



Group Quarterly Statement as at 30 September 2020

1. BUSINESS REPORT

1.1 INTRODUCTORY STATEMENT

Sixt SE sold its 41.9% stake in Sixt Leasing SE to Hyundai Capital Bank Europe GmbH with effect from 15 July 2020. For this reason, the previously fully consolidated investment was shown as discontinued operations from 1 January 2020 until the date of de-consolidation in line with the regulations of IFRS 5 (Non-current Assets Held for Sale and Discontinued Operations). The following key figures therefore only include the Mobility Business Unit as well as other continued activities, which are not categorised as part of the Mobility Business Unit. The profit after tax of the discontinued Leasing Business Unit is shown separately in the income statement in accordance with IFRS 5. For comparative purposes, the previous year figures are adjusted accordingly where required.

1.2 GENERAL DEVELOPMENTS IN THE GROUP

Sixt Group's business performance during the first nine months of 2020 was exceptionally strong affected by the effects of the worldwide COVID-19 pandemic. Travel warnings, temporary border closures as well as stay-at-home orders and mobility restrictions that came into force in countless countries as of the middle of March meant that travel activities in all Sixt countries were significantly curtailed. While the second quarter saw demand for mobility services collapsed almost completely following the general lockdown on public life, the third quarter registered a slight upturn in demand, above all due to the summer and holiday season and the related positive effects in the business with private customers. Sixt's reaction to the challenges posed by COVID-19 was to bring in massive cost cuts, to expand and further digitise its product range and to forcefully drive forward its internationalisation strategy. These measures played a key role in the Group managing to generate earnings before taxes (EBT) of EUR 66.0 million in the third quarter. Nonetheless, the Sixt Group's revenue and earnings after three quarters were substantially below the corresponding figures of last year.

Group revenue for the first nine months came to EUR 1.18 billion, a decline of 38.3% from the same period last year (EUR 1.91 billion). In Germany Sixt recorded revenue of EUR 522.5 million after having generated EUR 734.1 million during the same period last year (-28.8%). Foreign revenue came to EUR 657.1 million or 44.3% less than in the first nine months of 2019 (EUR 1.18 billion). Accordingly, the non-domestic share in Group revenue decreased from 61.6% to 55.7%.

Since the end of the second quarter, Sixt has registered a general rebound in demand from both private as well as corporate customers, especially in its urban stations. In high demand are such flexible mobility solutions as for example car subscriptions, which the company is offering through its new product category SIXT+, flat-rate products or carsharing. In the third quarter this was offset by ongoing restrained business at airport stations given the persistent limitations to air traffic. In the third quarter, Group revenue came to EUR 462.6 million compared to EUR 780.3 million in the third quarter of 2019 (-40.7%).

Group earnings before taxes (EBT) for the period from January to September amounted to EUR -56.9 million after EUR 260.0 million in the same period last year. The cost-cutting measures adopted immediately after the outbreak of the COVID-19 pandemic through the reduction of the rental fleet and the lowering of material and personnel costs took increasing effect during the course of the year. The third quarter, which in the seasonal course of the year is the quarter with the strongest demand, once more saw Sixt generate a clearly positive EBT of EUR 66.0 million, even though it was still 55.0% below the corresponding figure of the year before (EUR 146.6 million).

Results from continuing operations after taxes came to EUR -80.8 million for the first nine months (9M 2019: EUR 186.2 million). In the third quarter the Group generated a profit of EUR 33.8 million (Q3 2019: EUR 109.5 million).

The results from discontinued operations after the first nine months reached EUR 100.8 million (9M 2019: EUR 16.0 million). This includes the pro rata earnings from the Leasing Business Unit, up until July 2020, and the income generated from the sale of the share in Sixt Leasing SE.

For the first three quarters of 2020, the Sixt Group recorded a consolidated profit (before minority interests) of EUR 20.0 million compared to EUR 202.2 million for the same period last year.

