



Ile-de-France Mobilités (Aa2/P-1) : Organising Authority for Public Transport and Sustainable Mobility in Ile-de-France

October 2020



› **Summary**

1. Ile-de-France Mobilités' missions and scope of intervention and Governance

2. Financing of operations and investments

3. Ile-de-France Mobilités' financing needs

4. Impact of the Covid-19 crisis and French State financial support

5. Indicative terms of the 2020 benchmark issuance

01

Ile-de-France Mobilités' missions and scope of intervention

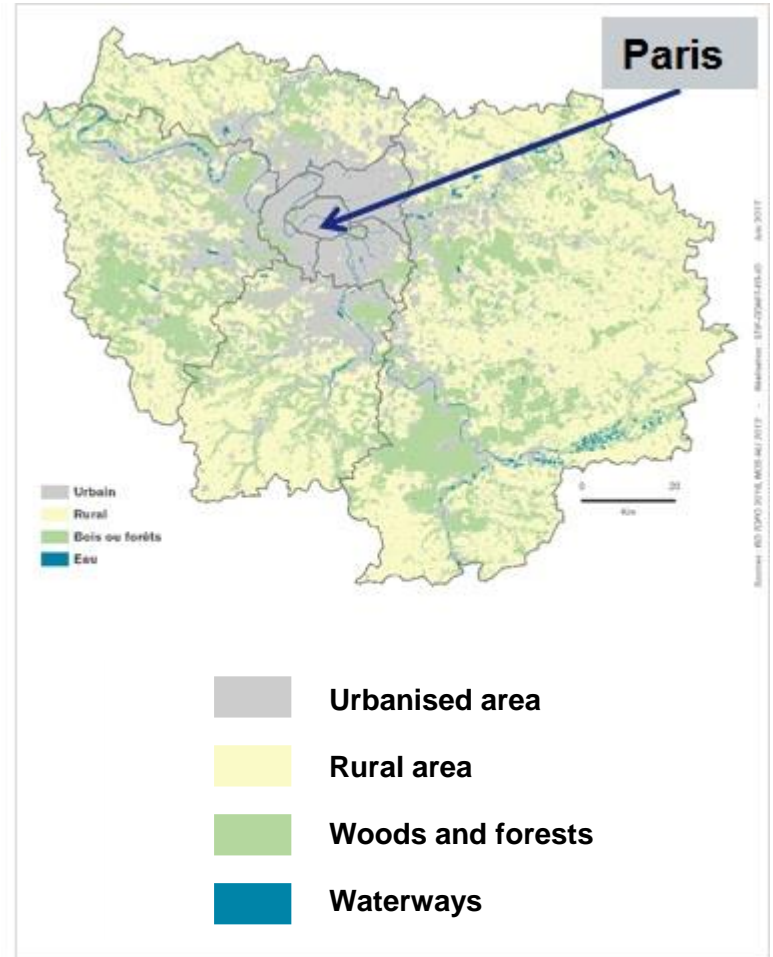
- 1.1 Presentation of Ile-de-France
- 1.2 Ile-de-France Mobilités is the integrated public transport authority
- 1.3 A dense multimodal network...
- 1.4 ... to be shortly strengthened by the Grand Paris Express
- 1.5 Mobility : who is responsible for what ?
- 1.6 Status and financial rules
- 1.7 Governance



1.1 Presentation of Ile-de-France

Key figures

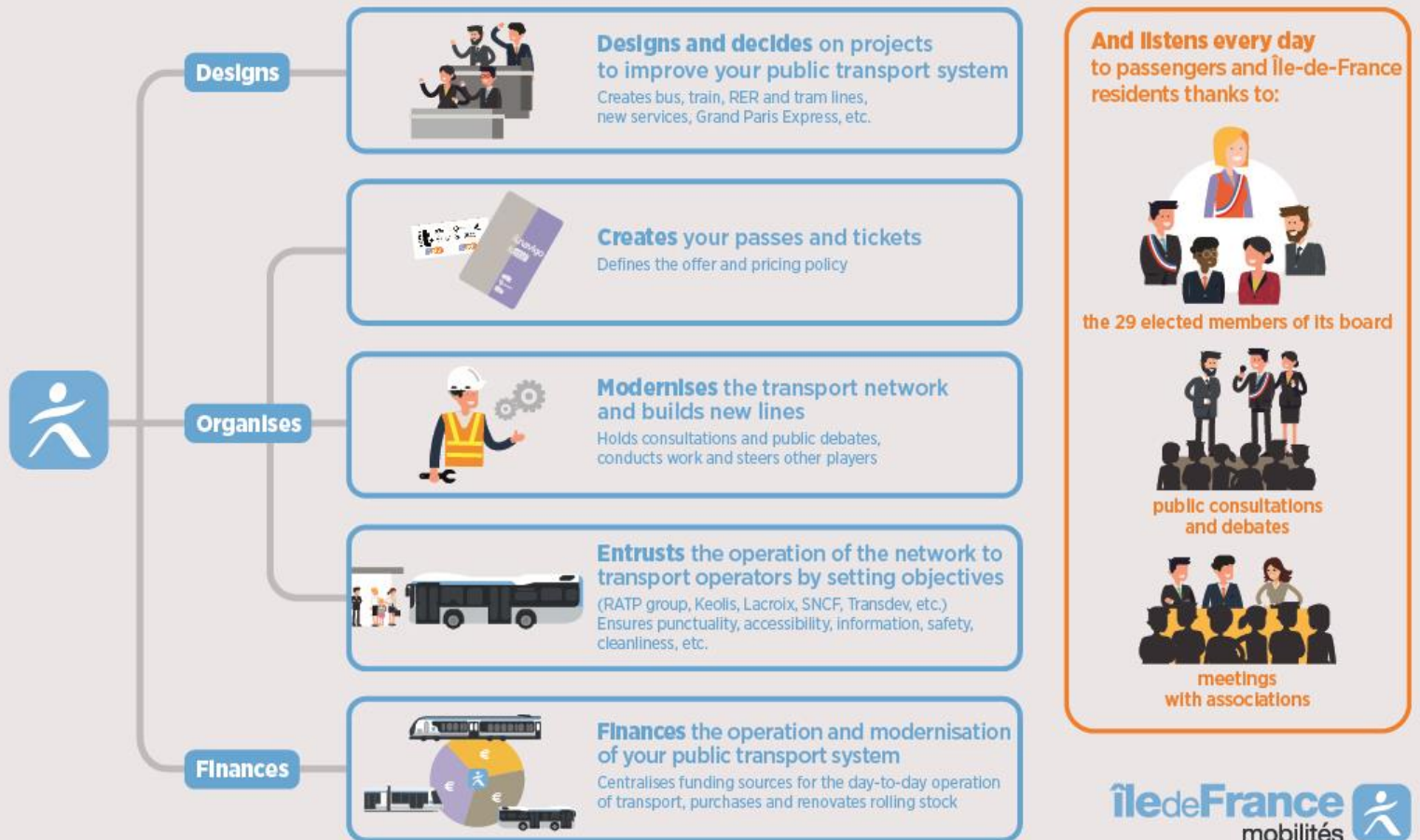
- 12,3 million inhabitants (almost 20% of the French population)
- 6,4 million jobs
- 30% of GNP
- 12,000 km²
- 51 million visitors
- Europe's first employment area
- 43 millions trips per day (including 9,4 million in public transport)



Ile-de-France Mobilités' missions and scope of intervention

1.2 Ile-de-France Mobilités is the integrated public transport authority

 **Île-de-France Mobilités designs, organises and finances**
the public transport system in the Paris Île-de-France region



