

Press release

Paris, 5 November 2020

QUARTERLY FINANCIAL INFORMATION ALD reports third quarter and nine months 2020 results

- **STRONG PERFORMANCE OF REMARKETING: USED CAR SALES RESULT PER UNIT AT EUR 333 ON AVERAGE IN Q3 2020**
- **UPDATED 2020 GUIDANCE: USED CAR SALES RESULT PER UNIT TO AVERAGE EUR -50 TO EUR 150**
- **TOTAL FLEET: 1.76 MILLION VEHICLES, UP 1.6% VS. END SEPTEMBER 2019**
- **LEASING CONTRACT AND SERVICES MARGINS RISING IN LINE WITH FLEET GROWTH WHEN ADJUSTED FOR IMPACT OF FLEET REVALUATION**
- **EUR 4.8 MILLION DECREASE IN OVERHEADS IN Q3 2020 VS. Q3 2019 DEMONSTRATING ABILITY TO CONTROL COSTS**
- **NET INCOME (GROUP SHARE) AT EUR 140.6 MILLION IN Q3 2020, AND EUR 347.5 MILLION IN 9M 2020**

Q3 & 9M 2020 Results highlights

- ✓ **Leasing Contract and Services Margins** at EUR 310.1 million in Q3 2020, and EUR 926.0 million in 9M 2020
- ✓ **Used Car Sales result** positive at EUR 29.7 million in Q3 2020, and EUR 18.0 million in 9M 2020
- ✓ **Cost of Risk** at EUR 11.8 million in Q3 2020, with unchanged forward-looking provisions, and EUR 59.3 million in 9M 2020

2020 Updated Guidance

- ✓ Total Fleet growth (organic) close to 0% versus 2019, plus bolt-on acquisitions as opportunities arise
- ✓ Updated guidance on Used Car Sales result per vehicle to average EUR -50 to EUR 150, from EUR -250 to EUR 0
- ✓ Cost/Income (excluding Used Car Sales result) ratio between 50% and 51%

On 5 November 2020, Tim Albertsen, ALD CEO, commenting on the 9M 2020 Group Results, stated:

“Q3 2020 saw the used car markets recovering fast after lockdown measures were softened in Europe. In this context ALD has once again demonstrated its agility by seizing market opportunities where possible, reflected in the strong performance of our remarketing activity this quarter. Flexible offers continue to gain traction as well as used car lease. Our operating and financial performance in 9M was strong despite inclusion of several provisions recorded to reflect potential upcoming risks. Careful attention to costs remains a focus area for ALD, as illustrated by the important cost savings achieved once again this quarter. We are looking forward to presenting our business strategy in further details on our Capital Markets Day to be held on November 12th.”

Strong performance underpinned by used car sales recovery

Total Fleet reached 1.76 million vehicles at the end of September 2020, up 1.6% vs. end of September 2019. Organic fleet growth (adjusting for the impact of the disposal of ALD Fortune Auto Leasing & Renting in China) over the same period stood at 1.7%. Funded fleet reached 1.37 million vehicles, up 0.3% over the same period.

Leasing Contract Margin reached EUR 151.7 million and Services Margin EUR 158.3 million in Q3 2020, down 9.5% and 0.3% respectively vs. Q3 2019. Taken together they decreased by EUR 16.3 million vs. Q3 2019. When adjusted for the impact of fleet revaluation, Leasing Contract and Services Margins rose in line with fleet growth. The excess depreciation in Q3 reflects unchanged assumptions from the H1 Fleet Revaluation.

The contribution to Gross Operating Income from Used Car Sales result reached EUR 29.7 million in Q3 2020, up from EUR 21.1 million in Q3 2019.

Average sales margin on used vehicles¹ for the quarter came in at EUR 333 per unit. 9M 2020 average was EUR 84 per unit. The number of used cars sold¹ in Q3 2020 was 89K, up from 74K in Q3 2019,

¹ Management information

thanks to the efficiency of ALD's digital remarketing platforms, combined with a strong recovery of the used car market. Stock levels have decreased over the quarter.

