

# EUROPCAR GROUP

First Half 2017 Results

***Europcar***

26 July 2017

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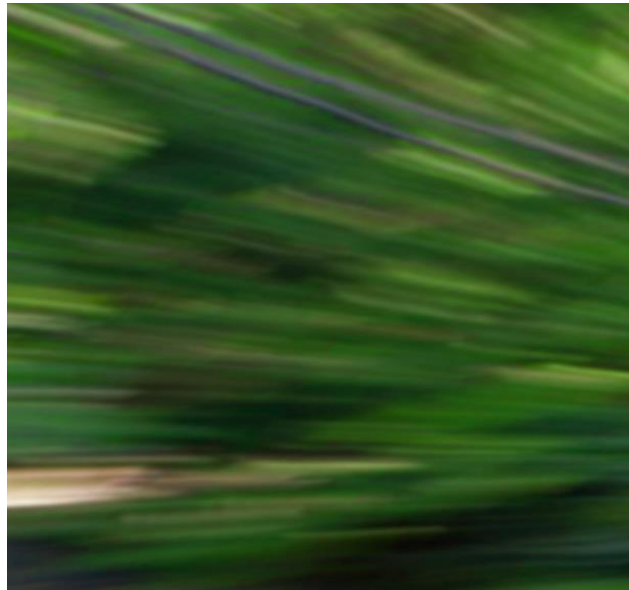
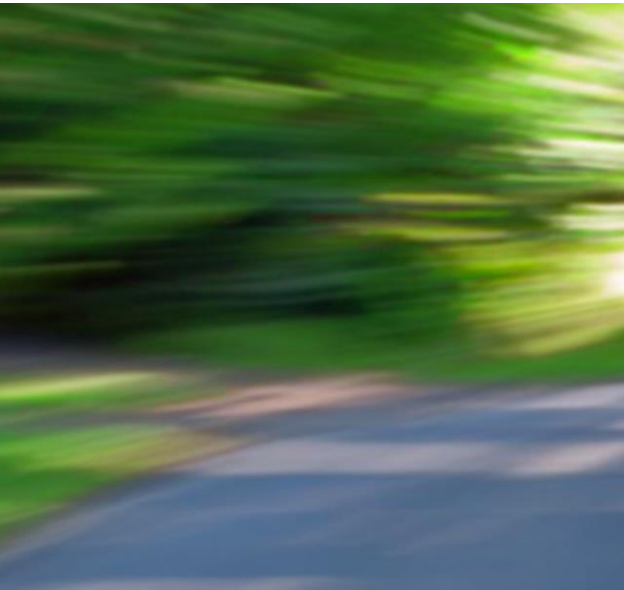
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For all financial or business information, please refer to our IR website at: [finance.europcar-group.com](http://finance.europcar-group.com)

**Speakers:**  
**CAROLINE PAROT**, Europcar Group CEO  
**JEAN-CLAUDE POUPARD**, Europcar Group CFO



# Agenda

- 1 Highlights & Achievements**
- 2 Operating & Financial Performance**
- 3 2017 Guidance**
- 4 Appendix**

# H1 2017 highlights: organic topline growth acceleration coupled with major acquisitions

- ✓ Strong 10.1% growth in revenue of which 4.6% organic
- ✓ Continued improvement in fleet costs per unit down (1.8%) YoY and Fleet utilization rate up 80 bps YoY to 76.3%
- ✓ Good momentum in B2B and commercial partnerships
- ✓ €39 million charge for non recurring expenses due to one-off restructuring costs, transformational consulting and M&A related fees
- ✓ Acquisition strategy accelerates in Q2 with major acquisitions of Buchbinder in Germany and Goldcar in Spain after the acquisition of Danish franchisee
- ✓ Minority investment in peer-to-peer car sharing platform SnappCar in the Netherlands

# Presentation of recently acquired companies

Buchbinder



Goldcar



Snappcar



Europcar Ireland & Denmark



# Transformational M&A strategy ramping up with major acquisitions in the low-cost and vans & trucks segments

## ► Acquisition of Buchbinder

- ❖ C.€200m revenue
- ❖ Europcar to become the #1 player in both Germany and Austria
- ❖ Highly complementary and synergetic transaction
- ❖ Leadership in the German vans & trucks business
- ❖ Unrivalled expertise in the remarketing of risk cars, well positioned low cost business model as well as extensive SME customer base

## ► Acquisition of Goldcar

- ❖ C.€240m revenue and €48m corporate EBITDA<sup>1</sup>
- ❖ Europcar to become the #1 player in Spain and the #1 low-cost operator in Europe
- ❖ Increased exposure to 3 growth engines: the Mediterranean region, the Leisure segment and the low-cost market
- ❖ Transaction is expected to generate €30 million of cost synergies per annum by 2020

## ► Minority investment in SnappCar

- ❖ Europcar will become the #2 peer-to-peer car sharing player in Europe and #1 in Northern Europe
- ❖ 250,000 members and 30,000 registered cars

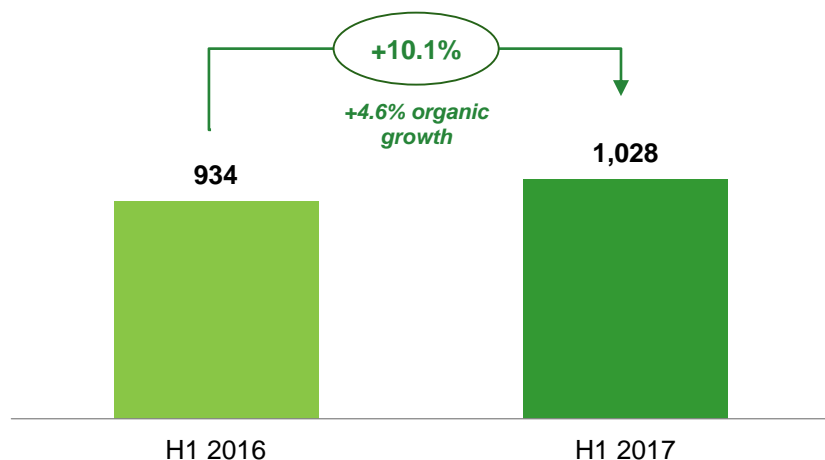
***Target of at least €500m of additional revenue through acquisitions by 2020 achieved***

# Agenda

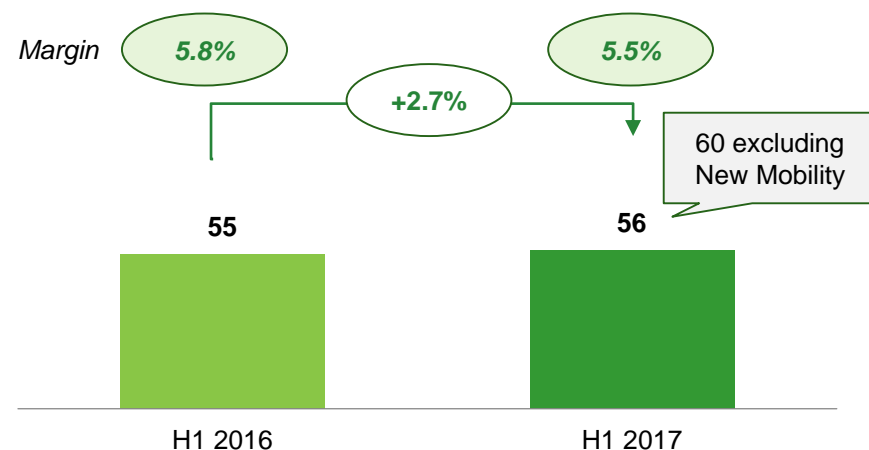
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# H1 2017 Financials

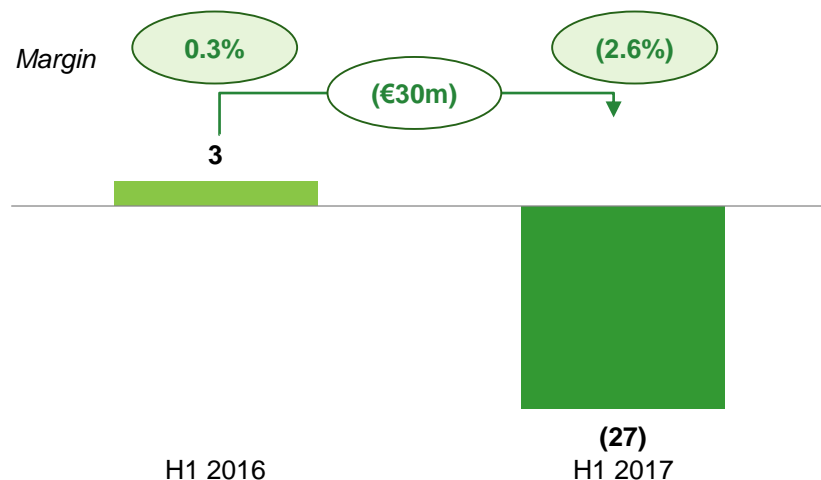
## Revenue (€m and % growth)



