

# Press release

Paris, 3 August 2023

## HALF-YEARLY FINANCIAL INFORMATION ALD | LeasePlan reports first half 2023 results<sup>1</sup>

- CONSOLIDATION OF LEASEPLAN FROM 22 MAY 2023
- UNDISPUTED LEADERSHIP IN THE MULTINATIONAL SEGMENT: COMMERCIAL FRANCHISE INCREASING FROM MORE THAN 320 CLIENTS TO MORE THAN 550 CLIENTS
- STRONG NET INCOME (GROUP SHARE): EUR 564.5 MILLION<sup>2</sup>
- REDUCTION IN DEPRECIATION COSTS<sup>3</sup> BOOSTING LEASING CONTRACT MARGIN: EUR+315.3 MILLION IN H1 2023 VS. EUR +62.7 MILLION IN H1 2022
- USED CAR SALES RESULT PER UNIT<sup>4</sup> AT A HIGH LEVEL: EUR 2,887<sup>5</sup> BEFORE THE IMPACT OF REDUCTION IN DEPRECIATION COSTS, VS. EUR 3,212 IN H1 2022
- INTEGRATION AND TRANSACTION COSTS IMPACTING OPERATING EXPENSES
- RESULT FROM DISCONTINUED OPERATIONS: EUR -91.3 MILLION RELATED TO THE DISPOSAL OF ALD RUSSIA
- CET 1 RATIO AT 12.5% AS AT END JUNE 2023

<sup>1</sup> The Group's unaudited consolidated results as at 30 June 2023 were examined by the Board of Directors, chaired by Pierre Palmieri, on 1 August 2023. The audit procedures carried out by the Statutory Auditors on the consolidated financial statements are in progress

<sup>2</sup> Before deduction of interest on AT1 capital

<sup>3</sup> Reduction in depreciation costs compared to the contractual costs in relation to vehicles whose sales proceeds are forecast to be in excess of their net book value and for which depreciation has been adjusted or stopped

<sup>4</sup> Management information, on ALD's sales. No profit assumed on LeasePlan's sales pending Price Purchase Allocation exercise

<sup>5</sup> Including the impact of depreciation adjustments from prior quarters, UCS result per unit was EUR 1,974 in H1 2023

## H1 2023 results highlights

- ✓ **Total Contracts** 3.391 million contracts<sup>6</sup> managed worldwide at end June 2023
- ✓ **Funded fleet** 2.667 million vehicles, up 3.0%<sup>7</sup> vs. end June 2022
- ✓ **Leasing Contract and Services Margins** at EUR 1,255.4 million, up 54.6% vs. H1 2022, driven by reduction in depreciation costs and the consolidation of LeasePlan
- ✓ **Used Car Sales result** at EUR 285.4 million, vs. EUR 432.7 million in H1 2022
- ✓ **Operating expenses** at EUR 632.1 million, including LeasePlan-related costs vs. EUR 403.7 million in H1 2022
- ✓ **Cost of Risk**<sup>8</sup> at a low level at 13 bps vs. 16 bps in H1 2022
- ✓ **Result from discontinued operations** of EUR -91.3 million

On 3 August 2023, Tim Albertsen, CEO of ALD | LeasePlan, commenting on the H1 2023 Group results, stated: *“Having finalized the acquisition of LeasePlan last May, our teams are thrilled to embark on this exciting journey and to leverage on our strengths and complementarities to create the leading global sustainable mobility player in an industry where size matters.*

*The integration of LeasePlan is progressing according to plan. A number of key initiatives, led by the industry’s best talent, are well underway. Two months into the integration, we’ve already reached our first objectives. We will continue executing our integration plan at the same rapid pace and I am confident that we will start reaping some benefits very soon.*

*The first results of ALD | LeasePlan as a combined entity are strong and promising, supported by a still highly favourable used car market and reflecting the unwavering commitment of our employees to achieving the best standards of service quality while transforming the company. They testify to the solidity and resilience of our business model in a rapidly changing macroeconomic environment. I have no doubt that the combined entity will be able to capitalize on this transformative deal to create value for all stakeholders.”*

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<sup>6</sup> Excluding ALD Russia, ALD entities held for sale in Portugal, Ireland, Norway (except NF Fleet Norway), Belarus and LeasePlan entities held for sale in Czech Republic, Finland, and Luxembourg

