



## Sixt Leasing SE

**Digitalisation drives profitable growth**

24 April 2017

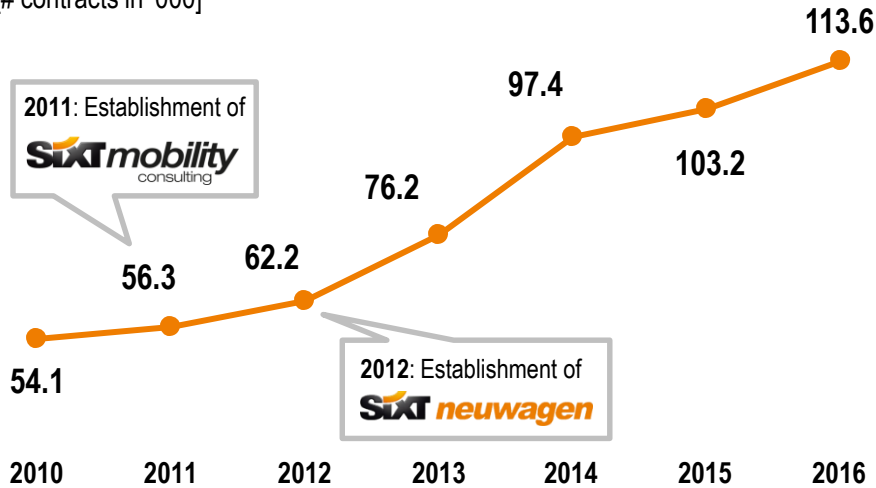
# Agenda

<b>A</b>	<b>VISION / MISSION / PROFILE</b>	<b>02</b>
<b>B</b>	<b>BUSINESS MODEL</b>	<b>08</b>
<b>C</b>	<b>MARKET POTENTIAL AND COMPETITION</b>	<b>12</b>
<b>D</b>	<b>GROWTH STRATEGY</b>	<b>16</b>
<b>E</b>	<b>FINANCIALS</b>	<b>19</b>
<b>F</b>	<b>SHARE</b>	<b>26</b>

# Sixt Leasing is on its way to become a truly digital and online company for longer-term mobility solutions

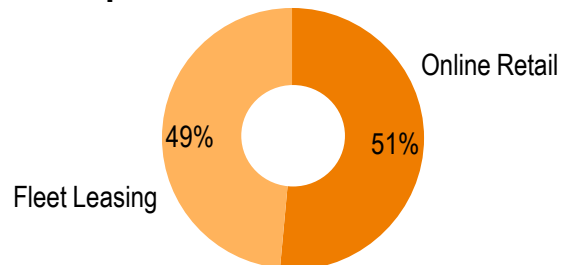
## STRONG GROWTH OF CONTRACT PORTFOLIO

[# contracts in '000]



## ONLINE BUSINESS ALREADY ON PAR

[Vehicle inflets in 2016]



## WELL DIVERSIFIED BUSINESS PORTFOLIO

100%

### SIXT neuwagen – Online Retail

- Private and commercial customers
- Classic leasing and Vario-financing + services
- One-stop-online-shop with ~30 brands at choice

24%

### SIXT mobility consulting – Fleet Management

- Mid-sized and large corporates
- Fleet management and consulting
- Optimisation of total cost of ownership

34%

### SIXT leasing – Fleet Leasing

- Mid-sized and large corporates
- Full-service leasing
- Optimisation of total cost of ownership

42%

Portfolio 2016

# The market for new vehicles and longer-term mobility in Germany and Europe is only at the beginning of its digital transformation

## VISION

We will become the **leading platform** for new vehicle sales and individual longer-term mobility.

## MISSION

We will revolutionise the way how new vehicles are sold and used by innovations in products, channels and operations **for the best customer experience.**



# Our new ground-breaking product innovation: the 'Flat Rate for the Road'

**T&T**

## Ihr neuer Peugeot 208

- ✓ Inkl. Steuern
- ✓ Inkl. Versicherungen
- ✓ Inkl. Top-Extras

**99,99** <sup>\*</sup>  
€/Monat

[Details zum Leasing](#) ▶

### Keine versteckten Kosten!

- ✓ Keine Anzahlung
- ✓ Keine Kosten bei Rückgabe
- ✓ Überführung inkl.

