

# Press release

Paris, 6 May 2021

## Trading update on Q1 2021 results

- **NET INCOME (GROUP SHARE) UP 20.7% VS Q1 2020**
- **VERY STRONG USED CAR SALES RESULT PER UNIT AT EUR 439 AND A RECORD VOLUME OF USED CAR SALES AT 87K UNITS**
- **IMPROVING COST INCOME (EXCL UCS) RATIO AT 49.9%**
- **STRONG PERFORMANCE CONFIRMING 2021 OUTLOOK**
- **TOTAL CONTRACTS<sup>1</sup> STABLE AT 1.76 MILLION**
- **ACQUISITION OF BANSABADELL RENTING (SPAIN) – c. 20K VEHICLES**

### First quarter 2021 results highlights

- ✓ **Leasing Contract and Services Margins** at EUR 328.1m, up 1.5% vs. Q1 2020
- ✓ **Used Car Sales Result** at EUR 38.2 million
- ✓ **Operating Expenses** up 1.1% vs. Q1 2020
- ✓ **Cost of Risk** at EUR 8.7m, vs. EUR 17.8m in Q1 2020
- ✓ **Net Income (Group share)** at EUR 155.5m

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<sup>1</sup> Total Contracts: Term replacing Total Fleet, defined as full service lease contracts, fleet management contracts, and new mobility solutions contracts

## Confirmed outlook for 2021

In view of the continued uncertainty related to the pandemic, ALD is providing an outlook for 2021 that is explicitly linked to the central assumption that the impact of the COVID-19 pandemic will gradually fade and economic conditions improve thanks to strong macroeconomic policy stimulus by governments.

### **For 2021 the Group confirms its expectations:**

- ✓ Positive funded fleet<sup>2</sup> growth
- ✓ Positive Used Car Sales Result per unit
- ✓ Improvement in Cost/Income ratio (excluding Used Car Sales result)

On 6 May 2021, Tim Albertsen, ALD CEO, commenting on the Q1 2021 Group Results, stated:

*“2021 started with many expectations such as the end of the sanitary crisis and the restart of economic growth but the timing was a little slower than we all had hoped for. In Q1, many Western European countries were still under lockdowns and our industry was affected by the microchips shortage observed at global level. However, ALD has once again demonstrated its strength and agility in these complicated times, by accompanying its clients in need of a mobility solution with temporary solutions when new cars were not available. Our operating and financial performance in Q1 2021 was strong. Our remarketing tools have once again proven their efficiency and achieved an excellent performance over the quarter. We have already launched several projects which make us confident we will deliver our Move 2025 strategic plan.”*

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<sup>2</sup> Full Service Lease contracts including ALD Flex and Used Car Lease

## **Strong order bank comforting positive funded fleet growth outlook for 2021**

The beginning of 2021 has been affected by a growing shortage in the supply of semiconductors which has limited the production capacity of new cars. As global demand has increased, this shortage has caused delays in the delivery of new cars, including by ALD.

In this context, ALD continued to show efficient support to its clients by proposing contract duration extensions to customers in need of a temporary solution due to the new vehicle shortage context.

The increasing delivery time of new cars, together with the lower order intake in H2 2020 and the lockdown measures taken in Western Europe, slowed down ALD's growth in Total Contracts, which nevertheless remained roughly stable over Q1 21, decreasing by 1.0% vs. March 2020.

Commercial activity was dynamic over the quarter, leading to a strong order bank at quarter end. This, together with the boost from external acquisitions, comforts the company's expectation of a positive funded fleet growth in 2021.

Full Service lease contracts<sup>3</sup> reached 1,370 thousand units and Fleet management<sup>4</sup> 389 thousand units.

## **Strong performance confirming 2021 outlook**

Leasing contract and Services margins proved their resilience in Q1 21, growing 1.5% vs. Q1 20, outpacing growth in Total Contracts.

