SG Fleet Group
Integrated Mobility

1H24 Results Investor Presentation

20 February 2024

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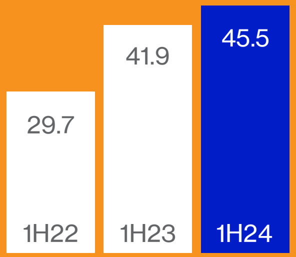
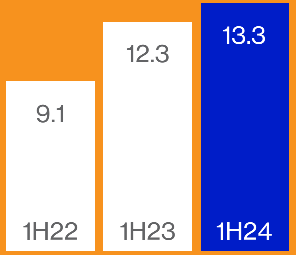
Overview

- Continued strong order growth in Corporate and Novated
- Exceptional delivery numbers – disposal volumes lower
- Order pipeline remains elevated
- Growth in Funded and Lite fleet
- Funded deliveries up 35.6%
- Gradual used vehicle value adjustment
- Labour market conditions and integration-related costs elevate operating expenses
- LeasePlan integration and digitisation progressing well

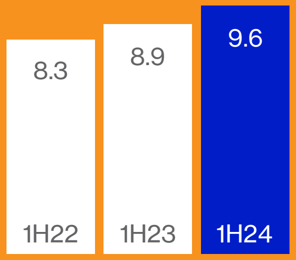
Reported NPAT (million)



Reported EPS (cents)



DIVIDEND (cents per share)



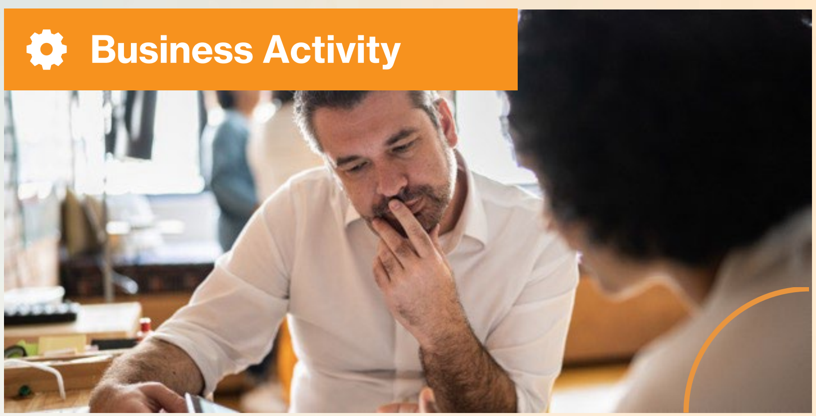
Revenue profile balance demonstrates business model benefits

Operational Review
Australia Corporate

Environment

- Tender activity at new highs
- Competitive environment largely rational
- Mainstream model supply still insufficient
- Stabilisation of labour force and improvement in staff turnover supports service levels

Business Activity



- New business development performing strongly
  - Continued focus on sale & leaseback – pipeline of live opportunities
  - Increased level of global tender opportunities and wins via Ayvens partnership
- Commercial segment driven by infrastructure boom
- Product upsell continues successfully across full product & services range

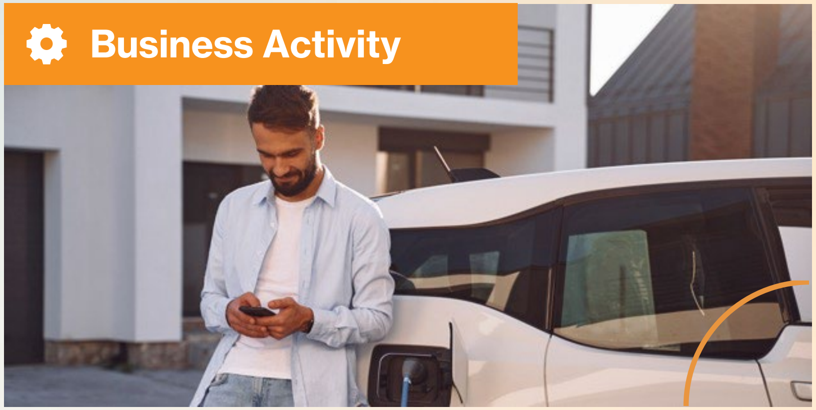
Record order and delivery levels

Operational Review Australia Novated

Environment

- Exceptionally strong period for novated leasing
  - Supported by EV incentives
  - More employers offering novated lease benefit
- Supply improvements and novated drivers' greater model flexibility supports rapid growth in deliveries

Business Activity



- New business wins and strong driver conversion
  - Leads at record levels
- Higher delivery volumes - significant order pipeline remains
- Improved penetration of additional products & services
- Further improvement in operating model

Orders up **20.3%**

Break-through year for Novated Leasing

Operational Review
New Zealand

Environment

- Tender and new business activity at record levels
- Competition and pricing aggressive in some areas to drive volume
- New vehicle registrations increase throughout period
- EV registrations hit record in December prior to end of Clean Car Discount
- Supply improving gradually

Business Activity

- Continued wins across various industries
- Good growth in competitive SME segment
- Increased focus on product diversification and penetration
  - Introduction of additional products and services
  - Transition of accident management services to DingGo
  - Major Government eStart project nearing completion – additional projects started
- First phase of system integration complete – next phase on track

Continued new business and product penetration progress

Operational Review
United Kingdom

Environment

- Economy and business environment stable
- Supply improvement
- ICE used values holding / EVs trending lower
- Light Commercial market rebounding

Business Activity

- Steady flow of new opportunities and wins
- Focus on diversifying customer book with mid-size wins
- Unique Novalease proposition continues to attract new customers to salary packaging
- Targeting further conversions to sole supply, contract extensions, and product upsell

2023 Awards

FleetNews
BUSINESSCAR
WSB

Only UK leasing company to win awards at all headline industry events in same year

Reputation built on service continuity, expertise, innovation, and delivering measurable high value-add outcomes

Clear leader in its market segment

Recognised strength of market position and offering

Supply, Order Pipeline, and Used Vehicle Values

Supply improvement

- Auto industry sales figures rebound largely driven by private registrations and EVs
- Supply improvements insufficient to reduce pipeline, particularly in mainstream Corporate / Tool-of-Trade vehicles (hybrids / utes)
- Aftermarket supply shortages exacerbate delays

Order pipeline remains elevated despite strong delivery numbers

- Tool-of-Trade deliveries up ca. 14% - pipeline relatively stable at ca. 11,400 units[3]
- Novated deliveries up ca. 57%, helped by model flexibility and EV supply - pipeline reduced by 25% to ca. 4,800 units

Used vehicle values

- Gradual adjustment in used vehicle values
- Demand for SG Fleet's EOL vehicles remains high

Outlook

- No fundamental change expected in 2H24
- Some supply green shoots - manufacturers becoming more positive on volumes
- Used vehicle value patterns to continue

1: AU passenger vehicles / 2: Pre-COVID Base EOL Selling Price is measured over 1H20 / 3: Group

Strong growth resulting in extended order pipeline normalisation period

Financial Results

Financial Summary

A$m	1H24	1H23	Variance
Revenue	570.3	547.4	4.2%
Cost of Revenue	(372.7)	(369.0)	(1.0%)
Net Revenue	197.6	178.4	10.8%
Operating Expenses	(110.7)	(96.9)	(14.3%)
Operating EBITDA	86.9	81.5	6.6%
Depreciation and amortisation expense	(15.9)	(14.7)	(8.4%)
Operating Income	71.0	66.8	6.2%
Total Finance Costs	(7.2)	(7.8)	7.6%
Net Profit Before Income Tax	63.7	59.0	8.0%
Tax	(18.2)	(17.1)	(6.6%)
Net Profit After Tax	45.5	41.9	8.5%
Amortisation of Acquired Intangibles	5.0	5.0	0.0%
NPATA[1]	50.5	46.9	7.7%
Reported EPS (cents)	13.31	12.27	8.5%
Cash EPS (cents)	14.76	13.71	7.7%

