Europcar Mobility Group: Full Year 2019 Results

February 25, 2020

2019 > Revised Guidance Achieved in a Challenging Environment

2020 > Re-inforced Focus on Efficiency and Customer Value Creation, Powered by Digitization

PARIS--(BUSINESS WIRE)--Feb. 25, 2020-- Regulatory News:

Europcar Mobility Group (Paris:EUCAR):

2019 KEY FACTS

- Challenging environment at the end of Q3 2019 and in Q4 2019
- Revenue build-up and margin under pressure, leading to acceleration of efficiency programs
- Strong growth momentum in Urban Mobility
- Ramp-up of SHIFT 2023 strategic roadmap
- Last step of our transformational M&A program: acquisition of Fox-Rent-A-Car

2019 KEY FINANCIALS[1]

- Revenue at €3,022m, up +0.9% on an organic basis and up +3.2% on a reported basis
- Adjusted Corporate EBITDA in line with guidance revision published in October 2019
  - €310m excluding Urban Mobility / €278m including Urban Mobility
- Group Net Income at €38m (versus €71m excluding the sale of Car2Go in 2018)
- Dividend payout ratio of 34%
- Corporate Operating Cash Flow at €118m, i.e. 42% free cash-flow conversion
- Corporate Net Debt at €880m
  - 3.0x leverage before Fox acquisition, 3.2x leverage after Fox acquisition

Caroline Parot, CEO of Europcar Mobility Group, declared: *"The second half of 2019 was challenging, with the European economic slowdown and the Brexit both impacting our corporate and leisure businesses. This led us to accelerate the roll-out of our efficiency and standardization programs, so as to adapt our cost-base. Finally, in this soft environment characterized by weaker-than-expected demand and pricing pressure, we achieved our revised guidance.*

In 2020, the environment will remain complex, with macro uncertainties in Europe, as well as challenging times when it comes to environmental issues or health major events. In this regard, while having no direct operations in the APAC region, we are closely monitoring the evolution of the outbreak situation in our industry and in our company, from an employees and business perspective.

At the same time, 2020 being a key milestone on our way to our 2023 ambitions, we will strongly focus on quality of revenue, margin improvement and cash flow generation. All this with continued financial discipline, in line with the targets of our efficiency programs. We also ambition to deliver strong double-digit growth in our Urban Mobility business, while significantly reducing its losses. Finally, we will pursue at a fast pace the digitization of our ONE Group framework, allowing us to create additional value for our customers.

Thanks to our unique and central positioning in the mobility ecosystem, we are confident in the relevance of our SHIFT 2023 strategic roadmap, which aims to enable us to capture further growth, seize market opportunities in front of very promising long-term mobility trends and create greater value for our customers, while progressively rebalancing our revenue streams, thus reducing the impact of seasonality and volatility on our business."

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[1] Before IFRS 16

2020 OUTLOOK

- Cautious view on the macro and leisure environment
- Strong focus on margin improvement, through efficiency and standardization measures
- Priority on cash conversion and further debt reduction
- Continued investments in digital and group's transformation, to enhance customer value
- Strong double-digit revenue growth for Urban Mobility BU & path to profitability

2020 GUIDANCE (including Urban Mobility)

- Revenues: limited organic growth, selective on quality
- Adjusted Corporate EBITDA for the full perimeter[2] in the range of €300-310m
- Non-recurring expenses of around €50m
- Strong increase in Net Income,
- Increase in Corporate Operating Cash flow generation leading to a reduction in net debt, & a debt deleveraging by 0.4x

Europcar Mobility Group invites you to its FY 2019 Results Conference Call on: **Tuesday, Feb. 25, at 6:00pm CET**

Dial-in Access telephone numbers: France: +33 (0)1 76 77 22 57
Germany: +49 (0) 69 2222 2018 **/** UK: +44 (0)330 336 9411 **:** USA: +1 323-794-2094
Confirmation Code: 1287621

Webcast: https://globalmeet.webcasts.com/starthere.jsp?ei=1281479&tp_key=0b88f3a96c

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[2] Including acquisitions realized in 2019 and Urban Mobility

2019 financial results

Figures for 2019 are presented before IFRS 16 application in comments and tables unless it is explicitly indicated. Reported figures for the fourth quarter and full year are presented in Appendix.

Application of IFRS 16 as from January 1, 2019:

- Europcar Mobility Group is using the simplified retrospective method for 2018 financial accounts, according to which there is no restatement of comparative periods
- *All fleet lease contracts are accounted for in the balance sheet with a "right to use the asset" and a corresponding debt for the lease payment obligation*
- *The impact of IFRS 16 are detailed in Appendix*

Management Account presentation:

2019 figures are presented before and after Urban Mobility Corporate EBITDA performance.

2020 and onwards: all group's metrics are presented including Urban Mobility Business Unit performance.

Full year reported performance

All data in €m, except if mentioned	**2019**	**2018**	**Change**
Number of rental days (million)	91.0	87.7	3.7%
Average Fleet (thousand)	328.0	315.9	3.8%
Fleet Utilization rate	76.0%	76.1%	
Total revenues	3,022	2,929	3.2%
Adjusted Corporate EBITDA	278	327	-15.0%
Adjusted Corporate EBITDA Margin	9.2%	11.2%	

Adjusted Corporate EBITDA Excluding Urban Mobility	310	350	-11.4%
Adjusted Corporate EBITDA Margin Excluding Urban Mobility	*10.4%*	*12.1%*	

Operating Income	240	369	-35%
of w/h proceed from the sale of Car2Go		*69*	
Corporate Free Cash Flow	118	134.6	-12%
Corporate Net Debt at end of the period	880	795	
Corporate net debt / EBITDA ratio (x) - Reported	3.2	2.4	
Corporate net debt / EBITDA ratio (x) - Excluding Fox	3.0		

PROFIT & LOSS IN 2019

1. Activity & Margin after variable costs in 2019

The Group recorded a +3.2% revenue growth to €3,022m in 2019.

