

Bank of America Merrill Lynch Global Industrials Conference 2019

ALD

MIKE MASTERSON, CEO

19 March 2019



ALD AT A GLANCE



European market leader in Full Service Leasing & Fleet management



1,66 million vehicles under management at end 2018, serving mainly corporate clients (100,000+ customers)



#1 by fleet size in Europe, #2 Globally

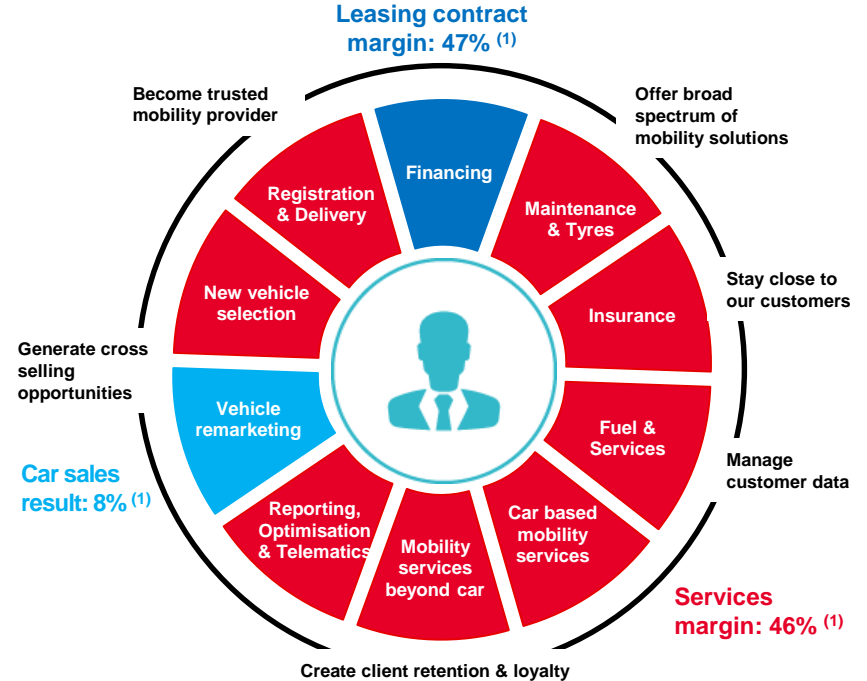


Direct presence in 43 countries

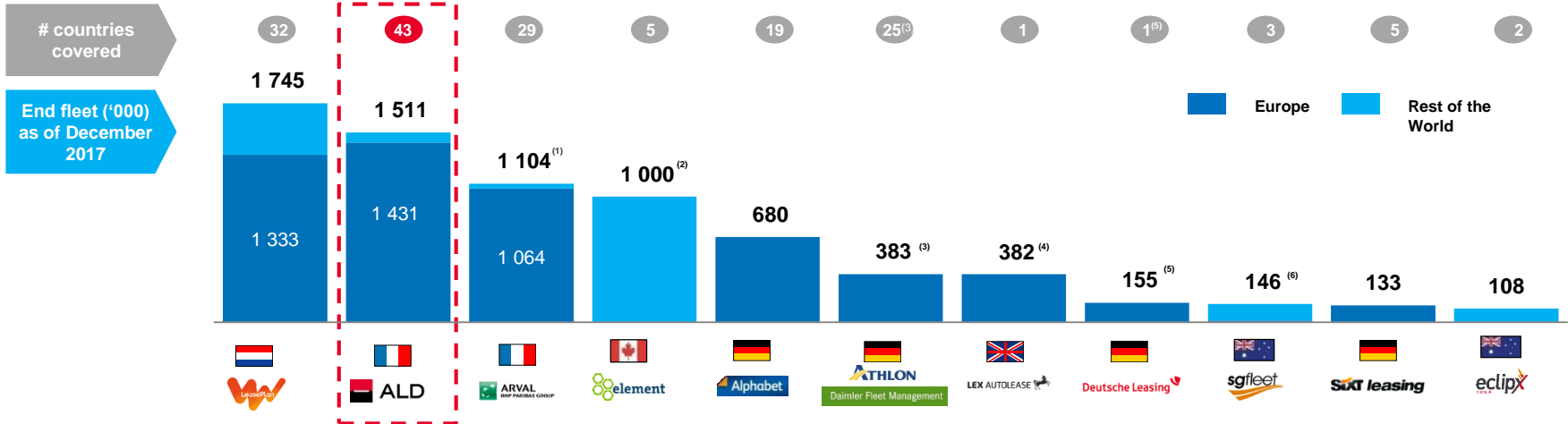


Non regulated corporate with 6,500+ employees

