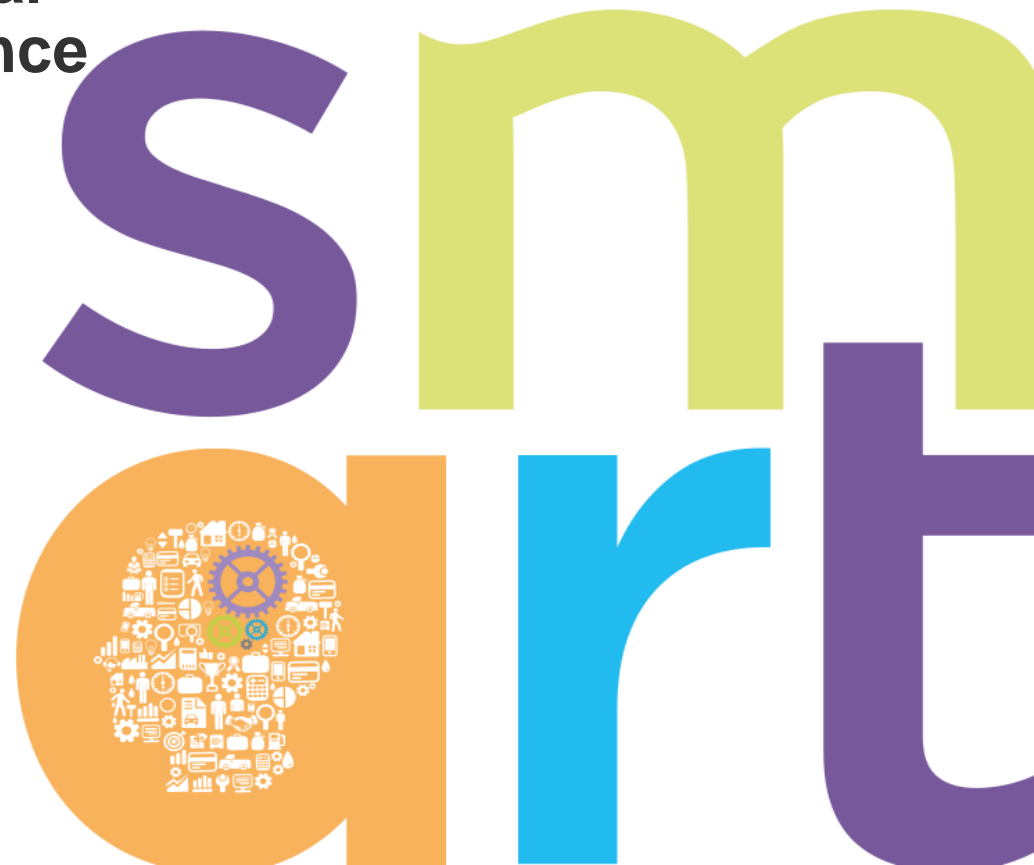




Goldman Sachs Ninth Annual Small and Mid-Cap Conference Sydney

Deven Billimoria,
Managing Director and CEO

17 April 2018



2017 was another successful year for Smartgroup...

1

Continued strong financial performance

- Revenue of \$205.4m up 40% vs CY 2016
- NPATA⁽¹⁾ of \$64.1m up 46% vs CY 2016

2

Continued client growth and diversification

- Organic growth of c.24,500 packages and c.2,900 leases
- Expanded footprint in the not-for-profit sector

3

Continued service excellence at Smartsalary

- Digital innovation continues to improve customer service
- Recognised for customer service and innovation awards

4

Integration of recent acquisitions tracking well

- Four new acquisitions announced in CY 2017⁽²⁾
- Synergies achieved earlier than expected from acquisitions completed in CY 2017

5

Fully franked final dividend of 18.5 cps (covering H2 CY 2017 period)

- Full year fully franked dividends of 35.0 cps, up 41% from CY 2016

1. NPATA is net profit after tax, adjusted to exclude the non-cash tax-effected amortisation of intangibles and significant non-operating items. Refer to Appendix for the reconciliation.
 2. AccessPay, Aspire Benefits Management and RACV Salary Solutions completed in CY 2017. Acquisition of Fleet West announced on 14 Dec 2017 and completed on 4 Jan 2018.

...with growth across all financial and operational metrics...

\$m	CY 2016	CY 2017	Change % (CY17 v CY16)	CY 2017 proforma ⁽²⁾	Change % (CY17PF v CY16)
Revenue	147.1	205.4	40%	226.8	54%
EBITDA ⁽¹⁾	63.3	93.6	48%	100.6	59%
NPATA	44.0	64.1	46%	68.5	56%

