

PRESS RELEASE

HALF-YEARLY FINANCIAL INFORMATION

Paris, 2 August 2018

ALD REPORTS FIRST HALF 2018 RESULTS

- **STRONG FLEET GROWTH AT 10.1% YOY, CONFIRMING ALD'S LEADING POSITION IN EUROPE**
- **LEASING CONTRACT & SERVICES MARGINS UP 7.3% IN H1 18 VS. H1 17**
- **CAR SALES RESULT STABLE IN Q2 VS. Q1 18 AT EUR 30.2 MILLION**
- **STRONG OPERATING LEVERAGE CONTINUING TO DRIVE COST/INCOME RATIO DOWN TO 50.4% IN H1 18**
- **NET INCOME (GROUP SHARE) AT EUR 280.0 MILLION IN H1 18**

ALD Q2 & H1 RESULTS HIGHLIGHTS

- ✓ **Total Fleet:** 1.59 million vehicles managed worldwide at end June 2018, up 10.1% vs. end June 2017 and 5.0% vs. end 2017
- ✓ **Leasing contract & services margins** reached EUR 611.0 million, up 7.3% in H1 18 vs. H1 17, more than offsetting the falling trend in **Car sales result**, which reached EUR 59.8 million in H1 18, down from EUR 92.7 million in H1 17, leading **Gross Operating Income** at EUR 670.8 million in H1 18, up 1.3% vs. H1 17
- ✓ **Operating expenses** under control, rising 5.2% vs. H1 17, pushing Cost/Income ratio (excluding Car Sales Result) down to 50.4% in H1 2018, close to 50% FY2018 target
- ✓ **Net Income (Group share)** at EUR 280.0 million in H1 18, ROE¹ at 16.6%

KEY STRATEGIC INITIATIVES & OPERATIONAL DEVELOPMENTS

- ✓ Acquisition of Reflex Alquiler Flexible de Vehículos (Spain)
- ✓ Launch of an "All in one" offer with AXA France

¹ Annualized ratio: in the numerator half-year figure multiplied by 2

- ✓ Signature of a pilot agreement with award winning Helsinki mobility provider Maas Global, offering car sharing services through Whim (MaaS App)
- ✓ Signature of a leasing partnership agreement with Mazda in the Netherlands

On 2 August 2018, Mike Masterson, ALD CEO, commenting on the Group Results, stated:

“In Q2 18, ALD again demonstrated its capacity to produce strong fleet growth, leveraging its top tier position with large corporates, its unrivalled network of partnerships and efficient digital tools developed to access the private lease segment. Our strong customer focus and high levels of service satisfaction are underpinning this growth in an expanding, but competitive, market. By carefully targeting our investments and keeping tight control of our costs, we ensure that operating leverage remains a key driver of profitability, thereby providing ALD with a solid foundation for sustainable long term growth and also supporting our sector leadership.”

CONTINUED STRONG BUSINESS DEVELOPMENT

ALD continued to record strong fleet growth during the first half of 2018 with total fleet reaching 1.59 million vehicles at the end of June, up 5.0% vs. the end of December 2017 and 10.1% vs. the end of June 2017. All regions contributed to growth during H1 18, which saw on-balance sheet and off-balance sheet fleet progressing in tandem.

All client segments showed growth powered in particular by ALD’s network of partners, which expanded further. Private lease continued to progress at an annual rate of more than 40% in H1 18. Total private fleet reached c. 95 thousand vehicles at the end of June, well underway to ALD’s 150 thousand target for end of 2019.

SOLID OPERATING AND FINANCIAL RESULTS

Driven by strong fleet growth, Leasing Contract and Services Margins together rose 7.3% in H1 18 to EUR 611.0 million vs EUR 569.5 million in H1 17. The effect of the Italian Stability Law continues to weigh on Services Margin progression in 2018, but this is more than compensated for at the bottom line by the corresponding reduction in Income tax expense.

Car sales margin on used vehicles² showed resilience in Q2 18 at EUR 434 per vehicle (vs. EUR 417 in the previous quarter), possibly favoured by seasonal factors. For the full year ALD maintains the guidance range of EUR 200 to EUR 400 per vehicle provided at the start of the year.

The number of used cars sold¹ in Q2 18 reached c. 70 thousand, slightly below the preceding quarter, reflecting a lower number of cars coming off lease. More than half of vehicles coming off lease were sold within 30 days, while the share of cars sold via electronic platforms in H1 18 exceeded 60%.

Car Sales Result in Q2 18 was EUR 30.2 million, stable vs. the previous quarter, but down from EUR 44.9 million in Q2 17. The H1 18 figure was EUR 59.8 million, to be compared with EUR 92.7 million in H1 17.

Overall, Gross Operating Income increased by 2.5% during Q2 18 to EUR 342.1 million (vs. EUR 333.9 million in Q2 17). For H1 18 it amounted to EUR 670.8 million, up 1.3% vs. H1 17.

