1H23 results presentation

FleetPartners Group Limited (ASX:FPR)
8 May 2023

FleetPartners

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Agenda

1. Performance highlights
2. Financial result
3. Operating segment performance
4. Outlook
5. Appendix

Performance highlights

FleetPartners

1H23 financial performance highlights

Continuing to deliver AUMOF growth despite a challenging supply environment

AUMOF

+2%[1]

including 5% growth in balance sheet funded AUMOF, driving annuity-like income

New car supply delays continue

impacted by production, biosecurity measures and port congestion

New business writings (NBW)

$322m

down 3%[1,2] driven by new car supply delays

NBW orders taken

1.3x

indexed to 1H19[3]

a reflection of underlying commercial activity

Opex

$41.5m

sustained cost discipline against a high inflationary environment

End of lease income per unit

$7,658

flat to 2H22 … remains elevated compared to pre-COVID-19 levels

NOI pre EOL and provisions

7.70%

of average AUMOF

within expected normalised range of 7.50% - 7.75%

NPATA

$42.6m

strong NPATA result with cash conversion of 141%

1H23 Share buy-back

$43m

represents 90% of 1H23 NPATA including 25% special buy-back, plus $5m carried forward from 2H22[4]

1) Excludes the FleetChoice NT (FCNT) partnership which was dissolved in Mar-22 in line with the Group’s strategy to exit low returning products.
2) Excludes sale and lease-backs ($25.7m in 1H22; $0.2m in 1H23).
3) FY19 represents the last full financial year prior to the emergence of the COVID-19 pandemic.
4) To the extent the buy-back cannot be completed in 2H23, the Board will consider alternative options for returning the remaining amount to shareholders.

Growing earnings per share (EPS)

Four sources of EPS growth expected from organic growth, inorganic expansion opportunities and capital management

❶ Strategic Pathways

- Above market growth in three underpenetrated, high returning segments
- Delivering 1.3x orders growth compared to 1H19[1]

❷ Accelerate program

- Removal of duplication by consolidating brands, systems and processes
- $6m of annualised opex saving by mid-FY25, for an estimated total investment of $25m

EPS growth drivers

❸ Share buy-back[2]

- Announced $43m for 1H23 … represents 90% of 1H23 NPATA including 25% special buy-back, plus $5m carried forward from 2H22[3]
- Since May-21 $123m or 18% of shares bought back and cancelled

❹ Acquisitions

- Strong focus area for EPS growth
- Well positioned for opportunities as they emerge

1) FY19 represents the last full financial year prior to the emergence of the COVID-19 pandemic.
2) Share buy-back remains subject to availability of share liquidity/volume and compliance with all regulatory and market restrictions. Target ranges subject to change based on underlying business performance and capital allocation decisions as determined by the Board.
3) To the extent the buy-back cannot be completed in 2H23, the Board will consider alternative options for returning the remaining amount to shareholders.

Strategic Pathways

Expanding market share in three underpenetrated, high returning segments

Corporate AU & NZ

Market penetration

- ✓ 2.5m vehicles TAM[1,2] with only 40% FMO penetration
- ✓ Scalable, strong returns, and high barriers to entry
- ✓ Loyal customers with 90%+ retention … transition to EVs expected to accelerate outsourcing to FMOs

1H23 highlights

- Multiple new customer wins and retentions including the 3rd largest NZ customer
- Hosted several EV workshops with customers
- Launched next generation pool car technology

Small Fleets

1.5m

vehicles[1]

- ✓ 2% FMO penetration … market historically not serviced by FMOs & product not generally available
- ✓ Replicating the proven & successful NZ model in AU
- ✓ High growth and high return opportunity

1H23 highlights

- Released v2.0 of digital platform … an automated and instant origination experience from enquiry through to credit approval
- 104 partners now signed up to Small Fleets platform

Novated

c.900k

employees[4]

- ✓ Novated enhances value proposition for Corporate and Small Fleets … cross-sell to their employees
- ✓ Frictionless digital origination experience
- ✓ Increase penetration of customers' employee base

1H23 highlights

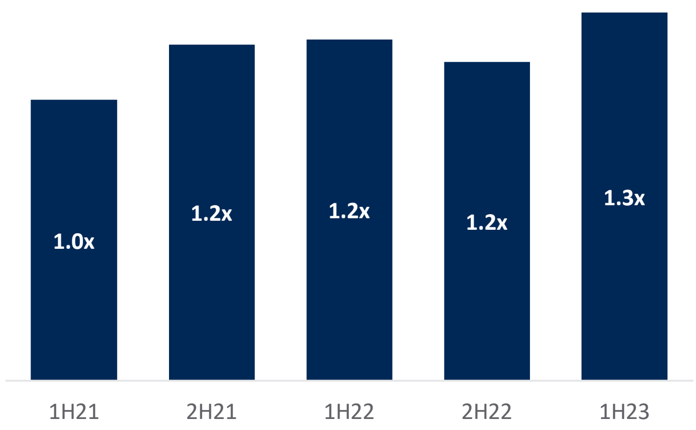
- 100% renewal of Tier 1 and 2 customers falling due
- Strong electric vehicle demand … orders up 27.4x[3]

1) Total addressable market (TAM) and is an estimate.
2) Source: ACA 2022 Corporate and Small Fleets insights report.
3) Indexed to 1H21 and includes battery electric vehicles (BEV) and plug-in hybrid electric vehicles (PHEV) which are included in the Electric Car Discount (AU).
4) TAM is FleetPartners' customers' employee base.

Positioned for higher AUMOF growth as supply normalises

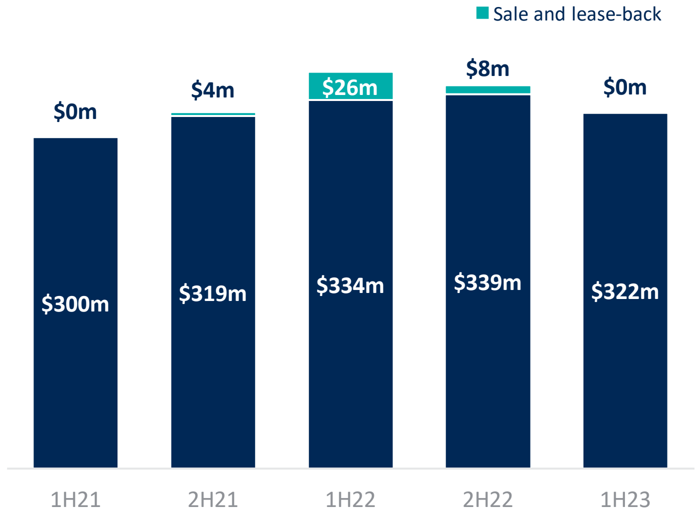
Strategic Pathways delivering a strong orders performance and an elevated NBW pipeline … helps underwrite future AUMOF growth

NBW orders taken[1]



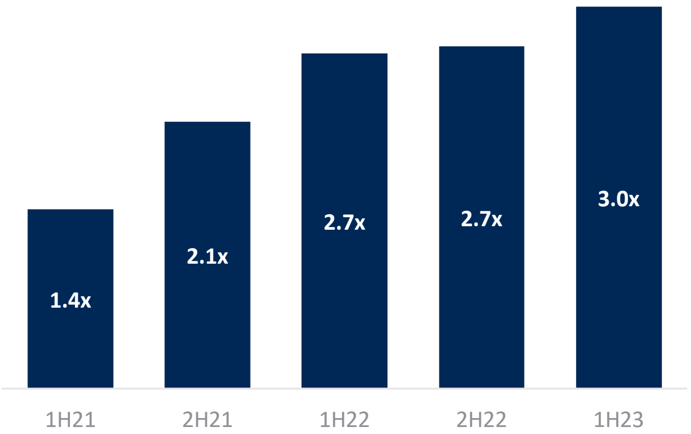
- Strong underlying business growth driving orders up 1.3x compared to pre-COVID-19 levels … proxy for NBW growth in a non-constrained supply environment
- Strategic Pathways delivering new customer wins and existing customer retention

New business writings (NBW)[2]



- NBW down 3%[3] compared to pcp due to well-publicised new car supply delays
- Production delays, shipping disruption and port congestion continue to hamper new car supply
- Orders pipeline points towards NBW growth once orders convert to NBW as supply normalises

NBW order pipeline[1]



- Pipeline (backlog of orders) up 3.0x as orders continue to exceed NBW
- Current pipeline level helps underwrite future AUMOF growth once supply normalise

1) Orders taken in the period indexed to 1H19 and pipeline indexed to FY19, as FY19 represents the last full financial year prior to the emergence of the COVID-19 pandemic.
2) 1H21 and 1H22 exclude FCNT which was dissolved in Mar-22 in line with the Group's strategy to exit low returning products.
3) Excludes sale and lease-backs ($25.7m in 1H22; $0.2m in 1H23).

