FY23 results presentation

FleetPartners Group Limited (ASX:FPR)
13 November 2023

FleetPartners

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Agenda

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

1. Performance highlights

FY23 performance highlights

Continuing to deliver NBW and AUMOF growth despite a challenging supply environment

NPATA

$88.0m

Strong NPATA result driven by AUMOF growth and EOL at $7,598 per unit

New business writings (NBW)

+13%[1,2]

Growth

$762m NBW, with growth driven by 2H23 performance, as supply began to improve

AUMOF

+7%

Growth

Including 17% growth in balance sheet funded AUMOF, driving annuity-like income

Orders taken in FY23

1.4x

Indexed to FY19[3]

Reflecting strong underlying demand – pipeline remains at 3.0x indexed to FY19[3]

Novated EV penetration

53%

of Sep-23 NBW

Industry-leading EV penetration, with growth in EVs largely incremental to ICE demand

NOI pre EOL and provisions

7.72%

of avg. AUMOF

At upper end of expected normalised range of 7.50% - 7.75%

90+ day arrears

17bps

Portfolio continues to perform strongly with arrears below long-term averages

Cash conversion

123%

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

Share buy-back

$73m

Including $30m announced for 2H23 representing 65% of NPATA

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; $8m in 2H22, $0.2m in 1H23, $0.1m in 2H23).
3) FY19 represents the last full financial year prior to the emergence of COVID-19.

Strategic Pathways

Expanding market share in three underpenetrated, high returning segments – strong growth across the board, but in particular Small Fleets and Novated growing at 23% and 38%[1] respectively

TAM[3]

Corporate AU & NZ

2.5m

vehicles[4]

- ✓ 2.5m vehicles TAM in Australia with lower FMO penetration than more mature global markets
- ✓ Scaled, strong returns, and high barriers to entry
- ✓ Loyal customers with 90%+ retention … transition to EVs expected to accelerate outsourcing to FMOs

FY23 highlights

- Multiple new customer wins and retentions across AU and NZ, including a major EV fleet transition in NZ and an international logistics company in AU
- Hosted several EV and ESG reporting workshops with customers, to support their fleet transition
- Entered into global alliance with Alphabet (BMW)

Small Fleets[2]

1.5m

vehicles[4]

- ✓ Market historically not serviced by FMOs & product not generally available
- ✓ Replicating the proven & successful NZ model in AU
- ✓ High growth and high return opportunity

FY23 highlights

- Small Fleets NBW growth of 23% in FY23 for Australia
- 129 partners now signed up to Small Fleets platform
- Dealer point-of-sale digital quoting and approval platform now in market across both AU and NZ

Novated

c.1m

employees[5]

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

FY23 highlights

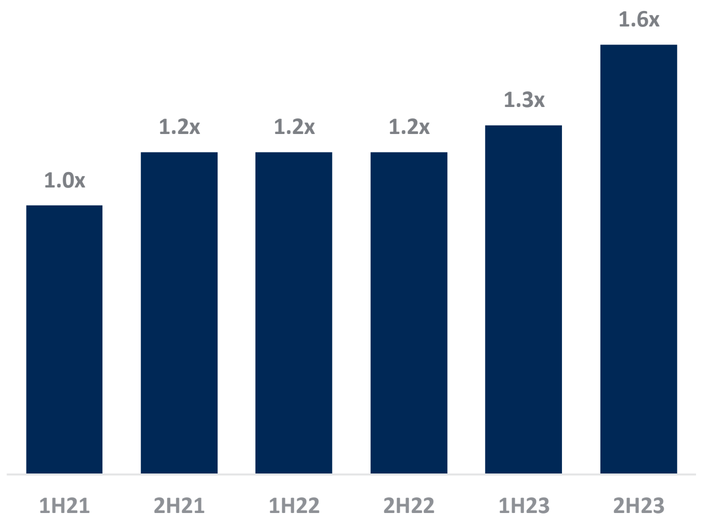
- 100% renewal of Tier 1 and 2 customers falling due
- Strong EV demand, particularly in 2H23 with EVs representing 42% of 2H23 NBW and 53% in the month of Sep-23
- Increased number of Novated consultants to meet elevated demand

1) Excludes the FleetChoice NT (FCNT) partnership which was dissolved in Mar-22.
2) Relates to customers with fleets of less than 20 vehicles.
3) Total addressable market (TAM) and is an estimate.
4) Source: ACA 2022 Australian Corporate and Small Fleets insights report. Relates to Australia only.
5) TAM is FleetPartners' customers' employee base.

Strong orders intake begins to convert into NBW

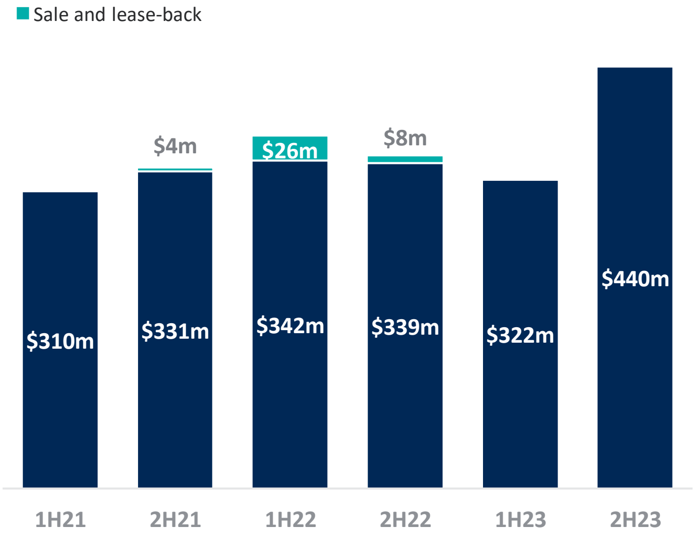
Strategic Pathways delivering a strong NBW performance, whilst maintaining the order pipeline

Orders taken[1]



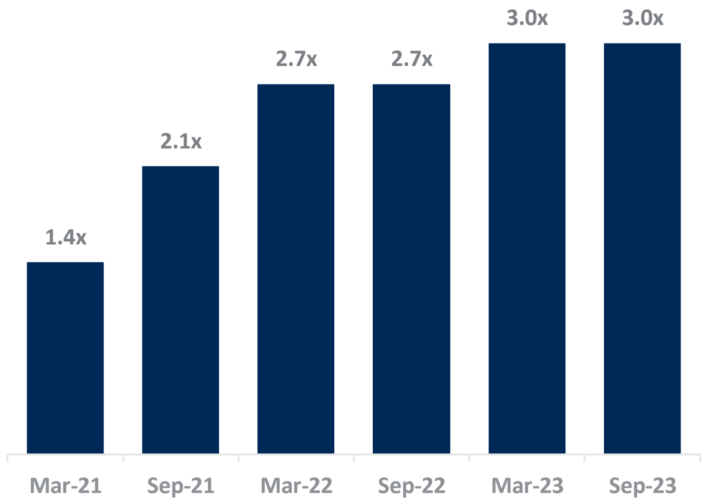
- Strong underlying business growth driving 2H23 orders taken up 1.6x compared to pre-COVID-19 levels
- Strategic Pathways delivering new customer wins and existing customer retention

NBW[2]



- FY23 NBW up 13%[3] compared to FY22, driven by strong growth in 2H23 (up 30%[3] compared to 2H22)
- New car supply started to improve in 2H23, particularly for specialist EV manufacturers
- Supply of key light commercial and mainstream models remains inconsistent

Order pipeline[1]



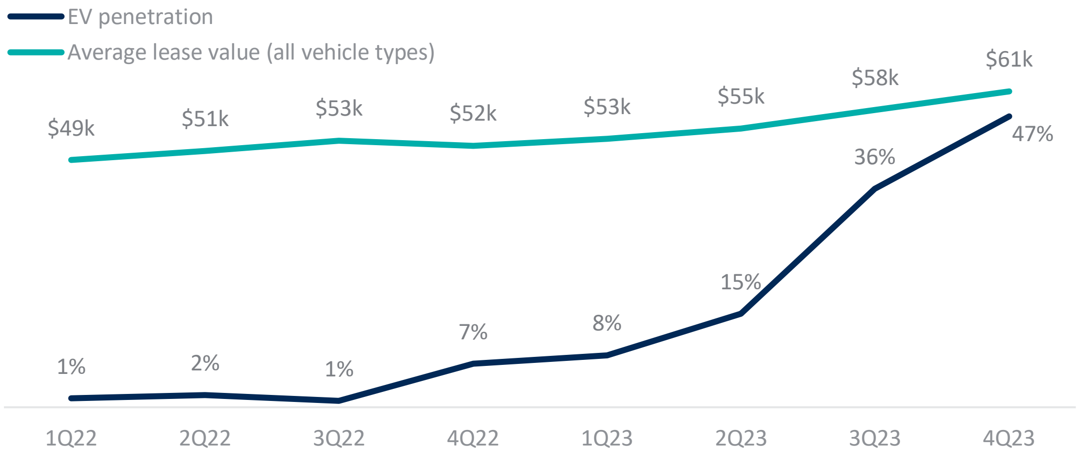
- Pipeline (backlog of orders) holds at 3.0x as order intake continues to replenish the pipeline
- Current pipeline level helps underwrite future NBW and AUMOF growth

1) Orders taken in the period indexed to 1H19 and pipeline of undelivered orders indexed to Sep-19, as FY19 represents the last full financial year prior to the emergence of COVID-19.
2) 1H21, 2H21 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; $8m in 2H22, $0.2m in 1H23, $0.1m in 2H23).

