



The Growth Strategy of AutoWallis Group

2028

Auto**Wallis**
GROUP



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

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in the past 5 years

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AutoWallis Group – 2028



JAGUAR LAND ROVER



RENAULT



DACIA



SUZUKI



Maserati



ALPINE



NISSAN



OPEL



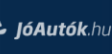
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Wigo



BYD



SSANGYONG



FARIZON



SIXT



01

RESULTS OF AUTOWALLIS GROUP IN THE PAST FIVE YEARS



Growth strategy announced in 2019

STRENGTHENING INTERNATIONAL DISTRIBUTION

Doubling the 2018 revenue
(HUF 65.5 bn) in five years

Revenue (plan): HUF 131 bn vs
Revenue (actual): HUF 366 bn

STRONG PRESENCE IN RETAIL

One-two acquisitions per year

Number of transactions (plan): 5-10
Number of transactions (actual): 11

MOBILITY-RELATED SERVICES

Quadrupling 2018 EBITDA
(HUF 2.1bn) by 2024

EBITDA (plan): HUF 8.4 bn vs
EBITDA (actual): HUF 19.7 bn



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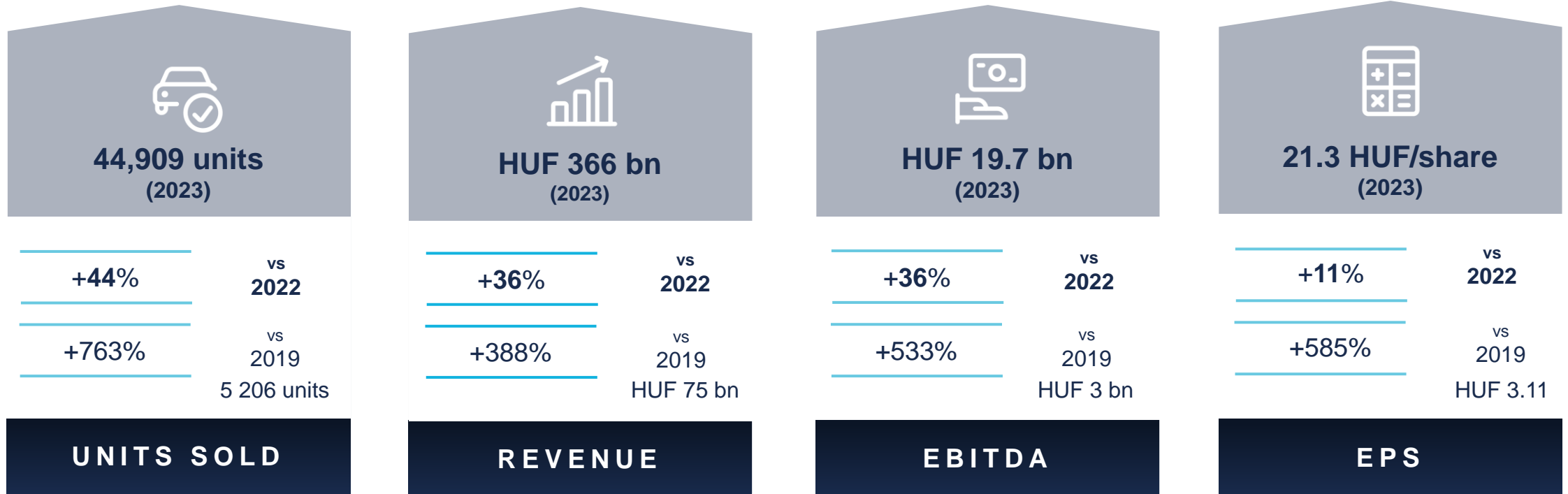
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AutoWallis Group has experienced robust growth since its IPO



With our international expansion and outstanding financial results, we are following in the footsteps of large Hungarian-owned, well-capitalized, publicly listed companies (such as MOL and OTP).

The robust growth of AutoWallis Group in numbers



11

ACQUISITIONS



3 → 16

IMPORTER
RIGHTS



9 → 24

BRANDS



5 → 33

CUSTOMER
POINTS



270 → 1400

EMPLOYEES



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The last 5 years have been extraordinarily successful in the history of AutoWallis

