McMillan Shakespeare Limited

FY18 Results Presentation

Presenters
Mike Salisbury, CEO
Mark Blackburn, CFO

McMillanShakespeareGroup

Overview

Key Financial Metrics

Revenue up 4.2% to
$545.4 million

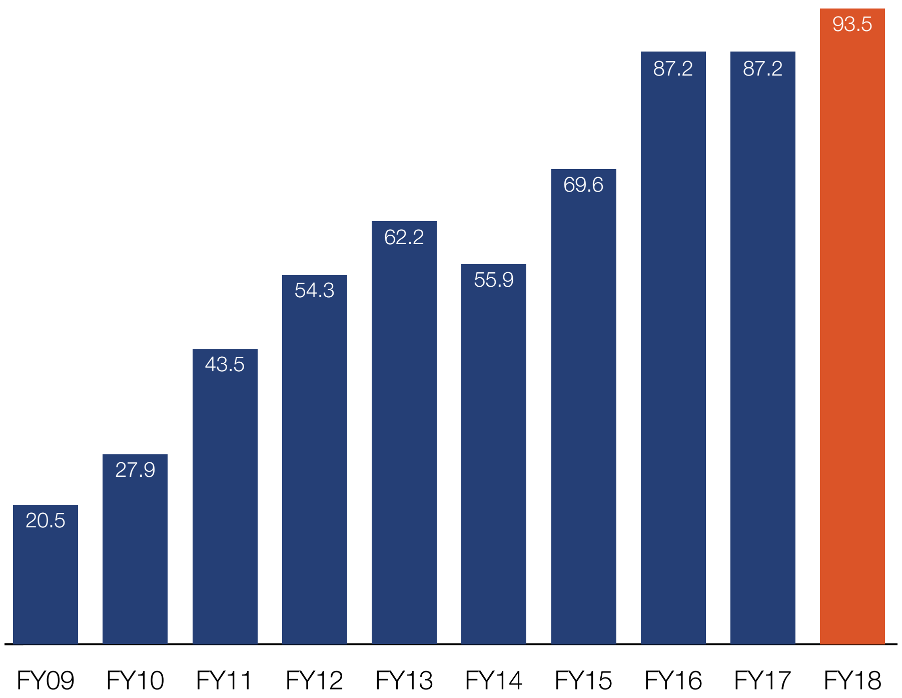
EBITDA up 4.4% to
$143.4 million

UNPATA[1] up 7.2% to
$93.5 million

Underlying EPS[1] up 8.0% to
113.2 cps

Fully franked dividends up 10.6%
73.0 cps

UNPATA Performance ($m)



Solid results, laying foundations for the future

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

Scorecard

Executing strategies to drive long term growth and sustainable returns

Segment	Stated strategy	FY18 impact
Group Remuneration Services	> Continue organic growth > Margin improvement via technology advancements > Broaden product suite	– Increasing participation, re-lease levels and new business wins resulted in salary packages increasing by 5.5% and novated leasing increasing by 5.9% compared to pcp – UNPATA (including Plan Partners) up 9.9% on pcp – GRS EBITDA margin improvement (excluding Plan Partners) of 1.2% to 48.4% partially driven by initial investment in Beyond 2020 – Successful launch of Plan Partners to provide services to participants in the National Disability Insurance Scheme (NDIS)
Asset Management	> Disciplined approach to growth > Grow capital light business model > Leverage UK asset finance platform to grow market share	– Australia & New Zealand UNPATA growth of 17.0% driven by enhanced funding model and cost management – Transition to capital light funding model continues (P&A funding up to $40.5m) – Expanded remarketing channel enhancing end of contract income – UK UNPATA up 42.5% driven by acquisitions and NAF increase of 75.0% – UK geographic expansion and continued growth
Retail Financial Services	> Partner of choice > Broaden asset class > Improve product design	– Segment continues to operate with market and regulatory uncertainty – Strategic review of segment resulted in closure of Money Now motor vehicle consumer finance business, focus remains on Aggregation, Warranty & Insurance businesses – RFS UNPATA down $3.8m primarily due to Retail business – After tax impairment of $38.0m for the full year – Aggregation business is performing in line with expectations, volumes increased offset by lower commissions

