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PRESENTATION

Operator

Ladies and gentlemen, welcome to the Q1 2018 results presentation of Europcar Group. For your information, this conference is being recorded. At this time I would like to hand the call over to Mr. Olivier Gernandt, Investor Relations Director of Europcar Group. Please go ahead, sir. Your line is open.

Olivier Gernandt - *Europcar Groupe S.A. - IR Director*

Thank you very much, Operator. Good evening, good morning, everyone, and welcome to our Q1 2018 results conference call. I am Olivier Gernandt, Europcar's Investor Relations Director. In a moment I will hand you over to Caroline Parot, our CEO; and Luc Peligry, our CFO, who will take you through the presentation. And then we will open up the lines for questions. As today's presentation may contain some forward-looking statements, we invite you to read the important legal disclaimer on Slide 3 of this presentation. This presentation is available on the company's website, and a replay of this call will be available on our website later today. And with that, it's my pleasure to hand you over to our CEO, Caroline Parot.

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

Thank you, Olivier. Good morning or good afternoon, everyone.

So we go directly to Page 5 to present our Q1 2018 strategic highlights. As mentioned in previous communications in recent quarters, the Europcar Group is now in the middle of a significant evolution, which will take place over the course of the year 2018, which we developed for 2 reasons: first, the transformational acquisitions of Goldcar and Buchbinder, made during the second half of 2017, which fully support our strategic vision and ambition; and second, the acceleration of our digitalization program, which aims to enhance and transform our customer experience by providing more connected solution while targeting significant cost synergies in a leaner and more efficient organization.

During the first quarter of the year, thanks to the acquisition of Goldcar and Buchbinder, positioned in the low cost and mid-tier segments, we enjoyed a strong growth momentum in revenue in the Low Cost business units, which confirms the relevance of our strategic move to invest more heavily and position the group as a market leader in that segment of the market. During the first quarter, we also implemented robust integration programs for both companies, which enable us confirm that all the cost synergies we were forecasting -- when we announced this transaction, and even more importantly, leverage the know-how acquired through the acquisition of Goldcar in order to further extend the Low Cost business unit across Europe in its fastest growing market segments. In other words, the specific journey of Goldcar is a key to the future success of our local strategy and a precious asset which we'll fully leverage going forward. As a consequence, since April, Goldcar is now managing the full Low Cost perimeter of the group including Goldcar and interim perimeters and has started the rollout of Goldcar processes and systems, which take place over the course of 2018 across all our Low Cost perimeter.

Regarding our internal digitalization program, while our Net Promoter Score is continuing to improve, thanks to the continuous quality programs mainly managed through Air Force program, we went live and kicked off several customer programs and [they both know] with the end of the rollout of the CRM platform in the Cars and the Vans & Trucks business units.

And finally on our U.K. perimeter, all initiatives managed in 2017 H2 to turn around our operation following our damage issued in a weak economic environment are showing encouraging progress, despite a difficult climate in the current uncertain post-Brexit environment.

Please now turn to Page 6 for our Q1 financial highlights. Luc will guide you through the details, but here are the main takeaways from this first quarter in terms of financials. First this quarter is reflecting a new trend in our business seasonality, which is in line with our expectations taking into account several noteworthy business mix effects. First on the revenue side, we delivered a strong revenue growth of plus 28% and 3.9% on a like-for-like basis, thanks to strong leisure momentum, particularly in the Low Cost segment. This market evolution towards higher demand for low cost is the key reason why we have repositioned the group in order to enable us to capture a significant portion of this growth going forward. The consequence of this repositioning is an increase in the business seasonality of our group compared to prior years and particularly when it comes to our profitability generation profile, which will be even more skewed towards the summer period. On the pricing side, as often, we see different dynamics that result in a flattish RPD on a reported basis. On the one end, we continue to reposition the pricing and increase the average duration of our Vans & Trucks business, while on the other, our Low Cost business enjoyed positive RPD evolution well supported by good ancillary sales program.

