Eclipx Group
FY22 results presentation

7 November 2022

FleetPartners fleetplus FleetChoice

Julian Russell | Damien Berrell

Legal disclaimer

This Presentation contains summary information about Eclipx Group Limited (Eclipx) and its subsidiaries and their activities, current as at the date shown on the front page of this Presentation. The information in this Presentation does not purport to be complete. It should be read in conjunction with Eclipx's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange, which are available at www.asx.com.au.

The information contained in this Presentation is not investment or financial product advice and has been prepared without taking into account the investment objectives, financial situation or particular needs of any particular person. Before making an investment decision, investors should consider the appropriateness of the information having regard to their own investment objectives, financial situation and needs and seek independent professional advice appropriate to their jurisdiction and circumstances.

To the extent permitted by law, no responsibility for any loss arising in any way from anyone acting or refraining from acting as a result of this information is accepted by Eclipx, any of its related bodies corporate or its Directors, officers, employees, professional advisors and agents (Related Parties). No representation or warranty, express or implied, is made by any person, including Eclipx and its Related Parties, as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this Presentation.

An investment in Eclipx securities is subject to investment and other known and unknown risks, some of which are beyond the control of Eclipx or its Directors. Eclipx does not guarantee any rate of return or the performance of Eclipx securities. Past performance information given in this Presentation is given for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance.

This Presentation contains certain forward-looking statements with respect to the financial condition, results of operations and business of Eclipx and associated entities of Eclipx and certain plans and objectives of the management of Eclipx. Forward-looking statements can be identified by the use of forward-looking terminology, including, without limitation, the terms "believes", "estimates", "anticipates", "expects", "predicts", "intends", "plans", "goals", "targets", "aims", "outlook", "guidance", "forecasts", "may", "will", "would", "could" or "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which because of their nature may cause the actual results or performance of Eclipx to be materially different from the results or performance expressed or implied by such forward-looking statements.

Such forward-looking statements are based on numerous assumptions regarding Eclipx's present and future business strategies and the political, regulatory and economic environment in which Eclipx will operate in the future, which may not be reasonable, and are not guarantees or predictions of future performance. No representation or warranty is made that any of these statements or forecasts (express or implied) will come to pass or that any forecast result will be achieved.

Forward-looking statements speak only as at the date of this Presentation and to the full extent permitted by law, Eclipx and its Related Parties disclaim any obligation or undertaking to release any updates or revisions to information to reflect any change in any of the information contained in this Presentation (including, but not limited to, any assumptions or expectations set out in this Presentation).

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). 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.

FY22 results agenda

1. Performance highlights

Outperformance on every key line item

NPATA up 29% compared to FY21

NPATA bridge

Notes: Movements are presented post-tax

FY22 performance highlights

1 — 13% NOI GROWTH

4% NOI PRE EOL AND PROVISIONS

2 — OPEX IN LINE

HELD FLAT FOR A THIRD YEAR IN A ROW

3 — FUNDING STABILITY

WAREHOUSES RENEWED NEUTRAL FINANCIAL IMPACT

4 — 37% CASH EPS GROWTH

22% GROWTH ADJUSTED FOR EOL[5]

5 — STRATEGIC PATHWAYS

11% GROWTH IN GROUP NBW WELL AHEAD OF MARKET

6 — ACCELERATE PROGRAM

TARGET $6M ANNUALISED OPEX REDUCTION BY MID-FY25

7 — $72M BUY-BACK

65% OF FY22 NPATA ($35M ALREADY COMPLETED)

8 — ACQUISITION OPPORTUNITIES

POSITIONED FOR EMERGING OPPORTUNITIES

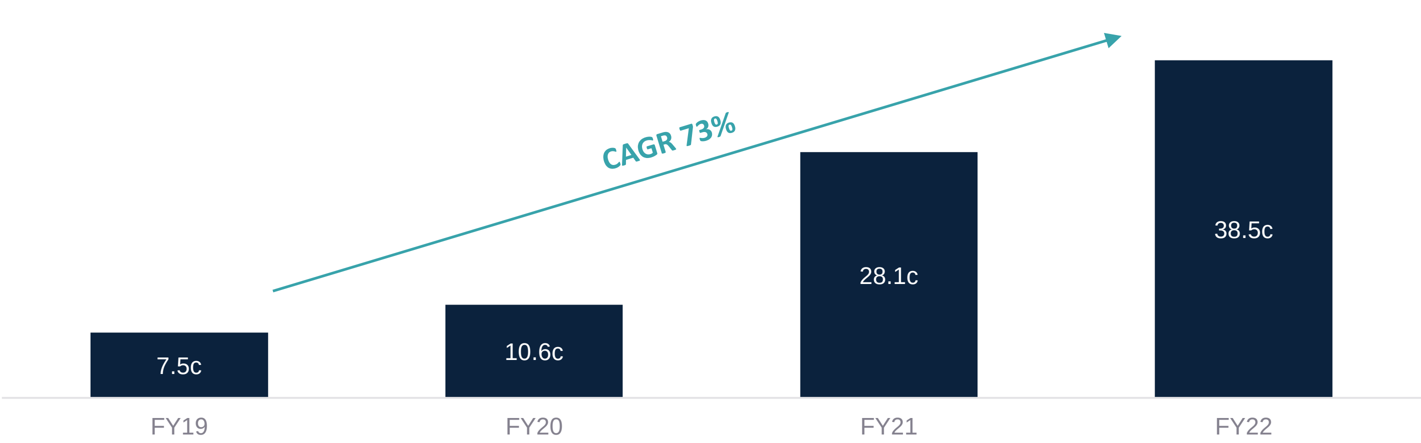
30 September 2022 (A$m unless specified)	FY22A	FY21A	Var +/(-)
Income statement			
NOI pre EOL and provisions[1]	157.4	151.5	4%
EOL	92.3	69.2	33%
Provisions[2]	2.1	2.6	(20%)
NOI	251.7	223.3	13%
OPEX	(80.3)	(79.9)	(1%)
EBITDA	171.4	143.4	20%
NPATA	110.8	86.1	29%
KPIs			
Fleet NBW[3]	530	429	24%
Group NBW	715	644	11%
AUMOF[4] ($bn)	1.9	1.9	1%
Net cash / (debt)	26.5	(19.6)	nm
Cash conversion	113%	121%	nm
Cash EPS (cents)	38.5	28.1	37%

Notes:
1. NOI pre EOL and 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 $2.1m driven by the removal of the COVID-19 overlay provision.
3. Fleet NBW includes NBW of Fleet Australia and Fleet New Zealand, excluding Novated.
4. FleetChoice NT (FCNT) partnership was dissolved in Mar-22 in line with the Group's strategy to exit low returning products. FCNT FY21 EBITDA was ~$0.1m. FY21 AUMOF excludes FleetChoice NT AUMOF of $45m.
5. Adjusted to replace current elevated EOL performance with pre-COVID-19 EOL of c.$30m.

73% CAGR in cash earnings per share (EPS) since FY19

Excluding the benefits from elevated EOL, Cash EPS has grown at a CAGR of 44% over the last four years

Cash EPS growth



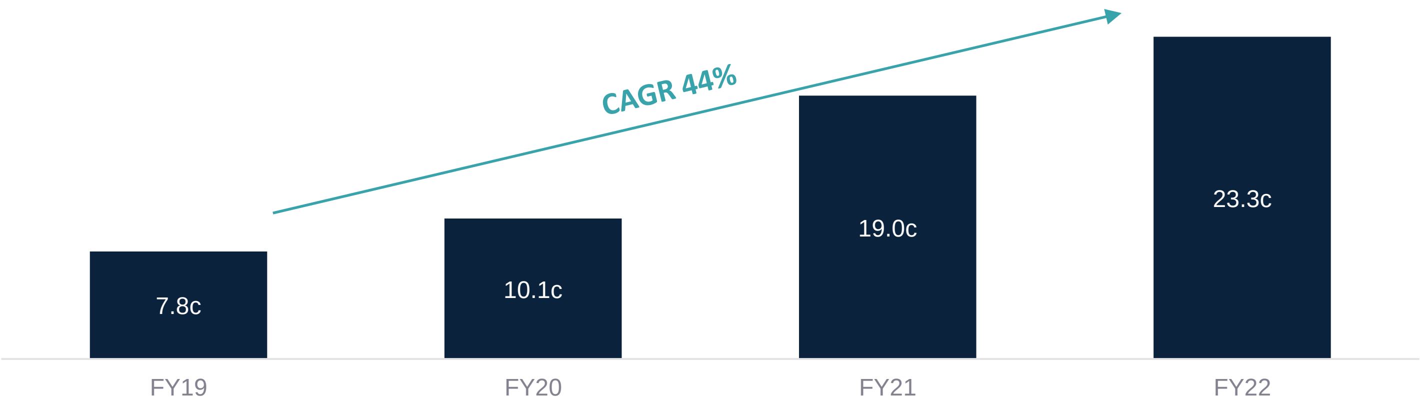
Cash EPS growth

- Represents NPATA over average number of shares on issue in the relevant period
- Drivers include:
  - Strong underlying NOI growth
  - Simplification (non-core divestments, opex reduction, leverage reduction and funding optimisation)
  - Elevated used car pricing
  - Buy-back program

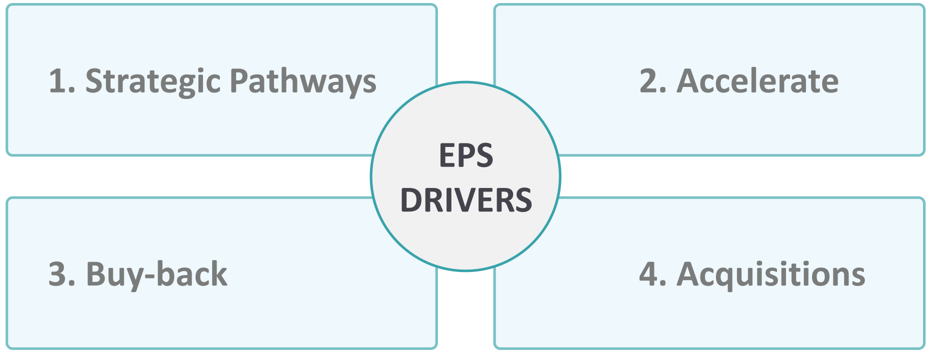
Cash EPS growth after adjusting for pre-COVID-19 EOL income

