

1 May 2019

ASX Market Announcements
Australian Securities Exchange
Level 14, Exchange Centre
20 Bridge Street
Sydney NSW 2000

Macquarie Australia Conference 2019

Mr Robbie Blau, CEO of SG Fleet Group Limited (ASX : SGF), is today presenting at the Macquarie Australia Conference in Sydney.

Attached is a copy of the presentation.

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SG Fleet Group
Integrated Mobility

**MACQUARIE
CONFERENCE**
INVESTOR PRESENTATION

1 MAY 2019



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OVERVIEW



Business Overview



Leading provider of integrated mobility solutions, including fleet management, vehicle leasing and salary packaging services



Strong position in both corporate and consumer segments



Presence in Australia, UK and New Zealand



Combined fleet size ca. 140,000



High quality and well-entrenched customer base across private and public sector



Diverse, fee-based revenue streams



Long-term growth outlook well embedded

Transparent, focused business model supported by strong innovation capability

Financials

A\$m	FY14 (PF)	FY15	FY16	FY17	FY18	CAGR
Revenue	156.5	171.4	212.0	293.2	316.5	19.3%
Total Expenses ¹	(105.7)	(112.6)	(138.1)	(203.2)	(220.2)	20.1%
Underlying Profit Before Tax	50.8	58.8	73.9	90.0	96.3	17.3%
Underlying Net Profit After Tax ²	35.4	40.5	51.2	62.9	67.7	17.6%
Reported Net Profit After Tax	35.4	40.5	47.0	59.6	67.7	17.6%
Dividend (cps)	4	10.842	12.853	16.801	18.738	14.7% ³

Net corporate debt⁴

\$36.8m

Net leverage ratio

Corporate: 0.3x

Total: 0.7x

1. Excluding acquisition-related expenses / 2. NPAT before acquisition-related expenses / 3. FY15 to FY18 / 4. Net corporate debt excludes lease portfolio borrowings

Retaining capacity for further growth opportunities

OPERATIONAL UPDATE



Environment - AUS



1H2019

Economy

- Business conditions stable
- Housing downturn impacting consumer sentiment
 - private new vehicle sales down 11.5% in 1HFY19

Operating Environment

- Industry remains competitive
- Residual values strong
 - supported by slowing retail market and supply shortages

Current



Economy

- Business conditions stable
- Consumer sentiment unchanged – retail remains weak
 - private new vehicle sales down 7.9% in 3QFY19



Operating Environment

- Competition maintained
- RVs remain strong

Business Activity - AUS



1H2019

Corporate

- Business performing well
- New wins and contract extensions
- Continued growth in aftermarket products and consulting activity

Consumer

- Multiple external factors impact conversion and performance
- Competitive pressure on finance margins
- Strong retention of employers

Current



Corporate

- Strong customer retention, with further growth in aftermarket products and consulting activity
- Continued business wins with several large opportunities targeted
- Positive resale results continue

Consumer

- Impacts still in play, but stabilising
- Finance margins remain under pressure
- Increased alignment between *sgfleet* and nlc brands

Business Activity – UK / NZ



1H2019

UK

- Economy in state of flux
- Good growth in personal contract hire, short-term rental
- Government sector presence widens

New Zealand

- Economic climate neutral
- New wins, contract extensions, and strong opportunities pipeline
- Addition of higher end services

Current



UK

- Public spending increase to target slowing growth
- Van market strong
- Personal contract hire and large tool-of-trade tender wins



New Zealand

- Economy expected to regain momentum
- Sizeable wins, several ongoing tenders, and further opportunities in utility and government segments
- Introduction of Inspect365 solution

Strategic Initiatives



Balance sheet funding

- Initiative:
 - new syndicate corporate debt facility structured to cater for potential securitisation funding
 - introduction will be gradual
- Outcomes:
 - funding risk diversified in line with stated objectives
 - greater proportion of annuity income vs. upfront funding commission



Redesign of insurance products

- On schedule
- Focus on creating improved benefits and better value for customers
- Resulting shift in revenue profile: annuity income i.s.o. upfront brokerage

Short-term impacts to fundamentally improve longer term revenue and funding profile

Innovation



**Car
Share**



Australian
National
University

New SG Fleet-ANU car sharing partnership

- SG Fleet is ANU's contracted fleet provider
- Introducing a more cost-effective end-to-end model, with greater flexibility and improved support infrastructure

Unique model to be offered to wider customer base

Growing mobility solutions offering



eStart

Provides customers with integrated plan for ICE to ZEV transition and roll-out of required support infrastructure

- First-to-market in Australia
- Adaptable to requirements of specific fleets
- Evolves in line with growing model and infrastructure availability
- Covers battery and fuel cell (hydrogen) EVs

Initial launch to select customers including government

Wider group offering enhances competitive position, and further diversifies and improves revenue streams

Established Strengths and Further Opportunities

Australia

- Exceptional industry knowledge and technical expertise
- Strong relationships with key business partners
- Established market share
- Scale and geographic spread
- Diversified, blue chip clientele
- Well embedded with leading corporates and range of institutions
- Increasing brand alignment in Consumer business



- Further market share gains
- New product launches
- Greater accessory penetration
- Application of EV/Hydrogen and integrated mobility expertise In Corporate business
- Wider Consumer offering and penetration into retail channel
- Further improvement in operational efficiency

Established Strengths and Further Opportunities (ctd.)

UK

- Exceptional expertise
- Broad product offering
- Particular strength in van segment and personal contract leases
- Strong forward order bank and opportunities pipeline
- Australian parent is competitive advantage in Brexit environment



New Zealand

- Local knowledge and experience
- Growing reputation as innovation and value-add leader

- Increasingly competing for larger contracts
- Potential to widen customer segments and geographic footprint
- Growth potential of personal contract hire and other new solutions
- EV fleet expertise

- Further growth in Wellington area and into South Island
- Capitalising on unique telematics expertise

Group-wide

- Improving resilience of revenue streams
- Innovation driving constant widening of product and services range and greater value-add
- Further efficiency improvements and increased automation

Improved 2H19 – 1H/2H split as indicated at 1H results

QUESTIONS

