Eclipx Group

Core business update to February 2020

Julian Russell // Chief Executive Officer

Jason Muhs // Acting Chief Financial Officer

FleetPartners fleetplus FleetChoice

17 March 2020

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Agenda

1. Core business update to February 2020
2. Simplification Plan progress
3. Balance sheet and liquidity
4. Credit risk discipline
5. Conclusion

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Core business update to 29 February 2020

POSITIVE JAWS IN CORE TO FEBRUARY; STABLE BALANCE SHEET WITH SIGNIFICANT CAPACITY FOR GROWTH

Simplification	Progressing in line with plan
Cost optimisation	In execution phase and progressing to plan
Core performance	Positive jaws[1] experienced in the first five months of FY20
Novated volumes	Low teen volume growth to February YTD versus prior comparative period
End of lease income	Supported by ongoing stability in used car market performance YTD
Stable balance sheet	Highly diversified, resilient funding structures with longstanding supportive lenders. Significant warehouse capacity and liquidity to support growth
Operating environment	Stable environment year to date. We are monitoring implications of COVID-19 situation on our customers, employees and the economy

Notes:
1. Positive jaws means simultaneous revenue growth and operating expense decline in our core Fleet and Novated business

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Simplification progression

SIMPLIFICATION PROGRESSING IN LINE WITH PLAN

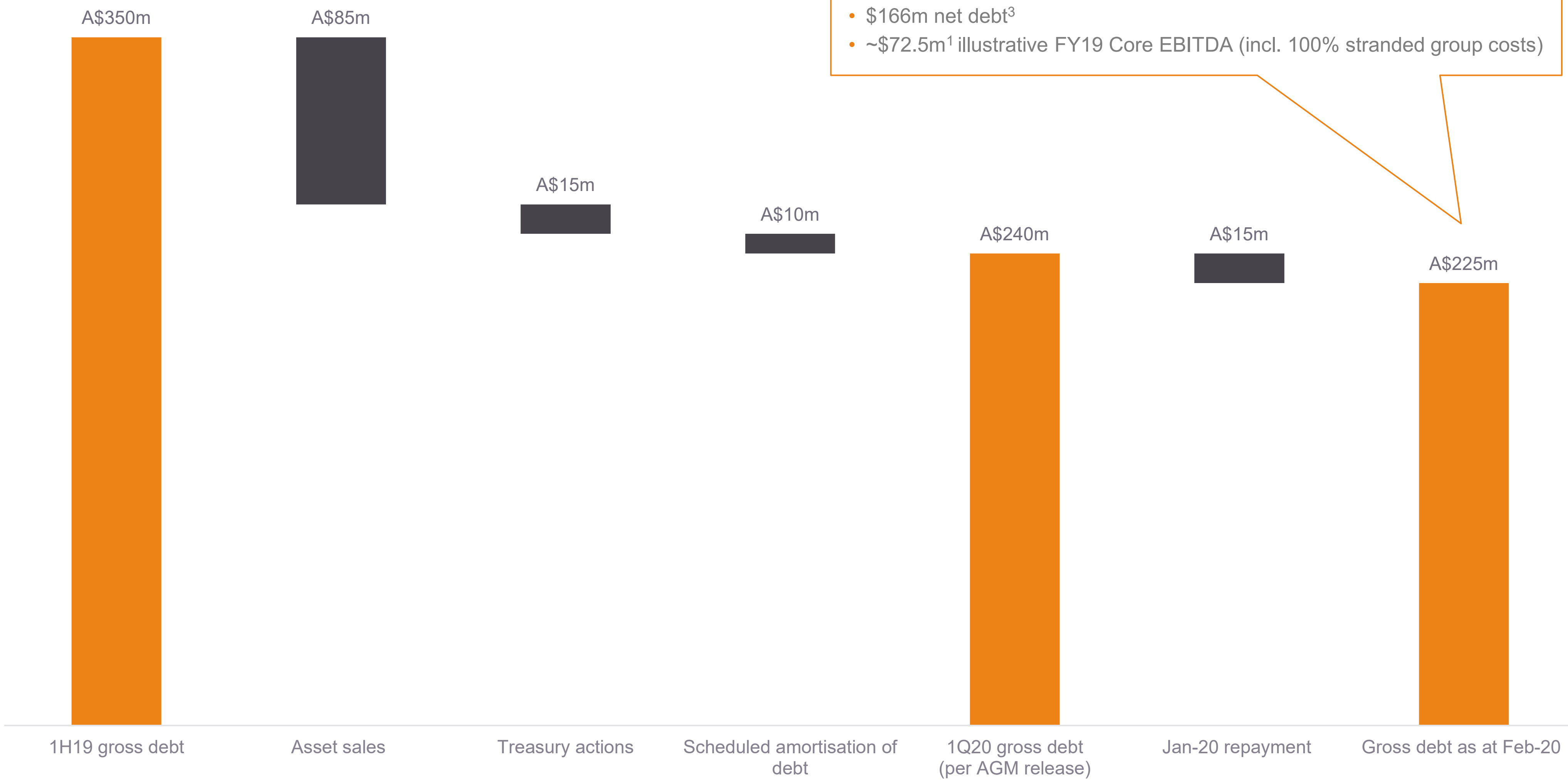
PRIORITIES (MAY 2019)	EXECUTION TASKS: COMPLETED	EXECUTION TASKS: IN PROGRESS	OBSERVATIONS
1) Non-core divestments	✓ graysonline.com ✓ are you selling.com.au ✓ eclipx COMMERCIAL	Right2Drive CarLoans.com.au	• *Exited Grays / AYS and Equipment Finance* • *Residual divestments (Right2Drive and Carloans) expected to be exited during FY20, as previously disclosed*
2) Strengthen balance sheet	✓ *Corporate debt maturities (October 22 & July 25)* ✓ *c.$690m AUS & NZ ABS completed late 2019* ✓ *Significant warehouse capacity post ABS*		• *Highly diversified, resilient funding structures with longstanding supportive lenders* • *No asset and liability mismatch, no interest rate risk and no bullet risk in warehousing or ABS facilities* • *Definitive pathway to gross debt target of A$175m*
3) Cost optimisation	✓ *Execution underway*		• *45% cost to income ratio by exit FY21*[1] • *$15m net cost reduction in Core progressing to plan*
4) Core refocus	✓ *Prioritise quality ROE business, further develop Novated and expand mid-market* ✓ *Target market segmentation*		• *100% group focus on developing our Core business*

