

Note: This press release contains unaudited consolidated financial figures established under IFRS by Europear Groupe's Management Board and reviewed by the Supervisory Board on July 22, 2016

### Europear announces resilient 2016 half year results

- Rental revenue increased by 1%, at constant exchange rate despite adverse effects.
- Adjusted Corporate EBITDA at €55 million demonstrating continuing investments notably in InterRent and digital transformation.
- Strong cash generation with corporate free cash flow amounting to €82 million.
- Net Profit at + €3 million versus a loss of €157 million in the 2015 first semester.
- Successful issuance of a €125 million bond issuance to support the active on-going acquisition program.
- Full year 2016 revised guidance in a context of weakened economic and operating environment following notably Brexit and European terrorist attacks.
- A new organization project to accelerate the deployment of its go to market strategy.

Saint-Quentin-en-Yvelines, 25 July, 2016 - Europear (Euronext Paris: EUCAR) announces today its results for the first half of 2016.

Philippe Germond, Chairman of the Management Board stated "The first semester 2016 confirmed the resilience of our model. On the revenues side, Europear demonstrated a sound growth at constant exchange rate, despite an adverse environment, notably impacted by European terrorist attacks, social movements in France, weaker trading environment, bad weather conditions in northern European countries, and finally Brexit. In the meantime, Europear continued to accelerate its development with the successful acquisition of Locaroise and Bluemove. We pursued also the roll out of the InterRent brand and network. On a strategic stand point, the company intends to set up a new organization structured around 5 Business Units, more customer and market centric that will ensure sustainable growth and enable us to seize new business opportunities. In the weak current market conditions, Europear has decided to issue a new 2016 guidance, presenting a positive evolution in both top line and Adjusted Corporate EBITDA compared to last year. The whole management team is fully confident in the strength and resilience of our business model and our ability to fulfil our ambition to be the preferred partner for every individual mobility need".

In € million, except if mentioned	H1 2016	H1 2015	Change	Change at constant exchange rate
Number of rental days (millions)	26.7	26.0	3,0%	
Average fleet (thousands)	194.7	191.0	+1.9%	
Total revenues	948	961	-1,3%	+0.5%
Rental revenues	883	891	-0,9%	+0,9%
Adjusted Corporate EBITDA	55	60	-9.0%	-7.5%
Adjusted Corporate EBITDA margin	5.8%	6.3%	-0.5pt	
Last Twelve Months Adjusted Corporate EBITDA	245	231	5.9%	
Last Twelve Months Adjusted Corporate EBITDA Margin	11.5%	11.2%	0.3pt	
Operating income	72	19		
Net profit/loss	3	(157)		
Corporate free cash flow	82	24		
Corporate net debt at the end of the period	200			



### Revenues

Total revenue amounted to €948 million compared to €961million in 2015 first semester, representing an increase of +0.5% at constant currency. This increase is mainly driven by a +0.9% growth in rental revenue (€883 million) partly off-set by the decrease of petrol price. Significant headwinds and numerous challenges (bad weather conditions in northern European countries, European terrorist attacks and finally doubts on the way out of the Brexit referendum) combined with a softer commercial momentum explain this performance.

Rental days volume increased by 3% compared to S1 2015, at 26.7 million. The leisure segment showed a positive evolution over S1 on both European® and InterRent® brands, notably in the European Southern countries. Compared to the first semester 2015, the trend was less favourable on the corporate side, notably in the United-Kingdom prior to the Brexit Referendum (especially on the car replacement segments), and to a lesser extent on the Belgium perimeter as consequences of the terrorist attacks.

On a consolidated basis, the RPD decreased by 2% at constant currency impacted by the success of InterRent in a context of a general tough commercial environment for the Group. Europear brand RPD was slightly down by -0.5%, while the low cost brand InterRent decreased by 1.8% supporting its volume model.

