

# SG Fleet Group

Integrated Mobility



## FY2020

### Annual General Meeting

27 OCTOBER 2020

# Overview

---



## Financial Results

**NPAT**  
**\$36.8m**

(Pre-COVID-19 guidance \$48-51m)



## Fleet Balance

+2.4% vs. FY19

+1.5% 2H20 vs. 1H20

- Enhanced customer focus on service quality and value-add during crisis period
- Company delivered seamless service continuity by maintaining operational scale
- Strong business development performance across the Group to yield benefits in current and coming periods
- Consumer business recovery towards period end after marked impact at start of Q4
- Structural trend towards outsourcing, mobility evolution and digitisation accelerate in COVID-19 environment
- Further growth in product penetration
- Innovation continues as leasing and mobility landscape evolves

**Leadership position in both Corporate and Consumer limited COVID-19 impact**



## Business continuity approach

- Focus on ensuring wellbeing of staff and customers
- Cashflow and financial management aided by annuity-style income profile
- Voluntary reduction in remuneration
- Workforce adapts rapidly to new environment and changing customer requirements

**Rapid BCP implementation minimised initial COVID-19 impact**

# Operational Review – AU



## Corporate



## Consumer

Q1

- Opportunities pipeline healthy
- Strong win rate

- Continued weakness in new car sales
- Insurance product review

-

- Continued shift to technology

- Continued rate competition

Q3

- Competitive environment rational

- Customer wins & retention of key accounts

Q4

- Exposure to unaffected industries ensures activity levels largely maintained
- Opportunities pipeline remains strong
- Targeted campaigns to assist customers

- Immediate focus on assisting drivers in hardship – travel segment impacted
- Tenders continue – high win rate
- COVID-19 impact on enquiries from mid-March, recovery from May

**Initial continuation of FY19 progress – Evolving impact COVID-19 over Q4**



## Q1-Q3

- Business confidence improved post-elections
- Opportunities pipeline stronger
- Second-hand market begins to recover after lacklustre start to the year
- Targeted marketing campaigns
  - Local SME segment
  - Crown Commercial Services network
- Higher product penetration
  - Motrak
  - Short-term hire

## Q4

- Disposals temporarily halted by full lockdown
- Recovery from late May after marked impact on economic activity levels, registrations and residual values
- Deliveries to essential services customers growing
- Tender activity grows strongly
- Break-through fleet management contract and large delivery vehicle wins

**Order bank growth despite temporary disruption**



## Q1-Q3

- Activity levels steady throughout period
- Northpower contract win
- Continued conversion of fleet managed to full service
- Disposal volumes and values strong until late March

## Q4

- Sharp initial drop in new registrations - disposals suspended
- Residual values recover from June
- Public sector exposure ensures stable activity levels
- New tender activity at record levels
- Sale and leasebacks in high demand

**Breakthrough win - Marked business activity recovery towards financial year end**

# 1H21 Update

## AUS Corporate



- Significant wins at start of period
- Opportunities pipeline grows as companies and organisations review fleet approach
- Focus on efficiencies and automation driving interest, including for power source alternatives

## AUS Consumer



- Leads and orders ahead of initial expectations
- Consumer confidence improving
- Activity levels will remain vulnerable to volatility in environment and sentiment

## UK



- Strong exposure to segments benefiting from government infrastructure spending
- Strong second-hand vehicle market
- Fulfilling 4Q20 orders in context of constrained production levels

## NZ



- Companies conducting business reviews in pursuit of efficiencies
- Tender activity levels at all time high – pursuit focused on larger contracts
- Opportunities in finance and government sector

1Q21 trends continue

# 1H21 Update

## Group



- Rebound in RV environment maintained
- Lower new car sales restricts supply of trade-ins
- New vehicles, parts and accessories supply disruption spreading out deliveries for 4Q20 and 1Q21 wins over current period and potentially into 2H
- Tender wins continue
- Opportunities pipeline strong, supported by accelerating structural trends
- Securitisation on track for November go-live

- **1H21 NPAT range \$22m to \$24m (vs. \$12.3m 2H20 / \$24.5m 1H20)**
- **2H21 outlook remains difficult to forecast in current circumstances**



# Questions

---

