



Sixt Leasing SE

Group Quarterly Statement as of 31 March 2021

1. BUSINESS REPORT

1.1 GROUP BUSINESS PERFORMANCE

The **Group's contract portfolio** in Germany and abroad (excluding franchise and cooperation partners) amounted to 128,100 contracts as of 31 March 2021, down 1.4% from 31 December 2020 (129,900 contracts).

Consolidated revenue in the first quarter of 2021 decreased by 6.3% to EUR 186.7 million (Q1 2020: EUR 199.3 million) compared to the same period in the previous year. This is mainly due to the decline in operating revenue. **Operating revenue**, which does not include the proceeds from vehicle sales, decreased by 14.5% to EUR 97.7 million (Q1 2020: EUR 114.3 million). A major impact on the decline in operating revenue was attributable to the third "lockdown" due to the ongoing COVID-19 pandemic, which lasted throughout the full first quarter of 2021, in contrast to the prior-year quarter, which was not burdened to the same extent by the COVID-19 pandemic. This third "lockdown" resulted, among other things, in significantly reduced vehicle usage, causing in particular a decline in usage-related revenues, such as fuel revenues and revenue from individual service products. Moreover, leasing revenue (finance rate) decreased compared to the first quarter of 2020 due to the decline in the contract portfolio of the Leasing business unit. **Sales revenue** from the sale of leasing returns and marketing of customer vehicles in Fleet Management increased by 4.7% to EUR 89.0 million (Q1 2020: EUR 85.0 million). Among other things, this increase was due to the fact that fewer vehicles were sold in the prior-year quarter as a result of the extensive restrictions on stationary motor vehicle sales during the first "lockdown" caused by the COVID-19 pandemic.

Earnings before interest, taxes, depreciation and amortisation (EBITDA) decreased in the first three months of 2021 by 16.1% to EUR 47.2 million (Q1 2020: EUR 56.3 million) compared to the same period in the previous year. As expected, **earnings before taxes (EBT)** saw a decline of 82.5% to EUR 1.0 million (Q1 2020: EUR 5.6 million). The **operating return on revenue** (EBT/operating revenue) consequently amounted to 1.0% (Q1 2020: 4.9%). The lower EBT is in line with expectations and is mainly due to the market and business environment, which was strongly negatively impacted by the COVID-19 pandemic, as it was still burdened by transaction-related costs incurred in connection with the company being taken over by Hyundai Capital Bank Europe GmbH (HCBE).

Sixt Leasing Group	Q1	Q1	Change
in EUR million	2021	2020	in %
Consolidated revenue	186.7	199.3	-6.3
Operating revenue	97.7	114.3	-14.5
Sales revenue	89.0	85.0	4.7
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	47.2	56.3	-16.1
Earnings before taxes (EBT)	1.0	5.6	-82.5
Operating return on revenue (%)	1.0	4.9	-3.9 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 74,300 contracts as at the end of the first quarter, down 2.7% from 31 December 2020 (76,400 contracts). At the same time, the contract portfolio in the Online Retail business field decreased by 2.3% to 37,800 contracts (31 December 2020: 38,600 contracts).

The contract portfolio in the Fleet Leasing business field decreased by 3.5% compared with the year-end of 2020 and amounted to 36,500 contracts (31 December 2020: 37,800 contracts) at the end of the first quarter 2021.

Key figures Leasing business unit	Q1	Q1	Change
in EUR million	2021	2020	in %
Leasing revenue (finance rate)	51.9	54.9	-5.5
Other revenue from leasing business	33.1	46.1	-28.2
Sales revenue	76.7	68.6	11.8
Total revenue	161.7	169.6	-4.7
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	47.2	55.5	-15.0
Earnings before interest and taxes (EBIT)	2.7	7.6	-64.4
Earnings before taxes (EBT)	1.0	4.8	-80.0
Operating return on revenue (%)	1.1	4.8	-3.6 points

The decline in earnings before taxes (EBT) results from the above-mentioned volume effects of the usage-dependent full-service products, increased depreciation for self-developed software products and transaction-related costs.