Operating Expenses decreased by EUR 4.8 million in Q3 2020, reaching EUR 154.1 million, demonstrating ALD's strong ability to control costs in difficult times. This decrease reached EUR 8.2 million in 9M 2020 when compared to 9M 2019, a significant achievement. Cost/income ratio (excl. UCS result) reached 49.7% over the quarter and 50.5% over the first 9 months of 2020, compared to 48.7% in Q3 2019 and 49.3% in 9M 2019.

Impairment charges on receivables reached EUR 11.8 million, rising by EUR 1.1 million from the EUR 10.6 million recorded in Q3 2019. IFRS 9 forward looking provisions were unchanged vs. June. The total for 9M 2020 reached EUR 59.3 million vs. 32.4 million in 9M 2019.

As a result, ALD Net Income (Group Share) reached EUR 140.6 million in Q3 2020, down from EUR 146.1 million in Q3 2019, and EUR 347.5 million in 9M 2020, down from EUR 426.8 million in 9M 2019.

2020 Agenda

12 November 2020 Capital Markets Day

10 February 2021 Q4 and FY 2020 results

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About

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 6 700 employees around the globe, ALD manages 1.76 million vehicles (at end-September 2020).

ALD is listed on Compartment A of Euronext Paris (ISIN: FR0013258662; Ticker: ALD) and is included in the SBF120 index. Société Générale is ALD's majority shareholder.

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 nine months ending 30 September 2020 was reviewed by the Company's Board of Directors on 4 November 2020 and has been prepared in accordance with IFRS as adopted in the European Union and applicable at this date.

Appendix

Consolidated income statement

in EUR million	Q3 2020	Q3 2019	Var % Q3 '20/ '19	9M 2020	9M 2019	Var % 9M '20/ '19
Leasing Contract Revenues				3,327.6	3,350.0	(0.7%)
Leasing Contract Costs - Depreciation				(2,735.2)	(2,650.3)	+3.2%
Leasing Contract Costs - Financing				(144.5)	(215.3)	(32.9%)
Unrealised Gains/Losses on Financial Instruments				(0.6)	13.5	(104.8%)
Leasing Contract Margin	151.7	167.6	-9.5%	447.2	497.9	(10.2%)
Services Revenues				1,591.3	1,599.5	(0.5%)
Cost of Services Revenues				(1,112.6)	(1,133.1)	(1.8%)
Services Margin	158.3	158.7	-0.3%	478.8	466.4	+2.7%
Leasing Contract and Services Margins	310.1	326.3	-5.0%	926.0	964.3	(4.0%)
Proceeds of Cars Sold				2,365.1	2,266.6	+4.3%
Cost of Cars Sold				(2,347.1)	(2,202.1)	+6.6%
Used Car Sales result	29.7	21.1	40.5%	18.0	64.5	(72.1%)
GROSS OPERATING INCOME	339.7	347.4	-2.2%	944.0	1,028.8	(8.2%)
Staff Expenses				(304.7)	(304.8)	(0.0%)
General and Administrative Expenses				(120.3)	(130.2)	(7.6%)
Depreciation and Amortisation				(42.4)	(40.6)	+4.5%
Total Operating Expenses	(154.1)	(158.9)	-3.0%	(467.4)	(475.6)	(1.7%)
<i>Cost/Income ratio (excl UCS result)</i>	<i>49.7%</i>	<i>48.7%</i>		<i>50.5%</i>	<i>49.3%</i>	
Impairment Charges on Receivables	(11.8)	(10.6)	10.5%	(59.3)	(32.4)	+83.1%
OPERATING RESULT	173.9	177.9	-2.3%	417.2	520.7	(100.0%)
Share of Profit of Associates and Jointly Controlled Entities	0.7	0.5	47.0%	1.4	1.4	(19.9%)
Profit Before Tax	174.6	178.4	-2.1%	418.7	522.1	+5.0%
Income Tax Expense	(32.2)	(31.1)	3.6%	(76.8)	(90.8)	(19.8%)
Result from discontinued operations	0.0	0.0		10.0	0.0	(15.5%)
Profit for the Period	142.4	147.3	-3.3%	351.9	431.2	
Net Income (Group share)	140.6	146.1	-3.8%	347.5	426.8	(18.4%)
Non-Controlling Interests	1.7	1.2	49.4%	4.4	4.4	(18.6%)