



GRENKE
FAST // FORWARD // FINANCE

Q2 2021 RESULTS

AUGUST 4, 2021

Opening Remarks



Michael Bucker
CEO



Financials



Dr. Sebastian Hirsch
CFO



Q2 2021: Highlights

CONTINUED FOCUS ON HIGH-MARGIN BUSINESS



Group new business of EUR 580m
(-3.0% vs EUR 598m in Q2 2020)



Leasing CM2 margin increased to 18.1%
(+0.6pp vs Q2 2020) through continued focus on profitable small-ticket business



Q2 net profit at EUR 18.3m
(+35.1% vs Q2 2020¹)



Stable equity ratio of 17.8% as of June 30, 2021 (vs 16.3% as of December 31, 2020)



Enforcement procedure concluded – no further adjustments required



Net profit guidance for 2021 raised to EUR 60 - 80m
(from EUR 50 - 70m)

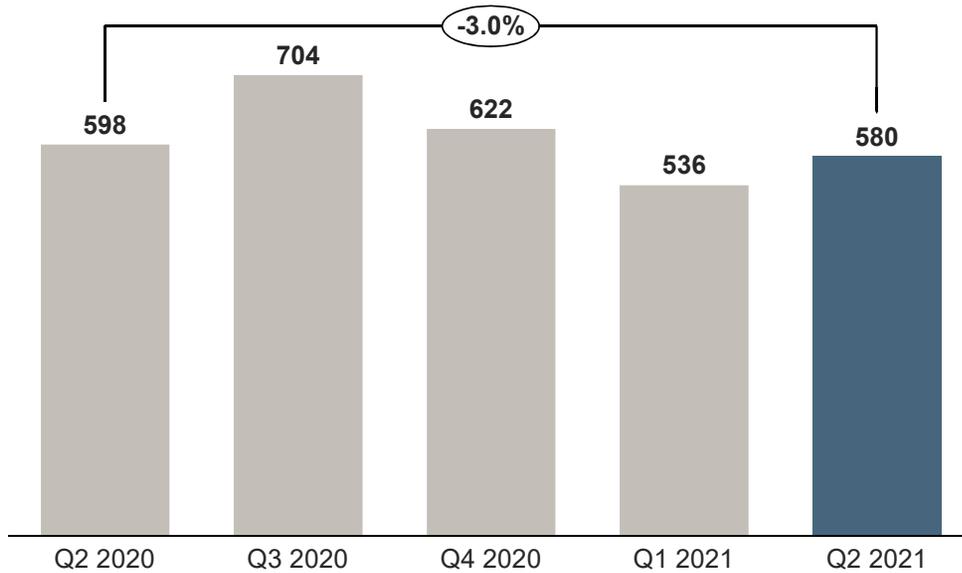
1) Figures have been adjusted in accordance with IAS 8.42 (including the consolidation of the franchise companies).

Q2 2021: Group New Business Development

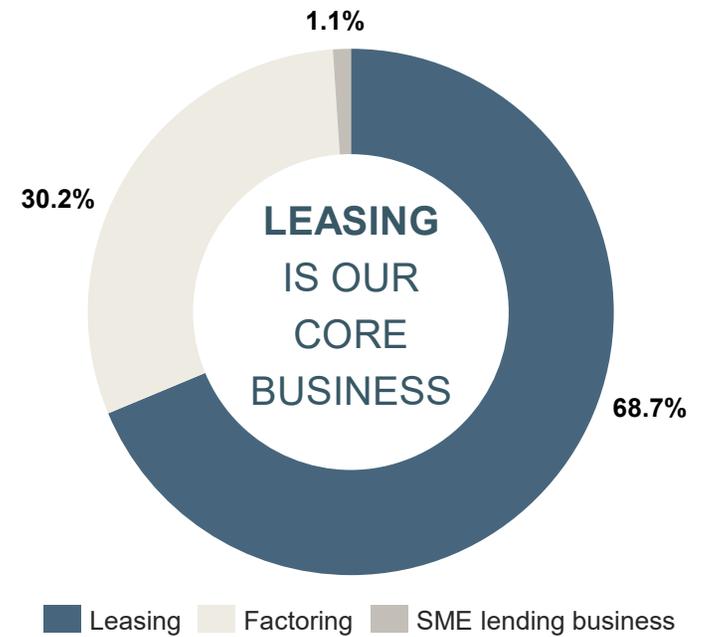
NEW BUSINESS VOLUME ALMOST AT PRIOR-YEAR LEVEL DESPITE DISCONTINUED SME LENDING BUSINESS

New Business Development GRENKE Group 2020 – 2021

EUR m



New Business Segment Distribution Q2 2021



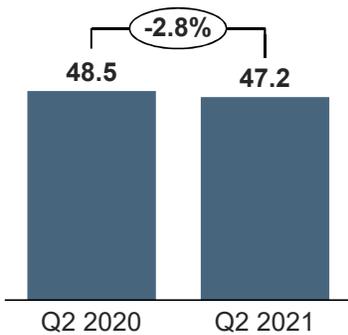
Development of Profitability Q2 2021

FOCUS ON HIGHLY PROFITABLE SMALL-TICKET BUSINESS CLEARLY REFLECTED IN IMPROVED CM2/CM2 MARGIN

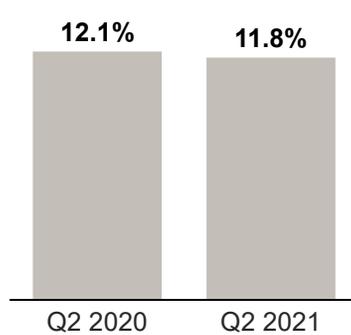
CM1 / CM1 Margin

CM1 is calculated as the present value of the interest margin net of commissions paid to third parties