At constant perimeter and exchange rate, revenue increased by +0.9% (i.e. excluding franchisees in Denmark, Norway and Fox acquired in 2019[3]) with a fourth quarter up +2.2%. The growth in 2019 breaks down into +0.5% for the BU Cars, +5.4% for Vans & Trucks, -3.9% for Low Cost, +36.8% for Urban Mobility.

While the BUs (Business Unit) experienced different trends, the Group faced, as indicated in the third quarter, a lower-than-expected volumes demand during the peak season in September on the back of the slowdown in the global economic environment, particularly exacerbated in the UK and Ireland due to uncertainties around the Brexit. This revenue build up evolution led to an increased pricing pressure, notably in September onwards.

In the BU Cars, Corporate business revenue were down -2.5% in 2019 with notably travel freeze from Large Corporate customers in the last part of the year, in spite of a solid performance for small and medium sized companies. Europcar Mobility Group pro-actively re-allocated part of its fleet to the Leisure segment in order to offset the low volumes from Corporate customers. This resulted in a positive +3.4% revenue growth but at the detriment of pricing.

The Vans & Trucks BU enjoyed a sound revenue growth (+5.4%) and the Urban Mobility BU posted an impressive +36.8% increase in revenue with an acceleration over the fourth quarter (+42%).

Group's utilization rate and FCPU (fleet cost per unit) remained stable in 2019 versus 2018 at 76.0% and €229 respectively.

On constant exchange rates and excluding Urban Mobility and Fox, margin after variable costs for the BUs amounted to €1,224m, recording a limited -1% decline versus 2018, leading to 40.5% margin. This is driven in

H2 2019 by a rise in fleet costs that mainly reflects the increase in fleet size (+2.9% on average) as well as an upgraded fleet mix, more CO_2 emission taxation and some adverse damage effects, offsetting the good momentum of the first half 2019. Also, customer's acquisition mechanically increased as the Group re-allocated part of its fleet to the Leisure segment.

Focus on BUs activity and Margin after Variable Costs

BU Cars: earnings impacted by economic conditions at the end of Q3 2019

CARS	**Q4 2019**	**Q4 2018**	**FY 2019**	**FY 2018**
Revenue (€m)	488	468	2,157	2,121
Variation at constant perimeter (%)	*2.4%*		*0.5%*	
Variation on reported revenue (%)	*4.3%*		*1.7%*	
Margin after variable costs (€m)	186	200	892	910
Margin after variable costs (%)	*38.0%*	*42.7%*	*41.4%*	*42.9%*

** Q4 2018 PF revenue*

[3] Excluding Fox consolidated since November 1st, 2019 (€37M revenue) and franchisees in Denmark and Norway acquired consolidated on July 1st, 2019 (€29M revenue)

On a reported basis, BU Cars generated €2,157m revenue in 2019, up +1.7%. At constant exchange rates and perimeter, revenues are up +0.5% for the full year, including +2.4% over the fourth quarter.

At constant perimeter, the BU reported a +1.1% increase in rental days and a -0.3% decline in RPD in 2019. RPD includes a positive +1.1% growth in the fourth quarter.

In spite of a good performance of small and medium-sized companies, **the B2B segment** (down -2.5% in rental revenue in 2019) suffered during the year from a slowdown in the Large customers segment, which revenues recorded a double-digit decline due to:

- The voluntary and beneficial action of exiting few low-profitable large corporate accounts in the UK and Germany, in order to protect profitability
- The Brexit impact in the UK / Ireland;
- The travel freeze from end-August in key accounts in several countries (UK, Germany and France in particular)

The Group promptly reacted to this environment by shifting part of the fleet allocated to the Corporate to the Leisure segment. This resulted in a positive impact on the fleet utilization rate that improved overall by 1 point to 76.1% over the year (proforma basis) for the BU.

Rental revenue in **Leisure segment** were up +3.4% in 2019 with a good December, particularly in France, Germany, Italy and Australia, but with RPD down -0.9% during the year.

Europcar Mobility Group reported a margin after variable costs of €892m for the BU Cars in 2019, down c.-2% versus 2018 and -3.4% on constant perimeter: the BU was impacted by low Corporate volumes (travel freeze), a weaker-than-expected Leisure demand in some markets (increased acquisition costs from the indirect channel) and higher fleet costs per unit (upgraded fleet mix to serve customer demand, and higher tax on vehicles) not being passed to customers within the soft pricing environment.

Vans & Trucks: a positive performance with a solid demand but with pricing down

VANS & TRUCKS	**Q4 2019**	**Q4 2018**	**FY 2019**	**FY 2018**
Revenue (€m)	102	93	366	344
Variation on reported revenue (%)	*9.9%*		*6.2%*	
Margin after variable costs (€m)	42	42	142	139
Margin after variable costs (%)	*40.7%*	*44.9%*	*38.9%*	*40.4%*

On a reported basis, the Group registered a good performance with a +6.2% total revenue growth to €366m in 2019 across most countries, France, Spain, Ireland, Portugal and Germany.

In rental revenue, the Group reported an increase of +9.5% in rental days and a -3.5% decrease in RPD, mainly related to longer duration and mix effect between corporate and leisure segments. The strategy towards the Corporate / SME segment continues to pay off through longer rental duration, and the deployment of new “supersites” in main countries: the latter recorded a double-digit revenue growth in 2019, representing 18% of the Vans & Trucks revenue.

In 2019, the Group reported a +2% increase in margin after variable costs to €142m, with some higher damages and maintenance in the fleet operating costs.

