



**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 2020<sup>1</sup>)

➤ **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)**

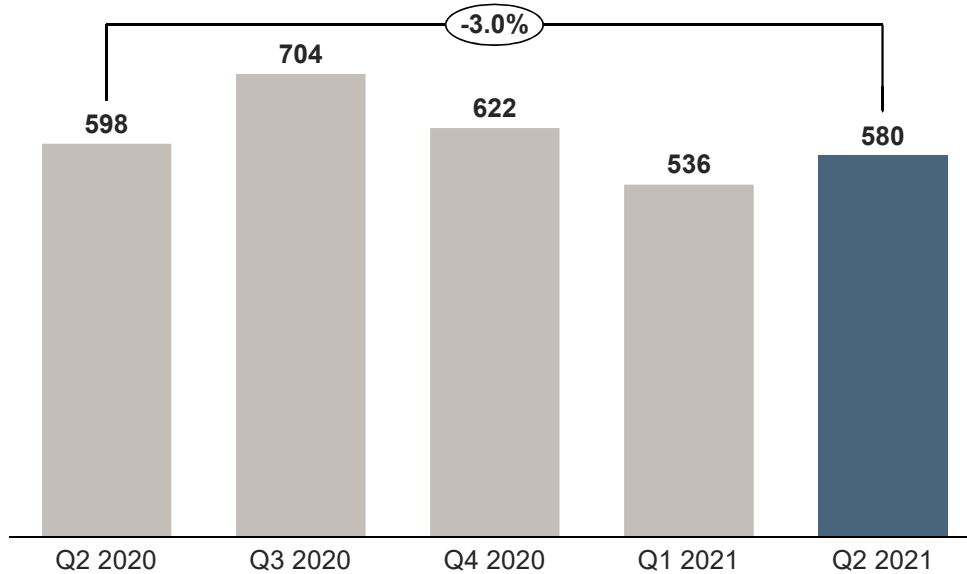
1) Figures have been adjusted in accordance with IAS 8.42 (including the consolidation of the franchise companies).

# Q2 2021: Group New Business Development

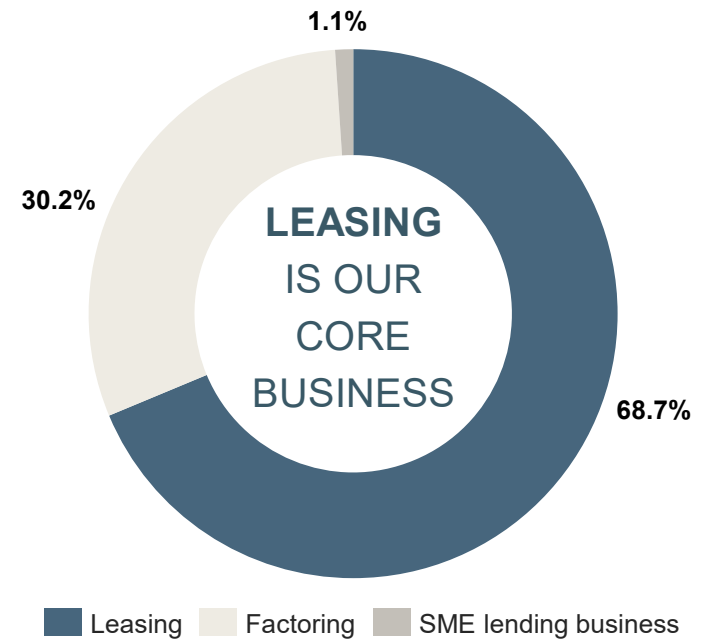
NEW BUSINESS VOLUME ALMOST AT PRIOR-YEAR LEVEL DESPITE DISCONTINUED SME LENDING BUSINESS

New Business Development GRENKE Group 2020 – 2021

EUR m



New Business Segment Distribution Q2 2021



# Development of Profitability Q2 2021

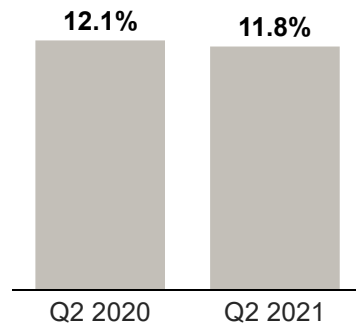
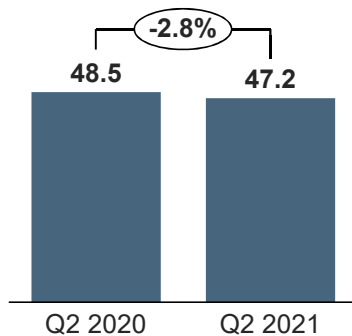
FOCUS ON HIGHLY PROFITABLE SMALL-TICKET BUSINESS CLEARLY REFLECTED IN IMPROVED CM2/CM2 MARGIN

