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EUCAR.PA - Half Year 2018 Europcar Mobility Group SA Earnings Call

EVENT DATE/TIME: JULY 25, 2018 / 3:45PM GMT

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PRESENTATION

Operator

Good day, and welcome to the Europcar Mobility Group First Half 2018 Achievements and Results Conference Call. For your information, this conference is being recorded. At this time, I would like to hand the call over to Olivier Gernandt, Investor Relations Director of Europcar Mobility group. Please go ahead, sir.

Olivier Gernandt - *Europcar Mobility Group SA - IR Director*

Thank you very much, operator. Good evening, and good morning, everyone, and welcome to our H1 2018 Results Conference Call.

I'm Olivier Gernandt, Europcar Mobility Group's Investor Relations Director. In a moment, I will hand you over to Caroline Parot, our CEO; and Luc Peligry, our CFO, who will take you through the presentation. And then we will open up the line as usual for questions.

As today's presentation may contain some forward-looking statements, we invite you to read the important legal disclaimer on Slide 2 of this presentation. This presentation is available on the company's website, and a replay of this call will be available on our website later today.

And with that, it's my pleasure to hand you over to our CEO, Caroline Parot.

Caroline Parot - *Europcar Mobility Group SA - Chairwoman of Management Board & CEO*

Thank you, Olivier. Good morning or good afternoon to everyone and thank you for joining us for this half-year result for Europcar Mobility Group.

Going directly to Page 5, which is the summary of what is the spirit of our half year achievements. H1 '18 confirmed the relevance of our diversification strategy and our reorganization on our historical car rental business as well as our New Mobility.

Now please turn on Page 6 for the key facts. In 2017, we progressed a lot with the group strategy for positioning, so we first focused on the dedicated customer segment through the implementation of our BU organization; second, fast growth, thanks to transformational M&A to fulfill some strategy gap in our business units; and third, group transformation initiated to -- (inaudible) to change our full customer experience, all level while leveraging our historical large-scale capability.

Full year 2018 will reflect the new group perimeter with a new seasonality pattern in both revenue and EBITDA, incorporating our higher exposure to the fast-growing leisure segment. In addition to this new seasonality, the group will, as expected this year, support additional fixed cost from HQ and network coming from the recent acquisitions. And this temporary increase in fixed cost will be offset by our upcoming cost-cutting effort to the implementation of both the network rationalization plan and HQ streamlining plan.

In this first semester of 2018, we entered into the (inaudible) of this journey. First, our new group name is now reflecting our transformation at the time when customers needs are rapidly evolving and when there is an increasing demand for global mobility providers making people's lives easier. And we are convinced that we will play a leading role in this evolving mobility ecosystem.

Second, on the BU side, all BUs are developing as expected, but it's worth noticing that the progress of our Low Cost business unit is more than encouraging. Our integration programs for both Goldcar, InterRent and Buchbinder are focusing fast according to plan, while the businesses themselves are progressing well showing the relevance of our increased investment into the Low Cost segment last year.

Third on the digitalization front, significant programs prepared in H2 last year have been (inaudible) in H1 this year in order to fully digitalize our customer journey while subsequent programs are continuing to generate improvement in our NPS, which improved again this quarter. And last but not least, we continue to strengthen our balance sheet structure to sustain our strategic developments.

On Page 7 and 8 about our transformation and group name. About our group name evolution, we are convinced that today's [synergy] and evolution of consumer needs require the emergence of mobility providers. We are in a very good position to play our role as the leader in this shift. We have therefore, redefined our mission and then to be the favorite mobility service company by offering attractive and alternative solutions to car ownership. In this evolution, the group is strengthening its original car expertise aiming at better in serving customer needs with more affordable and [use-rated] offers through Europcar, Goldcar and Buchbinder together while developing in the New Mobility space.

The group's evolution strategy has been specifically materialized over the past year thanks to the acquisition of Ubeeqo for its [station-based] car-sharing model and Brunel, a provider of [sharing] services but also more recently, the acquisition of Scooty -- a Scooty sharing start-up operating in Brussels. The group is now acting with a richer and more diverse brand portfolio than even before, aiming at reinforcing the commercial brands by giving them specific territories of expression to increase their customers' engagements.

Now coming on Page 9. Luc will come back in details on financial progress by business units, but in a nutshell, we have the right organization to capture the growth in all the segments we are operating in while investing in the development in the New Mobility space. In the first part of the year, priority and focus was given to our commercial setup following last year acquisitions and to well manage our new positioning in each of our segments ahead of the peak season.

Indeed, our Low Cost leisure activities have increasingly (inaudible) the seasonality of our business and the strong and early preparation of our management team over the last months here. Post this year peak season, the group refocused on cost reduction of both its network and stations and its (inaudible) cross-sells. As mentioned, in this first semester this year, we are logically facing the sum of the cost structure of all the recent acquisitions with abuse (inaudible) perimeter, which we will streamline going forward.

Turning on Page 10 on more details on our business units. On our car BU cars, as planned, our core business continues to grow organically with a 2.9% growth over the semester. We enjoyed the good momentum supported by a good trend in leisure across all Europe countries and notably (inaudible) once. This momentum came, nevertheless, with a contrasted seasonality across quarters due to early Easter in Q1 and the worldwide football cup in late Q2 changing slightly, as with every World Cup every 4 years, leisure customer habits a bit to the summer.

