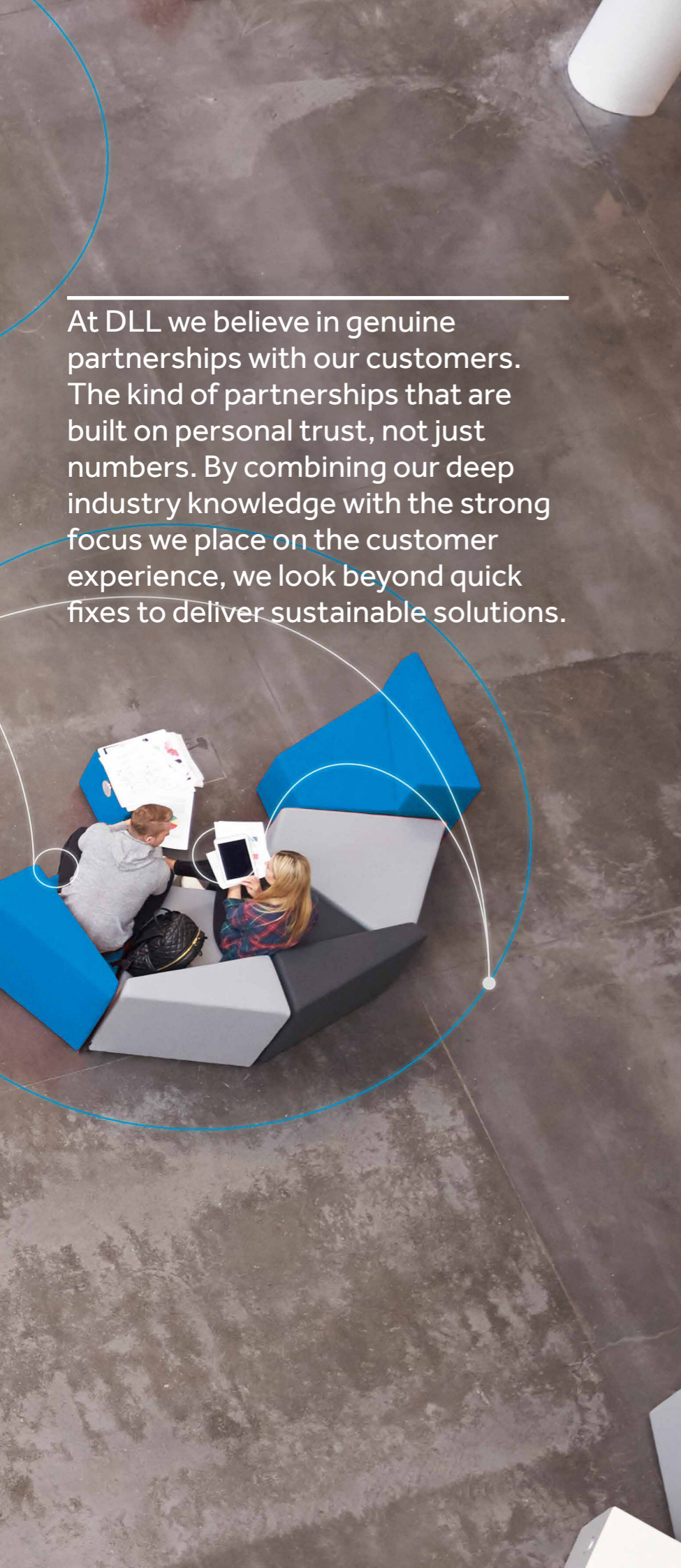

Smart collaboration

See what counts.



At DLL we believe in genuine partnerships with our customers. The kind of partnerships that are built on personal trust, not just numbers. By combining our deep industry knowledge with the strong focus we place on the customer experience, we look beyond quick fixes to deliver sustainable solutions.

As our brand promise 'See what counts' implies, leasing is more than just lending money. We are committed to providing comprehensive solutions that help our vendor partners successfully navigate their challenging markets. Monitoring and understanding current and future global trends is important to being able to do this. Currently, there are three trends that we believe will likely alter the way our vendor partners do business and change the expectations they have for their financial solutions providers.

From owning to servitization

From hospitals to farms to the factory floor, businesses today are looking for new ways to maximize the impact and efficiency of their equipment. 'Servitization' is a new concept and we believe it will represent a revolutionary shift that will help companies realize increased efficiencies and lower the total cost of use.

What is servitization? The ability for customers to take full advantage of the benefits associated with using equipment, without the obligations and costs of ownership. This requires manufacturers and distributors to offer more sophisticated usage-based options – options that can be delivered 'just-in-time' and are coupled with maintenance and service packages that keep equipment running at optimal levels.

Yet for all this to happen, DLL must help our vendor partners deliver this new service-based model to their customers. In the past year, the rise of this model has unlocked new efficiencies and business opportunities for our partners. As a company that offers flexible leasing and financing solutions, DLL is making every effort to help our partners transition to these new practices.

We can create the types of financial solutions that will enable their end-user customers to pay for equipment as they use it, while the manufacturer remains responsible for its ongoing service and maintenance.

Internet of Things

Seamless interconnectivity between equipment and devices is the great promise of the Internet of Things (IoT). IoT facilitates the real-time collection of thousands of data points on when and how equipment is used. For manufacturers and dealers in particular, the infinite data generated by IoT about how customers are using their assets opens up entirely new possibilities for greater efficiencies and enhanced customer services.

At DLL, we believe that IoT can benefit all stakeholders. IoT helps manufacturers and distributors better understand when equipment should be serviced and the right time to offer technology upgrades or new products that will benefit their end-user customers. Whether it's pinpointing the right time to service a tractor or suggesting an upgrade that will more cost-effectively meet the customer's needs, DLL will continue to research IoT and work with manufacturers and dealers to better understand the enormous advantages it can bring to their bottom line.

Circular economy

Finite resources and a growing global population are challenging the market to seek out new business models that deliver profits while also using our earth's resources more

carefully. The circular economy is one such sustainable model designed to move industry away from the old, linear 'take, make and waste' model.

By designing products to be recycled, reused, or remanufactured at the end of their first life cycle, the circular economy lets manufacturers maintain control of their equipment throughout its technical life and ensure that the equipment or materials are reutilized. The circular economy also promotes usage over ownership.

DLL is helping unlock circular models by developing effective and innovative service-based financial solutions like leasing and pay-per-use. DLL was a pioneer in this area, launching our Life Cycle Asset Management (LCAM) program in 2013. LCAM provides end-to-end financial solutions for the complete asset life cycle, including financing for pre-owned assets. We work with our vendor partners to ensure the sustainable reuse of equipment and the creation of second and third life revenue streams for them. It is DLL's aim to make Used Equipment Finance 20% of our business by 2020.

