



Interims review Introduction to Group

December 2023



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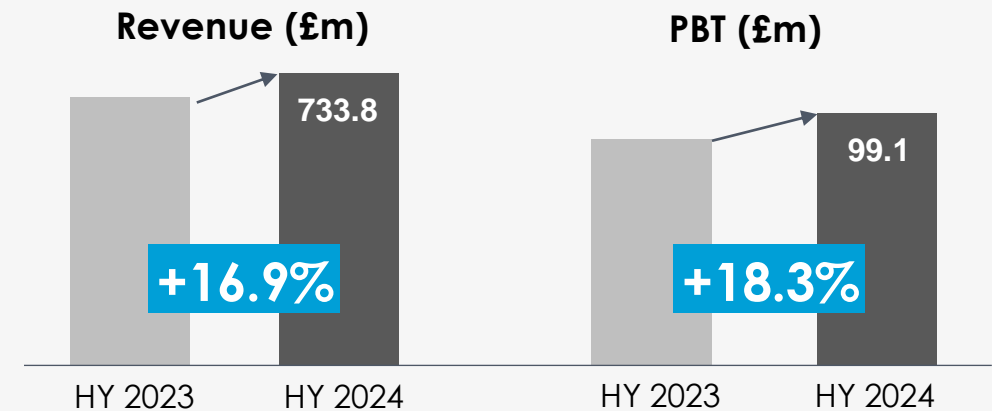
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Underlying Trading

Revenues:	+ 16.9% to £733.8m
EBIT:	+ 23.1% to £115.0m
PBT:	+ 18.3% to £99.1m
EBITDA	+10.7% to £220.0m
ROCE:	+1.3 ppt increase to 14.8%



Interim dividend policy: 50% of prior year final:

8.3p (HY 2023: 7.5p)



Leverage:

1.6x
(HY 2023: 1.6x)

Fleet NBV:

£1.23bn
(HY 2023: £1.09bn)



FY 2024 H1 Overview: continued growth in underlying businesses

Strong operational performance



Revenue growth drivers

- + **Claims & repair:** Benefitting from increased volumes and newer contracts going live/reaching run rate
- + **Spanish rental:** strong demand/supply conditions

Profit contributors

- + **Rental margins:** maintained through careful cost controls and pricing actions
- + **Redde profit growth:** capturing greater share of customer wallet through multi-service offerings
- + **Disposal profits:** from higher levels of fleet refreshment

Strategic progress



Delivering on strategic goals

- + **Integration:** Specialist vehicle acquisitions integrated & delivering platform growth
- + **Platform momentum:** Product extensions/ multi-service contracts going live in period

Focus on customer delivery

- + **Footprint:** Expanding footprint with 7+ new locations opening through FY 2024
- + **Capacity & engagement:** Recruitment drive & focus on training, trialling 2-shifts in main Spanish workshop



Market

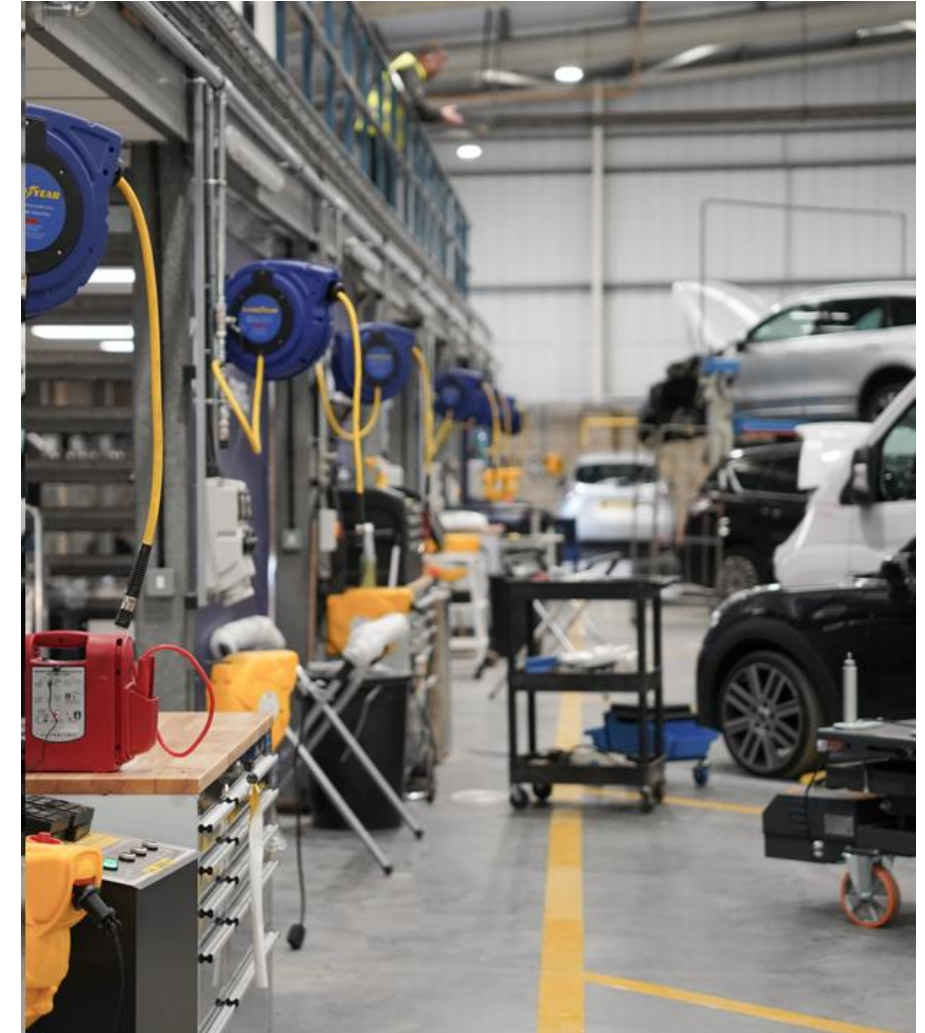
- ✓ Rental demand strong in both geographies
- ✓ Sustained interest in value-added services
- ✓ Supply chain consolidation still a key insurer focus
- ✓ Repair capacity easing but still a market challenge

