ASX Announcement

Release date: 8 May 2024

2024 AGM presentation materials

Attached are the following documents to be presented at the 2024 Annual General Meeting (AGM) of Smartgroup Corporation Limited (ASX:SIQ) to be held at 11.00am this morning at Wesley Conference Centre, 220 Pitt Street, Sydney, NSW.

1. Chair's address
2. CEO's address
3. AGM presentation slides

A video webcast of the meeting will also be available at https://meetings.linkgroup.com/SIQ24 commencing at 11am.

Q1 2024 financial and operational update

- Q1 2024 average monthly revenue grew 5% compared to H2 2023
- Q1 2024 average monthly operating expenses[1] percentage growth in line with revenue growth, to service higher volumes, generate further demand and acquire new clients
- Q1 2024 average monthly EBITDA was 3% higher compared to H2 2023
- Q1 2024 average monthly NPATA[2] in line with H2 2023, with higher EBITDA offset by increased Depreciation and Amortisation
- $11-13m expected capex spend in 2024 as announced with 2023 full-year results
- Novated leasing new lease vehicle orders +7% and settlements +7% versus H2 2023
- Electric Vehicles accounted for 42% of Q1 2024 new car lease orders
- Total pipeline future revenue of c.$16m (Dec 2023: c.$18m) remains above pre-COVID levels of c.$4m
- Novated leasing yield broadly in line with H2 2023
- South Australia Government contract transition in progress - H1 2024 operating costs anticipated to be c.$3m, in line with expectations
- Progress on strategic priorities communicated in February 2024

Commenting on Smartgroup's operational and financial performance over Q1 2024, Managing Director and CEO, Scott Wharton, said: "It is encouraging to see the continued progress in Q1 2024 and into April. Leasing demand remains solid and order volumes have grown.

"We continue to have a strong focus on cost management while ensuring that our resourcing levels are appropriate for demand levels. We continue to make deliberate technology investments to improve customer experience and increase scalability, aligned with our strategic priorities."

[1] Operating expenses exclude product cost (cost of sales).
[2] NPATA is net profit after tax, adjusted to exclude the non-cash tax-effected amortisation of intangibles and significant non-operating items.

Outlook

Commenting on Smartgroup's outlook, Mr Wharton, said: "We are seeing strong momentum across the business, with solid first quarter trading, ongoing customer demand for novated leasing and new client wins. We also have good momentum in implementing our strategic priorities announced in February.

"Preparation continues for the South Australia Government contract starting in July. Operating expenses for the first half associated with this contract are anticipated to be around $3 million, in line with expectations. As flagged in the 2023 full-year results announcement, we do not forecast material profit contribution from this contract in 2024."

This announcement was authorised by the Board of Smartgroup for release to the ASX.

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SMARTGROUP CORPORATION LIMITED

2024 ANNUAL GENERAL MEETING – CHAIR'S SCRIPT

11.00 AM, WEDNESDAY 8 MAY 2024

1. CHAIRMAN'S ADDRESS

Before I start my address today, I note that after 10 years as Smartgroup Chair, I will be retiring as a Director after this AGM. The Board has agreed to appoint Mr John Prendiville, currently Deputy Chair, as Smartgroup Chair.

I am confident that the Board, under John's leadership, will do a wonderful job of helping guide Scott and the management team to continue providing outstanding customer service and strong shareholder returns, and to ensure that Smartgroup remains a terrific place to work.

Solid Financial Performance

Moving to the highlights of last financial year, 2023 was a good year for Smartgroup, where the Company again achieved positive revenue and earnings growth. This growth has largely been driven by higher novated leasing volumes and strong EV demand. We recorded revenue of $251.6 million, EBITDA of $100.3 million and NPATA of $63.2 million. Revenue was 12% above 2022, with EBITDA and NPATA also up 7% and 3%, respectively. Operating cash flow generation remained strong at 103% of NPATA.

Strong Customer Growth

Following the introduction of the Federal Government's Electric Car Discount Policy in late 2022, we realised order and volume growth for novated leasing, ending 2023 with 61,100 novated leases under management, an increase of 6% year on year.

In 2023, we also began to see some stabilisation of delivery timeframes, and we remain optimistic that 2024 will bring further improvement to the global vehicle delivery supply chain. Any such improvement will both release the delayed revenue we have in connection with this pipeline, as well as reduce some of the inefficiencies that result from our team having to manage this pipeline.

Salary packaging remains an attractive market where we have a strong competitive positioning, with recurring revenues and an entry point into novated leasing.

We were pleased to have secured and renewed a number of large and medium-sized organisations as clients throughout 2023, including the South Australian Government contract to administer their salary packaging and novated leasing services from 1 July 2024. This reinforces our position as a leading provider of salary packaging and novated leasing services to Australian governments at both a State and Federal level.

In Fleet, we grew vehicles under management by 16% to 30,400 in 2023 from both organic growth and new client wins. We are continuing to expand our selffunding pilot to strengthen our fleet capabilities, with around 530 vehicles funded as at 31 December 2023.