On the B2B side, we progressed as planned with different dynamics by country and notably on our U.K. perimeter, where we fully reshaped our commercial reach, focusing on profitability only against growing the business, which is starting to provide positive [benefits] in H1 this year. Our performance metrics are performing as expected, and Luc will guide us through that in a few minutes, but we started to work on our network optimization already all across Europe as we discussed.

Network footprint and cost is being reviewed in all our major countries with action currently ongoing in the U.K. perimeter and 2 other countries to be launched in the course of Q3. Our HQ 2020 program as the continuation of our shared service center consolidation logic is now engaged.

Please go now on Page 11. While working on our core (inaudible) rationalization, we are continuing to invest in our group customer centricity with 2 main programs. First, our 3C contact customer center program aimed at significantly improving the level of quality of our customer centers to build customer loyalty and preference, while on the back of [this] and improving costs, relying on a centralized and harmonized group platform allowing strong harmonization.

Second, our NPS110 program to enhance daily customer experience, measure and listen to customer feedback, quick fix of the main pinpoints while onboarding our employee is supporting the growth of our NPS score, which increased by more than 3 points year-on-year in H1.

This program also targets stronger monetization of customer [access] across the group and is a key contributor to set priorities for our product enhancements and new product deliveries across the book the past 2 (inaudible) harmonization, ancillary respective sharing and invoicing simplification is key.

Page 12. Our digital journey at the core of our business transformation is well engaged to 2 major programs. First, Click & Go, our customer experience program, which target the full mobile digital journey to provide an easy and seamless access to cars for our customers as we prepared in 2017 and kickoff for its (inaudible) trial in Q2 this year.

In terms of delivery, by year-end, we will implement 3 actions: first, 1 app for all customer to introduce a single app for all customer whatever is the distribution channel. Second, a unique customer profile to be filled once and for all with rental car. And finally, recognition of efficient level and acquisition of time-sharing digital boarding pass.

Second, our connected cars program. We are gathering several level of expertise within our organization, complete management data analyst to build a platform allowing realtime access to vehicle data. This will improve significantly productivity of all our operational processes in the network and will contribute as well to our Click & Go journey.

Today, already 35,000 cars are connected, i.e., over 10% of our fleet. For example, our whole Irish fleet is connected to our fleet management system, allowing for better fleet management processes and customer service and tracking. This connections also enables better [geolocation] and car management.

On the Van & Truck business, Page 13, our organic growth for this program through longer duration and higher utilization is paying off with a strong 6.3% increase on the full BU perimeter. Supersite deployment is progressing as planned in our biggest countries to continue to fulfill the growth and rationalize progressively our network reach and improving our cost structure and BU profitability.

In Germany, Buchbinder's commercial integration along with our [Eastern] Europcar business is well engaged, and high value creation is expected to come in the coming quarters for this new platform.

Jumping now on our BU Low Cost, Page 14. In Q2, only 3 months after the closing of Goldcar perimeter, the Goldcar management team has taken the operational lead of our Low Cost business unit. In 2 countries, Portugal and U.K., InterRent business has already being transferred to the new Low Cost business unit. This move allows, first, to better manage the price positioning of our Low Cost brands in the competitive environment of the Low Cost segment; second, to have InterRent benefit from Goldcar leisure commercial (inaudible), i.e. Goldcar price positioning and presence (inaudible) leisure products and distribution capabilities and ancillary sales expertise; and finally, to build the leading Low Cost platform in Europe.

The integration of several European countries, such as France, Italy and Spain, is under preparation and will be managed before the year-end for the full group perimeter. On the synergies, we can confirm that the level of synergies will be above EUR 30 million.

Our synergy extraction program has been finalized and is entering into its execution phase in depth. Cofinancing structure is already developing results, and fleet insurance and operational costs are to be delivered with the bulk of them expected in the year 2019.

Please jump now on Page 15 on the financing structure. On the debt side, we continue to work on our tailored and robust financing structure. We continue to enhance and increase our asset-backed financing tools, backed with our derisked buyback program. We increased the fleet containment of the debt, reflecting the new size of the organization while improving its maturity and more important running out of our hedge of interest to control our interest rate [both] exposure.

I will come back on Page 15, so if you (inaudible) for the New Mobility business units. Our growth strategy of relying on the main 2 pillars, car sharing in key cities and [ride hailing] is showing acceleration to an increase of its customer reach. Becoming an attractive alternative solution to car ownership is becoming more and more a reality as shown in the organic [car] growth in car sharing, which is plus 85% as of last year. This is proof of the progressive change of mindset of our [urban] customer now being offered a large amount of community services, allowing a real decrease in car ownership, and we are only at the inception of this major trend.

Our B2B ride-hailing platform is going through the same journey and should benefit from similar momentum. Benefited from the group experience in fleet management, from [peak loading] and logistics to fleet holding cost and other operational levels and now from revenue synergies to cross-selling programs, our New Mobility business is now entering cost synergies while keeping its agility in customer journey and platform deployment.

