



Sixt Leasing SE

Group Quarterly Statement as of 30 September 2017

1. BUSINESS REPORT

1.1 GROUP BUSINESS PERFORMANCE

The Sixt Leasing Group registered a **positive operating business performance** over the first nine months of 2017 and continued to expand its contract portfolio **in line with its strategy**.

The total **contract portfolio** inside and outside Germany (excluding franchisees and cooperation partners) as at 30 September 2017 amounted to 130,300 contracts, which is 14.7% above the figure as of 31 December 2016 (113,600 contracts). Compared to 30 September 2016, the number of contracts climbed by 17.4% (111,000 contracts).

Group revenue increased by 3.4% compared to the first nine months of 2016 to EUR 553.0 million (9M 2016: EUR 534.7 million). **Operating revenue** (without the proceeds from vehicle sales) gained 5.3% to EUR 335.2 million (9M 2016: EUR 318.4 million) and thus outperformed the growth in consolidated revenue. **Sales revenue** from the marketing of used leasing vehicles as well as customer vehicles in Fleet Management, which are not included in operating revenue, increased by 0.7% to EUR 217.8 million (9M 2016: EUR 216.3 million).

Earnings before taxes (EBT) for the first nine months of 2017 amounted to EUR 20.8 million and thus were 12.9% lower compared to the prior year figure (9M 2016: EUR 23.9 million). In the third quarter EBT was adversely impacted by additional risk provisions for the residual values of the Group's leasing vehicles. These additional risk provisions reflect the market data compiled by specialised value appraisal organisations. According to those, the residual value expectations for future vehicle sales have slightly fallen on average. In addition, EBT was also affected by higher investments in projects for the further development of the IT strategy and especially in IT solutions. Consequently, these effects impacted the **operating return on revenue**, which amounted to 6.2% for the first nine months of 2017, 1.3 percentage points lower compared to the same period last year (9M 2016: 7.5%).

The **business performance** in the first nine months of 2017 was characterised by **disproportionally strong growth in the Online Retail business field** (private and commercial customer leasing). To accelerate the dynamic development of the sixt-neuwagen.de online platform and further expand the position of Sixt Leasing as 'first mover' on the largely undeveloped market for new vehicles sales in the internet, the Group launched the much-noticed product innovation '**flat rate for the road**' at the beginning of March. Especially the strong demand for this new leasing offer prompted the Managing Board to upgrade its outlook for the Online Retail business field's contract portfolio from originally 32,000 contracts to currently around 45,000 contracts by the end of the year 2017. In addition, in August and September the Company introduced the '**environmental bonus**' offered by several car manufacturers as well as '**campervan leasing**' on sixt-neuwagen.de. The latter sees the Company now also entering the growth market for campervans.

In January the Group successfully placed its first corporate **bond** on the capital market. It carries an interest rate coupon of 1.125% and has a volume of EUR 250 million. As a consequence, Sixt Leasing SE was able to redeem a significant instalment from the Core Loan provided by Sixt SE. Effective as of 30 June 2017, a partial amount of EUR 300 million was repaid as planned at the earliest time possible. The remaining portion of EUR 190 million is due to be repaid during fiscal year 2018 according to plan. This means that the transfer of Sixt Leasing Group's financing from Sixt SE to external financing instruments, which started in 2015, continues to be fully in line with the timetable.

1.2 LEASING BUSINESS UNIT

The Leasing business unit comprises of the two business fields Fleet Leasing and Online Retail.

Key figures Leasing business unit	9M	9M	Change
in EUR million	2017	2016	in %
Leasing revenue (finance rate)	169.9	164.8	3.1
Other revenue from leasing business	129.8	128.7	0.9
Sales revenue	176.4	179.6	-1.7
Total revenue	476.2	473.0	0.7
Earnings before interest and taxes (EBIT)	30.9	36.3	-15.0
Earnings before taxes (EBT)	17.9	21.3	-15.8
Operating return on revenue (%)	6.0	7.3	-1.3 points

Online Retail business field

With the **'flat rate for the road'**, launched as part of a sales campaign in March and April of 2017, Sixt Leasing SE became the first leasing provider in Germany to introduce a flat rate for new vehicles sales as well as a fully digital process for concluding a leasing contract.

In August of 2017 Sixt Leasing integrated the **'environmental bonus'** of numerous car manufacturers into its offer on sixt-neuwagen.de. Customers now can benefit from significant reductions when buying specific new vehicle models.

