



First quarter 2023 Results

12 May 2023



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The financial information presented for the three-month period ending 31 March 2023 was reviewed by the Board of Directors on 10 May 2023 and has been prepared in accordance with IFRS as adopted in the European Union and applicable at this date.

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Key takeaways



Highlights

Strong Q1 performance

Funded fleet

+3.2%⁽¹⁾
vs. March 2022

Used car sales result per unit

EUR 2,535⁽²⁾
vs. EUR 3,101 Q1 2022

Net income (Group share)

EUR 315.5m
+22.4% vs. Q1 2022

New initiatives to strengthen leadership in sustainable mobility

Creating a new EV charging business

Joint venture with



- Access to Europe's widest public charging network: **517,000** charging ports
- Cutting-edge app designed to address drivers and fleet managers' evolving needs
- Rollout across EU starting Q4 2023



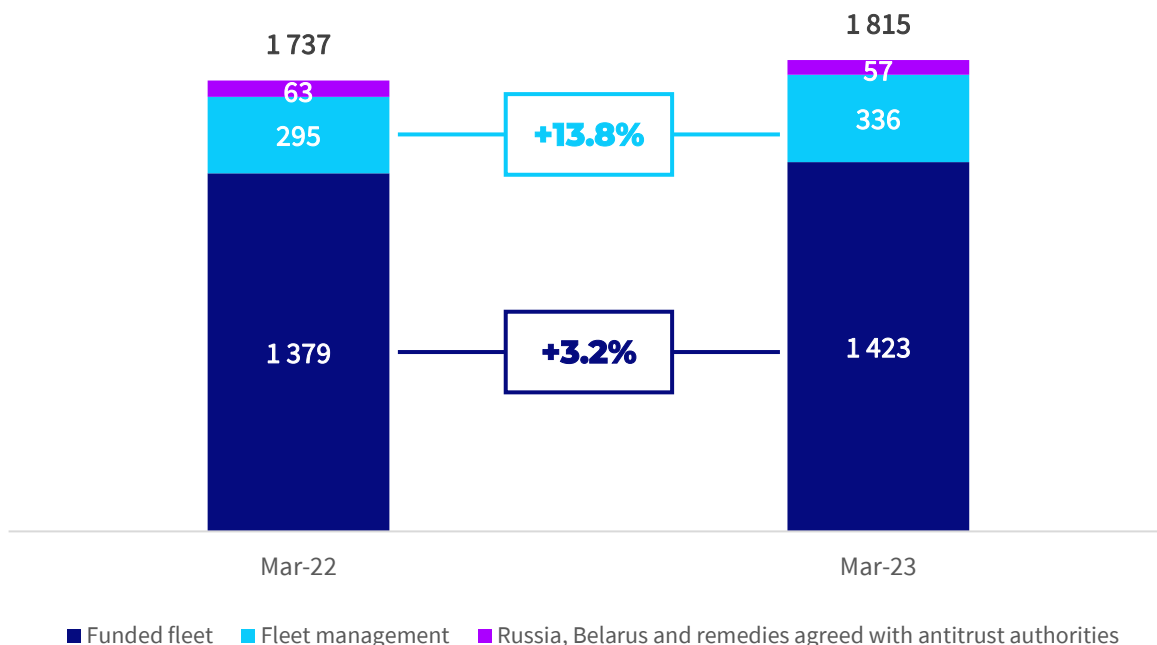
Supporting sustainable mobility in emerging markets

USD 400m financing initiative

- Largest single green⁽¹⁾ fleet investment by  IFC
- Helping put **15,000** green vehicles on the road in Turkey, Mexico, India, Serbia, Romania, Bulgaria and Croatia
- Reducing CO₂ emissions by **22,000** tons p.a.⁽²⁾

Robust commercial performance

Total contracts ('000)



