

PRESS RELEASE

## ARVAL 2024 HALF-YEAR RESULTS

### STRONG BUSINESS GROWTH

FINANCED FLEET: +6.4% vs. 30/06/2023  
FINANCIAL OUTSTANDING: +20.9% vs. H1 2023

### INCREASE IN FINANCIAL AND SERVICE MARGINS BUT IMPACT FROM THE NORMALISATION OF USED VEHICLE PRICES

GROSS OPERATING INCOME: €1,445.6 million (-6.9% vs. H1 2023)  
GROSS OPERATING INCOME EXCLUDING CAR SALES RESULT:  
€873.2 million (+14.2% vs. H1 2023)

### CONTROLLED OPERATING EXPENSES

OPERATING EXPENSES: €507.4 million (+4.1% vs. H1 2023)

### COST OF RISK REMAINS MODERATE

18 bp<sup>1</sup>

### GOOD RESILIENCE IN OPERATING RESULT

OPERATING RESULT: €906.7 million (-12.7% vs. H1 2023)

**NET INCOME: €688.8 million**

NET INCOME<sup>2</sup>: -10.6% vs. H1 2023



**SOLID PERFORMANCE  
STRONG BUSINESS GROWTH  
GRADUAL NORMALISATION OF THE USED CAR MARKET**

<sup>1</sup> Calculated on average Financial Outstanding, annualised bps, where financial outstanding (management data) represents the value of the rental fleet based on a financial amortisation

<sup>2</sup> Before net income attributable to minority interests

The Board of Directors of Arval Service Lease met on 10 September 2024. The meeting was chaired by Alain van Groenendael, and the Board approved Arval Group's results for the first half of 2024.

## **STRONG RESILIENCE OF THE RESULTS: INCREASE IN FINANCIAL AND SERVICE MARGINS BUT GRADUAL NORMALISATION OF USED VEHICLE PRICES**

Arval continued to grow in the first half of 2024, with its **financed fleet now reaching 1,747,846 vehicles worldwide, a growth of 6.4%, compared to the end of June 2023.**

**The fleet financed in the Corporate segment** totalled 1,163,233 vehicles as of the end of June 2024 (+6.3% increase compared to the end of June 2023). The **Retail** segment reached 532,827 vehicles, up by 9.5% compared to the end of June 2023, demonstrating the growing interest from SMEs and individuals in long-term leasing (with +16.3% growth in the individual segment alone). The **Arval Flex** fleet (flexible subscription for mid-term leasing) totals 51,697 vehicles, down 17.1% compared to the end of June 2023, due to improved availability of vehicles for long-term leasing thanks to the gradual return of delivery times to normal levels.

As at 30 June 2024, Arval's fleet included 508,949 electrified vehicles (hybrid and electric), an increase of 38.9% compared to the same period last year. Battery electric vehicles have shown very strong growth: +64.7%, reaching 206,899 vehicles.

**Accelerating the energy transition of its fleets is at the heart of Arval's strategy**, in accordance with trends highlighted in the latest Arval Mobility Observatory barometer.

- **Arval is strengthening its electric vehicle offering** and signed a **strategic European partnership with the automotive manufacturer BYD** (Build Your Dreams) last February. Arval is now adding BYD models to its range of vehicles available for lease, both for corporates and individuals. In addition to this European agreement, and following their partnership announcement in Brazil, Arval has become BYD's long-term leasing partner under a white-label arrangement in Italy, Spain, and Germany.
- To meet the **growing demand for electric vehicle charging infrastructure**, Arval, through BNP Paribas Mobility, launched **Arval Charging Services** at the beginning of 2024. This service combines the lease of an electric vehicle with its charging station, for both businesses and individuals.

Additionally, Arval proposes **Arval Energy, a strategic initiative** aimed at unlocking the full potential of smart charging. Together with its partners, Arval Energy is developing and industrialising all components of smart charging for vehicles to offer:

- o **Charging everywhere**: in addition to Arval Charging Services, Arval has formed **two major new partnerships with Last Mile Solution** (a provider of electric vehicle charging stations and smart energy management solutions) **and FastNed** (a leading fast-charging network provider that focuses on high-traffic highways and roads, offering only electricity from renewable sources at more than 1,700 charging points across 7 European countries).
- o **Smart charging**: to optimise the timing of electric vehicle charging and reduce its cost.
- o **Battery as a source of renewable energy storage**: leveraging Vehicle-to-Grid (V2G) and Vehicle-to-Home (V2H) technologies.

