1H24 results presentation

FleetPartners Group Limited (ASX:FPR)
13 May 2024

FleetPartners

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Acknowledgement of Country

In the spirit of reconciliation, FleetPartners acknowledges the Traditional Custodians of Country throughout Australia and their connections to land, sea and community. We pay our respects to their Elders past and present, and extend that respect to all Aboriginal and Torres Strait Islander peoples.

Agenda

1. Performance highlights

Damien Berrell
Chief Executive Officer and Managing Director

FleetPartners

1H24 performance highlights

1H24 highlighted strong NBW and AUMOF growth of 39%[1] and 10% on pcp, respectively

STRATEGIC PATHWAYS DRIVING STRONG GROWTH

39%[1]

Strategic Pathways delivering high **NBW growth** across Corporate, Small Fleets and Novated

2.5x[2]

Elevated pipeline remains despite strong NBW result – helps underwrite future AUMOF growth

10%

Double-digit **AUMOF growth** – the key input into driving sustainable, annuity-like income

A PROVEN DEFENSIVE BUSINESS MODEL

~95%

of NOI pre EOL & Provisions revenue is **recurring, annuity-like income[3]**

106%

High organic **cash conversion**

42bps

Portfolio continues to perform strongly with low **90+ day arrears**

ONGOING DELIVERY OF SHAREHOLDER RETURNS

On time

"Accelerate" business transformation & technology simplification project making good progress[4]

$42m

NPATA result driven by strong AUMOF growth and EOL at $6,291 per unit

$27m

Share buy-back announced for 2H24 representing 65% of 1H24 NPATA

1) Excludes sale and lease-backs ($0.2m in 1H23, $0.6m in 1H24).
2) 2.5x the FY19 pipeline which represents the last full financial year prior to the emergence of COVID-19.
3) Defined as NOI pre EOL & Provisions excluding funding commissions and establishment fees.
4) Latest Accelerate forecast spend of $26m versus $25m budget and go-live expected by Sep-24 as originally planned.

18% CAGR in cash earnings per share (EPS) since 1H19[1]

Creating shareholder value via three distinct, clearly defined and well-established drivers for EPS growth

Strategic Pathways

Driving growth in three underpenetrated, high returning, target markets

Technology-led strategy that is underpinned by customer service excellence and expertise

Leveraging a multichannel distribution model across Corporate, Small Fleets & Novated

Accelerate

Business transformation project to consolidate brands, systems & processes

Clear & consistent go-to-market message, faster digital innovation, lower IT costs, more automation, more productivity, greater employee engagement & better customer experiences

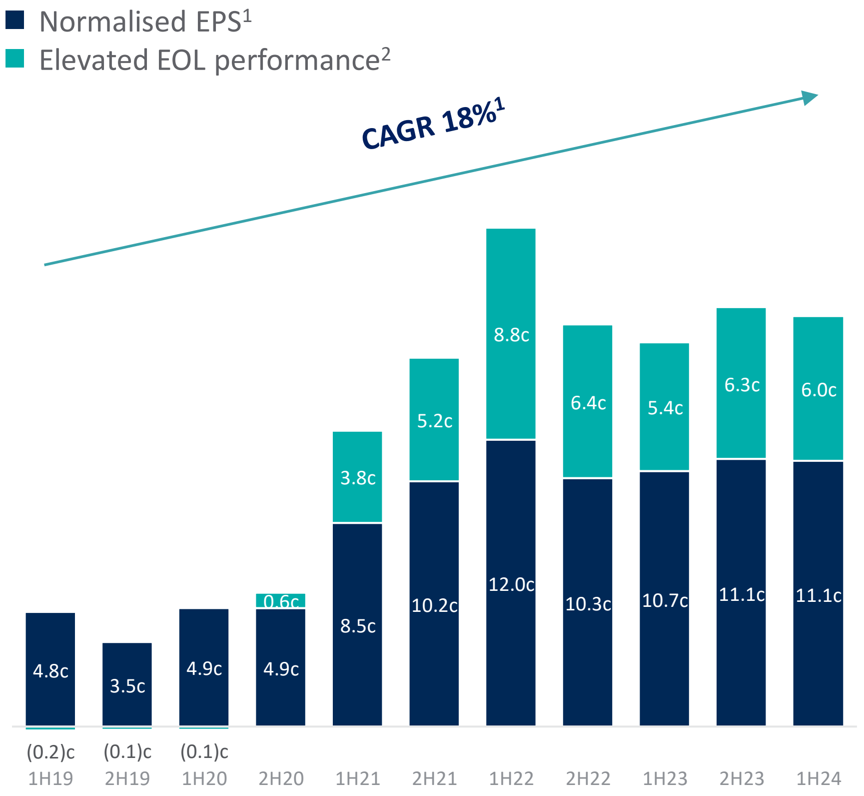
Capital Management

Optimising allocation for maximum return on capital

Buy-back considered the optimal form of capital distribution in the absence of franking credits

M&A remains an opportunistic aspect of FleetPartners' EPS growth strategy

Cash EPS growth



1) Represents NPATA over average number of shares on issue in the relevant period.
NPATA adjusted to replace elevated EOL performance with pre-COVID-19 EOL of c.$30m for purposes of Normalised EPS.
2) Represents elevated EOL above pre-COVID-19 EOL of c.$30m.

Strategic Pathways

Expanding market share in three underpenetrated, high-returning target markets

	Corporate AU & NZ	Small Fleets[1]	Novated
TAM[2]	**2.5m vehicles[3]**	**1.5m vehicles[3]**	**c.1m employees[4]**

Corporate AU & NZ

- ✓ Strong returns and high barriers to entry
- ✓ Loyal customers with 90%+ retention
- ✓ Lower FMO[5] penetration compared to overseas markets offering opportunity to convert self-managed fleets
- ✓ Fleet electrification expected to become catalyst for further fleet management outsourcing to FMOs[5]
- ✓ Connected vehicles[6] making FMOs more strategically important with data-driven insights & carbon reporting

Small Fleets

- ✓ High growth and high return opportunity
- ✓ Market historically not serviced by FMOs & product not generally available
- ✓ Replicating the successful FPR NZ model in AU
- ✓ Digital platform including straight-through credit processing
- ✓ Distribution model utilises dealer “point-of-sale”, digital marketing & traditional broker channels

Novated

- ✓ Novated enhances value proposition for Corporate and Small Fleets … cross-sell to their employees
- ✓ Market expanding due to the recent FBT relief for EVs
- ✓ Frictionless customer experience
- ✓ FPR has opportunity to increase both employee base & product penetrations in line with industry averages

1) Relates to customers with fleets of less than 20 vehicles.
2) Total addressable market (TAM) and is an estimate.
3) Source: ACA 2022 Australian Corporate and Small Fleets insights report. Relates to Australia only.
4) TAM is FleetPartners’ customers’ employee base.
5) FMO stands for fleet management organisation.
6) Vehicles with in-built telematics capability.

Strategic Pathways – 1H24 highlights

Good momentum maintained across the three target markets of Strategic Pathways

Corporate AU & NZ

- $257m NBW[1] in 1H24, up 19% pcp
- Several new customer wins across civil construction, manufacturing and healthcare sectors
- Continued to grow strategic consulting services on sustainable fleet transitions, including carbon reporting
- Hosted a series of EV focused events in partnership with OEM[3]s and industry bodies
- Won the *2023 NZ Business Support Services* award[4]
- Retained all key customers (top 20) in AU & NZ

Small Fleets[2]

- Record AU NBW in 1H24 of $25m – up 83% pcp
- Signed major dealer group covering 34 showrooms across 14 OEM brands … 178+ introducers (across both countries) now signed up to our digital platform
- Continued product education training across network
- 'Love to Lease' advertising campaign launched in NZ
- Began development of website calculator with straight-through credit approval – 2H24 release date

Novated

- Record NBW in 1H24 of $167m … up 81% pcp
- Business positioned to capitalise on strong EV demand – EVs making up 51% of 1H24 NBW and peaking at 63% in the month of March 2024
- Several new customer wins across technology, energy and banking sectors … and reappointment to QLD govt panel
- 'Thrive' wellbeing campaign launched in Australia

1) Excluding Small Fleets Australia.
2) Relates to customers with fleets of less than 20 vehicles.
3) OEM stands for original equipment manufacturer.
4) Industry Award for Business Support Services at the 2023 CRM Contact Centre Awards.

Accelerate

Business transformation program that aims to leverage the scale created by Strategic Pathways to maximise profitability

Simplified technology stack

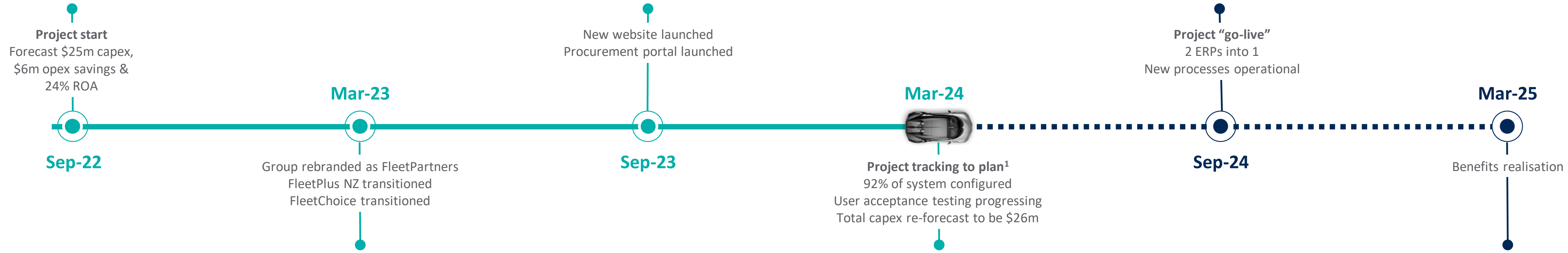
- ✓ Moving from 2 operational systems (ERP) in Australia to 1
- ✓ Modern platform that allows faster to market digital innovation with less capex
- ✓ Simpler technology architecture – lower IT spend
- ✓ Better insights and data-driven decisioning

