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PRESENTATION

Operator

Good day, and welcome to the Europe (sic) [Europcar] Q1 2019 Results Conference Call. Today's conference is being recorded.

And at this time, I would like to turn the conference over to Mr. Caroline Parot, please go ahead.

Caroline Cohen - *Europcar Mobility Group S.A. - Head of IR*

Dear, everyone, and welcome to our Q1 2020 results conference call. My name is Caroline Cohen. I'm the Head of Investor Relations at Europcar Mobility Group. In a moment, I will give the floor to Caroline Parot, CEO of Europcar Mobility Group; Luc Peligry, CFO; and Olivier Baldassari, Chief Countries and Operations Officer. We will take through the presentation, and then we will open up the lines 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.

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

Caroline Parot - *Europcar Mobility Group S.A. - Chairwoman of Management Board & CEO*

Thank you, Caroline. Good afternoon, everyone, and good evening for the ones which are in the U.S. Thank you to attend this conference call for our Q1 2020 results. We are not -- it's unusual in the same room because we are under the containment, so pardon us, if we have some slack time sometimes on your question at the end of this session.

As mentioned by Caroline Cohen, I am with Luc Peligry, our CFO; and Olivieri Baldassari, to guide us through what are the economical situation of the company, and what we are preparing for the next months and quarters in these very particular times of the worldwide outbreak.

So please now turn to Page 3 with our main key takeaways for our group. So no need to say that our Q1 2020 results have been impacted by the COVID-19 outbreak. We started in our European perimeter as early as last February. Sadly, this came after a 2 solid months performance for the group, best start ever. In this crisis, our top priority, as a group and management team, has been to refocus immediately to the safety of all our employees everywhere, and in particularly, the ones in our front lines and of course, for our customers with sanitary measures that have been fast deployed.

As to cope with the significant magnitude of the crisis, we launched an aggressive cost-reduction plan, and to date, we are planning to remove approximately EUR 850 million of costs during the year 2020. In addition to those cost measures, cash planning on investments and nonrecurring expenses have been fully revisited and no payment of our dividend has been decided together with the Supervisory Board and announced earlier in March.

Securing our liquidity has been our strong focus in the beginning as well, and you have seen the announcement made this weekend, and Luc will comment further what it is about during this call.

All of the this with one goal: to prepare the restart of our activities by refocusing the business on domestic perimeters, one of the key strengths of the group with our operational granularity, this to be managed, thanks to digital and flexible service solutions. All of the above led us with cautious view to date on 2020. April and Q2 will be heavily impacted as ongoing travel restriction will likely to continue and impact Leisure Summer business. And it is too premature today to set any 2020 earnings, but we will comment that later on.

So please now turn to Page 4. So an unusual presentation. How the crisis COVID impacting us? How we are reacting and will react in the near future and the coming months? And finally, how to prepare our views for the next steps, short, mid and long term.

So to start with, please turn on Page 6. Our group is obviously part of the global Travel & Leisure segment and to some extent, to the enlarged transportation ecosystem, meaning that we are part of the industry of what is fronting first, the massive consequences of the outbreak. This started in Europe as said as early as February with the first lockdown of some areas in Italy. And in less than 3 weeks, all the countries, where we operate, were locked down with severe restriction in mobility for everyone and a brutal decline of the air traffic. Leisure was first impacted and even before lockdown with cautious behavior of the leisure customers, then followed by business corporate with all travel bans. And finally, our city business have been stopped in the last part of March. Required sanitary measures have been put in place everywhere, which is allowing us to continue to serve customers, in particular, in our all domestic markets. In the meantime, restriction movements made us adapting faster way of working. On the distribution side, nearly 90% of our network that is closed or adapted with radios towers to optimize the cost to sale ratio. On the fleet side, despite our flexible buyback model, we faced early issues to physically defleet our vehicles due to the travel restrictions and containment. And we have had to find solutions, thanks to our strong, long historical partnership with OEMs, most of them being effective for Q2.

Please now turn to Page 7. So here, how to read our performance system of business for the first quarter of this year. 2 very different periods. First part, a 3.6% year-to-date growth at the end of February on an organic basis, but I can qualify as a strong start ever for the company. Our strategic BU logic management started to pay off as all segments enjoyed good momentum. BU Cars was stable versus last years, it means, in fact, strong resilience and good recovery versus what we were facing during the last 4 months of '19 and despite the soft macro momentum since late Q4 last year. This good start was the result of a strong reaction of all our teams on the commercial areas on every territories. Van & Trucks continued to increase with good SME momentum and success of midterms offers as part of its strategic roadmap.

Low Cost. This perimeter includes now our U.S. Fox operation. It enjoyed a good start within the historical perimeter, Goldcar in Europe, and faced an amazing momentum in our U.S. operations, thanks to a renewed planning of its operations following the acquisition.

Last but not least, our Urban Mobility business enjoyed a strong growth in all our cities, a direct continuation of all our activities engaged during Q4 last year with a special mention for growth in Paris. Then marks the new paradigm. Approximately 1/3 of decrease year-on-year on an organic basis, with an acceleration of the decrease over the months. Cars and Low Cost, both exposed to leisure and international travels are suffering the most, while Van & Trucks showed resilience due to the nature of its business model, domestic and SMEs and, in particular, own delivery and essential services. Urban Mobility with convenient and complementary solutions to public transportation showed again good progress, but we decided to stop operations due to difficulties to implement satisfying sanitizing processes in the current COVID circumstances. We will come back to this during the restart process.

Please now turn to Page 7 -- to Page 8, sorry, as a result of the previous slide. You can see that we are reporting for the first quarter a stable revenue versus last year at EUR 557 million. But excluding the perimeter effect coming from the Nordics and U.S. operations acquired in the course of 2019 and which accounted for approximately EUR 60 million, 6-0 million over the quarter. We have a minus 10% of revenue decline on an organic basis, I was describing before by business units. The last months revenue trends, which came as a sudden when we were already preparing the strong momentum for Easter vacation period, did impact several dynamics. And then P&L, times we take the appropriate measures to adapt to the full brand-new situation.

With that, I give the floor to Luc to guide you through the P&L dynamics on the EBITDA margin. Luc?

