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EUCAR.PA - Nine Months 2020 Europcar Mobility Group SA Earnings Call

EVENT DATE/TIME: OCTOBER 26, 2020 / 7:00AM GMT

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PRESENTATION

Operator

Good day, and welcome to the Europcar Mobility Group Third Quarter 2020 Results Conference Call. Today's conference is being recorded.

At this time, I would like to turn the conference over to Ms. Caroline Cohen, Head of IR. Please go ahead, madam.

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

Thank you, Jose. Dear, everyone, and welcome to our Q3 2020 results conference call. In a moment, I will give the floor to Caroline Parot, CEO of Europcar Mobility Group; and Luc Péligry, our CFO. They will take you through the presentation, and then we will open up the lines for questions.

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

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

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

Thank you, Caroline. Good morning, all, and thank you for joining us at the occasion of our Q3 result publication. In the special context we are in, the agenda for today will, of course, consist an update of the COVID-19 impact on the Travel & Leisure industry during this summer, and as a consequence, directly on our business. Luc Péligry will then take you through our detailed Q3 results, after which, it will be time to share an outlook on how we continue to adapt to a very uncertain and degraded business environment in Q4 onwards. But also having in mind a midterm perspective on how we are reshaping our groups, thanks to our Connect plan and to the financial restructuring we are managing right now.

So please turn to Page 4. So how was the summer activity following confinements and lockdowns, which characterized Q2. A cruel summer, I may say, for all the Travel & Leisure industry, where the recovery was very modest.

Page 5. As you can see, in spite of a slight recovery, the Travel & Leisure industry continued to suffer to contract illustrations. First, the hotel bookings in key European markets remain low and were way inferior to December '19 from minus 55% in France to minus 85% in Spain, which is, as a remember, for Europcar Mobility Group, our main Leisure market, by far.

Second, as for airlines, the revenue per kilometer was significantly lower than last year, with international travel suffering the most and so again, a direct impact on our Leisure business, colliding during the summer on strong inbound flows. More than those travel figures, it is clear that consumers' confidence in the context we are in is still low, leading to traveling self restrictions, be it in their own country or internationally. We do expect this trend to continue quite longer than initially planned in the absence of treatment, expected, but yet not really.

So please now turn to Page 6. Here, another contract illustration with full correlation with our business patterns, the continuous severe drop in seat capacity that airlines experienced this summer. The number speaks for themselves. Inbound flows from our major customer base worldwide were down from 66% to over 75%. As you can see, none of them were below minus 50% of decrease, plus our core perimeter like sequentially low volumes, partly only offset, as you will see, by domestic demand. And also from the destinations is travel restriction in July, restrictive measures, such as PCR test and quarantines, were still in place in many countries.

We have seen them increase in August on some countries after U.K. and more generally since mid-September, with the outbreak developing again almost everywhere.

Please turn to Page 7. So what impact did all this have on our activities. Our revenue for Q3 amounted to EUR 535 million, half of it was in Q3 '19. This 50% drop clearly shows that domestic demand did not offset the lack of inbound flows, especially in Southern Europe, and in particular, France and Spain. The figure that Luc will share with you in a few minutes, clearly illustrate this.

Another comment I want to make is that we were and still are faced with increased volatility in the business with shorter-booking lead times and continuous short-term uncertainties on price and volumes. This unprecedented business behavior is impacting heavily our capacity to manage our fleet and network planning. This makes our Q3 level of EBITDA slightly positive at 55 -- EUR 54 million, a very strong result given the current environment we are operating.

This significant achievement wouldn't have been possible without strong measures we took as early as March and are productive full effect. First, adjusting fleet level, thanks to our buyback models and thanks to our revenue and capacity management teams. Second, reducing HQ and network costs at a fast pace, benefiting from local governmental support as well as reducing permanently our cost base, considering the business trends ahead of us. All those measures are now at the level we're generating around EUR 1 billion savings in 2020. Please bear in mind that it is mostly 1/3 of the cost base we are initially planning at the beginning of the year, and that we have increased our reduction measure by EUR 150 million compared to our initial targets.

