



CREATION OF A
LEADING INTEGRATED
MOBILITY SOLUTIONS
PLATFORM



NORTHGATE

redd**e**plc

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AGENDA



Transaction Overview



Benefits of a Combination

TRANSACTION SUMMARY

Key Terms	<ul style="list-style-type: none">• Recommended all-share merger• 0.3669 new Northgate shares for every 1 Redde share• Immediately following completion Northgate shareholders will own approximately 54% of the Combined Group¹ and Redde shareholders will own approximately 46% of the Combined Group¹• Implemented through a UK court-sanctioned scheme of arrangement of Redde
Name	<ul style="list-style-type: none">• Redde Northgate plc
Leadership & Governance	<ul style="list-style-type: none">• Non-Executive Chair: Avril Palmer-Baunack• CEO: Martin Ward• CFO: Philip Vincent• Non-executive directors drawn from both Northgate and Redde
Synergies	<ul style="list-style-type: none">• Pre-tax cost synergies of at least £10m per annum by end of the second 12 months period following completion• Estimated one-time cash costs to achieve of £10m to be incurred in two years following completion• Opportunities for future revenue cross-sell
Approvals and Listing	<ul style="list-style-type: none">• Northgate Class 1 shareholder approval threshold of more than 50% of the shares voted• Redde scheme shareholder approval threshold of more than 50% of those voting representing 75% of the shares voted• FCA/SRA change of control clearances to be obtained but no other regulatory clearances required• Retain Northgate's premium listing on the main market of London Stock Exchange
Expected Timetable	<ul style="list-style-type: none">• Publication of Northgate's interim results for H1 2020 announced on 29 November 2019• Publication of Northgate shareholder circular, Northgate prospectus and Redde scheme document in December 2019• Shareholder meetings for both Northgate and Redde in January 2020• Completion during Q1 2020

¹ On a fully diluted basis

COMBINATION OF TWO LEADING MOBILITY SOLUTIONS COMPANIES

NORTHGATE

A leading light commercial vehicle rental business

reddē plc

A leading provider of incident and accident management, legal and other mobility-related services

A leading integrated mobility solutions platform

Trending market dynamics

- Shift from ownership to rental
- Convergence of mobility solutions
- Services and support differentiators
- End-to-end customer interface