<sup>7</sup> On a like-for-like basis, excluding ALD Russia, LeasePlan USA, ALD entities held for sale in Portugal, Ireland, Norway (except NF Fleet Norway), Belarus and LeasePlan entities held for sale in Czech Republic, Finland, and Luxembourg

<sup>8</sup> Annualized Cost of Risk as a % of arithmetic Average Earning Assets

## Outlook for 2023

In an economic environment marked by the continued rise in interest rates to tame inflation, economies slowed down during the first half of 2023. While supply and logistics chains continued to ease, allowing new car deliveries in Europe to recover from last year's low levels, the production of new cars remained well below pre-Covid levels. Against this backdrop, ALD | LeasePlan continues to expect that the used car market will normalize gradually, with the exceptionally favourable supply/demand situation lasting until mid-2024 instead of end 2023, i.e. longer than previously anticipated.

Leveraging on the acquisition of LeasePlan, ALD | LeasePlan expects for the full-year 2023:

- ✓ **Funded fleet growth**<sup>9</sup> between 2% and 4% vs. end December 2022, on the back of continued dynamic commercial activity and high order book;
- ✓ **Used Car Sales result per unit** between EUR 1,200 and EUR 1,600 on average on ALD's reported sales and c. 290 thousand vehicles sold. This guidance includes the negative impact of reduction in depreciation costs in previous quarters and reflects a progressive normalization in a still favourable market. No UCS result is assumed on LeasePlan's Used car sales<sup>10</sup>;
- ✓ **Costs to achieve the integration and synergies**<sup>11</sup> between EUR 150 million and 180 million, unchanged vs. the previous estimate;

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<sup>9</sup> On a like-for-like basis for the combined entity: excluding ALD Russia, LeasePlan USA and entities held for sale

<sup>10</sup> Under the Purchase Price Allocation exercise, LeasePlan's assets and liabilities are recognized at fair value as per IFRS 3 "Business combinations"

<sup>11</sup> Costs to achieve (CTA)

## Undisputed leadership in an industry where size matters

The LeasePlan acquisition represents a step-up change, which propels the combined entity to the position of unrivalled leader in the operational leasing industry, where scale is crucial. ALD | LeasePlan ranks #1 multi-brand leasing player in 29 countries, including the top European markets, and operates a 3.4 million<sup>12</sup> fleet, twice the size of its nearest competitor. With direct presence in 44 countries, ALD | LeasePlan's geographical coverage is the largest in the industry. It enjoys a strong foothold in Western Europe and is well positioned in promising emerging markets all over the world.

In line with its commitment to lead the transition to sustainable mobility, ALD | LeasePlan operates the #1 multi-brand EV<sup>13</sup> fleet worldwide, with 428 thousand EVs as at 30 June 2023. Drawing on the broadest range of partnerships in the EV ecosystem and its unique capacity to address customers' needs, ALD | LeasePlan will continue shaping the transformation of the industry.

The combined entity firmly ranks #1 in the multinational segments, thanks to first-rate geographical coverage and long-standing commercial relationships. The client franchise in this category has risen from 320 clients for ALD alone to 550 clients for the combined entity, with associated fleet under management increasing from 378 thousand to 610 thousand vehicles as at 30 June 2023.

The reinforced leadership positions, strong risk management, combined with the solid capital structure and potential for synergies from the acquisition have been recognized by credit rating agencies, which have awarded ALD | LeasePlan the best debt credit ratings among multi-brand leasing companies. Ratings were upgraded to the single A category just after the closing of the acquisition, allowing for more competitive funding costs and greater access to funding providers, both of which are essential in the sector. A new rating was assigned by Moody's, namely A1, while S&P and Fitch have both upgraded their senior unsecured debt ratings to A-, corresponding to a 2-notch and 1-notch improvements respectively.

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<sup>12</sup> As at 30 June 2023, excluding ALD Russia, ALD entities held for sale in Portugal, Ireland, Norway (except NF Fleet Norway), Belarus and LeasePlan entities held for sale in Czech Republic, Finland and Luxembourg

<sup>13</sup> Battery Electric Vehicles (BEVs), Plug-in Hybrids (PHEVs)

## First objectives achieved according to plan

The integration of LeasePlan began immediately after closing, with teams of the combined entity joining forces to execute a thorough action plan. A number of objectives are already achieved only 60 days into the integration, in line with plans. Execution of the plan will continue at the same rapid pace, so that the first synergies can be delivered by the end of the year.

