



**GRENKE**

FAST // FORWARD // FINANCE

# Q3 2021 EARNINGS CALL

NOVEMBER 10, 2021

# Executive Summary



Michael Bücker  
CEO

# My first 100 days

STRONG FOUNDATION AND GROWTH POTENTIAL

## Status Quo

- // Robust business model with great potential
- // Strong team, able to utilize opportunities arising from good customer and reseller portfolio
- // Implementation of “Taking Action“ measures on track, will be largely completed by late 2021



## Next Steps

- // Aligning GRENKE with future opportunities
  - // Refine business model
  - // Define growth areas
  - // Further improve organisational structure and increase digitalisation



Further details at Capital Markets Day in H1 2022

# Financials



Dr. Sebastian Hirsch  
CFO

# Q3 2021: Highlights

NET PROFIT GUIDANCE FOR 2021 RAISED TO EUR 90 - 100M (PREVIOUSLY EUR 60 – 80M)  
ALSO REFLECTS EXTRAORDINARY INCOME FROM VIAFINTECH SALE



**Group new business of EUR 552m**  
(-21.7% vs EUR 704m in Q3 2020<sup>1</sup>)



**Leasing CM2 margin** slightly declined to **17.1%** (-1.3pp vs 18.4 % in Q3 2020<sup>1</sup>) due to increased refinancing costs



**Q3 net profit at EUR 20.1m**  
(-24.0% vs EUR 26.5m in Q3 2020<sup>1</sup>)



**Stable equity ratio of 18.1%** as of September 30, 2021

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

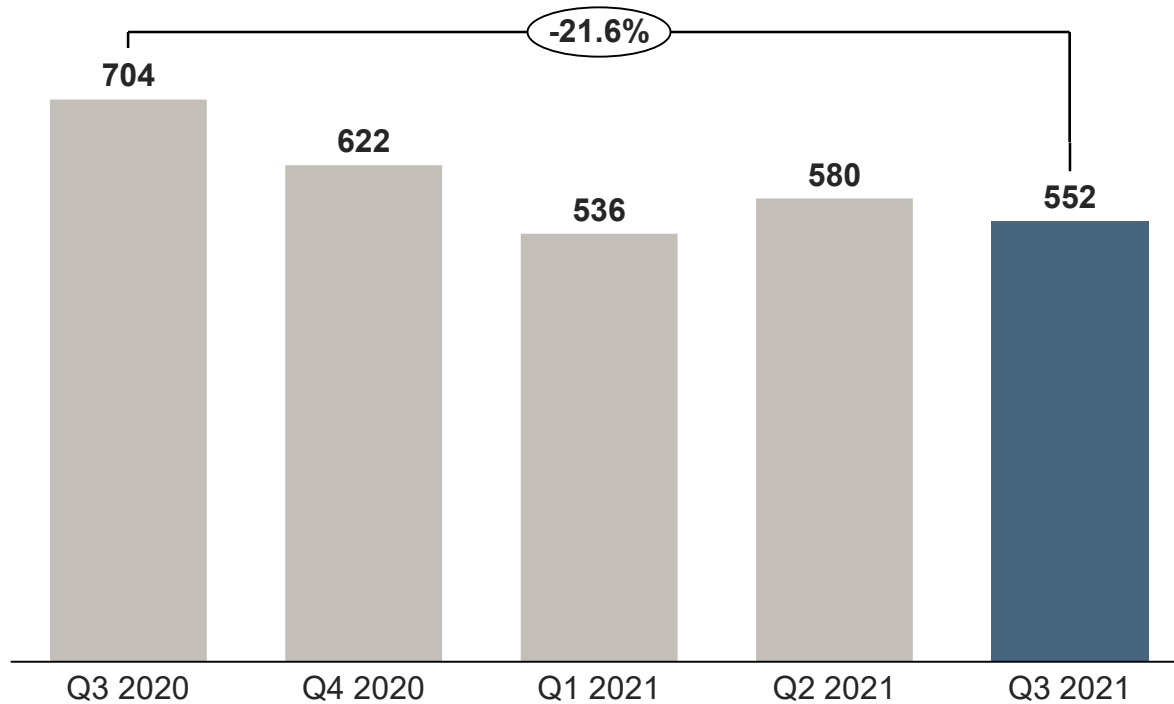
# Q3 2021: Group New Business Development

NEW BUSINESS VOLUME IMPACTED BY SOFTER LEASING BUSINESS AND DISCONTINUED SME LENDING

Q3 2020 – Q3 2021

New Business Segment Distribution Q3 2021

EUR m



Leasing	EUR 372.2 m
Factoring	EUR 178.5 m
SME lending business	EUR 0.9 m

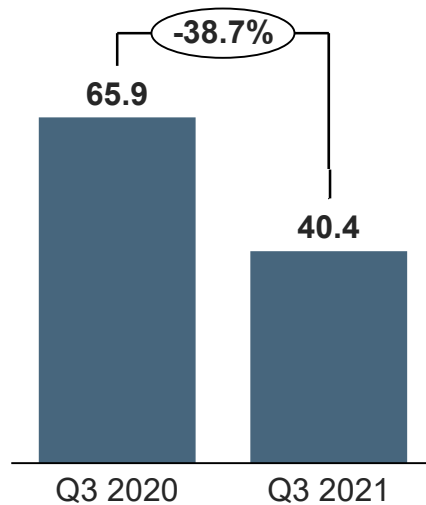
# Development of Profitability Q3 2021 (Leasing)