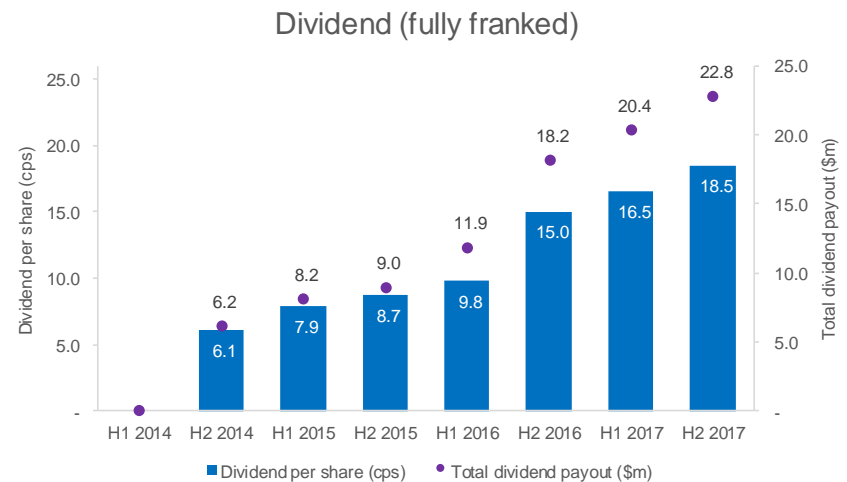
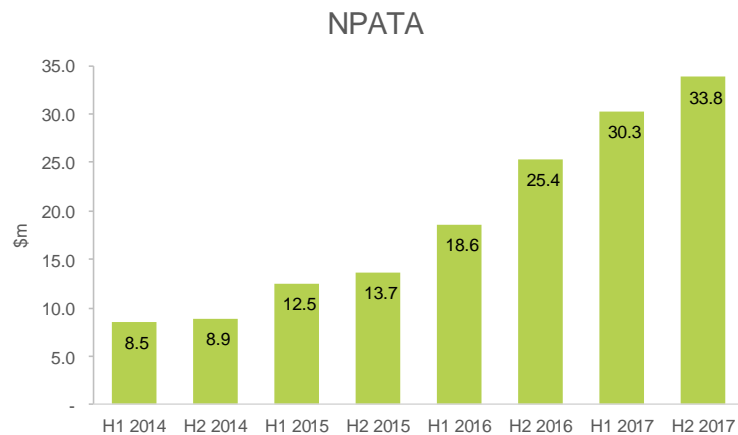
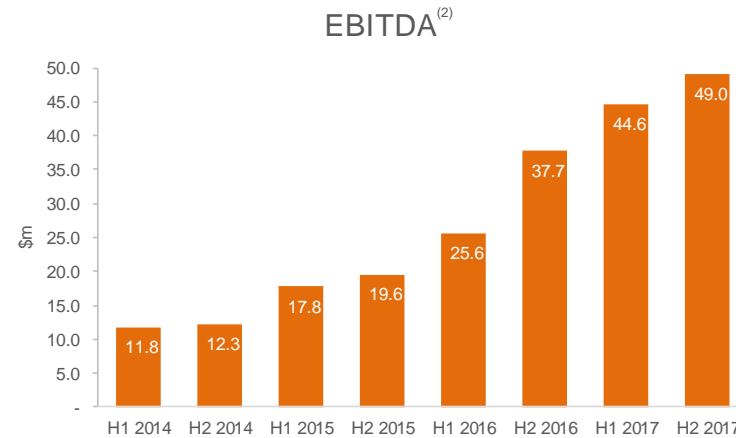
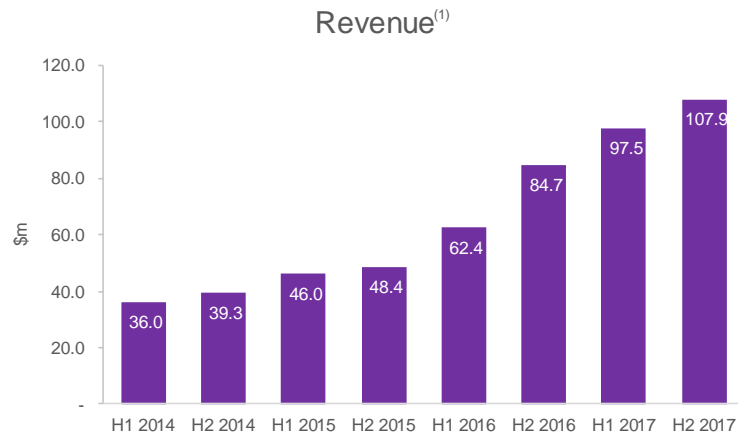
Shares on issue (millions)	121.5	123.2	1%	123.3	1%
NPATA per share (cps)	36.2	52.0	44%	55.5	53%

	As at December 2016	As at December 2017	Change %
Packages	221,000	325,000	47%
Novated leases under management	53,000	62,500	18%
FTEs	544	706	30%

1. EBITDA is earnings before interest, tax, depreciation and amortisation adjusted for significant non-operating items. Refer to Appendix for the reconciliation.

2. CY 2017 proforma is arrived at by including the pre-acquisition financial performance of AccessPay, Aspire, RACV Salary Solutions and Fleet West.