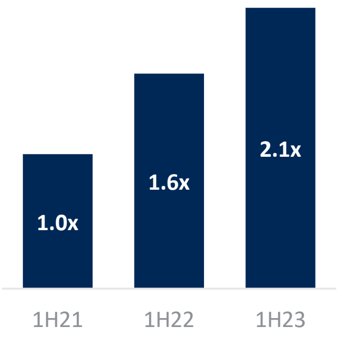
Strong demand for EVs driven by recent policy introductions

As the leading FMO in NZ where the EV transition is further progressed, FleetPartners is exporting expertise across the Group

Corporate and Small Fleets

- Transitioning to EVs is a key priority for most customers however the high whole-of-life costs and lack of suitable EVs such as utility vehicles, create significant barriers
- The NZ Gov't is further progressed with the Clean Car Discount and Clean Car Standard polices designed to address affordability & supply availability, respectively
- The AU Gov't has introduced the Electric Car Discount policy to help with affordability however a Fuel Efficiency Standard is not expected until Dec-23
- As the EV transition gains speed, it is expected to be a catalyst for fleet outsourcing given customers' lack of inhouse expertise (i.e. charging) & obsolescence concerns

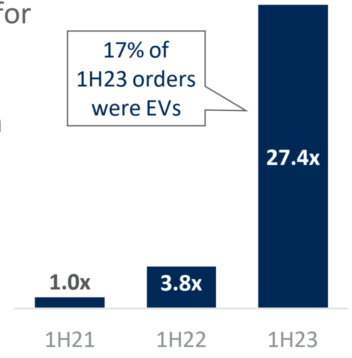
NBW orders[1,2]



Novated

- Electric Car Discount stimulating strong demand for BEVs and PHEVs
- 27.4x increase in orders at a $71k average lease value
- Early signs of a potential "halo effect" on wider Novated demand

NBW orders[1,2]



FleetPartners' competitive advantage

- Strong offering with AU customers thanks to our position as the leading FMO in New Zealand, where the Electric Vehicle transition is more advanced
- 50% of FleetPartners' order pipeline in NZ today is BEV, PHEV or HEV[4]
- Discounted finance rates on low emission vehicles via CEFC partnership
- Dedicated EV product team responsible for solving all EV transition challenges
- Providing innovative home charging solutions via partnership with leading player
- Only FMO to hold both Climate Active (AU) and Toitū Carbonreduce (NZ) certifications[3] … demonstrates close alignment to customers' own emissions strategies

1) Indexed to 1H21 representing the last period prior to the introduction of government low emission incentives in New Zealand.
2) Corporate and Small Fleets includes BEV, PHEV and Hybrids which are all included in the Clean Car Discount (NZ). Novated includes BEV and PHEV which are included in the Electric Car Discount (AU).
3) Based on publicly available information.
4) BEV: Battery Electric Vehicle; PHEV: Plug-in Hybrid Electric Vehicle; HEV: Hybrid Electric Vehicle

Accelerate program's key milestones

Business transformation program that will deliver an annualised $6m opex saving by mid-FY25

WAVE 1

1. FleetPlus NZ transition into FleetPartners
2. Group rebrand to FleetPartners
3. New website & marketing collateral

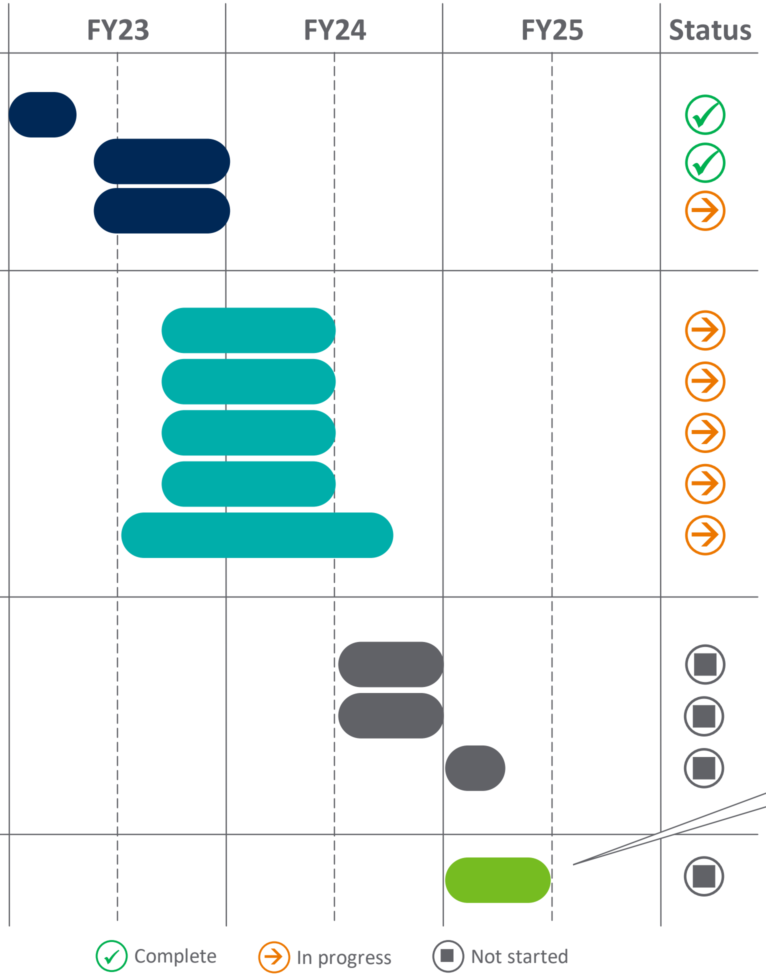
WAVE 2

4. Procurement portal launched
5. Standardise Novated front-end processes
6. Standardise Corporate front-end processes
7. Launch digitised tied-to-payroll solution
8. Stand up and configure new ERP

WAVE 3

9. FleetPlus back-book into new ERP
10. FleetPartners back-book into new ERP
11. Retirement of legacy ERPs and systems

12. Duplication efficiencies realised



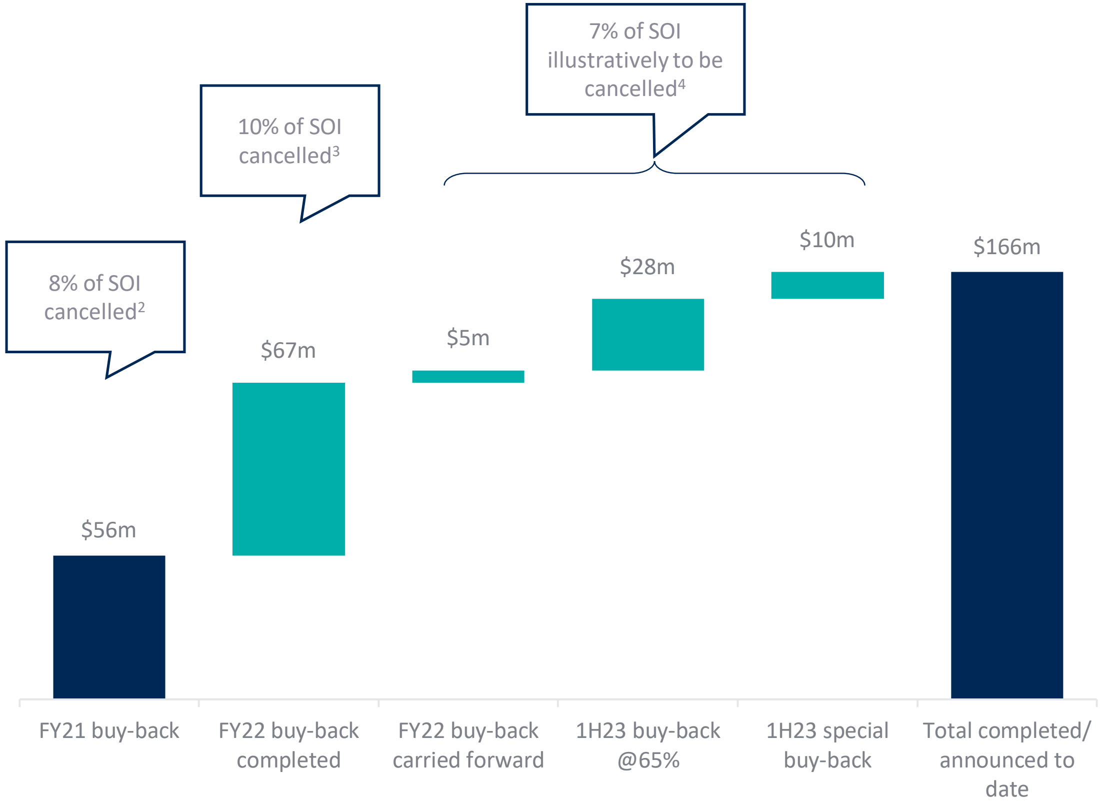
- Accelerate program is on time and within budget
- FleetPlus NZ transition completed … successful trial run for Australian transition
- Group rebrand well ahead of plan and positively received by both internal and external stakeholders … new website now live
- FleetChoice Novated transitioned to FleetPartners with funding moved from P&A to warehouse
- Final aspects of Wave 1 on track to be completed by Sep-23
- Wave 2 milestones underway and progressing well

$6m annualised opex savings

Capital management

On track to return 25% of share capital over the last 2.5 years

Buy-back[1]



Comments

	Target amount	% of NPATA
1H23 buy-back	$28m	65%
1H23 special buy-back	$10m	25%
Subtotal	**$38m**	**90%**
2H22 buy-back carried forward	$5m	
Total	**$43m**	

Top end of capital payout ratio range

- By the end of 2H23, 25% of shares on issue to be bought back and cancelled since May-21[2]
- To the extent the buy-back cannot be completed in 2H23, the Board will consider alternative options for returning the remaining amount to shareholders
- Buy-back considered the optimal form of capital distribution in the absence of franking credits which are not expected to accrue until FY26 at the earliest (due to temporary full expensing policy)
- Ongoing capital returns are subject to no alternative use of capital arising that would otherwise generate a superior return on capital. For example, this could include organic growth beyond internal forecasts, capital projects or acquisition opportunities

1) Share buy-back remains subject to availability of share liquidity/volume and compliance with all regulatory and market restrictions. Target range is subject to change, as determined by the Board.
2) Bought back $56m of shares at an average price of $2.25 per share and cancelled 25m shares. The starting balance at May-21 was 307m shares (excluding treasury shares).
3) Bought back $67m of shares at an average price of $2.22 per share and cancelled 30m shares.
4) Assumes, for illustrative purposes, that 21m shares are purchased at the closing price on 28 Apr-23 of $2.09 per share, reflecting announced target buy-back of $43m.

