

## CHG-MERIDIAN starts 2016 with slight first-quarter growth

- Growth: Promising developments in America and Western Europe during first quarter
- Gross margin: Profitability increases continue into the new year
- Outlook: New release of technology and service application, TESMA<sup>®</sup>, bolsters growth prospects further

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The CHG-MERIDIAN Group started 2016 with a first quarter that was profitable, though more subdued in terms of new-business growth. Based in the South German town of Weingarten (Baden-Wuerttemberg) and represented in 23 countries with 36 branch offices, the experts in efficient technology management posted 5.7% gains in lease originations, to over €246 million (Q1 2015: €233 million).

### Wide regional variations in new business

Growth in lease origination volumes was marked by differences in regional development. The region of North America saw growth of 25.4%, to €33.2 million (Q1 2015: €26.5 million) and Western Europe achieved a 19.5% increase to €47.3 million (Q1 2015: €39.6 million); on the other hand, Central Europe—the company's highest-volume market—posted a 1.6% increase to €122.7 (€120.8 million), which was below expectations for Q1 2016.

Compared to the first three months of the previous year, total current customer customer contracts increased 4.3%, to 69,593 (Q1 2015: 66,718). Its cumulative proportion of new customers remained at 28%, the same as in the first quarter of the previous year. "On the one hand, the numbers demonstrate how loyal and satisfied our existing customers are," said Jürgen Mossakowski, Chairman of the CHG-MERIDIAN Group Executive Board. "On the other hand, they also indicate that we still have potential for growth in terms of new customer acquisition. So we are satisfied with our total new business thus far, but we want to improve upon those results over the course of the year."

### Profitability continues to increase

As regards profitability, CHG-MERIDIAN Group successfully improved even further upon what were already excellent results, increasing its first-quarter gross margin by 23.4% to nearly €40 million (Q1 2015: €32.3 million). Domestic business accounted for 44% of this total. Its equipment remarketing business, which it handles through its dedicated Technology and Service Center near Frankfurt am Main, decreased slightly at the beginning of the year; however, the total number of remarketed devices still exceeded 100,000 units.

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## TESMA<sup>®</sup> release opens up new perspectives for growth

Mossakowski expects further growth potential over the course of the year thanks to TESMA<sup>®</sup>, the company's proprietary software platform for managing complex technology landscapes from business and technical perspectives. As part of the new release launched in April 2016, the application has been radically modernized and equipped with new functions, meaning CHG-MERIDIAN customers can now manage their technology equipment with unparalleled efficiency. "In bringing the new TESMA<sup>®</sup> onto the market, we are providing a solution that gives our customers genuine added value," said Mossakowski. "I'm convinced that our investments in the further development of this product will pay off."

For more information and photos, please visit: [www.chg-meridian.com](http://www.chg-meridian.com)

## CHG-MERIDIAN GROUP key financial figures – as of 3/31/2016

in TEUR	3/31/2016	3/31/2015	2015
Group lease originations	246,438	233,045	1,056,511
by region:			
Central Europe (D, A, CH, SLO)	122,666	120,777	540,573
Western Europe	47,316	39,598	185,967
Southern Europe	27,685	29,724	127,219
Eastern Europe	3,037	6,722	19,649
Americas	33,248	26,503	142,515
Northern Europe	12,486	9,721	40,588
of which Germany	114,146	113,310	499,770
of which international	132,292	119,735	556,741
Lease originations with new customers (in %)	28%	28%	28%
Group gross profit* / gross margin	39,819	32,268	183,059

### CHG-MERIDIAN: The company

CHG-MERIDIAN is one of the world's leading manufacturer- and bank-independent providers of technology management services to the IT, industry and healthcare sectors. With some 850 employees, CHG-MERIDIAN offers its customers comprehensive support for their technology infrastructures – from consulting, to financial and operational services, to used-equipment re-marketing services through its two technology and service centers in Germany and Norway. CHG-MERIDIAN provides efficient technology management to large- and medium-sized companies and government agencies. It now serves over 11,000 customers worldwide, managing technology investments worth a total of more than €4.4 billion. The online-based TESMA<sup>®</sup> Technology and Service Management System provides its more than 10,000 users with maximum transparency in technology controlling. The company has offices in 36 locations in 23 countries across the globe; its headquarters are in the South German city of Weingarten.

Efficient Technology Management<sup>®</sup>