APPENDIX 4D
HALF-YEAR REPORT
FLEETPARTNERS GROUP LIMITED
ACN : 131 557 901

HALF-YEAR ENDED 31 MARCH 2024

1 Details of the reporting period and the prior period

Current period	1 October 2023 - 31 March 2024
Prior period	1 October 2022 - 31 March 2023

2 Results for announcement to the market

	Half-Year Ended 31 Mar 2024	Half-Year Ended 31 Mar 2023	Change on Prior Period	Change on Prior Period
Financial Performance	**$'000**	**$'000**	**$'000**	**%**
Revenue from continuing operations	367,502	326,938	40,564	12.4%
Profit for the half-year after tax	36,459	39,393	(2,934)	(7.4%)
Net profit attributable to members	36,459	39,393	(2,934)	(7.4%)
NPATA for the period*	41,771	43,388	(1,617)	(3.7%)
Earnings per share	**Cents**	**Cents**	**Cents**	**%**
Statutory earnings per share	14.91	14.53	0.38	2.6%
Diluted statutory earnings per share	14.59	14.16	0.43	3.0%
NPATA earnings per share*	17.09	16.01	1.08	6.7%
Number of ordinary shares used in calculating	**Units**	**Units**	**Units**	**%**
Statutory earnings per share	244,459,029	271,049,345	(26,590,316)	(9.8%)
Diluted statutory earnings per share	249,821,935	278,121,450	(28,299,515)	(10.2%)
NPATA earnings per share	244,459,029	271,049,345	(26,590,316)	(9.8%)

** NPATA for the period is the statutory profit after tax, adjusted for the post tax effect of material one-off items that do not reflect the ongoing operations of the Group, the amortisation of intangible assets and the fair value gain or loss on the ineffective portion of the interest rate hedgess. The NPATA for 31 March 2023 has been restated to remove the profit and loss impact of the ineffective portion of the hedge loss. The hedge loss/gain results in volatility of earnings which is not driven by business performance, is not controllable by the Group and is non-cash in nature (being a fair value adjustment of a derivative), accordingly it has been excluded from the calculation of NPATA. The Group previously reported a 2023 NPATA of $42,578,000 and an NPATA earnings per share of 15.71 cents per share.*

Commentary
Refer to the Interim report accompanying this report for a more detailed commentary.

APPENDIX 4D
HALF-YEAR REPORT
FLEETPARTNERS GROUP LIMITED
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3 Net tangible assets per security

	Half-Year Ended 31 Mar 2024 Cents	Half-Year Ended 31 Mar 2023 Cents (Restated)
Net tangible assets per ordinary security	61.64	61.30

Net tangible assets has been restated to include deferred tax liabilities in the calculation.

4 Auditor's report

The interim report has been independently reviewed and an unqualified review report has been issued.

5 Attachments

The FleetPartners Group Limited Interim report for the half-year ended 31 March 2024 is attached.

6 Signed

Gail Pemberton
Chair
Sydney

Damien Berrell
Chief Executive Officer and Managing Director
Sydney

FleetPartners Group Limited

ACN 131 557 901

Interim report
for the half-year ended 31 March 2024

FleetPartners Group Limited
ACN 131 557 901
Interim report for the half-year ended 31 March 2024

CONTENTS

The Directors present their report on the consolidated entity (referred to hereafter as the Group or FleetPartners) consisting of FleetPartners Group Limited (the Company) and the entities it controlled at the end of or for the half-year ended 31 March 2024.

1. Directors

The following persons were Directors of the Company during the whole of the half-year period and up to the date of this report, unless otherwise stated:

Gail Pemberton	Chair, Independent Non-Executive Director
Russell Shields	Independent Non-Executive Director
Fiona Trafford-Walker	Independent Non-Executive Director
Cathy Yuncken	Independent Non-Executive Director
Mark Blackburn	Independent Non-Executive Director (Appointed 15 November 2023)
Robert McDonald	Independent Non-Executive Director (Appointed 15 November 2023)
Trevor Allen	Independent Non-Executive Director (Resigned 25 January 2024)
Damien Berrell	Chief Executive Officer and Managing Director

2. Review of operations

Principal activities

The Group is one of Australia's leading providers of fleet management services and operates in Australia and New Zealand.

The Group's products include a comprehensive range of motor vehicle fleet services, such as vehicle acquisition, leasing, in-life fleet management and remarketing.

Group financial performance

The Group measures financial performance adopting the following non-IFRS measures:

- Net Operating Income (NOI). This represents earnings before tax after direct costs such as interest expense on debt allocated to fleet assets and depreciation and amortisation of fleet assets. NOI includes end of lease income but excludes the gains and losses associated with the movement in the fair value of ineffective interest rate hedges (hereon referred to as "hedge gains/losses"). Hedge ineffectiveness is a result of the Group's requirements to hedge 100% of the lease book that is financed through the funding structures. The 100% hedging results in hedge ineffectiveness where the Group provides funding and no external borrowing is used because the notional amount of hedging instruments exceeds the amount of hedged items.
- Earnings before interest, taxes, depreciation and amortisation (EBITDA). This represents NOI before taxes after indirect costs such as wages, occupancy and technology costs. It also includes impairment expenses. EBITDA excludes depreciation and amortisation of non-fleet assets, share based payments and operating finance costs (interest expense on debt other than debt allocated to fleet assets).
- Net profit after taxes excluding amortisation (NPATA). This represents the post-tax earnings of the Group after excluding certain items. The items excluded are costs which are non-recurring due to the nature of the expense, amortisation of intangible assets and hedge gains/losses.

The table below reconciles the non-IFRS measures with the statutory profit for the first half reported in the Group Statement of Profit or Loss and Other Comprehensive Income.