All this while in parallel, we manage efficiently cash and liquidity, and I will come back on this part later on.

I now hand over to Luc Péligry, who will take you through the details of our Q3 and 9 months results. Luc?

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

Thank you, Caroline, and good morning all. So I will start on Slide 9. Let's start with the Q3 revenues, which have been heavily impacted, as mentioned by Caroline, by the current context of the pandemic. Our Q3 revenues stood at EUR 537 million, 50% decline versus last year pro forma figures, meaning with Fox, the U.S. acquisition, Finland and Norway, considered in our scope since 1st of January 2019.

Naturally, the most affected activities have been the Leisure segment with the drop of the international travelers at the airports, but domestic travelers were, to a lower extent, also impacted. This has naturally strongly affected our leisure activities within the BU Car, minus 65% versus minus 53% for the whole BU and low cost at the minus 54%, where we, nevertheless, recorded a strong positive pricing linked to our adjusted go-to-market strategy.

On the low-cost side, important to highlight in addition to that is Fox Rent A Car in the U.S. which focuses on domestic value-for-money customers only at U.S. airports, which recovered much faster than the rest of the group entities, recording a limited 20% decline in revenue in Q3 2020 versus Q3 2019.

The Leisure trend has particularly impacted southern countries, Spain, Italy, Portugal compared to the Nordic region, which performed slightly better as the Corporate segment has dropped only by 27%. On the other business unit, we enjoyed more relative positive trends with the Van & Truck and the Urban Mobility BUs, which show their resilience versus the rest of the business. On the Van & Truck, the revenue totaled EUR 81 million, which we may say, only 17% of decrease.

The major reasons are: first, we made a good performance, reflecting the change in behavior from B2C customers to have more and more goods delivered at home. We definitely benefited from the e-commerce, which, in our view, has become a durable trend. We also enjoyed a good performance in mid-tier contract with key accounts and SMEs. We have recorded positive growth in 3 countries over the quarter. This clearly validates our strategy to reinforce our investments in this area.

On the Urban Mobility, in Q2, we observed already a restart of the activity since mid-May at the request of the customers with new conditions, increase in pricing and the minimum -- and in the minimum of hours. We experienced the same trend in Q3 and recorded a limited decline, minus 13%, with a good performance on the Car sharing, plus 7%, which validates the trend towards the need of our new mobility solutions.

Move to Slide 10. On the cost side, as you remember, we activated early March with a strong and robust cost adaptation program. The measures taken and to be taken by year-end are significantly reducing the operating breakeven points of our operations going forward. Thanks to a fast execution, we have been able to remove close to EUR 740 million costs over the first month of which half in Q3. This cost adaptation is analyzed versus our initial cost base planned pre-COVID.

Our program is balanced between active alignment of our variable cost base to the level of business and a very ambitious and a very vigorous semi-fixed and fixed-base reduction. On the variable part, an amazing work from the team has been performed to reduce the fleet. We'll come back on this on the following slide. We also reduced significantly our operating variable costs. We saved EUR 290 million in Q3 2020.

On a fixed cost base, and mainly on the Network and HQ, we immediately reacted and reached strong results everywhere within the organization. From HQ to Network, overall, we saved EUR 74 million in Q3 2020 with a Network that was reactivated in Q3 following closures in Q2.

The tremendous achievement allows to largely exceed our initial target to remove EUR 850 million cost during the year '20. This was a target that we gave at the end of H1, to which, as mentioned by Caroline, close to EUR 1 billion of savings for the full year.

Let's move to Slide 11. As you know, fleet is the major part of the cost base. I remind you that our business model is historically mostly based on buyback schemes and strong relationships with OEM. Based on this setup, our strength rely on our ability to in-fleet the fleet cars at the right time, speed in place. In Q3 this year, in the context of the pandemic, we have achieved an outstanding result by reducing our fleet by 43% to 220,000 vehicles. We came from 257,000 at the end of March. A big cut has been done on the car side, including low-cost with a decrease of close to 48% of the fleet versus last year in Q3. Thanks to our buy-back scheme, which showed again its flexibility. On the van side, we have slightly reduced our fleet to around 39 -- sorry, 39,000 vehicles versus 43,000 in Q3 2019.

