

A person with a backpack is seen from behind, looking out over a city skyline at night. The city lights are blurred, creating a bokeh effect. The person is wearing a dark backpack and a light-colored shirt. The background is a dense urban landscape with many lit-up buildings.

# Third quarter 2022 Results

4 November 2022





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# Highlights

# Record financial performance

## Funded fleet

**1.45m**

+2.8% organic vs. Sep 2021

## Used car sales per unit sold

**EUR 3,149**

vs. EUR 1,126 9M2021

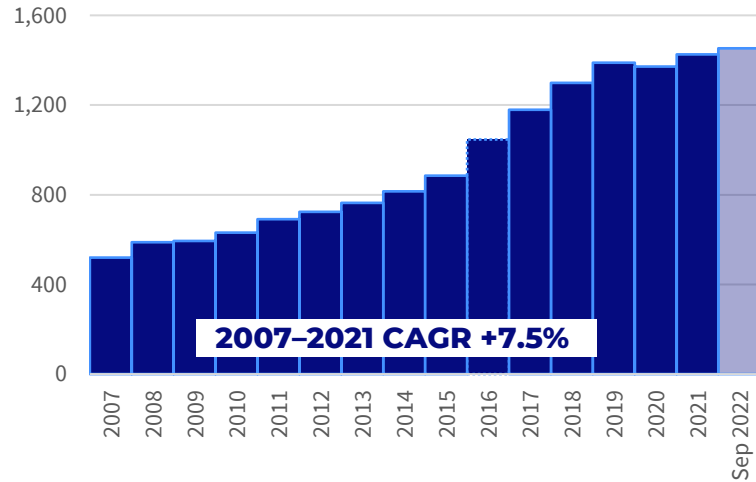
## Net income (Group share)

**EUR 918m**

+50.5% vs. 9M2021

# Proven track record of profitable growth through the cycle

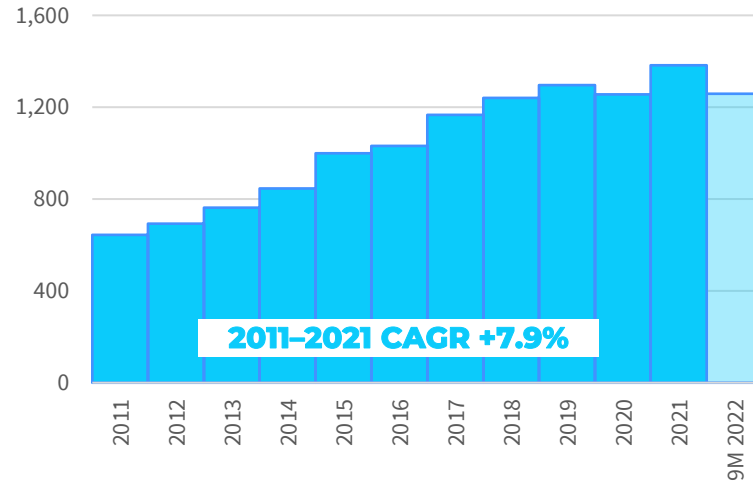
Funded fleet (in '000)



## Fast-growing and resilient business underpinned by strong megatrends

- Shift from ownership to usership
- Highly promising new markets

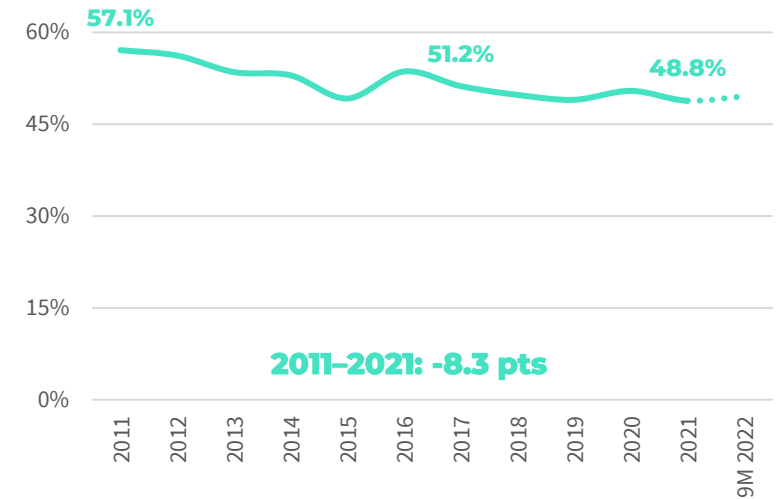
GOI excl. UCS (in EUR m)