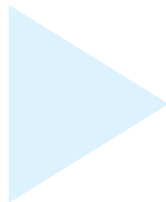
A broad range of services



SECTOR CONSOLIDATION IS DRIVEN BY THE ADVANTAGES OF SCALE



Strong scale effect throughout the value chain



- Favorable purchasing position with supplying partners
- Strong operational efficiency
- Diversification across geographies
- Forefront of technological and digital innovation

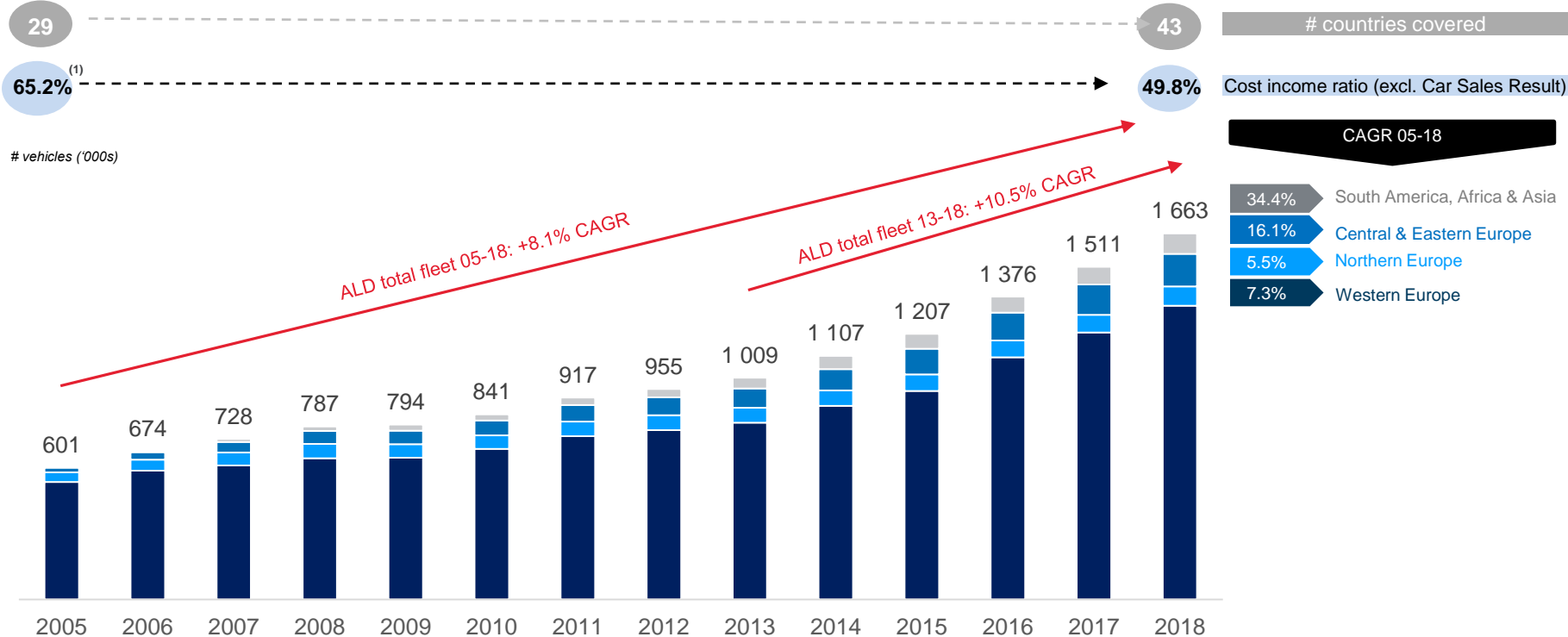
Note : Peers shown are international, multi-brand players. Fleet figures include Full Service Leasing and Fleet Management.

