



**ARAMISGROUP**

**2024 full year results  
& Capital Markets Day  
transcript**

Wednesday, November 27, 2024

## 2024 Full Year Results

**Guillaume Paoli:** So good morning, everybody. Sorry, it's going to be English, but I'm sure everybody will understand me. Thank you for joining us for today's presentation. So we'll first cover the full year 2024 results, and then we'll go to the Capital Markets Day.

I'm Guillaume Paoli, the co-founder and co-CEO of the Group. The other co-founder and co-CEO, Nicolas, is standing right there. He will not speak for this very short presentation on the full year results, but don't worry, you'll have a chance to hear him out just afterwards for the Capital Markets Day.

As I said, we'll be short. We'll do also a short Q&A after this session. And please, the questions, please reserve them just for the fiscal year 2024 results. I'm with Fabien Geerolf, that most of you know, probably, who is the Group CFO.

So in 2024, Aramis Group has again delivered on its profitable growth strategy, continuing to outperform the market with record figures. We have delivered over 110,000 cars to private customers. We have grown the adjusted EBITDA fivefold to €50 million. We have generated over €20 million in cash. And this is sustainable growth because we have continued to satisfy our customers with record levels of customer satisfaction.

I would like to thank our teams, some of them are in the room or watching us, for this incredible performance.

As you know, our market is absolutely huge, and we want to grow more and more profitably. So we'll continue to improve our business model, our operating system by converging on the operating system between the geographies, by leveraging our European scale, and by raising the bar to improve this model.

We have a very large ambition. We will need the massive customer demand for affordable, reliable cars with our customer value proposition, with our refurbished cars, with our pre-registered cars. And we'll detail our ambitions in the Capital Markets Day.

And as a first step, next year 2025, we'll deliver double-digit refurbished cars growth, resulting in high single-digit growth of B2C volumes. We will achieve at least €65 million of EBITDA whilst continuously improving our operational working capital in terms of days of revenue.

Let's take a look at where we stand now in 2024. In a nutshell, we are stronger than ever and ready to take on the market and seize the opportunities. Aramis is a European group operating in six different countries, delivering an exceptional experience to our customers with industrially refurbished cars, which are the best deal out there. They are cheaper than new cars. They are more reliable than used cars. And also the pre-registered cars.

So we are the market leaders, both in terms of sales and turnover and also in terms of customer satisfaction, thanks to our incredible team.

To reach our ambition and deliver profitable, sustainable growth on the long-term, we have a two-pillar strategy. First, you know it, we have a European platform. This European platform, we have an operating system. And as you know, we grew by M&A in five different countries. Well, we are converging Europe-wide on this very performant operating system. And this

European platform, we're going to leverage it, gather unique benefits for our customers and create value. And we'll continue to develop it opportunistically.

The second pillar is that this great model, we are going to improve it. We're going to raise the bar in all its dimensions. As you have seen, you have some books, title of an excellent book, you can fetch a copy afterwards. So these are the two pillars of our strategy.

And now I will say a few words about the market. I'll be very synthetic. If we take a quick look, we can see that the automotive retail market has stabilized to a new normal. Over the fiscal year, both for the new car market and the below eight years used car market, there has been a moderate growth. And the market has resumed its normal functioning.

We call it new normal because it has resumed the normal functioning, as I was saying. But there are four underlying powerful trends that are all very big opportunities for Aramis that we will detail later on today. These four trends, you know them. It's: one, the rise of electric cars; two, the fact that purchasing power/price is more and more important; three, the arrival of Chinese OEMs; and finally, the necessary transition of the automotive industry.

One of the reasons why the market is normalizing is that the used car prices are stabilizing at slightly above pre-crisis level. And for our business, it's preferable, of course, to have lower prices as it helps people change their car. And we are totally immune in terms of gross profit per unit to the variation of the market price.

So a record year, record in terms of sales and turnover but also for customer satisfaction and team engagement. We have a unique and powerful model. It's a combination of a vertical integration throughout the value chain from buying to selling, Aramis operating system on all the verticals of the chain, and the Aramis performance engine, Nicolas will detail it later on, operating at the enterprise level, at the team level and at the people level. More on that later on.

So you know it. This is a huge market. We have a €270 billion opportunity for cars below eight years. Well, our customer value proposition is very, very attractive. Again, affordable, reliable cars, enabling Europeans to ensure their mobility.

And our business model enables us to outgrow the market. As you can see on the left-hand side, we have again outgrown the market in 2024, as we have done every year since, I think, the beginning. And even in the difficult years for us of '22 and '23 because there was a scarcity of pre-registered cars, we were able to outgrow the market because we grew strongly on the refurbished car sales. The result is that we're gaining market share year-after-year, and you'll see there is much more to come.

I'll give you a few examples now of advancements regarding our strategic pillar. I remind you, first pillar, the European platform, converging and leveraging our scale. Second pillar, it's about improving the model. So this is the first example. In Spain, in 2024, after years of growth, we have put the focus on profitability.

Spanish teams have worked to converge on the operating system in several dimensions, in particular regarding sourcing and regarding refurbishing. Regarding sourcing, we have been very much more selective and accurate in choosing our cars, empowered by new data tools. We have also developed new sourcing channels. This led to faster sales and a reduced need for pricing adjustment.

In terms of refurbishing, the productivity of Villaverde, near Madrid, factory, has improved by one-third, thanks to a re-engineered refurbishing flow. We implemented the pull flow approach of our Group operating system and also the enhanced calibration system that we have to process used cars. And as a result, the gross profit per unit has increased very strongly, you see the numbers, and it's reaching almost the Group average in terms of GPU.

Also, in our first pillar, it's about leveraging our scale. We leverage our scale. It brings unique benefits to our customers, and we create value internally. This is just an example, and we'll get in much more detail later on. It's our internal marketplace. We are among the only ones or maybe the only one to be able to share inventory between countries, which offers our customers more opportunities to buy cars and also helps us to turn our stock faster. Again, we'll talk about this later on.

To give you now an example of raising the bar, i.e. of improving and enriching our business model. As you know, since day one, we have been developing an optichannel model, okay? Optichannel is like omnichannel, except that you are optimizing the different channels that are available to put the customer in a unified brand experience and to optimize the business.

Well, just as an example, we have widened our optichannel coverage in 2024, opening customer centers, asset light customer centers, in Spain, Italy and Austria. Hence improving our conversion rate and improving our satisfaction rate of our customers.

I will now hand it over to Fabien, the Group CFO, for more details on the financials.

**Fabien Geerolf:** Thank you, Guillaume. So let's now review the key financials for fiscal year 2024. Overall, we delivered a very solid financial performance with a significant improvement versus last year.

We achieved 22% B2C volume growth, over €50 million in adjusted EBITDA, of which €16 million in H1 and €34 million in H2 versus €10 million last year. We substantially improved our operating working capital from 31 days to 26 days. As a result, we generated €21 million positive free cash flow in the fiscal year. We will review these results in detail in the coming slides.

So let's start with revenues by segment first.

The growth was driven by both B2C segments. On refurbished cars, we achieved, in fiscal year '24, 12% volume growth with an acceleration in H2. On pre-registered, we increased our volumes by 81%, thanks to a rapid recovery to more normalized levels, as Guillaume explained earlier.

B2B revenues declined by 27%, which reflects a shift in the mix of our outsourcing, with an increasing share of cars sourced directly from professionals.

Services increased by 12%, slightly below the B2C volume growth due to the adverse conditions on financing and increased interest rates.

So let's now take a look at the revenues by country.

Overall, we achieved a very solid double-digit volume growth in nearly all our geographies. If we detail country by country, in France and in Belgium, volumes grew, respectively, by 26% and 15%. The two countries were able to leverage the full potential of their strong brands, their

strong footprint of customer centers and their unique international network of suppliers in a more normalized market.

In Spain, we deliberately prioritize profitability, as Guillaume detailed earlier, after several years of hyper growth. We now have solid foundations for future growth.

In the UK, in a particularly difficult market, we achieved 20% volume growth, resulting in substantial market share gain.

Finally, significant growth was achieved in our last two acquisitions, Italy and Austria, respectively, 82% and 57%.

Some more insights on our GPU now. We have substantially improved our GPU in 2024, with clear progress made between H1 and H2, as you see on the right side. On one side, we faced adverse market conditions on the margins generated by services due to higher interest rates impacting our financing margins. But on the other side, we have been able to generate higher margins on the cars themselves, that's what we call the metal component, driven by two major components.

One, we have improved the selection of the cars. And here, we have been able to leverage our know-how, our technology, to buy the best cars. You have seen one example with Spain, but it has been something that we have seen in different countries.

Two, we have decreased our refurbishing costs. Once again, we had the example of Spain. We had it elsewhere, thanks to increased productivity, lower cost and better absorption of fixed cost. More insight will be shared later on these levers during the CMD presentation.

So in addition to increasing our margins, we have continued to optimize our SG&A structure in euro per unit. Half of the improvement came from a better fixed cost absorption, thanks to the 22% growth achieved. The other half came from two factors: one, improved productivities, thanks to convergence on our operating model and technologies; and second, lower cost of customer acquisition. Here, we have increased our long-term brand investments and decreased acquisition costs through further optimization in lead generation and lead conversion. Once again, we will come back on this topic in more details during the CMD.

So as a result of this strong growth, improved unit margins and reduced SG&A per unit, the EBITDA significantly increased from €10 million to €50 million this year. And during fiscal year '24, our EBITDA margin improved from 1.5% in H1 to 3% in H2, which gives us high confidence to achieve 5% EBITDA in 2027.

We have generated €21 million free cash flow in fiscal year '24. In addition to improving our profitability, we have accelerated the reduction in operating working capital in days of revenues from 31 days to 26 days. Our CAPEX stood at 0.6% of revenues. We continued to invest in our technologies, with an increasing share invested at the Group level, allowing these investments to be shared between several countries.

As a result, our financial leverage continues to decrease with a financial net debt now standing at €61 million and an EBITDA of €50 million, resulting in a leverage ratio of 1.25. As a reminder, we still need to cash out the earn-out for the acquisition of Onlinecars in 2025 and for CarSupermarket in 2026.

And we have available credit lines for a total amount of €300 million approximately, of which less than a third are drawn today.

And with that, I'll hand it over to Guillaume.

**Guillaume Paoli:** Thank you, Fabien. As we have the opportunity to highlight just afterwards, we are a very ambitious and entrepreneurial team. We believe we can build a huge and very profitable company because we have just a huge market, and we have the business model for it. So the two elements enable us to be very ambitious.

To go step by step, here are our financial targets for next year, for 2025. So we'll deliver double-digit organic growth on refurbished volumes, resulting in high single-digit organic growth for total B2C volumes, delivering at least €65 million of adjusted EBITDA and continuously improving our working capital in days of revenue.

So this is it for this short presentation. And now we can have a short Q&A session before taking another short break.

I don't know if there are questions in the room?

## Questions and Answers

**Mourad Lahmidi (Exane BNP Paribas):** So I have a question on the GPU. When you look at the bridge that you showed between metal and services. Can you give us the main component of the services decline? And also a more broader question on services: when you think about this component five years down the road, what would be the main drivers, financing, spare parts or other stuff?

**Fabien Geerolf:** Okay. So the main component is really the financing penetration. It went down from 46% to 43%. And the main reason for that is the higher interest rates. Okay? And we have explained it earlier. We can detail that.

Regarding the services going forward, there is a detailed slide prepared by Alejandro here, who will present it during the CMD. There are several things that we can develop, where we can converge on this aspect. We can increase the penetration of the current services, or we can launch new services, services that are offered in some countries, but not in others. So these are the two levers, and we will illustrate that with precise examples during the CMD presentation.

**Alexandre Raverdy (Kepler Cheuvreux):** Thank you. Good morning. Alexandre Raverdy from Kepler Cheuvreux. I have two questions related to the 2025 guidance, please. The first one on the volume guidance. I think it implies the pre-reg business to be flattish or even slightly down. I think we are not yet back to the historical level. So is it a deliberate measure from you, or are you being cautious here? That would be the first question.

And the second one, on profitable growth. So it's nice to see the EBITDA per unit growing again in 2025. The question I have is what are the key building blocks beyond that? Is it even higher GPU metal services? Is it even further cost actions on the marketing side? I just wanted to understand what would be the main drivers for that?

**Guillaume Paoli:** Okay. I'll take the first one. Maybe you can take the second one, even if it's a bit to what we're going to tell just afterwards.

Regarding the guidance, so thank you for the question. We were expecting it. So I mean, we sell used cars. We sell cars to serve our customer needs. There are some variations in the market. We have always said that the strategic axis was refurbished cars. We operate on a market of 12 million units, cars below eight years. The pre-registered market is a much smaller market, it's 400,000. And yeah, it's not totally clear where it would land, but we are confident in being able to grow it. And as a whole, we will deliver high single-digit growth. Okay? But there is a question of a little bit of mix between the two. If there is a surge on one, it impacts a little bit, the other one.

But in the end, the important part is that we're going to serve more customers with high single-digit growth. For the second part?

**Fabien Geerolf:** And on the big blocks to explain the gap in profitability, we will detail it, of course, during the CMD presentation again. But to make it simple, it will be both. So it will come from the margins, from margin on services and margin on metal, we can grow both these margins, and we will explain how. And it will also come from a further reduction in SG&A in euro per unit. We will absorb more fixed cost. We think that there is some levers on productivity as well around technology. And we will give some very concrete examples on how we intend to achieve that. So to answer your question, yes, there are several levers, not only one.

