



FIRST QUARTER 2018 RESULTS

04 MAY 2018





This presentation 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 ending 31<sup>st</sup> March 2018 was reviewed by the Board of Directors on 2 May 2018 and has been prepared in accordance with IFRS as adopted in the European Union and applicable at this date.



## Continued strong fleet growth in first quarter

- Total Fleet 1.54 m vehicles at end March 2018, up 9.3% vs. twelve months earlier
- Strong growth in Leasing Contract and Services Margins, together up 6.6% vs. Q1 17
- Car Sales Result at EUR 29.6 million. Car Sales Result per unit at EUR 417, down from EUR 469 in previous quarter
- Gross Operating Income at EUR 328.7 million in Q1 18, stable vs. Q1 17
- Operating expenses at EUR 152.2m, up 5.3% vs. Q1 17
- Net Income (Group Share) at EUR 136.7m in Q1 18, down 4.8% vs. Q1 17

**Full year 2018 guidance confirmed**

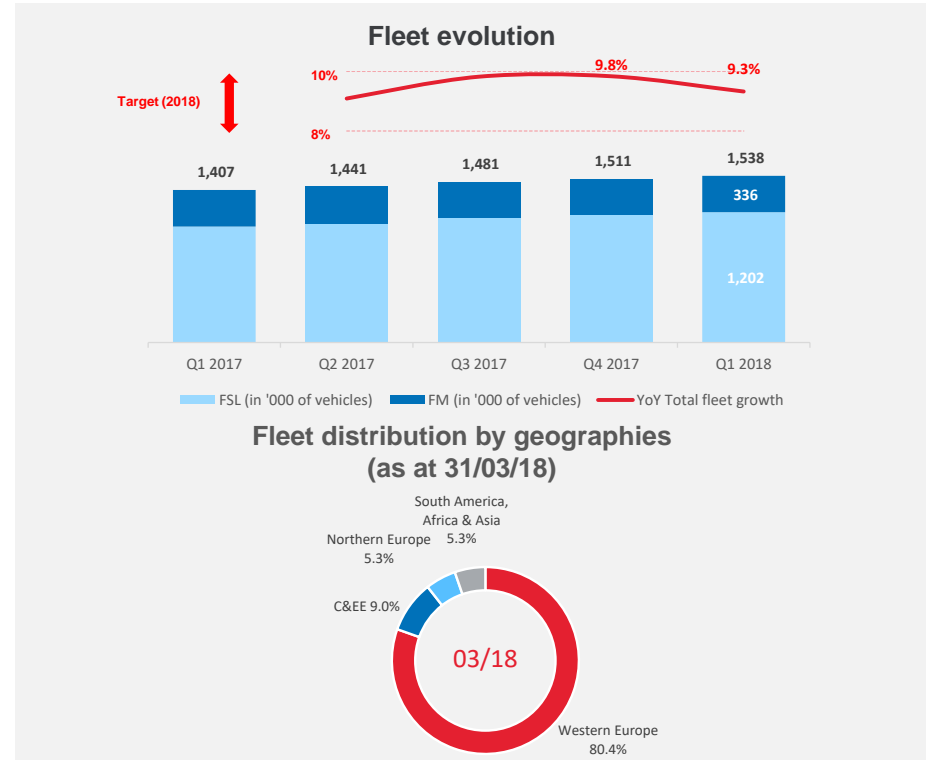
# CONTINUED STRONG FLEET GROWTH



## Total fleet at 1.54 million vehicles

- Total fleet up 9.3% vs. end March 2017, up 1.8% vs. end 2017
- Record order bank reflecting
  - ✓ strong demand
  - ✓ lengthening delays in delivery of vehicles, (changing preferences, shift in powertrains)
- All growth organic, powered by partnerships
- Private lease fleet at 84K vehicles, up 7.8% on the quarter

**2018 total fleet growth target of 8-10% vs. 2017**



# FINANCIAL RESULTS

FIRST QUARTER 2018



In EUR million	Q1-2018	Q1-2017	Var. Q1 '18 / '17
<b>Total fleet <sup>(1)</sup> ('000 vehicles)</b>	<b>1,538</b>	<b>1,407</b>	<b>+9.3%</b>
Leasing contract margin	146.9	128.8 <sup>(3)</sup>	+14.1%
Services margin	152.2	151.8 <sup>(4)</sup>	+0.3%
Car sales result	29.6	47.8	(38.1%)
<b>Gross Operating Income</b>	<b>328.7</b>	<b>328.4</b>	<b>+0.1%</b>
Total operating expenses	(152.2)	(144.5)	+5.3%
<i>Cost / Income ratio excl. CSR</i>	<i>50.9%</i>	<i>51.5%</i>	
Cost of risk <sup>(2)</sup>	(6.4)	(5.3)	+20.7%
<b>Operating result</b>	<b>170.2</b>	<b>178.5</b>	<b>(4.7%)</b>
Share of profit of associates and jointly controlled entities	0.3	0.5	(34.3%)
<b>Profit before tax</b>	<b>170.5</b>	<b>179.0</b>	<b>(4.7%)</b>
Income tax expense	(32.0)	(34.2)	(6.5%)
<b>Net Income group share</b>	<b>136.7</b>	<b>143.6</b>	<b>(4.8%)</b>

