Capital Markets Day

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Capital Markets Day

Caroline Parot: Good morning everyone. Welcome to this capital market day of our group, Europcar Mobility Group. My management and I are very pleased to welcome you to our HQ. It is exactly one year ago that we moved in this building. And you will have the opportunity at the end of the main session to have what we call mobility talks to visit the parts of our building and to touch why we have moved and what is the group becoming because I think that inside the building, it is reflecting exactly what we are doing and what we want to become – more agile, flex and representing the sharing economy we are in.

So I will not read through our legal disclaimer and go directly to the management team which will present to you today. So about the management team, as you see, we have strengthened the management board with two newcomers very recently.

In order of arrival, Olivier Baldassari in the middle. Olivier is in charge of group operation, network and territory management. Olivier has a large and long experience in the operation in managing large networks. And the last position he was handling was at Rexel in the US.

The last to come in the management is Albéric Chopelin. Albéric is with us since two months now. Albéric also has a large and diverse experience in large group mainly PSA with different function from operational function in many countries to group marketing and sales. And we're very pleased to join him with the group to manage our commercial and customer activities.

So both of those newcomers are joining us – Fabrizio, myself plus Luc – to manage our journey, to manage the fast-moving evolution of the mobility and the ecosystem and to position the group in this fast-moving ecosystem. All of us are very excited about what is happening now and you will see the passion, we will see the ambition we do have for our group. And we do see that a few years ago, you may, for some of you, told us that it was really special for a group like us to project ourselves in the mobility space. Today, we know that we are in the middle of the ecosystem of mobility and we are very proud of that.

You will meet today as well other people that you met probably for some of them – not all of them. They will manage mobility talks. It is really a way for us beyond what we are going to explain to you on the strategic framework to touch really what is happening on the field. So those mobility talks will be really to see what we are doing in the customer journey beyond the slide to see what is car sharing beyond the slide and to see how we have reorganised our group and the tech and the connected cars.

Obviously, Luc will guide you through in a less mobility story but it will be important that we are reinforcing what we are doing on the financing side, which is also a key cornerstone for us and how to finance our mobility.

So sorry, today, it is not a day that we are going to discuss broadly what is current trading. We are not going to discuss the short-term ambition even though Luc will anyway give you some flavour at the end of this session. Today, we are going to discuss about our ambition, how we articulate this ambition, how we are deploying our programme, how we are seizing the big growth opportunity we are seeing around us and how we are moving in the wheel-based mobility ecosystem. Mobility is many things. We are really focusing ourselves on the wheel-based ecosystem and it is how to build our future, 2023. We like this date, 2023, because it is a date which is long enough in front of us to be able to build the programme but short enough to see how to guild the roadmap. Obviously, the mobility ecosystem is changing a lot, not for 2023 but 2025 and 2030.

Today, we are going to discuss about mobility and I know that mobility is a word that you are used to get hearing about every morning of every day. Today, there's a real fascination about mobility and everybody without knowing or with knowing, depending on who they are, are really focusing on mobility. It is a new mantra. What is important is what we do believe about what is mobility.

So for us, mobility is and has always been a fundamental need for people and society. This is really since the beginning. All the organisation has always been able to evolve thanks to mobility, thanks to mobility needs. World history is telling us that it is perfectly true. Roman empires, European empires, more recently revolutions and the wars in Europe in the 20th Century and the space conquests are all about revolution, about mobility which enabled all those fast movements. So what was true decades ago, years ago, millions of years ago is totally true today as well.

So today, when we look at the mobility and we look at what is happening, we are really in a transformation and a pivotal point. You don't need to have any formal studies to really see that where we are, we have more people everywhere, mainly in cities as they are all commuting. They are all traveling. You have more – you do have more vehicles everywhere and if we don't react, it will become a real nightmare. Some studies, and here in this study, are predicting that by 2050, there will be 4 billion of vehicles on the roads. We don't believe it can really happen this way looking at the congestion today. We don't see how many more cars could be put on the road really.

And today, there's more congestion due to the fact that there are more cars. The question is, is it really sustainable? Is it really possible to continue this way?

One example in the US in 2018, the congestion time lost by the American citizen was approximately 100 hours a year. It is not the time they spend in the transport. It is the time they lost in addition to the time they are spending in the transportation. And some studies are highlighting that it is $80 billion of loss in this territory only.

And at least but it is really a movement that is really important what is about CO_2. So CO_2 emission as a consequence obviously not only of cars but a big portion of it is coming from the cars. And it is really the number one challenge of the citizens in the world, the climate evolution and it is becoming to also be a challenge for the regulators when they are not under the pressure of the citizen. So it is really a movement that we need to take care and those four elements together are explaining that if we do not change something, we will have big issues in the near future.

So this is really what we are believing as a conclusion. We are at the beginning of a big revolution in the societies everywhere. Mobility will be a solution for that. It is not the problem. It is the solution. If we organise correctly, concretely and altogether an ecosystem and it is really time to reconcile how to manage the mobility with what is really at stake.

So this is our credo. You know we are continuously repeating that for us, mobility is all about being an attractive alternative solution to car ownership. And what is important here as well is in a responsible way and in a sustainable way. So what is important in all those words?

Solutions. Solution which is a combination of multiple services. It is not one mobility system that will be able to cover all those things. So we will have to participate in many kind of ecosystem. We will have to operate our own solution but those own solutions cannot work alone and we are really entering with solutions and our solution being part of a larger ecosystem.

Responsible means also ecosystem and strong cooperation with the others. When we look at the anarchy we have in most of the cities in Europe because many new means of mobility are deploying, it is really something that we cannot sustain anymore. So when we go for a new mobility ecosystem, we will have to work with peers and we will have to work with regulators as we are doing. And we will have to propose solutions which are really solutions and what we do believe is car-sharing, one of the solutions we are pushing and promoting heavily. It is one of the key solutions for the cities today. One vehicle in car sharing is approximately replacing 15 cars on the street. That's the reason why we are able to deploy our solution in liaise with the regulator in many of the cities.

And finally, sustainable. Sustainable is not only outrun our CSR programme. Olivier will cover a part of it in his presentation. Olivier is responsible for the group of CSR and will cover the green commitment. But sustainable means for us also profitable and to run in long-term views. We are not a start-up which is a point of concept every day. We are really running long-term programmes for our customers and for our teams. And that's probably the reason why in most of the cities we are present today, we have been elected by the city mayor or the city regulators because we are able to commit not for two years but we are able to commit for seven years like we did in Paris in this city with Ubeeqo. So this is our view. This is our mantra and credo.

The good news in fact is that we are not discovering this. Our company has been funded exactly 70 years ago by an Italian French guy, Louis Raoul Mattei. And the first name of this company was L'Abonnement Automobile. So in English, subscription for cars but it is really how the concept of our company was born 70 years ago proposing subscription services for French people just after the second World War to go in vacation or to go in weekend. So this is really at the core of our group. It is really our DNA and those fundamentals have been put together one year ago with the management team when we reshaped our vision and mission statement for our customers and for our group. And this is an exercise that's quite easy to do because we were really working this way. But it was important to retell to ourselves this story to reset our purpose, the purpose being open mobility for all, inclusive mobility. We are really building an ecosystem and we want to welcome more and more customers in open ecosystem. And really as you can see in our mission and vision, alternative attractive solutions to vehicle ownership is what we are building. So we are pushing all the assets of this company into this direction.

The second good news for us is that in addition to what we said about the pivotal moment for the mobility, we are with mega trends which are very permitting for us. Those mega trends are putting us in a huge growth story without knowing. Now, we start to touch it and it is accelerating.

The first one is globalisation. More and more people are moving frequently from point A to point B for leisure or business purpose. Those mega trends which are long-term trend bases for our business are sustaining our car business in Europe. So this is not new but [inaudible] that we repeat continuously that we are in an industry where our existing car model in transformation is based on long-term growth. There could be some years or months these issues but the trends are there. We are capturing huge amount of growth.

The second mega trend which will push us heavily is the emergence of mega cities. So mega cities is those cities which are more than – which are having more than 10 million of inhabitants and targeting probably 50 to 60 to 80 million. Some of those mega cities are targeted to be bigger than the full French population for example. And already today, 55% of the worldwide population is living in cities. It is forecasted that two-thirds of the population in the world will live in mega cities in 2030, ten years from now.

So what are those mega cities? They are presenting mainly two patterns – high density but more importantly high mileage between the beginning and the end of the cities. San-San area, San Diego and San Francisco itself in the US is already accounting for 40 million inhabitants and interestingly, 600 kilometres long. So it means that to move into those cities or inside those cities, we will need to have massive mass transportation but multi-modal transportation because you cannot operate only with mass transit. You should evolve and operate with also local transit. So multi-modal, multiple solution in ecosystem will be the answer and the solution to enable the population in the cities to move inside out.

The third good mega trend which this one is even more relevant to us is the sharing economy. On this picture, millennials. It's not because they are young. They are more interestingly connected and they are digital native. So all those people are used to the digital since they are born. Because of that, they have entered very easily in the sharing economy for the digital space. So the subscription-based model for the music, for the video is really something which is natural today. It was not existing 15 years ago but they are pushing this movement.

What is more interesting is that now, those millennials and some of their peers are also entering in the sharing economy in real world. So you have the office which are now seen as really suitable for being shared workplace, WeWork, sorry. Airbnb which is also an example which is for everybody, good example. But what is important for all this generation is the sharing and their experience.

Even though today, those millennials are not totally our customers, we strongly do believe that they will be fully our customers meaning they will be digital, connected and only using sharing economy. And this is what we are building on.

It is not us saying that in the real world. Access, not ownership is really the mantra of these millennials and it will happen also for the cars. And when we say it will happen, it is already happening in fact. The movement is there. We see that in the mega cities. Most people are not purchasing cars anymore. It is a starting point. It is a little bit contradictory with what they are telling us, the OEMs, which are pushing with more and more car sales. At the end of the day, the movement not owning a car is launched. It will be a question of years, how many years, probably five, ten that this movement is really on the field and the millennials will continue to share transportation as they are sharing music, video and now their apartments and their vacation. So this movement for us is the one which is marking everything for the promising growth we are in.

So you have understood in our view, mobility is not a market itself. It's more an ecosystem. It is at the core of societal movement and revolution. And it is becoming an essential service. So with all we have said, it is really the service level that we are looking at with the mobility.

And for us in those circumstances, we are very happy to say that it is a blessed business because really, it is what we do feel for us.

What does it mean? In 2030, food will be only the number two sector in GDP worldwide. More money will be spent in the need to move than the need to feed. That's interesting. Obviously, mobility is an enlarged vision. It is from the manufacturing of cars, train, boats, airplanes but it is the service segments which are growing very fast.

And you can see that this place on the world is putting a lot of appetite from everywhere because it is really a super big cake and everybody wants to have a slice of it. Obviously, we have the historical players that are all thinking they can address new usages which is partially true depending on which angle of industry you are. But you have, more importantly, the newcomers.

The newcomers are blitz scaling without taking into account any profitability level. They are just considering that this will happen so they are taking market share at any price. They don't care about profitability. They do care about putting the model together live in the streets independently of what is happening. And they will discuss eventually profitability in five years, ten years and they are not sure that it is a profitability from the business but they are building adjacent business models to make them profitable.

So we are competing in a space where many players are in. But we do believe really for us that with the DNA and the core assets we do manage, we have a real unique opportunity to move faster and to take those market positions.

So where do we stand? If we go for numbers which are not worldwide but more scaled down to the wheel business, you can see that the historical segment on the blue colour on this graph which is rental and leasing because we do pack them in the same bucket are growing. So focus on growth. You can say it's small. I think it's quite impressive anyway knowing that we are only on the car rental segment and the leasing segment is split in many subparts and we have really good momentum also to target a portion of the leasing segment on the monthly products.

More interesting is the urban mobility. So the figures are difficult to reconcile everywhere but what is important is the trend more than the figure itself. The urban mobility here states for ride hailing, taxi, car sharing and some services linked to the platforms. We are seeing that this segment is growing very, very fast. And it is not jeopardising the other segments. So it is coming and complement of the other one, more targeting urban mobility really which was not really operated by the other segments.

So to seize this growth, since the last three years, we have heavily invested. We have invested in CAPEX for sure. You can see that in the numbers. We have invested in OPEX, talent, people, new organisation. We invested also in what you call losses of our urban mobility segment that we call investments. So for us, it is really how to invest city-by-city the space of where the customer will be in the near future. So we are in an investment case.

What have we done? We built stronger foundation of our operating system that we call middleware in some other circumstances to support our transformation to digital. So it is not that you can see all those application. It is not an application. It is really reinventing our systems, re-putting the strength of our know-how into best in class modern and digital tools that will support the way our customer in the near future wants to be take care.

So in early 2017, we put in place a new Salesforce CRM tool together. It was made initially only for the Europcar brand and we are now deploying a plan to gather all our brands inside the same programme. We invest heavily in the reshape of all our call centres. When you are managing call centres – customers in the wheeled ecosystem, they need to be cared of everyday every minute. So having outstanding call centres is a must. We have deployed late Q1 our last system on a worldwide basis. So investment was made in 2018, deployed Q1 2019.

We have worked a lot on the qualitative part of the customer satisfaction, a programme which is called NPS 110. This programme was mainly Europcar, the basic, to improve every touch point with our customers. We have seen significant progress in our net promoter scores. And now since the beginning of this year, this programme is being released to the Goldcar operation and we will see how to improve as well but differently the Ubeeqo programme.

