SG Fleet Group
Integrated Mobility

FY2020
Investor Presentation

18 AUGUST 2020

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Overview

Financial Results

NPAT
$36.8m

(Pre-COVID-19 guidance $48-51m)

Fleet Balance

+2.4% vs. FY19

+1.5% 2H20 vs. 1H20

- Enhanced customer focus on service quality and value-add during crisis period
- Company delivered seamless service continuity by maintaining operational scale
- Strong business development performance across the Group to yield benefits in current and coming periods
- Consumer business recovery towards period end after marked impact at start of Q4
- Structural trend towards outsourcing and mobility evolution accelerate in COVID-19 environment
- Further growth in product penetration
- Innovation continues as leasing and mobility landscape evolves

Leadership position in both Corporate and Consumer limits COVID-19 impact

Operational Review – AUS Q3

Corporate

- Opportunities pipeline strong
- Strong win rate across range of industries and segments
- Competitive environment rational
- Decision process remains lengthy

Consumer

- Continued weakness in new car sales
- Insurance product review
- Strong rate competition
- Sizeable customer wins in private and public sector, combined with retention of all key accounts
- Driver marketing increasingly moves online

Start of period in line with first half

Operational Review – Group Q4

Business continuity approach

- Focus on ensuring wellbeing of staff and customers
- Cashflow and financial management aided by annuity-style income profile
- Voluntary reduction in remuneration
- Workforce adapts rapidly to new environment and changing customer requirements

Business impact

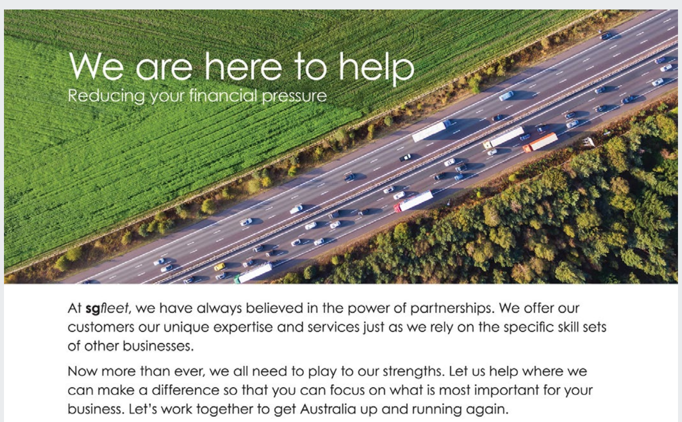
- Extensions up 31%
  - Temporary impact on funding commissions
- Auction activity levels impacted
  - Lower frequency AU
  - Suspension UK/NZ
- Disposal volumes -35% in Q4, up 2% in June
- Average disposal profit significantly lower in Q4
- Recovery as period progresses with marked bounce-back since June
- Some segments less impacted

Rapid BCP implementation minimised initial COVID-19 impact

Operational Review – AUS Q4

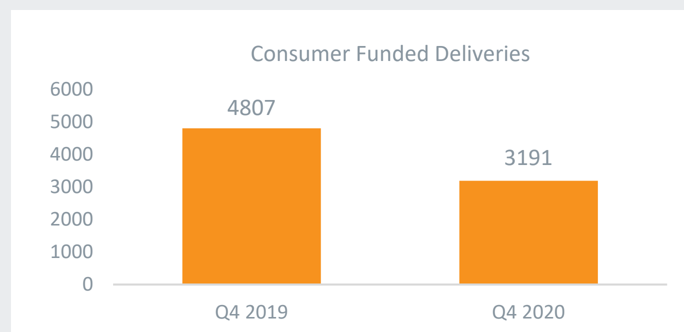
Corporate

- Exposure to unaffected industries ensures activity levels largely maintained
- Opportunities pipeline remains healthy
- Targeted campaigns to assist customers



Consumer

- Immediate focus on assisting drivers in hardship - travel segment impacted
- Driver engagement moves online
- Customers continue to tender – high win rate
- COVID-19 impact on enquiries from mid-March, recovery from May



Impact evolves over Q4

Operational Review – UK

Q3	Q4

• Business confidence improving post-elections
• Opportunities pipeline stronger
• Second-hand market begins to recover
• Targeted marketing campaigns
  • Local SME segment
  • Crown Commercial Services network
• Higher product penetration
  • Motrak
  • Short-term hire
	• Recovery from late May after marked impact on economic activity levels, registrations and residual values
	• Disposals temporarily halted by full lockdown
	• Deliveries to essential services customers growing
	• Tender activity grows strongly
	• Break-through fleet management contract and large delivery vehicle wins

Strong order bank despite temporary disruption

Operational Review – NZ

Q3	Q4
• Activity levels in line with first half • Northpower contract live • Significant win in utility industry • Disposal volumes and values strong until late March	• Sharp initial drop in new registrations - disposals suspended • Residual values recover from June • Public sector exposure ensures stable activity levels • New tender activity at record levels • Sale and leasebacks in high demand

Sharp business activity recovery towards period end

Customer Base and Products & Services Offering – Update

Tenders

38
Number of tender submissions awaiting decision[1]

40% ↑
2H20
Corporate win rate[1]
(1H20: 27%)

