

redd**e**N**ORTH**GATE

Investec conference

November 2023



Disclaimer

This presentation (the "Presentation") has been prepared by Redde Northgate Plc (the "Company" and, together with its subsidiaries, the "Group"). For the purposes of this notice, "Presentation" means this document, its contents or any part of it, any oral presentation, any question or answer session and any written or oral material discussed or distributed before, during or after the Presentation meeting. This information, which does not purport to be comprehensive, has not been verified by or on behalf of the Group. This Presentation is for informational purposes only and does not constitute an offer or invitation for the sale or purchase of securities or any businesses or assets described in it, nor should any recipients construe the Presentation as legal, tax, regulatory, or financial or accounting advice and are urged to consult with their own advisers in relation to such matters. Nothing herein shall be taken as constituting investment advice and it is not intended to provide, and must not be taken as, the basis of any decision and should not be considered as a recommendation to acquire any securities of the Group.

No representations or warranties, express or implied, are made as to, and no reliance should be placed on, the accuracy, fairness or completeness of the information presented or contained in this Presentation. This Presentation includes statements that are, or may be deemed to be, "forward looking statements". These forward-looking statements involve known and unknown risks and uncertainties, many of which are beyond the Group's control. "Forward-looking statements" are sometimes identified by the use of forward-looking terminology, including the terms "believes", "estimates", "aims", "anticipates", "expects", "intends", "plans", "predicts", "may", "will", "could", "shall", "risk", "targets", forecasts", "should", "guidance", "continues", "assumes" or "positioned" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places and include, but are not limited to, statements regarding the Group's intentions, beliefs or current expectations concerning, amongst other things, results of operations, financial condition, liquidity, prospects, growth, strategies and dividend policy of the Group and the industry in which it operates. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. These statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company, are inherently subject to significant business, economic and competitive uncertainties and contingencies. As such, no assurance can be given that such future results, including guidance provided by the Group, will be achieved; actual events or results may differ materially as a result of risks and uncertainties facing the Group. Such risks and uncertainties could cause actual results to vary materially from the future results indicated, expressed, or implied in such forward-looking statements. Forward-looking statements are not guarantees of future performance and the actual results of operations, financial condition and liquidity, and the development of the industry in which the Group operates, may differ materially from those made in or suggested by the forward-looking statements set out in this Presentation. Past performance of the Group cannot be relied on as a guide to future performance. Forward-looking statements speak only as at the date of this Presentation and the Company and its directors, officers, employees, agents, affiliates and advisers expressly disclaim any obligations or undertaking to release any update of, or revisions to, any forward-looking statements in this Presentation. To the extent available, the industry and market data contained in this Presentation has come from third party sources. Third party industry publications, studies and surveys generally state that the data contained therein have been obtained from sources believed to be reliable, but that there is no guarantee of the accuracy or completeness of such data. In addition, certain of the industry and market data contained in this Presentation come from the Company's own internal research and estimates based on the knowledge and experience of the Company's management in the market in which the Company operates. While the Company believes that such research and estimates are reasonable and reliable, they, and their underlying methodology and assumptions, have not been verified by any independent source for accuracy or completeness and are subject to change without notice. Accordingly, undue reliance should not be placed on any of the industry or market data contained in this Presentation.

- **Recap of recent public statements**
- **FY23 financial overview**
- **Group business overview**

Recap of recent public statements



Strong operational performance



Revenue growth drivers

- + **Fleet size:** up over **4,000** to over **130,000**, growth in Spain & Redde
- + **New contracts:** Strong FY contribution from major Redde contracts; new leasing company contract reflects healthy pipeline

Maintaining margin

- + **Pricing:** Careful **pricing actions** to manage cost inflation; 60% insurers in protocol
- + **Additional services:** Northgate accident mgmt. up 50%, >6,700 EV charging points installed

FY2023 strategic progress



Delivering on strategic goals

- + **Acquisitions:** of vehicle specialists Blakedale & FridgeXpress
- + **Sustainability:** new Group committee, Scope 1&2 targets set

Broadening customer solutions

- + **Workshop:** Spanish corporate/insurer contracts
- + **EV products:** vehicle/charger/energy bundles in UK & Spain, EV consulting



Current environment (July 23)

Market

- ✓ Demand strong in all geographies
- ✓ Growing interest in value-added services
- ✓ Traffic activity stabilising at 'new normal'
- ✓ Repair capacity remains scarce

Fleet supply

- ✓ **UK:** Better visibility, but timing uncertainty
- ✓ **Spain:** Improved availability
- ✓ Pockets of supply are available
- ✓ Undersupply supporting residual values (RVs)

Customers

- ✓ Diverse customer profile
- ✓ No change in major sector exposures





AGM commentary – current trading (end-Sep 23)

The Group has started the year very well and current trading momentum remains strong with healthy demand and activity across the business

Rental demand in **UK&I** outstrips supply which remains constrained

Vehicles are starting to arrive in greater quantities, these are not yet at sufficient volumes to satisfy continued demand

Spain is enjoying both supply and demand momentum and this is supporting growth and feeding through to a reduction of average fleet age

Focused on supporting **rental sectors** with the strongest long-term growth prospects

Residual values reflect current new vehicle prices and significantly above historic levels in both regions

New contract wins at **Redde**, robust pipeline



AGM commentary – business model (end-Sep 23)

