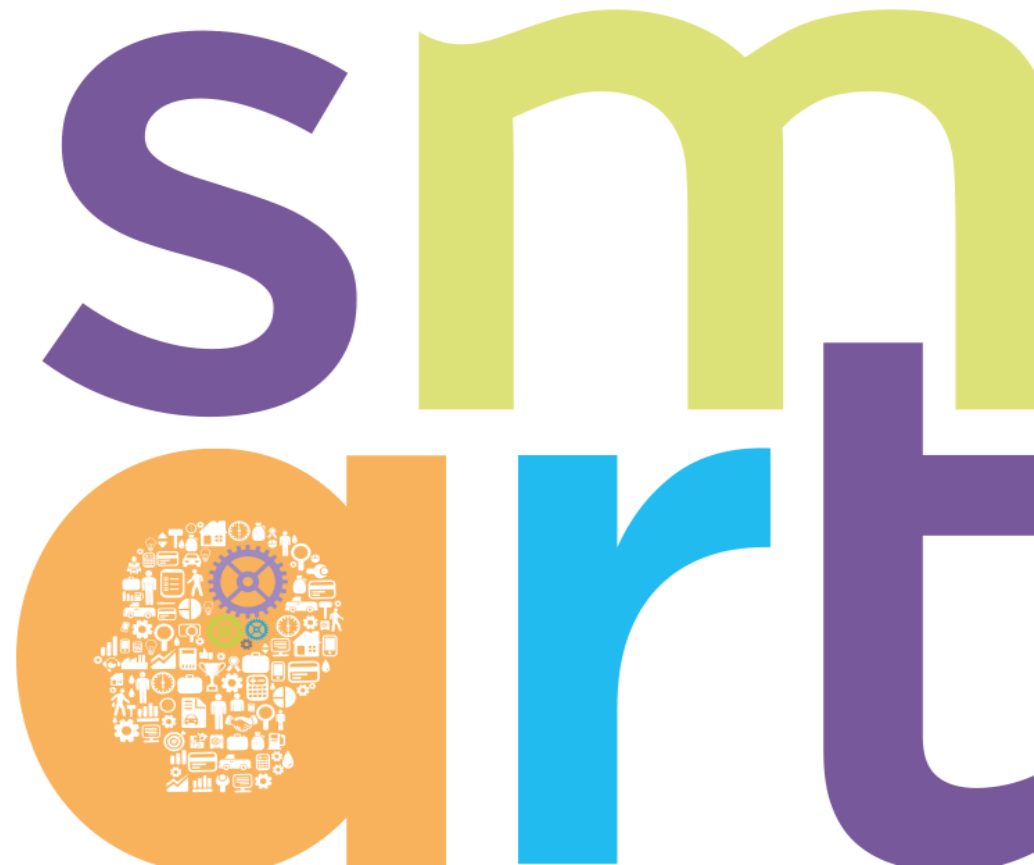




Annual General Meeting

5 May 2016

STRICTLY CONFIDENTIAL



Smartgroup had another successful year

1

Smartgroup today

- Leading provider of salary packaging and fleet management services
- To government, health and corporate sector clients across Australia

2

Continued growth across key financial and operational metrics

- Revenues of \$91.8m and NPATA of \$26.2m - up 25% and 51% respectively vs CY14
- 2H CY2015 dividend of 8.7 cps, fully franked, up 43% on pcp - total CY15 dividends of 16.6 cps
- Achieved growth in salary packages and novated leases

3

Maintained high customer service and staff engagement levels

- Achieved the highest ever CSIA customer service audit score in history
- Maintained a highly engaged workforce for the 5th consecutive year

