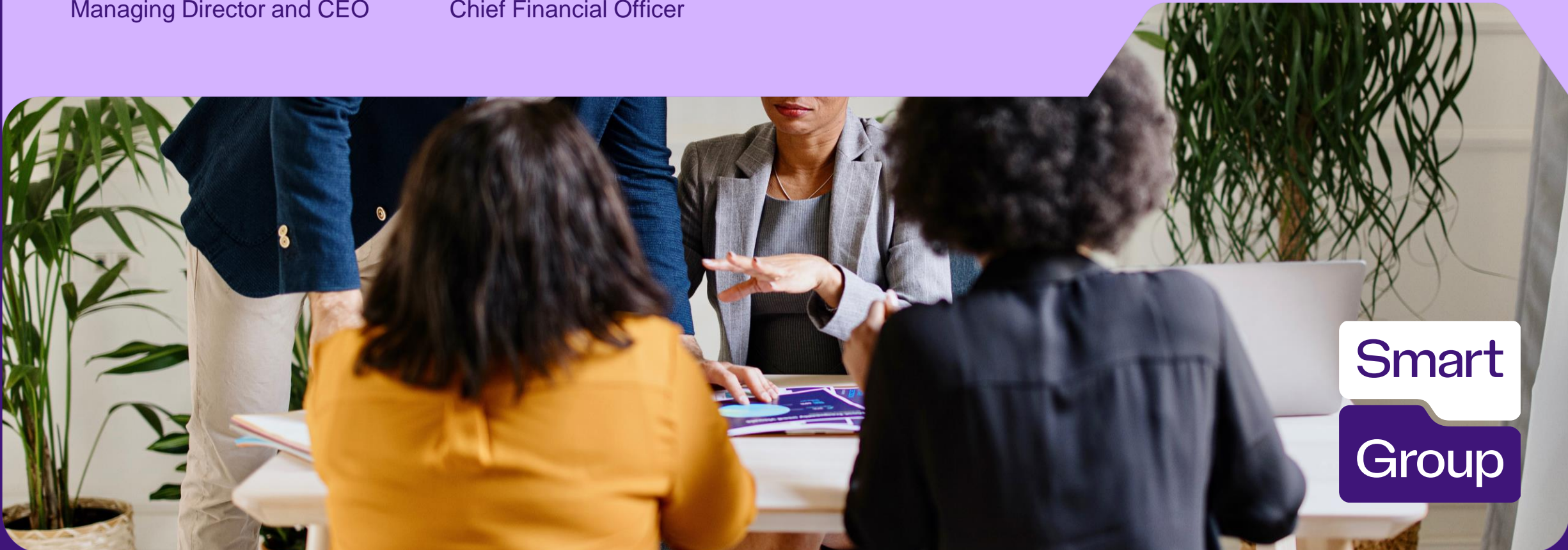


2024 Full Year Results

Scott Wharton
Managing Director and CEO

Jason King
Chief Financial Officer



Acknowledgement of Country

Smartgroup acknowledges the Custodians of Country throughout Australia. We pay our respects to Aboriginal and Torres Strait Islander cultures and to Elders past and present and thank them for their ongoing custodianship of this land and community.

Artist Statement

Co-existing with Mother Earth from the first days of understanding of kinship and the importance of caring for Country. Preparing for the future and prospering by putting country first which started through gatherings of our ancient ancestors which continues through time to this day, Country has always been an important part of First Peoples of Australia cultures.

Country has sustained us, revitalised, and rejuvenated our mind, body, and spirit for many millennia. And by putting Country first it will continue to do so. It has been our most important commandment handed to us down throughout the generations through loving careful instructions. A nourishing thought for the ages of our continuous culture on this ancient landscape.

Narrative written by Jade Kennedy of the Tatti-Tatti/ WadiWadi/Muddi-Muddi - West Kulin Nation and Wajak/Kaardjin - Noongar Nation.



Kengatha-nak-thangi Grow Mother Country

- 01 — 2024 Full Year Highlights
- 02 — Strategic Priorities Update
- 03 — 2024 Full Year Performance
- 04 — Summary and Outlook

01 — 2024 Full Year Highlights



2024 Performance Highlights



Strong financial performance

- Revenue of \$305.8m, up 22% v pcp
- Operating EBITDA of \$118.7m, up 18% v pcp, EBITDA Margin was 39%
- NPATA¹ of \$72.4m, up 15% v pcp, statutory net profit of \$75.6m
- Strong operating cash flow conversion at 108% of NPATA
- Total dividends of 48.5 cents per share², representing 90% of CY 2024 NPATA

Customer growth

- 445,000 active customers at December 24, an increase of 12% v pcp
- 74,300 novated leases under management, an increase of 22% v pcp
- 32,300 fleet-managed vehicles, an increase of 6% v pcp

Novated leasing growth

- 20% growth in leasing settlements v pcp
- Vehicle supply improving
- EV orders 44% of total new car orders in CY 2024
- ICE new car orders grew 12% with improving availability
- 7% increase in yield v pcp

Strategic Priorities

- Successfully delivered first year of Strategic Priorities
- New digital assets delivering stronger customer engagement
- Significant improvement in customer experience
- Brand consolidation progressing

1. NPATA is net profit after tax, adjusted to exclude the non-cash tax-effected amortisation of intangibles and significant non-operating items. Refer to Appendices for the reconciliation of NPATA to statutory NPAT.
 2. Record date of final and special dividend is 7 March 2025 and payment date is 21 March 2025.