Board **very confident** of the Group's strategy and prospects, and its **longstanding business model**

Operating with a **prudent level of leverage** well within its 1-2x target range

Supported by **fleet assets of £1.2bn**, delivering profitable and cash generative returns **well above the Group's cost of capital**

Our **differentiated mobility solutions platform** is well positioned to capitalise on the **structural growth in outsourcing**

Share Buyback Programme of up to £30 million announced 28 July 2023

Financial Overview



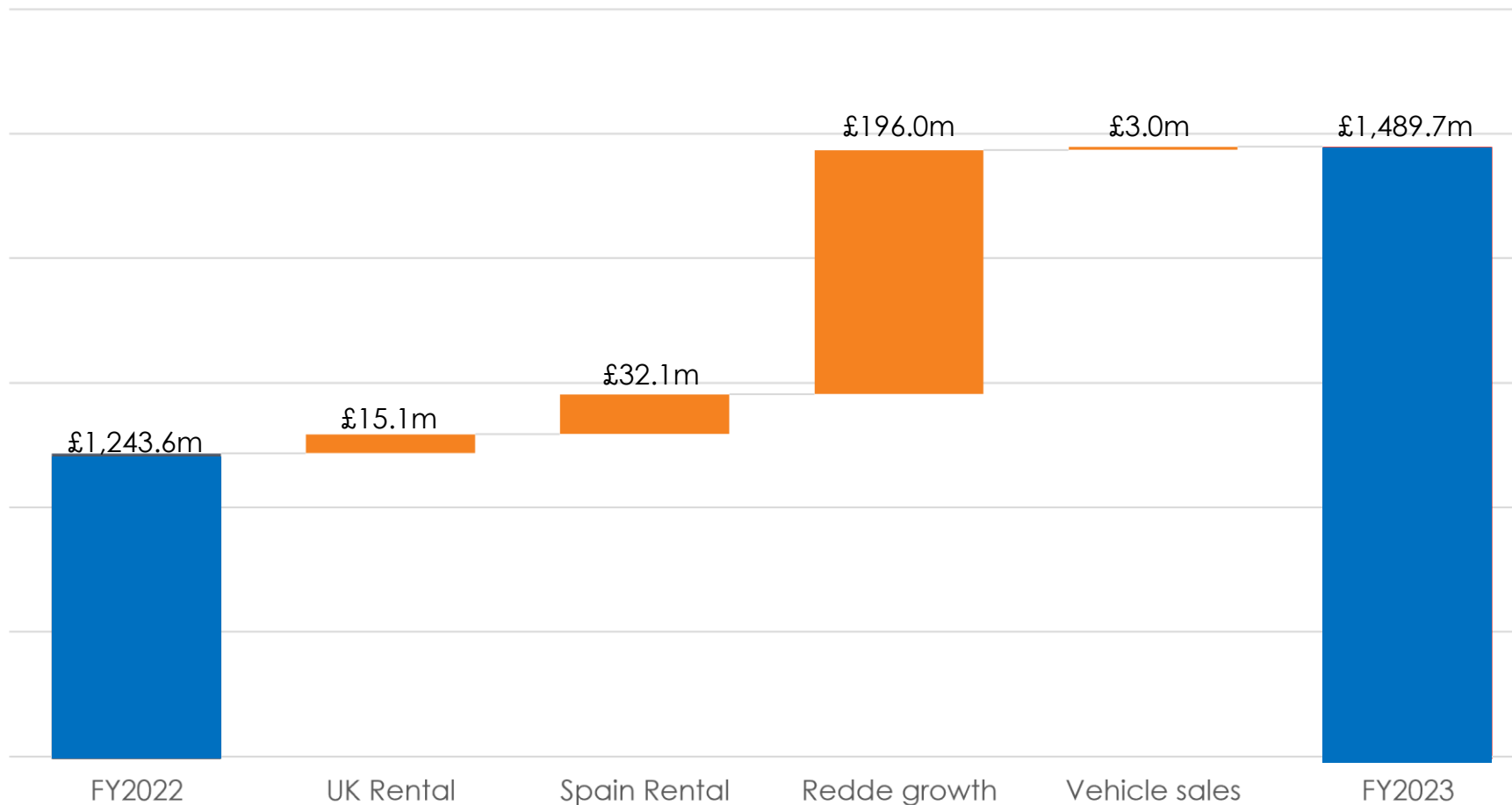


FY 2023 Overview: Underlying Group Performance

Revenue ↑ +22.2% FY 2023: £1,336.9m FY 2022: £1,093.6m	EBIT ↑ +12.7% FY 2023: £189.2m FY 2022: £167.9m	Profit before tax ↑ +9.7% FY 2023: £165.9m FY 2022: £151.3m	EPS ↑ +9.5% FY2023: 55.6p FY 2022: 50.8p
Steady state cash gen. ↓ -£24.9m FY 2023: £191.5m FY 2022: £216.4m	Net debt & leverage ↑ +0.1x FY 2023: £694.4m 1.5x FY 2022: £582.5m 1.4x	ROCE ↑ +0.2 ppt FY 2023: 14.1% FY 2022: 13.9%	DPS ↑ 14.3% FY2023: 24.0p FY 2022: 21.0p