4

Major client renewals and new client wins

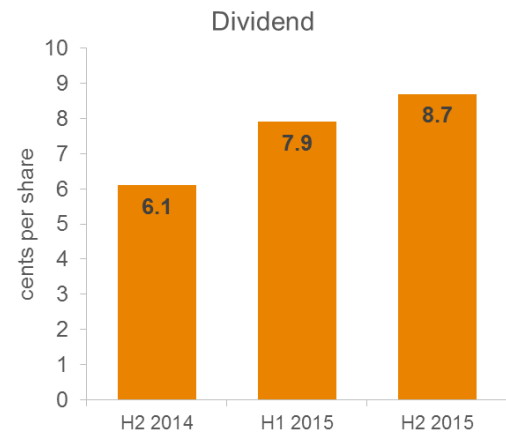
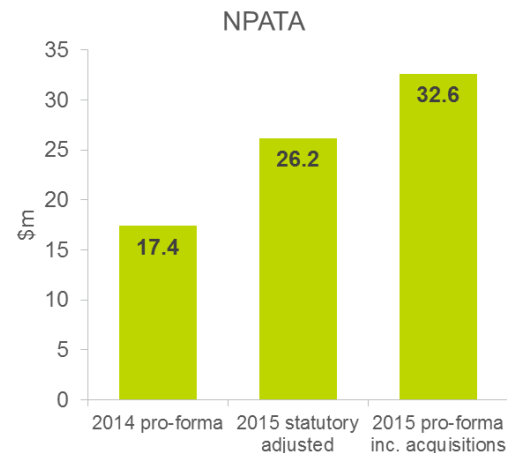
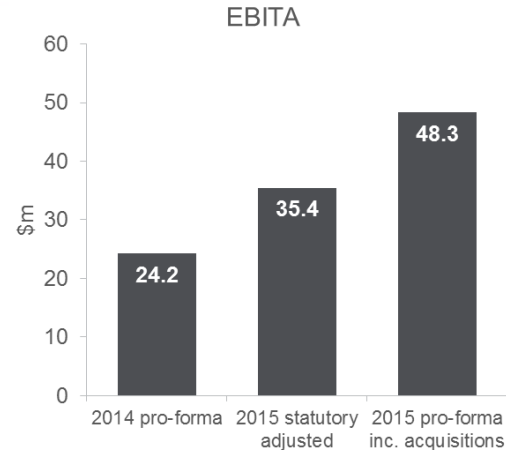
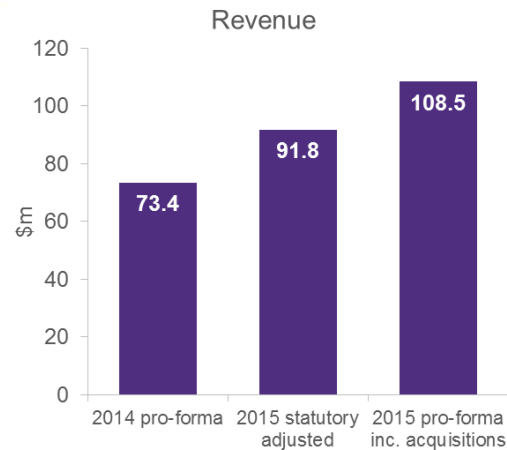
- Renewed Department of Defence contract on an exclusive basis
- Continued to win major new clients, that has continued into 2016

5

Completed 3 acquisitions

- Integration of each business progressing well
- Diversified Smartgroup through complementary services

Smartgroup has continued to achieve growth across all financial metrics ...



