

2025 Half Year Results

Scott Wharton
Managing Director and CEO

Jason King
Chief Financial Officer



Acknowledgement of Country

Smartgroup acknowledges the Custodians of Country throughout Australia. We pay our respects to Aboriginal and Torres Strait Islander cultures and to Elders past and present and thank them for their ongoing custodianship of this land and community.

Artist Statement

Co-existing with Mother Earth from the first days of understanding of kinship and the importance of caring for Country. Preparing for the future and prospering by putting country first which started through gatherings of our ancient ancestors which continues through time to this day, Country has always been an important part of First Peoples of Australia cultures.

Country has sustained us, revitalised, and rejuvenated our mind, body, and spirit for many millennia. And by putting Country first it will continue to do so. It has been our most important commandment handed to us down throughout the generations through loving careful instructions. A nourishing thought for the ages of our continuous culture on this ancient landscape.

Narrative written by Jade Kennedy of the Tatti-Tatti/ WadiWadi/Muddi-Muddi - West Kulin Nation and Wajak/Kaardjin - Noongar Nation.



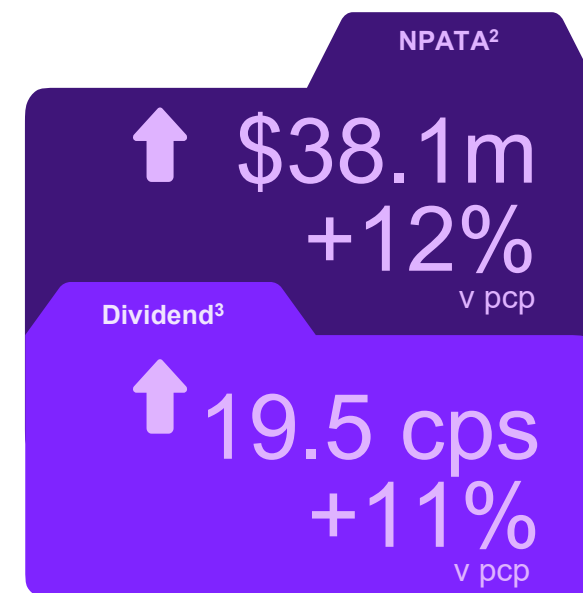
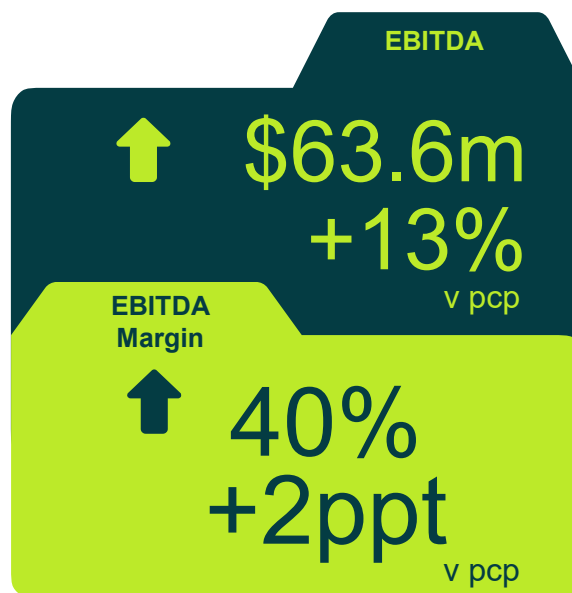
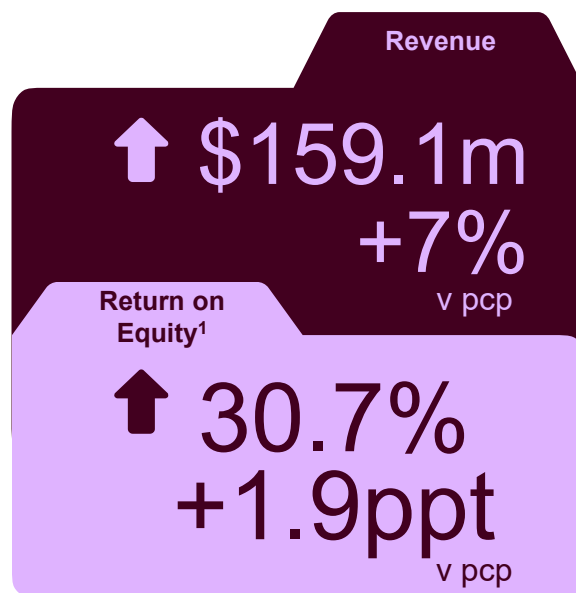
Kengatha-nak-thangi Grow Mother Country

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01 — 2025 Half Year Highlights



H1 2025 Financial Highlights



H1 2025 Operational Highlights



Strong customer growth

- 484,000 active customers at June, +82,000 v pcp (up 20%)
- 80,000 novated leases under management, +15,400 v pcp (up 24%)
- 32,400 fleet-managed vehicles, +1,800 v pcp (up 6%)

Demand for novated leasing

- +8% growth in leasing settlements v pcp
- Vehicle supply stable
- EV orders 48% of total new car orders in H1 2025
- New distribution channels to drive growth

Strategic Priorities

- New digital salary packaging sign-up journey
- New strategic partnerships, including BMW Financial Services and Stratton Finance
- Launched mortgage referral offering with Finspo

Sustainability

- Sustainalytics ESG Risk Rating 11.1. Ranked 96th percentile globally
- Ranked 85th percentile in the S&P Global Corporate Sustainability Assessment
- Recognised as an Employer of Choice for Gender Equality by WGEA for 2023-2025

