MMS Group
FY17 Results Presentation

Presenters
Mike Salisbury, CEO
Mark Blackburn, CFO

McMillanShakespeareGroup

Overview

Key continuing initiatives for building long term shareholder value

- Broadening the suite of high quality products and industry leading service to drive organic growth
- Investing in technology resulting in an improved customer experience
- Capturing synergy benefits from a fully integrated business
- Continuing to deliver high returns on capital and free cash flow
- Selectively approaching acquisitions to complement organic growth

Key Financial Metrics

Solid 2H recovery, momentum building

Revenue up 1.6% to
$513.0 million

EBITDA up 1.0% to
$137.3 million

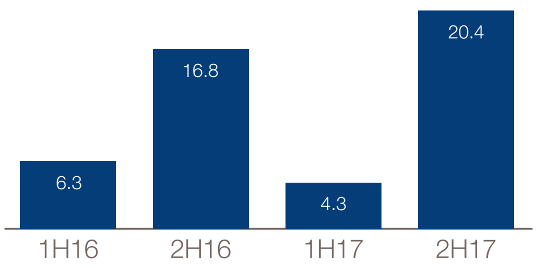
UNPATA[1] unchanged at
$87.2 million

Underlying EPS down 0.3% to
104.8 cents/share

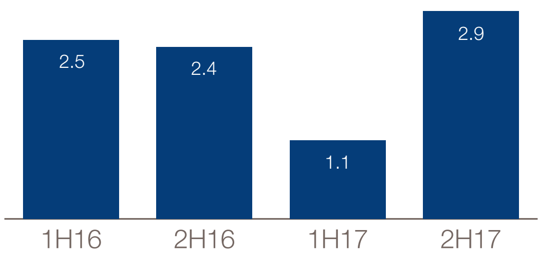
Fully franked dividend up 4.8%
66.0 cents/share

"Experienced...
interruption in 1H17,
recovery in 2H17,
momentum building for FY18
and beyond"

Salary package increase
(000's)



Novated lease increase
(000's)



1 Underlying NPATA excludes one-off payments in relation to transaction costs incurred in acquisitions, amortisation of acquisition intangibles and asset impairment of acquired intangible assets

Driving value from our integrated model

Segment	Stated strategy	FY17 impact
Group Remuneration Services	> Continue organic growth > Margin improvement via technology advancements > Broaden product suite	– Record 2H organic growth: salary packages up 21.4%, novated leases up 20.8% compared to pcp – 1H17 impacted by interruption of marketing activities while negotiating major contract – Successfully transitioned 70,000 customers onto new innovative card program – Excluding $1.5m one-off card program costs, EBITDA margin improvement of 0.8% – Successful launch of bus travel pass benefits, Maxxia/Remserv wallet
Asset Management	> Disciplined approach to growth > Grow capital light business model > Leverage UK asset finance platform to grow market share	– Australia & New Zealand asset book returned to growth, up 9.0% – Established new distribution for remarketing – A&NZ UNPATA growth 5.3%, P&A funding $10.0m – UK building scale and performing well; strengthened funding panel and product offering – Broadened asset finance platform with two acquisitions (EVC and Capex) – UK UNPATA up 60.0%, NAF up 62.2%
Retail Financial Services	> Partner of choice > Continue integration of acquired businesses > Capture identified synergies > Broaden asset class	– Transitioning to a sustainable, profitable business – NAF up 15.4%, UNPATA down 11.4% – Third party funding appetite remains strong however margins have reduced – Regulatory and market uncertainty remains, however product development underway to benefit from changing markets – Carrying value of intangibles for the warranty and insurance business impaired

Continued growth in customers and assets

Lead indicators for future profitability

317,500
Salary packages
↑ 8.4%

59,800
Novated leases
↑ 7.2%

41,800
Assets managed (Units)
↑ 12.3 %

$484m
Assets managed (WDV)
↑ 11.0%

$2,400m
Net amount financed
↑ 23.1%

1,180,000[1]
Total new car sales
↑ 3.8%

1,170
Employees[2]
↑ 2.5%

50.3
Net Promoter Score
Average monthly score for FY17

1 Based on Australian Bureau of Statistic's information (Sales of New Motor Vehicles, Australia – June 2017)
2 Average employees

Financial performance

Results Summary

$m	FY17	FY16	Variance
Revenue	513.0	504.7	*1.6%*
EBITDA	**137.3**	**135.9**	***1.0%***
EBITDA margin (%)	*26.8%*	*26.9%*	
NPBT	101.3	119.5	*(15.2%)*
NPAT	67.9	82.5	*(17.7%)*
Underlying NPATA	**87.2**	**87.2**	**-**
Basic earnings per share (cents)	81.6	99.4	*(17.9%)*
Underlying earnings per share (cents)	104.8	105.1	*(0.3%)*
Final dividend per share (cents)	35.0	34.0	*2.9%*
Total dividend per share (cents)	66.0	63.0	*4.8%*
Payout ratio (%)[1]	*63.0%*	*59.9%*	
Free cash flow[2]	**84.0**	**93.5**	***(10.2%)***
Return on equity (%)[3]	*23.6%*	*25.6%*	
Return on capital employed (%)[3]	*20.1%*	*20.8%*	

1 Payout ratio calculated by total dividend per share (cents) divided by underlying earnings per share (cents)

2 Free operating cash flow before investing, financing activities and fleet increases

3 Return on equity and capital employed has been adjusted to reflect 12 months trading for acquisitions made during the financial year, both calculations exclude one-off payments in relation to transaction costs incurred in acquisitions, the amortisation of acquisition intangibles and impairment of acquired intangible assets.

Balance Sheet

Conservative capital structure to fund growth and enhanced returns

	30.06.17			30.06.16
$m	AM	Other	Group	Group
Cash at bank	10.7	48.7	59.4	95.6
Other current assets	(0.2)	54.9	54.7	47.3
Total fleet funded assets	473.4	0.0	473.4	435.7
Goodwill / intangibles	50.0	200.7	250.7	261.4
Other non-current assets	4.7	5.9	10.7	12.2
Total Assets	538.7	310.3	849.0	852.2
Borrowings (current)	77.2	11.5	88.7	12.9
Other current liabilities	38.6	76.7	115.2	116.9
Borrowings (non-current)	220.8	30.1	250.9	332.6
Other non-current liabilities	16.7	6.4	23.2	19.3
Total Liabilities	353.3	124.7	478.0	481.7
Net Assets	185.4	185.6	371.0	370.5

Net cash positive[1]
$7.1 million

Net debt to EBITDA[2]
2.0x

Debt to funded fleet WDV[3]
63% vs 67% pcp

Group gearing[4]
43% vs 40% pcp

Interest times cover[5]
11.2x vs 11.9x pcp

Compared to previous corresponding period (pcp)

1 Other cash ($48.7m) less corporate debt ($41.6m) excludes fleet funded debt
2 Net debt defined as current and non-current borrowings less cash
3 AM borrowings (current and non-current) / total fleet funded assets
4 Group net debt / (equity + net debt)
5 Net interest (interest expense less interest income) / EBIT

Funding Overview

Diversified funding model with long term duration

- Competitive finance rates and long term duration driven by MMS scale and quality of customer base
- Renegotiated the Australian and New Zealand asset financing facility, extending the maturity date to March 2020 on one tranche of funding
- MMS entered into a new five year, £5.7m floating rate amortising term loan facility ending on March 2022 to facilitate 100% debt funding of the EVC and Capex acquisitions

		Local Currency		Australian Dollars ($m)			
		Currency	Facility size	Facility size	Amount drawn	Amount undrawn	Duration
Asset Financing Australia	Revolving	A$	175.0	175.0	151.0	24.0	(A$50m) 31 March 2018 (A$75m) 31 March 2019 (A$70m) 31 March 2020
Asset Financing NZ	Revolving	NZ$	21.0	20.0	14.0	6.0	
Asset Financing UK	Revolving	GBP	12.0	20.3	19.5	0.8	31 March 2018
		GBP	35.0	59.2	59.2	0.0	31 March 2019
		GBP	42.0	71.1	38.2	32.9	31 March 2020
Purchase of Presidian	Amortising	A$	41.6	41.6	41.6	-	31 March 2020
Purchase of CLM UK	Amortising	GBP	4.0	6.7	6.7	-	31 March 2018
Purchase of EVC/Capex UK	Amortising	GBP	5.7	9.7	9.7	-	22 March 2022

