FitchRatings

Non-Bank Financial Institutions
Fleet Lessors
Italy & Western Europe

Leasys S.p.A.

Key Rating Drivers

Stellantis's Captive Fleet Lessor: Fitch Ratings placed Leasys S.p.A.'s Issuer Default Rating (IDR) on Rating Watch Positive (RWP) in January 2022 in light of the reorganisation of Stellantis N.V.'s (BBB/Stable) captive finance providers. Leasys will be spun off from FCA Bank S.p.A. (BBB+/RWP) and combined with Free2Move Lease, the long-term rental business of the former PSA group. Credit Agricole S.A. (CA; A+/Stable) and Stellantis will each own a 50% stake in the resulting entity, with over 800,000 vehicles in its combined fleet at end-2021.

Support Drives IDRs: Leasys' IDR is based on the availability of potential support from its ultimate parent, CA, as part of FCA Bank (Leasys' direct 100% shareholder and a 50/50 joint venture (JV) between CA and Stellantis) and as CA's competence centre for long-term car rental. The RWP reflects that Leasys' Long-Term IDR will be upgraded to the lower end of the 'A' category upon the transaction's completion, due to the resulting entity's materially broader franchise and because CA will be able to support it directly and independently from FCA Bank.

Post-Reorganisation Shape Still Unclear: The magnitude of the upgrade will depend on Leasys' organisational structure, JV agreements, assessed role within, and integration with, CA, among other factors, once the corporate reorganisation is completed.

IDR Aligned with FCA Bank: Leasys' IDRs at the level of FCA Bank reflects that, in our view, any extraordinary support from CA to Leasys until the reorganisation is completed would be part of that provided by CA to FCA Bank as a whole, but would not be over and above that. This considers Leasys' high operational integration into FCA Bank as well as cross-default clauses, Leasys' explicit inclusion in the JV agreements and Leasys' strategic role.

Rating Above the Sovereign: Leasys' ratings are not constrained at the level of Italy's sovereign rating (BBB/Stable), because Leasys is not a regulated financial institution and sits outside FCA Bank's regulatory perimeter, and also because it has no direct exposure to Italian sovereign risk. However, Leasys's rating is currently equalised with that of FCA Bank, which Fitch caps at two notches above the sovereign rating, because it is an integrated subsidiary.

CA's Fleet Lessor: Leasys is the rental and mobility services provider of the FCA Bank Group. It is Italy's leader in long-term car rental and is present in nine other European markets, with a fleet of about 400,000 vehicles at end-2021. Following the completion of the reorganisation, Leasys will have a pan-European presence and plans to grow, benefitting from the long-term market trend from direct car ownership towards leasing and rental alternatives.

Leverage, Funding Constrain Standalone Profile: Fitch believes that Leasys' standalone creditworthiness is constrained by its high leverage (with a gross debt-to-tangible equity of 19x at end-2021). This means that Leasys' independent funding access would not be on terms as competitive as those it has as part of CA. Leasys' sound profitability, 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

Completion of the Reorganisation: Fitch will upgrade Leasys' Long-Term IDR and Shareholder Support Rating (SSR) to the lower end of the 'A' and 'a' categories after the completion of the reorganisation. Fitch could resolve the Rating Watch affirming the ratings at their current level, if the reorganisation of Stellantis' captive finance providers is not implemented. Fitch would review the ratings if the reorganisation changes materially from what has been communicated.

Change in FCA Bank's IDR: Until the transaction's completion, Leasys' Long-Term IDR is equalised with that of FCA Bank and will move in parallel.

Ratings

Foreign Currency

Long-Term IDR	BBB+
Short-Term IDR	F1
Shareholder Support Rating	bbb+

Sovereign Risk (Italy)

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

Outlooks and Watches

Long-Term Foreign-Currency IDR	Watch Positive
Shareholder Support Rating	Watch Positive
Sovereign Long-Term Foreign-Currency IDR	Outlook Stable
Sovereign Long-Term Local-Currency IDR	Outlook Stable

Applicable Criteria

Non-Bank Financial Institutions Rating Criteria (January 2022)

Related Research

Fitch Maintains Leasys' 'BBB+' IDR on Watch Positive (November 2022)