- Cash EPS adjusted to replace current elevated EOL performance with pre-COVID-19 EOL of c.$30m. Drivers of growth consistent with the above, except for EOL

Cash EPS growth after adjusting for pre-COVID-19 EOL income



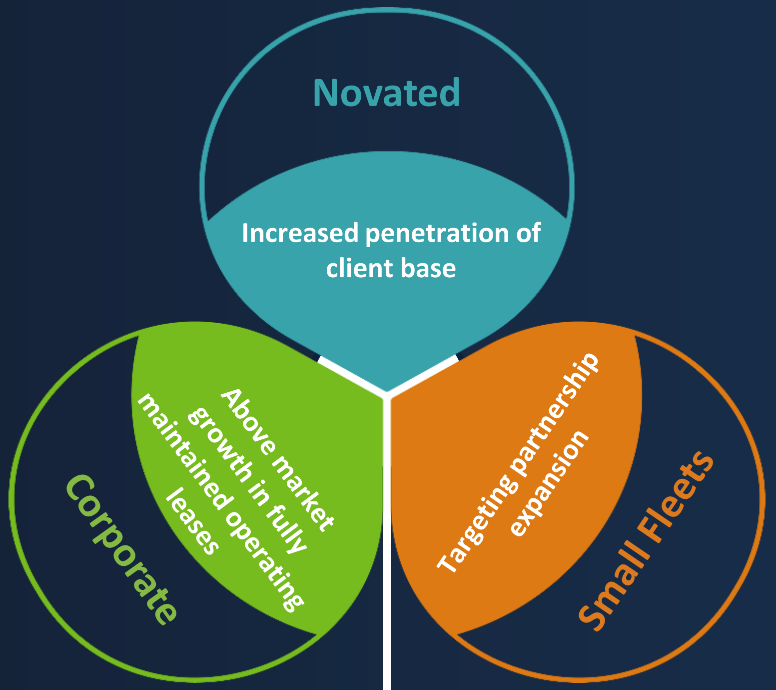
Expected EPS growth drivers going forward



1. Strategic Pathways
2. Accelerate
EPS drivers
3. Buy-back
4. Acquisitions

Strategic Pathways

Foundations in place…primed for growth



CORPORATE AU & NZ

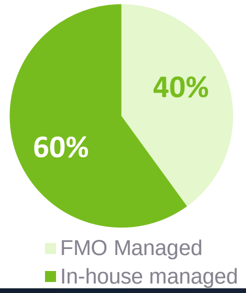
Predictable, high returns profile

2.5m vehicles TAM[1,2] (~40% market penetration)

Scaled, defensive & cash flow generative

- Significant annuity revenue
- 90%+ customer retention
- High returns and cash generation

Market penetration



SMALL FLEETS

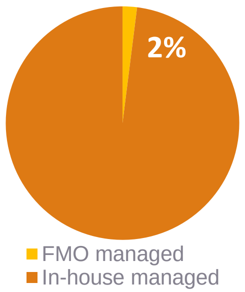
High growth and returns opportunity

1.5m vehicles TAM[1,2] (~2% market penetration)

Leveraging product know-how, underwriting capability & operational scale

- 64% growth in FY22 in AU
- 43% of NBW in FY22 in NZ
- Significant returns, coupled with disciplined credit underwriting
- Expanding distribution footprint through scalable tools

Untapped c1.5m fleet vehicles in AU[2]



NOVATED

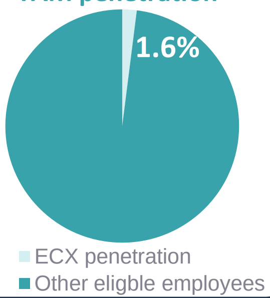
Cross-sell product for Corporate & Small Fleets

880 – 900k eligible employees ECX TAM[1] (<2% ECX penetration)

Simple cross-sell to captive customer base, leveraging the operational scale of Corporate

- Product offering enhances value proposition for Corporate customers
- Clear cross-sell opportunities between Corporate / Small Fleets & Novated
- Captive penetrable employee base

ECX captive employee TAM penetration



Notes:
1. TAM is Total addressable market and is an estimate; 2. Source: ACA 2022 Corporate and Small Fleet Insights Reports.

Strategic Pathways

Seeing early signs of growth in our most profitable target markets

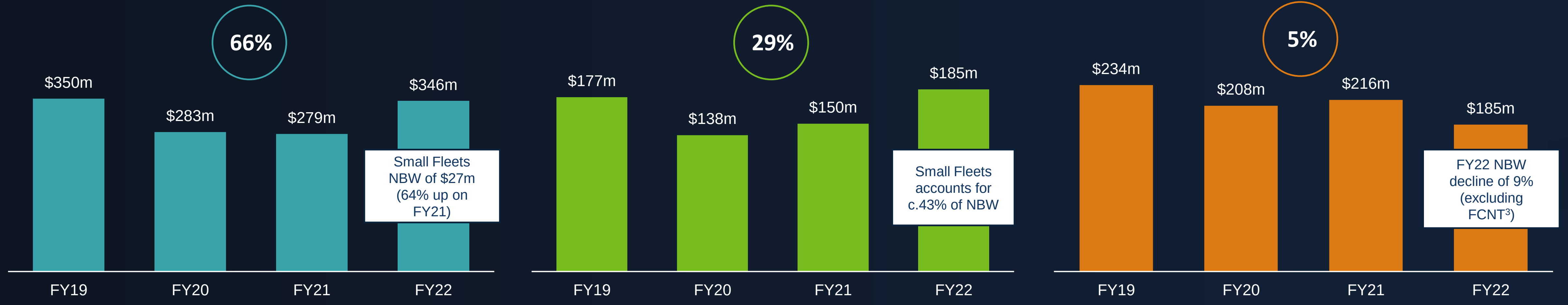
1. Strategic Pathways
2. Accelerate
3. Buy-back
4. Acquisitions

EPS drivers

	Fleet Australia[1]	Fleet NZ[1]	Novated
FOCUS	CORPORATE: Strong NBW growth and continued delivery of value-add digital features SMALL FLEETS: Growth in distribution partnerships and roll-out straight through credit processing (STP) and quoting solutions		Penetration of existing novated employee base and expansion of TAM[2]

GROUP EBITDA CONTRIBUTION

NEW BUSINESS WRITINGS (NBW)



COMMENTARY

Fleet Australia:
- 24% NBW growth in FY22
- Order pipeline at 2.3x pre-COVID-19 levels[4]

Fleet NZ:
- 23% NBW growth in FY22
- Order pipeline at 4.6x pre-COVID-19 levels[4] including 6% BEVs and 43% hybrids as harmonised NZ policies support transition

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
- Applying learnings as market leader in NZ for EVs to Australia, as policy change expected to support transition

Novated:
- Second half NBW was 3% higher than first half NBW, but NBW continues to be impacted by supply constraints
- Order pipeline at 3.8x pre-COVID-19 levels[4]
- Significant levels of customer enquiries
- Consistent with Fleet in FY21, ECX has recently invested in new Novated talent

Notes:
1. Includes contribution from Small Fleets and excludes panel.
2. Total addressable market.
3. FleetChoice NT (FCNT) partnership was dissolved in Mar-22 in line with the Group's strategy to exit low returning products. FCNT FY21 EBITDA was ~$0.1m.
4. FY19 represents the last full financial year prior to the emergence of the COVID-19 pandemic.

Accelerate – $6m annualised opex reduction by mid-FY25

1. Strategic Pathways
2. Accelerate
EPS drivers
3. Buy-back
4. Acquisitions

2019 - 2020 SIMPLIFICATION	2020 onwards STRATEGIC PATHWAYS	2022 - 2025 ACCELERATE
✓ Return to core fleet business via non-core business divestment, opex reduction and remediating capital structure	✓ Foundations in place and primed for growth ✓ Well ahead of market growth in corporate fleet, established fast growing small fleet business	• Removal of duplication through consolidation of brands, systems and processes to accelerate profitability benefits
✓ Exited six non-core businesses ✓ Reduced net leverage from >3.0x to 1.1x ✓ $15-20m+ operating expense reduction ✓ Defined core strategy (Strategic Pathways)	✓ Foundations of Strategic Pathways in place ✓ FY22 Fleet NBW growth: 24% – ahead of market ✓ Operating expenses flat over last three years ✓ Identified further optimisation (Accelerate)	• $25m capital project to end of FY24 • $6m annualised opex reduction by mid-FY25 • See slide 30 for details
✓ Delivered 13 months ahead of schedule ✓ Reduced corporate debt from >3.0x net debt to EBITDA to 1.1x	✓ Cancelled 13% of shares on issue under buy-back program so far ✓ $26m net cash on balance sheet at Sep-22	• Target ROIC of 24%