2024 ESG Highlights


S&P Global

Ranked 93rd percentile worldwide in S&P Global CSA
(up from 87th percentile in 2023)



Dow Jones

Included in the global Dow Jones Sustainability Indices



WGEA

Employer of Choice for Gender Equality



ESG Risk

ESG Risk rating of 11.5.
Ranked in the 95th percentile globally by Sustainalytics



Inclusive

'Inclusive Employer' recognition by Diversity Council Australia since 2019



PROUD TO BE AN INCLUSIVE EMPLOYER 2023-2024

Performance

Awarded ISS ESG Prime rating



Investment proposition



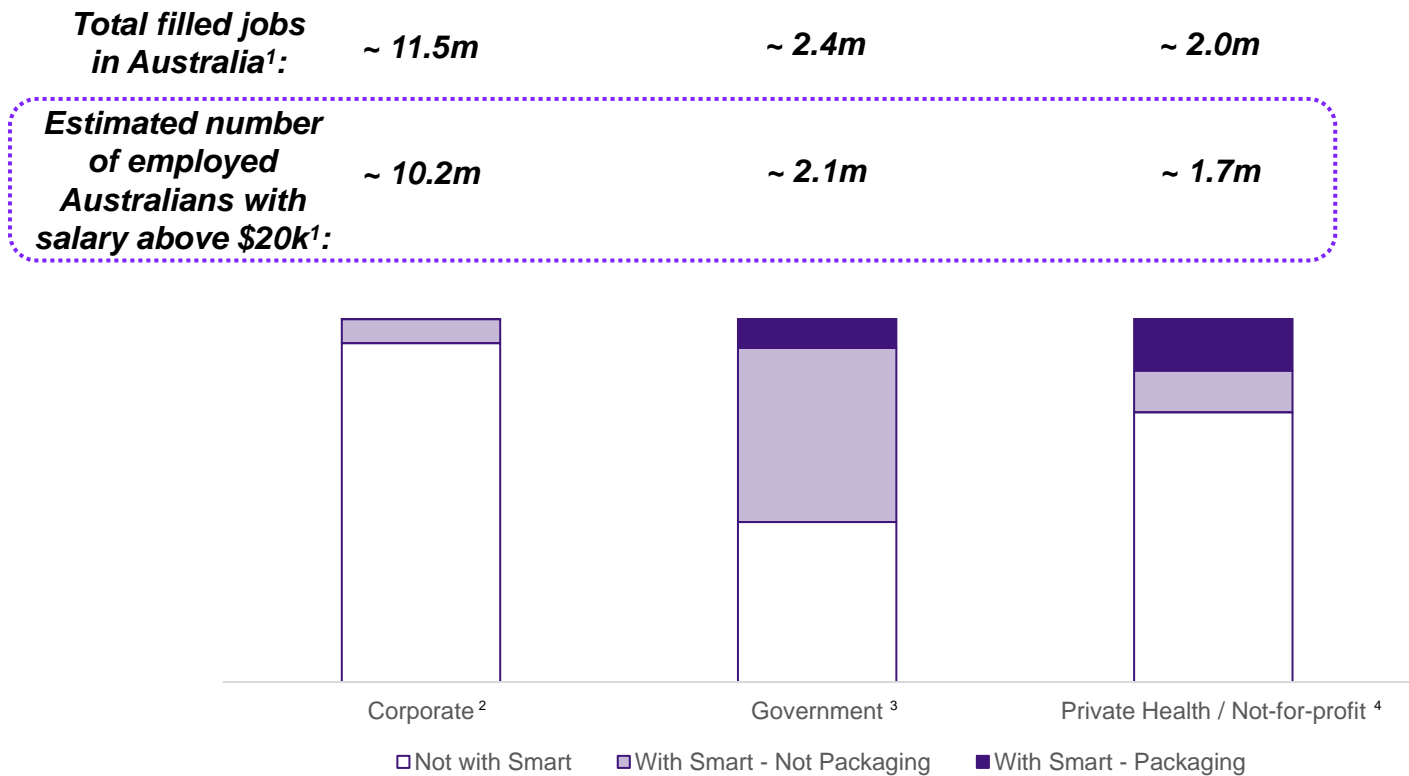
Leading, resilient business	Leading player with diversified exposure	<ul style="list-style-type: none"> Positioned as a market leader in salary packaging and novated leasing Broad product offering incl. exposure to fleet management 	▶	541,000 LTM salary packaging customers ¹	~2.3m potential customers in existing client base
	Resilient business with high client retention	<ul style="list-style-type: none"> Resilient customer demand through the cycle Significant recurring revenue Long-term client contracts in attractive and growing segments 	▶	46% Not-for-profit, 19% Health, 26% Government, 6% Education	
Attractive financial profile	Consistent strong financial performance	<ul style="list-style-type: none"> Proven track record of revenue growth Solid margins supported by increasingly scalable model Strong operating cash flow conversion 	▶	+11.3% revenue ² CAGR (3y)	108% operating cash flow to NPATA
	Favourable operating environment	<ul style="list-style-type: none"> Continued demand for novated leasing Vehicle delivery timeframes improving Cost of living pressures 	▶	+22% increase in novated leases under mgt ⁵	~44% improvement in average delivery time ³
Building profitable growth	Capital light business model	<ul style="list-style-type: none"> Strong and flexible balance sheet Minimal residual value exposure with limited on-balance sheet funding 	▶	P&A funding model	0.4x net debt / EBITDA ⁴
	Strategic Priorities increasing scalability	<ul style="list-style-type: none"> Focus on core business performance and simplification Investment in technology to drive scale benefits, strengthen customer experience and accelerate digitisation 	▶	+10% in the number of packages / FTE ⁵	~10% improvement in NPS ⁵

1. Includes customers that maximise FBT caps before December each year, then restart packaging in April at the start of the next FBT year.
 2. CY 2021 Gross Revenue was \$221.8m compared to \$305.8m in CY 2024.
 3. Average Vehicle Order to delivery timeframes (for Smartgroup top 30 makes/models by volume), H2 2024 v H2 2023.
 4. (Corporate debt – cash) / LTM EBITDA.
 5. Comparing 2024 v 2023 (FTE refers to operations FTE).

