



grenke

# Investor Presentation

Dr. Martin Paal, CFO

SdK Anlegerforum, October 2024

**01** About grenke

**02** Financials

**03** Outlook

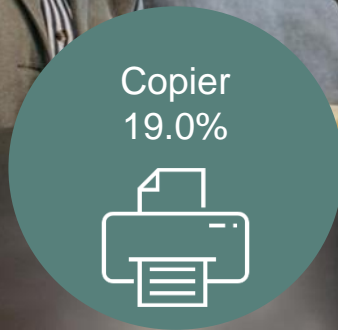
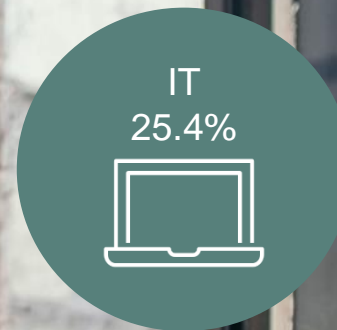
**04** Factbook

# What Am I Going to Lease Today?

# Leasing Is an Investment Decision



# Hiring New Employees

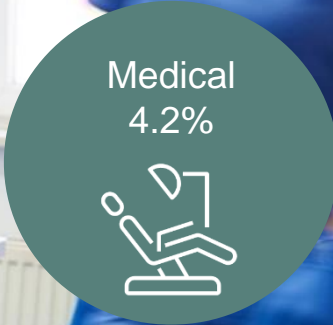
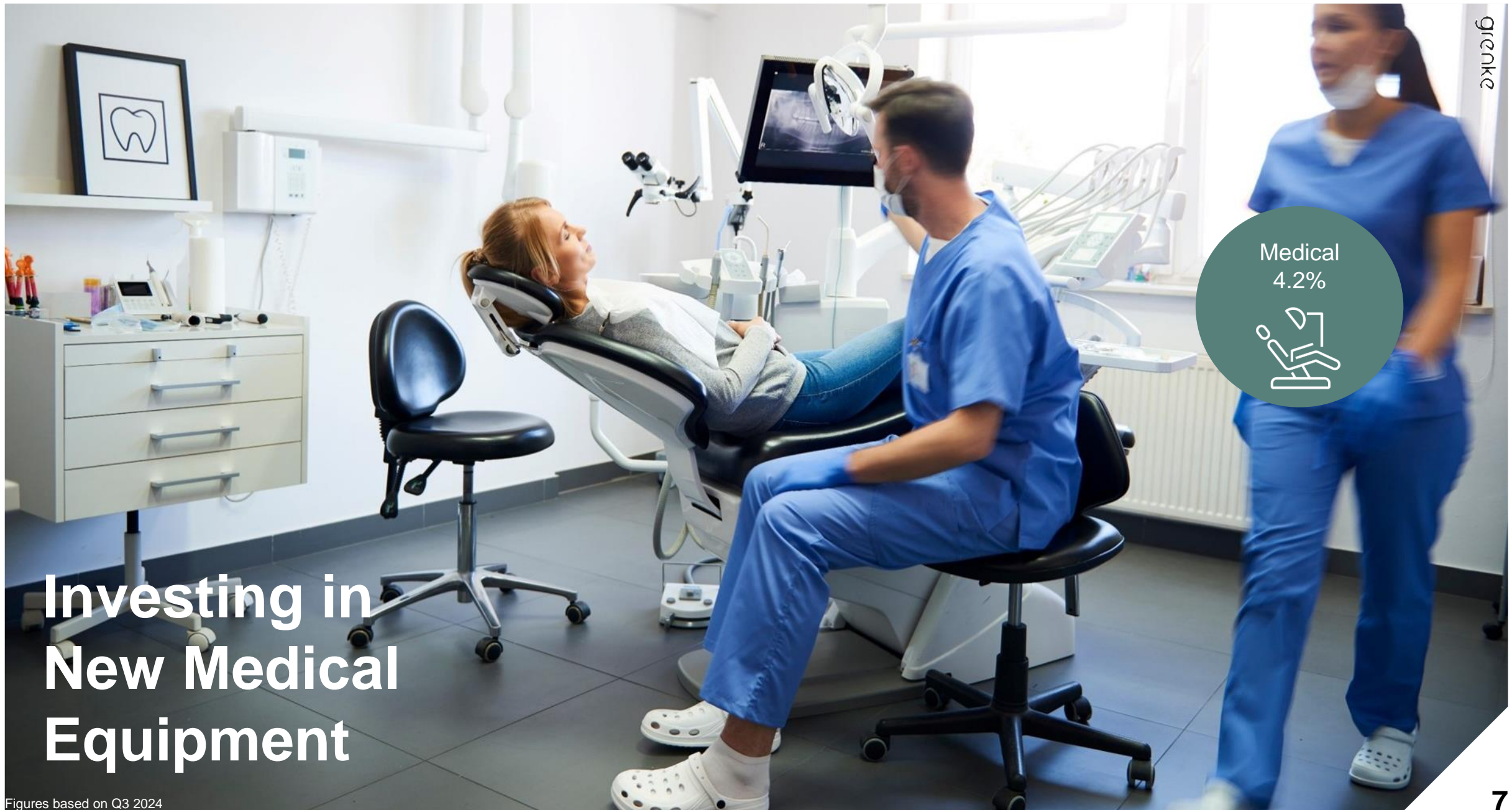