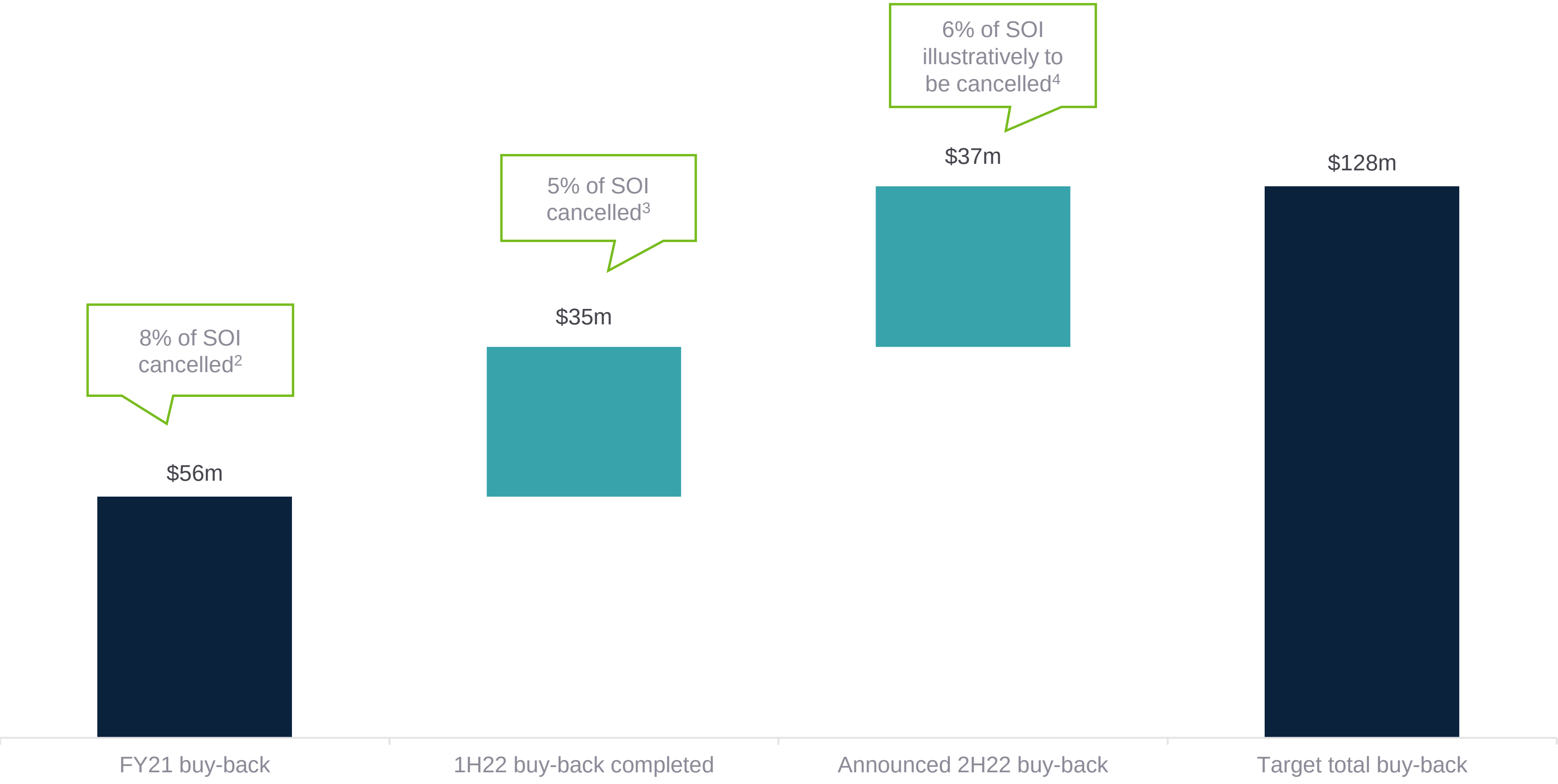
Capital management – 13% of share capital returned/cancelled

Implied FY22 buy-back yield of 13.4%[1]

1. Strategic Pathways	2. Accelerate
3. Buy-back	4. Acquisitions

EPS drivers

Buy-back



Balance sheet position

- Organic capital generation and net cash (debt) of $26.5m

Capital management

- Up to $37m[5] on-market share buy-back (65% of FY22 NPATA less 1H22 buy-back already completed)

Tax and franking credits

- Nil franking credits
- No planned Australian tax instalments (Federal temporary full expensing policy), therefore no franking credits, expected until FY26
- 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. Based on FY22 buy-back of $72m divided by the market capitalisation of $537m as at 31 Oct-22.
2. Bought back $56m of shares at an average price of $2.25 per share and cancelled 25m shares. The starting balance was 307m shares (excluding treasury shares).
3. Bought back $35m of shares at an average price of $2.41 per share and cancelled 14m shares.
4. Assumes, for illustrative purposes, that 20m shares are purchased at the closing price on 31 Oct-22 of $1.88 per share, reflecting 65% of FY22 NPATA ($72m) less the $35m of 1H22 buy-back already completed.
5. 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.

Environmental, social and governance (ESG)

WGEA
Employer
of Choice for
Gender Equality

WGEA certified

as an Employer of Choice for Gender Equality

Ranked equal #1

in the ASX300 for female Board representation by the AICD

One of the first

ASX companies to introduce compassionate leave for miscarriage

cefc

Longstanding funding

relationship with the Clean Energy Finance Corporation

Climate Active
Carbon Neutral
ORGANISATION

First domestic

Fleet Management Organisation with Climate Active Status[1]

TOITŪ
CARBON REDUCE

First and only

Fleet Management Organisation with 'Toitū carbonreduce' certification

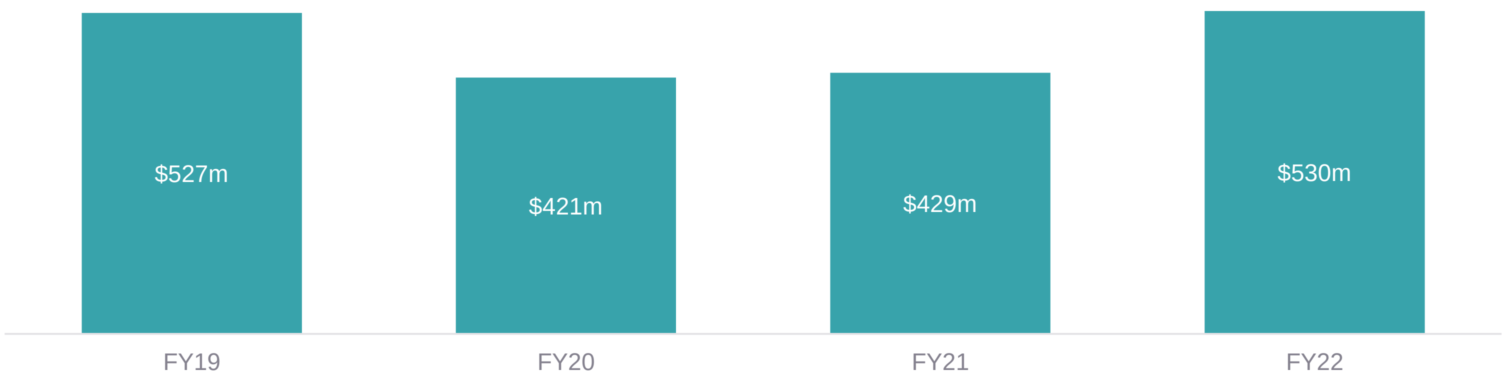
Notes:
1. Climate Active is a partnership between the Australian Government and Australian businesses to drive voluntary climate action. Climate Active certification is awarded to businesses and organisations that have reached a state of carbon neutrality, the certification for which is considered one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

2. Financial result

New business writings

Strong NBW growth despite continuing new vehicle supply constraints

Fleet AU & NZ – NBW (ex Panel)



Comments

- Fleet NBW growth of 24% in FY22
- NBW surpassing pre-COVID-19 levels of FY19
- Order pipeline remains at historic highs (2.6x pre-COVID-19 levels[1])
- Strong commercial intensity has delivered new customer wins and existing customer retention, including the renewal of our largest customer in Australia and New Zealand
- No discernable improvement to vehicle delivery delays which acted as handbrake on FY22 NBW

Novated - NBW

Comments

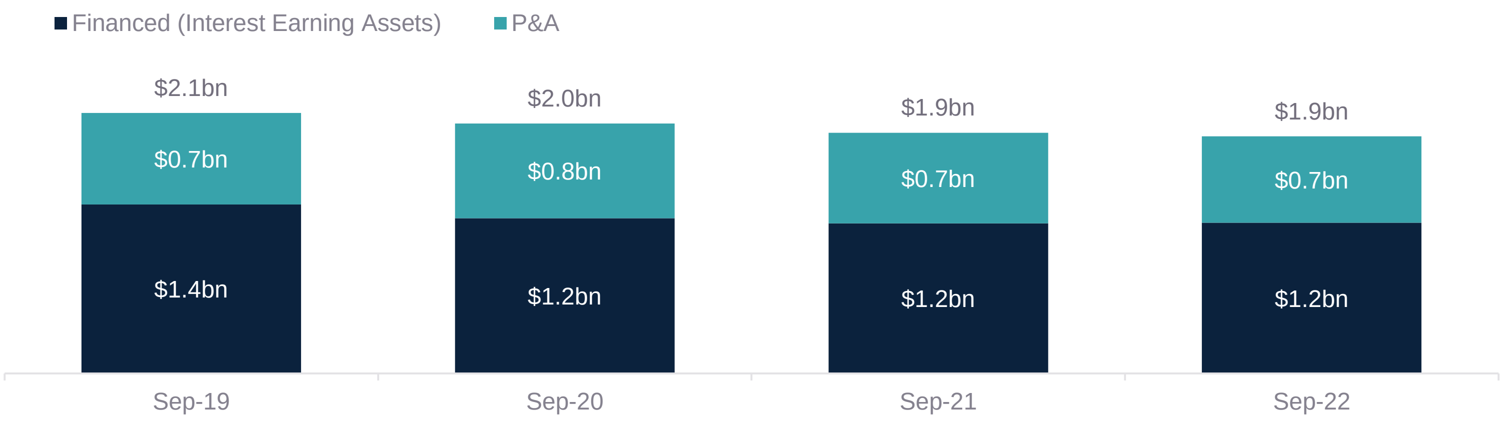
- NBW down 9% in FY22 ex-FCNT[2]
- COVID-19 impacted customer inquiries while vehicle delivery delays impacted broader sentiment/demand
- Notwithstanding the NBW timing delay caused by supply chain disruptions, underlying demand was still strong with order pipeline at 3.8x pre-COVID-19 levels

Notes:
1. FY19 represents the last full financial year prior to the emergence of the COVID-19 pandemic.
2. FleetChoice NT (FCNT) partnership was dissolved in Mar-22 in line with the Group's strategy to exit low returning products. FCNT FY21 EBITDA was ~$0.1m. FCNT NBW was $21m in FY21 and $8m in FY22.