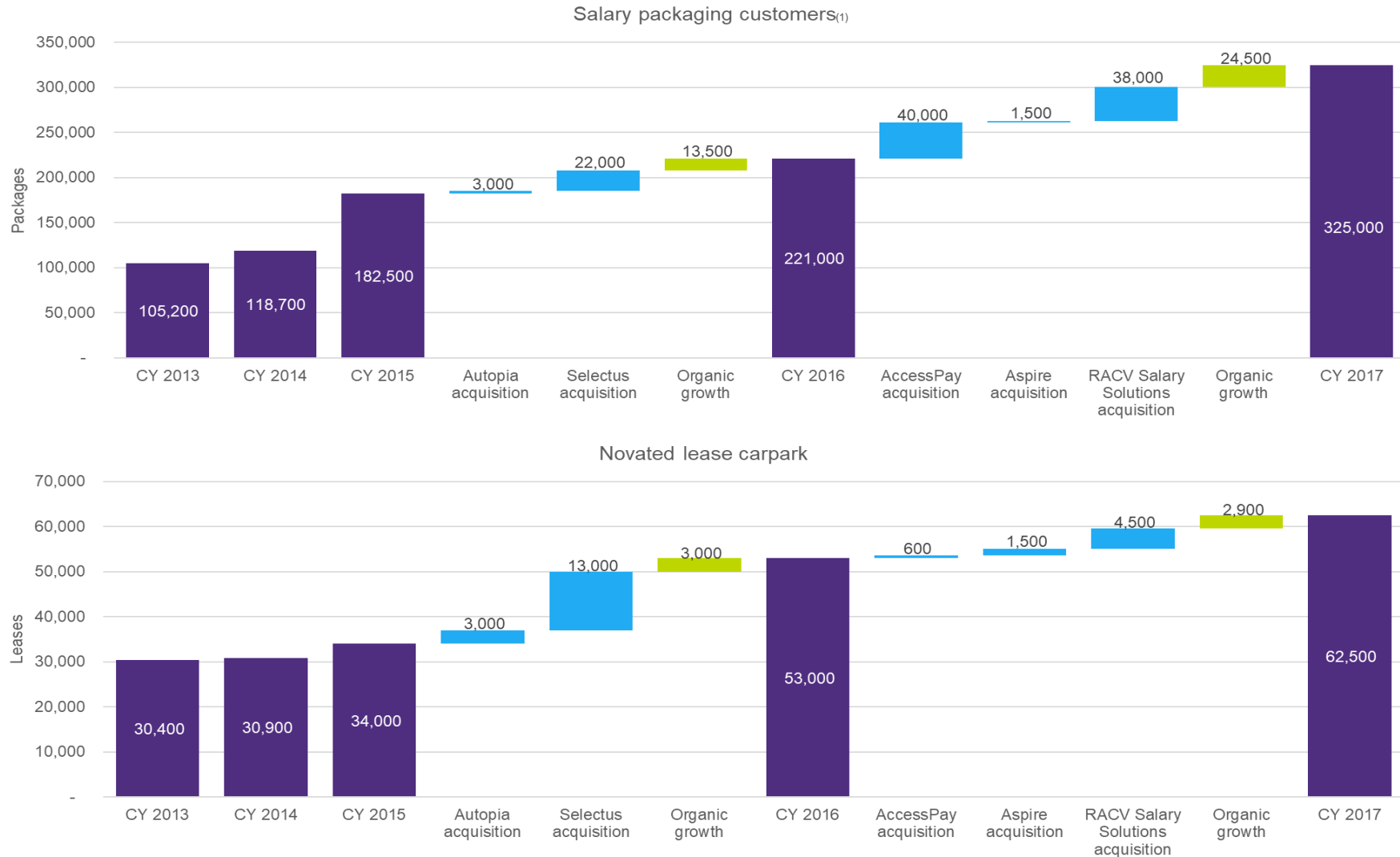
...and increasing shareholder returns.



Shares on issue (millions)	H1 2014	H2 2014	H1 2015	H2 2015	H1 2016	H2 2016	H1 2017	H2 2017
	n/a	101.5	103.7	103.7	107.3	121.5	123.1	123.2