Second on the profitability side, our adjusted corporate EBITDA excluding New Mobility, reached minus EUR 21 million, resulting from the different growth momentum across our different business units. Low Cost was a clear booster for the revenue trend, but weighed negatively on the EBITDA margin in the first quarter as a result of the integration of Goldcar and the strong organic growth at InterRent prior to its integration within Goldcar. Our BU Van & Trucks also had a positive impact on the group revenue growth, but weighed negatively on the group overall EBITDA margin to a lesser extent than Low Cost. We also continued to invest heavily into the group digitalization, which also added more digital investment costs to both our group OpEx and CapEx in the first quarter. This is important to note, again, that this high level of EBITDA loss in the first quarter was anticipated and in line with our expectation for the full year.

And finally, our operating free cash flow generation was impacted by the deterioration of our nonfleet working capital compared to the first quarter 2017. As Luc will explain to you in more detail, this change in nonfleet working capital was caused by timing issues in both Italy and the U.K.,, which we expect to be reversed during the rest of the year.

Now let's deep dive into the business highlights, and please turn to Page 8. We are well on track on all our integration programs. Our former franchisees benefit from strong commercial synergies. They are both experiencing strong growth in direct online revenue, thanks to our e-commerce digital platforms and our ancillary sales program. They are also benefiting from our strong (inaudible) methodology, which allow them to improve both revenue and fleet utilization management.

Regarding our transformational 2017 acquisitions, we finalized our commercial brand repositioning. Goldcar is now on our Low Cost brand, while InterRent will be progressively repositioned in the mid-tier segment. Goldcar processes and lean methodology will be implemented for the InterRent brand everywhere but in Germany, where Buchbinder is thoroughly accountable for the mid-tier segment. Looking at Buchbinder, beyond the good business momentum for the mid-tier segment in Germany, revenue acceleration synergies are on track, while cost synergies on fleet purchasing, fleet financing and insurance program are progressing as expected.

On the Goldcar perimeter, despite closing the transaction late in 2017, we have been able to design our BU integration, deploy our first synergies on fleet financing and transfer InterRent's business under the Goldcar management to allow smooth brand repositioning while expecting revenue synergies. Revenue cost synergies have been identified and will be progressively deployed after the summer season. This concerns the fleet, but also some of the variable operational costs.

Please now turn to Slide 9 and an update on our efforts in terms of operational excellence. Here we want to update you on some of our major customer-centric programs, which are key and are the core of our strategic long-term success. First, our Net Promoter Score, which has again increased by 100 basis points year-on-year in the first quarter, is reaching 58.1. This is a positive. And as you already know, this is the #1 program for us in order to measure our improvement in our customer satisfaction level. This positive Net Promoter Score trend relies our historical efficiency programs such as Air Force One, which continues to deliver improvement in the renter key area as customer waiting times and vehicle turnaround times across our key airports.

We have also completed the full rollout of our new CRM platforms, which is a positive step up for us as it now enable us to launch the implementation phase of our Click & Go program. This CRM, this tool will enable us to remove the biggest pain point in our customer journey, while enhancing loyalty progressively across cars and Vans & Trucks business units.

Finally, we continue to design our Click & Go program, which aims to fully digitalize our customer journey. It will now be implemented over the next 18 months. With Click & Go, we will be able to increase customer experience, increase level of services during the rental period, while simplifying internally our processes with the attached cost savings at the network and SKU levels.

Now I leave the floor to Luc for the financial detail.

Luc Peligry - *Europcar Groupe S.A. - Group CFO*

Thank you, Caroline. Good afternoon, everybody. So we carry on, on Slide 10. We start with the revenues. Revenues enjoyed a very good performance with EUR 556 million for Q1 2018, with a 28% growth compared to last year. It's the best ever -- the best growth ever that the company enjoyed. This is -- this was mainly due to external growth with the acquisition of Goldcar, Buchbinder, Denmark and Ubeeqo made in 2017, but we must underline the organic growth which stands at 3.9%, which is above the 3% guidance that we gave for 2018 and above the 2017 full year performance of 3.4%. It must be underlined that our latest acquisition, I mentioned Goldcar in the Low Cost area, Buchbinder in Germany, and our previous Danish franchisee enjoyed a double-digit growth compared to their previous Q1 2017.