## KEY COMMENTS

- Gross Operating Income: EUR 328.7m, stable vs. Q1 17
- Leasing Contract Margin rose 6.0%<sup>(3)</sup>, Services Margin 7.2%<sup>(4)</sup>, when adjusted for one off items booked in Q1 17
- Car Sales Results was EUR 29.6m, a 9.0% share of Gross Operating Income
- Total Operating Expenses rose 5.3 % vs. Q1 17
- Impairment charges remained controlled at EUR 6.4m
- Net Income (Group share) at EUR 136.7m in Q1 2018

**Leasing Contract & Service margins to grow in line with fleet  
Cost/Income excl. CSR to improve to 50% in 2018**

Notes:

(1) On and off balance sheet

(2) Impairment charge on receivables

(3) Including a one off negative impact of EUR 9.8 million related to the unwinding of the Group's equity swaps in Q1 17

(4) Including a one off positive impact of EUR 9.8 million related to the release of the provision made in respect of anti-trust proceedings in Italy in Q1 17

# FOCUS: CAR SALES RESULT

FIRST QUARTER 2018



## Per unit margin trend in line with expectations

- Car Sales Result at EUR 29.6m, down EUR 3.0m vs. EUR 32.6m in Q4 17 (and down EUR 18.2m vs. Q1 17)
- Volume of used cars sold<sup>(1)</sup> c. 71K in Q1 18, up vs. 69K in Q4 17 (and 64K in Q1 17)
- Average Car Sales Result per unit<sup>(1)</sup> resilient at EUR 417 in Q1 18, down 11.1% from EUR 469 in Q4 17
- > 50% of vehicles coming off lease during Q1 18 were sold within 30 days, in line with preceding years

**2018 guidance on Car Sales Result per unit confirmed at between EUR 200 and 400**



# RESIDUAL VALUE MANAGEMENT



## ALD residual value risk is mitigated by several structural factors

- Robust residual value risk management framework
- Prudential accounting approach providing for additional depreciation in case of valuation gaps or identified risks
- Strong fleet diversification across brands
- Fundamentally favorable supply / demand situation
- Vehicle Lifetime Management
  - ✓ leasing contracts extension
  - ✓ second lease
  - ✓ flexible leasing
- Development of digital used car sales & leasing to individuals

## ROBUST RESIDUAL VALUE RISK MANAGEMENT FRAMEWORK

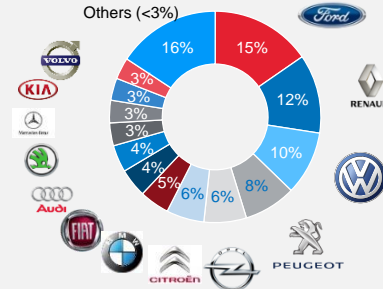
### Setting of Residual Value (RV) is done locally

based on external data and local knowledge of car resale market

- ALD's central team monitors and supervises RV settings
- ALD performs **bi-annual comprehensive review** of all RV
- **Monthly central reporting of** used car sales by country, brand, model used by ALD management

## STRONG FLEET DIVERSIFICATION ACROSS BRANDS<sup>(1)</sup>

(in # of vehicles on balance-sheet as of 31/12/2017)



<sup>(1)</sup> Management Information



## Optimal multi channel approach

- ALD believes in a multi-channel approach to the sale of almost 300K used cars<sup>(1)</sup> coming off lease in 2018 (vs. 259K in 2017), of which 270K in Europe
- In terms of time to market, low cost and good prices, ALD has leveraged its own digital platform for B to B sales across 32 countries (accounting for > 50% of sales in 2017)
- Approximately 20% of B to B sales are exported
- In addition: ALD provides used vehicle remarketing services to third parties, including manufacturer partners in France & Netherlands under a white label agreement
- The remainder is sold to private customers (B to C)

## A growing focus on B to C sales

Sales processes to private customers specifically tailored to each market

- ✓ Via 50 branded used car outlets
- ✓ Across 17 countries, focusing on markets where there is a significant premium in retail sales
- ✓ “Bricks and Clicks” fully digital remarketing solution being rolled out progressively
- ✓ Digital tools to incorporate second lease offering



