

Power 20
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Strategic Plan

21 September 2023

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Mobility is changing **profoundly**



Long-term megatrends driving strong structural growth in the mobility sector



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 services and new entrants

Creating new partnership opportunities



Evolving competition

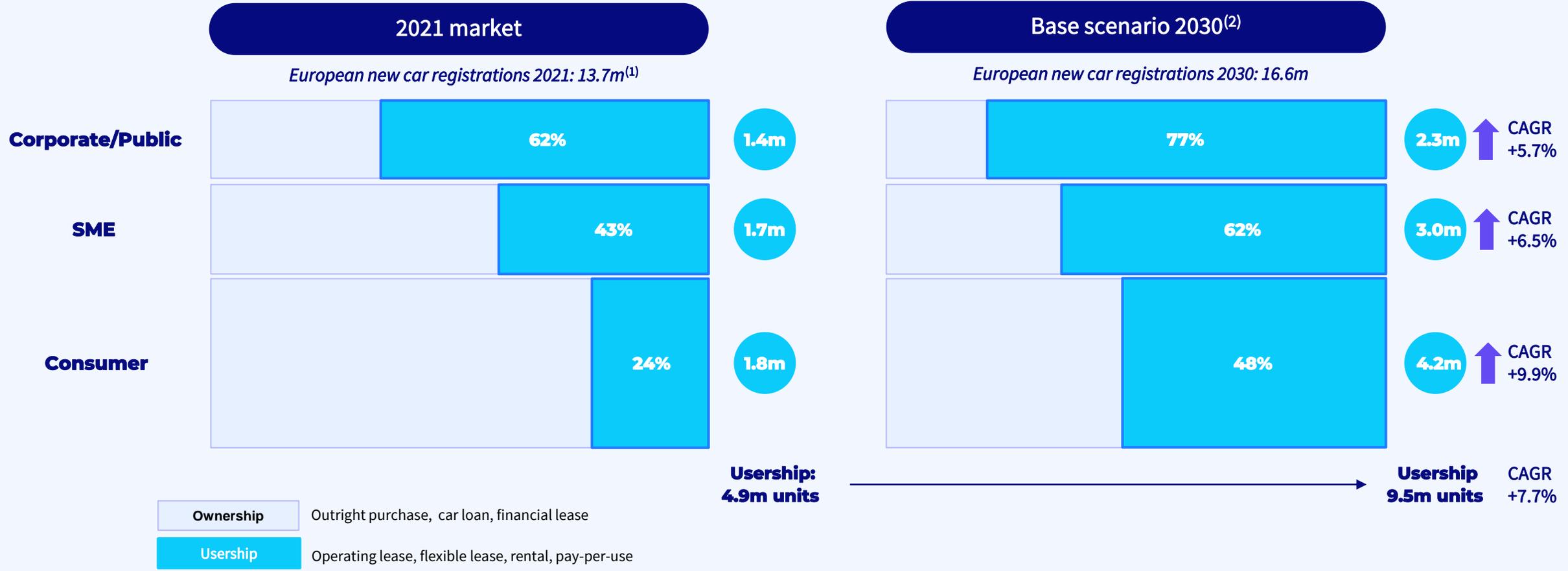
Continuing OEMs consolidation and implementation of agency model

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

Partnership opportunities

Transition from ownership to usership creates significant growth opportunities

Leveraging on our leadership position to capture the market's growth potential



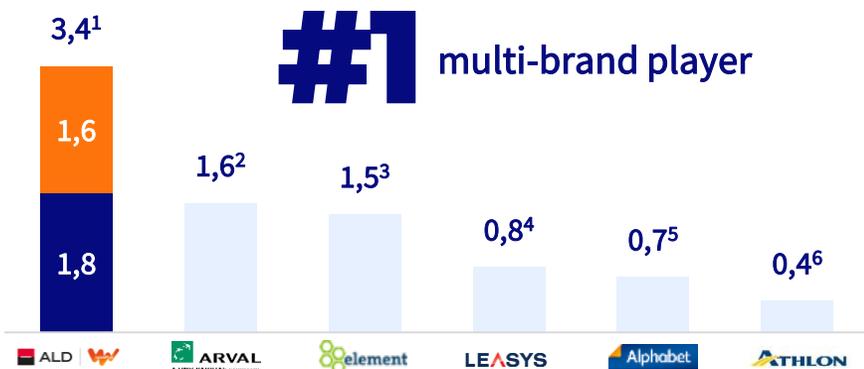
1. 2021 number of new registrations was an outlier compared to previous years due to supply shortage due to Covid. For reference, pre-Covid, 2019: 18.0m
2. Source: CVA