Our teams have been working hard and we are well-positioned to support our customers through Australia's energy transition.

ESG Initiatives

In 2023, Smartgroup again demonstrated its ongoing commitment to pursuing a strong social agenda alongside our commercial goals, with several ESG initiatives. And Scott will provide additional observations when he presents shortly.

You can also find more information about our Sustainability Strategy and other highlights in our Sustainability Report, available from Smartgroup's Investor Centre website page.

New CEO and Strategic Priorities

Scott joined Smartgroup in July last year, and since then, the Board, together with the Smartgroup team, has developed a set of strategic priorities that are our roadmap for unlocking further growth in 2024 and beyond.

We strive to deliver smarter benefits for a smarter tomorrow by simplifying benefits, so they work smarter for our clients and their employees, our customers. We will enable our clients to attract and retain great teams, add real value to the lives of their employees, and together, help build a more sustainable

Australia. Scott will provide more details about our strategic priorities in his presentation.

Shareholder returns

Since listing in 2014, Smartgroup has delivered good returns for shareholders, both in capital appreciation as well as fully franked dividends. We have returned approximately $510 million to shareholders in fully franked dividends and our market capitalisation has increased from approximately $160 million to approximately $1.3 billion as at 30 April 2024. This slide demonstrates the strong history of value that Smartgroup has delivered to its shareholders over this period.

I briefly also want to highlight our approach to capital allocation, ensuring that we deliver long-term sustainable growth and maximise shareholder value.

The current novated leasing market and our strategic priorities provide significant opportunities for medium- and long-term growth. To ensure we make the most of these opportunities, we will continue to invest in core and digital technology as well as customer experience improvement initiatives. These necessitate allocating sufficient capital to ensure we can execute well.

Similarly, we need to maintain flexibility to take advantage of potential acquisitions and partnership opportunities that might arise. And our fleet funding pilot is an important learning opportunity for us, so we will ensure it receives enough funding to continue.

We will continue to pay fully franked dividends in line with our current dividend policy of paying 60-70% of NPATA. We will return excess capital to shareholders as appropriate while ensuring that we maintain our balance sheet flexibility so that we can act on strategic acquisition opportunities.

I would like to thank the entire management team and all of Smartgroup's dedicated employees for their hard work and commitment throughout 2023, and Scott for all he has achieved since he joined Smartgroup in July last year.

I would also like to thank our loyal clients, suppliers and shareholders for their ongoing support and to take this opportunity to acknowledge my fellow Non-Executive Directors who have continued to apply their experience and insights to guide Smartgroup's strategy and direction.

2. CEO PRESENTATION

I will first talk about Smartgroup's investment proposition to shareholders and value proposition to customers. Following that I will provide some more details about our strategic priorities.

I will then recap our 2023 financial results and provide more recent updates on our novated leasing business and trading for the first quarter of 2024.

Smartgroup is one of Australia's leading employee management services businesses, with a client base that employs more than 1.5 million Australians. Our existing client base represents a significant growth opportunity. In 2023, we serviced approximately half a million of those 1.5 million people and managed just over 90,000 vehicles across novated leasing and fleet.

We have a highly resilient earnings base with strong cash flow conversion, and our offerings are even more relevant to our customers during tough economic times.

Smartgroup's investment proposition to shareholders is underpinned by our capital-light business model. This model, our strong balance sheet and high free cashflows mean that we can pay fully franked dividends to shareholders while investing for growth.

In late 2022, the Federal Government introduced its Electric Car Discount Policy to accelerate the adoption of electric vehicles. The policy makes novated leasing an attractive way for everyday Australians to transition to EVs. This transition to EVs is at an early stage and Smartgroup is well positioned to help Australians on this journey easily and efficiently.

Finally, we have articulated a clear set of strategic priorities to drive growth into the future. We will focus on our core business and customers, while investing in digital and technology to accelerate growth and scale efficiencies.

One of Smartgroup's great assets is the deep and trusted relationships we have with our clients.

Our clients operate in growing segments. 50% of our customer base comprises Not for Profit workers – these are people working for national, state and local-based aged care, disability care and other charitable organisations.

Public and private hospital workers account for around 23% of our customer numbers and government and education around 24%.

These segments have exhibited strong and consistent employment growth in the past and currently continue to increase employee numbers. There are thousands of open roles from teachers to nurses to care workers, creating medium to longer-term participation opportunities for Smartgroup.

The corporate segment represents 3% of our current employee-customer base and is an opportunity for Smartgroup given the growing uptake of novated leases in that segment.

Operating context

Before I provide an overview of our strategic priorities, I would like to share some of my observations about our operating context.

Smartgroup's products and services have never mattered more to our clients and their employees.

Cost of living pressures are impacting many Australians and Smartgroup's products and services are well-positioned to help Australians with those pressures. For example, the benefit our salary packaging offering makes to a charity worker on $65,000 a year is significant, equivalent to an after-tax pay rise of almost 20%.