² Management information

Total Operating Expenses saw a controlled rise of 5.2% vs. H1 17 to EUR 308.2 million, well below fleet growth. This allowed the Cost-Income ratio (excluding Car Sales Result) to improve by one percentage point to 50.4% in H1 18, compared to 51.4% recorded in H1 17.

Impairment charges on receivables remained well under control in H1 18 at EUR 13.4 million. The cost of risk³ was 15 bps in H1 18.

Income tax expense dropped 6.1% in H1 18 vs H1 17, a larger drop than Profit before tax (down 2.8% over the same period), reflecting the favourable impact of the Italian Stability Law.

The second quarter's solid operating performance resulted in a Net Income (Group Share) at EUR 143.3 million, stable versus Q2 17. Net Income (Group Share) for H1 18 came in at EUR 280.0 million, down 2.4% on the same period of last year.

BALANCE SHEET AND FUNDING

Strong total fleet growth during H1 18 caused Earning Assets to rise by 6.5% vs. the end of 2017. This increase was matched by the growth in Financial debt. Since the start of the year, ALD has raised EUR 1.7 billion in senior external debt, some of it to replace a private UK securitization and an external loan from BBVA that were terminated. Overall, the Group continues to rely on Societe Generale for the lion share of its funding, but expects the share of external funding to increase to up to 40% in the medium term.

ALD is rated BBB/A-2 by S&P Global Ratings with a positive outlook.

The Group's Total Equity to Total Assets ratio stood at 15.3% at the end of June 2018, down from 16.0% at year end due to the payment of the 2017 dividend during the second quarter, but remaining within the Group's guidance range.

ROE⁴ for the first semester came in at 16.6%.

The Group's consolidated results as at 30 June 2018 were examined by the Board of Directors, chaired by Didier Hauguel, on 1 August 2018. Full details of our financial results for Q2 18 and H1 18 are available on our website at www.ALDAutomotive.com, under "Financial Results" in the Investors section. These results have been subject to a limited review by ALD's Statutory Auditors.

KEY STRATEGIC INITIATIVES & OPERATIONAL DEVELOPMENTS

Acquisition of Reflex Alquiler Flexible de Vehículos in Spain

On 29 June 2018, ALD signed an agreement to acquire Reflex Alquiler Flexible de Vehículos, an independent Spanish flexible renting provider. This acquisition forms part of ALD's development strategy and is an example of ALD's focus on targeted and value accretive bolt-on acquisitions.

Reflex is an independent player on the Spanish flexible renting market with a fleet of c. 2,000 vehicles rented to SMEs. Flexible renting provides mid-term mobility solutions to fleet managers.

³ Cost of risk: Annualized ratio (half-year figure multiplied by 2), using the Impairment Charges on Receivables divided by the arithmetic average of Earning Assets at the beginning and end of the period.

⁴ Annualized ratio: in the numerator half-year figure multiplied by 2

This transaction is expected to strengthen ALD's product offering in Spain while expanding the commercial reach of its solutions to SMEs. Prior to this acquisition, ALD Spain already managed a fleet of c. 4,000 flexible contracts with large corporates.

Partnership with AXA France

On 21 June 2018, ALD launched, together with its partner AXA France, an "All in One" offer, including Full Damage Waiver, aimed at both BtoB and BtoC markets.

This packaged offer is commercialized through the AXA France network, and is aimed at enlarging ALD's client base in France, particularly on the SMEs and private lease markets.

Pilot agreement with MaaS Global

On 27 June 2018, ALD signed a pilot agreement with MaaS Global, an international mobility operator based in Finland, to provide car sharing services through Whim, the company's Mobility-as-a-Service app, in Helsinki.

Available through a monthly financial package, Whim enables subscribers to determine the best transport option for every journey they take. Starting in July, selected Whim users will have access to a dedicated pool of ALD car sharing vehicles in the city of Helsinki.

This agreement fully supports ALD's distribution strategy to partner up with innovative players in order to broaden the company's offering and extend the reach of its services.

New partnership agreement with Mazda in the Netherlands

Since 1 June, ALD provides white-labeled operational leasing services for Mazda's entire range of leasing products in the Netherlands. Mazda selected ALD in the Netherlands for its innovative offering and market leading expertise as a global distribution partner.

This new agreement reinforces the existing successful partnership between the two companies, as ALD also provides full service leasing services for Mazda through its dealership networks in Spain and Italy.

GUIDANCE 2018

ALD's guidance for 2018 is as follows:

- Total Fleet is expected to grow 8-10% compared to 2017
- Leasing Contract & Services Margins to grow in line with Total Fleet
- Car Sales Result to average between EUR 200 and EUR 400 per vehicle
- Cost/Income (excluding Car Sales Result) to improve to c. 50%
- Total Equity / Total Assets ratio between 15% and 17%
- Target pay-out ratio between 40% and 50%.

