



CreditRiskMonitor’s assessment of Europcar Mobility Group SA’s (“Europcar Mobility”) “high risk” status has been determined by a combination of factors:

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MONTHLY AVERAGE FRISK® SCORE

CreditRiskMonitor's proprietary FRISK® score signals that Europcar Mobility (EPA: EUCAR) has a 10 to 50 times greater risk of bankruptcy than the average public company.

Oversupply of car rentals and waning demand led to sustained pricing pressure, which cut total gross profits by about 15% YOY.

Moody's Investors Service changed the outlook from stable to negative given debt and interest coverage would remain weak.

Moody's downgrades Europcar to Caa2 over prospects of a potential debt restructuring due to a slow anticipated recovery.

Business Name	2019		2020										
	N	D	J	F	M	A	M	J	J	A	S	O	N
Europcar Mobility Group SA	2	2	2	2	1	1	1	1	1	1	1	1	1

The company announced disruption or suspension of operations due to COVID-19, which would negatively hit revenue.

Management secured an incremental \$307 million in debt financing to ensure adequate liquidity amid the pandemic.

The FRISK® score is 96% accurate* in predicting the risk of corporate failure/bankruptcy over a 12-month horizon. All FRISK® scores are recalculated every night for each subsequent 12-month period.

FRISK® SCORE: PROBABILITY OF BANKRUPTCY WITHIN 12 MONTHS

	FRISK®	FROM	TO
BEST	10	0.00%	0.12%
	9	0.12%	0.27%
	8	0.27%	0.34%
	7	0.34%	0.55%
	6	0.55%	0.87%
WORST	5	0.87%	1.40%
	4	1.40%	2.10%
	3	2.10%	4.00%
	2	4.00%	9.99%
	1	9.99%	50.00%

While the risk of bankruptcy varies at each FRISK® score, 96% of public companies that eventually go bankrupt enter the FRISK® "red zone" prior to filing. A FRISK® score of 5 or less is an important warning sign.

* FRISK® score accuracy of 96% is based on backtesting of U.S. public companies; results may vary by country.

THE FRISK® SCORE COMPONENTS

At the core of the CreditRiskMonitor® process is our 96% accurate FRISK® score, which indicates a company's level of financial stress on a scale of 1 to 10, based on the probability of bankruptcy over a 12-month horizon. When available, the FRISK® score incorporates a number of powerful risk indicators including:

A “Merton” type model using stock market capitalization and volatility

Financial ratios, including those used in the Altman Z”-Score Model

Bond agency ratings from Moody’s, Fitch, & DBRS Morningstar

Crowdsourced CreditRiskMonitor® Usage Data

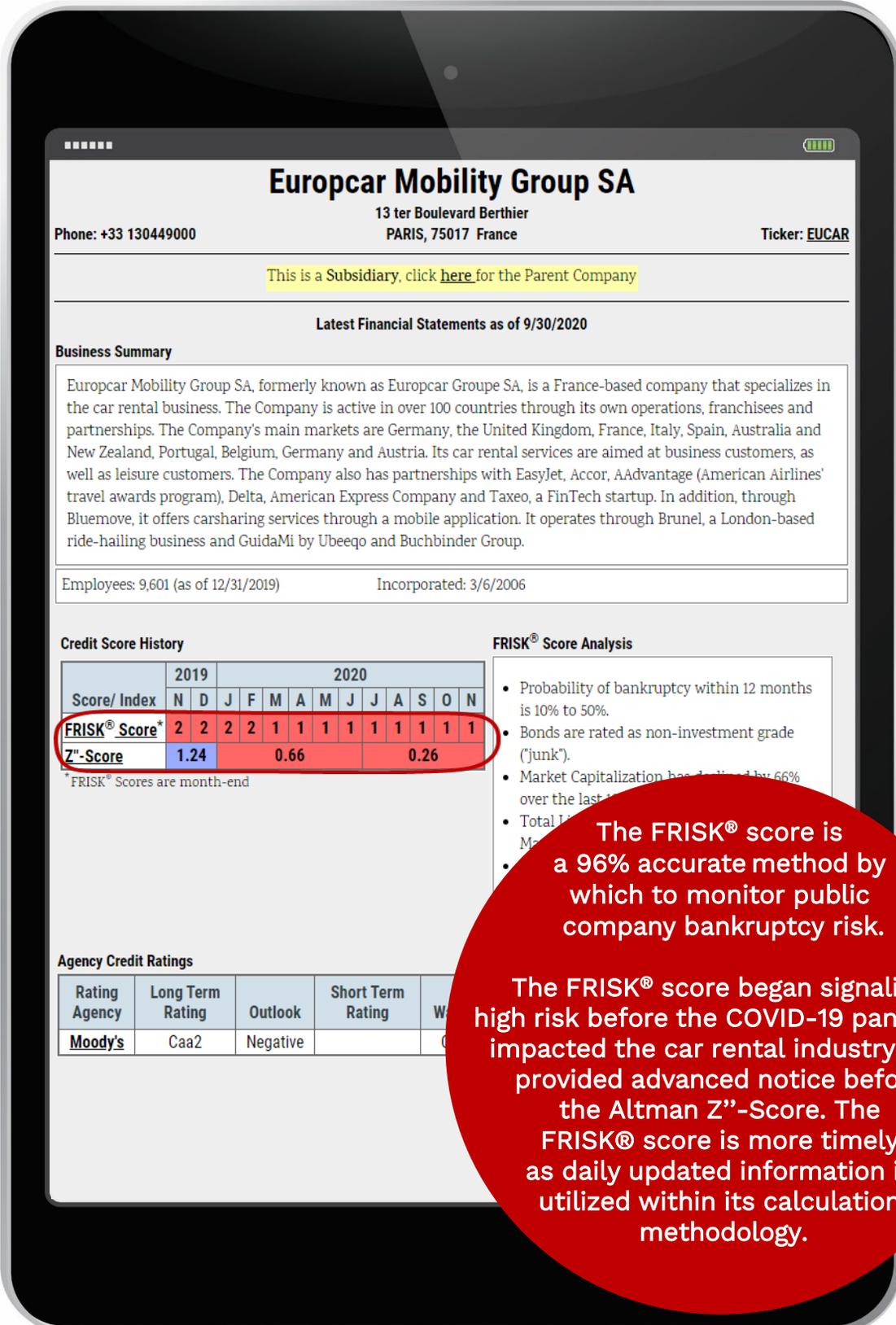
[Crowdsourcing](#) has enhanced the accuracy and timeliness of the FRISK® score. We collect and analyze data patterns from thousands of CreditRiskMonitor® subscribers, including professionals from more than 35% of the Fortune 1000 and other large corporations worldwide.

The crowdsourcing advantage is even more powerful in our FRISK® score since many of the professionals who use our service are credit managers:

- Credit managers control one of the largest sources of working capital going into a company
- They are not held to the same “Fair Disclosure” restrictions that prevent non-disclosed information sharing on public companies
- Credit managers use a variety of non-public information sources such as their own company’s management and sales representatives to be alerted to concerns in a public company’s performance
- It is commonly known credit managers confidentially share information with other credit managers, thus collectively, their behavior helps to provide advanced insight to financial problems in public companies

[Read more in Credit Research Foundation’s quarterly journal article, “Assessing Public Company Financial Risk by Crowdsourcing the Research of Credit Professionals”](#)

COMPANY REPORT DETAIL



Europcar Mobility Group SA

13 ter Boulevard Berthier
PARIS, 75017 France

Phone: +33 130449000

Ticker: EUCAR

This is a Subsidiary, click [here](#) for the Parent Company

Latest Financial Statements as of 9/30/2020

Business Summary

Europcar Mobility Group SA, formerly known as Europcar Groupe SA, is a France-based company that specializes in the car rental business. The Company is active in over 100 countries through its own operations, franchisees and partnerships. The Company's main markets are Germany, the United Kingdom, France, Italy, Spain, Australia and New Zealand, Portugal, Belgium, Germany and Austria. Its car rental services are aimed at business customers, as well as leisure customers. The Company also has partnerships with EasyJet, Accor, AAdvantage (American Airlines' travel awards program), Delta, American Express Company and Taxeo, a FinTech startup. In addition, through Bluemove, it offers carsharing services through a mobile application. It operates through Brunel, a London-based ride-hailing business and GuidaMi by Ubeeqo and Buchbinder Group.