Fitch Maintains FCA Bank's 'BBB+' IDR on Watch Positive (November 2022)

Global Economic Outlook (December 2022)

EMEA Developed Finco Outlook Deteriorating; Funding Tightens (November 2022)

Fitch Affirms Italy at 'BBB'; Outlook Stable (November 2022)

Credit Agricole (October 2022)

Gas Prices Unleash Huge Inflation Shock on Eurozone (October 2022)

Fitch Affirms Credit Agricole's Long-Term IDR at 'A+'; Stable Outlook (October 2022)

European Automotive Manufacturers - Peer Comparison (September 2022)

Fitch Upgrades Stellantis N.V. to 'BBB'; Outlook Stable (September 2022)

Fleet Leasing Bolsters French Banks' Profits Amid Low Rates (February 2022)

Analysts

Gianluca Romeo
+39 02 879087 201
gianluca.romeo@fitchratings.com

Luca Vanzini
+49 69 768076 143
luca.vanzini@fitchratings.com

Ratings Navigator

Institutional Support			Value
Parent IDR			A+
Total Adjustments (notches)			-3
Institutional Support:			**BBB+**
Support Factors (negative)	Equalised	1 Notch	2+ Notches
Parent ability to support and subsidiary ability to use support			
Parent/group regulation		✓	
Relative size	✓		
Country risks		✓	
Parent Propensity to Support			
Role in group		✓	
Potential for disposal		✓	
Implication of subsidiary default		✓	
Integration		✓	
Size of ownership stake			✓
Support track record		✓	
Subsidiary performance and prospects	✓		
Branding			✓
Legal commitments		✓	
Cross-default clauses			✓

Bar Chart Legend

Tick Colours – Influence on Long-Term IDR
- Higher influence
- Moderate influence
- Lower influence

Significant Changes

Reorganisation of Stellantis' Captive Finance Providers

Stellantis's reorganisation of its captive finance JVs with CA, BNP Paribas S.A. (A+/Stable) and Santander Consumer Finance S.A. (A-/Stable) should be completed in 1H23.

As part of the reorganisation, Leasys spun off Leasys Rent (about 30,000 cars at end-1H22, now renamed Drivalia) and its short-term rental and new mobility services (e.g. car-sharing) to FCA Bank, including Leasys' Mobility Stores and charging points for electric cars. A possible product overlap between Drivalia and Leasys does not threaten Leasys' prospects, in Fitch's view.

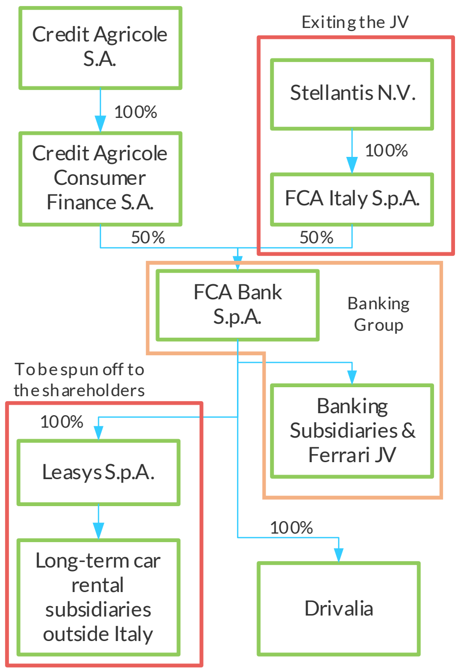
Leasys will be spun off from FCA Bank by end-2022 and its shares will be held directly by CA and Stellantis. Leasys will also be combined with Free2Move Lease, which comprises the rental assets of the former PSA group spread across various legal entities (mostly in France).

The resulting entity will retain Leasys' existing management team, but its future name and legal domicile are still uncertain. Leasys will focus on 10 markets in Europe, while fleet leasing in Greece and Denmark will remain with FCA Bank (1.5% of Leasys' total assets at end-2021). The size of the balance sheet and the leverage of the entity following the transaction have not been disclosed yet, but we expect matching funding lines will also be provided alongside the assets of Free2MoveLease. Leasys will take over only the assets of Free2MoveLease newly originated after the reorganisation.

