SG Fleet Group

Integrated Mobility

sgfleet

1H25 Results
Investor Presentation

18 February 2025

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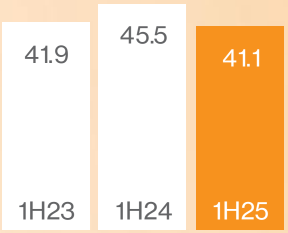
Overview

- Continued strong delivery levels in Corporate channel
- Novated conversion improves as order growth remains elevated
- Further progress in New Zealand and United Kingdom
- Funded fleet numbers increase again
- Order pipeline remains elevated
- LeasePlan entering final system migration phase
- Accelerated innovation drives revenue growth
- Scheme of Arrangement process continues

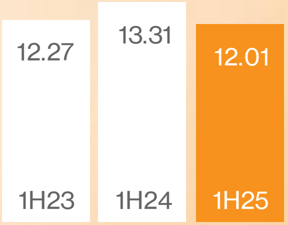
NPAT ($ million)

$41.1m



EPS (cents)

12.01c



Higher delivery and disposal numbers support 1H result

Operational Review – Australia

Business Activity

- Business development activity remains at exceptional levels - tender activity strong
- Improved cross-sell Corporate / Novated
- Significant customer growth
- Deliveries continue to be strong

Corporate

- Multiple sale & leasebacks, including conversions from lite fleet
- Ayvens referrals add sizeable opportunities
- Continued increase in product penetration
  - Inspect365
  - Bookingintelligence

Novated

- Employer interest elevated – continued growth in total eligible employee base
- Lead conversion strong
- Customer satisfaction trending up
- Improved delivery times reduce cancellations
- Low emission vehicles account for majority of orders

Positive activity levels maintained

Operational Review – New Zealand

Environment

- Vehicle registrations remain subdued
  - Share of EVs declines further
- Used values holding, with some uplift in certain model types
- Irrational competitive behaviour abating somewhat

Business Activity

- New account wins
- Further progress in Government segment
- Conversion of fleet managed customers to funding
- Good growth within existing accounts

Continued progress in stabilising environment

Operational Review – United Kingdom

Environment

- Lower inflation and interest rates, and wage rises support economic outlook
- New car registrations again increasing
- Tax incentives continue to support EV uptake – ca. 20% market share
- Used EV values stabilise gradually

Business Activity

- Continued progress on multiple fronts
- New business wins
- Further addition to supplier panels – creating opportunities to move to sole supply
- Conversion to full outsourcing
- Novalease cross-sell

Steady growth in customer book

Supply, Order Pipeline, and Used Vehicle Values

Supply

- Continued improvement
- Isolated backlog for high demand models
- Aftermarket challenges reducing

Order pipeline

- Order pipeline remains elevated - slower rate of normalisation towards period-end
- Tool-of-Trade pipeline reduced ca. 25% during 1H25 – currently at ca. 6,900 units (2.5x normal)
- Novated pipeline reduced by ca. 30% during 1H25 - currently at ca. 2,500 units (2.5x normal)
- Normalisation of order pipeline to run into FY26

Used vehicle values

- Adjustment in values slows during period
- EV used values yet to recover
- Strong attendance at vehicle auctions

1: AU passenger vehicles
2: Pre-COVID Base EOL Selling Price is measured over 1H20

Order pipeline remains elevated - used values adjustment continues

Financial Results

Financial Summary

A$m	1H2024	1H2025	Variance
Revenue	570.3	656.9	15.2%
Cost of Revenue	(372.7)	(446.2)	(19.7%)
Net Revenue	197.6	210.7	6.6%
Operating Expenses	(110.7)	(123.6)	(11.7%)
Operating EBITDA	86.9	87.1	0.2%
Depreciation and amortisation expense	(16.0)	(16.5)	(3.4%)
Operating Income	71.0	70.6	(0.6%)
Interest on Corporate Debt and Right of Use Borrowings	(7.2)	(10.7)	(47.5%)
Net Profit Before Income Tax	63.7	59.9	(6.0%)
Tax	(18.2)	(18.8)	(3.4%)
Net Profit After Tax	45.5	41.1	(9.8%)
Amortisation of Acquired Intangibles	5.0	5.0	0.0%
NPATA[1]	50.5	46.0	(8.8%)
Reported EPS (cents)	13.31	12.01	(9.8%)
Cash EPS (cents)	14.76	13.46	(8.8%)

63% (65% pcp)
of revenue recurring

16% (14% pcp)
on lease activation

21% (21% pcp)
on lease termination

1: NPATA = Net Profit After Tax excluding amortisation of intangibles arising from acquisitions on an after tax basis

Highlights

- Continued strong growth in delivery volumes drives growth in most revenue line items
- Growth in Vehicle Risk Income notwithstanding softer used vehicle values
- Higher Operating Expenses due to:
    - support of final phase of LeasePlan SAP migration
    - Carly impairment
- Higher interest costs due to unwind of interest rate swaps – previously flagged

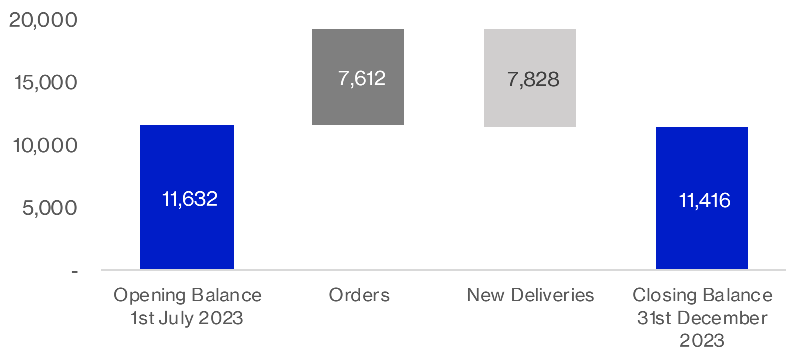
Funded Fleet Movement & Pipeline – Corporate