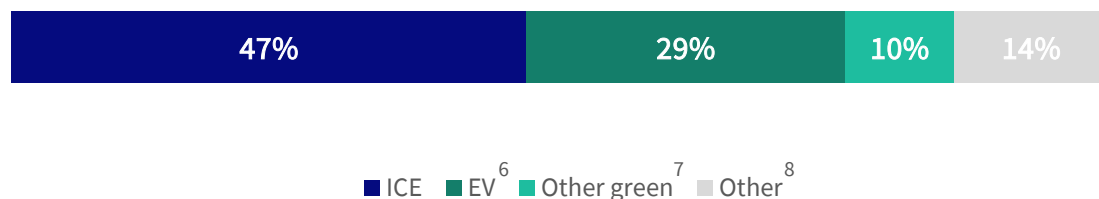
Funded fleet: +3.2%⁽¹⁾ vs. end March 2022

Fleet management: +13.8%⁽²⁾ vs. end March 2022

Total contracts: 1,815k, +5.0%⁽¹⁾⁽²⁾ vs. end March 2022

Order book still strong

Passenger car deliveries by powertrain (EU+⁽³⁾) in Q1 2023



EVs representing **29%** of passenger car deliveries in Q1 2023 in EU+⁽³⁾

- ALD ahead of the market (20%⁽⁴⁾)
- EVs accounting for one third of ALD's order book⁽⁵⁾

1. Excluding 50k vehicles from entities held for sale (Russia, Belarus and remedies agreed with antitrust authorities: Portugal, Ireland and Norway except NF Fleet Norway)
 2. Excluding 7k contracts from entities held for sale
 3. EU+: European Union, UK, Norway, Switzerland
 4. Source: ACEA
 5. Management information

6. EV: Battery Electric Vehicles (BEVs), Plug-in Hybrids (PHEVs), Fuel Cell (FCEV)
 7. Other green: Full Hybrids (HEVs)
 8. Other: Gas, Flex Fuel, Mild Hybrids, other



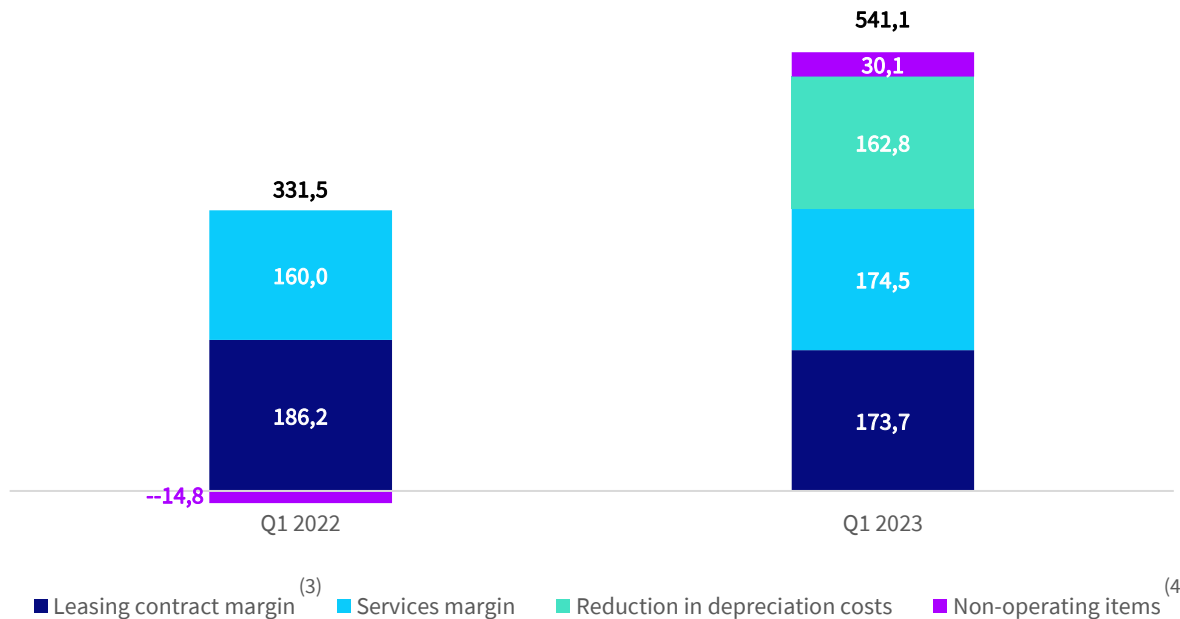
Q1 2023

Financial results



Margin growth driven by reduction in depreciation costs

Total margins⁽¹⁾⁽²⁾ excl. UCS result (in EUR m)



