FitchRatings



# Leasys Italia S.p.A.

## Ratings

**Foreign Currency**

| | |
|---|---|
| Long-Term IDR | A- |
| Short-Term IDR | F1 |
| Shareholder Support Rating | a- |

**Sovereign Risk (Italy)**

| | |
|---|---|
| Long-Term Foreign-Currency IDR | BBB |
| Long-Term Local-Currency IDR | BBB |
| Country Ceiling | AA |

**Outlooks**

| | |
|---|---|
| Long-Term Foreign-Currency IDR | Stable |
| Sovereign Long-Term Foreign-Currency IDR | Stable |
| Sovereign Long-Term Local-Currency IDR | Stable |

## Applicable Criteria

Non-Bank Financial Institutions Rating Criteria (January 2024)

## Related Research

Fitch Affirms Leasys at 'A-'; Outlook Stable (June 2024)

Fitch Affirms Credit Agricole at 'A+'; Outlook Stable (October 2023)

CA Consumer Finance (January 2024)

Fitch Revises Stellantis N.V.'s Outlook to Positive; Affirms IDR at 'BBB+' (March 2024)

Major French Banks - Peer Review 2024 (May 2024)

Global Economic Outlook (June 2024)

Risk Headquarters (April 2024)

Fitch Affirms Italy at 'BBB'; Outlook Stable (May 2024)

## Analysts

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## Key Rating Drivers

**Support Drives Ratings:** The affirmation of Leasys Italia S.p.A. primarily reflects Fitch Ratings' view of an extremely high probability of support from 50% owner Credit Agricole Personal Finance and Mobility (CAPFM, rebranded from CA Consumer Finance in May 2024; A+/Stable), and ultimately from CAPFM's owner, Credit Agricole (CA; A+/Stable). The Stable Outlook reflects those on CACF and CA.

Leasys is a joint-venture (JV) between CA and Stellantis N.V. (BBB+/Positive), each of which have a 50% share.

**Rating Notched Down Twice:** Leasys' Long-Term Issuer Default Rating (IDR) is notched down twice from CAPFM's and CA's IDRs. Our view of support is based on Leasys' franchise and strong growth prospects in car finance, whose importance for CA is increasing. Sound profitability and moderate credit risk drive Leasys' positive contribution to the parent's performance in the past five years, which is increasing following Leasys' takeover of the Free2Move Lease business of the former PSA Group.

We do not anchor Leasys' ratings to Stellantis', given Leasys' operational integration within CA and Stellantis's lower rating. The latter is not a constraint on Leasys' ratings. The current JV agreement between CA and Stellantis lasts until 2032.

**No Sovereign Constraint:** Leasys' ratings are not constrained by Italy's sovereign rating (BBB/Stable), because Leasys is not a regulated financial institution and also because it has no direct exposure to Italian sovereign risk.

**CA's Fleet Lessor:** Leasys is a rental and mobility services provider. It is Italy's leader in long-term car rental, and is present in 10 other European markets, with a managed fleet of over 870,000 vehicles at end-2023. Following a reorganisation in 1Q23, Leasys consolidated Free2move Lease's operations and is now a pan-European operator, benefitting from the long-term market trend towards leasing and rental alternatives, away from direct car ownership.

**Increased Operational Autonomy:** Leasys materially increased its staffing (end-2023: 1,311 employees; end-2022: 589) to meet higher business volumes and to internalise key functions (including risk management and treasury). We therefore expect CA Auto Bank to provide fewer services under the master service agreement until expiration in 2026. This allows Fitch to assign a standalone credit profile (SCP) to Leasys.

**Leverage and Funding Constrain SCP:** Leasys' SCP of 'bb-' is constrained by its high leverage. This means that Leasys' independent funding access would not be on as competitive terms as those it has as part of CA. Leasys' sound return on equity, moderate credit risk and medium-term growth prospects make it an important contributor to CA's performance, underpinning our assessment of the support propensity following the reorganisation.

## Rating Sensitivities

### Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

A downgrade of CA's and CAPFM's IDRs would result in a downgrade of Leasys' IDR, reflecting a weakening of the parents' ability to support a strategically important subsidiary.

Leasys' ratings are sensitive to adverse changes in Fitch's assumptions about CA's propensity to support Leasys. Leasys' attractiveness to CA could be sensitive to changes in CA's strategy and in the automotive sector if this results in a materially negative impact on Leasys' profitability and growth prospects.

Leasys' ratings are also sensitive to an unfavourable change in the ownership structure, should CA or Stellantis decide to terminate their partnership.

### Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

There is limited positive potential in the medium term, as indicated by the Stable Outlook.

Fitch would upgrade Leasys' Long-Term IDR if CA's and CAPFM's Long-Term IDRs are upgraded, while Fitch's assessment of CA's support propensity remains unchanged.

A narrowing of the difference between Leasys', CA's and CAPFM's Long-Term IDRs would require evidence of a larger role of Leasys within the CA group, including from a bigger fleet of over one million vehicles. It would also require evidence of improved prospects and financial performance, especially in new business origination and income contribution.