Figures based on Q3 2024

# Providing Employee Incentives

eBikes  
16.5%

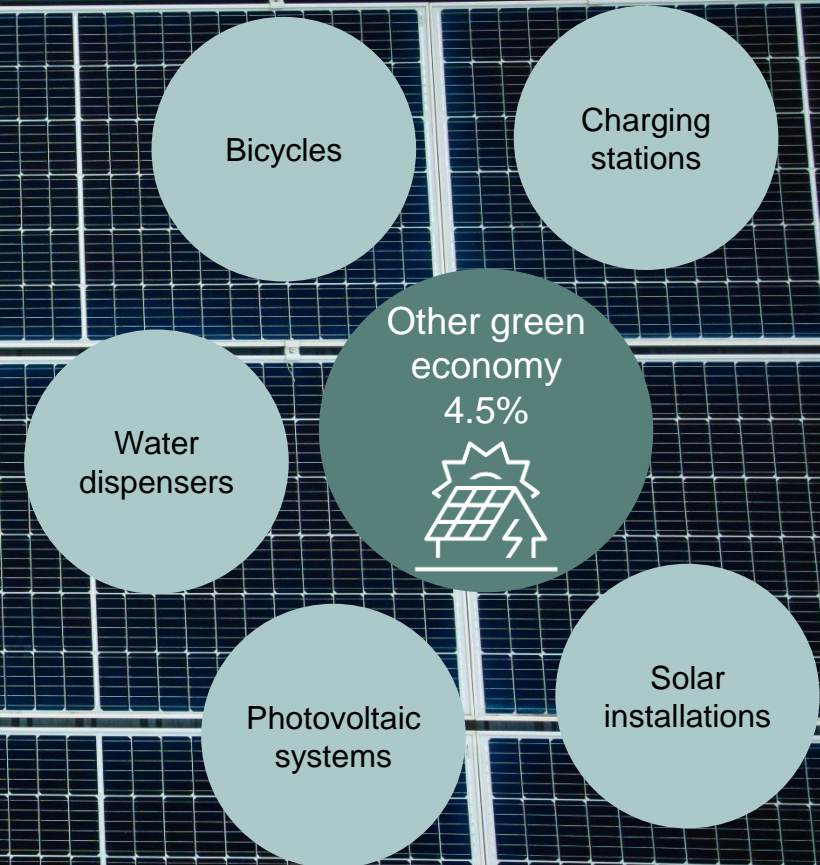




# Investing in New Medical Equipment

Figures based on Q3 2024

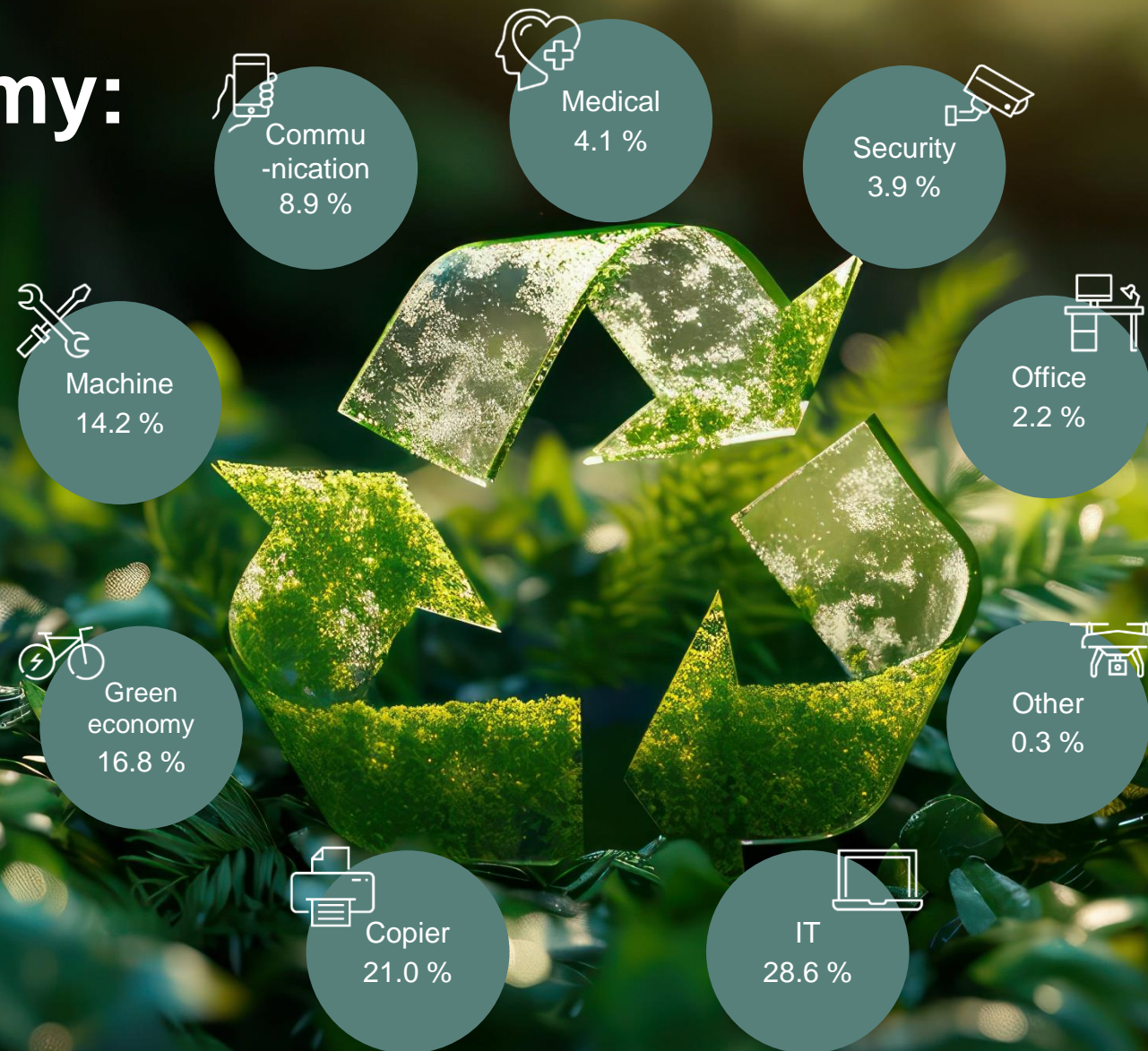
# Transforming to Green Economy



Figures based on Q3 2024



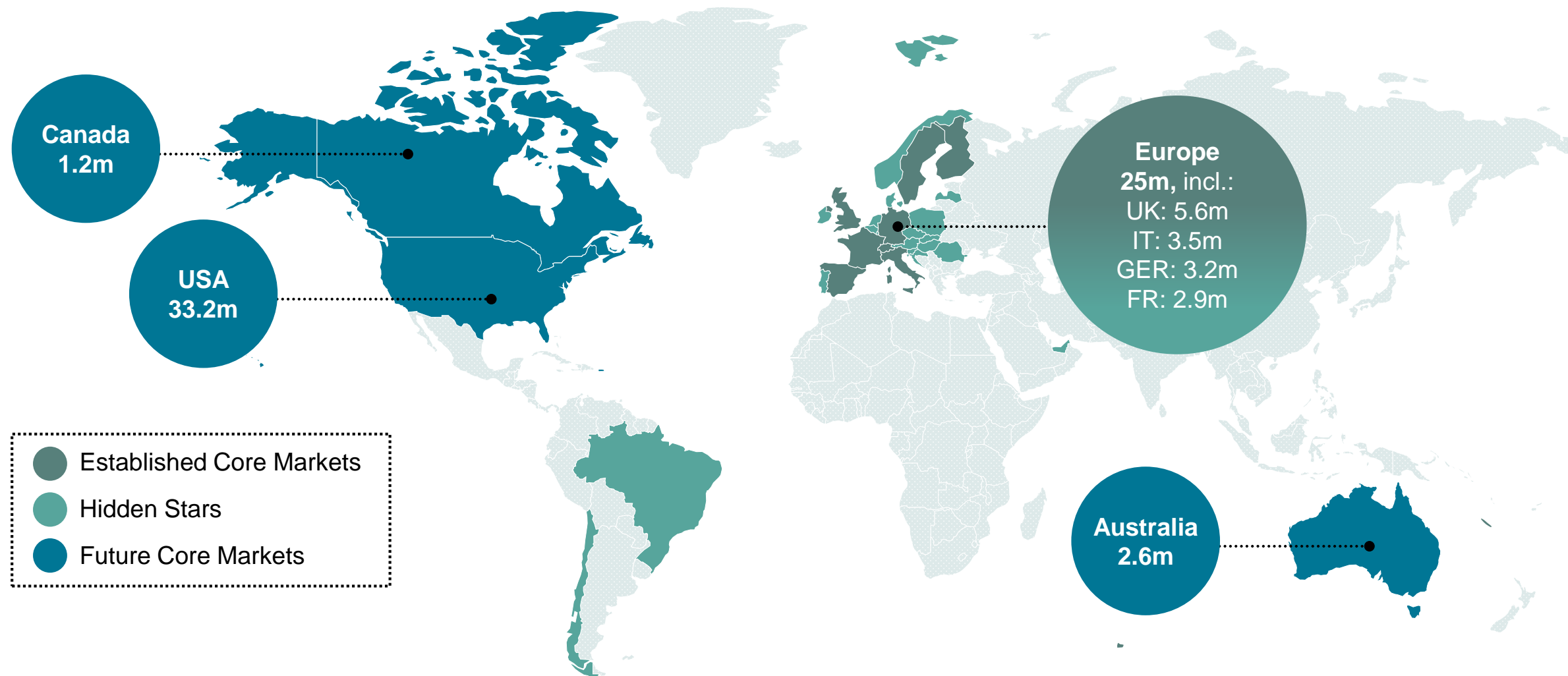
# Circular Economy: 99% of Objects Reused



In % of Number of New Contracts, FY 2023

# We are Global Market Leader in Small-Ticket Leasing

Extensive Market Potential for Further Growth in All Regions



Source: grenke internal; Data provided by Statistical Offices of respective countries, 2022 / 2023 figures