Total margins excl. UCS result up 63.3% vs. Q1 2022, stable excl. reduction in depreciation costs and non-operating items

Reduction in depreciation costs⁽⁵⁾ boosting Leasing contract margin: EUR +162.8m in Q1 2023

- Driven by change in depreciation curve reflecting exceptionally high used car prices

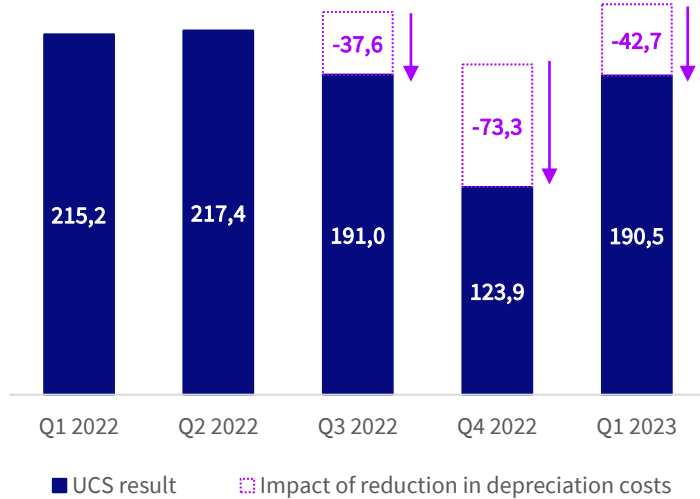
Non-operating items impacting Leasing contract margin for total of EUR +30.1m in Q1 2023

- Fleet revaluation⁽⁶⁾: EUR +11.6m vs. EUR +12.5m in Q1 2022
- Hyperinflation in Turkey⁽⁷⁾: EUR +18.5m

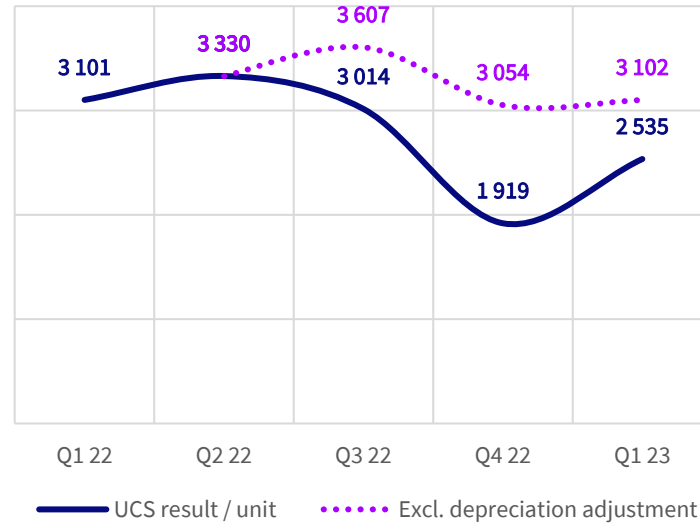
- Including Russia, Belarus and remedies agreed with antitrust authorities (Portugal, Ireland and Norway except NF Fleet Norway). These entities are held-for-sale assets under IFRS 5 but don't represent a major line of business or geographical area of operations
- Q1 2022 was restated for IFRS 17, which applies from 1 January 2023
- Leasing contract margin adjusted for non-operating items and reduction in depreciation costs
- Fleet revaluation, hyperinflation in Turkey, provision in Ukraine
- 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
- On the basis of the expected roll-off of the fleet portfolio and deriving from the usual revaluation exercise
- As per IAS 29 "Financial Reporting in Hyperinflationary Economies"