EPS growth drivers

Great progress across EPS growth drivers during 1H23

❶ Strategic Pathways

- ✓ Pleasing progress made with the execution of Strategic Pathways
- ✓ 1.3x[1]: NBW orders at record levels
- ✓ 3.0x[1]: NBW pipeline also at record levels which helps underwrite future AUMOF growth
- ✓ Transition to EVs emerging as growth driver and expected to accelerate customer decisions to outsource
- ✓ New car supply disruption remains but ultimately is a temporary issue

❷ Accelerate program

- ✓ On time and within budget
- ✓ $6m annualised opex saving expected by mid-FY25
- ✓ Early wins with re-brand, new website and FleetPlus NZ transition
- ✓ Wave 1 on track to be completed by Sep-23
- ✓ Wave 2 milestones underway and progressing well

❸ Share buy-back

- ✓ $43m buy-back announced, represents 90% of 1H23 NPATA including 25% special buy-back, plus $5m carried forward from 2H22
- ✓ Represents additional c. 7% of shares on issue to be bought back[2]
- ✓ By the end of 2H23, 25% of shares on issue to be bought back and cancelled since May-21[3]

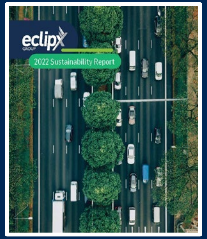
❹ Acquisitions

- ✓ M&A remains a key aspect of FleetPartners' EPS growth strategy
- ✓ Industry consolidation is compelling given the anticipated synergies
- ✓ FleetPartners is well positioned for opportunities as they emerge

1) Orders indexed to 1H19 and pipeline indexed to FY19, as FY19 represents the last full financial year prior to the emergence of the COVID-19 pandemic.
2) Assumes, for illustrative purposes, that 21m shares are purchased at the closing price on 28 Apr-23 of $2.09 per share, reflecting announced target buy-back of $43m. The starting balance at May-21 was 307m shares (excluding treasury shares).
3) Bought back $56m of shares at an average price of $2.25 per share and cancelled 25m shares. The starting balance at May-21 was 307m shares (excluding treasury shares).

Environmental, Social and Governance highlights

Ensuring robust stewardship of the business to deliver long-term growth whilst operating in an ethical and transparent way



Sustainability Report
published and aligned to selected United Nations Sustainable Development Goals

Longstanding funding
relationship with the Clean Energy Finance Corporation

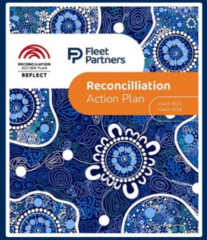
Modern Slavery Statement
championing ethical practices across our supplier network

First domestic
Fleet Management Organisation with Climate Active status[1]

WGEA certified
as an Employer of Choice for Gender Equality

76% Employee engagement
at its highest level since survey began in 2018

First and only
Fleet Management Organisation with 'Toitū carbonreduce' certification[3]



Reconciliation Action Plan
endorsed by Reconciliation Australia in 2023

Ranked equal #1
in the ASX300 for female Board representation by the AICD[2]

1) Climate Active is a partnership between the Australian Government and Australian businesses to drive voluntary climate action. Climate Active certification is awarded to businesses and organisations that have reached a state of carbon neutrality.
2) AICD Gender Diversity Report – February 2023.
3) Based on publicly available information.

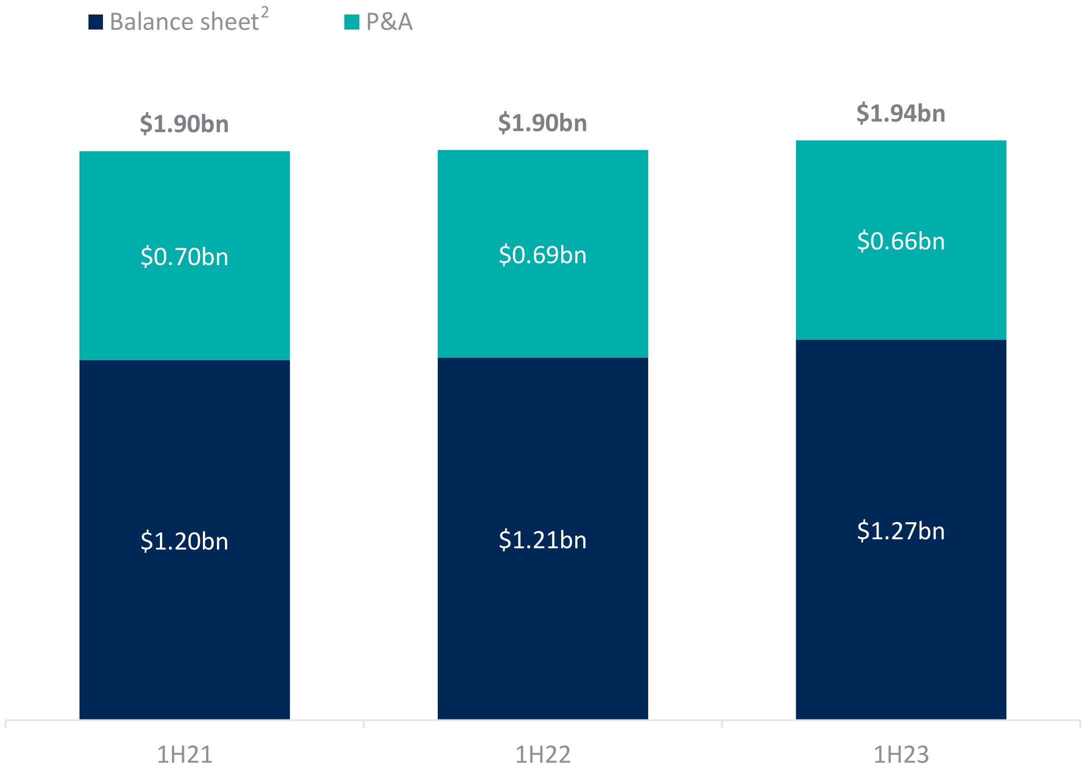
Financial result

FleetPartners

Asset growth driven by balance sheet funded leases

Grown AUMOF 2%[1] against a backdrop of ongoing supply constraints

Assets under management or financed[1] ($bn)



Comments

- AUMOF is the key driver of net operating income pre EOL and provisions, generating predictable, annuity-like revenue
- AUMOF was up 2%[1] vs pcp, despite the ongoing impact of supply constraints, as new customers were onboarded and leases reaching end of term but awaiting replacements were retained as extensions and inertia
- Strategy to direct more NBW to warehouse funding has seen balance sheet funded AUMOF increase by 5% vs pcp. Whilst this transition results in a reduction in upfront P&A funding commissions, it gives a higher overall return for a lease over its term than a P&A funded lease
- Higher proportion of NBW expected to be financed via warehouse (rather than P&A) going forward, with successful migration of FleetChoice novated business to FleetPartners, reducing the use of more expensive funding lines through external P&A novated financiers

1) Excludes the FleetChoice NT (FCNT) partnership (AUMOF: $45m at Mar-22; nil at Mar-23).
2) Balance sheet funded AUMOF relates to warehouse and ABS funded leases.

Income statement

Strong underlying NPATA result despite ongoing supply delays and unwinding of COVID-19 tailwinds, as expected

$ million	1H23	1H22	PCP (%)
Net operating income pre EOL and provisions[1]	**73.9**	**79.4**	**(7)%**
End of lease income	35.6	51.4	(31)%
Fleet and credit provisions	(0.9)	2.8	-
Net operating income	**108.6**	**133.6**	**(19)%**
Total operating expenses	(41.5)	(38.6)	(8)%
EBITDA	**67.1**	**95.0**	**(29)%**
Share-based payment expense	(1.6)	(1.6)	(1)%
Interest on corporate debt	(3.3)	(2.7)	(21)%
Depreciation and leases[2]	(1.8)	(2.6)	31%
Amortisation of intangibles[3]	(4.2)	(3.9)	(8)%
Non-recurring items	(0.3)	0.1	-
PBT	**55.9**	**84.2**	**(34)%**
Tax expense	(16.5)	(24.8)	34%
NPAT	**39.4**	**59.4**	**(34)%**
Add back amortisation of intangibles (post tax)	3.0	2.8	8%
Add back non-recurring items (post tax)	0.2	(0.1)	-
NPATA	**42.6**	**62.1**	**(31)%**

