Spanish CME.

26.10.2024

NORTHGATE
Renting Flexible
PART OF ZIGUP

ZIGUP

Introduction.

Philip Vincent

ZIGUP

Agenda.

CME Introduction	Philip Vincent
Business overview	Jorge & Roberto
Operational spotlights	Leadership team
Branch tour	Begoña López
Case studies	Leadership team
Wrap-up	Ross Hawley

Jorge Alarcon
Managing Director

Roberto Maestro
Chief Financial Officer

Pedro Carrascal
Human Resources Director

Nacho Aliaga
Fleet Director

Eduardo González de la Rocha
Commercial & Marketing Director

Begoña López
Director of Operations & Development

José Fuentes
IT Director

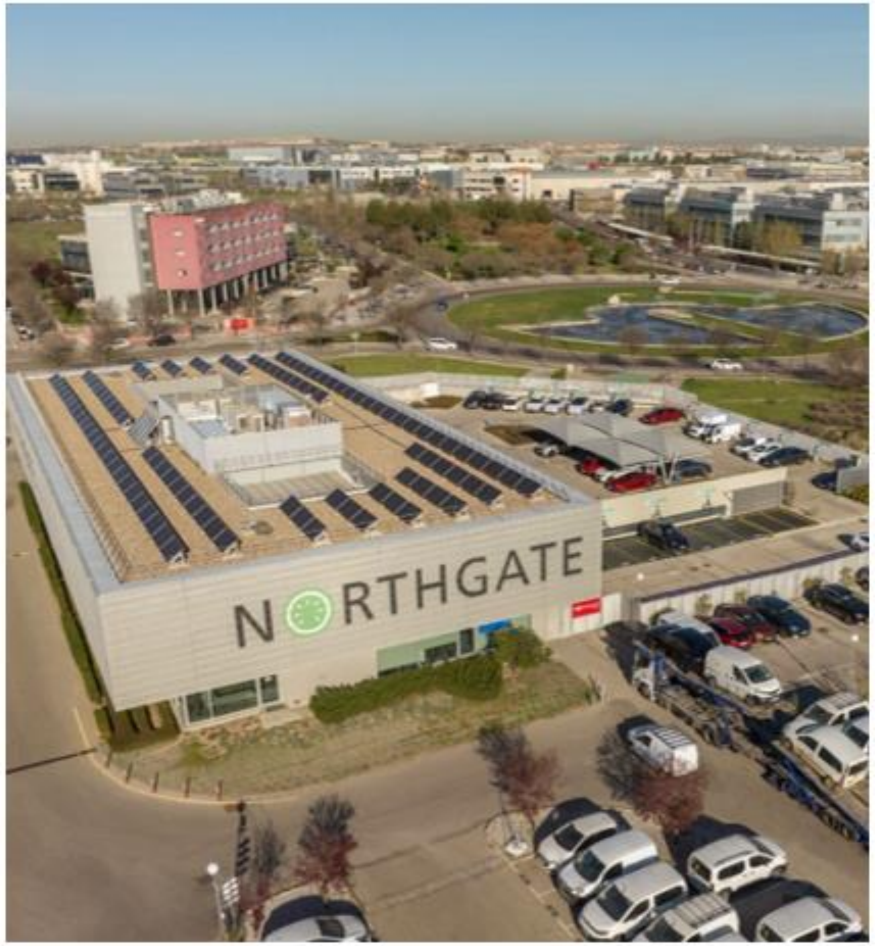
Introduction.

Plan for the day.

- First time analysts visit Spain
- Showcase our capabilities
- Understand market dynamics
- Meet the broader management team
- Understand innovation & growth plans
- Visit a branch & understand how we work
- Dinner with management team

Confirmations.

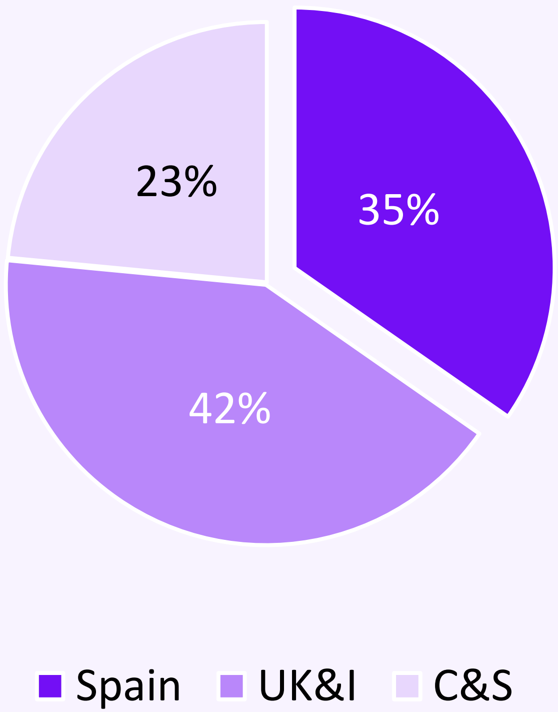
- No new guidance today
- AGM statement: outlook unchanged



Spain in its Group Context.

Total fleet	>65,100	51% of Group
People	>1,300	16% of Group
Locations	32	17% of Group

Group EBIT.



44 years in the Spanish rental market.

Our track record:

- **1980** – Opening in **Spain**
- **2004** – Acquisition of **Fualsa**
- **2006** – Acquisition of **Record**
- **2011** – **Northgate** becomes the new Brand in Spain
- **2017** – New brand for vehicle disposal: **Northgate Ocasión**
- **2018** – Spanish Fleet **> 50k vehicles**
- **2020** – Launch of **Open Workshops**
- **2020** – Merger **Redde & Northgate**
- **2021** – Launch of **B2C business line**
- **2024** – Spanish Fleet **>65k vehicles**
- **2024** – New Group name: **ZIGUP**

Historical performance.

