SG Fleet Group

Integrated Mobility

FY21 Results

Investor Presentation

17 AUGUST 2021

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Overview

- Underlying NPAT $51.6m
  - Up 41.8%
- Total dividend 12.585 cps
  - Up 25.9%

- Strong recovery in Novated orders despite COVID impact on some industries
- Orders exceed pre-COVID levels

- Continued strong performance from AU, NZ & UK Corporate businesses
- Second-hand vehicle values remain exceptional

- Exceptional retention and further improvement in win rates
- Growth in customer book and products per customer

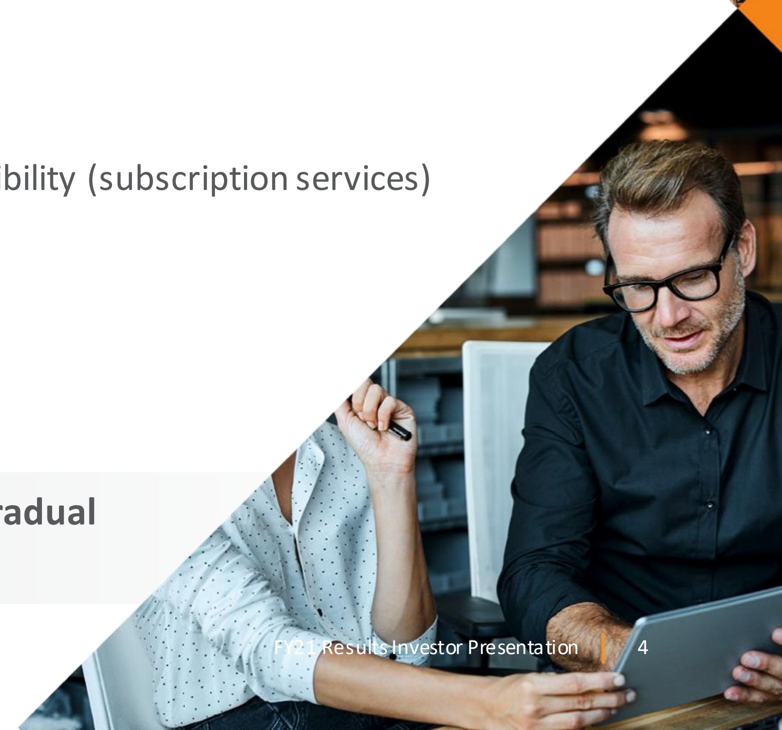
- Delivery of orders remains challenging
- Strong growth in leads and order pipeline to benefit FY22

Operational Review - Australia

Corporate

- Strong performance continued from 1H21
- Competitive environment largely rational
  - Single competitor adopting unusual pricing tactics
  - Opportunities continue to emerge
- Multiple contract extensions
- Tender win rate improves further
- Growing interest in new products and solutions
  - Emphasis on capacity utilisation (*Bookingintelligence*) and flexibility (subscription services)
  - Greater focus on lower emission vehicles (eStart) and safety
- Delivery of orders remains challenging
- Second-hand vehicle values remain at exceptional levels

Supply / Second-hand values normalisation expected to be gradual and prolonged



Operational Review - Australia

Novated

- Consumer confidence fluctuates in line with lockdowns – improvement in second half
- Digitised and revitalised marketing approach
  - Improved digital customer experience
  - Tailored, employer-specific marketing and sales enablement
- Focus on building customer loyalty
  - Strong retention
  - Significant number of large wins, including panels
- Sustained demand recovery
  - Steady increase in leads – now above pre-COVID levels
  - Corresponding increase in order pipeline
- Increase in revenue per order through greater penetration of additional products and services

Supply disruption defers deliveries of strong order pipeline into FY22

Operational Review – United Kingdom

Environment

- Economic rebound as restrictions ease
- Car market recovering in line
  - Registrations to return to pre-COVID levels by 2022
  - Light commercial reaches 10-year high
  - Tax breaks boost LEV/EV interest
- Vehicle and parts supply shortages impact delivery
- Second-hand values remain at exceptional levels
- Funding environment challenging

Business Activity

- Continued wins across Corporate / SME / Employee Benefits businesses
  - Multiple new employee benefits schemes launched
  - Expecting large customer decisions in 1Q22
- Niche offering in light commercial and EV expertise in high demand
- Implementing previously won contracts and order deliveries within context of supply constraints

Strong COVID-period performance continues

Operational Review – New Zealand

Environment

- Continued economic recovery
- Improvement in business sentiment
  - Investment and hiring pick up
- New vehicle supply issues persist
- Second-hand values remain at record levels
- Tender activity steady
- Competitive environment rational
  - Single competitor adopting unusual pricing tactics

Business Activity

- Strong demand for innovation expertise
  - Low or zero-emission vehicles
  - Mobility services
- Further wins in energy sector
  - Recognition as industry expert
- Continued conversion of managed-only customers to funding
- Order pipeline remains at record levels