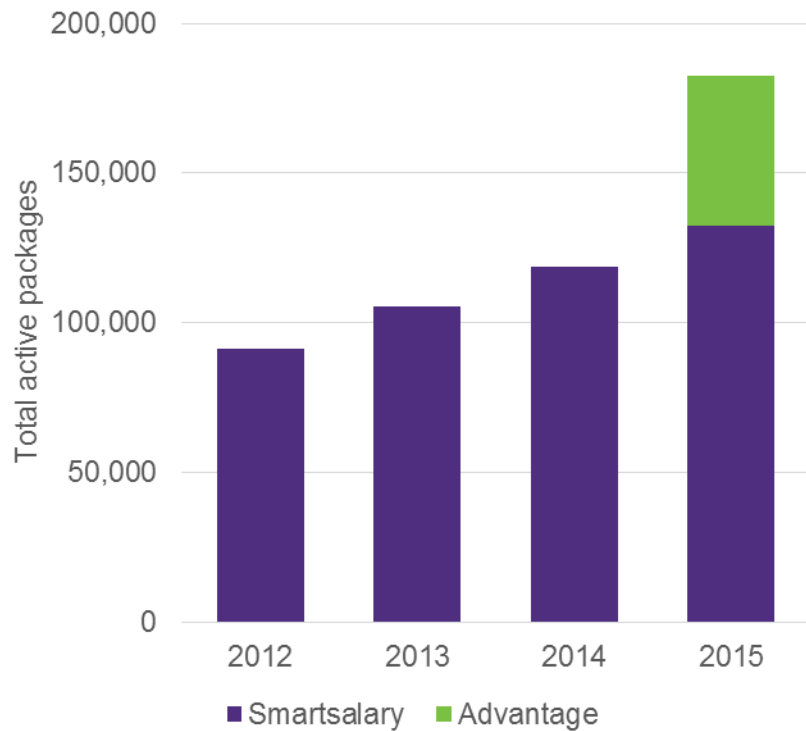
- **CY2015 operating cash flow: \$27.9m (vs NPATA \$26.2m)**
- **2015 year end: Net debt/EBITDA ratio < 1.0x**

1. 2015 EBITA and NPATA adjusted to exclude Advantage acquisition cost of \$0.8m

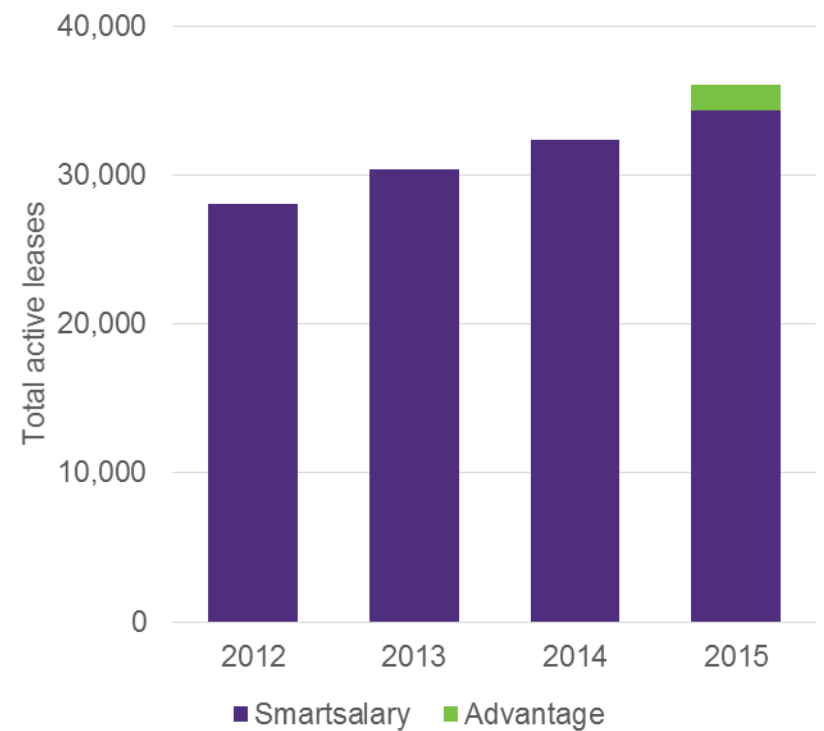
... as well as growth in salary packages and novated leases ...