The notching difference between Leasys' and CAPFM's IDRs could narrow if CAPFM significantly increases its stake in Leasys to above the 50% it currently holds.

## Recent Developments

### Integration and Growth on Track

Leasys is executing its business plan well following the reorganisation of Stellantis's captive-finance JVs in 2H22 and 1H23. Leasys has taken over the operations of the Free2Move Lease business of the former PSA Group, and new lease origination in 2H23 being 80% higher than that in 2H22 reflects this, with the majority by volume outside Italy. At end-2023, Leasys managed 360,000 vehicles, that remain owned by the previous fleet leasing companies of the PSA Group, and we expect them to be rolled over into Leasys' owned fleet (509,000 vehicles at end-2023) in the next three years as lease contracts are renewed. Plans for organic growth on top of this are achievable.

Leasys is reducing ahead of plan its reliance on CA Auto Bank for key functions (including risk management and treasury) and seconded staff, although the master service agreement should remain in place until 2026. Labour costs materially increased due to this and to the take-over of Free2Move Lease's distribution network (2023: EUR89 million; 2022: EUR62 million), and the full impact will materialise in 2024. Leasys' increasing operational autonomy allows Fitch to assign a SCP to Leasys.

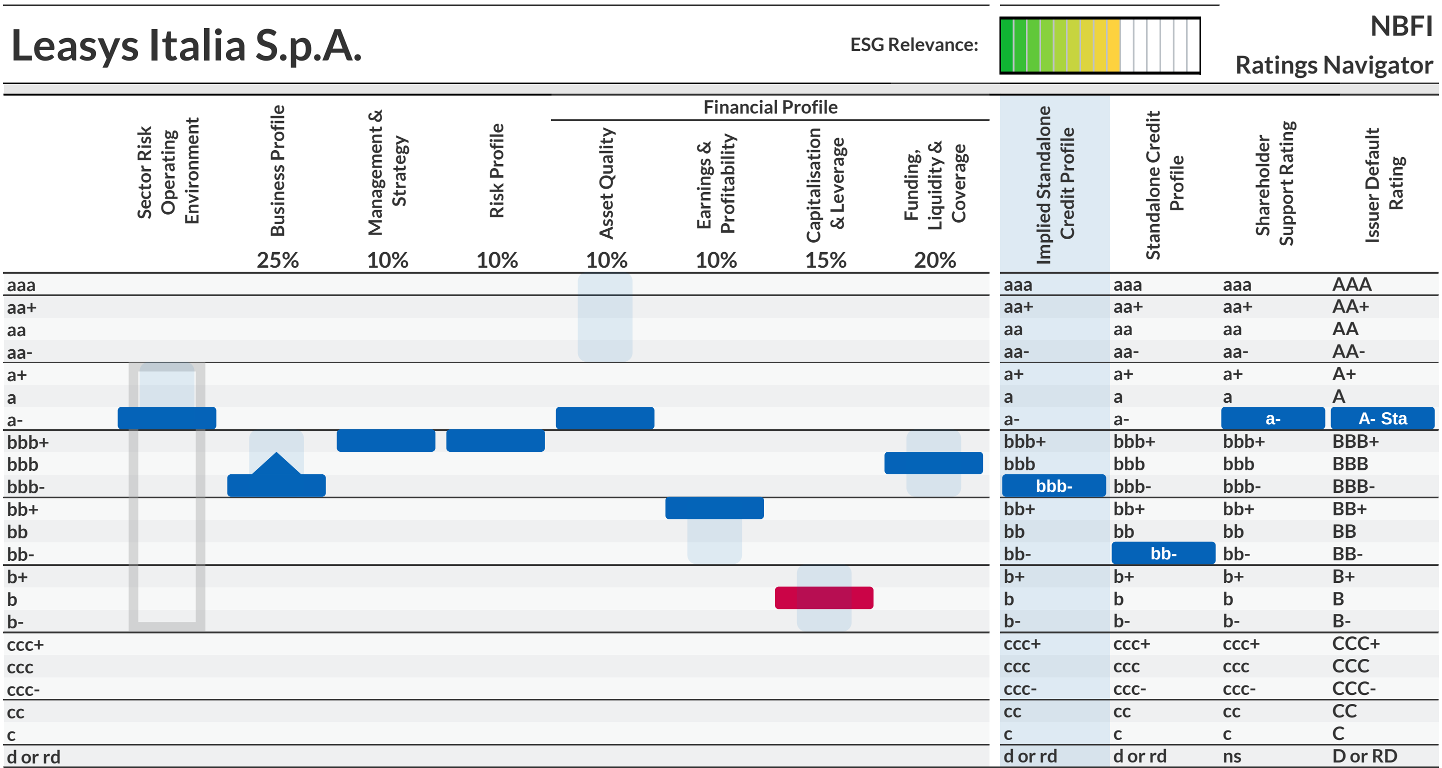
## Shareholder Support Assessment

| Shareholder Support | |
|---|---|
| Shareholder IDR | A+ |
| Total Adjustments (notches) | -2 |
| Shareholder Support Rating | a- |
| | |
| **Shareholder ability to support** | |
| Shareholder Rating | A+/ Stable |
| Shareholder regulation | 1 Notch |
| Relative size | 1 Notch |
| Country risks | Equalised |
| | |
| **Shareholder propensity to support** | |
| Role in group | 1 Notch |
| Reputational risk | 1 Notch |
| Integration | 2+ Notches |
| Support record | 1 Notch |
| Subsidiary performance and prospects | Equalised |
| Legal commitments | 1 Notch |