Finally, what you see on the two last bubbles is what you call application. For us, it is more than an application. It is really core system. We are – you will see Xavier which is in the room later on which has put a lot of energy to prepare and launch a Click & Go programme. Click & Go is to totally revisit our customer journey with our customers. It is not a test in one city. It is full transformation of all our ecosystem to manage the customer journey from the client ID to the driving license to progressively how to get access to the car without going to the station. So the first layer of this programme has been done as the application and the basic feature is done. And now, we will be able to deploy progressively those solutions to our customers. Those solutions will be matched with what we are doing with the connected vehicle programme. This core programme is very important because in one hand, it is helping us to manage differently our operation. Olivier will guide you through this system. But it will also enhance dramatically the way we are running our operation with our customers.

If we look at the sum of our two programmes, I will come back on that, we are really in a station-less model. In fact, we are in Ubeeqo, our urban mobility operation, which is already without station, car connected and Click & Go experience but with another platform. So we are replicating those programmes but at large scale base in the historical business while deploying the rest of the Ubeeqo their solutions in the cities. So those investments are what we have done. We are deploying. We are continuing. We are harmonising. But the main middleware has been settled.

In the meantime, we should not forget that we have changed the design of the group. Four years ago, a 2-billion company; four years later, last year, a 3-billion company. We have been able for – with our teams to resize the group, to change the values, verticals we are operating. Fabrizio will guide you through. We have been able to do that while improving our net promoter score. Customer satisfaction is the core metrics we are monitoring at group level everywhere. Every single employee of this group is incentivised on the net promoter score. It is what we are doing.

In the meantime, we continue to increase our profitability in an absolute value and in margin. It is difficult. We know that we have received a lot of questions about speed of the profitability. We are running a massive business. We have integrated many operations in less than 18 months so we are very proud of what we have done. Much to come but we have managed to do this transformation in two years. And in the meantime, we have invested in those significant programmes. And as you can see, the digital and the urban mobility so 200 million. So this is really how we have managed our company.

What for? Two focuses for us. The slide is a little bit conceptual. So we are addressing really a wider range of wheeled mobility usages. So a classical one, from days to weeks and progressively to months is what we call, what you call the rental, vehicle rental core business.

So in this business that we do operate, we are focusing our energy and Fabrizio will guide you through to grow this business, enhance this business and seize the growth opportunities which are strong in the business traveller than the leisure traveller.

On the urban mobility, which is our second focus, we are focusing on hours and somehow hours to days mainly with our Ubeeqo, urban mobility division, but Ubeeqo. A few words on Ubeeqo because I was told yesterday that finally, people are not knowing what is Ubeeqo. I will repeat and they're the cars, Ubeeqo, which is just outside. And people of Ubeeqo are in the room if you want to discuss with them.

Ubeeqo is very simple. You want to take a car for a few hours, you register online, you register your credit card, you register your ID – your driver's license, you are managing with your smartphone to see where is the car, [inaudible] parking place in a base, either in a parking – either in a dedicated parking in the street. You open the car with your mobile and you come back at the same place or the beginning for a few hours. So we are really targeting a few hours, man-less station services. You don't have a car anymore. You want to go for the tennis, you want to go for a dinner, you want a car for a few hours because you don't want to have a driver or a taxi and the usage is not exactly the same so you have Ubeeqo.

Ubeeqo is really a digital architecture rendering a physical service of mobility in many cities in Europe and we are deployed in 11 cities. So it is really the two usages or the three usages depending on how you read it that we are focusing on. The core model, rental weeks and months; and the urban model, hours to days. Today in Paris, you can take a Ubeeqo for a weekend. You have a specific pricing area. So you can take a few hours but you can do also for a weekend. And I know that in the room, some of you have already tested it. So please at the break, explain to your colleagues how fantastic it is. So with this – with very strong assets, we are going to move in the mobility space and we are going to take those opportunities as mentioned.

Where are we? One of the assets we do have is our position in the framework of the mobility and the value chain. Even these slides could be seen as complex. You can understand that with all the knowhow we have in the group, maintenance and reparation is the daily life for our teams everywhere. Fleet management, including financing, is our daily life. Fleet management means distribution, registration, taking care, allocation of the yield, moving it and sharing it on a permanent basis and large scale. So it is really something which is at the core of our competencies and we don't think anyone else in the mobility chain has this knowhow.

What we are doing in parallel is customer operation. I call it customer operation because we are managing nearly 100 million of days meaning that we are taking care of our customers every day in every station or out of the stations once they are on the road. And you know that – you see that in the value chains, we are covering many, many topics. We are able to cover the car rental which is our core DNA. We are able to cover a portion of the leasing for the monthlies because we do believe that there's a business for the monthly business. Fabrizio will cover that later on.

On the car sharing, obviously for us, it is the same. On the ride hailing, it is also the same. We are not going to operate ride-hailing pure companies but we are going to propose and we are proposing services to chauffeur for all those platforms because they don't know how to take care and to do fleet management. So we are really in the value chain, placing the centre of how to operate and this is for us a unique position to be able to capture the growth.

Our group is not only in the middle of the value chain. It's covering worldwide play field. So we are born European but with a very adequate network of franchisees and partners. We are really sending and receiving our customers on the full planet. The core operations are in Europe but we are expanding fast and we are moving everywhere with our partners and franchisees. We have now the franchisee for Europcar but also Goldcar so this is really the world is a play field we are moving on.

We have an attractive customer base as an asset. Seven dot seven, it was 5 million a few years ago. So we are growing in this customer base acquisition. Albéric will drive you through what he will do with this customer base. It is not only enough for him; it is not only enough for us; we need to accelerate how to gather more and more active customers. When I say active, it means customers which are in the company using our services operated by us in the last year. We have even much more customers when we look at the franchisee and we will go for more customers in the single database.

With those customer bases, we are very proud to be number one in Europe with a 27% market share with all brands. So we are an undisputed leader in Europe already and we are expanding fast. When I say we are an undisputed leader in Europe already, this slide sometimes it's worth repeating, we are really well positioned to attract the leisure growth, the B2B growth but more importantly, to deploy in the urban mobility because we have operations everywhere.

The other asset is not the balance portfolio of customers but our knowhow to balance this portfolio of customers. We know to operate leisure; we know to operate B2B. It's very complex. Leisure, you may think it's quite classical but it's complex already. But B2B, it is designed to customer needs and we are very proud to be able to manage those design to customer solutions and it will be the core and the glue of the group in the near future to aggregate all our services for those corporate people and Albéric will drive you through in this extensive programming we are managing now. We have grown a lot over the last three years on the leisure segment. Corporate was growing but we are putting a lot of energy on the leisure side notably with the acquisition of Goldcar. Now with no acquisition, we are going to develop our service to corporate in a more active manner – not to rebalance but to grow fast also in this segment.

And finally, what is one of our key assets, the fleet and the fleet management. We are managing permanently more than 300,000 cars in Europe in more than 1,900 stations and for more than 90 million days and we are probably 100 million. We are purchasing more than 400,000 cars a year. So we know what large scale does mean. We do manage a large-scale business in a profitable manner for sure but it is large-scale granular business. Olivier will probably give you some more details on that and probably his feedback on what he has found in the company and how precise and knowledgeable our teams.

More importantly, we have a de-risked business model with purchase of cars technically but we resell them to the manufacturers. So 90% of our cars are in buyback. We are controlling totally our pricing so we know in advance what is happening. More importantly, we call it asset light namely because we are purchasing the fleet and financing the fleet with an asset back model. IFRS forced us or told us that it is asset and liability. But for us, when you decrease the asset, you decrease the liability so we are really entering the debt and entering the fleet at the same manner.

So this is important because to run the mobility of tomorrow, you need to know customer operation. You need to know fleet management. You need to know how to finance your fleet management. So we have those three elements in our hands and it is a [inaudible] and we have shown in the last ten years our capabilities.

The last asset for us, which is important, is the newest one. So we call it an asset. So Fabrizio and Xavier are running it as a business unit, obviously, but for us, it is an asset. We are building an asset in the urban mobility in an amazing green environment. You will have some numbers. We have already many cars in Europe. We have a superior CAGR compared to the market in Europe in the specific car sharing mobility. And in Q1, we are reporting strong increase in our top line.

The Paris deal will come in addition but we are green without Paris. Paris was for us an example why a company like our group has been chosen to operate a large city like Paris but this is really an asset building that we do run.

Fabrizio will tell you what this ambition means in terms of top line, fast growth. We don’t give up at all of the profitability for these assets because we do believe – we know and we know that we can make it profitable. It is already profitable in some stations in some cities. And the growth during the plan will come with a breakeven point, either breakeven point in 2021 or 2022 or 2023. It depends totally on the growth and we are focusing on a large-scale business really to go city-by-city. But this business will be breakeven anyway during the duration of the plan.

Breakeven doesn’t mean that it will reach the profitability of the group. So obviously, you will have, and you know, a dilution on the margin because when you have a breakeven business with a large-scale revenue in your portfolio, it is a dilution. We don’t care. We are acquiring customers. We are acquiring key cities and key positions in the main areas. And we know how to run it profitability, progressively but what matters today is large scale why no losses. No losses is the prerequisite before the high profitability.

Most of the profitability will come also through the customer glue. The profitability is coming to having more and more frequency of our customers, not only in the car-sharing ecosystem but in the main core ecosystem as well. So for us, when you acquire a customer in Ubeeqo, we are acquiring a customer and a possible repetition for the full group. So we won’t measure all the benefits of Ubeeqo as a business unit only from a pure P&L standpoint but more from a customer base acquisition, valuable customer base acquisition fuelling the full group strategy.

So leveraging on those assets, we are really building an infrastructure and changing an infrastructure and a target operating model to best capture our growth opportunities. So we are changing the group to take the growth opportunity. So a short representation of this is the one group concept that we are putting together, one global network. So Luc will guide you through with Olivier all the synergies we are putting together to match as a network of Buchbinder, to match the back office of Goldcar with Europcar. But we are building a global network, not station-based. Network for us is back offices, helping the fleet management operation.

We are building a one-tech backbone. So all the investments we have made in the last few years and the one we are doing today are fuelling the full group strategy, the one tech for all the IT systems. We still have some integrations to manage but the core system like CRM, like call centre, like Click & Go will be totally managed for the full brand together.

We are managing as well one agile organisation so Alexandre in the room, you will have the chance to meet with him. He is our CP officer, chief product officer. He's managing all the tech for all the brand together in two centres – Paris and Barcelona. And this is one team which is allocating the resources depending on the brand and the need and finally one talent people.

So we entered last year in transformation of our HR philosophy. We are managing one group talent pool to fuel our knowhow from the historical business but also to recruit the most talented people we can on the tech side and all those people together to help us to go fast.

At the end of the day, one fleet; we are on good way on the sourcing way. Now, we need to accelerate on the platform. And one customer journey and one large customer base. So we are building those backbones. Most of them are ongoing. We have to accelerate on some of them but this is really how we are transforming our group.

Four core brands is what we do operate. We have, you will say, many – we have many other brands. Yes, we have core four brands. And then we have tactical brands that we inherited from our acquisition that we will transpose progressively. But we are investing in our group only on our four main brands, each of them being for some purpose.

So what does it mean for us? And my colleagues will guide you through those numbers later on. An ambition for 2023 which is high growth in the urban mobility. So we see the momentum. We see what is happening in the cities. It's a question of putting the cars in the street. So we want to multiply by ten our urban mobility. And the reason why, Xavier Corouge, which was the head of the ecommerce and the marketing of the group, has taken over this division and will be supported by all the organisation to go on a fast ramp up of our urban mobility story.

Four billion, it is not a number; it is an ambition, a guidance and an ambition. Four billion, obviously in the market we see growth opportunity. We are progressing step-by-step. This ambition, we think, is totally reachable. But we want you to give us really the time to set our programmes pillar-by-pillar.

We will see later on with Luc the profitability in this organisation. Some of you already told me this morning that when you compute what is put in the press release which is above 500 million with above 4 billion, it is a 12.5 margin and it is not a 14% margin. Yes, you're right. When you look at the urban mobility by times ten at breakeven, anyway if it's not making losses, it is in margin standpoint dilutive. So we are really conscious that our new mobility, urban mobility, is a dilution of margin.

Anyway, I want to remind everyone that we are EBITDA positive, net income positive in the mobility space. I'm not sure that you can find many players in that space. So we are investing in margin. The 12.5 is a computation. We have said above 4 billion and above 500 million just to give us time to scale the story but we are really in a growth momentum, seizing the market opportunities and the evolution. Is 12.5 enough? Perhaps not. It is something that we are looking and contemplating because we do believe investing in the future, investing in the growth story because the market is here today and taking position is now, is much more valuable than looking at 12.5, 12.6 or 12.7. We invest in customer acquisition, customer repetition, a valuable customer base and enhance all our business units.

My three other colleagues now will guide you through this programme and this journey and I will come back at the end to give you my key takeaways. Thank you.

Fabrizio Ruggiero: Good morning, everybody. It's as usual a pleasure to be here with you today. I want to spend some time elaborating a bit on what Caroline has well explained and the idea is to give you a bit more details around and behind and about what is behind the scene when we mention use cases, when we mention business units, when we mention all the different levers and elements of our business model.