1.3 A dense multimodal network...

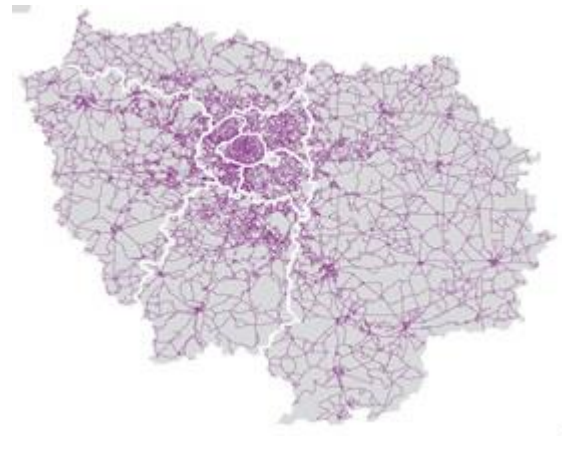
14 train lines



16 metro lines
10 tramway lines



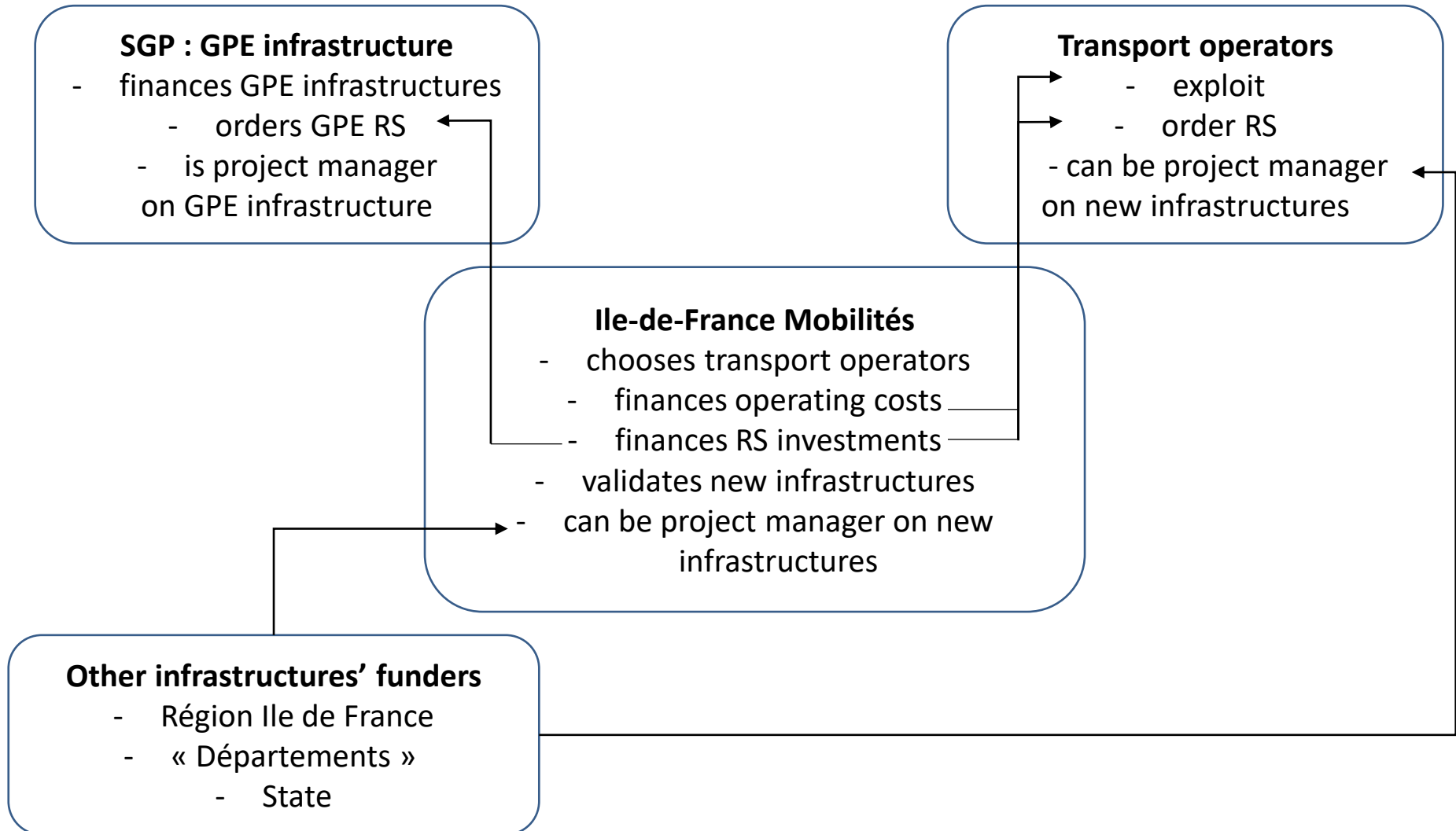
More than 1.500 bus lines



1.4 ... to be shortly strengthened by the Grand Paris Express



1.5 Mobility : who is responsible for what ?



1.6 Status and financial rules

Ile-de-France Mobilités is **a 100% local public entity with EPA Status (Etablissement Public à caractère Administratif)** : subject to its own provisions and certain general law provisions applicable to local authorities that are members.

Budgetary rules: Ile-de-France Mobilités is subject to budgetary control of its actions by **Ile-de-France's prefect and by the "Chambre Régionale des Comptes"** (art. L.1241-12 of the Transport Code). Conditions stated in the local authorities general code (CGCT) and financial jurisdictions code (CJF) apply.

These rules cover the following points:

- Adoption date, transmission and **real budget balance** (CGCT Articles [L. 1612-2 and L. 1612-8 and L. 1612-4 and L. 1612-5](#)) ;
- Dating vote, **balance** and **administrative account's** eventual rejection (CGCT Articles [L. 1612-12 à L. 1612-14](#)) ;
- Enrolment and execution of compulsory expenses (CGCT articles [L. 1612-15 and L. 1612-16](#)).

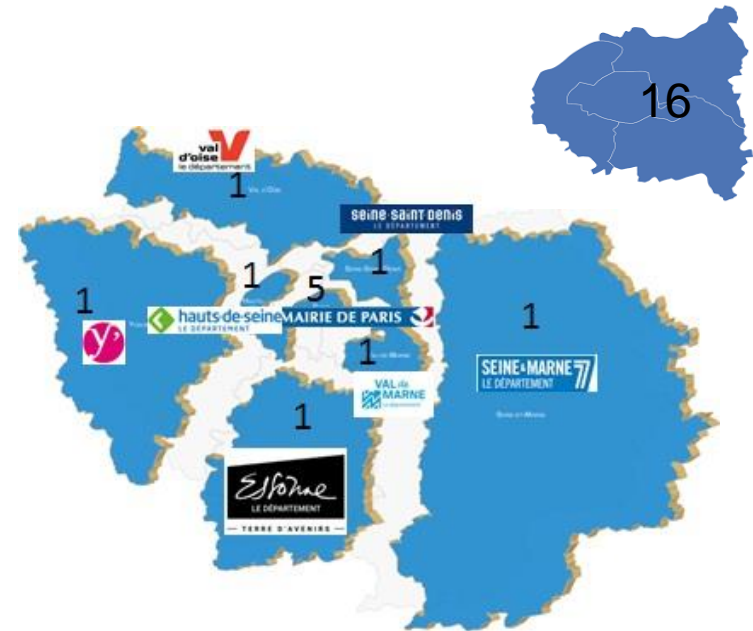
These rules ensure that Ile-de-France Mobilités is not able to approve a unbalanced budget or be in a « bankruptcy » position.

This strong operating environment, added to the economic growth of the area, the importance of IdFM and its past successful financial negotiations with the Government, led Moody's to let unchanged its long and short term rating, Aa2 /P-1, in July 2020.

1.7 An independant and stable governance since 2005



Since its decentralisation in 2005, Ile-de-France Mobilités is a **public local administration (EPA)** governed by a council of 31 members, presided by Île-de-France's regional council president.



