Europcar Mobility Group

OPEN
MOBILITY.
FOR ALL.

H1 2020 RESULTS

2020, JULY 28th

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AGENDA

1. **TRAVEL & LEISURE INDUSTRY HIT HARD IN H1 2020**
   “REBOOT” 2020: ADAPTATION PLAN TO RESTART THE BUSINESS

2. **H1 2020 RESULTS REFLECT THE FULL & SEVERE IMPACT OF THE COVID-19 OUTBREAK DURING Q2 2020**

3. **MID-TERM PERSPECTIVES: “CONNECT” 2021-2023**

01

TRAVEL & LEISURE INDUSTRY HIT HARD IN H1 2020, RESPONSES TO THE CRISIS

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A new chapter is beginning

During H1 2020

Covid-19 outbreak: a **systemic SHOCK** on all fronts, from our customers' needs to addressable markets, suppliers, liquidity, employees…

In less than four months, the Group **re-engineered** its business framework and organization, based on its strengths & assets

From H2 2020

July is the first month showing signs of **"back to activity"** (yet slow & progressive)

We are opening **a new chapter** in the history of our company's development

Q2 2020 fully impacted by the COVID-19 outbreak

TRAVEL & LEISURE SITUATION

APRIL	MAY	3 JUNE	8 JUNE	15 JUNE	21 JUNE	JULY
Lockdowns & confinements: lowest month ever	***Limited movements in most countries***	***VERY LIMITED RESTART OF DOMESTIC AND INTERNATIONAL TRAFFIC***				
Borders fully closed	**Progressive lockdown lift in some countries**	**Gradual borders re-opening**				**Some borders still partially closed****

*The **European Union re-opened its external borders** on **July 1st** to 15 countries. This also applies to **China** under mutual re-opening.*

***The US residents** are still **not allowed** to enter the Schengen space.*

*At the beginning of July, **Australia, Germany, China** and **Spain** re-imposed lockdown in some cities.*

Closed until …

Open with isolation

Source : https://www.diplomatie.gouv.fr/fr/conseils-aux-voyageurs/conseils-par-pays-destination/
* Quarterly report (European Tourism: trends and prospects) published by ETC (European Travel Commission) in April 2020
** From European standpoint

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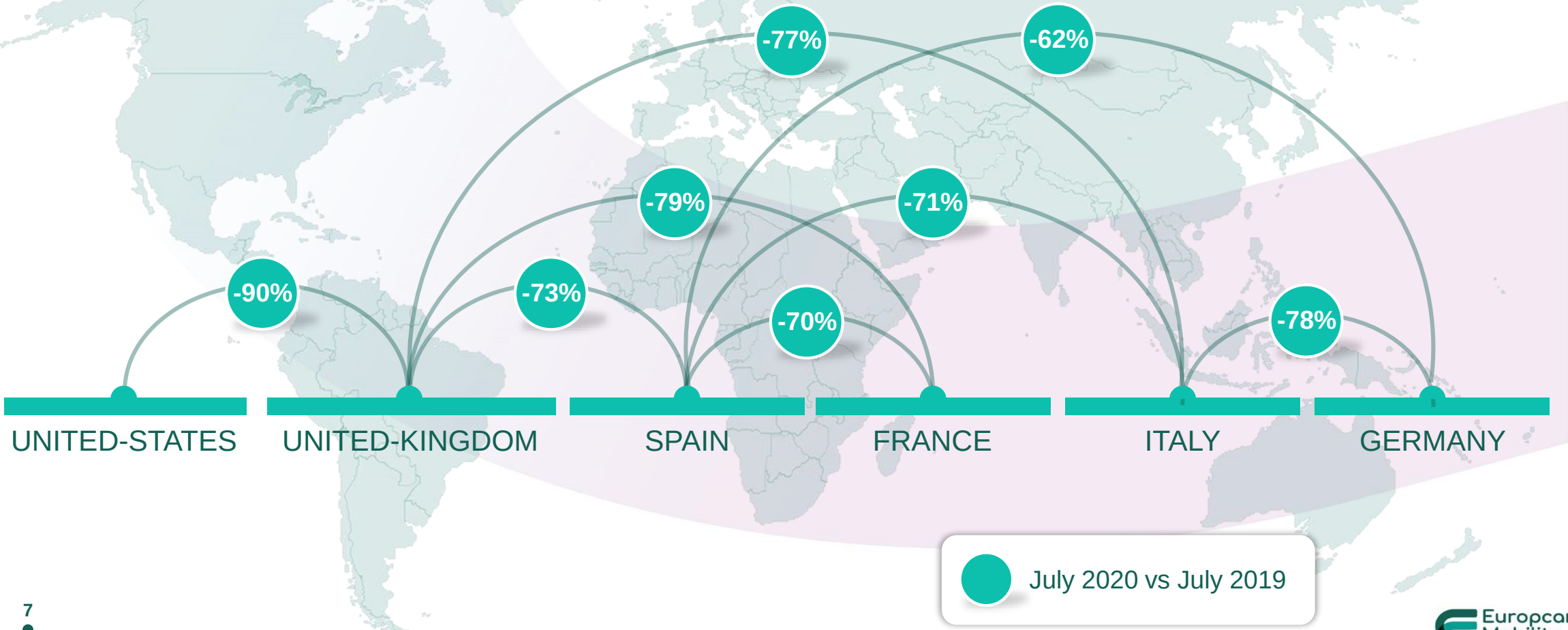
Big drop in airlines' capacity

% evolution (seat capacity)



Source : Official Aviation Guide - Frequency and Capacity Statistics July 2020

A few insights on the business impact

Google search "car rental"

Early May	Late June	Late July
-50% YoY	-31% YoY	-35% YoY

Source: Google data

Europcar eCommerce platforms traffic

Early May	Late June	Late July
-73% YoY	-47% YoY	-22% YoY

Source: Google Analytics

Europcar bookings

Early May	Late June	Late July
-89% YoY	-57% YoY	-50% YoY

Source: Internal data

Change of paradigm for the Group

MARKET BEHAVIOURS

- Stiff decrease of travel & leisure business, with slow recovery perspectives
- Shift to domestic market
- Increased awareness of environmental and social responsibility

CUSTOMERS NEEDS

- Safe experience
- Deskless / Contactless & flexible services
- More simplicity
- Increased digitization

From short-term uncertainties to mid-term opportunities

ADAPTATION & ACCELERATION OF OUR TRANSFORMATION

➔ « REBOOT & CONNECT »

Reboot: adapt and manage 2020

Leveraging Group's Assets:

- Domestic networks
- Flexible buy-back fleet model
- Strong know-how of Group's teams

With:

- Tactical play by market
- Priority given to quick & high return actions
- Strong prioritization on resources allocation

Revenue

Adapt business
to new customers' needs

Cost reduction

Variable costs
Fixed costs

Reboot 2020: adapt products & services

Priorities:

- Focus on domestic demand
- Leverage V&T platform
- Optimize sales channels with focus on Direct to Brand
- “Safe & Flex” policy
- Vehicles and stations safety: business partnership with Bureau Veritas

SAFETY PROGRAM

PUT SAFETY
OF EMPLOYEES
& CUSTOMERS FIRST

BUREAU VERITAS 1828

Reboot 2020: drastic measures to adapt cost base

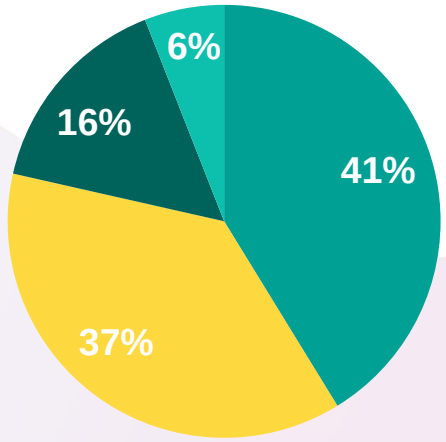
ALIGNMENT OF VARIABLE / FLEX COSTS BASE

REDUCTION OF FIXED / SEMI FIXED COSTS BASE

versus 2020 initial cost base

Fleet:
~25% decrease

Operating variable costs(*) :
~40% decrease



Network, overhead and personnel:
~25% decrease

HQ costs:
~15% decrease

~30% cost reduction planned on initial cost base of €3bn

CONTINUING COST BASE ADAPTION,
REACHING **~€890M** COST SAVINGS PLANNED BY YEAR-END 2020

(*) Fleet operating, rental & revenue related costs

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Reboot 2020: focusing on…

1/ Preserving **CASH**

- **Capex:** strict control, limited to essential IT projects (c. €30m-35m)
- **Non-recurring items:** to be spent according to the pace of the cost adaptation plan (increased level vs prior announcement in Q1 2020)
- **Focus on non-fleet WC:** keep close monitoring cash collection on receivables & rigorous management of payables
- **Dividend cancelled** to further protect liquidity (€13m)
- Voluntary reduction of the Management Board base compensation (-25%*) & of the Group top managers's salary**

