



Innovative
utilisation and
financing model
Rental as a Service
(RaaS)





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* manual/individual calculations in a supplementary/separate Excel calculation

Are you still selling – or are you already leasing?



Wolfgang Fuchs

- Born in 1967, married
- since 01.09.2020 self-employment as consultant and agent in the areas of leasing and alternative financing and utilisation models
- many years of experience in the leasing sector
- 20 years of experience in the fields of financing, factoring, risk management, credit ratings, business information, investments/asset advice
- Diploma in Finance (Diplom-Finanzierungswirt VWA)
- Certified Leasing Specialist (Geprüfter Leasingfachwirt IHK)
- Diploma in Business Administration (Diplom-Betriebswirt VWA)
- Certified Credit Manager (CCM)
- Hobbies/Interests:
Economy, politics, history, sport



Rental as a Service (RaaS)

Your advantages as manufacturer/dealer

- ✓ lessor-like position / the leasing company acts as your own finance/leasing company
- ✓ payment of the purchase price directly after acceptance
- ✓ protection/conservation of your own liquidity
- ✓ very low leasing rates, which are determined by you
- ✓ massive sales simplification/support
- ✓ no more painful customer discounts
- ✓ stronger customer loyalty
- ✓ control over the entire life cycle / ownership of the returns / refurbishment and recovery revenues/secondary market
- ✓ revolving turnover with the same customer
- ✓ additional earnings from repairs and spare parts
- ✓ Increase of the total margin
- ✓ geographical coverage: worldwide
- ✓ contact person in Germany (Languages: German, English, French, Italian, Spanish)
- ✓ support at trade fairs in Germany (we speak the most important languages of your customers)



The leasing company acts as the "finance department" of the supplier (manufacturer, dealer) and thereby brings him in a lessors-like position.

RaaS is always offered as a full amortisation contract with a non-cancellable minimum term. The acquisition costs, ancillary costs and most of the profit margin of the leasing company are thus covered by the leasing rates. The leasing company offers the lessee neither a subsequent rent nor a transfer of ownership. The leasing company generates its remaining margin by selling the "returns" to the manufacturer/dealer.

At the end of the leasing period, the ownership of the leased asset is returned to the manufacturer/dealer through a buy-back obligation/purchase agreement, who as the new owner can dispose of it completely freely. This allows the manufacturer/dealer to carry out a refurbishment and generate additional revenue through rental or sales.

This gives the manufacturer/dealer the important control over the secondary market.

At the same time, the manufacturer/dealer can offer the previous lessee a new capital good on the basis of the RaaS model via the leasing company and thus generates permanent revolving sales.

The manufacturer/dealer reduces the leasing company's purchase price by means of a discount on the final customer sales price. These rebates/discounts go 100% into the reduction of the leasing rate and are compensated at the end of the leasing contract by the "returns" own rental and sales revenues. Thus, the manufacturer/dealer directly influences the monthly leasing rate and increases the attractiveness of the usage model. In contrast to the discounts/rebates in the RaaS utilisation model, valuable margins and contribution margins are irretrievably lost in the classic sales model through list and customer discounts/rebates.

- ✓ The „Machine Insurance Plus“ includes in addition to the benefits of a normal machinery breakage insurance policy other substantial benefits which normally only policyholders with a very large machinery fleet can enforce with the insurance companies. This exclusive insurance solution can now also be offered in conjunction with RaaS for small and medium-sized lessees.
→ attractive premium rate: more performance and security at the same price!
- ✓ The sale of used machines with the corresponding risk for the buyer (bought as seen) and the corresponding painful high discounts/rebates is transformed into an innovative utilisation concept.
- ✓ Transport, construction and instruction/training costs can be co-financed up to an upper limit.
- ✓ Through RaaS, the manufacturer/dealer receives the machine back at the end of the leasing period on the basis of a repurchase agreement for free disposal. He can therefore rent or resell the machine himself and thus increase his overall margin.
- ✓ A reduced retention encourages the lessee to place the order for maintenance/repair, repairs and the installation of (new) spare parts with the previous manufacturer/dealer. In this way the manufacturer/dealer generates additional margins. In addition, the market value of the machine at the end of the leasing period is increased.
- ✓ The manufacturer/dealer can offer the previous lessee a new "state-of-the-art" machine based on RaaS and thus generates revolving revenues with the customer.