Looking forward, DLL sees the convergence of servitization, the Internet of Things and circular economy as the basis for strong and sustainable economic growth. By understanding and introducing new financial solution models around these trends, we can continuously adapt our business to meet the evolving needs of our customers.

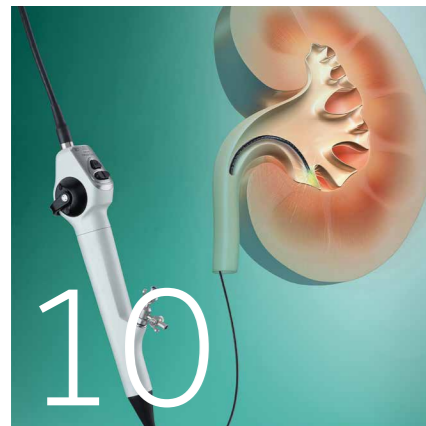
Trends

Office technology Roland DG



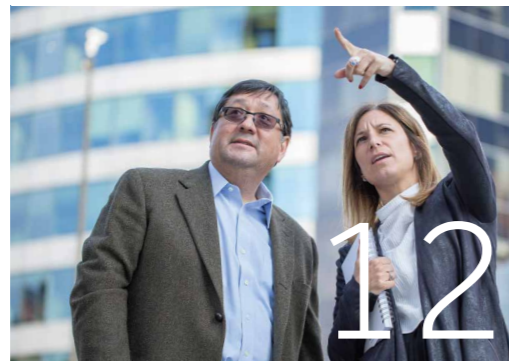
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Innovating together



DLL underwent significant change in 2016 as we sharpened our focus on our global vendor finance business. We announced the sale of our international car leasing business, Athlon, to Daimler Financial Services and also expanded our Executive Board with the appointment of a new Chief Commercial Officer, Chief Financial Officer, and Chief Risk Officer. Through it all, one thing remained steady... our unwavering commitment to our partners.

The theme of this year's Company Review is 'Smart collaboration'. At DLL, we strive to be more than a provider of capital, but a true strategic and consultative partner. At the heart of everything we do is our absolute determination to serve our customers intelligently and effectively by providing comprehensive financial solutions that help them succeed year in, year out. We seek to become an integral part of our partners' business strategy and future vision.

A key indicator of how well we are accomplishing these goals is our Net Promoter Score (NPS)[®]. The NPS measures how likely our customers are to refer DLL to others. Even in a year of change, our NPS increased from +26 in 2015 to +34 in 2016. To put it in perspective, the average NPS of a financial solutions provider is +8. Moreover, the vast majority of our customers we surveyed told us they were 'satisfied' or 'very satisfied' with the products and services they receive from DLL. This extremely positive feedback from our customers tells us that we are moving in the right direction.

Going forward, our vision is clear. We intend to be the best financial solutions company in the world. To that end, we will focus the

majority of our resources, investments, and innovations on our leading global vendor finance business. We will accelerate the value we deliver by providing new and innovative products, digital tools, and first-class customer experiences that help our partners to win in their markets.

Technology is central to making this vision a reality, and DLL is determined to stay ahead of the game when it comes to innovation. Our goal is to provide our vendor partners and their customers with a completely paperless and digital solution that is easy to understand and use. That is the direction we are taking DLL in and where we are investing as a company.

We are also committed to finding new ways to meet the ever-changing needs of our customers and the industries they serve. For example, as we continue to see markets shift away from equipment ownership and move toward usage-based models, we are developing flexible leasing and financing solutions that support this trend.

I am very excited about the progress we made in 2016 as well as the goals we have defined to direct our path forward. More than ever, the success of DLL will be determined by our ability to partner with our customers – to truly understand their markets, anticipate their needs, and add to their bottom line. I am confident that by working together, our businesses will continue to enjoy shared success for many years to come.

Bill Stephenson
CEO and Chairman of the Executive Board of DLL



Printer Pioneer: DLL helps Roland DG lower the financial threshold for European dealers

Not every company can claim the slogan 'Imagine.'. But then again, few companies have built their reputation on creating groundbreaking digital technologies as has the Japanese Roland DG Corporation... first in music, then in printing. Today, its German counterpart, Roland DG, is a market leader in digital printing, with its large format and 3D printers catering to a growing industry of graphic, retail and medical industries.

Dominik Denter, DLL (left) and Kathrin Buhl, Roland DG (right)

In a competitive European market that relies heavily on an engaged dealer network, Roland DG turned to DLL for help. "Imagine.' means everything is possible," says **Kathrin Buhl**, Sales Manager for DACH (Germany, Austria, and Switzerland) at Roland DG. "We needed a financial solutions partner that lives up to this promise."

After signing a partnership in 2016, DLL and Roland wasted little time introducing a new commercial financing solution to Roland's central European network of authorized dealers. The zero percent financing allowed customers to spread their payments over a period of 36 months, with Roland paying the interest.

"Zero percent financing is unique to the market," says **Dominik Denter**, Account Manager at DLL. "It was a unique offer. At the time, no other manufacturer was offering this solution."

The zero percent finance campaign was a success, both in terms of dealer participation and sales. Equally important, the quick success laid the foundation for a flexible and creative relationship.

Demo days

Buhl points out that DLL's second idea, a 180-day financial solution designed to make demo machines more accessible to dealers, was particularly unexpected and welcome.

"Dealers often hesitate to invest in new machines, especially demo machines, because they are expensive," says Buhl. "But it's important to both parties that their customers can grasp and experience our latest technologies."

Normally, dealers must pay for the machine upfront. The 180-day proposal removed that obstacle from the conversation. "They didn't have to pre-invest, there were no additional costs, nothing negative," Buhl adds. "It was a very creative solution that went beyond the thinking of a typical financial partner."

Dealer direct

Historically a vendor leasing company, DLL has been actively seeking new ways to grow its retail business, mainly via their manufacturing partners. The relationship with Roland provided a unique opportunity to do this.

"Roland invited us to present directly to their dealers," says Denter. "A few larger dealers knew who we were, but this opportunity allowed us to introduce ourselves and present our solutions to the entire network of dealers. This is a great example of how we collaborate, how we work together to come up with new ideas and bring our solutions to more dealers."

Denter notes that while the goal is to present creative and effective solutions to retailers, the nature of the business is very pragmatic.

