of first registrations of new passenger cars declined in EU markets by 13.7% compared to the same period of the previous year, presumably due to automakers' intention to achieve adequate profits with less motor vehicles manufactured and less resources (raw materials, labour and energy) used.
- The number of first registrations of passenger cars in the relevant markets of the Group dropped by 8.2% in 2022H1 compared to the same period of the previous year.
- The rise in the number of passengers arriving at the airport, which began last June, continued in 2022H1. The figure is now over 70% of the number for the year 2019, which is considered to be the pre-COVID baseline.

* Automotive market data provided by DataHouse and/or ACEA.

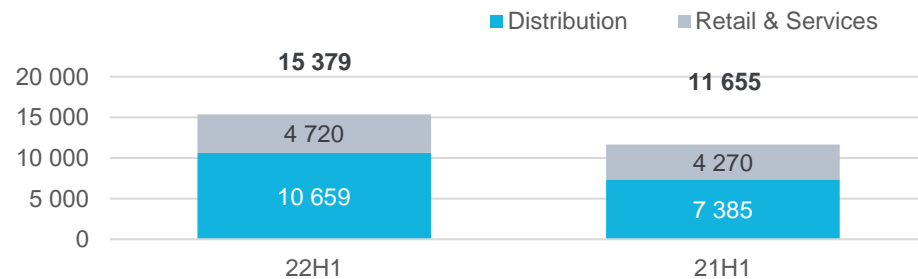
A blue-tinted image of a car, possibly a sedan, shown from a side profile. The car is semi-transparent, revealing a network of white lines and dots overlaid on its body, suggesting a digital or data-driven theme. The background is a gradient of blue.

2. Financial and operational summary

Summary of operational performance

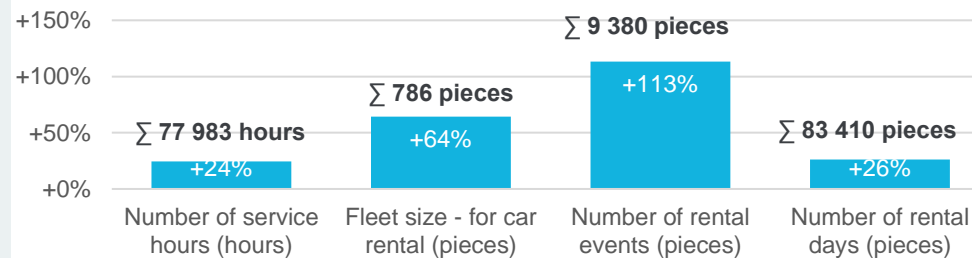
H1 performance exceeding the Hungarian and European market average

Change in sold vehicles by business unit (22H1 - 21H1)



Source: the Company's own data

Growth rates by services (22H1/[21H1])



Source: the Company's own data

- The Group's performance in terms of car sales quarter to quarter was far beyond the Hungarian and European market average (Hungary: -11.4%, Europe: -13.7%) as **a total of 15,379 vehicles were sold in the first half of the year, which represents an increase of 32%**. In addition to the effects of transactions, the continuous rise in sales figures was primarily organic as there was substantial growth even without the acquisition of the Slovenian entity Avto Aktiv completed in April.
- **Sales in the Distribution Business Unit were up by 44.3% to 10,659 units**, primarily thanks to the SsangYong and Opel brands.
- In Q2, the performance of the **Retail & Services Business Unit** was boosted by Avto Aktiv of Slovenia as well, although the business unit recorded strong growth in all areas anyway. **3,783 new (10.4%) and 937 used (11.3%) cars were sold by this business unit**. The significance of this growth is demonstrated by the fact that, in comparison, the Hungarian passenger car market shrank by 13.4%.*
- **There was further growth in the services of the Retail & Services Business Unit as well, as the number of service hours increased to 77,983 (+24.4%)**, while Sixt, an entity represented by the Group, more than doubled its number of rental transactions (+113.4%). The number of rental days increased at a slower rate by 26% to 83,410. According to the figures, the number of short-term tourism-related rental transactions with typically higher margins continued to rise, even in the quarter preceding the peak period of summer.

