

INVESTOR PRESENTATION
1H2017 RESULTS

14 FEBRUARY 2017



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Overview

Highlights

FINANCIAL RESULTS & DIVIDEND

NPAT \$26.6m (up 35.0%)

- Underlying NPAT¹ \$29.0m (up 27.2%)

EPS 10.53cps (up 30.8%)

- Underlying Cash EPS 12.57cps (up 31.3%)

Interim dividend 7.536cps (up 44.3%)

- Payout ratio of 65% of NPATA

Corporate Leverage ratio² – 0.7x

- Total Leverage ratio – 1.3x

STRATEGY & OPERATIONS

Maintaining growth despite competitive environment

High profile contracts now active

- NSW contract on-boarded and expanding
- Queensland novated panel operational

Good progress with new mobility solutions

UK and NZ profitable

All acquisitions contributing alongside core business

All integration programs on track

Actively looking for scale-enhancing opportunities

FY17 Underlying NPATA growth guidance increased³ to 22-27%

1: Underlying Net Profit After Tax = Net Profit After Tax before acquisition-related expenses incurred during the reported period.

2: Pro forma as at 30 December 2016

3: Includes forecast contribution from Motiva

Operational Review

Australia

ENVIRONMENT

Growth outlook muted

- Major domestic and international uncertainties
- Non-mining investment yet to recover
- Retail conditions weak

Competitive market

- Aggressive tender pricing – unsustainable behaviour from certain competitors
- Funding margin pressure in corporate and commercial maintained

RV profit share trend stable

**Strong competition for
healthy business pipeline**

BUSINESS ACTIVITY

Conversions from fleet managed to fully maintained operating leases

Increased take-up integrated telematics offering

- Signed contracts and government trials

NSW Government contract fully operational

- Initial ramp-up requirements to be wound down / system conversion reactivated
- Increasing sign-up for wide range of additional services

Queensland novated panel now active

- First deals written

Novated influenced by consumer sentiment

- In line with private car sales and general retail activity

Multiple growth avenues

Operational Review

United Kingdom

ENVIRONMENT

Post-Brexit return to normal

- Continued bounce-back in GDP growth throughout period
- Corporates have largely returned to pre-Brexit business and expansion approach

Regulatory clarity

- Government's long-term commitment to car salary sacrifice structure confirmed in Autumn Statement outlining revised Benefits-In-Kind and National Insurance Contribution arrangements

Increased outlook certainty

BUSINESS ACTIVITY

Continued portfolio growth during period despite HMRC consultation period lull

- Conversion of multi-supply arrangement to sole supply for 1,000-unit fleet / 5-year contract extension for largest short-term hire customer

Resumption of salary sacrifice scheme launches post Autumn Statement

Fleet Hire and Motiva acquisitions add scale and critical mass to UK presence

- Expanded product range and customer book
- Procurement, operating cost and market visibility benefits

Combined UK business makes first profit contribution

Progress across all UK brands

Operational Review

New Zealand

ENVIRONMENT

Business and consumer sentiment strong across the board

- Corporate hiring and investment expectations high
- Positivity across all sectors – construction sector most optimistic
- 2016 new vehicle market sets record

Environment supports corporate expansion

BUSINESS ACTIVITY

Growth in new business and existing customer product range extension

- Several major tool-of-trade RFPs in play
- Further sale & leaseback activity
- Take-up of navigation & telematics units
- First deliveries of BMW i3 electric vehicles for blue chip customers