Investment proposition



Leading, resilient business	Leading player with diversified exposure	<ul style="list-style-type: none"> Positioned as a market leader in salary packaging and novated leasing Broad product offering incl. exposure to fleet management 	▶	566,000 LTM salary packaging customers ¹	~2.4m potential customers in existing client base
	Resilient business with high client retention	<ul style="list-style-type: none"> Resilient customer demand through the cycle Significant recurring revenue Long-term client contracts in attractive and growing segments 		41% Not-for-profit ² , 25% Government,	25% Health ² , 6% Education
Attractive financial profile	Consistent strong financial performance	<ul style="list-style-type: none"> Proven track record of revenue growth Solid margins supported by increasingly scalable model Strong operating cash flow conversion 	▶	+12% revenue ³ CAGR (3y)	138% operating cash flow to NPATA
	Favourable operating environment	<ul style="list-style-type: none"> Continued demand for novated leasing Vehicle delivery timeframes stable Cost of living pressures 		+24% increase in novated leases under mgt v pcp	39 days average delivery time ⁴
Building profitable growth	Capital light business model	<ul style="list-style-type: none"> Strong and flexible balance sheet Minimal residual value exposure with limited on-balance sheet funding 	▶	P&A funding model	0.3x net debt / EBITDA ⁵
	Strategic Priorities increasing scalability	<ul style="list-style-type: none"> Focus on core business performance and simplification Investment in technology to drive scale benefits, strengthen customer experience and accelerate digitisation 		+20% in the number of packages / FTE ⁶	>2x engaged customer base ⁷

02 — Strategic Priorities Update



Our Strategic Priorities and focus

Our ambition	Smarter Benefits for a Smarter Tomorrow Simplifying benefits and adding value to our clients and customers, while enabling businesses to attract and retain great teams as we build a more sustainable Australia.		
Our focus	Smarter Experiences Market-leading customer experience, helping customers and employers work with us how and when they want	Smarter Products Simple and innovative products and services to help customers do more and save more	Working Smarter Simple and scalable operations, with improved capability that puts the customer first
Our Strategic Priorities	<p>Customer-focused, digital and efficient salary packaging offering</p> <p>Leadership in Novated Leasing via EVs</p> <p>Innovation of propositions to meet growing customer needs</p> <p>Targeted investment in fleet capabilities</p>	<ul style="list-style-type: none">• Digitise operations and enhance self-service to delight clients and customers• Simplify and consolidate the core technologies and drive scale benefits including moving to a single brand• Maintain a market-leading proposition for EVs through sustained digital investment• Accelerate our digital sales engine• Expand our novated leasing offering to meet a broader set of needs• Scale our benefits program• Continue to support client demand for tailored products• Increase capability via balance sheet-funded pilot	

Strategic roadmap

Feb 24 Announced
Strategic Priorities

Realise scale benefits –
targeting mid-40s EBITDA
margin during the year

2024

2025

2026

2027

2028+

Focus on growth and demand generation through digital marketing, improved digital assets and excellent customer experience

Focus on building a scalable platform, removal of duplication and cost efficiencies through brand alignment, technology modernisation, automation, and AI

Focus on innovation of propositions with more benefits and new products

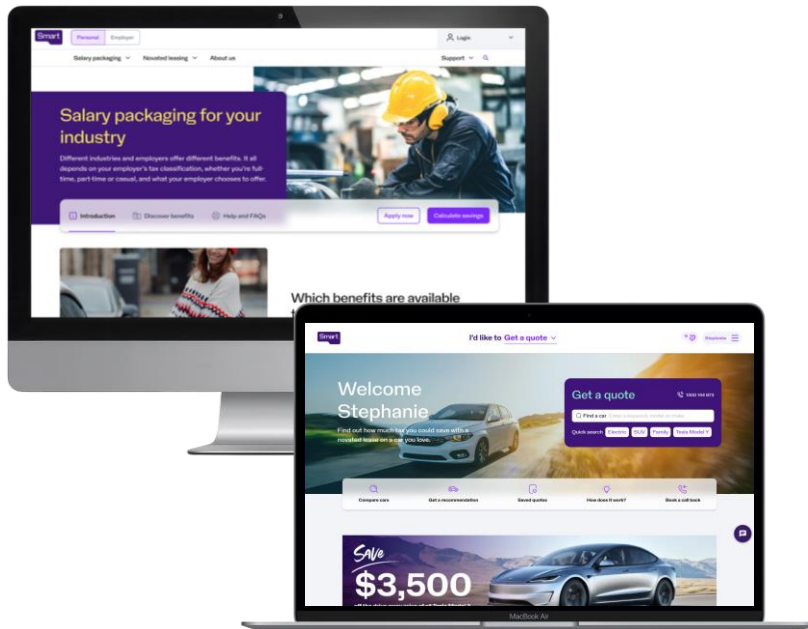
Examples of our digital investments

Delivered in CY24

Delivered in H1 25

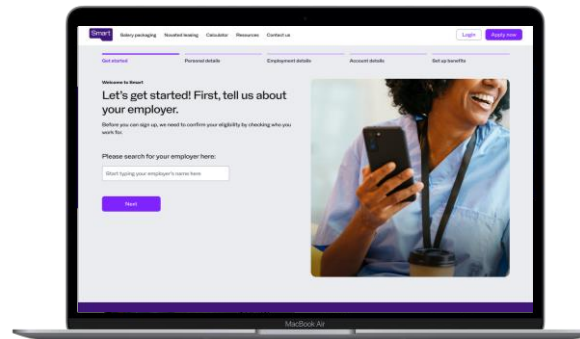
2025 - 2026

New digital home smart.com.au



Enhanced Car Leasing Portal

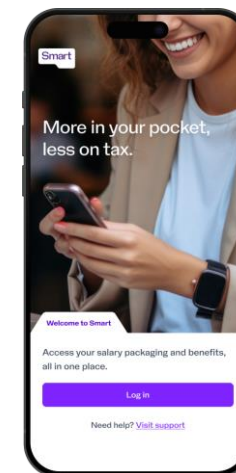
New digital packaging journey



Continuous enhancements of our digital assets. e.g.:

