



ARAMISGROUP

Q1 2025 Revenues

Wednesday, January 29, 2025

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Operator: Hello, and welcome to the Aramis Group Q1 2025 Revenues. My name is Laura and I will be your coordinator for today's event. Please note, this call is being recorded and for the duration of the call, your lines will be on listen-only mode.

However, you will have the opportunity to ask questions at the end of the call. This can be done by pressing star one on your telephone keypad to register your question and for questions via the webcast, click on "Ask a question" button. If you require assistance at any point, please press star zero, and you will be connected to an operator.

I will now hand you over to your host, Alexandre Leroy, Head of Investor Relations, to begin today's conference. Thank you.

Alexandre Leroy: Good morning, everybody. Thank you for joining us today for Aramis Group Q1 2025 Revenues presentation. I'm Alexandre Leroy, Head of Investor Relations.

Today with me to comment this trading update, Guillaume Paoli, co-Founder and co-CEO of the company, and Fabien Geerolf, Group CFO.

Before handing over to the top management, the usual reminders, this conference is recorded, accessible both over the phone and internet. A replay will be made available on the company's website at www.aramis.group. Slideshow is available on the website for download.

Let me also remind you that today's presentation contains forward-looking statements and that future results may differ materially from the statements or projections made on today's call. In particular, the risk factors that could affect those statements are described in our 2024 Universal Registration Document, filed with the French Financial Market Authority, AMF.

This presentation will be, of course, followed by the usual Q&A session.

Finally, I remind you that Aramis Group has a non-calendar fiscal year, with annual results closing at the end of September. As a consequence, the Q1 2025 activity we are going to report on today refers to the calendar period from October 1st to December 31st 2024.

I now leave the floor to the management that will drive you through the main business and market highlights for the period.

Guillaume, please go ahead.

Slide 2

Guillaume Paoli: Yes, thank you, Alexandre, and good morning, everyone. During the first quarter of 2025, Aramis Group achieved a solid performance, delivering on its profitable growth strategy with revenues up 10% year-on-year organically, driven by B2C volumes increasing by 9%. In a relatively stable market environment, this represents, once again, a remarkable outperformance, beating the market by 12 percentage points.

It highlights, we believe, the robustness of our current company's business model, the strong customer interest in our products and services, and our high-quality execution. As you know,

our model is designed to deliver sustainable growth. By this, we mean profitable growth, generating cash, and, very importantly, that is built with customers, not at their expense.

The very high Net Promoter Score of 73, achieved at the end of December 2024, attests to this, and we would like to thank our teams for their daily dedication to customer satisfaction. These teams have been deeply engaged over the past several months in implementing our updated 2027 strategy which we presented at the Capital Markets Day a few weeks ago at the end of November. We are seeing positive effects from better sharing of our expertise, know-how, technologies, and our continuous drive for innovation, which recently led to the launch of a new AI-sales assistant. I'll say a few words about that later on, and, more broadly, the ongoing improvement of our business model.

We reaffirm today our financial objectives for both '25 and '27, with the 2025 targets including achieving high single-digit growth in total B2C volumes, including a double-digit growth on refurbished cars, at least €65 million in EBITDA, and continued gradual improvement in our operating working capital levels.

Our development potential is massive, you know it, virtually limitless growth opportunities on this €400 billion per year market, a market that is highly fragmented, and our customer value proposition that is exceptionally strong, offering quality vehicles at affordable prices at the heart of the circular economy.

Slide 4

Now moving to slide number four, to say a few words about the market. It has remained relatively stable. We are clearly out of the "Carmageddon" period we described during the Capital Markets Day. There has been a slight decline of registration of used cars under eight years on average, and selling prices have also continued to normalise, returning to early 2021 levels in most of our markets.

In summary, conditions are steady in terms of volumes and value in a market that is, as you know, resilient and that offers unique growth opportunities.

Slide 5

Moving on to slide five, our Q1 '25 revenues amounted to €578 million, up 10% year-on-year organically. Once again, we have delighted our customers, achieving a Net Promoter Score of 73. This was made possible by the strong commitment of our team, who take pride and satisfaction in working for the Group, as reflected in an employee Net Promoter Score of 62. We aim at continuously developing our people, whom we consider the key asset of the Group.

More generally speaking, and as you know, our whole business model is designed to drive sustainable growth, leveraging on the one hand vertical integration across our entire value chain, a unique operating system crafted over the past 20 years, and what we call our performance engine, a management approach inspired by lean principles.