Luc Peligry - *Europcar Mobility Group S.A. - Group CFO*

Thank you, Caroline. Good afternoon, everybody. So I will comment on Slide 9 from the revenue to the margin after variable costs. So our sustainable revenue on a reported basis, as commented by Caroline, our margin after variable costs stands at EUR 161 million, with a decrease of 18% at a reported level and 28% on a like-for-like basis. This discrepancy of percentage of drop between the revenue and the margin after variable costs translate the magnitude and the speed of the impact of the COVID-19 on our activities. This impact is also reflected by the low utilization rate that we see on the chart of 54% in March that we recorded in March versus 76% last year. As mentioned by Caroline before, on the revenue, we were on track with our guidance for 2020, bringing the fleet to sustain the growth of activities in fleeting forester and this season. And suddenly, we had to reverse the power. Stop in fleeting, return cars OEM for those on buyback scheme. This is what you can see on the chart with March average fleet numbers, going down to 257,000 vehicles, where our target was higher than the 271,000 vehicles from last year. The teams have done an excellent job to decrease the fleet fast with a position of fleet at the end of the month at 249,000 vehicles.

On the other variable costs, we benefited naturally from the volume effect and the flexibility of our cost that we took also some quick decisions to cut non-essential costs, adjusting our e-commerce and marketing spending, for instance, and of course, all temporary staff. All these measures, of course, have been reinforced in April with a detailed and very granular review of all cost lines to reduce the postponed cash out.

We move now to Slide 10 from the margin after variable costs of each group net income. On this P&L, you have the full view of our performance with the impact of IFRS 16 on our management accounts and from the revenue till the net results. We put, as a reminder, the main lines impacted by the restatement of the rents in network and its queue by depreciation and financial charge falling now with IFRS 16 below the new corporate EBITDA. So to come down on this analysis, below the variable costs, we have mainly some fixed costs with network and HQ cost and fleet financing costs. As far as the network costs are concerned, we saw that they are made of overhead and staff costs. We see an improvement on a like-for-like basis as a drop of 15% on the reported figure due to our acquisition that were consolidated in the second half of the year. We were in line with our plans until the end of February. Again, we took all appropriate measures, cost reduction in a country that we reinforced, of course, with the announcement of the lockdown given the speed of the wave, we are not able to match the drop of revenue.

On the HQ cost side, you see that the closing -- we closed the quarter at 93% versus 94% last year. It is a very good performance. It shows a strong improvement of 8.3% on a like-for-like basis, mainly due to the first steps of the HQ 2020 restructuring plan we launched in 2019 with U.K. and Italy. Unfortunately, the next steps of these plans were communicated in France and in Germany to the social partners, but we were not able to implement them with the COVID crisis. This situation also explained in the P&L, the low level of nonrec expenses in Q1 since all these plans have been put on hold. This HQ and network cost have been again revisited in April with some renegotiation and the implementation of all state furlough measures that have been implemented in countries with time reductions, subsidies, partial and temporary unemployment, and it will be further developed by Olivier Baldassari in the last part of this presentation.

On the financing side, you will see an improvement on the fleet and the corporate financing costs that have been improved. On the corporate side, it's mainly due to the final refinancing of the bond corporate that we did last year. And we benefited on the fleet financing from better conditions with some refinancing in the U.S.

Move to next slide, Slide 11. So here, we have the cash flow conversion. So you see on the cash flow conversion that has been mainly impacted by the drop of EUR 50 million in corporate EBITDA that we just commented versus last year. And of course, even higher with the expectation that we have for this year in terms of -- according to our guidance. Along the cost-cutting measures coming from the P&L, we monitored the cash out. We've, of course, reducing all the nonrec, as I commented on the P&L with all the restructuring plan, which are on hold. We limited the CapEx to EUR 14 million with adjusted cut in countries and a revised road map for IT. And here again, some quick adjustments taken in March with a focus on key projects for lately, mainly on digitalization of the customer journey. Of course, we had a close monitoring of the nonfleet working capital, even if we had to cash out some provision on restructuring on the U.K. and some early returns of cars. We did not ever activate the factoring line that enhanced the performance of the networking capital in December 2019 by EUR 20 million, but the program as we started in April this year.

Again, the nonfleet working capital is something which has been deeply reworked in April with the teams with a strong push on collection on the current revenue and in our view. The close monitoring of all payables and the implementation of all the benefits given by the states on tax or social charges, with some deferments, some postponement, some wide spread of payments and all the negotiations that we were able to enter with our suppliers.

On the last side of this bridge, you will see and you will find the lease for airport network and HQ, which represent EUR 26 million. These costs have also been challenged in April and will bring some additional cash savings in Q2 and for the rest of the year. This pile, in fact, represents the restatement of IFRS 16.

On the corporate debt, we closed the quarter at EUR 1.068 billion. And the major change compared to December '19 are coming from corporate interest, which is reduced due to the bond refinancing and the use of commercial paper, even if it was reduced compared to last year. The fleet financing impact is mainly linked to defleeting in U.K.. With the fleet receivables, we had the defleeting in the U.K. where our fleet receivables have increased due to an increased level of defleet activity in the second half of March and a slowdown in the level of receipts being received from the OEM coming into the COVID crisis. And the last topic is transaction costs, and which are mainly coming from the commitment fee and ForEx effect.

And I will pass now back the floor to Caroline.

Caroline Parot - *Europcar Mobility Group S.A. - Chairwoman of Management Board & CEO*

So thank you, Luc. So we are now going to turn on Page 13 to focus on the next steps. To face this unprecedent crisis, and its full consequences still to be further understood, we set a simple 2-pillar framework with a new group internal focus and organizational governance to address all the operational and financial challenges coming together at the same time. Our first focus is to adapt our business with the current circumstances, but being in line with our core vision for our customers and group with long-term social responsibilities. The second is a fast adaptation of our P&L to the new addressable market, and as a consequence, fast adaptation of our cash and liquidity model going forward. We will give -- we will guide you, the 3 of us, toward those elements in these sections.

So please turn to Page 14. So adapting our business to the currency circumstances means 2 things primarily: safety and flexibility. Safety first. Safety for our customers and employees in our operation and network. Zero-contact policy has been as well deployed in all the network. All our staff have been trained in terms of social distancing and washing and sanitization. Plexiglass screen has been installed at the majority of our counters and key touch points in all vehicles are sanitized as part of preparation processes. We are actually looking at the possibility to have our preparation process audited and certified by reference body, when available in the territories we're operating. Safety as well for our employees in all HQs. Generalization of the remote working for all HQs has been put in place. We will monitor, at group level, how to progressively only reopen all our HQs, even though local authorities may recommend shorter opening. Second, flexibility. As for the flexibility, we changed many of our usual terms and condition to adapt them to the new last-minute reservation trends we are encountering with most of our customers in every perimeters, and any other adaptation will be managed progressively to cope with other behavior changes going forward. More changing in offers will come later on, less tactical and more secure when we'll have a better understanding of our customers' requirements and new behavior, considering our business will continue to offer alternative, flexible and responsible solutions to vehicle ownership.