MARGINS REFLECT INCREASED REFINANCING COSTS

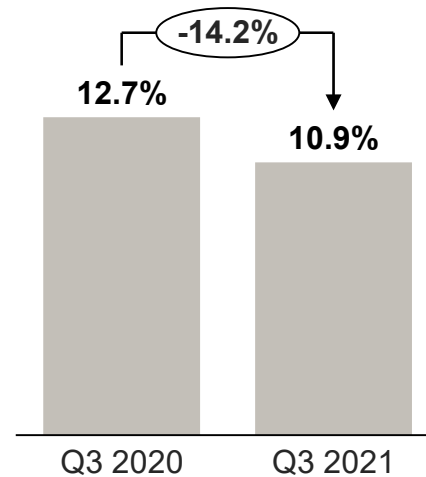
## CM1 / CM1 Margin

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

**CM1 in EUR m**



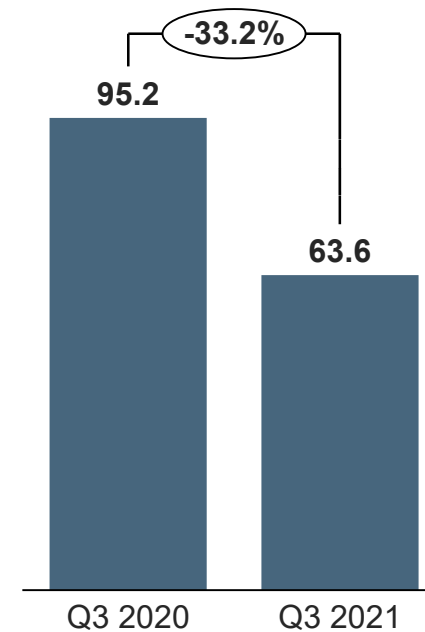
**CM1 Margin**



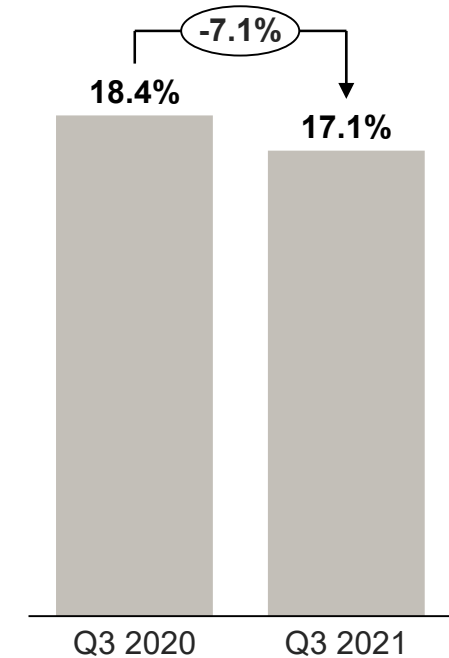
## CM2 / CM2 Margin

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**



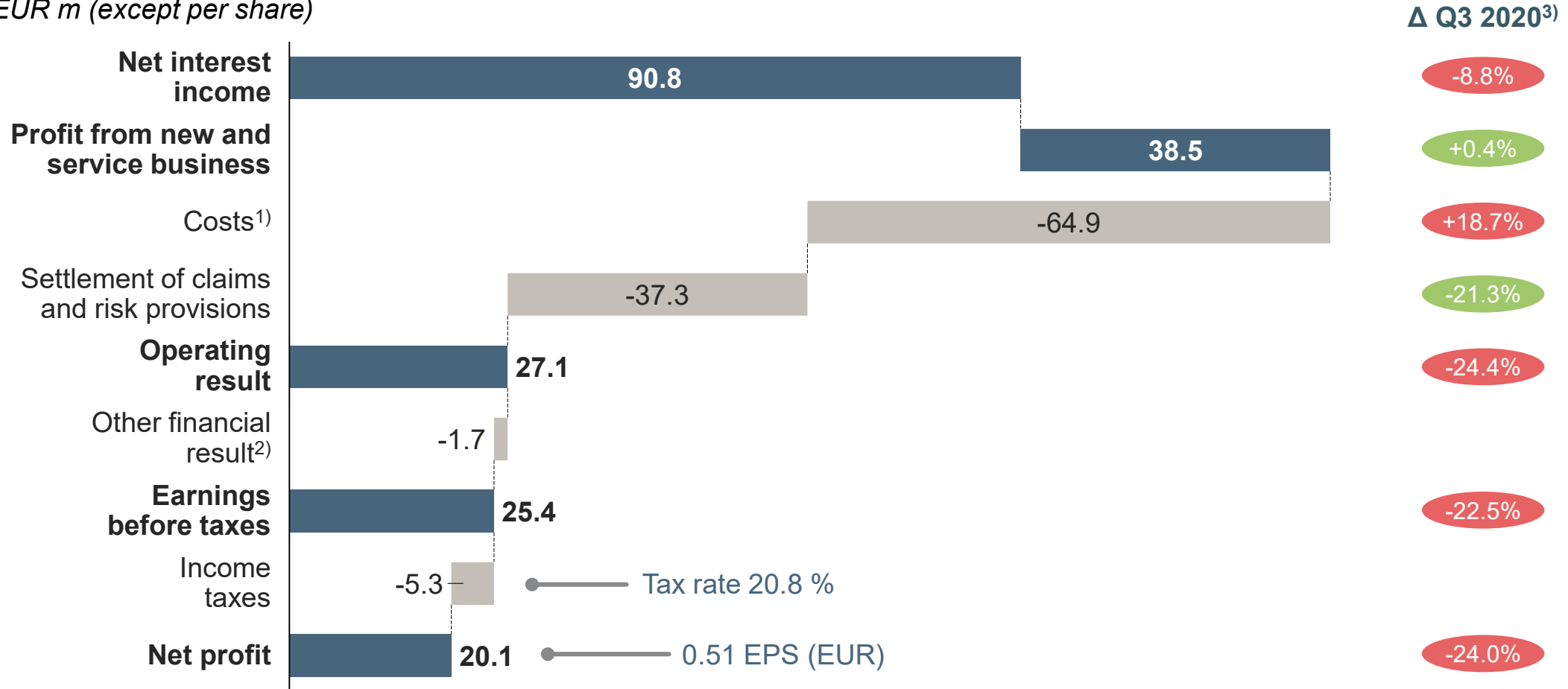
**CM2 Margin**



# Key P&L Figures Q3 2021

STRONG PORTFOLIO REFLECTED IN SOLID NET PROFIT

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