# Our Market Share is Around 10% in Germany, France & Italy\*

High Growth Potential for Leasing

**Strong intrinsic growth potential already in key markets and customer portfolio**

**Example of SMEs in Europe**

**25m  
SMEs in  
Europe**



// **50% use leasing**  
(12.5m potential customers)

// **Market share of 10%**  
(i.e. 1.2m potential customers)

**Great potential in Europe alone**

// Currently **680,000 customers**

// If every 6<sup>th</sup> current customer (~110,000)  
signs a new leasing contract (average  
ticket size approx. EUR 9,125)

**Equals approx. EUR 1bn new business**

**Our key  
growth  
drivers**



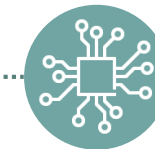
New contracts with  
existing customers



Acquisition of  
additional dealers



Expansion of object  
portfolio



New sales channels  
(e.g. Miete24)

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# Macro Environment and Highlights

January to September 2024



## Economic Development

- // Declining inflationary pressure
- // Further interest rate cut in Eurozone in Sept.
- // Moderate economic growth in key markets
- // Slightly increased number of insolvencies among SME



## Leasing

- // Opening of Chicago subsidiary
- // Focus on Leasing
- // Customer base grows steadily (680k customers)
- // Lease receivables exceed EUR 6bn for the first time in grenke history



## Market Trends

- // Steady investment needs of SME
- // Businesses and SME faced with:
  - Transition to net-zero emissions
  - Transformation towards more digital business models



## Capital Market

- // Successful placement of benchmark bonds in May and September (each EUR 500m)
- // Share buy back program concluded in September 2024
- // Return on Equity improved

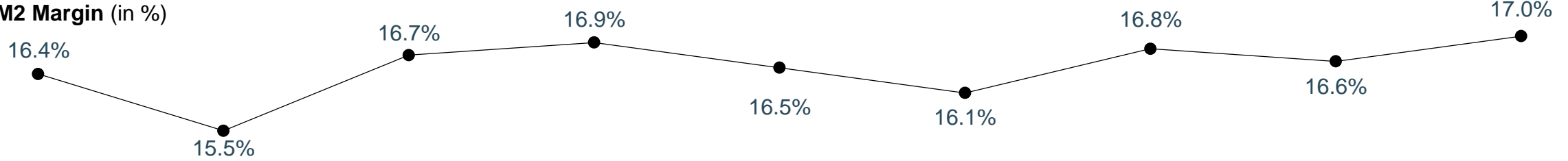


## ESG

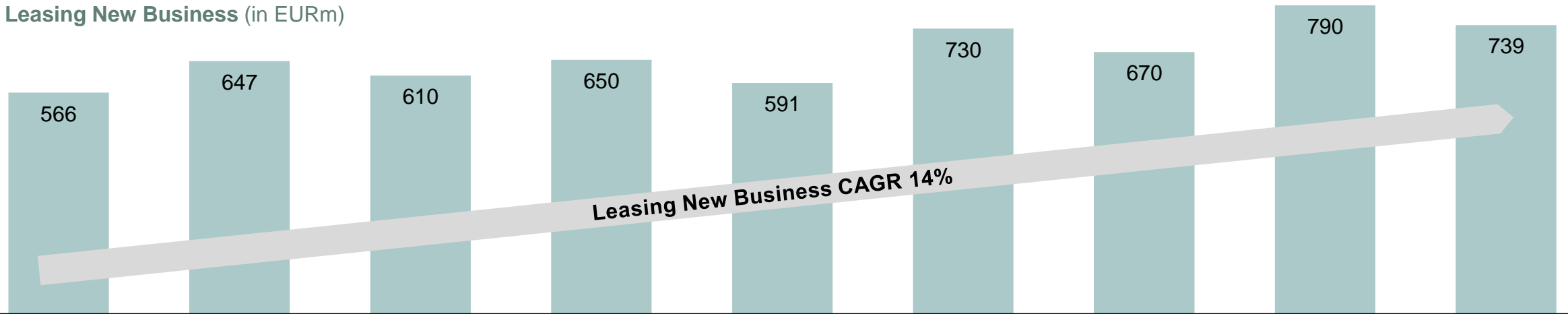
- // Significant improvement of ratings by MSCI, Sustainalytics and ISS
- // Continuous growth of green economy object portfolio

# Strong Overall Development

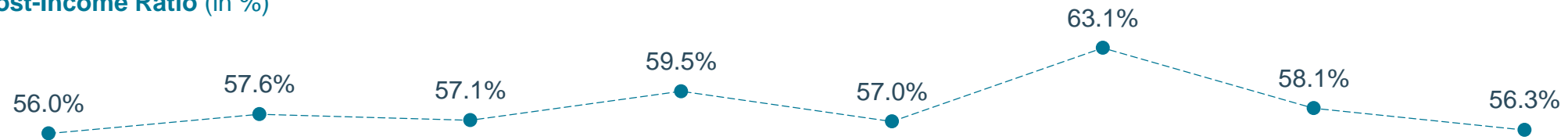
--- CM2 Margin (in %)



■ Leasing New Business (in EURm)



--- Cost-Income Ratio (in %)



Q3 2022

Q4 2022

Q1 2023

Q2 2023

Q3 2023

Q4 2023

Q1 2024

Q2 2024

Q3 2024

# KPIs Aligned with Annual Guidance

H1 2024



## Group Earnings: EUR 45.0m

// +11.3% vs H1 2023

// Earnings in line with expectations

// Over EUR 6bn lease receivables provide earnings base for upcoming quarters and years