2/ Securing **LIQUIDITY**

- **€341m additional financing facilities,** of which €321m guaranteed by the French & Spanish States
- Ongoing discussions with other European States

3/ Managing **DEBT & CAPITAL STRUCTURE**

- The Company is evaluating its short and long-term alternatives to address its capital structure and liquidity constraints, with a view to providing sufficient financial resources to adapt the Group to the new environment
- In that current context, we entertain contacts, with no certainties about the different associated options

* From April 1 to December 31, 2020
** A 10% to 25% reduction for a minimum of 3 months

02

H1 2020 RESULTS & 2020 OUTLOOK

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Q2 2020 revenue: €258m, a -69% decline in total revenue*

CARS

€158m
-71% for Total revenue

Leisure more impacted than Corporate

The whole BU heavily impacted given the exposure to international tourism / air traffic

LOW COST

€23m
-86% for Total revenue

The Business Unit (BU) addresses mainly the **International Leisure segment and operates through airports**

The most impacted BU due to people movement constraints

VANS & TRUCKS

€67m
-25% for Total revenue

The BU addresses mainly Corporate businesses in Domestic markets

Strategy is paying off:
Corporate revenue performance driven by **mid-term contracts for SME** & demand for **home delivery/ essential services** (flat rental days in June)

URBAN MOBILITY

€7m
-37%

Urban solutions to complement mass public transportation

After 2 months of shutdown activities, business rebounded in June for car sharing (+18%), confirming the shift of customers' behavior towards urban flexible service solution

BETTER RESILIENCE IN DOMESTIC MARKETS

* All variations are calculated on a proforma basis. Proforma basis i.e. at constant perimeter and exchange rates: includes in H1 2020 and H1 2019 acquisitions of Fox consolidated in November 2019 in the BU Low Cost and franchisees in Norway & Finland consolidated in July 2019 in the BU Cars and Vans&Trucks

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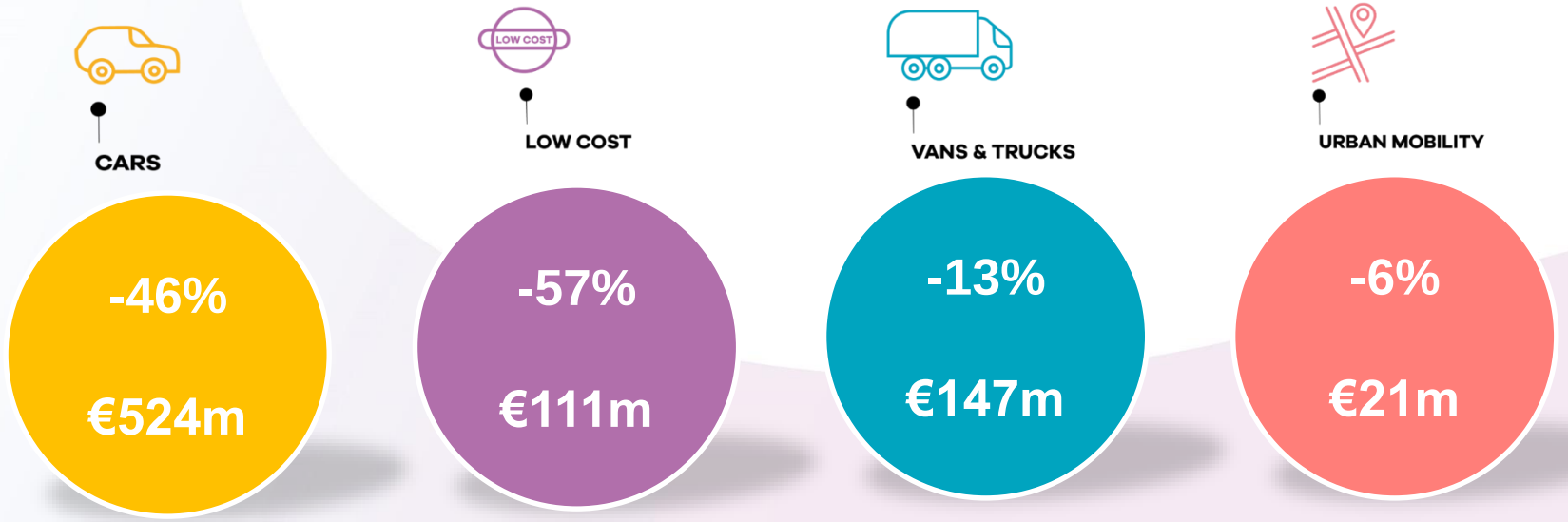
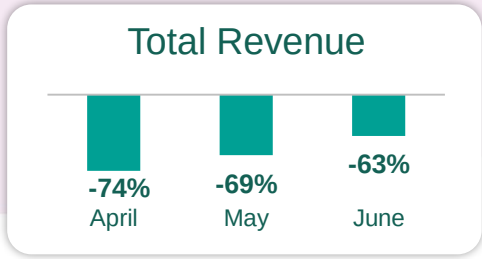
H1 2020 revenue fully impacted in Q2 2020 by the Covid-19 crisis

GOOD RESILIENCE OF VANS & TRUCKS and URBAN MOBILITY



-43% YoY total revenue* to **€815M**

Q1 2020: **-10%**
Q2 2020: **-69%**



* Proforma basis i.e. at constant perimeter and exchange rates: includes in H1 2020 and H1 2019 acquisitions of Fox consolidated in November 2019 in the BU Low Cost and franchisees in Norway & Finland consolidated in July 2019 in the BU Cars and Vans & Trucks

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Full impact of Covid-19 in Q2 2020

Q2 2020	Q2 2019	% Change	% Change at constant perimeter and currency	All data in €m	H1 2020	H1 2019	% Change	% Change at constant perimeter and currency
257.9	**753.4**	**(65.8%)**	**(68.5%)**	**Total revenue**	**814.8**	**1 306.5**	**(37.6%)**	**(43.4%)**
252.2	326.6	(22.8%)	(27.8%)	Average fleet size ('000)	269.7	295.5	(8.7%)	(15.2%)
9.4	22.9	(59.1%)	(61.7%)	Rental days volume (in Million)	26.7	40.4	(33.8%)	(38.5%)
40.8%	77.1%			Utilization rate	54.5%	75.5%		
(149.4)	(184.5)	19.0%	25.7%	Fleet holding costs	(334.2)	(343.8)	2.8%	11.7%
(110.8)	(246.1)	55.0%	59.5%	Fleet operating and variable costs	(322.3)	(443.2)	27.3%	34.7%
(260.2)	**(430.6)**	**39.6%**	**45.2%**	**Total fleet costs & variable costs**	**(656.5)**	**(787.0)**	**16.6%**	**24.7%**
(2)	**323**			**Margin after variable costs**	**158**	**519**	**-69.5%**	**-72.1%**
	42.8%			*In % of revenue*	*19.4%*	*39.8%*		
(70)	(139)	49.4%	48.1%	Network	(172)	(209)	17.7%	27.7%
(44)	(59)	25.2%	48.0%	HQ Costs	(137)	(172)	20.0%	26.3%
(28)	(29)	5.0%	18.7%	Fleet financing costs	(57)	(57)	-1.0%	13.7%
(144)	**96**			**Adjusted Corporate EBITDA (IFRS 16)**	**(209)**	**82**		
	12.7%			*In % of revenue*		*6.3%*		
(19.5)	(17.5)			IFRS 16 impact on premises and parking	(39.8)	(36.8)		
(6.3)	(8.0)			IFRS 16 impact on the fleet cost & variable costs	(13.0)	(13.6)		
(170.3)	**70.0**			**Adjusted Corporate EBITDA excl. IFRS-16**	**(261.4)**	**31.5**		
	9.3%			**Margin**		**2.4%**		

We addressed variable & flex cost base:
A -45% decrease in Q2 2020*

- ➜ Fleet: drastic reduction of the fleet size (€110m cost adaptation):
- ➜ Operating variable costs (€170m cost adaptation):
  - Fixed fees renegotiated with airports and railways
  - Commissions to brokers and travel agencies renegotiated
  - Minimum e-Commerce on-line related spending

We addressed fixed & semi-fixed cost base (€90m cost adaptation):
A -27% decrease in Q2 2020*

