FleetPartners Group Limited
ABN 85 131 557 901
1300 666 001
fleetpartners.com.au
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FLEETPARTNERS GROUP 2025 ANNUAL GENERAL MEETING CEO AND MANAGING DIRECTOR'S ADDRESS

In accordance with the Listing Rules, please see attached the address to be delivered by the Chief Executive Officer and Managing Director of FleetPartners Group Limited (ASX:FPR), Damien Berrell, 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

23 January 2025

FLEETPARTNERS GROUP 2025 ANNUAL GENERAL MEETING
CHIEF EXECUTIVE OFFICER'S ADDRESS

Thank you, Gail.

Let me start by thanking you and the entire team at FleetPartners. 2024 was a successful year for the Group on several fronts, due to the incredible contribution made by the 450 talented people working across our organisation.

Shareholder value

Turning to slide 10, the Group has developed a clear vision to create sustainable shareholder value. As outlined on the slide, this strategy comprises three primary EPS growth drivers:

- Sustainable and recurring revenue growth from Strategic Pathways;
- Enhanced operating leverage from the Accelerate project; and
- Our ongoing share buy-back program.

I will elaborate on the Group's significant progress on each of these drivers during FY24, on the following slides.

The impact from this strategy can been seen in the chart on the right, which shows the Group's adjusted EPS growth of 13% compared to the prior comparative period (pcp). The main contributors to this growth include:

- Growth in Net Operating Income (NOI) pre End of Lease and provisions;
- A continued focus on cost discipline; and
- The impact of the Group's share buy-back program.

Let's turn to slide 11 to look at each EPS growth driver in more detail, starting with our organic growth strategy, Strategic Pathways.

Strategic Pathways

As a reminder, Strategic Pathways is designed to grow new business in three under-penetrated, high returning, target markets being Corporate, Small Fleets and Novated. This go-to-market strategy is embedded within our business, and we are pleased with the results it is delivering.

In FY24, the Corporate business produced a strong performance, delivering 20% New Business Writings growth. The Group won several new customers across a variety of sectors including Insurance, Manufacturing and Healthcare.

The Corporate business also continued as a thought leader in the sustainable fleet transition by collaborating with its customers on this growing trend.

Under Small Fleets, the Group delivered 41% growth in New Business Writings in Australia, added around 150 new customers during the year and extended its long-standing, white label arrangement with a leading OEM.

This is validation of the Group's Small Fleets product and capability.

Finally, FY24 saw another strong performance for the Novated business, registering 36% New Business Writings growth.

As Gail mentioned, the Novated business is successfully executing a plan which capitalises on the strong demand for EVs, and the profile of our customer base which is weighted towards "white-collar," corporate employees.

Like the Group's Corporate business, our Novated team also won several new customers during the year across a variety of sectors including Technology, Energy, Banking and Professional Services.

Like the Group's Small Fleets business, Novated is looking to expand its distribution channels through white label pilot programs with several OEMs.

Moving to the second major driver of our EPS growth strategy which is the Accelerate program, summarised on slide 12.

Accelerate program

Accelerate is a multi-year business transformation program that will provide a number of deliverables to the Group once complete. These deliverables will leverage the growth being created by Strategic Pathways in order to maximise profitability and include:

- Simplifying our technology stack by moving to one operating system. This has the obvious benefit of reducing costs associated with running multiple systems;
- Standardising and automating processes on the back of a simplified technology stack;
- Consolidating multiple brands into one, being FleetPartners. This ensures a clear and consistent go-to-market message for our customers and suppliers; and
- Finally, as a result of the first three deliverables, our team will have higher engagement, and our customers will experience a greater level of service.

The Group has made solid progress over the last 2 years with project Accelerate, and we are looking forward to the system going live at the end of 1H25.

The project's estimated investment is $30 million, which will create an annualised cost saving of $6 million which will be realised on a run rate basis in 2H25.

Turning to slide 13 and the final driver for EPS growth, our on-market share buy-back program.

Capital management

The on-market buy-back program was initially launched in the second half of FY21. Since that time, up to the end of the first quarter of FY25, the Group has purchased and cancelled around 30% of shares on issue.

Assuming we complete the $30 million announced with the FY24 results presentation, at an illustrative price of $3.00 per share, that is equivalent to a share cancellation of 32% over the last four years.

As a use of capital, the buy-back is preferred in the absence of a better alternative emerging. This might include a bolt-on acquisition or a larger scale sector merger, both of which remain options in terms of alternative EPS growth opportunities.

1Q25 business update

Moving to an FY25 update on slide 14, in the first quarter, we have seen a continuation of the operating environment from the second half of last year.

1Q25 New Business Writings were $211 million, down 7% on pcp.

This is primarily due to a decline in New Business Writings in the Group's New Zealand business against a period of elevated demand in the first quarter of FY24, leading up to the repeal of the New Zealand Clean Car Discount.

AUMOF ended the quarter at $2.3 billion, up 9% compared to pcp. The current New Business Writings levels continue to drive AUMOF growth, which is the key to the Group’s sustainable, recurring revenue hence this 1Q25 result is encouraging.

EOL income per vehicle has continued to decline, consistent with the Group’s long-term expectations. With that said, EOL income remains significantly elevated compared to where the Group ultimately expects it to settle which is approximately $2,350 per vehicle.

Finally, NOI pre EOL and provisions was up 6% on pcp. NOI pre EOL and provisions growth continues to track more in line with average AUMOF growth as the normalisation of management fees and the impact from funding more leases on balance sheet become less of a headwind.

This is a good segue to slide 15 on our FY25 expectations.

FY25 expectations

Our expectations remain consistent with those presented as part of our FY24 full year results. Our only update is an $800,000 reduction in our expected share-based payments expense.

In relation to NOI pre EOL and provisions growth, we expect the result in FY25 to directionally follow the same trend as average AUMOF.

As I just mentioned, the normalisation of management fees and the temporary impact from funding more leases on balance sheet, will partially offset that growth.

Average EOL income per vehicle was $5,533 in 1Q25, down 10% on pcp with the number of vehicles sold down 7% on pcp. We continue to expect used car pricing to temper over time.

The Group has an established track record of disciplined operating expense management which will continue in 2025. Operating expenses are expected to be up by 2% to 3% in FY25 which incorporates $3 million of Accelerate related savings.

All other items are consistent with what we communicated with our FY24 results.

In closing, we are very happy with the strength of the Group's performance in FY24 and the strategic direction of our business.

The Group has a clear strategy to maintain long term sustainable EPS growth including Strategic Pathways, the Accelerate program, and effective capital management.

Couple that with a fantastic leadership team and passionate and highly capable team members across the entire Group, there is a lot to be excited about in terms of the strength and prospects for FleetPartners now and in the future.