Due to renewed stay-at-home orders and mobility restrictions the positive trend of the third quarter is not expected to continue in the following months, Given the ongoing severe uncertainties due to the COVID-19 pandemic, the Managing Board still cannot issue a forecast for the full fiscal year 2020.

1.3 KEY DEVELOPMENTS AND MEASURES DURING THE REPORTING PERIOD

- || **Significant reduction of the rental fleet:** Sixt reduced its rental fleet substantially to release capacities and liquidity and adjust the vehicles offered to the reduced demand. During the first nine months of 2020, the average number of vehicles in the fleets in Germany and abroad came to around 117,900 vehicles, which was 23.1% below the level over the same period the year before. The rental assets recorded in the balance sheet at the end of September 2020 were around EUR 595 million below the level at the end of 2019 (-19.6%).
- || **Cost cutting target exceeded:** With savings of over EUR 200 million, Sixt already exceeded its full year target, after nine months, of bringing personnel and material costs down by around EUR 150 million. This development was aided by savings made across all functional areas. In a number of European countries Sixt was also using the means of short-time working arrangements.
- || **Financing secured:** In the second quarter Sixt agreed on a syndicated loan facility with renowned banks including the German state-owned "Kreditanstalt für Wiederaufbau" (KfW) with a volume of up to EUR 1.5 billion to increase its financial flexibility so as to finance and secure future fleet expansions. This credit facility had not been used by the end of the third quarter.
- || **Further expansion in the USA:** At the beginning of the third quarter Sixt took over ten strategically important airport sites in the USA out of the insolvency of a competitor and thereby strengthened its presence on the world's biggest vehicle rental market significantly. At the end of the third quarter all of the new sites had opened with the exception of the one at LaGuardia Airport New York. As of 30 September 2020 Sixt held 100 rental stations in the USA.
- || **Successful start of SIXT+:** The SIXT+ car subscription service is witnessing an encouraging and continually increasing demand. SIXT+ offers private and commercial customers flexible daily, weekly and monthly offers for rental cars with short periods of notice, instant availability without delivery times and thus bespoke solutions for short-notice mobility requirements. The product is in the meantime also available outside Germany in the UK, the Netherlands, France, Austria and the USA. SIXT+ is expanding the mobility platform ONE by another highly promising product alongside SIXT rent, SIXT share and SIXT ride. With this service Sixt is reacting also to changing mobility needs in the wake of the COVID-19 pandemic.

1.4 FINANCIAL POSITION

Assets

As at reporting date, 30 September 2020, the Group's total assets, at EUR 4.64 billion, were EUR 1.61 billion lower than at 31 December 2019 (EUR 6.25 billion). The reduction results mainly from the sale of the Leasing Business Unit. Furthermore as a result of the fleet reduction introduced in March and continued during the year, rental vehicles decreased further to EUR 2.44 billion (31 December 2019: EUR 3.03 billion). The Group's cash and bank balances strongly increased to EUR 507.0 million (31 December 2019: EUR 170.5 million).

Equity

As at reporting date the Group's equity amounted to EUR 1.43 billion, EUR 166.9 million below the level at the end of the year 2019 (EUR 1.59 billion). Because of the reduced total assets resulting from the sale of the Sixt Leasing Group, the equity ratio increased to 30.7% (31 December 2019: 25.5%). It therefore remains significantly above the minimum target of 20% and at a level well above the average for the rental sector.

Liabilities

Non-current liabilities and provisions as at 30 September 2020 dropped by EUR 1.02 billion to EUR 1.70 billion (31 December 2019: EUR 2.72 billion), essentially due to the sale of the Sixt Leasing Group.

Current liabilities and provisions as at 30 September 2020 stood at EUR 1.52 billion, EUR 0.42 billion below the level at the end of the year 2019 (EUR 1.94 billion). Major reason for the reduction, next to the sale of the Sixt Leasing Group, was the timely repayment of the 2014/2020 bond issued by Sixt SE with a nominal value of EUR 250 million.