In Kooperation mit

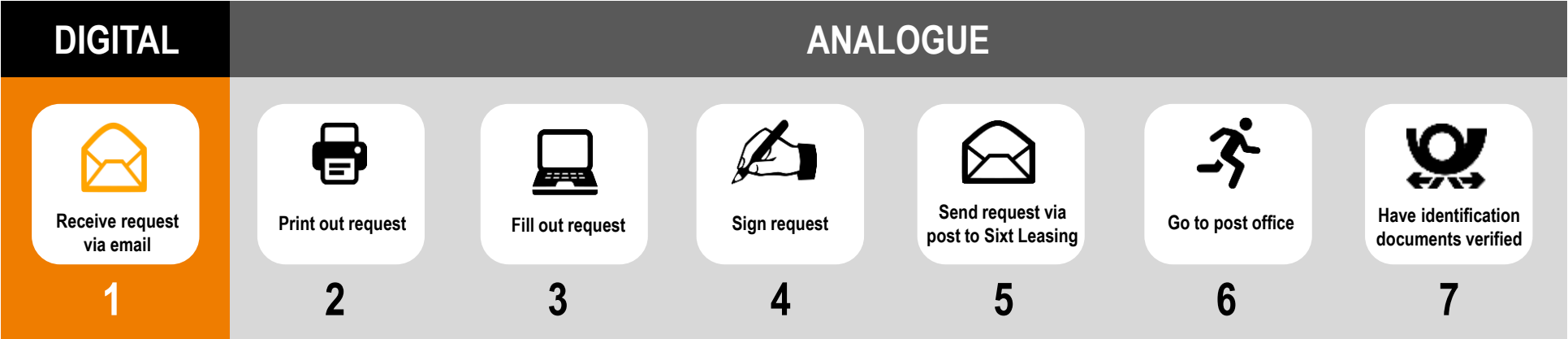
**SIXT** *neuwagen*

[Zum Angebot](#) ▶

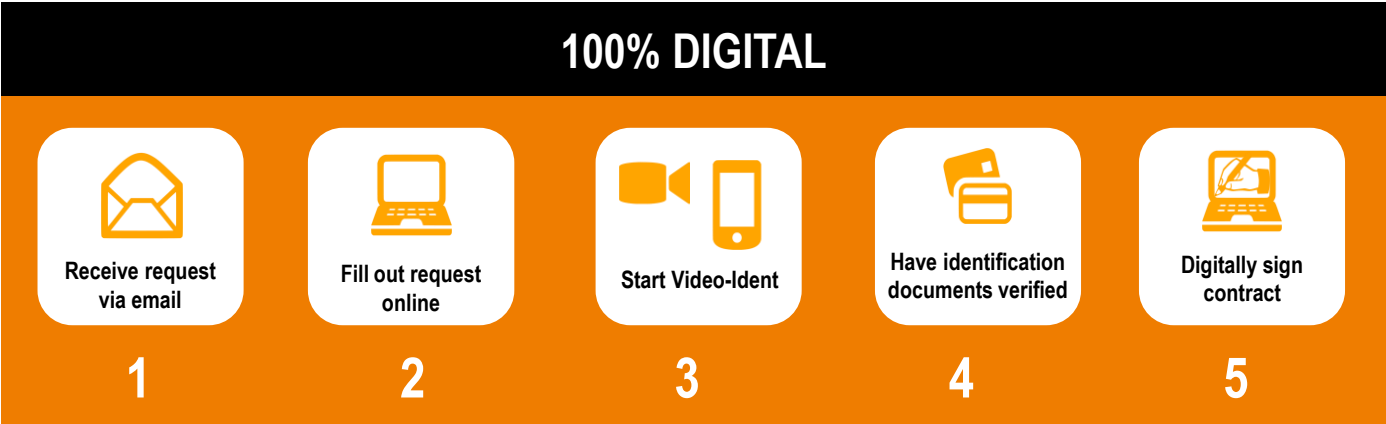
**SIXT** *leasing*

# Our brand new fully digital ordering process for B2C customers

## ORDERING PROCESS SO FAR



## NEW ORDERING PROCESS



## 2016 – Another record year for Sixt Leasing

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<b>Group contract portfolio</b>	113,600	+10.1%	✓
<b>Online Retail contract portfolio</b>	27,400	+29.9%	✓
<b>Consolidated revenue</b>	713.9 m	+7.3%	✓
<b>Operating return on revenue</b>	7.3%	+0.3 pp	✓
<b>EBT</b>	31.6 m	+4.3%	✓
<b>Equity ratio</b>	16.6%	+0.6 pp	✓
<b>Dividend per share</b>	0.48 Euro	+20%	✓

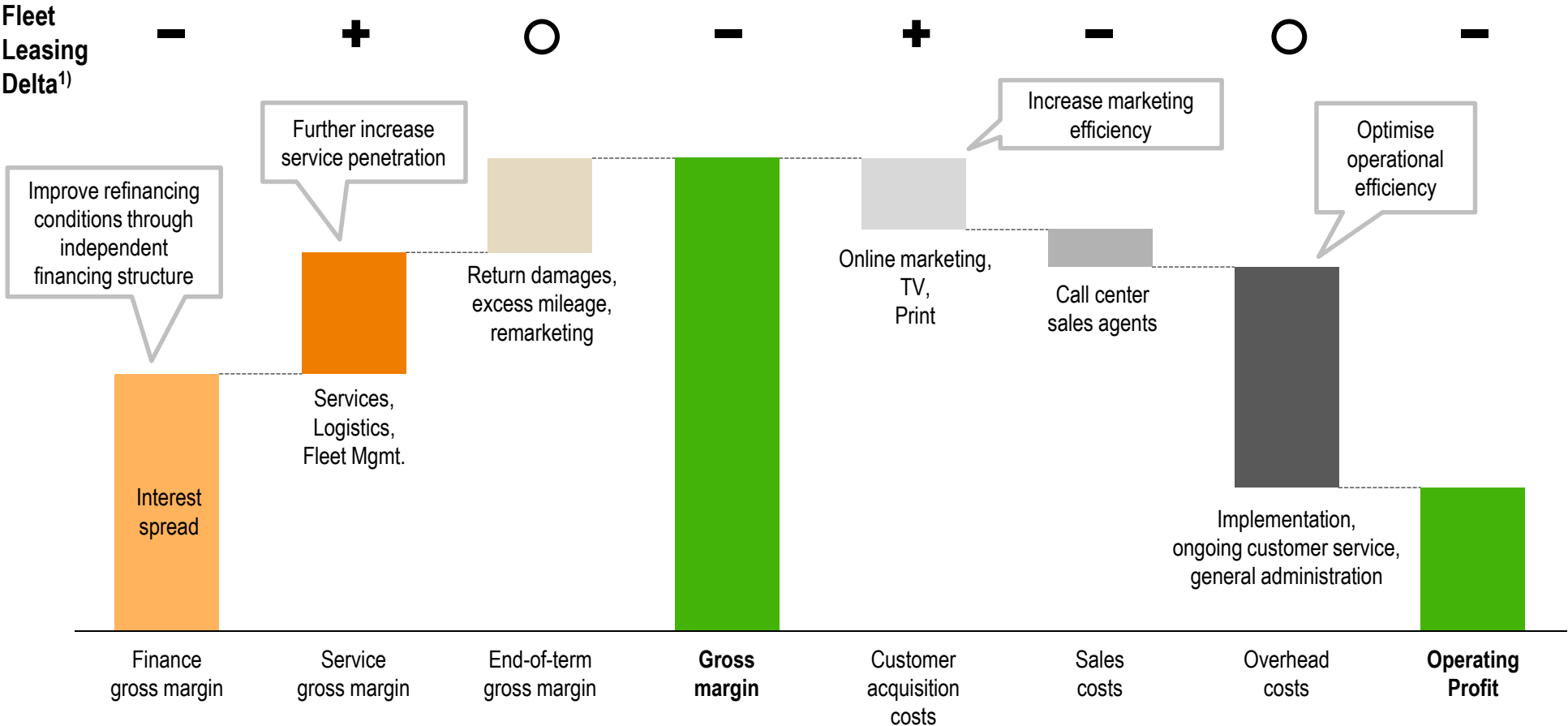
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# There are several margin and cost components that drive the economics of a full-service leasing contract over the lease term