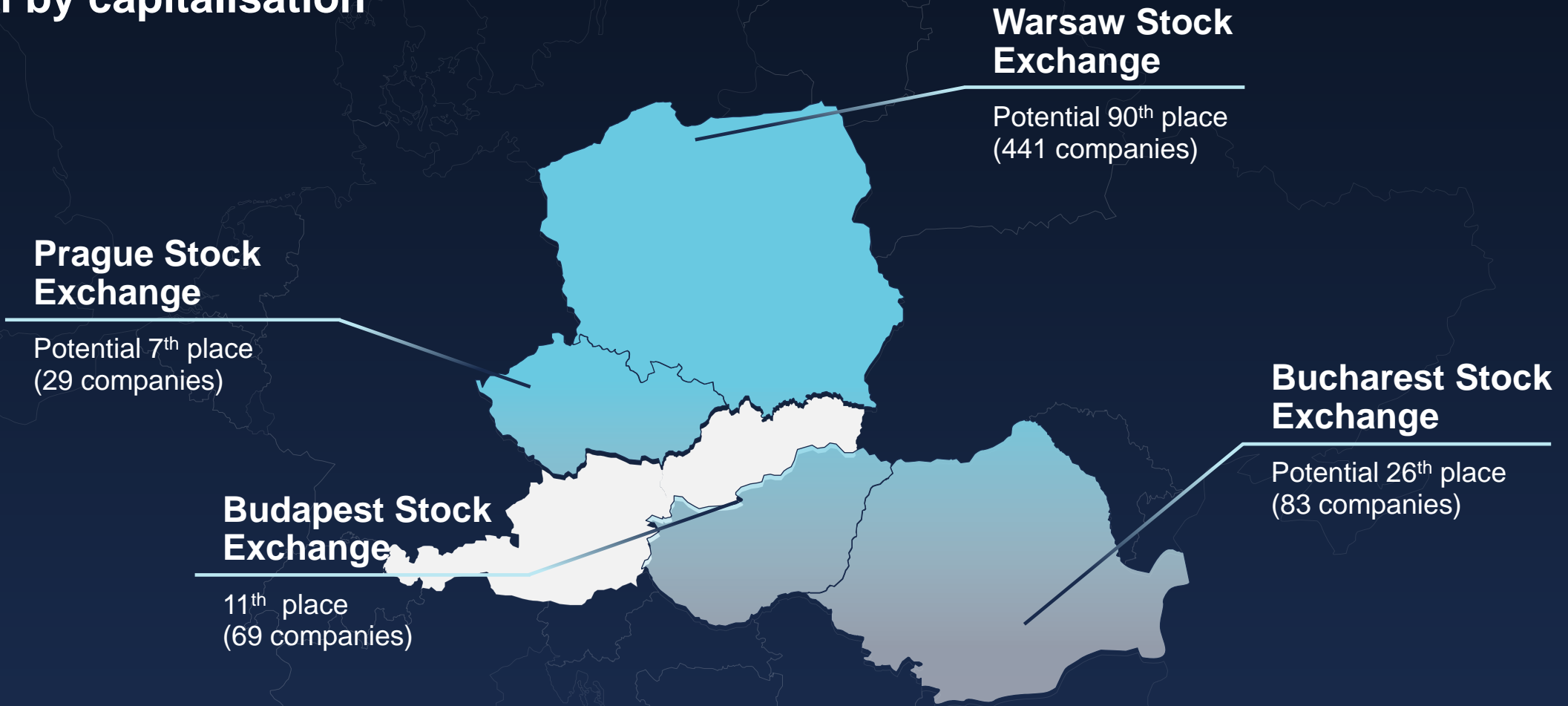
AutoWallis is actively using the capital market to raise funds, which will significantly support the implementation of its intensive growth strategy



YEARS ON THE
BUDAPEST STOCK EXCHANGE

- **1** HUF 38.3 billion capital increase
- **2** One of the largest share offerings on BSE in the last 10 years
- **3** HUF 9.7 billion bond issuance
- **4** Developing a **Green Financing Framework**
- **5** Green investment projects worth **HUF 3 billion**
- **6** Market capitalisation of more than **HUF 80 billion**. Nearly 4 300 retail investors (13% institutional investors)

AutoWallis Group's stock market position by capitalisation



Source: stock exchange website releases (16 April 2024)



02

OUR CHANGING ENVIRONMENT: TRENDS IN THE AUTOMOTIVE INDUSTRY



How did we see the industry 5 years ago?

AutoWallis

I. CHANGING AUTOMOTIVE INDUSTRY

VISION 2029

AUTOMOTIVE INDUSTRY IS IN TRANSITION...

THE HIGHLY SUCCESSFUL CAR INDUSTRY IS FACING UNPRECEDENTED CHALLENGES AND CHANGES

8 of the 10 biggest car companies are planning self-driving cars.
AUTONOMOUS VEHICLES



Doubled the proportion of customers who would switch brands in the next 2 years for better data connectivity.
CONNECTIVITY

ELECTRIFICATION
>40% of the 2021 model range will have an electric powertrain.

SHARED MOBILITY
EUR 55 bn has been invested in ride-sharing start-ups so far.



¹ Source: McKinsey Center For Future Mobility - RACE2050 – a vision for the European automotive industry

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I. CHANGING AUTOMOTIVE INDUSTRY

VISION 2029

... WHICH WILL BOLSTER CHANGE...

TODAY'S AUTOMOTIVE INDUSTRY MUST BE TRANSFORMED INTO A FUTURE-PROOF MOBILITY INDUSTRY WITH UNDENIABLE SOCIAL, ENVIRONMENTAL AND ECONOMIC ADDED VALUE.



² Source: McKinsey Center For Future Mobility - RACE2050 – a vision for the European automotive industry



We continue to actively follow industry trends

Most industry trends arrived more slowly than previously expected

- | | | |
|---|--|---|
| ↘ The trend has become less significant , the process has slowed down | → Industry trend remains dominant | ↗ The importance of the trend has increased , the process has accelerated |
| → Spread of new energy vehicles | ↘ Rise of the “sharing economy” | ↘ Transition to agency sales model |
| ↘ Advance of autonomous vehicles | → Omnichannel sales | ↗ Market consolidation in automotive sales |
| ↘ Business impact of connectivity technologies | → Demand for mobility services | |

Diversified and resilient portfolio

AutoWallis Group has successfully responded to unexpected events in addition to foreseeable trends