Over the first semester 2016, the Group entered into a new dynamic regarding its customer journey strategy, with the deployment of two structuring programs aimed at creating brand preference and differentiation with:

- A "Customer First Program" which targets to deliver an enhanced experience to each Group customer based on a comprehensive program that will provide a higher level of service.
- Key airport project, the main objectives of which are to substantially improve and differentiate the customer journey
  at the Group key airport locations. The project includes notably the management of the peak periods and queues,
  the forecast of the fleet and the staff and the processes to improve the customer service delivery.

The Group also signed partnerships with Air Caraïbes and Gulf Air's FalconFlyer Loyalty Program, allowing the company to develop its customer portfolio while enhancing its brand awareness.

### **Adjusted Corporate EBITDA**

Adjusted Corporate EBITDA reached + €55 million versus + €60 million in S1 2015 reflecting the Group investments strategy to sustain future growth while leveraging on its strong operational excellence. In particular, the Group pursued its fast deployment of InterRent brand and network (opening of the 150<sup>th</sup> station in June 2016 in Sardinia¹), its investments in its customer journey programs (CRM, airport project…), IT and Europear Lab's investments. In addition, Europear has continued to manage its fixed and variable costs basis ahead of the summer season.

### Operating income

Operating income came in at €72 million, compared to €19 million in S1 2015.

Last year semester included IPO costs, non-recurring items which were notably the net negative impact of certain proceedings and reorganization charges linked to Fast Lane transformation plan roll out.

### **Net Profit/Loss**

Net profit amounted to €3 million in the first semester of 2016, compared to a loss of €157 million in the first semester of 2015. This improvement reflects the full benefit of the reshape of the capital structure following the IPO (approximately €92 million) at the end of Q2 2015, while last year first semester was also impacted by other non-recurring items (including mainly the net negative impact of certain proceedings (approximately €27 million) and reorganization charges linked to Fast Lane transformation plan roll out (€20 million)).



<sup>&</sup>lt;sup>1</sup> Including corporate and franchisees countries



### Corporate free cash flow and Corporate Net Debt

Corporate free cash flow amounted to €82 million compared to €24 million last year, representing an increase of €58 million versus last year. This Corporate free cash flow encompassed Adjusted Corporate EBITDA of €55 million and a good management of non-fleet working capital over the period. As a reminder, 2015 first semester free cash flow was also impacted by one-off cash out.

The Group is strongly focused on cash generation, providing the headroom to roll out its ambitious acquisition plan while enabling the execution of its share buy-back program.

To support its dynamic acquisition plan, the Group took the opportunity to tap its corporate bond at very favorable conditions. On June 2, the Group successfully issued a new tranche on its € 475 million corporate bond due 2022 for €125 million. This was priced at 4.8790 % yield to maturity representing a 100 bps improvement compared to original yield to maturity.

Corporate net debt amounted to €200 million as of June 30, 2016 (vs. €235 million as of December 31, 2015). The corporate net debt leverage is at 0.8x².

### **Acquisition plan**

The Group pursued its acquisition plan with, in May, the acquisition of Locaroise, its third French Franchisee, in June, Bluemove a mobility tech start-up and car sharing leader in Spain, through Ubeeqo, and recently, a minority investment in Wanderio, a multi modal search and comparison platform.

Furthermore, Ubeeqo pursued the deployment of its multi modal platform offering a seamless book and pay experience to customers and is now present in 5 European countries - France, UK, Belgium, Germany and Spain (with Bluemove).

### A new organization to accelerate the Group's development

The Group is evolving in fast moving markets with new consumer mobility needs. In order to strengthen its competitiveness and agility and to accelerate its development, the Group wants to better leverage its customer centric vision allowing sustainable growth. Hence, the Management Board is entering into a project to adapt the Group's organization with the setup of 5 Business Units reflecting the Group go to market strategy and a strong focus on the growth of each of its core business activities while developing new business opportunities.

- BU Cars
- BU Vans & Trucks
- BU Low Cost
- BU Mobility
- BU International coverage

Sustaining profitable growth and strengthening its leadership position in the new mobility solutions market are at the heart of the Europear Group short, medium and long-term goals, with one ambition: to be the preferred partner for every individual mobility need.