Group revenue waterfall FY 2022-23



Excludes inter-segment revenues

Comments

- UK&I rental revenue +6.1%, ave. VOH -2.6%
- Spain rental revenue +14.6%, ave. VOH +6.2%
- Redde revenue +37% including new contracts
- UK&I vehicle sales revenue -6%
- Spain vehicle sales revenue +24%

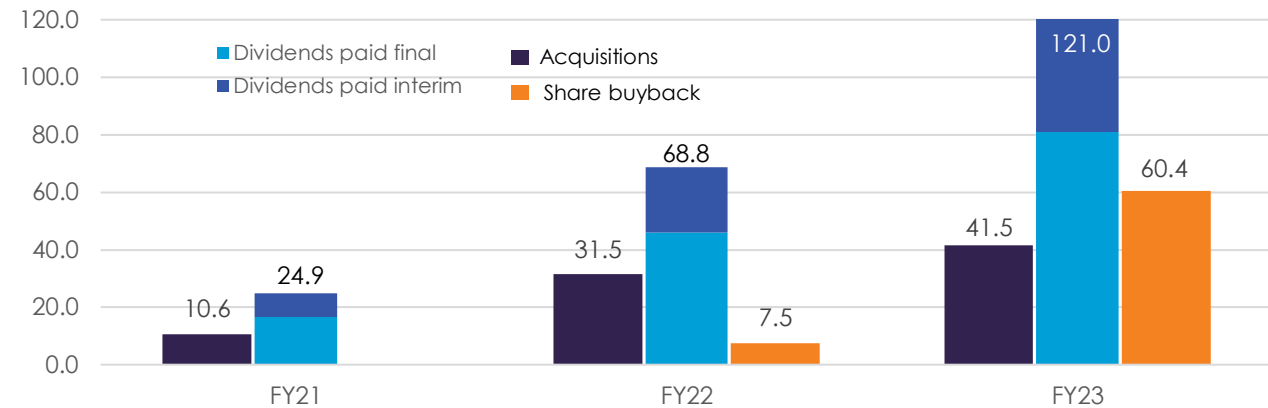


Well-financed to drive sustainable shareholder value

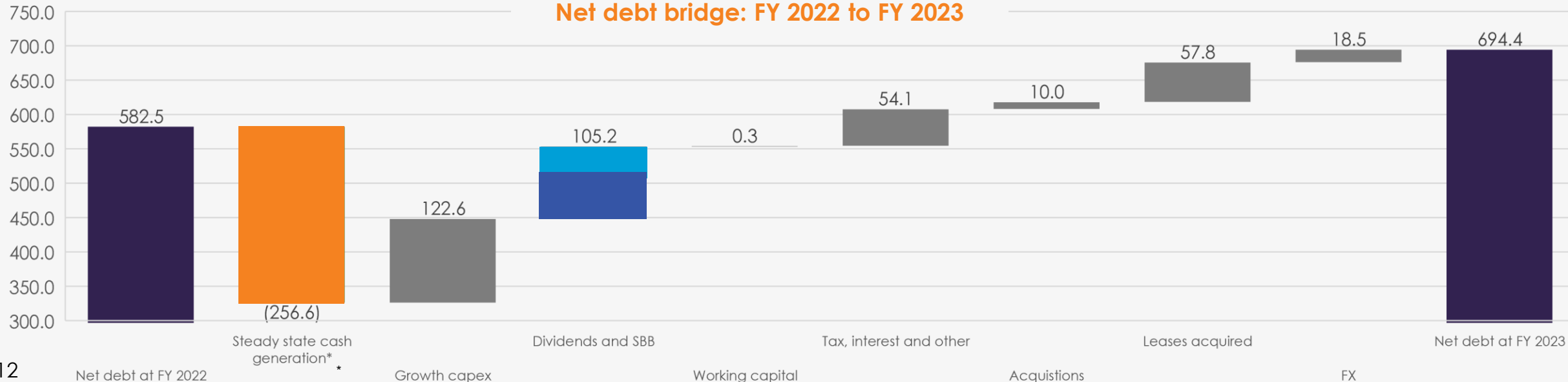
A strong financial platform ...

	FY 2023 £m	FY 2022 £m
Net debt	£694.4m	£582.5m
Net debt / EBITDA	1.5x	1.4x
Target leverage range of	1-2x	
Debt headroom	£290m	£382m
Borrowing cost	3.1%	1.9%
Fixed debt	62%	76%

Acquisitions and cumulative returns to shareholder (£m)



Net debt bridge: FY 2022 to FY 2023





Cashflow and capex

	FY 2023 £m	FY 2022 £m	Change £m
Underlying EBIT	189.2	167.9	21.3
Depreciation and amortisation ⁸	223.0	198.8	24.2
Underlying EBITDA	412.2	366.7	45.5
Net replacement capex ¹	(155.6)	(106.7)	(48.9)
Lease principal payments	(65.1)	(43.7)	(21.4)
Steady state cashflow generation	191.5	216.4	(24.9)
Exception costs (excluding non-cash items)	-	(0.7)	0.7
Working capital and non cash items	(0.3)	(33.5)	33.2
Growth capex ¹	(122.6)	(108.6)	(14.0)
Taxation	(36.6)	(27.4)	(9.2)
Net operating cash	32.0	46.2	(14.2)
Distributions from associates	3.1	4.1	(1.0)
Interest and other financing	(20.6)	(30.0)	9.4
Acquisition of business	(10.0)	(0.5)	(9.5)
Free cash flow	4.5	19.8	(15.3)