* Market data provided by DataHouse.

Consolidated profit & loss statement / 1

The Group had its most profitable six-month period with a record-breaking semi-annual revenue

HUF ths	22H1	21H1	vált. %	V
Revenue	131 045 612	97 651 046	34%	33 394 566
Distribution business unit	78 824 637	54 919 266	44%	23 905 371
Retail & Services business unit	52 220 975	42 731 781	22%	9 489 194
Material	-2 428 957	-1 777 019	37%	-651 938
Services	-6 266 271	-4 014 929	56%	-2 251 342
Cost of goods sold	-111 106 962	-85 630 998	30%	-25 475 964
Personal expenses	-4 730 120	-3 235 554	46%	-1 494 566
Depreciation	-1 631 046	-1 430 022	14%	-201 024
Profit or loss from trading	4 882 256	1 562 524	212%	3 319 732
Other income and expenses	332 897	99 574	234%	233 323
OPERATING PROFIT - EBIT	5 215 153	1 662 098	214%	3 553 055
Interest income and expenses, net	-231 249	-213 032	9%	-18 217
Financing expenses from leases	-123 517	-98 568	25%	-24 949
Foreign exchange gains or loss, net	330	285 768	-100%	-285 438
Expected credit loss and impairment of financial instruments	-18 607	-85 514	-78%	66 907
Financial gain or losses	-373 043	-111 346	235%	-261 697
PROFIT BEFORE TAX	4 842 110	1 550 752	212%	3 291 358
Tax expenses	-759 391	-351 324	116%	-408 067
NET PROFIT OR LOSS	4 082 719	1 199 428	240%	2 883 291
Retranslation of subsidiaries	461 505	-6 474	N/A	467 979
TOTAL COMPREHENSIVE INCOME	4 544 224	1 192 954	281%	3 351 270
EPS (HUF/Share)	9,14	3,52	160%	5,62
EBITDA impact of items which never generate any net outflow of assets	-55 040	-89 090	-38%	34 050
EBITDA	6 901 239	3 181 210	117%	3 720 029
EBITDA%	5,27%	3,26%	62%	N/A

- The Group's **revenue** exceeded HUF 131 billion in 2022H1, which is nearly HUF 33.4 billion (or **34%**) higher than the revenue for H1 of the previous year. In addition to the effect of transactions, this growth is mostly organic as the increase in turnover would have been outstanding even without the acquisition of the Slovenian entity Avto Aktiv completed in April. The main driver of growth was the significant improvement in SsangYong and Opel sales within the Distribution Business Unit, but the nearly HUF 10 billion growth of the Retail & Services Business Unit is also exceptional.
- The value of **services** was up by **56%** to nearly HUF 6.3 billion from the comparative period, the main reasons being the rise in marketing expenses aimed at supporting sales in connection with the import of Opel and SsangYong vehicles, as well as an increase in marketing and other turnover-based expenses relating to rent-a-car services as demand for the service recovered after the COVID-19 pandemic had passed.
- The increase in **COGS** (HUF 25.5 billion or **30%**) was below the increase in revenue, as a result of which the Group's gross margin was up significantly from 12.0% to 15.2% during 2022H1. This was mainly caused by the effective cost management and pricing measures implemented for the purpose of managing the impact of the supply issues of car manufacturers and other economic circumstances (e.g. rising exchange rates).
- The **46% rise in personal expenses** was caused primarily by the increase in headcount resulting from the organisational development measures implemented in 2021, the pay rise given in response to changes in the labour market and the expansion attributable to the acquisition of Avto Aktiv completed in April. As a result of the above, not only did average wages rise, but the Group's average headcount was also up by 135 to 821 compared to the same period of the previous year.