On the corporate EBITDA side, we recorded a EUR 24 million loss for this first quarter compared to a loss of EUR 6 million last year. This figure, as mentioned by Caroline, is perfectly in line with our expectation and on track with our full year guidance. Here are the items to debridge the gap between last year minus EUR 6 million of corporate EBITDA and this year minus EUR 24 million: minus EUR 4 million coming from Goldcar for season effect, minus EUR 5 million coming from negative mix effect coming from our Low Cost historic business and Van & Truck, minus EUR 4 million coming from -- minus -- sorry, minus EUR 4 million negative effect coming from our Vans & Trucks business, so minus EUR 5 million coming from our historic Low Cost business, minus EUR 4 million coming from our Vans & Trucks due to the change of business, but that we comment on later; minus EUR 2 million coming from additional digital investments; and minus EUR 3 million coming from the New Mobility from Ubeeqo that was acquired on the first quarter last year.

Going to Slide #11. Net income is positive at EUR 3 million for the first quarter. This reduction from last year's EUR 18 million comes from lower corporate EBITDA, as we just commented at minus EUR 24 million for Q1; higher financing charges, mainly due to the financing of the Goldcar acquisition; and the EUR 600 million bond put in place late in November to fund this acquisition; one-off tax -- deferred tax asset of EUR 10 million that we have booked in 2017; and on the other hand, we benefited in Q1 from an exceptional capital gain of EUR 68 million on the disposal of our stake in car2go, where in last year, we benefited from a EUR 45 million release of provision in 2017.

On the corporate operating free cash flow, we reached minus EUR 76 million for 2018 compared to EUR 27 million loss in Q1 2017. The main reason is coming of course from the reduction in corporate EBITDA for EUR 18 million and the negative nonfleet working capital for EUR 27 million coming mainly from Italy, U.K. and France, and we come back on that later. We expect in any case to reverse this negative working capital position for the full year.

So we go move to Slide 12. So now we are going to go through the operational KPIs, and we are going -- so let's talk about the engine of our core business and its key drivers. Starting with the rental day volume, very strong growth in rental day volumes. We have 17.1 million rental days, an increase of 33% compared to last year and 4.6% compared to last year on an organic basis. This is mainly driven by the Car business unit, which represents 56% of the days. And we have a 3.2% growth. And to a lesser extent to the van business -- Vans & Trucks business unit, we have an increase of 13 days -- 13% in terms of days. And the Low Cost, it's in the Low Cost season as well, we have an 8% increase. The acquisitions we've made are Buchbinder under Vans & Trucks and Goldcar under Low Cost are real boosters for these business units.

Let's move to the blended RPD. The blended RPD is stable on an organic perimeter, which is very satisfactory in this very and highly competitive environment. Including our acquisition, we recorded a slight decrease of 1.4% at EUR 30.4 per day, mainly due to our Low Cost operations.

Utilization rate. Our utilization rate declined by a small 150 basis points as a result of the integration of Buchbinder, which weighed negatively on our group figure. Buchbinder, which operates mainly in Vans & Trucks with an annual utilization rate of 62% last year, is a significant drag on the group's average utilization level. On an organic basis, the utilization rate is slightly decreasing by 50 basis points as a result of early fleeting ahead of the Easter season.

Last KPI is the fleet cost per unit. I remember this fleet cost per unit covered 2 sides, covering the holding costs, which are mainly -- come from depreciation, operating lease, acquisition and disposal costs, and the operating costs where we have mainly the damages recovery. This number was flat on a reported basis because mainly because of Goldcar lower fleet cost per unit because the average car is at a lower price. On an organic basis, as you see on the slide, we recorded a 3.4% increase due to 2 main factors: first one regarding the U.K, where we combined a lower damage recovery following last year litigation, but which is currently being fixed, and a slight car shortage on the market. The second effect that the we have for this FCPU increase is due to the strong development of our Vans & Trucks business.

We move to the next slide, which is the revenue by business units. As you know that we have 4 business units: Cars, Vans & Trucks, Low Cost and mobility. So let's do start with the Cars, which is the biggest, of course, business unit. We enjoyed a 16% increase in terms of revenues with the acquisition, and a 3.5% increase in organic growth. This good performance is achieved by an increase of 3.2% of the number of days, and a good resilience of the RPD in a very competitive market.

