# Debt investor presentation

May 2024

ayvens
SOCIETE GENERALE GROUP

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# Content

# 1 Leader in a very attractive industry

# We make mobility easy for our clients

**Full-service leasing** | **Fleet management**

### We finance vehicles

### We provide a wide range of services[1]

### We sell the vehicles or lease them again

*1. Include: new vehicle selection and advisory, registration and delivery, repair, maintenance and tyres, insurance, accident management, tax and fine management, fuel and charging services, driver support and replacement vehicle, reporting and optimization, etc.*

# The industry benefits from very attractive dynamics

## 1 A highly profitable business

**Structurally high returns**

**Operational efficiency enhanced by industrialized processes and scale**

## 2 High barriers to entry

**Access to long-term funding at competitive cost**

**Scale really matters:**

- Improved procurement conditions
- Large infrastructure investments
- Geographical coverage

## 3 Strength and resilience

**Client stickiness**

**Visibility over margins (average contract duration of 4 years)**

**Structurally low credit risk**

**Asset-backed business supporting profitability through the cycle**

# Strong structural mobility sector growth

## Electrification

EV & eLCV
**Around 70% of new vehicles by 2030**[1]

New EV / Battery **technology & business models**

## Behavioral changes

**Shift from ownership to usership**

**Flexible leasing solutions**

**Used car / Multi-cycle lease**

## New opportunities from digital

**Increasing digitalization for a seamless digital experience**

**Data-driven value creation** (adaptive billing, AI, in-car experience)

## Emerging ecosystem

**Fragmentation and expansion of value chains**

**New partnership opportunities**

## Evolving competition

Continuing **OEMs consolidation** and implementation of **agency model**

**New entrants** (EV, non-European, new mobility and tech players)

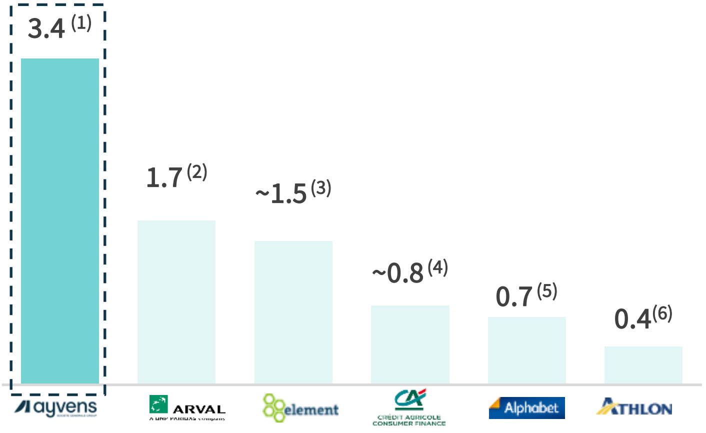
**Partnership opportunities**

1. *Source: BCG, BofA, CVA and IEA*

# Undisputed leadership in an industry where size matters

## Leadership

**#1** **multi-brand player**




*Total fleet (in million units)*

**#1** **in 29 countries including the top European markets**

## Scale

**Earning assets**[1]
**EUR 52.7 billion**

**Scalability** leading to best-in class operating efficiency

**Unrivalled purchasing power**

**800,000** vehicles

**4 million** tyres

**purchased per annum**

1. As at 31/03/2024
2. As at 31/12/2023, based on Arval's press release on 2 February 2024
3. As at 31/12/2023 based on Q4 2023 Element Investor presentation
4. As at 30/06/2023 based on Leasys' consolidated H1 2023 report
5. As at 30/06/2023 based on BMW Group H1 2023 report
6. As at 30/06/2022, including Athlon & Daimler Fleet Management's

# #1 global multi-brand, multi-channel player offering the broadest range of products across all segments

## Best-in-class product range

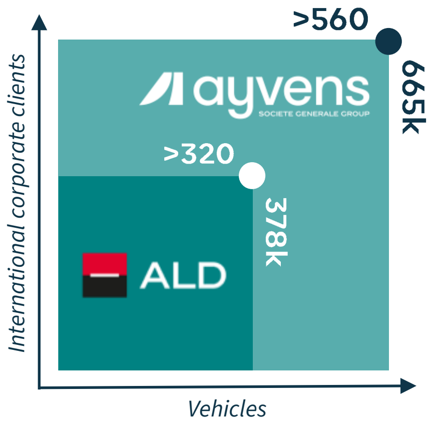
**One-stop shop with high potential for cross and up-selling**

*FLEX*
*Multi-cycle*
*LCV*

**Ability to anticipate market needs** *Subscription / Multimodality*

## Broadest client reach

**Undisputed leadership in B2B and blue chips**




**Leading innovative capabilities in B2C**

## Unrivalled geographical footprint

**42 countries**

**Coverage is key for multinationals and large corporates customers**

**c. 50 customers served in more than 20 countries**

## Enhanced distribution capabilities

**Undisputed leadership on partnerships**

**> 430 partners**

*OEMs*

Ford, KIA, BYD, VOLVO, Mazda, HYUNDAI, Renault, STELLANTIS, NIO, TESLA, LYNK&CO, smart, polestar

*Others*

getaround, Uber, GoMore, bipi, BlaBlaCar, Amevens, TotalEnergies, ENGIE, RENTING FINDERS, SWIPCAR, WeVee, SOCIETE GENERALE, Boursorama Banque, Sabadell, Nordea, AXA, BBVA, NatWest

# ESG drives everything we do

**Our sustainability pillars are fully embedded in our strategy**

### Shape the future of sustainable mobility, with a full suite of client solutions

- Electric Vehicles (new & used)
- MaaS[1] & multimodality
- Multi-cycle
- Consultancy services

### Act across our value chain to benefit the environment and the community

- Reduction in internal footprint
- Responsible sourcing
- Circularity in vehicle operations
- Societal commitment

### Behave responsibly, internally and with external stakeholders

- ESG and risk management
- Internal ethics and conduct
- Customer satisfaction
- ESG trainings and objectives

### Be a supportive and responsible employer

- Employee experience
- Corporate culture
- Diversity, Equity and Inclusion (DE&I)
- People development

1. *Mobility as a Service*

# Main strategic and financial objectives for 2026

## Clients

Focus on profitable growth

**Earning assets** [1]

+6%
CAGR 2023-2026

Promote multimodality

**Active users of MaaS platform**

200k in 2026
launched in 2022

## Operational efficiency

Successfully integrate LeasePlan

**Annual synergies**

EUR 440m by 2026

Leverage on leadership and scale to achieve best-in-class efficiency

**Cost / Income ratio (excl. UCS results)**

c. 52% in 2026
vs. 56% in 2022[2]

## Responsibility

Lead the way to sustainable mobility

**Share of EV in new car deliveries**

50% in 2026
vs. 28% in 2022

Step up decarbonization

**Running fleet $CO_2$ emissions <90g/km** [3]
vs. 112g in 2022

**Internal $CO_2$ emissions** [4]
-35% vs. 2019

Maintain employee engagement at high level

**Employee engagement**

75% in 2026
vs. 74% in 2022

## Profitability

Achieve superior financial return

**ROTE** [5]

13%-15% in 2026

Maintain robust capital position

**CET 1 ratio**
c. 12%

Offer attractive shareholder return

**Dividend payout**
50%

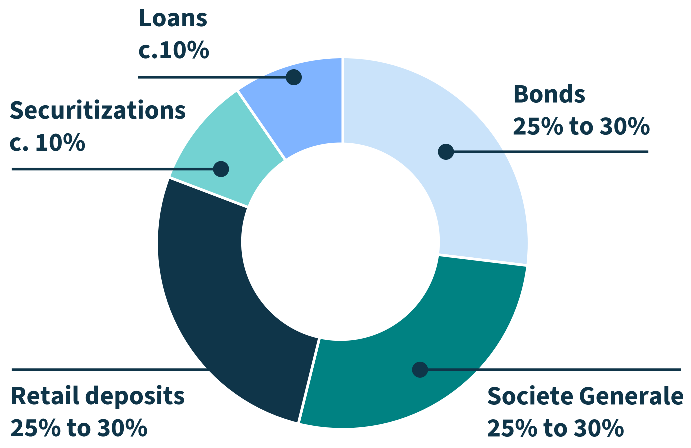


1. *Net carrying amount of the rental fleet plus receivables on finance leases*
2. *Cost / Income ratio of the combined entity in 2022, based on public disclosure, excluding UCS results, reduction in depreciation costs and non-recurring items*
3. *WLTP (Worldwide harmonized Light vehicles Test Procedure)*
4. *Scope 1, Scope 2 and Scope 3 limited to business travel, paper and waste*
5. *Return on Tangible Equity*

## 2 Funding strategy and support from Societe Generale

# Development supported by strong funding diversification

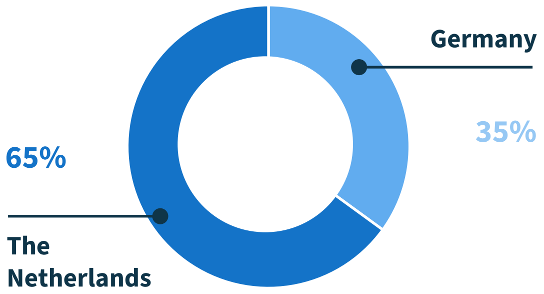
## Target funding structure




## Strong retail deposits base

**EUR 12.8bn**

*As at 31 March 2024*




## Strong issuer profile

Best long-term credit ratings(1)

| | | |
|---|---|---|
| Moody's **A1** | S&P Global **A-** | FitchRatings **A-** |
| Stable | Stable | Stable |