In Fitch's view, CA's propensity to support Leasys will increase after the reorganisation, due to Leasys' materially broader growth prospects in the car-finance segment franchise, and its plans to reach one million cars in the fleet within three years.

Leasys' strategic importance for CA is increasing. Fleet lessors have become an increasingly relevant growth driver for large French banks (i.e. ALD S.A. for Societe Generale S.A. and Arval Service Lease S.A. for BNP Paribas S.A.), supporting their revenue diversification into higher-yielding segments with manageable downside risks from residual value management and increasing reliance on wholesale funding. CA's fleet leasing business was smaller than its main domestic competitors until this reorganisation (ALD will have over three million vehicles after acquiring LeasePlan Corporation N.V., while Arval had about 1.5 million vehicles at end-2021).

Company Structure



Source: Fitch Ratings

Slow Car Production Recovery

Fitch does not expect vehicle production to return to 2019 levels until 2024. New car output remains subdued as semiconductor and raw material shortages curb production capacity, with the semiconductor shortage likely to continue into 1H23. Consumer demand is likely to reduce due to lower vehicle affordability, as inflation and higher interest rates affect disposable income and vehicle funding costs. However, this has traditionally favoured financing solutions over outright purchases, and may therefore benefit fleet lessors.

Mild Recession on the Horizon

The European energy crisis, together with high inflation and a sharp monetary policy tightening, are taking a toll on Italy's economic prospects. Since Russia's invasion of Ukraine, Fitch lowered Italy's GDP growth forecasts for 2022 to 3% and it expects the economy to contract by 0.1% in 2023. The effective deployment of NextGenerationEU (NGEU) funds and the implementation of the recovery and resiliency plan (RRP) by the incoming right-of-centre coalition government remain important to improving growth prospects and debt sustainability.

This backdrop and uncertainty over geopolitical developments are likely to reduce loan demand heighten borrower default, resulting in a deteriorating banking sector outlook for 2023. However, Fitch expects the recession to be short-lived and economic growth in Italy to rebound by 1.5% in 2024, which Fitch considers supportive of banks' performance and risk profiles over the medium term. State support made available during the pandemic mitigated credit risk, while default experience on the banks' lending exposures has remained benign in 2022. Approximately one quarter of loans to non-financial companies benefit from state guarantees, which should mitigate potential future asset quality pressure.

Shareholder Support Rating

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 JV structure with significant influence from the other shareholder, Stellantis. However, the extent of the notching down from CA's Long-Term IDR, including its potential narrowing to one notch, will depend on Leasys' performance after the reorganisation.

Role within FCA Bank Underpins Support from CA

CA's willingness to support Leasys is due to FCA Bank's strategic importance for CA. The implications of a default by Leasys would include high reputational risk for FCA Bank and cross-default clauses on its third-party debt.

Brief Company Summary

FCA's Captive, but Not Exclusive, Car Lessor

Leasys is Stellantis' captive long-term car lessor in western Europe for its former Fiat Chrysler Automotive (FCA) brands (about 75% of its fleet). Fleet-management solutions for SMEs have been offered by Stellantis (then FIAT) since 1995, but the current organisational structure was put in place between 2010 and 2013. Leasys' business origination still leverages on Stellantis's dealers and FCA Bank, but it is increasing its autonomous outreach, including non-FCA brands (Peugeot and non-Stellantis brands account for about a quarter of its fleet). Following the corporate reorganisation, Leasys will cater to all of Stellantis' brands.

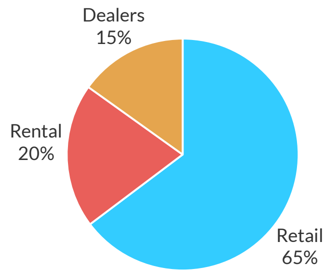
Multi-Channel, Medium-to-Long-Term Leasing

Leasys' core offer is traditional long-term leasing to corporate and individual clients. Clients are mainly corporates or self-employed professionals, but the individual retail segment is growing. Other products (eg short-term rental, car-sharing) were transferred to Drivalia in 2Q22.