Low Cost: a good earnings performance in spite of a strong pricing pressure

The BU Low Cost includes Fox, consolidated for 2 months in 2019

LOW COST	**Q4 2019**	**Q4 2018**	**FY 2019**	**FY 2018**
Revenue (€m)	94	63	411	389
Variation on reported revenue (%)	*49.8%*		*5.5%*	
Variation on constant perimeter revenue (%)	*-9.4%*		*-3.1%*	
Margin after variable costs (€m)	26	9	156	142
Margin after variable costs (%)	*27.4%*	*14.6%*	*38.0%*	*36.6%*

On a reported basis, the Group recorded a +5.5% increase in revenue to €411m and -3.1% decline at constant exchange rates and perimeter, due to a particularly fierce competitive environment in Spain and the UK that impacted demand and pricing. Performance in France, Portugal, Croatia and Turkey was good. Overall rental days increased by +1.9% while RPD was down -3.5% at constant perimeter.

After a year of integration, Goldcar made significant progress on its NPS, turning positive in 2019 for the first time.

Europcar Mobility Group adapted quickly to the environment with a tight cost control. Hence Margin after variable costs were up +0.8% at constant exchange rate and perimeter over the year – and up +11% to €156m at current perimeter. The implementation of synergy programs combined with a lean cost structure allow the BU Low Cost to generate the highest profitability of the Group.

Urban Mobility: A very positive year with strong revenue growth and positive pricing power. Growth investments in line with guidance

URBAN MOBILITY	**Q4 2019**	**Q4 2018**	**FY 2019**	**FY 2018**
Revenue (€m)	14	10	49	36
Variation on reported revenue (%)	*44.0%*		*36.8%*	

Developed in 2017, Urban Mobility BU operates round trip car sharing for individuals and corporate, B2B ride hailing and PHV (Private Hire Vehicle). The BU recorded a strong growth of +36.8% to €49m in 2019 (and +44% in the fourth quarter), with each of the three segments – Car sharing, Ride hailing and PHV - contributing to this solid performance.

The main activity, car sharing business, reported the strongest revenue growth of the BU in 2019 (over +50%): Ubeeqo recorded an increase in repeat bookings with a positive pricing power while scaling up its fleet throughout the year (4,200 vehicles end of 2019). Already 250 000 customers were registered as monthly active customers per year. This validates the model as an attractive alternative to car ownership matching users and cities expectations.

Given the nature of the business, related to urban lifestyle, new attitudes of consumption and peculiarities in each geographic area, Ubeeqo has originally adopted a flexible approach through a progressive development of its offer in selective cities. The Group operates mainly today in 8 cities in Europe (Dublin, Cork, Paris, London, Madrid, Hamburg, Barcelona and Milan). Ubeeqo won Paris in 2019, with a contract signed with the Paris City hall, and currently operates close to 1,100 vehicles. The BU closed B2C operations in Berlin in 2019 given the fierce competitive environment to prioritize Corporate car sharing strong development.

As part of its ramp-up strategy, Ubeeqo is already profitable in 2 cities and is working to improve its path to profitability at BU level over the next year, notably with the development of a franchisee model. On the ride-hailing part, the UK-based Brunel activity suffered from the B2B depressed environment but delivered a double-digit revenue growth versus 2018 (+19%). Since 2019, Urban Mobility Business Unit also addresses the PHV market (Private Hire Vehicle - rent to a Uber-like chauffeur) partnering with major ride-hailers as a fleet provider and manager. This activity enjoyed a strong momentum over the last 12 month with c.2,000 vehicles on rent in the UK and France, confirming a large growth potential both in Europe and the US markets for the coming years.

With all the above, the BU is well on track to reduce substantially its losses by €10m at Corporate EBITDA in 2020.

2. From Adjusted Corporate EBITDA to net income in 2019

€m	**FY 2019**	**FY 2018**	**% change**	**% change at constant perimeter**
Revenue	**3,022**	**2,929**	**3.2%**	**0.9%**
% of volume growth			3.7%	2.2%
Margin after variable costs	**1,224**	**1,231**	-0.6%	-2.9%
In % of revenue	*40.5%*	*42.0%*		
Network	(464)	(428)	8.5%	5.1%
In % of revenue	*15.4%*	*14.6%*		
HQ Costs	(361)	(355)	1.7%	-0.4%
In % of revenue	*11.9%*	*12.1%*		
Fleet financing costs	(120)	(121)	-0.3%	-2.8%
Financing CPU (In €)	*(30)*	*(32)*	-5.1%	-6.0%
Adjusted Corporate EBITDA	**278**	**327**	-15.0%	-16.1%
In % of revenue	*9.2%*	*11.2%*		
Of w/h Urban Mobility Adj. Corporate EBITDA	***-32***	***-23***	*38.5%*	*38.5%*

Adjusted Corporate EBITDA excl. Urban Mobility	**310**	**350**	-11.4%	-12.5%
In % of revenue	*10.4%*	*12.1%*		

At constant exchange rates and perimeter (i.e. excluding the acquisition of Fox and franchisees in Denmark and Finland), costs below Margin After Variable Costs (MAVC) increased by +1.9% reflecting:

- Global rental days increase by +3.7%
- The Group's network costs increased by +5.1% to €464m in 2019. Beyond increase related to the volumes growth of the business (+3.7% in rental days), this evolution reflects minimum wages increases in some countries and to a lesser extent real-estate inflation and some supersites development for the Vans & Trucks BU.
- A good control of HQ costs which slightly declined in 2019 at constant perimeter. This reflects the rollout of the HQ 2020 cost reduction programs generated, as planned, €10m of gross savings over the year, offset by salaries increases and further investments in digital.
- Fleet financing costs have been well under controlled with a -2.8% decrease over the year, benefitting from the 2018 refinancing

As a result of the above, Adjusted Corporate EBITDA (excluding the impact of Urban Mobility) amounted to €310m down -11,4% in 2019 and €278m including Urban Mobility.