1H2024

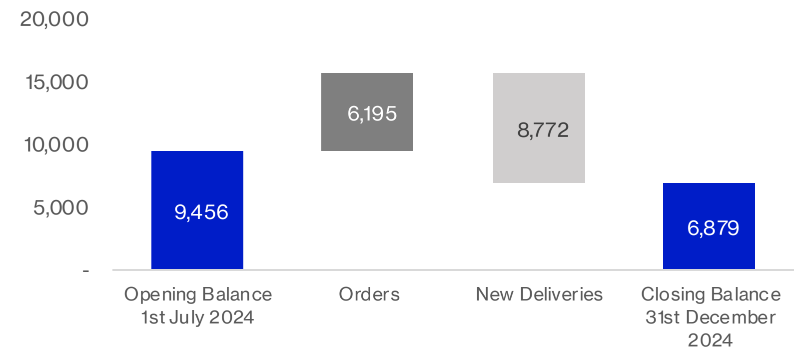
1H2025

12.1% growth in new deliveries

Corporate Funded Pipeline (1H2024)

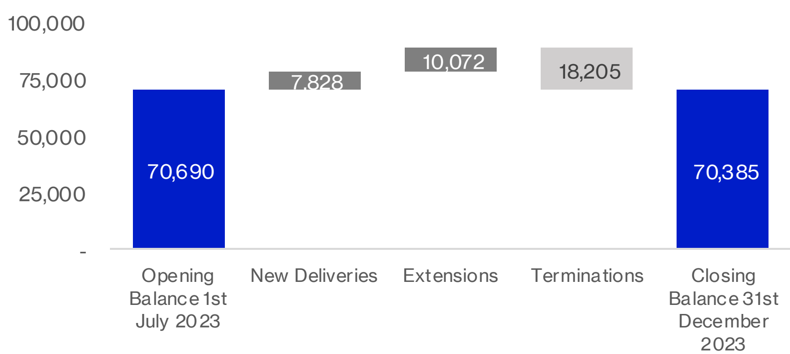


Corporate Funded Pipeline (1H2025)

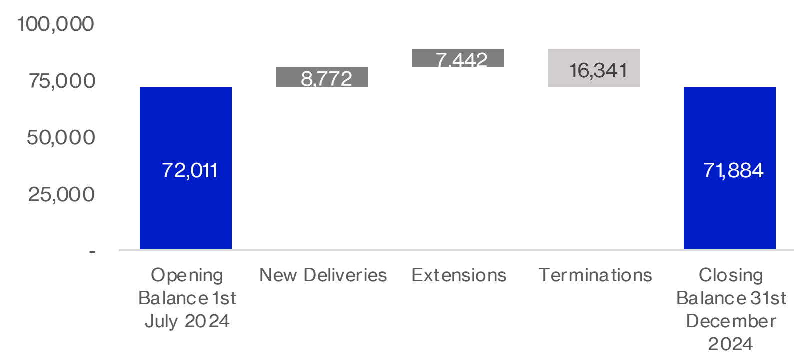


2.1% growth in Corporate Fleet

Corporate Funded Fleet (1H2024)



Corporate Funded Fleet (1H2025)