## Strong margin increase over the long term

- Leadership in innovation, digitalization and sustainable mobility
- Competitive advantage in access to funding

C/I ratio excl. UCS



## Superior ability to withstand crises

- Best in class C/I ratio
- Prudent risk management

# Update on the acquisition of LeasePlan



ALD continues to work towards the completion of the LeasePlan acquisition



Approval processes on track



Rights issue expected by end 2022



Closing of the acquisition expected in Q1 2023



# 9M 2022

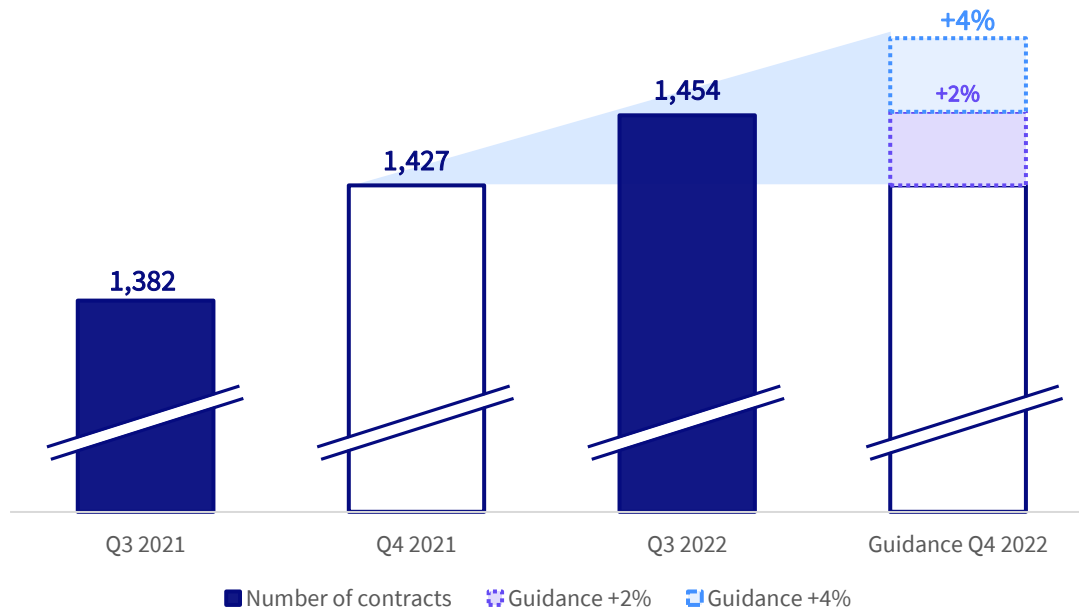
Operational and financial performances



# Solid commercial dynamics

In a context of continuing supply constraints

Funded fleet ('000) at end of period



## Funded fleet at 1,454k vehicles, up 5.2% vs end September 2021

- Organic growth: +2.8% vs. end September 2021
- +1.9% vs. end December 2021, on track with guidance of +2%/+4% growth in FY 2022
- Total contracts: 1,762k up +2.1% vs. end 2021

Continued disruptions in supply chains leading to long delays in deliveries of new cars