65% (57% pcp)
of revenue recurring

14% (10% pcp)
on lease activation

21% (33% pcp)
on lease termination

1: NPATA = Net Profit After Tax excluding amortisation of intangibles arising from acquisitions on an after tax basis

Highlights

Revenue growth driven by exceptional growth in delivery volumes

Partially offset by lower volumes and profits on End of Lease disposals

Opex adversely impacted by labour market conditions, integration costs, and ongoing technology investments

Funded Fleet Movement & Pipeline – Corporate

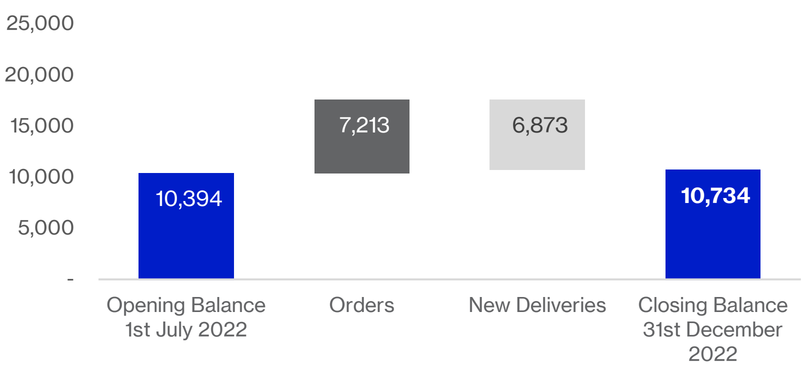
1H23

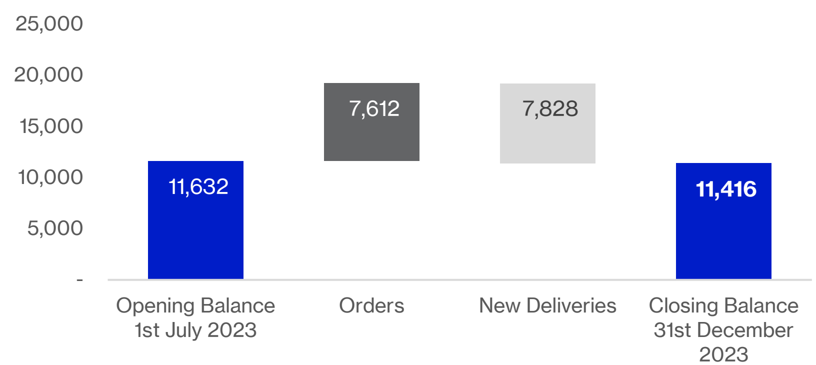
Corporate Funded Pipeline

5.5% increase in Orders

1H24

Corporate Funded Pipeline

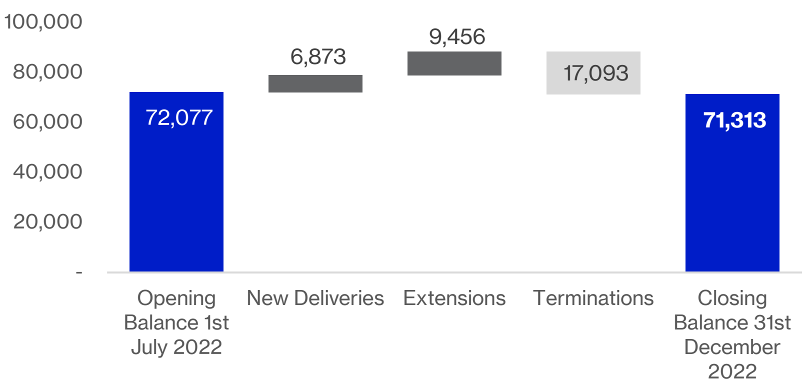


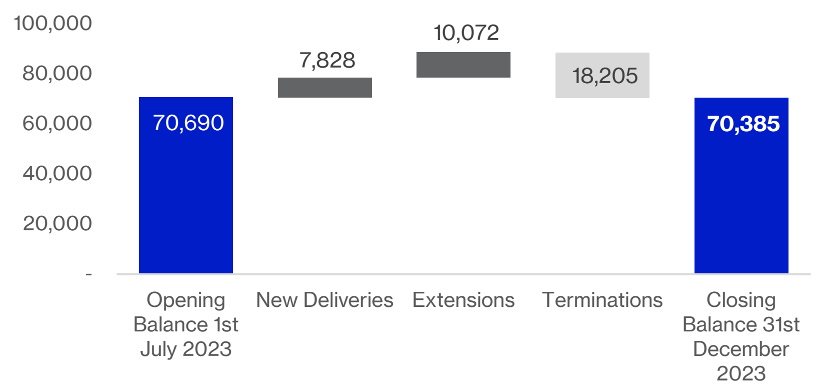


Corporate Funded Fleet

13.9% increase in New Deliveries

Corporate Funded Fleet



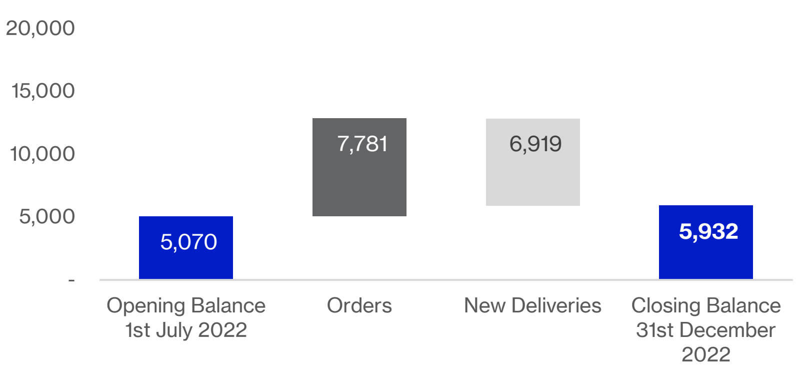


Funded Fleet Movement & Pipeline – Novated[1]