As the LeasePlan acquisition was finalized a few months later than originally planned, ALD | LeasePlan now expects that annual run-rate synergies will be achieved by 2026 instead of 2025.

### ✓ Commerce

ALD | LeasePlan is committed to offering a seamless service and ensuring the highest level of customer satisfaction and therefore has arranged for a single team to face those clients which were previously served by both entities. Having received very positive feedback, it expects low attrition within this client segment.

At the same time, sales teams have been trained on the full range of products (LCVs<sup>14</sup>, Flex, multimodality...) to capitalize on strengths and complementarities and take advantage of the multiple cross-selling opportunities offered by the combination.

### ✓ Procurement

Procurement is one of the main sources of synergies for the combined entity, prompting ALD | LeasePlan to start renegotiating the terms and conditions with its suppliers, leveraging on its scale. This proved successful so far, with bonus improvements already agreed by several OEMs. More recently, the first joint global tender was launched on tyres. With 4 million units purchased per annum, ALD | LeasePlan is in a strong position to improve its purchasing conditions.

ALD | LeasePlan is on track to secure at least EUR 30 million of annual procurement savings by the end of 2023. This amount would progressively materialize through the income statement in 2024.

### ✓ Overheads

Digital & IT are key in the integration process. ALD | LeasePlan already started the convergence of IT tools and the streamlining of processes and will launch the local integration of IT by the end of the year. These initiatives will enable materializing cost synergies as from next year.

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<sup>14</sup> Light commercial vehicles

## Robust commercial performance

Continuing the positive trends of the previous quarters, total contracts for ALD | LeasePlan stood at 3,391 thousand as at end June 2023, up by 4.3%<sup>15</sup> compared to end June 2022, reflecting the dynamic commercial activity. LeasePlan's contribution amounted to 1,616 thousand contracts as at end June 2023.

Full-service leasing contracts reached 2,667 thousand units as at end June 2023, up +3.0% vs. end June 2022 on a like-for-like basis, with the order book continuously at a high level.

Fleet management contracts increased by +9.1% vs. June 2022, to reach 724 thousand vehicles. Year-on-year growth was primarily driven by a new banking partnership.

ALD | LeasePlan continued to play a key role in clients' transition towards sustainable mobility by leveraging their powerful EV offering (including charging). EV penetration of 32%<sup>16</sup> of new passenger car registrations in H1 2023 progressed significantly compared to the same period last year (25% EV penetration). This outstanding performance compares very favourably to the European market at 21%<sup>17</sup> in H1 2023. BEV<sup>18</sup> and PHEV<sup>19</sup> penetration stood at 19% and 13% respectively, well ahead of the market.

This robust commercial performance was achieved across a more balanced geographical portfolio. ALD | LeasePlan's diversification was enhanced by the acquisition of LeasePlan, with exposure to France, its largest market, reduced from 28% to 20% of total fleet. Similarly, the top 10 largest countries (including France) now account for 83% of total fleet, vs. 87% for ALD alone.

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<sup>15</sup> On a like-for-like basis: excluding ALD Russia, LeasePlan USA, ALD entities held for sale in Portugal, Ireland, Norway (except NF Fleet Norway), Belarus and LeasePlan entities held for sale in Czech Republic, Finland and Luxembourg

<sup>16</sup> Management information, -in EU+: European Union, UK, Norway, Switzerland

<sup>17</sup> Source: ACEA

<sup>18</sup> Battery Electric Vehicles (BEVs)

<sup>19</sup> Plug-in Hybrids (PHEVs)

## Impacts of LeasePlan acquisition on financial statements

### ✓ Perimeter effect

LeasePlan is consolidated from its acquisition date, 22 May 2023, i.e. for slightly more than a month in the H1 2023 income statement.

The disposal of 6 entities representing c. 3% of the total combined fleet, was agreed with antitrust authorities during the LeasePlan negotiation process. Consequently, as at 30 June 2023, ALD's entities in Portugal, Ireland and Norway (except NF Fleet Norway) and LeasePlan's entities in Czech Republic, Finland and Luxembourg are classified as assets held-for-sale under IFRS 5. The ALD entities do not represent a major line of business or geographical area of operations and therefore are reported in the continuing activities of the Group's income statement. LeasePlan entities do not contribute to the Group's H1 2023 income statement, as their assets and liabilities are recognized at fair value in the Purchase Price Allocation (PPA) exercise. These 6 entities were sold to Crédit Agricole Consumer Finance and Stellantis on 1 August 2023 and hence were deconsolidated from that date.

