



Press release

10 January 2017

Stern moves to more Solutions and Services

Stern Groep NV, the listed Dutch automotive group, announces that it has developed a new strategic plan for the period 2017-2020, with the assistance of an external advisor. The main feature of the new plan, which has recently been approved by the Supervisory Board and is a further development of the current plan, concerns a shift of focus to mobility solutions and services. Hence the new plan is titled "More Solutions and Services".

Stern Mobility Solutions

The Stern Financial Services division will be known as Stern Mobility Solutions from now on. SternLease, which is part of this division, has now passed its target of reaching 10,000 contracts in 2016, and in the coming period will devote more on- and offline commercial commitment to reaching 20,000 contracts in 2020. As part of this focus Stern Mobility Solutions will become more financially and operationally independent, and will relocate from Purmerend to Hoofddorp together with SternRent within one year. Increased sales of financial mobility products via Dealer Group Stern and growth of direct sales via the in-house organisation are key elements in the new strategic plan.

Stern Car Services

After the integration of SternRent into Stern Mobility Solutions and the transfer of Mango Mobility to Stern Group as a new business initiative, the Stern Mobility Services division will be known as Stern Car Services. SternSchade will expand its car body repair business with the addition of simple maintenance, car windows, tyre changes, batteries, towing hooks etc. under the name of SternPoint. The new strategic plan envisages national coverage for these services with at least 25 branches. Stern will moreover look for targeted acquisitions of suitable and well-equipped car body repair businesses in the coming period. The rapidly growing sales and distribution of car parts is also a key element in the new strategic plan.

Dealer Group Stern

Stern Group considers that the current size of Dealer Group Stern is sufficient to support its ambitions with respect to Solutions and Services. Car dealerships are faced with ever-increasing capital intensity, which too often involves excessive investment in buildings and inventory and continuous intervention in working processes, leading to inadequate margins with respect to certain car brands. Dealer Group Stern's policy in the coming years will focus on the strong car brands, on managing the use of its working capital and achieving greater synergy benefits through further centralisation, synchronisation and harmonisation of business processes.

More Solutions and Services

If the new strategic plan is implemented with vigour and discipline, supported by a sophisticated online proposition, the plan has the potential to significantly increase Stern Group's EBITDA in the coming years. Doubling of the current level by 2020 is a distinct possibility. Around one third of the increase will have to come from cost savings and synergy benefits. Around two thirds will have to come from more Solutions and Services.



Dividend and excess solvency

More Solutions and Services will be further explained in the 2016 Annual Report. The development of excess solvency in combination with the present dividend policy will also be addressed in the report. Currently, only the surplus solvency is available for distribution as dividend. The aim is to keep the cash dividend at its current level for the time being. When the excess solvency after dividend distribution has risen to over € 5 million, we will reserve the surplus for share buy-backs at prices of up to 75% of the most recently published net asset value per share (€ 27.13 on 30 September 2016). Under the authority granted by the General Meeting, repurchase of own shares can only be effected with the approval of the Supervisory Board.

The annual results for 2016 will be published on 9 March 2017.

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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 will continue its growth strategy in the coming years.

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, through Mango Mobility Stern offers electric 2, 3 and 4 wheel transport solutions with speeds of up to 45 kilometres an hour.

With Stern Mobility Solutions, Stern is engaged in services including leasing (SternLease), rental (SternRent), fleet management (SternPartners), insurance (SternPolis), finance (SternCredit) and extended guarantees (SternGarant). Stern Mobility Solutions manages over 13,000 vehicles and more than 60,000 contracts.

With a growing network of currently 19 branches, the Stern Car Services division offers services in the area of (brand recognised) repairs, universal after-sales and the intake and provision of rental cars (SternPoint).

Dealer Group 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. Dealer Group Stern has a total of approximately 85 branches.