Continued high used car prices

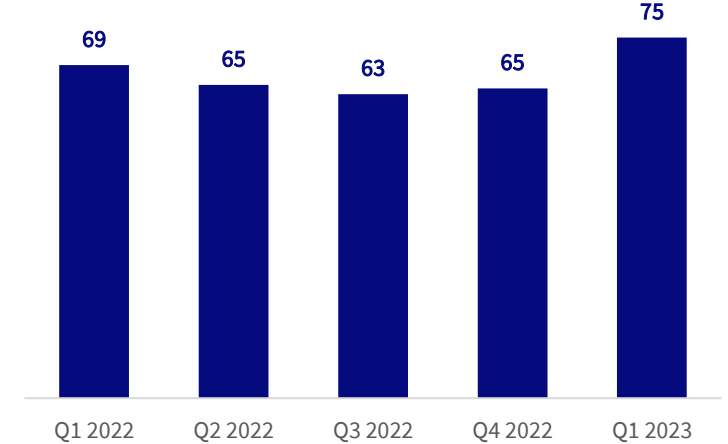
Used car sales result (in EUR m)



Used car sales result per unit sold⁽¹⁾ (in EUR)



Used cars sold⁽¹⁾ ('000 units)



Used car sales result at EUR 190.5m in Q1 2023

- Impact of change in depreciation curve on UCS at EUR -42.7m in Q1 2023

UCS result per unit⁽¹⁾ at EUR 2,535 in Q1 2023 vs. EUR 3,101 in Q1 2022

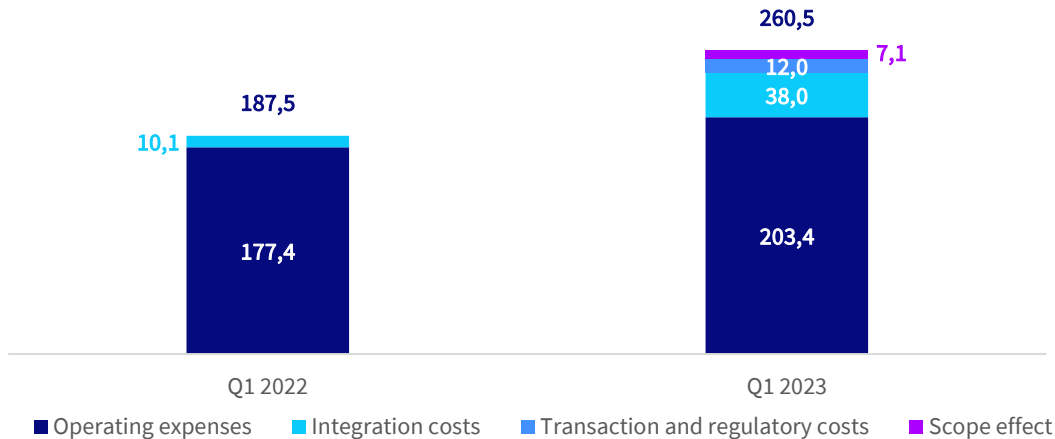
- Continued highly favourable used car market
- Without reduction in depreciation costs in 2022, UCS result per unit would have been EUR 3,102 in Q1 2023

75.2k used cars sold⁽¹⁾ in Q1 2023

- Increased volume of vehicles sold due to improved dynamics in car deliveries

Sharp increase in net income

Total operating expenses (in EUR m)



Total operating expenses at EUR 260.5m in Q1 2023, including:

- LeasePlan integration costs: EUR 38.0m
- Transaction costs (LeasePlan, Russia and remedies) : EUR 12.0m (not included in CTA⁽¹⁾)
- Scope effect⁽²⁾: EUR 7.1m
- Opex base impacted by costs related to change in regulatory status