CM1 in EUR m



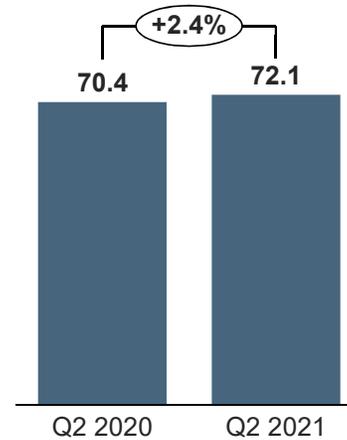
CM1 Margin



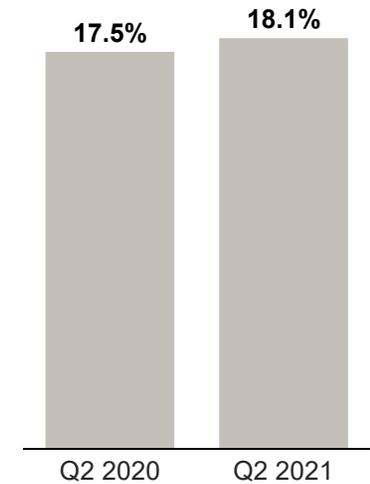
CM2 / CM2 Margin

CM2 is made up of the present value of operating income of a lease contract less risk and individual contract costs

CM2 in EUR m



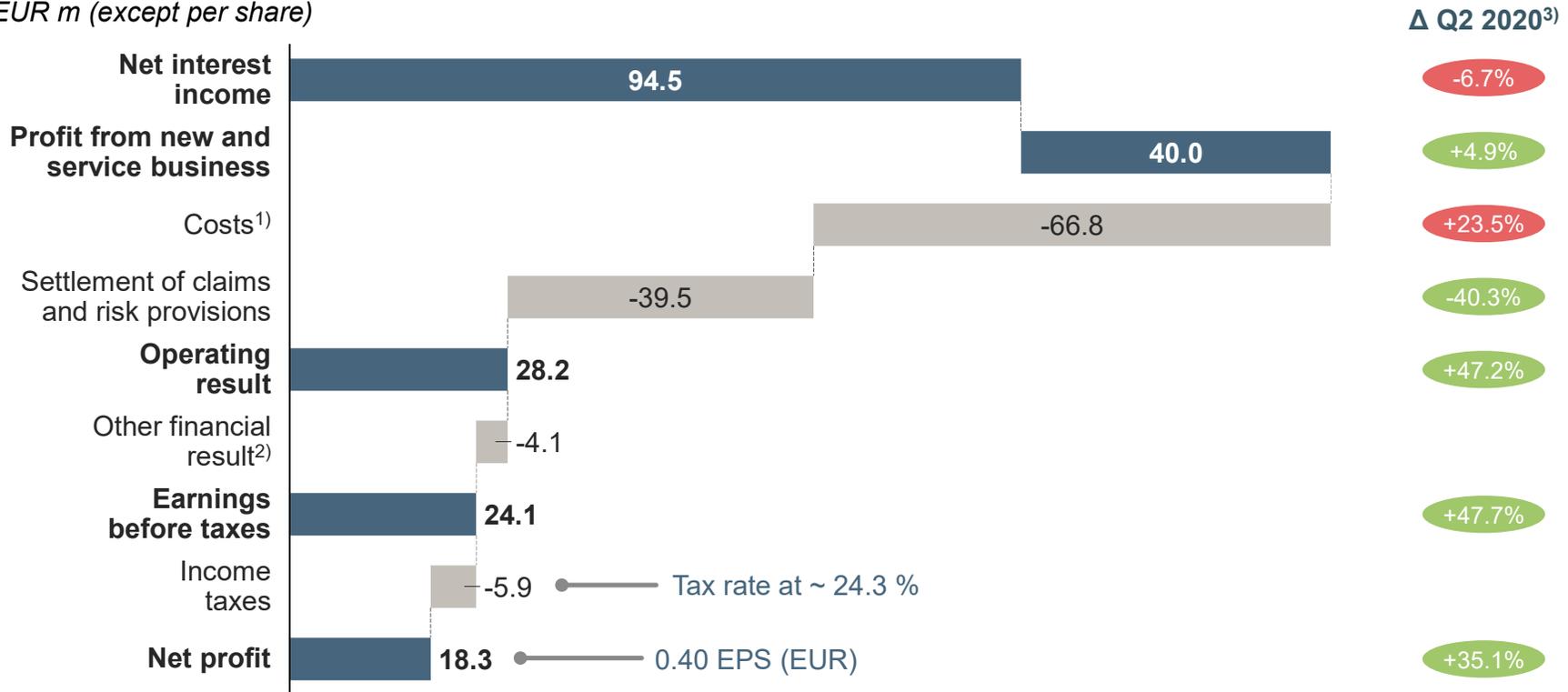
CM2 Margin



Key P&L Figures Q2 2021

COST-INCOME-RATIO AT 50.9%

EUR m (except per share)



