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

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

2. Financing operations and investments

3. Ile-de-France Mobilités’ financing needs
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**
- 12.1 million inhabitants (almost 20% of the French population)
- 6.2 million jobs
- 30% of GNP
- 12,000 km²
- 46 millions of visitors
- Europe’s first employment area
- 41 millions trips per day (including 8.5 million in public transport)
1.2 Ile-de-France Mobilités is the integrated public transport authority

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

- **Designs**: Designs and decides on projects to improve your public transport system. Creates bus, train, RER and tram lines, new services, Grand Paris Express, etc.

- **Organises**: Creates your passes and tickets. Defines the offer and pricing policy.

- **Modernises**: Modernises the transport network and builds new lines. Holds consultations and public debates, conducts work and studies other players.

- **Finances**: Entrusts the operation of the network to transport operators by setting objectives (RATP group, Keolis, Lacroix, SNCF, Transdev, etc.). Ensures punctuality, accessibility, information, safety, cleanliness, etc.

- **Finances the operation and modernisation of your public transport system**. Centralises funding sources for the day-to-day operation of transport, purchases and renovates rolling stock.

- **And listens every day to passengers and Ile-de-France residents thanks to**:
  - The 29 elected members of its board
  - Public consultations and debates
  - Meetings with associations
1.3 A dense multimodal network...

- 14 train lines
- 16 metro lines
- 10 tramway lines
- More than 1,500 bus lines
Ile-de-France Mobilités’ missions and scope of intervention

1.4 … … to be shortly strengthened by the Grand Paris Express
Ile-de-France Mobilités’ missions and scope of intervention

1.5 Mobility: who is responsible for what?

**SGP: GPE infrastructure**
- finances GPE infrastructures
- orders GPE RS
- is project manager on GPE infrastructure

**Transport operators**
- exploit
- order RS
- can be project manager on new infrastructures

**Ile-de-France Mobilités**
- chooses transport operators
- finances operating costs
- finances RS investments
- validates new infrastructures
- can be project manager on new infrastructures

**Other infrastructures’ funders**
- Région Ile de France
- « Départements »
- State
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);

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 reaffirm in November 2018 the Aa2/P-1 long and short term rating.
1.7 An independent and stable governance since 2005

Since its decentralisation in 2005, Île-de-France Mobilités is a public local administration (EPA) governed by a council of 29 members, presided by Île-de-France’s regional council president.

Valérie PECRESSE
Île-de-France Mobilités’ President

Laurent Probst
Île-de-France Mobilités’ Chief Executive

IdFM receives statutory contributions from members of council (1 266 M€ in 2017) : 51% from Île-de-France Region; 30% from City of Paris; 19% from the other departments

+ 1 representative of EPCIs
+ 1 representative of CRCI Paris IDF
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 revenues, operating public subsidies and specific taxes for public transport in the Ile-de-France region in 2017 (all taxes included)

Fare revenues

- Public subsidies: €1,839m (18.2%)
  - Of which: €1,266m statutory subsidies of Ile-de-France Mobilités members
  - €120m from the Region (social action)
  - €161m from the Départements (social action)
  - €190m from the State
  - €102m from local authorities (operating subsidies)

- Transport tax: €4,238m (42%)
- Passengers (fares revenues): €2,738m (27.1%)
- Employers (passengers refund): €926m (9.2%)
- TICPE (domestic consumption tax on energy products): €94m (1%)
- Others (advertising, fines...): €249m (2.5%)

Total: €10,085m

RATP: 47%
SNCF: 30%
Others (buses, school transport): 12%
Ile-de-France Mobilités (operational expenditure): 5%
Ile-de-France Mobilités (capital expenditure): 6%
Since 2011, Transport tax dynamics compensate for the relative decrease in other sources of revenues.

Fare revenue coverage has diminished 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.

\[ TT = \text{Transport tax} \quad SC = \text{Statutory contributions} \quad FR = \text{fare revenues} \]
2.2 Ile-de-France Mobilités’ budget: rules similar to those of local authorities

**Real expenditures**
- Exploitation costs – fare revenues (cashed directly by operators)
- Other expenses
- Financial fees

**Gross savings = self-financing**

**Real revenues**
- Transport tax
- Statutory contributions and subsidies
- Other revenues

**Gross savings = self-financing**

**Investment**
- Debt principal repayment
- Equipment expenses

**Revenues from parking fines**
- Other revenues
- Borrowings
2.3 How it works: financing operations

Operating section balances

In 2017, Ile-de-France Mobilités actual running revenues amounted to 6 137 M€ (excluding provision write-offs). Actual running expenses (excluding amortisation) amounted to 5 544 M€.

Actual running expenses 2017 in M€

- Financial fees: 28
- Running charges, payroll, studies, SI: 151
- School transportation & social fares: 159
- IFER and SNCF réseaux dues: 224
- Exploitation costs: IdFM part: 4 983

Actual running revenues 2017 in M€

- Exceptional and miscellaneous revenues: 26
- Dotations, subventions & participations: 545
- Statutory contributions: 1 266
- Transport tax: 4 300
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.