This fleet reduction has managed with a target to increase heavily our utilization rates compared to Q2 and come at the closest level as possible as last year. As you can see, the recovery is going from 30% in April to 30 -- 73%, 75% in August, September, but still below last year figure. The more volatile business environment, the slower-than-expected recovery in the Leisure in the southern countries, and a very low level of business in September are the key elements explaining we couldn't reach last year performance of the utilization rate despite the strong improvement adaptation since Q2. Going forward, we continue to heavily adapt the fleet by countries to the low level of expected business, leveraging our flexible business model.

Let's move to Slide 12. Here, you can see we have pursued our efforts to reduce our fixed and semi-fixed costs and prepare all necessary actions to continue to decrease this cost base to the expected business level for next year, becoming our new reference level to support the progressive recovery of the group. On the fixed cost, we have focused mainly on the Network and HQ costs with one major components, which are the staff costs.

On the Network side, we closed up 88% of the stations in Q2. And then there's been a tactical approach per market to reopen progressively, where some signs of recovery were anticipated. This has been progressive to limit the cost structure along the revenue and the restart from the businesses.

In June, 65% of our stations were closed, and there were 18% of closed station in Q3 2020. We took advantage naturally of all solo measures to reduce this cost and pursue renegotiations with landlord for the Network and HQ to obtain some free rents of payment deferrers.

To finish with IT, a major cost center in HQ, we have focused the effort on the rent and other key areas of priority like deskless station, increase of contactless needs, which is a must for the future. All these actions have brought EUR 74 million savings in Q3 versus our initial run map.

Next slide, Slide 13 on the P&L. That said, the full P&L is going from the revenue to the net profit. We are with the ongoing business decline, minus 50% in Q3. I emphasize that our objective was clearly to reduce in cost cuts as much as we can and as fast as we could. It has been a race to push all costs down, starting the fleet in the variable cost.

As you can see, the fleet rolling costs were down 40% in the quarter, somewhat lower than top line, but it is mainly due to the utilization rate, which has not totally come back to the level of as last year. I was mentioning it is 7.5% versus last year. And the rest of the variable costs, we put a strong pressure in all countries and all lines of the P&L to flex all contracts, even the one bearing a minimum guarantee. And you can see that fleet operating and variable costs were down minus 49%, in line with the revenue decline of 50%, showing the flexibility of business model.

With all these measures, MAVC, the margin after variable cost for Q3 total was EUR 211 million. On the fixed costs and semi-fixed costs, we've reduced them by 33% between HQ and Network. Thanks to our strict cost control, we have generated a positive adjusted corporate EBITDA for Q3 of EUR 54 million, including IFRS 16, and 25 -- EUR 26 million, excluding IFRS 16.

Below adjusted Corporate EBITDA, you can see that the financial income and expenses not related to the fleet, increased as a result of plus and minus. On one side, we benefited from better financing due to the 2019 corporate bond refinancing. But on the other side, we recorded an increase in the drawdown of the revolving facility and noncash derivative costs for EUR 6.8 million.

The nonrecurring charge, these are contained versus last year, and they reflect the adaptation measures taken on HQ and Network, having in mind all the time that we selected all restructuring activities having a fast payback. All of the above leads to a limited negative net result for this quarter.

Let's move to Slide 14. So now on the cash side, what about the cash flow conversion. For Q3, our corporate operating free cash flow closed at minus EUR 47 million, starting with a positive Corporate EBITDA, including IFRS 16 of plus EUR 54 million. The main elements of the cash flow that we have for the quarter are made of, first, of course, the rent paid on the premises in HQ from the new -- coming from the new presentation resulting from IFRS 16 for EUR 28 million. Non-rec items linked to the restructuring and other exceptional items, mainly coming from the closing of the stations and head office, reduction of staff costs. And again, it's the acceleration to adapt the cost structure for 2020, but also for 2021 to have the right cost structure given the reduction of revenue for next year.