Established issuer on market, including of green bonds

## Dynamic earning assets growth

**+6% CAGR**

*between 2023-2026*

## Annual funding target issuance

| | |
|---|---|
| Bonds *Including green bonds* | EUR 4-5bn |
| Securitization | EUR 1-1.5bn |
| Retail deposits | + EUR 1bn p.a. |

1. *Among multi-brand car leasing players*

# Best debt credit ratings[1] and strong investor appetite

## Long-term senior unsecured debt ratings

| | | |
|---|---|---|
| Moody's | A1 | Stable outlook |
| S&P Global Ratings | A- | Stable outlook |
| Fitch Ratings | A- | Stable outlook |

## 2024 long-term funding programme well advanced

- **EUR 4bn-5bn** funding programme planned for 2024
- **Prudent** pre-funding and front-loading (65% of 2024 annual programme already funded)
- **Flexibility** in seizing market windows
- **Diversification** of investor base and currencies
- **Balanced** maturity schedule

| Nov. 23 | Jan. 24 | Jan. 24 | Feb. 24 | Mar. 24 |
|---|---|---|---|---|
| ayvens | ayvens | ayvens | ayvens | ayvens |
| Senior Preferred | Senior Preferred | Senior Preferred | Senior Preferred | Senior Preferred |
| ALD SA | ALD SA | ALD SA | ALD SA | ALD SA |
| *4.375%* | *3.875%* | *4.000%* | *3.875%* | *2.225%* |
| *23-Nov-26* | *24-Jan-28* | *24-Jan-31* | *22-Feb-27* | *28-Mar-29* |
| **EUR 500m** | **EUR 1bn** | **EUR 500m** | **EUR 1bn** | **CHF 220m** |

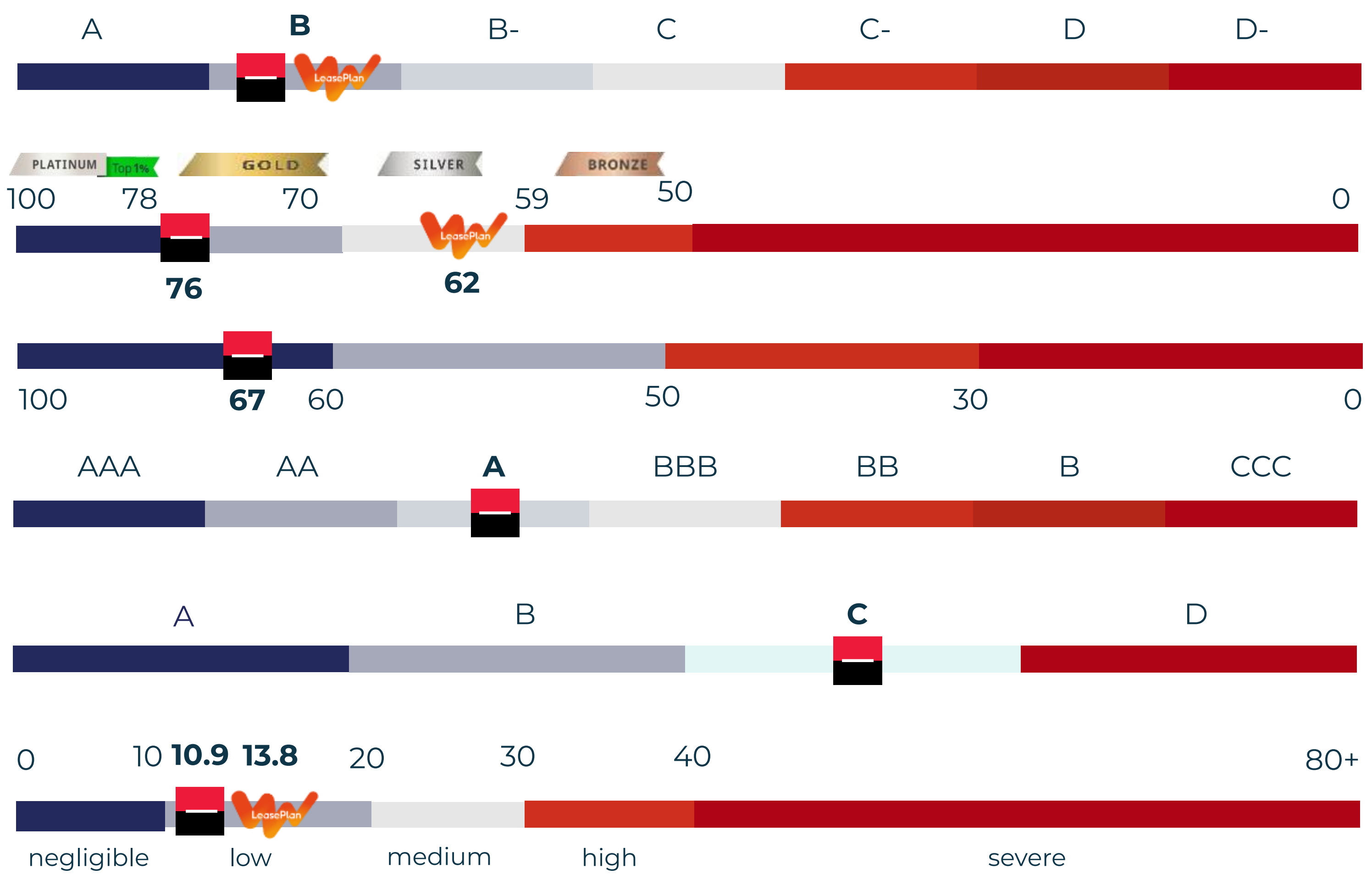
Redemption of LeasePlan's EUR 500 million Undated Deeply Subordinated Additional Tier 1 on 29 May 2024



1. *Among multi-brand car leasing players*

# Strong recognition of ESG commitments

AGENCIES | HIGH ← SCORE → LOW | POSITION VERSUS PEERS



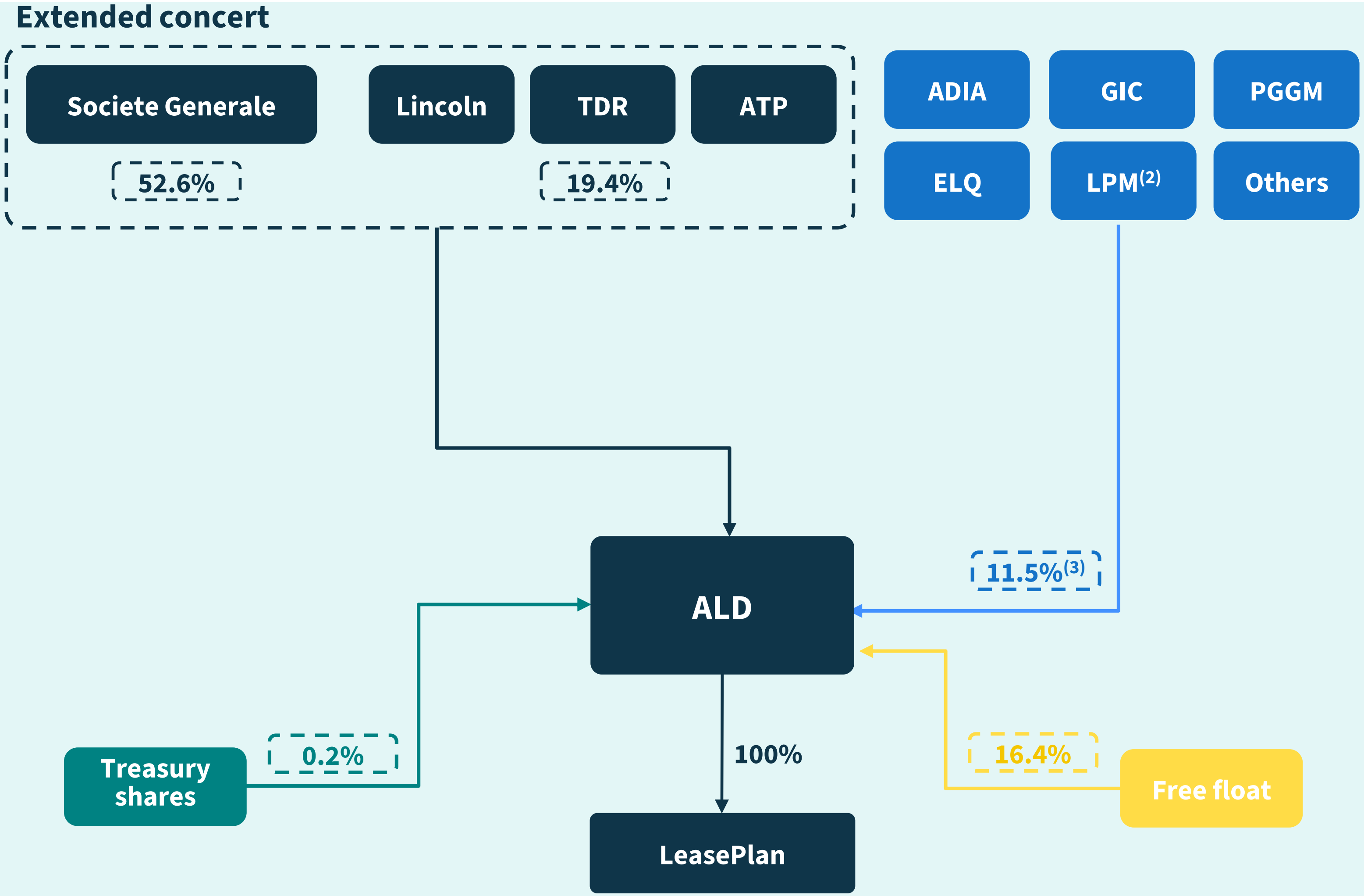

| Agency | Position versus peers |
|---|---|
| CDP – Driving Sustainable Economies | BETTER THAN EUROPEAN AVERAGE + RENTAL & LEASING SECTOR |
| ecovadis | ALD: **GOLD** MEDAL<br>LEASEPLAN: **SILVER** MEDAL |
| Moody's ESG | **ADVANCED**<br>TOP 1% GLOBAL UNIVERSE |
| MSCI ESG Research | **TOP 30%** |
| ISS ESG | RATED "**PRIME**" ON SUSTAINABILITY PERFORMANCE<br>**TOP 20%** IN THE SECTOR |
| SUSTAINALYTICS | **LOW RISK**<br>**TOP 1% (ALD) & 3% (LP)** IN TRANSPORTATION |