Notes:
1. Cost to income measured as the ratio of group expenses (pre share based payments expense) to net operating income post EOL.

Balance sheet and liquidity

GROSS DEBT REDUCTION PROFILE—NET DEBT $166M AS AT FEBRUARY 2020[2]

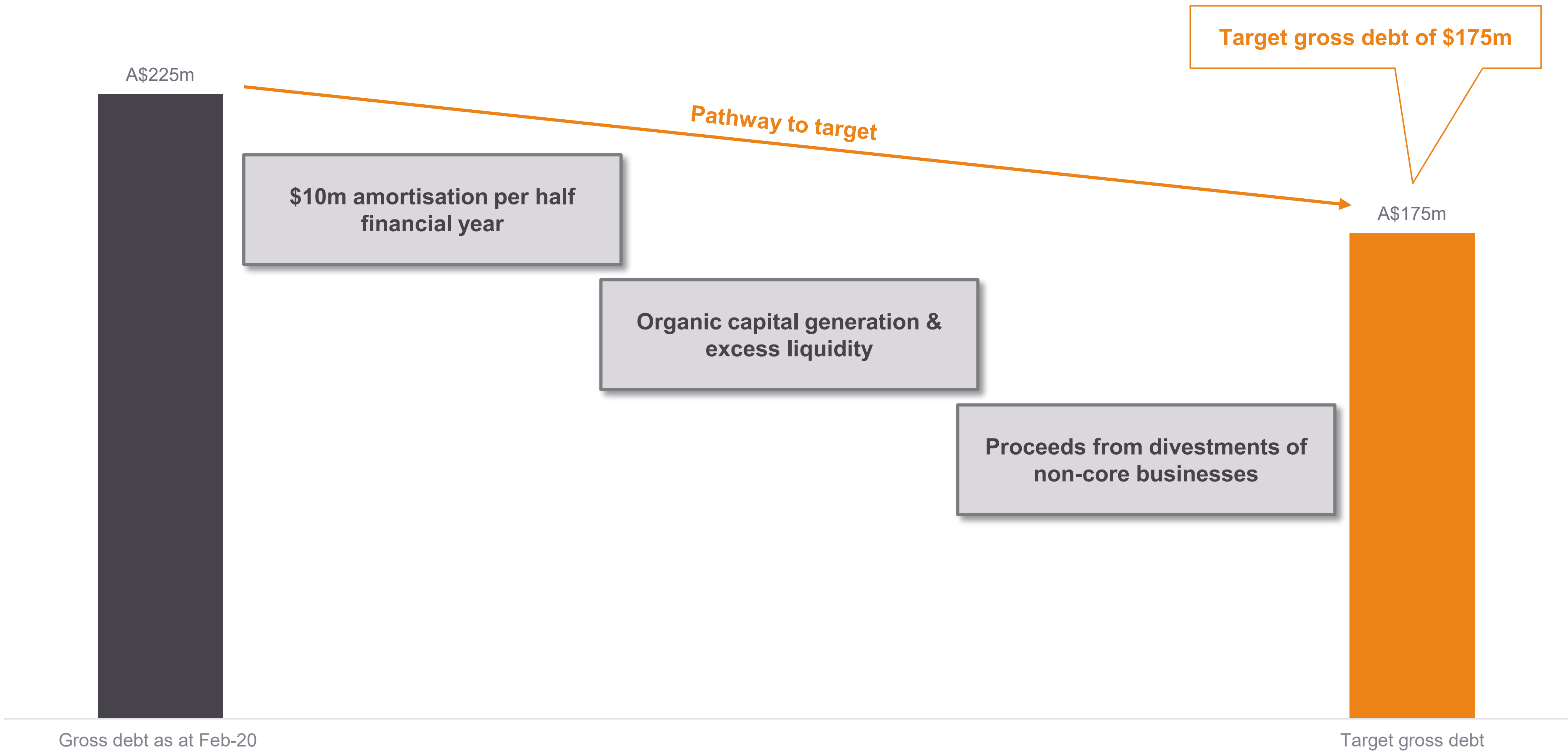
- $225m gross debt as at Feb-20
- $59m core cash holdings as at Feb-20
- $166m net debt[3]
- ~$72.5m[1] illustrative FY19 Core EBITDA (incl. 100% stranded group costs)



Notes:
1. Last disclosed Core earnings numbers. For illustrative purposes, EBITDA is based on FY19 Core EBITDA ($81.9m) and 100% of stranded costs ($9.4m) as per page 43 of the FY19 results presentation
2. Inclusive of amounts offered to corporate debt holders pending distribution
3. For avoidance of doubt, ECX remains compliant with all of its debt convents, and notes that no covenant is linked to market capitalization, or any market reference (including debt or equity market)

Balance sheet and liquidity (continued)

DEFINITIVE PATHWAY TO GROSS DEBT TARGET OF $175M[1]