Cashflow

$m	FY17 Group Remuneration Services	FY17 Asset Management	FY17 Retail Financial Services	FY17 Unallocated / parent co.	FY17 MMS Group Total	FY16 MMS Group Total
NPAT	58.3	16.6	(5.0)	(2.0)	67.9	82.5
Non-fleet depn/amort, reserves and other non-cash items	5.6	5.8	19.5	0.0	30.9	18.2
Capex (non fleet) and software upgrade	(7.1)	(0.3)	(0.6)	0.0	(8.0)	(7.5)
Tax payments in excess of tax expense	0.8	(0.5)	(2.8)	0.0	(2.5)	3.4
Working capital inflow / (outflow)	(0.2)	(3.5)	(0.6)	0.0	(4.3)	(3.1)
Free cashflow from operations	57.4	18.1	10.5	(2.0)	84.0	93.5
Investing activities and fleet increase:						
Net growth in Asset Management portfolio	0.0	(45.8)	0.0	0.0	(45.8)	(34.3)
Sale of fleet portfolio	0.0	0.0	0.0	0.0	0.0	27.4
Investment in acquisitions (net of cash acquired)	0.0	(8.9)	(0.0)	0.0	(8.9)	(39.0)
Other	(2.4)	1.2	0.0	0.0	(1.2)	(1.4)
Free cashflow from operations and investing activities	55.0	(35.4)	10.5	(2.0)	28.1	46.2
Financing activities:						
Equity contribution (exercise of options)	0.0	0.0	0.0	0.0	0.0	5.4
Intercompany funding	(30.9)	31.2	(0.3)	0.0	0.0	0.0
Repayment of borrowings	0.0	(46.6)	0.0	(11.5)	(58.1)	(111.5)
New borrowings	0.0	58.2	0.0	0.0	58.2	116.4
Treasury reserve for share-based payments	0.0	0.0	0.0	(10.2)	(10.2)	0.0
Dividends paid	0.0	0.0	0.0	(54.1)	(54.1)	(46.6)
Net cash movement	24.1	7.4	10.2	(77.8)	(36.2)	9.9
Opening cash (June)					95.6	85.7
Closing cash (June)					59.4	95.6

Financial performance

Half yearly performance

$m	FY17 1H	FY17 2H	FY17 FY	FY16 1H	FY16 2H	FY16 FY	Variance 1H	Variance 2H	Variance FY
Revenue	251.3	261.7	513.0	244.3	260.4	504.7	*2.9%*	*0.5%*	*1.6%*
Expenses	184.8	190.9	375.7	178.9	189.8	368.7	*3.3%*	*0.5%*	*1.9%*
EBITDA	66.5	70.6	137.3	65.4	70.6	135.9	*1.7%*	*0.1%*	*1.0%*
EBITDA margin	*26.5%*	*26.9%*	*26.8%*	*26.8%*	*27.1%*	*26.9%*			
Depreciation	4.3	4.7	9.0	4.4	4.0	8.4	*(2.3%)*	*18.0%*	*7.4%*
Amortisation and impairment of intangibles	1.7	22.7	24.4	1.6	2.2	3.8	*4.3%*	*>100%*	*>100%*
Corporate interest expense	0.8	0.7	1.5	1.0	1.0	1.9	*(18.1%)*	*(26.9%)*	*(22.5%)*
Acquisition expense	0.6	0.5	1.1	2.3	(0.0)	2.3	*(74.1%)*		*(53.0%)*
NPBT	59.1	42.0	101.3	56.1	63.4	119.5	*5.4%*	*(33.8%)*	*(15.2%)*
Tax	18.7	14.7	33.4	17.2	19.8	37.0	*8.9%*	*(25.8%)*	*(9.7%)*
NPAT	40.4	27.3	67.9	38.9	43.5	82.5	*3.8%*	*(37.2%)*	*(17.7%)*
UNPATA	42.1	45.1	87.2	41.8	45.4	87.2	*0.8%*	*(0.7%)*	-
Key operational metrics									
Salary packages (units)	297,100	317,500		276,000	293,000		*7.6%*	*8.4%*	
Novated leases (fleet units)	56,900	59,800		53,400	55,800		*6.6%*	*7.2%*	
Assets managed (units)	38,400	41,800		39,100	37,100		*(1.8%)*	*12.7%*	
Assets written down value ($m)	460	484		438	435		*5.0%*	*11.0%*	
Average employees (FTE's)	1,140	1,206		1,121	1,168		*1.6%*	*3.3%*	

Performance ratios

Delivering double digit earnings growth

		10 year historical performance										
		FY17	FY16	FY15	FY14	FY13	FY12	FY11	FY10	FY09	FY08	10 Year CAGR
Revenue	$m	513.0	504.7	389.6	347.5	330.1	302.0	271.3	132.0	77.3	66.6	*25.5%*
EBITDA	$m	137.3	135.8	104.9	87.1	93.4	82.0	67.5	63.9	30.3	26.4	*20.1%*
EBITDA margin	%	*26.7%*	*26.9%*	*26.9%*	*25.1%*	*28.3%*	*27.2%*	*24.9%*	*48.4%*	*39.3%*	*39.7%*	
UNPATA	$m	87.2	87.2	69.6	55.9	62.2	54.3	43.5	27.9	20.5	17.4	*19.6%*
UNPATA margin	%	*17.0%*	*17.3%*	*17.9%*	*16.1%*	*18.8%*	*18.0%*	*16.0%*	*21.1%*	*26.5%*	*26.1%*	
Underlying earnings per share	cents	104.8	105.1	89.7	75.3	83.4	76.6	64.0	41.3	30.4	25.8	*16.8%*
Dividend per share	cents	66.0	63.0	52.0	52.0	42.0	47.0	38.0	24.0	19.0	16.5	*16.7%*
Payout ratio (UNPATA)	%	*63%*	*60%*	*58%*	*69%*	*50%*	*61%*	*59%*	*58%*	*63%*	*64%*	
ROE	%	*24%*	*26%*	*26%*	*27%*	*34%*	*38%*	*43%*	*43%*	*39%*	*39%*	
ROCE	%	*20%*	*21%*	*20%*	*23%*	*29%*	*31%*	*29%*	*51%*	*93%*	*79%*	
Free cash flow (FCF) from operations	$m	84.0	93.5	65.8	51.6	60.1	56.3	37.6	36.1	28.8	20.5	
FCF as % of UNPATA	%	*96.4%*	*107.3%*	*94.5%*	*92.3%*	*96.6%*	*103.7%*	*86.4%*	*129.4%*	*140.5%*	*117.8%*	

Segment performance

Segment Review

$m	Group Remuneration Services			Asset Management			Retail Financial Services			Unallocated			Total		
	FY17	FY16	%	FY17	FY16	%	FY17	FY16	%	FY17	FY16	%	FY17	FY16	%
Revenue	189.7	188.3	*0.7%*	215.7	204.8	*5.8%*	106.0	110.0	*(3.6%)*	1.6	1.6	-	513.0	504.7	*1.6%*
Expenses	100.2	99.4	*0.8%*	187.5	179.1	*5.3%*	86.4	88.8	*(2.7%)*	1.6	1.4	*11.4%*	375.7	368.7	*1.9%*
EBITDA	89.5	88.9	*0.7%*	28.2	25.7	*8.9%*	19.6	21.2	*(7.5%)*	(0.0)	0.1	*(104.6%)*	137.3	135.9	*1.0%*
EBITDA margin (%)	*47.2%*	*47.2%*		*13.1%*	*12.5%*		*18.5%*	*19.3%*		-	*6.8%*		*26.7%*	*26.6%*	
D&A of PPE and software	4.6	4.2	*9.5%*	3.2	2.9	*10.3%*	1.2	1.3	*(7.7%)*	-	-	*0.0%*	9.0	8.4	*7.4%*
Amortisation and impairment of intangibles (acquisitions)	-	-	-	1.5	0.8	*87.5%*	22.9	3.1	*>100%*	-	-	*0.0%*	24.4	3.8	*>100%*
Corporate interest expense	-	-	-	-	-	-	-	-	-	1.5	1.9	0.0%	1.5	1.9	*(22.5%)*
Acquisition expenses	-	-	-	-	-	-	-	-	-	1.1	2.3	*(53.0%)*	1.1	2.3	*(53.0%)*
NPAT	84.9	84.7	*0.2%*	23.5	22.0	*6.8%*	(4.5)	16.8	*>(100%)*	(2.6)	(4.1)	*(36.6%)*	101.3	119.5	*(15.2%)*
Tax	26.6	26.1	*1.9%*	6.9	7.4	*(6.8%)*	0.5	5.0	*(90.0%)*	(0.5)	(1.5)	*(63.4%)*	33.4	37.0	*9.7%*
NPAT	58.3	58.7	*(0.7%)*	16.6	14.6	*13.7%*	(5.0)	11.8	*>(100%)*	(2.0)	(2.7)	*(25.9%)*	67.9	82.5	*(17.7%)*
UNPATA	58.3	58.7	*(0.7%)*	17.5	15.3	*14.4%*	12.4	14.0	*(11.4%)*	(1.1)	(0.7)	*48.2%*	87.2	87.2	*(0.0%)*