1.5 INVESTMENTS

In the period from January to September 2020 Sixt added around 135,300 vehicles to the rental fleet (9M 2019: approx. 197,300 vehicles) with a total value of EUR 4.17 billion (9M 2019: EUR 5.76 billion). This corresponds to a decrease of around 31.4% in the number and 27.7% in the volume of investments.

2. REPORT ON OUTLOOK

At the end of the third quarter of 2020 the number of confirmed COVID-19 infections rose sharply again in numerous countries. As a consequence, travel limitations and restrictions to public life were reintroduced, heavily affecting above all international travel activities, within Europe as well.

Against such background it is not possible to foresee to what extent Sixt's business development will be affected by the consequences of the COVID-19 pandemic. The resulting uncertainties for business operations continue to remain very high so that the Company still cannot issue a forecast for the full fiscal year 2020.

3. FINANCIAL INFORMATION OF THE SIXT GROUP AS AT 30 SEPTEMBER 2020

3.1 CONSOLIDATED INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

Consolidated Income Statement in EUR thou.	9M	9M	Q3	Q3
	2020	2019 ¹	2020	2019 ¹
Revenue	1,179,553	1,913,125	462,550	780,254
Other operating income	150,505	138,179	56,263	56,506
Fleet expenses	336,534	465,994	115,696	183,125
Personnel expenses	260,367	342,933	77,456	120,568
Depreciation and amortisation expense	339,697	384,158	100,828	151,650
Other operating expenses	422,705	576,634	149,969	226,643
Earnings before interest and taxes (EBIT)	-29,246	281,585	74,864	154,774
Net finance costs	-27,662	-21,610	-8,892	-8,204
Earnings before taxes (EBT)	-56,907	259,976	65,973	146,570
Income tax expense	23,857	73,773	32,125	37,074
Result from continuing operations	-80,764	186,203	33,847	109,496
Result from discontinued operations, net of taxes	100,806	16,029	41,524	5,668
Consolidated profit	20,042	202,232	75,371	115,164
Of which attributable to minority interests	35,212	9,310	1	3,292
Of which attributable to shareholders of Sixt SE	-15,170	192,923	75,370	111,872

Consolidated statement of comprehensive income in EUR thou.	9M	9M
	2020	2019 ¹
Consolidated profit	20,042	202,232
Other comprehensive income (not recognised in the income statement)	-19,218	20,504
Components that could be recognised in the income statement in future		
Currency translation gains/losses	-18,916	20,872
Changes in the fair value of derivative financial instruments in hedge relationship	-373	-798
Related deferred taxes	71	430
Total comprehensive income	824	222,736
Of which attributable to minority interests	35,049	9,208
Of which attributable to shareholders of Sixt SE	-34,225	213,528
From continuing operations	-99,128	206,613
From discontinued operations	64,903	6,915

¹ The prior-year comparative figures have been adjusted accordingly to account for the reporting of discontinued operations

3.2 CONSOLIDATED BALANCE SHEET

Assets		
in EUR thou.	30 Sep. 2020	31 Dec. 2019
Non-current assets		
Goodwill	19,618	28,911
Intangible assets	20,960	32,555
Property and equipment	596,037	606,345
Lease assets	-	1,119,670
Financial assets	1,413	2,352
Other receivables and assets	4,396	5,409
Deferred tax assets	45,874	47,521
Total non-current assets	688,298	1,842,763
Current assets		
Rental vehicles	2,438,667	3,033,364
Inventories	50,532	101,734
Trade receivables	589,222	765,038
Other receivables and assets	357,661	298,314
Income tax receivables	11,065	37,715
Cash and bank balances	506,994	170,519
Total current assets	3,954,141	4,406,683
Total assets	4,642,439	6,249,446
Equity and liabilities		
in EUR thou.	30 Sep. 2020	31 Dec. 2019
Equity		
Subscribed capital	120,175	120,175
Capital reserves	202,898	240,659
Other reserves	1,102,149	1,098,619
Minority interests	-	132,701
Total equity	1,425,221	1,592,154
Non-current liabilities and provisions		
Provisions for pensions and other post-employment benefits	3,459	3,306
Other provisions	542	913
Financial liabilities	1,684,837	2,652,691
Other liabilities	4	16,513
Deferred tax liabilities	6,232	43,336
Total non-current liabilities and provisions	1,695,074	2,716,758
Current liabilities and provisions		
Other provisions	92,456	121,110
Income tax liabilities	26,173	36,417
Financial liabilities	647,876	784,518
Trade payables	657,426	832,920
Other liabilities	98,213	165,569
Total current liabilities and provisions	1,522,143	1,940,534
Total equity and liabilities	4,642,439	6,249,446