- SEO Optimisation and customer experience enhancements of smart.com.au
- Enhanced vehicle discovery, performance enhancements for Car Leasing Portal

New App¹



Brand, Systems and Operational alignment

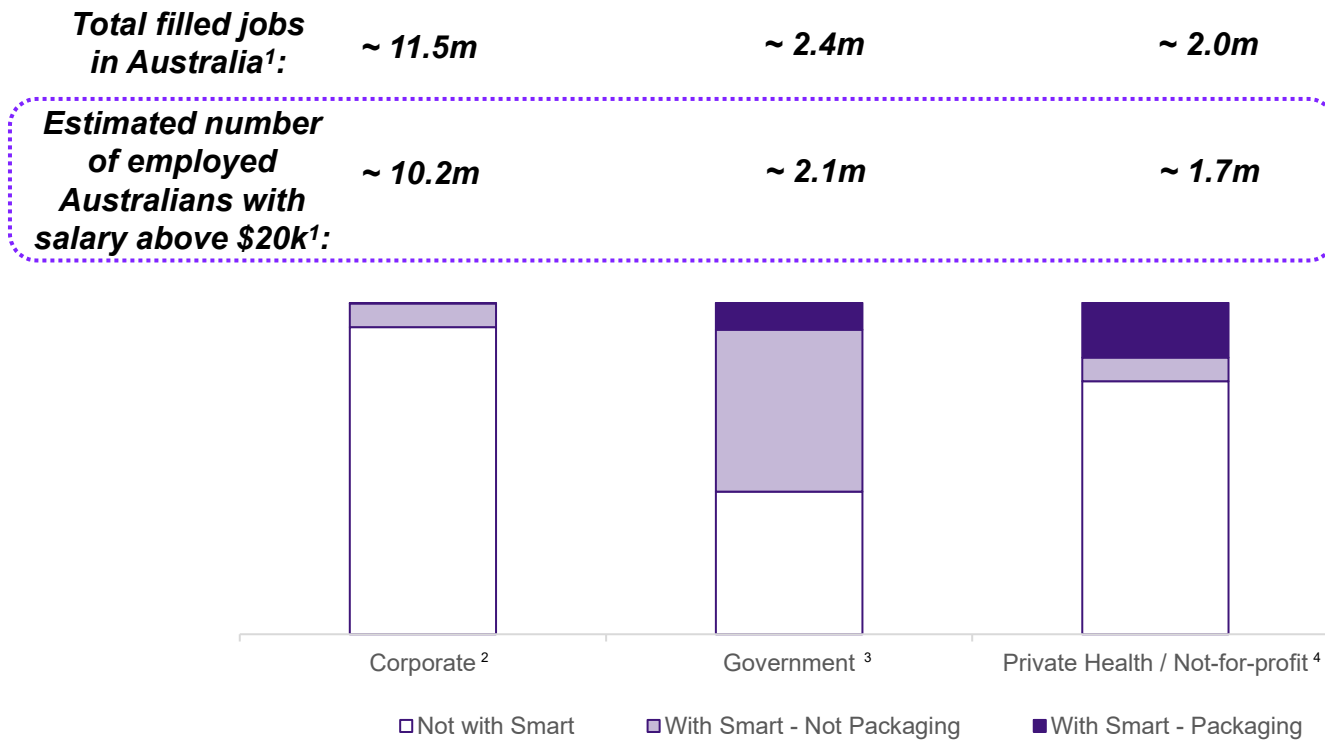
1. Concept only.

Delivering Smarter benefits for a Smarter tomorrow

Strong progress on our Strategic Priorities in H1 2025

Customer-focused, digital and efficient salary packaging offering	Leadership in Novated Leasing via EVs	Innovation of propositions to meet growing customer needs	Targeted investment in fleet capabilities
<ul style="list-style-type: none">• Launched new digital salary packaging sign-up journey• Delivered ~20% improvement in the number of packages/operations FTE v H1 2024• smart.com.au, new digital home, attracted >2m total users since launch• More than doubled new client wins in H1 2025 compared to H1 2024¹• Applied AI to analyse sentiment across more than 128,000 customer calls• Progress towards brand, systems and operational alignment	<ul style="list-style-type: none">• Increased number of settlements by 8% in H1 2025 v pcp• Grew ICE new car orders by 9% v pcp• Enhanced our car leasing portal, including test drive booking, recommendation quiz, and upgrades to vehicle search• Adapted our car leasing portal to support novated leasing distribution partners	<ul style="list-style-type: none">• Operationalised our Intellihub's Enreal, offering solar, battery, and energy optimisation solutions• Implemented partnership with BMW Financial Services and Stratton Finance• Launched mortgage referral offering with Finspo	<ul style="list-style-type: none">• Increased vehicles under management by 6% in H1 2025 v pcp• Grew self-funded fleet pilot to ~830 vehicles for ~50 clients• Progressed review of our fleet business strategy• Implemented operational improvements for our clients