Urban Mobility reported Corporate EBITDA of -€32m in 2019 versus -€23m in 2018, reflecting the ramp up in the Paris City contract won in Q2 2019, and some weak performance in the Ride hailing UK perimeter, but with a very good improvement in Q4 with a limited loss of -€5m.

All data in €m	**2019**	**2018**	**% change**
Adj. Corporate EBITDA incl. Urban Mobility	**278.3**	**327.3**	**-15.0%**
Non-fleet D&A	(48.0)	(44.4)	8.2%
Other non-recurring operating income / expenses	(58.2)	(48.1)	
Proceed from the sale of Car2Go		68.5	
Non-fleet financial expenses	(101.2)	(110.6)	-8.4%
Profit Before Tax	**70.8**	**192.7**	**-63.2%**
Net tax expense	(32.9)	(52.0)	-36.7%
Associates	-	(1.3)	
Net profit	**38.0**	**139.4**	**-72.8%**
of which proceed from the sale of Car2Go		65.9	

Financial result

Net financing costs not related to the fleet reduced to €101m in 2019 from €111m in 2018, mostly coming from the refinancing of the Corporate debt (issuance of €450m bonds at 4.0% to replace historical €600m bond at 5.75%) and some positive Foreign Exchange effects.

Non-recurring expenses

The group reported a charge of -€58m for non-recurring items in 2019 compared to -€48m in 2018 (excluding the €68.5m proceed from the sale of Car2Go in 2018). Two third of costs incurred in 2019 were related to the optimization programs on the Group's network of stations and headquarters. The remaining reflects M&A expenses and exceptional costs spread across countries.

Taxes amounted to €33m in 2019, representing a tax rate of 26% of pretax before non-recurring items compared to 30% in 2018.

Net income

The Group posted a net profit of €38m compared to last year's net profit of €73.5m in 2018 excluding the impact of the one off gain generated from the sale of the company's stake in Car2Go and the impact of IFRS16.

CORPORATE FREE CASH FLOW & CORPORATE NET DEBT IN 2019

1. Corporate Operating Cash Flow in 2019

Corporate Operating Cash Flow in 2019 reached €118m versus last year compared with €135m in 2018, leading to cash flow conversion of 42%. The limited decline in Corporate operating cash flow (-€17m) versus last year reflects a strict control of working capital requirements and on the back of a weak performance in Q4 2018: the change in working capital totaled a positive +€2m versus -€31m in 2018. Corporate Operating cash flow includes capex of €75m, €55m of non-recurring items and €30m tax.

2. Corporate Net debt: indebtness ratio at 3.0x before Fox acquisition at December 31, 2019

Corporate net debt reached €880m in 2019. It includes acquisitions for €108m (of which the Group's Nordic franchisees in Norway and Finland and Fox in the US), cash interest on corporate HY net debt for €53m, positive and reversal of prior year fleet financing impact for €63m (coming from the full integration of Goldcar in the group securitization program notably), share buy-back program for €42m, dividend payment for €39m and transaction costs and non-fleet costs for €33m.

In line with our revised guidance, the Group's corporate net leverage stood at 3.2x at the end of December 2019 with Fox and c.3.0x before Fox acquisition.

UPDATED OUTLOOK FOR 2020

In 2020, several macro uncertainties in Europe (soft GDP growth, post Brexit economical effects...) will remain while our industry continues to operate with increasing environmental regulations (CO_2 emissions taxes, EV expansion...).

Regarding the recent Covid 19 potential outbreak: since the beginning of the year, Europcar Mobility Group is performing a full assessment of its exposure to the virus Covid 19, both from an employees and business perspectives, with a multi- disciplinary team, under the leadership of the Management Board. The Group is not operating directly in the APAC region, to the exception of Australia and New Zealand, currently impacted by lesser tourism flows.

The Group is reviewing daily the development of the outbreak possible expansion and will take all appropriate measures ahead of the peak season accordingly, benefiting from our flexible fleet sourcing model.

The Management is remaining actively focused on the implementation of the Group's strategy: focusing on margin improvement through efficiency measures, pursuing the strong double-digit revenue growth of its Urban Mobility activities with greater costs absorption and continuing Group's investments in digital, to create greater value for customers.

Main points & priorities:

- Cautious view on the macro and leisure environment
- Strong focus on margin improvement through efficiency and standardization measures
- Priority on cash conversion and further debt reduction
- Continued investments in digital and Group's transformation, to enhance customer value
- Strong double digit revenue growth for Urban Mobility BU and path to profitability

- **Revenue:**
  - Limited organic growth, selective on quality
  - Increased focus on Corporate segment
  - Strong double-digit revenue growth of Urban Mobility
- **Adjusted Corporate EBITDA** for the full perimeter[4] in the range of €300-310m:
  - A positive but limited contribution of Fox consolidated on 12 months
- **Non-recurring expenses** of around €50m
- **Strong increase in net income**
- **Increase in Corporate Operating Cash flow generation leading to a reduction in net debt**; and a debt deleveraging by 0.4x
- **Payout** of 30% of group net income

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[4] Including acquisitions realised in 2019 and Urban Mobility

Investor Calendar

Q1 2020 results 27 April 2020

AGM 28 April 2020

About Europcar Mobility Group

Europcar Mobility Group is a major player in mobility markets and listed on Euronext Paris.

The mission of Europcar Mobility Group is to be the preferred "Mobility Service Company" by offering alternative attractive solutions to vehicle ownership, with a wide range of mobility-related services: vehicle-rental, chauffeur services, car-sharing, scooter-sharing

Customers' satisfaction is at the heart of the Group's mission and all of its employees and this commitment fuels the continuous development of new services.