First of all, what is important is to explain why we consider the organisation by business unit the engine of our group. We have decided now is two years ago, more than years ago to launch an organisation by business unit because we were convinced – we are still convinced that the recent opportunity behind serving different use cases and focusing the company around customer needs.

When we started this and what we see today is the chance to have this organisation able to serve different customer needs and you can see that the different customer needs are around four main blocks. One is what we call cars, the second one is what we call low cost, the third one is what we call van and truck and the last but not least is urban mobility.

These organisations allowed us to feed the growth. We will discuss in a few seconds but these have also been the way to address low-cost business in a different way – sorry, I got a cough – to have – to understand what is behind and to make this business growing because low-cost business is growing everywhere, not in car rental world. It's growing in the airline industry. It's growing in the hotel industry. It's growing in the retail industry, in the fashion industry, etc., etc. because there is a part of the population who wants to buy in a different way something different.

On the other side, still there is a huge growth for cars because there is a space to serve different elements. We will again deep dive in a few seconds. And again, van and truck has offered us the chance to serve different durations, etc., etc. So this means different use cases. And this organisation has been the cornerstone of the business development over the last 24, 30 months.

What is important is to be aware that behind different customer needs, we see one common physical platform and one common digital platform because we can leverage on it. The physical platform and Olivier will guide you through this is built around 1,900 stations and it's built around 8,000 people working the operations in our group serving customers everyday, assuring quality of service, assuring – delivering collection activities, selling ancillaries to the counter, etc., etc.

On the other side, if you remember our 2018 full year results, three quarter of our sales or 76% of our sales precisely are today online. This means that the digital world is predominant already today in our world and in our company. And this is something that we need to assure and the digital world is the entry point to our services for any customer through any distribution channel. It can be B2B. It can be B2C. It can be direct. It can be through intermediaries, etc., etc.

What is important and why it's so important this piece, because here the resource so the entry barrier for the future of this company and this industry – connected cars we will discuss later with Olivier – how to assure with Click & Go, how to change the way we approach, how to have a different customer journey. It requires investment that not all the company will able to sustain. And that's a way to feed and to create a higher level of growth.

Of course on this, on Click & Go, in the afternoon, you will also have Xavier Corouge that will give you the chance, to show you a bit more what is behind the scene.

Then what is – what we have built is what we call a powerful battleship. It's a battleship because as Caroline showed before, it's a company with 27% market share in Europe and this means to be by far number one. It's a battleship and we want just to use this session to illustrate a few of the elements that are today composing the battleship.

In cars, there has been in the last years a huge direct-to-brand growth, ecommerce growth, plus 9% the last year, double digit the year before. And again, we have just released the new app. We have a new responsive website. We have new geo pages so there is still room to do more to improve this performance.

We are strongly multi-segment. Why this is important? Because not all the segments are performing in every moment of the year in the same way. So we are able to be resilient when there is something that is moving not in the right direction. We are able to move the business from left to right, to drive the business, to yield.

And we see geographic expansion. We realised geographic expansion and I will discuss also about what's next. Last year, we signed an important commercial partnership with India that is a growing market. We activated a new partner in Israel. We signed Russia. That's very important because we tend to believe that, I mean, it is only corporate countries so the countries that we run directly and of course, I didn't mention Norway/Finland that are arriving right now. What is important is that this is a business of flow, international flow.

Above 50% of our sales of our rentals in countries are coming from other parts of the world. That's why it's so important to have partners everywhere with the right level of quality able to drive this business.

If we go to low cost, we have been able to integrate the company in nine months and I would say successfully integrate the company in nine months. You know how it's difficult for many companies to make a big acquisition and to integrate. It has been successful. This is giving us, as also we said recently when we announced the new managing and directing the business unit low cost to compete in the double-digit growing market where some of our competitors tried to enter and they were not succeed – and they didn't succeed. And we know how difficult it is because we launched InterRent four years ago. We experienced this. We arrived to 100 million and we said, 'Okay, we need to scale up and this is the right moment to invest money because there is value we can extract.' And this platform is now ready for global expansion because all [inaudible] of low cost. The battlefield is worldwide.

Vans and trucks, we started the expansion in the flexi market. That's very important. I will use this word flexi a bit more during the day because it's giving us the chance to offer flexible solutions to our customer. That's very important. We have – we give customers the chance to be flexible, to answer their needs in a flexible way. And we have reinforced our network through super sites because we have understood clearly having this approach that there is value in being vertical, in being specialised.

On top of this, the three assets together, as I said, we are one group. I said it before, we have one physical platform, one digital platform more and more and again on the physical, Olivier will elaborate; on the digital will be Albéric. We wash cars and we wash cars everywhere in our organisation. We are an asset utilisation centric company. Today, it's 76% as mentioned by Caroline but there is more that we can do. We have the highest buyback share in the market because it's a way to be flexible, to follow the peak, to assure brand new cars every day to our customers and we have the chance to have the cost and the fleet cost optimisation. So that's really our DNA.

Then if I move to the urban mobility, there is a clear focus on open car sharing. I will deep dive a bit about Paris later on. There is a clear opportunity in corporate car sharing. Being an asset utilisation centric company, this is a market that is growing. We sometimes mention car sharing, we think that is only B2C. But in our world, we are already the biggest B2B corporate car sharing company in this part of the globe.

And important, there is a market that is growing today. This is asset Uber-like world and this is a big opportunity for us because already today, we have 1,500 cars dedicated to what we call PHV drivers from different companies, different platforms, etc., etc., and this market is growing worldwide.

So what the battleship has been able to deliver as mentioned by Caroline and going a bit – Caroline was mentioning the big numbers. I go a bit more in the details, on the verticals. The first one is plus 10% in cars arriving to €2.1 billion; plus 200% in low cost arriving to €390 million; a plus 30% in vans and truck arriving to 344 million; and a plus 45% at €35 million in the urban mobility.

What is important is on top of the growth is that we have been able to create this growth in a moment of strong integration of our company. Last year, we spent important part of our energies to integrate Goldcar on one side and to integrate Buchbinder on the other side. Don't forget, we acquired Buchbinder, number five in Germany, number two in Austria. And now, it's part of our ecosystem, it has been mentioned by Caroline, we have of course four core international brands but we have some, what we call, local heroes and Buchbinder is a good example.

I don't want to spend too much time on this slide because Caroline has perfectly illustrated the sense behind – what is the sense behind this slide. What is important is just to say our urban mobility business unit is perfectly fitting in what we call the urban mobility piece on this slide, the plus 12.5% compound annual growth rate whilst the other three businesses are part of the rental and leasing world still where the growth is there, plus 4%. And it is important that we consider rental and leasing together because one of the points that as I said before, we offer flexible solution. Flexibility is a word that is becoming more and more important for people. One of the examples mentioned by Caroline before was we work, you know, a fantastic platform, 400,000 customers, having access to flexible working space and we can offer flexibility to our customers. That's a different angle that we can use to feed our growth.

We want to give a strong connotation to this new phase and we have decided to launch a new ambitious plan for our group under the word Shift 2023. 2023 is of course the timeline we have in front of us. And we have elected this name Shift because it's giving us, between us, the sense of shifting, we are shifting the gears. We are shifting the competition. We are shifting our ambition.

Of course, everything in this business is where you want to go and on top of this, how you want to get there. That's why the roadmap to further capture growth is so essential. The ambitious growth is around what was explained by Caroline: €4 billion revenue, circa 10% coming from Urban Mobility but it is not only about revenue only. It is about customer growth: where today we are at 7.7 million, we want to grow to 15 million customers and it is around quality of service, where we want to be a group NPS at 50. This is important because in Europcar we are already above these numbers. We were at 56% and we are committed to improve this level this year. We are working hard to make it happen. But we know that – I mean in the market we need to recover the reputation of the GoCar brand. We are working hard on this. There is room – I used to say if we are back ten years and if you remember what Ryanair – how Ryanair was perceived in the industry, sometimes a bit aggressive, etc., etc., I'm sorry, after ten years Ryanair is still by far number one for number of passengers in the industry and they are still one of the leaders in this industry.

So there is a journey in which we are. We will assure to deliver quality of service under one common umbrella, profitable growth, because we do not do anything without taking care of the fact that we want to be a profitable company.

There are five principles behind the word 'Shift': speed up, because it is essential today to be fast, the world is not waiting for us; high value creation for our stakeholders and shareholders, that means for the company and not less important, for our customer, we will deep dive a bit more with Albéric later on. Invest in the future: we consider – we have mentioned many, many times urban mobility as an investment. Why this? Because in the future, there is no difference between car rental, leasing, car sharing. There will be people who are using cars, as explained by Caroline, for one minute, for one hour, for one day, for one week, for one month or for ten months. That's the world in which we are entering and in which we are ready to fight. Focus on customers: as I said before, customers are our treasure. We are aware of it and we need to respect it and to make it bigger. And tech and talent-powered: I said before 75% of our company is already online sales. We are a tech company, even if sometimes we are not perceived as such because, of course, in our balance sheet sometimes you see more the cars but still our DNA, our company, is totally committed to the tech and that's why we want to show what is Click & Go and that's why it's so important what Caroline mentioned before, saying that, when we talk about Click & Go, Click & Go is not something that we are delivering as a pilot in three stations. It is a worldwide programme impact first corporate countries but impacting first all corporate countries. So it will be a clear element that is characterising our offers in Europe first but not only, because we have corporate countries in Australia and New Zealand, as an example, today.

When we go to the five principles, behind the five principles, we know that we have two battles that we need to fight and to win. The first one is around how to augment the core business, mainly on three levers: enhance car rental, enhance van rental and scale up Urban Mobility. The second one is around how to amplify the business services. I will deep-dive in the four elements part of the two battles in a few seconds. Then there are five activation levers. I will not spend a lot of time on these because it will be perfectly covered and better than what I can do by colleagues. Just to mention them: it's one brand portfolio, one 'phygital' customer journey that is today – behind one common product is the new customer engagement that Albéric is developing. One B2B commercial platform, one connected fleet and one network and one customer database: these are the elements that will be deep-dived by colleagues later on.

It's important to remind everybody if necessary – but I believe I was clear also before – the battlefield is worldwide. It's not a matter of being corporate, or not corporate, in one country. Still, one of the – I mean one of the most important sources of businesses, not for your car but for our world is people coming from the US. It's normal. We are going – many of us are going on vacation there; many of them are coming on vacation to Europe. What is important is that, in this battlefield, we want to give a strong input on organic growth compared to the past, so organic will be the word, strongly part of the journey of the next few years. We will continue leveraging our strategic partnerships as we did at the end of last year in India and with ECO Rent A Car. And we will go for selective M&A every time there is an opportunity of creating value, where the value is not only what we can achieve in the specific country but also what they can bring to the rest of the network and what we can bring them. The good example is Norway and Finland. That is not only important because we can create value, optimising the cost structure with the funding, etc., etc. but Norway and Finland are important source markets for our leisure destinations. That's the value behind.

Then, last, a bit of granularity around the ambition, exactly mentioned before – as mentioned before by Caroline. And as car rental is a journey that wants to move the company from €2.5 billion to €3.1 billion, in car rental we are including what we call business unit core, so what we call business unit low cost with a 25% growth, substantially driven by digitisation of the customer journey, individualisation/personalisation of the offer, customer repetition, other points covered by Albéric later on, flexibility as a core element of the offer – again, we want to use this word more and more – and global expansion.

The second piece is enhance van rental, where the growth is higher. We see the ambition making plus above – growing above 50%, where again the digitisation is an important asset but of course it's a different kind of digitisation between a B2C and a B2B customer and between a B2B customer who is on a business trip versus a customer who wants to rent a van to move some goods from left to right. Again, flexibility, especially in terms of covering longer duration. Proximity, with higher specialisation, is something that we learned a lot in the super-sites development. The specialisation of our network is a key asset. And selective M&A every time there is an opportunity to gain time to market and to buy skills, as we did in the case of Buchbinder.

Scale up Urban Mobility: as mentioned before, plus 10%, arriving to €0.4 billion, where the focus will be to scale up in big cities and I just want to give the example of Paris. Paris is – will have cars for all the Paris inhabitants, on average within 400m. It means that half of the population will have a car in less than 200m. That's a reasonable alternative to car ownership. Current or B2B focus to feed corporate car sharing and ride hailing solutions. Again, our ride hailing solutions are B2B. Of course we do not want to compete and we do not have any intention to compete with Uber. PHV – Uber drivers – market growth, as I said before, is growing and there is an opportunity.

The last slide from me is going back to services to corporate. As Caroline mentioned before, we grew a lot in the leisure business. The leisure business in general in terms of compound growth rate is growing faster but we strongly believe that there is still value that we can extract and we need to rebalance a bit and there is a clear roadmap to get there.

So, today our B2B is 40% and we clearly see the chance to increase 5% under a bigger scale. So it's a +5%: instead of €3 billion, moving to a €4 billion, above €4 billion company because we see the chance to serve new use cases. We see the total access to the full customer journey – for B2B it is essential because business travellers are short in time – new platforms and new loyalty programmes. It will be explained by Albéric later on. And this is a fantastic, amazing entry for what we call BLEISURE business, so it's business-leisure. So an employee who is with us when he is working and with us when he wants to go on vacation with his family.

I give the floor Olivier and I thank everybody. Thank you.

Olivier Baldassari: Good morning everybody and thank you Fabrizio. We have a clear avenue for growth but I wonder what do you remember from the last time you rented a car? Was it clean? Was it the car you actually ordered? Did it work as expected and what happened when you returned it? Don't tell me.