Our addressable market is a significant growth opportunity

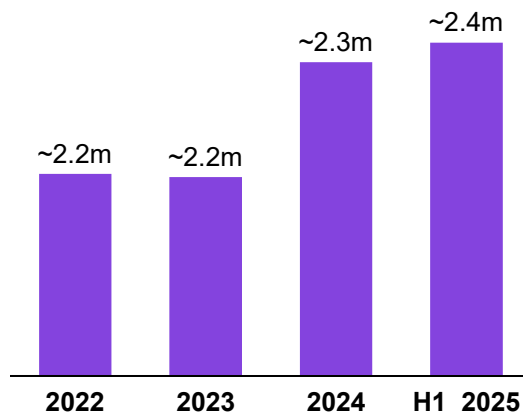


- There are over 15 million employed Australians, of those circa **14 million** earn a salary above \$20k, and can benefit from salary packaging
- Of those 14 million potential customers, around **2.4 million are employed by Smartgroup clients**
- Smartgroup served **~570,000 customers** in the last 12 months, with the majority in Government, Health and Not-for-profit segments
- Our opportunity is to increase penetration in our existing client base, grow in the Corporate segment and acquire new clients

Continuing to drive scalability

Increase in eligible customer base¹ on pcg

+7%

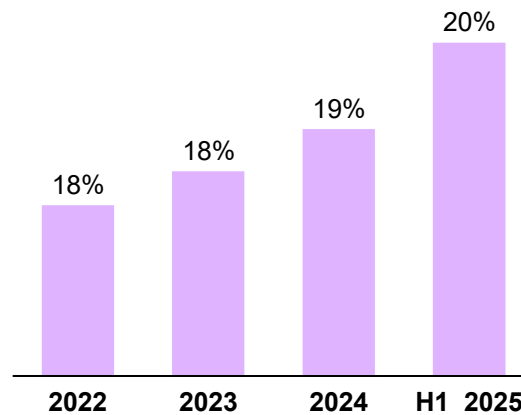


■ Number of eligible employees

- Focus on increasing eligible customer numbers to leverage the scale of our platform

Improvement in customer penetration² relative to pcg

+13%

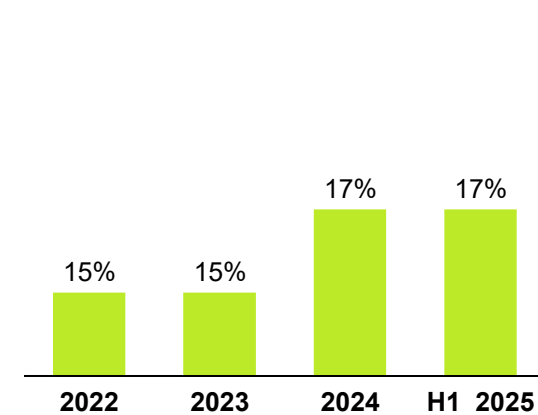


■ Active customers uptake %

- Focus on the organic opportunity to expand penetration into our existing client base

Improvement in product uptake relative to pcg

+3%



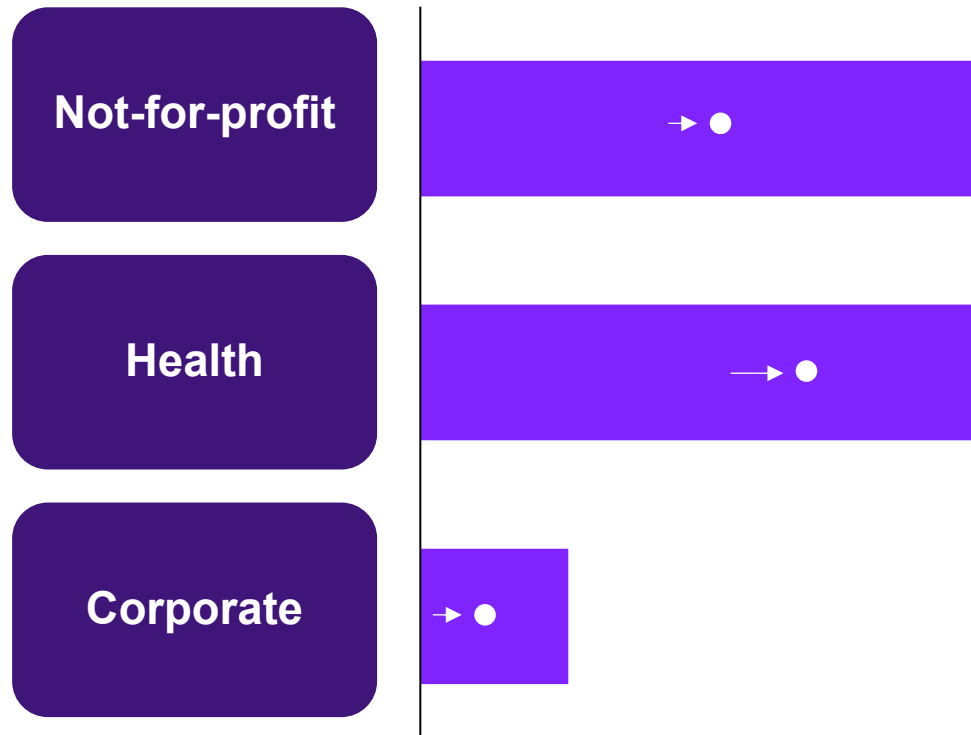
■ Novated leasing % of packages

- Focus on expanding our products and services to better meet customer needs and increase retention

