



PRESS RELEASE

## **Sixt Leasing significantly increases profitability during first nine months of 2015**

- **Operating return on sales climbs to 6.7%; in Q3 up to 7.4%**
- **Earnings before taxes (EBT) for first nine months up by 39% to EUR 21.7 million**
- **19% upturn in Group revenue strongly affected by higher proceeds from the sale of used vehicles**
- **First external financing agreements concluded**
- **Dr. Rudolf Rizzolli, CEO: "Business performance fully in line with our expectations"**
- **Revenue forecast for full year 2015 confirmed and earnings forecast outlined in more detail**

**Pullach, 18 November 2015** – In the third quarter of 2015, Sixt Leasing AG, one of the largest non-bank, vendor-neutral leasing companies in Germany, maintained the strong growth of the first six months of 2015 and increased return on sales still further. Consolidated earnings before taxes (EBT), the key figure for measuring the Company's business success, climbed by 39.2% over the first nine months to EUR 21.7 million. Year-on-year, the operating return on sales rose by 1.8 percentage points to 6.7%. The Managing Board of the mobility service provider, whose shares have been listed on the Frankfurt Stock Exchange since 7 May 2015, confirms its previous revenue expectations for fiscal year 2015 and outlines its earnings forecast in more detail.

**Dr. Rudolf Rizzolli, CEO of Sixt Leasing AG:** "After nine months, Sixt Leasing is absolutely in line with its plan. We continue to focus on qualitative growth and on increasing our profitability. A particularly gratifying development is the ongoing expansion in the number of contracts generated from our Online Retail business segment, which underlines the appeal of our services to private and commercial customers."

### **Sixt Leasing Group key figures after nine months 2015**

- Compared with the same period last year, Group's revenue for the first nine months of 2015 was up by 18.7% to EUR 498.5 million (9M 2014: EUR 419.9 million). The strong growth is due to higher proceeds from the sale of used leasing vehicles as well as increased revenue from finance leasing.
- Operating revenue (without the proceeds from sales) increased 2.0% to EUR 324.5 million (9M 2014: EUR 318.1 million).

- Sales proceeds climbed 70.9% to EUR 174.0 million after EUR 101.8 million for the same period last year. This strong increase is due above all to the expansion of the contract portfolio over the last few years. At the end of the leasing contract's term this leads to correspondingly more vehicle returns that come in with a certain time lag. Moreover, since 2014 the Fleet Management segment has offered as additional service to market customer vehicles that were under management after the end of their contract terms.
- For the period January to September the Sixt Leasing Group generated consolidated earnings before taxes (EBT) of EUR 21.7 million, an increase of 39.2% (9M 2014: EUR 15.6 million). Key factors contributing towards this increase in earnings were the revenue growth in finance leasing, improved margins of new business transactions and lower financing costs.
- The operating return on sales, measured as the ratio of EBT to operating revenue, improved by 1.8 percentage points from 4.9% to 6.7%.
- For the first three quarters the Group recorded a 38.0% gain in earnings after taxes, up to EUR 15.9 million (9M 2014: EUR 11.6 million).

#### **Sixt Leasing Group key figures Q3 2015**

- Group revenue for Q3 2015 climbed by 14.4% to EUR 169.5 million (Q3 2014: EUR 148.2 million).
- Operating revenue (without proceeds from sales) slightly increased to EUR 108.6 million (Q3 2014: EUR 108.2 million; +0.4%).
- Sixt Leasing's EBT in Q3 rose by 33.1% to EUR 8.0 million (Q3 2014: EUR 6.0 million).

#### **Development of the contract portfolio**

As at 30 September 2015 the Group's total number of contracts inside and outside Germany (excluding franchisees) amounted to 91,700 (30 September 2014: approx. 97,600 contracts; -6.1%). As already communicated in the H1 report, this drop is mainly the result of discontinued business relations with a Fleet Management customer who could not meet the Company's profitability expectations.

#### **Operating business segment performance**

The Sixt Leasing Group divides its operating business into the two segments (business units) Leasing (with the business fields Fleet Leasing and Online Retail) and Fleet Management (with the subsidiary Sixt Mobility Consulting GmbH).