Van & Truck enjoyed a significant increase at the organic perimeter with a growth of 8% at historic perimeter and significantly reinforced at 62% by the acquisition of Buchbinder. That growth validates the strategy that the group implemented last year to focus on the BUs and especially on the Vans & Truck, to dedicate specific means on this segment, with the people skills, the stations, the model, the pricing, the targeted customer and the duration. On this Vans & Truck, the number of day is increasing by 13%, while the RPD is decreasing by 4%. This is mainly explained by the reinforcement of midterm renting, the number of days and utilization rate increasing, but reducing the price per day. Just to illustrate this plan -- this mention, the average duration increased by 16% on an organic basis.

Last but not least, the Low Cost, where we have significant growth at organic level with a plus 18% and which is a really boosted by the acquisition of Goldcar, which made an increase of 271%, nearly 3x the size. Goldcar, as Caroline mentioned, is now becoming the head of our Low Cost business unit and Low Cost operation. It is the result of our Low Cost strategy that we deployed in 2017 into 7 countries with the implementation of the InterRent brand. And this strategy will be reinforced by the merger between the Goldcar and InterRent operations, which will take place already in 2018 in 5 countries this year. This combination will give the group a strong leadership in this Low Cost segment. This growth, when we analyze by number of days and rental days and the RPD and -- net days, comes from the number of days, which increased by 7.6%, but also by the RPD because of the satisfactory increase of the ancillary product policy to offset a declining core RPD.

Next slide, the corporate operating free cash flow. The corporate operating free cash flow stands at minus EUR 16 million for Q1 '18 compared to minus EUR 27 million in Q1 '17. Nonrecurring expenses represents EUR 9 million, and we expect for the full year an amount to be close to EUR 30 million, with the bulk the being spent in H1, corresponding mainly to the integration of Buchbinder and Goldcar within the Europcar perimeter.

Second point is the change in the CapEx. CapEx represent EUR 12 million for Q1 2018, out of which EUR 7 million are dedicated to the IT with the numerous digitalization program that the group is enjoying. This amount is fully in line with the project -- with in our target, and with a range between EUR 50 million and EUR 60 million for the full year.

Then we have the change in nonfleet working capital. This change is coming from an -- the poor performance of our rents come from technical reasons in Italy for EUR 11 million, and from the weak performance from cash collection in the U.K. but just for a few days. So we expect to be able to reverse this position at group level by the year end.

Last point is income tax, which is more or less the same level as last year. So basically, it's not significant for Q1, and we expect to be paying around EUR 60 million income tax, EUR 60 million income tax for the full year. To finish with this slide, we confirm that for the full year, we will respect to the guidance, which was to have cash flow conversion to be strictly above the 50%.

Next slide, corporate net debt. As you see, the final corporate net debt is EUR 947 million. This figure does not include the EUR 70 million car2go disposal that we cashed beginning of April. The -- as Caroline mentioned, it was signed sometime in late February, but the amount was cashed in beginning of April. The leverage ratio based on the corporate EBITDA on a pro forma basis for Goldcar, Buchbinder and Denmark is 3.2. Including car2go sales proceed, this ratio would be 2.9. Fleet timing impact, remember, represent the difference between the fixed utilization process and the physical fleeting or de-fleeting of cars, and it represent EUR 28 million in this slide.

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

So thank you, Luc, for this financial update.

Now I want to complete our presentation, going directly to Page 17 on our future prospects. I want first to conclude by confirming the 4 pillars of our guidance for the full year 2018, which is at least 3% organic revenue growth; at least EUR 350 million of corporate EBITDA, excluding New Mobility; at least 50% of operating cash flow conversion; and a dividend payout ratio of 30% of our consolidated net income.

Having said that, I also wanted to say a few words about the share buyback program that we will launch tomorrow morning. As 2018 will be a year of transformation and integration for the group, and in light of our strong free cash flow generation profile, we believe it would be a good time to launch such a program.

In conclusion, we remain optimistic and confident about our future prospects and confident about our ability to deliver the new targets of our 2020 ambition. We consider that our target of reaching at least EUR 3 billion of group revenue is pretty much achieved. We are now dedicating our energy and efforts on first, delivering the synergies from our recent acquisition; and second, completing our digital transformation, which will come through the improvement of our customer satisfaction and the Click & Go program mentioned earlier. Our success on these 2 fronts will be instrumental and a key to enable us to reach a corporate EBITDA margin of 30% by 2020 excluding New Mobility.