Assets and vehicles under management

The return to AUMOF growth continued in 2H22 supported by strong NBW

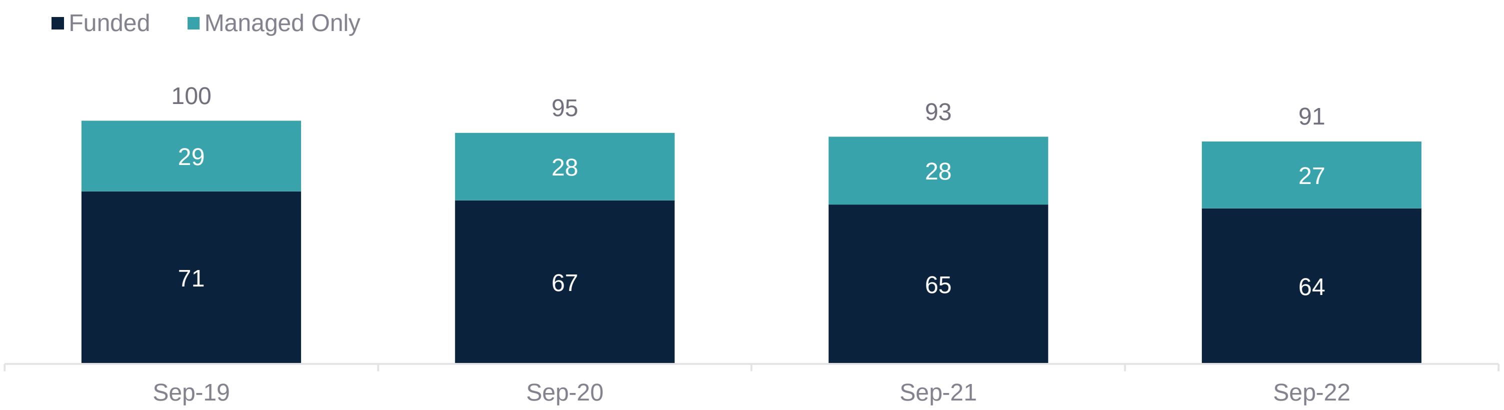
Assets under management or finance (AUMOF; $bn)



Comments

- AUMOF up 3% pcp (ex-FCNT and at constant currency)
- Fleet AU and Fleet NZ saw solid AUMOF growth of 4% and 7% (constant currency), respectively
- Exit of FCNT in Mar-22 resulted in a $45m reduction in AUMOF … otherwise Novated declined 4%
- The relative stability of financed AUMOF drives predictable, annuity-like net operating income pre EOL and provisions

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



Comments

- Funded VUMOF flat (ex-FCNT)
- Managed-only VUMOF down 1% as targeted exit of less profitable units since May-19
- Focus on returns by shifting towards more profitable offerings in Fleet and Novated
- NOI pre EOL and provisions / av. VUMOF has increased from $1,606 in FY21 to $1,711 in FY22
- Exit of less profitable FCNT business in Mar-22 resulted in a 1,273 unit reduction in VUMOF but only ~$0.1m reduction in EBITDA

Income statement

NPATA of $110.8m represents growth of 29% on pcp

$ million	FY22	FY21	PCP (%)
Net operating income pre EOL and provisions	**157.4**	**151.5**	**4%**
End of lease income	92.3	69.2	33%
Fleet and credit provisions	2.1	2.6	(20%)
Net operating income	**251.7**	**223.3**	**13%**
Total operating expenses	(80.3)	(79.9)	(1%)
EBITDA	**171.4**	**143.4**	**20%**
Share-based payment expense	(3.0)	(4.5)	34%
Interest on corporate debt	(5.5)	(9.6)	42%
Depreciation and leases[1]	(4.4)	(7.1)	38%
Amortisation of intangibles[2]	(10.0)	(7.0)	(43%)
Non-recurring items	(0.7)	(7.6)	91%
PBT	**147.8**	**107.5**	**37%**
Tax expense	(44.5)	(31.6)	(41%)
NPAT	**103.3**	**75.9**	**36%**
Add back amortisation of acquired intangibles (post tax)	3.2	2.4	32%
Add back non-recurring items (post tax)	0.5	5.3	(91%)
NPATA pre add back of software amortisation (post tax)	**106.9**	**83.6**	**28%**
Add back software amortisation (post tax)	3.9	2.5	55%
NPATA	**110.8**	**86.1**	**29%**

Notes:
1. Depreciation and interest and depreciation on leases (AASB 16) grouped.
2. Includes amortisation of software and acquired intangibles.

Comments

EBITDA growth of 20% driven by NOI growth of 13% and strong cost discipline. NPATA grew by 29% on pcp

- NOI pre EOL and provisions up 4% pcp driven by net margin expansion, higher maintenance profit and higher management fees
- End of lease income (EOL) up 33% driven by continued strength in the used vehicle market. EOL profit per unit was $8,300 up 27% and the number of vehicles sold was up 5%
- Fleet and credit provisions had a positive impact of $2.1m driven by the removal of the COVID-19 overlay provision
- Operating expenses were broadly flat
- Share-based payments down 34% driven by new STI plan and a one-off adjustment of $0.3m in FY22
- Interest on corporate debt reduced 42% due to repayment of corporate debt given stronger organic cash generation
- Higher amortisation of intangibles relates to legacy systems and brands that have a reduced useful life due to Accelerate
- Non-recurring items driven by the release of lease liability from the Auckland office move, offset by redundancy payments

Group balance sheet

Further strengthening of the balance sheet through disciplined capital management and supported by the temporarily elevated cash generation relating to EOL income and the cash tax shield in Australia

$ million	30 Sep 2022	30 Sep 2021	Prior period (%)
Assets			
Cash and cash equivalents	101.5	76.4	33%
Restricted cash and cash equivalents	136.8	150.5	(9%)
Trade and other receivables	70.3	58.3	21%
Leases	1,200.2	1,197.4	0%
Inventory	14.1	24.8	(43%)
PP&E	2.1	3.8	(44%)
Intangibles	456.9	472.2	(3%)
Right-of-use assets	5.4	16.9	(68%)
Derivative financial instruments	39.7	-	-
Total assets	**2,026.9**	**2,000.5**	**1%**
Liabilities			
Trade and other liabilities	148.6	132.7	12%
Borrowings – Warehouse and ABS	1,116.6	1,125.2	(1%)
Borrowings – Corporate debt	75.0	96.0	(22%)
Provisions	8.0	9.7	(17%)
Derivative financial instruments	-	5.9	(100%)
Lease liabilities	6.1	19.5	(69%)
Deferred tax liabilities	52.0	35.9	45%
Total liabilities	**1,406.3**	**1,424.8**	**(1%)**
Net assets	**620.6**	**575.7**	**8%**
Contributed equity	578.1	639.2	(10%)
Reserves	186.6	183.8	2%
Retained earnings	(144.0)	(247.3)	42%
Total equity	**620.6**	**575.7**	**8%**

Comments

- Continuation of capital return to shareholders with the announcement of a further buy-back of up to $37m, bringing total announced and returned capital to $72m since 1H22—$128m of capital returned to shareholders since commencement of the buy-backs
- Cash growth driven by strong organic cash generation, being partially offset by share buy-back and corporate debt repayment
- Leases flat and warehouse borrowings down 1%, driven by broadly flat AUMOF
- Inventory down by 43% as lockdowns that disrupted sales in Sep-21 were lifted by Sep-22
- Right-of-use assets and lease liabilities down 68% and 69% 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	FY22
Operating cash flow	
Customer receipts	776.4
Payment to suppliers & employees	(396.3)
Income tax paid	(12.7)
Net interest paid	(40.1)
Net operating cash flow	**327.3**
Investing cash flow	
Purchase of operating & finance lease vehicles	(476.1)
Capex (PP&E & intangibles)	(6.0)
Proceeds from sale of operating lease vehicles	253.0
Net investing cash flow	**(229.1)**
Financing cash flow	
Net change in borrowings	0.4
Payment of lease liabilities	(3.0)
Movement in share capital (including buy-back)	(78.3)
Net financing cash flow	**(80.9)**
Net cash flow	**17.2**

Organic cash generation and cash conversion

$ million	FY22
Net cash flow	**17.2**
Capex	6.0
Change in corporate debt	21.0
Movement in share capital	78.3
Exchange rate variations	6.0
Organic cash generation	**128.5**
NPATA adding back non-cash SBP & depreciation	**113.6**
Cash conversion[1]	**113%**

Comments

- Business generated $327.3m of operating cash flow and $128.5m of organic cash flow (as defined above)
- Cash generation temporarily elevated given strong EOL performance
- Cash conversion[1] was 113% in FY22, enhanced by the tax timing difference associated with the Australian temporary full expensing (instant asset write-off)
- $21.0m cash used to repay corporate debt
- $63.3m cash distributed to shareholders via buy-back

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

3. Defensive service based operating model

Eclipx has a simple and predictable business model deriving c.60% of income from service revenue

A **services based business** with best-in-class funding capability, enhancing profitability and further increasing annuity-like earnings

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[2] (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

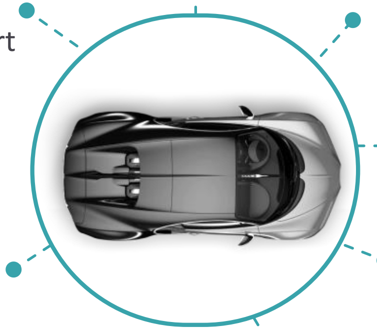
2 FLEET + VEHICLE SERVICES

(c.60% of NOI pre EOL)

Vehicle Selection & Procurement

Driver Support

Registration & Delivery



Fuel & Tyres

Maintenance

Fleet Management, Reporting & Optimisation

Insurance & Accident Management

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[2]/Balloon payment

E Vehicle Sale Price Plus Other Charges **$20,500**

F RV[2] (4yr contract) **$18,000**

END OF LEASE INCOME *(E-F)* **$2,500**

END OF LEASE INCOME IS SUBJECT TO USED VEHICLE MARKET CONDITIONS

Notes :
1. Including third-party funding commissions. 2. Residual value.

Defensive earnings and growth through time

The Group's earnings are predictable given the contracted or annuity nature of c.90%[1] of income and low portfolio credit risk

Enhancement of earnings profile excluding EOL and provisions[2]

eclipx GROUP FleetPartners fleetplus FleetChoice

Notes: 1. Income earned over the life of a lease including, but not limited to, net interest margin, maintenance margin, management fees and other income;
2. Excludes non-core businesses; 3. FY19 has been adjusted to remove rental of premises from opex, as a proxy for the impact of AASB16, which was first adopted in FY20.