Now going on to Page 17. This final slide on my part aims to summarize and illustrate our strategic framework. Last year, we reorganized the group into business units in order to be more efficient at capturing most customers and growth across the different mobility segments that we are now specifically targeting. We have, through the acquisition made over the last 2 years, significantly increased our exposure to the faster-growing leisure segment and particularly the Low Cost segment.

This recent acquisition will enable us to deliver significant synergies, which we have identified and confirmed and that we are now starting to extract. Those will benefit our core business cars, Van & Trucks and Low Cost segments over the next 2 years. The group new scale brings an opportunity to significantly streamline its network cost and its [in-quarter] cost, 2 major cost-cutting plans that the group is currently implementing.

The operating leverage (inaudible) in our core business unit of cars, Van & Trucks and Low Cost, the cost synergies of more than EUR 14 million and the cost saving from our upcoming HQ and network optimization programs will give us further firepower to invest in our digitalization and on the marketing of our brand, both in the traditional car and (inaudible), Vans & Trucks and Low Cost segments but also in the New Mobility space.

With that, I leave the floor to [Rich] for the financial explanation.

Luc Peligry - *Europcar Mobility Group SA - Group CFO*

Thank you, Caroline. So we carry on. Good afternoon and good morning to all of you. So we start with the next slide, Slide 18.

So Q1 is already known as -- so we start on focus on Q2, which is very encouraging and shows a very strong momentum at EUR 740 million revenue for Q2 with a 26% reported revenue growth, mainly benefiting from 2017 acquisitions. The bulk is, of course, coming from rental revenue, accounting for close to EUR 700 million with a 27% growth, and its constant perimeter is 2.1% growth.

The organic growth at group level is 2.2% of organic growth, lower than Q1 mainly due to Easter and World Cup effect delaying some leisure [comparables]. Overall for the H1 organic growth, we have -- will be about -- will be 3.4% above the guidance.

We enjoy as well a 14% growth in EBITDA with an absolute figure of EUR 71 million for Q2 versus EUR 63 million in Q2 '17, a very good bounce back after a minus EUR 24 million in Q1 '18. This performance is in line with our expectations and shows the change of seasonality reinforced by the leisure segment and the weight of the Low Cost activities after the Goldcar acquisition.

In terms of operating free cash flow, we see a 23% increase with EUR 142 million versus EUR 117 million in Q2 2017. We benefit from increased corporate EBITDA and good monitoring of our nonfleet working capital and nonrecurring expenses.

As far as RPD is concerned, we see that the stable RPD in cars in a very competitive environment with good growth in Van & Truck and in Low Cost. RPD validating the 2 transforming acquisition we made last year with Buchbinder in Germany, assuming 40% of its revenues in Van & Truck and Goldcar in the Low Cost segment, which is now our Low Cost brand, and its management is in charge of our Low Cost operations since the first of April.

As far as the corporate net debt is concerned, it amounts to a (inaudible) driven EUR 49 million at the end of June. And so the leverage on the pro forma corporate EBITDA is 2.8x.

Next slide. So in terms of Q2 and the revenues, we see a significant increase in terms of revenue with 26% reaching the EUR 740 million with a 2.2% organic growth. Corporate EBITDA, EUR 71 million versus EUR 62 million last year, a good swing versus Q1 '17. We were at minus EUR 7 million at Q1 '17. I remember that Q1 '18 was minus EUR 24 million. It is a good performance in absolute value, but we can see a decrease in terms of operating margin from 10.6% (sic) [10.5%] in Q2 '17 versus 9.6% in Q2 '18. This is mainly due to the increase of seasonality affecting our profitability and to the increase of perimeter adding network and HQ cost on top of our historical perimeter that we were not able to cover with our increased margin in Q2.

This is the reason why all this was mentioned by Caroline. On top of the integration project that we have with Buchbinder and Goldcar, we designed some programs to cut cost in major countries in the network and HQ to restore profitability.

Net income is positive at EUR 18 million. This comes mainly from the disposal of our 25% participation in car2go, which was achieved in Q1 for a net after-tax impact on P&L of EUR 68 million.

In terms of our corporate operating free cash flow, it stands at EUR 141 million and benefits from a higher corporate EBITDA of EUR 10 million for the quarter and a lower cash (inaudible) offset by CapEx.

If we go to next slide, the Q2 2018 KPIs. So we see what's going inside the company with -- starting with the rental days. You see the rental days volume has supported the strong growth from the leisure and the corporate in both segments. And in all BUs, we have more than 5 million days increase at 22.4 million days for the first half year, an increase of 31%. The major driver is the local segment with more than 3 million days, but Van & Truck progressed by 40%, and even BU cars progresses by 10%.

As far as the RPD is concerned, so we have here the blended RPD. As you know, on the blended basis, it is not so meaningful. It depends, of course, on the BU and strategy, the leisure versus corporate, the mix, the season, the duration. So I will (inaudible) on the BU by BU on the next slide, but as a general comment, I would say that you would see that the global RPD in decrease mainly linked to the weight of the Low Cost after the acquisition of Goldcar.

Next KPI. Of course, is the utilization rate. You can see slide 30 bp decreased at 77.4%, but we have more than 380,000 cars on the road, an increase by 76,000 cars compared to last year. This 30 bp decrease is mainly due by a perimeter effect. As you know, we entered Buchbinder in Denmark, which are mainly out of Apple stations, and we have higher incorporation of (inaudible) risk. Without these entities, the progression would be 60 BP.