Standardised operational processes

- ✓ Greater economies of scale
- ✓ Superior customer service experience
- ✓ Increased focus on value additive tasks for FPR team members – enhancing engagement
- ✓ Reduced operational risk

One go-to-market brand

- ✓ Consolidating from 4 brands to 1
- ✓ Enhanced brand clarity, visibility and positioning
- ✓ Higher ROI from marketing spend
- ✓ Streamlines FPR's operational processes

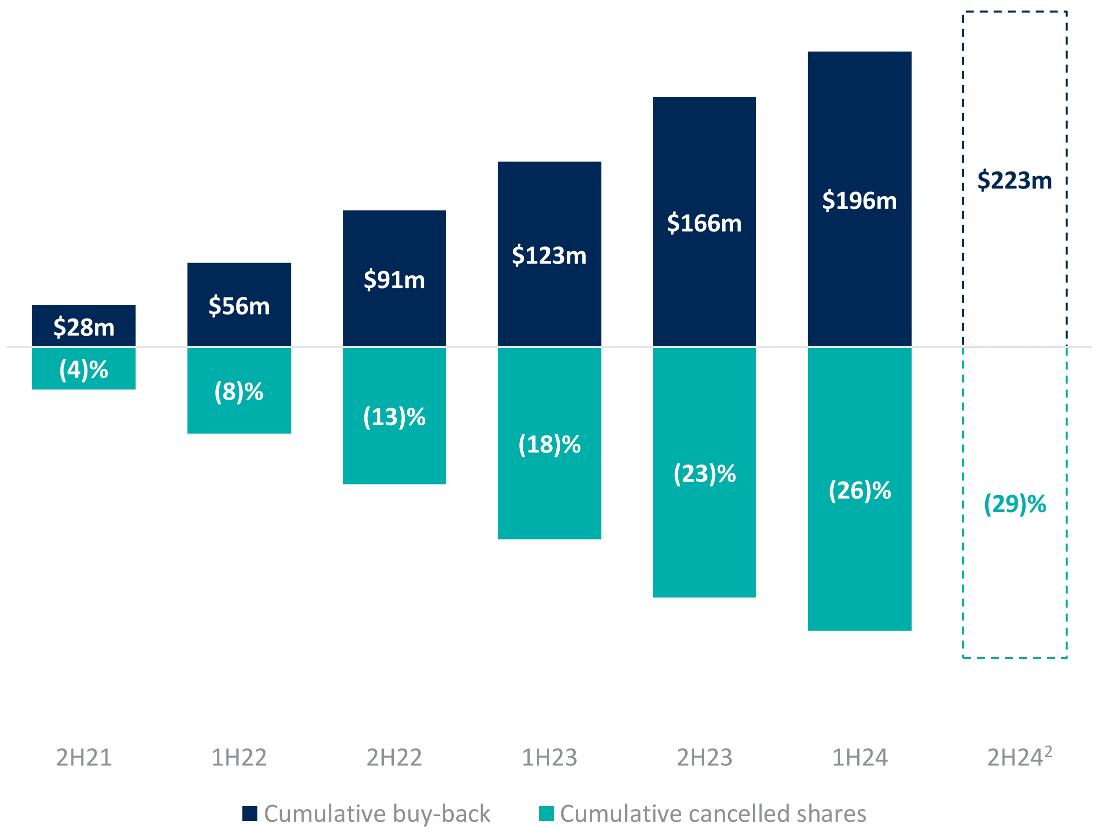


1) Latest Accelerate forecast spend of $26m versus $25m original budget and go-live expected by Sep-24, as originally planned.

Capital management

Additional $27m announced buy-back representing 65% of 1H24 NPATA

Cumulative buy-back[1]



Comments

- 2H24 share buy-back of up to $27 million has been declared representing 65% of 1H24 NPATA, being the top end of the Group's targeted capital payout range
- By the end of 2H24, c. 29% of shares on issue will have been bought back and cancelled since May-21[2]
- Buy-back considered the optimal form of capital distribution in the absence of franking credits which are not expected to accrue until FY26 at the earliest (due to *Temporary Full Expensing* legislation)
- Ongoing capital returns are subject to no alternative use of capital arising that would otherwise generate a superior return on capital. For example, this could include organic growth beyond internal forecasts, capital projects and/or acquisition opportunities

1) Share buy-back remains subject to availability of share liquidity/volume and compliance with all regulatory and market restrictions. Target range is subject to change, as determined by the Board.
2) Reflects period in which buy-back was/will be completed. 2H24 assumes, for illustrative purposes, that 7.7m shares are purchased at $3.50 per share, reflecting the announced target buy-back of $27m.

1H24 Environmental, Governance and Social highlights

Inaugural Gender Pay Gap Statement

Recording a 6.1% annual reduction in our overall gender pay gap.

Green Bond Framework launched

Assisting investors to prioritise investments with solutions relating to climate change.

Updated Modern Slavery Statement

Demonstrating our ongoing commitment to ethical business practices and human rights.

Annual Careers Week

FleetPartners

Informing career pathways and supporting team member goals, learning and development.

Corporate volunteering with CPA

Cerebral Palsy ALLIANCE

Supporting CPA clients with an opportunity to live life their way.

1 of the top 5 WORK180 Endorsed Employers

WORK180

Offering the best paid time off policies for team members in Australia.

2. Financial result

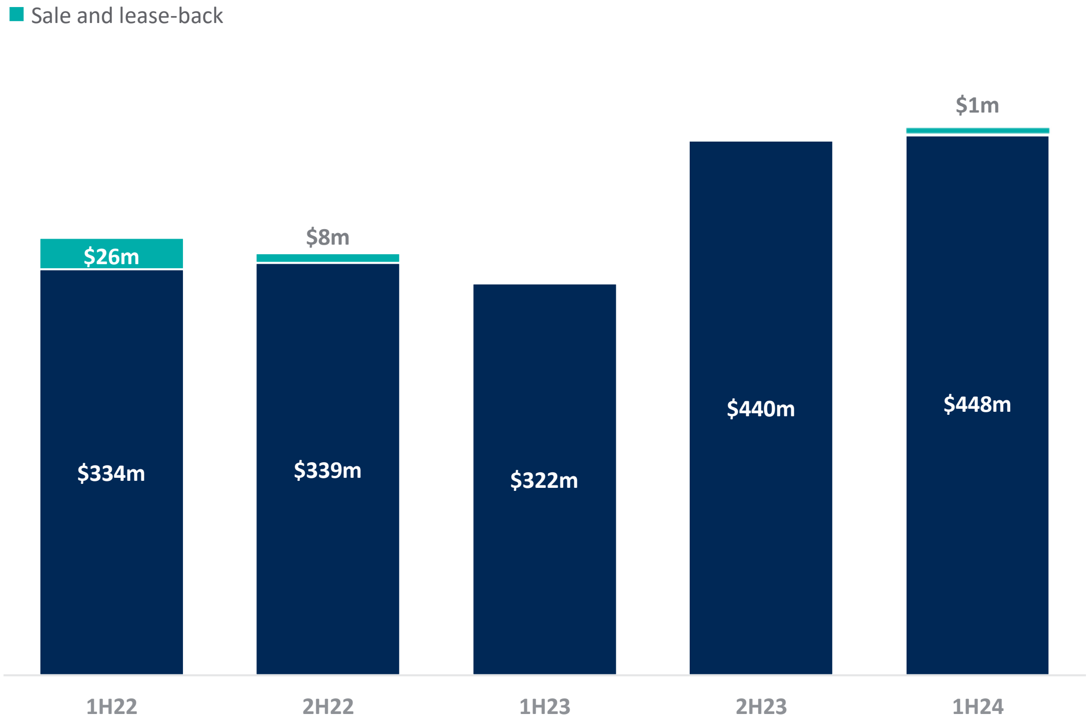
James Owens
Chief Financial Officer

FleetPartners

New business writings

NBW up 39%[1] compared to 1H23 as supply continues to improve

New Business Writings[1,2]



Comments

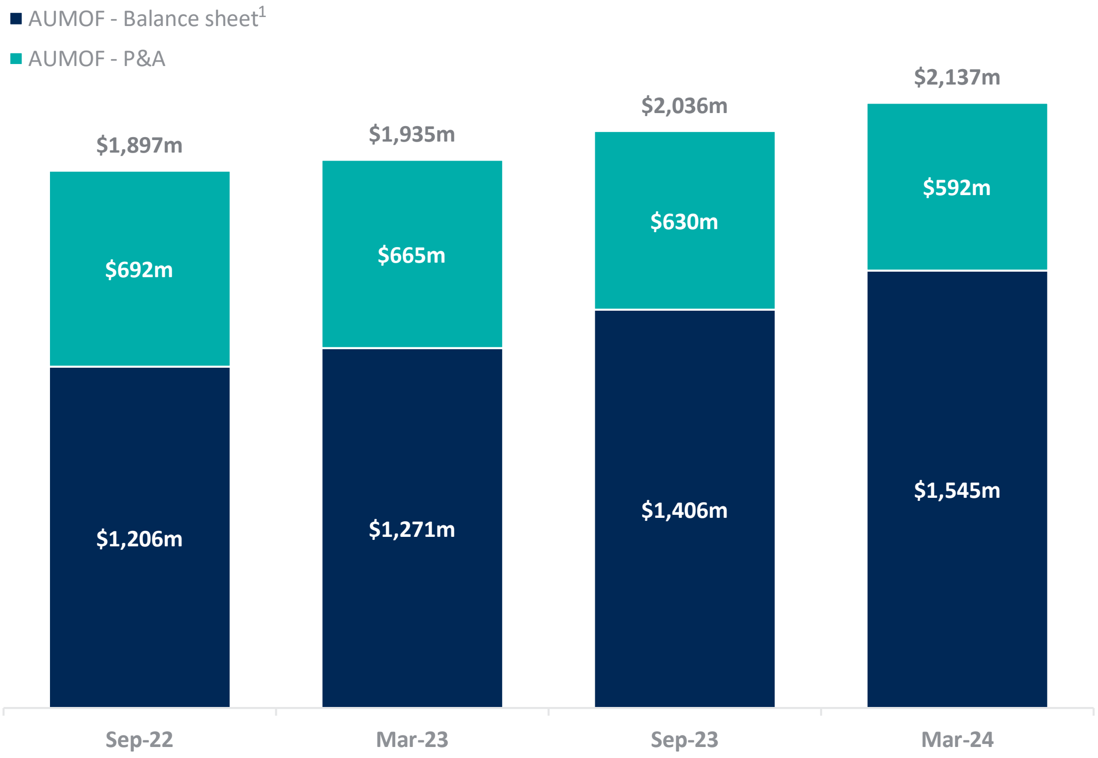
- Strategic Pathways has delivered NBW growth of 39%[1] in 1H24 compared to pcp, supported by continued improvement in new vehicle supply
- Novated achieved NBW growth of 81%[2] compared to pcp, with strong growth in EVs due to the Electric Car Discount, which only had a minor impact in pcp
- As a result, the order pipeline for Novated reduced to 3.8x pre-COVID-19 levels[3] at Mar-24 (compared to 4.6x at Sep-23)
- Fleet NBW was up 22%[1] driven by growth of 31%[1] in Fleet Australia (including 83% growth in Small Fleets), which benefited from increased availability of key vehicle variants
- The order pipeline for Fleet Australia remains elevated, representing 2.3x pre-COVID-19 levels[3] at Mar-24 (compared to 2.6x at Sep-23) as customers continue to place orders to replace ageing vehicles
- Fleet New Zealand grew NBW by 8%[1] however underlying demand weakened as a result of the slowing economy and changes to government policy, resulting in the pipeline reducing to 2.8x pre-COVID-19 levels[3] at Mar-24 (compared to 3.6x at Sep-23)