**MOBILITY IMPLICATIONS
OF THE COVID PANDEMIC**



**SUPPLY CHAIN
ISSUES**



**UNCERTAIN DEMAND DUE
TO THE WAR**



**HIGH
INFLATION RATES**



**MORE COSTLY
FINANCING**

The most dominant trends in the industry today

01

COMPETING
POWERTRAIN
TECHNOLOGIES

02

CHINESE
CARMAKERS'
EXPANSION IN
EUROPE

03

OMNICHANNEL SALES &
AGENCY MODEL

04

INCREASING
MARKET
CONSOLIDATION



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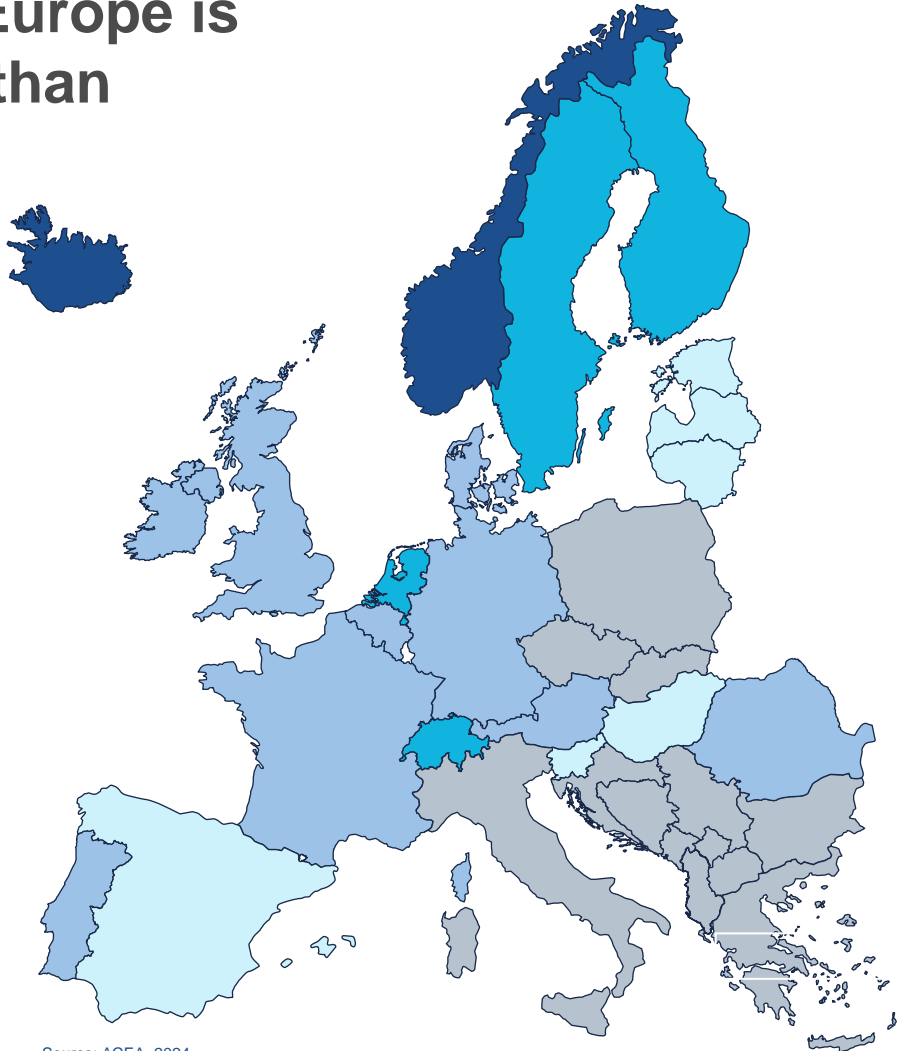
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INCREASING
MARKET
CONSOLIDATION

The uptake of electric cars in Europe is at a different pace and slower than previously expected

In European markets, **alternative powertrains** are gradually gaining ground in new car sales.

However, there are significant **regional differences** and their share in the **total car fleet** is still very low.



BEV* new car registrations in 2023

- >50%
- 20%-50%
- 10%-20%
- 5%-10%
- <5%

* BEV - Battery Electric Vehicle

Source: ACEA, 2024

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- 02
- 03
- 04

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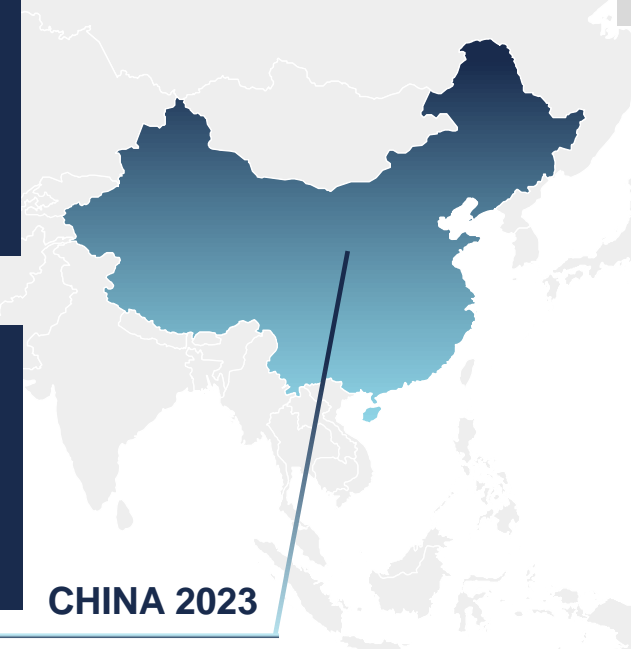
OMNICHANNEL SALES &
AGENCY MODEL

04

INCREASING
MARKET
CONSOLIDATION

Chinese manufacturers will continue to gain ground in Europe - but in an increasingly competitive environment

- 1 The **market share** of Chinese-owned car manufacturers in Europe has reached 5% in 2023.
- 2 Chinese manufacturers compete mainly in the **BEV** and **PHEV** segments, so their share could be a glass ceiling.
- 3 In these segments, Tesla and the incumbents are trying to strengthen their position, so **competition will be fierce**.
- 4 Without European manufacturing capacities, they face a **long supply chain** and **protective tariffs**.
- 5 But with European production, a significant part of their **cost advantage** could be lost.
- 6 There will be serious **attrition** and consolidation among Chinese brands - but the **winners will gain long-term positions**.



