Corporate News

Baden-Baden **April 4, 2018**

The year starts off successfully with robust new business in the first quarter of 2018

- New business at the GRENKE Group grows by 22.8% in the first quarter of 2018
- eSignature enjoys strong popularity with a continued increase in the number of contracts
- Company continues cell divisions

Baden-Baden, April 4, 2018: With the robust new business growth in the first quarter, the GRENKE Group is laying a solid foundation to achieve its 2018 targets. New business at GRENKE Group Leasing – defined as the total acquisition costs of newly purchased leased assets – increased 23.3% year-on-year to EUR 549.2 million (3M-2017: EUR 445.6 million). New business at GRENKE Group Factoring was also strong based on a rise in total purchased receivables of 19.6% year-on-year to EUR 116.8 million (3M-2017: EUR 97.7 million).

"2018 is a very special year for us as we reflect on four decades of phenomenal success – decades during which we expanded the Company entering attractive markets on a global scale. Most important, however, is that we continue to effectively seize our growth opportunities and highlight our innovative products. A good example of this is the level of new business we achieved in the first quarter of 2018, getting us off to a positive start in the year", said Antje Leminsky, Chair of the Board of Directors of GRENKE AG since March 1, 2018, in her comments on the first quarter's success.

We were very pleased with the profitability of new business accompanied by a persistent level of high growth. The contribution margin 2 (CM2) in the Leasing segment in the first three months of the year amounted to EUR 97.1 million after EUR 80.8 million in the same period of the prior year. This level corresponds to a CM2 margin of 17.7% compared to 18.1% in the first three months of the prior year. The Leasing segment's CM1 margin (contribution margin 1 at acquisition values) amounted to 12.7% and EUR 69.5 million (3M-2017: 12.4% and EUR 55.1 million).

Important to highlight is the continued rise in the number of contracts concluded using eSignature in the first quarter of 2018. This innovative product that enables lease contracts to be processed entirely electronically has already helped conclude a total of 72,766 contracts since its launch in 2015. Our leasing product portfolio also developed well, particularly in terms of its increased diversification since 2017. Since that time, the share of medical devices and small machinery and systems has experienced a marked increase from 21.1% to 27.2%.

On a regional basis, among our three core leasing markets, France (+28.3%) and Italy (+27.0%) recorded particularly strong growth. Our core market of Germany also increased by a very satisfactory 13.7% over the previous year, demonstrating our gains in market share in all three markets. Among the other major international markets, Spain stood out with reported new business growth of 36.2%. "All of our regions are growing, and we are on track to reach our full-year forecasts in the Leasing, Factoring and Banking segment. We have already taken an important step this year to finance this future growth by successfully issuing a five-year, fixed-rate bond in the amount of EUR 200 million in March", explains Sebastian Hirsch, member of the GRENKE AG Board of Directors.

We opened one new location each in Croatia and the Netherlands in the first quarter of 2018 as part of our cell division strategy. We also acquired the companies of our former franchisees in Croatia and the United Arab Emirates. "The former franchisees have done a great

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job in their respective markets and have firmly anchored GRENKE's product range with local small and medium-sized businesses. We are pleased to be able to now fully integrate their companies into the Consolidated Group", said Sebastian Hirsch, in his description of GRENKE Group's expansion. GRENKE is now available for customers on five continents with 134 locations worldwide. The Company is preparing for further cell divisions and the entry into the markets in the Baltic States and New Zealand scheduled for later this year.

In the period from January to March, the GRENKE Group recorded a total of 140,722 lease applications (118,122 thereof were international), which generated 65,059 new lease contracts (53,541 thereof international). At EUR 8,441 (3M-2017: EUR 8,557), the mean acquisition value per lease contract remained at a level customary for our business.

The conversion rate (applications into contracts) in the GRENKE Group (Leasing segment) was 46%. In our international markets, 45% of applications were converted into contracts, which was lower than the level of 51% in the DACH region.

As mentioned above, the volume of new business in our Factoring segment increased by 19.6% to EUR 116.8 million (3M-2017: EUR 97.7 million). The gross margin on the new business volume of EUR 43.6 million in Germany remained at a high level of 1.60% (3M-2017: 1.69%). In our international markets, the gross margin on new business of EUR 73.3 million was 1.26% (3M-2017: 1.15%). This margin is based on the average period of a factoring transaction of approx. 28 days in Germany (3M-2017: approx. 27 days) and approx. 40 days on an international level (3M-2017: approx. 38 days).

GRENKE Bank recorded a gratifying increase of 36.4% in the lending business for small and medium-sized enterprises (including start-up financing). The volume as per March 31, 2018 in absolute terms amounted to EUR 9.0 million compared to EUR 6.6 million in the previous year. Deposits increased by 29.3% and amounted to EUR 576.6 million compared to EUR 446.2 million as per March 31, 2017.

Overview of new business development (in EUR millions, previous year's figures have been adjusted)

	3M-2018	3M-2017	Change in %
New business GRENKE Group Leasing	549.2	445.6	23.3
- of which international	407.2	320.8	26.9
- of which Franchise international	16.3	12.0	36.0
- of which DACH*	125.8	112.8	11.5
Western Europe (without DACH)*	152.1	115.8	31.4
Southern Europe*	171.7	135.8	26.4
Northern/Eastern Europe*	84.4	71.1	18.8
Other regions*	15.2	10.2	49.5
New business GRENKE Group Factoring	116.8	97.7	19.6
- of which Germany	43.6	42.1	3.5
- of which international	35.1	37.1	-5.3
- of which Franchise international	38.1	18.5	106.4

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	3M-2018	3M-2017	Change in %
GRENKE Bank			
Deposits	576.6	446.2	29.3
New business SME lending business (incl. business start-up financing)	9.0	6.6	36.4
Contribution margin 2 /CM2) of new business			
GRENKE Group Leasing	97.1	80.8	20.1
- of which international	75.7	61.8	22.5
- of which Franchise international	3.5	2.5	37.9
- of which DACH*	17.9	16.5	8.5
Western Europe (without DACH)*	27.2	21.2	28.2
Southern Europe*	33.2	27.1	22.3
Northern/Eastern Europe*	15.6	13.8	13.3
Other regions*	3.3	2.2	46.3

* Regions: DACH: Germany, Austria, Switzerland
Western Europe (without DACH): Belgium, France, Luxembourg, the Netherlands
Southern Europe: Croatia, Italy, Malta, Portugal, Slovenia, Spain
Northern/Eastern Europe: Denmark, Finland, Ireland, Norway, Sweden, UK / Czechia, Hungary, Poland, Romania, Slovakia
Other Regions: Australia, Brazil, Canada, Chile, Singapore, Turkey, UAE

The Company will publish its quarterly statement for the first three months of 2018 on April 27, 2018.

For more information, please contact:

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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 Company operates in 31 countries and employs more than 1,300 staff worldwide. GRENKE shares are listed in the SDAX on the Frankfurt Stock Exchange (ISIN DE000A161N30).

Further information about GRENKE and its products is available at http://www.grenke.de