Market Leader in Italy, Growing International Profile

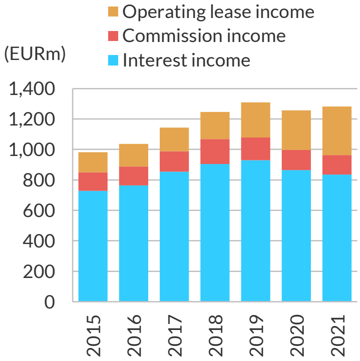
Leasys is the market-leading car lessor in Italy (22% share by new cars leased between 2018 and 2021, 25% including Free2Move Lease), in line with the combined share of ALD and LeasePlan. This partly reflects Stellantis' franchise in Italy, but also strong growth and investments in long-term leasing in recent years.

Business Lines by Portfolio



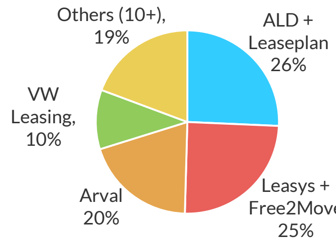
Data at end-1H22
Source: Fitch Ratings, FCA Bank

Revenue Composition



Note: Operating Lease Income is net of operating costs and depreciation charges.
Source: Fitch Ratings, FCA Bank

Market Share in Italy



Data: Market share by cumulative new leased cars between 2018 and 2021. Companies in others have each less than 5% market share.
Source: Fitch Ratings

Leasys has been expanding outside Italy since 2017, supported by the presence of FCA Bank. Leasys is now present in nine other countries in Europe, accounting for about 30% of its fleet. However, it does not have a leading position abroad yet.

Qualitative Assessment Factors

Operating Environment

Growing Adoption of Operational Leasing

Car access model is changing globally and Europe is on the forefront of this trend. Companies are increasingly adopting operational leasing (i.e., long-term rental) to manage their car fleets aiming to offload respective costs and risks. Retail clients are also shifting to rental resulting in diminishing direct car ownership in large urban areas. Crisis could facilitate the shift towards mobility services with a lower initial monetary commitment. However, in the longer term a potential post-pandemic decrease in population density in large urban areas could slow down this trend.

Unregulated Business

Leasys is neither prudentially regulated nor included in FCA Bank's banking perimeter (although consolidated in financial statements). FCA Bank's regulatory requirements are linked to the "related-party" nature of Leasys , capping the bank's exposure (the sum of equity and non-equity funding to Leasys) at 15% of FCA Bank's capital. Leasys is subject to regulation mostly over client data protection and car maintenance.

Management & Strategy

Close Integration with FCA Bank

Leasys' management, including its new CEO Rolando D'Arco and chief financial officer Nikos Chamodrakas, has a good degree of depth, experience and credibility. Strategy has been mainly defined at FCA Bank's level until now, but this will change after Leasys' spin-off. CA and Stellantis have one direct representative each on the four-person board of Leasys (the other two are Leasys' and FCA Bank's chief executives). Leasys' finance and risk functions are supervised by FCA Bank, where CA appoints the chief financial officer and the head of credit.

Risk Appetite

FCA Bank and CA Lead Risk Management Framework

Leasys' risk-management function is highly integrated into that of FCA Bank, which is monitored at that level by CA. FCA Bank's risk appetite framework mirrors that of CA. Leasys' policies and scorecards are set centrally by FCA Bank. Leasys' risk controls focus on operational and credit risk in line with its less complex business model. Residual-value risk is assessed quarterly against the evolution of the market for used cars. Leasys recorded consistent gains from the sale of used cars (e.g. gain on disposals in 2021 amounted to 69% of the book value at sale).

Financial Metrics

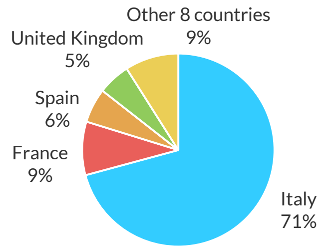
Asset Quality

Adequate Management of Residual-Value Risk

Leasys uses adequate depreciation policies, which result in consistent gains on disposal of used cars (EUR39 million in 2021). The estimation assumes contractual maturities of leasses, while an acceleration of the repossession (via option mechanisms or early termination) would inflate the residual risk exposure. Provisions cover 1% of residual-value risk at end-2021, which is appropriate, in Fitch's view, as conservative provisioning policies reduce the impact of fluctuations in used car sale prices.