- ✓ Return of the leasing object at the end of the term
- ✓ Conservation/Protection of liquidity
- ✓ Equipment remains up to date (performance and competitiveness)
- ✓ Bank credit line remains in place
- ✓ no securities required
- ✓ Investments are possible despite low budgets
- ✓ Return on Investment (ROI) from the first month
- ✓ Balance sheet neutrality (Off-Balance)*: capex => opex

* Not applicable to capital market-oriented companies that prepare their accounts in accordance with IFRS 16/US GAAP.



- ✓ low leasing rates during the basic rental period/minimum rental period*
- ✓ Transport, construction and instruction/training costs can be co-financed up to an upper limit
- ✓ Transparency and simplicity: no grey areas and legal pitfalls
- ✓ Leasing contract always ends at the end of the basic rental period / minimum rental period
- ✓ In combination with an optional guarantee extension, the risk can be greatly reduced (Full Service/"all-round carefree package")

* very low external interest/effective interest rate of the bank-licensed leasing company, which receives liquidity directly from the European Central Bank (ECB) for current and medium-term of 0%. In addition, the attractiveness can be controlled by the amount of the rebate/discount in the RaaS utilisation model.



- ✓ Insurability of machinery up to the age of 15 years. Extension option possible depending on the type of machine
- ✓ Replacement value compensation in the case of a total loss up to a machine age of two years
- ✓ The compensation in the event of total loss of machinery up to 10 years amounts to at least 50% of the insured value (purchase price at replacement value) and from 10 years to 15 years at least 30% of the insured value (purchase price at replacement value)
Example of damage: Machine age 8 years, new machine value EUR 100,000, current value EUR 40,000, repair costs EUR 45,000, thus total loss → Compensation 50.000 EUR
The current value (new value minus age, use, wear and tear) is determined by a neutral expert by mutual agreement.
- ✓ CAP cover (reimbursement of residual lease value in case of total loss)
- ✓ Insurance cover also outside the company premises in workshops for repair, overhaul or revision. The associated transports are also insured.
- ✓ Insurance premium: 0,315% p.a. of the insurance value (purchase price at replacement value), minimum premium: EUR 150 p.a.
- ✓ Machine Insurance Plus without RaaS-Financing model: In addition to the insurance premium, 1% commission on the final customer sales price is to be paid by the supplier (manufacturer/dealer) to Wolfgang Fuchs
- ✓ Geographic coverage: EU

All EUR values are net, plus VAT or insurance tax.

- ✓ Consequential damage to your own workpieces and other workpieces (contract manufacturing → Supplement to business liability insurance), current value compensation up to EUR 25,000*
- ✓ Consequential damage to tools, current value compensation up to EUR 25,000**
- ✓ Consequential damage to additional devices, accessories, spare parts, foundations and electrical cable networks, compensation limit 100,000 EUR (increase against premium increase possible)
- ✓ Consequential damage to auxiliary and operating materials, molds, dies, stamps, pattern rollers, corrugated rollers and other parts, compensation for current values of up to EUR 20,000
- ✓ Consequential damage to brickwork, linings and coatings of ovens, firing or other heating systems, steam generators and containers, compensation of up to EUR 100,000**
- ✓ Consequential damage to conveyor belts and chains, current value compensation up to EUR 100,000
- ✓ Consequential damage to the ropes of indoor and gantry cranes, if these are connected to the insured item, current value compensation up to EUR 25,000**
- ✓ Consequential damage to oil or gas fillings of insured machines, current value compensation

* 25%-Surcharge on insurance premium

** 15%-Surcharge on insurance premium

All EUR values are net, plus VAT or insurance tax.

GENTELE & KOLLEGEN

INTERNATIONALER VERSICHERUNGSMAKLER

Mitglied der

 **Securanto-Group**

✓ Insured costs

- Cleaning, decontamination and disposal costs up to EUR 20,000
- Decontamination and disposal costs for ground up to EUR 20,000
- Movement and protection costs up to EUR 20,000
- Air freight costs up to EUR 20,000
- Earthworks, paving, bricklaying and chiseling, scaffolding and provision of a temporary solution up to EUR 20,000
- Data insurance up to EUR 20,000 (user software, additional software) → Reimbursement of costs for the recovery and re-entry of data
- renting of replacement machinery and equipment up to EUR 10,000

✓ Additional costs due to technological progress

The additional costs actually incurred for the restoration of the insured item affected by the damage are also reimbursed if the restoration of the item in the same type and quality is not possible. The compensation for the above-mentioned additional costs is limited to 30% of the sum insured (purchase price at replacement value) of the item affected by the damage.

Example: A damaged machine part is no longer available in the same type and quality; therefore the successor model of the machine part must be purchased (value improvement due to technological progress).

All EUR values are net, plus VAT or insurance tax.