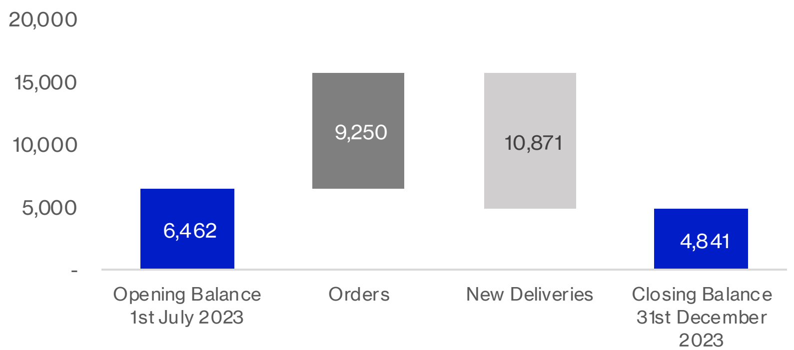


Funded Fleet Movement & Pipeline – Novated*

1H2024

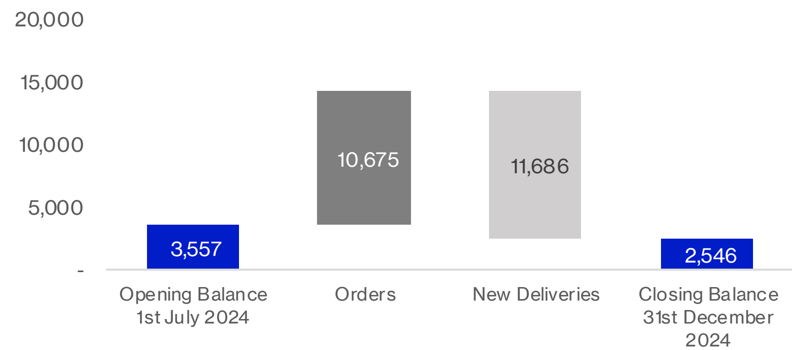
Novated Funded Pipeline

15.4% increase in orders



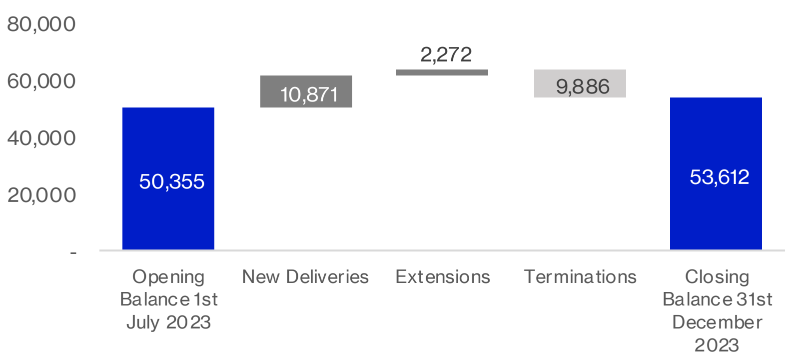
1H2025

Novated Funded Pipeline

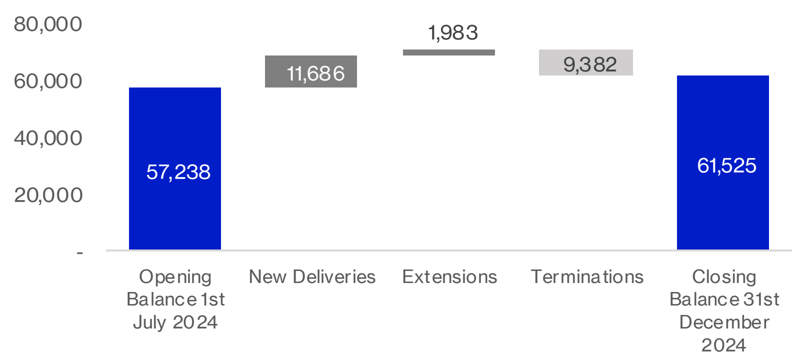


Novated Funded Fleet

7.5% growth in new deliveries



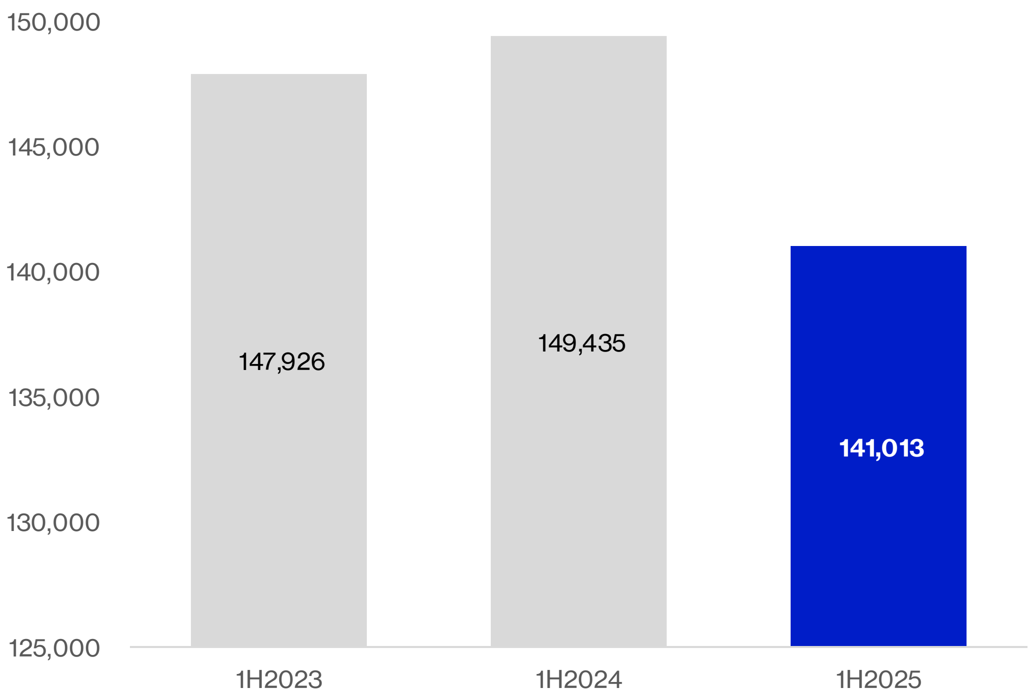
Novated Funded Fleet



* Includes Australia and UK Novated

Lite Fleet

Lite Fleet – Vehicles where funding is not provided. SG Fleet may provide only one, or any number of the following services for these vehicles - Vehicle acquisition & Disposal services, Maintenance Management, Registration Management, Fuel Cards and Toll Management. The Lite Fleet product is offered for the following reasons – As an initial entry point to a customer; potential opportunity to convert to funded; a method of immediately dislodging an incumbent competitor; as a way of gaining experience in a new asset class prior to underwriting asset risk; to create customer entanglement.



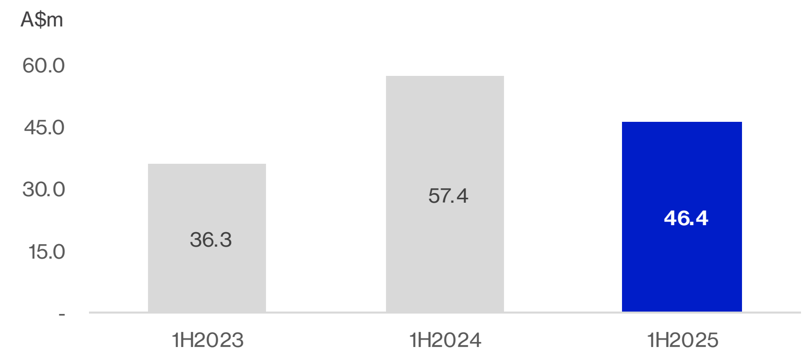
Reduction in Lite Fleet due to:

- conversion to funded via sale & leaseback
- decision to exit certain low margin LeasePlan customers

Net Rental & Finance Income

Rental & Finance Income is primarily earned in respect of on balance sheet funded operating and finance leases. It also includes income generated by short-term rental vehicles, subscription vehicles and certain principal & agency ("P&A") funded vehicles in inertia. The costs of sale related to this income stream are operating lease depreciation, direct interest and short-term hire costs. This is an annuity income stream, and its primary driver is the size of the on-balance sheet lease portfolio assets.