← Underlying growth

← Replacing fleet

← Growth in Redde and Spain fleets to meet demand

← FY 2022 included £5m of refinancing costs and £9m purchase of shares for employee trusts



Capital allocation – cashflow priorities

FY23 Cashflow statement

	FY 2023 £m	FY 2022 £m	Change £m
Underlying EBIT	189.2	167.9	21.3
Depreciation and amortisation ⁸	223.0	198.8	24.2
Underlying EBITDA	412.2	366.7	45.5
Net replacement capex ¹	(155.6)	(106.7)	(48.9)
Lease principal payments	(65.1)	(43.7)	(21.4)
Steady state cashflow generation	191.5	216.4	(24.9)
Exception costs (excluding non-cash items)	-	(0.7)	0.7
Working capital and non cash items	(0.3)	(33.5)	33.2
Growth capex ¹	(122.6)	(108.6)	(14.0)
Taxation	(36.6)	(27.4)	(9.2)
Net operating cash	32.0	46.2	(14.2)
Distributions from associates	3.1	4.1	(1.0)
Interest and other financing	(20.6)	(30.0)	9.4
Acquisition of business	(10.0)	(0.5)	(9.5)
Free cash flow	4.5	19.8	(15.3)

Capital allocation priorities

- 1 Funding organic growth
- 2 Sustainable & growing dividend
- 3 Mergers & Acquisitions
- 4 Return excess cash to shareholders

Cashflow reordered to reflect priorities

	FY 2023 £m
Underlying EBITDA	412.2
Net replacement capex ¹	(155.6)
Lease principal payments	(65.1)
Steady state cashflow generation	191.5
Working capital and non-cash items	(0.3)
Associates	3.1
Taxation	(36.6)
Interest & other financing	(20.6)
Cash before dividends	137.1
Dividends	(52.2)
Cashflow before investments	84.9
Growth capex	(122.6)
Acquisition of business	(10.0)
Share buyback	(52.9)
Net cash movement	(100.6)

¹ Net replacement capex is total net capex less growth capex. Growth capex represents the cash consumed in order to grow the owned fleet or the cash generated if the fleet size is reduced in periods of contraction.

Group Business Overview





Overview of Redde Northgate

The UK's **leading integrated mobility solutions provider**

Largest purchaser of LCVs in UK and Spain
(c.30k vehicles per annum)

40 years in business

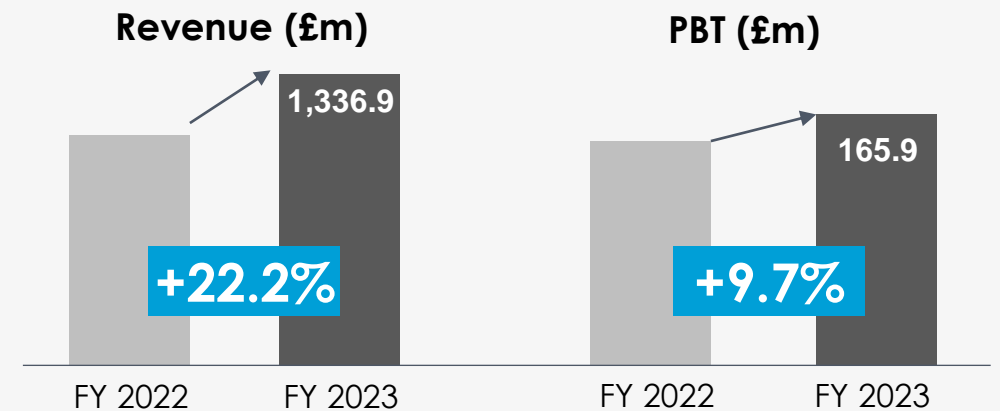
175 branches across UK, Ireland & Spain

>130,000 Owned Fleet
>700,000 Managed Vehicles

Member of the **FTSE 250**

FY23 Underlying Trading

Revenues:	+ 22.2% to £1,336.9m
EBIT:	+ 12.7% to £189.2m
PBT:	+ 9.7% to £165.9m
ROCE:	0.2 ppt increase to 14.1%
Leverage:	1.5x (April 2022 1.4x)



Vehicle provision

Vehicle rental, service and maintenance across the UK, Spain and Ireland to a range of blue chip, governmental and corporate fleets.



Very broad fleet options including small to large panel vans, customised vans, e-LCVs and specialist vehicles including refrigerated, traffic management & support.

Fleet support

Management of the performance, compliance and maintenance of commercial fleets such as service scheduling, telematics, driver liaison, training and downtime management.



Additional fleet support services together with EV charging and solar installation and EV fleet suitability consulting.

Claims support and accident management

End to end handling of any accident claim on a UK customer fleet or policyholder's behalf from initial incident reporting to repair and insurer management.



Legal support services for vehicles, drivers and/or passengers involved in a motor incident such as personal injury claims or uninsured loss recovery.

Replacement vehicle

Replacement vehicle provision following an accident, either through credit hire arrangements or direct hire for insurer's own policyholders.



Like-for-like replacement vehicles in event of a non-fault accident, or where customer has subscribed to upgraded courtesy car policy.

Bodyshop repair

Vehicle damage repairs, for cars and LCVs including structural, aluminium and body repairs.



Comprehensive automotive repairs from owned and third party centres across the UK together with mobile repair, glass repair and replacement services.

