



Investor Presentation 1H2016 Results

16 February 2016



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Overview

Financial Results & Dividend

NPAT \$19.7m

- NPATA¹ (excl. nlc acquisition cost) \$23.3m, up 17.1%

PBT up 10.1% (excl. nlc contribution)

- Ahead of SG Fleet underlying profit growth objective

PBT margin 34.6% vs. 33.5% pcp

- Delivering on continued margin improvement commitment

Interim dividend 5.223 cps, fully franked

- Up 10.5% on 1H15

Cash EPS² 8.28 cps

- 9.57 cps (excl. nlc acquisition cost)

Pro forma corporate leverage ratio 0.7x

Strategy & Operations

Maintaining momentum

Revenue and fleet growth achieved in competitive environment

Drive towards greater internal efficiencies supports margin expansion

NZ delivers profit months and UK on track

nlc

Transaction completed 30 November 2015

Business trading strongly

Locking in initial revenue synergies

Fully-phased annual synergies of \$6-8m after 3 years of ownership

Upside to 25% cash EPS accretion in first full year of ownership

1: NPATA is Net Profit After Tax excluding amortisation and impairment of intangible assets on after tax basis

2: Cash EPS is NPATA divided by the weighted average number of ordinary shares for the period (244,274,435 shares)

1H2016 Operating Environment

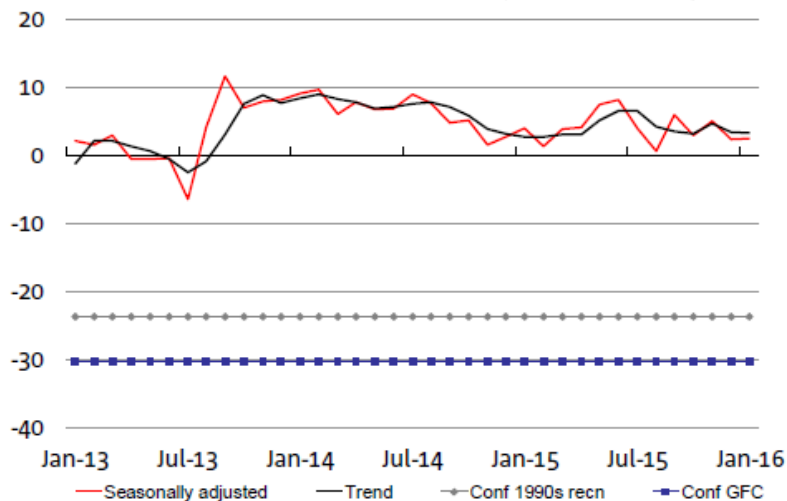


Australia

Economic and regulatory environment

- Downward trend in business sentiment throughout period
- Stability in regulatory environment – structured interaction with decision makers

Business Confidence (net balance)



Source: NAB Monthly Business Survey

Business activity

- Pipeline of opportunities remains full - active market
- Government activity
 - NSW outsourcing decision progressing - outcome expected by end of FY16
 - Utility companies actively reviewing fleet management and funding arrangements
- Attractiveness of Australian market and corporate activity continue to drive competitive behaviour
 - Intensified competition in 'over-traded' market

1H2016 Operating Performance

Australia



- Increased focus on efficiencies has favoured SG Fleet track record

- Innovation increasingly a differentiator in contested market
 - Telematics and Driver Safety products generating increased traction across corporate and government

- Successfully targeting corporate fleet reviews ahead of local manufacturing wind-down



