

Press release

Paris, 4 November 2021

QUARTERLY FINANCIAL INFORMATION ALD reports third quarter and nine months 2021 results

- **RECORD FINANCIAL PERFORMANCE: NET INCOME (GROUP SHARE) AT EUR 258.1 IN Q3 2021, UP 84% VS Q3 2020; EUR 610.1 MILLION IN 9M 2021, UP 76% VS 9M 2020**
- **RECORD AVERAGE UCS RESULT PER UNIT AT EUR 1,974 IN Q3 2021; EUR 1,126 IN 9M 2021**
- **GUIDANCE RAISED ON FY 2021 FLEET GROWTH AND USED CAR SALES RESULT PER UNIT**
- **COST/INCOME (EXCL UCS RESULT) RATIO AT 48.2% IN 9M 2021**
- **27% EV DELIVERIES IN EUROPE¹**

Q3 & 9M 2021 Results highlights

- ✓ **Leasing Contract and Services Margins** at EUR 347.6 million in Q3 2021, up 12.1% vs. Q3 2020 and EUR 1,019.2m in 9M 2021, up 10.1% vs. 9M 2020,
- ✓ **Used Car Sales result** at EUR 152.4 million in Q3 2021 and EUR 277.7 million in 9M 2021
- ✓ **Cost of risk** at EUR 8.6 million in Q3 2021 and EUR 25.2 million in 9M 2021

¹ Management information: calculated as a % of Passenger cars (ALD funded fleet).
EV = Battery Electric Vehicles (BEV) and Plug-in Hybrid Electric Vehicles (PHEV)
Europe includes EU + UK + Norway + Switzerland

Updated guidance for 2021

- Funded fleet² guidance raised to between 3% and 4% vs end of December 2020 (previously guided at between 1% and 3%)
- Used Car Sales result per vehicle on average to be well above EUR 1,000 in 2021 (previously guided at between EUR 600 and EUR 900 per vehicle, on average)
- Improvement in Cost/Income (excluding Used Car Sales result) ratio vs. 2020

On 4 November 2021, Tim Albertsen, ALD CEO, commenting on the 9M 2021 Group Results, stated: *“During the third quarter most of the markets where we operate managed to shrug off most of the restrictions of the COVID crisis. Yet at the same time, the pandemic’s impact on the supply chain of semiconductors was being felt more and more acutely by car manufacturers, who have struggled to produce and deliver new cars on time, including to our customers. As a result, the excellent commercial dynamics of the quarter principally show up in our rising order bank. Nevertheless, with the help of our two recent bolt-on acquisitions, Bansabadell Renting and Fleetpool, ALD’s funded fleet growth is likely to beat the guidance we issued last quarter. Moreover, despite the lengthening delivery times of new cars, we are proud to see the share of electric vehicle registrations in ALD’s fleet continue to rise and close in on of our 2025 target, ahead of time. In terms of financial performance, we have again posted strong remarketing results this quarter, profiting from our solid supply position and our leading digital platform in a red hot market for used cars. With Margins outpacing operating expenses and a low cost of risk, ALD has realised a record performance so far this year, putting us in a good position to deliver the investments planned in our strategic plan, Move 2025.”*

² Full Service Lease contracts including ALD Flex and Used Car Lease. Guidance based on Funded fleet after integration of Bansabadell Renting and Fleetpool.

Record financial performance

Full-service lease contracts³ reached 1,382 thousand units at the end of September 2021, reflecting organic growth of 0.7% vs the end of 2020. The integration of Bansabadell Renting⁴ in Q4 21 and the acquisition of Fleetpool⁵ will add c. 32 thousand vehicles to the funded fleet. Taking into account these two acquisitions and organic growth during the fourth quarter, funded fleet growth for the full year 2021 is now expected to be between 3% and 4%.