Fleet supply

- ✓ Greater OEM dialogue suggests visibility improvement in 2024, but still limited in core categories
- ✓ Supply dynamics driving residual values: LCVs – strong / cars softening

Customers

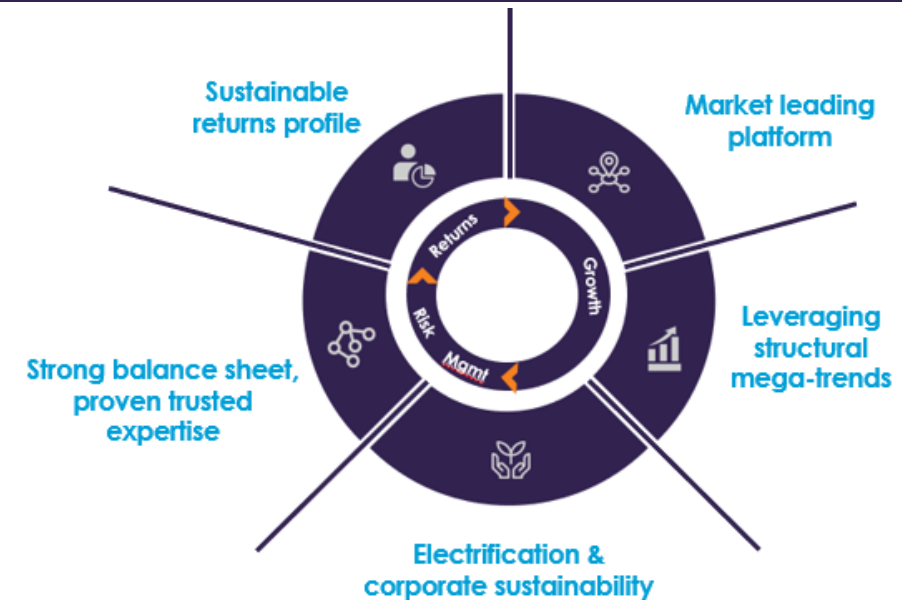
- ✓ Continued diversity of customer profile
- ✓ Focus on smarter mobility, EVs & reducing operational friction



H2 Outlook

- + Continue to deliver on strategic goals
- + Enjoying strong demand
- + Platform and business momentum with healthy pipeline
- + Board confidence in Group's prospects
- + Full year earnings to be modestly ahead of market consensus

Investment proposition



Strategy is delivering



Business momentum



Strong financial metrics



Creating long term value



Vehicle supply

Spain

LCV Registration Data

LT ave	2020	2021	2022	2023e
190k	158k	151k	119k	141k

Source: DGT – Dirección General de Tráfico. 2023e annualised from 10 months actuals

- + LH-drive market **greater supply liquidity**
- + Supply still **below long-term average**
(total vehicle registrations 400k below 1.5m ave.)
- + **Broadening** OEM range in response
- + **Growing share** of rental registrations
- + Enabling average age-reduction in most vehicle categories



SKODA



DACIA



INVICTA
Smarter by the Second.

UK

LCV Registration Data

LT ave	2020	2021	2022	2023e
370k	292k	355k	282k	328k

Source: SMMT

- + **Best visibility** of potential rental channel supply for 4 years
- + More **certainty** of OEM production capabilities
- + Gradual **improvement** expected through 2024
- + Registrations remain 50k below LT average of 370k
- + ZEV sales mandate likely to impact on OEM strategies





Strategic progress: growing long-term contracts

- + Growth reflects greater activity within contracts together with product extensions and new contracts
- + Strategy of maximising our share of total claim through multi product/digital solutions
- + Operational efficiencies attractive to insurers and corporate partners
 - Growing number in claims protocol arrangements
- + Multi-service contracts have blend of revenue/margin/ROCE profiles
- + Large multi-service contracts: all 12mths+ in current duration

H1 Redde progress

- Higher levels of fleet accident mgmt. claims
- Growth in run rate of large contracts announced in FY 2023
- Lex Autolease & Abacai volumes since H1 launches
- FMG RS extensions with major partner
- New contract win for specialist customer segment

Proportion of underlying revenues generated from contracts of 12 months+

redd^e 80%

NORTHGATE
UK&I 40%

NORTHGATE
Spain 30%



Strategic progress: expanding footprint & capacity

UK&I Sites

H1: FMGRS bodyshops x2, Inverness rental branch

H2: London rental/service branch enhancement, further FMGRS sites

Spanish Sites

H1: New service centre & branch opened – geographic spread

H2: 2 new key urban branches planned – capacity expansion

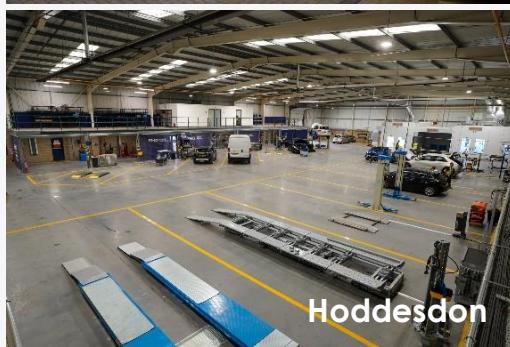
FMG REPAIR SERVICES



Hoddesdon



Bristol



Hoddesdon



Bristol

NORTHGATE
UK&I



Inverness



Borehamwood

NORTHGATE
Spain



Service centre
Huelva Province, SW Spain



León branch
León Province, NW Spain

e | Platform expansion: delivering growth opportunities



- + Growing market presence in specialist segment
- + Broadening product offering & value-added services
- + Leveraging broader sales & platform infrastructure
- + Developing market for EV vehicles within traffic mgmt.
- + Targeting over 600 vehicles on fleet by end-FY 2024 (+85% since July '22 acquisition)



- + Integration delivering platform opportunities
- + Near-term opportunities with both NVH and FMG customer base
- + Vehicles now also located at 5 NVH branches for greater customer proximity
- + Targeting c.700 vehicles on fleet by end- FY 2024 (+15% since May '23 acquisition)

