

Note: this press release includes audited consolidated results under IFRS, as approved by the management board and reviewed by the supervisory board on February 24, 2016.

## **Europear announces record 2015 results**

Following the IPO, the Group is backed by solid fundamentals to rapidly pursue the 2<sup>nd</sup> phase of its transformation plan, the primary focus of which is enhanced customer offers and experience.

- Europear meets its financial guidance, as upgraded in November 2015.
- Revenues amounted to €2.142 million, up 4.9% at constant perimeter and exchange rate.
- Adjusted Corporate EBITDA of €251 million, up nearly 16% at constant exchange rate, with a strong improvement of the margin at 11.7%
- Sharp reduction in Corporate net debt with a leverage at 0.9x.
- 2016 guidance fully aligned with the commitments taken during the IPO.
- Confirmation of a dividend payout ratio of at least 30% of annual net income starting in 2017 based on the previous year net income.

**Saint-Quentin-en-Yvelines**, **February 25**, **2016** - Europear (Euronext Paris: EUCAR) today announced its 2015 results.

Philippe Germond, Chairman of the management board, said:

"2015 was an important year for Europear. We have made a major step forward with our successful IPO. We have also consolidated our market position with growth in all our corporate countries, while pursuing our operational improvements. In the new mobility solutions market, Europear Lab has made a strategic investment in E-Car Club and we have continued the roll-out of Ubeeqo in Europe. Our excellent 2015 results are the concrete translation of our buoyant business trend and underscore the strength of our strategy enabling us to confirm our mid-term performance commitments. We strive to offer our customers future multi modal solutions and this strategy will give rise to future ideas and developments for the Group in 2016 and beyond."

In € million, except if mentioned	FY 2015	FY 2014	Change	Change at constant exchange rate
Number of rental days (millions)	57.1	52.8	8.1%	-
Average fleet (thousands)	205.4	189.3	8.5%	-
Revenues	2,142	1,979	8.2%	5.8%
Recurring operating income	283	254	11.6%	9.3%
Adjusted Corporate EBITDA	251	213	17.8%	15.6%
Adjusted Corporate EBITDA margin	11.7%	10.8%	+0.9 pt	
IFRS net profit/loss	-56	-112	+50%	
Adjusted net profit/loss <sup>1</sup>	128	NA		
Corporate net debt at year end	235	581		

<sup>&</sup>lt;sup>1</sup> See "Reconciliation with IFRS" attached hereto. In view of the specific 2015 items, for information purposes, Europear estimated an adjusted net profit.

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#### 2015 Highlights

2015 was a major turning point in the Group's history, with record growth in all performance indicators and a successful IPO to mark the success of the first phase of the Group transformation plan, Fast Lane. This is shown by:

- Acceleration of the sales strategy by segment, which has yielded results notably thanks to improved analysis of Corporate customer needs which led the company to fully reshape its SME and Vans & Trucks segments approach.
- A surge in the Leisure segment underpinned by continuously upgrading of the Group's distribution channels, strong development of the low cost brand, InterRent, in the corporate countries (75 operational locations at end of 2015), and through franchisees (40 affiliated countries at end of 2015 up from 19 as at end of 2014) and the successful launch of Keddy. These initiatives allow the Group to develop its customer portfolio.
- Expansion of the Group's worldwide footprint with more than 25 GSA, thereby boosting Europear's visibility and benefitting from customers coming from emerging markets. This trend will continue in 2016.

Furthermore, the Group continued to improve customer experience and bolstered its presence in the new mobility solutions market. The following are a few key examples:

- Enriched digital experience by reshaping mobile apps and the Europear mobile website to make them
  more user friendly, while developing Group websites features such as 24/7 live chat. Europear's mobile
  application has also been recognized best car rental App.
- Europear Lab's July 2015 acquisition of E-Car Club together with its late 2014 acquisition of Ubeeqo enabled the Group to build on its mobility offering with simple turnkey solutions and to offer customers a truly distinctive service.
- A new Customer Experience position with Jan Löning recruitment as Director. His task is to improve customer experience so as to bolster customer loyalty and develop the Europear customer portfolio.

#### Analysis of 2015 results

#### Revenues

Total revenue recorded a 4.9%² organic growth compared to 2014, to €2.142 million. This significant increase is boosted by 5.9% at constant exchange rate growth in vehicle rental activities. This increase also reflects success in sales initiatives launched under the Fast Lane transformation plan.