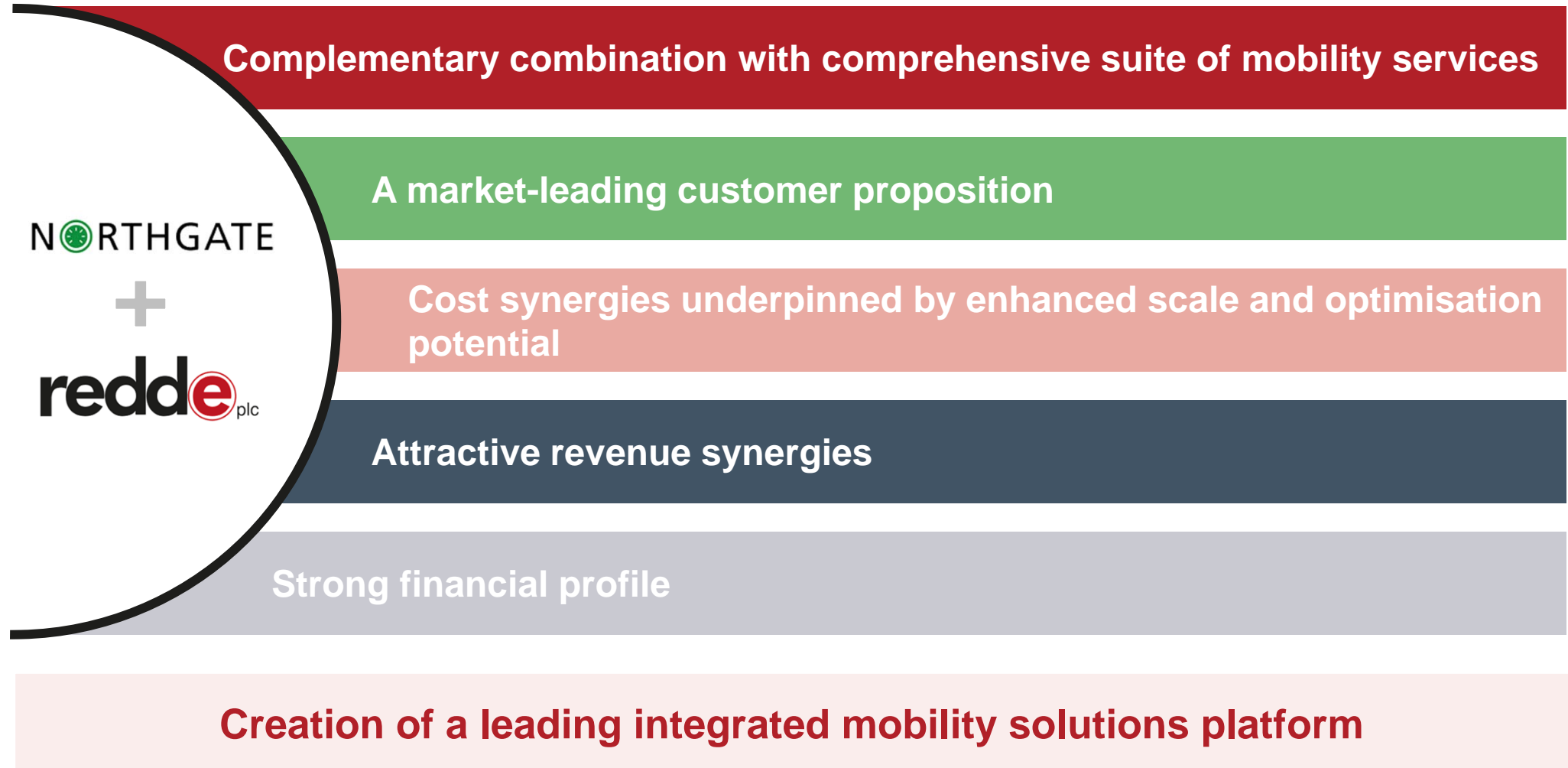
Our approach

- ✓ Combined and complementary skill set for product supply and service delivery
- ✓ Breadth of offering across long and short-term mobility solutions
- ✓ Significant scale operator