**Ayvens** is committed

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

BUSINESS AMBITION FOR 1.5°C

# Shareholder structure[1] as at 31 December 2023




**Societe Generale**

- Controlling shareholder[4]
- Lock-up until September 2026

**Former shareholders of LeasePlan**

- Lock-up until May 2024
- Framework agreement providing orderly exit clause

1. *Based on share capital only. Before potential exercise of warrants*
2. *LeasePlan management*
3. *Of which 0.15% not subject to 12-month lock-up period nor to orderly exit clause*
4. *69.0% of voting rights*

# Ayvens is a key business of Societe Generale

## Compelling strategic rationale

Be a leader in SG's key businesses

Deliver profitable growth and create shareholder value

Leverage on synergies with SG (commercial, funding, etc)

Reinforce SG's leadership in ESG

## Close integration within the SG Group

SG, first lender to Ayvens[1]

| EUR 13.7bn | EUR 1,500m | EUR 750m |
| --- | --- | --- |
| senior debt | Tier 2 | Additional Tier 1 |

Overall liquidity management at SG level

Inclusion in SG's resolution perimeter

- SG as single point of entry

Governing and management bodies of Ayvens

- Majority of board members
- First CEO, deputy CEO, CFO and CRO appointed by SG
- Exco composition determined by SG

Integration within SG Group

- Thorough integration of risk, compliance and internal control: compliance with SG policies, functional reporting to SG
- Provision by SG of intra-group corporate services

1. *Gross borrowing, as at 31 March 2024*

# 3 Sound risk management

# Limited credit risk over the cycle

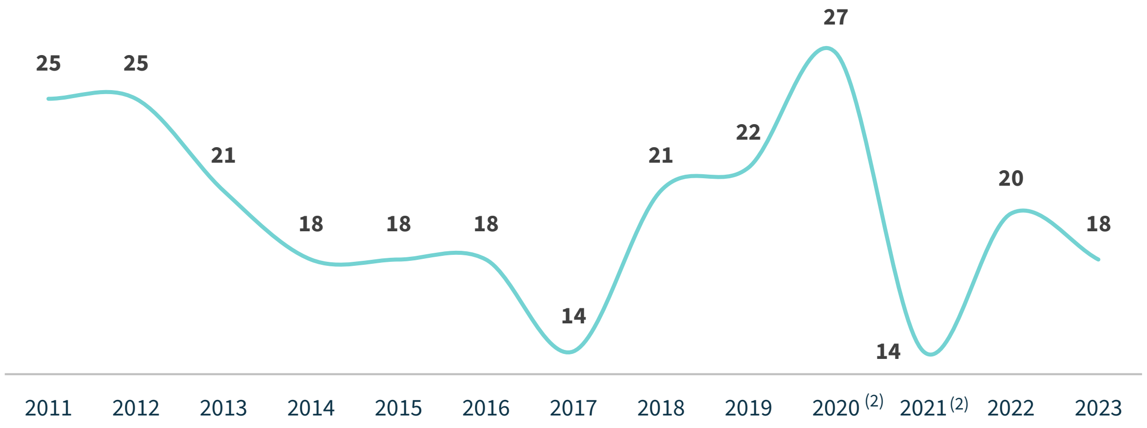
## Strong underwriting process

- **Alignment with SG risk policies:** credit authorities set by country, client segment, industry and rating
- **Local credit analysis** supplemented by **SG's expertise** for shared clients and large exposures
- Credit lines usually **small and drawn progressively**, collateral security depending on the counterparty

## Sound client portfolio

- **83% of fleet in Western Europe and Nordics**
- **Low concentration**: top 10 clients accounting for 5 % of fleet
- **Highly-rated clients**: large international key accounts (blue chips) representing 25% of fleet

## Evolution of cost of risk as a % of Average Earning Assets (bps)(1)




## Secure business model

- **Contractual protection**: Ayvens retains vehicle ownership easing repossession whenever needed
- **Crucial assets**: cars are essential for our clients' activity and are one of the last services they stop paying in case of difficulty
- **Liquid collateral**: scope of financed assets limited to light passenger and commercial vehicles, whose second-hand markets are very active

1. Cost of risk in bps for ALD until 2022 and for Ayvens in 2023
2. Excluding Covid-19 forward looking impact (provision of EUR 15.4m in 2020 and reversal of EUR 6.5m in 2021)

# A strong framework to monitor residual value risk throughout the asset's life cycle

## 1 Contract origination

- Residual value set at the entry of the asset onto the balance sheet, proposed by local teams and approved by the central control function
- Calculation considers a range of factors including **market context**, **model life cycle**, **specification**, **anticipated used car market demand** at contract end
- Leveraging more than **30 years** of in-house **data** and **expertise**

## 2 Contract life management

- Fleet revaluation process twice per year at vehicle level during contract to ensure forward looking book values are still valid
- When a **net loss** is anticipated, **negative impact** booked in leasing contract margin
- **Anticipated profits** are **not booked** unless required by accounting standards as experienced in **exceptional circumstances in 2022 and 2023**

## 3 Industrialized operational mitigants

- **Powerful global multi-channel remarketing platform** allowing to balance different market dynamics and maximize resale value at contract end

| 600,000 | 24,000 | 36 |
|---|---|---|
| vehicles sold p.a. | active traders | countries |

- **Growing multi-cycle lease** capability to further mitigate residual value risk
- Proactive **contract modifications** capability during the life of the contract


## 4 Electric vehicles

- Formation of a **cross enterprise global working group** to ensure a coordinated approach to market and sharing of market knowledge and dynamics:
  - **Detailed analysis** on a **more frequent** basis of residual value positioning given lack of historical data
- Close monitoring of **used car market dynamics on early life EV** to build knowledge on **elements influencing sale prices**
- Close collaboration **with global EV partners** to build knowledge

# Used car market trends

## Market trends

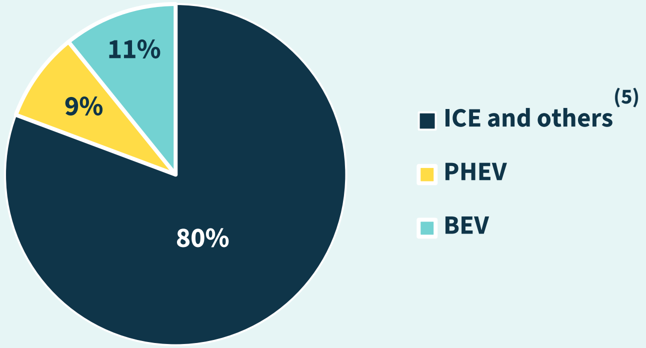
**BEV[1]**

- Lower carbon emissions
- Competitive Total Cost of Ownership (TCO) in most advanced countries[4]

**Expectations**

**New BEV deliveries picking up and becoming more affordable, impacting used car prices**

**Funded fleet: 2.7m vehicles**
as at 31 December 2023




**PHEV[2]**

- Demand underpinned by the used car deficit and drivers' interest in flexibility, until stricter regulations come into force and access to charging infrastructure and technology improve

**Expectations**

**Gradual normalization of used car prices**

**ICE[3]**

- Favourable used car market, supported by significant shortfall of new car deliveries in Europe since 2020

**Expectations**

**Gradual normalization of used car prices**

## Ayvens' positioning

- Strong commercial franchise on corporates and SMEs
- Corporate clients committed to reach their ESG targets
- More demanding environmental regulations in Europe
- Average lease duration of c. 4 years

## Asset risk management

- Current BEV UCS losses in line with fleet valuation assumptions
- Proactive management in a changing environment
- Prudent historical residual values on ICE allowing to offset future potential deterioration on EV used car prices

1. Battery Electric Vehicle
2. Plug-in Hybrid Electric Vehicle
3. Internal Combustion Engine
4. Depending on subsidies from governments
5. Petrol, Diesel, Fuel cell, Gas, Flex Fuel, Full Hybrids, Mild Hybrids and others

# Solid ALM risk management

## Strong governance

- Daily management by entities and central Treasury
- Quarterly Group Asset and Liability Management and risk committees
- Oversight by Societe Generale

## Systematic hedging of liquidity, IR and FX risks

- Liquidity, interest rate and currency profile of funding matched with the lease contract portfolio profile as much as possible
- Where matching is not possible, derivatives are used to hedge IR and FX risks
- Modest limits on residual exposure

## Liquidity regulatory requirements

- LeasePlan Corporation N.V. subject to LCR and NSFR

## Ample immediately available liquidity

- Cash balance at Central bank: EUR 4.3bn [1]
- Undrawn committed RCF: EUR 1.75bn