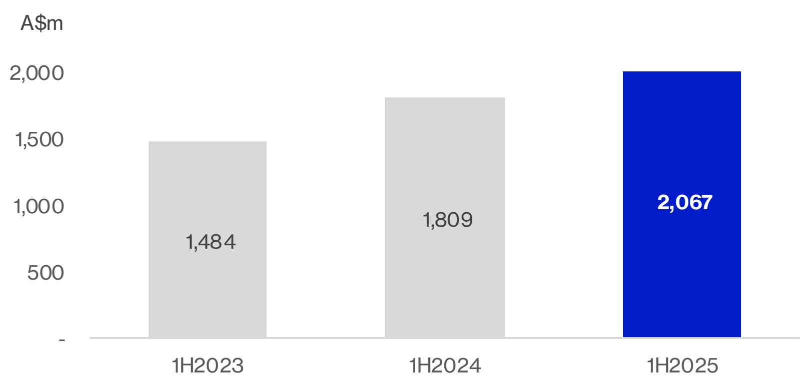
Net Rental & Finance Income



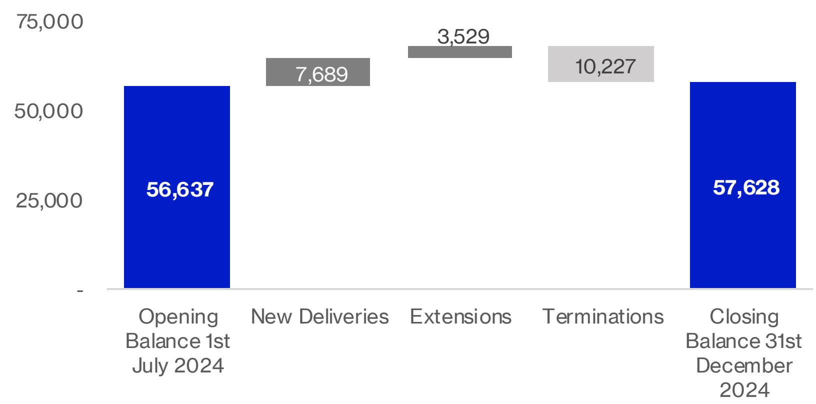
19.2% reduction in Net Rental Income driven by:

- higher interest cost due to optimised Lease Portfolio Advance Rate
- reduction of vehicles in inertia and extensions as a result of improved supply of new vehicles
- higher operating lease depreciation due to softening of used vehicle market

Leased Motor Vehicle Assets and Lease Receivables



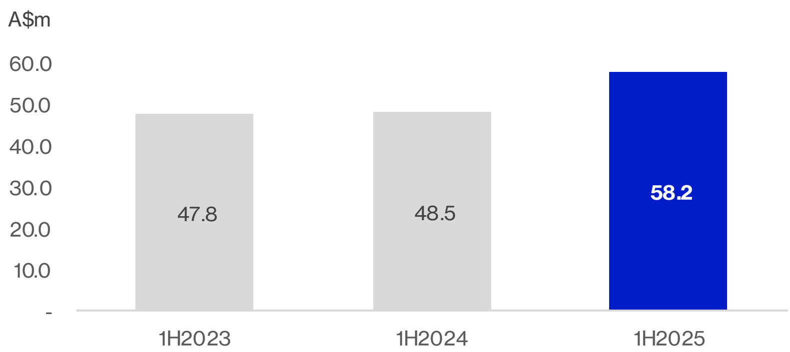
On-Balance Sheet Funded Fleet



Net Mobility Services Revenue

Mobility Services Income includes the products and services required to keep a vehicle on the road in a safe and compliant manner. This revenue category includes income from registering and insuring the vehicle, providing assistance in the event of a break-down or accident, telematics and safety inspections. It also includes income from car-share bookings. This is an annuity income stream driven by the total fleet size and utilisation.

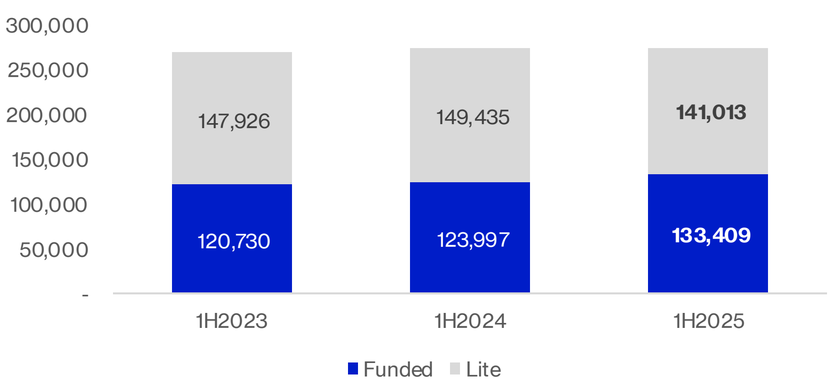
Net Mobility Services Revenue



20.0% growth in Net Mobility Services Revenue driven by:

- 7.6% growth in funded fleet under management
- cross-sell of SG Fleet product into LeasePlan customers

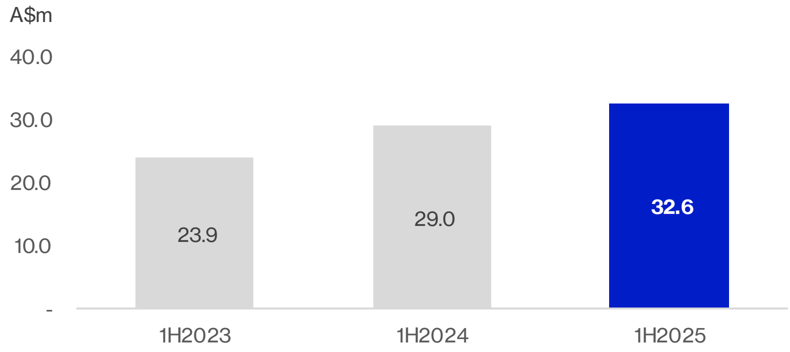
Total Fleet



Net Additional Products & Services Revenue

Additional Products and Services revenue is generated by products that are not typically related to keeping the vehicle on the road and mobile. Thais revenue category includes products such as accessories, redundancy protection, TradeAdvantage and rebates. This income stream is largely transactional in nature and its key driver is the volume of new funded deliveries, coupled with penetration rates.