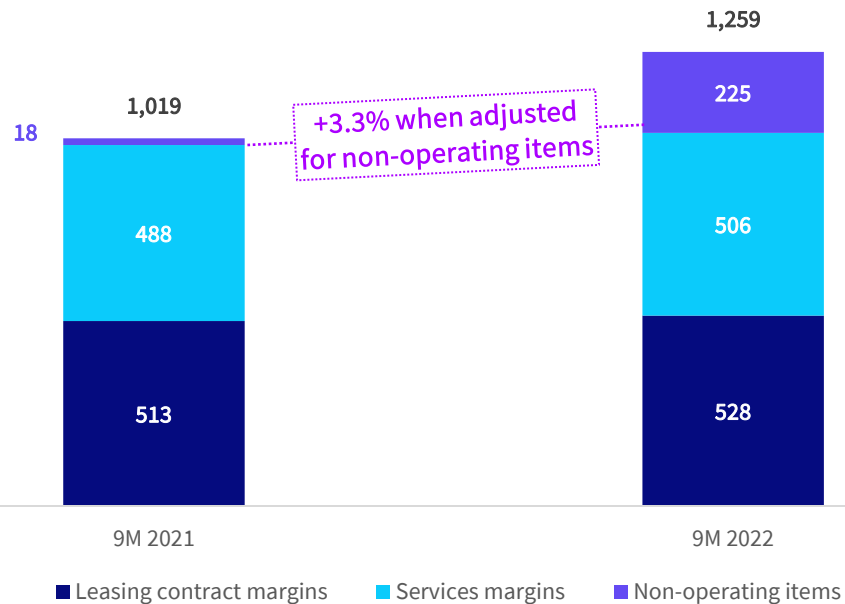
Share of EV<sup>(1)</sup> in new passenger car deliveries in EU+<sup>(2)</sup>: 27%<sup>(3)</sup>

- ALD ahead of the market in EV penetration<sup>(4)</sup>



# Total margins boosted by depreciation adjustments

Total margins excl. UCS (in EUR m)



Non-operating items impacting Leasing contract margin for total of EUR +224.6m in 9M 2022, of which EUR 108.7m in Q3

- Hyperinflation in Turkey<sup>(1)</sup>: EUR +60.1m
- Depreciation adjustments: EUR +189.6m vs EUR +17.8m in 9M 2021, of which:
  - › Fleet revaluation<sup>(2)</sup> of EUR +59.6m vs EUR +17.8m in 9M 2021
  - › Reduction in depreciation costs<sup>(3)</sup> of EUR +130.0m, driven by change in depreciation curve reflecting exceptionally high used car prices
- Provision in Ukraine: EUR -25m
  - › Prudent provisioning rate: c. 50% at end September 2022

**Total margins excl. UCS result up 23.6% vs 9M 2021, up 3.3% when adjusted for non-operating items**

1. As per IAS 29 "Financial Reporting in Hyperinflationary Economies". First Time Application in Turkey: 1 January 2022.

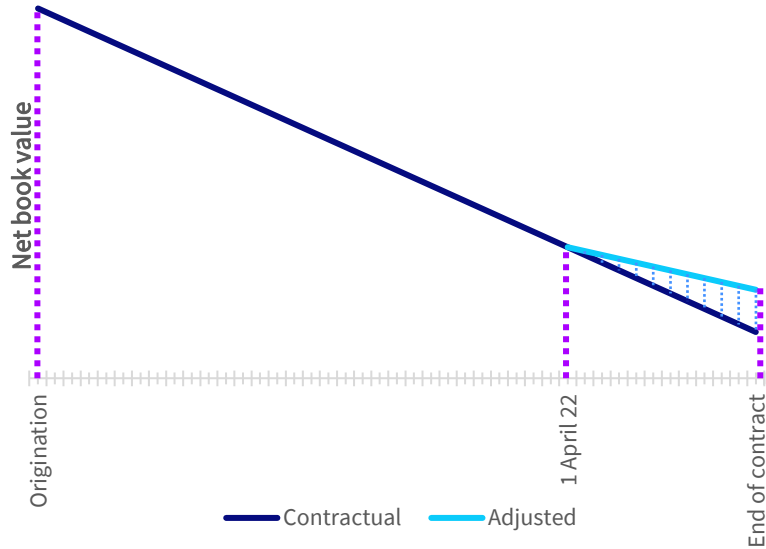
2. On the basis of the expected roll-off of the fleet portfolio and deriving from the usual revaluation exercise