### ✓ New regulatory status

Upon closing of the acquisition of LeasePlan, which holds a banking license allowing it to raise deposits, ALD SA became a Financial Holding Company supervised by the European Central Bank and subject to new regulatory requirements. Under its regulated status, ALD | LeasePlan is able to optimize its capital structure thanks to layers of hybrid capital. Additional Tier 1 is accounted for in "shareholders' equity" while Tier 2, subscribed by the company's parent Societe Generale, is accounted for in "borrowings from financial institutions" in the financial statements.

### ✓ Accounting considerations

The Group applies the IFRS 3 "Business combinations" standard, whereby a Purchase Price Allocation (PPA) exercise is conducted. ALD | LeasePlan expects that the identification and recognition at fair value of acquired assets and liabilities will be finalized by end 2023. As a result, no profit on LeasePlan's Used car sales was recognized since the acquisition in the H1 2023 income statement, as the fleet of LeasePlan will be assessed at fair value. Provisional goodwill as at 30 June 2023 is expected to be impacted in the full-year 2023 financial statements.

Additionally, the harmonization of accounting policies and estimates across the Group is underway.

## Strong H1 2023 financial results

ALD | LeasePlan recorded strong H1 2023 financial results, supported by continued highly favourable used car prices and the consolidation of LeasePlan since 22 May 2023, despite the ramp-up of integration costs and the negative impact of the disposal of ALD Russia.

Taken together, Leasing contract and Services margins (Total margins) reached EUR 1,255.4 million in H1 2023, an increase of 54.6%<sup>20</sup> compared to H1 2022. Out of this amount, the contribution of LeasePlan since its acquisition on 22 May 2023 was EUR 170.1 million<sup>21</sup>. ALD total margins were stable vs. the same period last year, when adjusted for reduction in depreciation costs and non-operating items, and up by 4.5% on a like-for-like basis<sup>22</sup> excluding the cost of Tier 2 debt<sup>23</sup>.

Leasing contract margin was boosted by the reduction in depreciation costs (EUR +315.3 million vs. EUR +62.7 million in H1 2022). As a result of continued high estimated used car prices until mid-2024, depreciation has been adjusted or stopped for those vehicles whose sales proceeds are forecast to be in excess of their net book value. The depreciation curve was modified in H1 2023, taking into account the most recent fleet revaluation exercise, performed at mid-year.

The reduction in depreciation costs equals the difference between the contractual amortization costs and the revised amortization cost. It anticipates in the Leasing contract margin part of Used car sales results which would otherwise be recorded later.

No reduction in depreciation cost was assumed on LeasePlan's portfolio due to the anticipation of fair value recognition in the context of the Purchase Price Allocation (PPA) exercise.

Non-operating items<sup>24</sup> impacting Leasing contract margin amounted to EUR +70.0 million (vs. EUR +47.9 million in H1 2022), comprising:

- Fleet revaluation exercise<sup>25</sup> of EUR +17.1 million (vs. EUR +40.5 million in H1 2022);
- Hyperinflation in Turkey<sup>26</sup> EUR +19.8 million (vs. EUR +39.5 million in H1 2022);
- Mark to market of derivatives<sup>27</sup> of EUR +33.1 million (vs. EUR -5.3m in H1 2022);

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20 H1 2022 income statement was restated for IFRS 17, which applies from 1 January 2023

21 Excluding non-operating items (mark to market of derivatives and hyperinflation in Turkey) totaling EUR +28.2 million

22 Excluding LeasePlan, Fleetpool and ALD Russia

23 EUR 11.3 million in H1 2023, related to the acquisition of LeasePlan

24 Hyperinflation in Turkey, mark to market of derivatives, fleet revaluation, provision in Ukraine

25 Based on the expected roll-off of the fleet portfolio and deriving from the usual revaluation exercise

26 As per IAS 29 "Financial Reporting in Hyperinflationary Economies"

27 In relation to IRS and FX hedging

- There was no adjustment to the provision in Ukraine accounted for in H1 2023 (vs. a EUR -26.8 million provision in H1 2022).

At EUR +285.4 million in H1 2023, the contribution from Used car sales (UCS) result remained at a high level, albeit down from the historically high H1 2022 level (EUR +432.7m). The amount incorporates a negative impact of change in depreciation curve of EUR -132.0 million, as the positive impact of reduction in depreciation costs on Leasing contract margin in previous quarters anticipated some UCS profits. Due to continuing delays in car deliveries, some contracts were extended, which had a beneficial impact on UCS results.