We had a limited CapEx, mainly focused on the prioritized IT project versus last year. It's EUR 33 million for the year-to-date versus EUR 61 million last year. And it's really focused projects on the group IT new platform on the connected cars and on the restructuring, on the German integration between Buchbinder and Europcar Germany.

We had as well an active management on the nonfleet working capital earnings and income tax to be paid. When you see the first -- for the year-to-date, we closed at EUR 342 million negative operating free cash flow and the changes in cash are following the same principle: reduce CapEx to support on the Connect transformation, our strategic plan, but very focused and not the full budget, of course, scheduled. We should follow the same pattern for Q4, increase restructuring to support the operational size reduction in Network and active management of net fleet to working capital to reduce the cash consumption.

Let's move to Slide 15. As far as the corporate debt is concerned, despite a strong improvement on corporate EBITDA and the positive corporate EBITDA, corporate debt is increasing. But to a limited amount, from EUR 1.251 billion at the end of June to EUR 1.322 million at the end of September.

As you can see from the bottom bridge, the cash consumption has been high. In Q1, we have had EUR 187 million with recurring cash burn coming mainly from the B2B activities but this year, it was already impacted by the COVID since March. In Q2, we had a cash burn of EUR 184 million, which was fully this time impacted with the COVID and a very reduced revenue. I remind you that it was 70% decrease in revenue. Of course, cost reduction by -- impacted by time lag of implementation.

In Q3, you can see that the limited -- we have a limited cash burn of EUR 71 million, we have reduced revenues -- despite the reduced revenue by 50%. But, of course, with all the numerous cost-cutting action to limit the fall-through and the cash burn and to adjust as much as possible the cost base to the revenue side.

We have now designed and implemented a reduced cost base, partly through opportunistic measures, like the deferral measures that are proactively replaced by structural decisions. So all the restructuring and adaptation decision that we're making to support the restart with the right size in terms of OpEx.

As at the end of -- to complete this picture, I will mention that as at the end of September 2020, the Corporate net debt include gross consolidated cash of EUR 529 million, of which EUR 449 million for Corporate cash and this Corporate cash include EUR 138 million in the countries and EUR 86 million of restricted cash.

And with this, I finish the figures presentation, and I give you the follow-up with Caroline now.

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

So thank you, Luc. So now what our views and plans for Q3 -- Q4, and durably degraded business gearing. So please turn to Page 17. First of all, as the COVID-19 outbreak burns again everywhere, uncertainty prevails. This is not specific to us. All Travel & Leisure players are in the same boat here are shown on the slide.

Demand from Leisure and Corporate customer is expected to remain low in reason of the travel restrictions, but also self restrictions from customers. This is why we have very cautious views on Q4 onwards. These cautious views do not stem only from the COVID-19 outbreak from a sanitary standpoint, the economic impact is also taken into consideration. The return to a normal or to a new normal will be very slow and progressive. The OECD has recently degraded its forecast and considered that GDP-wise perspectives are durably depressed. Same use for the IATA, which recently degraded their forecast to regarding a return of air traffic pre-COVID levels pushing it to 2024 instead of 2023 as we announced during H1.

What does it mean for us? Well, we don't expect the pre-COVID revenue level to come back before at least 2023. This is why building on the strong mitigation measures we took early March in the framework of our building plan, we are having the Reboot program.

If we turn to Page 18. So adapting at a very fast pace to a degraded business environment in early March was the purpose of Reboot. Here, an update of what has been already achieved. Close to EUR 1 billion of cost adaptation by year-end 2020, as we explained earlier, with Luc, which represents 30% of cost adaptation on the initial cost base of EUR 3 billion for 2020. As I told you earlier, this is a very significant achievement from all the teams.

Regarding the fleet, we went down to 243,000 vehicles average, a 41% reduction versus 2019 managing de-fleeting as Europe was under lockdown almost everywhere.