3. 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

# Reduction in depreciation costs anticipating future UCS results

1

Depreciation curve

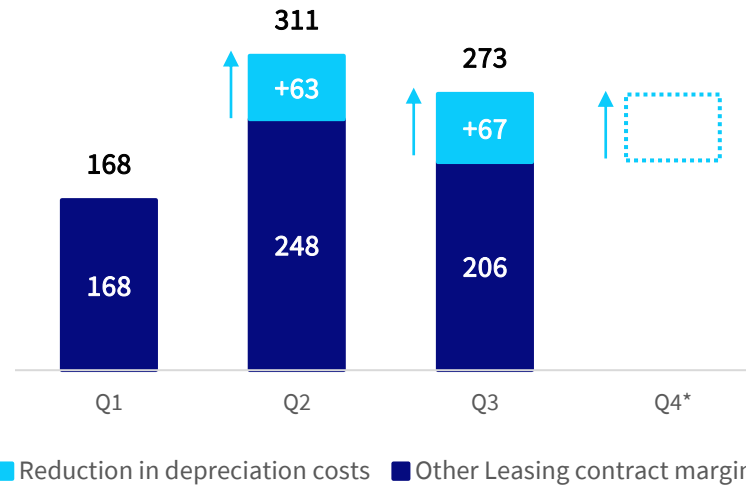


Change in depreciation curve reflecting exceptionally high used car prices

\* For illustration purposes only

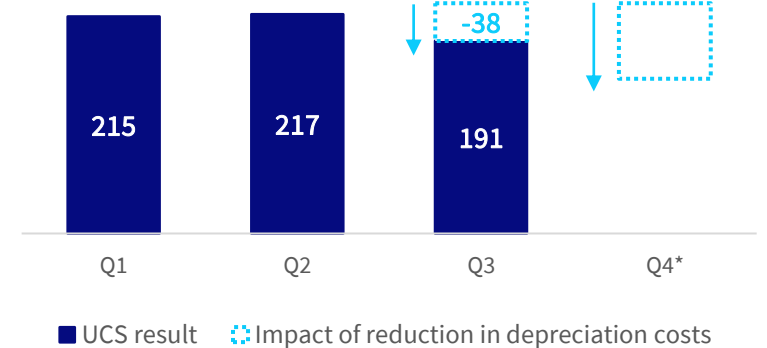
2

Leasing contract margin (in EUR m)



3

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

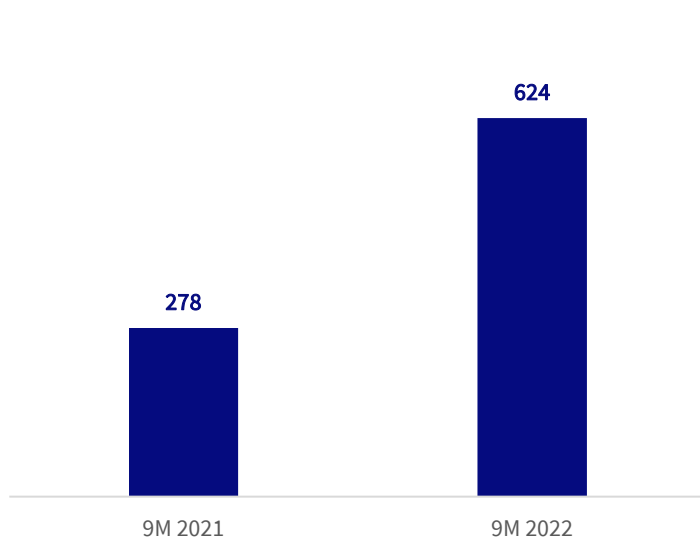


Reduction in depreciation costs has

- + **Positive** impact on Leasing contract margin
- **Negative** impact on Used car sales result

# Exceptionally high Used car sales result

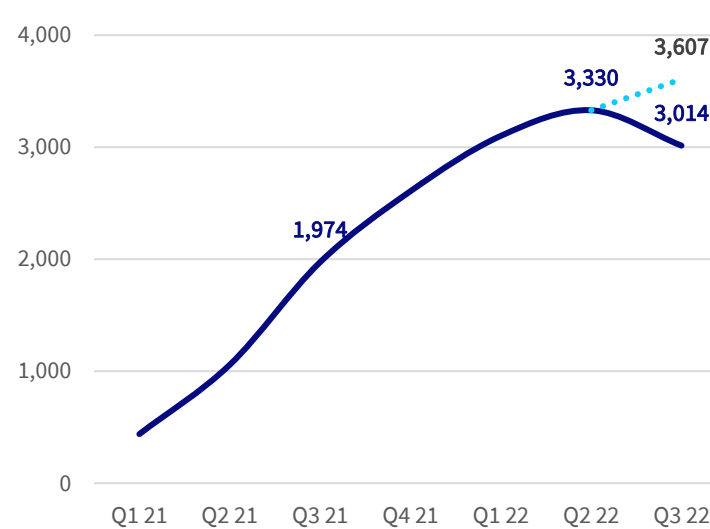
Used car sales result (in EUR m)