"We simply sit down and come up with good solutions for end-customers and retail partners," he adds. "We try to set that up to be as easy as possible."

In the meantime, Roland DG sees room to grow in central Europe, a region where dealers require financial support.

"On a company level, I want easy solutions that bring added value that can be scaled across all Europe – although it is not easy with so many different markets," Buhl says. "On a personal level, I am just happy to have a single partner who is very fast at creating new solutions."

Office technology and DLL

Office technology advancements and convergence are helping everyone from small businesses to multinationals more easily connect to the world and their customers.

The depth and breadth of our office technology services allow us to deliver total financial solutions for our partners. From operating leases to commercial and stock financing, we enable our partners to develop faster, more efficient communication and implement broader IT solutions.



Fast & flexible: DLL & Degrocar rethinking the rules of forklift financing

Giuliano De Grossoli (left), Roberto Savini (center) and Gianluca Menni (right)

As an important supplier in a crowded market, Degrocar, an exclusive Mitsubishi forklift distributor in Italy, has built a strong business around its dedicated dealer network. Keeping this network happy often requires thinking beyond industry conventions, including how forklifts are financed. “The Italian forklift market is massively competitive,” says Degrocar owner **Giuliano De Grossoli**. “We needed a fast and competent financial solutions partner to support us and help us grow our network. DLL has been that partner.”

“As the need for flexible financial solutions has grown in Italy in recent years, so has the need for operating leases,” says **Roberto Savini**, Sales Manager at Degrocar. “In addition to their expertise and wide range of financial solutions, DLL has been a proactive and helpful partner. They have worked closely with us to create market-specific proposals that cover all of our customers’ needs.”

Together with DLL, Degrocar has introduced two specific game changers to its extensive dealer network. The first is an operating leasing solution that offers competitive residual values and provides good value for assets at the end of the leasing term. The second solution is a zero financing campaign developed in cooperation with Degrocar’s dealer network. This

campaign enabled Degrocar’s dealers – 85% of which sell or rent forklifts to their customers – to purchase on credit with Degrocar paying the interest. After jointly analyzing the campaign and being impressed by the results, the campaign is now ongoing, each year adjusted to cater to changing customer needs.

“Operating leasing requires investing a lot of time in the relationship with both manufacturers and dealers,” says **Stefano Rebughini**, Account Manager at DLL. “But it enables us to attract partners like Degrocar.”

Like-minded partners

The relationship between Mitsubishi and DLL dates back more than a decade with the signing of a European partnership between DLL and Mitsubishi Caterpillar Forklift Europe (MCFE). This partnership has since expanded to more than 15 countries in Europe, Asia, and the Americas. The collaboration between DLL and Degrocar began in 2011 and has similarly grown significantly from year to year.

“Right from the start, it was clear that Degrocar wanted a different commercial approach,” adds **Gianluca Menni**, Country Sales Manager CT&I. “They have always been interested in new ideas and opportunities. Above all, they have

always actively sought out innovative and local financial products.”

The partnership between DLL and Degrocar expanded recently to include a solution, designed by DLL’s Commercial finance experts, that focuses on financing the stock of Degrocar’s dealers.

“We were the first to introduce this financial tool to the Italian forklift market,” says Rebughini. “It is a labor-intensive solution, which is why a lot of financiers avoid it. But it has clearly made Degrocar more competitive in the market.”

Broader scope

In its drive to innovate, Degrocar will continue to offer its dealer network unconventional solutions and ideas.

“We have a more open approach than other players when it comes to financing,” says Giuliano De Grossoli. “Less restrictive, more personal. DLL has always been there for us, adding value and generating innovative and highly competitive offers that appeal to our customers and enable us to grow.”

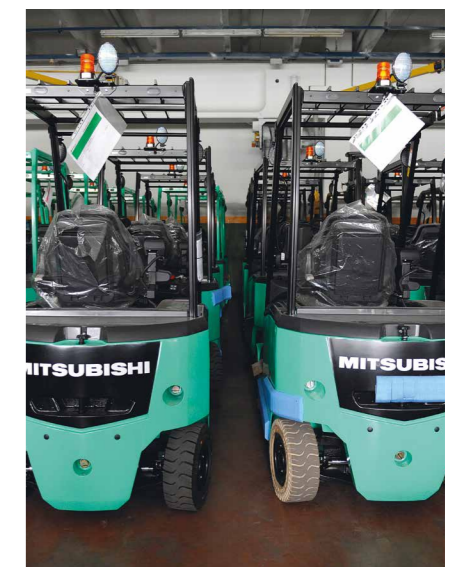
De Grossoli paints a picture of a not-so-distant forklift industry future that offers the flexibility of a parking garage – both in the variety of vehicles on offer and the terms of finance. This picture includes short-term rentals and low-threshold dealer contracts.

De Grossoli: “Degrocar and DLL share common desires: to grow and explore.”

Industrial and DLL

There is no one-size-fits-all solution for the broad industrial industry.

This is why we offer customized and flexible financial solutions for the industry’s various players: manufacturers, dealers, distributors, rental companies, and users of materials handling and industrial equipment. Our in-depth understanding of asset life and utilization, inventory finance, rental fleet management, and vendor finance means we can help our partners innovate their businesses and processes in ways that are both sustainable and profitable.



Broadening the scope with healthcare finance

With lower reimbursements, industry-wide consolidation, and greater competition, the US healthcare market is rapidly changing. For leading endoscope manufacturer KARL STORZ, this means offering financial solutions as innovative as their own technologies. In 2010, KARL STORZ Endoscopy-America and DLL joined forces under the private label KARL STORZ CAPITAL. Their mission was clear: introduce groundbreaking financing solutions that keep pace with the demanding healthcare market.

"Greater competition means we have to demonstrate that our solutions add both technological and financial value," says **Wynn Blieberg**, Director of KARL STORZ CAPITAL. "Especially now that company executives play a greater role in buying decisions."

"Historically, KARL STORZ sales representatives have been accustomed to selling great technology and less comfortable selling financial products," adds DLL Program Manager **Tim Malloy**. "This collaboration completely changed the dynamics within the company."

A new sales conversation

To create an enthusiastic sales culture, KARL STORZ and DLL trained the sales force to address



the benefits of financing in their sales conversations. Working closely with DLL's marketing team and leveraging its digital marketing platform, the partners developed sophisticated, multichannel marketing campaigns and training tools for KARL STORZ's growing sales team.

They also developed several creative and flexible financing solutions, including equity rentals and Managed Equipment Services (MES). Equity rental allows the customer to rent equipment on a short-term basis, with a percentage of the rental payments applied toward the purchase price if the customer decides to buy the equipment later.

