

# ALD proposed acquisition of LeasePlan:

Creation of a leading global player in mobility

JANUARY 06 2022



ALD



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# Today's speakers



**Tim ALBERTSEN**  
CEO



*25 years of sector  
experience*



**Gilles MOMPER**  
CFO



*13 years of sector  
experience*



**John SAFFRETT**  
Deputy CEO



*14 years of sector  
experience*

# Creation of a leading global player in the mobility sector

## A transformative deal

- Size: a step change towards creating a leading mobility player worldwide
- Digital: leading the digital transformation of the industry
- Sustainability: a global provider of sustainable mobility solutions
- Combined entity would be best positioned to capture mobility sector growth

## Transaction key terms

- Acquisition of 100% of LeasePlan for a total consideration of EUR 4.9bn<sup>1</sup>
  - Cash component: EUR 2.0bn to be financed via a rights issue of EUR 1.3bn underwritten by Societe Generale and EUR 0.7bn of surplus capital<sup>2</sup>
  - Share component: 30.75% of combined entity share capital (12 months lock-up)
- Societe Generale to hold ~ 53%<sup>3</sup> in the combined entity at closing and ~51% in case of warrants exercise
- Closing expected by end 2022

## Delivering value to shareholders...

- Expected annual fleet growth rate post integration of  $\geq 6.0\%$
- Targeting best in class operating efficiency: C/I ratio of ~45% by 2025
- Annual pre-tax run-rate cost synergies of ~EUR 380m expected to fully materialize by 2025
- ~20% EPS accretion in 2023<sup>4</sup>
- Attractive financial profile, with high long-term growth prospects while maintaining a 50%-60% pay out ratio
- Significant increase of free float market value (in EURm) post closing

## ...as well as clients, employees and society

- Develop innovative new products and services
- Deep pool of talents benefiting from attractive new career opportunities
- Strong sustainability focus, with rapid fleet electrification and enhanced ESG standards

## Robust capital and funding

- Strong solvency and profitability at closing, securing funding for future growth
- Credit rating of the combined entity expected to be at least in-line with ALD's current ratings
- Diversified funding profile, with strong support from Societe Generale

<sup>1</sup> Based on EUR 12.12 per share for ALD (VWAP on Euronext between 28 Sept 21 and 27 Oct 21, date of publication of press release after market close confirming discussions concerning a potential combination) and excluding warrants

<sup>2</sup> Cash leg funding mix (rights issue / surplus capital) subject to potential minor adjustments; Surplus capital corresponding to estimated excess capital at ALD standalone level, over the 13.0% target CET1 ratio

<sup>3</sup> Before warrants exercise, cf. p.19

<sup>4</sup> Computed based on net income group share at constant perimeter, including fully-phased run-rate synergies and excluding restructuring costs. ALD standalone 2023E EPS adjusted for capital increase; based on ALD consensus as of 27-Oct-21 of EUR 623m net income



