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AUSTRALIA | NEW ZEALAND

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ASX Release

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FLEETPARTNERS GROUP REPORTS 1H25 RESULTS

FleetPartners Group Limited (ASX: FPR, "Group") today releases its results for the half-year ended 31 March 2025

Highlights for the half-year ended 31 March 2025 ("1H25")

- Successful completion of the Accelerate transformation program.
- Assets under management or financed ("AUMOF") of $2.3 billion, up 6% compared to prior comparative period ("pcp").
  - Balance sheet funded AUMOF increased 14%, compared to pcp.
- New Business Writings ("NBW") of $370 million[1], down 17% compared to pcp.
  - Decline partly driven by order pipeline unwind in pcp – excluding this, NBW down 11% compared to pcp.
  - NBW also temporarily impacted by Accelerate system cutover.
- Net operating income ("NOI") pre EOL and provisions of $82.1 million, up 8% compared to pcp.
- End of lease income ("EOL") of $29.5 million, down 18% compared to pcp.
- Net Profit After Tax excluding Amortisation ("NPATA") of $38.9 million, down 7% compared to pcp.
  - Excluding EOL, NPATA grew 10%[2] compared to pcp.
- Cash EPS of 17 cents per share broadly in line with pcp.
- 2H25 share buy-back of up to $25.3 million announced.
- Appointment of James Allaway as Chief Strategy Officer.

Completion of Accelerate business transformation program

Launched in FY23, the Accelerate program was successfully completed in February 2025, consolidating the Group on to a single operating system. The completion of the program represents a transformative milestone for the Group, with the objective of strengthening its competitive position, increasing the returns from new and existing business, and delivering a more integrated experience for our customers throughout the lease lifecycle. Further, the program will deliver at least $6 million in annualised cost savings.

1. Including sale and leasebacks (Group: $0.6m in 1H24, $0.6m in 1H25; Fleet Australia: nil in 1H24, nil in 1H25; Fleet NZ: $0.6m in 1H24; $0.6m in 1H25).
2. Compares NPATA excluding EOL

Group CEO and Managing Director, Damien Berrell, said:

"The completion of Accelerate marks the beginning of the next chapter for FleetPartners. Operationally we are better placed than we have ever been to execute our strategic agenda and pursue growth."

With the system live, management are confident in realising the benefits of the transformation. However, the major system cutover has resulted in some disruption to operations. This has seen temporary impacts to NBW, net debt, as well as provisions and arrears, the details of which are covered below. None of these impacts are seen as structural and are expected to normalise over the remainder of FY25.

Group performance

The 1H25 result continues to validate the defensiveness and cash generative nature of the Group's operating model.

AUMOF ended the half at $2.3 billion, up 6% compared to pcp, driven by strong NBW in 2H24. On balance sheet funded AUMOF (warehouse, asset-back securitisation ("ABS") and cash) increased by 14%, which is in line with the Group's strategy of directing more NBW to balance sheet funded leases, which typically have higher returns over the life of the lease as compared to Principal & Agency funded leases.

The Group delivered NBW of $370 million[1], down 17% on pcp. This outcome was partly driven by the strong performance in pcp, which was supported by the unwinding of the elevated order pipeline.

Excluding the benefit of the unwind of the order pipeline from 1H25 and pcp, NBW for the Group was down 11%. 1H25 was also impacted by the Accelerate system cutover in February 2025, which limited the Group's ability to deliver vehicles and take lease orders during and immediately following cutover. The Group expects the variance to pcp to improve over the remainder of FY25.

As the Group moves forward and the anticipated Accelerate business transformation benefits are realised, it expects to achieve continued asset growth, reflective of the combined strength of recent tender wins, and new and existing customer activity.

NOI pre EOL and provisions was up 8%, driven by growth in average AUMOF of 9%, offset by lower management fees on new operating leases compared to those on extended leases they replaced, and lower funding commissions due to more NBW being funded on balance sheet.

1H25 EOL of $29.5 million was down 18% compared to pcp. This was predominantly driven by a 15% reduction in disposals, due to lower NBW. Used vehicle prices appear to have stabilised over the last 6 months and in 1H25, average EOL per vehicle increased 1% to

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$6,062 compared to 2H24. With increased stability in used vehicle pricing, it is now expected that EOL profit per unit will remain stronger over the medium term.

