

Full Year Results FY2024.

10.07.2024

Agenda

Overview

Financial Review

Business Update

Q&A

Martin Ward

Philip Vincent

Martin Ward



Martin Ward
CEO



Philip Vincent
CFO

Business overview.

Martin Ward



Strong financial performance.

Underlying Trading

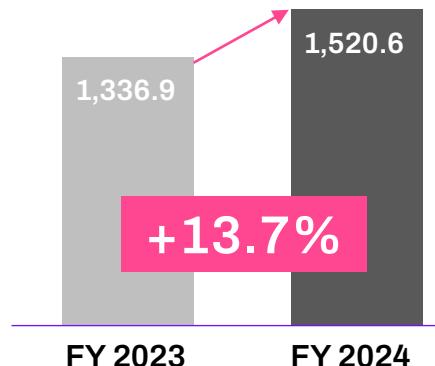
Revenues: + 13.7% to £1,520.6m

EBIT: + 13.0% to £213.7m

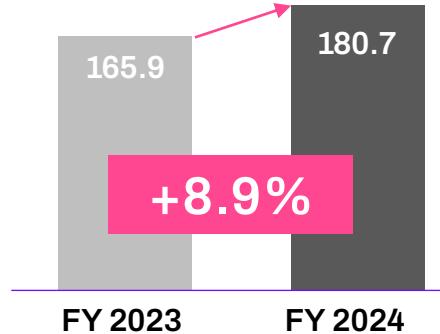
PBT: + 8.9% to £180.7m

ROCE: +0.4 ppt increase to 14.5%

Revenue (£m)



PBT (£m)



Final dividend increased to
17.5p (FY 2023: 16.5p)

Full year dividend 25.8p
(+7.5%)

£446.3m

EBITDA (+£34.1m)

£1.30bn

Fleet NBV (+£137.1m)

Leverage
1.5x

(FY 2023: 1.5x)

Significant operational progress across the businesses.

Rental

- Spain, specialist vehicles, value-added services
- Blakedale: fleet growth & bespoke fitouts
- EV fleet growth & advisory services
- Cost focus to protect margin, usage of green parts

Claims & Services

- Contract extensions/expansion
- VRA – out of hours FNOL/recovery
- Lex, Abacai, Motability, Royal Mail
- Investment in repair facilities
- Self-service portals

Focus on customer delivery

One team, one outcome:
Simplified 'Customer first'
approach: strong feedback scores

Net zero transition:
>2x growth in e-LCV fleet,
infrastructure energy partnerships

Delivering on strategic goals

Broadening offering:
Enhanced C&S proposition; corporate
car, micro-mobility

Footprint investment:
Increasing capacity & geographic reach
9 locations opened in FY 2024, 3 more
in H1 FY 2025



Financial Review.