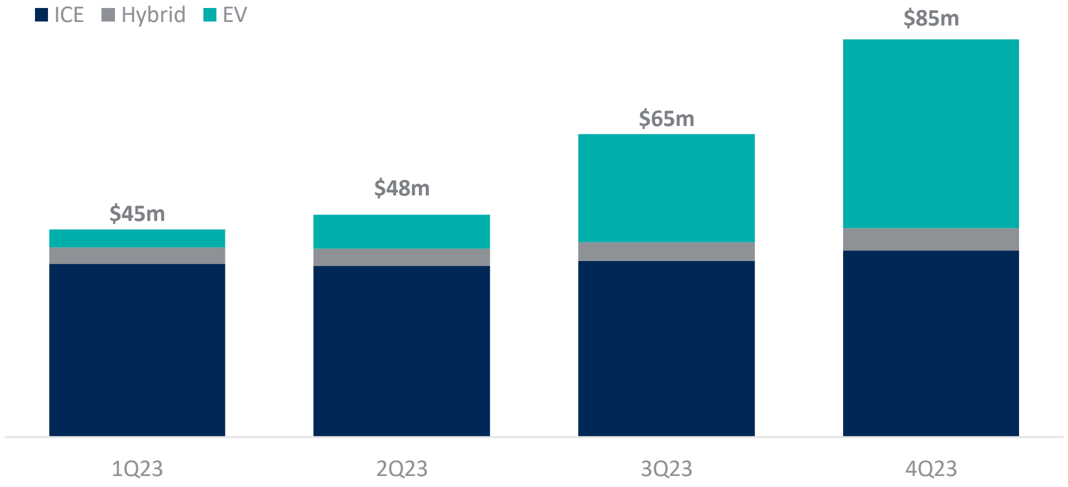
Novated demand benefiting from Electric Car Discount

Significant increase in orders taken and NBW in FY23 driven by uptake of EVs … largely incremental to ICE demand

Average novated lease value and EV % of NBW



Novated NBW by powertrain type



- Electric Car Discount stimulating strong demand for EVs (BEVs and PHEVs[1])
- EVs represented 47% of 4Q23 Novated NBW (53% for the month of Sep-23)
- Growth in EVs driven by demand in Corporate customer base, with a $69k average value of a Novated EV in FY23 (vs $53k for ICE), driving up the overall average
- ICE and Hybrid NBW maintained through FY23, as EV demand has been largely incremental … though expected to substitute ICE demand over the long term
- Increased number of sales consultants to meet elevated Novated demand
- No residual value risk exposure for FPR on Novated leases

1) BEV: Battery Electric Vehicle; PHEV: Plug-in Hybrid Electric Vehicle.

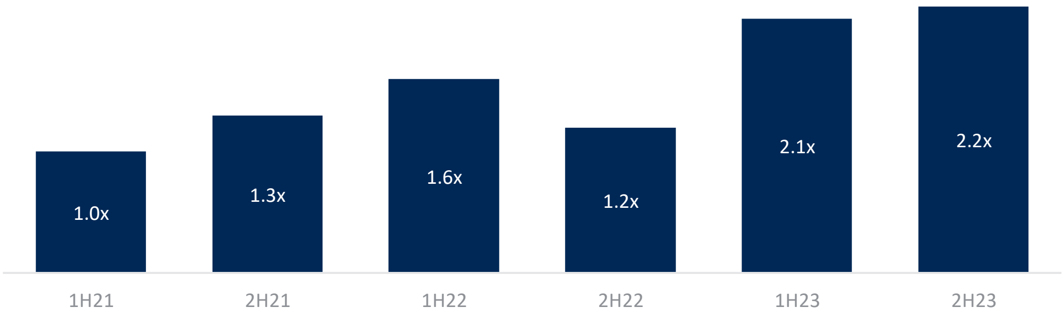
Corporate uptake of EVs driven by Government policy

As the leading FMO in NZ where the EV transition is further progressed, FleetPartners is exporting expertise across the Group and is well positioned to capitalise on the EV transition, which has only just begun in Australia

New Zealand

- NZ continues to lead AU in corporates' progress towards fleet decarbonisation … FY23 saw an increasing number of large fleets committing to significant EV adoption, with ~8% of AUMOF at Sep-23 related to EVs
- NZ’s policy settings have been effective in supporting corporates' intent to move to low/zero emission passenger vehicles … however the lack of viable EV utility vehicles limits the ability for some customers to transition
- Changes to the Clean Car Discount (CCD) in Jul-23 saw customers accelerate purchases to maximise rebates or minimise fees, ahead of the changes. Anticipated amendments to the CCD following the change of Government impacting timing of customer orders

AU & NZ orders taken for low emission vehicles[1,2]



Australia

- Despite benefits from the Electric Car Discount, AU corporates continue to lag NZ in their readiness to transition to EVs, with less than 1% of AUMOF at Sep-23 related to EVs
- Fuel Efficiency Standard to drive better supply and will put AU on par with NZ from a policy standpoint, however it is not expected until 2024 at the earliest
- Introduction of sustainability reporting standards is driving customers to increase focus on reducing fleet emissions … FleetPartners is working with customers to capture the data they require and devise and implement tailored fleet decarbonisation plans

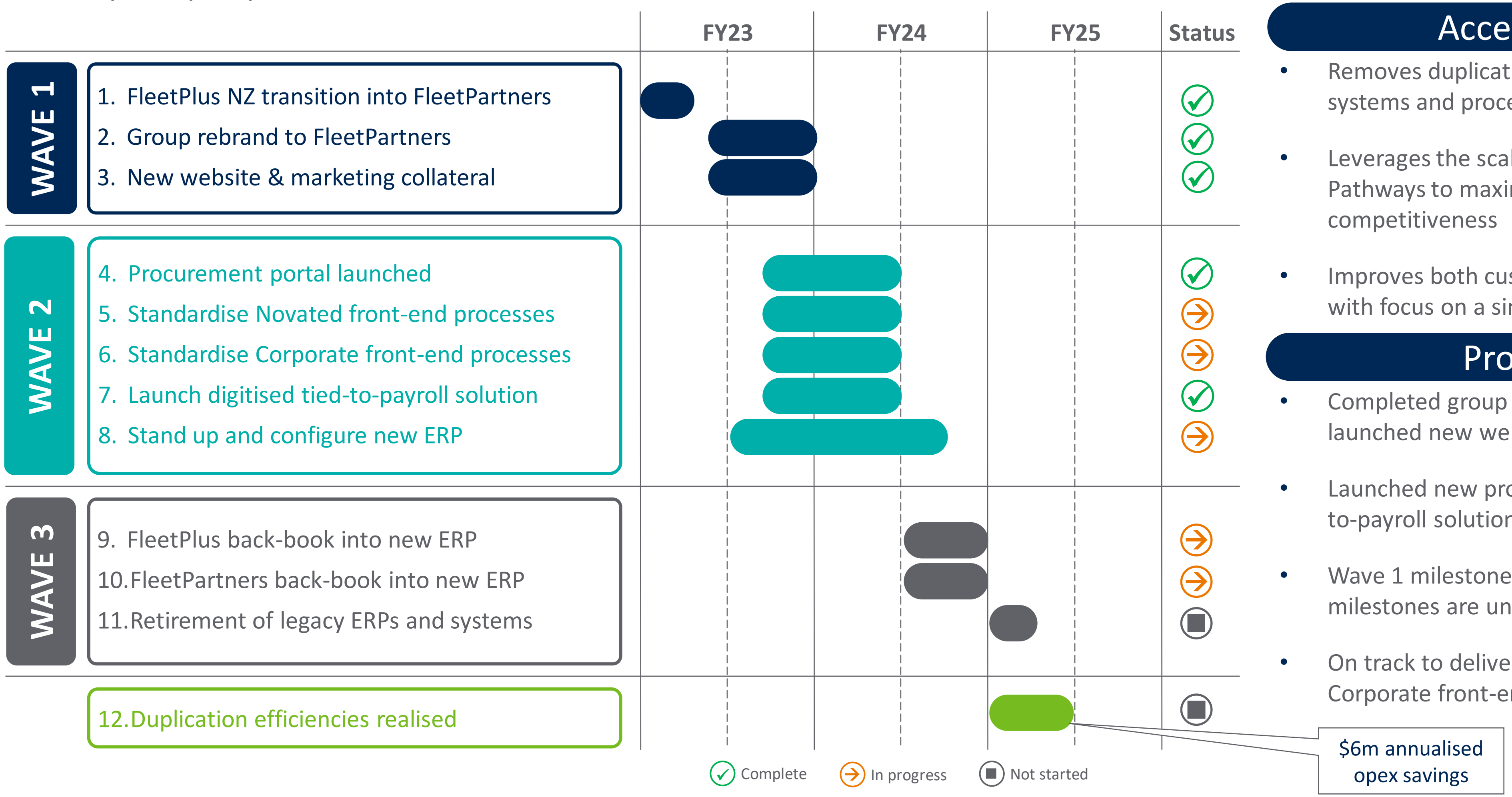
Progress against barriers to adoption

Whole-of-life costs	◑	EVs typically significantly more expensive than ICE equivalents … however, running costs are lower than ICE vehicles and Government incentives are closing the gap
Fit-for-purpose options	◔	Lack of suitable light commercial vehicles … Fuel Efficiency Standard could incentivise OEMs to provide solutions
Employee acceptance	◑	Range anxiety and emotional attachment to current corporate vehicle … though consumer uptake through Novated a key enabler
Charging strategy	◔	Requires detailed planning, including consideration of employee demographics (e.g. home ownership), vehicle location and usage during the day, and employee reimbursement policy