Financial Review



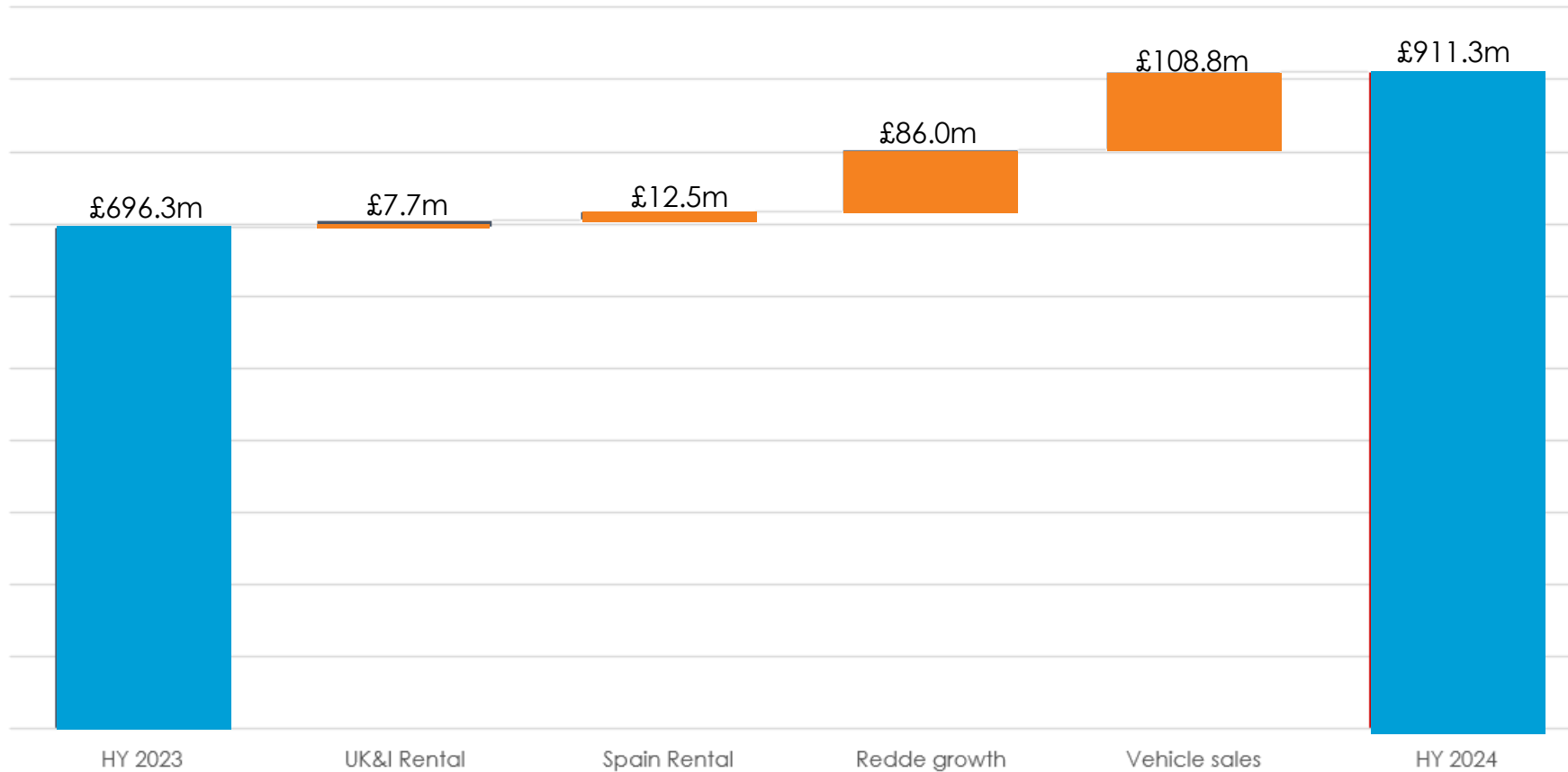


FY 2024 H1 Overview: **underlying group performance**

Revenue ↑ +16.9% HY 2024: £733.8m HY 2023: £627.6m	EBIT ↑ +23.1% HY 2024: £115.0m HY 2023: £93.4m	Profit before tax ↑ +18.3% HY 2024: £99.1m HY 2023: £83.7m	EPS ↑ +18.9% HY 2024: 33.4p HY 2023: 28.1p
EBITDA ↑ +10.7% HY 2024: £220.0m HY 2023: £198.8m	Net debt & leverage ↑ +14.2% HY 2024: £755.0m 1.6x HY 2023: £661.3m 1.6x	ROCE ↑ +1.3 ppt HY 2024: 14.8% HY 2023: 13.5%	DPS ↑ +10.7% HY 2024: 8.3p HY 2023: 7.5p