69% ↑
2H20
Consumer win rate[1]
(1H20: 33%)

1. AU/NZ

- 2H AU/NZ tender activity level higher than 1H across Corporate and Consumer
- Multiple un-tendered contract renewals and extensions
- Impact on FY21 deliveries

Product Penetration

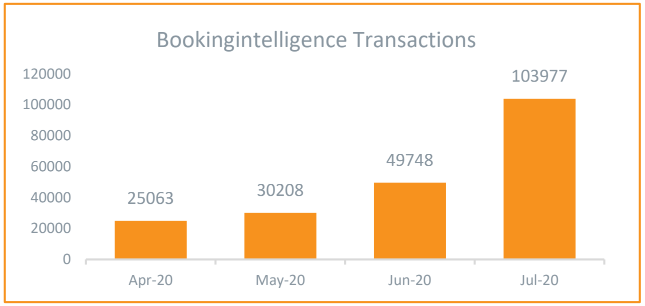
42% ↑
of customers take up 2 or more products[1]
(1H20: 36%)

88% ↑
of Top 40 customers take up 2 or more products[1]
(1H20: 75%)

51% ↑
of Top 40 customers take up 3 or more products[1]
(1H20: 38%)

1. Legal entity basis – Corporate business

- Telematics penetration accelerates
- Bookingintelligence user and transaction numbers grow exponentially



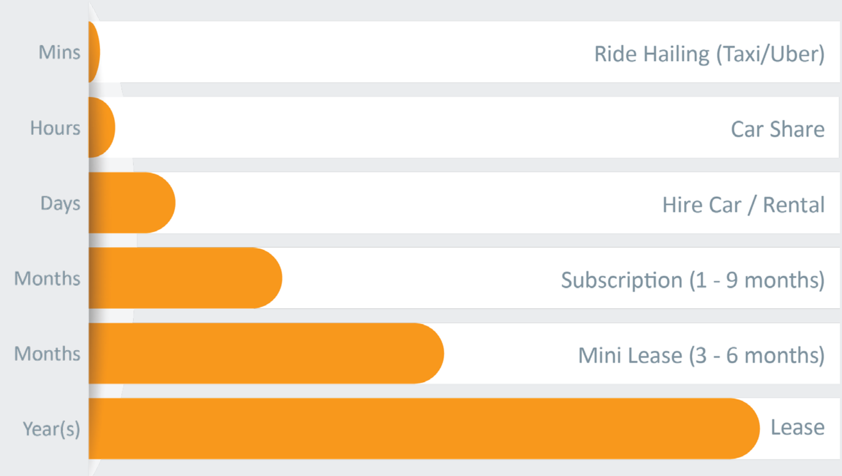
Innovation

Product & Services Development

Carly	Subscription services
minilease	3 - 6 month leases
DingGo	Repair portal for fleet managers
REVS	Global research initiative
eStart	Zero Emission Vehicles
fleetworld THE GREAT BRITISH FLEET AWARDS 2020 Innovation in Green Travel SG Fleet	UK Industry Awards

SG Fleet in the Mobility Landscape

SG Fleet Group
Integrated Mobility



- Product development across evolving leasing and mobility landscape
- Focus on providing greater flexibility for users
- Provides access to wider pool of customers