1) Excludes sale and lease-backs ($25.7m in 1H22; $8m in 2H22, $0.2m in 1H23, $0.1m in 2H23, $0.6m in 1H24). Fleet NZ growth in AUD.
2) 1H22 excludes FCNT which was dissolved in Mar-22 in line with the Group's strategy to exit low returning products.
3) Order pipeline indexed to FY19, as FY19 represents the last full financial year prior to the emergence of COVID-19. Fleet NZ comparison in AUD.

Asset growth funded on balance sheet

AUMOF up 10% as a result of strong NBW performance, with growth funded primarily via the balance sheet[1]

Assets under management or financed



Comments

- AUMOF is the key driver of net operating income pre EOL and provisions, generating predictable, annuity-like revenue
- AUMOF was up 10% vs pcp, as strong NBW growth was supported by improved availability of key vehicle variants – particularly in Novated and Fleet Australia
- Strategy to direct more NBW to warehouse funding continued, with balance sheet funded AUMOF up 22% vs pcp. Whilst this transition results in a reduction in upfront P&A funding commissions, it results in a higher overall return for a lease over its term than a P&A funded lease
- Higher proportion of NBW expected to be financed via warehouse (rather than P&A) going forward, with successful migration of FleetChoice novated business to FleetPartners during FY23 and the planned migration of FleetPlus customers to FleetPartners following completion of the Accelerate Program, which will result in some of these customers being transitioned to balance sheet funding

1) Balance sheet funded AUMOF relates to warehouse and ABS funded leases.

Income statement

Earnings continued to normalise in 1H24 as COVID-19 tailwinds unwind

$ million	1H24	1H23	PCP (%)
Net operating income pre EOL and provisions[1]	76.1	75.1	1%
End of lease income	35.9	35.6	1%
Fleet and credit provisions	(1.8)	(0.9)	(98)%
Net operating income	110.2	109.8	0%
Total operating expenses	(44.1)	(41.5)	(6)%
EBITDA	**66.1**	**68.3**	**(3)%**
Share-based payment expense	(1.9)	(1.6)	(21)%
Interest on corporate debt	(3.2)	(3.3)	2%
Depreciation and leases[2]	(1.7)	(1.8)	7%
Amortisation of intangibles[3]	(4.5)	(4.2)	(7)%
Hedge ineffectiveness[4]	(2.0)	(1.2)	(74)%
Non-recurring items	(1.0)	(0.3)	NM
PBT	**51.7**	**55.9**	**(7)%**
Tax expense	(15.2)	(16.5)	8%
NPAT	**36.5**	**39.4**	**(7)%**
Add-back amortisation of intangibles (post-tax)	3.2	3.0	7%
Add-back hedge ineffectiveness (post-tax)[4]	1.4	0.8	76%
Add-back non-recurring items (post-tax)	0.7	0.2	NM
NPATA	**41.8**	**43.4**	**(4)%**

Comments

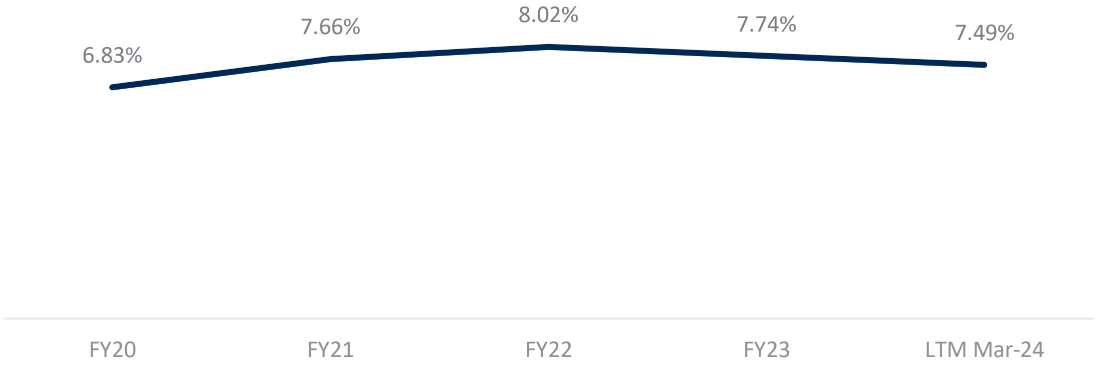
- NOI pre EOL & provisions increased by 1% in 1H24, driven by growth in average AUMOF of 9%, offset by lower management fees on new operating leases compared to those on the extended leases they replaced, and lower funding commissions due to more NBW being funded on balance sheet, as well as the impacts of accelerated growth in NBW (outlined on the following slide)
- End of lease income (EOL) up 1%, driven by a 23% increase in units sold due to improved availability of replacement vehicles, offset by 18% lower EOL per unit, due to the steady decline in elevated pricing seen in the used car market, particularly for light commercial vehicles
- Provisions have increased, driven by growth in balance sheet funded AUMOF (particularly for Novated) and slightly higher arrears
- Operating expenses were $44.1m, a 6% increase on pcp, reflecting significant growth in business activity, tempered by continued cost discipline against a high inflationary environment
- Interest on corporate debt decreased $0.1m due to a reduction in average borrowings, partially offset by higher interest rates compared to pcp

1) NOI pre EOL and provisions includes interest income on cash at bank and excludes hedge ineffectiveness. Refer to Appendix for details on change of presentation to exclude hedge ineffectiveness.
2) Depreciation and (interest and depreciation on) leases (AASB 16) are grouped.
3) Includes amortisation of software and acquired intangibles.
4) Relates to the portion of non-cash fair value movements in interest rate swaps that is deemed to be ineffective.

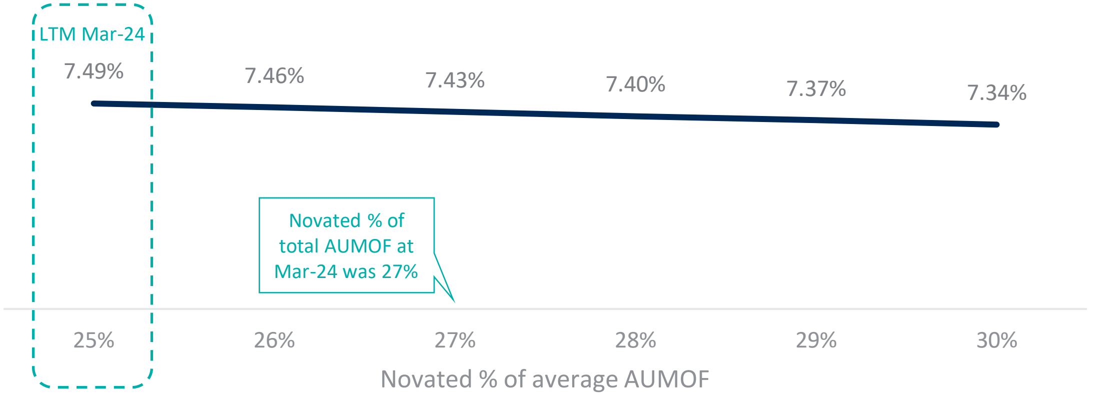
NOI pre EOL and provisions margin

Margins continue to normalise as expected, as COVID-19 tailwinds unwind – with additional impacts from strong NBW growth

NOI pre EOL and provisions margin[1]



Margin sensitivity to business mix[2]