02 — Strategic Priorities



Our addressable market is a significant growth opportunity



- There are over 15 million employed Australians, of those circa **14 million** earn a salary above \$20k, and can benefit from salary packaging
- Of those 14 million potential customers, over **2.3 million are employed by Smartgroup clients**
- Smartgroup served **~541,000 customers** in the last 12 months, with the majority in Government, Health and Not-for-profit segments
- Our opportunity is to increase penetration in our existing client base, grow in the Corporate segment and acquire new clients

1. ABS Employment data Q3 2024.
 2. ABS Employment data Q3 2024 (Private – Corporate, Education, Mining and Uniformed) and Smartgroup estimates of total employees per segment as at Feb 2025.
 3. ABS Employment data Q3 2024 (Government) and Smartgroup estimates of total employees per segment as at Feb 2025.
 4. ABS Employment data Q3 2024 (Private Health / Social Assistance and Smartgroup estimates of total employees per segment as at Feb 2025..

Our Strategic Priorities and focus

Our ambition

Smarter Benefits for a Smarter Tomorrow

Simplifying benefits and adding value to our clients and customers, while enabling businesses to attract and retain great teams as we build a more sustainable Australia.

Our focus

Smarter Experiences

Market-leading customer experience, helping customers and employers work with us how and when they want

Smarter Products

Simple and innovative products and services to help customers do more and save more

Working Smarter

Simple and scalable operations, with improved capability that puts the customer first

Our Strategic Priorities

Customer-focused, digital and efficient salary packaging offering

Leadership in Novated Leasing via EVs

Innovation of propositions to meet growing customer needs

Targeted investment in fleet capabilities

- Digitise operations and enhance self-service to delight clients and customers
- Simplify and consolidate the core technologies and drive scale benefits including moving to a single brand
- Maintain a market-leading proposition for EVs through sustained digital investment
- Accelerate our digital sales engine
- Expand our novated leasing offering to meet a broader set of needs
- Scale our benefits program
- Continue to support client demand for tailored products
- Increase capability via balance sheet-funded pilot

Delivering Smarter benefits for a Smarter tomorrow

Solid progress on our Strategic Priorities

Customer-focused, digital and efficient salary packaging offering	Leadership in Novated Leasing via EVs	Innovation of propositions to meet growing customer needs	Targeted investment in fleet capabilities
<ul style="list-style-type: none"> • New brand 'Smart', progressed brand simplification from 6 to 4 brands in 2024 • smart.com.au, our new digital home attracted over half a million total users since November 2024 • Improved customer service and digital capabilities, NPS >10% higher in 2024 • Delivered process improvements and automation, ~10% improvement in the number of packages / operations FTE • More than doubled new client wins¹ 	<ul style="list-style-type: none"> • Grew number of settlements by 20% in 2024 v pcp • EV and ICE new car orders up 51% and 12% in 2024 v pcp, respectively • Continued growth in the SME segment • Enhanced our car leasing portal, increasing digital conversion² • Active yield management delivered 7% improvement v pcp 	<ul style="list-style-type: none"> • Expanded our benefits offering • Established new partnerships including Intellihub and Qantas • Over 30,000 users accessing Smartrewards in 2024 • Progressed improvements in benefits sign-up process 	<ul style="list-style-type: none"> • Expanded our fleet offering to larger clients • Increased vehicles under management by 6% in 2024 v pcp • Grew self-funded fleet pilot to ~750 vehicles for ~40 clients • Implemented operational improvements for our clients

1. Based on total eligible employees of new client wins.

2. Comparing current and first version of the car leasing portal, conversion measured from calculator start to vehicle order (comparing H2 2024 period).

Investment in digital

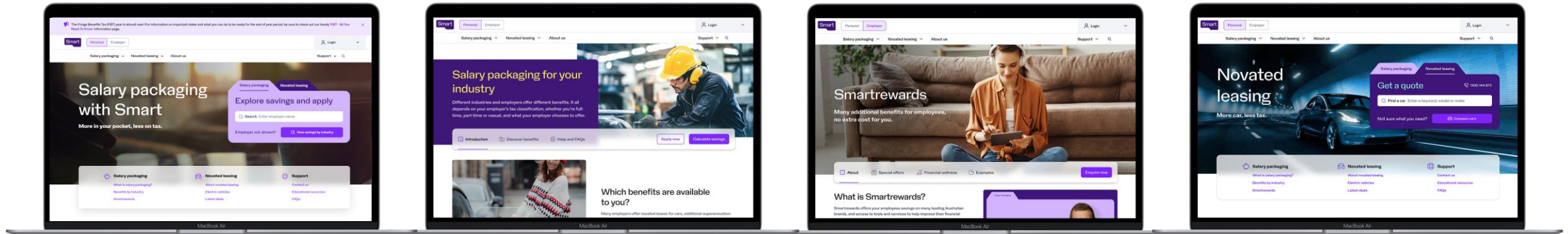
Improving customer journeys

New digital home –
smart.com.au

Benefits tailored by
customer industry

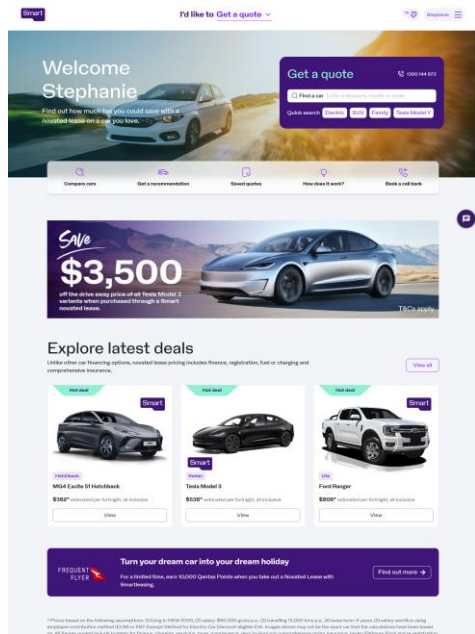
Additional benefits
through Smartrewards

