

Allane SE

Group Quarterly Statement as of 31 March 2023

1. Business report

1.1 Group business performance

As of 31 March 2023 the Group's contract portfolio inside and outside Germany (excluding franchise and cooperation partners) totalled 114,400 contracts, 1.3% below the figure as of 31 December 2022 (115,900 contracts).

Consolidated revenue decreased by 0.6% during the first three months of 2023 to EUR 188.6 million (Q1 2022: EUR 189.8 million) compared to the same period of the previous year. Operating revenue, which does not include the proceeds from vehicle sales, increased by 0.8% to EUR 96.6 million (Q1 2022: EUR 95.8 million). This development is attributable to the increase in usage-related revenues, such as fuel revenues and revenues from individual service products, had still been impacted by COVID-19 measures in the prior-year quarter. Sales revenues from leasing returns and marketed customer vehicles in Fleet Management decreased by 2.1% to EUR 92.0 million (Q1 2022: EUR 94.0 million). This results in particular from the decline in sales volume, due to a reduced sales portfolio following a low contract portfolio and a higher number of contract prolongations.

Earnings before interest, taxes, depreciation and amortisation (EBITDA) increased in the first three months by 5.5% to EUR 50.2 million (Q1 2022: EUR 47.6 million) compared to the same period in the previous year. Earnings before taxes (EBT) increased by 0.5% to EUR 4.4 million (Q1 2022: EUR 4.4 million). The operating return on revenue (EBT/operating revenue) consequently came to 4.6% (Q1 2022: 4.6%).

The slight increased EBT in the first three quarters is mainly due to a decline in expenses for the vehicle fleet and lease assets. This positive effect was, however, weakened by the increase in depreciation on leased assets and the increase in refinancing costs due to higher interest expenses.

Allane Mobility Group

in EUR million	Q1 2023	Q1 2022	Change in %
Consolidated revenue	188.6	189.8	-0.6
Thereof operating revenue	96.6	95.8	0.8
Thereof sales revenue	92.0	94.0	-2.1
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	50.2	47.6	5.5
Earnings before taxes (EBT)	4.4	4.4	0.5
Operating return on revenue (%)	4.6	4.6	+/- 0.0 Punkte

1.2 Leasing business unit

In the Leasing business unit, which consists of the business fields Retail Leasing (Online Retail and Captive Leasing) and Fleet Leasing, the contract portfolio totalled 69,100 contracts as of the end of the first quarter of 2023. This represents an increase of 0.4% compared to the figure recorded at the end of 2022 (31 December 2022: 68,800 contracts). The Retail Leasing (Online Retail and Captive Leasing) contract portfolio increased by 2.1% to 36,000 contracts (31 December 2022: 35,300 contracts), which was mainly due to additional cooperations in this business field. In the Fleet Leasing business field, however, the contract portfolio declined by 1.4% to 33,100 (31 December 2022: 33,600 contracts). This was mainly due to the higher number of expiring contracts compared with new contracts.

Key figures Leasing business unit

in EUR million	Q1 2023	Q1 2022	Change in %
Total revenue	157.0	155.3	1.1
Thereof leasing revenue (finance rate)	48.8	47.7	2.2
Thereof other revenue from leasing business	35.5	33.0	7.5
Thereof sales revenue	72.7	74.6	-2.5
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	49.9	47.4	5.4
Earnings before taxes (EBT)	4.2	4.3	-1.3
Operating return on revenue (%)	5.0	5.3	-0.3 Points

Earnings before taxes (EBT) in the Leasing business unit were negatively impacted by both higher depreciation on leasing assets and an increase in refinancing costs due to higher interest expenses.

1.3 Fleet Management business unit

In the Fleet Management business unit, the contract portfolio was down 3.7% year-on-year at the end of the first quarter of 2023 to 45,300 contracts (31 December 2022: 47,000 contracts). This decline is mainly due to expired and non-renewed Fleet Management contracts.

Key figures Fleet Management business unit

in EUR million	Q1 2023	Q1 2022	Change in %
Total revenue	31.6	34.4	-8.2
Thereof fleet management revenue	12.3	15.1	-18.5
Thereof sales revenue	19.3	19.3	-0.2
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	0.3	0.2	39.4
Earnings before taxes (EBT)	0.2	0.2	47.7
Operating return on revenue (%)	1.9	1.1	+0.8 Points

The increase in earnings before taxes (EBT) in the Fleet Management business unit resulted in particular from the decline in other operating expenses, especially IT and auditing and consulting costs.