1. As at 31 March 2024

# 4 Q1 2024 results

# Progress on LeasePlan integration

## Streamlining the Group's organization

**Declaration of No-Objection[(1)] obtained,** allowing to start the merger of legal entities

**Implementation of Target Operating Model** and start of IT integration

**Office relocation** already effective in **5 countries**

## Rolling out the most powerful remarketing platform

### Ayvens Carmarket

- **93,000 vehicles** sold through the platform in Q1 2024[(2)]
- **+31% bids/vehicle** in Q1 2024 vs. 2023[(3)]
- **23,000 vehicles exported** in Q1 2024

## Buying more efficiently

**EUR 20m P&L synergies[(4)]** achieved in Q1 2024

On track to achieve **EUR 120m P&L synergies in FY 2024**

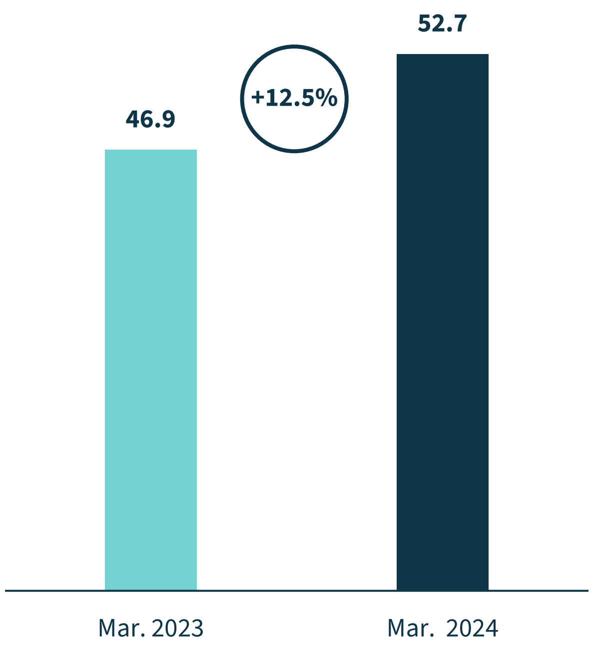
**Frame agreement** with Stellantis to buy up to **500,000 vehicles**

1. Declaration of No-Objection (DNO) obtained from both the European Central Bank and the Dutch National Bank in March 2024
2. Ayvens sold total 152,000 vehicles in Q1 2024. The balance was sold through B2B partners, drivers and retail channels
3. Monthly average
4. Management information

# Asset growth driven by sharp increase in vehicle value

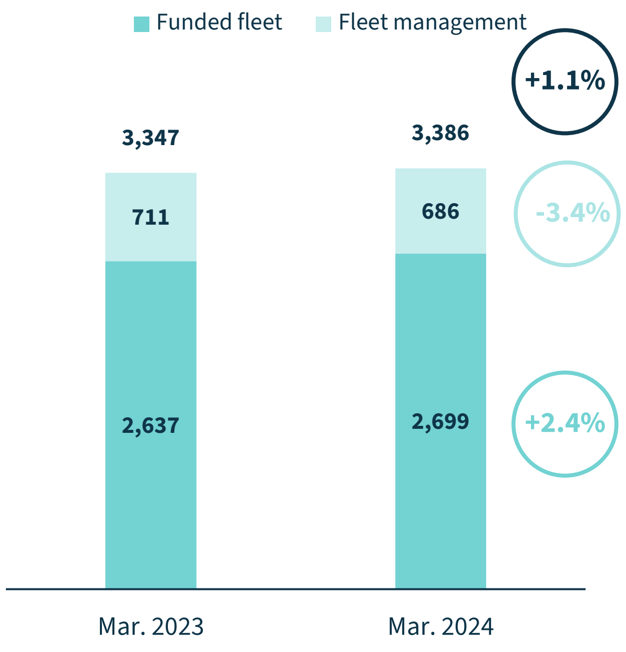
## Strong increase in earning assets[1][2]

Earning assets
as at 31 March 2024 (in EUR bn)



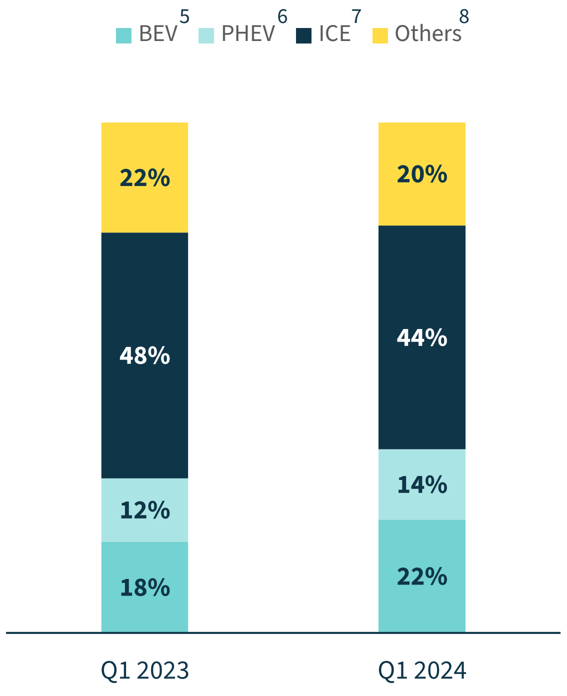

## Funded fleet growth[2][3]

Total fleet
as at 31 March 2024 (in '000)




## Passenger car deliveries by powertrain[2][3]

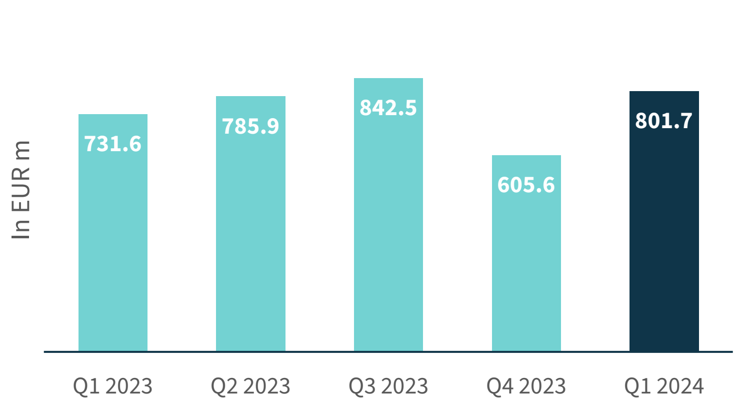
In EU+[4]



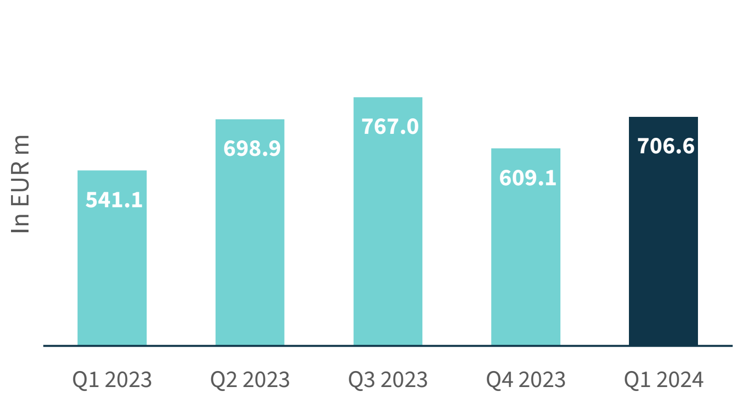

1. *Net carrying amount of the rental fleet plus net receivables on finance leases*
2. *On a like-for-like basis (perimeter as at 31 March 2024)*
3. *Management information*
4. *EU+: European Union, UK, Norway, Switzerland*
5. *Battery Electric Vehicles*
6. *Plug-in Hybrids*
7. *Internal Combustion Engine: Petrol and Diesel*
8. *Others: Fuel cell, Gas, Flex Fuel, Full Hybrids, Mild Hybrids and others*

# Q1 2024 financial results(1)

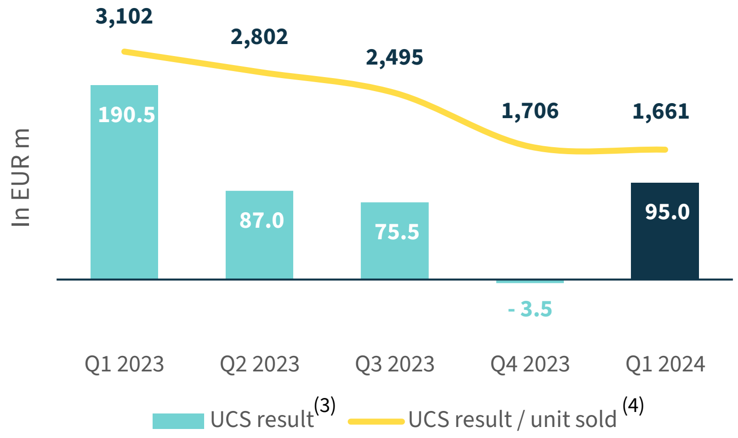
### Gross operating income(2)