Case Studies

Increasing customer penetration across segments

Illustrative Segment Penetration



Initiatives

- Strategic account management
- Digital marketing
- Data and analytics
- Customer activation and education
- Sales effectiveness
- New product offerings

Driving results

Client A¹ (*NFP client in NSW*)

+7% relative improvement in customer penetration vs pcp

Client B² (*Hospital client in VIC*)

+10% relative improvement in customer penetration vs pcp

Client C³ (*Corporate client in QLD*)

+21% relative improvement in customer penetration vs pcp

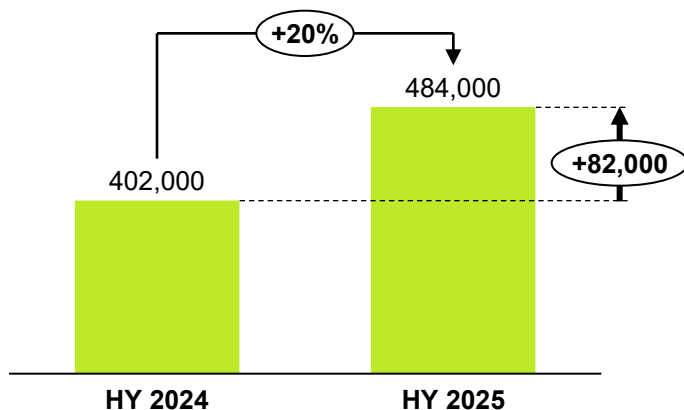
1. Circa 1,500 employees.
2. Circa 5,000 employees.
3. Circa 6,000 employees.

03 — 2025 Half Year Performance



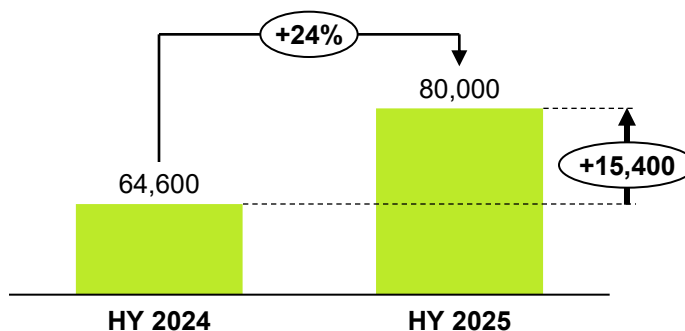
Record customer numbers across all key product lines

Active salary packages



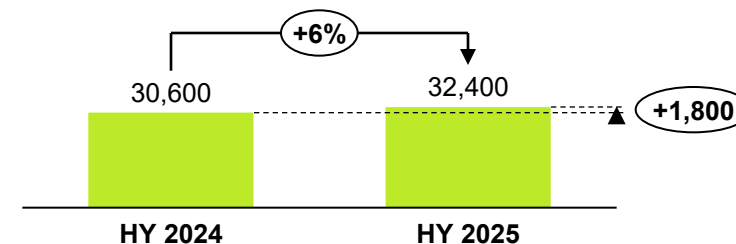
- Onboarding of new clients and increased uptake in existing clients

Novated leases under management



- Strong settlement levels and vehicle supply have seen continued growth in novated leases under management

Fleet managed vehicles



- Modest improvement in fleet under management, self-funding fleet pilot continues to expand with ~830 vehicles funded for ~50 organisations as at 30 June 2025

Resilient leasing demand and yield sustained

	H1 2025 v pcp	H1 2025 v H2 2024
New lease vehicle orders ¹	19%	10%
Total settlement volume ²	8%	3%
Leasing yield ³	-1%	-3%

Strong customer demand

- Continued customer interest in novated leasing
- Enhanced marketing activities across multiple channels and ongoing customer education

Vehicle delivery timeframes stable

- Average Vehicle Order to delivery timeframes (for Smartgroup top 30 makes/models by volume) - 39 days in H1 2025
- Total pipeline future revenue of c.\$13m at the end of June 2025 (from \$12m in December 2024)