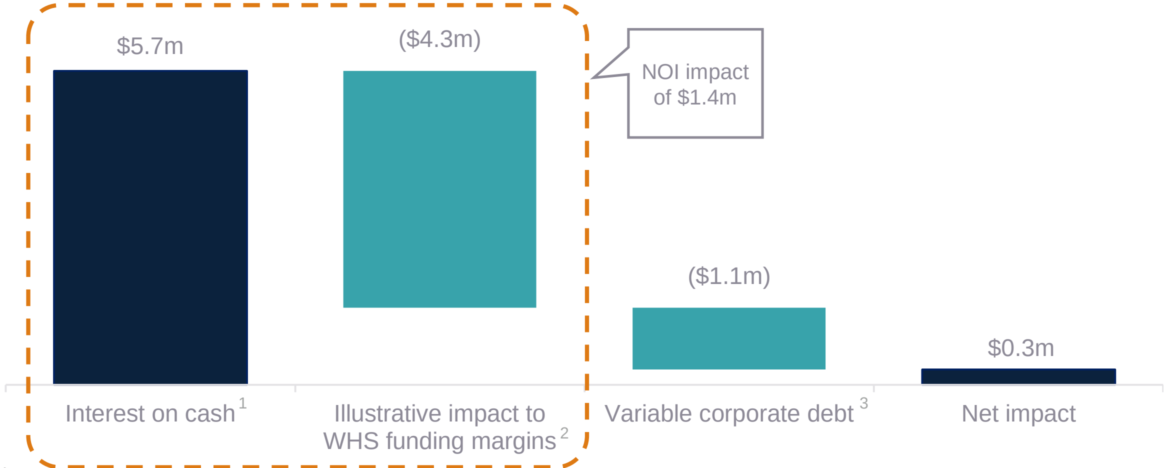
Funding and managing interest rate risk

The interest rate environment is expected to be broadly neutral to positive for ECX earnings

Interest rate exposure

	Warehouse	ABS	P&A	Corporate debt
Base rate movement exposure	Hedged at lease origination for full term of lease		No exposure	\$45m of \$75m total debt exposed to 90 day BBSW
Funding margin movement exposure	Typically repriced annually in line with market benchmarks	Fixed at issuance for the term of the issuance	No exposure	Fixed
% AUMOF	~40%	~24%	~36%	

Illustrative increase in interest expense offset by interest income on cash balances



Notes:
1. Sep-22 restricted and unrestricted cash balances multiplied by current cash rates in Australia (2.85%) and New Zealand (3.50%), less FY22 actual interest income.
2. FY23 funding margins less FY22 funding margins, multiplied by Sep-22 warehouse borrowings.
3. 90 day BBSW as of 31 Oct-22 less average FY22 90 day BBSW, multiplied by term debt (\$45m).

Funding commentary

- Eclipx typically holds ~\$230m-\$250m of cash
- Increasing AU & NZ central bank (cash) rates contribute to earnings
- +/- 25bps movements expected to have an illustrative net impact of +/- c\$0.5m to annualised PBT in FY23
- Variable rate exposure in corporate debt is limited and offset by receivables hedging
- No cash-to-BBSW rate risk given fixed rate product offering
- \$316 million of capacity in existing warehouses to meet funding requirements – refer to slide 43 for further details on funding program

Bridge commentary

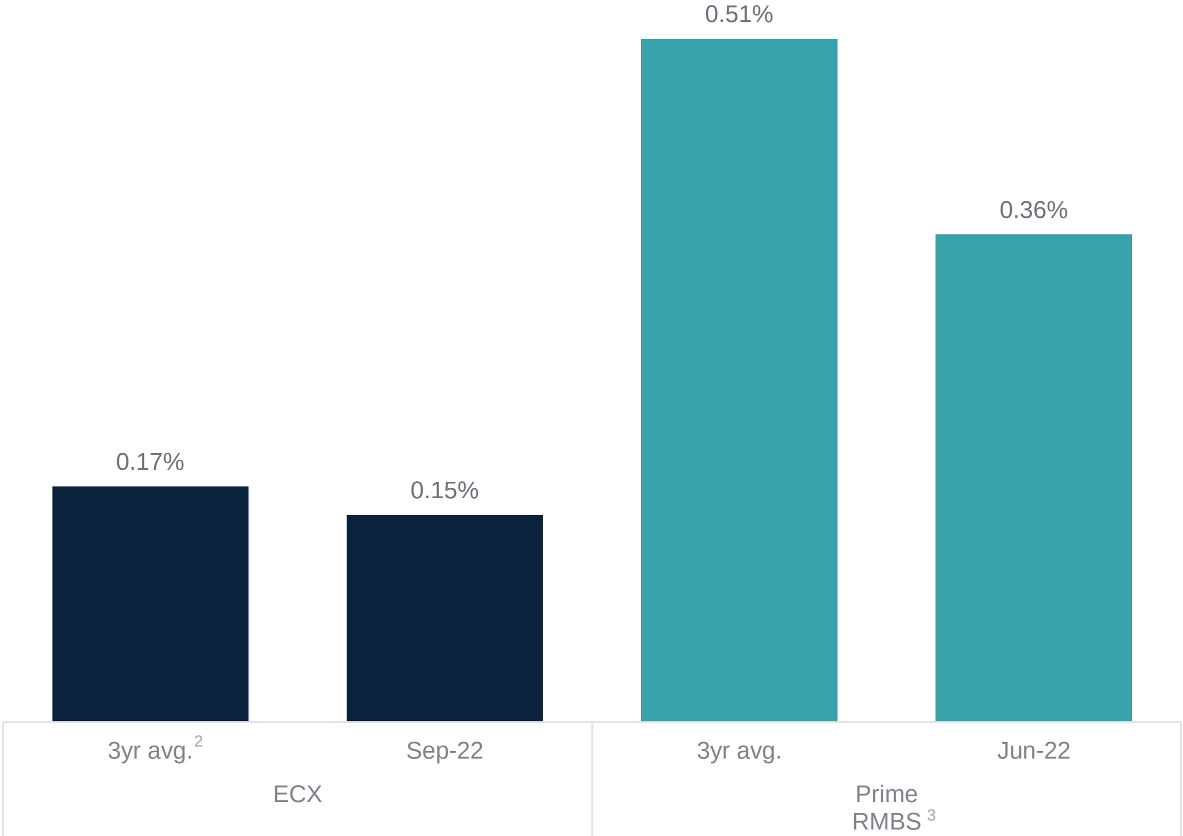
✓ At current cash rates for AU and NZ, the annualised increase in interest income over FY22 levels is \$5.7m – this offsets the \$4.3m increase in interest expense from the higher warehouse funding margins and the \$1.1m increase in corporate debt expense

✓ +/- 25bps movements expected to have an illustrative net impact of +/- c\$0.5m to annualised PBT in FY23

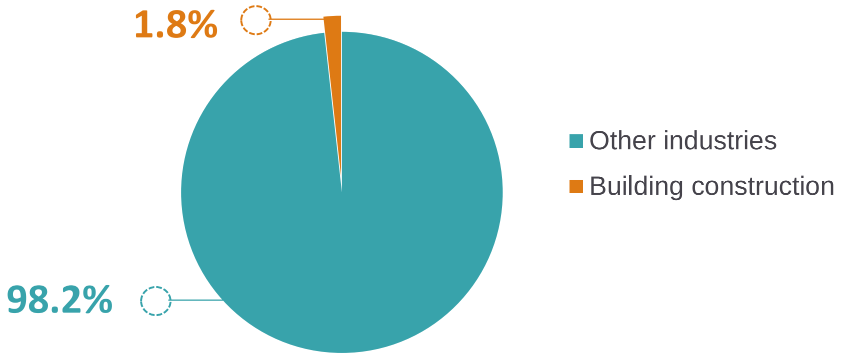
Portfolio credit quality remains high

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

Arrears 90+ days past due[1]



Portfolio exposure



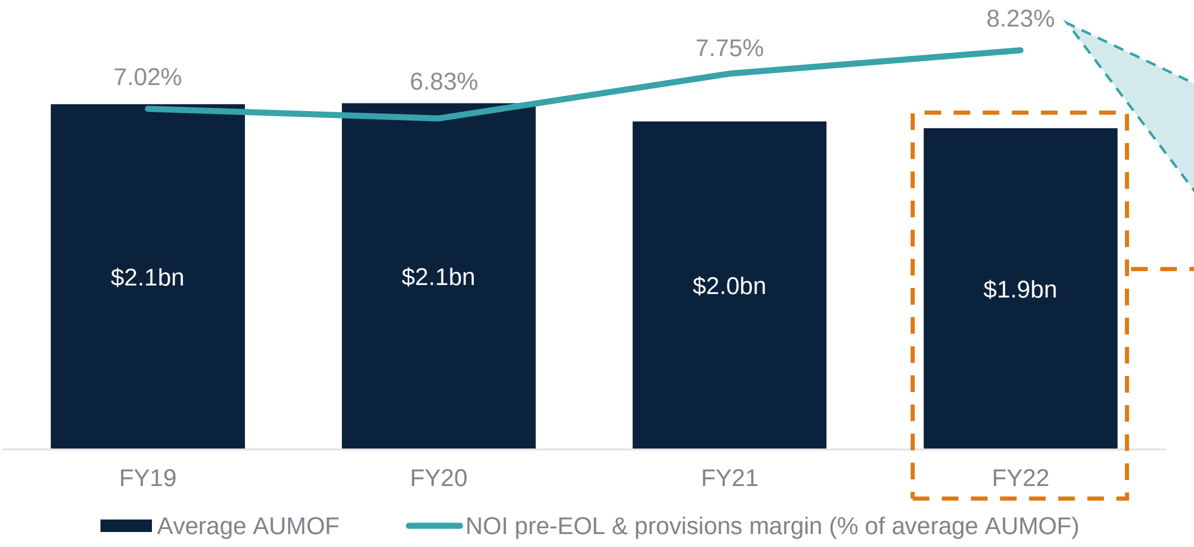
Comments

- Portfolio quality continues to be strong with 0.15% 90+ day arrears at Sep-22
- Eclipx has 35+ years of institutional knowledge, with unique credit insights through a number of economic cycles
- Business-use assets have a strong track record through economic cycles
- Building construction 1.8% of portfolio exposure, and 76% of exposure to top 20 customers is investment grade
- Experienced collections team with strong control governance in place, such as Small Fleets customers on direct debit payment arrangements
- All financing secured by PPSR[4] on vehicles (no unsecured exposure)

Notes:
1. Excludes equipment finance portfolios, which have been disposed (AU) or are in run-off (NZ).
2. 3 year average to Sep-22.
3. S&P Australia prime residential mortgage-backed securities index (90+ days past due). 3 year average to Jun-22.
4. Personal Property Securities Register.

