

PRESS RELEASE

TRADING UPDATE

Paris, 8 November 2018

ALD TRADING UPDATE ON 9M AND Q3 2018 RESULTS

- **STRONG FLEET GROWTH AT 9.8% YOY, CONFIRMING ALD'S LEADING POSITION IN EUROPE**
- **LEASING CONTRACT & SERVICES MARGINS UP 6.7% IN 9M 18 VS. 9M 17**
- **CAR SALES RESULT AT EUR 25.7 MILLION IN Q3 18; 9M 18 PER UNIT AVERAGE AT EUR 405**
- **OPERATING EXPENSES RISING MORE SLOWLY THAN MARGINS, PUSHING COST/INCOME (EXCL. CAR SALES RESULT) RATIO DOWN TO 50.2% IN 9M 18**
- **NET INCOME (GROUP SHARE) AT EUR 415.4 MILLION IN 9M 18**

ALD Q3 & 9M RESULTS HIGHLIGHTS

- ✓ **Total Fleet:** 1.63 million vehicles managed worldwide at end September 2018, up 9.8% vs. end September 2017 and 7.2% vs. end 2017
- ✓ **Leasing Contract & Services Margins** reached EUR 919.7 million, up 6.7% in 9M 18 vs. 9M 17, offsetting the falling trend in **Car Sales Result**, which reached EUR 85.4 million in 9M 18, down from EUR 132.7 million in 9M 17. **Gross Operating Income** reached EUR 1,005.1 million in 9M 18, up 1.0% vs. 9M 17
- ✓ **Operating Expenses** remained under control, rising 4.7% vs. 9M 17, pushing Cost/Income ratio (excluding Car Sales Result) down to 49.7% in Q3 18 and 50.2% in 9M 2018
- ✓ **Net Income (Group share)** stood at EUR 415.4 million in 9M 18, and at EUR 135.4 million in Q3 18

KEY STRATEGIC INITIATIVES & OPERATIONAL DEVELOPMENTS

- ✓ Launch of "*Leasing Auto avec Boursorama Banque*", first 100% online private lease e-shop for Boursorama clients
- ✓ Signing of strategic partnership and development agreement with Vinli, connected car platform provider
- ✓ Best Customer Service Award for ALD France, ALD Spain and ALD Morocco
- ✓ Successful issuance of first ever Positive Impact Bond to finance electric and hybrid vehicles
- ✓ Fitch Ratings assigned ALD a Long-Term Issuer Default Rating of A- with stable outlook
- ✓ S&P Global Ratings upgraded ALD's Long Term issuer credit rating to BBB+ (stable outlook) from BBB

On 8 November 2018, Mike Masterson, ALD CEO, commenting on the Group Results, stated:

“In Q3 18, ALD continued to generate strong fleet growth across the regions in which we operate. We are convinced that our sustained investments in technology make the difference when we pitch for business with large corporates in the face of strong competition. Similarly, our business development with smaller companies and professionals via our extensive partnership network is underpinned by state of the art digital tools, which also drive strong growth in the private lease segment. In parallel, through rigorous cost control and a continuous focus on efficiency gains, we ensure our business model retains its operating leverage, protecting the bottom line. Our achievements during the first nine months make us confident of ending the year in a position to be able to reward our shareholders with a dividend payment above last year’s.”

CONTINUED STRONG BUSINESS DEVELOPMENT

ALD continued to record strong fleet growth during the first 9M of 2018 with total fleet reaching 1.63 million vehicles at the end of September, up 7.6% vs. the end of December 2017 and 9.8% vs. the end of September 2017. Sustained organic growth was observed in all geographies: in particular, Western Europe maintained its strong positive trend and recently entered markets (South America, Africa and Asia) showed dynamic growth.

Private lease grew at an annual rate of more than 40% in 9M 18. Total private fleet reached 104 thousand vehicles at the end of September, well underway to ALD’s 150 thousand vehicles target for end of 2019.

SOLID OPERATING AND FINANCIAL RESULTS

Leasing Contract and Services Margins together rose 6.7% in 9M 18 to EUR 919.7 million vs EUR 862.1 million in 9M 17, behind growth in total fleet. Two specific factors are currently holding back margin growth:

- The Italian Stability Law continues to exert a significant drag on Services Margin progression this year. This is expected to lower growth in Leasing Contract and Services Margins by an estimated 1.5%¹ vs. 2017. However, at the bottom line the reduction in Income tax expense generated by this Law more than compensates for the lower Services Margin;
- ALD’s conservative diesel residual value repricing is putting pressure on margins in a competitive commercial environment.