### Revised 2016 FY guidance

In the context of weakened economic and operating environment following notably Brexit, European terrorist attacks, and softer commercial momentum, the Group is fully leveraging its resilient and low risk business model while increasing its focus on go to market and continuing investment for future growth.

The company will deliver the following revised guidance:

Slight increase of revenue on an organic basis<sup>3</sup>

<sup>&</sup>lt;sup>2</sup>Based on last twelve months Adjusted Corporate EBITDA

<sup>&</sup>lt;sup>3</sup>At constant currency and perimeter, excluding petrol impact



- Adjusted Corporate EBITDA<sup>4</sup> above last year €251million
- Adjusted Corporate EBITDA conversion to Corporate free cash flow above 50%.
- Dividend payout ratio at least 30% of Net Income<sup>5</sup>

In addition, the Group will continue to roll out of its ambitious acquisition plan while managing opportunistic execution of its Share Buy back program.

### **About Europcar Groupe**

Europcar shares (EUCAR) are listed on the Euronext Paris stock exchange. Europcar is the European leader in vehicle rental service and is also a major player in mobility markets. Active in more than 140 countries, Europcar serves customers through an extensive vehicle rental network comprised of its wholly-owned subsidiaries as well as sites operated by franchisees and partners. In addition to the Europcar® brand, the company offers low-cost vehicle rentals under the InterRent® brand. A commitment to customer satisfaction drives the company and its 6,000 people forward and provides the impetus for continuous development of new services. The Europcar Lab was created to respond to tomorrow's mobility challenges through innovation and strategic investments, such as Ubeeqo and E-Car Club.

### Forward-looking statements

This press release includes forward-looking statements based on current beliefs and expectations about future events. Such forward looking statements are not guarantees of future performance and the announced objectives are subject to inherent risks, uncertainties and assumptions about Europear Groupe 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 Europear Groupe'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 affect announced objectives. 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. Europear Groupe undertakes no obligation to publicly 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 identified in the "Risk factors" of the Registration Document registered by the Autorité des marchés financiers (the "AMF") May 20, 2015 under the number I.15-041 and its update filed with the AMF on June 12, 2015 and also available on the Group's website: www.europcar-group.com

# Further details on our website: finance.europcar-group.com

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<sup>&</sup>lt;sup>4</sup> Based on a 1.20 £/€ exchange rate for H2 2016. The previous guidance provided was based on a 1.42 £/€ exchange rate for the full year 2016

<sup>&</sup>lt;sup>5</sup>To be paid from 2017 based on 2016



# Appendix 1 – Management Profit and Loss

Q2 2016	Q2 2015	All data in €m	H1 2016	H1 2015
530,4	546,8	Total revenue	947,9	960,5
-121,2	-123,1	Fleet holding costs, excluding estimated interest included in operating leases	- 226,1	-229,1
-181,6	-188,4	Fleet operating, rental and revenue related costs	-336,9	-339,5
-86,4	-88,3	Personnel costs	-169,6	-169,2
-57,6	-54,8	Network and head office overhead	-111,0	-108,1
2,6	1,4	Other income and expense	2,5	2,1
-141,4	-141,7	Personnel costs, network and head office overhead, IT and other	-278,1	-275,2
-15,1	-15,5	Net fleet financing expense	-29,8	-30,8
-11,8	-14,1	Estimated interest included in operating leases	-22,4	-25,7
-26,9	-29,6	Fleet financing expenses, including estimated interest included in operating leases	-52,2	-56,5
59,4	63,9	Adjusted Corporate EBITDA	54,7	60,2
11,2%	11,7%	Margin	5,8%	6,3%
-7,7	-8,0	Depreciation – excluding vehicle fleet	-15,9	-16,0
-1,4	-23,2	Other operating income and expenses	3,3	-55,9
-12,7	-111,1	Other financing income and expense not related to the fleet	-25,3	-139,3
37,6	-78,5	Profit/loss before tax	16,8	-151,0
-14,7	-6,7	Income tax	-11,0	-1,7
0,1	-2,2	Share of profit/(loss) of associates	-2,9	-4,1
22,9	-87,3	Net profit/(loss)	2,8	-156,8



