

We invest in winners. That means we invest in strong companies that create value for their shareholders with sustainable business models, solid balance sheets and high margins. We keep the risks low and invest when our position is fuelled by a positive event. We refer to that as the combination of value and event.

GRENKE AG

GRENKE made an appearance in our investment reports in 2009, 2015 and 2017. Since then, the leasing specialist has significantly grown earnings per share (table, after the share split 1:3).

2017	2016	2015	2014	2013	2012	2011	2010
2.74	2.29	1.81	1.47	1.08	1.03	0.96	0.68

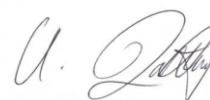
With average new business growth of 17% in the last ten years, the group underscores its ability to profit in equal measure from weak and strong macroeconomic phases. In the first quarter of 2018, GRENKE was again very successful with a growth of 23%. The portfolio currently consists of 696,000 leasing contracts in 31 countries, with an average purchase value of EUR 8,000. The financing is always solid. The orientation parameter for the equity ratio is 16%. It is the prerequisite for the positive rating (BBB+). GRENKE not only impresses the agencies with growth, profitability and equity capital, but also with its good strategic approach. It is based on efficient processes, a very good cost structure that is based on extensive automation and standardisation, and the transferability of the business model to new countries and products. For example, since 2017, the company is financing an increasing volume of medical devices, smaller equipment and machines. The strategic objective of establishing the GRENKE brand at the global level and intensifying the

company's presence is also consistently pursued. Besides entering the Australian market with two locations, the company also opened seven new locations as part of a cell division strategy, and recently established the Factoring segment in Italy. At the same time, digital innovations are continuously driving "Germany's oldest fintech" (according to Wolfgang Grenke). For example, customers can conclude their contracts not just through dealers but directly with GRENKE. eSignature makes it possible to complete the entire process digitally on only two contract pages. Contracts can be signed using the company's own signing app via Smartphone or tablet. Contracts, invoices and information can be managed online in the customer portal. As a result, GRENKE is steadily reducing the volume of items sent by post, in order to implement the "paperless office" concept. Digital personnel files, electronic signatures for protocols and contracts between group companies, and the lowest possible number of business travel in favour of more economic forms of communication also play their part. With the establishment of GRENKE digital GmbH and participations in Cash Payment Solutions GmbH and Finanzchef24 GmbH, GRENKE has charted a strategic course for maintaining its innovative momentum. All of these measures will likely contribute to further reducing the low cost-income ratio of 52% and the positive scaling of the fast-growing business model as the company continues to grow.

Sincerely yours



J. Henrik Muhle



Dr. Uwe Rathausky