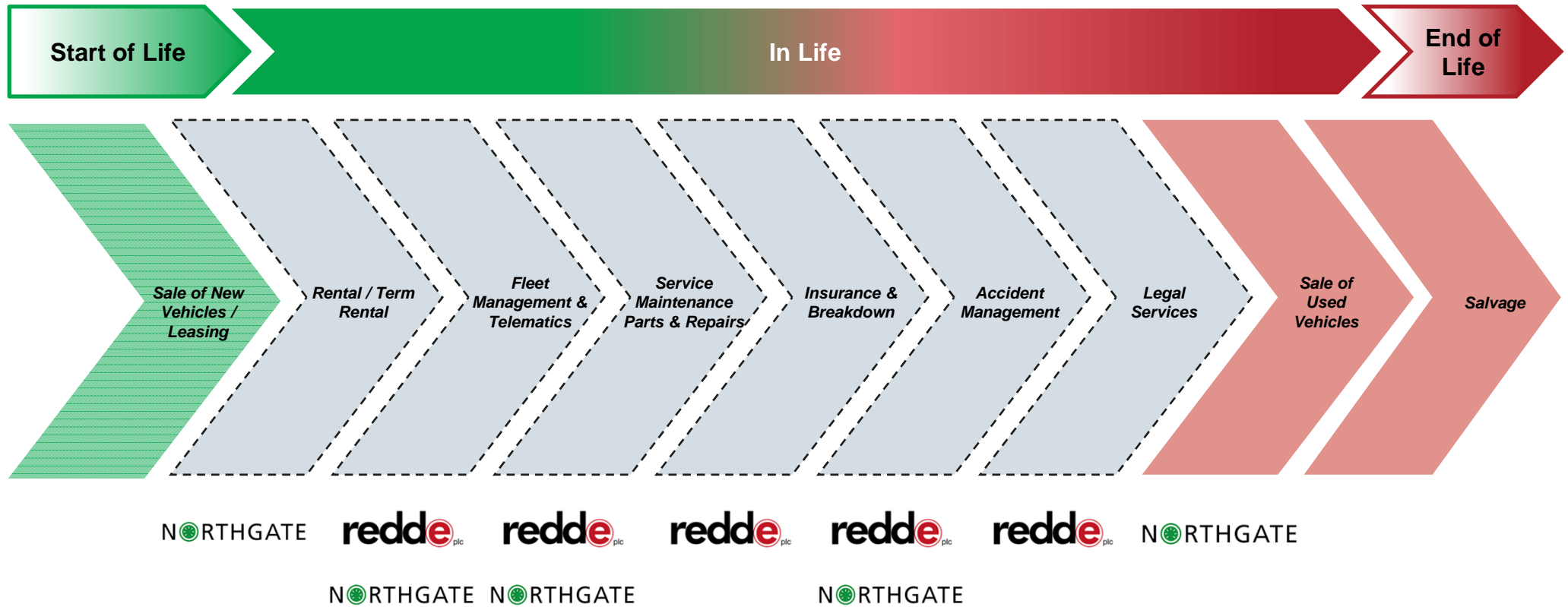
Our vision

To be a leading supplier of mobility solutions and automotive services to a wide range of businesses and customers

COMPELLING STRATEGIC RATIONALE



COMPLEMENTARY COMBINATION WITH COMPREHENSIVE SUITE OF MOBILITY SERVICES



Enhanced coverage across the automotive services life cycle

Note: Northgate does not currently supply accident management services as a distinct service to third parties, but may offer it as part of its fleet management services

ENHANCED SCALE

- **Combined network of enhanced scale and density¹:**

- ✓ Own fleet of **over 110,000 vehicles**

- ✓ **Over 400,000** managed vehicles

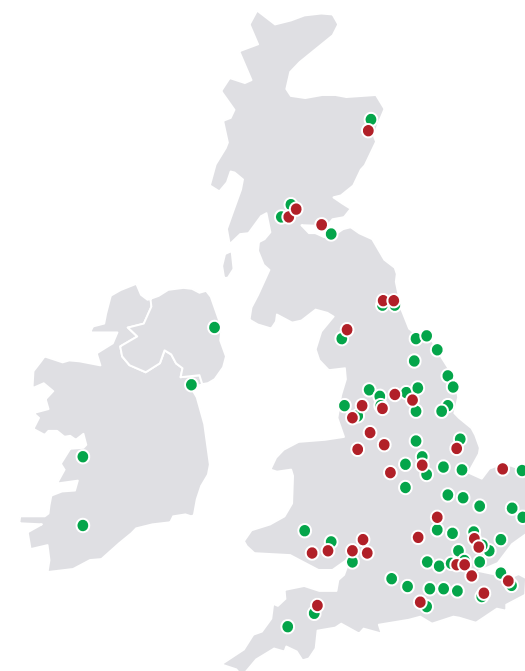
- **One stop-shop with premium services offering:**

- ✓ **Over 100 branches** with service, maintenance and repair operations¹

- **Extensive vehicle disposal network**

- **Diversified fleet across vehicle categories**

Branch Network – UK & Ireland

















● Northgate ● Redde

Scale and delivery of integrated services will drive efficiencies and enhance returns