Please now turn to Page 15. During this period, and despite strong full of leisure international customers, we focused our group where business is still resilient, and where our operational capacity is making the difference, thanks to our granular network. In addition, we have enhanced our offers on the Van & Trucks businesses to better cope with essential industries. We now enjoy good momentum after some weeks of first adaptation to the new situation. As part of this, we accelerated, in particular, our mid- to long-term rental offers, which are meeting customer expectation, in particular, in the SME business in our largest countries.

Finally, on the Car segment, we are adapting progressively our offers to the new behavior of our customers, coping again with the last-minute request of our customers. For example, we are adapting cancellation policies, driver age group and preparing new offer going forward, depending on local requirements. An example of the buildup is our new mobility solution is what we have been able to promote and propose in the program together, building our existing capacities. For the restart and going forward, we will leverage this agility for the long-term new mobility solutions to be provided by the group.

Please turn on to the next slide, Page 16. So together program. It seems obvious to our group that we can make a contribution with our mobility solution to help face the situation. We launched our Together program end of March to support frontline workers, in particular, health care staff, doctor, nurses and hospital staff. This idea was to provide with them with vehicles, in some cases, for free, in other cases, with exceptional conditions. Of course, all vehicles under go stringent cleaning and disinfection measure between each entour. Since then, this program has been deployed in all the countries where we operate with our own subsidiaries with now more than 2,000 vehicles involved. As an example, we are proved to have supported Paris Hospital in France, la Croix-Rouge Red Cross, but also NHS in the U.K. and the Ministry of Transport in Germany, North Rhine, the Westphalia. This support has been offered not only to healthcare staff, but also to emergency services, police, social care staff, armed forces, nursing homes for retired person in several countries.

Please now turn to Page 17. Our Together program is not the only piece of the set of social initiatives that we have set up to help our different stakeholders to face the situation. In this perspective, we are concerned by vulnerable population and small businesses, which are hit hard by the pandemic with several social and economic consequences. The reason why we have developed specific offers to SMEs. In addition to the business initiatives, our women network, WoMob, also developed a charity initiative and launched platform to collect funds for our 2 nongovernmental offices.

Finally, all executives, who are not eligible to local and the unemployment plans, have been proposed to participate to a voluntary compensation reduction plan. As a result, 90% of them agreed to participate for a minimum of 3 months, meaning all Q2, for a percentage of 20% for management Board, 20% for executive members and between 10% and 20% for other executives of targeted reduction in their compensation packages.

Last but not least, the voluntary base compensation reduction plan has been used also to create a solidarity fund for the most fragile situation we can encounter for our employees to protect our employee for economical standpoint.

So please next slide will be Slide 18, where Olivier will guide you through our strong and aggressive cost measure adaptation. Olivier?

Olivier Baldassari - *Europcar Mobility Group S.A. - Group Chief Countries & Operations Officer and Member of Management Board*

Good afternoon, and thank you, Caroline. As mentioned earlier, we initiated in March an aggressive cost-reduction plan with the aim of removing circa EUR 850 million of cost by end of the year. From a cost base of round about EUR 3 billion. What has been our approach? Well, 2/3 of our costs are variable or say, flexible. These are fleet costs and operating variable costs. 1/3 is fixed, though or semi fixed. These are network overhead and personnel HQ costs and other miscellaneous costs. As far as fleet is concerned, thanks to our flexible buyback model. And please remember that about 86% of our fleet purchase is on buyback. But also thanks to our long-term loyal relationship with the OEMs, we have been able to adapt all fleet in Q2. So crisis started as we were in fleeting in preparation of the season. But we reacted very quickly, and we were able to reduce our fleet average in March by 5% against last year and by more than 20% in April. By end of June, all fleet will be down over 1/3 below last year. Our utilization rate suffered badly in Q2 though and reached an all-time low in April, but in the second half of the year, the utilization rate will be back to a level comparable to last year. We are, and we will continue to be in permanent dialogue with the OEMs to adjust the fleet further as they be and adapt to the business demand.

In terms of operating variable costs, we are reducing them successfully in proportion to our revenue. On the sales side, all commission to brokers and travel agencies have been renegotiated. Marketing and e-commerce activities have been reduced to minimum level as we could not expect decent return on investments. On the operations side, temporary workers and subcontracted activity have been suspended in the network. Fixed fees and minimum commitment fees have been successfully renegotiated with airports. Moving on to fixed or semi-fixed costs. And starting with network overhead and personnel. 88% of our 1,900 stations are currently closed or operating under reduced hours in our corporate countries. 51% of corporate stations are closed and 37% are operating under reduced hours. By operating under reduced hours, we mean that stations are open between 4 to 8 hours on reduced staff, depending on the situation. 80% of station staff are under partial unemployment. Partial unemployment schemes have been implemented as of mid-March in a few countries, including France and in all other countries as of April 1. Most countries offer flexible scheme, which allows to keep personnel costs under control. We will reopen stations very progressively over the coming months. As a first priority, our station reopening curve will take into account all sanitary measures to protect our employees and our customers. When reopening stations, we will maintain the minimum staff required to operate, and we are also looking at selectively sharing stations and preparation infrastructure across brands whenever possible. In addition, negotiations with landlords are ongoing for rent postponement or rent reduction.

Last, but not least, in terms of HQ costs, Luc already mentioned that we reduced our HQ costs in Q1 by 8.3% against last year at constant perimeter as a result of initiatives undertaken over 2019. HQ costs will reduce further as all HQs have been closed down as of mid-March in some countries and as of April 1, in all countries. End of April, more than 75% of employees in HQ were part of partial unemployment agreements. We are also reviewing our real estate footprint and assessing rationalization options between now and the end of the year. IT costs have been sharply reduced and external resources cut whenever possible. And I should also mention that all discretionary and nonessential expenses have been simply canceled or deferred.

