



Sixt Leasing SE

Group Quarterly Statement as of 31 March 2017

1. BUSINESS REPORT

1.1 GROUP BUSINESS PERFORMANCE

The Sixt Leasing Group registered a **positive performance** in Q1 2017 and continued to expand its contract portfolio and earnings **in line with strategy**.

The total **number of contracts** inside and outside Germany (excluding franchise and cooperation partners) as of 31 March 2017 reached 122,500, which is 7.8% above the figure as of 31 December 2016 (113,600 contracts).

Group revenue climbed 7.6% year-on-year to EUR 187.7 million (Q1 2016: EUR 174.3 million). Unlike in the same period the year before Group revenue was strongly affected by the development of **operating revenue**, which increased 8.9% to EUR 112.5 million (Q1 2016: EUR 103.4 million) and thus outperformed the growth rate of Group revenue. **Sales revenue** from the sale of used leasing vehicles and the marketing of customer vehicles in Fleet Management, which is not included in operating revenue, gained 5.9% to EUR 75.1 million (Q1 2016: EUR 71.0 million).

Earnings before taxes (EBT) increased in the first three months of 2017 against the same period of the previous year by 5.1% to EUR 8.5 million (Q1 2016: EUR 8.1 million). The **operating return on revenue** (EBT/operating revenue) was 7.5% after it had been 7.8 % in the same period the year before and 7.3 % for the full fiscal year 2016.

The **business performance** in the first three months of 2017 was very much influenced by **above average strong growth in the Online Retail business field** (private and commercial customer leasing). To accelerate the dynamic development of the online platform sixt-neuwagen.de and to strengthen and expand the position of Sixt Leasing as 'first mover' on the largely untapped market of new vehicle sales on the internet, the Group launched the product innovation '**flat rate for the road**' at the beginning of March. Especially the strong demand for this new innovative leasing offer prompted the Managing Board to upgrade its guidance for the Online Retail business field's contract portfolio from 36,000 to significantly more than 40,000 contracts by the end of the year 2017. In addition, the Group successfully issued its first **bond** on the capital market with a volume of EUR 250 million and a coupon of 1.125%. Thereby it reached another key milestone towards setting up an independent and diversified financing structure.

1.2 LEASING BUSINESS UNIT

The Leasing business unit is divided up into the two business fields Online Retail and Fleet Leasing.

Key figures	Q1	Q1	Change
Leasing business unit			
in EUR million	2017	2016	in %
Leasing revenue (finance rate)	56.7	54.2	4.6
Other revenue from leasing business	43.9	41.4	6.1
Sales revenue	62.9	57.7	9.0
Total revenue	163.5	153.3	6.7
Earnings before interest and taxes (EBIT)	12.2	12.9	-5.4
Earnings before taxes (EBT)	7.7	7.5	3.1
Operating return on revenue (%)	7.6	7.8	-0.2 points

|| In the **Online Retail** business field (private- and commercial customer leasing), which is essentially operated via the sixt-neuwagen.de online platform, the focal point in the period under review was the 'flat rate for the road'. In order to launch this new offer on the market, Sixt Leasing entered into a sales cooperation with the mobile telephony and internet provider 1&1. For the first time, customers who ordered an All-Net-Flat from 1&1 were given the opportunity to use a flat rate for a new vehicle from Sixt Neuwagen and order it through a fully digitalised ordering process. The flat rate covered a flexible 12- to 30-month usage of a fully-equipped Peugeot 208, including registration, transfer, taxes and insurances beginning from EUR 99.99 (incl. VAT) per month. Due to its favourable conditions and the convenient ordering process, the flat rate was very well received.

1.3 FLEET MANAGEMENT BUSINESS UNIT

Key figures	Q1	Q1	Change
Fleet Management business unit			
in EUR million	2017	2016	in %
Fleet management revenue	11.9	7.8	53.0
Sales revenue	12.2	13.3	-7.8
Total revenue	24.1	21.0	14.7
Earnings before interest and taxes (EBIT)	0.8	0.7	13.2
Earnings before taxes (EBT)	0.8	0.6	29.7
Operating return on revenue (%)	6.6	7.8	-1.2 points

|| The **Fleet Management** business unit, which is operated by Sixt Mobility Consulting GmbH and other subsidiaries of Sixt Leasing SE, managed to grow its fleet management revenue by 53% to EUR 11.9 million. This increase is essentially due to two effects: on the one hand, the Swiss-based Sixt Mobility Consulting AG was fully consolidated into the Sixt Leasing Group beginning from September 2016, following the 100% take-over. On the other hand, the contracts of a key customer that was acquired in 2015 for the first time generated relevant revenue beginning from Q2 2016.