**Guillaume Paoli:** Do we have some other questions in the room? Yes, there's one.

**Dominique Descours (CIC):** Hello. I just have one question on the fiscal year '24. You have a tax credit in the P&L and a tax outflow in the cash flow. Can you elaborate a little bit on that? Thank you.

**Guillaume Paoli:** Thank you. That's for you Fabien.

**Fabien Geerolf:** Yeah. So indeed, thank you. We have a tax credit in the P&L. In fact, it's explained by the fact that we have generated in the past some losses. And as long as you have not proven that you were delivering profit, you cannot recognize the tax loss carryforward in your books. So when you start delivering more profit, as a mechanical impact, you recognize the tax loss carryforward in your books. So it's a pure mechanical accounting impact.

**Guillaume Paoli:** Do we have other questions in the room? I think we have no questions on the phone and no questions from the web for the moment. So last chance. Okay. Thank you very much for your attention. We'll do a short break and come back for 10:00 a.m. for the full Capital Markets Day.

## Capital Markets Day

**Guillaume Paoli:** Hello everyone and welcome to Aramis Group's 2024 Capital Markets Day. I'm Guillaume Paoli, co-founder and co-CEO of the Group. And it's our pleasure with Nicolas and the team to welcome you here today at Musée de La Poste in Paris.

Three years after the IPO, and after a once in a lifetime event on the automotive retail market, it felt like a good time to update you on our strategy, our outlook and explain why our business model, our operations are stronger than ever, and we are ready to seize all the opportunities going forward.

First, I would like to thank our 112,000 customers last year, and also the 700,000 that has bought a car from us since 2001. Also like to thank our 2,400 people in the Aramis team. There are some great people out there, including in this room. Thank you for your hard work and commitment. And I would like to thank our investors, there are few number in the room. You have invested in a company that is revolutionizing car buying since 23 years. And as you see today with the team, there's much more to come.

So let's take a look at today's meeting, what we're going to talk about. Point one on the agenda, Nicolas and I will talk about our journey, our journey from zero to 100,000-plus customers to revolutionize car buying. Point number two, we'll switch to the market to update you, things have changed. We are getting back to a new normal and why we believe this is the most exciting B2C market out there.

Then on point number three, we will explain how we became the leaders on this market and why we will continue to be the leaders with very strong competitive advantage at our service. This includes a contribution by Philippe de Rovira of Stellantis, who is also an Aramis Group Board member. And as you know, Stellantis is our partner.

Then we'll do a short break for questions. Number four, we'll move on to strategy to explain how we will deliver strong profitable growth in the future. Then in part five, one of the parts you are most excited about, Fabien Geerolf, our Group CFO, will get into the details of the number, explaining in particular, how we will reach 5% adjusted EBITDA, rather sooner than later and more. And finally, we'll reach the conclusion before a Q&A session.

So these are the speakers today. Our team will present themselves along the way. I won't do it for them. Just for you to know, it's just a sample of the great people we have. We had a hard time to choose between all our people. But you'll get a queue of the kind of people we have. And of course, you can also talk with them for those that are in the room after the break.

Now we're going to run a short video to get into the spirit of today's discussion. And afterwards, I'll hand it over to Nicolas right after.

[VIDEO BROADCASTING]



**Nicolas Chartier:** Good morning. I'm Nicolas Chartier. I'm co-founder and co-CEO of Aramis Group. Aramis started in 2001 when Guillaume and I realized the big problem on this huge market. Customer experience was very poor. Mobility is essential for Europeans. But to buy their car, they were left with the only choice of traditional incumbent offering poor experience.

So we decided to create a new offer. This was a team of two, and we are still there. And we are now surrounded by a team of 2,400 people. From day one, we are a lean company, driven by a passion for customer satisfaction. From day one, we are digital. We started by saying that we are going to sell cars on the internet. In 2001, nobody trusted us. And today, we are even selling cars with AI. From day one, we are an entrepreneurial company, and we still are.

We launched Aramis with the purpose of offering an affordable, sustainable, individual mobility to all European and with the ambition of becoming the preferred platform for European to buy the car.

Our ambition is also big because it's a huge market and European needs have no limit. We are over €2 billion turnover today, and we target over €10 billion which represent a 5% market share in Europe. We are on front runner. From day one, we wanted to build a big company, a leader, and we wanted to transform our sector. The market permits it. The model we have created permits it.

Our model delivers a better customer experience. We will discuss that more in-depth during this presentation. But you will see that we have crafted our model. We are vertically integrated. We have developed our unique operating system, and we have crafted our performance engine for operational excellence. To do so, we had to learn a lot. We had to learn how to buy the best car, we had to learn how to refurbish it, how to sell it.

In purchasing, refurbishing or selling, we have learned thousands of details that make the difference and that only experience can bring. This is how we have created a unique model creating value for customers, employees and investors.

And now I leave the floor to Guillaume.

**Guillaume Paoli:** Thank you, Nicolas. So now here is a snapshot of Aramis in 2024. So I won't go into all the figures. But in a nutshell, we are a European group operating in six countries, delivering an exceptional customer experience to over 110,000 customers.

With industry refurbished cars, which are the best option out there. They are affordable, they're reliable, they're safe, they have limited impact, and also pre-registered cars that now represent 20% of our business. This makes us a leader both in terms of sales, but also in terms of customer satisfaction. Thanks to an incredible team, as Nicolas has just mentioned, that are super knowledgeable and locally have a very big field expertise.

We're also leading the pack in terms of financials, as Fabien will explain later. We delivered the highest gross profit per unit of listed company in Europe. We have the lowest operational working capital in Europe, and we will continuously improve that, and Nicolas will explain later on how our unique model enables us to do that.

So this morning, we will explain. Number one, we have a vast market, full of opportunities. It's really the most exciting B2C market out there. Number two, Nicolas will dive into how we became the leaders. He said it's a combination of vertical integration, our clear operating

system and the Aramis performance engine, which gives us very difficult to replicate competitive advantages.

And third, we'll get into our strategy for sustainable, profitable growth. We'll tell more afterwards. And then afterwards, Fabien, our CFO, will get deeper in the numbers to explain how we will deliver profitable growth and cash-generative growth.

So we have a clear powerful model, with a clear strategy. This leads us to our financial objectives.

As Nicolas said, we are entrepreneurs. Okay? We believe we can build a huge and very profitable company in our field. When we started working with Stellantis in – well, PSA at the time, in 2016, we were doing €360 million turnover. Now we are doing €2,238 million, okay? So we are very ambitious. And as Nicolas said, the market enables us, and our model enables us.

So to go step by step, because we are patient people. And so are you, I'm sure. Here are our financial targets for next year. 2025, we are going to deliver double-digit growth on refurbished car sales, resulting in high single-digit growth B2C, at least €65 million of adjusted EBITDA. As a second step, in 2027, we will continue to deliver a CAGR double-digit growth on refurbished car sales resulting in high single-digit B2C volumes and achieve around 5% EBITDA by then. And we'll continuously improve our operational working capital in days of revenue.

And going forward, in our mind, Nicolas and mine and the team, the sky is the limit on this market.

Now let's talk about the market. Well, in reality, I believe I have the easy part of the presentation because this market is so exciting. Nicolas told you, Europeans need their car. Two-thirds of European go to work every day in their car. And if you get out of the big cities, usually, it's 80%. And what are the cars they use? Well, around four out of five cars sold to private are sold used. This explains the size of the market. This explains the resilience of the market. It's just because people cannot do without it.

You will see that traditional incumbents generally deliver a disappointing experience. Digital is contributing to change this experience which is a big opportunity for us because we are digital first. So in a nutshell this market is an absolute opportunity for us.

And now I get into the details, starting with the numbers. We have a total value of used car market of €420 billion, 34 million units. In comparison, the new car market is 12 billion. Within the 12 million, around half are sold to private customers, okay? In this big market of used cars, our core market is cars below eight years, which is essentially what we do, €270 billion. This market is expected to grow in the coming years. Grow slowly, but it's sheer size means that we have several lifetimes of growth possible in front of us. It's not about the growth of the market, it's about the sheer size and the fragmentation.

Also not illustrated here, cars are vectors for services, financing, maintenance. Alejandro will tell us a few words about that later on. Smaller numbers, but very profitable.

This big European market, it's composed of specific markets. Each one of them is sizable. As you know, we operate in six markets on the screen. We have added Germany and other countries. The fact, by the way, that the UK is the number one market is counterintuitive. And the reason is that the British people change their car much more often than other ones.

Europe with its 24 official languages is more diverse than, say, the United States. And we see that also in the automotive retail industry. Typically, market shares vary from country to country. In France, people buy around 54% of French brands. In Germany, Germans buy around 56% of German brands. You have specific equipment requirements. It's not the same to live in the South of Spain or in the north of Sweden.

In terms of behavior, I've said British people buy a car every four years. Well, Spaniards, we have a number of them here, buy a car every between eight to 10 years. Taxes are different. Administrative processes are different. And the combination of these factors make local know-how and expertise very important.

At Aramis Group, we possess that expertise that empowers us to navigate. And typically, we are the only ones today able to share inventory Europe-wide, as Alejandro will tell you in the second part of the presentation.

Digitization now. When buying a car, there are a lot of pain points, and digital enables to reduce or annihilate these pain points. This is why more and more customers are ready to move online to do all the process or just to do a part of the process, as you can see on the slide. People are getting comfortable with that.

Typically, the test drive is not an issue anymore. We provide up to 30 days of money bag warranty for our customers. So we call it the longest test drive in the world. And this digitization trend is accelerating, which is creating a boon for us as we are a digital-first player since day one.

Let's take a look at the incumbents. Well, it's a mixed bag of traditional offline players usually delivering a second-class experience. You can make the test to go in a car dealership, a new car dealership or independent car dealership to see what kind of experience you get. But probably you'll face some haggling, you'll face a limited offering, and the process will be relatively tedious. This is where I like to quote John Krafcik, the former CEO of Hyundai in the US that then became Waymo CEO in the US, who used to say that people prefer to go to the dentist than to go to a car dealer.

These players are not at scale. If we take a look at the major countries in Europe, the top five players represent between 5% and 15% of the market. So a fragmented market is a very big opportunity for a consolidation platform, such as Aramis, to grow, and we are uniquely positioned for that.

Switching now to the market structure and the main operators in the field. So as you can see right away, this slide is kind of a maze, maybe kind of a mess as well. But it shows you that the market is quite opaque, partly intermediated, and it explains why traditional players are not so efficient.

Let's take a look. On the left-hand side, you have the sourcing of the car. So OEMs, rental companies, leasing companies. These players usually sell to auction platforms such as BCA, or to brokers, which in turn sells to B2C players. Then, of course, you have private customers who can sell to C2B platforms, or to the dealer when they buy a car or directly to C2C. These B2C players in turn, usually publish their cars on a classified website just as Leboncoin or aggregators at a high cost, and then finally sell the car to the customers.

These platforms, aggregators and classified have no part in the transaction. They are just media, but they are more and more costly.

By the way, I'm sure you noticed that some B2C operators have disappeared. I won't name them, but I'm sure you can guess who in the past month. And this complex landscape creates big opportunities for vertically integrated players such as us. Our platform covers the market from end to end, from sourcing to delivery. And also, we are the only one operating, the only significant operator, with just one brand. We have the same brand to buy cars and to sell cars, which gives us many benefits in terms of cost and efficiency.

Now if we focus on the B2C players. Well, one of the specificities of this market is that consumer to consumer is still a sizable share of the market. Okay. You see around 30%. When you buy to a private customer, you have virtually no warranty. So for us, the C2C share is eligible hunting ground.

Then you have franchise dealers. They represent almost half of the market. Usually, they're conglomerates of traditional dealerships and different brands. So they have different ERPs, different CRMs, different databases. They have a lot of constraints from the OEMs. Their purpose in life is to sell new cars. This is why they exist. What pays the bill, it's the maintenance after sales. And they also sell used cars, but it's very difficult to prioritize everything and they usually lack scale on this business.

Then you have independent operators where you have good players, less good players.

And we believe that with our unique customer value proposition, we have competitive advantages on all of these categories. And so we are gaining market share on all these categories, and there's much more to come.

Also, I would like to stress that we don't have the economics of an automotive player. We have low working capital, we are agnostic in terms of the brand, in terms of engine, as we'll say later on, meaning that we are immune from most cycles.

I say most cycles because from end of '21 to end of '23, something very special happened that never happened before. We call it the Carmageddon.

Historically, the used car market is very resilient. Nicolas and I, we started the business in 2001 in September in his flat. So 10 days after 9/11. So trust us, we had a fair share of crisis. And all this time, the used car market did between plus 4% and minus 4%. In the meantime, the new car market has gone through cycles, you can see typically between 2009 and 2013, it has decreased by 20%, while the used car market was still growing.

The used car market is stable, and the new car market can be quite cyclical. And we talked about the drivers that make this used car market resilient. Mobility is not an option. People need cars, in particular those that buy used cars.

So what happened? Well, it took a combination of a worldwide pandemic not seen since 1918, plus a major land war in Europe, not seen since 1945, to significantly impact the market. First, because one aftermath of the COVID crisis was the scarcity of semiconductors, which had for consequence that there was a problem to produce new car. So in three years, we lost one year of production in Europe. I'm speaking of 12 million cars that never came to birth. Okay. So this increased the prices of the new cars. By capillarity, it increased the prices of the used cars. Some operators such as rental companies, as they could not be delivered the new cars, kept

the used cars. So all of this impacted the used car market for the first time, and there was a decrease in the market. It also shrank to almost nil the pre-registered car market that used to represent 40% of our sales, now 20%.