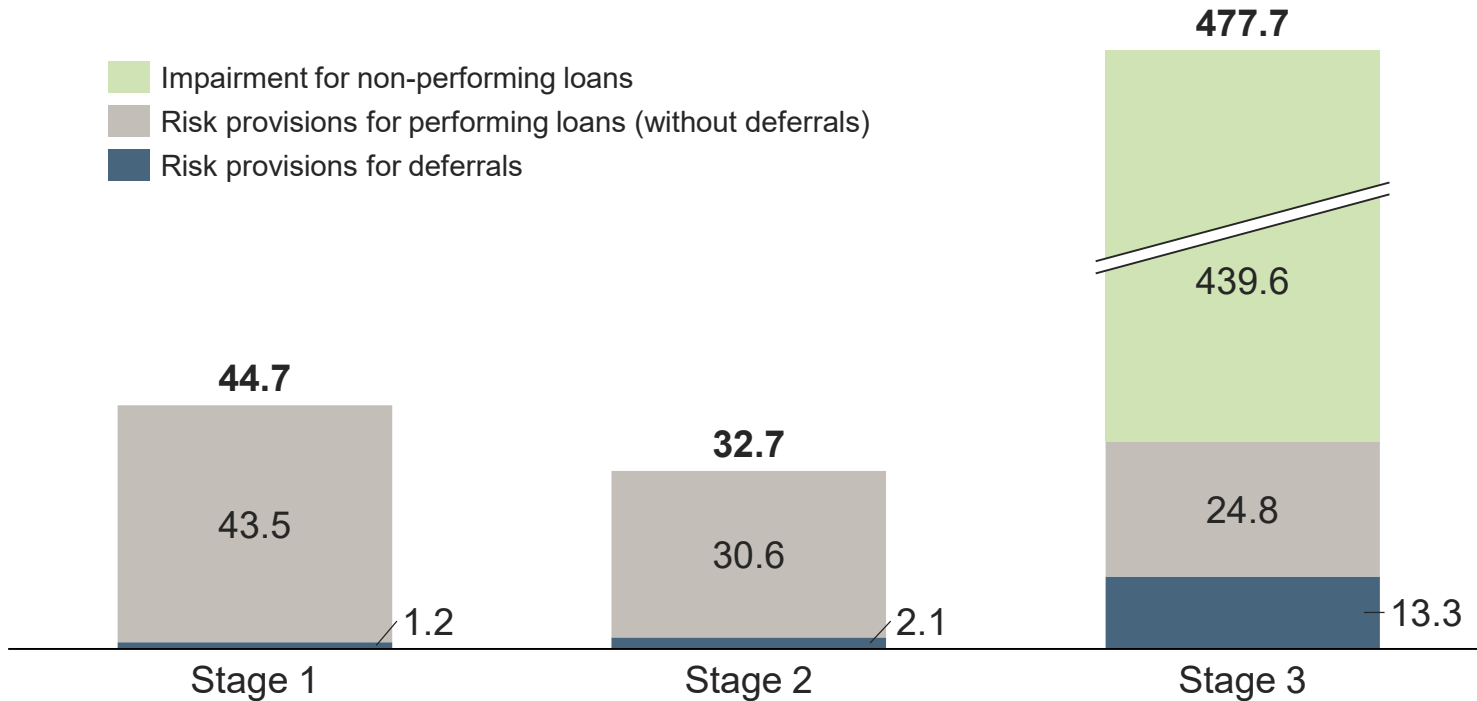


# Settlement of Claims and Risk Provisions for Lease Receivables

LOSS RATE OF 1.9% IN LINE WITH EXPECTATION

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

EUR m



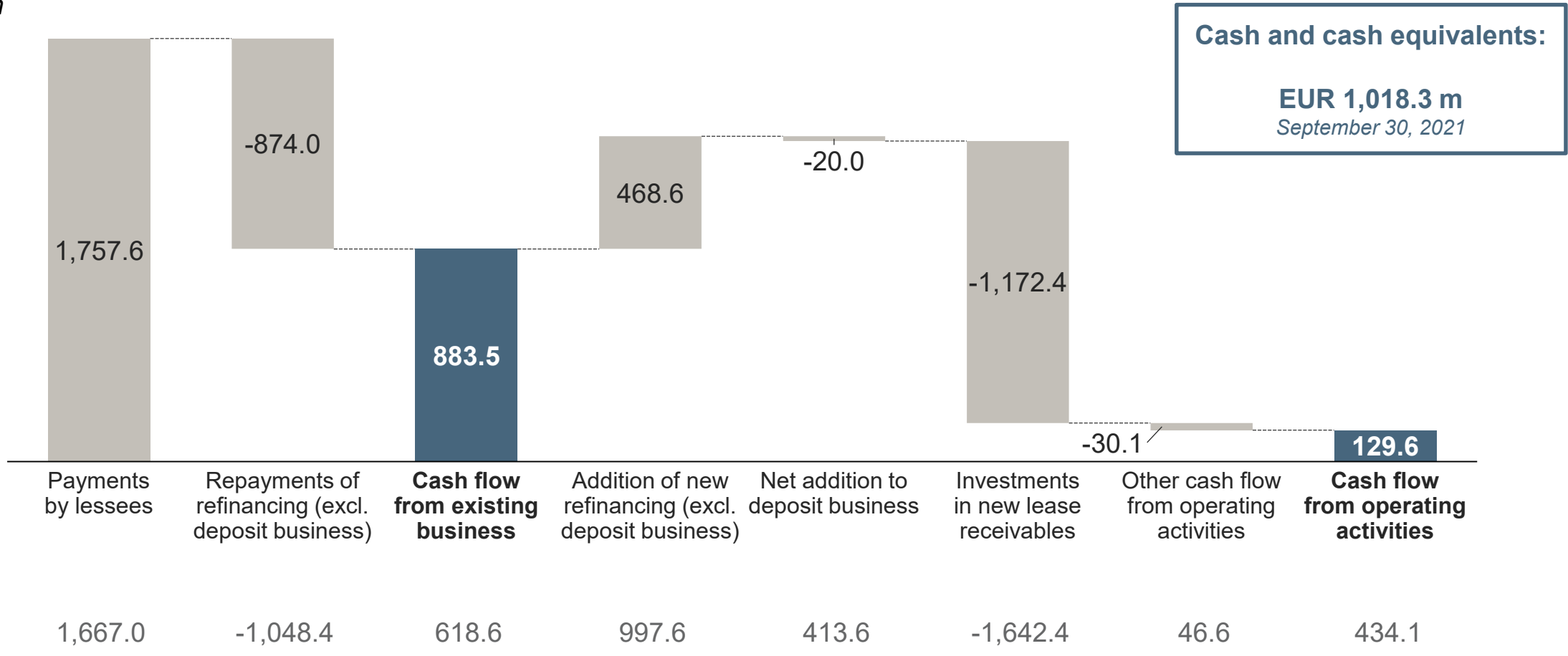
- Consolidation of franchise companies leads to EUR 24.6m increase in risk provisions (thereof stage 1: EUR 2.1m, stage 2: 0.8m, stage 3: 21.7m)
- **Germany:** Gross Lease Receivables in Germany at 93 % in the first stage of impairment, about 7 % in stages 2 and 3
- **Italy:** Major driver within impairment stages 2 and 3