Our employer clients are trying to manage their costs too, while at the same time competing for talent in the labour market. Through Smartgroup's products, they can offer an extensive range of benefits to their employees in a cost-effective manner. More and more we are seeing employers using salary packaging to attract and retain talent.

Our employer clients are also working hard to help Australia transition to a more sustainable future. Smartgroup's EV novated leasing products are helping our clients meet their carbon emission targets.

Customer and client needs continue to evolve. Customers are looking for e-mobility solutions beyond a vehicle – home chargers are one example. And customer expectations continue to rise, with many wanting a fully digital experience.

When taken together, that is a very different context from six or seven years ago, when Smartgroup grew through acquisition, and organic growth was harder to come by. We now find ourselves at a point where, with the right investments and a keen focus on our core business, the organic growth opportunities are significant.

We are coming from a position of strength. We are a leader in the salary packaging and novated leasing market, with strong client relationships. We operate in attractive market segments and our customer offerings are more relevant than ever.

It is in this context that in late 2023 we refined our priorities for the future.

Strategic priorities

As Michael mentioned, our ambition is to deliver "Smarter Benefits for a Smarter Tomorrow", and we will do that by simplifying benefits and adding value to our clients and customers while enabling businesses to attract and retain great teams as we build a more sustainable Australia.

By harnessing technology, we will deliver Smarter Experiences and Smarter Products for our customers and clients, and continually find ways to Work Smarter, to be more agile and responsive to their needs.

Having been with Smartgroup since July last year, I have identified four key priorities, which I spoke to at our 2023 results in February also.

First, Smartgroup will focus on delivering an efficient and digital salary packaging offering that makes the most of our scale. To do that, we will invest in simplifying and consolidating our core technologies and processes, including moving to a single brand - Smart. These investments will enable more rapid digitisation and scaling of operations and will improve employer and employee experience.

Second, we will extend our leadership in novated leasing, particularly in EVs, meeting the increased demand. We will do this through our market-leading proposition for EVs and as mentioned earlier, we will build on the foundations already laid to accelerate our digital sales engine.

Third, we will innovate our proposition to meet the changing needs of our customers and clients. We will do this by expanding our offering to unlock more value for our clients and customers. We'll also scale our benefits program to provide more ways for customers to make their salaries go further.

Finally, we will continue to invest in fleet capabilities and our balance sheet funding pilot for fleet vehicles. Through this pilot we are meeting a key need of our clients. We will continue to closely monitor residual values in particular, given current elevated vehicle values.

These areas of focus will position Smartgroup strongly for the opportunities ahead.

We are already working hard to deliver on these priorities and have made some early progress.

For example, in April, we refined our operating model to position the Company for further growth. New Executive appointments will bring additional capabilities to deliver a more digital customer-centric service proposition and drive scale through better leveraging technology.

Our work to simplify our product and offering under one brand, Smart, is progressing well and we expect to start launching this to our client base later this year.

To increase focus on our core business and continue to simplify, earlier this year we divested our payroll business.

We also increased capability in the contact centre to improve customer experience and uplifted digital marketing.

We have expanded our benefits offering through a new partnership with Commbank to provide more value to our customers, as well as signing a new partnership with Qantas Frequent Flyer to promote novated leasing and other benefits together to their customers and ours.

Initiatives currently underway include:

1. Digitising customer journeys and operations to drive better customer experience, while improving our efficiency through Automation, Gen AI and our use of data.
2. Consolidating and modernising our technology stack moving toward a single brand ‘Smart’ and driving scalability.
3. Innovating and simplifying our product offering to meet customer demand and reduce operational complexity.

As we progress, I will provide updates on these initiatives.

I will now provide some highlights of our performance in 2023, together with an operational update on novated leasing.

2023 highlights

2023 was a good year operationally and financially. We grew revenue by 12% to $251.6 million and NPATA increased to $63.2 million.

We grew salary packaging customer numbers by 4% in the year to 493,000, and delivered strong double-digit growth in novated lease settlements, bringing novated leases under management continue to over 61,000. Our investments in resourcing and capability in the year are designed to capture future growth.

Our solid financial performance and strong cash flows enabled the Board to declare a final fully franked dividend of 16 cents per share and a fully franked special dividend of 16 cents per share as a further return to shareholders.

Together with the 15.5 cents per share interim ordinary dividend declared in August 2023, this brings fully franked dividends to 47.5 cents per share, representing 100% of 2023 NPATA.

We have defined a clear set of strategic priorities to drive growth and deliver market-leading customer experience, innovative products, and simpler, scalable operations. These priorities will guide our decisions and investments in the months and years to come.

2023 ESG highlights

As Michael mentioned, during the year we continued to progress our Sustainability Strategy, achieving a number of milestones and exceeding our goals in some areas. We publish a comprehensive Sustainability Report every year that is available at Smartgroup's Investor Centre.