I hear a lot of anecdotes. We are in a business of anecdotes. I had this morning a discussion around a rental car experience in Corfu where it didn't go as expected. The person was asked for cash: oh my god. So, bottom line, we operate in a very concrete business and the devil is in the details; it starts at the counter, it carries on in the parking, then you drive, you return your car. So, so many things can go wrong.

What makes a difference? The difference is about execution discipline and execution discipline is what makes a difference and what makes this business profitable. But what is changing also? I was meeting with a travel manager from ThyssenKrupp last week in Hamburg and he was telling us how pleased he was with the progress we had made and how willing he was to give us back some business. But he was also saying, 'Well, you know what? I like your process in Germany. What about Italy? Can you do the same?' We can.

We can but it does not happen overnight. We are in a business where number counts. If you start with 12,000 employees serving 7.7 million customers in 1,900 stations operating somewhere around 315,000 cars, well that's a lot of volume: 14 million rentals and 90 million rental days. So that brings probably around 50 million invoices and so on and so forth. Lots of transactions, a lot of system, exchanges between corporate customers, brokers and so on and so forth. The volumes are just mind-boggling. You don't go in that business overnight by the way; big barriers to entry. But we are fundamentally in a people business. Every time I go in a station – it can be in Heathrow, it can be in Madrid, it can be in Gare de Lyon, it can be in Alicante, you feel and see engagement and passion. I'm always amazed at the level of engagement of our people. And if you talk about 12,000 people, 70% of them are in stations, so it's a bit more than 8,000. The rest of the team is in support functions. That's to operate, again, 315,000 vehicles, a lot of metal. We are still in the metal business. Not only 315,000 different cars but 300 models, 18 car manufacturers but above and beyond being in the business of people, being in the business of metal, we are also in the business of technology.

Today we already have 35,000 connected cars. And of those 35,000 connected cars, 4,500 provide direct access. That's a technology required for car sharing. And connectivity and digitalisation are not the only revolutions that are happening as we talk. You are all hearing about green cars. You are all hearing about low carbon emissions. We have also to not only change our fleet in the coming years, we have also to upgrade our infrastructure. You know that next year there will be a big push. We will probably have to start to – in the fleet about 5% of low carbon emission cars and that will grow over the next years. That means a lot of changes in these stations. We need chargers. We need authorisations. So we need to start now.

And bottom line, building on what Fabrizio was saying earlier, we have embarked on a transformation journey. There are, for me, three key initiatives in the world of operations which have started. The first one is one operational framework. What does that mean? It means to answer to the ThyssenKrupp travel manager, 'Yes.' It means providing a consistent and standardised set of processes across the organisation. You may have heard before about the HQ 2020 programme. You can look at that as a cost-cutting exercise. I look at it as a re-engineering exercise and providing consistency across the group. We mentioned already this morning several times one connected fleet. It's actually not only one connected fleet, it's consolidating what we have today. You heard Ubeeqo, you heard low-cost business unit, you heard cars. We need to bring all that fleet together so that we can optimise its use but not only that, we need built-in connectivity. That's built in – with built-in connectivity, that transformation actually starts.

Last but not least, one digitalised network. It's by the integration of all digital applications, together with the connectivity of the cars, that the rubber hits the road because that's where you start to engineer, that's where you start to provide new capability, that's where you start to transform the customer journey.

And when we look at those three initiatives, please don't look at them individually. They compound each other. It's together, the three of them that they bring the full value and the transformation and the agility and the speed.

They also provide savings, they bring money to the bottom line and those savings are also key to allow us to continue to invest and to grow. So HQ 2020, one operational framework, is going to bring €30 million to the bottom line. That's standardisation and consistency. One connected fleet is enabling, really, the one digitalised station – or digitalised network. We have an ambition to have 83% of our fleet connected by 2023. I should say 2023 is far away. We are actually shooting to have a big portion connected by the end of next year, as much as we can: I shoot for 50%.

And it's through the digitalisation, through bringing together the car connectivity and the digital applications, that we are going really to change the customer journey and how our people work and that's going to bring 2% margin to the bottom line in – by 2023.

Let's dig a little bit, first starting with HQ, the famous HQ 2020, our one operational framework. We have come a long way since the time where each country was designing its own organisation, was designing its own processes and bringing its own solution to the table. We have become one global company. And there are three pillars. You heard it, Fabrizio said it: business units, countries and function. Fabrizio said earlier the BUs are the engine of growth. I like to say that the countries, they are the operators and the mechanics and you can say the functions are somehow at the helm, they govern the processes and organisations. But our legacy, where we come from, is a world of complexity and diversity. And again, back to the ThyssenKrupp travel manager, why the hell do you have a different process in Italy and in Germany?

So, we have a compelling call to standardise, not for the sake of standardisation. It is because standardisation brings speed and agility in our business. And it's also – and Caroline was mentioning that earlier – when you deploy Click & Go, if you have a different process in every country, it means that you need to accommodate that different process in every country and that brings a lot of complexity and that slows you down. So that's where the need for alignment and standardisation needs to happen now because, if we want to accelerate and deploy global applications, we can't afford local diversity.

So, over the past months, we had teams – cross-functional teams but also involving countries and business units – working together at defining that common way of working, at defining what we've called the target operating models, that essentially demark organisation design, processes, roles and responsibilities. A number of companies have done that for many years, so – but we had not done it and we've done it.

So we have now scanned all opportunities when doing that exercise, looking at consolidation, centre of expertise, outsourcing occasionally and we have now a template, an organisation, that is ready to be deployed. The plan is ready and the deployment is starting. There are three keys to keep in mind. First is that the group functions are global and they govern organisation and processes. Second: the BUs will be integrated in each country and third, the countries are in charge of execution. They own the day-to-day operations and the go-to-market locally. They execute the strategies that the group has defined in a consistent way worldwide.

Next, we talked already a lot about it: connected fleet. There are, supposedly, 64 million connected cars in the world. What does that mean? Well, the definition of a connected car belongs to those definitions which are very fuzzy. Broadly speaking what is a connected car is a car with some kind of internet connection. So if you are able to browse YouTube, you have a connected car. For us it means something different. For us a connected car is a connected object in the value chain and it is at the cornerstone of our transformation because it's going to change the customer experience, it's going to change how we manage the fleet and it's going to change the station perspective. And I said it earlier: we already have 35,000 connected cars. By the way, about 3,500 of them in new vehicles and in Ireland – and I know Colm is here in the room – we have a bit more than 10,000.

The platform that we need to manage connected cars is ready; it is in operation. And the product organisation and the – you'll have the opportunity to interact with Alexandre Crosby, who heads the product organisation – is developing new features – I have to say I am on his back all the day – developing new features to scale up because you know it's not the same to operate 45,000 cars and to have 315,000 or more connected. So we need to scale up and more than that, we need also to integrate our digital applications that we have and that allow us to operate our stations.

So, our ambition is to have 80% of connected cars by 2023. I said earlier, probably around 50% achieved end of next year; this is very ambitious. And as we speak, we are actually operating – just starting 5,000 cars in Mallorca. We are going to deploy 30,000 cars in early next year in the UK and other countries will follow, probably Portugal, France, Italy. I will keep the Germany for a bit later.

I want just to emphasise, when we talk about connected cars, that, starting with the customer experience, that will provide new services, new opportunities, a new experience, if only because you have enhanced safety by construction. You can provide feedback to the driver. You ease the customer journey. You can potentially bake in direct access and the customer can go directly to the parking and open the car. You can ease the return. You can – you know whether there has been an accident, so it's transformational.

From an asset perspective, needless to say, you may not know it but if you go and visit a station in Europcar, one of the challenges of our people is to find cars. They don't know where they are parked. Hallelujah, with a connected car you will know exactly where the car is. You will have a real-time inventory. You will have all anomalies detections and the mileage databased. But more than that and above and beyond that, when you talk about stations, you heard the word 'deskless stations' before. Well, digitalising and bringing connected cars together will bring us to a point where – what Caroline was saying earlier – the Ubeeqo experience becomes everywhere. You arrive at the airport, you receive a message on your mobile, you go to the parking, you open your car, you leave and when you return, we know whether you had an accident, how much fuel consumption has taken place, whether you had something wrong happening. So this is a completely new experience, potentially deskless. So the role of people is going to change.

And the last piece of the cake is somehow, again, you integrate the connectivity into the station. It doesn't work in isolation. We will still continue to do what we've done over the past years, the tactical optimisation of the network that we've done in the UK, that we've done in France. It's still important. It's not because you have connected cars and digitalisation that you stop optimising and look at your network as a whole. And by the way, the design optimisation is also something that we are investing in. We are putting a small team – as part of the HQ 2020 programme of reorganisation, we'll have a small team focusing on network design and optimisation that will be to generalise and systematise our network optimisation. But again, as said earlier, the key here and the true transformation starts when the integration of connected cars and digital applications happens and that's where we can expect to improve substantially the efficiency of our operations.

We are targeting one-point margin improvement by 2020 and two points by 2023. That part of it is already in progress. And that's the plan, so this has started, I mentioned that earlier. So, one operational framework is well advanced. As I said earlier, it is being deployed. We will have work until the end of next year but a big portion of it will be completed before. So, again, we will have a €10 million bottom line improvement in 2019 and an additional €20 million to the €10 million, bringing it to €30 million, by the end of 2020. So, one connected fleet, I mentioned that: 80% connected by end of 2023 and ambition to achieve a big portion of that end to 2020 so that we can take advantage of that in 2021. And last but not least, the one digitalised network and generally speaking, the optimisation of our network. That will bring a one-point margin improvement in 2020 and two points in 2023.

Thank you.

Albéric Chopelin: Thank you very much Olivier. I think you made it very clear that we operate a very concrete business with a great diversity of customers and this is also the beauty of my job now, to handle this diversity and to have more and more valuable customers.

Ladies and gentlemen, so, good morning. Of course I am very happy, as you can imagine, to already have the chance today, after just two months onboard, to talk about our commercial and customer strategy and the framework of Shift 2023. And first of all, please have a look at these key facts and figures that are on the slide. These are the key facts of this plan.

It's about, actually, a real shift: a real shift, of course, in terms of turnover, from €3 billion to €4 billion plus and it's also a real shift in terms of active customers from 7.7 million to 15 million. By the way, we can all admit in this room, if we look into our market cap, that so far our 7.7 million are surely not valued at the right level. So we actively focus our attention in the way we can attract more customers and in the way we can value them better with our brands and our services.

We will see that our four core brands are really at the heart of our actions and around these four brands, the listed initiatives here on these slides are kind of a teasing of the main priorities that we're going to review together.

So, in the framework of Shift 2023, our clear mission is to lead worldwide of Europcar Mobility Group into excellence and customer centricity in order to nurture a profitable and sustainable growth. And here all the words do count. So let's focus on the three priorities: one, the brand portfolio management; second, the offer design and third point, customer engagement.

These three priorities will just serve an important ambition, as I said: to extend our customer database to 15 million active customers. This 15 million is, of course, at first a quantitative target. This is fed by the main initiatives that Fabrizio Ruggiero presented to you. One of the most powerful initiatives is services to corporates and we plan that it will bring us around 2 million more active customers. So it is actually worth it that we have the dedicated folks on this a bit later on.

But as I said, these 15 million is not only a quantitative target; it is also a qualitative target. Yes, indeed, it's about a systematic monetisation of this database. So, bottom line, on this slide, two major KPIs are important to be monitored by us every single here. I'm talking here about frequency of the booking and I'm talking here about customer average spend.

So now let's talk about what is remaining – actually the main asset of our company: I'm talking about our brands, so let's talk about our brand portfolio management.

More than ever within Shift 2023 it's very important that we have – that we are of some exemplarity. Point one: exemplarity in the way we manage the power of each of our brands and second, exemplarity in the way we take care of the brand portfolio management as a whole. So, here we actually focus on our four core brands on this slide: Goldcar, InterRent, Europcar and Ubeeqo. Brand per brand, we are actively working on who they are, what do they stand for, what are their priority clusters, etc.?

Goldcar, you know that, is our value-for-money brand. InterRent is our mid-tier brand. Europcar, 70 years of history, market leader in Europe and Ubeeqo, it is clearly our urban mobility brand, so of course it will need a lot of more time to elaborate further, brand per brand, about their storytelling. Here I decided to go with you this morning for a kind of a KISS method:

KISS, keep it stupid, simple. Three selected words per brand, obviously not random, obviously really selected with high attention in order to define per brand three DNA words that can be used by our teams every day each time they have a sales and marketing decision to take as regards one of these brands.

So let's take Goldcar as an example. Goldcar: smart, fair, feel good. These three words do really mean something for our leisure customers, mainly B2C customers. When booking, they are of course considering something nice, some good time coming next in their calendar, so they project themselves into a feel-good situation. They proclaim themselves smart buyers and they want to book a car for the best price. Smart also in the way they want to be offered just and only just the services that they like, nothing more, nothing less and they want to pay for it at a fair price. Fair, by the way – as Fabrizio mentioned, fair is also very important as a keyword for Goldcar, the reason why we are really improving our NPS at the moment.

Another example can be Ubeeqo. It's clearly our urban mobility. It was born B2B; now it's both B2B and B2C and also pooling B2G. Very promising and as an example, out of the three words, very self-explanatory: 'city-zen' as a DNA word, I'll let you appreciate.