Second element, you know it's the war in Ukraine, that contributed to boost inflation in all sectors, in particular energy, and interest rates which affected the market as well. And this pre-registered car scarcity, in particular, impacted us more than other operators because we were more exposed to it. Now it's 20% of the sales, and it's coming back to normal.

Because yes, this Carmageddon is now over, and markets are normalizing. On the left-hand side, you can see in blue, the production of new cars has picked up and this means that the pre-registered cars are back in the market. On the right-hand side, you can see that the prices have gone down, stabilizing a little bit over precrisis level after passing through really crazy levels. So the market is stabilizing to a new normal with some underlying powerful trends.

Let's take a look at these trends. We have four main trends. There are four big opportunities for Aramis.

First, the inexorable rise of electric cars. I'll focus on that on the next slide.

Second, price. Well, it's not new really. It has always been in the picture, a very important element when you buy a car. But it's even more important than ever. It's great news for our refurbished car business, which are cheaper than new and more reliable than used, and we are the best deal out there.

Three, the Chinese OEMs. The offensive has started. It's an opportunity for us. We are fully agnostic in terms of brands. We have been selling all brands forever. I mean, we really choose what brands we want and what brands we want as the brand that customers want. We have no obligation to sell this brand or that brand and we actually have lived through the Korean push at the end of the year 2000 and benefited from it because our customers are particularly rational, looking for a price and benefit combination. And we are already selling several Chinese brands.

Finally, regarding ecological awareness, we believe our model is sustainable by design, in particular with refurbished used cars, which are at the heart of the circular economy. We are part of the necessary transition of the automotive industry. Through refurbishing, we mitigate harmful emissions and the need for extraction of resources. We embraced electric vehicles, as I would say just afterwards, forging our path to carbon footprint reduction.

We are working right now with our team with external studies and with the studies we are leading with typically ADEME here in France to make this crystal clear, and we'll come back later on that.

Now, if we focus on electric vehicles. Actually, Aramis is retailing electric vehicles since 2012, an old story, Mia cars. I won't go into the details. But we have been selling these cars for 12 years now. You see the figures on the slide. There is some debate on how fast the EV sales will grow or not. But whatever happens, we are ready. We are fully agnostic to engine technology. We sell petrol cars, diesel car, GPL car, ethanol car, electric cars and tomorrow, we'll sell hydrogen cars. We sell the cars that our customers want. And we can sell every engine technology in used car until 2050.

Our refurbishing centers are equipped. Our operators are trained. Our salespeople are knowledgeable and can recommend the best engine technology for our customers. And we believe that EVs are a great opportunity for us because private customers are very reluctant to buy another electric car from a private customer because most of the value of the car is in the battery. And when you buy a car, you're not really sure of the state of the battery you're going to have. Whereas we provide very big warranties to our customers. And we're already ahead of the pack on that, as well as in other fields, but we have a mix of electric cars 30% above what is going on on the market of cars below eight years.

So in a nutshell, let's recap why we are so excited about this market, and I believe you should too. It's huge and resilient. The short once in a lifetime Carmageddon is now over, enabling at least a lifetime or two lifetimes of growth. It's multi local, necessitating field expertise. Digitization is picking up, which is a very big opportunity for digital-first players such as us. It is highly fragmented, which gives us the opportunity to consolidate. And they are very powerful trends that we believe are big opportunities for Aramis.

So now I have described the playground. I will leave it to Nicolas, who will explain how we play on the playground and how we win.

**Nicolas Chartier:** Thank you, Guillaume. It's clear that this market is enormous offering us a fantastic opportunity to build an incredible business. And as long as European need mobility we will be there to provide them with the best solution.

We are perfectly positioned to create value for our customers, employees, investors and the community. I will now explain how we achieve this and distinguish ourselves from the competition.

You know that our industry is known to be capital intensive. You have to finance inventory. This inventory may be risky, prices can change. It is also known to offer relative low margin. So to succeed, we must be different and super sharp. We have developed a business model that is not capital-intensive and offers much higher margin than traditional incumbents.

Over the last 23 years, this business has evolved through continuous improvement and is funded on three pillars: the vertical integration, our Aramis operating system and our Aramis performance engine driving operational excellence. This model allows us to avoid suffering from the difficulties of this industry. And moreover, it is our playbook to integrate the acquired companies.

Let me elaborate on each of those three pillars. So the first one is regarding vertical integration. It's quite straightforward, and you likely already invest on it. We buy cars from hundreds of suppliers and from consumers. We sell the cars. We manage all the supply chain. We oversee the refurbishing in our eight refurbishing centers. We deliver it either at home or in our 68 customer centers in Europe. And in each of those areas, we have developed unmatched capabilities that set us apart from competitors. Vertical integration is the architecture we have chosen for our business.

Let's now discuss our Aramis operating system. The operating system is our code, the algorithm of the company that we have crafted from years of experience. In every critical business segment from purchasing to delivering, we have a well-defined operating system. A prime example is our refurbishing factories. We were pioneers in launching refurbishing factories in

Europe a decade ago. And we now have eight of them. The key is not just adding them but being best-in-class in operating them.

In our top refurbishing center, lead times are under four days when we know that for our competitors, it's more around 15 days. In our refurbishing centers, we also have the unique capacity to repair parts instead of replacing them. We're even able to produce hundreds of parts with 3D printing to lower lead time and to lower costs.

Another example of our operating system is the way we manage inventory. At Aramis Group, we have a unique perspective on it. We say that the best inventory is no inventory. Instead of managing inventory, we manage the flow. We focus on how many cars we display each day and how they perform. We say that to sell 1,000 cars a day, you need to display 1,000 cars a day, minimizing the inventory. Of course, this is super difficult as you must choose the right car being super sharp in pricing it correctly and have a world class supply chain to deliver it. This is what we do, and we call it our sell one/buy one model.

On average, we maintain about 25 days of inventory online and in our best performing countries, we reduced this to 15 days. And this is while maintaining excellent conversion rate and customer satisfaction. So combining quick refurbishing, supply chain efficiency with our inventory management allows us to achieve a low operating working capital level, at a level unmatched in the market. And I have even not mentioned yet our internal marketplace, that enable us to sell refurbished car across borders, and Alejandro will tell you a word about that later.

Another unique aspect of our operating system is our sales model. From day one, we've embraced an optichannel approach. We excel online, we excel over the phone, and we provide a network of optimized physical customer centers, where customers can interact with us and collect their car, and all this totally seamless from digital to the customer center. We are using the best technology but always keeping the human touch. We have crafted our pro and friendly touch, and this is in the DNA of the company since day one. So this is just a few examples of our operating system.

Let's now talk about what we call our Aramis performance engine. This performance engine drives our operational excellence. Growing a company, as we have done over the last 23 years requires a clear methodology beyond just having a great strategy. Leading 2,400 people and aiming to scale the company to a €10 billion company demands a precise leadership model and a cohesive culture and an effective teamwork. This is also super important when you are integrating acquired companies.

For years with Guillaume and the team, we have contemplated the best way to do it. Along this journey, we have explored various methodologies, drew inspiration from the best company and the greatest company in the world, and ultimately embracing the lean culture.

Let me share about what we call our performance engine. We've structured it around three pillars for clarity. The first pillar is what we do at enterprise level. The second pillar is how people are behaving. And finally, the third pillar is how teams are working together.

At enterprise level, we are promoting a learning culture. We consider that to grow our business, we have to grow our people. To develop our business, we have to develop our people. That is why we are putting everyone in a situation to learn every day. And this learning happens on

what we call the Gemba, which means on the ground, on the field, not in meeting rooms in the headquarters. We are promoting an environment centered on the value we create for customers by developing the people. Our people are customer obsessed. They're all trained to be high level problem solvers.

So they improve continuously every day the service we are delivering to our customers. Also, we develop, they develop their autonomy in decision-making, which accelerates the pace of the business, but also improves the relevance of the decisions that we take.

And the third pillar is how our team are working together. We are a team of teams working together with the same methodologies, having specific frameworks to foster collaboration, putting teamwork as an imperative and working in a respectful environment.

Among our proprietary methodologies, we can mention our guilds that are powerful community of practices where people are developing their skills with peers. We can also mention the A3 methodology that everybody in the company is practicing and sharing.

We believe this culture we have developed among Aramis Group is a unique strength to develop our operational excellence in a collaborative environment. And by the way, this unique culture is recognized outside Aramis Group. We have written a book about that. And we have a copy for you in French and English for those who are in the room.

Let's go now on the Gemba with Karen, Matt and Javier in this video.

[VIDEO BROADCASTING]

**Nicolas Chartier:** So let's go into some more examples and results that we get with our model. We are very proud of our high Net Promoter Score, which is the highest in the industry. This is the result of all the initiatives that are taken every day by our employees to improve the value that we deliver to customers.

To illustrate this, I'd like to share an initiative from Ivo in Spain to show you how the team reached operational excellence. Ivo is a team leader in the factories cleaning department in Villaverde next to Madrid. He discovered that in our customer review more and more customers were complaining about the quality of the cleaning on hybrid and electric cars. Working with the team, they realize that our traditional process to clear the engine in a petrol car cannot be applied to a hybrid or electric car. That is why, with the team, they developed a unique method to clean the engine without damaging the electric parts and with no risk for the operator. This is an initiative that we discovered with Jose Carlos in the field a few weeks ago.

This might seem minor, but we have hundreds of such initiatives across the company and their cumulative effect makes a significant difference. And this is how we make the difference for our customers, thanks to our people.

Let's discuss our gross profit per unit. Again, we have market-leading results here, and again, the results we get comes from all the initiatives of our employees every day on the ground.

Let me take this example from Benjamin in Donzère, the refurbishing center in South of France, which was the first refurbishing center that we have opened more than 10 years ago. On some Peugeot cars, he realized that we had to change a lot of dashboard because they were



scratched. Each of those dashboards cost more than €1,000. He created a unique process to repair the part instead of replacing it. And this process costs just a few euros and repairing parts not only reduces cost, but also offer a more sustainable environmental solution, and it also helps us to accelerate the flow.

Finally, let's talk about our operating working capital, which stands at 26 day in 2024 for us, compared to an average of 46 in the industry. And here again, let me give you some examples of how we do it. In some of our geographies, and this will be expanded with the time, we offer next-day delivery. You order today and you are delivered tomorrow, wherever you are in the country. Being able to deliver so fast brings value to our customers and reduces our operating working capital. This is possible thanks to our logistic integration and proves how powerful our operating system is.

Another example to illustrate this is the one Matt gave you earlier in the video about electric cars in the UK. By being better in choosing the right cars and pricing it right, we have a superfast inventory rotation.

I could also present you how our buyers with our data engineers have developed tools. They call it "traffic light", which gives them for every car they study, every car that are offered to them on the market, gives them a green or red light accelerating decision process and helping them to choose the best car in the market.

The day will not be enough to present you all the initiatives of our team to continuously improve the value we are delivering to our customers and to all our stakeholders.

These examples demonstrate our unique position supported by vertical integration, our Aramis operating system and our performance engine. That makes our model the best in the industry, guaranteeing low capital intensity and an higher profitability, thanks to our operational excellence. And this is just the beginning as not all parts of the group are fully integrated with all those elements yet.

And I now leave the floor to Philippe de Rovira.

**Philippe de Rovira:** Thank you, Nicolas. Thank you, Guillaume. Well, very happy to be with you today. Good morning to all. I have only three slides. So maybe before starting with the slides, I'm going to tell you a few words about me.

So I've been working for ex PSA during 25 years and after that for Stellantis since the merger of ex-PSA and ex-FCA. I made most of my career in finance, and I became the CFO of Group PSA three years before the merger. And I've been in charge three times in my career of the business unit of preowned vehicles or used cars vehicles. So that's a topic that is a passion for me. And so now currently in Stellantis, I'm part of the Executive Committee and in charge of five business units, including the used cars. So that's the reason why I'm here with you.

Three slides only. The first one is, well, the title is a committed partner for Aramis Group since 2017. So we've decided in 2017 to be part of the great adventure of Nicolas and Guillaume for two main reasons, I would say. First, we thought it was a great financial investment. And second, we thought it was completely consistent with our business goals. And I'm going to explain to you what are these business goals and why it makes complete sense for us to be an investor in Aramis.

When I say an investor, an investor that has 60% of the capital as you well know, so a very committed investor. We are a long-term shareholder and a business partner. We supply some cars, Stellantis cars to Aramis. We are a key partner in terms of spare parts. You know that Stellantis in terms of parts distribution has a very unique scheme in Europe with what you call the Distrigo model. The difference with all the other carmakers is we've got the capacity to deliver two, three, four times a day, the parts to our repairers, be it agreed repairers, independent repairers, or Aramis. And when you want to be lean in terms of refurbishing as Nicolas was mentioning, having a perfect supply of parts is absolutely critical.

Market intelligence and other, I will just give you an example of what it means. The "other" can be, for example, in Madrid. We've got colleagues from Madrid. Aramis through Clicars has been at his premises in the former – not the former, the plant of ex-PSA in Madrid, in Villaverde. And it was, I think, a good help for the team to develop the activity.

Another example could be in the UK, where when we made the acquisition of a local player that is now part of Aramis Group, this acquisition, the first contact, was through the business unit used car in my team through the knowledge that we have of the market. Just to give you two examples of what the "other" can mean.