## 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

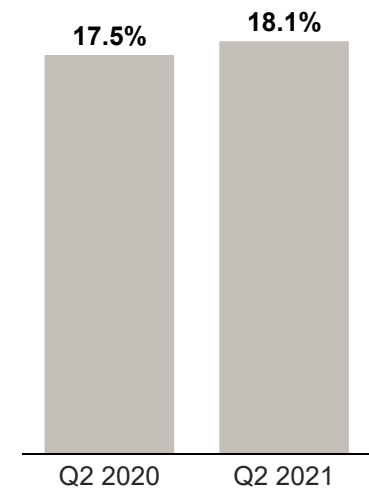
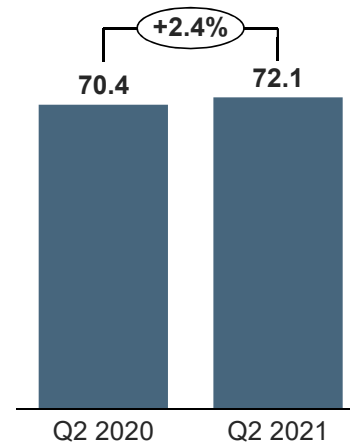


## CM2 / CM2 Margin

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

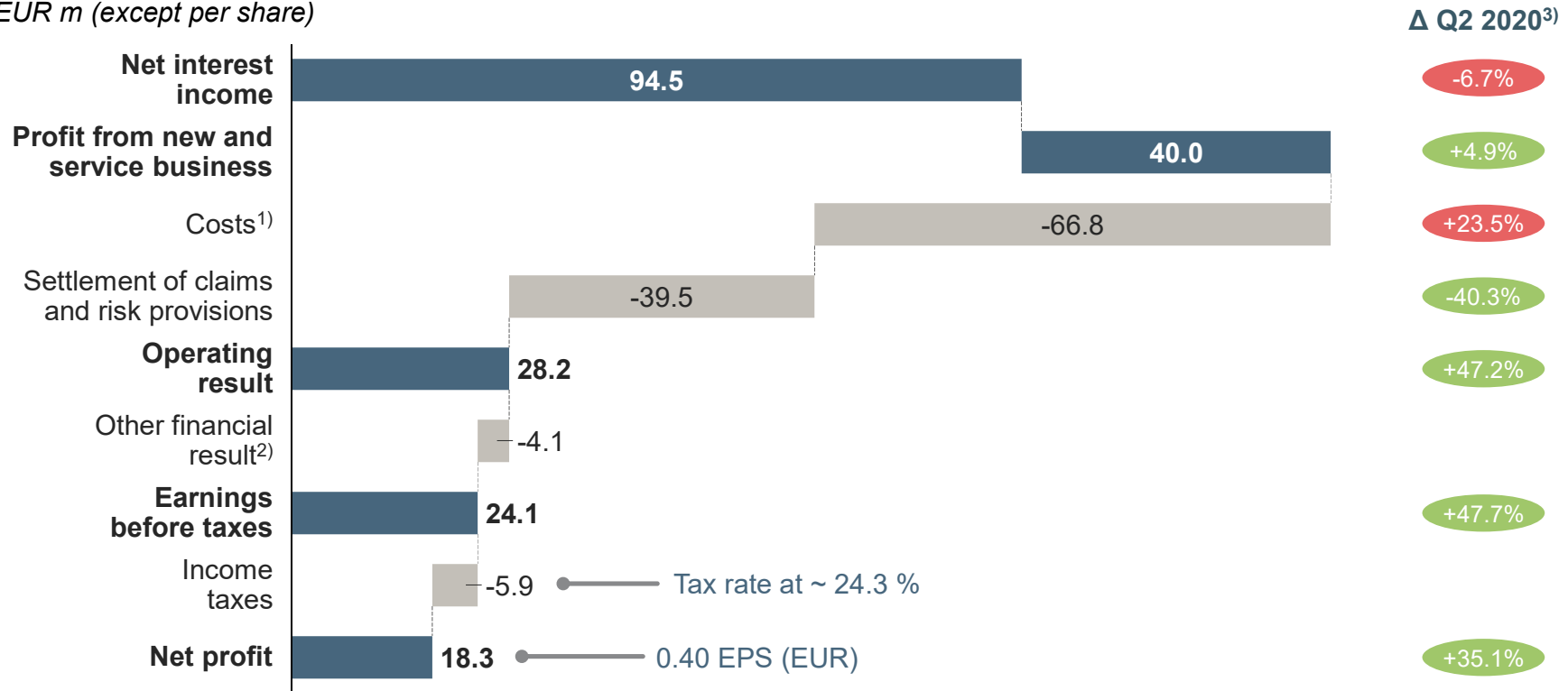
### CM2 Margin



# Key P&L Figures Q2 2021

COST-INCOME-RATIO AT 50.9%

EUR m (except per share)