1) Indexed to 1H21 representing the last period prior to the introduction of government low emission incentives in New Zealand.
2) Includes BEV, PHEV and Hybrids which are all included in the Clean Car Discount (NZ).
Key: ◔ Limited progress ◑ Moderate progress ◕ Well progressed ● Resolved

Accelerate program's key milestones

Business transformation program that will deliver an annualised $6m opex saving by mid-FY25. Running to plan both from a timing and spend perspective



Accelerate Program

- Removes duplication through consolidation of brands, systems and processes
- Leverages the scale being delivered by Strategic Pathways to maximise both profitability and competitiveness
- Improves both customer and employee experience, with focus on a single brand

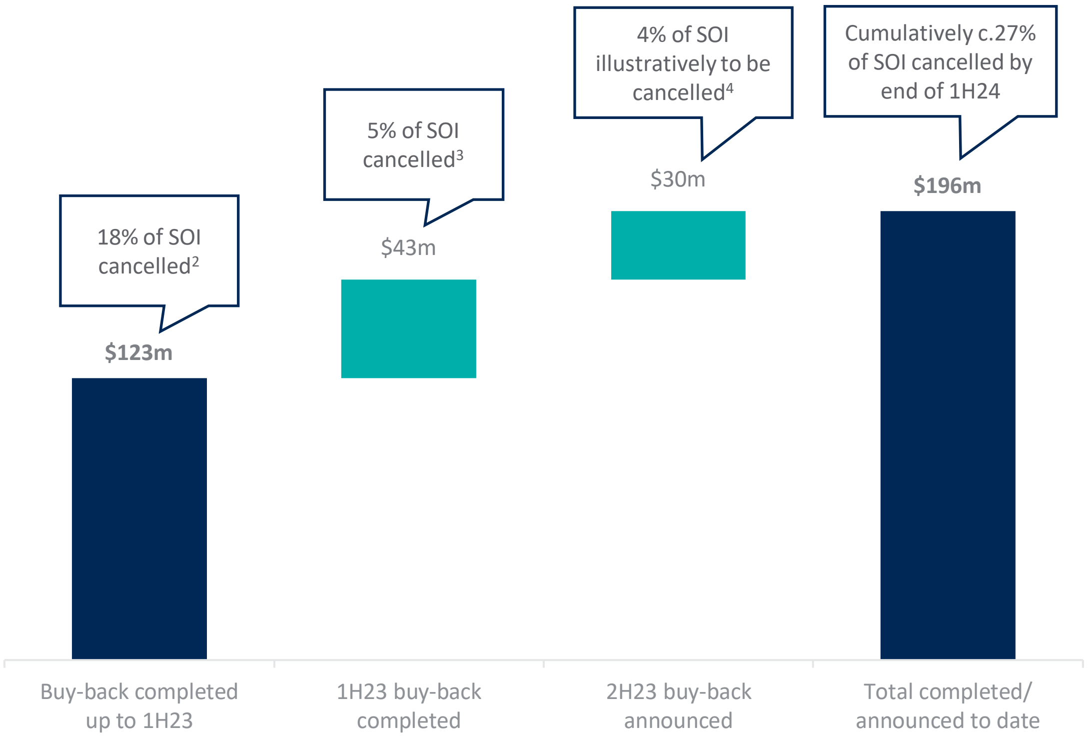
Progress to date

- Completed group rebrand to FleetPartners and launched new website in Mar-23
- Launched new procurement portal and digitised tied-to-payroll solution in Mar-23
- Wave 1 milestones have been completed and Wave 2 milestones are underway and on track
- On track to deliver standardised Novated and Corporate front-end processes

Capital management

$73 million to be bought back for the full year, which is 83% of FY23 NPATA

Buy-back[1]



Comments

- Completed $43 million 1H23 buy-back, including $10 million special buy-back and $5 million carried forward from 2H22
- Share buy-back of up to $30 million has been declared representing 65% of 2H23 NPATA, being the top end of the Group's targeted capital payout range
- By the end of 1H24, c.27% of shares on issue will have been bought back and cancelled since May-21[4]
- 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 and/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 $123m of shares at an average price of $2.24 per share and cancelled 55m shares. The starting balance at May-21 was 307m shares (excluding treasury shares).
3) Bought back $43m of shares at an average price of $2.57 per share and cancelled 17m shares.
4) Assumes, for illustrative purposes, that 12m shares are purchased at $2.50 per share, reflecting the announced target buy-back of $30m.

Environmental, social and governance highlights

ELECTRIC VEHICLE COUNCIL

TOITŪ NET CARBON ZERO ISO 14064-1 ORGANISATION

Climate Active Carbon Neutral ORGANISATION

WGEA Employer of Choice for Gender Equality

cefc

RECONCILIATION ACTION PLAN REFLECT

EPS growth drivers

We have capitalised on the tailwinds of COVID-19 … but have also put the business on a firm footing for longer term growth

❶ Strategic Pathways

- ✓ +13%[1]: NBW growth as new car supply began to ease in 2H23
- ✓ +7%: AUMOF growth
- ✓ 3.0x[2]: Order pipeline remains at record levels despite FY23 NBW growth
- ✓ Transition to EVs driving growth in Novated and expected to accelerate Fleet customer decisions to outsource
- ✓ New car supply disruption appears to be reducing, though supply of key light commercial and mainstream models remains tight

❷ Accelerate program

- ✓ Program running to plan both from a timing and spend perspective
- ✓ $6m annualised opex saving expected by mid-FY25
- ✓ Business transformation project set to create value for both internal and external stakeholders
- ✓ Wave 1 milestones have been completed and Wave 2 milestones are underway and on track
- ✓ Launched new procurement portal and digitised tied-to-payroll solution in Mar-23

❸ Share buy-back

- ✓ $43m 1H23 buy-back completed, including $10m special buy-back and $5m carried forward from 2H22
- ✓ $30m buy-back announced, represents 65% of 2H23 NPATA
- ✓ $73 million for the full year, which is 83% of FY23 NPATA
- ✓ By the end of 1H24, cumulatively c.27% of shares on issue bought back and cancelled since May-21[4]

❹ Acquisitions

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

1) NBW excludes FCNT and sale and leasebacks.
2) Pipeline indexed to FY19, as FY19 represents the last full financial year prior to the emergence of COVID-19.
3) Assumes, for illustrative purposes, that 12m shares are purchased at $2.50 per share, reflecting announced target buy-back of $30m. The starting balance at May-21 was 307m shares (excluding treasury shares).
4) Bought back $166m of shares at an average price of $2.31 per share and cancelled 72m shares by the end of FY23. The starting balance at May-21 was 307m shares (excluding treasury shares).

