

Press release

Paris, 12 November 2020

ALD presents its new 5-year strategic plan “MOVE 2025”

Today, ALD is holding a Capital Markets Day for financial analysts and investors to present the company’s new 5-year strategic plan “**Move 2025**”. Tim Albertsen, Chief Executive Officer, and members of the ALD Executive Committee will provide a detailed overview of the company’s ambitions and the main strategic operational and financial objectives in the context of its new strategic plan.

“Move 2025 is an ambitious plan which leverages the transformation that we started 5 years ago to seize growth opportunities that we see in the medium to long-term future. With this new strategic plan, ALD is positioning itself at the heart of the evolving mobility world and is strengthening its competitive edge to become a fully integrated sustainable mobility provider and the global leader in its industry,” confirms Tim Albertsen, Chief Executive Officer of ALD.

Four strategic pillars

ALD’s strategic development is based on four strategic pillars which aim to strengthen the company’s competitive edge:

- **Move for Customers** – Be recognised as the most innovative provider of mobility products and services through digitalisation, customisation, flexibility, excellent customer experience and a unique mobility brand.
- **Move for Growth** – Be the global leader in sustainable mobility solutions by extending geographical coverage and customer reach with new partners in the mobility ecosystem, value-accretive acquisitions and new mobility solutions.
- **Move for Good** – Place people and corporate social responsibility at the heart of the business model.
- **Move for Performance** - Generate value over the economic cycle within a robust business operating framework to grow the company in a cost efficient manner.

Move 2025's ambitions translate into four key deliverables to drive sustainable growth

Full Service Leasing & Fleet Management

ALD is a resilient business with significant growth potential in each of its four client segments: multinationals and large corporates, SMEs, corporate employees and private consumers.

The number of 'Total Contracts¹' managed by ALD is expected to reach c. 2.3 million by 2025, including growth through bolt-on acquisitions. Both direct and indirect channels are expected to contribute significantly to this growth, with a slightly faster rate of increase for the latter, notably thanks to ALD's leading private lease digital platform.

ALD is the N°1 provider in Europe with the widest direct coverage globally and plans to expand its geographical presence further, including in Asia, targeting up to 50 countries, accompanying its large corporate clients.

Main other organic growth drivers will be private lease and new mobility products², which are expected to increase at a c. 15% CAGR over 2019-2025, especially in ALD Flex (units³ doubling to c. 60,000 by 2025) and Used Car Lease (reaching c. 125,000 units by 2025).

The future is multi-cycle and multi-channel

Move 2025 will transform ALD's business model to one where vehicles are leased for longer, in some cases for the entire lifespan of the vehicles, by building on an opportunistic selection process and market-driven pricing strategy for multi-cycle leasing, used car sales and multi-channel distribution.

ALD expects c. 30% of its used vehicles to be sold or leased to retail customers by 2025 with Used Car Lease reaching a total of c. 125,000 vehicles. This evolution will bring strong growth and margin opportunities while simultaneously reducing residual value risk.

ALD Carmarket for consumers, based on a Clicks 'n Bricks approach, will be implemented in 25 countries to support these ambitions, leveraging on ALD's state of the art digital platforms and network of physical showrooms.

Driving investment in digital capabilities

An incremental budget of EUR 66m will be allocated to digital investments over the next 5 years across all four strategic pillars, raising the share of investment in digital capabilities from c. 20% of operating expenses in 2017-2019 to c. 23% in 2020-2025.

¹ Total Contracts = Total Fleet (Full Service Lease & Fleet Management) plus new mobility solution contracts (ALD Flex, Used Car Lease and ALD Move)

² ALD Flex, Used Car Lease and ALD Move – also called new mobility products

³ ALD Flex and Pool fleet

The electric mobility opportunity for ALD

As the first mover in the powertrain transition, ALD will continue to lead the market in the shift to low emission vehicles by accompanying clients through a TCO⁴-based approach, an all-inclusive EV⁴ offering, targeted EV partnerships and a global EV Programme.

The share of Electric Vehicles⁵ in new car deliveries is expected to rise to c. 30% by 2025. By 2030, ALD is targeting c. 50% of deliveries to be Battery Electric Vehicles.

As a result, average CO₂ emissions per vehicle⁶ for new contracts in 2025 are expected to be at least 40% below those of 2019.

Move 2025 strategic operational and financial objectives

- The number of 'Total Contracts'⁷ is expected to reach c. 2.3 million by 2025, including bolt-on acquisitions
- Within Total Contracts, the share of Funded Fleet⁸ is expected to reach 80-85% by 2025
- Leasing Contract & Services Margins, together, will increase at least in line with Total Contracts over the period 2019-2025, thanks to increased services penetration and scale benefits
- The Cost/Income (excl. Used Car Sales result) ratio will improve to between 46% and 48% by 2025, while absorbing EUR 66m of additional digital investments during 2020-2025
- The dividend pay-out ratio will be raised to between 50% and 60% for 2020-2025, maintaining the Total Equity to Total Assets ratio in line with its historical range thanks to strong capital generation

Sustainability and extra-financial objectives for 2025

ALD has adopted a 4-dimensional sustainability approach to support its corporate social responsibility strategy and ensure that its business activities have a positive impact on society.

- **Shaping the future of sustainable mobility:**
 - a low emission fleet: - 40% on CO₂ emissions⁵ vs 2019
- **Being a committed and responsible employer:**
 - reaching an 80% employee engagement rate

⁴ TCO = total cost of ownership

⁵ Electric Vehicles (EV) defined as Battery Electric Vehicles (BEV), Plug-in Hybrid Electric Vehicles (PHEV) and + Hydrogen Fuel Cell Vehicles. Targets set on new passenger car deliveries for EU + Norway + UK + Switzerland

⁶ Average emissions on passenger cars for EU + Norway + UK + Switzerland (CO₂ in g/km (NEDC norm))

⁷ Total Contracts = Total Fleet (Full Service Lease & Fleet Management) plus new mobility solution contracts (ALD Flex, Used Car Lease and ALD Move)

⁸ Funded Fleet includes Full Service Lease and leases classified as Finance Lease

- raising the share of women in management bodies to 35%⁹
- **Implementing responsible business culture & practices**
 - ESG criteria embedded in 100% of policies, processes, controls with external stakeholders
 - Raising client NPS¹⁰ >40%
- **Reducing the company's internal environmental footprint by 30% vs. 2019**

About ALD's Capital Markets Day

ALD's Capital Markets Day is available online in English today from 7:30am (CET) via a pre-recorded webcast at www.aldautomotive.com and will be followed by a live Q&A session at 2pm (CET). A full copy of the presentation can be accessed via the Investors Relations section of the ALD corporate website.

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⁹ Executive Committee and Management Committee of ALD SA (holding) + Operating Board + Chief Executive Officers and local Management Committees of Group entities internationally

¹⁰ Net Promoter Score. Measure of client satisfaction (on fleet managers and drivers) defined as difference between % of promoters and detractors. Measure is updated annually. 2019 NPS was at 36% (next results to be published in November 2020)

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About

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 6 700 employees around the globe, ALD manages 1.76 million vehicles (at end-September 2020).

ALD is listed on Compartment A of Euronext Paris (ISIN: FR0013258662; Ticker: ALD) and is included in the SBF120 index. Société Générale is ALD's majority shareholder.

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 Universal Registration Document and in the Last 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. Figures in this presentation are unaudited.