1H23

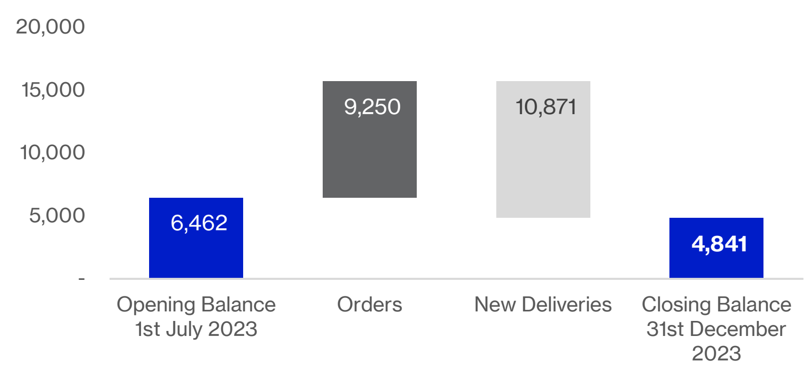
18.9% increase in Orders

Novated Funded Pipeline



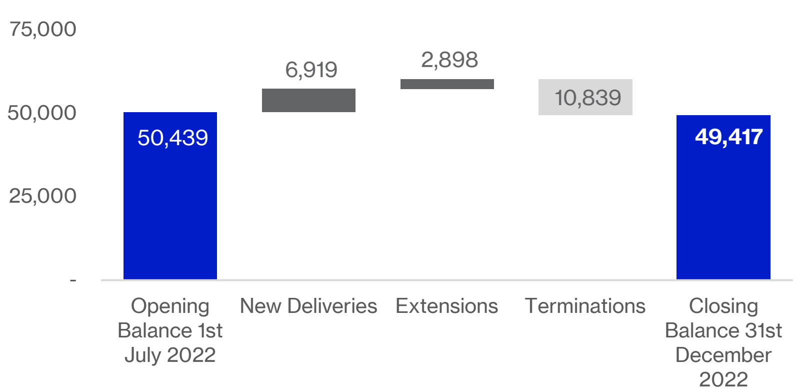
1H24

Novated Funded Pipeline

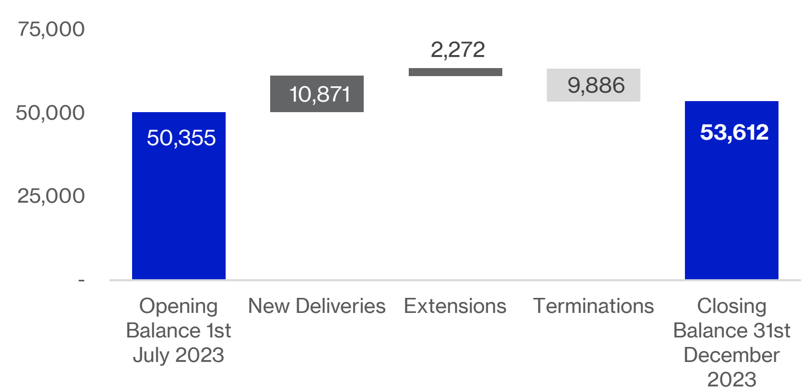


57.1% growth in New Deliveries

Novated Funded Fleet



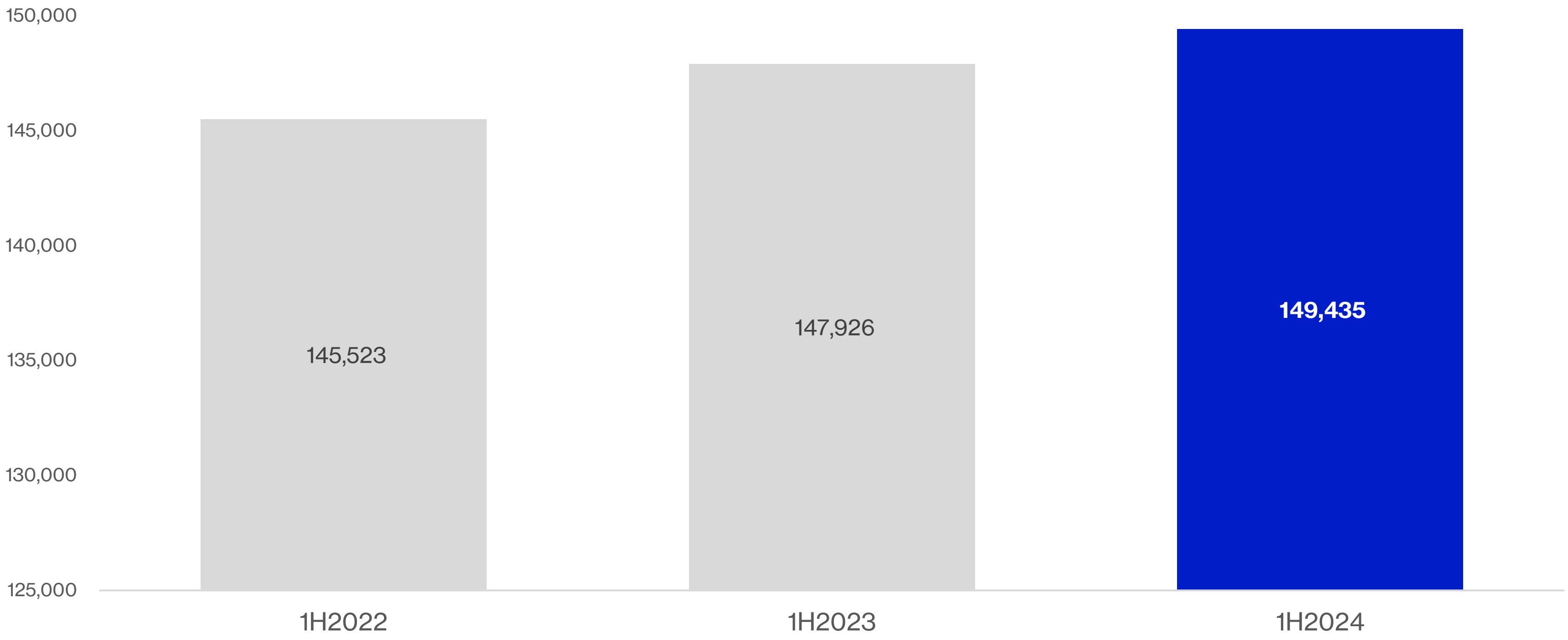
Novated Funded Fleet



1: includes Australia and UK Novated

Lite Fleet

Lite Fleet – Vehicles where funding is not provided. SG Fleet may provide only one, or any number of the following services for these vehicles - Vehicle acquisition & Disposal services, Maintenance Management, Registration Management, Fuel Cards, and Toll Management. The Lite Fleet product is offered for the following reasons: as an initial entry point to a customer; a potential opportunity to convert to funded; a method of immediately dislodging an incumbent competitor; as a way of gaining experience in a new asset class prior to underwriting asset risk; to create customer entanglement.

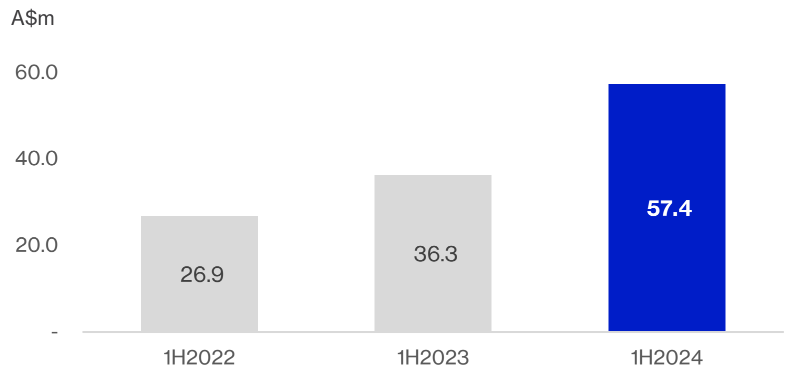


1.0% growth in Lite Fleet

Net Rental & Finance Income

Rental & Finance Income is primarily earned in respect of on-balance sheet funded operating and finance leases. It also includes income generated by short-term rental vehicles, subscription vehicles, and certain principal & agency ("P&A") funded vehicles in inertia. The costs of sale related to this income stream are operating lease depreciation, direct interest, and short-term hire costs. This is an annuity income stream and its primary driver is the size of the on-balance sheet lease portfolio assets.