The number of rental days jumped to 57.1 million in 2015, up 8.1% over 2014. This growth was evenly spread among all corporate countries and was driven on a balanced manner by:

- The Corporate segment, with volume increases, particularly in SMEs segment and Vehicle Replacement activities.
- The Leisure segment, with sustained demand across all distribution channels, accelerated expansion of the InterRent brand and the successful launch of the new Keddy product.

Nominal revenue per rental day edged down reflecting a change in the mix, both as regards customer segments (Leisure versus Business and Vans) and Group brands (Europear and InterRent) and an increase in the average rental duration. The nominal reduction due to mix effects had no impact on Group earnings.

<sup>&</sup>lt;sup>2</sup> At constant exchange rates excluding EuropHall, a French franchisee acquired in Q4 2014 consolidated over two months. EuropHall posted 2014 revenues of some €23 million.



### Adjusted Corporate EBITDA<sup>3</sup>

Adjusted Corporate EBITDA is defined as current operating income before depreciation and amortization not related to the fleet, and after deduction of the interest expense on certain liabilities related to rental fleet financing. This indicator includes in particular all the costs associated with the fleet.

2015 Adjusted Corporate EBITDA surged to €250.6 million (up 15.6% at constant exchange rate) compared to €212.8 million in 2014. This increase translates operational leverage excellence, strict cost management improvement and positive evolution of the fleet financing costs. Specifically, Europear continued to improve its fleet costs per unit and its variable costs boosted to efficiency gains for some costs while continuing to invest in the sales development, IT and marketing with a view to maintaining a sustainable growth.

#### Operating income

2015 operating income came in at €221.5 million, up from €138.2 million in 2014. Both years were hit by net non-recurring expenses totalling €61.8 million and €115.7 million respectively. In 2015, this primarily related to IPO costs, the reshape of the company's financial structure and the net impact of certain proceedings. Excluding such non-recurring expenses, 2015 current operating income amounted to €283.3 million, up 11.6% from €253.9 million in 2014 as a result of sustained growth in revenues and the improved management of operating costs.

#### **Net financing costs**

Net financing costs under IFRS amounted to a €227.6 million net expense in 2015, compared to €232.7 million net expense in 2014, and breaks down as follows in 2015:

- Interest costs related to borrowings taken out to fund the fleet amounting to €65 million, down from €72.9 million in 2014 due to the refinancing operated between mid 2014 and mid 2015 despite a sharp increase in the average fleet.
- Interest costs related to other borrowings, linked to the corporate debt amounting to €56.3 million, sharply down from €78.5 million in 2014 as a result of the corporate debt restructuring undertaken at the end of the first half of 2015 following the successful IPO.
- Non-recurring costs of €83 million relating to the redemption of existing subordinated bonds (€56 million) and write off of transaction costs on redeemed bonds (€26.9 million). These non-recurring costs arose directly from all financial transactions undertaken as part of the IPO.

#### Net profit/loss

In 2015, the Group posted a net loss of €55.8 million, compared to a €111.7 million net loss in 2014. This significant improvement arose from the good evolution of the operational performance and the significant decrease of the financing cost. Note that the net loss in 2015 - a transition year for the Group – is stated after non-recurring costs including IPO expenses, the reshape of the company's financial structure and the net impact of certain proceedings.

## Adjusted net profit/loss

In view of the specific 2015 items mentioned above, for information purposes, Europear estimated that the adjusted net profit⁴ amounted to approximately €128 million. It represents the net income excluding exceptional items (operational and financial), before associates, and adjusting financial expenses pro-forma for the full year effect of the Group financial structure reshape.

### Net debt

Corporate net debt decreases to €235 million as of December 31, 2015 (vs. €581 million as of December 31, 2014) as a result of the full reshape of the capital structure following the IPO.

 $<sup>^{3}</sup>$  See "Reconciliation with IFRS" attached hereto

<sup>&</sup>lt;sup>4</sup> See "Reconciliation with IFRS" attached hereto



The fleet debt was €2,821 million as of December 31, 2015 vs. €2.567 million in December 31, 2014. This increase reflects the higher fleet volume to sustain the growth of the operation and the evolution of the mix of the vehicles.

#### 2016 guidance

In line with its commitment taken during the IPO, Europear plans the following objectives:

- Organic growth of total revenues<sup>5</sup> of 3 to 5%.
- Adjusted corporate EBITDA above €275 million.

Furthermore, the Group confirms a dividend payout ratio of at least 30% of annual net income starting in 2017 in respect of the previous year net income.

The Group reiterates its strategic ambition through the roll out of its acquisition plan in order to increase value creation for its shareholders. A number of advanced discussions are underway for bolt on acquisitions.

In this framework, confident in its ability to deliver its strategic plan, the Group could consider allocating financial resources to a share buy back.

