

Stern to sell Heron Auto to Broekhuis

Stern Groep N.V., the listed Dutch mobility group, announces it has reached agreement with Broekhuis regarding the sale of the shares in Heron Auto BV. The shares will be transferred on 2 January 2020, assuming the Dutch Authority for Consumers & Markets (ACM) has no objections to the acquisition of Heron Auto by Broekhuis. The final transaction price will be set once the 2019 figures for Heron Auto have been established. The sale of Heron Auto will lead to a book gain in the 2020 financial year, and will reduce the size of Stern Group's balance sheet by approximately € 60 million.

North Holland

Heron Auto represents the brands Audi, Volkswagen, Skoda and Seat in the eastern part of the province of North Holland above the North Sea Canal. Broekhuis already has branches representing Audi, Volkswagen, Skoda and Seat in the western part of North Holland and intends to integrate the business of Heron Auto into these operations. Pon, the Dutch importer of the brands concerned, has indicated that it has no objection to the acquisition of Heron Auto by Broekhuis.

Heron Auto

Heron Auto realised net revenue of approximately € 100 million in 2018 and has a total balance sheet of approximately € 60 million. After inclusion of its expected profit in 2019, Heron Auto's equity will amount to approximately € 8 million. Heron Auto has 196 employees (with 170 FTE). The current CEO of Heron Auto, Mr Visser, will not stay on as the CEO of Heron Auto after the sale. Mr Visser will continue at Stern as director of Stern 5 (which after the sale of Heron Auto will concentrate on the brands Kia and Opel) and of Stern Car Services (parts, logistics, car body repairs and light commercial vehicle interiors).

Stern's strategy

The sale of Heron Auto is part of Stern's strategy, which has been revised after the successfully completed sale of SternLease to ALD Automotive earlier this year. A three-year plan titled Focus on Value has been developed that is based on the value added by the individual business divisions to Stern's integrated mobility proposition. Among other things, this involves hard decisions with respect to brands and branches. Stern's aim is to realise larger clusters of leading brands, whereby it will represent at least 10% and up to 20% of the national potential for the brand in question. Stern cannot achieve this sort of percentage representation with Heron Auto. After the sale of Heron Auto Stern will almost have the composition and scale that is appropriate for our Focus on Value strategy. This means that within the planning period only smaller changes to the network might be in order. Stern's focus in the coming years will be on digitalisation, intensifying its used car business and further optimising the most important business processes.

Note to editorial staff, not for publication: For further information, please contact H.H. van der Kwast (Stern Group), T +31(0)20 613 60 28

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 currently has more than 75 branches with approximately 2,000 employees (FTE), 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. Dealergroup Stern represents several leading brands such as Mercedes-Benz, Renault, Nissan, Ford, Volvo, Land Rover, Volkswagen, Audi, Kia and Opel. With Stern Mobility Solutions, Stern is engaged in services including leasing, rental, insurance, finance and extended warranties. With a growing nation-wide network, the Stern Car Services division offers services in the area of (brand-certified) car body repairs, multi-brand after-sales and the intake and provision of rental and lease cars.