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Eclipx Group Limited | ABN: 85 131 557 901

Eclipx Group Limited
Chairman's AGM Address
22 February 2018

Good Afternoon Shareholders and welcome to the Eclipx Group 2018 AGM.

It is my great pleasure to welcome you and to introduce you to our new Board Member, Linda Jenkinson. Linda is a New Zealand citizen and a highly-credentialed executive with extensive management and corporate governance experience.

FY 2017 Outcome

Eclipx continues its journey towards a, technology-driven "fintech" business. It is now well-established as a leading diversified financial services group with specialist expertise in fleet and consumer motor finance, in accident replacement vehicle rental and in equipment financing businesses in Australia and in New Zealand.

Our products are in strong demand in both Australia and in New Zealand.

During 2017, we experienced strong growth across all our business segment, that is reflected in our financial performance for the year.

Some highlights were

1. $68.3m in cash NPATA, an increase of 23% on the previous financial year;
2. Cash earnings per share of 25.1 cents, up 13% on 2016;
3. New Business writings of $989m, an increase of 8% over the previous financial year;
4. Total Assets Under Management or Financed of $ 2.24bn, up 10% on the previous financial year; and
5. At year end, Eclipx had 108,050 Vehicles Under Management or Financed, an increase of 9% on the prior financial period

Today I will introduce you to a number of our dynamic and highly skilled team, led by our CEO and Managing Director Doc Klotz and our Deputy CEO and Chief Financial Officer Garry McLennan.

Eclipx Transformation Continues

In a rapidly changing world, we continue to diversify our business across financial services and other high growth adjacencies, embracing technological applications to broaden our product range and customer reach.

In FY2017 we completed a number of acquisitions and we took a number of initiatives to complement our products. For example:

- In December 2016, we acquired Onyx car rentals to provide addition scale for our Right2Drive business, gaining a strong presence in the Melbourne market.
- Last June we launched “Georgie”, our new car buying business targeting the Australian consumer market. “Georgie sourced more than $30m of new vehicles in its first six months of operations
- In August 2017, we acquired the ASX listed GraysOnline, a market leading pioneer in online auction of vehicles, plant and equipment.

Grays is an exciting online business with 750,000 active consumers submitting 4.3m bids during 2017. Later today, Doc Klotz will fill you in on the progress that has been made on the integration of Grays as well as the exciting plans we have for its future.

Our People are a Top Priority

We have seen further improvement in our employee engagement score. This is our 5th year of surveying our people. Their feedback is invaluable for our change management process, in their career development and employee rewards.

We maintain our commitment to diversity and inclusion, ensuring that our culture is free of bias. Today more than 33% of our management team is female.

Our employee surveys also confirm we have quality, caring managers who make the safety of our people their highest priority. This is a culture that enables us to attract and retain the very best people.

Ensuring our Sustainability

Environmental, societal and corporate governance (ESG) is also high priority. We actively promote fleet solutions that reduce the environmental impact of our customers’ vehicles.

Today, we finance in excess of $29m in reduced emission vehicles at a lower cost to our customers by utilising a clean energy funding facility provided by the Federal Government’s Clean Energy Finance Corporation.

Our Commitment to innovation

In a world that is fast changing, we believe that by providing our customers with the very best digital solutions, Eclipx's business will be both successful and sustainable.

Last June, the Eclipx Board embarked upon a study tour, meeting with key automotive manufacturers, associations, researchers and suppliers across Germany and Japan. With the assistance of Austrade, this visit was designed to obtain firsthand insights into prevailing automotive trends, innovation and disruption. The tour included visits to leading hubs for the development of future technologies, navigation, electric propulsion, battery storage and vehicle automation.

The understanding gained on this study tour is feeding through into the formulation of Eclipx strategies.

Our Communities

We are committed to contributing to the communities in which we operate. Our people are encouraged to partner with community organisations as volunteers with Eclipx providing support through the provision of vehicles at no cost, to charitable organisations.

Also we have a "paid volunteer employee leave" programme and we make direct financial contributions to selected community partners.

In FY2017, our staff logged 481 hours of company-sponsored volunteering and Eclipx provided $88,600 of donations and sponsorships.

Our Governance

In closing, I take this opportunity to thank the Eclipx Board, our management and our outstanding teams at Eclipx across Australia and New Zealand for their dedication, their commitment and for their passion that combines to deliver the results I have highlighted today.

Fellow shareholders, your Board was delighted to present its 2017 Annual Report to you for your consideration at this meeting.

I thank you for your support and I look forward to another year of working for the benefit of you, our shareholders.

Kerry Roxburgh
Chairman