GRENKE achieves EUR 1.7 billion in new leasing business for financial year 2021, reaching the upper end of the forecast

- New leasing business in the 2021 financial year amounts to EUR 1,657.8 million (FY 2020: EUR 2,027.9 million, -18.3%)
- New leasing business in Q4 2021 reaches EUR 521.2 million (Q4 2020: EUR 426.7 million, +22.1%)
- Contribution margin 2 in full-year 2021 at 17.6% (2020: 18.4%); in Q4 2021 at 16.3% (Q4 2020: 19.5%), mainly due to increased refinancing costs and measures to boost sales

Baden-Baden, January 4, 2021: The GRENKE Group, a global financing partner for small and medium-sized enterprises, generated new leasing business of EUR 1,657.8 million during the past 2021 financial year, which was marked by the COVID-19 pandemic and global supply bottlenecks in the second half-year. This figure represents 81.7% of the previous year's level (FY 2020: EUR 2,027.9 million) and is at the upper end of the EUR 1.5 to 1.7 billion forecast for new business adjusted in November. In the fourth quarter of 2021, new leasing business was EUR 521.2 million, or 22.1% higher than in the same quarter last year. New leasing business corresponds to the total acquisition costs of all newly purchased leased assets.

Michael Bücker, CEO of GRENKE AG:
"Our finish in the last quarter of the year was successful because our measures to boost sales have taken effect. The positive trend, especially in the final weeks of December, also clearly indicates a returning willingness to invest by European SMEs. We are entering the New Year at full speed ahead."

Regional development of new leasing business

An increase in new leasing business was achieved in all regions in the fourth quarter compared to the same quarter of the prior year. The region Western Europe without DACH achieved the strongest growth with 44.5%, followed by Northern/Eastern Europe with an increase of 35.6%, and Southern Europe with a rise of 18.9%. Other regions generated a year-on-year increase in new leasing business of 17.0%. The DACH region registered a slight improvement in new leasing business of 1.1% in the fourth quarter of 2021 compared to the same period of the previous year.

Development of the percentage contribution margin

Contribution margin 2 (CM2) of the leasing business amounted to EUR 85.1 million in the fourth quarter of 2021 (Q4 2020: EUR 83.3 million, +2.1%). The CM2 margin decreased to 16.3% (Q4 2020: 19.5%) after the extraordinarily profitable fourth quarter of 2020.

Contribution margin 1 (CM1) reached EUR 55.4 million in the fourth quarter of 2021 (Q4 2020: EUR 56.0 million), recording a decline of 1.2%. The CM1 margin decreased to 10.6% (Q4 2020: 13.1%).

The primary reason for the CM margin development was higher refinancing costs and a clear focus on generating new business with a return to higher contract values. The mean acquisition value per lease contract equalled EUR 8,677 (Q4 2020: EUR 7,595).

Dr Sebastian Hirsch, CFO of GRENKE AG:
"We are excellently positioned. Our liquidity and refinancing options form a strong foundation for our sales activities. Even though our funding costs continue to currently be above pre-COVID levels and we continue to be in a complex market environment, we are satisfied with our contribution margin for full-year 2021. In 2022, we will utilise our available refinancing and tap into new sources of financing to

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ensure that the growth of our new leasing business is secured by liquidity based on matched maturities for the long term."

Regional development of the contribution margins

The decline in contribution margins (CM2) in the fourth quarter of 2021 resulted primarily from the DACH, Southern Europe and other regions. The DACH region recorded a decrease in contribution margin of 12.4%, Southern Europe of 4.3% and other regions of 7.8%. The regions Western Europe without DACH and Northern/Eastern Europe showed favourable performance, achieving an increase in contribution margin 2 of 15.6% and 16.0%, respectively.

The GRENKE Group received a total of 119.825 lease applications in the fourth quarter of 2021. Of these, 19,074 applications originated from the DACH region and 100,751 applications from international regions. At the Consolidated Group level, 60,064 new lease contracts were concluded from these applications, corresponding to a conversion rate of 50%.

Development of the factoring business

GRENKE Group Factoring's new business recorded a purchased receivables volume of EUR 191.8 million in the fourth quarter, amounting to a year-on-year increase of 6.5% (Q4 2020: EUR 180.0 million). New factoring business for the full year of 2021 amounted to EUR 700.9 million, representing year-on-year increase of 8.2% (2020: EUR 647.8 million).

Development of GRENKE Bank

GRENKE Bank's new SME lending business reached EUR 11.5 million in the fourth quarter of 2021, similar to the level in the same prior-year quarter (Q4 2020: EUR 15.0 million, or -23.6%). Total new lending business in the full financial year amounted to EUR 33.2 million (2020: EUR 119.3 million, or -72.2%). GRENKE Bank's deposit business continued to be an important pillar of the Consolidated Group's refinancing with a portfolio volume of EUR 1,412.0 million as of December 31, 2021 (December 31, 2020: EUR 1,537.3 million).

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Overview of new business development (in EUR millions)

	Q4 2021	Q4 2020	∆(%)	Q1 – Q4 2021	Q1– Q4 2020	∆(%)
New business GRENKE Group Leasing	521.2	426.7	22.1	1,657.8	2,027.9	-18.3
- of which international	376.8	286.2	31.7	1,145.5	1,401.4	-18.3
- of which Franchise international**	17.4	14.9	16.7	57.2	65.1	-12.1
- of which DACH*	127.0	125.6	1.1	455.1	561.5	-18.9
Western Europe without DACH*	147.5	102.1	44.5	450.2	491.1	-8.3
Southern Europe*	133.5	112.3	18.9	390.7	550.4	-29.0
Northern/Eastern Europe*	85.6	63.1	35.6	270.2	328.4	-17.7
Other regions*	27.6	23.6	17.0	91.7	96.5	-5.0
New business GRENKE Group Factoring	191.8	180.0	6.5	700.9	647.8	8.2
- of which Germany	50.7	54.1	-6.3	209.2	186.3	12.3
- of which international	26.3	31.3	-15.9	85.3	134.4	-36.5
- of which Franchise International***	114.8	94.6	21.3	406.4	327.1	24.3
GRENKE Bank						
Deposit volume at period end	1,412.0	1,537.3	-8.2	1,412.0	1,537.3	-8.2
New business SME lending business	11.5	15.0	-23.6	33.2	119.3	-72.2
Contribution margin 2 (DB2) of new business						
GRENKE Group Leasing	85.1	83.3	2.1	292.3	372.9	-21.6
- of which international	65.6	61.3	7.1	221.8	276.5	-19.8
- of which Franchise international**	3.1	3.3	-8.1	11.2	14.2	-21.2
- of which DACH*	16.4	18.7	-12.4	59.3	82.2	-27.8
Western Europe without DACH*	25.4	21.9	15.6	85.0	97.2	-12.5
Southern Europe*	22.6	23.6	-4.3	75.2	107.1	-29.7
Northern/Eastern Europe*	15.3	13.2	16.0	52.3	64.2	-18.6
Other regions*	5.4	5.8	-7.8	20.4	22.2	-8.3

Note: Rounding differences may occur

*Regions: DACH: Germany, Austria, 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
** Leasing franchises: Australia (2x), Canada (3x), Chile, Latvia, Norway, Singapore, USA
*** Franchise companies Factoring: Hungary, Ireland, Italy, Poland, Portugal, UK

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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 33 countries and employs more than 1,800 staff worldwide. GRENKE shares are listed in the SDAX on the Frankfurt Stock Exchange (ISIN DE000A161N30).

Further information on GRENKE and its products is available at www.grenke.com.