

# 2021 Q1 REPORT

19 MAY 2021



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# Building the Best Way to Buy and Sell Cars Online



AUTO1 Group is focused on building the leading used car business across Europe. We are a business led by founders with an entrepreneurial spirit, longstanding industry experience, the proven ability to scale, and a lasting commitment to our mission.



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# 2021 Q1 HIGHLIGHTS



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## Successful IPO in February 2021



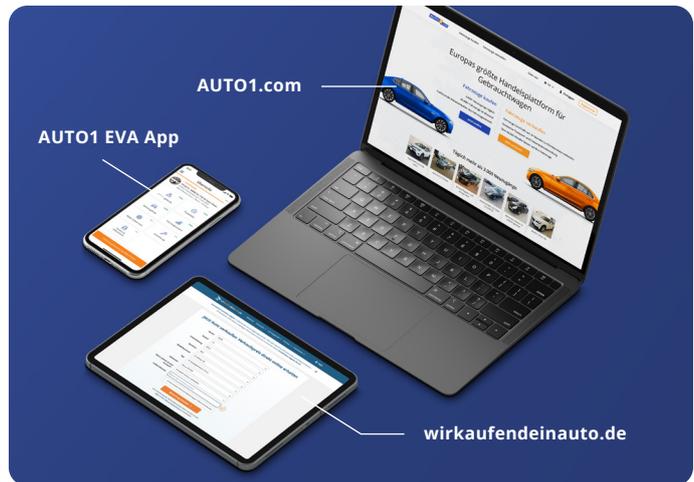
**AG1**  
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For AUTO1 Group the first quarter of 2021 will go into history as a phase of tremendous change, setting the track for a bright future. We completed our initial public offering with a total deal size of €1.8bn on February 4th 2021, one of the biggest IPOs in Germany in the last years.

Concurrently with the IPO our early investor Sylvie Mutschler-von Specht joined our Supervisory Board, further strengthening our corporate governance.

## Merchant Growth Despite Covid Lockdowns

Our Merchant segment, comprising C2B and Remarketing, grew sales to 122,722 units, an increase of 9% over Q4 2020, representing €803.1m revenues, a quarterly growth of €76.6m. This growth was generated despite ongoing Covid related lockdowns across our markets throughout the entire quarter, demonstrating the strength of our digital offerings.



### C2B



### Remarketing

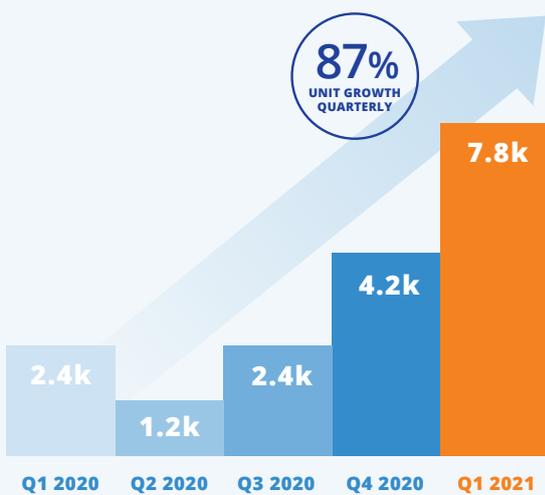


## Hypergrowth at Autohero

Autohero continued its hypergrowth with 87% quarterly growth, delivering 7,815 units in Q1 2021. To increase the brand awareness of Autohero, we successfully continued our brand introduction campaigns in Germany, Austria, Belgium, France, Italy, Netherlands, Poland, Spain, and Sweden across online channels like Youtube and offline channels like TV and sports events. As a result of these marketing activities our online showroom Autohero.com attracted 9M visits in Q1 2021, increasing the traffic by 2.4 times quarter on quarter.



