

In collaboration with

The long-term rental market

Facts and Figures 2015

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2015 in figures

→ **1,885,565**

PC Registrations

2015/2014: +6.7%

→ **379,419**

CV Registrations

2015/2014: +2.0%

→ **731,519**

PC-CV Registrations

Long-term rentals and Companies*

2015/2014: +6.4%

→ **445,360**

New long-term rentals put on the road

2015/2014: +6.5%

* excluding short-term rentals, demonstration vehicles, self-registrations

Source: SNLVLD, CCFA, data processed by BIPE

This edition presents the sector's scoreboard for 2015

1 The automotive market

The automotive market has surprised positively in 2015 by posting a higher than expected increase, not seen since 2009: + 5.9% YoY, or 2.3 million of new light vehicles registered.

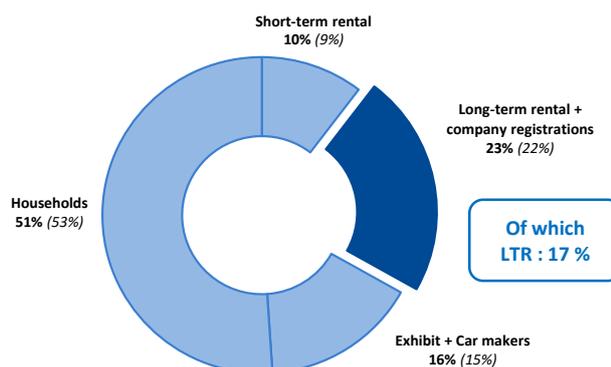
The good performance of the passenger car market (+ 6.7%) contributed significantly to the total market rise in 2015. The PC company market, which registered a record growth (+ 11.7% compared to 2014), now represents 49% of the total passenger car market (after a 47% share in 2014).

The growth of the LCV market has been more moderate in 2015 (+2.0% after +1.3% in 2014), and this market totalled 379 thousand units.

2015 was characterized by a good performance of the electric vehicles market, since 22,184 vehicles have been registered (including 17,300 PC) and the growth reached + 47% compared to 2014.

In addition to the refocusing the "bonus" scheme on the greenest vehicles, the granting of "superbonus", effective since April 1st 2015, conditional on the acquisition of a green car in exchange for scrapping its old diesel vehicle, also benefited sales of environmentally friendly vehicles, including electric and plug-in hybrid ones. However, the bonus on hybrid vehicles are drastically reduced in 2016.

Distribution of new registrations of passenger cars in 2015, in % of total



Sources: SNLVLD, CCFA, data processed by BIPE

Le SNLVLD

Founded in 1978, the Syndicat National des Loueurs de Voitures en Longue Durée (SNLVLD) represents commercial companies that engage in the long-term rental of vehicles in France.

SNLVLD's members represent 97% of the sector's activity in France. The long-term rental of vehicles (passenger cars and commercial vehicles) has established its legitimacy in the corporate sector, since it provides a flexible solution to the organisational and management needs of companies. It provides significant support to the automotive industry

2 Long-term rentals in the market

Reminder: the historical data (since 2008) of the SNLVLD stock, vehicles put on the road, returns and fleet management data were slightly revised in 2015, following correction of a member's data.

In 2015, the market players in the long-term rental sector were again growth drivers of the French car market.

A record number of vehicles put on the road

Long-term rental deliveries of light vehicles reached a historical record level in 2015: 445,360 vehicles (+6.5% compared to 2014). As in 2014, LTR vehicles put on the road amount to 61% of the new light vehicles corporate fleet channel (LTR + other forms of acquisition).

Strong growth for LTR fleet

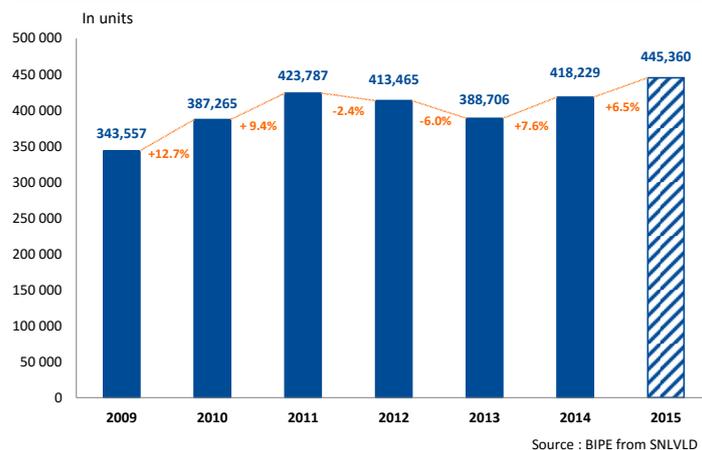
During 2015, returns have also registered a significant growth of over 5% compared to 2014, so that returns have exceeded their 2012 level.