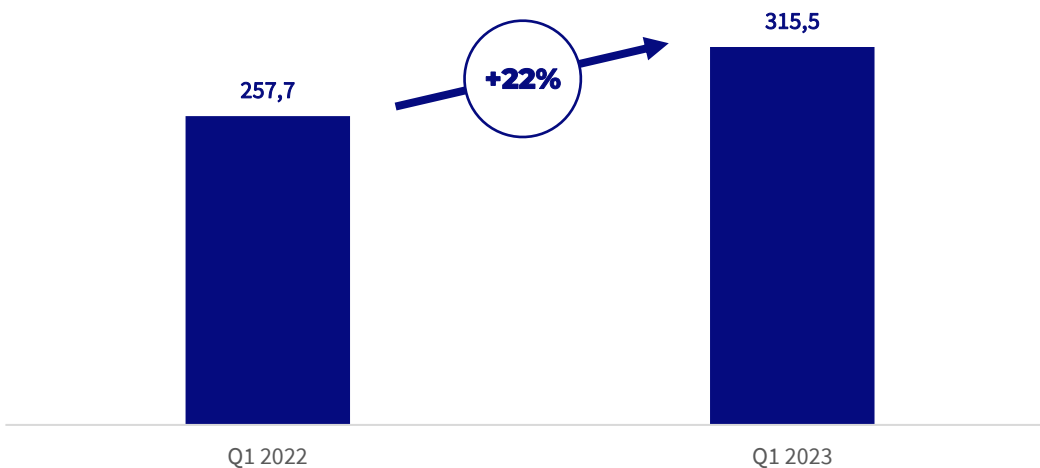
Low cost of risk⁽³⁾ at EUR 8.8m vs. EUR 7.9m in Q1 2022

Non-recurring expense of EUR -20.6m in Q1 2023

- Impairment of net book value of Russian and Belarus entities (non-tax deductible)
- Sale of ALD Russia completed in Q2 2023⁽⁴⁾

Net income (Group share) at EUR 315.5m

Net income group share (in EUR m)



1. Costs To Achieve
2. Sabadell Renting, Fleetpool, Ford Fleet Management
3. Impairment charges on receivables
4. The following impacts are expected on ALD's Q2 2023 consolidated income statement with regard to ALD Russia: i) impairment of the net book value of EUR -6.0m and ii) reclassification of accumulated translation reserves into the income statement at the closing of the transaction: EUR -72.0m, with no impact on shareholders' equity



Appendix



Q1 2023 financial results

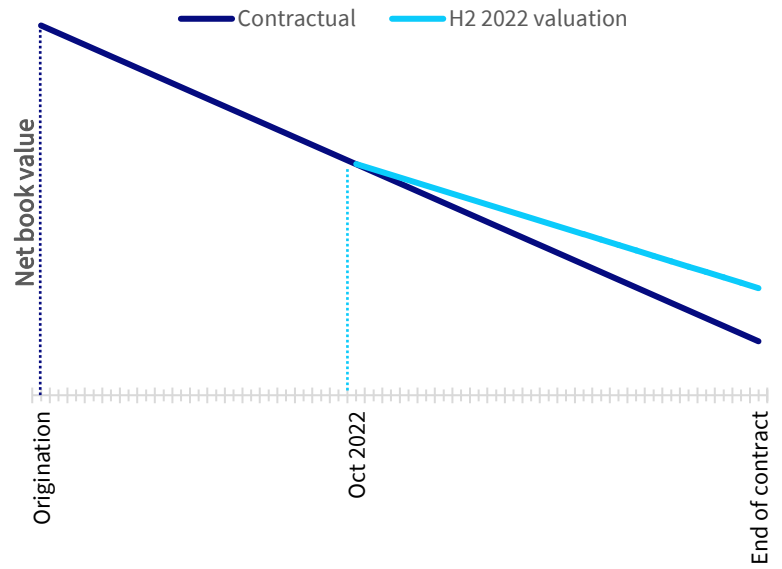
In EUR million	Q1 2023	Q1 2022 ⁽¹⁾	Var.	Var. %
Total contracts ('000)	1,815	1,737	78	4.5%
<i>Full service leasing contracts</i>	<i>1,473</i>	<i>1,436</i>	<i>37</i>	<i>2.6%</i>
<i>Fleet management contracts</i>	<i>342</i>	<i>301</i>	<i>41</i>	<i>13.6%</i>
Leasing contract margin	366.6	171.4	195.1	113.8%
Services margin	174.5	160.0	14.5	9.1%
Leasing contract & Services margins	541.1	331.5	209.6	63.3%
Used car sales result	190.5	215.2	(24.7)	-11.5%
Gross Operating Income	731.6	546.7	184.9	33.8%
Total operating expenses	(260.5)	(187.5)	(73.0)	39.0%
<i>Cost / Income ratio excl. UCS</i>	<i>48.1%</i>	<i>56.6%</i>	<i>n/a</i>	
Cost of risk ⁽²⁾	(8.8)	(7.9)	(0.9)	11.0%
Non-recurring expenses	(20.6)	0.0	(20.6)	
Operating result	441.8	351.3	90.4	25.7%
Share of profit of associates and jointly controlled entities	0.8	0.9	(0.1)	-10.3%
Profit before tax	442.6	352.2	90.4	25.7%
Income tax expense	(125.6)	(92.4)	(33.3)	36.0%
Result from discontinued operations	0.0	0.0	0.0	
Non-controlling interests	(1.5)	(2.2)	0.7	-32.0%
Net Income group share	315.5	257.7	57.8	22.4%