Units Delivered



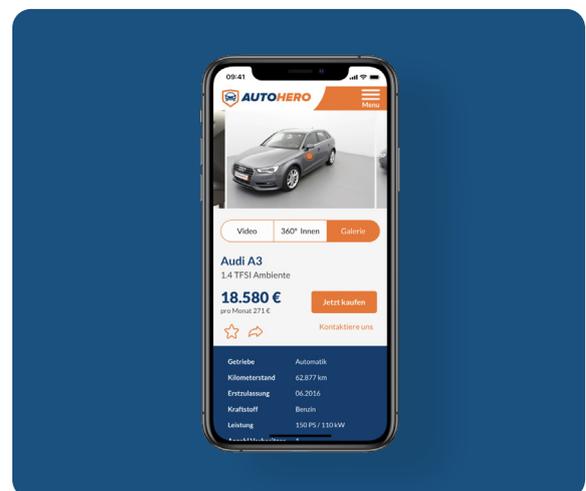
Web Sessions: All Markets  
Millions



## Building the Best Customer Experience



We offer Autohero customers in Germany a new option in our retail online showroom: Since April they can now choose to trade-in their old used cars while buying a car at Autohero.com. Once the customer agrees to the determined market value of the car, the sale price is offset directly against the purchase value of the new vehicle on Autohero. Soon this option will be available across all Autohero markets.



# 2021 Q1 FINANCIALS



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## Management Report

### The Group

Group KPIs	Q4 2020	Q1 2021
Units sold (#)	117,320	130,537
Revenue (KEUR)	779,136	899,533
Revenue per unit (EUR)	6,641	6,891
Gross profit (KEUR)	82,782	86,384
Gross profit margin	10.60%	9.60%
Gross profit per unit (EUR)	706	662
Adjusted EBITDA (KEUR)	-22,136	-14,337
Adjusted EBITDA margin	-2.80%	-1.60%
Inventory (KEUR)	209,435	251,238

Q1 2021 was a strong quarter for AUTO1 Group, driven by the hypergrowth of Autohero and Merchant strong performance. Units sold increased by 11.3% to 130,537 in the quarter ended March 31, 2021 compared to the last quarter of 2020. The average selling price increased to €6,891, representing a 3.8% increase compared to Q4 2020, mainly on the back of a higher unit share stemming from the Autohero business. The Group's revenue grew by 15.5% to €899.5m, fueled by both the growth of the Merchant business but also as a result of the increasing contribution of the hypergrowing Autohero segment. Similarly, Gross Profit on group level grew by 4.4% to €86.4m, representing a 9.6% gross profit margin.

The scalability of the business model is also ingrained in our cost structure. SG&A expenses remained flat in Q1 2021 compared to the previous quarter. Personnel expenses as a percentage of revenue decreased by 53bps in Q1. Continued marketing efforts, primarily to grow our Autohero business, led to an increase in marketing expenses of 14.3% (€4.1m)

QoQ in absolute terms but remained flat as a percentage of revenue in the first quarter of 2021.

As a result, AUTO1 Group generated an Adjusted EBITDA of (€14.3m) in Q1 2021, compared to (€22.1m) in Q4 2020 and €1.2m in Q1 2020. This implies a (1.6%) Adj. EBITDA margin, a 120bps improvement from (2.8%) in Q4 2020. The Group generated an EBITDA of (€27.3m), implying a (3.0%) EBITDA margin, 137bps above Q4 2020.

The Group's net loss amounted to (€252.9m) in Q1, (€209.1m) of which are attributable to Other Financial Results which arose in connection with the early repayment of the convertible bond at the time of the IPO.

## Autohero

<b>Retail KPIs</b>	<b>Q4 2020</b>	<b>Q1 2021</b>
<b>Units sold (#)</b>	<b>4,187</b>	<b>7,815</b>
<b>Revenue (KEUR)</b>	<b>52,651</b>	<b>96,454</b>
<b>Revenue per unit (EUR)</b>	<b>12,575</b>	<b>12,342</b>
<b>Gross profit (KEUR)</b>	<b>1,215</b>	<b>1,992</b>
<b>Gross profit margin</b>	<b>2.30%</b>	<b>2.10%</b>
<b>Gross profit per unit (EUR)</b>	<b>290</b>	<b>255</b>

Autohero continued its hypergrowth this quarter. Units sold in our online Retail segment almost doubled during the last quarter, increasing by 86.6% to 7,815 units during Q1 2021. On the back of an average selling price of €12,342, Autohero's total revenue grew by €43.8m to €96.5m in Q1 2021, a 83.2% increase compared to Q4 2020. As a result, Autohero's revenues now account for 10.7% of the group's entire sales, up from 6.8% in Q4 2020.