		FY12	FY19	FY24	CAGR FY12-24
Total fleet	#	38,400	51,100	65,100	4.5%
VOH (average)	#	37,500	44,800	55,700	3.4%
Vehicles sold	#	16,800	11,400	14,100	
Rental Profit	€m	26.1	45.2	58.1	6.9%
Disposal profit	€m	13.9	7.2	32.3	7.3%
EBIT (underlying)	**€m**	**39.9**	**52.4**	**90.4**	**7.0%**
EBIT margin	**%**	**18.7%**	**22.9%**	**28.4%**	
PBT (underlying)	€m	28.6	42.8	75.1	8.4%
ROCE	%	9.9%	10.5%	14.4%	
People (average)	#	920	1,170	1,325	3.1%

Leveraging expertise across the Group.

Strategy

OEM relationships

Customer introductions

Procurement

Operations

Sustainability

Market characteristics.

Jorge Alarcon

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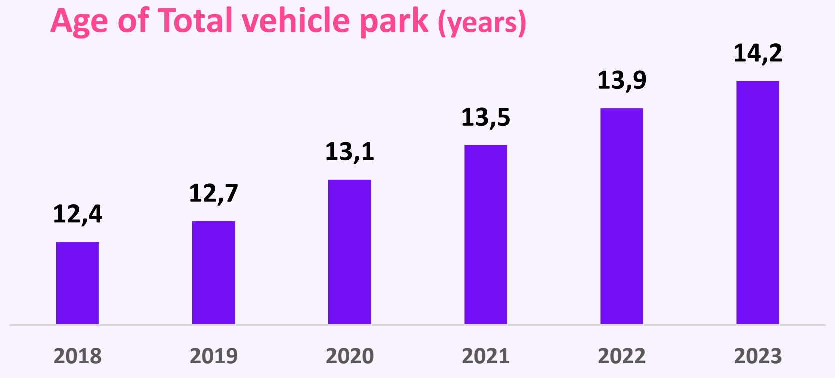
Vehicle vs rental market profile.

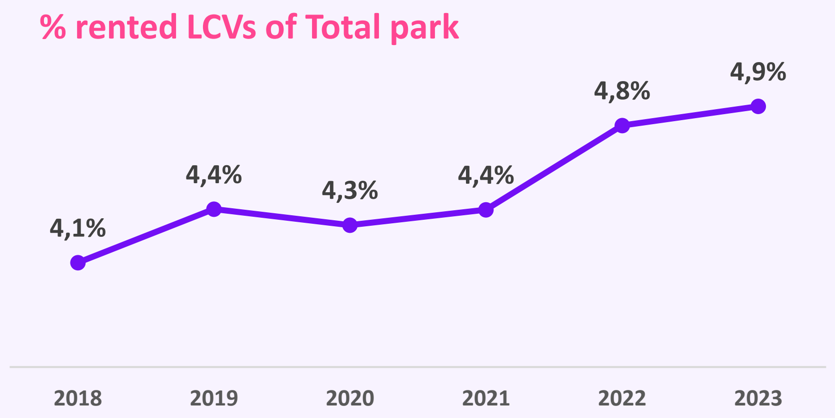
Market Profile.

- Fleet age above historic average due to Covid supply challenge
- Rental remains a lower %age than other mature markets
- LCVs higher %age in rental fleet than total market
- EV/PHEV also higher

Total vehicle park	
Total no. vehicles	30.1m
- of which LCVs	13.4%
Av age vehicle park	14.2 yrs
%age EV/hybrid	1.2%

Rental market	
Total rental vehicles	903k (3% of total)
- of which LCVs	197k (4.9% of total)
Av age rental park (est)	2.8 yrs
%age EV/hybrid	9.9%





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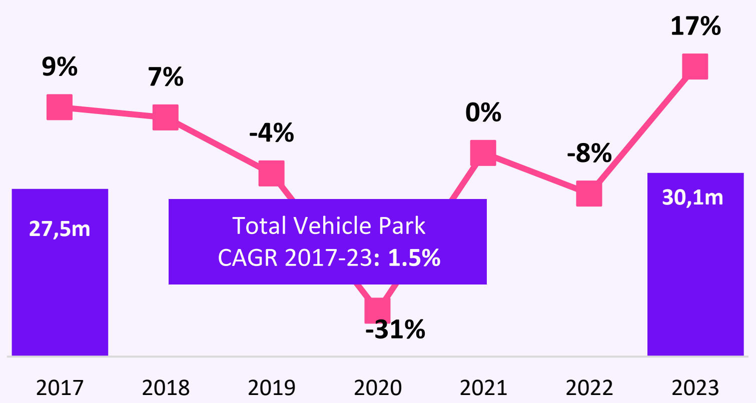
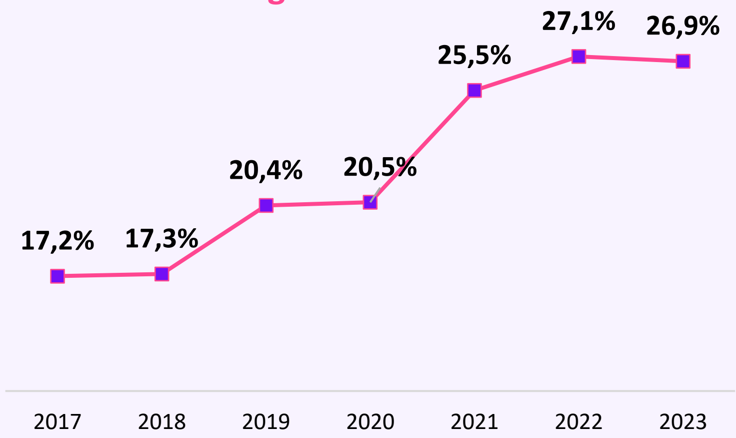
Positive trends for rental market in Spain