Business strengthens market position further

Tenders and Products Penetration – Update

Tenders

60 ↑
Number of tender submissions awaiting decision[1]
(1H21: 56)

52% ↑
2H21
Corporate win rate[1]
(1H21: 44%)

82% ↑
2H21
Novated win rate[2]
(1H21: 69%)

1. AU/NZ / 2: AU

Product Penetration

50% ↑
of customers take up multiple products[1]
(1H21: 47%)

96% ↑
of Top customers take up multiple products[1]
(1H21: 76%)

1. Legal entity basis – Corporate business

- Tender activity and business opportunity levels rising
- Further improvement in win rate across Corporate and Novated
- 99% retention rate across Corporate and Novated segments
- 124 new customer accounts added in FY21

- Penetration increases further
- DingGo interest broadening rapidly
- Half of all customers take multiple products
  - 2/3rds of all government customers
  - Nearly 100% of large customers

Double impact of customer book growth and growth in products per customer

Products and services evolution supports shift towards recurring revenue profile

Financial Results

Financial Summary

A$m	FY2021	FY2020	Variance
Revenue	482.1	452.9	6.4%
Cost of Revenue	(283.9)	(280.6)	(1.2%)
Net Revenue	**198.2**	**172.3**	**15.0%**
Operating Expenses	(103.5)	(97.9)	(5.7%)
Operating EBITDA	**94.7**	**74.4**	**27.3%**
Depreciation and amortisation expense	(16.6)	(16.6)	-
Operating Income	**78.1**	**57.8**	**35.1%**
Interest on Corporate Debt	(5.5)	(5.8)	5.2%
Underlying Net Profit Before Income Tax	**72.6**	**52.0**	**39.6%**
Tax	(21.0)	(15.6)	(34.6%)
Underlying Net Profit After Tax[1]	**51.6**	**36.4**	**41.8%**
Acquisition costs	(7.9)	-	-
Reported Net Profit After Tax	**43.7**	**36.4**	**20.1%**

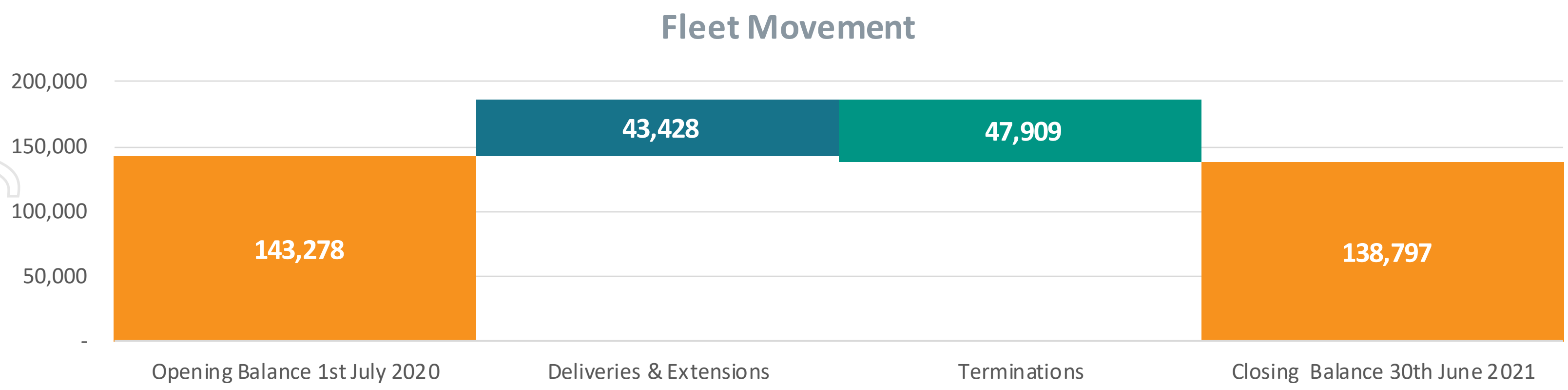
Underlying Net Profit After Tax[1]	51.6	36.4	41.8%
Amortisation of Intangibles	7.1	6.9	2.9%
Underlying NPATA[2]	**58.7**	**43.3**	**35.6%**