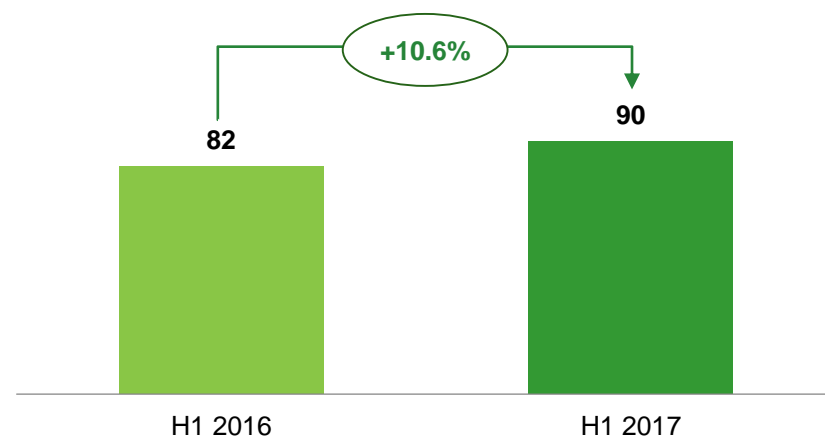
## Adjusted Corporate EBITDA (€m, % growth and % margin)



## Net income (€m and % margin)



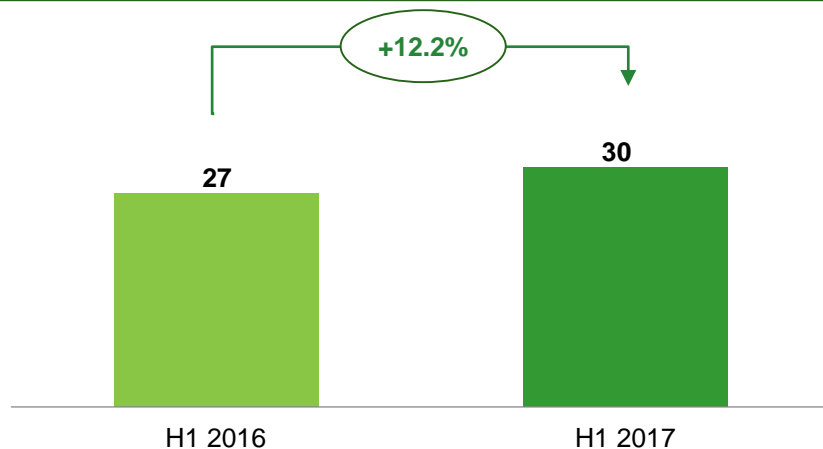
## Corp. operating free cash flow (€m)



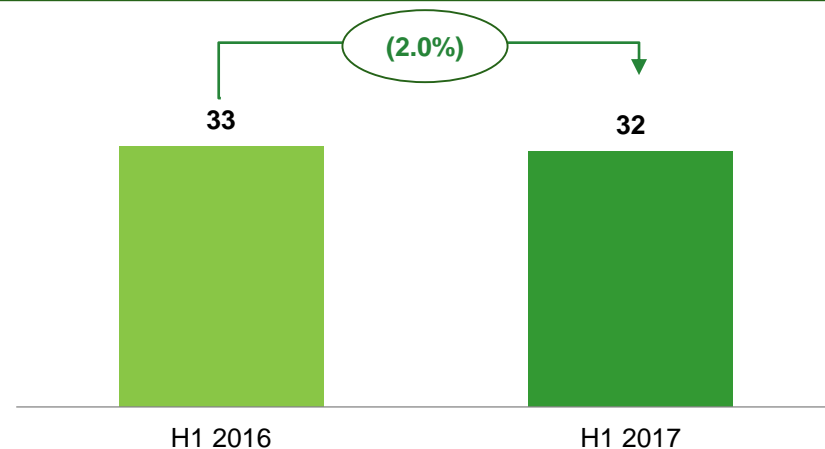
**Double-digit growth in revenue and free cash flow**

# H1 2017 KPIs

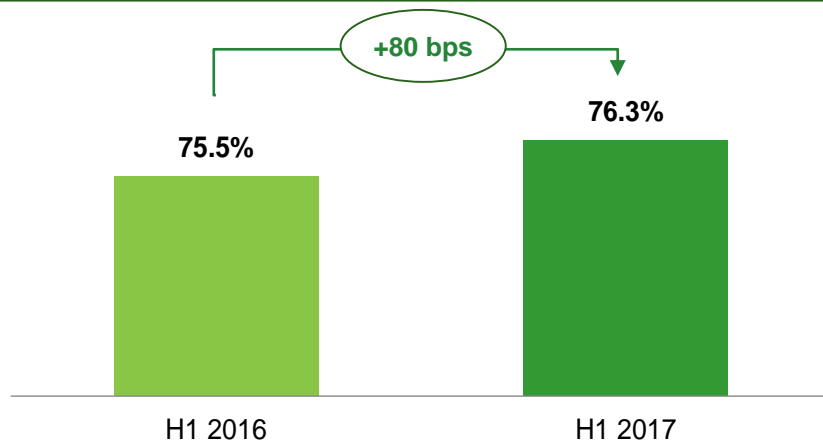
Rental day volume (million and % growth)



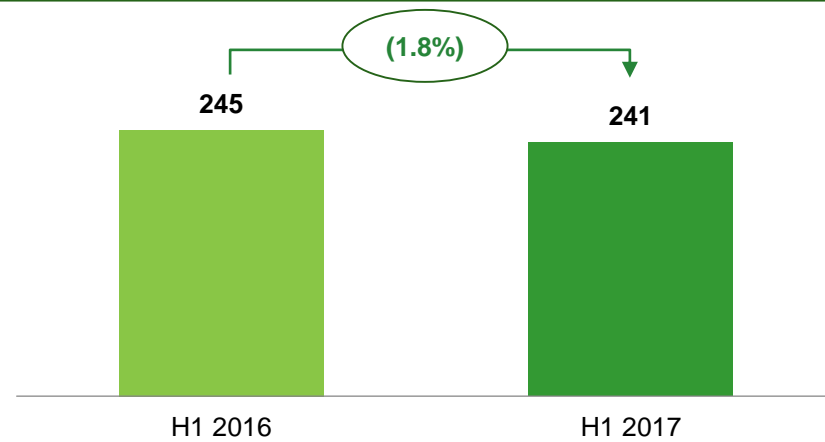
Blended RPD (€ and % growth)



Utilization rate (% and increase in bps)



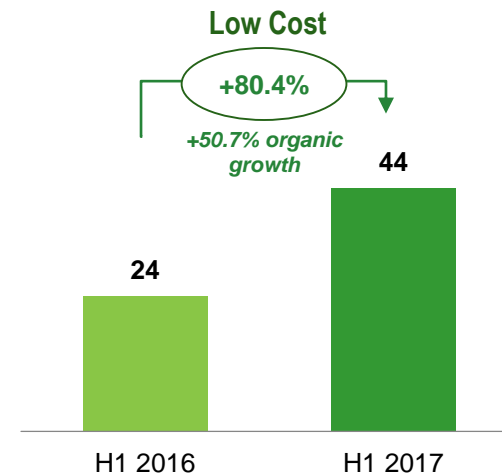
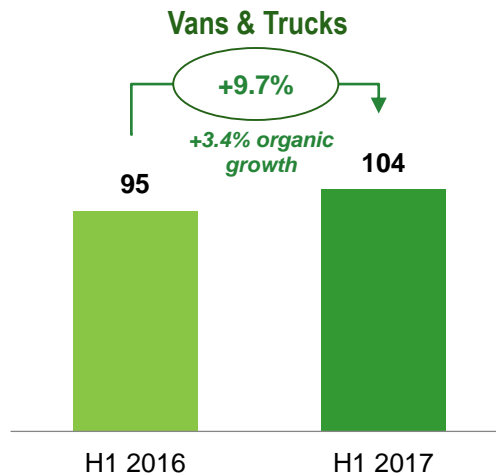
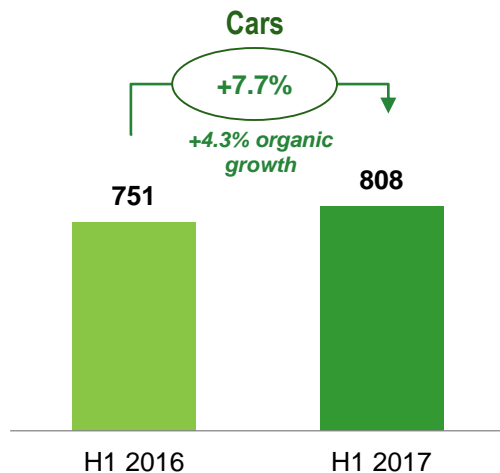
Fleet costs per unit per month (€ and % growth)