Autohero's GPU was €255 in Q1 2021, translating into a 2.1% Gross Profit margin in Q1, slightly down from the previous quarter (Q4: 2.2%), mainly because of an uptick in refurbishment costs, despite higher metal-on-metal margins. Total gross profit of Autohero increased by 64.0% to €2.0m in Q1 2021 on the back of strong revenue growth.

## Merchant

<b>Merchant KPIs</b>	<b>Q4 2020</b>	<b>Q1 2021</b>
<b>Units sold (#)</b>	<b>113,133</b>	<b>122,722</b>
<i>o.w. C2B</i>	98,267	106,140
<i>o.w. Remarketing</i>	14,866	16,582
<b>Revenue (KEUR)</b>	<b>726,485</b>	<b>803,079</b>
<i>o.w. C2B</i>	609,521	671,783
<i>o.w. Remarketing</i>	116,964	131,296
<b>Revenue per unit (EUR)</b>	<b>6,422</b>	<b>6,544</b>
<i>o.w. C2B</i>	6,203	6,329
<i>o.w. Remarketing</i>	7,868	7,918
<b>Gross profit (KEUR)</b>	<b>81,567</b>	<b>84,392</b>
<b>Gross profit margin</b>	<b>11.20%</b>	<b>10.50%</b>
<b>Gross profit per unit (EUR)</b>	<b>721</b>	<b>688</b>

Both the C2B and the Remarketing channels of the Merchant segment performed strongly in Q1 2021. Q1 Merchant revenue increased by €76.6m to €803.1m while the number of cars sold increased by 9% to 122,722 units, despite the overall used car market in our core purchase markets being down circa 7% in the same timeframe. The number of C2B cars sold increased by 8% from 98,267 units to 106,140 units despite the ongoing COVID-19 lockdowns, accounting for 87% of the total Merchant units, highlighting the strength of our core business. The average selling price increased by 2% to €6,329. As a result, C2B total revenue increased by €62.3m to €671.8m.

At the same time, the number of Remarketing cars sold continues to grow at a sustained rate, increasing by 12%

between Q4 2020 and Q1 2021 to 16,582 units. The average selling price of Remarketing cars remained largely constant at €7,918 in the quarter ended March 31, 2021. The sale of used cars through the Remarketing channel thus generated €131.3m in Q1 2021, representing a 12% increase compared to Q4 2020.

As a result of the strong performance of the C2B and Remarketing channels, Merchant car sales continued to deliver healthy gross profit margins at 10.5%, translating into a GPU of €688 in Q1 2021. This is (4.6%) below the GPU in Q4, mainly driven by lockdowns in a number of markets we operate in. Total gross profit in the Merchant segment grew by €2.8m over the same period, to €84.4m, underlining the profitability of this segment.