Please move to Slide 19 now. And here, our cost reduction is supplemented with specific cash measures. Our fleet plan for 2020, as explained, has been reshuffled to reflect the lower demand and the asset back financing model is supporting the group liquidity. In terms of CapEx, all investments have been sharply reduced, which is expected to save up to 60% spending against 2019. The portfolio of investments will be regularly revisited in the light of the new customer demand route. We will keep on a few key projects, particularly to prepare for contactless customer journey on the group mobile applications and connected car side. Nonrecurring items will also be reduced by 60% or 70% versus 2019 due to the lack of visibility. A strong push is put on cash collection by commercial teams and credit risk is monitored closely. All payables are reviewed and payment terms renegotiated systematically. Needless to say, and as already mentioned, dividend cancellation will be proposed to our general assembly. Luc will now detail, how we will secure our liquidity.

Luc Peligry - *Europcar Mobility Group S.A. - Group CFO*

Thank you, Olivier. So we are now on Slide '20. So we had the good news on Monday morning, and that liquidity, of course, is a key issue. For this difficult period that we are facing. As you know, I would remember that we have 2 financial debt, the corporate debt and the fleet debt. And on both fronts, we have now -- we believe we have now the liquidity to face the current and to give an answer to the severe impact resulting from COVID-19 on our activity. I will remind you on the corporate debt. As you know, we have 650 million Eurobond -- sorry, 600 million Eurobond maturing in 2024. We have a 450 million bond maturing in '26 that was put in place last year. We have a EUR 650 million RCF, which has been reinforced by the EUR 20 million contribution coming from our shareholder, Eurazeo, that we commented on Monday and which is maturing in 2023.

Now on top of that, we have the state guarantee, the French State guarantee loan for EUR 220 million, which is coming with a 90% guarantee from the French State, which has a maturity up to 6 years. And on top of that, we have the state guarantee loans coming from Spain for EUR 81 million, with an additional EUR 14 million on the comments that we issued on the press release that we issued on Monday. And this financing will be affected to corporate financing and fleet financing in Spain. And these facilities in Spain are for a 3-year maturity. Some negotiations are still undergoing, and started with other states to increase the state guarantee loans, like in the U.K., in Italy and Germany, but the processes are less advanced than the Spanish and French schemes. So on the corporate front, no refinancing to be done in the next couple of years. On the fleet side, as you know, the bulk of our financing is done through 3 tools, I would say, first is the securitization program for EUR 1.7 billion, which is maturing in 2022 with the fleet bond attached to it and which is for EUR 500 million maturing in 2022. We have some -- this is the bulk of the financing. We have also the bilateral loans with the mainly in the U.K. for close to GBP 500 million, which is maturing in 2022 with a potential extension for 1 year to be accelerated in October this year. And of course, we have some operating leases, which are renewed every year with the captive of the OEM. But as Olivier mentioned, we have a strong relationship and some connection with the OEM. So this is important that they will be renewed. And on the -- so on the fleet front, we are also not under pressure to launch any refinancing, even if we will take -- probably we will restart the securitization program in the U.S. to improve the financial conditions for the fleet.

And with that, I pass the floor to Caroline.

Caroline Parot - *Europcar Mobility Group S.A. - Chairwoman of Management Board & CEO*

Thank you, Luc, so -- and thank you, Olivier as well. So please turn to Page 22. You have understood since the beginning of our presentation that this year, 2020 will be very particular and with very limited visibility going forward. We have, therefore, a very cautious view for the rest of the year. The timings and scheme of lockdown exits may vary from one country to another. And it will significantly, in fact -- impact traditional behavior of our customers. Borders/flights reopening and air traffic slowly back to normal. So we will have, not before next year, back to normal visibility. As a consequence of that, Q2 2020 will be severely impacted with the full impact of the lockdown in April and very slow and heterogeneous reopening in May 2020. This is the reason why we don't want to give now a guidance for the year 2020 because it is too premature. In H2 2020, we will resume our business around, nevertheless, key 4 elements. First, the group business will be refocused, as we said, on domestic customer segments, building on a shift from international to local travel that is a load, thanks to our granular domestic market. The magnitude of this shift is still to be understood. Second, the flexibilization of our offers in general that will enable us to facilitate customer decision in terms of uncertainty. We will focus also, as mentioned by Olivier, for further agility on the cost base to adapt permanently to the situation we will face, notably with only reopening station based on the demand. Continue to leverage our flexible asset back buyback model and continue to engage a strong cost reduction we were on and that we are accelerating.

And finally, most importantly, based on this crisis situation, we will reinvent the future of the business model for the group going forward.

So please turn to Page 23. We will have two ways of readapting our business model. The first one, which is a tactical restart 2020 to structure how we will cope with the action plan for the year-end. The prioritization will be on high and quick returns with low investments on each of the key parts of our activities. On the key side for the customers, we will go for the key promising addressable markets, domestic downtown, urban logistics, midterm rental, while coping with totally brand-new customer expectation, favoring now contactless solution and sanitized vehicles. Some of those offers were already part of our long-term planning, and we will play tactical solutions to define those measure today, while defining more robust long-term solution.

On the cost side, you have listened to Olivier and Luc. We will have only one moto, lean, lean, lean and flex, flex, flex. We have the chance to be on the flex world for most of our costs. So we will continue to play on this flexibility and the lean, lean, lean, which was already part of our 2020 initial planning, will be reinforced further, and we will be back on track with the evolution of the situation. Even if it is important to restart sharply in the next weeks, we will have to reposition further the company, leveraging and adapting our strategic framework, while relying on the core fundamentals of our company.

So if we turn to the Page 24, I want to remind you here and remind everyone, what is the mission and the purpose of the company that we largely released over the past years. But finally, we didn't comment that much, but we will build on this to restart long-term view for the company. Offer attractive alternative mobility solutions to vehicle ownership in a responsible and sustainable way. It's importance, of being responsible is what for us. It is contributing to the safe mobility of people and goods. So this is what we are doing, sanitizing process, mobility and goods, BU Cars, BU Van & Trucks. So leisure will come later on. Making mobility flexible and accessible. So it is really the flex solution that we are putting together in place that will help to us -- help us to get for more addressable markets. And finally, offering complement to the public transportation, we are all knowing that public transportation is also facing profound transformation. We won't replace public transportation. We will complement as many -- in many place, what could be done in that area for the citizen, which we'll have to move anyway. Sustainable is important for us. We have to be part of the solution towards the low-carbon world. Our Urban Mobility solution with EV cars were ramping up sharply. So we will continue on the EV business. And we want to be a part of -- integral part of the supply chains and business model to contribute to the economical recovery. And this is -- in this way that we will be sustainable long-term view. So these 2 principles, which was the essence of group and which is the essence of the group, will be leveraged further to transform the offers and the solution.