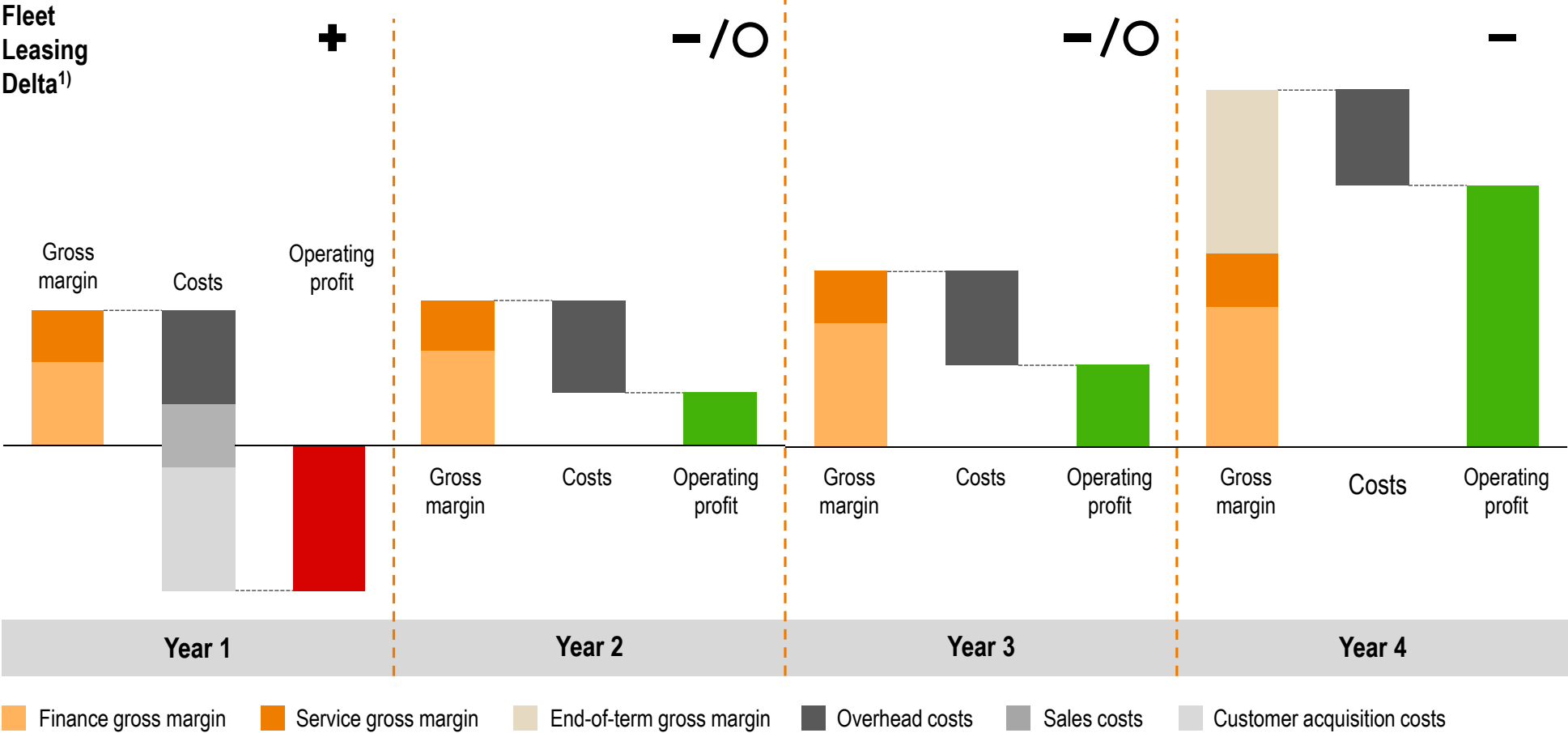
## Schematic representation of an Online Retail contract



1) '+' = comparatively higher margins and lower costs, respectively, for a Fleet leasing contract; '-' = comparatively lower margins and higher costs, respectively for a Fleet Leasing contract; 'o' = approx. same margin and cost relations, respectively, for a Fleet Leasing contract.

# The profitability of a full-service leasing contract typically increases over time

Schematic representation of an Online Retail contract



1) '+' = comparatively higher margins and lower costs, respectively, for a Fleet leasing contract; '-' = comparatively lower margins and higher costs, respectively for a Fleet Leasing contract; 'o' = approx. same margin and cost relations, respectively, for a Fleet Leasing contract.

# Besides the improvement of our refinancing costs we are working on four main operational levers to further improve profitability

## CUSTOMER ACQUISITION COSTS

- Balance between branding and performance marketing
- Improvement of organic traffic