Group Remuneration Services (GRS)

Momentum building after interruption in 1H

$m	FY17	FY16	Variance
Revenue	189.7	188.3	*0.7%*
Employee expenses	73.5	74.3	*(1.0%)*
Property & other expenses	26.6	25.1	*6.0%*
EBITDA	89.5	88.9	*0.7%*
EBITDA margin	*47.2%*	*47.2%*	
Depreciation	4.6	4.2	*9.3%*
Tax	26.6	26.1	*2.1%*
UNPATA[1]	58.3	58.7	*(0.7%)*
EBITDA margin	*30.7%*	*31.2%*	
Key metrics			
Salary packages (units)	317,500	293,000	*8.4%*
Novated leases (fleet units)	59,800	55,800	*7.2%*
Direct employees (FTE's)[2]	555	551	*0.7%*

Key financials excluding impact of interest[3]			
Revenue	180.2	178.7	*0.8%*
EBITDA	80.1	79.3	*1.0%*

1 Segment NPAT and UNPATA are the same
2 Average yearly direct employees excludes back office functions such as finance, IT, HR and marketing
3 Excludes impact of interest derived from external funds administered
4 Based on average annual salary packages and novated leases and average direct employees (FY15 Average Direct Employees: 548)

Commentary

- Record 2H17 organic growth of 20,400 packages and 2,900 leases
- Continued productivity improvements

	FY15	FY16	FY17
Salary packages per FTE[4]	479.4	492.8	550.1
Novated leases per FTE[4]	88.2	93.4	104.2

- Multiple contract wins including Queensland Government novated leasing and NSW local health districts
- Revenue flat due to restriction on marketing activities while negotiating major contract
- Excluding $1.5m one-off costs associated with the new card transition program, FY17 EBITDA margin is 48.0%, UNPATA margin 31.3%
- Maxxia Plus gaining market traction via enhanced customer offering

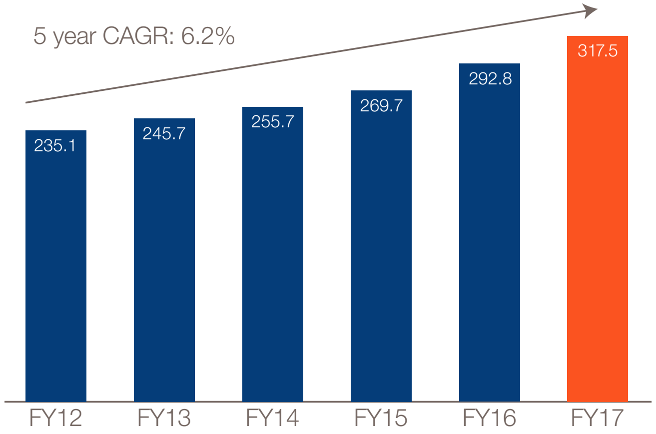
Outlook

- Strong pipeline across both public and private sectors
- Ongoing productivity and technology improvements to drive margin improvement (i.e. further functionality associated with the new card)

GRS

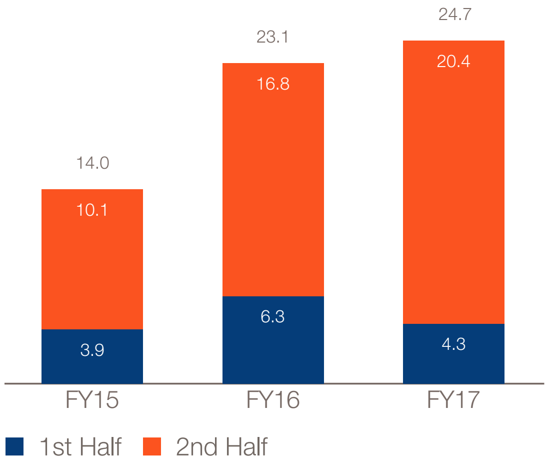
Salary packages: Record net organic 2H growth of 20,400 packages

Salary packages (000's)[1]



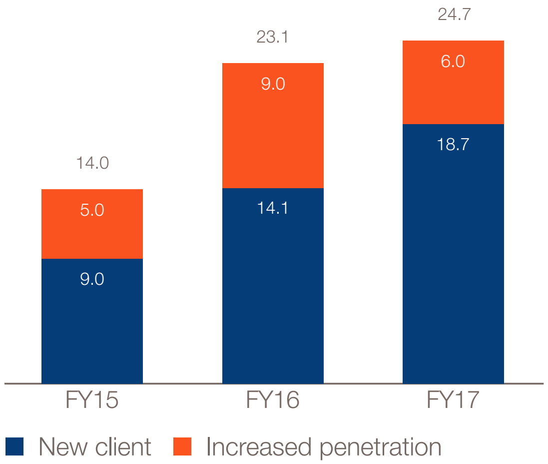
- Net new clients: 18,700 packages
- Increased participation: 6,000 packages

Annual increase (000's) Half on half split



- Record organic increase in 2H17 (21% increase over the pcp)
- Additional 6,000 packages added in June 2017, minimal impact in FY17, 12 month upside in FY18

Annual increase (000's) New clients v increased penetration

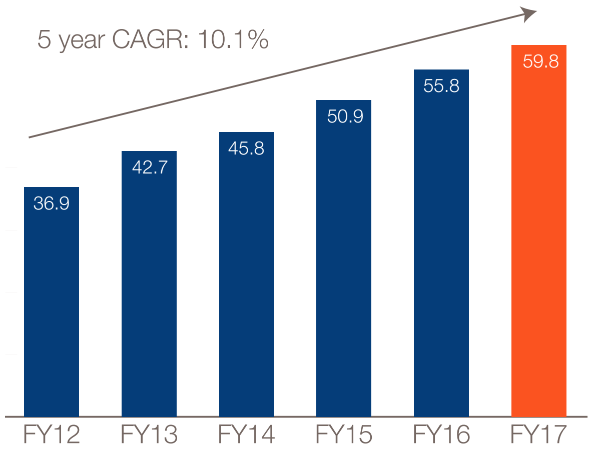


1 Total number of salary packages at period end
Note: New clients are organisations who commenced during the year

GRS

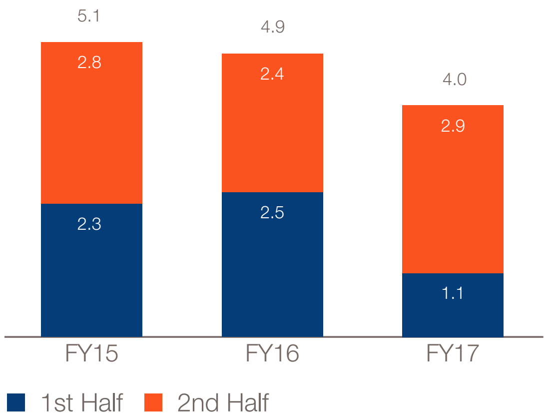
Novated leases: Net organic 2H growth of 2,900 leases

Novated vehicles (000's)[1]



