Eclipx Group
1H22 results presentation

5 May 2022

eclipx GROUP

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Statutory profit is prepared in accordance with the Corporations Act 2001 and the Australian Accounting Standards, which comply with the International Financial Reporting Standards (IFRS). Cash NPATA is categorised as non-IFRS financial information and therefore has been presented in compliance with Australian Securities and Investments Commission Regulatory Guide 230 – Disclosing non-IFRS information, issued in December 2011.

All figures in this Presentation are A$ unless stated otherwise and all market shares are estimates only. A number of figures, amounts, percentages, estimates, calculations of value and fractions are subject to the effect of rounding. Accordingly, the actual calculations of these figures may differ from figures set out in this Presentation.

1H22 results agenda

1. Performance highlights
2. Financial result
3. Defensive service based operating model
4. Outlook

1. Performance highlights

1H22 performance highlights

1 ⬆ 58% INCREASE IN NPATA

2 POSITIVE JAWS
26% NOI GROWTH & 2% OPEX REDUCTION

3 $6.8m NET CASH

4 Up to $40m BUY-BACK
65% OF 1H22 NPATA

5 ⬆ 19% INCREASE IN NEW BUSINESS WRITINGS

6 STRATEGIC PATHWAYS
POSITIONED FOR ACCELERATION WHEN SUPPLY NORMALISES

31 March 2022 (A$m unless specified)	1H22A	1H21A	Var +/(-)
Income statement			
NOI pre EOL & provisions[1]	79.4	72.6	9%
EOL	51.4	32.1	60%
Provisions[2]	2.8	1.2	125%
NOI	133.6	105.9	26%
OPEX	(38.6)	(39.4)	2%
EBITDA	95.0	66.5	43%
NPATA	62.1	39.3	58%
Balance sheet			
NBW	368	310	19%
AUMOF ($bn)	1.9	1.9	0%
Cash conversion	110%	157%	nm
Net cash (debt)	6.8	(54.2)	nm
Net debt to EBITDA[3]	nm	0.49x	nm

Notes:
1. NOI pre EOL & provisions represents Net Operating Income before end of lease income, and credit and fleet impairment provisions
2. Fleet and credit provisions had a positive impact of $2.8m driven by the removal of the Covid-19 overlay provision
3. Adjusted net debt (includes other financial indebtedness) to 'adjusted EBITDA' as reported to ECX lenders for covenant reporting

Outperformance on every line item

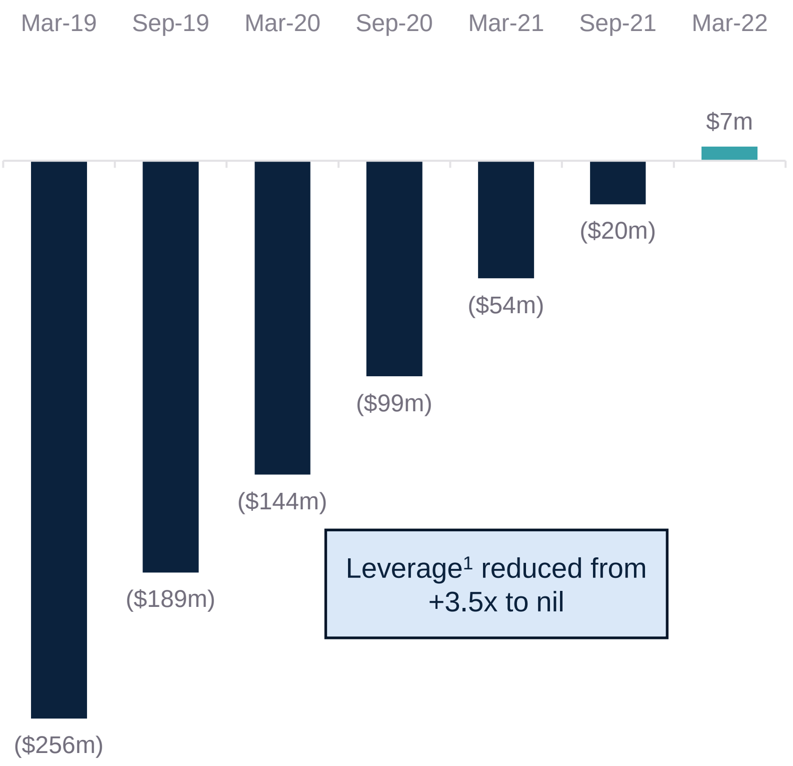
NPATA up 58% compared to 1H21

Notes: Movements are presented as post tax metrics

Balance sheet restored & continued shareholder value creation via capital returns

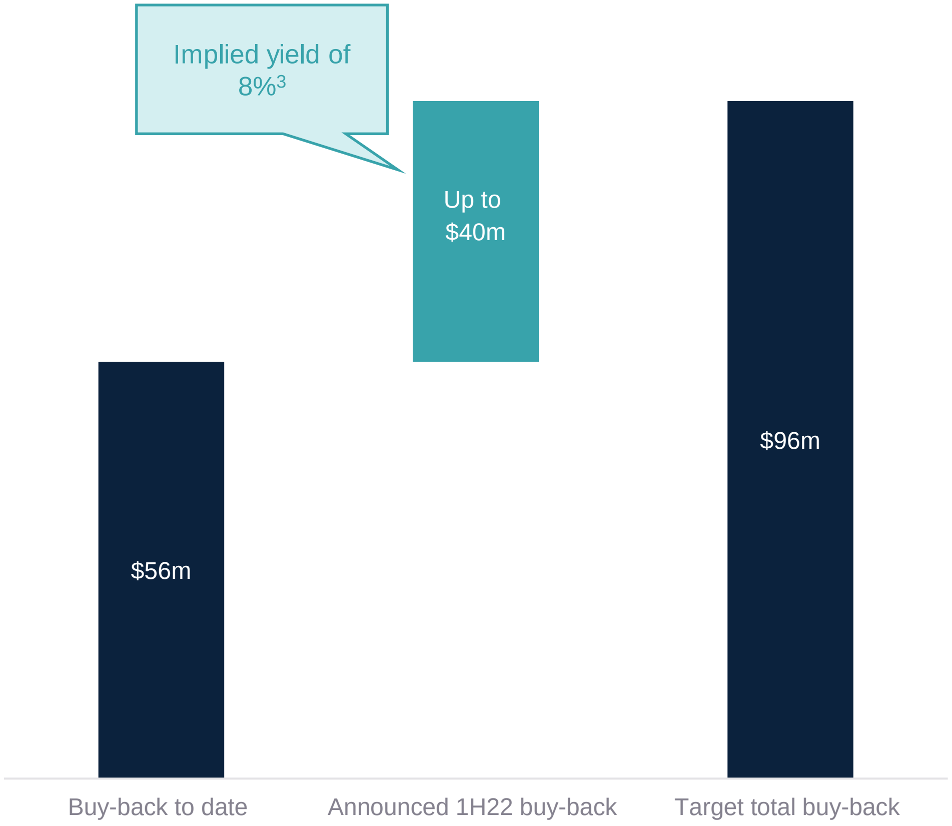
Net cash (debt)

Corporate net debt reduced from $256m to net cash of $6.8m within three years



Buy-back[2]

Up to $40m on-market share buy-back program for 1H22
$96m in total announced since May 2021



Balance sheet position

- Organic capital generation and net cash (debt) of $6.8m

Capital management

- Up to $40m[2] on-market share buy-back (65% of 1H22 NPATA)

Tax and franking credits

- Nil franking credits
- No planned Australian tax instalments (Federal instant asset write-off policy), therefore no franking accruals, expected until late FY24
- In the absence of franking credits to support dividends, on-market share buy-backs considered the optimal form of capital distribution to shareholders

