



Europcar hosts its 2018 Investor Day: “Accelerating towards Ambition 2020”

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SAINT-QUENTIN EN YVELINES, France--(BUSINESS WIRE)--Jan. 17, 2018-- Regulatory News:

Europcar Group (Paris:EUCAR) is hosting today in Paris its 2018 Investor Day during which it will update the financial community on its medium term growth strategy and financial ambition.

The Investor Day will be hosted by Europcar Group's CEO, Caroline Parot, her two deputy CEO's, Ken Mc Call and Fabrizio Ruggiero, and the whole Group Executive Committee.

The Investor Day will include presentations from several members of the Management team and will be focused on the following themes:

- Low Cost strategy and Goldcar integration
- Vans & Trucks strategy and Buchbinder integration
- Fleet purchasing & financing update
- Revenue & Capacity Management capabilities and tools
- Digital & E-commerce strategy
- New Mobility prospects and strategy
- Group strategic update & financial prospects

Caroline Parot, Europcar Group's Chief Executive Officer, stated:

“Since the company's IPO in June 2015, the Europcar Group has relied on a significant and improving self help track record. Its ability to generate strong free cash flow streams puts the Group in a solid position in order to achieve its long term ambition.

“The year 2017 has been pivotal for us and our group has significantly scaled up thanks to our M&A acceleration. This investor day is a great opportunity for us to clarify how we intend to deliver the expected synergies from the recent acquisitions of Goldcar and Buchbinder. We will also shed more light on our seamless and innovative customer journey initiatives and our digital transformation program which will enable us to successfully position the Group in the Mobility ecosystem in order to capture double-digit growth prospects by 2025.”

Strategic Update

Following transforming M&A activity last year, the Group has been able to boost its revenue and margin growth prospects, as well as improve its leadership in the traditional car rental market in Europe, particularly in its Low Cost and Vans & Trucks segments. Going forward, the Group intends to continue to expand in the traditional and growing car rental market but also to significantly expand its exposure to New Mobility segments such as car sharing, ride hailing, multi-modal platforms and car pooling.

In order to better address new customer needs in mobility, the Group will continue to leverage its key assets, namely its fleet management capabilities and its diversified customer reach. The company believes that leveraging its “Network as a service” to third parties is a relevant opportunity to reinforce its scale. In addition, the acceleration of its digital transformation through the modernization of its network will enable the Group to enhance its customers' journey and increasingly tap into the fastest growing segments of the Mobility ecosystem.

Synergies & financial ambition

After successfully closing both transactions last year, the Group confirms that it can deliver run-rate cost synergies of at least 30 million euros from Goldcar and at least 10 million euros from Buchbinder by end 2020, of which at least 75% are expected to be completed by end 2019 in both cases.

The Group also reiterates its ambition of reaching at least 3 billion euros of revenue and 14% Corporate EBITDA margin (excluding New Mobility) by end 2020. The Group's 2017 proforma revenue should stand at around 2.8 billion euros when taking into account Goldcar's and Buchbinder's contribution.

Cash allocation prospects

The Group's resilient business model and strong cash generation prospects will continue to finance (1) further bolt-on M&A, particularly in the Vans & Trucks segment and Franchisees in the Cars segment, (2) New Mobility investments (3) Non-fleet capex and (4) shareholder returns. Over 2018-2020, the Group intends to continue to target FCF conversion above 50% and Corporate leverage below 3x.

The Group is expected to spend i) up to 150 million euros on further bolt-on acquisitions in 2018, (ii) 150 to 250 million euros over 2018-2020 in New Mobility capex and M&A (including strategic partnerships) and (iii) non fleet capex of around 50 million euros per year over 2018-2020.

In terms of shareholder returns, the Group intends to maintain the current dividend policy with a payout above 30% and to proceed to tactical share buybacks funded by excess cash when deemed appropriate.

2017 guidance

The Group reiterates all four of its financial targets for the year 2017:

- Accelerating organic revenue growth vs. 2016, i.e. above 3%
- Increase in adjusted corporate EBITDA margin (excluding New Mobility) vs 2016, i.e. above 11.8%

- A corporate operating free cash flow conversion rate above 50%

- A dividend payout ratio above 30%

Presentation materials

A webcast of the whole Investor Day (on a replay basis) as well as the presentation materials will be available on the Group's corporate finance website:

<https://investors.europcar-group.com/>

About Europcar Group

Europcar Group is a major player in mobility markets and is listed on Euronext Paris. The Group's mission is to be an attractive alternative to car ownership by providing a wide range of mobility solutions: car rentals, Vans & Trucks, chauffeur service, car-sharing or peer-to-peer. Customer 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.

The group operates through multi brands meeting every customer specific needs: Europcar® - the European Leader in vehicle rental services, Goldcar® - Europe's largest low-cost car rental company, InterRent® - value for money brand targeting leisure customers and Ubeeqo® - a European company specializing in fleet and mobility solutions for both the business and the end-customers market.

The Group delivers its mobility solutions worldwide through an extensive network in 130 countries and territories (including 14 wholly-owned subsidiaries in Europe and 2 in Australia and New Zealand, franchisees and partners).

Further details on our website: europcar-group.com

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