FleetPartners Group Limited
ABN 85 131 557 901
1300 666 001
fleetpartners.com.au
AUSTRALIA | NEW ZEALAND

25 January 2024

ASX Release

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

FLEETPARTNERS GROUP 2024 ANNUAL GENERAL MEETING PRESENTATION MATERIALS

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

This announcement has been authorised by the Board of Directors.

ENDS

Authorised by:	Investor enquiries
Damien Berrell	James Owens
Chief Executive Officer and MD	Chief Financial Officer
	James.Owens@fleetpartners.com.au +61 416 407 826

2024 Annual General Meeting

FleetPartners Group Limited (ASX:FPR)
25 January 2024

Legal disclaimer

This Presentation contains summary information about FleetPartners Group Limited (FleetPartners) and its subsidiaries and their activities, current as at the date shown on the front page of this Presentation.

The information in this Presentation does not purport to be complete. It should be read in conjunction with FleetPartners' Financial Report and continuous disclosure announcements lodged with the Australian Securities Exchange, which are available at www.asx.com.au.

This presentation contains information that is based on projected and/or estimated expectations, assumptions or outcomes. Forward-looking statements are subject to a range of risk factors. FleetPartners cautions against reliance on any forward-looking statements, particularly in light of the current economic climate and the significant volatility, ongoing uncertainty and supply chain disruption caused by COVID-19.

While FleetPartners has prepared this information based on its current knowledge and understanding and in good faith, there are risks and uncertainties involved which could cause results to differ from projections. FleetPartners will not be liable for the correctness and/or accuracy of the information, nor any differences between the information provided and actual outcomes and reserves the right to change its projections from time to time.

FleetPartners undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date of this presentation, subject to disclosure obligations under the applicable law and ASX listing rules.

Agenda

1. Chair’s address
2. Chief Executive Officer’s address
3. Appendix
4. Voting

1. Chair’s address

Board of Directors and Executive team

New appointments

Board of Directors[1]

Chair
Gail Pemberton

NED
Fiona Trafford-Walker

NED
Russell Shields

NED
Cathy Yuncken

NED
Rob McDonald

NED
Mark Blackburn

Executive Team[1]

CEO & MD
Damien Berrell

CFO
James Owens

COO
Adriana Sheedy

CCO
Daniel Thompson

MD NZ
Russell Webber

CPO
Zoe Hugginson

Head of Legal
Annemarie Kernot

CRO
Mel Joyce

CIO
Daniel Giesen-White

Group Finance Dir
Jonathan Sandow

1) Trevor Allen (outgoing NED) and Dom Di Gori (outgoing Executive) not included

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.

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

2. Chief Executive Officer’s address

FleetPartners

45% CAGR in cash earnings per share (EPS) since FY19

Excluding the benefits from elevated EOL, Cash EPS has grown at a CAGR of 29% over the last five years