Seamless journey to car
leasing portal

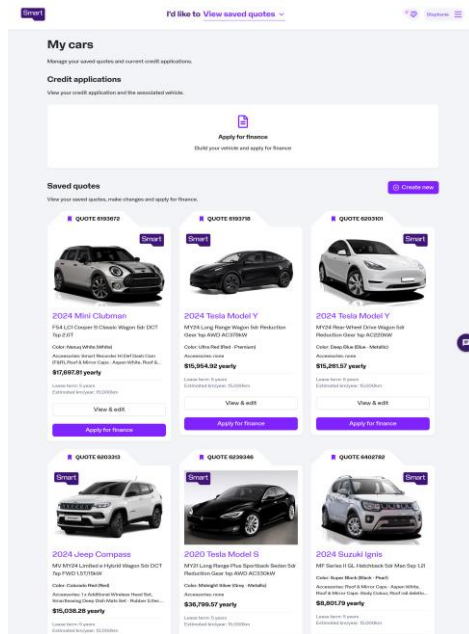


Investment in digital Enhanced car leasing portal

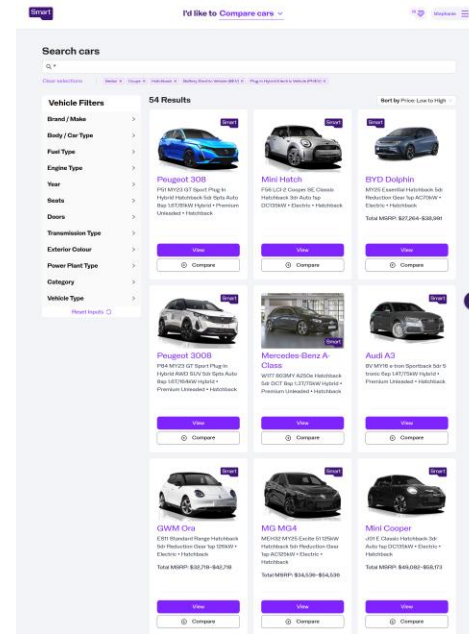
Simple car leasing journey



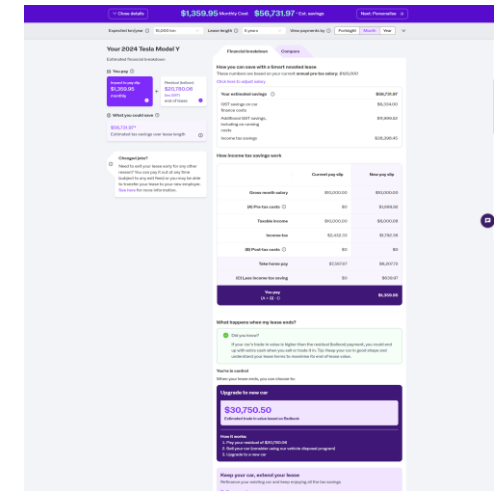
Side-by-side car comparisons



Customisable car features and variants



Transparent comparison of car financing options

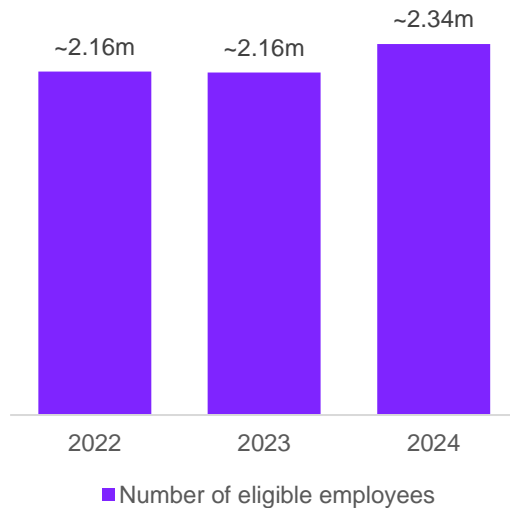


03 — 2024 Full Year Performance



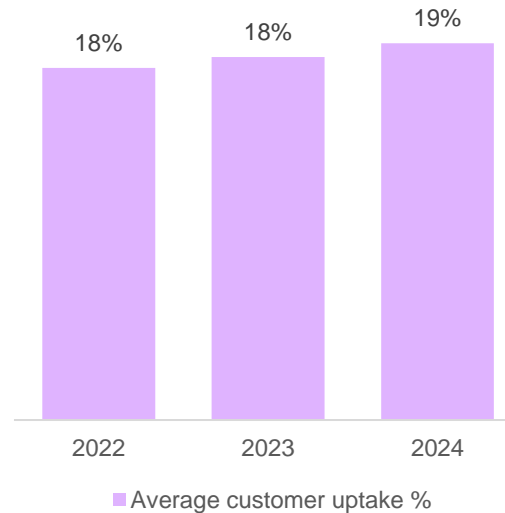
Positioning to drive scalability

Increasing eligible customer base¹



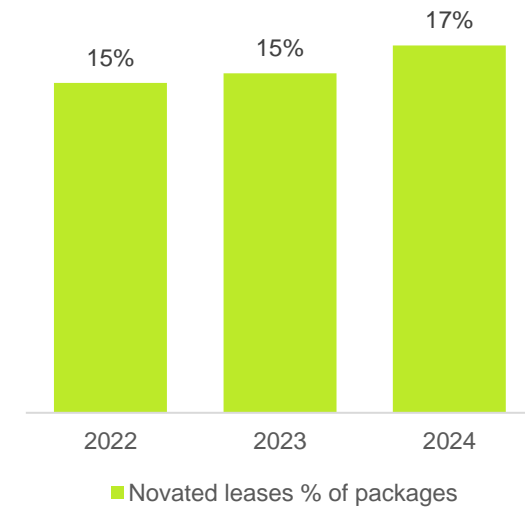
- Focus on increasing eligible employee numbers to leverage the scale of our platform

Increasing customer penetration¹



- Focus on the organic opportunity to expand penetration into our existing client base

