

RATING ACTION COMMENTARY

Fitch Affirms Leasys at 'A-'; Outlook Stable

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Fitch Ratings - Frankfurt am Main - 27 May 2025: Fitch Ratings has affirmed Leasys Italia S.p.A.'s Long-Term Issuer Default Rating (IDR) and senior unsecured debt rating at 'A-'. Fitch has also affirmed Leasys' Shareholder Support Rating (SSR) at 'a-'. The Outlook on Leasys' Long-Term IDR is Stable.

KEY RATING DRIVERS

Support Drives Ratings: The affirmation primarily reflects Fitch's view of an extremely high probability of support from Credit Agricole Personal Finance and Mobility (CAPFM; A+/Stable), and ultimately from CAPFM's owner Credit Agricole (CA; A+/Stable). The Stable Outlook aligns with the Outlooks for CACF and CA.

Leasys is a joint-venture (JV) between CA and Stellantis N.V. (BBB/Stable), with a 50% share each.

Rating Notched Down Twice: Leasys' Long-Term IDR is notched down twice from CAPFM's and CA's Long-Term IDRs. Our view of support is based on Leasys' expanding franchise and strong growth prospects in car finance—an area growing in importance for CA. Sound profitability and moderate credit risk drove Leasys' positive contribution to the parent's performance in the last 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, but can contractually be renewed thereafter, which is Fitch's expectation.

No Sovereign Constraint: Leasys' ratings are not constrained at the level of Italy's sovereign rating (BBB/Positive), because Leasys is not a regulated financial institution and 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 906,000 vehicles at end-2024. 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 (1,380 employees at end-2024, from 589 at end-2022) 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 April 2026, which allows Fitch to assign Leasys a Standalone Credit Profile (SCP).

Leverage and Funding Constrain SCP: Leasys' 'bb-' SCP is constrained by its high leverage. This means Leasys' independent funding access would not be on the same 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 Long-Term IDRs would result in a downgrade of Leasys' Long-Term 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

--Upside potential for Leasys' Long-Term IDR is limited 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 for CA.

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

DEBT AND OTHER INSTRUMENT RATINGS: KEY RATING DRIVERS

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 EUR8 billion EMTN programme) would equate to a default of Leasys itself and because of their average recovery prospects.

DEBT AND OTHER INSTRUMENT RATINGS: RATING SENSITIVITIES

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

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).

REFERENCES FOR SUBSTANTIALLY MATERIAL SOURCE CITED AS KEY DRIVER OF RATING

The principal sources of information used in the analysis are described in the Applicable Criteria.

PUBLIC RATINGS WITH CREDIT LINKAGE TO OTHER RATINGS

Leasys' ratings are driven by parental support from Credit Agricole Personal Finance and Mobility (CAPFM; A+/Stable), and ultimately from CAPFM's owner Credit Agricole (A+/Stable).

ESG CONSIDERATIONS

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.

RATING ACTIONS

ENTITY / DEBT ↕	RATING ↕			PRIOR ↕
Leasys Italia S.p.A.	LT IDR	A-	Affirmed	A-
	ST IDR	F1	Affirmed	F1
	Shareholder Support	a-	Affirmed	a-
senior unsecured	LT	A-	Affirmed	A-

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Additional information is available on www.fitchratings.com

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APPLICABLE CRITERIA

[Non-Bank Financial Institutions Rating Criteria \(pub. 31 Jan 2025\) \(including rating assumption sensitivity\)](#)

ADDITIONAL DISCLOSURES

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Leasys Italia S.p.A.

EU Issued, UK Endorsed

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