1.3 FLEET MANAGEMENT BUSINESS UNIT

In the Fleet Management business unit, the contract portfolio with 53,900 contracts saw a growth of 0.7% as at the end of the first quarter of 2021 (31 December 2020: 53,500 contracts)

Key figures Fleet Management business unit	Q1	Q1	Change
in EUR million	2021	2020	in %
Fleet management revenue	12.7	13.3	-4.5
Sales revenue	12.3	16.4	-25.1
Total revenue	25.0	29.7	-15.9
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	0.1	0.8	-92.4
Earnings before interest and taxes (EBIT)	0.1	0.8	-93.9
Earnings before taxes (EBT)	0.0	0.8	-97.7
Operating return on revenue (%)	0.1	5.8	-5.7 points

The decline in **earnings before taxes (EBT)** in the Fleet Management business unit is the result, among other things, of consulting expenses incurred in connection with the application for a permit for payment services under the German Payment Services Supervision Act (Zahlungsdienstenaufsichtsgesetz - ZAG), which is a topic that currently concerns the entire fleet management industry, as well as increased costs for software products that were used for the first time in the 2020 financial year.

1.4 FINANCIAL POSITION

Equity

The equity of the Sixt Leasing Group amounted to EUR 213.6 million as of 31 March 2021, an increase of EUR 0.7 million compared to 31 December 2020 (EUR 212.9 million). The equity ratio increased by 0.2 percentage points from 16.4% to 16.6% with lower total assets. The decline in total assets results above all from the decline in lease assets.

Liabilities

As of 31 March 2021, non-current liabilities and provisions totalled EUR 727.3 million (31 December 2020: EUR 722.5 million). The increase of EUR 4.8 million is mainly due to non-current financial liabilities increasing by EUR 6.2 million to EUR 677.9 million (31 December 2020: EUR 671.7 million).

Current liabilities and provisions as of 31 March 2021 totalled EUR 342.7 million (31 December 2020: EUR 360.2 million). The decrease of EUR 17.6 million is mainly due to current financial liabilities, which decreased by EUR 24.8 million to EUR 239.4 million (31 December 2020: EUR 264.2 million). This is essentially due to the lower financing volume, which was caused by the decline in lease assets.

1.5 INVESTMENTS

The Sixt Leasing Group added vehicles with a total value of EUR 88.9 million to its leasing fleet in the first quarter of 2021 (Q1 2020: EUR 120.4 million; -26.2%). The decrease compared to the same quarter of the previous year is mainly due to the fact that the same quarter of the previous year had very high deliveries due to very high orders in the fourth quarter of 2019. Furthermore, the deliveries decreased due to the COVID-19 pandemic.

2. EVENTS SUBSEQUENT TO THE REPORTING DATE

After the end of the first quarter of the 2021 financial year, no significant events, that would affect the financial position and financial performance of the Group and the Company, have occurred.

3. SPECIFIC EVENTS – COVID-19 PANDEMIC

The company assumes that the market and business environment will continue to be strongly negatively impacted by the COVID-19 pandemic and expects a recovery in business development in the second half of 2021 at the earliest. This assessment assumes that the current measures to combat the COVID-19 pandemic will take effect in the further course of the year. These include in particular the vaccination campaign launched at the end of 2020, which clearly gained momentum in April and early May 2021, but still depends significantly on the availability of suitable vaccines, and the increasing availability of rapid tests. In addition, the assessment assumes that the exit strategies from crisis mode currently being worked out by the governments at federal and state level will be successful and that the economy will pick up again from the second half of the year. Furthermore, the company assumes that the extensive financial support measures currently adopted or still to be adopted by the federal and state governments will cushion the economically negative effects on the national economies. These assumptions were considered when applying estimates and discretionary decisions for preparing the Group Quarterly Statement.

It should be noted, however, that at present it is hard to give reliable estimates for the future regarding the actual long-term economic consequences of the COVID-19 pandemic, and that consequently the estimates and discretionary decisions are subject to greater uncertainty.

4. REPORT ON OUTLOOK

The Managing Board confirms the outlook published on 24 March 2021. Accordingly, the Managing Board expects a slight increase in the **Group contract portfolio** compared to the previous year (2020: 129,900 contracts) and **consolidated operating revenue** in the range of previous year's figure (2020: EUR 423.3 million). With regard to EBT, the Managing Board expects a higher single-digit million euro amount (2020: EUR 9.1 million).

The reason for the cautious forecast for the full year 2021 is, in addition to the operating business development in the 2021 financial year to date, primarily the ongoing COVID-19 situation. In this respect, the company assumes that the market and business environment will continue to be strongly negatively impacted by the COVID-19 pandemic and expects a recovery in business development in the second half of 2021 at the earliest. In addition, consolidated earnings will also be burdened in the 2021 financial year by transaction-related costs in connection with the takeover of the company by HCBE.