Ratio covered risk provisions through gross receivables		
1.0%	8.5%	70.4%

# Cash Flow Q1 - Q3 2021

POSITIVE OPERATING CASH FLOW BASED ON CONTINUOUS REFINANCING USING MATCHING MATURITIES

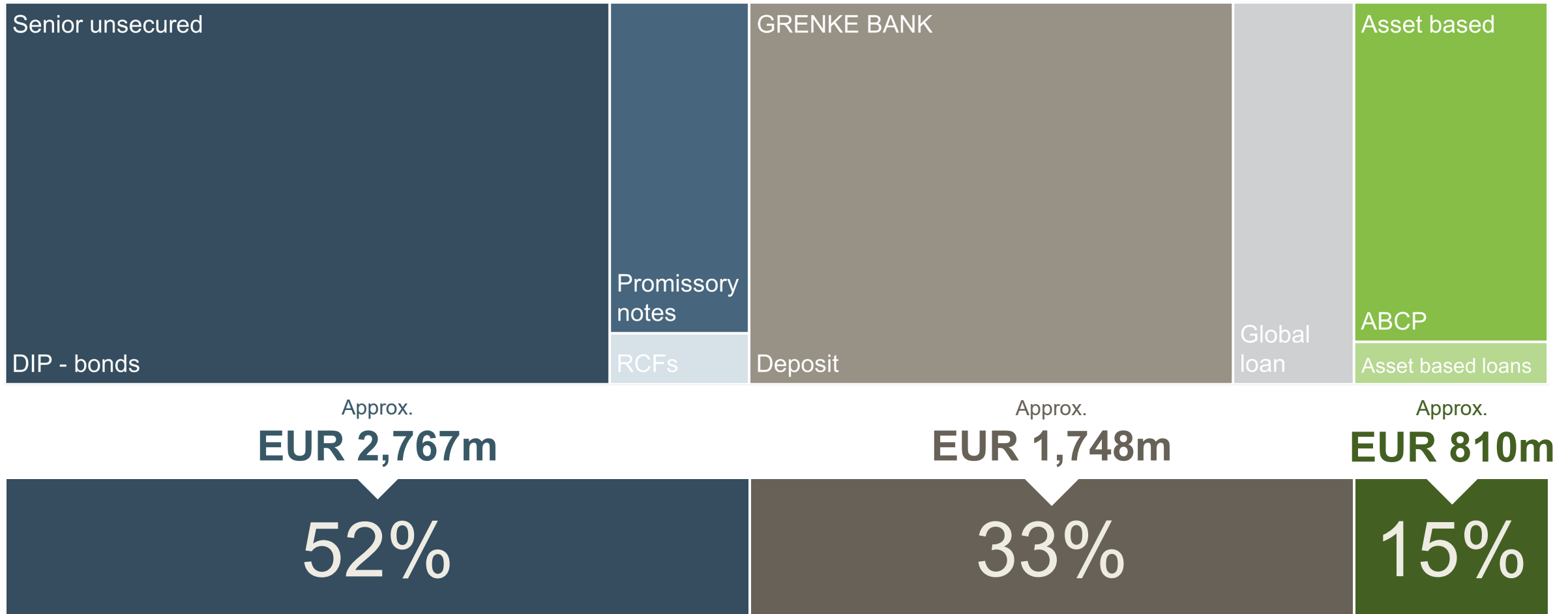
EUR m



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

# Funding Mix as of 30 September 2021

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



# Sale of viafintech GmbH stake successfully completed

RAISE OF FY 2021 NET PROFIT GUIDANCE BASED ON EXTRAORDINARY NET PROFIT OF APPROX. EUR 20M

## Signing

- // Announcement on August 22, 2021
- // Subject: Sale of minority stake of 25.01%
- // Selling parties:
  - // GRENKE BANK AG (sale of 25.01% of total stake)
  - // Glory Ltd. (sale of majority stake)
  - // viafintech founders (sale of stake)
- // Purchaser:
  - // paysafecard.com Wertkarten GmbH, Vienna (AT)  
(Acquired 100%)
- // Transaction was not yet reflected in the annual net profit guidance of EUR 60 – 80m for 2021