Employees: 9,601 (as of 12/31/2019)

Incorporated: 3/6/2006

Credit Score History

Score/ Index	2019		2020												
	N	D	N	D	J	F	M	A	M	J	J	A	S	O	N
FRISK® Score*	2	2	2	2	2	1	1	1	1	1	1	1	1	1	1
Z''-Score	1.24		0.66						0.26						

* FRISK® Scores are month-end

FRISK® Score Analysis

- Probability of bankruptcy within 12 months is 10% to 50%.
- Bonds are rated as non-investment grade ("junk").
- Market Capitalization has declined by 66% over the last 12 months.
- Total Debt to Market Capitalization ratio is 1.5x.

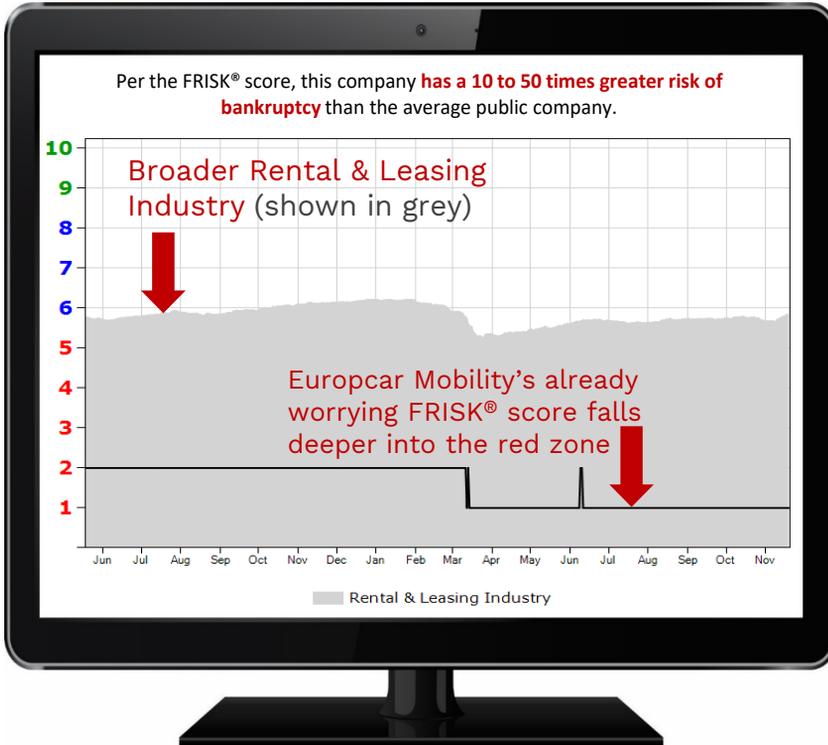
The FRISK® score is a 96% accurate method by which to monitor public company bankruptcy risk.

The FRISK® score began signaling high risk before the COVID-19 pandemic impacted the car rental industry and provided advanced notice before the Altman Z''-Score. The FRISK® score is more timely as daily updated information is utilized within its calculation methodology.

Agency Credit Ratings

Rating Agency	Long Term Rating	Outlook	Short Term Rating	Waiver
Moody's	Caa2	Negative		

FRISK® DEEP DIVE



The FRISK® score relative to the broader Rental & Leasing industry raises an additional red flag signaling heightened risk relative to peers, as well...

MAKING IMMEDIATE ATTENTION REQUIRED.