Portfolio credit quality remains strong, however 90+ day arrears have temporarily increased to 70bps as a result of the disruption caused by the Accelerate system cutover. We expect arrears to reduce to longer term average levels over 2H25. Provisions have increased chiefly as a result of growth in the balance sheet funded Novated portfolio and higher arrears as a result of temporary administrative impacts of the Accelerate system cutover.

The Group's focus on cost management continued in 1H25, with operating expenses of $45.2 million, up 3% on pcp. The Group reiterates FY25 operating expense guidance of $91 – $92 million, which incorporates the $6 million annualised cost reduction that will be delivered by Accelerate.

NPATA was $38.9 million, down 7% compared to pcp, driven by the decline in EOL income, which was primarily due to lower units disposed. Excluding EOL income, NPATA grew by 10%[2].

The Group delivered Cash EPS of 17 cents per share, broadly in line with pcp, driven by the NPATA result outlined above and a 6% decrease in average shares on issue as a result of the on-market share buy-back.

The Group achieved strong organic cash generation of $45.5 million, with cash conversion of 112% (1H24: 106%). Net cash flow through the period was temporarily impacted by the Accelerate system cutover and required $41 million of leases to be funded via cash and corporate debt. This is temporary, however, as of 31 March 2025, the Group's balance sheet had a net debt position of $17.1 million. Excluding the impacts of Accelerate, the Group would have maintained a net cash position of c.$24 million.

The corporate debt facility maturing in July 2025 is expected to be refinanced from existing facilities, with no other corporate debt maturities until October 2026.

The Group successfully executed a NZ$300 million New Zealand ABS in November 2024 providing funding flexibility and the capacity to support growth plans.

Capital management

The Group commenced its on-market share buy-back program during FY21. Since that time, the Group has returned a total of $255 million to shareholders and cancelled 100 million shares, representing 33% of the shares on issue at commencement.

Given the Group's carried forward tax losses associated with the Australian Federal Government's Temporary Full Expensing policy (which finished on 30 June 2023), it does not have distributable franking credits and is not expected to accrue franking credits until FY26 at the earliest. Therefore, the Board believes distributions to shareholders are most

2. Compares NPATA excluding EOL

efficiently achieved through an on-market share buy-back, in the absence of a better use of capital.

The Board has declared an on-market share buy-back of up to $25.3 million for 2H25, reflecting 65% of 1H25 NPATA ($38.9 million), being the top end of the Group's targeted capital pay-out range.

Outlook and Chief Strategy Officer appointment

Despite global uncertainty, the operating environment for the Group remains stable, with customer demand and tender activity remaining robust, and the Group not expecting to have any direct impacts from the new US tariff regime as it stands today.

The successful completion of the Accelerate business transformation program means the Group is now entering an exciting new chapter and one defined by a reinvigorated focus on growth. The Group's strong financial posture is now complemented by significantly enhanced operational capabilities, positioning it to capitalise on new organic and inorganic opportunities with greater agility and confidence.

Accordingly, the Group has announced the appointment of James Allaway into the new executive position of Chief Strategy Officer, designed to play a leading role in this next phase of the Group's growth agenda. Having previously supported the organisational restructure in 2019 through to 2022, James is returning to FleetPartners from UBS where he was an Executive Director in Advisory & Capital Markets.

"I am thrilled to be returning to the business at such a pivotal time. I have always believed in the strength and resilience of FleetPartners and its ability to succeed in all business cycles. I am excited by the opportunity ahead to unlock new avenues for growth and to deliver greater returns for our shareholders." said Mr Allaway

Further details about the Group result can be found in the Financial Report and Investor Presentation also released to the market today.

Investor call and webcast

Damien Berrell (CEO & MD) and James Owens (CFO) will hold an investor call and webcast today at 10am to discuss the results.

Dial in Details

Please pre-register for the call at the link below.

Pre-registration link: https://s1.c-conf.com/diamondpass/10046622-zzt543.html

You will receive a calendar invite and a unique code which is to be quoted when dialling into the call.

If you'd like to ask a question, please dial "*1" (star, 1) on your telephone keypad.

Open Briefing Live

https://webcast.openbriefing.com/fpr-hyr-2025/

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