In 2023, we were included for the first time in the global Dow Jones Sustainability Indices and we were also ranked in the 87th percentile worldwide in the S&P Global ESG score. Both of these outcomes recognise our significant efforts regarding ESG initiatives and we are very proud of our results.

We maintained our 40/40/20 Gender Diversity targets in 2023 and continue to be acknowledged as an Employer of Choice for Gender Equality by WGEA. And we again received the 'Inclusive Employer' recognition from Diversity Council Australia for 2023-2024.

Importantly, we continued progress towards our target of Net Zero carbon emissions from direct operations by 2030, with a significant reduction of 35% across Scope 1, 2 and 3 emissions compared to the prior year.

In addition, during the year, we adopted our Human Rights Policy and received endorsement for our Innovate Reconciliation Action Plan from Reconciliation Australia. We are also partnering with Supply Nation to further support closing the gap for Australia’s Indigenous peoples and communities through procurement, to increase the proportion of our spend with Aboriginal and Torres Strait Islander-owned businesses.

To help our customers make more sustainable choices, we provide them with vehicle-specific environmental and safety ratings on our lease quotes, and we have developed educational content on how our customers can use their vehicles in more environmentally sustainable ways. We also offer our customers the opportunity to participate in our Carbon Offset Program.

Leasing demand

The first quarter of 2024 has seen us continue to generate a strong level of leasing demand, including for electric vehicles.

It is important to note that in the first quarter of 2023, we had not yet seen the full impact of the government EV policy on our order and settlement levels, which is reflected in the strong performance compared to the prior corresponding period.

In the first quarter, we have been able to grow both our average monthly new vehicle orders and settlements by 7% compared to the 2023 second half monthly average.

Our deliberate actions in the second half of 2023 delivered a strong yield uplift that has been sustained in the first quarter of 2024. Key drivers of the yield uplift were supply chain renegotiations, a higher proportion of new novated lease deals and an increase in EV deals.

Vehicle supply

The graph on the right-hand side shows the average timeframe, from vehicle order to delivery, for Smartgroup's top 30 motor vehicle models. There was a significant deterioration in car supply shortly after the onset of COVID, as can be seen by the lengthening delivery timeframe. Supply dynamics continued to worsen in 2021 and early 2022, and while there has been a small improvement, timeframes remain well above historical levels.

As previously disclosed, the lengthy and often changing delivery schedules have caused additional work, in the form of credit re-approvals and sales pipeline management, and leasing team resources were onboarded as a result.

We anticipate continued inefficiencies related to credit re-approvals and general open order pipeline management for as long as delivery timeframes are elevated.

Electric vehicles

EVs as a proportion of total new car lease orders grew significantly in 2023, across all client segments, in line with the intent of the government policy.

The start of 2024 has seen EV uptake continue to grow in the Government and Corporate segments while uptake in the other client segments remains steady.

The government policy is designed to make EVs more affordable for working Australians. While some new EV makes and models have become available in Australia since the introduction of the policy, there are still reasonably few vehicle options available at cheaper price points. As the range of more affordable EVs becomes available, we expect Education, Hospital and PBI uptake to lift further.

Trading update

We have made good progress in the first quarter of 2024. Leasing demand remains strong and we have grown salary packages, novated lease and fleet vehicle numbers. We have also been making good progress in retaining existing clients. For example, we have been reappointed as the provider for the Australian Taxation Office and have been reappointed to the Queensland Government novated leasing panel. We have also signed up a number of new clients.

Our average monthly revenue grew 5% compared to Half 2 driven by increased demand for novated leasing.

Average monthly operating expenses increased in line with revenue to service increased volume, generate further demand and acquire new clients.

Importantly, we continue to focus on cost management while ensuring that our resourcing is appropriate for demand levels. We are also investing in technology to improve digital customer experience, reduce complexity and increase scalability, in line with our strategic priorities.

As a result, our average monthly EBITDA increased 3% compared to Half 2 2023.

NPATA per month was in line with Half 2 2023 with higher EBITDA offset by increased Depreciation and Amortisation as we invest to deliver our strategic priorities.

Capex for the year is expected to be around $11 to 13 million, to deliver our strategic priorities as well as the South Australia Government contract transition. We expect capex levels to remain elevated for the next few years while we deliver our strategic priorities before returning to a normalised level.

We are committed to delivering a smooth transition of the South Australia contract and anticipate associated operating expenses for the first half of 2024 to be $3 million, in line with expectations.

As disclosed earlier this year, we do not expect an earnings uplift from the South Australia government contract this year. This win reinforces our position as a leading provider of salary packaging and novated leasing to both State and Federal governments.

Smartgroup is well positioned to take advantage of continued leasing demand including for EVs, and any improvements in car supply, and we are progressing our strategic priorities to position the Company to deliver productivity improvements at scale.

