

# Smartgroup Corporation

## CEO Connect presentation

ASX: SIQ

15 June 2021

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The logo for Smartgroup Corporation, featuring the word "smart" in a bold, lowercase, sans-serif font, with "group" in a lighter, lowercase, sans-serif font directly below it, and "corporation" in a smaller, lowercase, sans-serif font at the bottom. The logo is white and is positioned on a dark purple background that features a pattern of overlapping circles.

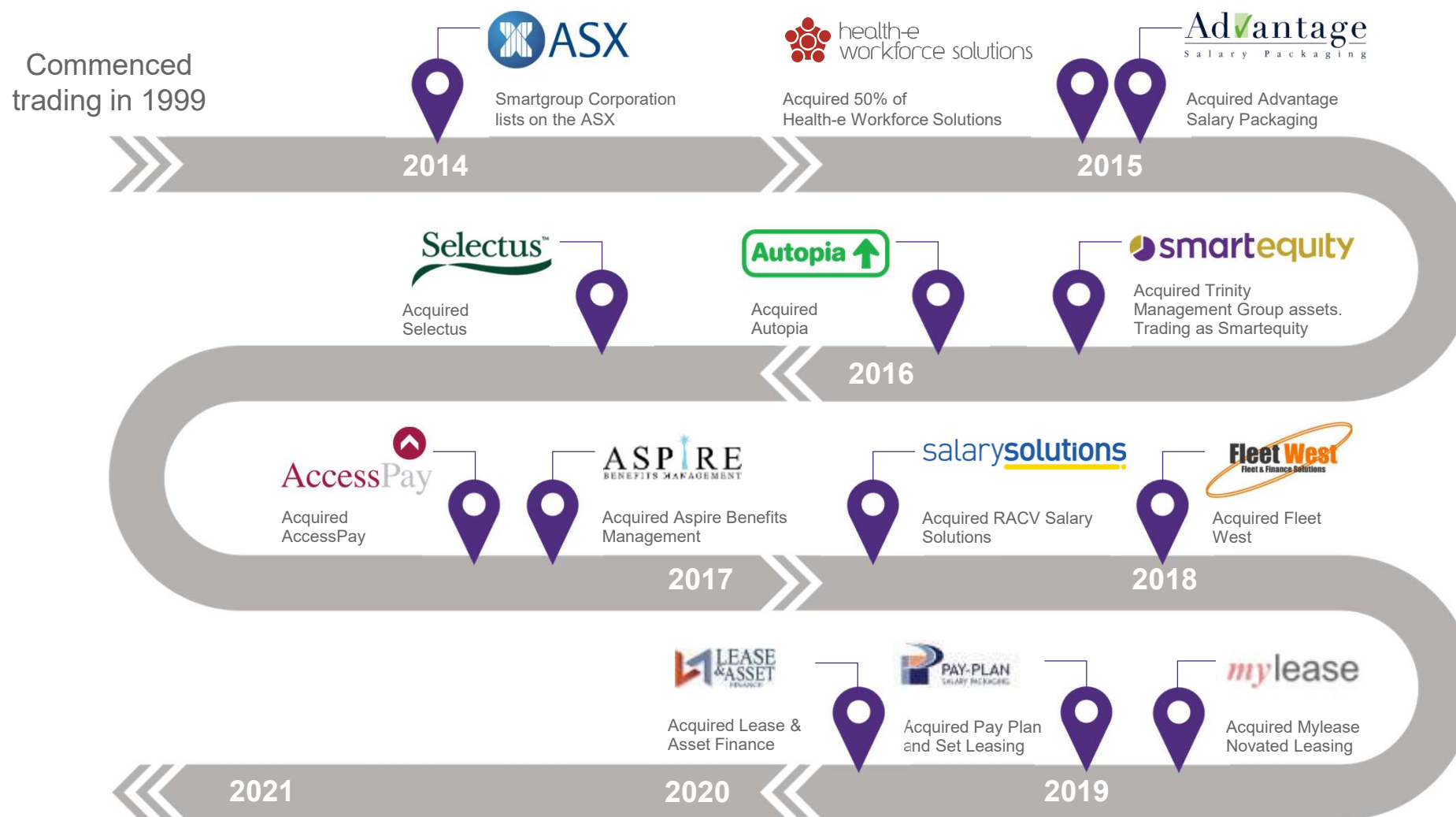
smart  
group  
corporation

## What we do

At Smartgroup, we simplify salary packaging, fleet management and a range of other employee management services for organisations across Australia