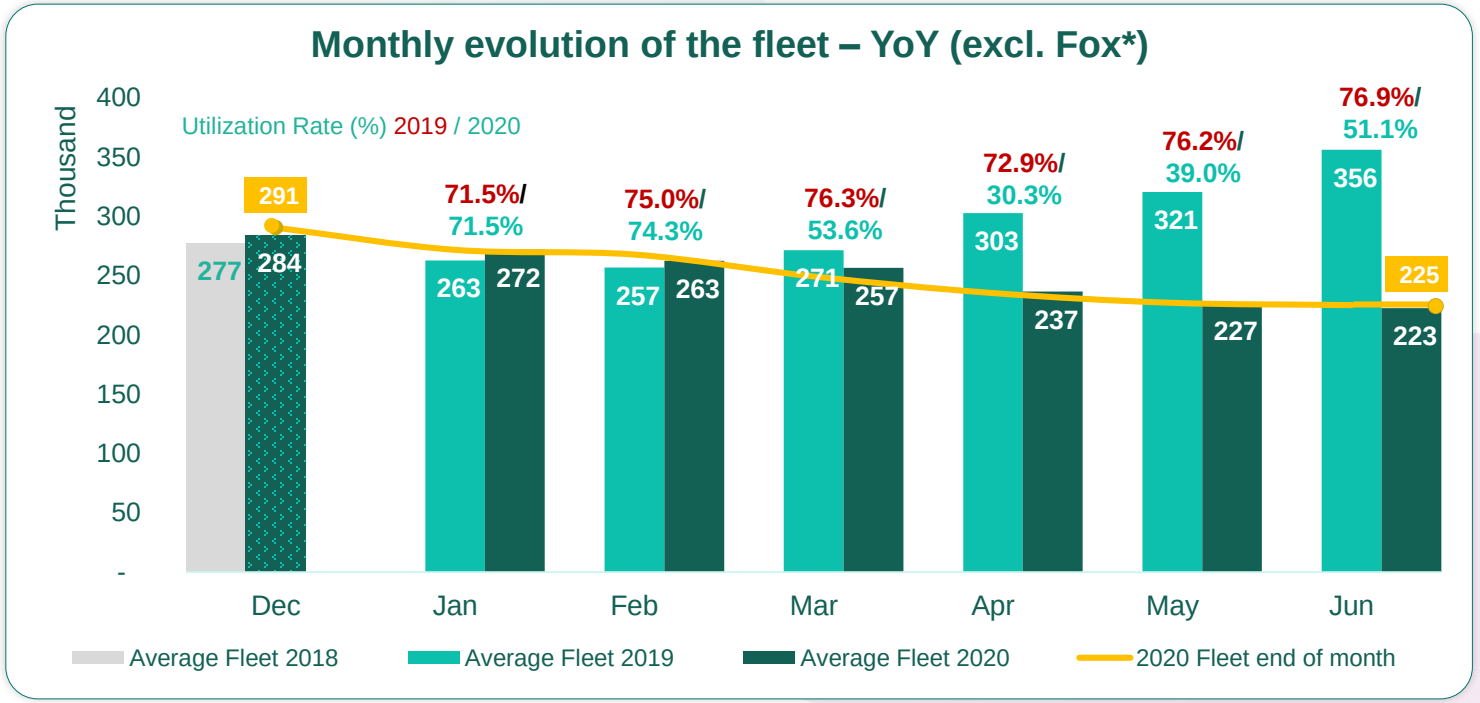
- ➜ Network
- ➜ HQ

~€370m realised cost savings in H1 2020

* Constant perimeter: includes in H1 2020 and H1 2019 acquisitions of Fox consolidated in November 2019 and franchisees in Norway & Finland consolidated in July 2019
Impact of IFRS 16 is detailed in Appendix

Alignment of variable costs: drastic reduction of the fleet size

Massive cost base adaptation to cope with a lowered demand thanks to Groups' flex buy-back model:
~€110m COST ADAPTATION IN H1 2020



- Fast & strong reduction of fleet volumes:
  -37% YoY in June 2020
- Strong revisit of Group's committed fleet plan thanks to the solid buy-back program and long-term relationships with OEMs

FULL FLEET COST REDUCTION ACCOUNTS FOR 30% OF TOTAL COST BASE ADAPTATION IN H1 2020: OUTSTANDING ACHIEVEMENT

* Fox: ~19,000 vehicles at the end of June 2020

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Reduction of fixed & semi-fixed costs in H1 2020

~€90M COST ADAPTATION IN H1 2020

Network overhead and personnel

- **80%** of employees under partial unemployment in all countries to date
- Up to **88%** of stations closed and a peak time only (limited working hours) approach deployed across all countries
- Negotiations with network landlords to reduce ongoing rents and postpone payments due until later in the year

HQ costs (constant perimeter*): down in Q1 2020, further reduced in Q2 2020

- Employees under partial unemployment in all countries to date and executives' salary cuts
- Minimum IT investment
- Negotiations in progress with headquarters landlords and real-estate rationalization initiated
- Drastic reduction or deferral of all non-essential expenses including external support and consultancy

FIXED & SEMI-FIXED COST REDUCTION ACCOUNTS FOR 25% OF TOTAL COST BASE ADAPTATION IN H1 2020

* Excluding acquisitions

H1 2020: from Corporate EBITDA to Group net income

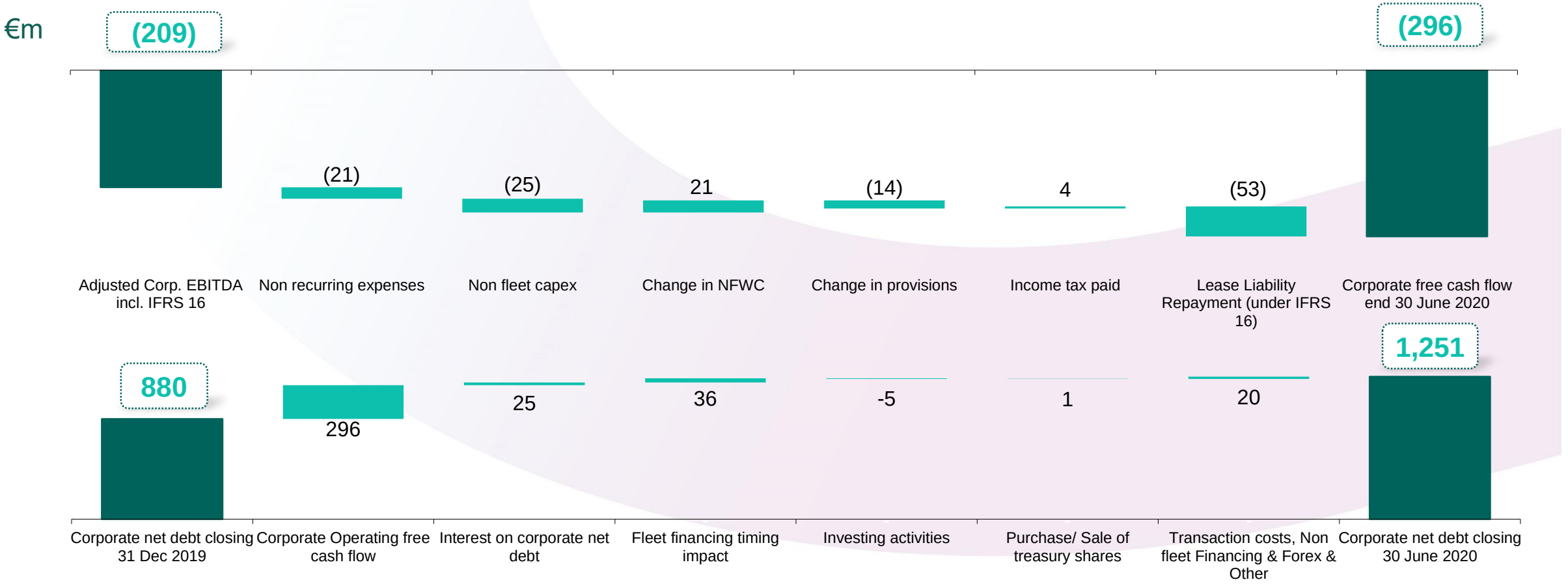
All data in €m	H1 2020	H1 2019	% Change
Adjusted Corporate EBITDA incl. IFRS 16	**(208.6)**	**81.8**	
Margin		**6.3%**	
Depreciation – excluding vehicle fleet	(77.1)	(73.3)	(5.1%)
Non-recurring income and expense	(20.4)	(26.0)	21.6%
Other financing income and expense not related to the fleet	(57.3)	(74.0)	22.6%
Profit/loss before tax	**(363.4)**	**(91.5)**	
Income tax	77.2	22.8	
Share of profit/(loss) of associates	-	(0.1)	
Net profit/(loss) incl. IFRS 16	**(286.2)**	**(68.9)**	

- **Non-recurring charges:**
  - Reflect the restructuring plan launched as part of HQ2020
  - Next phase: subject to the pace of the cost adaptation plan (increased level vs prior announcement in Q1 2020)

- Improvement in **financing cost** due to 2019 Corporate Bond refinancing

H1 2020 Corporate FCF and Corporate Net debt

As a reminder, first quarter always consumes cash: low season for the activity



2020 outlook

➔ A cautious view on H2 2020 to date:

- Low Q3 leisure level
- Exacerbated late booking and business limited to Leisure domestic demand
- V&T: more resilient business
- Ongoing drastic cost reduction in the network and HQ
- Accelerating adaptation measures to adjust cost base to the business environment

➔ H2 2020:

- **Positive, low Corporate EBITDA**
- **Focus on Cash preservation**

03

CONNECT : OUR MID-TERM TRANSFORMATION PLAN FOR 2021-2023

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The crisis aftermath

THE MARKET

Stiff reduction of travel and leisure business with slow recovery perspectives, challenging the core of our business.