#### **Ambition**

Europear will continue to roll out the second phase of its transformation plan, Fast Lane, in order to sustain an organic profitable growth boosted by a dynamic external growth policy.

Growth will be supported by strengthening the Group's sales strategy by segment and strict cost management including the improvement of its network and the extension of its shared services centre logic.

Special attention will also be paid to enhancing the customer experience based on the Group's digital transformation. The goal here is to offer an entirely mobile-based turnkey customer experience within two years. Customers' better awareness of Europear, goods and services standing out due to innovation, a transparent, smooth customer relations, user-friendly processes and bespoke support are our watchwords that will underlie the Group's customer strategy throughout 2016.

Furthermore, the Group also plans to boost its direct to brand strategy as to tighten links with its customers and improve their loyalty.

Europear also plans to build on its leadership in the new mobility solutions market. Early 2016, the Group stepped up a gear when Ubeeqo launched the first rental car multi-modular reservation platform for consumers. This "3 in 1" app launched in Paris and London gives customers the choice of three transport options: a car pooling service (Matcha), a car with driver/taxi or rental cars. As a genuine mobility platform, this service ushers in a new urban mobility concept that is freer, cheaper, more practical and simpler, less time-consuming and more environmentally friendly. Matcha should be deployed progressively in other European capitals.

From car rental to setting up the Europear Lab – designed as an incubator of ideas to research new mobile goods and services, to the new Ubeego platform, Europear strives to offer future multi-modular solutions.

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 $<sup>^{\</sup>rm 5}$  Based on the current petrol price.



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#### **About Europear Group**

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

#### **Forward-looking statements**

This press release includes forward-looking statements based on current beliefs and expectations about future events. Such forward looking statements are not guarantees of future performance and the announced objectives are subject to inherent risks, uncertainties and assumptions about Europear Groupe and its subsidiaries and investments, trends in their business, future capital expenditures and acquisitions, developments in respect of contingent liabilities, changes in economic conditions globally or in Europear Groupe's principal markets, competitive conditions in the market and regulatory factors. Those events are uncertain; their outcome may differ from current expectations which may in turn affect announced objectives. Actual results may differ materially from those projected or implied in these forward-looking statements. Any forward-looking statement contained in this press release is made as of the date of this press release. Europear Groupe undertakes no obligation to publicly revise or update any forward-looking statements in light of new information or future events.

The results and the Group's performance may also be affected by various risks and uncertainties identified in the "Risk factors" of the Registration Document registered by the Autorité des marchés financiers (the "AMF") May 20, 2015 under the number I.15-041 and its update filed with the AMF on June 12, 2015 and also available on the Group's website: www.europcar-group.com

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

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# Appendix 1 – Management Profit and Loss

All data in €m	FY 2015	FY 2014	Variation
Total revenue	2 141,9	1 978,9	8,2%
Change at constant exchange rates			5,8%
Fleet holding costs, excluding estimated interest included in operating leases	-491,9	-442,7	11,1%
Fleet operating, rental and revenue related costs	-727,0	-686,3	5,9%
Personnel costs	-347,4	-318,2	9,2%
Network and head office overhead	-218,5	-199,3	9,6%
Other income and expense	14,2	6,9	105,8%
Personnel costs, network and head office overhead, IT and other	-551,7	-510,6	8,0%
Net fleet financing expense	-65,5	-72,9	-10,2%
Estimated interest included in operating leases	-55,2	-53,6	3,0%
Fleet financing expenses, including estimated interest included in operating leases	-120,7	-126,5	-4,6%
Adjusted Corporate EBITDA	250,6	212,8	17,8%
Margin	11,7%	10,8%	+0.9 pt
Depreciation – excluding vehicle fleet	-32,8	-31,8	3,1%
Other operating income and expenses	-61,8	-115,7	-46,6%
Other financing income and expense not related to the fleet	-162,1	-159,8	1,4%
Profit/loss before tax	-6,1	-94,5	-93,5%
Income tax	-37,6	-10,7	251,4%
Share of profit/(loss) of associates	-12,1	-6,5	86,2%
Net profit/(loss)	-55,8	-111,7	-50,0%