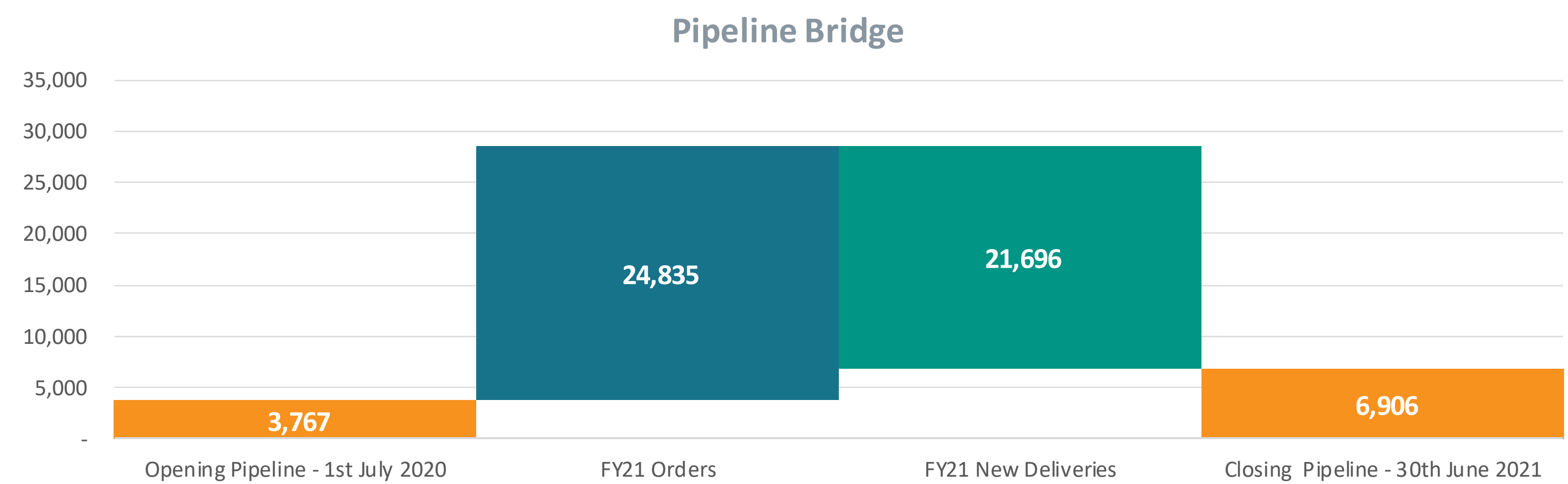
Underlying EPS (cents)	**19.14**	**13.88**	**37.9%**
Reported EPS (cents)	**16.22**	**13.88**	**16.8%**
Underlying Cash EPS (cents)	**21.75**	**16.53**	**31.6%**

1. Underlying Net Profit After Tax = Net Profit After Tax before significant non-recurring items.
2. Underlying NPATA = Net Profit After Tax before acquisition-related expenses incurred during the reported period and excluding amortisation and impairment of intangible assets on an after tax basis.

- 2H21 vehicle orders consistently above pre-COVID levels
- New vehicle orders up >25% vs. pcp
- Disruptions to new vehicle supply impacted deliveries across all channels, novated in particular - pipeline increase of 83%
- Despite disruptions, new funded vehicle deliveries increased 8.6% vs. pcp
- COVID-19 impact on key airline and university novated customers
- New vehicle supply chain disruptions, coupled with increased demand for used vehicles, resulted in unprecedented End of Lease Income
- Contributed to 41.8% growth in Underlying NPAT