Growing domestic market both on individuals and professionals, demanding an increased local focus.

The rise of environmental and sustainability conscientiousness, stressing the need for more social responsibility and meaningfulness.

THE CUSTOMERS

Increased expectations from customers : safe & contactless experience, deskless, flexible services, simplicity.

New balance of priorities : local vs long haul, collective vs individual, responsible vs wealth, essential vs superfluous.

THE COMPANY

Lower resources: drop in revenue, profitability, and resources to transform.

Need for adaptation to the new context, for choices and simplification, to accelerate and “be reborn” in that new cultural and economical environment

With a very much valid, even more meaningful, company purpose.

A NEW STARTING POINT

“Connect” is an accelerator to our transformation plan

We will play a leading role in the transition to sustainable mobility, with:

- Redesigned mobility services matching rebalanced customer expectations, in an uncertain economical and environmental context.
- A reshaped network model and footprint, to gain productivity and increase interplay with local ecosystems.
- A new technology platform, to gain agility and digitize customer experience at scale.

“Connect” is all about reshaping the Group around customers’ needs & expectations, at a fast pace

LEISURE

PLANNED, OCCASIONAL.
DRIVEN BY PRICE.
LOW STICKINESS, HIGH CHURN

Mainstream
Price, hassle free experience.
Brand reliability.
Service and recognition.

Low cost
Pay for what you want only.
Frugal.

PROFESSIONAL

PLANNED, CONTRACTED.
PRICE AND RELIABILITY DRIVEN.
LONG CYCLES, HIGH STICKINESS

Business travel
Price, hassle free, fast, standardized
Brand reliability.
Network coverage & admin services.

Fleet services
Wide range of fleet, wide country reach.
Flexible durations and solutions.

PROXIMITY

ON DEMAND, PAY PER USE.
ACCESSIBILITY AND FLEXIBILITY.
HIGH FREQUENCY, MID STICKINESS

Metropolitan / Urban
Proximity and availability.
Environmental & 100% digital.
Mix of individuals and professionals.

Regional
Occasional.
Accessibility is key but challenging.

Connect: shifting…

FROM 4 Business Units

- Cars
- Vans & Trucks
- Low Cost
- Urban Mobility

TO 3 Service Lines *(+ 1 business uni)*

- PROFESSIONAL

- PROXIMITY

- LEISURE

- Vans & Trucks

1 WHAT?

Client-driven approach: understand clients' expectations, address their needs

2 HOW?

Simplified, integrated and heavily digitized mobility solutions, in line with these needs and expectations

3 PAYBACK

Building on our three key assets (customer base, fleet and talents):

- ➔ **Grow recurring revenue,** with a **better balance** between **Leisure, Professional & Proximity**
- ➔ Scalability effect leading to a **better cost structure absorption**
- ➔ **Greater** and **recurring free cash flow generation**

REDUCE EARNINGS VOLATILITY
➔ INCREASE RETURN

Connect: four enabling pillars

FLEET

- Simplification of fleet mix and categories
- 100% connected fleet in 2023 with focus on fleet services
- 100% direct access to car for Proximity and airports in 20203

NETWORK

- No more desk at airports (and no more payment / selling at station)
- No more downtown stations, only D&C and light touch points
- Network organized as per use cases operating models: Airport, Hubs&Satellites, Regional
- Network footprint differentiation per brand on travel (EC, GC) EV infrastructure

TECH

- All service lines in one ecosystem (front end and back end) Common customer ID and customer database across use cases
- Full digitized journey solution (paperless and direct to car) Connected fleet platform
- Common ecosystem for Corporate and Franchisees

ORG, TALENTS & CULTURE

- Renewed setup for Group Exco and n-1 / n-2 lines
- Simplification & « LEANification » ➔ centralization while delayering, reinforced accountability
- Go-to-Market and pace of execution as #1 guiding principle
- Strong rationalization of our HQs framework (functions & footprint), pushing HQ 2020 further

LEANER STRUCTURE > BREAK-EVEN POINT LOWERED

LOOKING AHEAD…

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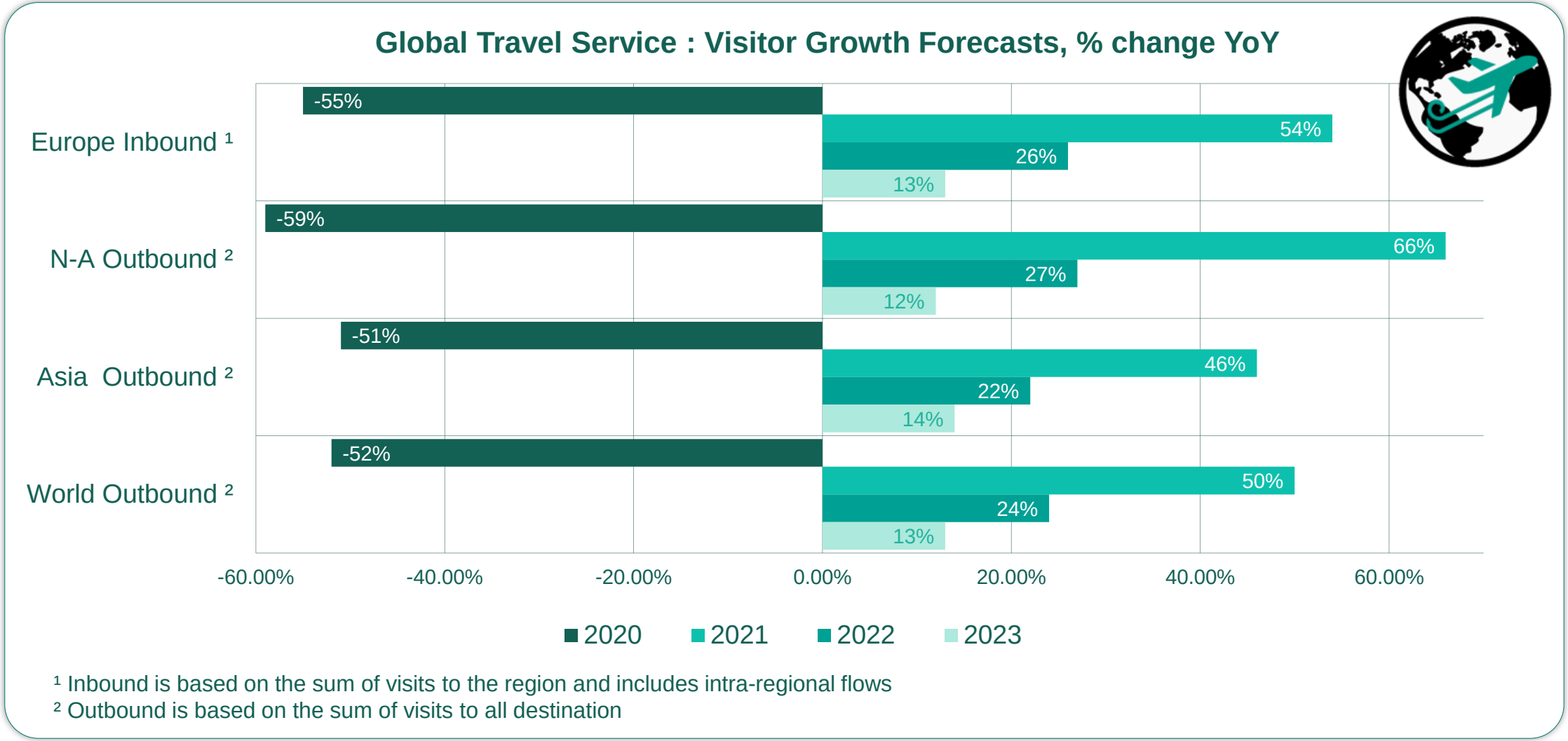
European inbound travel to recover the 2019 level by 2023 only*



[1] Inbound is based on the sum of visits to the region and includes intra-regional flows
[2] Outbound is based on the sum of visits to all destination

* Source : Quaterly report (European Tourism: trends and prospects) published by ETC (European Travel Commission) in July 2020

“Connect 2021-2023”: Accelerator to our transformation plan

OUR MISSION & PURPOSE

Offer attractive alternative mobility solutions to vehicle ownership, in a responsible and sustainable way