Comments

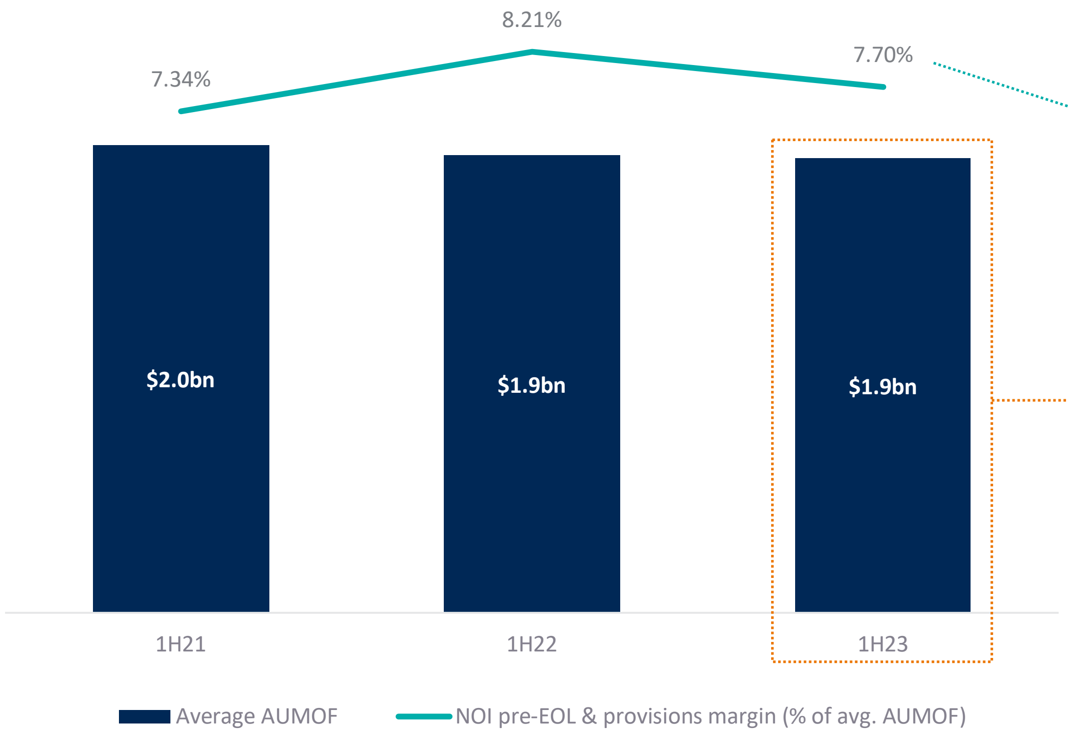
- NOI pre EOL & provisions margin returned to normalised range – largely due to lower maintenance profit from normalisation of fleet utilisation post COVID-19 lockdowns and some cost inflation, resulting in a 7% reduction vs pcp
- End of lease income (EOL) down 31%, primarily driven by fewer units sold (20%) due to the lack of availability of replacement vehicles. EOL per unit reduced 13% compared to pcp, but was down 1% on 2H22, as EOL outcomes remained strong as supply constraints persisted
- Fleet and credit provisions have returned to more typical levels, following the release of COVID-19 provision overlays in pcp
- Operating expenses were $41.5m, demonstrating strong discipline in an inflationary environment and delivering in line with our FY23 expectation of $82-$83m (2-3% year-on-year)
- Share-based payments in line with pcp
- Interest on corporate debt increased $0.6m due to higher interest rates compared to pcp (average gross corporate debt was $75.0m for 1H23 compared to $88.6m for 1H22, of which $45.0m is exposed to variable rates, and average swap rates[4] moved from 0.1% to 3.1%)
- Higher amortisation of intangibles relates to write-down of legacy treasury systems no longer in use and additional amortisation for capitalised projects that have come into use
- Non-recurring items primarily relate to redundancies

1) NOI pre EOL and provisions includes interest income on cash at bank.
2) Depreciation and interest and depreciation on leases (AASB 16) grouped.
3) Includes amortisation of software and acquired intangibles.
4) BBSW BID 90 day.

NOI pre EOL and provisions margin

Margin has returned to normalised range in 1H23, as previously guided

Average AUMOF & NOI pre EOL and provisions margin



NOI pre EOL & provisions margin	Illustrative avg. AUMOF: $1.9bn	$2.0bn	$2.1bn
	Illustrative NOI pre EOL and provisions[1]		
8.00%	$154m	$160m	$168m
7.75%	$149m	$155m	$163m
7.70%	$148m	$154m	$162m
7.50%	$144m	$150m	$158m
7.25%	$139m	$145m	$152m
	Illustrative sustained NBW[1,2] required to achieve avg. AUMOF		
	$720m	**$740m**	**$780m**

Normalised range over time (7.75% to 7.50%)

- 1H23 margin within normalised range of 7.50% to 7.75%
- Predominantly driven by normalisation of maintenance activity due to higher fleet utilisation post COVID-19 lock-downs and restrictions, and some maintenance cost inflation
- Margin is expected to be within normalised range over the longer term as increasing net margin (due to pass-through of funding margin increases on back-book replacements) offsets the unwind of elevated management fees, as extended leases are replaced with new business writings

1) Per annum
2) In a non-constrained supply environment

Funding and liquidity

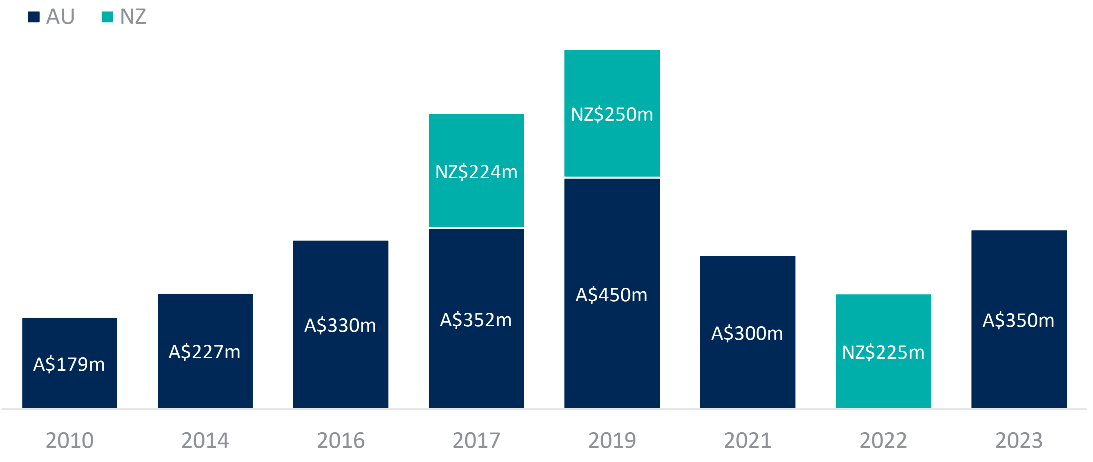
Successful issuance of Australian ABS providing funding flexibility and capacity to support growth plans

Funding mix and interest rate exposure

	Warehouse	ABS	P&A	Corporate debt
Base rate movement exposure	Hedged at lease origination for full term of lease		No exposure	$45m of $75m total debt exposed to 90 day BBSW
Funding margin movement exposure	Typically repriced annually in line with market benchmarks	Fixed at issuance for the term of the issuance	No exposure	Fixed
% AUMOF (Mar-23)	~33%	~33%	~34%	

- Unique and diversified funding structure with access to private warehouses, ABS public capital markets and P&A funding channels
- FleetPartners typically holds ~$230m-$250m of cash, which generates interest income, which acts to offset any change in interest expense on the corporate debt from interest rate movements
- Increasing AU & NZ central bank (cash) rates contribute to earnings, with +/- 25bps movements expected to have an illustrative net impact of +/- c$0.5m to annualised PBT

Liquidity

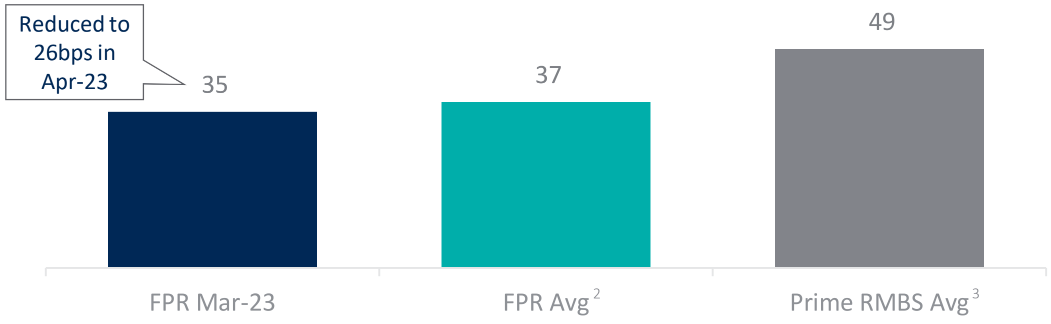


- Warehouse funding capability since 2007 and regular ABS issuer since 2010, with a proven ability to issue through periods of volatility
- AU$350m ABS deal successfully executed in Mar-23 at the lowest cost of funds for any public Australian securitisation deal since May-22
- Net cash position of $39.4m at Mar-23 and corporate debt revolving facility (A$78m limit) undrawn, with no corporate debt maturity before Oct-24
- Strong position and track record expected to support warehouse renewal process in Sep-23

Portfolio credit quality remains high

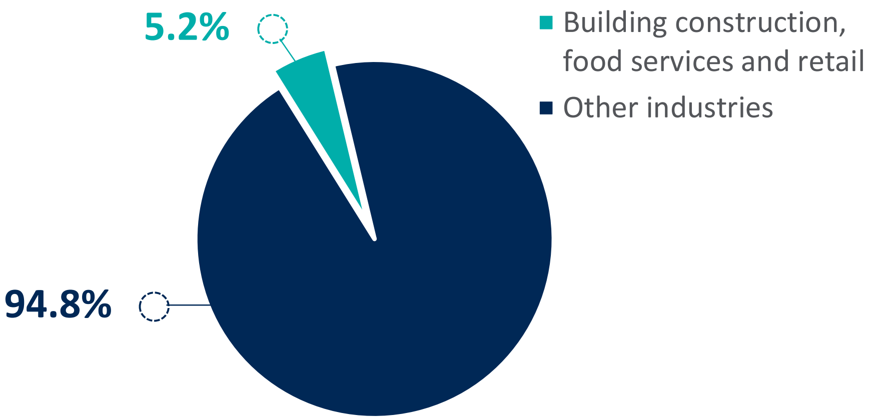
FleetPartners is well placed to face any macro uncertainty given the underlying credit quality of the portfolio