## Loss Rate: 1.1%

// +0.1 PP vs H1 2023

// Normalization of loss rate from low base value partially reflects slightly increased insolvency rates among SME



## Equity Ratio: 18.3%

// -0.8 PP vs 31/12/2023

// Comfortable headroom for growth despite share buy back program



## CIR: 57.1%

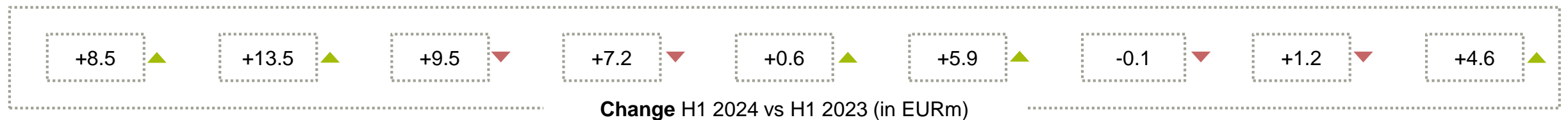
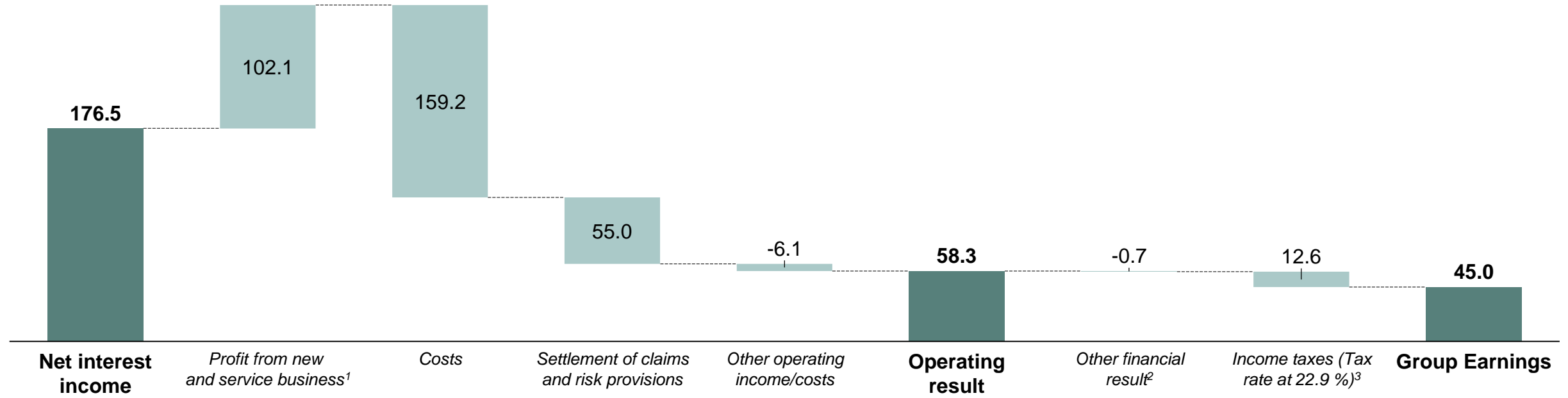
// -1.2 PP vs H1 2023

// Strong net interest income and profits from new business drove CIR improvement

# Operating Result Grows Steadily

## P&L Statement H1 2024

In EURm



Notes: 1) Incl. gains(+)/losses(-) from disposals; 2) Incl. income/expenses from fair value measurement; 3) incl. deferred taxes



# CIR Improved

## Cost Income Ratio

H1 2024 vs (H1 2023) in EURm

94.9 (85.3)	Staff cost	
+		
12.6 (13.4)	Depreciation and impairment	
+		
6.8 (6.9)	IT project cost	
+		
44.9 (44.1)	Other selling and administrative expenses	159.2
<hr/>		
176.5 (168.0)	Net interest income	278.6
+		
68.4 (63.1)	Profit from service business	
+		
29.1 (24.6)	Profit from new business	
+		
4.6 (1.0)	Gains (+) / losses (-) from disposals	

=

CIR:  
**57.1%**  
(58.3%)

CIR improved by 1.2 pp compared to H1 2023: 58.3%

CIR in Q2 2024 at 56.3% (Q2 2023: 59.5%)

CIR improvement driven by strong income development and only slight increase in cost

On target for 2024 guidance

# Share Buyback Program successfully concluded



// 2,317,695 shares repurchased (4,98% of the outstanding capital)  
// EUR 55.4m spent / EUR 23.92 average price per share  
// Share Buyback Program concluded on September 30, 2024