Financial Results

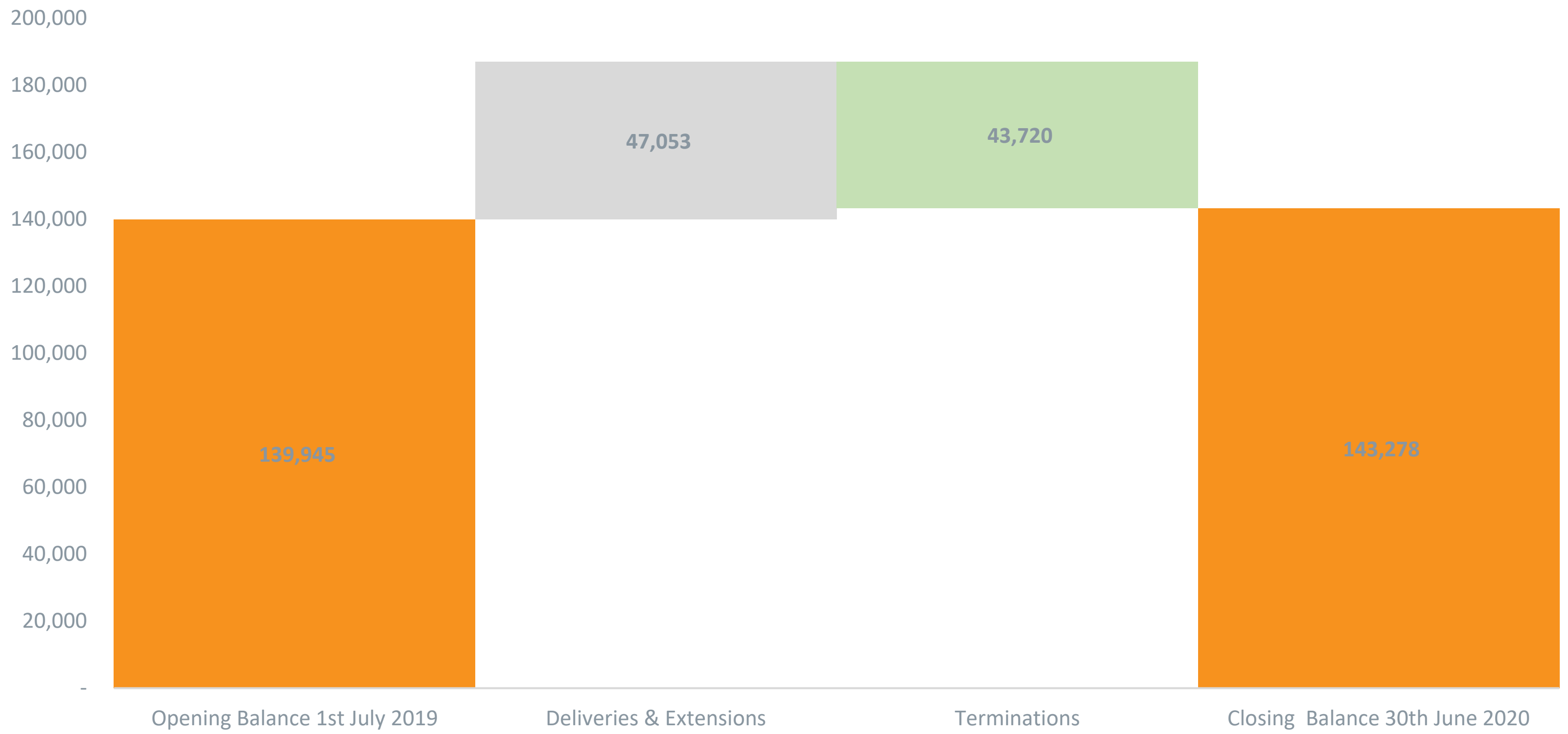
Financial Summary

A$m	FY2020	FY2019	Variance
Revenue	452.9	509.7	(11.1%)
Cost of Revenue	(280.6)	(300.7)	6.7%
Net Revenue	172.3	209.0	(17.6%)
Operating Expenses	(97.3)	(94.6)	(2.9%)
Operating EBITDA	75.0	114.5	(34.5%)
Depreciation and amortisation expense	(16.8)	(16.1)	(4.3%)
Operating Income	58.2	98.4	(40.8%)
Interest on Corporate Debt	(5.8)	(6.8)	14.7%
Underlying Net Profit Before Income Tax	52.4	91.6	(42.8%)
Tax	(15.6)	(27.1)	42.4%
Underlying Net Profit After Tax[1]	36.8	64.5	(42.9%)
Reported Net Profit After Tax	36.8	60.5	(39.2%)
Underlying Net Profit After Tax[1]	36.8	64.5	(42.9%)
Amortisation of Intangibles	6.9	6.8	(1.5%)
Underlying NPATA[2]	43.7	71.3	(38.7%)
Underlying EPS (cents)	14.01	24.76	(43.4%)
Reported EPS (cents)	14.01	23.20	(39.6%)
Underlying Cash EPS (cents)	16.66	27.35	(39.1%)

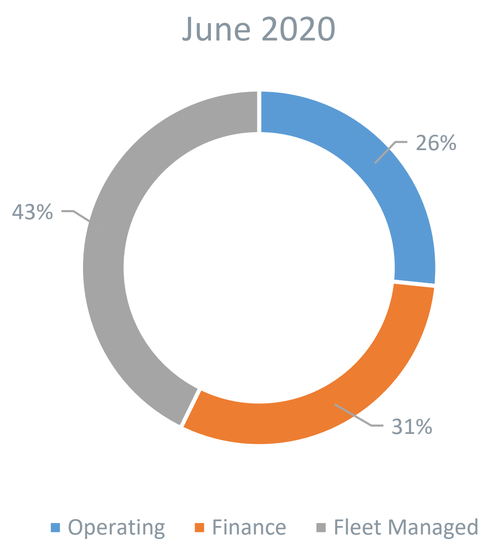
1: Underlying Net Profit After Tax = Net Profit After Tax before significant non-recurring items.
2: Underlying NPATA = Net Profit After Tax before acquisition-related expenses incurred during the reported period and excluding amortisation and impairment of intangible assets on an after tax basis.