Continued growth in customers and assets

Organic volume growth driving future profitability

334,850
Salary packages
↑ 5.5%

63,300
Novated leases
↑ 5.9%

42,750
Assets managed (Units)
↑ 2.3 %

$521m
Assets managed (WDV)[1]
↑ 7.6%

$2,850m
Net amount financed
↑ 18.7%

$395m
Average salary packaging float
↑ 3.9%

1,260
Average employees
↑ 8.0%

49.1
Net Promoter Score
Average monthly score for FY18

1 Inclusive of on and off balance sheet funding

Note: Movements compared to prior corresponding period

Strategic initiatives to drive long term growth, returns and profitability

BEYOND 2020 Customer Engagement Program	**Investment in core technology platforms** – In FY19, we commence a two year rebuild / redesign of our core GRS technology, transforming our platforms and systems – Additional cost in FY19 and FY20 is \$8.2m, split \$7.0m in capital expenditure and \$1.2m in operating expenditure **Drive novated leasing sales growth and reduce operating costs** – Beyond 2020 will transform the way we provide our service, now and into the future – The project will create a more personalised experience, one that's more customer focussed, mobile and user-friendly – Total next 3 year project cost is \$19.4m, split \$10.0m in capital expenditure and \$9.4m in operating expenditure
Maxxia UK	**Continue growth phase, improve return on capital** – Expand upon existing UK platform to build a sustainable, high quality business that generates profitable revenue growth and attractive returns on invested capital
Plan Partners Bringing your plan to life	**Market leadership in NDIS** – Established to provide NDIS participants more choice, less complexity and greater control – Leverage core competencies within the GRS business of high volume transactions, management of funds and existing connections within the not for profit and health sector

Update core technology platforms

BEYOND 2020
Customer Engagement Program

What is the Strategy?

Program of work to deliver IT platforms required to

- Meet the Beyond 2020 sales and operational initiative
- Increase speed of delivery
- Improve operational performance and resilience
- Implement the required skills, structures and work practices for on-going delivery capability

What does it involve?

Create
A new platform to allow a true single customer view

Re-platform
Progress our cloud first strategy, structured for automation, scalability and flexibility

Capabilities
On-going multi-disciplined teams to assume responsibility after high capital investment

Target Cost and Benefit

	(Addition) / reduction on FY18 IT Expenditure			
	FY19 $m	FY20 $m	FY21 $m	Ongoing $m
IT Capex	(6.0)	(1.0)	4.0	4.0
IT Opex	(0.5)	(0.7)	0.3	1.0

In addition to the IT benefits identified above, the increased platform and technology flexibility and speed to market will benefit operational revenue and expenses.

Drive NL growth, improve operating margins

BEYOND 2020
Customer Engagement Program

What is the Strategy?

Increase novated sales conversion
- Improve customer communications
- Revolutionise the sales activity system via automation
- Better understand customer behaviour

Improve GRS operations productivity
- Fully integrated digital solutions
- Complete self-serve capability (robotics)
- Standardise product offering
- Simplified communications

Target Cost

	FY19 $m	FY20 $m	FY21 $m
Capex	(2.8)	(3.6)	(3.6)
Opex	(2.2)	(3.6)	(3.6)

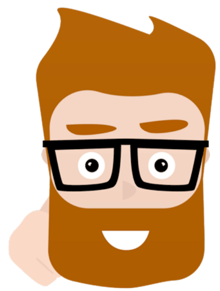
Target Benefit

- Goal to increase novated leasing sales conversion ratio by 33%
- Plan to improve cost to serve ratio from 53% to 40%