There has been no profit recorded on LeasePlan's Used car sales since the acquisition in the H1 2023 income statement, due to the fair value recognition under the PPA. As a result, the current provisional goodwill was reduced accordingly.

UCS result per unit<sup>28</sup> on ALD's sales came in at EUR 1,974 per unit in H1 2023 vs. EUR 3,212 per unit in H1 2022. Had ALD not recorded any reduction in depreciation costs to reflect exceptionally high used car prices in previous quarters, UCS result per unit would have stood at EUR 2,887. In Q2 2023, UCS result per unit amounted to EUR 1,346 per unit (EUR 2,614 without the impact of reduction in depreciation cost) vs. EUR 3,330 in Q2 2022.

Leveraging on its efficient remarketing platform, ALD sold 145 thousand units<sup>29</sup> in H1 2023 (not including 39 thousand vehicles sold by LeasePlan in May and June 2023) vs. 135 thousand in H1 2022. The volume increase, compared to the same period last year, is mainly driven by improved dynamics in new car deliveries.

As a result of the exceptionally high used car prices, ALD | LeasePlan's Gross Operating Income (GOI) reached EUR 1,540.8 million in H1 2023, up 23.8% vs. H1 2022. Excluding the net impact of the reduction in depreciation costs<sup>30</sup>, GOI would have increased by 14.8% vs. H1 2022.

Operating expenses amounted to EUR 632.1 million in H1 2023, vs. EUR 403.7 million in the same period last year. The H1 2023 amount includes: i) a scope effect of EUR +115.5 million due to the consolidation of LeasePlan and Fleetpool, ii) LeasePlan integration costs for EUR 85.0 million and iii) transactions costs in relation to the LeasePlan acquisition and the disposal of the remedies entities for EUR 26.0 million. The company's operating expenses include additional costs related to the new regulated status of ALD | LeasePlan.

As a result, the Cost/Income ratio (excl. UCS result) stood at 50.3% in H1 2023, vs. 49.7% in H1 2022.

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<sup>28</sup> Management information

<sup>29</sup> Management information

<sup>30</sup> Impact of reduction in depreciation costs, net of its impact on UCS results was EUR +183.3 million over H1 2023 vs. EUR +62.7m in H1 2022

Impairment charges on receivables came in at EUR 24.5 million in H1 2023, compared to EUR 18.9 million in H1 2022. The cost of risk<sup>31</sup> remained low at 13 bps compared to 16 bps in H1 2022.

Income tax expense increased to EUR 235.4 million, up from EUR 208.9 million in H1 2022. Effective tax rate came in at 26.3%, up from 25.4% in H1 2022.

Result from discontinued operations amounted to EUR -91.3 million and was related to the disposal of ALD Russia on 20 April 2023. This amount covers: i) EUR -72 million reclassification of accumulated translation reserves into the income statement at the closing of the sale of ALD Russia (with no impact on shareholders' equity); ii) EUR -29.2 million impairment of the net book value after tax and iii) EUR +9.9 million Q1 2023 net income reclassified from continued operations.

ALD | LeasePlan's net income (Group share)<sup>32</sup> was strong at EUR 564.5 million in H1 2023, although down by 7.9% from the historical high of EUR 612.8 million in H1 2022.

Diluted Earnings per share<sup>33</sup> amounted to EUR 0.91 in H1 2023, vs. EUR 1.38<sup>34</sup> in H1 2022. The change is distorted by the fact that the rights issue which financed the cash component of the LeasePlan acquisition price was settled in December 2022, while LeasePlan was consolidated only from 22 May 2023. Total balance sheet increased from EUR 31.3 billion as at 31 December 2022 to EUR 68.3 billion as at 30 June 2023, driven by the consolidation of LeasePlan. ALD | LeasePlan expects to finalize the PPA exercise, whereby acquired assets and liabilities are identified and recognized at fair value, by the end of 2023. Consequently, the related impact on provisional goodwill<sup>35</sup> would be accounted for in the full-year 2023 financial statements.

Earning Assets, at EUR 48.6 billion<sup>36</sup>, more than doubled vs. the end of 2022, underpinned by the consolidation of LeasePlan as well as higher-value vehicles and the rising share of Electric Vehicles in the funded fleet.