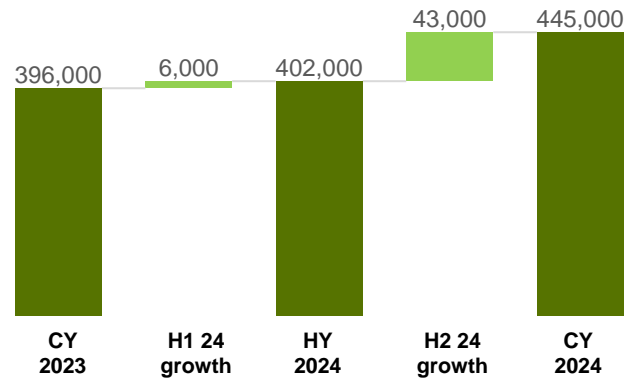
Increasing customer lifetime value



- Focus on expanding our products and services to better meet customer needs and increase retention

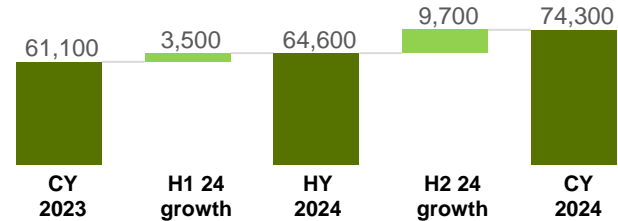
Record customer numbers across all key product lines

Active salary packages



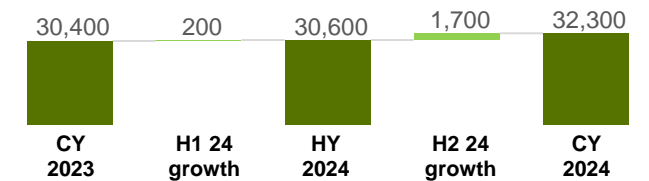
- Increased uptake in existing clients and the onboarding of new clients

Novated leases under management



- Strong settlement levels and improving vehicle supply have seen continued growth in novated leases under management

Fleet managed vehicles

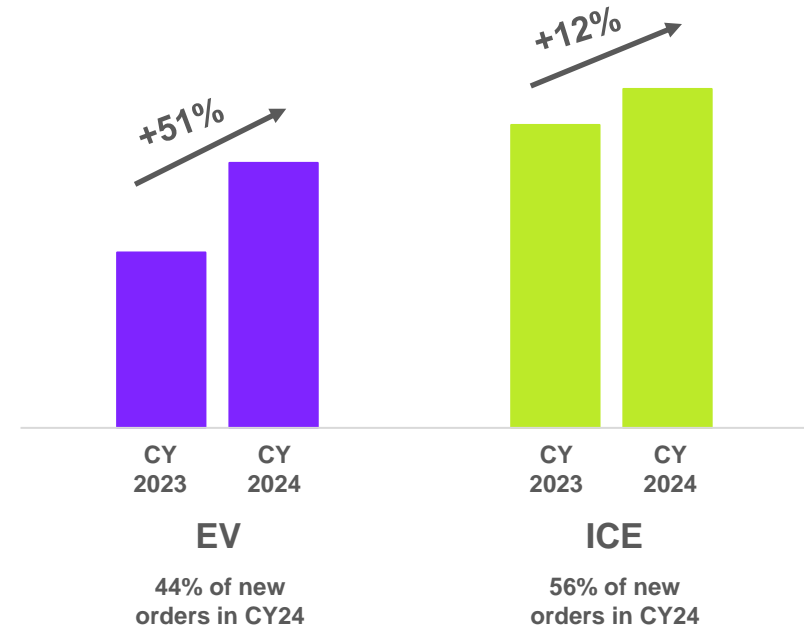


- Self-funded fleet pilot expanded, with ~750 vehicles funded for ~40 organisations as at 31 December 2024

EV and ICE orders continue to grow

- Availability of EVs was generally good, with various EV manufacturers having promotions for car deliveries by 31 December 2024
- ICE orders grew 12% with improving availability
- ICE accounted for 56%, EV accounted for 44% of CY 2024 new car lease orders, of which PHEV was 13%
- Strong EV interest during the year, particularly PHEV in H2 2024
- From 1 April 2025, PHEVs will no longer benefit from the government EV policy, but remain eligible for novated leasing

New orders growth (ICE and EVs)



Strong leasing demand and yield sustained

	CY 2024 v pcp	H2 2024 v pcp	H2 2024 v H1 2024
New lease vehicle orders	25%	19%	8%
Total settlement volume ¹	20%	15%	4%
Leasing yield	7%	2%	2%

Strong customer demand

- Customer interest was strong in novated leasing
- Ongoing customer education on benefits of novated leasing

Vehicle delivery timeframes continue to improve

- Total pipeline future revenue of c.\$12m at the end of December 2024 (from \$18m in December 2023) remains above pre-COVID levels (c.\$4m)

Yield focus

- A higher proportion of new car leases, supply chain renegotiation and vehicle mix delivered yield uplift vs pcp
- New novated leases² improved to c.82% of total novated volume for CY 2024 (vs 78% in CY 2023)
- Continued focus on yield management