1.4 Financial position

Equity development

As of 31 March 2023 Allane Mobility Group's equity totalled EUR 236.6 million. This represents an increase of EUR 1.4 million or 0.6% compared to the previous year (31 December 2022: EUR 235.3 million). The equity ratio decreased by 0.2 percentage points to 19.1% (31 December 2022: 19.3%), due to a higher balance sheet total than in the previous year. The increase of the balance sheet total primarily results from the higher level of lease assets compared to the previous year's end balance.

Liabilities development

As of 31 March 2023, the Allane Mobility Group reported non-current liabilities and provisions of EUR 564.9 million (31 December 2022: EUR 580.7 million; -2.7 %). The decline of EUR 15.7 million was mainly due to a decrease in non-current financial liabilities of EUR 17.2 million to EUR 512.5 million (31 December 2022: EUR 529.7 million; -3.3%). Non-current financial liabilities decreased mainly as a result of the reclassification from non-current to current financial liabilities under the Asset Backed Securities (ABS) program. However, the addition of further long-term loans from Santander Consumer Bank AG mitigated this effect.

Current liabilities and provisions as of 31 March 2023 totalled EUR 434.6 million (31 December 2022: EUR 402.4 million). The increase of EUR 32.2 million or 8.0% resulted particularly from a EUR 42.7 million increase in current financial liabilities to EUR 320.8 million (31 December 2022: EUR 278.1 million). The increase in current liabilities is mainly due to the addition of further short-term loans from Santander Consumer Bank AG and the reclassification under the ABS program described above. In addition, accounts payable decreased by EUR 8.6 million or 12.3% to EUR 60.9 million (31 December 2022: EUR 69.4 million). Other liabilities have not changed compared to the previous year's end balance and remained at EUR 30.1 million (31 December 2022: EUR 30.1 million).

1.5 Investments

In the first three months of 2023, the Allane Mobility Group added vehicles with a total value of EUR 116.5 million (Q1 2022: EUR 74.3 million; +56.9%) to the lease assets. This is mainly due to a strong increase in order volumes as a result of cooperations in the Retail Leasing business field.

2. Events subsequent to the reporting date

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 first quarter of the 2023 financial year.

3. Specific events

With regard to the overall economic development and the negative impact of a high inflation rate and a rising interest rate level, we refer to the risk and forecast report in the management report of the Annual Report 2022, published on 28 April 2023. 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, and that consequently the estimates and discretionary decisions are still subject to greater uncertainty.

4. Report on outlook

The Managing Board confirms the forecast published on 28 April 2023. Accordingly, the Managing Board expects a contract portfolio in a range between 120,000 and 150,000 contracts (2022: 115,900 contracts) and consolidated operating revenue to reach an amount between EUR 350 million and EUR 400 million (2022: EUR 385.4 million). As for EBT, the Managing Board expects a low double-digit million-euro amount (2022: EUR 12.8 million).

In addition to the operating business development in the current financial year to date, this forecast takes into account the high level of interest and inflation rates as well as the expected gradual normalization of supply restrictions for new cars and the impact this may have on new and used car prices. Moreover, the Russia-Ukraine war is still ongoing after one year and could potentially have an additional impact on the European economies and the automotive market.

The Allane Mobility Group expects the market to continue to be negatively impacted by the aforementioned factors. However, the Company expects a positive development in new contracts and usage-based revenues due to additional cooperations in the Leasing business unit, particularly in the Captive Leasing business field. Allane expects that the positive business development will accelerate in the second half of 2023 due to the momentum of the described cooperations.

5. Financial figures for Allane Mobility Group as of 31 March 2023

5.1 Group income statement and statement of comprehensive income

Consolidated Income Statement

in EUR thou.	Q1 2023	Q1 2022
Revenue	188,574	189,770
Other operating income	2,116	1,332
Fleet expenses and cost of lease assets	118,386	120,872
Personnel expenses	13,582	13,791
Net losses arising from the derecognition of financial assets	561	681
Net impairment losses (-)/gain (+) from financial assets	-427	403
Other operating expenses	7,538	8,589
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	50,195	47,572
Depreciation and amortisation	43,362	41,995
Earnings before interest and taxes (EBIT)	6,834	5,578
Net finance costs	-2,393	-1,159
Earnings before taxes (EBT)	4,440	4,419
Income tax expense	1,597	1,449
Consolidated profit	2,843	2,969
Of which attributable to shareholders of Allane SE	2,843	2,969
Earnings per share – basic and diluted (in Euro)	0.14	0.14