CONNECT 2021-2023

Reshape the Group around customers’ needs & expectations

- FLEET
- NETWORK
- TECH
- ORG, TALENTS & CULTURE

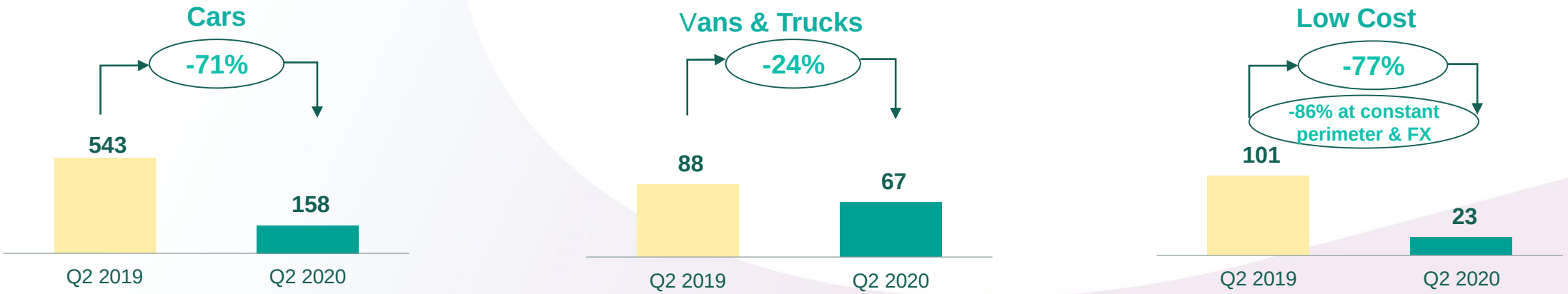
05

APPENDIX

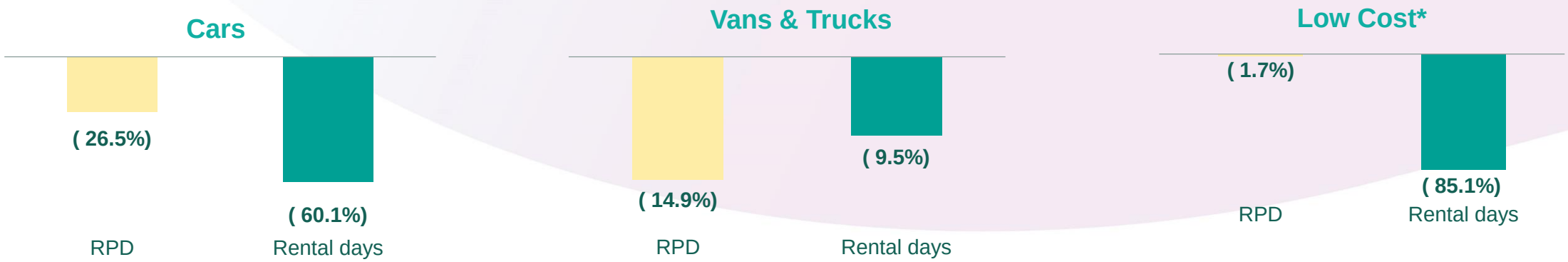
Europcar Mobility Group

Q2 2020 revenue by business unit

TOTAL REVENUE (€M AND % GROWTH ON A REPORTED BASIS)



VOLUMES & PRICES FOR RENTAL REVENUE (% YOY CHANGE)



* AT CONSTANT PERIMETER AND EXCHANGE RATES

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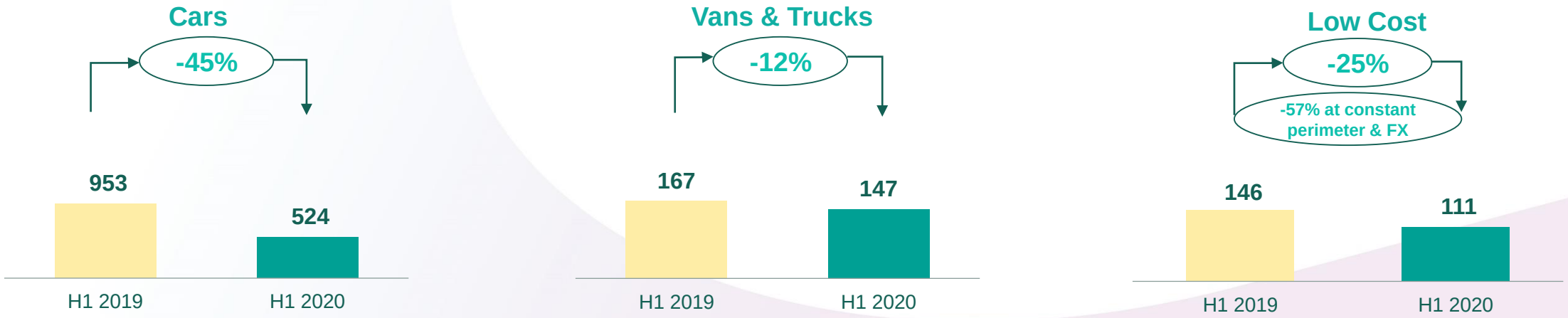
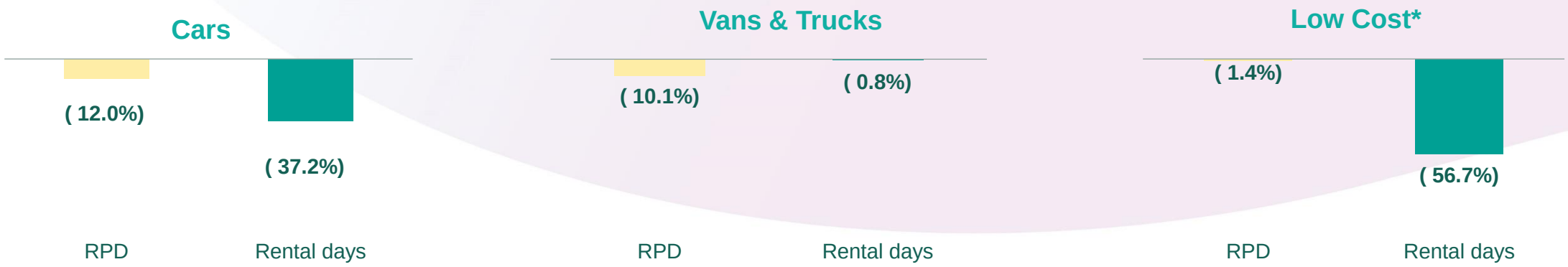
H1 2020 revenue by business unit

TOTAL REVENUE (€M AND % GROWTH ON A REPORTED BASIS)



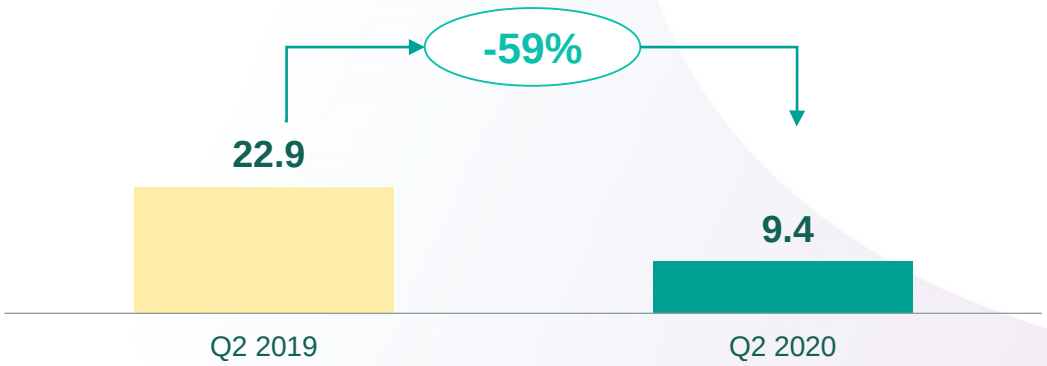
VOLUMES & PRICES FOR RENTAL REVENUE (% YOY CHANGE)



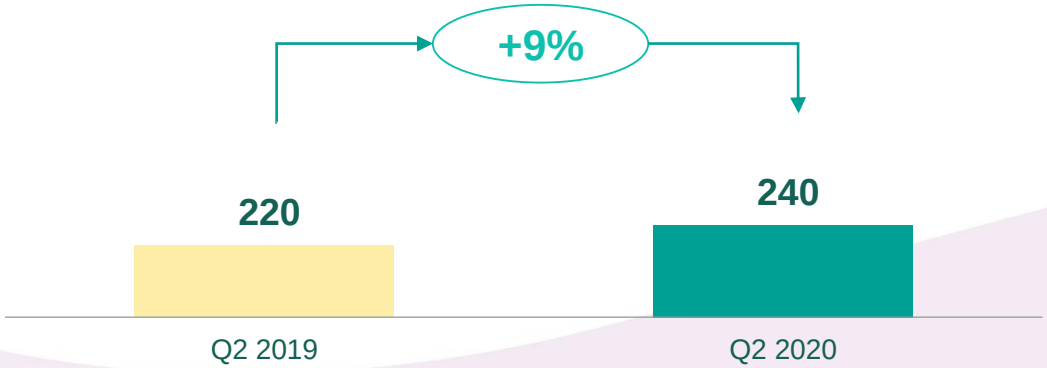
* AT CONSTANT PERIMETER AND FX

Q2 2020 Operational indicators

RENTAL DAY VOLUME (MILLION AND % GROWTH)