5. FINANCIAL FIGURES FOR SIXT LEASING GROUP AS OF 31 MARCH 2021

5.1 GROUP INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

Consolidated Income Statement	Q1	Q1
in EUR thou.	2021	2020
Revenue	186,664	199,294
Other operating income	3,207	2,981
Fleet expenses and cost of lease assets	120,771	128,604
Personnel expenses	12,831	10,162
Other operating expenses	9,032	7,195
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	47,236	56,314
Depreciation	44,480	47,884
Earnings before interest and taxes (EBIT)	2,756	8,430
Net finance costs	-1,776	-2,836
Earnings before taxes (EBT)	980	5,594
Income tax expense	378	1,827
Consolidated profit	602	3,767
Of which attributable to minority interests	-	-
Of which attributable to shareholders of Sixt Leasing SE	602	3,767
Earnings per share – basic and diluted (in Euro)	0.03	0.18

Consolidated statement of comprehensive income	Q1	Q1
in EUR thou.	2021	2020
Consolidated profit	602	3,767
Other comprehensive income (not recognised in the income statement)	125	250
Thereof components that could be reclassified to income statement in the future		
Currency translation gains/losses	-306	328
Change of derivative financial instruments in hedge relationship	431	-84
Related deferred taxes	-	5
Total comprehensive income	727	4,017
Of which attributable to minority interests	431	-79
Of which attributable to shareholders of Sixt Leasing SE	296	4,095

5.2 GROUP BALANCE SHEET

Assets		
in EUR thou.	31 Mar 2021	31 Dec 2020
Non-current assets		
Goodwill	4,297	4,293
Intangible assets	19,911	18,709
Equipment	25,649	14,374
Lease assets	1,071,084	1,092,535
Financial assets	26	27
Other receivables and assets	761	888
Deferred tax assets	782	797
Total non-current assets	1,122,510	1,131,623
Current assets		
Inventories	44,872	52,527
Trade receivables	71,643	69,173
Receivables from related parties	2,396	1,461
Other receivables and assets	38,509	37,499
Income tax receivables	891	897
Bank balances	2,666	2,374
Total current assets	160,977	163,931
Total assets	1,283,487	1,295,553
Equity and liabilities		
in EUR thou.	31 Mar 2021	31 Dec 2020
Equity		
Subscribed capital	20,612	20,612
Capital reserves	135,044	135,045
Other reserves	58,047	57,750
Total equity	213,578	212,851
Non-current liabilities and provisions		
Provisions for pensions	227	232
Other provisions	226	226
Financial liabilities	677,925	671,693
Other liabilities	12,549	13,962
Deferred tax liabilities	36,331	36,383
Total non-current liabilities and provisions	727,257	722,496
Current liabilities and provisions		
Other provisions	4,292	2,855
Income tax liabilities	1,060	1,077
Financial liabilities	239,363	264,201
Trade payables	51,027	47,850
Contract Liabilities	13,555	13,783
Liabilities to affiliated companies	21	21
Other liabilities	33,334	30,420
Total current liabilities and provisions	342,652	360,206
Total equity and liabilities	1,283,487	1,295,553

5.3 GROUP CASH FLOW STATEMENT

Consolidated cash flow statement	Q1	Q1
in EUR thou.	2021	2020
Operating activities		
Consolidated profit	602	3,767
Income taxes recognised in income statement	416	884
Income taxes received / paid (net)	-427	166
Financial result recognised in income statement ¹	1,776	2,836
Interest received	80	90
Interest paid	-772	-3,553
Depreciation	44,480	47,884
Result from disposal of fixed assets	-1,216	678
Other (non-)cash expenses and income	-8,150	-3,483
Gross Cash flow	36,789	49,269
Proceeds from disposal of lease assets	76,665	68,586
Payments for investments in lease assets	-88,984	-120,389
Change in inventories	7,655	2,768
Change in trade receivables	-2,470	-219
Change in trade payables	3,177	16,518
Change in other net assets	1,464	-19,235
Net cash flows from/used in operating activities	34,296	-2,701
Investing activities		
Payments for investments in intangible assets and equipment	-4,321	-1,943
Net cash flows used in investing activities	-4,321	-1,943
Financing activities		
Proceeds from bank loans (incl. ABS-transaction)	10,000	113,985
Payments made for redemption of bonds, borrower's note loans and bank loans (incl. ABS-transaction)	-19,228	-4,259
Payments made for short-term financial liabilities ²	-25,000	-9,000
Proceeds from short-term financial liabilities ²	7,000	-
Net cash flows used in/from financing activities	-27,228	100,726
Net change in cash and cash equivalents	2,747	96,082
Effect of exchange rate changes on cash and cash equivalents	-11	15
Cash and cash equivalents at 1 Jan.³	-70	710
Cash and cash equivalents at 31 Mar.	2,666	96,806

¹ Excluding income from investments

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

³ Cash and cash equivalents as at 1 January 2021 consist of bank balances (EUR 2,374 thousand) and bank overdrafts (EUR -2,444 thousand). Cash and cash equivalents as at 1 January 2020 consist of bank balances (EUR 2,641 thousand) and bank overdrafts (EUR -1,931 thousand).