Augmented Reality

Mobile First

Artificial Intelligence



Consolidate UK growth, improve return on capital

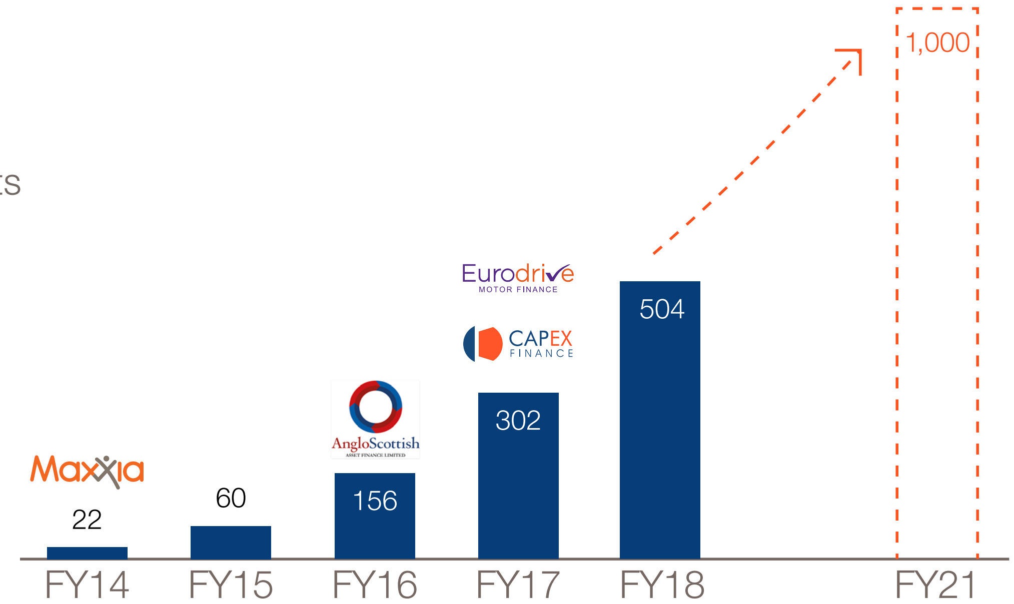
Maxxia UK

Objectives

- Originate NAF of £1.0 billion within 3 years
- Improve use of capital

Strategy

- Organic growth from existing businesses
  - Extract further synergies from centralised treasury and deal settlements capability, cross selling products and services within the group, etc.
- Expansion of broker aggregation footprint via strategic acquisitions
  - Active pipeline of acquisitions identified

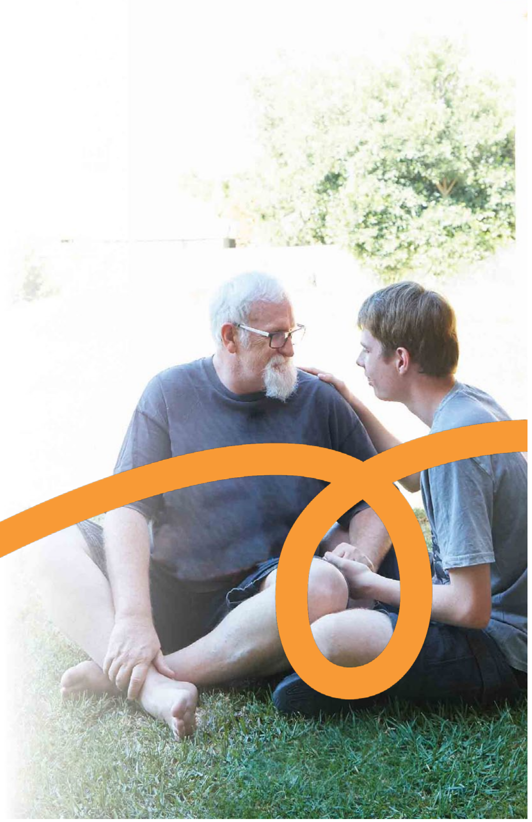


Net Amount Financed per year (£m)

Market leadership in NDIS of plan management

- National Disability Insurance Scheme (NDIS) to support 460,000 participants with sector funding to grow to $22 billion annually by 2021
- Plan Partners focused on providing intermediary services, via expertise in the disability sector, and funds and payment administration
  - Administer all aspects of participant's NDIS plan
  - Keep track of spending and provide visibility of plan spending status
  - Locate and connect with service providers who are the best fit
  - Assist to setup service agreements with providers
- Growth phase, current position encouraging
  - Only national service provider operating in 6 states and 2 territories
  - Established network of 3,500 service providers
  - $1.7m in savings, through an additional 28,000 hours of support, already passed onto customers
- Forecast to become profitable in FY19

Plan Partners
Bringing your plan to life



Financial performance

Results Summary

$m	FY18	FY17	Variance
Revenue[1]	545.4	523.4	*4.2%*
EBITDA	**143.4**	**137.3**	***4.4%***
EBITDA margin (%)	*26.3%*	*26.2%*	
NPBT	84.9	101.3	*(16.2%)*
NPAT	50.3	67.9	*(25.9%)*
UNPATA	**93.5**	**87.2**	***7.2%***
Basic earnings per share (cents)	60.9	81.6	*(25.4%)*
Underlying earnings per share (cents)	113.2	104.8	*8.0%*
Final dividend per share (cents)	40.0	35.0	*14.3%*
Total dividend per share (cents)	73.0	66.0	*10.6%*
Payout ratio (%)[2]	*64.5%*	*63.0%*	
Free cash flow[3]	**107.4**	**84.0**	***27.9%***
Return on equity (%)[4]	*25.2%*	*23.6%*	
Return on capital employed (%)[4]	*21.2%*	*20.1%*	

1 FY17 Revenue has been re-stated to include revenue in AM UK from the sale of vehicles together with a corresponding increase in the cost of sales by $10.4m. There is no impact on EBITDA or UNPATA.
2 Payout ratio calculated by total dividend per share (cents) divided by underlying earnings per share (cents)
3 Free operating cash flow before investing, financing activities and fleet increases
4 Return on equity and capital employed has been adjusted to reflect 12 months trading for acquisitions made during the period, both calculations exclude one-off payments in relation to transaction costs incurred in the acquisitions, amortisation of acquisition intangibles, one-off closure costs and asset impairment of acquired intangible assets