FLEET COSTS PER UNIT PER MONTH (€ AND % CHANGE)



UTILIZATION RATE (%)

NOTES: FIGURES AT CONSTANT EXCHANGE RATE

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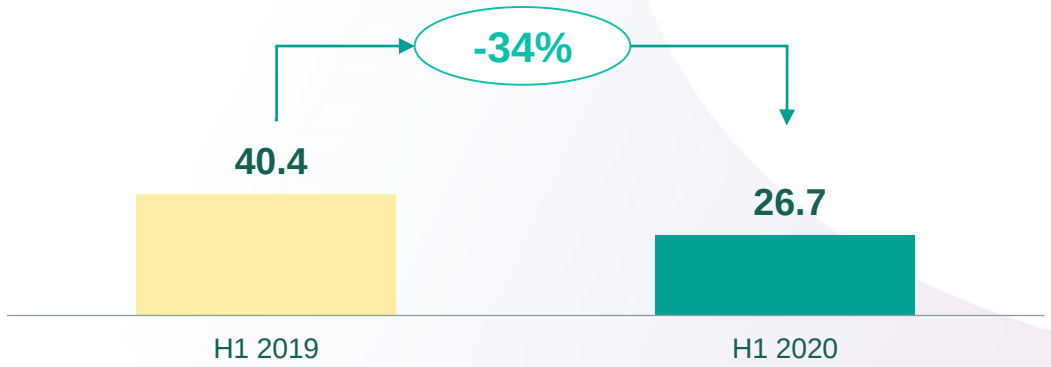
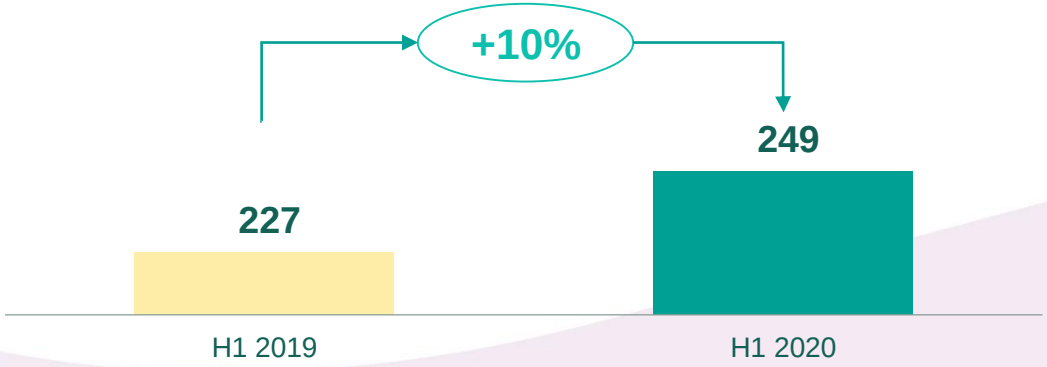
H1 2020 Operational indicators

RENTAL DAY VOLUME (MILLION AND % GROWTH)



FLEET COSTS PER UNIT PER MONTH (€ AND % CHANGE)



UTILIZATION RATE (%)

NOTES: FIGURES AT CONSTANT EXCHANGE RATE

Europcar Mobility Group

Key financial indicators in Q2 & H1 2020

Q2 2020	Q2 2019	% Change	% Change at constant perimeter and currency	All data in €m, except if noted	H1 2020	H1 2019	% Change	% Change at constant perimeter and currency
258	**753**	**-65.8%**	**-68.5%**	**Revenues**	**815**	**1 306**	**-37.6%**	**-43.4%**
9.4	22.9	-59.1%	-61.7%	Rental Day Volume (million)	26.7	40.4	-33.8%	-38.5%
10.2	6.4	58.7%	61.8%	Average duration (day)	7.9	6.5	21.6%	24.0%
252.2	326.6	-22.8%	-27.8%	Average Fleet (thousand)	269.7	295.5	-8.7%	-15.2%
(112)	(134)	16.9%	8.8%	Average Per unit fleet costs per month (€)	(249)	(229)	-8.4%	-8.2%
(144)	**96**			**Adjusted Corporate EBITDA**	**(209)**	**82**		
	12.7%			*Adjusted Corporate EBITDA Margin*		6.3%		
(296)	**42**			**Corporate Free Cash Flow**	**(296)**	**42**		
(179)	60			Operating Income IFRS	(268)	14		
(181)	**(2)**			**Net Income IFRS**	**(286)**	**(69)**		
1 251	937			Corporate Net Debt at end of the period	1 251	937		

* CORPORATE NET DEBT: EXCLUDING NON FLEET LIABILITIES RELATED TO LEASES

Management P&L in Q2 and H1 2020 (incl. and excl. IFRS 16)

Incl. IFRS 16	Excl. IFRS 16	Incl. IFRS 16	Excl. IFRS 16		Incl. IFRS16	Excl. IFRS16	Incl. IFRS 16	Excl. IFRS16
Q2 2020	Q2 2020	Q2 2019	Q2 2019	All data in €m	H1 2020	H1 2020	H1 2019	H1 2019
257.9	257.9	753.4	753.4	Total revenue	814.8	814.8	1 306.5	1 306.5
(149.4)	(150.6)	(184.5)	(182.5)	Fleet holding costs, excluding estimated interest included in operating leases	(334.2)	(335.1)	(343.8)	(338.8)
(110.8)	(115.9)	(246.1)	(256.1)	Fleet operating, rental and revenue related costs	(322.3)	(334.4)	(443.2)	(461.8)
(2.3)	(8.7)	322.8	314.8	Margin after Variable costs	158.2	145.3	519.5	505.9
		42.8%	41.8%	Margin	19.4%	17.8%	39.8%	38.7%
(72.7)	(72.7)	(139.3)	(139.3)	Personnel costs	(204.7)	(204.7)	(264.6)	(264.6)
(40.9)	(60.4)	(61.1)	(78.6)	Network and head office overhead	(105.4)	(145.3)	(120.3)	(157.0)
(1.0)	(1.0)	2.2	2.2	Other income and expense	0.7	0.7	4.1	4.1
(114.6)	(134.1)	(198.2)	(215.7)	Personnel costs, network and head office overhead, IT and other	(309.4)	(349.2)	(380.7)	(417.5)
(18.9)	(18.9)	(15.5)	(15.5)	Net fleet financing expense	(38.3)	(38.3)	(31.7)	(31.7)
(8.6)	(8.6)	(13.5)	(13.5)	Estimated interest included in operating leases	(19.2)	(19.2)	(25.2)	(25.2)
(27.5)	(27.5)	(29.0)	(29.0)	Fleet financing expenses, including estimated interest included in operating leases	(57.4)	(57.4)	(56.9)	(56.9)
(144.5)	(170.3)	95.6	70.0	Adjusted Corporate EBITDA	(208.6)	(261.4)	81.8	31.5
		12.7%	9.3%	Margin			6.3%	2.4%
(40.0)	(14.9)	(36.7)	(11.4)	Depreciation – excluding vehicle fleet	(77.1)	(27.4)	(73.3)	(22.2)
(13.4)	(13.4)	(13.9)	(13.9)	Non-recurring income and expense	(20.4)	(20.4)	(26.0)	(26.0)
(30.5)	(27.7)	(45.3)	(41.3)	Other financing income and expense not related to the fleet	(57.3)	(50.4)	(74.0)	(66.0)
(228.3)	(226.2)	(0.3)	3.4	Profit/loss before tax	(363.4)	(359.5)	(91.5)	(82.7)
47.2	46.2	(1.2)	(2.0)	Income tax	77.2	76.3	22.8	20.6
-	-	(0.0)	(0.0)	Share of profit/(loss) of associates	-	-	(0.1)	(0.1)
(181.2)	(180.0)	(1.6)	1.3	Net profit/(loss)	(286.2)	(283.3)	(68.9)	(62.3)