## CUSTOMER RETENTION RATE

Fleet Leasing	>90%
Online Retail	~50%

## SALES COSTS

- Automation of the sales process
  - Conversion
  - Productivity

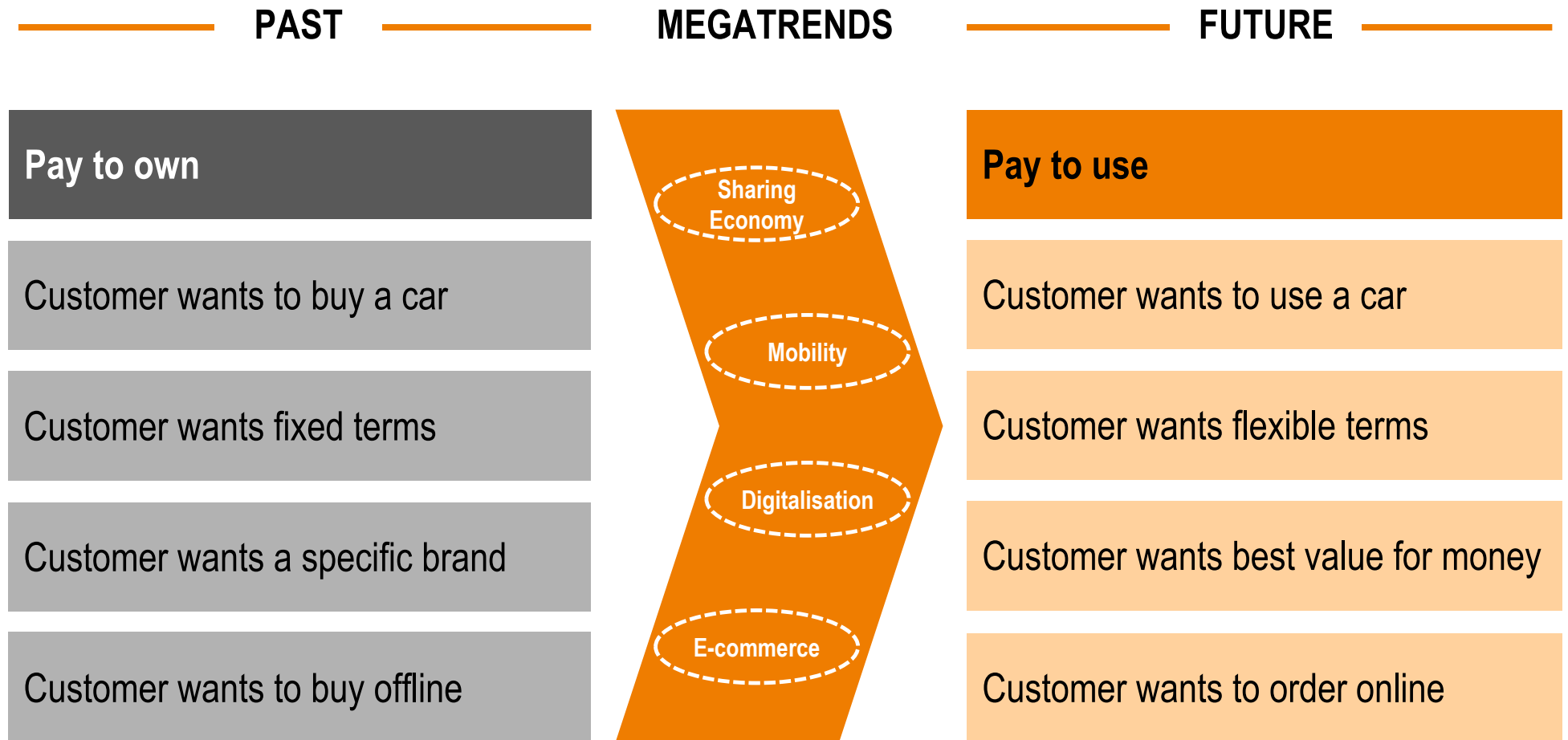
## SERVICE PENETRATION

Fleet Leasing	~85%
Online Retail	>40%

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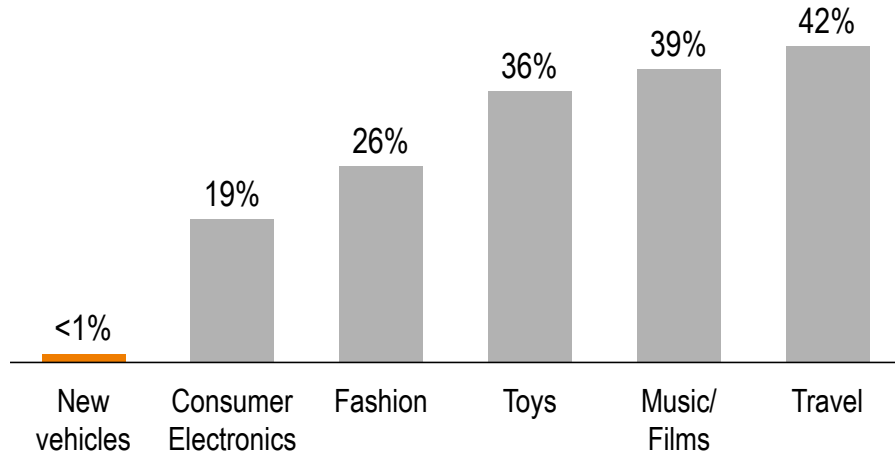
# Changing customer needs and new sales channels will reshape the new vehicles market for longer-term mobility substantially



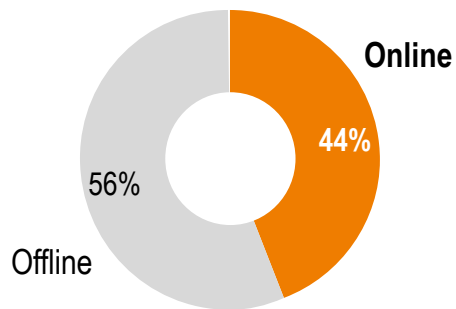


# The new vehicles market is one of the last markets to be disrupted by the internet and digitalisation

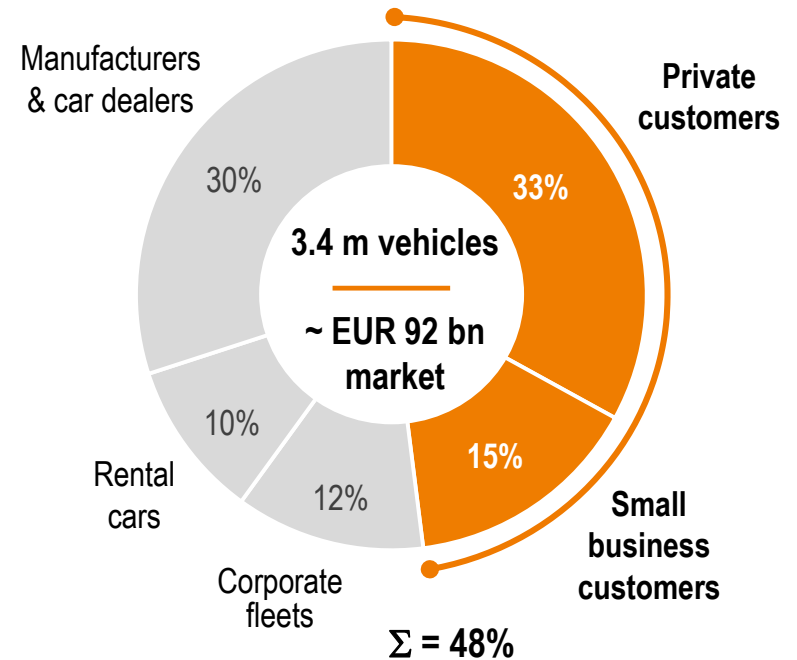
## ONLINE SALES IN % OF TOTAL RETAIL SALES<sup>1)</sup>