### Subsidiary Performance Balances JV Structure

Sound profitability, moderate credit risk and medium-term growth prospects have enabled Leasys to increase its contribution to CA's performance in recent years and underpin Fitch's assessment of support propensity. In Fitch's view, this mitigates the drawbacks of the JV structure with significant influence from the other shareholder, Stellantis. The potential narrowing of distance from CA's Long-Term IDR to one notch depends on Leasys' medium-term performance after the reorganisation.

## Ratings Navigator




The Key Rating Driver (KRD) weightings used to determine the implied Standalone Credit Profile (SCP) are shown as percentages at the top. In cases where the implied SCP is adjusted upwards or downwards to arrive at the SCP, the KRD associated with the adjustment reason is highlighted in red. The shaded areas indicate the benchmark-implied scores for each KRD. The sector risk assessment acts as a sector-specific constraint on the typical implied operating environment range and is shown as an overlay on the operating environment.

## Adjustments

The 'bb-' SCP has been assigned below the 'bbb-' implied SCP due to the following adjustment reason: weakest link - capitalisation & leverage (negative).

The 'a-' asset quality score has been assigned below the 'aa' implied category score due to the following adjustment reason: risk profile and business model (negative).

## Key Qualitative Factors

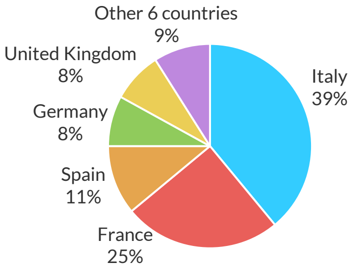
### Growing Adoption of Operational Leasing

In Europe, companies are increasingly adopting operational leasing (i.e., long-term rental) to manage their car fleets, with the aim of offloading respective costs and risks. Retail clients are also shifting to rental, resulting in diminishing direct car ownership in large urban areas. In addition, economic pressures could facilitate the shift towards mobility services with a lower initial monetary commitment.

### Unregulated Company

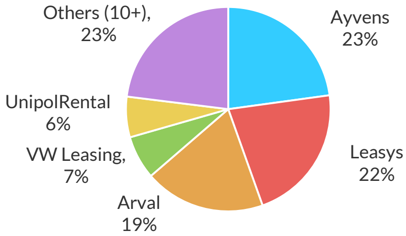
Leasys is neither prudentially regulated nor included in CA's banking scope, while it is subject to regulation mostly over client data protection and car maintenance. Fitch believes that recent regulatory initiatives by the European Union would not impact Leasys' rating, although they will result in its inclusion in CA's risk-weighted assets and reporting. However, the extent to which operational lessors will be directly prudentially supervised is still unclear.

### Geographic Presence




Data: Country exposure by new orders in 2023. Origination from the former Free2Move Lease is only for 2H23. Source:Fitch Ratings

### Market Share in Italy




Data: Market share by cumulative new leased cars between 2020 and 2023. Companies in others have each less than 5% market share. Excluding rent-to-rent cars. Source: Fitch Ratings, Dataforce

## Stellantis' Captive, but Not Exclusive, Car Lessor

Leasys is Stellantis' captive long-term car lessor in western Europe. Stellantis (then FIAT) has offered fleet-management solutions for SMEs since 1995, but the current entity was set up between 2010 and 2013. Leasys' business origination still leverages on Stellantis' dealers, but it is increasing its autonomous distribution for large fleets (about 40% of new leases) and through online brokers, increasingly targeting SME and retail clients (the target for retail is 20% of new leases, from 10%). Non-Stellantis brands are a modest share (about 15% of new leases in 2023), but have shown an above-average growth (+60% new orders in 2023, compared to +37% for the whole Leasys).

## Italian Market Leader, Growing Internationally

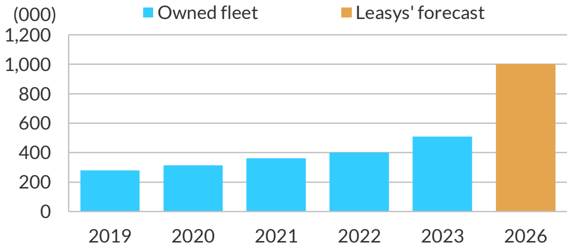
Leasys is the market-leading car lessor in Italy, with a 22% share by new cars leased between 2020 and 2023, including Free2Move Lease. This was in line with the market share of domestic peers Ayvens and Arval, and partly reflects Stellantis' franchise in Italy, but also strong growth and investments in long-term leasing in recent years.