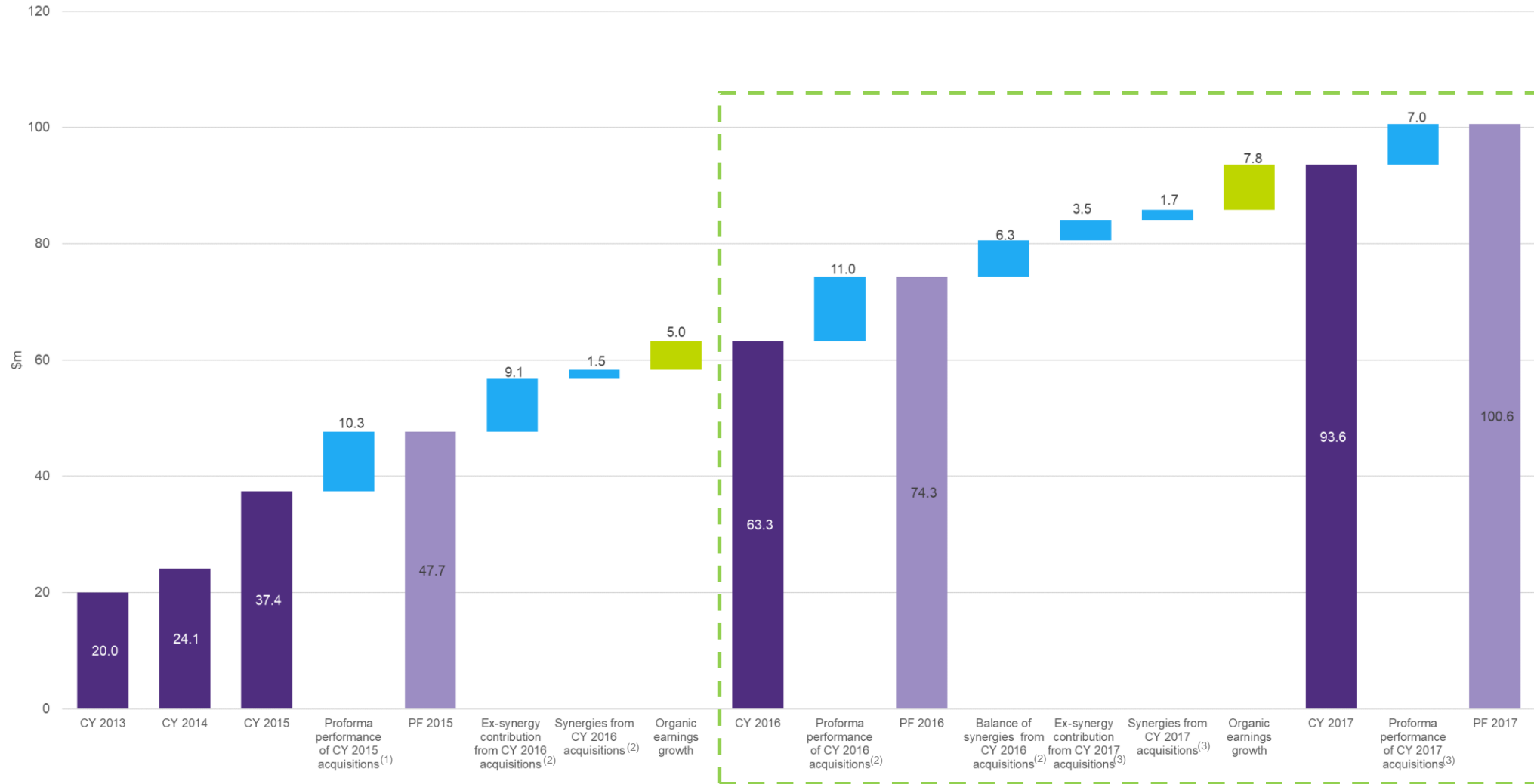
1. Revenue restated for change in recognition of some products to a gross basis. Refer to page 14.
 2. EBITDA in CY 2016 restated for reclassification of a joint venture contribution.

Smartgroup has continued to grow salary packages and novated leases both organically and through acquisition ...



1. CY 2015 package figure includes the acquisition of Advantage with c.50,000 packages, and a major client win of c.7,400 packages. CY 2016 and CY 2017 organic growth figures include major client wins of c.6,500 and c.8,500 packages, respectively.

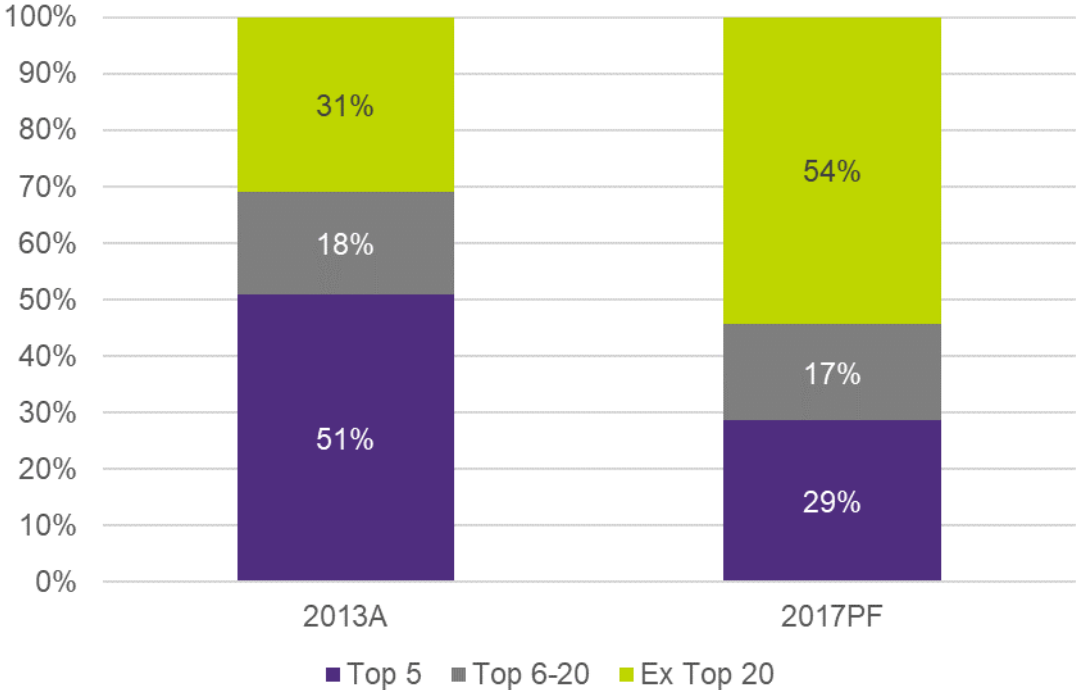
... delivering strong EBITDA growth in 2017.



1. CY 2015 acquisition – Advantage. Proforma is arrived at by including the pre-acquisition financial performance.
2. CY 2016 acquisitions – Smartequity, Autopia and Selectus.
3. CY 2017 acquisitions – AccessPay, Aspire, RACV Salary Solutions and Fleet West (completed 4 Jan 2018).