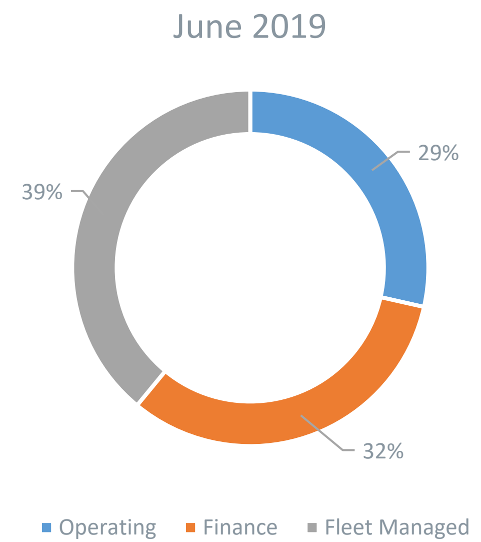
- Passenger car sales in Australia down 13.8% vs. pcp
- Material changes to add-on insurance portfolio
- Q4 impact – 42% reduction in Net Revenue
- Not entitled to JobKeeper due to GST turnover definition – engaging with ATO/Treasury for discretion to be applied
- Underlying NPAT - $36.8m vs. pre-COVID-19 guidance of $48m-$51m
  - On track vs. guidance forecast until end March 2020