So please go to the Page 25. So we really rethink our strategic footprint. We will rethink our strategic landscape going 4 years forward for the year '21, '22, '23. We will go from a short list of strategic initiatives and actions that we are already existing to look with new eyes at the new situation. We will reinforce our digital habits. Our customer will ask us for that. We will have to put in place generally new safety standards. We have already started. We will have to discover how those new safety standards will evolve in the next few months. And we will have to cope, obviously, with new travel patterns. We don't know yet. We know it will be different. We know it could be early, very local before coming back to international. But those evolution will have to take into account to set up our new vision. Customer expectation and behaviors. It was the way we are addressing our program, but we will take those new standards to the adapt operation. We were already coming to a world with less station, more stationless, more contact -- more contactless and more stand-alone vehicles for the customers. We will continue, and we leased here programs, which are already ongoing to help us to go for this expectation. We can go that we have not stopped, but we will accelerate. Connecting vehicles, which really is the only way for us to distribute the cars in a better manner and to optimize further utilization. Electrification, which was coming later, will have to be part of the ecosystem, is it '21 or '22? We will see. Midterm offers, we have launched them already last year. They are paying off already now. We see in every country that where those offer are existing, we meet the customer expectation and these offers make our business live today. And we were on domestic offers, solutions to customers, solutions to corporate. This was part of the planning. This one will be accelerated very shortly. So this is not the reinvention, but the strong adaptation of the capacity and the asset of the company to the new addressable markets going forward. Obviously, we will have to cope with what is this new addressable market because it is changing very fast every week.

So with that, I go to the conclusion, which is the Page 26. This conclusion in the slide is the same as the introduction. To remind you, the exceptional circumstances we are in. We have used the last 6 weeks to really address the immediate urgent issues of the group, meaning adapting our cost base heavily, protect our liquidity immediately and start to relaunch our thinking for the addressable market of tomorrow and after tomorrow. We have stabilized our vision for this year, knowing that we don't know the revenue yet, but we have stabilized the way to operate. Now it is time to go forward further. And we will come back to you as soon as we will have more clarity for 2020, but we will come also with a more comprehensive vision of what will be the landscape for the company going forward.

So with that, thank you very much for your participation to this call. And the team, Olivier and myself plus Luc, is ready to take your questions.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) We'll now take our first question from Sarth Patel from JPMorgan.

Sarth J. Patel - *JP Morgan Chase & Co, Research Division - Analyst*

This is Sarth Patel from JPMorgan. I just have a few from my side. Firstly, could you give us some color on the various stress tests that you are looking at internally? And how do you see the EBITDA progressing on these various stress tests? Secondly, if you could give us some idea on the monthly operating cash burn you're seeing right now, especially with April volumes falling off? And also on your targeted fleet size, the 30% reduction you're looking at through June, how do you think demand going to play out around that time? What kind of utilization levels do you expect, and just my last question is I just want to understand what your financing costs would be in 2020, now that you have a lower fleet base and the higher liquidity from the French and the Spanish states? Just those 2 buckets that we have, the fleet financing and the corporate debt for the full year, how does that look?

Caroline Parot - *Europcar Mobility Group S.A. - Chairwoman of Management Board & CEO*

This is Caroline. So I think there was 3 questions. Your first question on the lending for 2020 plus the financial cash burn. So for me, we don't guide today to the financial lending. Obviously, we have limited visibility on the top line development. So we don't want to give any direction on that. We know that it will be strongly reduced compared to last year in terms of top line. You have heard about Olivier saying that we have -- we are managing to reduce by 1/3 the fleet by June. And we will have to go further should the top line not being growing at the new pace we are expecting. And the utilization rate of June is very difficult to predict because we see the de confinement just starting. And I'm sure you read the newspaper as we do and the kind of vision on our people will come back to something new is very premature. So that's why we have taken super severe measures to reduce the fleet. We know that in some countries like Germany and U.K., the confinement was less impacting the business than it was in the south of the Europe. So we see more business to come in those 2 countries in the Nordics. I may say it this way. France is a little bit in the mix. We do rely on domestic business. On your question for the financing, I'm not sure. Luc, if you can answer? And if you capture really the question, I'm sorry, as the line is not good, so I'm not sure I captured the question.

Luc Peligry - *Europcar Mobility Group S.A. - Group CFO*

I think that on the financing, as I mentioned, we had some extra lines, of course, coming from the state guarantee loans, on both loans on the Spanish loan and the French loan. There's 1 year franchise. So there will be no cash out and interest this year. It will come the year after. So for this year, the COVID-related conditions are -- there is no impact in terms of cash out for the financing cost.

Sarth J. Patel - *JP Morgan Chase & Co, Research Division - Analyst*

Okay. And just to get an idea on the stress testing that you're looking at internally, what order of magnitude in terms of the ranges you're looking at? How to look at drop-through on your volumes? How are you thinking about that? Just some color on that would be really helpful.

Caroline Parot - *Europcar Mobility Group S.A. - Chairwoman of Management Board & CEO*

I'm not sure I understand the stress test. What we do is that we are flexibilizing all our costs in line with the top line. And after a few weeks, Olivier, Luc and myself reported that we have been able to react on the flexibilization, which is true. But due to the containments, and we were a little bit caught by surprise in March. And with the containments, it was very difficult to flex everything, but the flex cost -- our flex cost to the top line, the most impactful impact is how to flex the network and the HQ costs. As of today, we are well supported up until several periods depending on the countries with furlough measures in every geographies. And we were having also strong cost planning, cost reduction planning all across the group prior to the crisis that we will resume right after the decontainment. So I won't give you a stress test this way. But the 70% of the cost being flexible, we are flexibilizing them. Obviously, we are also entering in a massive reduction of our fixed cost, but we need a little bit more time to that. And that's why we also want to external financing lines to be sure that all the liquidity will be sufficient to -- really sufficient to the group. We are prepared to the worst, but now we cannot qualify what is the worst because we are learning, as we speak, on how situation will evolve.