- + 1 representative of **intermunicipal structures**
- + 1 representative of **the Paris IDF Regional Chamber of Commerce and Industry**
- + 1 representative of **users associations**

IdFM receives statutory contributions from members of council (1 291 M€ in 2019) : 51% from Ile-de-France Region; 30% from City of Paris; 19% from the other departments



Valérie PECRESSE
Ile-de-France Mobilités'
President



Laurent PROBST
Ile-de-France Mobilités'
Chief Executive

02

Financing of operations and investments

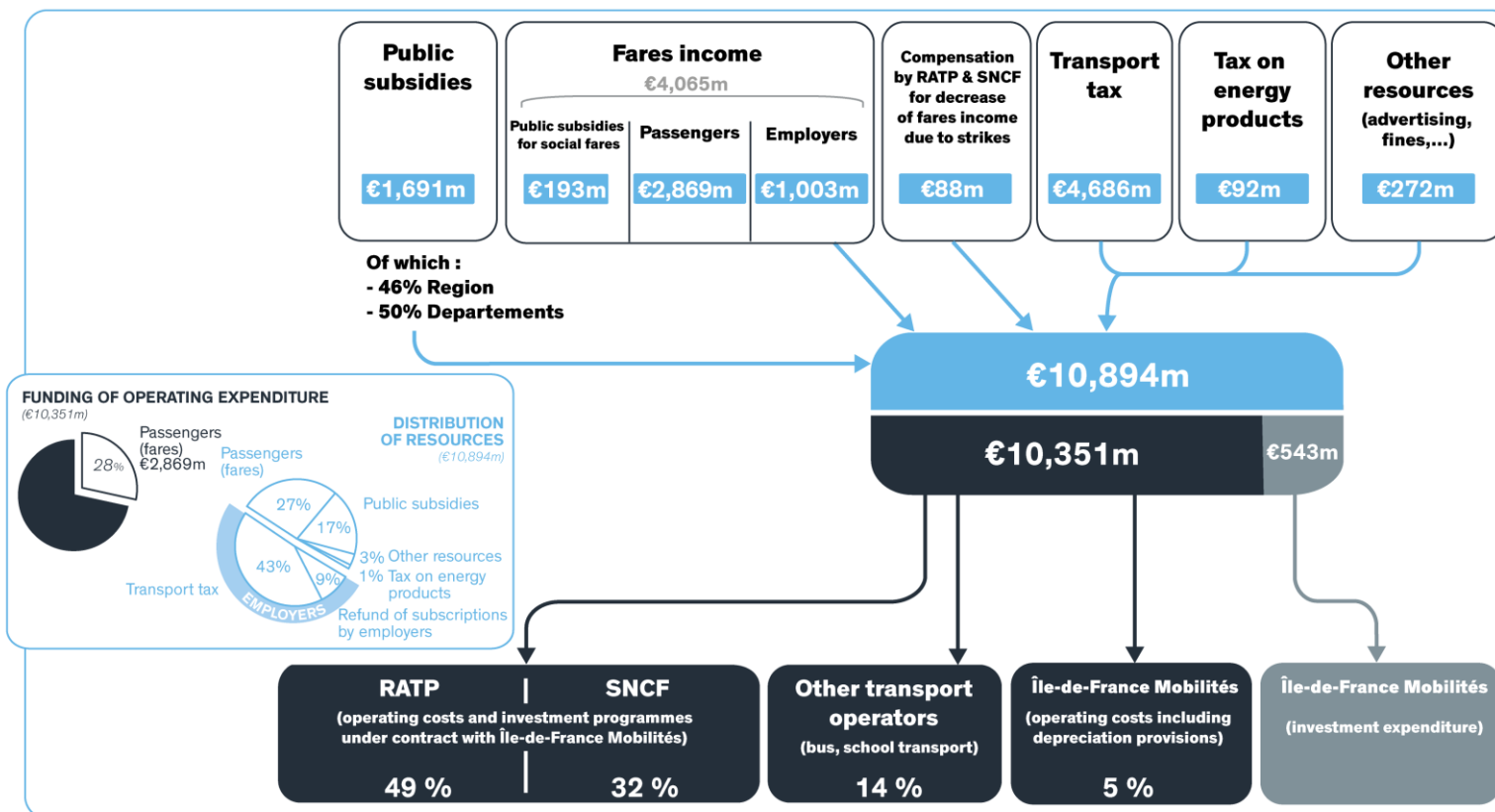
- 2.1 Financing of operations diagram
- 2.2 Similar rules to local authorities
- 2.3 How it works: financing operations
- 2.4 Investing: ambitious projects essential for the local economy



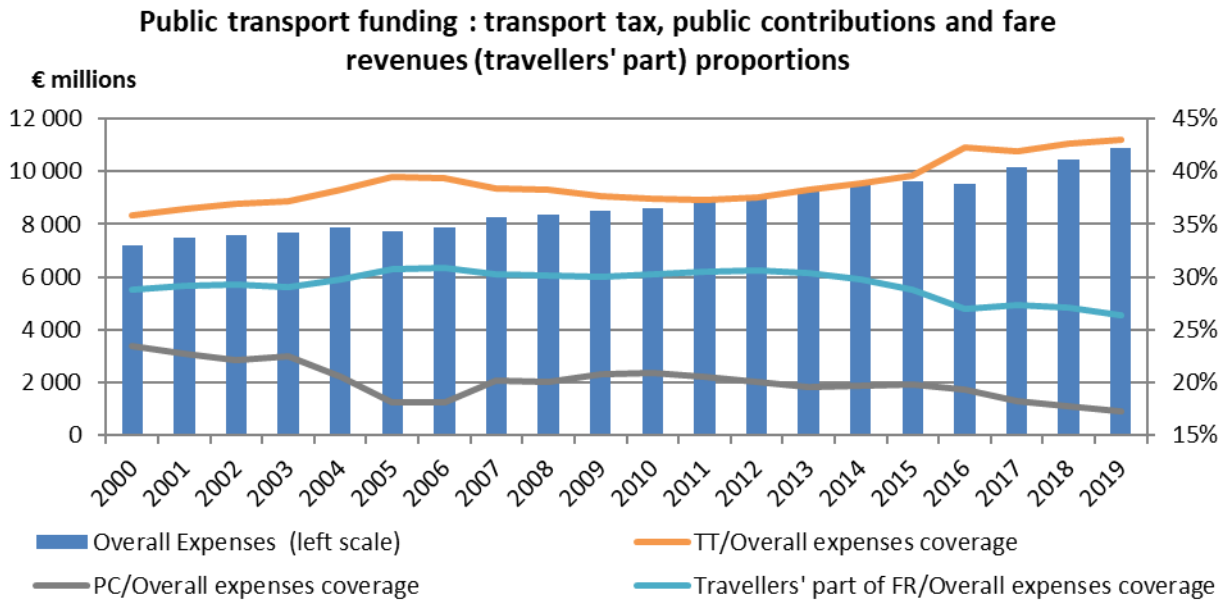
2.1 Financing of operations diagram (1/2)

Financing of Ile-de-France's public transport operations

Allocation of fares, public subsidies for operation and taxes allocated to Île-de-France Mobilités in 2019 (inclusive of all taxes)