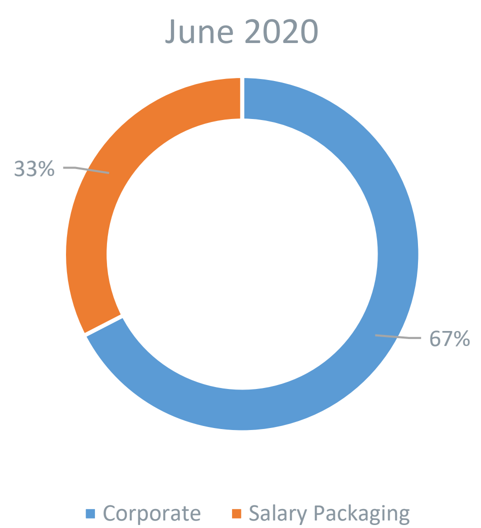
Fleet Movement

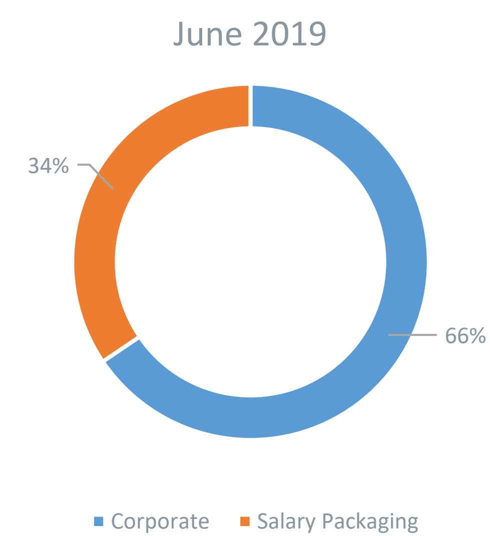


Fleet Mix

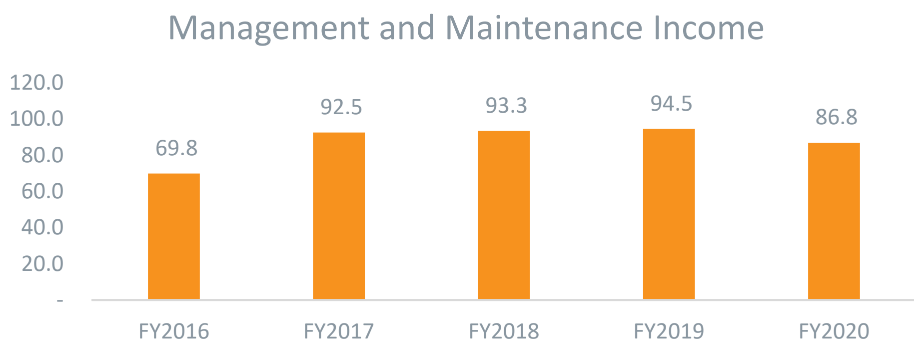

June 2020
26%
31%
43%
Operating
Finance
Fleet Managed


June 2019
29%
32%
39%
Operating
Finance
Fleet Managed


June 2020
33%
67%
Corporate
Salary Packaging

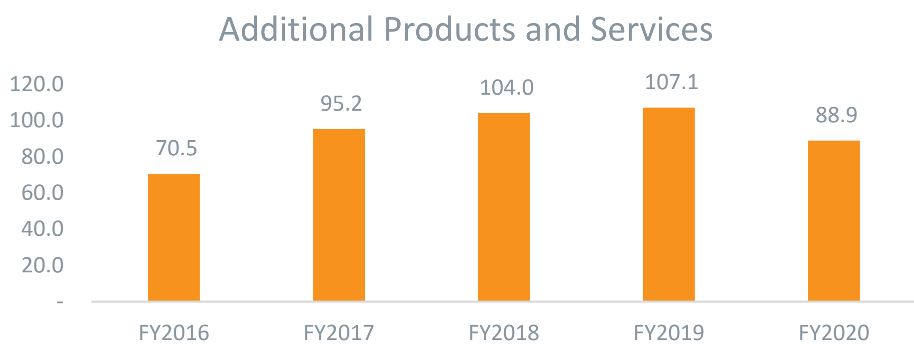

June 2019
34%
66%
Corporate
Salary Packaging

Revenue Analysis



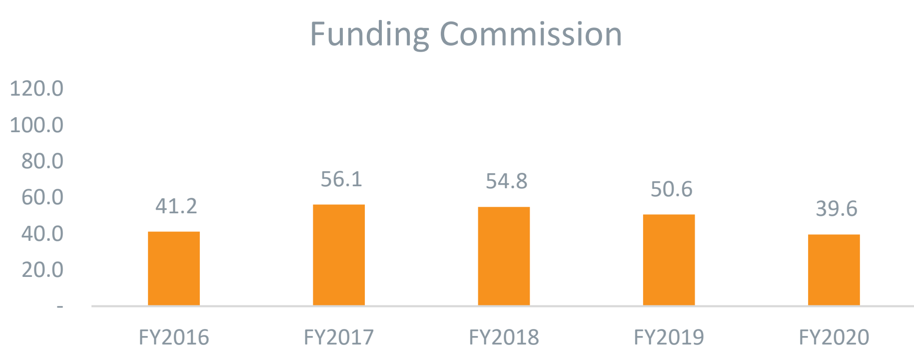
⬇ 8.1%

- Impacted by 2.6% decline in average funded fleet
- Further reduction in number of fully-maintained vehicles
- COVID-19 impact:
  - Not material due to annuity nature



⬇ 17.0%

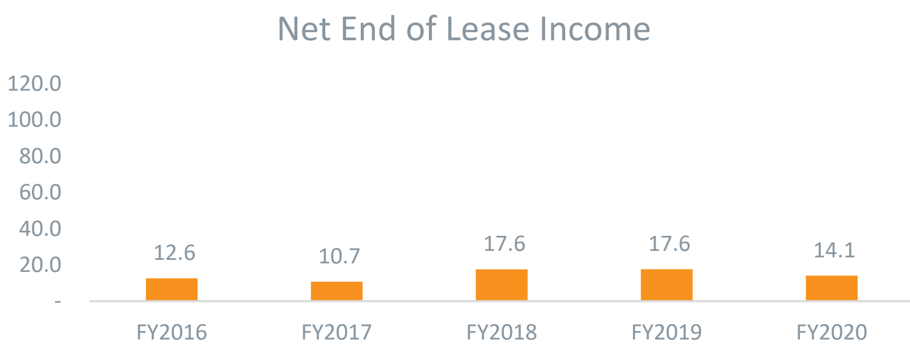
- Impact of changes to add-on insurance product portfolio
  - Reduction in margins
  - Spreading of income
  - Certain products exited in 1H
- COVID-19 impact:
  - Lower deliveries in Q4



⬇ 21.8%

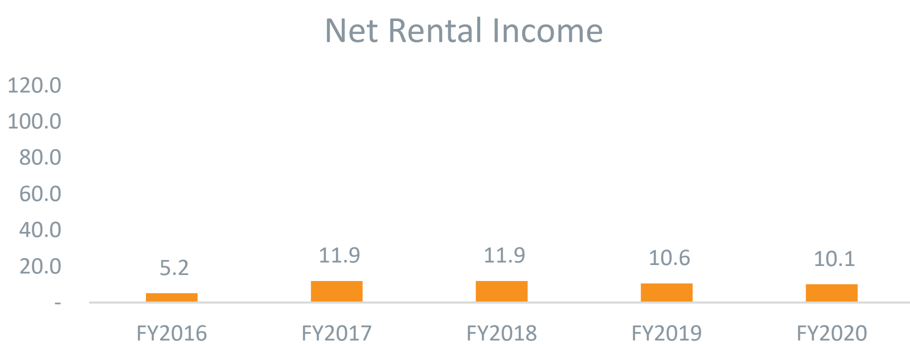
- Impact of soft vehicle sales in Australia
- Credit rejections remain elevated
- COVID-19 impact:
  - 42% decline in new funded deliveries vs. pcp
  - 31% growth in extensions in Q4 vs. pcp

Revenue & Direct Costs Analysis



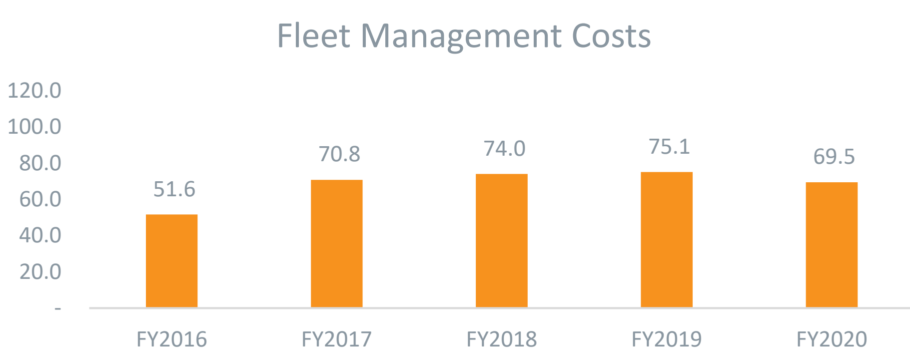
↓ 20.1%

- Resilient pre-COVID-19
- COVID-19 impact:
  - Fewer returning vehicles due to growth in extensions
  - Fewer auctions in AU, suspension of auctions in UK/NZ
  - 35% fall in disposal volumes and sharp fall in average profit vs. pcp