Alternative uses of capital

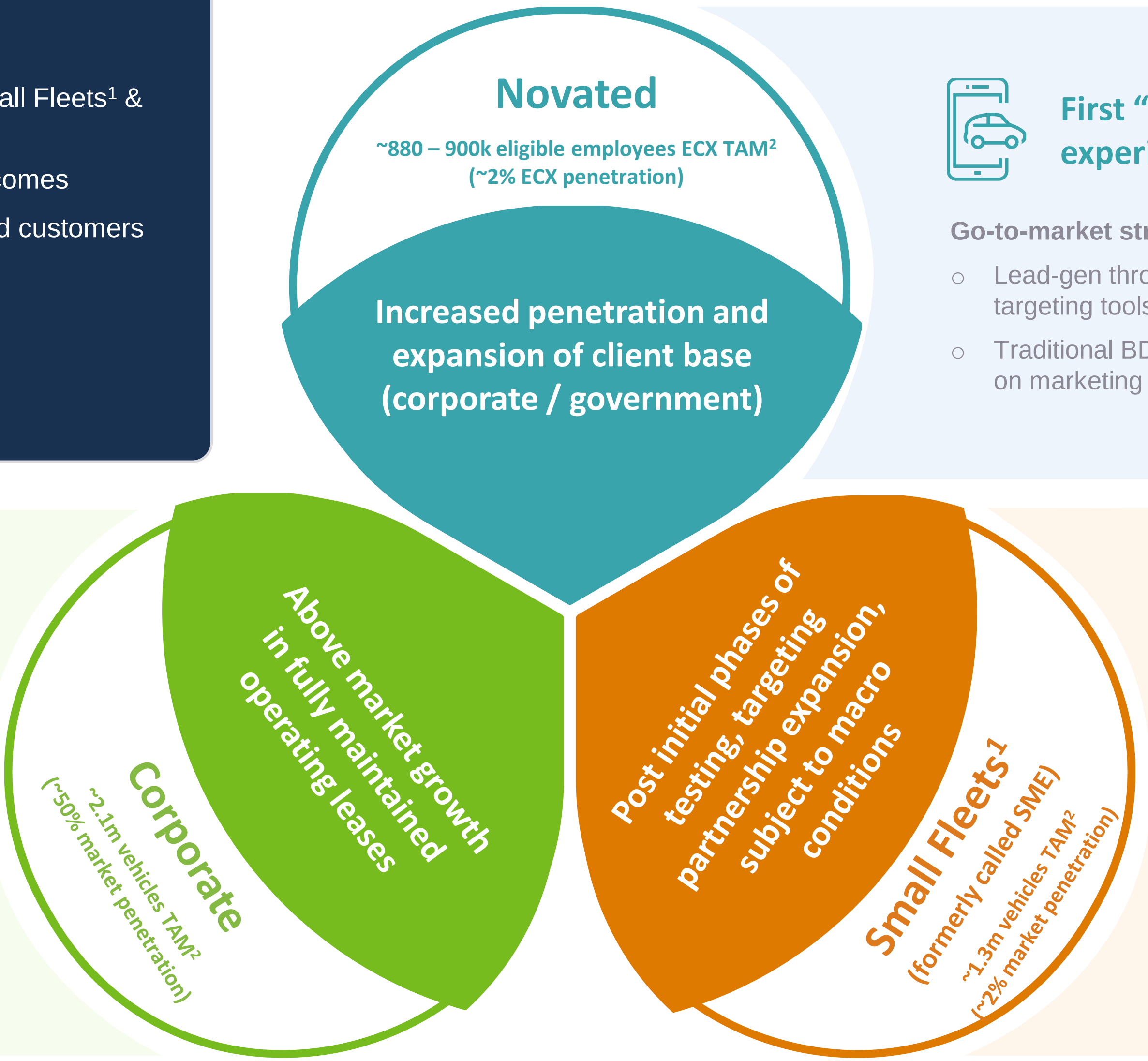
- Ongoing capital returns are subject to no alternative use of capital arising that would otherwise generate a superior return on capital. For example, this could include organic growth beyond internal forecasts, capital projects or acquisition opportunities

Notes:
1. Adjusted net cash (debt) (includes other financial indebtedness) to 'adjusted EBITDA' as reported to ECX lenders for covenant reporting
2. Share buy-back remains subject to availability of share liquidity/volume and compliance with all regulatory and market restrictions. Target ranges subject to change based on underlying business performance and capital allocation decisions as determined by the Board
3. Based on 2H21 buy-back of $28m and 1H22 announced buy-back of up to $40m (total of $68m) and the ECX market cap of $838m as at 29 April 2022

Strategic Pathways—approach to opportunities

Strategic priorities

1. Grow underpenetrated markets (Corporate, Small Fleets[1] & Novated)
2. Expand internal talent pool to drive leading outcomes
3. Enhance education of Small Fleets and Novated customers
4. Continuous improvement of digital offering
5. Customer retention
6. Grow direct and via strategic partnerships



First "end-to-end" novated leasing experience with STP credit

Go-to-market strategy

- Lead-gen through digitised pipeline & customer targeting tools
- Traditional BDM model coupled with increased focus on marketing & digital customer education

One stop shop, digital platform, for all customer fleet requirements

Go-to-market strategy

- B2B multi-layered client relationships
- Market leading service proposition
- Content & account-based marketing
- Improved strength of sales team & CRM

Online real-time quoting and approvals tool meeting customer needs and distribution channel partner requirements

Go-to-market strategy

- OEMs & dealers
- Specialised industry & strategic partners
- Direct sales channel
- Dedicated Small Fleets team established

Notes:
1. Channel renamed from SME to Small Fleets to reflect a better definition of the underlying customer type, typically having fleets in the size of 1-20 vehicles
2. TAM is Total addressable market and is an estimate; Source: Corporate and SME data sourced from AFMA Corporate Fleet Insights and does not include New Zealand

Strategic Pathways

Seeing early signs of growth in our most profitable target markets

Fleet Australia[1] | Fleet NZ[1] | Novated

FOCUS

Fleet Australia / Fleet NZ:

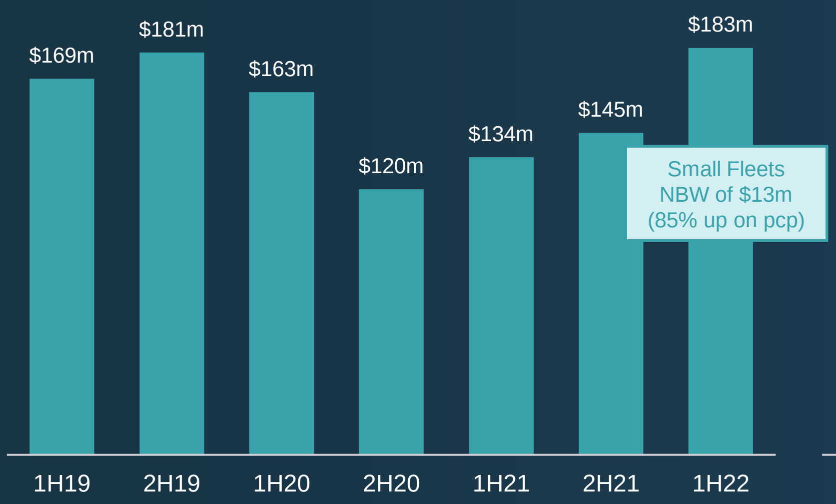
CORPORATE: STRONG NBW GROWTH & CONTINUED DELIVERY OF VALUE-ADD DIGITAL FEATURES

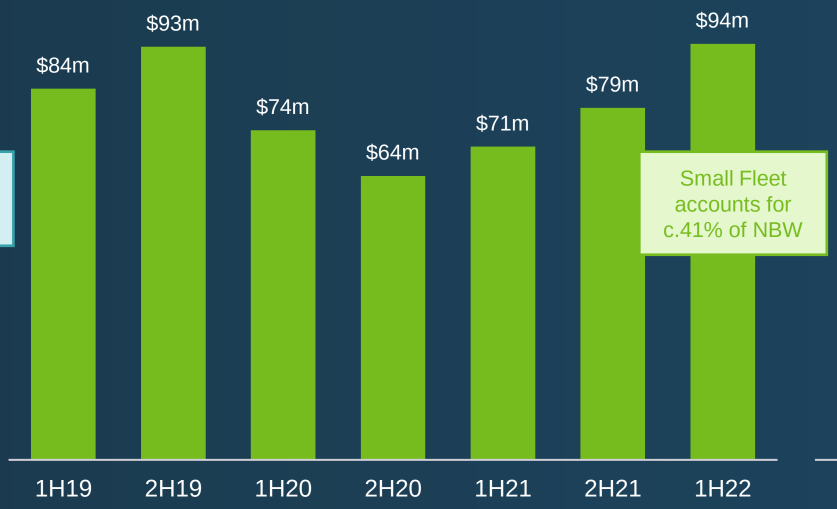
SMALL FLEETS: GROWTH IN DISTRIBUTION PARTNERSHIPS AND ROLL OUT OF STRAIGHT THROUGH CREDIT PROCESSING AND QUOTING SOLUTIONS