We are promoting a learning culture, we consider that to grow our business, we have to grow our people. We are promoting an environment centred on the value we create for customers,

and we are working as a team of teams with the same methodologies and the same framework that we designed to foster collaboration.

Slide 6

Now moving to slide six, as I mentioned earlier, our teams have also been deeply engaged in rolling out the 2027 strategy we presented to you at the Capital Markets Day.

As you recall, this strategy is built around two main pillars. First, convergence around the group's proven operating system, and better leveraging its European dimension. This involves improving the performance of all entities by aligning the group through better sharing of knowledge, better sharing of expertise, tools, as well as fully capitalising on our pan-European scale, typically with marketplaces, both internal and external.

"Raise the bar", which is the second pillar, which means continuing to improve our unique business model. We are enhancing the customer experience, we are developing the people, and we are providing even greater support to our teams via tech and data.

Slide 7

Now, if we give few examples of this strategy during the Q1, let's move to slide number seven.

We provide a concrete example of multidimensional convergence currently underway in Belgium. As you can see, we have very good results in this quarter, and our Belgian entity has recently, along the last few months, adopted several of the Group's practices and tools. In particular, Belgium has benefited from its migration to the Group's web and CRM platform.

That significantly improved the offer presentation and provided our customers in Belgium with a much more seamless online customer journey. Also, the country has launched remote sales by phone, which had not been fully implemented until now, further enhancing the optichannel dimension of the business. And you know that this dimension is very important for efficient cost-setting and customer satisfaction.

Lastly, changes have also been made at the management level in line with our principles and also in line with how teams are led, resulting in improved motivation and higher engagement rates. This has supported the results that we had in the Q1, it's tangible and clear, as we have shown.

Slide 8

Moving on now to slide number eight, and again, this is just an example.

We have launched in France a new AI agent, illustrating how we are raising the bar, meaning improving our business model. This AI agent has allowed us to handle opportunities on leads that were previously not really well-addressed or insufficiently followed up. Specifically, we observed that around 25% of potential customers that expressed interest in one of our vehicles were not followed up or did not contact our team.

This presents a massive opportunity to implement automated outreach, which we achieved using AI. Over the past three months, the progressive implementation of this, of the system, and just in France, more than 1,300 conversations have been automatically initiated with customers that otherwise would likely not have been addressed, resulting in over 100 incremental sales. These figures are truly promising, especially considering that the module has been in test for a short while and exclusively in France.

This is just an illustration of how we are working to improve our business model, support our team in being more efficient, all that trying to create more value for our customers.

With that, with this example, I'll hand it over to our group Chief Financial Officer, Fabien Geerolf, for the financial performance review. Fabien, it's up to you.

Slide 10

Fabien Geerolf: Thank you, Guillaume.

Good morning, everyone. We are now on slide ten for the review of revenues by segment. Overall, as Guillaume mentioned, Q1 2025 performance was solid, with revenues growing by 10% year-on-year.

Looking at the different segments, refurbished cars revenues increased by 7%, of which a volume effect of 8%. The volumes in the quarter were impacted by exceptional circumstances in Spain, unfavourable calendar effects, especially in December, and the dynamism of pre-registered cars in Belgium, which slightly cannibalised the performance of refurbished cars. Pre-registered car revenues rose by 27%, with volumes up by 14%, mainly driven by a catch-up effect in Belgium.

B2B revenues declined by 4%, consistent with the slight decrease in the proportion of cars sourced from private owners versus last year. Service revenues grew by 7%, with financing solutions penetration rate now stabilised around 44%.

Slide 11

Let's now review the performance by country on slide 11.

All our countries contributed positively to the volume growth during Q1. In France, revenues increased by 8%. The growth was mainly driven by the dynamism of the refurbished volumes, which grew by nearly 15%, whereas pre-registered volumes are stabilising.

In Spain, revenues grew by 4%. The country faced an exceptional situation in Q1 due to the flood in the Valencia region in October that damaged significantly our second-largest point of sales in Spain, impacting our volumes delivered in the quarter. The site is gradually resuming operations.

In the UK, revenues increased by 16%, with volumes up by 12%. The UK continues to substantially outperform the market that is down by 10% versus Q1 2024.

In Belgium, revenues increased by 24%, driven by the catch-up of the pre-registered car sales, which grew by nearly 80% year-on-year. This led to a relative slowdown of the

refurbished car performance due to some substitution effect between pre-registered cars and the most recent refurbished cars.

In Austria, volumes are stabilising, which is a solid performance after the hyper growth we had last year and the transition to a new management team after the departure of the historical founder, as planned earlier this month.

