

KLAUS SCHLOTE
 TEL.: +49 (0) 6131 – 48 60 651
 KSCHLOTE@SOLVENTIS.DE

DENNIS WATZ
 TEL.: +49 (0) 6131 – 48 60 652
 DWATZ@SOLVENTIS.DE

ULF VAN LENGERICH
 TEL.: +49 (0) 6131 – 48 60 654
 ULENGERICH@SOLVENTIS.DE

NICO LÖCHNER
 TEL.: +49 (0) 6131 – 48 60 653
 NLOECHNER@SOLVENTIS.DE

ALBIS Leasing AG
New business above budget – Risk provisions decreased significantly

Buy (Buy)

Price Target	3.80 € (3.60 €)
Price Potential	14.5%
Price (09/09/2021)	3.32 €
ISIN	DE0006569403
Market Cap (€ m)	70.4 Mio. €
Shares (million pieces)	21.2 Mio.
Market Segment	General Standard
Homepage	https://www.albis-leasing.de

Key ratios and estimates

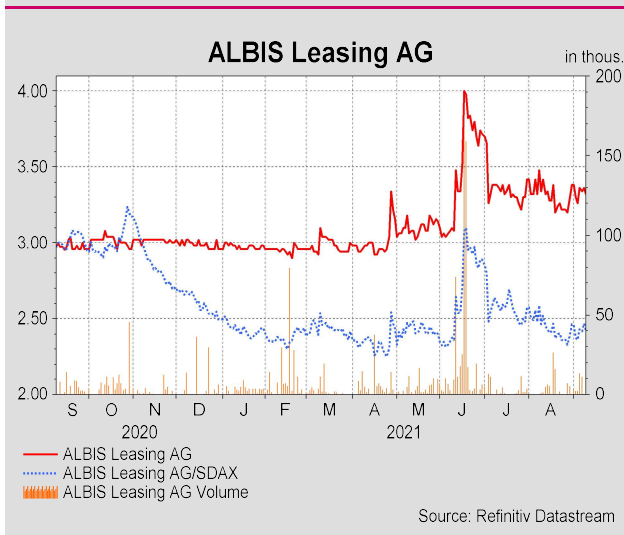
	2020	2021e	2022e	2023e
New business (€ m)	78.9	97.5	107.3	118.0
Income leasing (€ m)	12.9	14.8	15.5	16.5
Operating profit	1.6	3.6	3.9	4.7
EBT (€ m)	1.0	2.9	3.3	4.1
Group net income (€ m)	0.7	2.5	2.9	3.6
EPS (€)	0.03	0.12	0.14	0.17
DPS (€)	0.04	0.06	0.07	0.08
BPS (€)	1.19	1.27	1.34	1.44
ROE after tax	3.1%	9.6%	10.5%	12.2%
P/E	95.4	28.3	24.3	19.6
Dividend yield	1.4%	1.8%	2.1%	2.6%
Price/book value	2.5	2.6	2.5	2.3

ALBIS Leasing AG (ALBIS) started the business year better than expected. The important new business increased by 19.5% to € 47.1 million. The economic recovery is having a positive effect on risk provisions, which amounted to € .5 million (previous year € 1.7 million). As a result, the EBT of € 1.6 million (prev. yr: € .9 million) was significantly higher than in the previous year and was within the original forecast range of € 1.5 - 2 million. Due to the better than expected development, management increased the EBT (IFRS) forecast for the current financial year to € 2 – 2.5 million. The remaining forecasts, however, remained unchanged (more information on p. 4). Against this backdrop, we are raising our estimates for EBT and for new business. We confirm our buy recommendation for the stock and raise our target price to 3.80 €.

The success in e-bike leasing continues and was again the largest growth driver for new business in H1'2021. After a very good month in June, July also exceeded the planned volume of new business. Due to the increasing importance of the e-bike leasing business, the average purchase price fell to € 6.584 (pre-crisis level: some € 8.000). At 7,154, the number of leasing contracts was well above the pre-crisis figure of 5,914 (H1'2019).

Since 1 September 2021, Sascha Lerchl and Andreas Arndt have been on the management board of ALBIS Leasing AG. They will continue to drive the digitalization of the business and take over the back office area from Michael Hartwich, who is set to retire at the end of the year. Both of the two new board members have a background in the leasing industry. Sascha Lerchl was most recently managing director at BFL Leasing and, as spokesman for the board, takes on the role of responsibility for strategy and control. Andreas Arndt, prior to his last position at NatWest Markets (Branch Risk Manager), was responsible for risk and process management at the leasing company PEAC Finance. Andreas Arndt is responsible for risk management.