Leasing Contract Margin reached EUR 178.7 million in Q1 21, up EUR 13.7m vs. Q1 20. Services Margin reached EUR 149.3 million, down EUR 8.7m vs. Q1 20. The Services margin benefits from lower maintenance costs but is penalised by a reduction in over mileage billing income.

ALD's Gross Operating Income reached EUR 366.3 million in Q1 21, up 12.3% vs. Q1 20, mainly due to the strong performance of remarketing.

The contribution to Gross Operating Income from Used Car Sales result reached EUR 38.2 million in Q1 21. The volume of cars sold during Q1 21 reached a record level of 87K<sup>5</sup> units, underpinned by

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<sup>3</sup> Including ALD Flex and Used Car Lease

<sup>4</sup> Including new mobility solutions

<sup>5</sup> Management information

a strong preference for cars over public transport for pandemic reasons and the productivity of ALD's remarketing operations. Used car sales per unit landed at EUR 439. The recovery of the used car market, started in H2 20, continued due to strong demand, and benefiting from the supply disruption caused by the semiconductor shortage.

Total Operating Expenses increased by EUR 1.8 million to EUR 163.9 million. Cost income (excl. UCS result) ratio decreased to 49.9%, illustrating once again the strong cost control in ALD's operations.

Cost of risk halved vs. Q1 20 with impairment charges on receivables reaching EUR 8.7 million in 2021, as the economy benefits from strong support from governments.

Income tax expense reached EUR 36.8 million, bringing the effective tax rate to 19% for Q1 21.

ALD recorded Net Income (Group Share) of EUR 155.5 million in Q1 21, up from EUR 128.9 million in Q1 20. When restated for the impact from sale of ALD Fortune in Q1 20, Net Income (Group share) grew by EUR 36.6m vs. Q1 20.

## Key strategic initiatives & operational developments

### **Bolt-on acquisitions**

#### ***Acquisition of Bansabadell Renting***

On 29 April 2021, ALD signed an agreement to acquire Bansabadell Renting, the renting arm of Banco Sabadell in Spain, totaling c. 20,000 vehicles. The acquisition also includes the entry into a white label distribution agreement whereby Banco Sabadell will make available to its SME and Private Lease customers in Spain a full service leasing solution managed by ALD.

The completion of this transaction will be subject to the agreement of the Spanish Competition Authority.

### **Selected by Lynk & Co as preferred mobility membership partner in 7 countries**

On 13 April 2021, Lynk & Co, the global mobility brand, announced it had selected ALD as its preferred mobility membership partner to provide full-service leasing services to large corporates and small to medium sized companies in 7 countries across Europe: Germany, Spain, Italy, France, the Netherlands, Belgium and Sweden.

This development further strengthens ALD's ability to provide its clients with access to a broad range of electric vehicles. The launch of the fully digital journey is expected in Q2.

### **ChargeUp Europe welcomes ALD Automotive as its first ecosystem partner**

On 24 March 2021, ALD joined the ChargeUp Europe association as its first ecosystem partner. With the addition of ALD, ChargeUp Europe is expanding to cover the whole electric vehicle charging value chain.

### **Distribution partnerships**

#### ***Reinforcement of international leasing partnership agreement with Mazda***

On 30 March 2021, ALD signed a leasing partnership agreement with Mazda in Belgium and Luxembourg to provide operational leasing services for Mazda's entire range of leasing products to corporates, small to medium sized companies and private individuals in both countries. Mazda selected ALD for its innovative offering and market leading expertise as a global distribution partner.

#### ***Reinforcement of international leasing partnership agreement with Ford in Ireland***

On 18 March 2021, ALD signed a leasing partnership agreement with Ford in Ireland to provide operational leasing services products for Ford's full range of vehicles in the country. This agreement reinforces the existing successful partnership of more than 15 years between the two companies

### **ALD launches connected car solution in Spain**

On 6 April 2021, ALD announced the launch of ALD ProFleet in Spain, a newly enhanced connected car solution that provides fleet managers and drivers access to their real-time connected car data. ALD ProFleet helps facilitate overall fleet management efficiency, optimize fleet utilization, generate fleet savings, improve driver experience and contribute to strategic fleet decision making for both corporates and SMEs thanks to data-based services.

