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19 February 2021

ASX Release

Market Announcements Office
Australian Securities Exchange
20 Bridge Street
Sydney NSW 2000

2021 ECLIPX GROUP ANNUAL GENERAL MEETING

PRESENTATION MATERIALS

Please see attached the presentation materials which are to be displayed at this morning's Annual General Meeting held in Sydney, Australia.

This announcement has been authorised by the Board of Directors.

ENDS

Encl.

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Eclix Group Limited

2021 Annual General Meeting

19 February 2021

 **fleetplus**

 **FleetPartners**

 **FleetChoice**



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Statutory profit is prepared in accordance with the Corporations Act 2001 and the Australian Accounting Standards, which comply with the International Financial Reporting Standards (IFRS). Cash NPATA is categorised as non-IFRS financial information and therefore has been presented in compliance with Australian Securities and Investments Commission Regulatory Guide 230 – Disclosing non-IFRS information, issued in December 2011.

All figures in this Presentation are A\$ unless stated otherwise and all market shares are estimates only. A number of figures, amounts, percentages, estimates, calculations of value and fractions are subject to the effect of rounding. Accordingly, the actual calculations of these figures may differ from figures set out in this Presentation.



Annual General Meeting agenda

2021

1 Chairman's welcome

2 Chairman's address

3 Chief Executive Officer's address

4 Voting

1. Chairman's welcome

Board and Executive team

Board of Directors



KERRY ROXBURGH

Chairman and Independent Non-Executive Director since March 2015



GAIL PEMBERTON

Independent Non-Executive Director since March 2015



TREVOR ALLEN

Independent Non-Executive Director since March 2015



RUSSELL SHIELDS

Independent Non-Executive Director since March 2015



LINDA JENKINSON

Independent Non-Executive Director since January 2018

Executive team



JULIAN RUSSELL

Chief Executive Officer



BEVAN GUEST

Chief Commercial Officer



DAMIEN BERRELL

Chief Financial Officer



DOM DI GORI

Group Treasurer



ZOE HUGGINSON

Head of People & Culture



RUSSELL WEBBER

Managing Director NZ



JONATHAN SANDOW

Group Finance Director



BART HELLEMANS

Chief Risk Officer



HARRY NAKICHBANDI

Chief Information Officer



MATTHEW SINNAMON

General Counsel



JAMES ALLAWAY

Chief Strategy Officer



2. Chairman's address

Simplification completed one year ahead of plan



FY20 highlights

1



GROWTH IN EARNINGS

REFLECTS BUSINESS DEFENSIVE QUALITIES

2

↑ c.70%

Increase in available liquidity in the last six months

3

↓ c.47%

Decrease in corporate net debt in FY20

4



SIMPLIFICATION COMPLETED

ONE YEAR AHEAD OF SCHEDULE

5



FOCUS ON PROFITABLE GROWTH THROUGH THREE TARGET MARKETS

CORPORATE | NOVATED | SME

"STRATEGIC PATHWAYS"

(\$m unless specified)

FY20A

FY19A

Var (+/-)

Core income summary

NOI (pre-provisions) ¹	174.1	173.8	+0.2%
EBITDA ²	85.4	81.9	+4.3%
NPATA	47.5	46.5	+2.2%

AUMOF & NBW

AUMOF (\$bn)	2.0	2.1	(4.1%)
NBW	690 ³	761 ⁴	(9.3%)

Balance sheet

Gross debt	155	286	(45.7%)
Net debt	99	189	(47.3%)
Net debt to EBITDA ⁵	1.10x	3.03x	1.93x
Available liquidity ⁶	181 ⁷	106 ⁶	70.1%

Notes:

1. NOI pre-provisions represents Net Operating Income and EOL income, but before credit and fleet impairment provisions

2. EBITDA pre AASB 16 adoption

3. Includes \$61m of proactive and incremental targeted extensions deliberately executed due to COVID environment in 2H20; Excludes \$4m of lower profitability panel business given 100% of panel business has been run off as at 30-Sep-20