# Diversified Funding Mix as of June 30, 2024

S&P Rating: BBB/stable/A-2 August 2024; Fitch Rating: BBB/stable/F2 June 2024

## 3 Debt Pillars



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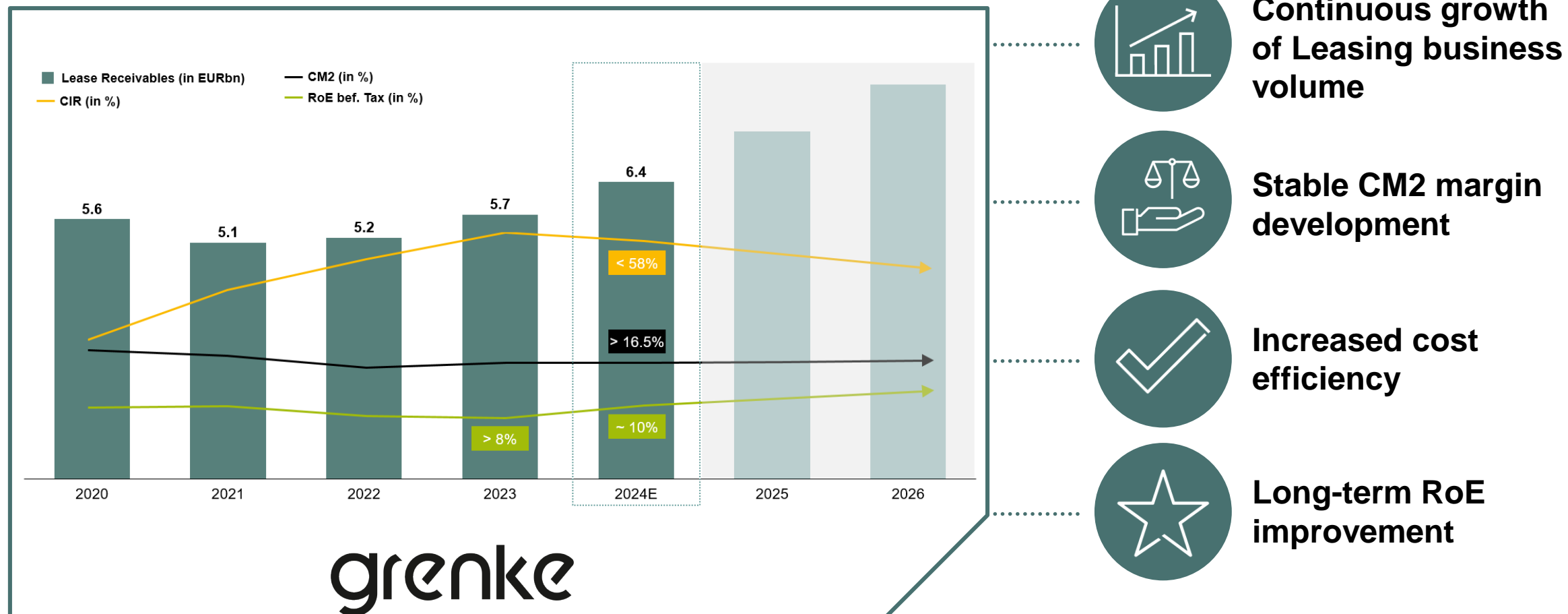
# Guidance 2024 and Mid-term Outlook Re-iterated

Q2 & H1 2024

	Results Q2 2024	Results H1 2024	Guidance 2024	Mid-Term
<b>Leasing New Business</b>	EUR 790.3m	EUR 1.5bn	EUR 3.0 - 3.2bn	Average growth rate about 12% p.a.
<b>CM2 Margin</b>	16.6%	16.7%	Slightly > 16.5%	~ 17.0%
<b>Loss Rate</b>	1.2%	1.1%	< 1.5%	≤ 1.5%
<b>Cost-Income Ratio (CIR)</b>	56.3%	57.1%	< 58%	< 55%
<b>Group Earnings</b>	EUR 25.2m	EUR 45.0m	EUR 95 – 115m	> +12% p.a.
<b>Equity Ratio</b>	18.3%	18.3%	> 16%	> 16%