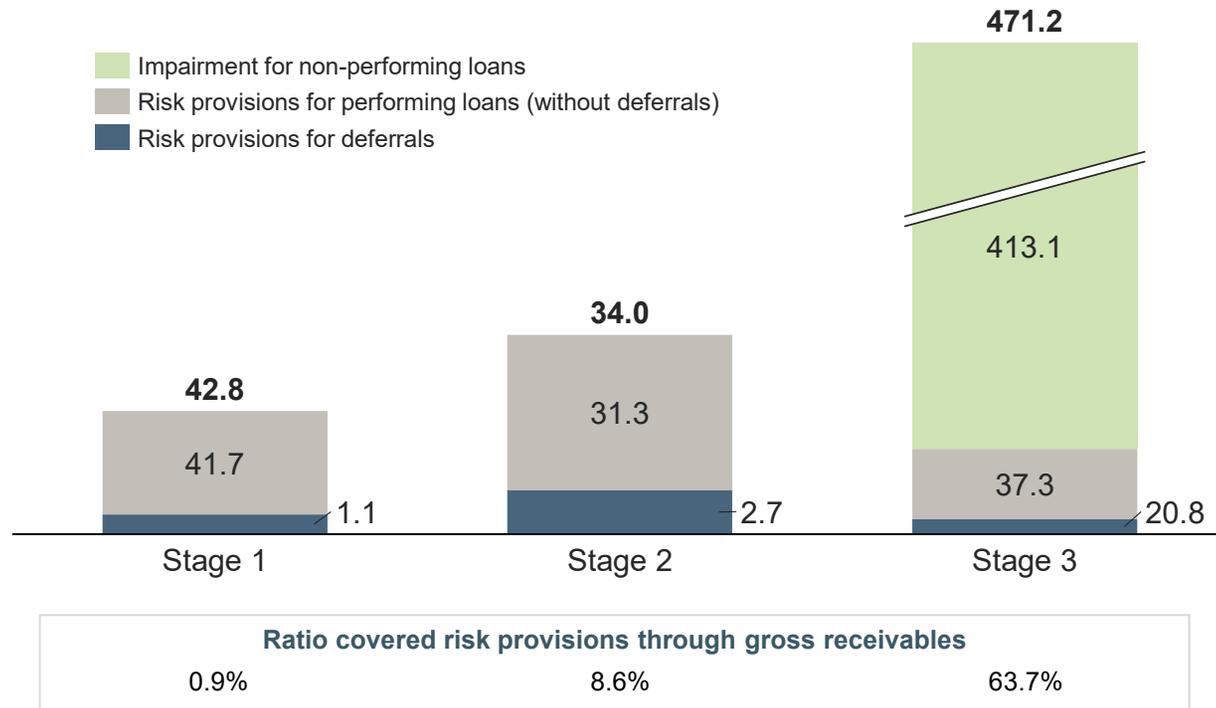
1) Incl. other operating income and gains(+)/losses(-) from disposals
 2) Incl. income/expenses from fair value measurement
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Settlement of Claims and Risk Provisions for Lease Receivables