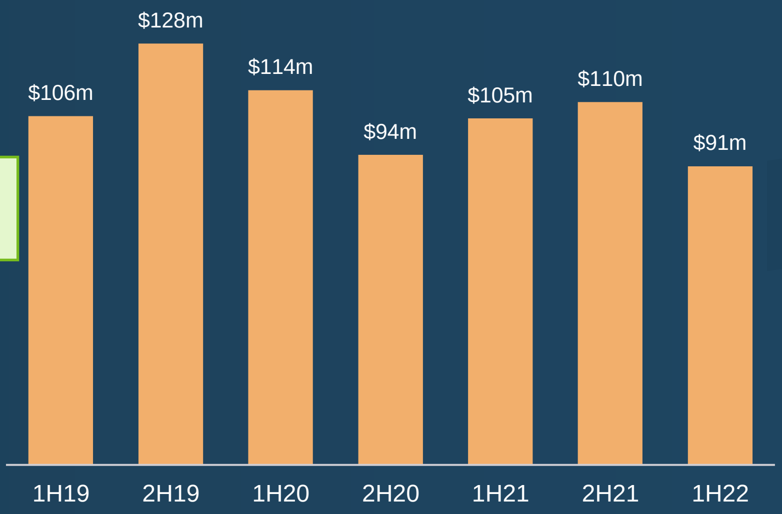
Novated:

PENETRATION OF EXISTING NOVATED EMPLOYEE BASE & EXPANSION OF TAM[3]

New Business Writings (NBW)







Commentary

Fleet Australia:

- 37% NBW growth in 1H22 on pcp
- Order pipeline at 2.2x pre-COVID levels[4]

Fleet NZ:

- 33% NBW growth in 1H22 on pcp
- Order pipeline at 4.9x pre-COVID levels[4]

Fleet Australia and Fleet NZ:

- Strong growth on the back of sale & lease back wins, early customer engagement and success in Small Fleets in the face of supply constraints
- Digital fleet management platform enhancing customer value proposition
- Enhancing distribution partner quoting tools through STP credit & lease quoting solutions

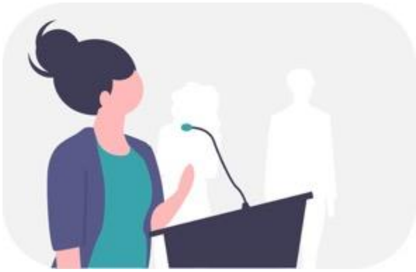
Novated:

- ECX's change in novated VUMOF over the 12 months to Dec-21 outpaced the market by 0.5%[2]
- NBW and sentiment impacted by supply constraints, COVID lock downs and Omicron emergence
- Order pipeline at 3.7x pre-COVID levels[4]

Notes:
1. Includes contribution from Small Fleets
2. Data sourced from AFIA based on 12-month Novated market movements to December 2021
3. Total addressable market
4. FY19 represents the last full financial year prior to the emergence of the COVID pandemic

Environmental, Social and Governance (ESG)

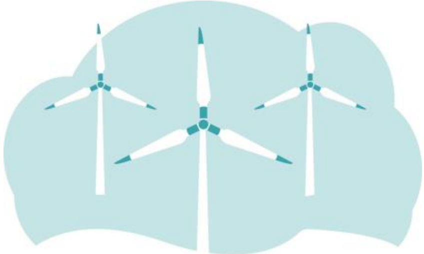
WGEA certified as an Employer of Choice for Gender Equality



Ranked equal **#1** in the ASX300 for female Board representation by the AICD

First domestic Fleet Management Organisation with Climate Active Status[1]

One of the first ASX companies to introduce compassionate leave for miscarriage



Longstanding funding relationship with the Clean Energy Finance Corporation

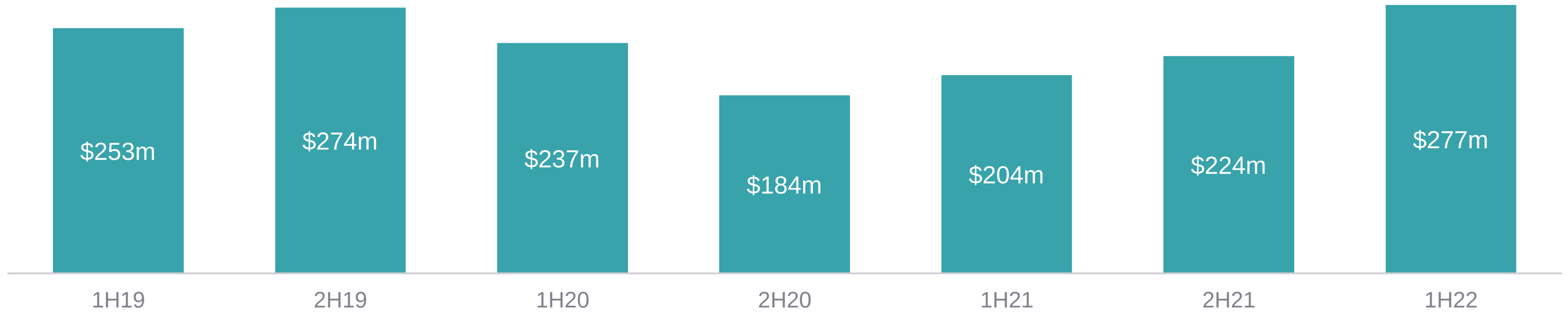
Notes:
1. Climate Active is a partnership between the Australian Government and Australian businesses to drive voluntary climate action. Climate Active certification is awarded to businesses and organisations that have reached a state of carbon neutrality, the certification for which is considered one of the most rigorous globally

2. Financial result

New business writings

Strong NBW growth despite continuing new vehicle supply constraints and impacts from Omicron

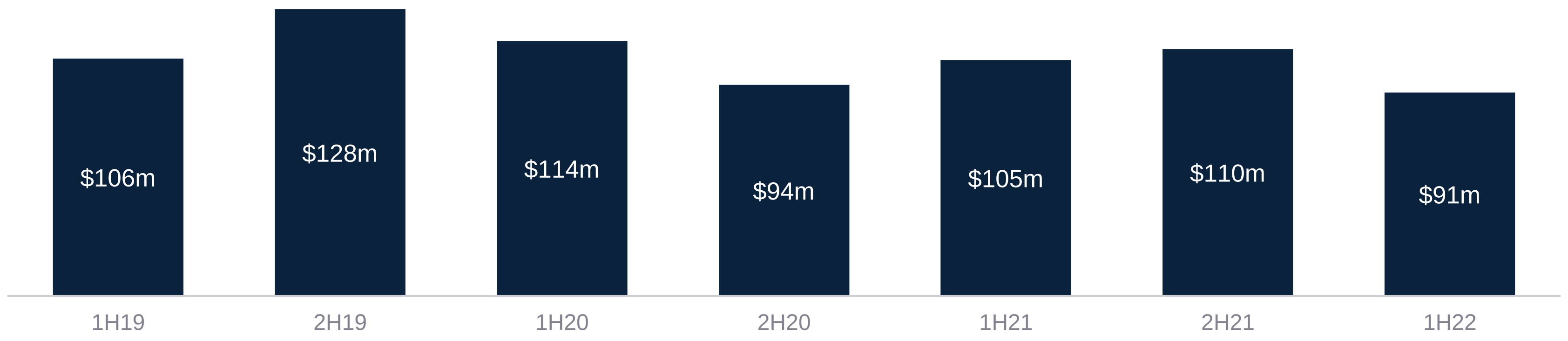
Fleet AU & NZ—NBW (ex Panel)



Comments

- Combined Fleet NBW growth of 35% in 1H22 on pcp or 24% hoh
- NBW surpassing pre-COVID levels[1]
- Order pipeline at historic highs (2.5x pre-Covid levels[1])
- Existing customer activity, recent customer wins and $24m of sale and lease-back transactions are all driving NBW growth
- No change to the global auto supply chain disruption and absenteeism from the Omicron wave, both acted as headwinds in 1H22