So with that, we thank you with Luc for your attention, and are available to answer any question you may ask. And I leave the floor back to the operator.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) And we'll go first to Daria Fomina with Goldman Sachs.

Daria Fomina - *Goldman Sachs Group Inc., Research Division - Equity Analyst*

I have 2 questions, maybe 2.5. First one more technical on working capital, the timing of recovery, you said -- you plan to recover it through 2018. Should we expect it largely happen in the second quarter or through the year? And my second question on fleet cost per unit. Could you please elaborate a little bit more on shortage of the -- shortages of cars that you mentioned? What exactly that -- why exactly that happening? And also my second part to that question, can you elaborate a little bit on the outlook for a like-for-like growth? Obviously there's a lot of moving parts because there's consolidation of the companies just acquired. But then outside of that, clearly U.K. is still suffering from cost inflation. If you can provide your view on the outlook, that would be very helpful.

Luc Peligry - *Europcar Groupe S.A. - Group CFO*

Okay. I'll start with the working capital. As I mentioned, the working capital is really a technical issue. we say we have 3 countries in mind. So we expect to reverse the position because it was really a technical question about a few days. And it's true that for Q1, it was better, probably well monitored. But we expect to reverse completely the position for the year-end. We will reduce it by monitor by -- for H1, but it will reduce fully for year-end.

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

So the U.K shortage.

Luc Peligry - *Europcar Groupe S.A. - Group CFO*

U.K shortage, it's mainly due -- it's the market, it's on the markets. It's all -- it's a reduction of the number of cars available on the market, and which make the -- an increase in terms of price. At the same time, it will affect all the companies, the rental car company in the U.K. So it may be a good opportunity as well to yield a bit better this increase.

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

And I want to reinforce that the explanation, which is a line by line of -- on the FCPU, is also to be read with what I said on the (inaudible) perimeter, because we are pushing a lot on the strong improved profitability for this perimeter compared to our last year view. And this strong turnaround of this perimeter is delivering, as early as Q1, good results, while knowing this U.K. fleet management. So it is not at all explaining the profitability of the FCPU degrading nothing. It is part of a program which we are running, but the line-by-line is explained by these events.

Luc Peligry - *Europcar Groupe S.A. - Group CFO*

As mentioned, the FCPU has 2 components, the holding cost and running cost. As far as the holding cost is really the price we pay to manufacturers. So we saw a shortage in terms of cars in the U.K. And the second aspect is running costs. You said that -- you know that the U.K. has been affected by the litigation in the second quarter of 2017. So at this quarter, the first quarter 2017 was not affected by this litigation. For the time being, we are fixing the issue. it's nearly completely fixed. So we are going to recover some holding cost within the fleet, so that will reduce as well the cost of the fleet.

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

On your last question, which is very relevant, we do appreciate that this year, with all the change in the perimeters, it's more difficult to read the like for like. For Q1, the like for like of revenue growth was 3.9%, like for like, constant perimeter, constant exchange rate. For the full year, I confirm that our guidance is to be, on a like-for-like basis, to be at least 3% organic growth. Obviously as you have understood that with the seasonality, the bulk of the growth will be during in Q3. And in the outlook, we see no reason not be there, and we have a first encouraging perimeter -- quarter. What is interesting is that acquirer of companies, we face the same good momentum where we were supporting by the latest trends in Europe.

Operator

We'll go next to Monique Pollard with Citi.

Monique Pollard - *Citigroup Inc, Research Division - VP*

Just a few questions for me. Could I ask you just to give an update on how your negotiations with OEMs are going in terms of pricing for buyback vehicles? And then also could I ask you, as you sort of hinted at in your last remarks, Caroline, that the organic growth you're seeing so far in the second quarter seems to be quite good. Could you just give a quick update on current trading, exactly what you're seeing? And also, what you're expecting over the summer in terms of what U.S. competitors seem to be doing on fleeting? And then finally, can I just ask how utilization differ for your Low Cost segment versus your traditional sort of car-rental segment? And will we see some mix shift over time, given that segment's growing strongly, as it does have a lower utilization rate?