Europcar Mobility Group operates through multi brands meeting every customer specific needs; its 4 major brands being: Europcar® - the European leader in vehicle rental services, Goldcar® - the most important low-cost car-rental company in Europe, InterRent® – 'mid-tier' brand focused on leisure and Ubeeqo® – one of the European leaders in car-sharing (BtoB, BtoC).

Europcar Mobility Group delivers its mobility solutions worldwide through an extensive network in more than 140 countries (including 20 wholly owned subsidiaries in Europe, 2 in Australia and New Zealand, franchises and partners).

Forward-looking statements

This press release includes forward-looking statements based on current beliefs and expectations about future events. Such forward-looking statements may include projections and estimates and their underlying assumptions, statements regarding plans, objectives, intentions and/or expectations with respect to future financial results, events, operations and services and product development, as well as statements, regarding performance or events. Forward-looking statements are generally identified by the words "expects", "anticipates", "believes", "intends", "estimates", "plans", "projects", "may", "would", "should" or the negative of these terms and similar expressions. Forward looking statements are not guarantees of future performance and are subject to inherent risks, uncertainties and assumptions about Europcar Mobility Group and its subsidiaries and investments, trends in their business, future capital expenditures and acquisitions, developments in respect of contingent liabilities, changes in economic conditions globally or in Europcar Mobility Group's principal markets, competitive conditions in the market and regulatory factors. Those events are uncertain; their outcome may differ from current expectations which may in turn materially affect expected results. Actual results may differ materially from those projected or implied in these forward-looking statements. Any forward-looking statement contained in this press release is made as of the date of this press release. Other than as required by applicable law, Europcar Mobility Group does not undertake to revise or update any forward-looking statements in light of new information or future events. The results and the Group's performance may also be affected by various risks and uncertainties, including without limitation, risks identified in the "Risk factors" of the Annual Registration Document registered by the Autorité des marchés financiers on March 27, 2019 under the number R. 18-020 and also available on the Group's website: www.europcar-group.com. This press release does not contain or constitute an offer or invitation to purchase any securities in France, the United States or any other jurisdiction.

Further details on our website:

www.europcar-mobility-group.com

Appendix 1 – Revenue by business unit and P&L (Management Account)

All data in €m	2019	2018	Change
BU Cars	**2,157.4**	**2,120.7**	**1.7%**
BU Vans	**365.7**	**344.2**	**6.2%**
BU Low Cost	**373.4**	**389.1**	**(4.0)%**
FOX	***37.2***	**-**	
BU Urban Mobility	**49.0**	**35.6**	**37.4%**
BU International Coverage	**39.7**	**39.7**	**0.1%**
TOTAL REVENUE	**3,022.4**	**2,929.3**	**3.2%**

	Incl. IFRS16	IFRS 16 impact	Excl. IFRS16	Excl. IFRS16	
All data in €m		**2019**		**2018**	**Change**
Total revenue	**3,022.4**	**-**	**3,022.4**	**2,929.3**	**3.2%**
Fleet holding costs, excluding estimated interest included in operating leases	**(755.6)**	(1.8)	**(753.8)**	**(707.8)**	**6.5%**
Fleet operating, rental and revenue related costs	**(1,006.5)**	38.3	**(1,044.8)**	**(990.3)**	**5.5%**
Margin after Variable costs	**1,260.3**	**36.5**	**1,223.8**	**1,231.1**	**(0.6%)**
Margin	**41.7%**		**40.5%**	**42.0%**	
Personnel costs	(522.3)	-	(522.3)	(500.3)	4.4%
Network and head office overhead	(240.9)	74.1	(315.0)	(294.3)	7.0%
Other income and expense	12.0	0.0	12.0	11.8	1.9%
Personnel costs, network and head office overhead, IT and other	**(751.2)**	**74.1**	**(825.3)**	**(782.9)**	**5.4%**
Net fleet financing expense	(67.9)	-	(67.9)	(65.8)	3.2%
Estimated interest included in operating leases	(52.4)	-	(52.4)	(55.2)	(5.1%)
Fleet financing expenses, including estimated interest included in operating leases	**(120.2)**	**-**	**(120.2)**	**(121.0)**	**(0.6%)**
Adjusted Corporate EBITDA including Urban Mobility	**388.9**	**110.6**	**278.3**	**327.3**	**(15.0%)**
Margin	**12.9%**		**9.2%**	**11.2%**	
Urban Mobility Adj Corporate EBITDA			(32.0)	(22.5)	
Adjusted Corporate EBITDA excluding Urban Mobility			**310.3**	**349.8**	**(11.3%)**
Margin			**10.4%**	**12.1%**	
Depreciation – excluding vehicle fleet	(151.5)	(103.6)	(48.0)	(44.4)	8.2%
Other operating income and expenses	(58.2)	-	(58.2)	20.4	
Other financing income and expense not related to the fleet	(116.4)	(15.2)	(101.2)	(110.6)	(8.4%)
Profit/loss before tax	**62.7**	**(8.2)**	**70.8**	**192.7**	**(63.2%)**
Income tax	(32.9)	-	(32.9)	(52.0)	(36.7%)
Share of profit/(loss) of associates	-	-	-	(1.3)	
Net profit/(loss)	**29.8**	**(8.2)**	**38.0**	**139.4**	**(72.8%)**