4. Excludes \$25m of lower profitability panel business given 100% of panel business has been run off as at 30-Sep-20

5. Adjusted net debt (includes other financial indebtedness) to adjusted EBITDA as reported to ECX lenders for covenant reporting

6. Available liquidity 2H20 vs 1H20

7. Includes \$56m of unrestricted cash and cash equivalents plus \$125m of available revolver capacity

3. Chief Executive Officer's address



Business update—key messages

1Q21 performance

NOI and NPATA before EOL predictable and consistent with expectations

EOL profitability

Material outperformance versus expectations given strong, but temporary, used car market conditions

New business writings

Growing quarter on quarter but constrained by the global supply-shortage in new cars

Credit loss experience

No emergence of COVID-induced loss experience but remain cautious on post stimulus roll-off

1Q net corporate debt

Net debt of \$79m, down from \$172m in 1Q20

Strategic Pathways

Corporate: Roll-out of market leading UX enhancements
Novated: End to end digital origination roll-out in this quarter
SME: Two new distribution partners added

1Q21 update—Expectation analysis

	FY20A (incl. all stranded costs)	FY21 (expectation)	Cash item	1Q21 update
Core NOI pre end of lease income & provisions	\$140.8m		✓	<ul style="list-style-type: none"> No guidance provided, but 1Q21 has been predictable / consistent with expectations NBW remains below pre-COVID levels, but growing QoQ¹
Core end of lease income	\$33.3m		✓	<ul style="list-style-type: none"> Prices in used market are materially elevated Price rationalisation expected with when new car inventory is re-supplied by 3Q21 (Jun-21)
Core provisions	(\$4.8m)		✗	<ul style="list-style-type: none"> Subject to no further deterioration in macroeconomic conditions, provisioning expected to be lower than FY20
NOI	\$169.3m			
Operating expenses (pre AASB 16)	(\$87.7m)	(\$84.0m)	✓	<ul style="list-style-type: none"> Run-rate operating expenses on track
EBITDA (pre AASB 16)	\$81.6m			
Depreciation	(\$2.7m)	(\$2.5 – 3.0m)	✗	<ul style="list-style-type: none"> Run-rate depreciation on track
Share based payments	(\$6.0m)	(\$4.0 – 5.0m)	✗	<ul style="list-style-type: none"> Run-rate SBP on track
Interest on corporate debt	(\$14.9m)	(\$10.0 – 11.0m)	✓	<ul style="list-style-type: none"> Tracking marginally ahead of expectations with higher than expected organic capital generation and a continued to pay down corporate debt during 1Q21
Tax	(\$17.0m)	29 – 30% (tax rate)	✓	<ul style="list-style-type: none"> No cash tax expected to be paid given eligibility for instant asset write off on operating leases, therefore no franking credits being created Based on stat earnings contribution from Australia and New Zealand

Notes:

1. 1Q21 vs 4Q20

Association of supply shortage with New business writings and EOL

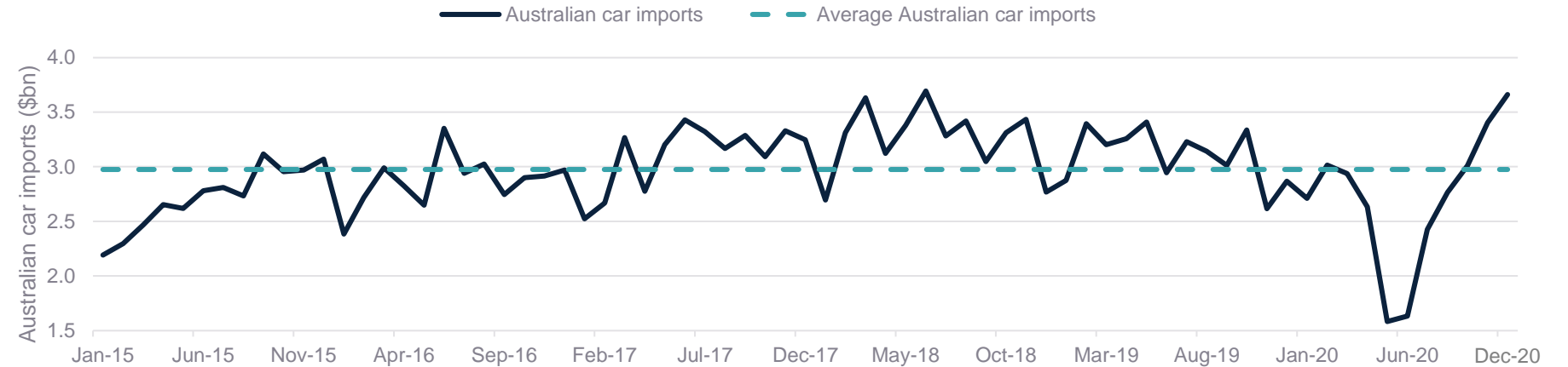
1Q21 new business writings (NBW)— Corporate & Novated

- Run-rate growth relative to 2H20, but not yet back to pre-COVID levels
- Order conversion to NBW constrained by supply shortages
- Delays resulting in more in-force leases being put into extension while the client waits for new cars (leases remain on foot with ECX)

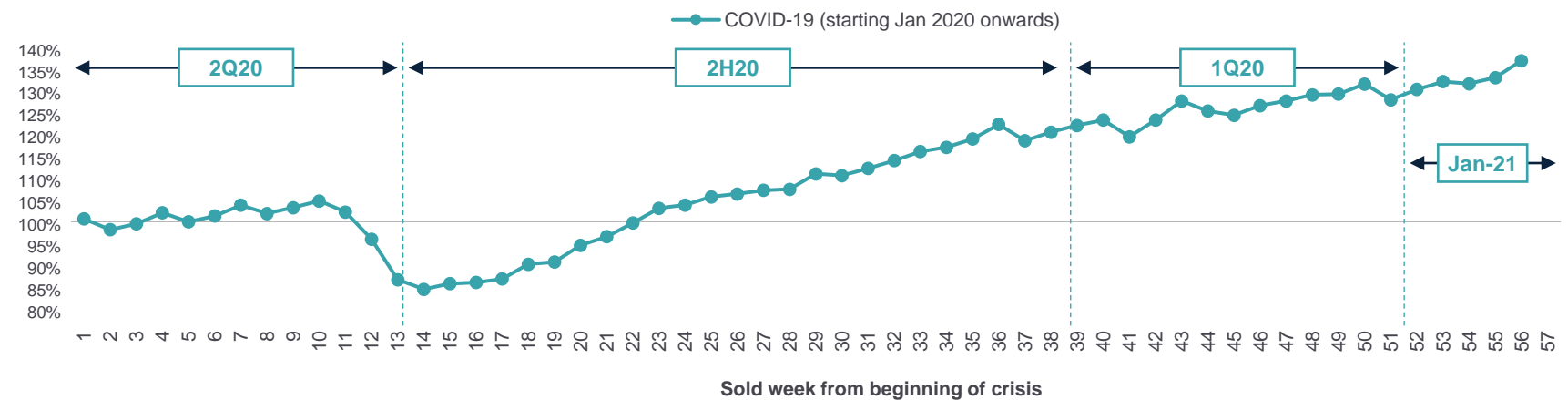
End of lease (EOL)—1Q21 strong

- Strong first quarter reflecting elevated used pricing
- Temporary phenomenon given health crisis combined with supply constraints
- Longer term used car pricing will rationalise, likely with the restoration of new car supply
- RV's continue to be set with regard to pre-COVID prices, not current pricing