## Main objectives of ALD's strategic plan 'Move 2025'

- ✓ **Total Contracts**<sup>1</sup> expected to reach c. 2.3 million by 2025, including bolt-on acquisitions
- ✓ **Leasing Contract & Services Margins**, together, to increase at least in line with Total Contracts between 2020 and 2025
- ✓ **Cost/Income (excl. Used Car Sales result) ratio** to improve to between 46% and 48% by 2025
- ✓ **Dividend pay-out** ratio between 50% and 60% for 2020-2025
- ✓ - 40% on **CO2 emissions**<sup>6</sup> in 2025 vs 2019
- ✓ 30% of new car deliveries to be **EV**<sup>7</sup> by 2025

## Conference call for investors and analysts

Date: 06 May, at 10.00 am Paris time - 9.00 am London time

Speakers: Tim Albertsen, CEO and Gilles Momper, CFO

Connection details:

- [Webcast](#)
- Conf call: +331 70 37 71 66 Password: ALD

## 2021 Agenda

<b>19 May 2021</b>	General assembly of shareholders
<b>28 May 2021</b>	Detachment of the dividend
<b>1 June 2021</b>	Payment of the dividend
<b>3 August 2021</b>	Q2 and H1 results
<b>4 November 2021</b>	Trading update and Q3 results

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<sup>6</sup> Average emissions on new passenger vehicle deliveries for EU + Norway + UK + Switzerland (CO2 in g/km (NEDC norm))

<sup>7</sup> Defined as BEV and PHEV and Hydrogen Fuel Cell. BEV: Battery Electric Vehicle, PHEV: Plug-in Hybrid Electric Vehicle. Target set on new passenger vehicle deliveries for EU + Norway + UK + Switzerland

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## About

### **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 6 500 employees around the globe, ALD manages 1.76 million contracts (at end-March 2021).

ALD is listed on Compartment A of Euronext Paris (ISIN: FR0013258662; Ticker: ALD) and is included in the SBF120 index. Société Générale is ALD's majority shareholder.

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 31 March 2021 was reviewed by the Company's Board of Directors on 5 May 2021 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	Q1 2021	Q1 2020	Change in % Q1 2021/Q1 2020
Leasing Contract Margin	178.7	165.1	8.3%
Services Margin	149.3	158.0	-5.5%
<b>Leasing Contract and Services Margins</b>	<b>328.1</b>	<b>323.1</b>	<b>1.5%</b>
Used Car Sales result	38.2	3.2	ns
<b>GROSS OPERATING INCOME</b>	<b>366.3</b>	<b>326.3</b>	<b>12.3%</b>
Total Operating Expenses	(163.9)	(162.1)	1.1%
<i>Cost/Income ratio (excl UCS)</i>	49.9%	50.2%	
Impairment Charges on Receivables	(8.7)	(17.8)	-51.1%
<b>OPERATING RESULT</b>	<b>193.7</b>	<b>146.4</b>	<b>32.3%</b>
Share of Profit of Associates and Jointly Controlled Entities	0.3	0.4	-11.2%
<b>Profit Before Tax</b>	<b>194.1</b>	<b>146.8</b>	<b>32.2%</b>
Income Tax Expense	(36.8)	(26.6)	38.2%
Result from discontinued operations	0.0	10.0	-100.0%
<b>Profit for the Period</b>	<b>157.3</b>	<b>130.2</b>	<b>20.8%</b>
<b>NET INCOME (GROUP SHARE)</b>	<b>155.5</b>	<b>128.9</b>	<b>20.7%</b>