- ✓ The insurance value is the replacement value. New value is the respective proven purchase or delivery price of the insured item in new condition. Where necessary, Gentele & Kollegen will provide assistance in determining the insured sum.
- ✓ Uncomplicated and quick processing of claims by the insurer (if an inspection is necessary - depends on the amount of damage - an expert opinion will be provided within 48 hours)
Example of damage: When machining a milled part, the spindle has moved sideways onto the workpiece due to a programming error. The removed and damaged spindle was sent to a specialist company for inspection. Since a repair was not possible, the spindle was replaced. refund amount 19.500,00 EUR
- ✓ The insurer waives the reduction of compensation for gross negligence if the amount of damage does not exceed EUR 50,000.
- ✓ In the case of repair and delivery of spare parts in the event of damage by the manufacturer or by the dealer, the deductible is only 500 EUR for machines up to 10 years old and only 1,000 EUR for machines between 10 and 15 years old. If the repair or delivery of spare parts is not carried out by the previous supplier (manufacturer, dealer), the deductible is increased by 50%.

All EUR values are net, plus VAT or insurance tax.

Machine Insurance Plus (stationary machines)

- ✓ Immediate notification of damage to Gentele & Kollegen Internationaler Versicherungsmakler GmbH
- ✓ immediate start of repair for damages up to 25.000 EUR, storage of the damaged parts + damage photos
- ✓ Hourly rate 60 EUR net for self-repair, otherwise usual hourly rate
- ✓ If the leasing company is policy holder and premium payer, the lessee becomes co-insurer
- ✓ A list of insured services is attached to the leasing contract

All EUR values are net, plus VAT or insurance tax.



Machine and hull insurance for mobile or transportable machines

We are currently also creating a complete service portfolio for the following machine types

- ✓ agricultural machinery: tractors, combine harvesters, forage harvesters, ploughs, seed drills, fertilizer spreaders
- ✓ construction machinery: working platforms, (telescopic) forklift trucks
- ✓ earth-moving machinery: crawler excavator, mini-excavator, wheel loader
- ✓ Cranes: mobile cranes, tower cranes, construction cranes
- ✓ Road construction machinery: wheeled pavers, bulldozers, road rollers, slipform pavers
- ✓ Material Handling: forklift trucks, reach stackers, order pickers, industrial trucks

Until the service portfolio is ready in detail and can be presented, the following applies:
Insurance services and premiums on request



- ✓ Conclusion of additional machine business interruption insurance possible
 - ➔ as a result of damage to the machine for which compensation is payable, the technical possibility of use is interrupted or impaired
 - ➔ **Business interruption (loss of profit + ongoing costs e.g. salaries, rents)**
Daily compensation max. 0,25 % of the purchase price at replacement value, term of liability 6 months, own retention 3 working days
- ✓ Requirement: Conclusion Machine Insurance Plus
- ✓ Additional premium: 63% surcharge on insurance premium Machine Insurance Plus





Machine Guarantee Insurance for new machines

- ✓ Follow-up guarantee for 3 years to the statutory warranty period
- ✓ For all manufacturers/dealers and their customers in the EU!
- ✓ Compensation for consequential damage caused by design faults, material defects or faulty workmanship
- ✓ Prerequisite: conclusion of a framework agreement machine warranty insurance for all new machines; not only for individual machine types.
- ✓ Exemplary contribution rate for the insurance premiums for the following selected types of machinery, the contribution rate being subject to an examination of the previous damage situation:
CNC machining center, press, boring mill/milling machine, punching machine
=> 0,4% p.a. from insurance value (purchase price at replacement value)
Premium rates for other machine types on request, as they depend on the machine type(s) and the respective statistical damage histories
- ✓ Machine Guarantee Insurance for new machines without RaaS-Financing model: In addition to the insurance premium, 1% commission on the final customer sales price is to be paid by the supplier (manufacturer/dealer) to Wolfgang Fuchs
- ✓ Policy holder is the manufacturer/dealer

Sample calculation new machine (without discount into RaaS model)