## Used car sales result at EUR 624m in 9M 2022

- Continued exceptionally favourable conditions in used car markets

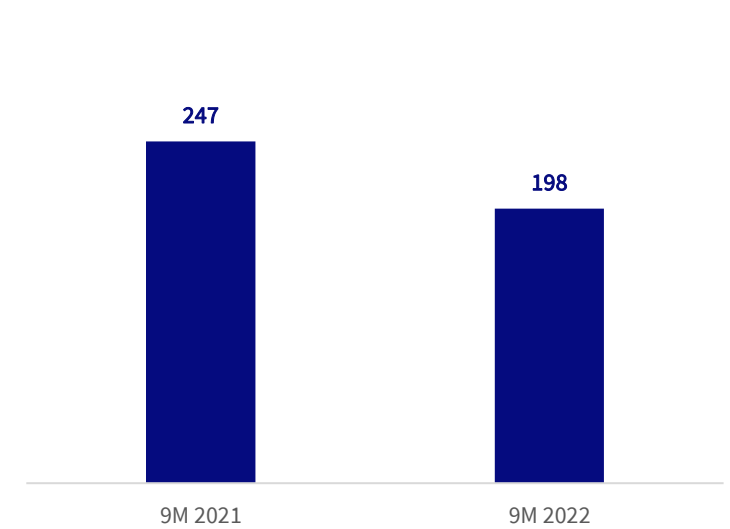
Used car sales per unit sold (in EUR)



## UCS result per unit<sup>(1)</sup> at EUR 3,149 in 9M 2022 vs. EUR 1,126 in 9M 2021

- QoQ decrease due to the reduction in depreciation costs accounted for in Leasing contract margin in Q2 2022, anticipating part of H2 2022 UCS results
- Without reduction in depreciation costs in Q2 2022, UCS result per unit would have been EUR 3,607 in Q3

Used cars sold ('000 units)