The supervisory board chairman, Wolfgang Wittmann, in a vote of no confidence by shareholders at the annual general meeting on 2 July 2021, has been dismissed. An action for annulment of the AGM resolution is pending at the LG Hamburg. Christoph Franz Buchbender, previous supervisory board member, became the new supervisory board chairman. Christian Hillermann remains deputy chairman of the board and Dr. Steidte-Megerlin as well remains a member of the supervisory board.

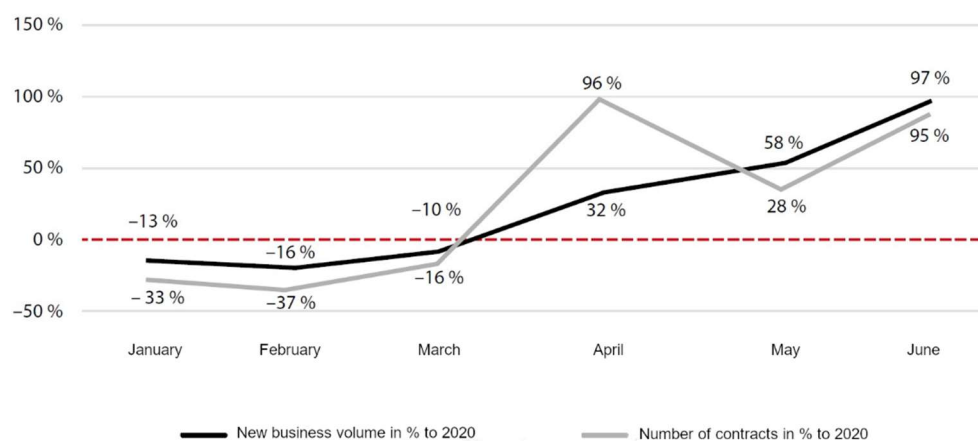

Financial calendar

- No appointments

New business above budget

Thanks to a strong Q2'2021, **new business** in H1'2021 was € 47.1 million or 19% above the previous year (€ 39.4 million) and 6% above expectations. In Q1'21, new business had slipped below the previous year. With the end of the lockdown and the gradual easing of credit restrictions new business gained momentum and after Q1 was well above the previous year's figures. Since June, ALBIS's credit policy has essentially been the same as before Corona. As in the previous year, the growth driver was the e-bike business. Owing to Corona and existing funding measures, ALBIS was once again able to win back well-known customers. The increasing importance of the e-bike business has resulted in a slightly smaller ticket size. The average purchase price in H1'2021 was € 6,584 (prev. yr: € 6,619). The reluctance of the catering and restaurant industry due to the pandemic and delivery problems in IT were the reasons the number of active sales partners decreased in H1'2021 to 1,188 (prev. yr: 1,318).

ALBIS: New business development 2021



Source: ALBIS Leasing AG

After 1-7 months, ALBIS is confident that it will achieve the forecast for new business volume of up to € 95 million (+20%) for the current fiscal year. Without another lockdown, the outlook is likely to be conservative.

The strong new business also has a positive effect on the entire **leasing portfolio**. The current number of contracts increased to 47,114 (prev. yr: 42,136).

Lower risk provisions lead to better results

The **interest result from finance leasing after risk provisions** came in at € 4.5 million after 1-6 months (prev.yr: € 3.5 million). The reason for the increase was the lower risk provisions, which amounted to € .5 million (prev. yr: € 1.7 million) in H1'2021. The interest income fell by € .2 million. **Other income from the leasing business** also declined by € .9 million to € 3.0 million due to lower sales proceeds from non-performing contracts.

Other operating income benefitted primarily from a positive contribution from the settlement of claims (€ .9 million, prev. yr: .4 million) and increased by 15.7% to € 2.8 million. The increase would have been even higher if the result from maintenance and insurance had not decreased by € .2 million to € 1.3 million. **Other operating expenses** decreased by € .2 million to € 3.1 million.

Personnel expenses fell by € .1 million to € 4.4 million in H1'2021. Due to additional new hires owing to the increased number of units in the e-bike product group and the increase in the number of board members from Sept. 2021, the personnel costs in H2'2021 will again be higher than the previous year. **Depreciation** was almost unchanged at € .8 million.

