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Eclipx Group

Market Update
27 March 2019



Compliance with corporate debt covenants

ECX corporate debt covenant limits

Debt covenants	Current Limits
Leverage ratio (Net debt / EBITDA)	≤ 2.70x
Interest cover ratio (EBITDA / Net interest expense)	≥ 3.75x
Shareholders' funds (% on prior year)	Is not less than the greater of \$450m or 80%
Facility resize ratio (Available tangible cash / Net debt)	≥ 1.35x

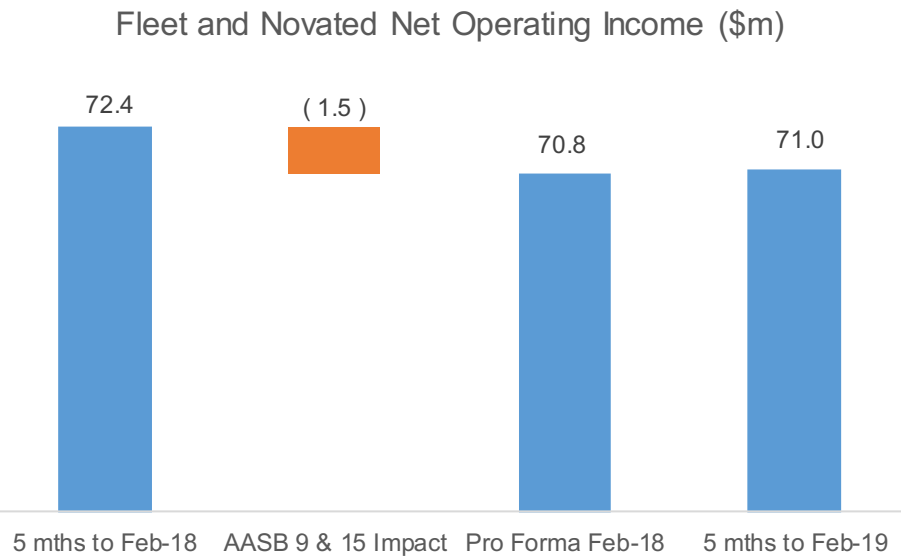
Tested every 6 months on a LTM basis

1. ECX monitors performance against corporate debt covenants monthly and formally certifies compliance against corporate debt covenants every six months in September and March (based on its audited/reviewed financial accounts)
2. ECX remains compliant with its Corporate Debt covenants, both at the last formal testing date (30 September 2018) and as at 28 February 2019 (the last calculation date based on management accounts)
3. There are six financiers to the ECX Corporate Debt facility, which has a weighted average maturity of 3.4 years, and with the earliest maturity of 30 September 2021. These funders continue to be supportive of ECX
4. ECX net debt as at 28 February 2018 was \$283.7m. This balance is expected to reduce in March as a result of business cash flows and treasury asset management activities
5. ECX has received approvals to exclude the up to date restructuring and merger costs from the corporate debt leverage ratio calculation
6. Further, there are no concerns to the warehouse or ABS programs of ECX

Sale of non-core businesses

1. Following our most recent market update, Eclipx has received interest from a number of parties regarding the Grays and Right2Drive businesses and confirms that these businesses are for sale.
2. The sale processes will be managed by the transformation office (referred to later in this release) and our advisors.
3. Eclipx intends to apply the sale proceeds to the repayment of Corporate Debt.
4. The Eclipx Board advises that it will not be paying an interim dividend following release of the 31 March 2019 results.
5. Eclipx also confirms that it will test the carrying value of goodwill as part of its half year accounts.

Fleet and Novated- 5 months to Feb 19



1. This chart shows the Net Operating Income (after end of lease and impairments) "NOI"¹ of ECX's Fleet and Novated businesses for the 5 months to 28 February 2019 compared to the 5 months to 28 February 2018
2. ECX has adopted AASB 9 & 15 from 1 October 2018
3. The impact of the standards on the 5 months to Feb-18 was (\$1.5m pre tax) on ECX's Fleet and Novated businesses
4. Feb-19 YTD NOI of \$71.0m is in line with Pro forma Feb 18 YTD NOI of \$70.8m
5. This excludes the contribution from Commercial Equipment (AU and NZ), ECX's non-novated consumer businesses (car buying and trade in services), Grays and Right2Drive

Notes:

1. NOI excludes operating expenses, which are broadly inline for the FY18 5 months to Feb 18 and the FY19 5 months to Feb 19.

Transformation Office and \$20m cost reduction program¹

1. As communicated previously, Eclix is targeting cost reductions of \$20m (approximately 10% of ECX cost base) over the next 18 months. A Transformation Office, with a reporting line to the Board of Directors, will implement the cost reduction program
2. The Transformation Office will also oversee any restructuring of the Group including the sale of Right2Drive and Grays
3. The sources of cost reduction will include rationalisation of our property footprint, simplification of head office and shared services, the integration of NZ Fleet and Commercial and the consolidation of our Novated platforms
4. Further information on the company transformation and cost reduction program will be provided in conjunction with the half year result in May.

Notes:

1. The initiatives described on this slide are subject to compliance with the Scheme Implementation Agreement with McMillian Shakespeare Limited dated 8 November 2018 (**SIA**) while it remains on foot. The SIA is terminable following the 30 April 2019 End Date.

DISCLAIMER: This announcement contains certain forward-looking statements including predictions of possible future events. Forward looking statements are predictions rather than statements of fact. They are inherently uncertain and are subject to known and unknown risks and uncertainties. There is no certainty that forward looking statements will be met, and actual outcomes may differ materially from outcomes expressed or implied by such statements. While they represent views of Eclipx as at the date of this announcement, those risks and uncertainties include matters outside the control of Eclipx which cannot be predicted. Neither Eclipx nor its officers, employees or agents guarantees that outcomes will match what is expressed or implied in the forward looking statements.



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