Balance Sheet
Conservative capital structure

$m	June 2018 AM	June 2018 Other	June 2018 Group	June 2017 Group
Cash at bank	21.1	78.6	99.7	59.4
Other current assets	22.5	36.9	59.4	54.7
Total fleet funded assets	484.7	-	484.7	473.4
Goodwill / intangibles	50.1	155.8	205.9	250.7
Other non-current assets	4.7	7.5	12.2	10.7
Total Assets	**583.1**	**278.8**	**861.9**	**849.0**
Borrowings (current)	3.0	11.5	14.5	88.7
Other current liabilities	52.2	81.6	133.8	115.2
Borrowings (non-current)	304.8	18.6	323.4	250.9
Other non-current liabilities	14.2	4.6	18.8	23.2
Total Liabilities	**374.2**	**116.3**	**490.5**	**478.0**
Net Assets	**208.9**	**162.5**	**371.4**	**371.0**

Group

Net debt to EBITDA[1]

1.7x

Group gearing[2]

39% vs 43% pcp

Interest times cover[3]

7.7x vs 11.2x pcp

Specific

Net cash (excl. fleet funded debt)[4]

$48.5 million

AM Net debt to funded fleet WDV[5]

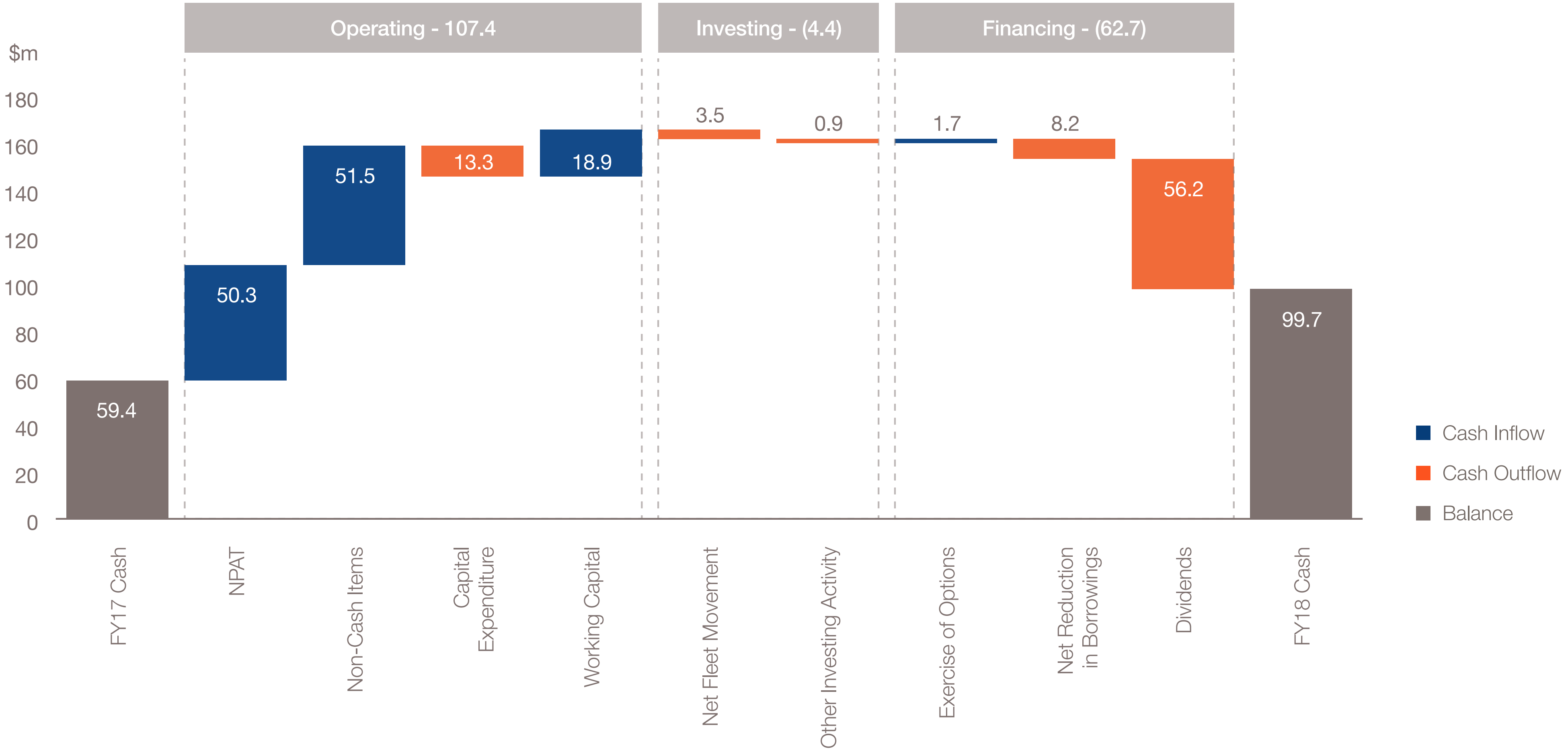
59% vs 61% pcp

Compared to previous corresponding period (pcp)