Illustrative P&L implications of normalised vehicle supply

Average AUMOF & NOI pre EOL and provisions margin

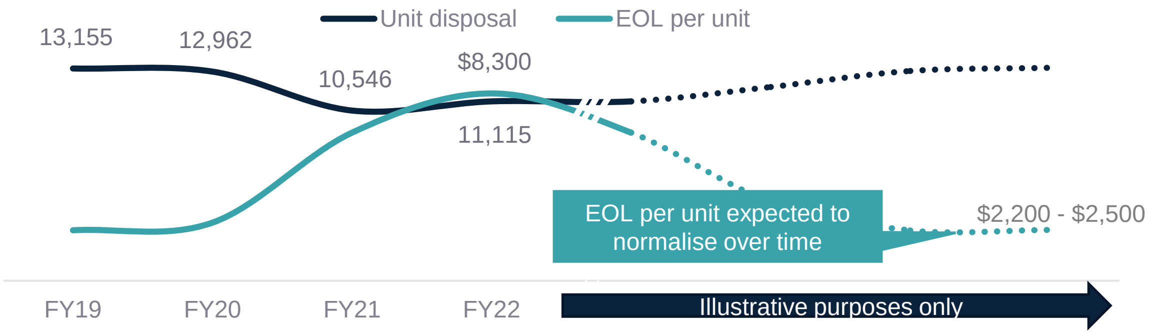


NOI pre EOL and provisions sensitivity based on average AUMOF & margin

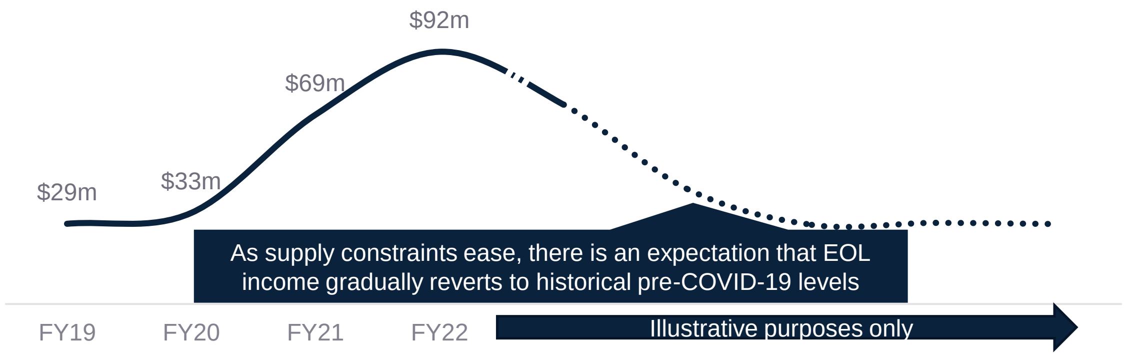
	Illustrative average AUMOF		
	$1.9bn[1]	$2.0bn	$2.1bn
NOI pre EOL and provisions margin	**Illustrative NOI pre EOL and provisions**		
8.23%[1]	$157m	$165m	$173m
7.75%	$148m	$155m	$163m
7.50%	$143m	$150m	$158m
7.25%	$139m	$145m	$152m
7.00%	$134m	$140m	$147m
	Illustrative required sustained run-rate NBW to meet average AUMOF		
	$720m	$740m	$780m

Normalised range over time

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



Illustrative end of lease income



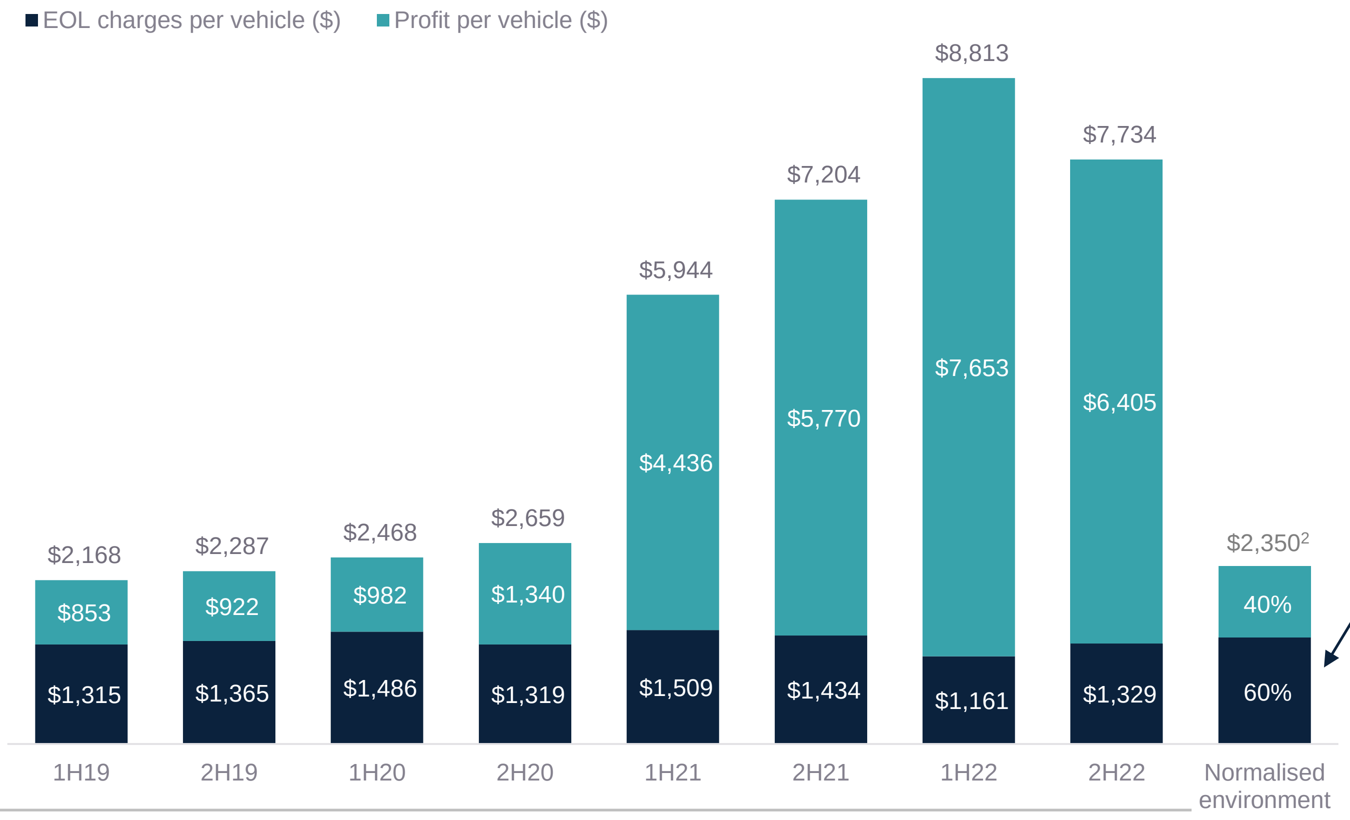
eclipx GROUP FleetPartners fleetplus FleetChoice

Notes :
1. FY22 average AUMOF of $1.913bn and NOI pre EOL and provisions margin of 8.23%

End of lease income

End of lease income remains elevated, up 33% on pcp, but has peaked and is slowly trending downwards

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



	1H19	2H19	1H20	2H20	1H21	2H21	1H22	2H22
Vehicles sold	6,557	6,598	6,279	6,683	5,405	5,141	5,834	5,281
EOL	$14.2m	$15.1m	$15.5m	$17.8m	$32.1m	$37.0m	$51.4m	$40.8m

Notes:
1. FY19 and FY20 exclude non-core.
2. Midpoint of normalised range of $2,200 to $2,500.
3. Datium insights.

Comments

- Elevated used car prices given new vehicle supply constraints and high demand for used cars
- Used car prices in Australia appear to have peaked in Feb-22 and have since declined c.10%[3]
- 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
- In a normalised environment, c.60% of end of lease income relates to contractual end of lease charges which are predictable and stable

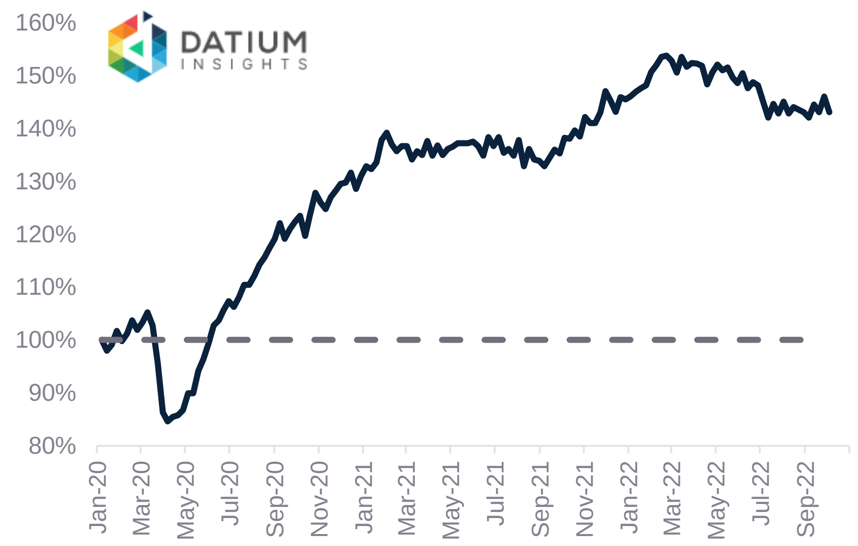
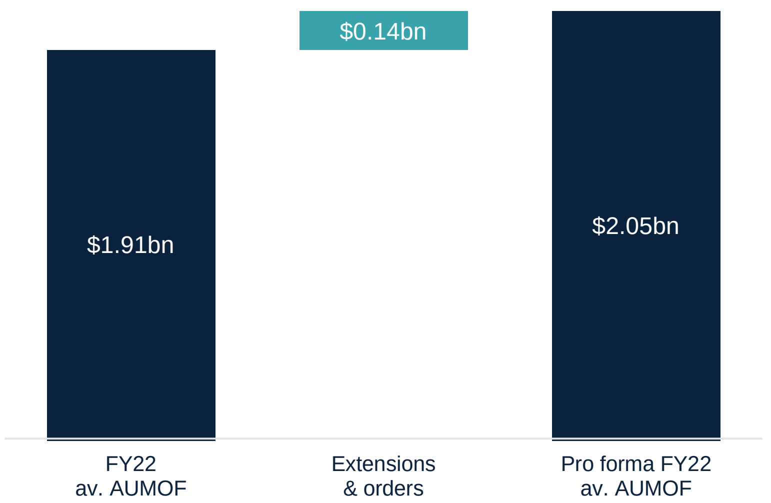