Arval's **SMaRT** (Sustainable Mobility and Responsibility Targets) **consulting** approach also helps clients choose the right equipment (electric vehicles and charging stations) based on their specific needs.

- To better serve its clients, Arval has extended its services to offer mobility solutions that go beyond company cars. In partnership with the start-up **TIM Mobilité**, Arval has launched a new **long-term bicycle leasing** option, offering an all-in-one solution that meets the highest quality standards expected by its customers.

- Leveraging data from connected vehicles and ensuring driver safety is also a major focus in managing Arval's clients' fleets. As part of its Arval Beyond strategy, **Arval reaffirms its goal to have 80% of its fleet connected by 2025.**
- Arval is also strengthening its partnerships with key players in the industry:
  - o As of 1 February 2024, **Mazda France has teamed up with Arval France to enhance its leasing offer** for professional clients by providing a new dedicated Long-Term Leasing service.
  - o **Hyundai Motor France has expanded its Hyundai Leasing programme with a flexible mobility offer** for professionals, leveraging Arval's expertise.
- Lastly, **Arval continues its commitment to sustainable mobility and energy solutions:**
  - o At the beginning of 2024, the Arval Group was awarded the EcoVadis Gold Medal with a score of 74/100, placing it in the top 5% of companies assessed, for its commitment to the environment, labour and human rights, ethics, and sustainable procurement. Additionally, Arval in the Netherlands was honoured with the EcoVadis Platinum Medal.
  - o Arval has also partnered with smartEn (Smart Energy Europe), an association of influential European companies focused on clean energy, to promote more sustainable energy solutions.
  - o Furthermore, Arval and BNP Paribas Personal Finance, through their investment in Shift4Good (the largest independent venture capital fund dedicated to decarbonising the transport sector), are supporting the mobility solutions of tomorrow.

**In the first half of 2024, Arval's gross revenues** increased by 26.5%, reaching €9,567.5 million (compared to €7,561.5 million in the first half of 2023), primarily driven by business growth.

**Gross operating income** reached €1,445.6 million, a decrease of 6.9% from the first half of 2023 due to the gradual normalisation of high used vehicle prices. Nevertheless, Arval showed strong resilience thanks to improved margins on lease contracts (financial margin) and on services, driven by a 20.9% increase in financed outstanding.

Excluding the impact of vehicle sales, gross operating income grew by 14.2%. Lease contract margins rose to €405.2 million, up 8.5% compared to the first half of 2023, while service margins increased to €468.1 million, up 19.8% from the same period last year.

Income from vehicle sales and projected capital gains totalled €572.4 million in the first half of 2024, compared to €789.2 million in the first half of 2023 with a significant increase in the number of vehicles sold compared to the same period last year in a used vehicle market where prices are gradually normalising, albeit at a high level, and with some projected capital gains on disposals having been revised upwards.

At €507.4 million, the Arval Group's **operating expenses** are well under control. They have increased by 4.1% compared to the first half of 2023, growing at a much slower pace than the fleet. The cost/income ratio is 35.1% for the first half of 2024 against 31.4% the same period last year, reflecting the impact of the gradual normalisation of used vehicle prices. Excluding the income from vehicle sales, the cost/income ratio has improved significantly to 58.1%, compared to 63.7% a year earlier, demonstrating the positive effects of operational efficiency measures.

The **cost of risk** remained moderate at €31.5 million, or 18 basis points relative to financial outstanding<sup>3</sup>. It is close to the figure for the previous year (€27.5 million, or 20 basis points).

**Operating result** amounted to €906.7 million (€1,038.7 million in the first half of 2023), showing good resilience (-12.7%).

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<sup>3</sup>Annualised bps. Financial outstanding (management data) represents the value of the leasing fleet based on a financial amortisation

Non-operating items totalled -€7.0 million (-€10.8 million in the first half of 2023). They include the impact of applying IAS 29 "Financial Reporting in Hyperinflationary Economies" within Arval's Turkish subsidiary (TEB Arval), amounting to -€12.5 million, compared to -€22 million in the first half of 2023.

Profit before tax stood at €899.7 million, down 12.5% from €1,027.8 million in the first half of 2023.

**Net income** was €688.8 million, a decrease of 10.6% from €770.1 million in the first half of 2023. **Arval Group's net income attributable to equity holders** was €666.1 million, down 13.4% compared to the same period in 2023.