Operator

We will now take our next question from [Ruben Felix] from Scaria.

Unidentified Analyst

I have a few to start with pure housekeeping. So with respect to your fleet distribution now, and it's reduced form, could you give me the distribution across those that you own with a put option, those that you lease and those that are at risk? They were 45, 41, 14 at the end of the year. I was wondering if you could give us a new distribution on that?

Caroline Parot - *Europcar Mobility Group S.A. - Chairwoman of Management Board & CEO*

Yes. The mix has not dramatically evolved. In fact, the at-risk purchase. We didn't purchase new at-risk. So the weight of the at-risk has a little bit increased because we have put all our energy to defleet or to send back the fleet from the manufacturers. As you know, the bulk of the fleet is on the buyback scheme. And thanks to that, we are able to violently scale down the fleet, even though we still own at-risk vehicle. So the percentage of at-risk vehicles at the end of June, and we will measure what it means, will be higher than ever as we have always said, because we have the huge flexibility momentum that we can use with the buyback. So this one has evolved progressively. What is important is that we are not purchasing cars anymore, and we have obviously stopped all the orders. And the real issue we are facing in March and April was the lockdown itself didn't allow us to move those cars out of the company because, obviously, nobody was able to move. But besides that, we are able to reduce significantly. And depending on the movement of the reduction, we will give you, at the end of June, the new split between the fleets. But the buyback scheme is playing all its role here because we are able not to purchase and we are able to sell back heavily those cars to the manufacturers.

Unidentified Analyst

And how flexible are you to switch between your operating lease model and own and buy back the lease model...

Caroline Parot - *Europcar Mobility Group S.A. - Chairwoman of Management Board & CEO*

But operating -- I'm sorry, operating and buyback is the same for me. Operating lease versus securitization is a way of financing under securitization and under operating lease, the fleet is in buyback.

Unidentified Analyst

Yes. I understand that, I'm just referring that...

Caroline Parot - *Europcar Mobility Group S.A. - Chairwoman of Management Board & CEO*

It's just a way of financing. So in both cases, operating lease or securitization, if we have an agreement with the manufacturers for those buybacks to send back the cars after a given period, is it financed through securitization? Or is it financed to operating lease doesn't change at all the picture. It's the same mechanism.

Unidentified Analyst

Okay. Then at the end of the year, you were committed to buying approximately EUR 1.2 billion worth in fleet. Now -- but it doesn't look like you've ultimately done that. What is the nature of the change in that agreement now? Is it merely postponed? Or how flexible are you going forward? And when do you see yourself rebuilding that fleet from where you are right now? Is it -- would you naturally reengage and rebuilding of the fleet in Q1 next year, which is usually when you invest in your fleet? Or do you look at that later on this year?

Olivier Baldassari - *Europcar Mobility Group S.A. - Group Chief Countries & Operations Officer and Member of Management Board*

So today, through the discussion with the OEMs, we -- and thanks to the relationship we have with them. Our model is fully flexible. So we've been able to scale down on short term. So this took some negotiations. So -- but we didn't postpone -- we didn't have to postpone actually volumes to next year. We are just adapting to the environment. And we will review. And we are going to review month after month the situation to flex it up or to flex it down. Again, full discussion with the OEMs and when it comes the end of the year and the preparation of plans for next year, we will restart and redefine the volumes according to our forecast. So to your point, there is no commitment whatsoever for next year in terms of volumes.

Caroline Parot - *Europcar Mobility Group S.A. - Chairwoman of Management Board & CEO*

Yes. We are purchasing cars. Now we are not purchasing flights or planes, so that means that with the OEMS, we have some flexibility. And between the commitments and the situation that they acknowledge there have been a strong understanding of what is to be done. And I think that they have also stopped producing cars. So at the end of the day, we are not in an airline situation. We can move differently. And the flex has been increased, not only for the current volumes, but going forward. So as mentioned by Olivier, the team made a fantastic job to be able to adapt the level of deliveries, what are the level of volumes we foresee in front of us. And we have kept the full flex by year-end to continue to adapt the fleet to the circumstances, up and down. So we will have to see because all the markets are not at all in the same situation, and we do believe the northern countries. France could be split between North and surely South at the same time, we'll have a better restart than the pure leisure countries, and the situation will vary from perimeters to perimeters.

Unidentified Analyst

Okay. One more question on the fleet, on your at-risk vehicles. Is there a -- I just don't know, is there a geographic distribution? Are they in a particular country or geography? Or do you just have them everywhere?

Olivier Baldassari - *Europcar Mobility Group S.A. - Group Chief Countries & Operations Officer and Member of Management Board*

So the -- I would say, we have primarily at-risk cars in Germany, Spain and the U.K. So these are the 3 main countries where our fleet at risk is of any significance. The rest is far less.

Unidentified Analyst

Okay. And last question, would you be able to just age that fleet by a year or so if need be?

Olivier Baldassari - *Europcar Mobility Group S.A. - Group Chief Countries & Operations Officer and Member of Management Board*

Generally speaking, so we have a different average age of that fleet when it comes to vans and to cars. But we don't tend to keep the fleet, even at risk too long. After that, it's -- I would say, it's a balance between the used car market, let's say, quality and the age of the fleet. So we don't keep a fleet at risk very long, generally speaking.

Operator

We will now take our next question from Patrick Jousseaume from Sociee Generale.

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

I am Patrick Jousseaume speaking. I have several questions. My first question is about the cost reduction. You mentioned EUR 850 million on a full year basis, which part of that should we have already in 2020? And what is the split between cost reduction coming from the fleet and cost reduction coming from elsewhere? Second question, you mentioned in the press release that we expect the demand for summer season to be limited to domestic demand. Could you quantify what is domestic demand? Or what was domestic demand versus total demand in summer 2019? Third question, you mentioned that you expect as from Q3, if I understand well, to come back to an utilization rate close to normal. Should we understand that this would mean margin on variable costs coming back to 2019 level as from Q3? Fourth question, Caroline, you mentioned during -- you said during an interview to Le Figaro that you do not rule out losses in 2020. Could you elaborate on that, under which circumstances Europcar should post losses in 2020? I have 2 others, which are related to the financing, how does the new financing rank versus senior unsecured bonds, and could you split the new financing between corporate debt and fleet debt?