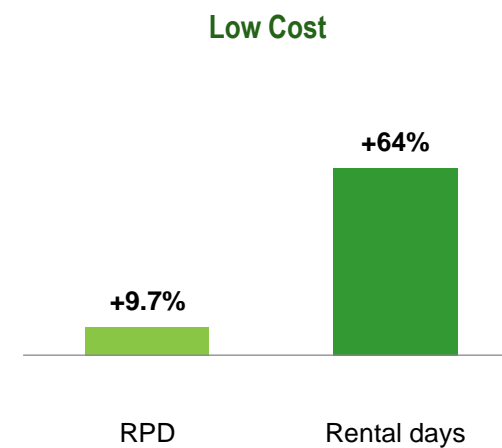
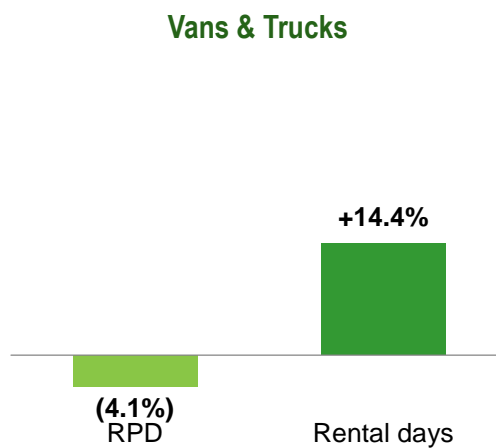
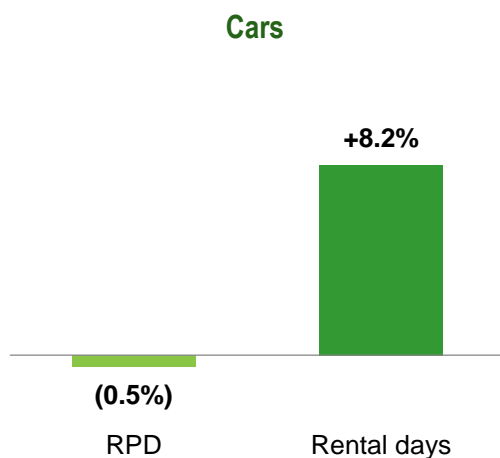
*Double-digit rental day volume growth,  
improvement in both utilization and unitary fleet costs*