Consolidated profit & loss statement / 2

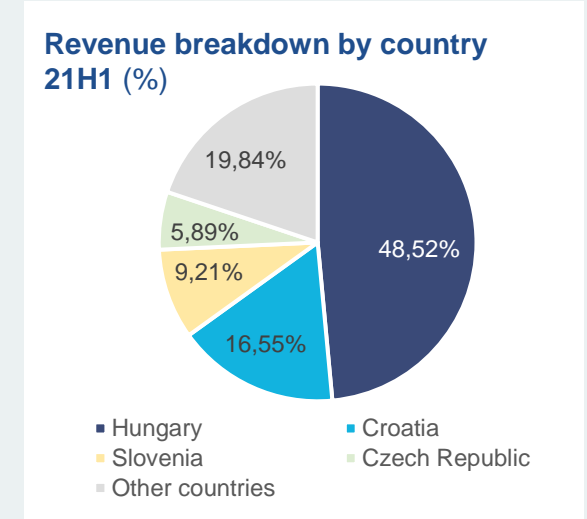
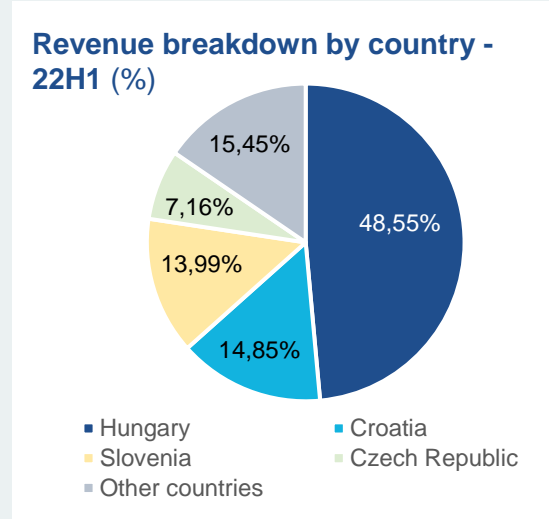
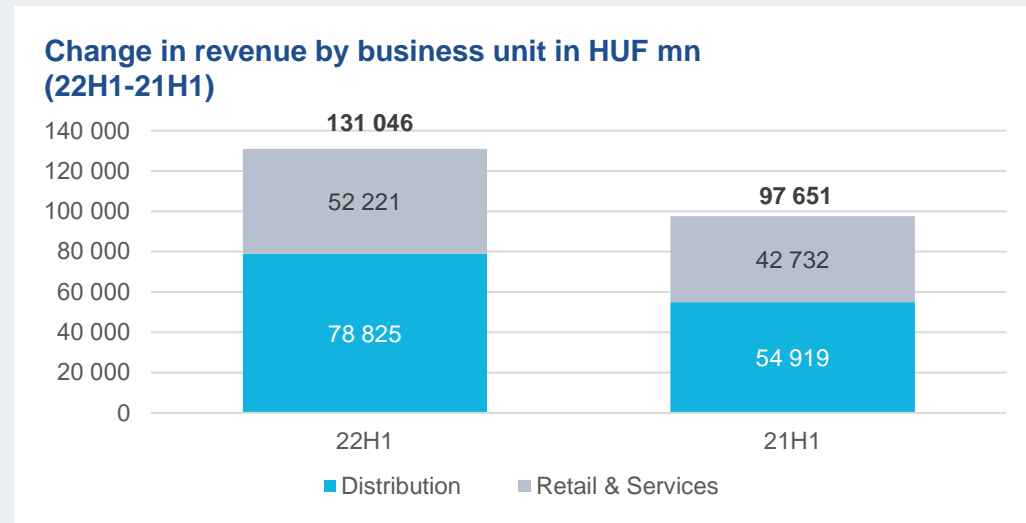
Continuing dynamic growth in profits, a doubling of EBITDA and a threefold increase in profit before tax

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Revenue	131 045 612	97 651 046	34%	33 394 566
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EBITDA	6 901 239	3 181 210	117%	3 720 029
EBITDA%	5,27%	3,26%	61,66%	N/A