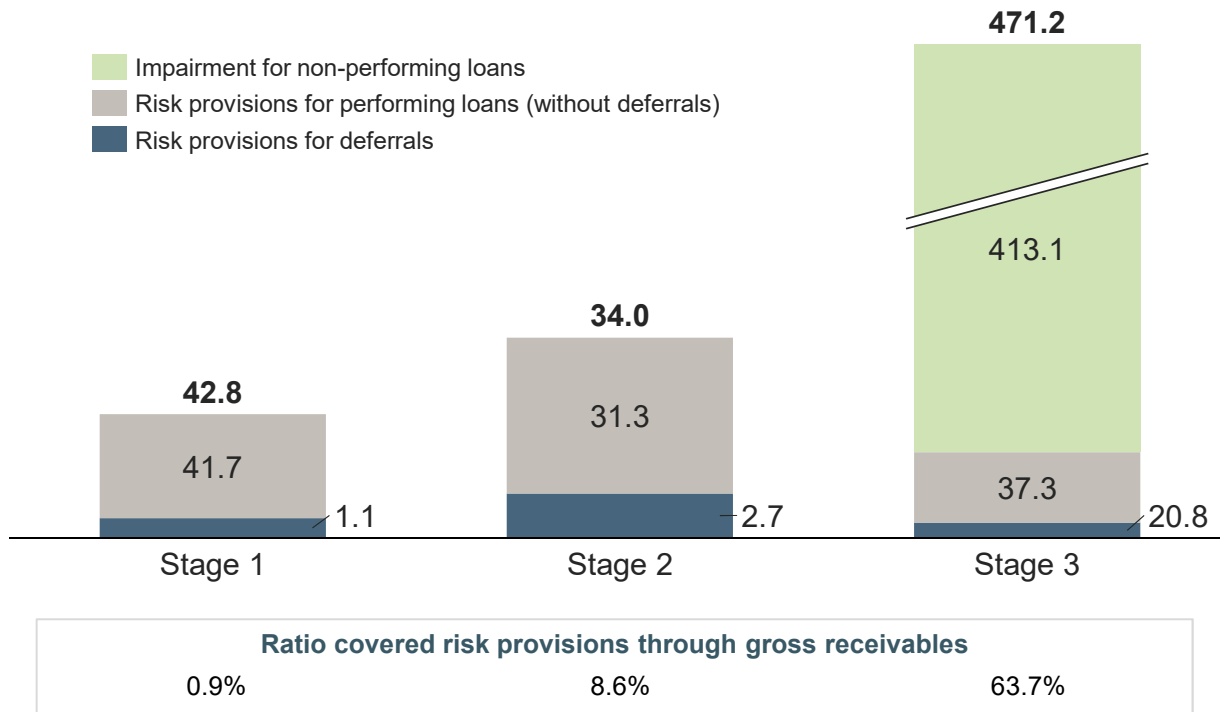
- 1) Incl. other operating income and gains(+)/losses(-) from disposals  
 2) Incl. income/expenses from fair value measurement  
 3) Figures have been adjusted according to IAS 8.42

# 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



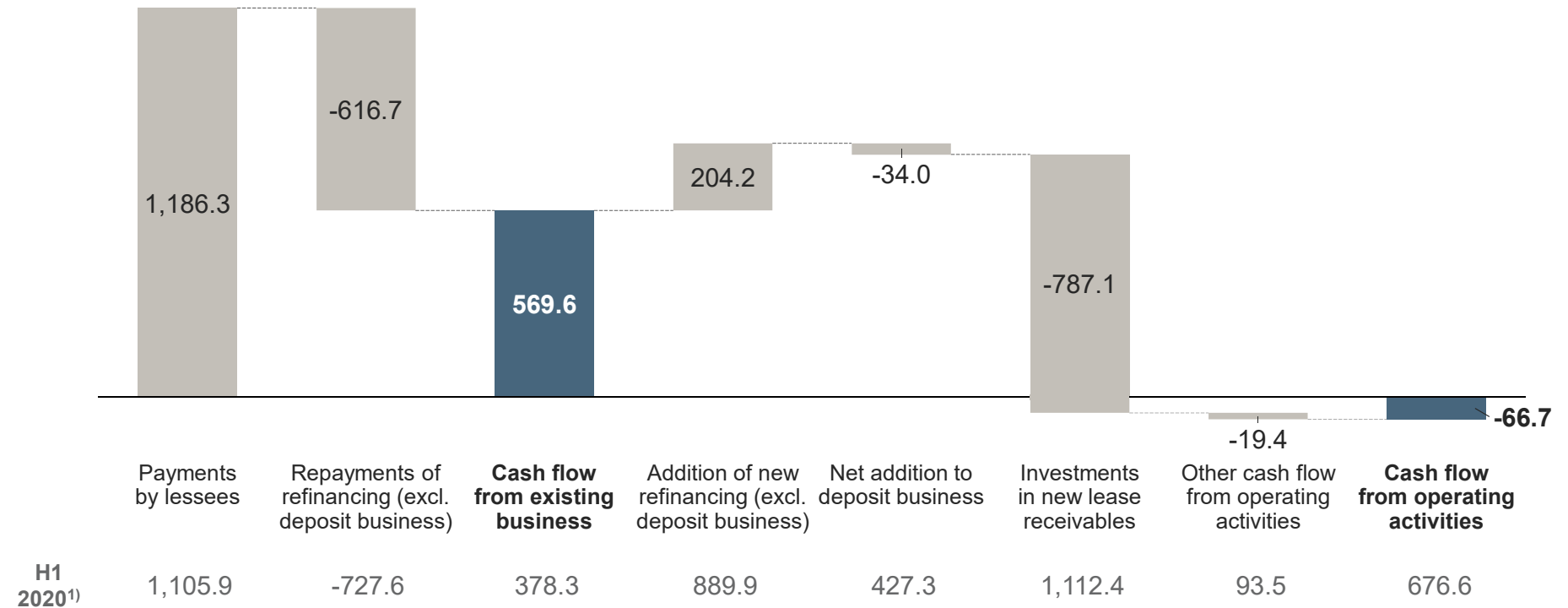
- Consolidation of franchise companies leads to EUR 22.1m increase in risk provisions (thereof stage 1: EUR 1.9m, stage 2: 0.8m, stage 3: 19.4m)
- Germany:** Gross Lease Receivables in Germany at 93 % in the first stage of impairment, about 7 % in stages 2 and 3
- Italy:** Major driver within impairment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



