



# DRIVING SUSTAINABILITY

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GROUP OVERVIEW 2022



# PAVING THE ROAD TO NET ZERO FOLLOWING A RECORD YEAR OF PERFORMANCE

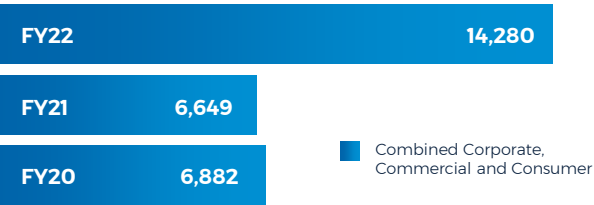


Despite the challenges of COVID-19 and automotive supply disruption, our record performance is testament to Zenith’s strategy and business model... we look forward with confidence to playing a key role in decarbonising the UK vehicle parc in years to come.

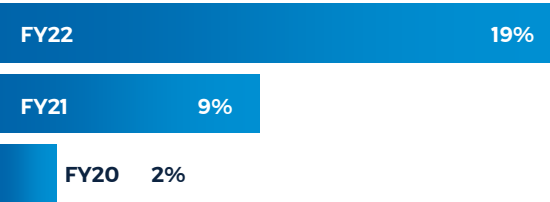
## THREE DECADES OF GROWTH FLEET SIZE



## CLOSING ORDER BANK



## FUNDED FLEET (CORPORATE) BEV



## HIGHLIGHTS



Zenith continues to grow and develop



Increased fleet to over 160k vehicles



Record profits



Business model = robust performance



Highest ever order take



Launched Diversity & Inclusion agenda



Significant levels of investment



# ZENITH IN NUMBERS: A GROWING BUSINESS WITH A HUGE MARKET OPPORTUNITY

## THE MARKET OPPORTUNITY FOR ZENITH

UK VEHICLE PARC  
**40m**

TOTAL ADDRESSABLE VEHICLE PARC  
**15.6m**

TOTAL FLEET  
**162k**

## GROWING FLEET CONSISTENTLY IN PAST THREE YEARS

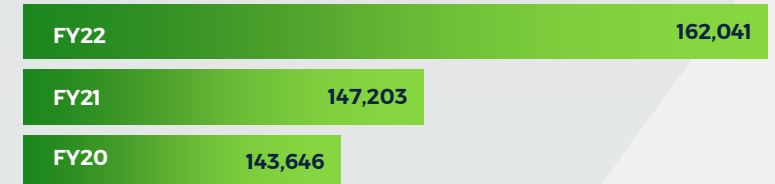
## OUR FINANCIAL STRENGTH

TURNOVER  
**£589.1m**  
+20%

GROSS PROFIT  
**£136.2m**  
+32%

ADJUSTED EBITDA  
**£78.2m**  
+27%

### TOTAL FLEET SIZE



## OUR CHANGING BUSINESS

BATTERY ELECTRIC VEHICLES (BEVs) AS % OF FUNDED FLEET  
**19%**  
Excludes commercial vehicles

BEV AS % OF TOTAL FUNDED ORDER BOOK  
**58%**

EMPLOYEE GROWTH  
**1,213**  
+192 in the year

### TOTAL FUNDED FLEET SIZE



All figures correct as of 31 March 2022  
Adjusted EBITDA is after adding back the losses of ZenAuto



# A CLEAR DIRECTION: OUR PURPOSE, VISION, STRATEGY AND VALUES

## PURPOSE

To provide sustainable, innovative vehicle mobility solutions..

## VISION

To decarbonise the UK vehicle parc by eliminating tailpipe emissions.

## STRATEGY

Zenith has a five point strategy



**Be pre-eminent in our chosen markets**



**Embed sustainability throughout the business**



**Be the employer of choice in our sector**



**Make a positive impact on society**



**Create value for our stakeholders**

**INNOVATIVE**  
**PASSIONATE**  
**AGILE**  
**PROUD**  
**DRIVEN**  
**HONEST**



DRIVING SUSTAINABILITY

# KEY FACTORS DRIVING ZENITH'S SUCCESS

## COMBINATION OF UNIQUE QUALITIES



### ONE ZENITH

A unique multi-asset, multi-service platform, Zenith offers the full range of vehicle types, across a full range of channels, and a full range of service solutions.



