



Sixt Leasing SE

Group Quarterly Statement as of 30 September 2019

1. BUSINESS REPORT

1.1 GROUP BUSINESS PERFORMANCE

The **Group's contract portfolio** in Germany and abroad (excluding franchise and cooperation partners) amounted to 127,200 contracts as of 30 September 2019, down 2.0% from 31 December 2018 (129,700 contracts). Compared to the figure as of 30 June 2019, the Group's contract portfolio increased by 0.8%.

Consolidated revenue in the first three quarters of 2019 increased by 5.5% to EUR 633.0 million compared to the same period in the previous year (9M 2018: EUR 600.1 million). **Operating revenue**, which does not include the proceeds from vehicle sales, decreased by 2.3% to EUR 350.0 million (9M 2018: EUR 358.0 million). **Sales revenue** from the sale of leasing returns and marketing of customer vehicles in Fleet Management rose by 16.9% to EUR 283.0 million (9M 2018: EUR 242.1 million). The increase is mainly due to a considerably higher number of sold leasing returns in the Online Retail business field, particularly in the first quarter of 2019.

Earnings before interest, taxes, depreciation and amortisation (EBITDA) decreased in the first three quarters of 2019 by 5.4% to EUR 171.6 million (9M 2018: EUR 181.3 million) compared to the same period in the previous year. **Earnings before taxes (EBT)** saw a decline of 7.8% to EUR 21.5 million (9M 2018: EUR 23.4 million). The **operating return on revenue** (EBT/operating revenue) consequently amounted to 6.2% (9M 2018: 6.5%).

Key figures Sixt Leasing Group	9M	9M	Change
in EUR million	2019	2018	in %
Consolidated revenue	633.0	600.1	5.5
Thereof operating revenue	350.0	358.0	-2.3
Thereof sales revenue	283.0	242.1	16.9
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	171.6	181.3	-5.4
Earnings before taxes (EBT)	21.5	23.4	-7.8
Operating return on revenue (%)	6.2	6.5	-0.3 points

1.2 LEASING BUSINESS UNIT

In the Leasing business unit, which consists of the business fields Online Retail and Fleet Leasing, the contract portfolio totalled 83,000 contracts as at the end of the third quarter, down 5.4% from 31 December 2018 (87,700 contracts). At the same time, the contract portfolio in the Online Retail business field declined by 2.5% to 43,600 contracts (31 December 2018: 44,700 contracts). This was particularly affected by additional vehicle returns from the 1&1 campaign especially in the first quarter of 2019. The contract portfolio in the Fleet Leasing business field saw a decline of 8.4% to 39,400 contracts compared with the end of 2018 (31 December 2018: 43,000 contracts), in particular due to additional vehicle returns as a result of the drop-out of a volume customer last year.

Key figures Leasing business unit	9M	9M	Change
in EUR million	2019	2018	in %
Total revenue	555.3	524.7	5.8
Thereof leasing revenue (finance rate)	167.7	176.7	-5.1
Thereof other revenue from leasing business	142.9	141.7	0.8
Thereof sales revenue	244.8	206.3	18.6
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	168.5	177.8	-5.2
Earnings before taxes (EBT)	18.6	19.9	-6.1
Operating return on revenue (%)	6.0	6.2	-0.2 points

1.3 FLEET MANAGEMENT BUSINESS UNIT

In the Fleet Management business unit, the contract portfolio increased by 5.2% to 44,200 contracts in the first nine months of fiscal year 2019 (31 December 2018: 42,000 contracts). This figure does not yet include the contracts from the acquisition of Flottenmeister GmbH announced in October 2019.

Key figures Fleet Management business unit	9M	9M	Change
in EUR million	2019	2018	in %
Total revenue	77.7	75.4	3.0
Thereof fleet management revenue	39.4	39.6	-0.5
Thereof sales revenue	38.2	35.8	6.9
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	3.1	3.6	-14.2
Earnings before taxes (EBT)	2.9	3.5	-17.1
Operating return on revenue (%)	7.4	8.8	-1.4 points

1.4 FINANCIAL POSITION

Equity

The equity of the Sixt Leasing Group amounted to EUR 223.1 million as of 30 September 2019, an increase of EUR 6.3 million compared to 31 December 2018 (EUR 216.8 million). The equity ratio improved by 1.2 percentage points from 15.6% to 16.8% with total assets slightly down.