¹ Figures for the UK, Ireland and Spain

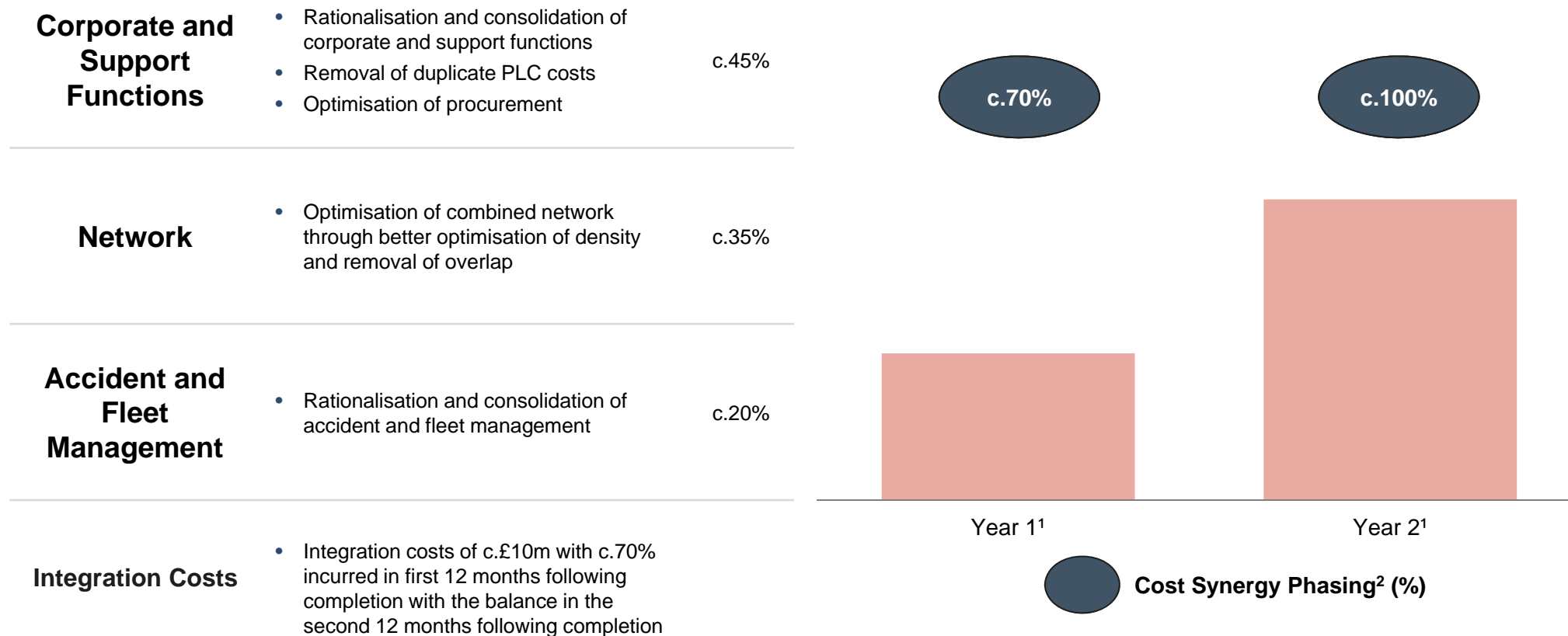
A MARKET-LEADING CUSTOMER PROPOSITION

	Benefits to:		
	Fleet Customers	Insurers	
✓ Outstanding service proposition			<i>Increased scope of services</i> 
✓ Greater customer choice and fulfilment ability			<i>Access to combined fleet</i> 
✓ Enhanced proximity and responsiveness			<i>Increased geographic coverage</i> 
✓ Fleet management cost efficiencies			
✓ Market-leading fleet management capability			<i>Combination of existing capabilities</i> 

Ideally positioned to serve customers

ATTRACTIVE COST SYNERGIES

Expected Total Annual Cost Synergies of At Least £10m (pre-tax)



¹ Whereas Year 1 and Year 2 relate to the 1st and 2nd 12 months period, respectively, after completion, and figures are provided as estimated for the last day of such period ² Excluding integration costs

ATTRACTIVE REVENUE SYNERGIES



- Cross-selling Northgate vehicle hire to FMG customers and cross-selling FMG fleet incident and accident management to Northgate customers



- Service & maintenance of FMG customer vehicles



- Northgate accidents channelled through FMG increasing its customer base



- Launch UK flex car rental proposition leveraging the Auxillis credit hire fleet and Northgate's network

Significant revenue cross-sell opportunity

STRONG FINANCIAL PROFILE

FY2019 FINANCIAL INFORMATION FOR NORTHGATE AND REDDE

	NORTHGATE	redde ^{plc}	Pro Forma	
Revenue	£745m	£590m	£1,335m	Diversified revenue mix
Operating Profit ¹	£76m	£50m	£126m	Attractive margin profile
Operating Profit Margin	10%	8%	9%	Improved cash flow
EBITDA less net replacement capex ³	£67m	£46m	£113m	Post-tax ROIC > WACC ²

■ Combined Group will have an April financial year end

Source: Company reports. FY 2019 as of April Year End for Northgate and FY 2019 as of June Year End for Redde. ¹ Underlying Operating Profit for Northgate and Adjusted EBIT for Redde ² By the end of the first full financial year following Completion. ³ For Redde, net replacement capex comprised of "Purchase of property plant and equipment", "Proceeds from sale of plant and equipment" and "Finance lease principal repayments"

