

## **SG Fleet Announces Acquisition of LeasePlan Australia and New Zealand and Equity Raising**

- **SG Fleet to acquire LeasePlan ANZ for cash consideration of \$273 million and a 13% equity interest in the combined entity<sup>1</sup>**
- **Creates highly compelling fleet management and leasing offering across Australia and New Zealand – enterprise value \$2.5bn / 250,000 vehicles under management**
- **Strong strategic rationale:**
  - **Complementary, synergistic and culturally-aligned businesses with high quality customers, products and services**
  - **Creation of additional scale across operations, funding and procurement, resulting in significant efficiencies to deliver highly compelling offering to customers**
  - **Business mix shift towards full-service products and improvement in proportion of recurring revenue**
  - **Improved funding diversification**
  - **International alliance agreement with LeasePlan Corporation post-acquisition**
- **Financially compelling:**
  - **Ca. \$20m in pre-tax run-rate synergies per annum post-operational and system migration (Year 3)**
  - **Ca. 5% FY2022 and FY2023 Underlying cash EPS accretion / >20% Underlying cash EPS accretion post-system migration**
- **SG Fleet to undertake an accelerated, non-renounceable Entitlement Offer to fund a portion of the cash consideration for the acquisition of LeasePlan, acquire additional acquisition debt and enter into new securitisation warehouse facilities**

**31 March 2021**

SG Fleet Group Limited (“SG Fleet” / “the Company” / ASX: SGF) today announced it has entered into an agreement to acquire the Australian and New Zealand businesses of LeasePlan for a cash consideration of \$273 million and a 13% equity interest in SG Fleet<sup>2</sup>. The acquisition will create a \$2.5 billion company offering a highly compelling fleet management and leasing offering across Australia and New Zealand, with a combined 250,000<sup>3</sup> vehicles under

---

<sup>1</sup> After taking into account the shares to be issued as part of the Entitlement Offer. See pages 17 to 19 of the Investor Presentation for more details, including the escrow restrictions on this scrip consideration and for further detail about the payments to be made by SG Fleet to LeasePlan Corporation in connection with the Acquisition. This figure excludes the pre-completion profits and surplus cash on LeasePlan ANZ balance sheet and the amounts which will be released to LeasePlan Corporation by refinancing capital invested in the LeasePlan lease portfolio through a new securitisation warehouse after completion of the Acquisition (which have a floor value of \$207 million).

<sup>2</sup> See footnote 1

<sup>3</sup> Including UK

management. SG Fleet aims to complete the transaction in the third quarter of this year, subject to satisfaction of conditions precedent<sup>4</sup>.

### **Transformational Acquisition**

SG Fleet's Chief Executive Officer, Robbie Blau, said: "This is a transformational acquisition for the Company and will realise a number of our stated strategic objectives in an accelerated fashion."

Both SG Fleet and LeasePlan offer fleet management and leasing services in Australia and New Zealand. The vendor of the businesses is LeasePlan Corporation, headquartered in the Netherlands and operating across 32 countries globally.

"LeasePlan Australia/New Zealand is a very complementary business to SG Fleet, in terms of business activities, customer profile, product quality and service culture. This creates significant scope for synergies and the ability to add additional scale across operations, and funding and procurement activities. The resulting efficiencies will allow us to deliver a very compelling offering to existing and prospective customers," Mr Blau noted.

"The acquisition would result in an increase in the proportion of full-service products such as operating leases in our product mix, as well as an improvement in the proportion of recurring revenue. This significantly raises the overall quality, as well as resilience, of our earnings, something we have been working towards for some time. Acquiring a business that funds on-balance sheet also means we will bring our funding mix to the proportions we were targeting when we announced our securitisation project two years ago. It clearly creates a platform from which we can grow and create further shareholder value," he said.

The parties will work together closely to plan for the integration process<sup>5</sup>. Under an International Alliance Agreement that will operate from completion of the acquisition, the Company and LeasePlan Corporation will provide international customer and business opportunities referrals, product know-how and innovation sharing to each other. In addition to the equity interest received as part of the consideration, LeasePlan Corporation will nominate a director to join SG Fleet's Board.

"The International Alliance Agreement with LeasePlan Corporation gives us both flexibility in terms of services transition and a very attractive opportunity with a major global player," Mr Blau noted.

### **Financially Compelling**

SG Fleet expects to generate about \$20 million in pre-tax run-rate synergies per annum after migration of LeasePlan's operations and systems, which is expected to occur in Year 3. Prior to that, the Company will see cost synergies in a number of areas. The vast majority of synergies will come from cost savings, in the areas of systems and processes, procurement, and in premises and employment, which will result in significant efficiencies to deliver a highly competitive offering to customers.