### QUALITY OF SERVICE

Zenith has a strong reputation for consistently delivering great service to its customers underpinned by its culture and values.



### INDEPENDENCE

Independent ownership and financing enables the Group to be agnostic regarding vehicle make, powertrain and funder.

## KEY ENABLERS



### POWERED BY PEOPLE

Our people culture has always been central to our success; the Zenith People Promise will ensure this continues.



### REINFORCED WITH TECHNOLOGY

Zenith continues to make significant investments in tech to deliver a single, fully-scalable asset management platform.



### SCALABLE AND SUSTAINABLE FUNDING

Zenith has diverse, scalable and sustainable sources of funding enabling us to grow and support our customers.

# OUR UNIQUE RANGE OF VEHICLE MOBILITY SOLUTIONS

## VEHICLE PROCUREMENT



Supporting customers throughout the vehicle procurement process, from specification and selection through to order and delivery. Offering a full build management service for commercial vehicles to ensure vehicles are delivered to specification and on time.

## FLEET FUNDING



Providing multi-asset funding solutions of all shapes and sizes including business and personal contract hire, contract purchase, finance and operating lease, salary sacrifice and employee car ownership, as well as offering bespoke funding solutions such as sale and leaseback.

## TRAILER RENTAL



Operating one of the largest fleets with the widest trailer range in the industry, with flexible terms, delivered at pace, from an in-house national network of 10 depots, combined with a service and maintenance network to deliver the highest levels of safety and compliance.

## DRIVER SERVICES



Delivering an exceptional customer experience to drivers through our award-winning in-house customer service team and driver technology stack. We support drivers to navigate choice, transition to battery electric vehicles (BEV) and provide 24/7 support for in-life vehicle events.

## MAINTENANCE AND REPAIR



Providing the full spectrum of maintenance and repair services for all vehicle types through our strategically located in-house commercial vehicle workshops, one of the largest fleets of mobile service units in the UK, and our extensive nationwide network of quality third-party service agents.

## SHORT-TERM HIRE



Operating one of the largest third-party rental networks in the UK, providing nationwide coverage for cars, vans and specialist vehicles with the flexibility for collection and delivery and hire periods from one day to six months onwards.

## FLEET MANAGEMENT



Fleet management capabilities are delivered by in-house expert teams and underpinned by market-leading technology and processes, which integrate across supply chains and with customer systems, providing real time data to inform decision making and ensure maximum vehicle availability.

## VEHICLE COMPLIANCE



Ensuring customer fleets are fully compliant, covering MOT, service and inspections, including ancillary equipment; Zenith systems are fully Earned Recognition compliant, and customers have real time digital access to all compliance documentation.

## WHITE LABEL SOLUTIONS



Providing access to robust, award-winning technology, services and teams, delivering bespoke solutions that enable vehicle manufacturers and financial institutions to sell and market Zenith products and services under their own brands.

## ACCIDENT MANAGEMENT AND ANCILLARY SERVICES



Offering comprehensive 24/7/365 cover, from notification of loss to getting vehicles back on the road; and delivering technology-led complementary services. This includes cash, fuel and mileage management, pool fleet, telematics, and BEV solutions such as home and workplace charging.

## REMARKETING



Offering a vehicle disposal solution to third parties and for vehicles owned by Zenith; this covers the spectrum of vehicle management, movement and disposal services, on an agency and principal basis, working through numerous disposal channels and partners.

## CONSULTANCY

Providing expert advice and analysis to help shape future fleet strategy across all assets, focusing on cost, risk, operational effectiveness, driver engagement, legislative change and decarbonisation.