30 million units manufactured (12% YoY)
4.9 million units exported (58% YoY)

GLOBAL: 88 million units (34% market share)

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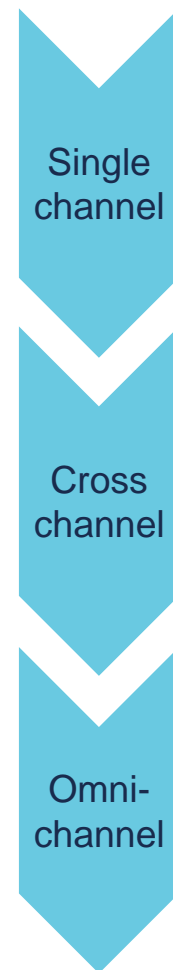
OMNICHANNEL SALES &
AGENCY MODEL

04

INCREASING
MARKET
CONSOLIDATION

Omnichannel marketing is the best way to meet changing customer needs

<p>Purely online sales will not become widespread based on consumer trends</p>	<p>Customers require a face-to-face meeting at least at one point in the customer journey</p>	<p>Seamless transition between online and offline channels</p>
<p>Price alignment benefits manufacturers</p>	<p>Occasionally used car sales are used as pilot area</p>	<p>Creates customer value in any sales model (importer or agency)</p>



A single customer access channel

Multiple, independently operating customer access channels

Multiple, consistent and freely selectable access channels from the customer's perspective

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The transition to the agent model is a slower process than expected, requiring more thorough preparation

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Implementations so far have **not necessarily delivered the expected results**



Strong logistical, financial and IT competences are required



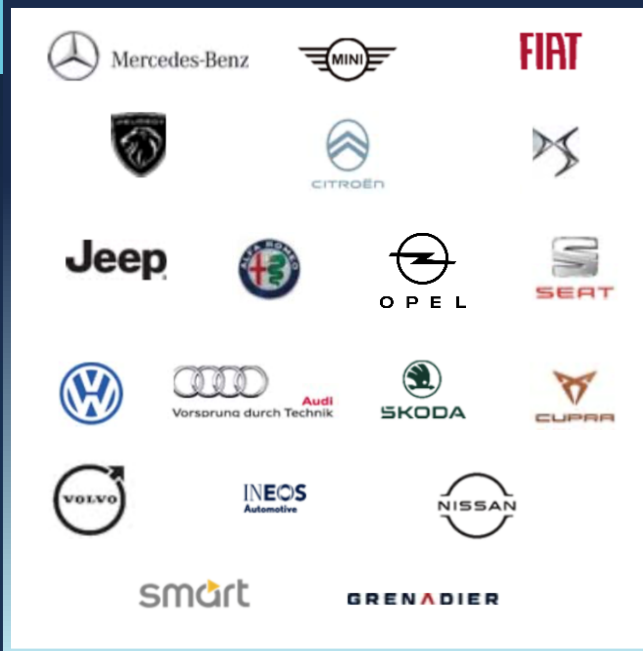
A slower, incremental process building on the cumulation of partial successes



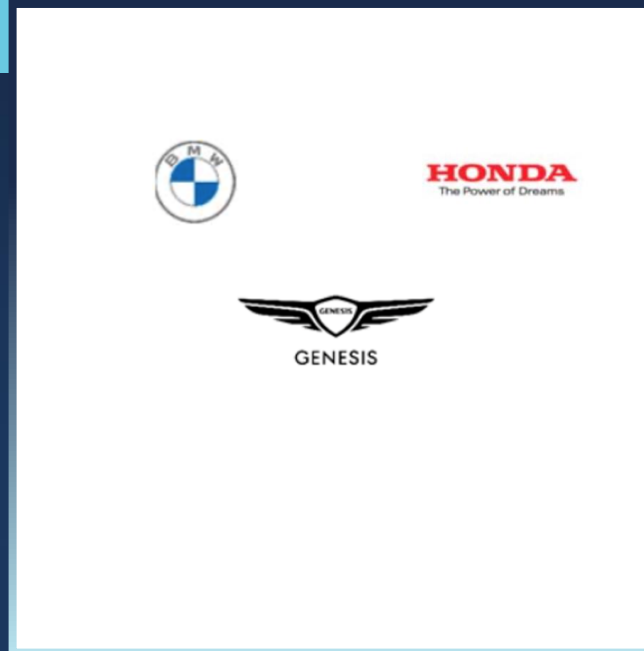
- Unfavourable market conditions
- **Design and implementation errors**