**1. Creation of a leading global player in mobility**

**2. Delivering value to shareholders**

**3. Transaction highlights**

**4. Integration approach and timeline**

**5. Key takeaways**

# 1. Creation of a leading global player in mobility



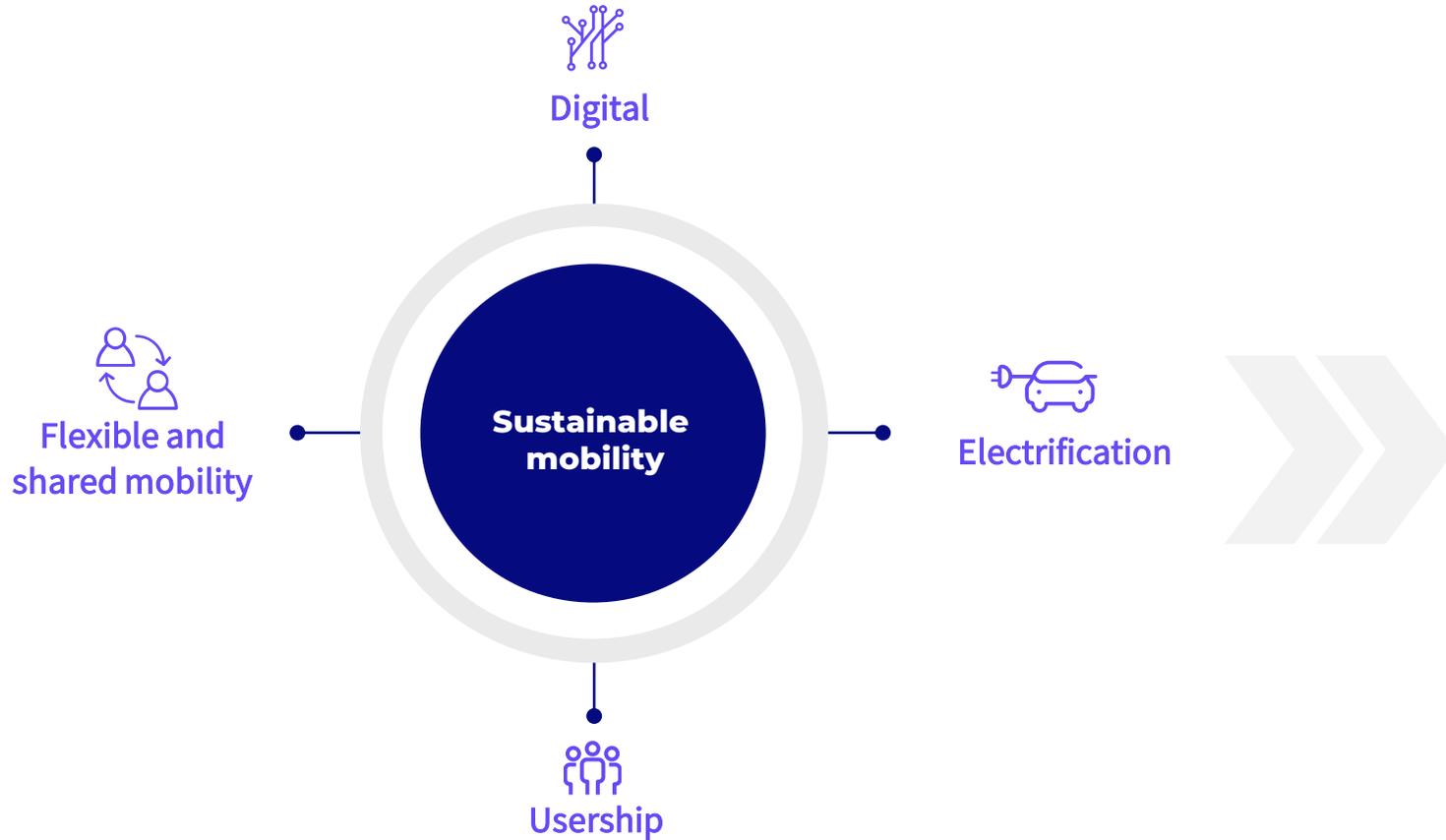
ALD



# Megatrends currently reshaping the mobility world

Mobility paradigms are changing...

... and powering strong market growth expectations



Subscription / flexible lease products<sup>1</sup>  
20-30E CAGR

~25%

EV registrations<sup>2</sup>  
20-25E CAGR

~25%

Last-mile delivery<sup>3</sup>  
20-30E CAGR

~20%

Private lease<sup>4</sup>  
20-25E CAGR

~7%

Corporate fleet<sup>5</sup>  
20-25E CAGR

~4%

Source: Frost & Sullivan, World Economic Forum

<sup>1</sup> Global subscription market growth; Sources: BCG (“Will Car Subscriptions Revolutionize Auto Sales? Sales?”, Jul 21) and Precedence Research (Nov 21)

<sup>2</sup> Passenger car deliveries of electric vehicles (Battery Electric Vehicle + Plug in Hybrid Electric Vehicle), in line with EU green taxonomy (50g); Source: Frost & Sullivan (as of Jul-21), for Top 26 European countries

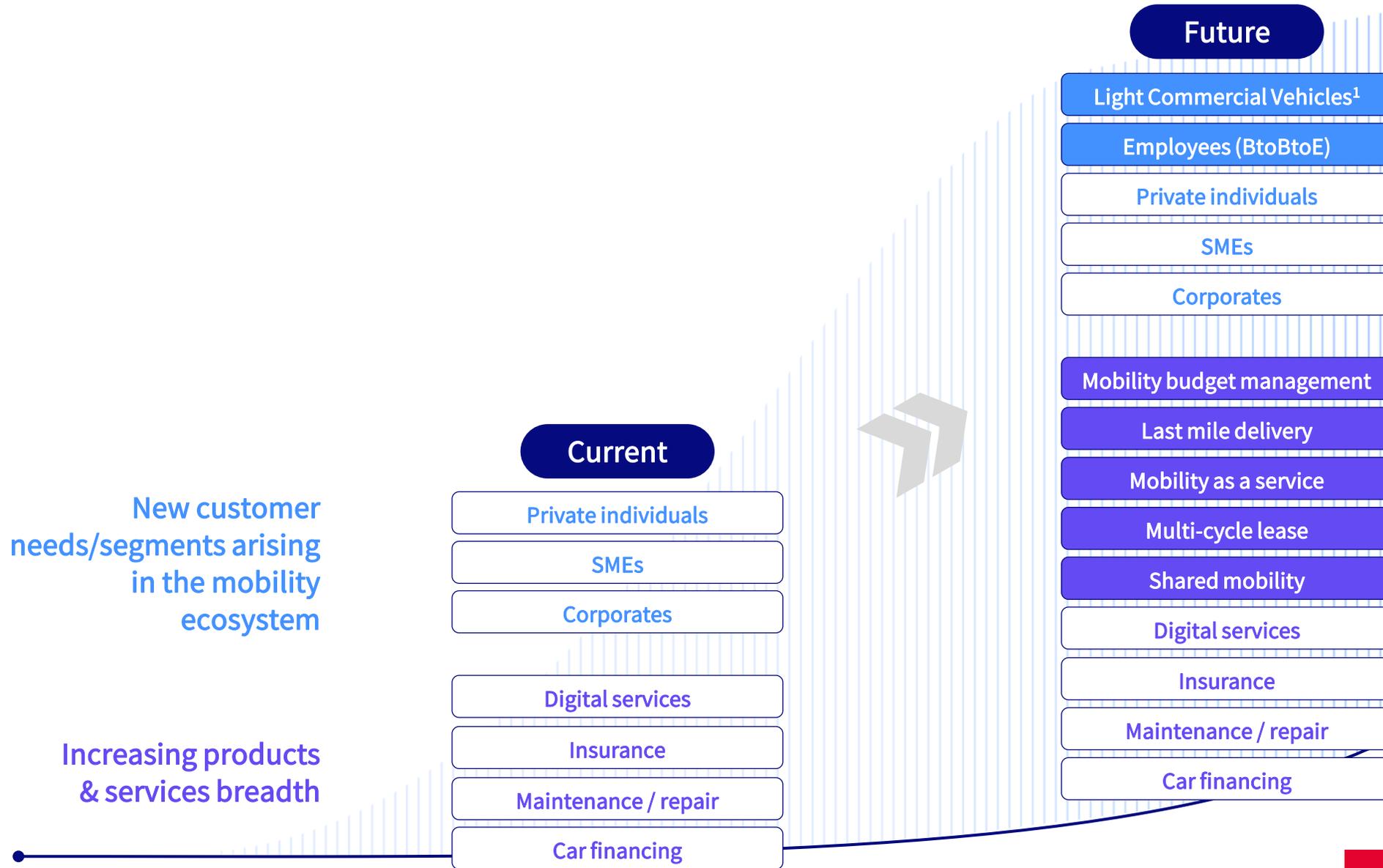
<sup>3</sup> Last mile delivery global market growth; Source: P&S Intelligence