# 2018 GUIDANCE



2018 targets	
<b>Total Fleet</b>	<ul style="list-style-type: none"><li>■ Growth of 8 to 10% versus 2017</li></ul>
<b>Gross Operating Income (GOI)</b>	<ul style="list-style-type: none"><li>■ Leasing Contract &amp; Services Margins to grow in line with Total Fleet</li><li>■ Car Sales Result (CSR) to be between EUR 200 and EUR 400 per vehicle in 2018, on average</li><li>■ Cost/Income (excl. CSR) ratio to improve to 50%</li></ul>
<b>Capital and Dividend Policy</b>	<ul style="list-style-type: none"><li>■ Total Equity / Total Assets ratio between 15% and 17%</li><li>■ Pay-out ratio between 40% and 50%</li></ul>



# APPENDIX

# QUARTERLY SERIES



(in EUR million) <sup>1</sup>	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018
Leasing Contract Margin	128.8	143.2	148.9	153.6	146.9
Services Margin	151.8	145.8	143.7	151.8	152.2
Car Sales Result	47.8	44.9	40.0	32.6	29.6
<b>Gross Operating Income</b>	<b>328.4</b>	<b>333.9</b>	<b>332.5</b>	<b>338.0</b>	<b>328.7</b>
Total Operating Expenses	(144.5)	(148.4)	(148.0)	(157.1)	(152.2)
Impairment Charges on Receivables	(5.3)	(4.8)	(5.7)	(6.6)	(6.4)
<b>Profit Before Tax</b>	<b>179.0</b>	<b>181.0</b>	<b>179.2</b>	<b>174.4</b>	<b>170.5</b>
<b>Net Income (Group share)</b>	<b>143.6</b>	<b>143.4</b>	<b>141.4</b>	<b>139.2</b>	<b>136.7</b>

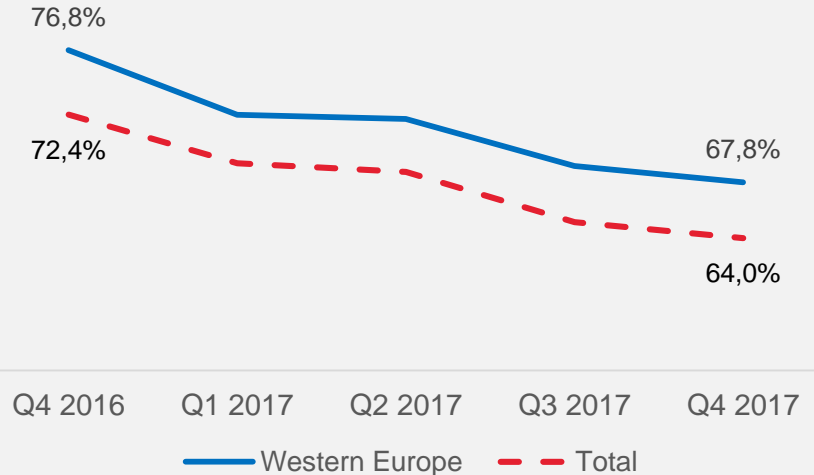
(in '000 of vehicles)	31.03.2017	30.06.2017	30.09.2017	31.12.2017	31.03.2018
<b>Total Fleet</b>	<b>1,407</b>	<b>1,441</b>	<b>1,481</b>	<b>1,511</b>	<b>1,538</b>



## Accelerating shift away from Diesel

- ALD moving towards more balanced fleet mix
  - ✓ Driving RV on diesel down / petrol up, esp. for lower mileages
  - ✓ Proactively advising clients on Car Policy modification
  - ✓ TCO calculation tools embarking life time maintenance & fuel cost and tax to identify mileage “tipping points”
  - ✓ Targeting drivers based on usage profiles
  - ✓ Identifying pilot corporate customers willing to “go green”
  - ✓ Alternative powertrain promotion with OEM partners
  - ✓ Developing private lease (lower mileage)
- 
- ALD’s diesel fleet is already majority ‘Euro 6’
  - ✓ All remaining ‘Euro 5’ diesel passenger cars in fleet will be sold<sup>(1)</sup> in 2018 (c. 130K) and 2019 (c. 55K vehicles)

Evolution of Diesel share of deliveries (ALD)

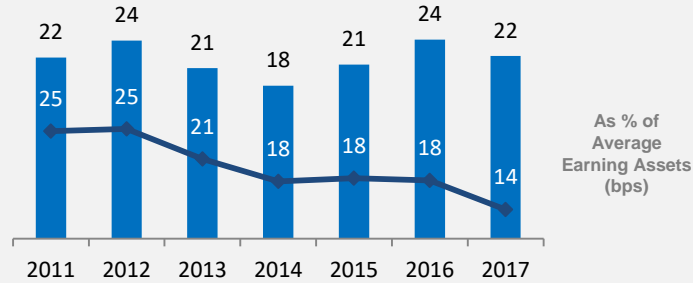


NB : Diesel share calculated in % of deliveries of Passenger cars (ALD on balance sheet fleet)  
Source: Management Data.