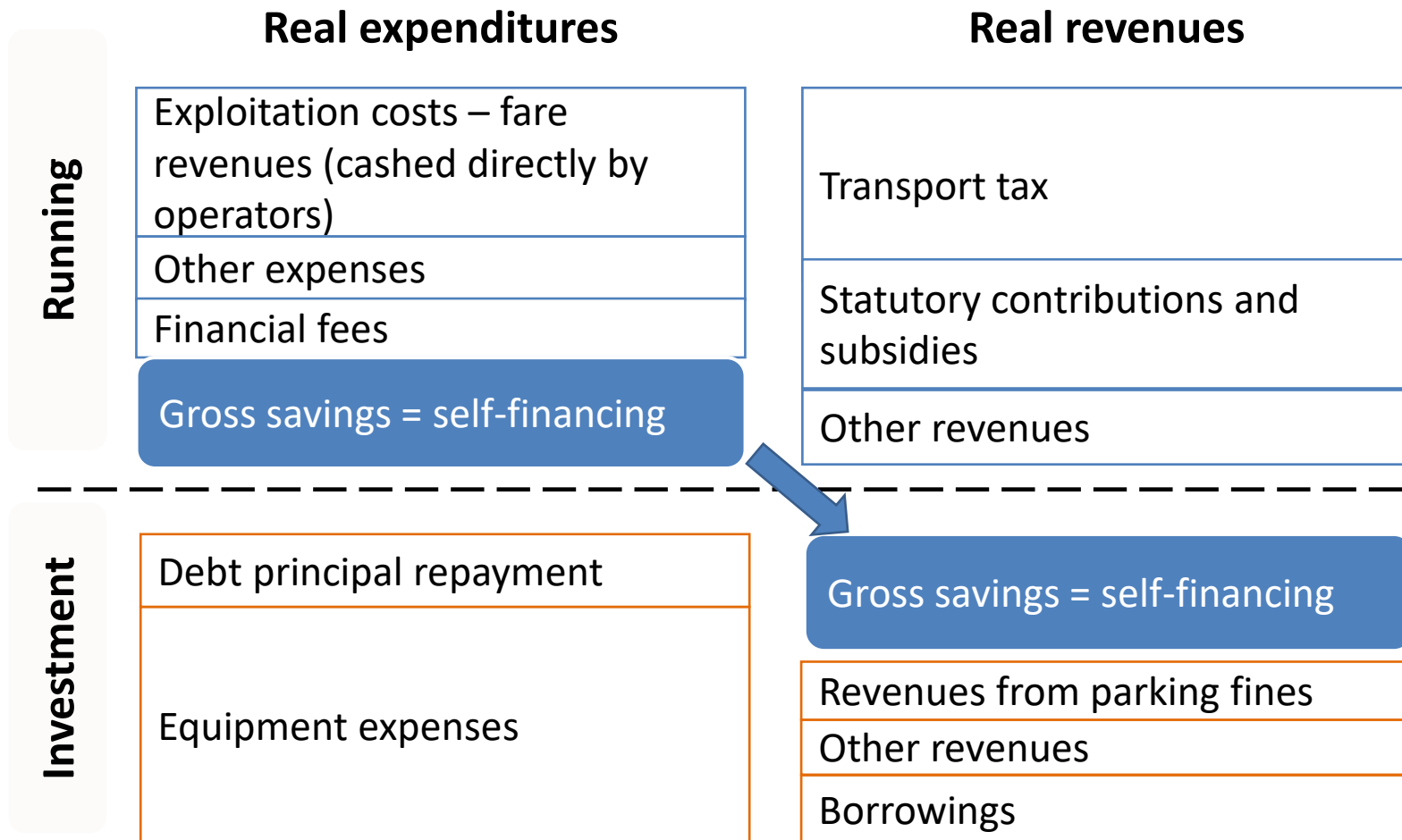
2.1 Financing of operations diagram (2/2)



TT= Transport tax **PC** = Public contributions **FR** = fare revenues

- Since 2011, Transport tax dynamics compensate for the relative decrease in other sources of revenues
- Fare revenue coverage has decreased following various fare decisions, notably since single fare implementation on the 01/09/2015
- Starting from 2017, single fare cost is covered by stable revenues

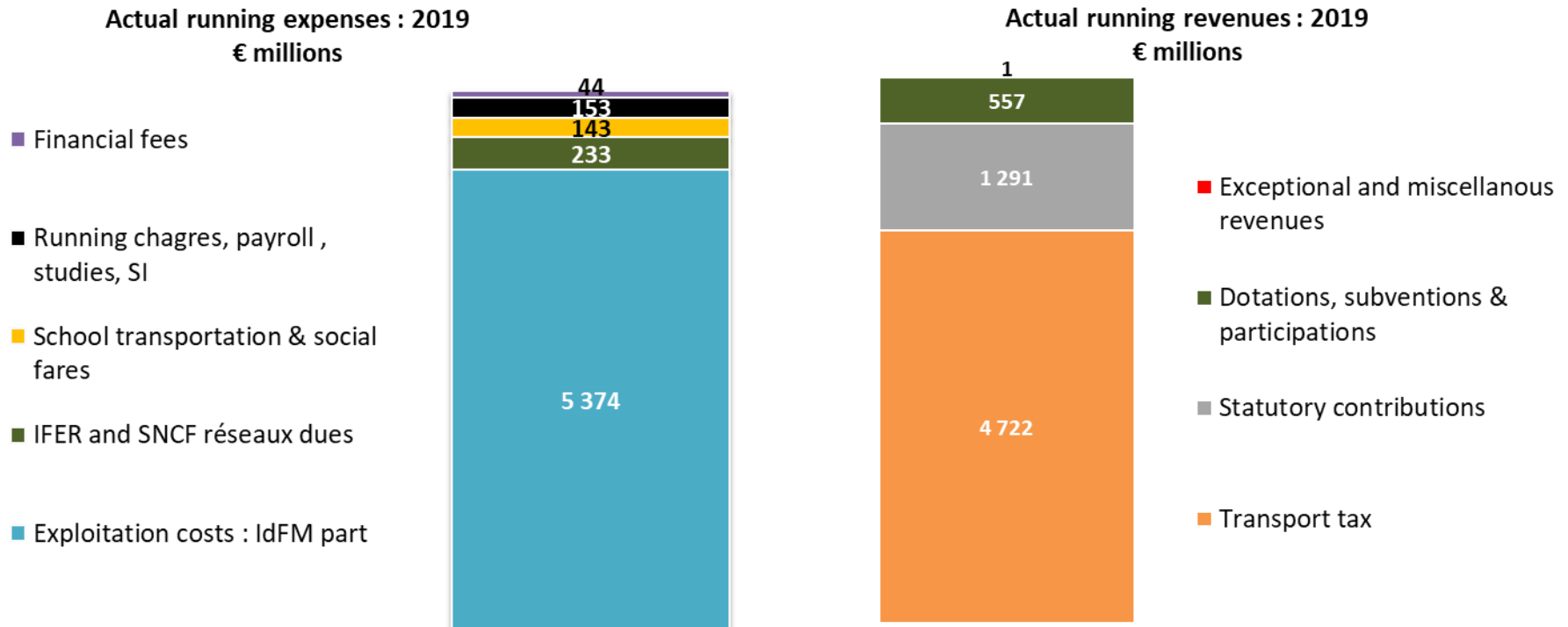
2.2 Ile-de-France Mobilités' budget : rules similar to those of local authorities



2.3 How it works: financing operations

Operating section balances

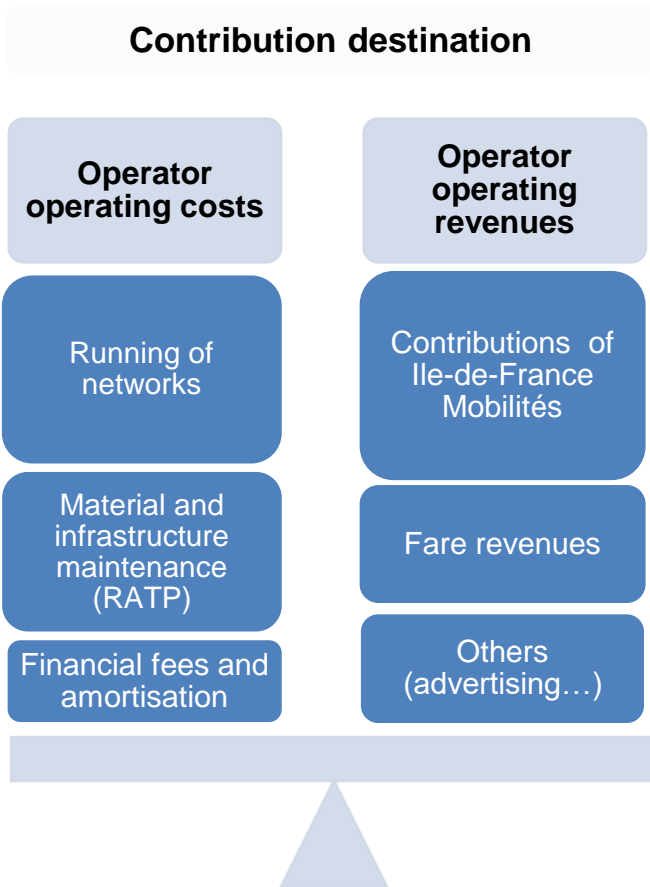
In 2019, Ile-de-France Mobilités actual running revenues amounted to 6 571 M€ (excluding provision write-offs). Actual running expenses (excluding amortisation and provisions) amounted to 5 947 M€.