## Appendix 2 – IFRS Income statement

	As at Dec.	As at Dec.
In thousands of €	31, 2015	31, 2014
Revenue	2 141 923	1,978,870
Fleet holding costs	(547 186)	(496,264)
Fleet operating, rental and revenue related costs	(726 990)	(686,279)
Personnel Costs Network and head office overhead costs	(347 388) (218 475)	(318,153) (199,339)
Depreciation, amortization and impairment expense	(32 781)	(31,824)
Other income Current operating income	14 216 <b>283 319</b>	6,879 <b>253,890</b>
our ent operating income	203 313	233,030
Goodwill impairment expense Other non-recurring income		-
Other non-recurring expense	(61 774)	(115,729)
Operating income	221 545	138,161
Gross financing costs Other financial expenses Other financial income Net financing costs	(121 768) (117 780) 11 956 (227 592)	(151,424) (90,650) 9,393 <b>(232,681)</b>
Profit/loss before tax	(6 047)	(94,520)
Income tax benefit/(expense) Share of profit/(loss) of associates	(37 637) (12 074)	(10,655) (6,523)
Net profit/(loss) for the period	(55 758)	(111,698)
Attributable to:		
Owners of ECG Non-controlling interests	(55 602) (156)	(112,273) 575
Basic earnings/(loss) per share attributable to owners of ECG (in €)	(0,449)	(1.082)
Diluted earnings/(loss) per share attributable to owners of ECG (in €)	(0,449)	(1.082)



# Appendix 3 – Reconciliation

All data in €m	2015	2014
Adjusted Consolidated EBITDA	766,0	695,0
Fleet depreciation IFRS	-184,4	-164,2
Fleet depreciation included in operating lease rents	-210,3	-191,4
Total Fleet depreciation	-394,7	-355,6
Interest expense related to fleet operating leases (estimated)	-55,2	-53,6
Net fleet financing expenses	-65,5	-72,9
Total Fleet financing	-120,7	-126,5
Adjusted Corporate EBITDA	250,6	212,8
Amortization, depreciation and impairment expense	-32,8	-31,8
Reversal of Net fleet financing expenses	65,5	72,9
Reversal of Interest expense related to fleet operating leases (estimated)	55,2	53,6
Adjusted recurring operating income	338,5	307,4
Interest expense related to fleet operating leases (estimated)	-55,2	-53,6
Recurring operating income	283,3	253,9



## Appendix 4 – Adjusted Net Income for 2015

All data in €m	
IFRS Net Loss	-56
Pro Forma on Interest on Corporate High Yield bonds	26
Pro forma Transaction cost amortization	7
Reversal of Corporate High Yield Bonds redemption premium	56
Reversal of the write off associated with Corporate High Yield Bonds reimbursment	27
Reversal of exceptional income / expenses (*)	56
Reversal of Share of profit/(loss) of associates	
Estimated Pro Forma Net Income	128

## (\*) Reversal of exceptional income / expenses mainly corresponds to:

- Net negative impact of some proceedings
- Costs associated with the IPO
- Provision accrued in connection with tax audit



# Appendix 5 – Balance sheet

In thousands of €	As at Dec. 31, 2015	As at Dec. 31, 2014
ASSETS		
Goodwill	457 072	449,389
Intangible assets	713 136	721,732
	89 236	
Property, plant and equipment		88,204
Equity-accounted investments	22 035	17,323
Other non-current financial assets Deferred tax assets	57 062 55 730	38,934
Total non-current assets	1 394 271	47,395 <b>1,362,977</b>
Total Hon-current assets	1 334 271	1,302,311
Inventories	15 092	16,141
Rental fleet recorded on the balance sheet	1 664 930	1,402,660
Rental fleet and related receivables	574 652	530,098
Trade and other receivables	357 200	325,912
Current financial assets	37 523	49,477
Current tax assets	33 441	33,347
Restricted cash	97 366	81,795
Cash and cash equivalents	146 075	144,037
Total current assets	2 926 280	2,583,467
Total assets	4 320 551	3,946,444
Equity		
Share capital	143 155	446,383
Share premium	767 402	452,978
Reserves	(74 341)	(77,926)
Retained earnings (losses)	(274 821)	(664,250)
Total equity attributable to the owners of ECG	561 395	157,185
Non-controlling interests  Total equity	962 <b>562 356</b>	950 <b>158,135</b>
Total oquity	002 000	100,100
LIABILITIES		
Financial liabilities	801 183	1,043,069
Non-current financial instruments	52 090	41,928
Employee benefit liabilities Non-current provisions	119 295 25 168	124,759
Deferred tax liabilities	131 132	10,114 131,005
Other non-current liabilities	306	365
Total non-current liabilities	1 129 174	1,351,240
	1 263 783	
Current portion of financial liabilities	1 200 100	1,127,545
Employee benefits	2 944	2,744
Current tax liabilities	24 511	34,560
Rental fleet related payables	662 722	581,957
Trade payables and other liabilities	424 974	449,866
Current provisions	250 087	240,397
Total current liabilities  Total liabilities	2629021	2,437,069
Total Habilities	3 758 195	3,788,309
Total equity and liabilities	4 320 551	3,946,444
rotal equity and habilities	4 320 551	3,946,