Creating shareholder value

EPS growth drivers

❶ **Strategic Pathways**

❷ Accelerate program

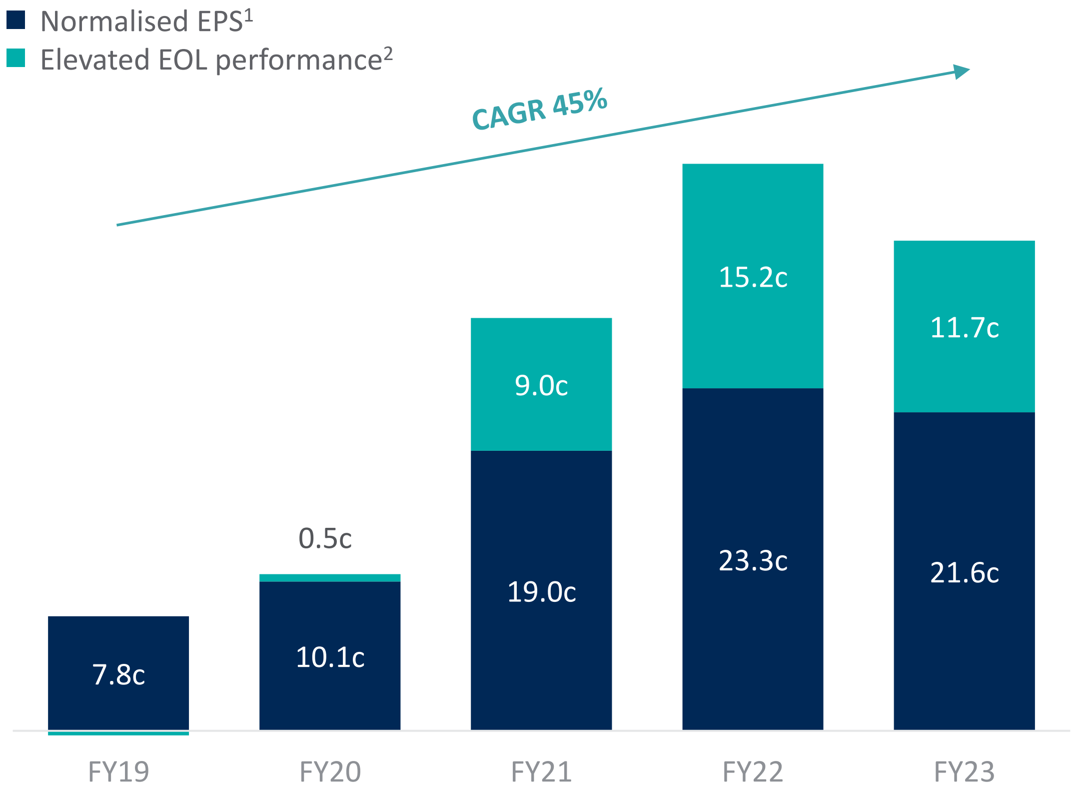
❸ Share buy-back

❹ Acquisitions

Drivers of Cash EPS growth include:

- Strong underlying NOI growth
- Simplification (non-core divestments, opex control and funding optimisation)
- Temporary elevated used car pricing driving higher EOL income
- Temporary elevated leases in extension driving higher management fees
- Buy-back program which had reduced shares on issue by 23% to Sep-23

Cash EPS growth



1) Represents NPATA over average number of shares on issue in the relevant period. NPATA adjusted to replace elevated EOL performance with pre-COVID-19 EOL of c.$30m.
2) Represents elevated EOL above pre-COVID-19 EOL of c.$30m.

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

Corporate AU & NZ

TAM[3]: **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]

TAM[3]: **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

TAM[3]: **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

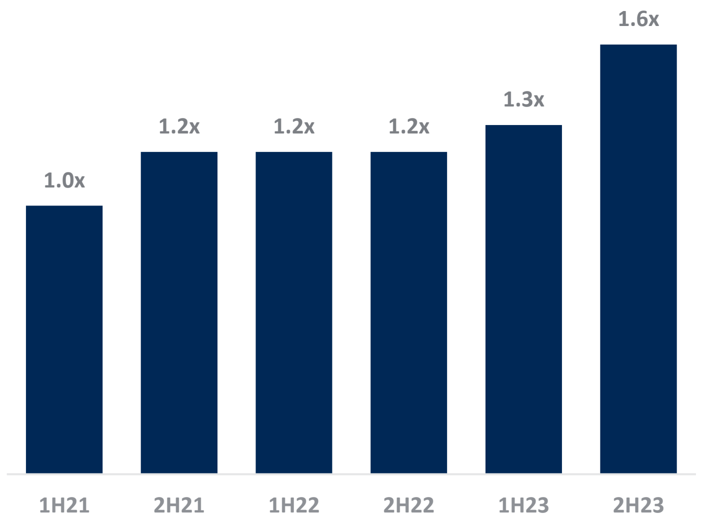
- 100% renewal of Tier 1 and 2 customers falling due
- Strong EV demand, particularly in 2H23 with EVs representing 42% of 2H23 NBW and 53% in the month of Sep-23
- Increased number of Novated consultants to meet elevated demand

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 order intake begins to convert into NBW