Leasys has been expanding outside Italy since 2017, and it is now present in 11 European countries where Stellantis has a national sales company (i.e. not acting through independent importers). Leasys does not have yet a leading position outside Italy, but it is growing rapidly, especially in France, as it took over the Free2Move Lease distribution network. We do not expect Leasys to enter further markets.

## Completed Management Team

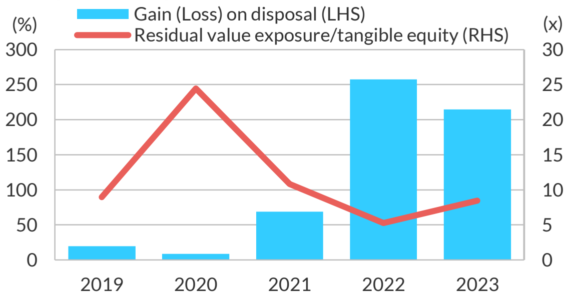
Leasys' existing management team was expanded after the spin-off from CA Auto Bank S.p.A. (A-/Stable, then named FCA Bank). Our assessment of Leasys' management and strategy considers its management team's depth and expertise in automotive leasing, sound corporate governance, well-articulated strategy and strong execution record. In our view, the appointment of multiple representatives of CA and Stellantis in Leasys' management board and the presence of a shareholder agreement offset the more formal nature of Leasys' supervisory board. Ongoing execution challenges amid a new corporate framework constrain the assessment.

### Leasys' Fleet Evolution




Data: number of vehicles at period end. Forecast only for owned fleet. The managed fleet (361'000 cars at end-2023, not shown above) should fully amortise by 2026. Source: Fitch Ratings, Leasys

### Leasys' RV Exposure & Performance




Source: Fitch Ratings, Leasys

## CA Leads Risk-Management Framework

Leasys' risk-management function was materially strengthened through new hiring in 2023, although it will still benefit from the support from CA Auto Bank up until 2026 under a master service agreement. Both Leasys' and CA Auto Bank's risk appetite framework are monitored by CA, ensuring consistency across the group. Risk controls focus on operational and credit risk, in line with Leasys' less complex business model. Residual value (RV) risk is assessed quarterly against the market for used cars. Leasys has had consistent gains from the sale of used cars, with the gain on disposals in 2023 amounting to 215% of the book value at sale.

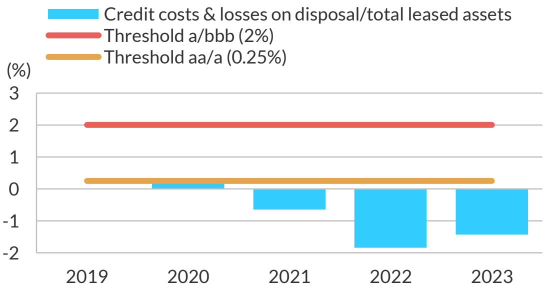
## Financial Profile

### Adequate Management of RV Risk

Leasys uses prudent depreciation policies that result in consistent gains on disposal of used cars (EUR103 million in 2023). The estimation assumes contractual maturities of leases, while an acceleration of repossessions (via option mechanisms or early termination) would inflate the RV exposure. Provisions for RV risk were appropriate at end-2023, in our view, as they were prudent enough to reduce the impact of fluctuations in used car sale prices. We consider it credit-positive that Leasys has not loosened its depreciation policy, following the high gains on disposal of used cars after the pandemic, because we expect used car prices to normalise in 2024.

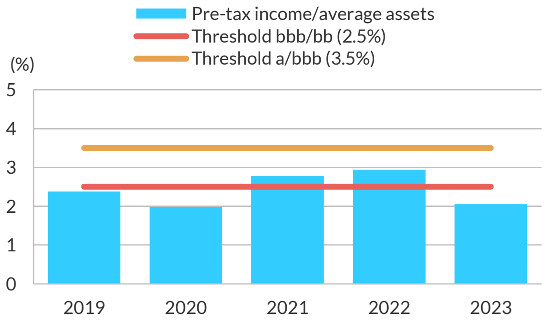
Credit risk is limited to unpaid monthly instalments, due to Leasys' operating leasing business model and the swift repossession of cars on a client's default. The asset quality of new contracts from Free2move Lease is in line with Leasys' own record.

