grenke

Baden-Baden
July 3, 2024

With 21.5 % quarterly growth, grenke achieves key milestone on path to target of over EUR 3 bn

Press release

- **New leasing business in the second quarter grows 21.5 % year-on-year to a record EUR 790.3 million (Q2 2023: EUR 650.3 million)**
- **Contribution margin 2 (CM2) increases 19.4 % to EUR 130.9 million (Q2 2023: EUR 109.7 million)**

Baden-Baden, July 3, 2024: The second quarter of this year was the strongest in grenke AG's history. In the April to June period, the global financing partner for small and medium-sized enterprises significantly increased its new leasing business by 21.5 % year-on-year to EUR 790.3 million (Q2 2023: EUR 650.3 million).

Contribution margin 2 (CM2) – an indicator of new business profitability – grew 19.4 % in the same period to EUR 130.9 million (Q2 2023: EUR 109.7 million). The CM2 margin held steady at 16.6 % compared to the same prior-year period (Q2 2023: 16.9 %) and was clearly on track for the target of slightly over 16.5 %.

Dr Sebastian Hirsch, CEO of grenke AG: "This outstanding quarter, with growth in excess of 20%, is a milestone on the path to achieving our ambitious annual target of over EUR 3 billion in new business. While this is a very important achievement, we are not resting on our laurels but will instead continue to build on this record performance."

Dr Martin Paal, CFO of grenke AG: "After completing the first two quarters, we are right on target. Not only in terms of our new business but also our profitability. With a solid CM2 margin of 16.6 %, we have increased our absolute contribution margin by more than 19 % compared to the prior year. We expect to continue to see strong growth in the second half of the year and a steady margin. We have already laid the important foundation for this with our recent placement of a new EUR 500 million benchmark bond at favourable terms."

Demand for green economy objects remains strong – continuous expansion of the reseller network

Green economy objects contributed strongly again to new leasing business in Q2 2024, with every fifth leasing contract (20.5 %) originating from this object category (Q2 2023: 21.9 %). The main drivers were eBikes, water treatment systems and solar systems. The international sales network continued to be expanded and now comprises over 37,000 resellers (Q2 2023: 34,700). The direct customer business as a share of the total leasing business remained essentially unchanged at 17.1 % (Q2 2023: 17.0 %).

Southern Europe is the strongest region ahead of Western Europe

Southern Europe was the strongest region, growing 34.4 % to EUR 197.3 million (Q2 2023: EUR 146.9 million), representing a 25.0 % share of the new leasing business. The largest share of new leasing business, accounting for more than half of the new leasing business in Southern Europe, originated from Italy with growth of 47.8 %. Western Europe (excluding DACH) was in second place with growth of 15.3 % to EUR 197.2 million (Q2 2023: EUR 171.0 million), representing a 24.9 % share of new leasing business, which almost matched the share contributed by Southern Europe. France, in turn, accounted for the largest share in this region and contributed 19.3 % of grenke's total new leasing business. The DACH region followed in third place, with year-on-year growth of 11.1 % and new leasing business of EUR 182.7 million (Q2 2023: EUR 164.5 million). The Northern/Eastern

Europe region recorded growth of 25.3 % to EUR 164.6 million (Q2 2023: EUR 131.3 million). Denmark and Romania performed particularly well, with grenke increasing its new business in those countries by a respective 52.8 % and 38.5 % in the second quarter of 2024. The other regions recorded growth of 32.5 % to EUR 48.5 million (Q2 2023: EUR 36.6 million). This category includes the future markets of the USA, Canada and Australia.

Leasing demand remains high

Demand for lease financing solutions among SMEs remains strong. In the second quarter, grenke registered around 167,000 lease applications, compared to around 150,000 in the same prior-year quarter, and concluded around 87,000 new lease contracts (Q2 2023: around 79,000). The conversion rate was largely stable year-on-year at 51.9 % (Q2 2023: 52.6 %). At EUR 9,125, the average ticket size remained under EUR 10,000 (Q2 2023: EUR 8,274).

