

1. Company details

| | |
|-------------------|--|
| Name of entity: | SG Fleet Group Limited |
| ABN: | 40 167 554 574 |
| Reporting period: | For the half-year ended 31 December 2024 |
| Previous period: | For the half-year ended 31 December 2023 |

2. Results for announcement to the market

| | | | \$'000 |
|--|------|----------|---------|
| Revenue from ordinary activities | up | 16.3% to | 648,583 |
| Profit from ordinary activities after tax attributable to the owners of SG Fleet Group Limited | down | 9.8% to | 41,063 |
| Profit for the half-year attributable to the owners of SG Fleet Group Limited | down | 9.8% to | 41,063 |

Dividends

| | Amount per security Cents | Franked amount per security Cents |
|---|---------------------------|-----------------------------------|
| Final dividend for the year ended 30 June 2024, declared on 26 August 2024. The final dividend was paid on 25 September 2024 to shareholders registered on 11 September 2024. | 9.332 | 9.332 |
| Special dividend for the year ended 30 June 2024, declared on 26 August 2024. The special dividend was paid on 25 September 2024 to shareholders registered on 11 September 2024. | 15.000 | 15.000 |

Comments

The profit for the Group after providing for income tax amounted to \$41,063,000 (31 December 2023: \$45,529,000).

For a Review of Operations for the half-year ended 31 December 2024, please refer to the ASX announcement accompanying this Report.

3. Net tangible assets

| | Reporting period Cents | Previous period Cents |
|---|------------------------|-----------------------|
| Net tangible assets per ordinary security | <u>(21.54)</u> | <u>(6.68)</u> |

The net tangible assets per ordinary security for the reporting period is calculated based on 341,969,848 (30 June 2024: 341,325,389) ordinary shares on issue. This number does not include 15,072 (30 June 2024: 659,531) treasury shares. The net tangible assets calculations above include the right-of-use assets and lease liabilities.

4. Dividend reinvestment plans

The Company has a Dividend Reinvestment Plan ('DRP') available to shareholders in pursuant to which any shareholder may elect that their dividends be reinvested, in whole or in part, in shares of the Company at a price to be determined by the Board of Directors from time to time at its absolute discretion.

5. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

6. Attachments

Details of attachments (if any):

The Interim Report of SG Fleet Group Limited for the half-year ended 31 December 2024 is attached.

7. Signed

As authorised by the Board of Directors



Signed _____

Date: 17 February 2025

Andrew Reitzer
Chairman
Sydney

SG Fleet Group Limited

ABN 40 167 554 574

Interim Report - 31 December 2024

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The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of SG Fleet Group Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2024.

Directors

The following persons were Directors of the Company during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Andrew Reitzer (Chairman)
Robert (Robbie) Blau
Cheryl Bart AO
Peter Mountford
Edwin Jankelowitz
Kevin Wundram
Tex Gunning
Colin Brown (alternate for Peter Mountford)

Principal activities

During the financial half-year, the principal continuing activities of the Group consisted of motor vehicle fleet management, vehicle leasing, short-term hire, consumer vehicle finance and salary packaging services.

Dividends

Dividends paid during the financial half-year were as follows:

| | Consolidated | |
|--|---------------------|--------------------|
| | 31 Dec 2024 | 31 Dec 2023 |
| | \$'000 | \$'000 |
| Final dividend for the year ended 30 June 2024 of 9.332 cents per ordinary share paid on 25 September 2024 (31 December 2023: 7.271 cents) | 31,914 | 24,845 |
| Special dividend for the year ended 30 June 2024 of 15.000 cents per ordinary share paid on 25 September 2024 | 51,298 | - |
| | <hr/> | <hr/> |
| | 83,212 | 24,845 |

Significant changes in the state of affairs

On 4 December 2024, SG Fleet Group Limited entered into a Scheme Implementation Deed ('Scheme') with Westmann Bidco Pty Limited, an entity owned and controlled by funds managed and advised by Pacific Equity Partners Pty Limited and certain of its affiliates (referred to as 'PEP') for the acquisition of 100% of ordinary shares of the Company by way of a scheme of arrangement at a price of \$3.50 per share. The Scheme is subject to customary conditions including obtaining certain regulatory approvals, approval of SG Fleet Shareholders at the Scheme Meeting (which is expected to be held in March 2025), and the approval of the Scheme by the Supreme Court of New South Wales.

Subject to the shareholders' approval and the other conditions being satisfied, the Company expects that the Scheme will be implemented in April 2025.

There were no other significant changes in the state of affairs of the Group during the financial half-year.

Review of operations

The profit for the Group after providing for income tax amounted to \$41,063,000 (31 December 2023: \$45,529,000).

For a Review of Operations for the half-year ended 31 December 2024, please refer to the ASX announcement accompanying this Report.