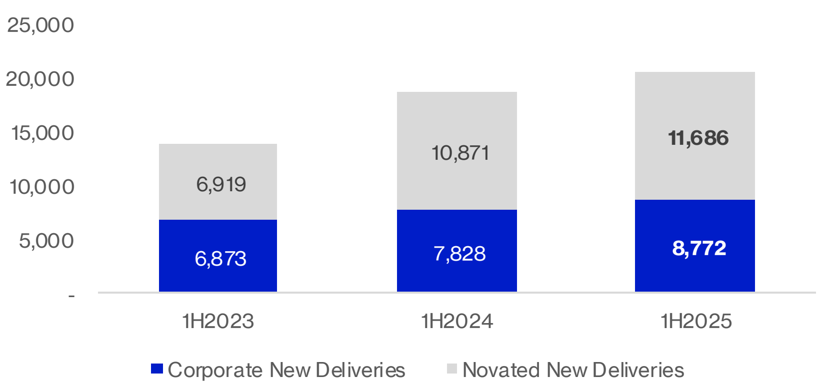
Net Additional Products & Services Revenue



12.3% growth as a result of:

- increase in new funded deliveries
- higher early termination Income

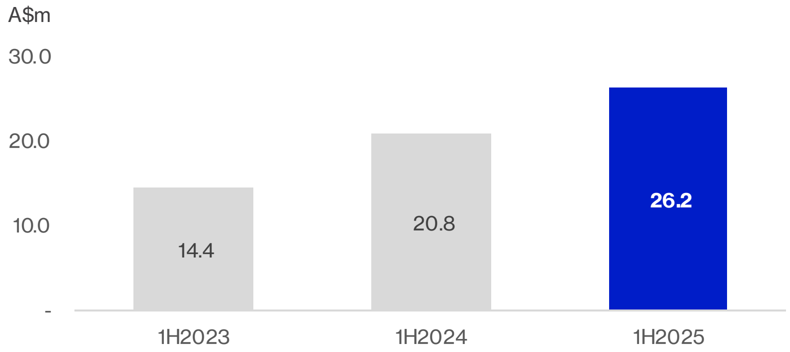
New Funded Deliveries



Finance Commission

Finance Commission is the income earned on leased vehicles funded off balance sheet. This income stream is largely transactional in nature, has no direct costs, and the primary driver is the volume of P&A-funded deliveries.

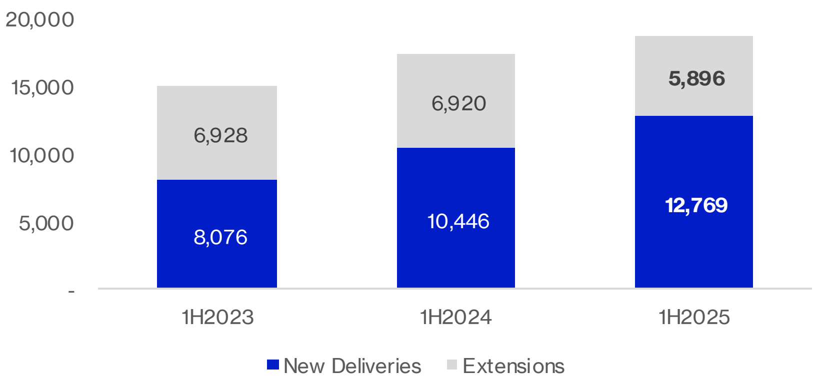
Finance Commission



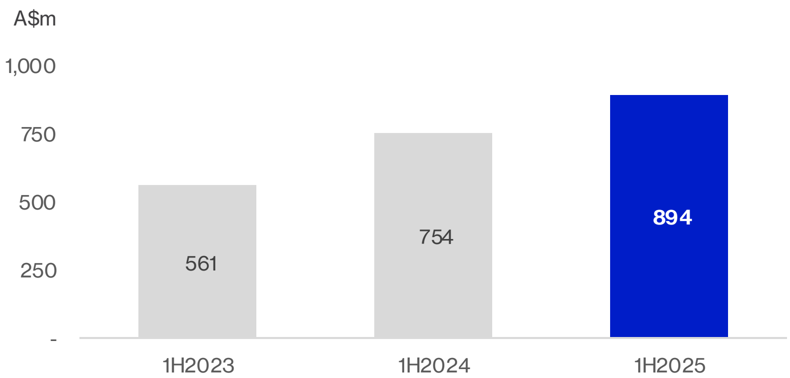
25.7% increase in Finance Commission driven by:

- 7.5% increase in P&A-funded New Deliveries and Extensions
- 16.9% growth in Finance Commission per unit driven by:
  - higher average funded capital
  - proportionately fewer extensions (32% vs. 40%)

P&A-funded New Deliveries and Extensions



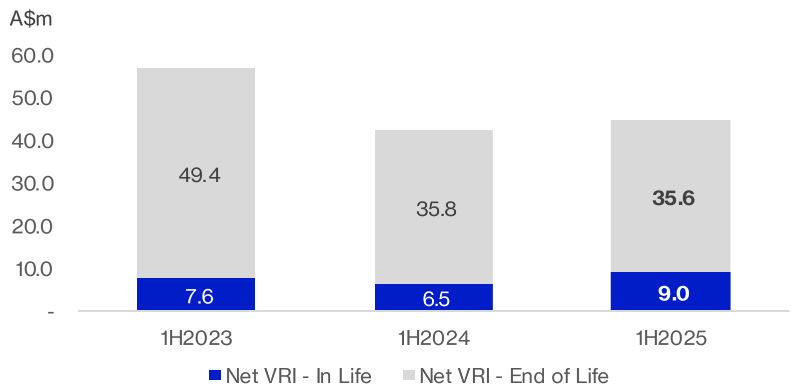
P&A-funded Originations



Net Vehicle Risk Income

Vehicle Risk Income ("VRI") is the income earned as a result of underwriting a long-term risk position on a vehicle at lease commencement, the ultimate financial outcome of which will depend on circumstances and market conditions that occur over the life of each vehicle. VRI is made up of an End-of-Lease Component (profits earned from underwriting Residual Value risk) and an In-Life Component (profits earned from underwriting maintenance and other running costs). VRI – End-of-Lease is largely transactional in nature and its primary driver is the volume of Operating Lease Disposals. VRI – In-Life is a combination of annuity and transactional income and is driven by the number of open-contract vehicles and vehicles with underwritten maintenance risk positions.