## Profit and Loss

KEUR	Q4 2020	Q1 2021
<b>Net revenue</b>	<b>779,136</b>	<b>899,533</b>
<i>o/w Merchant</i>	726,485	803,079
<i>o/w Retail</i>	52,651	96,454
Cost of sales	-696,354	-813,149
<b>Gross profit</b>	<b>82,782</b>	<b>86,384</b>
<b>Gross profit (as % of revenue)</b>	<b>10.60%</b>	<b>9.60%</b>
Other operating income	1,326	5,381
Employee costs	-50,294	-53,266
Other operating expenses	-68,157	-65,834
<i>o/w Marketing expenses</i>	-28,649	-32,734
<i>o/w Internal Logistics</i>	-9,788	-11,320
<i>o/w Legal and Consulting</i>	-9,479	-10,232
<i>o/w Other expenses</i>	-20,241	-11,549
<b>Earnings before interest, tax, depreciation and amortization (EBITDA)</b>	<b>-34,343</b>	<b>-27,335</b>
<b>EBITDA margin (as % of revenue)</b>	<b>-4.40%</b>	<b>-3.00%</b>
<b>Separately disclosed items (SDI)</b>	<b>-12,207</b>	<b>-12,997</b>
<b>Adjusted EBITDA*</b>	<b>-22,136</b>	<b>-14,337</b>
<b>Adjusted EBITDA margin (as % of revenue)</b>	<b>-2.80%</b>	<b>-1.60%</b>
Depreciation, amortization and impairment	-5,511	-6,380
<b>Earnings before interest and tax (EBIT)</b>	<b>-39,854</b>	<b>-33,715</b>
Finance income	0	0
Finance costs	-10,119	-9,131
Other financial result	-9,159	-209,049
<b>Earnings before tax (EBT)</b>	<b>-59,133</b>	<b>-251,895</b>
<b>Separately disclosed items (SDI)</b>	<b>-</b>	<b>-210,931</b>
<i>Other non-recurring costs</i>	-	-210,931
<b>Adjusted EBT*</b>	<b>-46,926</b>	<b>-27,966</b>
Income taxes	-1,233	-983
<b>Net loss for the period</b>	<b>-60,366</b>	<b>-252,877</b>
<b>Adjusted net loss for the period*</b>	<b>-48,159</b>	<b>-28,949</b>
Thereof attributable to the owners of the Company	-60,366	-252,877
<b>Other comprehensive income</b>		
Exchange differences on translation of foreign operations	-3	-30
<b>Other comprehensive income, net of tax</b>	<b>-3</b>	<b>-30</b>
<b>Total comprehensive income for the period</b>	<b>-60,369</b>	<b>-252,908</b>
Thereof attributable to the owners of the Company	-60,369	-252,908

\* Adjusted for non-operating effects, and these include share-based payments, strategic projects, capital restructuring and other non-operating expenses

## Balance Sheet

The development of the AUTO1 Group's assets and liabilities was mainly driven by our successful IPO and the early repayment of the convertible bond at the beginning of February 2021.

### Assets

KEUR	31.12.2020	31.03.2021
Fixed assets	52,457	58,900
Other non-current financial and non-financial assets	6,463	6,294
<b>Non-current assets</b>	<b>58,920</b>	<b>65,194</b>
Inventories	209,435	251,238
Trade and other receivables (current)	24,802	57,153
Other current financial and non-financial assets	70,133	78,911
Liquid assets	157,251	848,521
<i>Current financial investments</i>	-	300,000
<i>Cash and cash equivalents</i>	157,251	548,521
<b>Current assets</b>	<b>461,622</b>	<b>1,235,823</b>
<b>Total assets</b>	<b>520,541</b>	<b>1,301,017</b>

### Non-Current Assets

Non-current assets increased by €6.3m in Q1 2021, primarily as a result of investments in our signature glass trucks as well as in refurbishment centers.

### Current Assets

AUTO1 Group's ability to successfully source used cars was underpinned by a €41.8m increase in inventories in Q1 2021, driven in large part by the growth of Autohero inventory.

Besides the increase in inventories, the development of the current assets was mainly a result of an increase in liquid assets in Q1 2021 of €691.3m, composed of the current

financial assets and of cash and cash equivalents. The current financial assets include a short-term investment of €300m of the IPO proceeds in investment grade and liquid investments in order to minimise the effect of negative interest rates. Cash and cash equivalents of €548.5m at the end of Q1 2021, up from €157.3m in Q4, represent effectively the net proceeds of the IPO after the deduction of the cash-settled fraction of the convertible bond repayment of €232.3m. Other current assets increased by €41.1m to €136.1m in Q1 2021, largely from higher trade and other receivables as a result of higher revenues.

Overall, AUTO1 Group's total assets grew by €780.5m in the first quarter of 2021, to €1,301.0m.