Appendix 2 – IFRS Income Statement

In € thousands	FY 2019 (*)	FY 2019 before IFRS 16	FY 2018
Revenue	**3,022,386**	**3,022,386**	**2,929,289**
Fleet holding costs	(805,539)	(806,158)	(763,027)
- fleet operating lease expenses	0	0	(339,336)
- Net fleet depreciation	(674,999)	(675,618)	(329,254)
- Other fleet holding costs	(130,540)	(130,540)	(94,438)
Fleet operating, rental and revenue related costs	(1,006,517)	(1,044,800)	(990,302)
Personnel costs	(522,300)	(522,300)	(500,336)
Network and head office overhead costs	(240,870)	(314,981)	(294,337)
Non-fleet depreciation, amortization and impairment expense	(151,538)	(47,983)	(44,361)
Other income	11,998	11,998	11,778
Current operating income	**307,620**	**298,162**	**348,704**
Other non-recurring income and expense	(58,228)	(58,228)	20,374
Operating income	**249,392**	**239,934**	**369,078**
Net fleet financing expenses	(70,468)	(67,890)	(65,812)
Net non-fleet financing expenses	(77,529)	(62,305)	(64,366)
Net other financial expenses	(38,895)	(38,895)	(46,195)
Net financing costs	**(186,892)**	**(169,090)**	**(176,373)**
Profit/(loss) before tax	**62,500**	**70,844**	**192,705**
Income tax benefit/(expense)	(32,885)	(32,885)	(51,968)
Share of profit of Associates	0	0	(1,327)
Net profit/(loss) for the period	**29,615**	**37,959**	**139,410**

(*) The financial statements as of December 31, 2019 are established by applying IFRS 16 (using the modified retrospective approach without restatement of the previous year).

Appendix 3 – Reconciliation from consolidated accounts to management accounts and fourth quarter management accounts

Incl. IFRS16	**Excl. IFRS16**			**Incl. IFRS16**	**Excl. IFRS16**	**Excl. IFRS16**
Q4 2019	**Q4 2019**	**Q4 2018**	**All data in €m**	**2019**	**2019**	**2018**
236.7	**209.8**	**201.2**	**Adjusted Consolidated EBITDA**	**1,128.5**	**1,016.1**	**1,027.8**
(140.7)	(79.5)	(61.4)	Fleet depreciation IFRS	(617.2)	(329.8)	(295.4)
(6.1)	(70.8)	(70.0)	Fleet depreciation included in operating lease rents	(2.3)	(287.8)	(284.2)
(146.8)	***(150.4)***	***(131.4)***	***Total Fleet depreciation***	***(619.4)***	***(617.6)***	***(579.6)***
(11.6)	(11.6)	(13.9)	Interest expense related to fleet operating leases (estimated)	(52.4)	(52.4)	(55.2)
(18.6)	(18.6)	(16.5)	Net fleet financing expenses	(67.9)	(67.9)	(65.8)
(30.2)	***(30.2)***	***(30.4)***	***Total Fleet financing***	***(120.2)***	***(120.2)***	***(121.0)***
59.7	**29.2**	**39.4**	**Adjusted Corporate EBITDA**	**388.9**	**278.3**	**327.3**
(38.7)	(14.9)	(12.7)	Amortization, depreciation and impairment expense	(151.5)	(48.0)	(44.4)
18.6	18.6	16.5	Reversal of Net fleet financing expenses	67.9	67.9	65.8
11.6	11.6	13.9	Reversal of Interest expense related to fleet operating leases (estimated)	52.4	52.4	55.2
51.1	**44.5**	**57.1**	**Adjusted recurring operating income**	**357.6**	**350.5**	**403.9**
(11.6)	(11.6)	(13.9)	Interest expense related to fleet operating leases (estimated)	(52.4)	(52.4)	(55.2)
39.5	**32.8**	**43.3**	**Recurring operating income**	**305.2**	**298.2**	**348.7**

All data in €m	Incl. IFRS16 Q4 2019	Excl. IFRS16 Q4 2019	Excl. IFRS16 Q4 2018	Change
Total revenue	**707.7**	**707.7**	**643.6**	**10.0%**
Fleet holding costs, excluding estimated interest included in operating leases	**(184.3)**	**(187.9)**	**(165.8)**	**13.4%**
Fleet operating, rental and revenue related costs	**(244.2)**	**(258.0)**	**(227.1)**	**13.6%**
Margin after Variable costs	**279.2**	**261.8**	**250.8**	**4.4%**
Margin	**39.4%**	**37.0%**	**39.0%**	
Personnel costs	(127.5)	(127.5)	(113.8)	12.1%
Network and head office overhead	(67.7)	(80.8)	(69.1)	16.9%
Other income and expense	6.0	6.0	2.0	202.7%
Personnel costs, network and head office overhead, IT and other	**(189.2)**	**(202.3)**	**(180.9)**	**11.8%**
Net fleet financing expense	(18.6)	(18.6)	(16.5)	12.3%
Estimated interest included in operating leases	(11.6)	(11.6)	(13.9)	(16.0%)
Fleet financing expenses, including estimated interest included in operating leases	**(30.2)**	**(30.2)**	**(30.4)**	**(0.6%)**
Adjusted Corporate EBITDA including Urban Mobility	**59.7**	**29.3**	**39.5**	**(25.9%)**
Margin	**8.4%**	**4.1%**	**6.1%**	
Depreciation – excluding vehicle fleet	(38.7)	(14.9)	(12.7)	17.5%
Other operating income and expenses	(17.7)	(17.7)	(20.5)	(14.0%)
Other financing income and expense not related to the fleet	(21.0)	(17.4)	(39.4)	(55.9%)
Profit/loss before tax	**(17.7)**	**(20.7)**	**(33.2)**	
Income tax	(12.8)	(12.8)	4.5	
Share of profit/(loss) of associates	0.2	0.2	(0.1)	
Net profit/(loss)	**(30.2)**	**(33.3)**	**(28.8)**	

Appendix 4 – Impact IFRS 16 on Consolidated accounts, Adjusted Corporate EBITDA and Balance sheet

IFRS 16 is the new standard on leases, with first application on January 1, 2019.

All leases contracts are accounted for in the balance sheet through an asset representing the “Right of Use” of the leased asset along the contract duration, and the corresponding liability, representing the lease payments obligation.