Vehicle disposal

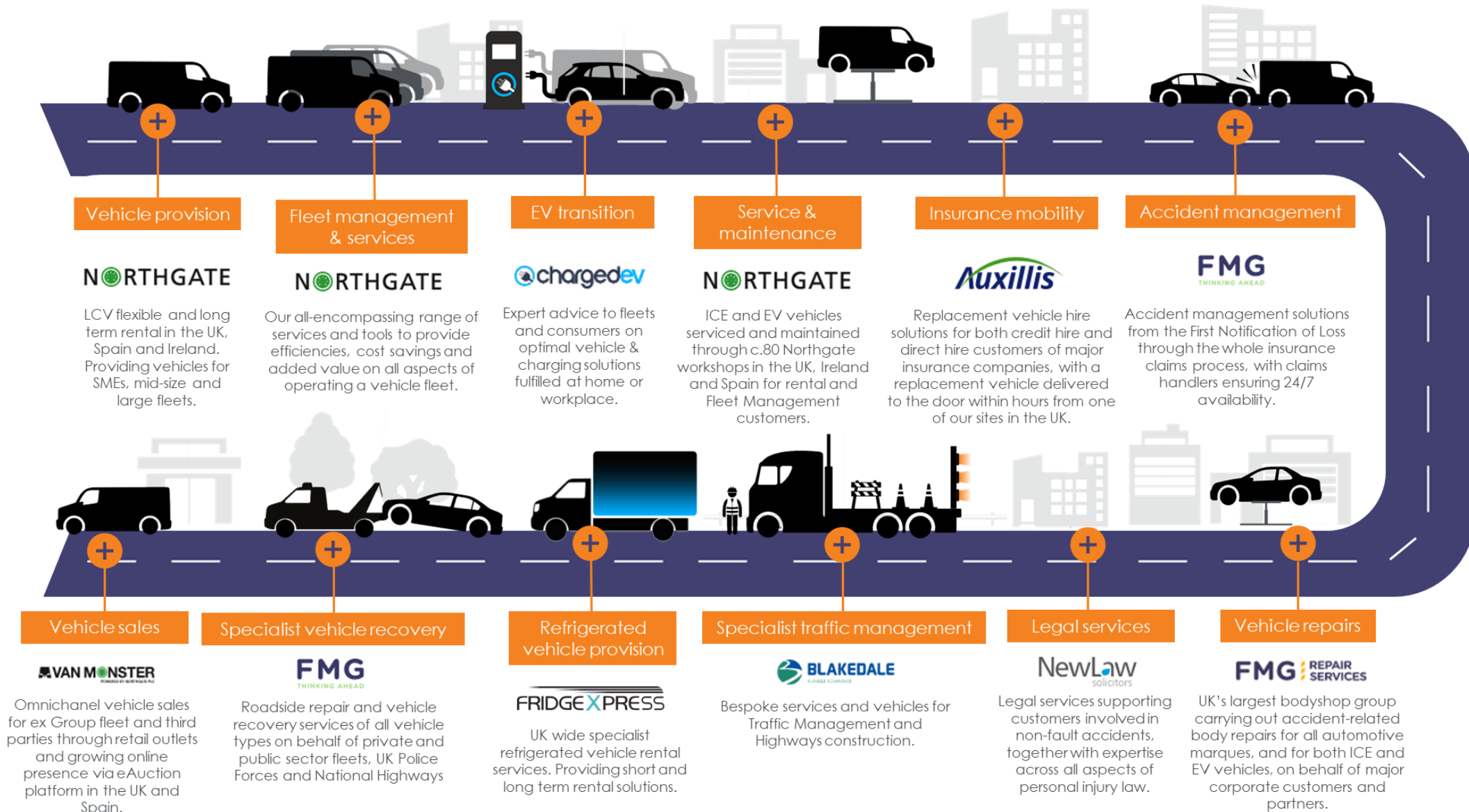
Extensive range of used vans & cars offered to businesses and private individuals through retail sites in UK, Spain & Ireland and online auction platforms, with comprehensive aftersales support.



Principal disposal route for the Group's fleet and also used by Northgate rental vehicles, also used by fleet operators for fleet disposals.