($m)	**31-Mar-24**	**31-Mar-23**
Net operating income*	112.1	110.3
Bad and doubtful debts	(1.8)	(0.5)
Operating expenses	(44.1)	(41.5)
EBITDA*	**66.2**	**68.3**
Depreciation	(1.5)	(1.7)
Share based payments	(1.9)	(1.6)
Operating finance costs	(3.4)	(3.4)
Tax*	(17.6)	(18.2)
NPATA*	**41.8**	**43.4**
Reconciling items to statutory profits		
Amortisation of acquired intangibles (post tax)	(1.1)	(1.1)
Amortisation and impairment of software (post tax)	(2.1)	(1.9)
Hedge loss (post tax)	(1.4)	(0.8)
Non-recurring items (post tax)	(0.7)	(0.2)
Statutory profits	**36.5**	**39.4**

2. Review of operations (continued)

* For the half-year ended 31 March 2024, the Group amended the calculation of NPATA by excluding any hedge gains/losses. The hedge gains/losses result in volatility of earnings which is not driven by business performance, is not controllable by the Group and is non-cash in nature (being a fair value adjustment of a derivative), accordingly hedge gains/losses have been excluded from the calculation of NPATA. The Group restated the comparatives for 31 March 2023: Net operating income was previously reported as $109.1m; EBITDA was previously reported as $67.1m; Tax was previously reported as ($17.8m); and NPATA was previously reported as $42.6m.

Net operating income

Net operating income (NOI) increased by $1.8 million compared to the half-year ended 31 March 2023. The NOI increase was largely as a result of:

- the increase in new business writings which has resulted in a higher lease book that will generate income over the life of the leases; partially offset by
- lower management fees, as the supply of new vehicles improved, allowing replacement of vehicles under extended contracts; and
- lower funding commissions, as a higher proportion of new business writings was funded using the Group’s warehouse funding structure, rather than through principal and agency funding arrangements. Funding leases through the warehouse funding structure impacted revenue by spreading the revenue over the life of the lease as net interest margin, rather than receiving the revenue at the start of the lease as funding commissions.

Operating expenses

Operating expenses increased by $2.6 million compared to the half-year ended 31 March 2023. The increase was mostly driven by higher wage costs.

Bad and doubtful debts

Bad and doubtful debts expenditure increased by $1.3 million compared to the half-year ended 31 March 2023. The increase in bad and doubtful debts largely relates to provisions raised on the novated lease portfolio, which has grown significantly over the last twelve months. Novated leases are accounted for as finance leases and provisions are calculated using the total lease value rather than just the payments that are in arrears. For the novated lease portfolio actual write-offs (post recoveries) for the period end 31 March 2024 has been $0.0 million (31 March 2023: $0.1 million).

NPATA

NPATA decreased by $1.6 million compared to the half-year ended 31 March 2023 largely as a result of the above-mentioned drivers.

Non-recurring items

Non-recurring items recognised for the half-year ended 31 March 2024 included legal costs the company has incurred in relation to its defence against the shareholder class action and costs associated with redundancy payments. Non-recurring items for the half-year ended 31 March 2023 primarily relate to employee redundancy costs.

	As at		
Total Group assets and liabilities ($m)	**31-Mar-24**	**30-Sep-23**	**% Change**
Inventory	**13.3**	18.0	(26%)
Finance leases	**476.4**	392.2	21%
Operating leases	**1,057.6**	996.5	6%
	1,547.3	1,406.7	10%
Other assets	**814.8**	840.5	(3%)
Total assets	**2,362.1**	2,247.2	5%
Borrowings	**1,496.5**	1,379.8	8%
Other liabilities	**240.8**	231.7	4%
Total liabilities	**1,737.3**	1,611.5	8%

2. Review of operations (continued)

Inventory

Inventory was $13.3 million as at 31 March 2024 which is a decrease of $4.7 million compared to 30 September 2023. The combination of continued strong demand for second-hand motor vehicles and ongoing supply shortages has allowed the Group to maintain lower levels of inventory.

Finance leases

Finance leases were $476.4 million as at 31 March 2024 which is an increase of $84.2 million compared to 30 September 2023. The increase was driven by an increase in the Novated segment's new business writings. The increase in new business writings is largely driven by the increase in demand and supply of electric vehicles which, where eligible, are exempt from Fringe Benefits Tax.

Operating leases

Operating leases were $1,057.6 million as at 31 March 2024 which is an increase of $61.1 million compared to 30 September 2023. The increase was driven by a higher proportion of warehouse funded new business writings in the Australia Commercial and New Zealand Commercial segments.

Borrowings and funding

As of 31 March 2024, borrowings included an amount of $62.5 million drawn against the holding company debt facility of $149.0 million. The Group held a net cash position of $10.8 million after deducting cash and cash equivalents from the drawn holding company debt as of 31 March 2024. This represents an $11.8 million decrease to the net cash balance of $22.6 million at 30 September 2023.

The remaining borrowings of $1,434.0 million relate to funding directly associated with finance and operating leases that the Group provides to its customers, along with the inventory of vehicles in the process of being sold. This funding is provided by a combination of warehouse and asset backed securitisation funding structures.

Warehouse facilities are so called because they can be drawn and repaid on an ongoing basis up to an agreed limit subject to conditions. A group of assets funded via a warehouse facility can be pooled together and refinanced via the creation of special purpose asset backed securitisation vehicles (backed by the assets initially financed via the warehouse) which issue debt securities to wholesale investors such as domestic and international banks and institutional funds.

The Group aims to optimise its funding facilities with committed funding facilities to cater for expected business growth. At 31 March 2024, the Group had undrawn warehouse debt facilities of $113.2 million.

Cash and cash equivalents

The Group saw cash and cash equivalents, including restricted cash, decrease by $1.0 million during the half-year ended 31 March 2024.

As at 31 March 2024, the Group held $73.3 million of unrestricted cash and $172.8 million of restricted cash.