The **operating result** exceeded the previous year by € .8 million and reached € 2 million. As in the previous year, the **financial result**, including the valuation of financial instruments (excluding interest in the leasing business), had a negative impact of € .4 million.

Earnings before taxes (EBT) climbed in comparison to the previous year by 90% to € 1.6 million. Due to the losses carried forward, **tax payments** were again low at € .3 million (prev. yr: € .2 million). At the bottom line level **group net income** came in at € 1.4 million (prev. yr: € .6 million), correspondingly this equals an EPS of 6.6 ct (prev. yr: 3.4 ct).

ALBIS: P+L H1'2021 vs. H1'2020 (thous. €)

	H1'2021	H1'2020	yoy
Interest income from finance leasing (after risk provisions)	4,502	3,537	27.3%
Other income from leasing business	3,017	3,852	-21.7%
Income from leasing business	7,519	7,389	1.8%
Other operating income	2,835	2,451	15.7%
Personnel expenses	4,407	4,455	-1.1%
Other operating expenses	3,121	3,322	-6.1%
Depreciation	787	829	-5.1%
Operating Income	2,039	1,234	65.2%
Financial result	-393	-368	-6.8%
EBT	1,646	866	90.1%
Taxes	252	235	7.2%
Group net income	1,394	631	120.9%

Source: Solventis Research, ALBIS Leasing AG

In the **balance sheet** there were hardly any changes in the first half of the year. The **balance sheet total** is almost identical to the 2020 yearend figure at € 231.7 million (31 Dec. 2020: € 231.1 million). The notable changes on the assets side include the increase in **assets intended for rent** to € 9.6 million (31.12.2020: € 6.4 million) and the decline in **cash and cash equivalents** to € 8.8 million (31.12.2020: € 10.2 million).

Due the positive group result, the equity position increased by € 1.4 million to € 26.6 million. This increases the equity ratio to 11.5 % (31.12.2020: 10.9%). Adjusted for the dividend of € .04 per share paid on 7 July, the equity ratio drops to 11.2%.

In H1'2021 the improving new business and the recovered operating business shaped the **cash flow from operating activities**, which went up to € -.4 million (prev. yr: € -2.1 million). At € .2 million, investments were lower than in the previous year (€ .4 million). Since the dividend was only paid out in July (previous year June), the **cash flow from financing activities** was € .9 million, or better than in the previous year (€ -1.9 million).

Forecast for EBT (IFRS) increased

Following the successful H1'2021, management raised the outlook for EBT (IFRS) from € 1.5 – 2 million to € 2 – 2.5 million. Otherwise, company guidance remained unchanged:

- EBT (HGB): € 2.8 – 3.4 million.
- New business volume: up to € 95 million
- Equity ratio: constant (31 Dec. 2020: 10.9%)
- Personnel costs: slightly higher vs. 2020 (2020: € 9.1 million)

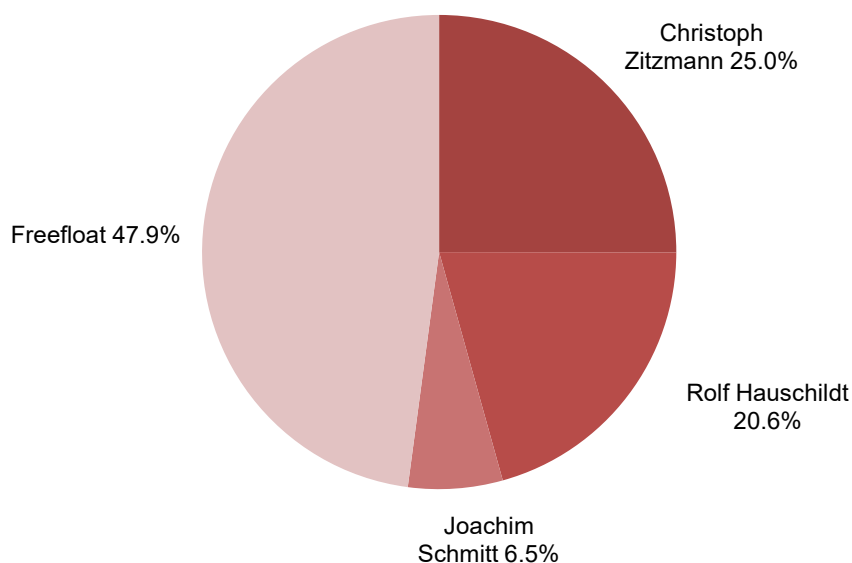
Valuation

In light of the better than expected development, we have raised our estimates for 2021. We now expect new business of € 97.5 million (old: € 91 million) and an EBT of € 2.5 million (old: € 1.8 million). Along with the expectation of increased new business, our profit estimates will also increase in the following years. By applying our ERM model, we now come up with a fair value per ALBIS share of € 3.80 (old: € 3.60). We confirm our **buy recommendation** with a **price target of € 3.80**.

