

# Stern Group sells Renault branches in Amsterdam

Stern Group, the listed Dutch mobility group, announces that it has reached agreement with Renault dealer Nieuwendijk on the sale of its two Renault dealer branches in Amsterdam. The acquisition will be effected on the basis of an asset-liability transaction on 30 September 2018. Just over 40 employees are involved in the operations to be transferred. The revenue of these two Renault dealer branches amounted to just under € 30 million in 2017. Stern Group will realise a book gain of € 750,000 on the transaction. We also take this opportunity to announce that agreement has been reached with Fiat Chrysler Nederland regarding the reduction of the number of Vireo Auto branches from five to three in 2018.

### Arend Auto (Renault)

As part of the reallocation of the representation of Renault in the greater Amsterdam area, Renault Nederland requested Stern Group to consider the sale of the two Amsterdam Renault dealer branches to the Renault dealer Nieuwendijk. Due to the good relationship with Renault Nederland and the strategic objective of Stern Group of reducing the number of its dealer branches, Stern Group acceded to this request from Renault Nederland. Agreement has now been reached with Nieuwendijk regarding the transaction. After the sale of the two Amsterdam Renault dealer branches, Arend Auto will mainly consist of Renault dealer branches in the eastern part of Noord-Brabant, in addition to branches in Zaandam and Purmerend. These branches are in Eindhoven, Den Bosch, Veghel, Valkenswaard, Oss, Oisterwijk and Goirle. The branch in Oisterwijk will move to new premises constructed specially for Renault in Tilburg during Q4-2018, to which the operations at Goirle will be added in due course. New-build premises will be realised for the Renault dealer branches in Oss and Den Bosch in 2019. The new-build premises in Tilburg, Oss and Den Bosch will be leased. The company's own premises in Den Bosch will be sold. After relocation to the new-build locations, the premises costs of Arend Auto will be lower than the current level.

The sale of the two Renault dealer branches will generate a book gain of € 750,000 and reduce the balance sheet total by nearly € 10 million. Approximately 40 employees will enter employment with Nieuwendijk on the basis of a transfer of undertaking.

Three branches of Arend Auto also represent the Nissan brand, which is affiliated to Renault Groupe. These are Houten (the main branch), Amersfoort and Utrecht.

### Vireo Auto (Alfa Romeo, Jeep and Fiat)

At the time of the new start of the former Koops Furness branches in Utrecht and Amersfoort at the end of 2014, it was agreed with Fiat Chrysler Nederland (FCA) that Stern Group would concentrate on the central region of the Netherlands. After the closure of the Vireo Auto branch in Utrecht at the beginning of 2017 and the closure of the Vireo Auto branch in Bussum at the end of 2017, discussions were held with Fiat Chrysler Nederland (FCA) regarding the future of the branches in Noord-Holland (Haarlem, Alkmaar and Purmerend). It has recently been agreed that the Vireo branch in Haarlem will be transferred to another dealer in that area against a payment for the customer base. The Vireo branch in Alkmaar will be closed this year and the operations will as far as possible be moved to Purmerend. The branch in Purmerend will be retained for some time yet, until FCA presents a solution acceptable to both itself and to Stern. This means that the number of Vireo branches has gradually been reduced in recent years from seven originally to three by the end of 2018. These are the branches in Houten (the main branch), Alkmaar and Purmerend. This reduction of the number of branches will gradually bring about a significant reduction in the balance sheet total and lower employee and other operating expenses. After several years of large losses on the FCA brands, there is now the prospect of a positive contribution to the group profit. The break-even point has recently been reached.

### Fast Forward

The reduction of the number of showrooms at Dealergroup Stern is part of the *Fast Forward* strategic plan, in which Stern will increasingly focus on the provision of financial and other services, sales of used cars, after-sales service, parts and car body repairs. The representation of leading car brands on a relevant scale will however continue to be the basis. This should make the organisation more effective, significantly reduce costs and also significantly reduce the size of the balance sheet total. This should improve Stern's profitability and create room for growth of Stern Mobility Solutions and Stern Car Services.



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**Profile of Stern Groep N.V.**

Stern is a large Dutch mobility group that has been listed on Euronext Amsterdam since 2000. Since then, the intended significant growth has been realised in the major car-intensive regions of the country: North and South Holland, Utrecht and North Brabant. The network has more than 100 branches with approximately 2,200 employees, and collectively realises net annual revenue (excluding BPM) in excess of € 1 billion.

Stern believes in individual mobility, sustainability and diversity. For this reason, it offers a wide variety of car brands and additional mobility services. For those preferring a means of transport other than a car, Stern now offers electric 2-, 3- and 4-wheel transport solutions with speeds of up to 45 kilometres an hour via Mango Mobility.

With Stern Mobility Solutions, Stern is engaged in services including car leasing (SternLease), rental (SternRent), fleet management (SternPartners), insurance (SternPolis), finance (SternCredit) and extended guarantees (SternGarant). Stern Mobility Solutions manages approximately 14,000 vehicles and more than 60,000 contracts.

With a growing network of currently 17 branches, the Stern Car Services division offers services in the area of (brand-certified) repairs, universal after-sales and the intake and provision of rental cars (SternPoint).

Dealergroup Stern has five clusters representing several leading brands such as 1) Mercedes-Benz, 2) Renault and Nissan, 3) Ford, 4) Volvo, Land Rover and Fiat, 5) Volkswagen, Audi, Kia and Opel. Dealergroup Stern has a total of approximately 85 branches.