LOSS RATE OF 1.9% IN LINE WITH EXPECTATION

Risk Provisions on Balance Sheet by Stage of Impairment as of June 30, 2021

EUR m

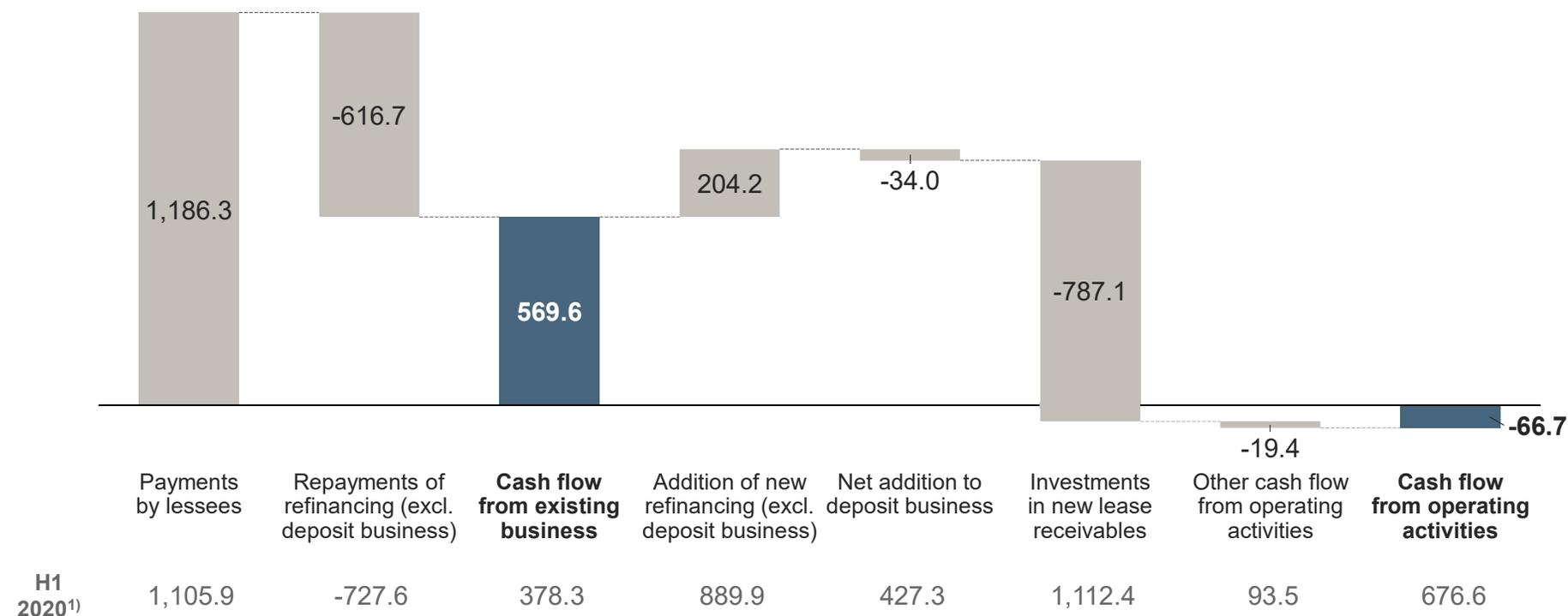


- Consolidation of franchise companies leads to EUR 22.1m increase in risk provisions (thereof stage 1: EUR 1.9m, stage 2: 0.8m, stage 3: 19.4m)
- **Germany:** Gross Lease Receivables in Germany at 93 % in the first stage of impairment, about 7 % in stages 2 and 3
- **Italy:** Major driver within impairment stages 2 and 3

Cash Flow H1 2021

OPERATING CASH FLOW SLIGHTLY NEGATIVE DUE TO LESS NEW REFINANCING IN H1 2021

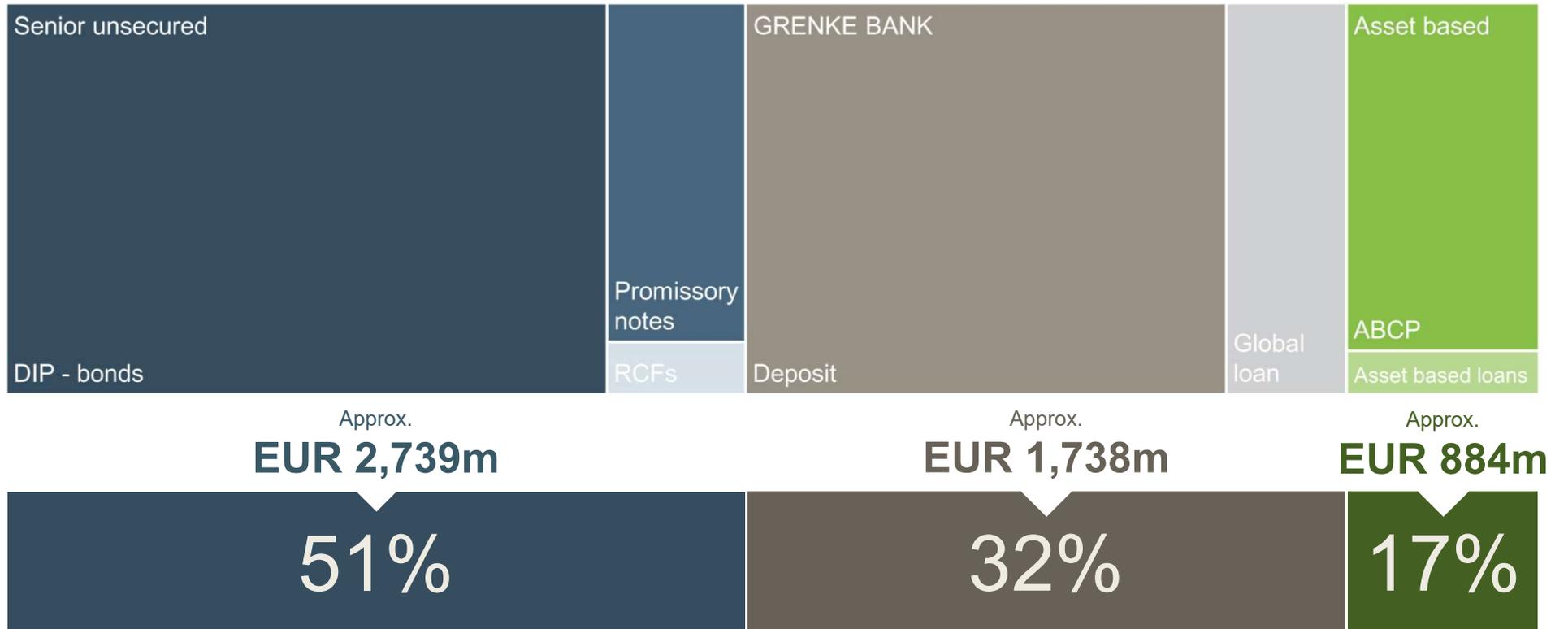
EUR m



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Funding Mix as of 30 June 2021