Shareholder's structure

Since our last update, the shareholder Christoph Zitzmann has increased his stake in ALBIS to 25%. There were no new notifications of voting rights for Rolf Hauschildt (20.6%) and Joachim Schmitt (6.5%). As in previous years, Bernd Günther represented 18.2% of the share capital at the last annual general meeting. Behind this stake is a group of North German investors, none of whom reported over 3%.

ALBIS: Shareholder's structure



Source: Solventis Research, ALBIS Leasing AG

Anhang: P+L and ERM model

ALBIS: Overview P+L (thous. €)

	2020	yoy	2021e	yoy	2022e	yoy	2023e	yoy
New business	78,900	-22.3%	97,500	23.6%	107,250	10.0%	117,975	10.0%
Lease receivables from current contracts	183,388	3.9%	197,465	7.7%	214,117	8.4%	235,375	9.9%
Interest income Finance Leasing	13,543	7.4%	14,218	5.0%	15,202	6.9%	16,241	6.8%
Interest expense Finance Leasing	5,040	5.4%	6,121	21.5%	6,638	8.4%	7,297	9.9%
Risk provisions	4,012	210.1%	2,172	-45.9%	2,569	18.3%	2,942	14.5%
Interest result Finance Leasing a. R.	4,492	-31.3%	5,924	31.9%	5,995	1.2%	6,002	0.1%
Leasing- /rental income F. L.	7,847	-0.6%	8,294	5.7%	8,993	8.4%	9,886	9.9%
Leasing- /rental income O. L.	546	-7.4%	552	1.0%	557	1.0%	563	1.0%
Income leasing business	12,885	-14.2%	14,769	14.6%	15,545	5.3%	16,451	5.8%
Other operating income	5,446	-12.5%	6,090	11.8%	6,180	1.5%	6,516	5.4%
Personnel expenses	9,074	-9.0%	9,233	1.8%	9,556	3.5%	9,747	2.0%
Depreciation	1,834	21.1%	1,770	-3.5%	1,788	1.0%	1,806	1.0%
Other operating expenses	5,859	-6.5%	6,211	6.0%	6,459	4.0%	6,718	4.0%
Operating profit	1,564	-55.1%	3,646	133.1%	3,922	7.6%	4,696	19.7%
Result of financial assets	-578	22.2%	-717	-24.0%	-597	16.8%	-567	5.0%
EBT	986	-64.0%	2,929	197.0%	3,326	13.6%	4,129	24.2%
Income taxes	328	67.0%	439	33.7%	432	-1.6%	537	24.2%
Group net income (€ m)	657	-62.3%	2,489	278.6%	2,893	16.2%	3,592	24.2%
No. of shares (thous.)	21,195	14.3%	21,195	0.0%	21,195	0.0%	21,195	0.0%
Earnings per share	0.03	-67.0%	0.12	278.6%	0.14	16.2%	0.17	24.2%

a.R. after risk provisions; F. L. Finance Leasing; O. L. Operating Leasing

Source: Solventis Research, ALBIS Leasing AG

ALBIS: ERM Model (€)

	2021e	2022e	2023e	2024e	2025e	2026e	2027e	2028e	Terminal Year
Book value Equity (beginning of year)	25,170,786	26,812,272	28,461,021	30,606,798	33,866,441	38,044,449	42,089,903	46,283,445	47,093,405
Return on Equity	9.6%	10.5%	12.2%	15.7%	18.7%	18.5%	17.9%	19.5%	16.0%
Group Net income	2,489,303	2,893,401	3,592,477	5,055,882	6,705,949	7,398,428	7,892,756	9,081,296	7,534,945
Costs of Equity (%)	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%
Cost of Equity (€)	1,887,809	2,010,920	2,134,577	2,295,510	2,539,983	2,853,334	3,156,743	3,471,258	3,532,005
Excess Return	601,494	882,480	1,457,901	2,760,372	4,165,966	4,545,095	4,736,014	5,610,038	4,002,939
TV Excess Return									69,616,338
Cumulative Cost of Equity	107.50%	115.56%	124.23%	133.55%	143.56%	154.33%	165.90%	178.35%	178.35%
PV Excess Return	559,529	763,639	1,173,553	2,066,968	2,901,840	2,945,046	2,854,655	3,145,561	39,034,036
Retention Ratio	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%
Retention	1,244,652	1,446,700	1,796,239	2,527,941	3,352,975	3,699,214	3,946,378	4,540,648	
Payout of Dividends	1,244,652	1,446,700	1,796,239	2,527,941	3,352,975	3,699,214	3,946,378	4,540,648	
EPS	0.12 €	0.14 €	0.17 €	0.24 €	0.32 €	0.35 €	0.37 €	0.43 €	0.36 €
DPS	0.06 €	0.07 €	0.08 €	0.12 €	0.16 €	0.17 €	0.19 €	0.21 €	0.18 €
Capital employed	25,170,786								
Sum of PV Excess Return	55,444,827								
Equity Value	80,615,613								
Number of Shares	21,195,430								
Value per Share	<u>3.80 €</u>								