Caroline Parot - *Europcar Mobility Group S.A. - Chairwoman of Management Board & CEO*

So Patrick, it was a very, very long list of questions. We will go through them, and you will remind us if we do forget something.

Olivier Baldassari - *Europcar Mobility Group S.A. - Group Chief Countries & Operations Officer and Member of Management Board*

So I'm going to start with, let's say, the EUR 850 million cost reduction we announced earlier. So this is the cost reduction that we are going to execute in 2020 according to the guidance we gave earlier. So in a nutshell, it breaks down in a very simple way, 1/3 coming from fleet. 1/3 coming from operating variable costs, namely operations related and sales related costs and 1/3 for the rest. So the rest you can see, if I break that down further, it's a personal and network and HQ cost, insurance cost and so on and so forth. So the 2 main components are clearly fleet and operating variable costs, as the rest is spread over several cost items.

Caroline Parot - *Europcar Mobility Group S.A. - Chairwoman of Management Board & CEO*

So in the year 2020.

Olivier Baldassari - *Europcar Mobility Group S.A. - Group Chief Countries & Operations Officer and Member of Management Board*

Yes, 2020.

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

But I mean these are certainly not to (inaudible) mentioning by year 2020. So again, do you expect to save EUR 850 million?

Olivier Baldassari - *Europcar Mobility Group S.A. - Group Chief Countries & Operations Officer and Member of Management Board*

Yes.

Caroline Parot - *Europcar Mobility Group S.A. - Chairwoman of Management Board & CEO*

Yes.

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

For the fiscal year?

Olivier Baldassari - *Europcar Mobility Group S.A. - Group Chief Countries & Operations Officer and Member of Management Board*

Yes.

Luc Peligry - *Europcar Mobility Group S.A. - Group CFO*

Yes.

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

So in fact, the full year -- on the full year impact, on a full year basis, it's higher than EUR 850 million? Because basically, you have started in low rates, so...

Olivier Baldassari - *Europcar Mobility Group S.A. - Group Chief Countries & Operations Officer and Member of Management Board*

Yes.

Caroline Parot - *Europcar Mobility Group S.A. - Chairwoman of Management Board & CEO*

Yes, yes, yes.

Olivier Baldassari - *Europcar Mobility Group S.A. - Group Chief Countries & Operations Officer and Member of Management Board*

You're right.

Caroline Parot - *Europcar Mobility Group S.A. - Chairwoman of Management Board & CEO*

It's from now on to March. From now on to year-end. So we have not annualized those costs saying that there will be some more in next year. It's not a run rate. It's -- from now on, based on what we have to look at, we are going -- we are removing cost, scope with a new fine vision. Is it clear for you?

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

Yes, yes. It's absolutely clear.

Caroline Parot - *Europcar Mobility Group S.A. - Chairwoman of Management Board & CEO*

The demand on the domestic, it's a good question. But if I -- I'm not going to guide you on that. Fundamentally, for the business, we do believe the international travel will be very limited. But the domestic travel and the domestic demand, either from corporate, either from leisure or new leisure, we'll be focusing on more on intra-domestic inside countries or in countries to countries, but intra-Europe on a limited basis. So we are not going to compare at all this with what was existing before because it is -- it was not our focus. We were also focusing a lot to international travels. So we won't be able to compare because we don't address the same markets at all. And we are, day after day, discovering what is more the downtown business, the SME business, the new demands for people traveling for the future. So we cannot foresee how the new behavior of the customer will be everywhere. So we prefer to stay silent. That's why we have not provide any guidance to be sure that we are discovering the cost decontainment behaviors. And in addition to that, we need to understand our country by country. As the governmental measures will play, which is you must -- we must all admit, still unknown in this story. But as soon as we know, we will come back with more precise view. I think at the end of Q2, we will know exactly what will have happened.

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

Does it seem on the business that you make out of the airport is a good, let's say, approach of what is your domestic business?

Caroline Parot - *Europcar Mobility Group S.A. - Chairwoman of Management Board & CEO*

I'm not sure at all because people which are traveling to airport are now traveling differently. So it will be a good first proxy for the normal, normal. But it will increase compared to last year or last years because there will be new patterns. So it will be a shift. So what we don't know is how this shift will evolve. And the shift by country will be dramatically different. So to -- I cannot tell you what we don't know yet. So we are fine-tuning our offers. We are relying a lot on SMEs business for the time being, which is very important. We do believe our new offers, which are midterm solutions, are meeting customers' expectation everywhere. Now after 8 weeks of confinements, very difficult to tell you which direction and which magnitude we will foresee. That's why we are adapting daily the fleet to a low minimal. And eventually, we'll be able to increase the fleet if need be. The question was...

Olivier Baldassari - *Europcar Mobility Group S.A. - Group Chief Countries & Operations Officer and Member of Management Board*

The question on utilization, I think -- so when I mentioned earlier that we will be back to comparable utilization rate level in Q3. So I think the the reduction in fleet that we are achieving in Q3 is brutal. So by end of June, we will be at the level of fleet. I had mentioned earlier, directionally 1/3 reduction. This is a minimum that we aim at achieving. So we are doing what it takes to make sure that in Q3, we will be at the level of fleet that allows us to, on one hand, satisfy the demand that there will be. But on the other hand, at the minimum, we need to be to ensure that level of utilization. And we are monitoring the situation month after month. And we are transparent with our partners, with the OEMs and sharing with them where we are and adjusting accordingly. If we need more cars, we will infleet more, if we need less cars, then we'll go back to the drawing board and adjust.

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

Okay. And does it mean that with this utilization rate, back to the level of 2019, margin on variable cost should be also back to the level of 2019, more or less?

Olivier Baldassari - *Europcar Mobility Group S.A. - Group Chief Countries & Operations Officer and Member of Management Board*

I would say the variable cost or operation-related costs and sales-related costs, they are, by nature, highly variable, okay? So ballpark, what you're saying is correct. The fixed or semi-fixed costs, so personnel cost and overheads, more difficult to flex. And today, you understood that, to a large extent, we've been able to adjust through temporary unemployment. So uncertainty there is how long with countries allow to maintain temporary unemployment measures. In some countries, it's easier than in others.

Caroline Parot - *Europcar Mobility Group S.A. - Chairwoman of Management Board & CEO*

Your fourth question, Patrick, was what? I'm sorry.

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

It was about your interview to Le Figaro where you said that you do not rule out losses in 2020.