Market intelligence through the Board members. For example, on top of me, the Board members, you've got Linda Jackson, who is the CEO of Peugeot. And of course, you can imagine that through the inputs that she gives or that I gave, Aramis has an access to some market intelligence that the others do not have, the other players.

Used car market, a strategic level for Stellantis. I'm not going to read the slide because you're going to have it in the deck. But just going to explain why it is absolutely key for carmakers to be in the used car market. Well, just because the new vehicle market and used car market are totally linked.

Today, if you look at customers, the B2B customers and the B2C customers in new vehicles, how do they buy the car. In fact, they don't buy the car. The vast majority of them lease the car. In B2B, nearly everybody. Companies that buy really a car, well, you don't find many. You can find some craftsmen that decided to buy the car. But generally speaking, even the craftsmen don't do that, they take a financial lease. On the B2C side, while the market has some differences, most of the customers do not buy the car. If you take 100 B2C customers, 15% are buying the car, 85% finance the car.

On the 85%, 85% of them take a financial lease. What is the financial lease for the French speaker "une location avec option d'achat" (LOA). So a financial lease is, you take your car, you pay a lease and at the end of the three years typically, you can decide either to purchase the car or to give it back. So what does it mean? It means that at the end of the three years, be it on B2B or B2C, the customer will have the possibility to give you back the car and you will have to remarket the car.

So if you're not performing in your capacity to resell a used car as a carmaker, you have a huge issue. And that's the reason why it's absolutely key for a carmaker as Stellantis to be performing in the used car market. So we are obsessed to have different channels to sell our remarketed cars. And these different channels we try to have as many as possible and to have performing channels in terms of pricing and in terms of improving the brand image.

And that's the reason why it's absolutely clear that Aramis answers these two goals. With Aramis, do we improve the brand image of the car that we sell for Aramis, yes, we do think so because there is quality for refurbishment, there is quality of service. Nicolas has insisted about the NPS, which is clearly benchmark in the industry, and that's absolutely consistent with our goals.

I've done a last slide, which tries to answer some questions that we had from the investors, that Guillaume and Nicolas had from investors, saying, well, you've got SPOTICAR which is a label. And you've got Aramis. Why do you have both? Well, we tried to answer why we have both. And in fact, at Stellantis, we have many more channels, but I have focused on these two.

Well, first SPOTICAR is a worldwide label that is acting as an aggregator of dealers. The customers. Who are the customers? They tend to be more traditional customers. They are very brand-oriented, most of the time with SPOTICAR when customers come at the dealership, they want to buy a Peugeot, Citroën, a Fiat, one of the Stellantis brands. That's the first reason why they come.

Okay. I will not tell again what is Aramis because I think you've got good clarity on that. On the customers, just an insight on the fact that you've got all type of customers, and theirs tend to be more modern, tend to be best deal oriented.

On the inventory, 90% of our cars on SPOTICAR are Stellantis brands with Aramis around 35%. The stock ownership. With SPOTICAR the dealers that have the SPOTICAR label own the cars. With Aramis, Aramis own the car, very different business model.

Refurbishing. The refurbishing with SPOTICAR is done by the dealers or the agents, respecting a number of constraints that we, the carmaker, are giving to them. They have to respect a bit more than 100 points of control to give confidence that the car is well refurbished.

In Aramis, it's very different. It's centralized refurbishing in a number of facilities that I suppose that we will comment later on. And in terms of logistics, you see the differences. So in both cases, it enters our business goal, which is to touch maximum number of customers. It helps us to touch more customers. It helps the brand value, which is absolutely, it helps the pricing. In the used car world, you can have very, very different pricing for the cars. Each car is different and to push the pricing up requires to respect the number of rules among which refurbishment, good refurbishing, giving warranty to the customer to give him confidence because when you buy a car, as a new car customer, you're afraid about what happened with this car before. And that we're answering in both cases with that, but with very strong differences.

So that I wanted to explain briefly. And I think now it's time for Q&A, and we'll be happy to answer any questions related to Stellantis with Aramis.

## Questions and Answers

**Guillaume Paoli:** Well, thank you very much, Philippe. So we'll do a first – Maybe you want to sit. It's good with sitting as well. We'll do a first session of Q&A relatively short because Philippe has another commitment later on, so he will leave after the Q&A session. So if you have a question for our friends at Stellantis. And again, thank you very much for your contribution, Philippe. Please ask them to Philippe.

And of course, if you have questions on the first part, we'll be happy to answer your questions. So please go ahead.

**Speaker:** Thank you. So I have three questions, please. The first one, so you mentioned your target to have to be a €10 billion revenue company. So great ambition. What about 2027, if any idea? I mean, I have in mind €2.5 billion to €3 billion, I think it makes sense. I guess my question is more about the implied average selling prices. You mentioned some normalization. I think you were showing starting from 2021, but I think used car prices are still way above the pre-COVID levels. So what have you assumed in terms of average selling prices for the period, please?

The second question is on BEVs and EVs overall. So a key focus for you. At least you insisted on that. Could you please come back to the way you will source them or in terms of refurbishing process? Because I think it's still a very dynamic market, both in terms of pricing and also technology, not really mature, or at least evolving very quickly. So any granularity on how you will deal with the batteries specifically, please?

And the last one is maybe more for Philippe. So you mentioned Stellantis is a long-term shareholder. I guess, for investors, the key pushback we get is the low liquidity of the Aramis stock. So do you really need to stay at that kind of ownership level? I know you didn't say during the IPO. But any idea on the willingness to increase potentially the free float would be helpful. Thank you.

**Guillaume Paoli:** Okay. Thank you very much for the questions. I'll take the first one. Nicolas will take the second one, and Philippe the third one.

So regarding the €10 billion. I mean €10 billion is a long-term objective. Nicolas and I and the team, we believe we can build a huge company. Okay? And each time we – at each level, each step of the way, we will have these big ambitions and people would say, come on guys. You're not going to make it. So when we're selling on car in January 2002, people will say, okay, you'll never make 10,000 cars, which was our ambition at that time.

I think 10,000 cars we made in 2010. And then we all know, you'll never reach whatever. And in 2016, actually, when we partnered with Stellantis, we were doing €360 million. When we did the IPO, we were at €1 billion. Now at €2.238 billion and you've seen the size of the market. It's just huge. So now we're not putting a time stamp on the ambition. But it's just to show you that we're going to achieve it, probably not this decade, but during the next decade.

Regarding the average selling price, I don't know if Fabien, you want to confirm. But for us, we plan on a very slow growth, more or less during the coming years. Actually, the prices are not so high anymore, except in Spain and Italy. They are slightly above pre-crisis level. So we believe that the prices will be flattish/growing a little bit going forward. So that's for the first one.

**Nicolas Chartier:** Yes. As regard to electric cars, for sourcing, there is no difference with what we are sourcing today. Philippe explained very well, all the systems of the leasing and say this is the same for electric cars. So it does not change anything in terms of sourcing.

As regard to refurb, of course, we have to adapt. This is not exactly the same operation that we have to do on the car. For now, cars are going faster in the refurbishing flow because there

is less mechanics, as you can imagine. But we still have some body work. We still have some tires change. We still have brakes to control and to change. So a lot of things are common.

And as regard to batteries for now, we are not working and operating on battery. We are thinking about what we can do on batteries. What we do is we control the quality of the batteries and the remaining autonomy of the battery, and this is a very important thing for our customers to know that and we give a guarantee on that.

But in the meantime, most of the batteries for what we know now, are very long. So the cars that we are selling are less than eight years. And as you can imagine, most of the electric cars that we are selling are less than three years. So we don't have any operation on the batteries because most of them are still 80% of the life beyond.

But for the future, we are thinking and starting to work on how could we work on the battery with nothing to announce today because there is a lot of different technologies, a lot of difference in the ways they are produced. But we are thinking about what can we do with that? And that maybe an opportunity in the future to make the life of those electric cars longer.

**Philippe de Rovira:** Okay. For the third question, do we absolutely need to be at 60%? No, we don't. Well, we're open. If, for example, there is an M&A operation one day to be diluted, that could be something that could make sense to us.

For me, what is leading is what is helping to maximize value creation. And that's what is leading. So there is no dogmatic view about we should be at 60%, we should be at 70%, we should be at 40%. There is no dogmatic view there, just a very pragmatic approach. So we can have a freer float in the future. That's not an issue for Stellantis.

**Guillaume Paoli:** Thank you, Philippe. Do we have questions in the room?

**Speaker:** Good morning. Thanks for the presentation. You mentioned Germany was the third or second biggest market in Europe. You have no presence there. You were there a few years back. Can you share your thoughts on this market going forward? Thanks.

**Guillaume Paoli:** Yeah, sure. So yes, we were present from 2012 to 2014 in Germany. To be frank, we didn't play it very well at the time. For us, of course, it's the elephant in the room because it's a very big market. But we know it is a very opaque market, very large, very fragmented, even more fragmented than in France and Spain. So this is a market we are considering, we're looking at.

We already have operations in Austria, which is quite culturally close. Right now, we have nothing to announce, but we're still monitoring the situation. And maybe going forward, we'll have things to announce if we have a good opportunity. But of course, it's a major market in Europe. Of course, we're considering it.

Any other questions in the room at this stage? So we have a few questions. Sorry, there is one for Philippe. I will take first one, which are from Alain Chapgier, which are the competitors who have the closest business model, vertical integration, retailer and not broker?

So maybe I will start if somebody of the team wants to add things. First, it's very important to understand that we have a lot of competitors. We have the private customers, the franchise dealers and independent dealers. We have a lot of competitors. So in the view of the customer, we are one guy – not one guy, one player among a lot of players.

Now if we look at those that have the closest business model, we believe that nobody has the same powerful business model and culture and operating system that Nicolas has explained and it has been crafted along the years. We have started in 2001. We have started refurbishing cars in 2014. So we believe nobody has this powerful business model. But I would say the closest business model, maybe Autohero, as you know, from our friends at AUTO1, maybe Kamux to quote two listed companies.

But locally, there are some other ones. But even with those players, there are some significant differences. But if I have to quote two, probably I would quote this one.

**Nicolas Chartier:** And in other geographies, there are also CarMax and Carvana, right? We can mention Carvana in the US.

**Guillaume Paoli:** Yeah. Carvana in the US and CarMax, which are a source of inspiration and a number of things. We know them. We regularly discuss with them, and they are quite close in terms of the business model.

Philippe, if you want to answer the first question?

**Philippe de Rovira:** So the first one, which is what Stellantis' view on the internationalization of the company?

**Guillaume Paoli:** Yes.

**Philippe de Rovira:** Does it push for more openings abroad? Well, if you look at what we've done in common since 2016, I think it gives part of the answer. At that time in 2016, Aramis was basically a French company. And one of the things that we've brought is help and the financial capacity to go abroad. And now we have expanded in a number of countries in Europe, not covering all countries.

So if I think about where we want to be in the future, I think, of course, Aramis has a vocation to become the European leader, I would say, in nearly all countries. That's the long-term vision. So yes, we support more international presence with one key factor in permanent is value creation is key for us. The target is not to put a flag in each country. The target is to expand to create more value for the shareholders and for Stellantis on the business goals.

So this is the answer, which means that we are flexible in function of opportunities. If we've got an opportunities tomorrow, we can seize it. If we have to wait a little bit more, we will wait. We will not push management to do crazy things just to go to more countries. But if there are good opportunities, let's seize it.

**Guillaume Paoli:** There's a second question in the question, I think.

**Philippe de Rovira:** Yes. Does Stellantis has a form of non-compete agreements with Aramis for refurbishment of used car? No, we don't have a non-compete agreement. And maybe that's the opportunity to say that our philosophy is as very simple is let the management of Aramis do what is good for the company.

What we've seen is many big companies as Stellantis have killed some startup. I don't know if we can call Aramis a start-up now given the size of the group. But have killed a company that they've acquired by trying to impose a lot of rules, decisions, top down. This is absolutely not our philosophy. Our philosophy is we've got two excellent founders that know the business that have been there with a constant goal since 2021. They are doing the job. Of course, we share

the strategic views. We discuss about the strategic views, but we are not going to put ourselves in the daily operations. And that's what would be if we were doing what is in the question. So the answer is definitely no to this question.

**Guillaume Paoli:** Thank you. Do we have more questions in the audience for – yeah.

**Speaker:** Good morning. Can you come back on one of the main drivers and opportunities that you mentioned at the very beginning, which is the rise in the penetration, the higher penetration of a Chinese OEM. Can you elaborate on that? Because I don't really get the point of how it could be a big opportunity for Aramis in the coming years?

**Guillaume Paoli:** So regarding the Chinese OEMs, for Aramis Group, and Nicolas, maybe you want to add some more afterwards. For Aramis Group, the more there is competition between OEMs, the best it is. Why? Because their offer is wider. And as a multi-brand operator, we can channel our customers to the best product for them. Also, we're much more agile than other players.

Typically, when the Koreans arrived, I remember very well, some people were saying, yes, Korean cars maybe not so good. And we embraced it right away, and we pushed it in our customer centers, and we were able to gain market share.

And the third thing is that the more OEMs they are, so it's a bit more tactical, the more pre-registered cars they are probably. So for us, it's also tactically interesting.