Credit risk is limited to few unpaid monthly lease instalments, due to Leasys's operating leasing business model and the swift repossession of cars upon a client's default. There is limited visibility on the asset quality of Free2Move Lease.

Geographic Presence



Data: Country exposure by outstanding portfolio at end-2021
Source:Fitch Ratings

Earnings & Profitability

Modest Profitability, but Low Risks

Leasys' modest profitability reflects the low credit risk of its portfolio and its role in promoting Stellantis' car sales. Portfolio yield, net of depreciation, remains high (6% in 2021) and we do not expect material pressure despite the modestly increasing competition in the sector. The access to Stellantis' networks keeps operating costs low, while the provision of leasing as a service to CA in France and Italy will increase fee income in the medium term. There is limited visibility in Free2Move Lease's profitability, but we do not expect a significant discrepancy.

Capitalisation & Leverage

Capital Optimisation and Regulation Lead to High Leverage

Leasys' high balance-sheet leverage (gross debt/tangible equity of 19x at end-2021, from 54x at end-2020) reflects FCA Bank's centralised capital management, which optimises its capital allocation in favour of the regulated banking group. Cash-flow leverage was adequate 5.6x gross debt/EBITDA at end-2021).

Leasys' equity base is currently limited by regulation from the Central Bank of Italy in terms of related-party exposures, as Leasys is outside FCA Bank's regulatory perimeter. This means that Leasys' equity base, plus any direct non-equity funding from FCA Bank, cannot exceed 15% of FCA Bank's capital. FCA Bank has refrained from excessive capital distributions, in Fitch's view, and Leasys' dividends were aimed mainly at avoiding a possible breach of the related-party regulation, by limiting the size of Leasys' equity base.

The capital structure and leverage of Leasys will become clear upon completion of the reorganisation in 1H23. Fitch expects that leverage will decrease significantly but remain high, in line with other bank-owned fleet lessors.

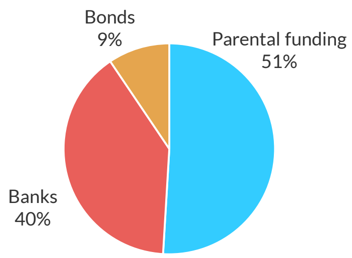
Funding & Liquidity

CA Underpins Funding, but Promotes Diversification

Leasys sources about 50% of its total non-equity funding from CA (EUR2.7 billion out of total EUR5.3 billion at end-2021), but plans to diversify in line with CA's group-wide strategy for its subsidiaries. Leasys issued its EUR500 million debut bond in July 2021 and a second EUR750 million bond in November 2022.

At the same time, Fitch believes funding support from CA, if needed, would be timely and adequate, given that Leasys is explicitly mentioned in FCA Bank's funding agreement (part of the JV agreements) as an eligible party to draw from CA's funding available for the FCA Bank group. The funding agreement states that CA's funding will be constant and available, priced at market terms and sized to fill the needs of Leasys even in the most stressful scenarios. It will remain valid until the completion of the whole reorganisation in 1H23, when we expect it to be replaced by a similar JV agreement.

Funding Sources at End-2021



Source: Fitch Ratings, Leasys

Environmental, Social and Governance Considerations

FitchRatings **Leasys S.p.A.**

Non-Bank FI Ratings Navigator
Finance & Leasing Companies

Credit-Relevant ESG Derivation

Leasys S.p.A. has 6 ESG potential rating drivers

- Leasys 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 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.

			Overall ESG Scale
key driver	0	issues	5
driver	0	issues	4
potential driver	6	issues	3
not a rating driver	5	issues	2
	3	issues	1

Environmental (E)

General Issues	E Score	Sector-Specific Issues	Reference
GHG Emissions & Air Quality	3	Regulatory risks, emissions fines or compliance costs related to owned equipment, which could impact asset demand, profitability, etc.	Operating Environment
Energy Management	2	Investments in or ownership of assets with below-average energy/fuel efficiency which could impact future valuation of these assets	Risk Profile
Water & Wastewater Management	1	n.a.	n.a.
Waste & Hazardous Materials Management; Ecological Impacts	1	n.a.	n.a.
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

E Scale: 5, 4, 3, 2, 1

Social (S)