In closing, I would like to thank our Chair, Directors, the executive team and all Smartgroup team members for your hard work and commitment in 2023. And to our clients, customers and, of course, our shareholders, we would like to express our gratitude for your ongoing support.

In particular, on behalf of the entire Smartgroup team, I want to thank our Chair, Michael for his leadership, commitment and expertise which have been fundamental in building our Company from its modest start. The planned transition of Chair to John will ensure a continuation of Smartgroup's growth trajectory.

Annual General Meeting 2024

Acknowledgement of Country

I would like to acknowledge the Traditional Owners of the land on which I am speaking with you today, the Gadigal People of the Eora Nation.

I would also like to acknowledge the Traditional Custodians of the various lands on which you all join this call from today. I recognise their continuing connection to land, waters and culture and pay my respects to their Elders past and present.

Artist Statement

Co-existing with Mother Earth from the first days of understanding of kinship and the importance of caring for Country. Preparing for the future and prospering by putting country first which started through gatherings of our ancient ancestors which continues through time to this day, Country has always been an important part of First Peoples of Australia cultures.

Country has sustained us, revitalised, and rejuvenated our mind, body, and spirit for many millennia. And by putting Country first it will continue to do so. It has been our most important commandment handed to us down throughout the generations through loving careful instructions. A nourishing thought for the ages of our continuous culture on this ancient landscape.

Narrative written by Jade Kennedy of the Tatti-Tatti/WadiWadi/Muddi-Muddi - West Kulin Nation and Wajak/Kaardjin - Noongar Nation.

Kengatha-nak-thangi Grow Mother Country

Chair’s Address

Michael Carapiet

Smartgroup Board of Directors

Michael Carapiet
Chair and Non-Executive Director

Anne McDonald
Non-Executive Director

Carolyn Colley
Non-Executive Director

Deborah Homewood
Non-Executive Director

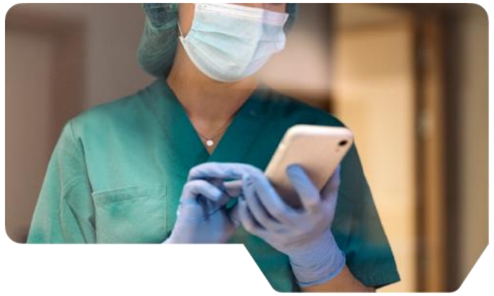
Ian Watt AC
Non-Executive Director

John Prendiville
Deputy Chair and Non-Executive Director

Mark Rigotti
Non-Executive Director

Scott Wharton
Managing Director and CEO

2023 Highlights




Solid financial performance	**Strong customer growth**	**ESG Initiatives**	**New CEO & Strategic Priorities**

Total Shareholder Return

~$160m SIQ Market Cap | 2 July 2014 → **~$1,275m** SIQ Market Cap | 30 April 2024

- >850% Total Shareholder returns since IPO, including franking value
- Since listing in 2014, Smartgroup has paid ~$510m in fully franked dividends (~$218m franking value)
- Current market cap is ~8x IPO market cap
- Current share price is ~6x IPO issue price

Source: Factset, IRESS, Refinitiv, S&P Capital IQ, ASX at 30 April 2024 (2 July 2014 $1.60 and 30 April 2024 $9.59)

Capital allocation – maximising shareholder value

Allocate capital for medium and long-term growth

Deliver sustainable distributions to shareholders

Maintain flexible balance sheet

Operating cash flow

- Investments
  - Digital and technology simplification
  - Customer experience improvements
  - Potential acquisitions or partnerships
- Return to shareholders
  - Dividend policy 60-70% of NPATA
  - Other returns to shareholders[1]

- Focus on core business
- Invest in technology landscape to accelerate digitisation and scale; ~$11-13m expected capex spend in 2024
- Since IPO in mid-2014 Smartgroup has paid ~$510m in fully franked dividends to shareholders