3.3 CONSOLIDATED CASH FLOW STATEMENT

Consolidated cash flow statement	9M	9M
in EUR thou.	2020	2019¹
Operating activities		
Consolidated profit	20,042	202,232
Result from discontinued operations, net of taxes	-60,643	-16,029
Income from disposal of discontinued operations, net of taxes	-40,163	-
Income taxes recognised in income statement	28,843	83,015
Income taxes paid	-15,738	-102,731
Financial result recognised in income statement ²	26,749	21,612
Interest received	1,493	409
Interest paid	-28,684	-22,488
Dividends received	-	250
Depreciation and amortisation	339,697	384,158
Income from disposal of fixed assets	-1,943	3
Other (non-)cash expenses and income	2,492	11,509
Gross cash flow	272,145	561,941
Change in rental vehicles, net	358,808	-1,118,814
Change in inventories	1,202	-15,122
Change in trade receivables	94,835	-351,892
Change in trade payables	-117,451	37,768
Change in other net assets	-167,069	-29,343
Net cash flows from/used in operating activities of continuing operations	442,471	-915,463
Net cash flows from operating activities of discontinued operations	28,012	104,062
Net cash flows from/used in operating activities	470,482	-811,401
Investing activities		
Proceeds from disposal of intangible assets, property and equipment	1,725	2,936
Proceeds from disposal of discontinued operations net of disposed cash and cash equivalents ³	36,757	-
Payments for investments in intangible assets, property and equipment	-18,112	-29,842
Payments for investments in financial assets	-	-1,137
Net cash flows from/used in investing activities of continuing operations	20,370	-28,043
Net cash flows used in investing activities of discontinued operations	-3,716	-4,555
Net cash flows from/used in investing activities	16,654	-32,598
Financing activities		
Payments made due to the purchase of treasury shares	-2,772	-2,712
Dividends paid	-829	-101,260
Payments received from taken out borrower's note loans, bonds and bank loans	438,000	587,000
Payments made for redemption of borrower's note loans, bonds, bank loans and lease liabilities	-692,631	-181,984
Payments made for redemption of/payments received from taken out short-term financial liabilities ⁴	15,350	591,010
Net cash flows used in/from financing activities of continuing operations	-242,882	892,054
Net cash flows from/used in financing activities of discontinued operations	99,183	-107,883
Net cash flows used in/from financing activities	-143,699	784,171
Net change in cash and cash equivalents	343,438	-59,827
Effect of exchange rate changes on cash and cash equivalents	-6,962	650
Changes in the scope of consolidation	-	1,163
Cash and cash equivalents at 1 Jan.	170,519	145,936
Less cash and cash equivalents of discontinued operations	-	2,014
Cash and cash equivalents at 30 Sep.	506,994	85,907

¹ The prior-year comparative figures have been adjusted accordingly to account for the reporting of discontinued operations

² Excluding income from investments

³ Includes disposed cash and cash equivalents of the discontinued Leasing Business Unit in the amount of EUR 118.8 million (9M 2019: EUR - million)