Notes:
1. Inclusive of amounts offered to corporate debt holders pending distribution

Balance sheet and liquidity (continued)

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UNIQUE FUNDING MODEL DIFFERENTIATES ECLIPX, PROVIDING CERTAINTY OF ACCESS TO FUNDING AND GROWTH CAPACITY

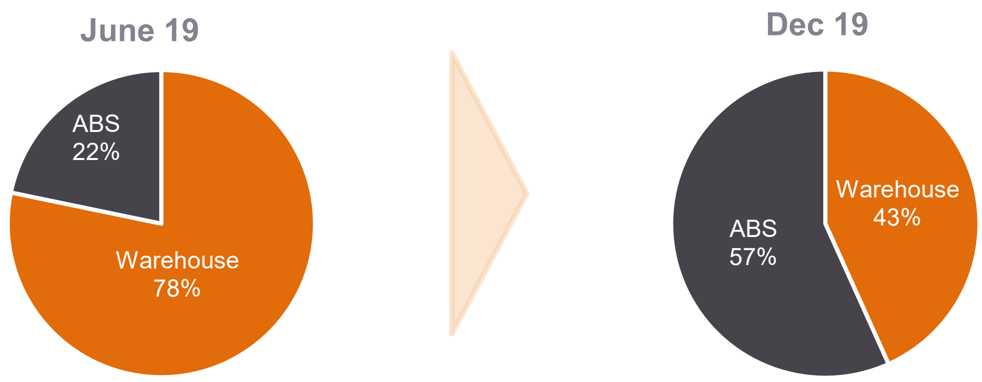
	Eclipx funded (own credit)			Third party
	Warehouse	**ABS market**	**Cash**	**Principal & Agency**
Purpose	Primary source of funding for new leases	Tactical use of ABS issuance to lower cost of financing	Working capital	Supports funding of new leases
First established	2007	2010	NA	2004
Funders	> 10	50+	NA	9
Maturity	• No bullet repayments • Matched funded	• No bullet repayments • Matched funded • Historically utilised every two years	NA	NA
Credit risk	Eclipx has security[1] on each vehicle	Eclipx has security[1] on each vehicle	NA	Third party
Interest rate risk	Risk hedged	Risk hedged	NA	NA
Liquidity headroom	Significant	NA	NA	Uncommitted limits reviewed annually