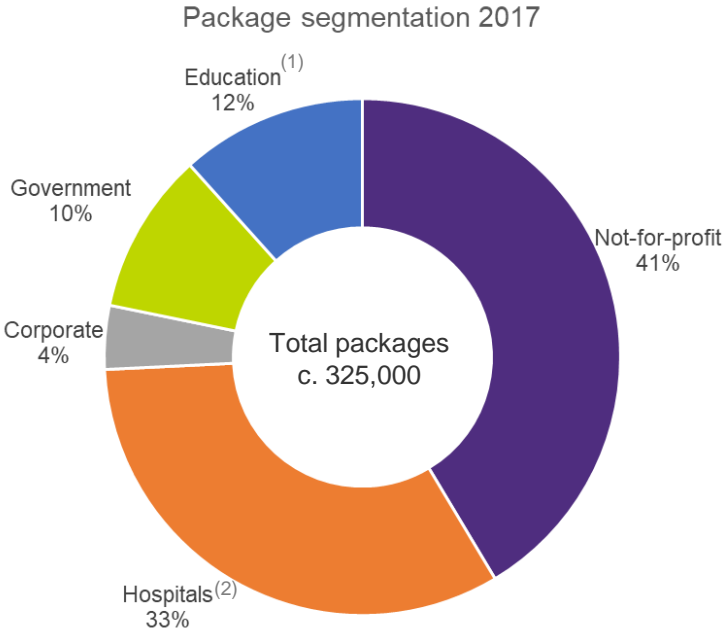
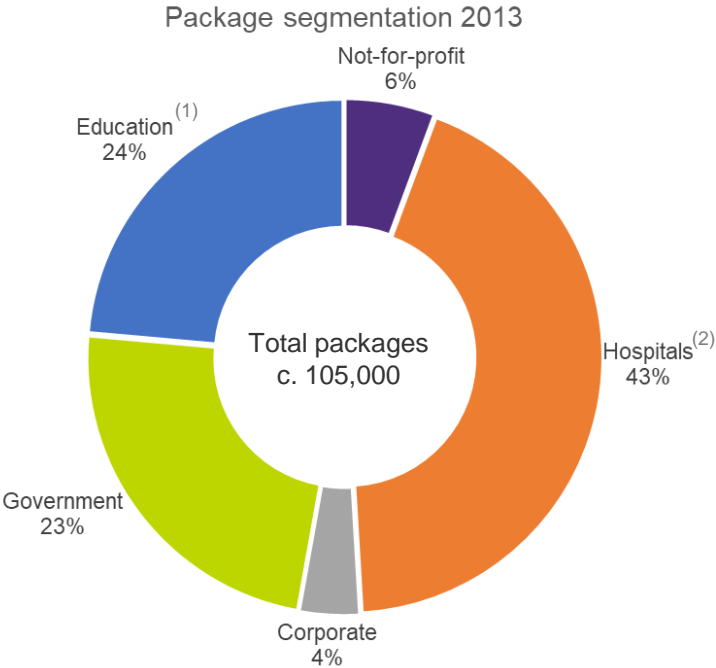
Smartgroup has continued to grow and diversify its client base...

Given the growth in Smartgroup’s client base, the top 5 clients account for 29% of revenue vs 51% in 2013⁽¹⁾. Smartgroup’s employer clients now total c.3,900 vs c.200 in 2013.