Last KPI on the [engine] is the fleet cost per unit per month. Fleet cost per unit per month is decreasing at EUR 232 per month versus EUR 236 in last year reported figures. This quite good performance is contrasted with some positive mix effect coming from the Low Cost fleet, some better performance in our historical perimeter, notably the measured recovery of repair and maintenance; and besides, we have some extra cost in the U.K. coming from -- mainly from tax environment on tax on CO2 and lower damage recovery.

Next slide. So as a general comment, I would say that it's a very good performance of rent revenues from our 3 major rental divisions. On the BU cars, you see good growth in terms of revenues, 11% versus the reported in 2017, achieving 15.2 million days, an increase of 1.7 million days and organic growth of 1.9%. This year, has been of course impacted by 2 special events, Easter and World Cup, already mentioned. Easter, as you remember, was on the weekend of the 31st of March, 1st of April, where it was mid-April in 2017, and the World Cup as it (inaudible) led people to delay some holidays. The week (inaudible) we can illustrate that circumstance. By the week after the World Cup, we saw a jump of 14%, 1-4 percent, on booking online versus previous year.

RPD is stable despite very competitive market conditions. On the corporates declining but offset by the growth on the leisure. On the BU Van & Truck, organic growth is strong, 4.9% organic growth and with the acquisition, this figure is multiplied by 10. We have an increase of 49%. The number of days is 2.4 million days for H1 in '18 versus 1.7 million last year. And we can see a very good momentum on the corporate side in all major countries with higher duration, better utilization rate with a trend -- RPD trend in line with strategy on the focus on the business on corporate and small and medium-sized customers.

As far as the BU Low Cost is concerned, we see a strong growth, of course, in the BU Low Cost with EUR 100 million for the quarter including, of course, Goldcar [confirmation]. As mentioned by Caroline, due to the management transfer of the BU Low Cost since the first of April, another Goldcar, we are now -- from on now, I would say, appraising the BU Low Cost performance globally, including both brands, Goldcar and InterRent. The organic picture of the Low Cost business since we have some transfer from InterRent to Goldcar, we mentioned U.K. and Portugal, it is less and less pertinent due to this combined effort.

So overall, although rental revenues are growing by 7% on H1 on a pro forma basis, we've a good performance -- a very good performance on Goldcar. InterRent benefits, of course, on the Goldcar knowhow and tools to develop ancillary products and growing its RPD. This is part of the revenue synergies expected on top of their cost synergy that Caroline mentioned.

Next slide. So that for the H1 2018 margin, so we will focus on the performance of these BUs on the margin after variable costs. So what can we see? For the BU count, the margin after a very variable cost at the end of H1 '18 stands at EUR 372.4 million versus EUR 338 million last year. On the reported figure, a growth of 10%. However, the margin rate decreased by 70 bp to 39.9% versus 40.6% last year.

This slight iteration comes from mainly from 2 reasons. We have a utilization rate, which increased by 160% mainly due to Buchbinder in Denmark as mentioned previously, where they have a structural lower rate. And we have some fleet cost (inaudible) increase, especially in the U.K. as I mentioned with new environmental taxes ancillary and (inaudible), which is still in progress.

On the Van & Truck, we saw very good growth in terms of revenues, which is confirmed by (inaudible) growth in terms of the margin after variable cost at EUR 58.2 million versus EUR 38.3 million (sic) [EUR 36.3 million], and a margin of 35.5% gaining 120 basis points against last year. This (inaudible) explaining the strategy of focusing the operations on SMEs with longer durations and, of course, the acquisition we made, the acquisition of Buchbinder, which is a booster for the Van & Trucks in the value end German markets.

On the Low Cost side, our business with InterRent was already growing very fast in its volume in 2017, and we saw a 42% organic growth last year. And the acquisition of Goldcar, we then expected a new structure dedicated to Low Cost operation now operating the full Low Cost activity within the Europcar Mobility Group, is boosting the global picture. And we enjoyed a jump in the margin after variable cost of close to 10% to reach a 30.5% margin after -- before -- after variable cost.

To summarize, I would say that our performance in the Low Cost and Van & Truck validate our segmentation strategy by business units with a clear vision and a road map for each BU. And that Goldcar and Buchbinder, the 2 acquisitions we made in 2017, had the right boosters to accelerate the growth and the performance of these BUs.

Next slide. H1 financial highlights. To summarize, the H1 key figures, our top line is 1.2 -- EUR 1.3 billion, we have a 28% growth on reported figures and a 3.4% organic growth, above our 3% guidance. As we say, organic in Low Cost will become less and less pertinent since we have margin activities of Goldcar and InterRent.

We have as well a very good sequence in terms of corporate EBITDA momentum. When we compare the performance of Q2 plus EUR 71 million for Q2 versus minus EUR 25 million in Q1, it's a swing of close to EUR 96 million that we achieved compared to last year if we do the same calculation for last year, we had a swing of EUR 69 million last year. So it means that it's a reflection of the increased seasonality in the business model, and this performance bodes well for the Q3.