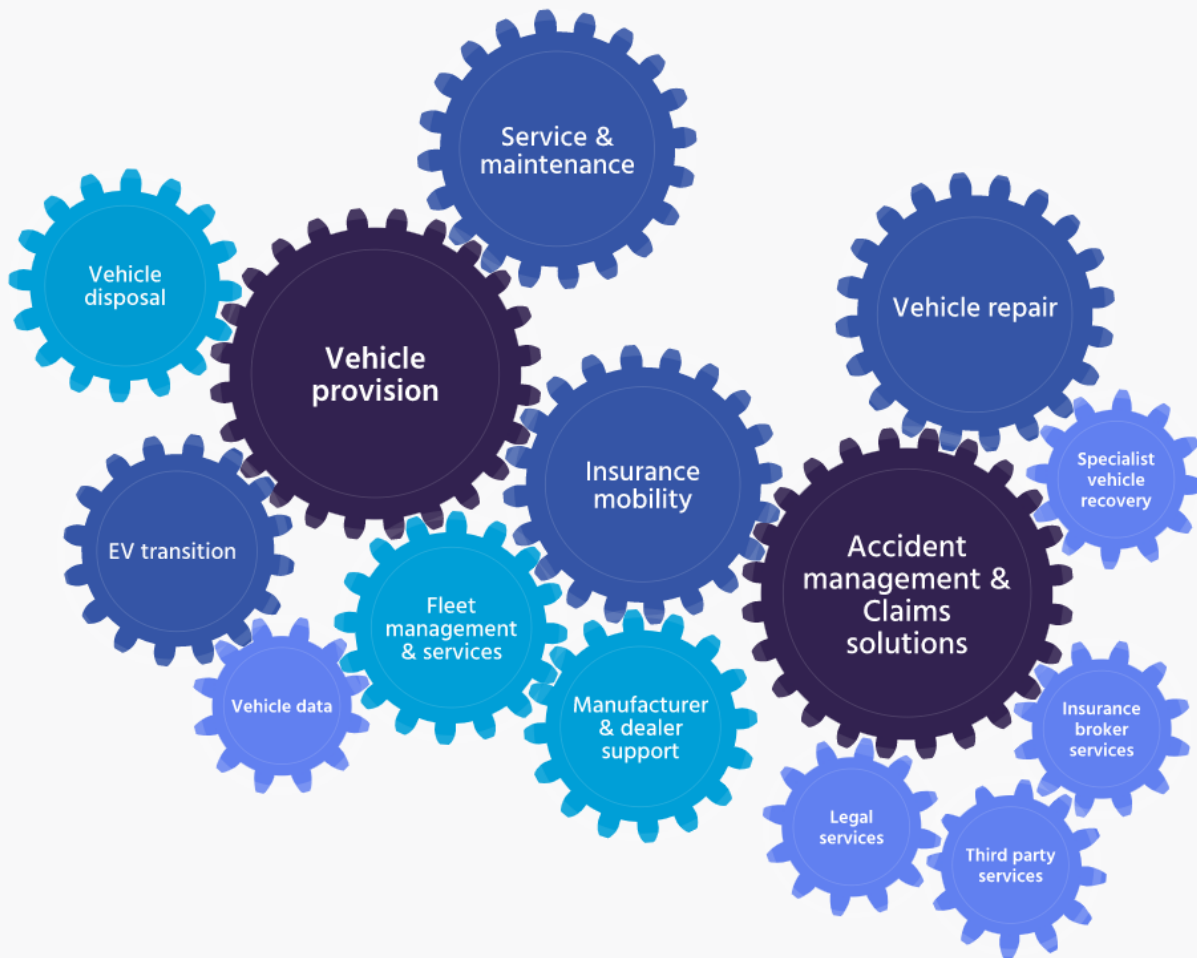


Delivering services across the vehicle lifecycle





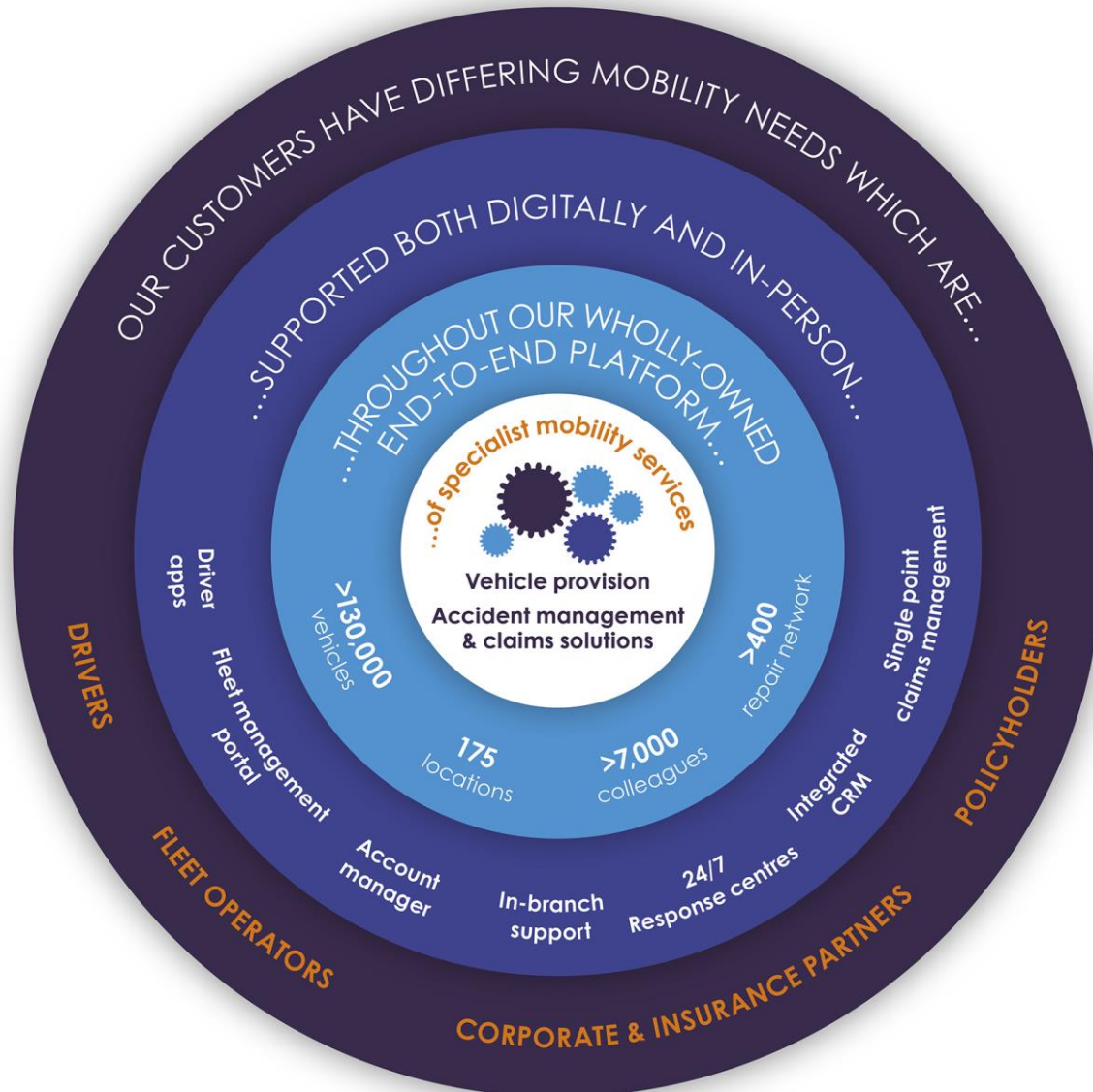
Breadth of related services



- ✓ Integrated platform of related services
- ✓ Leveraging breadth & scale of mobility platform
- ✓ No major gaps in core product & services offering
- ✓ Potential to explore adjacencies



Integrated Mobility Solutions: Delivering for customers



- ✓ Differentiated customer offering
- ✓ Simple access, multiple touchpoints 24/7
- ✓ Greater flexibility and responsiveness
- ✓ Functioning seamlessly as a combination
- ✓ Increasing cross-platform customer efficiencies as scale grows



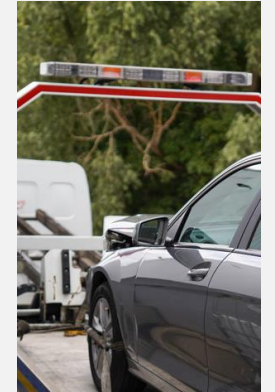
Corporates from blue-chip to SMEs

- ✓ Renting vehicles to corporate customers from the largest of blue chips through to SMEs
- ✓ A broad cross section of industries from support services to infrastructure, construction and logistics
- ✓ Fleet management services to corporate fleets ranging from below 25 vehicles to over 1000
- ✓ Incident management to corporate and dealership fleets



Public Sector

- ✓ We are an accredited Public Sector provider through a number of Framework Agreements
- ✓ Providing rental vehicles to many government agencies, NGOs and local councils
- ✓ Specialist 'blue light' recovery services to 12 emergency services in UK
- ✓ Support to National Highways on major incident management



Insurance and leasing

- ✓ Working with many of the UK's leading insurers and insurance brokers