Consolidated statement of comprehensive income

in EUR thou.	Q1 2023	Q1 2022
Consolidated profit	2,843	2,969
Other comprehensive income (not recognised in the income statement)	-1,472	2,387
Thereof components that could be reclassified to income statement in the future		
Currency translation gains/losses	-167	83
Change in derivative financial instruments designated as hedge accounting	-1,673	2,953
Related deferred taxes	368	-650
Total comprehensive income	1,372	5,356
Of which attributable to minority interests	-1,305	2,303
Of which attributable to shareholders of Allane SE	2,677	3,053

5.2 Group balance sheet

Assets in EUR thou.	31.03.2023	31.12.2022
Non-current assets		
Goodwill	4,311	4,308
Intangible assets	19,823	19,478
Property and equipment	28,265	29,045
Lease assets	1,010,555	993,192
Financial assets	27	27
Other receivables and assets	8,956	10,446
Deferred tax assets	770	783
Total non-current assets	1,072,705	1,057,279
Current assets		
Inventories	37,597	39,946
Trade receivables	70,600	82,697
Receivables from related parties	964	647
Other receivables and assets	31,309	31,806
Income tax receivables	837	809
Bank balances	22,139	5,168
Total current assets	163,447	161,074
Total assets	1,236,152	1,218,353
Equity and liabilities in EUR thou.	31.03.2023	31.12.2022
Equity		
Subscribed capital	20,612	20,612
Capital reserves	135,045	135,045
Other reserves	75,047	72,370
Minority interests	5,936	7,241
Total equity	236,640	235,268
Non-current liabilities and provisions		
Provisions for pensions	107	108
Other provisions	226	226
Financial liabilities	512,476	529,710
Other liabilities	16,766	15,064
Deferred tax liabilities	35,359	35,573
Total non-current liabilities and provisions	564,934	580,681
Current liabilities and provisions		
Other provisions	6,053	6,900
Income tax liabilities	2,084	2,502
Financial liabilities	320,783	278,128
Trade payables	60,857	69,431
Liabilities to related parties	25	89
Contract Liabilities	14,668	15,234
Other liabilities	30,108	30,119
Total current liabilities and provisions	434,578	402,403
Total equity and liabilities	1,236,152	1,218,353

5.3 Group cash flow statement

in EUR thou.	Q1 2023	Q1 2022
Operating activities		
Consolidated profit	2,843	2,969
Income taxes recognised in income statement	1,430	710
Income taxes paid / received (net)	-1,875	-1,079
Financial result recognised in income statement ¹	2,393	1,158
Interest received	1,624	70
Interest paid	-2,088	-3,464
Depreciation and amortisation	43,362	41,995
Income from disposal of fixed assets	-11,404	-11,490
Other (non-)cash expenses and income	-562	-5,174
Gross Cash flow	35,722	25,693
Proceeds from disposal of lease assets	70,526	73,061
thereof leasing assets	70,380	72,458
thereof fixed assets	146	604
Payments for investments in lease assets	-116,538	-74,279
Change in inventories	2,350	5,387
Change in trade receivables	12,096	498
Change in trade payables	-8,575	-8,538
Change in other net assets	164	-4,182
Net cash flows from/used in operating activities	-4,255	17,640
Investing activities		
Payments for investments in intangible assets and equipment	-2,263	-1,066
Net cash flows used in investing activities	-2,263	-1,066
Financing activities		
Dividends paid	-	-
Proceeds from bank loans (incl. ABS-transaction) ²	70,000	250,000
Payments made for redemption of bank loans (incl. ABS-transaction) ³	-52,985	-292,320
Payments made for / proceeds from short-term financial liabilities ^{4, 5, 6}	6,500	33,300
Net cash flows used in/from financing activities	23,515	-9,020
Net change in cash and cash equivalents	16,997	7,554
Effect of exchange rate changes on cash and cash equivalents	-24	4
Cash and cash equivalents at 1 January	5,168	-417
Cash and cash equivalents at 31 March	22,139	7,142

¹ Excluding income from investments

² Proceeds from bank loans (incl. ABS transaction) include proceeds from financing of affiliated companies in the amount of EUR 70,000 thousand (2022: EUR 250,000 thousand).

³ Payments for redemption of bond, promissory note loan and bank loan (incl. ABS transaction) include payments for redemption of financing of affiliated companies in the amount of EUR 20,000 thousand (2022: EUR 0 thousand).

⁴ Includes payments for redemption of financing for affiliated companies in the amount of EUR 30,000 thousand (2022: EUR 20,000 thousand).

⁵ Short-term borrowings with a maturity period of up to three months and quick turnover.