1 Net debt defined as current and non-current borrowings less cash, inclusive of fleet funded debt
2 Group net debt / (equity + net debt)
3 Net interest (interest expense less interest income) / EBIT
4 Other cash ($78.6m) less corporate debt ($30.1m) excludes fleet funded debt
5 AM Net debt (current and non-current borrowings less cash) / total fleet funded assets

Funds Flow

Strong operating cash flow generation, resulting in cash increasing by $40.3m



Performance metrics

		10 year historical performance										
		FY18	FY17	FY16	FY15	FY14	FY13	FY12	FY11	FY10	FY09	10 Year CAGR
Revenue	$m	545.4	523.4	504.7	389.6	347.5	330.1	302.0	271.3	132.0	77.3	*24.2%*
EBITDA	$m	143.4	137.3	135.8	104.9	87.1	93.4	82.0	67.5	63.9	30.3	*18.9%*
EBITDA margin	%	*26.3%*	*26.2%*	*26.9%*	*26.9%*	*25.1%*	*28.3%*	*27.2%*	*24.9%*	*48.4%*	*39.3%*	
UNPATA	$m	93.5	87.2	87.2	69.6	56.1	62.2	54.3	43.5	27.9	20.5	*18.4%*
UNPATA margin	%	*17.1%*	*16.7%*	*17.3%*	*17.9%*	*16.1%*	*18.8%*	*18.0%*	*16.0%*	*21.1%*	*26.5%*	
Underlying earnings per share	cents	113.2	104.8	105.1	89.7	75.3	83.4	76.6	64.0	41.3	30.4	*15.7%*
Dividend per share	cents	73.0	66.0	63.0	52.0	52.0	42.0	47.0	38.0	24.0	19.0	*16.1%*
Payout ratio	%	*65%*	*63%*	*60%*	*58%*	*69%*	*50%*	*61%*	*59%*	*58%*	*63%*	
ROE	%	*25%*	*24%*	*26%*	*26%*	*27%*	*34%*	*38%*	*43%*	*43%*	*39%*	
ROCE	%	*21%*	*20%*	*21%*	*20%*	*23%*	*29%*	*31%*	*29%*	*51%*	*93%*	
Free cash flow (FCF) from operations	$m	107.4	84.0	93.5	65.8	51.6	60.1	56.3	37.6	36.1	28.8	*15.8%*
FCF as % of UNPATA	%	*114.9%*	*96.3%*	*107.3%*	*94.5%*	*92.3%*	*96.6%*	*103.7%*	*86.4%*	*129.4%*	*140.5%*	

Segment performance

Segment Review

$m	Group Remuneration Services			Asset Management			Retail Financial Services			Unallocated			Total		
	FY18	FY17	%	FY18	FY17	%	FY18	FY17	%	FY18	FY17	%	FY18	FY17	%
Revenue	207.8	189.7	9.6%	243.7	226.1	7.8%	92.5	106.0	(12.7%)	1.4	1.6	(12.5%)	545.4	523.4	4.2%
Expenses	110.8	100.2	10.6%	211.2	197.9	6.7%	78.5	86.4	(9.1%)	1.5	1.6	(6.3%)	402.0	386.1	4.1%
EBITDA	97.0	89.5	8.4%	32.5	28.2	15.2%	14.0	19.6	(28.6%)	(0.1)	(0.0)	>(100%)	143.4	137.3	4.4%
EBITDA margin (%)	46.7%	47.2%		13.3%	12.5%		15.1%	18.5%		(7.1%)	0.0%		26.3%	26.2%	
D&A of PPE and software	5.7	4.6	23.9%	2.6	3.2	(18.8%)	1.3	1.2	8.3%	-	-	-	9.6	9.0	6.7%
Disposal of business	-	-	-	-	-	-	8.6	-	-	-	-	-	8.6	-	-
Amortisation and impairment of intangibles (acquisitions)	-	-	-	1.9	1.5	26.7%	42.5	22.9	85.6%	-	-	-	44.4	24.4	82.0%
Deferred consideration FV adjustment	-	-	-	(5.3)	-	-	-	-	-	-	-	-	(5.3)	-	-
Corporate interest expense	-	-	-	-	-	-	-	-	-	1.2	1.5	(20.0%)	1.2	1.5	(23.5%)
Acquisition expenses	-	-	-	-	-	-	-	-	-	-	1.1	-	-	1.1	-
NPBT	91.2	84.9	7.4%	33.3	23.5	41.7%	(38.4)	(4.5)	>(100%)	(1.2)	(2.6)	(52.3%)	84.9	101.3	(16.2%)
Tax	27.6	26.6	3.7%	7.8	6.9	13.0%	0.1	0.5	(80.0%)	(0.4)	(0.5)	(31.2%)	35.1	33.5	5.0%
NPAT	63.6	58.3	9.1%	25.5	16.6	53.6%	(38.5)	(5.0)	>(100%)	(0.8)	(2.0)	(57.9%)	49.8	67.9	(26.7%)
Outside Equity Interest - Plan Partners	(0.5)	-	-	-	-	-	-	-	-	-	-	-	(0.5)	-	-
NPAT (MMS interest)	64.1	58.3	9.9%	25.5	16.6	53.6%	(38.5)	(5.0)	>(100%)	(0.8)	(2.0)	(61.0%)	50.3	67.9	(25.9%)
UNPATA	64.1	58.3	9.9%	21.6	17.5	23.4%	8.6	12.4	(30.6%)	(0.8)	(1.1)	(24.4%)	93.5	87.2	7.2%