MES bundles together equipment, service, on-site technicians, and disposable costs so they conveniently appear as one payment to the user.

MES introduced something the market largely lacked – predictability around long-term service and maintenance costs – enabling KARL STORZ to sell added value to their customers.

"We've seen a significant spike in requests for our MES product from large health systems, a key target group," says Blieberg. "It has opened a lot more doors for us."

Growing the business

DLL also helped KARL STORZ CAPITAL streamline its procedures by introducing an e-signature product, eDocs Express, powered by DocuSign®, that enables customers to quickly and easily complete their lease documentation electronically.

"Using eDocs has significantly reduced turnaround time in the physician office environment," explains Blieberg. "Deals close faster and more efficiently without the need for repeated follow-ups or illegible copies."

"We also introduced our mobile app, which lets KARL STORZ CAPITAL produce financing quotes and lease documents on their mobile devices," says Malloy. "It's popular and very effective: the sales team is closing more deals."

Blieberg: "Together, all these innovative solutions helped us increase the financing penetration of our sales by over 60% last year. We have increased our ability to compete better and win more often. Applications have grown 58% year over year."

Broadening the scope

Bolstered by this success, KARL STORZ CAPITAL is now offering financing solutions for other KARL STORZ business segments beyond endoscopy. It also expanded its footprint into Canada and Mexico in 2016.

"It's rare when two companies come together the way KARL STORZ and DLL have," says Blieberg. "I like the path we have made together. It has deep roots and is geared toward continuous improvement, growth, and engagement. We want to continue on that path."

Healthcare and DLL

The need for healthcare is ever-increasing as the world's population continues to age and expand. So much so that funding is often unable to keep pace. That's where we come in. **From pediatrics to oncology, dialysis to dental, our flexible financing solutions help make advanced medical equipment and technology more affordable.** So our partners can focus on what they do best – improving the standard of care for patients around the world.



Tim Malloy, DLL (left) and Wynn Blieberg, KARL STORZ CAPITAL (right)

DLL supports Sacyr Industrial in its bid to **grow in Chile**

Cement factories in Bolivia, oil refineries in Peru, and the expansion of the Panama Canal – the Spanish construction multinational Sacyr is a major player in South America’s infrastructure and transportation growth. In Chile alone, the Group’s concession and construction businesses have invested more than €5.8 billion in projects over the past 20 years, including laying more than 1,300 km of freeways. Yet for Sacyr Industrial, the Group’s youngest division, winning the business of electricity distributor Compañía General de Electricidad (CGE) marked its first major achievement in Chile. It also opened the door to a whole new collaboration with DLL.



Julian Infante, DLL (left)
with Cristina Leon, Sacyr Industrial (right)

The 6-year, €44 million contract between Sacyr Industrial and Chilena CGE involves operating and maintaining the electricity provider’s medium and low voltage grids throughout the country. DLL’s role was to finance 23 customized light trucks needed to maintain the grid.

“After winning the contract, Sacyr really needed these trucks quickly,” says **Julian Infante**, Sales Manager at DLL Chile. “And not just standard trucks, but trucks fitted with special cranes customazation. “They approached us in September. By January they had their trucks.”

Because Chile imports all its vehicles, DLL turned to its local partner and mega dealer, Salfa. The close partnership between Sacyr, DLL, Salfa, and DLL’s risk department enabled the rapid financing, importing, and customizing of 23 Chevrolet GM light trucks.

“It was a great collaboration,” says **Cristina Leon**, Chief Financial Officer at Sacyr Industrial. “DLL did everything they needed to do to meet our deadline.”

Stand-alone player

The Sacyr Group may be a global leader in construction and infrastructure, with projects in 29 countries and on 5 continents, but Leon makes clear that Sacyr Industrial is a stand-alone division responsible for growing its own business.

“We are the youngest division in the holding company,” she says. “The Group supports our development and offers financial guarantees, but we are expected to find our own way.”

In just one year, Sacyr Industrial has won five major projects. The contract with Chilean CGE is Sacyr Industrial’s second contract in the electrical grid maintenance sector.

“It was quite a challenge securing finance for a brand-new company with no history in Chile, no financial records,” says Infante. “But we met with Cristina, laid all the cards on the table and made all the right decisions together.”

Because Leon is based at Grupo Sacyr’s headquarters in Madrid, much of their communication took place via telephone, Whatsapp and email. For the two internationally oriented partners, however, working from opposite sides of the Atlantic Ocean was business as usual.

“The DLL team is very easy to work with,” says Leon. “We speak the same language of international business, which is important. They have the local know-how but also the international contacts and experience.”

Future expansion

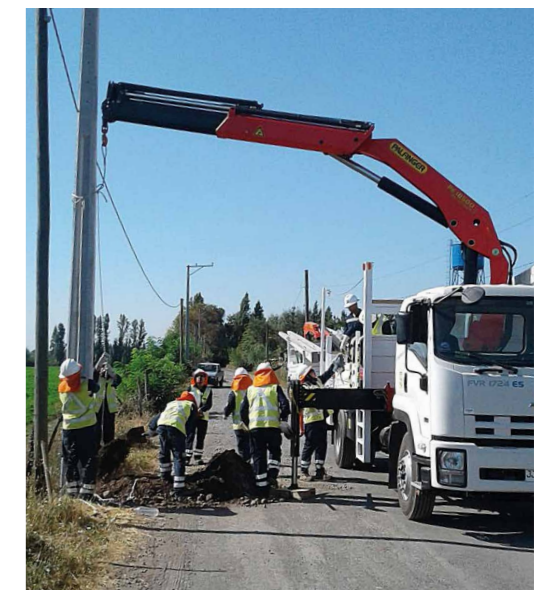
Building on the Chilena CGE contract, Sacyr Industrial expects to continue its rapid growth both in Chile and across the region. Able to offer its maintenance services in an enormous range of industries – from transportation, oil and gas, electrical

infrastructure, and energy to cement, desalination, and waste and water treatment – Sacyr Industrial sees plenty of opportunity to export their relationship with DLL.

“We have an affiliate company in Spain that manages city waste and urban infrastructure and is eager to expand internationally,” says Leon. “This is precisely the kind of business DLL can help us grow.”

That DLL is already financing this affiliate company in Spain indicates how much the two companies overlap.

“We have a lot to offer each other,” concludes DLL’s Infante. “We are ready and willing to help.”



Transportation and DLL

Increased mobility, sustainability goals, and global population growth have brought innovative transportation solutions to the forefront of financing. Our transportation experts deliver total solutions to manufacturers, dealers, distributors, rental companies and users of transportation equipment.