Quelle: Solventis Research

Disclaimer Notice and the Mandatory Disclosures according to Art. 20 Regulation EU Nr. 596/2014 and Delegated Regulation EU 2016/958 including possible conflicts of interest disclosures.

The following statements inform the reader of statutory requirements which have to be complied with when publishing Investment research material.

1. Disclaimer

The information herein is believed by us to be reliable and has been obtained from public sources believed to be reliable. We make no representation as to the accuracy or completeness of such information. Recommendations and/or projections made by us on the basis of this information constitute the non-binding current judgement of the author as of the date of this report. Subsequent changes cannot be taken into account. We cannot accept any liability whatsoever for the completeness or correctness of this report. The report is not to be construed as an offer to buy or sell or a solicitation of an offer to buy or sell shares. The financial instruments discussed in this report may not be suitable for all investors and investors must make their own investment decisions using their own independent advisors as they believe necessary and based upon their specific financial situation and investment objectives. We are not in a position to determine whether the recommendations are in keeping with your personal investment strategies and objectives. This one analysis publication cannot and should not replace a securities prospectus and/or expert investment advice required for an investment, and it cannot therefore be the sole basis for deciding on an investment.

This report is subject to copyright. It may only be reproduced with our consent.

2. Disclosures

- a) Completion of the analysis: **09th September 2021, 10:10 a.m.**, first publication: **10th September 2021, 11:00 a.m**
- b) Timing conditions of planned updates: quarterly.
- c) Regulatory authority: Bundesanstalt für Finanzdienstleistungsaufsicht, Marie-Curie-Str. 24-28, 60439 Frankfurt/M.
- d) Previous analysis: No research has been published in the 12 months prior to publication of this report containing a recommendation for a given Investment decision differing from the recommendation in this report.
- e) The analysis was not made available to the issuer prior to its publication.
- f) All prices and price developments stated in the analysis are based on the closing prices on the date and time specified, so far as no other indication is made with regard to the prices and price developments.
- g) The analysis will be made available to all interested persons simultaneously.

3. Disclosures**Overview of the recommendations for the stock of the company in the last 12 months:**

Date of publication	Analyst	Rating	Price Target	Market price on date of publication	Period of validity
02/09/2020	Schlote, Löchner	Buy	3.70 €	3.00 €	12 months
27/04/2021	Schlote, Löchner	Buy	3.60 €	2.96 €	12 months
20/05/2021	Schlote, Löchner	Buy	3.60 €	3.12 €	12 months

The ratings distribution of our investment universe is currently:

Ratings Overview Research Reports (01/07/20 – 30/06/21)		in %	Fee-based Research	in %
Buy	56	93.3%	51	85.0%
Hold	4	6.7%	4	6.7%
Sell	0	0.0%	0	0.0%
Total	60	100.0%	55	91.7%

Neither the Solventis Beteiligungen GmbH, nor a related undertaking, nor a person who has assisted in the preparation of this report (nor any of its closely associated persons), nor any person who may or may have access to the analysis prior to disclosure (if employed/commissioned by the named company)

- holds 5% or more of the share capital of the company which is the subject of this report.
- have held or led the public issuance of financial instruments of the issuer during the previous twelve months.
- were market makers or liquidity providers in the financial instruments of the issuer.
- have entered into an agreement with the issuer on the provision of investment services listed in points A and B of Annex 1 to Directive 2014/65/EU, which has been valid during the preceding 12 months or, during that period, a benefit or promise arising out of such an agreement was given

The Solventis Beteiligungen GmbH

1. is owner of a net short (sale) or long (buy) position of over 0.5% of the subject financial instrument.
2. has entered into an agreement with the issuer, which itself or its financial instruments are the subject of the analysis, to prepare the analysis.