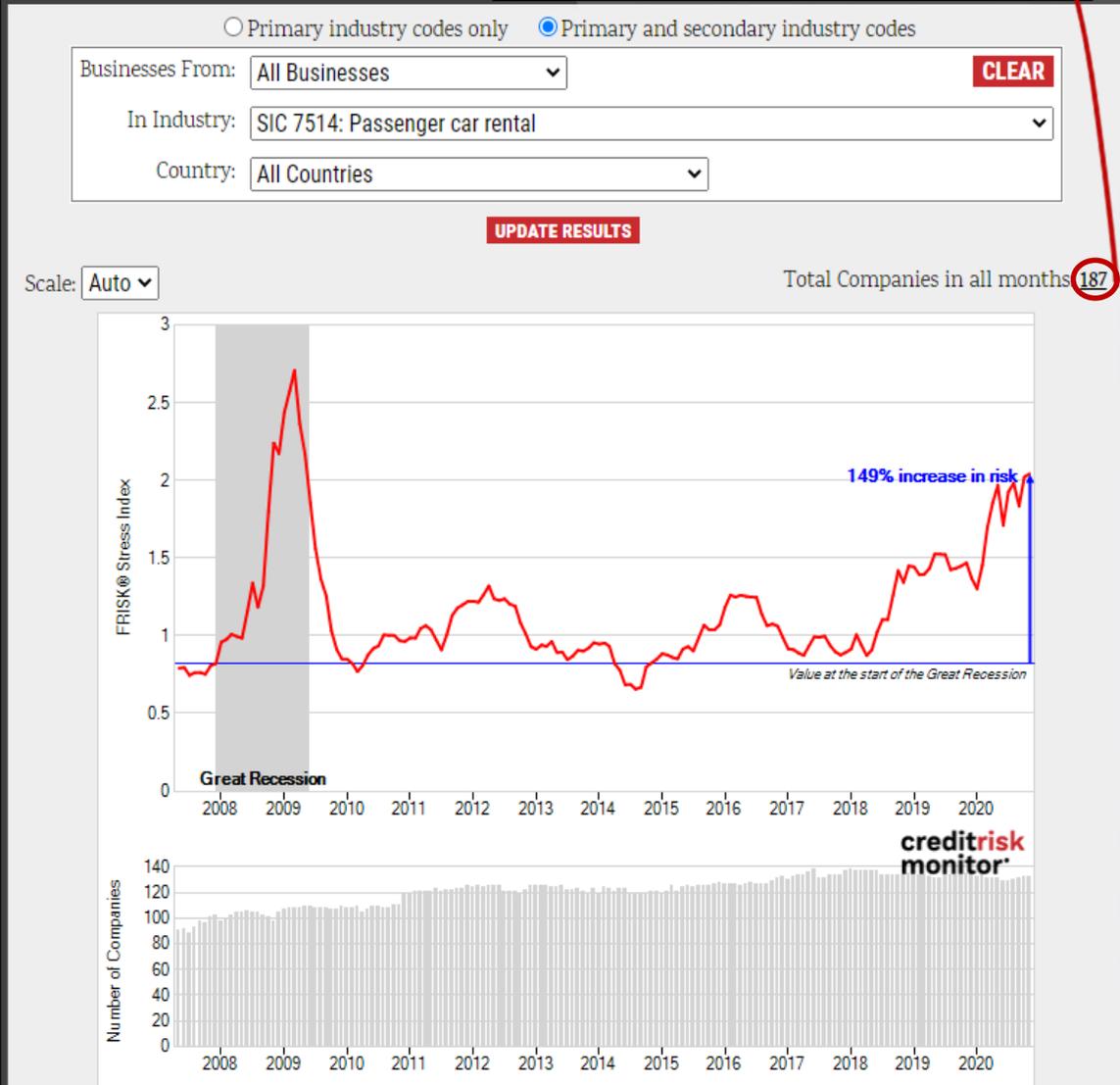
ADJUSTED MARKET CAP VOLATILITY



One of the inputs of the FRISK® score is a company's market cap volatility, adjusted for dividends, over the course of a year. Incorporating this information allows us to capture the "wisdom of markets" on a daily basis. This ensures our subscribers are getting the most up to date view of the risks they face since stocks tend to be more liquid and faster moving than bond prices and ratings.