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

Okay. Thank you, Monique, for your questions. On the OEMs manufacturing -- negotiation for the year '18, it's all done since Q4 last year. We see no real increase, to the exception of the point mentioned with Luc on the U.K. perimeter due to a very local situation. We are at group level having a mix effect, mix country, mix fleet depending on the segments. But we are pretty controlling our cost with the manufacturer, and it is settled, view from today. Your question on the organic, I didn't mention nothing for Q2. You have understood that I mentioned that we confirmed our guidance for the full year to be organically above 3%. On the current trading, we are on track with our expectation. Obviously, there's a seasonality on our activities depending on the business unit. It's too early to give real strong trends for the Q3, which obviously, is the bulk of the seasonality. We have see -- we did not see no negative trends. Now you know that we have very short reservation profile. We have already early bookings, confirming that we can today, as we stand, confirm our guidance. Now to go beyond, we will have to be a little bit more advanced in the year, namely, in the course of -- in the course of June. Your last point was regarding utilization. The utilization in the Low Cost segment is traditionally managed in such a way that it is probably higher than the average utilization of the group, and at least as it concerns the leisure segment. So we do not see any reason to have a shift in the group utilization. But for this first year, there will be various movement, which are not the low cost ones, but that will be the Vans & Trucks, the Buchbinder, which is mid-tier position with a lower utilization of the group. So we will -- it will take us 1 year to stabilize a normative number for the group, having more utilization for the Low Cost business unit, slightly down utilization for Buchbinder, and our continuing improvement of utilization going forwards. So you will have the final average company number by year-end, but Low Cost is not declining utilization, but increasing utilization.

Operator

We'll go next to Anand Date with Deutsche Bank

Anand Dhananjay Date - *Deutsche Bank AG, Research Division - Research Analyst*

I just wanted to follow up on, I think, one of Monique's points. Could you give us any sense for how the competitors are fleeting up for summer? Obviously, you guys have had your negotiations. You know what you're doing. But do you get a sense of what they're doing as well? I wanted to ask whether you're already seeing an impact from the issues that are going on in France with the rail strikes, obviously, the airline strikes as well. I would have thought presumably that's a benefit that you would have seen in Q1. And then finally, obviously with Easter timing shifting, you said that, that dampened utilization as you have to fleet up in advance of that. Could you just talk about any of the other impacts from Easter timing, and therefore, what we should expect for Q2 as a result?

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

So for the mix and the fleet from the competitors, I would love, to be honest, to know in advance where the fleet is. It's too early. You know that in the season, we do know our fleet plan. We do know obviously what we are going to fleet. Obviously, the group Europcar is not fleeting to fleet. The group Europcar is fleeting, contemplating advanced tools for forecasting demand. So we are currently preparing our fleet planning looking at this demand by geographies, by areas. And we will see how the movement of the competition will manage some expectation on the demand. But it's too early to see. On the French perimeter, Luc, do want to comment?

Luc Peligry - *Europcar Groupe S.A. - Group CFO*

Yes, the French perimeter. Well it's difficult to say that it has a positive or negative impact, in fact there are some strikes. So we see some reduction on the corporate side because most people are not coming. And some other are coming by car. So at the end of the day, it's more a balanced -- a balancing measure that we have. It's a bit early really to know what would be the final outcome from the strikes for us.

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

And the last comment was on Easter -- your last question was on the Easter period. Yes, we started to fleet a little bit earlier. The Easter vacation are totally different by countries. So we are contemplating the Q2 being not only Easter, but also -- and June starting on some vacation period. So I won't give you my Q2 vision today. But obviously, we are preparing with some weeks of timings of each of the seasons, and we are well in line with our guidance confirmation in what we do see in our full year, including progress in Q2.

Operator

(Operator Instructions) And we'll go next to [David Brosani] with [Caros].

Unidentified Analyst

This is (inaudible) calling from [Caros]. I have 2 questions. The first one is on RPD in the Low Cost segment. It was up 9.9% in Q1. Just wondering if this is something that we can extrapolate also in the next quarter, thanks to the experience from Goldcar. That was the first question. And the second question is on the buyback. I understood that the AGM tomorrow is expected to approve EUR 75 million. Why just mentioning EUR 30 million in the press release?