## Appendix 2 - IFRS Income statement

Q2 2016	Q2 2015	All data in €m	H1 2016	H1 2015
530,4	546,8	Total revenue	947,9	960,5
-133,0	-137,2	Fleet holding costs	-248,5	-254,8
-181,6	-188,4	Fleet operating, rental and revenue related costs	-336,9	-339,5
-86,4	-88,3	Personnel costs	-169,6	-169,2
-57,6	-54,8	Network and head office overhead	-111,0	-108,1
2,6	1,4	Other income and expense	2,5	2,1
-7,7	-8,0	Depreciation – excluding vehicle fleet	-15,9	-16,0
66,8	71,5	Recurring operating income	68,5	75,0
-1,4	-23,2	Other non-recurring income and expenses	3,3	-55,9
65,4	48,3	Operating income	71,8	19,1
-27,8	-126,6	Net financing costs	-55,1	-170,1
37,6	-78,5	Profit/(loss) before tax	16,8	-151,0
-14,7	-6,7	Income tax	-11,0	-1,7
0,1	-2,2	Share of profit/(loss) of associates	-2,9	-4,1
22,9	-87,3	Net profit/(loss)	2,8	-156,8
22,9	-87,3	Net profit/(loss) attributable to Europcar owners	2,9	-156,8



## Appendix 3 - Reconciliation

Q2 2016	Q2 2015	All data in €m	H1 2016	H1 2015
183,7	193,4	Adjusted Consolidated EBITDA	287,0	300,8
-46,1	-44,9	Fleet depreciation IFRS	-87,3	-85,8
-51,3	-54,9	Fleet depreciation included in operating lease rents	-92,8	-98,3
-97,4	-99,8	Total Fleet depreciation	-180,1	-184,1
-11,8	-14,1	Interest expense related to fleet operating leases (estimated)	-22,4	-25,7
-15,1	-15,5	Net fleet financing expenses	-29,8	-30,8
-26,9	-29,6	Total Fleet financing	-52,2	-56,5
59,4	63,9	Adjusted Corporate EBITDA	54,7	60,2
-7,7	-8	Amortization, depreciation and impairment expense	-15,9	-16,0
15,1	15,5	Reversal of Net fleet financing expenses	29,8	30,8
11,8	14,1	Reversal of Interest expense related to fleet operating leases (estimated)	22,4	25,7
78,6	85,5	Adjusted recurring operating income	91,0	100,6
-11,8	-14,1	Interest expense related to fleet operating leases (estimated)	-22,4	-25,7
66,8	71,4	Recurring operating income	68,6	74,9