- ✓ Supporting fleets of many of the largest contract hire and leasing companies in the UK
- ✓ Extensive product range from incident management to claims and repair handling
- ✓ Providing complete management of an accident and claim across both credit and direct hire and repair



Consumers

- ✓ Although principally a B2B provider, we have a number of services and engagement with individual drivers and through retail as well as business channels:
- ✓ Supporting accident claims handling for individual referrals from our insurance partners
- ✓ Disposing of vehicles to retail buyers through retail sites and online auctions
- ✓ In Spain, renting vehicles and providing workshop services to retail
- ✓ Installation and support for EV charging infrastructure across the UK to retail consumers

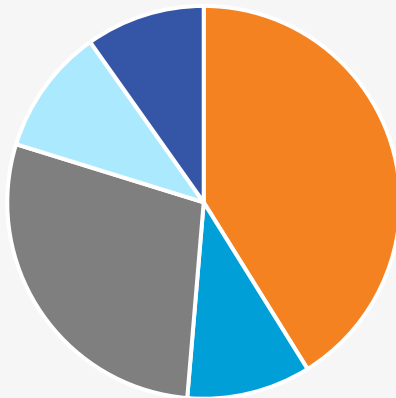




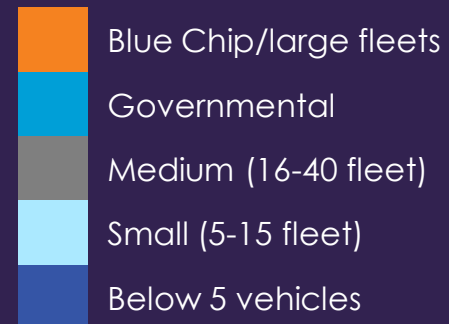
Diverse rental customer exposure

UK Customer profile

% Fleet VoH	Sectors
10-15% ea	Facilities Mgmt/Civil Engineering Specialist construction
7-10% ea	Logistics Infrastructure Utilities Vehicle supply Retail/Wholesale Admin & support serv.
2.5-7% ea	Social housing Manufacturing Local Government Utilities support Other SME

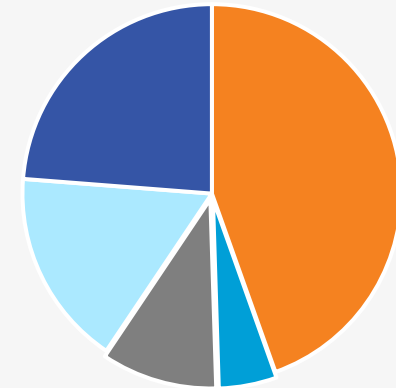


Business type



Spanish Customer profile

% Fleet VoH	Sectors	Sub sectors
20-30% ea	Construction Support services	Construction, infrastructure Rental services, safety, maintenance, health
10-15%ea	Retailers B2B Supplies & services	Technical services, engineering, advertising, consulting
2-10%	Various – manufacturing, logistics etc.	