Group Remuneration Services (GRS)

Strong results, investing for sustained growth and performance

$m	FY18	FY17	Variance
Revenue	**207.8**	**189.7**	*9.6%*
Employee expenses	85.2	73.5	*15.9%*
Property & other expenses	25.6	26.6	*(3.7%)*
EBITDA	**97.0**	**89.5**	*8.4%*
EBITDA margin	*46.7%*	*47.2%*	
Depreciation	5.7	4.6	*23.9%*
Tax	27.6	26.6	*3.7%*
UNPATA[1]	**63.6**	**58.3**	*9.1%*
UNPATA margin	*31.8%*	*30.7%*	
OEI - Plan Partners	(0.5)	-	-
UNPATA (MMS share)	**64.1**	**58.3**	*9.9%*
UNPATA margin	*31.1%*	*30.7%*	
Key metrics			
Salary packages (units)	334,850	317,500	*5.5%*
Novated leases (fleet units)	63,300	59,800	*5.9%*
Direct employees (FTE's)[2]	609	555	*9.7%*

Key financials excluding impact of interest[3]			
Revenue	198.7	180.2	*10.3%*
EBITDA	87.9	80.0	*9.9%*

1 NPAT and UNPATA are the same
2 Average direct employees for the period excludes back office functions such as finance, IT, HR and marketing
3 Excludes impact of interest derived from external funds administered

Commentary

- Revenue improvement of 9.6% primarily achieved via continued high client retention rate and strong organic growth
  - Re-lease novated sales up 17.5%
  - New novated sales up 11.0%
- New business primarily focused towards private sector
- Employee expense impacted by
  - Lower FTE's in FY17 due to negotiation of major contract
  - Establishment of Plan Partners in FY18
- EBITDA margin (excluding Plan Partners) improvement of 1.2% to 48.4% partially driven by Beyond 2020 initiatives
  - Technology improvements in claims apps, website updates
  - Low cost investment in sales related activity processes which delivered an immediate return in sales conversions
- Established and successfully launched Plan Partners, forecast to become profitable during FY19

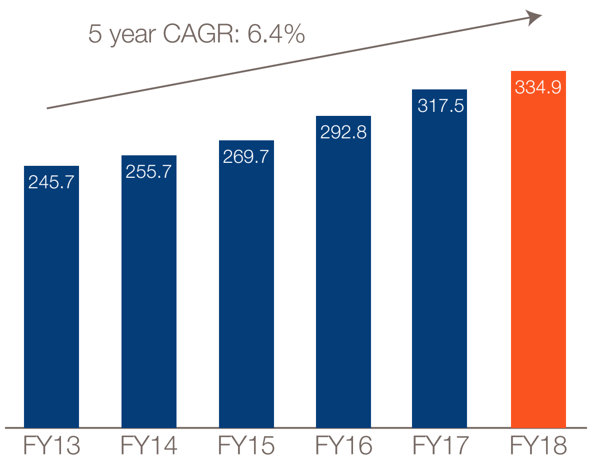
Outlook

- Continue the development of technology and systems via Beyond 2020 initiative
  - Capital and operational costs to increase in FY19 with returns generated over the medium term
- Commence IT strategy to redesign core sales platforms
- Proactively manage insurance relationships

GRS

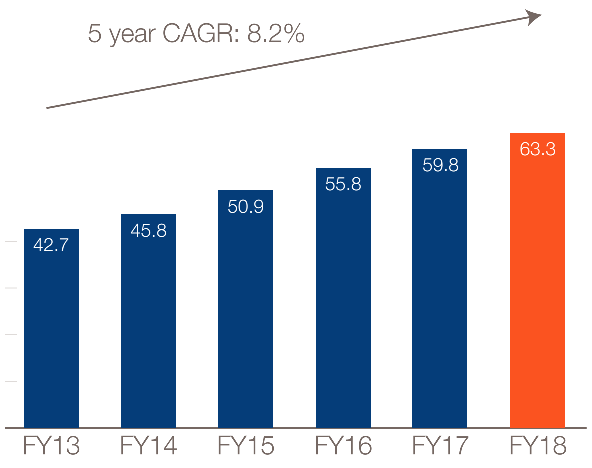
New customer wins and increasing penetration resulting in organic volume growth