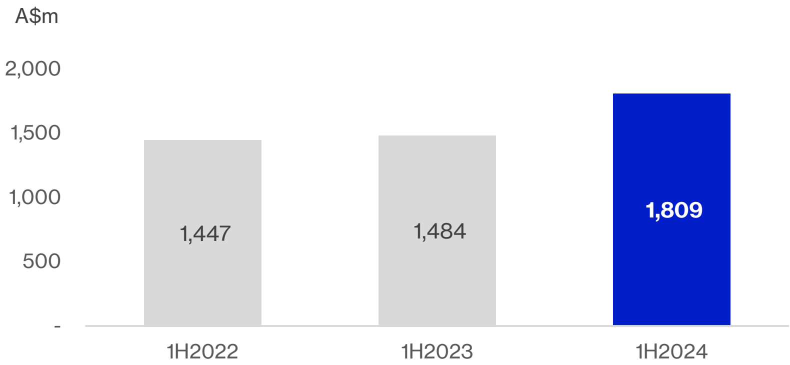
Net Rental & Finance Income



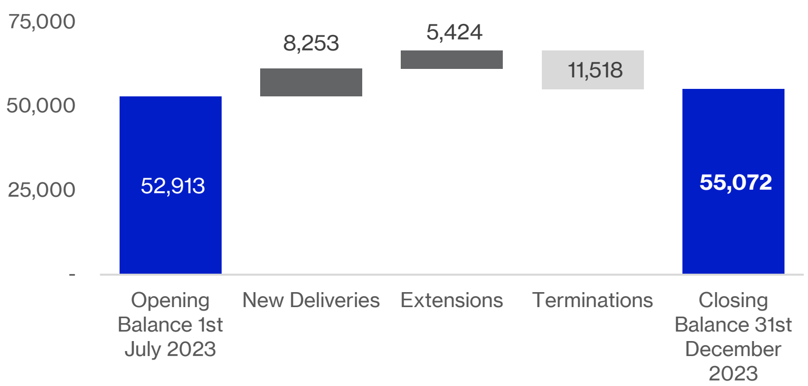
58.3% increase in Net Rental Income driven by:

- 22% growth in Leased Motor Vehicle Assets and Lease Receivables
- Vehicle price inflation – Average funded capital up 13.9%
- Lower operating lease depreciation

Lease Motor Vehicle Assets and Lease Receivables



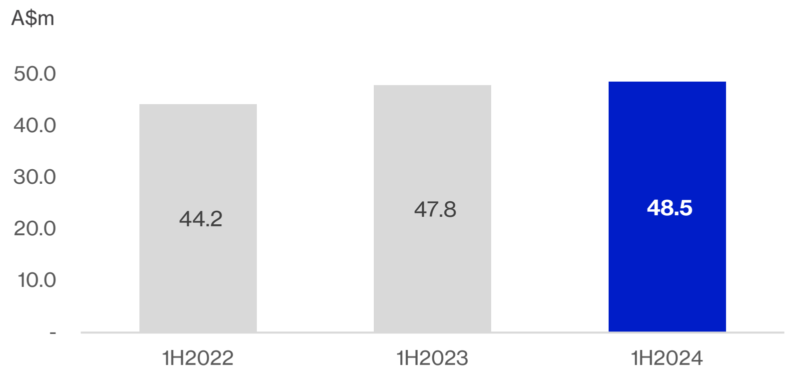
On-Balance Sheet Funded Fleet



Net Mobility Services Revenue

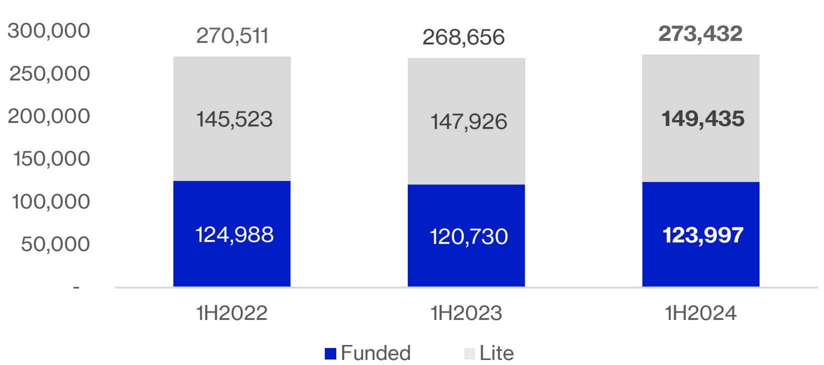
Mobility Services Income includes the products and services required to keep a vehicle on the road in a safe and compliant manner. This revenue category includes income from registering and insuring the vehicle, providing assistance in the event of a break-down or accident, telematics, and safety inspections. It also includes income from car-share bookings. This is an annuity income stream driven by the total fleet size and utilisation.

Net Mobility Services Revenue



1.4% growth in Net Mobility Services Revenue driven by growth in total fleet under management

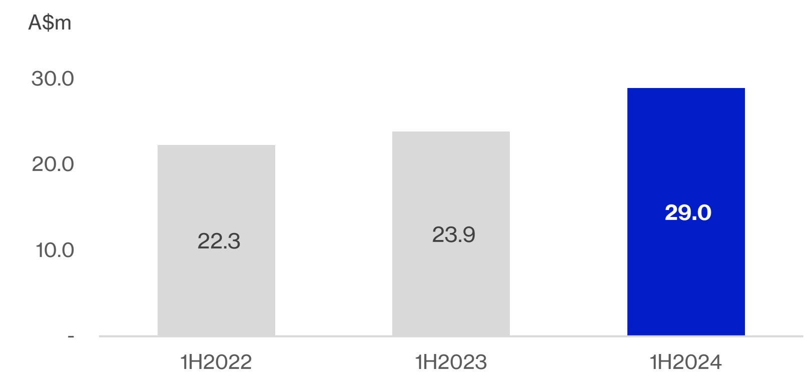
Total Fleet



Net Additional Products & Services Revenue

Additional Products and Services revenue is generated by products that are not typically related to keeping the vehicle on the road and mobile. This revenue category includes products such as accessories, redundancy protection, TradeAdvantage, and rebates. This income stream is largely transactional in nature and its key driver is the volume of new funded deliveries, coupled with penetration rates.

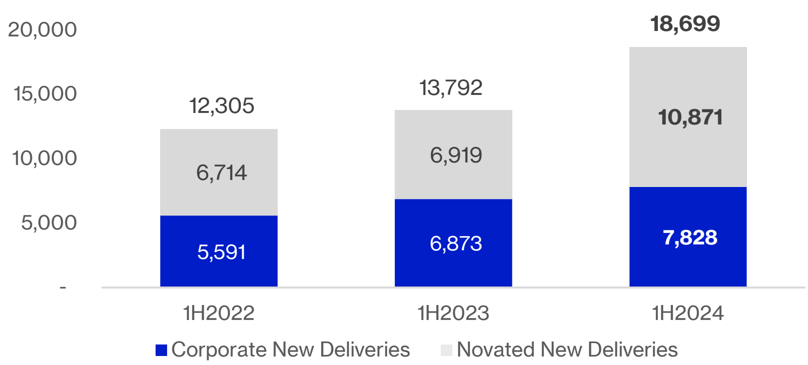
Net Additional Products & Services Revenue



21.3% growth as a result of:

- Increase in New Funded Deliveries
- Improved rebates due to integrated volumes

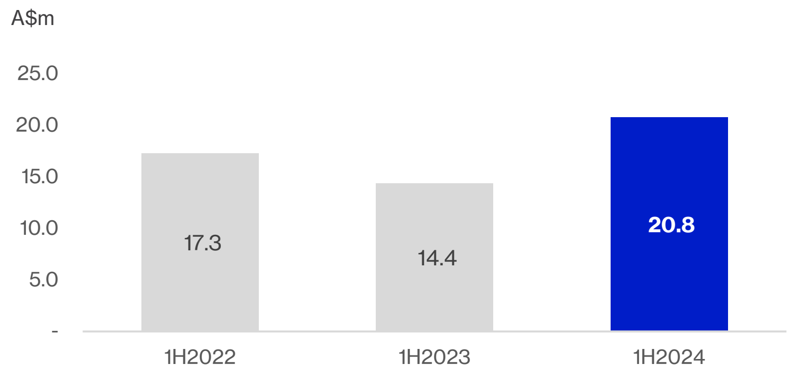
New Funded Deliveries



Finance Commission

Finance Commission is the income earned on leased vehicles funded off-balance sheet. This income stream is largely transactional in nature, has no direct costs, and the primary driver is the volume of P&A-funded deliveries.