CONTINUED STRONG DIVERSIFICATION – S&P RATING: BBB+/NEGATIVE/A-2/ JULY 2021



New Guidance 2021 Published on July 28, 2021

2021 CONTINUES TO BE A TRANSITION YEAR

In EUR

	Results 2019 ¹⁾	Results 2020	Initial Guidance 2021	Guidance Uplift 2021 ²⁾
New business leasing volume	2.8bn	2.0bn	1.7-2.0bn	1.7-2.0bn
Net Profit	133.3m	88.4m	50-70m	60-80m
Equity ratio	16.1%	16.3%	> 16%	> 16%

1) FY 2019 figures have been adjusted according to IAS 8.42

2) Assuming no further severe lockdowns in our major markets // reflecting only currently expected Covid-19 effects

Financial Calendar 2021

- **August 04, 2021**
Financial report 2nd quarter and first half-year of 2021
- **October 05, 2021**
New business figures Q3 2021
- **November 10, 2021**
Quarterly statement for the 3rd quarter and first nine-months of 2021





Q & A Session

Contact

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Capability
Scalability
SME focus
Growth
Diversification
Awareness
Digitalisation

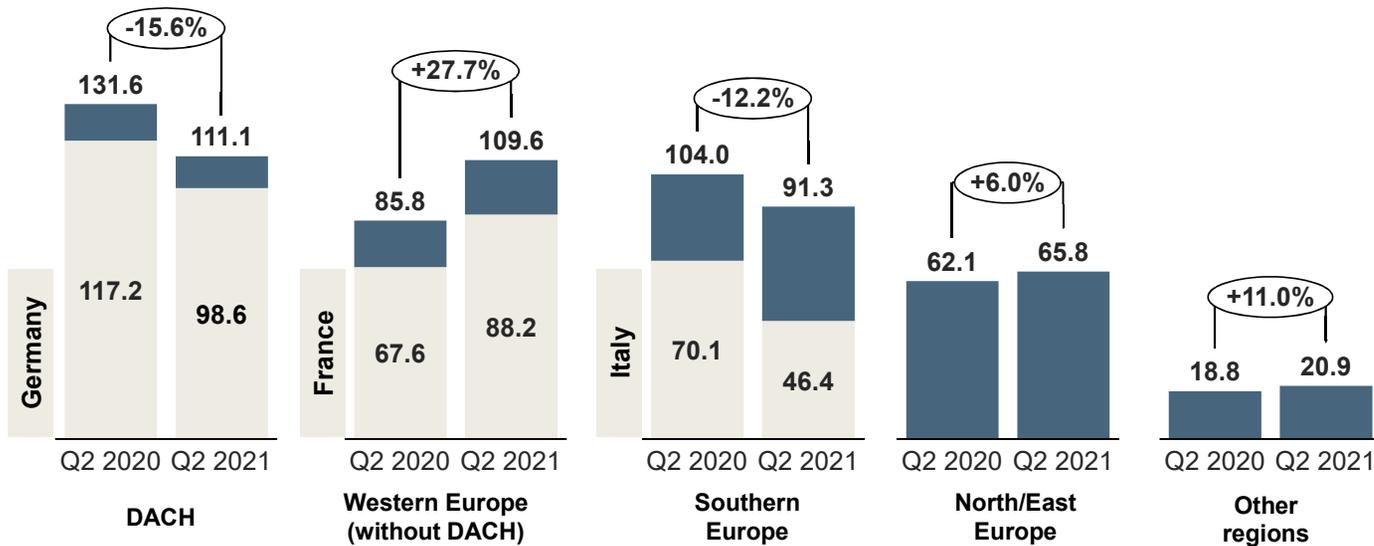


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Q2 2021: Leasing New Business by Regions

REGIONAL PERFORMANCE SHAPED BY TIMING OF PANDEMIC IN RESPECTIVE REGIONS

Leasing New Business Core Markets, in EUR m



Total Leasing New Business:
-0.9%

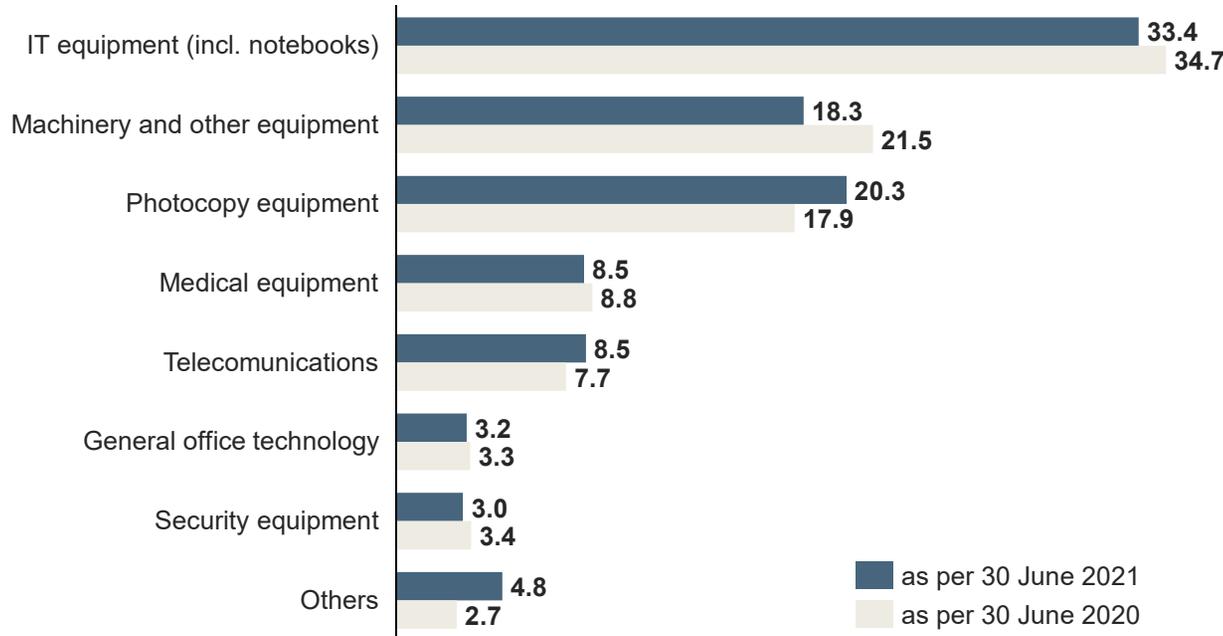
Thereof:

- Germany: -15.9%
- France: +30.6%
- Italy: -33.8%

Q1-Q2 2021: Leasing Object Categories

PHOTOCOPY EQUIPMENT STRONGER – SHARE OF MACHINERY SOFTER

Object Portfolio in % of NAV



KEY FIGURES

Current contracts per end of period:

- 987,083 (vs 976,156)

Average duration:

- 48 months (stable vs Q1-Q2 2020)

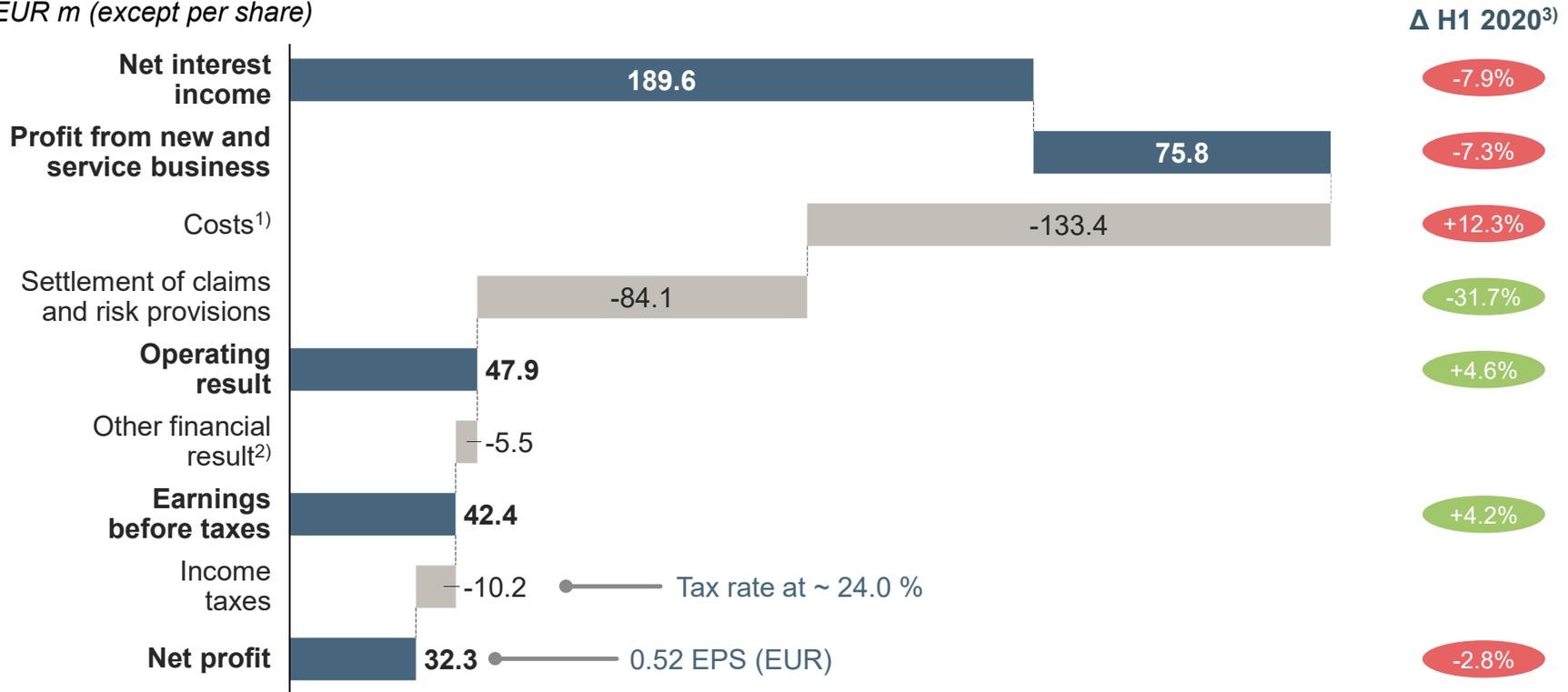
Average ticket size:

- 7,260 EUR (vs 8,597 EUR in Q1-Q2 2020)

Key P&L Figures H1 2021

COST-INCOME-RATIO AT 51.1%

EUR m (except per share)