2.3 How it works: financing operations

Main expenses : how IDFM/operators contracts work

The contributions made by Ile-de-France Mobilités to operators are equal to the difference between contractual charges and fare revenues +/- bonus and malus (on quality of service and fare revenues)



Changes in Ile-de-France Mobilités' contributions

Contractual formula Ex : Inflation increase	↑
Offerings growth (contract modification)	↑
Increase in paying traffic	↓
Fare rate increase	↓

Risk sharing amongst Ile-de-France Mobilités and operators

Industrial risk : operators

- Operating costs evolution
- Investments which are partially financed by contributions

Commercial risk on volumes : shared

Capped profit-sharing scheme on fare revenues for operators.

Fares evolution : Ile-de-France Mobilités.

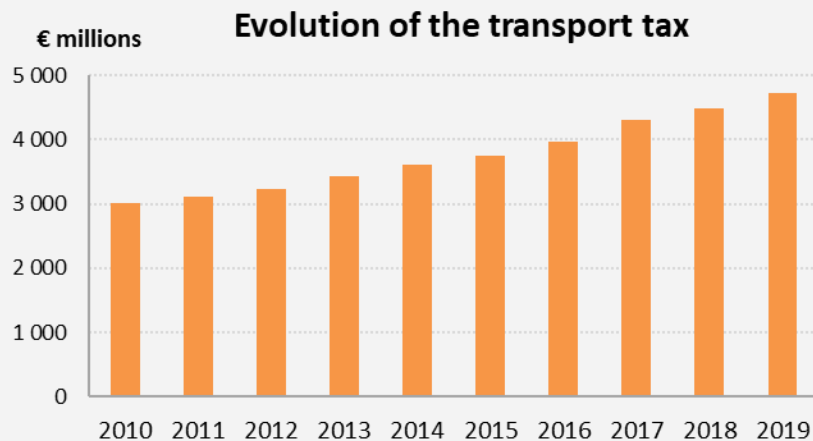
IDFM takes full benefit or bears all the charges linked to fare evolutions (adjustments made to operators compensations)

2.3 How it works: financing operations

Main revenues stream: Transport tax and Transport fares

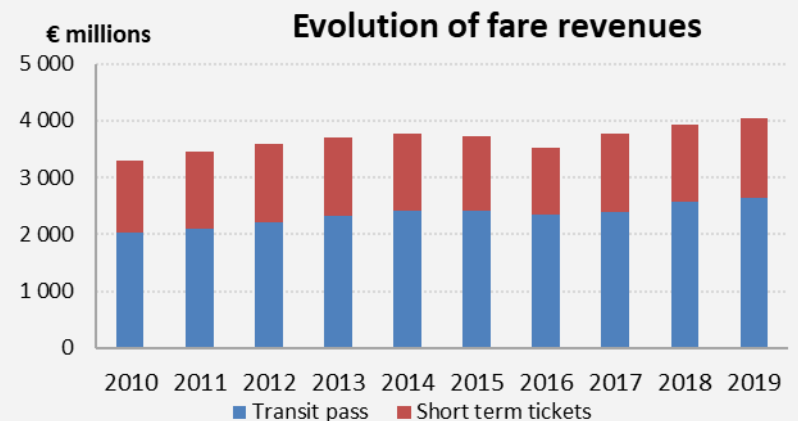
Transport tax

- **Main revenue stream : 4.7 bn€ in 2019**
- Tax based on aggregate payroll, due by employers in Ile-de-France who have > 11 employees
- Rate fixed according to location : 4 zones



Fare revenues

- **4.1 bn€ in 2019**
- IdFM decides the pricing of transport fares
- Fare revenues are cashed by operators, and deducted from the contributions paid by IdFM



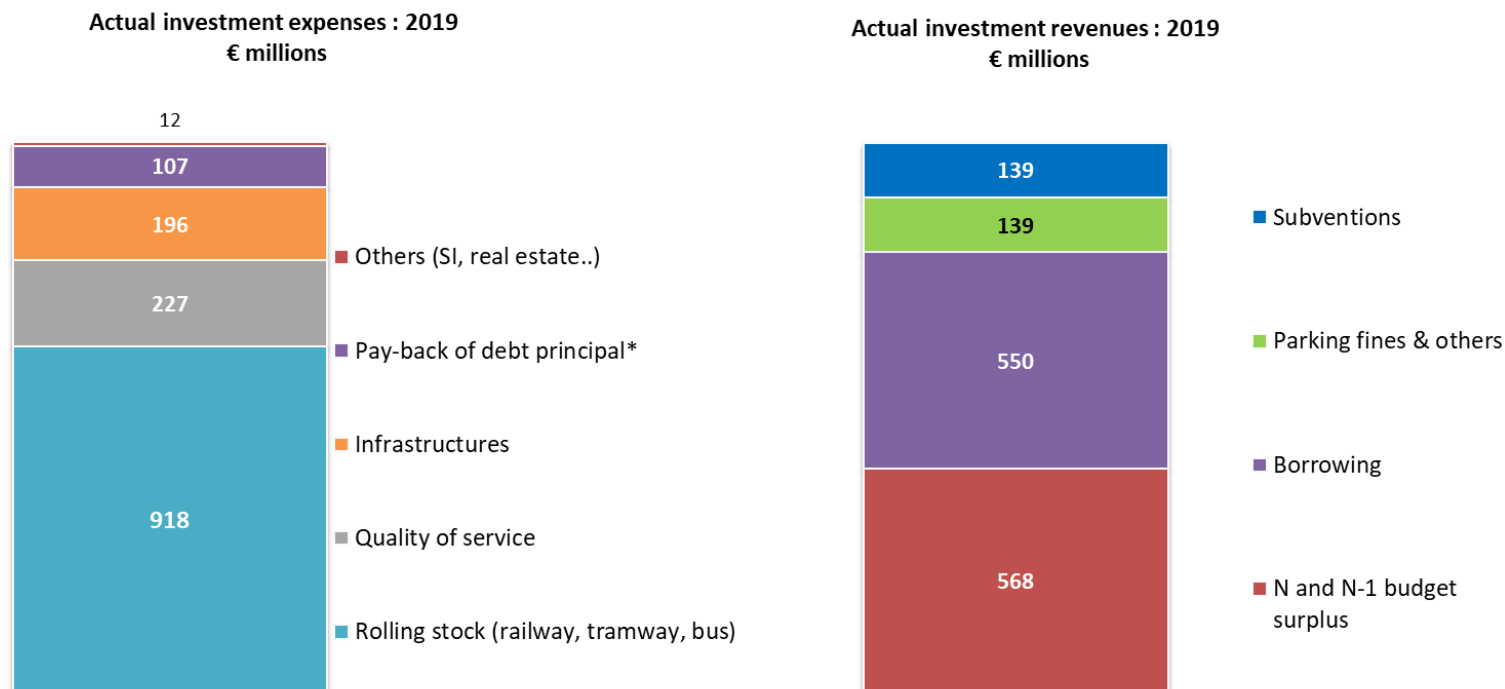
2.4 Investing: ambitious projects essential for the local economy

Investment section balances

Actual investment expenses amounted to 1.5 bn € in 2019, rolling stock accounts for 63% of this figure.