We also took strong measures regarding cash and liquidity preservation, in addition to the set guaranteed loans we obtained during H1. I would like to emphasis that in the extraordinary Connect, we have been through over the course of H1, pursuing all of efforts all summer long, we have managed to build a flex and adaptable cost base, which is going to be a great asset for our group in the coming quarters and years, as uncertainties and volatility of business should unfortunately still prevail for quite some time.

Please turn on Slide 19. So before we switch to midterm perspectives and to sum up, here is our 2020 outlook. Our views remain, of course, cautious for the reason I previously explained. This is why in the light of the second wave of COVID-19 outbreak and the related uncertainties, we consider that we can no longer provide a full year 2020 guidance.

As for the adaptation of our cost base, as I already stated, during this presentation, it will be close to EUR 1 billion higher than our initial EUR 850 million target.

So please turn to Page 20. What about our midterm perspective now? In parallel of Reboot, as you know, we also shaped our group, thanks to our Connect plan, laying new foundations and revamping our organization and service around customer new needs and expectation, especially regarding digitization to be able to fully benefit for the travel and even market rebound when it happens. And to enable the implementation of our transformation plan, we need to reshape our capital structure through the financial restructuring.

Please turn to Slide 21. As discussed earlier, the COVID-19 crisis has driven its impact on our financial position. And therefore, given the lasting uncertainties, we have no other choice but to restructure our Corporate balance sheet. To this effect, we have requested and obtained necessary waivers to open a Mandataire Ad Hoc at Europcar Mobility Group level and start restructuring discussion with our corporate creditors.

Overarching targets for the group will be to reduce our net corporate leverage back to post-IPO levels, which will provide more flexibility in an uncertain environment and raise enough capital and new money to fund the group Connect transformation and navigate these uncertain times.

Please turn to Page 22. In a few words, our Connect programs ends at repositioning our service offering to benefit customer needs. It relies on a reshaped group infrastructure network, which are physical operational platforms, to deliver our services and on the technology platform to shift towards a fully digital customer journey.

Page 23. As I said, the Connect programs aid at reshaping our group to better address customer needs. To that effect, we are looking at our service portfolios with 3 business lines, targeting different needs and expectations from our customers already today, but even more in the near future, having in mind the acceleration of change of perspective and mindset. I may say thanks to the COVID outbreak.

First, Leisure service line. This target seasonal and occasional domains with high churn and which is largely driven by prices, especially in the local segments and hassle-free experience.

The Professional service line, this service line will focus on connected demand with high service requirements, high reliability and longer cycle focused. This is covering regular business travel as well as new fleet services offering (inaudible) of B2B companies, offering flexible direction, flexible solutions that we can deliver, thanks to our network coverage.

And finally, the Proximity service line. This let us target on demand, pay-per-use demand, where accessibility and flexibility are key. Proximity in urban areas will be a key driver as well as environmental sustainability and full digital journey. Customers will be a mix of individuals in dense area as well as professional.

Please turn to Page 24. To implement Connect program and ultimately deliver a leaner and more agile structure, we have identified 4 enabling pillars: First, the fleet. To shift towards fully connected fleet with a progressive delivery of direct to car access across the program; second, the network. It will be reorganized per use cases with deskless station in airports, downtown stations replaced by delivery and connection with light touch points and an expanded EV infrastructure to support our sustainable fleet program; third, the technology. To enable a fully digitalized customer journey and better leverage our customer base, our redesign of our tech platform has been already launched during Q3 and will replace progressively our IT system legacy while enabling the full connect deployments; and finally, our organization. With the reshaped network and rationalization of our HQ frameworks, and we are relying strongly on our people and talent everywhere in the group.

As you can see, Connect, while focusing on customer needs is a comprehensive program targeting as well a leaner structure and we target a lower breakeven point. Implementation of all of this has already started earlier this year.

Please turn to Page 25. As explained previously, we have built our Connect program based on use cases. And therefore, this is based on market perspective from each of these use case that we have built our business plan. After a sharp decline in 2020, the market expects strong recovery in low-cost and business travel. Other segments, which have proven (inaudible) this year are expecting to resume growth at a fast pace, thanks to (inaudible) trends like fleet services, local mobility and vehicle replacements.