Philip Vincent

⊕ ZIGUP



FY 2024 Overview

▲ Revenue:
+13.7%

FY 2024: £1,520.6m
FY 2023: £1,336.9m

▲ EBIT:
+13.0%

FY 2024: £213.7m
FY 2023: £189.2m

▲ Profit before tax:
+8.9%

FY 2024: £180.7m
FY 2023: £165.9m

▲ EPS:
+10.4%

FY 2024: 61.4p
FY 2023: 55.6p

▲ EBITDA:
+£34.1m

FY 2024: £446.3m
FY 2023: £412.2m

▲ Net debt & leverage:
+£47.8m n/a

FY 2024: £742.2m | 1.5x
FY 2023: £694.4m | 1.5x

▲ ROCE:
+0.4ppt

FY 2024: 14.5%
FY 2023: 14.1%

▲ DPS:
+7.5%

FY2024: 25.8p
FY2023: 24.0p

Underlying results

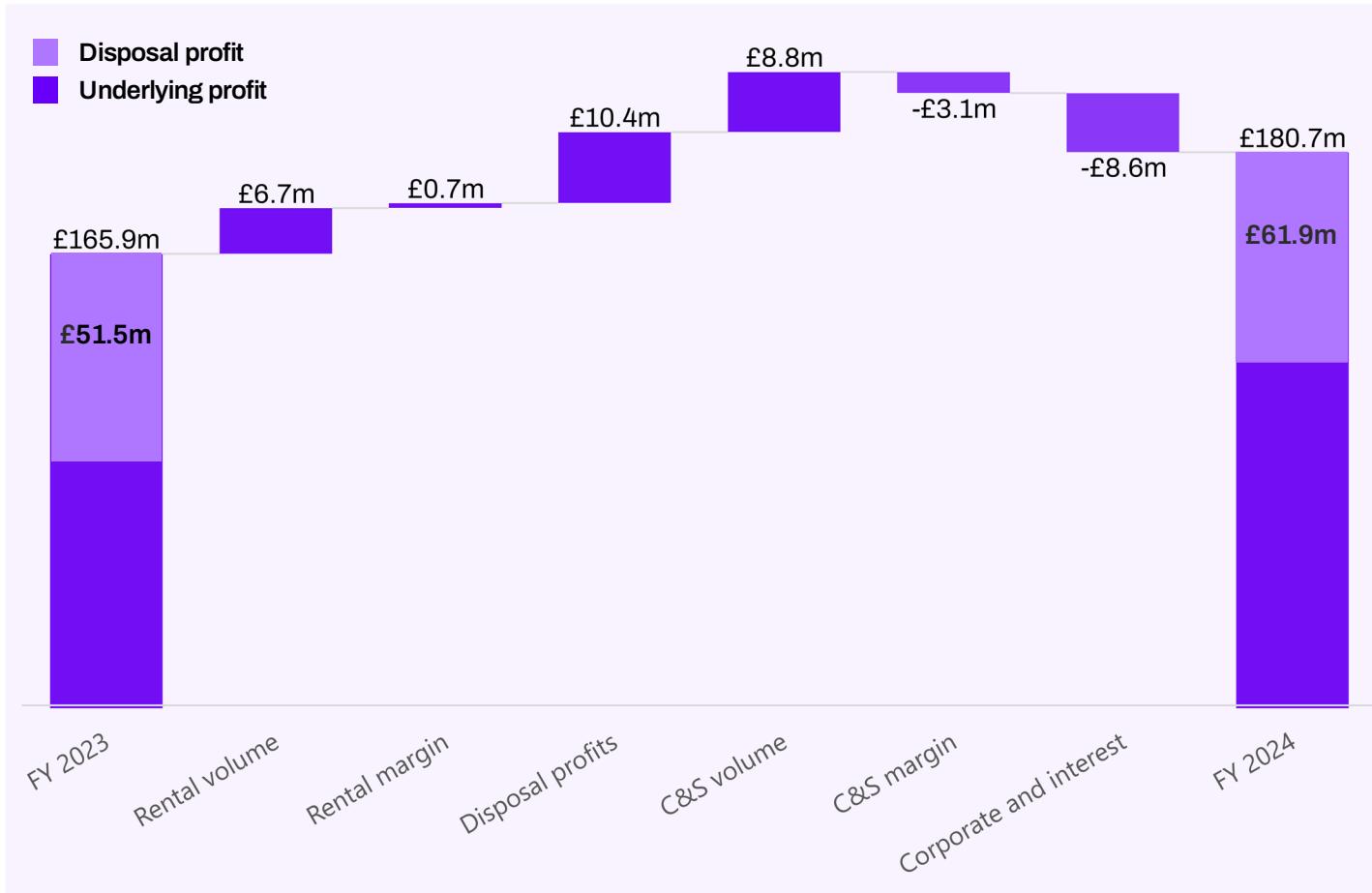
Group revenue waterfall



Key points.

- UK&I rental revenue **+4.6%**, ave. VOH **-7.7%**
- Spain rental revenue **+8.4%**, ave. VOH **+4.1%**
- C&S revenue **+19%**
- UK&I vehicle sales revenue **+116%**
- Spain vehicle sales revenue **+79%**

Group underlying profit waterfall.



Key points.

- UK&I rental margin **15.5%**
- Spain rental margin **18.2%**
- Disposal profits decreased in UK&I, increased in Spain
- C&S EBIT margin of **6.0%**
- Underlying profit excluding disposals **+10%**

Cashflow & Capex

Cash flow reordered to reflect priorities

	FY 2024 £m	FY 2023 £m	Change £m
EBITDA	446.3	412.2	34.1
Net replacement capex (NRC) ¹	(280.2)	(155.6)	(124.6)
Lease principal payments	(65.0)	(65.1)	0.1
Steady state cash flow generation	101.1	191.6	(90.4)
Working capital and non-cash items	(5.6)	(0.3)	(5.3)
Associates	2.0	3.1	(1.1)
Taxation	(33.4)	(36.6)	3.2
Interest & other financing	(28.0)	(20.6)	(7.4)
Cash generation before dividends	36.1	137.2	(101.1)
Dividends	(56.2)	(52.2)	(4.0)
Cash generation before investments	(20.1)	85.0	(105.1)
Growth capex ¹	(1.7)	(122.6)	120.9
Acquisitions	(4.1)	(10.0)	5.9
Share buyback	(24.9)	(53.0)	28.1
Net cash generation ² (incl. lease payments)	(50.8)	(100.6)	49.8

Key points.