Comments

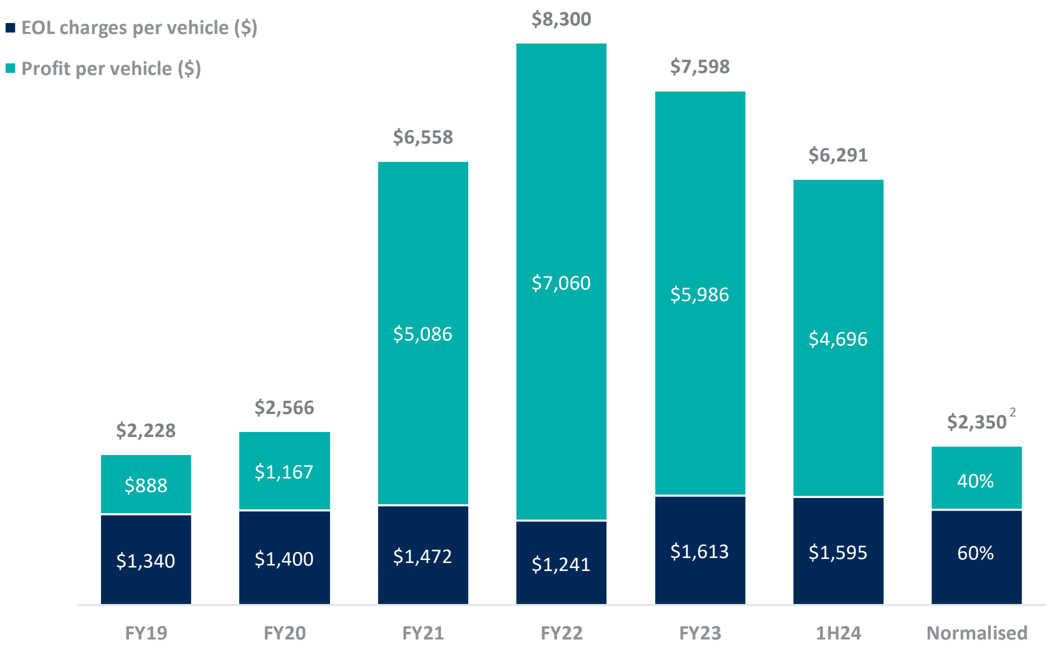
- Margins presented on a 12-month basis, given earnings weighted to second half when Novated insurance commissions are received
- Margins continue to normalise in line with expectations due to:
  - lower management fees on replacement operating leases compared to extended leases, particularly in Fleet Australia; and
  - the temporary impact of reduced upfront funding commissions as more NBW is balance sheet funded (which generates income over the lease term)
- Margins have also been impacted by accelerated growth in NBW, which has seen:
  - mix-shift to Novated (which is lower margin than Fleet), impacting LTM Mar-24 margin by c.5bps; and
  - the timing of profitability on new operating leases compared to the leases replaced, impacting LTM Mar-24 margin by c.10bps (see appendix page 33)
- The mix-shift towards Novated is expected to continue in the short- to medium-term due to strong demand, supported by the Electric Car Discount
- As shown in the bottom left chart, for every percentage point that mix shifts to Novated, blended margins reduce. The weighting of Novated during LTM Mar-24 was 25%, however by the end of Mar-24, the mix had increased to 27%

1) NOI pre EOL and provisions includes interest income on cash at bank and excludes hedge ineffectiveness. Refer to Appendix fordetails on change of presentation to exclude hedge ineffectiveness.
2) Sensitivity calculated in isolation, other variables likely to impact actual outcomes. Assumes LTM Mar-24 segment margins applied to increasing proportion of Novated and decreasing proportion of Fleet AUMOF.

End of lease income

End of lease income remains elevated, supported by increased disposal volumes, while profit per unit is gradually trending down

Vehicles sold & end of lease income per vehicle[1]

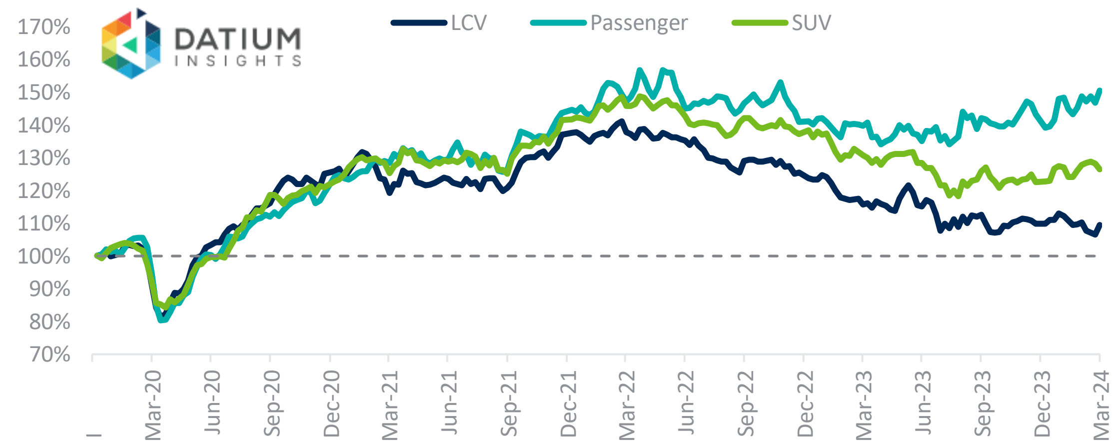


	FY19	FY20	FY21	FY22	FY23	1H24
Units sold	13,155	12,962	10,546	11,115	9,696	5,708
EOL	$29.3m	$33.3m	$69.2m	$92.3m	$73.7m	$35.9m

Comments

- Used vehicle prices remain elevated, but have reduced from the peak in Feb-22
- EOL per unit decreasing as used vehicle prices trend down, but offset by an increase in units disposed, as improved supply allows more vehicles to be replaced
- Used passenger vehicle pricing resilient, as softening economic environment sees buyers substitute purchases of new vehicles for used vehicles
- Longer term, EOL expected to revert to pre-COVID-19 levels of c.$2,350 per unit[2]

4 and 5 year old vehicle prices indexed to Jan-20[3]

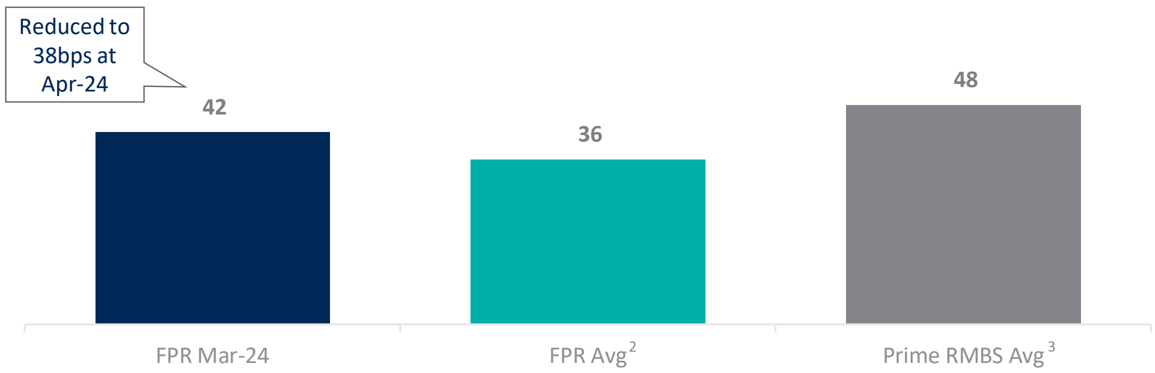


1) FY19 and FY20 exclude non-core businesses.
2) Midpoint of normalised range of $2,200 to $2,500.
3) Datium insights data, report as of 31 Mar-24.

Portfolio credit quality remains high

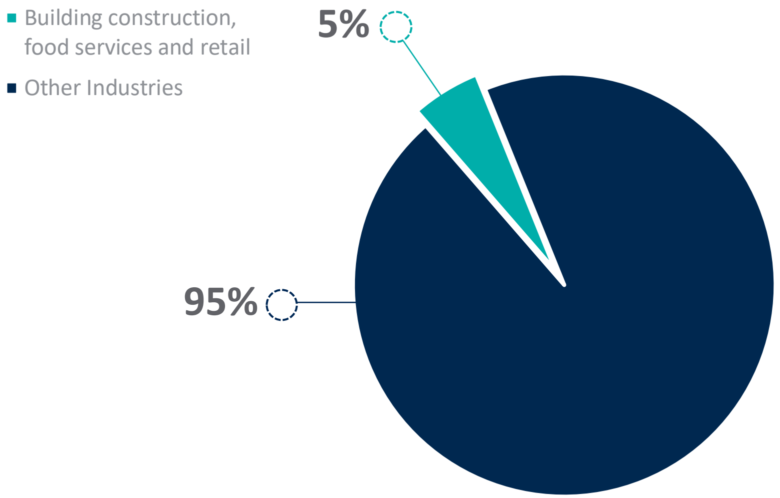
Portfolio continues to perform strongly with minimal exposure to higher risk sectors

90+ day arrears[1] (bps)



- Portfolio credit performance continues to be very strong with 90+ day arrears at 42bps at Mar-24, slightly above the average since Sep-16
- Arrears exposure is offset by the value of the underlying vehicle and all financing is secured by PPSR[4] on vehicles (no unsecured finance exposures)
- Business-critical assets have a strong track record through economic cycles

Portfolio exposure



- 81% of exposure to top 20 customers is investment grade (i.e. BBB- or higher)
- 5% of portfolio exposure relates to building construction, food services and retail
- Experienced collections team with strong control governance in place, including most Small Fleets customers on direct debit payment arrangements

1) Excludes equipment finance portfolios, which have been disposed of (AU) or are in run-off (NZ). Relates to finance payments only (excludes incidentals etc.).
2) FleetPartners average from Sep-16 to Mar-24.
3) S&P Australia prime residential mortgage-backed securities index (90+ days past due). Average from Sep-16 to Dec-23.
4) Personal Property Securities Register.