So, very important, also, not only brand per brand, as I said, the management of the portfolio as a whole. It's not only about each brand; it's about managing the coherence of the portfolio. So our central marketing team on that is kind of a job-keeper together with me. We are the guardians to make sure that the differentiation between brands becomes higher and higher and that the complementarity brings also some value to the market: some synergies between brands, of course, are also new and generated mainly in the backstage.

Based upon an efficient management of our four brands, there is a lot of value creation at stake. So our growth is about generating, at the same time, revenue, margin and customer satisfaction, not just one of them, not just two of them, not at a pace that is totally unbalanced between the three items. Our sales and marketing efficiency is really about doing these three at the same time. Point one: in terms of margin, many initiatives are already on track in order to generate some more margin, some scientific marketing, with systematic ROI-based decisions, just as an example. In terms of point two, customer satisfaction, I will focus on this later on in terms of customer engagement and as regards point three here, revenue, Fabrizio Ruggiero told you already about the main initiatives. Related to revenue generation, I mean offer design is clearly a core part and I suggest we enter this in more details right now.

Here we are: so, offer design, it's the second priority of our sales and marketing strategy. That's why we go for a very systematic methodology in the way we screen the market and the potential of the market and in the way we decide to go for the right offer. So on the left of this slide, you have kind of an icon for this methodology. Very quickly, on that, maybe you know already about this method: it's just to make sure that we go for key, major questions each time and that we, in this manner, secure a value-driven business design. It's very interesting, very nice on the slide, quite easy to understand but actually, believe me, it's quite challenging to strictly follow these five steps. So the key word, discipline, that was mentioned by Olivier is not only an exclusivity of operations, it will be also our daily habit in terms of commercial executives. So we always start, actually, from the customer selection, the value proposition, then we jump into the second and we do not skip it, in order to really identify what are the main profit pools in the market. Not all the pools are good to be taken. Let's go just for the main profit pools. And then, of course, step by step, we go until step five, this is the last one: operating model, meaning how should we organise internally to deliver this new offer?

So more interesting now, more than theory, let's go to a concrete example. Let's take services to corporates as an example. This is actually a huge market. Just look at only the G5 in Europe: 28,000 key accounts, 13 million SMEs, estimated market of €30 billion, so it's really a massive opportunity. So, with our new initiative, we really want to become the preferred partner of corporates for everything related to mobility solutions.

Large corporates will be targeted as a top priority. We will offer them some package offers, matching with their expectations and we will no longer answer their RFPs. Now we really organise ourselves to leverage B2B relationships, to develop some digital approaches and this is, of course, far better than just answering RFPs, right?

SMEs, as well – on top of key accounts, SMEs will be the secondary target and through very dedicated, specific offers, matching with our expectations, as they really expect, maybe, that, they do not only expect packages. Sometimes they expect a la carte services. I am talking about the SMEs.

So, our decision is really to offer customers a comprehensive platform of mobility services and the value proposition is actually to integrate several mobility solutions into one finished platform and by the way, it doesn't exist today on the market.

So, here on the screen you have actually what our key accounts are asking for. So I'm talking here about an offer that has been co-designed with some of our key accounts and look at this: travel managers, on the left on the slide. These are the kind of services that we design for them: invoice digitalisation, billing, cost reporting. Another example is instant payment, etc. On the right-hand side of this slide, employees. Our multi-brand approach, of course, is really helping us and is very important to reach this target. They wish just to be offered more mobility options. And as an umbrella here, our group loyalty programme will be paramount.

So we covered our brand portfolio very quickly then the way we go for strategic offers. Now let's talk about our capacity to engage customers. This is really also at the core of our commercial and customer strategy. Our customer engagement plan actually consists in six key actions. So, at first, design a modernised customer journey, with priority touchpoints, both addressed physically and digitally by the way because, remember this, it will almost remain the freedom of our customers to decide which step of their journey they decide to go physical or digital. We will not be able to decide that for them. It will still remain their choice. So we have to be prepared for each touch point, to address this one way or another. Our central team also operates kind of a customer experience gate. So each project, each new app, or each new web page will request kind of an approval to get accepted to the customer journey of one of our brands and the central team will activate some criteria to just accept it, then they open the gate, or just refuse it. And it's very important for the coherence of our plans and to respect again just one thing of importance, which is the customer expectation and not the customer expectation of [inaudible] only, the customer expectation that we are in all our scope.

So now, with you, this morning I would just like to focus on two important steps: so, point three, which is how to create stickiness and the point four, how we can consolidate a unique customer ID.

Talking about customer engagement, creating stickiness is very important and actually the cost of acquisition of a new customer is pretty high. So it's important to create this stickiness and to also create kind of an intimacy with our customers. Many new initiatives are contributing to this goal and in terms of digitalisation, we just delivered a new Europcar app. Again, you know that, you will have a presentation this afternoon in one of our mobility talks about that, very interesting. So I just advise you to go to this workshop. Our loyalty programme, as well, is at stake, with a new generation in 2020. So, on this matter, no need to invent something brand new. We are quite well inspired by some existing systems that are existing on the market, so it's more about doing the right shopping there.

On the bottom left, one more information. You see as well that the potential for higher frequency is quite higher compared to some other industries, so we have here some room for improvement in how many times we are able to touch our customers.

A key neighbour is also our decision to consolidate a unique customer ID until 2020. So, from five independent customer bases today, where one customer can actually have different profiles in my databases, into one single group customer ID where one customer does have one unique profile in our database. This is kind of the shift that we are planning to deliver. And this is really creating a key asset for the group. You can imagine, starting with 2020, we will get the possibility to have a unique customer ID that will open all our services to all of our customers. And the three main effects, of course, are expected. Number one: improved customer acquisition, as I said, through digital marketing, through data analytics. The second one: enhanced retention and the third one: incremental revenue through new services development and data leveraging.

And then, to make sure that this situation doesn't bring to some situation that you face in some other companies where too many brands are contacting the same customer at the same time, it's very important and we are preparing that, that we have a single group contact plan to make sure that the right customer is contacted on due time through the right brand to deliver the right service in the right way.

So now it's time for conclusion already and yeah, our ambition is clearly the 15 million active customers until 2023. I think you got it. In order to be a profitable mobility player, we pull through, actually, our strategy. Point one: invest in very strong brands. Second: broaden our offer to corporates and this is pooling, also, B2G and B2C at the same time. And point three is invest in customer engagement to be a clear, trusted and preferred mobility provider in the years to come.

So now it's time to thank you very much for your attention and I pass my words to our CFO, Mr Luc Péligry. Thank you very much.

Luc Péligry: *Merci*. Good morning everybody. So, I'm going to try to translate into figures what my colleagues presented to you during these last two hours. So, in this section, our finance section, I will cover three topics. In fact, I will cover quickly the achievements since the IPO – the group has changed a lot and I think that it's important to remember what has been achieved – an update on Ambition 2020 and the guidance and we'll have some key indications about the Shift 2023 ambition that was presented to you this morning.

So, first, to come back quickly on some key figures for the achievement for the last four years, so the first thing is the revenue. The company has changed a lot since 2015. We are now a

€3 billion. I remember you that this was the ambition that was given for 2020, so we are going to close this target in 2019, which is the target that we have for our guidance for 2019, so we will break this target in 2019. The company, of course, has grown a lot by external growth. We integrated, as it was mentioned, Buchbinder, Goldcar, some bolt-on acquisitions like Denmark, Ireland and we recently bought Ireland – sorry, Norway and Finland, so we are growing by external growth, as well by organic growth. That was a good performance over the last five years, with more than 3% growth over the last three years.

In terms of countries, we've expanded, as well, the scope of the countries where we operate and we're now operating in 20 countries and including franchises, it's more than 130 countries where we operate and this franchising network represents, roughly, €1 billion revenues.

As far as the breakdown in terms of leisure and corporate is concerned, corporate is now – leisure is at 60% at the end of 2019. Of course, that's increased since the IPO, mainly linked to our development and to the acquisition of Goldcar. And we can see as well the effects of the strategy by BU that was implemented and it was presented to you by Fabrizio, with a strong growth in each of the BUs and the focus that we put especially on the value track and the low cost that will enable us to grow fast and of course the Urban Mobility, which is a dedicated BU.

As far as the corporate EBITDA is concerned, we achieved €350 million, excluding New Mobility, in 2019, so it's a 40% increase versus what we achieved in 2015, a good performance for a company our size. We grew the revenues, now it's €350 million achieved with a €90 million, so it's a good performance for a company which is doing a low-margin activity. We broke, as well, the 12% margin that – you know that we have been around the 12% margin during the last three years before 2019 and we broke the 12% margin. And we have more, now, potential growth in terms of improvement of the margin that was with the programme that was shown to you by Olivier, especially with the HQ and network and I will come back on that in the next few slides. So we have a good momentum to improve this profitability once again in the next, coming years.

As far as the cash flow conversion is concerned, you see the cash flow. It was €135 million in 2019 – in 2018, sorry, improving by more than 50% along the four years. It's really part of the DNA of the company. How do we transform corporate EBITDA in cash? So this is something that we follow very closely and we put a strong emphasis with our team to monitor this transformation. And it's more than €470 million of cash flow conversion that was delivered across 2015 to 2018. And of course this delivery was done despite, I would say, significant investment in digital. We had some CAPEX – some high-CAPEX investment in the last few years for our transformation and the digital coming from the Click & Go connected cars and all of those programmes that Olivier shared with you.

As far as the shareholders' returns commitment we took at the IPO, it's 30%. We respected this dividend policy across the five years and we went above that with some share buy-backs that we entered in 2018 and 2019 and so, during the last four years, we spent – we returned to the shareholders more than €200 million and for the last two years it's more than €140 million that were returned to the shareholders.

In terms of operational KPIs, if you look at the key metrics that we follow, of course the volume is key. We grew the volume by 54%, with close to 90 million days in 2018, so coming from 57 million. In terms of pricing, we improved the pricing as well and this is due to the mix of cost – of pricing that we can use between the base, the ancillary and the mix by BUs as well. This is something that we can use in terms of tools to improve the margin – the RPD BU by BU.

In terms of FCPU, this is the fleet cost per unit and it was something that was highlighted by Olivier, we grew significantly the fleet in these five years and the fleet was 205,000 cars in 2018 and now it's more than 315,000 cars that we operate. And despite that, we were able to reduce the fleet cost. The fleet cost is reducing by the power, of course, that we have on the OEMs but as well and moreover, about the operating cost because now we can translate all this standardisation of processes in improving the operating cost in our – in the various companies. And we see that this is a lever that we can use when we make some M&A. This is a lever that we used with Goldcar and Buchbinder and I will comment that in the synergies. And that's something that we will, of course, do with our new acquisition in Finland and Norway.

As far as the fleet is concerned, average fleet, 315,000 cars. We bought more than 400,000 cars in 2018, average detention was mentioned by Olivier, it's between 8–10 months. And what's very important for the finance people is that 90% of this fleet is under a buy-back scheme, so it means that, in terms of risk, as was shown as well by Caroline, we are totally – it's a working capital issue. It's really well balanced in terms of no risk for us, even it's quite – it looks like an asset-light business. And after that, I think, in this fleet what we are able to do as well is to have – to arrange all the financing around this fleet. And that was done with various instruments, like, of course, the securitisation, the bonds, bilateral lines and so that we are balanced amongst these tools and we were able to improve the conditions along the last four years with these various instruments.

So, during this 2019 – 2018, we made two acquisitions with Buchbinder and Goldcar, really generating more than €600 million revenues. And on these two assets, what we did as well is that we looked for synergies and we identified €40 million synergies coming from these two companies: €10 million coming from Buchbinder, €30 million coming from Goldcar, the €30 million from Goldcar coming from financing, from fleet acquisition, from the operational side. We have already the fleet savings coming from Goldcar in our books because we were able, for this year, to buy the fleets of Goldcar, applying the Europcar conditions. We have another €10 million which are in the books for 2019. And of course, the operational synergies part of this network, part of the HQ rationalisation programme that Olivier introduced will come along in the next two years. So, we are totally online with these synergies.

Next issue is, of course, the self-help measures that we implemented in the Group. It’s cost optimisation, but I think above all, it's a key lever to change, increase the profitability and to transform the company. I think that was something that Olivier was saying and it's totally true. It's not only a cost resonation, but it's really to transform the company to get flexibility, agility, to be able to grow the company, and to absorb new M&As.

So, it's a big change in our organisation that we take advantage of. There was BU transformation – the function that Olivier highlighted. So, we are not more, we are less and less country-driven, but more driven by BUs and function, even if the – as Olivier said, countries are operators and mechanics. But now, it's really an opportunity to transform this business model to go for more optimisation, in terms of where we're working, in terms of operating model. And of course, the Digital will be a lever that we will use as well to transform and to reinforce these opportunities across the Group.

So, we disclosed in our Ambition 2020 some self-help measures to improve this disposability with the network and this is as well to invest – to sustain our investment policy. This is key – I think this investment policy, it is key to grow the business by organic our external growth, to invest in Digital, to improve our customer journey – customer satisfaction, and our processors efficiency. It is an enabler – an enabler to transform. It is in a – it is not a nice to have, it's a must and we must do it to grow further, bigger, and faster.

So, as Olivier mentioned, two major initiative: network, which is already launched. And when we look on the profitability like in the UK, that's something that was done in the UK, where we cut the network by 200 station – 250 in 2018 and we carry on this year. It will be reinforced – this cost-cutting that has been done on the profitability basis will be, of course, reinforced by the Digital initiative that we are implementing. Of course, Click & Go is part of it, but as well Connected Cars. And some of it – some other tools that we are importing in the stations.