1. May include special dividends or share buy-backs.

MD and CEO’s Address

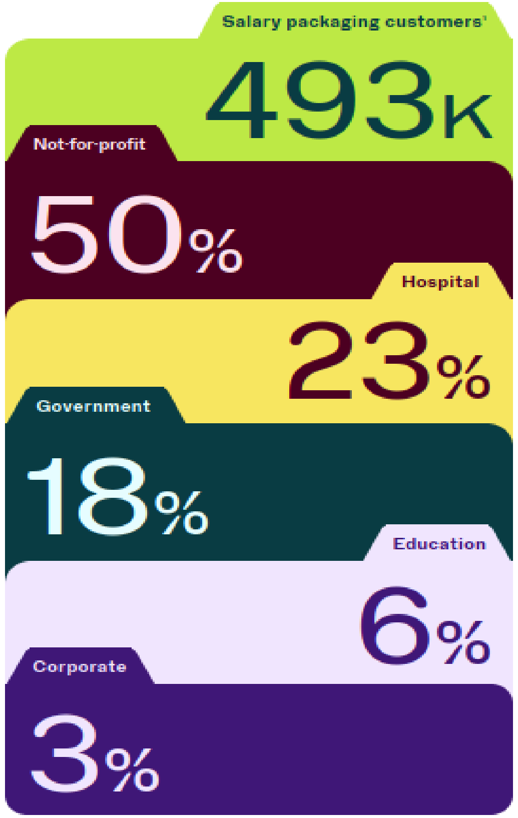
Scott Wharton

Investment proposition

Established player and market leader with scale	Resilient earnings and high cash flow conversion	Capital light business model and strong balance sheet	Favourable operating environment	Clear strategic priorities to deliver future growth
• Serving 493,000 salary packaging customers and managed over 61,000 novated leases in 2023 • 1.5m+ potential customers in existing client base • Long-term client contracts in attractive and growing segments	• Salary packaging recurring revenue model • Attractive product offerings • Strong operating cashflow conversion at 103% of NPATA in 2023[1]	• Low net debt at 0.3x EBITDA in 2023 • Dividend policy of 60-70% of NPATA • 2023 ordinary dividend 31.5 cps • Special dividend 16.0 cps[2]	• Strong EV demand driven by Federal Government incentives • Vehicle delivery timeframes stabilising	• Focus on core business performance, simplification and divest non-core offerings • Invest in core technology to strengthen customer experience, accelerate digitisation and scale efficiencies

1. NPATA is net profit after tax, adjusted to exclude the non-cash tax-effected amortisation of intangibles and significant non-operating items.
2. Special dividend is an interim dividend in respect of the 2024 financial year.

Smartgroup operates in attractive segments



Our employer clients and employee customers:

- **Not-for-Profit** – charities, disability and aged care providers
- **Hospital** – public and private
- **Government** – local, state and federal
- **Education** – schools, universities, state departments and dioceses
- **Corporate** – small, medium and large

1. Includes customers that maximise Fringe Benefits Tax caps before December each year,then restart packaging in April at the start of the next FBT year.

Our context

Our services enable customers to significantly increase take-home pay

Cost of living pressures

- Increasing financial stress
- Tight labour market

Sustainability

- Electric Car Discount Policy
- Corporate ESG focus

Evolving needs

- Desire for e-mobility
- Digital experience

Salary packaging comparison table[1]

	Without salary packaging	With salary packaging
Annual salary before tax	$65,000	$65,000
Pre-tax expenses	-	$18,550
Taxable income	$65,000	$46,450
PAYG tax	$11,592	$5,563
Medicare levy	$1,300	$929
Annual salary after tax	$52,108	$39,958
Post-tax expenses	$18,550	-
Net disposable income	**$33,558**	**$39,958**
Potential Annual saving		**$6,400**
Potential Fortnightly Saving		$246
Equivalent Salary		$74,771
% increase to take home pay		19.07%

1. Calculations assume a charity worker on $65,000 packaging $15,900 of rent payments and $2,650 of meal costs per FBT year, using 2023/24 individual tax rates. The calculations do not take into account any applicable: low income tax offsets (LITO), low and middle income tax offsets (LITMO), low income Medicare levy reduction or any Smartgroup fees that may apply.

Our strategic priorities and focus

Our ambition

Smarter Benefits for a Smarter Tomorrow
Simplifying benefits and adding value to our clients and customers, while enabling businesses to attract and retain great teams as we build a more sustainable Australia.

Our focus

Smarter Experiences	Smarter Products	Working Smarter
Market-leading customer experience, helping customers and employers work with us how and when they want	Simple and innovative products and services to help customers do more and save more	Simple and scalable operations, with improved capability that puts the customer first

Our strategic priorities

Customer-focussed, digital and efficient salary packaging offering	• Digitise operations and enable self-service to delight clients and customers • Simplify and consolidate the core technologies and drive scale benefits including moving to a single brand
Leadership in Novated Leasing via EVs	• Maintain a market-leading proposition for EVs through sustained digital investment • Accelerate our digital sales engine
Adapt to address evolving customer needs	• Expand our novated leasing offering to meet a broader set of needs • Scale our benefits program
Targeted investment in fleet capabilities	• Continue to support client demand for tailored products • Increase capability via balance sheet-funded pilot

2023 Recap

CY2023 Highlights

Revenue
$251.6m
+12%

NPATA[1]
$63.2m
+3%

Customers
+17,000
new salary packages, both from existing clients and from client wins

Leases
+3,400
new novated leases under management

NL volume
26%
Growth in leasing settlements[2] v pcp

NL yield
9%
Increase in yield v pcp

Ordinary dividends
16 cps
final ordinary fully franked

Special dividends
16 cps
special dividend fully franked[3]

Priorities
Strategic priorities determined

Progress
Progress to be reported throughout 2024+

1. NPATA is net profit after tax, adjusted to exclude the non-cash tax-effected amortisation of intangibles and significant non-operating items.
2. Comparison to pcp excludes a large client that transitioned out in October 2022. If included, CY2023 settlements are +20% versus pcp.
3. Special dividend is an interim dividend in respect of the 2024 financial year.