- FY 2024 UK&I ave fleet age -1.7 to 34 months**
- FY 2024 Spain ave fleet age -2.6 to 30 months**

Current expectations

- More benign vehicle supply environment provides opportunity to accelerate plans**
 - De-ageing reduces maintenance spend & vehicle downtime**
- Net capex planned to increase circa one-third in FY 2025, before falling from FY 2026 onwards**
- Would result in lower steady state cash in FY 2025, then rising, reaching above £200m from FY 2027**
- Leverage remaining well within 1-2x range throughout, moderately higher FY 2025-26 and decreasing thereafter**

¹ Net replacement capex (NRC) 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 generation is defined as Net cash generated of £14.2m (2023: consumed £35.6m) before the add back of £65.0m (2023: £65.1m) for principal lease payments.

Robust balance sheet & prudent leverage



Strategic Review.

Martin Ward



Sustained demand, normalising supply conditions.

Positive current environment

- Rental demand strong in both geographies
- Continued diversity of customer profile
- Stable insurer market; ongoing bodyshop consolidation
- Active Insurtech opportunities
- Growing interest in EV transition

Long-term drivers of sustainable demand

- Structural trends in outsourcing
- Supplier rationalisation by our customers
- Greater connectivity through substantial technology advancements

Improving vehicle supply

UK&I: new LCV registrations

LT ave	2020	2021	2022	2023	2024-5e
370k	292k	355k	282k	341k	+3-4%

Source: SMMT

Spain: new LCV registrations

LT ave	2020	2021	2022	2023	2024-5e
190k	158k	151k	119k	141k	+5-6%

Source: DGT – Dirección General de Tráfico. 2025e: MSI Insight

Lead times: Falling to below 50 days

Visibility: Clearer, with greater ability to plan

Pricing: Increasingly a more ‘normal’ rental buyer dynamic

Used market: High demand for good condition 2-4yr LCVs
RVs likely to remain elevated for some time

Underpins ability to satisfy strength of demand

Platform well positioned for growth opportunities.

Breadth of platform capability

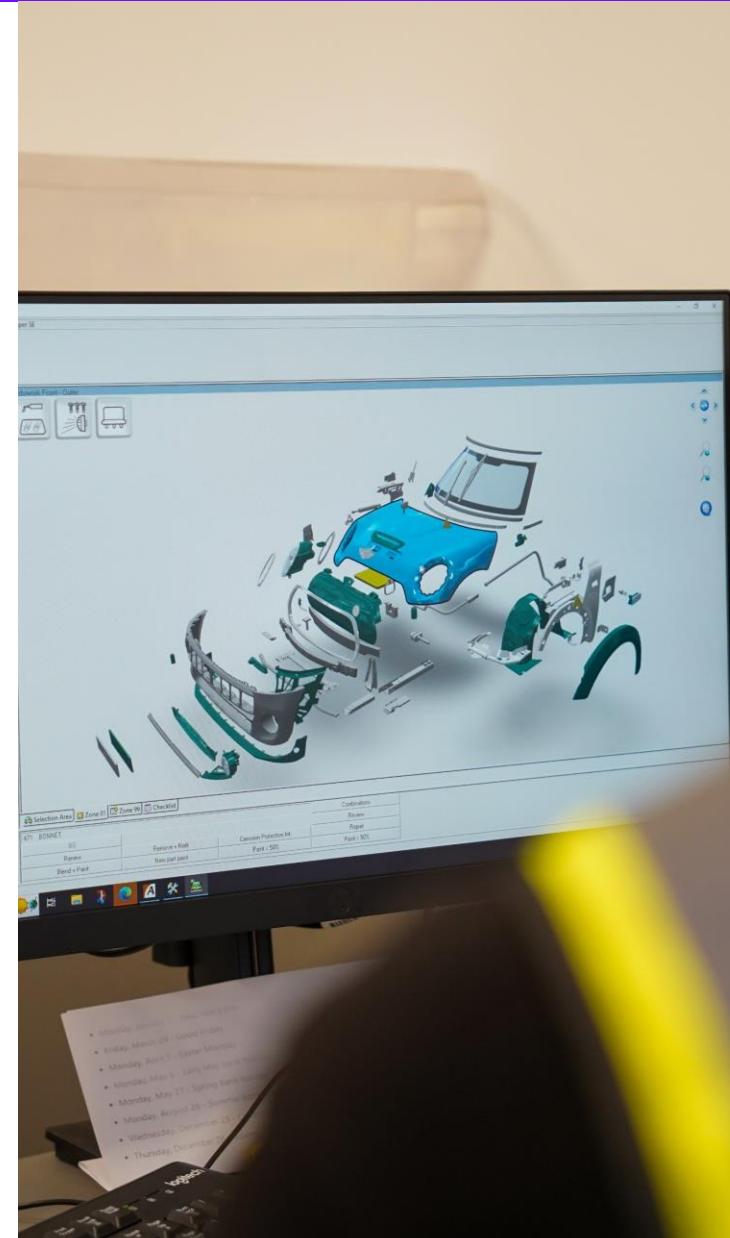
- Vehicle provision & repair capacity at scale
- Trusted expertise across the vehicle lifecycle
- Multi-service offering, tailored solutions