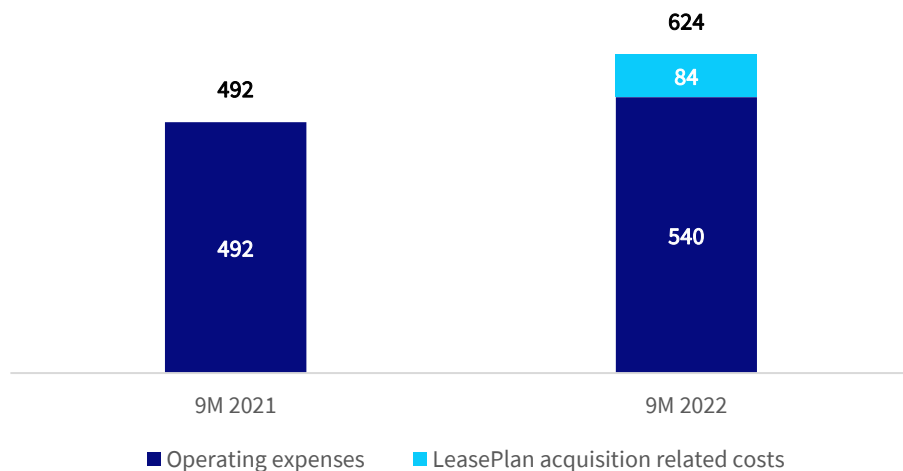


## 198k used cars sold<sup>(1)</sup> in 9M 2022

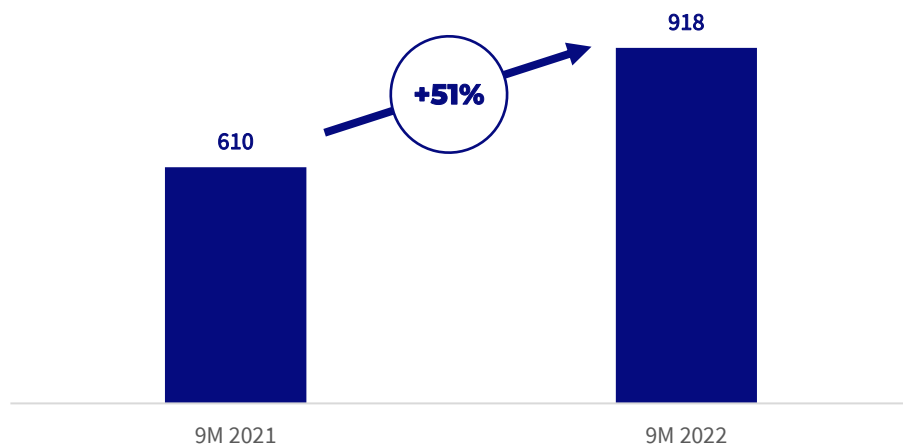
- Lower volume of vehicles sold due to contract extensions and increased used car lease
- Low stock of used cars

# Record net income

Total operating expenses (in EUR m)



Net income group share (in EUR m)



## Total Operating Expenses at EUR 624.3m in 9M 2022, including

- › LeasePlan acquisition-related costs: EUR 83.9m
- › Scope effect (Sabadell Renting, FFM UK): EUR 9.9m
- › Increased variable compensation accrual
- Cost/Income ratio (excl. UCS result) at 49.6% vs. 48.2% in 9M 2021

## Estimate of FY 2022 LeasePlan acquisition-related costs raised to c. EUR 120m (from EUR 100m)

Cost of risk<sup>(1)</sup> at EUR 32.4m vs low EUR 25.2m in 9M 2021

## Record net income (Group share) at EUR 918.2m vs EUR 610.1m in 9M 2021

- EUR 312.1m in Q3 2022, +20.9% vs Q3 2021

# 9 months 2022 financial results

In EUR million	9m 2022	9m 2021	Var.	Var. %
<b>Total contracts ('000)</b>	<b>1,762</b>	<b>1,679</b>	<b>83</b>	<b>4.9%</b>
Full service leasing contracts	1,454	1,382	72	5.2%
Fleet management contracts	308	297	11	3.7%
Leasing contract margin	753.0	531.0	222.0	41.8%
Services margin	506.4	488.2	18.2	3.7%
<b>Leasing contract &amp; Services margins</b>	<b>1,259.4</b>	<b>1,019.2</b>	<b>240.2</b>	<b>23.6%</b>
Used car sales result	623.7	277.7	346.0	124.6%
<b>Gross Operating Income</b>	<b>1,883.1</b>	<b>1,296.9</b>	<b>586.2</b>	<b>45.2%</b>
Total operating expenses	(624.3)	(491.7)	(132.5)	26.9%
Cost / Income ratio excl. UCS	49.6%	48.2%	1.3pts	
Cost of risk <sup>(1)</sup>	(32.4)	(25.2)	(7.1)	28.3%
<b>Operating result</b>	<b>1,226.5</b>	<b>780.0</b>	<b>446.5</b>	<b>57.3%</b>
Share of profit of associates and jointly controlled entities	1.4	1.1	0.3	22.9%
<b>Profit before tax</b>	<b>1,227.9</b>	<b>781.1</b>	<b>446.8</b>	<b>57.2%</b>
Income tax expense	(307.2)	(165.6)	(141.5)	85.5%
Result from discontinued operations	0.0	0.0	0.0	
Non-controlling interests	(2.5)	(5.3)	2.8	-52.3%
<b>Net Income group share</b>	<b>918.2</b>	<b>610.1</b>	<b>308.0</b>	<b>50.5%</b>