ONGOING DIVIDEND POLICY AND CAPITAL STRUCTURE

	Dividend Payout Ratio	Leverage
NORTHGATE	47%	1.6x
reddē plc	88%	0.6x
	Existing dividend policies to Completion	Target Net Debt / EBITDA of 1.0 – 2.0x in the near term
	Targeting dividend cover of around 2 times following Completion	

Source: Company reports. FY 2019 as of April Year End for Northgate and FY 2019 as of June Year End for Redde

EVOLUTION OF THE COMBINED STRATEGY

Focus

Drive

Broaden

Successfully execute integration

Implement cost synergies

Finesse products & services

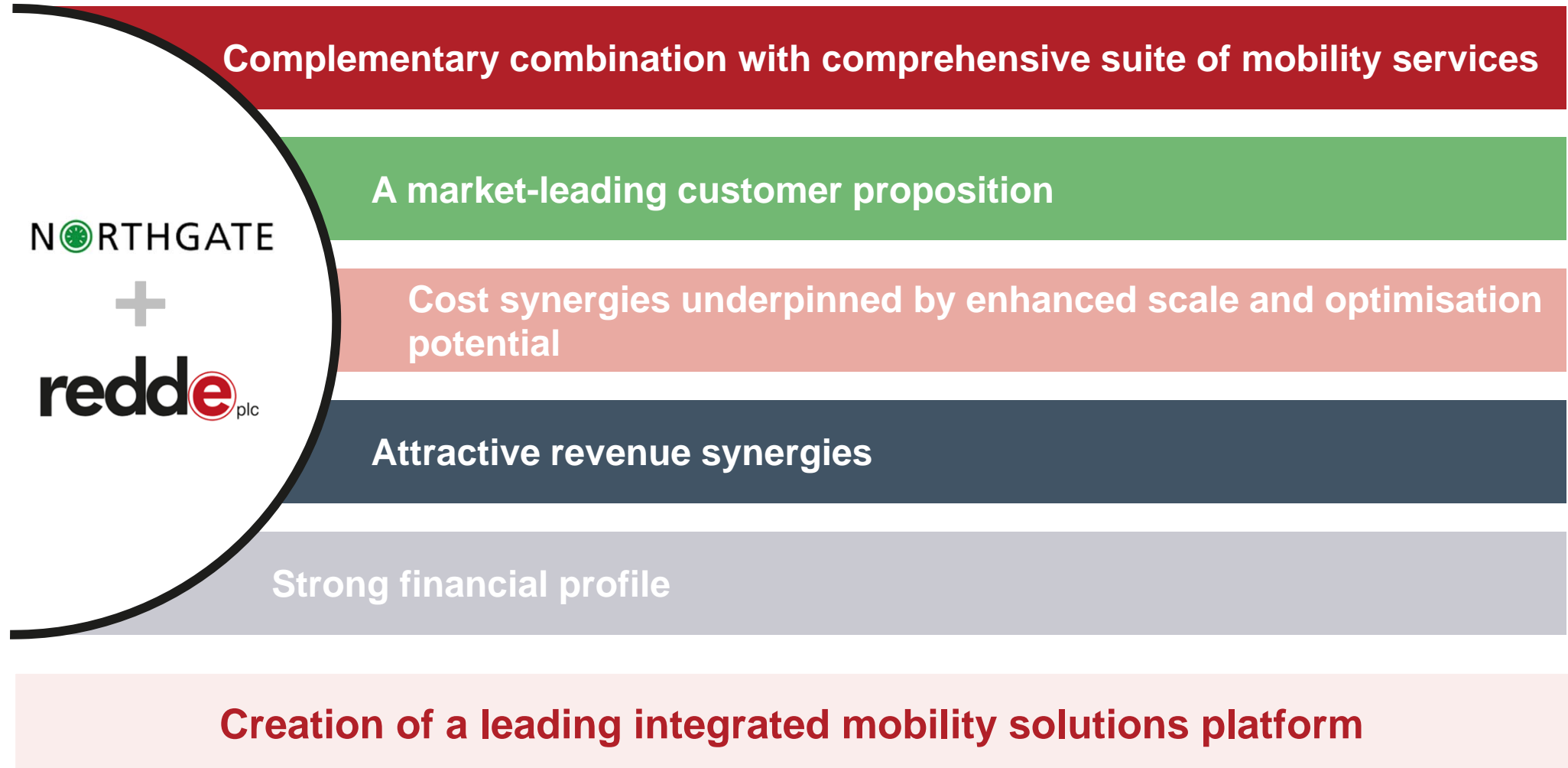
Leverage platform to enable revenue growth on basis of broader offering