Matters subsequent to the end of the financial half-year

No matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Rounding of amounts

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

This report is made in accordance with a resolution of Directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the Directors



Andrew Reitzer
Chairman

17 February 2025
Sydney



Robbie Blau
Chief Executive Officer



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of SG Fleet Group Limited

I declare that, to the best of my knowledge and belief, in relation to the review of SG Fleet Group Limited for the half-year ended 31 December 2024 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG

Peter Zabaks
Partner

Sydney
17 February 2025

SG Fleet Group Limited
Statement of profit or loss
For the half-year ended 31 December 2024

SG Fleet Group

| | | Consolidated | |
|---|-------------|----------------------|----------------------|
| | Note | 31 Dec 2024 | 31 Dec 2023 |
| | | \$'000 | \$'000 |
| Revenue | 4 | 638,745 | 550,625 |
| Share of losses of associates accounted for using the equity method | | (44) | (99) |
| Interest revenue calculated using the effective interest method | | 9,838 | 6,900 |
| Total revenue and other income | | <u>648,539</u> | <u>557,426</u> |
| Expenses | | | |
| Mobility services cost of sale | | (39,106) | (38,610) |
| Vehicle risk cost of sale | | (192,080) | (153,645) |
| Additional product and services cost of sale | | (25,017) | (22,804) |
| Rental and finance cost of sale | | (4,046) | (4,811) |
| Other direct costs | | (11,161) | (12,150) |
| Depreciation and amortisation | | (127,787) | (106,466) |
| Finance costs | | (65,898) | (44,614) |
| Employee benefits expense | | (90,668) | (86,272) |
| Occupancy costs | | (2,435) | (2,067) |
| Technology and communication costs | | (18,539) | (14,115) |
| Other expenses | | (11,911) | (8,142) |
| Total expenses | | <u>(588,648)</u> | <u>(493,696)</u> |
| Profit before income tax expense | | 59,891 | 63,730 |
| Income tax expense | | <u>(18,828)</u> | <u>(18,201)</u> |
| Profit after income tax expense for the half-year attributable to the owners of SG Fleet Group Limited | | <u><u>41,063</u></u> | <u><u>45,529</u></u> |
| | | Cents | Cents |
| Basic earnings per share | 22 | 12.02 | 13.31 |
| Diluted earnings per share | 22 | 11.89 | 13.24 |

The above statement of profit or loss should be read in conjunction with the accompanying notes

SG Fleet Group Limited
Statement of other comprehensive income
For the half-year ended 31 December 2024

SG Fleet Group

| | Consolidated | |
|---|----------------------|----------------------|
| | 31 Dec 2024 | 31 Dec 2023 |
| | \$'000 | \$'000 |
| Profit after income tax expense for the half-year attributable to the owners of SG Fleet Group Limited | 41,063 | 45,529 |
| Other comprehensive income | | |
| <i>Items that may be reclassified subsequently to profit or loss</i> | | |
| Foreign currency translation difference for foreign operations | 2,535 | (335) |
| Effective portion of changes in fair value of cash flow hedges, net of tax | <u>(12,990)</u> | <u>(21,405)</u> |
| Other comprehensive income for the half-year, net of tax | <u>(10,455)</u> | <u>(21,740)</u> |
| Total comprehensive income for the half-year attributable to the owners of SG Fleet Group Limited | <u><u>30,608</u></u> | <u><u>23,789</u></u> |

The above statement of other comprehensive income should be read in conjunction with the accompanying notes

SG Fleet Group Limited
Statement of financial position
As at 31 December 2024

SG Fleet Group

| | | Consolidated | |
|--|-------------|---------------------|--------------------|
| | Note | 31 Dec 2024 | 30 Jun 2024 |
| | | \$'000 | \$'000 |
| Assets | | | |
| Cash and cash equivalents | 5 | 196,182 | 204,479 |
| Restricted cash | 6 | 206,103 | 186,387 |
| Finance lease, trade and other receivables | 7 | 1,193,637 | 1,106,233 |
| Inventories | 8 | 28,902 | 43,488 |
| Derivative financial instruments | 20 | 4,076 | 14,197 |
| Prepayments | | 23,544 | 21,406 |
| Investments - equity method | | 2,606 | 2,650 |
| Investments - fair valued | 20 | 5,929 | 5,961 |
| Leased motor vehicle assets | 9 | 1,143,182 | 1,112,368 |
| Property, plant and equipment | 10 | 12,984 | 12,125 |
| Intangibles | 11 | 612,223 | 613,507 |
| Right-of-use assets | 12 | 18,784 | 19,432 |
| Total assets | | <u>3,448,152</u> | <u>3,342,233</u> |
| Liabilities | | | |
| Trade and other payables | 13 | 294,412 | 314,976 |
| Derivative financial instruments | 20 | 8,934 | 1,637 |
| Employee benefits | | 27,162 | 27,113 |
| Provisions | 14 | 38,636 | 37,205 |
| Lease portfolio borrowings | 15 | 1,860,451 | 1,715,280 |
| Income tax | | 25,167 | 40,271 |
| Borrowings | 16 | 302,149 | 299,402 |
| Lease liabilities - right-of-use assets | | 20,227 | 20,528 |
| Vehicle maintenance funds | | 155,415 | 145,777 |
| Contract liabilities | | 84,395 | 77,372 |
| Deferred tax | | 92,635 | 71,957 |
| Total liabilities | | <u>2,909,583</u> | <u>2,751,518</u> |
| Net assets | | <u>538,569</u> | <u>590,715</u> |
| Equity | | | |
| Issued capital | 17 | 505,937 | 503,894 |
| Reserves | 18 | (117,515) | (105,475) |
| Retained profits | | 150,147 | 192,296 |
| Total equity | | <u>538,569</u> | <u>590,715</u> |

The above statement of financial position should be read in conjunction with the accompanying notes

SG Fleet Group Limited
Statement of changes in equity
For the half-year ended 31 December 2024