## Appendix 6 - IFRS Cash Flow

In thousands of €	As at Dec. 31, 2015	As at Dec. 31, 2014
Profit/(loss) before tax	(6,047)	(94,520)
Reversal of the following items		
Depreciation and impairment charge on property, plant and equipment	15,277	12,834
Amortization and impairment charge on intangible assets	17,893	36,183
Impairment charge on goodwill		
Changes in provisions and employee benefits	999	46,865
Recognition of share-based payments IPO costs	2,624 8,692	
Profit/(loss) on disposal of assets	(394)	(1,311)
Total net interest costs	127,303	160,011
Redemption premium	56,010	17,063
Amortization of transaction costs	42,340	
Amortization of bond issue premiums		1,415
Other non-cash items	1,465	
Financing costs	227,118	223,984
Operating income before changes in working capital	266,162	224,035
Acquisition of the rental fleet recorded on the balance sheet	(232,851)	(91,466)
Changes in fleet working capital	34,869	(74,025)
Changes in non-fleet working capital	(57,243)	50,018
	\ /	,
Cash generated from operations	10,937	108,562
Income taxes received/paid	(39,669)	(31,447)
Net interest paid	(137,334)	(166,798)
Net cash generated from (used by) operations	(166,066)	(89,683)
Association of the control of the co	(00.470)	(00.570)
Acquisition of intangible assets and property, plant and equipment Proceeds from disposal of intangible assets and property, plant and equipment	(29,172)	(23,578)
Other investments and loans	5,384	3,491 (1,158)
Proceeds from disposal of financial assets	(7,563)	(9,614)
Acquisition of subsidiaries, net of cash acquired (1)	(23,872)	(45,778)
Net cash used by investing activities	(55,223)	(76,637)
Conital in the form of the latest the second (2)	440.000	
Capital increase (net of related expenses) (2) Issuance of bonds(2)	448,203 471,623	350,000
Redemption of bonds <sup>(2)</sup>	(780,010)	(367,063)
Change in other borrowings	123,310	139,699
Payment of transaction costs	(19,820)	(17,336)
Swap cash payment	-	(2,000)
Net cash generated from (used by) financing activities	243,306	103,300
Cash and cash equivalent at beginning of period	206,317	267,038
Net increase/(decrease) in cash and cash equivalents after effect of foreign		
exchange differences	22,018	(63,020)
Effect of foreign exchange differences	1,033	2,299
Cash and cash equivalents at end of period	229,368	206,317

<sup>(1)</sup> Of which, in 2014, the acquisition price net of cash acquired of Ubeeqo and Europhall. In 2015, the payment of the acquisition of E-Car Club. In both years, capital increase of Car2Go and Ubeeqo.

(2) Capital increase and refinancing done in May and June 2015 in the context of IPO.



#### Appendix 7 - Debt

IN Balance Sheet

IN Balance Sheet

In €million	Pricing	Maturity	Dec. 31, 2015	Dec. 31, 2014
High Yield Senior Notes refinanced in 2015			-	724
High Yield Senior Notes (a)	5.75%	2022	475	-
Senior Revolving Facility (€350m)	E+250bps (b)	2020	81	201
FCT Junior Notes, accrued interest not yet due, capitalized financing costs and other			-150	-150
Gross Corporate debt			406	774
Short-term Investments and Cash in operating and entities	d holding		-171	-193
CORPORATE NET DEBT		(A)	235	581
			Dec. 31,	Dec. 31,
In €million	Pricing	Maturity	2015	2014
High Yield EC Finance Notes (a)	5.125%	2021	350	350
Senior asset revolving facility (€1.1bn SARF) (c)	E+170bps	2019	658	418
FCT Junior Notes, accrued interest, financing capitalized costs and other			142	132
UK, Australia and other fleet financing facilities		(d)	509	497
Gross financial fleet debt			1 659	1 396
Cash held in fleet financing entities and Short-term	n fleet investment	s	-161	-113
Fleet net debt in Balance sheet			1 498	1 283
Debt equivalent of fleet operating leases - OFF	Balance Sheet (	(e)	1 323	1 284

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

**TOTAL NET DEBT** 

TOTAL FLEET NET DEBT (incl. op leases)

(B)

(A)+(B)

2 821

3 057

2 567

3 148

<sup>(</sup>c)

Swap instruments covering the SARF structure have been extended to 2019

UK fleet financing maturing in 2017 with a two-year extension option

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