General Issues	S Score	Sector-Specific Issues	Reference
Human Rights, Community Relations, Access & Affordability	2	n.a.	n.a.
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	Operating Environment; Risk Profile; Asset Quality
Labor Relations & Practices	2	Impact of labor negotiations, including board/employee compensation and composition	Business Profile; Management & Strategy; Earnings & Profitability; Capitalization & Leverage; Funding, Liquidity & Coverage
Employee Wellbeing	1	n.a.	n.a.
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

S Scale: 5, 4, 3, 2, 1

Governance (G)

General Issues	G Score	Sector-Specific Issues	Reference
Management Strategy	3	Operational implementation of strategy	Management & Strategy
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
Group Structure	3	Organizational structure; appropriateness relative to business model; opacity; intra-group dynamics; ownership	Business Profile
Financial Transparency	3	Quality and timing of financial reporting and auditing processes	Management & Strategy

G Scale: 5, 4, 3, 2, 1

How to Read This Page
ESG scores range from 1 to 5 based on a 15-level color gradation. Red (5) is most relevant and green (1) is least relevant.

The Environmental (E), Social (S) and Governance (G) tables break out the individual components of the scale. The right-hand box shows the aggregate E, S, or G score. General Issues are relevant across all markets with Sector-Specific Issues unique to a particular industry group. Scores are assigned to each sector-specific issue. These scores signify the credit-relevance of the sector-specific issues to the issuing entity's overall credit rating. The Reference box highlights the factor(s) within which the corresponding ESG issues are captured in Fitch's credit analysis.

The Credit-Relevant ESG Derivation table shows the overall ESG score. This score signifies the credit relevance of combined E, S and G issues to the entity's credit rating. The three columns to the left of the overall ESG score summarize the issuing entity's sub-component ESG scores. The box on the far left identifies some of the main ESG issues that are drivers or potential drivers of the issuing entity's credit rating (corresponding with scores of 3, 4 or 5) and provides a brief explanation for the score.

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) and the Sustainability Accounting Standards Board (SASB).

Sector references in the scale definitions below refer to Sector as displayed in the Sector Details box on page 1 of the navigator.

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 Scores assigned to the 'supported' subsidiaries often mirror 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.

Thus, Leasys' scores mirror those of FCA Bank, which in turn are mostly aligned with those of CA. Both Leasys and FCA Bank differ from CA with scores for GHG Emissions at '3' and Energy Management at '2', reflecting their 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. For more information on Fitch's ESG Relevance Scores, visit www.fitchratings.com/esg.

Income Statement

(EURm)	2021	2020	2019	2018	2017	2016
	IFRS	IFRS	IFRS	Local GAAP	Local GAAP	Local GAAP
Leasing contract revenues	834	703	629	396	335	300
Leasing contract depreciation	-607	-524	-484	-303	-272	-236
Leasing contract costs - financing	-12	-27	-26	-14	-13	-17
Leasing contract margin	**216**	**151**	**120**	**79**	**49**	**46**
Services revenues	484	413	385	336	287	260
Cost of services revenues	-465	-378	-337	-231	-206	-212
Services margin	**19**	**34**	**47**	**106**	**81**	**48**
Proceeds of cars sold	95	61	59	30	40	85
Cost of cars sold	-56	-56	-49	-46	-35	-81
Car sales result	**39**	**5**	**10**	**-16**	**4**	**3**
Gross operating income	**274**	**191**	**177**	**168**	**135**	**98**
Personnel expenses	-64	-52	-49	-28	-24	-24
Other operating costs	-20	-20	-18	-36	-29	-12
Depreciation, amortisation, and impairment losses	-14	-13	-10	-18	-11	-19
Total operating expenses	**-98**	**-84**	**-77**	**-81**	**-64**	**-55**
Impairment charges on receivables	-15	-13	-10	-13	-7	-5
Non-recurring income (expenses)	0	0	0			
Result before income tax	**161**	**93**	**90**	**73**	**64**	**37**
Income tax	-38	-7	1	11	-2	-4
Result for the year	**123**	**87**	**91**	**85**	**62**	**34**
EBITDA	**808**	**671**	**619**	**427**	**372**	**329**
Adj. EBITDA	187	134	125	106	88	73

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

Leasys has published audited consolidated financial statements according to IFRS covering the fiscal years ending in 2021, 2020 and 2019. Leasys also prepares IFRS-compliant consolidated financial data, which are used as an input in FCA Bank's audited financial statements (published on a semi-annual basis and covering also prior fiscal years).