90+ day arrears[1] (bps)



- Portfolio quality continues to be strong with 90+ day arrears at 35bps – exposure offset by the value of the underlying vehicle and all financing secured by PPSR[4] on vehicles (no unsecured exposures)
- Arrears still below pre-COVID-19 levels and the average since Sep-16, albeit up from historical lows seen during 2020-2022 due to government stimulus
- Business-critical assets have a strong track record through economic cycles

Portfolio exposure



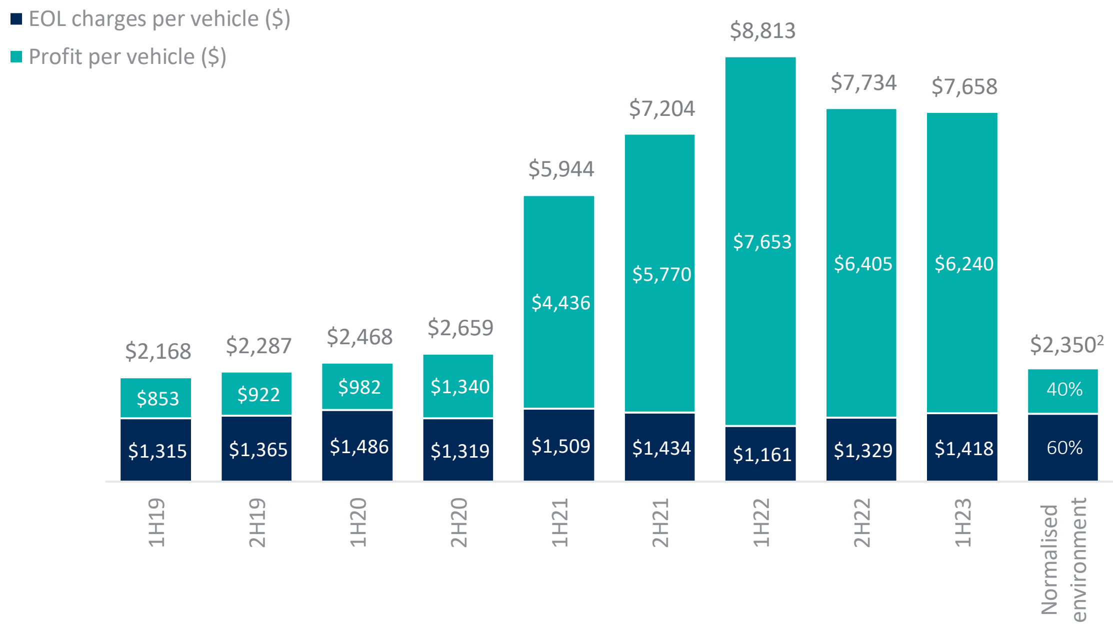
- 76% of exposure to top 20 customers is investment grade
- 5.2% of portfolio exposure relates to building construction, food services and retail
- Experienced collections team with strong control governance in place, such as Small Fleets customers on direct debit payment arrangements etc.

1) Excludes equipment finance portfolios, which have been disposed (AU) or are in run-off (NZ).
2) FleetPartners average from Sep-16 to Mar-23.
3) S&P Australia prime residential mortgage-backed securities index (90+ days past due). Average from Sep-16 to Dec-22.
4) Personal Property Securities Register.

End of lease income

End of lease income remains elevated, but is slowly trending downwards, having peaked in FY22

Vehicles sold & end of lease income per vehicle[1]

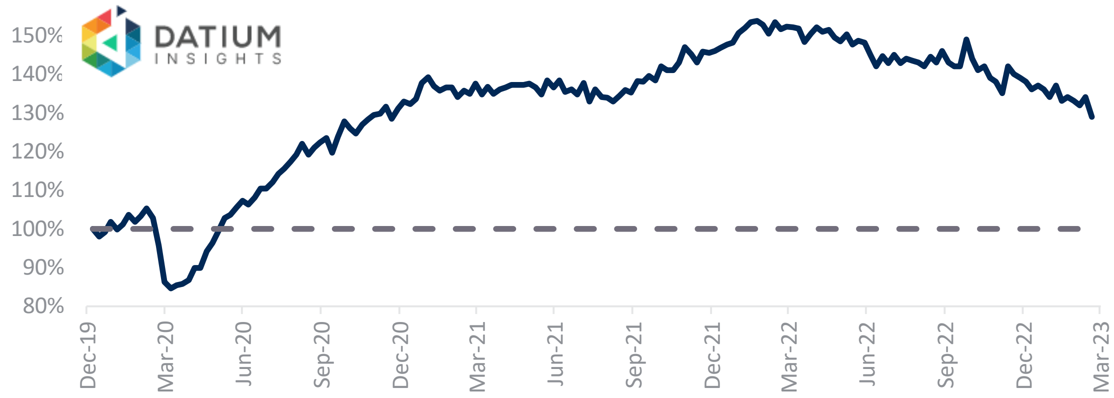


	1H19	2H19	1H20	2H20	1H21	2H21	1H22	2H22	1H23
Vehicles sold	6,557	6,598	6,279	6,683	5,405	5,141	5,834	5,281	4,648
EOL	$14.2m	$15.1m	$15.5m	$17.8m	$32.1m	$37.0m	$51.4m	$40.8m	$35.6m

Comments

- Used vehicle prices remain elevated given ongoing supply constraints
- Prices in Australia peaked in Feb-22 and have since declined c.25%[3]
- Over the longer term, used vehicle pricing expected to revert to FY19 levels as supply normalises
- Units sold expected to increase with the return of supply given current level of lease extensions
- Expect EOL to revert to pre-COVID-19 levels over the coming years of c.$30m … $2,350 per unit

Used car prices indexed to Jan-20

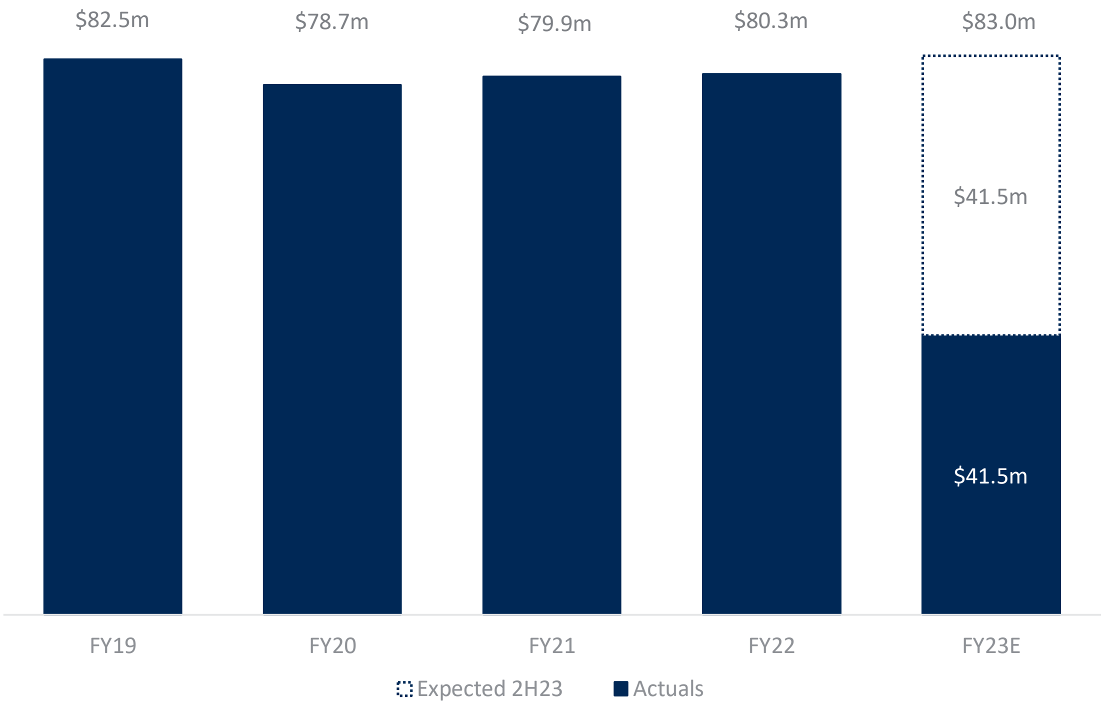


1) FY19 and FY20 exclude non-core businesses.
2) Midpoint of normalised range of $2,200 to $2,500.
3) Datium insights data, report as of 24 Apr-23.

History of disciplined opex control

Against a backdrop of significant inflation in recent periods, opex has remained broadly flat for 5 years

Core operating expenses[1]



Comments

- FleetPartners has demonstrated a disciplined approach to managing opex over an extended period of time
- 1H23 opex is on track for the full year expected range of $82-83m and to be up 2-3% year-on-year
- Opex is expected to increase by just $0.5m over the five-year period between FY19 and FY23, based on the upper end of the expected range for opex in FY23
- This is in stark contrast to the significant levels of inflation being experienced in both Australia and New Zealand in recent times – for context $82.5m in 2019 would be $91.2m in 2022, indexed for inflation in Australia[2]

1) Excludes non-core businesses. FY19 has been adjusted to remove rental of premises from opex, as a proxy for the impact of AASB16, which was first adopted in FY20.
2) Based on the RBA inflation calculator, which indicates an average annual inflation rate of 3.4% between 2019 and 2022 (https://www.rba.gov.au/calculator).