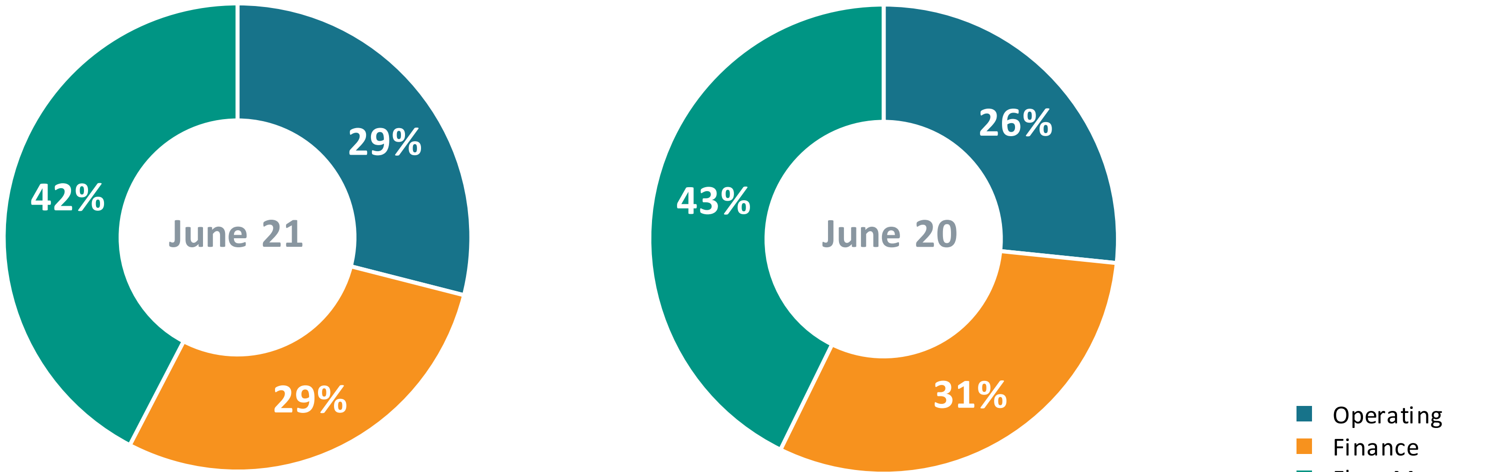
Fleet Movement and Order Pipeline

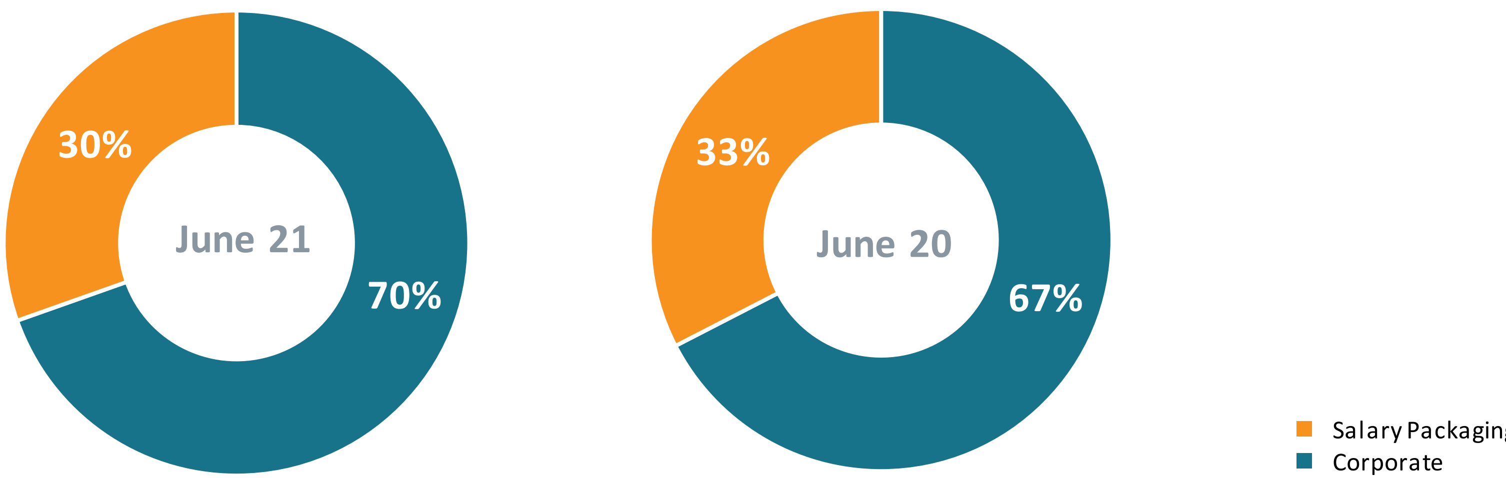




25% growth in orders and 83% increase in pipeline vs. pcp

Fleet Mix

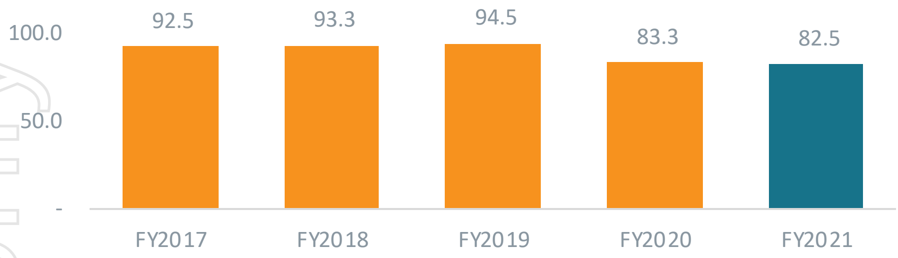




Continuation of shift in product mix in favour of Corporate Leasing

Revenue Analysis

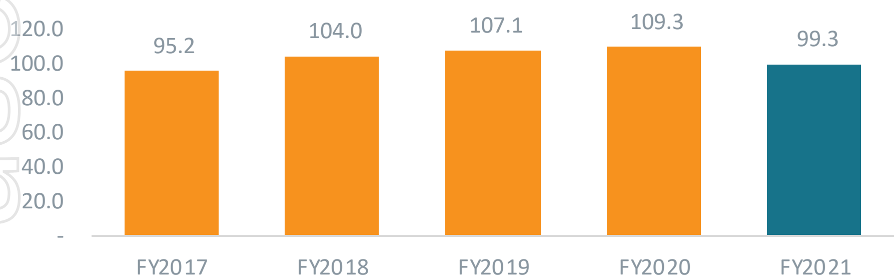
Management and Maintenance Income



⬇ 0.9%

- Driven by 3.2% decrease in average funded fleet under management
- Reduction predominantly in Novated, due to impact of COVID-19 on airline and university customers
- Impact of new vehicle supply disruptions