So, all these tools will transform the work done at these stations with more and more dematerialised and automatized task. So for network, we are talking roughly of a €700 million cost, all-inclusive, and we are looking for another €30 million savings by the year 2020 and another €30 million by the year 2023. So, it's a programme which would deliver more savings just from above the 2020 barrier that we set up.

On HQ, we grew the company by acquisition. Now, we acquired five major companies along the last two years, with Buchbinder, Goldcar, Europcar Ireland, Denmark, Norway and Finland. Even Ubeeqo, now the urban mobility company, is part of the Group. So now, we are operating as one company. We want to change the model – the working model where it's by the BUs and function. And again, digital automatization is changing the game and will help to go further.

So, we are talking on this HQ cost to have more of a €350 million cost, including IT. And we expect to save more €30 million in this programme from 2019 and 2020. So, to cover this strong cost reduction which will have a significant impact in our profitability, of course, it will take place along the next two years. We expect to put €50 million in restructuring costs in 2019 and 2020 since most of these costs will be restructuring. And from 2021 onwards, we will be back to normal with a significant in the non-rec costs.

As far to have a date on Ambition 2020, it's not part of these days. So, we are not talking about the guidance and the current rating. But I can tell you for the guidance for 2019, that we confirm the guidance that we gave for the full year. So, this is a given. As far as the future is concerned, as you understood from my colleague – now we are talking about Europcar Mobility Group. We are not talking about only Europcar, but Europcar as a group of mobility and not a car rental company. We are talking a lot about one. So, it's a Group that we are talking about.

So, the guidance in the future will be given with one figure which will be one, reported corporate EBITDA. So, that's very important to have in mind. It means that we will include from now on – from the 2020 onwards, we will include new mobility in our guidance. So, this is the calculation we make. And we attempt to make an update quickly on the Ambition 2020 bearing in mind this – to include new mobility.

So, I can tell you on the quick update on the programmes that was given to you by Olivier. The programmes are fully implemented – cost realisation with the network, cost realisation on HQ. They will deliver the full savings that we expect on the run rate. And all costs, as I mentioned, will be booked in 2019 and 2020. The full run rate – a full – a small portion of this cost might occur in 2021. So, that is the reason why we lowered the rate of savings to 0.7%.

We've put the savings – the bracket for our savings in then on network and HQ between 0.7% and 1% since we might have some savings – the full rate – the run rate might occur in 2021. At the end of the day, we are reaching 12%-12.5% to 13% margin – corporate EBITDA margin all-inclusive in 2020. So this view on our view, nothing has changed on target. And I remind you that the low range of the bracket is totally in line with the consensus estimate, which is at 12.5%.

If I look now at the 2023 Ambition and the €4 billion that we want to achieve. So on this, on this slide, you've got the breakdown between the €3 billion that we are achieving that we nearly achieved in 2018 and the €4 billion that we are looking for in 2023. You can see that it's more than a 10% computer average grade that we will have – growth, sorry – that we will have along the next four years.

And this is the breakdown that we see by business unit, as mentioned by Fabrizio. On the Car side, it's a 3% margin improvement – sorry, is revenue that we will have. On the Van and Truck, with the policy that we will develop on this, especially on the corporate side, on the flexi, on the last mile. We will have an 8% increase. The Low-Cost business will grow as well by 8%. This is an all-around Goldcar, you know that we have here a specific organisation – very lean, very optimised that can grow organically, but that grew as well outside of the current countries where it operates. So, it can grow with this tool and it's really something that is easy to grow.

And after that, we have the Urban Mobility, where we have a strong – very strong ambition on that side by multiplying by ten the revenue we did in 2018 – coming from €35 million to €340 million – sorry, €350 million in 2023. So, it's a very significant growth. And it's a really a growth story and we need to take this market share now. That's why we want to invest. And after that, we will help as well – we will grow as well by M&A with selected, of course, M&A, in terms of bolt-on, in terms of partnership – strategic partnership that we want to establish, and of course, some international expansion.

I think when you see this slide with all these BUs and it was a bit the presentation of Albéric. It means that when we see the BUs, it will be by BUs, but I think that with the corporate story that we want to build with Albéric, it will be something that will be across all the BUs because a customer will be able to work with all of the BUs and can be shared. So, that's what we want to build and to have a corporate offer that would be transversal and unique for our customers to maximise the growth of each of the BUs.

As far as the cash allocation are concerned, I mentioned the M&A. We've have a really selective and strategic focus, on terms of acquisition. CAPEX is something that is key. You know that we invest quite a lot, mainly on the Digital and the IT. It's roughly 2.5% of our revenues. So, it means that last year, it was around €70 million that we put in the CAPEX. €55 million were targeted for IT and Digital and it's really part now of our DNA. The company is more and more a digital services company, where we will need to invest in system, in software to capture the growth, and to really satisfy the customer journey, and to look for more efficiency and more agility in our system. So, this is part of our policy.

As far the shareholder are – returns are concerned, we are – of course, we have the two levers that we used along the last two years: the dividend policy. We will maintain the dividend policy that we had the since the IPO and we will do some tactical as share buyback. For us, it's very important to have this balanced approach between funding the growth and the change of the Group and, as well, giving satisfaction to our shareholders.

All this will be done, of course, using a strong financial discipline. This is the word that has been done – has been given by Olivier, has been repeated by Albéric. I think that we are talking about a small – thought a lot of details, small margin. So, we need to be really focussed on disciplined execution. And the financial discipline for us, it's really to focus on the cash flow conversion to make sure that the EBITDA translated in cash, and to make sure that the leverage that we have is between 2.0 and 2.5.

To finish with, I will give you the key – I mean, key metrics for 2023. We talked about the 2023 – the ambition in terms of revenue – €4 billion revenues. In terms of corporate EBITDA, we will have a target of €500 million of corporate EBITDA. That's at the full – and this is – will be the reported, I would say, corporate EBITDA for the full Group in 2023.

So, it's a – so, we see that we have some levels. We have the fleet cost. In fact, this is something that we will be able to wear. But we know that the world is changing – the environment is changing with now hybrid cars, electrification, EV cars that is changing and the new regulations coming from the OEM. That's something that we have to work on.

We have always this programme of network and HQ rationalisation that will give us some room – I mean, improvement. And after that is the leverage. I would say that a part of the financial discipline is to be – remain between 2.0 and 2.5 with the free cash flow conversion and to work as well on the line between – below the corporate EBITDA – namely, of course, the financing cost. And you know that's something that we worked in 20 – in the last two years.

Between the financing of the fleet, the securitisation, the fleet bond, we issued these facilities at better conditions. So, we improved the results, thanks to this reorganisation. And quite recently, we made some good achievement as well on the corporate financing with a refinancing of the bond corporate that was issued at the time of IPO at 5.7%. And that was refinanced two months ago at 4%.

So overall, the refinancing of the corporate debt will generate more than €10 million savings on a run rate basis. And our average rate, in some refinancing of the corporate debt, has shrunk from close to 5% to below 4%. So, this is our target for 2023. And I thank you and I pass the microphone to Caroline for the wrap-up and conclusion. Thank you.

Caroline Parot: So, key takeaways. You have understood what we want to do. We are in a growing mobility environment. We want to seize those opportunities. We have the assets to do so. We have the know-how and we have the team. So, this is not a transformation for the company. We have already started the transformation. It is how with the assets we do have today accelerate and be super well-placed to seize those opportunities – growth opportunities.

So, obviously, in the mobility space, you have many players. All those players are all chasing for either market shares, either wording saying that they will do mobility. In fact, we are in the centre of the game with our assets. Operating customers, operating fleet management, maintain and repairs, and being at large scales. So, what do matter in our story is capabilities to manage large-scale business in a profitable manner and being able to position ourselves to seize the growth opportunities of the Urban mobility, which are digital, stationless, customer-centric and very new styles of mobility.

You don't do that in one year or two years. First, because we do believe the shift we seen in the customer mindset is starting, is accelerating, but it will be a long-term shift. That's why in the way we are focussed in our stories, we are continuing to grow heavily, thanks to the core business, to fuel the growth of our Urban Mobility vectors – those ones going to be profitable, but breakeven – and to continue to accelerate the positioning we will have cities by cities.

We are not targeting to be only in Europe with all our customers because the brand is worldwide. The brand – core brand – the core brands are worldwide. Do we operate ourselves or do we operate with franchisee and/or for partners – with partners is on how to reach our customers. But we are building a worldwide organisation to be able to sell and receive customers from everywhere.

So, this unique positioning for us and the way we are leveraging the assets, the way we are leveraging our investments is what we are targeting together in the middle of the value chain with Management team, but not only – with all the teams behind us. Actually, Olivier was mentioning 12,000 people in the field. We do host on a regular basis these full-time equivalents – so, not employee, but people joining us to manage the operation – more than 18,000 people.

So, the Group has organised to serve daily those more than 100 million of days, 14 million of transactions. So, this is so core centric view from the Group expanding from the core historical business funded 70 years ago to what is a new mobility business today. But it is not new, it is mobility in the city. It is mobility for the usage of the customers, which has changed. So, we are changing with the change of the usage for our customers.

And Albéric mentioned customers are not ours. We are fighting a lot to build a customer base, to build retention. But what do matter is to be able to ensure regular and outstanding services permanently because customers are free. Customer are electing you as a service company, if you are able to repeat into a further level of service they were expecting. If they are not happy, they go to the next-door provider.

Thanks God, there are that many providers in our industry. So, we have to accelerate our ramp-up of customer satisfaction and reputation. But customer satisfaction is the drive for the reputation. Customers are totally free not to come back. So, we are building capabilities with our teams to be able to have this reputation coming with high standard of quality everywhere on the field.

On a more [inaudible] basis, if we look at where we do stand today – because we are listed and we have you, our shareholders and analysts, in the list in the room – we are always amazed on the valuation metrics for our company. And valuation metrics do matter not only for you, but for us because it is a large access to the capital as well and to continue to fulfil the growth of our company. For the car rentals, when we look at our metrics, we are really low compared to the peers. And we do believe even though Sixt is a nice competitor in Europe, that's – as a gap evaluation, we need to be – catch up back by us. So, we need to work harder on that.

On the car manufacturers, there are all things that are on entering the valuation metrics and the capabilities to get access to the customers seems to be very difficult today. And we are well-placed now with Albéric to understand that we are really at the core of what will happen in the service industry tomorrow. And if we look at Ubeeqo, which is our growth engine, Ubeeqo in the CAGR for 2019-2023 time – times is 69%. We are building these capabilities. That's why it is an asset.

I appreciate that people are considering that the loss we are currently having to grow up those customer base and to put the car on the streets is a loss. It is an investment. We are investing in creating an asset in the Urban Mobility. And we want to tell you that because it is really what we are doing. By doing that, I remind everyone that we are a profitable growing company – every field, cash return – and we are even paying dividend. So, we are in a space where accelerating for us in that framework is not an option. We do want to seize those growth opportunity.

Shift 2020 for our customers, for our Group, for our shareholders, for our people. It is a unique programme which is gathering all the energy of the Group. Two years ago, we were Europcar mainly only. Now, we have four core main brands, many teams that are joining us, many partners and franchisees which are joining us as well. So, this Shift 2020 is important for us because it is a unique opportunity to gather all those energies worldwide to create this growth momentum and history.

So, I remind you the ambitious goal, which is really what we are setting for ourselves – €4 billion-plus revenue. When we say plus, we will say – we will see how we are able to accelerate, depending on some momentum. There could be some better year than other ones. But all in all, we are totally sure that above €4 billion is a good target. 10% of the revenue done by the Urban Mobility in CAGR, which is impressive. That's why we have changed our internal setup to go also with growth momentum and people which are able to capture customers.

Xavier Corouge, as the Head of the BU, has a successful eCommerce and marketing team for the Group, helping us to propose the digitalisation. Xavier was in the inception of the Click & Go programme. So, we know that with him as the Head of this business unit, we are able to scale up even faster. We don't scale up to scale up, we scale up also to get those access to the valuable customer and the reputation. And obviously, I mentioned what is core is our quality for the customer – customer satisfaction. We are measuring a group NPS above 50. You will have in the next sessions in the coming weeks and months, some precise analysis on how we would – we'll structure our NPS 50.

Obviously, we mentioned profitability. Luc was mentioning above €500 million of EBITDA. By the way, it's the last time that we are going to drive fully the Group on corporate EBITDA. There's a new structure of IFRS. We will switch the metrics, but we are keeping – so two in parallel. So, you will see in the slide that we have the current measurement and there will be the new one progressively being deployed with the new IFRS rules.

The €500 million-plus corporate EBITDA means €600 million-plus adjusted EBITDA, I think, if I'm correct? But anyway, for the sake of clarity and comparison, keep in mind the above €500 million of corporate EBITDA, meaning that with Ubeeqo being at breakeven, you see that we continue to ramp-up our programme and we are fuelling ourselves our growth.

Should we fuel the growth differently with the market? We need to go back to the share price. We are working to the – create this value. But this is really how we see our future. To do this, we really rebuild the Group. We are building an integrated infrastructure – the core brands together, but one network, one tech backbone, one agile organisation, and one talent pool, one fleet, one customer base.

