

## ASIA

## Navis drives out of Europcar *Franchising rights return to source*

Asia Pacific buyout firm [Navis Capital](#) has sold the regional franchising rights of auto rental company Europcar back to its France-based franchisor.

Navis realized an internal rate of return in the low 20th percentile, said Navis partner and co-founder [Rodney Muse](#).

Navis acquired the business through a 2004 management buyout from Australian car hire firm CLA Trading. Since then it has expanded Europcar's existing business in Australia and New Zealand, and managed franchise operations in 28 other markets in Asia-Pacific. The Australasia operation nearly doubled its fleet size to more than 8,500 vehicles during that time, according to

Navis. In 2007, sales were up 18% over the previous year, to A\$123 million (\$118 million).

Muse said: "For Navis, the divestment of Europcar represents the realization of an intensive process of expansion and professionalization. The investment was not always smooth sailing. We had to make significant management changes and inject more capital than we originally planned, but ultimately it has been successful."

Europcar represents Navis' second known exit in Australia so far this year. As reported (*see AVCJ Mar 8*),

the firm sold back its franchising rights to Dome Coffees, a Perth-based café chain in a deal that had an enterprise value of A\$55 million (\$51.4 million) and 37% internal rate of return.



Rodney Muse

Europcar's parent operation, meanwhile, will regain its first direct operation in a market outside of Europe. The company's CEO, Salvatore Catania, said: "It is a perfect opportunity to enhance our brand and expand a profitable business from a

strong existing base. It also provides Europcar with direct access and in-house expertise in the Asia-Pacific region, which is the fastest-growing market in the car rental business."

Founded in 2000, Navis has made 41 investments across the region, concentrating on branded franchises in industries such as food processing, casual dining, industrial products, consumer goods and outdoor media. Its Australian portfolio includes ice cream store chain Wendy's, retirement home operator National Lifestyle Villages, print and design franchise Worldwide Online Printing and recruitment agency Peoplebank.

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