## PREFERRED SALES CHANNEL OF NEW CAR BUYER<sup>2)</sup>



## NEW VEHICLE REGISTRATIONS 2015 IN GER<sup>3)</sup>



~ EUR 44 bn target market size

1) Source: Statista.com, company information

2) Source: Roland Berger, Online Sales of New Cars Study, 2016

3) Source: Dataforce 2016, Statista.com

# Sixt Leasing is well-positioned against existing and potential competitors to tap this huge market potential

	<b>Sixt leasing</b>	OEMs/ Captives	Non- Captives	Online vehicle platforms	International e- commerce players
Full-service vehicle offering	✓	✓	✓	✗	✗
Dealer and garage network	✓	✓	✓	✓	✗
Leasing competence	✓	✓	✓	✗	✗
OEM independency	✓	✗	✓	✓	✓
Retail platform / brand	✓	✓	✗	✓	✓
E-commerce capabilities	✓	✗	✗	✓	✓
Direct online sales	✓	✗	✗	✗	✓

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# Sixt Leasing is fully prepared to lever on favourable market environment and to enter the next growth phase

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## 1967-2011

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- Focus on **B2B business**
- Development to **one of the leading independent full-service vehicle leasing providers** in Germany
- Development of **innovative online-based tools** to support fleet management processes

## 2011-2016

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- Establishment of **Sixt Mobility Consulting** business in 2011 (CAGR 2012-2016: 53%)
- Establishment of **B2C platform sixt-neuwagen.de** in 2012 (CAGR 2012-2016: 43%)
- New business fields become **profitable almost from scratch**
- Development to **market leader in online sales of new vehicles**

## 2017+

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- **Revolutionising the way how new vehicles are sold and used** by innovations in (1) products, (2) channels and (3) operations for the **best customer experience**
- Becoming the **leading platform for new vehicle sales and individual longer-term mobility**
- Developing into a **truly digital and online company**

# Our growth strategy is based on innovations in products, channels and operations for the best customer experience

The three pillars of our growth strategy – First initiatives already started

## PRODUCTS

Flate rate for the road



Flexi-Lease



## SALES CHANNELS

Marketing campaigns and sales cooperations



Acquisitions



## OPERATIONAL EFFICIENCY

Video Ident



eSign





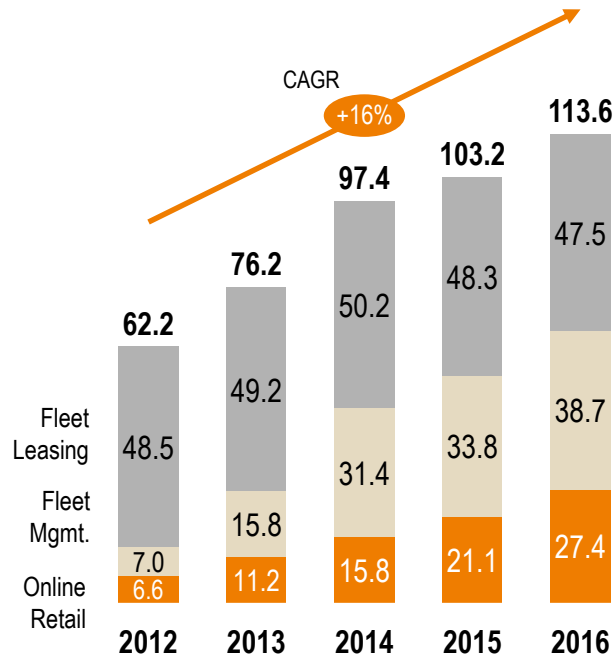
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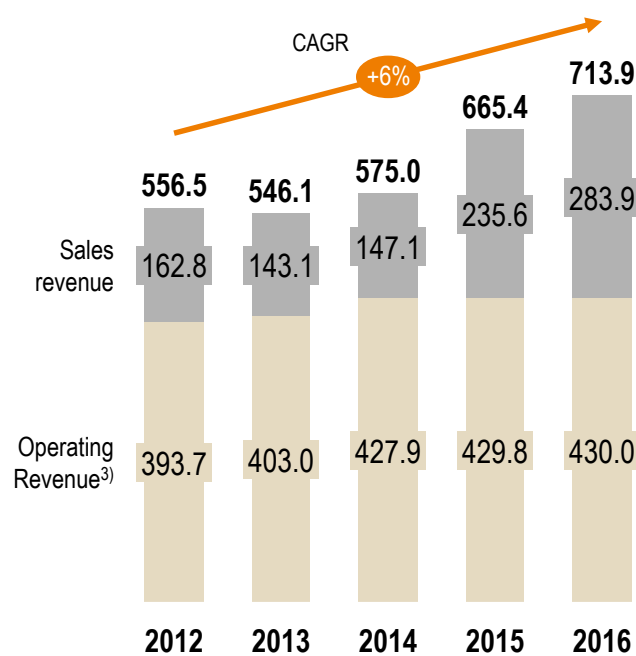
# Sixt Leasing has successfully continued on the sustainable and profitable growth path in 2016

Sixt Leasing Group – Key performance indicators 2012-2016<sup>1)</sup>

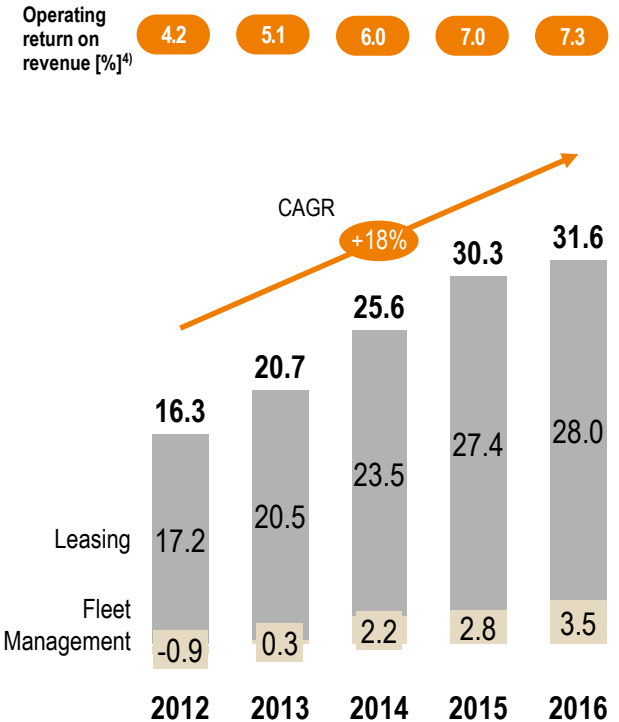
## CONTRACTS ['000]<sup>2)</sup>



## REVENUE [EUR m]



## EBT PER SEGMENT [EUR m]



1) 2012-2014: Figures derived from combined financial statements

2) Including leasing contracts, fleet management contracts, service contracts and order book (contracts for which the leased vehicle has not yet been delivered to the customer)