Group revenue waterfall HY 2023-24



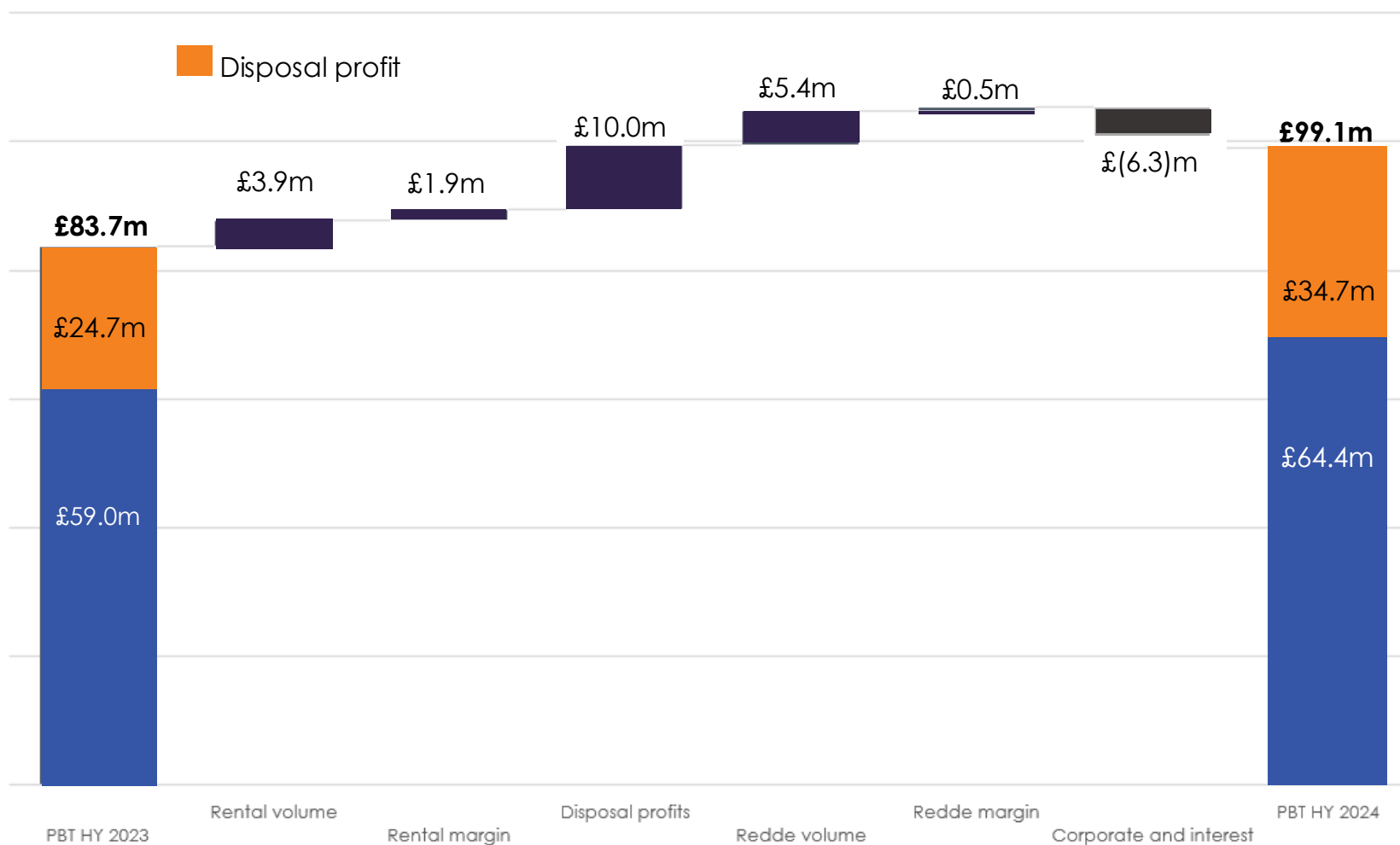
Excludes inter-segment revenues

HY Comments

- UK&I rental revenue +4.4%, ave. VOH -6.8%
- Spain rental revenue +10.2%, ave. VOH +4.3%
- Redde revenue (exc vehicle sales) +25.7% including new contracts
- UK&I vehicle sales revenue +163%
- Spain vehicle sales revenue +145%



Group underlying profit waterfall HY 2022-23



HY Comments

- Underlying PBT excluding disposals +9%
- UK&I rental margin 16.3%, + 0.7ppt
- Spain rental margin 20.8%, + 0.4ppt
- Disposal profits reduced in UK&I, increased in Spain
- Redde contract expansion
- Average interest rate 3.5%, 56% fixed



Capital allocation – cash flow priorities

Leverage approach

- + Strong cash generation
- + Follow capital allocation priorities
- + Manage debt within 1x – 2x leverage
- + In H1:
 - + Fleet investment increased over 90%
 - + Invested in growth capex, M&A, SBB
 - + Leverage maintained at 1.6x Year on year

Capital allocation priorities

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

Cash flow reordered to reflect priorities

	H1 2024 £m	H1 2023 £m	Change £m
Underlying EBITDA	220.0	198.8	21.2
Net replacement capex ¹	(103.5)	(53.1)	(50.4)
Lease principal payments	(35.1)	(24.6)	(10.5)
Steady state cash flow generation	81.4	121.2	(39.8)
Working capital and non-cash items	(48.8)	(19.6)	(29.2)
Associates	1.2	1.9	(0.7)
Taxation	(21.2)	(14.7)	(6.5)
Interest & other financing	(14.5)	(8.1)	(6.4)
Cash before dividends	(1.9)	80.7	(82.6)
Dividends	(37.3)	(35.0)	(2.3)
Cash flow before investments	(39.2)	45.7	(84.9)
Growth capex	(1.3)	(68.7)	67.4
Acquisition of business	(4.1)	(9.9)	5.8
Share buyback	(8.2)	(40.5)	32.3
Net cash movement²	(52.8)	(73.4)	20.6

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.

² Net cash movement is defined as Net cash consumed of £17.7m (H1 2023: £48.8m) before the add back of £35.1m (H1 2023: £24.6m) for principal lease payments.

