

PRESS RELEASE

TRADING UPDATE

Paris, 3 November 2017

ALD TRADING UPDATE ON 9M AND Q3 2017 RESULTS

- **TOTAL FLEET GROWTH EXCEEDING EXPECTATIONS AT 9.8 % YEAR ON YEAR**
- **SOLID OPERATING AND FINANCIAL PERFORMANCE WITH A RESILIENT CAR SALES RESULT**
- **CONFIRMING FULL YEAR 2017 GUIDANCE OF NET INCOME GROWTH AT AROUND 10% VS. 2016**

ALD Q3 17 RESULTS HIGHLIGHTS

- ✓ **Total Fleet:** 1.48 million vehicles managed worldwide at end September 2017, up 2.7% vs. end June 2017 and up 9.8% vs. end September 2016
- ✓ **Gross Operating Income:** EUR 994.8 million in 9M 17, up 4.5% vs. 9M 16. Strong growth in Leasing Contract and Services Margins, together up 8.4%. Car Sales Result was resilient at EUR 40.0 million
- ✓ **Net Income (Group share):** EUR 428.4 million in 9M 17, up 6.7% vs. 9M 16
- ✓ **Guidance for full year 2017 vs. 2016:** Fleet growth expected to exceed 8% (instead of at around 8%), Gross Operating Income to grow around 7% (instead of around 8%), Net Income growth confirmed at around 10%

KEY RECENT INITIATIVES & DEVELOPMENTS

- ✓ Pilot agreement between ALD UK and NatWest to jointly market a brand new online car financing product for NatWest consumers
- ✓ Euronext decision to include ALD in its SBF120 share index (18 September)
- ✓ BBVA Autorenting (Spain) acquisition finalized (22 September)
- ✓ S&P affirmed ALD's BBB/A- rating revising the outlook to positive, from stable (19 October)
- ✓ ALD France received Best Customer Service Award of the year 2018 in the Full Service Leasing category from Viseo CI (for the tenth year in a row)

On 3 November 2017, Mike Masterson, ALD CEO, commenting on the Group Results, stated:

“The Q3 17 results show continuing strong performance in terms of fleet growth, demonstrating the success of our strategy of sales channel diversification. Leasing contract and services margin income are growing strongly and the Group remains confident of meeting its Net Income guidance for 2017. We intend to reinforce our leadership position by continuing to invest in the growth of the business, while rigorously managing our costs and risks. ALD is determined to pursue its strategy of delivering sustainable growth, building on its constant customer focus and backed by the service excellence of its teams.”

STRONG BUSINESS DEVELOPMENT

ALD maintained strong fleet growth during the third quarter of 2017 raising total fleet to 1.48 million vehicles at the end of September, up 2.7% vs. the end of June and 9.8% vs. the end of September 2016, demonstrating the successful diversification of sales channels. All regions contributed to this strong performance.

On-balance sheet fleet at the end of September stood at 1.16 million vehicles, benefiting in particular from the transfer of the BBVA Autorenting (Spain) fleet to Full Service Leasing from Fleet Management.

Private lease continued to grow at a fast pace (>40% p.a. annualized, since end 2016) with a total fleet reaching c. 73,000 vehicles at the end of September.

SOLID OPERATING AND FINANCIAL PERFORMANCE

Gross Operating Income for the first nine months of 2017 was EUR 994.8 million, up 4.5% vs. 9M 16. For Q3 17, it stood at EUR 332.5 million, up 2.4% vs Q3 16.

In 9M 17 Leasing Contract and Services Margins continued to progress strongly. Underpinned by strong growth in Total Fleet, these margins together represented 87% of Gross Operating Income. Leasing Contract Margin rose 8.6% vs. 9M 16, while Services Margin was up 8.3%. For Q3 17 vs. Q3 16 these margins increased by 9.3% and 3.0% respectively. In Italy, the Stability Law is having a negative impact on Services Margin, which however is more than offset by the reduction in Income Tax Expense.

Pressure on the resale prices of diesel cars in Western Europe is causing a decline in the average sales margin on used vehicles. Average sales margin on used vehicles¹ in Q3 2017 remained robust at 633 EUR, thanks to the resilience provided by ALD's operations in 43 countries. Nevertheless, it was down from levels reached in recent quarters:

2016 Q1: 908 EUR, Q2: 891 EUR, Q3: 802 EUR, Q4: 726 EUR
2017 Q1: 741 EUR, Q2: 719 EUR.

The number of used cars sold¹ in Q3 17 was c. 63 thousand, to be compared with (in thousands, rounded):

2016 Q1: 57, Q2: 63, Q3: 61, Q4: 61
2017 Q1: 65, Q2: 62

Although the increase in used car sales volumes partly offset the downward sales margin trend, Car Sales Result continued its gradual decline in Q3 17 to EUR 40.0 million, down 10.9% vs. the previous quarter and

¹ Management information

18.4% vs. Q3 16. No country represented more than 15% of total Q3 17 Car Sales Result. The result for 9M 17, at EUR 132.7 million, was down 15.5% vs. 9M 16.