In September 2017 Sixt Leasing launched a **'campervan leasing'** offering. It allows customers to lease campervans on sixt-neuwagen.de for attractive prices. For the Group the new offer means it is entering the growth market for mobile homes, which is registering new record figures every year.

Fleet Leasing business field

In spring 2017 Sixt Leasing SE staged the first **'Sixt Leasing Fleet Day'**. This event series aims to bring together leading representatives from the industry to address and debate the latest trends in fleet management and develop new solutions to meet the challenges of the future. The first two 'Fleet Days' in Hamburg in cooperation with Shell and in Berlin in cooperation with TOTAL were very well received. The next event is scheduled at the beginning of the coming year.

1.3 FLEET MANAGEMENT BUSINESS UNIT

Key figures Fleet Management business unit	9M	9M	Change
in EUR million	2017	2016	in %
Fleet management revenue	35.5	25.0	42.1
Sales revenue	41.4	36.7	12.7
Total revenue	76.8	61.7	24.6
Earnings before interest and taxes (EBIT)	3.0	2.8	6.1
Earnings before taxes (EBT)	2.9	2.6	11.0
Operating return on revenue (%)	8.0	10.3	-2.3 points

The **Fleet Management** business unit recorded substantial growth during the first nine months of 2017. It benefited particularly from the above-average gains in fleet management revenue that climbed by over 40%, especially following the complete take-over of Swiss Sixt Mobility Consulting AG in August 2016.

1.4 DEVELOPMENT OF THE CONTRACT PORTFOLIO

As of 30 September 2017 the Group's contract portfolio inside and outside Germany (excluding franchisees and cooperation partners) climbed to 130,300 contracts after 113,600 contracts as of 31 December 2016 (+14.7%).

For the Leasing business unit, which comprises the Online Retail and Fleet Leasing business fields, the contract portfolio as of 30 September 2017 totalled 91,100 contracts, which is 21.6% more than at 31 December 2016 (74,900 contracts). The Online Retail business field recorded a continuing strong growth and gained 58.7% to 43,500 contracts (31 December 2016: 27,400 contracts). The contract portfolio in the Fleet Leasing business field amounted to 47,600 contracts, a slight gain of 0.1% (31 December 2016: 47,500 contracts).

The Fleet Management business unit saw its contract portfolio slightly increasing by 1.4% to 39,200 contracts as of 30 September 2017 (31 December 2016: 38,700 contracts).

1.5 FINANCIAL POSITION

Equity

As of 30 September 2017 Sixt Leasing Group's equity totalled EUR 199.6 million, a plus of 2.5% compared to the figure as of 31 December 2016 (EUR 194.7 million). The equity ratio decreased from 16.6% to 14.9%. This decline was primarily caused by the increase in lease assets, that went up 11.6% to EUR 1.1 billion, following the build-up in the contract portfolio of the Leasing business unit. The equity ratio continued to remain above the targeted long-term minimum level of 14%.

Liabilities

Non-current liabilities and provisions as of 30 September 2017 amounted to EUR 730.6 million (31 December 2016: EUR 655.5 million). The increase of EUR 75.1 million, or 11.4% is mainly the result of the reduction in liabilities to related parties by EUR 300.0 million to EUR 190.0 million (31 December 2016: EUR 490.0 million), while financial liabilities increased by EUR 371.0 million to EUR 521.8 million (31 December 2016: EUR 150.8 million). This was primarily due to the placement of the corporate bond and the higher utilisation of the ABS volume.

Non-current liabilities to related parties fell because Sixt Leasing SE exercised a contractually agreed option, under which it redeemed a partial amount of the Core Loan, which Sixt SE provides until the end of 2018, of EUR 300.0 million to Sixt SE at the earliest possible time in the end of June 2017.

Current liabilities and provisions as of 30 September 2017 totalled EUR 405.5 million after EUR 322.0 million as of 31 December 2016. The increase of EUR 83.5 million, or 25.9%, is essentially due to higher current financial liabilities, which went up by EUR 41.0 million, or 20.2%, to EUR 244.0 million (31 December 2016: EUR 203.0 million) as well as the 63.6% increase in trade accounts payable by EUR 38.3 million to EUR 98.5 million (31 December 2016: EUR 60.2 million).

1.6 INVESTMENTS

In the first nine months of 2017 the Sixt Leasing Group added vehicles with a total value of EUR 434.4 million to the leasing fleet (9M 2016: EUR 343.6 million; +26.4%).