- Business traded strongly – ahead of internal forecasts

- Continued strong margins

- Consumer business investigating multiple lead generation avenues

Uncontested renewals

Financial services, food and logistics sectors

Commercial

Trend towards full service leasing



Government customer sign-up for 1,000 drivers

nlc insurance products

Strong renewal rates

nlc Integration Update

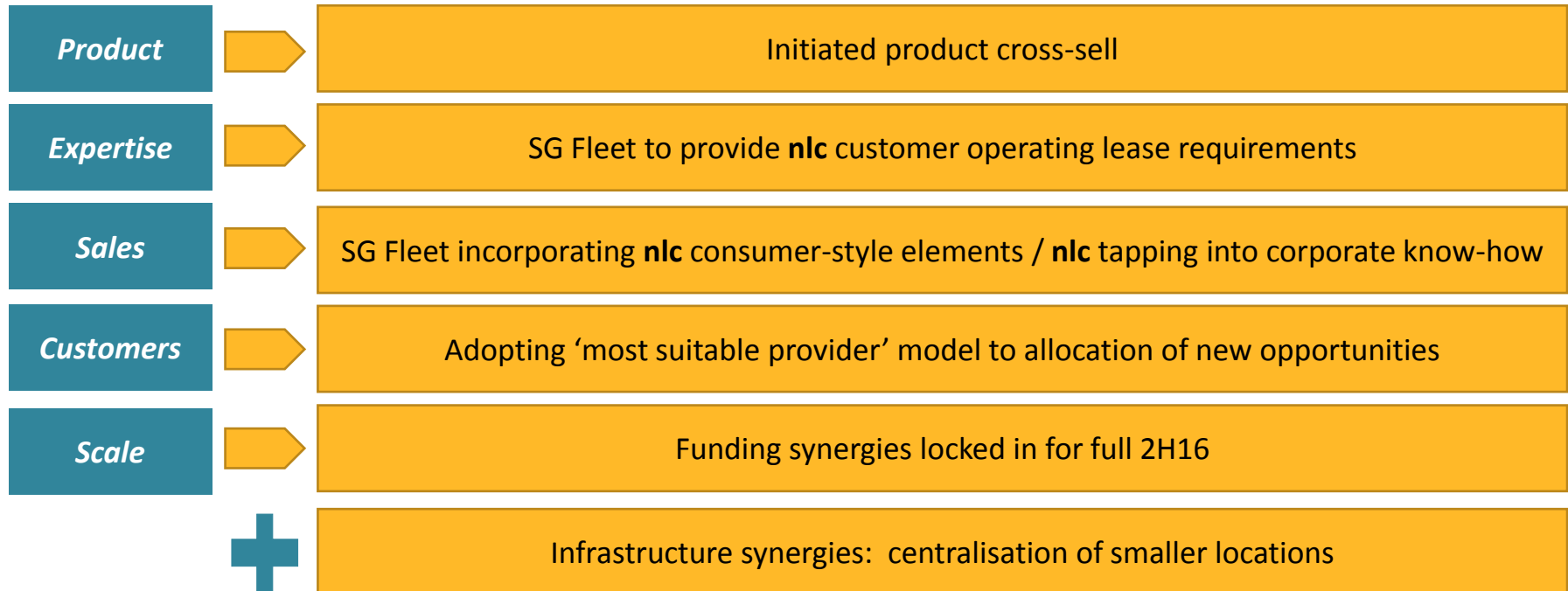
December 2015 / January 2016



Designated project team & plan

- Extraction of acquisition benefits in parallel with business-as-usual focus

Initial Stage 1 operating leverage initiatives



1H2016 Operating Performance

United Kingdom



Economic environment

- Decline in business confidence in line with global economic data, but remains positive
- Increased focus on cost management is supporting demand for SG Fleet offering

Business activity

- Further penetration into blue chip customer segment, with win in the investment banking sector
- Growth of order pipeline as B2C marketing progress drives take-up
- Double digit growth in Tool-of-Trade segment
- First 10,000+ employee customer win with introduction of salary sacrifice scheme at Atos (concluded after period end)

Fig. 1 Trend of UK business confidence



Source: ICAEW / Grant Thornton UK Business Confidence Monitor

UK targeting in-profit months around end of FY16

1H2016 Operating Performance

New Zealand



Economic environment

- Rebound in business confidence, helped by government infrastructure investment promise, has ensured government and corporate tender activity remains buoyant

ANZ BUSINESS CONFIDENCE INDEX



Source: ANZ

Business activity

- Success at very top end of the market has continued with KiwiRail win
- More high-end RFP opportunities in market
- Wins in commercial Tool-of-Trade and fuel card products
- Increasing interest in telematics applications