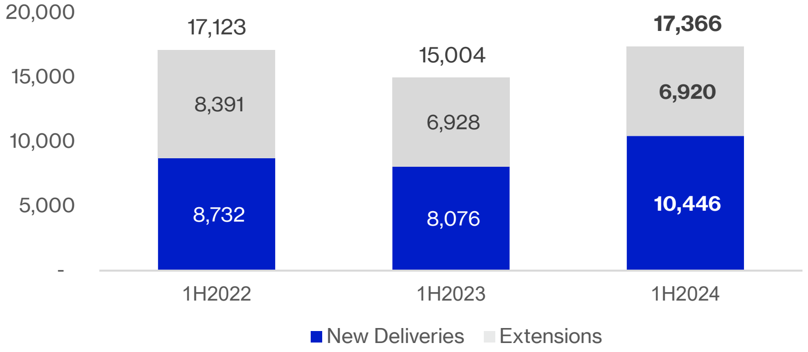
Finance Commission



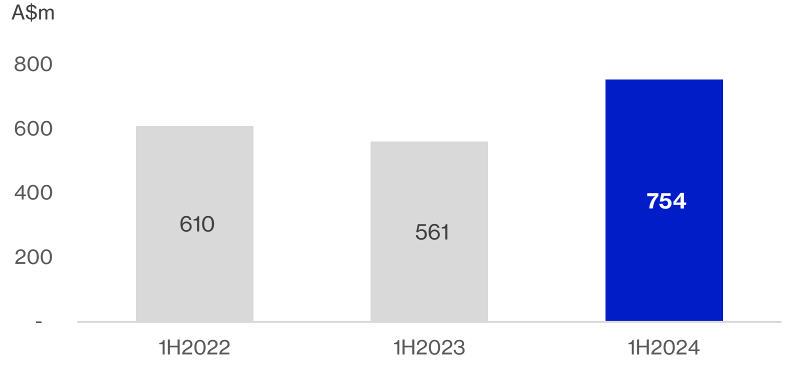
44.5% increase in Finance Commission driven by:

- 15.7% increase in P&A Funded New Deliveries and Extensions
- 24.8% growth in Finance Commission per unit driven by:
  - Higher average funded capital

P&A Funded New Deliveries + Extensions



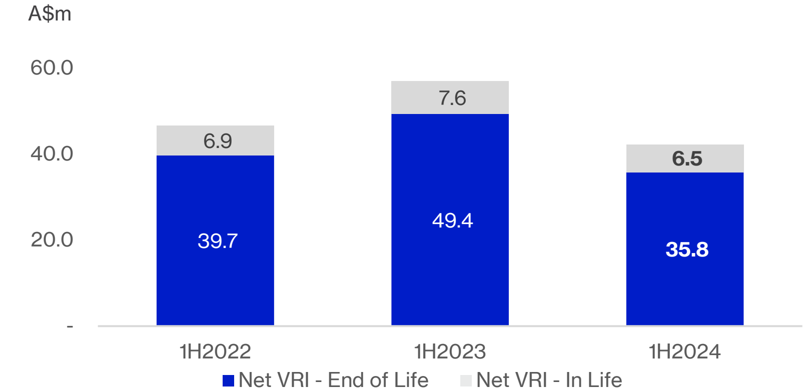
P&A Funded Originations



Net Vehicle Risk Income

Vehicle Risk Income ("VRI") is the income earned as a result of underwriting a long-term risk position on a vehicle at lease commencement, the ultimate financial outcome of which will depend on circumstances and market conditions that occur over the life of each vehicle. VRI is made up of an End of Lease Component (profits earned from underwriting Residual Value risk) and an In-Life Component (profits earned from underwriting maintenance and other running costs). VRI - End of Lease is largely transactional in nature and its primary driver is the volume of Operating Lease Disposals. VRI – In-Life is a combination of annuity and transactional income and is driven by the number of open-contract vehicles and vehicles with underwritten maintenance risk positions.

Net Vehicle Risk Income

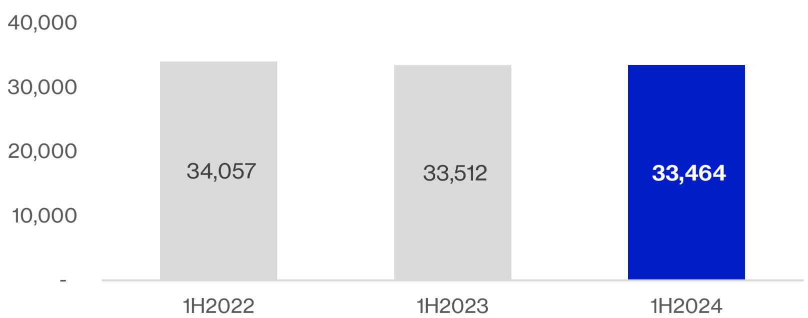


25.8% reduction in End of Lease Vehicle Risk Income driven by:

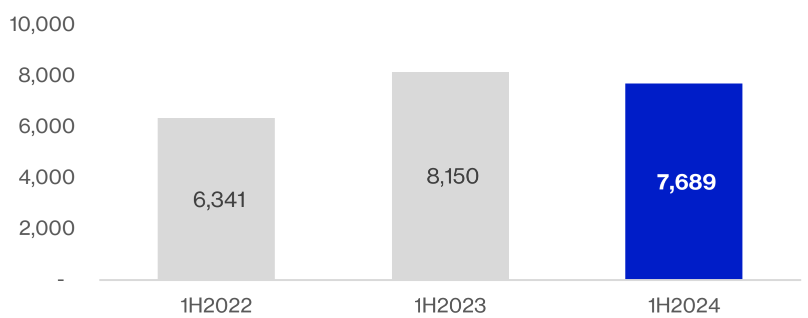
- 5.7% reduction in disposals volumes
- Average net profit per vehicle at 300% of pre-COVID levels, albeit 23% below pcp