SG Fleet Group

| Consolidated | Issued capital \$'000 | Reserves \$'000 | Retained profits \$'000 | Total equity \$'000 |
|--|----------------------------------|----------------------------|------------------------------------|--------------------------------|
| Balance at 1 July 2023 | 505,968 | (83,661) | 160,311 | 582,618 |
| Profit after income tax expense for the half-year | - | - | 45,529 | 45,529 |
| Other comprehensive income for the half-year, net of tax | - | (21,740) | - | (21,740) |
| Total comprehensive income for the half-year | - | (21,740) | 45,529 | 23,789 |
| <i>Transactions with owners in their capacity as owners:</i> | | | | |
| Share-based payments | - | (4,091) | - | (4,091) |
| Dividends paid (note 19) | - | - | (24,845) | (24,845) |
| Balance at 31 December 2023 | <u>505,968</u> | <u>(109,492)</u> | <u>180,995</u> | <u>577,471</u> |

| Consolidated | Issued capital \$'000 | Reserves \$'000 | Retained profits \$'000 | Total equity \$'000 |
|--|----------------------------------|----------------------------|------------------------------------|--------------------------------|
| Balance at 1 July 2024 | 503,894 | (105,475) | 192,296 | 590,715 |
| Profit after income tax expense for the half-year | - | - | 41,063 | 41,063 |
| Other comprehensive income for the half-year, net of tax | - | (10,455) | - | (10,455) |
| Total comprehensive income for the half-year | - | (10,455) | 41,063 | 30,608 |
| <i>Transactions with owners in their capacity as owners:</i> | | | | |
| Acquisition of treasury shares (note 17) | (2,098) | - | - | (2,098) |
| Share awards settled through direct market acquisition | 4,141 | (4,141) | - | - |
| Share-based payments (note 18) | - | 2,556 | - | 2,556 |
| Dividends paid (note 19) | - | - | (83,212) | (83,212) |
| Balance at 31 December 2024 | <u>505,937</u> | <u>(117,515)</u> | <u>150,147</u> | <u>538,569</u> |

The above statement of changes in equity should be read in conjunction with the accompanying notes

| | Note | Consolidated 31 Dec 2024 \$'000 | 31 Dec 2023 \$'000 |
|--|-------------|--|-------------------------------------|
| Cash flows from operating activities | | | |
| Receipts from customers (inclusive of GST) | | 729,640 | 602,725 |
| Payments to suppliers and employees (inclusive of GST) | | (472,497) | (390,224) |
| Cash generated from operations before investment in lease portfolio | | 257,143 | 212,501 |
| Acquisition of operating and finance lease assets | | (473,903) | (491,172) |
| Proceeds from disposal of operating lease assets (excluding vehicle risk income) | | 96,783 | 82,071 |
| Capital receipts from finance lease assets | | 149,577 | 107,633 |
| Interest received | | 9,685 | 6,515 |
| Interest and other finance costs paid | | (65,772) | (36,553) |
| Income taxes paid | | (7,721) | (4,217) |
| Net cash used in operating activities | | (34,208) | (123,222) |
| Cash flows from investing activities | | | |
| Payments for property, plant and equipment | 10 | (3,343) | (2,663) |
| Proceeds from disposal of property, plant and equipment | | 389 | 399 |
| Payments for intangibles | 11 | (5,497) | (4,872) |
| Payments for investments | | (502) | (513) |
| Net cash used in investing activities | | (8,953) | (7,649) |
| Cash flows from financing activities | | | |
| Share awards settled through direct market acquisition | | (2,098) | (6,700) |
| Proceeds from borrowings | | 164,080 | 292,469 |
| Repayment of borrowings | | (21,061) | (96,263) |
| Transaction costs related to loans and borrowings | | (228) | (3,145) |
| Repayment of lease liabilities - right-of-use assets | | (3,350) | (3,204) |
| Dividends paid | 19 | (83,212) | (24,845) |
| Net cash from financing activities | | 54,131 | 158,312 |
| Net increase in cash and cash equivalents | | 10,970 | 27,441 |
| Cash and cash equivalents at the beginning of the financial half-year | | 390,866 | 260,414 |
| Effects of exchange rate changes on cash and cash equivalents | | 449 | 112 |
| Cash and cash equivalents at the end of the financial half-year | 5,6 | <u>402,285</u> | <u>287,967</u> |

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. General information

The financial statements cover SG Fleet Group Limited as a Group consisting of SG Fleet Group Limited (the 'Company' or 'parent entity') and the subsidiaries it controlled at the end of, or during, the half-year ended 31 December 2024 (referred to as the 'Group'). The financial statements are presented in Australian dollars, which is SG Fleet Group Limited's functional and presentation currency.

SG Fleet Group Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 2, Building 3
20 Bridge Street
Pymble NSW 2073

During the financial half-year, the principal continuing activities of the Group consisted of motor vehicle fleet management, vehicle leasing, short-term hire, consumer vehicle finance and salary packaging services.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 17 February 2025.

Note 2. Material accounting policy information

These general purpose financial statements for the interim half-year reporting period ended 31 December 2024 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in a complete set of annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2024 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group during the financial half-year ended 31 December 2024 and are not expected to have any significant impact for the full financial year ending 30 June 2025.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Note 3. Operating segments

Identification of reportable operating segments

The Group is organised into geographic operating segments: Australia, New Zealand and United Kingdom. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The CODM reviews EBITDA (earnings before interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information regarding products and services are detailed in note 4.