# H1 2017 revenue by Business Unit

## Rental Revenue (€m and % growth)

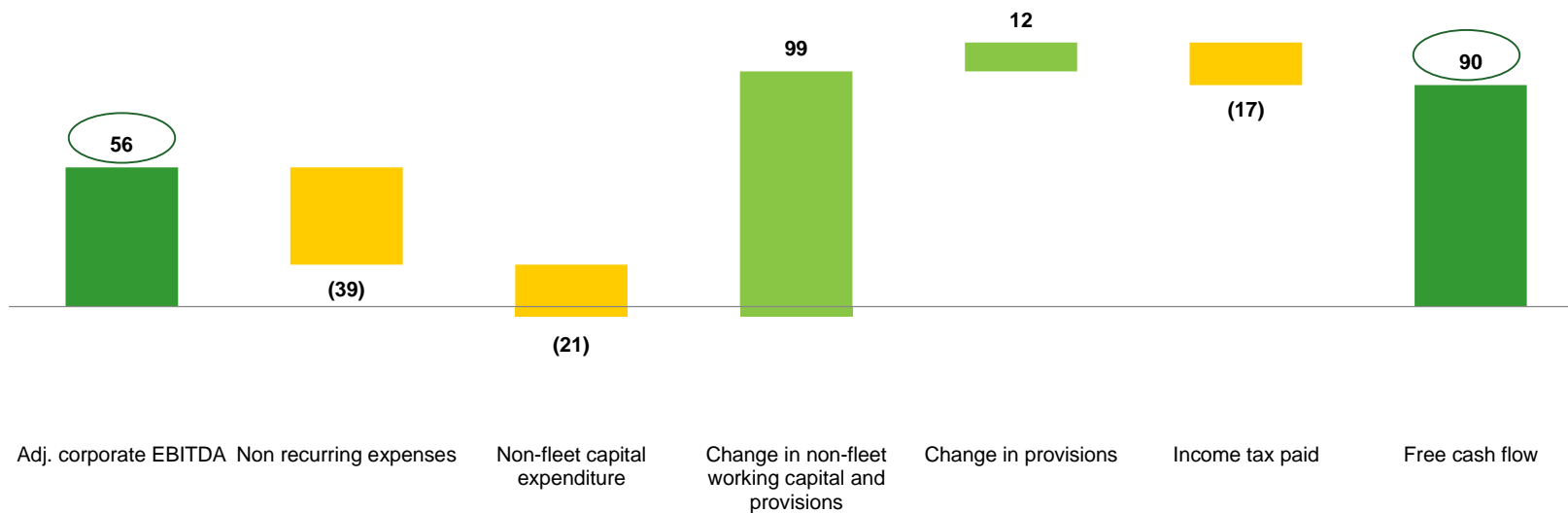


## KPIs (% YoY growth)



# H1 2017 Corporate Operating Free Cash Flow

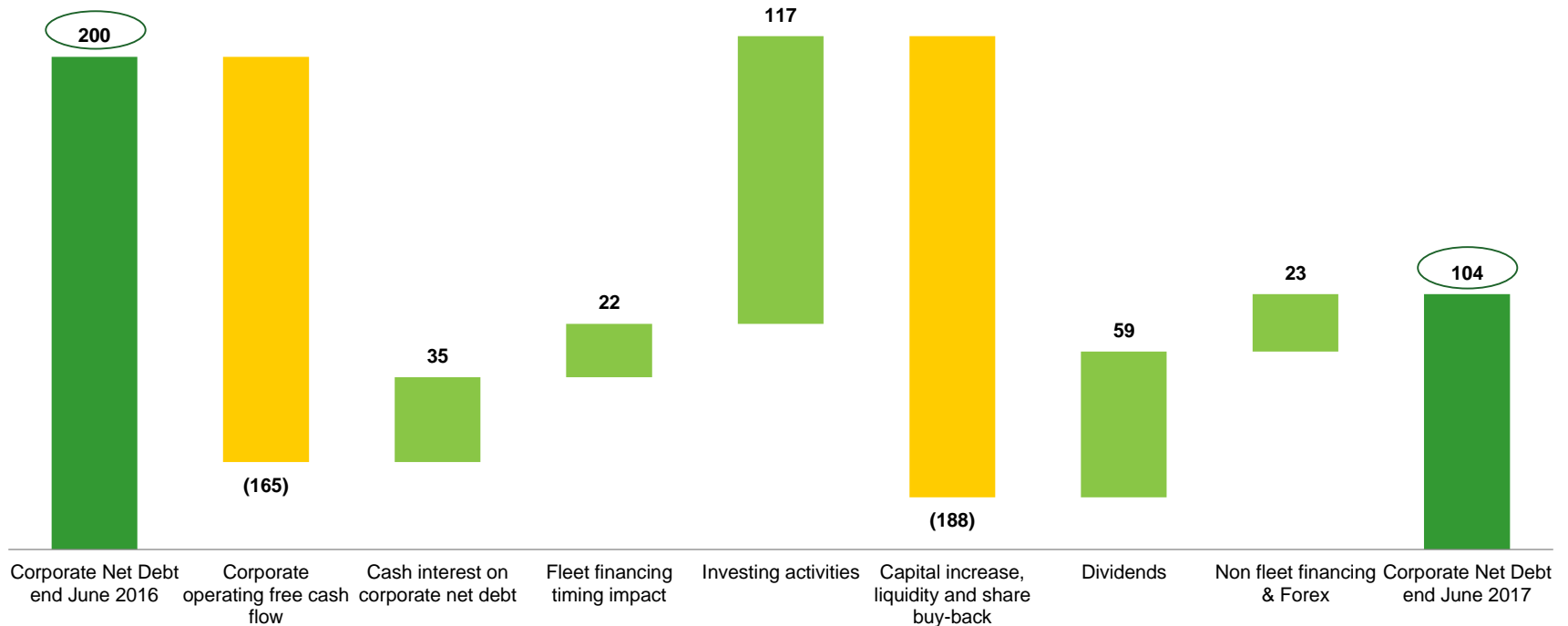
Figures in €m



**Strong improvement in Free Cash Flow**

# Corporate Net Debt at €104m as of end June 2017

Figures in €m



**Significant deleveraging post capital increase**

# Agenda

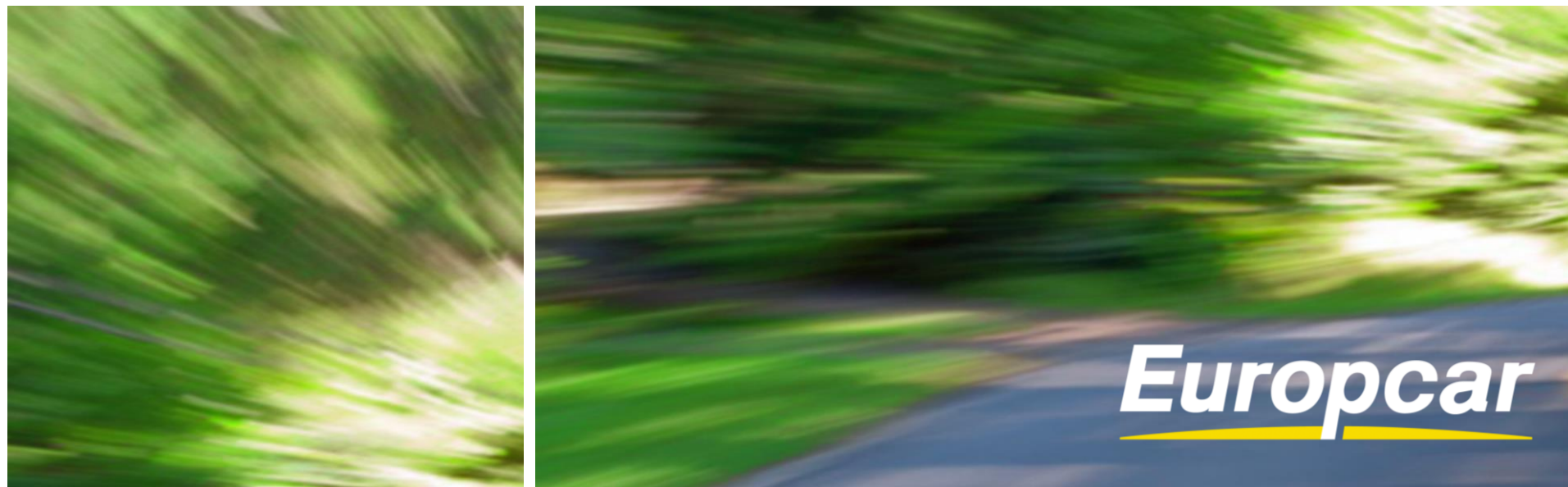
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# 2017 Guidance

FY 2017 guidance	FY 2017
Accelerating positive organic revenue growth	>3%
Increase in Adjusted Corporate EBITDA margin <sup>1</sup>	>11.8%
FCF conversion	>50%
Dividend payout ratio	>30%

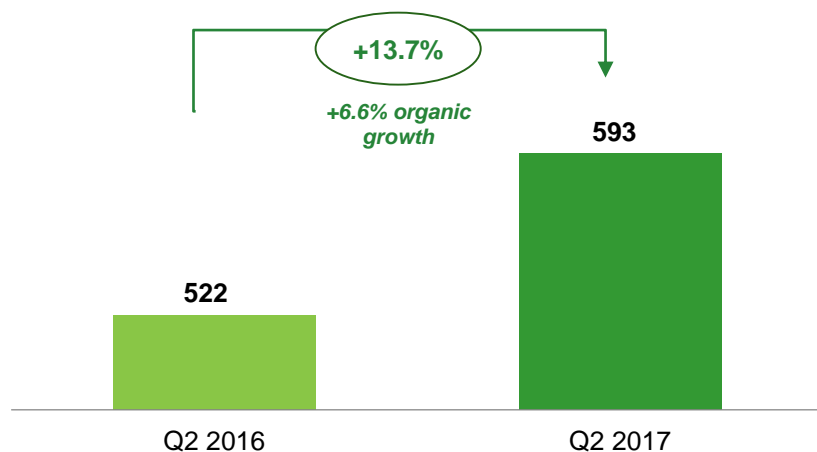
***2017 Guidance confirmed***

# Appendix

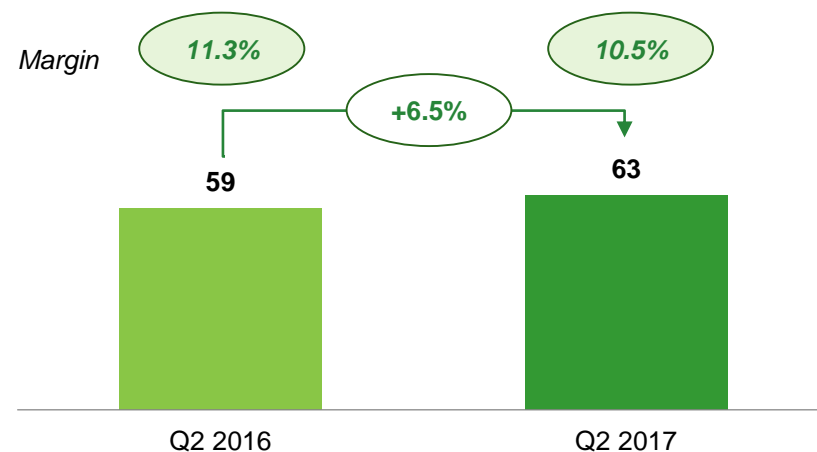


# Q2 2017 Financials

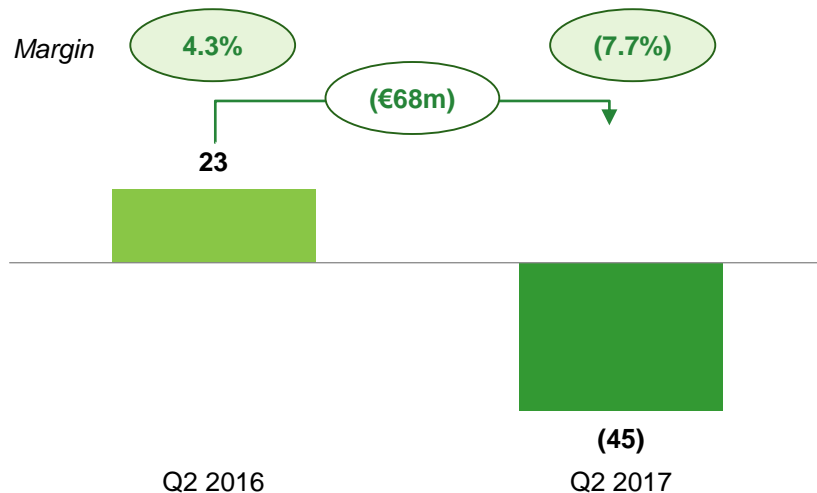
## Revenue (€m and % growth)



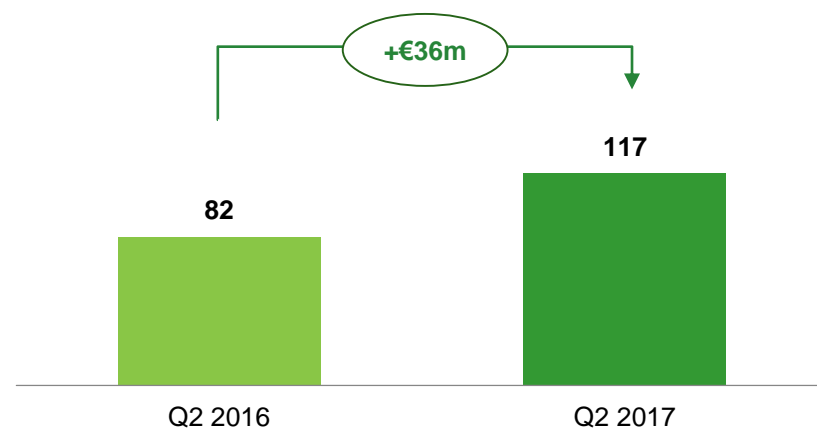
## Adjusted Corporate EBITDA (€m, % growth and % margin)