IFRS P&L in Q2 & H1 2020

In € thousands	Q2 2020 After IFRS 16	Q2 2020 Before IFRS 16	Q2 2019 After IFRS 16	Q2 2019 Before IFRS 16	H1 2020 After IFRS 16	H1 2020 Before IFRS 16	H1 2019 After IFRS 16	H1 2019 Before IFRS 16
Revenue	**257 880**	**257 880**	**753 382**	**753 382**	**814 774**	**814 774**	**1 306 456**	**1 306 456**
Fleet holding costs	(158 032)	(159 281)	(197 555)	(195 954)	(352 736)	(354 268)	(369 007)	(364 003)
- fleet operating lease expenses	-	*(41 794)*	-	*(86 760)*	-	*(100 869)*	-	*(151 230)*
- Net fleet depreciation	*(128 793)*	*(88 248)*	*(167 511)*	*(71 914)*	*(288 045)*	*(188 708)*	*(309 213)*	*(152 979)*
- Other fleet holding costs	*(29 401)*	*(29 401)*	*(30 044)*	*(37 279)*	*(64 691)*	*(64 691)*	*(59 794)*	*(59 794)*
Fleet operating, rental and revenue related costs	(110 787)	(115 899)	(246 133)	(256 122)	(322 341)	(334 413)	(443 179)	(461 784)
Personnel costs	(72 690)	(72 690)	(139 285)	(139 285)	(204 665)	(204 665)	(264 601)	(264 601)
Network and head office overhead costs	(40 880)	(60 368)	(61 096)	(78 612)	(105 427)	(145 259)	(120 254)	(157 014)
Non-fleet depreciation, amortization and impairment expense	(39 957)	(14 896)	(36 728)	(11 430)	(77 099)	(27 393)	(73 349)	(22 232)
Other income	(998)	(998)	2 174	2 174	731	731	4 112	4 112
Current operating income	**(165 464)**	**(166 252)**	**74 759**	**74 153**	**(246 763)**	**(250 493)**	**40 178**	**40 934**
Other non-recurring income and expense	(13 380)	(13 380)	(13 908)	(13 908)	(20 406)	(20 406)	(26 020)	(26 020)
Operating income	**(178 845)**	**(179 632)**	**60 851**	**60 245**	**(267 169)**	**(270 899)**	**14 158**	**14 914**
Net fleet financing expenses	(19 007)	(18 962)	(15 548)	(15 548)	(38 980)	(38 329)	(31 688)	(31 688)
Net non-fleet financing expenses	(18 045)	(15 202)	(22 317)	(18 367)	(36 286)	(29 340)	(41 881)	(33 823)
Net other financial expenses	(12 482)	(12 482)	(23 103)	(23 103)	(21 011)	(21 011)	(32 312)	(32 312)
Net financing costs	**(49 534)**	**(46 646)**	**(60 968)**	**(57 018)**	**(96 277)**	**(88 680)**	**(105 881)**	**(97 823)**
Profit/(loss) before tax	**(228 379)**	**(226 278)**	**(116)**	**3 226**	**(363 446)**	**(359 579)**	**(91 723)**	**(82 909)**
Income tax benefit/(expense)	47 163	46 192	(1 215)	(2 017)	77 231	76 260	22 778	20 578
Share of profit of Associates	-	-	(34)	(34)	-	-	(100)	(100)
Net profit/(loss) for the period	**(181 216)**	**(180 086)**	**(1 366)**	**1 176**	**(286 215)**	**(283 319)**	**(69 045)**	**(62 431)**

Reconciliation Q2 & H1 2020

Incl. IFRS 16 Q2 2020	Excl. IFRS 16 Q2 2020	Incl. IFRS 16 Q2 2019	Excl. IFRS 16 Q2 2019	All data in €m	Incl. IFRS 16 H1 2020	Excl. IFRS 16 H1 2020	Incl. IFRS 16 H1 2019	Excl. IFRS 16 H1 2019
7.6	**(17.0)**	**275.5**	**248.0**	**Adjusted Consolidated EBITDA**	**126.4**	**74.5**	**419.2**	**363.8**
(88.4)	(88.4)	(79.1)	(79.1)	Fleet depreciation	(189.0)	(189.0)	(153.0)	(153.0)
(36.1)	(37.3)	(71.8)	(69.9)	Fleet depreciation (IFRS16)	(88.5)	(89.4)	(127.5)	(122.5)
(124.5)	***(125.8)***	***(151.0)***	***(149.0)***	***Total Fleet depreciation***	***(277.6)***	***(278.5)***	***(280.5)***	***(275.5)***
(8.6)	(8.6)	(13.5)	(13.5)	Interest expense related to fleet operating leases (estimated)	(19.2)	(19.2)	(25.2)	(25.2)
(18.9)	(18.9)	(15.5)	(15.5)	Net fleet financing expenses	(38.3)	(38.3)	(31.7)	(31.7)
(27.5)	***(27.5)***	***(29.0)***	***(29.0)***	***Total Fleet financing***	***(57.4)***	***(57.4)***	***(56.9)***	***(56.9)***
(144.5)	**(170.3)**	**95.6**	**70.0**	**Adjusted Corporate EBITDA**	**(208.6)**	**(261.4)**	**81.8**	**31.5**
(40.0)	(14.9)	(36.7)	(11.4)	Amortization, depreciation and impairment expense	(77.1)	(27.4)	(73.3)	(22.2)
18.9	18.9	15.5	15.5	Reversal of Net fleet financing expenses	38.3	38.3	31.7	31.7
8.6	8.6	13.5	13.5	Reversal of Interest expense related to fleet operating leases (estimated)	19.2	19.2	25.2	25.2
(156.9)	**(157.6)**	**87.8**	**87.6**	**Adjusted recurring operating income**	**(228.2)**	**(231.3)**	**65.4**	**66.1**
(8.6)	(8.6)	(13.5)	(13.5)	Interest expense related to fleet operating leases (estimated)	(19.2)	(19.2)	(25.2)	(25.2)
(165.5)	**(166.3)**	**74.4**	**74.1**	**Recurring operating income**	**(247.4)**	**(250.5)**	**40.2**	**40.9**

Management cash flow in H1 2020

All data in €m	H1 2020	H1 2019
Adjusted Corporate EBITDA	**(209)**	**82**
Non-recurring expenses	(21)	(26)
Non-fleet capital expenditure (net of proceeds from disposals)	(25)	(41)
Changes in non-fleet working capital and provisions	8	86
Income tax paid	4	(9)
Lease Liability Repayment (under IFRS 16)	(53)	(49)
Interest paid on lease liability (under IFRS16)	(1)	(1)
Corporate free cash flow	**(296)**	**42**
Cash interest paid on corporate High Yield bonds	(21)	(30)
Cash flow before change in fleet asset base, financing and other investing activities	**(318)**	**12**
Change in fleet asset base, net of drawings on fleet financing and others working capital facilities	181	270
Other investing activities	4	(42)
Capital increase and Share buy-back	0	(39)
Dividends	-	(39)
Transaction cost cash out and swap impact	(14)	(25)
Net change in cash before FX effect	**(147)**	**(13)**
Cash and cash equivalents at beginning of period	628	425
Scope variation	-	-
Effect of foreign exchange conversions	(3)	-
Cash and cash equivalents at end of period	**477**	**412**

Main impacts of IFRS 16 on H1 2020

P&L (in M€)	At June 30, 2020 before New Standards	Application of IFRS 16	At june 30, 2020 as reported
Revenue	**815**	**-**	**815**
Fleet, rental and revenue related costs	(689)	14	(675)
Personnel Costs	(205)	-	(205)
Network & HQ Costs	(145)	40	(105)
D&A and Impairment	(27)	(50)	(77)
Other Income	1	-	1
Current operating Income	**(250)**	**4**	**(247)**
Operating Income	**(271)**	**4**	**(267)**
Financial result	(89)	(8)	(96)
Profit before tax	(360)	(4)	(363)
Net income	**(283)**	**(3)**	**(286)**

Restatement of Adj Corporate EBITDA (in M€)	At June 30, 2020 before New Standards	Application of IFRS 16	At june 30, 2020 as reported
Current operating Income	**(250)**	**4**	**(247)**
D&A and Impairment	27	50	77
Net Fleet Financing expenses	(38)	(1)	(39)
Adj CEBITDA calculated	**(261)**	**53**	**(209)**

Balance sheet in M€	June 30, 2020
Assets :	**386**
-Property, Plant & Equipment	304
- Rental Fleet in balance sheet	82
Liabilities :	**400**
- Liabilities linked to non-fleet leases	315
- Liabilities linked to fleet leases	85

- IFRS 16 is the new standard on leases, with first application on January 1, 2019. All leases contracts are accounted in the balance sheet through an asset representing the “Right of Use” of the leased asset along the contract duration, and the corresponding liability, representing the lease payments obligation.

- Europcar Mobility Group is using the simplified retrospective method, according to which there is no restatement of comparative periods.