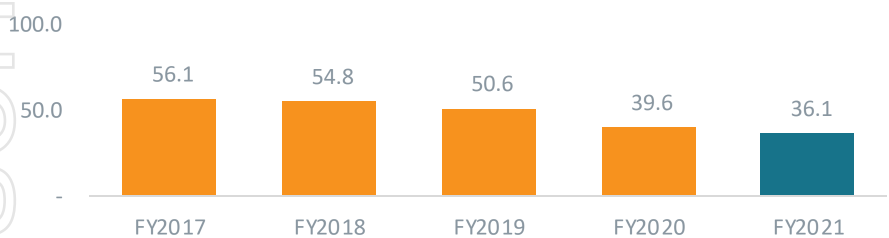
Additional Products and Services



⬇ 9.2%

- Impacted by 9.6% reduction in new novated deliveries
- Q1 of pcp benefited from the tail impact of insurance products exited

Finance Commission

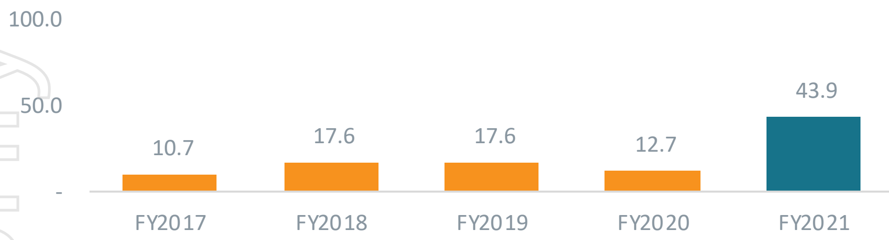


⬇ 8.8%

- Impact of:
  - shift in product mix from novated to corporate due to make-up of deliveries this year
  - growth in extensions

Revenue and Direct Costs Analysis

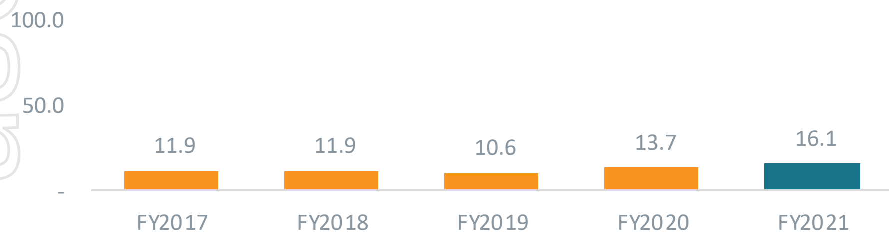
Net End of Lease Income



↑ 246.1%

- Exceptionally strong second-hand market due to strong demand and limited supply of used vehicles
- Disposal volumes up 2.7% vs. pcp
- TradeAdvantage reclassified to Additional Products and Services

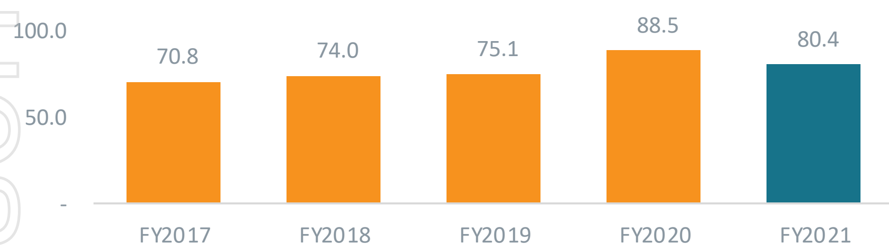
Net Rental Income



↑ 17.8%

- Growth in on-balance sheet funding
- Increase in informal extensions

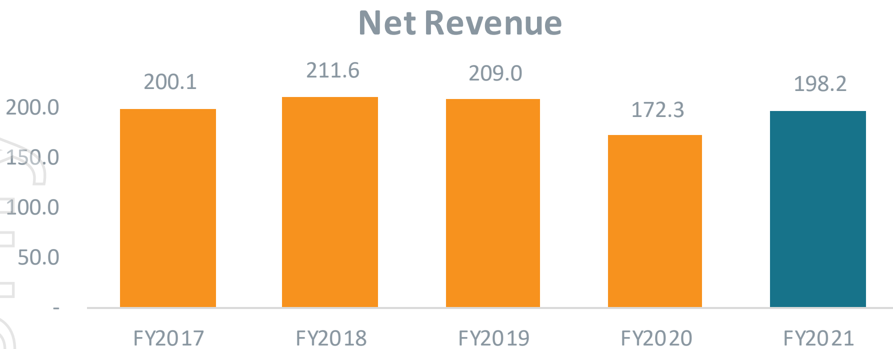
Fleet Management Costs



↓ 9.2%

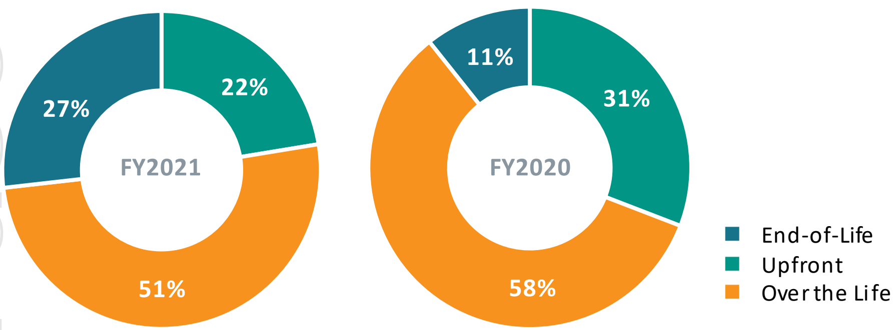
- Reduced vehicle utilisation due to COVID-19 resulted in lower maintenance expense
- Accessory cost of sale reduced in line with lower accessory sales due to lower novated volumes