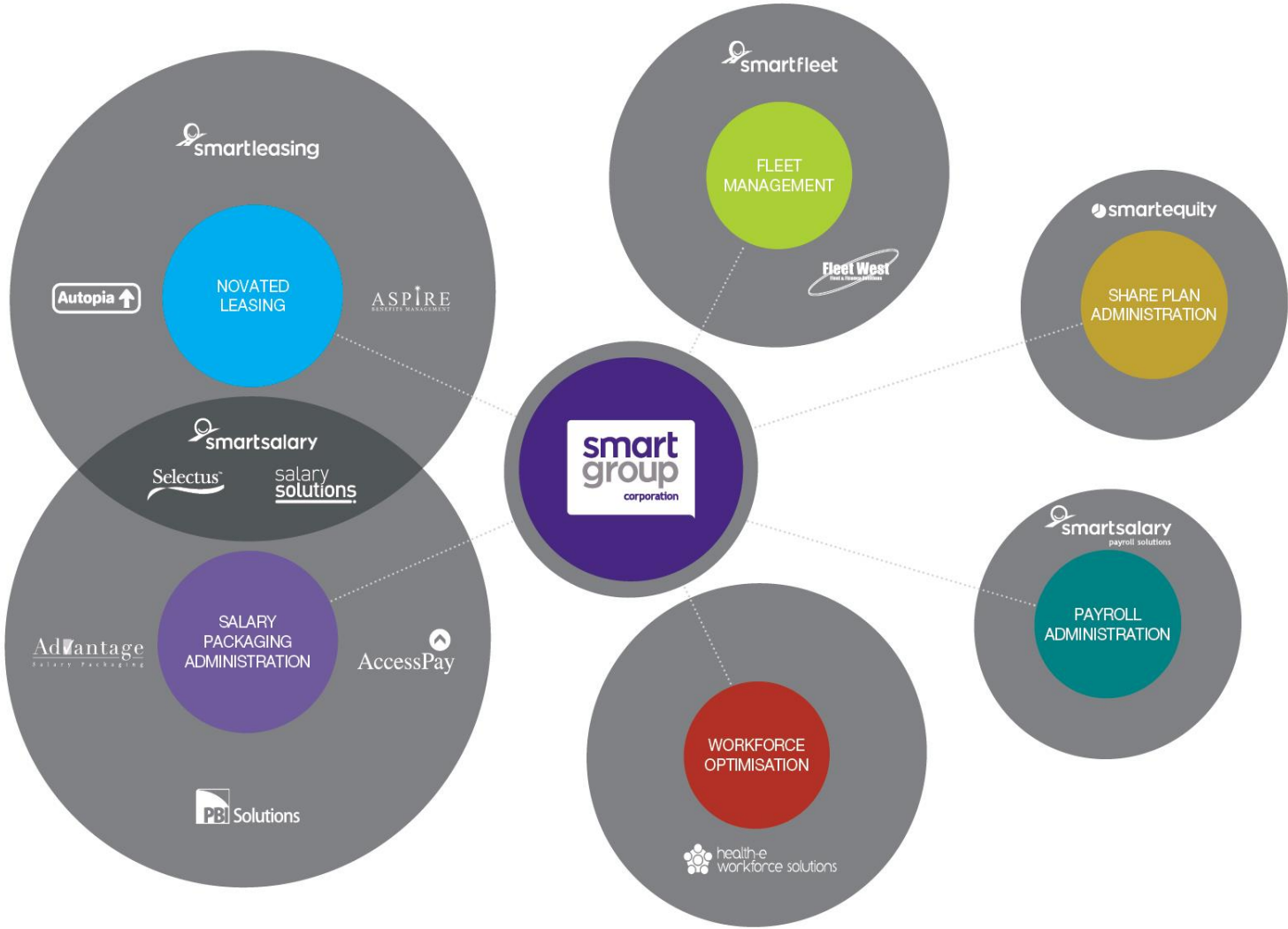
Notes: Total revenue CY13: \$62.4m, PF17: \$226.8m

... expand its client footprint ...



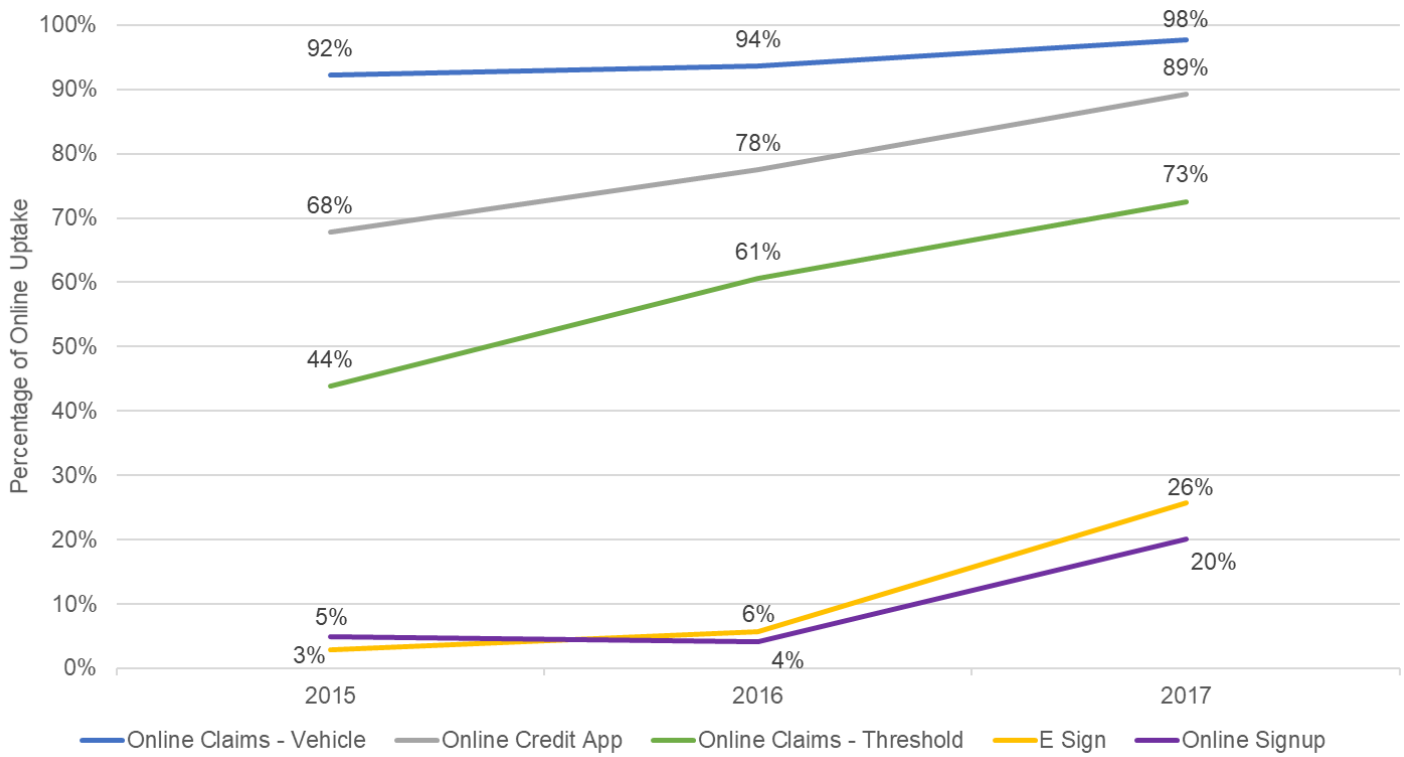
1. 'Education' includes public and private not-for-profit educational institutions.
 2. 'Hospitals' includes public and private not-for-profit hospitals.