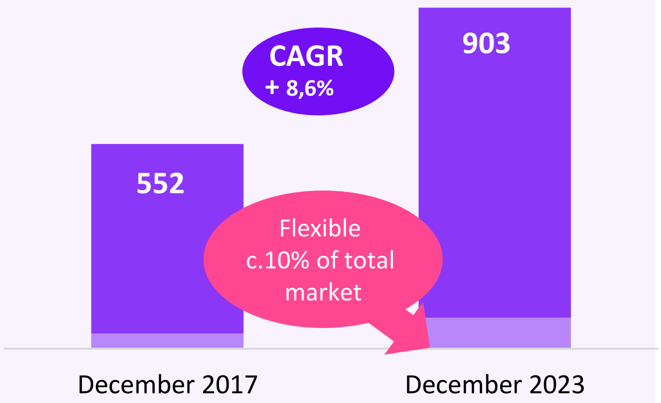
Total Park and % y-o-y registrations



% of rental registrations



Rental Market (000 vehicles)



Rental Market dynamics

- Rental taking share from ownership
- Started with companies but B2C growing segment, OEM focus
- Flexible complementing traditional Min Term/ rent-a-car

	Minimum Term ~ 90%	Flexible ~10%
Providers	Principally financial corporations	Companies with operational capabilities
Typical length	3-4 years fixed term	>1 month
Customers	Large companies	SMEs / companies with seasonal activities
Demand	Stable, customers already used to this rental product	Growing, as attractive to customers looking for first rental/ manage fleet variations

A differentiated & national offering at scale.

hours	days — weeks	> 1 month	>24 months

Car Sharing
- CAR2GO
- ZITY
- wible
- emov
- ubeeqo
- voltio BY MUTUA

Rent-a-car
- AVIS Budget
- Europcar
- Hertz
- SIXT rent a car

Flexible Rental
- NORTHGATE Renting Flexible
- alquiber Renting Flexible — Local, small competitors

Minimum Term Rental
- Large competitors: ayvens (Société Générale Group), ARVAL BNP Paribas Group, Alphabet
- Banks: BBVA AutoRenting, CaixaRenting, Bansacar autorenting
- OEMs: VW, FREE2MOVE LEASE, KINTO RENT, LEASYS FCA Bank Group
- Digital brokers: Amovens, idoneo, SWIPCAR, bipi

Competition in rental

- *Min Term* led by traditional leasing companies, followed by banks and recently OEMs
- Northgate and Ayvens (Leaseplan) historic presence in *Flex*
- Few operational companies with similar *Flex* offering and smaller fleet
- OEMs and brokers focused on *Min Term* and retail

Business overview.

Jorge Alarcon &
Roberto Maestro Saiz

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Rental Value Chain: unique capability at scale.

Vehicle Purchased

- **>65,000 vehicle fleet** including passenger cars, industrial vehicles, SUV, 4x4
- **16.000-18.000** annual purchases

Vehicle Rentals

- Core offering: **flexible rental** (>1 mth, av 16-21m, option to change vehicle) **63% of NG fleet**
- **Minimum term**: >2 years, av 40 mths. **37% of NG fleet**
- Other **related services**:Data, Load insurance, Fines mgmt

Service & Maintenance

- Service, maintenance & repair services for **own fleet** and **third parties**

Bodyshop Service

- Bodyshop repairs for **own fleet** and **third parties**
- Accident-related body repairs for **major insurance** companies

Vehicle Disposal

- **Ocasion**: retail sales of quality vehicles (including certified mileage & warranty) in branches corners
- **Trade**: sale to traders: e-auction and 2 sales locations

NORTHGATE Renting Flexible

Northgate Data

Northgate Carga Segura

RENTING PARA PARTICULARES

Northgate Gestiona

Northgate Protege

MOVILIDAD eléctrica

NORTHGATE Talleres

NORTHGATE Ocasión

NORTHGATE Trade

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Service at scale is the key competitive advantage

JA

SERVICE

Most important requirement from our customers

Key Differentiator

What do customers understand by **SERVICE?**

SUITABLE **FLEET**

- **Vehicle range:** flexible & appropriate
- **Quality:** well-maintained vehicles
- **Availability:** nationwide profile

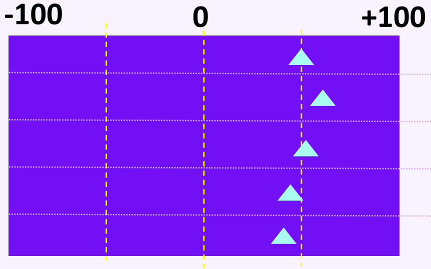
COMMERCIAL **SUPPORT**

- **Objective advisory:** trusted partner
- **Dedicated contact point:** consistent relationship
- **No surprises:** charges, rates, etc

OPERATIONAL **RESPONSIVE**

- **Agility:** inhouse workshops and body-shops
- **Communication:** service centres, strong CRM
- **Solutions:** replacement vehicle

NPS Scores ✅



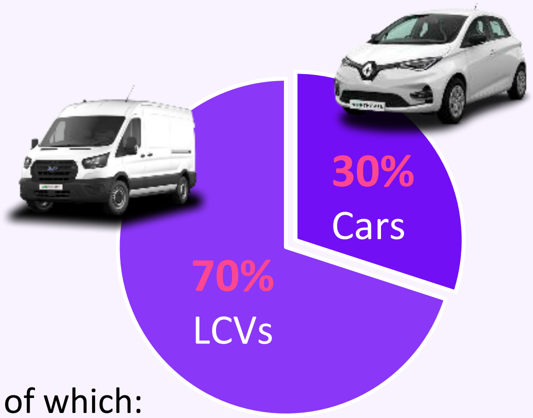
Renting: B2B	50%
Renting: B2C	58%
Trade	51%
Ocasion	43%
Northgate Talleres	40%

Vehicle supply: balancing TCO and market demand

Fleet Profile

65,000

Vehicles on fleet



of which:

Car derived van: **45%**

SWB/LWX/XWB: **20%**

Special vehicles **5%**

- Small and medium cars
- Car derived vans
- Some SWB/LWB/XWB

OEM Portfolio

- Main criteria: TCO – Total Cost of Ownership
- Broad range of strategic partnerships
- Development of new OEMs providing 25% new vehicles in the last 3 years + ongoing contacts with additional OEMs to identify new opportunities
- Level of after-sales support a factor