First half segment performance

Australia Commercial

($m)	**31-Mar-24**	**31-Mar-23**
Net operating income*	70.1	74.5
Bad and doubtful debts	(1.7)	(0.7)
Operating expenses	(30.1)	(28.7)

* NOI for the half-year ended 31 March 2023 has been restated to exclude hedge gains/losses. NOI was previously reported as $73.8 million.

The Australia Commercial segment specialises in fleet leasing and management and operates under the trading names of FleetPlus and FleetPartners. The Group intends to retire the FleetPlus brand as part of the Accelerate program.

2. Review of operations (continued)

NOI within the Australia Commercial segment decreased by $4.4 million compared to the half-year ended 31 March 2023. The NOI decrease was a result of:

- Lower end-of-lease income as a result of lower average income per sold motor vehicle which was partially offset by an increase in the number of vehicles sold; and
- The timing of profitability on new leases when compared to the leases that were being replaced, and differences in pricing of a new lease when compared to a lease that has been extended.

Bad and doubtful debts had a $1.0 million negative impact when compared to the half-year ended 31 March 2023. This was largely as a result of incremental provisions held on the novated lease portfolio reported as finance leases (recorded in the Australia Commercial segment) which have grown significantly over the last twelve months. These provisions are calculated using the total lease value rather than just the payments that are in arrears.

Operating expenses increased by $1.4 million largely as a result of higher employee costs.

Novated

($m)	**31-Mar-24**	**31-Mar-23**
Net operating income*	13.5	8.7
Bad and doubtful debts	-	(0.1)
Operating expenses	(6.3)	(5.6)

* NOI for the half-year ended 31 March 2023 has been restated to exclude hedge gains/losses. NOI was previously reported as $8.4 million.

The Novated segment specialises in novated leasing and salary packaging. It operates in Australia under the trading names of FleetPlus and FleetPartners. The Group intends to retire the FleetPlus brand as part of the Accelerate program.

NOI increased by $4.8 million compared to the half-year ended 31 March 2023 as a result of the high growth in new business writings. This growth was largely driven by the increase in demand for and supply of electric vehicles where eligible electric cars are exempt from Fringe Benefits Tax. The Fringe Benefits Tax exemption will be reviewed by the Federal Government by mid-2027. The Group funded a higher proportion of new business writings using its warehouse funding structure, where revenue is spread over the life of the lease as net interest margin. As the lease balances grow due to new business writings, NOI will also grow.

The Novated segment recognised an improvement in actual bad debt write offs of $0.1 million when compared to the half-year ended 31 March 2023.

Operating expenses increased by $0.7 million largely as a result of higher employee costs.

New Zealand Commercial

($m)	**31-Mar-24**	**31-Mar-23**
Net operating income*	28.4	27.1
Bad and doubtful debts	(0.1)	0.3
Operating expenses	(7.8)	(7.3)

* NOI for the half-year ended 31 March 2023 has been restated to exclude hedge gains/losses. NOI was previously reported as $26.9 million.

The New Zealand Commercial segment specialises in fleet leasing and management and operates under the trading name of FleetPartners.

NOI within the New Zealand Commercial segment increased by $1.3 million compared to the half-year ended 31 March 2023. The NOI increase was a result of:

- Higher end-of-lease income as a result of higher average income per sold motor vehicle and a higher number of vehicles sold; and
- The timing of profitability on new leases when compared to the leases that were being replaced, and differences in pricing of a new lease when compared to a lease that has been extended.

2. Review of operations (continued)

Bad and doubtful debts had a $0.4 million negative impact when compared to the half-year ended 31 March 2023. This is largely as a result of the prior comparative period including a release in bad and doubtful provisions of $0.3 million.

Operating expenses increased by $0.5 million largely as a result of higher employee costs.

3. Dividends

The Directors have not declared an interim dividend for the half-year ended 31 March 2024. No dividends were declared or paid for the half-year ended 31 March 2023.

In line with the Group's on-market share buy-back program announced in May 2021, the Group will purchase up to an additional $27.0 million of shares in the second half of financial year 2024. The shares will subsequently be cancelled.

4. Going concern

These interim financial statements have been prepared on the basis that FleetPartners is a going concern.

At 31 March 2024, the Group held unrestricted cash of $73.3 million and undrawn capacity under its holding company debt facilities of $86.5 million.

The Group notes that a substantial proportion of the income it generates is annuity-like in nature and therefore not susceptible to sudden, short-to-medium term downturns in the markets in which it operates.

Taken together, the combination of the current levels of liquidity and the annuity income streams of the Group provides significant levels of support over an extended period for the day-to-day operations of the Group.

The Directors are therefore of the opinion that the preparation of the financial statements as a going concern is appropriate.

5. Contingent liability

On 7 November 2023, the Group received a statement of claim for a shareholder class action filed in the Supreme Court of Victoria. The claim was expressed to be made on behalf of shareholders who acquired an interest in shares in the Group, then named Eclipx Group Limited, in the period 8 November 2017 to 20 March 2019 inclusive. The claim alleges during this period, the Group made statements regarding its financial performance in the 2017 and 2018 financial years, and provided guidance to its future earnings for the 2018 and 2019 financial years, and subsequently withdrew, revised or restated this information, and that this involved misleading representations and non-compliance with continuous disclosure obligations. The amount claimed is unspecified however remedies sought include compensation for loss and damage, interest and costs. The Group is defending the claim. The financial effect of the claim cannot be estimated as at the date of this financial report.

6. Subsequent events

No matter or circumstance has occurred since the end of the reporting period that may materially affect the Group's operations, the results of those operations or the Group's state of affairs in future financial years.

7. Lead auditor's independence declaration

A copy of the lead auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 9 and forms part of the Directors' Report for the half-year ended 31 March 2024.