Salary packages (000's)[1]



- Net new customers: 9,300 packages
- Increased participation: 8,000 packages

Novated vehicles (000's)[2]



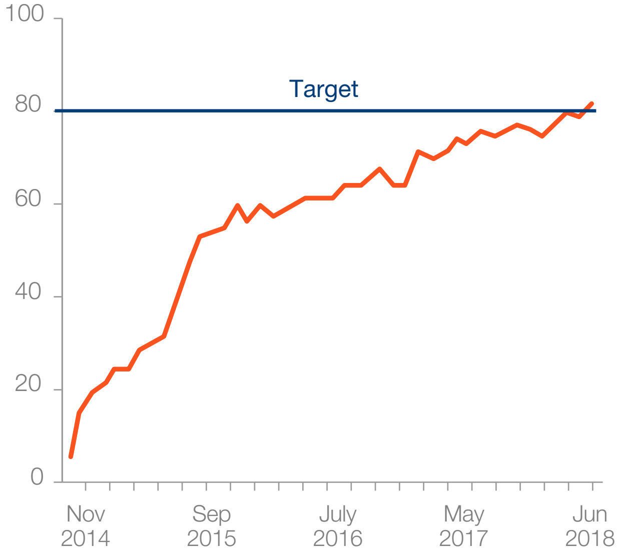
- Net new customers: 200 vehicles
- Increased participation: 3,300 vehicles

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

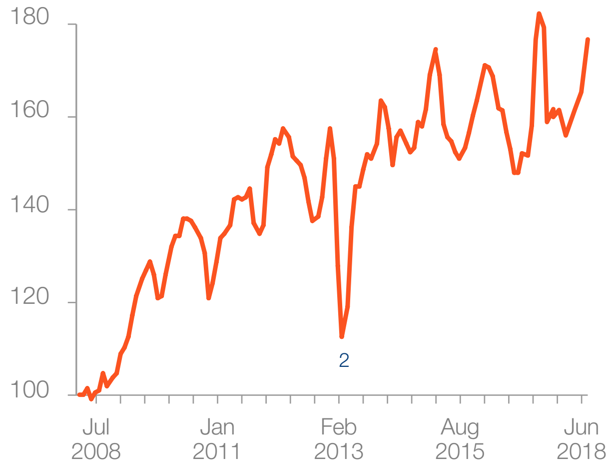
GRS

Technology investments drive new levels of customer engagement and conversion

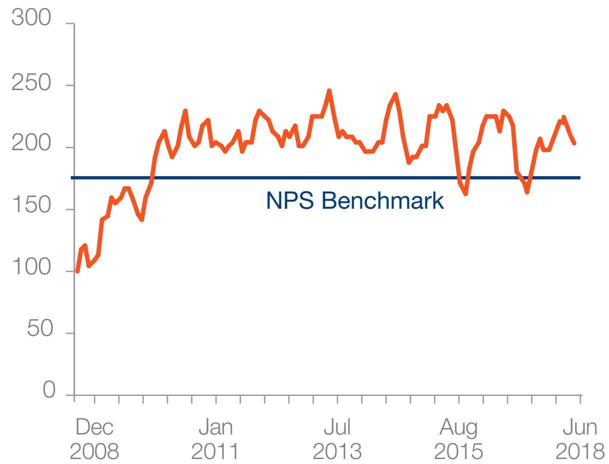
On-line claims take-up rate (%)



Productivity Index[1]



Customer Satisfaction Index[3]



- 82% at 30 June 2018

- 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

Asset Management (AM) – Australia & New Zealand

Diversified funding model supports capital light growth and margin expansion

$m	FY18	FY17	Variance
Revenue	**182.3**	**179.4**	***1.6%***
Fleet depreciation	71.2	75.5	*(5.7%)*
Lease and vehicle mgt. expenses	62.6	59.3	*5.6%*
Employee expenses	14.4	12.9	*11.6%*
Property and other expenses	9.8	9.8	-
EBITDA	**24.3**	**21.9**	***11.0%***
EBITDA margin	*13.3%*	*12.2%*	
Depreciation	1.9	2.5	*(24.0%)*
Tax	6.6	5.9	*11.9%*
UNPATA[1]	**15.8**	**13.5**	***17.0%***
UNPATA margin	*8.7%*	*7.5%*	
Key Metrics			
Return on assets (%)	4.4%	4.3%	
Assets managed (units)[2]	21,800	22,900	*(4.8%)*
- Funded (units)	13,100	13,050	*0.4%*
- Managed (units)	7,400	9,500	*(22.1%)*
- P&A (units)	1,300	350	*>100.0%*
Assets written down value ($m)	376.7	335.1	*12.4%*
- On balance sheet ($m)	336.3	325.1	*3.4%*
- Off balance sheet ($m)	40.5	10.0	*>100.0%*
Direct employees (FTE's)[3]	84	81	*3.7%*