---

<sup>4</sup> The acquisition is subject to regulatory approvals in Australia and New Zealand and SG Fleet shareholder approval (among others). See Appendix C of the Investor Presentation released to ASX on the same date as this announcement.

<sup>5</sup> LeasePlan and LeasePlan Corporation will enter into Transitional Service Agreements in relation to the operational separation of the LeasePlan businesses from LeasePlan Corporation after completion.

Additional synergies will be created by the ability to introduce wider product and service ranges to additional customers, the implementation of SG Fleet's current disposal model across a larger vehicle pool, and the larger funding book. The negative synergies are expected to be immaterial.

Underlying cash EPS accretion prior to operations and systems migration is expected to be about 5%, but will then accelerate to above 20% post-migration. The proportion of recurring revenue, currently 56% of total net revenue for SG Fleet, will increase to 70%. Capital expenditure of ca. \$9 million will be required for synergy realisation arising from systems migration.

### **Trading Update**

As part of the acquisition announcement, SG Fleet provided a trading update for the period since its half year results announcement on 16 February 2021.

The Company reported that the trends observed at the time continued to be in place, with the residual value environment remaining strong in Australia, New Zealand and the UK. It has not seen evidence that the reported supply constraints will ease much before financial year-end. Across all geographies, the Company is having to manage deliveries to accommodate supply shortages. This lack of supply has also resulted in a greater number of extensions, and a correspondingly lower number of vehicles returning for disposal.

The Australian Corporate business has continued its strong performance from the first half. In Novated, the recovery in demand continued in line with improving consumer sentiment and the business is now seeing the highest order levels since the end of calendar year 2019.

The SG Fleet UK business continued to have good success in a number of segments, and in New Zealand, further wins were achieved in the energy sector. The latter also obtained a long-term contract renewal with one of its marquee customers.

"As to the outlook for the remainder of the financial year, we continue to expect a strong second half," Mr Blau said. "For the 2022 financial year, we anticipate growth across all revenue lines, with the exception of end-of-lease income as the residual value environment will probably start to normalise as we approach the end of the current financial year," he noted.

### **Lease Portfolio Refinance and Completion Payments**

The acquisition will see SG Fleet refinance the combined lease portfolio by raising a new securitisation warehouse, as well as a revolving cash advance and a vendor financing facility to fund ineligible assets. The proceeds of this process will be used to repay the existing \$600 million LeasePlan Australia securitisation facility as well as \$330 million in term debt to existing funders. Pre-completion profits and surplus cash on the LeasePlan balance sheet, and capital invested in the LeasePlan lease portfolio that will be refinanced through a new securitisation warehouse after completion of the Acquisition, will be released to LeasePlan Corporation<sup>6</sup>.

### **Equity Raising Details**

In order to partially fund the acquisition of LeasePlan, SG Fleet is undertaking a 1 for 7.44 accelerated pro-rata non-renounceable entitlement offer (**Entitlement Offer**) to raise gross proceeds of \$86 million (**Entitlement Offer**).

---

<sup>6</sup> See footnote 1

The offer price for the Entitlement Offer will be \$2.45 per New Share (**Offer Price**), representing:

- a 4.5% discount to the theoretical ex-rights price (**TERP**) of \$2.56<sup>7</sup>; and
- a 5% discount to SG Fleet's last closing price of \$2.58 on 23 March 2021.

The Entitlement Offer will result in the issue of up to approximately 35 million new ordinary shares (**New Shares**), representing approximately 13.4% of SG Fleet's existing securities on issue<sup>8</sup>. The New Shares issued under the Entitlement Offer will rank equally with existing SG Fleet shares as at their date of issue.

SG Fleet's majority shareholder Super Group Limited (**Super Group**), via its subsidiary Bluefin Investments Limited, has committed to take up their entitlement in full in the Institutional Entitlement Offer, which constitutes 60.1% of total gross proceeds under the Entitlement Offer (**Super Group Pre-Commitment**). Following the issue of the scrip consideration as part of the acquisition of LeasePlan, it will hold 52.3% of the resulting issued share capital of SG Fleet.

The Entitlement Offer is underwritten by Merrill Lynch Equities (Australia) Limited (the **Underwriter**) with the exception of the component of the Entitlement Offer that consists of the Super Group Pre-Commitment, which is not underwritten. The remaining component of the Entitlement Offer is underwritten by the Underwriter.