Car Sales margin on used vehicles¹ continued to normalise in Q3 18, coming in at EUR 368 per vehicle (vs. EUR 434 in the previous quarter), and averaging EUR 405 in 9M 18. The number of used cars sold¹ in 9M 18 reached c. 211 thousand, up 11.6% vs. 9M 17. Car Sales Result in Q3 18 was EUR 25.7 million, down from EUR 30.2 million in the previous quarter. The 9M 18 figure was EUR 85.4 million, down significantly from EUR 132.7 million in 9M 17.

Growth in Leasing Contract and Services Margins is compensating for the lower Car Sales Result, allowing Gross Operating Income to show a small increase of 0.5% in Q3 18 to EUR 334.3 million (vs. EUR 332.5 million in Q3 17). Similarly, for 9M 18 it amounted to EUR 1,005.1 million, up 1.0% vs. 9M 17.

Total Operating Expenses saw a controlled rise of 4.7% vs. 9M 17 to EUR 461.7 million, well below margin growth. This allowed the Cost/Income ratio (excluding Car Sales Result) to improve by almost one percentage point to 50.2% in 9M 18, compared to 51.1% recorded in 9M 17 and in line to meet the target of 50% for the year 2018.

¹ Management information

After several quarters of exceptionally low cost of risk, Impairment charges on receivables increased in 9M 18 to EUR 26.6 million, due to a few isolated files.

Income tax expense dropped 8.7% in 9M 18 vs 9M 17, a larger drop than that of Profit before tax (down 4.0% over the same period). The low effective tax rate of 18.9% for 9M 18 reflects the continued strong, favourable impact of the Italian Stability Law.

The third quarter's solid operating performance resulted in a Net Income (Group Share) at EUR 135.4 million, down 4.2% from Q3 17. Net Income (Group Share) for 9M 18 came in at EUR 415.4 million, down 3.0% on the same period of last year.

GUIDANCE 2018

ALD's guidance for 2018 is as follows:

- Total Fleet is expected to grow 8-10% compared to 2017
- Leasing Contract & Services Margins to grow in line* with Total Fleet
- Car Sales Result to average between EUR 200 and EUR 400 per vehicle
- Cost/Income (excluding Car Sales Result) to improve to 50%
- Total Equity / Total Assets ratio between 15% and 17%
- Target pay-out ratio between 40% and 50%

* When corrected for the impact of the Italian Stability Law, which is estimated to lower growth in Leasing Contract and Services Margins by c. 1.5% in 2018 vs. 2017 (management information)

KEY STRATEGIC INITIATIVES & OPERATIONAL DEVELOPMENTS

Launch of "Leasing Auto avec Boursorama Banque", first 100% online private lease e-shop for Boursorama clients

In October 2018, ALD, in partnership with Boursorama, launched "Leasing Auto avec Boursorama Banque". This e-shop offers Boursorama clients a 100% online experience to subscribe and manage their private lease contract.

Signing of strategic partnership and development agreement with Vinli

In October 2018, ALD Automotive signed a strategic partnership and development agreement with Vinli, a connected car platform provider, to benefit from its cloud-connected car and data intelligence platform for smart car data integration and processing, in addition to access to its connected car software development expertise.

Best Customer Service Award for ALD France, ALD Spain and ALD Morocco

For the 11th year in a row, ALD France was awarded "Best Customer Service Award" in the Full Service Leasing category. Commitment, training and digitisation were the key success factors highlighted.

ALD Spain and ALD Morocco also received "Best Customer Service Award" in the same category during the quarter, both for the second year in a row.

Successful issuance of first ever Positive Impact Bond to finance electric and hybrid vehicles

On October 5th, ALD successfully issued an inaugural Positive Impact Bond, a EUR 500m 4-years fixed-rate senior note, demonstrating its commitment to finding innovative financial solutions to fund clean transportation and promote the transition to a low carbon future. The proceeds of the bond are aimed at financing eligible vehicles, i.e. electric vehicles (EV), hybrid electric vehicle (HEV) and plug-in hybrid vehicles (PHEV), across 13 countries in Europe.

Fitch Ratings assigned ALD a Long-Term Issuer Default Rating of A- with stable outlook

On September 20th, Fitch Ratings assigned ALD a Long Term Issuer Default Rating of A- with stable outlook.

Significant factors highlighted by the credit rating agency in its opinion are parental support from ALD's majority shareholder, Societe Generale, and ALD's sound stand-alone credit profile, underpinned by its well-established, leading franchise in European car leasing, its well-articulated and soundly executed strategy and ordinary support from Societe Generale in its funding profile.

S&P Global Ratings upgraded ALD's Long Term issuer credit rating to BBB+ (stable outlook) from BBB

On October 24th, S&P Global Ratings raised its long-term issuer credit rating on ALD to "BBB+" from "BBB", with stable outlook, on its business growth and strategic importance to Societe Generale. At the same time, S&P Global Ratings affirmed ALD's A-2 short-term issuer credit rating.