- As a result of an increase in revenue and an improvement in the gross margin, **operating profit (EBIT)** increased more than threefold (by 214%) to HUF 5.2 billion during the period.
- The value of **financial gains or losses** was a loss of HUF 373 million in 2022H1, which translates into a decline of over HUF 262 million in comparison with the base period of 2021, mainly because the exchange rate difference recognised by the Group in 2022H1 was nearly zero, compared to exchange gains of HUF 286 million in the comparative period.
- The **EBITDA**, the indicator which best describes the Group's performance, increased more than twofold (by 117%) to HUF 6.9 billion compared to the nearly HUF 3.2 billion figure recorded in 2021H1. Accordingly, the Group's EBITDA and normalised EBITDA margins increased further to 5.3% from the 3.3% figure recorded in the previous period.
- **Profit before tax** for 2022H1 was HUF 4.8 billion, which represents a significant increase in comparison with the HUF 1.6 billion amount for the previous period.
- The Group's **total comprehensive income** was HUF 4.5 billion compared to the HUF 1.2 billion figure for the same period of 2021.
- As a result of the above, the Group's **net earnings per share (EPS)** figure for the current period was HUF 9.14/share.

Revenue analysis by business unit

Outstanding organic growth



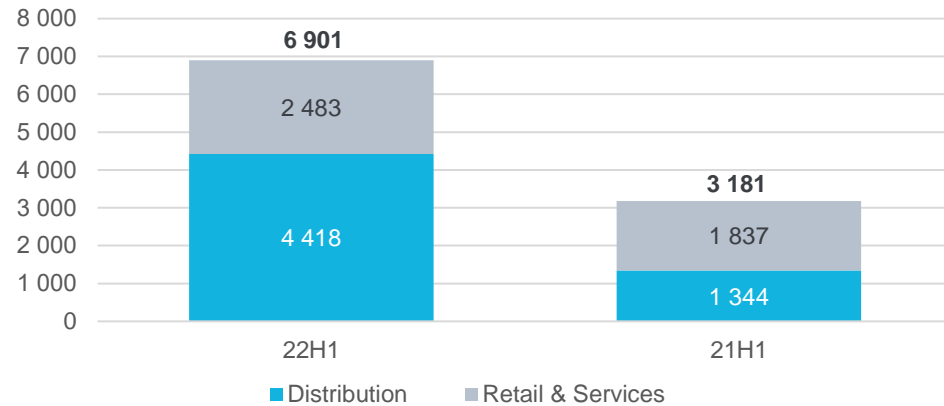
Source: the Company's consolidated IFRS financial statements and its own data

- The **Group's revenue was up by 34.2%**, primarily thanks to the increase in the turnover of the Distribution Business Unit. At the same time, the Retail & Services Business Unit also recorded outstanding growth in H1 as a result of the increase in turnover in Q2.
- The revenue of the **Distribution Business Unit** improved by 43.5% from the same period of the previous year through the organic growth in SsangYong and Opel sales.
- Despite delays in vehicle deliveries caused by supply chain issues, the revenue of the **Retail & Services Business Unit** exceeded the HUF 43 billion level recorded in the previous period by 22.2% (nearly HUF 10 billion), partly because of the impact of the Avto Aktiv acquisition.
- The regional leadership position of AutoWallis and its diversification in terms of revenue is demonstrated by the fact that **more than half of the Group's revenue is generated abroad**, and the percentage of foreign revenue increased further as a result of the Slovenian Avto Aktiv transaction completed in the spring of 2022.

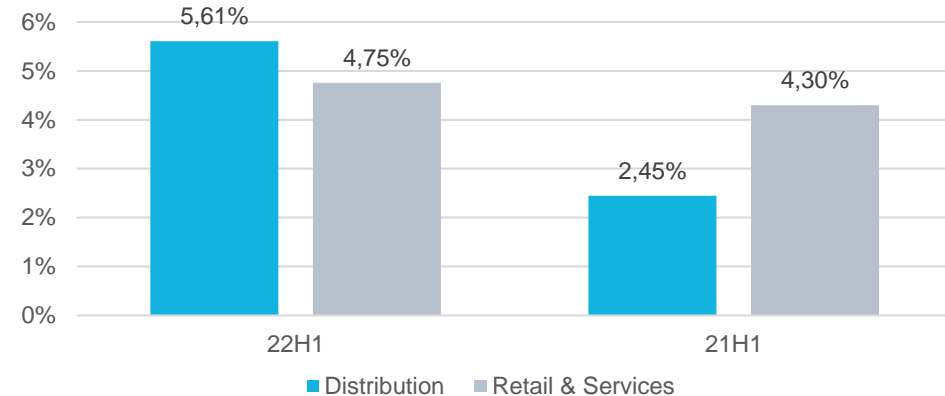
Profitability analysis by business unit

Both business units were able to improve their profitability considerably during the period