8. Rounding of amounts

The company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the Directors' Report and the Financial Report. Amounts, unless otherwise stated, have been rounded off to the nearest whole number of thousands of dollars.

This Directors' Report is signed on behalf of the Directors in accordance with the resolution of Directors made pursuant to section 298(2) of the *Corporations Act 2001*.

Gail Pemberton AO
Chair

Sydney
11 May 2024

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of FleetPartners Group Limited

I declare that, to the best of my knowledge and belief, in relation to the review of FleetPartners Group Limited for the half-year ended 31 March 2024 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and

ii. no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG

Peter Zabaks
Partner

Sydney
11 May 2024

FleetPartners Group Limited
Statement of Profit or Loss and Other Comprehensive Income
For the half-year ended 31 March 2024

	Notes	Consolidated 31 Mar 2024 $'000	Consolidated 31 Mar 2023 $'000
Revenue from continuing operations	2.2	**367,502**	326,938
Cost of revenue	2.2	**(217,622)**	(190,822)
Lease finance costs	2.3	**(39,839)**	(26,989)
Net operating income before operating expenses and impairment charges		**110,041**	109,127
Impairment charges on loan and receivables		**(1,806)**	(502)
Software impairment		**-**	(177)
Total impairment		**(1,806)**	(679)
Employee benefit expense		**(35,614)**	(33,032)
Depreciation and amortisation expense	2.3	**(6,073)**	(5,745)
Operating overheads	2.3	**(11,481)**	(10,373)
Total overheads		**(53,168)**	(49,150)
Operating finance costs	2.3	**(3,370)**	(3,423)
Profit before income tax from continuing operations		**51,697**	55,875
Income tax expense		**(15,238)**	(16,482)
Profit for the half-year		**36,459**	39,393
Other comprehensive income/(expense)			
Items that may be reclassified to profit or loss			
Changes in the fair value of cash flow hedges		**(12,862)**	(9,268)
Exchange differences on translation of foreign operations		**(3,258)**	12,958
Other comprehensive income for the half-year, net of tax		**(16,120)**	3,690
Total comprehensive income for the half-year		**20,339**	43,083
Profit attributable to:			
Owners of FleetPartners Group Limited		**36,459**	39,393
Total comprehensive income for the half-year attributable to:			
Owners of FleetPartners Group Limited		**20,339**	43,083
		Cents	**Cents**
Earnings per share from continuing operations			
Basic earnings per share	2.4	**14.9**	14.5
Diluted earnings per share	2.4	**14.6**	14.1

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

FleetPartners Group Limited
Statement of Financial Position
As at 31 March 2024

	Notes	Consolidated 31 Mar 2024 $'000	30 Sep 2023 $'000
ASSETS			
Cash and cash equivalents		**73,291**	87,629
Restricted cash and cash equivalents		**172,806**	159,463
Trade receivables and other assets	3.3	**72,835**	80,019
Inventory		**13,256**	17,972
Finance leases	3.3	**476,426**	392,224
Derivative financial instruments	4.2	**13,271**	34,044
Operating leases reported as property, plant and equipment	3.1	**1,057,629**	996,519
Property, plant and equipment	3.1	**3,055**	1,898
Right-of-use assets		**5,047**	3,956
Intangibles	3.2	**474,502**	473,501
Total assets		**2,362,118**	2,247,225
LIABILITIES			
Trade and other liabilities		**146,277**	144,030
Provisions		**7,468**	8,408
Borrowings	4.1	**1,496,492**	1,379,810
Lease liabilities		**6,831**	4,527
Deferred tax liabilities		**80,269**	74,766
Total liabilities		**1,737,337**	1,611,541
Net assets		**624,781**	635,684
EQUITY			
Contributed equity		**473,668**	503,668
Reserves		**177,618**	194,980
Retained earnings		**(26,505)**	(62,964)
Total equity		**624,781**	635,684

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

FleetPartners Group Limited
Statement of Changes in Equity
For the half-year ended 31 March 2024

Consolidated	Contributed equity $'000	Reserves $'000	Retained earnings $'000	Total equity $'000
	Attributable to owners of FleetPartners Group Limited			
Balance as at 1 October 2022	578,072	186,551	(143,985)	**620,638**
Profit for the half-year	-	-	39,393	**39,393**
Cash flow hedges	-	(9,268)	-	**(9,268)**
Foreign currency translation	-	12,958	-	**12,958**
Total comprehensive income for the half-year	-	3,690	39,393	**43,083**
Transactions with owners in their capacity as owners:				
Exercise of options	1,924	-	-	**1,924**
Acquisition of treasury shares	-	(1,924)	-	**(1,924)**
Movement in treasury reserve	-	577	-	**577**
Employee share schemes	-	1,605	-	**1,605**
On market share buy back	-	(32,366)	-	**(32,366)**
Cancellation of treasury shares	(32,773)	32,773	-	-
Balance at 31 March 2023	**547,223**	**190,906**	**(104,592)**	**633,537**
Balance at 1 October 2023	503,668	194,980	(62,964)	**635,684**
Profit for the half-year	-	-	36,459	**36,459**
Cash flow hedges	-	(12,862)	-	**(12,862)**
Foreign currency translation	-	(3,258)	-	**(3,258)**
Total comprehensive income for the half-year	-	(16,120)	36,459	**20,339**
Transactions with owners in their capacity as owners:				
Acquisition of treasury shares	-	(4,555)	-	**(4,555)**
Movement in treasury reserve	-	1,367	-	**1,367**
Employee share schemes	-	1,946	-	**1,946**
On market share buy back	-	(30,000)	-	**(30,000)**
Cancellation of treasury shares	(30,000)	30,000	-	-
Balance at 31 March 2024	**473,668**	**177,618**	**(26,505)**	**624,781**