# OUR MODEL KEEPS ZENITH SUSTAINABLY COMPETITIVE

## WHAT WE HARNESS

Our independence

Our 'balance sheet light' model

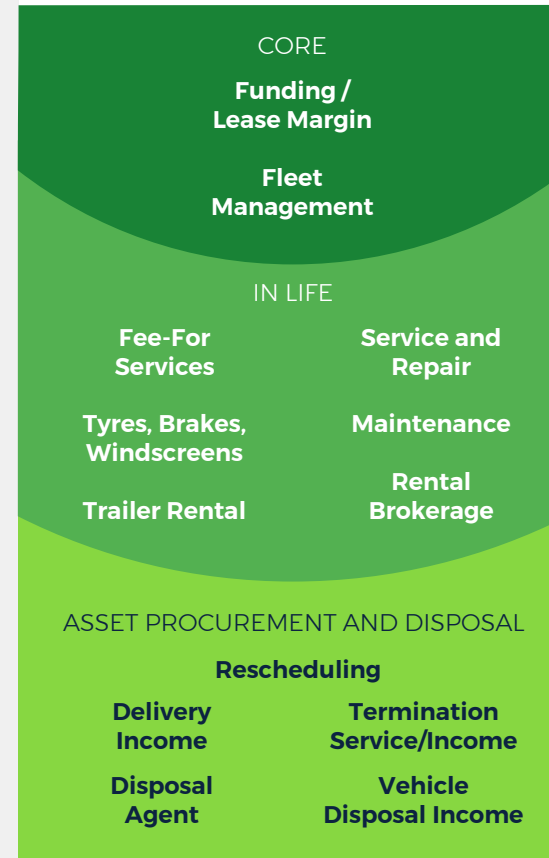
Our carefully selected market segments

Our base of attractive 'prime' customers in every channel

Our balanced approach to underwriting 'risk' products

Our unique, performance-driven culture

## OUR INCOMES...



## ...ARE DRIVEN BY

Funded Fleet Size

Managed Fleet Size

Mileage/Use

Rental Utilisation/ Days

Turnover of Fleet

Used Vehicle Market Conditions

## WHAT WE CREATE: THE RESULTS

### Customer service and therefore customer retention



Top 20 clients have average tenure of 11+ years

### Exceptional customer service



Consumer: ZenAuto Trustpilot score of 4.8 is industry-leading.

### Favourable structural trends



Transition to EVs and 'the dash to electric'

### Our performance in Best Companies



Regional and industry winner in 2021 Best Companies survey

### Our exceptional financial profile



Cash conversion rates of 83% across FY2020-22

### Highly visible and recurring income



Contracted & scheduled income: 72% of gross profit



# DELIVERING GROWTH AS 'ONE ZENITH' ACROSS THREE ROUTES TO MARKET



## CORPORATE

### **BIG ON FLEET, BIG ON DETAIL**

Fleet drives business. To thrive, our customers need the right blend of vehicles, funding, service, strategy and support.

## COMMERCIAL

### **KEEPING YOU MOVING**

Whether it's vans, trucks or trailers, we keep our customers' fleets compliant, cost efficient and available to ensure their businesses are always moving forward.

## CONSUMER **ZenAuto**

### **LEASE THE CAR YOU LOVE**

Choose it, spec it and order it online. Our customers lease brand-new cars with ease. We offer a unique digital experience that gives customers more car than they thought possible.



# ZENITH DELIVERS IN THE B2B CHANNEL: FROM BUSINESS CRITICAL TO EMPLOYEE VEHICLES

## ADDRESSABLE VEHICLE PARC

# 5.6m

**2.8m Cars, 2.1m LCV's, 0.7m HGVs**

focus on large corporates, from cars and light commercial vans, to our leading proposition in commercial vehicles such as trucks, trailers and specialist vehicles...



## ZENITH'S B2B OFFERING:

- ✓ Focus on large, blue chip customers typically with fleets of over 100 vehicles
- ✓ One of the largest purchasers of rental vehicle days in the UK
- ✓ The largest UK fleet of HGVs, trucks, vans and MHE
- ✓ UK trailer rental market leader with a 22% market share

# ZENITH DELIVERS IN THE B2B2E CHANNEL: A MARKET LEADING SALARY SACRIFICE OFFER

ADDRESSABLE VEHICLE PARC

**5.6m** 

**Of which: 2.8m Cars**  
including Salary Sacrifice  
vehicles

**SALARY SACRIFICE  
ELIGIBLE EMPLOYEES**

**1.2m** 

within the Zenith  
customer base

## ZENITH'S B2B2E OFFERING:

- ✓ Zenith is the market leader in the private sector salary sacrifice market
- ✓ We operate the single largest scheme in the industry
- ✓ We concentrate on providing a fully outsourced solution to large, blue chip customers