In Italy, B2C volumes grew by 5% during the quarter. We are making progress towards our breakeven point, thanks to continued work on our cost structure and the acceleration of the volumes sold to other countries within the Group.

With that, I hand it back to Guillaume for the guidance.

Slide 13

Guillaume Paoli: Thank you, Fabien.

I'm now on slide number 13.

As you have seen, we have had a solid start to the year, operating in a stable market environment, and we are effectively deploying the strategy we presented to you in November 2027.

So, we are confirming all our financial objectives for both fiscal year 2025 and fiscal year 2027, and we are very confident in our strategy, in our market potential, our teams, and also our execution capabilities. We look ahead with optimism and we, of course, keep you fully informed of our progress.

So, thank you very much for your attendance and attention today.

I believe we can now open the Q&A session. So, operator, we are ready to take the first questions by phone, please.

Questions and Answers

Operator: Sure, thank you. Ladies and gentlemen, as a reminder, if you would like to ask a question, please press star one on your telephone keypad or click on "Ask a question" button for questions via the webcast. Thank you.

We will now take our first question from Doyinsola Sanyaolu of Citi. Your line is open. Please go ahead.

You might want to unmute from your line, Doyinsola.

Doyinsola Sanyaolu (Citi): Hello. Can you hear me now?

Guillaume Paoli: Yes, we hear you very well. Hello.

Doyinsola Sanyaolu: Thanks for taking my question. I have two quick ones. So, just on the guidance for this year, which you reconfirmed, I guess this quarter we saw high single-digit growth in refurb and then quite strong growth in pre-reg.

I know there were some different kind of trends across the different markets, but if that continues, how does that potentially impact guidance for the year?

And then just on the brand convergence, I know in Belgium over the past few months, you have pushed through a number of initiatives while keeping the local market expertise. Just any colour on how that process went, and maybe what market you might be interested in rolling that out to next?

Thank you.

Guillaume Paoli: Okay. So, regarding question number one, thank you very much, I will give you the most important part of my answer right away. We confirm all our guidance, okay, both on high single-digit growth for B2C volume and double-digit for refurbished cars.

Well, in the end, the most important part is selling vehicles, of course, and there is some – you know, when – if you should put yourself in the shoes of a customer, if you're looking for a recent car, and you have a very good opportunity for pre-registered cars, you can hesitate and choose. So, there is some swing effect, but I believe the most important part is that we are growing on this market, growing market share, outperforming the market, and this is an important part.

But nevertheless, the strategic axis of development is refurbished cars. As you know, it's 32 million cars sold per year in Europe. And as I said, we have reconfirmed all our guidance.

So, that's question number one. Question number two, I am not sure I fully understood. Your question is: How we are moving on the brand conversion? That's right?

Doyinsola Sanyaolu: Yeah, just any update on how that process went and how you're thinking about the other markets.

Guillaume Paoli: So, as we have said during the Capital Markets Day, we aim at – we have designed a common brand platform for all or most of the countries of the Group. And we will be progressively implementing it. I don't want to give you a calendar today.

The aim of this work is to propose the most attractive brand and value proposition to our customers to make it crystal clear for them and to have a very attractive communication

package. Also, we plan on harmonising the visual identity. This, we are not in a rush. We are working with the countries locally. There can be some specificity. So, I have nothing to announce right now.

What I can tell you is that this brand platform and what is a brand platform is, how we communicate our brand to our customers, is progressively implemented in some countries, particularly in France, Spain, Belgium. But regarding the next step, we'll come back to you in the course of the year.

Doyinsola Sanyaolu: Thank you.

Operator: Thank you. We will now take our next question from Christophe Cherblanc of Bernstein. Your line is open. Please go ahead.

Christophe Cherblanc (Bernstein): Yes. Good morning. Thanks for taking me.

I have two questions. One – three, actually. First one was, can you size the calendar effect you were mentioning regarding December? How much was it in Q1?

The second one was on Spain. Did you lose cars which will not be resold because simply they've been destroyed? So, I just wanted to size the potential damage.

And last, I was intrigued on what you mentioned on Italy. I think you mentioned in the release that you are using Italy as an internal marketplace. So, is it a one-off project or do you plan to increase sourcing from that market or maybe reposition the Italian business as an internal marketplace in a deeper way?

Thank you.

Fabien Geerolf: Okay. Thank you. Thank you, Christophe, for the question.