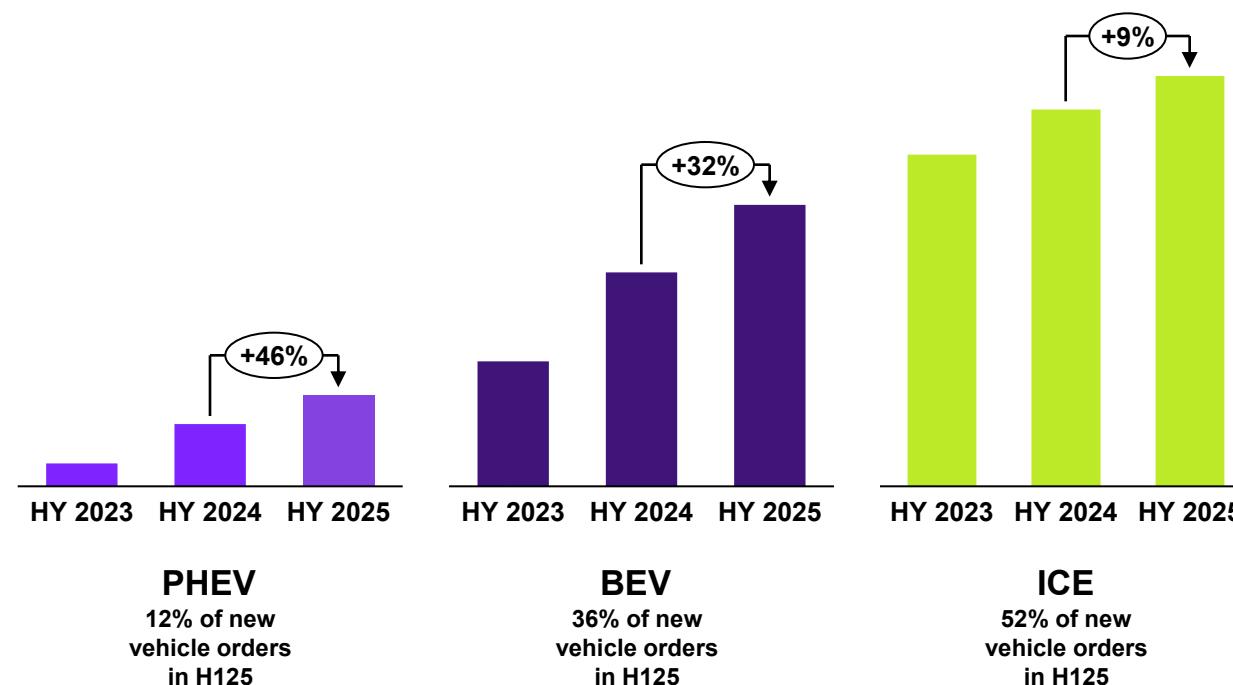
Yield focus

- New novated leases¹ improved to c.84% of total novated volume for H1 2025 (vs 81% in H1 2024)
- Yield down -1% v pcp
- Ongoing focus on yield management

Orders continue to grow

- Availability of EVs remains good, with new models expected throughout 2025
- Strong BEV interest during H1 2025, new vehicle orders +32% vs pcp. PHEV new vehicle orders +46% vs pcp, driven by the end of the discount policy
- From 1st April, the Discount Policy ceased applying to PHEVs. The resulting decrease in PHEV demand has been offset by demand for BEVs
- ICE new vehicle orders grew 9% vs pcp
- In H1 2025, ICE, BEV and PHEV vehicles were 52%, 36% and 12% of new car lease orders, respectively

New vehicle orders growth (PHEV, BEV, ICE)



Strong earnings growth, from sustained revenue uplift

- Revenue growth driven by novated leasing and new clients
- Reduced product costs from lower attachment of vehicle aftermarket products
- Staff expenses increased as a result of investments in resourcing to deliver Strategic Priorities, and wage inflation. Average workforce reduced by 4% v pcg
- Other expenses were driven by marketing investment, partially offset by reductions in administrative and corporate expenses
- EBITDA margin at 40%, up 2ppt v pcg
- NPATA grew 12% to \$38.1 million v pcg

\$m	H1 2025 ¹	H1 2024	Change %
Revenue	159.1	148.5	7%
Product costs (cost of sales)	(6.0)	(6.6)	(9%)
Net revenue	153.1	141.9	8%
Staff expenses	(64.3)	(61.7)	4%
Other expenses	(25.2)	(24.0)	5%
Total operating expenses	(89.5)	(85.7)	4%
Operating EBITDA	63.6	56.2	13%
Operating EBITDA margin	40%	38%	+2ppt
Net finance costs	(1.6)	(1.8)	(12%)
Depreciation	(3.7)	(3.1)	20%
Amortisation	(3.0)	(2.0)	48%
Tax expense	(17.3)	(15.2)	14%
NPATA²	38.1	34.1	12%

1. A reconciliation of the statutory accounts to adjusted earnings is contained in the Appendix.
 2. NPATA is net profit after tax, adjusted to exclude significant non-operating items (tax-effected).

High cash conversion at 138% of NPATA

- Half-year receipts grew in line with revenue, supplemented by favourable timing of working capital movements and tax payments
- Capex lower than H1 2024, primarily due to timing of large delivery initiatives, including South Australia contract implementation. Delivery is expected to accelerate in H2 2025 following enhancements to our product and technology operating model
- CY25 technology capex expected to be ~\$11-13m
- Expanded balance sheet funding pilot for fleet vehicles

\$m	H1 2025	H1 2024	Change %
Receipts from customers (inc GST)	192.9	173.5	11%
Payments to suppliers and employees (inc GST)	(124.6)	(120.7)	3%
Interest received from operations	3.6	3.5	3%
Interest paid	(2.6)	(2.5)	2%
Interest paid on lease liabilities	(0.1)	(0.3)	(52%)
Income taxes paid	(16.7)	(16.9)	(1%)
Net cash from operating activities	52.5	36.6	43%
<i>As a % of NPATA</i>	<i>138%</i>	<i>108%</i>	<i>+30ppt</i>
Capitalised IT development costs	(4.5)	(8.5)	(47%)
Payments for funding of motor vehicles	(2.6)	(3.2)	18%
Other PP&E capex	(0.4)	(1.1)	(68%)

1. Prior period excludes payments for M&A transaction costs of \$0.3m. Net cash from operating activities excludes receipts and payments from customers' salary packaging accounts and significant non-operating items.