Total contracts stood at 1,679 thousand vehicles, down from 1,758 thousand at the end of 2020, as the previously announced⁶ non-renewal of the commercial relationship with one large partner on account of its low profitability reduced the total number of fleet management contracts by c. 90 thousand in Q3 2021.

Commercial dynamics during Q3 2021 remained strong, but the shortage in the supply of semiconductors has continued to have a significant impact on car manufacturers' ability to deliver new cars in Q3 2021. As a result, ALD's order book remains at a record level.

ALD remains at the forefront of electrifying its fleet with the share of Electric Vehicles⁷ in passenger car deliveries in 9M 2021 reaching 27% in Europe⁸, almost double the market penetration⁹. ALD's fully electric offer is now available in 12 countries, with further roll-out underway in Europe. ALD also has an increasing number of preferred partnerships in place with key players in e-mobility, with the recent addition of an exclusive fully digital, 100% electric, operating lease partnership with 'smart', accessible to corporates, SMEs and private individuals.

³ Including ALD Flex and Used Car Lease

⁴ Purchase agreement signed in April 2021. Fleet of c. 20 thousand vehicles

⁵ Signed in October 2021. Fleet of c. 12 thousand vehicles

⁶ Cf. Full year 2020 results published 10 February 2021

⁷ EV = Battery Electric Vehicles (BEV) and Plug-in Hybrid Electric Vehicles (PHEV)

⁸ EU + UK + Norway + Switzerland

⁹ 14%, from January to August 2021, source: 'EV Volumes'

In 9M 2021, Leasing Contract Margin reached EUR 555.3 million, up 24.2%, and Services Margin EUR 463.9 million, down 3.1% vs. 9M 2020. Taken together, Leasing contract and Services margins, grew by EUR 93.2m vs. 9M 2020, representing a 10.1% increase.

Dynamic growth in Leasing Contract Margins over the period can be attributed to two factors. Firstly, the power train shift is causing earning assets growth to outpace fleet growth in the context of the powertrain shift to electric vehicles. Secondly, the first nine months of 2021 have seen a strong positive contribution from the fleet revaluation, whereas the same period last year registered a significantly negative one. Growth in Services Margins year to date is held back by the high level of contract extensions in 2020 and lower excess mileage billing related to the pandemic.

The contribution from Used Car Sales result reached EUR 277.7 million in 9M 2021, of which EUR 152.4 in Q3 2021 alone. This record result can be explained by the continued highly favourable conditions in used car markets caused by the semiconductors shortage. Thanks to the efficiency of its remarketing tools, ALD managed to sell 247 thousand¹⁰ units in 9M 2021, of which 77 thousand¹⁰ in Q3, leaving used car stock at a low level. Average sales margin on used vehicles¹⁰ for 9M 2021 came in at EUR 1,126 per unit, and as high as EUR 1,974 over the third quarter, boosted by the impact of the contract extension program.

ALD's Gross Operating Income rose strongly to EUR 1,296.9 million in 9M 2021, up 37.4% vs. 9M 2020.

Operating Expenses reached EUR 491.7 million, up 5.2% vs 9M 2020 driven by bolt-on acquisition costs and increased variable staff compensation. The Cost/income (excl. UCS result) ratio nevertheless improved at 48.2%, as margins saw fast growth.

Impairment charges on receivables reached EUR 25.2 million, decreasing by EUR 34.1 million vs EUR 59.3 million recorded in 9M 2020, reflecting a continued low cost of risk and unchanged assumptions on forward looking provisions.

¹⁰ Management information

The effective tax rate stood at 21.2%, gradually normalising after several years which benefited from the Italian Stability law.

ALD's Net Income (Group Share) stood at EUR 610.1 million in 9M 2021, up from EUR 347.5 million in 9M 2020, with a contribution from Q3 2021 of EUR 258.1 million, up sharply from EUR 140.6 million in Q3 2020.