Balance sheet

Balance sheet remains strong, with disciplined capital management

$ million	31 Mar 2023	30 Sep 2022	%
Assets			
Cash and cash equivalents	114.4	101.5	13%
Restricted cash and cash equivalents	154.7	136.8	13%
Trade and other receivables	75.9	70.3	8%
Leases	1,266.2	1,200.2	6%
Inventory	12.6	14.1	(11%)
PP&E	2.3	2.1	6%
Intangibles	468.0	456.9	2%
Right-of-use assets	4.5	5.4	(18%)
Derivative financial instruments	26.7	39.7	(33%)
Total assets	**2,125.3**	**2,026.9**	**5%**
Liabilities			
Trade and other liabilities	150.2	148.6	1%
Borrowings – Warehouse and ABS	1,193.9	1,116.6	7%
Borrowings – Corporate debt	75.0	75.0	-
Provisions	8.0	8.0	-
Lease liabilities	5.0	6.1	(17%)
Deferred tax liabilities	59.7	52.0	15%
Total liabilities	**1,491.7**	**1,406.3**	**6%**
Net assets	**633.5**	**620.6**	**2%**

Comments

- Continuation of capital return to shareholders with the announcement of a further buy-back of up to $43m – $123m of capital returned to shareholders since commencement of the buy-back
- Cash growth driven by strong organic cash generation, being partially offset by share buy-back
- Leases up 6% and warehouse borrowings up 7%, driven by growth in balance sheet funded AUMOF of 5%
- Inventory down by 11% due to the lower levels of EOL units returning for disposal
- Right of use assets and lease liabilities down 18% and 17%, respectively, due to the Auckland office move
- Derivative financial instruments (related to interest rate hedges) decreased 33% due to movements in swap curves
- Gross corporate debt consistent at $75m and net cash up from $26.5m at Sep-22 to $39.4m at Mar-23

Cash generation

Strong organic cash generation supported by elevated EOL and cash tax shield

$ million	1H23
Operating cash flow	
Customer receipts	392.3
Payment to suppliers & employees	(194.3)
Income tax paid	(8.0)
Net interest paid	(24.5)
Net operating cash flow	**165.4**
Investing cash flow	
Purchase of operating & finance lease vehicles	(252.7)
Capex (PP&E & intangibles)	(8.0)
Proceeds from sale of operating lease vehicles	105.3
Net investing cash flow	**(155.4)**
Financing cash flow	
Net change in borrowings	49.9
Payment of lease liabilities	(1.3)
Movement in share capital (including buy-back)	(32.4)
Net financing cash flow	**16.3**
Net cash flow	**26.3**

$ million	1H23
Net cash flow	**26.3**
Capex	8.0
Change in corporate debt	-
Movement in share capital	32.4
Exchange rate variations	(4.6)
Organic cash generation	**62.0**
NPATA adding back non-cash SBP & depreciation	**44.1**
Cash conversion[1]	**141%**

- Business generated $165.4m of operating cash flow and $62.0m of organic cash flow (as defined above)
- Cash generation temporarily elevated given continuing strong EOL performance
- Cash conversion[1] was 141% in 1H23, enhanced by the tax timing difference associated with the temporary full expensing tax legislation in Australia
- $32.4m cash distributed to shareholders via buy-back

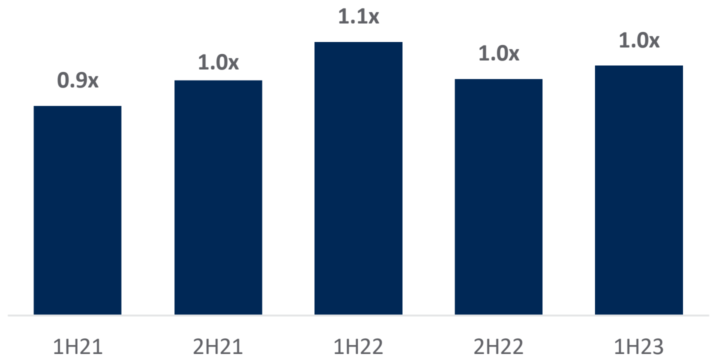
1) Organic cash generation / NPATA adding back non-cash SBP and depreciation

Operating segment performance

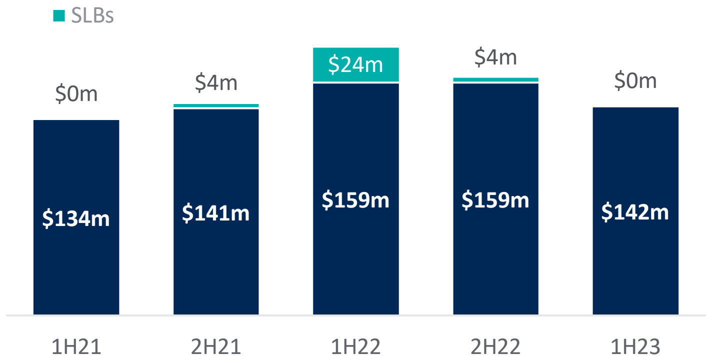
Fleet Australia

Order activity remains robust, whilst NBW impacted by supply – asset base remains stable

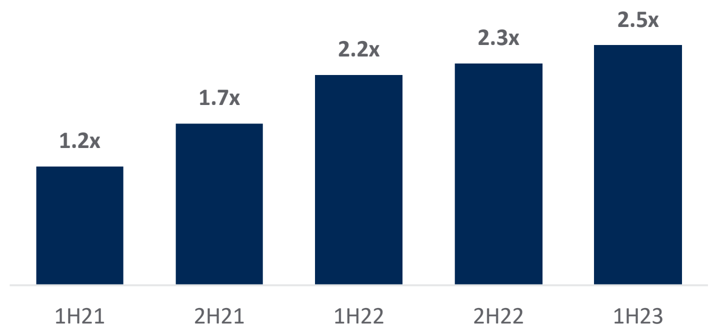
NBW orders[1]



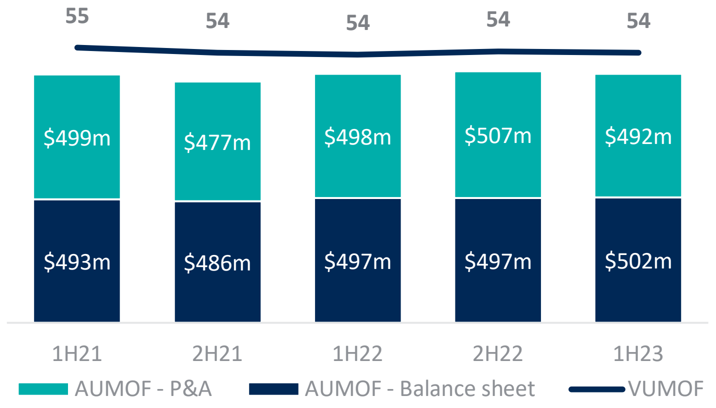
New business writings (NBW)



NBW order pipeline[2]



AUMOF[3]



Comments

- Demand has remained strong with new orders at similar levels to those seen pre-COVID-19[1] due to the exit of panel arrangements during FY19
- NBW decreased by 10% compared to 1H22 (excluding sale and leasebacks), impacted by new car supply in key vehicle segments due to componentry shortages and logistic delays
- Small Fleets delivered NBW of $14.1m, 11% up on 1H22
- As a result of the robust level of new orders taken and the constraints on new vehicle supply, the order pipeline continues to grow, reaching 2.5x pre-COVID-19 levels[2] at Mar-23
- Elevated order pipeline is expected to support revenue growth in future periods as the supply chain normalises
- Both VUMOF and AUMOF have remained stable, broadly in line with pcp, with an increase balance sheet funded (warehouse/ ABS) AUMOF offsetting a reduction in P&A funded AUMOF – avg AUMOF increased 2%
- In the absence of replacement vehicles, extensions and inertia rentals remain elevated, supporting the asset base

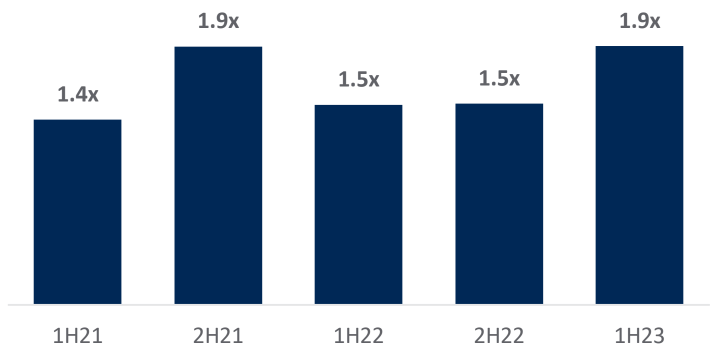
1) Compared to 1H19 orders (which included Panel).
2) Compared to FY19, the last full financial year prior to the emergence of the COVID-19 pandemic.
3) Column: Closing AUMOF; Line: Closing VUMOF (000s). Balance sheet funded AUMOF relates to warehouse and ABS funded leases.