# Cash Flow H1 2021

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

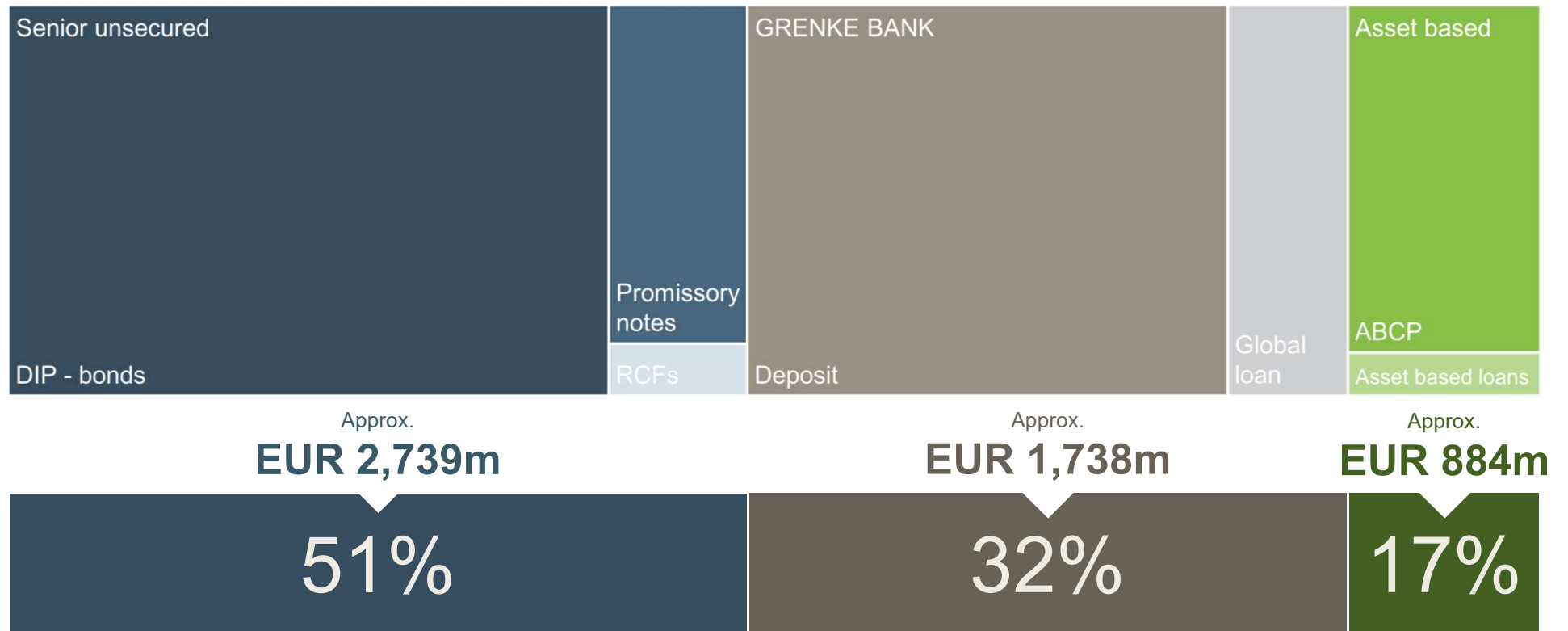
EUR m



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

# 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 <sup>1)</sup>	Results 2020	Initial Guidance 2021	Guidance Uplift 2021 <sup>2)</sup>
New business leasing volume	2.8bn	2.0bn	1.7-2.0bn	1.7-2.0bn
Net Profit	133.3m	88.4m	50-70m	<b>60-80m</b>
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 2<sup>nd</sup> quarter and first half-year of 2021
- **October 05, 2021**  
New business figures Q3 2021
- **November 10, 2021**  
Quarterly statement for the 3<sup>rd</sup> quarter and first nine-months of 2021