Differentiating through value-added services

- Enhancing core mobility solutions, supporting customer retention
- Telematics, fleet management, vehicle recovery, EV consulting
- Platform scale supporting data-enhanced value-added services

Delivering on customer expectations

- Engagement through omni-channel solutions
- Removing operational friction as single source supplier
- Expertise in B2B, growing potential for D2C



+ ZIGUP simplified, with refreshed brand & pillars.

Organisational re-alignment

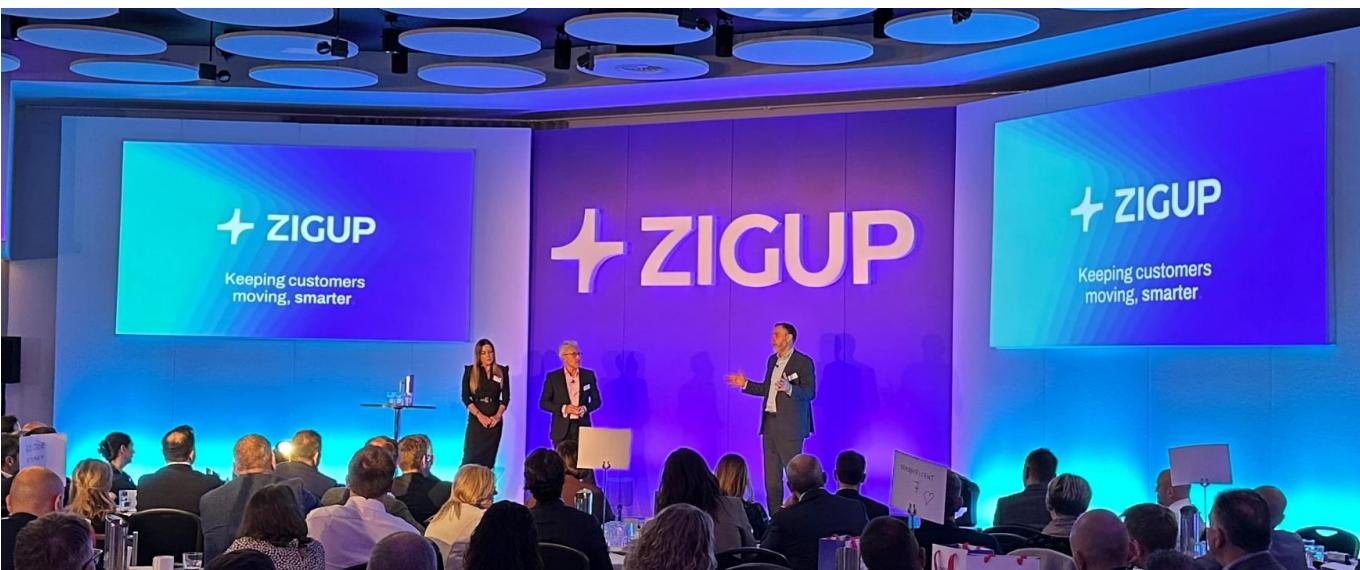
- Simplified UK reporting structure: increasingly unified service to customers, enhanced cross-selling
- Executive Committee: strategic oversight of growth opportunities and investment decisions

Brand launch

- Rebrand: working together in a more seamless way to provide a differentiated proposition to our customers.
- Refreshed purpose: ‘to keep our customers moving, smarter.’