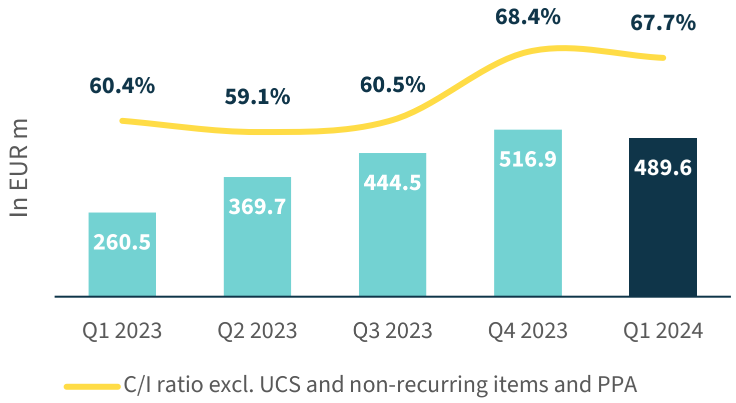

### Leasing contract and Services margins



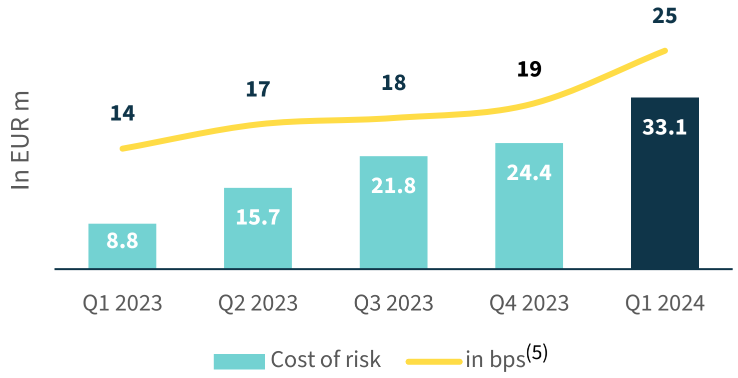

### Used Car Sales result



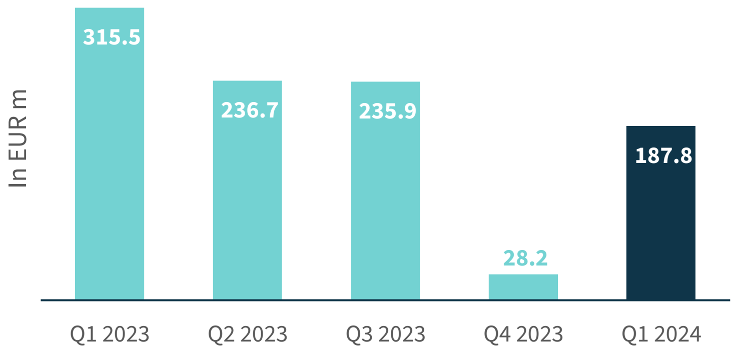

### Operating expenses




### Cost of risk




### Net income (Group share)




1. *LeasePlan consolidated from 22 May 2023. Impact of LeasePlan's Purchase Price Allocation attributed to each quarter since acquisition closing (instead of the 2023 impact being allocated to Q4 2023 only)*
2. *Leasing contract margin, Services margin and Used Car Sales result*
3. *Used car sales result including the impacts of reduction in depreciation costs in previous quarters and LeasePlan's Purchase Price Allocation*
4. *Management information, excluding impact of reduction in depreciation costs and LeasePlan's Purchase Price Allocation*
5. *Annualized cost of risk, as a percentage of arithmetic average earning assets*

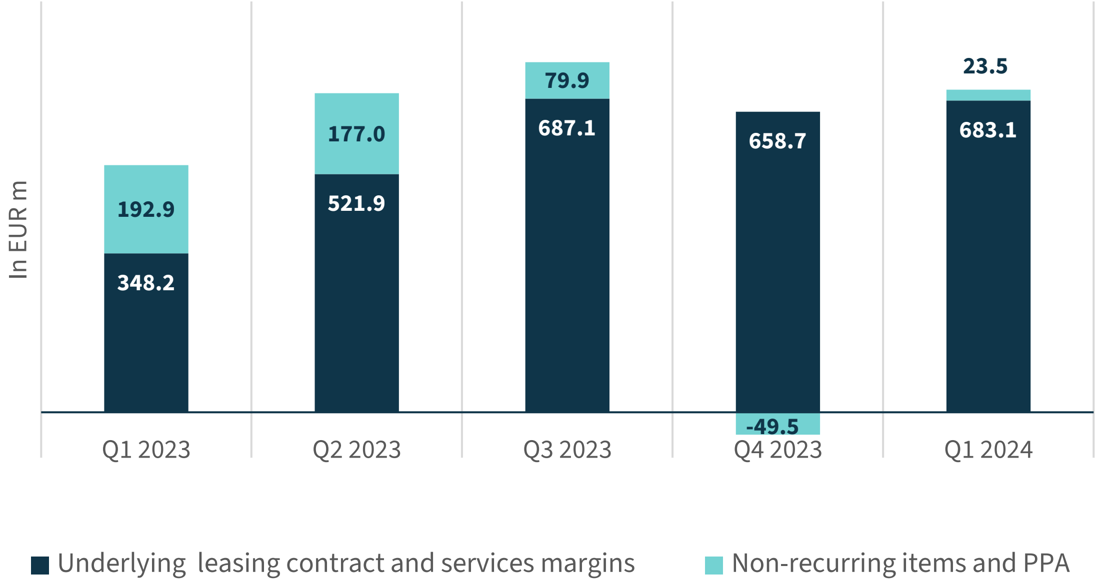
# Stabilization of margins

## Leasing contract and Services margins[1] in EUR m

541.1 | 698.9 | 767.0 | 609.1 | 706.6

## Underlying margins excl. UCS in bps[2]

554 | 558 | 552 | 515 | 522




**Underlying margins**
**+3.7%** vs Q4 2023

**Impact of ongoing measures to defend margins**

**Procurement and revenue synergies**
**EUR 20m**[(3)]

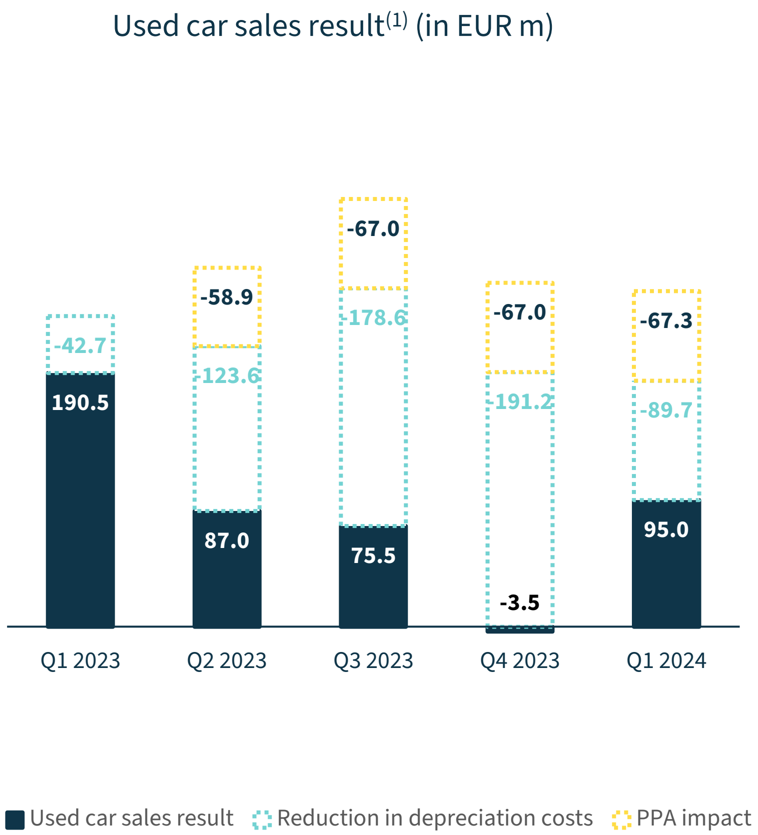
**Fleet revaluation and reduction in depreciation costs**
Limited impact in a normalizing used car market

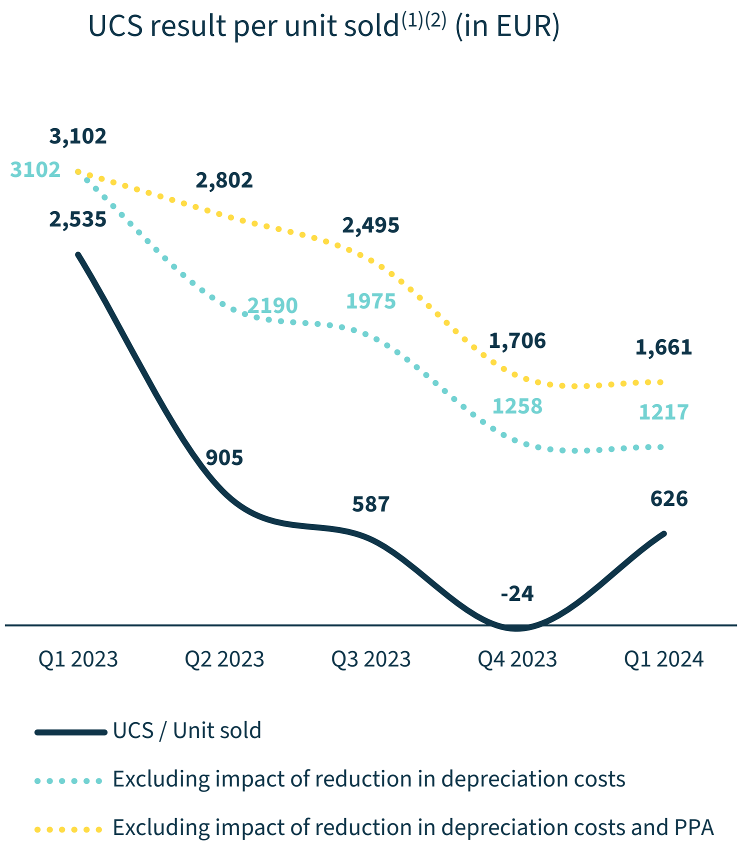
| Non-recurring items in EUR million | Q1 2023 | Q2 2023 | Q3 2023 | Q4 2023 | Q1 2024 |
|---|---|---|---|---|---|
| Fleet revaluation and reduction in depreciation costs | 174.4 | 158.0 | 113.7 | 107.1 | 17.6 |
| MtM of derivatives | 0.0 | 33.1 | -81.8 | -137.4 | 9.5 |
| Hyperinflation in Turkey | 18.5 | 1.3 | 45.9 | -26.5 | -1.7 |
| Reversal on entities transferred to discontinued operations[4] | - | - | -23.9 | - | - |
| Impact of PPA | 0.0 | -15.5 | 26.0 | 7.3 | -1.9 |
| **Total non-recurring items and PPA[1]** | **192.9** | **177.0** | **79.9** | **-49.5** | **23.5** |