Source: Company data as of 31/12/2017, except where stated otherwise, Fleet News.

- (1) Funded fleet.
- (2) Approximate figure, as publicly communicated by Element
- (3) Including Athlon & Daimler Fleet Management's fleet and country coverage, fleet figure outside Europe not available.
- (4) As of 01/11/2017
- (5) As of 30/06/2017, only Germany is reported.
- (6) As of 30/06/2017



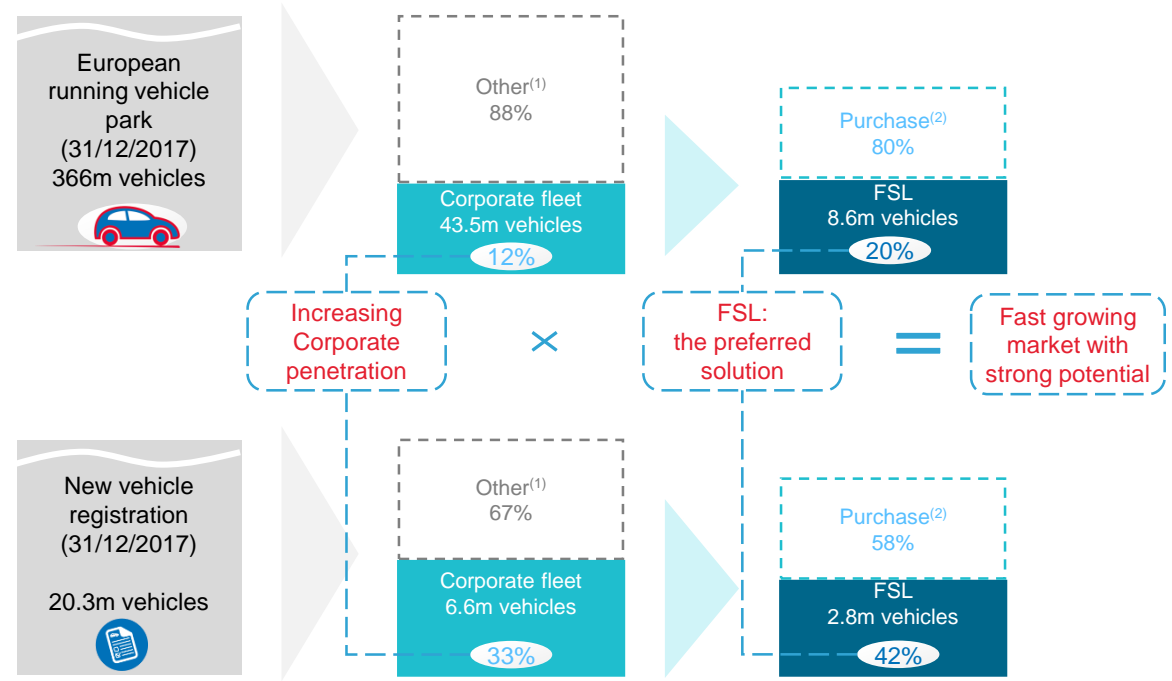
ALD: SUSTAINED FLEET GROWTH ACROSS ALL GEOGRAPHIES