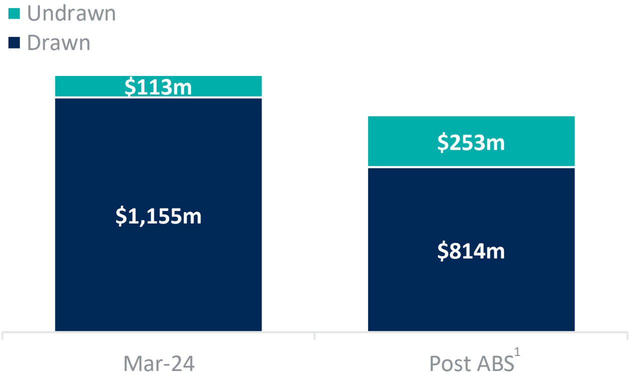
Funding and liquidity

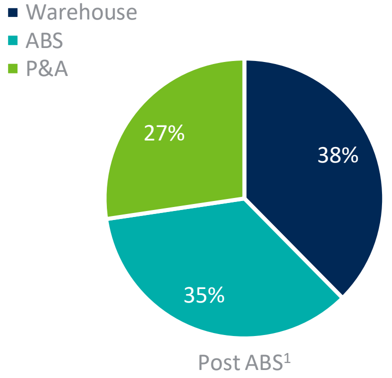
$400m Australian ABS priced in May-24 providing further capacity to support growth plans

Comments

- Warehouse funding capability since 2007 and regular ABS issuer since 2010, with a proven ability to issue through periods of volatility. $253m of undrawn warehouse capacity[1]
- $86.5m of undrawn corporate debt at Mar-24 providing standby liquidity for the Group. Drawn corporate debt of $62.5m and unrestricted cash of $73.3m at Mar-24, resulting in net cash of $10.8m. No corporate debt maturities before Jul-25
- With warehouse funding margins set until Sep-24 and base rates hedged at lease inception, there is no significant interest rate exposure on the portfolio
- Other interest rates exposures limited due to natural hedge between cash holdings and variable rate corporate debt, with +/- 25bps movements equating to +/- c$0.5m on annualised PBT

Warehouse capacity and funding mix – Mar-24

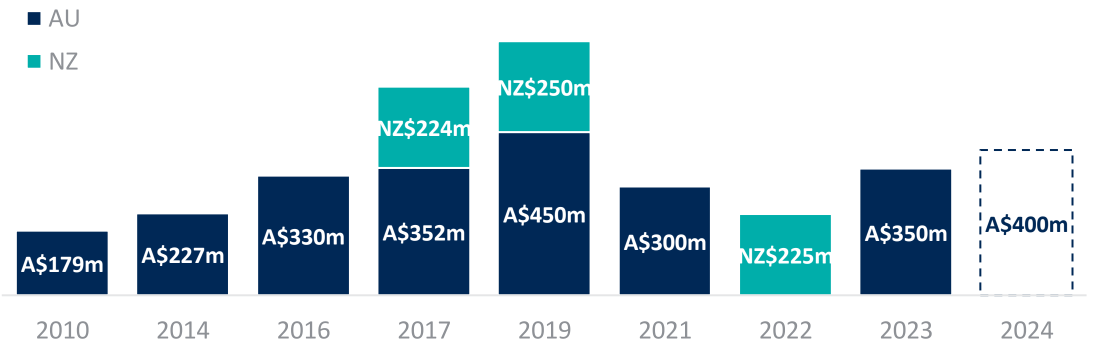




A$400m Australian ABS

- A$400m Australian ABS deal successfully priced in May-24, providing an improvement to our cost of funds compared to the current warehouse pricing
- FleetPartners established a Green Bond Framework during 1H24 for both Australia and New Zealand, allowing ABS to include identifiable and qualifying green tranches under the International Capital Markets Association Green Bond Principles
- The green tranche has also been certified as an eligible Green Bond by the Climate Bonds Initiative under the Climate Bonds Standard
- The A$400m Australian ABS included FleetPartners' inaugural Green Bond, backed by a pool of BEVs, making FleetPartners the first FMO to issue an ABS of this kind in Australia[2]

Asset Backed Securitisation Issuance



1) Mar-24 position adjusted for A$400m Australia ABS deal in May-24 and clean-up of FP Turbo 2021-1 ABS.
2) Based on publicly available information.

Cash generation

Strong organic cash generation supported by elevated EOL and cash tax shield

$ million	1H24
Operating cash flow	
Customer receipts	446.2
Payment to suppliers & employees	(221.9)
Income tax paid	(6.3)
Net interest paid	(34.7)
Cash generated from operations before investment in lease portfolio	**183.3**
Purchase of operating & finance lease vehicles[1]	(378.5)
Proceeds from sale of operating lease vehicles[1]	117.0
Net operating cash flow	**(78.1)**
Investing cash flow	
Capex (PP&E & intangibles)	(9.2)
Net investing cash flow	**(9.2)**
Financing cash flow	
Net change in borrowings	123.1
Payment of lease liabilities	(1.2)
Movement in share capital (including buy-back)	(34.6)
Net financing cash flow	**87.3**
Net cash flow	**(0.0)**

$ million	1H24
Net cash flow	**(0.0)**
Add-back capex	9.2
Add-back change in corporate debt	2.5
Add-back movement in share capital (including buy-back)	34.6
Organic cash generation	**46.3**
NPATA adding back non-cash SBP & depreciation (post-tax)	**43.6**
Cash conversion[2]	**106%**

- Business generated $46.3m of organic cash flow (as defined above)
- Cash generation elevated given continuing strong EOL performance
- Cash conversion[2] was 106% in 1H24, enhanced by the tax timing difference associated with the *Temporary Full Expensing* tax legislation in Australia
- $30m of cash distributed to shareholders via buy-back during 1H24

1) Reclassified from investing cash flows to operating cash flows in FY23. See the Interim Financial Report for further details.
2) Organic cash generation / NPATA adding back non-cash SBP and depreciation.

3. Operating segment performance

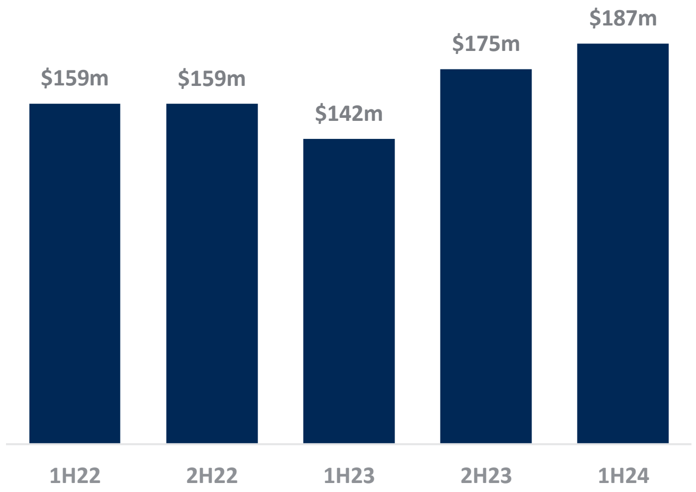
James Owens
Chief Financial Officer

FleetPartners

Fleet Australia

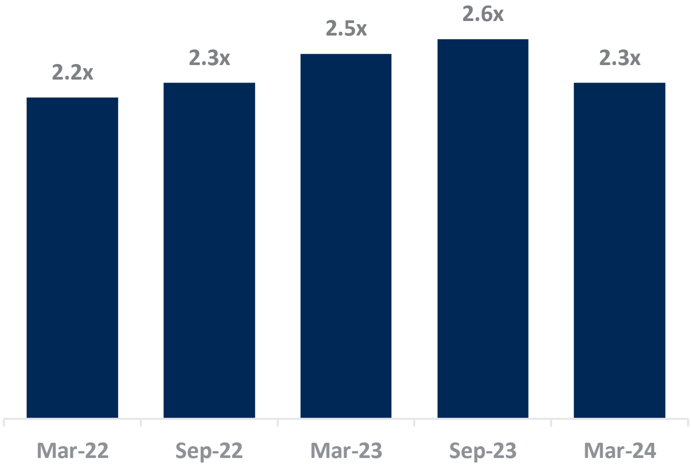
Strong NBW drives asset growth as vehicle supply returns

New business writings[1]



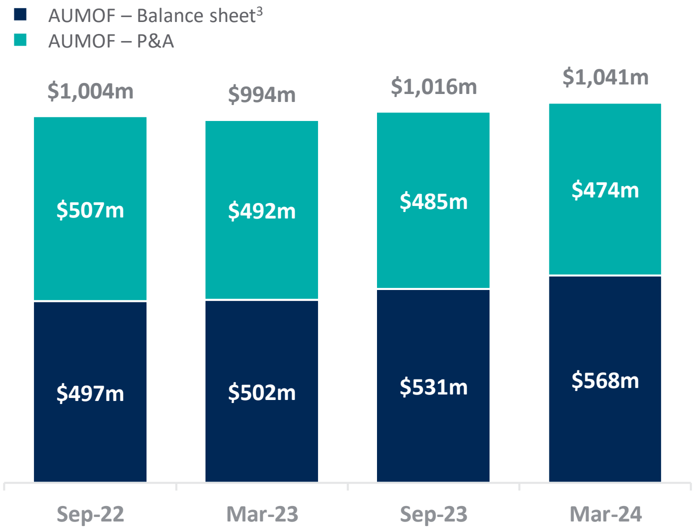
- NBW for 1H24 was $187m – 31% higher than 1H23 and 7% higher than 2H23 (excluding sale and leasebacks)
- NBW growth supported by improvements in supply across all key vehicle segments during the period, allowing for replacement of ageing vehicles

Order pipeline[2]



- Order pipeline (backlog of orders) remains elevated at 2.3x as new order intake continues to replenish the pipeline despite strong NBW growth
- Current order pipeline level helps underwrite future NBW and AUMOF growth

AUMOF[3]



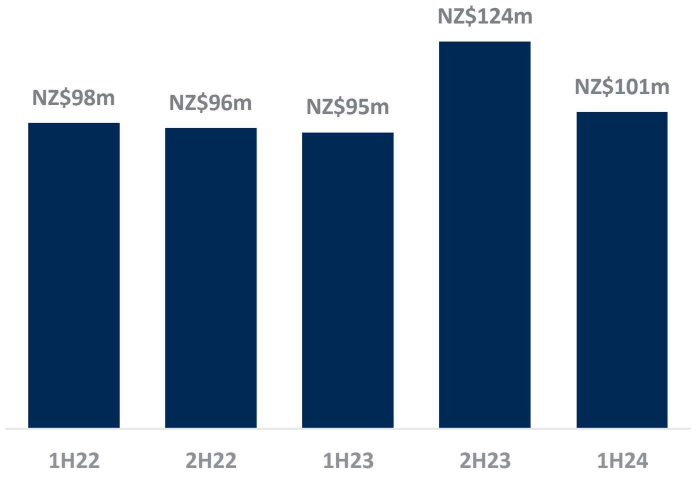
- AUMOF was 2% higher than Sep-23 and 5% higher than Mar-23
- Balance sheet funded AUMOF (warehouse/ABS) was 7% higher than Sep-23 and 13% higher than Mar-23

1) New Business Writings excludes sale and leasebacks.
2) Compared to Sep-19, the last full financial year prior to the emergence of the COVID-19 pandemic.
3) Balance sheet funded AUMOF relates to warehouse and ABS funded leases.