⁴ Short-term borrowings with terms of up to three months and quick turnover

3.4 ADDITIONAL FINANCIAL INFORMATION

Revenue

Revenue		Germany		Abroad		Total	Change
in EUR million	9M 2020	9M 2019	9M 2020	9M 2019	9M 2020	9M 2019	in %
Mobility Business Unit							
Rental revenue	449.4	632.5	605.1	1,096.9	1,054.5	1,729.4	-39.0
Other revenue from rental business	67.1	97.8	49.4	81.1	116.5	178.9	-34.9
Total	516.5	730.3	654.5	1,178.0	1,170.9	1,908.3	-38.6
Other revenue	6.0	3.8	2.6	1.0	8.6	4.8	78.0
Group total	522.5	734.1	657.1	1,179.0	1,179.6	1,913.1	-38.3

Revenue		Germany		Abroad		Total	Change
in EUR million	Q3 2020	Q3 2019	Q3 2020	Q3 2019	Q3 2020	Q3 2019	in %
Mobility Business Unit							
Rental revenue	171.6	238.2	256.4	471.1	428.0	709.3	-39.7
Other revenue from rental business	16.2	37.6	15.5	31.2	31.7	68.8	-53.9
Total	187.8	275.8	271.9	502.3	459.7	778.2	-40.9
Other revenue	2.0	1.6	0.9	0.5	2.9	2.1	37.3
Group total	189.8	277.4	272.7	502.8	462.6	780.3	-40.7

Fleet expenses

Fleet expenses		9M	9M	Change
in EUR million		2020	2019	in %
Repairs, maintenance and reconditioning		154.5	222.9	-30.7
Fuel		23.9	41.0	-41.6
Insurance		64.8	82.3	-21.3
Transportation		33.4	41.8	-20.2
Taxes and charges		19.6	22.2	-11.6
Other		40.4	55.8	-27.5
Group total		336.5	466.0	-27.8

Depreciation and amortisation expense

Depreciation and amortisation expense		9M	9M	Change
in EUR million		2020	2019	in %
Rental vehicles		235.9	305.8	-22.9
Property and equipment		91.9	72.6	26.6
Intangible assets		11.9	5.8	>100
Group total		339.7	384.2	-11.6

Other operating expenses

Other operating expenses	9M	9M	Change
in EUR million	2020	2019	in %
Leasing expenses	44.1	57.0	-22.6
Commissions	62.8	168.4	-62.7
Expenses for buildings	31.2	38.3	-18.6
Other selling and marketing expenses	36.7	60.5	-39.3
Expenses from write-downs of receivables	50.8	31.5	61.0
Audit, legal, advisory costs, and investor relations expenses	16.7	14.6	14.1
Other personnel services	32.7	59.1	-44.7
Expenses for IT and communication services	12.1	14.7	-17.8
Currency translation/consolidation	95.6	88.9	7.5
Miscellaneous expenses	40.0	43.6	-8.1
Group total	422.7	576.6	-26.7

Net finance costs

Net finance costs of EUR -27.7 million (9M 2019: EUR -21.6 million) contain net interest expense of EUR -26.7 million (9M 2019: EUR -21.6 million). In addition, net finance costs include the result from fair value measurement of financial assets in the amount of EUR -0.9 million (9M 2019: EUR -0.2 million). In the previous year, the net finance costs also included income from financial assets in the amount of EUR 0.3 million.

Result from discontinued operations, net of taxes

On 15 July 2020 Sixt SE announced that it had completed the sale of its entire stake in Sixt Leasing SE. The selling price without dividend amounted to EUR 155.6 million or EUR 18.00 per share sold. The result from discontinued operations, net of taxes, in the total amount of EUR 100.8 million (9M 2019: EUR 16.0 million) includes the profit after taxes from discontinued operations in the amount of EUR 60.6 million (9M 2019: EUR 16.0 million) as well as the gain on sale, net of taxes, in the amount of EUR 40.2 million (9M 2019: EUR - million).

Due to rounding it is possible that individual figures presented in this Group Quarterly Statement may not add up to the totals shown and that the nine-months 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 related to.

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