

PRESENTATION

MACQUARIE AUSTRALIA CONFERENCE 2017

2 MAY 2017



Market-leading Fleet Management and Salary Packaging Group

SG Fleet Group
LIMITED

Diversified business, with leading position across both corporate and salary packaging sectors

Presence in Australia, New Zealand and UK

Combined fleet size 140,000+

High quality and well-entrenched customer base across government and corporate

Diverse, fee-based revenue streams

Growth outlook well-embedded

Market capitalisation ca. A\$1 billion



Transparent business model, highly visible revenue streams and clear growth path

Strong Brands in All Markets

SG Fleet Group
LIMITED



Australia
New Zealand
UK

- Leading specialist provider of fleet management, vehicle leasing and salary packaging services
- Innovative service approach and strongly differentiated technology solutions
- Unique asset management expertise



Australia

- Specialist manager and provider of novated leases, vehicle finance and vehicle sourcing services
- Emphasis on vehicle purchase experience for consumers
- Diversified revenue streams



UK

- Provider of contract hire, vehicle salary sacrifice, short-term rental and fleet management services
- 'One stop shop' integrated offering
- Predominantly sole supplier customer relationships



UK

- Provider of contract hire, short-term rental, telematics and fleet management services
- Range of corporate solutions, from spot rental to longer term hire
- Strong presence in light commercial segment

Continued Progress

A\$m	FY14 (PF)	FY15	FY16	1H17	1H17 vs. 1H16
Revenue	156.5	171.4	212.0	133.6	+43.2%
Total Expenses	(105.7)	(112.6)	(138.1)*	(92.0)*	+50.8%
Underlying Profit Before Tax	50.8	58.8	73.9*	41.6*	+28.8%
Underlying Net Profit After Tax	35.4	40.5	51.2*	29.0*	+27.2%
Reported Net Profit After Tax	35.4	40.5	47.0	26.6	+35.0%
Dividend	4 cps	10.842 cps	12.853 cps	7.536 cps	+44.3%

- **FY17 Underlying NPATA growth guidance 22-27%**
 - **2H performance typically stronger than 1H**

*: Excludes acquisition-related expenses

- **Net debt – \$147.8m**
- **Pro forma net leverage ratio¹**
 - **Total leverage – 1.3x**
 - **Corporate leverage – 0.7x**
- **Ample capacity for further growth opportunities**
 - **Strong Super Group support**
- **Cash conversion – 108% of EBITDA**

1: Leverage ratio calculated on EBITDA excluding acquisition-related expenses

Australia

1H2017

- Growth outlook muted
- Competitive market
- RV profit share trend stable
- Conversions from fleet managed to fully maintained operating leases
- Increased take-up telematics offering
- NSW Government contract fully operational
- Queensland novated panel now active
- Novated influenced by consumer sentiment



CURRENT

- Economy showing signs of improvement
- Irrational tactics less prevalent
- RV profit share trend stable
- Further opportunities: increasing market focus on technical competencies of fleet management providers
- Additional large scale telematics trials now ongoing
- Additional value-add solutions presented to agencies
- Very promising growth in novated panel deals
- Extension / 2H vehicle novation trend has runs its course

Business in improved position

United Kingdom

1H2017

- Post-Brexit return to normal
- Regulatory clarity
- Continued portfolio growth despite HMRC consultation period lull
- Resumption of salary sacrifice scheme launches post Autumn Statement
- Fleet Hire and Motiva add scale and critical mass to UK presence
- Combined UK business makes first profit contribution



CURRENT

- Economy to benefit from political stability
- Full details of new finance bill in line with expectations
- Significant salary sacrifice tenders coming to market
- Continued portfolio growth
- Enhanced business size and product suite have improved UK business' competitive position for large opportunities
- Piloting direct consumer/employee lease products
- Targeting meaningful profit contribution for full year

Enhanced scale yielding targeted benefits and advantages

New Zealand

1H2017

- Business and consumer sentiment strong across the board
- Growth in new business and existing customer product range extension
- Business delivers stronger profit contribution



CURRENT

- Companies optimistic – continue to hire and invest
- Tool-of-trade wins and sale & leasebacks
- Telematics installation across major corporate account
- Pursuing unfunded to funded conversions
- Several significant opportunities in pipeline
- Enhanced profitability