Key strategic initiatives

Acquisition of Fleetpool, leading German car subscription company

In October 2021, ALD signed an agreement to acquire Fleetpool, and its portfolio of c. 12,000 vehicles.

Fleetpool is the leading car subscription company serving private individuals, partners and companies in Germany, where it operates through a digital subscription platform. Fleetpool addresses its customers and channels through multi-brand and white label strategies and provides fully integrated digital access to all-inclusive car subscription packages.

Fleetpool's car subscription expertise will allow ALD to leverage its mobility offering to private individuals and companies, as well as OEM partners looking to diversify their distribution models and service offerings. ALD intends to expand the commercial reach of its mobility solutions to over 10 European countries by 2026.

Awarded "Best Progression" for commitment to gender equality in top management

For the 8th edition of the "*Palmarès de la féminisation des instances dirigeantes des grandes entreprises françaises*", ALD received the "Best progression" award for the feminization of governing bodies in the French SBF 120 index. Carried out by Ethics & Boards, the Observatory of the Governance of Listed Companies, the ranking measures the gender diversity of boards and executives among the 120 companies listed. This comes in recognition of a proactive drive to promote gender equality at the highest level of the company. In 2020, women represented 26% of management bodies at ALD and are expected to represent 35% by 2025.

Conference call for investors and analysts

Date: 4 November 2021, at 10.00 am Paris time - 9.00 am London time

Speakers: Tim Albertsen, CEO and Gilles Momper, CFO

Connection details:

- Webcast: https://channel.royalcast.com/landingpage/ald/20211104_1/
- Conference call :
 - France : +33 (0) 1 7037 7166
 - UK-Wide : +44 (0) 33 0551 0200
 - USA : +1 212 999 6659
 - Password: ALD

2022 Agenda

- **10 February 2022:** Q4 and Full-year 2021 results
- **5 May 2022:** Q1 2022 results
- **17 May 2022:** General assembly of shareholders
- **3 August 2022:** Q2 and Half-year 2022 results
- **4 November 2022:** Q3 2022 and 9M results

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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 6 700 employees around the globe, ALD manages 1.68 million vehicles (at end-Sept 2021).

ALD is listed on Compartment A of Euronext Paris (ISIN: FR0013258662; Ticker: ALD). 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 Universal 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 2021 was reviewed by the Company's Board of Directors on 03 November 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	Q3 2021	Q3 2020	Q Var. %	9M 2021	9M 2020	9M Var. %
Leasing Contract Margin	183.6	151.7	21.0%	555.3	447.2	24.2%
Services Margin	164.0	158.3	3.6%	463.9	478.8	-3.1%
Leasing Contract and Services Margins	347.6	310.1	12.1%	1,019.2	926.0	10.1%
Used Car Sales result	152.4	29.7	414.0%	277.7	18.0	1442.4%
Gross Operating Income	500.1	339.7	47.2%	1,296.9	944.0	37.4%
Total Operating Expenses	(161.8)	(154.1)	5.0%	(491.7)	(467.4)	5.2%
<i>Cost/Income ratio (excl UCS)</i>	<i>46.5%</i>	<i>49.7%</i>		<i>48.2%</i>	<i>50.5%</i>	
Impairment Charges on Receivables	(8.6)	(11.8)	-26.6%	(25.2)	(59.3)	-57.5%
Operating Result	329.6	173.9	89.6%	780.0	417.2	86.9%
Share of Profit of Associates and Jointly Controlled Entities	0.4	0.7	-44.1%	1.1	1.4	-21.2%
Profit Before Tax	330.0	174.6	89.0%	781.1	418.7	86.6%
Income Tax Expense	(70.0)	(32.2)	117.2%	(165.6)	(76.8)	115.7%
Result for the period from discontinued operations	0.0	0.0	ns	0.0	10.0	ns
Profit for the Period	260.0	142.4	82.6%	615.5	351.9	74.9%
Net Income Group share	258.1	140.6	83.6%	610.1	347.5	75.6%