Stellantis Group

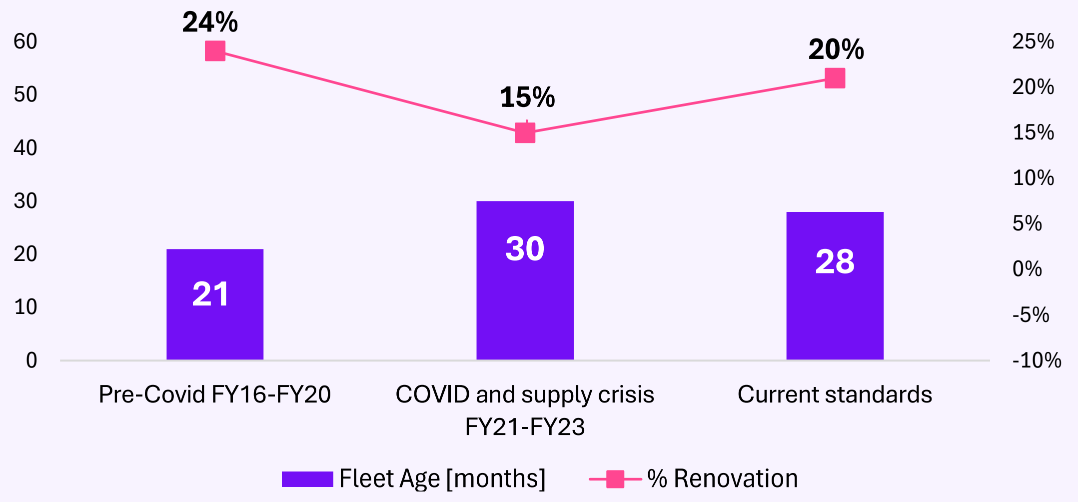
Fleet sourcing is aligned with customer requirements.

2020-2022

- COVID & supply crisis: limited replacement and so increased significantly fleet age
- Market-driven situation requiring rapid adaptation:
    - Sales team enhanced closeness to customers, especially key accounts – priority was service
    - Reinforced vehicle maintenance and de-fleeting policy
    - Expansion of OEM base to target a wider vehicle offer

2023-2024

- Supply started to normalized in early 2023
- Allowed replacement and so fleet age reduction to reach a balance between maintenance costs and customer needs
    - Delivery time is getting normalized
    - OEMs approach is becoming more open
    - Customers request high service standards

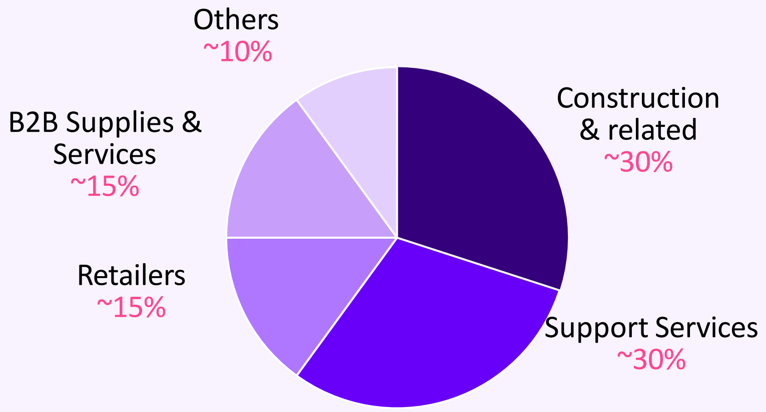


Current outlook

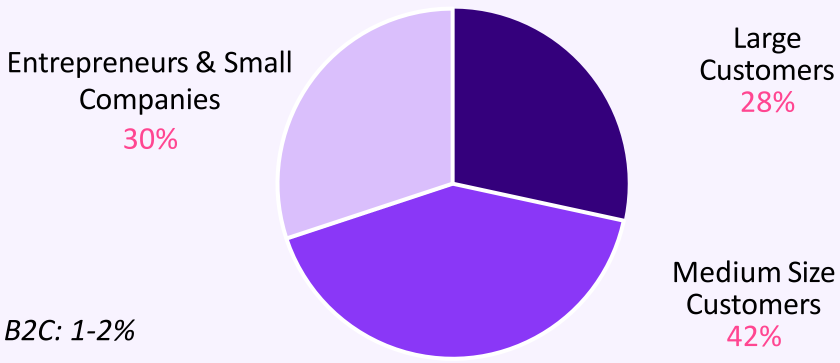
- Fleet age considerations moderating
- Balanced mix of replacement and growth opportunities
- OEM discount discussions progressing
- EV adoption remains in infancy for most customers

Diversified high quality customer base.

% Fleet by Customers' End Market



% Fleet by Customers’ Fleet Size



B2C: 1-2%

- **Wide and differentiated customer base:** predominantly serving private sector B2B channel; growing B2C offering. **c14.000 customers**
- **Balanced size mix**: from large corporations >70 vehicles, to entrepreneurs and small companies <5 vehicles. **Average size ~ 6 vehicles**
- **Diversified end-market mix:** ensuring stability of demand; construction exposure reduced significantly
- **Limited customer concentration:** with the largest customer being <3% of revenue
- **~75% retention rate and NPS +50%:** above industry average
- **Cross-selling opportunities:** through offering suite of services, including servicing and maintenance, body shop repair, telematics, charging infrastructure, EV solutions

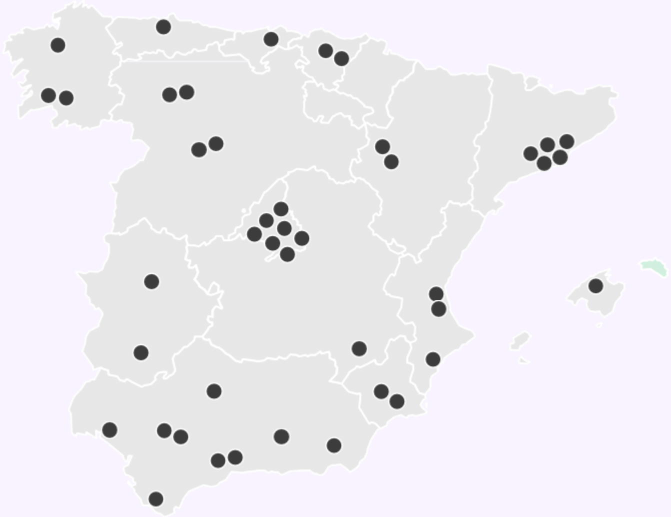
Broad network focussed on customer service.