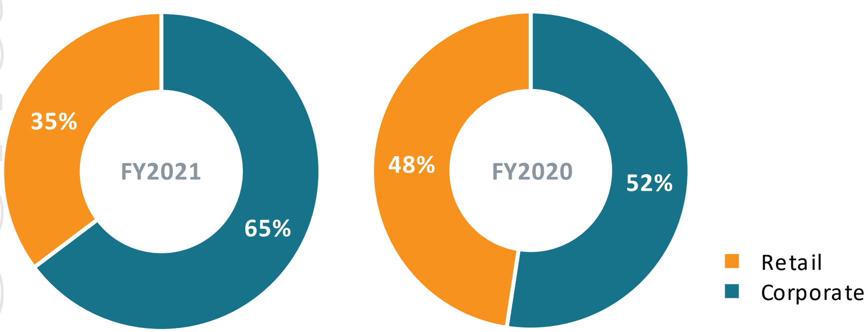
Net Revenue Analysis



↑ 15.0%

- Net Revenue = Gross Revenue less direct costs, being fleet management costs, vehicle cost of sales, short-term rental costs of sales, and depreciation and interest on the lease portfolio
- Growth of 15% due to growth in End of Lease Income

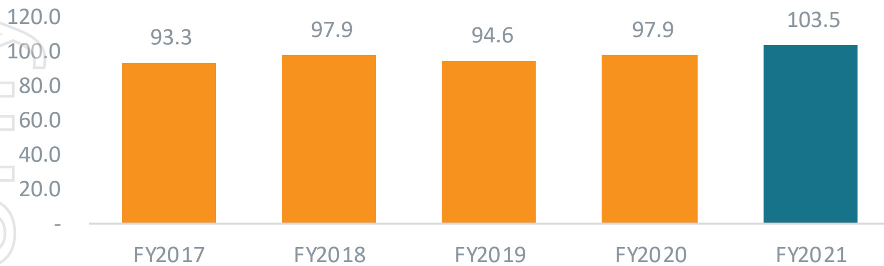




- Strong used market increased the End-of-Life proportion of Net Revenue and materially shifted the proportion of Net Revenue earned from the Corporate segment

Expense Analysis

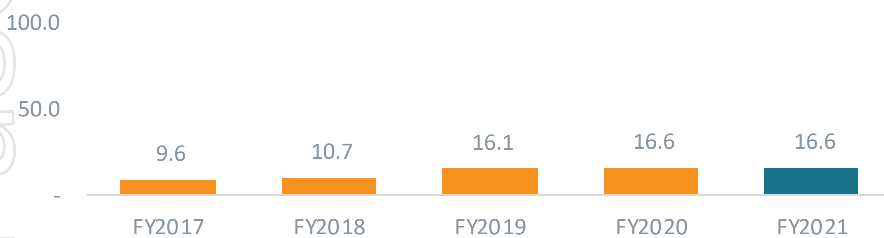
Operating Expenses



↑ 5.7%

- 3.4% reduction in average FTEs
- Increase in opex largely driven by increase in employment costs:
  - pcp benefitted from COVID-19-related salary reductions
  - full STI accrual in FY21
  - LTI lapsed and accrual reversed in FY20 vs. full LTI accrual in FY21
- pcp restated – impact of IFRIC SaaS decision

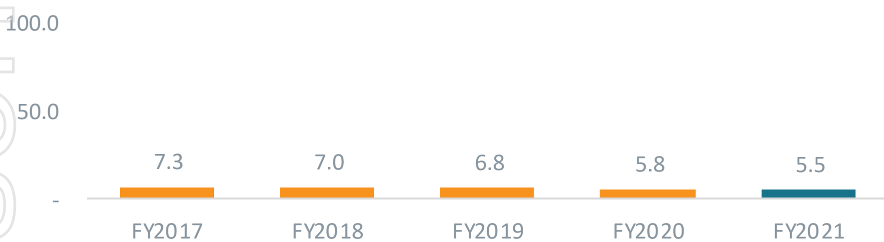
Depreciation and Amortisation



↔ 0.0%

- Consistent with pcp

Corporate Interest Cost



↓ 5.2%

- Impact of lower interest rates on unhedged portion of corporate debt

Balance Sheet, Cashflow and Dividend

- Cash conversion – 134.8% of Statutory EBITDA
- Net corporate debt[1] – $(96.3m) ($26.1m pcp)
- Pro-forma net leverage ratio[2]
  - Total leverage – (0.3x) Statutory EBITDA (0.9x pcp)
  - Corporate leverage – (0.9x) Statutory EBITDA (0.3x pcp)
- Final dividend 5.393 cents per share fully franked (based on NPATA after deducting deal costs)
- Total dividend of 12.585 cents per share fully franked, 25.9% higher than pcp
- Payout ratio adjusted for impact of rights issue