<sup>4</sup> Private operating leases; Source: Frost & Sullivan (as of Jul-21), for Top 26 European countries

<sup>5</sup> Corporate operating leases; Source: Frost & Sullivan (as of Jul-21), for Top 26 European countries



# The mobility sector is growing significantly with new customer needs/segments emerging and demand for digital services increasing



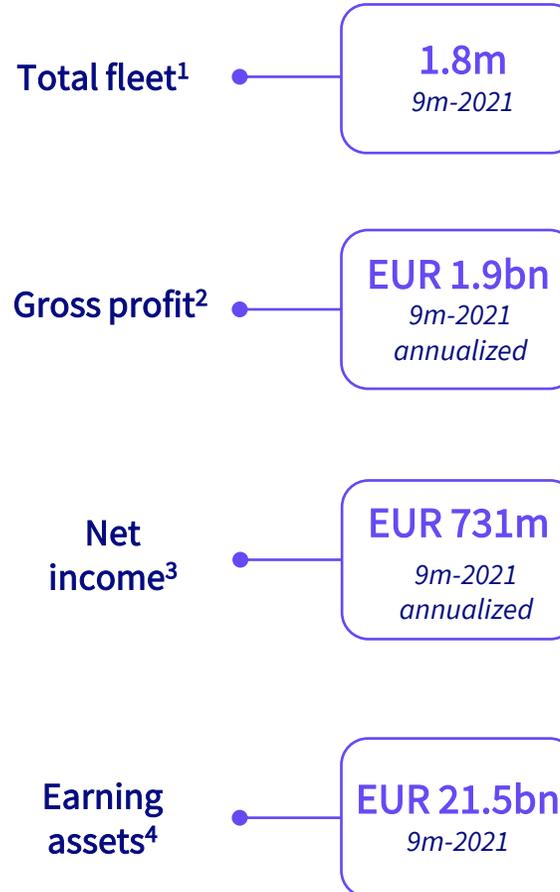
<sup>1</sup>LCV is already a current offering, but is strongly expected to increase in the future

# LeasePlan is the perfect fit for ALD to shape the industry's transformation

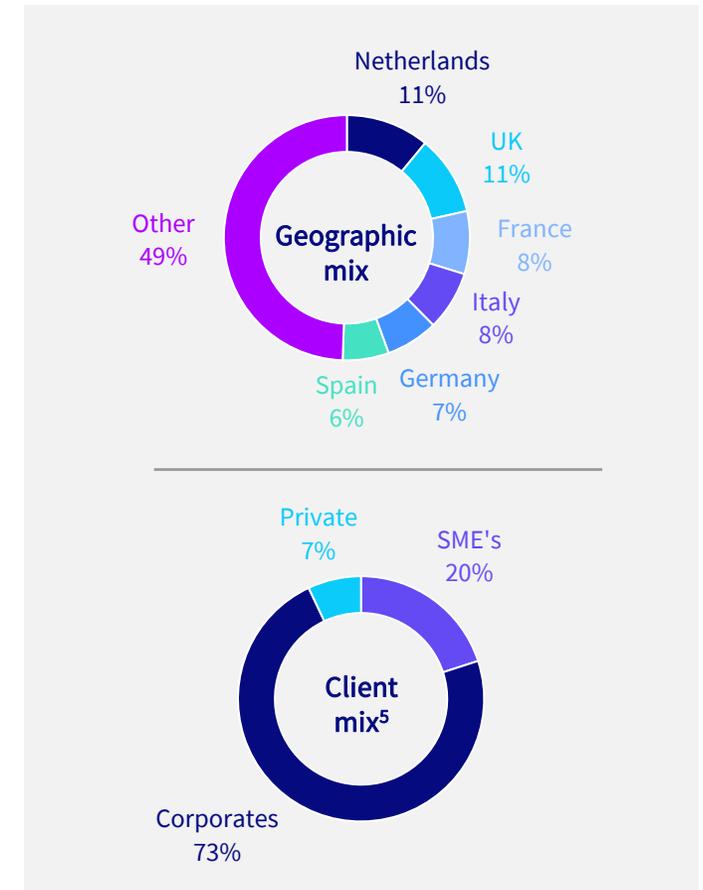
## Why is LeasePlan the perfect fit?

- LeasePlan is a leading fleet management and mobility company in the world by fleet size
- Worldwide presence, with operations in 29 countries and strong client relationships
- Coverage of the full client scope, leading on B2B clients and last mile delivery
- Experienced management team and attractive pool of talents
- Innovative and digital mindset
- Banking entity collecting deposits (~EUR 10.5bn at end Sept-21), and diversified funding platform

## LeasePlan's key metrics



## Diversified business mix



Based on Dec-2020 total fleet: 1.8m<sup>1</sup>

Source: Company information

<sup>1</sup> LeasePlan fleet pro forma for Australia and New-Zealand sale (~100k fleet)

<sup>2</sup> Including cost of risk

<sup>3</sup> 9m 2021 underlying net income net of AT1 costs of EUR 548m, and computed on a 12 months basis

<sup>4</sup> Computed as the sum of LeasePlan amounts receivable under finance lease, operating lease and rental fleet

<sup>5</sup> Based on total fleet, including Australia and New-Zealand

# Highly synergetic combination with complementary capabilities



## Clients

- Best-in-class partnerships (>150)
- Leading innovator in B2C

- Leading B2B and Blue-chip clients' franchise
- Strength in direct (digital) sales for fast-growing SME and Private customers