New car imports—2015 – 2020¹



Used car price outcomes—Weekly used car price index²



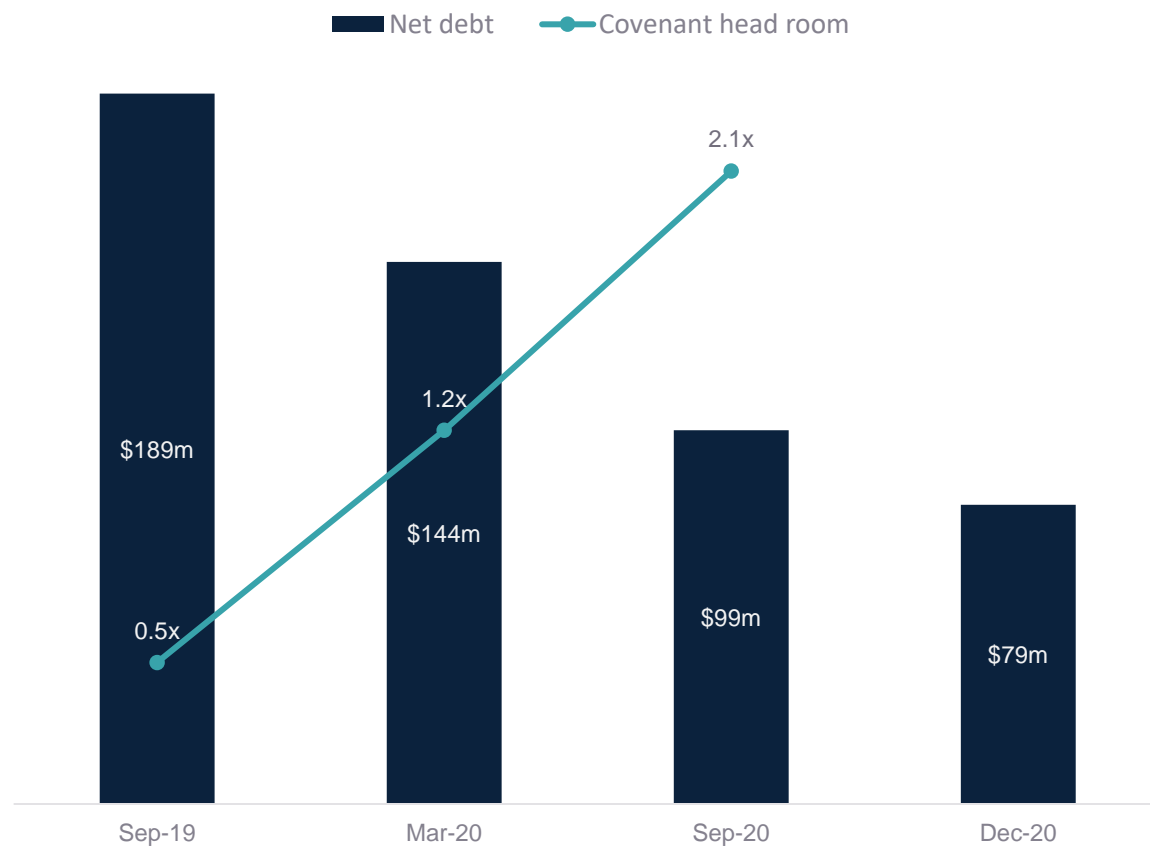
Notes:

1. Australian Bureau of Statistics
2. Datium insights

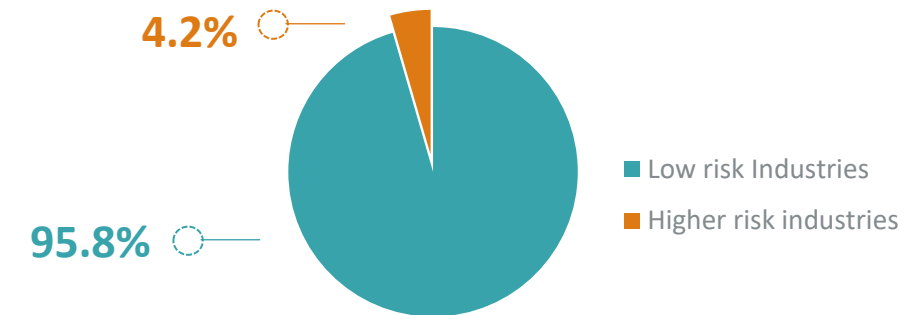
1Q21 update—Balance sheet stability

Eclix balance sheet remains stable due to its low risk portfolio, increased covenant headroom and substantially decreased forbearance activity