Our locations

Rental locations

117

Repair centres

103

Colleagues

7,400

UK & Ireland

91

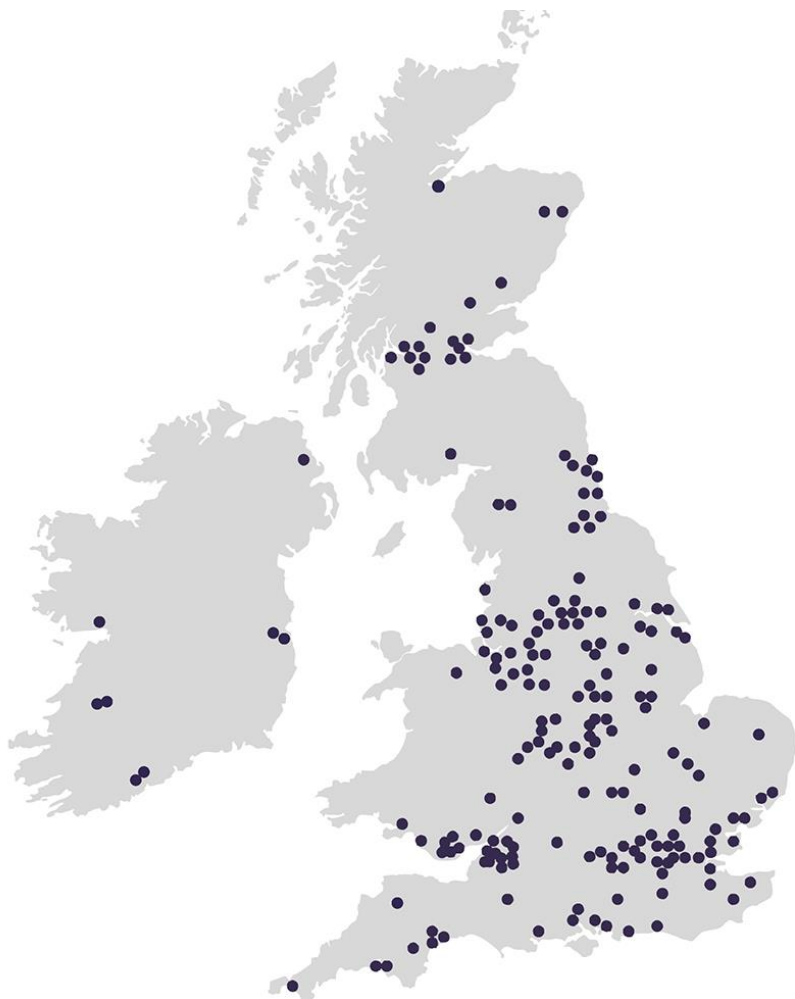
Rental locations

64

Repair centres

6,100

Colleagues



Spain

26

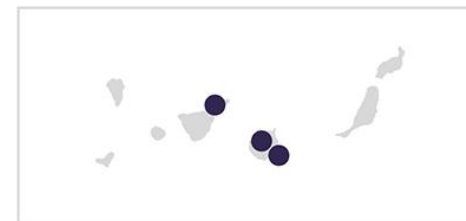
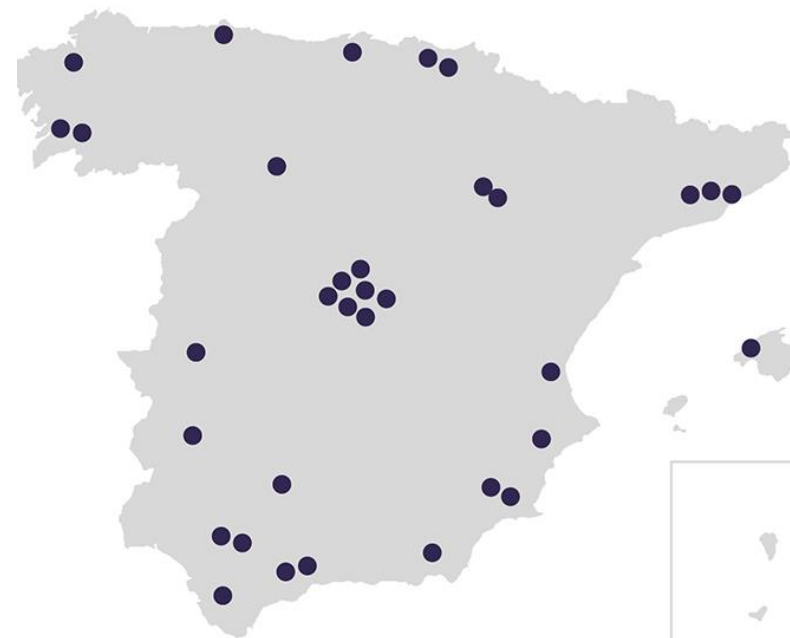
Rental locations

39

Repair centres

1,300

Colleagues



redde NORTHGATE plc