CONFERENCE CALL FOR INVESTORS AND ANALYSTS

Date: 2 August 2018, at 9.30 am Paris time – 8.30 am London time

Speakers: Mike Masterson, CEO and Gilles Momper, CFO

Connection details:

- [Webcast](#)
- Conf call: +33170710159 PIN: 41123894#

NEXT PUBLICATION

8 November 2018 : Trading update and Q3 Results

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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 over 6,300 employees worldwide, ALD manages 1.59 million vehicles (at end June 2018).

ALD is listed on Euronext Paris, compartment A (ISIN: FR0013258662; Ticker: ALD) and its share is included in the SBF120 index. ALD's controlling shareholder is Societe Generale.

For more information, you can follow us on Twitter [@ALDAutomotive](#)  or visit www.aldautomotive.com.

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 and half year ending 30th June 2018 was reviewed by the Company's Board of Directors on 1st August 2018 and has been prepared in accordance with IFRS as adopted in the European Union and applicable at this date. The limited review procedures on the condensed interim financial statements at 30th June 2018 carried out by the Statutory Auditors have been completed and the Statutory Auditors' Review Report on the half-yearly financial information for 2018 has been delivered on 1st August 2018.

Appendix

Consolidated income statement

in EUR million	Q2 2018 ¹	Q2 2017	Change in % Q2 '18/'17	H1 2018 ¹	H1 2017	Change in % H1 '18/'17
Leasing Contract Revenues				2,055.7	1,931.0	+6.5%
Leasing Contract Costs - Depreciation				(1,645.8)	(1,510.9)	+8.9%
Leasing Contract Costs - Financing				(107.1)	(128.3)	(16.5%)
Unrealised Gains/Losses on Financial Instruments				7.3	(19.8)	(136.6%)
Leasing Contract Margin	163.0	143.2	+13.8%	309.9	272.0	+14.0%
Services Revenues				969.1	886.2	+9.3%
Cost of Services Revenues				(668.0)	(588.7)	+13.5%
Services Margin	148.9	145.8	+2.1%	301.1	297.5	+1.2%
Proceeds of Cars Sold				1,396.5	1,245.1	+12.2%
Cost of Cars Sold				(1,336.7)	(1,152.4)	+16.0%
Car Sales Result	30.2	44.9	(32.8%)	59.8	92.7	(35.5%)
GROSS OPERATING INCOME	342.1	333.9	+2.5%	670.8	662.2	+1.3%
Staff Expenses				(197.0)	(184.8)	+6.6%
General and Administrative Expenses				(97.5)	(96.1)	+1.4%
Depreciation and Amortisation				(13.7)	(12.0)	+14.1%
Total Operating Expenses	(156.1)	(148.4)	+5.2%	(308.2)	(292.9)	+5.2%
Impairment Charges on Receivables	(7.0)	(4.8)	+47.0%	(13.4)	(10.1)	+33.2%
Non-Recurring Income (Expenses)				0.0	(0.0)	(100.0%)
OPERATING RESULT	179.0	180.7	(0.9%)	349.2	359.2	(2.8%)
Share of Profit of Associates and Jointly Controlled Entities				0.7	0.8	(15.2%)
Profit Before Tax	179.4	181.0	(0.9%)	349.8	360.0	(2.8%)
Income Tax Expense				(66.6)	(70.9)	(6.1%)
Profit for the Period				283.2	289.1	(2.0%)
Profit Attributable to:						
Owners of the Company	143.3	143.4	(0.1%)	280.0	287.1	(2.4%)
Non-Controlling Interests				3.2	2.0	+56.0%

Return on Equity²

16.6% 18.9%

Total fleet and selected balance sheet figures

in EUR million, except stated otherwise	30.06.2018 ¹	31.12.2017 ¹	Change in % H1 '18/ FY '17		30.06.2017	Change in % H1 '18/H1 '17
Total Fleet (in '000 of vehicles)	1,587	1,511	+5.0%		1,441	+10.1%
Total Assets	22,369	21,222	+5.4%		19,428	+15.1%
Earning Assets	18,026	16,930	+6.5%		15,543	+16.0%
Total Equity	3,420	3,398	+0.6%		3,130	+9.3%
Financial Debt³	16,118	15,130	+6.5%		13,648	+18.1%
<i>Total Equity on Total Assets</i>	<i>15.3%</i>	<i>16.0%</i>			<i>16.1%</i>	

¹ ALD's Q2 & H1 18 results have been subject to a limited review by ALD's Statutory Auditors.

² Annualized ratio: in the numerator half-year figure multiplied by 2 divided by the arithmetic average of Earning Assets or Equity attributable to owners of the parent at the beginning and end of the period

³ Financial Debt: defined as Borrowings from Financial institutions, Bonds and Notes issued