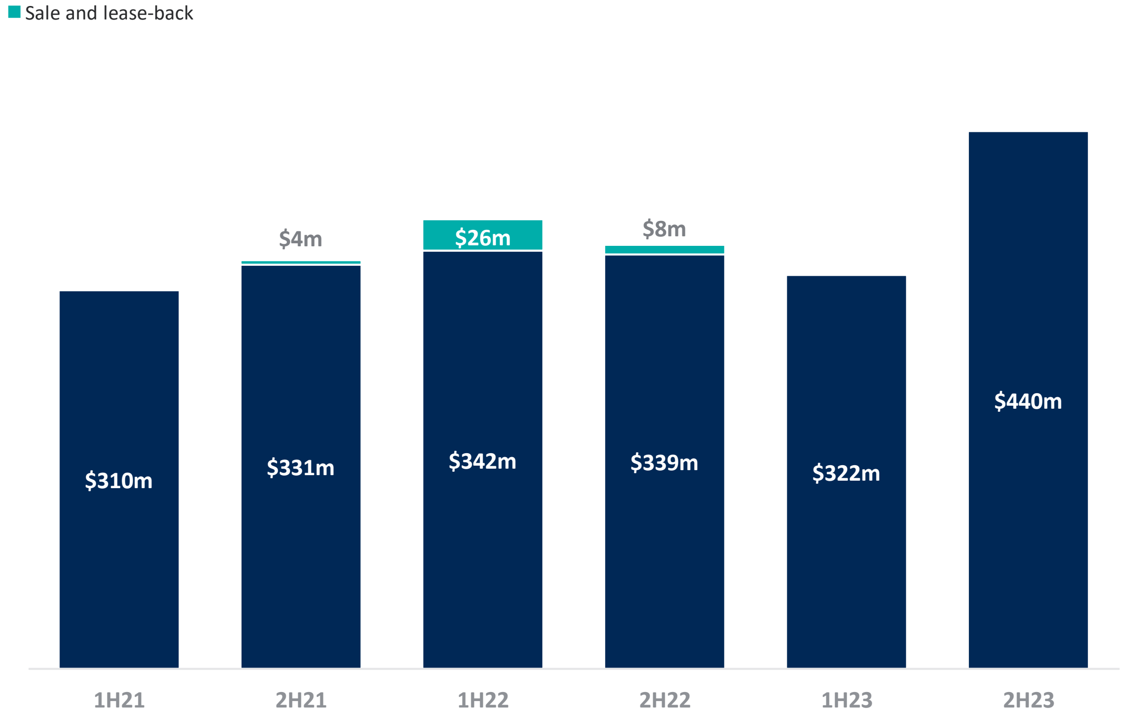
2. Financial result

FleetPartners

New business writings

NBW up 13%[1,2] compared to FY22 as supply began to improve in 2H23

New Business Writings[1,2]



Comments

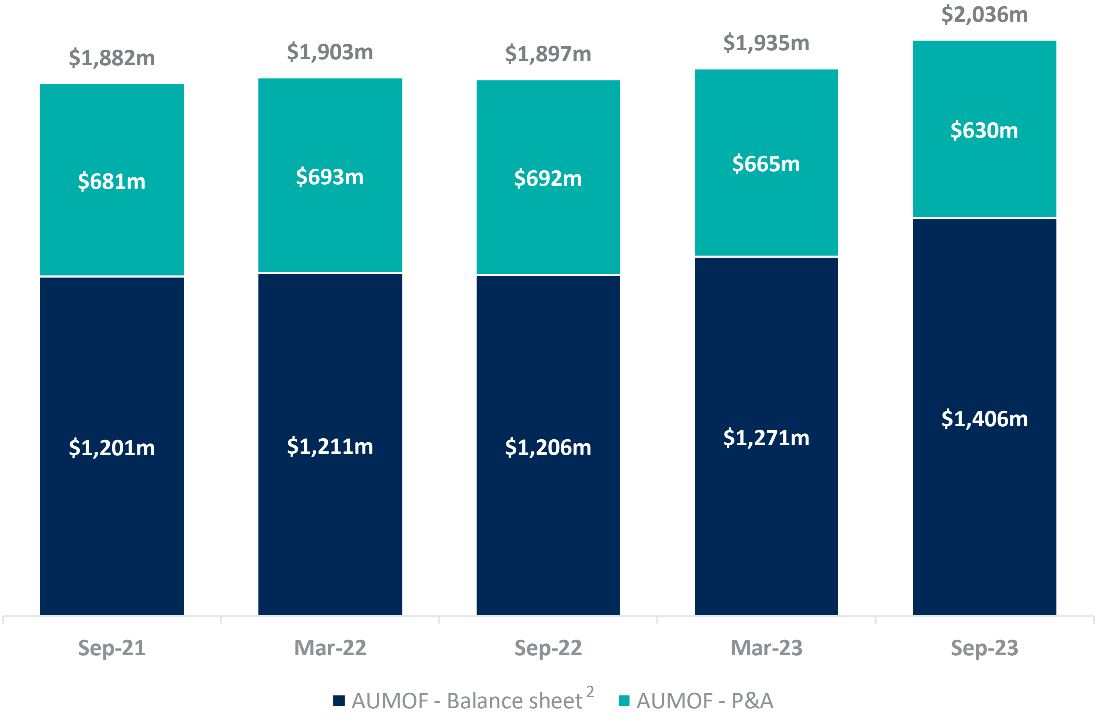
- Improvements in supply of some vehicle types towards the end of FY23 supported significant NBW growth in 2H23, driving overall growth in NBW of 13%[1,2] compared to pcp
- Novated NBW growth of 38%[1] compared to pcp was driven by strong growth in EVs due to the Electric Car Discount, which stimulated demand in 2H23
- Despite the strong growth in Novated NBW, the order pipeline for Novated remained strong, representing 4.6x pre-COVID-19 levels[3] at Sep-23 (compared to 3.8x at Sep-22)
- Fleet NBW growth of 4.5%[2] was driven by Fleet NZ, which benefited from strong demand ahead of changes to the Clean Car Discount
- The order pipeline for Fleet remains elevated, representing 2.8x pre-COVID-19 levels[3] at Sep-23 (compared to 2.6x at Sep-22)

1) Excludes FCNT.
2) Excludes sale and lease-backs ($25.7m in 1H22; $8m in 2H22, $0.2m in 1H23, $0.1m in 2H23).
3) Order pipeline indexed to FY19, as FY19 represents the last full financial year prior to the emergence of COVID-19.

Asset growth driven by balance sheet funded leases

AUMOF up 7% as supply challenges began to ease in 2H23

Assets under management or financed[1]



Comments

- AUMOF is the key driver of net operating income pre EOL and provisions, generating predictable, annuity-like revenue
- AUMOF was up 7% vs pcp, as the impact of supply constraints began to ease in 2H23 resulting in strong NBW growth, particularly in Novated and Fleet NZ
- Timing of NBW and therefore AUMOF growth, resulted in average AUMOF increasing 2%
- Continued strategy to direct more NBW to warehouse funding has seen balance sheet funded AUMOF increase by 17% vs pcp. Whilst this transition results in a reduction in upfront P&A funding commissions, it results in 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 during FY23, reducing the use of more expensive funding lines through external P&A novated financiers

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

Income statement

As expected, NPATA is returning to normalised levels as COVID-19 tailwinds unwind, and despite supply constraints

$ million	FY23	FY22	PCP (%)
Net operating income pre EOL and provisions[1]	**150.3**	**157.4**	**(5)%**
End of lease income	73.7	92.3	(20)%
Fleet and credit provisions	(1.0)	2.1	(146)%
Net operating income	**223.0**	**251.7**	**(11)%**
Total operating expenses	(84.5)	(80.3)	5%
EBITDA	**138.5**	**171.4**	**(19)%**
Share-based payment expense	(3.4)	(3.0)	15%
Interest on corporate debt	(6.8)	(5.5)	22%
Depreciation and leases[2]	(3.5)	(4.4)	(19)%
Amortisation of intangibles[3]	(9.5)	(10.0)	(5)%
Non-recurring items	(0.3)	(0.7)	(49)%
PBT	**114.9**	**147.8**	**(22)%**
Tax expense	(33.9)	(44.5)	(24)%
NPAT	**81.0**	**103.3**	**(22)%**
Add back amortisation of intangibles (post-tax)	6.7	7.1	(5)%
Add back non-recurring items (post-tax)	0.2	0.5	(47)%
NPATA	**88.0**	**110.8**	**(21)%**