Note: Data as of 31/12
 (1) Management information
South America, Africa & Asia: Brazil, Mexico, India, Morocco, Algeria, China, Chile, Peru, Columbia
Central & Eastern Europe (CEE): Russia, Belarus, Kazakhstan, Czech Republic, Hungary, Turkey, Poland, Romania, Austria, Ukraine, Switzerland, Bulgaria, Greece, Slovakia, Croatia, Serbia, Slovenia, Lithuania, Latvia, Estonia

CORPORATE FLEET REMAINS CORE & SOLID GROWTH OPPORTUNITY

- 1 Global outsourcing trend
- 2 Widespread recognition of FSL benefits in mature countries
- 3 Increasing penetration of FSL in fast growing markets
- 4 Mobility social megatrends: car usage vs. ownership
- 5 Development of innovative digital solutions and new fleet management services

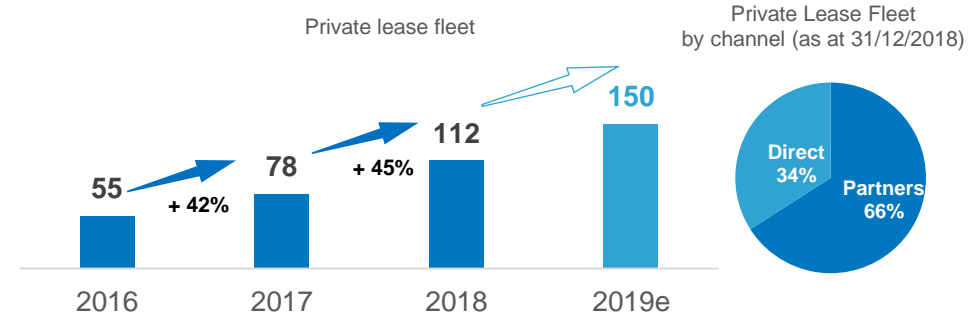
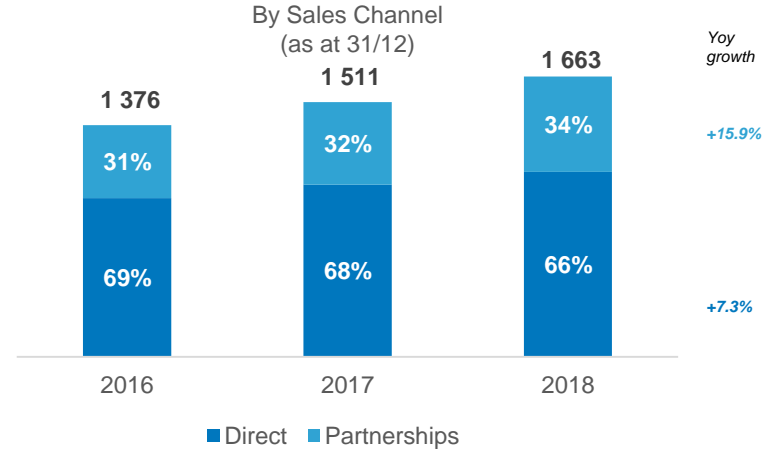


⁽¹⁾ Source: Frost & Sullivan: Corporate running fleet excludes direct B2C retail, rental car companies, dealers. Corporate FSL registrations excludes all types of financing (cash, loan, financial lease, etc.). Europe: France, Germany, Italy, UK, Spain, Benelux, Finland, Russia, Czech Rep., Hungary, Sweden, Denmark, Turkey, Portugal, Poland, Romania, Austria, Norway, Ukraine, Switzerland, Greece, Slovakia, Croatia