Salary packaging customers



Novated leases under management

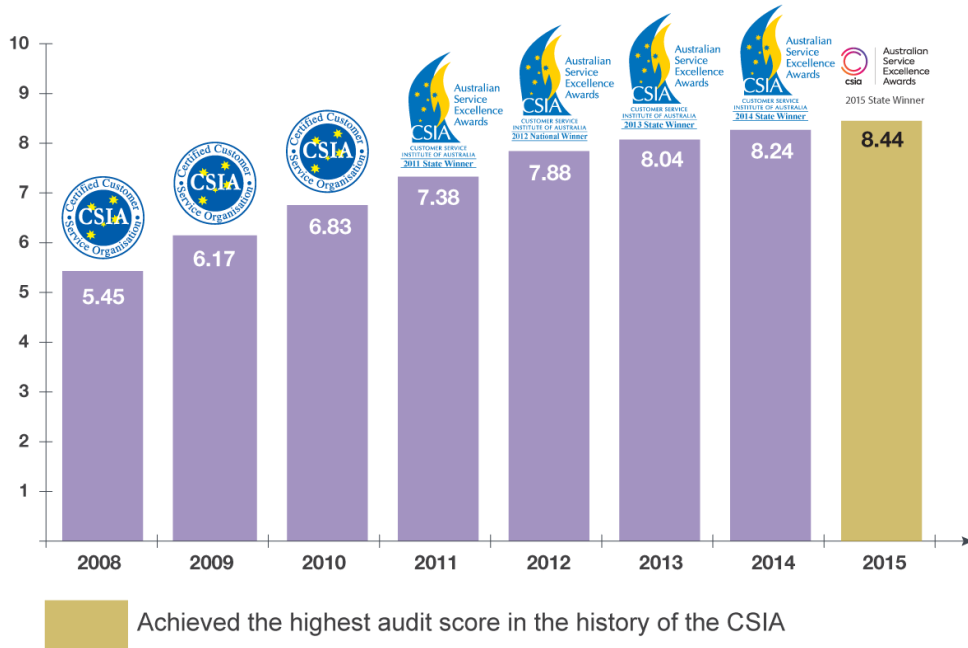


... maintained high customer service and staff engagement levels ...



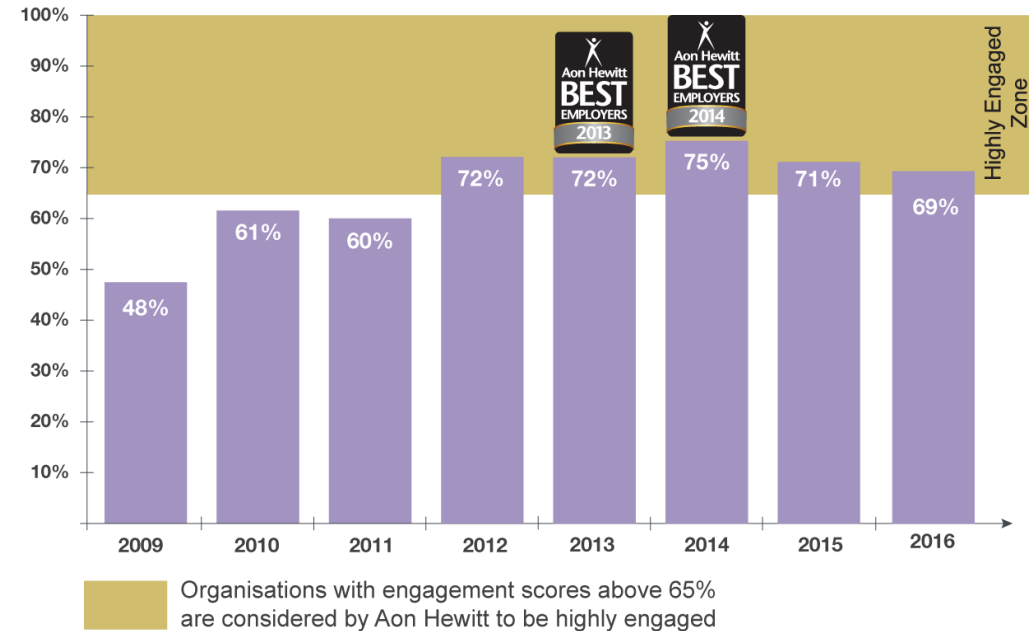
In 2015 we achieved the highest audit score in the history of the CSIA