NZ achieved in-profit months in 1H16

Financial Results

Financial Summary



A\$m	1H16	1H15	1H16 vs. 1H15
Total Revenue	93.3	85.4	9.3%
Total Expenses excluding acquisition costs	(61.0)	(56.8)	7.4%
PBT excluding acquisition costs	32.3	28.6	12.9%
<i>Margin</i>	<i>34.6%</i>	<i>33.5%</i>	<i>1.1%</i>
nlc acquisition costs	(3.2)	-	-
PBT	29.1	28.6	1.7%
Tax	(9.4)	(8.9)	5.6%
NPAT	19.7	19.7	-
Amortisation of intangibles after tax	0.5	0.2	150.0%
NPATA ¹	20.2	19.9	1.5%
One-off nlc acquisition costs	3.1	-	-
NPATA excluding acquisition costs	23.3	19.9	17.1%
<i>Margin</i>	<i>25.0%</i>	<i>23.3%</i>	<i>1.7%</i>
Cash EPS ² (cents per share)	8.28	8.21	0.9%
Cash EPS excluding acquisition costs (cents per share)	9.57	8.21	16.6%

- nlc acquisition contributed \$0.8m to Profit Before Tax excluding acquisition costs

- Excluding nlc contribution and acquisition costs, Profit Before Tax grew by 10.1%

¹ NPATA is net profit after tax excluding amortisation and impairment of intangible assets on a post-tax basis

² Cash EPS is defined as NPATA divided by 244,274,435 shares, being the weighted average number of ordinary shares for the period

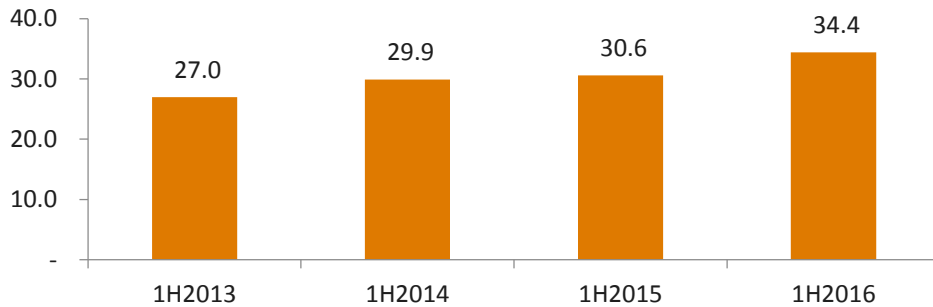
Revenue

Overview



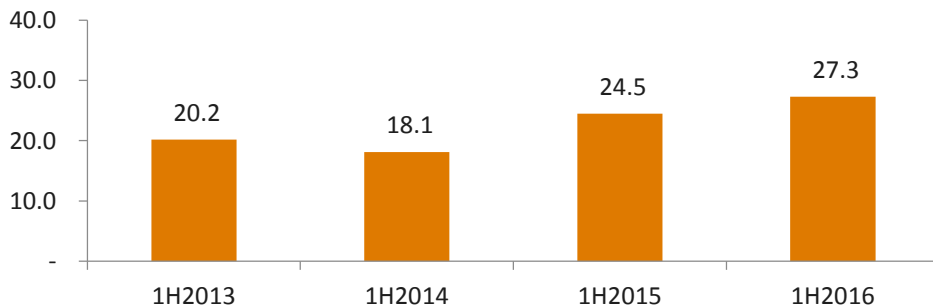
A\$m	1H16	1H15	1H16 vs. 1H15
Management and maintenance income	34.4	30.6	12.4%
Additional products and services	27.3	24.5	11.4%
Funding commissions	15.9	15.1	5.3%
End of lease income	5.9	5.9	-
Rental income	5.9	5.4	9.3%
Other income	3.9	3.9	-
Total Revenue	93.3	85.4	9.3%

Management and maintenance income



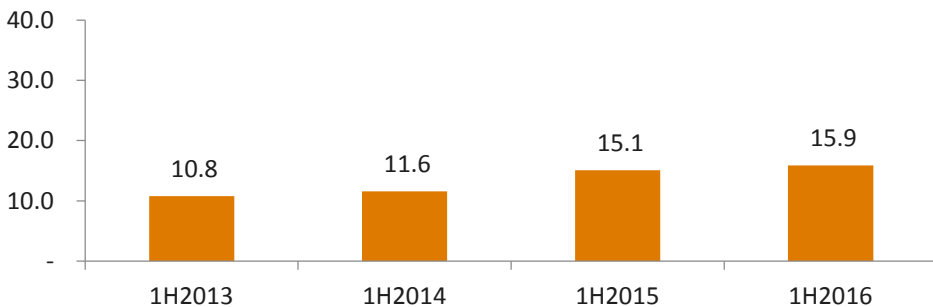
- Up 12.4% on pcp (up 10.6% excl. nlc)
- Growth rate of fully-maintained fleet is in excess of growth rate of fleet as a whole
- Full 6-month impact of customer conversions from budgeted to underwritten maintenance in 2H15