DIVERSIFIED DISTRIBUTION CAPABILITIES TO REACH SME AND PRIVATE CUSTOMERS



- Strong contribution to fleet growth from partnerships, up 15.9% in 2018 vs. 2017
- ALD pioneered partnership model and remains ahead of competition with 150+ agreements with
 - > car manufacturers
 - > banking and insurance networks
 - > electricity suppliers
 - 6/2/19: joint electric vehicle offering with E.ON⁽¹⁾
 - > mobility platforms
- Private lease fleet grew strongly at 45% vs. end 2017, reaching 112K vehicles
 - > On track towards 2019 target of 150K vehicles
 - > Promising pipeline of new partners to sustain private lease development
 - > Direct sourcing ramping up thanks to state-of-the-art online offer
- Organic total fleet growth expected at between 5 and 7% in 2019, plus bolt-on acquisitions as opportunities arise





FINANCIAL PERFORMANCE

STRONG RETURNS ACROSS THE CYCLE



(in EUR million) ¹	2014	2015	2016	2017	2018	CAGR 2014 - 2018
Leasing Contract Margin	381.1	431.6	514.1	574.5	623.8	13.1%
Services Margin	445.4	534.0	528.6	593.0	616.7	8.5%
Leasing Contract & Services Margins	826.5	965.6	1,042.7	1,167.5	1,240.5	10.7%
Car Sales Result	153.1	207.2	201.5	165.3	102.5	-9.6%
Gross Operating Income	979.7	1,172.8	1,244.2	1,332.8	1,343.0	8.2%
Total Operating Expenses	(448.7)	(491.8)	(553.1)	(598.0)	(617.6)	8.3%
Impairment Charges on Receivables	(18.4)	(20.9)	(23.8)	(22.4)	(37.8)	19.7%
Profit Before Tax	513.2	604.0	666.1	713.6	689.1	7.6%
Net Income (Group share)	375.5	424.3	511.7	567.6	555.6	10.3%

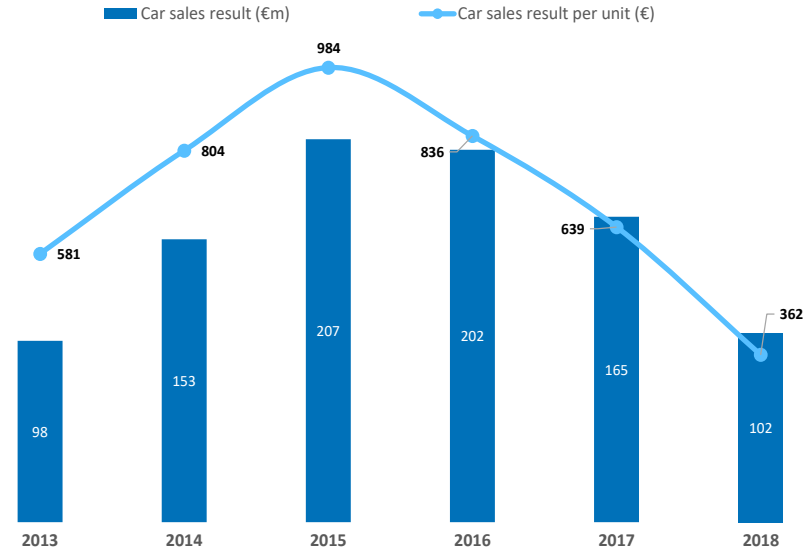
(in '000 of vehicles)	2014	2015	2016	2017	2018	
Total Fleet	1,107	1,207	1,376	1,511	1,663	10.7%

¹NB : The sum of rounded values contained in the table may differ slightly from the totals reported, due to rounding rules.