Strategic refresh

- Core strategy remains same: but new strategic pillars reflect the ambition and energy of the Group
- Refreshed framework: forward looking approach to next phase of growth

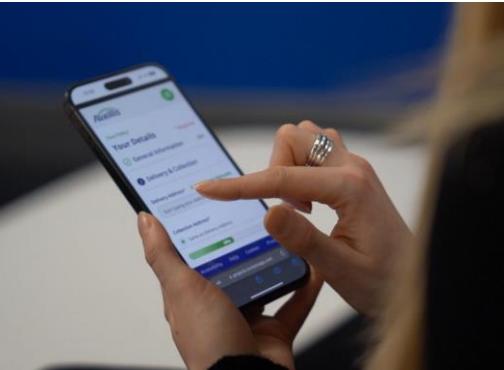


Enable: Joined up, sustainable smarter mobility solutions.



Enable

This encompasses developing sustainable products, services and operational capabilities that embrace technologies which enable increasingly connected mobility within our customer proposition.



Consumer focused platforms.

Robotics & automation.



Training & support.

Enable: Joined up, sustainable smarter mobility solutions.

Customer focused platforms



Fleet Management portals in development, providing fleet and vehicle-level analytics for optimising performance: UK H1 pilot with customers, Spain in FY 2025



'Drive 2 Zero Hub' application: supporting fleet customers with analytics & insight on EV transition roadmap by vehicle & driver: launched at start of H1 FY 2025

Training & support



144
courses to support
self-directed
learning

34
short courses
facilitated by
internal trainers

87,000
hours of training
provided in
FY 2024

5
leadership
development
pathways

403
Apprentices
(+49% from
FY 2023)

90%
of apprentices
retained (UK)

300
Mentors trained
to support
apprentices

Deliver: a differentiated & responsible customer experience.

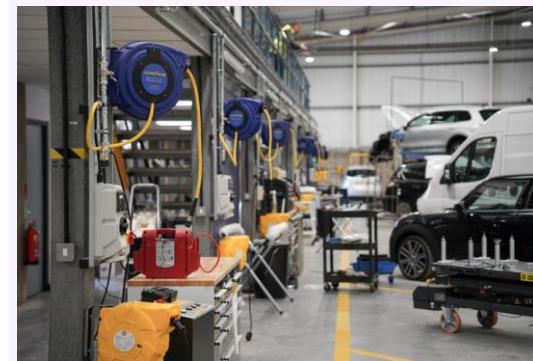


Deliver

Deliver is centred around being trusted by our customers to provide expert advice and service that exceeds expectations, delivering industry-leading responsiveness and operational efficiencies.



**One Road/
Cross-sell
opportunities.**



**'Customer first'
delivery.**



**Investment
within
branches.**

Deliver: a differentiated & responsible customer experience.

'Customer first' delivery



- Building Aspiration and Purpose amongst our colleagues.
- Transforming the customer experience
- Creating long lasting behavioural change



INSTRUCTIONS:
1. OPEN YOUR CAMERA APP
2. POINT THE CAMERA AT THE QR CODE
3. TAP THE NOTIFICATION TO OPEN THE SURVEY

'Customer first' programme launched across UK branches to support customer engagement. Includes introducing QR codes for immediate & specific branch feedback.



+69.9
Auxillis

4.7
UK&I rental

Feedback is used for core benchmarking for the customer-facing businesses. Recent branch-based initiatives have delivered significant increase in NPS and Trustpilot scores.

Investment within branches



We have invested in new tooling and process across our locations, including plastic welding tools to reduce waste and new paint solutions in both UK & Spain which has a reduced bake time for greater productivity and energy efficiency: roll-out throughout FY 2023.



Over 90% of target UK&I locations and Spanish urban branches now have EV charging infrastructure; in Spain reuse of green parts has been broadened through a programme of breaking de-fleeted vehicles where re-use provides greater efficiencies and cost savings.

Grow: Broadening customers, markets & product offering.



Grow

We are continually exploring opportunities to responsibly grow the business's breadth, size and capabilities, including into both complementary and new products and geographies.



Expanding locations.



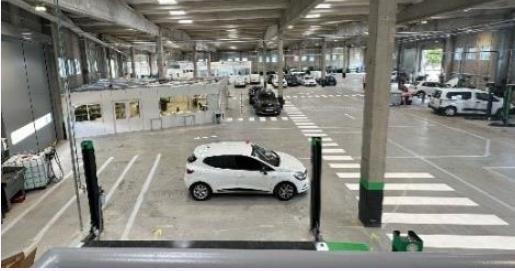
Enhanced product range.



New vehicle segments.

Grow: Broadening customers, markets & product offering.