The LTR stock thus ended the year at the record level of 1,227,969 units, up +3.3%, one point higher than in 2014.

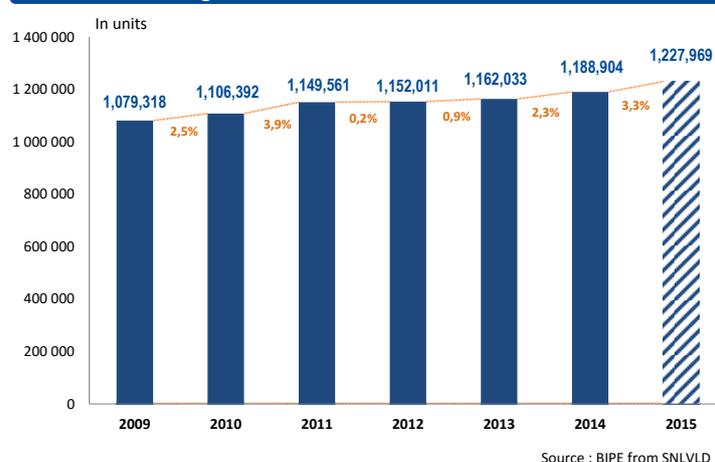
Moreover, fleet management, always praised by companies which are looking to optimize their costs, has also reported a sustained growth of its stock (+10.6%), which peaked at 318,405 vehicles.

LTR professionals 2016 outlook is very positive again and suggest another rise of the level of vehicles put on the road : 73% of the members expect a "rise" and 4% rely on a "marked increase". These answers are adjusted according to the weight of the members on the total top 12 deliveries. Meanwhile, 73% of participants expect returns also to increase in 2016. Thus, this suggests that LTR stock will still grow at a moderate pace.

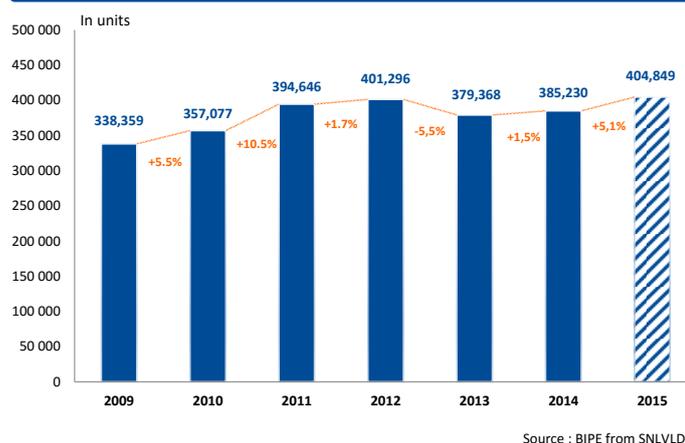
Evolution of vehicles put on the road since 2009



Evolution of the long-term rental stock since 2009



Evolution of returns since 2009



Members

2R fleet services, AGL Services, ALD Automotive, Alphabet, Arval, Athlon, Billiar Sarrebourg, CA Consumer Finance, CGFF, CM-CIC bail, Crédipar, DIAC Location, Elat, FCA, Ford Lease, Leaseplan, Mercedes Benz Financial Services, Natixis Car Lease, Parcours, Public LLD, SALVA, UCA fleet, UCA Lease, Véhiposte, Volkswagen Group Fleet Solutions.

3 Structure of rental stock

The growth of the LTR stock in 2015 was accompanied by a change of its structure in terms of participants, while the structure in terms of vehicles categories has stabilized.

The proportion of Passenger Cars (PC) in long-term rental stock is again important and represents (as in 2014) 63.7% of rented vehicles in circulation. The Commercial Vehicles (LCV) (24.7% of the stock) and the Companies Vehicles (VS) (11.6%) have maintained their market share too.

In 2015, for the first time since 2012, the weight of bank subsidiaries on the total stock is increasing : they now represent 43% of the LTR stock (+ 6% compared to 2014). Independent companies lose 5 points of market share and only own 12% of the total stock. The acquisition of GE Capital by Arval explains this development. Captive manufacturers and subsidiaries of banks own 45% of the market, as last year.