Stocks of cars remained stable throughout the quarter, as they have been since the start of the year. The number of cars sold via electronic platforms continues to rise: it was up more than 10% in 9M 17 vs. 9M 16.

Operating Expenses amounted to EUR 440.9 million in 9M 17. The figure for Q3 17, at EUR 148.0 million, was in line with the EUR 148.4 million registered in Q2 17. The rise of 9.8% vs. 9M 16 reflects increased investment in technology, as well as the impact of some other factors: a perimeter effect related to Parcours, and IPO related costs included this year.

The Cost-income ratio for 9M 17 was 44.3%, in line with the 44.5% recorded for full year 2016.

Impairment charges on receivables were EUR 5.7 million in Q3 17, down from EUR 7.4 million in Q3 16, bringing the total for 9M 17 to EUR 15.7 million, down from EUR 17.5 million in 9M 16.

ALD's solid operating performance year to date resulted in Net Income (Group share) for 9M 17 of EUR 428.4 million, up 6.7% versus 9M 16.

The Group's consolidated results as at 30 September 2017 were examined by the Board of Directors, chaired by Didier Hauguel, on 2 November 2017.

GUIDANCE 2017 AND OUTLOOK 2016-2019

ALD's revised guidance for 2017 is as follows:

- Total Fleet is expected to grow by more than 8% (revised from “around 8%”) compared to 2016;
- Gross Operating Income is expected to grow around 7% (revised from “around 8%”) compared to 2016;
- Net Income Group Share is expected to grow around 10% (unchanged) compared to 2016;
- Return on Average Earning Assets is expected to be between 3.5% and 4% (unchanged), and Return on Equity between 15% and 17% (unchanged);
- Leverage and shareholder return targets are consistent with capital generation and total asset growth, with the objective to maintain BBB rating:
 - Maintain Total Equity / Total Assets ratio stable between 15% and 17% (unchanged);
 - Target pay-out ratio between 35% and 40% (unchanged).

ALD's unchanged outlook for 2016-2019 is as follows:

- Total fleet is expected to grow by 8% – 10% per annum on average;
- Leasing Contract Margin and Services Margin are expected to grow by 8% – 10% per annum on average throughout the period, with an expected decreasing contribution of Car Sales Result within Gross Operating Income by 2019;
- Net Income Group Share is expected to grow around 7% per annum on average, this evolution being driven by fleet growth, a strong focus on efficiency, resilient margins and a normalization of the Car Sales Results;
- Return on Average Earning Assets is expected to be above 3.5% throughout the period, consistent with its performance over the last three years;
- Leverage and shareholder return targets are consistent with capital generation and total asset growth over the period, with the objective to maintain BBB rating:
 - Maintain Total Equity / Total Assets ratio stable between 15% and 17%;

- Target pay-out ratio between 35% and 40%.

CONFERENCE CALL FOR INVESTORS AND ANALYSTS

Date: 3 November 2017, at 10.00 am Paris time - 9.00 am London time
Speakers: Mike Masterson, CEO, and Gilles Momper, CFO

FINANCIAL CALENDAR

8 February 2018	Q4 and FY 2017 results
4 May 2018	Q1 2018 trading update
22 May 2018	General assembly of shareholders
2 August 2018	Q2 and H1 2018 results
8 November 2018	Q3 2018 trading update

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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 6,000 employees worldwide, ALD manages 1.48 million vehicles (at end September 2017).

ALD is listed on Euronext Paris, compartment A (ISIN: FR0013258662; Ticker: ALD) and its share is included in the SBF120 index. ALD's controlling shareholder is Societe Generale.

For more information, you can follow us on [LinkedIn](#)  or visit www.ALDAutomotive.com.

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 Registration Document and in the Half Year 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 30 September 2017 was reviewed by the Board of Directors on 2 November 2017 and has been prepared in accordance with IFRS as adopted in the European Union and applicable at this date.

Appendix

Summarized Consolidated Income Statement Q3 17¹

(In EUR million)	Q3 2017	Q3 2016	Change Q3 '17/'16	9M 17	9M 16	Change 9M '17/'16
Leasing contract margin	148.9	136.2	+9.3%	420.9	387.7	+8.6%
Services margin	143.7	139.5	+3.0%	441.2	407.3	+8.3%
Car sales result	40.0	49.0	(18.4%)	132.7	157.0	(15.5%)
GROSS OPERATING INCOME	332.5	324.7	+2.4%	994.8	952.0	+4.5%
Total operating expenses	-148.0	-130.4	0.1	-440.9	-401.5	9.8%
Impairment charges on receivables	-5.7	-7.4	-0.2	-15.7	-17.5	-9.9%
Profit before tax	179.2	187.2	(4.3%)	539.2	531.7	+1.4%
Net Income (Group share)	141.4	136.6	+3.5%	428.4	401.6	+6.7%

Total fleet

(in '000 of vehicles)	30.09.2017	31.12.2016	Change YTD		30.09.2016	Change YOY
Total Fleet	1,481	1,376	+7.6%		1,348	+9.8%

¹ The sum of values contained in the tables may differ slightly from the totals reported due to rounding rules.