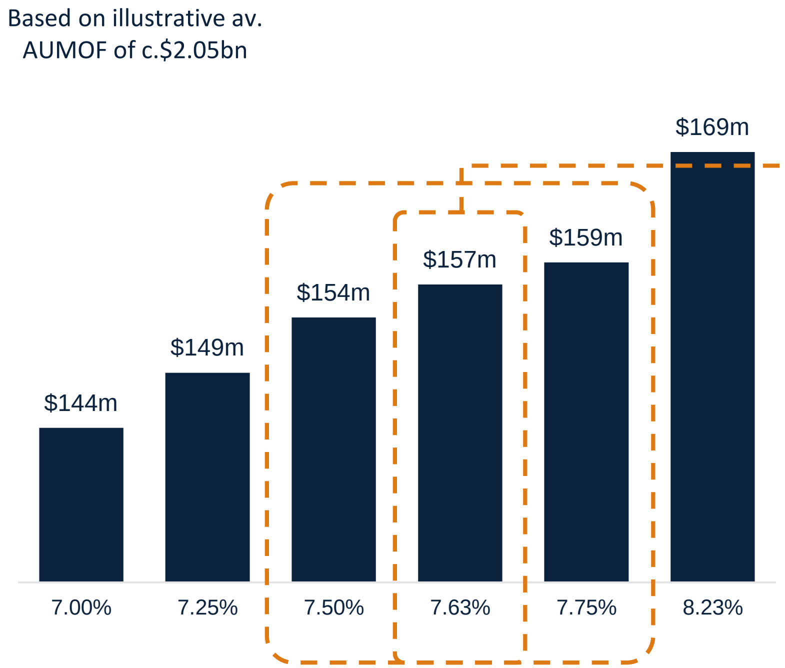
Illustration of normalised FY22 NOI after adjusting for COVID-19 impacts

COVID-19 has had four temporary impacts on NOI in FY22: NBW/AUMOF (constrained supply), NOI pre EOL and provisions yield (positive), EOL (positive) and provisions (positive) – chart below reflects an illustrative normalised FY22 without these impacts

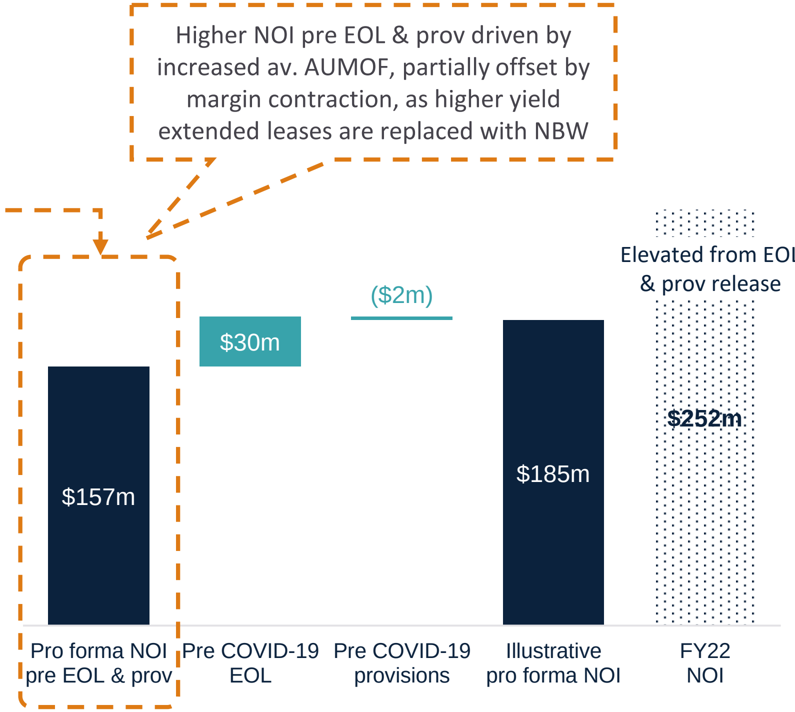
Illustrative av. AUMOF adjusting for supply constraints on NBW



Illustrative NOI pre EOL & provisions sensitivity (based on av. AUMOF margin)



Normalised NOI after illustratively adjusting for COVID-19 impacts



FY23 expectation analysis

	FY22A	FY23 (expectation)	Cash item	Comments
NOI pre EOL and provisions	$157.4m		✓	• Slight growth as the gradual unwinding of COVID-19 related tailwinds on the management fee and maintenance lines is counteracted by av. AUMOF growth and higher cash rates being forecast
End of lease	$92.3m		✓	• Prices in used vehicle market appear to have peaked in Feb-22 with a gradual rationalisation seen in 2H22 expected to continue in FY23
Provisions	$2.1m		×	• Normal levels of provisioning expected, in line with FY19 levels
NOI	**$251.7m**			
Operating expenses	($80.3m)	($82.0 – 83.0m)	✓	• c2.7% inflation driven mostly by salary and wages
EBITDA	**$171.4m**			
Interest & depreciation on leases	($3.4m)	($2.5 – 3.0m)	✓	• Delivery of lease rental related savings
Share-based payments	($3.0m)	($3.5 – 4.0m)	×	• Stable however FY22 lower from one-off redundancy impact
Depreciation	($1.0m)	($1.0 – 1.2m)	×	• Stable
Interest on corporate debt	($5.5m)	($6.5 – 6.6m)	✓	• Based upon current 90 day BBSW. $0.1m increase for every future 25 bps of BBSW increase • May increase should inorganic or organic opportunities emerge
Tax	30.1%	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. Deferred tax liability will increase accordingly

4. Accelerate

Eclipx strategic journey

Since May 2019, management has successfully delivered the Simplification Plan and Strategic Pathways foundations
An extension of Eclipx's strategic journey is the Accelerate program

ACHIEVED TO DATE

Simplication Plan

✓ Stable, defensive and cash flow generative fleet management organisation…

Strategic Pathways' foundations

✓ …primed for growth…

EXTENSION OF STRATEGIC JOURNEY

Accelerate

- Removal of duplication through consolidation of brands, systems and processes to accelerate profitability benefits
- Leverage the scale being delivered by Strategic Pathways to maximise both profitability and competitiveness

Accelerate

Accelerate will maximise profitability of the growth expected from Strategic Pathways

	1	2	3	4
CORE DELIVERABLES Completed by Sep-24	ONE GO-TO-MARKET BRAND	SIMPLIFIED TECHNOLOGY STACK	STANDARDISED OPERATIONAL PROCESSES	ENHANCED WORKFORCE ENGAGEMENT
TARGETED OUTCOMES	Consolidate from 4 brands to 1 FleetPartners	Move from 2 operational systems to 1	Redefined offering & associated delivery process	Increased focus on value additive tasks

INVESTMENT & ROIC

Targeting $6m annualised opex reduction by mid-FY25

Expected investment of c.$25m to Sep-24 to generate expected ROIC of 24%

Accelerate – key milestones

WAVE 1

1. FleetPlus NZ transition into FleetPartners
2. Group rebrand to FleetPartners
3. New website & marketing collateral

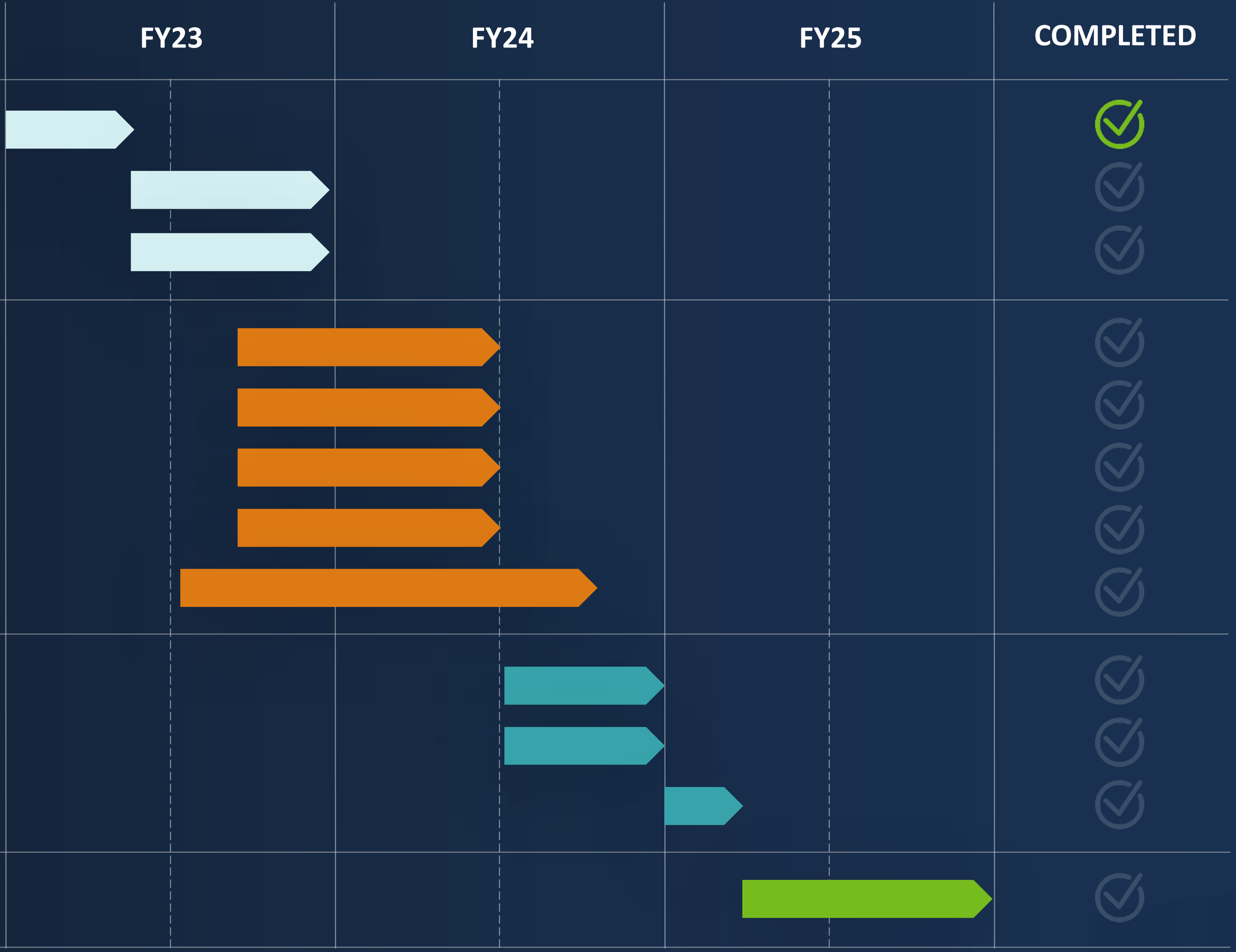
WAVE 2

4. Procurement portal launched
5. Standardise Novated front-end processes
6. Standardise Corporate front-end processes
7. Launch digitised tied-to-payroll solution
8. Stand up and configure new ERP