## Net income (€m and % margin)

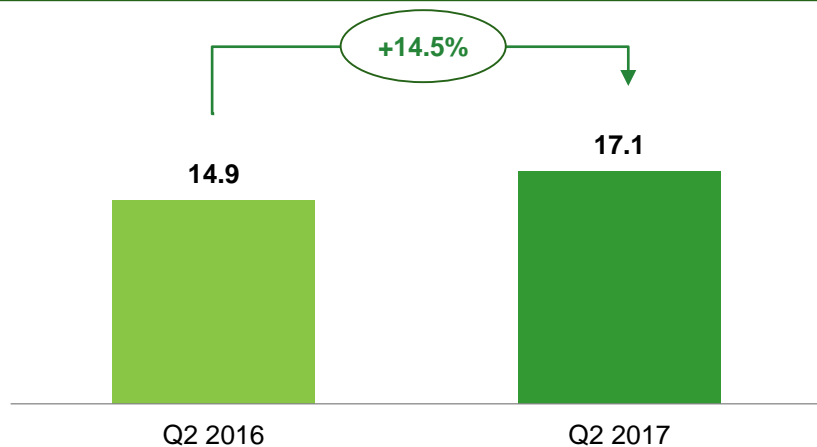


## Corp. operating free cash flow (€m)

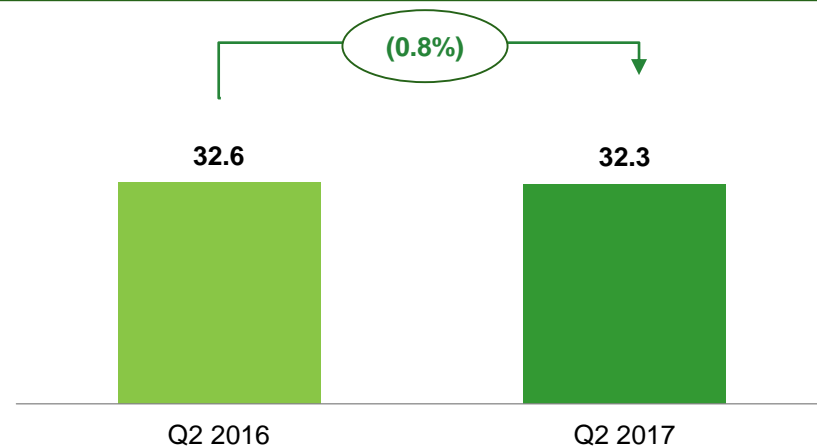


## Q2 2017 KPIs

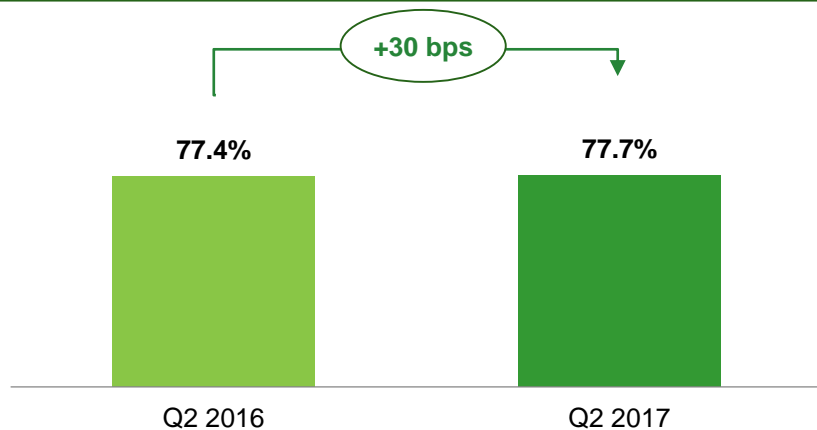
Rental day volume (million and % growth)



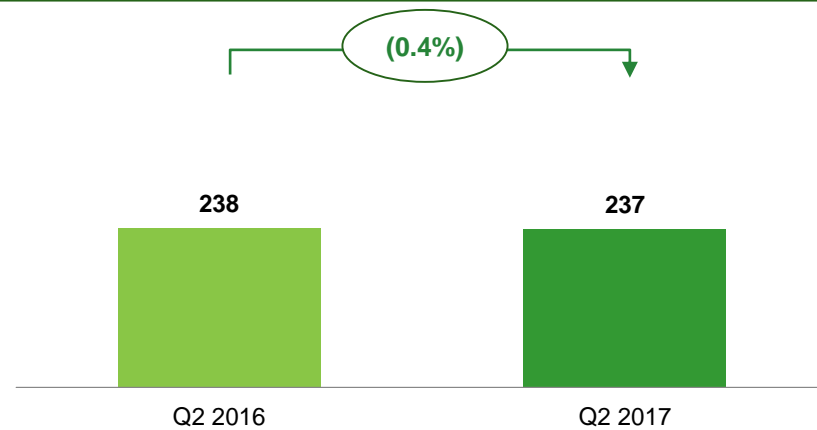
Blended RPD (€ and % growth)



Utilization rate (% and increase in bps)

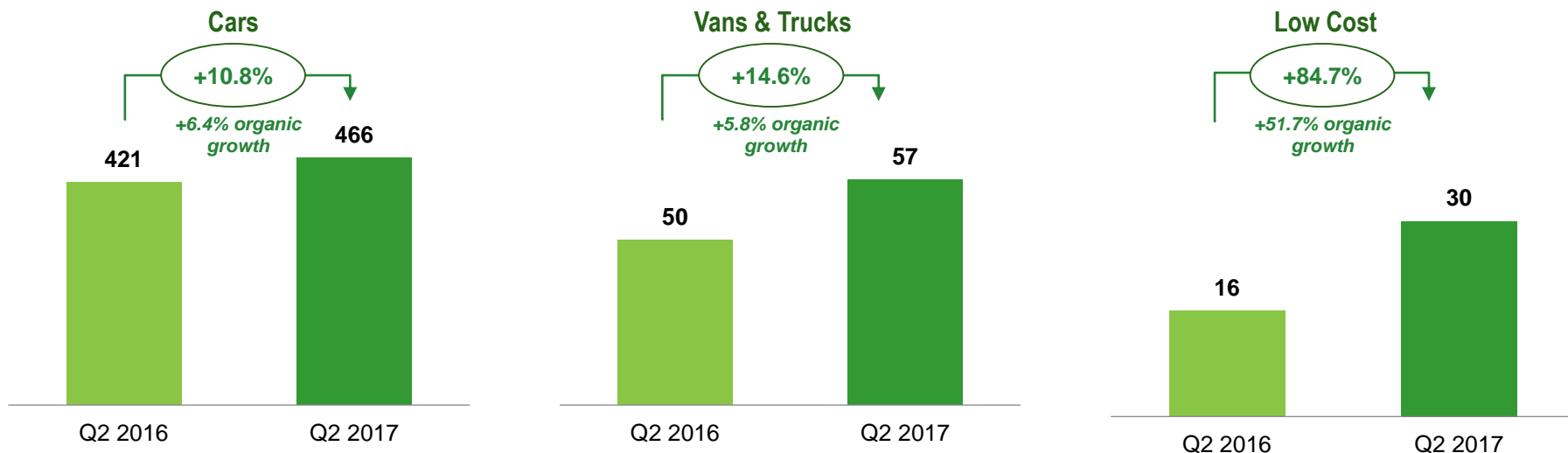


Fleet costs per unit per month (€ and % growth)