Manufacturers' plans for the implementation of the agency model

IMPLEMENTED / SOON TO BE IMPLEMENTED



ANNOUNCED



NO / NOT NOW



Source: ICDP, 2024

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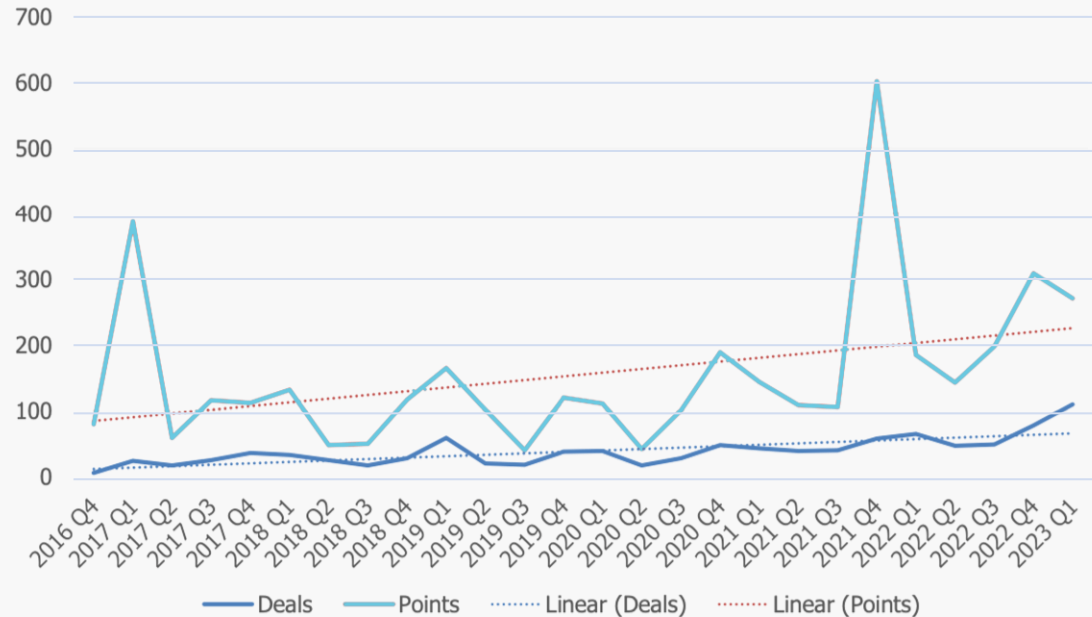
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INCREASING
MARKET
CONSOLIDATION

Consolidation of retail outlets and dealership networks continues to grow in Europe

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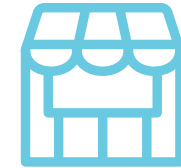
Volume of retail M&A transactions and franchise points involved



Source: ICDP, 2023



1,000
M&A DEALS



4,000
FRANCHISE POINT

Over the past 6 years, the 1,000 European M&A transactions identified by ICDP have involved 4,000 franchise points, representing around **10 percent of all** franchise points.

Consolidation opportunities in the Central and Eastern European region

The **international car dealer groups** active in the Western countries are primarily seeking to consolidate in **their home markets.**

In the smaller, **fragmented markets** of the Central and Eastern European region, there are significant **consolidation opportunities** for well-established and well-funded players.

In addition to **local embeddedness**, regional integration requires **international management** and an **effective governance structure.**



POLAND is the only **global top 20 market** (in terms of unit sales) in the CEE region

The top 20 markets account for
87%
of total global new car sales

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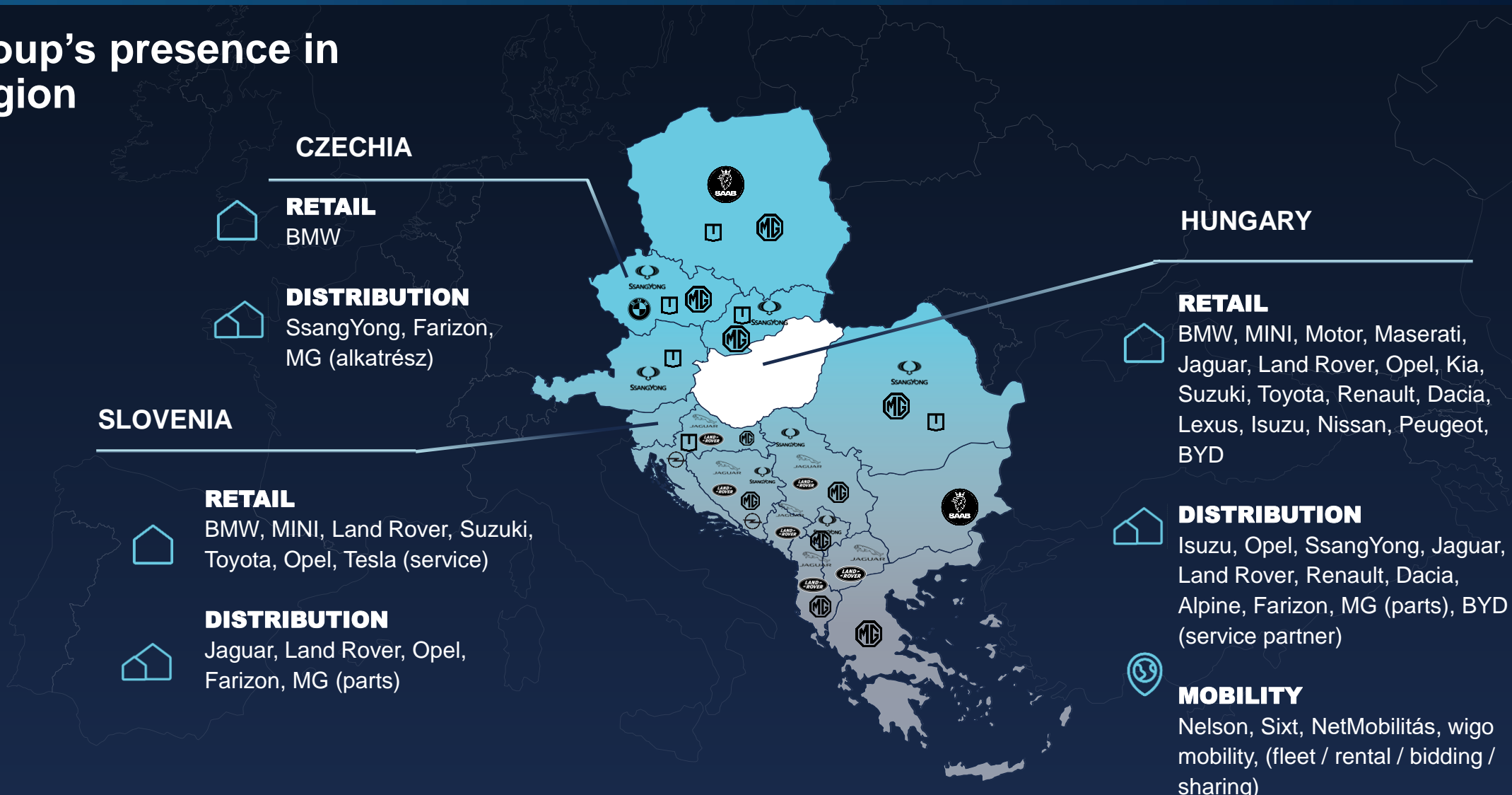