- **Operator operating costs**
  - Running of networks
  - Material and infrastructure maintenance (RATP)
  - Financial fees and amortisation

- **Operator operating revenues**
  - Contributions of Ile-de-France Mobilités
  - Fare revenues
  - Others (advertising…)

- **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**: EUR 4.3 bn€ in 2017
- 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**
- **EUR 3.7 bn€ in 2017**
- IdFM decides the pricing of transport fares
- Fare revenues are cashed by operators, and deducted from the contributions paid by IdFM

**Evolution of transport tax**

**Evolution of fare revenues**

- **Transit pass**
- **Short term tickets**
2.4 Investing: ambitious projects essential for the local economy

Investment section balances

Actual investment expenses amounted to 1.1bn € in 2017, rolling stock account for 63% of this figure. These expenses are primarily financed by:

- Up to 68% of surplus generated in 2017 and 2016
- Up to 16% of borrowings
- Up to 12% of parking fines

Excluding amortisation provision for the 2016 issuance
Financing of operations and investments

2.4 Investing: ambitious projects essential for the local economy

IDFM’s investments for 2019-2025 are estimated at around 16.5 bn€ (excluding debt repayments and infrastructure projects for which IdFM is project manager, financed by CPER). The breakdown is the following:

- Rolling stock: 13.2 bn€
- Quality of service: 1.3 bn€
- Buy-back/construction/bus depot adaptation to new energies: 1.6 bn€
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 31/12/2018
3.3 Long term financing needs in the upcoming years
3.4 Evolution of Ile-de-France Mobilités’ cash position
3.5 Short term financing needs in the upcoming year
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
Ile-de-France Mobilités’ financing needs

3.2 Ile-de-France Mobilités’ debt as of 31/12/2017 (1/2)

Rating: Ile-de-France Mobilités obtained the highest investment grade attainable in France: Aa2/P-1, complemented by a positive outlook.
Ile-de-France Mobilités is committed to combining maturities, notably in *in fine* reimbursements, to smoothen its future annuities.
3.3 Long term financing needs in the upcoming years

Ile-de-France Mobilités’ investments are financed primarily through borrowing.

For 2019 financing need is projected at 900 M€. Over 2019 IdFM can still raise 350 M€ with the EIB. IdFM intends to launch a benchmark transaction under its EMTN programme in April.

Forecasts beyond 2023 are uncertain. They will depend on Ile-de-France Mobilités’s strategy concerning the buyback of bus rolling stock at the opening to competition and perspectives for other revenue streams that will be negotiated with the Government.
### 3.4 Short term financing needs in the upcoming year

It appears that the overall cash-flow profile of Ile-de-France Mobilités remains similar from one year to another. 2016 2nd semester has been impacted by borrowings operations led in summer (600 M€) whereas 2017 and 2018 loans have been mobilised in December.

However its needs grow up in accordance with the acceleration of its investments. For the moment, Ile-de-France Mobilités Neu CP Program only amounts to half of its investments’ expenses.
3.5 Short term financing needs in the upcoming year

Most of the year (from April to November) Ile-de-France Mobilités cash-flows are positive, however Ile-de-France Mobilités intends to remain on the market and stay visible. Between December 2019 and March 2020, projected cash-flows needs are liable to variations according to the achievement rate of investments planned for 2019.
Contacts for any question :

• [melanie.goffin@iledefrance-mobilites.fr](mailto:melanie.goffin@iledefrance-mobilites.fr), CFO
• [christelle.ragot-blin@iledefrance-mobilites.fr](mailto:christelle.ragot-blin@iledefrance-mobilites.fr), Head of finance
• [marie-pierre.piszker@iledefrance-mobilites.fr](mailto:marie-pierre.piszker@iledefrance-mobilites.fr), Debt and cash manager

https://www.iledefrance-mobilites.fr/
ANNEX
Annex 1

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

<table>
<thead>
<tr>
<th>Nature de l’investissement</th>
<th>Who finances?</th>
<th>Ownership</th>
</tr>
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<tbody>
<tr>
<td>Infrastructures excluding GPE (Grand Paris Express)</td>
<td>State, regions, departments</td>
<td>SNCF Réseau&lt;br&gt;RATP GI (Infrastructure manager)</td>
</tr>
<tr>
<td>❑ Ile-de-France Mobilités finances 100% of RS (Rolling stock) ordered by operators with Ile-de France Mobilités’ recommendation, according to 2 modalities:</td>
<td>❑ Rolling stock of RATP (ORTF law) :&lt;br&gt;- Until RATP’s market is opened to competition&lt;br&gt;- legal property: Ile-de-France Mobilités&lt;br&gt;- economic property: RATP&lt;br&gt;- In 2024/2029/2039: Ile-de-France Mobilités full ownership with NBV* takeover net of subventions</td>
<td>❑ Rolling stock of SGP (Société du Grand Paris) for GPE’s rolling stock</td>
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<td>❑ Ile-de-France Mobilités reimburses SGP (Société du Grand Paris) for GPE’s rolling stock</td>
<td>❑ Rolling stock of SGP (Société du Grand Paris)</td>
<td>Société du Grand Paris</td>
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<tr>
<td>Rolling stock for buses, tw, metro, RER, train</td>
<td>societé du grand paris</td>
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* NBV: Net Book Value