Fleet New Zealand

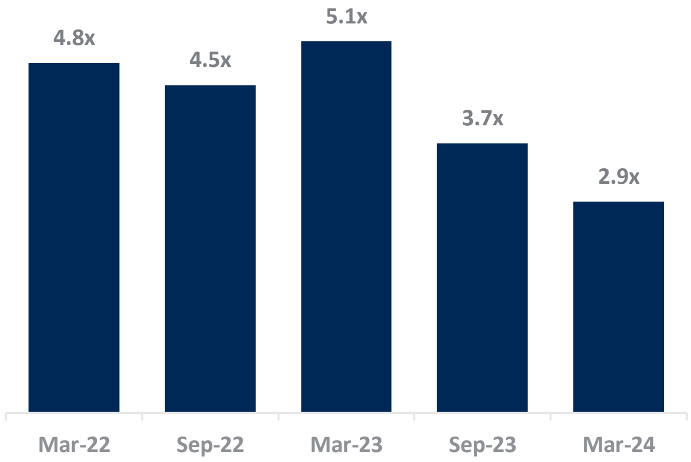
NBW remains robust, supported by drawdown of pipeline as economy softens – asset base continues to grow

New business writings[1]



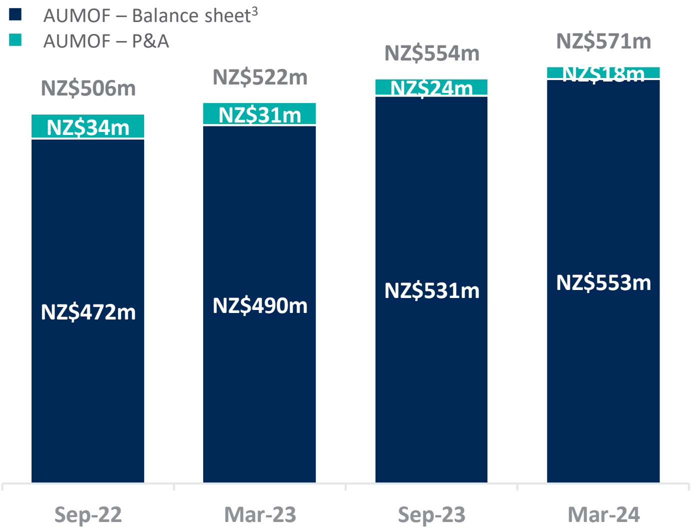
- NBW for 1H24 was NZ$101m – 7% higher than 1H23 but 18% lower than 2H23 (excluding sale and leasebacks)
- NBW growth vs pcp supported by improvements in vehicle supply, but decline vs 2H23 a result of the slowing economy and changes to government policy impacting demand

Order pipeline[2]



- The strong NBW result led to a drawdown on the order pipeline, as order activity softened due to uncertainty regarding the NZ election and changes to the Clean Car Discount (which was ultimately removed from 1 Jan-24), and also the deterioration of the economic landscape
- As a result, the order pipeline reduced to 2.9x compared to 3.7x at Sep-23

AUMOF[3]



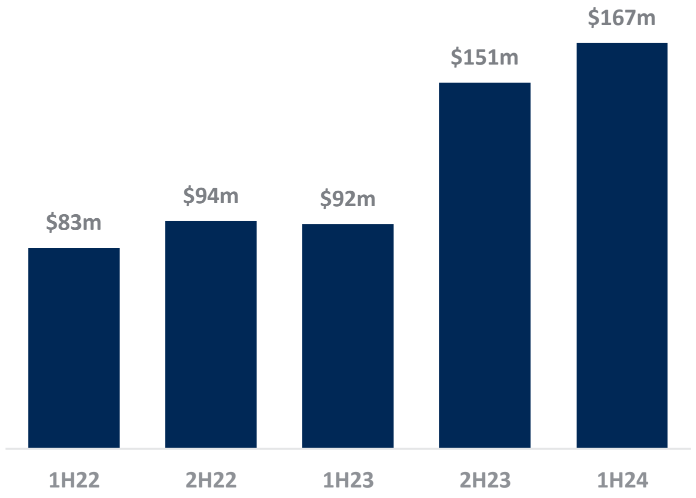
- AUMOF was 3% higher than Sep-23 and 9% higher than Mar-23
- Balance sheet funded AUMOF was 4% higher than Sep-23 and 13% higher than Mar-23

1) New Business Writings excludes sale and leasebacks.
2) Compared to Sep-19, the last full financial year prior to the emergence of the COVID-19 pandemic. Calculated in NZD.
3) AUMOF excludes FCNT which was dissolved in Mar-22. Balance sheet funded AUMOF relates to warehouse and ABS funded leases.

Novated

NBW continues to grow, supported by EVs and a drawdown of pipeline – asset base continues strong growth

New business writings[1]

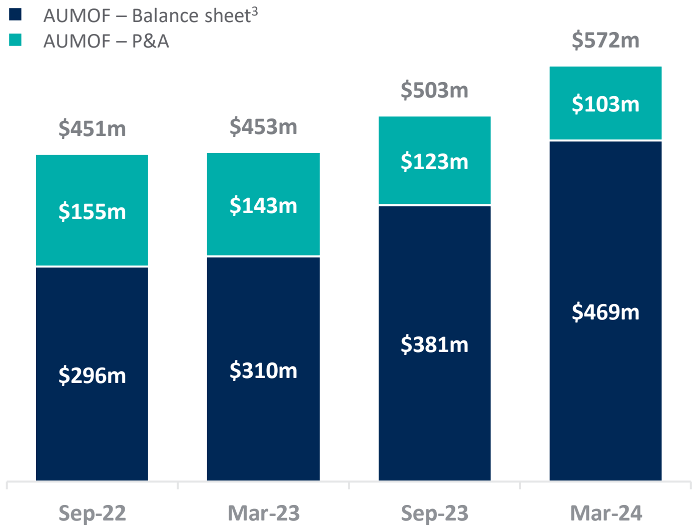


- NBW for 1H24 was $167m – 81% higher than 1H23 and 11% higher than 2H23
- NBW growth supported by improvements in supply and the continuing tailwind of the Electric Car Discount, with 51% of 1H24 NBW relating to EVs

Order pipeline[2]

- As a result of the significant increase in NBW, the order pipeline decreased from 4.6x at Sep-23 to 3.8x at Mar-24
- Tesla Model Y, Tesla Model 3 and BYD Atto 3 remain the most popular EV models, however their proportion is reducing as a greater variety of makes and models become available

AUMOF[3]



- AUMOF was 14% higher than Sep-23 and 26% higher than Mar-23
- Balance sheet funded AUMOF was 23% higher than Sep-23 and 52% higher than Mar-23
- The mix-shift away from P&A is expected to continue, with the majority of Novated NBW being balance sheet funded post Accelerate

1) 1H22 excludes FCNT which was dissolved in Mar-22 in line with the Group's strategy to exit low returning products.
2) Compared to Sep-19, the last full financial year prior to the emergence of the COVID-19 pandemic.
3) Balance sheet funded AUMOF relates to warehouse and ABS funded leases.

4. Outlook

Damien Berrell
Chief Executive Officer and Managing Director

FY24 expectation analysis

NOI pre EOL and provisions margin normalisation partially offsetting growth in AUMOF

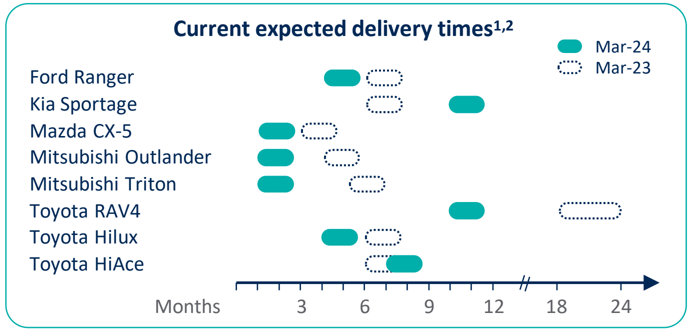
	FY23A	FY24 (expectation)	**Comments** *(changes to AGM expectation comments indicated in italics)*
NOI pre EOL and provisions	$150.8		• Growth in average AUMOF partially offset by reduction in management fees as extensions and inertia reduce to more typical levels and funding commissions reduce with more balance sheet funding NBW • *2H benefits from commissions on annual insurance renewal cycle*
End of lease	$73.7		• Prices in used vehicle market expected to continue to reduce • *Units sold expected to remain strong as supply enables replacement of aged vehicles*
Provisions	($1.0m)		• *Provisioning expected to increase over FY23 as the balance sheet funded portfolio grows*
NOI	**$223.5m**		
Operating expenses	($84.5m)	*($89.0 – 90.0m)*	• *5.5 – 6.5% higher driven by NBW activity and cost inflation, mostly for employee and technology costs*
EBITDA	**$139.0m**		
Interest & depreciation on leases	($2.4m)	($2.5 – 2.6m)	• Stable
Share-based payments	($3.4m)	($3.9 – 4.0m)	• Increase due to additional year of SBP grants
Depreciation	($1.1m)	($1.1 – 1.2m)	• Stable
Interest on corporate debt	($6.8m)	($6.5 – 6.6m)	• Based on current 90-day BBSW and corporate borrowings. +/- $0.1m impact for every future +/- 25 bps change to BBSW • May increase should inorganic or organic opportunities emerge
Tax	29.5%	29 – 30% (tax rate)	• Based on statutory earnings from Australia and New Zealand • No Australian corporate tax expected to be paid in cash, given carried-forward tax losses associated with *Temporary Full Expensing* (which ceased 1 Jul-23)

Operating environment and strategic priorities

FleetPartners is continuing to execute on its clear strategy to pursue long-term value creation

Operating environment

- Customer demand continues to be strong across Fleet AU and Novated, however Fleet NZ is softening
- Transition to EVs to remain a key industry focus for the foreseeable future – presenting a significant opportunity for FMOs
- EOL continues to be elevated but expected to revert to pre-COVID-19 levels in the coming years
- Material improvement with vehicle supply – almost back to pre-COVID-19 levels – bottleneck moved to fit-out suppliers



Strategic priorities

- Drive growth with Strategic Pathways;
  - Corporate – Service excellence, expertise and a critical partner for fleet decarbonisation
  - Small Fleets – Digital origination platform - scalable across multiple distribution channels
  - Novated – Frictionless customer experience - unlocking opportunities driven by strong EV demand
- Accelerate – $6m annualised opex saving by mid-FY25 for a one-off revised $26m investment[3]
- Share buy-back program – 26% of shares cancelled to date and a further c.3% to be cancelled
- ESG and sustainability are central to the Group's strategy and values

FleetPartners today

- ✓ Clearly defined & well-established EPS growth strategy
- ✓ Predictable, annuity-like income
- ✓ Disciplined approach to opex management
- ✓ Highly cash-generative business model
- ✓ Strong balance sheet and no net debt
- ✓ Proven funding and liquidity standing
- ✓ High quality credit portfolio

1) FleetPartners' top 8 vehicle models based upon 1H23 NBW. Delivery times to Australia (excluding port congestion delays).
2) Ford Ranger: some variants up to 18 months; Toyota RAV4: Petrol variants 12 months; Toyota HiAce: some variants up to 14 months.
3) Latest Accelerate forecast spend of $26m versus $25m original budget and go-live expected by Sep-24, as originally planned.