**Nicolas Chartier:** And I think we had a good example from Matt in the UK, explaining how they managed to sell more electric cars. Most of those cars are from Chinese brands that are very much diffused in the UK by adapting faster than the others by going on those cars on which the others don't want to go, the traditional players that they don't really want to go on that because you have to adapt to it, you have to learn how to refurbish it, you have to learn how to guarantee it, to sell it.

By being faster than the others, all those moves on the market are opportunities for us.

**Speaker:** Yeah. A question for Philippe, if I may. How do you assess value creation at Aramis? And what are the KPIs you are looking at?

**Philippe de Rovira:** Well, I look at two things. First, from a financial point of view, I would say, I look at things, I think, as external investors. So at the end, value creation. I don't think we have a different KPI as a financial investor. And if that, I look at value creation and how it helps me to my business goals, which means helping my brand image, I was saying. Help me to support the reserve value of my cars. And that's absolutely key. And that's the reason why I will be always obsessed with the NPS of Aramis.

If one day, we've got an issue there that would generate an issue between us, which has never happened because Guillaume and Nicolas have always put that at the center of their activities. So on the business side, these are the two points that are absolutely key. And that's the reason why we're in Aramis, and that's the reason why we're also like in SPOTICAR on other initiatives that we have. But it is a common pattern in what we do in used cars because this is critical for our future to sell new vehicles too. Hope it helps.

**Mourad Lahmidi (BNP Paribas Exane):** Yes, Mourad from BNP. So you talked about car financing. Can you maybe give us the share of car financing into the number of cars you sell

every year? And also, do you have any plan to directly underwrite clients financing as Carvana does in North America?

**Guillaume Paoli:** Yeah. So regarding this question, I will let Alejandro answer on the penetration rate, which is your question. Regarding the underwriting like Carvana does, we are looking at Carvana, we have been looking for a while. This is things that we're looking at. For the moment, the opportunity is not obvious, but we will be continuing to study it. We know that we have a competitor that is doing it in Germany and Austria.

For the moment, it's not necessarily the right time to move on that, but we're studying it. And regarding the penetration, maybe Alejandro, you want to say a word?

**Alejandro Garcia-Mella:** Yes. So we were at 43% last year. And as I will show you later, there's a lot of room for improvement there.

**Nicolas Chartier:** Just to precise that Philippe was giving figures of new cars business with 85% of financing on the new car business and used car business is not exactly.

**Alejandro Garcia-Mella:** It's more seven out of 10.

**Nicolas Chartier:** Yes. Not exactly the same number.

**Guillaume Paoli:** Any other questions here and there.

**Jean-François Delcaire (HMG Finance):** Jean-François Delcaire from HMG Finance. This is a question for both Philippe and you. How do you see the end of this year in terms of new car sales? And my understanding is that OEMs are struggling to sell new cars currently because there is kind of a lack of demand. And on the top of it, we all know that OEMs are facing the CAFE regulation. So can you elaborate on current trading?

**Guillaume Paoli:** I'll start, and then Philippe will answer what he wants to say because this is an Aramis Capital Markets Day. So we believe there are a lot of variables. There are a lot of variables at play right now. So it's difficult to be very sure about the market.

Probably it's going to be flattish or slightly decreasing or slightly increasing going forward. It's difficult to see. It will depend also on the promotion that will be done, etc. At Aramis Group, we are totally fine with it either way because first refurbished car represent 80% of our sales. Either way, we are going to get access to pre-registered cars. Even if the market is bad, maybe we're going to have even more pre-registered cars.

So this is why, in the guidance, we have seen we have said double digit, high single-digit because there are going to be a shifts in the geographies where we do that. So either way, we're comfortable. I don't know, if Philippe, you want to add something? Otherwise, Nicolas?

**Nicolas Chartier:** We are comfortable because we are always very short on inventories, especially on those cars. You can fully trust us for being super short on inventory, especially in that kind of period where we are monitoring very closely some specific segment of the market and where we are specifically cautious on the inventory there.

But in any case, we are always super short on the global inventory and sometimes super, super, super short on some segment when we know that it's going to be some huge variation in the market.



**Philippe de Rovira:** Well, no, I think you may see it all. I mean, in Europe, be it by the end of the year or in the coming years, there will be on the new vehicle market, no significant growth. There is no reason why they would be. But that's clear.

The CAFE, you were mentioning. There is no issue with the CAFE in 2024. That's not the question. The question with CAFE is 2025. And I don't see the fact that the new vehicle market is not growing. I don't see that as an issue for Aramis. On the contrary, I think that's an opportunity, both on the pre-registered and as that on the used car. Even the purchasing power question, the used car business is going to continue to grow. That's clear. So the position of Aramis is excellent. There is no doubt about that.

**Guillaume Paoli:** Well, we're in a very good place now. Because, as I said, the once a lifetime event is over. As Nicolas just explained, we are agile. And so we are ready to catch all the opportunities. I think we'll maybe take a last question here.

**Speaker:** Yes. Just a quick one. It's on the financing and so on. If you assess maybe a scheme closer to AUTO1 and Carvana to have on the financing kind of asset-backed securities. So at which point Stellantis may help you, I don't know, vis-a-vis, consortium of banks to go as you go between or to put some assets. So how they help you in terms of an asset-backed security spend?

**Guillaume Paoli:** Well, just to answer that one. We have had discussions with Stellantis. Right now, we consider it's not the right moment, and we really have nothing to announce, but we are monitoring the opportunities. But right now in the short term, there will be nothing to announce on this topic. So I don't think we need to elaborate more. But it's definitely something we're looking at.

I think we're going to stop there because we have some more things to tell you going forward. So I'd like to thank very much, Philippe, for joining us today. He has another commitment. So he will go.

**Philippe de Rovira:** Thanks all of you. Great company, great founders, great team. So you know what to do.

**Guillaume Paoli:** So I hope you have still some energy. We have a lot of energy. Now we are going to move on to the strategy, and there's going to be a lot of participation of the team in this section.

So one, we have a huge fragmented market, exiting large opportunities for Aramis Group. Two, Nicolas has explained, we have a very compelling value proposition, superior operating system and a very powerful performance engine. Now we will take you through the way forward to strengthen our European leadership and fuel profitable growth.

To reach our long-term ambition, to generate – to create to go to a €10 billion-plus company, we have a North Star to guide us. The starting point is to have engaged teams with the employer Net Promoter Score as a key indicator. Committed, passionate teams are absolutely key to satisfy to wow our customers. Internally, we say wow our customers.

By the way, I know we have a few customers in the room. I won't name them, but maybe they can share their experience at the break. Delighted customers, a word of mouth is very important to grow and convince more customers. Word of mouth is free. Bad buzz is very costly. And with

fast-paced operations enabled by the model we described, we can deliver profitability and sustainable mobility for our customers by embracing circular economy and electrified cars.

So we have two pillars to guide us. First, we have a European platform with a superior and winning operating system. As you know, we have grown a lot by M&A. Well, we are converging on these operating platforms within the geographies to level up performance from sourcing to car delivery. And this European platform, we are going to leverage the scale to create new benefits for our customers and to create value for the Group, and we'll continue to expand it opportunistically. So Alejandro will cover this part, and I'll say a word regarding M&A at the end of this part.

Second, this great model, this system, we are converging on it. We are leveraging our scale, but we're also improving it in all its dimensions. And Jose Carlos, the CEO of Spain, will take us through this section.

So now I will leave the floor to Alejandro, who is a long-time compañero. The floor is all yours.

**Alejandro Garcia-Mella:** So thank you, Guillaume. Hello, everyone. I'm Alejandro Garcia-Mella, and I have a dedicated over 20 years working in the automotive industry. I've joined Aramis Group in 2010 at a pivotal moment when Guillaume and Nicolas were pioneering with what would be the development of our cornerstone business, which is refurbished used cars.

After leading supply chain operations in France for several years, I'm now Group Head of Supply Chain, a new business. Now this dual role puts me in the intersection of our operational excellence and growth initiatives. Having been part of Aramis Group's transformation from a French player to a European leader, I will now take you through how we plan to level up our performance by converging on our operating system, and thus further leverage the scale of our platform, fueling our growth.

So let's go to our first pillar and the first driver, which is converging on our operating system. So please let me explain. Please let me explain how we're extending our competitive advantages by converging on this operating system across the Group. We've built this around three core pillars, which is buying, refurbishing and selling.

First in buying, we have unparalleled access to quality cars across Europe. Thanks to our diverse sourcing network with multiple B2B channels and strong C2B capabilities. Second, with our real-time market monitoring, and internal data and pricing tools, we ensure optimal decision-making. When it comes to refurbishing, we have cutting-edge refurbishing processes, maximizing quality and speed.

We have optimized refurbishing levels carefully tailored to each vehicle and transparent to customers, ensuring the right balance between quality and cost.

Finally, on the selling, we have built two crucial advantages. First, streamline logistics, allowing delivery as fast the same day. And second, we built a strong brand equity, combined with the seamless optichannel journey, supported by our asset-light customer center network.

So this operating system is really our proven playbook, which has proven to be our best route to drive operational excellence and customer satisfaction. So let's get into the detail now.

And as you can imagine, sourcing is a key focus area for us, expanding our car offering and optimizing and leveraging up our sourcing channels. So this slide illustrates both our current strengths and our clear opportunities for improvement across the markets.

Let's go through it channel by channel. So first on C2B. These are cars that are bought directly from private customers. Here, the UK excels with industry-leading conversion rates, and we see significant improvement potential in Spain, where we will see a substantial increase in volumes.

When it comes to B2B channels, we have several success stories to build upon. First on imports. So imports, these are cars sourced from franchise and non-franchise dealers across Europe, who have developed an expert sales channel as a complement to the domestic sales. Here, Belgium excels with solid, well established relationship with key European players. And we see Italy strongly benefiting from these relationships going forward.

When it comes to auction platforms, here, we can clearly say that Austria has mastered this platform-based sourcing. So these platforms are mainly online options like BCA, Autorola, Manheim and other marketplaces. Here, we see France leveraging on Austria's know-how on these platforms moving forward.

When it comes to leasing, Spain has shown exceptional performance in this channel with partnerships like Santander, Ayvens and Arval. And we clearly see Austria working on these partnerships, I'll tell you a bit more later, to develop their sourcing capabilities.

When it comes to external marketplace, here France has pioneered on this external marketplace model, offering high-quality refurbished vehicles from third-party inventory. And this is a clear opportunity for our Belgian operation. We can also say that France has the best established sourcing the group from Stellantis with thousands of cars bought every year. And this relationship being absolutely key for us, we see that we have room for improvement of our sourcing volumes in all of our geographies and particularly in the UK.

So now let's see a concrete example on how we're extending a partnership within our Group. After a successful launch in France in spring '24 with Sixt. So I'm sure you know Sixt. Sixt is one of Europe's leading leasing companies with pan-European operations. There are two key challenges in managing their non-buyback fleet. So the non-buyback fleet, these are the fleets that OEMs don't buy back from them after the rental period.

So with this fleet, they want to maximize margins by getting closer to the end customers, reducing their fleet costs. And they also, they want to reduce their dependency on intermediated channels like auctions. So we've designed a partnership that addresses these challenges for Sixt while creating significant value for Aramis Group.

So the benefits are clear for Sixt. They are capturing more value by upgrading their used cars through our industrial scale refurbishing centers. They are eliminating middlemen in the sales process. And most importantly, they are maintaining disposal lead times when compared to traditional B2B channels.

Now for Aramis Group, this partnership delivers four key advantages. We broaden our offering to better satisfy our customer needs. We can sell cross-sell services on these cars, incrementing our margin. We operate with Sixt on a fixed commission based on sales price. This ensures for

us predictable margins. And last but not least, we achieved improved capital efficiency as inventory remains in Sixt books until cars are sold.

Now for me, this partnership is a clear example of the potential we have converging in the Group since it's now being tested in Spain and Austria. And a real example on how we can leverage our refurbishing capacities and retail network to create high value partnerships, and of course, expanding our offering with thousands of cars.

So now let me move on to refurbishing. We will also level up our performance, converging on the efficiency of our refurbishment operations. Today, we have eight centers, an annual capacity of 130,000 cars and simply the best quality and lead times in the industry.

We prepared a quick video to share and illustrate where we currently stand after 10 years of deep learning since we launched our first internal facility in the South of France.

[VIDEO BROADCASTING]

**Speaker:** We set out on a mission to break through a massive, fragmented used car market to go way beyond expectations. We set out to earn customers trust by consistently delivering unparalleled quality at the best price. That's why we pioneered Europe's first industrial scale car refurbishing center in the south of France, a place where every single car gets the same care and attention, ensuring we can guarantee both quality and affordability for everyone.

And today, we're the fastest. Much faster than the industry average, delivering in as little as four days without missing a beat in our meticulous refurbishment process, ensuring each vehicle meets our high standards before it's ready for the road.

What's our secret? It's our people, empowered by advanced technology and supported by real time process management at every step of the way. Now our expertise enables us to refurbish any car, any make, any model. Our synchronized supply chain puts us miles ahead of the competition. But the ultimate proof of our quality our best in class return rate of 2%, reflected in our customer satisfaction with a Net Promoter score of over 70.

We've now scaled this approach with refurbishment centers across Europe, each one a testament to our relentless commitment to excellence. We're not stopping there. We'll drive on leading the way, innovating and evolving every day, continuing to deliver more for our customers.

**Alejandro Garcia-Mella:** So now let me illustrate this know-how with an example of what we've been improving in Italy.

So Brumbrum is our Italian operation, which we acquired at the end of '22. Since then, we've been working with our teams to turn around the operation, which was far from our standards, especially when it came to refurbishing. As you can see, in Italy, we've cut lead-time from 18 to 6 days in just over one year.