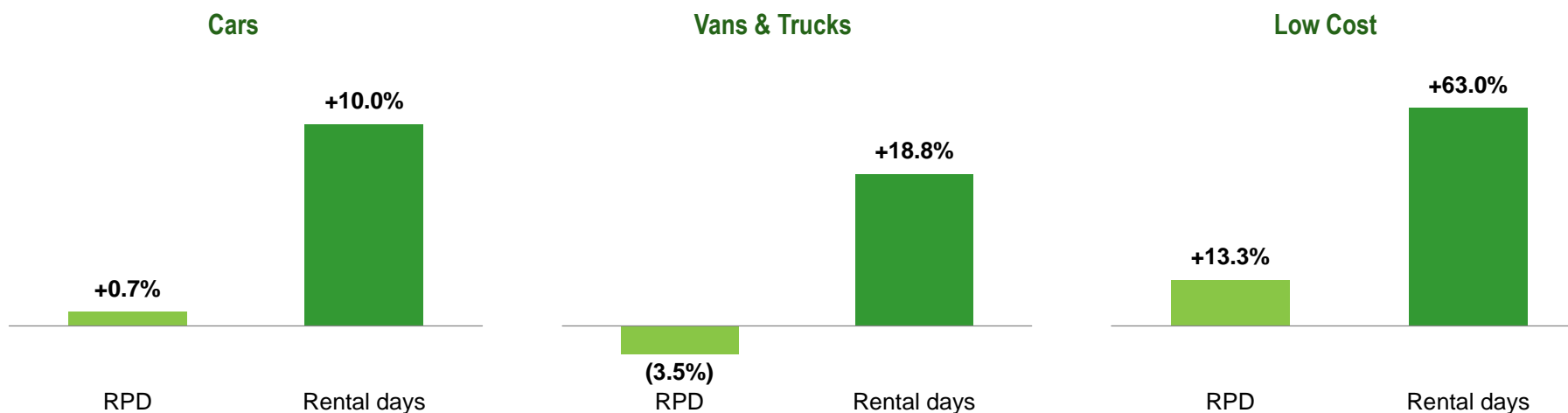


# Q2 2017 revenue by Business Unit

## Rental Revenue (€m and % growth)



## KPIs (% YoY growth)



# Key financial metrics for H1 2017

All data in €m, except if noted	H1 2017	H1 2016	Change	Change at constant currency*
<b>Revenues**</b>	<b>1,028</b>	<b>948</b>	<b>8.4%</b>	<b>10.1%</b>
<b>Rental Revenues</b>	<b>956</b>	<b>883</b>	<b>8.3%</b>	<b>9.9%</b>
Rental Day Volume (million)	30.0	26.7	12.2%	
Consolidated RPD (€)	31.9	33.0	-3.5%	-2.0%
Average duration (day)	5.8	5.7	1.6%	
Average Fleet (thousand)***	217.1	194.7	11.5%	
Average Per unit fleet costs per month (€)	(241)	(250)	-3.6%	
Financial utilization rate	76.3%	75.5%	+0.8pt	
<b>Adjusted Corporate EBITDA</b>	<b>56.4</b>	<b>54.7</b>	<b>3.0%</b>	<b>2.7%</b>
<i>Adjusted Corporate EBITDA Margin</i>	5.5%	5.8%	(0.3)pt	
<b>Corporate Operating Free Cash Flow</b>	<b>90</b>	<b>82</b>	<b>10.6%</b>	
<b>Last Twelve Months Adjusted Corporate EBITDA</b>	<b>255</b>	<b>245</b>	<b>4.3%</b>	
<i>LTM Adjusted Corporate EBITDA Margin</i>	11.5%	11.5%	(0.0)pt	
Operating Income IFRS	32	72	-55.7%	
<b>Net Income IFRS</b>	<b>(27.0)</b>	<b>2.8</b>	<b>n.m</b>	
Corporate Net Debt at end of the period	104	200		
Total Fleet Net Debt at the end of the period (inc. Operating leases)	4,037	3,555	13.6%	

\* UK pound and Australian dollar

\*\* Total revenues excluding petrol income increase 10,1% at constant currency,

\*\*\* Total fleet Cars & vans at quarter end 284,5 k as of June 30, 2017 vs 245,8 k as of June 30, 2016.

# Key financial metrics for Q2 2017

All data in €m, except if noted	Q2 2017	Q2 2016	Change	Change at constant currency*
<b>Revenues**</b>	<b>593</b>	<b>530</b>	<b>11.8%</b>	<b>13.7%</b>
<b>Rental Revenues</b>	<b>553</b>	<b>495</b>	<b>11.8%</b>	<b>13.6%</b>
Rental Day Volume (million)	17.1	14.9	14.5%	
Consolidated RPD (€)	32.3	33.1	-2.4%	-0.8%
Average duration (day)	5.9	5.6	4.5%	
Average Fleet (thousand)***	241.8	212.1	14.0%	
Average Per unit fleet costs per month (€)	(237)	(242)	-2.0%	
Financial utilization rate	77.7%	77.4%	+0.3pt	
<b>Adjusted Corporate EBITDA</b>	<b>62.5</b>	<b>59.4</b>	<b>5.2%</b>	<b>6.5%</b>
<i>Adjusted Corporate EBITDA Margin</i>	10.5%	11.2%	(0.7)pt	
<b>Corporate Operating Free Cash Flow</b>	<b>117</b>	<b>82</b>	<b>43.6%</b>	
<b>Last Twelve Months Adjusted Corporate EBITDA</b>	<b>255</b>	<b>245</b>	<b>4.3%</b>	
<b>LTM Adjusted Corporate EBITDA Margin</b>	11.5%	11.5%	(0.0)pt	
Operating Income IFRS	(9)	65	-113.7%	
<b>Net Income IFRS</b>	<b>(45.5)</b>	<b>22.9</b>	<b>n.m</b>	
Corporate Net Debt at end of the period	104	200		
Total Fleet Net Debt at the end of the period (inc. Operating leases)	4,037	3,555	13.6%	

\* UK pound and Australian dollar

\*\* Total revenues excluding petrol income increase 10,1% at constant currency,

\*\*\* Total fleet Cars & vans at quarter end 284,5 k as of June 30, 2017 vs 245,8 k as of June 30, 2016.

# Management P&L H1 & Q2 2017

Q2 2017	Q2 2016	All data in €m	H1 2017	H1 2016
<b>593.0</b>	<b>530.4</b>	<b>Total revenue</b>	<b>1,027.8</b>	<b>947.9</b>
(135.8)	(121.1)	Fleet holding costs, excluding estimated interest included in operating leases	(242.6)	(226.0)
(209.5)	(181.5)	Fleet operating, rental and revenue related costs	(371.3)	(336.9)
(100.7)	(86.4)	Personnel costs	(191.2)	(169.6)
(61.9)	(57.6)	Network and head office overhead	(120.6)	(111.0)
3.5	2.7	Other income and expense	3.9	2.5
<b>(159.1)</b>	<b>(141.3)</b>	<b>Personnel costs, network and head office overhead, IT and other</b>	<b>(307.9)</b>	<b>(278.1)</b>
(14.5)	(15.0)	Net fleet financing expense	(28.2)	(29.8)
(11.6)	(11.9)	Estimated interest included in operating leases	(21.4)	(22.4)
<b>(26.1)</b>	<b>(26.9)</b>	<b>Fleet financing expenses, including estimated interest included in operating leases</b>	<b>(49.7)</b>	<b>(52.2)</b>
<b>62.5</b>	<b>59.4</b>	<b>Adjusted Corporate EBITDA</b>	<b>56.4</b>	<b>54.7</b>
<b>10.5%</b>	<b>11.2%</b>	<b>Margin</b>	<b>5.5%</b>	<b>5.8%</b>
(7.6)	(7.7)	Depreciation – excluding vehicle fleet	(14.2)	(15.9)
(78.4)	(1.5)	Other operating income and expenses	(38.5)	3.3
(14.4)	(12.8)	Other financing income and expense not related to the fleet	(29.8)	(25.4)
<b>(37.8)</b>	<b>37.5</b>	<b>Profit/loss before tax</b>	<b>(26.2)</b>	<b>16.8</b>
(5.0)	(14.7)	Income tax	5.0	(11.0)
(2.7)	0.1	Share of profit/(loss) of associates	(5.8)	(2.9)
<b>(45.5)</b>	<b>22.9</b>	<b>Net profit/(loss)</b>	<b>(27.0)</b>	<b>2.8</b>

# IFRS P&L Q2 & H1 2017

Q2 2017	Q2 2016	All data in €m	H1 2017	H1 2016
<b>593.0</b>	<b>530.4</b>	<b>Total revenue</b>	<b>1,027.8</b>	<b>947.9</b>
(147.3)	(133.0)	Fleet holding costs	(264.0)	(248.5)
(209.5)	(181.5)	Fleet operating, rental and revenue related costs	(371.3)	(336.9)
(100.7)	(86.4)	Personnel costs	(191.2)	(169.6)
(61.9)	(57.6)	Network and head office overhead	(120.6)	(111.0)
3.5	2.7	Other income and expense	3.9	2.5
(7.6)	(7.7)	Depreciation – excluding vehicle fleet	(14.2)	(15.9)
<b>69.4</b>	<b>66.8</b>	<b>Recurring operating income</b>	<b>70.4</b>	<b>68.6</b>
(78.4)	(1.5)	Other non-recurring income and expenses	(38.5)	3.3
<b>(9.0)</b>	<b>65.3</b>	<b>Operating income</b>	<b>31.8</b>	<b>71.9</b>
(28.9)	(27.8)	Net financing costs	(58.0)	(55.1)
<b>(37.8)</b>	<b>37.5</b>	<b>Profit/(loss) before tax</b>	<b>(26.2)</b>	<b>16.8</b>
(5.0)	(14.7)	Income tax	5.0	(11.0)
(2.7)	0.1	Share of profit/(loss) of associates	(5.8)	(2.9)
<b>(45.5)</b>	<b>22.9</b>	<b>Net profit/(loss)</b>	<b>(27.0)</b>	<b>2.8</b>
<b>(45.4)</b>	<b>22.9</b>	<b>Net profit/(loss) attributable to Europcar owners</b>	<b>(26.8)</b>	<b>2.9</b>