↓ 4.5%

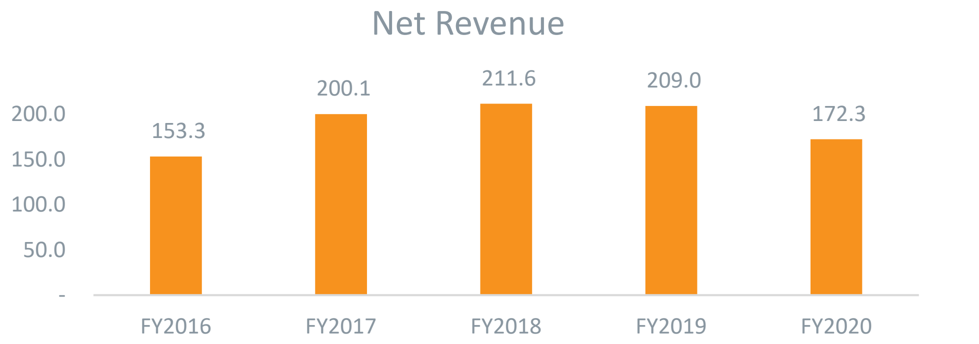
- Lower volumes on short-term rental in UK business in lead-up to election
- COVID-19 impact:
  - Temporary reduction in demand for short-term hire in UK

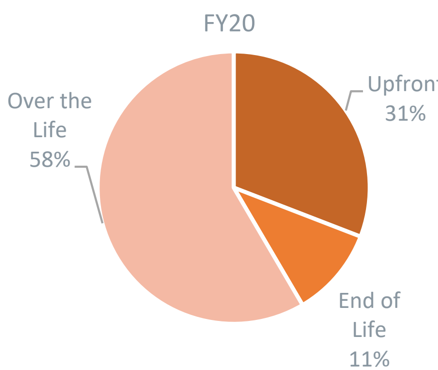


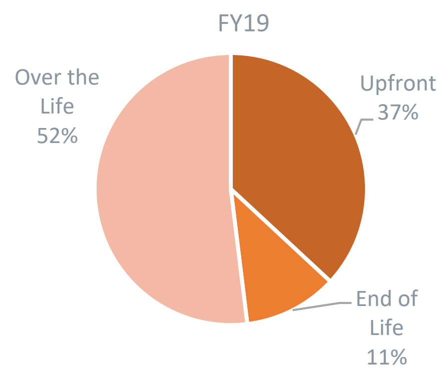
↓ 7.5%

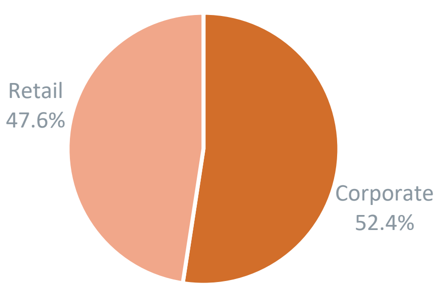
- Maintenance costs lower due to reduction in number of fully-maintained commercial vehicles
- COVID-19 impact:
  - Lower vehicle maintenance costs due to reduced usage
  - Increase in inventory impairment provision

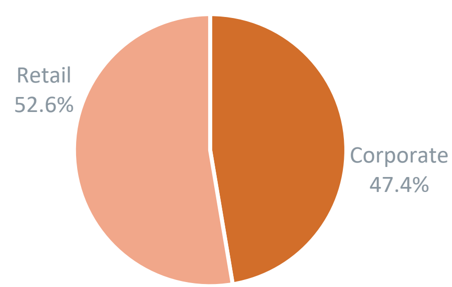
Net Revenue Analysis









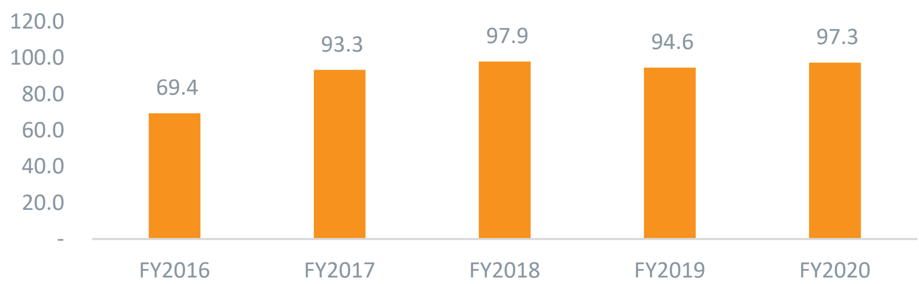


⬇ **17.6%**

- Net Revenue = Gross Revenue less direct costs (fleet management costs, vehicle cost of sale, short-term rental cost of sale and depreciation and interest on lease portfolio)
- Reduction in new deliveries and changes to insurance product portfolio increase annuity income proportion and shift weighting of revenue towards Corporate business
- Improvement in product mix

