

Eclix Group Limited

2018 Annual General Meeting

22 February 2018

Chairman's Welcome

Kerry Roxburgh

Agenda

1. Introduction of ECX Board and Leadership

2. Chairman's Address

3. CEO and Managing Director's Address

4. Voting



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Introduction of ECX Board and Leadership



KERRY ROXBURGH
BCOM, MBA, MESAA
Chairman since 26
March 2015,
Independent Non-
Executive Director
since 26 March 2015

- Kerry Roxburgh has more than 50 years' experience in the financial services industry. He is currently Chairman of Tyro Payments Ltd. He is the Lead Independent Non-Executive Director of Ramsay Health Care Ltd, a Non-Executive Director of the Medical Indemnity Protection Society and of MIPS Insurance Ltd.
- He is also a Chartered Accountant and a Practitioner Member of the Stockbrokers Association of Australia. Kerry was previously Chairman of Tasman Cargo Airlines Pty Ltd, Deputy Chairman of Marshall Investments Pty Ltd and member of the Advisory Board of AON Risk Solutions in Australia.



DOC KLOTZ
Chief Executive
Officer (CEO) and
Managing Director
since 27 March 2014

- Doc Klotz has over 25 years' experience in senior executive roles in the financial services and travel industries in Australia, New Zealand and the United States.
- Prior to joining Eclipx in 2014, Doc was Head of Operations at FlexiGroup, an ASX 200 company (ASX: FXL). Doc also has senior executive experience with Travel Services International, Hotels.com and Expedia, Inc. in the United States.



GARRY MCLENNAN
BBUS, FCPA, FAICD
Deputy CEO and
Chief Financial Officer
since 27 March 2014

- Garry McLennan has over 35 years' of experience in financial services including five years as Chief Financial Officer at FlexiGroup, an ASX 200 company (ASX: FXL).
- Prior to his time at FlexiGroup, Garry spent 23 years at HSBC Bank Australia where he was Chief Financial Officer and subsequently Chief Operating Officer. He has previously served on the board of HSBC Bank Australia and The Australian Banking Industry Ombudsman Ltd. He currently serves on the Board Audit Committee of Intersect, a full-service eResearch support agency.



LINDA JENKINSON
MBA, BBS
Non-Executive
Director

- Linda Jenkinson has over 25 years' executive management and governance experience and is a specialist in technology enabled services, financial services, transportation and innovation.
- Linda has built more than \$700 million of technology enabled start-ups and non-profits.
- Linda is currently a Director of Air New Zealand and the Guild Group, is Director and Secretary of Massey University US & NZ Foundation.
- Linda was previously on the Board of the American Red Cross—Bay Area.



GAIL PEMBERTON AO

MA (UTS), FAICD
Independent Non-Executive
Director since 26 March 2015

- Gail Pemberton has more than 35 years' experience in banking and wealth management, and is a specialist in technology and operations.
- Before transitioning to a non-executive director career, she held senior executive roles with BNP Paribas Securities Services, as Chief Executive Officer and Managing Director for Australia and New Zealand and then as Chief Operating Officer UK. She also held the role of Group Chief Information Officer at Macquarie Bank for 12 years, at a time of unprecedented change and expansion, and subsequently as Chief Operating Officer of their Financial Services Group in her last 3 years at Macquarie.
- Gail is currently the Chair of Melbourne IT Ltd and Non-Executive Director of PayPal Australia Pty Ltd. She also held directorships at OneVue Limited, QIC Limited, SIRCA and RoZetta Technology and UXC Ltd. She has a Master of Arts from the University of Technology Sydney, is a fellow of the Australian Institute of Company Directors and a member of Chief Executive Women



TREVOR ALLEN

BCOM (HONS), CA, FF,
FAICD
Independent Non-Executive
Director since 26 March 2015

- Trevor Allen has more than 39 years' of corporate and commercial experience, primarily as a corporate and financial adviser to Australian and international corporations.
- Trevor is currently Non-Executive Director of Brighte Capital Pty Ltd and a Non-Executive Director of Peet Limited, Freedom Foods Group Ltd. He is a Non-Executive Alternate Director, Company Secretary and Public Officer of Australian Fresh Milk Holdings Pty Limited and Fresh Dairy One Pty Limited. Trevor was previously a Non-Executive Director of the Juvenile Diabetes Research Foundation, a member of FINSIA's Corporate Finance Advisory Committee for 10 years, and a board member of AON Superannuation Pty Ltd and Yowie Group Limited.
- Trevor was previously an Executive Director – Corporate Finance at SBC Warburg and its predecessors for eight years, where he led corporate finance teams on major M&A advisory and capital markets assignments. He was a Corporate Finance Partner at KPMG for nearly 12 years and, at the time of his retirement from KPMG in 2011, he was the Lead Partner in its National Mergers and Acquisitions group.