1. Q1 2022 was restated for IFRS 17, which applies from 1 January 2023
2. Impairment charges on receivables

Reduction in depreciation costs anticipating future UCS profits

1

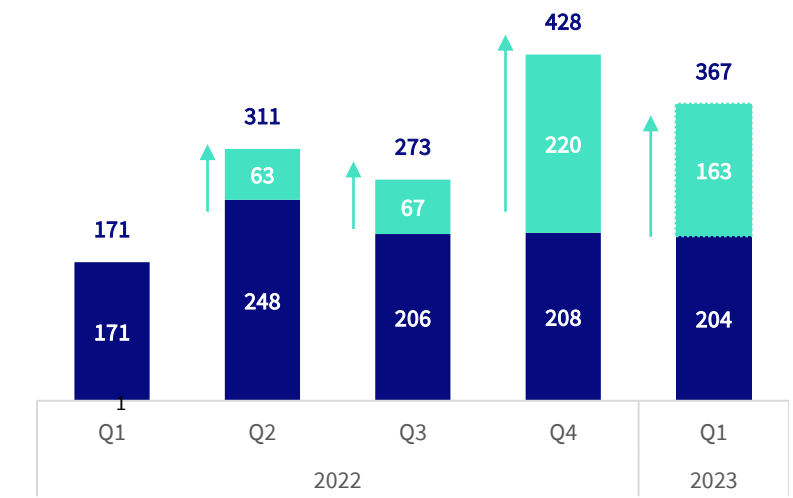
Depreciation curve



Change in depreciation curve reflecting exceptionally high used car prices

2

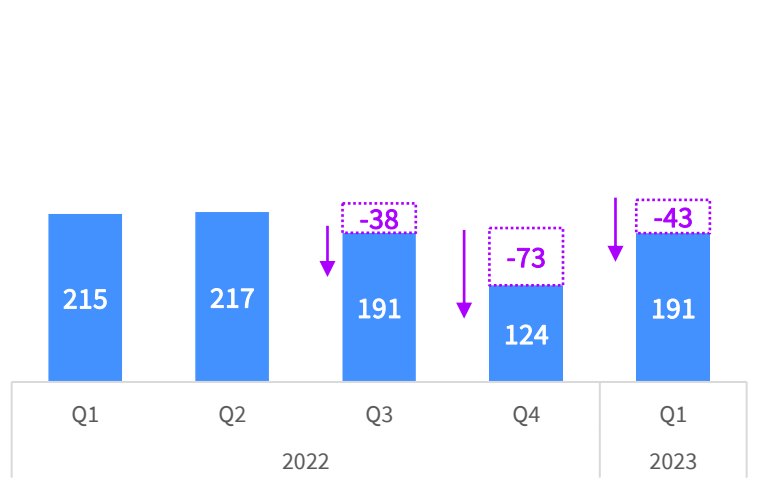
Leasing contract margin (in EUR m)