Fleet New Zealand

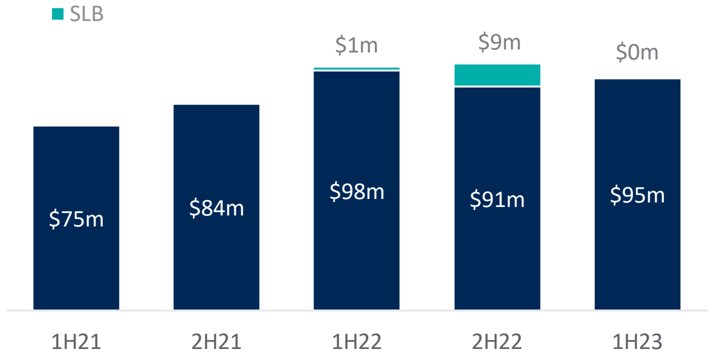
Strong increase in new orders in 1H23 driving a record high pipeline – asset base is growing

NZD

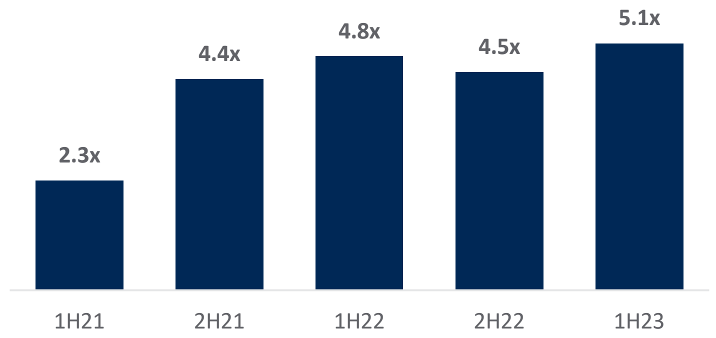
NBW orders[1]



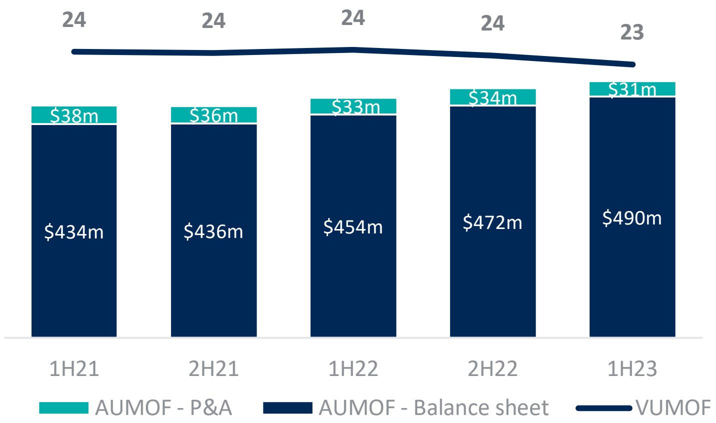
New business writings (NBW)



NBW order pipeline[2]



AUMOF[3]



Comments

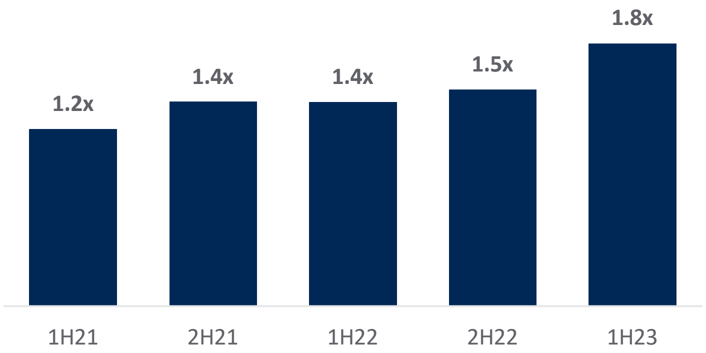
- Fleet NZ has driven a strong uptick in orders in 1H23, reaching c1.9x pre-COVID-19 levels[1]
- Order activity was driven by a number of contract wins and growth with existing customers, and through assisting customers transition their fleets to lower emissions alternatives
- NBW decreased by 4% compared to 1H22 and whilst orders were 1.9x 1H19 levels, NBW was 7% higher than 1H19, demonstrating the lag in NBW resulting from supply delays – which is expected to close as supply normalises
- Small Fleets represented 43% of 1H23 NBW
- The strong level of orders and constrained new vehicle supply resulted in the pipeline reaching 5.1x pre-COVID-19 levels[2] at Mar-23
- At Mar-23 50% of the pipeline related to Hybrid or EV vehicles
- VUMOF decreased by 5% as a result of a strategy to exit low returning products, whilst AUMOF increased by 7% compared to pcp, with growth in balance sheet funded AUMOF of 8%

1) Compared to 1H19 orders. Calculated in NZD.
2) Compared to FY19, the last full financial year prior to the emergence of the COVID-19 pandemic. Calculated in NZD.
3) Column: Closing AUMOF in NZD; Line: Closing VUMOF (000s). Balance sheet funded AUMOF relates to warehouse and ABS funded leases.

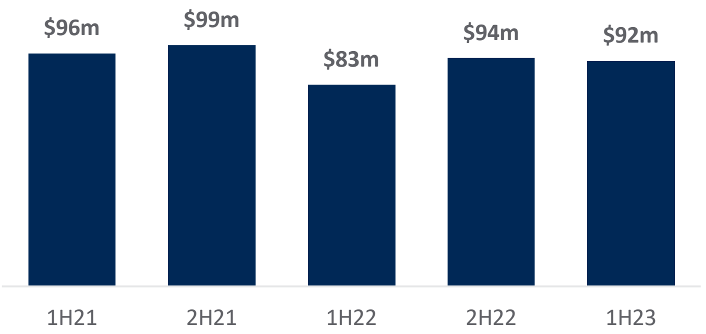
Novated

Significant increase in new orders in 1H23, driving order pipeline to 4.9x – balance sheet funded asset base growing

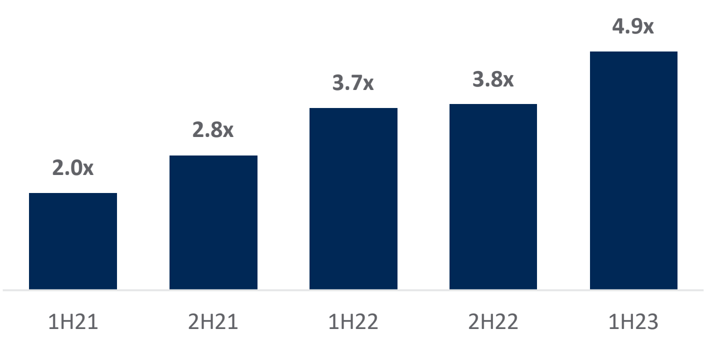
NBW orders[1]



New business writings (NBW)[2]



NBW order pipeline[3]



AUMOF[4]

Comments

- Novated has driven a significant uptick in orders in 1H23, reaching c1.8x pre-COVID-19 levels[1] and significantly higher than preceding periods
- Order activity driven by the Electric Car Discount legislation passed in Dec-22, with BEV/PHEV orders up 27.4x on 1H21 levels, and increased commercial intensity in the Novated team following leadership renewal
- NBW increased by 12%[2] compared to 1H22
- Orders exceeded NBW due to constrained new vehicle supply, increasing the pipeline to 4.9x pre-COVID-19 levels[3] at Mar-23
- This pipeline is expected to support future revenue growth as the supply chain normalises – noting the lead time for Novated is typically shorter than Fleet, as customers often source vehicles and initiate the novated lease only when delivery is approaching
- VUMOF[4] reduced by 4% and AUMOF[4] reduced by 1% compared to pcp – however balance sheet funded AUMOF increased 5% as the mix shifted away from P&A funding, which will continue in 2H23 as FleetChoice customers (P&A funded) are migrated to FleetPartners (warehouse funded)

1) Compared to 1H19 orders.
2) Excludes FCNT NBW ($9.8m in 1H22; $8.2m in 1H23).
3) Compared to FY19, the last full financial year prior to the emergence of the COVID-19 pandemic.
4) Column: Closing AUMOF; Line: Closing VUMOF (000s). Excludes FCNT AUMOF of $45m and VUMOF of 1,273 units. Balance sheet funded AUMOF relates to warehouse and ABS funded leases.

Outlook

FY23 expectation analysis

	FY22A	FY23 (expectation)	Comments
NOI pre EOL and provisions	$157.4m		FY23 expected to be less than 5% below FY22, due to: • Delay in NBW due to continued supply disruptions in 1H23 • Continuation of maintenance activity levels observed in 1H23 due to higher fleet utilisation • 2H23 migration of FleetChoice customers (P&A) to FleetPartners (warehouse) – driving higher balance sheet AUMOF • Offset by higher pricing on NBW in pipeline to be delivered in 2H23
End of lease	$92.3m		• 1H23 EOL profit per unit $7,658, 13% lower than pcp • 4,648 units sold in 1H23, lower than pcp due to less vehicles returned for disposal
Provisions	$2.1m		• Normal levels of provisioning expected, in line with FY19 levels
NOI	**$251.7m**		
Operating expenses	($80.3m)	($82.0 – 83.0m)	• Inflation driven, mostly by salary and wages and technology costs
EBITDA	**$171.4m**		
Interest & depreciation on leases	($3.4m)	($2.5 – 3.0m)	• Benefit of lease rental related savings
Share-based payments	($3.0m)	($3.5 – 4.0m)	• Stable however FY22 lower from one-off redundancy impact
Depreciation	($1.0m)	($1.0 – 1.2m)	• Stable
Interest on corporate debt	($5.5m)	($6.5 – 6.6m)	• Based upon current 90 day BBSW. $0.1m increase for every future 25 bps of BBSW increase • May increase should inorganic or organic opportunities emerge
Tax	30.1%	29 – 30% (tax rate)	• Based on statutory earnings from Australia and New Zealand • No Australian corporate tax expected to be paid in cash, given eligibility for temporary full expensing on operating leases. Deferred tax liability will increase accordingly

Operating environment and strategic priorities

FleetPartners has a clear strategy to pursue long-term growth

Operating environment

- AUMOF growth has continued and proven resilient in the face of a challenged supply environment
- Customer demand, indicated by orders, continues to be strong across all segments
- Considerable supply constraints persist with the recovery unlikely to be linear
- Order pipeline now at 3.0x FY19 levels[1] … helps underwrite future AUMOF growth once supply normalises
- In the meantime, NOI will continue to be elevated due to COVID-19 tailwinds, in particular EOL
- Expect EOL to revert to pre-COVID-19 levels over the coming years of c.$30m p.a. (c.2,350 per vehicle)

Strategic priorities

- Strategic Pathways primed for growth … targeting increased market share in three under-penetrated segments
- Focus on returns by shifting towards more profitable offerings … maximum products per lease
- Capitalise on the outsourcing of EV fleets by leveraging expertise held by Fleet New Zealand
- Accelerate … $6m annualised opex reduction by mid-FY25 for one-off $25m investment
- Share buy-back program … 18% of shares cancelled to date and a further c. 7% to be cancelled
- Accretive M&A … actively pursuing opportunities
- ESG and sustainability are central to the Group's strategy and values

FleetPartners today

- ✓ Multiple EPS growth drivers
- ✓ Predictable, annuity-like income
- ✓ Disciplined approach to opex management
- ✓ Highly cash-generative business model
- ✓ Strong balance sheet and no net debt
- ✓ Proven funding and liquidity standing
- ✓ High quality credit portfolio

1) Indexed to FY19 as FY19 represents the last full financial year prior to the emergence of the COVID-19 pandemic.