We see the next point is the New Mobility. As Caroline mentioned, we have been very successful in New Mobility with a performance of 64% growth in terms of H1 '18 with its 2 components with Ubeeqo and the car sharing and Brunel in the ride hailing. Absolute figures remain low, but it's the growth that we're looking for. This is the key success factor to develop the future prospects of Europcar Mobility Group.

And the corporate free cash flow stands at EUR 65 million, EUR 10 million below last year mainly due to corporate EBITDA seasonality and IT CapEx, by the good monitoring of debt and nonfleet working capital while we took the commitment to be back on track after -- throughout Q1 and when monitored [nonrec] expenses.

As far as the financing is concerned, we achieved 2 successful refinancing operation on the fleet with an extension of our major (inaudible) securitization program to finance our organic growth and the integration of Goldcar. We extended the amount from EUR 1.3 billion to EUR 1.7 billion. We expanded the maturity until 2022 and reduced the conditions from 150 bp to 130 basis points.

We finalized on top of that EUR 150 million cap on the existing EUR 350 million fleet bond that was issued in November. We tapped the bond in June this year at very good conditions, 2.6%, enabling us to fund the 2 operations now in the EUR 500 million bond. On top of the refinancing of this (inaudible), as Caroline mentioned, we hedged in terms of interest rate the SARF until 2022.

Finally, on top of our business integrations with the 2 Buchbinder and Goldcar, we have 1 major topic that we have to tackle is to -- and to fulfill our 2020 ambition and to have the 14% profitability that -- for our 2020 ambition is our cost structure. The acquisitions are definitely an enabler to run this process both on network and HQs with the critical size and some rationalization.

This key point has already started with the design of the maturation program in H1 in HQ. For instance, some station reductions have already started then already closed in the turnaround program in the U.K. with a reduction of 25% of the network and more programs in 2 countries are prepared in other large countries so add the network to our business needs, and to prepare the digitalization of the customer journey, which we can do.

Regarding HQs. As announced in our January Capital Market Day, the combination of our existing HQs either through the acquisitions and the change of business, whether many based on the drivers of business units, we have to redesign the HQ organization with the HQ 2020 program. This major transformation program intends to reduce HQ cost by 1% of the revenues, i.e., EUR 30 million out by 2020.

Next slide. So this is about finish with the cash, 2 slides to review the cash conversion and the change in corporate debt. So lets just start with the cash conversion. So adjusted EBITDA for H1 is EUR 46 million, [trending] lower than last year as explained earlier but on track with our own road map. Nonrec expenses at 24 -- EUR 21 million, well under control where some costs have incurred due to integrations and still some costs under the litigation and the restructuring costs in the U.K. and Germany.

CapEx, EUR 33 million mainly driven by [central IT] on the utilization and the Goldcar system to increase the system and implement in new countries. We have a change in working capital, which is stable, and the gap of Q1 has been caught up as anticipated and as we do the commitment to be back on track after a disappointing Q1. Income tax is stable at EUR 17 million with an effective tax rate of 22% for H1 '18 so that gives us a corporate operating cash flow of EUR 65 million.

We finish the presentation with the corporate net debt on the next slide. So the corporate net debt as of the end of December 2017 was EUR 827 million. The corporate operating free cash flow as we just discussed is EUR 65 million. So we have a fleet financing impact of EUR 57 million, which is more technical and is linked to (inaudible) awaiting to enter the South and following the set of the securitization for Goldcar, this figure is higher, mostly due to the Goldcar increasing at start of the refinancing of the South program for Goldcar.

We have some investing activities, which is EUR 65 million operating impact, again of EUR 65 million mainly coming from the EUR 70 million sale of disposal of the 25% of car2go for EUR 70 million and an (inaudible) earn-out, which has been paid.

We have this share buyback program that we entered after the last general assembly. That was for EUR 27 million. The authorization was for EUR 30 million and is fully used now in July.

After that we have the cash interest for EUR 30 million. It's increased compared to last year due to the acquisition -- the financing of the acquisition of Goldcar and Buchbinder and the interest paid on the bond, the 4.1% bond, the EUR 600 million bond that was put in place in Q4 '17.

After that you have the EUR 24 million dividends, which are paid at end of May 2018, which was a 40% payout on the 2017 net consolidated results. And after that, to finish, we have some transaction cost on the refinancing from the bond (inaudible) for EUR 16 million. And so we closed with EUR 849 million corporate net debt at the end of June and the 2.8x leverage on the pro forma corporate [net leverage].

So we expect to reach a target between -- below 2.5x at the year-end giving us some room of (inaudible) to fund, of course, our development by organic growth as mentioned by Caroline on the digitization and transformation of the company and, of course, by acquisition in terms of notably New Mobility.

Thank you. And I'll pass the floor back to Caroline.

Caroline Parot - *Europcar Mobility Group SA - Chairwoman of Management Board & CEO*

Thank you, Luc, for those (inaudible) details about our performance. As a conclusion of the last 2 slides, starting with Page 28.

Before entering the reconfirmation of the guidance for this year, some words on the current rate trading. In terms of current trading, I want to remind you that our bookings are made of early and [led] booking, roughly 50-50. Led bookings being those that are made less than one week prior to the actual ones. As a consequence, we only have a past review of our customer bookings as we speak today on July 25.