ALD | LeasePlan's risk-weighted assets (RWA) totalled EUR 54.3 billion<sup>37</sup> as at 30 June 2023 under CRR2/CRD5 rules, with credit risk-weighted assets accounting for 85% of the total.

ALD | LeasePlan has a Common Equity Tier 1 ratio of 12.5% and Total Capital ratio of 16.6% as at 30 June 2023. Total debt funding<sup>38</sup> stood at EUR 47.1 billion at the end of June 2023, up from EUR

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31 Annualized Cost of Risk as a % of arithmetic average of Earning Assets.

32 Before deduction of interest on AT1 capital

33 After deduction of interest on AT1 capital (EUR 10.9m) and using the average number of shares weighted by time apportionment

34 Adjusted for rights issue in 2022

35 Provisional goodwill on LeasePlan: EUR 1.7 billion as at 30 June 2023

36 Excluding earning assets of entities held for sale

37 Standard approach applied on ALD; Internal Ratings-Based approach applied to certain LeasePlan exposures is currently under review, which could result in higher Risk-Weighted Assets

38 Excluding AT1 capital

19.9 billion at the end of 2022, of which 33% consisted of loans from Societe Generale, while 24% came from deposits.

As part of its active liquidity management strategy, ALD | LeasePlan continued to diversify its funding by issuing total of EUR 1,850 million bonds in H1 2023. The successful bond issues confirm the market's solid appetite for ALD | LeasePlan debt instruments. Outstanding senior unsecured bonds now rank as Senior Preferred obligations. In the future, the combined entity intends to issue only Senior Preferred bonds on the market, through ALD S.A. as sole issuer.

The combined entity has access to ample short-term liquidity, with cash holdings at Central bank reaching EUR 4.0 billion and an undrawn committed Revolving Credit Facility of EUR 1.375 billion in place.

## Conference call for investors and analysts

Date: 3 August, at 10.00 am Paris time - 9.00 am London time

Speakers: Tim Albertsen, CEO and Gilles Momper, CFO

Connection details:

- Webcast: Click <https://edge.media-server.com/mmc/p/efyk7ht>
- Conference call:
  - FR: +33 1 70 91 87 04
  - UK: +44 121 281 8004
  - US: +1 718 705 8796
  - Access code: 457698

## Agenda

- **18 September 2023:** Capital Markets Day publication
- **21 September 2023:** Capital Markets Day presentation
- **3 November 2023:** Trading update and Q3 results
- **8 February 2024:** Q4 and FY 2023 results

## Press contact

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## About

### ALD Automotive | LeasePlan

ALD Automotive | LeasePlan ALD Automotive | LeasePlan is a leading global sustainable mobility player providing full-service leasing, flexible subscription services, fleet management services and multi-mobility solutions to a client base of large corporates, SMEs, professionals and private individuals. With the broadest coverage in 44 countries through direct presence, ALD Automotive | LeasePlan is leveraging its unique position to lead the way to net zero and further shape the digital transformation of the industry through innovation and technology-enabled services to enable the transformation towards large scale adoption of sustainable mobility.

With 15,700 employees worldwide, ALD Automotive | LeasePlan manages 3.4 million vehicles (at end June 2023). ALD, whose majority shareholder is Societe Generale, is the listed company on Compartment A of Euronext Paris (ISIN: FR0013258662; Ticker: ALD).