Questions

5. Appendices

FleetPartners

Electric Vehicles – state of play

Decarbonisation of fleets being well supported by government policy

New vehicle efficiency standard (AU)

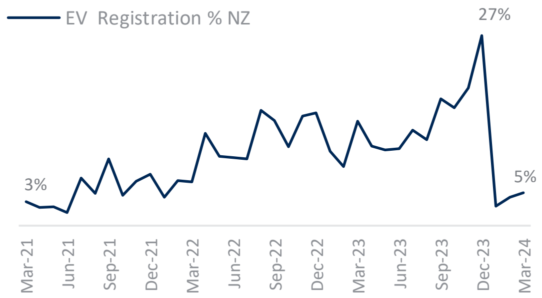
- Penalties for OEMs failing to meet CO_2 targets
- Starts Jan-25, penalties effective from Jul-25
- Likely to increase ICE prices & reduce supply
  - ✓ Higher ICE lease financed amounts
  - ✓ Higher ICE EOL - delaying EOL normalisaton
  - ✓ Pull forward ICE lease demand into 2024
- Designed to increase EV availability
  - × Delay EV lease demand to 2025

Clean car standard (NZ)

- Commenced in Jan-23 with penalties for OEMs failing to meet CO_2 targets
- Since its introduction
  - ✓ Avg. ICE lease value has increased by 14%[1]
  - ✓ # of EV leases has increased by 18%[1]

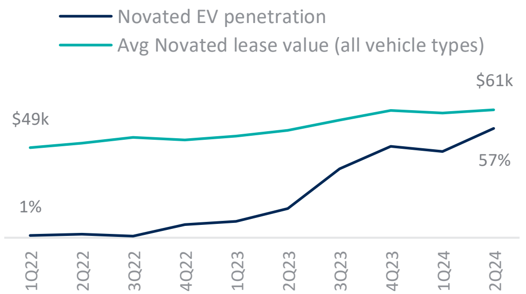
Clean car discount (NZ)

- Rebate for zero or low emission vehicles & fee for higher emission vehicles
- Introduced in Jul-21 but repealed in Dec-23
- Just prior to the effective repeal date, EV registrations peaked at 27%[2] of total registrations in Dec-23
- Following the change, the EV percentage reduced to 4% [2] for Jan-Mar 24



Electric car discount (AU)

- FBT exemption for BEVs and PHEVs below the LCT threshold
- Commenced Jul-22. PHEVs to be removed Apr-25 & BEVs to be reviewed by mid-2027
- ✓ So far, very effective in stimulating private EV adoption via Novated
- × Less effective for Corporate fleets where adoption remains low



1) Comparison periods Jul-22 to Dec-22 vs Oct-23 to Mar-24 (noting impacts of the Clean Car Discount during this period).
2) EV market share by month – Light vehicle registrations (cars, utes & vans) – source evdb.nz

Electric Vehicles – state of play

Acceptance and uptake continues to be strongest in Novated, with the Corporate transition still at early stages

IFRS S2

- International accounting standard effective from Jan-24[1]
- Disclosure of climate-related risks, opportunities & progress on meeting climate-related targets
- Heightened pressure on corporates to reduce Scope 1 emissions (i.e. fleet) & transition to EVs
  - ✓ Greater FMO outsourcing anticipated to address RV concerns, reporting complexities & lack of internal EV expertise

Barriers to EV adoption

◔ **Fit-for-purpose options**
No viable ute/van currently available. PHEVs expected in late 2024 & BEVs in late 2025

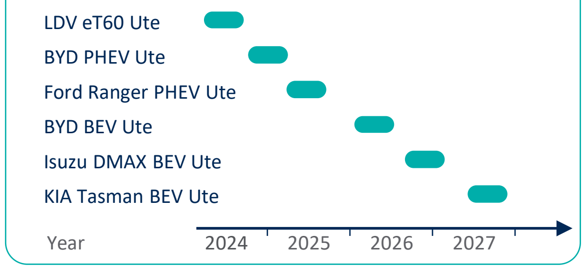
◑ **Employee acceptance**
Acceptance moving beyond "early adopter" stage, helped by Novated uptake. Range less of an issue

◑ **Charging strategy**
Multi-faceted solution required where home charging unavailable (e.g. older apartments)

◕ **Whole-of-life costs**
Gap to ICE vehicles closing due to lower EV prices & govt help (i.e. Electric Car Discount)

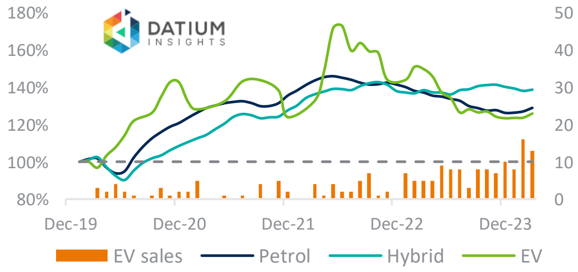
Progress: ◔ Limited; ◑ Moderate; ◕ Substantial; ● Resolved

Indicative timing for PHEV and BEV Utes



EV residual values

- Too early and too few data points to comfortably draw conclusions on RV behaviour of EVs
- Datium Insights indicating EV RVs tracking in line with ICE RVs in recent times, however based on less than 10 sales a month
- Since 2019 FPR has sold 78 EVs at an avg. EOL per vehicle of ~$4.8k



EV revenue model

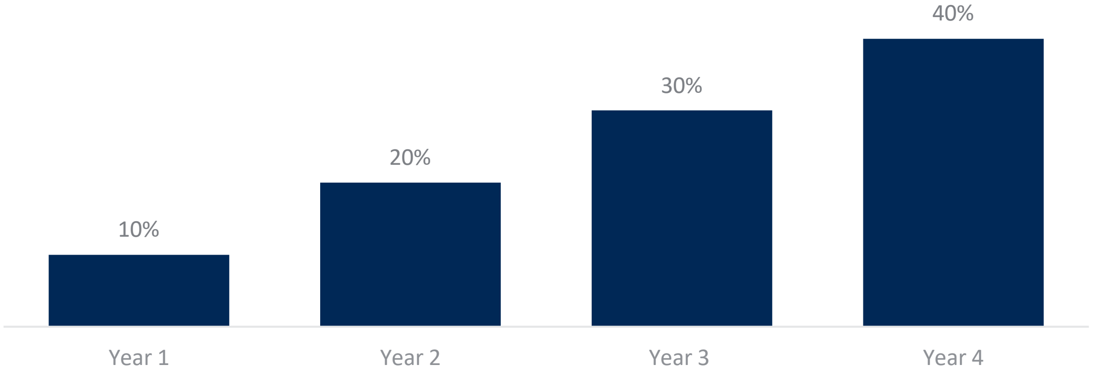
- Too early to draw definitive conclusions on EV lease revenue impacts
- Positive impacts likely to be
  - ✓ Higher purchase price, generating greater net interest margin (NIM)
  - ✓ Higher tyre income
  - ✓ New income from EV wall charger financing
  - ✓ EV transition of fleets being a catalyst for companies to outsource fleet management
- Negative impacts likely to be
  - ✗ Lower maintenance income
  - ✗ No fuel rebates
- No impact expected on remaining fees/products

1) Australian (ASRS S2) and New Zealand (Aotearoa New Zealand Climate Standards) effective for financial years beginning on or after 1 Jan-25 and 1 Jan-23, respectively. Note that FleetPartners is out of scope for the New Zealand standards.

Illustrative profile of operating lease profits

Operating leases become progressively more profitable through the lease term

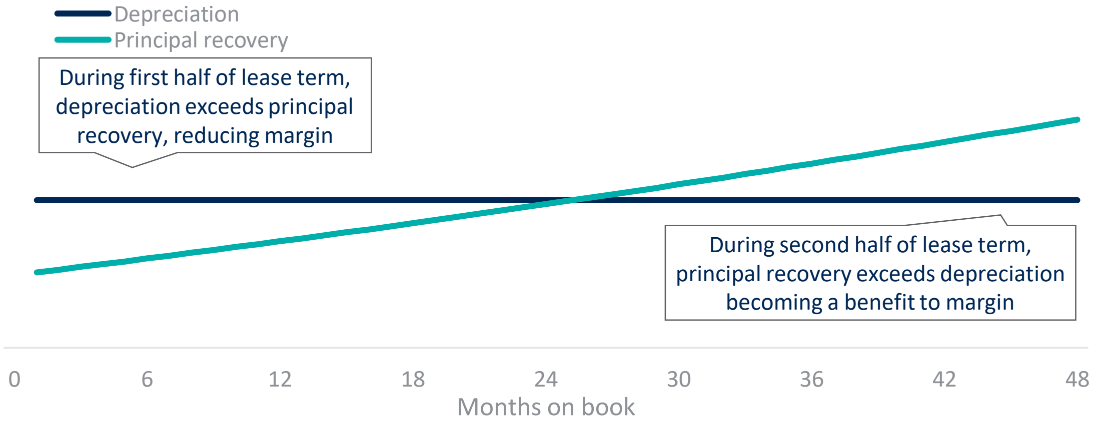
Illustrative weighting of net finance income over 4-year operating lease