FRISK® STRESS INDEX

#	Business Name	Country	Current FRISK® score
1	Europcar Mobility Group SA	France	1
2	CAR Inc	China	2
3	P2P Transport Ltd	Australia	2
4	Avis Budget Group Inc.	United States	3
5	GreenMobility A/S	Denmark	3
6	Synergetic Auto Performance PCL	Thailand	3
7	Premier Enterprise PCL	Thailand	3
8	AutoHellas S.A.	Greece	5
9	National United Resources Holdings Ltd	Hong Kong	5
10	Adi Sarana Armada Tbk PT	Indonesia	4



The FRISK® Stress Index shows the collective probability of failure in a group of companies (such as an industry, country or portfolio) over the next 12 months. It is designed to show trends in risk level across groups of companies and is shown on a zero to 50 scale, with 50 being the most risky.

The average probability of failure for SIC code 7514 (Passenger car rental) has increased 149% since 2007. Europcar Mobility is among the weakest names in the industry as evidenced by its FRISK® score of 1.

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PEER ANALYSIS ON ALTERNATE SUPPLIERS AND CUSTOMERS

The Peer Analysis expands to provide a ranking of a company's competitors, which can help provide options for alternate suppliers or new customers

Peer Group: 302		Ranking Within Peer Group	Number Of Peers Ranked	Company Value	Peer Group Range		
					Low	Median	High
Credit Ratings							
Z-Score			66		-26.78	2.83	504.26
Performance ratios:							
Net Sales (Thousands of U.S. Dollars)			9		740	13,371	37,501,000
Gross Margin % Of Sales	24	76		37.59	-135.54	22.83	98.41
Gross Margin % Of Sales -- TTM	9	77		64.22	-78.41	21.71	99.05
SGA % Of Sales	51	76		24.43	1.38	15.87	546.78
SGA % Of Sales -- TTM	65	78		55.54	3.34	18.29	192.99
Operating Margin % Of Sales	38	81		3.50	-523.79	3.16	73.84
Operating Margin % Of Sales -- TTM	49	82					
EBITDA Margin Of Sales	25	39					
EBITDA Margin Of Sales -- TTM	33	45					
Net Profit Margin % Of Sales	53	81					
Net Profit Margin % Of Sales -- TTM	58	82					
Pre-tax Income % Of Sales	59	81					
Effective Tax Rate	75	76					
Depreciation % Of Prop/Plant/Equipment	60	71					
Capital Expense % Of Prop/Plant/Equipment	27	52					
Interest Coverage	21	81		1.33	-78.98	4.13	2,793.00
Interest Coverage -- TTM	27	40		0.55	-325.15	3.16	2,711.50
Liquidity ratios:							
Cash Ratio	54	67		0.11	0.01	0.57	385.80
Quick Ratio	29	64					
Current Ratio	45	67					
Efficiency ratios:							
Accounts Receivable Turnover	66	73					
Days Sales Outstanding	77	81					
% of Inventory Financed by Vendors	2	52					
% of Inventory Financed by Vendors -- TTM	3	54					
Inventory Turnover	10	61					
Inventory Turnover -- TTM	16	62					
Days Sales in Inventory	10	67		7.07	0.03	29.79	54,386.85
Inventory to Working Capital	16	55		0.07	-3.26	0.05	11.53
Accounts Payable Turnover	57	68		1.25	0.00	7.65	88.01
Accounts Payable Turnover -- TTM	61	68		0.73	0.00	7.08	104.35
Leverage & debt coverage:							
Total Debt to Equity Ratio	70	74		8.45	0.00	0.53	26.58
Debt to Tangible Equity Ratio		70			0.00	0.56	34.94
Total Debt to Assets Ratio	74	78		0.65	0.00	0.23	0.95
Short-Term Debt % of Total Debt	46	72		51.62	0.15	39.64	100.00
Short-Term Debt % of Working Capital	47	66		655.30	-2,698.04	15.36	12,676.81
Liabilities to Net Worth Ratio		71			0.00	1.24	64.02
Total Liabilities to Equity Ratio	71	75		12.06	0.00	1.13	55.75
TTM EBITDA to Total Debt	31	43		0.02	-7.40	0.17	57.89
Net Debt to TTM EBITDA	30	31		46.99	-1.42	3.22	73.49

Rank	Company Name
1	Royalindo Investa Wijaya PT
2	LMP Automotive Holdings Inc
3	Commercial Development Company PLC
4	Xpeng Inc - ADR
5	USS Co., Ltd.