# ZENAUTO IS DRIVING GROWTH IN THE DIGITAL CONSUMER DIVISION



ADDRESSABLE  
VEHICLE PARC  
FROM NEW AND  
FIRST USED  
VEHICLES

10m



## ZENAUTO'S B2C OFFERING:

- ✓ Differentiated customer experience
- ✓ Digital proposition backed by human support
- ✓ Access to manufacturer brands
- ✓ Growing brand awareness
- ✓ A brand consumers can trust



ZenAuto's progress can be seen in the rapid growth of the business:

**ZENAUTO FLEET  
& ORDER BANK  
GROWTH 2020-2022**

**130%**

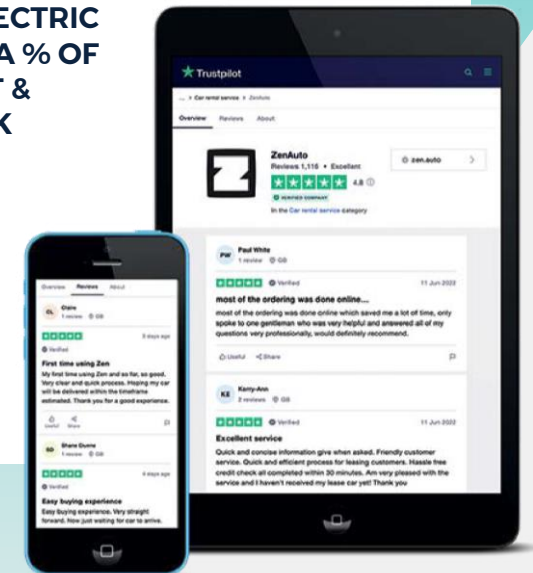
Annual growth rate

**FLEET ASPIRATION  
BY 2025**

**70,000+**

**BATTERY ELECTRIC  
VEHICLE AS A % OF  
TOTAL FLEET &  
ORDER BANK**

**25%**





# STRATEGY

Zenith has a 5 point strategy:



**Be pre-eminent in our chosen markets**



**Embed sustainability throughout the business**



**Be the employer of choice in our sector**



**Make a positive impact on society**



**Create value for our stakeholders**





# ZENITH WILL BE PRE-EMINENT IN OUR CHOSEN MARKETS

## DELIVERABLE

- 1 Be a collaborative partner, creating strategic relationships using independent, scaled funding and service credentials.
- 2 Provide the personal car subscription model, removing barriers of entry to “usership” and risk of change.
- 3 Grow the funded fleet and recurring revenue, delivering compelling solutions to large fleet customers and prime retail consumers
- 4 Grow additional revenues by focusing on in-life services, direct delivery capabilities and increasing our penetration of the commercial vehicle rental.
- 5 Undertake selective M&A activity aligned with our strategy where this enhances our capabilities, scale or provides synergies.

## KEY ACHIEVEMENTS

**FN50 Customer Service Team**  
award winners



ZenAuto fleet grew by **64%**

Grew Zenith funded fleet by  
**5% to 70k units**

Zenith total fleet **increased  
by 10%** in the past year, to  
162k units

Launch of ZenAuto **above-the-  
line advertising**

**Renewed significant customer  
contracts** including in the  
supermarket, energy, logistics,  
and professional services sectors

**Transformed our Commercial  
division** by successfully  
integrated the former  
Cartwright fleet services and  
trailer rentals businesses.



# ZENITH ARE EMBEDDING SUSTAINABILITY THROUGHOUT THE BUSINESS

## DELIVERABLE

- 1 Operate a funding structure that is sustainable, scalable and competitive
- 2 Implement the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) ahead of time
- 3 Extend carbon neutral status to the in-house maintenance operation (acquired in 2020)
- 4 Develop emissions reduction targets validated by the Science Based Targets initiative (SBTi)
- 5 Deliver a single asset management tech platform, scalable to over a million vehicles
- 6 Sustain resilient and scalable operations with supply chain excellence.