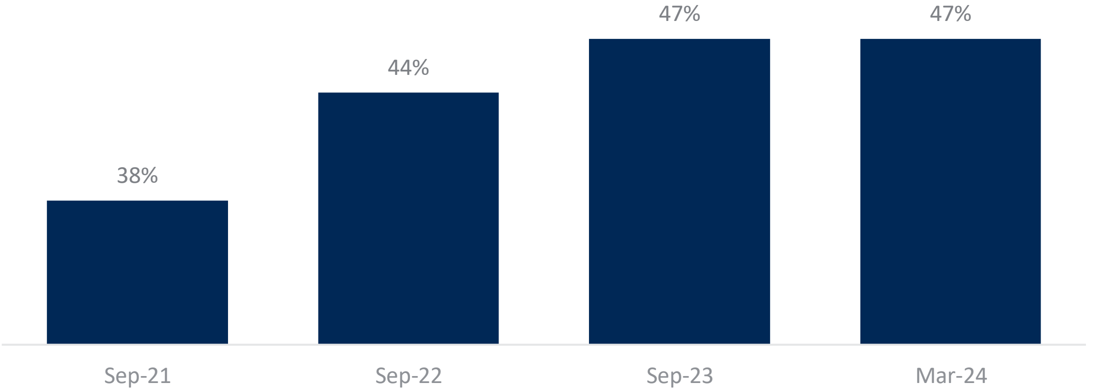
Comments

- The top chart to the left illustrates the amount of total lease net finance income[1] earned in each period over a 4-year balance sheet funded lease
- Early in the term of a new operating lease, profitability is lower compared to later in its term, due to the mismatch between straight-line accounting depreciation of the lease asset compared to the principal recovery component of the lease rental, which increases over the lease term
- Significant replacement cycles or growth phases result in a higher proportion of operating leases in their early term and therefore temporarily lower profitability
- With the growth in the portfolio and elevated replacement activity in recent periods, a higher proportion of balance sheet funded operating leases are in the first 24 months of their term (as shown below), which has acted as a temporary drag on margins during 1H24

Illustrative depreciation margin profile over 4-year operating lease



Proportion of operating leases in first 24 months on book at period end



1) Net finance income comprises finance income (principal and interest) less interest expense and depreciation.

Operating segment results

Fleet Australia ($m, unless stated)	1H24	1H23	Var %
NOI before EOL & Impairments	**45.4**	**46.8**	**(3)%**
End of lease	24.7	27.7	(11)%
Impairments	(1.7)	(0.8)	(120)%
NOI	**68.4**	**73.8**	**(7)%**
Operating expenses	(30.1)	(28.7)	(5)%
EBITDA	**38.3**	**45.1**	**(15)%**
AUMOF	1,041.4	994.0	5%
VUMOF (‘000)	51.7	53.9	(4)%

Fleet New Zealand ($m, unless stated)	1H24	1H23	Var %
NOI before EOL & Impairments	**18.0**	**19.6**	**(8)%**
End of lease	10.4	7.8	33%
Impairments	(0.1)	(0.0)	(139)%
NOI	**28.3**	**27.4**	**3%**
Operating expenses	(7.8)	(7.3)	(7)%
EBITDA	**20.5**	**20.1**	**2%**
AUMOF	523.7	488.3	7%
VUMOF (‘000)	22.5	23.1	(3)%

Novated ($m, unless stated)	1H24	1H23	Var %
NOI before EOL & Impairments	**12.7**	**8.6**	**47%**
End of lease	0.8	0.1	NM
Impairments	(0.0)	(0.1)	81%
NOI	**13.5**	**8.6**	**57%**
Operating expenses	(6.3)	(5.6)	(13)%
EBITDA	**7.3**	**3.0**	**139%**
AUMOF	572.1	453.0	26%
VUMOF (‘000)	14.0	13.0	7%

Group ($m, unless stated)	1H24	1H23	Var %
NOI before EOL & Impairments	**76.1**	**75.1**	**1%**
End of lease	35.9	35.6	1%
Impairments	(1.8)	(0.9)	(98)%
NOI	**110.2**	**109.8**	**0%**
Operating expenses	(44.1)	(41.5)	(6)%
EBITDA	**66.1**	**68.3**	**(3)%**
AUMOF	2,137.3	1,935.4	10%
VUMOF (‘000)	88.2	90.0	(2)%
Funded VUMOF (‘000)	63.2	63.3	(0)%

Balance sheet

Balance sheet remains strong, with disciplined capital management

$ million	31 Mar 2024	30 Sep 2023	%
Assets			
Cash and cash equivalents	73.3	87.6	(16)%
Restricted cash and cash equivalents	172.8	159.5	8%
Trade and other receivables	72.8	80.0	(9)%
Leases	1,534.1	1,388.7	10%
Inventory	13.3	18.0	(26)%
PP&E	3.1	1.9	61%
Intangibles	474.5	473.5	0%
Right-of-use assets	5.0	4.0	28%
Derivative financial instruments	13.3	34.0	(61)%
Total assets	**2,362.1**	**2,247.2**	5%
Liabilities			
Trade and other liabilities	146.3	144.0	2%
Borrowings – Warehouse and ABS	1,434.0	1,314.8	9%
Borrowings – Corporate debt	62.5	65.0	(4)%
Provisions	7.5	8.4	(11)%
Lease liabilities	6.8	4.5	51%
Deferred tax liabilities	80.3	74.8	7%
Total liabilities	**1,737.3**	**1,611.5**	8%
Net assets	**624.8**	**635.7**	**(2)%**

Comments

- Continuation of capital return to shareholders with the announcement of a further buy-back of up to $27m – $196m of capital already returned to shareholders since commencement of the buy-back
- Cash driven by strong organic cash generation, offset by $30 million share buy-back and $2.5 million reduction in corporate debt
- Leases up 10% and warehouse borrowings up 9%, driven by growth in balance sheet funded AUMOF of 10% between Sep-23 and Mar-24
- Inventory down 26% due to an increase in the level of EOL units returned for disposal at the end of the year, which have since been sold
- Increase in right-of-use assets and lease liabilities due to extension of St Leonards office lease and new Melbourne office lease
- Derivative financial instruments (related to interest rate hedges) decreased 61% due to movements in swap curves and use of swaps during 1H24
- Gross corporate debt reduced to $62.5m and net cash reduced from $22.6m at Sep-23 to $10.8m at Mar-24 as a result of organic cash generation offset by the share buy-back and investment in the warehouse as balance sheet funded AUMOF continues to grow

Change to calculation of NPATA

The calculation of NPATA has been updated to remove the impact of non-cash hedge ineffectiveness

$ million	New 1H23	New FY23	New FY22	Old 1H23	Old FY23	Old FY22
NOI pre EOL & provisions[1]	**75.1**	**150.8**	**153.5**	**73.9**	**150.3**	**157.4**
End of lease income	35.6	73.7	92.3	35.6	73.7	92.3
Fleet and credit provisions	(0.9)	(1.0)	2.1	(0.9)	(1.0)	2.1
Net operating income	**109.8**	**223.5**	**247.9**	**108.6**	**223.0**	**251.7**
Total operating expenses	(41.5)	(84.5)	(80.3)	(41.5)	(84.5)	(80.3)
EBITDA	**68.3**	**139.0**	**167.5**	**67.1**	**138.5**	**171.4**
Share-based payment expense	(1.6)	(3.4)	(3.0)	(1.6)	(3.4)	(3.0)
Interest on corporate debt	(3.3)	(6.8)	(5.5)	(3.3)	(6.8)	(5.5)
Hedge ineffectiveness[1]	(1.2)	(0.5)	3.8			
Depreciation and leases[2]	(1.8)	(3.5)	(4.4)	(1.8)	(3.5)	(4.4)
Amortisation of intangibles[3]	(4.2)	(9.5)	(10.0)	(4.2)	(9.5)	(10.0)
Non-recurring items	(0.3)	(0.3)	(0.7)	(0.3)	(0.3)	(0.7)
PBT	**55.9**	**114.9**	**147.8**	**55.9**	**114.9**	**147.8**
Tax expense	(16.5)	(33.9)	(44.5)	(16.5)	(33.9)	(44.5)
NPAT	**39.4**	**81.0**	**103.3**	**39.4**	**81.0**	**103.3**
Add-back amortisation of intangibles (post-tax)	3.0	6.7	7.1	3.0	6.7	7.1
Add-back hedge ineffectiveness (post-tax)[1]	(0.8)	0.3	(2.7)			
Add-back non-recurring items (post-tax)	0.2	0.2	0.5	0.2	0.2	0.5
NPATA	**43.4**	**88.3**	**108.1**	**42.6**	**88.0**	**110.8**

Comments

- FPR hedges 100% of its interest rate exposure on leases via interest rate swaps
- However, when the leases are sold into the warehouse, around 10% of the value is equity funded by FPR
- Therefore, any changes to the fair value of the interest rate swaps (as interest rates change over time) is split between:
  - the effective portion (c.90%) which relates to the amount borrowed through the warehouse and is taken to the hedging reserve (in the equity section of the balance sheet); and
  - the ineffective portion (c.10%) which relates to the amount equity funded and is taken to the P&L as hedge ineffectiveness (within lease finance costs)
- Hedge ineffectiveness in the P&L was previously included in NOI pre EOL and provisions and results in volatility in the results which is not driven by business performance, is not controllable by FPR and is non-cash in nature (being a fair value adjustment of a balance sheet item, which nets to nil over the life of a lease)
- Hedge ineffectiveness has therefore been removed from NOI pre EOL & provisions and is now reported below EBITDA. It has also been removed as part of the calculation of NPATA (after tax)
- The impacts of the change on key P&L line items for previously reported periods are set out in the adjacent table

1) Under the 'New' column, hedge ineffectiveness has been removed from NOI pre EOL and provisions and included in a separate line item below EBITDA. Hedge ineffectiveness has also been added back (post-tax) in the calculation of NPATA.
2) Depreciation and (interest and depreciation on) leases (AASB 16) are grouped.
3) Includes amortisation of software and acquired intangibles.

Thank you

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