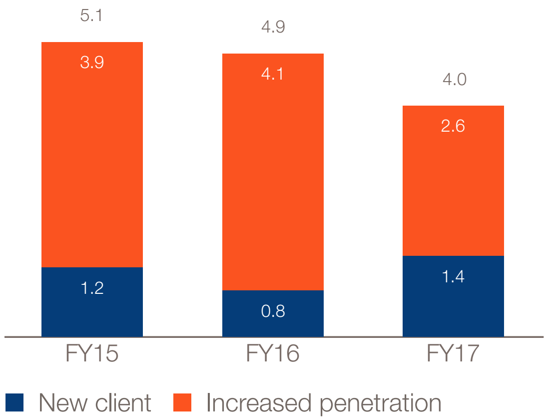
- Net new clients: 1,400 novated vehicles
- Increased participation: 2,600 novated vehicles

Annual increase (000's) Half on half split



- 1H17 increase impacted by marketing activity restrictions while negotiating major contract
- Organic second half growth (20% increase on the pcp)

Annual increase (000's) New clients v increased penetration

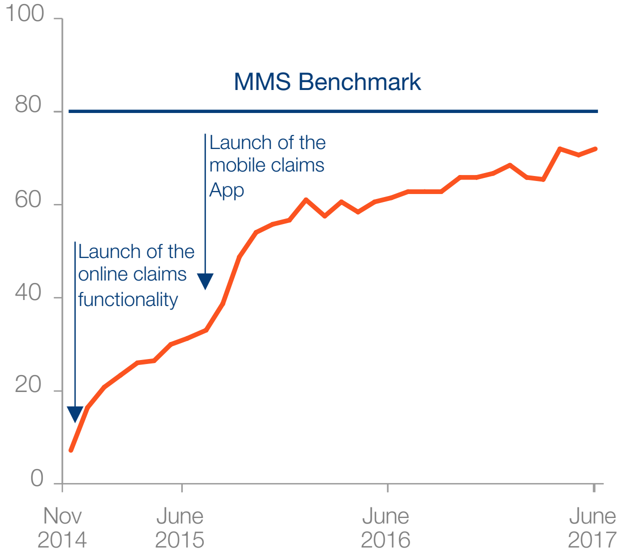


1 Novated leases under management at year end
Note: New clients are organisations who commenced during the year

GRS

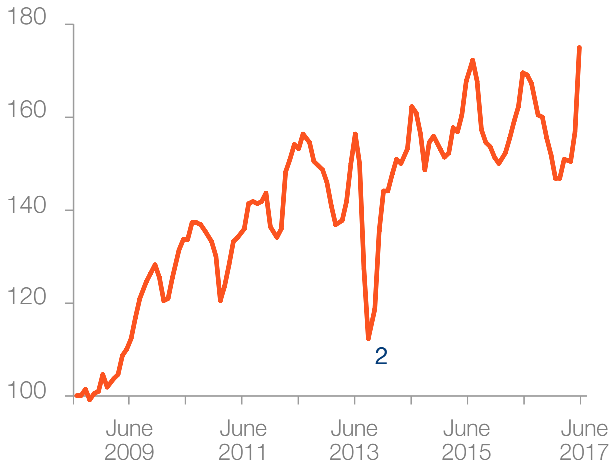
Technology investments drive new levels of innovation and productivity

On-line claims take-up rate (%)

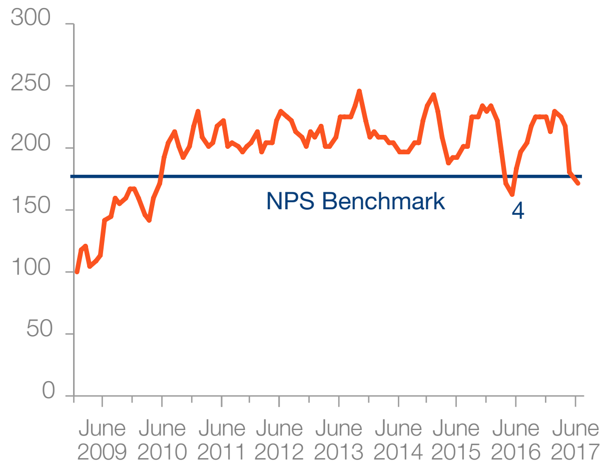


- Target: 80%
- 72% at 30 June 2017

Productivity index[1]



Customer satisfaction index[3]

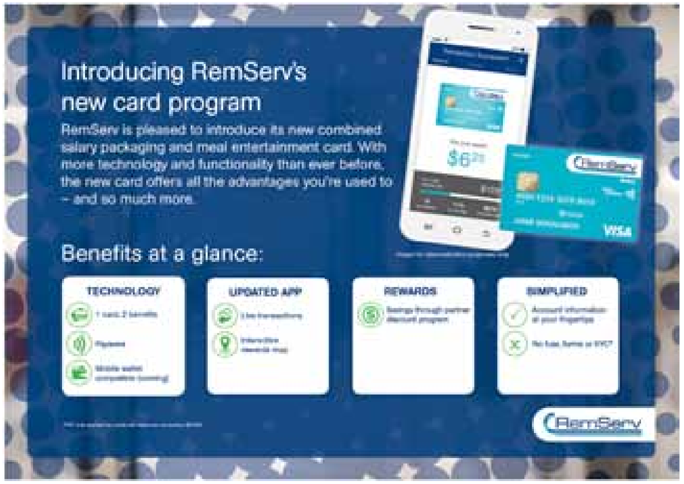


- Aiming to meet world class service standards (NPS benchmark) while optimising profitability

1 Rolling three month revenue (ex SP interest) / FTE
2 Negatively impacted by proposed changes to novated leasing
3 Based on net promoter score
4 Annual meal entertainment and venue hire capping introduced from 1 April 2016 resulted in one-off spike in call volumes leading to a temporary decline in service standards

GRS

New card program: Combining two benefits into one



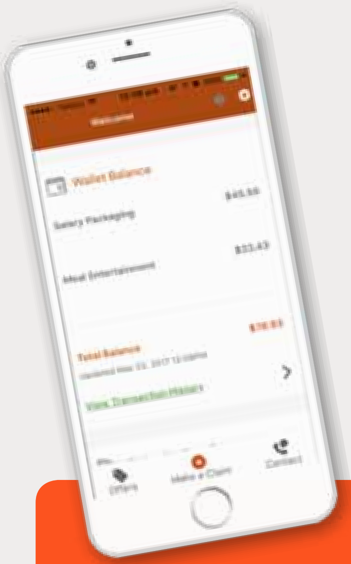
Commentary

- Partnering with Emerchants Limited to provide GRS customers the latest in payment technology
- Combines two benefits, salary packaging and meal entertainment, into one card
- This innovative product features increased functionality that allows customers further control translating to improved operational efficiencies
  - Improved account information
  - Incorporates paywave technology
- Successfully transitioned over 70,000 existing customers
  - The process commenced with a pilot in April 2017 with all customers being transitioned by July 2017

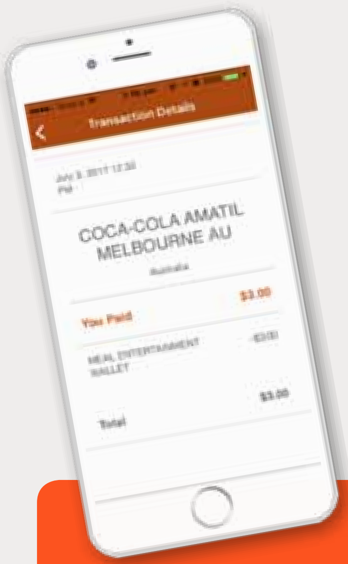
GRS

Maxxia / RemServ Wallet offering more innovation, technology and convenience

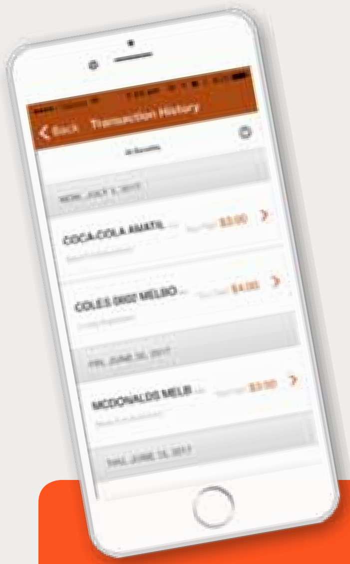
Uniquely positioned technology developed in house, further enhancements in the near term