So, we have done the multi-layers already on most of those programmes. Now, we are joining the dots. So, the bulk of the Goldcar has been structured. Now, we need to integrate. Of course, it is not an overnight journey. But a big portion of the investment in those one programme has been made and – especially the one which are resulting from the less fancy part of the job, which is the non-recurring – meaning reducing the people, you know – part of the organisation will be finalised by the end of 2020, focussing for an acceleration of the growth and an acceleration of the margin, going forward.

So, this is not our ambition, this is our plan. This is the way we are contemplating the company, putting all the programme together in the near and long-term future. Obviously, being today, you know, also car rental space. But car rental is a fantastic business. Because without car rental, we would have been able – we won't have been able to join the mobility space. So, from our core DNA, we are now able to expand broadly on the Urban Mobility and we are expanding geographically.

So, in a nutshell, it was what I wanted to highlight to you today with the Management team. We are, as you see – as you have seen, working in a very interesting industry. It is an industry where the possibilities are amazing. But the daily job is a daily local job. So, large scale mean large scale everywhere, every station, daily small businesses. So daily, we are serving customers for an amount of per day billing, which is probably around €30 per day. So, it is all the jobs that we are doing. And when we go to the Urban Mobility, the average per day is probably less than that. It's probably €15 to €20, depending on the number of hours.

So, our business is very granular, large scales. We know how to make it profitable. We are profitable. We will continue to grow. And this is a unique opportunity for us to go even faster. So, with that, I'm leaving to the Q&A with my colleagues. And then, someone will come from – to introduce to you the next session. I see the question coming. I'm coming here. And you will have a mic in the room.

Q&A

Mourad Lahmidi (Exane BNP Paribas): Good morning. I have three questions, please. The first one on Ubeeqo. What's the utilisation rate of Ubeeqo's cars today? And at which level do you need to get, in order for the business to be profitable? Maybe you can give us some granularity. I appreciate there is differences between cities.

Caroline Parot: There's no utilisation rate per Ubeeqo per se that is meaningful. It is, as you mentioned, really a per-city story. Because each city is having a different competitive landscape. Each city is having a different level of maturity. So, you do operate the city as you do operate the country. In fact, each city is a single country, anyway.

But today, we are by far below 50%. Even though we are accelerating the utilisation, we are not yet at the breakeven point of the utilisation. We are, in some cities, already breakeven in an absolute value. So, utilisation is good, but it is really depending by city. Being above 50% is really what we are targeting to be sure that we are accelerating and scaling up. But you have to use to become breakeven.

You can – I can tell you that we could have been breakeven this year. But with no investment in Paris, no investment in scale, and no investment in nothing. So, being breakeven, as a rule, for Ubeeqo is our target because we know how to operate it. But we see a strong momentum in the growth in these cities. So, we are scaling growth now.

Since the beginning of this year – and you have seen the number for Ubeeqo – we are growing fast in the revenue. And, for example, in Paris, we were sold out last week. It's starting to get good. It's starting to be sunny. People are starting to understand the concept. Now that we have won the Paris tender, people are knowing much more about it.

So, it's time to scale up. It doesn't mean that we won't be profitable in Paris. We will be profitable in Paris and we have said that it will be probably in the next 24 months. Is it 24 or 30 months? It's depending on speed of the scale. But the reality is that we are creating an asset which is big in Paris, gathering more and more customers.

What is important, in addition, those customer, based on the programme we are running, won't be Ubeeqo customer. They will be Europcar Mobility Group customers to be able to feed the reputation of the rest of the business. So, if we measure permanently only the Ubeeqo cost of acquisition of customers, it's interesting, but we don't see the value being created also in the other part of the business. So, customer acquisition is a play field for us. We are in these battle.

Mourad Lahmidi: Thanks. Second question, still on Ubeeqo. So, €35 billion revenues, €25 million EBITDA loss. Can you help us understand and break down the P&L, in terms of parking cost, marketing cost, fleet cost to get from €35 million to €25 million loss? And what's the trajectory, going forward, please?

Caroline Parot: You have a lot of IT costs. I won't give you the breakdown. Because at the end of the day, most of the cost is a non-utilisation of the fleet and the customer acquisition, which is marketing and setting the platform. At the end of the day, the platform is being done. We have reshaped a lot this platform over the last years.

So, we are continuing to invest in the scale, but where we do invest is customer acquisition and putting cars on the street. So, to be able to be profitable – and you will have a session after this one which will show you how all Ubeeqo in Ireland is profitable. You will see that there will be parking costs. There will be cost of the cars. And there will be synergies on the customers.

But giving you a breakdown on the full business unit doesn't mean anything because we are really, city-by-city, considering what is the cost of a parking in Paris, what is the cost in London, Barcelona. And the level of maturity of the customer base is not the same. What we are doing is investing in customer base, customer marketing, customer acquisitions and the bulk of the cost are those ones plus the non-utilisation of the cost.

We have less cost than the others because we have our Europe car teams, which, in most of the circumstances, are managing what we call the fleet maintenance, fleet reparation, what is the day life of what is happening in our cars. And you know that if you don't take care of a car, it is becoming very quickly a nightmare.

So we will go with profitability. We scale and we are in an offer model. If you don’t create the offer, there won’t be demand. So we are promoting and proposing our offer for cities and we are putting more and more cars to have more and more repetition and more and more utilisation. So it is totally different that having a mature business and having a demand that you can fulfil. So offer is being created and we are having a very specific approach on that. I'm sure you will be able to ask all your question to Xavier in the next session which are coming right after the lunch.

Mourad Lahmidi: Yes, thanks. And the final one, you didn't really touch on pricing during the presentation and how it evolved in the past five years. How much control do you have in the pricing today versus, let's say, in 2015? And how do you see the future, I mean, what you are doing today? Is it conducive to have more pricing power for Europcar?

Caroline Parot: Our pricing in our industry is very interesting because in 30 years in a row, we are totally price transparent on the distribution. So we are – with the auto industry, but probably more less than the others fully price transparent. So the competition on the price is not at all a competition which is new. That's why we don't mention it. It is inherent to our system.

What we are doing in this space is to look at what are the usage and the needs of our customers. We were thinking that the competition was high in price a few years ago, but in fact, it was not high in price. It was the movement of low cost was deploying.

So rather than to compete with your main brand on price, on the low costs which was the ask of some customers, we decided to totally change our mind, keep the pricing under premium model in one of brands which is Europcar, and go for a massive scale-up in the low-cost industry where the way the price is made is totally different. So this industry is, by definition, price-sensitive. We know we operate this way.

Same with the IPO, if you look at the average pricing, that is a combined of many things. You can see that there would probably be €3 to €5 less depending on all you count. You don't see that, you know, EBITDA. You don't see that in the way we are running the company. Perhaps that it's helping not – it's not helping us to go faster in the deployment offer as a margin, but in reality, pricing is goal. So that's why we don't speak about pricing. We speak about quality of services, we speak about repetition frequency and the customer are coming back.

For the low cost, totally different mind-sets, people which are chasing cost-for-cost are entering in the low-cost segment. And then, we have another way to build the price and it was a way to build the profitability. In the low cost, we are low price, but we are high margin because totally different setup.

So at the end of the day, what we are choosing is customer satisfaction, customer repetition and frequency to obviously help us to propose more services to our bundled services and when Albéric and Fabrizio were mentioning that we go and we invest to develop even more corporate, it is not the classical corporate we stand there, it was mentioned. It is really bundled services and offer of mobility offer to our corporate customers. It's a way to offer differently, our services and to be totally different in terms of price positioning and brand positioning.

Monique Pollard (Citi): Hi, good morning, everyone. I'm Monique Pollard here from Citi. Three questions from me as well, please. The first one is just on the timing of the rollout of the Click & Go initiative over the summer. And in particular, do you match the rollout of the Click & Go with the rollout of the connected cars so the customer experience is sort of fully digital?

Caroline Parot: We run the two programmes in parallel. I think that Olivier mentioned that the two programmes are connected at the end of the day because Click & Go is – features to help our customers to be managed totally differently in digital. When you launch that, you have features which are impacting immediately all the customers, but changing also the processes in the network.

For example, when you are not anymore obliged to give your driving license to second or first, you are totally changing the process and you are accelerating and speed up the transformation of the network when you will have integrated credit card and when you have as a way to change your journey to the cars, it will impact the station. So Click & Go is connected to the digitalisation of the network and is connected to the digitalisation of the connected cars.

But as you know, to create value, you are not running big programmes doing everything. You are already – you are really building a slice of everything, so treat teams differently, connected by the group at several levels are working to create value daily for the customer and then obviously we are joining the dots. But it is parallel, it is recouping.

At the end of the day in two to three years, all is connected because when the car is fully connected and it is not depending on us only but it is depending also on the availability of those cars with the manufacturers, then you will join the dots. So it is a two-year, three-year journey where all conversion is of one seamless digital only button.

Monique Pollard: Great. And in terms of the idea of having this consolidated customer base across Europcar, GoCar, InterRent, Ubeeqo, is there any concern that sort of customer – relatively low customer perceptions of the GoCar brand impact then feelings for the Europcar brand when the customer sort of fully understands they're all connected?

Caroline Parot: I will let Albéric answer because I think it's much more divided than that.

Albéric Chopelin: Yes, thank you for this question because I think it's at the core of our value creation. As I said, customer satisfaction, there is no exception for any of our brands. So are you GoCar? Are you InterRent? Are you Europcar? Are you Ubeeqo? You have to deliver a service and you have to answer the customer expectation.

So actually, to answer precisely to your question, you may understand that we are not yet satisfied with the level of customer satisfaction that we have on some of our brands. And we are lucky enough to have some benchmark inside the house. So we spread these benchmarks and we make sure that the speed of the catch up of the brands that would be under delivering today will be very high.

So, yes, to answer your question, yes homogeneity in the way we answer the expectation of the customer is key, and there is no one space for anyone of our brand to not deliver customer satisfaction. So this is the basement for our further developments.

Monique Pollard: Great. Thank you. And then the final question was on the network resizing. So the numbers you gave on the network resizing in the UK and France, just trying to understand is that whilst keeping profitability and or sort of overall fleet numbers in those countries constant, what was – obviously the focus there on profitability, but has that been an overall reduction from the reduction and the network sizes?

Albéric Chopelin: So in the UK, as you may be aware, I would say the resizing of the network started early last year. So it's not 2019, I would say event. There are a few or we are at the end of the resizing. To your point, yes, that was in the UK, primarily driven by the need to improve the profitability of operations.

When it comes to France and in the UK just for as a reminder, so the resizing concern about 30% of our stations. In France, it's a different scale, we – this is in progress. We started earlier this year.

We are touching about 20% of our stations. It's also an opportunity I would say to improve our profitability. But when we look at our network, we look also at the [inaudible] days of our stations. What I mean by that it's not purely profitability driven, it is also taking to account our customers, where they are, where they expect before we arrive to the conclusion that one station is not profitable. There are a number of steps that we take.

If I take – and as an example, we may consider and we are considering in some instances that the seasonality in the station requires that we close the station for the winter because it's a station that has a high traffic in the summer and little traffic in winter. So I think it's a case by case decision but in a nutshell, we had to optimise our footprint in those two countries.

Monique Pollard: And just for clarification, in the remaining stations, do the fleet sizes go up to sort of offset some of the reduction in the number?

Albéric Chopelin: Thank you for – thank you for the question. Indeed, generally speaking, we redeploy our assets so we don't decrease the size of our fleet.

Caroline Parot: Yeah, and Monique, one clear question, we do size the fleet with the level of revenue. It is our core competencies, so if the fleet is to be redeployed – is to be redeployed, if we don't have to redeploy the fleet because we don't see it as a revenue, we just held back the fleet and it is in a setback model. So for me the size of the fleet is to totally linked independently with the station with the way we are running our revenue base model.

Christophe Chaput (Oddo Securities): Good morning. Christophe Chaput from Oddo. Just a clarification on EBITDA margin, please. So if I have understood correctly, your slideshow, in 2020, you are supposed to have a 12.5% to 13% EBITDA margin which is expected to be flat in 2023, whereas in the meantime, you should benefit from operating leverage, regarding the organic growth, HQ and network efficiency, plus the fact that new mobility losses are going to narrow at zero. So could you explain to me, why – let's say, in terms of bridge, there are – there should be some negative factors that I do not understand? Thank you.

Caroline Parot: So in 2023, if you look at the size of our business, which is much bigger in a mixed way than the business today, for – when you say 400 million, take a rough number, add zero margin versus an average margin of the average of the 14%, you are losing more than one point here. So we have a dilution of the margin which is directly coming from the urban mobility even though this business of mobility is breakeven.

Now, we are continuing to invest also on the deployment of the group and when we look at the deployment of the group, we are fulfilling with our co-model with self-help measure, our deployment. So we do consider that the 13% – the range of 12.5 to 13 percent margin level that we should reach in 2020, as a low end, mentioned by Luc was a low end, but we are in this space. We continue to invest heavily in the gross and in the digital. So I appreciate that we can consider that we can grow up permanently as profitability of the group but what we do want to do is to continue to expand and to make more programmes to have more retention and to also invest in the brands.

We have core four brands, as mentioned by Albéric, and investment in the brand is something that has been done but not at the right level in terms of visibility for customers, so positioning those brands as key brands is really core – core momentum for us.

We know and you know that in this space, invading not the brand on the newspaper, or on the wall but digital investment in the brand is important and key to position ourselves. So we will continue to invest. So, of course, if we stop the investment or if we under invest, we will be able, as you mentioned, to grow up the margin.