##### Leasing segment:

For the period January to September 2015 the Leasing segment generated revenue from leasing operations (finance leasing and services) of EUR 299.6 million. Year-on-year this translates into a rise of 3.7% (9M 2014: EUR 289.0 million). The key driver was the increase in revenue in finance leasing (+10.9%), due to the ongoing growth in the number of contracts concluded by the Online Retail business field. Including the sales of vehicles, the segment's revenue climbed 16.7% to EUR 445.6 million (9M 2014: EUR 381.9 million).

The segment's EBT for the first nine months rose substantially by 30.9% to EUR 19.8 million after EUR 15.1 million over the same period last year. The intensified activities in the Online Retail business field to improve margins of new business transactions contributed to this development in particular. As numerous customers prefer vehicles that are instantly available from dealers, the offer for such vehicles was continuously expanded. Moreover, a growing number of private and commercial customers are making use of additional services that are offered on top. About every third contract now includes at least one service component. In addition, measures to retain customers were also intensified through the introduction of a bonus for existing customers.

At the end of September 2015 the portfolio of contracts amounted to approx. 68,800, a gain of 4.1% compared to the figure recorded at the same date the year before (66,100 contracts). The Online Retail business field with its innovative online platform [www.sixt-neuwagen.de](http://www.sixt-neuwagen.de) continued to record healthy growth. It increased its number of contracts year-on-year by 36.1% to around 19,900 (30 September 2014: approx. 14,600 contracts).

In the third quarter Sixt Leasing proved its innovative power once again. First, in July 2015 the online retail portal [www.sixt-neuwagen.de](http://www.sixt-neuwagen.de) launched its cooperation with the specialist financing provider akf bank. It enables customers to find a straightforward follow-up financing solution when their leasing vehicle comes to the end of its term. The second innovation refers to the development of a driver's logbook app. It allows company car users to record their journeys simply via smartphone, to have them documented for the tax authority.

#### Fleet Management segment:

During the first three quarters the segment registered a revenue increase of 39.2%. Given the higher proceeds from the sale of vehicles, revenue climbed to EUR 53.0 million (9M 2014: EUR 38.1 million). The revenue from services was EUR 24.9 million and thus lower than the figure recorded in the same period last year (EUR 29.1 million; -14.4%). This development was due to the termination of the contract with one key account in the second quarter 2015.

In the period under review, the segment's EBT increased substantially to EUR 2.0 million (9M 2014: EUR 0.5 million), because of an improved profitability of the contract portfolio, among others.

As of 30 September 2015 the Fleet Management's contract portfolio included around 22,900 contracts, a decline of 27.4% compared with the number recorded on 30 September 2014 (approx. 31,500 contracts). After an intense tender and negotiation phase a key account confirmed the fleet management of about 10,000 vehicles. Following a successful implementation, the contract portfolio of the Fleet Management business unit is, therefore, supposed to rise significantly and overcompensate the temporary downturn in the number of contracts. In addition, Managed Mobility AG, the Swiss-based joint venture for fleet management that is consolidated at-equity, manages another 5,900 contracts.

The ongoing internationalisation is another important corner stone for the growth of the Fleet Management business unit. In the period under review, the Dutch subsidiary was realigned to focus on fleet management and preparations went underway to establish a French subsidiary. With the in the third quarter newly developed Global Reporting Tool, which is due to be launched in the fourth quarter of 2015, international fleets can be managed even more

efficiently. The new tool provides comprehensive transparency on all relevant vehicles, which a company operates.

### **First external financing agreements concluded**

In the third quarter 2015 Sixt Leasing AG concluded its first long-term financing agreements with its banking partners. These will enable Sixt Leasing AG to gradually replace the Group financing secured by Sixt SE and to finance its planned growth, whilst simultaneously lowering its average interest rate payments.