Additional products and services



- Up 11.4% on pcp (up 4.2% excl. nlc)
- Driven by growth in deliveries and improved income per vehicle

Funding commissions



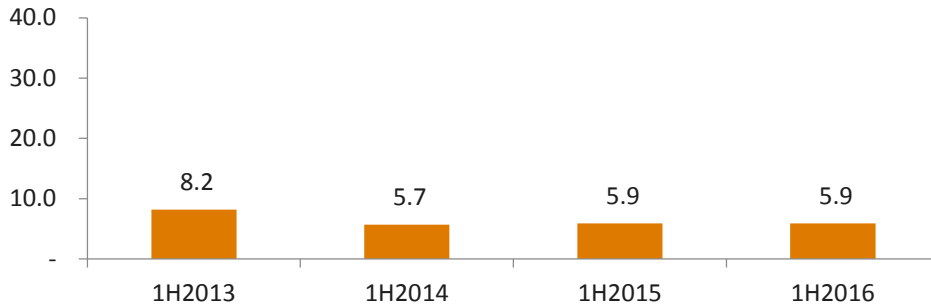
- Up 5.3% on pcp (down 5.0% excl. nlc)
- Funded deliveries up on pcp, but average funding commission per unit lower due to shift in product mix away from commercial vehicles

Revenue

Analysis (ctd.)

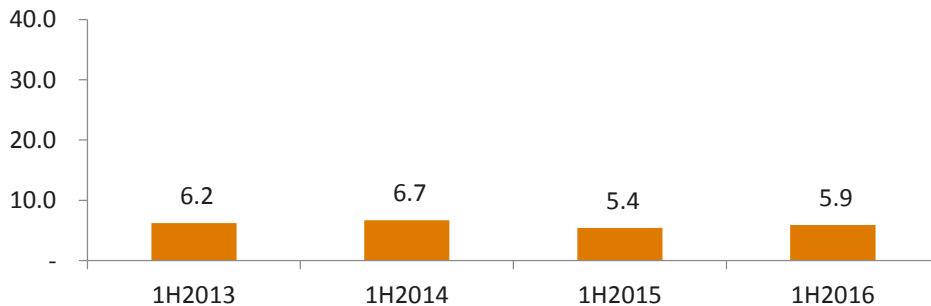


End of lease income



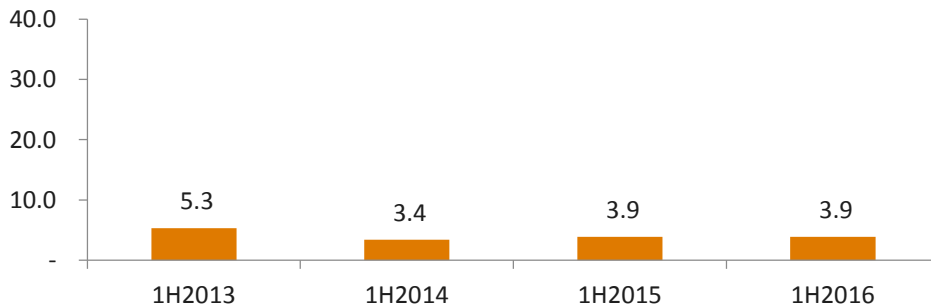
- In line with pcp (no nlc impact)
- Disposal profit per unit resilient
- Growth in number of government vehicles disposed of - vehicles earn disposal management fee and profits on disposal are shared with customer

Rental income



- Up 9.3% on pcp (no nlc impact)
- Growth driven by increase in on-balance sheet funding, particularly in New Zealand

Other income



- In line with pcp (down 5.4% excl. nlc)
- Impact of lower interest rates on float balances

