



ASX Announcement

Release date: 7 October 2020

Morgans Queensland Conference 2020 Presentation

Smartgroup Corporation Ltd (ASX: SIQ) attaches for release to the market a presentation to be given today at the Morgans Queensland Conference.

This announcement was authorised for release by Tim Looi, CEO and Managing Director.

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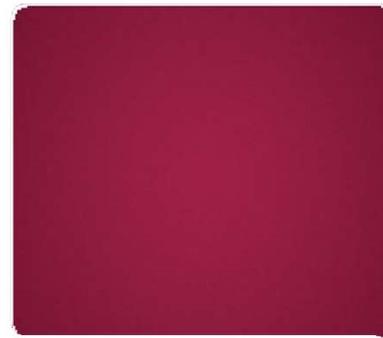
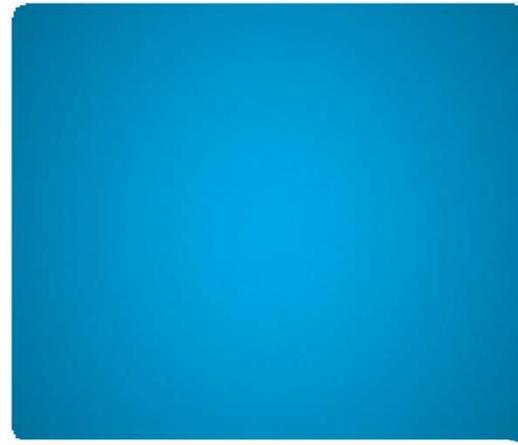
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Morgans Queensland Conference 2020

smart
group
corporation

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Tim Looi – Managing Director and CEO

Q3 2020 business update

1. Stable operational performance

- 355,600 packages vs 355,500 at June 2020
 - 67,250 novated lease car park vs 67,500 at June 2020
 - 24,700 fleet vehicles under management vs 24,500 at June 2020
 - 634 FTEs vs 624 at June 2020 including contingent workforce
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2. Resumption of normal business operations

- Adelaide and Perth return to office completed, with Brisbane in the coming weeks
 - Flexible working arrangements for teams in place
 - Client site visitations continuing to increase
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3. Continued simplification and business improvement

- Continued progress towards packaging simplification
 - Technology systems consolidation
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4. Other

- Revised insurance supply agreement executed
 - 2020 Federal Budget
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Q3 2020 novated leasing update

Volume

- Volume 11% lower than pcp, broadly in line with Australian private new vehicle sales
 - Victorian Q3 volume 22% lower than pcp
- Novated lead volume 25% below pcp, but with a higher conversion rate

Yield

- Yield 11% lower than pcp, with lower insurance pricing effective 1 July 2020
- Moderate shift to new leases vs refinance in Q3, but still unfavourable to historical proportions

	CY 2019 (vs pcp)	Q1 2020 (vs pcp)	Q2 2020 (vs pcp)	Q3 2020 (vs pcp)
Aust private new vehicle sales ¹	(7%)	(12%)	(25%)	(9%)
Total novated volume	4%	1%	(29%)	(11%)
Yield (total)	(3%)	2%	(9%)	(11%)
Refinance (% of total)	22%	20%	32%	28%

1. Australian private new vehicle sales data source: VFACTS. Excludes other new vehicle sales categories – Business, Government, Rental, Heavy Commercial.

Financial summary

	H1 2020	2019	2018	2017	2016	2015
Income statement						
Revenue (\$m)	111.4	249.8	241.8	205.4	147.1	94.5
EBITDA (\$m)	48.4	118.2	115.0	93.6	63.3	37.4
NPATA (\$m)	32.1	81.0	77.8	64.1	44.0	26.2
Total dividends (cps)	17.0	63.0	41.5	35.0	24.8	16.6
NPATA/ordinary share (cps)	24.1	61.5	59.4	52.0	36.2	25.3
Ratios						
Ordinary dividend payout ratio	70%	70%	70%	67%	68%	66%
Operating cashflow/NPATA	112%	110%	103%	99%	103%	106%
Net debt/EBITDA	0.1	0.2	0.1	1.2	1.1	0.9
Operational metrics						
FTEs	617	689	695	706	544	398
Packages	355,500	358,500	343,000	325,000	221,000	182,500
Novated leases under management	67,500	68,500	65,250	62,500	53,000	34,000

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