

25 January 2024

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ASX Release

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FLEETPARTNERS GROUP 2024 ANNUAL GENERAL MEETING CHAIR'S ADDRESS

In accordance with the Listing Rules, please see attached the address to be delivered by the Chair of FleetPartners Group Limited (ASX:FPR), Gail Pemberton, at this morning's Annual General Meeting held in Sydney, Australia.

This announcement has been authorised by the Board of Directors.

ENDS

Authorised by: Damien Berrell Chief Executive Officer and MD	Investor enquiries James Owens Chief Financial Officer James.Owens@fleetpartners.com.au +61 416 407 826
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FLEETPARTNERS GROUP 2024 ANNUAL GENERAL MEETING CHAIR'S ADDRESS

Good morning, my name is Gail Pemberton, Chair of the Board of Directors of Fleetpartners Group Limited and Chair of this Meeting.

Ladies and gentlemen, it is now 9:00am, the appointed time for the holding of the Meeting. I am advised by the Company Secretary that the necessary quorum is present.

I therefore have the pleasure in declaring the Annual General Meeting of the shareholders of FleetPartners open and I thank you for attending, including those shareholders who have joined via teleconference.

I will commence the proceedings today by acknowledging the Gadigal people of the Eora Nation, the traditional owners of this land, and pay my respects to Elders past and present.

This morning, I will provide a brief overview of our business and achievements during the 2023 financial year.

Our Chief Executive, Damien Berrell, will then give an update on our business, including the expectations for FY24, post our first quarter performance.

There will then be time for questions from shareholders when we move on to the formal business of the meeting and the resolutions for your consideration.

I welcome our Independent Non-Executive Directors here today;

- Fiona Trafford-Walker;
- Russell Shields;
- Cathy Yuncken;
- Rob McDonald;
- Mark Blackburn; and
- Trevor Allen;

As he foreshadowed at the 2022 AGM, Trevor is retiring at today's AGM after almost 9 years of dedicated service, including 8 years as Chair of the Audit & Risk Committee. On behalf of the Group, we would like to thank Trevor for his significant contribution and leadership.

I'll now invite Trevor to say a few words about his time on the Fleet Partners Board.

We continued the Board renewal process during 2023 with the appointment of Mr Rob McDonald and Mr Mark Blackburn as Non-Executive Directors of the Group. Both Rob and Mark add further experience and expertise to our Board.



We also welcome:

- Damien Berrell – Chief Executive Officer and Managing Director;
- James Owens – Chief Financial Officer;
- Lauren Osbich – Company Secretary;
- Peter Zabaks, from KPMG, FleetPartners' Auditor;
- Sumit Singh, Returning Officer for today's Meeting from Link Market Services, FleetPartners' share registry;

I would also like to welcome our Executive Team joining us here today.

In designing and delivering our strategy, there is no substitute for having a best-in-class Executive Team and Board. Over the last four years, the Group has developed a market-leading Executive team who have demonstrated a track record of successful strategic implementation in their own areas of responsibility but also as a collaborative executive team

FY23 performance highlights

Turning to slide 6, 2023 was a transitional year and one marked by new challenges for the Group.

One of our most significant milestones of the year was our transition from the Eclix Group brand to the FleetPartners Group. This strategic rebranding effort brought all our businesses under a single, powerful brand signifying a new era for our organisation.

Coupled with our new brand was a new company purpose, "Empowering tomorrow's destination, today." which underlines our commitment to empower our customers, partners, and communities with innovative, sustainable, and forward-thinking solutions.

A notable challenge that we confronted again during the year was the persistent impact of new car supply constraints. These constraints were primarily due to logistic delays related to shipping and port operations, which disrupted the global supply chain.

Despite this challenge, the Group has seen continued financial and strategic momentum during FY23, including another strong NPATA of \$88 million.

New Business Writings grew at 13% driven by strong demand for electric vehicles in our Novated business and robust demand in our Corporate business. This in turn, grew our Assets Under Management or Financed, or "AUMOF" by 7%.

Not only is the FY23 financial performance of the Group that I've just described pleasing in itself, it also points towards the strong momentum the business has manufactured as we head into FY24.

In particular, the amount of orders taken in FY23 was 1.4 times that of pre COVID-19 levels and our order pipeline now sits at three-times that of pre COVID-19 levels, as at September 2023. This considerable order pipeline serves to underwrite New Business Writings for FY24.