Despite the gradual normalisation of used vehicle prices, Arval has delivered strong performance, reflecting the growth in its activity and in financial outstanding. These solid results highlight the success of its long-term leasing model and the diversification of its customer base, geographic presence, and product offerings.

The **total balance sheet** grew 23.0% compared to the end of June 2023, reaching €49,574 million as at the end of June 2024, driven by the robust growth of the fleet and the rise of new vehicle prices. Total equity stood at €4,096 million at the end of June 2024, up from €3,352 million at the end of June 2023.

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\* \*

*"Arval delivered a strong performance in the first half of 2024, with a financed fleet of 1.75 million vehicles, up by 6.4% compared to 30 June 2023, and with financial outstanding increasing by 20.9%.*

*In a context of gradual normalisation of used vehicle prices, our gross operating income showed good resilience thanks to the increase in our financial outstanding. Operating expenses were well-controlled due to operational efficiency measures and the cost of risk remained moderate. Consequently, Arval achieved a net income of €689 million for the first half of the year, a limited decrease compared to the same period last year.*

*Furthermore, we successfully pursued the implementation of our 2025 Arval Beyond plan in the first half of the year, making significant progress across all areas, our battery electric vehicle fleet increasing in particular by 65% compared to the same period last year.*

*I would like to thank all Arval employees for their engagement, which has enabled this strong performance,"* says Alain van Groenendael, Chairman and CEO of Arval.

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## **About Arval:**

Arval is a major actor in full-service vehicle leasing and a specialist in mobility solutions founded in 1989. Arval and is fully owned by BNP Paribas and positioned within the Group's Commercial, Personal Banking

& Services division. Arval was leasing 1.75 million vehicles as at the end of June 2024. Every day, 8,600 Arval employees in 29 countries offer flexible solutions to make journeys seamless and sustainable for its customers, ranging from large international corporate groups to smaller companies and private customers. Arval is a founding member of the Element-Arval Global Alliance. The fleets of all the Alliance members represent more than 4.4 million vehicles in 55 countries.

Arval has been rewarded with the EcoVadis 2024 gold medal, placing its CSR strategy in the Top 5% of the companies assessed.

[www.arval.com](http://www.arval.com)

### **About BNP Paribas:**

BNP Paribas is the European Union's leading bank and key player in international banking. It operates in 63 countries and has nearly 183,000 employees, including more than 145,000 in Europe. The Group has key positions in its three main fields of activity: Commercial, Personal Banking & Services for the Group's commercial & personal banking and several specialised businesses including BNP Paribas Personal Finance and Arval; Investment & Protection Services for savings, investment and protection solutions; and Corporate & Institutional Banking, focused on corporate and institutional clients. Based on its strong diversified and integrated model, the Group helps all its clients (individuals, community associations, entrepreneurs, SMEs, corporates and institutional clients) to realise their projects through solutions spanning financing, investment, savings and protection insurance. In Europe, BNP Paribas has four domestic markets: Belgium, France, Italy and Luxembourg. The Group is rolling out its integrated commercial & personal banking model across several Mediterranean countries, Turkey, and Eastern Europe. As a key player in international banking, the Group has leading platforms and business lines in Europe, a strong presence in the Americas as well as a solid and fast-growing business in Asia-Pacific. BNP Paribas has implemented a Corporate Social Responsibility approach in all its activities, enabling it to contribute to the construction of a sustainable future, while ensuring the Group's performance and stability.