# Reconciliation Q2 & H1 2017

Q2 2017	Q2 2016	All data in €m	H1 2017	H1 2016
<b>198.5</b>	<b>183.8</b>	<b>Adjusted Consolidated EBITDA</b>	<b>298.7</b>	<b>287.0</b>
(53.2)	(46.1)	Fleet depreciation IFRS	(92.5)	(87.3)
(56.6)	(51.3)	Fleet depreciation included in operating lease rents	(100.2)	(92.8)
<b>(109.9)</b>	<b>(97.4)</b>	<b>Total Fleet depreciation</b>	<b>(192.7)</b>	<b>(180.1)</b>
(11.6)	(11.9)	Interest expense related to fleet operating leases (estimated)	(21.4)	(22.4)
(14.5)	(15.0)	Net fleet financing expenses	(28.2)	(29.8)
<b>(26.1)</b>	<b>(26.9)</b>	<b>Total Fleet financing</b>	<b>(49.7)</b>	<b>(52.2)</b>
<b>62.5</b>	<b>59.4</b>	<b>Adjusted Corporate EBITDA</b>	<b>56.4</b>	<b>54.7</b>
(7.6)	(7.7)	Amortization, depreciation and impairment expense	(14.2)	(15.9)
14.5	15.0	Reversal of Net fleet financing expenses	28.2	29.8
11.6	11.9	Reversal of Interest expense related to fleet operating leases (estimated)	21.4	22.4
<b>81.0</b>	<b>78.7</b>	<b>Adjusted recurring operating income</b>	<b>91.8</b>	<b>91.1</b>
(11.6)	(11.9)	Interest expense related to fleet operating leases (estimated)	(21.4)	(22.4)
<b>69.4</b>	<b>66.8</b>	<b>Recurring operating income</b>	<b>70.4</b>	<b>68.6</b>

# Management Cash flow

Q2 2017	Q2 2016	All data in €m	H1 2017	H1 2016
<b>62</b>	<b>60</b>	<b>Adjusted Corporate EBITDA</b>	<b>56</b>	<b>55</b>
(34)	(2)	Non-recurring expenses	(39)	3
(9)	(7)	Non-fleet capital expenditure (net of proceeds from disposals)	(21)	(13)
109	30	Changes in non-fleet working capital and provisions	111	37
(11)	1	Income tax paid	(17)	-
<b>117</b>	<b>82</b>	<b>Corporate Operating Free Cash Flow</b>	<b>90</b>	<b>82</b>
(17)	(13)	Cash interest paid on corporate High Yield bonds	(17)	(13)
<b>100</b>	<b>69</b>	<b>Cash flow before change in fleet asset base, financing and other investing activities</b>	<b>73</b>	<b>69</b>
(76)	(1)	Other investing activities	(76)	(1)
(43)	(120)	Change in fleet asset base, net of drawings on fleet financing and working capital facilities	(64)	(150)
170	-	Capital increase	192	-
(59)	-	Dividends	(59)	-
-	131	Change in Corporate High Yield	-	131
-	(3)	Transaction cost cash out and swap impact	-	(3)
<b>93</b>	<b>76</b>	<b>Net change in cash before FX effect</b>	<b>66</b>	<b>46</b>
(0)	-	Cash and cash equivalents at beginning of period	249	229
11	(1)	Effect of foreign exchange conversions	(2)	(1)
<b>81</b>	<b>75</b>	<b>Cash and cash equivalents at end of period</b>	<b>317</b>	<b>274</b>

# Financing structure as of June 30, 2017

€million	Pricing	Maturity	Jun. 30, 2017	Jun. 30, 2016
High Yield Senior Notes (a)	5.75%	2022	600	600
Senior Revolving Facility (€350m)	E+250bps (b)	2020	0	0
FCT Junior Notes, accrued interest not yet due, capitalized financing costs and other			(222)	(189)
<b>Gross Corporate debt</b>			<b>378</b>	<b>411</b>
Short-term Investments and Cash in operating and holding entities			(275)	(211)
<b>CORPORATE NET DEBT</b>		<b>(A)</b>	<b>104</b>	<b>200</b>

€million	Pricing	Maturity	Jun. 30, 2017	Jun. 30, 2016
High Yield EC Finance Notes (a)	5.125%	2021	350	350
Senior asset revolving facility (€1.3bn SARF) (c)	E+150bps	2020	878	859
FCT Junior Notes, accrued interest, financing capitalized costs and other			218	174
UK, Australia and other fleet financing facilities		Various (d)	693	509
<b>Gross financial fleet debt</b>			<b>2 139</b>	<b>1 892</b>
Cash held in fleet financing entities and Short-term fleet investments			(130)	(148)
<b>Fleet net debt in Balance sheet</b>			<b>2 009</b>	<b>1 744</b>
<b>Debt equivalent of fleet operating leases - OFF Balance Sheet (e)</b>			<b>2 028</b>	<b>1 811</b>
<b>TOTAL FLEET NET DEBT (incl. op leases)</b>		<b>(B)</b>	<b>4 037</b>	<b>3 555</b>
<b>TOTAL NET DEBT</b>		<b>(A)+(B)</b>	<b>4 140</b>	<b>3 755</b>

Average Fleet net debt for H1 2017		
average	In balance sheet	1,676
	Off Balance Sheet	1,648
	<b>Total Fleet net debt</b>	<b>3,325</b>
LTV	Indebtedness at the testing date	1,285
	Total value of the net assets	1,462
	<b>Loan to value ratio</b>	<b>88%</b>

- (a) These bonds are listed on the Luxembourg Stock Exchange. The corresponding prospectus is available on Luxembourg Stock Exchange [website](http://www.bourse.lu/Accueil.jsp) (<http://www.bourse.lu/Accueil.jsp>)
- (b) Depending on the leverage ratio
- (c) Swap instruments covering the SARF structure have been extended to 2020
- (d) UK fleet financing maturing in 2018 with one year extension option
- (e) 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).

# Balance Sheet

<i>In € thousands</i>	At June 30, 2017	At Dec. 31, 2016
<b>Assets</b>		
Goodwill	557,009	459,496
Intangible assets	726,181	715,209
Property, plant and equipment	104,118	84,102
Equity-accounted investments	-	14,083
Other non-current financial assets	58,103	67,820
Financial instruments non-current	1,210	-
Deferred tax assets	64,377	58,743
<b>Total non-current assets</b>	<b>1,510,998</b>	<b>1,399,453</b>
Inventory	21,324	16,843
Rental fleet recorded on the balance sheet	2,384,263	1,640,251
Rental fleet and related receivables	746,579	720,623
Trade and other receivables	385,377	365,200
Current financial assets	47,952	77,003
Current tax assets	52,934	35,585
Restricted cash	110,394	105,229
Cash and cash equivalents	213,518	154,577
<b>Total current assets</b>	<b>3,962,341</b>	<b>3,115,311</b>
<b>Total assets</b>	<b>5,473,339</b>	<b>4,514,764</b>
<b>Equity</b>		
Share capital	161,031	143,409
Share premium	747,497	647,514
Reserves	(104,239)	(111,681)
Retained earnings (losses)	(51,911)	(48,706)
<b>Total equity attributable to the owners of ECG</b>	<b>752,378</b>	<b>630,536</b>
Non-controlling interests	875	730
<b>Total equity</b>	<b>753,253</b>	<b>631,266</b>
<b>Liabilities</b>		
Financial liabilities	959,892	953,240
Non-current financial instruments	41,060	56,216
Employee benefit liabilities	136,148	139,897
Non-current provisions	31,976	18,640
Deferred tax liabilities	123,898	107,848
Other non-current liabilities	221	246
<b>Total non-current liabilities</b>	<b>1,293,195</b>	<b>1,276,087</b>
Current portion of financial liabilities	1,557,404	1,224,442
Employee benefits	3,247	3,247
Current tax liabilities	41,184	39,227
Rental fleet related payables	1,013,096	679,678
Trade payables and other liabilities	588,117	440,065
Current provisions	223,843	220,752
<b>Total current liabilities</b>	<b>3,426,891</b>	<b>2,607,411</b>
<b>Total liabilities</b>	<b>4,720,086</b>	<b>3,883,498</b>
<b>Total equity and liabilities</b>	<b>5,473,339</b>	<b>4,514,764</b>