Having said that, our volume trends on early bookings have been good since the beginning of the summer and are in line with our expectations. In July, the trends we have seen so far has been in line with our expectation working on the volumes and pricing. As mentioned by Luc, we expect a World Cup catch-up effect to continue to boost our leisure sales in August and September, seasonality this year being different than (inaudible) the prior year.

With those elements and all the activities, which are managed by the teams in the right business unit and at group level, we are of course confirming our 2018 guidance, which I'll remind you, an organic revenue growth above 3%; adjusted corporate EBITDA, excluding New Mobility, above EUR 350 million, adjusted operating free cash flow conversion, excluding New Mobility above 50%; and our dividend payout ratio about -- above 30%.

On the next page, Page 29. I want to come back on the -- where we are in our mid-term view. Luc guide you through key elements, which are coping with our operational and strategic framework of leverage, cost and utilization and scaleup cost initiative optimization. We continue to deliver operational leverage and cost optimization, which was expected, and we are on a growth round [round path] about 110/130 basis points.

So run-rate synergy, above EUR 30 million for Goldcar and (inaudible) EUR 10 million for Buchbinder. We do expect here as well 110 bps to 130 bps, while in the meantime, we are going to invest in our brands and fully run for 60 to 80 bps, (inaudible) customer retention. Those (inaudible) will be fully financed by our HQ efficiency that we are starting again for the same amount of (inaudible). So we are on track for our 2018 year and well on track for our 2020 ambition, with short-term and long-term program running together.

So thank you for your attendance to the call. And with that, I will pass the floor to the Q&A between Luc and myself.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) The first question comes from the line of Patrick Jousseaume of Societe Generale.

Patrick Jousseaume - *Societe Generale Cross Asset Research - Head of Mid and Small caps Europe Research*

Three questions if I may. First question is about, let's say, (inaudible) because you guide for 2018 on pro forma figures. Do you expect (inaudible) to be on your own end? And you gave us, let's say, the pro forma figure for last year, which was EUR 129 million when it comes to the adjusted corporate EBITDA before New Mobility. Could you give us the comparable number for the few that you have produced in the first half? Second question, on Low Cost, I am not sure I have enough to do (inaudible) regarding the (inaudible) activity in organic growth? So if you could come back to that on the 0.3% on any growth in Q2 for the Low Cost business? And my third question is about what happened in Paris with Autolib'. Do you see any opportunity to develop faster Ubeeqo in Paris?

Caroline Parot - *Europcar Mobility Group SA - Chairwoman of Management Board & CEO*

Okay. So I take the 2 last one and Luc will come back on the first one right after. On the Low Cost business unit, you're right that we -- you have understood that we are fixing the 2 brands, Goldcar and InterRent, under the same management team, and we have integrated Portugal and the U.K. for the second quarter. So it means that the InterRent brand, depending on the activities, is transferred with more profitability to Goldcar and (inaudible). So the gradual transfer for (inaudible) from here to Goldcar (inaudible) Goldcar in the cost of 2018 is generating a factual visual effect that we are having a long progression in the Easter week (inaudible) perimeter, but a portion of it is not managed anymore with the same (inaudible). So what is important for us is the growth of these businesses as a whole and the weight this business is able to bring into the market to go for the competition. We can confirm that Goldcar delivered double-digit growth in revenue in H1, and that the overall Low Cost business delivered close to 7% (inaudible) growth on a pro forma basis in the first half of the year. So in other words, the full organic growth of the perimeter and the transfer of the (inaudible) has become a really much less pertinent regarding last year, and we will report this kind of pro forma growth because the 2 divisions are [progressively] merging together. On your question on Paris. I think lots of discussion and lots of newspaper on the story. With Ubeeqo, our car-sharing station base activity, we are really already well positioned. We have more than 300 cars in the city of Paris which are operating. We are going to increase our footprint and our reach in this city with a product which is offering real alternative solution to car ownership. We are not competing with a riding, but we are really competing in a few (inaudible) station base product, which is very -- is just enabled, focused on (inaudible) who wants to go to a shopping center to outside the city or to come back. We have a strong growth of the customer this quarter, and we see a real -- a bit of appetency from our customer for this product. So for us, it shows the relevance of our strategy in the car sharing. In Paris but not only. Ubeeqo is present in most of the big cities. In September, we are going to invest in marketing planning for the city of Paris, and we are going to put more (inaudible) in the city starting September and be progressive on that in a solution that we do believe is really answering customer needs, but we are very happy that many people are coming because the more we are entering in the New Mobility space, the more our customers are asking for mobility solutions. On the last one, I give the floor to Luc.

Luc Peligry - *Europcar Mobility Group SA - Group CFO*

Yes, it's a very technical question. It's a bit difficult to answer you, Patrick, to our obviously pro forma figure because it's something that we don't really communicate. We see a slight decrease in terms of our corporate EBITDA, and you see it from the results of H1 in the corporate EBITDA year-over-year, the figure from that.

Patrick Jousseaume - *Societe Generale Cross Asset Research - Head of Mid and Small caps Europe Research*

Yes. But the -- the comparison that you make is EBITDA H1 2018 as published, as reported versus corporate EBITDA 2017, as reported?

Luc Peligry - *Europcar Mobility Group SA - Group CFO*

Yes. (inaudible) to do that. (inaudible).