We are in a company where we are creating an asset and we want to leverage ID customer, Click & Go and so on. So we will continue to fuel this engine. We do believe and we have not given any margin guidance. The ambition is 500 million EBITDA. We have not said it was the end of the story. And we have not said that 4 billion was the end of the story. We are telling you, we are in a gross momentum, we are investing in our brands. We are investing with a profitable level and the minimum level we see with this ambition is 500 million EBITDA.

Is it 12.5%, 12.7%, or 13% of gross margin? It's important but view from now on, we need to continue to deploy ourselves and it can be much more, better it will be if it already at that level, we do believe it's already an amazing level of profitability for mobility company continuing to develop at a fast speed.

Patrick Jousseaume (Société Générale): Patrick Jousseaume from Société Générale. I have three questions, if I may. The first question is about what you have just mentioned regarding EBITDA. Basically, you expect EBITDA for the Group to go from something around €280 million and €400 million in 2020 to €500 million in 2023. Do you expect growth to be linear or do you expect it to be maybe back in the deal?

Caroline Parot: We know – you know, the growth will be linked to the capacity of the fleet we will put in the offer and we will out with our customers and won't be linear. We see a strong momentum. And only here in Paris, we see that months after months, we see the repetition, we see the growth and we see this being fulfilled. The reality is that we know that we are in a 10 years of propositioning of the full mobility space. We can accelerate depending on the cities, we can accelerate depending on the regions, depending on the partnerships, but it won't be linear. Nothing in life is linear and we don't see why it will be linear with us.

We will grow some cities and we'll increase profitability for the cities. We will open new cities, we will make new partnerships and we do believe that there will be a stochastic view. Even though in the cities, we are – we will see a progressive acceleration that we see today in Paris, in Milan, in Barcelona, in all the cities, we see the momentum accelerate. How it will be really the acceleration will be a local-based story. So we have a large plan to go as fast as possible. It will be probably non-linear and it will be different by quarter, but as usual.

Patrick Jousseaume: Okay. My second question is about the €400 million revenues that you expect in 2023 in urban mobility. Which part of this revenue should come from Paris, based on your plans?

Caroline Parot: I won't answer this question.

Patrick Jousseaume: And my third question is about InterRent. I struggle a bit to understand the positioning of InterRent. I have seen – I mean, it was last week, a car in southwest France with two logos in the back of the car on one side, InterRent on the other side, Goldcar. So I don't know you can position InterRent versus Goldcar this way.

Caroline Parot: So Albéric will answer the full question. I think we have seen the same car Patrick and effectively there's an issue. And so, it is not – I have seen this car and normally, it will not exist anymore. But on the positioning, I think Albéric will answer to you more precisely.

Albéric Chopelin: Right. I think the question is very relevant. The picture we have today has some room for improvement. We are fully aware of that. So the few headlines or a few words that I displayed on the screen now just to address the drafted version. We are actively working with the marketing team to very much make it clearer what is the space that each of these two brands can take on the market.

So after two months, I cannot tell you the time already today to display this in a full audience, but we are actively working on that. I – the first assessment is yes, there is a space for each of them on the market and of course, the next step is to confirm the positioning of Goldcar. It is no question. But to make it very clear what will be the positioning of InterRent as the positioning will be mid-tier for sure and with less underlapping, with less overlapping than today versus Goldcar but more to know about that in the weeks to come.

Caroline Parot: Next question please.

David: Hi, this is David Grazzini from Kairos. A couple of questions from my side as well. So the first one on new mobile. In the past, and now, you have mentioned partnership as a way to speed up the growth. If you can just provide any colour around this and how it should work in the plan.

The second point is on the Click & Go and to allow it. The key point here is how can you sell the same type of ancillaries in a Click & Go offering? So what kind of sales process do you plan for that?

And then, the last question is clearly on the stock price as a shareholder. You have mentioned multiple time during this presentation. You have a slide for that as well. So what do you really think the market does not understand your story before today, of course?

Caroline Parot: Okay, so the first question – you will talk about – I will cover this one and Fabrizio will take the second one. I will come back with you, David, on the last one.

Mobility partnership, we do believe mobility especially in the city will be ecosystem. So you either you build an ecosystem with the city, with the other player of the city. Partnership doesn't mean anything else and strong commercial relationship could build our platforms or being part of the platform of the others and vice versa. We are in an open world, so if you can jump on a platform like SNCF for some activities and vice versa, it's a way to partner and to gather flows of customers on your services.

And it will be designed country by country, city by city, the ecosystem are rather different. Here in France, we are really focusing on looking how to better manage our relationship with the mass transportation, public transportation. So most of those company are publicly held.

In other countries, you have more private segments which are working together. So it is really city by city that we are building those ecosystems, fuelling the number of customer, jumping into our services. And that's why we insist and we are very fanatic to have local teams working locally because it cannot be decided on from Paris. Here, it is our model city for the group, so we can have some relationship. But what is much more important is that our Spanish team is having the Barcelona City relationship as well as the same in Brazil and so on. So we are really building those kind of ecosystem, which are not capital but commercial and more customer integration partners.

On the Click & Go, Fabrizio.

Fabrizio Ruggiero: On the Click & Go, first of all, as we said Click & Go will be deployed to all customers and all segments. An important part of our customer base is already today in reality having rates, readily including a certain level of ancillaries, okay? So when you go to a car rental company, you know that we have B2B, B2C. On the B2B part, the biggest part of our contractor are already including this and on the B2C side, there is a general trend of having more and more full inclusive product. So first of all, Click & Go will be an easy path for all the customers already in this.

Then second piece is, there is a general trend in the world, using the mobile phone, this object to choose for extra ancillaries. So this is valid. Also in our case, in Ubeeqo, where you can choose a different level of insurance using this.

In the new Click & Go app, the way you can choose ancillaries is by far easier than today. And then it will remain a part of customers who wants to go through the counter and we will continue selling ancillaries in the counter.

But the ambition is to allow customers to buy ancillaries wherever they want in the easier way. So it's totally cool you enter between the two and also the day, all the pilots were arriving also and on the local side because digitisation we said is a topic for the company. It is not a copy for a brand.

Also all the pilots we are having, we're experiencing digitising the locals already, showing us that every time the customer wants to have a digital journey is also available to pay more and to includes some services, so you don't need to sell anything at the counter. So it's part of the journey and is very well embedded on it and in it.

Caroline Parot: On your last question, so obviously, if the market does not get it, it's not because the market is stupid, it's because we are not clear enough. So we took these statements clearly. If the market does not get it, we need to repeat it, but probably change the way we are saying it.

The aim of this Capital Markets Day was to explain what is the long-term vision, what we are doing and where we are positioning ourselves and what we are doing. And now that we have two years of big investments which were really what we call the middleware investments, because when you do a Click & Go programme, we are knowing what we are doing. But because we have decided that it was not a part in a one city but really – as if to all the organisation, you, as a shareholders, were probably having the feeling that it was in a channel and you are not understanding what was the return and why we are doing that.

So putting the story today, we shift 2023 – is also to explain where we are going. And we are lucky that in the next coming quarters, all those investments are going to crack the ice because we are going to see the Click & Go. You are going to [inaudible] the Click & Go. You are going to see the repetition of the feature that are going to be fuelled. You are going to see the key end goal, the InterRent new digital station and you will have pictures and demo. You are going –when you will be in the station to start to see the shift. So, call centres management that we have totally rebuilt over the last 18 months are live, since late Q1, so we are not able to touch as customers and shareholders, that what we were telling you and what for, we were investing.

So, as of today, we have started our explanation to say why we are investing, what we have done already, and what is going to break the surface very shortly and more to come. Now what is the market scared as well. And we were having the question on the pricing is – as negative headwinds, we can face on the core business. Yes, it can happen. Yes, there could be months which are more difficult or quarters which are more difficult than the others. On the long-term basis, we do know how to operate dots.

We were mentioning that since the IPO, what was a competitive environment, our industry is in a competitive environment since ever. And despite that, despite the price competition and everybody fighting for volumes, we has been – we have been able to grow, to manage and we have levers which are those self-help measures that we're activating. Transforming HQ 2020, transforming network in parallel is huge tasks, is key for people and it is huge exit of people within the group. So to do that, we do prepare a lot. We are not sitting on our seats, it is and I guess, and I hope that Olivier convinced you with energy he is putting in it that it is happening but it is kind of stochastic stories.

So we are probably – and we – that's why this day was done as well, to set the full scene but in front of us, those deliveries are going to be visible. And the return on investment for our customers and for you, will start. Now, the space of the urban mobility was probably seen as a kind of selective franchising that we are purchasing nice starters. So just for the pleasure to say that we were in a mobility area. What we are telling you today that all the investments we have – we have made are really coping with this long-time vision that we are sizing growth opportunity in the mobility – the urban mobility space and we know how to operate.

To go fast historically, we have decided not to build up ourselves everything. We have been very lucky in 2014 to get the Ubeeqo people joining the group because we try – we elect to choose them but they elect to choose us. As of today, you will see Alexandre which is also managing the product tech which has – which was a co-founder of Ubeeqo. So the synergy within the group, they know it is difficult and we are telling you that what we have invested is starting to deliver.

Four brands – it is not an amusement when we say Go Car which is an affiliate of Ubeeqo because it was localised because it was localised with those names and so on. So, we are making investments to create these assets. We have these assets now in our hands. And this asset is ready to grow with the market. It was an investment, we need now to capture it and fast.

That our industry – in the current role, is to regularly seen as difficult. Yes, it is difficult to operate our business but it is our know-how. That there could be price extension, some are similar, some other similar. Yes, it's true, it is our job. It doesn't show that the long-term growth is in front of us. That we have labourers inside to reduce our costs and still to come but this is the way we are transmitting the story.

So repetition is important and last point was probably the debt. That's why we have a key dedicating session to the debt. I think that for a newcomers our debt profile is very difficult to understand because we are having a financing entity – for financing entity, financing module and a couple of debt and I think that externally, when we look at our debt profile, it's difficult to capture immediately what it is about, we are working on it and Luke will explain how we are progressively reducing the cost of this debt but also changing the presentation. IFRS 16 is helping also a lot. So we are in front of something that we do believe is starting to deliver. But we are playing 2020, 2023, 2025.

David: Another question from me, so still on Ubeeqo, you have chosen a stationary business model as opposed to free-floating. Can you help us understand why you chose this model and also, what are the size of the market opportunities in each of those two buckets. Thank you.

Fabrizio Ruggiero: Okay. You know we have operated the – I mean, the free-floating business model into car2go for some years. So in principle we know what the first one. We – so we decided to sell the participation, some – I mean, some months ago, 18 months ago because there was a good opportunity.

The two models are substantially different because the free-floating business model is substantially competing in a market that these taxis, Uber, Uber-like services and public transportation, okay. We can tell you average duration for these kind of services is between 12 and 20 minutes.

It means A to B, downtown, very quick, I jump in. Big trouble in big cities like this one, et cetera, is parking. Parking spots is still remaining an asshole in the journey of the customer because even if you can leave the car into a different point B, in the point B you need to have the chance to park.

We have decided with Ubeeqo, to go for the station-based model because a station-based model is more on the some of the worst business model and is really – you can book the car and is really a reasonable alternative to car ownership, okay. So if we see – we used to say that – Caroline mentioned this, with our model we really moved out cars from the downtown of the – of a city centre. With free floating, that's not the case, okay.

So if we've seen perspective, we see more and more the two models. Then the two models can co-exist. Yes, in many cities are well co-existing also. Today we operate in Milan. That is one of the biggest cities in which free-floating operators are working.

So it's our decision. We have decided for the location base. In the moment, we will decide to go for a free-floating offer. We will do it technically speaking. The platform were ready, the technology on board is the same, et cetera, et cetera.

It's really two different used cases. It's not a – and is a business decision is not a tech point. We – just give you the floating – biggest cities in Europe, free floating operator are riding starting from 600 vehicles. In Paris we will have 1,200 so it's already a good size.

About the second – about the second piece in reality, as we said, we showed some – we have some numbers about the car sharing award today, the split between what is free floating and location based is not very reliable. We tend not to disclose these data because a really big proxy into the market.

But the big upside we see now our model is we used to call location based this car rental of 2019. So you go access, that's why we do it, that's the big upside that we can create to move from left to right to bridge the different business models, that's the big upside. We want to be a reason for alternative car ownership. That is not the case for free floating.

Caroline Parot: So I don't see any more hands in the air. I'm sorry, there are lots of lights in the eye, so I don't know if it's true or not. What we do propose is to close this session. The management board will stay anyway, and my colleagues, for the lunch, to all your personal questions, if any.

Right after lunch, you will have 4 breakout sessions of 45 minutes each. You will have the information upstairs. You will have four groups or four rooms where we – you will have the opportunity to attend a dedicated session on urban mobility with Darragh Genockey, a session with Luc on the debt, a sessions with Alexandre on connected cars and what he is doing to transform the tech of organisation, and finally, Xavier Corouge which you will have the opportunity to meet in order to discuss the latest in terms of customer journey, but obviously having recently joined the BU Urban Mobility, he will also be able to give you his first impressions and insights into urban mobility.

So lunch is ready and will be served outside. You will be split in two groups to avoid that anyone gets lost in the building. Two sessions will be on this floor, and then you will exchange and two sessions will take place on the seventh floor.

So thank you very much for your presence here today and we look forward to continuing our discussions during the lunch break.

[END OF TRANSCRIPT]