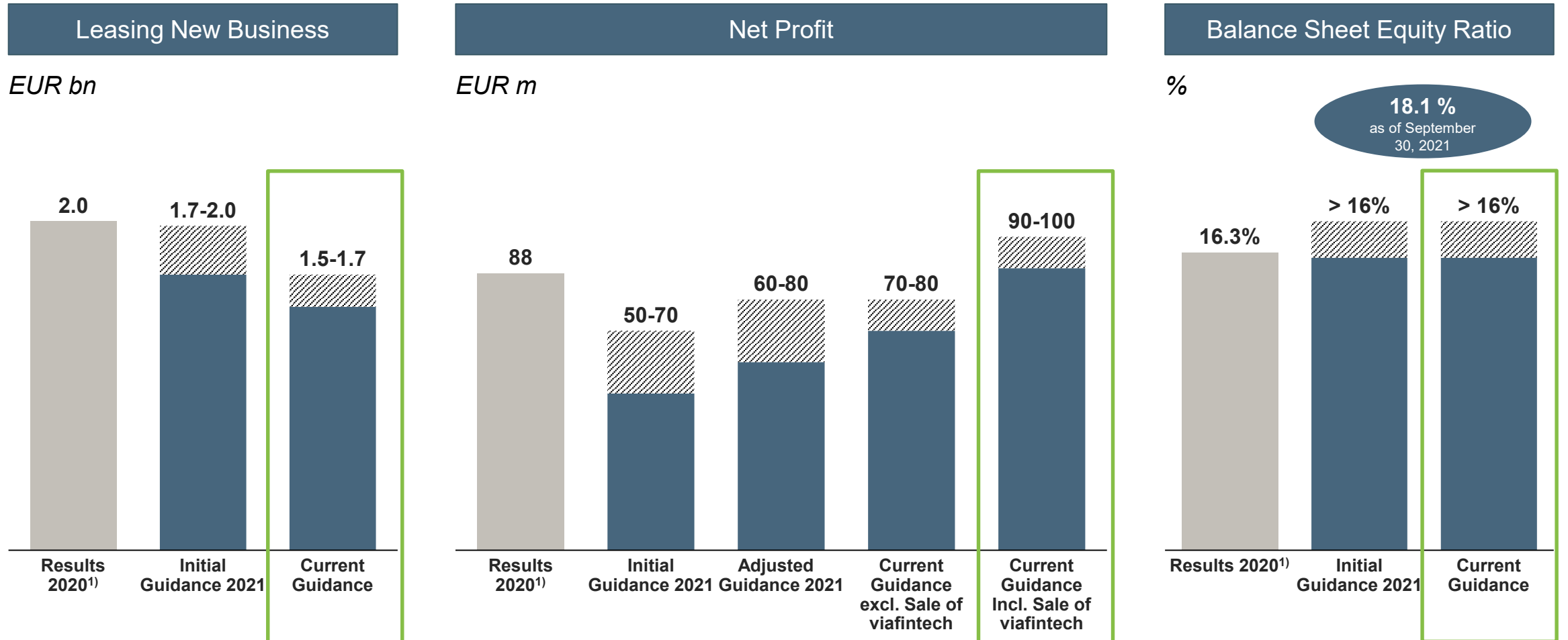
## Closing

- // Announcement on November 2, 2021 with closing of the sale of the minority stake
- // Extraordinary net profit of approximately EUR 20m, profit is realised in Q4 2021
- // Continued cooperation with GRENKE BANK AG as main payment processor fixed by collaboration agreement



# Current Guidance 2021

NARROWED NET PROFIT GUIDANCE, REFLECTS EXTRAORDINARY PROFIT FROM SELLING VIAFINTECH STAKE



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

# Financial Calendar 2022

- **January 4, 2022**  
New business figures  
Q4 2021
- **March 17, 2022**  
Annual Report 2021
- **April 5, 2022**  
New business figures  
Q1 2022
- **May 12, 2022**  
Quarterly Statement  
Q1 2022
- **May 25, 2022**  
Annual General Meeting
- **July 5, 2022**  
New business figures  
Q2 2022
- **August 11, 2022**  
Financial report  
Q2 and Q1-Q2 2022
- **October 5, 2022**  
New business figures  
Q3 2022
- **November 10, 2022**  
Quarterly statement  
Q3 and Q1-Q3 2022





# Q & A Session

# Contact

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





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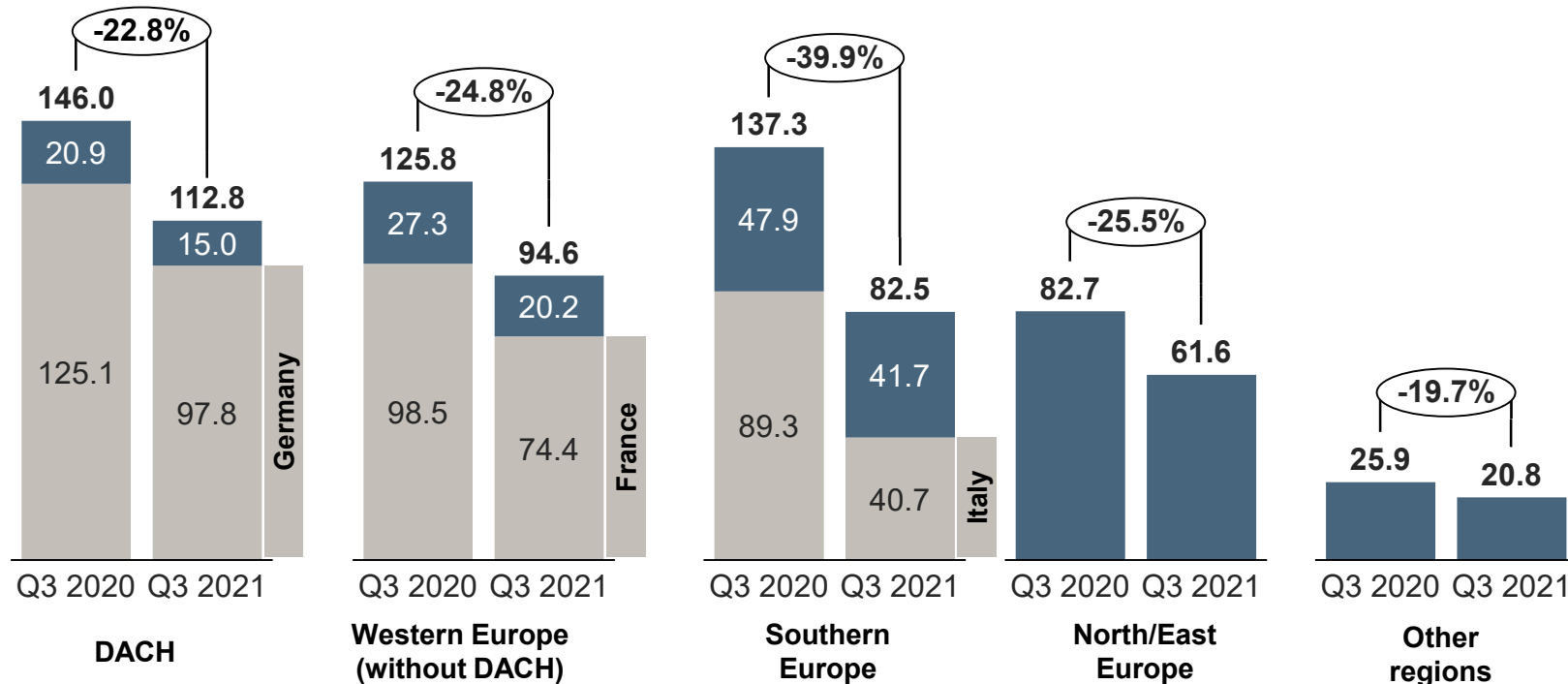
Capability  
Scalability  
SME focus  
Growth  
Diversification  
Awareness  
Digitalisation