So this acceleration is the result of strong converging initiatives of our teams who now better understand the importance of inbound logistics levelling, product mixing, and non-stop

calibration on what needs to be repaired or replaced car by car. So this demonstrates our ability to rapidly improve the efficiency in our operations.

Moving to sales. We have significant opportunity to level up our performance by converging on our services offering. As you can see in this slide, we have a comprehensive range of services from financing to insurance and maintenance. Each country has developed specific expertise. And here, the opportunity is to enrich our services portfolio in each market with what has proven to boost customer value and profitability somewhere else in the Group.

But the opportunity is not only on levelling our service offering, it also comes on attachment rates. And we will go to the example on financing, which you had a question before in the room.

So seven Europeans out of 10 finance their car. When we look at our performance, we won all of our countries to look like the UK, where we're at 66%. But how is this possible? I want to show you how, in Italy, we're converging step-by-step to our proven UK model.

We have improved acceptance rate adopting a multi-lender approach. We have worked with our partners to remove customer pain points in the process, speeding up the sales journey and delivery. The results is that financing attachment rates have moved from 17% to 35% in a few months. Once again, another proof that we can level up our performance through our knowledge sharing approach.

So now let me move to the second driver, which is further leveraging our platform to level up performance and scale.

So before I hand over to Guillaume, let me share with you what I believe is one of our most powerful competitive advantages, which is our unique internal marketplace. This isn't just another initiative. It's the culmination of our 20 years of expertise in cross-border vehicle operations. It's a truly unique opportunity since it requires capabilities that are extremely difficult to replicate.

It's a result of deep expertise in complex international logistics, the mastery of complex admin processes that are different all around Europe, sophisticated systems to manage and showcase cross-border inventory, and of course, local market knowledge to understand the pricing dynamics.

And very few players, if any, have built these capabilities, either staying local or giving up with the complexity. We've already proven this model works with the flows between France and Belgium. Our internal marketplace platform allows us to offer customers the widest possible selection of quality vehicles. It helps us match supply and demand across the markets, and of course, optimize our inventory rotation and pricing.

So this is a great capability that sets us apart in the European market and all this protected by years of accumulated expertise.

So I will now hand over to Guillaume, who will tell you more about how we'll further leverage our platform.

**Guillaume Paoli:** Thank you, Alejandro. This is great stuff. Thanks.

So as you know, M&A is part of our expansion strategy. You have seen during the market part that field expertise is of the utmost important. And this is why we have chosen to follow this

path. When we grow, we have M&A, we open new markets. We learned from the players that joined the company, and we spread this knowledge within the group.

As you have seen in the video that Nicolas has showcased, our British friends are the best out there to sell electric cars and use the electric cars, and we're spreading this know-how within the Group. For us, the key criteria to join the Group is first to be customer-centric because otherwise it doesn't work, customer-centric to have a growth mindset, being able to change to adapt to learn, and of course, to be complementary from a geographical point of view.

In terms of results on the right-hand side of the slide, you have the two examples of the growth rates we have been able to generate for companies joining the Group. But you have seen and you will see along the presentation, more figures of improvements. We have expanded to five additional countries since 2017, and we have crafted a playbook to ensure value-creative M&A.

The first step is about setting the fundamentals. In particular, visualizing performance with our business logic and creating immediate quick wins such as sourcing, for example, plugging our supplier base and Stellantis.

Second step is about creating the right conditions for profitable growth, in particular, regarding the inventory management and the margin management.

The third step is to converge on the operating system, optimize margin, optimize SG&A and participate in the Group's communities, leveraging more know-how and features. Aramis is now a consolidation platform, truly an international group and ready to onboard new companies. And by the way, we believe this is a unique expertise in our field in our market.

So on this slide and maybe to answer a question I had on Germany, Aramis is a consolidation platform, one of a kind. And as you can see, we have a lot of opportunities to grow in Europe. We have a lot of organic growth opportunities. We also have a lot of M&A growth opportunities. We are not in a rush. We will engage in new operations if the conditions are right in terms of dilution, in terms of fit, as I was saying earlier.

So we have talked with Alejandro about our European platform, converging, levelling our performance, leveraging our scale.

I will now hand it over to Jose Carlos, the CEO of Spain, to explain with some other members of the team, Alba and Ivan, how we are improving our model. Jose Carlos?

**José Carlos del Valle:** Thank you, Guillaume. Well, as Guillaume introduced, I'm José Carlos del Valle. I'm the CEO for Spain. I joined the Group in 2020 as Chief Sales Officer of Clicars, when Clicars was about a third of what it is today. And since 2022, I have been the CEO for Spain. I'm going to talk to you today about how we enhance the Aramis Group model, right, by leveraging the operational excellence that we've seen earlier and local learnings to both converge, and as we said, raise the bar, right, pun intended in this case.

Alejandro highlighted the opportunity again to converge up our performance across countries, right, by converging on the model and an operating system. This is a vision that I completely share. I've seen it in action recently in Spain, our logistics team visited Aramis France, and were able to apply the local learnings of the way of working they saw there. They applied it to how we work with our suppliers in Spain. And within the few weeks, we were able to reduce by two-thirds the amount of inbound stock in our factories and improve our lead time by one day. It's not always as easy as this, but it was an impressive example of how we can see things that

our team looked at the theory and didn't believe on, but then working together as teams, we can converge on ways that we know how to do things better.

This actually opened the eyes to the team on this model of continuous improvement, which they have fully embraced and work much closely now with the new founded guild of supply chain in this case, where they're working on continuing and working on this.

The thing is it's not only about converging. It's not just replicating what we know works locally. It's also about innovating locally to raise the bar and then share this and improve the system and the model as a whole.

To explain this, I'm going to talk today about two drivers that elevate our business. One, it's going to be just some examples on how we do this focus to improve the customer experience. I'm going to be getting a couple of examples, and then Alba is going to help me illustrate also how we share this to the market and our customers. And then Ivan is going to talk about how we use technology, AI, data to empower our teams and to make them more efficient.

So let's start with some examples on how we're improving our customer experience. The first example, we've heard it several times, dimension of the optichannel model. The way we understand optichannel is we agree on the definition of Philip Kotler in his book, Redefining Retail. It's optimize all channels to provide a customer-centric experience while maximizing synergies. the maximizing synergies is important here also.

This is not that we are giving a hybrid model. It is not that we're shifting to physical. It's not that we have the option of, okay, customers can pick physical or can pick digital. No. This is how do we leverage what we have and the operations that we have and the logistics that we have or what we know how to do online. In our case, we've managed to start doing customer centers out of our logistics operations and to allow an additional touch points to customers where they can have a better experience depending on what they need or what they want while we maximize our synergies.

For example, in Clicars, we started as a fully digital company until not long ago. All our sales were online. 85% of our deliveries were home deliveries. And this allowed us to build some unmatched capabilities at least in Spain. I mean, for example, in Clicars, you can order a car by 18:00 today, you'll get it delivered tomorrow anywhere you want in the peninsula. This is something other companies in Aramis Group have, but our competitors are still talking in terms of weeks when they're talking about deliveries, right? We're talking about doing this tomorrow.

We also have unmatched capabilities in terms of how we serve customers on the website or how we serve online. However, with time, we saw that this didn't cover all of our customers' needs. And it's also a challenge for brand awareness and engagement in a world where online marketing is growing and more expensive very year. So we looked a little bit into what we have and the proven model of Aramis Auto in this case, in France, and we developed the optichannel model.

These, again, are our logistics operations, transforming it into customer centers where we allow the customer to do some additional touch points. These are not physical showrooms. We have some of the centers that we opened in Spain, like Zaragoza, Alicante or Córdoba, where there's one or two cars where we're just explaining the refurbishing model to our customers. And it's

an additional touch point where we can talk to them, they can see us, and we can generate trust.

Here, we show some examples of the customer purpose. They can also do trade-ins and other initiatives, but I want to reinforce the four big benefits that we see these customer centers are offering us. The first one, which derives in more sales, and it's the proximity. We're close to our customers. We're generating trust. They can come talk to us. They look more for us. This generates more sales.

Additional, we see an increase in attachment of services. By having this additional touch points with customers by allowing us to talk to them, to better engage them, we better understand them, and by better understanding them, we know what they need, and we can offer them new services. This can be a maintenance. This can be financing, it can be any one of the plenty of services that we offer, and I hope more in the future, as Alejandro was saying when we converge in our offer.

And surprisingly maybe, it allows us to decrease costs by two things, where we're improving costs and improving profitability. First, it lowers our COCA. Our customer centers are invisible zones. Customers see us, and this is marketing. This is helping us get our brand out there and we see it everywhere we've opened, and I'll show you a little bit more on that. And it decreases our delivery costs. We have seen that there's actually many customers that actually prefer to come and pick up their car. They like, they enjoy the experience. Buying a car is a fun experience for many people. We see constantly people coming with their whole families and they love the whole event of coming to Clicars to one of our centers to pick up the car. This is better for them, lower cost for us.

So what has been the impact of this? Well, first, here, you've seen the Zaragoza customer center. We're showing it, it's the first customer center we opened in Spain, using our logistics to deliver in the northern eastern part of Spain. It's a very strategic location to serve Catalonia, for example, in Barcelona.

Within a couple of months, we opened this center well below the average investment we have in the Group of €100,000 to open one of these centers, and we made it profitable within six months with a full return on investment since it opened in October last year.

How has this evolved along the year? Well, in these last 12 months, we have opened four customer centers in Spain. Here, you can see the impact. On the left side, you have what our market share looked like before we started opening them. On the right side, you see the market share in Q4. The Córdoba location was opened in October. So the impact is not here, but initial results are very positive.

For those locations that have been opened at least six months ago, Zaragoza, Valencia, Alicante, again, all of them, same thing has happened, profitable within six months, full return on investment within the first year. And in the cases of the locations that have been open more than six months, we have seen double or triple market share in these locations.

This shows the untapped potential we have to grow in Spain, but not only in Spain, across Europe. And this is something that we're going to do, again, benefiting or taking advantage of our synergies. These locations are asset light, fast investment. You've seen the return that we get on them, the improved customer experience. So it's something that we know we can



replicate and again, continue to raise the bar on an operating model that we already know works and was proven in different locations.

And I will recall again, the four main benefits. It helps us sell more, more services, less cost and delivery and less cost on marketing. Another way we're improving our customer experience.

Alejandro mentioned it, seven out of 10 customers finance a car. Why do they finance a car? Sometimes it allows you to better afford it, but it also allows you to access better services like peace of mind. I want to change my car in three years. You can only do this through a financing or service solution. It also allows you to access maintenance or premium warranty, different other services. What's also important here is that this has historically been – although seven out of every 10 customers do it. It's historically been a very tedious and slow process.

Until a year ago, you wanted to finance a car in Spain, it required eight documents. Some of them are government issued, which meant if you were not very tech savvy, several days to get this document, then the bank needed to review a lot of our paperwork. Our sales agents have to input about 80 different fields, depending on the customer, and it took us several days to do this. What did we do? We started working with our partners, first with a couple of them, and then we've expanded to more on an open banking solution.

Today in Spain, you can finance a car or get the whole financing approval in Clicars with just one document, which is your ID card, which by law everyone above 14 has to carry. So something we know the customer has when they walk in. Our sales agent only needs to input like a couple of dozen fields. And we have an answer within 45 minutes. We have had cases in Spain of customers that from when they walked into the door in Clicars until they could drive off with their car, financed car, it was less than two hours. So for those customers that wanted speed and convenience, we had it there and we offered.

Again, this is now our standard way of working in Clicars. About 40% of our financing is already done with this process that we worked with our partners, and we continue to improve. This is also something that's now live in France that we're operating there. And it's also something that we are working on seeing how we'll do in other geographies, again, proving the scalability of how we work, and we innovate locally to expand to the rest of Europe.

So we're not only converging on our operating system, we're also raising the bar again. We're innovating in ways that benefit customers. And in this case, new standards across Aramis Group. By being closer to customers and also by being more convenient or faster, we're making buying a car more convenient and trustworthy. And this not only creates value and it's not just operational, it creates differentiation. Okay? And it strengthens our brand in a market that we want to compete in. Okay.

So I'm now going to pass the word to Alba, who's going to say how we're to show you, how we're doing the same, right, to embrace this distinctive positioning and underscore the exclusivity of the value proposition that we're building and we're presenting to you today. So Alba, floor is all yours.

**Alba Manzanero:** Thank you, José Carlos. Hello, everyone. My name is Alba Manzanero. I'm the Chief Marketing Officer at Clicars. I was fortunate enough because I joined Clicars just four months after the creation of the project in 2016. So it's a real pleasure to be here with all of you today.

In addition to my role as CMO at Clicars, today, I'm leading a project with the rest of the CMOs of the Group in order to create the most attractive automotive retail brand for customers in Europe. So I will come back on that after.

But before that, I would like to highlight two key points. Firstly, as Guillaume remarks at the beginning, buying a car is so important for the people. And this is why we take into account every day in our marketing efforts. And secondly, we are in a highly fragmented market where everybody is saying the same thing. And this is one of the reasons we're working a lot to differentiate ourselves.

So if we take these two things into account and these two factors, we have a huge opportunity to create, again, the most attractive automotive retail brand for customers in Europe. And I'm going to show you how we are going to make it happen.