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. Unless otherwise specified, the sources for the business rankings and market positions are internal. More detailed information on the potential risks that could affect the Company’s financial results can be found in the 2022 Universal Registration Document 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 30 June 2023 was reviewed by the Company’s Board of Directors on 1 August 2023 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	Q2 2023	Q2 2022 <sup>39</sup>	Q Var.	H1 2023	H1 2022 <sup>39</sup>	Var.
Leasing contract revenues	1,758.7	1,205.8	45.9%	3,015.1	2,365.6	27.5%
Leasing Contract Costs - Depreciation	(1,217.7)	(882.1)	38.0%	(2,040.2)	(1,827.1)	11.7%
Leasing Contract Costs - Financing	(175.7)	(50.3)	249.2%	(265.6)	(95.7)	177.5%
Unrealised Gains/Losses on Financial Instruments	36.0	34.8	3.4%	59.1	36.8	60.6%
<b>Leasing Contract Margin</b>	<b>401.3</b>	<b>308.1</b>	<b>30.2%</b>	<b>768.3</b>	<b>479.6</b>	<b>60.2%</b>
Services Revenues	986.8	649.9	51.8%	1,702.6	1,208.5	40.9%
Cost of Services Revenues	(673.7)	(477.3)	41.2%	(1,215.5)	(875.8)	38.8%
<b>Services Margin</b>	<b>313.1</b>	<b>172.6</b>	<b>81.4%</b>	<b>487.1</b>	<b>332.7</b>	<b>46.4%</b>
<b>Leasing Contract and Services Margins</b>	<b>714.4</b>	<b>480.8</b>	<b>48.6%</b>	<b>1,255.4</b>	<b>812.2</b>	<b>54.6%</b>
Proceeds of Cars Sold	1,398.9	984.8	42.0%	2,526.0	2,003.2	26.1%
Cost of Cars Sold	(1,304.0)	(767.4)	69.9%	(2,240.7)	(1,570.5)	42.7%
<b>Used Car Sales result</b>	<b>94.9</b>	<b>217.4</b>	<b>-56.4%</b>	<b>285.4</b>	<b>432.7</b>	<b>-34.0%</b>
<b>Gross Operating Income</b>	<b>809.2</b>	<b>698.2</b>	<b>15.9%</b>	<b>1,540.8</b>	<b>1,244.9</b>	<b>23.8%</b>
Staff Expenses	(225.2)	(127.9)	76.0%	(361.9)	(244.1)	48.3%
General and Administrative Expenses	(115.2)	(72.6)	58.6%	(221.0)	(128.9)	71.5%
Depreciation and Amortisation	(31.2)	(15.6)	99.8%	(49.2)	(30.7)	60.0%
<b>Total Operating Expenses</b>	<b>(371.6)</b>	<b>(216.2)</b>	<b>71.9%</b>	<b>(632.1)</b>	<b>(403.7)</b>	<b>56.6%</b>
<i>Cost/Income ratio (excl CSR)</i>	<i>52.0%</i>	<i>45.0%</i>	<b>7 bps</b>	<i>50.3%</i>	<i>49.7%</i>	<b>0.6 bps</b>
Impairment Charges on Receivables	(15.7)	(11.0)	42.7%	(24.5)	(18.9)	29.4%
Other income	8.6	0.0	na	8.6	0.0	na
Non-Recurring Income (Expenses)	20.6	(0.0)	na	(0.0)	(0.0)	na
<b>Operating Result</b>	<b>451.1</b>	<b>471.0</b>	<b>-4.2%</b>	<b>892.9</b>	<b>822.3</b>	<b>8.6%</b>

39 Restated for IFRS 17, which applies from 1 January 2023

Share of Profit of Associates and Jointly Controlled Entities	0.8	0.2	296.4%	1.6	1.1	44.3%
<b>Profit Before Tax</b>	<b>451.9</b>	<b>471.2</b>	<b>-4.1%</b>	<b>894.4</b>	<b>823.4</b>	<b>8.6%</b>
Income Tax Expense	(109.8)	(116.6)	-5.8%	(235.4)	(208.9)	12.7%
Result from discontinued operations	(91.3)	0.0	na	(91.3)	0.0	na
<b>Profit for the Period</b>	<b>250.8</b>	<b>354.6</b>	<b>-29.3%</b>	<b>567.7</b>	<b>614.5</b>	<b>-7.6%</b>
Non-Controlling Interests	1.7	(0.5)	na	3.2	1.7	86.5%
<b>Net income group share</b>	<b>249.1</b>	<b>355.1</b>	<b>-29.9%</b>	<b>564.5</b>	<b>612.8</b>	<b>-7.9%</b>

## Details of operating income components

In EUR million	H1 2023			H1 2022
	ALD	LeasePlan <sup>40</sup>	Total	ALD
<b>Leasing contract margin</b>				
o/w Reduction in depreciation costs	315.3	0	315.3	62.7
o/w Non-operating items	41.8	28.2	70.0	47.9
<i>Fleet revaluation</i>	17.1	0.0	17.1	40.5
<i>Hyperinflation in Turkey</i>	21.4	-1.6	19.8	39.5
<i>Provision in Ukraine</i>	0.0	0.0	0.0	-26.8
<i>MtM of derivatives</i>	3.3	29.8	33.1	-5.3
o/w Tier 2 costs	-11.3	0	-11.3	0
<b>UCS results</b>	<b>285.4</b>	<b>0.0</b>	<b>285.4</b>	<b>432.7</b>
<b>Operating expenses</b>				
o/w CTA	-68.0	-17.0	-85.0	-41.3
o/w Transaction costs	-26.0	0	-26.0	