## KEY ACHIEVEMENTS

Zenith raised the UK vehicle leasing sector's **largest green bond**.

**£475m** to be spent on clean transportation investments over two years

**£725m** new **securitisation facilities** that will support the majority of our funded fleet

Achieved **carbon neutral status**, verified by Carbon Footprint



**Repaid furlough support** payments received during the pandemic.



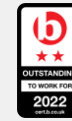


# ZENITH WILL BE THE EMPLOYER OF CHOICE IN OUR SECTOR

## DELIVERABLE

- 1 Develop and communicate a long-term people strategy, our 'People Promise'
- 2 Design our business for success, so our roles have purpose and we are ready to scale
- 3 Build brilliant teams, with inspiring leaders and colleagues who can be the best version of themselves
- 4 Cultivate a thriving culture, with inclusion everywhere and where colleagues care for each other
- 5 Ensure a fair deal for all and an exceptional colleague experience, from recruitment to retirement

## KEY ACHIEVEMENTS



Zenith maintained its **Best Companies 2 star engagement rating** throughout the pandemic

Launched **diversity and inclusion strategy**

**75%** of external senior leadership appointments, and **43%** of internal promotions were female



High proportion of **Kickstarters** became permanent employees

Launched '**Online Academy**' training platform

Appointed and **enhanced strategic capabilities** – consumer marketing, maintenance ops, contact centre ops, technology and digital

Launched post pandemic Agile ways of working – **reducing employee turnover by 1%** vs pre pandemic levels

**Market leading pay award** and 2% one off inflation support payment for all colleagues.



# ZENITH WILL MAKE A POSITIVE IMPACT ON SOCIETY

## DELIVERABLE

- 1 Place ESG at the centre of the culture and adopt it as a guiding design principle
- 2 Commit to robust emissions reduction target in line with net zero emissions by 2050
- 3 Make alternative fuel vehicles more accessible for consumers by providing great value solutions, as well as guidance and support
- 4 Influence the public policy agenda through thought leadership, data and insights
- 5 Continue to develop and evolve our community and fundraising efforts, particularly partnerships with local schools and colleges

## KEY ACHIEVEMENTS

Signed up to **EV100**, committing to transition the cars and vans procured for customers before 2030

Joined the **Business Ambition** for 1.5°C campaign

**8 of top 10** car models ordered are electric

**Committed to SBTi**, pledging to calculate both upstream and downstream Scope 3 emissions over the next 12 months

**58%** of car order bank is electric

Supported government kick starter initiative with 13 out of **20 placements** becoming permanent employees

**3%** of our workforce on an apprenticeship programme

Over **£40,000 raised** for charitable causes, despite the impact of multiple lock downs

# 2021/2022 HAS BEEN A YEAR OF INCREDIBLE GROWTH FOR ZENITH

## FINANCIAL KPIS

GROSS PROFIT

**£136.2m** +32%

ADJUSTED EBITDA

**£78.2m** +27%

REPORTED EBITDA

**£74.8m** +29%

CASH CONVERSION

**80%**

Cash Conversion is stated before the impact of the deferred VAT repayments under the Covid-19 deferral scheme

## NON-FINANCIAL KPIS

FUNDED FLEET

**70,155 units** +5%

MANAGED FLEET

**91,886 units** +14%

EMPLOYEE ENGAGEMENT

**2 Star Best Company**  
for the third year running

CUSTOMER EXPERIENCE

**4.8 stars**  
on Trustpilot which is industry-leading

"2 star" is the second-highest accreditation and represents 'outstanding' commitment to workplace engagement





# AN EXCITING FUTURE

TARGET ADDRESSABLE MARKET

**15.6m**

VEHICLES TOTAL

B2B (Corporate and Commercial) 5.6m

B2C (Consumer, Zen Auto) 10m

REACHING

**250K+ VEHICLES**

UNDER MANAGEMENT IN 3 YEARS

**ZENAUTO TO GROW**

TO SAME SCALE AS OUR CORPORATE  
BUSINESS