Patrick Jousseaume - *Societe Generale Cross Asset Research - Head of Mid and Small caps Europe Research*

(inaudible) Okay, so you do not have or you do not -- let's say, communicate or -- but was the...

Luc Peligry - *Europcar Mobility Group SA - Group CFO*

We don't communicate. We tried -- we made that approach with the H2 '17 that we have from the acquisition. (inaudible).

Operator

We will now take our next question from Monique Pollard of Citi.

Monique Pollard - *Citigroup Inc, Research Division - VP*

A couple of questions from me. The first one is on the management cash flow statement. What I just wanted to understand was, we saw quite a big outflow in the change in the fleet asset base net of drawings on financing on working capital facilities in the second quarter. Is that a timing thing? Should we expect that -- what should we expect for that line item for the full year? And the other thing I was interested in understanding is whether you'd seen any impact on your French business from the strikes? And so if you've seen any sort of improvement recently in organic growth in France. And then finally, just a return to the question before around the organic growth in the Low Cost segment. I think I still don't understand why the organic growth doesn't look as good. Is it that you are sharing there the organic growth excluding the businesses that have now been subsumed into Goldcar? Is that right?

Caroline Parot - *Europcar Mobility Group SA - Chairwoman of Management Board & CEO*

Yes, that's right, Monique. I take this last one and Luc will jump on the other one. If I put InterRent under the same management as Goldcar, the Goldcar management team is technically using the brands to serve customer which are bringing the most customer reach and the more value creation. So the 2 ran together are practically used differently. And when we decide to decrease InterRent in some stations or in some countries to go from more Goldcar, it's not InterRent which is decreasing. It is the sum of the 2 which is reaching better customer with an optimized profitability pattern. So that's the beauty of the model we want to create, obviously, creating a visual effect that the organic growth of the Low Cost historical perimeter of Europcar is declining, which is not the case. Obviously, the comment on my side, the group organic growth despite that of -- in H1 is a move that you present in our guidance. So it shows any way that we are coping with that. And the story since the beginning on the Low Cost was to bring the 2 divisions together for the best of the synergies in terms of volume attractions, in terms of price positioning and customer reach. Progressively, the 2 divisions will be totally integrated with technical play depending on the station. On the first question, I give the floor to Luc.

Luc Peligry - *Europcar Mobility Group SA - Group CFO*

Yes. Just to complete your point. When you see the slide on the revenue by business unit, in fact, you see really a decrease in terms of rental base by InterRent, but it's now some of the -- a lot of this base have been transferred in [technical car]. But the days which are remaining with InterRent are now (inaudible) in terms of pricing from the Goldcar management and the Goldcar tools, and you see significant increase in RPD coming mainly from ancillary product that are sold with the management of Goldcar. And this is translated in the operating margin that you see in the following slide from 20% to 30%. So we have a really the increase in terms of consolidations coming from Goldcar and the combined effect of InterRent and Goldcar. On your questions regarding the EUR 56 million that we have on the change of corporate debt, it's mainly due to the setup of the securitization program with Goldcar. Since it was done beginning of May, so we have some cars which are now entering the securitization. So it's a technical issue. But we financed with the corporate debt in the meantime before we enter the securitization program. So it's a real technical issue, and it will decrease and especially with the beginning of the summer, which is the peak season of Goldcar. So this figure is much higher, of course, due to Goldcar. But it will decrease in the next quarter.

Caroline Parot - *Europcar Mobility Group SA - Chairwoman of Management Board & CEO*

(inaudible) usually are bringing mainly difference -- many different patterns. In one hand, you have cancellation of people which are not traveling. You are right. But on the other hand, you have also increased reservation for people which anyway needs to have a means of transportation. So we do qualify them positively or negatively what was a little bit more impacting the actual results and the expectation with actual results with the -- for World Cup, where starting the 15th of June, in many countries not only France, but many countries, you have a kind of a low reservation and low leisure pattern, which is lasting for a few weeks. And this compares to (inaudible) later on more like August and in September. So the reality is more this one that we have seen than anything else.

Operator

We will now move to our next question from Daria Fomina of Goldman Sachs.

Daria Fomina - *Goldman Sachs Group Inc., Research Division - Equity Analyst*

I have 3 questions if I may. So my first question, your point on the Low Cost segment was very clear. Just a quick one, I think you mentioned the number but I missed it. What was the growth in the pro forma with InterRent and Goldcar together rather than just InterRent on like-for-like basis so we can understand the underlying growth? My second question is on the cost -- fleet cost per unit per month. Can you also give an underlying trend on a pro forma basis year-on-year? That would be very helpful. And my last question, I guess, is more longer term. With your leverage coming down to 2.5x, you mentioned that will give you enough room for investments in the company and M&A. Doesn't mean that isn't -- you're looking potentially to do something even before you are finished with the integration of Goldcar, Buchbinder 2 years from now.

Caroline Parot - *Europcar Mobility Group SA - Chairwoman of Management Board & CEO*

On the Low Cost segment on a pro forma basis, I mentioned that we will confirm that we were reporting (inaudible) 7% for (inaudible). On the other question, Luc, on the fleet?