03

THE GROWTH STRATEGY OF AUTOWALLIS GROUP – 2028



The Group's presence in CEE region



CZECHIA



RETAIL
BMW



DISTRIBUTION
SsangYong, Farizon,
MG (alkatrész)

SLOVENIA



RETAIL
BMW, MINI, Land Rover, Suzuki,
Toyota, Opel, Tesla (service)



DISTRIBUTION
Jaguar, Land Rover, Opel,
Farizon, MG (parts)

HUNGARY



RETAIL
BMW, MINI, Motor, Maserati,
Jaguar, Land Rover, Opel, Kia,
Suzuki, Toyota, Renault, Dacia,
Lexus, Isuzu, Nissan, Peugeot,
BYD



DISTRIBUTION
Isuzu, Opel, SsangYong, Jaguar,
Land Rover, Renault, Dacia,
Alpine, Farizon, MG (parts), BYD
(service partner)



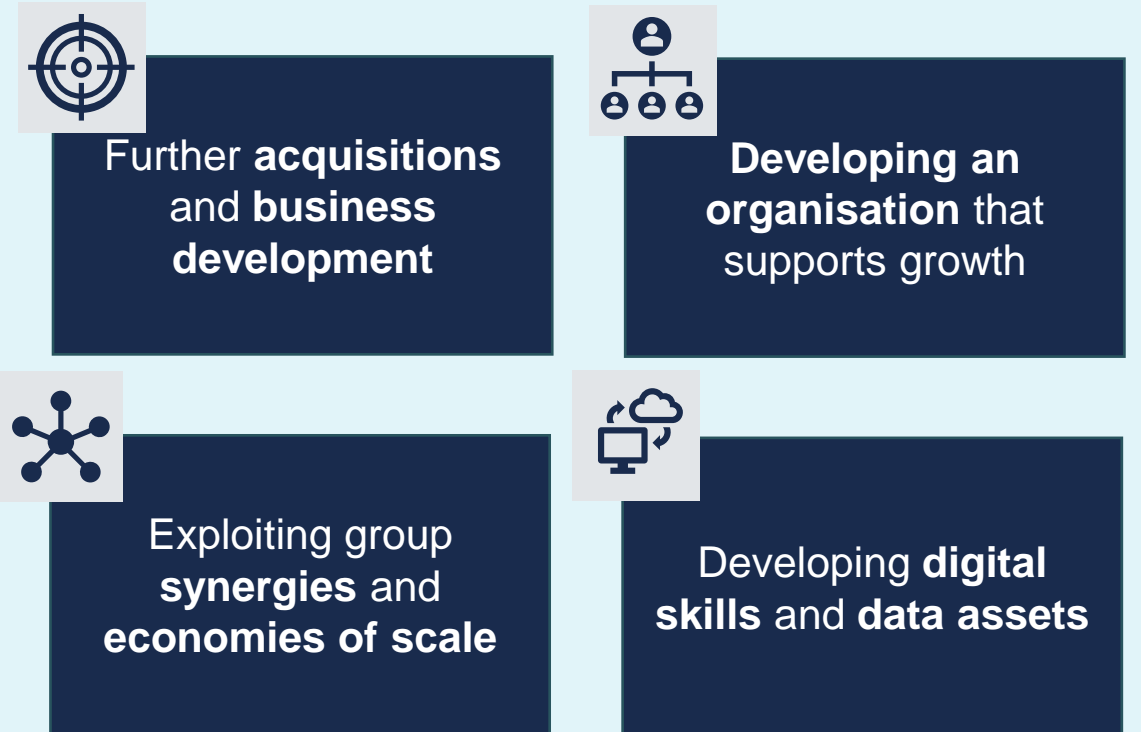
MOBILITY
Nelson, Sixt, NetMobilitás, wigo
mobility, (fleet / rental / bidding /
sharing)

Internal improvements and further acquisitions are needed to exploit the full potential of industry trends

OPPORTUNITIES FOR FURTHER GROWTH

- FURTHER **MARKET CONSOLIDATION**
- FURTHER **REGIONAL EXPANSION**
- EXPLOITING THE POTENTIAL OF THE **USED CAR SEGMENT**
- STRENGTHENING INNOVATIVE **MOBILITY SERVICES**
- EXPLOITING INTERNAL **SYNERGIES** AND INCREASING **OPERATIONAL EFFICIENCY**
- **OMNICHANNEL** SALES AND THE USE OF **CUSTOMER DATA**

KEY ELEMENTS OF OUR STRATEGY



Regional and business diversification for growth

The AutoWallis Group pursues an **active and selective acquisition strategy** in addition to its **organic growth and business development** efforts.