In-Life VRI impacted by increased vehicle usage

VRI – In Life Fleet

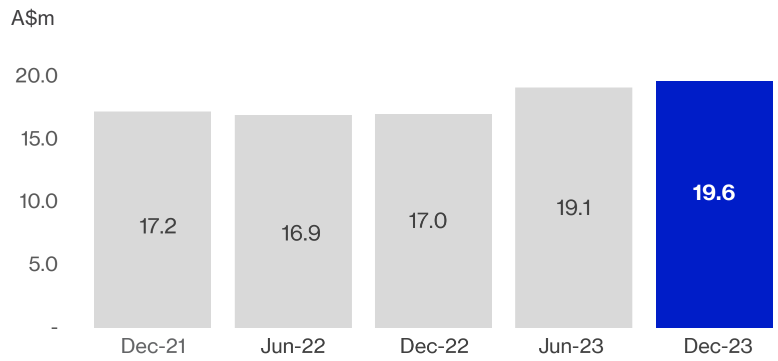


Operating Lease Disposals



Fleet & Credit Provisions

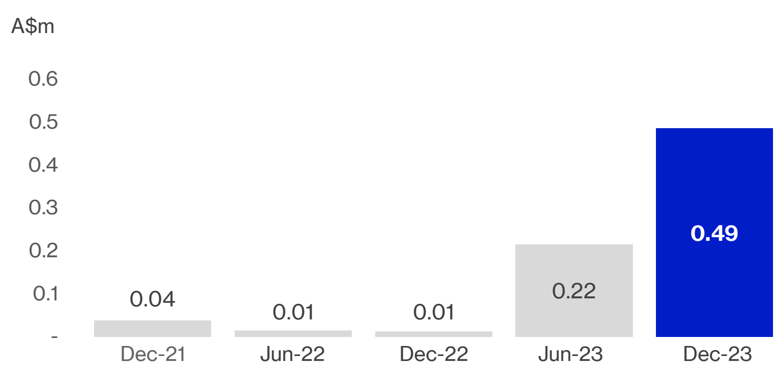
Residual Value Provision & Lease Motor Vehicle Impairment



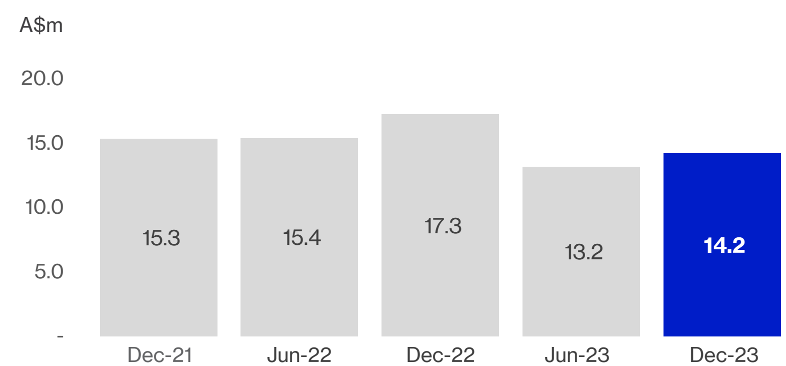
P&L impact of Provision increases in 1H24:

- RV Provision and Inventory – $0.8m – driven by softening market, particularly EVs in UK and NZ
- ECL – $1.0m – driven by growth in book, together with increased vehicle usage

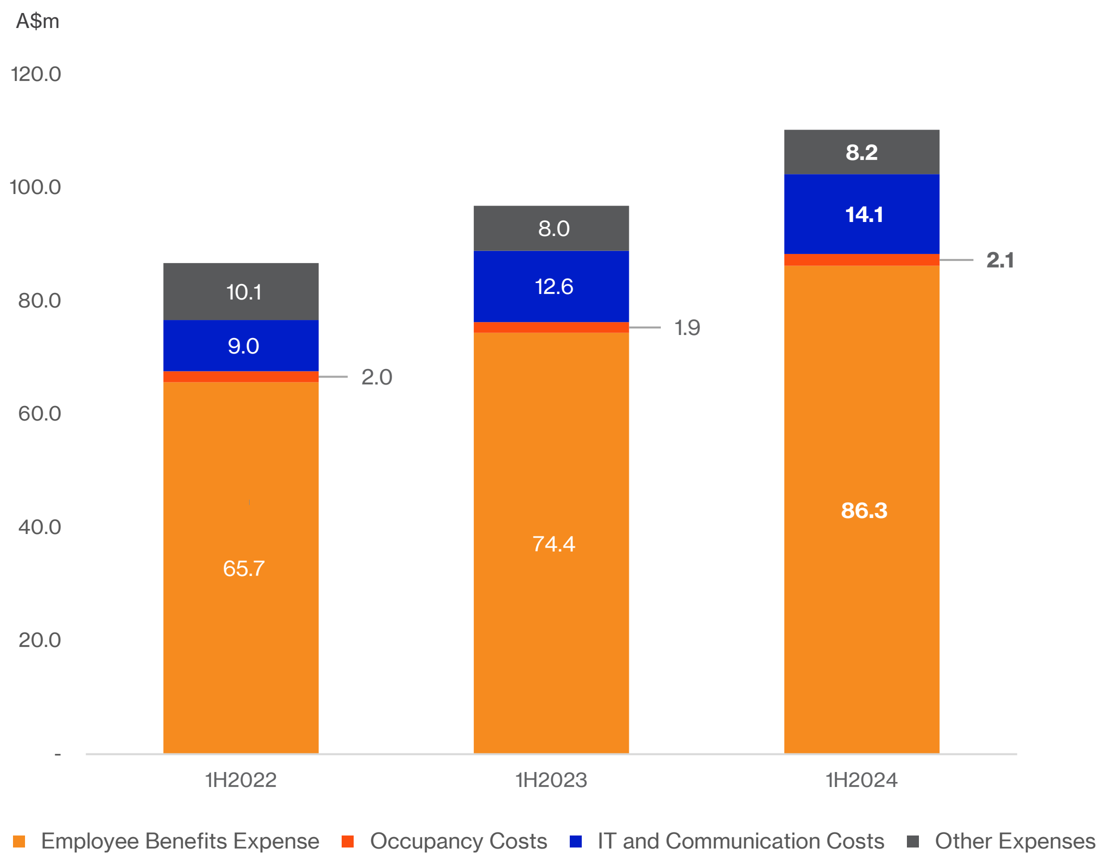
Inventory Impairment



Expected Credit Loss Provision



Operating Expenses



Technology & Communication Costs

- Continued investment in platforms and infrastructure
- Increased spending on infosec and cyber risk initiatives

Employee Benefit Expense

- Continued wage cost pressure, however staff turnover improving
- Integration projects contribute to headcount growth

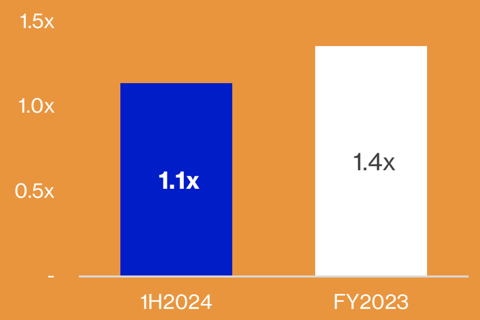
Detailed P&L

A$m	1H24	1H23	Variance
Rental & Finance Income	190.8	165.4	15.4%
Mobility Services Income	87.1	84.6	2.9%
Additional Products and Services	51.8	47.9	8.2%
Finance Commission	20.8	14.4	44.5%
Vehicle Risk Income	208.7	227.5	(8.3%)
Other Income	11.0	7.5	47.2%
Total Revenue	570.3	547.4	4.2%
Rental and Finance Cost of Sale	(133.4)	(129.2)	(3.3%)
Mobility Services Costs	(38.6)	(36.8)	(4.9%)
Additional Products Cost of Sale	(22.8)	(24.0)	4.9%
Vehicle Risk Cost of Sale	(166.4)	(170.6)	2.4%
Other Direct Costs	(11.4)	(8.5)	(34.8%)
Cost of Revenue	(372.7)	(369.0)	(1.0%)
Net Revenue	197.6	178.4	10.8%
Employee Benefits Expense	(86.3)	(74.4)	(15.9%)
Occupancy Costs	(2.1)	(1.9)	(8.9%)
IT and Communication Costs	(14.1)	(12.6)	(12.2%)
Other Expenses	(8.2)	(8.0)	(3.5%)
Total Operating Expenses	(110.7)	(96.9)	(14.3%)
Operating EBITDA	86.9	81.5	6.6%
Depreciation and amortisation expense	(15.9)	(14.7)	(8.4%)
Operating Income	71.0	66.8	6.2%
Total Finance Costs	(7.2)	(7.8)	7.6%
Net Profit Before Income Tax	63.7	59.0	8.0%
Tax	(18.2)	(17.1)	(6.6%)
Net Profit After Tax	45.5	41.9	8.5%
Amortisation of Acquired Intangibles	5.0	5.0	0.0%
Reported NPATA	50.5	46.9	7.7%