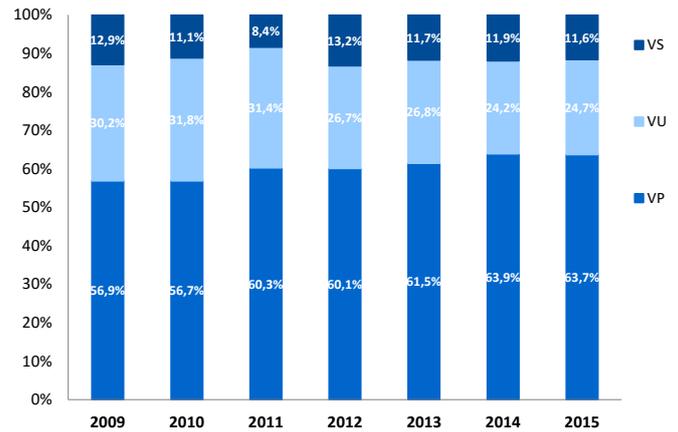
The Bonus / Malus scheme and the modulation of the company tax rate based on the CO2 emissions booth contributed to lower emissions of the LTR stock in 2015. This effect is enhanced by the reduction in average emissions of new models .

Thus, the weight of vehicles emitting less than 100g CO2/km has continued to grow within the stock : they now represent 35% of LTR stock (against nearly 30% in 2014). Vehicles emitting over 131 g CO2/km, for which the penalty is applied in 2015, account for more than 22% of LTR stock in 2015 (against 26% in 2014).

Independent companies manage the most virtuous fleets since 49% of their fleet emits less than 105g CO2 / km. This category of green vehicles represents 47% of bank subsidiaries' stocks and 41.6% of the captive manufacturers' stock.

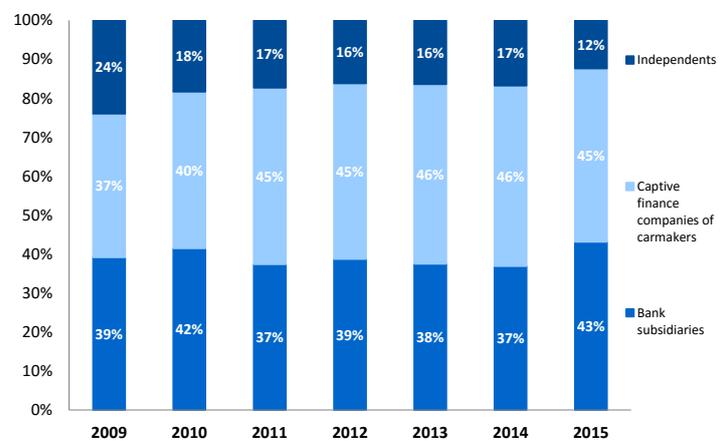
In 2016, the bonus for full hybrids is significantly reduced from EUR 2,000 to EUR 750 and the plug-in hybrids one from EUR 4,000 to EUR 1,000. Thus, the breakdown of the stock could again be changed.

Breakdown of long-term rental stock by categories of vehicles since 2009



Source : BIPE from SNLVLD

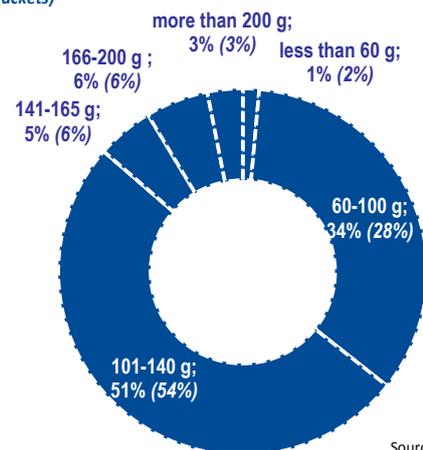
Breakdown of long-term rental stock by shareholding structure of companies since 2009



Source : BIPE d'après SNLVLD

Long-term rental stock by range of CO₂ emissions in 2015

(2014 figures in brackets)



Source : BIPE from SNLVLD

Associated members

Carglass, Groupe Argus, LTSC ARIS, Macadam, Opteven, Sofico, Vega Systems, Groupe Traqueur, GT motive, Sidexa.