Novated—NBW



Comments

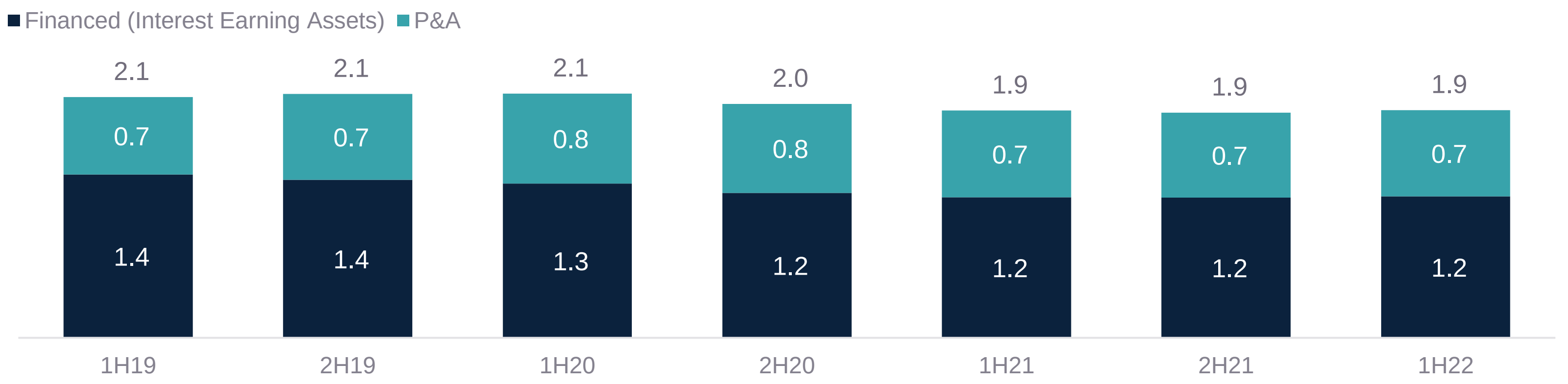
- NBW down 14% in 1H22 on pcp or 18% hoh
- 1H22 NBW levels have led to a decline in Novated VUMOF of 3%, which fared better than the Novated industry, down 4%[2]
- NBW for the month of March recovered to $18m, the highest level since Jul-21—Orders currently sit at $54m
- Omicron wave impacting customer inquiries while slower vehicle order/delivery times (caused by supply chain) impacted broader sentiment/demand—both ultimately slowing otherwise strong business momentum

Notes:
1. FY19 represents the last full financial year prior to the emergence of the COVID pandemic
2. Data sourced from AFIA based on 12-month Novated market movements to December 2021

Assets and vehicles under management

AUMOF has returned to marginal growth during the half supported by stronger NBW

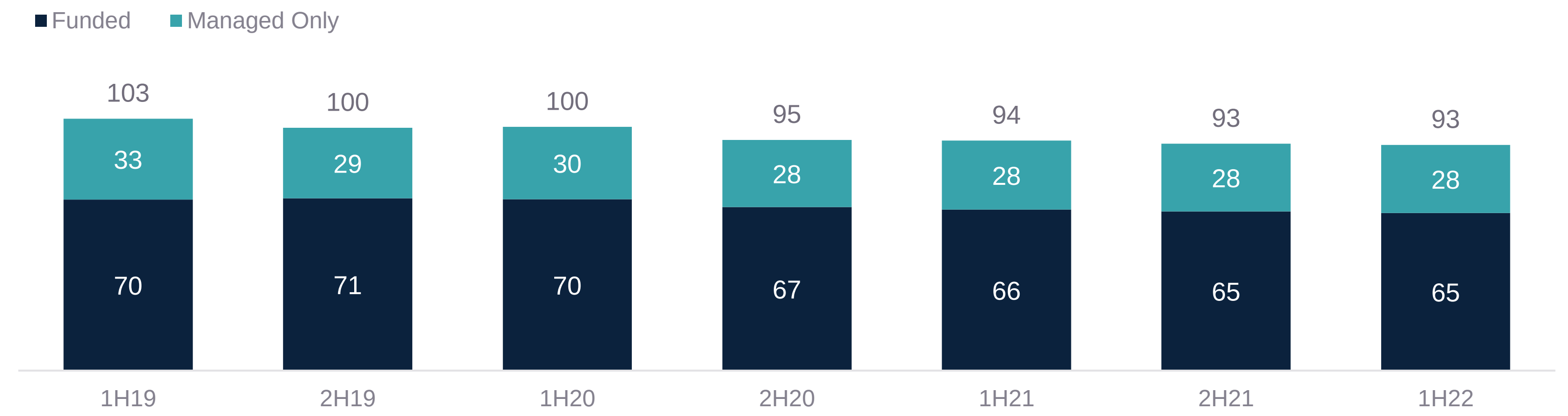
Assets under management or financed (AUMOF; $bn)



Comments

- AUMOF flat on pcp and up 1% hoh
- Reversal of AUMOF decline occurred during 1H22, off the back of stronger NBW
- The relative stability of financed AUMOF drives predictable, annuity-like net operating income before EOL and provisions

Vehicles under management or financed (VUMOF; '000 units)



Comments

- VUMOF decline has slowed to 2% on pcp and 1% hoh
- Targeted exit of less profitable managed-only units since May-19
- Focus on returns by shifting towards more profitable offerings in Novated and Fleet
- Annualised NOI pre EOL & provisions / av. VUMOF has increased from $1,527 in 1H21 to $1,717

Income statement

NPATA of $62.1m, represents growth of 58% on pcp

$ million	1H22	1H21	PCP (%)
Net operating income pre EOL and provisions	**79.4**	**72.6**	**9%**
End of lease income	51.4	32.1	60%
Fleet and credit provisions	2.8	1.2	125%
Net operating income	**133.6**	**105.9**	**26%**
Total operating expenses	(38.6)	(39.4)	2%
EBITDA	**95.0**	**66.5**	**43%**
Share based payment expense	(1.6)	(2.4)	33%
Interest on corporate debt	(2.7)	(5.2)	48%
Depreciation	(0.5)	(1.0)	46%
Depreciation and interest on leases (AASB 16)	(2.1)	(2.2)	4%
Amortisation of intangibles	(3.9)	(3.2)	(22%)
Non-recurring items	0.1	0.8	(88%)
PBT	**84.2**	**53.3**	**58%**
Tax expense	(24.8)	(15.5)	(60%)
NPAT	**59.4**	**37.8**	**57%**
Add back amortisation of acquired intangibles (post tax)	1.1	1.1	2%
Add back non-recurring items (post tax)	(0.1)	(0.7)	88%
NPATA pre add back of software amortisation (post tax)	**60.4**	**38.2**	**58%**
Add back software amortisation (post tax)	1.7	1.2	40%
Cash NPATA	**62.1**	**39.3**	**58%**

Comments

EBITDA growth of 43% driven by strong NOI growth of 26% and cost discipline. NPATA grew by 58% on pcp

- NOI pre EOL and provisions up 9% pcp driven by net margin expansion, higher maintenance profit and higher management fees
- End of lease income (EOL) up 60% pcp driven by continued strength in the used vehicle market. EOL profit per unit was $8,813 up 48%, and the number of vehicles sold was up 8%
- Fleet and credit provisions had a positive impact of $2.8m driven by the removal of the Covid-19 overlay provision
- Operating expenses have reduced by 2% pcp, with FY22 expectation still at $80.0m
- Share based payments are down 33% pcp driven by new LTI plan and a one-off adjustment of $0.3m in 1H22
- Interest on corporate debt reduced 48% on pcp due to repayment of corporate debt given stronger organic cash generation
- Non-recurring items driven by the release of lease liability from the Auckland office move, partially offset by redundancy payments

Group balance sheet

Balance sheet strength delivered through discipline and supported by the temporarily elevated cash generation relating to EOL income and the cash tax shield in Australia

$ million	31 Mar 22	30 Sept 21	Prior period (%)
Assets			
Cash and cash equivalents	81.8	76.4	7%
Restricted cash and cash equivalents	150.7	150.5	0%
Trade and other receivables	58.6	58.3	0%
Leases	1,214.8	1,197.4	1%
Inventory	16.1	24.8	(35%)
PP&E	1.7	3.8	(55%)
Intangibles	467.2	472.2	(1%)
Right-of-use assets	4.5	16.9	(73%)
Derivative financial instruments	21.8	-	n/m
Total assets	**2,017.2**	**2,000.5**	**1%**
Liabilities			
Trade and other liabilities	146.5	132.7	10%
Borrowings – Warehouse and ABS	1,123.4	1,125.2	(0%)
Borrowings – Corporate debt	75.0	96.0	(22%)
Provisions	7.8	9.7	(19%)
Derivative financial instruments	-	5.9	(100%)
Lease liabilities	5.5	19.5	(72%)
Deferred tax liabilities	45.1	35.9	25%
Total liabilities	**1,403.2**	**1,424.8**	**(2%)**
Net assets	**614.0**	**575.7**	**7%**
Contributed equity	610.0	639.2	(5%)
Reserves	191.9	183.8	4%
Retained earnings	(187.9)	(247.3)	24%
Total equity	**614.0**	**575.7**	**7%**

Comments

- Strong balance sheet achieved over the past three years through Simplification and supported by elevated organic cash generation
- Acceleration of capital return to shareholders with the announcement of a further buy-back of up to $40m, bringing total announced and returned capital to $96m since 2H21—$56m of capital returned to shareholders over the last 12 months
- Zero net debt—$61.0m reduction in net debt since 1H21 has resulted in a net cash position of $6.8m
- Cash growth driven by strong organic cash generation, being partially offset by share buy-back and corporate debt repayment
- Leases up 1% and warehouse borrowings flat as strong NBW performance in 1H22 has driven asset growth
- Inventory down by 35% as lockdowns that disrupted sales in Sep-21 were lifted by Mar-22
- Right-of-use assets and lease liabilities down 73% and 72% due to the Auckland office move
- Gross corporate debt reduced by 22% as business continued to deleverage