So, I will take your question one by one. So, first of all, the calendar effect, indeed, if you look at mainly what happened in December, very end of the year, we had the 25th, the 31st that were on Wednesdays, which is less favourable than when it is on the Monday like it was in the previous year. It's very, very difficult to precisely assess how much and to give a number behind that. There has been especially an impact on the deliveries because a lot of customers waited beginning of January to take deliveries of their cars.

Second question on Spain and the amount of the damages. So, yes, the point of sale was damaged, as I mentioned. There were 250 cars parked in this point of sale when the flood happened and all of them were destroyed. Of course, we are covered by our insurance by more than 90%. So, the immediate financial impact remains limited for us. But we have lost these cars. Our point of sale has been closed for almost two months. And of course, it has impacted our sales and our volumes in the first quarter.

Third question on Italy, and do we have a strategy to move Italy into an internal marketplace provider? So, no, in Italy, the strategy is the same as in the other countries. We want to be a B2C company. We see that we are sourcing great cars in Italy and refurbishing with a great level of quality. So, we are using it as an opportunity for the other countries to benefit from cars that they might not be able to purchase. So, it's exactly what we do for the other countries for the internal marketplace. There is not a specific strategy for Italy regarding this. So, I hope I answered your questions, Christophe.

Christophe Cherblanc: You did. Thank you.

Fabien Geerolf: Thank you.

Operator: Thank you. Once again, as a reminder, if you would like to ask a question, please press star one on your telephone keypad. Thank you.

We will now take our next question from Shaqeal Kirunda of Morgan Stanley. Your line is open. Please go ahead.

Shaqeal Kirunda (Morgan Stanley): Hi there, Shaqueal Kirunda of Morgan Stanley. Thanks for taking my question.

You know, you guys have consistently outperformed the market in terms of volume growth. What would you say are the key drivers behind this?

Guillaume Paoli: Okay. Thank you for your question. We – I am reflecting on by what to start, you know. So, first, I think the – you have to consider that this is absolutely huge market, millions and millions of cars, 32 million cars sold every year in Europe. It's extremely fragmented. What incumbents propose is not so attractive. You know, when you go in a dealership, and you want to buy a second-hand car, you usually also have a second-class experience.

We put a second-hand car at the heart of what we propose. We have a very, very attractive value, customer value proposition. We have a very powerful word of mouth with a very high customer succession. So, I would almost say, even if we were doing nothing, probably our numbers would be growing with repurchase of our current customer, old customers. We have sold over 700,000 cars since the inception of the group, counting Aramisauto plus all the other companies that joined from the moment they joined the Group. So, I believe we have like a powerful momentum even if we were not doing anything.

Fortunately, for our customers, for us and for our shareholders, we are doing some things. So, what we are doing is that we are expanding our operations with new customer centres, with more advertising, buying more cars. And we believe that this rhythm that we have guided on, so high single-digit B2C volumes including double-digit on refurbished cars, is a good rhythm to provide sustainable growth. Sustainable growth means cash-generative, means profitable, means that customers are happy with what we deliver and that our teams remain engaged.

So, I could do a very long list, but in a nutshell, a very big market, very attractive customer value proposition, answering customer needs. As you know, two-thirds of Europeans go to work every morning, and individual mobility is ensured by cars. This is the reality today. And we also have a strategy of market share gains. We are approaching the 1% market share threshold in the whole of Europe, and we plan to continue on that rhythm for the months and the years to come.

Sorry, long answer, but tried to give you the main highlights.

Shaqeal Kirunda: Thank you. That's very helpful. And then, one more for me.

If you could just share a little bit about your view on the securitisation of consumer loans. Is this something that you guys are thinking about? If not, why? And any potential timelines?

Guillaume Paoli: Thank you for your question. I'm not surprised by this question. We have competitors in Europe that are doing it. We have peers in the US who are doing it on a very different market. Look, this is something we are looking at. We are not in a rush because it's not an immediate need. We have more than enough lines to finance the company. And the immediate benefits of securitising these lines for customers is not obvious. So, this is something we're looking at. We have no immediate plans. But obviously, on the long term, this is something that we will consider and going forward.

Shaqeal Kirunda: Thank you very much.

Operator: Thank you. There are no further questions in queue. I'm now handing it over for webcast questions.

Thank you.

Alexandre Leroy: Thank you. We have a few questions on the web. First, starting with Gabriel's one from Gilbert Dupont. Thank you, Gabriel, for your question. Gabriel is just asking if it's possible to get a bit of colour on how is the market since the beginning of the year. So, overall, how is starting the year for us on the market, what we see?