Business delivers stronger profit contribution

Good progress continues

Financial Results

Financial Summary

A\$m	1H2017	1H2016	Variance
Total Revenue	133.6	93.3	43.2%
Total Expenses excluding acquisition-related expenses	(92.0)	(61.0)	50.8%
Underlying Net Profit Before Tax	41.6	32.3	28.8%
Margin	31.1%	34.6%	(3.5%)
Tax	(12.6)	(9.5)	32.6%
Underlying Net Profit After Tax ¹	29.0	22.8	27.2%
Margin	21.7%	24.4%	(2.7%)
Acquisition-related expenses	(2.4)	(3.1)	(22.6%)
Reported Net Profit After Tax	26.6	19.7	35.0%
Amortisation of Intangibles after Tax	2.7	0.5	440.0%
Underlying NPATA ²	31.7	23.3	36.1%
Margin	23.7%	25.0%	(1.3%)
Underlying EPS (cents per share)	11.48	9.34	22.9%
Reported EPS (cents per share)	10.53	8.05	30.8%
Underlying Cash EPS (cents per share)	12.57	9.57	31.3%

- Fleet Hire and Motiva acquisitions contributed \$13.2m to Group Revenue
- Reduction in margins primarily as a result of UK acquisitions, which have higher levels of On-Balance Sheet Lease Portfolio funding

1: Underlying Net Profit After Tax = Net Profit After Tax before acquisition-related expenses incurred during the reported period.

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

Revenue – Overview

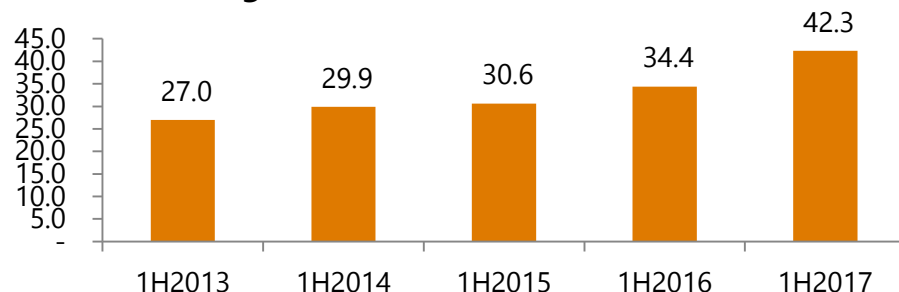
A\$m	1H2017	1H2016	Variance
Management and maintenance income	42.3	34.4	23.0%
Additional products and services	42.2	28.1	50.2%
Funding commissions	27.5	15.9	73.0%
End of lease income	5.3	5.9	(10.2%)
Rental income	14.0	5.9	137.3%
Other income	2.3	3.1	(25.8%)
Total Revenue	133.6	93.3	43.2%

- 5% organic growth in pro forma Revenue excluding UK acquisitions¹

1: Pro forma as if the nlc acquisition had occurred on 1 July 2015

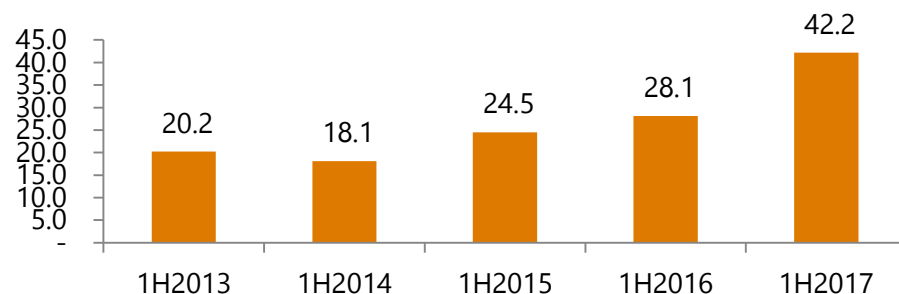
Revenue – Analysis

Management and Maintenance Income



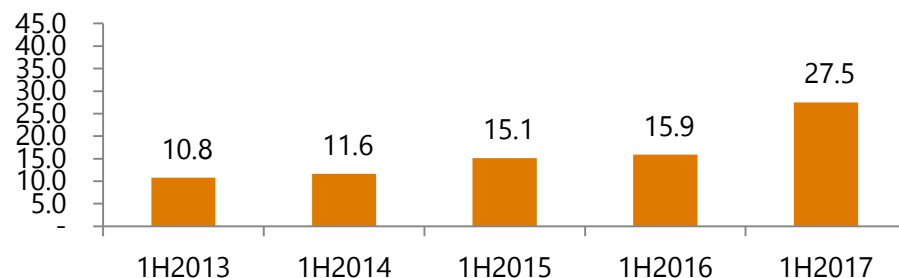
- Up 23.0%
- Growth from NSW Government contract
- \$3.5m contribution from UK acquisitions