# Appendix 4 - Balance sheet

In € thousands	June 30, 2016	Dec. 31, 2015
Assets		
Goodwill	450,035	457,072
Intangible assets	713,128	713,136
Property, plant and equipment	83,783	89,236
Equity-accounted investments	19,131	22,035
Other non-current financial assets	49,813	57,062
Deferred tax assets	63,749	55,730
Total non-current assets	1,379,639	1,394,271
Inventories	18,555	15,092
Rental fleet recorded on the balance sheet	2,072,584	1,664,930
Rental fleet related receivables	716,627	574,652
Trade and other receivables	379,766	357,200
Current financial assets	41,464	37,523
Current tax assets	26,080	33,441
Restricted cash	111,811	97,366
Cash and cash equivalents	167,037	146,075
Total current assets	3,533,924	2,926,280
Total assets	4 042 EG2	4,320,551
Total assets	4,913,563	4,320,331
Equity		
Share capital	143,409	143,155
Share premium	767,147	767,402
Reserves	(111,360)	(74,341)
Retained earnings (losses)	(282,976)	(274,821)
Total equity attributable to the owners of ECG	516,220	561,395
Non-controlling interests	685	962
Total equity	516,905	562,356
Liabilities		
Financial liabilities	932,073	801,183
Non-current financial instruments	67,052	52,090
Employee benefit liabilities	123,356	119,295
Non-current provisions	20,257	25,168
Deferred tax liabilities	130,078	131,132
Other non-current liabilities	276	306
Total non-current liabilities	1,273,092	1,129,174
Current portion of financial liabilities	1,375,920	1,263,783
Employee benefits	16,661	2,944
Current tax liabilities	30,468	24,511
Rental fleet related payables	962,508	662,722
Trade payables and other liabilities	520,743	424,974
Current provisions	217,266	250,087
Total current liabilities	3,123,566	2,629,021
Total liabilities	4,396,658	3,758,195
Total equity and liabilities	4 012 FG2	4 220 FF4
Total equity and liabilities	4,913,563	4,320,551



## Appendix 5 - IFRS Cash Flow

All data in €m	H1 2016	H1 2015
Adjusted Corporate EBITDA	55	60
Non-recurring expenses	3	-25
Non-fleet capital expenditure (net of proceeds from disposals)	-13	-12
Changes in non-fleet working capital and provisions	37	22
Income tax paid	0	-21
Corporate free cash flow	82	24
Cash interest paid on corporate High Yield bonds	-13	-51
Cash flow before change in fleet asset base, financing and other investing activities	69	-27
Other investing activities	-1	-9
Change in fleet asset base, net of drawings on fleet financing and working capital facilities	-150	-142
Capital increase	0	464
Change in Corporate High Yield	131	-252
Change in RCF excl. Junior notes impact	0	0
Transaction cost cash out and swap impact	-3	-69
Net change in cash before FX effect	46	-35
Cash and cash equivalents at beginning of period	229	206
Effect of foreign exchange conversions	-1	2
Cash and cash equivalents at end of period	274	174

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### Appendix 6 - Debt

IN Balance Sheet

€million	Pricing	Maturity	June 30, 2016	Dec. 31, 2015
High Yield Senior Notes (a)	5.75%	2022	600	475
Senior Revolving Facility (€350m)	E+250bps (b)	2020	0	81
FCT Junior Notes, accrued interest not yet due, capitalized financing costs and other			-189	-150
Gross Corporate debt			411	406
Short-term Investments and Cash in operating and entities	d holding		-211	-171
CORPORATE NET DEBT		(A)	200	235

€million	Pricing	Maturity	June 30, 2016	Dec. 31, 2015
High Yield EC Finance Notes (a)	5.125%	2021	350	350
Senior asset revolving facility (€1.1bn SARF) (c)	E+170bps	2019	859	658
FCT Junior Notes, accrued interest, financing capitalized costs and other			174	142
UK, Australia and other fleet financing facilities		(d)	509	509
Gross financial fleet debt			1,892	1,659
Cash held in fleet financing entities and Short-term	-148	-161		
Fleet net debt in Balance sheet			1,744	1,498
Debt equivalent of fleet operating leases - OFF	Balance Sheet	(e)	1,811	1,323
TOTAL FLEET NET DEBT (incl. op leases)		(B)	3,555	2,821
TOTAL NET DEBT		(A)+(B)	3.755	3.057

These bonds are listed on the Luxembourg Stock Exchange. The corresponding prospectus is available on Luxembourg Stock Exchange website (<a href="http://www.bourse.lu/Accueil.jsp">http://www.bourse.lu/Accueil.jsp</a>)

Depending on the leverage ratio (b)

Swap instruments covering the SARF structure have been extended to 2019 UK fleet financing maturing in 2017 with a two-year extension option

Corresponds to the net book value of applicable vehicles, which is calculated on the basis of the purchase price and depreciation rates of corresponding vehicles (based on contracts with manufacturers).