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

FleetPartners Group Limited
Statement of Cash Flows
For the half-year ended 31 March 2024

	Consolidated	
	31 Mar 2024 $'000	**31 Mar 2023* $'000**
Cash flows from operations		
Receipts from customers	**446,212**	392,273
Payments to suppliers and employees	**(221,908)**	(194,347)
Cash generated from operations before interest, tax and investment in lease portfolio	**224,304**	197,926
Income tax paid	**(6,251)**	(8,042)
Interest received	**5,482**	3,852
Interest paid	**(40,201)**	(28,319)
Cash generated from operations before investment in lease portfolio	**183,334**	165,417
Purchase of items reported under operating leases reported as property, plant and equipment	**(217,437)**	(181,312)
Purchase of items reported under finance leases	**(161,049)**	(71,379)
Proceeds from sales of inventory	**117,035**	105,282
Net cash (outflow)/inflow from operating activities	**(78,117)**	18,008
Cash flows from investing activities		
Purchase of property, plant and equipment and intangibles	**(9,229)**	(7,998)
Net cash outflow from investing activities	**(9,229)**	(7,998)
Cash flows from financing activities		
Proceeds from borrowings	**358,340**	231,781
Repayments of borrowings	**(235,276)**	(181,860)
Payment of lease liabilities	**(1,184)**	(1,278)
On market share buy back	**(30,000)**	(32,366)
Purchase of treasury shares	**(4,555)**	(1,924)
Exercise of options	**-**	1,924
Net cash inflows from financing activities	**87,325**	16,277
Net increase in cash and cash equivalents	**(21)**	26,287
Cash and cash equivalents at the beginning of the financial half-year, net of overdraft	**247,092**	238,233
Exchange rate variations on New Zealand cash and cash equivalent balances	**(974)**	4,614
Cash and cash equivalents at end of the half-year, net of overdraft	**246,097**	269,134

* The 31 March 2023 Statement of Cash flows has been restated to align with the presentation in the current period. The purchase of items reported under operating leases reported as property, plant and equipment of $181,312,000, the purchase of items reported under finance leases of $71,379,000, and the proceeds from sales of inventory of $105,282,000 have been included under cash flows from operations compared to cash flows from investing activities in the prior period. As a result, for the period ended 31 March 2023, net cash inflow from operating activities has reduced by $147,409,000 from $165,417,000 to $18,008,000 and net cash outflow from investing activities has reduced by $147,409,000 from ($155,407,000) to ($7,998,000).

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

1.0 Introduction to the report

1.1 Statement of compliance and basis of preparation

(a) Basis of preparation

These consolidated half-year financial statements represent the consolidated results of FleetPartners Group Limited (ACN 131 557 901) (referred to hereafter as the Group or FleetPartners). The financial statements are condensed general purpose financial statements prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*, and with IAS 34 *Interim Financial Reporting*.

The financial statements do not include all of the information required for a complete set of annual financial statements and should be read in conjunction with the 2023 Annual Report. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements as at and for the year ended 30 September 2023.

The financial statements are presented in Australian Dollars, which is the Group's presentation currency. The accounting policies and methods applied in the interim report are consistent with those adopted and disclosed in the 2023 Annual Report, except for the adoption of new Accounting Standards (refer to Note 1.2).

The financial statements were authorised for issue by the Directors on 11 May 2024.

(b) Significant accounting estimates and judgements

In preparing the half-year financial statements, management has made judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. Significant judgements made by management in applying the Group's accounting policies and the key sources of estimate uncertainty were the same as those that applied in the 2023 Annual Report.

1.2 New, revised or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new, revised or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") that are mandatory for the current reporting period.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group during the financial half-year ended 31 March 2024 and are not expected to have any significant impact for the full financial year ending 30 September 2024. Any new, revised or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

1.3 Going Concern

These interim financial statements have been prepared on the basis that FleetPartners is a going concern.

At 31 March 2024, the Group held unrestricted cash of $73.3 million and undrawn capacity under its corporate debt facilities of $86.5 million.

The Group notes that a substantial proportion of the income it generates is annuity-like in nature and therefore not susceptible to sudden, short-to-medium term downturns in the markets in which it operates.

Taken together, the combination of the current levels of liquidity and the annuity income streams of the Group provides significant levels of support over an extended period for the day-to-day operations of the Group.

The preparation of the financial statements as a going concern is appropriate.

2.0 Business result for the period

2.1 Segment information

An operating segment is a component of an entity that engages in business activities from which it may earn revenue and incur expenses, whose operating results are reviewed regularly by the Group's Chief Operating Decision Maker in assessing performance and in determining the allocation of resources.

The Group has identified three business segments, Australia Commercial, Novated (based in Australia) and New Zealand Commercial. The segments have been identified based on how the Chief Operating Decision Maker monitors performance and allocates resources.

The segment information for the reportable segments for the period ending 31 March 2024 is set out below:

31 March 2024

	Australia Commercial $'000	Novated $'000	New Zealand Commercial $'000	Total $'000
Net operating income	70,135	13,537	28,379	**112,051**
Bad and doubtful debts	(1,702)	(19)	(85)	**(1,806)**
Operating expenses	(30,128)	(6,264)	(7,750)	**(44,142)**
EBITDA	**38,305**	**7,254**	**20,544**	**66,103**
Depreciation, amortisation and impairment	(3,014)	(482)	(1,110)	**(4,606)**
Share based payments	(1,191)	(199)	(556)	**(1,946)**
Holding company debt interest	(2,562)	(343)	(465)	**(3,370)**
Amortisation of acquired intangibles	(1,261)	(206)	-	**(1,467)**
Non-recurring items*	(946)	-	(61)	**(1,007)**
Hedge loss	(532)	(394)	(1,084)	**(2,010)**
Tax	(8,714)	(1,689)	(4,835)	**(15,238)**
Statutory net profit after tax	**20,085**	**3,941**	**12,433**	**36,459**
Post-tax add-back of amortisation of acquired intangibles	930	144	-	**1,074**
Post-tax add-back of non-recurring items	663	-	44	**707**
Post-tax add-back of hedge loss	373	276	781	**1,430**
Net profit after tax including amortisation of software	**22,051**	**4,361**	**13,258**	**39,670**
Post-tax add-back of software amortisation and impairment	1,304	282	515	**2,101**
NPATA	**23,355**	**4,643**	**13,773**	**41,771**

*Non-recurring items relate to restructuring and class action legal costs.