Shaping the future of mobility

Numbers behind our undisputed leadership

Our leadership

Total fleet (in m)



#1 in 29 countries

including the top European markets

#1 multi-brand EV fleet

428,000 Electric Vehicles⁽⁷⁾

Our scale



Earning assets⁽⁸⁾
EUR 48.6bn



Industry-leading product and service offering

Scalability leading to best-in-class operating efficiency

Unrivalled purchasing power



800,000 vehicles

per annum



4 million tyres

1. As at 30 June 2023, excluding entities held for sale
2. Q2 2023 average funded fleet, BNPP presentation
3. Q2 2023 investor presentation
4. Press release of 5 April 2023

5. As at 31 December 2022, BMW Group report
6. As at 31 December 2021, Mercedes-Benz Group annual report
7. Battery Electric Vehicles (BEVs), Plug-in Hybrids (PHEVs)
8. As at 30 June 2023, excluding entities held for sale

The strongest business model in the sector

Undisputed leadership

- #1 global multi-brand and multi-channel player across all segments
- Twice the size of the nearest competitor
- At the forefront of innovation and service quality
- Competitive edge in sustainable mobility and electrification

Powerful global operating platform

- Streamlined and efficient operating processes
- Global IT and digital capabilities on both front-end and back-end
- Scale and supply chain network allowing competitive pricing
- Superior investment firepower underpinning innovation

Strong financial profile

- Highly profitable business model
- Proven strength and resilience through the cycle
- Industry-leading operating efficiency
- Responsible risk management
- Best debt credit ratings⁽¹⁾

Uniquely positioned to create value in the mobility industry

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

2020



Establish leadership position



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

2023



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 (MaaS¹, connected and autonomous cars...)

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Strategic Plan 2023-2026

Our main strategic objectives for 2026

PowerUP for Clients

Promote multimodality

Active users of MaaS platform

200k in 2026
launched in 2022

Address our client segments with the most valuable offering

Earning assets

+6%
CAGR 2023-2026

PowerUP 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⁽¹⁾

PowerUP 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 CO₂ emissions **<90g/km** ⁽²⁾
vs. 112g in 2022
Internal CO₂ emissions ⁽³⁾
-35% vs. 2019

Maintain employee engagement at a high level

Employee engagement
75% in 2026
vs. 74% in 2022

PowerUP Profitability

Achieve superior financial return

ROTE
13%-15% in 2026

Maintain robust capital position

CET 1 ratio
c. 12%

Offer attractive shareholder return

Dividend payout
50%

1. Cost / Income ratio of the combined entity in 2022, based on public disclosure, excluding UCS results, reduction in depreciation costs and non-recurring items
2. WLTP
3. Scope 1, Scope 2 and Scope 3 limited to business travel, paper and waste