1.4 DEVELOPMENT OF THE CONTRACT PORTFOLIO

As of 31 March 2017 the Group's total number of contracts (Non-IFRS) inside and outside Germany (excluding franchise and cooperation partners) climbed to 122,500 contracts after 113,600 as of 31 December 2016 (+7.8%).

For the Leasing business unit, which comprises the Online Retail and Fleet Leasing business fields, the number of contracts at the end of the first quarter totalled 83,600, an increase of 11.5% compared to 31 December 2016 (74,900 contracts). Above all, the Online Retail business field recorded continued strong growth and gained 32.3% to 36,300 contracts (31 December 2016: 27,400 contracts). The number of contracts in the Fleet Leasing business field remained almost stable at 47,300 contracts (31 December 2016: 47,500 contracts; -0.5%).

For the Fleet Management business unit, the number of contracts at the end of Q1 2017 improved slightly by 0.7% to 38,900 (31 December 2016: 38,700 contracts).

1.5 FINANCIAL POSITION

Equity

As of 31 March 2017 Sixt Leasing Group's equity totalled EUR 200.7 million, a plus of EUR 6.0 million on the figure of 31 December 2016 (EUR 194.7 million). Following the higher amount of total assets due to borrowing of additional capital via the placement of the corporate bond, the equity ratio decreased slightly from 16.6% to 15.7% but remained well above the long-term minimum target of 14%.

Liabilities

As of 31 March 2017 the Group reported non-current liabilities and provisions of EUR 595.9 million (31 December 2016: EUR 655.5 million). The EUR 59.7 million decrease is mainly due to the reduction of non-current liabilities to related parties by EUR 300.0 million to EUR 190.0 million (31 December 2016: EUR 490.0 million), while non-current financial liabilities increased by EUR 238.5 million to EUR 389.2 million (31 December 2016: EUR 150.8 million), mainly due to the bond placement.

Non-current liabilities to related parties fell because Sixt Leasing SE exercised a contractually agreed option, in order to redeem a partial amount of the Core Loan, which Sixt SE has provided until the end of 2018, in the amount of EUR 300.0 million already at the end of June 2017.

Current liabilities and provisions as of 31 March 2017 came to EUR 483.6 million after EUR 322.0 million as of 31 December 2016. The increase of EUR 161.7 million is primarily the result of reclassifying the loan amount from non-current liabilities to related parties, leading to an increase of the current liabilities to related parties by EUR 299.5 million to EUR 303.2 million (31 December 2016: EUR 3.8 million).

Current financial liabilities decreased by EUR 149.9 million to EUR 53.1 million (31 December 2016: EUR 203.0 million). The reason here was the redemption of current financial liabilities from the cash inflow due to the bond issue.

1.6 INVESTMENTS

In the first quarter of 2017, the Sixt Leasing Group added vehicles with a total value of EUR 132.8 million to the leasing fleet (Q1 2016: EUR 106.4 million; +24.8%).

2. EVENTS SUBSEQUENT TO THE REPORTING DATE

No events of special significance for the net assets, financial position and earnings situation of Sixt Leasing SE and Sixt Leasing Group occurred after the reporting date as of 31 March 2017, which are worth reporting.

3. REPORT ON OUTLOOK

Also in 2017, Sixt Leasing Group will continue to focus on qualitative growth and improving profitability. The Managing Board continues to expect an increase of earnings before taxes (EBT) in the high single-digit percentage range and a slight improvement of operating revenue. Moreover, the Managing Board also maintains its outlook for the equity ratio to exceed the targeted minimum level of 14% once again.