## Products & Digital

- Proven innovation track-record
- Fully digital customer journey
- Recent successful investments in mobility and technology start-ups (Fleetpool and Skipr)

- Entrepreneurial and innovative culture
- Innovative last-mile delivery capability
- Strong insurance penetration

## Remarketing

- ALD Carmarket: >300K vehicles p.a. sold in 41 countries
  - Clicks 'n Bricks offering live in 11 countries

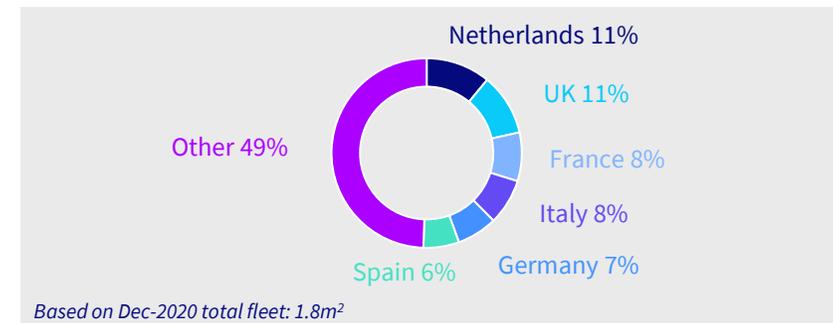
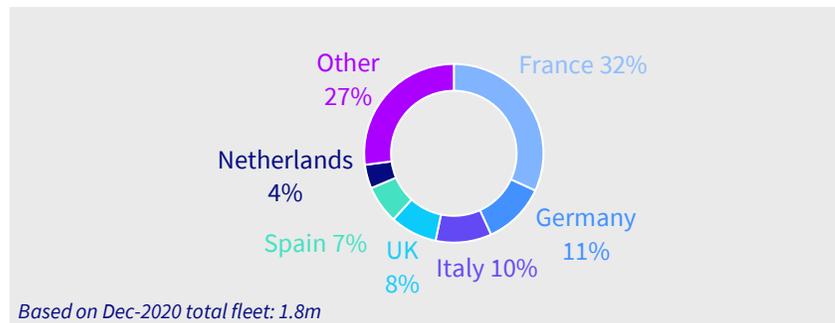
- Partnership with leading digital platform CarNext, part of Constellation<sup>1</sup>

## Funding

- Balanced mix of internal funding from Societe Generale and external funding
- Strong credit rating

- Established issuer in the market, notably for securitisation
- Strong deposit collection platforms in Germany and the Netherlands
- Banking license, supervised by ECB as a Significant Institution

## Geographical footprint



# A step-change towards creating a leading mobility player worldwide

Size

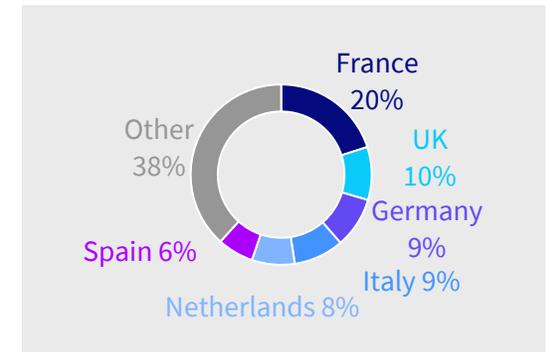
## Key benefits from the combination

- Global offering and coverage of all client categories (corporate clients, B2C, mobility partners) and increased products and services breadth
- Balanced geographic coverage
- Improved ability to anticipate future market needs and client expectations
- Industry-leading operating efficiency boosted by doubling the size of the portfolio
- Considerable scope for procurement optimisation
- Better positioned to compete with OEM captives and tech companies entering the market

### NewALD key figures

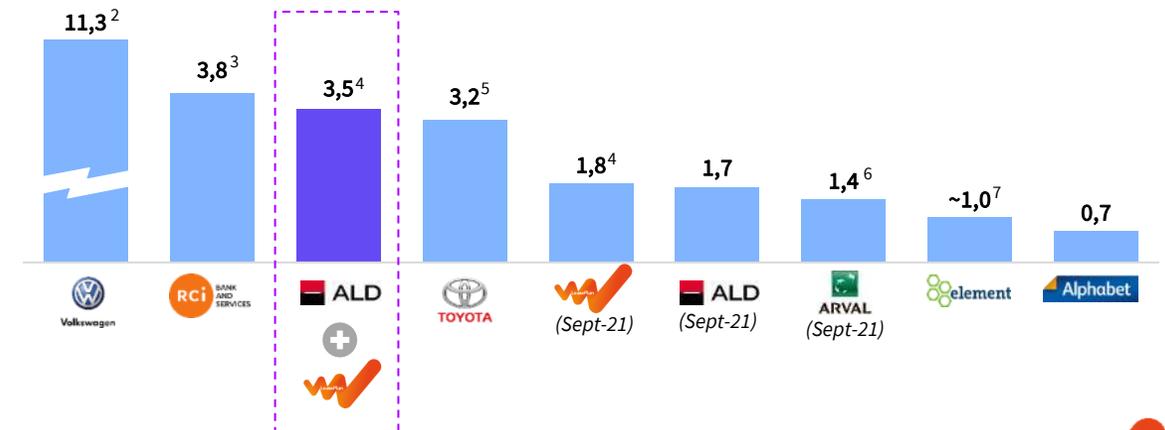
- 3.5m fleet (as of Sept-21)
- EUR 43bn earning assets (as of Jun-21)
- > 800k vehicles purchased per annum
- ~ 4m tyres purchased per annum