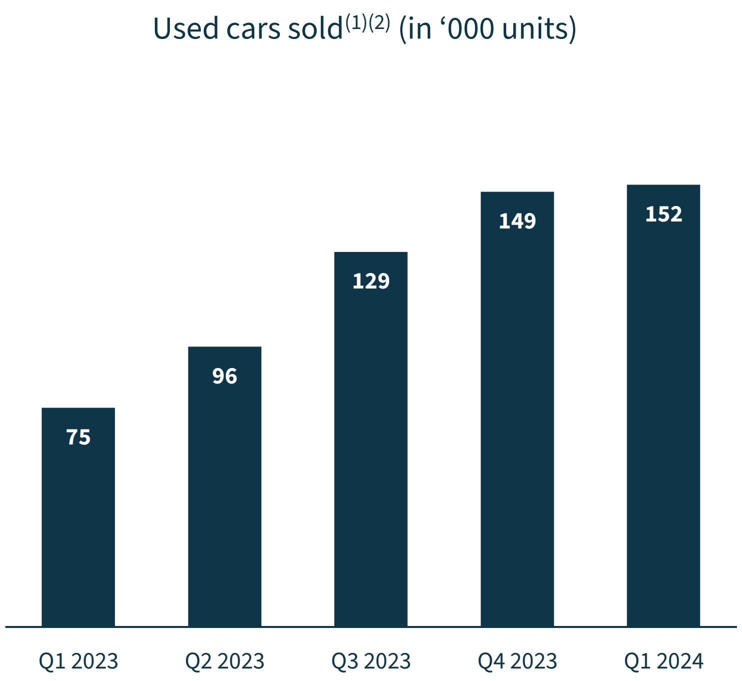


1. *LeasePlan consolidated from 22 May 2023. Impact of LeasePlan's Purchase Price Allocation (PPA) attributed to each quarter since acquisition closing (instead of the 2023 impact being allocated to Q4 2023 only)*
2. *Leasing contract and Services margins excluding non-recurring items and LeasePlan's Purchase Price Allocation (PPA), annualized and expressed as a percentage of average earning assets*
3. *Management information*
4. *Transfer of ALD's entities in Portugal, Ireland and Norway to discontinued operations*

# Used car sales results still at a high level

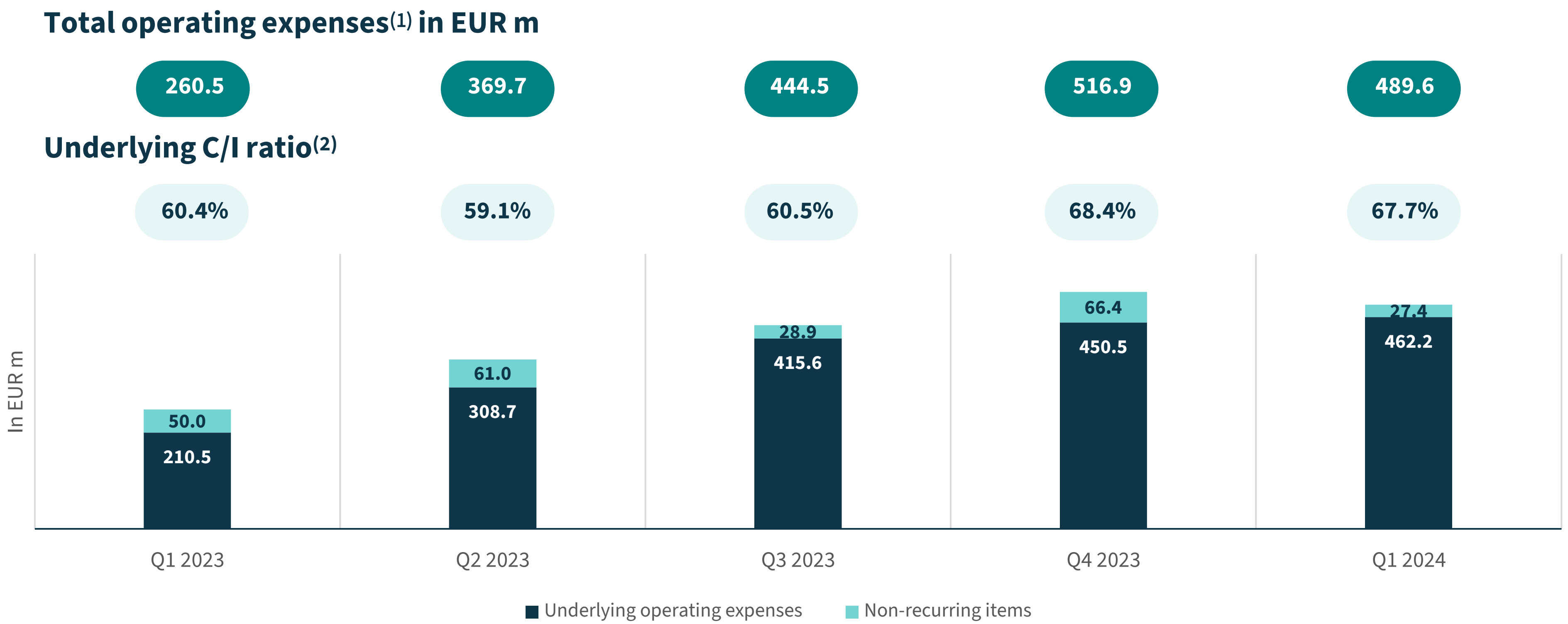



1. *LeasePlan consolidated from 22 May 2023. Impact of LeasePlan's Purchase Price Allocation (PPA) attributed to each quarter since acquisition closing (instead of the 2023 impact being allocated to Q4 2023 only)*
2. *Management information*