2. EVENTS SUBSEQUENT TO THE REPORTING DATE

On 16 October 2017 the Supervisory Board of Sixt Leasing SE appointed Mr. Thomas Spiegelhalter (53) as CEO of Sixt Leasing SE, effective as of 1 January 2018. He will take over the Chairmanship of the Managing Board from Mr. Rudolf Rizzolli, whose contract is due to expire. At the same meeting the term of the Company's CFO, Björn Waldow, was extended by another three years until 2021.

On 19 October 2017 the Managing Board published an adjustment of its earnings before tax (EBT) forecast for fiscal year 2017 to around EUR 30 million.

After the reporting date of 30 September 2017, no other significant events that would materially affect the net assets, financial position and results of operations of the Sixt Leasing Group, have occurred.

3. REPORT ON OUTLOOK

The Sixt Leasing Group continues to focus on qualitative growth and improvement of profitability. On 19 October 2017 the Managing Board updated its outlook for fiscal year 2017. Accordingly the Board now expects to generate EBT of around EUR 30 million for the full fiscal year (2016: EUR 31.6 million), after it previously had projected an increase of EBT in the high single-digit percentage range. The Managing Board continues to expect a growth in the Group's contract portfolio as well as a slight increase in consolidated operating revenue.

Key reasons for the adjusted outlook were additional risk provisions for the residual values of the Group's leasing vehicles, which were built in the third quarter, as well as higher investments, particularly in the IT area.

4. OPPORTUNITY AND RISK REPORT

The risk and opportunity profile of the Sixt Leasing Group did not change significantly in the first nine months of 2017 from the information provided in the Annual Report 2016. The report contains a detailed description of the risk and opportunity profile, the risk management system, as well as the internal control and risk management system relating to its accounting procedures.

In view of the future marketing results the risk provisions for the leasing fleet were slightly increased in the third quarter of 2017. This additional risk provisions reflect market data compiled by specialised value appraisal organisations. According to those, the residual value expectations for future vehicle sales have slightly fallen on average.

Furthermore, Sixt Leasing SE's Managing Board is keeping a close eye on the discussion regarding potential driving bans in selected German cities for diesel-powered vehicles with Euro-5 standards or lower. As of 30 September 2017, Sixt Leasing SE in Germany held approximately 6,600 diesel-powered vehicles with Euro-5 standard and below which are not covered by buy-back agreements. As new diesel-powered cars that do not comply with the Euro-6 standard are no longer registered since the end of 2015, the number of cars with a Euro-5 standard and below continues to fall. The Managing Board expects the number of such cars to fall below 5,000 by the end of the current year.

5. FINANCIAL FIGURES FOR SIXT LEASING GROUP AS AT 30 SEPTEMBER 2017

5.1 CONSOLIDATED INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

Consolidated Income Statement	9M		Q3	
	2017	2016	2017	2016
in EUR thou.				
Revenue	553,009	534,693	184,265	181,278
Other operating income	5,515	6,467	2,886	710
Fleet expenses and cost of lease assets	341,656	330,060	114,137	112,588
Personnel expenses	24,628	18,405	7,819	6,668
Depreciation and amortisation expense	140,437	131,389	49,747	43,295
Other operating expenses	17,952	22,180	7,921	7,460
Earnings before interest and taxes (EBIT)	33,852	39,126	7,526	11,977
Net finance costs	-13,053	-15,238	-3,487	-4,336
Thereof result from at-equity measured investments	-	34	-	24
Earnings before taxes (EBT)	20,799	23,888	4,039	7,640
Income tax expense	5,422	6,432	1,140	2,173
Consolidated profit	15,377	17,456	2,899	5,468
Of which attributable to shareholders of Sixt Leasing SE	15,377	17,456	2,899	5,468
Earnings per share – basic and diluted (in Euro)	0.75	0.85	0.14	0.27

Consolidated statement of comprehensive income	9M	
	2017	2016
in EUR thou.		
Consolidated profit	15,377	17,456
Other comprehensive income (not recognised in the income statement)		
Thereof components that could be reclassified to income statement in the future		
Currency translation gains/losses	-584	-32
Total comprehensive income	14,794	17,424
Of which attributable to shareholders of Sixt Leasing SE	14,794	17,424