RUSSELL SHIELDS

FAICD, SA FIN
Independent Non-Executive
Director since 26 March 2015

- Russell Shields has more than 35 years' experience in financial services, including six years as Chairman Queensland and Northern Territory for ANZ Bank. He is currently a Non-Executive Director of Aquis Entertainment Limited and Retail Food Group Ltd.
- Prior to joining ANZ, Russell held senior executive roles with HSBC, including Managing Director Asia Pacific – Transport, Construction and Infrastructure, and State Manager Queensland, HSBC Bank Australia.



GREG RUDDOCK

BCOM
Non-Executive Director since
26 March 2015,
Chairman to 26 March 2015

- Greg Ruddock is currently the Joint Chief Executive Officer of Ironbridge and co-leads investment and portfolio management activities. He has 19 years' of private equity experience with Gresham Private Equity and Ironbridge.
- Prior to joining Ironbridge, Greg spent seven years with Wesfarmers in mergers and acquisitions, five years with Kalamazoo Limited in various senior roles, and four years as a Director of Gresham Private Equity.



JEFF MCLEAN
Chief Operating Officer



PAUL VERHOEVEN
Managing Director,
Fleet Australia



MICHELLE SEDDON
Human Resources
Director



DENNIS KELLY
Managing Director,
Fleet New Zealand



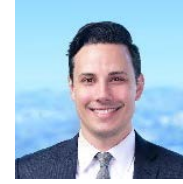
BEVAN GUEST
Managing Director,
FleetPlus



EDWARD HO
Chief Risk Officer



DAMIAN MULLINS
Managing Director,
Right2Drive



DAVID BRUDENELL
Managing Director,
Consumer & Digital
Marketing

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Chairman's Address

Continuing to realise the Eclipx vision

Established as a leader in fleet, consumer motor finance, accident replacement vehicle rental and equipment financing businesses in Australia and New Zealand

Continue our transformation into an innovative, technology-driven integrated financial services and asset management business with significant opportunities for growth

- We apply best-in-class technology to drive and manage business growth
- Embrace innovation and disruption to enhance existing products and identify poorly serviced market segments and create solutions for them
- Horizontal and vertical diversification complements continued strong asset growth in traditional fleet businesses

Committed and experienced team and unique funding capability provides a sustainable competitive advantage

- Dynamic and highly-skilled team committed to delivering sustainable growth and satisfying strong ongoing customer demand
- Funding platform comprising securitisation warehouses, asset-backed securities (ABS) issues, and external principal and agency funding agreements provides financial predictability as cash flow generated and revenue realised across the lifetime of a lease
- Eclipx continue to hedge out interest rate risk in our back book and across all of our new business writings

Employer of Choice ambition pursued through strong commitment to maintaining high standards of corporate governance, business ethics, employee engagement and responsible corporate citizenship

- High and rising level of employee engagement, currently 70%. People surveys confirm our success in making diversity and inclusion a priority
- Actively encourage and support environmental, social and sustainability programs at national and community levels
- Currently funding more than \$29 million in reduced emission vehicles at a lower cost to our customers utilising our clean energy funding facility

FY17 financial highlights

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RESULTS \$ million (unless stated)	FY16	FY17	Growth
New Business Writings (NBW) ¹	913	989	8%
AUMOF ² (closing)	2,035	2,241	10%
VUMOF ³ (units)	99,254	108,050	9%
Net Operating Income (NOI)	196.2	255.3	30%
NPATA ⁴	55.3	63.8	23%
Cash EPS ⁵ (cents)	22.2	25.1	13%
Dividend per share (cents)	13.75	15.25	11%