Note 3. Operating segments (continued)

Intersegment receivables, payables and loans

Intersegment loans are initially recognised at the consideration received. Intersegment loans receivable and loans payable that earn or incur non-market interest are not adjusted to fair value based on market interest rates. Intersegment loans are eliminated on consolidation.

Major customers

There are no major customers that contributed more than 10% of revenue to the Group.

Operating segment information

| Consolidated - 31 Dec 2024 | Australia \$'000 | New Zealand \$'000 | United Kingdom \$'000 | Total \$'000 |
|---|---------------------|-----------------------|-----------------------------|------------------|
| Revenue | | | | |
| Revenue from contracts with customers | 350,697 | 42,679 | 36,740 | 430,116 |
| Rental and finance income | 155,599 | 34,264 | 18,766 | 208,629 |
| Total sales revenue | 506,296 | 76,943 | 55,506 | 638,745 |
| Interest income | 8,073 | 1,322 | 443 | 9,838 |
| Total revenue | 514,369 | 78,265 | 55,949 | 648,583 |
| EBITDA | | | | |
| Interest income | 8,073 | 1,322 | 443 | 9,838 |
| Depreciation and amortisation | (91,620) | (24,973) | (11,194) | (127,787) |
| Finance costs | (56,297) | (6,733) | (2,868) | (65,898) |
| Profit before income tax expense | 53,129 | 6,404 | 358 | 59,891 |
| Income tax expense | | | | (18,828) |
| Profit after income tax expense | | | | 41,063 |
| Assets | | | | |
| Segment assets | 2,902,696 | 358,996 | 186,460 | 3,448,152 |
| Total assets | | | | 3,448,152 |
| <i>Total assets includes:</i> | | | | |
| Investments in associates | 2,606 | - | - | 2,606 |
| Liabilities | | | | |
| Segment liabilities | 2,532,162 | 245,264 | 132,157 | 2,909,583 |
| Total liabilities | | | | 2,909,583 |

Note 3. Operating segments (continued)

| | Australia \$'000 | New Zealand \$'000 | United Kingdom \$'000 | Total \$'000 |
|---|---------------------|-----------------------|-----------------------------|------------------|
| Consolidated - 31 Dec 2023 | | | | |
| Revenue | | | | |
| Revenue from contracts with customers | 285,371 | 51,754 | 35,425 | 372,550 |
| Rental and finance income | 126,276 | 29,958 | 21,841 | 178,075 |
| Total sales revenue | 411,647 | 81,712 | 57,266 | 550,625 |
| Interest income | 5,370 | 1,104 | 426 | 6,900 |
| Total revenue | 417,017 | 82,816 | 57,692 | 557,525 |
| EBITDA | | | | |
| Interest income | 5,370 | 1,104 | 426 | 6,900 |
| Depreciation and amortisation | (72,014) | (24,083) | (10,369) | (106,466) |
| Finance costs | (35,783) | (6,512) | (2,319) | (44,614) |
| Profit before income tax expense | 48,087 | 9,757 | 5,886 | 63,730 |
| Income tax expense | | | | (18,201) |
| Profit after income tax expense | | | | 45,529 |
| Consolidated - 30 Jun 2024 | | | | |
| Assets | | | | |
| Segment assets | 2,797,055 | 356,126 | 189,052 | 3,342,233 |
| Total assets | | | | 3,342,233 |
| <i>Total assets includes:</i> | | | | |
| Investments in associates | 2,650 | - | - | 2,650 |
| Liabilities | | | | |
| Segment liabilities | 2,370,776 | 243,249 | 137,493 | 2,751,518 |
| Total liabilities | | | | 2,751,518 |

Note 4. Revenue

| | Consolidated | |
|--|---------------------|--------------------|
| | 31 Dec 2024 | 31 Dec 2023 |
| | \$'000 | \$'000 |
| <i>Revenue from contracts with customers</i> | | |
| Mobility services income | 97,307 | 87,116 |
| Additional products and services | 57,608 | 51,834 |
| Finance commission | 26,159 | 20,812 |
| Vehicle risk income | 244,993 | 208,653 |
| Other income | 4,049 | 4,135 |
| | 430,116 | 372,550 |
| <i>Other revenue</i> | | |
| Finance lease income | 34,920 | 24,182 |
| Operating lease income | 173,709 | 153,893 |
| | 208,629 | 178,075 |
| Revenue | 638,745 | 550,625 |

Note 4. Revenue (continued)

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

| | Consolidated | |
|--|---------------------|--------------------|
| | 31 Dec 2024 | 31 Dec 2023 |
| | \$'000 | \$'000 |
| <i>Timing of revenue recognition</i> | | |
| Revenue transferred at a point in time - upfront | 51,988 | 41,929 |
| Revenue transferred over time | 143,972 | 129,923 |
| Revenue transferred at a point in time - end of life | 234,156 | 200,698 |
| | <u>430,116</u> | <u>372,550</u> |

Revenue from external customers by geographic regions is set out in note 3 operating segments.