■ Reduction in depreciation costs ■ Adjusted Leasing contract margin

3

Reduction in depreciation costs lowering UCS result (in EUR m)



■ UCS result ■ Impact of reduction in depreciation costs

Mechanism of reduction in depreciation costs (in EUR m)	Q1 2023
+ Positive impact on Leasing contract margin	+162.8
- Negative impact on Used car sales result	-42.7
= Net impact on Gross operating income	+120.1

Balance sheet at 31 December 2022

In EUR million	FY 2022	FY 2021	Var.	Var. %
Earning assets	23,943	22,489	1,454	6.5%
<i>o/w Rental fleet</i>	23,227	21,711	1,516	7.0%
<i>o/w Financial lease receivables</i>	716	777	(61)	-7.9%
Long term invt. – Equity Reinvestment	200	280	(80)	-28.6%
Cash & Cash deposits	253	153	100	65.4%
Intangibles (incl. goodwill)	745	665	80	12.0%
Other	5,125	3,404	1,721	50.6%
Assets held-for-sale	1,085	0	1,085	
Total Assets	31,351	26,991	4,360	16.2%
Shareholders' equity	6,857	4,812	2,045	42.5%
Minority interest	37	34	3	8.8%
Financial debt	19,874	18,517	1,357	7.3%
Other liabilities	4,356	3,628	728	20.1%
Liabilities held-for-sale	227	0	227	
Total liabilities and equity	31,351	26,991	4,360	16.2%

<i>Total Equity on Total Assets</i>	<i>22.0%</i>	<i>18.0%</i>
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Earning Assets increased by 10.3%⁽¹⁾ vs. December 2021, reflecting higher value vehicles (esp. Electric Vehicles)

Total Equity/Asset ratio at 22.0% at end December 2022, up from 18.0% in December 2021

- Equity comprising EUR 1.2bn rights issue financing part of the LeasePlan acquisition expected to close on 22 May 2023⁽²⁾
- Total Equity / Asset ratio at 20.1% net of proposed dividend

c. EUR 2bn bond issued in FY 2022

Quarterly series

(in EUR million) ¹	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022 ⁽²⁾	Q2 2022	Q3 2022	Q4 2022	Q1 2023
Leasing Contract Margin	171.6	185.2	174.2	201.8	171.4	311.2	273.4	428.0	366.6
Services Margin	156.5	158.3	173.5	161.8	160.0	165.1	180.7	196.8	174.5
Leasing Contract and Services Margins	328.1	343.5	347.6	363.6	331.5	476.3	454.2	624.8	541.1
Used Car Sales result	38.2	87.1	152.4	160.0	215.2	217.4	191.0	123.9	190.5
Gross Operating Income	366.3	430.6	500.1	523.6	546.7	693.7	645.2	748.7	731.6
Total Operating Expenses	(163.9)	(166.1)	(161.8)	(183.4)	(187.5)	(216.5)	(220.0)	(260.0)	(260.5)
Impairment Charges on Receivables	(8.7)	(7.9)	(8.6)	0.4	(7.9)	(11.0)	(13.5)	(13.8)	(8.8)
Non-Recurring Income (Expenses)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(50.6)	(20.6)
Profit Before Tax	194.1	257.0	330.0	337.6	352.2	466.4	412.1	424.6	442.6
Net Income (Group share)	155.5	196.5	258.1	262.8	257.7	350.9	312.1	285.0	315.5

(in '000)	31.03.2021	30.06.2021	30.09.2021	31.12.2021	31.03.2022	30.06.2022	30.09.2022	31.12.2022	31.12.2023
Total Contracts	1,759	1,761	1,679	1,726	1,737	1,761	1,762	1,806	1,815
Full service leasing contracts	1,370	1,374	1,382	1,427	1,436	1,448	1,454	1,464	1,473
Fleet management contracts	389	388	297	299	301	313	308	342	342