Other relationships and circumstances in which it can be expected that they will affect the objectivity of the analysis are not identifiable for Solventis Beteiligungen GmbH with respect to it and the persons named above.

4. Preparation and distribution

a) Responsible for the preparation and distribution of this report.

Solventis Beteiligungen GmbH, Am Rosengarten 4, 55131 Mainz

Registered office: Mainz; HRB 47135, Mainz District Court; Managing Directors: Joachim Schmitt, Klaus Schlote.

b) Author

Klaus Schlote, CEFA-Analyst; Nico Löchner, Senior-Analyst

5. Explanation of the recommendations of Solventis Beteiligungen GmbH / underlying assumptions:

- Buy: The stock is expected, in our estimation, to generate an absolute return of at least 10% during the next 12 month time period.
- Hold: The stock is expected, in our estimation, to show a price gain or a price loss not exceeding 10% during the next 12 month time period.
- Sell: The stock is expected, in our estimation, to show an absolute price loss at least 10% during the next 12 month time period.

Irrespective of the assessment made, there are significant risks from the sensitivity analysis due to change in the underlying assumptions. Risks include unforeseen changes in competitive pressure, demand for the products of an issuer and the supply of materials required for production, and non-occurrence of assumed development. Such fluctuations may result from changes in technology, changes in the economy, changes in the law and currency exchange rates. This discussion of risk factors does not claim to be exhaustive.

6. Principal sources of information

Domestic and foreign media and information services (e.g. VWD, Refinitiv etc), the financial press (e.g. Börsen-Zeitung, Handelsblatt, FAZ, Wall Street Journal, Financial Times etc), the trade press, published statistics, as well as publications, announcements, data and information of or provided by the issuers analysed, and the internet.

7. Summary of techniques used for valuation

Individual issuers: The companies are valued using common, generally accepted methods of valuation (such as the DCF method, Excess Return Model, Dividend Discount Model and Peer Group Analysis). With the DCF method, the capitalized earnings value of the issuer is calculated, which represents the sum of the company's discounted anticipated future cash flows, i.e., the net present value of the issuer's future net distributions. The capitalized earnings value is therefore determined by the future cash flows which are anticipated and by the discount rate which is applied. The Excess Return Model and Dividend Discount Model are applied using standard models. With the Peer Group Analysis, issuers are valued by comparison with valuation multiples (e.g. price/earnings ratio, price/book ratio, enterprise value/sales, enterprise value/EBITDA, enterprise value/EBIT) of other listed companies. The comparability of the valuation multiples is determined primarily by the respective company's business activity and economic potential. Information about the models you can for example find at the following site: <http://pages.stern.nyu.edu/~adamodar/>.

Theme-based studies: The impact of a given development (e.g. EU enlargement, rising electricity prices) on various issuers is determined by applying the assumed development to the issuer's published business, income, cost and sales structure.

8. Internal organizational and regulative precautions to prevent or deal with conflicts of interest

Employees of Solventis Beteiligungen GmbH who are involved in the preparation and/or presentation of financial analyses and persons who are or could have access to the analysis prior to disclosure are subject to internal compliance regulations. The internal compliance regulations comply with the provisions of section 85 WpHG in conjunction with Art. 37 Delegated Regulation EU 2017/565. This includes in particular business prohibitions, information barriers, rules for contributions from third parties and compensation of employees. The remuneration of the employees involved in the preparation of the analysis is not linked to transactions or services in accordance with Annex I sections A and B Directive 2014/65/EU or trading fees of Solventis Beteiligungen GmbH or affiliated companies.

9. Addressees

Analyses of Solventis Beteiligungen GmbH are directed toward suitable counterparties and professional clients. They are therefore not suitable for being passed on to private customers, unless (I) a financial analysis was expressly referred to by Solventis Beteiligungen GmbH as suitable for private customers or (II) it is properly distributed by a Member State of the European Economic Area (EEA) or an investment service provider authorized in Switzerland to private clients who demonstrably have the necessary knowledge and

experience to understand and assess the relevant risks of the respective investment recommendations. Analyses are released for distribution to the aforementioned addressees in the Member States of the European Economic Area and Switzerland.

With acceptance of this research the recipient agrees to the obligation of the aforementioned restrictions.