CAR SALES RESULT NORMALISATION COMING TO AN END



- Car Sales Result EUR 102.5m, down 38% vs. 2017
- Average CSR per unit⁽¹⁾ EUR 362 in 2018, down from EUR 639 in 2017
- Volume of used cars sold⁽¹⁾: 283K, up 9.4%
- Average stock turnover⁽²⁾ remained stable throughout the year
- 2019 Car Sales Result per vehicle to be EUR 100 - 300
- [ALDCarmarket.com](https://www.aldcarmarket.com) electronic remarketing platform
 - > now deployed across 34 countries
 - > executes more than 60% of used cars sales
 - > more than 20% of used cars are exported



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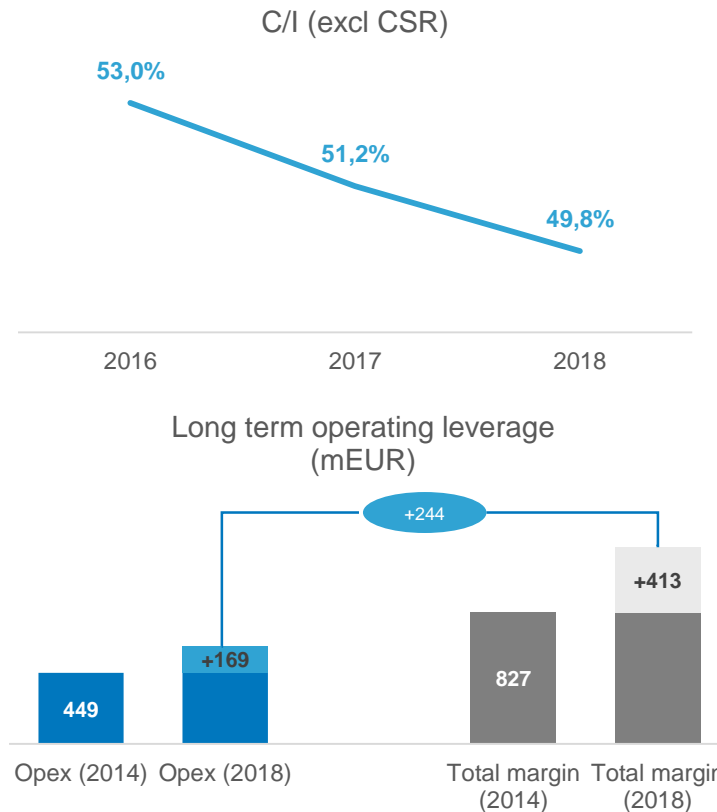
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BUSINESS MODEL WITH STRONG OPERATING LEVERAGE

- Operating Expenses up 3.3% vs. 2017, significantly below growth in margins, up 6.3%
 - Continuing improvement in operating leverage:
Cost/Income ratio (excl. Car Sales Result) at 49.8%, better than guided objective of 50%
- Long term trend demonstrating business model efficiency
 - Between 2014 and 2018, overheads increased by just 40% of corresponding growth in margins
 - Additional PBT of EUR 244m to PBT
- Cost/Income (excl. CSR) ratio to improve to c. 49% in 2019



