SG Fleet Group
Integrated Mobility

sgfleet

FY2024 AGM Presentation

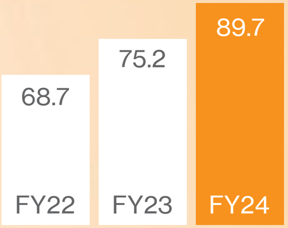
22 October 2024

Overview

- Strong order growth in Corporate and Novated maintained
- Funded new deliveries up 38.2%
- Funded fleet grows 6.8%
- Order pipeline normalisation to take a number of periods
- Used vehicle values adjustment slower than expected
- Anticipating continued strong earnings and gradual return to normal supply and used values environment in FY25
- LeasePlan integration entering final phases – synergies reaffirmed
- Special dividend 15cps – FY24 total dividend 33.93cps

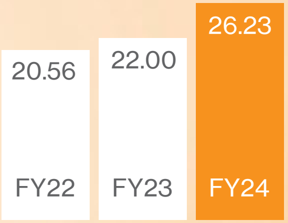
NPAT Underlying ($ million)

$89.7



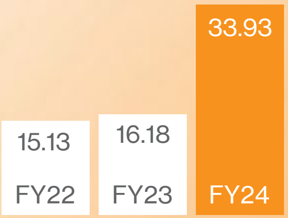
EPS Underlying (cents)

26.23



DIVIDEND Full year (cents per share)

33.93



Exceptional performance as environment starts to normalise

Operational Review – Australia Corporate

Environment

- Corporate confidence stable
- Vehicle registrations at record levels
- Supply improves further – catch-up continues in some model ranges
- Extensions and inertia reducing
- Competitive behaviour largely rational

Business Activity

- New business development activity at record levels as structural and market influences drive outsourcing
  - Sale & leasebacks continue to be prevalent
- Product & services penetration increases further
  - Completion of system migration to create further upsell opportunities in LeasePlan book

Growth in demand maintained

Operational Review – Australia Novated

Environment

- Novated leasing continues to attract new employers and drivers – new opportunities abound
  - Interest across multiple vehicle types
- Strong EV and PHEV demand as drivers take advantage of FBT incentives
  - ICE orders stable

Business Activity

- Significant number of new employers signed up
- Strong growth in leads and orders maintained from 1H24
- Enhanced focus on improving conversion rates via optimised digital customer journey
  - Improved customer experience supports retention
  - Lower cost-to-serve

Widening appeal of novated leasing supports continued strong order growth

Operational Review – New Zealand

Environment

- Subdued economic conditions and lower vehicle registrations not affecting demand
- Used values normalising gradually
- EV sales drop off after end of Clean Car Discount scheme – stabilising in recent months
- Irrational competitor

Business Activity

- Successful retention of existing tendering accounts
- Trans-Tasman arrangements add to new wins
- Strong presence in government sector leading to additional product penetration opportunities
  - Sale and leasebacks
- Corporate sustainability agendas drive further eStart interest

Tender activity remains strong despite muted economic environment

Operational Review – United Kingdom

Environment

- Post-election certainty to support growth and investment – inflation concerns abate
- Supply improvement continues
- Car registrations growing
  - Low and zero-emission demand largely driven by tax incentives
- Used EV values remain under pressure

Business Activity

- Steady flow of tool-of-trade and Novalease opportunities
- Further multi-year contract extensions and wins, including sole supply
- Customer penetration improves further as short-term hire solutions attract strong demand
- Business opportunities trends continue – expecting number of tender outcomes in 1H25

Continued progress in improving environment

Update 1QFY25

Operational – Australia / New Zealand / United Kingdom

- 4QFY24 trends continue
- AU: Business activity levels remain strong in Corporate and Novated channels
- NZ: Continued success in muted environment
- UK: Further progress as environment improves

Supply, Order Pipeline, and Used Vehicle Values

- Supply continues to improve, supporting delivery numbers
- Order pipeline remains elevated in Corporate and Novated
- Seasonality returning to used vehicle values: softening in 4QFY24, followed by higher values in 1QFY25

LeasePlan System Migration

- Move to single platform completed in NZ
- Full focus on AU SAP migration
- Further $20m in synergies reiterated – in addition to synergies achieved FY22/23/24

Guidance range maintained