- depreciation period: 7 years (84 months)
 - leasing period: 75 months (between 40% and 90% of depreciation period)
 - list price: EUR 300.000 (Purchase price at replacement value)
 - customer/list discount: 5%
 - final customer selling price: EUR 285.000
 - delivery, assembly, installation, etc.: EUR 10.000
 - full amortisation contract: with termination at the end of the basic rental period / minimum rental period
 - interest rate of the leasing company: 3,5% (interest rates always dependent on customer and supplier creditworthiness, ticket size, product/market risk and term. Surcharges may be added for foreign customers)
 - repurchase agreement/RPA: 2% (depending on the interest rate of the leasing company)
 - discount in RaaS model on final customer sales price (without delivery, installation): 0%
 - purchase price leasing company: EUR 295.000 (incl. Delivery, mounting)
 - commission Wolfgang Fuchs: 1% (is calculated and financed by the leasing company*)
 - calculation basis leasing company : EUR 297.950
-
- monthly leasing rate: EUR 4.415,89 → monthly leasing factor: 1,4969%**
 - sale of the "returns" from the leasing company to the supplier → EUR 5.700
 - total lease payments: EUR 331.191,75 (→ EUR 36.191,75 "surcharge" compared to purchase, in which case financing costs must be taken into account)
 - annual insurance premium for Machinery Insurance Plus: premium rate 0,315% on the price of new machines → EUR 929,25 annually → EUR 77,44 monthly → surcharge on monthly leasing rate: 1,7537%

* In some countries, due to money laundering laws and compliance regulations, the local leasing company is not allowed to pay me a commission as a foreign intermediary. In these cases, the manufacturer/dealer must include my 1% commission in his sales price to the leasing company and pay it directly to me.

** The leasing factor can be applied to all purchase prices of the leasing company with the same framework parameters (term, ticket size, creditworthiness, risks, etc.), so that the monthly leasing rate can be determined very easily. All EUR values are net, plus value-added tax or insurance tax.

Sample calculation new machine (with discount into RaaS model)

- depreciation period: 7 years (84 months)
 - leasing period: 75 months (between 40% and 90% of depreciation period)
 - list price: EUR 300.000 (purchase price at replacement value)
 - customer/list discount: 5%
 - final customer selling price: EUR 285.000
 - delivery, assembly, installation, etc.: EUR 10.000
 - full amortisation contract: with termination at the end of the basic rental period / minimum rental period
 - interest rate of the leasing company: 3,5% (interest rates always dependent on customer and supplier creditworthiness, ticket size, product/market risk and term. Surcharges may be added for foreign customers)
 - repurchase agreement/RPA: 2% (depending on the interest rate of the leasing company)
 - discount in RaaS model on final customer sales price (without delivery, installation): 12%
 - purchase price leasing company : EUR 260.800 (incl. delivery, mounting)
 - commission Wolfgang Fuchs: 1% (is calculated and financed by the leasing company*)
 - calculation basis leasing company: : EUR 263.408,00
-
- monthly leasing rate: EUR 3.903,95 → monthly leasing factor: 1,4969%**
 - sale of the "returns" from the leasing company to the supplier → EUR 5.016
 - total lease payments: EUR 292.796,25 (→ EUR 2.203,75 savings compared to the purchase, taking into account financing costs in this case)
 - annual insurance premium for Machinery Insurance Plus: premium rate 0,315% on the price of new machines → EUR 945 annually → EUR 78,75 monthly → surcharge on monthly leasing rate: 2,0172%

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** The leasing factor can be applied to all purchase prices of the leasing company with the same framework parameters (term, ticket size, creditworthiness, risks, etc.), so that the monthly leasing rate can be determined very easily. All EUR values are net, plus value-added tax or insurance tax.

Sample calculation used machine (without discount into RaaS model)

- original depreciation period new machine: 7 years (84 months)
- Age machine: 4 years
- New depreciation period used machine: 3 years (36 months)
- leasing period: 32 months (between 40% and 90% of depreciation period)
- list price: EUR 130.000 (purchase price at replacement value: EUR 300.000)
- customer/list discount: 10%
- final customer selling price: EUR 117.000
- delivery, assembly, installation, etc.: EUR 10.000
- full amortisation contract: with termination at the end of the basic rental period / minimum rental period
- interest rate of the leasing company: 3,5% (interest rates always dependent on customer and supplier creditworthiness, ticket size, product/market risk and term. Surcharges may be added for foreign customers)
- repurchase agreement/RPA: 2% (depending on the interest rate of the leasing company)
- discount in RaaS model on final customer sales price (without delivery, installation): 0%
- purchase price leasing company : EUR 127.000
- commission Wolfgang Fuchs: 1% (is calculated and financed by the leasing company*)
- calculation basis leasing company: EUR 128.270
- monthly leasing rate: EUR 4.192,02 → monthly leasing factor: 3,3008%**
- sale of the "returns" from the leasing company to the supplier → EUR 2.340
- total lease payments: EUR 134.144,64 (→ EUR 7.144,64 "surcharge" compared to purchase, in which case financing costs must be taken into account)
- annual insurance premium for Machinery Insurance Plus: premium rate 0,315% on the price of new machines → EUR 945 annually → EUR 78,75 monthly → surcharge on monthly leasing rate: 1,8786%

* In some countries, due to money laundering laws and compliance regulations, the local leasing company is not allowed to pay me a commission as a foreign intermediary. In these cases, the manufacturer/dealer must include my 1% commission in his sales price to the leasing company and pay it directly to me.