Further locations opened in FY 2025



*Northgate Spain – Cadiz (40,000 sq ft branch, 40% increase on previous site):
& new 3rd Barcelona (97,000 sq ft) branch: both operational in early H1*



FMG RS Chadderton: 3rd site in Manchester with 27,000 sq ft of repair capability: operational early in H1

Enhanced product & vehicle range C&S specialist solutions



Specialist repair for Motability vehicle users; VRA unique end-to-end solution for out of hours accident recovery and storage for insurance partners: both launched in H2 FY2024

New vehicle segments



Refrigerated vehicles & trailers now provided to Northgate fleet customers after FridgeXpress acquisition in H1 FY2024; Micro-mobility rental solution launched in H1 FY 2025

Confidence in pipeline and outlook.

Outlook

- Demand for services remains robust, positive momentum in pipeline
- Growing capacity through expanding footprint
- Vehicle supply improving & market normalising
- Expect LCV RVs will moderate over short term but remain elevated
- Proposition and differentiated market position offer potential for sustainable growth
- Ability to leverage structural trends driving positive business fundamentals.



Q&A.

Martin Ward &
Philip Vincent



Appendices.



ESG actions.

E

ESG Commitments

-  Carbon emission reduction
-  Waste and resource efficiency
-  Environmental management
-  Working with our suppliers
-  Climate change transition

Our Progress in FY 2024

- 15% reduction in Scope 1 and 2 GHG emissions from FY 2023
- 64% of the energy we procure across is from renewable sources,
- 9% reduction in tail-pipe emissions from our vehicle in the last 3 years.
- 90% of sites have installed low-energy LED lights
- 99% of our waste was diverted from landfill
- 67% of our current company cars are EVs or Hybrids

In FY 2025, we plan to

- Develop Group level emission reduction business plans
- Embed circular economy principles across the group
- Publish our net zero transition plan

S

-  Health and Safety
-  Wellbeing, reward and recognition
-  Equity, diversity and inclusion
-  Charity and community
-  Early careers
-  Technical skills

7% reduction in our Accident Frequency Rate from 1.78 (FY 2023) to 1.67 (FY 2025)

We introduced Wagestream to improve employees' financial well-being with flexible pay access.

The employee satisfaction rating increased by 1ppt to 75%, with 83% survey return rate.

87,000 hours of training provided to our people across the Group.

49% increase in apprenticeships from 270 (FY 2023) to 403 (FY 2024)

2,000 hrs of technical training to keep us at the forefront of advancing automotive technology.

Develop targeted recruitment strategies to reach more diverse talent pools.

Leverage our groupwide training resources to foster a culture of continuous development.

Expand the deployment of level 4 high voltage EV training.

G

-  ESG oversight
-  Sustainable value creation
-  Responsible culture
-  Customers First
-  Stakeholder engagement

A cross-functional sustainability committee, supported by working groups, was incorporated.

We set out our ambitions through a suite of environmental, social, and governance commitments.

A Customer First charter was developed within Northgate's UK business, with appointed customer champions overseeing its delivery.

We have developed a Group Policy Framework to support a more unified approach to governance across the group.

Enhance ESG reporting and analysis to prepare for upcoming regulations.

Ensure greater integration of ESG into individual performance appraisals

UK & I Rental

	FY 2024 £m	FY 2023 £m	% change
Revenue – Vehicle hire	384.4	367.7	4.6%
Rental profit	59.8	55.6	7.4%
<i>Rental margin</i>	<i>15.5%</i>	<i>15.1%</i>	<i>0.4ppt</i>
Disposal profit	34.0	37.8	(9.9%)
EBIT	93.8	93.4	0.4%
<i>EBIT margin</i>	<i>24.4%</i>	<i>25.4%</i>	<i>(1.0ppt)</i>
Vehicles sold '000	22,200	10,200	137%
<i>LCV PPU</i>	<i>£2,600</i>	<i>£3,700</i>	<i>(30.0%)</i>

Key Highlights

- Rental margin of **15.5%**, close to sustainable level
- Restricted vehicle supply held back VOH (-7.7%)
- Lower VOH offset by higher revenue per vehicle
- Vehicles sold include **7,000** cars/other through Van Monster

Spain Rental

	FY 2024 £m	FY 2023 £m	% change
Revenue – Vehicle hire	274.0	252.7	8.4%
Rental profit	50.0	46.7	6.9%
<i>Rental margin</i>	<i>18.2%</i>	<i>18.5%</i>	<i>(0.3ppt)</i>
Disposal profit	27.8	13.7	102.7%
EBIT	77.8	60.4	28.7%
<i>EBIT margin</i>	<i>28.4%</i>	<i>23.9%</i>	<i>4.5ppt</i>
Vehicles sold '000	14,500	7,900	83.5%
<i>LCV PPU</i>	<i>£1,900</i>	<i>£1,700</i>	<i>10.5%</i>

Key Highlights

- Strong growth in rental revenue +8.4%
- Investment in fleet increasing VOH (+4.1%)
- Increased disposal profits from sales volumes +83.5%
- Residual values remain strong

Claims & Services.

