

ASX Release

6 May 2016

ECLIX GROUP REPORTS HALF YEAR 2016 NPATA OF \$26.0M, UP 9% OVER 1H15 & ANNOUNCES THE ACQUISITION OF RIGHT2DRIVE

1H16 Financial Highlights

- NPATA of \$26.0 million, up 9% from 1H15
- New Business Written (NBW) in 1H16 of \$406 million, up 14% from 1H15, providing a robust pipeline of future revenue
- \$1.85 billion Assets Under Management or Financed (AUMOF), up 11% from 1H15, reflecting growth across all segments and driving 8% increase in Net Operating Income
- 92,355 Vehicles Under Management or Financed (VUMOF), up 16% from 31 March 2015
- Cost to income ratio reduced to 55% as the Group continues to drive efficiencies
- The Board is pleased to announce a fully franked interim dividend of 6.75 cents per share for the first half of financial year 2016, payable on 30 June 2016

Acquisition Announcement

Eclix advises that it has entered into an agreement to acquire 100% of the share capital of Right2Drive Pty Ltd (R2D), as follows :

- Acquisition of R2D for net consideration of A\$67.0m¹
- R2D is a leading medium term vehicle rental business and a customer of Eclix
- Provides rental replacement vehicles to "not at fault" drivers that have accident damaged cars requiring repair
- Acquisition will be 100% funded with scrip issued at a price of A\$3.0133¹, representing 22,234,775 ordinary shares in Eclix. The new shares are not entitled to the 1H16 dividend.
- Expected to be high single digit percentage EPS accretive in FY17 and slightly EPS accretive in 2H16
- Acquisition expected to complete on or about 19 May 2016

Eclix continues to explore value-accretive, strategic acquisition opportunities to complement its organic growth.

UBS AG, Australia Branch is acting as financial adviser to Eclix on its acquisition of R2D.

¹ 1,250,000 share rights in Eclix will be issued on completion to certain R2D management shareholders. These are not accounted for in this figure.

Commenting on the acquisition, Chief Executive Officer, Doc Klotz said:

"This is an exciting, synergistic and strategic acquisition providing Eclipx with a platform to expand into the medium term vehicle rental segment providing new and used accident replacement vehicles to "not at fault" drivers."

"With an existing base of approximately 1,200 vehicles operating from 16 branches in Australia and New Zealand, R2D operates in an attractive, high growth and underpenetrated market, characterised by smaller operators that lack the resources to take advantage of growth opportunities. This market is underpenetrated relative to the UK with a current estimated potential Australian and New Zealand addressable market size of approximately A\$550 million of revenue per annum. We estimate that R2D is the largest operator with 7.5% of the total addressable Australia and New Zealand market, with the other market operators making up approximate 10.5% in aggregate."

1H16 Financial Results

Eclipx has also today announced its financial results for the first half of 2016, with a Net Profit After Tax excluding Amortisation (NPATA) of \$26.0 million, up 9% on the previous corresponding period.

Commenting on Eclipx Group's financial results for the first half of 2016, Chief Executive Officer Doc Klotz said:

"Eclipx continues to deliver robust growth in both new business volumes and earnings. The 9% growth in NPATA, which is on the higher end of market guidance, can be attributed to a combination of revenue growth and cost improvements. Our continued growth in new business volumes and profitability, with solid contributions across all three business segments, was underpinned by our rigorous focus on key elements of our growth strategy, including best-in-class customer service and the people to deliver it, a focus on technology, increased sales distribution, increased value through vertical integration and supply chain, and through expanding our product set," Mr Klotz said.

"We are pleased to also be announcing a fully franked interim dividend of 6.75 cents per share for the first half, payable on 30 June 2016."

Australia Commercial Fleet & Equipment Finance

The Australian Commercial segment maintained a strong 23% growth in new business volumes over the first half of 2015 including winning sole supply of fleet vehicles for a number of government departments and large corporates. Total fleet and commercial vehicle assets under management in Australia at the end of the first half of the year finished at \$953 million.

"Our continued focus on investments in technology and process improvements; initiatives such as our clean energy financing and our telematics capabilities are now key differentiators for Eclipx resulting in increased market-share and providing the opportunity to reduce fleet costs and provide value add services to our customers ," said Mr. Klotz.

New Zealand Commercial Fleet

The New Zealand Commercial Fleet segment increased assets under management or financed by 4% in a competitive market.

The 2H16 and FY17 growth in this market will be supported by recently signed agreements with Ford, Subaru and Mazda. These distribution channels are expected to drive increased penetration of vehicle operating leases into the SME segment using Eclipx on-line vehicle quoting and credit approval platform.

In March 2016, FleetPartners New Zealand also secured management rights to approximately 9,000 additional vehicles creating new revenue streams and future cross-sell opportunities.

Australia Consumer

The Australian Consumer segment represents a significant growth opportunity for Eclipx with 1H16 assets under management or financed growing by 24% to \$495 million and growth in NPATA of 36% to \$3.2 million, reflecting the benefits of Eclipx's highly scalable carloans.com.au and MyCar platforms.

Commenting on the performance and outlook for the Australian Consumer segment, Doc Klotz said: "Once again our focus on technology, with online applications and approvals, supported the expansion of distribution channels, delivering increased leads and market share at lower costs."

Significant Cash and Diversified Funding Sources to Support Growth

At the end of the first half, Eclipx finished with \$250 million in cash and committed undrawn debt facilities, together with access to a diverse range of funding options, providing funding certainty, significant headroom for growth and a clear point of differentiation.

Outlook

Excluding the Right2Drive acquisition, Eclipx is currently on track to deliver FY16 NPATA growth of 8.5%-10%, driven through continued growth in assets and increasing services-based revenues. Eclipx will continue to target value accretive acquisitions.

Commenting on the outlook, Doc Klotz, said:

"For the full year 2016, we anticipate continued double digit growth in assets under management or financed from a growing new business pipeline."

"Our relentless focus on providing excellent service levels and value to our customers is our key point of differentiation, supported by our innovative financing and insurance offerings, through to continued development of our technology based customer solutions."

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About Eclipx

Eclipx Group Limited (ECX) is a leading provider of fleet and equipment leasing and management, and vehicle rental to corporate, SME and consumers in Australia and corporate and SME customers in New Zealand.

As at 31 March 2016, Eclipx managed or financed 92,355 vehicles across Australia and New Zealand under five primary brand names, "FleetPartners", "FleetPlus", "CarLoans.com.au", "FleetChoice" and "AutoSelect".