Comments

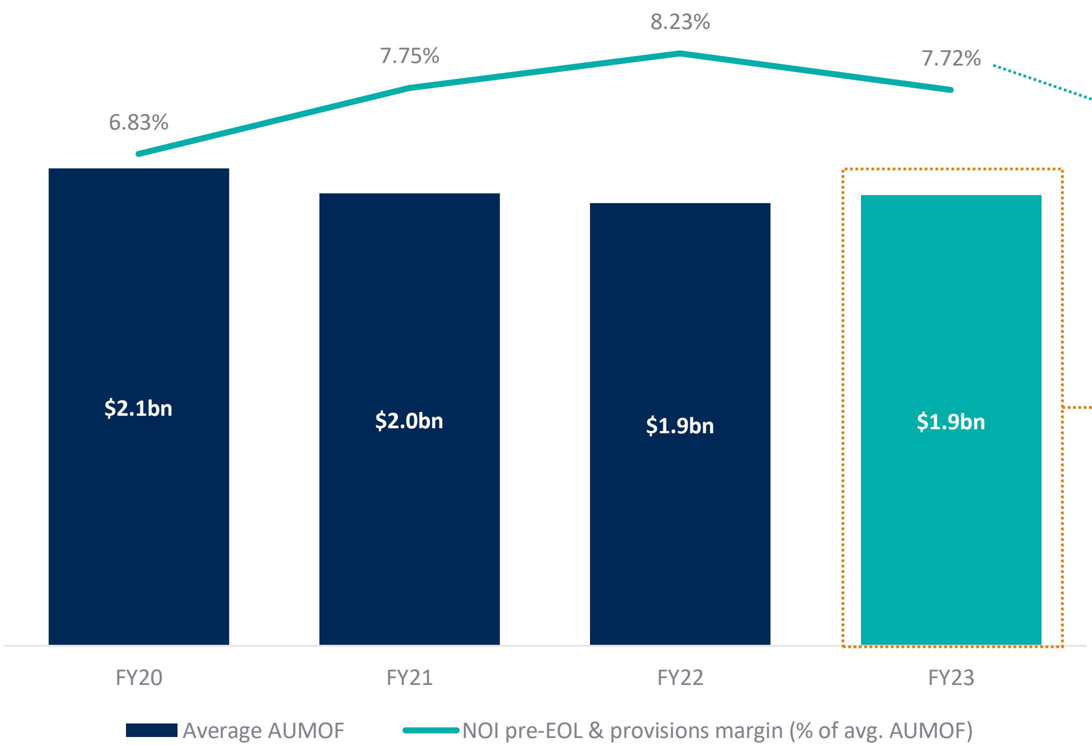
- NOI pre EOL & provisions margin returned to normalised range – largely due to lower maintenance profit from normalisation of fleet utilisation post COVID-19, ageing of fleets awaiting delivery of replacement vehicles and cost inflation, and reduced funding commissions as more NBW is funded via the balance sheet – resulting in a 4.5% reduction vs pcp
- End of lease income (EOL) down 20%, primarily driven by fewer units sold (13%) due to a lack of availability of replacement vehicles. EOL per unit reduced 8% on pcp, however 2H23 EOL per unit was down only 1% on 1H23 due to:
  - a steady decline in elevated pricing seen in the used car market, offset by
  - the continuing depreciation of fleets in inertia and extension, which has broadly tracked the reduction in market prices, and
  - elevated end of lease charges for older vehicles being returned (e.g. additional unfair wear and tear due to longer time on the road)
- Fleet and credit provisions have returned to more typical levels, following the release of COVID-19 provision overlays in pcp
- Operating expenses were $84.5m, a 5% increase on pcp, reflecting significant growth in order activity, tempered by continued cost discipline against a high inflationary environment
- Interest on corporate debt increased $1.3m due to higher interest rates compared to pcp, partially offset by a reduction in average borrowings

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

NOI pre EOL and provisions margin

Margin has returned to normalised range in FY23, as previously guided

Average AUMOF & NOI pre EOL and provisions margin



NOI pre EOL & provisions margin	Illustrative avg. AUMOF			
	$1.95bn	**$2.00bn**	**$2.10bn**	**$2.20bn**
	Illustrative NOI pre EOL and provisions[1]			
8.00%	$156m	$160m	$168m	$176m
7.75%	$151m	$155m	$163m	$171m
7.72%	$150m	$154m	$162m	$170m
7.50%	$146m	$150m	$158m	$165m
7.25%	$141m	$145m	$152m	$160m
	Illustrative FY24 NBW[1] required to achieve avg. AUMOF			
	$565m	**$665m**	**$865m**	**$1,065m**

Normalised range over time

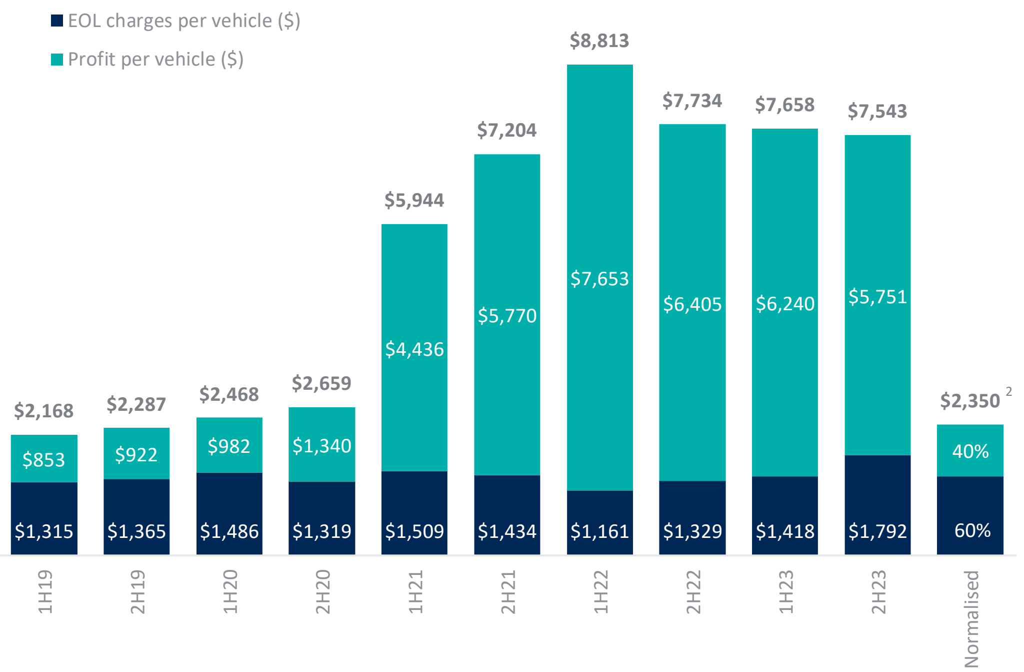
- FY23 margin towards upper end of normalised range of 7.50% to 7.75%
- Predominantly driven by normalisation of maintenance activity due to higher fleet utilisation post COVID-19 lock-downs and restrictions, ageing of fleets awaiting delivery of replacement vehicles and maintenance cost inflation
- Margin 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
- Margin not expected to return to FY20 levels, due to organic improvements in yield as a result of increased pricing discipline, exit of low-returning products and focus on higher yielding products

1) In a non-constrained supply environment.

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]



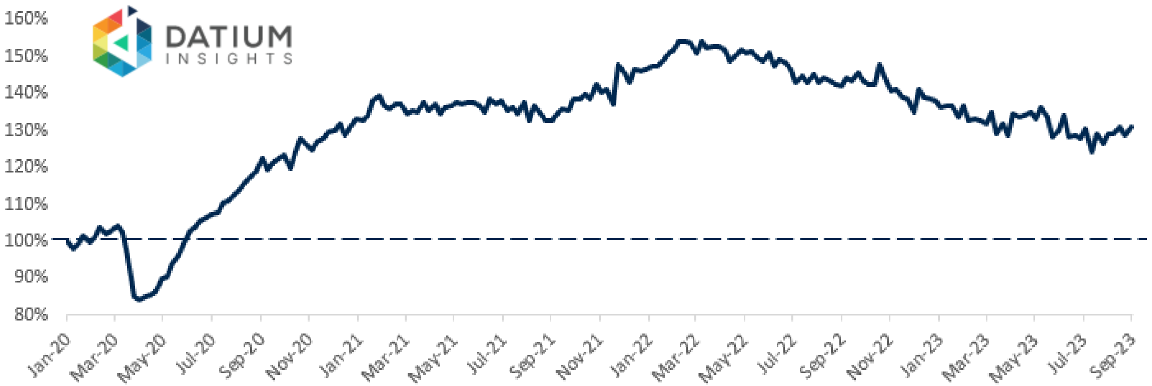
Vehicles sold	6,557	6,598	6,279	6,683	5,405	5,141	5,834	5,281	4,648	5,048
EOL	$14.2m	$15.1m	$15.5m	$17.8m	$32.1m	$37.0m	$51.4m	$40.8m	$35.6m	$38.1m

Impacted by new car supply delays

Comments

- Used vehicle prices remain elevated, but have reduced from the peak in Feb-22 by c.25%[3]
- However, EOL per unit has remained strong due to the continuing depreciation of fleets in inertia and extension (which has broadly tracked the reduction in market prices) and elevated end of lease charges for older vehicles returned
- Over the longer term, used vehicle pricing is expected to revert to FY19 levels and units sold are expected to increase as supply normalises
- Expect EOL to revert to pre-COVID-19 levels over the coming years of c.$30m … c.$2,350 per unit

Used car prices indexed to Jan-20

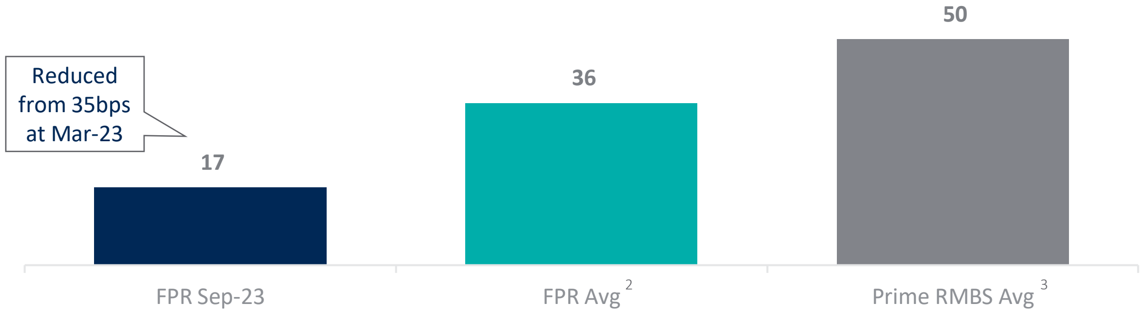


1) FY19 and FY20 exclude non-core businesses.
2) Midpoint of normalised range of $2,200 to $2,500.
3) Datium insights data, report as of 9 Oct-23.