# Q3 2021: Leasing New Business by Regions

REGIONAL PERFORMANCE SHAPED BY TIMING OF RECOVERY FROM PANDEMIC IN RESPECTIVE REGIONS

Leasing New Business Core Markets, *in EUR m*



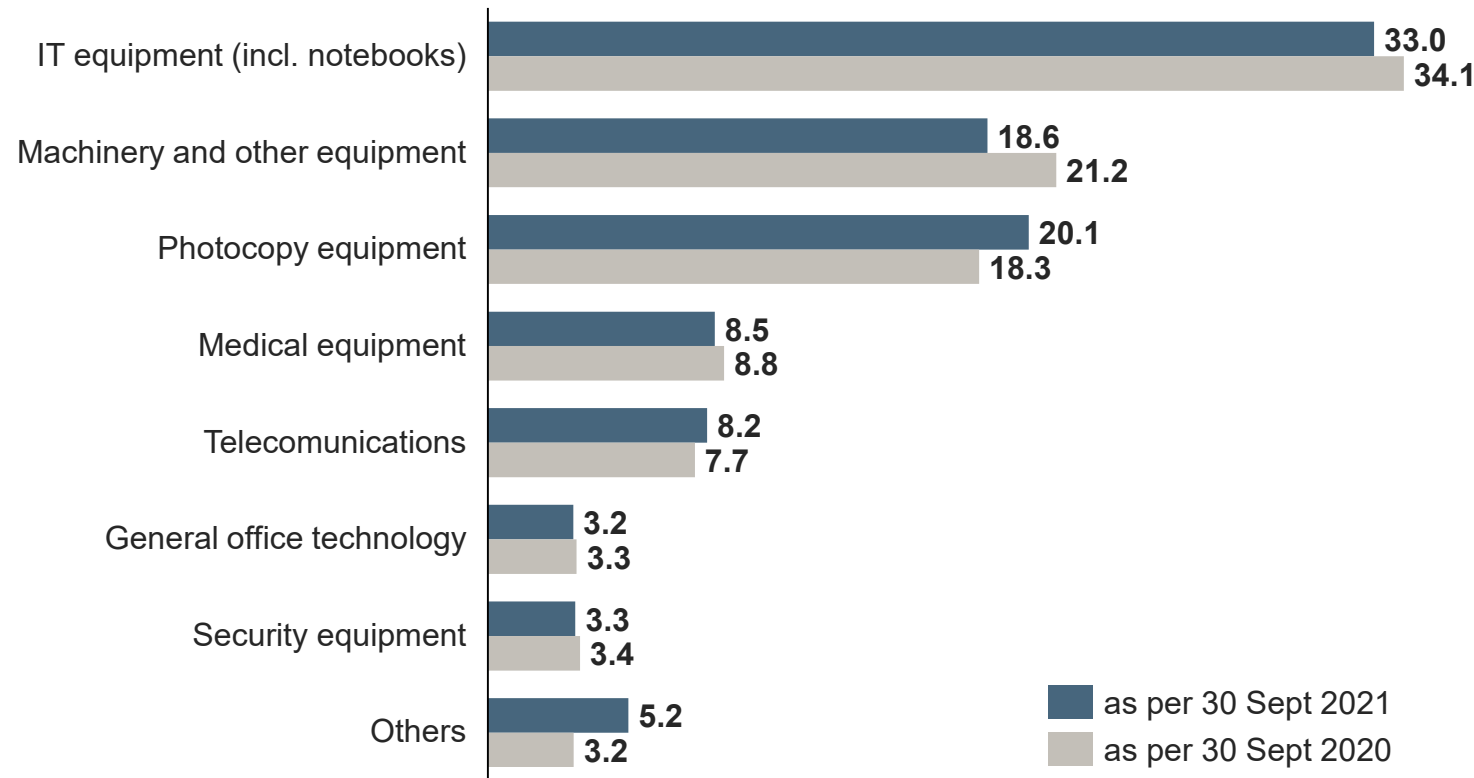
**Total Leasing New Business:**  
-28.1%

- Thereof:**
- Germany: -21.8%
  - France: -24.5%
  - Italy: -54.4%

# 9M 2021: Leasing Object Categories

PHOTOCOPY EQUIPMENT STRONGER – SHARE OF MACHINERY AND IT EQUIPMENT SOFTER

Object Portfolio in % of NAV



## KEY FIGURES

### Current contracts per end of period:

- 988,651 (vs 993,823)

### Average duration:

- 48 months (stable vs 9M 2020)

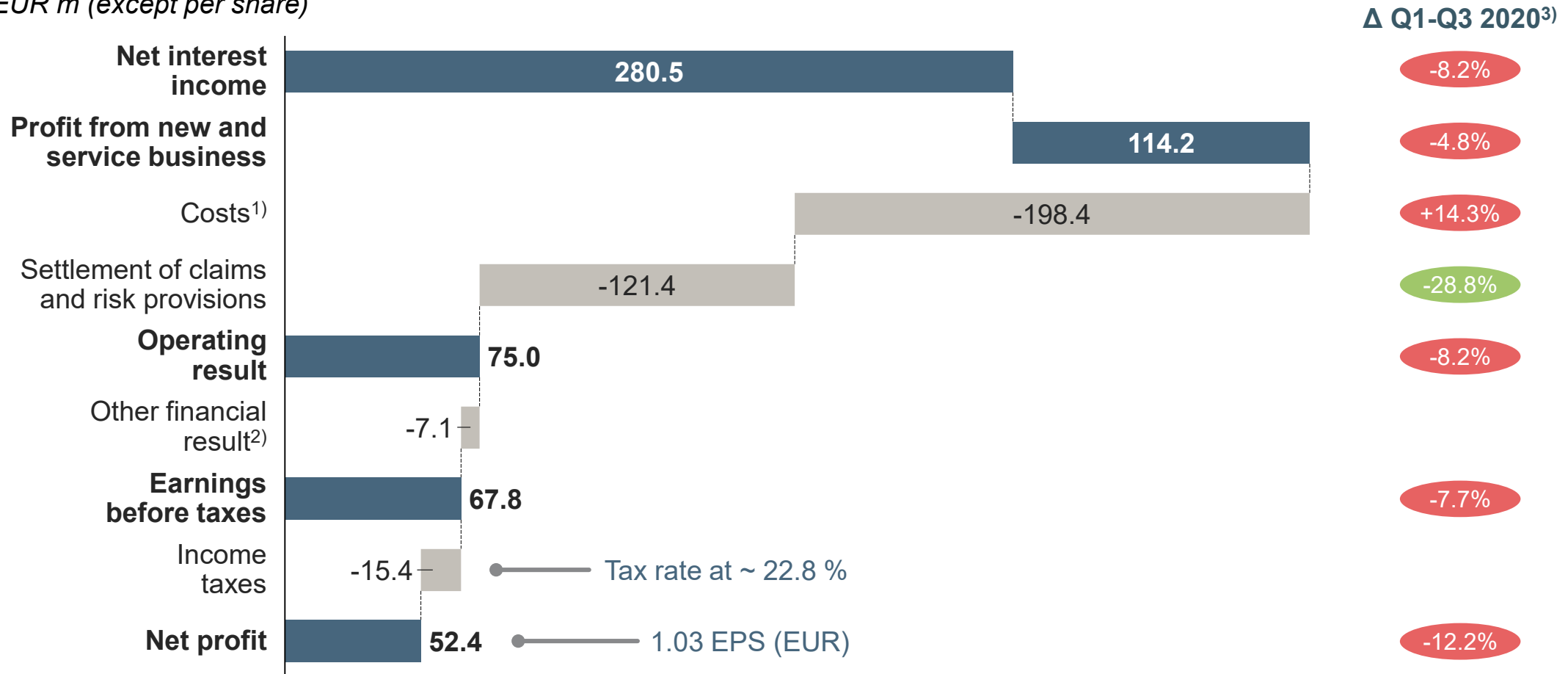
### Average ticket size:

- 7,380 EUR (vs 8,413 EUR in 9M 2020)

# Key P&L Figures Q1-Q3 2021

COST-INCOME-RATIO AT 51.1%

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

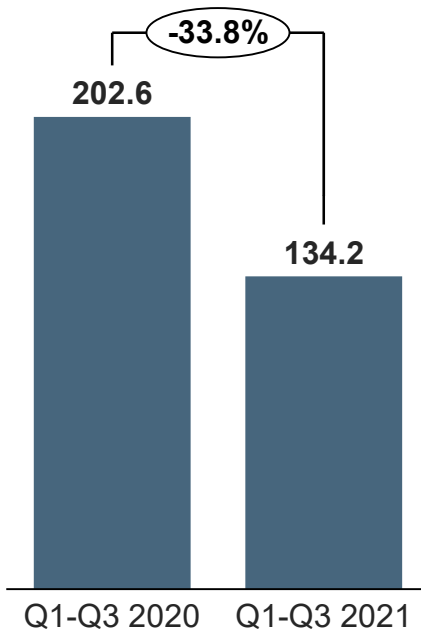
# Development of Profitability Q1-Q3 2021

## GRENKE GROUP LEASING

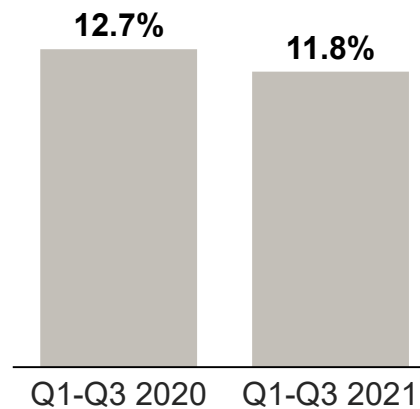
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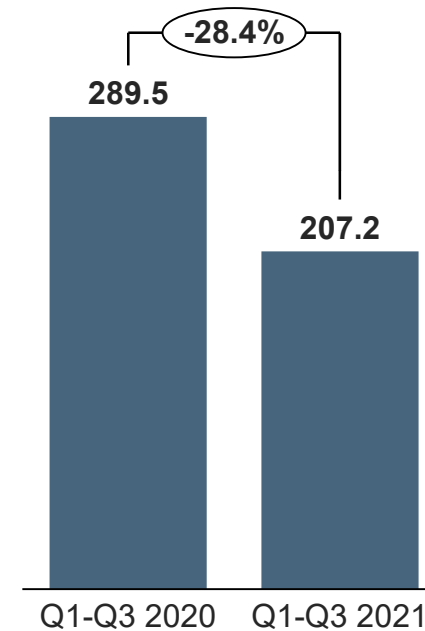
**CM1 Margin**