Cash generation

Strong organic cash generation supported by elevated EOL and cash tax shield enabling repayment of corporate debt and return of capital via buy-back

Cash flow

$ million	1H22
Operating cash flow	
Customer receipts	382.1
Payment to suppliers & employees	(192.1)
Income tax paid	(4.9)
Net interest paid	(19.7)
Net operating cash flow	165.4
Investing cash flow	
Purchase of operating & finance lease vehicles	(243.7)
Capex (PP&E & intangibles)	(2.8)
Proceeds from sale of operating lease vehicles	138.9
Net investing cash flow	(107.6)
Financing cash flow	
Net change in borrowings	(11.4)
Payment of lease liabilities	(1.6)
Movement in share capital	(37.0)
Net financing cash flow	(50.1)
Net cash flow	7.7

Organic cash generation and cash conversion

$ million	1H22
Net cash flow	7.7
Capex	2.8
Change in corporate debt	21.0
Movement in share capital	37.0
Exchange rate variations	2.2
Organic cash generation	70.7
NPATA adding back non-cash SBP & depreciation pre tax	64.2
Cash conversion[1]	110%

Comments

- Business generated $165.4m of operating cash flow and $70.7m of organic cash flow (as defined above)
- Cash generation temporarily elevated given strong EOL performance
- Cash conversion[1] was 110% in 1H22, enhanced by the tax timing difference associated with the Australian instant asset write-off
- $21m cash used to repay corporate debt
- $28m cash distributed to shareholders via buy-back

Notes:
1. Organic cash generation / NPATA adding back non-cash SBP and depreciation pre tax

3. Defensive service based operating model

Simple Group business model

Eclipx is a **services based business** with best-in-class funding capability, enhancing the profitability and increasing the defensiveness of earnings relative to third-party funded peers

1 VEHICLE FINANCE

(c.40% of NOI pre EOL[1])

The Group utilises its own balance sheet (depicted below) to finance vehicles or uses third party funding (receiving an upfront commission and assuming no funding risk)

A — Vehicle Price **$40,000**

B — RV (4yr contract) **$18,000**

Amount financed *(A)* **$40,000**

ECX net interest income *(C-D)*

C — Customer Finance Cost

D — ECX Finance Cost

CONTRACTUALLY LOCKED OVER THE LIFE OF LEASE

INTEREST RATE RISK HEDGED

Matched funding & hedged interest rates

2 FLEET + VEHICLE SERVICES

(c.60% of NOI pre EOL)

Vehicle Selection & Procurement

Registration & Delivery

Fuel & Tyres

Maintenance

Insurance & Accident Management

Fleet Management, Reporting & Optimisation

Driver Support

FLEET AND VEHICLE SERVICE INCOME IS CONTRACTED OVER THE LIFE OF THE LEASE

RELATED COSTS ARE PREDICTABLE

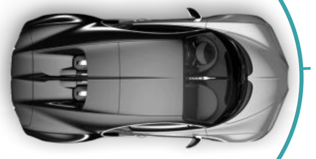
3 VEHICLE DISPOSAL

At the end of the lease, the Group will sell the vehicle

For novated and finance leases, it is typical for the customer to retain the vehicle after paying the RV/Balloon payment

E — Vehicle Sale Price **$20,000**

F — RV (4yr contract) **$18,000**



END OF LEASE INCOME *(E-F)* **$2,000**

END OF LEASE INCOME IS SUBJECT TO USED VEHICLE MARKET CONDITIONS

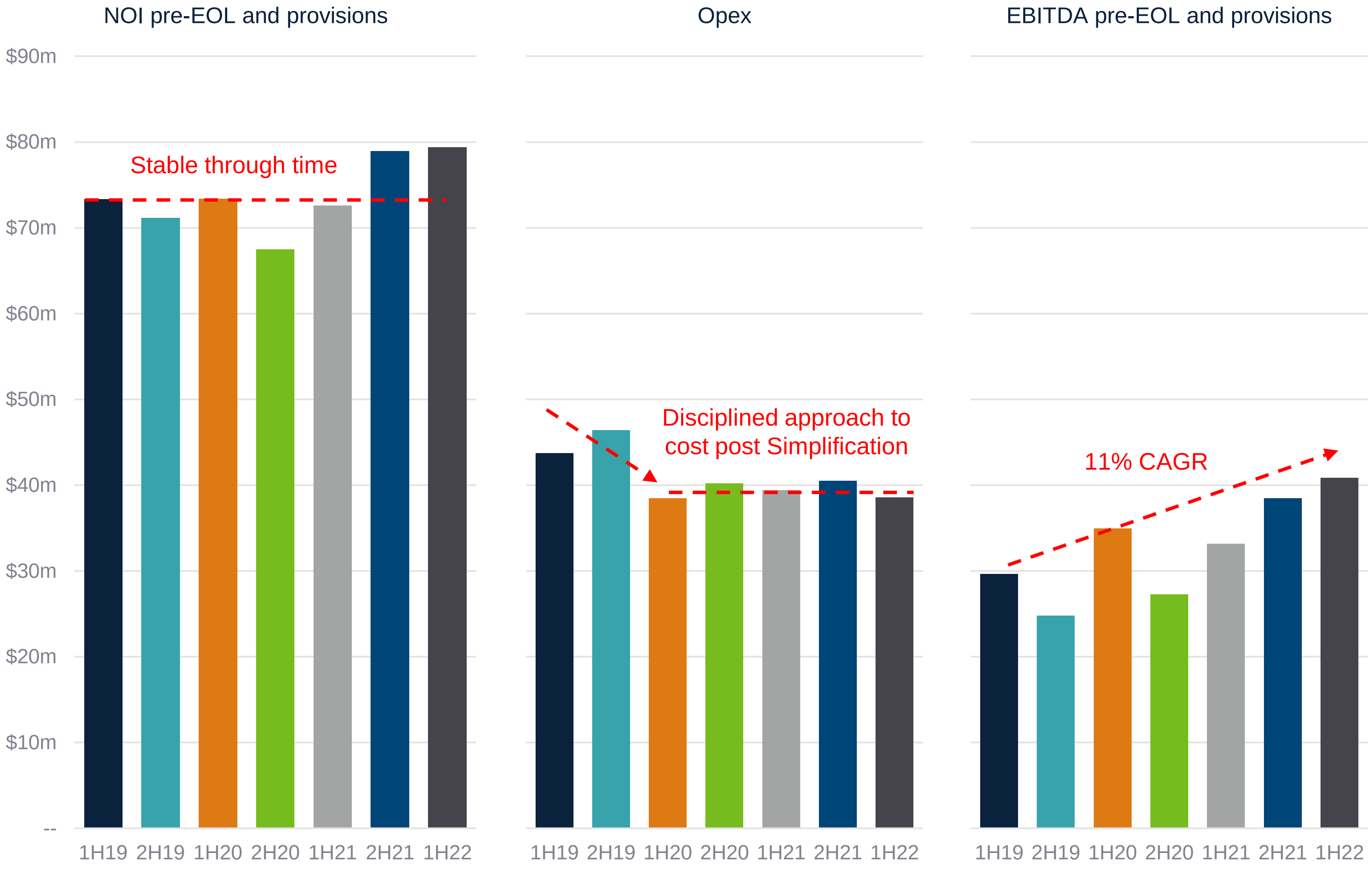
Notes :

1. Including third-party funding commissions

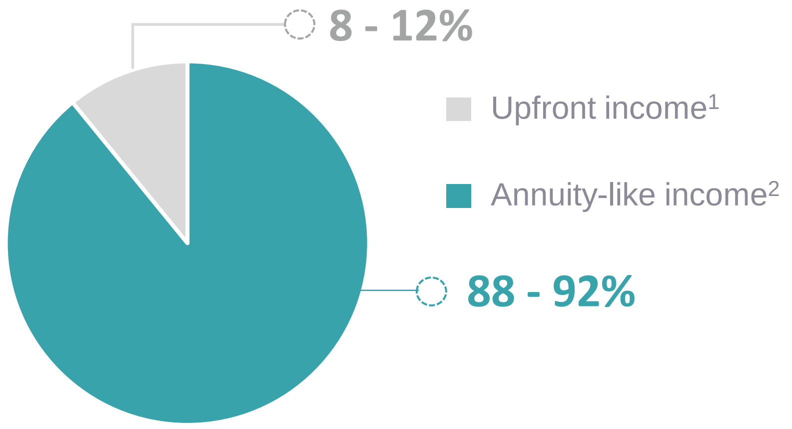
Earnings stability through time

The Group's earnings are predictable given the contracted nature of annuity income and low portfolio risk