Portfolio credit quality remains high

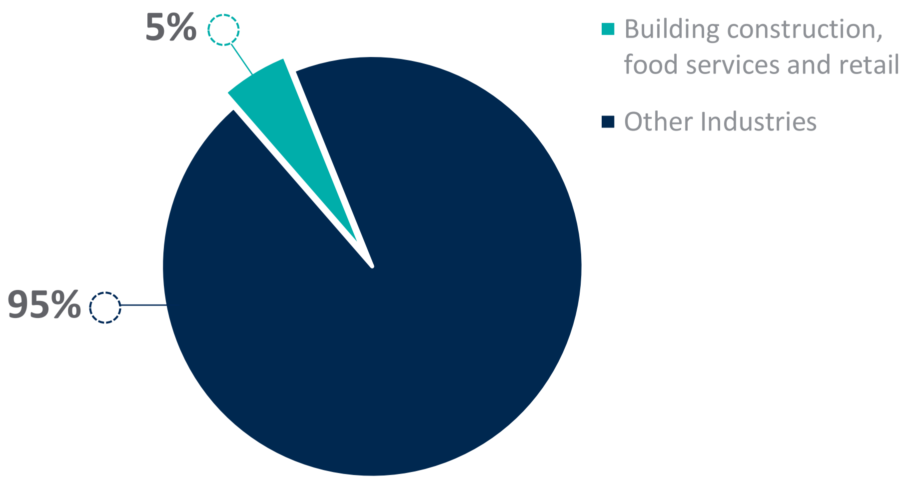
Portfolio continues to perform strongly with minimal exposure to higher risk sectors

90+ day arrears[1] (bps)



- Portfolio credit performance continues to be very strong with 90+ day arrears at 17bps at Sep-23 and well below the average since Sep-16
- Arrears exposure is offset by the value of the underlying vehicle and all financing secured by PPSR[4] on vehicles (no unsecured exposures)
- Business-critical assets have a strong track record through economic cycles

Portfolio exposure



- 77% of exposure to top 20 customers is investment grade
- 5% 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 of (AU) or are in run-off (NZ). Relates to finance payments only.
2) FleetPartners average from Sep-16 to Sep-23.
3) S&P Australia prime residential mortgage-backed securities index (90+ days past due). Average from Sep-16 to Jun-23.
4) Personal Property Securities Register.

Funding and liquidity

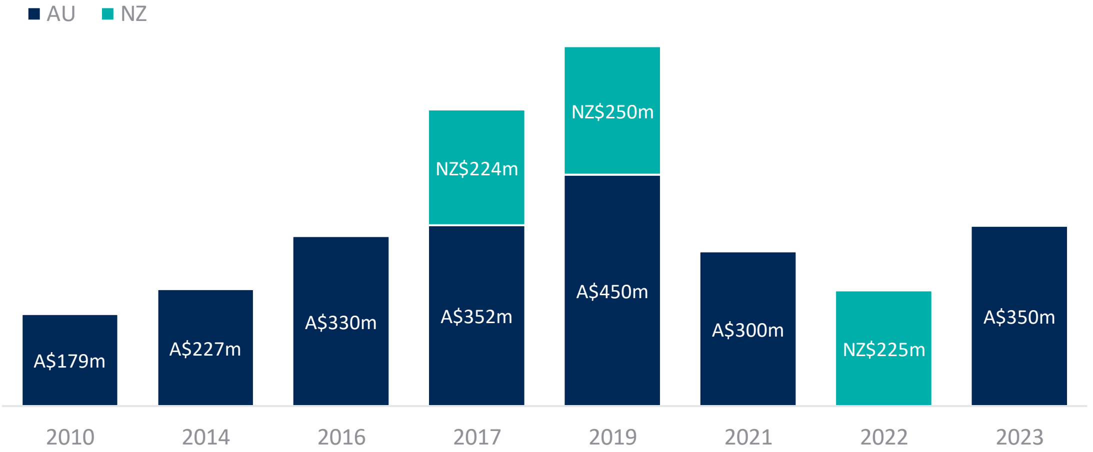
Successful issuance of Australian ABS, extension of warehouses and corporate debt facility providing capacity to support growth plans

Comments

- Warehouse funding capability since 2007 and regular ABS issuer since 2010, with a proven ability to issue through periods of volatility
- $350m AU ABS deal successfully executed in Mar-23 achieving, at that time, the lowest cost of funds for any public Australian securitisation deal since May-22
- AU & NZ warehouses extended to Sep-24 with increased capacity to support growth and immaterial improvement in cost of funds
- Expanded the panel of mezzanine investors in both Australia and New Zealand warehouses, providing further funder diversification
- As at Sep-23, the funding mix was Warehouse 44%, ABS 25% and P&A 31%
- Corporate debt revolving facility extended from Oct-24 to Oct-26 at reduced cost of funds, with no corporate debt maturities before Jul-25
- As at Sep-23, there was $84.0m of undrawn corporate debt capacity providing standby liquidity for the Group, and unrestricted cash of $87.6m resulting in net cash of $22.6m
- With funding margins set until Sep-24 and base rates hedged at lease inception, there is no significant interest rate exposure on the portfolio
- Other exposures to interest rates limited due to natural hedge between cash holdings (~$230m-$250m) and variable rate corporate borrowings ($35m), with +/- 25bps movements having a net impact of +/- c$0.5m on annualised PBT

AU & NZ warehouse capacity at Sep-23

Asset Backed Securitisation Issuance



Cash generation

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

$ million	FY23
Operating cash flow	
Customer receipts	815.0
Payment to suppliers & employees	(413.0)
Income tax paid	(10.8)
Net interest paid	(51.8)
Cash generated from operations before investment in lease portfolio	**339.3**
Purchase of operating & finance lease vehicles[1]	(611.3)
Proceeds from sale of operating lease vehicles[1]	215.1
Net operating cash flow	**(56.8)**
Investing cash flow	
Capex (PP&E & intangibles)	(19.5)
Net investing cash flow	**(19.5)**
Financing cash flow	
Net change in borrowings	**161.7**
Payment of lease liabilities	(2.4)
Movement in share capital (including buy-back)	(78.4)
Net financing cash flow	**80.9**
Net cash flow	**4.5**

$ million	FY23
Net cash flow	**4.5**
Capex	19.5
Change in corporate debt	10.0
Movement in share capital (including buy-back)	78.4
Organic cash generation	**112.5**
NPATA adding back non-cash SBP & depreciation (post-tax)	**91.1**
Cash conversion[2]	**123%**

- Business generated $112.5m of organic cash flow (as defined above)
- Cash generation elevated given continuing strong EOL performance
- Cash conversion[2] was 123% in FY23, enhanced by the tax timing difference associated with the temporary full expensing tax legislation in Australia
- $75.4m of cash distributed to shareholders via buy-back

1) Reclassified from investing cash flows to operating cash flows in FY23
2) Organic cash generation / NPATA adding back non-cash SBP and depreciation

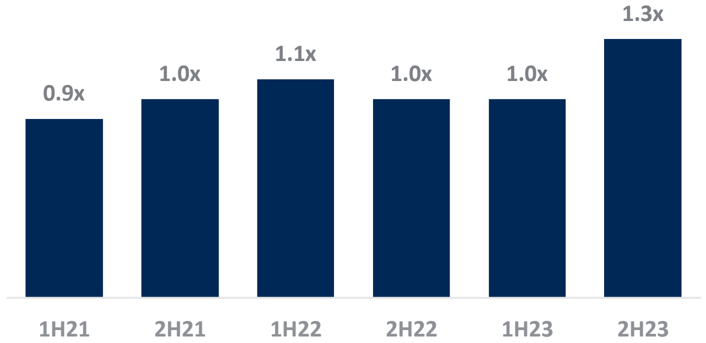
3. Operating segment performance

FleetPartners

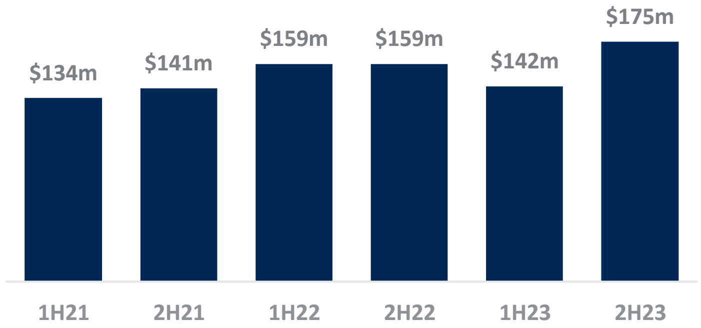
Fleet Australia

Strong order activity drove NBW in 2H23 as supply constraints began to ease – asset base remains stable