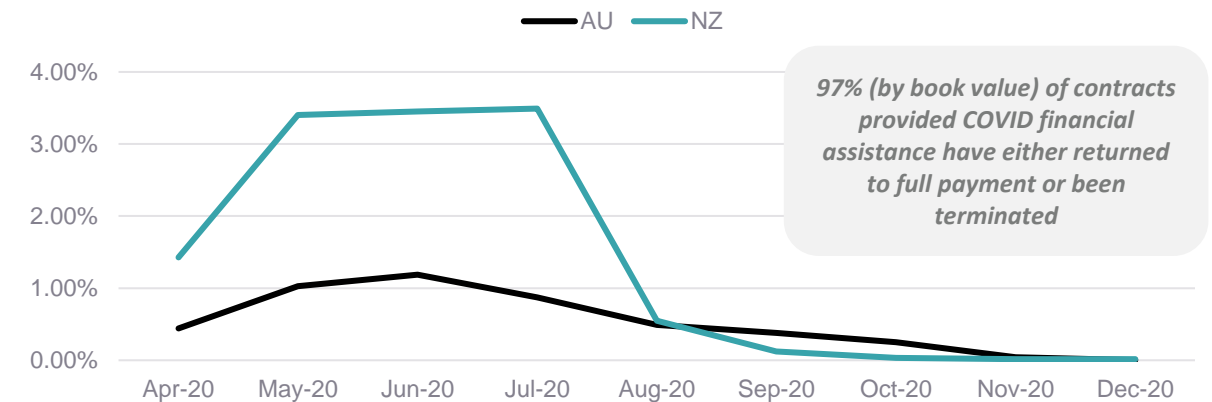
Net corporate Debt—De-gearing leverage (Net Debt to adjusted EBITDA¹)



Portfolio exposure



COVID financial assistance portfolio (% of funded assets²)