### Combined entity 2020 fleet breakdown<sup>4</sup>



### NewALD positioning across the mobility universe

### Total fleet size (in m)<sup>1</sup>



<sup>1</sup> As of June 2021 for all except for ALD, LeasePlan and Arval (September 2021)

<sup>2</sup> VW AG and VW Financial services Credit investor update 07/09/21

<sup>3</sup> ALD estimation based on RCI bank HY 2021 business report

<sup>4</sup> LeasePlan fleet pro-forma for Australia and New-Zealand sale (~100k vehicles)

<sup>5</sup> Toyota presentation Materials for Investors

<sup>6</sup> Funded fleet

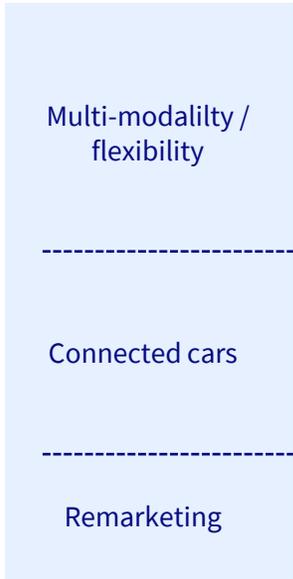
<sup>7</sup> As publicly communicated by Element

## Key benefits from the combination

- Creating a fully digital business model capable of competing on service and cost to capture the accelerated growth ahead
- Enhanced firepower to invest and develop new mobility products and ancillary services
- Opportunity to build new digital business models based on core value chain competencies
- State-of-the-art combined digital solutions across clients categories, products and services
- Proven ability of both companies to bring innovative digital solutions to market, driving strong revenue growth

Combining best-in-class digital solutions

NewALD digital firepower



**ALD Move**  
**ALD Flex**  
**ALD Carsharing**



LAST MILE DELIVERY



**ALD ProFleet**

**otonomo**

**ALD Carmarket**



~EUR 400m strategic investments (2020 operating and capital expenditures)

# A global provider of sustainable mobility solutions

## Key benefits from the combination

- Becoming corporates' partner of choice to support transition towards Electric Vehicles
- Establishing new global partnerships around new services for Electric Vehicles
- Accelerated deployment of multi-cycle, flexible and multi-modality solutions
- Faster time-to-market for innovative sustainable mobility solutions
- Additional momentum to outperform ALD's sustainability targets
- Opportunity for true industry leadership on ESG

NewALD new mobility offering and partnerships

Increasing share of EV in total fleet

Delivering industry leading ESG performance

Multi-modal & multi-cycle offerings
Selected partnerships with key players in e-mobility
EV <sup>1</sup> passenger car deliveries
Improved core ESG ratings <sup>2</sup>



**ALD 2<sup>nd</sup> Life**  
**skipr**



**27%** 9M 21- Europe only  
**50%** BEV<sup>1</sup> by 2030

**23%** 9M 21  
**100%** EV<sup>1</sup> by 2030

**16.1** Low risk

**15.9** Low risk

<sup>1</sup> EV: electric vehicles; BEV: battery-powered electric vehicles; PHEV: plug-in hybrid electric vehicle  
<sup>2</sup> Source: Sustainalytics (last updated on 07-Oct-21 for LeasePlan and 20-Nov-21 for ALD)



# NewALD would be best positioned to capture mobility sector growth

## Size

A step change towards creating a leading mobility player worldwide

## Digital

Leading the digital transformation of the mobility industry

## Sustainability

A global provider of sustainable mobility solutions



**Expected annual  
fleet growth rate  
post integration  
of  
≥6.0%**

# 2. Delivering value to shareholders

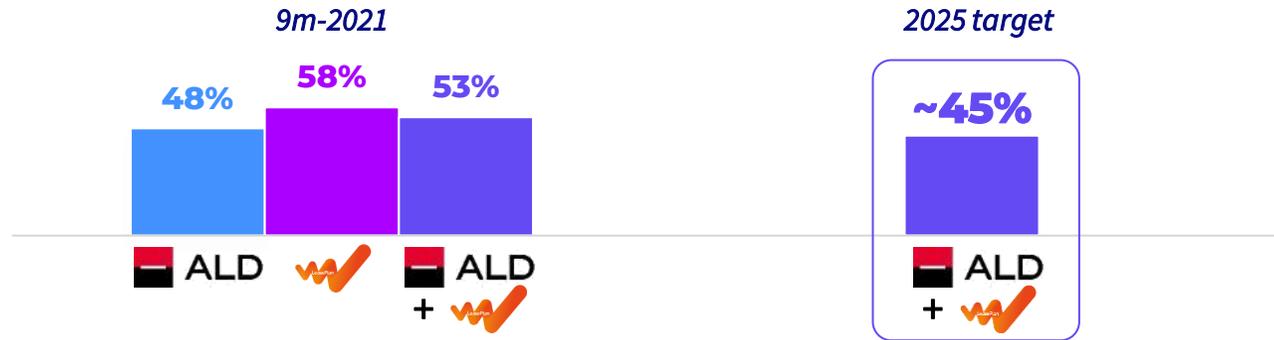


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# Significant value from scale effects and synergies

## Cost / Income ratio<sup>1</sup>



- ✓ Best-in-class C/I ratio
- ✓ Resilience through the cycle

## Synergies

- 1 Annual pre-tax run-rate cost synergies of ~EUR 380m expected to fully materialize by 2025**
  - Procurement synergies  
Synergies on vehicles & tyres spends  
Additional synergies in services and indirect spends
  - Other cost synergies
- 2 Estimated pre-tax restructuring costs representing 1.25x run-rate synergies expected to be incurred in 2023 and 2024**

EPS accretion<sup>2</sup>  
2023  
**~+20%**  
✓ Significant value creation and EPS uplift