Real time wallet balances



View transaction details



Transaction information

Claim anywhere, anytime

Asset Management (AM) – Australia & New Zealand

Asset book returned to growth

$m	FY17	FY16	Variance
Revenue	179.4	179.5	*(0.1%)*
Fleet depreciation	75.5	78.6	*(3.9%)*
Lease and vehicle management expenses	59.3	55.0	*7.8%*
Employee expenses	12.9	13.2	*(2.2%)*
Property and other expenses	9.8	11.0	*(11.0%)*
EBITDA	21.9	21.7	*0.9%*
EBITDA margin	*12.1%*	*12.1%*	
Depreciation	2.5	2.3	*8.7%*
Tax	5.9	6.6	*(10.6%)*
UNPATA[1]	13.5	12.8	*5.5%*
UNPATA margin	*7.5%*	*7.1%*	
Key metrics			
Return on assets (%)	4.3%	4.1%	
Assets managed (units)[2]	22,900	21,000	*9.0%*
Assets written down value ($m)[3]	335.1	306.0	*9.5%*
– On balance sheet ($m)	325.1	306.0	*6.2%*
– Off balance sheet ($m)	10.0	-	*100.0%*
Employees (FTE's)	81	76	*6.6%*

Commentary

- Assets under management increased by 9% over pcp
- Initiated off balance sheet funding (principal and agency) effective August 2016, assisting overall liquidity
- Enhanced distribution capability for remarketing purposes
  - Delivering improved margins
  - Allows the cross sell of finance and insurance products as synergy benefits

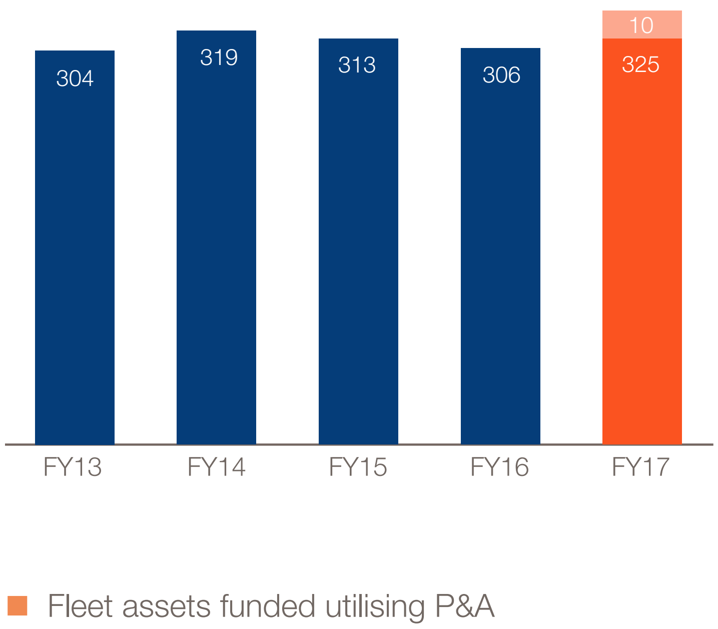
Outlook

- Focus on organic growth
- Continue growth of P&A funding
  - Targeting 30% of balance sheet by 2020
- Expand remarketing distribution capability into NSW

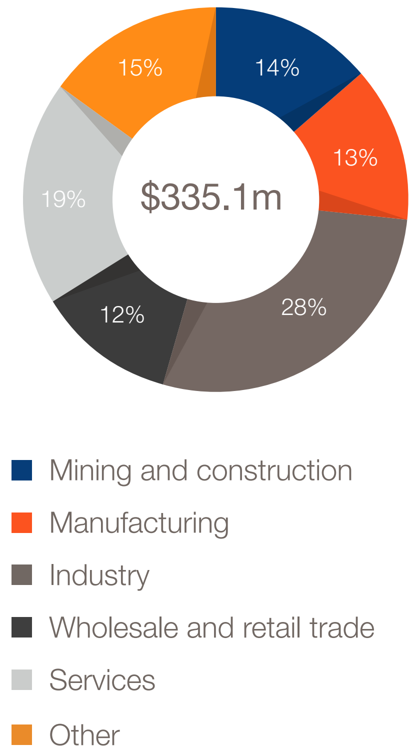
1 Segment NPAT and UNPATA are the same
2 Assets managed comprises operating and finance leases and fleet managed vehicles

AM – Australia & New Zealand
Disciplined approach with strong controls

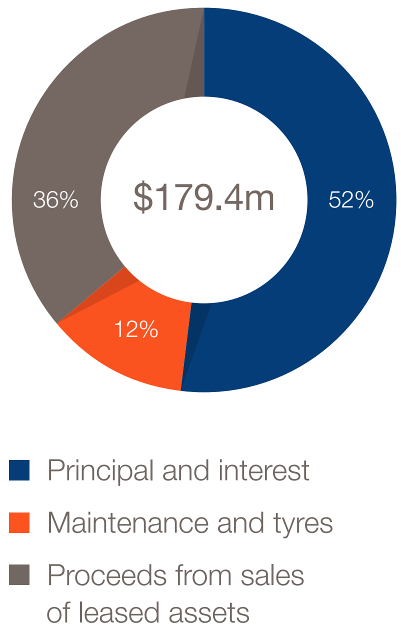
Fleet assets written down value ($m)[1]



FY17 WDV breakdown



FY17 Revenue breakdown



1 Assets written down value in FY15 restated from $311.0m to $313.5m

AM – United Kingdom

Building scale and performing well

$m	FY17	FY16	Variance
Revenue	**36.3**	**25.3**	***43.5%***
Lease and vehicle management expenses	12.8	5.0	*156.0%*
Employee expenses	10.0	7.7	*29.9%*
Share of JV	1.3	1.5	*(13.3%)*
Property and other expenses	6.1	7.1	*(14.1%)*
EBITDA	**6.1**	**4.0**	***52.5%***
EBITDA margin	*16.8%*	*15.8%*	
Depreciation	0.5	0.6	*(16.7%)*
Amortisation of intangibles	1.5	0.8	*87.5%*
Tax	1.0	0.8	*25.0%*
NPAT	**3.1**	**1.8**	***72.2%***
EBITDA margin	*8.5%*	*7.1%*	
UNPATA	**4.0**	**2.5**	***60.0%***
UNPATA margin	*11.0%*	*9.9%*	
Key metrics			
Assets managed (units)	18,900	16,100	*17.4%*
Assets written down value ($m) [1]	149.0	128.9	*15.6%*
Net amount financed ($m)	506.6	312.4	*62.2%*
– On balance sheet ($m) [2]	82.5	106.2	*(22.3%)*
– Off balance sheet ($m)	424.2	206.3	*105.6%*
Employees (FTE's) [3]	174	122	*42.6%*
Key financial and operational metrics in local currency – £m			
Revenue	**21.2**	**12.6**	***68.3%***
UNPATA	2.5	1.2	*108.3%*
Assets written down value (£m)[1]	87.9	71.4	*23.1%*
Net amount financed (£m)	301.7	156.4	*92.9%*

1 On MMS balance sheet
2 Included in assets written down value
3 Average yearly direct employees

Commentary

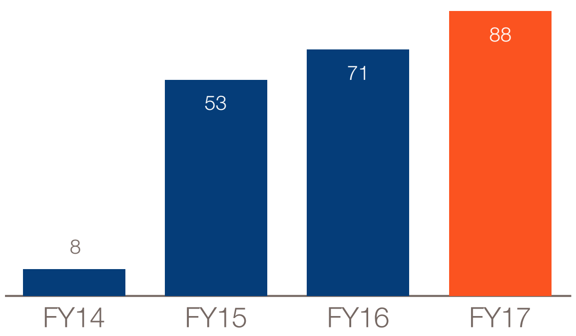
- Net amount financed breaks through $500m per annum, key driver in profit and margin growth
- Broker aggregation and geographic diversification has continued via the acquisitions of EVC and Capex in December and January, respectively
  - Funding panel and product offering further strengthened
  - Acquisitions performing above expectations
- Sterling devaluation negatively impacted full year UNPATA by $0.7m. Like for like currency basis, UNPATA increase was 91% over FY16
- HMRC confirmation of car salary sacrifice schemes for low emission vehicles
  - Launched innovative lifestyle lease April 2017, first orders taken June 2017

