

Press release

Paris, 5 May 2022

Trading update on Q1 2022 results

- **NET INCOME (GROUP SHARE):** EUR 255.3 MILLION, UP 64.2% VS Q1 2021
- **STRONG OPERATING PERFORMANCE IN A DISRUPTED ENVIRONMENT: FUNDED FLEET AT 1.44 MILLION, UP 4.8% VS END MARCH 2021**
- **RECORD USED CAR SALES RESULT PER UNIT¹:** EUR 3,101 VS EUR 439 IN Q1 2021
- **GUIDANCE ON 2022 AVERAGE USED CAR SALES RESULT PER UNIT REVISED UPWARDS TO ABOVE EUR 2,000**
- **FRAMEWORK AGREEMENT FOR THE ACQUISITION OF LEASEPLAN SIGNED ON 22 APRIL**

First quarter 2022 results highlights

- ✓ **Total Contracts** 1.737 million contracts managed worldwide at end March 2022
- ✓ **Funded fleet** 1.436 million vehicles, up 4.8% vs end March 2021
- ✓ **Leasing Contract and Services Margins** at EUR 329.0 million, up 4.5% vs Q1 2021 when adjusted for a provision in Ukraine (EUR -27.3 million) and the impact of fleet revaluation (EUR +12.5 million)
- ✓ **Used Car Sales result** at EUR 215.2 million, vs EUR 38.2 million in Q1 2021
- ✓ **Cost/Income Ratio** (excl. Used Car Sales Result) at 52.7% when adjusted for the provision in Ukraine vs. 49.9% in Q1 2021, reflecting preparation costs for the integration of LeasePlan
- ✓ **Cost of Risk** at EUR 7.9million, vs EUR 8.7 million in Q1 2021

¹ Management information

- ✓ **Net income (Group share)** at EUR 255.3 million vs EUR 155.5 million in Q1 2021

Outlook for 2022

While the global economy pursued in Q1 2022 its recovery from the pandemic, the macroeconomic environment became more uncertain during the quarter, with continued disruptions in supply chains, rising inflation, increasing fuel prices and interest rates, geopolitical tensions and new lockdowns in China. The shortage of new cars intensified in Europe, propelling used car prices to new highs.

Against this backdrop, ALD saw strong commercial dynamics in Q1 2022, and an exceptionally favourable supply / demand situation in used car markets that is expected to persist in the near term. As a consequence, ALD is adjusting its guidance for 2022 as follows:

- ✓ **Funded fleet** growth between 2% and 4% (unchanged);
- ✓ **Used Car Sales result per vehicle** above EUR 2,000 (from above EUR 1,000) on average in 2022;
- ✓ **Dividend payout ratio** between 50% and 60% (unchanged).

ALD is continuing to prepare for the acquisition of LeasePlan, with a closing planned for end 2022². As a consequence, the company has started incurring related costs in Q1 2022 and will share an estimate of the full year impact for 2022 at the time of the half year results publication.

On 5 May 2022, Tim Albertsen, ALD CEO, commenting on the Q1 2022 Group results, stated: *“ALD recorded an excellent start to the year, with very strong commercial dynamics despite continuing supply constraints. In a more complex environment, once again, ALD demonstrated the relevance of its business model through consistent delivery of high-quality results.*

Over the past months, the economic, geopolitical and health environments have changed dramatically, posing unprecedented challenges to the car leasing industry. Nevertheless, ALD was prompt in adjusting and taking necessary measures and I am confident that ALD, thanks to its

² Cf ALD press release dated 6 January 2022

competitive business edge and the strength of its teams, can successfully navigate through this new environment.

In this regard, the acquisition of LeasePlan will further reinforce ALD's positioning and its resilience through the cycle. I am delighted that on 22 April 2022, ALD reached another major milestone towards creating a leading global player in mobility, with the signing of the framework agreement for the acquisition. The transaction is expected to close by end 2022, subject to customary closing conditions."

Responding to unprecedented challenges

To mitigate the impacts of the changing environment and seize potential opportunities, ALD launched a tactical plan articulated around 4 objectives: i) securing car supplies; ii) maintaining the highest standards of service to customers; iii) preserving its margins and iv) reducing its risks.

With supply chains further disrupted by geopolitical tensions and lockdowns in China, ALD is securing its car supplies by increasing bulk purchases and anticipating orders, leveraging on its strong and long-standing partnerships with OEMs³. In parallel, the company continues to accompany its clients by extending existing contracts and promoting its flexible product offering as an alternative mobility solution in the current car shortage situation (ALD Flex, Used Car Lease).

Taking account of rapidly rising inflation in its main markets, ALD is also revising its pricing parameters more frequently. At the same time, in a context of higher fuel prices, ALD has reinforced customer advisory on more sustainable and innovative products, such as Electric Vehicles or multi-modal mobility, in line with its Move 2025 strategic plan. By maintaining its strict funding policy, i.e. hedging its liquidity, interest rates and foreign exchange rates risk at contract origination, ALD continues to protect its margins. Finally, acknowledging the impact of the uncertain geopolitical environment, ALD announced on 11 April 2022 that it is no longer concluding any new commercial transactions in Russia, Kazakhstan and Belarus.

³ Original equipment manufacturer

Update on the acquisition of LeasePlan

The signing of the framework agreement for the acquisition of LeasePlan on 22 April 2022 followed the completion of the process of information and consultation of the relevant works councils and is a key step, allowing the parties to prepare for the completion of the transaction.

To ensure a successful integration, ALD and LeasePlan have set up an Integration Management Office (IMO), which is working on preparing the combination of the two entities post-closing.

