



INTERVIEW

2020 WILL BE REMEMBERED FOREVER AS A GAME CHANGER

TAL LAHAV, CEO, SIXT GROUP ROMANIA

1. Erich Sixt, the CEO of Sixt, said in a recent interview for CNN that, despite a serious dropdown, the financial results for the first half of 2020 were actually better than expected, all things considered. What has been your company's dynamic locally, for the first part of 2020? And what are your expectations or forecasts for the end of this year?

2020 will be remembered forever as a game changer. All the economic segments suffered and all the people experienced challenges both economically, psychologically, sociology, health and wellbeing. The coronavirus affected our business and the industry in general. However, we overcame it and survived with as minimum implications as possible. Now, we increased the speed with the intention to reach the levels of pre virus. With the right attitude and the proper adapted services and mind set this will be achieved. Further, we are part of a powerful multinational group that is always prepared to face different challenges including situations never met before. Moreover, SIXT Global took various strategic investment steps during the period and is optimistic and ready to take on what will come along the road. In Romania, we are a group that experienced and overcame many challenging periods since its evolution on the market and this helped us to be prepared and have the financial ability, knowledge

and the proper strategy and management to pass through all this with minimum implications and a lot of experience and new know how gained.

2. What has been the impact of the corona-crisis over the Rent-a-Car and Operational Leasing market? And now, after the lockdown period, with most of the travel and traffic restriction lifted, does the market see any change?

The corona virus had disastrous effects over the automotive industry. The main effect was over the leisure rent a car activity coming from outside the country created by the borders closing and various restrictions imposed by governments and countries. This has not been completely lifted and the market is still experiencing tremendous challenges to regenerate this segment. At the same time, the domestic market have developed during this period, both for lease, rent, and buy segments. Post lockdown period we do see an increase of used cars sales and increase of domestic lease and rent demand, directly resulting from mixed reasons like preference for own mobility independent solutions at an affordable costs and also an understanding of the need for flexibility and quality through outsourcing mobility solutions. The present and the future are dominated by the experience, safety, reliability, and trust attributes.

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3 ■ **Yet, studies show that 4 in 5 CEOs expect that remote work will continue in a long term, as their fears regarding decline of productivity when working from home proved unfounded. Does this affect the Operational Leasing market? How do you see it?**

It is indeed a very good question on whether productivity is affected or not while working remotely and also whether remote work will continue long term also due to aspects as employees' preferences and health and safety considerations. Personally, I have extensive previous experience in working in USA where the remote work is something more customary even pre corona era. An employee that works from home does not mean it is blocked at home. Definitely he needs more mobility to move from different places, including meetings. Also, the remote work is not a proper solution for all the employees and for all business segments. Specifically for operational leasing and rent a car, it is more challenging industries for remote work yet it is possible to implement a right balance of it. If you are an accountant, a mechanic, a logistic or operational employee, or a sales person, you may need to come to the office also on different intervals. I think the mix between working from home and working from office stimulates more the mobility need of the companies that can be covered through operational leasing and corporate rent a car. My view is that remote work will stay in our lives for long terms, but depending on the industry and the position and responsibilities the remote work will need to be balanced with office time and interpersonal time which is a must to continue our business and humanity development.

4 ■ **The auto industry faces numerous challenges as a result of the pandemic crisis, such as a significant decrease in sales, a slowdown in production and even**

problems in ensuring liquidity and financing. How does this reflect in your activity?

There are no clear market information related to all automotive segments at the same time further to the above mentioned, with estimated Romanian total car park of over 8 million cars with less than 10% newer than 5 years and one of the oldest car parks in Europe and with one of the lowest cars per capita in Europe, the car industry in total and the leasing and rent segments in particular should be a tremendous pillar for sustainable economic growth for long period. Even having said all these potential elements, the short term effects of the coronavirus over the market will lead to a significant decrease in 2020 compared to expectations pre corona. Yet with such fundamental need combined with infrastructure development and regulatory clarity, stability, and inducement of the industry, the automotive sector will clearly be a main element in the economic development of Romania.