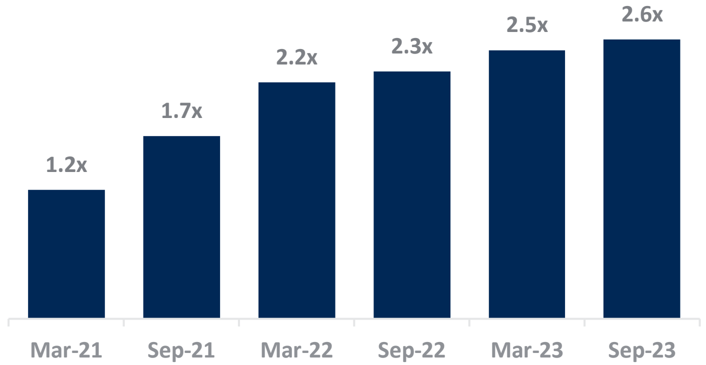
Orders taken[1]



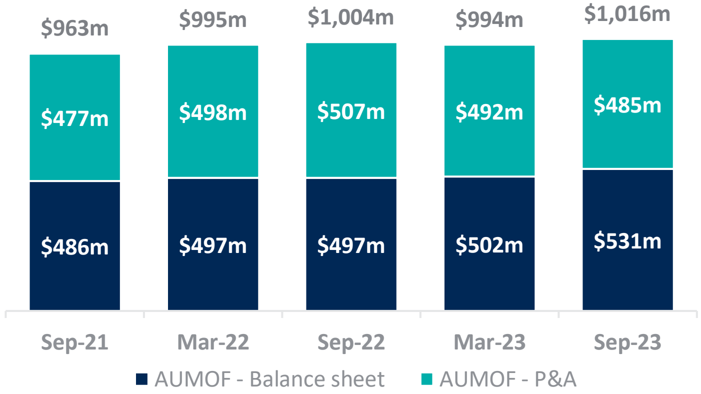
NBW



Order pipeline[3]



AUMOF



Comments

- Demand has increased with new orders taken for 2H23 at 1.3x the levels seen pre-COVID-19[1]
- NBW for 2H23 was $175m, which is 23% higher than 1H23 and 10% higher than 2H22 (both excluding sale and leasebacks)
- Whilst NBW grew in 2H23, it continued to be impacted by new car supply constraints in key vehicle segments. As a result, the order pipeline continued to grow, reaching 2.6x pre-COVID-19 levels[2] at Sep-23
- The elevated order pipeline is expected to support revenue growth in future periods as supply continues to improve
- AUMOF was 1% higher than Sep-22, with a 7% increase in balance sheet funded AUMOF (warehouse/ABS) offset by a 4% reduction in P&A funded AUMOF
- In the absence of replacement vehicles, extensions and inertia rentals remain elevated, supporting the asset base

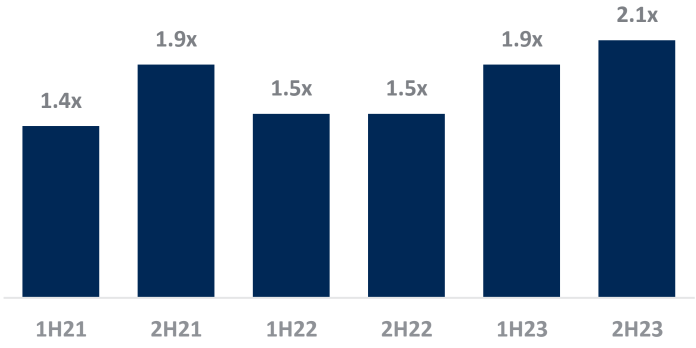
1) Compared to 1H19 orders taken (excluding Panel).
2) Compared to Sep-19, the last full financial year prior to the emergence of COVID-19.
3) Excluding sale and leasebacks.

Fleet New Zealand

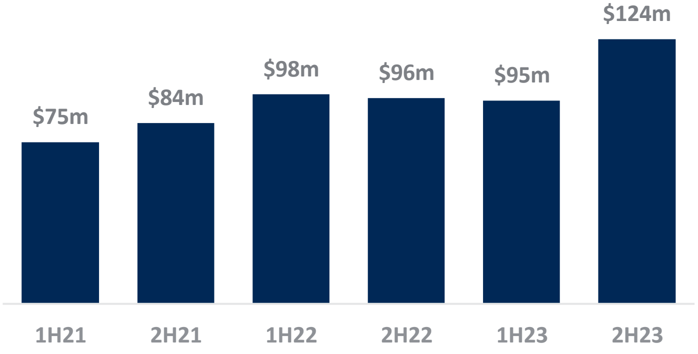
Strong increase in orders taken and NBW in 2H23 – asset base is growing

NZD

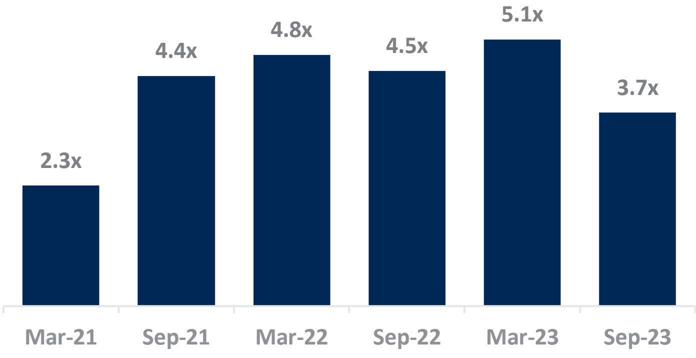
Orders taken[1]



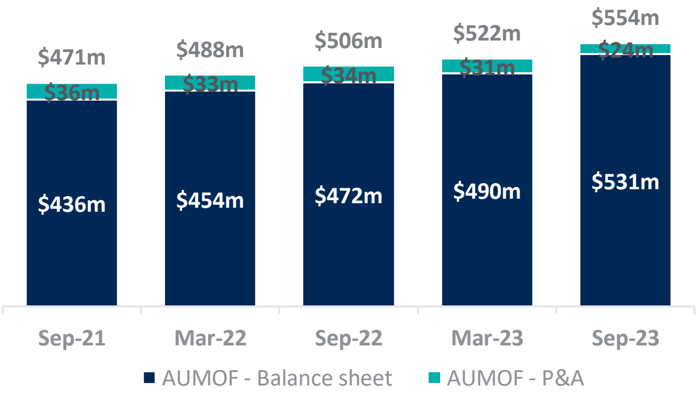
NBW



Order pipeline[2]



AUMOF



Comments

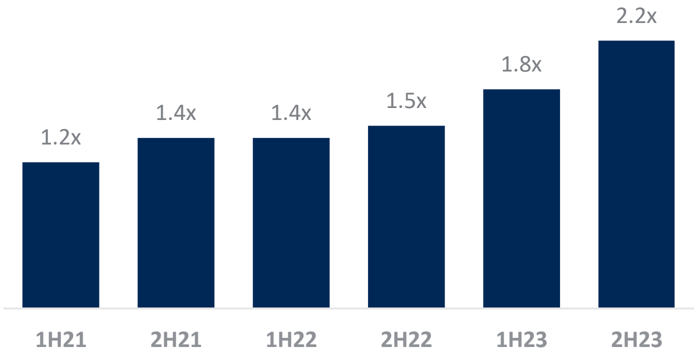
- Fleet New Zealand has seen a strong uptick in orders taken in 2H23, reaching 2.1x pre-COVID-19 levels[1]
- NBW for 2H23 was $124m, which is 30% higher than 1H23 and 29% higher than 2H22 (both excluding sale and leasebacks)
- NBW benefited from strong deliveries ahead of changes to fees and rebates under the Clean Car Discount from Jul-23, which led to customers and manufacturers seeking to register vehicles before the changes came into effect
- Any further changes to the Clean Car Discount may impact the timing of customer demand for particular vehicle types
- The order pipeline at Sep-23 decreased to 3.7x pre-COVID-19 levels[2], from 4.5x at Sep-22 due to the strong NBW result in the period
- AUMOF increased by 9% compared to Sep-22, with growth in balance sheet funded AUMOF of 12%

1) Compared to 1H19 orders taken. Calculated in NZD.
2) Compared to Sep-19, the last full financial year prior to the emergence of COVID-19. Calculated in NZD.