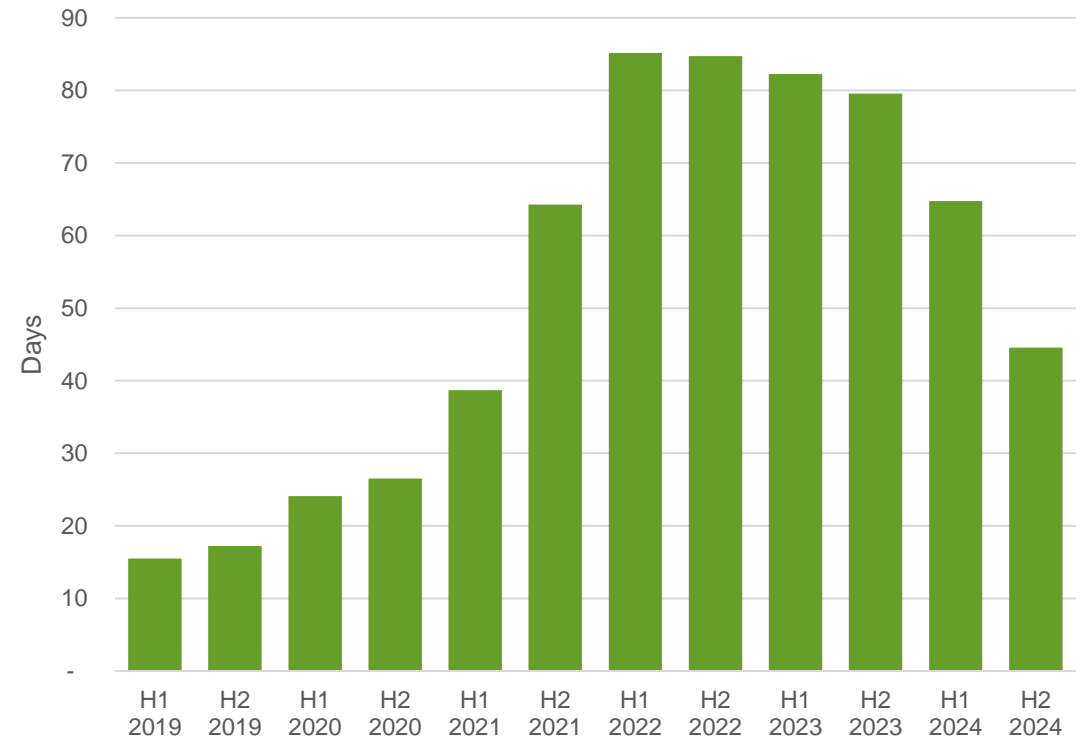
1. Includes new, used and refinance.

2. New novated leases exclude refinanced deals.

Delivery timeframes continued to improve

- Improvement in Vehicles Delivery timeframes, but still above historical levels (>20 days)
- Some variation across makes and models
- Good availability for existing EV models, with new models expected throughout 2025

Average Vehicle Order to delivery timeframes
(for Smartgroup top 30 makes/models by volume)



Strong revenue growth delivers earnings uplift

- Novated leasing and new clients drive strong revenue growth
- Higher product costs from growth in the sale of vehicle aftermarket products
- Staff expenses increased as a result of investments in resourcing to meet novated leasing demand, wage inflation and additional capabilities to deliver priorities
- Other expenses were driven by project costs, marketing and strategic priorities
- EBITDA margin at 39%, H2 24 EBITDA margin at 40%
- NPATA grew 15% to \$72.4 million

\$m	CY 2024 ¹	CY 2023	Change %
Revenue	305.8	251.6	22%
Product costs (cost of sales)	(13.9)	(9.6)	45%
Net revenue	291.9	242.0	21%
Staff expenses	(124.1)	(103.8)	20%
Other expenses	(49.1)	(37.9)	30%
Total operating expenses	(173.2)	(141.7)	22%
Operating EBITDA	118.7	100.3	18%
Operating EBITDA margin	39%	40%	-1ppt
Net finance costs	(3.4)	(3.0)	13%
Depreciation	(6.6)	(5.0)	32%
Amortisation	(4.2)	(2.9)	45%
Joint venture contribution	0.2	0.3	(33%)
Tax-effected amortisation of acquired intangibles, and cash tax benefit	-	0.1	(100%)
Adjusted tax expense	(32.3)	(26.6)	21%
NPATA²	72.4	63.2	15%

1. A reconciliation of the statutory accounts to adjusted earnings is contained in the Appendix.

2. NPATA is net profit after tax, adjusted to exclude the non-cash tax-effected amortisation of acquired intangibles and significant non-operating items.

High cash conversion at 108% of NPATA

- Full year receipts grew in line with revenue
- Increase in RBA target cash rate leading to increase in interest received and interest paid
- Higher capex associated with the delivery of our Strategic Priorities and the South Australia Government contract implementation
- CY 2025 technology capex expected to be ~\$11-13m
- Expanded balance sheet funding pilot for fleet vehicles

\$m	CY 2024 ¹	CY 2023	Change %
Receipts from customers (inc GST)	352.5	292.4	21%
Payments to suppliers and employees (inc GST)	(243.9)	(198.7)	23%
Interest received from operations	7.3	5.9	24%
Interest paid	(5.0)	(3.6)	39%
Interest paid on lease liabilities	(0.5)	(0.7)	(29%)
Income taxes paid	(32.3)	(30.1)	7%
Net cash from operating activities	78.1	65.2	20%
<i>As a % of NPATA¹</i>	<i>108%</i>	<i>103%</i>	
Capitalised IT development costs	(12.0)	(0.9)	Nm
Payments for funding of motor vehicles	(9.8)	(7.6)	29%
Other PP&E capex	(1.4)	(0.9)	56%

1. Excludes payments for M&A transaction costs (inclusive of GST) of \$0.67m (2023: \$0.01m). Net cash from operating activities excludes receipts and payments from customers' salary packaging accounts and significant non-operating items.