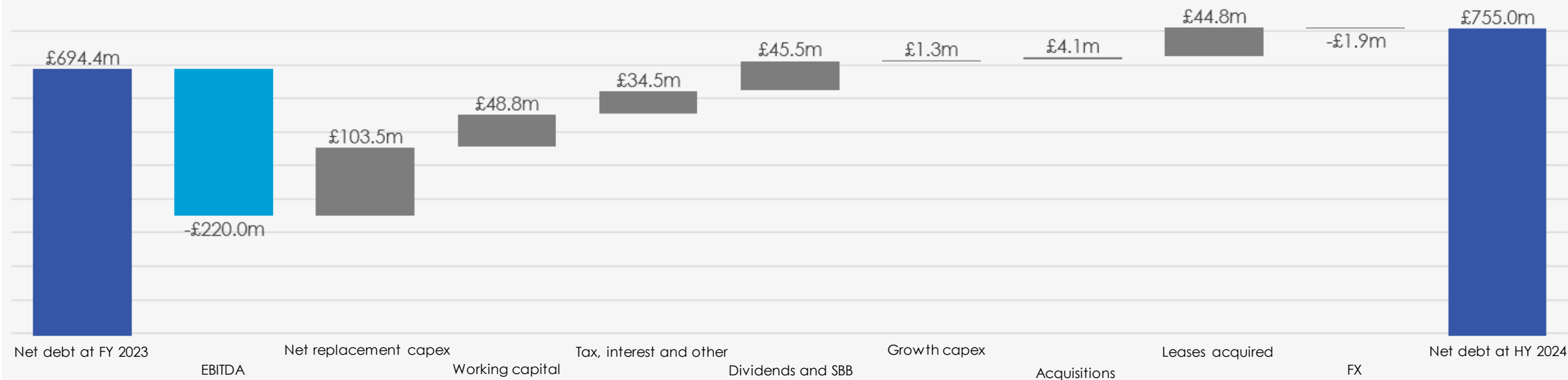


Well-financed to drive sustainable **shareholder value**

	HY 2023	HY 2022
Net debt	£755.0m	£661.3m
Fleet assets	£1.2bn	£1.1bn
Net debt / EBITDA	1.6x	1.6x
Target leverage range of	1-2x	
Debt headroom	£236m	£308m
Borrowing cost	3.5%	2.7%
Fixed debt at period end	56%	66%

- Strong balance sheet, £1.23bn of vehicle assets
- Flat leverage
- Average borrowing cost 3.5%

Net debt bridge: **FY 2023 to H1 2024**



	HY 2024 £m	HY 2023 £m	% change
Revenue – Vehicle hire	192.3	184.1	4.4%
Rental profit	31.4	28.8	9.2%
<i>Rental margin</i>	<i>16.3%</i>	15.6%	0.7ppt
Disposal profit	18.2	18.8	(3.1%)
EBIT	49.6	47.5	4.3%
<i>EBIT margin</i>	<i>25.8%</i>	25.8%	-ppt
<i>Vehicles sold '000</i>	11,600	4,900	137%
<i>LCV PPU</i>	£3,500	£3,800	(7.9%)

Key Highlights

- Rental margin of **16.3%**, at sustainable level
- Restricted vehicle supply held back VOH **(-6.8%)**
- Lower VOH offset by higher revenue per vehicle
- Vehicles sold include 4,600 cars through Van Monster



Note: All results are underlying unless otherwise stated. Results include intercompany revenues.
For margin calculation methodology, see RNS



	HY 2024 £m	HY 2023 £m	% change
Revenue – Vehicle hire	135.2	122.7	10.2%
Rental profit	28.1	25.1	12.3%
<i>Rental margin</i>	<i>20.8%</i>	20.4%	0.4ppt
Disposal profit	16.5	5.9	178.4%
EBIT	44.7	31.0	44.1%
<i>EBIT margin</i>	<i>33.0%</i>	25.3%	7.7ppt
<i>Vehicles sold '000</i>	<i>7,200</i>	2,800	154%
<i>PPU</i>	<i>£2,300</i>	£2,100	9.7%

Key Highlights

- Rental margin **20.8%** remains strong and in line with prior period
- Improved vehicle supply increased VOH (**+4.3%**) and disposal volume (**+154%**)
- Strong residual values



Note: All results are underlying unless otherwise stated. Results include intercompany revenues.
For margin calculation methodology, see RNS

	HY 2024 £m	HY 2023 £m	% change
Revenue – Claims and services	416.6	331.4	25.7%
Gross profit	82.0	70.4	16.4%
<i>Gross margin</i>	<i>19.7%</i>	<i>21.2%</i>	<i>(1.5ppt)</i>
Operating profit	25.5	18.9	35.1%
Income from associates	0.8	1.6	(48.7%)
EBIT	26.3	20.4	28.7%
<i>EBIT margin</i>	<i>6.3%</i>	<i>6.2%</i>	<i>0.1ppt</i>

Note: All results are underlying unless otherwise stated. Results include intercompany revenues.
For margin calculation methodology, see RNS

Key Highlights

- Increased volumes from existing customers & new contracts launched
- EBIT up **28.7%**, on higher activity supported by 12% increase in ABP labour rates
- Growing capacity through recruitment and new locations



Business Introduction





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

FY24 H1 Underlying Trading

Revenues:	+ 16.9% to £733.8m
EBIT:	+ 23.1% to £115.0m
PBT:	+ 18.3% to £99.1m
EBITDA	+10.7% to £220.0m
ROCE:	+1.3 ppt increase to 14.8%

FY23 Full Year 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

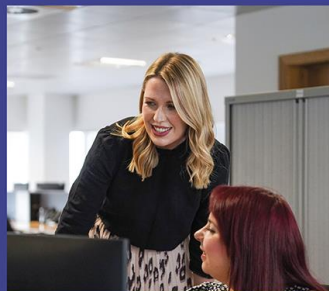
Management of the performance, compliance and maintenance of commercial fleets such as service scheduling, telematics, driver liaison, training and downtime management.