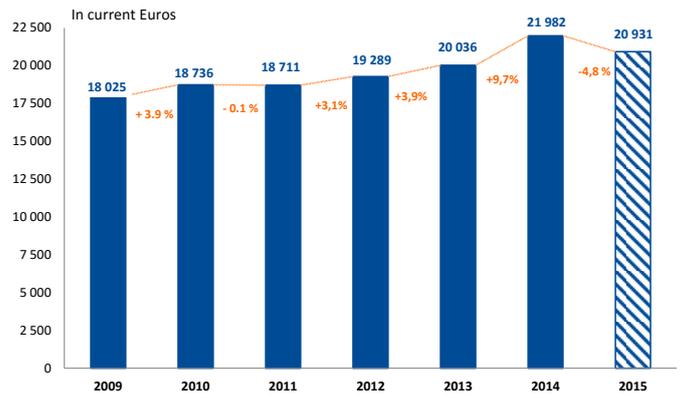
4 Contract characteristics

The average amount financed decreased by 4.8% in 2015 and reached EUR 20,931. While gaining market share on the total registrations, LTR companies have been more put in competition by companies, which were looking for competitive offers.

Moreover, the average holding period of contracts, which had stabilized in 2014, is maintained in 2015 (-0.1%) and contracts of 35-39 months are up 8.3% while those over 40 months have decreased slightly. At the same time, there is a decrease of the average mileage by 1.3%. Thus, renters offer 39.7 months contracts on average of 99,374 km contracts, and the authorized annual mileage (average km / average duration x 12) has fallen by -1.1% to 29,153 km / year.

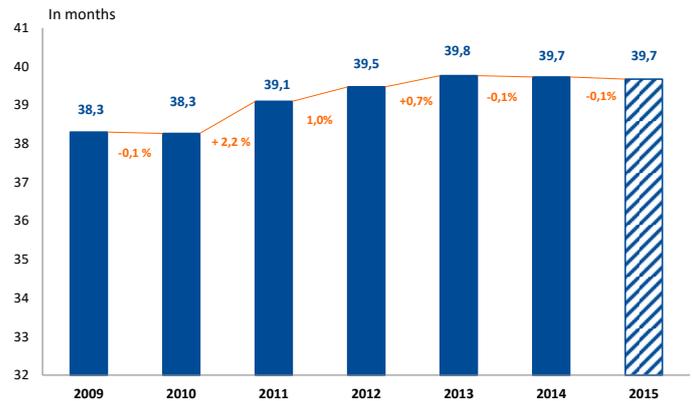
With regard to the services subscribed, which are more praised by the SMEs, there is an increase of stock maintenance (84%, +3 points) and of insurance on financial losses (36%, +2 points) but a decrease of tyres services (-8 pts to 36%), of vehicles of substitution (-6 pts to 31.5%) and of fuel cards (-3 pts to 21 %). Technical aid services (84%) were stable.

Evolution of the average amount financed from 2009



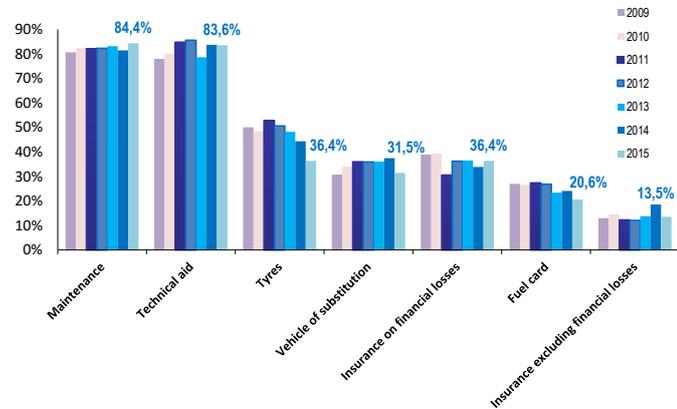
Source : BIPE from SNLVLD

Evolution of the length of contracts since 2009



Source : BIPE from SNLVLD

Evolution of services subscribed in the stock of vehicle since 2009



Source : BIPE from SNLVLD

Some management figures for 2015

Tyres purchased 1,123,591 (91/100 veh. per year)

Short-Term Rental days purchased 1,593,691 days (1.3 / veh. / yr)

Fuel purchased 468 million litres (381 L/veh. per year)

Fines managed 1,254,048 fines (102/100 veh. per year)

Claims managed 126,598 claims (10/100 veh. per year)
Including 111,676 partial losses
14,922 total losses

SNLVLD
La location, le choix de gestion.

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BIPE

Set up in 1958, on the initiative of the public authorities and major French companies, the BIPE provides economic analyses and strategic forecasts to private companies and public authorities.