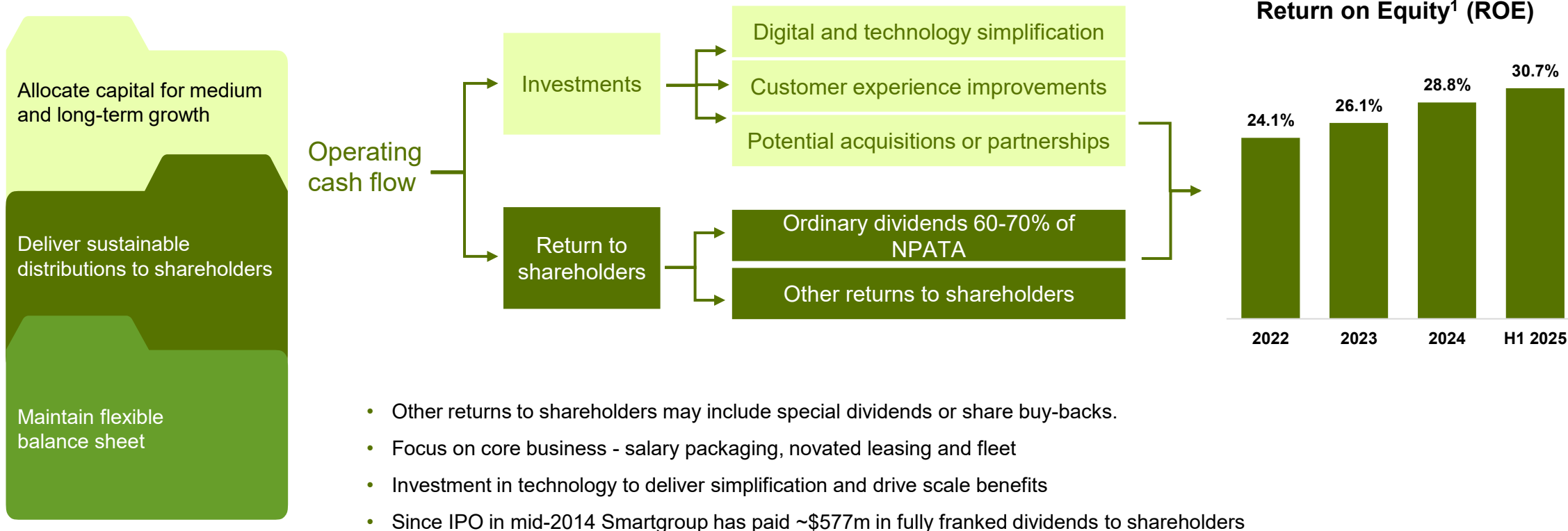
Strong and flexible balance sheet with 0.3x leverage

- Low leverage and high cash generation support future investment opportunities
- Decrease in net debt position from higher cash inflows driven by strong EBITDA performance and favourable timing of working capital movements

\$m	30 Jun 2025	31 Dec 2024
<i>Cash</i>	54.9	34.6
<i>Other current assets¹</i>	241.5	285.5
Current assets	296.4	320.1
Non-current assets	343.9	333.2
Total assets	640.3	653.4
Current liabilities ¹	277.8	313.2
<i>Borrowings</i>	95.7	79.2
<i>Other non-current liabilities</i>	8.5	2.7
Non-current liabilities	104.2	81.9
Total liabilities	382.0	395.1
Net assets	258.3	258.3
 Net corporate debt²	 41.6	 45.4
Net corporate debt/last 12 months EBITDA	0.3	0.4

1. Includes restricted cash of \$206.2m (31 December 2024: \$245.1m). This is entirely offset by salary packaging liability.
 2. Excludes capitalised borrowing costs of \$0.8m (31 December 2024: \$0.8m) and vehicle borrowings of \$3.4m (31 December 2024: \$3.2m).

Disciplined approach to maximising shareholder returns



04 — Summary and Outlook



H1 2025 Summary



Outlook

CY 2025

- Demand for novated leasing remains strong – July 2025 new lease vehicle orders and settlements in line with pcp
- July yield remains resilient
- External short-term uncertainties have eased
- Industry dynamics across all business lines remain competitive
- ~\$11-13m expected software capex spend in 2025

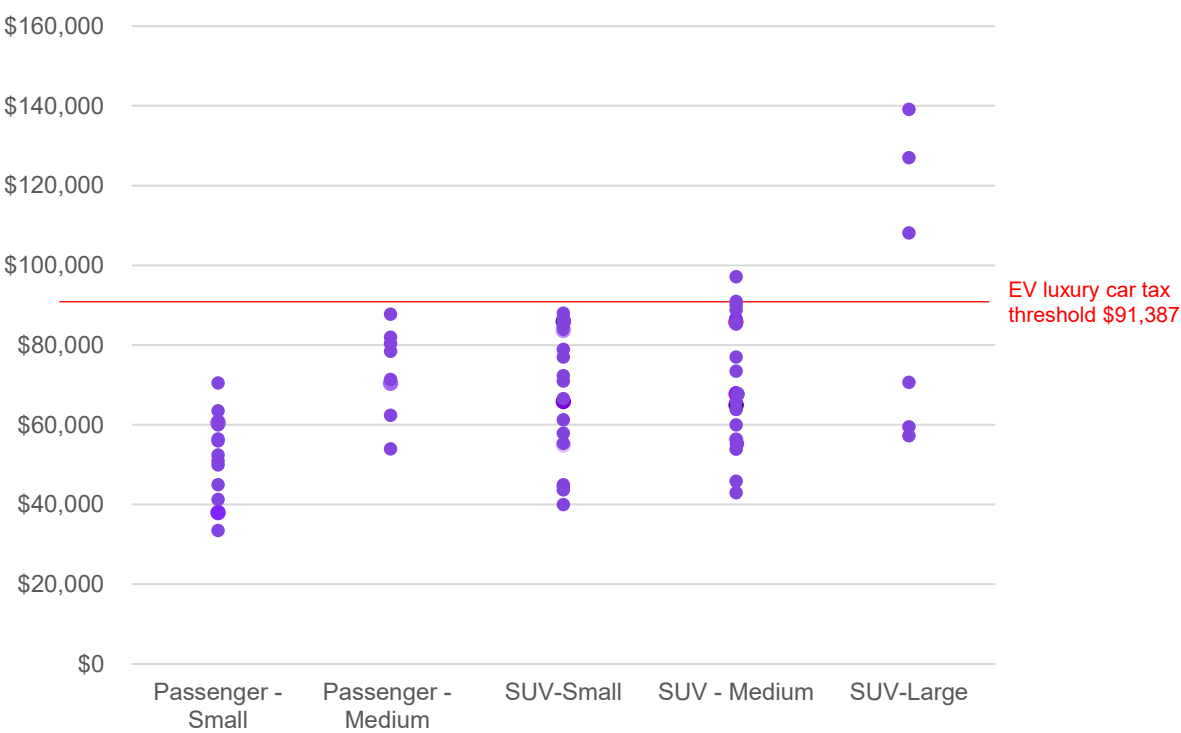
Medium-term (2027+)