Outlook

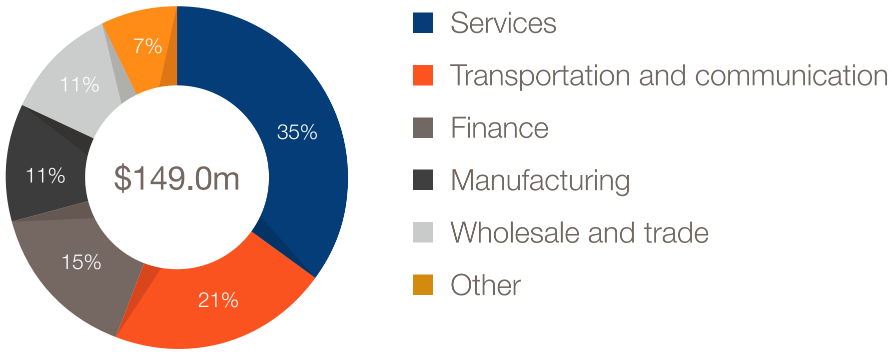
- Organic growth and continued focus on strategic and accretive acquisitions that enhance of UK scale and leverage core competencies remain a key priority
- Focused on organic growth, delivering synergies and strategic acquisitions that build scale and leverage core competencies

AM – United Kingdom
Operating Metrics

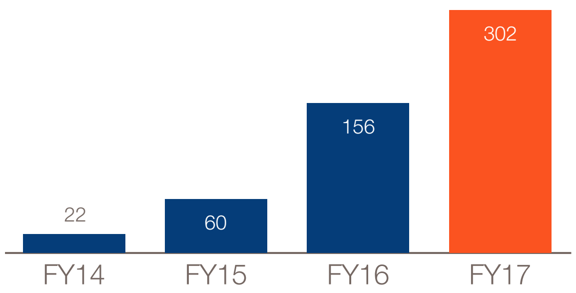
Assets written down value (£m)[1]



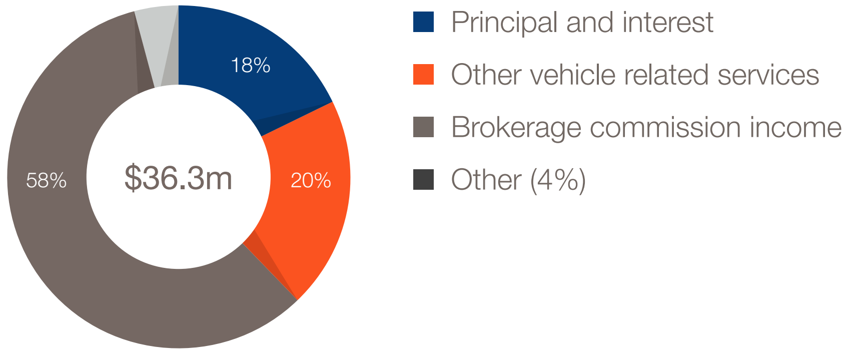
FY17 WDV breakdown



Net amount financed (£m)



FY17 Revenue breakdown



1 An additional $27.4m was moved off balance sheet in FY16

AM – United Kingdom
Market strategy

Stated strategy

- The leading provider of a fully integrated financial services offering
- The leading provider of a portable employee lease
- The aggregator of choice to the financial intermediary/broker community
- Maxxia to become a strongly recognised financial services brand in the UK
- Build a sustainable, high quality business that can generate profitable revenue growth and attractive returns on invested capital

Market	Channel to market	Company
B2C Dealer Car Finance	Dealers	Eurodrive
B2B Asset Finance	Corporates Private Individuals	Maxxia AngloScottish, CAPEX Finance
B2B Asset Manager	Corporates	CLM

Retail Financial Services (RFS)

Transitioning to a sustainable, profitable and market leading business with a strong distribution footprint and scope for growth

$m	FY17	FY16[1]	Variance
Revenue	**106.0**	**110.0**	***(3.6%)***
Net claims and brokerage commissions	55.1	54.8	*0.6%*
Employee expenses	22.9	24.3	*(5.8%)*
Property and other expenses	8.4	9.7	*(13.4%)*
EBITDA	**19.6**	**21.2**	***(7.5%)***
EBITDA margin	*18.5%*	*19.3%*	
Depreciation	1.2	1.3	*(7.6%)*
Amortisation and impairment of intangibles	22.9	3.1	*>100%*
Tax	0.5	5.0	*(90.0%)*
NPAT	**(5.0)**	**11.8**	***>(100%)***
NPAT margin	*(4.7%)*	*10.7%*	
UNPATA	**12.4**	**14.0**	***(11.4%)***
UNPATA margin	*11.7%*	*12.7%*	
Key metrics			
Net amount financed ($m)	1,081.3	936.7	*15.4%*
Employees (FTE's)[3]	164	193	*(15.0%)*

1 FY16 represents 12 months trading for Presidian and 11 months trading for UFS
2 Excludes acquisition associated costs and interest costs on debt associated with the acquisition of Presidian
3 Average yearly direct employees

Commentary

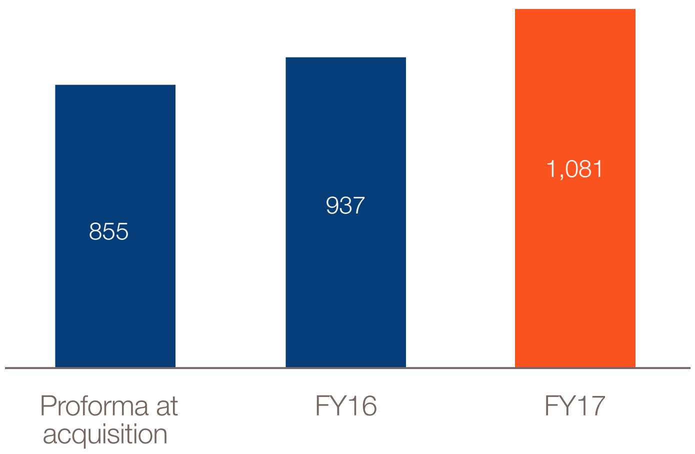
- Segment operating within market and regulatory uncertainty
  - Finance services segment impacted
- Long term value demonstrated via continued growth of customers
  - Net amount financed in excess of $1 billion for the year
- Funder appetite changing, however available capital remains strong
- Funding mix and growth skewed towards aggregation resulting in reduced margins
- Rationalisation of distribution footprint via brand consolidation
- NPAT impacted by $15.3m asset impairment in relation to warranty and insurance business
- Horizon 2 platform delivered with direct funder interface
- New leadership structure in place

Outlook

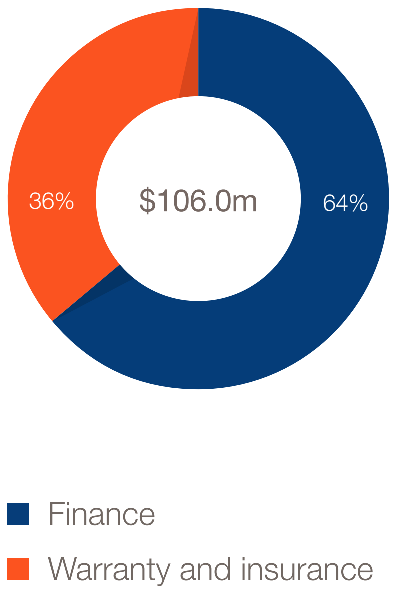
- Continue financial and distribution growth within the retail financial business
- Development of products and services that benefit from changing markets