# COST OF RISK<sup>(1)</sup>: STRONG CREDIT QUALITY WITH LOW CREDIT LOSSES

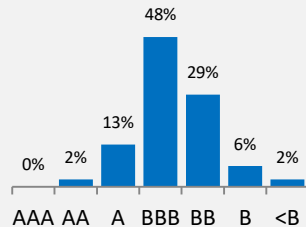


Evolution of cost of risk<sup>(1)</sup> in EUR million  
(bar chart)

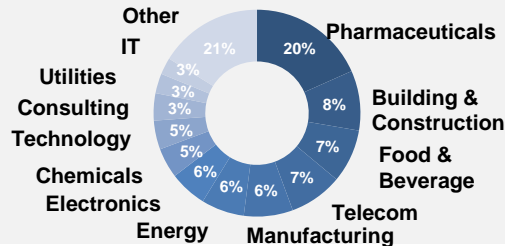


Breakdown of end-markets and clients

2017 Exposures by rating<sup>(2)</sup>



2017 Industry segmentation of Top 100 customers



## KEY COMMENTS

- Structurally low cost of risk<sup>(1)</sup>
- ✓ ALD retains vehicle ownership during life of contracts
- ✓ ALD applies strict and selective risk underwriting with clear risk appetite guidance
- ✓ Median customer rating of BBB
- Increasing exposure to private individuals expected to lead to moderate rise in cost of risk
- Strong diversification by industry and geography
- Low client concentration
- ✓ Top 10 key international accounts<sup>(3)</sup> represent 6.7% of fleet
- ✓ Top 20 key international accounts<sup>(3)</sup> represent 10.2% of fleet
- ✓ Only 4 key international accounts<sup>(3)</sup> have fleet of >10,000 cars

# BALANCE SHEET



In EUR million	Dec 17	Dec 16	Change in % Dec '17/'16
Earning assets	16,930	14,588	+16.1%
Long term invt. – Equity Reinvestment	831	980	(15.3%)
Cash & Cash equivalent	195	165	+18.2%
Intangibles (incl. goodwill)	563	453	+24.2%
Other	2,704	2,323	+16.4%
<b>Total Assets</b>	<b>21,222</b>	<b>18,509</b>	<b>+14.7%</b>
Shareholders' equity	3,364	2,978	+13.0%
Minority interest	34	35	(3.1%)
Financial debt	15,130	12,867	+17.6%
Other liabilities	2,694	2,629	+2.5%
<b>Total liabilities and equity</b>	<b>21,222</b>	<b>18,509</b>	<b>+14.7%</b>

## KEY COMMENTS

- Earning Assets up 16.1% in 2017 underpinned by strong fleet growth
- Equity reinvestments in long-term amortising deposits with Societe Generale in run-off phase
- Shareholders' equity bolstered by retained 2017 earnings
- Financial debt growing to support Fleet growth

**Total Equity / Total Assets ratio at 16.0% at end 2017**

# FUNDING

## STABLE FUNDING MIX



### Funding requirement rising with fleet

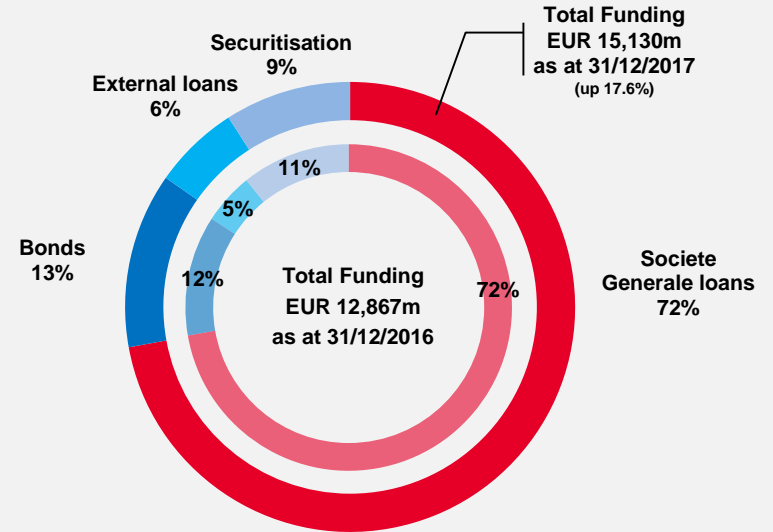
- As a corporate affiliated to a bank, ALD has no regulatory liquidity requirements
- Societe Generale commitment to remain as the main provider of funding (end 2017: share of funding 72%)
- Remainder of ALD's funding obtained externally, via
  - Securitization (Germany, Belgium, Netherlands, UK)
  - EMTN Bond program
- Recent bond issuance:
  - ✓ 7/2017: EUR 600m 5-yr senior + EUR 200m 2-yr private bond
  - ✓ 11/2017: EUR 600m 3-yr senior debt
  - ✓ 2/2018: EUR 800m 3-yr senior debt