Europcar Mobility Group is using the simplified retrospective method, according to which there is no restatement of comparative periods. Main impacts on 2019 consolidated statements are the following:

P&L (in M€)	At December 31, 2018 as reported	At December 31, 2019 before New Standards	Application of IFRS 16	At December 31, 2019 as reported
Revenue	**2,929**	**3,022**		**3,022**
Fleet, rental and revenue related costs	(1,753)	(1,851)	39	(1,812)
Personnel Costs	(500)	(522)		(522)
Network & HQ Costs	(294)	(315)	74	(241)
D&A and Impairment	(44)	(48)	(104)	(152)
Other Income	12	12		12
Current operating Income	**349**	**298**	**9**	**308**
Operating Income	**369**	**240**	**9**	**249**
Financial result	(176)	(169)	(18)	(187)
Profit before tax	193	71	(8)	63

Net income	**139**	**38**	**(8)**	**30**

Management P&L (in M€)

Restatement of Adj Corprate EBITDA (in M€)	**At December 31, 2018 as reported**	**At December 31, 2019 before New Standards**	**Application of IFRS 16**	**At December 31, 2019 as reported**
Current operating Income	**349**	**298**	**9**	**308**
D&A and Impairment	44	48	104	152
Net Fleet Financing expenses	(66)	(68)	(3)	(70)
Adj. Corp. EBITDA calculated	**327**	**278**	**110.6**	**389**

Balance sheet in M€	**December 31, 2019**
Assets :	**463**
-Property, Plant & Equipment	334
- Rental Fleet in balance sheet	129
Liabilities :	**471**
- Non current lease liability (> 1 year)	283
- Current lease liability (< 1 year)	188

Appendix 5 – IFRS Balance Sheet

In € thousands	**At Dec. 31, 2019 (*)**	**At Dec. 31, 2019 before IFRS 16**	**At Dec. 31, 2018**
Assets			
Goodwill	1,169,740	1,169,740	1,029,845
Intangible assets	1,016,084	1,016,084	986,016
Property, plant and equipment	518,346	171,544	159,247
Other non-current financial assets	73,905	73,905	66,012
Financial instruments non-current	0	0	1,544
Deferred tax assets	119,740	119,740	58,209
Total non-current assets	**2,897,815**	**2,551,013**	**2,300,873**
Inventory	29,563	29,563	26,536
Rental fleet recorded on the balance sheet	3,210,147	3,080,646	2,434,448
Rental fleet and related receivables	966,423	966,423	753,370
Trade and other receivables	487,618	487,618	481,264
Current financial assets	14,844	14,844	11,970
Current tax assets	34,023	34,023	37,547
Restricted cash	116,518	116,518	90,490
Cash and cash equivalents	527,019	527,019	358,138
Total current assets	**5,386,155**	**5,256,654**	**4,193,763**
Total assets	**8,283,970**	**7,807,667**	**6,494,636**

Equity			
Share capital	163,884	163,884	161,031
Share premium	701,229	701,229	692,255
Reserves	(199,924)	(199,924)	(165,487)
Retained earnings (losses)	171,992	180,338	201,417
Total equity attributable to the owners of Europcar Mobility Group	**837,181**	**845,527**	**889,216**
Non-controlling interests	643	643	651
Total equity	**837,824**	**846,170**	**889,867**
Liabilities			
Financial liabilities	1,812,604	1,812,604	1,740,667
Non-current liabilities related to leases	292,174	0	0
Non-current financial instruments	64,161	64,161	60,415
Employee benefit liabilities	161,565	161,565	142,358
Non-current provisions	5,132	5,132	2,925
Deferred tax liabilities	212,046	212,046	173,799
Other non-current liabilities	159	159	220
Total non-current liabilities	**2,547,841**	**2,255,667**	**2,120,384**
Current portion of financial liabilities	2,994,090	2,994,090	2,006,533
Current liabilities related to leases	192,475	0	0
Employee benefits	3,275	3,275	3,192
Current provisions	219,950	219,950	220,893
Current tax liabilities	46,494	46,494	23,025
Rental fleet related payables	813,128	813,128	644,169
Trade payables and other liabilities	628,893	628,893	586,573
Total current liabilities	**4,898,305**	**4,705,830**	**3,484,385**
Total liabilities	**7,446,146**	**6,961,497**	**5,604,769**
Total equity and liabilities	**8,283,970**	**7,807,667**	**6,494,636**

(*) The financial statements as of December 31, 2019 are established by applying IFRS 16 (using the modified retrospective approach without restatement of the previous year)

Appendix 6 – IFRS Cash Flow Statement

In € thousands	**FY 2019 (*)**	**FY 2019 before IFRS 16**	**FY 2018**
Profit/(loss) before tax	**62,500**	**70,845**	**192,705**
Reversal of the following items			
Depreciation and impairment expenses on property, plant and equipment (1)	125,747	22,192	20,424
Amortization and impairment expenses on intangible assets	25,198	25,198	23,939
Impairment of assets	593	593	9,981
Changes in provisions and employee benefits (2)	(7,183)	(7,183)	(13,233)
Recognition of share-based payments	688	688	2,495
Profit/(loss) on disposal of assets (3)	(1,214)	(1,214)	(68,806)
Other non-cash items	4,592	4,592	5,809
Total net interest costs(4)	*154,909*	*137,128*	*137,492*
Amortization of transaction costs	*16,448*	*16,448*	*16,577*
Net financing costs	**171,357**	**153,576**	**154,069**
Net cash from operations before changes in working capital	**382,278**	**269,287**	**327,383**
Changes to the rental fleet recorded on the balance sheet (5)	(331,373)	(379,895)	(104,020)