RFS
Operating Metrics

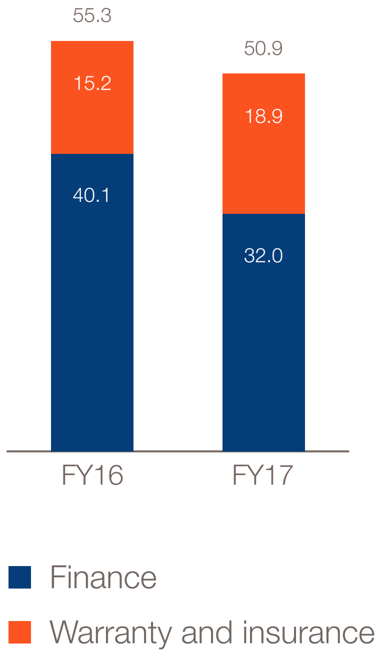
Net amount financed ($m)



FY17 Revenue breakdown



FY17 Gross Margin breakdown ($m)



1 Proforma FY15 represents 12 months trading of Presidian from 1 July 2014 and 11 months trading of UFS from 1 August 2014

Summary

Summary

Experienced an interruption in 1H, recovery in 2H, momentum building for FY18 and beyond

- Strong 2H performance, growth in lead indicators has returned
  - GRS – Organic increase in 2H packages (up 21% vs pcp) and leases (up 20% vs pcp)
  - AM (A&NZ) – Asset book has returned to growth
  - AM (UK) – Building scale and performing well
  - RFS – Adapting to changing environment, building sustainable, profitable business with new leadership structure
- Investments in technology driving new levels of innovation and productivity with scope for additional margin growth
- MMS is performing well, focused on key drivers and is well positioned for growth in FY18 and beyond

Appendix

Complementary diversification across the MMS Group

	Group Remuneration Services	Asset Management	Retail Financial Services
Brands	Maxxia, RemServ	Interleasing, Eurodrive, Maxxia, Holden Lease, Anglo Scottish, Capex Finance, CLM	Presidian, United Financial Services
Primary service	– Salary packaging – Novated leases	– Vehicle fleet leasing and mgt – Vehicle finance, insurance and broking – Used vehicle retail sales	– Vehicle finance, insurance and warranty broking
Customers	– Hospitals, health & charity workers – Public and private sector	– Predominantly corporate customer base – Dealer, broker and retail network	– Retail customer base – Dealer, broker and retail network
Distribution	– Over 850 customers – Circa 1.1 million employees	– Over 450 customers – Select brokers and dealers	– 5,200+ active dealers – 200 finance brokers
Key operating statistics	– 317,500 salary packages – 59,800 novated leases	– 41,800 total assets managed – $485m total assets funded[1]	– $1,080m net amount financed
Growth strategy	– Organic growth via existing clients and new business – Broaden product suite – Consider strategic acquisitions	– Continue P&A funding arrangements ("capital light" business model) – Expand Just Honk Used Cards nationally – Consider selective acquisitions to expand aggregation model	– Organic growth and capture of all identified synergies (revenue and cost) – Development of products and services that enhance our position in a changing market

1 Total assets funded on and off balance sheet

European Vehicle Contracts Limited acquisition

- MMS acquired EVC on 1 December 2016
- EVC (trading as Eurodrive) is a UK leader in the point of sale (POS) provision of motor vehicle finance utilising an advanced online quotation system which has been developed in-house
- The business operates through a network of 400 franchised and independent new and used car dealers, providing an interface between dealers and leaders
- The business, is based in the north of England and operates mainly from Central Scotland to South Yorkshire
- Originates loans of circa £50.0 million per year
- Normalised EBITDA of £800,000
- Established in 2008 by Stephen Dixon and Derek Goodsir. Both founders and an additional Director, Kristie Tyson, will remain with the business post acquisition
- Upfront purchase price of £2.9m
- Deferred consideration of up to £3.1m over 4 year period depending on the achievement of EBITDA growth rates

Provides product and channel diversification

Provides a foothold into the B2C market (through dealers), via a significant player in the specialised broker market

Synergies and cross sell benefits to be captured from the acquisition include increased scale (originations), increased panel of lenders, introduction of both B2B and B2C networks

Market	Channel to market	Company
B2B	Corporates Private Individuals	CLM, Maxxia, AngloScottish, CAPEX Finance
B2C	Dealers	Eurodrive

Capex Asset Finance Limited acquisition

- Acquired on 6 January 2017
- Capex provides an extensive portfolio of finance solutions to business customers in the asset finance and vehicle finance marketplace
- Located in Birmingham, the second largest city in the UK
  - Capex is the largest independent broker in Birmingham
- Originates loans of circa £50.0 million per year
- Normalised EBITDA of £650,000
- Established in 2003 by the directors, Julian Percival, Alan Hunt and Warren Badger, who will all remain with the business
- Upfront purchase price of £3.0m
- Deferred consideration of up to £3.7m over 5 year period depending on the achievement of EBITDA growth rates

Provides geographic diversification

The acquisition of Capex continues MMS's stated UK growth strategy and importantly provides geographic expansion to MMS's existing asset finance operations, Anglo Scottish.

Risks and sensitivities

- Regulation of consumer insurance products[1]
- Regulation of consumer lending products[2]
- Ongoing potential risk of consumer action
- Acquisition and integration risk
- Second hand car prices (remarketing earnings)
- New and used car sales
- Interest rates (earnings on float)
- Loss or repricing of major customers
- Policy and regulatory change
- General economic conditions and consumer confidence

1 Consumer Insurance Products Include Underwritten Warranty, Guaranteed Asset Protection Insurance (GAP), Consumer Credit Insurance (CCI), Loan Termination Insurance (LTI), Comprehensive Motor Vehicle Insurance (CMV), Total Asset Insurance (TAI)

2 Consumer Lending Products includes the ability of the dealer or broker flex the interest rate above the based lending rate provided by the financier

Reconciliation between NPAT and UNPATA

$m	FY17	FY16	Variance
NPAT	67.9	82.5	*(17.7%)*
Acquisition transactions cost after-tax	1.0	1.9	*(47.4%)*
Amortisation of intangibles from acquisitions after-tax	3.0	2.8	*7.1%*
Asset impairment in relation to warranty and insurance business after-tax	15.3	-	*100%*
UNPATA	87.2	87.2	-

Group Remuneration Services

Half yearly performance

$m	FY17			FY16			Variance		
	1H	2H	FY	1H	2H	FY	1H	2H	FY
Revenue	**90.5**	**99.2**	**189.7**	**91.4**	**96.9**	**188.3**	***(1.0%)***	***2.4%***	***0.7%***
Employee expenses	34.3	39.3	73.5	36.8	37.5	74.3	*(7.0%)*	*5.0%*	*(1.0%)*
Property & other expenses	12.9	13.7	26.6	12.3	12.8	25.1	*5.0%*	*7.1%*	*6.0%*
EBITDA	**43.3**	**46.2**	**89.5**	**42.3**	**46.6**	**88.9**	***2.6%***	***(0.9%)***	***0.7%***
EBITDA margin	*47.9%*	*46.6%*	*47.2%*	*46.2%*	*48.2%*	*47.2%*			
Depreciation	2.0	2.6	4.6	2.1	2.1	4.2	*(4.5%)*	*22.7%*	*9.3%*
Tax	13.1	13.5	26.6	11.9	14.2	26.1	*10.5%*	*(5.0%)*	*2.1%*
UNPATA	**28.2**	**30.1**	**58.3**	**28.3**	**30.3**	**58.7**	***(0.3%)***	***(0.6%)***	***(0.7%)***
UNPATA margin	*31.2%*	*30.3%*	*30.7%*	*31.0%*	*31.3%*	*31.2%*			
Key metrics									
Salary packages (units)	297,100	317,500		276,000	293,000		*7.6%*	*8.4%*	
Novated leases (fleet units)	56,900	59,800		53,400	55,800		*6.6%*	*7.2%*	
Direct employees (FTE's)	537	573	555	565	577	551	*(4.9%)*	*(0.7%)*	*0.7%*

Key financials excluding impact of interest									
Revenue	85.8	94.4	180.2	86.6	92.1	178.7	*(0.9%)*	*2.5%*	*0.8%*
EBITDA	38.6	41.5	80.1	37.5	41.8	79.3	*3.1%*	*(1.1%)*	*1.0%*