Rank	Company Name
1	KIMURA UNITY CO., LTD.
2	Hankyu Hanshin Holdings Inc
3	Hitachi Transport System Ltd
4	Kamei Corp
5	Avis Budget Group Inc.

Green - Ranked in Upper Quartile of Peer Group
White - Ranked in the Middle Two Quartiles of Peer Group
Red - Ranked in Lower Quartile of Peer Group
Orange - Confidential
Grey - Data is Not Available

TTM = trailing 12 months
N/A = Not Available

Europcar Mobility demonstrates bottom quartile ranking in key financial ratios (shown in red) versus its industry peers.

QUARTERLY PERFORMANCE RATIOS

EBIT falls substantially YOY and bottom line turns negative

Interest coverage ratio falls towards extremely distressed levels

Performance Ratios - Sequential Quarterly

(Thousands of Euros)

Period Ended	3 mos 9/30/2020	6 mos 6/30/2020	3 mos 3/31/2020	6 mos 12/31/2019
Net Sales €	€537,193	€814,774	n/a	€1,715,930
Gross Margin €	€201,919	€525,365	n/a	€1,242,952
% of sales	37.59%	64.48%	n/a	72.44%
SG&A €	€131,222	€685,895	n/a	€886,827
% of sales	24.43%	84.18%	n/a	51.68%
Operating margin €	€18,824	(€267,169)	n/a	€235,233
% of sales	3.50%	-32.79%	n/a	13.71%
EBITDA €	€48,663	(€202,193)	n/a	€261,839
% of sales	9.06%	-24.82%	n/a	15.26%
EBIT €	€6,268	(€279,292)	n/a	€223,694
% of sales	1.17%	-34.28%	n/a	13.04%
Pre-tax income €	(€30,417)	(€363,446)	n/a	€154,221
% of sales	-5.66%	-44.61%	n/a	8.99%
Net income (loss) €	(€9,726)	(€286,167)	n/a	€98,699
% of sales	-1.81%	-35.12%	n/a	5.75%
Tax expense €	(€20,739)	(€77,231)	n/a	€55,663
Effective tax rate	68.18%	21.25%	n/a	36.09%
Depreciation expense €	€31,197	€110,962	n/a	€63,471
% of sales	5.81%	13.62%	n/a	3.70%
% of capital expenses	375.46%	411.49%	n/a	333.51%
% of PP&E, net (annualized)	26.89%	45.67%	n/a	24.33%
Capital expenditures €	€8,309	€26,966	€14,565	€19,031
% of PP&E, net (annualized)	7.16%	11.10%	11.43%	7.29%
% of working capital (annualized)	8.73%	14.33%	13.98%	8.11%
Interest coverage ratio	1.33	(2.40)	n/a	3.52
Free cash flow €	€245,286	€392,426	€297,318	€593,656
Source:	Interim Report 10/26/2020	Interim Report 10/13/2020	Interim Report 10/13/2020	ARS 5/7/2020

Fiscal period end 3/31/2020 financial statements were superseded, which impacted the line items on the performance ratios report page.

QUARTERLY LEVERAGE RATIOS

Total debt relative to total assets indicates very high financial leverage relative to industry peers

High reliance on short-term debt suggests that funding options may be increasingly limited

Leverage Ratios - Sequential Quarters

(Thousands of Euros)