Note 5. Cash and cash equivalents

| | Consolidated | |
|--------------|---------------------|--------------------|
| | 31 Dec 2024 | 30 Jun 2024 |
| | \$'000 | \$'000 |
| Cash at bank | <u>196,182</u> | <u>204,479</u> |

Note 6. Restricted cash

| | Consolidated | |
|--|---------------------|--------------------|
| | 31 Dec 2024 | 30 Jun 2024 |
| | \$'000 | \$'000 |
| Secured deposits | 25,733 | 24,473 |
| Securitisation collection and capital accounts | 50,688 | 39,148 |
| Securitisation reserves | <u>129,682</u> | <u>122,766</u> |
| | <u>206,103</u> | <u>186,387</u> |

Secured deposits represent bank account balances held as security as required under certain lease portfolio funding and insurance agreements. Cash held in bank accounts within the securitisation warehouses can only be used to service the obligations of the warehouse in accordance with the transaction agreements. These restricted balances are not available as free cash for the purpose of operations of the Group.

Note 7. Finance lease, trade and other receivables

| | Consolidated | |
|--|-------------------------|-------------------------|
| | 31 Dec 2024 \$'000 | 30 Jun 2024 \$'000 |
| Trade receivables | 271,164 | 272,216 |
| Less: Allowance for expected credit losses | (3,341) | (2,897) |
| | <u>267,823</u> | <u>269,319</u> |
| Finance lease receivables | 927,663 | 838,700 |
| Less: Allowance for expected credit losses | (2,323) | (2,107) |
| | <u>925,340</u> | <u>836,593</u> |
| Interest receivable | 474 | 321 |
| | <u><u>1,193,637</u></u> | <u><u>1,106,233</u></u> |

Note 8. Inventories

| | Consolidated | |
|--|-----------------------|-----------------------|
| | 31 Dec 2024 \$'000 | 30 Jun 2024 \$'000 |
| End-of-term operating lease assets held for disposal | 30,330 | 45,012 |
| Less: Provision for impairment | (1,428) | (1,524) |
| | <u>28,902</u> | <u>43,488</u> |

Note 9. Leased motor vehicle assets

| | Consolidated | |
|----------------------------------|-----------------------|-----------------------|
| | 31 Dec 2024 \$'000 | 30 Jun 2024 \$'000 |
| Lease portfolio assets - at cost | 1,249,515 | 1,213,260 |
| Less: Accumulated depreciation | (106,333) | (100,892) |
| | <u>1,143,182</u> | <u>1,112,368</u> |

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

| Consolidated | Leased assets \$'000 |
|-----------------------------|----------------------------|
| Balance at 1 July 2024 | 1,112,368 |
| Additions | 235,379 |
| Disposals | (96,783) |
| Exchange differences | 3,506 |
| Depreciation expense | (111,288) |
| Balance at 31 December 2024 | <u><u>1,143,182</u></u> |

Note 10. Property, plant and equipment

| | Consolidated | |
|--|---------------------|--------------------|
| | 31 Dec 2024 | 30 Jun 2024 |
| | \$'000 | \$'000 |
| Leasehold improvements - at cost | 6,841 | 6,122 |
| Less: Accumulated depreciation | <u>(2,373)</u> | <u>(2,086)</u> |
| | <u>4,468</u> | <u>4,036</u> |
| Computer hardware and office equipment - at cost | 12,588 | 12,800 |
| Less: Accumulated depreciation | <u>(8,364)</u> | <u>(9,107)</u> |
| | <u>4,224</u> | <u>3,693</u> |
| Motor vehicles - at cost | 5,515 | 5,276 |
| Less: Accumulated depreciation | <u>(1,223)</u> | <u>(880)</u> |
| | <u>4,292</u> | <u>4,396</u> |
| | <u>12,984</u> | <u>12,125</u> |

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

| Consolidated | Leasehold improvements \$'000 | Computer hardware and office equipment \$'000 | Motor vehicles \$'000 | Total \$'000 |
|-----------------------------|--|--|--------------------------------------|-------------------------|
| Balance at 1 July 2024 | 4,036 | 3,693 | 4,396 | 12,125 |
| Additions | 999 | 1,877 | 467 | 3,343 |
| Disposals | - | - | (353) | (353) |
| Exchange differences | 42 | 33 | 177 | 252 |
| Depreciation expense | <u>(609)</u> | <u>(1,379)</u> | <u>(395)</u> | <u>(2,383)</u> |
| Balance at 31 December 2024 | <u>4,468</u> | <u>4,224</u> | <u>4,292</u> | <u>12,984</u> |

Note 11. Intangibles

| | Consolidated | |
|--------------------------------|---------------------|--------------------|
| | 31 Dec 2024 | 30 Jun 2024 |
| | \$'000 | \$'000 |
| Goodwill - at cost | <u>526,812</u> | <u>523,355</u> |
| Customer contracts - at cost | 142,469 | 141,541 |
| Less: Accumulated amortisation | <u>(81,076)</u> | <u>(73,259)</u> |
| Less: Impairment | <u>(125)</u> | <u>(125)</u> |
| | <u>61,268</u> | <u>68,157</u> |
| Software - at cost | 51,996 | 45,670 |
| Less: Accumulated amortisation | <u>(27,853)</u> | <u>(23,675)</u> |
| | <u>24,143</u> | <u>21,995</u> |
| | <u>612,223</u> | <u>613,507</u> |