Asset Management – Australia & New Zealand

Half yearly performance

$m	FY17 1H	FY17 2H	FY17 FY	FY16 1H	FY16 2H	FY16 FY	Variance 1H	Variance 2H	Variance FY
Revenue	**90.2**	**89.2**	**179.4**	**87.0**	**92.5**	**179.5**	***3.6%***	***(3.6%)***	-
Fleet depreciation	38.3	37.2	75.5	39.4	39.1	78.6	*(2.8%)*	*(4.9%)*	*(3.9%)*
Lease and vehicle management expenses	29.6	29.7	59.3	25.0	30.0	55.0	*18.5%*	*(1.0%)*	*7.8%*
Employee expenses	6.3	6.6	12.9	6.2	7.0	13.2	*1.6%*	*(5.1%)*	*(2.2%)*
Property and other expenses	5.1	4.8	9.8	5.8	5.2	11.0	*(12.0%)*	*(8.2%)*	*(11.0%)*
EBITDA	**10.8**	**11.0**	**21.9**	**10.5**	**11.2**	**21.7**	***3.2%***	***(1.5%)***	***0.9%***
EBITDA margin	*12.0%*	*11.1%*	*12.1%*	*12.1%*	*12.1%*	*12.1%*			
Depreciation	1.3	1.2	2.5	1.5	0.8	2.3	*(16.8%)*	*44.7%*	*8.7%*
Tax	2.8	3.1	5.9	2.7	3.9	6.6	*3.7%*	*(21.0%)*	*(10.6%)*
UNPATA	**6.7**	**6.8**	**13.5**	**6.3**	**6.5**	**12.8**	***6.3%***	***4.1%***	***5.5%***
UNPATA margin	*7.4%*	*7.5%*	*7.5%*	*7.2%*	*7.0%*	*7.1%*			
Key metrics									
Return on assets (%)	*4.3%*	*4.2%*	*4.3%*	*4.0%*	*4.2%*	*4.1%*			
Assets managed (units)	22,000	22,900		24,000	21,000		*(8.3%)*	*9.0%*	
Assets written down value ($m)	321	335		312	306		*3.0%*	*9.5%*	
– On balance sheet ($m)	317	325		312	306		*1.6%*	*6.2%*	
– Off balance sheet ($m)	5	10		-	-			*100.0%*	
Employees (FTE's)	79	82	81	77	76	76	*3.4%*	*8.7%*	*6.6%*

Asset Management – United Kingdom
Half yearly performance

$m	FY17 1H	FY17 2H	FY17 FY	FY16 1H	FY16 2H	FY16 FY	Variance 1H	Variance 2H	Variance FY
Revenue	**13.8**	**22.5**	**36.3**	**10.4**	**14.9**	**25.3**	***32.9%***	***51.0%***	***43.5%***
Lease and vehicle management expenses	4.2	8.6	12.8	0.6	4.4	5.0	*625.1%*	*93.1%*	*156.0%*
Employee expenses	3.9	6.1	10.0	3.4	4.3	7.7	*15.7%*	*40.3%*	*29.9%*
Share of JV	0.7	0.6	1.3	0.6	0.9	1.5	*16.7%*	*(33.3%)*	*(13.3%)*
Property and other expenses	2.7	3.4	6.1	4.6	2.5	7.1	*(41.3%)*	*36.0%*	*(14.1%)*
EBITDA	**2.1**	**3.8**	**6.1**	**1.2**	**2.8**	**4.0**	***75.0%***	***35.7%***	***52.5%***
EBITDA margin	*15.2%*	*17.8%*	*16.8%*	*11.3%*	*18.7%*	*15.8%*			
Depreciation	0.3	0.2	0.5	0.2	0.3	0.6	*20.5%*	*7.2%*	*(16.7%)*
Amortisation of intangibles	0.4	1.1	1.5	0.3	0.5	0.8	*30.0%*	*73.0%*	*(87.5%)*
Tax	0.4	0.6	1.0	0.3	0.5	0.8	*36.1%*	*(7.2%)*	*25.0%*
NPAT	**1.2**	**1.9**	**3.1**	**0.4**	**1.5**	**1.8**	***300.0%***	***26.7%***	***72.2%***
NPAT margin	*8.5%*	*8.4%*	*8.5%*	*3.5%*	*9.9%*	*7.1%*			
UNPATA	**1.5**	**2.5**	**4.0**	**0.6**	**1.8**	**2.5**	***250.0%***	***38.9%***	***60.0%***
UNPATA margin	*10.9%*	*11.1%*	*11.0%*	*5.9%*	*12.1%*	*9.9%*			
Key metrics									
Assets managed (units)	16,400	18,900		15,100	16,100		*8.6%*	*17.4%*	
Assets written down value ($m)[1]	137.7	149.0		125.9	128.9		*9.4%*	*15.6%*	
Net amount financed ($m)	197.1	309.5	506.6	114.1	198.3	312.4	*72.8%*	*61.3%*	*62.2%*
– On balance sheet ($m)	42.0	40.5	82.5	60.2	46.0	106.2	*(30.2%)*	*1.7%*	*(22.3%)*
– Off balance sheet ($m)	155.1	269.1	424.2	53.9	152.4	206.3	*183.6%*	*78.1%*	*105.6%*
Employees (FTE's)	151	196	174	105	140	122	*44.1%*	*40.2%*	*42.6%*

Retail Financial Services

Half yearly performance

$m	FY17			FY16			Variance		
	1H	2H	FY	1H	2H	FY	1H	2H	FY
Revenue	55.9	50.1	106.0	54.6	55.4	110.0	*2.3%*	*(9.5%)*	*(3.6%)*
Employee expenses	12.1	10.8	22.9	12.1	12.3	24.3	*0.1%*	*(11.8%)*	*(5.8%)*
Net claims and brokerage commissions	28.7	26.4	55.1	26.6	28.2	54.8	*8.1%*	*(6.3%)*	*0.6%*
Property and other expenses	5.2	3.2	8.4	4.8	4.9	9.7	*8.8%*	*(35.8%)*	*(13.9%)*
EBITDA	9.9	9.7	19.6	11.2	10.0	21.2	*(11.7%)*	*(2.6%)*	*(7.4%)*
EBITDA margin	*17.7%*	*19.4%*	*18.5%*	*20.6%*	*18.0%*	*19.3%*			
Depreciation	0.8	0.4	1.2	0.6	0.8	1.3	*35.0%*	*(39.3%)*	*(7.6%)*
Amortisation and impairment of intangibles	1.3	21.6	22.9	1.3	1.8	3.1	*(1.9%)*	*>100%*	*>100%*
Tax	2.7	(2.2)	0.5	3.2	1.8	5.0	*(15.5%)*	*>(100%)*	*(90.0%)*
NPAT	5.2	(10.2)	(5.0)	6.2	5.6	11.8	*(16.2%)*	*>(100%)*	*>(100%)*
NPAT margin	*9.3%*	-	-	*11.4%*	*10.1%*	*10.7%*			
UNPATA	6.2	6.2	12.4	7.1	6.9	14.0	*(13.6%)*	*(9.1%)*	*(11.4%)*
UNPATA margin	*11.0%*	*12.4%*	*11.7%*	*13.0%*	*12.4%*	*12.7%*			
Key metrics									
Net amount financed ($m)	551.0	530.3	1,081.3	450.7	486.0	936.7	*22.3%*	*9.1%*	*15.4%*
Employees (FTE's)	175	153	164	191	195	193	*(8.1%)*	*(21.5%)*	*(14.9%)*

Group Funding Strategy

Business segment	MMS Group Funding Strategy				
	GRS	RFS	Asset Management		Corporate
Facility type	Origination	Origination	Committed Revolving Club	Uncommitted P&A	Amortising Committed Club
Balance sheet					
– Off balance sheet	✓	✓	✓	✓	✗
– On balance sheet	✗	✗	✓	✗	✓
– Requires capital	✗	✗	✓	✗	✗
Risk retention					
– Credit risk	✗	✗	✓	✗	N/A
– Interest rate risk	✗	✗	✓	✗	N/A
– Residual value risk	✗	✗	✓	✗	N/A
– Service income risk	✗	✗	✓	✗	N/A
Origination income timing					
– Upfront	✓	✓	✗	✓	N/A
– Annuity	✗	✗	✓	✗	N/A

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