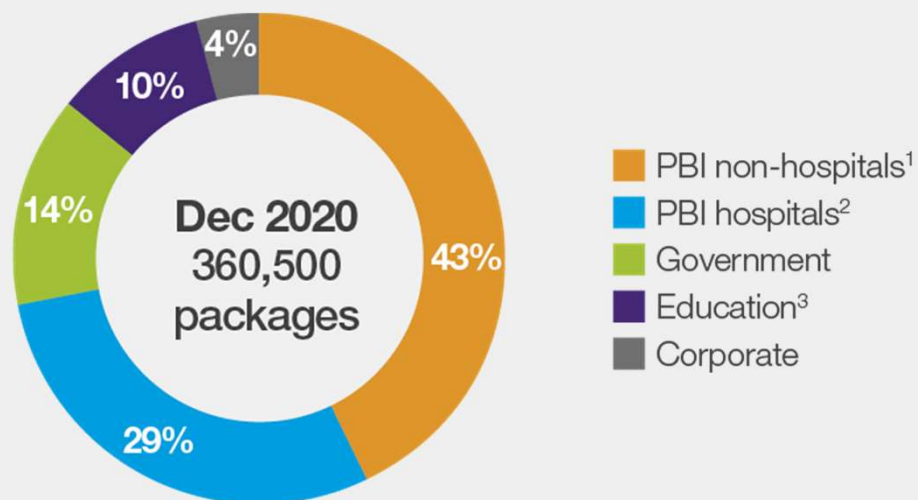


# Our journey since listing

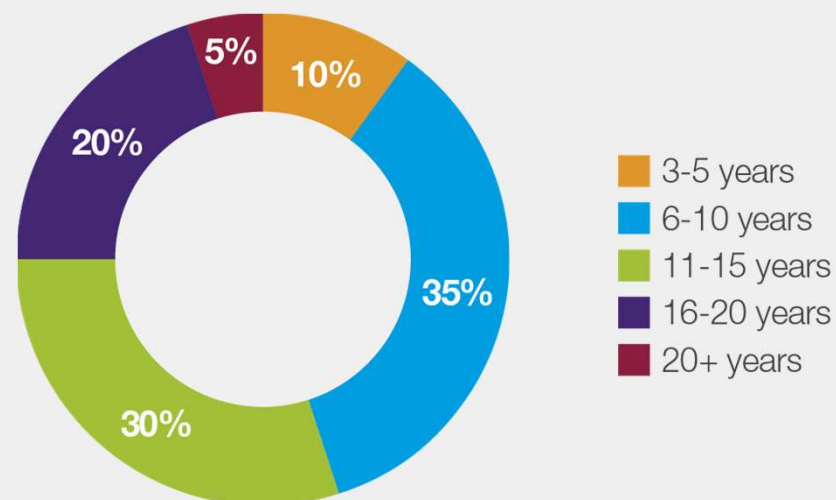


## Our key client relationships are long-term

Salary packaging client and customer profile



Relationship length of Top 20 clients

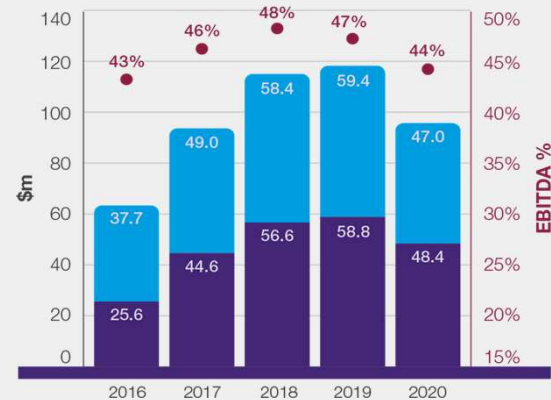


# We deliver strong EBITDA margins and dividends to shareholders

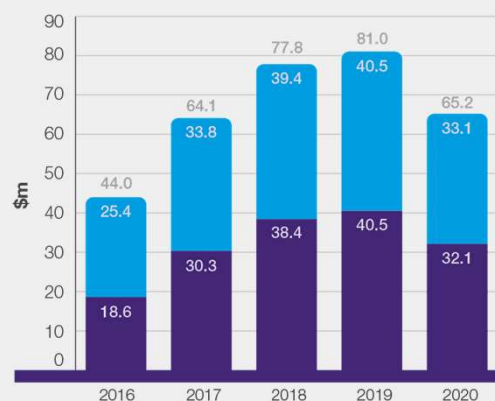
Revenue



EBITDA<sup>1</sup>



NPATA<sup>1</sup>



Dividend (fully franked)<sup>2</sup>

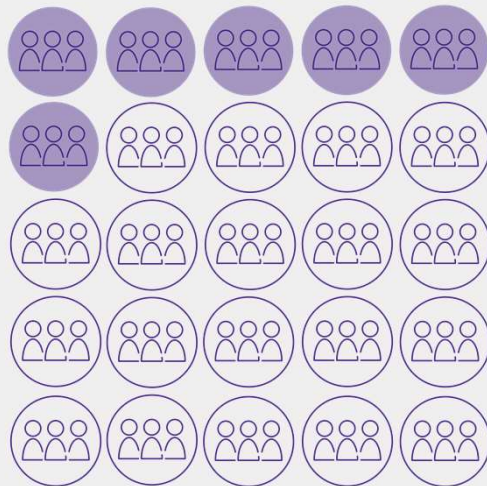



1. Adjusted to reflect one-off impact on adoption of AASB 16 Leases from January 2018. Impact is to increase 2018 EBITDA by \$1.6m in each of H1 and H2 and reduce 2018 NPATA by \$0.1m in each of H1 and H2.


2. The profits related to the \$7.3m special dividend were transferred to the group holding company in 2021 and therefore this is classified as an interim special dividend in respect of the 2021 year.

# Our existing client base presents significant opportunities

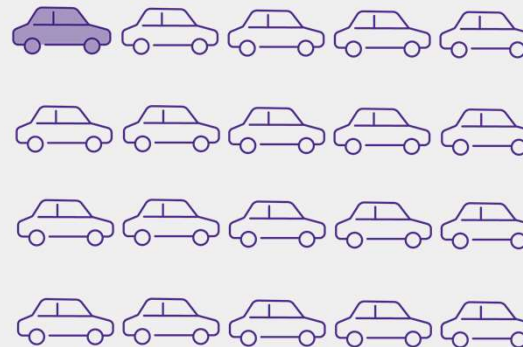
Addressable market  
c.1.2-1.5m<sup>1</sup> employees within  
existing client base





 Equals 60,000 employees  
(potential customers)

 Smartgroup customers

Addressable market  
c.0.9-1.2m<sup>2</sup> total cars owned by  
those employees



 Equals 60,000 cars (potential  
Smartgroup novated vehicles)

 Smartgroup novated vehicles

1. Number of employees within existing client base is a Smartgroup management estimate based on publicly available data and data provided by current clients  
2. Number of cars owned by those employees is a Smartgroup management estimate derived within input from ABS 3101.0 National, state and territory population Sept 2020, ABS Motor Vehicle Census Australia 2020, and VFACTS private vehicle sales data

# We will fuel our growth through investing in great customer experiences

## Customer experience



Re-design client and customer portals and apps