Additional Products and Services



- Up 50.2%
- Growth in insurance income and supplier incentives
- Immaterial impact from UK acquisitions

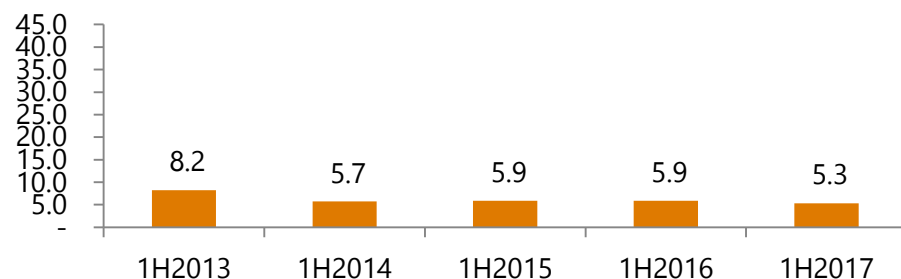
Funding Commission



- Up 73.0%
- Funding margins on corporate and commercial leasing impacted by competitive behaviour
- Higher formal extensions of corporate leases
- Some shift towards used vehicles (Novated)
- Immaterial impact from UK acquisitions

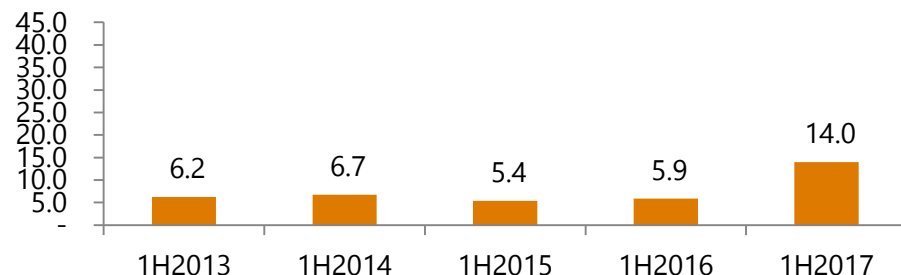
Revenue – Analysis

End Of Lease Income



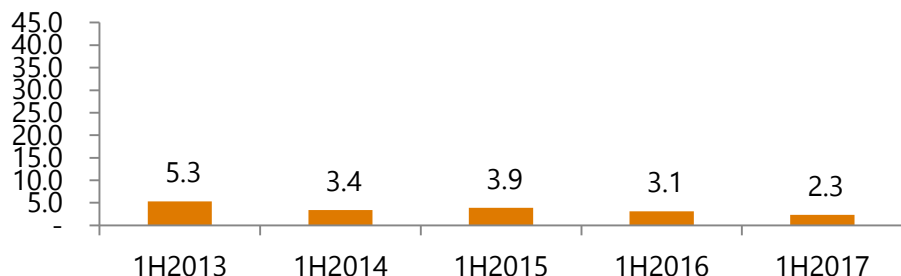
- Down 10.2%
- Greater number of vehicles disposed of on a profit share basis
- Profit share percentage of book stable
- \$0.6m contribution from UK acquisitions

Rental Income



- Up 137.3%
- Fleet Hire and Motiva have larger on-balance sheet funding
- Higher inertia rentals
- \$7.3m contribution from UK acquisitions

Other Income



- Down 25.8%
- Lower interest and ad-hoc income

Expenses

A\$m	1H2017	1H2016	Variance
Fleet management costs	34.2	23.9	43.1%
Employee benefits expense	34.9	23.4	49.1%
Occupancy costs	3.0	2.2	36.4%
Depreciation, amortisation and Impairment	8.7	4.2	107.1%
Technology costs	2.4	1.7	41.2%
Other expenses	4.4	3.4	29.4%
Finance costs	4.4	2.2	100.0%
Total excluding acquisition-related expenses	92.0	61.0	50.8%