1. Net corporate debt excludes lease portfolio borrowings
2. Leverage ratio calculated on Pro forma EBITDA excluding significant non-recurring transactions

Operational Update & Outlook

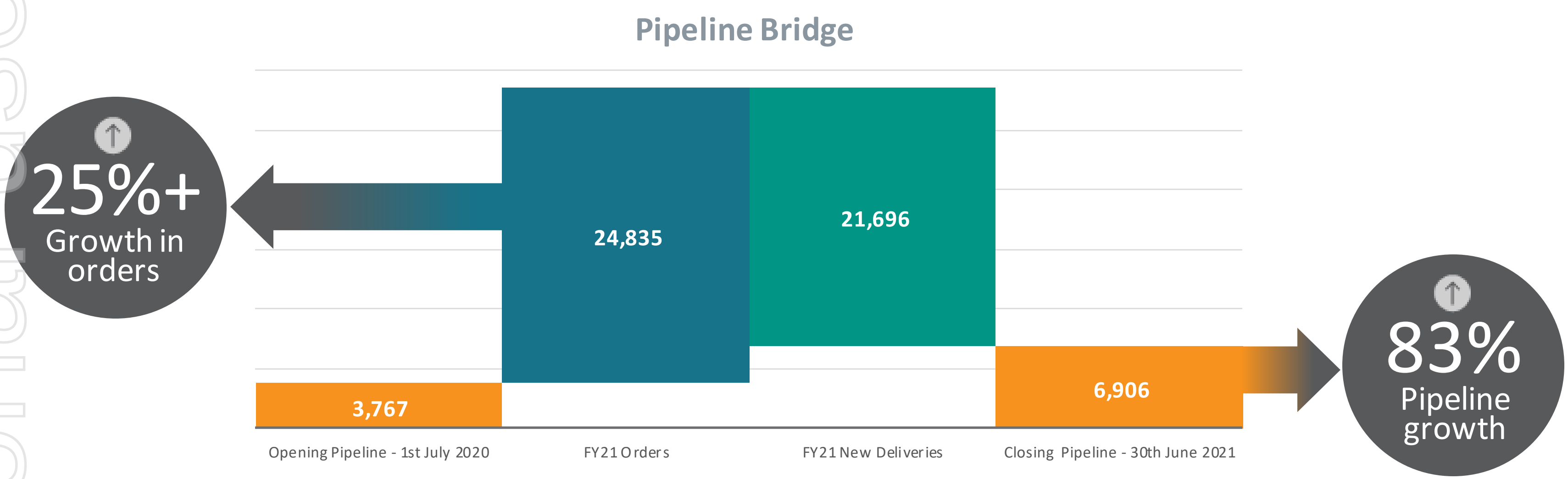
Supply, Orders and Delivery Pipeline

Global disruption of manufacturing

- 2020 production down 16% on 2019
- Multi-year recovery expected
- Australian situation not expected to improve before year-end

Business impact

- Impact differs from broader market due to demand for specific assets
- Encouraging Novated drivers to forward plan orders
- Strong dealership relationships ensure access to stock



Order pipeline growth and supply disruption to push significant delivery volumes into FY22

Low- and Zero-Emission Vehicles - Update

- eStart: full development and implementation of LEV/ZEV transition
  - Vehicle selection / fleet policy / infrastructure / billing integration
  - Part of broader emission reduction approach
  - Leading government and corporate customers signed up
- Penetration accelerating

47% increase	in LEV/ZEV vehicles in ANZ Fleet (FY21)
20%	of UK fleet in LEV/ZEV
12%	of SG Fleet's own fleet in LEV/ZEV

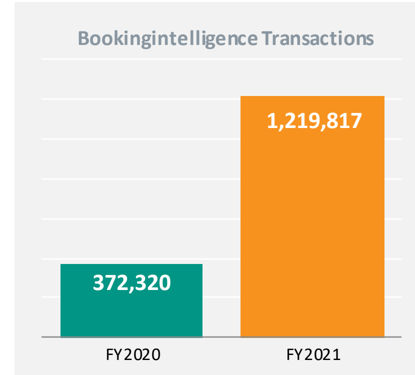
- Continued innovation
  - First hydrogen fleet operational
  - Exploring commercial EV vehicle feasibility
  - Integration of support infrastructure data
  - REVS project participation

Recognised leadership in LEV/ZEV expertise and environmental impact approach

Mobility-as-a-Service (MaaS)