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

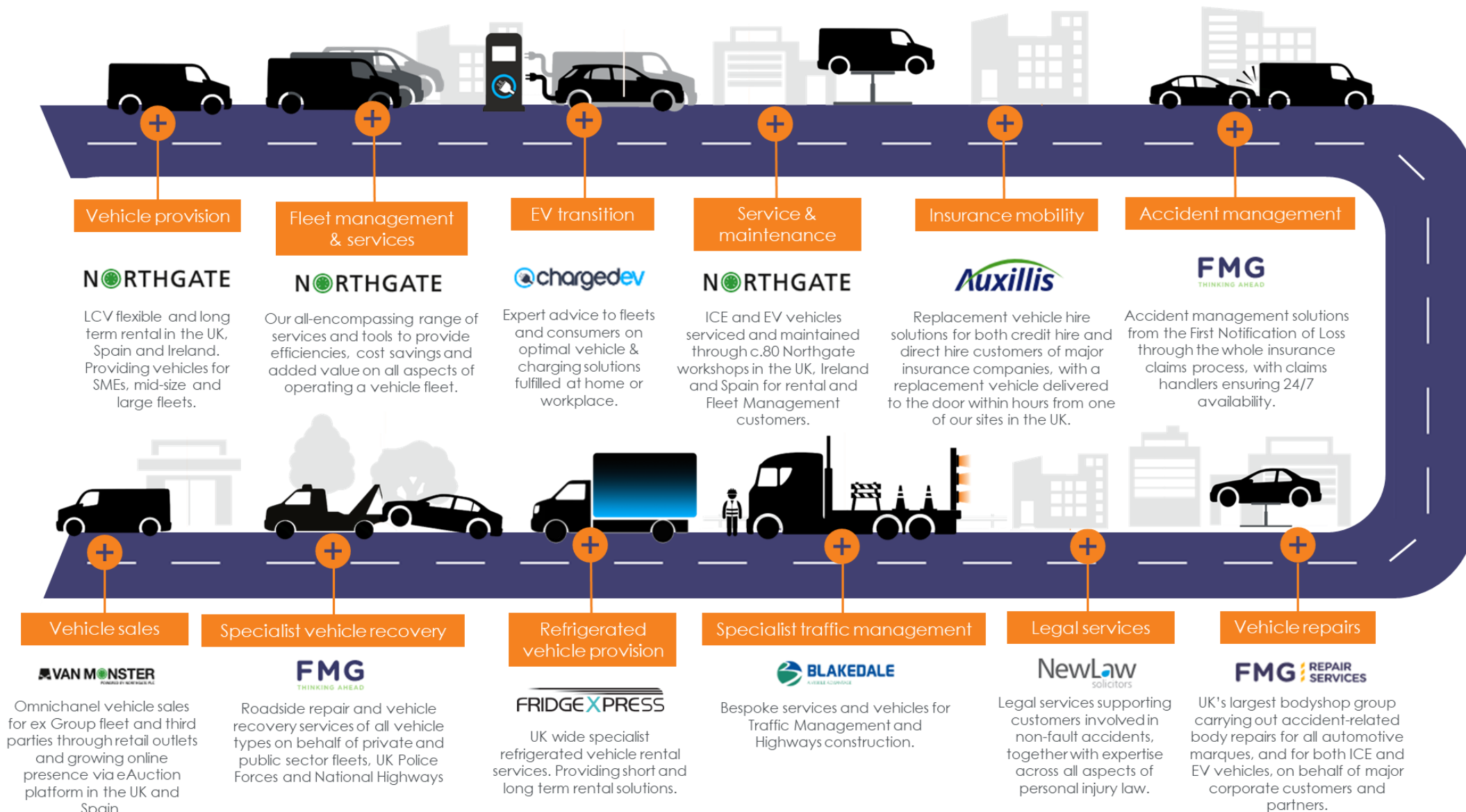
Extensive range of used vans & cars offered to businesses and private individuals through retail sites in UK, Spain & Ireland and online auction platforms, with comprehensive aftersales support.