Financing structure as of June 30, 2020

€million	Maturity	Dec. 31, 2019	June 30, 2020
High Yield Senior Notes	2024	600	600
High Yield Senior Notes	2026	450	450
State guaranteed Loans			281
Credit Suisse Facility			50
Senior Revolving Facility (€650m) & NEU CP (€450m)	2023	518	632
FCT Junior Notes, accrued interest not yet due, capitalized financing costs and other		(227)	(311)
Gross Corporate debt		**1 341**	**1 703**
Short-term Investments and Cash in operating and holding entities		(461)	(452)
CORPORATE NET DEBT		**880**	**1 251**

€million	Maturity	Dec. 31, 2019	June 30, 2020
High Yield EC Finance Notes (a)	2022	500	500
Senior asset revolving facility (€1.7bn SARF) (c)	2022	1 134	589
FCT Junior Notes, accrued interest, financing capitalized costs and other		253	307
UK, Australia and other fleet financing facilities		1 572	1 222
Gross financial fleet debt		**3 459**	**2 618**
Cash held in fleet financing entities and Short-term fleet investments		(235)	(79)
Fleet net debt in Balance sheet		**3 224**	**2 539**
Debt equivalent of fleet operating leases - OFF Balance Sheet		**131**	**84**
TOTAL FLEET NET DEBT (incl. op leases)		**3 355**	**2 623**

IFRS balance sheet end of June 30, 2020

In € thousands	30 June 2020 After IFRS 16	30 June 2020 Before IFRS 16	31 December 2019 After IFRS 16	31 December 2019 Before IFRS 16
Assets				
Goodwill	1 158 684	1 158 684	1 169 740	1 169 740
Intangible assets	1 030 603	1 030 603	1 016 084	1 016 084
Property, plant and equipment	470 881	166 442	518 346	171 545
Other non-current financial assets	50 811	50 811	73 905	73 905
Deferred tax assets	119 956	119 956	119 740	119 740
Total non-current assets	**2 830 935**	**2 526 496**	**2 897 815**	**2 551 014**
Inventory	25 524	25 524	29 563	29 563
Rental fleet recorded on the balance sheet	2 518 780	2 435 807	3 210 147	3 080 646
Rental fleet and related receivables	611 370	611 370	966 423	966 423
Trade and other receivables	387 534	387 534	487 618	487 618
Current financial assets	31 311	31 311	14 844	14 844
Current tax assets	131 491	130 520	34 023	34 023
Restricted cash	84 505	84 505	116 518	116 518
Cash and cash equivalents	404 744	404 744	527 019	527 019
Total current assets	**4 195 259**	**4 111 315**	**5 386 155**	**5 256 654**
Total assets	**7 026 194**	**6 637 811**	**8 283 970**	**7 807 667**

In € thousands	30 June 2020 After IFRS 16	30 June 2020 Before IFRS 16	31 December 2019 After IFRS 16	31 December 2019 Before IFRS 16
Equity				
Total equity attributable to the owners of Europcar Mobility Group	**536 007**	**547 157**	**837 181**	**845 527**
Non-controlling interests	607	607	643	643
Total equity	**536 614**	**547 764**	**837 824**	**846 170**
Liabilities				
Financial liabilities	2 002 028	2 002 028	1 812 604	1 812 604
Non-current liabilities related to leases	243 178	0	292 174	0
Non-current financial instruments	72 621	72 621	64 161	64 161
Employee benefit liabilities	160 910	160 910	161 565	161 565
Non-current provisions	9 155	9 155	5 132	5 132
Deferred tax liabilities	213 289	213 289	212 046	212 046
Other non-current liabilities	130	130	159	159
Total non-current liabilities	**2 701 311**	**2 458 133**	**2 547 841**	**2 255 667**
Current portion of financial liabilities	2 330 394	2 330 394	2 994 090	2 994 090
Current liabilities related to leases	156 355	0	192 474	0
Employee benefits	3 275	3 275	3 275	3 275
Current provisions	198 574	198 574	219 950	219 950
Current tax liabilities	67 484	67 484	46 494	46 494
Rental fleet related payables	487 625	487 625	813 128	813 128
Trade payables and other liabilities	544 562	544 562	628 895	628 893
Total current liabilities	**3 788 269**	**3 631 914**	**4 898 306**	**4 705 830**
Total liabilities	**6 489 580**	**6 090 047**	**7 446 147**	**6 961 497**
Total equity and liabilities	**7 026 194**	**6 637 811**	**8 283 970**	**7 807 667**

IFRS Cash Flow in H1 2020

In € thousands	H1 2020 after IFRS 16	H1 2020 before IFRS 16	H1 2019 after IFRS 16	H1 2019 before IFRS 16
Profit/(loss) before tax	**(363 446)**	**(359 579)**	**(91 723)**	**(82 908)**
Reversal of the following items				
Depreciation and impairment expenses on property, plant and equipment (1)	61 262	11 254	61 873	10 756
Amortization and impairment expenses on intangible assets	15 837	15 837	11 476	11 476
Impairment of assets	1 621	1 621	-	-
Changes in provisions and employee benefits (2)	(13 629)	(13 629)	1 939	1 939
Recognition of share-based payments	(662)	(662)	1 115	1 115
Profit/(loss) on disposal of assets	33	33	(501)	(501)
Other non-cash items	2 464	2 464	4 755	4 755
Total net interest costs	*78 698*	*71 101*	*80 500*	*71 137*
Amortization of transaction costs	*5 155*	*5 155*	*9 894*	*9 894*
Net financing costs	**83 853**	**76 256**	**90 394**	**81 031**
Net cash from operations before changes in working capital	**(212 667)**	**(266 405)**	**79 328**	**27 663**
Changes to the rental fleet recorded on the balance sheet (3)	649 242	603 814	(890 187)	(865 778)
Changes in fleet working capital	28 417	28 417	529 165	529 165
Changes in non-fleet working capital	22 412	22 412	85 164	85 164
Cash generated from operations	**487 404**	**388 238**	**(196 530)**	**(223 786)**
Income taxes received/paid	3 632	3 632	(9 467)	(9 467)
Net interest paid	(71 644)	(71 644)	(69 406)	(69 406)
Net cash generated from (used by) operating activities	**419 392**	**320 226**	**(275 403)**	**(302 659)**
Acquisition of intangible assets and property, plant and equipment (4)	(26 966)	(26 966)	(42 174)	(42 174)
Proceeds from disposal of intangible assets and property, plant and equipment	1 337	1 337	1 640	1 640
Proceeds from disposal of subsidiaries	-	-	1 499	1 499
Acquisition of subsidiaries, net of cash acquired and other financial investments (5)	3 158	3 158	(43 268)	(43 268)
Net cash used by investing activities	**(22 471)**	**(22 471)**	**(82 303)**	**(82 303)**
Capital increase (net of related expenses)	-	-	-	-
Special distribution and dividends paid	-	-	(39 427)	(39 427)
(Purchases) / Sales of treasury shares net	926	926	(40 295)	(40 295)
Derivative instruments	-	-	-	-
Issuance of bonds (6)	-	-	(150 000)	(150 000)
Change in other borrowings (7)	(444 949)	(444 949)	607 844	607 844
Change in rental debts (8)	(99 166)	-	(27 256)	-
Payment of transaction costs (9)	(1 594)	(1 594)	(5 723)	(5 723)
Net cash generated from (used by) financing activities	**(544 783)**	**(445 617)**	**345 143**	**372 399**
Cash and cash equivalent at beginning of period	**628 155**	**628 155**	**424 986**	**424 986**
Net increase/(decrease) in cash and cash equivalents after effect of foreign exchange differences	(147 862)	(147 862)	(12 563)	(12 563)
Changes in scope	-	-	-	-
Effect of foreign exchange differences	(3 130)	(3 130)	(59)	(59)
Cash and cash equivalents at end of period	**477 163**	**477 163**	**412 364**	**412 364**

IFRS Cash Flow in H1 2020

1. In 2020, the variation includes €49.7m for the depreciation of the right of use of property assets within the scope of IFRS 16 (€51.1m in 2019).
2. In 2020, the variation is mainly explained by the variation in the insurance provision for €(13.1)m and the provision for reconditioning of vehicles in Buy-Back for €(8.4)m.
3. Given the average holding period for the fleet, the Group reports vehicles as current assets at the beginning of the contract. Their variations from one period to another is therefore similar to operating flows generated by the activity.In 2020, the variation includes the change in right of use of the fleet within the scope of IFRS 16 for an amount of €(45.5)m ((€24.4)m in 2019)."
4. In 2020, variations are mainly related to IT developments for €21.0m and equipment renewal for €3.8m.
5. In 2019, the change is mainly related to the acquisition by the Group of its Finnish and Norwegian franchisees for €37.8m.
6. In 2019, the change is mainly related to the issuance of €450m of Senior Notes at a rate of 4%, which mature in 2026 and the early reimbursement of €600m of existing Senior Notes, at a rate of 5.750% that mature in 2022.
7. In 2020, primarily related to the changes in SARF for €545m. In 2019, primarily related to changes in the Revolving Credit Facility and Commercial Papers for €568m.
8. In 2020 and following the implementation of IFRS 16, the variation includes €47.3m due to changes in liability under the fleet lease agreements and 51.9m due to changes in liability under non-fleet lease agreements (respectively €28.1m and €55.4m in 2019).
9. In 2019, the variation is primarily due to transaction costs, of which (€3.6)m relate to the new issuance of Senior Notes for €450m and the renewal of the Revolving Credit Facility for (€2.1)m.

GLOSSARY (1/3)

- **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.

GLOSSARY (2/3)

- **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
- **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

GLOSSARY (3/3)

- **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 (MAVC):** 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