3) The sum of leasing revenue (i.e. the finance rate, being the financing portion, consisting of interest and depreciation, of the agreed lease instalment) and other revenue from leasing business of the Leasing business unit as well as fleet management revenue from the Fleet Management business unit

4) The ratio of earnings before taxes (EBT) to operating revenue

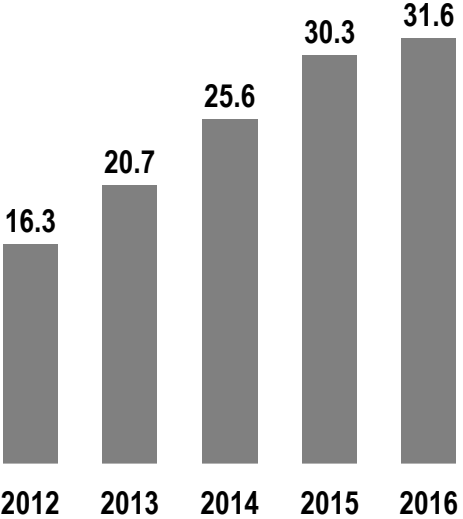
# Both business units contribute to the continued growth of the Group's EBT and return on operating revenue

EBT Development of Sixt Leasing Group and business units 2012-2016<sup>1)</sup>

## GROUP [EUR m]

Operating return on revenue [%]<sup>2)</sup>

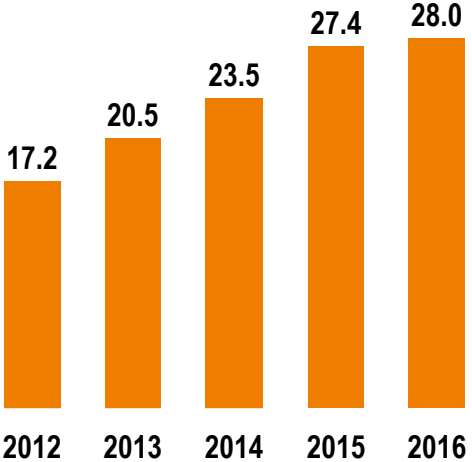
2012	2013	2014	2015	2016
4.2	5.1	6.0	7.0	7.3



## LEASING [EUR m]

Operating return on revenue [%]<sup>2)</sup>

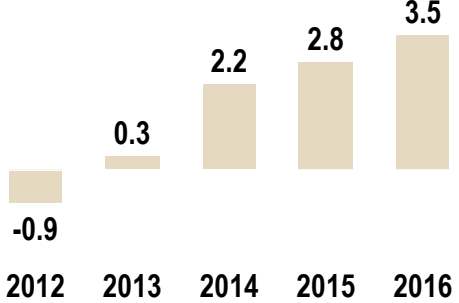
2012	2013	2014	2015	2016
4.4	5.4	6.1	6.9	7.1



## FLEET MANAGEMENT [EUR m]

Operating return on revenue [%]<sup>4)</sup>

2012	2013	2014	2015	2016
-6.2	1.2	5.3	8.7	9.4



1) 2012-2014: Figures derived from combined financial statements  
 2) Ratio EBT to operating revenue

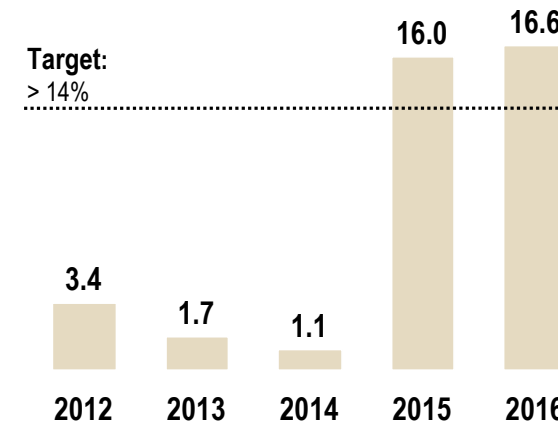
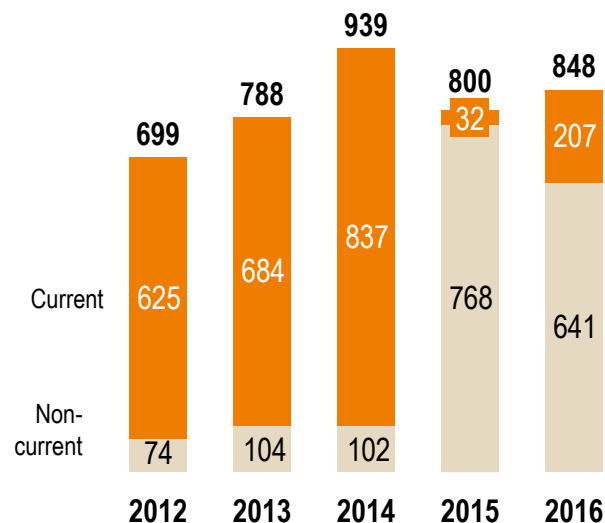
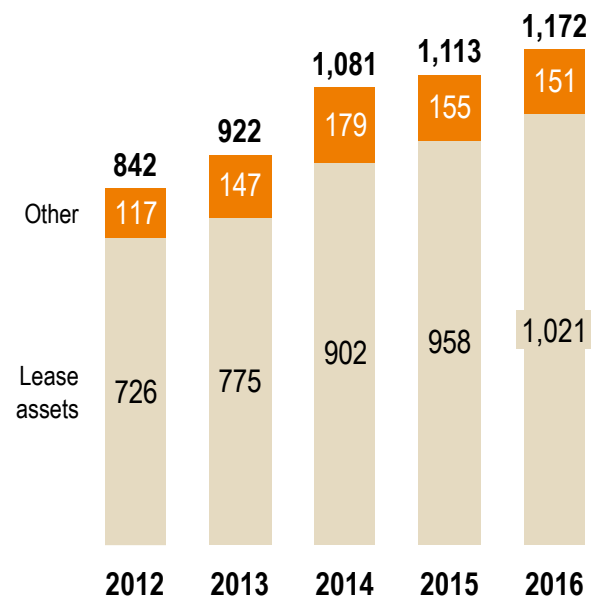
# Lease assets exceed EUR 1 bn for the first time – Equity ratio well above minimum target of 14%