Strong and flexible balance sheet with 0.4x leverage

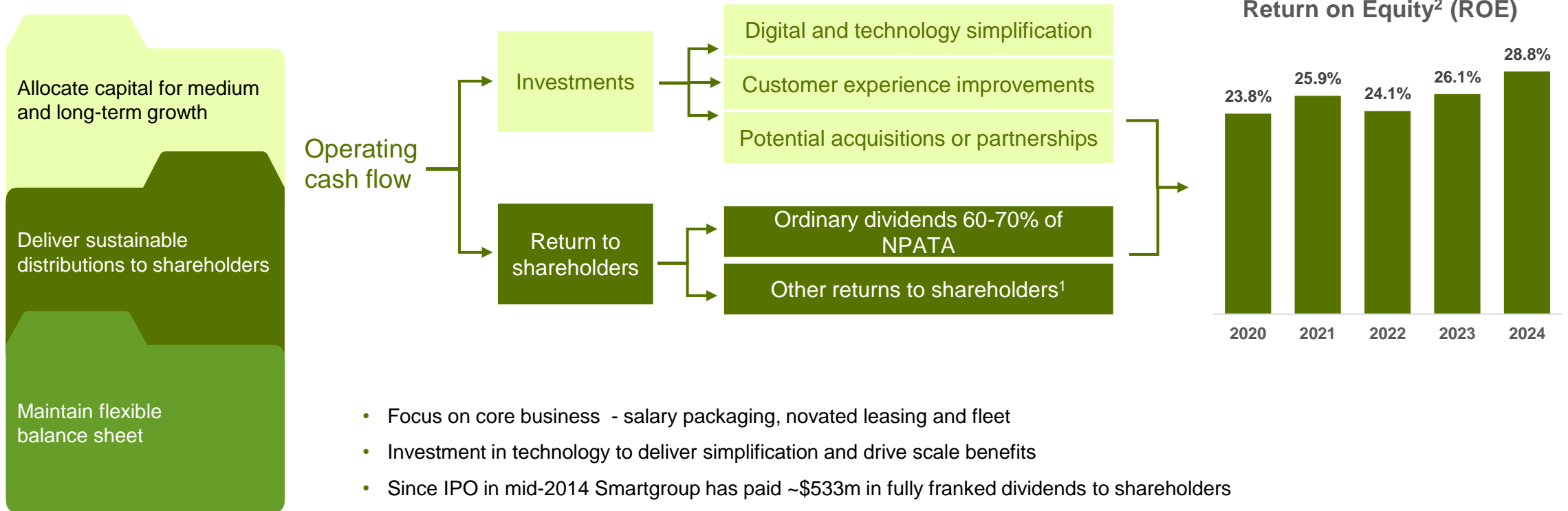
- Increase in net debt position to fund \$12.0m in capitalised IT development, and funding of additional \$9.8m of on-balance sheet fleet vehicle leases to a total of \$24.4m
- Extended our existing corporate debt facility

\$m	31 Dec 2024	31 Dec 2023
<i>Cash</i>	34.6	32.8
<i>Other current assets¹</i>	285.5	168.2
Current assets	320.1	201.0
Non-current assets	333.2	319.6
Total assets	653.4	520.6
Current liabilities ¹	313.2	207.7
<i>Borrowings</i>	79.2	64.7
<i>Other non-current liabilities</i>	2.7	4.4
Non-current liabilities	81.9	69.1
Total liabilities	395.1	276.8
Net assets	258.3	243.8
Net corporate debt²	45.4	32.2
Net corporate debt/last 12 months EBITDA	0.4	0.3

1. Includes restricted cash of \$245.1m (31 December 2023: \$141.1m). This is entirely offset by salary packaging liability.

2. Excludes capitalised borrowing costs of \$0.8m (31 December 2023: \$0.3m) and vehicle borrowings of \$3.2m (31 December 2023: \$2.0m).

Capital allocation – maximising shareholder value



1. May include special dividends or share buy-backs.
 2. Return on equity is NPATA divided by average shareholders' equity.

04 — Summary and Outlook



CY 2024 Summary



Outlook

CY 2025

- Cautiously optimistic for the year ahead - January 2025 orders and settlements slightly up on pcp
- Regulatory tailwinds in novated continue to positively impact demand
- PHEV incentive ending in March
- Industry dynamics across all business lines remain competitive
- Monitoring for any further impact from high inflation/interest rates and international factors on demand and supply
- Continued execution of Strategic Priorities, ~\$11-13m expected software capex spend in 2025

Medium-term

- Opportunity to improve revenue per customer through digital and additional services
- Focus on driving operating leverage, including through cost management and efficiency program