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

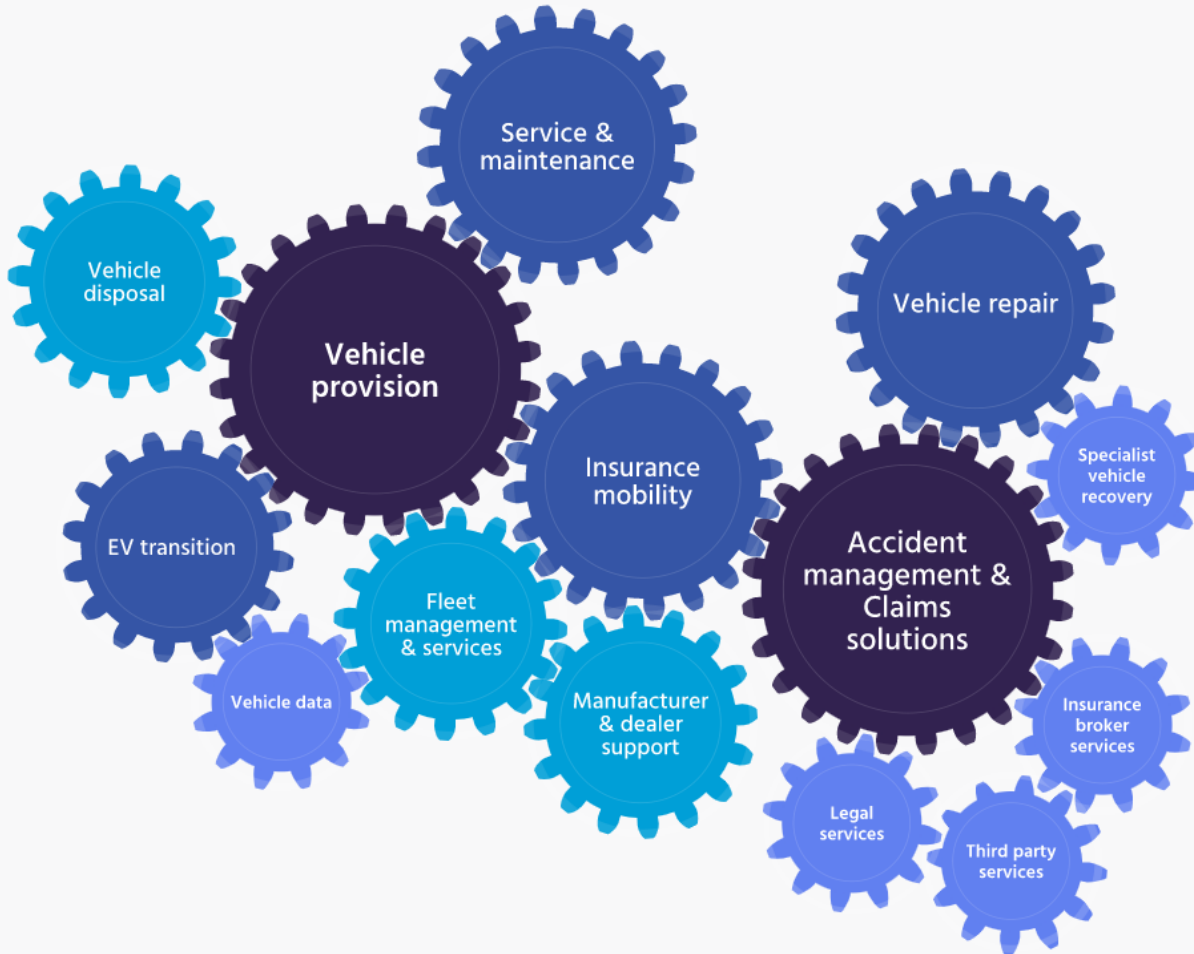


Delivering services across the vehicle lifecycle





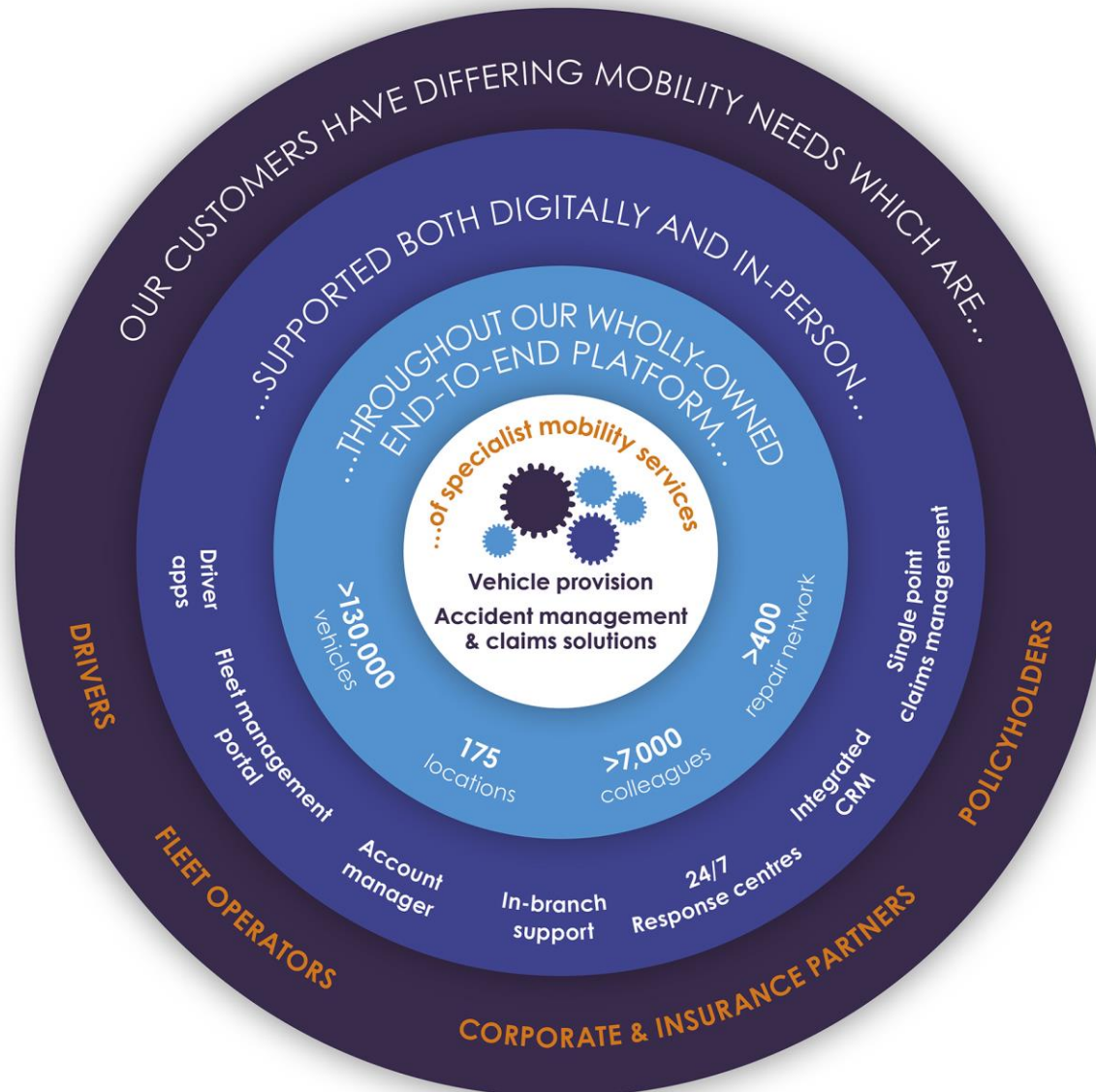
Breadth of related services



- ✓ 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

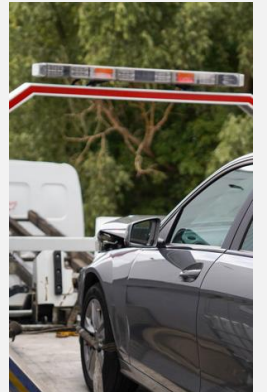
Corporates from blue-chip to SMEs

- ✓ 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

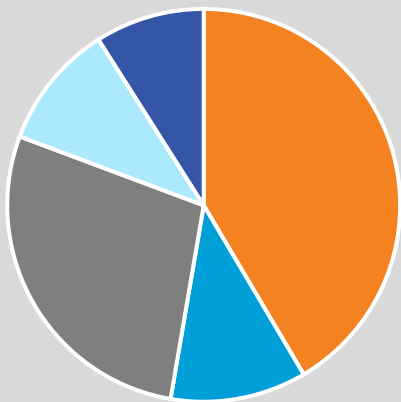




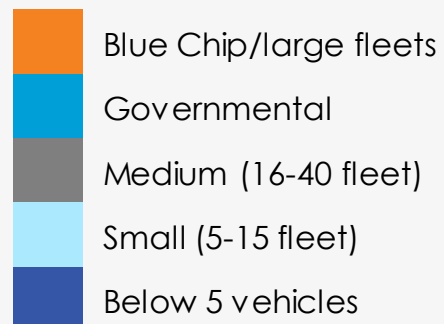
Our rental customers

UK Customer profile

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

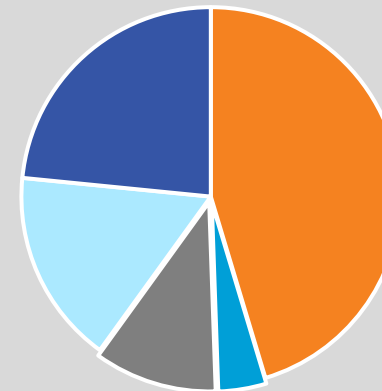


Business type