# Q & A Session

# Contact

## INVESTOR RELATIONS TEAM

Phone: +49 7221 5007-204  
Fax: +49 7221 5007-4218  
Email: [investor@grenke.de](mailto:investor@grenke.de)  
Internet: [www.grenke.com](http://www.grenke.com)

## GRENKE AG

Neuer Markt 2  
76532 Baden-Baden  
Germany

Reports are available at:

[www.grenke.com/investor-relations/reports-downloads](http://www.grenke.com/investor-relations/reports-downloads)



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Capability  
Scalability  
SME focus  
Growth  
Diversification  
Awareness  
Digitalisation



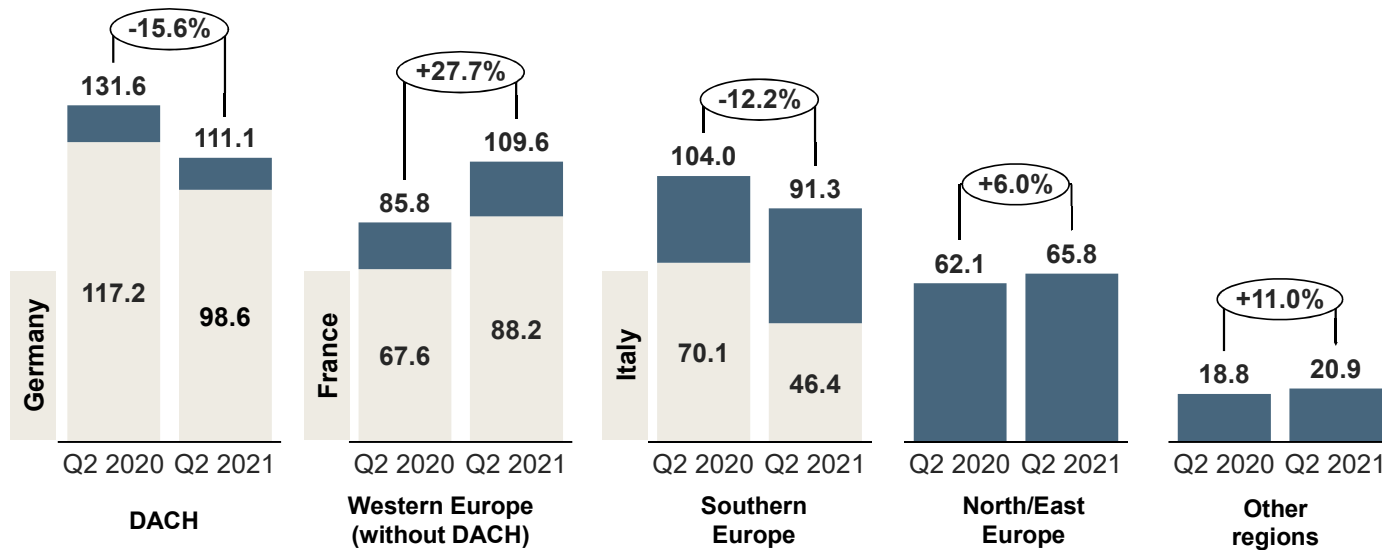
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# Q2 2021: Leasing New Business by Regions

