

CHG-MERIDIAN: successful 2020 financial year thanks to resilient business model

- **Pandemic-related decline of 12 percent in lease origination compared to 2019**
- **Positive net income development due to strong growth in previous years**
- **Sustainable business model is an important competitive factor**

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Despite difficult economic conditions in the pandemic year 2020, the CHG-MERIDIAN Group was able to deliver a successful financial year. New customer business proved to be particularly challenging, as economic uncertainty and supply shortages made forward-looking planning and investment much more difficult for companies and organizations. For these reasons, lease origination decreased by 12 percent to €1.758 billion in 2020 (2019: €1.995 billion).

“The pandemic has presented us with considerable challenges, but it has not blown us off course,” says Dr. Mathias Wagner, Chairman of the Board of Management. “Our digital and sustainable business model, based upon the circular economy, has proven itself highly resilient and reliable.” This is reflected in the growth of the technology portfolio that CHG-MERIDIAN manages on behalf of its customers, which reached a total of €7.5 billion as of December 31, 2020 (December 31, 2019: €6.9 billion).

The Group’s profit from ordinary activities (before taxes) amounted to €123 million, which was significantly higher than prior year (2019: €91 million). Net income (after taxes) rose from €65 million to €87 million, a very positive year-on-year increase of 35 percent.

One of the reasons for the positive trend of net income across the international Group is the strong growth in previous years. CHG-MERIDIAN’s portfolio has continually expanded across its three core areas of IT, industrial technology, and healthcare technology. The positive effects continued into 2020. The CHG-MERIDIAN Group has also built on its successful lifecycle management. It refurbished and remarketed a total of 880,000 used IT assets in 2020, a rise of 26 percent (2019: 697,000). 96 percent of all returned assets were given a second life.

“Despite the challenges presented by COVID-19, we have been able to further expand our technology portfolio and to respond flexibly to our customers’ changing requirements,” says Dr. Wagner.

Digitalization and sustainability as growth factors

For many companies, the pandemic has made it evident that they still aren’t properly positioned with their digital workplaces. At the same time ongoing digitalization and automation are key to their future competitiveness. In this regard, CHG-MERIDIAN is the right partner for these companies and offers customized technology financing and management for such transformation processes.

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“Thanks to our value-added products, services, and solutions, we are optimistic about the future and are predicting further growth over the medium term,” says Dr. Wagner.

Alongside digitalization, sustainability is another area that is driving demand for technology lifecycle management, while climate-friendly business practices are becoming an increasingly important competitive factor. In response to this demand, CHG-MERIDIAN launched carbonZERO in February 2021, the company’s first carbon-neutral financing product for IT infrastructure and investments.

Carbon-neutral business activities from 2021

The Group itself is leading by example: “From 2021, CHG-MERIDIAN will be carbon-neutral. This underlines our clear commitment to sustainable and responsible corporate governance”, says Dr. Wagner. Being carbon-neutral means that the entire CO₂-emissions generated in the course of the company’s own business activities will be avoided, reduced, or offset.

The CHG-MERIDIAN Group

The CHG-MERIDIAN Group is one of the world’s leading non-captive technology managers and financing experts in the IT, industrial, and healthcare technology sectors. A total of more than 12,000 customers – including large corporations, SMEs, the public sector, and hospitals – rely on CHG-MERIDIAN to manage their technology infrastructures in a holistic, user-oriented and digital way. Based on the concept of the circular economy, its service portfolio includes planning, financing, and operational implementation, as well as certified data erasure, refurbishment, and remarketing of used equipment at its two technology centers in Germany and Norway. The CHG-MERIDIAN Group is an international company employing nearly 1,200 people in 28 countries. By the end of 2020, it financed and managed a technology portfolio worth €7.5 billion. From 2021, CHG-MERIDIAN will be carbon-neutral. To achieve this, it avoids, reduces, or offsets all CO₂ emissions generated by its business activities. The headquarters of CHG-MERIDIAN are in Weingarten, Germany.

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