HIGHLIGHTS

- FY17 NPATA of \$68.3m, +23% on pcip. Included \$1.0m contribution from GraysOnline post 11 August 2017 acquisition. Grays on track to contribute \$14.0-15.4m in FY18
- AUMOF increased \$206m +10% to \$2.24bn in FY17; NPATA margin increased by 29bps over FY16
- NBW increased 8% to \$989m from strong Fleet volume growth
- Right2Drive increased number of hires by 91% from 17,661 in FY16 (full year) to 33,780 in FY17 with 30 branches now in operation across Australia and New Zealand
- GraysOnline integration on track with previously announced cost rationalisation program substantially completed
- Cash EPS 25.1c, up 13% on FY16. Fully franked final dividend of 7.75 cps paid on 19 January 2018
- Earnings diversification continues with high growth adjacencies contributing an increased share of earnings in FY18
- FY18 guidance of 27-30% increase in NPATA representing EPS growth of 10-12% over FY17

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CEO and Managing Director's Address

Eclipx has evolved into a diversified financial services business with high growth adjacencies

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	2014		2017+			
	Traditional fleet		Diversified financials		High growth adjacencies	
	Fleet leasing	Novated leases	Consumer motor finance	Commercial equipment finance	Medium term car rental accident replacement	Online vehicle and commercial equipment auctions
Addressable market size	\$4bn NBW p.a. ¹	\$2bn NBW p.a. ²	\$15bn NBW p.a. ³	\$12bn NBW p.a. ⁴	\$550-\$700m revenue p.a. ⁵	\$7bn sales p.a. ⁵
Assets financed						
Product offering	- Operating Lease - Finance Lease - Fleet Management - Telematics/FBT	- Novated Lease - Value-added services - Telematics/FBT	- Consumer vehicle loans - Car-buying services	- Operating Lease - Finance Lease	- Accident replacement vehicles - Vehicle hire	- Industrial auctions - Vehicle auctions - Wine auctions
Eclipx distribution channel	- Direct sales - Distribution partnerships - Co-branding - Online digital channels	- Direct sales - Distribution partnerships - Co-branding - Online digital channels	- Online digital channels - SMEs - Corporates - Government	- Direct sales / relationships - Broker networks - Online digital channels	- Growing branch network - Referral network	Online digital channels
Brands	 	 	  			

1 Excludes novated leases and non-funded fleet. Sourced from Australian Fleet Lessors Association (AFLA) and management estimates for New Zealand market and non-AFLA reporting fleet lessors

2 Sourced from AFLA and management estimates

3 Sourced from Australian Bureau of Statistics (ABS), 5671.4 – Lending Finance, Australia (Table 4)

4 Commercial equipment leasing addressable market size for equipment types targeted by Eclipx Commercial. Sourced from Australian Equipment Lessors Association (AELA)

5 Management estimates

Our core and unique capabilities are at the heart of everything we do

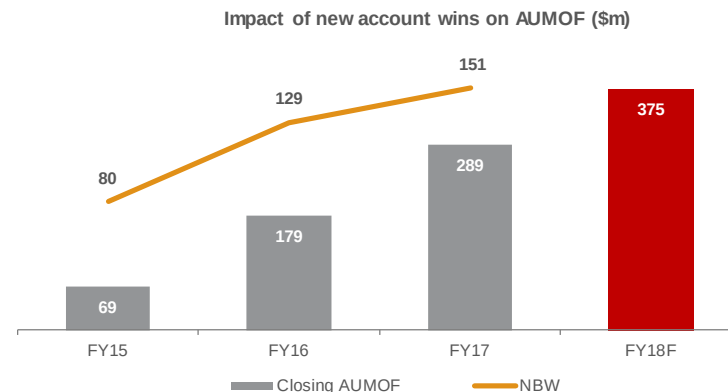
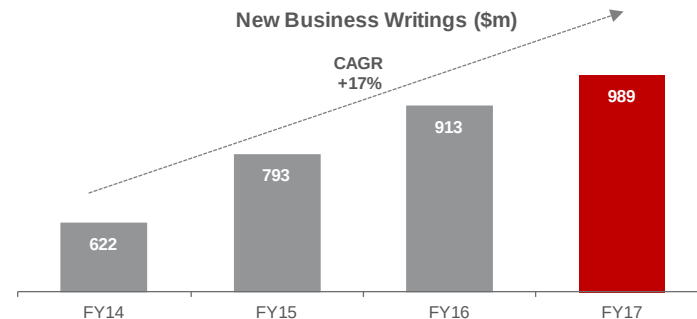
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Our people, products, platforms and technology provide a unique point of differentiation ...