4. FINANCIAL FIGURES FOR SIXT LEASING GROUP AS AT 31 MARCH 2017

4.1 GROUP INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

Consolidated Income Statement	Q1	Q1
in EUR thou.	2017	2016
Revenue	187,661	174,326
Other operating income	986	3,392
Fleet expenses and cost of lease assets	116,627	106,920
Personnel expenses	8,080	5,595
Depreciation and amortisation expense	44,071	44,073
Other operating expenses	6,798	7,453
Earnings before interest and taxes (EBIT)	13,071	13,676
Net finance costs	-4,583	-5,597
Thereof result from at-equity measured investments	-	7
Earnings before taxes (EBT)	8,489	8,079
Income tax expense	2,476	2,201
Consolidated profit	6,013	5,878
Of which attributable to shareholders of Sixt Leasing SE	6,013	5,878
Earnings per share – basic and diluted (in Euro)	0.29	0.29

Consolidated statement of comprehensive income	Q1	Q1
in EUR thou.	2017	2016
Consolidated profit	6,013	5,878
Other comprehensive income (not recognised in the income statement)		
Thereof components that could be recognised in the income statement in future		
Currency translation gains/losses	27	-81
Total comprehensive income	6,039	5,797
Of which attributable to shareholders of Sixt Leasing SE	6,039	5,797

4.2 GROUP BALANCE SHEET

Assets		
in EUR thou.	31 Mar. 2017	31 Dec. 2016
Non-current assets		
Goodwill	1,760	1,760
Intangible assets	4,501	4,348
Equipment	599	419
Lease assets	1,050,475	1,020,800
Financial assets	67	67
Other receivables and assets	3,085	3,322
Deferred tax assets	2,897	2,787
Total non-current assets	1,063,384	1,033,503
Current assets		
Inventories	28,263	29,898
Trade receivables	62,664	62,238
Receivables from related parties	3,452	2,565
Other receivables and assets	43,465	38,270
Income tax receivables	3,564	1,942
Bank balances	75,447	3,778
Total current assets	216,855	138,690
Total assets	1,280,239	1,172,193
Equity and liabilities		
in EUR thou.	31 Mar. 2017	31 Dec. 2016
Equity		
Subscribed capital	20,612	20,612
Capital reserves	135,045	135,045
Other reserves	45,051	39,012
Minority interests	31	31
Total equity	200,738	194,699
Non-current liabilities and provisions		
Provisions for pensions	527	515
Financial liabilities	389,229	150,764
Liabilities to related parties	190,000	490,000
Other liabilities	122	122
Deferred tax liabilities	16,003	14,130
Total non-current liabilities and provisions	595,880	655,530
Current liabilities and provisions		
Other provisions	4,048	4,401
Income tax liabilities	565	274
Financial liabilities	53,075	202,963
Trade payables	67,803	60,177
Liabilities to related parties	303,231	3,783
Other liabilities	54,898	50,366
Total current liabilities and provisions	483,620	321,963
Total equity and liabilities	1,280,239	1,172,193

4.3 GROUP CASH FLOW STATEMENT

Consolidated cash flow statement	Q1	Q1
in EUR thou.	2017	2016
Operating activities		
Consolidated profit	6,013	5,878
Income taxes recognised in income statement	712	1,754
Income taxes paid	-2,043	-1,790
Financial income recognised in income statement ¹	4,591	5,604
Interest received	30	1
Interest paid ²	-4,435	-5,686
Depreciation and amortisation	44,071	44,073
Income from disposal of fixed assets	-3,340	-3,192
Other (non-)cash expenses and income	1,456	-218
Gross Cash flow	47,054	46,426
Proceeds from disposal of lease assets	62,907	57,703
Payments for investments in lease assets	-132,805	-106,378
Change in inventories	1,635	4,212
Change in trade receivables	-426	-11,718
Change in trade payables	7,627	-6,280
Change in other net assets	-5,183	-465
Net cash flows used in operating activities	-19,191	-16,500
Investing activities		
Payments for investments in intangible assets and equipment	-504	-435
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 investing activities	-502	-435
Financing activities		
Payments received from taken out bonds, borrower's note loans and bank loans	253,009	-
Payments made for redemption of borrower's note loans and bank loans	-102,754	-6,114
Payments received from short-term financial liabilities/Payments made for short-term financial liabilities ³	-58,888	12,300
Net cash flows from financing activities	91,367	6,186
Net change in cash and cash equivalents	71,673	-10,749
Effect of exchange rate changes on cash and cash equivalents	-4	-23
Cash and cash equivalents at 1 Jan.	3,778	18,712
Cash and cash equivalents at 31 Mar.	75,447	7,939