Luc Peligry - *Europcar Mobility Group SA - Group CFO*

On the fleet, you saw a decrease in terms of pricing. It was coming from mainly from a decrease of the mix of fleets since we have some Low Cost coming from Goldcar. We have a large number of customer from Goldcar. So it will decrease. And on top of that, we had have some effective -- some good improvement in several costs in several countries that we (inaudible). On the other side, we have some have increase in terms of -- with U.K. with some interim (inaudible) impacts. That has no big change apart from this change of mix in the fleet cost. It should be truly more stable in the future.

Caroline Parot - *Europcar Mobility Group SA - Chairwoman of Management Board & CEO*

So on your last question, so the leverage below 2.5x there is [good] with our guidance and our cash flow generation. So below 2.5x is something which is really achievable by end of this year. And obviously, fill them up, it will be really below. The focus of the team this year is really to manage the integration of the transformational acquisition of last year, namely Goldcar and Buchbinder in the Low Cost segment and mainly the Van & Truck segment. So those 2 teams are really focusing in that direction while some of the teams are preparing the network optimization and the HQ cost reduction. It doesn't mean that other teams in the New Mobility and division, as an example, are networking on some other activities and that other teams under international development are not [completing] what could be managed to continue to develop and grow our business units. You're right that the focus is really this year the integration and the profitability, particularly, we may have some acquisition, namely the Van & Trucks business unit is something that we are contemplating, and we will see the development possible on it this year in the New Mobility if opportunity to continue to scale up the business are coming on the table in addition to the strong organic push we are managing, we will go forward. The leverage by year-end will allow us to grow and will attack very strongly on the vision. And the cash allocation, we [elect] ourself during the Capital Markets Day, know that we were proposing a significant amount in the New Mobility, the possible on the lot of [EUR 151] this year that we won't spend in the more organic car model, cars specifically. But we are really in the investment and growing the business.

Operator

(Operator Instructions) We'll now take our next question from David (inaudible) of [Kairos].

Unidentified Analyst

Two questions. The first one is on the seasonality, especially on the Goldcar. Is it fair to assume that Goldcar profitability is down 70%, 80% in Q3? Can you just confirm that? And the other question is on Slide 16. You mentioned the New Mobility, you expect to announce some partnership during Q3. Can just provide some flavor? What does it mean on? Or any background about that.

Caroline Parot - *Europcar Mobility Group SA - Chairwoman of Management Board & CEO*

Yes, we do confirm your number for (inaudible) Goldcar, 70%, 80%, which is all what we have sight (inaudible) in cost optimizations and know in the plan as well. On Page 16 on the partnership on New Mobility, obviously, I won't comment specifically on this call what we are contemplating. We are really working on the acceleration of the scale of our car-sharing business unit while we're seeing heavily as well as the widening company. And we are contemplating this large-scale acceleration (inaudible) industry, and you wait to see the plan we are building for the full year.

Operator

We will take our next question from Emilia (inaudible).

Unidentified Analyst

I have a question on one other call I saw this morning that the group might be facing some [correction] in Australia (inaudible). Could you provide any color, please?

Caroline Parot - *Europcar Mobility Group SA - Chairwoman of Management Board & CEO*

Yes. So first of all, it is something that we are aware. The call pertaining again to Europcar Australia was and is relating to debit -- overcharged debit card fees, which very minimum amount. Where we're having an issue in our system for a limited period in 2017 where we unintentionally overcharged our customers. We have reimbursed already before a new year quota and this (inaudible) all those customers as the amount of the reimbursement was AUD 20,000. So when we took those actions together, you can average refund of less than EUR 1 that we have identified. So why this action taken by the local authority is very difficult (inaudible) given that they have been totally transparent. And so we're cooperating with the authority to elect (inaudible) and to refund all the customers. We are waiting for the final consideration from the ICC. But (inaudible) in our case, it's a really key technical issue, which raised in Australia that were well known, already reimbursed, and now we are following the discussion, obviously, with the local authorities.

Unidentified Analyst

And so are you planning to take any provision for that? Or is the amount, if any penalties taken (inaudible)?

Caroline Parot - *Europcar Mobility Group SA - Chairwoman of Management Board & CEO*

It's a very limited number, in our view. Obviously, we cannot really judge what is the court's final decision. But based on our earlier estimates, we do consider, we discussed about AUD 20,000 to AUD 100K, so less than EUR 100,000 for the (inaudible) itself.

Operator

Thank you. As there are no further questions in the queue, that will conclude today's question-and-answer session. And now I would like to turn the call back to Caroline Parot for any additional or closing remarks.

Caroline Parot - *Europcar Mobility Group SA - Chairwoman of Management Board & CEO*

Yes. Thank you very all to who attend this conference call with us. You see that we have made very encouraging progress in the quarter 2 in our business but also in our transformation plan, both on the utilization but also cost rationalization programs that are launched. Now the teams are working [to prepare] the season, and we'll be very pleased to welcome you in our Q3 conference call in the month of November, and I may have the chance to meet some of you during our roadshows in between.

Thank you very much, and have a very good summer season with plenty of front doors (inaudible). Thank you. Bye-bye.

Luc Peligry - *Europcar Mobility Group SA - Group CFO*

Thank you. Bye-bye.

Operator

Thank you. That will concludes today's Europcar Mobility Group First Half 2018 Achievements and Results Conference Call. Thank you for your participation, ladies and gentlemen. You may now disconnect.
