



## **FY2021** **Annual General Meeting** Investor Presentation

**Value every journey**

26 October 2021



## Overview



# \$51.6m

UNPAT

Up 41.8%

- Continued strong performance from AU, NZ & UK Corporate businesses
- Used vehicle values remain exceptional
- Strong recovery in Novated orders despite COVID impact on some industries
- Novated orders exceeded pre-COVID levels

# 12.585cps

Total dividend

Up 25.9%

- Exceptional retention and further improvement in win rates
- Growth in customer book and products per customer
- Delivery of orders remains challenging
- Strong growth in leads and order pipeline to benefit FY22



# Operational Review – Australia



## Corporate

- Strong performance throughout period
- Competitive environment largely rational
  - Continuous flow of emerging opportunities
- Multiple contract extensions
- Tender win rates improved further
- Growing interest in new products and solutions
- Delivery of orders remained challenging
- Used vehicles values remained at exceptional levels

**Limited impact from COVID-19**



# Operational Review – Australia

## Novated

- Consumer confidence fluctuating in line with lockdowns
- Digitised and revitalised marketing approach
- Focus on building customer loyalty
  - Strong retention
  - Significant number of large wins, including panels
- Sustained demand recovery
  - Steady increase in leads to above pre-COVID levels
  - Corresponding increase in order pipeline
- Increase in revenue per order through greater penetration of additional products and services

**Demand recovery spilled deliveries into FY22**



# Operational Review – New Zealand



## Environment

- Continued economic recovery
- Improvement in business sentiment
- New vehicle supply issues persist
- Used vehicle values remain at record levels
- Tender activity steady
- Competitive environment rational

## Business Activity

- Strong demand for innovation expertise
  - Low or zero-emission vehicles
  - Mobility services
- Further wins in energy sector
- Continued conversion of managed-only customers to funding
- Order pipeline remains at record levels

**Business strengthened market position further**



# Operational Review – United Kingdom



## Environment

- Economic rebound as restrictions ease
- Car market recovering in line
  - Light commercial reaches 10-year high
  - Tax breaks boost LEV/EV interest
- Vehicle supply shortages impact delivery
- Used vehicle values remain at exceptional levels
- Funding environment challenging

## Business Activity

- Continued wins across Corporate / SME / Employee Benefit businesses
  - Multiple new employee benefits schemes launched
- Niche offering in light commercial and EV expertise in high demand
- Implementing previously won contracts and order deliveries within context of supply constraints

**Strong COVID-period performance continued**



# 1Q22 Update

## Business Activity

### Australia - Corporate

- Sales activity high despite lockdowns
- Account wins continue
- NSW Government retained for extended period
- Additional renewals, with widened product range
- Infrastructure spending drives commercial
- Order pipeline up on pre-COVID 1Q19

### Australia - Novated

- Lockdowns impact orders marginally
- Conversion levels above average
- 25 new accounts won
- Industries previously impacted by COVID-19 on recovery path
- Continued strong retention and revenue per order
- Order pipeline remains at record levels

**2H21 trends continue – Accelerating progress in new business initiatives and investments**



# 1Q22 Update

## Business Activity

### New Zealand

- FY21 momentum continues
- Order pipeline remains at record levels

### United Kingdom

- Continued strong interest in LEV/EV and Light Commercial
- Largest funded sole supply customer win to-date
- Conversion from managed-only to funded
- Employee Benefits eligible pool up by 10,000+
- Funding environment improves

### Carly

- Car subscription for business – expanding into LeasePlan customer base

### DingGo

- Increased use by fleet customers
- 2,300+ monthly repair submissions

**2H21 trends continue – Accelerating progress in new business initiatives and investments**





# 1Q22 Update

## Environment

### Supply

- Supply constraints continue
  - AU/NZ/UK new vehicle lead times of up to 12 months
- Order pipeline continues to grow
- Majority of deliveries directed towards back order

### Used vehicle values

- Values remaining at exceptional levels
- SG Fleet trading model and strong dealer relationships support End-of-Lease outcomes
- Lower disposal volumes resulting from significantly increased extensions

**Supply and used vehicle market normalisation timing continues to shift out**

# LeasePlan Integration Update



## Strategic Rationale of Acquisition

## Completed

<b>Team</b>	<ul style="list-style-type: none"><li>• Strong cultural alignment</li><li>• Relevant expertise and experience retained</li></ul>		<ul style="list-style-type: none"><li>• Business development teams consolidated</li><li>• Joint management of incoming tenders</li></ul>
<b>Complementary</b>	<ul style="list-style-type: none"><li>• Synergistic business portfolio</li><li>• Strengths in respective customer bases</li><li>• Products and services range extended</li></ul>		<ul style="list-style-type: none"><li>• Retention of additional customers</li><li>• Introduction of Innovation Team</li><li>• Existing LeasePlan customers trialling SG Fleet solutions (Fleetintelligence / Bookingintelligence)</li><li>• LeasePlan safety products introduced to SG Fleet NZ Customers</li></ul>
<b>Scale</b>	<ul style="list-style-type: none"><li>• Increase in operational scale</li><li>• Significant efficiencies</li></ul>		<ul style="list-style-type: none"><li>• Cross-utilisation of resources to drive improved customer interaction</li><li>• Integrated Credit, HR and IT teams</li></ul>

**Integration process in full swing and yielding positive outcomes**

## Strategic Rationale of Acquisition

## Completed

<b>Consistent with stated strategic objectives</b>	<ul style="list-style-type: none"><li>• Improvement in proportion of recurring revenue</li><li>• Continued optimisation of business mix</li></ul>		<ul style="list-style-type: none"><li>• Introduction of additional recurring income products and services continues to improve Group revenue profile</li></ul>
<b>Optimised book</b>	<ul style="list-style-type: none"><li>• Funding diversification improved</li></ul>		<ul style="list-style-type: none"><li>• New LeasePlan securitisation program active</li><li>• First successful securitisation distribution</li></ul>
<b>Cooperative integration</b>	<ul style="list-style-type: none"><li>• Detailed integration program</li><li>• Transitional Services Agreement</li><li>• Alliance with LeasePlan Corporation</li></ul>		<ul style="list-style-type: none"><li>• Established Integration expertise</li><li>• LeasePlan Corp. relationship beneficial across multiple operational areas</li><li>• Multiple international referrals</li></ul>

**LeasePlan Month 1 performance ahead of initial forecasts**



# 1Q22 Update - Summary

- Australia – Corporate
  - Strong order flow
  - Key accounts renewed and extended
- Australia - Novated
  - Strong conversion levels
  - Marginal lockdown impact starting to dissipate
- New Zealand and UK businesses continue good performance
- Delivery pipeline continues to grow / supply constraints managed via extensions
- LeasePlan integration progressing well