2.0 Business result for the period (continued)

2.1 Segment information (continued)

31 March 2023

	Australia Commercial $'000	Novated $'000	New Zealand Commercial $'000	Total $'000
Net operating income**	74,473	8,701	27,106	**110,280**
Bad and doubtful debts	(704)	(105)	307	**(502)**
Operating expenses	(28,685)	(5,559)	(7,275)	**(41,519)**
EBITDA**	**45,084**	**3,037**	**20,138**	**68,259**
Depreciation and amortisation	(2,983)	(318)	(1,154)	**(4,455)**
Share based payments	(1,004)	(156)	(445)	**(1,605)**
Holding company debt interest	(2,599)	(351)	(473)	**(3,423)**
Amortisation of acquired intangibles	(1,243)	(203)	(21)	**(1,467)**
Non-recurring items*	(165)	(5)	(111)	**(281)**
Hedge loss**	(626)	(351)	(176)	**(1,153)**
Tax	(11,014)	(496)	(4,972)	**(16,482)**
Statutory net profit after tax	**25,450**	**1,157**	**12,786**	**39,393**
Post-tax add-back of amortisation of acquired intangibles	917	142	15	**1,074**
Post-tax add-back of non-recurring items	119	-	80	**199**
Post-tax add-back of hedge loss**	438	246	126	**810**
Net profit after tax including amortisation of software**	**26,924**	**1,545**	**13,007**	**41,476**
Post-tax add-back of software amortisation and impairment	1,201	186	525	**1,912**
NPATA**	**28,125**	**1,731**	**13,532**	**43,388**

* Non-recurring items relate to restructuring.

** The 31 March 2023 Segment Information has been restated to align with the presentation in the current period. The hedge gains/losses result in volatility of earnings which is not driven by business performance, is not controllable by the Group and is non-cash in nature (being a fair value adjustment of a derivative), accordingly hedge gains/losses have been excluded from the calculation of NPATA. The hedge loss totalling $1,153,000 and the post-tax add-back of hedge loss totalling $810,000 have been disclosed separately in the segment information. As a result, for the period ended 31 March 2023, the total net operating income has increased by $1,153,000 from $109,127,000 to $110,280,000, the total EBITDA has increased by $1,153,000 from $67,106,000 to $68,259,000, the total net profit after tax including amortisation of software has increased by $810,000 from $40,666,000 to $41,476,000 and the total NPATA has increased by $810,000 from $42,578,000 to $43,388,000.

2.0 Business result for the period (continued)

2.2 Revenue

	Consolidated	
	31 Mar 2024 $'000	31 Mar 2023 $'000
From continuing operations:		
Finance income	**24,323**	15,283
Maintenance and management income*	**51,913**	53,226
Related products and services income*	**20,782**	19,710
Operating lease rentals	**139,539**	121,731
Brokerage income*	**2,206**	3,517
Sundry income*	**1,232**	2,860
End of lease income - Vehicle sales*	**118,402**	104,021
End of lease income - Other	**9,105**	6,590
Total revenue from continuing operations	**367,502**	326,938

** The above amounts for 2024 totalling $194,535,000 (2023: $183,334,000) represent the Group's revenue derived from contracts with customers, in accordance with AASB15.*

Net interest income

As part of the analysis of the revenues and direct cost of revenue, the Group also considers net interest income as a relevant metric for financial reporting purposes. Operating lease rentals reported under Revenue from continuing operations include an interest component. The net interest income recognised for operating and finance leases is presented below:

	Consolidated	
	31 Mar 2024 $'000	31 Mar 2023 $'000
Operating lease - interest income	**43,232**	34,113
Finance income	**24,323**	15,283
Lease finance costs	**(39,839)**	(26,989)
Net interest income	**27,716**	22,407

	Consolidated	
	31 Mar 2024 $'000	31 Mar 2023 $'000
Cost of revenue:		
Maintenance and management expense	**22,967**	22,835
Related products and services expense	**8,125**	8,223
Impairment charge on operating leased assets	**-**	411
Depreciation on operating leased assets	**94,935**	84,325
Cost of goods sold - Vehicles	**91,595**	75,028
Total cost of revenue	**217,622**	190,822

2.0 Business result for the period (continued)

2.3 Expenses

	Consolidated 31 Mar 2024 $'000	Consolidated 31 Mar 2023 $'000
Profit before income tax includes the following specific expenses:		
Depreciation and amortisation		
Plant and equipment - Fixture and fittings	**662**	547
Amortisation - Intangible assets	**1,467**	1,467
Software	**3,070**	2,595
Right-of-use-assets	**874**	1,136
Total depreciation and amortisation expense	**6,073**	5,745
Lease finance costs		
Notes payable interest and finance charges	**37,828**	25,836
Hedge loss	**2,011**	1,153
Total lease finance costs	**39,839**	26,989
Operating finance costs		
Facility finance costs	**3,214**	3,282
Lease liabilities interest (where the Group is the lessee)	**156**	141
Total operating finance costs	**3,370**	3,423
Operating overheads		
Rental of premises	**611**	402
Technology costs	**4,061**	4,136
Restructuring costs	**376**	281
Other overheads	**6,433**	5,554
Total operating overheads	**11,481**	10,373