I'm going to start from the beginning. When local companies joined to Aramis Group, we keep their existing brands in order to leverage their existing brand recognition among the customers. As a result, as you obviously know, and we talk about this every day, the company or the Group operates with six different B2C brands across Europe with somewhat different value proposition and different levels of brand recognition.

So what can we do? We strongly believe that we need to create a common and unified brand platform for all the companies in order to be more clear and precise for the customers. And the second way, in order to generate economies of scale in order to reduce the customer acquisition cost.

Okay. So as I mentioned at the beginning, on the left, you can see how the baseline of each country is a little bit different. This drove us to make a deeper analysis on what our peers are saying in the market. And actually, everybody has the same messages with no differentiation. At the same time, this analysis revealed us the opportunity to differentiate ourselves with the industrially refurbished car concept.

So in summary, we decided to move from six somewhat different value proposition to a unique one, unifying and better and more powerful and leverage again the opportunity in the market.

So here, I would like to present to you the core of our unified new group brand platform. Drive the refurbished way, cheaper than new, much more reliable than used. This new brand platform conveys the main drivers and concerns for the customers, reliability and price. And why is this safe and reliable choice for the customers? Because our reasons to believe are very solid. We are the number one in refurbished car in Europe. Our offer is 30% on average cheaper than the new cars, because all of our cars are checked and refurbished by our experts in our own factories because we are more sustainable.

We contribute in reducing emissions by extending the life of the cars. So to validate this concept, we made large studies, qualitative and quantitative. And that's shown an excellent perception and receptions in all the countries of the Group that is too important and including an 84% of improvement in our brand perception, again, in all the countries. So that is a very interesting thing.

So if we make a recap, we start to talk about the importance of buying a car, the opportunities in the fragmented and in differentiated market. Then I talk about the messages. We could see our new brand platform unified for all the countries. So what is the logical next step, obviously,

is to have a new visual identity for all the companies of the group that conveys the value for our new brand platform, and of course, to be much more attractive for the customers to make a strong as an international brand, and of course, generate, again, economics of scale, able to sharing our TV commercials, our website and other automation tools for marketing and so on.

So as you can see even in the right, we started to talk with the brand platform. We want to differentiate ourselves with the messaging with the brand platform, but we are working right now in order to looking for or to find the opportunities even in the differentiation in the visual identity. As you can see, we have two very clear opportunities in the market. But we are finalizing the design. We are not to make a spoiler today for all of you because we are working on that today. And we will show you in the coming months.

So thank you very much. I'm going to leave the floor for Ivan, who is going to tell you how we plan to empower our employees with tech and data. So thank you very much.

**Ivan Velasco:** Okay. Thank you, Alba, for showing us how we are working with the Group and platform.

Okay. Well, I should start by introducing myself. I am Ivan Velasco. I have been working in the start-up ecosystem in Spain for many years as CTO of different companies. In 2016, I joined Clicars as a CTO, as one of the first employees. And I was leading tech there until I was promoted to be Group CTO less than two years ago. Yes, I am CTO, even I am wearing a shirt today. In parallel, I am still linked to the start-up ecosystem as a business angel investor and technological advisor of some companies in Spain.

Now I'm going to talk to you about the second driver of the pillar. I could explain many things about how we are working in technology in Aramis, and you will have time at the end of the presentation to ask me any questions you may have.

But now I will focus on explaining how we are improving our model by empowering our teams and delivering more value to our customers.

Well, to work on that, we have four main objectives, where technology can bring more value. The first one is to create the best customer experience in buying and selling cars across Europe. The second one is to drive team's productivity to the next level, allowing them to focus on what they create more value.

The third one is to improve car selection and pricing, opening more purchasing opportunities with higher margins and rotations. And the last one is to enable Group scalability, creating the best platforms and tools to support the Group growth.

To achieve these goals, we need people, right? So in Aramis, we have a flexible technological hub across Europe with teams in France, Spain and Italy, working in development and data. We are building very high level technical teams to create amazing solutions for our customers and employees.

In Aramis also, as you know, we have a well-tested model built during years of learnings and improvements, and it is in our DNA to work hard every day to continue improving it. But this is the raise the bar culture that you have listened a bit during the presentation too.

Well, to go there, our tech teams are working in two main products. On one hand, a powerful and unified e-commerce platform to bring European customers in an easy and hassle-free way

to find, purchase and finance the perfect car. This product is aligned with the goals of improving customer experience and team's productivity.

On the other hand, and targeting the four goals at the same time, our tech teams are working in a disruptive and modular technological platform designed to empower our teams, allowing them to deliver exceptional products with amazing customer experiences.

As it is a modular architecture, we can deploy services individually in our countries like sales, purchasing, aftersales, refurbishing models.

And finally, to support the future scalability of the Group, all these products will be probably ready for next countries to come. I will show you now some examples that we are working on Aramis completely disruptive in the market.

Well, the first one is focused on C2B purchasing. In Aramis, we are very good valuing cars. Remember that we have the best GPU in the market with more than €2,200. And we want to be even better.

Look at the graph in the left. Here, we can see the dispersion of metal margins on C2B cars, both in France in 2024. What we want to do is to reduce the cars in the left and move the full cars to the right with better and more predictable GPUs. The main issues we have are a difficult vehicle matching with information provided by the customer, complex pricing calculation in an macroeconomic environment that is constantly changing and a complete assessment of damages in the initial quotation of the car.

To improve that, to be more precise, to empower our teams to help them become supervisors, we are working a new purchasing model to integrating our Group tech platform based on three main blocks. The first one is to improve our pricing algorithms, thanks to machine learning. They will be fed and trained with local market data and business data from our countries.

In the second block, we are building new AI algorithms to help improve the quality and speed of the purchasing process and the estimation of cost, like pictures damages detection and automatic document classification. We are also building a data normalization of cars across the Group to help our buyers to identify the car better and reducing discrepancies in the vehicle matching. This will also help us to build a common European inventory of cars across the Group, improving the internal marketplace by sharing more cars between our countries. Alejandro has told you about the marketplace before in the presentation.

With the new tools, our teams will be able to increase the accuracy and speed of the purchasing process and to improve the assessment of damages in the quotation of the car.

Let's go to other examples. Well, AI is a trending topic. Everybody is talking about it today, right? Now I would like to show you a couple of examples of real use cases we are working on in Aramis to create disruption in the sector and to create more value.

The first example is an AI Sales Assistant. We are building it to help our sellers to understand better the customer needs and to maximize the conversion from lead to sale. How does it work? Well, most of the sales have many interactions with the customers. We have chats, we have e-mails, we have phone calls. There are customers who go to a physical customer center. Usually, many different conversations where the customer shows us his interest and needs on buying his new car, sometimes with different sale agents who don't have the full context of the operation.

So the AI Assistant will take all these conversations, including the voice transcriptions from the phone calls, and after a semantic analysis, will generate a summary of all the past conversations, the customer needs and will give some tips to the seller to help him to close the sale, maximizing the conversion ratio.

So imagine, you go to a customer center, or you call them by phone, even if it has been days since the last time you talked with them and the sales agent you are talking with is perfectly aware of your needs and knows how to help you to finally buy your perfect car. That's powerful for the customer experience and the conversion.

Well, in the last illustrative case, we have another example in C2B purchasing. We are already testing an MVP of an AI WhatsApp agent in France for the last three months with very promising results, initiating more than 3,000 conversations, managing more than 600 inspections and allowing us to buy more than 170 additional C2B cars. All this by keeping an amazing customer experience with very high ratings from them.

Now I can show you a short video to show you how it works.

[VIDEO BROADCASTING]

**Speaker:** At Aramis Group, we're developing AI assistants that enhance the customer's experience and optimize the way our teams work with promising potential when it comes to buying vehicles. Our AI powered sourcing assistant is available 24/7 and adapts to each customer's lifestyle. It offers a smoother and less intrusive alternative to traditional phone calls.

Today, we've deployed this assistant via WhatsApp and the feedback from our customers is crystal clear. They are delighted that they can talk to us anywhere, anytime and in their language. Users can add documents to refine their requests, such as photographs of their vehicle. One of our team then steps in when the customer wants us to, or when they schedule an appointment to finalize the deal.

On our side, everything is linked to our CRM. We can monitor all the ongoing conversations with our customers and access the documents they send us. And if need be, we can jump into the conversation at any time to answer our customer's questions, supported by AI where appropriate. Because AI is also there to support our colleagues, helping them to write responses, and to file and organize the information sent to us. On average, our buyers spend 40% less time converting customers who have been helped by the assistant first compared with traditional phone prospection.

We are ready to deploy this assistant however our customers want it most. Our solution has been designed to integrate easily into all the Group's technical stacks, enabling rapid adoption throughout Europe. As a matter of fact, the tool is currently being deployed in Spain and the Group's other countries are on the roadmap. We strive every day to be at the cutting edge of innovation and will continue to transform the way we serve our customers.

**Ivan Velasco:** Okay. Thank you for your attention. And now I welcome back Jose Carlos to the stage, who will bring you a summary of the two pillars of our strategy.

**José Carlos del Valle:** Thank you, Ivan. Very impressive stuff. So let me just sum up. This is just a sneak peek to show how we are in a unique position to drive profitable growth in this exciting market or the most exciting retail B2C market, as Guillaume was saying. And we're doing this, and we can do this because we're building on these two pillars, right? How we converge and leverage our European platform and scale. This is important, and it's unique again to us. And then how we're working on this raise the bar and how do we improve it and how do we use technology, data and AI to empower our teams and drive this efficiency.

Today, Alejandro, Ivan, Alba and me, we tried to give you some examples. I think they're just illustrative of so much more of the things that we are doing, and we hope they gave you a glimpse into all of this. And now maybe the moment some of you have been waiting for, let me hand it to Fabien to show how all of this translates into financials. Thank you.

**Fabien Geerolf:** So thank you, Jose Carlos. So I'm Fabien Geerolf. I joined Aramis Group three years ago as Country CFO for France. And I've been Group CFO for one year. I will now deep dive into our mid-term financial ambitions. Our goal is to generate sustainable growth.

First, it means that this growth needs to be profitable. Our target is 5% EBITDA, and we will describe in this section how we will achieve this target. Second, it means that customer satisfaction needs to remain best-in-class as our goal above all is to generate long-term value.

Third, it means that this growth needs to be cash generative. It is already the case, but we will explain in this section, how we can bring it one step further.

Let's start with growth. Aramis Group has a long history of sustained growth. It went from zero to €2 billion revenues in about 20 years. In the past three years, with adverse market conditions, we generated 14% average volume growth on refurbished cars. Our market shares in Europe grew from 0.5% to 0.9%.

And with less than 1% market share in Europe, we obviously have a huge opportunity to grow further. To generate growth, we need to buy more cars, refurbish more and sell more. On buying more cars, we need to make a difference between the pre-registered cars and the refurbished cars.

On pre-registered cars, also called zero kilometers, we are constrained by the availability of these cars on the market, as Guillaume explained earlier. Whereas, on refurbished cars, which make close to 80% of our business today, the supply is almost unlimited with millions of cars available on the market that we can purchase either from professionals or from private customers. The challenge here is to select the right cars. We will come back on this later on.

On refurbishing more cars, we are currently using 65% of our current capacity. And we have proven our ability to build new centers when necessary. Our challenge here is to ramp up our factories while optimizing our costs and keeping quality at the highest standard. On sell-in, our competitive advantage and the large and fragmented market give us a huge opportunity to grow. It implies that we will continue to open new customer centers to extend our geographic coverage, as Jose Carlos explained earlier.

We will continue to strengthen our brand, as Alba explained. We will keep investing on our website to improve the digital customer experience. Therefore, you can see that it is fully in our hands to continue generating organic growth in the future.

Let's deep dive into profitability now. We want to reach 5% EBITDA margin at Group level by 2027 versus 2.3% in fiscal year '24. We are already achieving this 5% EBITDA target in France. So we know how to get there.

At Group level, we are expecting to reach our 5% EBITDA target with higher unit margins and with optimized SG&A.

Let's start with unit margins, so GPU. We can see here that there is a significant gap between the best performer, reaching more than €3,000 per unit, and the Group average at €2,400 per unit, which makes a very substantial 3% EBITDA difference. Of course, there can be some market specificities explaining some differences between countries, but those do not explain the full gap, hence, an opportunity to convert and reach around €2,600 per unit at Group level.

There are three main ways to improve GPU, improving the selection of the cars we buy, optimizing refurbishing costs, adding more value to the customer by selling more services. Improving the selection of the cars we buy means buying the right cars at the right price. Buying a used car is a complex operation. By the way, there are probably some similarities between buying a used car and picking a stock for the investors on the stock market.

Each car is one of a kind, and that is why you need a combination of know-how, data and technology to improve your selection. And when we are not buying the right cars, usually, we end up revising downwards and the price is hitting our margins.

On car selection, we are confident that we are already outperforming the market, but we are uneven in terms of maturity between countries, which is why we need to further converge on the know-hows and Alejandro explained it earlier. And we need to further leverage data and technology to help our buyers. As Ivan explained, we are investing and converging at Group level on these topics.

Second, we can further optimize our refurbishing cost. First, by increasing utilization of our factories and therefore, better absorbing our factory fixed cost. Second, by being innovative. For example, to repair instead of replace. Nicolas shared one example earlier, to use 3D printing instead of buying spare parts.

Third, by optimizing the refurbishing levels, which is a key know-how, implying to have a precise understanding on what the customers really want us to repair.