**Leasys' Asset Quality**




Note: A negative value shows gains.
Source: Fitch Ratings, Leasys

**Leasys' Earnings & Profitability**




Source: Fitch Ratings, Leasys

### Modest Profitability but Low Risks

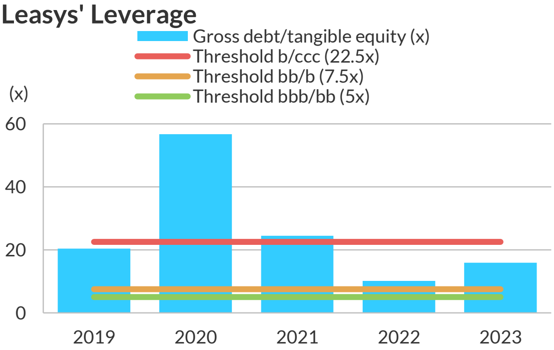
Leasys' modest profitability reflects the low credit risk of its portfolio and its role in promoting Stellantis' car sales. Leasys' portfolio yield, net of depreciation, remains high (5.6% in 2023) and we expect limited pressure despite modestly increasing competition in the sector. Access to Stellantis' network keeps operating costs low, and higher funding costs should have a limited impact, because fleet lessors typically reflect funding cost increases in higher lease rates as the portfolio reprices. In our view, Leasys can mitigate pricing pressure from squeezed car affordability by rebalancing its fleet mix towards cheaper models.

### Capital Optimisation Leads to High Leverage

Leasys' high and volatile balance-sheet leverage reflects CA's centralised capital management, which optimises capital allocation in favour of the regulated banking group. Cash flow leverage at end-2023 was also high, with a 6.1x gross debt/EBITDA ratio. Fitch expects balance-sheet leverage to remain high, but above other bank-owned fleet lessors', to accommodate fleet growth. However, Leasys' gradual inclusion in CA's risk-weighted assets from January 2025 should reduce incentives to keep the high balance-sheet leverage.

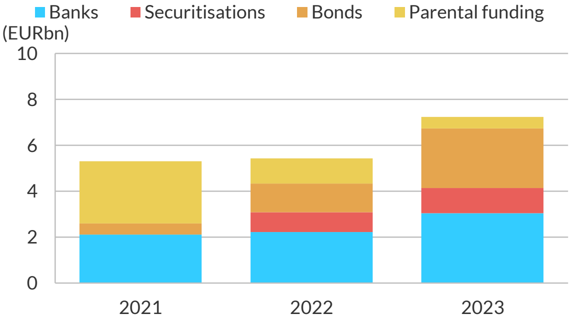
Regulation from the Central Bank of Italy on related-party exposures materially increased Leasys' leverage (end-2020 gross debt/tangible equity: 54x) as it limited Leasys' equity base (plus any direct non-equity funding from FCA Bank) to 15% of FCA Bank's capital. This regulation no longer applies.

**Leasys' Leverage**




Source: Fitch Ratings, Leasys

**Funding Sources**




Source: Fitch Ratings

### CA Underpins Funding but Promotes Diversification

Leasys sources 7% of its total non-equity funding from CA at end-2023 (EUR0.5 billion), but the company plans for a larger share in the medium term (15%–20%). We expect Leasys to fund itself predominantly from third parties, in line with CA's group-wide strategy for its subsidiaries, and Leasys plans a robust issuance pipeline for unsecured bonds and securitisation, given its planned asset growth.

Fitch believes funding support from CA, if needed, would be timely and adequate, given the funding agreement, which is part of the JV agreements. The funding agreement states that CA's funding will be constant and available, priced at market terms, sized to fill the needs of Leasys even in the most stressful scenarios and available across all Leasys' countries of operations. The agreement is valid for nine years until 30 April 2032, and it will be automatically renewed every three years for three-year periods thereafter, unless either shareholder decides against it.

## Debt Ratings

### Debt Ratings: Leasys Italia S.p.A.

| Rating Level | Rating |
|---|---|
| Senior unsecured: long term | A- |

Source: Fitch Ratings

Leasys' long-term senior unsecured debt rating is aligned with its Long-Term IDR. This is because Fitch believes default on its unsecured and unsubordinated obligations (two bonds and issuance from its EUR5 billion EMTN programme) would equate to a default of Leasys itself, and also because of their average recovery prospects.

### Debt Rating Sensitivities

Changes to Leasys' Long-Term IDR would be mirrored in its senior unsecured debt rating.

## Environmental, Social and Governance Considerations

FitchRatings **Leasys Italia S.p.A.** NBFI Ratings Navigator

### Credit-Relevant ESG Derivation

Leasys Italia S.p.A. has 7 ESG potential rating drivers

- Leasys Italia S.p.A. has exposure to regulatory risks, emissions fines or compliance costs related to owned equipment, which could impact asset demand, profitability, etc. but this has very low impact on the rating.
- Leasys Italia S.p.A. has exposure to investments in or ownership of assets with below-average energy/fuel efficiency which could impact future valuation of these assets but this has very low impact on the rating.
- Leasys Italia S.p.A. has exposure to fair lending practices; pricing transparency; repossession/foreclosure/collection practices; consumer data protection; legal/regulatory fines stemming from any of the above but this has very low impact on the rating.
- Governance is minimally relevant to the rating and is not currently a driver.

| | | | ESG Relevance to Credit Rating |
|---|---|---|---|
| key driver | 0 | issues | 5 |
| driver | 0 | issues | 4 |
| potential driver | 7 | issues | 3 |
| not a rating driver | 4 | issues | 2 |
| | 3 | issues | 1 |