The Entitlement Offer is non-renounceable and rights are not transferrable and will not be traded on the ASX or any other exchange.

Eligible shareholders who do not take up their Entitlement under the Entitlement Offer in full or in part, will not receive any value in respect of those Entitlements not taken up.

### **Institutional Entitlement Offer**

Eligible institutional shareholders will be invited to participate in the Institutional Entitlement Offer. Under the Institutional Entitlement Offer, eligible institutional shareholders can choose to take up all, part or none of their Entitlement. Entitlements not taken up under the Institutional Entitlement Offer and those that would otherwise have been offered to ineligible institutional shareholders will be offered to certain eligible institutional investors and existing eligible institutional shareholders through an institutional bookbuild at the Offer Price.

### **Retail Entitlement Offer**

Eligible retail shareholders in Australia or New Zealand on the Record Date of 7.00pm (Sydney time), 6 April 2021, or shareholders outside Australia and New Zealand who SG Fleet has otherwise determined are eligible (among other criteria), have the opportunity to invest in New Shares at the Offer Price, on the terms and conditions outlined in the Retail Entitlement Offer Booklet to be dispatched to eligible retail shareholders on the day the Retail Entitlement Offer opens, being 9 April 2021. Further details as to eligibility will be set out in the Retail Entitlement Offer Booklet.

---

<sup>7</sup> The theoretical ex-rights price is calculated using SG Fleet's closing price on 23 March 2021 (the last date on which SG Fleet's shares traded prior to announcement of the Offer). TERP is the theoretical price at which shares should trade immediately after the ex-date for the Entitlement Offer assuming 100% take-up of the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which shares trade immediately after the ex-date for the Offer will depend on many factors and may not be equal to the TERP.

<sup>8</sup> Before the issue of the scrip component of the purchase price for the Acquisition

Each of the Directors of SG Fleet who are eligible to participate intends to participate in the Entitlement Offer.

### **Retail Investor Enquiries**

Investors can contact SG Fleet's registry services provider Boardroom on 1300 737 760 (callers in Australia) or +61 2 9290 9600 (callers outside Australia), Monday to Friday from 8.30AM to 5.30PM (Sydney time) for additional information on the Retail Entitlement Offer once the Retail Entitlement Offer has opened.

### **Transaction Timing**

The acquisition is subject to regulatory approvals in both Australia (ACCC and FIRB) and New Zealand (Overseas Investment Office (OIO)). The Acquisition is also conditional on (among other things) SG Fleet obtaining shareholder approval for the provision of financial assistance in connection with the Acquisition by way of a special resolution under section 260B of the Corporations Act (**Proposed Resolution**). The Directors of SG Fleet will unanimously recommend that SG Fleet shareholders vote in favour of the Proposed Resolution and each Director intends to vote all shares controlled or held by, or on behalf of, that Director, in favour of the Proposed Resolution.

Super Group Limited, which currently has a relevant interest in 157,639,989 SG Fleet shares (representing approximately 60.13% pre-capital raise of the total number of SG Fleet shares on issue) through its subsidiary Bluefin Investments Limited, has confirmed to the Directors of SG Fleet that it intends to vote, or procure the vote of, all of those shares (and all of those acquired in the equity raising) in favour of the Proposed Resolution.

Subject to these approvals, SG Fleet expects to complete the acquisition in the third quarter of 2021.

### **Key Dates – Equity Raising**

Announcement of Acquisition and Entitlement Offer	Wednesday, 31 March 2021
Institutional Entitlement Offer bookbuild	Wednesday, 31 March 2021
Announcement of results of Institutional Entitlement Offer (voluntary suspension continues <sup>9</sup> )	Thursday, 1 April 2021
Shares recommence trading on ASX on an "ex entitlement" basis	Tuesday, 1 April 2021 <sup>10</sup>
Entitlement Offer record date (7.00pm Sydney time)	Tuesday, 6 April 2021
Retail Offer booklet despatched to Eligible Retail Shareholders	Friday, 9 April 2021
Retail Entitlement Offer opens (9.00am Sydney time)	Friday, 9 April 2021
Settlement of New Shares issued under the Institutional Entitlement Offer	Monday, 12 April 2021
Issue and commencement of trading of New Shares under the Institutional Entitlement Offer	Tuesday, 13 April 2021
Retail Entitlement Offer closes (5.00pm Sydney time)	Friday, 23 April 2021

<sup>9</sup> CHES is unable to accommodate an ex-date of 1 April 2021 due to CHES end of month technical requirements.