It also publishes annually its audited standalone financial statements under Italian local GAAP, which are the source for 2016-2018 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 at equity method.

Balance Sheet

(EURm)	2021	2020	2019	2018	2017	2016
	IFRS	IFRS	IFRS	Local GAAP	Local GAAP	Local GAAP
Cash & equivalents	683	132	161	15	5	4
Net rental fleet	4,072	3,322	3,039	2,085	1,520	1,136
Trade receivables	891	832	618	472	435	413
Other receivables	603	380	379	333	251	23
Financial assets	5	0	2	9	16	15
Equity participations	0	0	0	86	70	0
Fixed assets	41	48	41	7	66	0
Intangible assets	143	128	102	20	19	17
Tax assets	93	131	83	52	51	20
Other assets	51	26	31	n.a.	n.a.	n.a.
Total assets	**6,583**	**5,000**	**4,456**	**3,079**	**2,435**	**1,628**
Borrowings	5,306	3,931	3,416	2,464	1,902	1,160
Lease liabilities	35	41	39	n.a.	n.a.	n.a.
Trade payables	607	561	545	354	294	294
Derivative financial instruments	5	13	12	n.a.	n.a.	n.a.
Provisions	12	18	20	12	8	17
Pension liabilities	7	7	7	3	3	3
Tax liabilities	65	78	35	4	3	5
Other liabilities	158	100	65	48	40	31
Total liabilities	**6,195**	**4,749**	**4,139**	**2,884**	**2,251**	**1,509**
Equity	**388**	**251**	**317**	**195**	**184**	**119**

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

Summary Analytics

(%)	2021	2020	2019	2018	2017	2016
Asset quality metrics						
Impaired leases/gross leases	1.3	1.6	1.3	1.1	1.2	1.5
Loans loss allowances/impaired loans	70.8	69.3	86.0	100.0	100.0	112.0
Loans impairment charges/average gross loans	0.4	0.4	0.3	0.5	0.5	0.4
Earnings and profitability metrics						
Pre-tax income/average assets	2.8	2.0	2.2	2.7	3.1	2.5
Pre-tax income/average equity	50.4	32.9	34.7	44.5	40.9	32.1
Operating expenses/net revenues	35.8	44.2	43.6	46.4	45.7	52.9
Depreciation expenses/total revenues	5.2	6.9	5.7	11.4	13.3	13.5
Interest income/average gross leases	6.2	5.6	9.2	10.8	10.5	10.9
Interest expense/average debt	0.3	0.7	0.7	0.8	0.9	1.6
Gain (Loss) on Disposal	68.8	8.7	19.6	(35.1)	12.5	3.8
Capitalization and leverage metrics						
Gross debt/tangible equity (x)	19.1	53.8	20.3	17.7	13.5	14.3
Debt/equity (x)	13.7	15.7	10.8	12.6	10.5	9.8
Tangible equity/tangible assets	4.3	1.5	4.0	4.6	6.0	5.1
Gross debt/EBITDA (x)	5.6	6.0	5.7	6.0	5.4	3.8
Funding and liquidity metrics						
Unsecured debt/total debt	100.0	92.1	88.6	84.6	76.2	85.7
ST debt/total debt	38.0	47.2	84.1	52.7	46.0	20.9
Parental funding/total debt	50.9	65.8	60.0	57.7	47.6	42.9

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

Asset quality and funding ratios are based on Leasys' consolidated management accounts. The ratios for 2018 and prior periods are based on Leasys' audited standalone financial statements under Italian local GAAP, while those for 2021, 2020 and most of those for 2019 are based on Leasys' audited consolidated financial statements according to IFRS. Pre-tax income/average assets, pre-tax income/average equity, interest income/average gross leases and interest expensee/average debt for 2019 are based on Leasys' audited standalone financial statements under Italian local GAAP.

The ratings above were solicited and assigned or maintained at the request of the rated entity/issuer or a related third party. Any exceptions follow below.