# On Track for Further Sustainable Growth

## Key Take Aways



**Continuous growth of Leasing business volume**



**Stable CM2 margin development**



**Increased cost efficiency**



**Long-term RoE improvement**

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# grenke in a Nutshell

As of June 30, 2024



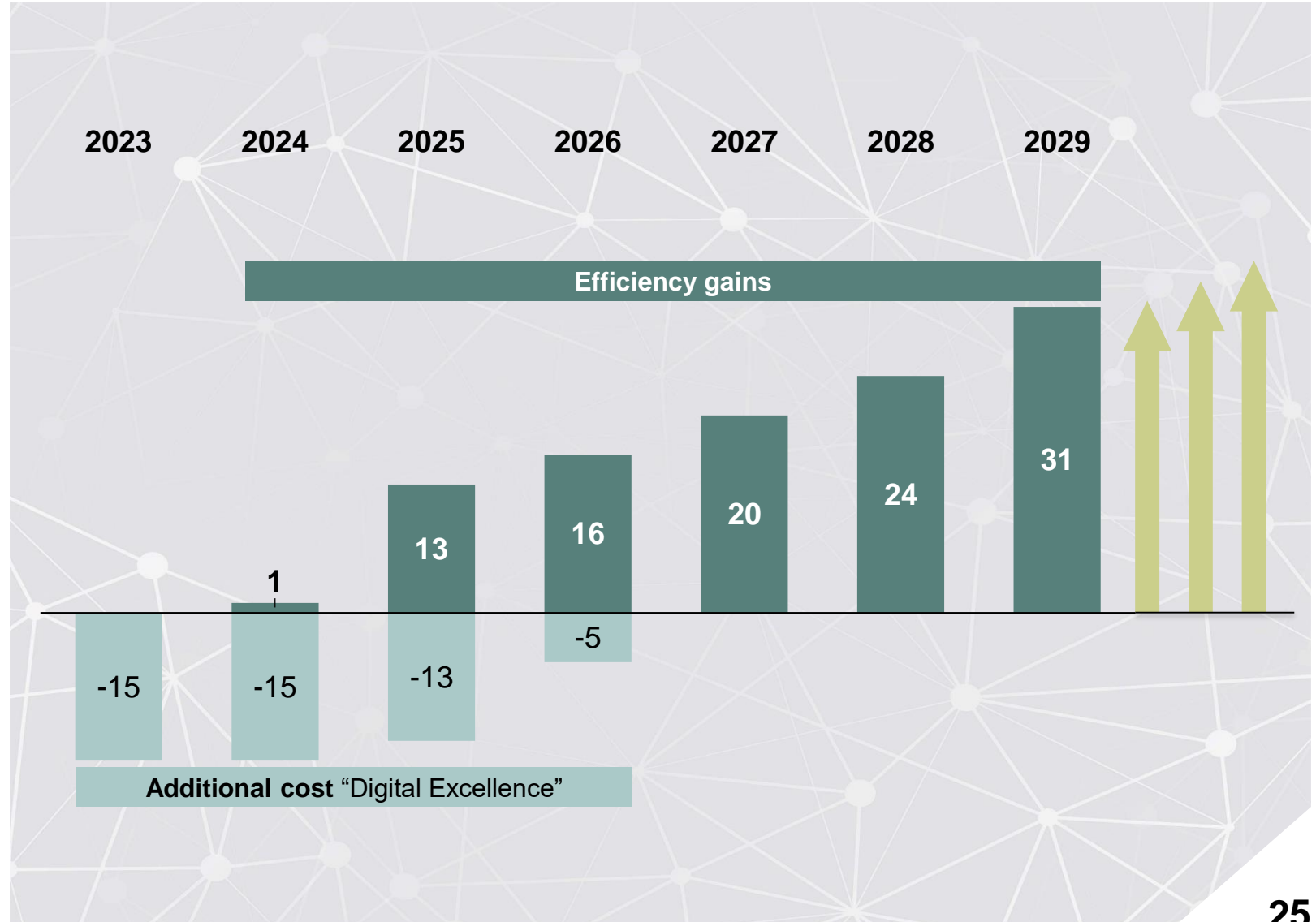


# Leveraging Digital Excellence for Process Efficiency

## Digitalization Program

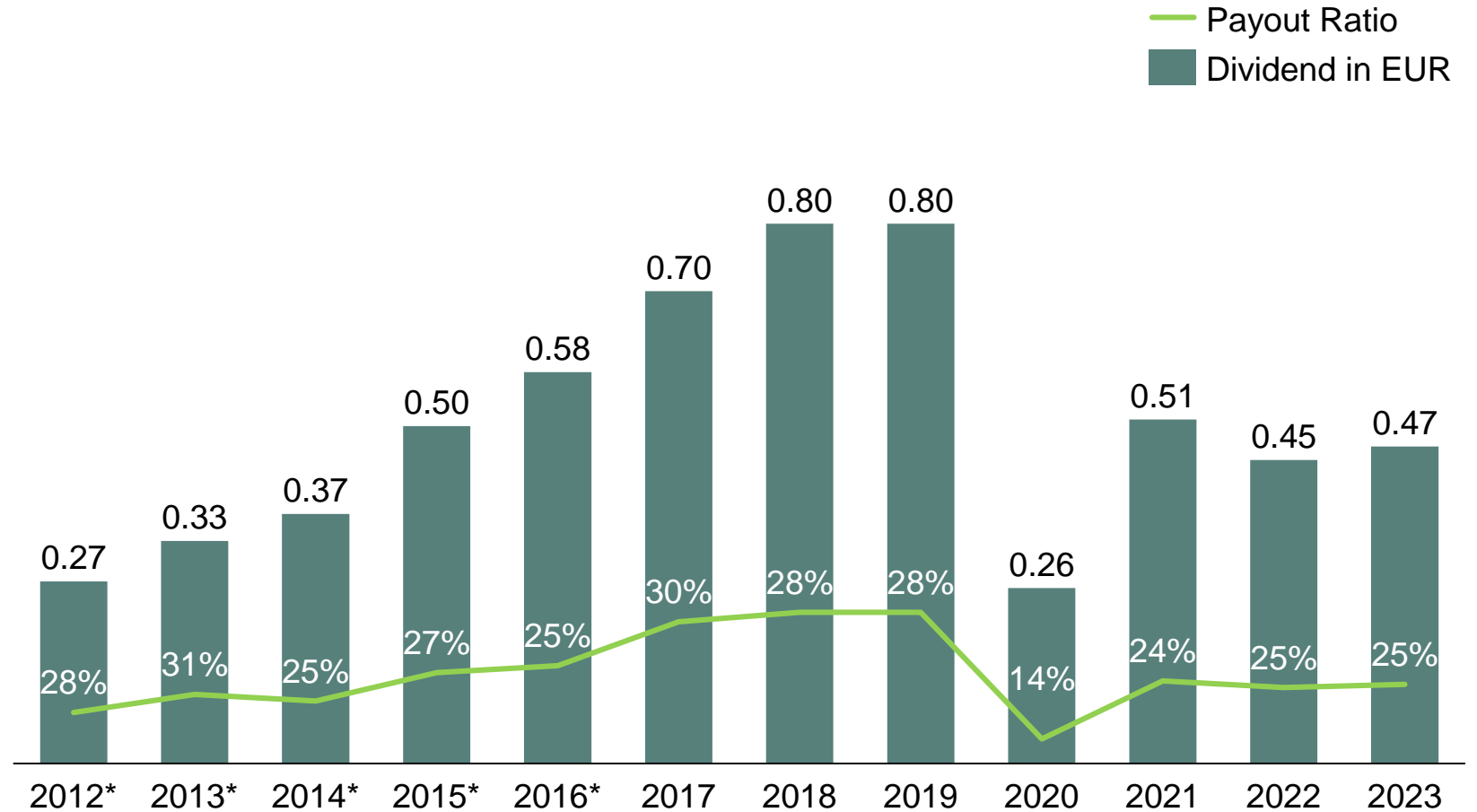
### Goals & Achievements

- // Digitalization program on budget (as of H1 2024)
- // Migration to cloud technology on track: 20% completed in year one
- // Investment in automation: Digitalization of KYC processes completed in major countries