PowerUP for clients



#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

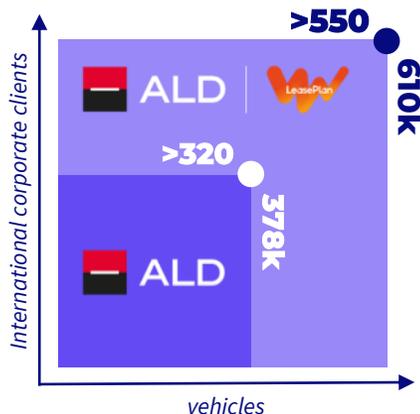


Ability to anticipate market needs *Subscription / Multimodality*



Broadest client reach

Undisputed leadership in B2B and blue chips



Leading innovative capabilities in B2C

Unrivalled geographical footprint

44 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

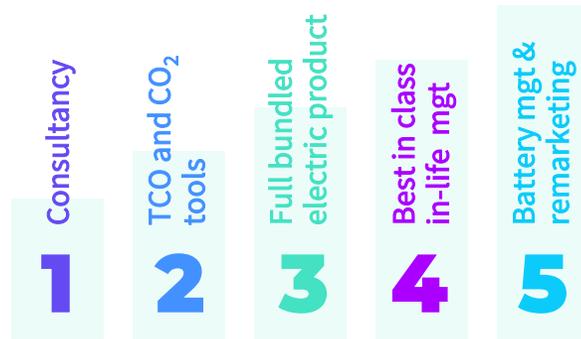


Others



1 Advising our clients about the greenest way

Electrification as #1 fleet strategy topic for 94% of corporates⁽¹⁾



2026 targets

50% of new contracts will be EV⁽²⁾ by **2026**

40% of new contracts will be BEV by **2026**

2 Making it simple for them to choose electric

Providing end-to-end solutions & venture into the charging ecosystem

Providing a holistic “end-to-end” solution



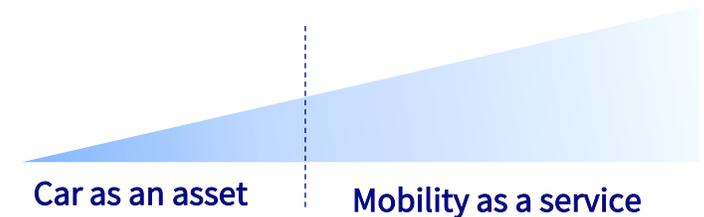
2026 targets

Quadruple use of our full bundled electric product

400k drivers connected to our eMSP JV with ChargePoint

3 Going beyond electrification and into MaaS

Providing flexible and multimodal travel options to all employees of our corporate clients



Helping clients move from Car to Mobility through our end-to-end multimodal solution

2026 targets



6 countries
200k users by **2026**

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PowerUP Operational Efficiency



Successfully integrating LeasePlan

Strong governance

- Dedicated integration departments at local and function levels supervised by Exco member
- Fortnightly review by Exco
- Priority to largest markets

Key achievements so far

Clients

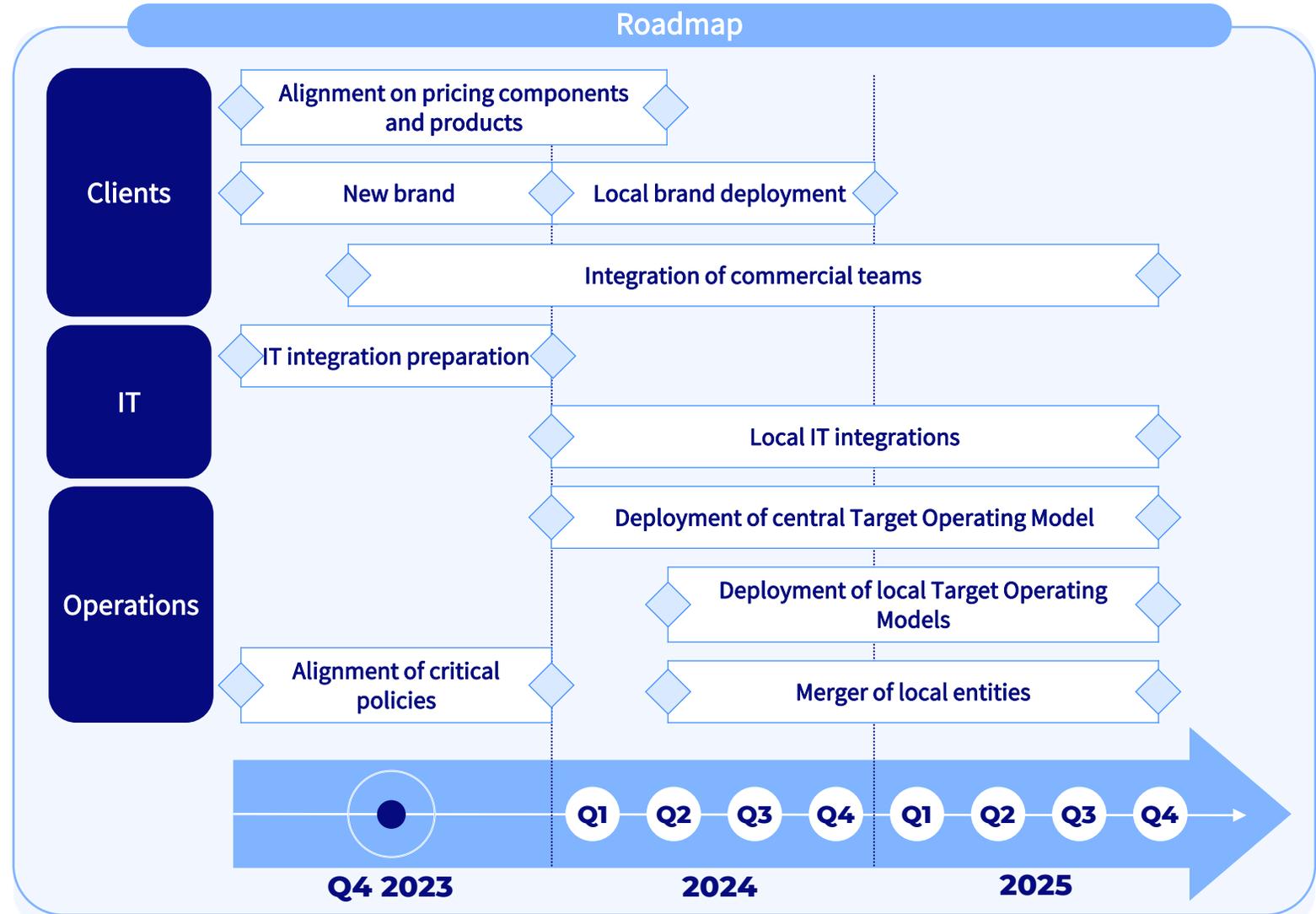
- One team facing shared clients, receiving positive feedback