Presence in Spain

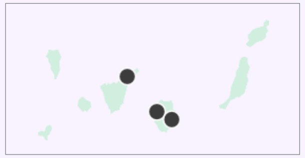
28 Rental Locations

46 Repair Centres

- **28** Service & maintenance
- **15** Bodyshops
- **3** Points of service (POS)



Canary Islands



● *Rental Location / Repair Centre*

675 Technicians

225k Operations yearly

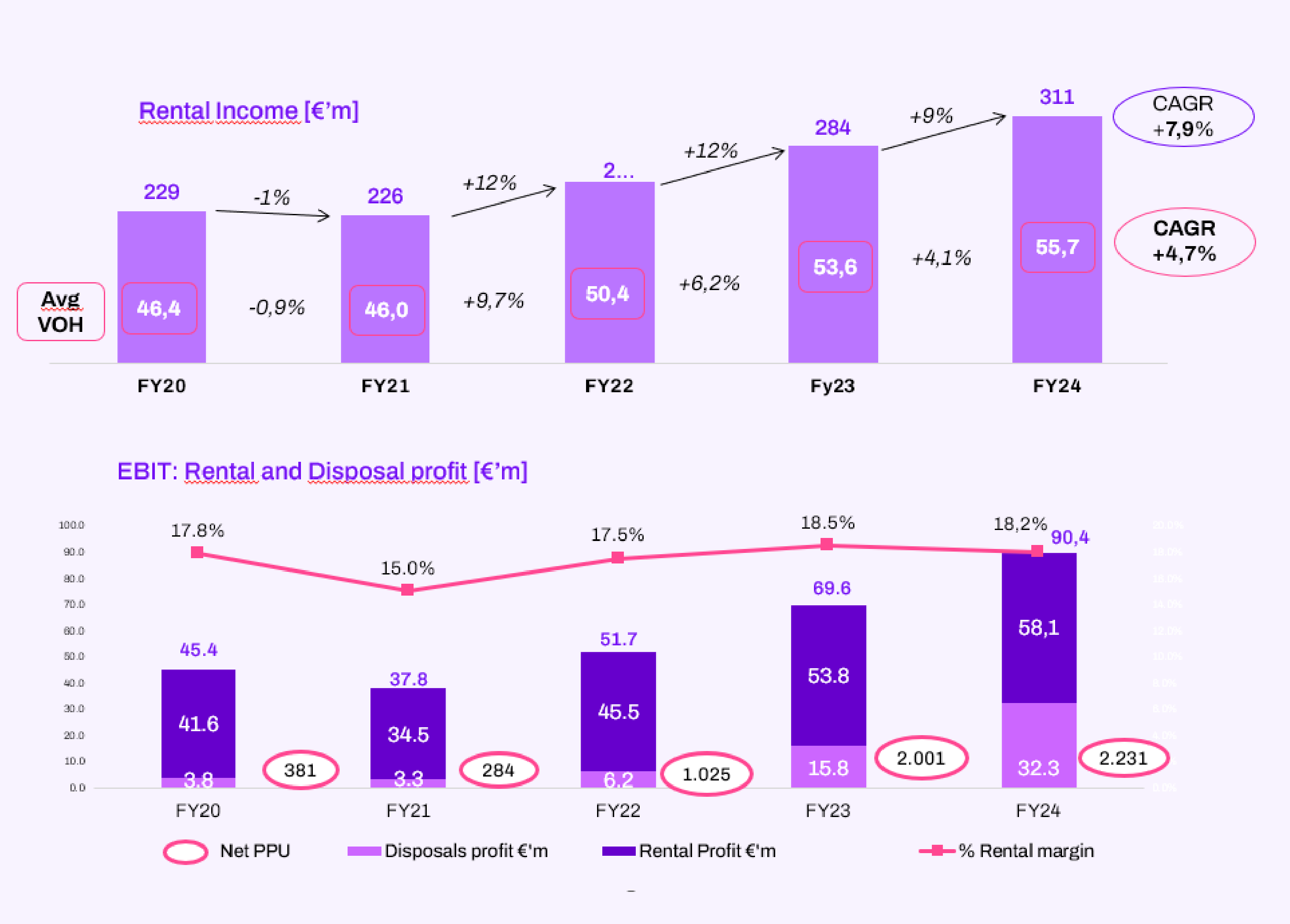
76% In-house operations

560 Vehicles repaired daily

2300 Agreements with External W/S and B/S

- 28 Rental locations cover:
  - Local sales team
  - Service and maintenance
  - Body shop (in 15 rental locations)
- POS: smaller facility for service & maintenance, improves closeness to customers and reduces outsourcing costs
- Procedures and service standards are common in all locations
- Common IT platform
- Centralised customer service centre

Strong financial performance.



- **VOH growth** leveraging on **strong positioning** in flexible and positive market trend
- **Vehicle purchase recovery** in FY24 in most of vehicle categories
- **Reflected in EBIT increase (x2.4 vs FY21)**
- **Rental business growth (x1.7 vs FY21)** and rental margin up to **18.2%.** Main drivers were HR increase and control over costs, despite growing vehicle depreciation cost
- **Disposal market with strong PPUs** in the last two years; downwards trend started late FY2024
- **Disposal volume recovery** with supply normalization

Financial analysis.