Although these midterm prospects assume a progressive unwinding of the COVID-19 crisis through 2021, we cannot, at this stage, comment further on short-term perspective given the highly uncertain environment we are navigating at this time.

So please turn to Page 26. Looking at our business plan, overall, we expect to fully recover our 2019 pro forma top line by 2023, with approximately EUR 3.3 billion consolidated revenues. Top line recovery expected to be driven by volumes recovery with a steady RPD, very slight erosion on a consolidated basis. Most importantly, the group business mix is expected to evolve towards more proximity and professional businesses at the expense of the traditional Leisure business, the group was relying on.

As explained, these segments are expected to benefit from more structural transformation of the mobility markets and evolving customer expectations. This business mix transformation should support resilient RPD expectation. But even more importantly, this business mix will allow a less seasonal business. It means less dependency to a high leisure Q3 with a better balanced earnings generation.

Again, as said earlier, this mid-term prospect show a progressive unwinding of the COVID-19 crisis, but we cannot comment further on the very short-term perspective, given the high uncertainty environment we are navigating.

Please switch to Page 27. As expected, midterm top line recovery prospects (inaudible) to a similar trends in the bottom line recovery, further accelerated by structural cost savings put in place through 2020 and ongoing Connect transformation. Digital customer journey with connected fleet streamlining stations, infrastructure and personnel costs, and in depth review, an organization of our SKUs to make them leaner and more agile. With this in mind, subject to market recovery, we are strongly confident in our ability to achieve Corporate EBITDA margin with 2022 margin ahead of 2019 pro forma and further pickup in 2023 back to historical highs.

Please now turn to Page 28. Finally, we want also to provide, as a reminder, our operating cash flow profile, which is also a key figure of our structural needs. Today, we can't be at the weight of our corporate indebtedness.

Starting from our corporate EBITDA, we have, on a recurring basis, 25% to 30% of corporate EBITDA consumed by our nonfleet CapEx to further develop our Connect IT platform. 8% to 10% is consumed by nonfleet working capital as usual and 10% to 15% from income tax. Some transaction costs will be necessary for the ongoing restructuring expenses due to the ongoing Network and HQ adaptation.

This led to a 40% to 50% commercial cash in our corporate EBITDA before debt service and shareholder return assuming a normal situation. And this leaves limited room for Corporate debt service and limited deleveraging capacity. That's why our objective will be to reset our corporate balance sheet to post-IPO levels to avoid returning to a situation where we have no deleveraging capacity as the cash flow is consumed by debt services.

So with that, we have finished with our presentation for Q3 and short- to mid-term prospects, and we are ready to take your questions. Thanks to the operator.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) And our first question of the phone comes from the line of Mourad Lahmidi from Exane BNP Paribas.

Mourad Lahmidi - *Exane BNP Paribas, Research Division - Analyst*

Yes. I have just one. I was wondering what will be the total cost of the Connect transformation plan in CapEx and in exceptionals?

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

Luc?

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

Total cost of Connect project is a several-year program that will embark, in fact, as you mentioned, restructuring, but also IT transformation. So it's -- I don't have the full figure. I cannot communicate on the full figure of the program, that it's at least a 3-year program.

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

So Mourad, to be sure that we answer to that correctly. As you may have seen, we have the non-fleet CapEx on the Page 28 of the presentation, which is showing you that we are spending 20% to -- 25% to 30% of the non-fleet CapEx of the Corporate EBITDA to the -- to manage the group. This is something that we see as normative as part of the Connect program. The bulk of it is IT platform transformation, and the key adjustment of the network from the station to the digital station.

So it will be mainly CapEx spent. On the other side, we have some nonrecurring that we put here at 5% to 10% in addition to what we are doing today to adapt the group to the new post-COVID situation and the new size of the group. So this year, we have managed all the fast payback restructuring. Next year will be some more structural, nonrecurring. And we do plan to continue new '21 and '22 final adaptation. But you have the bulk of it, which is 25% to 30% of EBITDA and 5% to 10% on non-fleet CapEx and restructuring 5% to 10%. Now we will align those spends depending on the speed of the recovery of the business.