Financial Position

A$m	Dec-23	Jun-23	Variance
Assets			
Cash and cash equivalents	119.3	92.8	28.5%
Restricted Cash	168.7	167.6	0.7%
Trade and other receivables	265.2	247.6	7.1%
Inventories	29.9	29.6	1.1%
Lease motor vehicle assets & receivables	1,809.4	1,598.5	13.2%
Income tax - Assets	1.6	4.7	(67.0%)
Derivative financial instruments - Assets	12.7	40.7	(68.7%)
Property, plant and equipment	33.9	37.0	(8.3%)
Intangibles	617.5	623.1	(0.9%)
Investment in other companies	8.1	8.1	(0.1%)
Total Assets	**3,066.3**	**2,849.7**	**7.6%**
Liabilities			
Trade and other payables	(294.9)	(275.8)	(6.9%)
Derivative financial instruments - Liabilities	(8.7)	(0.0)	(30,482.8%)
Employee benefits	(27.0)	(24.0)	(12.4%)
Provisions	(33.8)	(31.9)	(6.0%)
Corporate Borrowings	(322.1)	(326.8)	1.4%
Lease Portfolio Borrowings	(1,492.7)	(1,296.4)	(15.1%)
Vehicle maintenance funds	(132.0)	(140.5)	6.1%
Deferred income	(76.2)	(72.6)	(5.0%)
Deferred tax - Liabilities	(101.5)	(99.1)	(2.5%)
Total Liabilities	**(2,488.8)**	**(2,267.1)**	**(9.8%)**
Net Assets	**577.5**	**582.6**	**(0.9%)**
Equity			
Issued capital	(506.0)	(506.0)	–
Reserves	109.5	83.7	30.9%
Retained profits	(181.0)	(160.3)	12.9%
Total Equity	**(577.5)**	**(582.6)**	**(0.9%)**

Corporate Leverage*



Material growth in Lease Portfolio Assets and related borrowings

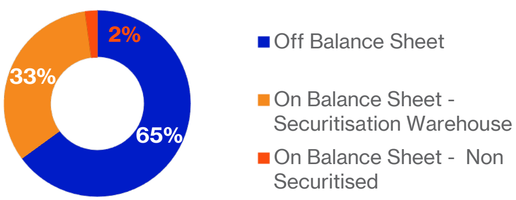
Conservative Corporate Leverage at 1.1x

* Corporate Leverage = (Corporate Borrowings less Cash & Cash Equivalents excl. Restricted Cash) / LTM Operating EBITDA

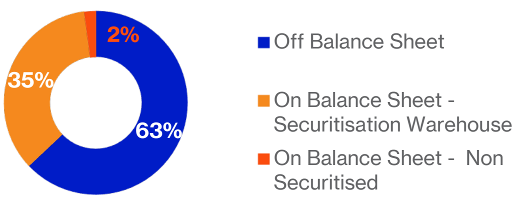
Funding

Lease Portfolio Composition

Jun 2023



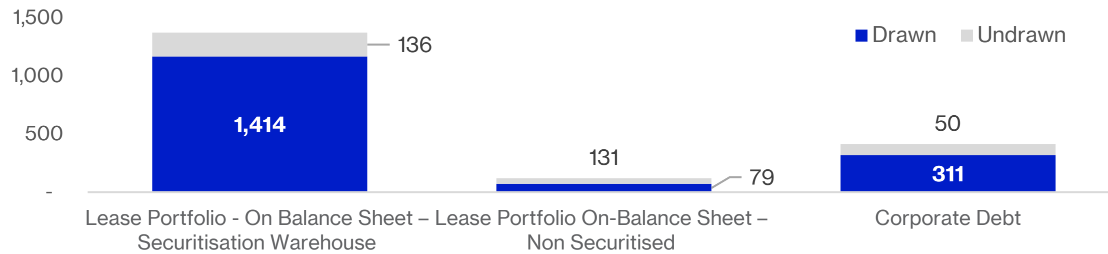
Dec 2023



Base Rate Exposure

	Lease Portfolio On-Balance Sheet – Securitisation Warehouse	Lease Portfolio On-Balance Sheet – Non-Securitised	Corporate Debt
Base Rate Movement Exposure	$1,414.0m	$78.6m	$310.6m
Percentage Fixed Rate / Hedged	100%	88.2%	61.5%

Facility Capacity



Treasury Timeline

November 2024
Autonomy 2020 Warehouse Extension

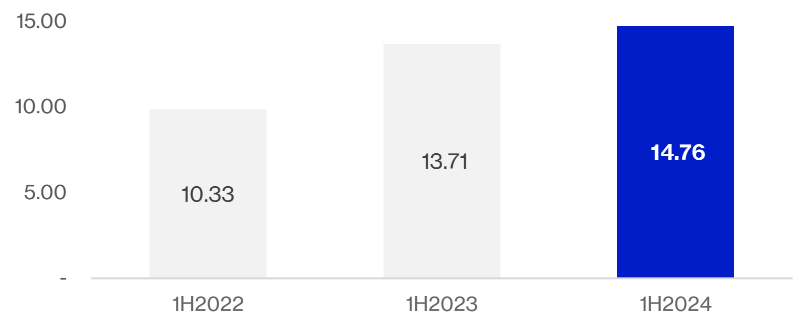
June 2025
Autonomy 2021 ANZ Warehouse Extensions

September 2025
Autonomy 2026 (Aus) Term-Out Process Commences (Indicative)

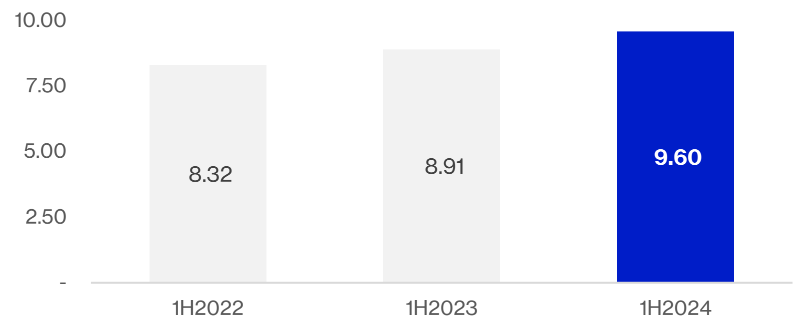
September 2026
Syndicate corporate debt facility extension

Earnings Per Share & Dividend

Cash EPS[1] (cents)



Dividend per Share (cents)



A$m	Profit (millions)	Shares (millions)	EPS (cents)
Net Profit After Tax / Reported EPS	45.5	342.0	13.31
Amortisation of Acquired Intangibles	5.0	342.0	1.45
NPATA / Cash EPS	50.5	342.0	14.76

Interim dividend of 9.60 cps fully-franked

7.7% increase versus pcp

65% payout ratio to Cash EPS

1: Cash EPS = Reported Net Profit After tax excluding amortisation of intangibles arising from acquisitions on an after tax basis divided by weighted average shares.