<sup>10</sup> Refer to footnote 9

Announcement of results of Retail Entitlement Offer	Wednesday, 28 April 2021
Settlement of New Shares under the Retail Entitlement Offer	Thursday, 29 April 2021
Issue of New Shares under the Retail Entitlement Offer	Friday, 30 April 2021
Commencement of trading of New Shares issued under the Retail Entitlement Offer	Monday, 3 May 2021
Despatch of holding statements in respect of New Shares issued under the Retail Entitlement Offer	Tuesday, 4 May 2021

*The above timetable is indicative only and subject to change without notice. SG Fleet reserves the right to alter the timetable at its absolute discretion and without notice, subject to ASX Listing Rules and the Corporations Act 2001 (Cth). All dates and times are Sydney time unless otherwise specified. Sydney time refers to Australian Eastern Daylight Time and Australian Eastern Standard Time (as applies on the relevant date).*

### **Additional Details**

Further details of the Equity Raising are contained in the Investor Presentation lodged with the Australian Securities Exchange in conjunction with this announcement.

### **Investor Briefing**

SG Fleet will conduct a conference call at 10.30AM (Sydney time) on Wednesday, 31 March 2021.

Participants must pre-register for the conference call via the following link:

<https://s1.c-conf.com/diamondpass/10013109-B0yA63.html>

Following pre-registration, participants will receive the teleconference details and a unique access passcode.

A replay will be available following the call:

### **CONFERENCE CALL REPLAY DIAL DETAILS**

Australia:	1800 265 784
Australia Local:	+61 7 3107 6325
New Zealand:	0800 886 078
China:	400 1209 216
France:	0800 919 377
Germany:	0800 181 0896
Hong Kong:	800 930 639
Japan (Tokyo Local):	50 6864 8269
Singapore:	800 101 3223
South Africa:	0800 995 604
UK:	0800 031 4295
US/Canada:	1855 883 1031

Replay PIN: 10013109

End Date: 09-04-2021

### **Advisers to SG Fleet**

SG Fleet is being advised by Bank of America as financial adviser, and Gilbert + Tobin as legal adviser.

This announcement was authorised for release by the Company Secretary of SG Fleet Group Limited.

**For further information, please contact:**

Yves Noldus  
Corporate Services & Investor Relations Executive  
SG Fleet Group Limited  
Tel: 02 9494 1095 / 0401 416 686

**Important notice and disclaimer**

All dollar values are in Australian dollars (A\$ or AUD) unless stated otherwise and are subject to rounding. This announcement includes certain historical financial information as at 31 December 2020 unless stated otherwise (Financial Information).

This announcement is for information purposes only and is not an invitation or offer of securities for subscription, purchase or sale in any jurisdiction in which it would be unlawful. The Retail Entitlement Offer will be made on the basis of the information contained in the retail offer booklet to be prepared for eligible retail shareholders in Australia and New Zealand. The entitlements under the Entitlement Offer (Entitlements) and the New Shares have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the U.S. Securities Act) or the securities laws of any state or other jurisdiction of the United States. The Entitlements may not be taken up by, and the New Shares may not be offered or sold, directly or indirectly, to persons in the United States or to any person acting for the account or benefit of any person in the United States, except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act and applicable securities laws of any state or other jurisdiction in the United States. The New Shares in the Retail Entitlement Offer may only be offered and sold outside the United States in “offshore transactions” (as defined in Rule 902(h) under the U.S. Securities Act) in reliance on Regulation S under the U.S. Securities Act.

This announcement contains summary information about SG Fleet, LeasePlan ANZ and their respective activities current as at the date of this announcement, is for information purposes only and is not, and does not comprise all of the information which would be required to be disclosed in a prospectus, product disclosure statement or other offering document under Australian law or any other law and will not be lodged with ASIC or any foreign regulator. The Financial Information in this announcement is presented in an abbreviated form insofar as it does not include all the presentation and disclosures, statements or comparative information as required by Australian Accounting Standards (AAS) and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act. Certain financial measures included in this announcement are “non-IFRS financial information” under ASIC Regulatory Guide 230 and non-GAAP financial measures under Regulation G of the U.S. Securities Act. Certain information in this announcement has been sourced from LeasePlan or its representatives or associates. While steps have been taken to confirm that information, no representation or warranty, expressed or implied, is made as to its fairness, accuracy, completeness, reliability or adequacy.

Please refer to the statements in the “Important Notice and Disclaimer” included as Appendix A to the investor presentation released by SG Fleet to ASX on the date of this announcement, in particular the statements under the heading “Future performance and forward-looking statements”, which are incorporated by reference into this announcement.