Expense Analysis

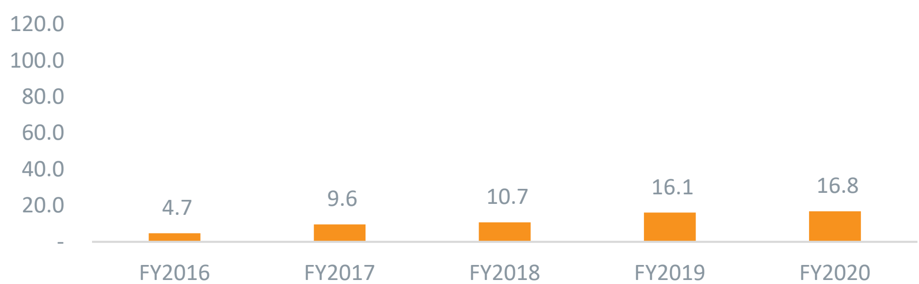
Operating Expenses



↑ 2.9%

- Continued investment in technology and innovation
- Includes $800k impairment of investment in Collaborate Corporation Limited
- Employment costs include $1.3m in redundancy costs
- No JobKeeper benefit included in P&L

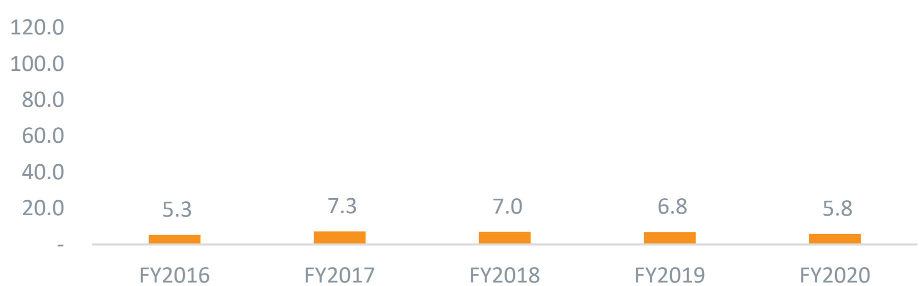
Depreciation and Amortisation



↑ 4.3%

- Growth attributable to growth in capex in recent years
- Full impact of AASB16 now reflected in current period and pcp

Corporate Interest Cost



↓ 14.7%

- Full-year impact of improved terms on refinance of corporate debt
- Pcp includes the accelerated amortisation of previously capitalised debt transaction costs

Securitisation Update

- Go-live deferred as project management and development resources diverted to manage impact of COVID-19
- Implementation of automated credit decisioning system, incorporating on-line application form, credit bureau report and serviceability assessment, nearing completion
- Systems changes to cater for securitisation requirements, including reporting, close to final
- Senior funder selected
- Some transaction documents executed, remainder to be executed immediately prior to go-live
- Autonomy 2020-1 Warehouse Trust established
- Targeting to originate first lease in 1H21

Balance Sheet, Cashflow and Dividend

- Net corporate debt[1] – $26.0m ($38.8m pcp)
- Pro forma net leverage ratio[2]
  - Total leverage – 0.9x Statutory EBITDA (0.6x pcp)
  - Corporate leverage – 0.3x Statutory EBITDA (0.3x pcp)
- Cash conversion – 118% of Statutory EBITDA
- Final dividend of 3.053 cents per share fully franked.
- Full-year dividend 9.996 cents per share fully franked
- Full-year payout ratio of 60% of Reported NPATA (65% pcp)

1: Net corporate debt excludes lease portfolio borrowings
2: Leverage ratio calculated on Pro forma EBITDA excluding significant non-recurring transactions

Operational Update & Outlook

SG Fleet Group
Integrated Mobility

1H21 Update

Group

- Office environment normalising
- June RV rebound accelerates as preference for private transport drives interest in second hand vehicles
- Lower new car sales restricts supply of trade-ins
- New vehicles, parts and accessories supply disruption is spreading out deliveries for large 4Q20 wins over 1H21

AUS Corporate

- Significant wins at start of period
- Opportunities pipeline grows as companies and organisations review fleet approach
- Focus on efficiencies driving interest in specialised providers
- Sale and leasebacks address cashflow imperatives
- High demand for delivery vehicles

AUS Consumer

- Leads and orders ahead of initial expectations
- Consumer confidence varies by State
- Continued support of customers in industries impacted by employment situation
- Activity levels will remain vulnerable to volatility in environment and sentiment

Improving outlook but uncertainty remains

1H21 Update

UK

- Strong exposure to segments benefiting from government infrastructure spending
- Strong second-hand vehicle market
- Fulfilling 4Q20 orders in context of constrained production levels
- Focus on wins through Crown Commercial channel, contract extensions, additional services
- Relaunch courier lease product into strong demand channel
- Business of the Year Award win

NZ

- Companies conducting business reviews in pursuit of efficiencies
- Tender activity levels at all time high – pursuit focused on larger contracts
- Opportunities in finance and government sector
- Potential conversion of large unfunded contracts to funded