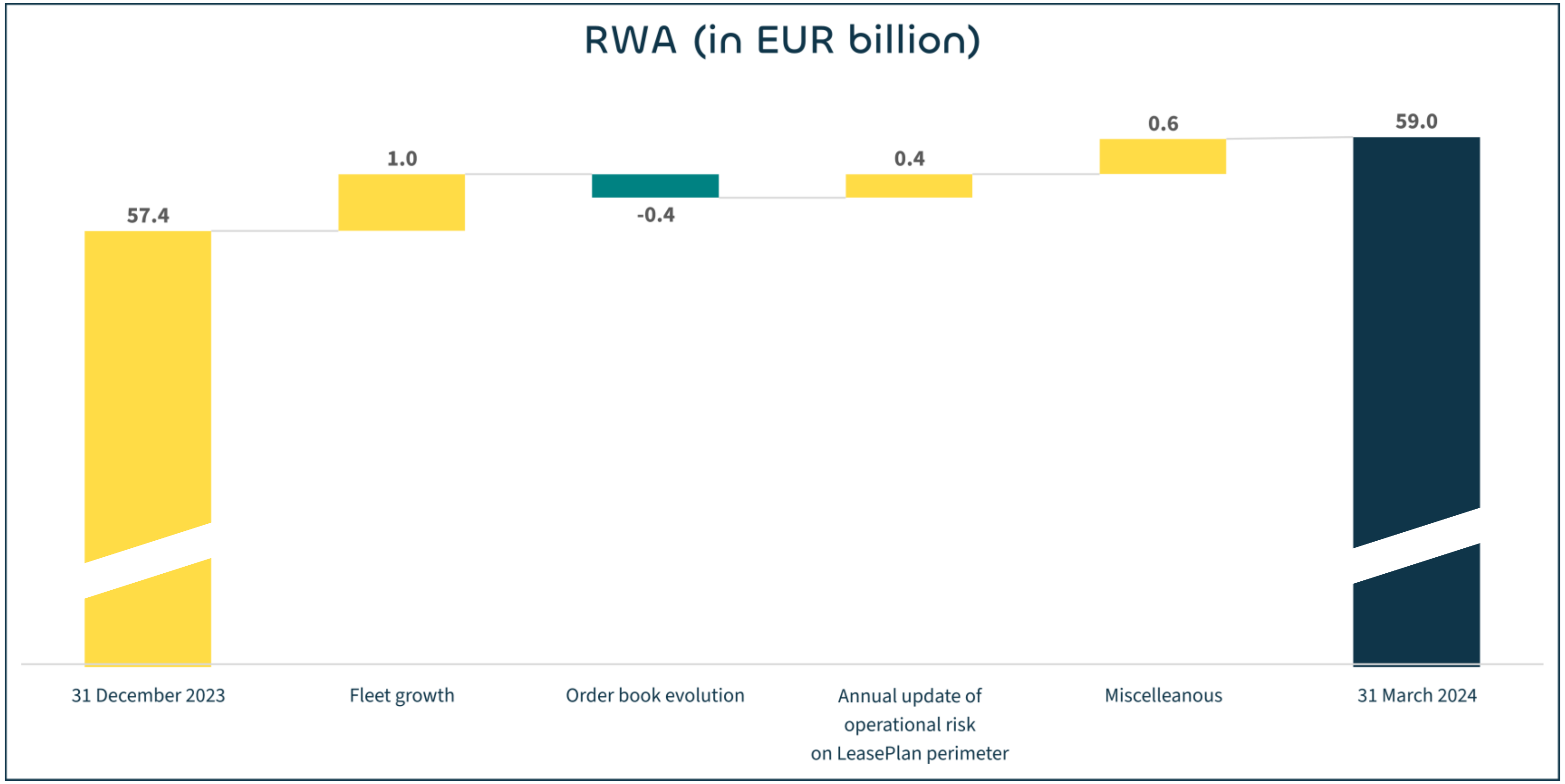
# Operating expenses

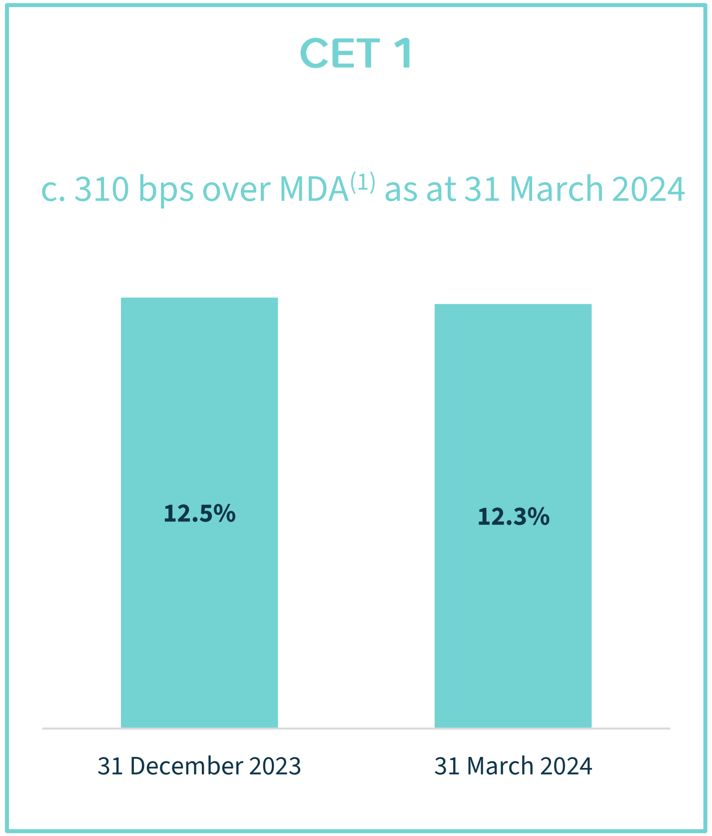



| In EUR million | Q1 2023 | Q2 2023 | Q3 2023 | Q4 2023 | Q1 2024 |
|---|---|---|---|---|---|
| Cost to achieve (CTA) (3) | 38.0 | 47.0 | 40.0 | 45.0 | 25.7 |
| Consultancy costs and transaction/rebranding costs | 12.0 | 14.0 | 4.3 | 21.4 | 1.7 |
| Reversal on entities transferred to discontinued operations (4) | | | -15.4 | | |
| Total non-recurring items | 50.0 | 61.0 | 28.9 | 66.4 | 27.4 |

1. *LeasePlan consolidated from 22 May 2023. Impact of LeasePlan's Purchase Price Allocation (PPA) attributed to each quarter since acquisition closing (instead of the 2023 impact being allocated to Q4 2023 only)*
2. *Excluding non-recurring items*
3. *Management information*
4. *Transfer of ALD's entities in Portugal, Ireland and Norway to discontinued operations*

# Risk-Weighted Assets and capital




1. *Maximum Distributable Amount*

# 5 Appendix

# Our strategy: leveraging on the power of leadership to shape the future of mobility

## 2020

STRATEGIC PLAN • ALD AUTOMOTIVE • Move 2025

### Establish leadership position

Become a fully integrated sustainable mobility provider and the global leader in the car leasing industry

## 2023

Power UP 2026

### Achieve excellence

New brand

Successfully integrate LeasePlan

Lead the sector's transformation

Build excellence in our operating platform, deliver synergies and superior financial return

## 2026

### Shape the future of mobility

Address fast-growing markets from a leadership position

Lead innovation towards new mobility (MaaS[1], connected and autonomous cars…)

1. *Mobility as a Service*

# FY 2024 guidance

## Euro area scenario

| Real GDP | ECB refinancing rate | Inflation |
|---|---|---|
| +0.5% | 3.25% | +2.4% |

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| Earning assets | Used car sales result per unit[1] | P&L synergies | Costs to achieve | Cost / Income ratio[2] | Dividend payout ratio[3] | CET 1 ratio |
|---|---|---|---|---|---|---|
| +7% to 9% vs. end Dec 2023 | EUR 1,100 to 1,600 | EUR 120m | EUR 190m | 65% to 67% | 50% | c. 12% |

1. Excluding the negative impact of reduction in depreciation costs and PPA
2. Excluding UCS result, non-recurring items and PPA
3. Of net income Group share, after deduction of interest on AT1 capital

# Balance sheet as at 31 March 2024

| in EUR million | 31 March 2024 | 31 December 2023 |
|---|---|---|
| Earning assets | 52,733 | 52,025 |
| *o/w Rental fleet* | *50,528* | *49,765* |
| *o/w Financial lease receivables* | *2,205* | *2,260* |
| Cash & Cash deposits with the ECB | 4,935 | 3,997 |
| Intangibles (incl. goodwill) | 2,702 | 2,695 |
| Operating lease and other receivables | 7,174 | 6,536 |
| Other | 5,344 | 5,008 |
| **Total assets** | **72,887** | **70,261** |
| Group shareholders' equity | 11,062 | 10,826 |
| *o/w Group shareholders' equity excl. AT1* | *10,312* | *10,076* |
| *Tangible shareholders' equity* | *7,573* | *7,362* |
| *o/w AT1*(1) | *750* | *750* |
| Non-controlling interests | 536 | 526 |
| *o/w non controlling interests excl. AT1* | *29* | *28* |
| *o/w non controlling interests - AT1*(2) | *507* | *498* |
| **Total equity** | **11,598** | **11,352** |
| Deposits | 12,824 | 11,785 |
| Financial debt | 38,621 | 37,627 |
| Trade and other payables | 6,479 | 6,035 |
| Other liabilities | 3,366 | 3,463 |
| **Total liabilities and equity** | **72,887** | **70,261** |



1. *AT1 issued by ALD and subscribed by parent Societe Generale*
2. *AT1 issued by LeasePlan and subscribed by external parties*

# Yearly series

| (in EUR million)[1] | 2015 | 2016 | 2017 | 2018 | 2019 | 2020[2] | 2021 | 2022[3] | 2023 |
|---|---|---|---|---|---|---|---|---|---|
| Leasing Contract Margin | 431.6 | 514.1 | 574.5 | 623.8 | 664.1 | 604.4 | 732.8 | 1,181.2 | 1,261.9 |
| Services Margin | 534.0 | 528.6 | 593.0 | 616.7 | 632.3 | 652.0 | 650.0 | 715.1 | 1,354.2 |
| ***Leasing Contract and Services Margins*** | ***965.6*** | ***1,042.7*** | ***1,167.5*** | ***1,240.5*** | ***1,296.4*** | ***1,256.4*** | ***1,382.8*** | ***1,896.2*** | ***2,616.1*** |
| Used Car Sales result | 207.2 | 201.5 | 165.3 | 102.5 | 75.0 | 61.1 | 437.7 | 747.6 | 349.5 |
| **Gross Operating Income** | **1,172.8** | **1,244.2** | **1,332.8** | **1,343.0** | **1,371.4** | **1,317.5** | **1,820.6** | **2,643.9** | **2,965.6** |
| Total Operating Expenses | (491.8) | (553.1) | (598.0) | (617.6) | (635.0) | (633.7) | (675.1) | (882.7) | (1,591.6) |
| Impairment Charges on Receivables | (20.9) | (23.8) | (22.4) | (37.8) | (45.0) | (71.1) | (24.8) | (46.1) | (70.7) |
| Non-Recurring Income (Expenses) | (57.0) | (2.0) | (0.0) | (0.0) | (0.0) | 0.0 | 0.0 | (50.6) | (14.1) |
| Share of profit of associates and jointly controlled entities | 0.9 | 0.7 | 1.2 | 1.5 | 1.8 | 1.9 | (1.9) | 1.7 | 6.4 |
| **Profit Before Tax** | **604.0** | **666.1** | **713.6** | **689.1** | **693.2** | **614.6** | **1,118.7** | **1,666.1** | **1,295.7** |
| Income tax expense | (174.7) | (150.4) | (140.4) | (126.8) | (122.2) | (108.9) | (238.6) | (446.0) | (374.0) |
| Result from discontinued operations | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 10.0 | 0.0 | 0.0 | (77.6) |
| Non-controlling interests | (5.0) | (4.0) | (5.6) | (6.6) | (6.8) | (5.8) | (7.1) | (4.7) | (27.9) |
| **Net Income (Group share)** | **424.3** | **511.7** | **567.6** | **555.6** | **564.2** | **509.8** | **873.0** | **1,215.5** | **816.2** |

| (in '000) | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|---|---|---|---|---|
| **Total Contracts** | **1,207** | **1,376** | **1,511** | **1,663** | **1,765** | **1,758** | **1,726** | **1,806** | **3,420** |
| *Full service leasing contracts* | | | *1,179* | *1,299* | *1,389* | *1,372* | *1,427* | *1,464* | *2,709* |
| *Fleet management contracts* | | | *332* | *365* | *376* | *386* | *299* | *342* | *710* |