REGIONAL PERFORMANCE SHAPED BY TIMING OF PANDEMIC IN RESPECTIVE REGIONS

Leasing New Business Core Markets, in EUR m



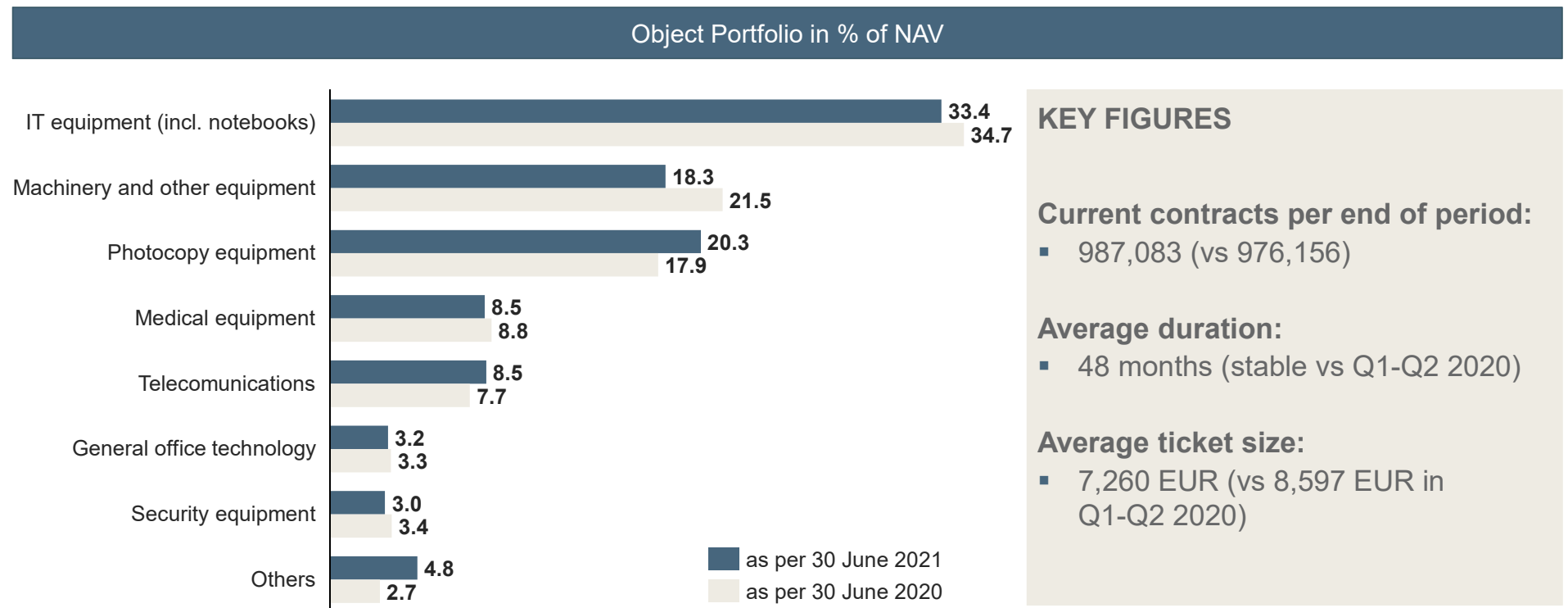
**Total Leasing New Business:**  
-0.9%

**Thereof:**

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

# Q1-Q2 2021: Leasing Object Categories

PHOTOCOPY EQUIPMENT STRONGER – SHARE OF MACHINERY SOFTER



## KEY FIGURES

### Current contracts per end of period:

- 987,083 (vs 976,156)

### Average duration:

- 48 months (stable vs Q1-Q2 2020)

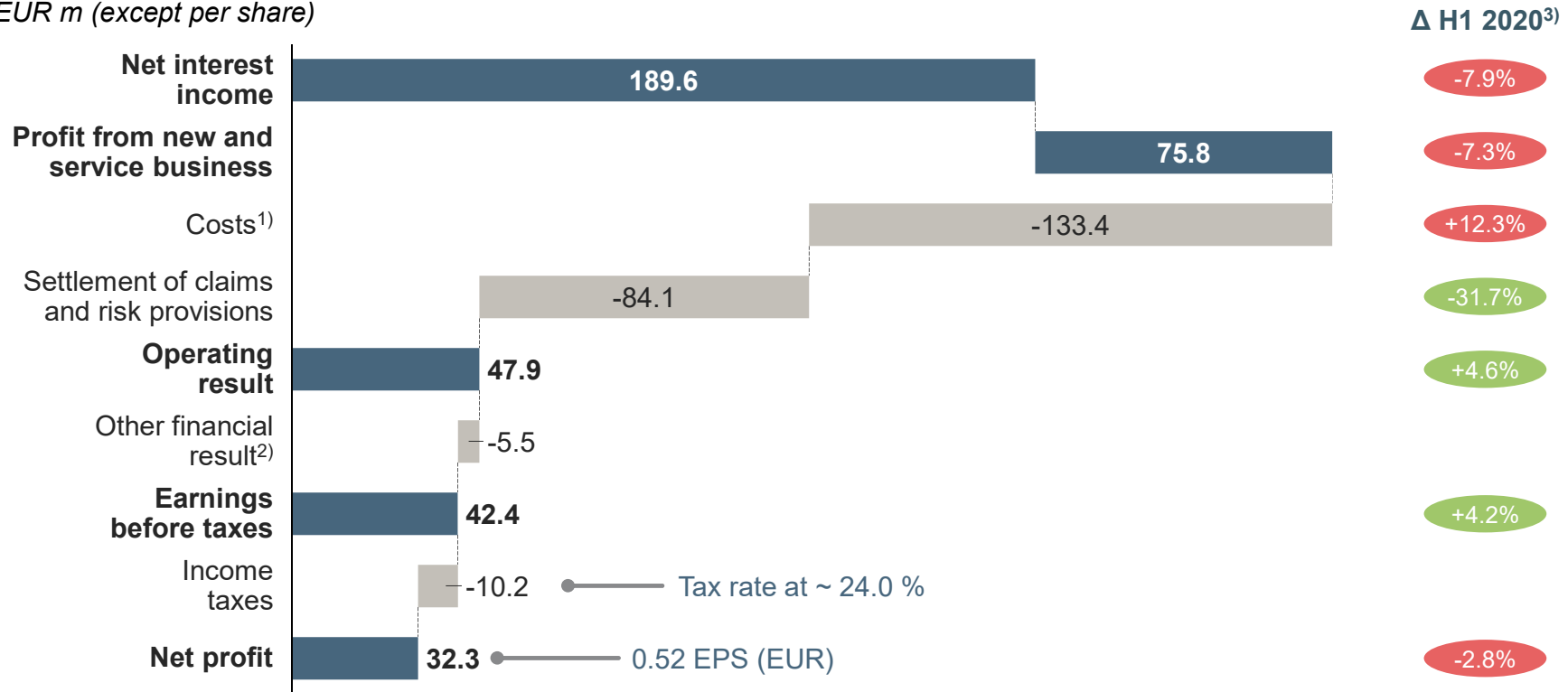
### Average ticket size:

- 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)



1) Incl. other operating income and gains(+)/losses(-) from disposals

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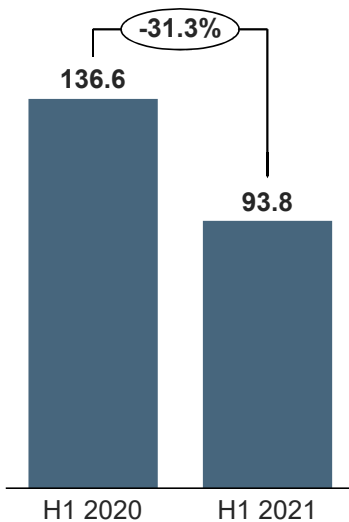
# Development of Profitability H1 2021

## GRENKE GROUP LEASING

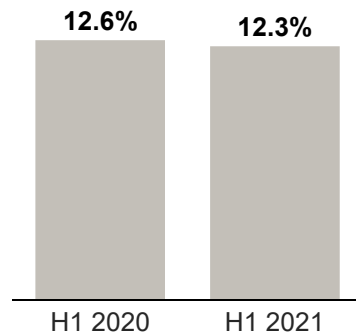
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#### CM1 in EUR m



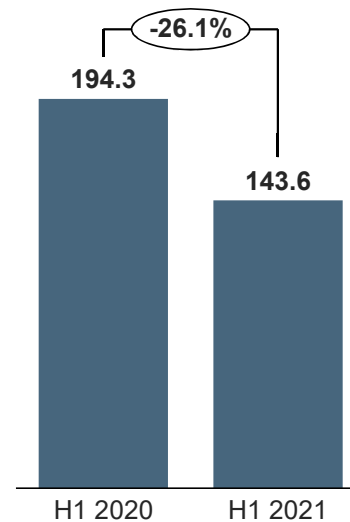