Procurement

- Bonus improvement already agreed by several OEMs
- First global RFPs launched (e.g. tyres: 4 million units purchased p.a., car rental)

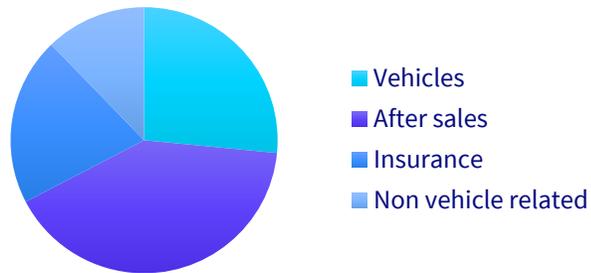
Remarketing

- Agreement signed with global partner in key countries



Price and bonus improvement

- Normalize and align conditions to the best of ALD and LeasePlan's
- Vehicle purchase represents c. 25% of total procurement synergies
- Savings opportunities identified over various operations areas



Vehicle pricing elements

- Global bonus alignment
- Local bonus alignment
- Additional discount on bulk purchase

Steering

- Steering towards optimal suppliers / products
- Centralized procurement model supported by local initiatives

Pre-configured vehicle purchasing

20% in 2026 vs. 10% in 2022

After-sales network steering

95% in 2026 vs. 65% in 2022

Parts and tyres selection

95% in 2026 vs. 90% in 2022

Cost control

Optimization of cost control practices: frequency review, statistical analysis, etc.

Leveraging our scale to reduce costs

Scalable platform enabling process excellence

+

Mutualized investments

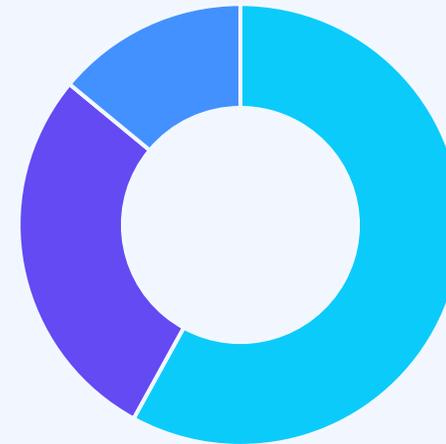
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Harmonization of process & services

=

Cost synergies

Breakdown of cost synergies



- Operating process efficiency improvements
- IT cost savings
- Direct spend savings including real estate

A global scalable modular digital platform

2026 objectives

IT cost per car ratio improvement

-20%
vs. 2022

Fleet to FTE ratio

 **c. 300**
+15% vs. 2022

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PowerUP Responsibility



Deliver the best through the power of talent

Four key pillars and a critical enabler to ensure our people will make the difference