Growing new opportunities with flexible financing

The first KIOTI tractor was introduced to the US in 1986. Produced by Daedong Industrial Company in South Korea and distributed in the US by Daedong-USA. KIOTI was a newcomer to a local market crowded with local brands. However, that didn't deter Daedong-USA whose parent company had become a global leader in mechanized farming equipment by developing effective strategies that addressed regional market challenges. To help Daedong-USA bring flexible financing solutions to their loyal base of dealers and customers, Daedong-USA teamed up with DLL in 2001. Since then, the two have been offering flexible financing solutions to the Daedong-USA dealer network and end-user customers.

Daedong Industrial Company, Ltd., based in South Korea, was founded in 1947, producing its first tractor in 1968. Daedong Industrial, a world leader in the engineering and development of mechanized farming equipment for 70 years, has excelled in responsiveness to complex market challenges, manufacturing excellence, and commitment to durable, high-quality products. Daedong-USA, Inc. was established in the US in 1993 as a subsidiary of Daedong Industrial, specializing in the manufacture and distribution of tractors, UTVs, attachments, and implements.

Today, KIOTI's US product offerings include over six tractor series, including the newly expanded CS, CK10 and PX Series, three MECHRON Utility Vehicles and an array of auxiliary products. Additionally, the company is a three-time EDA Gold Level Status award recipient for exceptionally high dealer ratings. "We are proud of the legacy we've built and will continue to listen to our customers. We focus on adapting our technology and equipment to deliver the best machine-owning and buying

experience," said **Peter Dong Kyun Kim**, president and CEO of Daedong-USA, Inc. KIOTI Tractor Division.

Growing the business together

The initial partnership was focused on offering competitive and flexible retail financing programs for KIOTI tractors, UTVs, and implements. In 2016, the DLL and Daedong-USA partnership expanded when DLL created an Asset-Based Whole Goods Lending (ABL) facility, providing exclusive inventory finance solutions to Daedong-USA's dealers.

"DLL has helped Daedong-USA overcome challenges by providing the ABL facility, giving us the opportunity to offer a wholesale financing solution in-house. This solution has elicited high praise from our dealers and will be a crucial part of our dealer recruitment and business growth," adds **Yung Ki Park**, Daedong-USA CFO.

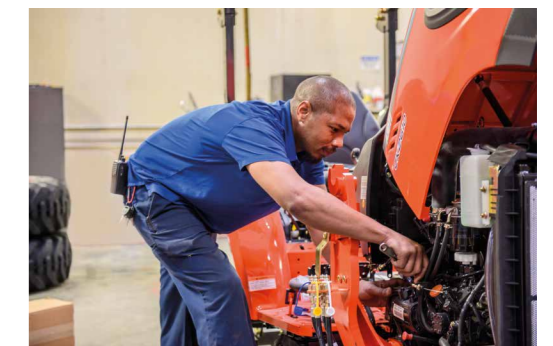
(Re)investing in the future

According to Park, Daedong-USA's partnership with DLL has given the company one very important advantage: reinvestment. "We can reinvest the interest back into our customers and our dealers by offering more attractive retail financing programs, helping us achieve a record high new business volume for Q1 of 2017," he says.

"As we achieve steady and sustainable growth, we find it essential to align with strategic partnerships that can support our vision," said **Anna Kim**, COO of Daedong-USA, Inc. KIOTI Tractor Division.

While Daedong-USA reinvests in their customers and dealers, DLL makes strides in supporting customers and dealers as well. "We are constantly refining our processes to make them faster and easier. We offer dealers automatic credit decisions, online access to documents, and more, all assisting Daedong-USA dealers in closing deals faster," adds **Javier Pelaez**, DLL Director of Program Management.

Through close collaboration, the DLL and Daedong-USA partnership will continue to grow. Park agrees, "DLL has the experience and industry expertise we need. Through our partnership, we can synergize our resources to minimize our risk while maximizing potential growth and stability to help grow our business together."



Agriculture and DLL

The growing world population means that current consumption patterns will be impossible without better use of resources and more sustainable solutions. **We offer a wide range of flexible financing solutions for manufacturers and dealers of food, agriculture, golf, and turf equipment.** From tractors to advanced precision farming solutions, we help create value and manage risk so that the food and agriculture industry can do what it needs to do, namely, feed the world.

Seeding change: financing farm inputs

As the global demand for food grows, the agribusiness industry is looking for new ways to grow with it. But for those looking to invest in 'farm inputs' – seeds, fertilizers, and crop protection products that represent poor collateral value – it is difficult to secure the annual financing they need. Until now. Together with global agrochemical and seed pioneer Syngenta, DLL has introduced an innovative new financing model that makes purchasing farm inputs easier and a lot less risky.

Philippe Giraudet, Syngenta (left)
with Giuliano Mareello, DLL (right)

Financing aside, agriculture has always been a volatile business – with unpredictable weather, crop disease, fluctuating prices and high up-front costs. But two specific circumstances brought Syngenta and DLL together. The first was rapid consolidation in the agribusiness market. While poised for long-term growth, the consolidation trend required Syngenta to introduce new and unique farm input propositions. The second was the need to offer Syngenta's dealers payment terms that matched the cash flow of their customers – i.e. farmers – in each market.

Deep roots in agriculture

According to **Philippe Giraudet**, Syngenta's Head of Financial Solutions, a particular challenge for Syngenta was that banks lack the agricultural understanding to finance farm inputs.

"They do not know how to price risk and crop cycles, and few have a truly global scope," he says. "I was struck by DLL's expertise in agriculture and the overlap between our portfolios and contacts. This led us to explore ways to develop a captive financing program for farm inputs."

With its strong ties to Rabobank and its historical roots in agriculture, DLL also recognized the synergies. "Syngenta asked Rabobank to facilitate their go-to-market strategy, and we introduced them to DLL," says **Matthijs Mondria**, Rabobank Sector Head for Farm

Inputs. "The team did a fantastic job leveraging their unique operating platform to create a distributor finance program in Italy. This is a great example of a client-centric partnership between Rabobank's business lines."

"While Syngenta is new to farm inputs, its needs were no different from our other manufacturing partners. We understand farmers' needs and the agricultural distribution channels," adds **Giuliano Mareello**, DLL's Vice President of New Business Development for EurAsia.

Risk sharing

Syngenta and DLL developed and trialed their new farm inputs financing model in Italy. The initial goal was to finance 20% of sales there.