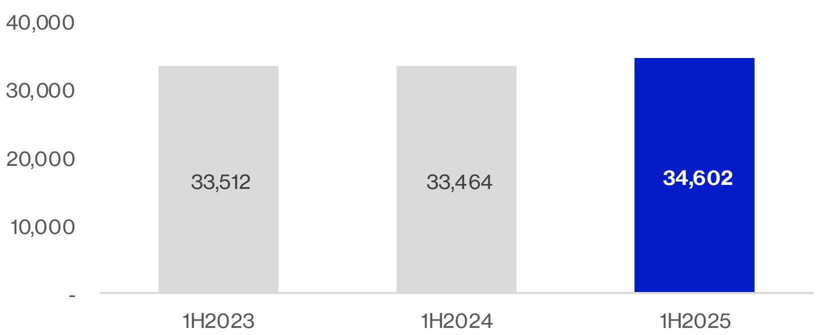
Net Vehicle Risk Income



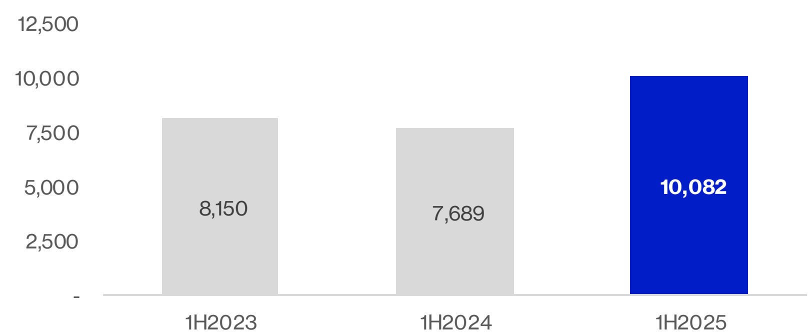
5.6% increase in Net Vehicle Risk Income due to:

- 0.3% reduction in End-of-Lease Vehicle Risk Income driven by 27.2% reduction in average gross profit per vehicle, which was largely offset by additional disposal volumes
- 38.4% growth in In-Life VRI driven by improved margins

VRI – In-Life Fleet

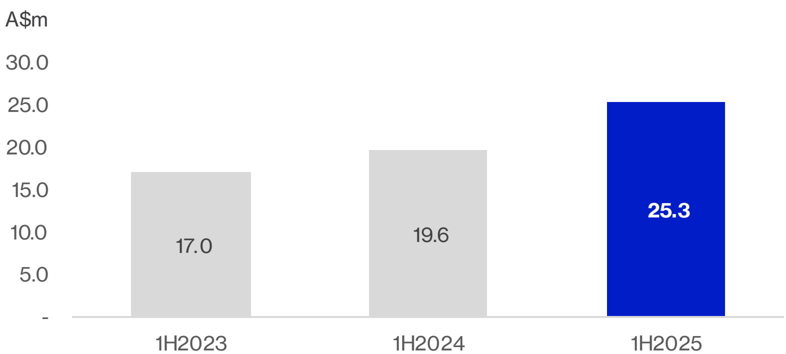


Operating Lease Disposals



Fleet & Credit Provisions

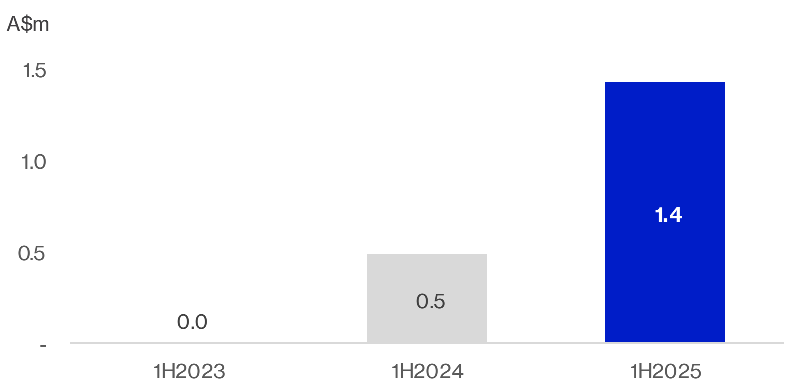
Residual Value Provision



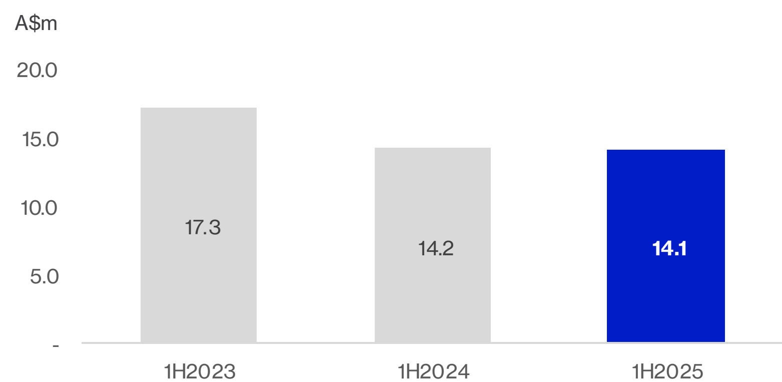
Impact of provision movements in 1H25:

- increase in Residual Value and Inventory Impairment provisions of $2.2m driven by softening used vehicle values as a result of improved new vehicle supply
- reduction in Expected Credit Loss Provision of $0.2m