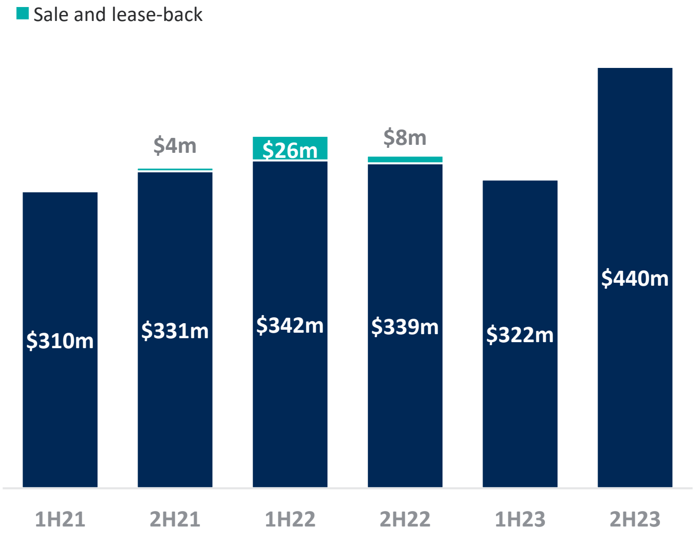
Strategic Pathways delivering a strong NBW performance, whilst maintaining the order pipeline

Orders taken[1]



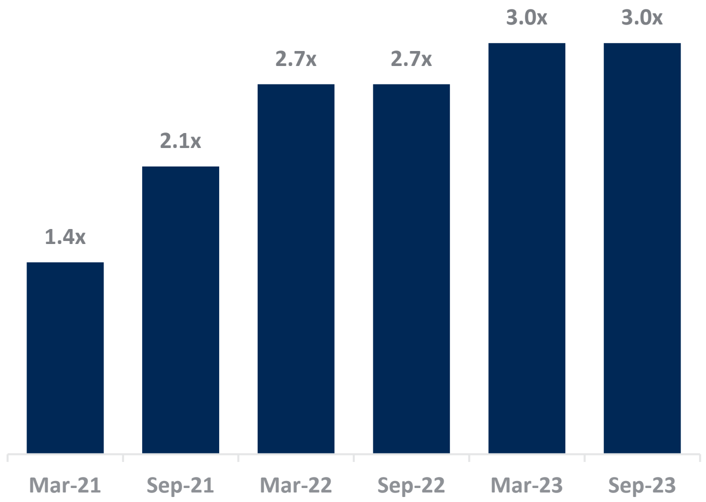
- Strong underlying business growth driving 2H23 orders taken up 1.6x compared to pre-COVID-19 levels
- Strategic Pathways delivering new customer wins and existing customer retention

NBW



- FY23 NBW up 13%[2] compared to FY22, driven by strong growth in 2H23 (up 30%[2] 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]



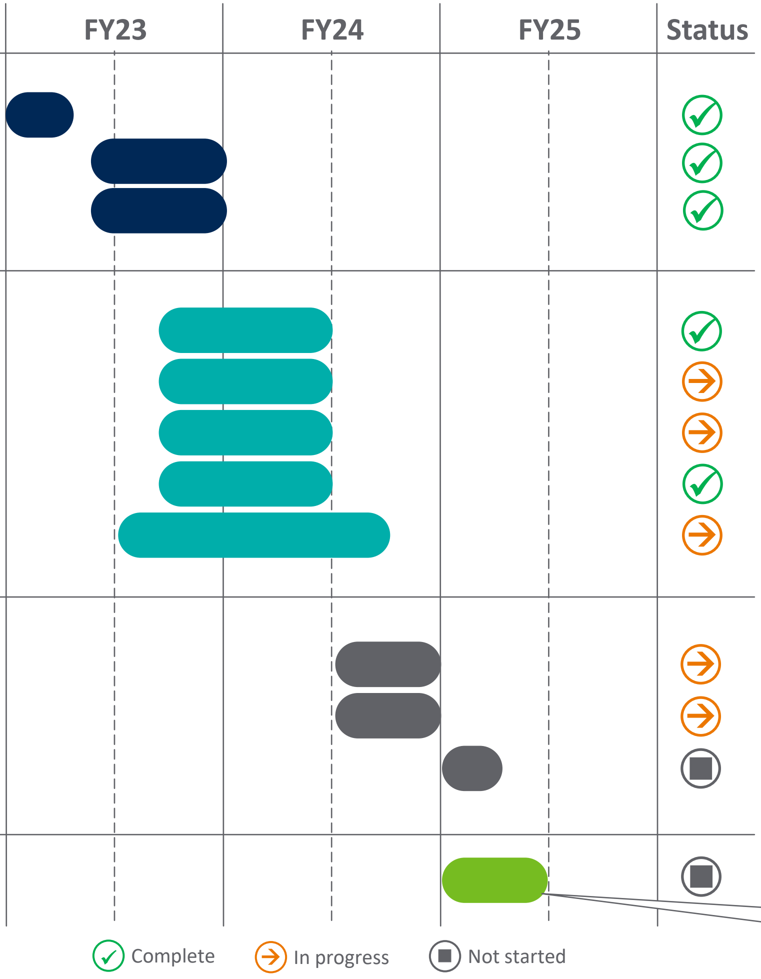
- Pipeline (backlog of orders) holds at 3.0x as order intake continues to replenish the pipeline
- Current pipeline level helps underwrite future NBW and AUMOF growth