5.2 CONSOLIDATED BALANCE SHEET

Assets		
in EUR thou.	30 Sep. 2017	31 Dec. 2016
Non-current assets		
Goodwill	1,749	1,760
Intangible assets	5,685	4,348
Equipment	779	419
Lease assets	1,138,891	1,020,800
Financial assets	67	67
Other receivables and assets	3,178	3,322
Deferred tax assets	2,965	2,787
Total non-current assets	1,153,315	1,033,503
Current assets		
Inventories	31,800	29,898
Trade receivables	68,952	62,238
Receivables from related parties	2,305	2,565
Other receivables and assets	67,881	38,270
Income tax receivables	5,341	1,942
Bank balances	6,050	3,778
Total current assets	182,329	138,690
Total assets	1,335,644	1,172,193
Equity and liabilities		
in EUR thou.	30 Sep. 2017	31 Dec. 2016
Equity		
Subscribed capital	20,612	20,612
Capital reserves	135,045	135,045
Other reserves	43,912	39,012
Minority interests	31	31
Total equity	199,599	194,699
Non-current liabilities and provisions		
Provisions for pensions	512	515
Financial liabilities	521,788	150,764
Liabilities to related parties	190,000	490,000
Other liabilities	123	122
Deferred tax liabilities	18,162	14,130
Total non-current liabilities and provisions	730,585	655,530
Current liabilities and provisions		
Other provisions	4,297	4,401
Income tax liabilities	402	274
Financial liabilities	243,975	202,963
Trade payables	98,451	60,177
Liabilities to related parties	3,205	3,783
Other liabilities	55,129	50,366
Total current liabilities and provisions	405,460	321,963
Total equity and liabilities	1,335,644	1,172,193

5.3 CONSOLIDATED CASH FLOW STATEMENT

Consolidated cash flow statement	9M	9M
in EUR thou.	2017	2016
Operating activities		
Consolidated profit	15,377	17,456
Income taxes recognised in income statement	1,574	6,668
Income taxes paid	-4,845	-3,526
Financial result recognised in income statement ¹	13,061	15,351
Interest received	86	72
Interest paid ²	-11,058	-15,545
Dividends received	-	120
Depreciation and amortisation	140,437	131,389
Income from disposal of fixed assets	-9,085	-7,742
Other (non-)cash expenses and income	12,377	-3,783
Gross Cash flow	157,924	140,460
Proceeds from disposal of lease assets	176,438	179,562
Payments for investments in lease assets	-434,413	-343,569
Change in inventories	-1,902	7,483
Change in trade receivables	-6,714	-9,824
Change in trade payables	38,274	-2,187
Change in other net assets	-28,253	5,095
Net cash flows used in operating activities	-98,646	-22,980
Investing activities		
Proceeds from disposal of intangible assets and equipment	-	1
Payments for investments in intangible assets and equipment	-2,245	-1,510
Change in the scope of consolidation	-	1,552
Payments for investments in short-term financial assets	-84,998	-
Proceeds from disposal of short-term financial assets	85,000	-
Net cash flows used in/from investing activities	-2,243	42
Financing activities		
Dividends paid	-9,894	-8,245
Proceeds from bonds, borrower's note loans and bank loans	461,851	246,484
Payments made for redemption of borrower's note loans and bank loans	-115,242	-23,651
Proceeds from short-term financial liabilities/ Payments made for short-term financial liabilities ³	66,462	2,300
Payments made for redemption of financing from related parties	-300,000	-209,000
Net cash flows from financing activities	103,177	7,888
Net change in cash and cash equivalents	2,288	-15,050
Effect of exchange rate changes on cash and cash equivalents	-16	-18
Change in the scope of consolidation	-	31
Cash and cash equivalents at 1 Jan.	3,778	18,712
Cash and cash equivalents at 30 Sep.	6,050	3,675

¹ Excluding income from investments

² Including interest paid for loans from related parties

³ Short-term borrowings with a maturity period of up to three months and quick turnover

5.4 ADDITIONAL FINANCIAL INFORMATION

Revenue

Revenue is broken down as follows:

Revenue	9M	9M	Change	Q3	Q3	Change
in EUR thou.	2017	2016	in %	2017	2016	in %
Leasing Business Unit						
Leasing revenue (finance rate)	169,912	164,756	3.1	57,056	55,507	2.8
Other revenue from leasing business	129,815	128,713	0.9	43,112	43,043	0.2
Sales revenue	176,438	179,562	-1.7	57,766	61,613	-6.2
Total	476,165	473,031	0.7	157,934	160,164	-1.4
Fleet Management Business Unit						
Fleet management revenue	35,484	24,965	42.1	11,399	8,978	27.0
Sales revenue	41,361	36,698	12.7	14,932	12,136	23.0
Total	76,845	61,663	24.6	26,331	21,114	24.7
Group total	553,009	534,693	3.4	184,265	181,278	1.6