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

4.4 ADDITIONAL FINANCIAL INFORMATION

Revenue

Revenue is broken down as follows:

Revenue	Q1	Q1	Change
in EUR thou.	2017	2016	in %
Leasing Business Unit			
Leasing revenue (finance rate)	56,732	54,212	4.6
Other revenue from leasing business	43,876	41,360	6.1
Sales revenue	62,907	57,703	9.0
Total	163,516	153,276	6.7
Fleet Management Business Unit			
Fleet management revenue	11,915	7,789	53.0
Sales revenue	12,230	13,261	-7.8
Total	24,145	21,050	14.7
Group total	187,661	174,326	7.6

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	Q1	Q1	Change
in EUR thou.	2017	2016	in %
Selling expenses	71,445	67,246	6.2
Expenses from write-downs on lease assets intended for sale	1,772	1,257	40.9
Fuel	16,884	14,555	16.0
Repair, maintenance and reconditioning	17,493	14,524	20.4
Insurance	2,366	2,744	-13.8
External rent expenses	1,256	1,536	-18.2
Vehicle licenses	952	757	25.7
Transportation	936	802	16.7
Taxes and dues	739	766	-3.5
Radio license fees	411	423	-2.9
Vehicle return expenses	623	696	-10.5
Other expenses	1,750	1,614	8.5
Group total	116,627	106,920	9.1

Depreciation and amortisation

Depreciation and amortisation are split up as follows:

Depreciation and amortisation	Q1	Q1	Change
in EUR thou.	2017	2016	in %
Lease assets	43,900	43,973	-0.2
Equipment	39	39	0.7
Intangible assets	132	61	>100
Group total	44,071	44,073	-0.0

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

Other operating expenses

Other operating expenses are broken down as follows:

Other operating expenses	Q1	Q1	Change
in EUR thou.	2017	2016	in %
Rental expenses for business premises	385	330	16.6
Other selling and marketing expenses	862	1,776	-51.5
Expenses from write-downs of receivables	2,369	213	>100
Audit, legal, advisory costs, and investor relations expenses	414	487	-15.1
Other personnel services	1,066	2,373	-55.1
IT expenses	744	587	26.8
Miscellaneous expenses	957	1,687	-43.2
Group total	6,798	7,453	-8.8

Net finance costs

The net finance costs are as follows:

Net finance costs	Q1	Q1
in EUR thou.	2017	2016
Other interest and similar income	63	60
Other interest and similar income from related parties	2	2
Interest and similar expenses	-1,095	-290
Interest and similar expenses for related parties	-3,726	-5,376
Result from at-equity measured investments	-	7
Other net financial income	172	-
Group total	-4,583	-5,597

Group segment reporting

The segment information for the first three months of 2017 (compared to the first three 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	163.5	153.3	24.1	21.1	-	-	187.7	174.3
Internal revenue	-0.0	0.0	0.1	-	-0.1	-0.0	-	-
Total revenue	163.5	153.3	24.3	21.1	-0.1	-0.0	187.7	174.3
Fleet expenses and cost of lease assets	95.1	87.6	21.6	19.3	-0.1	-0.0	116.6	106.9
Depreciation and amortisation expense	44.1	44.1	0.0	0.0	-	-	44.1	44.1
EBIT ¹	12.2	12.9	0.8	0.7	-	-	13.1	13.7
Net finance costs	-4.5	-5.5	-0.0	-0.1	-	-	-4.6	-5.6
Thereof result from at-equity measured investments	-	-	-	0.0	-	-	-	0.0
EBT ²	7.7	7.5	0.8	0.6	-	-	8.5	8.1

¹ Corresponds to earnings before interest and taxes (EBIT)

² 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, 10 May 2017

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