	FY 2024 £m	FY 2023 £m	% change
Revenue – Claims & services	882.3	738.9	19.4%
Gross profit	171.0	151.5	12.9%
<i>Gross margin</i>	<i>19.4%</i>	<i>20.5%</i>	<i>(1.1ppt)</i>
Operating profit	51.4	44.5	15.5%
Income from associates	1.3	2.5	(48.6%)
EBIT	52.7	47.0	12.1%
<i>EBIT margin</i>	<i>6.0%</i>	<i>6.4%</i>	<i>(0.4ppt)</i>

Key Highlights

- Increased volumes from existing customers & new contracts launched
- Operating profit up **15.5%** based on increase claims and fleet management
- 2 additional repair centres and 2 moved to new upgraded facilities

Cash flow reconciliation

FY 2024 Cash generation				Cash flow reordered to reflect priorities			
	FY 2024 £m	FY 2023 £m	Change £m		FY 2024 £m	FY 2023 £m	Change £m
EBIT	213.7	189.2	24.5	EBITDA	446.3	412.2	34.1
Depreciation and amortisation	232.6	223.0	9.6	Net replacement capex ¹	(280.2)	(155.6)	(124.6)
Underlying EBITDA	446.3	412.2	34.1	Lease principal payments	(65.0)	(65.1)	0.1
Net replacement capex ¹	(280.2)	(155.6)	(124.6)	Steady state cash flow generation	101.1	191.6	(90.4)
Lease principal payments	(65.0)	(65.1)	0.1	Working capital and non-cash items	(5.6)	(0.3)	(5.3)
Steady state cash flow generation	101.1	191.6	(90.4)	Associates	2.0	3.1	(1.1)
Working capital and non-cash items	(5.6)	(0.3)	(5.3)	Taxation	(33.4)	(36.6)	3.2
Growth capex ¹	(1.7)	(122.6)	120.9	Interest & other financing	(28.0)	(20.6)	(7.4)
Taxation	(33.4)	(36.6)	3.2	Cash generation before dividends	36.1	137.2	(101.1)
Net operating cash	60.4	32.0	28.4	Dividends	(56.2)	(52.2)	(4.0)
Distributions from associates	2.0	3.1	(1.1)	Cash generation before investments	(20.1)	85.0	(105.1)
Interest and other financing	(28.0)	(20.6)	(7.4)	Growth capex	(1.7)	(122.6)	120.9
Acquisition of business	(4.1)	(10.0)	5.9	Acquisition of business	(4.1)	(10.0)	5.9
Free cash flow	30.3	4.5	25.8	Share buyback	(24.9)	(53.0)	28.1
Dividends	(56.2)	(52.2)	(4.0)	Net cash generation ² (incl. lease payments)	(50.8)	(100.6)	49.8
Share buyback	(24.9)	(53.0)	28.1				
Net cash generation ² (incl. lease payments)	(50.8)	(100.6)	49.8				

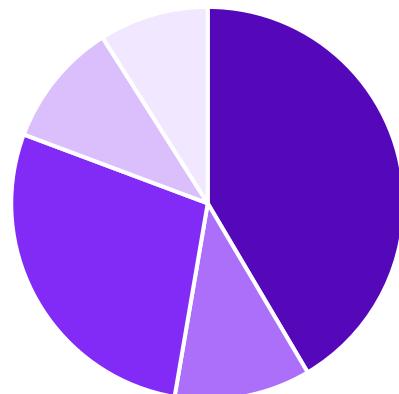
¹ Net replacement capex is total net capex less growth capex. Growth capex represents the cash consumed in order to grow the owned fleet or the cash generated if the fleet size is reduced in periods of contraction.

² Net cash generation is defined as Net cash generated of £14.2m (2023: consumed £35.6m) before the add back of £65.0m (2023: £65.1m) for principal lease payments.