...and extend its service offering.



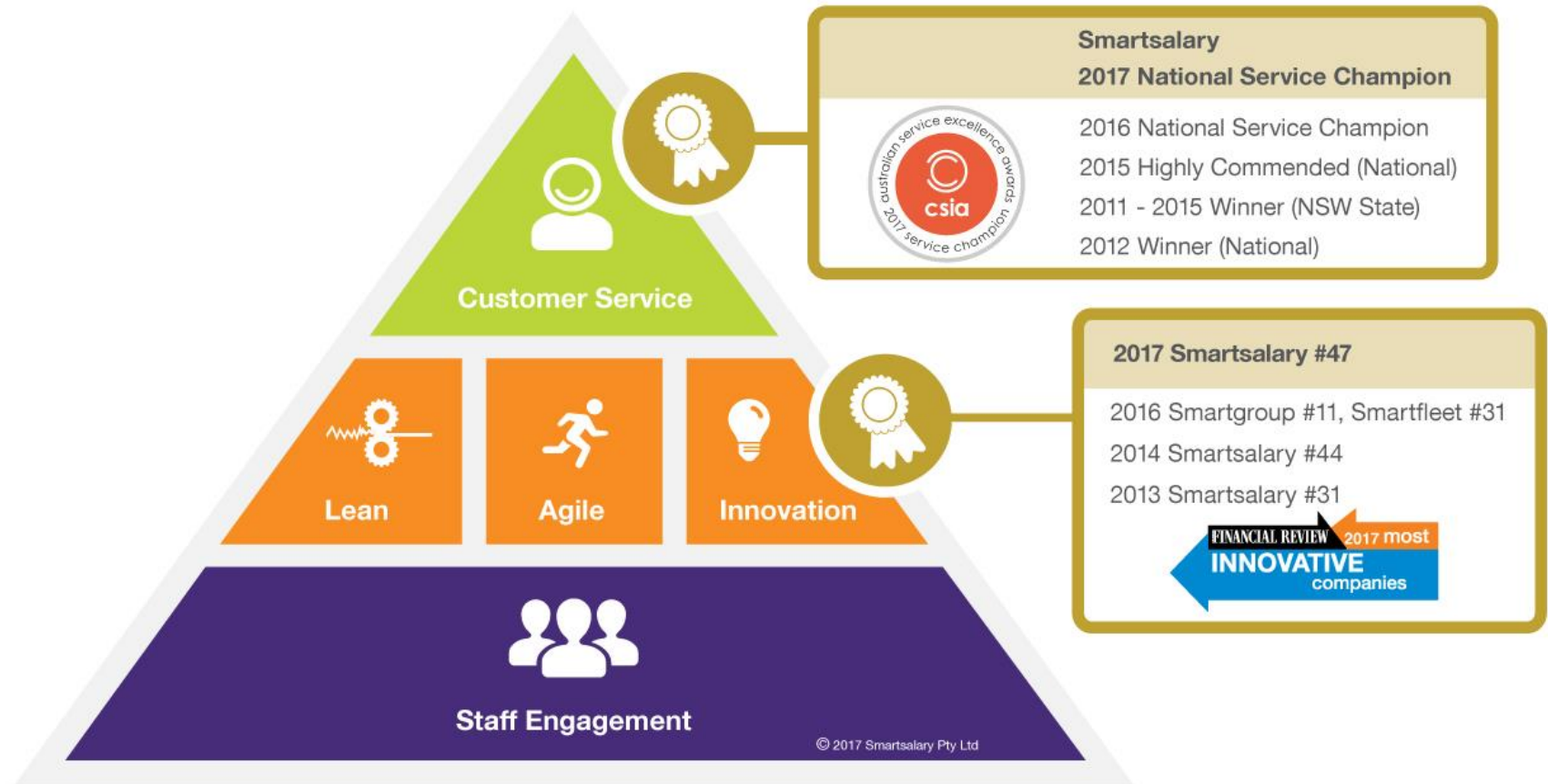
Digital channels at flagship Smartsalary brand have continued to see increasing levels of customer adoption.

Online processing uptake of high-volume Smartsalary⁽¹⁾ transactions



1. At Dec 2017, Smartsalary represented c.50% of total SIQ packages and c.60% of total SIQ leases. Data excludes acquired brands not currently on the Smartsalary digital platform.

Smartgroup continues to be recognised as one of Australia's most innovative and customer-centric companies...



Smartgroup capabilities triangle

... and Smartsalary achieved the highest audit score awarded in the history of the Customer Service Institute of Australia, for the third consecutive year.