*Equity and Liabilities*

<b>KEUR</b>	<b>31.12.2020</b>	<b>31.03.2021</b>
<b>Total equity</b>	<b>4,465</b>	<b>1,036,295</b>
Financial liabilities (non-current)	323,470	20,000
Provisions, Other non-current financial and non-financial liabilities	33,190	35,616
<b>Non-current liabilities</b>	<b>356,660</b>	<b>55,616</b>
Financial liabilities (current)	101	199
Trade and other payables (current)	86,128	102,057
Provisions, Other current financial and non-financial liabilities	73,188	106,851
<b>Current liabilities</b>	<b>159,416</b>	<b>209,107</b>
<b>Total liabilities</b>	<b>516,076</b>	<b>264,722</b>
<b>Total equity and liabilities</b>	<b>520,541</b>	<b>1,301,017</b>

**Equity**

Following AUTO1 Group's successful IPO at the beginning of February 2021, our equity position substantially improved from €4.5m at the end of Q4 2020 to €1,036.3m in Q1 2021.

**Non-Current Liabilities**

Non-current financial liabilities decreased greatly during the same period. Shortly after the IPO, AUTO1 Group opted for the early repayment of the non-converted portion of the convertible bond, including accrued interest, representing a reduction of (€232.3m). At the same time, borrowings under the ABS facility and other financial liabilities increased by €22.4m, resulting in a net decrease of the non-current financial liabilities by (€301.0m). Other non-current liabilities remained relatively stable in the three months period ended March 31, 2021. Overall, non-current liabilities decreased from €356.7m at the end of Q4 2020 to €55.6m at the end of Q1 2021.

**Current liabilities**

Current liabilities increased by €49.7m to €209.1m as a result of an increase in trade and other payables by €15.9m and in other current liabilities of €29.1m, which mostly constitute contract liabilities in connection to the increase of trade receivables.

## Cash Flow Statement

KEUR	Q4 2020	Q1 2021
<b>Net loss for the period</b>	<b>-60,366</b>	<b>-252,878</b>
<b>Adjustments for</b>	<b>30,266</b>	<b>232,317</b>
Depreciation, amortization and impairment	5,511	6,380
Finance result	19,278	218,180
Income taxes	1,233	983
Change in provisions and employee benefit obligations	-899	4,211
Share-based employee benefits	5,150	2,593
Other non-cash effects	-3	-30
<b>Change in operating assets and liabilities</b>	<b>-57,586</b>	<b>-43,607</b>
<b>Other cash flows used in operating activities</b>	<b>-82</b>	<b>-1,464</b>
<b>Net cash from (used in) operating activities</b>	<b>-87,768</b>	<b>-65,632</b>
Payments for investments	-2,440	-305,368
<i>Tangible and intangible assets</i>	-2,440	-5,368
<i>Financial assets</i>	-	-300,000
Other changes in investing activities	260	-
<b>Net cash from / (used in) investing activities</b>	<b>-2,180</b>	<b>-305,368</b>
Net proceeds from capital increase	8	980,450
Payments for convertible bond	-	-232,349
Other changes for financing activities	-5,127	14,169
<b>Net cash from (used in) financing activities</b>	<b>-5,119</b>	<b>762,270</b>
<b>Net increase in cash and cash equivalents</b>	<b>-95,067</b>	<b>391,270</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>252,318</b>	<b>157,251</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>157,251</b>	<b>548,521</b>

Net loss, including financial expenses associated with the early repayment of the convertible bond, amounted to €252.9m for the three months period ended March 31, 2021. Cash adjustments to the net loss for the period totalled €232.3m in Q1 2021, most of which related to the finance result in connection with the fair value assessment of the convertible bond. Depreciation and amortization were €6.4m in the first three months of 2021, while the change in provisions and employee benefit obligations had a non-cash effect of €4.2m on the P&L. Share-based employee benefits

increased by €2.6m in Q1 and income taxes had a non-cash effect of €1.0m in the same period. Net loss adjusted for non-cash items was therefore (€20.6m).

Net cash from operating activities represents a cash outflow of (€65.6m) in the first quarter of this year. In particular, changes in operating assets and liabilities had a negative effect of (€43.6m) on the cash flow from operating activities in Q1 2021, of which (€41.8m) was used in the build-up of inventory.

Other cash flows used in operating activities constituted cash outflows of (€1.5m), most of which were used to cover interest expenses in Q1 2021. The increase was mainly driven by expenses in relation to the payment of interest for the new ABS.