Growth & Performance

We invest in our people to help them grow, develop required competences and deliver the best results

Internal mobility rate:
25%*

People experience & Engagement

We take care of our people so that they will take care of our customers, stakeholders and the environment

Employee engagement score:
75%

Culture & conduct

Our behaviour is guided by our strong, values-driven culture that links one-to-one to our strategy and customer promise

Diversity, Equity & Inclusion

We foster and develop an organization that celebrates and benefits from diversity in people and ideas

Women in top positions:
35%

Critical enabler: HR transformation program focused on HR systems, processes and data

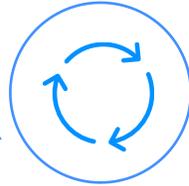
* Number of job requisitions filled with internal candidate/ total amount of job requisitions filled

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 & 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

Strong risk management foundations

Robust governance framework

- Risk management by local teams, challenged and validated by central teams
- Supervision by independent risk function
- Oversight by Exco and board

Benefiting from being part of the Societe Generale Group

- Leveraging on best-in-class risk and compliance policies and resources

Regulated status and supervision by ECB

- Requirements on capital ratios, reporting
- ALD already subject to some requirements through Societe Generale, LeasePlan already supervised

Prudent approach to risks

Residual value risk

- Prudent residual value setting process involving local and central experts
- Permanent and active second-hand market
- Powerful operational mitigants in place

Credit risk

- Structurally low thanks to legal ownership of leased assets, conservative underwriting processes and strong client portfolio

ALM risks

- Hedging of liquidity, IR and FX risks through match-funding, use of derivatives, maintenance of a liquid asset buffer

Best debt credit ratings⁽¹⁾



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PowerUP Profitability



Earning assets

+6%
CAGR 2023–2026

Strong business growth coupled with selective allocation of resources to meet our profitability targets

Cost / Income (excl. UCS result)

c. 52%
in 2026
-4 pts vs 2022⁽¹⁾

Best-in-class efficiency

ROTE⁽²⁾

13%-15%
in 2026

Leading financial return in the financial sector

Costs to achieve

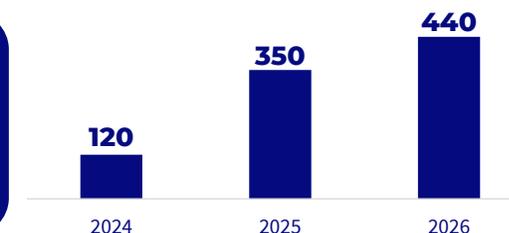
EUR 525m
over 2022-2025



P&L synergies

EUR 440m
annual synergies by 2026

Phasing of annual P&L synergies (in EUR m)



1. Cost / Income ratio of the combined entity in 2022, based on public disclosure, excluding UCS results, reduction in depreciation costs, costs to achieve the integration of LeasePlan and non-operating items

2. Return on tangible equity: net income, Group share after deduction of interest on AT1 capital / average tangible equity after dividend provision. Includes prudent assumptions on UCS results per unit (for ALD in 2026, at a level of around 20% of the 2023 anticipated level before the impact of reduction in depreciation costs)



Key takeaways



Key takeaways: A compelling story for all stakeholders

Leadership

 **3.4m**
fleet⁽¹⁾

One-stop shop

 with the widest range of products, multi-brands, multi-channels for all client segments

 **50%**
target EV penetration in 2026

Sustainable

 **428k Electric Vehicles**
largest multi-brand EV fleet⁽²⁾

 **<90g/km** running fleet CO₂ emissions by 2026

-35% internal CO₂ emissions⁽³⁾ between 2019 and 2026

Growth

 **+6.0%**
earning assets CAGR 2023-2026

 **Expanded customer reach** and **best-in-class client satisfaction**

Efficiency

 **EUR 440m**
annual run-rate synergies p.a. by 2026

 **c. 52%**
C/I target in 2026

Resilience

 **Income predictability**
with average 3-4 years contract duration

 **Prudent risk management**
& RV approach

 **Robust** capital position

 **SG support**

Industry-leading pool of talents

 **Experienced management team**
with strong execution capabilities

 **75%**
employee engagement

Profitability

 **13-15%**
ROTE in 2026

 **50%**
dividend payout ratio

Q&A



ALD
Automotive



LeasePlan