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

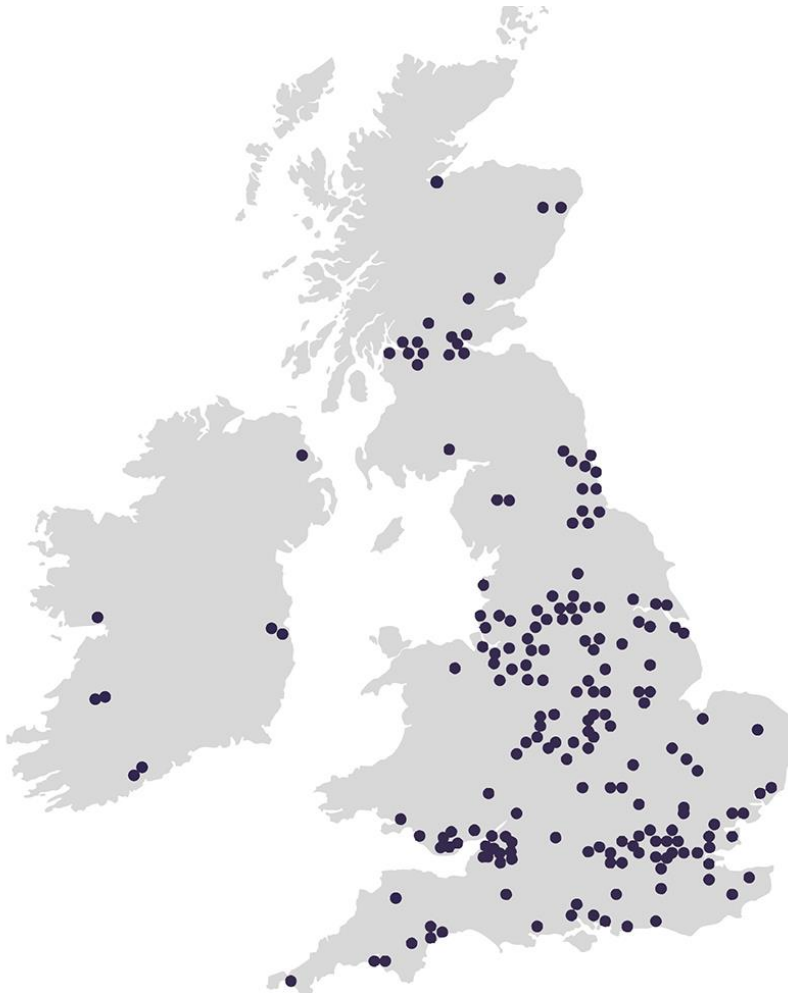
Rental locations

64

Repair centres

6,100

Colleagues



Spain

26

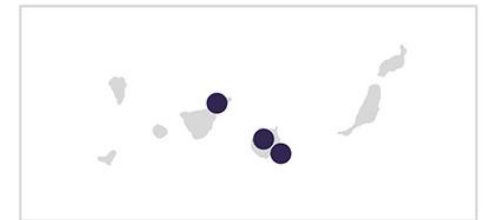
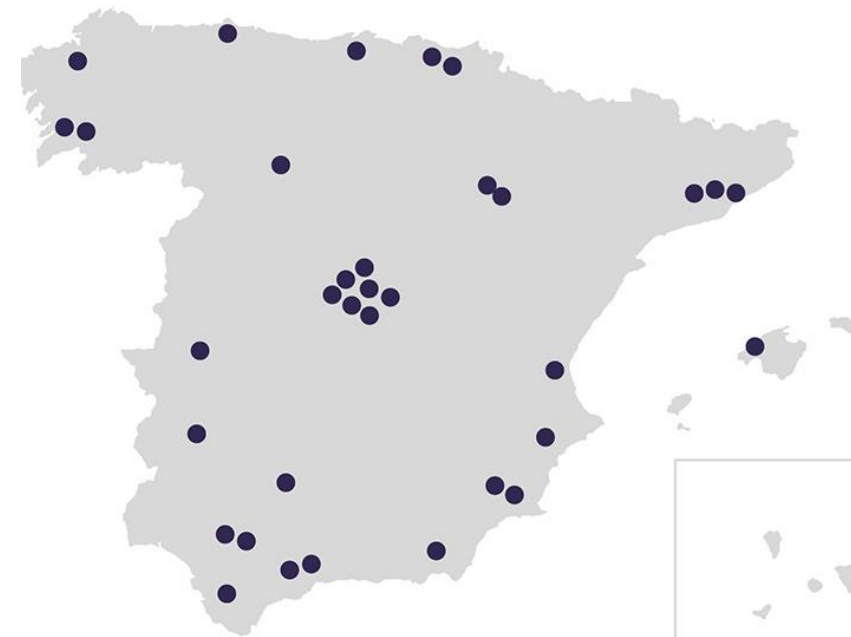
Rental locations

39

Repair centres

1,300

Colleagues



redde NORTHGATE plc

As at July 2023

Corporate website

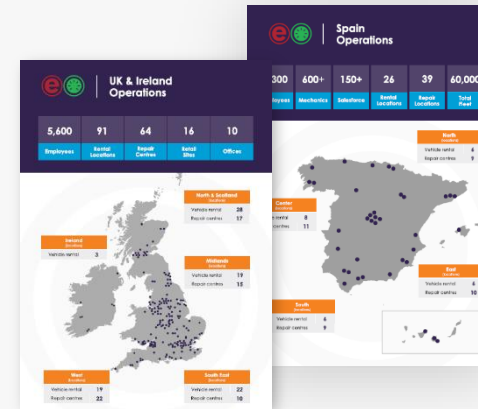
- ✓ Enhanced corporate website
- ✓ More information on **RN businesses & strategy**
- ✓ Includes **video & social media content on operations.**



Email notification alerts

- **Email alerts - Redde Northgate plc**

Our geographical footprint



Our customer solutions