The primary objective of our international growth strategy is to acquire **significant market shares** in the countries of the Central and Eastern European region.



Distribution

Expanding existing brands into new markets

Representing emerging brands in the region



Retail

Independent expansion in strategic brands and markets

Expansion beyond the expansion strategy of the distribution business



Mobility services

Broadening the range of services

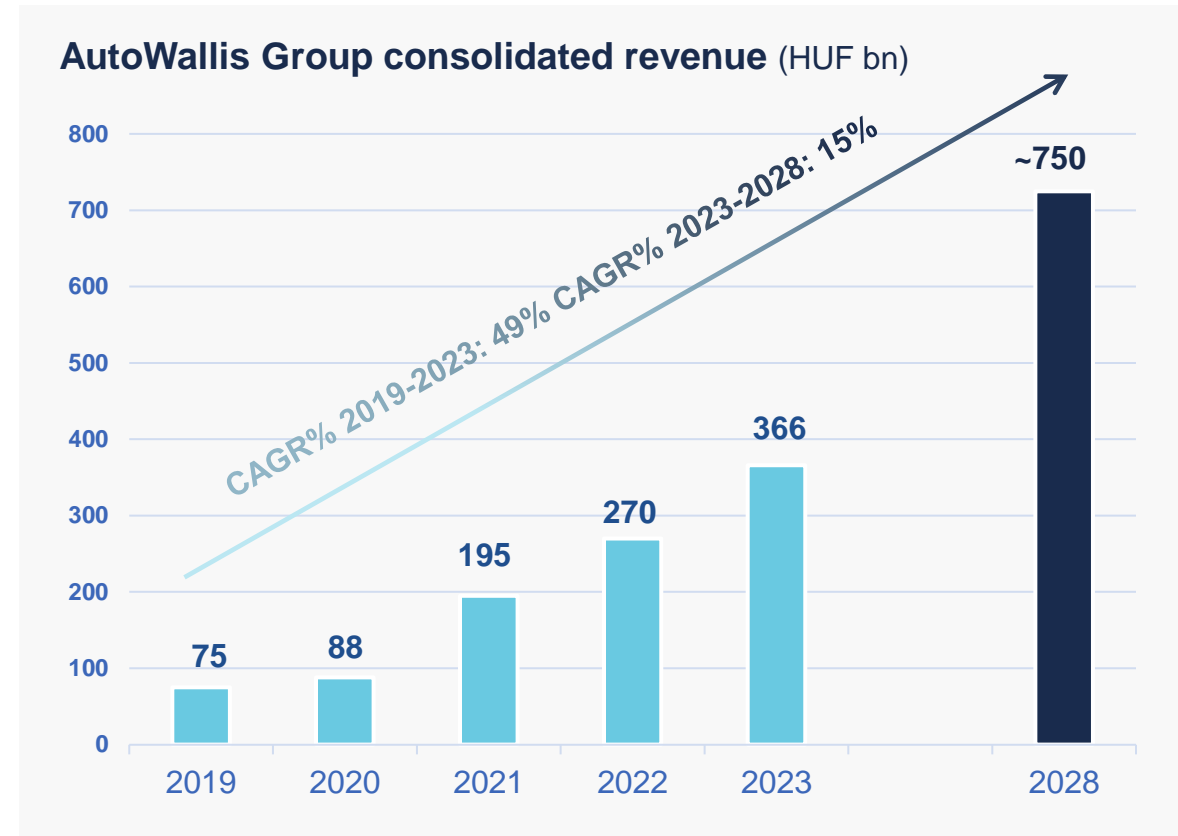
Expansion in the markets of our retail business

Diversified growth with doubled turnover by 2028

Based on its updated growth strategy plan, AutoWallis Group will **more than double its 2023 revenue to ~ HUF 750 billion by 2028.**

With this roadmap, the number of **vehicles sold by the group could reach ~100 000 units.**

DATA (UNITS)	2019	2020	2021	2022	2023	2028 PLAN
Retail business unit	3 044	4 395	8 533	9 129	9 966	~25 000
Distribution business unit	2 964	3 980	16 501	22 174	34 943	~75 000
Total vehicle sales	6 008	8 376	25 034	31 303	44 909	~100 000
Fleet size – in relation to car rental	592	425	603	877	3 979	~10 000