Operator

We are now going to move to our next question from (inaudible) from Saria.

Unidentified Analyst

Can I ask this EUR 700 million of cost reductions so far and EUR 1 billion anticipated. Could you break that down a little bit further for me in perhaps in the case and what part of it is -- would be sustainable going forward? Or to what extent you're factoring into that certain furlough schemes that may be only temporary in nature?

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

I would say that 2/3 of this cost reductions are made of variable costs, as I mentioned, between the fleet and all the variable costs, which are linked to the revenue or to the number of rentals we are doing. And that you see that this cost is totally variable. We have sometimes of implementation in some cases. And as far as the Network and HQ are concerned, which are really the bulk of the semi-fixed and fixed cost, we will have probably around EUR 50 million of furlough for the full year. We had EUR 12 million in Q3. And overall, it would be around EUR 50 million. The rest is really restructuring and solid restructuring.

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

But the plan is -- we benefited from the furlough measures as an emergency and tactical cost reduction. But what we have done since the beginning is to transform those furlough measures into definitive measures, if I may say this way. So next year, the cost base of -- which was impacted this year by the furlough measures will be a permanent cost reduction, times we have had to put together the restructuring program. So you can consider that furlough is becoming permanent, thanks to what we are continuing to do. And the reason why you can see in the P&L, non-restructuring -- nonrecurring costs, which are exactly the transformation of tactical measures into structural measures.

Unidentified Analyst

Okay. Yes. Then you're looking to return leverage -- net leverage back to post-IPO levels. Is that on a total euros basis? Or is that on a relative to, I don't know, EBITDA or, say, also, some other performance metric basis?

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

It's from the relative measures linked to our foreseen EBITDA level. Absolute numbers means nothing. Obviously, we have 2 balance sheet, 1 balance sheet, which is Corporate, 1 balance sheet, which is fleet. We want to adapt the 2 together to the size of the business, so it's relative.

Unidentified Analyst

Okay. I'm seeing that in 2022, you're looking to have EBITDA roughly where it was in 2019 already. Is that right?

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

Yes, subject to top line evaluation, yes, we have significantly reduced our fixed cost base and semi-fixed cost base, and we have to continue heavily to adapt the network next year. So it means that the top line recovery, as mentioned by Luc, will have an operating leverage, which will go faster. And on the variable cost, we have been able to even more increase the variability and the fast adaptation. So the volume-driven top line will make the operating leverage.

Unidentified Analyst

Okay. That makes sense. And just when you said earlier, you're looking to obviously manage leverage on a combined corporate and fleet basis. If I'm not mistaken, you're looking to achieve that higher EBITDA with what looks like a sort of larger fleet at, on average, lower prices, so you'd have more fleet leverage and therefore, less corporate leverage, generally, is that correct?

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

The fleet will follow the top line. So we are -- with the restructuring -- the contemplating restructuring, we are decreasing our Corporate operating leverage -- Corporate debt leverage. On the fleet, we will see what will happen, but it is a separate discussion. We do not foresee any radical changes in the fleet structure nor in the fleet pricing. So the fleet will evolve at the pace of the top line. We will have to come back to the '19 utilization obviously, but those 2 are separate.

Operator

Our next question comes from the line of Anthony Duyck from BNP Paribas.

Anthony Duyck - *BNP Paribas Markets 360 - Research Analyst*

Can you help me reconcile the cash consumption in the quarter of EUR 71 million with the cash balance, which looks flat to me Q3 versus Q2?

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

It's the cash -- in fact, it's the cash we put in the fleet that has been reduced during the period. If you look at the detail of the cash in the fleet, I think it's on of the appendix on Page 42. You would see that we put less cash, less junior notes and cash within the fleet, we are decreasing the level from EUR 311 million to EUR 247 million, that's linked to the reduction of in terms of fleet as well.

Operator

(Operator Instructions) We have next question from Sarth Patel from JPMorgan.