#### CM1 Margin



### 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



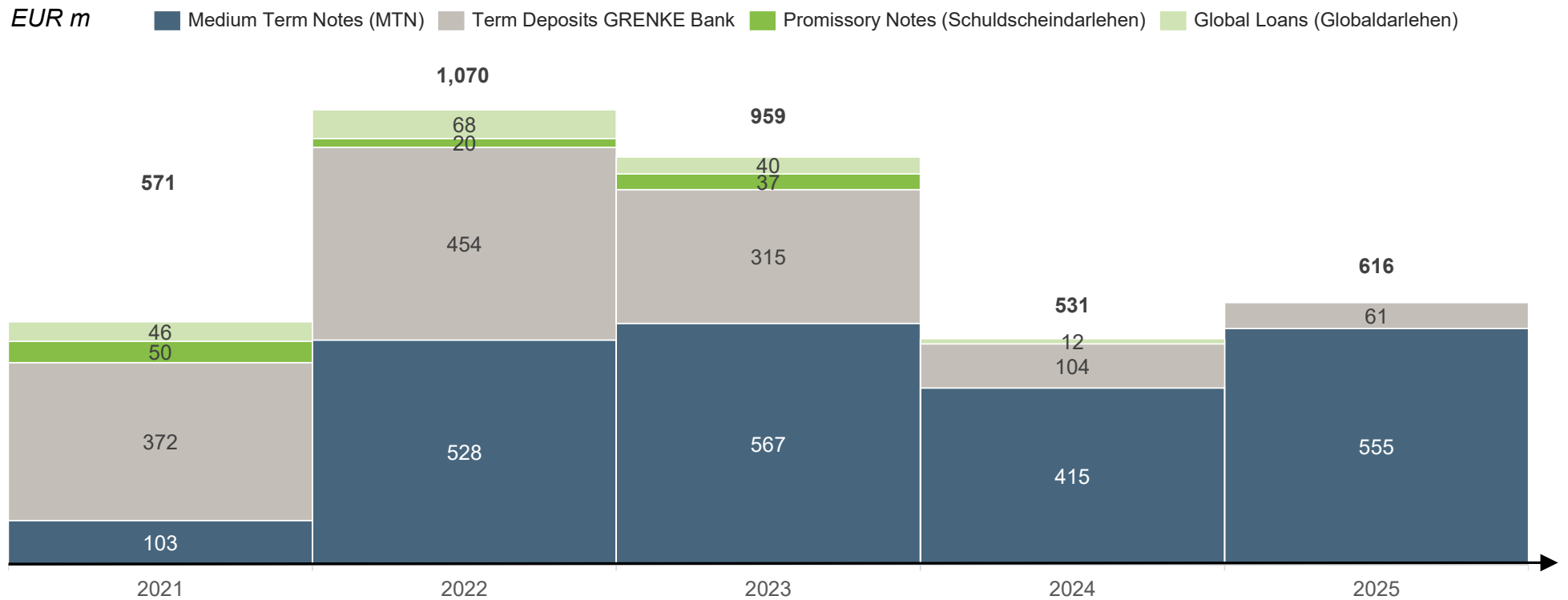
#### CM2 Margin



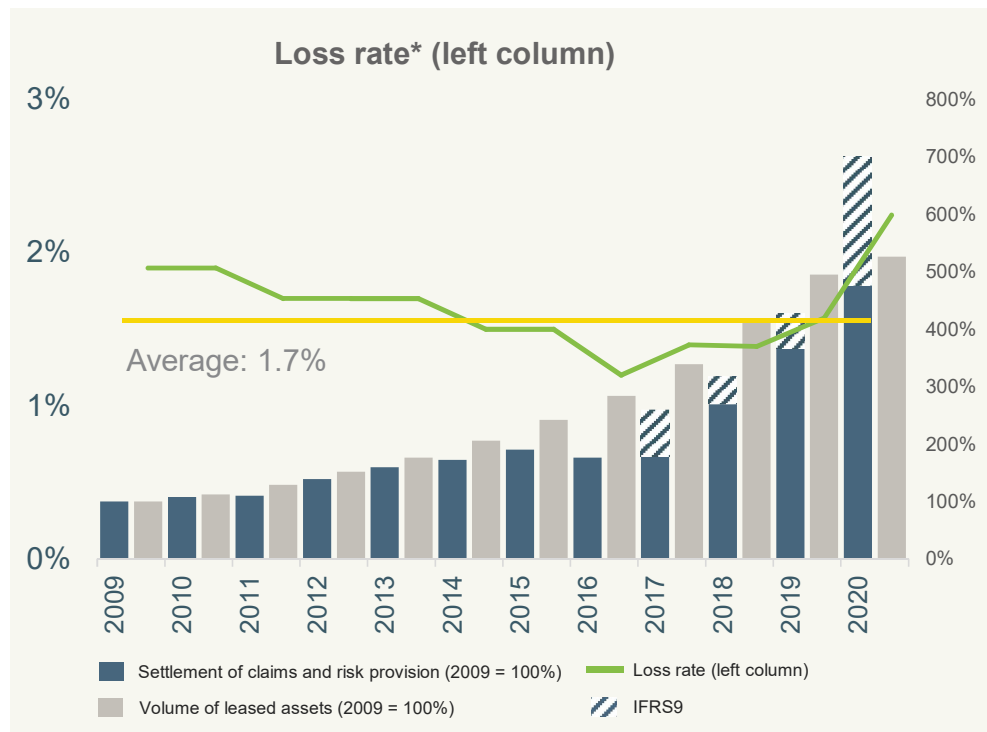
# GRENKE Group Uses Matched Funding

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

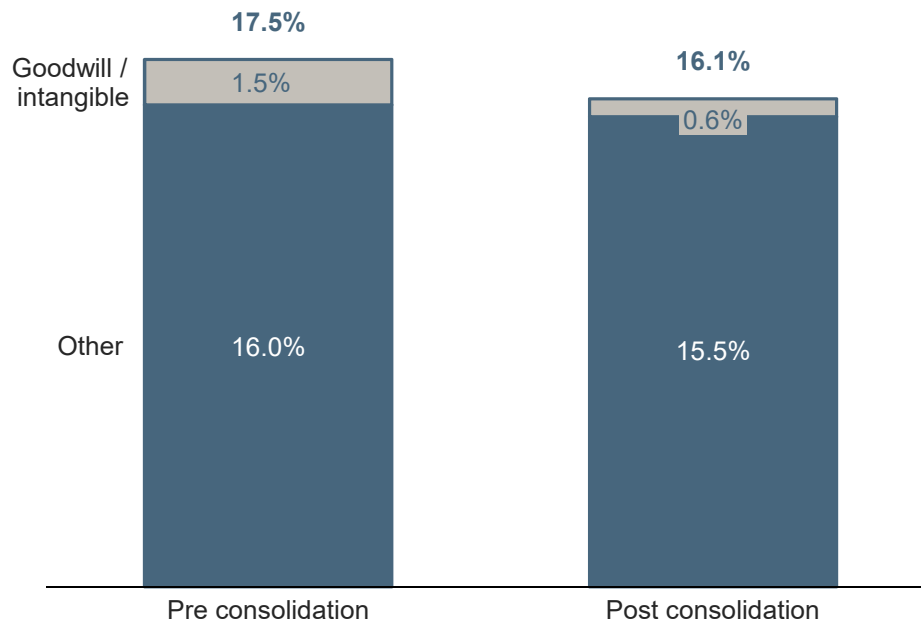
\*\*\* New calculation of CM2 margin

# 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, 2019<sup>1)</sup>

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