People	Customer centric technology	Diverse funding and risk management platform	Generating value through the asset lifecycle
▪ Significant banking and financial services industry experience ▪ Unique risk and funding expertise ▪ Employer of choice ▪ Proven ability to execute	▪ We put customer service at the heart of everything we do ▪ Leverage our technology to deliver superior value to customers ▪ 20+ years' experience in building customer centric financial services technology	▪ Most comprehensive funding platform in the market 1. Certainty 2. Competitiveness 3. Earnings predictability 4. Capital efficiency 5. Diversity in funding facilitates the most price competitive funding options ▪ Significant headroom for growth ▪ Non-fleet acquisitions increase fee income and enhanced capital efficiency	▪ Expansion into disruptive high growth capital light adjacencies ▪ These adjacencies provide an opportunity to deliver value throughout the asset lifecycle ▪ We are more than a fleet company, we are an integrated asset manager

PERFORMANCE SUMMARY

- Our core Australian fleet business continues to grow its share of the market.
- Our proprietary “Big Data” platform and our expanded distribution channels, provide us with unique insights into the motor vehicle market.
- Right2Drive increased the number of vehicle hires by 91% from 17,661 (full year) in FY16 to 33,780 in FY17.
- Since the acquisition of Grays, we have expanded our vehicle sourcing ability as well as offering financing solutions to our small business customers.
- We continue to explore new initiatives in our consumer business.
- We have recently launched a commercial equipment finance business in New Zealand, where we see an exciting opportunity to leverage our skills and establish a market leading position.



GraysOnline – complementary, high-growth adjacency

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Business reorganisation and synergy realisation on-track

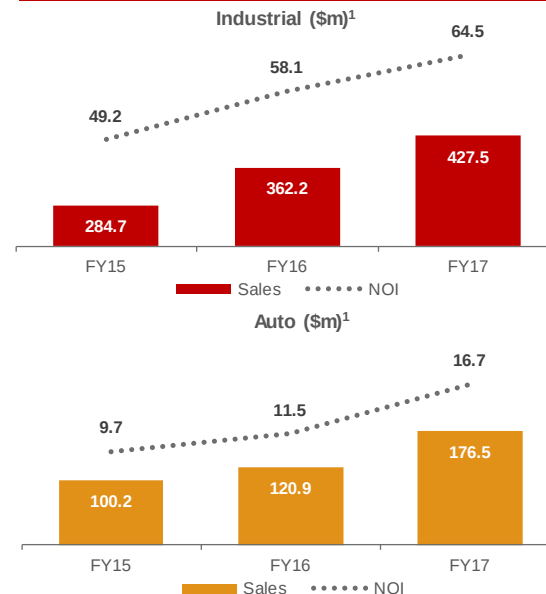
Comments

- Contribution under Eclix ownership of \$2.5m EBITDA and \$1.0m NPATA from August 2017 until September 2017
- Since acquiring GraysOnline we have:
 - Substantially completed the cost rationalisation program
 - Successfully exited loss-making consumer online retail categories
 - Successfully integrated corporate functions within Eclix head office
 - Acquired new vehicle sourcing channels
 - Added improved financing options for SME's

Outlook

- Enhanced search functionality and user experience improvements commenced in late 2017
- Revenue synergy realisation through cross-sell of finance to Auto and Industrial auction customers
- Grays remain on track to deliver \$23-\$25m EBITDA (NPATA \$14.0-15.4m) in FY18 representing a highly accretive EPS contribution of 29.7-32.7cps

\$ million	FY17 Actual	FY18 Forecast
Total Sales	103.2	
Net Operating Income	14.0	
EBITDA	2.5	23.0-25.0
NPATA	1.0	14.0-15.4
NPATA/Sales (%)	1.0%	
NOI/Sales (%)	13.6%	
Cost / Income (%)	84.3%	



1. Industrial and Auto sales and NOI are provided on a pro-forma basis as Grays' Ecommerce Group was acquired on 11 August 2017. Wine contributed \$24.8m in sales and \$7.2m in NOI for FY17 on a pro-forma basis.