## IFRS Cash Flow

<i>In € thousands</i>	First-half 2017	First-half 2016
<b>Profit/(loss) before tax</b>	<b>(26,222)</b>	<b>16,756</b>
<b>Reversal of the following items</b>		
Depreciation and impairment expenses on property, plant and equipment	8,580	7,292
Amortization and impairment expenses on intangible assets	5,726	8,566
Changes in provisions and employee benefits (1)	11,783	(33,482)
Recognition of share-based payments	2,764	2,450
Profit/(loss) on disposal of assets	(30)	(62)
Total net interest costs	49,404	47,101
Amortization of transaction costs	3,865	3,734
Other non-cash items	(1,139)	440
<b>Net financing costs</b>	<b>52,100</b>	<b>51,213</b>
<b>Net cash from operations before changes in working capital</b>	<b>54,731</b>	<b>52,795</b>
Changes to the rental fleet recorded on the balance sheet (2)	(612,182)	(478,053)
Changes in fleet working capital	290,806	158,226
Changes in non-fleet working capital	101,874	73,334
<b>Cash generated from operations</b>	<b>(164,771)</b>	<b>(193,698)</b>
Income taxes received/paid (3)	(17,148)	63
Net interest paid	(49,386)	(46,786)
<b>Net cash generated from (used by) operating activities</b>	<b>(231,305)</b>	<b>(240,421)</b>
Acquisition of intangible assets and property, plant and equipment (4)	(22,349)	(16,294)
Proceeds from disposal of intangible assets and property, plant and equipment	1,287	3,382
Other investments and loans (5)	(77,420)	2,756
<b>Net cash used by investing activities</b>	<b>(98,482)</b>	<b>(10,156)</b>
Capital increase (net of related expenses) (6)	192,440	-
Dividends received / paid	(59,366)	-
Issuance of bonds	-	130,625
(Purchases) / Sales of treasury shares net	(520)	(2,800)
Change in other borrowings (7)	263,630	171,608
Payment of transaction costs	(563)	(2,447)
<b>Net cash generated from (used by) financing activities</b>	<b>395,621</b>	<b>296,986</b>
<b>Cash and cash equivalent at beginning of period</b>	<b>248,507</b>	<b>229,368</b>
Net increase/(decrease) in cash and cash equivalents after effect of foreign exchange differences	65,834	46,409
Changes in scope (8)	2,988	-
Effect of foreign exchange differences	(783)	(997)
<b>Cash and cash equivalents at end of period</b>	<b>316,546</b>	<b>274,780</b>

(1) In 2017, the reversal of provision for disputes with French Competition Authority €45 million and the accrual of provision for UK litigation for (€44 million).

(2) Given the average holding period for the fleet, the Group reports vehicles as current assets at the beginning of the contract. Their change from period to period is therefore similar to operating flows generated by the activity.

(3) The increase of tax cash-out in H1 2017 versus H1 2016 is mainly due to prior year's regularizations in H1 2016 in UK and Spain. The cash out in H1 2017 amounts to (€17million) and is due to regular cash out mainly in UK (€6 million), Germany (€5 million) and France (€3 million).

(4) Mainly related to IT cost capitalized (€9,9m); other & technical equipment for (€11,5m).

(5) Of which Denmark franchisee acquisition price (€51.7 million), Ubeeqo minority's stake acquisition price (€7 million), minority stake in a start-up SnappCar (€4.9 million), deposits and sureties (€6.7 million) and business acquisition of Australian franchisee (€1.7 million).

(6) Of which €21.7 million Capital increase reserved for employees (ESOP) and €170.7 million Capital increase on private placement.

(7) Related to drawing variation under Senior Notes (SARF).

(8) Due to the change of Ubeeqo consolidation method from equity method to full consolidation starting March 1, 2017.

## Glossary (1/2)

- **Business customers:** include corporations, small and medium-sized businesses, government agencies and other organizations which rent cars as well as entities renting cars to provide vehicle replacement services
- **Corporate countries:** countries where Europcar owns and operates its own network, where corporate-operated stations are located (Germany, UK, France, Italy, Spain, Portugal, Belgium and Australia/New Zealand)
- **Adjusted Corporate EBITDA:** EBITDA less fleet depreciation, fleet operating lease rents and fleet financing costs
- **Fleet:** all vehicles operated by the car rental company available or not for rent which includes cars and vans
- **Fleet Cost per Unit per month:** defined as total monthly fleet costs (including fleet holding and fleet operating costs but excluding financial interests) divided by the average fleet over the period
- **Fleet holding costs:** include (A) Costs related to rental fleet agreements, which consist of (i) “depreciation” expense relating both to vehicles purchased with manufacturer or dealer buy-back commitments and to “at risk” vehicles (based, with respect to vehicles purchased with a buy-back commitment, on monthly depreciation rates negotiated under the buy-back agreements, net of volume rebates, and with respect to “at risk” vehicles, to the difference between the acquisition cost of the vehicles and the estimated residual value, the value of “at risk” vehicles being adjusted monthly on the basis of the vehicles’ market values) and (ii) charges under operating leases; (B) Acquisition and sale-related costs, which include principally (i) the cost of vehicle accessories; (ii) costs relating to the conditioning of new vehicles; and (iii) costs relating to disposal of used vehicles and of vehicles purchased in connection with buy-back programs; and (C) Taxes on vehicles.
- **Fleet operating, rental and revenue related costs:** include (A) Fleet operating costs, which include repairs and maintenance costs and costs incurred for damaged and stolen cars, as well as the costs of reconditioning vehicles for repurchase by the car manufacturer or dealer; (B) insurance (the costs of car insurance covering civil liability and damage to vehicles, as well as self-insurance costs); (C) Revenue-related commissions and fees, which include commissions paid to agents, such as personnel costs and station overhead (excluding vehicle fleet), as well as commissions paid to travel agents, brokers and other commercial partners and fees and taxes paid for airport and train station concessions; and (D) Rental related costs, which include the cost of transferring vehicles from one site to another, vehicle washing costs and fuel costs.
- **Fleet financial utilization rate:** number of actual rental days as a percentage of the theoretical total potential number of days of the fleet. The theoretical total potential number of days of the fleet is equal to the number of vehicles held over the period, multiplied by the total number of days in the period
- **Franchising:** arrangement where the franchiser grants the franchisee the right to use its trademark or trade-name as well as certain business systems and processes, to produce and market a good or services according to certain specifications. In exchange, the franchisee usually pays the franchiser an entry fee plus a percentage of sales revenues as royalty

## Glossary (2/2)

- **GDS (Global Distribution System):** computerized reservations systems operated by third parties and used by intermediaries such as travel agents and travel operators to make reservations with the Europcar Network
- **GSA (General Sales Agent):** general sales representative that promotes and sells the services offered by Europcar in a specific country or region in consideration of a commission
- **GreenWay® system:** software application, owned by Europcar, offering a comprehensive business solution mainly in the areas of fleet management, e-commerce, reservations and global distribution systems and rental operations
- **Leisure customers:** include not only individual travelers booking vacation car rentals but also people renting to meet other personal needs
- **Loan to value:** corresponds to the indebtedness of Securitifleet Holding, the Securitifleet Companies and EC Finance Plc divided by the total value of the net assets on the balance sheets of these companies.
- **Margin after variable costs:** corresponds to the total revenues less Fleet holding costs and Fleet operating, rental and revenue related costs
- **Net rates:** brokers selling at any price, ie brokers revenue is the gap between Europcar's selling price and their selling price (usually offered to TOs for package, brokers with Keddy and destinations where brokers are more present than Europcar)
- **Operating lease vehicle:** agreement by which a vehicle is leased to a car rental company, which pays periodically on a relatively short-term basis; at the end of the operating lease, title does not pass to the car rental company
- **Rental Day Volume:** number of vehicles rented over a period of time
- **RCM:** Revenue Capacity Management
- **Retail rates:** Europcar setting the price and paying a commission to brokers preventing them from selling at a lower price than Europcar's
- **RPD (Revenue Per Day):** rental revenue divided by the Rental Day Volume
- **Vehicle replacement:** business involving principally the rental of cars to individuals whose rental charges are wholly or partially paid or reimbursed, by insurance companies, vehicle leasing companies and vehicle dealers and other entities offering vehicle replacement services, with whom Europcar has a direct contractual relationship



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