As I mentioned earlier, in FY23 we experienced strong demand for electric vehicles in our Novated business and this demand has shown no sign of abating in FY24 thus far. No better metric illustrates the



level of demand we are seeing in this space, than the fact the majority of vehicles leased in September 2023, at 53%, were electric vehicles.

As we head into FY24 with the tailwind of strong demand, it is also encouraging that the business's Net Operating Income margin was 7.72% in FY23, which is at the top end of our expected normalised range.

In addition to the strong financial result of FY23 and encouraging momentum heading into FY24, the third performance highlight this year has been the defensive qualities of the Group's business model shining through.

90-day arrears finished the year at 17 bps demonstrating the business-critical nature of the vehicles we lease to our customers. To our corporate customers, our vehicles are tools-of-trade, they are revenue-generating assets and the Group's portfolio credit performance is indicative of this fact.

Our business model is highly cash generative and the Group's cash conversion in FY23 was at 123%. This was driven by the Group's carried-forward tax losses meaning no cash tax was payable in Australia during the year, nor expected to be paid until FY26 at the earliest.

Finally, the Group declared a capital return to shareholders of \$73 million for FY23 in the form of an on-market share buy-back program. This is equivalent to a dividend pay-out ratio of approximately 83% of our \$88 million NPATA.

The on-market share buy-back was selected as the best alternative mechanism for a return of capital to shareholders in an absence of distributable franking credits. It is expected that the Group will resume dividends as it accrues franking credits, and in the absence of no superior capital allocation alternative.

One guiding principle of our Group's strategy is our approach to ESG, which has seen great progress during FY23, outlined on slide 7.

Environmental, Social and Governance

Our commitment to environmental, social and governance principles extends beyond environmental initiatives. We are actively engaged in fostering social responsibilities within our Group and the broader community.

By investing in our employees, supporting local communities, and championing diversity and inclusion, we are building a corporate culture with its foundations in empathy, respect and equality.

In April 2023, the Group's 'Reflect' Reconciliation Action Plan was endorsed by Reconciliation Australia. Throughout the year, the Group delivered on its commitments under this plan, demonstrating its commitment to strengthening relationships between Aboriginal and Torres Strait Islander peoples and non-indigenous peoples, for the benefit of all Australians.

In November 2023, the Group released its second Sustainability Report, aligning its ESG progress under the UN SDG framework, the Global Reporting Initiatives and the Task Force on Climate-Related Financial Disclosures.

During the 2023 financial year, the Group's New Zealand business became Toitū Net Carbon Zero certified, while the Australian business maintained its Climate Active status. Combined, this makes the Group the first and only fleet management company with both sets of climate certification.



Coupled with our partnership with the Clean Energy Finance Corporation, this places the Group in a strong position to support our clients with their ESG and emissions targets, including transitioning fleets to lower emission vehicles.

The Group also continues to be a proud WGEA Employer of Choice for Gender Equality. Most importantly, the Board is proud of the energy and passion our team at FleetPartners dedicates to supporting their local communities each and every year.

The Group continues to strive towards best practice in Corporate Governance and Sustainability, and the Board, Executive team and employees are committed to achieving this goal.

Concluding remarks

Before passing across to Damien, let me conclude with some final remarks about our Group.

One thing that has become clear over the last four years of disruption since the start of the COVID-19 health crisis, is the defensive nature and resilience of the Group's business model, from stable revenue to operating expense discipline.

During this challenging operating period, the Group's financial returns have enabled a significant de-risking in our balance sheet and delivered a compounded annualised growth rate (CAGR) in EPS of 45%.

Our Group is well positioned to deliver further sustainable EPS growth and shareholder value through its 5 year go-to-market strategy called Strategic Pathways, the Accelerate business transformation program, as well as capital management. Damien will cover these EPS drivers in more detail.

In closing, I would like to express my sincere appreciation to all team members who have contributed to the strong performance of our Group. Their loyalty, resilience and dedication have delivered a positive outcome at FleetPartners in the face of extraordinary challenges. Also, on behalf of the FleetPartners Group, I also express my sincere thanks and appreciation to our customers, to you our investors, and to our capital market partners for your continuing support.

I would now like to ask our Chief Executive Officer, Damien Berrell to address the meeting.