Pricing.

- **ROCE** – based pricing approach
- **Flex**: yearly inflation increases (January)
- **MT**: individual contract pricing fixed for term, covering capex & estimated inflation
- Pricing **carefully managed** through Covid
- **Key accounts** pricing a balance of value proposition & defend/grow our market share
- Pricing **controlled centrally**

Cost Profile.

- **Depreciation** main cost input. Currently reflecting fleet refresh and growth, will normalize in future
- **Labour** cost increased with inflation in the last years
- **Repair costs** determined by fleet age, parts & services cost. Improves with age reduction
- **ROCE**: consistently double digit. Impacted by position in growth cycle / PPUs

Margin profile vs UK&I.

- More **concentrated geog profile** of sites/customers
- **Lighter fleet** (CDVs/cars) so lower vehicle investment
- Lower **indirect cost-base**

Capex.

- Currently modelling to c.**28 months**
- **No definitive age target** – fleet growth accelerates age drop
- Managed through **monthly** Board meetings with UK and **weekly** management at Spain
- **Balance** between purchases and defleets always to optimize cash

Well-positioned in attractive market.

- ✓ Growing but still low penetration of rental vs ownership
- ✓ Unique proposition centred on customer excellence
- ✓ Leading market position with nationwide scale
- ✓ Experienced operational capabilities
- ✓ Strong OEM relationships
- ✓ Diverse and growing customer base
- ✓ Attractive financial profile

Q&A - Market.

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Operational Spotlights.

Jorge Alarcon &
Leadership team

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Customer-centric organization

Central Services

- Fleet purchasing and management
- Logistics
- Procurement
- KAMs
- Marketing
- Back-office

Customer Service Centre

Branches & Points of Service

Service Excellence

360º customer view

- Sales team for local customers
- Desk office: attention to customers
- Operations: Service, maintenance & body shop

KPIs by branch

- P&L
- UTS
- NPS

Sales and Marketing.

Sales Proposition

National Accounts

- Annual RFQs
- Mainly Flexible (75%)
- Selective offering of Min Term
- Customized SLA
- KAM + Sales admin per customer
- Fleet management reports

SME/ Entrepreneurs

- Contracts on demand
- Consultative selling: Flexible, Min Term, disposal or external workshop
- Standard SLA
- Local branch approach

New Customers

- Dedicated sales reps “hunters”
- Core focus - gaining new customer
- Digital inbounds
- Contact Centre support

Existing Customers

- Dedicated sales reps “farmers” and micro-SMI sales admin.
- Personal attention - assigned sales rep
- CRM & CEX

Marketing Support

- **Digital advertising** campaigns (lead generation)
- **Lead qualification** & customer service
- **Research** and call databases of potential clients
- Northgate commercial offer **brochures** & presentations
- Customer **E-books** and in-branch marketing materials
- **Relational customer** emailing (info & commercial)
- Customer **loyalty** events and actions
- NPS & Google **customer satisfaction reports**

Customer examples

- +700 HEV cars with an energy multinational company with 2,000 Northgate fleet
- +130 special equipped vehicles for a new tech customer.
- Renewal external workshop agreement Communication customer

Strong public profile: media channels & industry awards.

Tv campaign

Industry awards

Fleet management.

OEMs

- Yearly negotiations:
  - Terms of purchasing
  - Indicative volume
  - After sales terms
- Production planning and OEM logistic control
- Weekly Capex approval

Vehicle Sourcing and logistics

- Maintain UTS at target level (c.91%)
- Ongoing vehicle orders for replacement & growth
- Manage adequate vehicle mix
- Balanced branch allocation of deliveries

Managing Defleets

- Mileage / Age / Reparability criteria
- Some flexibility depending on demand & sourcing – effect on repair costs
- High-level of market info & understanding through e-auction data

Disposal channels: all in-house.

"Northgate Ocasión" (NGO)

- Low mileage and low damaged vehicles
- Buyers mainly private individuals
- Sales face-to-face in branches "NGO corners"

"Trade"

- Remaining vehicles with high mileage or damage
- Customers are professional traders
- Sales c.90% online (e-auctions), 10% in yards (Madrid, Barcelona and Seville)
- Lower sales margins than NGO

Market dynamics

- Demand remains strong for young CDVs (our core vehicle)
- Industrial vehicles also attracting good interest (SWB/LGB/XLWB)
- Car RVs normalisation earlier than for LCVs

High potential from modern locations: 4 in 16mths.

New Location criteria

Current service heat-map & opportunities for growth

Yards % operational saturation of current workshops

New Location requirements

Easy road access

Near big cities

Access to local employees with the required qualifications

2x New branches with integrated bodyshop

Parets (Barcelona North)

- Reduce pressure on other 2 Barcelona branches & improve Service
- Capture relevant local demand – highly industrialized zone

León

- Reduce distance from nearest branches
- Capture local demand

Relocation & extension

Cádiz

- Enlarge rental and repair capacity
- Improve technology with the latest standards
- Improve working environment for employees

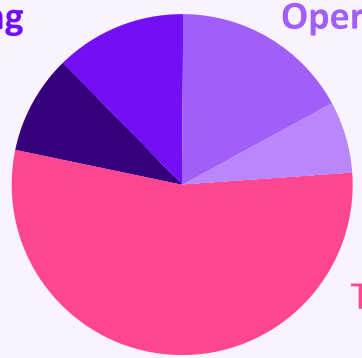
New point of service

Huelva

- Improve service and closeness to local customers
- Capture cost efficiencies

Customer-facing teams supported by central functions.