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) Excludes sale and lease-backs ($25.7m in 1H22; $8m in 2H22, $0.2m in 1H23, $0.1m in 2H23) and FCNT which was dissolved in Mar-22 in line with the Group's strategy to exit low returning products.

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

		Status
WAVE 1	1. FleetPlus NZ transition into FleetPartners	Complete
WAVE 1	2. Group rebrand to FleetPartners	Complete
WAVE 1	3. New website & marketing collateral	Complete
WAVE 2	4. Procurement portal launched	Complete
WAVE 2	5. Standardise Novated front-end processes	In progress
WAVE 2	6. Standardise Corporate front-end processes	In progress
WAVE 2	7. Launch digitised tied-to-payroll solution	Complete
WAVE 2	8. Stand up and configure new ERP	In progress
WAVE 3	9. FleetPlus back-book into new ERP	In progress
WAVE 3	10.FleetPartners back-book into new ERP	In progress
WAVE 3	11.Retirement of legacy ERPs and systems	Not started
	12.Duplication efficiencies realised	Not started



$6m annualised opex savings

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

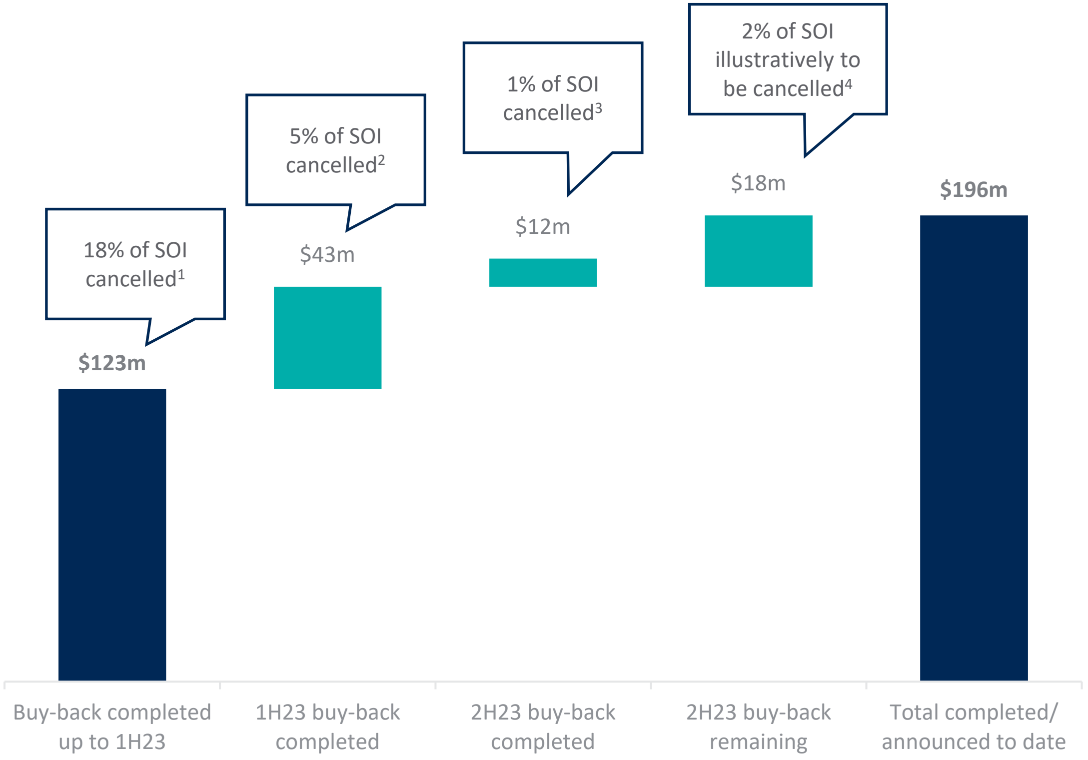
Progress to date

- 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 – 25% of share capital bought back