Questions

FleetPartners

Appendices

Operating segment results

Half-year ended March 2023 ($m, unless stated)	Fleet AU	Novated	Fleet NZ	Group
NOI before EOL & Impairments	**46.2**	**8.3**	**19.5**	**73.9**
End of lease	27.7	0.1	7.8	35.6
Impairments	(0.8)	(0.1)	(0.0)	(0.9)
NOI	**73.1**	**8.2**	**27.2**	**108.6**
Operating expenses	(28.7)	(5.6)	(7.3)	(41.5)
EBITDA	**44.5**	**2.7**	**20.0**	**67.1**
AUMOF	994.0	453.0	488.3	1,935.4
VUMOF ('000)	53.9	13.0	23.1	90.0

Half-year ended March 2022 ($m, unless stated)	Fleet AU	Novated	Fleet NZ	Group
NOI before EOL & Impairments	**48.8**	**9.2**	**21.4**	**79.4**
End of lease	38.9	0.8	11.7	51.4
Impairments	1.8	(0.0)	1.0	2.8
NOI	**89.5**	**9.9**	**34.2**	**133.6**
Operating expenses	(26.3)	(6.2)	(6.1)	(38.6)
EBITDA	**63.2**	**3.8**	**28.0**	**95.0**
AUMOF[1]	994.7	457.7	450.9	1,903.3
VUMOF ('000)[1]	53.5	13.5	24.4	91.3

Half-year ended September 2022 ($m, unless stated)	Fleet AU	Novated	Fleet NZ	Group
NOI before EOL & Impairments	**48.1**	**10.8**	**19.1**	**78.0**
End of lease	31.0	0.6	9.2	40.8
Impairments	(0.4)	(0.0)	(0.2)	(0.7)
NOI	**78.7**	**11.3**	**28.1**	**118.1**
Operating expenses	(29.2)	(6.2)	(6.4)	(41.8)
EBITDA	**49.5**	**5.1**	**21.7**	**76.3**
AUMOF	1,004.1	450.5	442.8	1,897.5
VUMOF ('000)	54.2	13.0	23.9	91.1

1. AUMOF and VUMOF have been adjusted for the exit of FCNT.

FleetPartners has a simple and predictable business model

Deriving c.50% of income from numerous service based products and c.71% of income being annuity-like earnings[2]

Finance

- 33% of NOI
- 63% annuity[3]

Operating, Novated and finance leases

In-life fleet services

- 50% of NOI
- 100% annuity

Vehicle selection & procurement · Insurance · Registration · Tyres · Maintenance · Fuel · EV charging & infra. · Pool car · Infringements · Tolls · Driver safety training · Roadside assistance · Accident management · Relief vehicle · Telematics · Fleet management & reporting

EOL

- 17% of NOI
- 60% annuity[4]

Vehicle disposal

- Customers use FleetPartners for financing, and to outsource fleet management and asset risk
- High barriers to entry driven by scale, funding, residual value IP and a national supplier network
- Long-term customer relationships with high retention rates
- Service based revenue model with a multitude of products and income levers
- 71% annuity-like finance and service income is contracted over life of the lease[2]
- Positive growth outlook with only 28%[1] of fleets currently financing with an FMO
- No base-rate interest risk as leases are hedged at origination for life of the lease
- Low credit losses given vehicles are business-critical assets for customers
- Lease related costs are predictable and passed on via "cost-plus" pricing
- Consistent profits from selling vehicle at end of lease (EOL) driven by four decades of RV setting experience
- During economic downturns, reducing operational costs by outsourcing fleet management becomes more compelling for customers

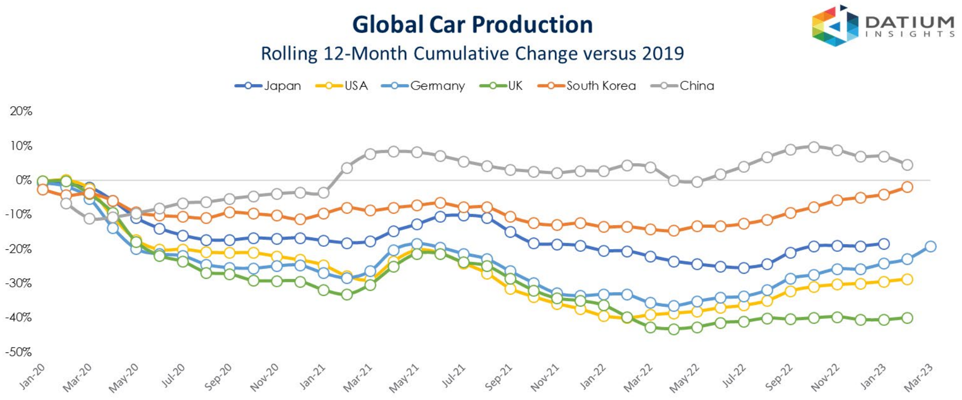
1) Source: Australian Corporate Fleet Insights Reports (June 2022).
2) Based on FY19 NOI.
3) Non annuity income includes funding commissions from P&A funded leases and establishment fees.
4) Approximately 60% of EOL relates to contractual end of lease charges for excess kilometres and unfair wear and tear.

Vehicle delivery delays set to continue throughout 2023

Vehicle delivery delays created by global production back-log are being compounded by shipping shortages and port congestion

Production

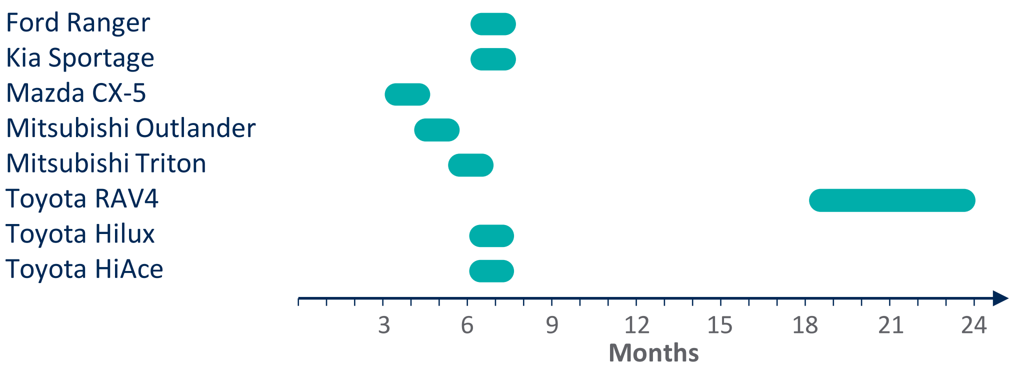
- Global car production has been gradually improving over the last twelve months however is still currently below pre-COVID-19 levels[3]
- Componentry shortages and logistic bottlenecks continue to linger and impede production output
- By year-end, 2023 production is expected to exceed pre-COVID-19 levels[3] of 80 million vehicles for the first time since the pandemic began



Shipping, logistics and port congestion

- Global shortage of vessels that transport vehicles, as many were decommissioned at the start of COVID-19
- Vessel shortage is resulting in extended wait times at country of production, allowing cars to become contaminated with seeds and pests
- Biosecurity impacted cars are being treated upon arrival … significantly delaying delivery times and creating port congestion, compounding delays in both Australia and New Zealand

Current expected delivery times[1,2]



1) FleetPartners' top 8 vehicle models based upon 1H23 NBW. Delivery times to Australia (excluding port congestion delays).
2) Ford Ranger: some variants up to 18 months; Toyota RAV4: Petrol variants 12 months; Toyota HiAce: some variants up to 14 months.
3) 2019 represents the last full year prior to the emergence of the COVID-19 pandemic.

Illustrative impact on income from transition to EV fleet

Impact on revenue expected to be a net positive, as higher net interest margin earned offsets lower maintenance and rebates

- EVs typically have higher purchase price, generating greater net interest margin (NIM)
- Management fees expected to be unchanged as vehicle drivetrain not a pricing factor
- EV maintenance[1] costs typically lower, resulting in lower maintenance income as pricing is on a "cost-plus" basis
- Fuel rebates no longer earned[2]
- All other income levers expected to be unchanged across infringements, tolls, driver safety, roadside assistance, accident management and telematics
- EV transition is expected to be a new catalyst for the outsourcing of fleet management

1) Maintenance assumption includes tyre revenue.
2) Assumed no rebates from energy providers.
Source: Transport for NSW total cost of ownership calculator: https://www.transport.nsw.gov.au/projects/electric-vehicles/total-cost-of-ownership

Thank you

fleetpartners.com.au