- Based on current market conditions, we are targeting mid-40s EBITDA margin during 2027
- Post 2027, with sustained investment, there are opportunities to further elevate business performance



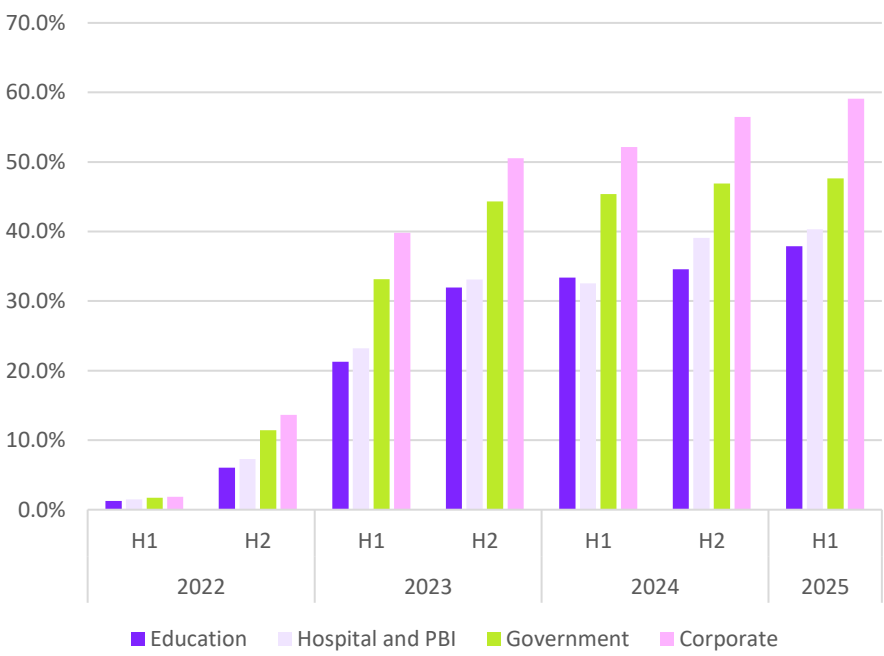
05 — Appendix

The EV market is continuing to expand



- EV availability across most price points and categories

EV¹% of new car orders
(i.e. excl. used cars and refinancees)



- EV proportion of new car lease orders and settlements continues to grow across all client segments

1. Includes EVs (BEVs and PHEVs) below the luxury car tax threshold of \$91,387.

Reconciliation of earnings to statutory financial statements

\$m	H1 2025	H1 2024
Net revenue	153.1	141.9
Operating EBITDA	63.6	56.2
One-off costs	-	-
Segment results	63.6	56.2
Net finance costs	(1.6)	(1.8)
Depreciation expense	(3.6)	(3.1)
Amortisation expense	(3.0)	(2.0)
Gain on sale of businesses	-	0.3
PBT (statutory)	55.4	49.6
Income tax expense	(17.3)	(15.3)
NPAT (statutory)	38.1	34.3
Addback: tax-effected gain on sale of businesses	-	(0.2)
NPATA	38.1	34.1
Shares on issue (millions)	135.7	134.0
NPATA per share (cps)	28.1	25.5

Balance sheet

\$m	30 Jun 2025 statutory	31 Dec 2024 statutory
Cash	54.9	34.6
Restricted cash	206.2	245.1
Trade and other current assets	35.3	40.4
Current assets	296.4	320.1
Property and equipment	2.6	2.7
Smartgroup funded vehicles	18.9	18.4
Right-of-use assets – other	10.5	2.5
Intangible assets	299.6	298.1
Other non-current assets	12.3	11.6
Non-current assets	343.9	333.2
Total assets	640.3	653.4
Trade and other payables	38.9	39.7
Customer salary packaging liabilities	206.2	245.1
Lease liabilities	9.2	2.1
Provisions and other liabilities	32.0	29.0
Non-current interest-bearing loans	95.7	79.2
Total liabilities	382.0	395.1
Net assets	258.3	258.3
Issued capital	264.9	264.1
Retained earnings & reserves	(6.6)	(5.8)
Total capital	258.3	258.3
Net corporate debt	41.6	45.4
Net corporate debt / LTM EBITDA	0.3	0.4

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