Re-design websites and calculators



Leverage common CRM across group

## Streamline operations



Streamline reporting and dashboards across brands



Align processes across brands and core systems



Invest further in business automation

## Technology foundations



Continue migration to cloud-based software



Implement new digital experience platform



Enhance API capabilities



## We support our people, our customers and our communities



- ✓ In 2020, Smartgroup joined a select group of Australian companies recognised as an Employer of Choice for Gender Equality by the Workplace Gender Equality Agency (WGEA)



- ✓ Smartsalary once again received the highest-ever audit score from the Customer Service Institute of Australia – a ranking we have maintained for five years



- ✓ The Smartgroup Foundation continued into its second year, supporting causes that are close to our community, client and customers





## Our investment proposition

Smartgroup's investment proposition is underpinned by its capital light business model, generating strong cash flows and dividends

- ✓ Premium established player with scale in a proven industry
- ✓ High quality earnings, with high cash flow conversion, solid returns and fully franked dividends
- ✓ Robust capital light business model supported by a strong balance sheet
- ✓ Diversified customer base operating in attractive sectors
- ✓ Strong long-term contractual relationships with key clients
- ✓ Organic growth strategy and targeting enhanced operational efficiencies through digital investment

**~550%**

Total shareholder return<sup>1</sup> since listing in 2014

**34.5cps**

2020 ordinary dividends<sup>2</sup>

**14.5cps**

Special dividend<sup>2</sup>

**~20%**

Target EBITDA growth by 2024 on strategy execution<sup>3</sup>



1. Including franking credits
2. Fully franked dividends. Special dividend paid in March 2021
3. 20% EBITDA uplift target is in addition to system growth