- Fleet management costs
Growth driven by growth in Management and maintenance income and Additional products and services revenue
Further improvement in accessory margins
- Employee benefits expense
Increase in FTEs for NSW Govt. contract
Temporary increase in headcount – system conversion
- Depreciation, amortisation and impairment
\$2.9m amortisation of capitalised intangibles as a result of nlc and UK acquisitions
- Finance costs
Additional gearing for nlc and UK acquisitions

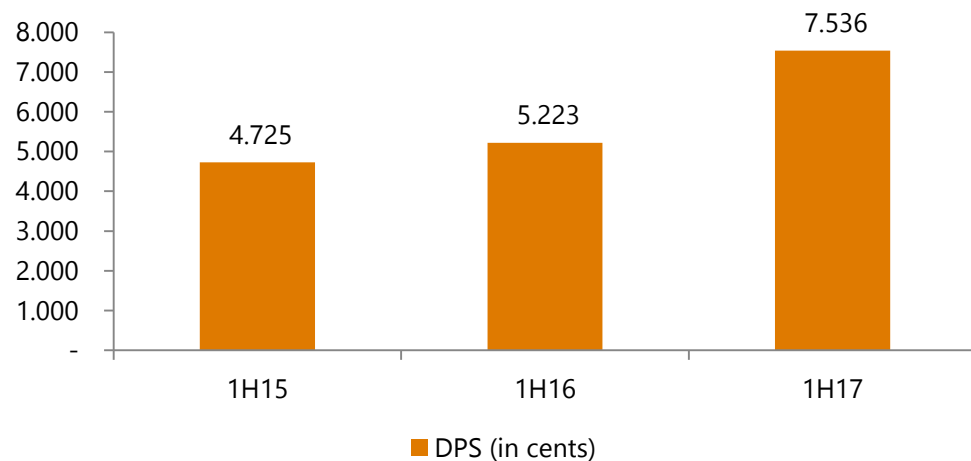
Balance Sheet, Cash Flow and Debt

- Net Debt – \$147.8m
- Pro forma Net Leverage Ratio¹
 - Total Leverage – 1.3x
 - Corporate Leverage – 0.7x
- We retain capacity for further growth opportunities
- Cash conversion – 108% of EBITDA

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

Dividend

Dividend Trend – 1H



- Dividend of 7.536 cents per share fully franked
- Up 44.3% vs. 1H16
- Payout ratio of 65% of NPATA
- Record date: 30 March 2017
- Payment date: 20 April 2017

Operational Update

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Operational Update

nlc INTEGRATION

Integration on track as system conversion is reactivated

Realignment of Corporate / Consumer business structure

- Group novated business integrated under single leadership team

Common vehicle procurement model adopted across novated business

- Contractual review completed

2H17: Consumer-style products available across Group's novated client base

IT infrastructure consolidation

- Further phases of systems conversion temporarily paused for NSW Government contract on-boarding
- Project now reactivated and integration progressing as planned

Synergy extraction to enter key phase



Operational Update

UK INTEGRATION

Combined integration strategy set and well into execution phase

Premises, people & systems

- Combination into single **sgfleet** / Fleet Hire office completed – savings effective as of 2/17
- **sgfleet** / Fleet Hire management team integrated – operational teams integration underway
- Systems integration progressing – expected to be completed in CY2017

Purchasing synergies negotiated late in reported period

- Vehicle purchasing negotiations integrated across all businesses – creating “best of” terms with each supplier
- Disposals operations integrated across all businesses – improving disposal costs per unit and sales results
- Improvements in portfolio funding costs from renegotiated wholesale funding terms