Enhancement of earnings profile ex. EOL & provisions



Annuity-like income



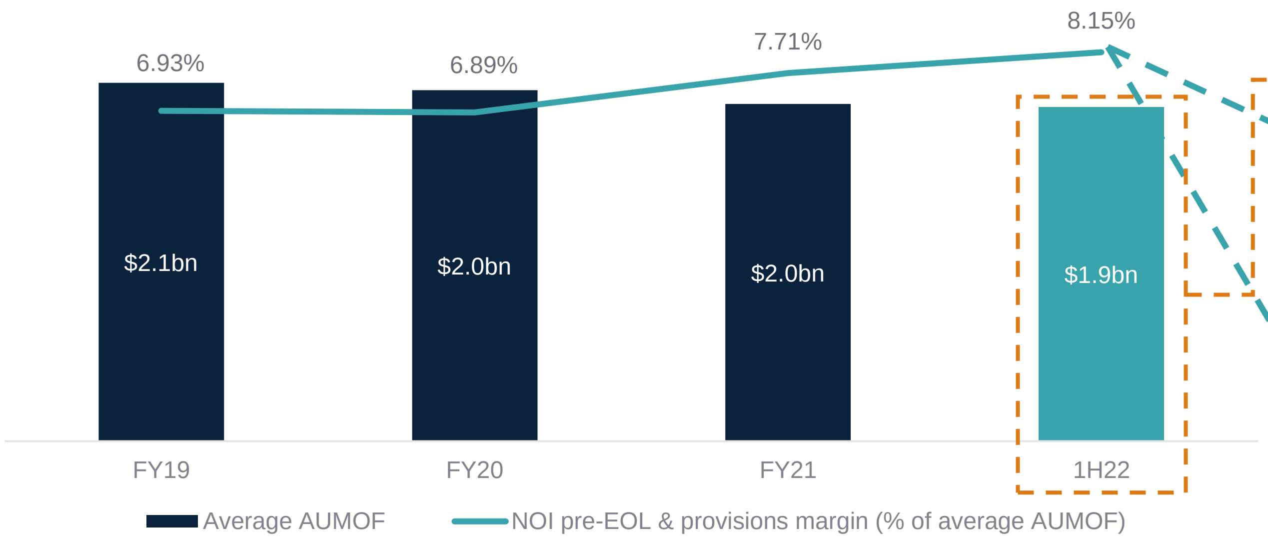
Book value of 90+ day arrears as % of total book value

eclipx GROUP FleetPartners fleetplus FleetChoice

Notes: 1. Relates to writing new business in a period, including upfront funding commissions linked to ECX's third-party funded book and establishment fees; 2. Income earned over the life of a lease including, but not limited to, net interest margin, maintenance margin, management fees and other income

Illustrative P&L implications of normalised vehicle supply

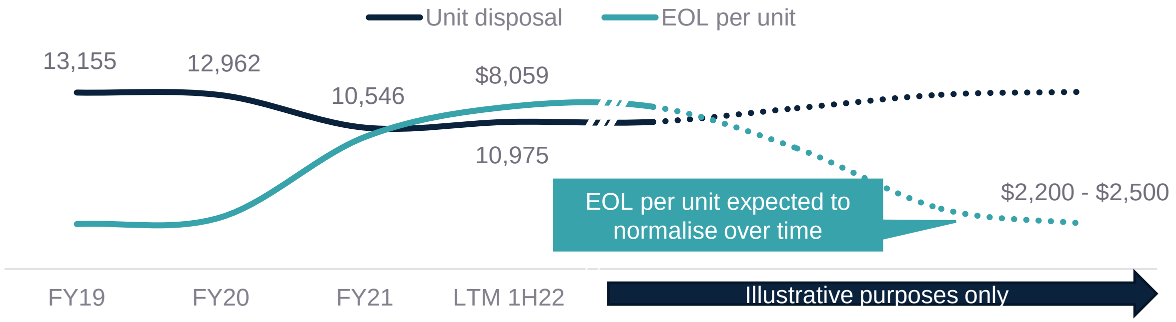
Average AUMOF & NOI pre EOL & provisions margin



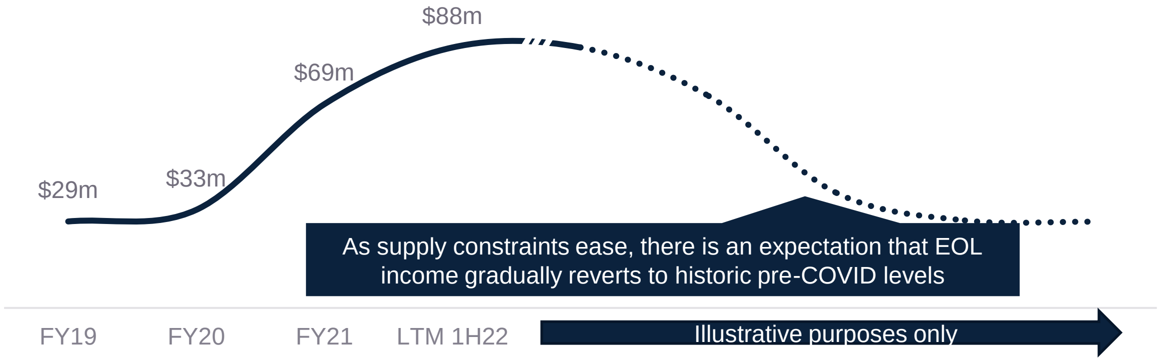
NOI pre EOL & provisions sensitivity based on average AUMOF & margin

		Illustrative average AUMOF		
		$1.9bn[1]	**$2.0bn**	**$2.1bn**
		Illustrative NOI pre EOL & provisions		
NOI pre EOL & provisions margin	**8.15%[1]**	$159m	$163m	$171m
	7.75%	$150m	$155m	$163m
	7.50%	$145m	$150m	$158m
	7.25%	$140m	$145m	$152m
	7.00%	$136m	$140m	$147m
		Illustrative required sustained run-rate NBW to meet average AUMOF		
		$720m	**$740m**	**$780m**

Illustrative end of lease income per unit and number of disposed units



Illustrative end of lease income



Notes :
1. 1H22 AUMOF of $1.948bn and NOI pre EOL & provisions margin of 8.15%

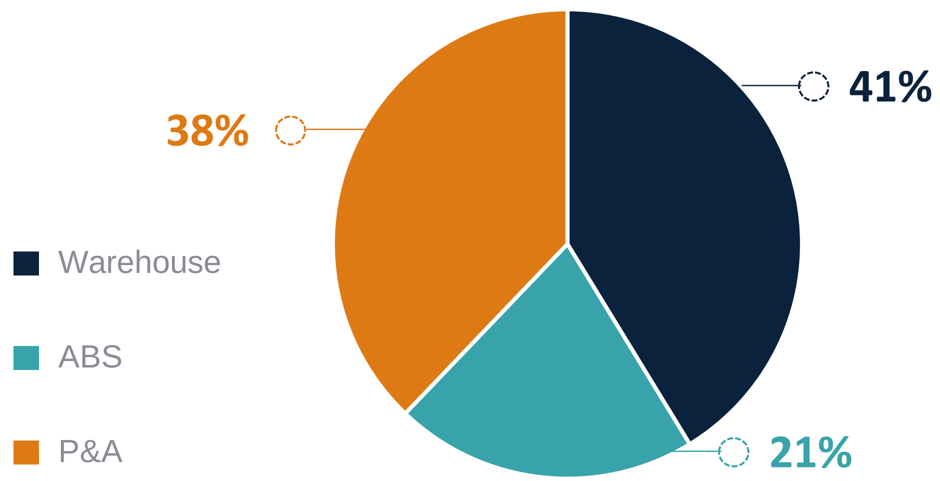
Managing interest rate risk

The Group hedges its exposure to rate risk at lease origination in both rising and falling rate environments

Interest rate exposure

	Warehouse	ABS	P&A
Base rate movement exposure	• Hedged at lease origination for full term of lease		• No exposure
Funding margin movement exposure	• Typically repriced annually in line with market benchmarks	• Fixed at issuance for the term of the issuance	• No exposure

Funding composition (1H22 AUMOF of $1.9bn)



Comments

- ✓ Well established program of diversified funding that is strongly supported by a large number of financial institutions and credit investors
- ✓ Base rates hedged at origination and matched to lease duration. No speculative interest rate positions in our funding structures
- ✓ Forward rates and funding margin considered in new lease origination pricing
- ✓ Lease book rolls over every 3 – 4 years
  - Taking a spot position as at 1H22, for every illustrative +/-10bp movement in funding margins, there will be a +/-4bp[1] (+/-$0.8m) impact to the NOI pre EOL & provisions margin[2]
- ✓ Consistently strong portfolio performance with low loss rates, a proven history of residual value risk management and renewed Group financial performance are all important drivers for funding margins