<sup>1</sup> Computed as: Total overheads / Gross margin (excluding used car sales result and cost of risk)

<sup>2</sup> Computed based on net income group share at constant perimeter, including fully-phased run-rate synergies and excluding restructuring costs. ALD standalone 2023E EPS adjusted for capital increase; based on ALD consensus as of 27-Oct-21 of EUR 623m net income

# Robust balance sheet and strong capital position

## Robust capital structure

- Sound capital ratio allowing for robust buffers over capital requirements
  - Target capital structure to include hybrid capital / Tier 2 debt
- LeasePlan to maintain banking license and continued application of the Dutch deposit guarantee scheme
- ALD to apply to the ECB for regulated status ahead of the closing of the transaction (*Financial Holding Company*)

### Target capital ratios at closing

CET1 ratio  
**~13%<sup>1</sup>**

Total capital ratio  
**15-16%**

## Strong ratings

- Expected rating of NewALD in line or better than ALD's current ratings

### ALD's current rating

**S&P Global**  
**BBB**

**FitchRatings**  
**BBB+**

## Diversified funding

- New sources of funding allowing a more diversified funding structure
  - Deposits through LeasePlan Bank in Germany and Netherlands
  - Green Bonds and securitization as established issuers
- Strong support from Societe Generale to continue
- Market access to benefit from regulated status and strong ratings

### Pro forma target funding structure

Wholesale market funding: ~45%



# Strong financial performance expected for NewALD

## High growth

- ✓ Long-term fleet growth

**≥6%**

- Megatrends powering strong market growth
- Expected annual fleet growth rate post integration

## Strong operating leverage

- ✓ Cost / Income ratio<sup>1</sup> 2025E target

**~45%**

- Best-in-class Cost / Income ratio
- Size and efficiency of NewALD should generate positive operating leverage

## Attractive returns for investors

- ✓ 2021-2025E dividend pay-out

**50-60%**

- Strong organic capital generation capability
- Attractive dividend policy

**Highly compelling value delivered to investors**

# 3. Transaction highlights



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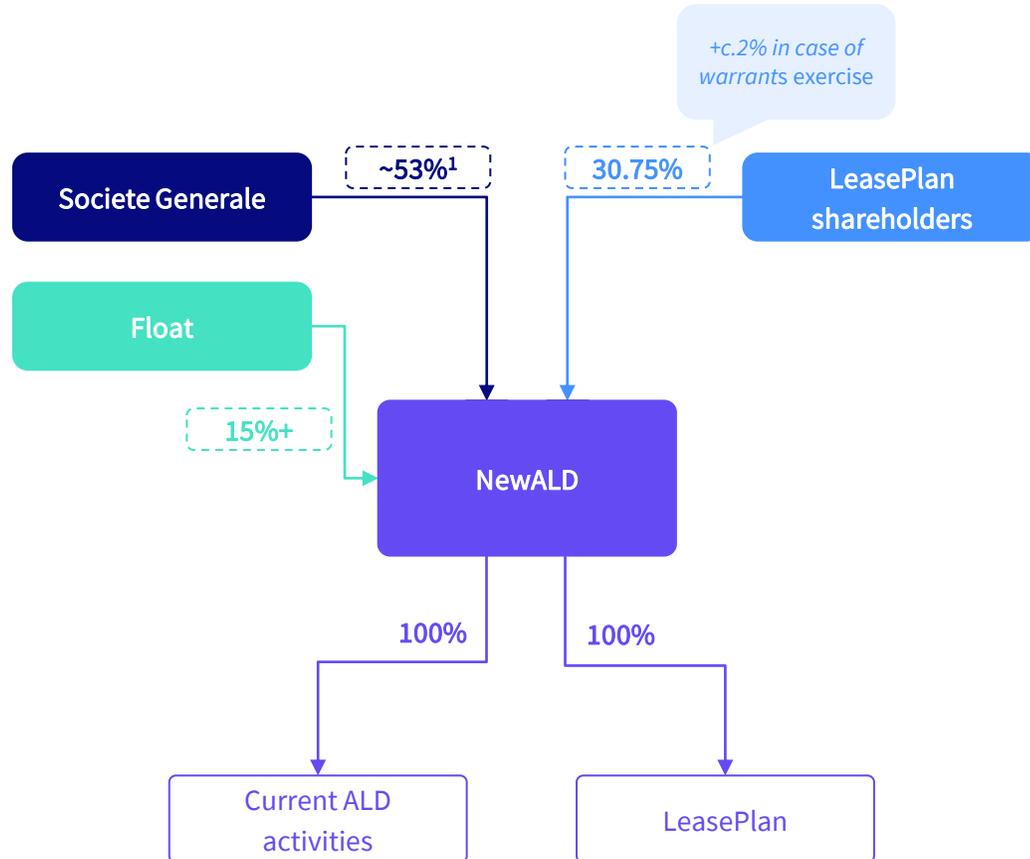
# Key transaction terms