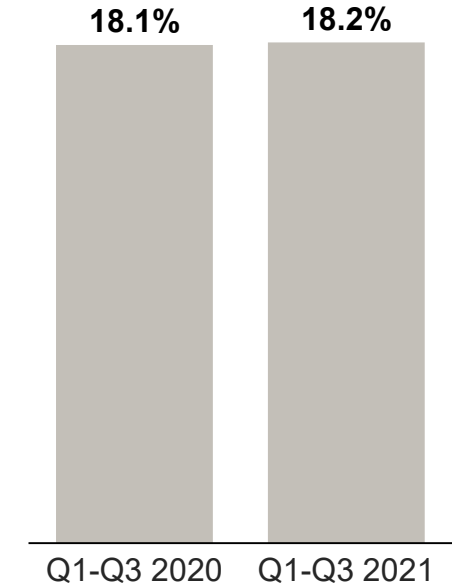
### CM2 / CM2 Margin

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**CM2 in EUR m**



**CM2 Margin**



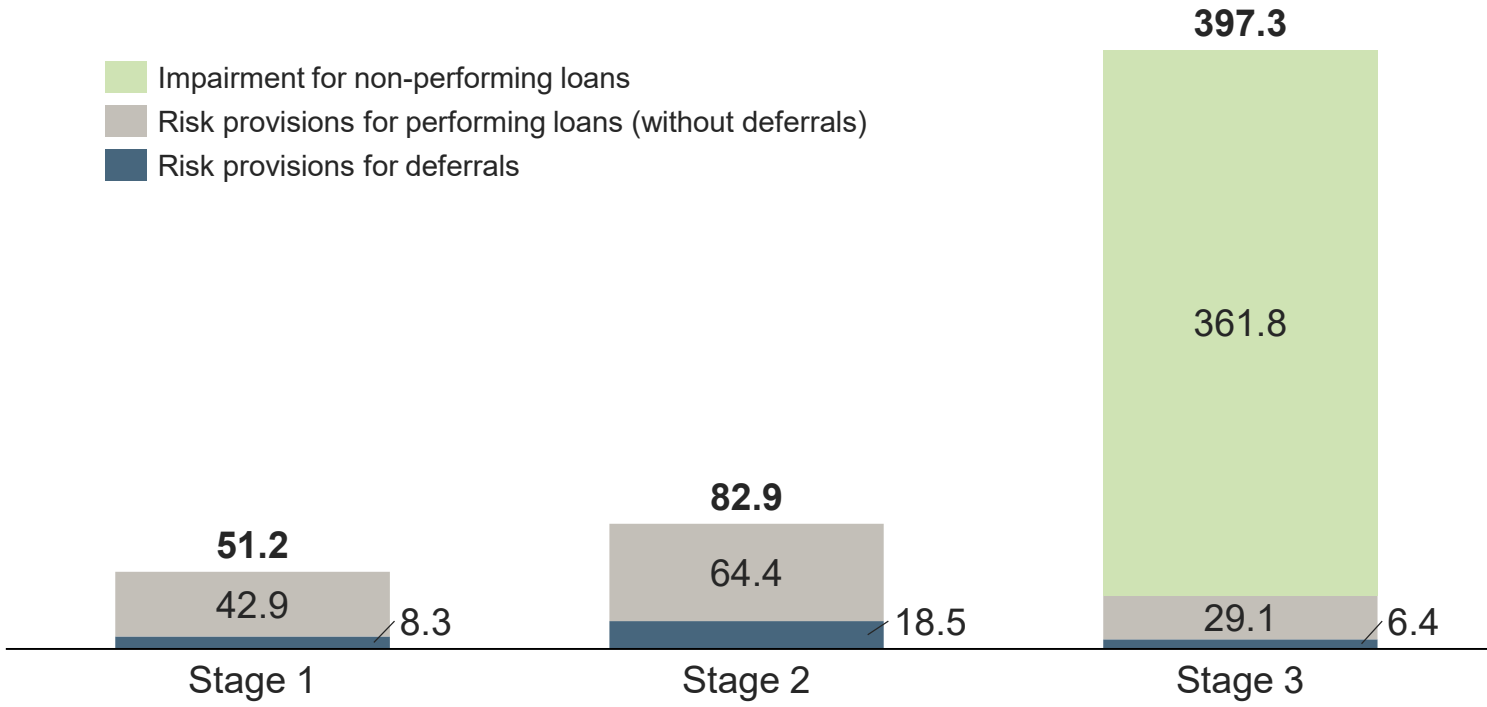
# Q1: Settlement of Claims and Risk Provisions for Lease Receivables

LOSS RATE OF 2.0% IN LINE WITH EXPECTATION

Risk Provisions on Balance Sheet by Stage of Impairment as of March 31, 2021

EUR m

- Impairment for non-performing loans
- Risk provisions for performing loans (without deferrals)
- Risk provisions for deferrals



- Consolidation of franchise companies leads to EUR 21.9m increase in risk provisions (thereof stage 1: EUR 2.0m, stage 2: 1.2m, stage 3: 18.7m)
- **Germany:** Gross Lease Receivables in Germany at 95 % in the first stage of impairment, about 5 % in stages 2 and 3
- **Italy:** Major driver within impairment stages 2 and 3

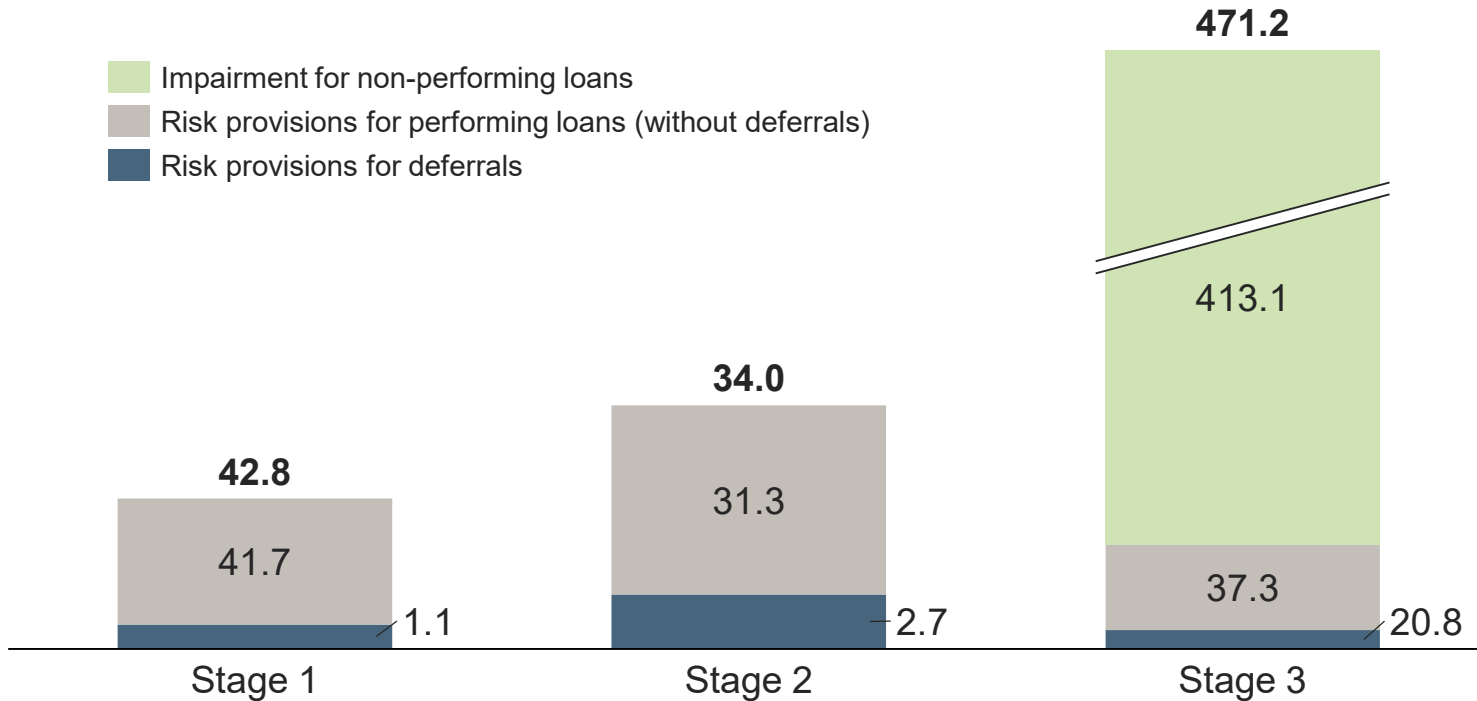
Ratio covered risk provisions through gross receivables		
1.1%	15.4%	62.1%

# Q2: 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

Ratio covered risk provisions through gross receivables		
0.9%	8.6%	63.7%