CSIA Audit Score



Maintained a highly engaged workforce for the 5th consecutive year

Aon Hewitt Best Employer Score



Renewed a number of contracts including our largest, Department of Defence

| 2015 Client Wins |
|---------------------------------|
| Peter MacCallum Cancer Centre |
| NSW Health Pathology |
| South Eastern Sydney LHD |
| Australian Bureau of Statistics |
| CSIRO ¹ |

| YTD 2016 Client Wins |
|-----------------------------|
| QLD Government ² |
| NSW Government ³ |
| Westpac ⁴ |

- Salary Packaging Services
- Fleet Management Services

1. Salary Packaging panel
2. Expanded whole of government panel for Salary Packaging, including Queensland Health
3. Fleet Management panel
4. Novated Leasing panel

... acquired 3 businesses, each continue to do well ...

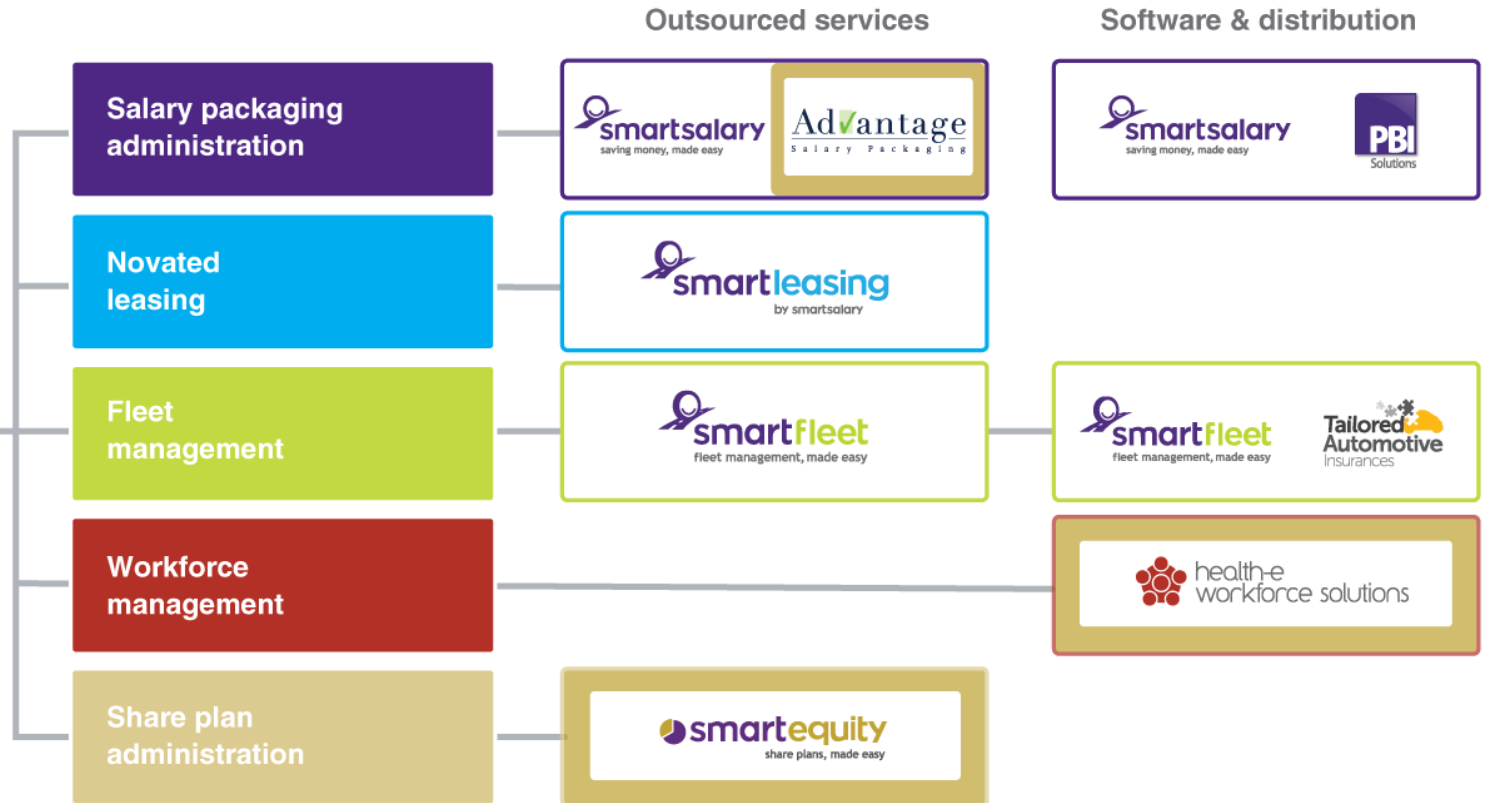


| | | |
|--|---|---|
|  |  |  |
| <p>Completed acquisition of 50% share for \$6m in December 2015, with option to acquire remaining 50% in 5 years</p> | <p>Later in December 2015 completed acquisition for \$60.8m</p> | <p>Completed acquisition of selected assets of Trinity Management Group for \$1.7m (with 3 year earn-out) in January 2016</p> |
| <p>Services leading hospitals nationally with a workforce management solution</p> | <p>Expands the outsourced salary packaging footprint to small-to-medium-sized healthcare and other public benevolent institutions</p> | <p>Extends remuneration services into equity plan administration. Now trading as Smartequity</p> |

Operational Update

| | | |
|---|--|--|
| <p>Continue to renew existing contracts and win new clients</p> | <p>Novated Leasing:</p> <ul style="list-style-type: none"> • Transition complete • Services progressing well | <p>Continue to win new clients and grow the business</p> |
|---|--|--|

... diversifying Smartgroup through complementary services...



... and re-aligned our reporting to how we view the segments of the business ...