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

This is Sarth here from JPMorgan. Just 1 question from my side. Can you please confirm the amount of unrestricted cash you have available on the Corporate side at the end of the quarter?

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

I guess I gave you the cash, which is on the balance sheet as at the end of the quarter. So we are talking about EUR 540 million -- sorry, EUR 530 million of the consolidated cash that we have on the balance sheet. EUR 80 million is on the fleet, on the security fleet, on the securitization, so that's not available. So the Corporate cash is EUR 450 million, I would say, of cash. And we have EUR 86 million, which is really restricted cash for the captive insurance. And after that, we've got EUR 138 million on the country side, which is cash that can be consumed in the countries, which is not tracked, but can be used in the countries. And we have EUR 230 million of corporate cash available. And that will be -- that's put on the press release that we issued today on the past corporate net debt at the end of the last paragraph of the Corporate net debt. And we gave you the full detail.

Operator

We will now take our next question from David Grazzini from Helicon Investment.

David Grazzini

Couple of questions on my side. The first one is on cash burn in Q4. I understand that clearly, it's difficult to provide an outlook at the moment. But at least, we can assume that Q4 cash burn will not be larger than the one reported in Q3. That's the first question.

The second question is maybe you can help me to reconciliate the pro forma numbers that you have provided for full year '19, the EUR 260 million EBITDA compared to EUR 278 million that I believe you reported in the annual report. Is this related to loss at Fox Rent or other items that they have missed?

And the third question is on -- related to Connect program and the restructuring charges, let's say, from here to 2022. Can you just provide what do you expect the restructuring charges in absolute terms from now to 2022?

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

David, this is Caroline. Thank you for the question. I will take the first one and Luc, two other ones. We don't provide Q4 guidance in an absolute number, and you can understand that as we are not able to totally evaluate the top line from the new COVID wave, which is coming, it will be very difficult to estimate the level of, let's say, cash burn, as you mentioned.

So we are mitigating by strong fleet reduction and further cost adaptation. But that's fair to say that we are monitoring weekly the top line trends, which is making the most difficult forecast for us, considering that the reconfinements and when we say curfew, it is for our business, reconfinements, the level of top line growth can be much higher eventually than what we have seen in Q4 -- in Q3.

So no top line, no cash. We have put already severe programs of mitigation to be able to be strong in the cash burn profile, but we cannot forecast today. And for the pro forma, I leave the floor to Luc.

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

Okay. David, on the pro forma side, as you mentioned, in fact, we included the Fox and Finland and Norway since the 1st of January. And in fact, you're right, Fox was losing money on the first half of 2019. So that's the main difference coming from the pro forma versus the reported figure for last year.

And regarding your last question on Connect and the nonrecurring costs, I think that's something that was commented by Caroline in the medium term, and we said that the nonrecurring costs will be between 5% to 10% of the Corporate EBITDA of the company, and it's the target that we have for the Connect program.

Operator

(Operator Instructions) Our next question comes from (inaudible) from Saria.

Unidentified Analyst

Just 1 more follow-up question. And it's about how much headroom do you have under your current covenants to pass any more cash from fleet level up to corporate? Is that maxed out at this stage? Or is there more that you can pass up?

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

Sorry, I don't really get the question between -- your question about the covenant. We have no covenant between the fleet and...

Unidentified Analyst

No, but is there is there any capacity to pass any value up from the fleet level up into the corporate at this stage?

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

No, no. It's the cash in the fleet, and we have the cash in the securitization on one side, the EUR 80 million. And then the cash, which is put in the fleet on the equity part, is totally linked to the revenue -- the volume of cars, which are on the road. So we are decreasing the revenue, and so we are decreasing the residual cash.

Operator

There are currently no further questions in the queue.

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

Okay. So I think that we can finish now the call. So I would like to thank you, everyone, for this morning for the interest in Europcar Mobility Group. Of course, if you have any follow-up questions, we are at your disposal to answer your questions. Thanks a lot. Thank you.

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

Thank you very much, bye.

Operator

Thank you. That will conclude today's conference call. Thank you for your participation. You may now disconnect.

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