

SG Fleet Reports \$41.1m Profit for 1H2025

- **Reported NPAT \$41.1m / NPATA \$46.0m**
- **Reported EPS 12.01c / Cash EPS 13.46c**
- **Performance supported by higher than anticipated disposal volumes – normalisation expected in 2H2025**

18 February 2025

SG Fleet Group Limited ('SG Fleet' / 'the Company' / ASX: SGF) has reported a Net Profit After Tax ('NPAT') of \$41.1 million for the half year period ended 31 December 2024. Reported NPAT for the period ended 31 December 2023 ('1H24') was \$45.5 million.

Total net revenue for the period was \$210.7 million, up 6.6% on 1H24. Reported Earnings Per Share amounted to 12.01 cents. In keeping with the Scheme Implementation Deed entered into and announced on 4 December 2024, no dividend was declared by the Company's Board.

Performance in line with previous financial period

SG Fleet's Chief Executive Officer, Robbie Blau, indicated that the Company's strong performance in the previous half was maintained during the reported period. "Delivery numbers remained elevated and we again saw an abundance of new business opportunities," he said.

"Our Corporate and Novated order pipeline numbers remain elevated and the pace at which they are normalising slowed towards period-end. Similarly, used vehicle values softened further as anticipated, but were more resilient in the later months. Combined with higher than anticipated disposal numbers, this meant that our financial performance for the period exceeded internal forecasts. However, we do expect disposal levels to reduce and used values to trend lower in the second half, bringing us back in line with the guidance provided at the 2024 full year results announcement," Mr Blau noted.

Continued growth in the Company's total funded fleet was helped by the conversion of some of its unfunded fleet into funded via sale and leaseback arrangements, which again proved popular in the Corporate channel. This fleet growth, as well as greater product penetration in the legacy LeasePlan book, supported Net Mobility Services Revenue, which increased by 20.0%. Higher new funded deliveries also contributed to the 12.3% growth in Net Additional Products and Services Revenue. Finance Commissions were up by 25.7% on the back of growth in principal & agency-funded delivery numbers and an increase in the average funded capital per unit. Net Vehicle Risk Income grew by 5.6% as higher in-life income offset the anticipated decline in average gross end-of-life profit per vehicle.

Australia

A very active tender pipeline and increased cross-selling between channels created customer book growth in the Australian business. This was further helped by a number of referrals from the Company's European-based partner Ayvens. Product penetration trends continued in line with previous financial periods, with the Inspect365 safety solution and the Bookingintelligence asset management tool in particular seeing an increase in demand.

In the Novated channel, continued strong interest from employers looking to offer vehicle salary packaging as a benefit to their staff allowed SG Fleet to grow its total eligible employee base, which, combined with improving conversion, supported the channel's performance.

Helped by the further improvement in supply, the Company was able to deliver vehicles more rapidly, which in turn reduced the number of order cancellations. Low emission vehicles again dominated in the Novated channel, accounting for ca. 70% of demand.

New Zealand

A stabilising environment in New Zealand allowed SG Fleet to maintain its progress in the local market. Competitive behaviour became more rational during the period as a previously aggressive new entrant scaled back its approach. Used values steadied, with some increases in certain segments and models.

The Company achieved a number of account wins and again was successful in converting existing customers from unfunded to funded arrangements. SG Fleet's excellent reputation with the New Zealand Government further helped its efforts to make inroads into other public departments. As was the case in Australia, in addition to signing up new customers, the New Zealand business also continued to grow product penetration within existing accounts.

United Kingdom

A further improvement of the economic environment produced a more positive business climate in the UK, with new car registrations rising in tandem. Predominantly driven by tax incentives, electric vehicle uptake remained robust at a market share of 20% and used values stabilised.

SG Fleet's UK business strengthened its growth profile further during the period by signing up new customers and moving existing accounts to fully outsourced services. The Company also found its way onto additional supplier panels, opening up opportunities to progress to sole supply arrangements over time. The Novalease salary sacrifice offering was introduced to an increasing number of tool-of-trade customers.

Continued progress strengthens future growth base

"The first half of 2025 has very much been a continuation of the previous financial year," Mr Blau commented. "In Australia, business opportunities abounded both in the Corporate and the Novated channel and we have been working hard to convert these into account wins. In New Zealand, the environment stabilised, and we again made inroads into new segments and with new products. As for the UK business, it has been on a steady growth course for some time now and this has continued in the reported period," he said.

“The day-to-day business integration of LeasePlan is effectively complete as only a few system migration phases remain, after which the full synergies will be realised. During the period, we have seen the positive impact of our innovation program, with growth in related revenue accelerating accordingly. We have also taken significant steps forward in our efforts to further optimise the digital journey of our customers,” he noted.

“In summary, a period of good revenue growth and continued progress on which we intend to build further in future years,” Mr Blau concluded.

This announcement was approved for release by Tawanda Mutengwa, Company Secretary of SG Fleet Group Limited.

For further information, please contact:

Yves Noldus
Corporate Services & Investor Relations Executive
SG Fleet Group Limited
Tel: 02 9494 1095 / 0401 416 686