<sup>40</sup> Consolidated from 22 May 2023

## Balance sheet as at 30 June 2023

In EUR million	30 June 2023	31 Dec 2022 <sup>41</sup>
Earning assets	48,633	23,943
<i>o/w Rental fleet</i>	46,409	23,227
<i>o/w Financial lease receivables</i>	2,224	716
Long term invt. – Equity Reinvestment	244	280
Cash & balances at central banks	5,546	253
Intangibles (incl. goodwill)	2,925	745
Other	8,798	4,996
Assets of disposal group classified as held-for-sale	2,117	1,085
<b>Total Assets</b>	<b>68,264</b>	<b>31,302</b>
Shareholders' equity <sup>42</sup>	11,083	6,876
Minority interest	38	37
<b>Total Equity</b>	<b>11,121</b>	<b>6,912</b>
Deposits	11,448	0
Financial debt	35,626	19,874
Other liabilities	9,404	4,288
Liabilities of disposal group classified as held-for-sale	665	227
<b>Total liabilities and equity</b>	<b>68,264</b>	<b>31,302</b>

<sup>41</sup> Restated for initial application of IFRS 17 "Insurance Contracts" and of IFRS 9 "Financial Instruments" to insurance subsidiaries from 1 January 2023

<sup>42</sup> Including Additional Tier 1

## Earnings per share (EPS)

Basic EPS	H1 2023	H1 2022
Existing shares	816,960,428	404,103,640
Shares allocated to cover stock options and shares awarded to staff	(1,114,336)	(1,045,448)
Treasury shares in liquidity contract	(140,502)	(106,258)
<b>End of period number of shares</b>	<b>815,705,590</b>	<b>402,951,934</b>
<b>Weighted average number of shares used for EPS calculation (A)</b>	<b>606,426,927<sup>43</sup></b>	<b>441,858,650<sup>44</sup></b>
<i>in EUR million</i>		
Net income group share	564.5	612.8
Deduction of interest on AT1 capital	(10.9)	0
Net income group share after deduction of interest on AT1 capital(B)	553.6	612.8
<b>Basic EPS (in EUR) (B/A)</b>	<b>0.91</b>	<b>1.39</b>

Diluted EPS	H1 2023	H1 2022
Existing shares	816,960,428	404,103,640
Shares issued for no consideration <sup>45</sup>	20,973,317	0
<b>End of period number of shares</b>	<b>837,933,745</b>	<b>404,103,640</b>
<b>Weighted average number of shares used for EPS calculation (A')</b>	<b>611,109,871<sup>43</sup></b>	<b>442,935,017<sup>44</sup></b>
<b>Diluted EPS (in EUR) (B/A')</b>	<b>0.91</b>	<b>1.38</b>

<sup>43</sup> Average number of shares weighted by time apportionment

<sup>44</sup> Adjusted for the rights issue in December 2022

<sup>45</sup> Assuming exercise of warrants, as per IAS 33

## CRR2/CRD5 prudential capital ratios and RWA

in EUR million	30 June 2023
Shareholders equity Group Share	11 083
AT1 capital	(1 245)
Dividend provision & interest on AT1 capital <sup>46</sup>	(280)
Goodwill and intangibles	(2 675)
Deductions and regulatory adjustments	(97)
<b>Common Equity Tier 1 capital</b>	<b>6 787</b>
Additional Tier 1 capital	750
<b>Tier 1 capital</b>	<b>7 537</b>
Tier 2 capital	1 500
<b>Total capital (Tier 1 + Tier 2)</b>	<b>9 037</b>
<b>Risk-Weighted Assets (RWA)<sup>47</sup></b>	
Credit Risk-Weighted Assets	46 039
Market Risk-Weighted Assets	2 558
Operational Risk-Weighted Assets	5 696
Common Equity Tier 1 ratio	12.5%
Tier 1 ratio	13.9%
Total Capital ratio	16.6%

<sup>46</sup> The dividend provision assumes a payout ratio of 50% of Net income group share, after deduction of interest on AT1 capital

<sup>47</sup> Standard approach applied on ALD; Internal Ratings-Based approach applied to certain LeasePlan exposures is currently under review, which could result in higher Risk-Weighted Assets