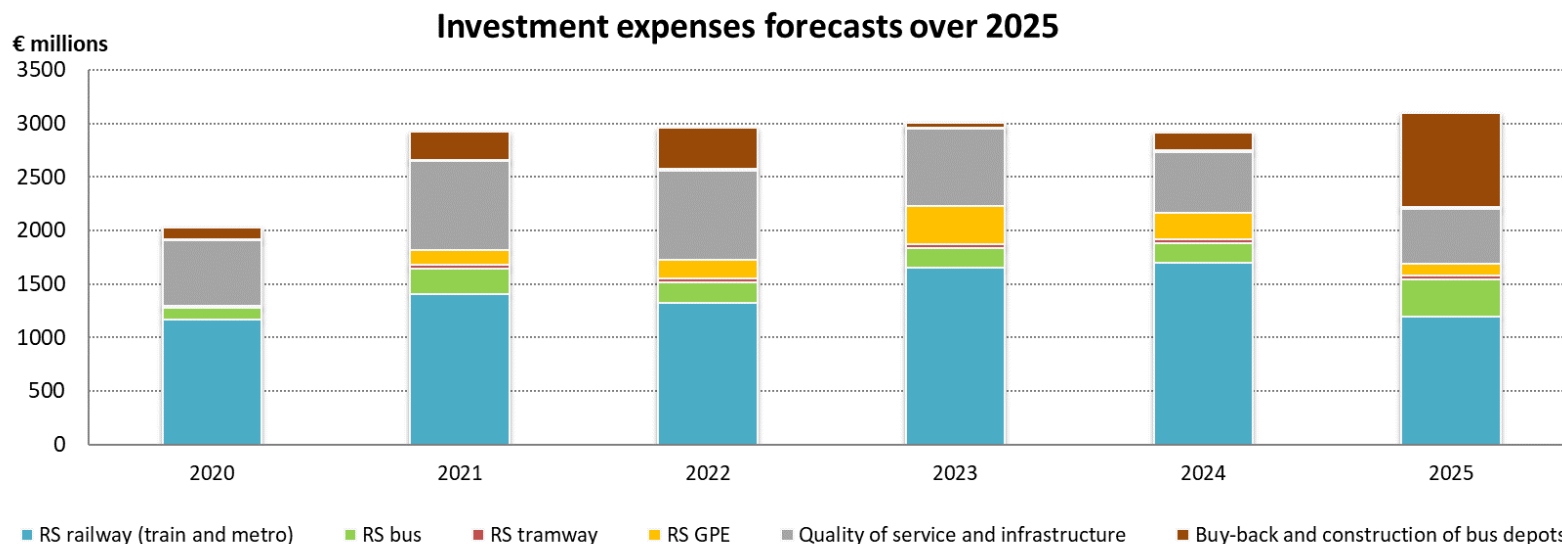
These expenses are financed by :

- Up to 62% of own resources
- Up to 38% of borrowings



Excluding 6,25 M€ amortisation provision for the 2016 bond issuance

2.4 Investing: ambitious projects essential for the local economy



IDFM's investments for 2020-2025 are estimated at around 15,1 bn€ (excluding debt repayments and infrastructure projects for which IdFM is project manager, financed by CPER). The breakdown is the following:

- Rolling stock : 10,9 bn€
- Quality of service and infrastructure : 2,3 bn€
- Buy-back/construction/bus depot adaptation to new energies : 1,9 bn€

03

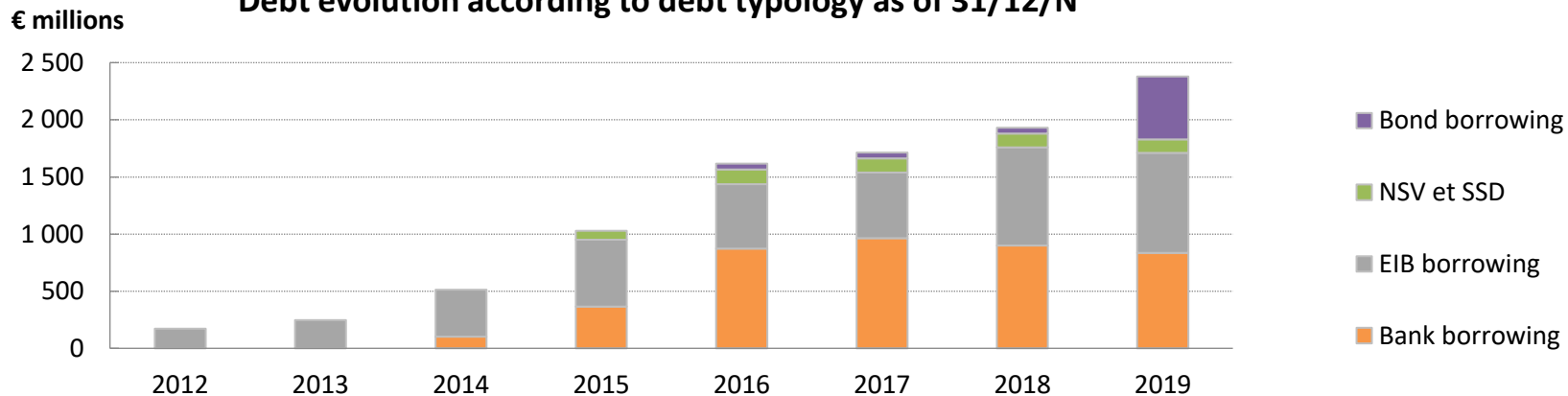
Ile-de-France Mobilités' financing needs

- 3.1 Evolution of Ile-de-France Mobilités' outstanding debt volumes
- 3.2 Ile-de-France Mobilités' debt as of 31/12/2019
- 3.3 Long term financing needs in the upcoming years

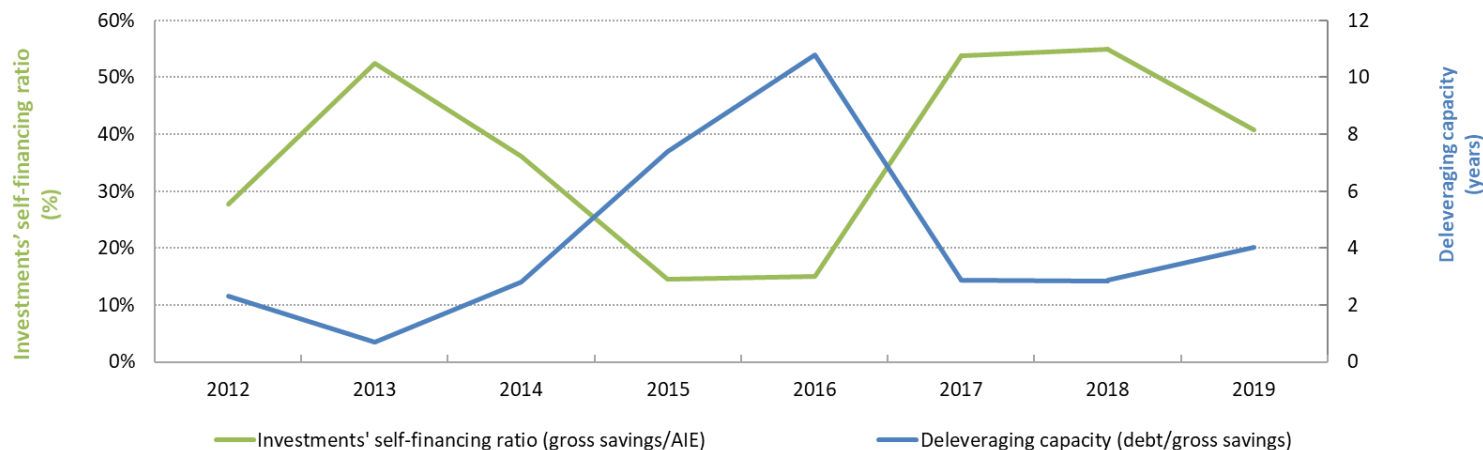


3.1 Evolution of Ile-de-France Mobilités' outstanding debt volumes

Debt evolution according to debt typology as of 31/12/N



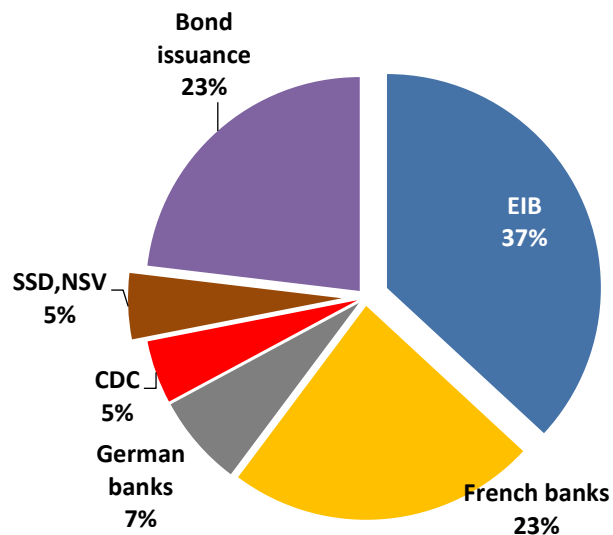
Deleveraging capacity and self-financing ratios