Business accelerating momentum

Australia



- **Vehicle procurement model now centralised across novated business**
- **Enhanced lead generation for car purchasing services**
- **Back-office integration and IT infrastructure consolidation proceeding after wider system integration restart**

FY18 synergy extraction phase ready

United Kingdom

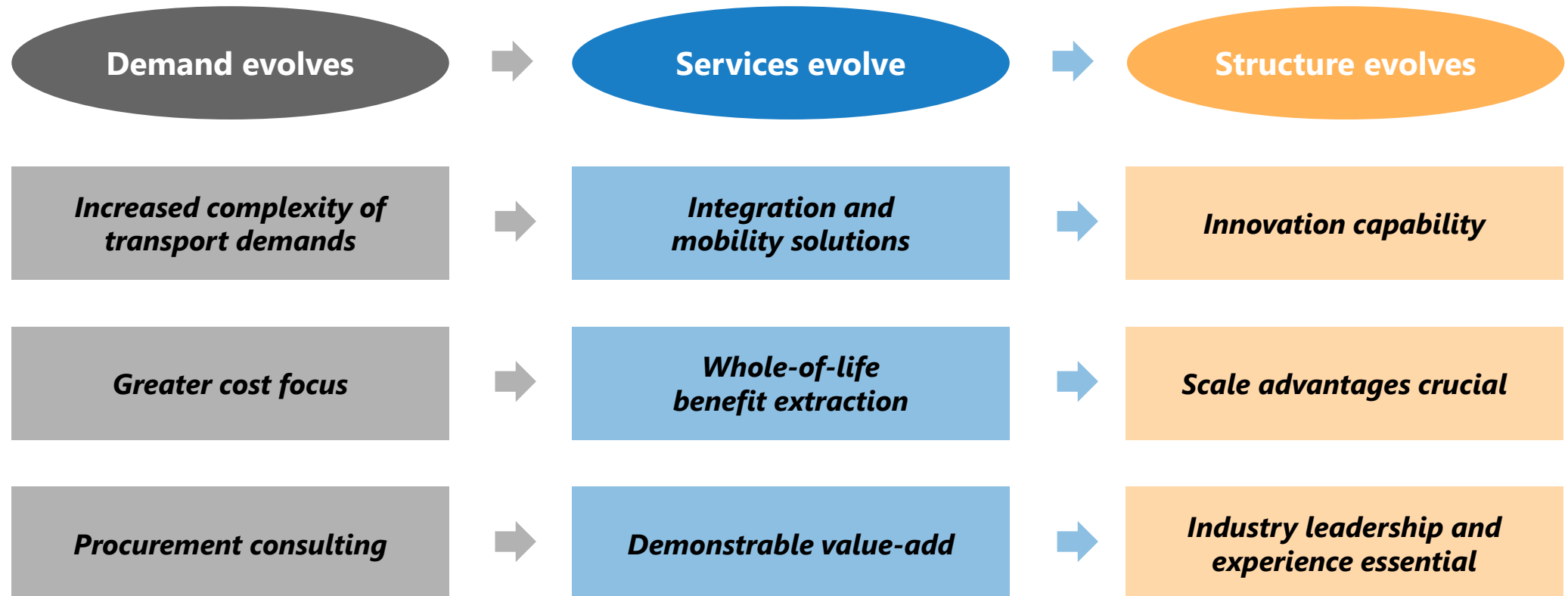


- **Management teams integrated**
- **Roll-out of new sales and customer service structure**
- **Fleet procurement, funding and disposals synergies now flowing through**
- **Fleet Hire system integration on track for CY17 completion**