Yearly series

(in EUR million) ¹	2015	2016	2017	2018	2019	2020 ⁽²⁾	2021	2022
Leasing Contract Margin	431.6	514.1	574.5	623.8	664.1	604.4	732.8	1,181.1
Services Margin	534.0	528.6	593.0	616.7	632.3	652.0	650.0	703.2
Leasing Contract & Services Margins	965.6	1,042.7	1,167.5	1,240.5	1,296.4	1,256.4	1,382.8	1,884.2
Used Car Sales Result	207.2	201.5	165.3	102.5	75.0	61.1	437.7	747.6
Gross Operating Income	1,172.8	1,244.2	1,332.8	1,343.0	1,371.4	1,317.5	1,820.6	2,631.8
Total Operating Expenses	(491.8)	(553.1)	(598.0)	(617.6)	(635.0)	(633.7)	(675.1)	(884.3)
Impairment Charges on Receivables	(20.9)	(23.8)	(22.4)	(37.8)	(45.0)	(71.1)	(24.8)	(46.1)
Non-Recurring expenses	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	0.0	0.0	(50.6)
Profit Before Tax	604.0	666.1	713.6	689.1	693.2	614.6	1,118.7	1,652.5
Net Income (Group share)	424.3	511.7	567.6	555.6	564.2	509.8	873.0	1,203.2

(in '000 of vehicles)	2015	2016	2017	2018	2019	2020	2021	2022
Total Contracts	1,207	1,376	1,511	1,663	1,765	1,758	1,726	1,806
<i>Full service leasing contracts</i>			1,179	1,299	1,389	1,372	1,427	1,464
<i>Fleet management contracts</i>			332	365	376	386	299	342

Increased recognition of ALD's strong commitments in ESG

					
<p>B</p> <p>Better than:</p> <ul style="list-style-type: none"> - European average - Rental & leasing sector 	<p>74/100 (Gold)</p> <p>Improvement to Top 2%</p> <p>Gold rating renewed (Group level)</p> <p>30+ countries rated (9 Platinum – 12 Gold)</p>	<p>Advanced</p> <p>#1 in Business Support Services</p> <p>Top 1% Global Universe</p> <p>67 points /100</p>	<p>Low Risk (16)</p> <p>Top 12%</p> <p>Top 8% in Transportation</p>	<p>'A' rating</p> <p>Top 30%</p>	<p>C ("Prime")</p> <p>Rated "Prime" on sustainability performance</p> <p>Top 20% in the sector</p>

✓ Tangible reduction of internal carbon footprint

✓ Energy transition embedded in the business model

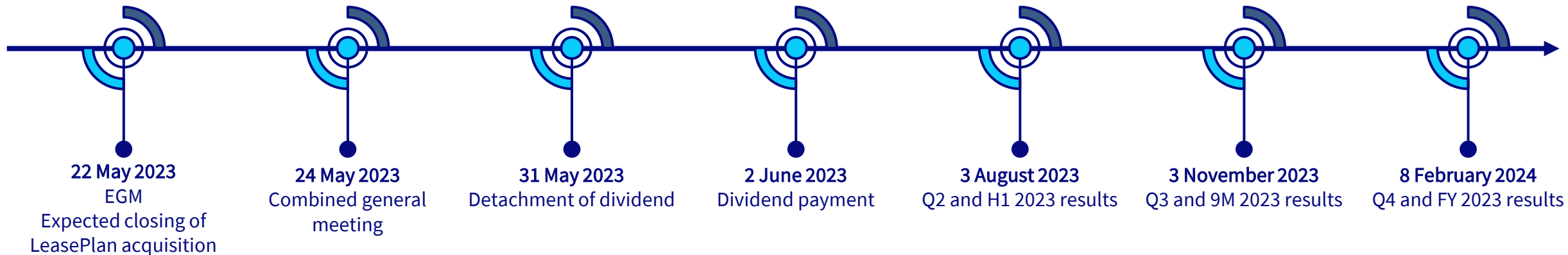
✓ Social standards and practices

✓ Business ethics, compliance processes and culture

ALD is committed



2023 agenda





ALD