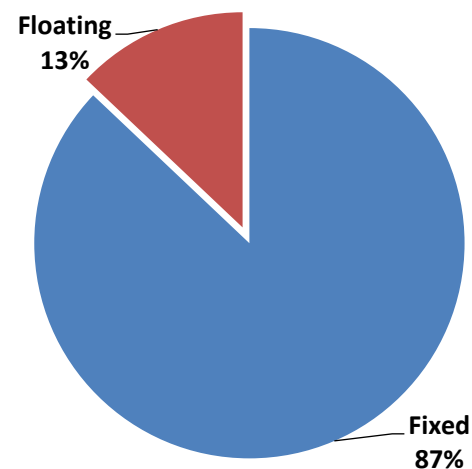
AIE : Actual Investment Expenses

3.2 Ile-de-France Mobilités' debt as of 31/12/2019 (1/2)

Debt distribution by lender as of 31/12/2019



Debt distribution by rate type as of 31/12/2019

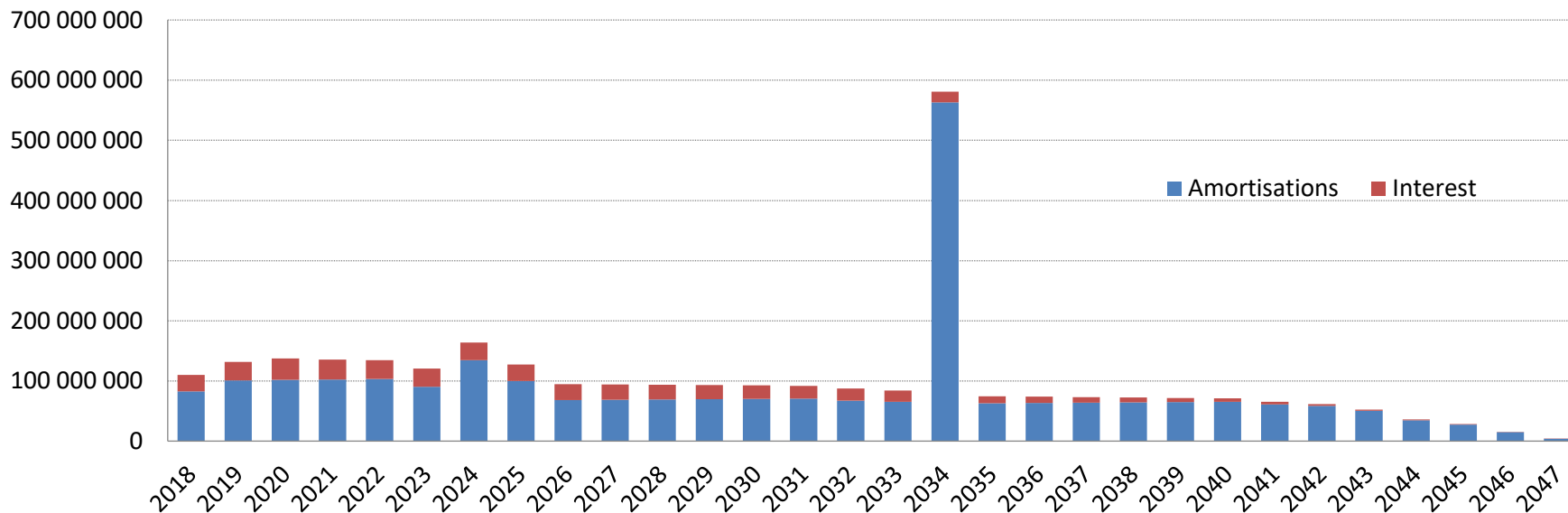


Rating : Ile-de-France Mobilités obtained **the highest investment grade attainable in France by Moody's: Aa2/P-1, complemented by a negative outlook (July 2020)**

3.2 Ile-de-France Mobilités' debt as of 31/12/2019 (2/2)

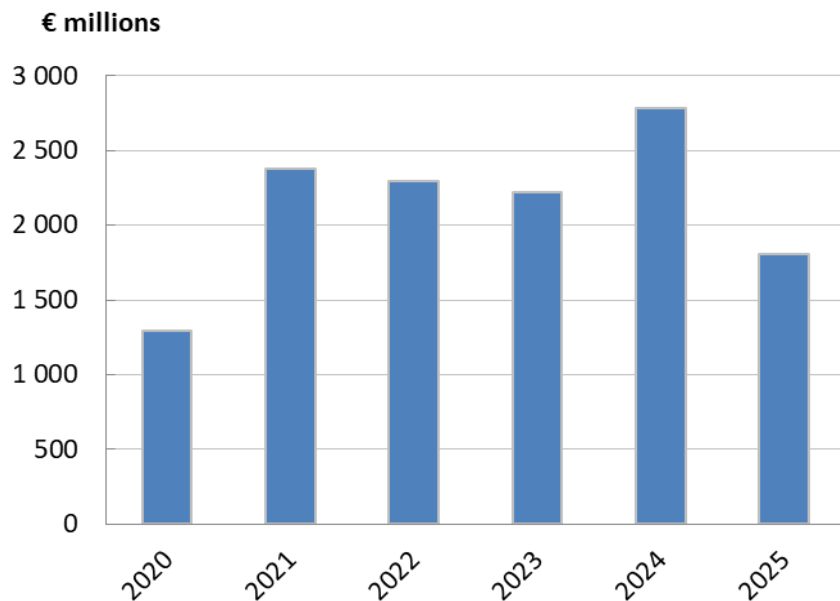
Profile of outstanding debt annuities as of 31/12/2019 (cashflows)

€ millions

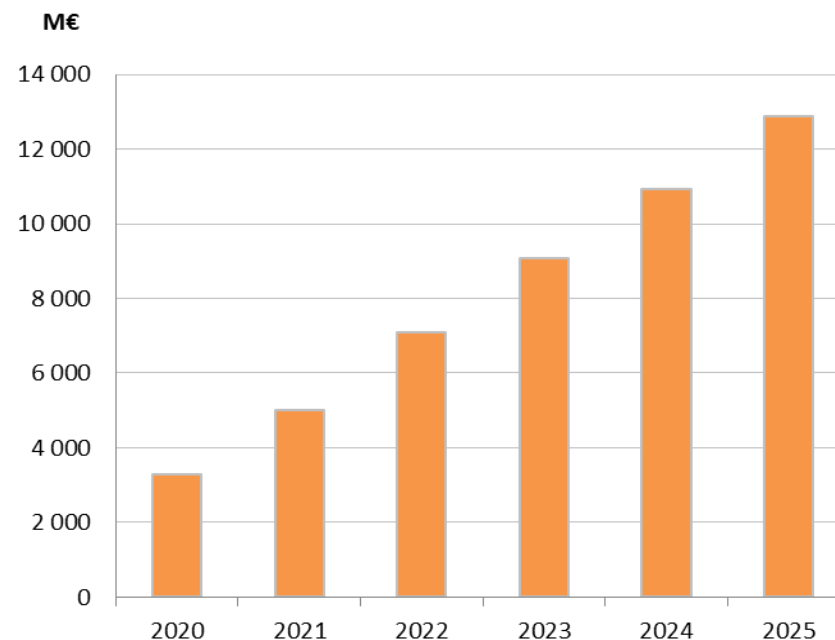


3.3 Long term financing needs in the upcoming years

Evolution of borrowing volumes



Outstanding debt evolution as of 31/12/N



- Ile-de-France Mobilités already covered part of its financing need for 2020 (665 M€). By the end of the year, it will increase by 625 M€ with a planned bond issuance of 500 M€ and a bank loan of 125 M€.
- Forecasts beyond 2023 are uncertain. They will depend on Ile-de-France Mobilités' strategy concerning future opening up to competition and perspectives for new revenue streams that are currently discussed with the State.