<https://group.bnpparibas/en/>

## Appendices

### Consolidated profit and loss account

Notes	Year to 30 June 2024	Year to 30 June 2023
In millions of euros		
	3 541.16	2 917.59
Lease contract revenues		
	(2 574.34)	(2 200.00)
Lease contract costs depreciation		
	(566.12)	(342.06)
Lease contract - Financing		
	4.46	(2.08)
Foreign exchange gain/loss		
<b>LEASE CONTRACT MARGIN</b>	<b>405.16</b>	<b>373.45</b>
	2 696.20	2 287.74
Service revenues		
	(2 228.14)	(1 896.88)
Costs of service revenues		
<b>LEASE SERVICES MARGIN</b>	<b>468.06</b>	<b>390.86</b>
	3 330.16	2 356.16
Proceeds of cars sold		
	(2 757.77)	(1 566.97)
Cost of cars sold and revaluation		
<b>CAR SALES RESULT AND REVALUATION</b>	<b>572.39</b>	<b>789.19</b>
<b>GROSS OPERATING INCOME</b>	<b>1 445.61</b>	<b>1 553.49</b>
	(353.03)	(324.83)
Salary and employee benefit expense		
	(120.49)	(132.28)
Other operating expenses		
	(33.89)	(30.20)
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets		
<b>OPERATING EXPENSES</b>	<b>(507.41)</b>	<b>(487.32)</b>
	(31.47)	(27.51)
Cost of risk		
<b>OPERATING RESULT</b>	<b>906.73</b>	<b>1 038.67</b>
	(6.99)	(10.84)
Other incomes and other expenses		
	-	-
Share of earnings of equity-method entities		
<b>PROFIT BEFORE TAX</b>	<b>899.73</b>	<b>1 027.83</b>
	(210.90)	(257.76)
Corporate income tax		
<b>NET INCOME</b>	<b>688.83</b>	<b>770.07</b>
	22.75	0.64
Net income attributable to minority interests		
<b>NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS</b>	<b>666.08</b>	<b>769.43</b>

## Consolidated balance sheet

In millions of euros	Notes	30 June 2024	31 December 2023
<b>ASSETS</b>			
Goodwill	5.a	636.65	633.01
Other intangible assets	5.b	151.66	143.73
<b>INTANGIBLE ASSETS</b>		<b>788.31</b>	<b>776.74</b>
Rental fleet	5.c	37 537.09	34 659.07
Property, plant and other equipment	5.d	185.13	183.44
<b>TANGIBLE ASSETS</b>		<b>37 722.23</b>	<b>34 842.51</b>
Equity-method investments	5.e	-	-
Securities at fair value through profit or loss	5.f	-	(0.00)
Derivatives used for hedging purposes	5.g	28.05	11.80
Other non current financial assets	5.h	252.54	244.51
<b>FINANCIAL ASSETS</b>		<b>280.59</b>	<b>256.31</b>
Deferred tax assets	5.i	41.21	37.99
<b>NON CURRENT ASSETS</b>		<b>38 832.35</b>	<b>35 913.54</b>
Inventories	5.j	990.77	944.24
Trade receivables	5.k	1 594.57	1 483.60
Cash and cash equivalents	5.l	5 793.01	3 662.70
Derivatives used for hedging purposes	5.g	11.22	4.72
Other financial assets	5.h	1.07	1.14
Current income tax receivable	5.i	43.59	112.64
Other receivables and prepayments	5.m	2 307.91	2 205.30
<b>CURRENT ASSETS</b>		<b>10 742.14</b>	<b>8 414.33</b>
<b>TOTAL ASSETS</b>		<b>49 574.49</b>	<b>44 327.87</b>
<b>LIABILITIES</b>			
Share capital		66.41	66.41
Share premium		0.75	38.75
Retained earnings and other reserves		3 339.69	2 476.62
Net income		688.83	1 398.11
<i>Net income for the period attributable to shareholders</i>		666.08	1 379.75
<i>Net income for the period attributable to minority interests</i>		22.75	18.36
<b>TOTAL EQUITY</b>		<b>4 095.68</b>	<b>3 979.90</b>
Subordinated debt	5.o	90.00	90.00
Debt securities	5.p	4 013.24	5 018.98
Borrowings from financial institutions	5.q	22 091.87	18 712.33
Derivatives used for hedging purposes	5.g	19.96	30.12
Retirement benefit obligations and long term benefits	5.r	55.09	55.83
Provisions	5.s	345.17	626.40
Deferred tax liabilities	5.i	778.50	693.06
Trade and other payables	5.t	261.77	252.72
<b>NON CURRENT LIABILITIES</b>		<b>27 655.60</b>	<b>25 479.43</b>
Borrowings from financial institutions	5.q	7 652.27	7 531.06
Debt securities	5.p	6 541.82	3 847.15
Derivatives used for hedging purposes	5.g	7.98	12.05
Provisions	5.s	137.30	249.63
Current income tax liabilities	5.i	133.96	150.30
Trade and other payables	5.t	3 349.87	3 078.36
<b>CURRENT LIABILITIES</b>		<b>17 823.21</b>	<b>14 868.55</b>
<b>TOTAL LIABILITIES</b>		<b>45 478.81</b>	<b>40 347.97</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>49 574.49</b>	<b>44 327.87</b>