



ASX Announcement

Release date: 26 February 2026

Smartgroup delivers strong 14% EBITDA growth with increasing margins

Smartgroup Corporation Ltd (ASX: SIQ) (“Smartgroup” or “the Group”), a leading employee services and fleet solutions provider, today reported its full-year results for the 12 months ended 31 December 2025 (CY 2025).

CY 2025 Highlights

- Revenue of \$329.3m, up 8% on 2024 (pcp)
- Operating expenses of \$182.7m, up 5% on pcp
- Operating EBITDA of \$135.3m, up 14% on pcp; EBITDA margin at 41%, up 2ppt on pcp
- NPATA¹ of \$80.2m, up 11% on pcp, Statutory NPAT of \$79.4m, up 5% on pcp
- Novated leasing settlements 7% increase on pcp
- Battery Electric Vehicles (BEV) accounted for 40% of 2025 new car lease orders, while plug-in-hybrid EVs (PHEV) and Internal Combustion Engine (ICE) vehicles accounted for 8% and 52% respectively
- BEV and ICE new car lease orders increased 49% and 4% respectively compared to pcp
- Continued strong Return on Equity (ROE) of 30% after tax, up 1ppt on pcp
- Strong and flexible balance sheet with low net debt position at 0.3x EBITDA²
- Final ordinary dividend declared of 21.5 cents per share (cps) and special dividend declared of 12 cps, both fully franked³, total dividends declared in CY 2025 represent 90% of CY 2025 NPATA

Commenting on Smartgroup’s performance over 2025, Managing Director and CEO, Scott Wharton, said: “Smartgroup delivered another year of strong financial and operational performance in 2025. We grew revenue by 8% and EBITDA by 14%, lifting our EBITDA margin to 41%. Since announcing our current strategy in February 2024, we have achieved a 35% increase in EBITDA and expanded our NPATA by 27%, demonstrating the scalability of our platform and the momentum in our core businesses.

“Record customer numbers across salary packaging, novated leasing and fleet reflect how our enhanced digital journeys, personalised support and simplified processes are making it easier for more people to choose and engage with Smartgroup.

“Our customer growth has been supported by our sustained focus on delivering simple, intuitive digital experiences, market-leading service and ongoing investment in our operating platform. These improvements are strengthening engagement, broadening our addressable market and positioning us for continued growth.”

¹ NPATA is net profit after tax, adjusted to exclude the non-cash tax-effected amortisation of intangibles and significant non-operating items.

² EBITDA for the 12 months to 31 December 2025.

³ Record date 6 March 2026 and payment date 20 March 2026

Strong financial performance in CY 2025

Revenue for the year was \$329.3m, up 8% on pcp, underpinned by higher novated leasing settlement volumes and salary packaging customer numbers. This was driven by ongoing efforts on demand-generating activities, including enhanced digital marketing and account management capabilities, as well as new client wins. A continuing focus on enhancing customer service and experience also contributed to the strong performance.

Total expenses increased 5% to \$182.7m, as the Group continued to invest for growth while focusing on improving scalability. Non-staff costs were largely driven by enhanced marketing, lead-generation activities and expenses relating to technology investments. Management remains focused on ensuring the Company operates efficiently while continuing to differentiate and improve its competitive position.

EBITDA of \$135.3m was up 14% on pcp, and EBITDA margin was 41% for the year.

Profit after tax, as measured by NPATA, was \$80.2m for 2025, up 11% on pcp.

Smartgroup has continued to generate a strong operating cash flow of \$97.8m, representing 122% of NPATA, which included some favourable timing of working capital movements and tax payments. The Group maintains a flexible balance sheet with a low net debt level of \$38.1m as at 31 December 2025, being 0.3x EBITDA.

The Group's strong cash flow conversion and low net debt position have enabled the Board of Directors to declare a final ordinary fully franked dividend of 21.5 cps and a special dividend of 12 cps fully-franked, which brings total dividends for the year to 53 cps, representing 90% of CY 2025 NPATA.

Record salary packaging, novated leasing and fleet customer numbers

At 31 December 2025, Smartgroup had 491,000 active packaging customers, an increase of 46,000 versus pcp. In the last 12 months, Smartgroup provided salary packaging services to 584,000 customers.

Strong leasing demand resulted in a 13% increase in new lease vehicle orders and a 7% increase in total novated leasing settlements versus pcp. At the end of December, Smartgroup had 85,300 novated leasing customers, an increase of 11,000 versus pcp.

As legislated, the Government has now commenced a statutory review of the Electric Car Discount Policy to assess its performance over its first three years. The review findings will help inform broader policy development on how to continue expanding electric vehicle (EV) choices for more Australians and bring transport emissions down.

In 2025, EVs represented 40% of all new car novated leasing orders, while plug-in-hybrid EVs and Internal Combustion Engine vehicles accounted for 8% and 52% respectively.

ICE vehicles remain an important part of our business, and in 2025, ICE new vehicle orders increased 4% compared to 2024. Smartgroup continues to educate our customers, by providing vehicle specific Environmental and ANCAP ratings on novated lease quotes and educational materials about sustainable car usage.

In 2025, leasing yield was relatively stable, compared to 2024.

In fleet, Smartgroup reached 35,200 managed vehicles, an increase of 9% versus pcp.

Executing Smartgroup's Strategic Priorities

During the year, the Group achieved several milestones which further enhanced customer and client experience, and continued to focus on creating efficiencies through simplification.

In 2025, examples of achievements include:

- Delivered 16% improvement in customers per operations FTE, compared to 2024;
- Continued enhancements to our car leasing portal and new digital salary packaging sign-up journey, delivering an improved customer experience at scale;
- Evolved our product offering to customers through partnership, including: BMW Financial Services; Karmo; Count; and Finspo; and
- Expanded our service offering to clients with appointment of an external funding provider for fleet, Volkswagen Financial Services Australia.

Outlook

Commenting on Smartgroup's outlook, Managing Director and CEO, Scott Wharton, said: "Looking ahead, we see a supportive environment for further growth. Demand for our products and services is robust, supported by our marketing efforts and a large and growing client base employing around 2.5 million eligible employees. Our focus is on deepening our relationships with existing clients, broadening our benefits offering and continuing to grow novated leasing, across both EV and ICE vehicles.

"We are executing our Strategic Priorities with discipline as we continue building a more scalable and digital business, simplifying brands and systems, modernising our technology, and embedding automation and AI to enhance how we serve customers. With these initiatives progressing well, and based on current market conditions, we are targeting EBITDA margins in the mid-40s range during 2027.

"Our capital-light model, strong cash generation and measured investment in digital and data, position Smartgroup well to deliver sustained profitable growth and create long-term value for shareholders over the medium term."

CY 2025 investor briefing presentation

Smartgroup Managing Director and CEO, Scott Wharton and Chief Financial Officer, Jason King, will hold an audio briefing to discuss the results as follows:

Date: Thursday, 26 February 2026

Time: 9:00am (Sydney Time)

URL: <https://webcast.openbriefing.com/siq-fyr-2026/>

The audio briefing will be streamed live at the above URL. The briefing will also be available on the Smartgroup website investor section: <https://ir.smartgroup.com.au/Investors/> under the Financial Reports and Presentations tab.

This announcement was authorised by the Board of Smartgroup for release to the ASX.

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