Liabilities

As of 30 September 2019, non-current liabilities and provisions totalled EUR 764.3 million (31 December 2018: EUR 853.6 million). The decline of EUR 89.3 million was mainly due to non-current financial liabilities decreasing by EUR 94.3 million to EUR 731.2 million (31 December 2018: EUR 825.5 million).

Current liabilities and provisions as of 30 September 2019 totalled EUR 343.3 million (31 December 2018: EUR 322.4 million). The increase of EUR 20.9 million was mainly due to current financial liabilities rising by EUR 13.9 million to EUR 214.4 million (31 December 2018: EUR 200.6 million).

1.5 INVESTMENTS

The Sixt Leasing Group added vehicles with a total value of EUR 294.6 million to its leasing fleet in the first nine months of 2019 (9M 2018: EUR 386.9 million; -23.9%). During the same period in the previous year, there were still some vehicles being delivered from the 1&1 campaign held in 2017 and therefore added to the leasing fleet.

2. EVENTS SUBSEQUENT TO THE REPORTING DATE

On 22 October 2019, the Managing Board of Sixt Leasing SE adjusted its full-year guidance for the Group's contract portfolio, consolidated operating revenue and consolidated earnings before taxes (EBT). The Managing Board now expects the Group's contract portfolio at year-end to significantly increase compared to the previous year (year-end 2018: 129,700 contracts). So far, only a slight increase of the Group's contract portfolio has been forecasted. The adjustment takes into account the agreed acquisition of all shares of Flottenmeister GmbH by Sixt Mobility Consulting GmbH, a wholly owned subsidiary of Sixt Leasing SE. Consolidated operating revenue in financial year 2019 is now expected in the range of EUR 465 million (2018: EUR 480.5 million). So far, the Managing Board has assumed the consolidated operating revenue to approximately reach the previous year's level. In terms of EBT in the financial year 2019, the Managing Board now expects a figure in the range of EUR 29 million. So far, EBT was expected to approximately reach the previous year's level (2018: EUR 30.5 million).

Beyond that, no significant events, that would affect the net assets, financial position and results of operations of the Group and the Company, have occurred after the end of the third quarter of the 2019 financial year.

3. REPORT ON OUTLOOK

According to the adjusted full-year guidance published on 22 October 2019, the Managing Board expects a significant increase of the **Group's contract portfolio** as well as **consolidated operating revenue** in the range of EUR 465 million and **EBT** in the range of EUR 29 million for the **2019 financial year**.

By the end of the **2021 financial year**, the Managing Board continues to expect an increase of the **Group's contract portfolio** to around 200,000 contracts and an increase in **consolidated operating revenue** to around EUR 650 million. **EBT** is still expected to grow to EUR 40 to 45 million.

4. FINANCIAL FIGURES FOR SIXT LEASING GROUP AS AT 30 SEPTEMBER 2019

4.1 CONSOLIDATED INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

Consolidated Income Statement in EUR thou.	9M	9M	Q3	Q3
	2019	2018	2019	2018
Revenue	632,996	600,122	205,033	205,827
Other operating income	6,053	5,927	1,437	1,366
Fleet expenses and cost of lease assets	418,933	378,006	134,880	131,703
Personnel expenses	31,322	27,211	10,007	8,527
Other operating expenses	17,181	19,491	4,933	6,672
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	171,613	181,340	56,649	60,290
Depreciation and amortisation expense	141,068	147,729	46,138	49,628
Earnings before interest and taxes (EBIT)	30,545	33,612	10,511	10,662
Net finance costs	-9,003	-10,250	-3,087	-3,117
Earnings before taxes (EBT)	21,542	23,361	7,424	7,545
Income tax expense	5,408	5,528	1,705	1,225
Consolidated profit	16,134	17,833	5,719	6,320
Of which attributable to shareholders of Sixt Leasing SE	16,134	17,833	5,719	6,320
Earnings per share – basic and diluted (in Euro)	0.78	0.87	0.28	0.31

Consolidated statement of comprehensive income in EUR thou.	9M	9M
	2019	2018
Consolidated profit	16,134	17,833
Other comprehensive income (not recognised in the income statement)	93	315
Thereof components that could be reclassified to income statement in the future		
Currency translation gains/losses	461	335
Change in derivative financial instruments designated as hedge accounting	-798	-20
Related deferred taxes	430	-
Total comprehensive income	16,227	18,148
Of which attributable to minority interests	-368	-20
Of which attributable to shareholders of Sixt Leasing SE	16,595	18,168