Synergy impact starting to come through in current period



Operational Update

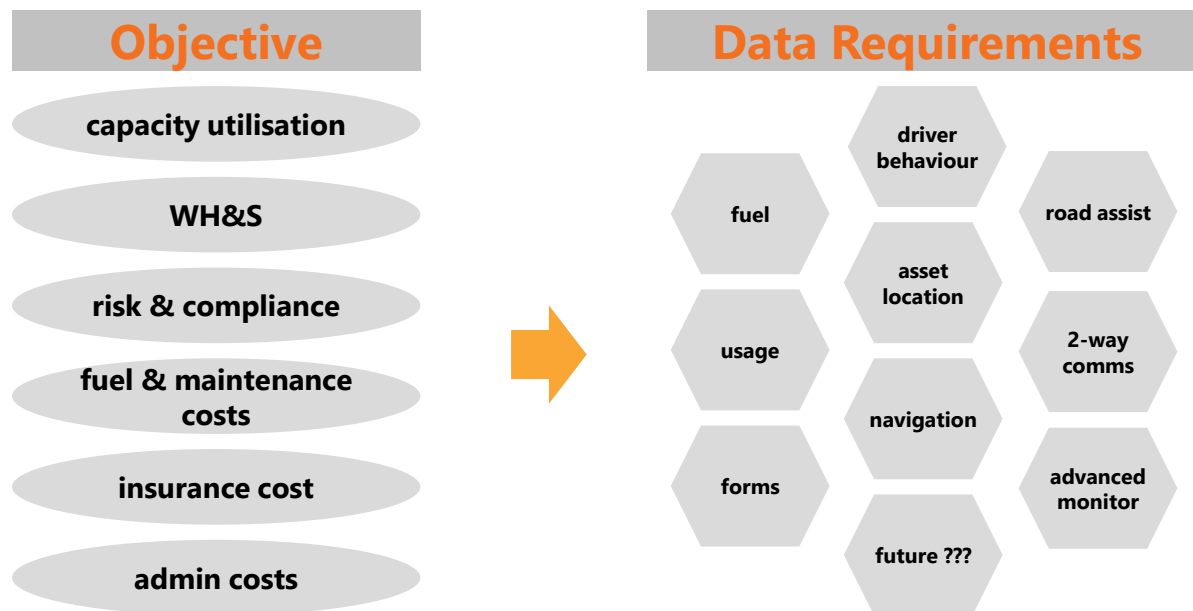
TELEMATICS: Take-up accelerating as capabilities are added

Telematics provide significant, complex data sets

➔ Challenge is to maximise value-add from data and create integrated solutions

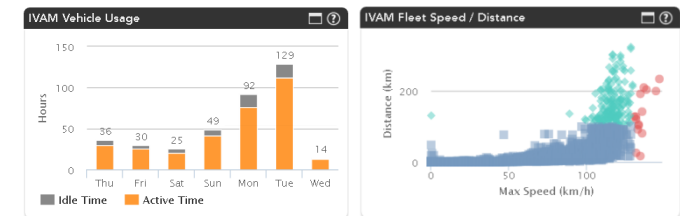
Data analysis and extraction of recommendations has become specialist (outsourced) expertise

➔ Key is understanding of objectives and determining requirements



Focus on:

- **Collecting and presenting data from any provider in meaningful way**
 - Collect: multi-provider data hub
 - Present: *FleetIntelligence* portal
- **Assisting customer with extraction of value-add action items**
 - Strategic reviews & reports



Summary

Summary

- Continued growth in challenging markets
- Mobility offerings gaining momentum
- Leading integrated telematics solutions
- Major contract contributions accelerating
- Further opportunities with government
- Overseas operations in profit
- Meaningful scale established in UK
- Core business and acquisitions contributing
- Integration projects on track
- Systems conversion reactivated
- Regulatory environment clarity
- Actively exploring M&A opportunities

Growing scale and value-add

FY17 UNDERLYING NPATA¹ GROWTH RANGE INCREASED² TO 22-27%

1: FY16 Underlying NPATA: \$54.0m

2: Includes forecast contribution from Motiva

Questions