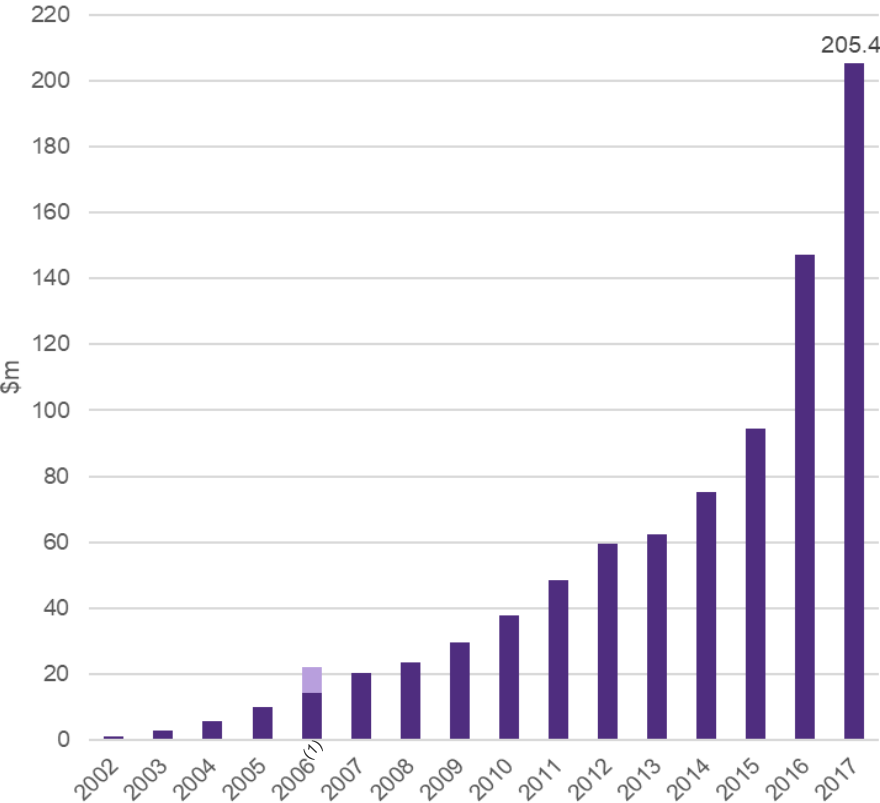
CY 2018 update

- The business continues to trade to plan
 - Client renewals and wins across SIQ businesses
 - Business and IT integration initiatives tracking to plan

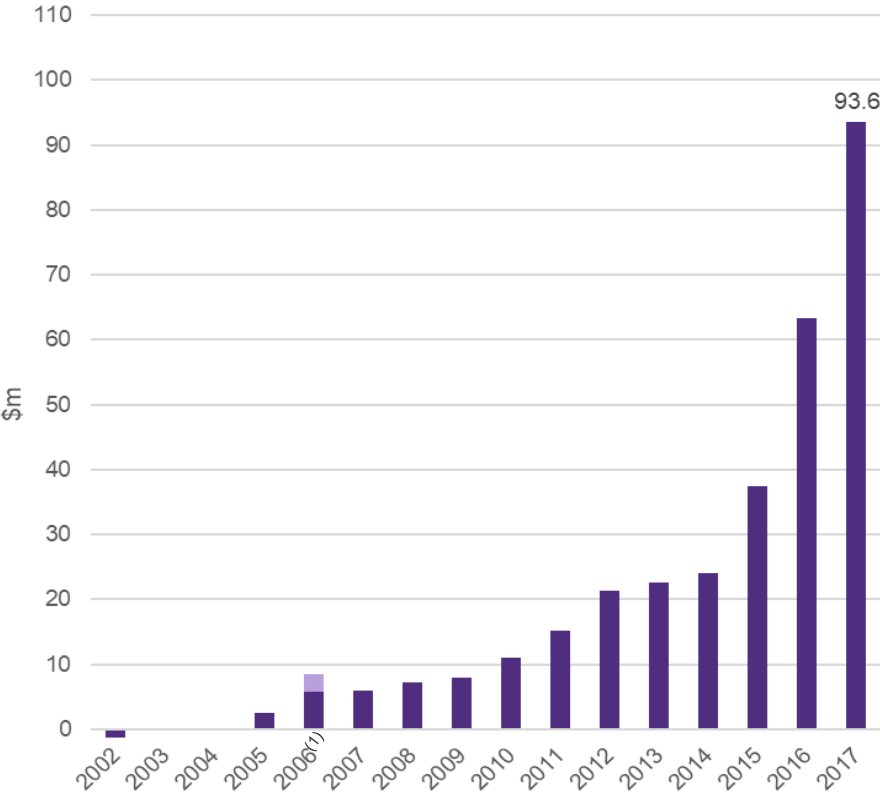
- Successful recent institutional placement and share purchase plan to strengthen Smartgroup's balance sheet and provide financial flexibility to support organic growth and pursue future acquisitions
 - Raised \$78.4m, reducing pro-forma net debt/CY 2017 EBITDA to 0.4x

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

Revenue



EBITDA



1. 2006 represents 18 months of results due to the change of year end from 30 Jun to 31 Dec.



Questions?

Important notice and disclaimer

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This presentation presents financial information on both a statutory basis (prepared in accordance with Australian accounting standards which comply with International Financial Reporting Standards (IFRS)) and non-IFRS basis.