1. *The sum of rounded values contained in the table may differ slightly from the totals reported, due to rounding rules*
2. *Volume and loyalty bonuses paid to customers were reclassified from Services margin to Leasing contract margin in 2020. This reclassification does not impact Total margins*
3. *Restated for IFRS 17, which applies from 1 January 2023*

# Return on tangible equity (ROTE)

| in EUR million | Q1 2024 | Q1 2023 |
|---|---|---|
| Group shareholders' equity | 11,062.1 | 7,187.8 |
| AT1 capital | (750.0) | 0.0 |
| Dividend provision and interest on AT1 capital[1] | (523.8) | (756.6) |
| OCI excluding conversion reserves | 20.7 | (36.2) |
| **Equity base for ROE calculation end of period** | **9,809.0** | **6,395.1** |
| Goodwill | 1,990.9 | 618.6 |
| Intangible assets | 711.0 | 134.2 |
| Average equity base for ROE calculation | 9,744.3 | 6,348.0 |
| Average Goodwill | (1,990.9) | (618.6) |
| Average Intangible assets | (707.5) | (130.4) |
| **Average tangible equity for ROTE calculation** | **7,046.0** | **5,599.0** |
| Group net income after non controlling interests | 187.8 | 315.5 |
| Interest on AT1 capital | (18.3) | 0.0 |
| **Adjusted Group net income** | **169.5** | **315.5** |
| **ROTE** | **9.6%** | **22.5%** |



1. *The dividend provision assumes a payout ratio of 50% of net Income group share, after deduction of interest on AT1 capital*

# CRR2/CRD5 prudential capital ratios and RWA

| in EUR million | 31 March 2024 | 31 December 2023 |
|---|---|---|
| Group shareholders' equity | 11,062 | 10,826 |
| AT1 capital | (750) | (750) |
| Dividend provision & interest on AT1 capital[1] | (524) | (423) |
| Goodwill and intangible assets | (2,702) | (2,695) |
| Deductions and regulatory adjustments | 153 | 183 |
| **Common Equity Tier 1 capital** | **7,239** | **7,141** |
| AT1 capital | 750 | 750 |
| **Tier 1 capital** | **7,989** | **7,891** |
| Tier 2 capital | 1,500 | 1,500 |
| **Total capital (Tier 1 + Tier 2)** | **9,489** | **9,391** |
| **Risk-Weighted Assets** | **58,981** | **57,377** |
| Credit Risk Weighted Assets | 49,770 | 49,034 |
| Market Risk Weighted Assets | 2,394 | 1,993 |
| Operational Risk Weighted Assets | 6,818 | 6,350 |
| Common Equity Tier 1 ratio | 12.3% | 12.5% |
| Tier 1 ratio | 13.5% | 13.8% |
| Total Capital ratio | 16.1% | 16.4% |



*1. The dividend provision assumes a payout ratio of 50% of Net Income group share, after deduction of interest on AT1 capital*

# Capital requirements

| | Q1 2024 | Q2 2024 | Q3 2024 | Q4 2024 |
|---|---|---|---|---|
| **Maximum Distributable Amount**[1] | **9.21%** | **9.52%** | **9.54%** | **9.54%** |

1. *Based on estimated contracyclical capital buffers for the upcoming quarters*

# Interest rate risk hedging strategy and impact on margins

## Hedging strategy

- **Interest rate and currency profile of funding** are matched with the lease contract portfolio profile as much as possible
- Where matching is not possible, **derivatives are used to hedge IR and FX risks**
- On the liabilities side, bonds are issued mostly at fixed rate. When the proceeds cannot be matched with lease contracts, they are **swapped to pay floating interest**
- On the assets side, fixed-rate client contracts are **swapped to receive floating interest** when fixed rate funding is not immediately available

## Impact on P&L

- While the Group is **economically hedged**, there can be accounting mismatches when derivatives do not qualify for hedge accounting and are fair valued through P&L
- Derivatives on client contracts do not qualify for hedge accounting and their fair value goes through P&L, creating volatility on revenues
- The de-designation of the micro fair value hedging (MFVH) relation on bonds previously documented by LeasePlan has contributed to reduce the sensitivity of the derivatives portfolio
- MtM of derivatives, which is recorded in Leasing contract margin, results from interest rate and foreign exchange rate movements (e.g. as net receiver of floating rate, positive MtM when interest rates rise) and reverses towards the derivative's maturity (pull to par)

## Sensitivity

- MtM as at 31 March 2024: **EUR +87m**
- Sensitivity to +10/-10 bps parallel shift (without impact of convergence to par)[1]: **EUR +10m/EUR -10m** in the income statement

1. *Based on derivatives portfolio held as at 31 March 2024 and not assuming any new derivative transaction*

# FY 2023 financial results(1)(2)

| In EUR million | FY 2023(2) | FY 2022(3) | Var. FY 2023 vs. FY 2022 | Var. % FY 2023 vs. FY 2022 |
|---|---|---|---|---|
| **Total contracts ('000)** | **3,420** | **1,806** | **1,614** | **89.3%** |
| *Full service leasing contracts* | *2,709* | *1,464* | *1,246* | *85.1%* |
| *Fleet management contracts* | *710* | *342* | *368* | *107.4%* |
| ***In EUR million*** | | | | |
| Leasing contract margin | 1,261.9 | 1,181.2 | 80.7 | 6.8% |
| Services margin | 1,354.2 | 715.1 | 639.1 | 89.4% |
| ***Leasing contract & Services margins*** | ***2,616.1*** | ***1,896.2*** | ***719.8*** | ***38.0%*** |
| Used car sales result | 349.5 | 747.6 | (398.1) | -53.2% |
| **Gross Operating Income** | **2,965.6** | **2,643.9** | **321.7** | **12.2%** |
| Total operating expenses | (1,591.6) | (882.7) | (709.0) | 80.3% |
| *Cost / Income ratio excl. UCS* | *60.8%* | *46.5%* | *1429bps* | |
| Cost of risk(4) | (70.7) | (46.1) | (24.5) | 53.1% |
| Non-recurring income (expenses) | (14.1) | (50.6) | 36.5 | -72.2% |
| **Operating result** | **1,289.3** | **1,664.5** | **(375.2)** | **-22.5%** |
| Share of profit of associates and jointly controlled entities | 6.4 | 1.7 | 4.7 | 283.7% |
| **Profit before tax** | **1,295.7** | **1,666.1** | **(370.5)** | **-22.2%** |
| Income tax expense | (374.0) | (446.0) | 71.9 | -16.1% |
| Result from discontinued operations | (77.6) | 0.0 | (77.6) | |
| Non-controlling interests | (27.9) | (4.7) | (23.2) | 494.9% |
| **Net Income group share** | **816.2** | **1,215.5** | **(399.3)** | **-32.8%** |

- Leasing contract and Services margins at EUR 2,616.1m
  - Contribution of LeasePlan(5): EUR 893.8m
  - Non-recurring items and PPA: EUR +424.1m vs. EUR +476.9m in 2022 of which
    - Reduction in depreciation costs(6): EUR +514.6 m vs EUR +350.3m in 2022
    - MtM of derivatives: EUR –186.0m
- Used car sales result at EUR  349.5m
  - Contribution of LeasePlan(5): EUR 369.0m
  - Impact of reduction in depreciation costs during previous quarters:
    - ALD: EUR -312.2m
    - LeasePlan: EUR -223.9m in balance sheet at closing
  - Impact of Purchase Price allocation: EUR -192.8m
- Total operating expenses at EUR 1,591.6m
  - Contribution of LeasePlan(7): EUR 651.1m
  - CTA: EUR 170m vs EUR 128m in 2022
  - Cost of being regulated
- Low cost of risk: 18 bps(8) vs. 20 bps in 2022
- Tax rate at 28.9%
- Net income, Group share at EUR 816.2m
- ROTE: 12.4%
- Diluted EPS at EUR 1.07(9) vs. EUR 2.68 in 2022
- Proposed dividend at EUR 0.47 vs. EUR 1.06 in 2022, representing a 50% payout ratio(10)

1. *Including the impact of the Purchase Price Allocation from 22 May 2023*
2. *Actual figures: LeasePlan is consolidated from 22 May 2023*
3. *FY 2022 was restated for IFRS 17, which applies from 1 January 2023*
4. *Impairment charges on receivables*
5. *Excluding non-operating items and PPA*
6. *ALD only. No reduction in depreciation costs on LeasePlan as the fleet was fair valued under PPA*
7. *including non-recurring items*
8. *Cost of risk expressed as a percentage of arithmetic average of earning assets*
9. *Diluted Earnings per Share, calculated according to IAS 33. Basic EPS for 2023 at EUR 1.08*
10. *Of net income Group share, after deduction of interest on AT1 capital*

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