Notes :
1. 10bps multiplied by 41%, being the percentage of AUMOF warehouse funded and exposed to funding margins
2. NOI pre EOL & provisions as a percentage of average AUMOF

FY22 expectation analysis reaffirmed

	1H22A	FY22 (expectation)	Cash item	Comments
NOI pre EOL & provisions	$79.4m		✓	• Stable as slight AUMOF growth is expected to be offset by the gradual unwinding of COVID related tailwinds on the management fee and maintenance lines
End of lease income	$51.4m		✓	• Prices in used vehicle market are temporarily elevated with rationalisation expected to occur gradually over time, when new vehicle inventory supply is restored
Provisions	$2.8m		×	• Pre-COVID provisioning now in place with the removal of COVID overlay in 1H22
NOI	**$133.6**			
Operating expenses	($38.6m)	($80.0m)	✓	• 1H22 below $40m given delays in filling open roles, however expectations remain at $80m for FY22
EBITDA	**$95.0m**			
Interest & depreciation on leases	($2.1m)	($4.0 – 4.5m)	✓	• Stable
Share based payments	($1.6m)	($2.5 – 3.5m)	×	• Stable
Depreciation	($0.5m)	($1.0 – 1.2m)	×	• Stable
Interest on corporate debt	($2.7m)	($5.0 – 6.0m)	✓	• No further repayment of corporate debt expected in 2H22
Tax	29.5%	29 – 30% (tax rate)	✓ (NZ only)	• Based on statutory earnings from Australia and New Zealand • No Australian corporate tax expected to be paid in cash, given eligibility for temporary full expensing on operating leases (instant asset write-off). Deferred tax liability will increase accordingly

4. Outlook

2H22 outlook

Operating environment

Strong demand across all segments

Supply issues unlikely to normalise prior to the end of CY22

End of Lease income (EOL)

EOL expected to remain elevated while supply is constrained

Expected to revert to pre-COVID levels[1] as supply fully normalises

Order pipeline

Group order pipeline at 2.7x pre-COVID levels[1]

Expect pipeline to steadily decline, converting to NBW, as supply normalises

Group well positioned

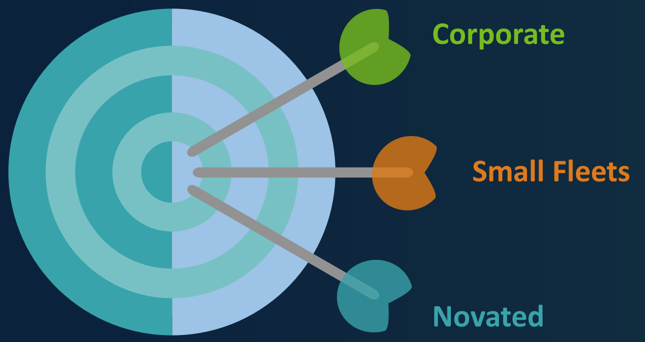
- ✓ Zero net debt (net cash +$6.8 million)
- ✓ Up to $40 million buy-back (65% payout ratio)
- ✓ 19% NBW growth despite supply constraints
- ✓ 1% growth in AUMOF hoh
- ✓ 9% growth in NOI pre EOL and provisions
- ✓ 2% reduction in opex
- ✓ 58% NPATA growth pcp

Strategic focus

Foundations of Strategic Pathways in place—Positioned for acceleration as supply normalises

Short-term focus on profitable AUMOF growth & enhancements to digital offering

Strategic Pathways



Notes:
1. FY19 represents the last full financial year prior to the emergence of the COVID pandemic

Questions

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Appendix

A. Business unit performance & other financial information

Business unit performance

Half-year ended March 2022

($m, unless stated)	Fleet AU	Novated	Fleet NZ	Group
NOI before EOL & Impairments	48.8	9.2	21.4	79.4
End of lease	38.9	0.8	11.7	51.4
Impairments	1.8	(0.0)	1.0	2.8
NOI	89.5	9.9	34.2	133.6
Operating expenses	(26.3)	(6.2)	(6.1)	(38.6)
EBITDA	**63.2**	**3.8**	**28.0**	**95.0**
AUMOF	994.7	502.4	450.9	1,948.0
VUMOF ('000)	53.5	14.7	24.4	92.6

Half-year ended September 2021

($m, unless stated)	Fleet AU	Novated	Fleet NZ	Group
NOI before EOL & Impairments	46.9	13.1	18.9	78.9
End of lease	24.7	0.7	11.7	37.0
Impairments	0.3	0.0	1.1	1.4
NOI	71.9	13.8	31.7	117.4
Operating expenses	(26.7)	(7.2)	(6.7)	(40.5)
EBITDA	**45.2**	**6.6**	**25.0**	**76.9**
AUMOF	962.7	514.2	449.8	1,926.8
VUMOF ('000)	53.9	15.1	24.1	93.1

Half-year ended March 2021

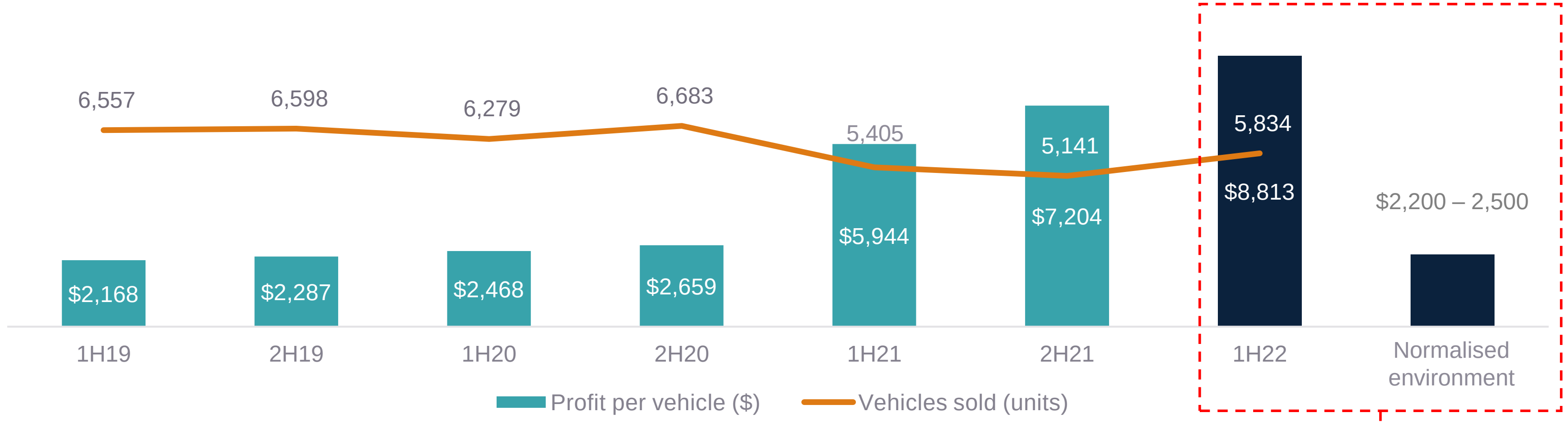
($m, unless stated)	Fleet AU	Novated	Fleet NZ	Group
NOI before EOL & Impairments	42.0	11.5	19.0	72.6
End of lease	21.2	0.7	10.2	32.1
Impairments	0.3	(0.0)	0.9	1.2
NOI	63.6	12.1	30.2	105.9
Operating expenses	(24.8)	(7.3)	(7.3)	(39.4)
EBITDA	**38.8**	**4.8**	**22.9**	**66.5**
AUMOF	991.8	519.5	433.4	1,944.7
VUMOF ('000)	54.9	15.3	24.2	94.4

B. End of lease income

End of lease income up 60% on pcp

End of lease income remains elevated, up 60% on pcp, driven by continued strength in the used vehicle market. As new vehicle supply is restored, EOL income expected to normalise