Notes:
1. Eclipx registers its security interest on every vehicle via the Personal Property Security Register "PPSR"

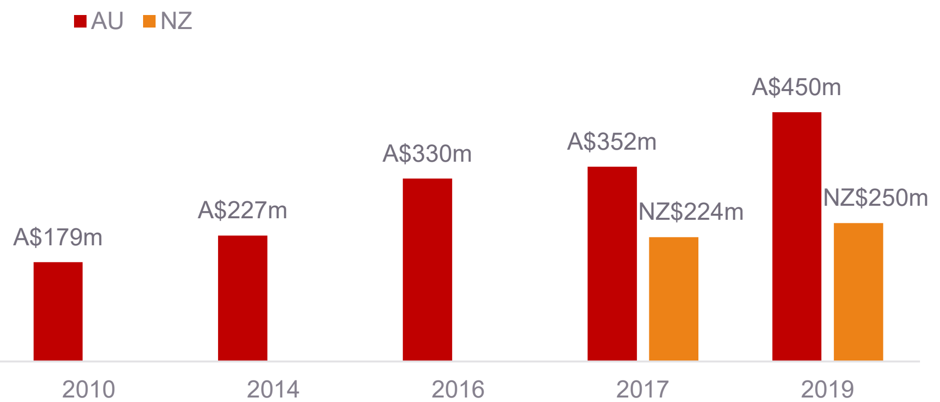
Balance sheet and liquidity (continued)

SIGNIFICANT WAREHOUSE CAPACITY AND LIQUIDITY TO SUPPORT GROWTH, WITHOUT RELIANCE ON ABS MARKETS FOR THE FORESEEABLE FUTURE

WAREHOUSE VS ABS FUNDING SPLIT



PUBLIC MARKET ASSET BACK SECURITISATION ISSUANCE



WAREHOUSE VS ABS FLEXIBILITY

- ABS issuance is a refinance of warehouses into public markets
- It provides warehouses with capacity for new originations
- Two Eclipx ABS transactions in Australia and NZ in late 2019
- Strategic decision to refinance ~50% of total warehouse funding into solid ABS market conditions
- Strong appetite for ECX warehouses from long standing and committed warehouse partners, as well as new partners

ESTABLISHED ABS PROGRAMME

- 10 years of public ABS issuance history with strong support from domestic and international investors
- Over 50 investors in the Australian and NZ ABS programme
- 'AAA' rated Senior Notes from both programmes are repo eligible with the RBA (in Aus) and RBNZ (in NZ)
- Eclipx ABS issuance typically every two years in Australia (last issue in Dec 2019) and every two-three years in NZ (last issue in Sep 19)
- Eclipx has no need to issue into the ABS market for the foreseeable future but may do so opportunistically