1384	Total headcount
51	Directors + managers
154	Middle manager and chiefs
675+504	Technicians, sales support, analysts



Recruiting

Priorities

- **Brand recognition** for professionals
- Expand **agreements with technical schools / internships**
- **Training** to boost internal promotions
- **Local and municipal recruitment**

Rewards

Keep competitive enough in the sector

- **Competitive remuneration**
- **Flexible remuneration** schemes
- **Flexible timetables**
- **Free shares** & share save scheme
- **Insurance**: Life, health, accidents
- **Discount** on rentals, repairs, vehicle purchase
- Seniority **awards, retirement bonus**

Training and Apprenticeship

Key pillar for recruiting and people retention

- **70 internships this year.** Plan for +70 more in the next 3 months
- 70 mentors trained
- 154 internships agreements with centres & universities.
- Technical skills development plans
- All workshops have EV-trained technicians

Growth opportunities.

Jorge Alarcon

ZIGUP

Future Business development.

Market trends

- Growing rental market
- Digital and flexible mobility
- Non-core processes outsourcing
- Sustainability
- Technology enablement

Our core assets

- Market knowledge
- Leadership in Flexible
- Successful business model
- Unique footprint

Growth axes

- Core in Spain
- Products and Services around the core
- Adjacent markets

Efficiency axes

- Automation
- Telematics
- Robotics

Potential Growth opportunities.

		Assets light/heavy	Size	Requires	Organic	Inorganic
Expand core business		Heavy		New branches/Service points	✓	✓
Extend products & services around core business	Special vehicles	Heavy		New vehicle categories & rental terms	✓	✓
	B2C	Heavy		Marketing	✓	
	3rd Party W/S and B/S	Light		Increase capacity	✓	✓
	Data analytics	Light		Tech/data expertise	✓	
	E-auction	Light		New platform & marketing	✓	
	EV transition	Heavy / Light		Product portfolio	✓	
Develop core to adjacent geographies		Heavy		Starting platform		✓

Size: Yr 3 revenues potential

0-25 €m to >100 €m

Main efficiency opportunities.

Embedded culture	Continuous improvement approach to efficiencies & inflation mitigation				
	Saving	**Size**	**Requires**	**Organic**	**Inorganic/ External**
Digitalization / AI	Improve customer service and back-office efficiency		Technology + Project management	✓	
Telematics	Reduce operation costs		Link vehicle data into ERP & Data analytics	✓	✓
Workshops process automation	Continuous improvement initiatives and robots		Engineering resources R&D investment	✓	✓

Size: Year 3 savings potential

Up to 1 €m   >5 €m

Q&A - business.

Leadership team

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Site visit overview.

Leadership team

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Los Olivos: Site overview

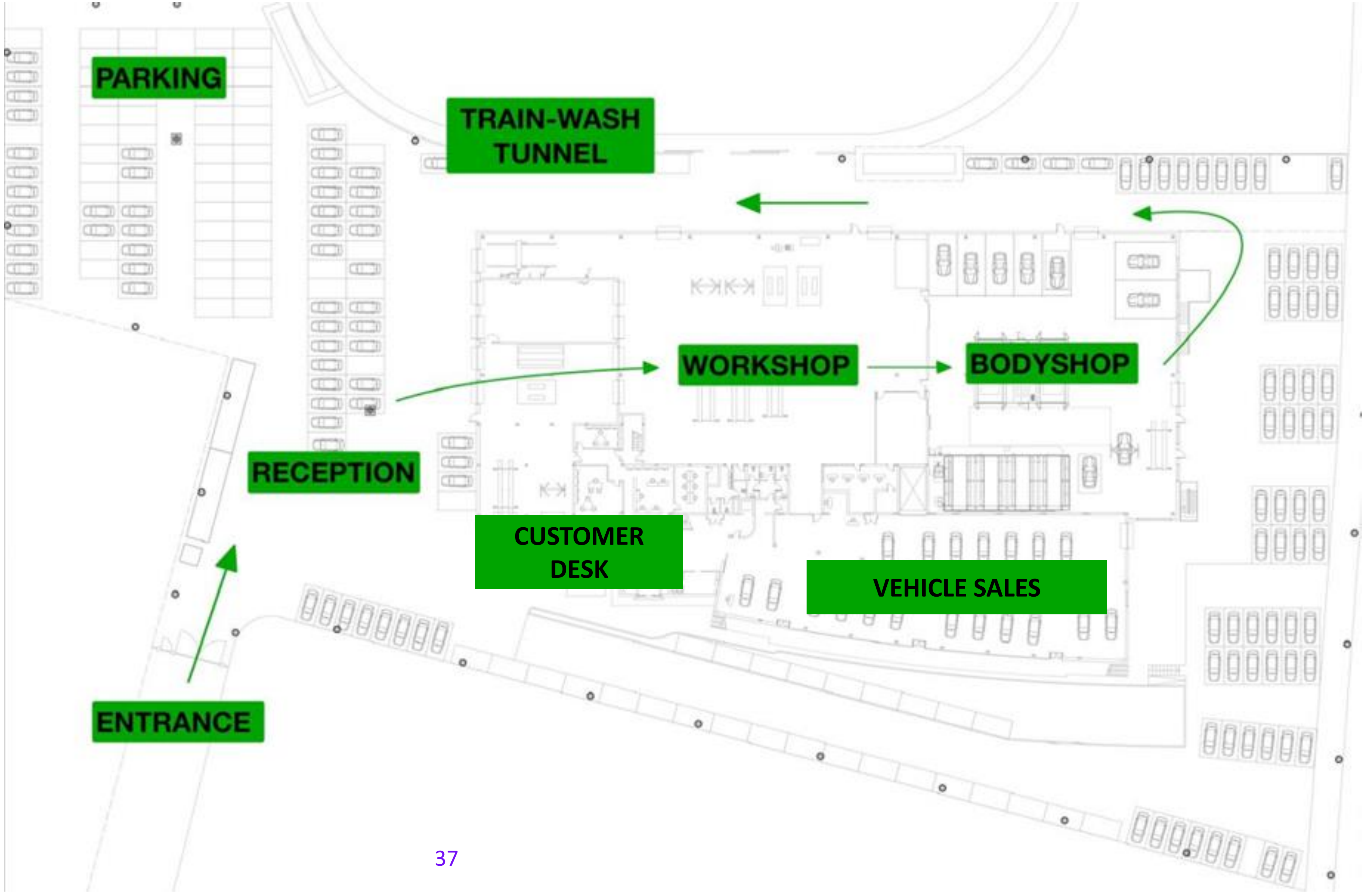
65
Total headcount

c.3,000
Rentals managed

8,500
Repairs in 12 months

28
Vehicles received daily

8th
Branch in Spain per vehicle rented



Los Olivos: Visit focus.