### Environmental (E) Relevance Scores

| General Issues | E Score | Sector-Specific Issues | Reference | E Relevance |
|---|---|---|---|---|
| GHG Emissions & Air Quality | 3 | Regulatory risks, emissions fines or compliance costs related to owned equipment, which could impact asset demand, profitability, etc. | Sector Risk Operating Environment | 5 |
| Energy Management | 3 | Investments in or ownership of assets with below-average energy/fuel efficiency which could impact future valuation of these assets | Risk Profile | 4 |
| Water & Wastewater Management | 1 | n.a. | n.a. | 3 |
| Waste & Hazardous Materials Management; Ecological Impacts | 1 | n.a. | n.a. | 2 |
| Exposure to Environmental Impacts | 2 | Impact of extreme weather events on assets and/or operations and corresponding risk profile & management; catastrophe risk; credit concentrations | Business Profile; Asset Quality | 1 |

### Social (S) Relevance Scores

| General Issues | S Score | Sector-Specific Issues | Reference | S Relevance |
|---|---|---|---|---|
| Human Rights, Community Relations, Access & Affordability | 2 | n.a. | n.a. | 5 |
| Customer Welfare - Fair Messaging, Privacy & Data Security | 3 | Fair lending practices; pricing transparency; repossession/foreclosure/collection practices; consumer data protection; legal/regulatory fines stemming from any of the above | Sector Risk Operating Environment; Risk Profile; Asset Quality | 4 |
| Labor Relations & Practices | 2 | Impact of labor negotiations, including board/employee compensation and composition | Business Profile; Management & Strategy; Earnings & Profitability; Capitalisation & Leverage; Funding, Liquidity & Coverage | 3 |
| Employee Wellbeing | 1 | n.a. | n.a. | 2 |
| Exposure to Social Impacts | 2 | Shift in social or consumer preferences as a result of an institution's social positions, or social and/or political disapproval of core activities | Business Profile; Earnings & Profitability | 1 |

### Governance (G) Relevance Scores

| General Issues | G Score | Sector-Specific Issues | Reference | G Relevance |
|---|---|---|---|---|
| Management Strategy | 3 | Operational implementation of strategy | Management & Strategy | 5 |
| Governance Structure | 3 | Board independence and effectiveness; ownership concentration; protection of creditor/stakeholder rights; legal /compliance risks; business continuity; key person risk; related party transactions | Management & Strategy | 4 |
| Group Structure | 3 | Organizational structure; appropriateness relative to business model; opacity; intra-group dynamics; ownership | Business Profile | 3 |
| Financial Transparency | 3 | Quality and timing of financial reporting and auditing processes | Management & Strategy | 2 |
| | | | | 1 |

#### How to Read This Page

ESG relevance scores range from 1 to 5 based on a 15-level color gradation. Red (5) is most relevant to the credit rating and green (1) is least relevant.

**The Environmental (E), Social (S) and Governance (G) tables** break out the ESG general issues and the sector-specific issues that are most relevant to each industry group. Relevance scores are assigned to each sector-specific issue, signaling the credit-relevance of the sector-specific issues to the issuer's overall credit rating. The Criteria Reference column highlights the factor(s) within which the corresponding ESG issues are captured in Fitch's credit analysis. The vertical color bars are visualizations of the frequency of occurrence of the highest constituent relevance scores. They do not represent an aggregate of the relevance scores or aggregate ESG credit relevance.

**The Credit-Relevant ESG Derivation** table's far right column is a visualization of the frequency of occurrence of the highest ESG relevance scores across the combined E, S and G categories. The three columns to the left of ESG Relevance to Credit Rating summarize rating relevance and impact to credit from ESG issues. The box on the far left identifies any ESG Relevance Sub-factor issues that are drivers or potential drivers of the issuer's credit rating (corresponding with scores of 3, 4 or 5) and provides a brief explanation for the relevance score. All scores of '4' and '5' are assumed to result in a negative impact unless indicated with a '+' sign for positive impact.

**Classification** of ESG issues has been developed from Fitch's sector ratings criteria. The General Issues and Sector-Specific Issues draw on the classification standards published by the United Nations Principles for Responsible Investing (PRI), the Sustainability Accounting Standards Board (SASB), and the World Bank.

#### CREDIT-RELEVANT ESG SCALE

How relevant are E, S and G issues to the overall credit rating?

| | |
|---|---|
| 5 | Highly relevant, a key rating driver that has a significant impact on the rating on an individual basis. Equivalent to "higher" relative importance within Navigator. |
| 4 | Relevant to rating, not a key rating driver but has an impact on the rating in combination with other factors. Equivalent to "moderate" relative importance within Navigator. |
| 3 | Minimally relevant to rating, either very low impact or actively managed in a way that results in no impact on the entity rating. Equivalent to "lower" relative importance within Navigator. |
| 2 | Irrelevant to the entity rating but relevant to the sector. |
| 1 | Irrelevant to the entity rating and irrelevant to the sector. |

As support-driven issuers have strong linkages to their support providers, the ESG Credit-Relevance Score assigned to the 'supported' subsidiaries often mirrors those of their corporate and financial institution parents. This reflects our opinion that many of the ESG elements at the parent level are credit-relevant for the subsidiary. Therefore, Leasys' scores are mostly aligned with those of CA. Leasys differs from CA with scores for 'GHG Emissions' at '3' and 'Energy Management' at '3', reflecting its focus on the automotive industry.