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Credit risk discipline

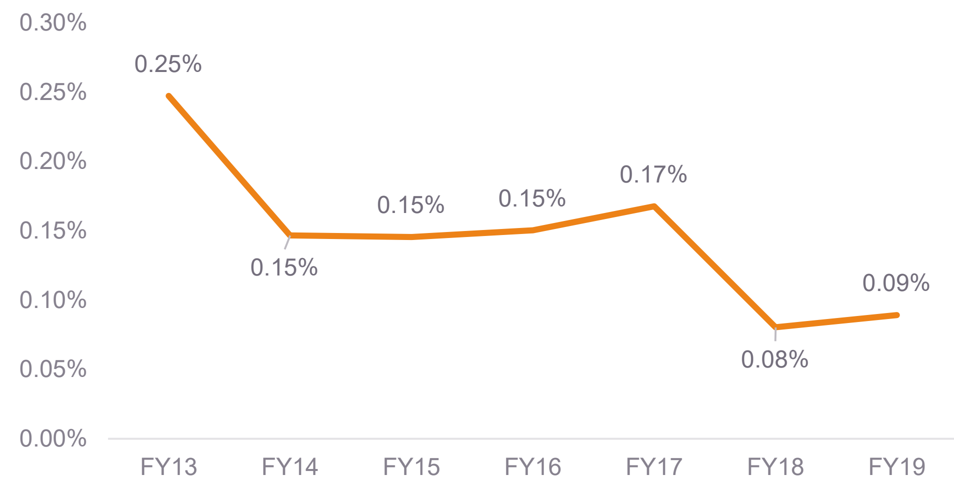
CONSERVATIVE CREDIT DISCIPLINES COMBINED WITH A HIGH QUALITY CUSTOMER BASE

CREDIT RISK COMMENTARY

- More than 33 years experience with unique credit insights through cycles in A/NZ
- No unsecured exposures.
- All financing secured by PPSR on vehicles, a highly liquid asset class
- Security comprises core business-use assets which have strong track record of performance through economic cycles (including GFC)
- No committed credit facilities. Ability to assess early signs of deterioration in counterparty credit risk and dynamically manage risk
- Of the top 20 customers, 70% are investment grade credits. These customers represent c.28% of the interest bearing portfolio

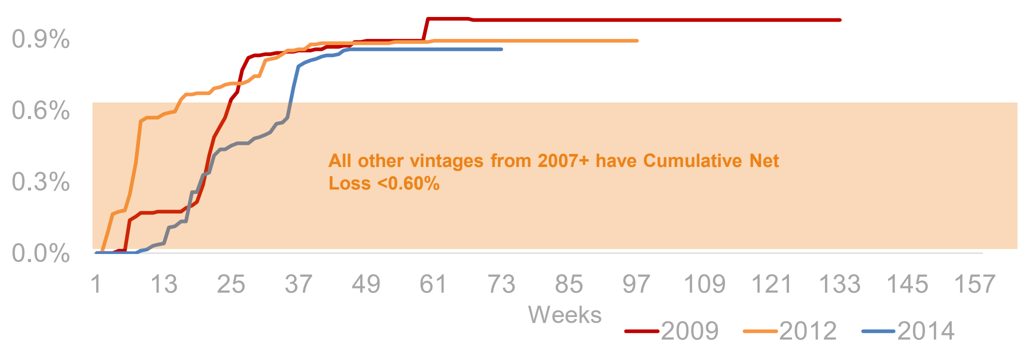
CREDIT LOSSES

(% of funded assets)

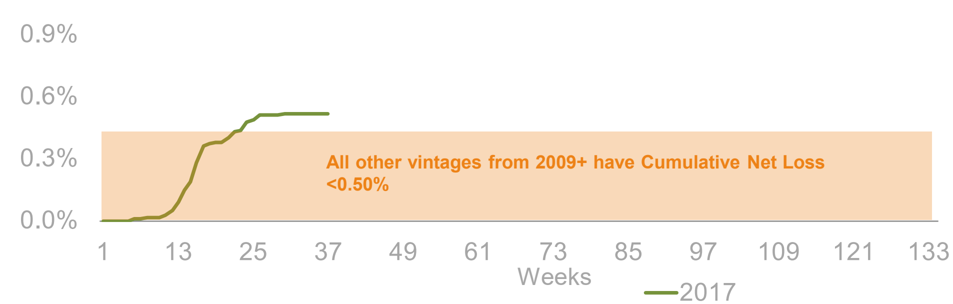


CREDIT EXPERIENCE—NET LOSS BY VINTAGE

Australia (2007-2019)[1]



New Zealand (2009-2019)



Notes:

1. Portfolio losses are calculated as credit losses divided by average lease receivables financed on the Eclipx balance sheet

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Conclusion

- ✓ Simplification Plan progressing well in line with plan
- ✓ Positive jaws in the Core for the first five months of FY20
- ✓ Significant warehouse capacity to support growth and a definitive pathway to $175m gross debt target
- ✓ Highly diversified funding platform, with growth capacity from multiple sources, particularly post ABS issuance in late 2019. Supported by our strong credit experience
- ✓ Stable environment year to date. We are monitoring implications of COVID-19 situation on our customers, employees and the economy

Questions