$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, of which $12 million had been completed at 12 January 2024
- 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) 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).
2) Bought back $43m of shares at an average price of $2.57 per share and cancelled 17m shares.
3) Bought back $12m of shares at an average price of $2.91 per share and cancelled 4m shares up until 12 January 2024.
4) Assumes, for illustrative purposes, that 6m shares are purchased at $3.00 per share, reflecting the announced target buy-back of $30m less the amount completed to 12 January 2024.

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[3]

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) Bought back 76m shares by 12 January 2024 and assumes a further 6m shares are purchased at $3.00 per share, reflecting the remainder of the announced target buy-back of $30m. The starting balance at May-21 was 307m shares (excluding treasury shares).

1Q24 trading update

Strong start to FY24 with growth in NBW and AUMOF as new vehicle supply continues to improve

Operating environment

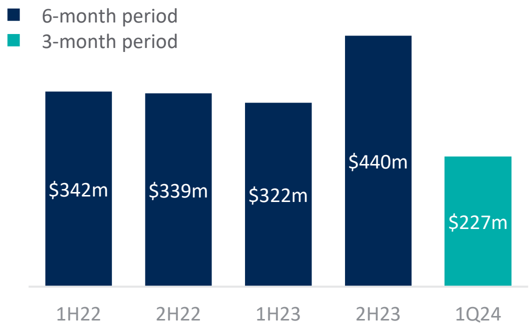
- Operating environment is good with a rational competitive landscape
- Corporate order and tender activity remains robust … businesses continue to renew fleets which have become aged due to constrained supply over the last three years
- Novated demand remains high driven by electric vehicles … 45% of 1Q24 Novated NBW were electric vehicles
- Supply continues to improve with delivery timeframes reducing
- Normalisation of EOL run rate expected to continue … ultimately to c.$30m p.a.

1Q24 comments

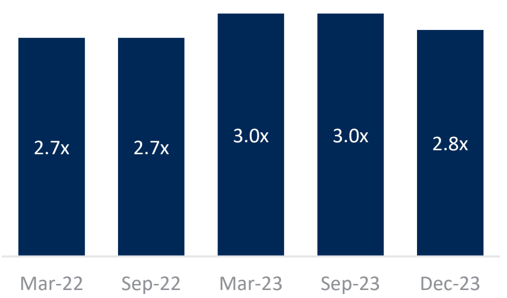
- NBW grew 39% on pcp[1], as a result of improving supply and Novated growth
- Order pipeline at 2.8x[2], as order backlog starts to convert to NBW
- AUMOF grew by 8% on pcp, with balance sheet funded AUMOF up 18% on pcp
- 1Q24 NOI pre EOL & provisions[4] 3% higher than 1Q23 driven by asset growth, partially offset by lower management fees as extensions reduce with improved supply and lower P&A funding commissions as more NBW is balance sheet funded
- 1Q24 EOL per vehicle at $6,133, as used car prices continue to decline as expected, offset by an increase in the volume of units disposed

1Q24 performance highlights

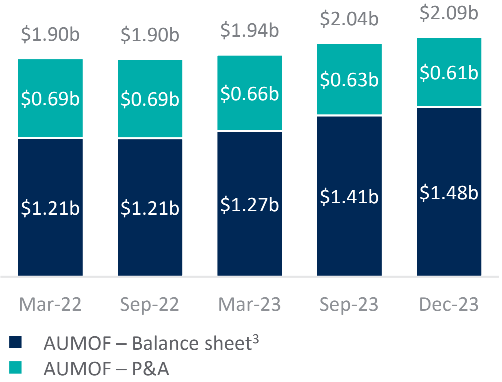
New business writings[1]