Unless otherwise disclosed in this section, the highest level of ESG credit relevance is a score of '3'. ESG issues are credit neutral or have only a minimal credit impact on Leasys, either due to their nature or the way in which they are being managed. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the materiality and relevance of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores, visit www.fitchratings.com/esg.

# Financials

## Income Statement

| (EURm) | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|---|---|---|
| Leasing contract revenues | 1,159 | 980 | 834 | 703 | 629 | 396 | 335 |
| Leasing contract depreciation | -832 | -749 | -607 | -524 | -484 | -303 | -272 |
| Leasing contract costs - financing | -147 | -42 | -12 | -27 | -26 | -17 | -15 |
| **Leasing contract margin** | **180** | **189** | **216** | **151** | **120** | **76** | **48** |
| Services revenues | 561 | 503 | 484 | 413 | 385 | 336 | 287 |
| Cost of services revenues | -497 | -479 | -465 | -378 | -337 | -244 | -213 |
| **Services margin** | **64** | **24** | **19** | **34** | **47** | **92** | **74** |
| Proceeds of cars sold | 151 | 139 | 95 | 61 | 59 | 30 | 40 |
| Cost of cars sold | -48 | -39 | -56 | -56 | -49 | -46 | -35 |
| **Car sales result** | **103** | **100** | **39** | **5** | **10** | **-16** | **4** |
| **Gross operating income** | **347** | **314** | **274** | **191** | **177** | **152** | **127** |
| Personnel expenses | -89 | -62 | -64 | -52 | -49 | -28 | -24 |
| Other operating costs | -25 | -18 | -20 | -20 | -18 | -36 | -29 |
| Depreciation, amortisation, and other provisions | -11 | -12 | -14 | -13 | -10 | -4 | -4 |
| **Total operating expenses** | **-125** | **-91** | **-98** | **-84** | **-77** | **-68** | **-58** |
| Impairment charges on receivables | -21 | -18 | -15 | -13 | -10 | -13 | -7 |
| Non-recurring income (expenses) | -30 | 0 | 0 | 0 | 0 | 3 | 1 |
| **Result before income tax** | **171** | **204** | **161** | **94** | **90** | **73** | **64** |
| Income tax | -54 | -57 | -38 | -7 | 1 | 11 | -2 |
| **Result for the year** | **117** | **147** | **123** | **87** | **91** | **85** | **62** |
| | | | | | | | |
| EBITDA | 1,202 | 1,018 | 808 | 671 | 619 | 400 | 359 |
| **Adj. EBITDA** | **359** | **257** | **187** | **134** | **125** | **92** | **82** |

Source: Fitch Ratings, Leasys Italia S.p.A.

Leasys has published audited consolidated financial statements according to IFRS covering the fiscal years since 2019. Leasys also prepared IFRS-compliant consolidated financial data, which were used as an input in CA Auto Bank's audited financial statements (published on a semi-annual basis and covering also prior fiscal years) until the spin-off.

It also publishes annually its audited standalone financial statements under Italian local GAAP, which are the source for the 2017 and 2018 periods in these tables. These statements consolidate about 86% of total group assets at end-2019 and represent the main operating entity (Italy plus Spain, Germany, Denmark and Belgium). Some subsidiaries outside of Italy are instead captured with the equity method.

## Balance Sheet

| (EURm) | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|---|---|---|
| Cash & equivalents | 227 | 315 | 683 | 132 | 161 | 15 | 5 |
| Net rental fleet | 6,748 | 4,860 | 4,072 | 3,322 | 3,039 | 2,082 | 1,518 |
| Trade receivables | 714 | 817 | 891 | 832 | 618 | 472 | 435 |
| Other receivables | 1,030 | 817 | 603 | 380 | 379 | 333 | 251 |
| Financial assets | 83 | 187 | 5 | 0 | 2 | 9 | 16 |
| Equity participations | 0 | 0 | 0 | 0 | 0 | 86 | 70 |
| Fixed assets | 23 | 35 | 41 | 48 | 41 | 9 | 68 |
| Intangible assets | 208 | 111 | 143 | 128 | 102 | 20 | 19 |
| Tax assets | 139 | 62 | 93 | 131 | 83 | 52 | 51 |
| Other assets | 173 | 88 | 51 | 26 | 31 | n.a. | n.a. |
| **Total assets** | **9,345** | **7,292** | **6,583** | **5,000** | **4,456** | **3,079** | **2,435** |
| | | | | | | | |
| Issued securities | 3,714 | 2,109 | 498 | 0 | 0 | 0 | 0 |
| Borrowings | 3,630 | 3,323 | 4,808 | 3,931 | 3,416 | 2,464 | 1,902 |
| Lease liabilities | 21 | 33 | 35 | 41 | 39 | n.a. | n.a. |
| Trade payables | 974 | 881 | 607 | 561 | 545 | 354 | 294 |
| Derivative financial instruments | 37 | 31 | 5 | 13 | 12 | n.a. | n.a. |
| Provisions | 20 | 14 | 12 | 18 | 20 | 12 | 8 |
| Pension liabilities | 4 | 4 | 7 | 7 | 7 | 3 | 3 |
| Tax liabilities | 134 | 107 | 65 | 78 | 35 | 4 | 3 |
| Other liabilities | 134 | 141 | 158 | 100 | 65 | 48 | 40 |
| **Total liabilities** | **8,670** | **6,644** | **6,195** | **4,749** | **4,139** | **2,884** | **2,251** |
| **Equity** | **676** | **648** | **388** | **251** | **317** | **195** | **184** |