Overall funding mix to remain broadly unchanged

ALD is rated BBB/A-2 by S&P with positive outlook



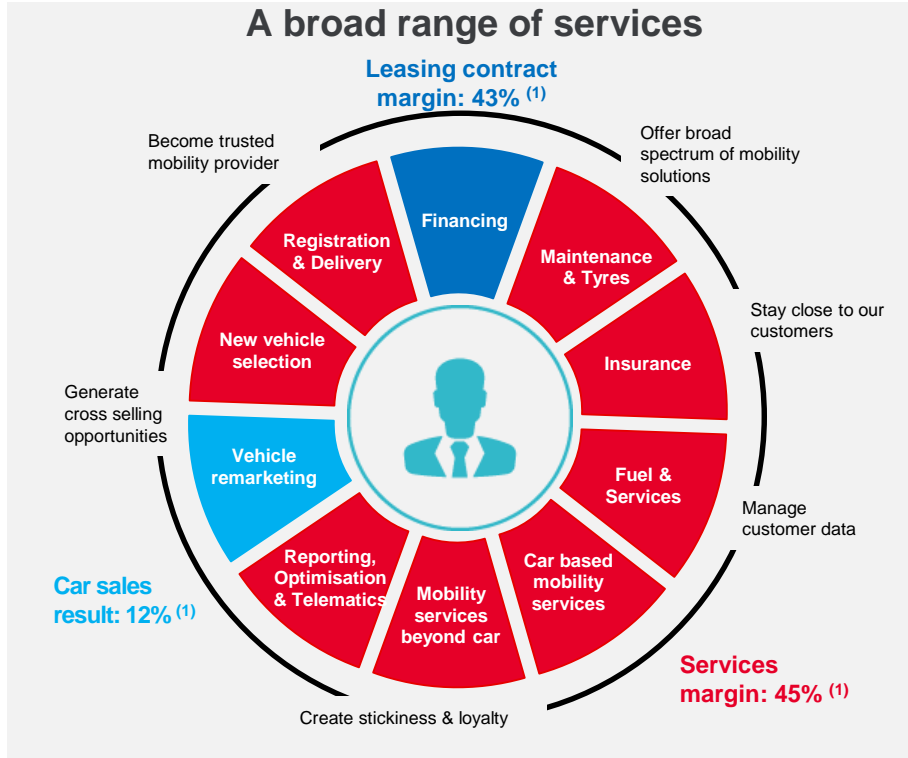
### Funding structure<sup>(1)</sup>



Note:  
(1) Inner circle : funding structure as at 31/12/2016.  
Outer circle : funding structure as at 31/12/2017.