Service diversification into complementary markets

Explore further market and geographic growth opportunities

Board and management have proven track record of strategy delivery

COMPELLING STRATEGIC RATIONALE





APPENDIX

NORTHGATE

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EXPECTED TIMETABLE

December 2019	<ul style="list-style-type: none">■ Redde scheme document published■ Northgate shareholder circular published■ Northgate prospectus in relation to consideration shares published
January 2020	<ul style="list-style-type: none">■ Northgate shareholder meetings■ Redde shareholder meetings
Q1 2020	<ul style="list-style-type: none">■ FCA / SRA change of control clearances to be obtained; no other regulatory clearances required■ Completion upon scheme becoming effective

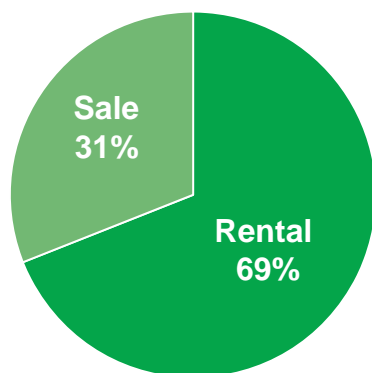
TWO LEADING MOBILITY SOLUTIONS COMPANIES

NORTHGATE

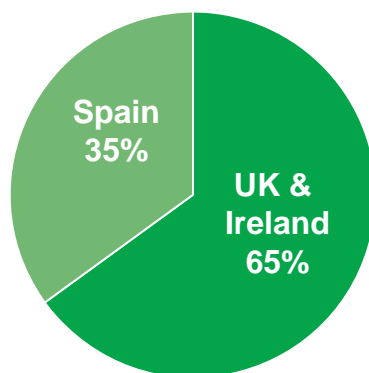
- A leading light commercial vehicle rental business
- Owned fleet with over 100,000 light commercial vehicles / vans and cars
- Provision of vehicles for rent on a flexible or minimum-term basis
- B2B rental to customers operating in a wide range of industries including construction, support services and distribution
- Additional capex-light revenue streams including fleet management and telematics
- Sale of the vehicles at the end of rentable life either to retail or trade buyers
- £745m Revenues and £76m Operating Profit¹
- Operating brands:

NORTHGATE  **VAN MONSTER**  NORTHGATE Ocasión

Revenues by Segment



Revenues by Market



reddē plc

- Comprehensive package of accident management, legal and other auto-related services
- c.10,000 owned or leased vehicles and c.400,000 vehicles under management
- Key customers are insurance companies, insurance brokers, dealerships, body-shops, leasing companies and owners of large fleets
- £590m Revenues and £50m EBIT¹
- Operating brands:

 **Auxillis**

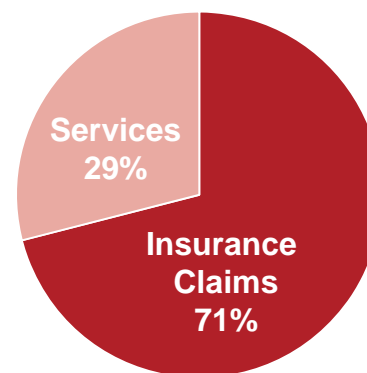
 **FMG**
THINKING AHEAD

 **Principia**
Law

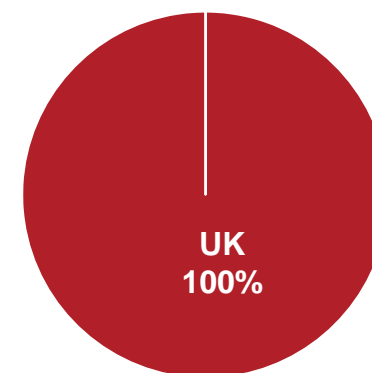
 **NewLaw**
solicitors

 **CAB AID**

Revenue Breakdown



Revenues by Market



¹ FY2019. Underlying Operating Profit for Northgate and Adjusted EBIT for Redde