Continued diversification underpins strong NPATA growth

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\$ million	Closing AUMOF		
	FY16	FY17	Growth pcp
AU Commercial	1,024	1,127	10%
NZ Commercial¹	446	459	3%
- R2D ²			
- Carloans & Novated	566	655	16%
Consumer	566	655	16%
Eclipx (excl. GraysOnline)	2,035	2,241	10%
GraysOnline ²			
Eclipx (Inc. GraysOnline)	2,035	2,241	10%

	Net Operating Income		
	FY16	FY17	Growth pcp
	112.4	121.9	8%
	38.8	39.7	2%
	11.3	43.7	286%
	33.7	35.9	6%
	45.1	79.6	77%
	196.2	241.2	23%
	0.0	14.0	
	196.2	255.3	30%

	NPATA		
	FY16	FY17	Growth pcp
	36.6	40.4	10%
	10.0	11.0	10%
	1.6	8.0	400%
	7.1	7.9	11%
	8.7	15.9	83%
	55.3	67.3	22%
	0.0	1.0	
	55.3	68.3	23%

Highlights

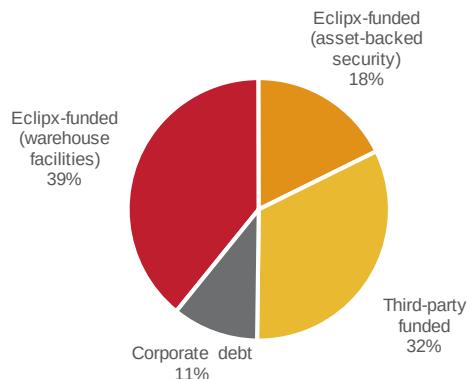
- 10% growth in AUMOF to \$2.24b has been achieved whilst growing NPATA by 23% to \$68.3m
- 30% growth in Net Operating Income to \$255.3m reflects increased diversification in ECX businesses
- Double digit NPATA growth in all segments

Diversified & defensive funding profile

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\$ million	Funding Summary 30-Sep-17		
	Drawn	Undrawn	Total
Eclipx-funded (warehouse facilities)	938	170	1,109
Eclipx-funded (asset-backed security)	425	-	425
Total (ex. P&A)	1,363	170	1,534
Third-party funded	779	-	779
Total (inc. P&A)	2,142	170	2,313
Corporate debt	255	45	300
Total	2,397	216	2,613

Borrowings as at 30-Sep-17



1. Includes \$9m in GraysOnline financing facilities

Highlights

- Eclipx accessed the term ABS market on 3 occasions in 2017, resulting in a material release and recycling of capital invested in warehouses, a broadening of our debt funding and investor base, whilst achieving cost of funds reductions. Transactions completed as follows:
 - AUD330m fleet ABS issue completed in Dec 2016 allocated to 12 investors
 - NZD224m fleet ABS issue completed in Jun 2017 and allocated to 12 investors
 - AUD351m ABS issue including fleet, consumer auto and equipment finance receivables priced and allocated to 20 investors on Nov 2017
- AUD300m corporate facility, with ability to increase to AUD425m providing additional capital for growth

APS 120

- Eclipx has re-positioned its funding to facilitate changes from APS 120 in 2018 including refinancing non AAA notes from major trading banks to non-bank financiers
- Eclipx has continued to diversify its funding investor base across all classes of notes in its warehouses and bond issues. This has resulted in reductions in Eclipx funding costs

Outlook

- Eclipx has AUD275m in available financing resources for growth including cash (\$59m) and undrawn committed facilities (\$216m) available from banks together with Principal and Agency funding agreements with 20 financiers
- Most diverse and competitive funding platform in the market which leverages warehouses, ABS and third-party funders. This mitigates our interest rate risk, provides funding certainty, significant headroom for growth and a clear point of differentiation

Key messages and FY18 outlook

- 1 Fleet businesses remain well positioned. We will continue to focus on growing our share of this important market
- 2 Earnings have been diversified and superior returns delivered to shareholders by expanding into vertical and horizontal adjacencies
- 3 Our most recent acquisitions (Right2Drive and GraysOnline) have unique and disruptive positions in high growth markets and are synergistic to ECX fleet and consumer businesses
- 4 Expect earnings split to be skewed towards 2H due to seasonal influences in the Grays auction activity and Right2Drive businesses
- 5 As previously indicated at our FY17 results in November, Eclipx expects continued strong earnings momentum into FY18 targeting 27-30% growth in NPATA over FY17 representing 10-12% Cash EPS growth