# ALD: A CUSTOMER CENTRIC ECOSYSTEM

## FOR MOBILITY SOLUTIONS



### Benefits for clients

**Greater flexibility and focus  
on core business**



**Cost reduction**



**Balance sheet optimization**



**Process simplification  
(reporting, transparency etc.)**



**Benefits from digital services**

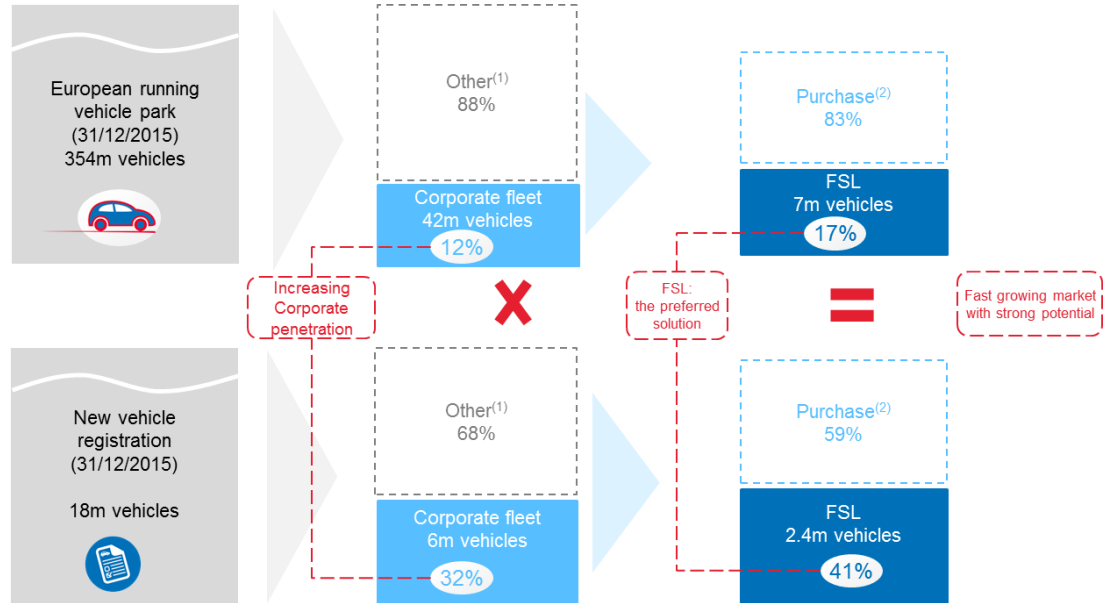




# CONTINUING OUTSOURCING TREND

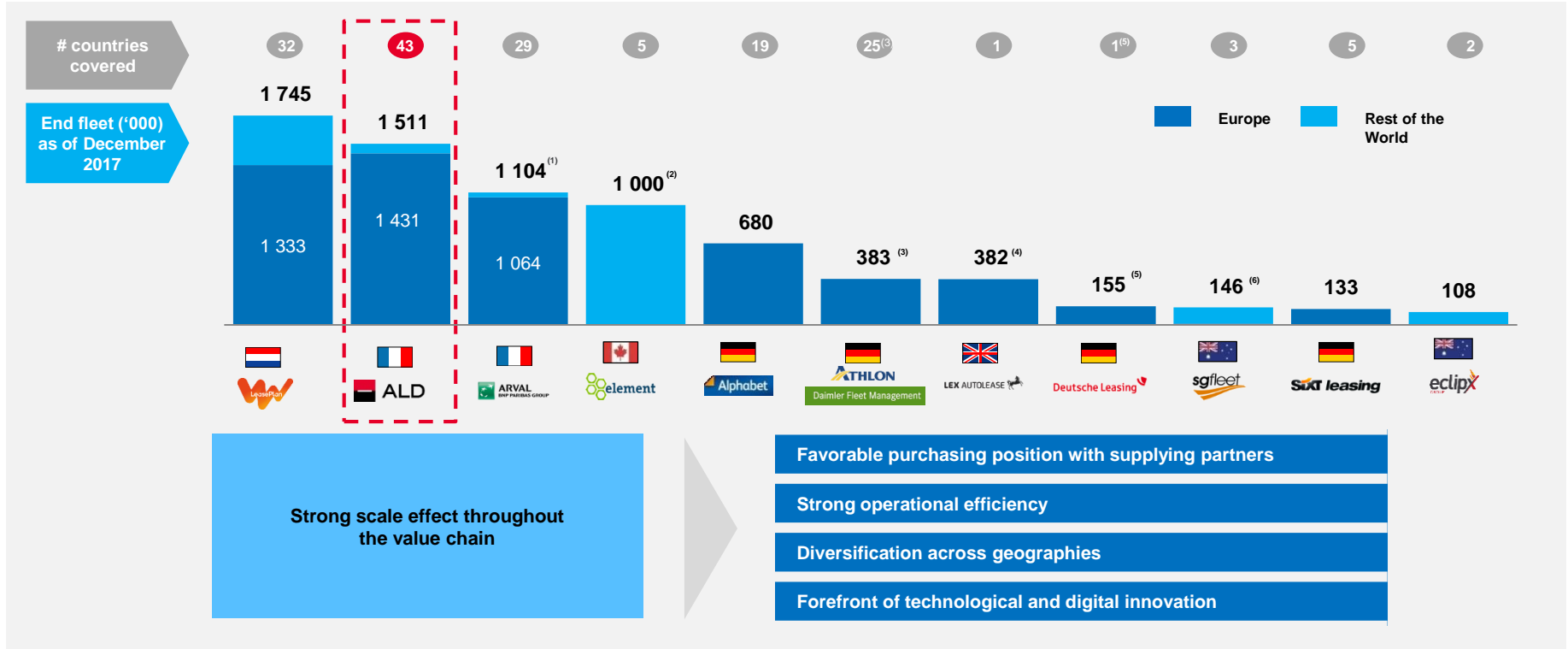
## KEY TRENDS

- Corporate fleet growing faster than other segments
- Corporates increasingly prefer FSL to other solutions



Fast growing market with strong potential

# ALD: A LEADER IN FULL SERVICE LEASING



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



# A GLOBAL FOOTPRINT AND LEADING POSITION

## TOP 3 POSITIONS IN 27 COUNTRIES



Breakdown of vehicles, market share and ranking by country – FSL & FM (ALD fleet data at end 2017)