High activity levels in UK and NZ businesses

Emerging and Accelerating Trends

Trend	Implications
Fear of infection and shift away from public or shared transport towards single-occupancy transport modes that support social distancing	**Fleet management services – General:** situation favours use of closed pool of vehicles for tool-of-trade movements over reliance on public/shared transport because vehicle hygiene can be managed and external exposure is reduced **Leasing – Novated:** renewed preference for owned/leased vehicles over public/shared **Leasing – Mini-lease / Carly / Short-term hire (UK):** demand for short-term single vehicle or single occupancy vehicle arrangements to replace reliance on public transport, ride share, or multiple passengers
Greater focus on vehicle and trip safety, including hygiene	**fleetintelligence / bookingintelligence**: introduction of sanitisation datapoint **Inspect365**: WH&S focus on sanitisation and introduction of sanitisation checkpoint **Fleet management services – Aftermarket:** demand for vehicle sanitisation kits **DingGo:** contactless repair process and vehicle sanitisation
Expansion of eCommerce and last mile delivery implications	**Fleet management / Corporate Leasing – General:** demand as consequence of expansion of delivery fleets **Leasing – Mini-lease / Carly / Short-term hire (UK):** short-term fleet expansions to cover seasonal peak periods
Shift towards greater acceptability of people and vehicle movement tracking to manage emergencies	**IVAM / telematics**: greater requirement for vehicle tracking **bookingintelligence**: greater ability to identify asset user / driver in case of infection
Economic impact on business activity levels and uncertain business outlook	**Leasing – Mini-lease / Carly:** preference for shorter-term commitments
Economic impact on corporate finances and resulting management of balance sheet, cashflow and costs	**Leasing – General:** increased appeal of outsourcing, demand for sale and leaseback arrangements **Fleet management services / Leasing – General:** greater cost focus and receptiveness to fleet efficiency advice and solutions

Fleet management and leasing value-add addresses additional corporate and consumer requirements

Summary

Australia – Corporate

- Service continuity ensured
- Positive response to increased customer demand for assistance
- Strong pipeline continues

UK

- Initial economic recovery halted by COVID-19 – recovery begins towards end of Q4
- Strong customer wins throughout period build up significant order book

Customers

- Tender win rates well in excess of current market share
- Product and services penetration continues to rise

Australia – Consumer

- Significant impact at start of Q4, followed by gradual recovery towards period end
- Customer tender activity continued
- Strong win rate

New Zealand

- BAU returns by period end
- Exposure to public sector ensures stable activity levels
- Opportunities pipeline strong

Innovation

- Product development across evolving leasing and mobility landscape
- Focus on providing greater flexibility for users

Outlook

- Interest in consumer products recovering
- Corporate business focused on fulfilling large order books
- High level of extensions in Q4 will require replacement in short to medium term
- Need for fleet efficiencies is driving broadening interest in outsourced services
- Range of solutions suitable for current environment
- Increased focus on service quality and value-add
- Company position strengthened on 1H20
- Positive growth scenario remains vulnerable to short-term developments

Questions

Annexure

SG Fleet Group
Integrated Mobility

Annexure

A$m	FY 2020	FY 2019	Variance
Management and Maintenance Income	86.8	94.5	(8.1%)
Additional Products and Services	88.9	107.1	(17.0%)
Finance Commission	39.6	50.6	(21.8%)
End Of Lease Income	196.6	213.4	(7.9%)
Rental Income	38.8	40.5	(4.2%)
Other Income	2.2	3.7	(39.3%)
Total Revenue	452.9	509.7	(11.1%)
Fleet Management Costs	69.5	75.1	7.5%
Short Term Hire Costs	10.8	11.6	6.9%
Cost of End of Lease Income	182.5	195.8	6.8%
Operating Lease Depreciation	15.6	15.5	(0.6%)
Direct Interest	2.3	2.8	17.6%
Total Expenses	280.6	300.7	6.7%
Net Revenue	172.3	209.0	(17.6%)
Net Revenue excluding End of Lease Income	158.2	191.5	(17.4%)
Net End of Lease Income	14.1	17.6	(20.1%)
Employee Benefits Expense	73.5	75.1	2.1%
Occupancy Costs	2.3	2.6	13.0%
IT and Communication Costs	11.2	7.9	(42.2%)
Other Expenses	10.3	9.0	(14.7%)
Total Operating Expenses	97.3	94.6	(2.9%)
Operating EBITDA	75.0	114.5	(34.5%)
Depreciation and amortisation expense	16.8	16.1	(4.3%)
Operating Income	58.2	98.4	(40.8%)
Interest on Corporate Debt	5.8	6.8	14.7%
Underlying Net Profit Before Income Tax	52.4	91.6	(42.8%)
Tax	15.6	27.1	42.4%
Underlying Net Profit After Tax[1]	36.8	64.5	(42.9%)
One Off Costs	-	4.0	100.0%
Reported Net Profit After Tax	36.8	60.5	(39.2%)
Amortisation of Intangibles	6.9	6.8	(1.5%)
Underlying NPATA[2]	43.7	71.3	(38.7%)

1: Underlying Net Profit After Tax = Net Profit After Tax before significant non-recurring items.
2: Underlying NPATA = Net Profit After Tax before acquisition-related expenses incurred during the reported period and excluding amortisation and impairment of intangible assets on an after tax basis.