Period Ended	9/30/2020	6/30/2020	3/31/2020	12/31/2019	9/30/2019
Total debt €	€4,504,587	€4,722,884	€4,713,440	€5,281,090	€5,200,610
% change	-4.62%	0.20%	-10.75%	1.55%	10.56%
Stockholders' equity €	€533,021	€536,614	€713,724	€837,142	€843,643
% change	-0.67%	-24.81%	-14.74%	-0.77%	19.07%
Total debt to equity ratio	8.45	8.80	6.60	6.31	6.16
% change	-3.98%	33.27%	4.68%	2.34%	-7.15%
Tangible net worth €	(€1,646,938)	(€1,652,673)	(€1,473,258)	(€1,350,163)	(€1,239,467)
% change	0.35%	-12.18%	-9.12%	-8.93%	6.16%
Total assets €	€6,963,756	€7,026,194	€7,428,210	€8,285,542	€8,243,227
% change	-0.89%	-5.41%	-10.35%	0.51%	2.26%
Total debt to assets ratio	0.65	0.67	0.63	0.64	0.63
% change	-3.76%	5.94%	-0.46%	1.03%	8.10%
Tangible assets €	€4,783,797	€4,836,907	€5,241,228	€6,098,237	€6,160,117
% change	-1.10%	-7.71%	-14.05%	-1.00%	2.13%
Short-term debt €	€2,325,264	€2,477,678	€2,649,030	€3,176,312	€3,298,994
% change	-6.15%	-6.47%	-16.60%	-3.72%	17.46%
Short-term debt % of total debt	51.62%	52.46%	56.20%	60.15%	63.43%
% change	-1.60%	-6.66%	-6.56%	-5.19%	6.24%
Short-term debt % of working capital	655.30%	608.78%	765.82%	651.22%	732.40%
% change	7.64%	-20.51%	17.60%	-11.08%	-21.74%
Total liabilities €	€6,430,735	€6,489,580	€6,714,486	€7,448,400	€7,399,584
% change	-0.91%	-3.35%	-9.85%	0.66%	0.64%
Total liabilities to equity ratio	12.06	12.09	9.41	8.90	8.77
% change	-0.24%	28.55%	5.74%	1.44%	-15.47%
Total debt to EBITDA ratio (annualized)	23.14	n/a	n/a	10.08	n/a
Source:	Interim Report 10/10/2020	Interim Report 5/5/2020	Interim Report 10/13/2020	Interim Report 10/13/2020	Interim Report 10/23/2019

Total liabilities to equity blows out to 12.1x up from 6.4x in fiscal 3Q 2018

QUARTERLY LIQUIDITY RATIOS AND RATES OF RETURN

Working capital falls to a multi-year low

Meager cash ratio despite debt issuance

Liquidity Ratios - Sequential Quarters

(Thousands of Euros)

Period Ended	9/30/2020	6/30/2020	3/31/2020	12/31/2019	9/30/2019
Current assets €	€4,156,036	€4,195,259	€4,550,910	€5,386,155	€5,518,679
% change	-0.93%	-7.81%	-15.51%	-2.40%	3.13%
% of short-term debt	178.73%	169.32%	171.80%	169.57%	167.28%
Current liabilities €	€3,801,199	€3,788,269	€4,205,003	€4,898,408	€5,068,240
% change	0.34%	-9.91%	-14.16%	-3.35%	0.34%
Working capital €	€354,837	€406,990	€345,907	€487,747	€450,439
% change	-12.81%	17.66%	-29.08%	8.28%	50.09%
% of sales (annualized)	16.51%	24.98%	n/a	14.21%	n/a
Cash €	€432,630	€435,485	€266,979	€541,258	€250,519
% change	-0.66%	63.12%	-50.67%	116.05%	-28.38%
% of short-term debt	18.61%	17.58%	10.08%	17.04%	7.59%
Cash ratio	0.11	0.12	0.06	0.11	0.05
% change	-1.04%	81.10%	-42.53%	123.68%	-28.61%
Quick assets €	€3,900,662	€3,953,377	€4,356,648	€5,205,712	€5,283,929
% change	-1.33%	-9.26%	-16.31%	-1.48%	2.76%
% of short-term debt	167.75%	159.56%	164.46%	163.89%	160.17%
Quick ratio	1.03	1.04	1.04	1.06	1.04
% change	-1.67%	0.72%	-2.50%	1.93%	2.42%
Current ratio	1.09	1.11	1.08	1.10	1.09
% change	-1.27%	2.32%	-1.57%	0.98%	2.78%
Source:	Interim Report 10/26/2020	Interim Report 10/13/2020	Interim Report 5/5/2020	Interim Report 10/13/2020	Interim Report 10/23/2019