5 ■ **Which are the top 5 priorities on your CEO agenda today? How the new economic reality will look for the automotive market, referring specifically to your lines of business?**

We are unique in our "One-Stop Shop System" and our Always Yes concept. SIXT Group Romania is a market leader in its activities, as a direct result of concentrating on providing top quality services, flexibility, tailor made solutions, and partnership to our clients and stakeholders. Through the „One-Stop Shop System”, SIXT Group Romania offers all the services under the same umbrella: operational leasing (www.sixtleasing.ro), rent a car (www.sixt.ro), SH cars (www.sixtsh.ro), new cars (authorized dealer Opel - www.opel-unionmotors.ro) and workshop service – one of the largest in Romania (authorized Dacia, Renault, Opel, and multi-brand – www.union-motors.ro).

In order to mitigate the effects of the coronavirus we have taken firm steps and have adapted our services to the situation and the need of the people and the market, both from the perspective of our clients, employees, and suppliers. We have taken the main investment in our lease, rent a car and cars sales and service divisions through the human capital of our company and further through products developments to support clients experience using our services. We created solutions that enable client to have safety, trust, convenience, and flexibility, all wrapped in a package of professional excellence and excitement of renting, leasing and buying experience. And last but not least, we are concentrating on giving back to the community by focusing on CSR programs under the #AlwaysYesToEducation platform.

6 ■ **Adapt and reinvent seems to be the winning strategy for companies to survive and, moreover, to flourish in these uncertain times. Does this also apply to your sector of activity? Where do you see opportunities into this "new normal"? What are your short-term, and also your long-term plans regarding your company strategy?**

This has become an extraordinary question in the post coronavirus era. How could someone go about setting plans and targets when the world has different plans for us? At the same time, we all must continue our development, our progress, our education, our creation, our innovation and our strive for results and achievements. Above all, my personal and professional targets are combined with each other and are fairly simple yet so complex – to enjoy and appreciate the moment, to challenge myself and my surroundings to new achievements, and to be ready for anything. Appreciation for what we have, strive and stride for new achievements, and flexibility and adaptability to all curves along the way are our new world. On medium term, we are focussed on business development, continuing SIXT Group Romania development, progress, education, creation and strive for results and achievements. We aim SIXT Group Romania to be the chosen mobility provider by Romanians in all

automotive segments; lease, rent, buy, and service. At SIXT Group Romania, we are looking for local expansion possibilities, both organically and further through potential acquisitions. We further look on all automotive and mobility segments; from private to public, from retail to corporate, and also from traditional to new trends as electrical mobility (also through our BYD importer).

7 ■ **It has been talking a lot lately about new consumer habits. Is it also the case of the Rent-a-car consumer? Do you see a change in your consumer habits after the lockdown period?**

The present is dominated by the experience, safety, reliability, and trust attributes. Client seek more emphasis on these at the same time what remained constant was the need of mobility. The corporate market continued to develop due to even more enhanced mobility needs while the leisure market was mechanically stopped (isolation, border restrictions) but once the barriers dropped, the demand of mobility services will return also to the leisure market.

8 ■ **You are known as a good strategist, an experienced executive and a remarkable leader, and your company's results back this up. What's your „Focus on ...“ advice for the managers of companies during this challenged period?**

My advice is to remember that success does not come easily rather it is a result of hard work, commitment, attitude, creativity, consistency, continuous learning, and flexibility and adaptability. When there is a will, there is a way. There are no failures in our world; failure is another step on the road to success and obstacles are only challenges and opportunities that build character and lead to achievements.

Never stop running and never give up. Remember that the Sun shines after the darkest moment at night.

And above all this, enjoy and appreciate the moment, challenge yourself and your surroundings to new achievements, and be ready for anything in the future.

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