Changes in fleet working capital	(27,953)	(27,953)	(51,156)
Changes in non-fleet working capital	10,137	10,137	(15,835)
Cash generated from operations	**33,089**	**(128,424)**	**156,372**
Income taxes received/paid	(29,919)	(29,919)	(46,109)
Net interest paid	(135,485)	(135,485)	(138,283)
Net cash generated from (used by) operating activities	**(132,315)**	**(293,828)**	**(29,029)**
Acquisition of intangible assets and property, plant and equipment (6)	(84,454)	(84,454)	(73,132)
Proceeds from disposal of intangible assets and property, plant and equipment	9,030	9,030	6,529
Proceeds from disposal of subsidiaries (7)	1,499	1,499	70,000
Acquisition of subsidiaries, net of cash acquired and other financial investments (8)	(106,968)	(106,968)	(20,740)
Net cash used by investing activities	**(180,893)**	**(180,893)**	**(17,343)**
Capital increase (net of related expenses) (9)	11,827	11,827	**-**
Special distribution and dividends paid	(39,479)	(39,479)	(24,229)
(Purchases) / Sales of treasury shares net	(42,402)	(42,402)	(29,883)
Derivative instruments	-	-	(6,083)
Issuance of bonds (10)	(150,000)	(150,000)	148,500
Change in other borrowings (11)	905,170	905,170	85,322
Change in rental debts (12)	(161,511)	-	-
Payment of transaction costs (13)	(8,909)	(8,909)	(15,084)
Net cash generated from (used by) financing activities	**514,696**	**676,207**	**158,543**
Cash and cash equivalent at beginning of period	**424,986**	**424,986**	**313,251**
Net increase/(decrease) in cash and cash equivalents after effect of foreign exchange differences	201,488	201,488	113,181
Changes in scope	-	-	-
Effect of foreign exchange differences	1,681	1,681	(1,446)
Cash and cash equivalents at end of period	**628,155**	**628,155**	**424,986**

(*) The financial statements as of December 31, 2019 are established by applying IFRS 16 (using the modified retrospective approach without restatement of the previous year).

Appendix 7 – Footnotes to IFRS Cash Flow Statement

(1) In 2019, the variation includes €103.6 million for the depreciation of the right of use of property assets within the scope of IFRS 16.

(2) In 2019, the variation is mainly explained by the change in the insurance provision for €(2.4) million, in the "buy-back" provision for €(2.6) million and benefit employee provision for €(1) million. In 2018, the variation mainly includes payments related to some litigations in France for €10 million.

(3) In 2018 mainly related to the profit on the sale of Car2Go.

(4) In 2019, the variation includes €17.8 million for the depreciation of the right of use of leased assets within the scope of IFRS 16.

(5) Given the average holding period for the fleet, the Group reports vehicles as current assets at the beginning of the contract. Their change from period to period is therefore similar to operating flows generated by the activity. In 2019, the variation includes the change in right of use of the fleet within the scope of IFRS 16 for an amount of €48.5 million.

(6) Mainly related to IT developments for €(39) million and equipment renewal for €(28.8) million.

(7) The variation relates to the sale of the investment in SnappCar in 2019 and the sale of Car2Go in 2018.

(8) In 2019, the change is mainly related to the acquisition by the Group of its Finnish and Norwegian franchisees for €37.8 million and Fox Rent A Car for €49 million.

(9) In 2019, the variation includes the impact of the capital increase reserved for employees of the group ("we Share 2019" Plan). Refer to Note 1.2.3.

(10) In 2019, the change is mainly related to the issuance of €450 million of Senior Notes at a rate of 4%, which mature in 2026 and the early reimbursement of €600 million of existing Senior Notes, at a rate of 5.750% that mature in 2022. In 2018, the change is mainly due to the launch of a Senior Secured Notes at a rate of 2.375% of an amount of 150 million euros maturing in 2022.

(11) In 2019, primarily related to changes in the Senior Credit Facility, Revolving Credit Facility and Commercial Papers. Refer to Note 8 for more detail.

(12) In 2019 and following the implementation of IFRS 16, the variation includes €49 million due to change in liability under the fleet lease agreements and €112.5 million due to change in liability under non-fleet lease agreements.

(13) In 2019, the variation is primarily due to transaction costs, of which €(4.7) million relate to the new issuance of Senior Notes for €450 million and the renewal of the Revolving Credit Facility for €(2.4) million. In 2018, payment of transaction costs including €(4.2) million related to SARF, €(0.2) million of initial costs related to the revolving credit facility, €(1.3) million related to the bridging loan, €(0.6) million related to the new €150 million bond issue and €(2.6) million related to other loans.

Appendix 8 – Corporate net debt

In € million	**Pricing**	**Maturity**	**Dec. 31, 2018**	**Dec. 31, 2019**
High Yield Senior Notes	4.125%	2024	600	600
High Yield Senior Notes	5.75%	2019	600	

High Yield Senior Notes	4.00%	2026		450
Senior Revolving Facility (€650m) & NEU CP (€450m)		2023	230	518
FCT Junior Notes, accrued interest not yet due, capitalized financing costs and other			(257)	(227)
Gross Corporate debt			**1,173**	**1,341**
Short-term Investments and Cash in operating and holding entities			(377)	(461)
Corporate Net Debt			**795**	**880**

Appendix 9 – Fleet Debt

	Pricing	Maturity	Dec. 31, 2018	Dec. 31, 2019
High Yield EC Finance Notes	2.375%	2022	500	500
Senior asset revolving facility (€1.7bn SARF)	E+130bps	2022	557	1,134
FCT Junior Notes, accrued interest, financing capitalized costs and other			252	253
UK, Australia, GC ABB & other fleet financing facilities			1,265	1,572
Gross financial fleet debt			**2,574**	**3,459**
Cash held in fleet financing entities and ST fleet investments			(127)	(235)
Fleet net debt in Balance sheet			**2,447**	**3,224**
Liabilities linked to fleet lease (*)			***129***	***179***
TOTAL FLEET NET DEBT (incl. leases)			***2,576***	***3,403***

(*) After implementation of IFRS16 as of January 1, 2019

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