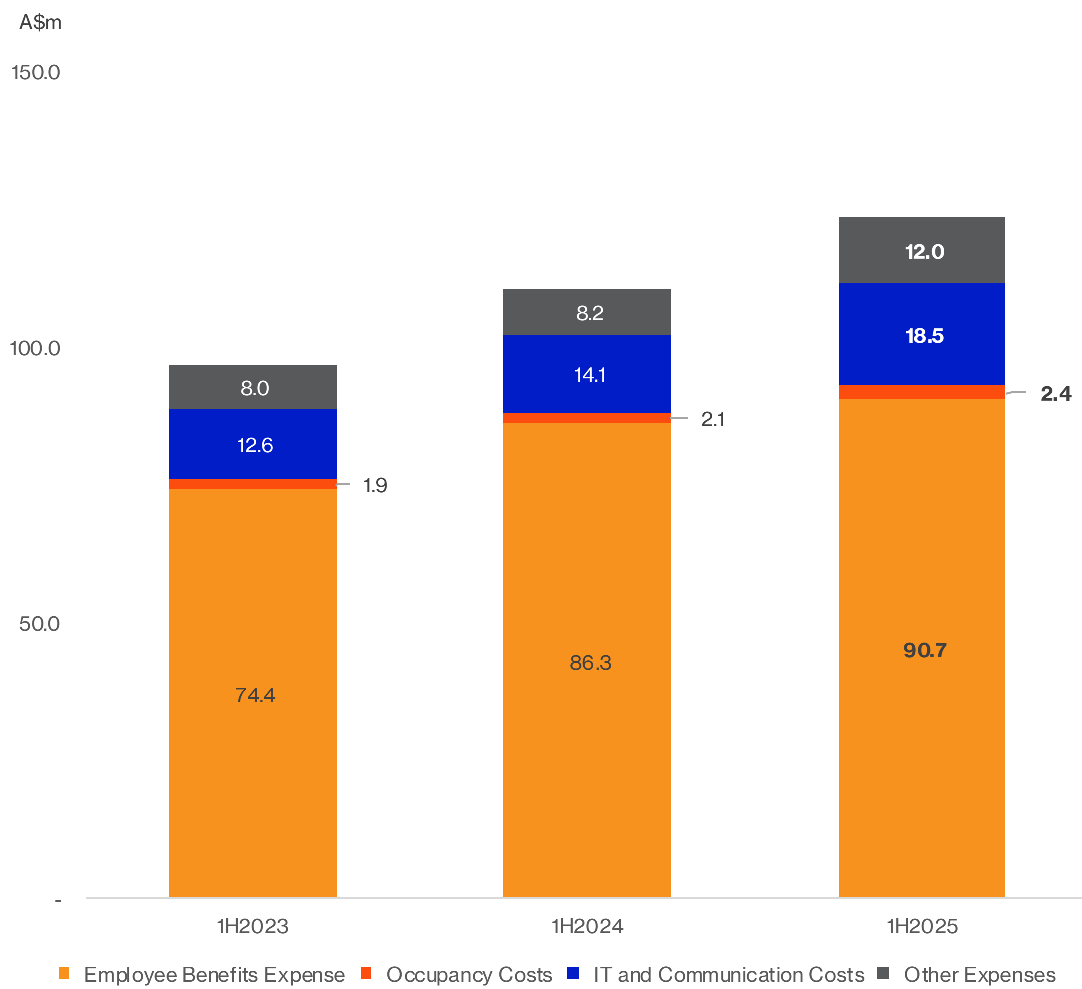
Inventory Impairment



Expected Credit Loss Provision



Operating Expenses



IT and Communication Costs

- Increased project spend due to final phase of LeasePlan system migration
- Price increases from key vendors

Other Expenses

- Full impairment of investment in Carly

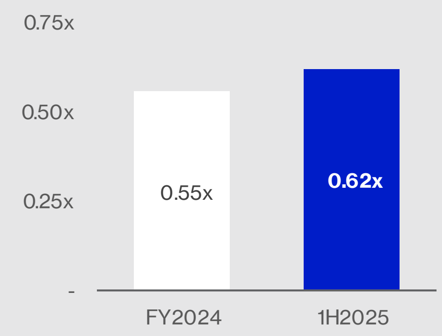
Detailed P&L

A$m	1H2024	1H2025	Variance
Rental & Finance Income	190.8	216.9	13.7%
Mobility Services Income	87.1	97.3	11.7%
Additional Products and Services	51.8	57.6	11.1%
Finance Commission	20.8	26.2	25.7%
Vehicle Risk Income	208.7	245.0	17.4%
Other Income	11.0	13.9	25.8%
Total Revenue	570.3	656.9	15.2%
Rental and Finance Cost of Sale	(133.4)	(170.6)	(27.8%)
Mobility Services Costs	(38.6)	(39.1)	(1.3%)
Additional Products Cost of Sale	(22.8)	(25.0)	(9.7%)
Vehicle Risk Cost of Sale	(166.4)	(200.4)	(20.4%)
Other Direct Costs	(11.4)	(11.2)	2.2%
Cost of Revenue	(372.7)	(446.2)	(19.7%)
Net Revenue	197.6	210.7	6.6%
Employee Benefits Expense	(86.3)	(90.7)	(5.1%)
Occupancy Costs	(2.1)	(2.4)	(17.8%)
IT and Communication Costs	(14.1)	(18.5)	(31.3%)
Other Expenses	(8.2)	(12.0)	(45.1%)
Total Operating Expenses	(110.7)	(123.6)	(11.7%)
Operating EBITDA	86.9	87.1	0.2%
Depreciation and amortisation expense	(16.0)	(16.5)	(3.4%)
Operating Income	71.0	70.6	(0.6%)
Interest on Corporate Debt	(7.2)	(10.7)	(47.5%)
Net Profit Before Income Tax	63.7	59.9	(6.0%)
Tax	(18.2)	(18.8)	(3.4%)
Net Profit After Tax	45.5	41.1	(9.8%)
Amortisation of Acquired Intangibles	5.0	5.0	(0.0%)
NPATA	50.5	46.0	(8.8%)