Note 11. Intangibles (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

| Consolidated | Goodwill \$'000 | Customer contracts \$'000 | Software \$'000 | Total \$'000 |
|-----------------------------|--------------------|---------------------------------|--------------------|-----------------|
| Balance at 1 July 2024 | 523,355 | 68,157 | 21,995 | 613,507 |
| Additions | - | - | 5,497 | 5,497 |
| Exchange differences | 3,457 | 125 | 57 | 3,639 |
| Amortisation expense | - | (7,014) | (3,406) | (10,420) |
| Balance at 31 December 2024 | <u>526,812</u> | <u>61,268</u> | <u>24,143</u> | <u>612,223</u> |

Note 12. Right-of-use assets

| | Consolidated | |
|--------------------------------|---------------------|--------------------|
| | 31 Dec 2024 | 30 Jun 2024 |
| | \$'000 | \$'000 |
| Right-of-use assets - at cost | 59,198 | 55,987 |
| Less: Accumulated amortisation | <u>(40,414)</u> | <u>(36,555)</u> |
| | <u>18,784</u> | <u>19,432</u> |

Reconciliation

Reconciliation of the written down values at the beginning and end of the current financial half-year are set out below:

| | Office premises \$'000 | Motor vehicles \$'000 | Others \$'000 | Total \$'000 |
|-----------------------------|------------------------------|-----------------------------|------------------|-----------------|
| Balance at 1 July 2024 | 18,230 | 856 | 346 | 19,432 |
| Additions | 2,493 | 368 | - | 2,861 |
| Exchange differences | 187 | - | - | 187 |
| Depreciation expense | <u>(3,347)</u> | <u>(271)</u> | <u>(78)</u> | <u>(3,696)</u> |
| Balance at 31 December 2024 | <u>17,563</u> | <u>953</u> | <u>268</u> | <u>18,784</u> |

Note 13. Trade and other payables

| | Consolidated | |
|------------------|---------------------|--------------------|
| | 31 Dec 2024 | 30 Jun 2024 |
| | \$'000 | \$'000 |
| Trade payables | 267,318 | 283,415 |
| Accrued expenses | <u>27,094</u> | <u>31,561</u> |
| | <u>294,412</u> | <u>314,976</u> |

Trade payables include residual values payable to principal and agent financiers as well as running fleet cost suppliers.

Note 14. Provisions

| | Consolidated | |
|---------------------|---------------------|--------------------|
| | 31 Dec 2024 | 30 Jun 2024 |
| | \$'000 | \$'000 |
| Lease make good | 4,811 | 4,732 |
| Residual value risk | 25,343 | 23,100 |
| Other provisions | 8,482 | 9,373 |
| | <u>38,636</u> | <u>37,205</u> |

The Group has entered into agreements with its lease portfolio financiers under which the residual value risk inherent in operating leases is transferred from the financier of the asset to the Group at the end of the lease. Under these agreements, at the end of the contractual lease term for each vehicle, the Group is obliged to pay the guaranteed residual value amount to the financier. The Group then sells the vehicles and realises a profit or loss on sale. Secured deposits have been issued to lease portfolio financiers as security for these obligations. An amount of \$25,343,000 (30 June 2024: \$23,100,000) has been recognised as a residual value provision to cover potential shortfalls on the disposal of these vehicles.

Note 15. Lease portfolio borrowings

| | Consolidated | |
|--|---------------------|--------------------|
| | 31 Dec 2024 | 30 Jun 2024 |
| | \$'000 | \$'000 |
| Lease portfolio borrowings - non-securitised | 56,383 | 59,659 |
| Lease portfolio borrowings - securitised | 1,804,068 | 1,655,621 |
| | <u>1,860,451</u> | <u>1,715,280</u> |

Lease portfolio borrowings - non-securitised

The lease portfolio borrowings are secured by the underlying funded assets and lease agreements, together with secured deposits. These facilities are interest-bearing and are repaid monthly in accordance with the contractual amortisation schedule of the underlying assets.

Lease portfolio borrowings - securitised

The Group has established limited recourse securitisation warehouse trusts with total commitments from external financiers of \$2,162,437 (30 June 2024: \$1,865,812,000). All amounts owing to parties to the warehouse are secured by fixed and floating charges over all assets of the warehouse, including cash balances, lease receivables and related leased motor vehicles. The financiers to the warehouse have no recourse to the Group, other than in relation to their responsibilities as originator and servicer of assets to the warehouse. As at 31 December 2024, the Group had utilised \$1,804,068 (30 June 2024: \$1,655,621,000) of securitised lease portfolio borrowings.

Note 16. Borrowings

| | Consolidated | |
|-----------------------------|---------------------|--------------------|
| | 31 Dec 2024 | 30 Jun 2024 |
| | \$'000 | \$'000 |
| Bank loans | 303,330 | 301,487 |
| Capitalised borrowing costs | (1,181) | (2,085) |
| | <u>302,149</u> | <u>299,402</u> |

Note 16. Borrowings (continued)

The total secured liabilities are as follows:

| | Consolidated | |
|--|---------------------|--------------------|
| | 31 Dec 2024 | 30 Jun 2024 |
| | \$'000 | \$'000 |
| Bank loans | 303,330 | 301,487 |
| Lease portfolio borrowings - non-securitised (note 15) | 56,383 | 59,659 |
| Lease portfolio borrowings - securitised (note 15) | 1,804,068 | 1,655,621 |
| | <u>2,163,781</u> | <u>2,016,767</u> |

Corporate borrowings

The Group has a banking facility with a maturity date of 29 September 2026. The bank loan facility is secured by fixed and floating charges over the assets of the Group as well as composite guarantees and indemnities issued by the Group and certain subsidiaries of the Group. The interest comprises a base rate plus a variable margin and all loans are repayable in full on the maturity date.