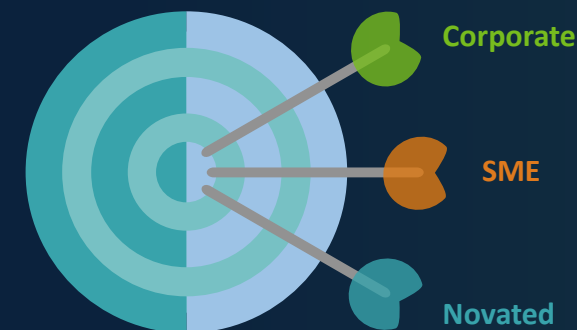
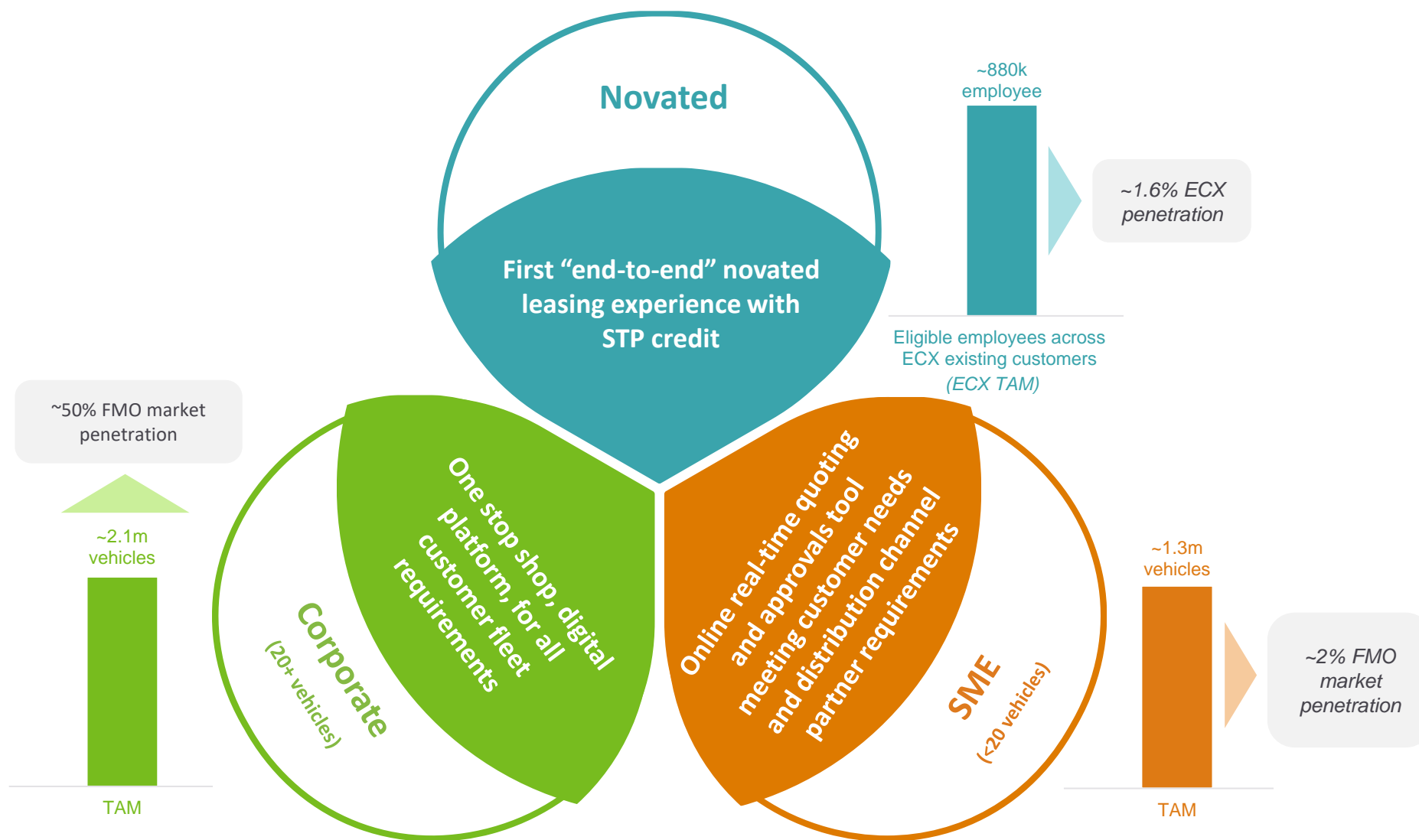


Notes:

1. September-19 and March-20 included contribution from Non-Core earnings and adjustments allowed by the facility agreement. Changes to ECX facility documents in May-20 permanently removed Non-Core earnings from the September-20 leverage assessment. Leverage based on adjusted net debt (includes other financial indebtedness) to adjusted EBITDA as reported to ECX lenders for covenant reporting
2. Excludes NZ equipment finance portfolio, which is currently in run-off

Core refocus—Strategic Pathways

The Group is focussed on delivering its Strategic Pathways—profitable growth through its three target markets



Strategic Priorities

1. Above market growth in corporate NBW
2. Penetration of existing novated employee base and expansion of TAM
3. SME distribution partnerships via digital platform and continued scorecard refinements



Outlook

2021

1 Solid Q1FY21 performance

2 Implementation of Strategic Pathways progressing

3 Technology-driven distribution enhancements into each target market

4 Disciplined approach to assessing sector consolidation alternatives

5 Group will continue to de-lever ahead of capital management initiatives in FY22

4. Voting

END