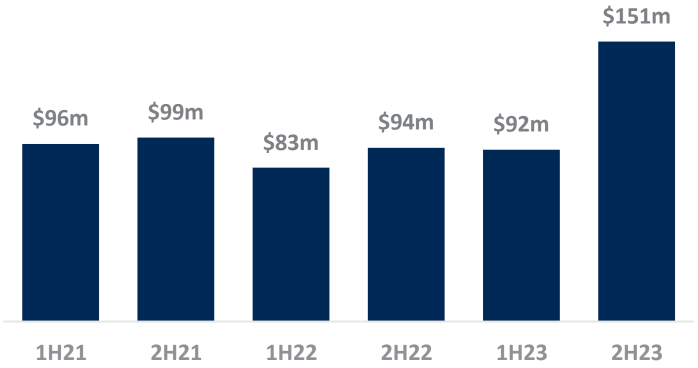
Novated

Significant increase in orders taken in FY23, which started flowing to NBW in 2H23 – asset base is growing

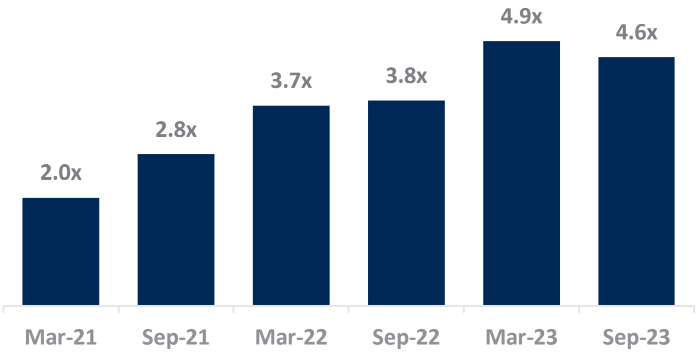
Orders taken[1]



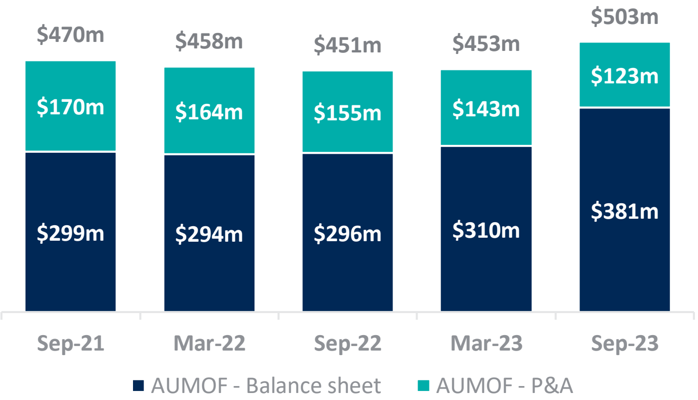
NBW[2]



Order pipeline[3]



AUMOF[2]



Comments

- Novated has seen a significant increase in orders taken in 2H23, reaching 2.2x pre-COVID-19 levels[1] and significantly higher than preceding periods
- NBW for 2H23 was $151m, which is 63% higher than 1H23 and 61% higher than 2H22
- Demand driven by the Electric Car Discount legislation passed in Dec-22, with **42% of NBW in 2H23 and 53% of NBW in the month of Sep-23 relating to EVs**
- Despite the significant increase in NBW in FY23, the order pipeline increased from 3.8x pre-COVID-19 levels[3] at Sep-22 to 4.6x at Sep-23
- Tesla Model Y, Tesla Model 3 and BYD Atto 3 represent the most popular EV models
- AUMOF increased by 12% compared to Sep-22 – with balance sheet funded AUMOF increasing 29%. The mix shift away from P&A funding is a result of migration of FleetChoice customers (P&A funded) to FleetPartners (warehouse funded) from Apr-23 and new corporate customers being onboarded in FleetPartners
- Shift away from P&A funding will have a short-term impact on funding commissions, which in time will be replaced with higher net interest margin

1) Compared to 1H19 orders taken.
2) Excludes FCNT.
3) Compared to Sep-19, the last full financial year prior to the emergence of COVID-19.

4. Outlook

FY24 expectation analysis

NOI pre EOL and provisions margin expected to continue to normalise, offset by growth in AUMOF

	FY23A	FY24 (expectation)	Comments
NOI pre EOL and provisions	$150.3		• Growth in average AUMOF partially offset by reduction in management fees as extensions and inertia reduce to more typical levels and funding commissions reduce with more balance sheet funding of NBW
End of lease	$73.7		• Prices in used vehicle market expected to continue to reduce, as seen in FY23 • Units sold expected to gradually increase as supply continues to improve
Provisions	($1.0m)		• Normal levels of provisioning expected, in line with FY19 levels
NOI	**$223.0m**		
Operating expenses	($84.5m)	($88.0 – 89.0m)	• 4 – 5% higher driven by growth in AUMOF and cost inflation, mostly by salary and wages and technology costs
EBITDA	**$138.5m**		
Interest & depreciation on leases	($2.4m)	($2.5 – 2.6m)	• Stable
Share-based payments	($3.4m)	($3.9 – 4.0m)	• Increase due to additional year of SBP grants
Depreciation	($1.1m)	($1.1 – 1.2m)	• Stable
Interest on corporate debt	($6.8m)	($6.5 – 6.6m)	• Based on current 90-day BBSW and corporate borrowings. +/- $0.1m impact for every future +/- 25 bps change to BBSW • May increase should inorganic or organic opportunities emerge
Tax	29.5%	29 – 30% (tax rate)	• Based on statutory earnings from Australia and New Zealand • No Australian corporate tax expected to be paid in cash, given carried-forward tax losses associated with temporary full expensing (which ceased 1 Jul-23)

Operating environment and strategic priorities

FleetPartners is continuing to execute on its clear strategy to pursue long-term value creation

Operating environment

- Customer demand, indicated by orders taken, continues to be strong across all segments … no current signs of elevated Novated demand slowing
- Considerable supply constraints persist with the recovery underway however unlikely to be linear
- AUMOF growth has continued and being driven by strong NBW performance
- Order pipeline now at 3.0x FY19 levels[1] … helps underwrite future NBW and AUMOF growth
- 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 delivering growth … targeting increased market share in three under-penetrated segments
- 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 … 23% of shares cancelled to date and a further c. 4% to be cancelled
- Accretive M&A … Group well positioned to pursue opportunities as they arise
- 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) Compared to Sep-19, the last full financial year prior to the emergence of COVID-19.

Questions

5. Appendices

FleetPartners

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
Funded VUMOF ('000)				63.3

Half-year ended September 2023 ($m, unless stated)	Fleet AU	Novated	Fleet NZ	Group
NOI before EOL & Impairments	**46.5**	**12.1**	**17.8**	**76.3**
End of lease	26.4	1.2	10.5	38.1
Impairments	0.3	(0.2)	(0.1)	(0.1)
NOI	**73.3**	**13.0**	**28.1**	**114.4**
Operating expenses	(28.9)	(6.5)	(7.5)	(43.0)
EBITDA	**44.3**	**6.4**	**20.6**	**71.3**
AUMOF	1,016.1	503.4	516.6	2,036.2
VUMOF ('000)	52.6	13.2	23.1	88.9
Funded VUMOF ('000)				63.3

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
Funded VUMOF ('000)[1]				63.4

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
Funded VUMOF ('000)				63.8

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

Balance sheet

Balance sheet remains strong, with disciplined capital management

$ million	30 Sep 2023	30 Sep 2022	%
Assets			
Cash and cash equivalents	87.6	101.5	(14)%
Restricted cash and cash equivalents	159.5	136.8	17%
Trade and other receivables	80.0	70.3	14%
Leases	1,388.7	1,200.2	16%
Inventory	18.0	14.1	27%
PP&E	1.9	2.1	(10)%
Intangibles	473.5	456.9	4%
Right-of-use assets	4.0	5.4	(27)%
Derivative financial instruments	34.0	39.7	(14)%
Total assets	**2,247.2**	**2,026.9**	**11%**
Liabilities			
Trade and other liabilities	144.0	148.6	(3)%
Borrowings – Warehouse and ABS	1,314.8	1,116.6	18%
Borrowings – Corporate debt	65.0	75.0	(13)%
Provisions	8.4	8.0	5%
Lease liabilities	4.5	6.1	(26)%
Deferred tax liabilities	74.8	52.0	44%
Total liabilities	**1,611.5**	**1,406.3**	**15%**
Net assets	**635.7**	**620.6**	**2%**

Comments

- Continuation of capital return to shareholders with the announcement of a further buy-back of up to $30m – $166m of capital returned to shareholders since commencement of the buy-back
- Cash driven by strong organic cash generation, offset by $43 million share buy-back (including special buy-back of $10 million) and $10 million reduction in corporate debt
- Leases up 16% and warehouse borrowings up 18%, driven by growth in balance sheet funded AUMOF of 17%
- Inventory up 27% due to an increase in the level of EOL units returned for disposal at the end of the year
- Right of use assets and lease liabilities down 27% and 26%, respectively, due to the Auckland office move
- Derivative financial instruments (related to interest rate hedges) decreased 14% due to movements in swap curves and use of swaps during FY23
- Gross corporate debt reduced to $65.0m and net cash reduced from $26.5m at Sep-22 to $22.6m at Sep-23 as a result of organic cash generation offset by the share buy-back

Thank you

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