

CHG-MERIDIAN on a growth path: record figure for lease originations

- **Clear growth signal for lease originations: year-on-year increase of 29.3 percent to €2.23 billion**
- **Rising demand: usage models instead of purchases of IT, healthcare, and industrial assets**
- **CEO Mathias Wagner affirms CHG-MERIDIAN's ambition to become the leading global technology2use company**

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The CHG-MERIDIAN Group can look back on a successful 2022 in which it achieved substantial growth thanks to a significant increase in lease originations. The Company's powerful usage models that are rooted in the principles of the circular economy offer customers an attractive option with which to implement technology projects efficiently and sustainably – especially in a challenging macroeconomic climate. These models hold potential for growth that CHG-MERIDIAN intends to systematically unlock in order to become the leading global technology2use company.

In a challenging market environment, CHG-MERIDIAN performed well in 2022. Compared with the previous year, it achieved an improvement in lease originations of 29.3 percent to a record figure of €2.23 billion (2021: €1.73 billion). Mathias Wagner, CEO of CHG-MERIDIAN, comments: "Many markets have regained momentum after the impact of supply bottlenecks and the coronavirus pandemic and thus contributed to our positive performance. Furthermore, the challenges of the current economic environment are leading many companies to regard financing models for IT, healthcare, and industrial assets as an attractive option."

This is reflected in the portfolio of managed technology assets, which increased in value by 15.2 percent (at original equipment value) to €8.95 billion (2021: €7.77 billion). The Group's net income reached €100.32 million and was therefore 11.3 percent lower than in the previous year (2021: €113.13 million). "This result had been anticipated and reflects targeted capital expenditure on our business model and on the strategic development of the model," adds Wagner. "In this context, equity investments, the founding of start-ups, and expansion efforts are inevitably leading to capital expenditure and start-up losses that, along with internal digitalization initiatives, are affecting our bottom line."

Extensive capital investment and spending on innovation in 2022

The needs of international customers change and evolve constantly. For CHG-MERIDIAN as an innovation-driven business, this is what inspires the continuous development and enhancement of its service offering. In 2022, the portfolio was extended to include the new business devicenow and the start-up circulee, which have added a global device-as-a-service concept and sustainable, professionally refurbished IT hardware for small and medium-sized enterprises (SMEs) respectively.

Moreover, CHG-MERIDIAN also continues to grow in geographical terms. The Company is expanding in the APAC region, forging ahead with its corporate strategy focused on growth and internationalization. Following the acquisition of lifecycle asset manager OPC Asset Solutions in India and the opening of a new location in Singapore, the Group is now active in 30 countries. Further expansion is planned in order to offer the broadest possible geographical coverage for global customers.

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On the way to becoming the leading global technology2use company

The expansion of CHG-MERIDIAN's service portfolio and international presence serves a clear objective: "We want to establish ourselves as the leading global technology2use company, because we create, finance, and deliver technology usage models on a global scale, built on our circular economy business model," explains CEO Wagner. These flexible circular usage models have demonstrated their many benefits in a volatile environment and will continue to offer companies an attractive way to act on their need to go digital while also meeting important financial and environmental requirements.

"The many challenges we saw in 2022 have made it clear once and for all that the age of use has dawned. Technology is more indispensable than ever, but access to it is becoming increasingly challenging. Our innovative response to this problem is 'technology2use'. Our customers can use technology conveniently, scale it globally in accordance with their needs, and promote sustainability in a tangible manner at the same time," says Dr. Wagner.

Sustainability as a business model

The circular economy has been a core feature of the business model and one of CHG-MERIDIAN's key competitive advantages since 1979. In 2022 alone, the Group gave a second life to approximately 924,000 IT assets – a year-on-year increase of around 10 percent. Its proprietary technology centers enable CHG-MERIDIAN to achieve a stable refurbishment ratio of 96 percent in spite of rising demand for its usage models. This actively contributes to reducing electronic waste and bringing down demand for newly manufactured equipment.

Sustainable corporate finance solutions are a further sign of CHG-MERIDIAN's holistic approach to sustainability. Together with Helaba Landesbank Hessen-Thüringen and Landesbank Baden-Württemberg, the Group scaled up its sustainable funding models through ESG-linked loans and generated an additional €200 million, up from €50 million in 2021.

The CHG-MERIDIAN Group

The CHG-MERIDIAN Group is one of the leading global technology2use companies. It has more than 1,300 employees and creates, finances, and delivers customized technology usage models for the IT, industrial, and healthcare sectors. CHG-MERIDIAN manages a technology portfolio worth €8.95 billion (2022) and is active in 30 countries worldwide without being tied to any specific banks or manufacturers. Its customers include international corporations, SMEs, public authorities, and hospitals. The Company's deep understanding of the principles of the circular economy, which it has been acquiring and expanding since 1979, is a cornerstone of its technology2use business model. CHG-MERIDIAN manages its customers' technology investments along the entire lifecycle, from procurement and use to data erasure, refurbishing, and remarketing of used devices at its modern technology centers. The Company's headquarters are in Weingarten, Germany.

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