2023 ESG Highlights

S&P Global

Ranked 87th percentile worldwide in S&P Global CSA

(up from 81st percentile in 2022)

Dow Jones

Included for the first time in the global Dow Jones Sustainability Indices

WGEA

Employer of Choice for Gender Equality

Inclusive

'Inclusive Employer' recognition by Diversity Council Australia for 2023-24

Emissions

Total carbon emissions across Scope 1, 2 and 3 decreased by 35% in CY23 v CY22

Strong leasing demand and yield improvement

	H2 2023 v pcp	Q1 2024 v pcp	Avg Q1 2024 v H2 2023
New lease vehicle orders	+28%	+30%	+7%
Settlement volume	+31%	+29%	+7%
Leasing yield	+15%	+13%	-1%

Strong customer demand

- Customer enquiry levels remain strong
- Electric Car Discount Policy[1] contributed to significant order uplift from mid-2023

Vehicle delivery timeframes are stabilising

- 31 March 2024 total pipeline future revenue of c.$16m (Dec 2023: c.$18m) remains above pre-COVID levels of c.$4m

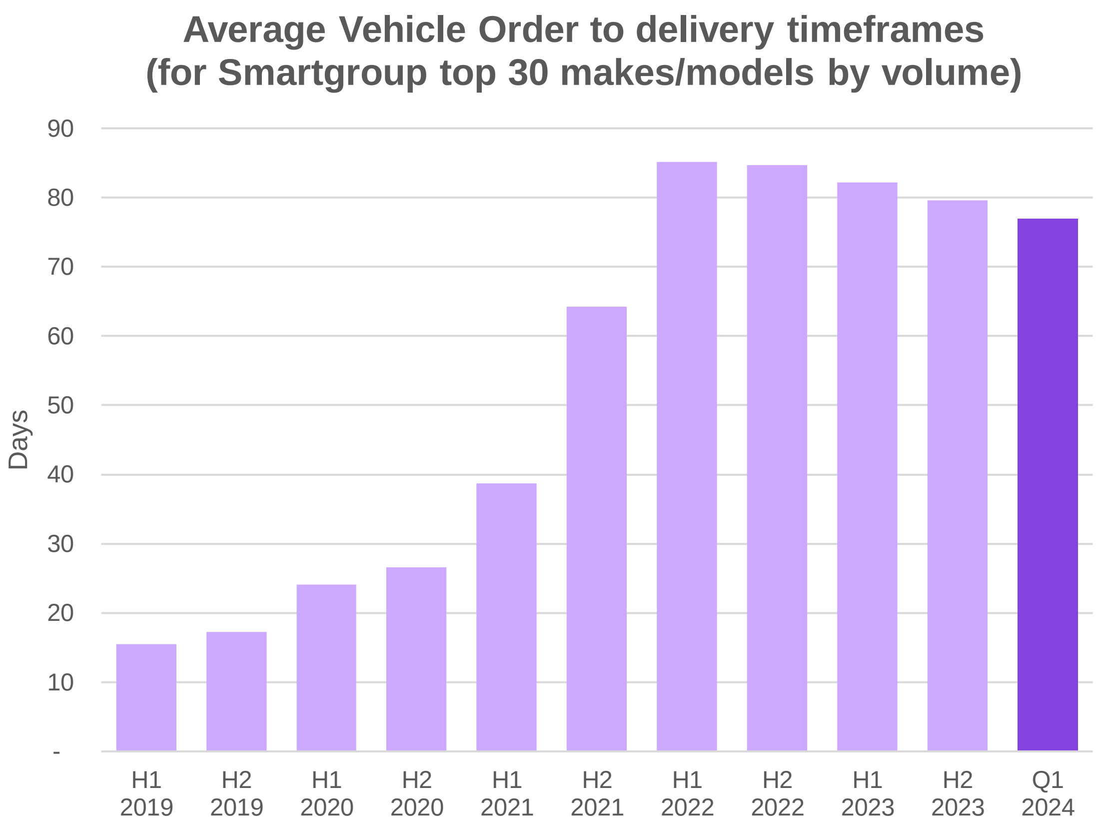
Yield

- Supplier renegotiations, higher proportion of new novated leases[2] and higher proportion of EV leases lifted yield in H2 2023
- Q1 2024 yield broadly in line with H2 2023; new novated leases[2] were 80% of total novated volume for Q1 2024 (vs 81% H2 2023)

1. Policy abolished Fringe Benefits Tax on eligible electric vehicles provided through a novated lease.
2. New novated leases exclude refinanced deals.