4.2 CONSOLIDATED BALANCE SHEET

Assets	30.09.2018	31.12.2018
in EUR thou.		
Non-current assets		
Goodwill	1,758	1,752
Intangible assets	10,839	7,766
Property and equipment	14,881	954
Lease assets	1,125,834	1,204,419
Financial assets	25	126
Other receivables and assets	1,401	1,883
Deferred tax assets	1,935	1,405
Total non-current assets	1,156,672	1,218,305
Current assets		
Inventories	42,675	50,725
Trade receivables	77,217	80,114
Receivables from related parties	7,314	3,159
Other receivables and assets	42,241	31,515
Income tax receivables	2,515	2,631
Bank balances	2,014	6,243
Total current assets	173,976	174,386
Total assets	1,330,648	1,392,691
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Equity and liabilities		
in EUR thou.		
Equity		
Subscribed capital	20,612	20,612
Capital reserves	135,045	135,045
Other reserves	68,691	61,990
Minority interests	-1,262	-893
Total equity	223,086	216,753
Non-current liabilities and provisions		
Provisions for pensions	218	199
Financial liabilities	731,197	825,512
Other liabilities	2,063	1,070
Deferred tax liabilities	30,786	26,786
Total non-current liabilities and provisions	764,265	853,568
Current liabilities and provisions		
Other provisions	4,346	3,752
Income tax liabilities	233	195
Financial liabilities	214,443	200,591
Trade payables	67,314	53,757
Liabilities to related parties	7,344	3,275
Other liabilities	49,618	60,800
Total current liabilities and provisions	343,297	322,370
Total equity and liabilities	1,330,648	1,392,691

4.3 CONSOLIDATED CASH FLOW STATEMENT

Consolidated cash flow statement	9M	9M
in EUR thou.	2019	2018
Operating activities		
Consolidated profit	16,134	17,833
Income taxes recognised in income statement	1,507	760
Income taxes paid / received (net)	-1,354	1,846
Financial result recognised in income statement ¹	8,902	10,263
Interest received	101	101
Interest paid	-9,345	-8,509
Depreciation and amortisation	141,068	147,729
Income from disposal of fixed assets	-1,045	-6,047
Other (non-)cash expenses and income	-5,358	10,522
Gross Cash flow	150.610	174.497
Proceeds from disposal of lease assets	244.790	206.323
Payments for investments in lease assets	-294.609	-386.895
Change in inventories	8.050	-3.862
Change in trade receivables	2.897	-1.253
Change in trade payables	13.558	-40.247
Change in other net assets	-19.999	48.682
Net cash flows from/used in operating activities	105.297	-2.755
Investing activities		
Payments for investments in intangible assets and equipment	-4.718	-3.273
Net cash flows used in investing activities	-4.718	-3.273
Financing activities		
Dividends paid	-9.894	-9.894
Proceeds from bonds, borrower's note loans and bank loans	3.983	355.935
Payments made for redemption of borrower's note loans and bank loans	-70.423	-78.296
Payments made for short-term financial liabilities ²	-28.499	-71.000
Payments made for redemption of financing from related parties	-	-190.000
Net cash flows used in/from financing activities	-104.832	6.745
Net change in cash and cash equivalents	-4.253	717
Effect of exchange rate changes on cash and cash equivalents	25	10
Cash and cash equivalents at 1 Jan.	6.243	5.970
Cash and cash equivalents at 30 Sep.	2.014	6.697

¹ Excluding income from investments

² Short-term borrowings with a maturity period of up to three months and quick turnover

4.4 ADDITIONAL FINANCIAL INFORMATION

Revenue

Revenue is broken down as follows:

Revenue	9M	9M	Change	Q3	Q3	Change
in EUR thou.	2019	2018	in %	2019	2018	in %
Leasing Business Unit						
Leasing revenue (finance rate)	167,658	176,697	-5.1	55,616	59,542	-6.6
Other revenue from leasing business	142,887	141,721	0.8	47,457	48,225	-1.6
Sales revenue	244,790	206,323	18.6	72,564	71,904	0.9
Total	555,335	524,740	5.8	175,637	179,670	-2.2
Fleet Management Business Unit						
Fleet management revenue	39,416	39,608	-0.5	14,394	14,167	1.6
Sales revenue	38,245	35,773	6.9	15,002	11,990	25.1
Total	77,661	75,381	3.0	29,396	26,157	12.4
Group total	632,996	600,122	5.5	205,033	205,827	-0.4

Fleet expenses and cost of lease assets

Fleet expenses and cost of lease assets are broken down as follows:

Fleet expenses and cost of lease assets	9M	9M	Change
in EUR thou.	2019	2018	in %
Selling expenses ¹	281,240	239,914	17.2
Fuel	53,595	54,840	-2.3
Repair, maintenance and reconditioning	53,007	53,955	-1.8
Insurance	5,088	6,571	-22.6
External rent expenses	4,768	4,620	3.2
Vehicle licenses	4,513	2,875	56.9
Transportation	4,177	4,222	-1.1
Taxes and dues	2,503	2,361	6.0
Radio license fees	1,214	1,246	-2.6
Vehicle return expenses	3,920	2,266	73.0
Other expenses	4,910	5,135	-4.4
Group total	418,933	378,006	10.8

¹ Includes expenses from write-downs on lease assets intended for sale

Depreciation and amortisation

Depreciation and amortisation are split up as follows:

Depreciation and amortisation	9M	9M	Change
in EUR thou.	2019	2018	in %
Lease assets	138,511	147,224	-5.9
Equipment	1,685	182	>100
Intangible assets	872	323	>100
Group total	141,068	147,729	-4.5

Other operating expenses

Other operating expenses are broken down as follows:

Other operating expenses	9M	9M	Change
in EUR thou.	2019	2018	in %
Expenses for buildings	667	1,512	-55.9
Other selling and marketing expenses	3,575	3,076	16.2
Expenses from write-downs of receivables	997	3,316	-69.9
Audit, legal, advisory costs, and investor relations expenses	2,545	2,395	6.3
Other personnel services	2,533	2,346	8.0
IT expenses	2,825	2,178	29.7
Expenses for foreign currency translation	891	1,956	-54.4
Miscellaneous expenses	3,149	2,713	16.1
Group total	17,181	19,491	-11.9

Net finance costs

Net finance costs are broken down as follows:

Net finance costs	9M	9M
in EUR thou.	2019	2018
Other interest and similar income	176	252
Other interest and similar income from related parties	10	6
Interest and similar expenses	-8,945	-6,856
Interest and similar expenses for related parties	-0	-2,866
Other net financial income/loss	-243	-786
Group total	-9,003	-10,250

Group segment reporting

The segment information for the first nine months of 2019 (compared with the first nine months of 2018) is as follows:

By Business Unit in EUR million	Leasing		Fleet Management		Reconciliation		Group	
	2019	2018	2019	2018	2019	2018	2019	2018
External revenue	555.3	524.7	77.7	75.4	-	-	633.0	600.1
Internal revenue	-0.0	-0.1	0.0	0.1	-0.0	-0.0	0.0	0.0
Total revenue	555.3	524.7	77.7	75.5	-0.0	-0.0	633.0	600.1
Fleet expenses and cost of lease assets	349.4	310.0	69.6	68.0	-0.0	-0.0	418.9	378.0
EBITDA ¹	168.5	177.8	3.1	3.6	-	-	171.6	181.3
Depreciation and amortisation expense	141.1	147.7	0.0	0.0	-	-	141.1	147.7
EBIT ²	27.5	30.0	3.1	3.6	-	-	30.5	33.6
Net finance costs	-8.9	-10.2	-0.2	-0.1	-	-	-9.0	-10.3
EBT ³	18.6	19.9	2.9	3.5	-	-	21.5	23.4

¹ Corresponds to Earnings before interest, taxes, depreciation and amortisation (EBITDA)

² Corresponds to earnings before interest and taxes (EBIT)

³ Corresponds to earnings before taxes (EBT)

Due to rounding it is possible that individual figures presented in the Group Quarterly Statement may not add up exactly to the totals shown and the nine months figures may not follow from adding up the individual quarterly figures. Furthermore, the percentage figures presented may not exactly reflect the absolute figures they relate to.

Pullach, 12 November 2019

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