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

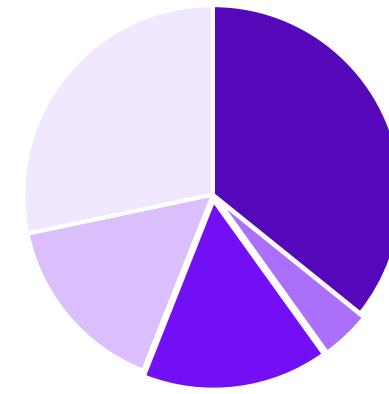


Business type

- █ Blue Chip/large fleets
- █ Governmental
- █ Medium (16-40 fleet)
- █ Small (5-15 fleet)
- █ Below 5 vehicles

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.	



Impact of depreciation rate.

£m	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	Total
Reduced depreciation	55.1	38.3	15.7	4.1	-	113.2
Reduced disposal profits	(8.5)	(38.3)	(40.5)	(22.3)	(3.6)	(113.2)
Impact on Statutory EBIT	46.6	-	(24.8)	(18.2)	(3.6)	-
Previously expected impact	46.5	12.7	(28.3)	(26.4)	(4.5)	-
UK&I:						
Reduced depreciation	45.4	25.7	8.8	1.6	-	81.5
Reduced disposal profits	(6.7)	(30.5)	(29.8)	(14.5)	-	(81.5)
Impact on UK&I EBIT	38.7	(4.8)	(21.0)	(12.9)	-	-
Spain:						
Reduced depreciation	9.7	12.6	6.9	2.5	-	31.7
Reduced disposal profits	(1.8)	(7.8)	(10.7)	(7.8)	(3.6)	(31.7)
Impact on Spain EBIT	7.8	4.8	(3.8)	(5.3)	(3.6)	-

Key points

- Statutory adjustment re-phased on same vehicle cohort to reflect further fleet ageing
- Statutory PBT had nil impact from the depreciation rate change in FY 2024. Change reflects update from prior year estimate due to larger number of vehicles sold more quickly
- This adjustment will reverse over the remaining holding period of the cohort as vehicles are sold with a higher NBV and therefore a lower PPU
- No impact on cash
- Newer vehicles will not be impacted by the change

Fleet reconciliation.

Vehicles #	UK&I	Spain	Claims & Services	Group
Opening owned fleet (Apr-23)*	53,800	63,400	18,500	135,700
Acquisitions	100	-	-	100
Purchases	10,900	17,600	2,600	31,100
Disposals	(15,100)	(14,500)	(3,700)	(33,300)
Transfers	1,700	-	(1,700)	-
Movements on direct vehicles	(2,600)	-	-	(2,600)
Movement on leased vehicles	600	-	800	1,400
Closing fleet (Apr-24)*	49,400	66,500	16,500	132,400
 Closing owned fleet	43,500	65,100	6,400	115,000
Closing leased fleet	3,100	-	10,100	13,200
Closing total fleet (ex-sales stock)	46,600	65,100	16,500	128,200
Closing sales stock	2,800	1,400	-	4,200
 Purchases for growth	-	3,100	-	3,100
Sales in contraction	(4,200)	-	(1,100)	(5,300)
Growth in owned fleet for growth capex**	(4,200)	3,100	(1,100)	(2,200)
 Purchases for replacement	10,900	14,500	2,600	28,000
Replacement sales	(10,900)	(14,500)	(2,600)	(28,000)
Net replacements	-	-	-	-

* including sales stock

** growth in owned fleet includes movement on sales stock & excludes vehicles held under leasing

Corporate Website

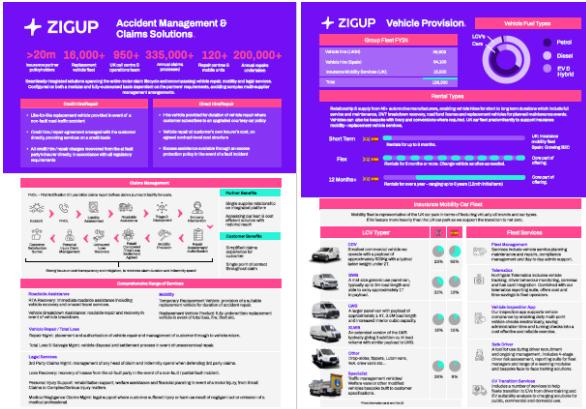
Corporate Website

- Enhanced corporate website
- More information on ZIGUP & our strategy
- Includes video & social media content on operations
- Email notification alerts

www.zigup.com/investors/news-and-alerts/email-alerts/



Our customer solutions



Our geographical footprint