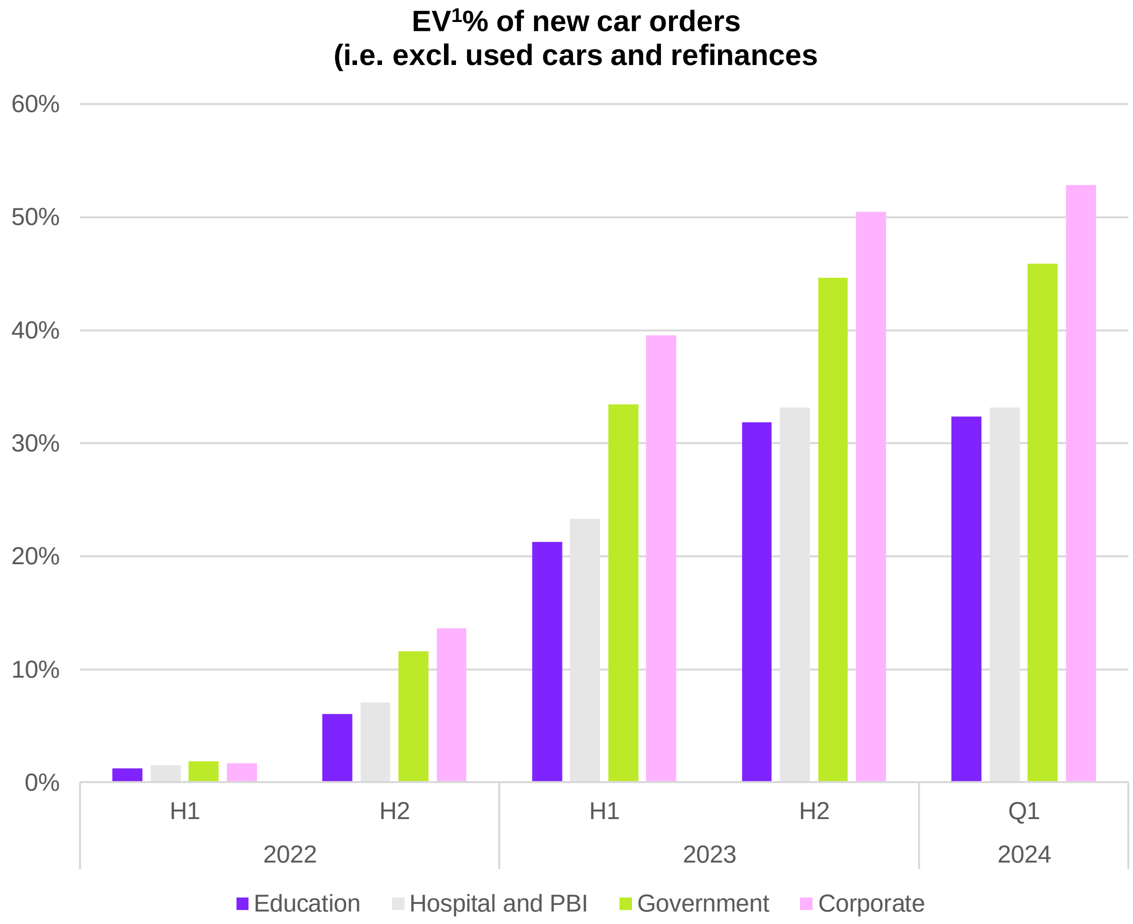
Vehicle delivery timeframes stabilising but remain elevated

- Steady car supply with vehicle delivery timeframes having seen some improvement, though with significant variability by make and model
- Good availability for existing EV models
- Delays and vehicle price changes continue to result in credit re-approval rework for many deals
- Geopolitical impact remains uncertain



New EV order growth across all client segments

- EV proportion of new car lease orders continues to grow in Government and Corporate segments
- EV availability is generally good, though varies by make/model
- Education, Hospital and PBI (Not for profits) uptake expected to lift further as more EVs at cheaper price points become available



1. For EVs below the luxury car tax threshold of $89,332. Legislation also applies to plug-in hybrid vehicles until 31 March 2025.

Trading Update

Trading Update and Outlook

Operational performance

- Leasing demand remains strong
- Growth in salary packages, novated leases and fleet vehicles under management

Q1 2024 financial performance

- Q1 2024 average monthly revenue grew 5% compared to H2 2023; operating expenses[1] percentage growth in line with revenue growth, to service higher volumes, generate further demand and acquire new clients
- Q1 2024 average monthly EBITDA was 3% higher compared to H2 2023
- Q1 2024 average monthly NPATA[2] in line with H2 2023, with higher EBITDA offset by increased Depreciation and Amortisation
- $11-13m expected technology and digital capex spend in 2024, as flagged in the 2023 full-year results

Preparation for South Australia Government transition

- Executing well and progressing to plan
- Contract-specific H1 2024 operating expenses anticipated to be c.$3m, in line with expectations
- No material profit contribution in 2024, as flagged in the 2023 full-year results

1. Operating expenses exclude product costs (cost of sales).
2. NPATA is net profit after tax, adjusted to exclude the non-cash tax-effected amortisation of intangibles and significant non-operating items.

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