Change in EBITDA by business unit in HUF mn (22H1-21H1)



Changes in EBITDA margin by business unit (22H1-21H1)



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

- Both business units contributed significantly to the increase in the Group's EBITDA.
- EBITDA growth in the Distribution Business Unit (HUF 3.1 billion or 229%) was caused mainly by an increase in the sales volume of new vehicles, particularly SsangYong sales, as well as the continuous rise in car prices, which led to a **more than threefold improvement in the EBITDA of the Distribution Business Unit** from the same period of the previous year.
- The **Retail & Services Business Unit achieved an EBITDA growth of HUF 646 million or 35.1%** in the current period, primarily as a result of improving margins, rising sales volumes and effective cost management measures.
- In addition to profit volumes, margins also improved considerably as the **EBITDA margins** of the Distribution Business Unit and the Retail & Services Business Unit exceeded 5.6% and increased to 4.75%, respectively.

Consolidated balance sheet

A healthy balance sheet that provides a solid foundation and potential for further growth

HUF ths	22H1	21FY	Changes %	Changes
Property, plant and equipment	16 720 011	13 377 526	25%	3 342 485
Assets held for sales	3 694 133	2 827 578	31%	866 555
Right-of-use assets	5 161 725	4 593 643	12%	568 082
Other non-current assets	6 061 430	4 305 228	41%	1 756 202
Non-current assets	31 637 299	25 103 975	26%	6 533 324
Goods	37 135 377	24 239 704	53%	12 895 673
Other current assets	25 358 892	14 323 893	77%	11 034 999
Cash and cash equivalents	19 199 786	24 698 967	-22%	-5 499 181
Current assets	81 694 055	63 262 564	29%	18 431 491
Assets held for sale	0	610 000	-100%	-610 000
Assets total	113 331 354	88 976 539	27%	24 354 815

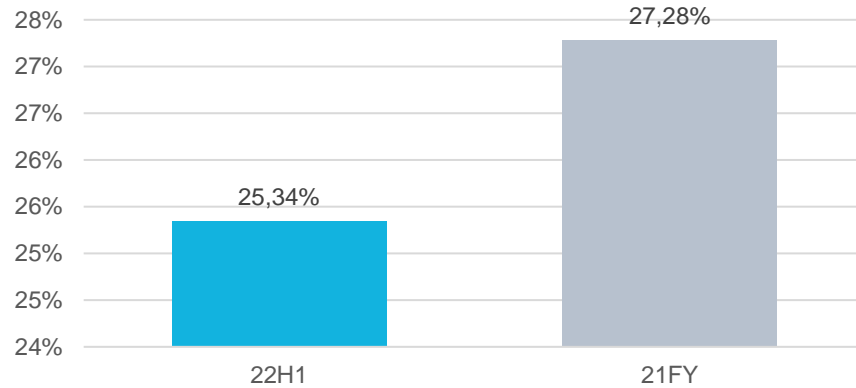
HUF ths	22H1	21FY	Changes %	Changes
Equity total	28 717 150	24 271 670	18%	4 445 480
Long term debentures	9 594 338	9 546 913	0%	47 425
Long term loans	2 630 931	2 359 665	11%	271 266
Long term lease liabilities	4 934 079	4 714 662	5%	219 417
Other long term liabilities (non-interest bearing)	645 169	706 516	-9%	-61 347
Long term liabilities	17 804 517	17 327 757	3%	476 760
Short term loans	1 091 599	252 822	332%	838 777
Inventory financing loans	2 083 479	1 990 875	5%	92 604
Short term lease liabilities	2 317 288	1 867 247	24%	450 041
Liabilities from reverse factoring	13 843 493	8 847 301	56%	4 996 192
Other short term liabilities (interest bearing)	749 137	744 260	1%	4 877
Accounts payable and advance payment received from customers	29 507 718	21 904 440	35%	7 603 278
Other short term liabilities interest bearing)	17 216 973	11 720 166	47%	5 496 807
Short term liabilities	66 809 687	47 327 112	41%	19 482 575
Liabilities related to assets held for sale	0	50 000	-100%	-50 000
Liabilities	84 614 204	64 704 869	31%	19 909 335
Equity and liabilities	113 331 354	88 976 539	27%	24 354 815