"This is the first example of vendor financing applied to farm inputs," adds Mareello. "Our main challenge was managing the risk involved with financing a product that has poor collateral value. We share the risk through a structure tailor-made to Syngenta, which allows us to extend 100% of the credit line that Syngenta needs while mitigating risk for both parties."

"By combining our respective product and market insights, we enable Syngenta's dealers to purchase more inventory, putting them in a better position to grow sales," says **Roger Bryan**, Senior New Business Development Commercial Finance at DLL.

The pilot program in Italy has been a huge success. Syngenta's dealers, the program's main targets, are happy with the flexible payment terms and increased sales; Syngenta has improved its liquidity

and even increased its market share; and DLL has a new offering in a new area of business.

Growing and expanding

"In addition to their affinity for agriculture, DLL is able to white label their offer to us and has the global reach to scale it," says Giraudet. "Those are important qualities for our financial solutions partner."

Syngenta and DLL have expanded their collaboration to Portugal, and are currently exploring new models – farmer financing – and new geographies.

"Farm inputs signify a new dimension for DLL, and we really want to develop the full potential of this exciting new partnership and sector," concludes Mareello. "This is just the beginning of a great story."

Farm inputs and DLL

Farm inputs – seeds, fertilizers, crop protection – are key drivers of sustainable growth in populations with both limited resources and limited credit access. **DLL provides manufacturers, distributors, and their end-users of farm inputs innovative financial solutions.** Using our agricultural expertise, we are able to create value and accelerate both our partners' efficiency and growth.





Smart collaboration
Construction

Lifting sales with global vendor financing

Frederic Barot, Haulotte (left)
with Nick Antoniou, DLL (right)

When Haulotte was looking for a financial partner to help them evolve from an equipment provider to a total solutions provider, they turned to DLL. As one of the world's largest manufacturers of people and material lifting equipment, the French company serves a wide range of important industries – from logistics and manufacturing to airport operations and retail. Since 2014, the partnership, called Haulotte Financial Services, has helped Haulotte strengthen their customer offerings with turnkey financing around the globe.

"About 80% of our new equipment sales globally are to rental companies," says **Frederic Barot**, Director of Haulotte Financial Services. "These rental fleets are very capital-intensive, so it was imperative for

Haulotte to support our customers by offering turnkey financing. Our decision to work with DLL began our evolution from being an equipment provider to becoming a total solutions provider."

In a very short time frame, the global partnership has raised both companies to new heights.

The partnership's DNA

According to Barot, DLL is uniquely qualified to help Haulotte serve their global customers' equipment needs. "They can provide full coverage in more than 30 countries and have great expertise in asset valuation and underwriting rental businesses in our industry," he says.

Brand promotion

Haulotte's communication department and DLL's marketing team work closely together on marketing initiatives around the globe. They design joint financial offers, for example, that are available exclusively to customers who visit the Haulotte stand during a trade show. These collaborative efforts have significantly boosted sales at key industry shows like Intermat, ARA, and Bauma. "This gave us a strong pull with potential customers and another opportunity to add more value to the equipment sale by providing a solution tailored to their needs," says Antoniou.

Meanwhile, the partnership continues to reach new heights. Following DLL's recent expansion into Argentina, the partners will continue to expand their global footprint. This year they will also launch flexible equipment stocking facilities, designed by DLL's Commercial Finance team, to support Haulotte's independent dealer network in certain countries.

Competitive advantage

Global expansion and new services highlight the success of this partnership. At the same time, Haulotte Financial Services is also focused on continuing to maintain and build its competitive advantage in key markets like China and the US.

Barot: "We really believe in the future of China. It was strategic for us to address this market, and thanks to DLL we can now provide financing solutions to our customers there. This has had a huge impact on our sales in China."

Haulotte Financial Services also helps Haulotte provide its US customers with a full range of financing solutions, including operating leases.

"We could not offer this before," says Barot. "Haulotte Financial Services has clearly enriched our value proposition."

Construction and DLL

The global construction industry is in constant flux, so it requires customized, flexible financial solutions to help it grow. **From loans to leases, inventory finance to life cycle asset management, we offer financial solutions for manufacturers, dealers, distributors, rental companies, and users of construction equipment.** Our goal is to help our partners build sustainably, but also profitably.



Rethinking Clean technology: Ameresco and DLL are monetizing energy efficiency

From solar farms to geothermal energy systems to converting landfills into power plants, Ameresco's future-forward glimpse of renewable energy can be seen taking hold of North America. As a recognized independent provider of renewable energy solutions, Ameresco helps commercial, industrial, and municipal organizations monetize their unused land with clean technology solutions since its foundation in 2000. For the past two years, DLL has worked with Ameresco to deliver tailor-made financial solutions.

Ameresco's John Occalini at a ground-mounted solar PV generation facility financed by DLL

Longer-term financing

The relationship DLL has with Ameresco is quite unique. While DLL's core business has traditionally focused on short- to medium-term financing, working with Ameresco involves financing solar projects supported by power purchase agreements (PPAs) that typically span 20 years. A PPA is a contract between a commercial, industrial, or municipal power purchaser (called an 'offtaker') and a power producing facility. The power offtaker agrees to buy the power produced at the facility (owned by Ameresco) at a set rate for an extended period of time. Solar PPAs allow organizations to hedge against rising electricity rates and buy cleaner, renewable power.

"A PPA provides a reliable source of revenue for the length of the contract," says **John Granara**, CFO, Ameresco. "It enables municipalities to turn their landfills, rooftops, and parking lots into valuable real estate by using them to generate clean energy for their own use and to sell to the grid."

Specifically for the DLL-Ameresco relationship, Ameresco is responsible for building and maintaining the solar facility, while DLL provides Ameresco with access to capital to meet their construction and long-term financing needs. The capital provided by DLL, in turn, gives power offtakers the opportunity to switch to renewable energy.

Several of the projects DLL has financed for Ameresco support the state of Massachusetts' Solar Photovoltaic (PV) Energy Program

where ground-mounted solar PV generation facilities are being built at multiple state-owned properties. The facilities will create energy savings and reduce greenhouse gas emissions in conjunction with the state's green and clean economy. The project benefits include zero upfront capital costs, utilization of federal corporate tax incentives, favorable electricity rate schedules for the next 20 years, and lease revenue from the land supporting the facilities.

"These projects are both challenging and gratifying," says **John Plantier**, Clean Technology Program Manager at DLL. "Challenging because they involve complex financial structures and continuous operational attention, but gratifying because they provide customers with renewable power, hence reducing the demand for conventional energy."