Factoring business grows; steady deposit business at grenke Bank

The factoring business held for sale achieved growth of 11.3 % in the second quarter of 2024, equivalent to new business volume of EUR 228.7 million (Q2 2023: EUR 205.4 million).

grenke Bank’s new lending business, which largely consists of the microcredit business, totalled EUR 9.0 million in the reporting period (Q2 2023: EUR 11.0 million). As of June 30, 2024, the deposit business amounted to EUR 1,657 million, corresponding to an increase of 2.5% since the turn of the year (December 31, 2023: EUR 1,617 million).

In a short interview, CFO Dr Martin Paal elaborates on the new business figures for the second quarter: https://youtu.be/hPO0VjFL13w

The report for the second quarter and first half of 2024 will be published on August 8, 2024.

Overview of new business (in EUR millions)

	Q2 2024	Q2 2023	∆ in %	Q1-Q2 2024	Q1-Q2 2023	∆ in %
New leasing business	790.3	650.3	21.5	1,460.1	1,260.5	15.8
DACH	182.7	164.5	11.1	321.3	307.5	4.5
Western Europe without DACH	197.2	171.0	15.3	384.6	332.9	15.5
Southern Europe	197.3	146.9	34.4	364.7	297.2	22.7
Northern/Eastern Europe	164.6	131.3	25.3	299.5	254.8	17.6
Other regions	48.5	36.6	32.5	90.0	68.1	32.2
Contribution margin 2 (CM2) for new leasing business	130.9	109.7	19.4	243.6	211.7	15.1
DACH	24.0	21.7	10.3	42.8	39.6	7.9
Western Europe without DACH	34.2	30.0	14.1	67.3	58.7	14.5
Southern Europe	32.8	26.6	23.3	60.2	53.0	13.4
Northern/Eastern Europe	29.2	23.8	22.6	53.7	46.3	16.0
Other regions	10.7	7.5	42.6	19.7	14.1	40.3
CM2 margin (in %)	16.6	16.9	-0.3pp	16.7	16.8	-0.1pp
New factoring business	228.7	205.4	11.3	441.6	397.4	11.1
DACH	73.6	76.5	-3.9	146.2	149.7	-2.3
Northern/Eastern Europe	94.7	85.1	11.3	186.5	167.0	11.7
Southern Europe	60.4	43.8	38.0	108.9	80.7	34.9
grenke Bank						
New lending business	9.0	11.0	-18.0	17.7	23.8	-25.5

Leasing regions: DACH: Austria, Germany, Switzerland

Western Europe without DACH: Belgium, France, Luxembourg, Netherlands

Southern Europe: Croatia, Italy, Malta, Portugal, Slovenia, Spain

Northern | Eastern Europe: Denmark, Finland, Ireland, Latvia, Norway, Sweden, UK | Czechia, Hungary, Poland, Romania, Slovakia

Other regions: Australia, Brazil, Canada, Chile, Singapore*, Turkey*, UAE, USA

*New leasing business was discontinued in 2023.

Factoring regions: DACH: Germany, Switzerland

Northern | Eastern Europe: Hungary, Ireland, Poland, UK

Southern Europe: Italy, Portugal

grenke announced its intention to sell the factoring companies on January 31, 2024.

Press release

About grenke

The grenke Group (grenke) is a global financing partner for small and medium-sized companies. As a one-stop shop for customers, grenke's products range from flexible small-ticket leasing and demand-driven bank products to convenient factoring. Fast and easy processing and personal contact with customers and partners are at the centre of grenke's activities. Founded in 1978 in Baden-Baden, the Group operates in more than 30 countries and employs approximately 2,100 staff (measured in terms of full-time equivalents) worldwide. grenke shares are listed on the Frankfurt Stock Exchange (ISIN DE000A161N30).

Further information is available from

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