

27 October 2020

2020 Annual General Meeting

CEO's Presentation

In accordance with ASX Listing Rule 3.13.3, attached is a copy of the CEO's presentation to be delivered at SG Fleet Group Limited's Annual General Meeting, which will be held today at SCG Meeting Room, SG Fleet Group Limited, Level 2, Building 3, 20 Bridge Street, Pymble, NSW commencing at 3.00 pm AEDT.

For further information, please contact:

Tawanda Mutengwa
Company Secretary
T: +61 2 9494 1261
E: TMutengwa@sgfleet.com

Yves Noldus
Corporate Services and Investor Relations Executive
T: +61 2 9494 1095
E: YNoldus@sgfleet.com

SG Fleet Australia
Level 2, Building 3,
20 Bridge Street
Pymble, NSW 2073
Ph: + 61 2 9494 1000
Fax: +61 2 9391 5600

SG Fleet NZ
Level 2, The Ferry Building,
99 Quay Street
Auckland, 1010 New Zealand
Ph: +64 9 363 2993
Fax: +64 363 2994

SG Fleet UK
Station Court
Old Station Rd
Hampton in Arden
Solihull B92 0HA
Ph: +44 845 154 0721

SG Fleet Group Limited

ABN 40 167 554 574
www.sgfleet.com

SG Fleet Group

Integrated Mobility



FY2020

Annual General Meeting

27 OCTOBER 2020

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, mobility evolution and digitisation 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 limited COVID-19 impact



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

Rapid BCP implementation minimised initial COVID-19 impact



Corporate



Consumer

Q1

- Opportunities pipeline healthy
- Strong win rate

- Continued weakness in new car sales
- Insurance product review

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- Continued shift to technology

- Continued rate competition

Q3

- Competitive environment rational

- Customer wins & retention of key accounts

Q4

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

- Immediate focus on assisting drivers in hardship – travel segment impacted
- Tenders continue – high win rate
- COVID-19 impact on enquiries from mid-March, recovery from May

Initial continuation of FY19 progress – Evolving impact COVID-19 over Q4



Q1-Q3

- Business confidence improved post-elections
- Opportunities pipeline stronger
- Second-hand market begins to recover after lacklustre start to the year
- Targeted marketing campaigns
 - Local SME segment
 - Crown Commercial Services network
- Higher product penetration
 - Motrak
 - Short-term hire

Q4

- Disposals temporarily halted by full lockdown
- Recovery from late May after marked impact on economic activity levels, registrations and residual values
- Deliveries to essential services customers growing
- Tender activity grows strongly
- Break-through fleet management contract and large delivery vehicle wins

Order bank growth despite temporary disruption



Q1-Q3

- Activity levels steady throughout period
- Northpower contract win
- Continued conversion of fleet managed to full service
- Disposal volumes and values strong until late March

Q4

- 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

Breakthrough win - Marked business activity recovery towards financial year end

1H21 Update

AUS Corporate



- Significant wins at start of period
- Opportunities pipeline grows as companies and organisations review fleet approach
- Focus on efficiencies and automation driving interest, including for power source alternatives

AUS Consumer



- Leads and orders ahead of initial expectations
- Consumer confidence improving
- Activity levels will remain vulnerable to volatility in environment and sentiment

UK



- Strong exposure to segments benefiting from government infrastructure spending
- Strong second-hand vehicle market
- Fulfilling 4Q20 orders in context of constrained production levels

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

1Q21 trends continue

1H21 Update

Group



- Rebound in RV environment maintained
- Lower new car sales restricts supply of trade-ins
- New vehicles, parts and accessories supply disruption spreading out deliveries for 4Q20 and 1Q21 wins over current period and potentially into 2H
- Tender wins continue
- Opportunities pipeline strong, supported by accelerating structural trends
- Securitisation on track for November go-live

- **1H21 NPAT range \$22m to \$24m (vs. \$12.3m 2H20 / \$24.5m 1H20)**
- **2H21 outlook remains difficult to forecast in current circumstances**

Questions