05 — Appendix

Our context



Cost of living pressures

- Increasing financial stress
- Softening economic environment



Sustainability

- Electric Car Discount Policy
- Corporate ESG focus



Evolving needs

- Desire for e-mobility
- Digital experience

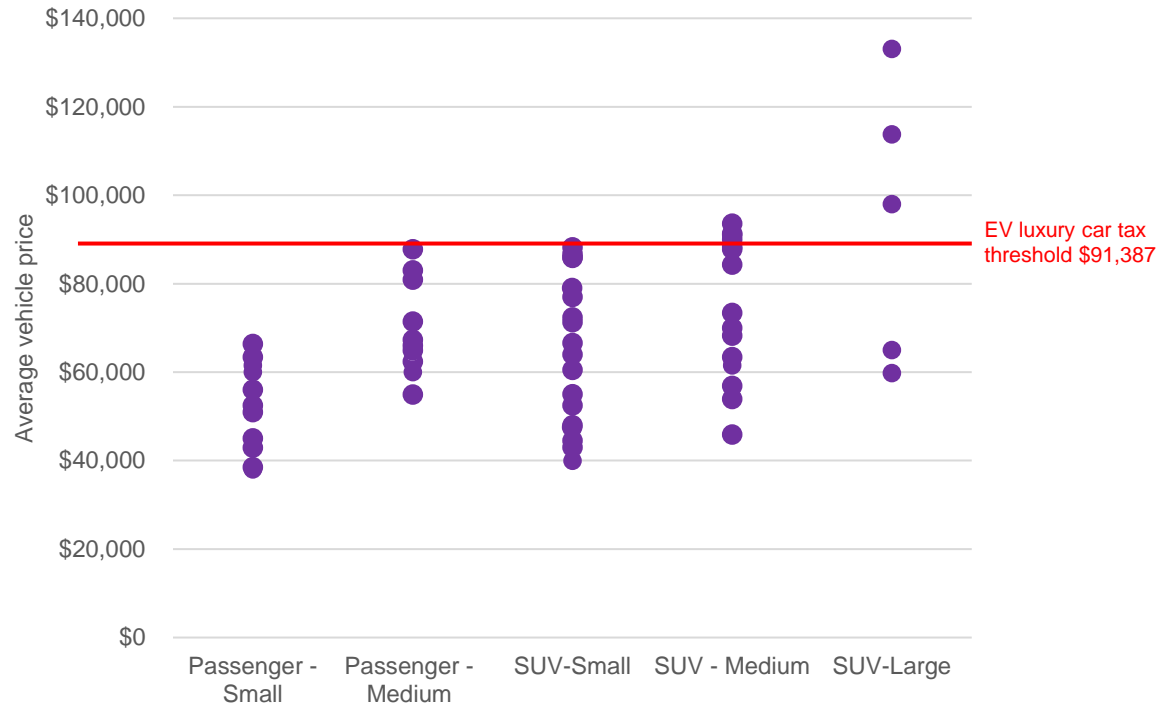
Salary packaging comparison table¹

	Without salary packaging	With salary packaging
Annual salary before tax	\$65,000	\$65,000
Pre-tax expenses	-	\$18,550
Taxable income	\$65,000	\$46,450
PAYG tax	\$10,288	\$4,723
Medicare levy	\$1,300	\$929
Annual salary after tax	\$53,412	\$40,798
Post-tax expenses	\$18,550	-
Net disposable income	\$34,862	\$40,798
Potential Annual saving		\$5,936
Potential Fortnightly Saving		\$228
Equivalent Salary		\$73,730
% increase to take home pay		17.03%

1. Calculations assume a charity worker on \$65,000 packaging \$15,900 of rent payments and \$2,650 of meal costs per FBT year, using 2024/25 individual tax rates. The calculations do not take into account any applicable: low income tax offsets (LITO), low and middle income tax offsets (LITMO), low income Medicare levy reduction or any Smartgroup fees that may apply.

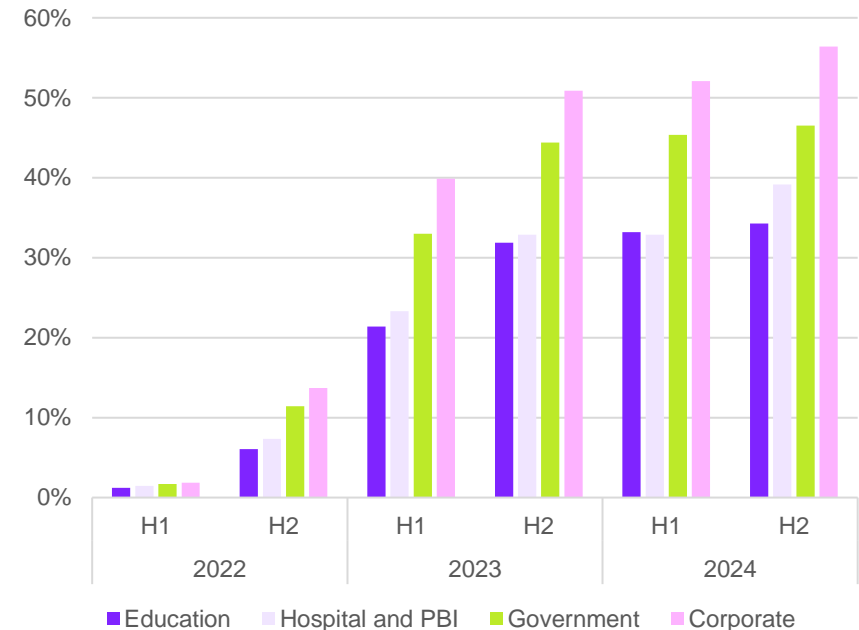
The EV market is continuing to expand

Price points of EVs by category



- EV availability across most price points and categories

EV¹% of new car orders (i.e. excl. used cars and refinancees)



- EV proportion of new car lease orders and settlements continues to grow across all client segments

1. Includes EVs below the luxury car tax threshold of \$91,387.

Reconciliation of earnings to statutory financial statements

\$m	CY 2024	CY 2023
Net revenue	291.9	242.0
Operating EBITDA	118.7	100.3
One-off costs ¹	(0.7)	(1.6)
Joint venture contribution	0.2	0.3
Segment results	118.2	99.0
Net finance costs	(3.4)	(3.0)
Depreciation expense	(6.6)	(5.0)
Amortisation expense	(4.2)	(2.9)
Gain on sale of businesses	3.7	-
PBT (statutory)	107.7	88.1
Income tax expense	(32.1)	(26.2)
NPAT (statutory)	75.6	61.9
Addback: tax-effected gain on sale of businesses	(3.7)	-
Addback: tax-effected one-off costs	0.5	1.2
Addback: tax-effected amortisation of acquired intangibles, and cash tax benefit	-	0.1
NPATA	72.4	63.2
Shares on issue (millions)	133.9	132.8
NPATA per share (cps)	54.1	47.6

1. M&A costs \$0.7m (31 December 2023: restructuring costs \$0.8m and CEO transition costs \$0.8m).

Balance sheet

\$m	31 Dec 2024 statutory	31 Dec 2023 statutory
Cash	34.6	32.8
Restricted cash	245.1	141.1
Trade and other current assets	40.4	27.1
Current assets	320.1	201.0
Property and equipment	2.7	2.1
Smartgroup funded vehicles	18.4	12.2
Right-of-use assets – other	2.5	4.4
Intangible assets	298.1	285.4
Other non-current assets	11.6	15.5
Non-current assets	333.2	319.6
Total assets	653.4	520.6
Trade and other payables	39.7	35.3
Customer salary packaging liabilities	245.1	141.1
Lease liabilities	2.1	5.6
Provisions and other liabilities	29.0	30.1
Non-current interest-bearing loans	79.2	64.7
Total liabilities	395.1	276.8
Net assets	258.3	243.8
Issued capital	264.1	263.4
Retained earnings & reserves	(5.8)	(19.6)
Total capital	258.3	243.8
Net corporate debt	45.4	32.2
Net corporate debt / LTM EBITDA	0.4	0.3

Investor contact

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0423 553 434