Leasing contract & Services margins at EUR 1,259.4m vs. EUR 1,019.2m in 9M 2021

Operating expenses impacted by LeasePlan acquisition-related costs of EUR 83.9m

Low cost of risk<sup>(1)</sup>

Effective tax rate of 25.0%

Net Income (Group Share) at EUR 918.2m, up 50.5% vs. 9M 2021

Continued monitoring of the situation in Ukraine and Russia<sup>(2)</sup>





# Outlook



# Updated 2022 guidance

## Funded fleet<sup>(1)</sup>

To grow between  
**2%** and **4%**  
vs Dec 2021

## Used car sales

To be above  
**EUR 2,800**  
per unit sold

Previously

Above EUR 2,000

## Dividend payout ratio<sup>(2)</sup>

To be between  
**50%** and **60%**

# Appendix

# Third quarter financial results

In EUR million	Q3 2022	Q3 2021	Var.	Var. %
<b>Total contracts ('000)</b>	<b>1,762</b>	<b>1,679</b>	<b>83</b>	<b>4.9%</b>
Full service leasing contracts	1,454	1,382	72	5.2%
Fleet management contracts	308	297	11	3.7%
Leasing contract margin	273.4	174.2	99.3	57.0%
Services margin	180.7	173.5	7.3	4.2%
<b>Leasing contract &amp; Services margins</b>	<b>454.2</b>	<b>347.6</b>	<b>106.5</b>	<b>30.6%</b>
Used car sales result	191.0	152.4	38.6	25.3%
<b>Gross Operating Income</b>	<b>645.2</b>	<b>500.1</b>	<b>145.2</b>	<b>29.0%</b>
Total operating expenses	(220.0)	(161.8)	(58.2)	36.0%
Cost / Income ratio excl. UCS	48.4%	46.5%	1.9pts	
Cost of risk <sup>(1)</sup>	(13.5)	(8.6)	(4.8)	55.9%
<b>Operating result</b>	<b>411.8</b>	<b>329.6</b>	<b>82.2</b>	<b>24.9%</b>
Share of profit of associates and jointly controlled entities	0.3	0.4	(0.1)	-24.9%
<b>Profit before tax</b>	<b>412.1</b>	<b>330.0</b>	<b>82.1</b>	<b>24.9%</b>
Income tax expense	(99.2)	(70.0)	(29.2)	41.7%
Result from discontinued operations	0.0	0.0	0.0	
Non-controlling interests	(0.8)	(1.9)	1.1	-56.1%
<b>Net Income group share</b>	<b>312.1</b>	<b>258.1</b>	<b>53.9</b>	<b>20.9%</b>

## Leasing contract & Services margins at EUR 454.2m

- Turkey hyperinflation: EUR +20.6m
- Depreciation adjustments: EUR +86.4m in Q3 2022 vs EUR +5.1m in Q3 2021, of which:
  - › Fleet revaluation<sup>(2)</sup> of EUR +19.1m vs EUR +5.1m in Q3 2021
  - › Reduction in depreciation costs<sup>(3)</sup> of EUR +67.2m driven by change in depreciation curve reflecting exceptionally high used car prices

## C/I excl. UCS result at 48.4%

- LeasePlan acquisition-related costs: EUR 42.6m

## Net Income (Group Share) at EUR 312.1m, up 20.9% vs. Q3 2021

1. Impairment charges on receivables
2. On the basis of the expected roll-off of the fleet portfolio and deriving from the usual revaluation exercise
3. 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

# Balance sheet at 30 June 2022

In EUR million	June 2022	December 2021	Var. June 22 vs. Dec 21	Var. % June 22 vs. Dec 21
Earning assets	23,652	22,489	1,164	5.2%
<i>o/w Rental fleet</i>	22,912	21,711	1,201	5.5%
<i>o/w Financial lease receivables</i>	740	777	(37)	-4.8%
Long term invt. – Equity Reinvestment	244	280	(36)	-12.8%
Cash & Cash deposits	280	153	127	83.3%
Intangibles (incl. goodwill)	731	665	67	10.0%
Other	3,919	3,405	514	15.1%
<b>Total Assets</b>	<b>28,827</b>	<b>26,991</b>	<b>1,836</b>	<b>6.8%</b>
Shareholders' equity	5,105	4,812	294	6.1%
Minority interest	37	34	4	10.8%
Financial debt	19,495	18,517	978	5.3%
Other liabilities	4,189	3,629	560	15.4%
<b>Total liabilities and equity</b>	<b>28,827</b>	<b>26,991</b>	<b>1,836</b>	<b>6.8%</b>

Earning Assets grew by 5.2% between December 2021 and June 2022, reflecting the increasing share of higher value vehicles (esp. Electric Vehicles)

Total Equity/Asset ratio at 17.8% at end June 2022, up from 16.6% net of dividend at end December 2021