Financial Position

A$m	June 2024	December 2024	Variance
Assets			
Cash and cash equivalents	204.5	196.2	(4.1%)
Restricted Cash	186.4	206.1	10.6%
Trade and other receivables	291.0	293.6	0.9%
Inventories	43.5	28.9	(33.5%)
Lease motor vehicle assets & receivables	1,949.0	2,066.8	6.0%
Derivative financial instruments - Assets	14.2	4.1	(71.3%)
Property, plant and equipment	12.1	12.9	6.6%
Right of Use Assets	19.4	18.8	(3.1%)
Intangibles	613.5	612.2	(0.2%)
Investment in other companies	8.6	8.5	(0.9%)
Total Assets	**3,342.2**	**3,448.1**	**3.2%**
Liabilities			
Trade and other payables	(315.0)	(294.4)	6.5%
Derivative financial instruments - Liabilities	(1.6)	(8.9)	(445.8%)
Income tax	(40.3)	(25.2)	37.5%
Employee benefits	(27.1)	(27.2)	(0.2%)
Provisions	(37.2)	(38.6)	(3.8%)
Corporate Borrowings	(299.4)	(302.1)	0.9%
Right of Use Borrowings	(20.5)	(20.2)	(1.5%)
Lease Portfolio Borrowings	(1,715.3)	(1,860.5)	(8.5%)
Vehicle maintenance funds	(145.8)	(155.4)	(6.6%)
Deferred income	(77.4)	(84.4)	(9.1%)
Deferred tax - Liabilities	(72.0)	(92.6)	(28.7%)
Total Liabilities	**(2,751.5)**	**(2,909.6)**	**(5.7%)**
Net assets	**590.7**	**538.6**	**(8.8%)**
Equity			
Issued capital	(503.9)	(505.9)	0.4%
Reserves	105.5	117.5	13.4%
Retained profits	(192.3)	(150.1)	(21.2%)
Total Equity	**(590.7)**	**(538.6)**	**(8.8%)**

Corporate Leverage*



- Material growth in Lease Portfolio Assets and related borrowings
- Lease Portfolio Advance Rate improves from 88% to 90%
- Further reduction in Lease Portfolio Equity notwithstanding growth in book

* Corporate Leverage = (Corporate Borrowings less Cash & Cash Equivalents excl. Restricted Cash) / LTM Operating EBITDA

Cash Flow

A$m	1H2024	1H2025	Variance
Cash generated from operations before investment in lease portfolio	212.4	257.1	21.1%
Lease Portfolio Investing & Financing Activities	(132.2)	(138.6)	4.9%
Acquisition of operating and finance lease assets	(491.2)	(473.9)	(3.5%)
Proceeds from disposal of operating lease assets (excluding vehicle risk income)	82.1	96.8	17.9%
Capital receipts from finance lease assets	107.6	149.6	39.0%
Proceeds from Lease Portfolio borrowings	292.5	164.1	(43.9%)
Repayments of Lease Portfolio borrowings	(93.1)	(21.1)	(77.4%)
Transaction costs related to Lease Portfolio borrowings	(1.6)	(0.2)	(87.4%)
Lease Portfolio Finance Costs paid	(28.5)	(53.9)	89.0%
Cash Generated from Operations after Lease Portfolio Investing & Financing Activities	**80.2**	**118.6**	**47.8%**
Interest received	6.5	9.7	48.7%
Interest and other finance costs paid (excl Lease Portfolio)	(8.1)	(11.9)	80.2%
Income taxes paid	(4.2)	(7.7)	83.1%
Net cash generated by operating activities after Lease Portfolio Investing & Financing Activities	**74.6**	**108.6**	**45.8%**
Cash flows from investing activities (Excl. Lease Portfolio)			
Payment for purchase of subsidiary, net of cash acquired	-	-	-
Payments for property, plant and equipment	(2.7)	(3.3)	25.5%
Proceeds from disposal of property, plant and equipment	0.4	0.4	(2.5%)
Payments for intangibles	(4.9)	(5.5)	12.8%
Payments for investments	(0.5)	(0.5)	(2.3%)
Net cash used in investing activities (Excl. Lease Portfolio)	**(7.6)**	**(9.0)**	**17.0%**
Cash flows from financing activities (Excl. Lease Portfolio)			
Share awards settled through direct market acquisition	(6.7)	(2.1)	(68.5%)
Proceeds from Corporate borrowings	(0.0)	-	(100.0%)
Repayments of Corporate borrowings	(3.2)	-	-
Transaction costs related to Corporate borrowings	(1.6)	(0.0)	(92.8%)
Repayment of lease liabilities – right-of-use assets	(3.2)	(3.4)	6.2%
Dividends paid	(24.8)	(83.2)	234.9%
Net cash from financing activities (Excl. Lease Portfolio)	**(39.5)**	**(88.7)**	**(65.8%)**
Net increase in cash and cash equivalents	**27.4**	**11.0**	**(60.0%)**

A$m	1H2024	1H2025	Variance
Cash generated from operations before Investment in Lease Portfolio (A)	**212.4**	**257.1**	**21.1%**
Operating EBITDA	86.9	87.1	0.2%
Add: Depreciation on Lease Portfolio Assets	91.3	111.3	22.0%
Add: Interest on Lease Portfolio Borrowings	37.4	55.2	47.8%
Less: Net Interest Other	(6.9)	(9.8)	42.6%
Reported EBITDA (B)	**208.6**	**243.7**	**16.8%**
Cash generation from operating activities as a % of Reported EBITDA (A/B)	**101.8%**	**105.5%**	**3.7%**

Cash generation ratio of 105.5%

Summary

Continued growth

Australian Corporate
Business development activity at exceptional levels

Australian Novated
Employer and driver interest strong

New Zealand
Progress in stabilising environment

United Kingdom
Steady growth in customer book

Supply, Order Pipeline, and Used Values
- Order pipeline remains elevated
- Normalisation continues gradually

LeasePlan
- System migration entering final phases

Innovation
- Accelerated innovation grows revenue
- Improved customer digital journey

Questions

Appendix

P&L Reconciliation

1H2025	Revenue	Total Expense	PBT
Investor Presentation	**656.9**	**(597.0)**	**59.9**
Profit Share to On Balance Sheet Clients[1]	(8.3)	8.3	-
Share of losses of associates accounted for using the equity method	(0.0)	0.0	-
Statutory Accounts	**648.5**	**(588.6)**	**59.9**

1H2024	Revenue	Total Expense	PBT
Investor Presentation	**570.3**	**(506.6)**	**63.7**
Profit Share to On Balance Sheet Clients	(12.8)	12.8	-
Share of losses of associates accounted for using the equity method	(0.1)	0.1	-
Statutory Accounts	**557.4**	**(493.7)**	**63.7**

Reconciliation Notes:

1. Profit share payments to customers with on-balance sheet funded operating leases are set off against Operating Lease Income in the Statutory Accounts, but are presented as Vehicle Risk Cost of Sale in the Investor Presentation.