In its research update, S&P Global Ratings highlights that "ALD's scale and diversity have improved over the past four years", and cites ALD's "large scale as an advantage in an industry with high barriers to entry".

CONFERENCE CALL FOR INVESTORS AND ANALYSTS

Date: 8 November 2018, at 10.00 am Paris time – 9.00 am London time

Speakers: Mike Masterson, CEO, and Gilles Momper, CFO

Connection details:

- [Webcast](#)
- Conf call: +33172727403 PIN: 67257408#

FINANCIAL CALENDAR

8 November 2018	Trading update and Q3 results
7 February 2019	Q4 and FY 2018 results
3 May 2019	Trading update and Q1 results
22 May 2019	General assembly of shareholders
1 August 2019	Q2 and H1 2019 results
6 November 2019	Trading update and Q3 results

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ALD

ALD is a global leader in mobility solutions providing full service leasing and fleet management services across 43 countries to a client base of large corporates, SMEs, professionals and private individuals. A leader in its industry, ALD places sustainable mobility at the heart of its strategy, delivering innovative mobility solutions and technology-enabled services to its clients, helping them focus on their everyday business.

With over 6,300 employees worldwide, ALD manages 1.63 million vehicles (at end Sept 2018).

ALD is listed on Euronext Paris, compartment A (ISIN: FR0013258662; Ticker: ALD) and its share is included in the SBF120 index. ALD's controlling shareholder is Societe Generale.

For more information, you can follow us on Twitter [@ALDAutomotive](https://twitter.com/ALDAutomotive)  or visit www.aldautomotive.com.

This document contains forward-looking statements relating to the targets and strategies of ALD SA (the "Company") and its subsidiaries (together with the Company, the "Group"). These forward-looking statements are based on a series of assumptions, both general and specific, in particular the application of accounting principles and methods in accordance with IFRS (International Financial Reporting Standards) as adopted in the European Union. These forward-looking statements have also been developed from scenarios based on a number of economic assumptions in the context of a given competitive and regulatory environment. The Group may be unable to: - anticipate all the risks, uncertainties or other factors likely to affect its business and to appraise their potential consequences; - evaluate the extent to which the occurrence of a risk or a combination of risks could cause actual results to differ materially from those provided in this document and the related presentation. Therefore, although the Company believes that these statements are based on reasonable assumptions, these forward-looking statements are subject to numerous risks and uncertainties, including matters not yet known to it or its management or not currently considered material, and there can be no assurance that anticipated events will occur or that the objectives set out will actually be achieved. Important factors that could cause actual results to differ materially from the results anticipated in the forward-looking statements include, among others, overall trends in general economic activity and in the Group's markets in particular, regulatory changes, and the success of the Company's strategic, operating and financial initiatives. More detailed information on the potential risks that could affect the Company's financial results can be found in the Registration Document and in the Last Financial Report filed with the French Autorité des Marchés Financiers. Investors are advised to take into account factors of uncertainty and risk likely to impact the operations of the Group when considering the information contained in such forward-looking statements. Other than as required by applicable law, the Company does not undertake any obligation to update or revise any forward-looking information or statements. Unless otherwise specified, the sources for the business rankings and market positions are internal. The financial information presented for the quarter ending 30 September 2018 was reviewed by the Company's Board of Directors on 7 November 2018 and has been prepared in accordance with IFRS as adopted in the European Union and applicable at this date.

Appendix

Consolidated income statement

in EUR million	Q3 2018	Q3 2017	Change in % Q3 '18/'17	9M 2018	9M 2017	Change in % 9M '18/'17
Leasing Contract Margin	156.1	148.9	+4.8%	466.0	420.9	+10.7%
Services Margin	152.6	143.7	+6.2%	453.7	441.2	+2.8%
Car Sales Result	25.7	40.0	(35.8%)	85.4	132.7	(35.6%)
GROSS OPERATING INCOME	334.3	332.5	+0.5%	1,005.1	994.8	+1.0%
Total Operating Expenses	(153.5)	(148.0)	+3.7%	(461.7)	(440.9)	+4.7%
Impairment Charges on Receivables	(13.2)	(5.7)	+134.1%	(26.6)	(15.7)	+69.5%
Profit Before Tax	168.0	179.2	(6.3%)	517.8	539.2	(4.0%)
Net Income (Group share)	135.4	141.4	(4.2%)	415.4	428.4	(3.0%)

Total fleet and selected balance sheet figures

in EUR million, except stated otherwise	30.09.2018			30.09.2017	Change YOY
Total Fleet (in '000 of vehicles)	1,626			1,481	+9.8%