Caroline Parot - *Europcar Mobility Group S.A. - Chairwoman of Management Board & CEO*

I said what, sorry? I was on the, sorry? Because I'm (inaudible) and then you seem...

Olivier Baldassari - *Europcar Mobility Group S.A. - Group Chief Countries & Operations Officer and Member of Management Board*

A follow-up through out losses.

Caroline Parot - *Europcar Mobility Group S.A. - Chairwoman of Management Board & CEO*

We said we don't comment, in fact, so I think that the journalist was trying to ask us if we were going to report losses or not. And the journalist didn't take my answer as granted because we said we don't comment that. The likelihood that we are going to maintain the EBITDA of last year is nil for sure. Now what could be the magnitude of the recovery after Q2? We will see and there's adaptation that was difficult to manage, but we have been successful in the difficult operational circumstances to start to heavily reduce the cost. Now what will be the P&L views for full year? It is really what we are building up. Our moto is lean, lean, lean and cash, cash, cash, meaning that cash and liquidity was our major focus. Obviously, minimizing any losses and anything at anytime is a must have. But we are in the most export industry, travel and leisure and transportation. So we are totally linked to governmental decision in many areas. I think the last question was more for Luc, I guess.

Luc Peligry - *Europcar Mobility Group S.A. - Group CFO*

I will take the two questions on the financing. Patrick, you said about the rank of the new financing. So we are talking about the state guarantee loans coming from Spain and France. So they are both guaranteed by the state. On France case, 90% are guaranteed by state for the Spanish case, 70% by state. And the rest, I would say, the remaining 30% prostate and 10% are pari passu with the existing bonds. So they are totally unsecured as the bonds are. And the second question was the split of these facilities between fleet and corporate. So as far as the French facility is concerned, it's totally dedicated to corporate, so to reinform the liquidity of the corporate. And as far as the Spanish facilities are concerned, we are going to allocate some of these lendings to the fleet and especially to the fleet at risk. But we have not finalized exactly the amount gets at, because the last line was received at this Monday. But we'll of course target some of these financing to fleet.

Operator

We will now take our next question from [Theo Lazac].

Unidentified Analyst

Hello? There are no questions.

Operator

We will move on to our next question. We'll now take your next question from [Tom Elliott].

Unidentified Analyst

It's [Ross]. Is there any comment you are able to provide for April trading in terms of revenue declines. I know you are hesitant to provide a guidance for full year 2020, but anything for April that has just concluded, would be useful. And my second question is on the buyback agreements with your OEMs, have you had any issues with them taking physical delivery of the vehicles, which has resulted in nonpayment?

Caroline Parot - *Europcar Mobility Group S.A. - Chairwoman of Management Board & CEO*

So on April, we have decided not to guide because we want to give a full view of Q2. What we can tell you now, it's very, very minimal. We are relying nearly only on B2B Van & Trucks business and B2B SMEs on the BU Cars level. So it will be our worst ever month for sure. And when Olivier was mentioning that a big portion of our network is closed, it means that we are serving only midterm business, which is running and Van & Trucks. So it will be a very, very minimal month. And we do think we will resume progressively and ramp up progressively the business across all the countries starting this week, and the progress of it will be to be discovered. So that's why we want really not to guide the year before we know what will be Q2 assumptions. On the OEMs, Olivier?

Olivier Baldassari - *Europcar Mobility Group S.A. - Group Chief Countries & Operations Officer and Member of Management Board*

So to -- you are totally right that there have been situations where physically transportation and/or compounds were closed, and where preventing us to return cars, in which case, we found, let's say, agreements with OEM to address those exceptional situations. So in other words, OEMs, as ourselves, we face the same difficulty. So we found a common understanding of each situation and agreeable solutions to those situations.

Unidentified Analyst

Would you just be able to provide a little more color into that last point, please, as to exactly what these solutions entailed?

Olivier Baldassari - *Europcar Mobility Group S.A. - Group Chief Countries & Operations Officer and Member of Management Board*

I can't enter into the nature of, let's say, the agreements that we found with OEMs. But in a nutshell, we didn't bear, let's say, the burden of cars that were deemed to be returned.

Operator

Caroline, at this moment, I would like to turn the conference back to you for any additional or closing remarks.

Caroline Parot - *Europcar Mobility Group S.A. - Chairwoman of Management Board & CEO*

Okay. So thank you. Thank you all to attend this Q1 results. It's difficult time for all of us. And it's a difficult time for our industry. I'm not commenting what is happening in the other industries, but for us, very specific because the visibility is very low. We have taken all the exceptional measures to protect the company, to protect its business, its employee and its future. There will be more important measures to come. The liquidity was our key moto very shortly because to be able to prepare the future, we need to be sure how to face the crisis, which was our first top priority. In the meantime, during the last 7 weeks, as the team worked super hard to make the flexibility that we have built into the P&L become real. So we have tested that the flexibility we have on the fixed cost is flexible. We know it. So the buyback model is helping us. Obviously, the magnitude of the crisis in our industry is super severe. So the top line is declining fast. So the over absorption of our fixed cost made us -- make us making new measures to even further reduce our fixed cost structures, difficult decision that we have already taken, and we are going to continue to take, but we do that. And I think that in the discussion we had with the various states, this was also considering that our company and our industry, but our company as a leader in Europe, could provide new mobility solution after the crisis, providing complementary solutions, less public transportation, implementing the solution for people that don't want to own cars anymore and distributing services. So this is important. We need to dot it for leaner. The addressable market won't be the same. But finally, the services industry and the services industry in mobility with the reshaped landscape will be important to restart and the reason why 2 governments already, but more to come, have already considered that we were eligible, not because of the prices only, but because of what we can do later on. So it was important because we will work hard to face the crisis and to minimize the impact for the company, for the stakeholders and for its employee. But we also work hard to resume also to look at things differently to address two markets in a more profitable manner. So the crisis is not a gift, it is a fact that we will transform in an opportunity to do something different later on. So we know it's difficult. We know it's super difficult to follow us and to forecast. But it's our duty to make this company facing these strong crisis and to resume positively for the year after this year being the most difficult years ever for the company, but not only for us, but for the industry together. So thank you for your attendance. We will be able to answer to all your questions in the road shows that we are starting to move virtual roadshow, obviously, and perhaps physical later on, but we will be happy to have live discussion with all of you.

Operator

And this concludes today's call. Thank you for your participation. You may now disconnect.