### **Outlook for the full-year 2015**

Following the positive business performance of the first nine months and the ongoing good environment for lease financing in Europe, the Managing Board continues to expect a slight increase in operating revenue compared to 2014. Total consolidated revenue are expected to be substantially higher than last year given stronger proceeds from the sale of vehicles.

Consolidated earnings will be positively affected by the measures taken to increase profitability in the contract portfolio. In addition, it is expected that the Group's interest expenses can be lowered. This is to be achieved on the one hand by reducing current financial liabilities as well as through the initiated substitution of the Group financing provided by Sixt SE with the proceeds from the IPO and on the other hand by the utilisation of the negotiated new financing agreements with banking partners.

Consequently, the Managing Board has specified its earnings forecast for 2015 and now expects the Group's EBT to rise from the EUR 25.6 million recorded in 2014 to around EUR 30 million in 2015.

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### **Note to editors:**

The Interim Report of Sixt Leasing AG as at 30 September 2015 can now be downloaded from <http://ir.sixt-leasing.com/interim-reports>.

# Sixt Leasing Group

(All figures in accordance with IFRS)<sup>1</sup>

## Revenue performance

EUR million	9M 2015	9M 2014	Change %	Q3 2015	Q3 2014	Change %
Leasing segment	445.6	381.9	+16.7	151.9	130.6	+16.3
Fleet Management segment	53.0	38.1	+39.2	17.5	17.6	-0.3
<b>Consolidated revenue</b>	<b>498.5</b>	<b>419.9</b>	<b>+18.7</b>	<b>169.5</b>	<b>148.2</b>	<b>+14.4</b>
• thereof consolidated operating revenue (without vehicle sales)	324.5	318.1	+2.0	108.6	108.2	+0.4
• thereof sales revenue	174.0	101.8	+70.9	60.8	40.0	+51.9

## Earnings performance

EUR million	9M 2015	9M 2014	Change %	Q3 2015	Q3 2014	Change %
Fleet expenses and cost of lease assets	301.5	245.3	+22.9	101.6	88.8	+14.3
Personnel expenses	15.1	13.4	+12.7	4.6	4.4	+6.7
Depreciation and amortisation expenses	133.4	118.1	+12.9	45.3	39.3	+15.2
Net other operating income/expenses	-11.2	-9.7	+15.6	-4.6	-3.6	+28.1
Net finance costs	-15.6	-17.8	-12.4	-5.3	-6.0	-12.4
<b>Earnings before taxes (EBT)</b>	<b>21.7</b>	<b>15.6</b>	<b>+39.2</b>	<b>8.0</b>	<b>6.0</b>	<b>+33.1</b>
<i>Operating return on sales (%)<sup>2</sup></i>	6.7	4.9	+1.8 points	7.4	5.6	+1.8 points
Income tax expense	5.8	4.1	+42.7	2.1	1.5	+37.7
Consolidated profit	15.9	11.6	+38.0	5.9	4.5	+31.5
Undiluted earnings per share (EUR) <sup>3</sup>	0.88	0.77	-	0.29	0.30	-

## Other key figures for the Group

	30 Sep. 2015	31 Dec. 2014	Change %
Total assets (EUR million)	1,090.1	1,080.9	+0.9
Lease assets (EUR million)	948.9	902.4	+5.2
Equity (EUR million)	171.7 <sup>4</sup>	12.3	>+100
Equity ratio (%)	15.8 <sup>4</sup>	1.1	+14.7 points
	<b>9M 2015</b>	<b>9M 2014</b>	<b>Change %</b>
Investments (EUR million) <sup>5</sup>	319	307	+3.9

<sup>1</sup> Due to rounding it is possible that individual figures presented in this press release may not add up exactly to the totals shown and that the nine-month figures listed may not follow 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.

<sup>2</sup> Ratio of EBT to operating revenue

<sup>3</sup> Ratio of profit attributable to shareholders of Sixt Leasing AG and the pro rata temporis weighted average number of shares outstanding

<sup>4</sup> Following the equity inflow from the IPO and the capital injection of EUR 30 million into the capital reserves made by Sixt SE

<sup>5</sup> Value of vehicles added to the leasing fleet