⁶ This item was included in the cash flow statement for the first time in the third quarter of 2022. The previous year's figures were reported in the quarterly statement as of 30 September 2022 in the amount of TEUR 18,000 under proceeds from bank loans (incl. ABS transaction) and in the amount of TEUR 51,300 under payments for redemption of bank loans (incl. ABS transaction).

5.4 Additional financial information

Revenue

Revenue is broken down as follows:

Revenue

in EUR thou.	Q1 2023	Q1 2022	Change in %
Leasing Business Unit			
Thereof leasing revenue (finance rate)	48,758	47,689	2.2
Thereof other revenue from leasing business	35,490	33,020	7.5
Thereof sales revenue	72,716	74,611	-2.5
Total	156,964	155,320	1.1
Fleet Management Business Unit			
Thereof fleet management revenue	12,341	15,138	-18.5
Thereof sales revenue	19,268	19,312	-0.2
Total	31,609	34,450	-8.2
Group total	188,574	189,770	-0.6

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

in EUR thou.	Q1 2023	Q1 2022	Change in %
Selling expenses ¹	80,856	82,323	-1.8
Repair, maintenance and reconditioning	18,155	18,197	-0.2
Fuel	10,586	11,168	-5.2
Vehicle licenses and deregistration	1,635	1,281	27.6
External rent expenses	1,590	1,393	14.1
Insurance	1,411	2,156	-34.6
Taxes and dues	819	837	-2.3
Vehicle return expenses	706	812	-13.0
Transportation	613	662	-7.4
Radio license fees	367	376	-2.5
Other expenses	1,647	1,666	-1.1
Group total	118,386	120,872	-2.1

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

Depreciation and amortisation

Depreciation and amortisation are as follows:

Depreciation and amortisation

in EUR thou.	Q1 2023	Q1 2022	Change in %
Lease assets	40,657	38,931	4.4
Property and equipment	1,297	1,287	0.8
Intangible assets	1,408	1,777	-20.8
Group total	43,362	41,995	3.3

Other operating expenses

Other operating expenses are broken down as follows:

Other operating expenses

in EUR thou.	Q1 2023	Q1 2022	Change in %
Expenses for buildings	280	370	-24.5
Other selling and marketing expenses	1,385	1,142	21.3
Audit, legal, advisory costs, and investor relations expenses	655	2,212	-70.4
Other personnel services	921	738	24.9
IT expenses	2,816	2,590	8.7
Expenses for foreign currency translation	578	180	>100
Miscellaneous expenses	902	1,357	-33.5
Group total	7,538	8,589	-12.2

Net finance costs

The net finance costs are as follows:

Net finance costs

in EUR thou.	Q1 2023	Q1 2022	Change in %
Other interest and similar income	59	64	-8.4
Other interest and similar income from related parties	4	5	-10.7
Interest and similar expenses	-480	-1,239	-61.2
Interest and similar expenses for related parties ¹	-1,983	-59	>100
Other net financial income/loss	7	70	-89.4
Group total	-2,393	-1,159	>100

¹ Interest and similar expenses for related parties mainly include interest provisions for future interest payments from loan agreements to Santander Consumer Bank AG.

Group segment reporting

The segment information for the first three months of 2023 (compared to the first three months of 2022) is as follows:

By Business Unit in EUR million	Leasing		Fleet Management		Reconciliation		Group	
	Q1 2023	Q1 2022	Q1 2023	Q1 2022	Q1 2023	Q1 2022	Q1 2023	Q1 2022
External revenue	157.0	155.3	31.6	34.4	-	-	188.6	189.8
Internal revenue	0.0	0.0	0.0	-	-0.0	-0.0	-	-
Total revenue	157.0	155.4	31.6	34.4	-0.0	-0.0	188.6	189.8
Fleet expenses and cost of lease assets	89.3	89.1	29.1	31.8	-0.0	-0.0	118.4	120.9
EBITDA¹	49.9	47.4	0.3	0.2	-	-	50.2	47.6
Depreciation and amortisation	43.3	42.0	0.0	0.0	-	-	43.4	42.0
EBIT²	6.6	5.4	0.3	0.2	-	-	6.8	5.6
Net finance costs	-2.4	-1.1	-0.0	-0.0	-	0.0	-2.4	-1.2
EBT³	4.2	4.3	0.2	0.2	-	-	4.4	4.4

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 in this Group Quarterly Statement may not add up exactly to the totals shown and that the nine-month figures may not exactly result from adding up the individual quarterly figures. For the same reason, the percentage figures presented may not exactly reflect the absolute figures they relate to.

Pullach, 11 May 2023

Allane SE
Managing Board

Contract

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