

COVID-19 Market Update

27 March 2020

SG Fleet Group Limited's ('SG Fleet' / ASX: SGF) first priority over the past month has been to ensure the wellbeing of its employees and customers. The Company has also successfully implemented initiatives as required to minimise any disruption to its business operations and its service delivery, including remote working facilities.

The Company advises that its corporate and novated lease portfolio funding structure remains operational and that the provision of lease portfolio financing by its panel of funders has not been impacted by the COVID-19 situation.

As the majority of SG Fleet's net revenue is generated during the life of the lease, predominantly in the form of monthly payments, cash is received on an annuity basis, in addition to its existing cash-on-hand. Costs are being managed actively to reflect the impact of the current situation.

SG Fleet reiterates that as at 31 December 2019, its net corporate leverage stood at 0.4-times Statutory EBITDA and that its current debt facility is in place until December 2022. With most lease portfolio funding occurring on a principal and agency basis, the Company's balance sheet remains healthy.

In the novated business, while new deals continue to be written, enquiry levels have started to decline since mid-March in line with weaker consumer confidence. The Company is actively supporting novated customers who are economically impacted by COVID-19, in cooperation with funders. Demand for second hand vehicles is expected to temporarily reduce in the current environment.

Given the uncertainty around the severity and duration of the COVID-19 pandemic, its impact on consumer confidence and the resulting demand for leases, visibility on the financial performance of the business has become limited. Consequently, the Company hereby withdraws the guidance provided at the time of the 1H20 results.

The announcement was authorised for release by the Board of Directors of SG Fleet Group Limited.

For further information, please contact:

Yves Noldus
Corporate Services & Investor Relations Executive
SG Fleet Group Limited
Tel: 02 9494 1095 / 0401 416 686