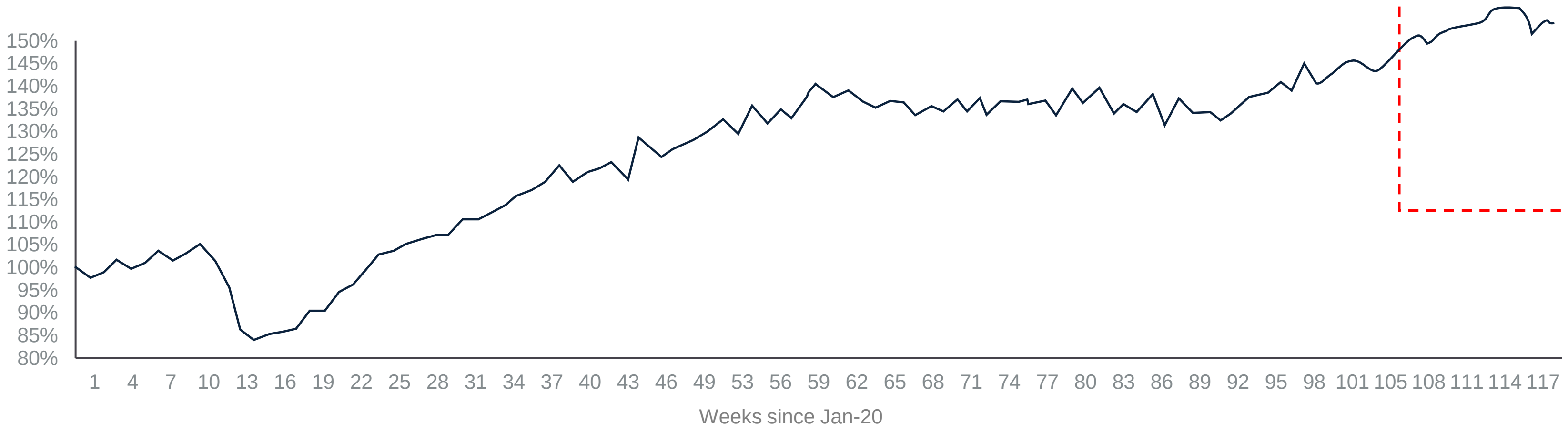
Disposed vehicles and end of lease income per vehicle



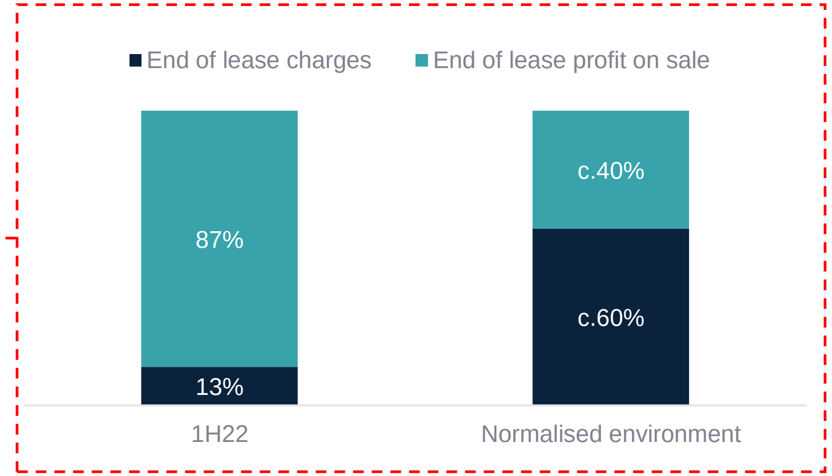
Comments

- Elevated used car prices given new vehicle supply constraints
- Longer term used car pricing expected to revert to 1H20/2H19 levels as supply of vehicles normalises
- Number of units due for disposal should increase with the return of supply given heightened lease extensions compared to pcp
- Unit sales are expected to increase with supply normalisation
- In a normalised environment, c.60% of end of lease income relates to contractual end of lease charges, and 40% relates to profit on sale—This is relative to the current split of 13%/87% end of lease charges / profit on sales

Used car price outcomes—Weekly used car price index since Jan-20[1]



Composition of end of lease income



Notes:
1. Datium insights

C. Portfolio & credit risk

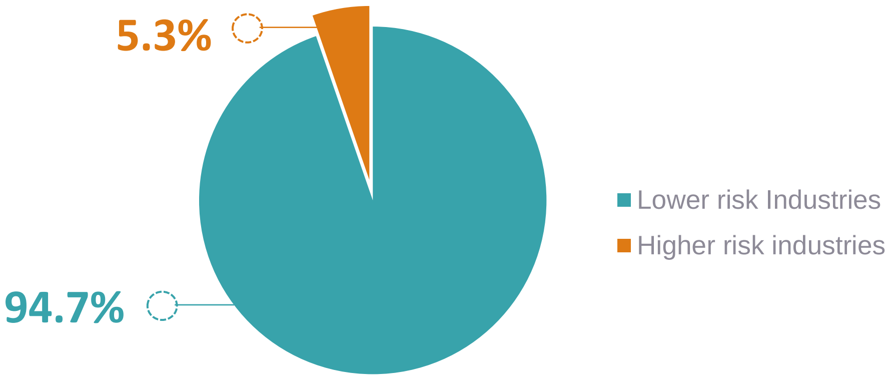
Portfolio credit risk remains low

The Group remains well placed to face any further macro uncertainty given the quality of the portfolio

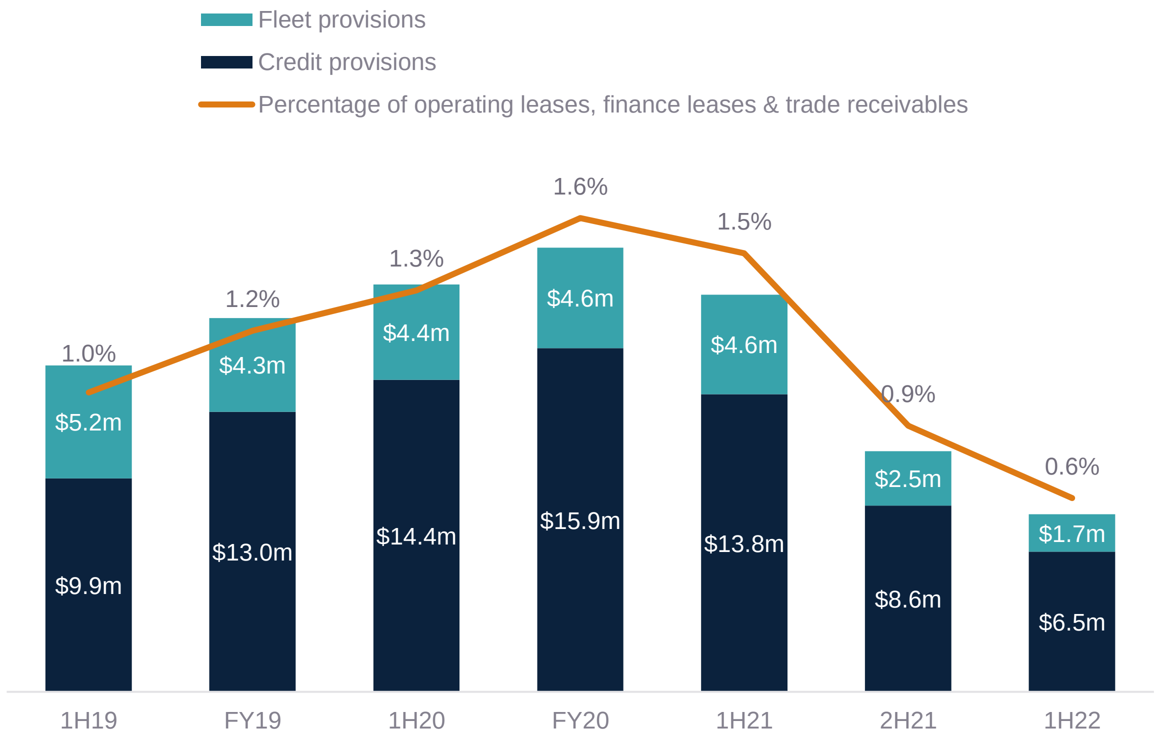
Comments

- 74% of the exposure of the top 20 customers is investment grade
- 94.7% of the portfolio represents lower risk customers, many of which provide essential services[1]
- 5.3% of exposure to higher risk industries, including air transport, tourism, motor vehicle and transport equipment rental, accommodation and hospitality industries
- 36+ years of experience with unique credit insights through a number of cycles in AU & NZ
- All financing secured by PPSR[2] on vehicles (no unsecured exposure)
- Business-use assets have a strong track record of performance through economic cycles (including the GFC and COVID)

Portfolio exposure



Provisioning (% of operating leases, finance leases & trade receivables on balance sheet)



	1H19	2H19	1H20	2H20	1H21	2H21	1H22
Fleet provisions (% operating leases)	0.5%	0.5%	0.5%	0.5%	0.5%	0.3%	0.2%
Credit provisions (% finance leases & trade receivables)	1.5%	2.5%	2.6%	3.2%	3.1%	2.0%	1.5%

Notes:
1. Excludes NZ equipment finance portfolio, which is currently in run-off
2. Personal Property Securities Register

END