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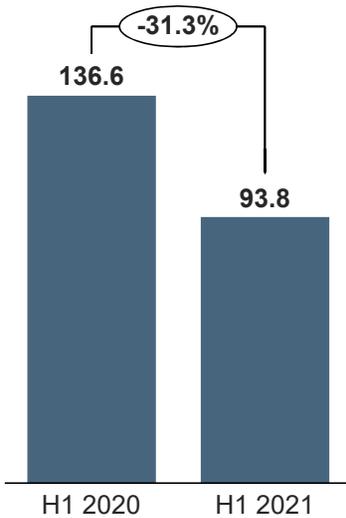
Development of Profitability H1 2021

GRENKE GROUP LEASING

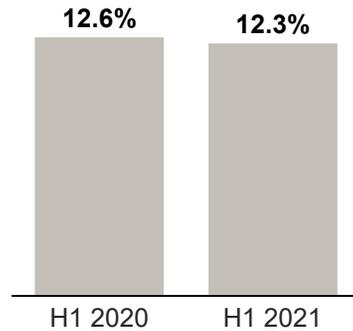
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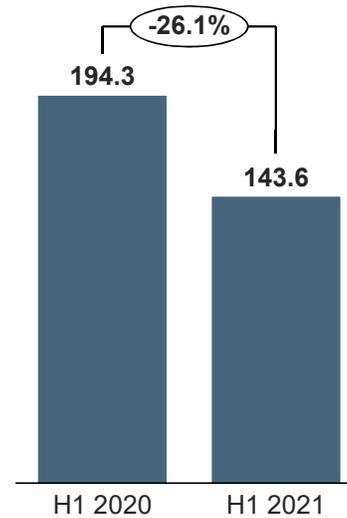
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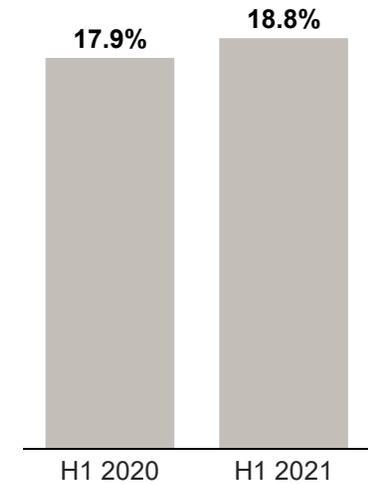
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CM2 in EUR m