Western Europe				CEE			
	Fleet	Market share	Ranking		Fleet	Market share	Ranking
France	494,743	28%	1	Cz. Rep.	20,584	11%*	5*
Germany	154,785	5%	5	Russia <sup>(3)</sup>	18,260	40%*(4)	1*(4)
Italy	177,207	22% <sup>(1)</sup>	1 <sup>(1)</sup>	Hungary	16,642	25%	1
U.K.	137,983	7%*(5)	5*(5)	Turkey	16,077	5%	10
Spain	97,894	18% <sup>(5)</sup>	2 <sup>(5)</sup>	Poland	13,001	9% <sup>(6)</sup>	6 <sup>(6)</sup>
Belgium	70,494	15%	1	Romania	9,229	13%	3
Netherlands	43,396	4%	7	Austria	7,329	7%	5
Portugal	17,661	15%	1	Ukraine	4,630	54%	1
Luxembourg	12,629	34% <sup>(6)</sup>	1 <sup>(6)</sup>	Switzerland	4,363	6%	6
Ireland	6,564	19%	2	Croatia	4,040	24%	1
<b>Total</b>	<b>1,213,356</b>	<b>(80% total fleet)</b>		Bulgaria	4,200	26%	1
				Slovakia	4,069	11%	3
				Greece	3,819 <sup>(5)</sup>	4,3% <sup>(5)</sup>	5 <sup>(5)</sup>
				Serbia	2,874	25%	2
				Lithuania	2,182	42% <sup>(6)</sup>	1 <sup>(6)</sup>
				Slovenia	2,065	35%	2
				Estonia	1,528	27% <sup>(6)</sup>	1 <sup>(6)</sup>
				Latvia	1,610	44% <sup>(6)</sup>	1 <sup>(6)</sup>
				<b>Total</b>	<b>137,502</b>	<b>(9% total fleet)</b>	

South America, Africa & Asia			
	Fleet	Market share	Ranking
Mexico	23,731	9%	1
Brazil	23,991	5%	3
India	11,400	30% <sup>(6)</sup>	2 <sup>(6)</sup>
Morocco	10,207	26%	1
Algeria	3,943	31%	1
China	3,408	8% <sup>(6)</sup>	8 <sup>(6)</sup>
Chile	2,337	4%	6
Peru	528	NM	NM
Colombia	65	NM	NM
<b>Total</b>	<b>79,610</b>	<b>(5% total fleet)</b>	

Northern Europe			
	Fleet	Market share	Ranking
Sweden	25,575	32% <sup>(2)</sup>	1
Finland	22,041	32%	1
Denmark	21,242	9%*	3*
Norway	11,579	14% <sup>(6)</sup>	3 <sup>(6)</sup>
<b>Total</b>	<b>80,437</b>	<b>(6% total fleet)</b>	

Source: Company information and local industry associations/publications

- (1) In terms of new registrations
- (2) Among players with more than 1,000 vehicles
- (3) Including Kazakhstan and Belarus
- (4) Russia only