04

Impact of the Covid-19 crisis and French State financial support



Impact of the COVID crisis on Ile-de-France Mobilités

At the peak of the crisis during the lockdown period, transportation traffic decreased by 80% in the Région Ile de France.

For Ile-de-France Mobilités, this crisis mainly had an impact on two levels :

- Decrease in traffic fares (due to the transportation traffic decrease)
- Decrease in transport tax (due to unemployment measures that reduced the amount collected by this tax)

Strong French State financial support

A financial agreement between IDFM and the French State was quickly settled in September for a total amount of up to 2.2 Bn€

State Grant payment to IDFM to cover the decrease in transport tax

State refundable advance to IDFM to fully cover the decrease of traffic fares (start of the payback in 2023).

This crisis showed that the French State was ready to support Ile-de-France Mobilités if needed, allowing Ile-de-France Mobilités to maintain its financial situation and future investments projects

05

Indicative terms of the 2020 benchmark issuance



Indicative terms of the 2020 benchmark issuance

Issuer	Ile-de-France Mobilités
Format	EMTN programme, syndicated transaction
Expected rating	Aa2 by Moody's
Issue size	EUR 500m
Maturity	15-year
Use of proceeds	Issuer's investments
Index	Fixed Rate
Denomination	EUR 100,000
Listing	Euronext Paris
PSPP	Eligible
LCR	Level 2A
Basel II	20% Risk Weighted
Joint Lead Managers	Crédit Agricole CIB, HSBC, Société Générale

Contacts for any question :

melanie.goffin@iledefrance-mobilites.fr, CFO

christelle.ragot-blin@iledefrance-mobilites.fr, Head of finance

thomas.stouf@iledefrance-mobilites.fr, Debt and cash manager

caroline.henry-biabaud@iledefrance-mobilites.fr, Debt and cash manager

<https://www.iledefrance-mobilites.fr/>



ANNEX



Status and financial rules

Applicable rule in case of imbalanced vote

The prefect invokes the “Chambre Régionale des Comptes” (regional court of auditors) as regards to the budget which was not adopted in real balance within 30 days of its transmission. It informs the interested local authority as well as its accountant, that a request has been made to the “CRC”.

If the “CRC” does not observe a real imbalance as mentioned in CGCT’s article L.1612-5, the procedure comes to a halt.

If the “CRC” observes a real imbalance, it suggests necessary correcting measures. Notification of these suggestions are made to the government official and local authority, which must in turn notify the deliberating assembly.

Budget discontinuation is led:

- **either by the deliberating organ basing itself on suggestions made by the “CRC”**
- **either by the prefect as a “règlement d’office” taking shape as a ministerial order**

Distribution of investment financing

Type of investissement	Who finances?	Ownership
Infrastructures excluding GPE (Grand Paris Express)	State, regions, departments	SNCF Réseau RATP GI (Infrastructure manager)
Rolling stock for buses, tramway, metro, RER, train	<p><input type="checkbox"/> Ile-de-France Mobilités finances 100% of RS (Rolling stock) ordered by operators with Ile-de France Mobilités' recommendation, according to 2 modalities :</p> <ul style="list-style-type: none"> - Investment subsidies made to operators - Operating contributions made to cover operators' amortisation and financial fees <p><input type="checkbox"/> Ile-de-France Mobilités reimburses SGP (Société du Grand Paris) for GPE's rolling stock</p>	<p><input type="checkbox"/> Rolling stock of RATP (ORTF law) : ✓Until RATP's market is opened to competition - legal property: Ile-de-France Mobilités - economic property : RATP ✓In 2024/2029/2039: Ile-de-France Mobilités full ownership with NBV* takeover net of subventions</p> <p><input type="checkbox"/> Rolling stock of SNCF : legal property of SNCF but ✓Railway reform Law provision (2014) : An "AO" can become owner of RS under the condition that payment of NBV net of subventions is made to the SNCF under the obligation to reallocate it to the SNCF for operations</p> <p>If the SNCF is no longer the operating entity: Ile-de-France Mobilités has an option to take possession of the material if it fully for a right to buy back at NBV* if partially financed at the time of purchase (governance agreement Ile-de-France Mobilités/SNCF)</p> <p><input type="checkbox"/> Rolling stock of SGP - legal property: Ile-de-France Mobilités</p>
GPE Infrastructure (extensions of lines 14/15/16/17/18)	Société du Grand Paris	Société du Grand Paris

* NBV: Net Book Value

Disclaimer

- This Presentation is being furnished to you solely for your information on a confidential basis and may not be reproduced, redistributed or passed on, in whole or in part, to any other person. This document does not constitute or form part of any solicitation, offer or invitation to purchase or subscribe for any securities issued by Ile-de-France Mobilités, as described in the Presentation, and neither it nor any part of it shall form the basis of, or be relied upon in connection with, any contract or commitment whatsoever. Accordingly, it is not directed to the specific investment objectives, financial situation or particular needs of any recipient. You should consult with your own legal, regulatory, tax, business, investment, financial and accounting advisers to the extent that you deem it necessary, and make your own investment, hedging and trading decisions (including decisions regarding the suitability of an investment in Ile-de-France Mobilités securities) based upon your own judgment and advice from such advisers as you deem necessary and not upon any view expressed in this document.
- No representation or warranty, express or implied, is made as to, and no reliance may be placed for any purposes whatsoever on, the fairness, accuracy, completeness or correctness of the information or opinions contained herein. None of Ile-de-France Mobilités, or any of its affiliates, advisers or representatives shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any use of this document or its contents or otherwise arising in connection with the Presentation. Certain Statements in the Presentation are forward-looking, including Statements concerning Ile-de-France Mobilités's plans, objectives, goals, strategies, future events, future revenues or performance, capital expenditures, financing needs, plans or intentions relating to acquisitions, competitive strengths and weaknesses, business strategy and the trends Ile-de-France Mobilités anticipates in the industries and the political and legal environment in which it operates and other information that is not historical information.
- By their nature, forward-looking Statements involve inherent risks and uncertainties, both general and specific, and risks exist that the predictions, forecasts, projections and other forward-looking Statements will not be achieved. Ile-de-France Mobilités does not make any representation, warranty or prediction that the results anticipated by such forward-looking Statements will be achieved, and such forward-looking Statements represent, in each case, only one of many possible scenarios and should not be viewed as the most likely or standard scenario. Such forward looking Statements speak only as of the date on which they are made. Any opinions expressed in the Presentation are subject to change without notice and Ile-de-France Mobilités does not undertake any obligation to update or revise any forward looking Statement, whether as a result of new information, future events or otherwise.
- Neither this Presentation nor any copy thereof may be retained by you or reproduced, redistributed or passed on, in whole or in part, to any other person. By attending the Presentation you agree to be bound by the foregoing restrictions. Ile-de-France Mobilités shall not bear any responsibility in the case where a Recipient distributes or makes any use of this Presentation without its authorisation and without the relevant authorities' authorisation in the relevant jurisdiction.
- The distribution, reproduction or partial reproduction of this Presentation may be restricted by law or regulation in certain countries, and accordingly, this Presentation should not be distributed or reproduced, even partially, on those countries. Ile-de-France Mobilités does not represent or warrant that the securities issued by Ile-de-France Mobilités will be lawfully offered in compliance with any applicable registration or other requirements in any such jurisdiction or pursuant to exemption available thereunder, and does not assume any responsibility for facilitating any offering in any such jurisdiction.
- In France, the offering and sale of securities issued by Île-de-France Mobilités will only be available to qualified investors : (a) providers of investment services relating to portfolio management for the account of third parties, and/or (b) qualified investors, other than individuals, all as defined in, and in accordance with, Articles L.411-1, L.411-2, and D.411-1 to D.411-3 of the French Code monétaire et financier.
- The securities issued by Île-de-France Mobilités have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"). The securities issued by Ile-de-France Mobilités may not be offered, sold or delivered, directly or indirectly, within the United States or directly or indirectly to U.S. persons except in accordance with Regulation S under the Securities Act ("Regulation S").