# Quarterly series

(in EUR million) <sup>1</sup>	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022 <sup>(3)</sup>
Leasing Contract Margin	159.0	127.3	145.3	172.9	171.6	185.2	174.2	201.8	168.4	311.2	273.4
Services Margin	164.1	165.6	164.8	157.5	156.5	158.3	173.5	161.8	160.6	165.1	180.7
<b>Leasing Contract and Services Margins<sup>(2)</sup></b>	<b>323.1</b>	<b>292.9</b>	<b>310.1</b>	<b>330.4</b>	<b>328.1</b>	<b>343.5</b>	<b>347.6</b>	<b>363.6</b>	<b>329.0</b>	<b>476.3</b>	<b>454.2</b>
Used Car Sales result	3.2	(14.9)	29.7	43.1	38.2	87.1	152.4	160.0	215.2	217.4	191.0
<b>Gross Operating Income</b>	<b>326.3</b>	<b>278.0</b>	<b>339.7</b>	<b>373.5</b>	<b>366.3</b>	<b>430.6</b>	<b>500.1</b>	<b>523.6</b>	<b>544.2</b>	<b>693.7</b>	<b>645.2</b>
Total Operating Expenses	(162.1)	(151.3)	(154.1)	(166.3)	(163.9)	(166.1)	(161.8)	(183.4)	(187.8)	(216.5)	(220.0)
Impairment Charges on Receivables	(17.8)	(29.8)	(11.8)	(11.8)	(8.7)	(7.9)	(8.6)	0.4	(7.9)	(11.0)	(13.5)
<b>Profit Before Tax</b>	<b>146.8</b>	<b>97.2</b>	<b>174.6</b>	<b>196.0</b>	<b>194.1</b>	<b>257.0</b>	<b>330.0</b>	<b>337.6</b>	<b>349.4</b>	<b>466.4</b>	<b>412.1</b>
<b>Net Income (Group share)</b>	<b>128.9</b>	<b>78.0</b>	<b>140.6</b>	<b>162.9</b>	<b>155.5</b>	<b>196.5</b>	<b>258.1</b>	<b>262.8</b>	<b>255.3</b>	<b>350.9</b>	<b>312.1</b>

(in '000)	31.03.2020	30.06.2020	30.09.2020	31.12.2020	31.03.2021	30.06.2021	30.09.2021	31.12.2021	31.03.2022	30.06.2022	30.09.2022
<b>Total Contracts</b>	<b>1,777</b>	<b>1,765</b>	<b>1,762</b>	<b>1,758</b>	<b>1,759</b>	<b>1,761</b>	<b>1,679</b>	<b>1,726</b>	<b>1,737</b>	<b>1,761</b>	<b>1,762</b>
Full service leasing contracts	1,393	1,379	1,376	1,372	1,370	1,374	1,382	1,427	1,436	1,448	1,454
Fleet management contracts	384	386	386	386	389	388	297	299	301	313	308




# Yearly series

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

(in '000 of vehicles)	2015	2016	2017	2018	2019	2020	2021
<b>Total contracts</b>	<b>1,207</b>	<b>1,376</b>	<b>1,511</b>	<b>1,663</b>	<b>1,765</b>	<b>1,758</b>	<b>1,726</b>

# Increased recognition of ALD's strong commitments in ESG

 PART OF Moody's ESG Solutions	 <b>SUSTAINALYTICS</b> a Morningstar company			 <b>CDP</b> DRIVING SUSTAINABLE ECONOMIES	
<p><b>Advanced</b></p> <p><b>#1</b> in Business Support Services</p> <p><b>Top 1%</b> Global Universe</p> <p>67 points /100</p>	<p><b>Low Risk (16.2)</b></p> <p><b>Top 12%</b></p> <p><b>Top 8%</b> in Transportation</p>	<p><b>C ("Prime")</b></p> <p>Rated "Prime" on sustainability performance</p> <p><b>Top 20%</b> in the sector</p>	<p><b>'A' rating</b></p> <p><b>Top 30%</b></p>	<p><b>B</b></p> <p>Better than:</p> <ul style="list-style-type: none"> <li>- European average</li> <li>- Rental &amp; leasing sector</li> </ul>	<p><b>74/100 (Gold)</b></p> <p>Improvement to <b>Top 2%</b></p> <p>Gold rating renewed</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





ALD