Cash Flow

A$m	1H24	1H23	Variance
Cash generated from operations before investment in lease portfolio	212.5	208.3	2.0%
Lease Portfolio Investing & Financing Activities	(132.2)	(134.1)	(1.4%)
Acquisition of operating and finance lease assets	(491.2)	(328.9)	49.3%
Proceeds from disposal of operating lease assets (excluding vehicle risk income)	82.1	73.4	11.9%
Capital receipts from finance lease assets	107.6	96.7	11.3%
Proceeds from Lease Portfolio borrowings	292.5	70.7	313.5%
Repayments of Lease Portfolio borrowings	(93.1)	(22.4)	316.4%
Transaction costs related to Lease Portfolio borrowings	(1.6)	(0.2)	746.7%
Lease Portfolio Finance Costs paid	(28.5)	(23.4)	21.6%
Cash Generated from Operations after Lease Portfolio Investing & Financing Activities	**80.2**	**74.1**	**8.3%**
Interest received	6.5	3.1	112.1%
Interest and other finance costs paid (excl Lease Portfolio)	(8.1)	(6.7)	21.2%
Income taxes paid	(4.2)	(27.8)	(84.8%)
Net cash generated by operating activities after Lease Portfolio Investing & Financing Activities	**74.6**	**42.7**	**74.5%**
Cash flows from investing activities (Excl. Lease Portfolio)			
Payment for purchase of subsidiary, net of cash acquired	-	-	-
Payments for property, plant and equipment	(2.7)	(2.2)	20.9%
Proceeds from disposal of property, plant and equipment	0.4	0.1	587.9%
Payments for intangibles	(4.9)	(2.8)	73.8%
Payments for investments	(0.5)	(2.0)	(74.7%)
Net cash used in investing activities (Excl. Lease Portfolio)	**(7.6)**	**(7.0)**	**9.7%**
Cash flows from financing activities (Excl. Lease Portfolio)			
Share awards settled through direct market acquisition	(6.7)	(1.8)	280.9%
Proceeds from Corporate borrowings	(0.0)	-	-
Repayments of Corporate borrowings	(3.2)	-	-
Transaction costs related to Corporate borrowings	(1.6)	-	1,609.2%
Repayment of lease liabilities - right-of-use assets	(3.2)	(3.5)	(7.5%)
Dividends paid	(24.8)	(23.3)	6.7%
Net cash from financing activities (Excl. Lease Portfolio)	**(39.5)**	**(28.5)**	**705.1%**
Net increase in cash and cash equivalents	**27.4**	**7.3**	**278.2%**

A$m	1H24	1H23	Variance
Cash generated from operations before Investment in Lease Portfolio (A)	**212.5**	**208.3**	**2.0%**
Operating EBITDA	86.9	81.6	6.6%
Add: Depreciation on Lease Portfolio Assets	90.5	100.6	(10.0%)
Add: Interest on Lease Porfolio Borrowings	37.4	25.0	49.3%
Reported EBITDA (B)	**214.8**	**207.2**	**3.7%**
Cash generation from operating activities as a % of Reported EBITDA (A/B)	**98.9%**	**100.5%**	**(1.6%)**

Cash generation ratio of 98.9%

Eligible Assets not securitised at 31/12/2023 of $107m

Operational Update & Outlook

Five-Year Horizon

Ongoing

Impact | 2HFY24 | FY25 | FY26 | FY27 | FY28 | FY29

	Impact	
Market environment	$ COST; REVENUE	Continued outsourcing trend
		Acceleration ZEV take-up (Private)
		Acceleration ZEV take-up (Corporate)
		Supply and order pipeline normalisation / used values adjustment
		'Future of Transport' shift
		Industry consolidation
LeasePlan Integration	$ COST; REVENUE	LP system integration
		Realisation scale leverage
		Cost and revenue synergies realisation
Cost and efficiency improvements	$ COST	Continued process automation and digitisation
		Cost-to-income ratio improvement
		Potential securitisation term-out
Innovation	REVENUE	Digitisation of customer experience
		Expansion of higher value-add products & services offering
		Selective investment in new capabilities
		Growth in EV-related services demand
		Expansion mobility services; Introduction full MaaS; Growth in MaaS demand
Customers	REVENUE	New outsourcing entrants – targeting known tenders
		Continued market share growth
		Higher customer penetration
		Product range and penetration gains amongst LeasePlan customers

Cost and revenue drivers unchanged

Integration and Digitisation – Future State

Common functions and processes across all channels

- Best-of-class / without duplication
- Single network of business partners
- Facilitates continuous improvement and fast-tracks training
- Enhanced staff engagement
- Improved service levels and customer satisfaction

Single brand

- Improved brand recognition and penetration
- Lower cost to maintain / invest

Data / information

- Largest data pool in the industry
- Opportunity to monetise data set
- Improved internal knowledge management

Product & services development

- Greater agility and speed to market
- Easier to innovate and digitise
- Allows new delivery models

Platform for inorganic growth enablement

- Accelerated, lower cost, and lower complexity integrations

Additional cost / efficiency impacts

- Scale benefits
- Synergy extraction
- Elimination of duplication
- Lower cost-to-serve through higher efficiency per FTE
- Phase-out of integration-related excess costs

Innovation / Digitisation

- Improved digital customer experience and sales capability
- Process improvement and automation
- Lower cost-to-serve through automation
- Supports development of multi-modal / MaaS
- Enhanced third party cooperation and JV capability

Integration and digitisation fundamentally change market position and growth capabilities

Electric Vehicles

Consumer / Novated

EVs entering mainstream
- 7% of 2023 AU new registrations for EV
- Majority of EV registrations private

Novated leasing key enabler
- Novated accounting for significant proportion of private EV registrations
- EVs account for 37% of quoting and orders in SG Fleet Novated channel
- EV orders up 5-fold on 1H23

Continued growth in EV unit numbers
- Early adoption stage to be followed by second wave

EV penetration to increase gradually over multiple stages

Corporate / Tool-of-Trade

Adoption lagging private / consumer
- Limited corporate EV registrations

Rational decision focus
- ICE vs. EV cost differentiation
- Fit-for-purpose model availability limited
- Lack of charging infrastructure
- Aftersales and service network limited
- Hybrids preferred

Adoption to build momentum over time
- Mandated emission reduction targets require ZEV transition
- Early adopters exploring transition approach
- Tool-of-trade ramp-up expected in coming years

Corporate channel to benefit from established expertise as transition approaches

ESG

A strong commitment to better environmental and social outcomes across the Group

Summary

Exceptional growth in orders and delivery numbers

Australian Corporate
Record order and delivery levels

Australian Novated
Break-through year

New Zealand
Continued new business and product penetration progress

UK
Recognised strength of market position and offering

Supply, Order Pipeline, and Used Values

- Strong growth resulting in extended order pipeline normalisation period

LeasePlan Integration – Future State

- Integration and digitisation to fundamentally change market position and growth capabilities

Electric vehicles

- Penetration to increase as Corporate market approaches transition

2H24 to continue current positive trends

Appendix

P&L Reconciliation

	Revenue and Other Income	Total Expense	PBT
Investor Presentation	**570.3**	**(506.6)**	**63.7**
Profit Share to On-Balance Sheet Clients	(12.8)	12.8	–
Income from Investment in other companies	0.1	(0.1)	–
Statutory Accounts	**557.4**	**(493.7)**	**63.7**

Reconciliation Notes:

1. Profit Share payments to customers with on-balance sheet funded operating leases are set off against Operating Lease Income in the Statutory Accounts, but are presented as Vehicle Risk Cost of Sale in the Investor Presentation.

Questions