5.4 ADDITIONAL FINANCIAL INFORMATION

Revenue

Revenue is broken down as follows:

Revenue	Q1	Q1	Change
in EUR thou.	2021	2020	in %
Leasing business unit			
Leasing revenue (finance rate)	51,932	54,931	-5.5
Other revenue from leasing business	33,057	46,051	-28.2
Sales revenue	76,665	68,586	11.8
Total	161,654	169,567	-4.7
Fleet Management business unit			
Fleet management revenue	12,711	13,305	-4.5
Sales revenue	12,299	16,421	-25.1
Total	25,010	29,726	-15.9
Group total	186,664	199,294	-6.3

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	Q1	Q1	Change
in EUR thou.	2021	2020	in %
Selling expenses ¹	87,282	85,300	2.3
Fuel	8,818	14,877	-40.7
Repair, maintenance and reconditioning	14,127	17,636	-19.9
Insurance	2,360	2,033	16.1
External rent expenses	1,434	1,454	-1.4
Vehicle licenses and deregistration	1,323	1,931	-31.5
Transportation	1,087	1,318	-17.5
Taxes and dues	924	837	10.4
Radio license fees	376	393	-4.4
Vehicle return expenses	824	1,016	-18.9
Other expenses	2,216	1,809	22.5
Group total	120,771	128,604	-6.1

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	Q1	Q1	Change
in EUR thou.	2021	2020	in %
Lease assets	42,603	47,113	-9.6
Equipment	835	538	55.3
Intangible assets	1,042	233	>100
Group total	44,480	47,884	-7.1

Other operating expenses

Other operating expenses are broken down as follows:

Other operating expenses	Q1	Q1	Change
in EUR thou.	2021	2020	in %
Expenses for buildings	425	260	63.7
Other selling and marketing expenses	1,089	1,413	-22.9
Expenses from write-downs of receivables	923	1,492	-38.1
Audit, legal, advisory costs, and investor relations expenses	2,327	957	>100
Other personnel services	732	614	19.2
IT expenses	1,835	1,059	73.3
Expenses for foreign currency translation	868	15	>100
Miscellaneous expenses	832	1,386	-40.0
Group total	9,032	7,195	25.5

Net finance costs

The net finance costs are as follows:

Net finance costs	Q1	Q1
in EUR thou.	2021	2020
Other interest and similar income	117	73
Other interest and similar income from related parties	10	8
Interest and similar expenses	-1,900	-2,760
Interest and similar expenses for related parties	-0	0
Other net financial result	-2	-156
Group total	-1,776	-2,836

Group segment reporting

The segment information for the first three months of 2021 (compared to the first three months of 2020) is as follows:

By business unit in EUR million	Leasing		Fleet Management		Consolidation		Group	
	2021	2020	2021	2020	2021	2020	2021	2020
External revenue	161.7	169.6	25.0	29.7	-	-	186.7	199.3
Internal revenue	0.0	-0.0	-	0.2	-	-0.1	-	-
Total revenue	161.7	169.5	25.0	29.9	-	-0.1	186.7	199.3
Fleet expenses and cost of lease assets	98.8	101.8	22.0	26.9	-	-	120.8	128.6
EBITDA ¹	47.2	55.5	0.1	0.8	-	-	47.2	56.3
Depreciation	44.5	47.9	0.0	0.0	-	-	44.5	47.9
EBIT ²	2.7	7.6	0.1	0.8	-	-	2.8	8.4
Net finance costs	-1.7	-2.8	-0.0	-0.1	-	-	-1.8	-2.8
EBT ³	1.0	4.8	0.0	0.8	-	-	1.0	5.6

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 in this Group Quarterly Statement may not add up exactly to the totals shown. For the same reason, the percentage figures presented may not exactly reflect the absolute figures they relate to.

Pullach, 19 May 2021

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