"The relationship with DLL is important. DLL has provided short-term and long-term financing for a variety of our distributed generation solar projects," says **Josh Baribeau**, Senior Director of Finance and Corporate Treasury at Ameresco. "We rely on DLL's access to capital, and they rely on our expertise and operational excellence to ensure the project performs as expected."

"Trust is definitely a component in this relationship," adds Plantier. "We depend and rely on each other."

Aggressive growth

Ameresco has ambitious growth plans. And DLL strives to continue to be a part of them. "There is a very strong mandate at DLL to continue growing in clean technology and renewables," says Plantier. "Our mutual success with Ameresco promises a bright future."

Clean technology and DLL

Energy represents 30% of the costs in a typical office building. In other settings, such as manufacturing and healthcare facilities, energy costs can be even higher. **We actively finance projects that promote energy efficiency, alternative energy use, smaller carbon footprints, and sustainability.** Our programs are designed to improve our partners' profit and performance while reducing their costs, energy use, waste, or pollution. Because going green is more than just good for the environment – it's good for business.





Sustainability is not just good for the bottom line – it is the bottom line

DLL Sustainability Officer **Michael Rinaldi** (left) and **Prince**, Lead Representative of Hills of Nature, inspect the beehives

Coming up with new sustainable financing solutions does not happen overnight or in isolation. At DLL we work with like-minded business partners who also believe that sustainability is not just good for the bottom line – it is the bottom line.

DLL believes that sustainability is essential to long-term success – for our partners, ourselves, and for society at large. This is why we continually seek out innovative ways to encourage new, sustainable business models that marry profitability with environmental and social benefits.

DLL Sustainability colleagues Michael Rinaldi, Marije Rhebergen, and Casper Havers talk about a few of 2016's most interesting developments in the area of sustainability.

1 Sustainable business solutions

In 2016, we continued to actively seek out ways to find circular economy and clean technology solutions with our partners – original, sustainable solutions such as operational leasing, extended usage, redeployment, and second life financing in every sector we operate in. From our Partners' Sustainability Engagement Initiative to being awarded the Alliance Trust Award for Circular Economy Investor by the World Economic Forum's Young Global Leaders, 2016 was a great year for sustainable business solutions at DLL.

"We had fruitful in-depth dialogues with over 20 global vendor partners through our Partners' Sustainability Engagement Initiative," says **Michael Rinaldi**. "For example, with Cisco, the sustainability engagement process led to a circular economy workshop in London, where a diverse team

from DLL, Cisco, and Cisco Capital explored how to grow the Cisco Refresh business in 2017."

A new initiative in the UK to extend the lives of ambulances introduced a fresh new approach to a sector where safety and reliability are paramount. "Many of the ambulances we help fund are returned after five to seven years and are sold at auction," says **Marije Rhebergen**. "But we discovered that by re-mounting the ambulance box on a new chassis, we can extend a vehicle's life by another five to seven years – and reduce investment costs for the end consumer by over 20%."

DLL also continued its ongoing support of environmental innovators by establishing a new vendor relationship with Netafim. Netafim's efficient drip and micro-irrigation systems allow farmers to grow more crops with fewer resources and impact on the environment.

2 Meaningful social impact

Once again, we positively contributed to the communities we operate in both through financial contributions and by sharing our expertise for good social causes. All in all, DLL donated €743,830 to charities in 2016 and our employees continued their active support of community projects by volunteering their time and expertise. Rhebergen: "Some 3,163 DLL employees signed up for our new societal impact engagement platform, which invites people to start or join a volunteer activity. Of those who signed up, 1,365 volunteered some 9,496 hours in various charitable projects."

DLL also continued advising African micro-finance institutions to develop micro-leasing as an inclusive finance solution for customers like cooperatives and/or small and medium-sized enterprises. "The Hills of Nature Beekeepers Cooperative in Nyabugogo, Rwanda, is one of the beneficiaries of the program," says Rinaldi. "The coop supports 10 secondary school and college students who use the profits earned from harvesting and selling honey to pay school tuition and fees." The coop's lead representative, Prince, was extremely positive about micro-leasing's impact. "Our work as beekeepers helps reduce unemployment, and the money we earn pays for school as well as tools that can help us increase the quality and quantity of our products," he says.

3 Responsible business operations

We continue to uphold high standards of ethical behavior in the way we do business. All our financial solutions conform to the principles of our Global Code of Conduct. And we continue to set ambitious targets to reduce our environmental footprint through a combination of resource optimization, changes in behavior, and technological innovation.

"In 2016 we organized an extensive Environmental, Social, and Governance (ESG) risk assessment of all our global vendors," says **Casper Havers**. "We did this to proactively identify, manage, and monitor potential ESG risks related to our business relations." Topics included animal welfare, human and labor rights, as well as not being involved with companies that engage in illegal behavior and/or integrity issues such as controversial weapons and corruption.

Award

DLL won the 2016 Alliance Trust Award for Circular Economy Investor. Part of the Circulars, an awards program organized by the Young Global Leaders of the World Economic Forum.

\$301,740

DLL raised a record-breaking \$301,740 for the Make-A-Wish Foundation in south-eastern Philadelphia, USA. Make-A-Wish tries to grant the wishes of every child diagnosed with a life-threatening medical condition.

9,496 hours

We launched our own societal impact engagement platform to facilitate on-going volunteering by DLL employees. **3,163 employees joined the platform, and 1,365 volunteered a total of 9,496 hours.**



Lead Representative **Prince** (left) and fellow beekeeper **Jean Felix Tuyishimire** display their honey products.

Another new initiative introduced last year is our Values Dialogue, where we internally discuss business dilemmas in small groups to increase awareness and align on ethical behavior. Havers: "We also discuss ESG risk-related topics within the Business Principles Committee, which supports our Executive Board on DLL's ethical and identity course."

About DLL

DLL is a global vendor finance company with more than EUR 30 billion in assets. Founded in 1969 and headquartered in Eindhoven, the Netherlands, we provide asset-based financial solutions in the Agriculture, Food, Healthcare, Clean technology, Construction, Transportation, Industrial, and Office technology industries.

Vendor finance focus

DLL's vendor finance business model is built upon more than 45 years of experience working with global equipment manufacturers and their distribution partners to provide financing solutions at their points of sale. Over the years, we have continuously listened to our partners and refined our business model to address their changing needs and help them sell more products with leasing and finance solutions. We have selectively targeted our efforts to a core set of industries and built a highly specialized and customer-focused product offering that is designed exclusively for those markets. This requires a focus on long-term relationships built over time with a high degree of collaboration. We have also continued to optimize our business model to adapt to changes in the accounting and regulatory environments.