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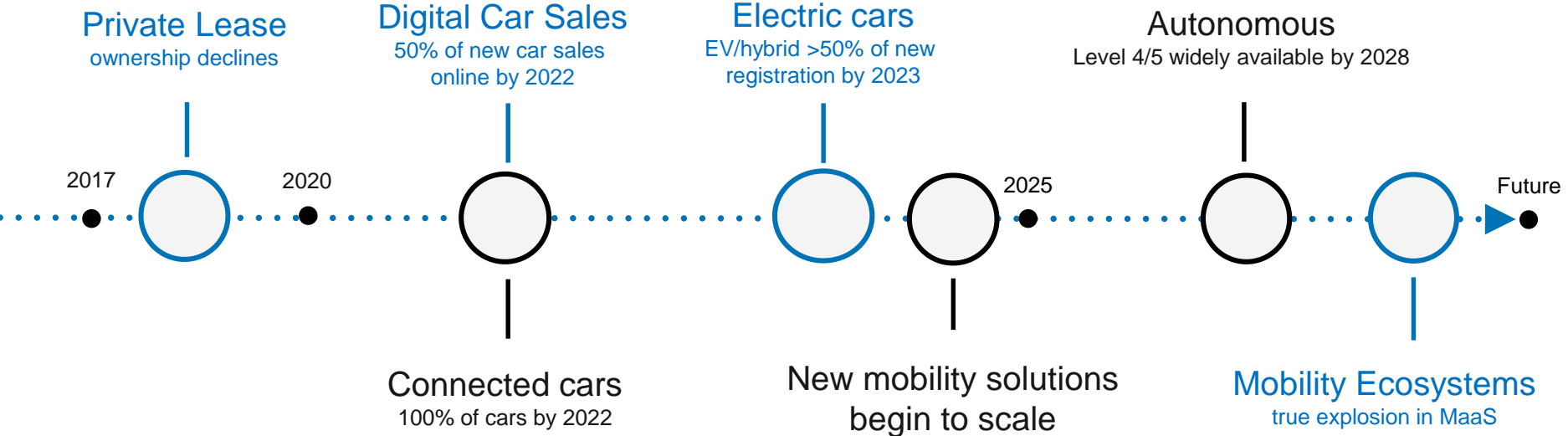
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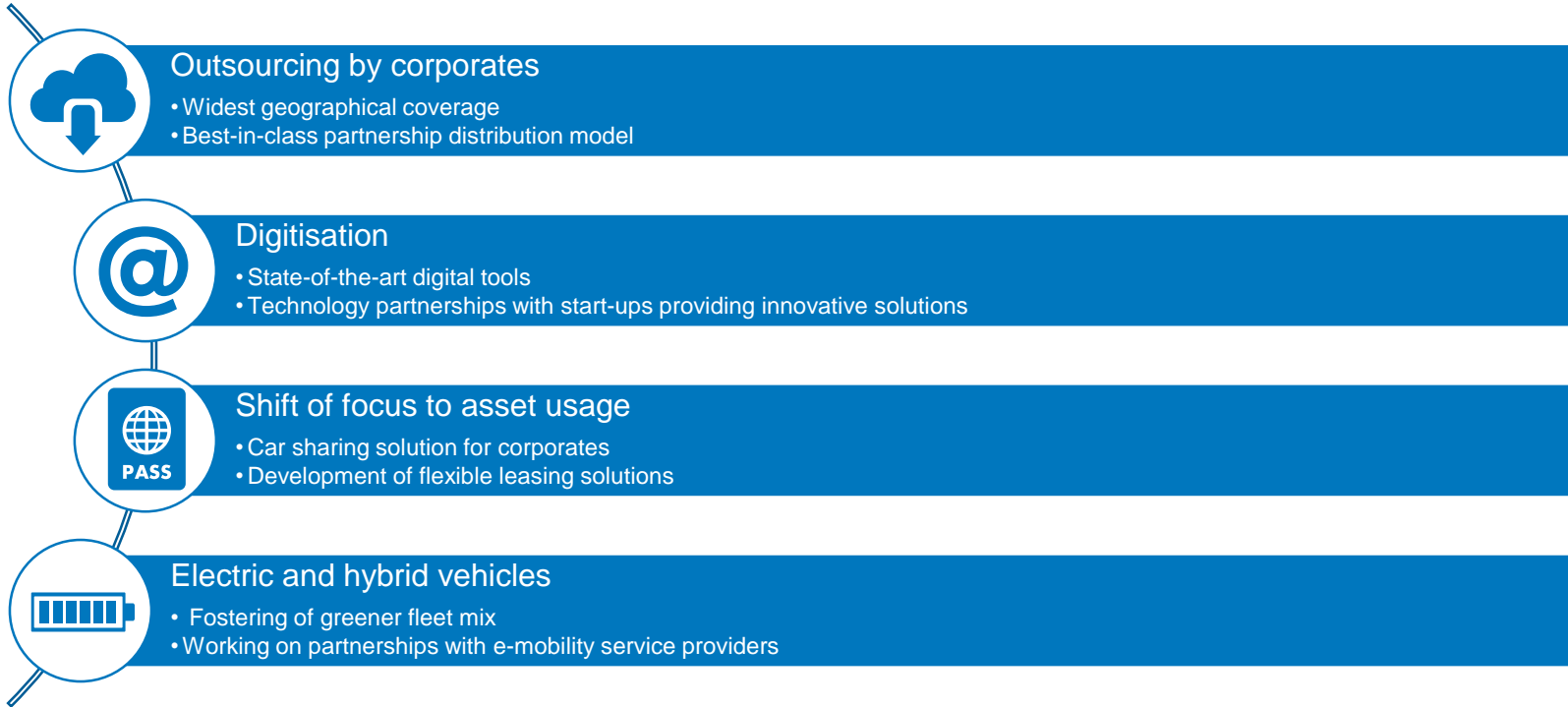