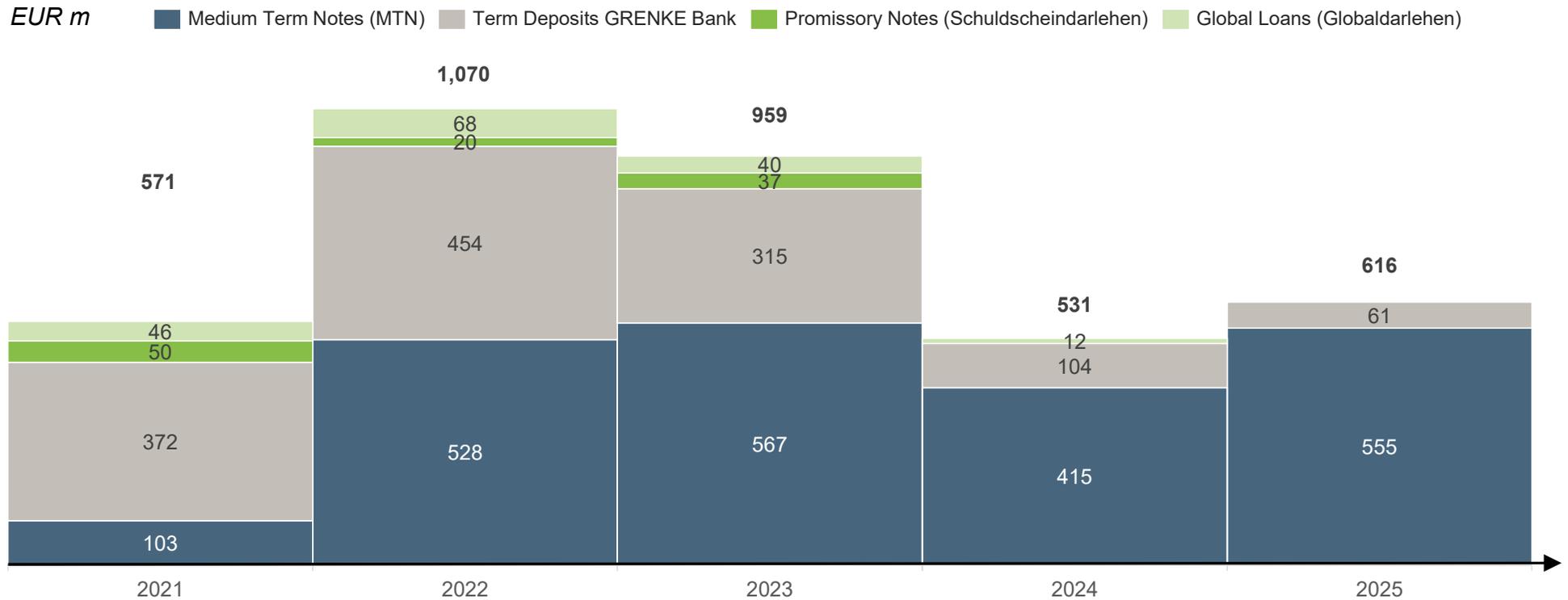
CM2 Margin



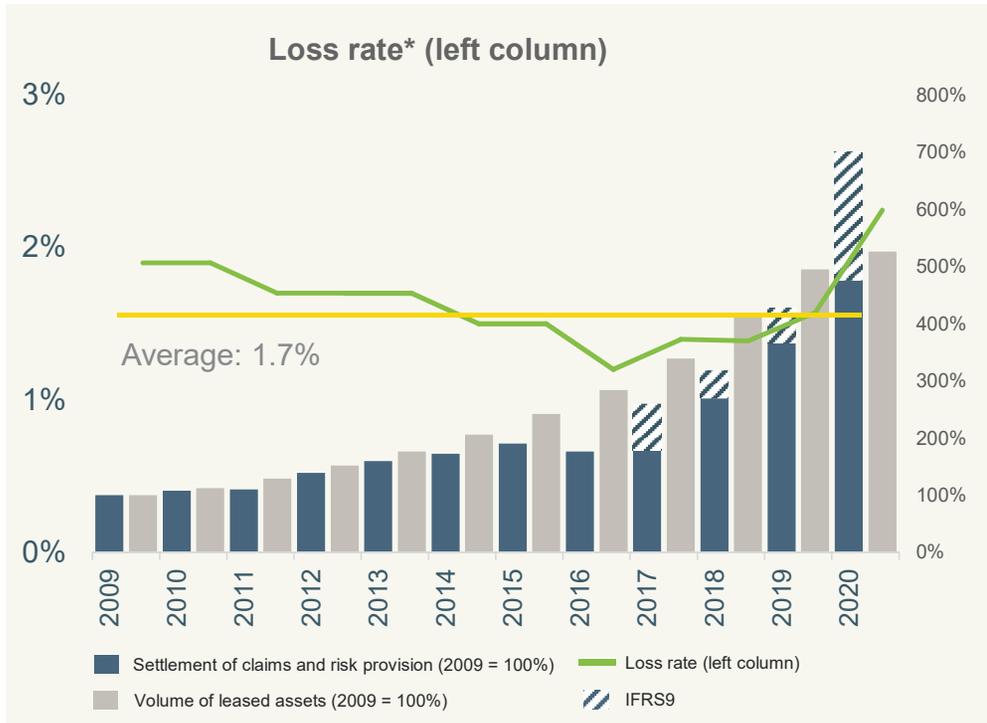
GRENKE Group Uses Matched Funding

TREASURY IS STRONGLY FOCUSED ON FINANCING THE CORE BUSINESS

MATURITY BY FUNDING TYPE AS OF JUNE 30, 2021



GRENKE'S Experience Enables it to Calculate and Forecast Credit Losses more Precisely



* Losses p.a. (of historical asset values, factored in)



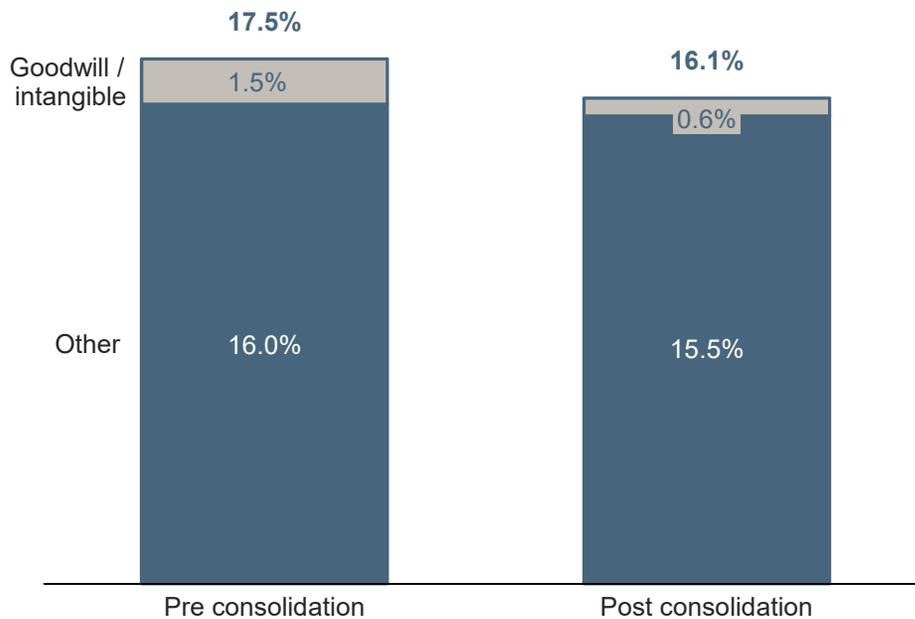
** Present value of operating income of a lease contract less risk and individual contract costs
 *** New calculation of CM2 margin

Retroactive Consolidation – Effect on Capital Ratio

CUSHION TO REGULATORY MINIMUM REQUIREMENTS LARGELY UNCHANGED DESPITE LOWER BALANCE SHEET EQUITY RATIO

Balance sheet equity ratio as of December 31, 2019¹⁾

as a % of total assets (risk-weighted assets)



- Accounting changes reduce balance sheet equity ratio due to aggregate EUR 87.9m equity offset, of which EUR 67.4m attributable to goodwill and intangible assets
- Regulatory and rating capital ratios only marginally impacted as goodwill requires 100% equity backing and is effectively offset from equity