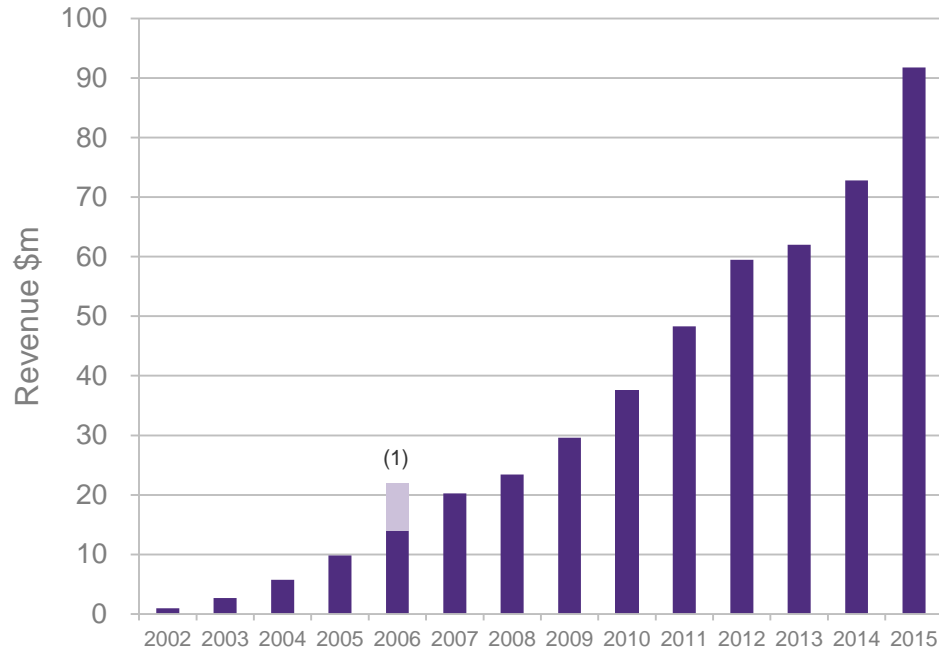


| | Outsourced administration | Vehicle Services | Software, Distribution and Group Services ¹ | Intersegment & unallocated | Group statutory accounts |
|------------------------|---------------------------|------------------|--|----------------------------|--------------------------|
| Company | | | | | |
| 2015 Revenues (\$'000) | 74,976 | 5,501 | 23,061 | (11,780) | 91,758 |
| 2015 EBITA (\$'000) | 23,252 | 2,743 | 14,766 | (5,323) | 35,438 |

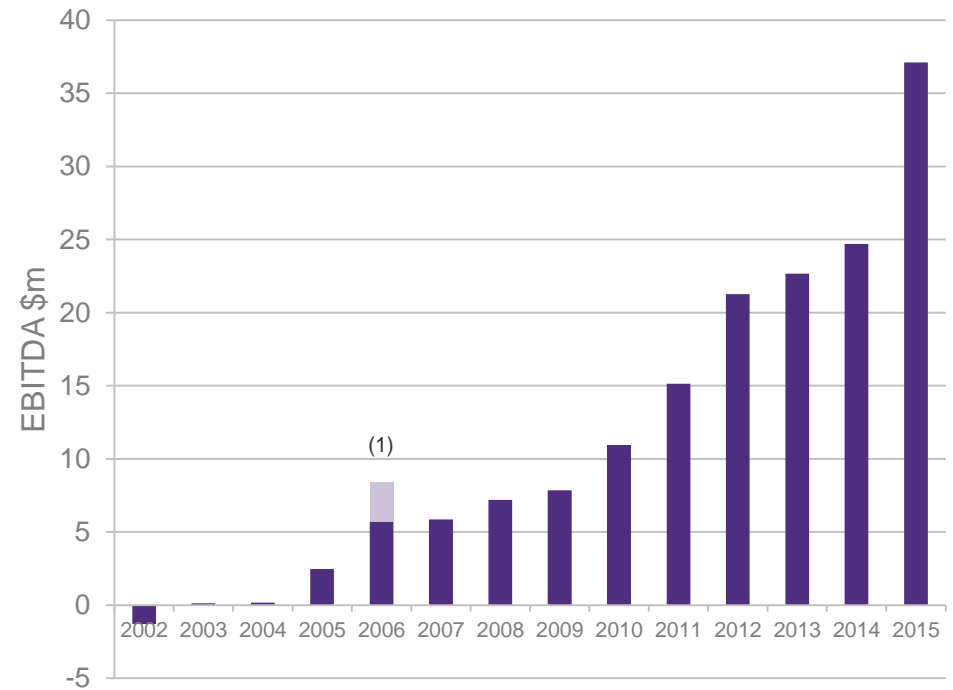
¹ Smartsalary licensed software, packaging cards and insurance distribution, [workforce allocations] and core systems development and maintenance

... and building on our track record since inception.

Group revenues



Group EBITDA



The 2015 results include contributions from Advantage Salary Packaging from 17 December 2015

The revenues and EBITDA are based on statutory results with the exception of 2014. 2014 revenues and EBITDA are on a pro-forma basis and reconciled to the statutory accounts in the 2014 Annual Report.

(1) 2006 represents 18 months of results from the change of year end from June to Dec

Strong financial performance in 2015:

- Growth across all key financial and operational metrics
- Net debt to EBITDA less than 1.0x
- Cash flows greater than 100% of NPATA
- 2H CY2015 dividend of 8.7 cps, fully franked, up 43% on pcp
- Total CY15 dividends of 16.6 cps, fully franked

Business continues to track well:

- Strong market position helping us to win major new clients
- Excellent track record in client retention through maintaining high customer service levels helping us to renew existing contracts
- Continue to diversify our client offering through complementary services.

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("Important Notice")

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