Returns on equity and assets turn negative

Rate of Return - Sequential Quarters

(Thousands of Euros)

Period Ended	3 mos	6 mos	3 mos	6 mos
	9/30/2020	6/30/2020	3/31/2020	12/31/2019
Return on equity	-1.81%	-40.09%	n/a	11.70%
Return on total assets	-0.14%	-3.96%	0.00%	1.19%
Return on tangible assets	-0.20%	-5.68%	0.00%	1.61%
Source:	Interim Report 10/26/2020	Interim Report 10/13/2020	Interim Report 10/13/2020	ARS 5/7/2020

Fiscal period end 3/31/2020 financial statements were superseded, which impacted the line items on the rate of return report page.

YEAR OVER YEAR STATEMENT OF CASH FLOWS

Cash flow reduced by profitability weakness

Operating cash flow only benefits from fleet sales

Statement of Cash Flows - Year-over-Year - Standardized - Year

(Thousands of Euros)

Period Ended	9 mos 9/30/2020	9 mos 9/30/2019	9 mos 9/30/2018	9 mos 9/30/2017	9 mos 9/30/2016
Cash Flows from Operating Activities:					
Net income	(€393,863)	€80,249	€225,952	€108,444	€153,106
Depreciation/depletion	92,458	96,021	17,642	12,158	10,925
Amortization	27,036	16,779	13,839	9,750	11,390
Non-cash Items	108,676	147,741	50,107	106,418	64,678
Changes in working capital	838,680	(1,085,794)	(850,611)	(627,247)	(663,617)
Total cash from operating activities	672,987	(745,004)	(543,071)	(390,477)	(423,518)
Cash Flows from Investing Activities:					
Capital expenditures	(35,275)	(65,423)	(52,115)	(33,535)	(24,892)
Other investing cash flow items, total	2,591	(51,467)	62,251	(226,079)	(15,586)
Total cash from investing activities	(32,684)	(116,890)	10,136	(259,614)	(40,478)
Cash Flows from Financing Activities:					
Financing cash flow items	(4,916)	(7,495)	(8,860)	(7,714)	(2,507)
Total cash dividends paid	0	(39,479)	(24,229)	(59,366)	n/a
Issuance/retirement of stock, net	676	(26,299)	(28,554)	191,920	(6,382)
Issuance/retirement of debt, net	(784,177)	819,552	585,163	488,867	547,785
Total cash from financing activities	(788,417)	746,279	523,520	613,707	538,896
Foreign exchange effects	(3,519)	(30)	(1,452)	(1,445)	(1,184)
Net change in cash	(151,633)	(115,645)	(10,867)	(37,829)	73,716
Net cash-beginning balance	628,155	424,986	313,253	248,507	229,368
Net cash-ending balance	€476,522	€309,341	€302,386	€210,678	€303,084
Supplemental Disclosures:					
Cash taxes paid, supplemental	€10,225	€27,341	€25,782	€23,406	€15,793
Source:	Interim Report 10/26/2020	Interim Report 10/23/2019	Interim Report 11/8/2018	Interim Report 11/9/2017	Interim Report 11/9/2016

ABOUT THIS REPORT/CONTACT CREDITRISKMONITOR®



CreditRiskMonitor® is a financial risk analysis and news service that helps credit, supply chain and financial professionals stay ahead of and manage risk quickly, accurately and cost effectively. More than 35% of the Fortune 1000, plus over a thousand other large corporations worldwide, rely on our financial risk coverage of over 57,000 global public companies.

CreditRiskMonitor's High Risk Reports feature companies that are exhibiting a significantly high level of financial distress, as indicated by our proprietary FRISK® score. The ultimate goal of the High Risk Report series is two-part: provide an early warning for those doing business with an increasingly distressed company and inform of the many signals that should be examined when assessing financial risks.

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