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

Okay. David, for the Q2, I won't guide details on the Low Cost. Obviously, we are managing 2 separate perimeter of Goldcar and InterRent before we join them and starting (inaudible) the two, the two logic, we're optimizing different kind of segment and profile. As of -- going forward, what we do want to see is a better reach of ancillary for the full new Goldcar perimeter. It's not only a question on improving ancillaries in a reduced perimeter. Basically it's to enlarge the full process to all the new perimeters we are reaching. So 9%, we may express is not a proxy of what will happen, but is a good start for us to see that the teams are working hard in this major segment forward. And so we are well on track on what we want to achieve. Now we need to go step by step, because the merger of the 2 directions are starting now, and we see good progress from it.

Luc Peligry - *Europcar Groupe S.A. - Group CFO*

I can maybe -- I can to just add that we have really now -- the management of the Low Cost, InterRent, the Low Cost is managed by Goldcar since the 1st of April. It's a big change over the team -- the Goldcar team is implementing all this ancillary methodology within the sales team of InterRent. And they're implementing at the same time, the Goldcar information system, which is really focused on Low Cost with all the ancillary product and all the ancillary program, and looking as well, changing in terms of incentive for the salespeople within InterRent. So I think that would boost the InterRent and that will be able to join the Goldcar level.

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

Which is not yet done. Goldcar is not yet at the level of InterRent, so it's not yet at the level of Goldcar. And it is a target that we have. Please bear in mind that we need to go for the summer, and we are progressing in a manner to have all the customer joining the group and not losing any customer. On your second question for the buyback program of tomorrow, the authorization for the share buyback is a max of. We want to give a first signal of confidence for the first phase of what we do for the group and what is the possibility. We want to give back to the shareholder in terms of rewards. You know that due to the net income last year, the dividend payout was divided by 2. So we are recomposing the story here. We will see, depending on the cash flow generation and the cash flow profile generation by year-end if we go back for other activities, and we have a first statement and we will see any of the steps going forward.

Operator

We'll go next to Christophe Chaput with Oddo.

Christophe Chaput - *ODDO BHF Corporate & Markets, Research Division - Analyst*

I just want to come back on the bridge for the EBITDA Q1 2018 versus '17, so 2 quick questions. So the contribution of Goldcar is minus EUR 4 million. How does it compare versus last year? And the second one is on the Vans & Trucks, you give an impact of minus EUR 4 million. Is this figure mainly linked with the acquisition of Buchbinder or not? So finally, what is the impact of Buchbinder in this minus EUR 4 million please?

Luc Peligry - *Europcar Groupe S.A. - Group CFO*

No, it's -- for Goldcar, it's minus 4. It's more or less the same. It's better than last year. We have increased our position last year. I said the size of the revenues are increased by nearly 20% with the existing business of Goldcar -- sorry, 15% for Goldcar, so [it's not] significant. So we have reduced the loss for the first -- of the first quarter. So that's the first thing. And the second thing regarding Buchbinder, it's still -- it's not Buchbinder by itself. It's still the whole Vans & Trucks business. The fact that we are going now for longer duration, we are changing the strategy going from midterm looking for more duration, so it has a reduction in terms of RPD. And we have to adjust the network, we've been use this new policy. So we have the fixed costs to fix -- to reduce -- to increase the margin. And of course, we have the implementation of this new strategy, reduction of costs and a bit of seasonality as well playing on the Vans & Trucks.

Christophe Chaput - *ODDO BHF Corporate & Markets, Research Division - Analyst*

Okay. you have the performance figure for the Q1 2017, just to compare? I mean, you give us a lot of detail.

Luc Peligry - *Europcar Groupe S.A. - Group CFO*

It's a bit mixed. It's difficult to say because now we've -- the Buchbinder, it's a bit mixed in Germany. And for Goldcar, it's a bit mixed as well on the Low Cost. With so -- we try but it's difficult. Now in the interim going on Goldcar and in Germany as well. So it's a bit difficult. That's why we try to have a better combination with the business unit.

Operator

And at this time, there are no further questions. I'll turn the call back to speakers for closing remarks.

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

Thank you very much for all your attendance and your question. We'll be very pleased to meet you again and discuss with you the full H1 performance, talking about all our integration and progress in the organic side. Thank you very much.

Luc Peligry - *Europcar Groupe S.A. - Group CFO*

Thank you very much. good evening.

Operator

This does conclude today's conference. we thank you for your participation,

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