Price considerations	<ul style="list-style-type: none"> <li>Acquisition of 100% of LeasePlan for a total consideration of EUR 4.9bn<sup>1</sup> <ul style="list-style-type: none"> <li>Based on LP Group B.V. book value of EUR 3.5bn<sup>2</sup> at closing</li> </ul> </li> </ul>
Cash leg	<ul style="list-style-type: none"> <li>Cash component amounting to EUR 2.0bn, which would be financed via a rights issue of EUR 1.3bn and EUR 0.7bn of surplus capital<sup>2</sup> <ul style="list-style-type: none"> <li>Rights issue of ALD underwritten by Societe Generale to occur before the completion of the proposed transaction</li> <li>Take-up enabling Societe Generale to hold ~53%<sup>3</sup> in NewALD at closing and ~51% in case of warrants exercise</li> </ul> </li> </ul>
Share leg	<ul style="list-style-type: none"> <li>Share component representing 30.75% share of NewALD's capital after rights issue completion and combination</li> </ul>
Warrants	<ul style="list-style-type: none"> <li>In addition, ALD to issue warrants to the benefit of the LeasePlan's shareholders (<i>total stake of 32.9% in case of warrants exercise</i>) <ul style="list-style-type: none"> <li>Warrant characteristics: EUR 2.00 strike price per share, 1 NewALD share for 1 warrant</li> <li>Exercise: between 1 to 3 years after closing, warrants become exercisable if NewALD's fully undisturbed share price (<i>adjusted for the contemplated rights issue</i>) increases by at least 30%</li> </ul> </li> </ul>
Closing conditions	<ul style="list-style-type: none"> <li>Proposed transaction subject to works council consultation</li> <li>Closing expected by end 2022</li> <li>Completion of the transaction will be conditional upon notably: <ul style="list-style-type: none"> <li>Mandatory regulatory clearances and required antitrust approvals</li> <li>ECB, DNB and ACPR approvals</li> <li>ALD EGM approval</li> <li>Waiver to the obligation to file a tender offer on ALD granted by the AMF to the Consortium' shareholders</li> <li>ALD having obtained the financial holding company status</li> <li>Distribution by LeasePlan of its excess capital and delivery by each of ALD and LeasePlan of a pre agreed book value at closing allowing the combined entity to reach a CET1 level of c. 13%</li> </ul> </li> </ul>

# Combined entity shareholding structure

## Ownership structure

(before potential exercise of warrants)



## Societe Generale

- Societe Generale would remain the long-term majority shareholder of NewALD with a ~53% stake<sup>1</sup> (*pro forma rights issue*)

## LeasePlan shareholders

- LeasePlan's current shareholders would together hold 30.75% of NewALD at closing
- Total stake of 32.9% in case of warrants exercise between 1 and 3 years after closing
- 12 month lock up followed by a 24 month period with orderly sale provision
- Execution of a shareholders' agreement (and lock-up agreements with other LeasePlan shareholders)

## Float

- Free float to represent >15% of NewALD at closing
- Significant increase of free float market value (in EURm) post closing

# 4. Integration approach and timeline



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# Key integration objectives and principles

## Integration main objectives

- Efficiently complete the integration within a short time frame from closing and quickly generating synergies
- Leveraging best practices from both sides
- Maintain high quality of services to all clients
- Maintain strong focus on commercial dynamics
- Create a new common culture and drive staff motivation

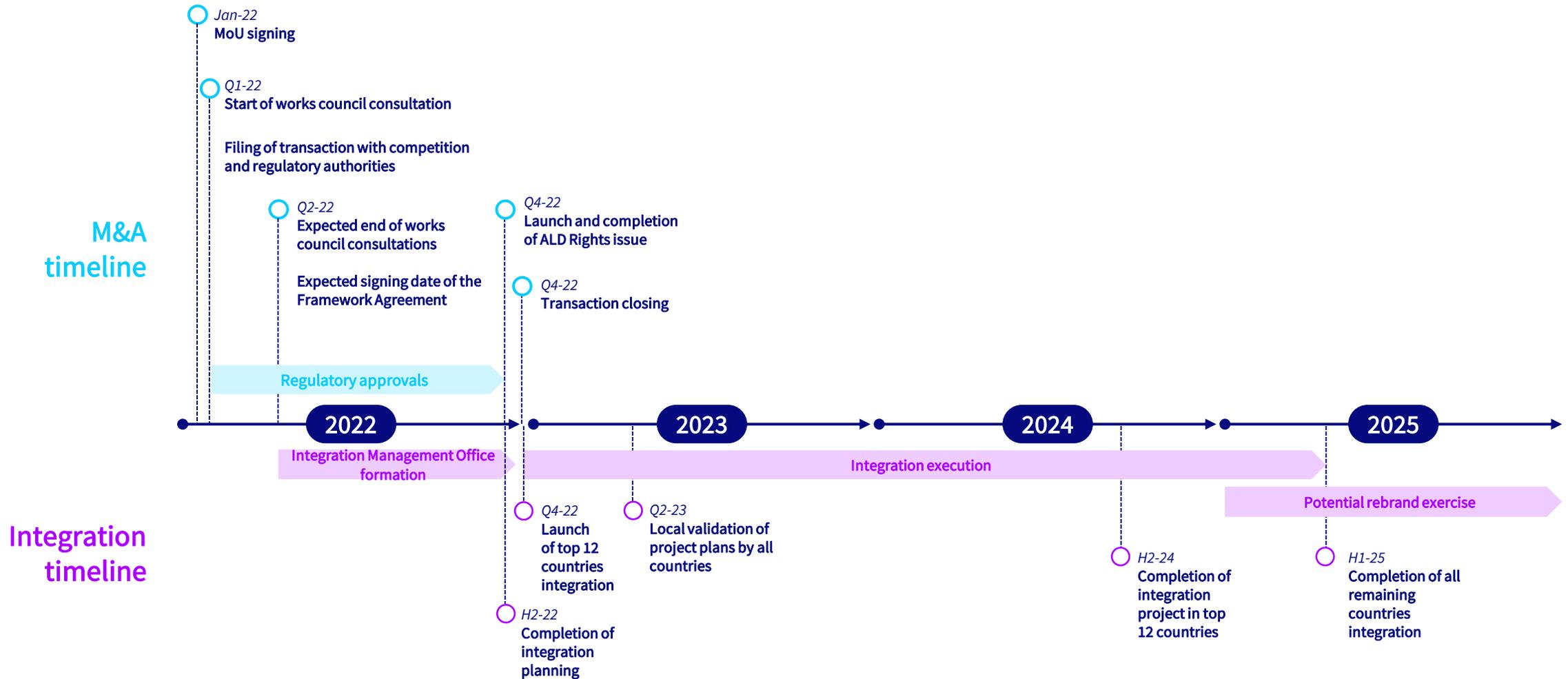
## Implementation principles for a successful integration