ALD A LEADER IN MOBILITY

HOW WILL THE MOBILITY SECTOR EVOLVE IN THE NEXT TEN YEARS?



ALD IS WELL POSITIONED TO CAPTURE FUTURE GROWTH



PLATFORM STRATEGY TO ACCELERATE OUR PRODUCT DEVELOPMENT

Market leading ‘end-to-end’ retail digital solution

First full digital private lease experience in Europe

- Customer can lease or finance a car completely online
- ALD set of digital capabilities key to secure “digital-only” partnerships
- An efficient tool to foster private lease growth



Choose vehicle

Apply for credit

Complete KYC compliance checks

Sign document

Arrange vehicle delivery

Proprietary car-sharing platform for corporates

Largest corporate car sharing fleet in Italy



- Provide a pool of vehicles for employees’ new mobility needs, both for private and corporate usage



- Unique digital platform on the market, leveraging on telematics

- ✓ Vehicle booking & localisation
- ✓ Remote opening
- ✓ Time tracking
- ✓ Customer invoicing



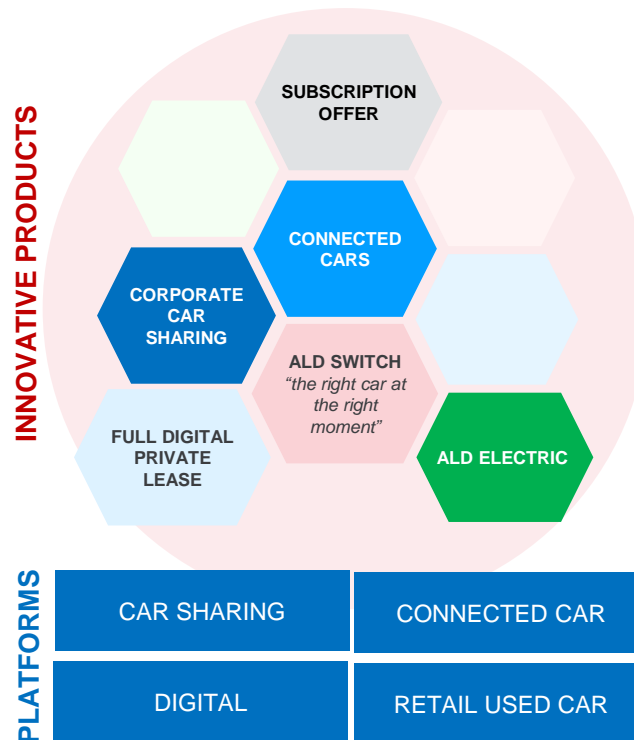
- Strategic partnerships with utilities to enhance electric vehicle usage

ALD IS DEVELOPING THE MOBILITY OFFER OF THE FUTURE



Our ambition: become the « MOBILITY ACCELERATOR » for partners providing them with:

- A consistent car-centric digital offering, proposing a number of innovative mobility products
- Structured through a modular approach, adapted by distribution channel and client segment
- Packaged solution, leveraging on ALD innovative platforms, enabling fast delivery
- Available in ALD's most important markets and adapted to local specificities





Q & A