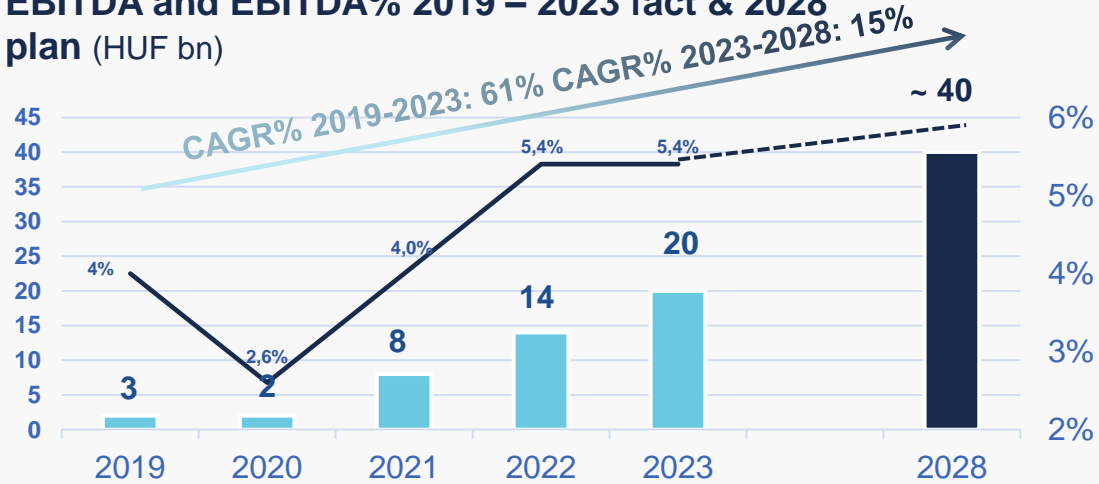


Source: issuer's IFRS annual consolidated accounts and own data;
 Note: the plan figures presented exclude the figures for collaborations in the form of joint ventures.

Forrás: Kibocsátó saját adatai.

Doubling profit targets with a balanced brand portfolio

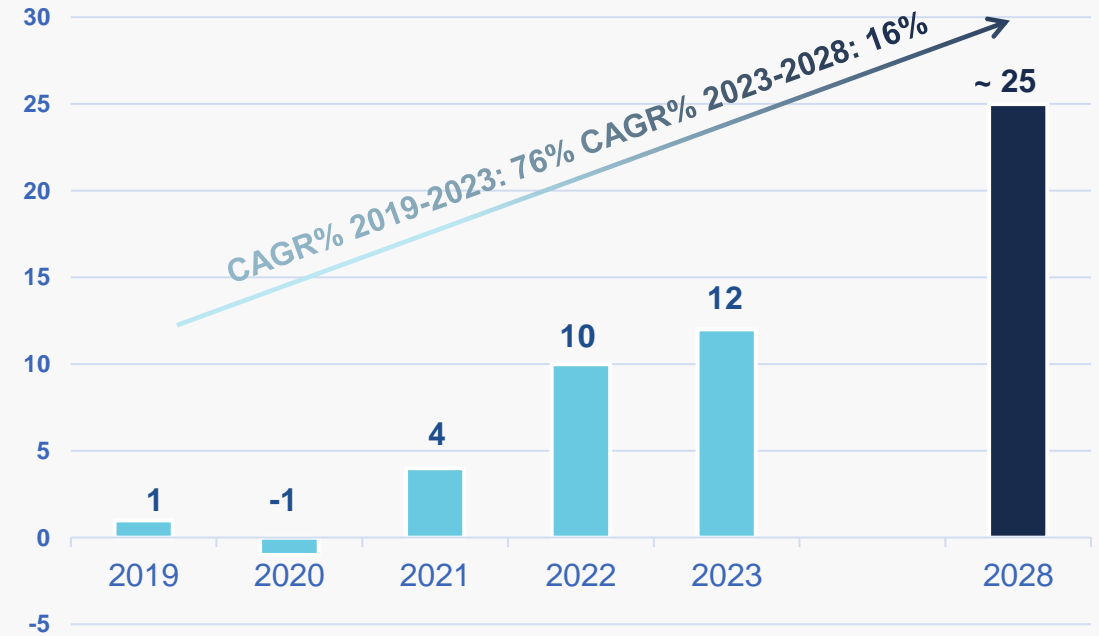
EBITDA and EBITDA% 2019 – 2023 fact & 2028 plan (HUF bn)



Source: issuer's IFRS annual consolidated accounts and own data

An **intensive growth phase until 2026** is followed by a normalising growth phase from 2027. Group EBITDA is expected to double in the next 5 years, reaching **HUF ~40 billion**, while **profit before tax** is expected to reach **HUF ~25 billion**.

Profit before tax 2019 – 2023 fact & 2028 plan (HUF bn)



Source: issuer's IFRS annual consolidated accounts and own data



04






THE CAPITAL MARKET STRATEGY OF AUTOWALLIS GROUP – 2028



Delivery of the capital markets strategy announced in 2019

We are **on the path** set out in our capital markets strategy at launch and have **achieved most of our capital markets targets** over the past five years.

Results by 2024

1	BOND ISSUANCE	NKP BOND AND GREEN BOND ISSUANCE	
2	PRIVATE CAPITAL INCREASE BY CONTRIBUTION	6 CAPITAL INCREASES BY CONTRIBUTION	
3	WALLIS ASSET MANAGEMENT REPAYS DIVIDENDS PAID FOR 2018	DONE	
4	ENTRY TO BSE PREMIUM CATEGORY	DONE	
5	INCREASING THE PUBLIC SHARE ABOVE 30%	FROM 14% TO 27%	



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Our strategic objectives for the capital markets until 2028

For the next five years, new capital market objectives and instruments became necessary

ESG rating

Further broadening of analytical coverage, including through the involvement of international analysts

Purchase of own shares to satisfy MRP

Transforming the green framework, adopting EU taxonomies, new certification

Possibility of issuing foreign currency and/or convertible bonds

Broadening the range of international institutional investors



Over the past five years, the AutoWallis Group has significantly transformed its operations, a scale and market capitalisation that puts it on the radar screen of international investors

Our strategic objectives for the capital markets until 2028

After a period of intense growth, the dividend policy should be appropriate to the maturity of the Group

We expect a slowdown in consolidation after 2026

Diversification and operational improvements by 2027 project stable growth

No additional capital increase is foreseen in the strategic plan

After the growth phase, shareholder returns are expected to be generated through dividends in addition to the share price

Management intends to propose predictable, long-term dividend payments from 2027



Disclaimer

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