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.	2017	2016	in %
Selling expenses	207,526	207,442	0.0
Expenses from write-downs on lease assets intended for sale	5,436	4,508	20.6
Fuel	51,432	46,356	11.0
Repair, maintenance and reconditioning	49,106	44,979	9.2
Insurance	7,172	7,712	-7.0
External rent expenses	3,941	3,959	-0.5
Vehicle licenses	2,417	2,320	4.2
Transportation	3,485	3,092	12.7
Taxes and dues	2,320	2,284	1.6
Radio license fees	1,216	1,246	-2.4
Vehicle return expenses	1,934	1,646	17.5
Other expenses	5,670	4,516	25.6
Group total	341,656	330,060	3.5

Depreciation and amortization

Depreciation and amortisation are split up as follows:

Depreciation and amortisation	9M	9M	Change
in EUR thou.	2017	2016	in %
Lease assets	139,893	131,026	6.8
Equipment	144	121	19.2
Intangible assets	400	242	64.9
Group total	140,437	131,389	6.9

Since fiscal year 2016 expenses from write-downs on lease assets intended for sale are included within the fleet expenses and cost of lease assets position. For comparison purposes, prior-year figures were adjusted accordingly.

Other operating expenses

Other operating expenses are broken down as follows:

Other operating expenses	9M	9M	Change
in EUR thou.	2017	2016	in %
Rental expenses for business premises	1,308	1,103	18.6
Other selling and marketing expenses	2,794	4,254	-34.3
Expenses from write-downs of receivables	1,184	796	48.7
Audit, legal, advisory costs, and investor relations expenses	1,362	1,603	-15.0
Other personnel services	2,799	7,431	-62.3
IT expenses	2,591	1,893	36.9
Miscellaneous expenses	5,914	5,099	16.0
Group total	17,952	22,180	-19.1

Net finance costs

Net finance costs are broken down as follows:

Net finance costs	9M	9M
in EUR thou.	2017	2016
Other interest and similar income	195	303
Other interest and similar income from related parties	7	9
Interest and similar expenses	-4,419	-1,441
Interest and similar expenses for related parties	-8,843	-14,322
Result from at-equity measured investments	-	34
Other net financial income	8	178
Group total	-13,053	-15,238

Group segment reporting

The segment information for the first nine months of 2017 (compared with the first nine months of 2016) is as follows:

By Business Unit in EUR million	Leasing		Fleet Management		Reconciliation		Group	
	2017	2016	2017	2016	2017	2016	2017	2016
External revenue	476.2	473.0	76.8	61.7	-	-	553.0	534.7
Internal revenue	0.0	0.0	0.1	0.2	-0.1	-0.2	-	-
Total revenue	476.2	473.0	77.0	61.9	-0.1	-0.2	553.0	534.7
Fleet expenses and cost of lease assets ¹	271.4	273.9	70.4	56.4	-0.1	-0.2	341.7	330.1
Depreciation and amortisation expense	140.4	131.4	0.0	0.0	-	-	140.4	131.4
EBIT ²	30.9	36.3	3.0	2.8	-	-	33.9	39.1
Net finance costs	-12.9	-15.0	-0.1	-0.2	-	-	-13.1	-15.2
Thereof result from at-equity measured investments	-	-	-	0.0	-	-	-	0.0
EBT ³	17.9	21.3	2.9	2.6	-	-	20.8	23.9

¹ The leasing segment includes write-downs on lease assets intended for sale in the amount of EUR 5.4 million (9M 2016: EUR 4.5 million).

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, 14 November 2017

Sixt Leasing SE
Managing Board

Contact

Sixt Leasing SE
Zugspitzstrasse 1
82049 Pullach

Issuer

Sixt Leasing SE
Zugspitzstrasse 1
82049 Pullach

ir-leasing@sixt.com

Phone +49 (0) 89/7 44 44 - 4518

Telefax +49 (0) 89/7 44 44 - 84518

Website Investor Relations <http://ir.sixt-leasing.com>

Further websites <http://www.sixt-leasing.com>