Source: Fitch Ratings, Leasys Italia S.p.A.

## Summary Analytics

| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|---|---|---|
| **Business profile** | | | | | | | |
| Total net operating income (USDm) | 1,903 | 1,687 | 1,587 | 1,411 | 1,173 | 853 | 776 |
| Adj. net operating income (USDm) | 383 | 335 | 310 | 234 | 198 | 174 | 152 |
| **Asset quality (%)** | | | | | | | |
| Credit costs & losses on disposal/total leased assets | -1.4 | -1.8 | -0.6 | 0.3 | 0.0 | 1.6 | 0.2 |
| Impaired receivables/gross leases | 1.2 | 1.1 | 1.3 | 1.6 | 1.3 | 1.1 | 1.2 |
| Impaired receivables/gross contract and service revenues | 5.2 | 3.9 | 4.6 | 5.2 | 4.3 | 4.4 | 4.2 |
| Loans loss allowances/impaired loans | 79.8 | 86.7 | 70.8 | 69.3 | 86.0 | 100.0 | 100.0 |
| Loans impairment charges/average gross loans | 0.3 | 0.4 | 0.4 | 0.4 | 0.3 | 0.5 | 0.5 |
| Gain (loss) on disposal | 214.7 | 257.5 | 68.8 | 8.7 | 19.6 | -35.1 | 12.5 |
| **Earnings and profitability (%)** | | | | | | | |
| Pre-tax income/average assets | 2.1 | 2.9 | 2.8 | 2.0 | 2.4 | 2.7 | 3.1 |
| Net income/average equity | 17.7 | 28.3 | 38.6 | 30.7 | 35.3 | 44.5 | 40.9 |
| Operating expenses/net revenues | 36.1 | 29.1 | 35.8 | 44.2 | 43.6 | 44.7 | 45.4 |
| Depreciation expenses/net rental fleet | 14.3 | 16.8 | 16.4 | 16.5 | 18.9 | 16.9 | 20.5 |
| Interest income/average gross leases | 5.6 | 5.2 | 6.2 | 5.6 | 5.7 | 5.2 | 4.7 |
| Interest expense/average debt | 2.3 | 0.8 | 0.3 | 0.7 | 0.9 | 0.8 | 1.0 |
| **Capitalization and leverage (x)** | | | | | | | |
| Gross debt/tangible equity | 15.9 | 10.1 | 24.5 | 56.8 | 20.4 | 19.3 | 16.2 |
| Debt/equity | 10.9 | 8.4 | 13.7 | 15.7 | 10.8 | 12.6 | 10.3 |
| Tangible equity/tangible assets (%) | 5.1 | 7.5 | 3.4 | 1.4 | 3.9 | 4.2 | 5.0 |
| Gross debt/EBITDA | 6.1 | 5.3 | 6.6 | 5.9 | 5.5 | 6.2 | 5.3 |
| Residual value exposure/tangible equity | 8.4 | 5.3 | 10.8 | 24.4 | 8.9 | n.a. | n.a. |
| **Funding and liquidity (%)** | | | | | | | |
| Unsecured debt/total debt | 84.8 | 84.1 | 100.0 | 92.3 | 88.2 | 84.6 | 76.2 |
| ST debt/total debt | 33.0 | 39.6 | 62.9 | 47.2 | 84.1 | 52.6 | 44.9 |
| Parental funding/total debt | 6.9 | 20.2 | 50.9 | 66.7 | 61.8 | 57.7 | 47.6 |
| Liquid assets + undrawn committed facilities/short-term debt | 219.4 | 133.1 | 20.5 | 7.1 | 5.6 | 1.2 | 0.6 |

Source: Fitch Ratings, Leasys Italia S.p.A.

## SOLICITATION & PARTICIPATION STATUS

For information on the solicitation status of the ratings included within this report, please refer to the solicitation status shown in the relevant entity's summary page of the Fitch Ratings website.

For information on the participation status in the rating process of an issuer listed in this report, please refer to the most recent rating action commentary for the relevant issuer, available on the Fitch Ratings website.