Net Cash used in investing activities was of (€305.4m) in Q1 2021. These investments include the €300m current investment of IPO proceeds in liquid investment grade instruments to reduce negative interest rates. Moreover, the cash flow used in investing activities also highlights investments in our Autohero home delivery truck fleet as well as in refurbishment centers in Q1 2021, as we ramp up the direct-to-consumer offering.

Financing activities generated a cash inflow of €762.3m in Q1 2021. In particular, €1,008.1m were generated through the capital increase in the IPO beginning of February 2021. This allowed us to make an early repayment on the convertible bond, for which (€232.4m) were used in Q1 2021. Other financing activities generated cash inflows amounting to €14.2m, mainly relating to the draw-down amount under the ABS and leasing payments.

Overall, the net cash increased by €391.3m during the first three months of 2021, increasing our cash at the end of Q1 2021 to €548.5m, in addition to the liquid investment grade financial asset of €300m, substantially strengthening our liquidity position.

# 03

## GUIDANCE



The full year outlook 2021 remains in line with the outlook published in the Q4 and FY2020 Results presentation. We are estimating to sell between 592,000 and 638,000 used cars on Group level, of which we expect to sell between 560,000 and 600,000 units in our Merchant segment and the remaining 32,000 to 38,000 units through our online retailer, Autohero. This translates into Group revenues of between €3.8bn and €4.2bn during the full year 2021. On the back of Autohero's hypergrowth, we are expecting to achieve Autohero unit sales in the upper half of the range, highlighting the attractiveness of our online retailer's value proposition. AUTO1 Group estimates generating between €360m and €410m in Gross Profit and an adjusted EBITDA margin at the lower end of the estimated range between (2.0%) and (2.5%) during the full year 2021.

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## SERVICE



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## Glossary

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### Adjusted EBITDA

EBITDA adjusted for non-operating effects, which comprise (i) share-based payments, (ii) expenses for strategic projects, (iii) capital restructuring, (iv) change of basis of assessment for value added taxes, (v) correction of payables and (vi) other non-operating expenses

### AUTO1 Group SE

The Company, together with its consolidated subsidiaries

### AUTO1EVA

Mobile application for dealers to sell their used cars via the remarketing channel

### Autohero

Retail sales channel of the AUTO1 Group to sell used cars to private customers

### Average number of employees

Defined as Full-time equivalent in the respective period

### C2B

Abbreviation for the purchase channel of the AUTO1 Group, which stands for the procurement of used cars from private individuals via "we buy your car" and corresponding brands in all purchase countries

### Covid-19

Abbreviation for the Coronavirus SARS-CoV-2

### EUR

The single European currency adopted by certain participating member states of the European Union, including Germany

### GPU

Gross profit per unit, defined as gross profit divided by units sold in a respective period

### Gross Profit

Defined as Revenue less costs of goods sold and corresponding costs

### Gross Profit Margin

Gross Profit as percentage of Revenue

### Merchant

Wholesale sales channel of the AUTO1 Group to sell used cars to dealers

### NPS

Abbreviation for "Net Promoter Score", a key figure that measures the extent to which consumers would recommend a product or service to others

### OC&C Report

The independent market study by OC&C on the European used car market with the title „The European Used Car Market - Evolving Trends“; published in October 2020 and commissioned by the AUTO1 Groups

### Remarketing

Name for the purchase channel of the AUTO1 Group, which stands for the procurement of used cars from the dealer side

### Retail

see Autohero

### Sell-From-Home

Name of the newly introduced solution in all purchasing countries for customers to receive a binding price based on additionally entered characteristics of the car to be sold

### Units sold

Defined as the number of cars sold by the AUTO1 Group to dealers and private customers

## Financial Calendar

### 2021

<b>June 24</b>	Annual General Meeting (virtual), Berlin
<b>August 6</b>	Publication of Trading Update (Q2 2021) and Earnings Call
<b>September 15</b>	Publication of Half-Year Financial Statements (Half-year 2021)
<b>November 17</b>	Publication of Quarterly Financial Statements (Q3 2021) and Earnings Call

### 2022

<b>March 23</b>	Announcement of Q4 and Full Year 2021 Results and Earnings Call
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## Disclaimer

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