** The leasing factor can be applied to all purchase prices of the leasing company with the same framework parameters (term, ticket size, creditworthiness, risks, etc.), so that the monthly leasing rate can be determined very easily. All EUR values are net, plus value-added tax or insurance tax.

Sample calculation used machine (with discount into RaaS model)

- original depreciation period new machine: 7 years (84 months)
- Age machine: 4 years
- New depreciation period used machine: 3 years (36 months)
- leasing period: 32 months (between 40% and 90% of depreciation period)
- list price: EUR 130.000 (Purchase price at replacement value: EUR 300.000)
- customer/list discount: 10%
- final customer selling price: EUR 117.000
- delivery, assembly, installation, etc.: EUR 10.000
- full amortisation contract: with termination at the end of the basic rental period / minimum rental period
- interest rate of the leasing company: 3,5% (interest rates always dependent on customer and supplier creditworthiness, ticket size, product/market risk and term. Surcharges may be added for foreign customers)
- repurchase agreement/RPA: 2% (depending on the interest rate of the leasing company)
- discount in RaaS model on final customer sales price (without delivery, installation): 15%
- purchase price leasing company : EUR 109.450
- commission Wolfgang Fuchs: 1% (is calculated and financed by the leasing company*)
- calculation basis leasing company: EUR 110.544,50
- monthly leasing rate: EUR 3.612,73 → monthly leasing factor: 3,3008%**
- sale of the "returns" from the leasing company to the supplier → EUR 1.989
- total lease payments: EUR 115.607,36 (→ EUR 11.392,64 savings compared to the purchase, taking into account financing costs in this case)
- annual insurance premium for Machinery Insurance Plus: premium rate 0,315% on the price of new machines → EUR 945 annually → EUR 78,75 monthly → surcharge on monthly leasing rate: 2,1798%

* In some countries, due to money laundering laws and compliance regulations, the local leasing company is not allowed to pay me a commission as a foreign intermediary. In these cases, the manufacturer/dealer must include my 1% commission in his sales price to the leasing company and pay it directly to me.

** The leasing factor can be applied to all purchase prices of the leasing company with the same framework parameters (term, ticket size, creditworthiness, risks, etc.), so that the monthly leasing rate can be determined very easily. All EUR values are net, plus value-added tax or insurance tax.


	new machine without RaaS discount	new machine with RaaS discount	used machine without RaaS discount	used machine mit RaaS Nachlass
list price (LP)	300.000,00 €	300.000,00 €	130.000,00 €	130.000,00 €
selling price (SP)	285.000,00 €	285.000,00 €	117.000,00 €	117.000,00 €
delivery, assembly, installation	10.000,00 €	10.000,00 €	10.000,00 €	10.000,00 €
total price	295.000,00 €	295.000,00 €	127.000,00 €	127.000,00 €
discount RaaS on SP	0%	12%	0%	15%
receipt of payment supplier	295.000,00 €	260.800,00 €	127.000,00 €	109.450,00 €
monthly leasing rate	4.415,89 €	3.903,95 €	4.192,02 €	3.612,73 €
Term in months	75	75	32	32
total lease payments	331.191,75 €	292.796,25 €	134.144,64 €	115.607,36 €
extra cost/savings lessee	36.191,75 €	2.203,75 €	7.144,64 €	11.392,64 €
repurchase agreement supplier	5.700,00 €	5.016,00 €	2.340,00 €	1.989,00 €
interim result supplier	-5.700,00 €	-39.216,00 €	-2.340,00 €	-19.539,00 €
revenues supplier (NC)	28.500,00 € (10% SP)	71.250,00 € (25% SP)	11.700,00 € (10% SP)	35.100,00 € (30% SP)
revenues supplier (lessee)	5.700,00 € (2% SP)	45.600,00 € (16% SP)	2.340,00 € (2% SP)	22.230,00 € (19% SP)
additional margin supplier (NC)	22.800,00 €	32.034,00 €	9.360,00 €	15.561,00 €
additional margin supplier (lessee)	0,00 €	6.384,00 €	0,00 €	2.691,00 €


■ NC: sale to NewCustomer ■ lessee: sale to the lessee ■ additional margin: additional to the margin in the sales price




RaaS – Rental as a Service

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