Expenses



A\$m	1H16	1H15	1H16 vs. 1H15
Fleet management costs	23.9	22.1	8.1%
Employee benefits expense	23.4	22.5	4.0%
Occupancy costs	2.2	2.0	10.0%
Depreciation, amortisation and impairment	4.2	3.4	23.5%
Technology costs	1.7	1.7	-
Other expenses	3.4	3.2	6.3%
Finance costs	2.2	1.9	15.8%
Total Expenses excl. nlc acquisition costs	61.0	56.8	7.4%

Explanations for movement in expenses excluding impact of nlc acquisition are:

- Fleet management costs** – up 5.7% excl. nlc
 Growth driven by growth in Management and maintenance income and Additional products and services revenue - minor improvement in accessory margins
- Employment costs** – down 1.4% excl. nlc
 Minor increase in headcount vs. pcp, but lower average employee cost
- Depreciation, amortisation and impairment** – up 10.8% excl. nlc
 Growth due to increased on-balance sheet lease portfolio funding
- Finance costs** – down 12.1% excl. nlc
 Reduction due to re-negotiated pricing of senior debt facility

Balance Sheet, Cash Flow and Debt



- Net Debt of \$77.4m
- Pro forma Net Leverage Ratio¹:
 - Total Leverage 0.8x
 - Corporate Leverage 0.7x

- Cash conversion of 115% of EBITDA

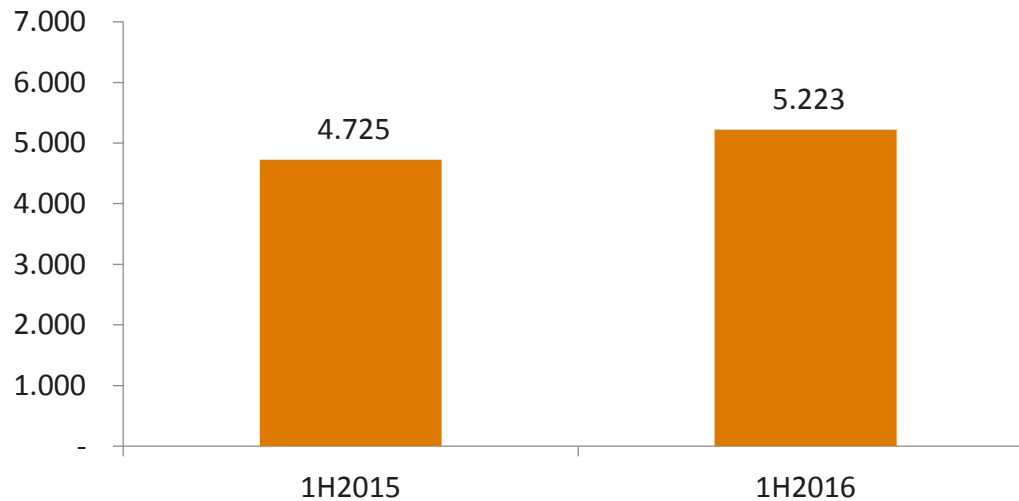
- nlc acquisition partially funded by \$110m increase in debt

Capacity for further growth opportunities retained

¹Net Debt/TTM Pro forma EBITDA

Dividend

Dividend per Share (cents)



- Dividend of 5.223 cents per share fully franked

- Up 10.5% vs. pcp

- Payout ratio of 65% of NPATA

- Record date:
31 March 2016

- Payment date:
21 April 2016

Outlook

Economic and regulatory environment

- Impact of recent market turmoil and economic weakness expected to keep business environment mixed
- Stable regulatory environment anticipated

Business activity

- Expansion of service offering to Federal Government
- Strong competitive position for several large scale contracts
- Maintaining BAU focus

Performance outlook

- SG Fleet and nlc businesses continue to trade well
- Upside to 25% cash EPS accretion in first full year of ownership

nlc integration

- Continued implementation of operating leverage initiatives
- Fully-phased annual synergies of \$6-8m after 3 years of ownership



FY17 onwards: increased impact of nlc integration

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1H16 Business Performance and 2H16/FY17 Outlook

- Momentum maintained in challenging economic and competitive environment
- Margins supported by continued efficiency improvements
- New Zealand and UK businesses at or nearing break-even levels
- nlc traded ahead of internal forecasts

✓ SG Fleet and nlc trading well

✓ Accretion upside

✓ Significant synergies

Questions