- The value of **non-current assets** increased by 26% (more than HUF 6.5 billion) compared to the end of 2021, exceeding HUF 31.6 billion. The main reason behind this increase is the rise in the value of property, plant and equipment caused by the acquisition of Avto Aktiv in Slovenia in April and the change in the number of vehicles leased as a result of the expansion of rent-a-car services.
- Current assets** were up by 29% compared to the end of the previous year, which is explained by, amongst others, the Group's expansion by acquisitions and the increase in the elements of working capital associated with the growth in turnover, including, in particular, trade receivables relating to the Distribution Business Unit.
- In 2022H1, the Group sold its **held-for-sale** real estate in Biatorbágy and, as a result, the asset itself and the related liability were derecognised.
- The increase in the Group's **equity** was caused mainly by the profit for the previous period.
- The primary reason behind the HUF 477 million increase in **long-term liabilities** was the rise in the value of long-term loans and lease liabilities associated with the expansion of activities.
- The HUF 19.5 billion increase in **short-term liabilities** to HUF 66.8 billion is explained mainly by the HUF 7.6 billion amount of trade payables resulting from the growth in turnover, as well as the aggregate increase of HUF 8.4 billion in the related financing loans and reverse factoring liabilities.
- As a result of the above, the Group's **balance sheet total** increased by HUF 24.4 billion (27%) during the current period.

Stabil financials

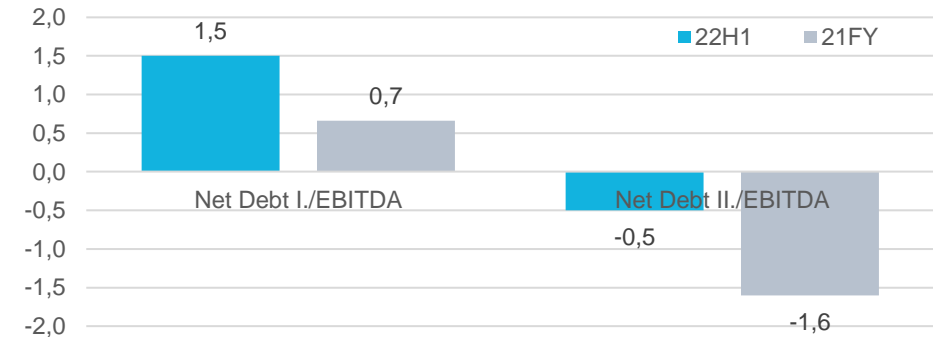
The equity/total assets ratio is consistently above 20%

Total equity / Total assets ratio
(22H1 - FY21)



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

Net Debt/EBITDA development
(22H1 – 21FY)



Note: Net Debt I. = Total external financing, Net Debt II. = Total external financing – funds related to inventory financing. The EBITDA used for calculation purposes is the so-called rolling EBITDA for the past 12 months.

- The Group maintains a healthy capital structure and its consolidated **capital adequacy ratio remains very high, exceeding 25% at the end of the current period** and significantly surpassing the levels required in its financing agreements with banks. The change compared to the 27% figure at year-end was caused by the growth resulting from acquisitions, through the increase in total assets.
- The Group's Net Debt/EBITDA ratios, which include both the ratio that takes into account the total debt and the one that excludes items related to inventory financing (inventory loans, IFRS 16, reverse factoring), reflect the Group's stable financing position. Furthermore, these ratios clearly demonstrate the fact that the Group has excellent liquidity and solid debt service coverage.

AutoWallis GROUP

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Annexes



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Annexes

The annexes to the flash report for 2022H1 are available on our website.