We work closely with global equipment manufacturers and their distribution partners – from authorized distributors and independent dealers to resellers – to provide financial products and services that help them achieve sustainable, profitable growth. By combining customer focus with deep industry knowledge, we deliver sustainable solutions for the complete asset life cycle, including commercial finance, retail finance, and used equipment finance. We are a wholly owned subsidiary of Rabobank, a Dutch bank, headquartered in Utrecht.

Supporting the complete asset life cycle

We are committed to providing comprehensive solutions that help our customers successfully navigate challenging markets. Through our Life Cycle Asset Management (LCAM) program, we provide end-to-end financial solutions for the complete asset life cycle. All of our solutions can be tailored to our customers' sales objectives, processes, and distribution channels. Our vendor finance solutions include:

Commercial finance: comprises a suite of asset-based financing solutions that support both manufacturers and their distribution partners. Our Commercial Finance products enable dealers and resellers to maintain healthy inventory levels without tying up critical cash and bank lines. This, in turn, helps manufacturers place more units into dealer inventory with the added bonus of not having to carry the credit risk on their balance sheets.

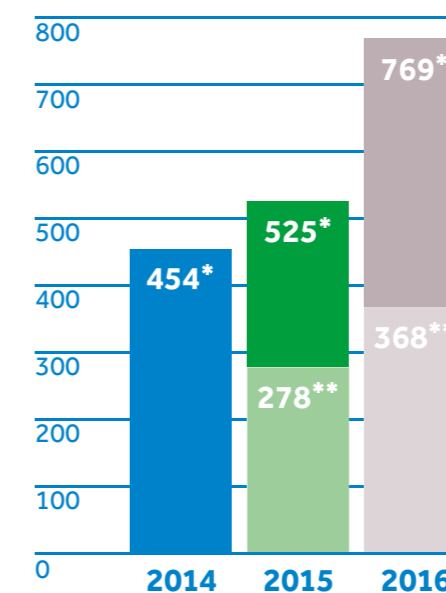
Retail finance: spans a variety of products including loans, financial leases, fair market value leases, and pay-per-use agreements. All of these products are designed to be used at the point of sale, enhancing our partners' ability to place equipment with their end user customers. In turn, these products allow the end user customer to easily acquire and use the equipment they need to operate their businesses. The prevalence of one financial product type over another can vary across the industries and geographies that DLL operates within depending on the established local practices and preferences of the end-user customers.

Used equipment finance: DLL offers the same financial products for used, refurbished, and remanufactured assets as we do for new equipment. By providing financing for equipment that is returned when lease contracts expire, we are able to support manufacturers and dealers wishing to remarket their used equipment to end users. This ensures the sustainable reuse of equipment and creates second and third life revenue streams. We anticipate our used equipment portfolio will grow to 20% of our total business by 2020.

Annual results 2016

Net profit

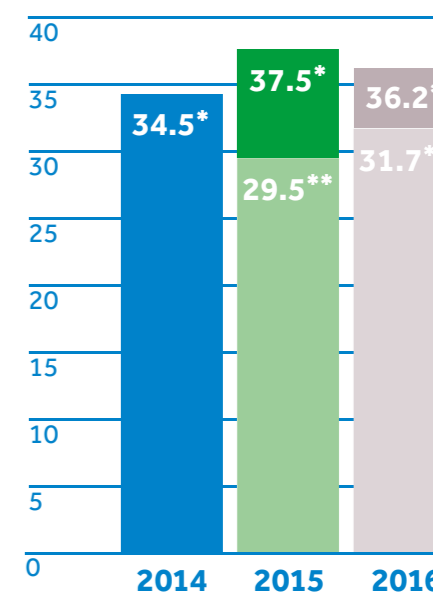
in million euro



* figures used for consolidation purposes
** results excluding discontinued operations

Managed portfolio

in billion euro



* figures used for consolidation purposes
** results excluding discontinued operations

For a complete overview of DLL's financial activities, see DLL Annual Report 2016 (available via dllgroup.com).

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39 million

DLL's new business in providing inventory finance on used equipment to dealers in Europe increased from approximately €2 million in 2014 to €39 million in 2016.

18% average

DLL's insurance activities have posted average year-on-year growth of 18% over the last 10 years.

1st

DLL Brazil signed its first vendor agreement in the food sector in Brazil.

15.14%

DLL Nordics e-signed 4,843 deals – 15.14% of the total 31,983 deals signed in the region in 2016. The upward trend continues.

300% up

DLL China saw the volume of business from the office technology industry rise by 300% in 2016 compared to 2015!

2x

DLL received the Vendor Finance Provider and Sustainability awards from Leasing Life, one of the top leasing industry journals in Europe.

46 deals

DLL US Construction, Transportation & Industrial business units used the Express Finance mobile app to enhance customer engagement and speed of doing business at the 2016 Rental Show. Using the app, they completed 46 mobile applications worth \$2.75 million.

9.5%

In 2016, the volume of new business within DLL's Clean technology business unit increased by 9.5% compared with 2015.

£29,000

DLL UK raised £28,927.79 for charity.

50 employees

Some 50 employees of DLL Germany helped organize 3 activities – a summer party, indoor trampoline, and Christmas baking – for Die Arche, a charity organization that looks after children.

410 partners

The Retail business unit of DLL's Office technology division works with more than 410 partners in Germany and has seen an increase in sales of more than 90% for 2016 compared to 2015.

+34

DLL's global customer loyalty score (NPS) improved to +34 – an all-time record!

3 million tons

Over 3 million tons of waste were collected in Australia by DLL-financed garbage trucks.

21% growth

The new business volume at DLL Mexico grew by 21% in 2016.

671 hours

More than 70 employees of DLL France took part in multiple community involvement projects in 2016. Together they racked up 671 hours of voluntary time.

2 for 1

Two employees at DLL France volunteered their own time to support a Rabobank microleasing project. One spent over three weeks in Africa; the other put in more than 60 hours working on the project from France.

55 e-contracts

DLL Italy has begun rolling out digital contract signing that enables customers to sign contracts at dealers using a tablet with the DLL Connect app. 55 contracts were signed via the app in five months.

23 contracts

Our Construction, Transportation & Industrial (CT&I) business units developed a new lease product called 'Lease by the hour', concluding 23 contracts within 6 months of launch. Within the CT&I industries, 'Lease by the hour' is a very innovative solution, offering flexible lease whose term fluctuates with the usage and matches the equipment life cycle.

5,600

DLL UK saved 5,600 sheets of paper in 2016 thanks to e-invoicing.