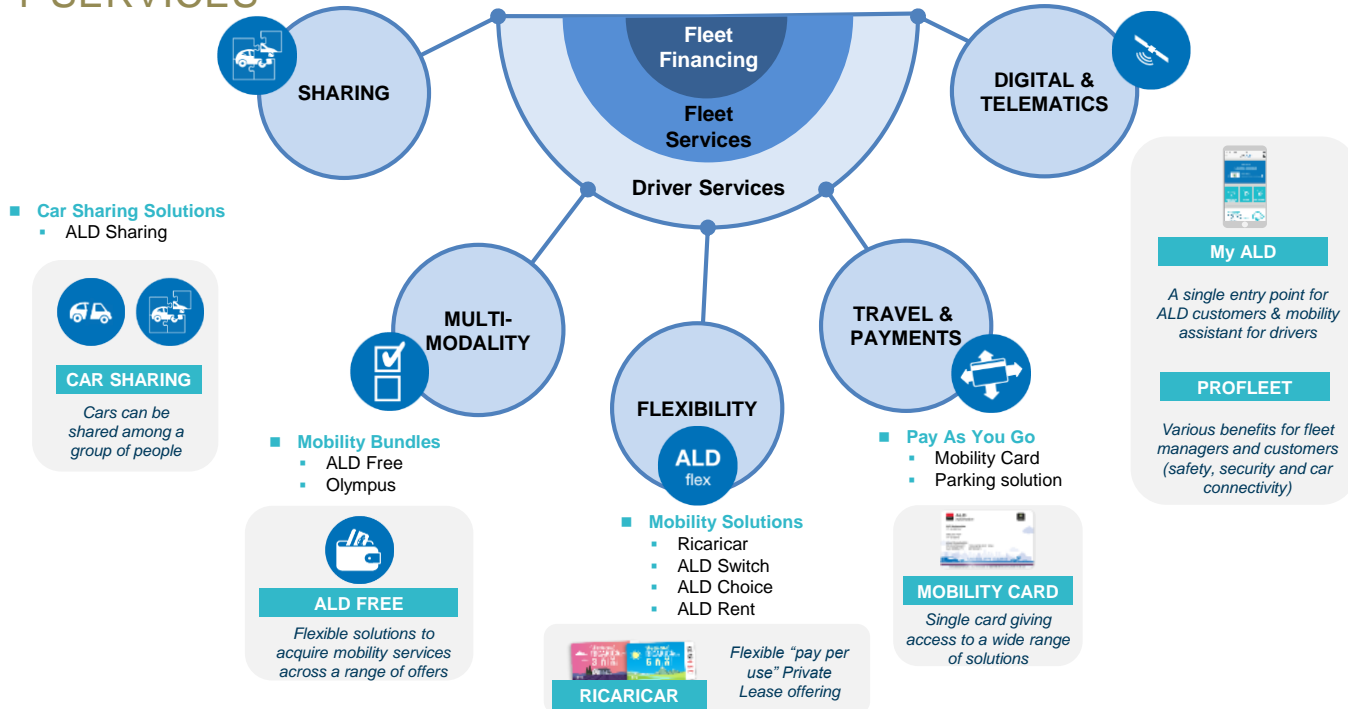
(5) As of 31/12/2016

(6) As of 31/12/2015

\* Full Service Leasing only

# ALD IS AT THE FOREFRONT OF INNOVATION

## IN MOBILITY SERVICES



- ALD is positioned in every aspect of mobility and has developed differentiating innovation capabilities
- Innovation to generate improved driver experience or/and fleet management efficiencies
- In-house development or Start up partnerships for innovative IT Solutions

# EXPERIENCED INTERNATIONAL MANAGEMENT TEAM



## Experienced and dynamic executive management team



**Mike MASTERSON**  
CEO  
since 2011



30 years of sector experience



**Tim ALBERTSEN**  
Deputy CEO  
since 2011



26 years of sector experience



**Gilles BELLEMERE**  
Deputy CEO  
since 2017



13 years of sector experience



**Gilles MOMPER**  
Group CFO  
since 2012



23 years of professional experience



**John SAFFRETT**  
COO  
since 2015



12 years of sector experience

## Efficient hub organisation

Executive management vision disseminated through empowered local management

Decentralized operational organisation managed through the Operating Board with the 7 largest countries & 7 regional hubs

Synergistic organisation with a large scope of shared functions / services (e.g. IT, Finance, Purchasing, HR, etc.)

## Strong track record of successful acquisitions and integrations



(1) Includes ~25,000 BBVA (Autorenting) vehicles switched to FSL previously under FM  
(2) As of Dec-2015 in Group's total end fleet

# ALD SUCCESSFULLY LISTED ON EURONEXT PARIS



ALD's shares commenced trading on 16 June 2017

Implied total valuation of ALD EUR 5.78 billion at launch

Controlling Shareholder Societe Generale: 79.82%

Free Float: 20.18%

**ALD**  
LISTED  
EURONEXT

1

Societe Generale will remain the controlling shareholder of ALD

2

ALD has historically operated as a quasi-autonomous entity within the Societe Generale group

3

Societe Generale will continue to be a source of funding to support ALD's existing capability to fund externally

4

Societe Generale and ALD benefit from cross-selling opportunities and commercial synergies (SMEs, distribution network, etc.)

5

ALD benefits from arm's length services provided by Societe Generale's corporate departments (IT infrastructure, Legal, Tax, Credit & Operational risks, Inspection and Audit)

# HIGH QUALITY OF SERVICES RECOGNISED THROUGH NUMEROUS AWARDS



## CORPORATE & SOCIAL RESPONSIBILITY



**CROATIA**  
Gold CSR Certificate - June 2017  
EcoVadis

**FRANCE**  
Gold Label - November 2017  
EcoVadis Assessment



## PRODUCTS & SERVICES

**GERMANY**  
Innovation Award IT 2017 - March 2017  
Apps - Initiative Mittelstand

**LUXEMBOURG**  
Mobility Innovation Award - June 2017  
Fleet Award - Automotion



## MEDIA

**LITHUANIA**  
Gazelė 2016 - September 2017  
The fastest growing and reliable SME segment company -  
Business newspaper Verslo Žinios

**UK**  
Fleet Hero Awards 2017 - November 2017  
Energy Saving Trust Fleet Hero Awards

## 2017 A YEAR FULL OF REWARDS

Thank you!



## BEST LEASING COMPANY



### NETHERLANDS

Best Leasing Company - December 2017  
Customer Service by Drivers - VZR

### ROMANIA

Excellence Award in Operational Leasing - May 2017  
Operational Leasing - FINMEDIA

### SPAIN

Best Leasing Company -  
Hall of Fame for our Trajectory in these 25 Years - November 2017  
Hall of Fame - AEGFA (Automotive Fleet Managers Spanish Association)

## CLIENT SATISFACTION



### FRANCE

Best Customer Service of the Year 2018 - October 2017  
Client Satisfaction - Renting by its customer service - VISEO

### ITALY

Certification UNI EN Customers Satisfaction &  
Problem Solving in the Best and Quickest Way - July 2017  
Customer Care - DNV- GL

### LUXEMBOURG

Customer Experience Award - June 2017  
Fleet Award - Automotion

### MOROCCO

Best Customer Service - 2018  
Customer Service - Customer Service Barometer Morocco

Note: Data as of 31/12/2016