Sixt Leasing Group – Development of key balance sheet figures 2012-2016<sup>1)</sup>

## TOTAL ASSETS [EUR m]

## FINANCIAL LIABILITIES [EUR m]<sup>2)</sup>

## EQUITY RATIO [%]



1) 2012-2014: Figures derived from combined financial statements

2) Including liabilities to related parties

# Building-up a stand-alone financing structure well on track – First interest savings already achieved and expected to intensify

## Sixt Leasing Group – Financing strategy and outlook



### GROUP FINANCING STRATEGY

- Set up self-dependent, diversified financing structure
- Replace existing intercompany financing
- Preserve balanced growth and equity ratio of at least 14%
- Dividend pay-out ratio of 30-60% of consolidated profit

### ACHIEVEMENTS SINCE IPO

- ✓ € 500 m ABS programme launched
- ✓ € 350 m Bilateral credit lines negotiated
- ✓ € 250 m Corporate bond issued
- ✓ € 30 m Borrower's note loan placed
- ✓ € 260 m of Core Loan redeemed

### OUTLOOK

- ➔ € 300 m of Core Loan to be redeemed in 2017
- ➔ € 190 m of Core Loan to be redeemed in 2018
- ➔ 2018 Fully self-dependent financing structure



# Diversified financing structure

Sixt Leasing Group – Maturities of financial liabilities as of 31 December 2016 [EUR m]

Financial liabilities <sup>1)</sup>	2017	2018	2019	2020	2021	Total
ABS	45	45	44	29	2	165
Bank loans	149	-	-	-	-	149
Borrower's note loans (Schuldscheindarlehen)	-	-	-	30	-	30
Core Loan (from Sixt SE)	-	490	-	-	-	490
Current liabilities to related parties	4	-	-	-	-	4
Finance leases	9	1	-	-	-	10
<b>Total</b>	<b>207</b>	<b>536</b>	<b>44</b>	<b>59</b>	<b>2</b>	<b>848</b>

Bank balances as of 31 December 2016: EUR 3.8 m

1) Including liabilities to related parties; excluding future accrued interest; due to rounding it is possible that individual figures may not exactly add up to the total amount

# Strategy of business fields and guidance 2017

## ONLINE RETAIL

- **Increase service penetration** through tailoring service products to private and commercial customers and targeted communications
- **Opportunistically invest in marketing**, e.g. for TV advertisements and sales cooperations
- **Increase contract portfolio to significantly more than 40,000 contracts** by the end of 2017

## FLEET MANAGEMENT

- **Continue expansion of IT capabilities** to increase competitive differentiation
- **Use Sixt Global Reporting Tool** to acquire multinational customers
- **Reach mid-term target of 50,000 contracts**

## FLEET LEASING

- **Continue focus on profitability**
- **Extend and intensify long-term relationships** with key customers
- **Slightly increase contract portfolio** in 2017

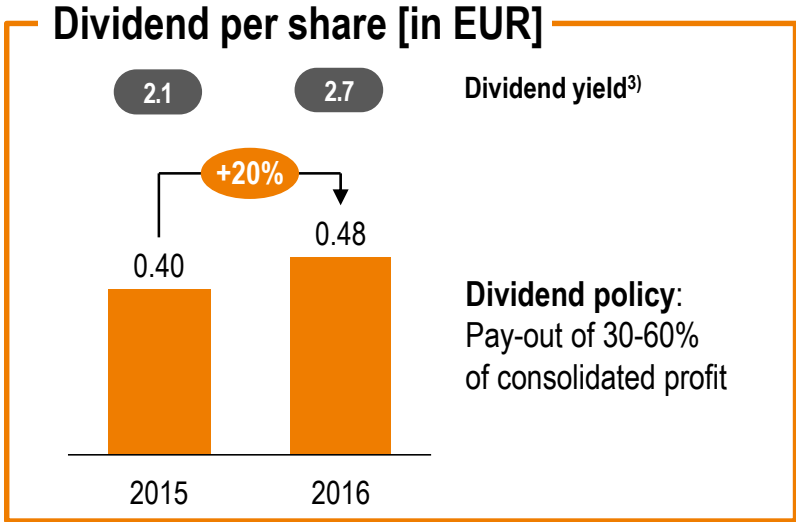
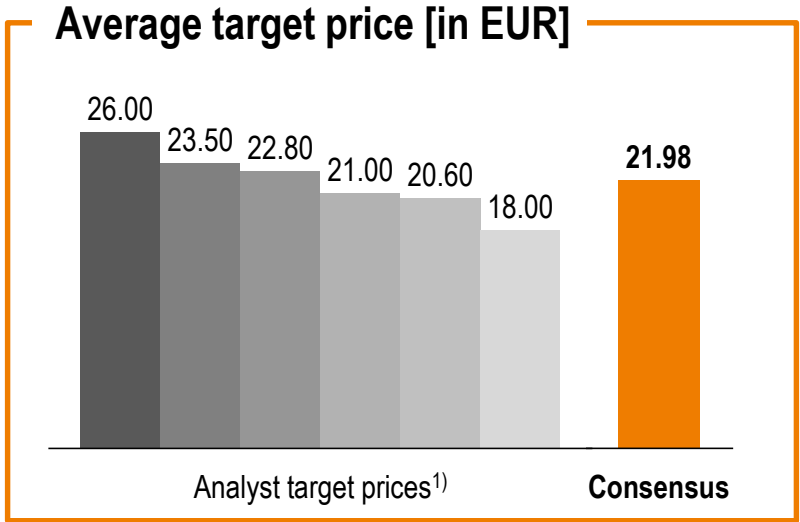
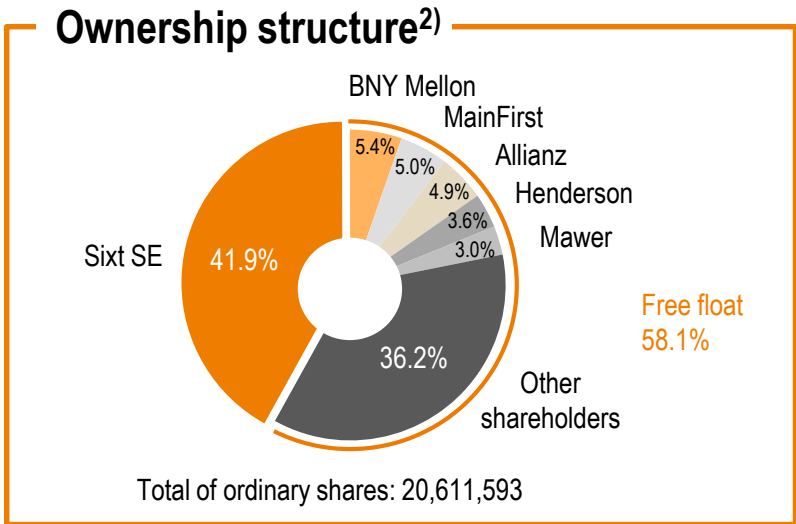
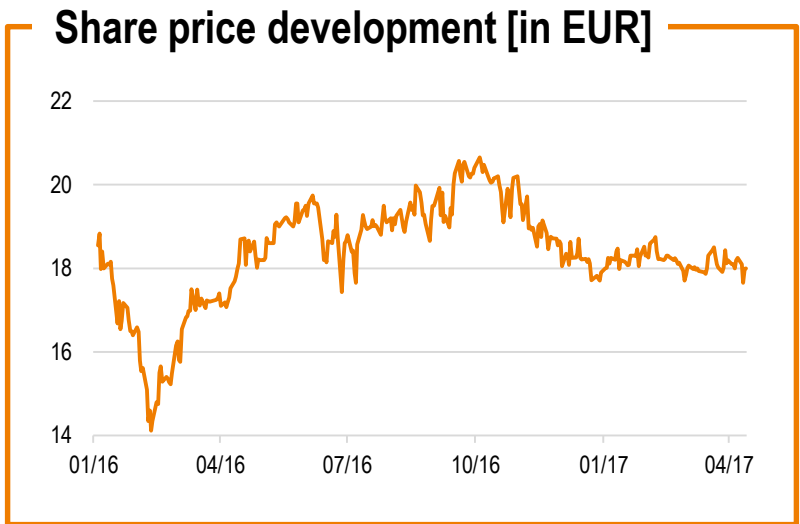
## GUIDANCE 2017