Guillaume Paoli: Okay. So, thank you for the question. Well, you know, this is a Q1 call. So, but what we can tell you is that January has been going well, both for our numbers and on the market. And that's about all we can say at this stage. There is no main event going on in the market.

Of course, there are some uncertainties on the new car market, etc. But we believe all these eventual events will be very good opportunities for us going forward. Either the situation on the new car market will remain as is, or the European Commission will cut some slack.

Either way, for us, it's good opportunities. And in the end, January for us is going well. On the market that still remains stable.

Alexandre Leroy: Thank you, Guillaume. We have a few questions from Dominique, also from CIC. Thank you, Dominique, for your questions.

First question from Dominique is, can you comment qualitatively on the evolution of GPU and working capital?

Fabien Geerolf: Yes. So, thank you, Dominique, for the question. As you know, it's a revenue update. So, I will not elaborate much on the profitability and cash side. What we said is that we – first of all, we confirmed our guidance. So, the more than €65 million EBITDA and the gradual improvement in the working capital. So, that's confirmed.

Overall, what I can say is that on both of these aspects, our performance in Q1 was solid. And I will come back in more detail on this, of course, for the H1 review.

Alexandre Leroy: Next question, what is the amount of the earnout to be paid to the Austrian founder?

Fabien Geerolf: So, the earnout was exactly as planned. And I think it was communicated during the capital market day. It's an €8 million earnout for Onlinecars.

Alexandre Leroy: Next question. So, Dominique, you were asking also about the cost of flooding in the Valencia region. You got it, I think, right. It's largely, largely covered by

insurance. Then, Dominique is asking, what does Carlos Tavares' departure mean for the company?

Guillaume Paoli: Well, I mean, we have been working with – thank you for the question. We have been working with Carlos Tavares since 2017. So, not on a daily basis, as you can imagine, but we met once or twice. We benefited from his support and his insights.

So, I mean, the used car market is 32 million cars sold every year. The new car market is around 13 million. The cars are still there, are still sold. So, departure of one man is not going to change everything. For the moment, there is nothing particular. We are working with the same people. We are buying cars from Stellantis. I believe that this used car market is very attractive.

So, in practical terms, it didn't change anything for us. And, yeah, we have a very good working relationship. Those that attended the Capital Market Day saw Philippe de Rovira, who stays on our board, that gave some insight on how Stellantis was looking ahead, meaning planning to continue to support Aramis Group, eventually open to go under 50% if the opportunity is right for the company, for the strategy, for the investors. But you can take a look at what he said during the Capital Markets Day. So, in a nutshell, nothing specific and nothing changed for the moment.

Alexandre Leroy: Thank you. Last questions, in plural, around the EVs. Dominique says that we mentioned stable prices for used vehicles in the press release, and this is what we noticed. So, she's asking about if it's true also for electric vehicles. First question. Then, if we can remind the proportion of supply of EVs and demand, so the equilibrium, how we see it and how we perform on the EVs.

Guillaume Paoli: So, on the EVs, what we explain at the Capital Markets Day is that our share of battery electric vehicles (BEVs) is around 6% versus on the market, it's more like a little bit below 4%. So, we are outperforming the electric vehicles on the market because we believe it's part of the future mix. It's maybe the vehicles of the future, and we want it to be just the best-in-class at selling those vehicles.

Now, regarding the evolution of electric vehicle sales, I'm sure you have seen that for the first time last year, new electric vehicle sales have decreased in terms of percentage. There are numerous reasons for that. Regarding the used car market, the volumes have continued to increase because, of course, there is a lag effect.

But, for us, we are totally agnostic in terms of engine technology. We are totally agnostic in terms of brands. So, we believe it's an opportunity for growth. And the mix of electric cars on the market will not affect our results or will positively affect them.

We're done?

Alexandre Leroy: We're done with Dominique's question. I hope this answers your questions, both Gabriel and Dominique. If not, let me know through the chat. Operator, more questions over the phone, maybe?

Operator: There are no further questions coming through the phone. As a final reminder, if you would like to ask a question, please press star one on your telephone keypad. Thank you.

Guillaume Paoli: Okay, so, Alexandre, do we have any more questions?

Alexandre Leroy: No.

Guillaume Paoli: Okay. So, thank you very much to everybody for your questions and for your attendance. So, we'll be very happy to speak with you again for the first half-year on 19 May. And until then, have a great start of the year, everybody.

Alexandre Leroy: Thank you.

Guillaume Paoli: Thank you very much.