Topic 1: Technology

- Tyre testing
- EV management
- SMR
- Other technologies

Topic 2: Parts & Bodyshop

- Parts management
- Paint ovens

Topic 3: Sales

- Customer Reception
- Ocasion sales offering

Case Studies & ESG.

Leadership team

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Site Tour: Case Studies.

Green parts

- 4,825 spare parts in FY24
- 2 central warehouses,
  4 dismantlement
- Priority: high rotation & high lead time parts
- IT set-up to prioritize green parts when available

Double shifts

- Reduction of outsourcing and cost improvement
- Lower repair time & better customer service
- More efficiency when branch not open for customers
- Improvement of employee satisfaction

Smart queue

- Improvement of customer experience
- Better internal comms
- Acceleration of processes
- Tracking of performance

Enhanced paint efficiency

- New supplier allows precise control of consumption
- Best practice implementation & cost reduction

ESG: Actions implemented.

Solar panels in 17 branches

Installed Capacity:
1,092 kWp

Production capacity:
1.5 MW/year

CO_2 emissions saving:
243,000 kg / year

Charging points in 26 branches

138
Charging points

13,900
Re charges since installation

CO_2 emission saving:
163,000 kg since installation

€4m awarded from Next Generation EU incentive plan for various initiatives

Strategic alliance with IBERDROLA

Development of EV rental product

Expand services offering (point of charge installation, public recharge network, etc.)

100%
Green energy (REGO)

Internal fleet transition to EV & PHEV

LED lighting replacement

Energy diagnosis

ZIGUP ESG committee & working groups, chaired by Philip Vincent

Key Takeaways.

Philip Vincent

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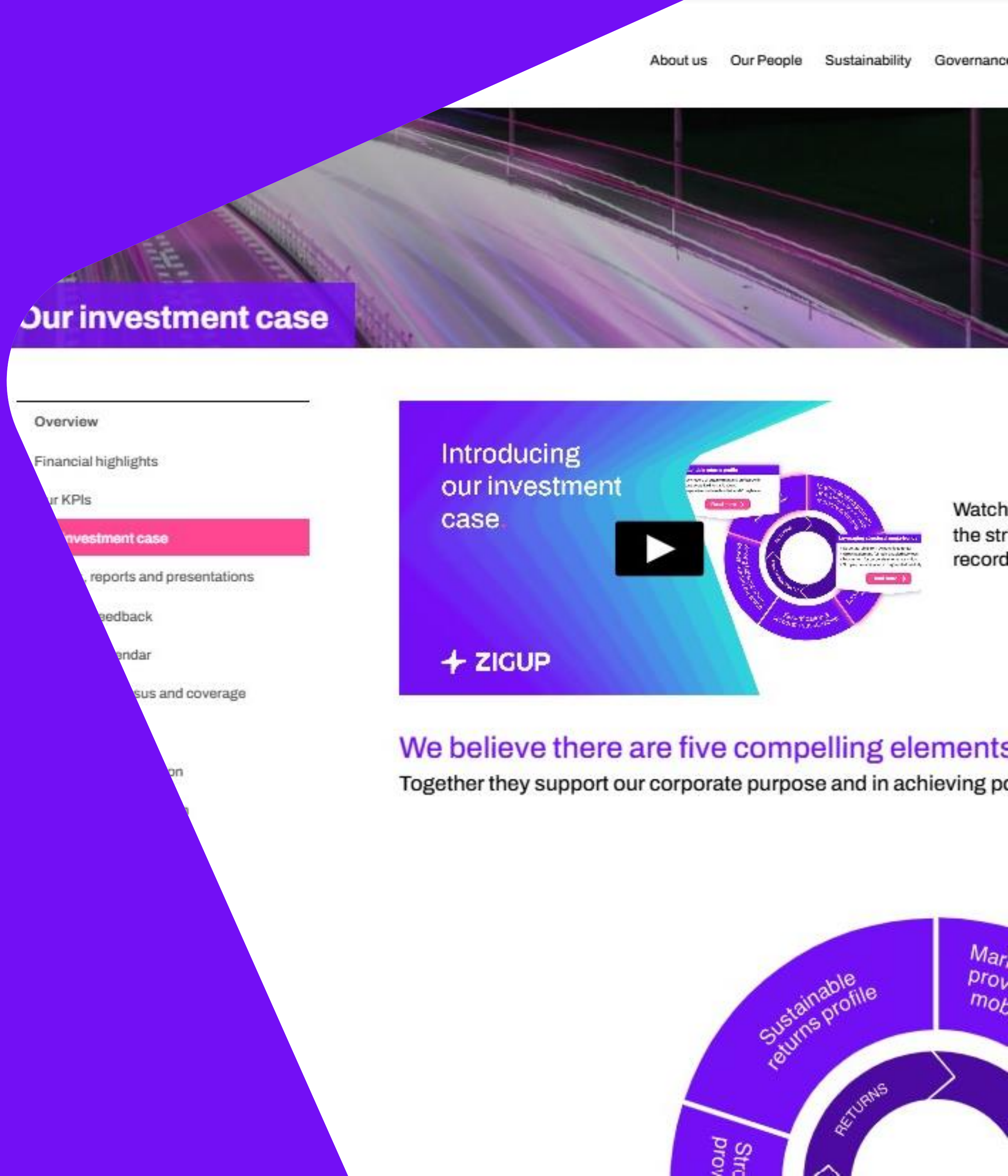
Wrap up

Corporate Website & Further Information.

Ross Hawley



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