- Current product & services offering rapidly evolving into MaaS capability

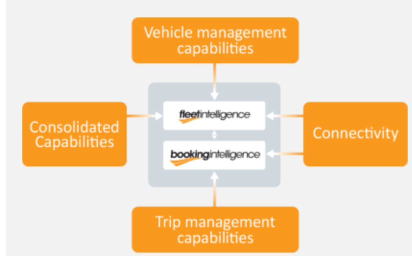
- Increased focus on more efficient use of available transport resources
  - Move towards pooled assets drives need for efficient sharing management
    - Exponential growth in Bookingintelligence use



- Future 'open' transport systems to rely on increased flexibility of usage
  - Vehicles owned, operated and managed by Mobility-as-a-Service (MaaS) providers
    - Investment in subscription services (Carly)
    - Development of connected car capabilities
    - Further telematics and data integration into Bookingintelligence / Fleetintelligence

- End-to-end integrated MaaS capability
  - Vehicle technology and management
  - Enhanced fleet management
  - Trip management

Journey planning
Transport data and access
Booking and payment



Industry leadership position in developing MaaS capability

COVID-19 Update

People

- Focus on health & safety
- Return to Work-from-Home set-up where required

Customers

- Contact moved online where restrictions exist
- Providing additional assistance
- Relaunch of ‘We Are Here to Help’ campaign to address mobility disruption

Business operations

- Managing impact of temporary dealer and supplier shutdowns
- Operational efficiency drive unaffected by COVID situation

Demand

- In line with 2020 experience - no meaningful impact on Corporate business at this stage
- Monitoring Novated leads for COVID impact

LeasePlan ANZ Acquisition Update

Complementary	• Synergistic business portfolio • Strengths in respective customer bases • Products and services range extended
Workforce fit	• Strong cultural alignment • Relevant expertise and experience retained
Scale	• Increase in operational scale • Significant efficiencies
Consistent with stated strategic objectives	• Improvement in proportion of recurring revenue • Continued optimisation of business mix
Optimised book	• Funding diversification improved
Cooperative integration	• Detailed integration program • Transitional Services Agreement • Alliance with LeasePlan Corporation

- Final regulatory approval expected imminently
- Integration planning well progressed
- Focus on retention of relevant expertise
- Profits to accrue from completion

sgfleet + LeasePlan

Completion on track for 1 September

Summary

Australia – Corporate

- Strong performance continues
- Interest in new products and solutions broadens
- Second-hand values remain at exceptional level (AU, NZ & UK)

Australia – Novated

- Overall consumer confidence improves despite lockdowns
- Sustained recovery in demand with leads exceeding pre-COVID levels

UK

- Continued customer wins
- Employee benefits business rebounds strongly

New Zealand

- Further high profile wins
- Order pipeline at record levels

Customers

- Retention levels exceptional
- Continued improvement in tender win rates and product penetration

Innovation

- Growing demand for EV strategy design and implementation services amongst blue chip customer base
- Product and services innovation moves towards provision of MaaS
- Continued trend towards higher recurring revenue profile

Outlook

- Second-hand values expected to normalise gradually
- Supply constraints to persist - recovery not expected in current half
- Order book and pipeline growth push significant delivery volumes into FY22
- Further growth in new business opportunities in Corporate and Novated
- Continued recovery in UK
- COVID-19 challenges managed efficiently, with limited impact expected at this stage
- LeasePlan acquisition completion on schedule – integration planning in place
- Acquired business profits to accrue from completion

Questions

Annexure

Annexure

A$m	FY2021	FY2020	Variance
Management and Maintenance Income	82.5	83.3	(0.9%)
Additional Products and Services	99.3	109.3	(9.2%)
Finance Commission	36.1	39.6	(8.8%)
End Of Lease Income	217.6	176.2	23.5%
Rental Income	46.0	42.3	8.6%
Other Income	0.6	2.2	(72.0%)
Total Revenue	**482.1**	**452.9**	**6.4%**
Fleet Management Costs	(80.4)	(88.5)	9.2%
Short Term Hire Costs	(11.1)	(10.8)	(3.0%)
Cost of End of Lease Income	(173.7)	(163.5)	(6.2%)
Operating Lease Depreciation	(16.3)	(15.6)	(4.8%)
Direct Interest	(2.4)	(2.3)	(5.4%)
Total Expenses	**(283.9)**	**(280.6)**	**(1.2%)**
Net Revenue	**198.2**	**172.3**	**15.0%**
Net Revenue excluding End of Lease Income	154.3	159.6	(3.3%)
Net End of Lease Income	43.9	12.7	246.1%
Employee Benefits Expense	(80.9)	(73.5)	(10.1%)
Occupancy Costs	(2.4)	(2.3)	(8.1%)
IT and Communication Costs	(10.8)	(11.7)	8.4%
Other Expenses	(9.4)	(10.3)	9.3%
Total Operating Expenses	(103.5)	(97.9)	(5.7%)
Operating EBITDA	**94.7**	**74.4**	**27.3%**
Depreciation and amortisation expense	(16.6)	(16.6)	(0.0%)
Operating Income	**78.1**	**57.8**	**35.1%**
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