- // 2024 focus on improvement of response times to customers



# Clear Dividend Policy – Stable Payout Ratio

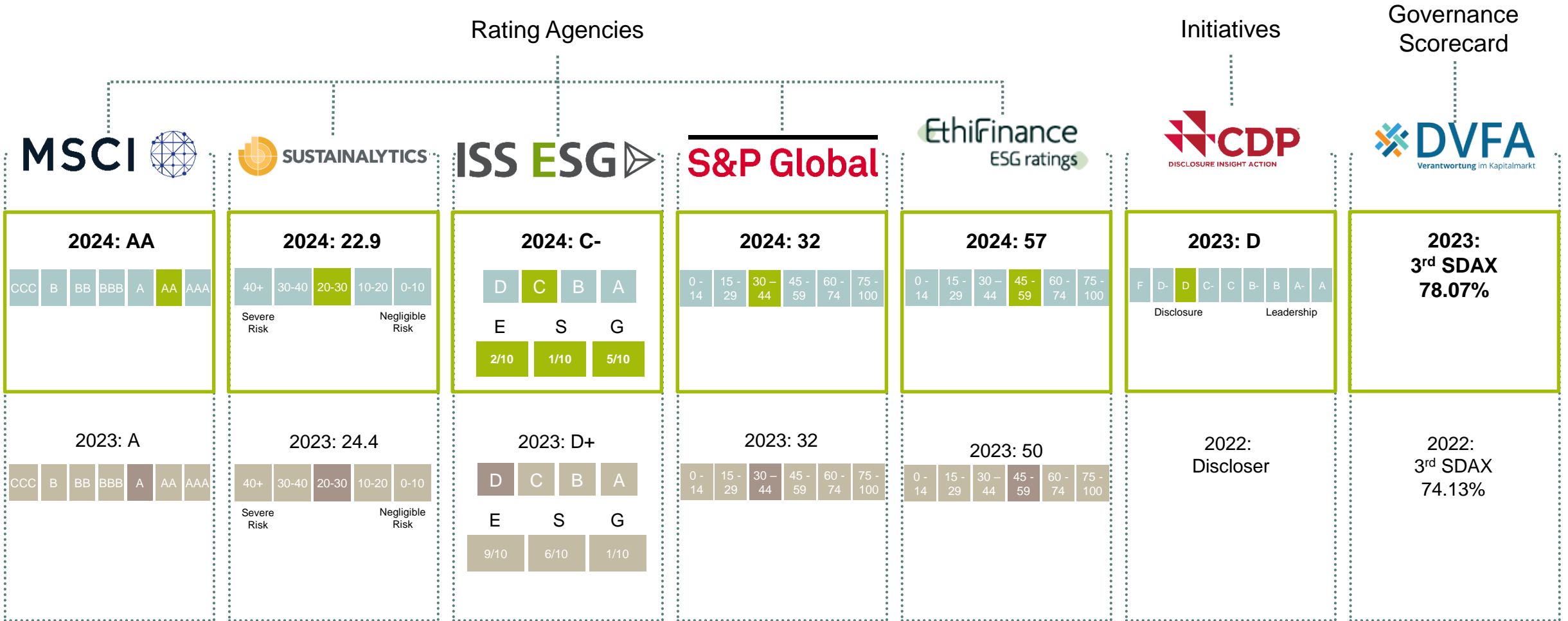
<b>EUR 1.79</b>	<b>Group Earnings per Share</b> + 2.3% vs 2022
<b>EUR 0.47</b>	<b>Dividend per Share</b> + 4.4% vs. 2022
<b>25%</b>	<b>Payout Ratio</b> Stable



\*Adjusted due to share split 1:3 in 2017

# Significant Improvements in 2024

## ESG Ratings and Initiatives



# Get in Touch with Us

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Financial Calendar

14.11. Quarterly Statement Q3 and Q1-Q3 2024

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September 2024