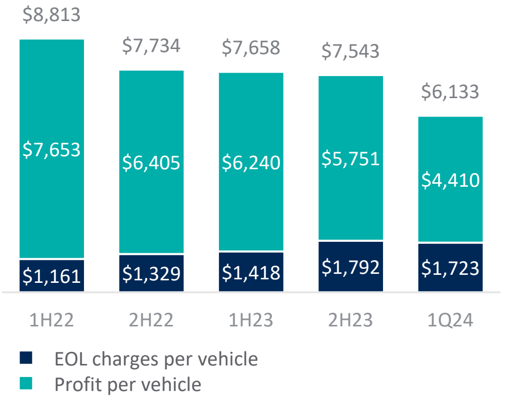
Order pipeline[2]



AUMOF[3]



End of lease income (EOL)



1) New Business Writings excludes sale and leasebacks.
2) Compared to Sep-19, the last full financial year prior to the emergence of the COVID-19 pandemic.
3) AUMOF excludes FCNT which was dissolved in Mar-22. Balance sheet funded AUMOF relates to warehouse and ABS funded leases.
4) 1Q24 NOI pre EOL & Provisions excludes $1.9m impact from non-cash hedge accounting. Refer to the appendix for more details.

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)

3. Appendix

FleetPartners

Change to calculation of NPATA

The calculation of NPATA has been updated to remove the impact of non-cash hedging movements

$ million	New FY23	New FY22	Old FY23	Old FY22
NOI pre EOL and provisions[1]	**150.8**	**153.5**	**150.3**	**157.4**
Margin %	*7.74%*	*8.02%*	*7.72%*	*8.23%*
End of lease income	73.7	92.3	73.7	92.3
Fleet and credit provisions	(1.0)	2.1	(1.0)	2.1
Net operating income	**223.5**	**247.9**	**223.0**	**251.7**
Total operating expenses	(84.5)	(80.3)	(84.5)	(80.3)
EBITDA	**139.0**	**167.5**	**138.5**	**171.4**
Share-based payment expense	(3.4)	(3.0)	(3.4)	(3.0)
Interest on corporate debt	(6.8)	(5.5)	(6.8)	(5.5)
Hedging gains/losses[1]	(0.5)	3.8		
Depreciation and leases[2]	(3.5)	(4.4)	(3.5)	(4.4)
Amortisation of intangibles[3]	(9.5)	(10.0)	(9.5)	(10.0)
Non-recurring items	(0.3)	(0.7)	(0.3)	(0.7)
PBT	**114.9**	**147.8**	**114.9**	**147.8**
Tax expense	(33.9)	(44.5)	(33.9)	(44.5)
NPAT	**81.0**	**103.3**	**81.0**	**103.3**
Add back amortisation of intangibles (post-tax)	6.7	7.1	6.7	7.1
Add back hedging gains/losses (post-tax)[1]	0.3	(2.7)		
Add back non-recurring items (post-tax)	0.2	0.5	0.2	0.5
NPATA	**88.3**	**108.1**	**88.0**	**110.8**

Comments

- FPR hedges 100% of its interest rate exposure on leases via interest rate swaps
- However, when the leases are sold into the warehouse, around 10% of the value is equity funded by FPR
- Therefore, any changes to the fair value of the interest rate swaps (as interest rates change over time) is split between:
  - the effective portion (c.90%) which relates to the amount borrowed through the warehouse and is taken to the hedging reserve (on the balance sheet); and
  - the ineffective portion (c.10%) which relates to the amount equity funded and is taken to the P&L as hedging gains/losses within lease finance costs
- The hedging gains/losses in the P&L are currently included in NOI pre EOL and provisions and result in volatility in the results which is not driven by business performance, is not controllable by FPR and is non-cash in nature (being a fair value adjustment of a balance sheet item)
- Therefore, hedging gains/losses have been removed from NOI pre EOL & provisions and are now reported below EBITDA. They have also been removed as part of the calculation of NPATA (after tax)
- Under the old presentation NOI pre EOL & provisions in FY23 was 5% lower than FY22 and following the change it is 2% lower than FY22
- Under the old presentation NOI pre EOL & provisions in 1Q24 was 3% lower than pcp and following the change it is 3% higher than pcp

1) Under the 'New' column, hedging gains/losses have been removed from NOI pre EOL and provisions and included in a separate line item below EBITDA. Hedging gains/losses have also been added back (post-tax) in the calculation of NPATA.
2) Depreciation and interest, and depreciation on leases (AASB 16) are grouped.
3) Includes amortisation of software and acquired intangibles.

4. Voting

FleetPartners

Thank you

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