- Adopt an adequate, pragmatic and efficient integration strategy, built on a two-stage process:
  - Between signing and closing: definition of the new global target operating model for the group
  - After closing: efficient execution of the integration plan

## Experience in integration, execution and digital

- Tim Albertsen to continue as CEO of NewALD
- Highly experienced combined management teams with deep pools of talent
- Proven track-record of fast integrations and executions (*13 bolt-on acquisitions performed by ALD since 2014*)
- Successful technology integrations managed over the past years by the two companies
- Ability to develop and combine digital assets to deliver a best-of-breed and end-to end digital platform

# Envisaged transaction timeline



# 5. Key takeaways



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# Key takeaways



## Unique opportunity to create a leading global player in mobility

- A step-change towards creating a leading mobility player worldwide
- Leading the digital transformation of the industry
- A global provider of sustainable mobility solutions
- Best positioned to benefit from the growth of the new mobility economy

## Attractive value creation potential

- Best-in-class efficient operating platform
- Significant cost and procurement synergies
- High EPS accretion
- Attractive dividend pay-out policy

# Appendix



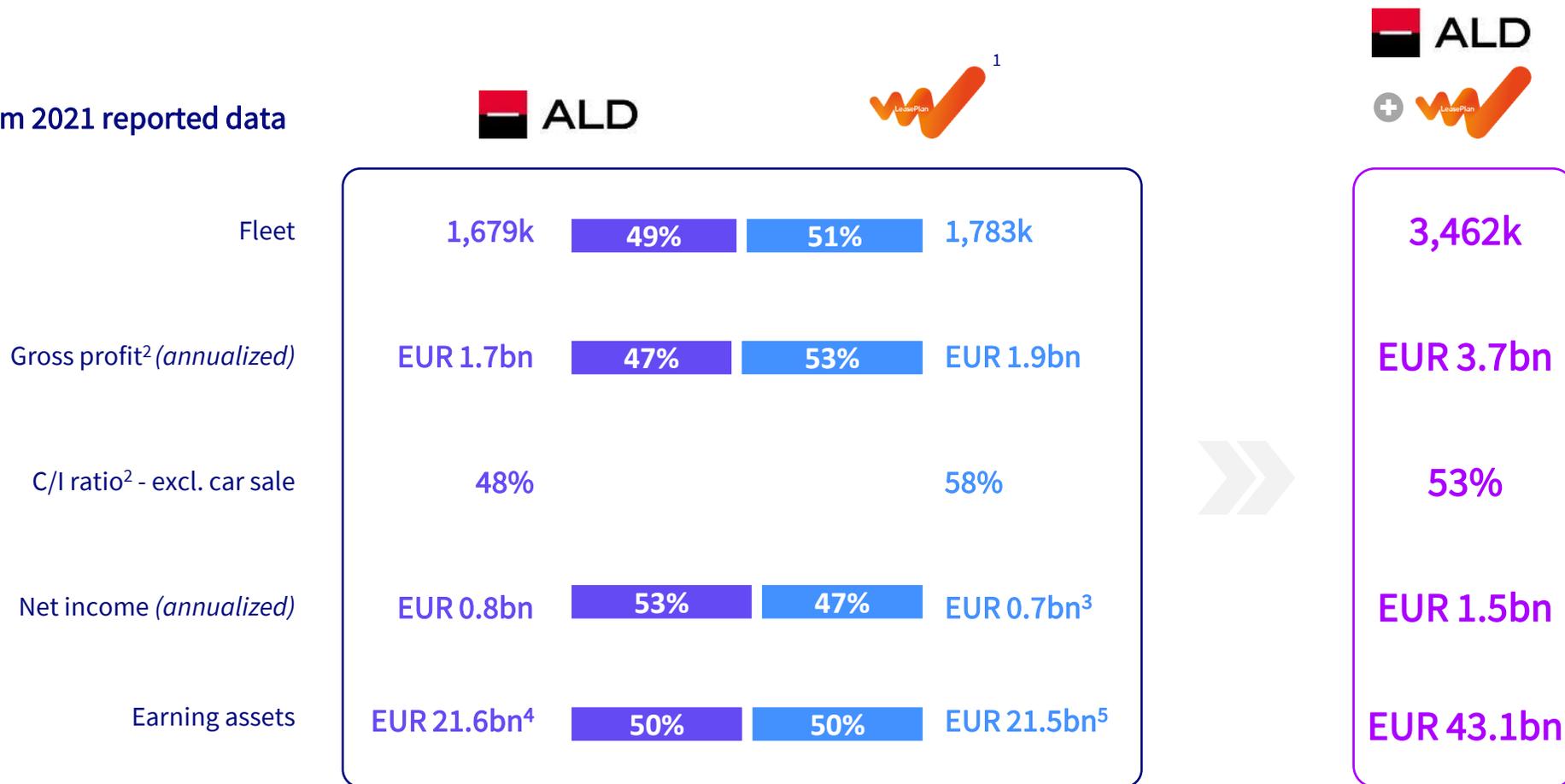
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# ALD and LeasePlan side-by-side

Pro forma before synergies

9m 2021 reported data



<sup>1</sup> Figures are pro-forma for the divestment of LeasePlan Australia and New Zealand

<sup>2</sup> Excluding cost of risk

<sup>3</sup> Underlying net income from continued operations, post AT1 cost

<sup>4</sup> As of Jun-21

<sup>5</sup> Computed as the sum of LeasePlan amounts receivable under finance lease, operating lease and rental fleet



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