The main next steps leading to closing are the regulatory and antitrust filings. The closing of the transaction is expected by the end of 2022, subject to customary closing conditions⁴.

Excellent Q1 2022 results

Funded fleet⁵ grew by 4.8% compared to end March 2021, to 1,436 thousand vehicles at end March 2022, underpinned by strong organic growth of +2.6% despite continuing supply chain constraints. The share of Electric Vehicles remained at a high level, at 26% of passenger car deliveries in Europe⁶ in Q1 2022. Total contracts stood at 1,737 thousand⁷ at end March 2021.

The order bank edged higher in Q1 2022, due to continued disruptions in supply chains which are causing increased delays in deliveries of new cars and greater anticipation of orders by clients. Supported by solid commercial dynamics, ALD is on track to achieve its guidance of 2% to 4% funded fleet growth in 2022.

Leasing contract and Services margins reached EUR 329.0 million in Q1 2022, stable compared to Q1 2021, but including significant provisions in Ukraine for EUR 27.3 million⁸ in the first quarter of the year. When adjusted for these provisions and the impact of the fleet revaluation (EUR +12.5

⁴ Cf ALD press release dated 6 January 2022

⁵ Including ALD Flex and Used Car Lease

⁶ European Union, UK, Norway, Switzerland

⁷ Down moderately by 22 thousand contracts year-on-year, due to the non renewal in Q3 2021 of c. 90 thousand contracts

⁸ Total assets in Ukraine were EUR 70.6 million at end December 2021

million in Q1 2022 vs. EUR -0.9 million in Q1 2021), Total Margins recorded a dynamic 4.5% increase, with growth in Leasing contract margin supported by the shift to higher-value vehicles.

The contribution from Used Car Sales result reached EUR 215.2 million in Q1 2022 vs EUR 38.2m in Q1 2021. This record result is driven by highly favourable conditions in used car markets, with unprecedented supply shortages generating exceptional profits. Average sales margin on used vehicles⁹ for Q1 2022 came in at EUR 3,101 per unit vs EUR 439 per unit in Q1 2021. Leveraging its efficient remarketing tools, ALD sold 69 thousand units¹⁰ in Q1 2022 vs 87 thousand in Q1 2021. The volume decrease compared to the previous year is explained by an increase in contract extensions and Used Car Leases. The used car stock was at a low level at the end of the quarter.

As a consequence, ALD's Gross Operating Income reached EUR 544.2 million in Q1 2022, up 48.6% vs. Q1 2021.

Operating Expenses reached EUR 187.8 million in Q1 2022 vs. EUR 163.9 million in Q1 2021. The increase is mainly driven by preparation costs for the acquisition of LeasePlan (c. EUR 10 million) and the rise in variable compensation reflecting record Used Car Sales.

As a result, the Cost/Income Ratio (excl. UCS result) was 57.1% in Q1 2022. However, when adjusting for the provision in Ukraine and LeasePlan preparation costs, the Cost/Income Ratio (excl. UCS result) was 49.9%, stable vs Q1 2021.

Impairment charges on receivables came in at EUR 7.9 million, slightly down compared to Q1 2021 despite a EUR 2m charge recorded in Ukraine, reflecting ALD's continued low default rates.

Income tax expense increased to EUR 92.0 million in Q1 2022, up from EUR 36.8 million in Q1 2021, outpacing the rise in profit before tax, as the benefit of the Italian Stability Law is ending.

ALD's Net Income (Group Share) reached EUR 255.3 million in Q1 2022, up 64.2% from EUR 155.5 million in Q1 2021.

⁹ Management information

¹⁰ Management information

In February 2022, ALD further diversified its funding through a EUR 700 million senior unsecured bond issuance, which was largely oversubscribed. This issuance, made at competitive funding conditions, confirmed the market's solid appetite for ALD debt instruments.

Conference call for investors and analysts

Date: 5 May, at 10.00 am Paris time - 9.00 am London time

Speakers: Tim Albertsen, CEO and Gilles Momper, CFO

Connection details:

- Webcast : https://channel.royalcast.com/landingpage/ald/20220505_1/
- Conference call:
 - France : +33 (0) 1 7037 7166
 - UK-Wide : +44 (0) 33 0551 0200
 - USA : +1 212 999 6659
 - Password: ALD

2022 Agenda

- **18 May 2022:** General assembly of shareholders
- **3 August 2022:** Q2 and Half-year 2022 results
- **4 November 2022:** Q3 2022 and 9M 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 7 050 employees around the globe, ALD manages 1.74 million vehicles (at end-March 2022).

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 Universal 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 March 2022 was reviewed by the Company's Board of Directors on 4 May 2022 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	Q1 2022	Q1 2021	Q Var.%
Leasing Contract Margin	168.4	171.6	-1.9%
Services Margin	160.6	156.5	2.6%
Leasing Contract and Services Margins	329.0	328.1	0.3%
Used Car Sales result	215.2	38.2	462.9%
Gross Operating Income	544.2	366.3	48.6%
Total Operating Expenses	(187.8)	(163.9)	14.6%
<i>Cost/Income ratio (excl CSR)</i>	<i>57.1%</i>	<i>49.9%</i>	
Impairment Charges on Receivables	(7.9)	(8.7)	-9.0%
Operating Result	348.5	193.7	79.9%
Share of Profit of Associates and Jointly Controlled Entities	0.9	0.3	156.8%
Profit Before Tax	349.4	194.1	80.0%
Income Tax Expense	(92.0)	(36.8)	149.9%
Profit for the Period	257.4	157.3	63.7%
Non-Controlling Interests	2.2	1.8	20.1%
Net Income Group share	255.3	155.5	64.2%