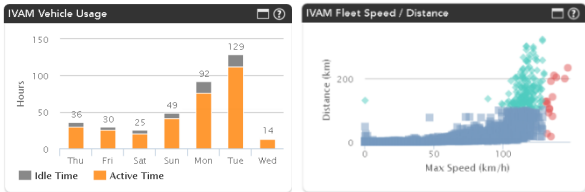

Integration ahead of schedule

Industry Trends

Australian fleet management & leasing industry is at crossroads

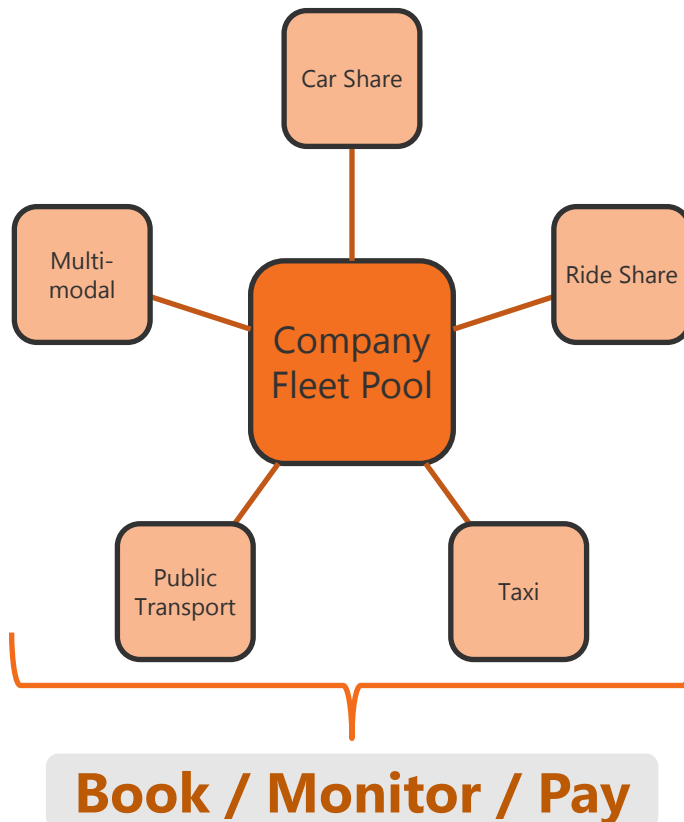


Future leaders need to be flexible innovators, with the necessary scale to extract cost benefits for the customer and a committed, credible presence in their chosen segments

Step	Data extraction	Data presentation	Analysis / utilisation
<i>Requires</i>	<ul style="list-style-type: none"> Telematics box ^(SGF) 	<ul style="list-style-type: none"> Multi-provider data ^{SGF} integration capability Purpose-designed portal ^{SGF} technology 	<ul style="list-style-type: none"> Specialist / outsourced ^{SGF} expertise
			
<i>Barrier</i>	<p style="text-align: center;">LOW</p> <ul style="list-style-type: none"> Hardware commodity Non-proprietary Controlled by potential entrant 	<p style="text-align: center;">MEDIUM</p> <ul style="list-style-type: none"> Functional selection and presentation requires understanding of customer requirement / solution 	<p style="text-align: center;">HIGH</p> <ul style="list-style-type: none"> Requires experience across multiple customer challenges Requires scale and ability to execute solution
<i>Value-add</i>			

Increasing demand for mobility solutions beyond traditional fleet structures

- Multiple transport method options
- Integrated management and administration



Example:



- Combines GoGet technology with *sgfleet* fleet management expertise
- First stage of integrated mobility solutions range

- ✓ Car share technology in existing fleet
- ✓ Vehicle sharing across multiple divisions
- ✓ Simple booking process
- ✓ Centralised reporting and billing through *FleetIntelligence*
- ✓ Reduced administration – no key handling
- ✓ Driver identification
- ✓ Reduction in taxi and hire car usage
- ✓ Detailed reporting identifies surplus vehicles

➔ **Supplements and optimises existing vehicle pool**

- **Transparent business model and highly visible revenue streams**

- **Clear growth path**

- **Continued progress in challenging markets**

- **Australian business environment stabilises**

- **Major contract contributions accelerating**

- **Enhanced UK scale delivering competitive benefits**

- **New Zealand momentum continues**

- **Integration projects on track and delivering synergies**

- **Leading integrated telematics solutions**

- **Mobility offerings gaining momentum**

- **Ideally placed to take advantage of demand evolution**

- **Actively exploring M&A opportunities, with strong shareholder support**

Sustainable growth, strong returns and enhanced industry leadership

Questions