Financing arrangements

The Group has access to the following lines of credit:

| | Consolidated | |
|--|---------------------|--------------------|
| | 31 Dec 2024 | 30 Jun 2024 |
| | \$'000 | \$'000 |
| Total facilities | | |
| Corporate borrowings (bank loans) | 303,330 | 301,487 |
| Corporate borrowings (ancillary facilities) | 59,114 | 66,022 |
| Lease portfolio borrowings - non-securitised | 212,093 | 203,241 |
| Lease portfolio borrowings - securitised | 2,162,437 | 1,865,812 |
| | <u>2,736,974</u> | <u>2,436,562</u> |
| Used at the reporting date | | |
| Corporate borrowings (bank loans) | 303,330 | 301,487 |
| Corporate borrowings (ancillary facilities) | 9,808 | 15,870 |
| Lease portfolio borrowings - non-securitised | 56,383 | 59,659 |
| Lease portfolio borrowings - securitised | 1,804,068 | 1,655,621 |
| | <u>2,173,589</u> | <u>2,032,637</u> |
| Unused at the reporting date | | |
| Corporate borrowings (bank loans) | - | - |
| Corporate borrowings (ancillary facilities) | 49,306 | 50,152 |
| Lease portfolio borrowings - non-securitised | 155,710 | 143,582 |
| Lease portfolio borrowings - securitised | 358,369 | 210,191 |
| | <u>563,385</u> | <u>403,925</u> |

Note 17. Issued capital

| | Consolidated | | | |
|------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 31 Dec 2024 Shares | 30 Jun 2024 Shares | 31 Dec 2024 \$'000 | 30 Jun 2024 \$'000 |
| Ordinary shares - fully paid | 341,984,920 | 341,984,920 | 505,968 | 505,968 |
| Less: treasury shares | (15,072) | (659,531) | (31) | (2,074) |
| | <u>341,969,848</u> | <u>341,325,389</u> | <u>505,937</u> | <u>503,894</u> |

Movements in treasury shares

| Details | Date | Shares | \$'000 |
|--|------------------|---------------|-------------|
| Balance | 1 July 2024 | 659,531 | (2,074) |
| Acquisition of shares through on-market purchase | 3 September 2024 | 690,891 | (2,114) |
| Share awards settled through direct market acquisition | 5 September 2024 | (690,891) | 2,114 |
| Share awards settled through direct market acquisition | 5 September 2024 | (644,459) | 2,027 |
| Other changes | | | 16 |
| Balance | 31 December 2024 | <u>15,072</u> | <u>(31)</u> |

Note 18. Reserves

| | Consolidated | |
|------------------------------------|-----------------------|-----------------------|
| | 31 Dec 2024 \$'000 | 30 Jun 2024 \$'000 |
| Foreign currency reserve | (1,907) | (4,442) |
| Hedging reserve - cash flow hedges | (2,110) | 10,880 |
| Share-based payments reserve | 5,660 | 7,245 |
| Capital reserve | <u>(119,158)</u> | <u>(119,158)</u> |
| | <u>(117,515)</u> | <u>(105,475)</u> |

Movements in reserves

Movements in each class of reserve during the current financial half-year are set out below:

| Consolidated | Foreign currency \$'000 | Cash flow hedge \$'000 | Share-based payments \$'000 | Capital reserve \$'000 | Total \$'000 |
|--|-------------------------------|------------------------------|-----------------------------------|------------------------------|------------------|
| Balance at 1 July 2024 | (4,442) | 10,880 | 7,245 | (119,158) | (105,475) |
| Foreign currency translation | 2,535 | - | - | - | 2,535 |
| Movement in hedges - gross | - | (18,424) | - | - | (18,424) |
| Deferred tax | - | 5,434 | - | - | 5,434 |
| Share-based payments | - | - | 2,556 | - | 2,556 |
| Share awards settled through direct market acquisition | - | - | (4,141) | - | (4,141) |
| Balance at 31 December 2024 | <u>(1,907)</u> | <u>(2,110)</u> | <u>5,660</u> | <u>(119,158)</u> | <u>(117,515)</u> |

Note 19. Dividends

Dividends paid during the financial half-year were as follows:

| | Consolidated | Consolidated |
|--|---------------------|---------------------|
| | 31 Dec 2024 | 31 Dec 2023 |
| | \$'000 | \$'000 |
| Final dividend for the year ended 30 June 2024 of 9.332 cents per ordinary share paid on 25 September 2024 (31 December 2023: 7.271 cents) | 31,914 | 24,845 |
| Special dividend for the year ended 30 June 2024 of 15.000 cents per ordinary share paid on 25 September 2024 | 51,298 | - |
| | <u>83,212</u> | <u>24,845</u> |