Finally, we can sell more services. And as Alejandro explained earlier, we can either increase the penetration of the existing services like we did in Italy on financing or launch new services, here again, by converging as some services are only offered in one or two countries and would be relevant for all of the countries.

So we can improve our unit margins through operational excellence, but we can also optimize our SG&A structure. Here also, there is a significant gap between the various countries. Please see here the difference between the best-in-class and the Group average. It illustrates once again the opportunity we have to convert and improve.

To decrease SG&A, we first need to optimize our productivities, as labor costs account for half of our SG&A today. It goes through convergence on our operating system and technologies to close the gap we have between the different countries. It also goes through better leveraging AI. We are still at very early stage, but we are convinced that AI is particularly relevant in our business where customer interactions are particularly intense.

To decrease our SG&A, we also need to keep optimizing our cost of customer acquisition, COCA. It goes through geographical presence and stronger brand. It goes through technology, and we are currently developing, at Group level, a website and a CRM to optimize lead generation and lead conversion.

And last, we will decrease SG&A through economies of scale by better absorbing our fixed costs at Group level and at country levels. They account for around 40% of our SG&A. It means that each 10% growth brings mechanically 0.3% EBITDA. So here again, on SG&A, we have multiple levers to activate to reach our targets. So we have discussed about growth, about profitability.

Let's now talk about cash. We are structurally a cash-generative business. We have generated €21 million free cash flow this year with 2.3% EBITDA margin. There are obviously two major components to that: one, best in class working capital; two, a structurally asset-light business model. Let me detail those further in the next two slides.

Let's talk about working capital first. We have made substantial progress in the past three years, reducing our working capital from 34 days to 26 days of sale. But as you see, we are able to achieve 20 days of working capital in two countries, France and Spain, which means that there is still margin for improvement on this topic, and again, an opportunity to converge.

There are two key levers to improve the working capital. One, we can optimize what we call the commercial rotation of the cars, meaning the time between the online publishing and the sale. And that goes mainly through the right car selection, and therefore, as already mentioned, through know-how, technology and data.

Two, we can optimize the speed of our operational flows. That means, for example, delivering the cars to our customers more rapidly, refurbishing more rapidly. So in one word, we are not done optimizing our operating working capital.

A quick word about CAPEX now. Our CAPEX accounted for 0.6% of our sales in '24. Most of our annual CAPEX is invested in data and technologies. And as mentioned earlier, an increasing share of this CAPEX is invested at Group level to mutualize our investment. Besides that, the CAPEX are very limited. Opening a new refurbishing center costs about €1.5 million, opening a new customer center costs about €0.1 million. So our model overall is really asset-light.

So in a nutshell, we have solid growth fundamentals. We have a clear road map to reach 5% consolidated EBITDA by 2027. And we have a structurally cash-generative business, which leads us to our guidance, double-digit growth on refurb, high-single-digit on B2C, 5% EBITDA target, at least €65 million next fiscal year, and continuous improvement of our operating working capital.

Nicolas, the floor is yours.

**Nicolas Chartier:** Thank you, Fabien. So before we move on to your questions, let me leave you with some final thoughts as conclusion.

So Aramis, you have seen this already. Aramis Group is truly one of a kind. We have a bold entrepreneurial vision and a passionate team driven to build a highly profitable €10 billion company. We are operating in a vast, resilient and highly fragmented market, probably one of the most exciting B2C opportunities in our view and enabling a never-ending growth story.



Our customer value proposition is unmatched and future proof. And you have seen that we are going to improve it in the coming months and years. We are delivering affordable, reliable cars and an exceptional customer experience.

We are uniquely positioned to keep expanding our market share, thanks to a distinctive model crafted over the last two decades that combines the vertical integration, our Aramis operating system and our Aramis performance engine that drives our operational excellence.

Today, we are already achieving 5% EBITDA in selected markets. And by focusing on convergence, leveraging our scale and raising the bar, we are confident in reaching this level of profitability across the entire Group by 2027 while continuing to grow sustainably.

And 2027 is just a step in our growth and profitability journey. The team believes the sky is the limit. And now we are ready for your questions.

**Speaker:** Let's start with a question in the room with the first.

**Speaker:** Yes. So I have two questions. The first one is on branding. So I recall from the time of the IPO that you really stressed that it was very important to keep local brands because local markets have different consumer behavior. And now from what you are presenting, you are going to unify. So I'm just wondering what has changed your mind on that?

**Guillaume Paoli:** Maybe I'll start, and Alba, you can add. Well, we wanted to keep the brands to keep the awareness and the brand platform that Alba has presented will be unified, but with slight adaptation in the countries. Okay? And the next move is to converge on the visual identity. Maybe Alba, if you want to add something or maybe talk about the advertising that you use with France?

**Alba Manzanero:** Yes. As I said after, yes, we keep their brands at the beginning because the remarks in the IPO, it was important or this is important at the beginning, but now we think and we study and we work together, all the CEOs, and we could see as the market again are saturated with the messages, and we want to achieve this new opportunity and leverage the opportunity in the market. And that does not mean that we are going to change our local strategies on marketing because that is important, and this is for each country because they have or all the know-how for each country.

But at the end, the opportunity for differentiation and to be a strong brand, it's very important. We think it's a very big opportunity.

**Speaker:** And I have another one on free cash flow. So you have a 5% EBITDA target for 2027. What does it mean in terms of free cash flow level?

**Fabien Geerolf:** So you can do the math by yourself because you have all the elements. You have the CAPEX, you have the working capital. With the EBITDA, I'm sure that you will be able to do it, but I will give you a clue. It should be around 2.5%. Yeah.

**Speaker:** Thank you. I have two questions, please. The first one is on Italy. We had a lot of focus on Spain, which is great to see, continuous improvement. France is best in class, I think, in terms of profitability. Any color on the path to stronger profitability in Italy, which I think has been the main laggard due to the restructuring?

I guess, due to the low brand awareness, marketing costs are still quite high. So could you please give us some color on what to expect for next year and by 2027 in terms of profitability in the country?

And second question is on capital allocation. So you mentioned strong free cash generation. What to expect in terms of your key priorities, whether it's deleveraging, then M&A if there are any opportunities? Any clue on shareholder returns as well? Thank you.

**Guillaume Paoli:** So maybe regarding the Italy, you can say a word on.

**Fabien Geerolf:** Yeah. Well, on Italy, we are clearly improving the profitability month after month. Just as a reminder, we bought the company for €1 with a €15 million badwill at that time. So it was already planned that there would be some losses to be incurred on the company. So there is nothing that is surprising us.

Right now, we are on the path to reducing these losses, and we expect to go to the green probably in H2 2025. Yes.

**Guillaume Paoli:** Regarding capital allocation, well, we're a growth company, but we are growing more and more profitably, and we have high ambitions for profitability even further after 2027. So in terms of capital allocation, you have seen that we are quite asset-light. So this is something to be discussed later on. But of course, we have a lot of room to grow in terms of M&A. And we don't exclude forever not to give dividends, but it's not the question of today. I hope we can discuss about that later on. So we have questions in the room, back there.

**Speaker:** Yes. Hi. Benjamin Billiard, Pergam, again. Do you expect or imply margin improvement in France during the lifetime of the plan?

**Guillaume Paoli:** Fabien?

**Fabien Geerolf:** Well, so you've seen that France is best in class. So that's a very good question and thank you. When you look at our margins, there is always things that you can optimize, always. So you can always improve the selection of your cars. You can always reduce the refurbishing cost. So that's things that France are currently working on. So yes, we should expect that we need to continue growing, including in the best in class countries.

**Guillaume Paoli:** For example, in services, Alejandro maybe you want to say a word on that.

**Alejandro Garcia-Mella:** Yes. Services, France has a big improvement potential.

**Guillaume Paoli:** Both in terms of penetration and in terms of additional services, both. I think we had a question back there.

**Speaker:** Thank you. Concerning capital requirement, do we have to think France should be the norm for the Group? So 20 days. You mentioned during the presentation, the cross-border sales or supply. What part of your sales comes from cross-border supply? And what is the cost of logistics of this cross-border supply? You mentioned also the difficulties of the market in the UK. Can you precise what kind of difficulties there are on the market? And how do you overcome them?

You gave in a film the example of the electric cars. Could you be more precise about the price of the BEV, now the price you had to reduce to be competitive in UK with electric cars? Thank you.

**Guillaume Paoli:** Okay. So regarding the number of days, I don't know if Nicolas or Fabien, who wants to answer? You can say a word.

**Nicolas Chartier:** I don't know what do we guide on the operating working capital. I think we are guiding on it.

**Fabien Geerolf:** And I think, Nicolas, so we are guiding on the fact that we will have continuous improvement on the operating working capital. And Nicolas mentioned earlier that the good stock for us is almost no inventory. So here again, we don't see a limit. We don't see that we have achieved with France, a limit achieving 20 days of working capital. So that's what I would say.

**Nicolas Chartier:** Yes. We really think that this business can be super powerful if you – that you can develop the business and reduce inventory in a number of days. We cannot say because we don't know how far we can go, but we are really engaged in finding the best way to be super-efficient with the lowest inventory possible because we consider that this is really having a high inventory and inventory in general in this business is really, it's a big problem of this industry. And by being super light in inventory as we are already today, we think that this is the super high strength, and we think that we can even go further there. So we're working on it, but we cannot say up to where we will be able to go.

**Guillaume Paoli:** But at least you have seen that we achieved – I think your question was we achieved at least 20 days in the best-in-class country, which is by the way, our friends in Spain. Alejandro, cross-border, want to say a word regarding the volume of sales.

**Alejandro Garcia-Mella:** Yes. So on our marketplace, let's say, a combination of internal marketplace, volumes are, I'd say, starting to be significant. So we're close to 10% on that. And what we're doing is any arbitrage that's done on a car being showcased in another country, the price gap needs to cover at least logistics and admin process costs. So we are covering for that and just making sure that it adds value to the customer. And of course, it contributes to the profitability of the company.

**Guillaume Paoli:** Regarding the UK market, I'll start, and I don't know if Fabien or Nicolas will want to add up something. But basically, I mean, prices in the UK had reached really crazy levels in 2023. I think the index was 136, the price index for used car compared to before the crisis. So what happened is that the prices crushed in the course of a few months, meaning that even though we have a very low working capital for a few weeks, we had some less good margins.

And the market was a bit – there was like a big storm. So this is why we are talking about the market. Now it has become more normal going forward. And regarding electric cars, actually, we're competitive in price, but it's more that the other guys have been burnt by electric cars and don't want to touch them anymore. And what we have been doing is to learn, learn, learn on how to retail them. And we have been building expertise on how to buy them. But in terms of prices, we are not like slashing the market in terms of price. It's more an ability to buy, refurbish quickly and sell with the right documents.

Do we have some more questions in the room? Don't hesitate.

**Speaker:** Yes. Regarding the improvement in profitability, should we think that the progress will be linear, or will it be more, let's say, back-end loaded in '26 and '27 rather than '25?

**Fabien Geerolf:** Well, you can see in the trend that we have had historically that the trends are not linear. We've been around €2,150 per unit in margin for several months. And then in H2 2024, we delivered €2,400 per unit. So no, it's not linear, but of course, we expect to continue improving. But you know you can have – we can see internally that there are some improvements. It does not immediately materialize in the financial numbers. So that's why it's not completely linear.

**Speaker:** Can you remind me your policy in terms of buying back shares?

**Fabien Geerolf:** Can you remind me, what?

**Speaker:** What's your stance on buying back your own shares, Aramis' shares?

**Fabien Geerolf:** Yes. So we have bought back 130,000 shares that we started in end of July. The aim is to cover the LTIP, the long-term incentive plan for the executive. So that's where we stand. And I think that we –

**Speaker:** To continue this buying back this program.

**Fabien Geerolf:** Well, there is no reason why we would stop buying our shares. Again, it's a need that we will have to deliver to our employees. So we need these shares, and we will buy them, yes.

**Speaker:** But the only aim is for the LTIP?

**Fabien Geerolf:** Yes.

**Speaker:** The only aim of buying the shares is for the LTIP?

**Fabien Geerolf:** Exactly.

**Guillaume Paoli:** We have no other reason to buy share.

**Speaker:** I can see some reason.

**Speaker:** And second question, are you seeing the first improvement in terms of financing with maybe the first move of interest rates going down? Has it started?

**Guillaume Paoli:** Alejandro, maybe you want to?

**Alejandro Garcia-Mella:** So conditions are definitely, I'd say, softening, which is definitely good for our customers. And I guess there's more spread to be shared with our partners. So we will give some of that to our customers, and it will help us sell more cars, which is a real support to sell more cars and continue progressing on the attachment rates.

**Guillaume Paoli:** While maybe some of you think about questions. We have a question. Don't you think we have bad visibility on the life of an electric car? Could it be a problem for refurbishing car market?

Of course, we don't have the same history for electric cars than for ICE cars. What we know for the moment is that we see that the batteries are lasting longer and better health than what we had planned in the past. So actually, we're relatively optimistic in that field.

And I believe, again, this is an opportunity for Aramis because private customers will not want to buy a battery electric vehicle from one another. And also, we believe the life of an electric car will be longer, giving us more opportunities to turn the car in the refurbished car business.

Do we have more questions in the audience? Maybe everybody is hungry, I don't know, but there is food for you just afterwards. So we don't have any question on the phones I think. And we just had one question by web. So this ends this Capital Markets Day.

Thank you very much to you all live and online to have heard us out how we're going to grow in this very big market and speak to you soon. Bye-bye.