WAVE 3

9. FleetPlus back-book into new ERP
10. FleetPartners back-book into new ERP
11. Retirement of legacy ERPs and systems

12. Duplication efficiencies realised



5. Outlook

Group outlook

1. Strategic Pathways
2. Accelerate
EPS drivers
3. Buy-back
4. Acquisitions

Operating environment

- Business confidence and orders remains strong
- Strong demand across all segments
- Supply remains uncertain but appears to be improving

Order pipeline

- Group order pipeline at 2.7x pre-COVID-19 levels[1]
- Expects a return to solid asset growth in line with the normalisation of vehicle supply, and reflecting combined strength of the order pipeline, recent tender wins, and new and current client activity

End of Lease income (EOL)

- EOL remains elevated but appears to have peaked
- Continue to expect EOL to revert to pre-COVID-19[1] levels over the coming years, of c.$30 million

Group well positioned

- ✓ Predictable annuity-like earnings
- ✓ Strong balance sheet
- ✓ Stable funding and liquidity position
- ✓ High quality credit portfolio
- ✓ AUMOF growth supports future NOI growth
- ✓ Operating expenses flat; only 2.7% opex growth in FY23
- ✓ Multiple EPS growth drivers

Strategic focus

- Strategic Pathways—primed for growth
- Accelerate—$6 million annualised opex reduction by mid-FY25
- Buy-back—13% of shares cancelled to date; $37 million additional buy-back announced (c.6%[2] of shares)
- Accretive acquisitions—focus remains strong

Notes:
1. FY19 represents the last full financial year prior to the emergence of the COVID-19 pandemic. FY19 EOL income was $29m.
2. Assumes, for illustrative purposes, that 20m shares are purchased at the closing price on 31 Oct-22 of $1.88 per share, reflecting the $37m declared buy-back.

Questions

Appendix

A. Business unit performance

Business unit performance

Half-year ended September 2022

($m, unless stated)	Fleet AU	Novated	Fleet NZ	Group
NOI pre EOL and provisions	**48.1**	**10.8**	**19.1**	**78.0**
End of lease income	31.0	0.6	9.2	40.8
Fleet and credit provisions	(0.4)	(0.0)	(0.2)	(0.7)
NOI	**78.7**	**11.3**	**28.1**	**118.1**
Operating expenses	(29.2)	(6.2)	(6.4)	(41.8)
EBITDA	**49.5**	**5.1**	**21.7**	**76.3**
AUMOF	1,004.1	450.5	442.8	1,897.5
VUMOF (‘000)	54.2	13.0	23.9	91.1

Half-year ended March 2022

($m, unless stated)	Fleet AU	Novated	Fleet NZ	Group
NOI pre EOL and provisions	**48.8**	**9.2**	**21.4**	**79.4**
End of lease income	38.9	0.8	11.7	51.4
Fleet and credit provisions	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 pre EOL and provisions	**46.9**	**13.1**	**18.9**	**78.9**
End of lease income	24.7	0.7	11.7	37.0
Fleet and credit provisions	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 pre EOL and provisions	**42.0**	**11.5**	**19.0**	**72.6**
End of lease income	21.2	0.7	10.2	32.1
Fleet and credit provisions	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. Accelerate opex sensitivity

Illustrative Accelerate run rate savings

Illustrative Accelerate run rate savings

	Today				
Av. AUMOF	**$1.9bn**	**$2.0bn**	**$2.1bn**	**$2.2bn**	**$2.3bn**
Pre-Accelerate opex	$82.5m	$84.5m	$87.0m	$89.6m	$92.3m
Post-Accelerate opex	$76.5m	$77.9m	$79.8m	$81.8m	$83.8m
Opex savings	$6.0m	$6.6m	$7.2m	$7.8m	$8.4m

C. NPATA sensitivity analysis

Illustration of normalised FY22 NOI after adjusting for COVID-19 impacts

COVID-19 has had four temporary impacts on NOI in FY22: NBW/AUMOF (constrained supply), NOI pre EOL and provisions yield (positive), EOL (positive) and provisions (positive) – table below reflects an illustrative normalised FY22 without these impacts

	FY22A	Adj.	PF FY22	Adjustments
Av. AUMOF				
Av. AUMOF	$1.91bn	c.$0.14bn	c.$2.05bn	• NBW has been impacted in FY21 and FY22 by lower deliveries from new vehicle supply constraints • Extensions and orders are elevated due to new vehicle supply constraints delaying NBW • After adjusting for increased extensions and the order pipeline, conservatively ECX would have ended FY22 with an illustrative incremental c.$140m of av. AUMOF • Adjustments factored in the differences in the book value of extended vehicles vs new vehicles (i.e. new vehicle book values are higher than extended vehicles), as well the elongated order time frames in the wake of supply constraints (i.e. customers ordering 6 – 9 months before expected delivery, relative to the typical 3 months pre-COVID-19)
NOI pre EOL & provisions				
Margin % of average AUMOF	8.23%	(0.60%)	7.63%	• NOI pre EOL & provisions adjustments were based on calculating the margin of NOI pre EOL and provisions as a percentage of average AUMOF • This approach is a simple proxy, which does not consider the complexity of upfront vs annuity style income • FY22 NOI pre EOL & provisions of $157m implied a margin on average AUMOF of 8.23%—this is relative to 7.02% in FY19 • The FY22 margin was positively supported by increased maintenance margins due to lower vehicle utilisation through COVID-19 lockdowns & higher return on extended leases • In a normal operating environment, ECX would have expected to see NOI pre EOL & provisions as a percentage of average AUMOF marginally lower relative to the FY22 actual margin (range of 7.50 – 7.75%)
NOI pre EOL & provisions range	$157m	c.$-	c.$157m	• After adjusting for pro forma margin contraction and elevated av. AUMOF, illustrative normalised NOI pre EOL & provisions would be flat on FY22A
NOI				
EOL	$92m	($62m)	$30m	• Illustrative pre-COVID-19 EOL of $30m, as a proxy for normalised EOL
Provisions	$2m	($4m)	($2m)	• Illustrative pre-COVID-19 provisions of $2m, as a proxy for normalised provisions
NOI	**$252m**	**(c.$67m)**	**c.$185m**	

D. Funding supporting analysis

Funding and liquidity

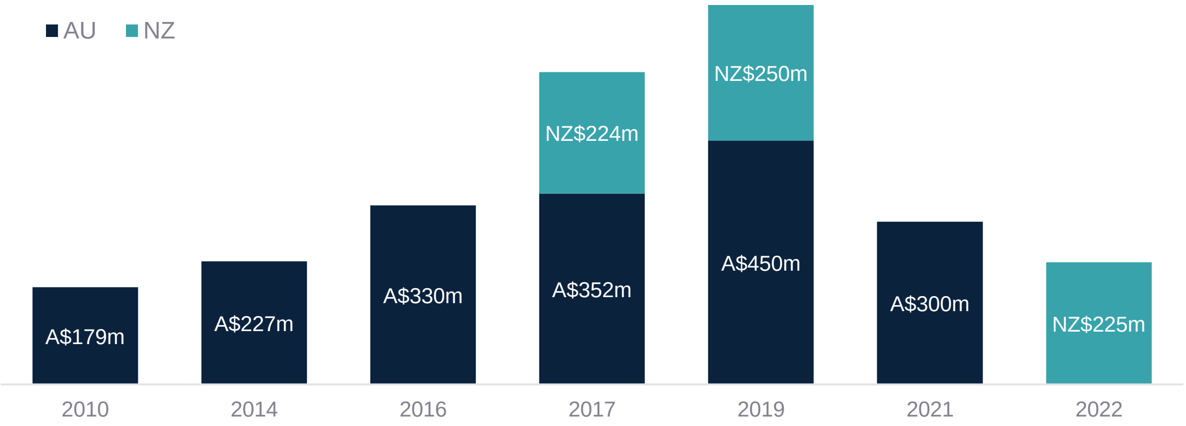
Executed warehouse extensions and NZ ABS, providing significant capacity to support growth plans

Comments

- ✓ Unique and most diversified funding structures with access to private warehouses, ABS public capital markets, and principal and agency funding channels
- ✓ Warehouse funding capability since 2007, and regular benchmark ABS issuer since 2010 (only FMO with public capital markets access in AU & NZ)
- ✓ NZ$225m ABS deal successfully executed in Aug-22. Despite volatility in global capital markets, the Group was able to price the transaction in line with our expectations and introduce new credit investors to the ABS program
- ✓ Warehouse extension process completed in Sep-22. Increased funding limits and higher funding margins applied but at levels inside our pricing expectations and below market benchmark moves over the last 12 months
- ✓ Significant warehouse capacity provides the business with the flexibility to access Term ABS capital markets opportunistically in FY23
- ✓ Warehouse funding accounts for 62% and ABS 38% of all securitisation borrowings as at Sep-22
- ✓ Corporate debt revolving facility (A$78m limit) undrawn with no corporate debt maturity before October 2024
- ✓ Corporate P&A funding margin stability from panel of lenders

AU & NZ warehouse capacity

Public market asset backed securitisation issuance



END

eclipx GROUP