Note 20. Fair value measurement

Fair value hierarchy

The following tables detail the Group's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

| Consolidated - 31 Dec 2024 | Level 1 | Level 2 | Level 3 | Total |
|---|----------------|----------------|----------------|---------------|
| | \$'000 | \$'000 | \$'000 | \$'000 |
| <i>Assets</i> | | | | |
| Investments in listed equity securities | - | - | - | - |
| Investment in other companies | - | - | 5,929 | 5,929 |
| Derivative financial instruments - Interest rate swap contracts | - | 4,076 | - | 4,076 |
| Total assets | <u>-</u> | <u>4,076</u> | <u>5,929</u> | <u>10,005</u> |
| <i>Liabilities</i> | | | | |
| Derivative financial instruments - Interest rate swap contracts | - | 8,934 | - | 8,934 |
| Total liabilities | <u>-</u> | <u>8,934</u> | <u>-</u> | <u>8,934</u> |
| | | | | |
| Consolidated - 30 Jun 2024 | Level 1 | Level 2 | Level 3 | Total |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| <i>Assets</i> | | | | |
| Investments in listed equity securities | 534 | - | - | 534 |
| Investment in other companies | - | - | 5,427 | 5,427 |
| Derivative financial instruments - Interest rate swap contracts | - | 14,197 | - | 14,197 |
| Total assets | <u>534</u> | <u>14,197</u> | <u>5,427</u> | <u>20,158</u> |
| <i>Liabilities</i> | | | | |
| Derivative financial instruments | - | 1,637 | - | 1,637 |
| Total liabilities | <u>-</u> | <u>1,637</u> | <u>-</u> | <u>1,637</u> |

There were no transfers between levels during the financial half-year.

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value. The carrying amounts of trade receivables and trade payables approximate their fair values due to their short-term nature. The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial instruments.

Note 20. Fair value measurement (continued)

Valuation techniques for fair value measurements categorised within level 2 and level 3
Unquoted investments have been valued using a discounted cash flow model.

Derivative financial instruments have been valued using observable market rates including relevant bank bill swap rates (BBSW). This valuation technique maximises the use of observable market data where it is available and relies as little as possible on entity specific estimates.

Movements in level 3 assets and liabilities during the current financial half-year are set out below:

| Consolidated | Other investments \$'000 |
|-----------------------------|--------------------------------|
| Balance at 1 July 2024 | 5,427 |
| Additions | 502 |
| Balance at 31 December 2024 | <u>5,929</u> |

Note 21. Contingent liabilities

The Group has entered into agreements with its lease portfolio financiers under which the residual value risk inherent in operating leases is transferred from the financier of the asset to the Group at the end of the lease. The aggregate value of these commitments as at 31 December 2024 amounted to \$787,799,000 (30 June 2024: \$781,312,000). Under these agreements, at the end of the contractual lease term for each vehicle, the Group is obliged to pay the guaranteed residual value amount to the financier. The Group then sells the vehicles and realises a profit or loss on sale. Bank guarantees, letters of credit and cash lock-ups have been issued to lease portfolio financiers as security for these obligations.

An amount of \$ 25,343,000 (30 June 2024: \$ 23,100,000) has been recognised as a residual value provision to cover potential shortfalls on the disposal of these vehicles.

The Group has executed certain guarantees and indemnities, as well as fixed and floating charges over the assets of the Group in favour of funders as security for banking and lease portfolio facilities provided to the Group.

Note 22. Earnings per share

| | Consolidated | |
|---|---------------------|--------------------|
| | 31 Dec 2024 | 31 Dec 2023 |
| | \$'000 | \$'000 |
| Profit after income tax attributable to the owners of SG Fleet Group Limited | <u>41,063</u> | <u>45,529</u> |
| | Number | Number |
| Weighted average number of ordinary shares used in calculating basic earnings per share | 341,731,173 | 341,984,920 |
| Adjustments for calculation of diluted earnings per share: | | |
| Options over ordinary shares | 2,497,193 | 830,966 |
| Performance and restricted equity rights over ordinary shares | <u>1,187,285</u> | <u>1,177,025</u> |
| Weighted average number of ordinary shares used in calculating diluted earnings per share | <u>345,415,651</u> | <u>343,992,911</u> |
| | Cents | Cents |
| Basic earnings per share | 12.02 | 13.31 |
| Diluted earnings per share | 11.89 | 13.24 |

Note 23. Events after the reporting period

No matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the Directors



Andrew Reitzer
Chairman

17 February 2025
Sydney



Robbie Blau
Chief Executive Officer



Independent Auditor's Review Report

To the shareholders of SG Fleet Group Limited

Report on the Interim Financial Report

Conclusion

We have reviewed the accompanying **Interim Financial Report** of SG Fleet Group Limited (the Group).

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Interim Financial Report of SG Fleet Group Limited does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the **Group's** financial position as at 31 December 2024 and of its performance for the **Half-year** ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The **Interim Financial Report** comprises:

- Consolidated Statement of financial position as at 31 December 2024;
- Consolidated Statement of profit or loss, Consolidated Statement of other comprehensive income, Consolidated Statement of changes in equity and Consolidated Statement of cash flows for the half-year ended on that date;
- Notes 1 to 23 including selected explanatory notes;
- The Directors' Declaration.

The **Group** comprises SG Fleet Group Limited and the entities it controlled at the Half-year's end or from time to time during the Half-year.

The **Half-year** is the 6 months ended on 31 December 2024.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements.



Responsibilities of the Directors for the Interim Financial Report

The Directors of the Group are responsible for:

- the preparation of the Interim Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*; and
- such internal control as the Directors determine is necessary to enable the preparation of the Interim Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Interim Financial Report

Our responsibility is to express a conclusion on the Interim Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Interim Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2024 and its performance for the Half-Year ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a Half-year Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

KPMG

Peter Zabaks
Partner

Sydney
17 February 2025