2.4 Earnings per share

	Consolidated 31 Mar 2024 $'000	Consolidated 31 Mar 2023 $'000
Profit attributable to the ordinary equity holders of the company used in calculating basic earnings per share and diluted earnings per share		
From continuing operations	**36,459**	39,393

2.0 Business result for the period (continued)

2.4 Earnings per share (continued)

	Consolidated	
	31 Mar 2024 Number	31 Mar 2023 Number
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	**244,459,029**	271,049,345
Weighted average number of ordinary shares used as the denominator in calculating diluted earnings per share	**249,821,935**	278,121,450

	Consolidated	
	31 Mar 2024 Cents	31 Mar 2023 Cents
Basic earnings per share	**14.9**	14.5
Diluted earnings per share	**14.6**	14.1

3.0 Operating assets and liabilities

3.1 Property, plant and equipment

Consolidated	Plant and equipment $'000	Fixture and fittings $'000	Motor vehicles and equipment $'000	Total $'000
At 31 March 2024				
Opening net book amount	518	1,380	996,519	**998,417**
Reclassifications	1,380	-	-	**1,380**
Additions	335	117	217,437	**217,889**
Transfers to inventory	-	-	(53,551)	**(53,551)**
Depreciation charge	(345)	(317)	(94,935)	**(95,597)**
Foreign exchange variation	(1)	(12)	(7,841)	**(7,854)**
Closing net book amount	**1,887**	**1,168**	**1,057,629**	**1,060,684**
At 31 March 2024				
Cost	20,465	9,734	2,138,798	**2,168,997**
Accumulated depreciation and impairment	(18,578)	(8,566)	(1,081,169)	**(1,108,313)**
Net book amount	**1,887**	**1,168**	**1,057,629**	**1,060,684**

3.0 Operating assets and liabilities (continued)

3.1 Property, plant and equipment (continued)

Consolidated	Plant and equipment $'000	Fixture and fittings $'000	Motor vehicles and equipment $'000	Total $'000
At 30 September 2023				
Opening net book amount	524	1,614	874,334	876,472
Additions	395	372	403,355	404,122
Transfers to inventory	-	-	(137,355)	(137,355)
Impairment (charge)/reversal	-	-	(411)	(411)
Depreciation charge	(410)	(661)	(172,927)	(173,998)
Foreign exchange variation	9	55	29,523	29,587
Closing net book amount	518	1,380	996,519	998,417
At 30 September 2023				
Cost	18,821	9,652	1,985,607	2,014,080
Accumulated depreciation and impairment	(18,303)	(8,272)	(989,088)	(1,015,663)
Net book amount	518	1,380	996,519	998,417

	Consolidated 31 Mar 2024 $'000	Consolidated 30 Sep 2023 $'000
Motor vehicle and equipment operating leases reported as property, plant and equipment		
Operating leases terminating within 12 months	**238,852**	239,321
Operating leases terminating after more than 12 months	**818,777**	757,198
	1,057,629	996,519
Net book amount of property, plant and equipment		
Plant and equipment	**1,887**	518
Fixture and fittings	**1,168**	1,380
	3,055	1,898
Total property, plant and equipment	**1,060,684**	998,417

3.0 Operating assets and liabilities (continued)

3.2 Intangibles

Consolidated	Customer relationships $'000	Software $'000	Goodwill $'000	Total $'000
At 31 March 2024				
Opening net book amount	2,447	29,717	441,337	**473,501**
Reclassification	-	(1,380)	-	**(1,380)**
Additions	-	8,776	-	**8,776**
Amortisation charge	(1,467)	(3,070)	-	**(4,537)**
Foreign exchange variation	-	(68)	(1,790)	**(1,858)**
Closing net book amount	**980**	**33,975**	**439,547**	**474,502**
At 31 March 2024				
Cost	29,342	110,030	439,547	**578,919**
Accumulated amortisation and impairment	(28,362)	(76,055)	-	**(104,417)**
Net book amount	**980**	**33,975**	**439,547**	**474,502**

Consolidated	Customer relationships $'000	Software $'000	Goodwill $'000	Total $'000
At 30 September 2023				
Opening net book amount	5,381	17,252	434,293	456,926
Additions	-	18,782	-	18,782
Amortisation charge	(2,934)	(5,477)	-	(8,411)
Impairment charge	-	(1,138)	-	(1,138)
Foreign exchange variation	-	298	7,044	7,342
Closing net book amount	2,447	29,717	441,337	473,501
At 30 September 2023				
Cost	29,342	103,204	441,337	573,883
Accumulated amortisation and impairment	(26,895)	(73,487)	-	(100,382)
Net book amount	2,447	29,717	441,337	**473,501**

3.0 Operating assets and liabilities (continued)

3.3 Receivables and Finance leases

The Group's gross exposure and related Expected Credit Loss (ECL) provision subject to impairment requirements of AASB 9 *Financial Instruments* is as follows:

	31 Mar 2024		
	Gross carrying amount $'000	**ECL provision $'000**	**Carrying amount net of provision $'000**
Net investment in finance lease receivables	482,722	(6,296)	**476,426**
Trade and other receivables	74,874	(2,039)	**72,835**
Total	**557,596**	**(8,335)**	**549,261**

	30 Sep 2023		
	Gross carrying amount $'000	**ECL provision $'000**	**Carrying amount net of provision $'000**
Net investment in finance lease receivables	397,158	(4,934)	392,224
Trade and other receivables	82,271	(2,252)	80,019
Total	479,429	(7,186)	472,243

The Group's total impairment provision on receivables and finance leases as at 31 March 2024 and 30 September 2023 is as follows:

	Net investment in finance lease receivables $'000	**Trade and other receivables $'000**
Opening ECL provision as at 1 October 2022	3,791	3,196
Increase / (Decrease) in ECL provision	1,468	(397)
Write-offs	(325)	(547)
Closing ECL provision as at 30 September 2023	4,934	2,252
Increase in ECL provision	1,362	507
Write-offs	-	(720)
Closing ECL provision as at 31 March 2024	**6,296**	**2,039**

4.0 Capital management

4.1 Borrowings

	Consolidated	
	31 Mar 2024 $'000	**30 Sep 2023 $'000**
Bank loans	**62,500**	65,000
Notes payable	**1,435,880**	1,317,333
Borrowing costs	**(1,888)**	(2,523)
Total secured borrowings	**1,496,492**	1,379,810
Amount expected to be settled within 12 months	**303,718**	326,444
Amount expected to be settled after more than 12 months	**1,192,774**	1,053,366
Total secured borrowings	**1,496,492**	1,379,810

Bank loans

Bank loans are secured by fixed and floating charges over the assets of the Group.

The carrying amount of assets pledged as security was $162,437,000 (September 2023: $187,518,000).

Notes payable

Notes payable are secured by fixed and floating charge over the motor vehicles and equipment that are leased to customers. The carrying amount of assets pledged as security was $1,706,862,000 (September 2023: $1,548,205,000).

Financing arrangements

The Group had access to the following undrawn borrowing facilities at the end of the reporting period:

	Consolidated	
	31 Mar 2024 $'000	**30 Sep 2023 $'000**
Loan facilities used at reporting date	**1,498,380**	1,382,333
Loan facilities unused at reporting date	**199,711**	368,215
Total loan facilities available	**1,698,091**	1,750,548

Financial covenants

The Group has complied with the financial covenants of its borrowing facilities as at 31 March 2024.

4.0 Capital management (continued)

4.2 Derivative financial instruments

Derivative financial instruments are measured at fair value.

	Consolidated 31 Mar 2024 $'000	Consolidated 30 Sep 2023 $'000
Interest rate swaps - cash flow hedges	**13,271**	34,044
Total derivative financial instrument assets	**13,271**	34,044
Amount expected to be settled within 12 months	**13,101**	19,075
Amount expected to be settled after more than 12 months	**170**	14,969
Total derivative financial instrument assets	**13,271**	34,044

4.3 Fair value

	31 Mar 2024 $'000	30 Sep 2023 $'000	Fair value hierarchy	Valuation technique and key input
Interest rate swap contracts - cash flow hedges	13,271	34,044	2	The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves

A description of the level in the hierarchy is as follows:

Level 2: The fair value of assets and liabilities that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an asset or liability are observable, these are included in level 2.

There were no transfers between levels for recurring fair value measurements during the period. With the exception of the fixed term loan, fair value of financial assets and financial liabilities approximate the carrying value.

The fixed term loan has a carrying value of $30,000,000 (September 2023: $30,000,000) and a fair value of $28,971,100 (September 2023: $28,377,000).

4.4 Dividends

No interim dividends were declared for half-year ended 31 March 2024 (2023: Nil).

5.0 Other

5.1 Related party transactions

For the half-year ended 31 March 2024, there have been no transactions with related parties (31 March 2023: Nil).

5.0 Other (continued)

5.2 Contingent liability

On 7 November 2023, the Group received a statement of claim for a shareholder class action filed in the Supreme Court of Victoria. The claim was expressed to be made on behalf of shareholders who acquired an interest in shares in the Group, then named Eclipx Group Limited, in the period 8 November 2017 to 20 March 2019 inclusive. The claim alleges during this period, the Group made statements regarding its financial performance in the 2017 and 2018 financial years, and provided guidance to its future earnings for the 2018 and 2019 financial years, and subsequently withdrew, revised or restated this information, and that this involved misleading representations and non-compliance with continuous disclosure obligations. The amount claimed is unspecified however remedies sought include compensation for loss and damage, interest and costs. The Group is defending the claim. The financial effect of the claim cannot be estimated as at the date of this financial report.

5.3 Events occurring after the reporting period

There were no matters or circumstances that occurred since the end of the reporting period that may materially affect the Group's operations, the results of those operations or the Group's state of affairs in future financial years.

FleetPartners Group Limited
Directors' Declaration
For the half-year ended 31 March 2024

In the opinion of the Directors of FleetPartners Group Limited:

(a) The interim consolidated financial statements and notes thereto for the half-year ended 31 March 2024 are in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 31 March 2024 and of its performance for the half-year ended on that date; and

(ii) complying with Australian Accounting Standard *AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*; and

(b) There are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors of FleetPartners Group Limited:

Gail Pemberton AO
Chair

Sydney
11 May 2024

Independent Auditor's Review Report

To the shareholders of FleetPartners Group Limited

Conclusion

We have reviewed the accompanying ***Interim Financial Report*** of FleetPartners Group Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Interim Financial Report of FleetPartners Group Limited does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the ***Group's*** financial position as at 31 March 2024 and of its performance for the Half-year ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The ***Interim Financial Report*** comprises:

- Statement of financial position as at 31 March 2024
- Statement of profit or loss and other comprehensive income, Statement of changes in equity and Statement of cash flows for the Half-year ended on that date
- Notes 1 to 5.3 including selected explanatory notes
- The Directors' Declaration.

The ***Group*** comprises FleetPartners Group Limited (the Company) and the entities it controlled at the Half-year's end or from time to time during the Half-year.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Interim Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

Responsibilities of the Directors for the Interim Financial Report

The Directors of the Company are responsible for:

- the preparation of the Interim Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- such internal control as the Directors determine is necessary to enable the preparation of the Interim Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Interim Financial Report

Our responsibility is to express a conclusion on the Interim Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Interim Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 March 2024 and its performance for the Half-year Period ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of an Interim Period Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

KPMG

KPMG

Peter Zabaks
Partner

Sydney
11 May 2024