- Growth of contract portfolio, especially triggered by Online Retail and Fleet Management business fields
- Slight improvement of operating revenue
- Increase of consolidated EBT in the high single-digit percentage range

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# Increase of dividend per share by 20% and extension of dividend target range to 30-60% of consolidated profit



1) Baader Helvea, Berenberg, Commerzbank, DZ Bank, Hauck&Aufhäuser, Warburg Research

2) According to voting right announcements until 20 April 2017

3) Based on the Xetra year-end price

# Investment Highlights

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**Market leading** independent vehicle leasing and service provider in Germany

Comprehensive, technology-driven service portfolio **enabling premium longer-term mobility** of private and corporate customers

Benefitting from the **strong demand for modern mobility solutions** and the megatrends e-commerce and digitalisation

**Above-market sales growth** triggered by unique Online Retail platform for online sales to private and commercial customers

Strong financials with sound visibility allow for an **attractive dividend policy**

# Contact details

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## ADDRESS

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## INVESTOR RELATIONS

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Email: [stefan.kraus@sixt.com](mailto:stefan.kraus@sixt.com)

# BACKUP

# Sixt Leasing Group: Revenue and earnings performance 2016

<i>in EUR million</i>	FY 2016	FY 2015	Change in %
<b>Consolidated revenue</b>	<b>713.9</b>	<b>665.4</b>	<b>+7.3</b>
thereof consolidated operating revenue (without sales revenue)	430.0	429.8	0.0
thereof sales revenue	283.9	235.6	+20.5
thereof Leasing segment	626.8	593.5	+5.6
thereof Fleet Management segment	87.1	71.9	+21.1
Fleet expenses and cost of lease assets <sup>1)</sup>	439.3	408.5	+7.5
Personnel expenses	25.0	20.2	+23.7
Depreciation and amortisation <sup>1)</sup>	177.5	171.5	+3.5
Net other operating income/expense	-21.0	-13.6	+53.9
Net finance costs	-19.5	-21.3	-8.4
<b>Earnings before taxes (EBT)</b>	<b>31.6</b>	<b>30.3</b>	<b>+4.3</b>
<i>Operating return on revenue (%)<sup>2)</sup></i>	<i>7.3</i>	<i>7.0</i>	<i>+0.3 points</i>
Income tax	6.9	7.7	-13.3
<b>Consolidated profit</b>	<b>24.6</b>	<b>22.5</b>	<b>+9.3</b>
Earnings per share (in EUR) <sup>3)</sup> – basic and diluted	1.19	1.20	-

1) The write-downs on lease assets intended for sale are accounted as fleet expenses and cost of lease assets since the financial year 2016. The figures of the previous year are adjusted accordingly.

2) Ratio of EBT to operating revenue

3) Ratio of Group surplus attributable to the Group shareholders to weighted number of shares for the period



# Sixt Leasing Group: Balance sheet figures 2016

<i>in EUR million</i>	31 Dec 2016	31 Dec 2015	Change in %
<b>Total equity and liabilities</b>	<b>1,172.2</b>	<b>1,112.9</b>	<b>+5.3</b>
Lease assets	1,020.8	957.8	+6.6
Non-current liabilities to related parties <sup>1)</sup>	490.0	699.0	-29.9
Current liabilities to related parties <sup>2)</sup>	3.8	4.0	-6.4
Financial liabilities <sup>3)</sup>	353.7	97.3	>+100
Equity	194.7	178.3	+9.2
<b>Equity ratio (%)</b>	<b>16.6</b>	<b>16.0</b>	<b>+0.6 points</b>

	FY 2016	FY 2015	Change in %
Investments in lease assets <sup>4)</sup>	471.7	424.1	+11.2

1) Liabilities to Sixt SE (Core Loan)

2) Mainly liabilities to Sixt SE

3) Current and non-current financial liabilities, including finance leases

4) Value of vehicles added to the leasing fleet