Commentary

- EBITDA margin improvement of 1.1% to 13.3% driven by
  - Improved returns due to cost management
  - Enhanced distribution capability for remarketing
- Asset value growth of 12.4% driven by on and off balance sheet funding
  - Off balance sheet funding growth of $30m, accounts for 11% of the total asset value

Outlook

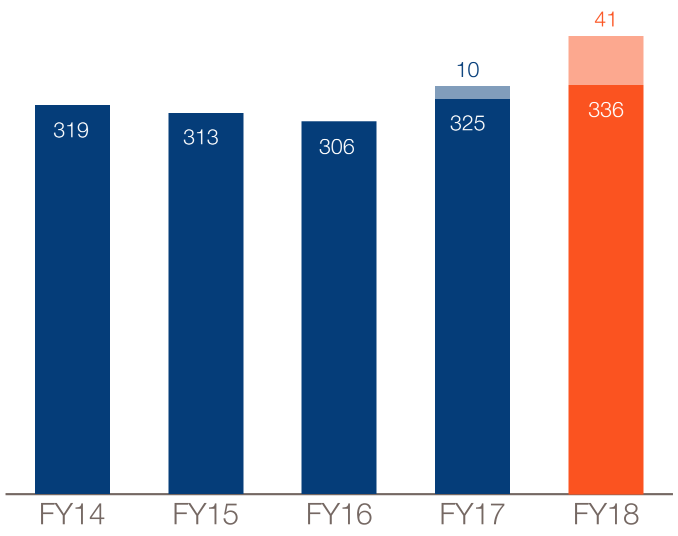
- Expand remarketing channel in NSW with new Just Honk retail car yard
- Continue focus on off balance sheet funding to drive ROCE improvement

1 NPAT and UNPATA are the same
2 Assets managed comprises operating and finance leases and fleet managed vehicles
3 Average direct employees for the period

AM – Australia & New Zealand

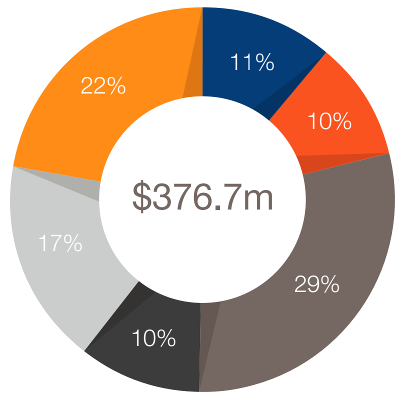
Disciplined approach with strong risk and returns control

Fleet assets written down value ($m)



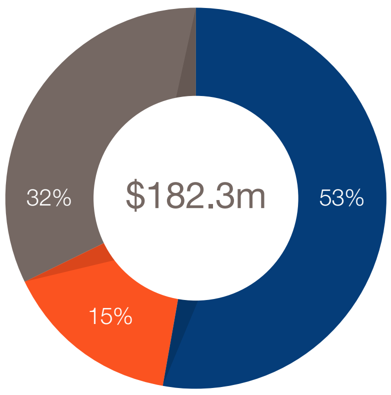
Fleet assets funded utilising P&A

FY18 WDV breakdown



- Mining and construction
- Manufacturing
- Industry
- Wholesale and retail trade
- Services
- Other

FY18 Revenue breakdown



- Principal and interest
- Maintenance and tyres
- Proceeds from sales of leased assets

AM – United Kingdom
Performing well, positioned to step up growth and scale

$m	FY18	FY17	Variance
Revenue[1]	**61.4**	**46.7**	***31.5%***
Lease and vehicle management expenses	30.3	23.2	*30.6%*
Employee expenses	13.4	10.0	*34.0%*
Share of JV	1.4	1.3	*7.7%*
Property and other expenses	8.1	5.9	*37.3%*
EBITDA	**8.2**	**6.3**	***30.2%***
EBITDA margin	*13.4%*	*13.5%*	
Depreciation	0.7	0.7	*0.0%*
Amortisation of impairment of intangibles	1.9	1.5	*26.7%*
Deferred consideration FV adjustment	(5.3)	-	*<100.0%*
Tax	1.2	1.0	*20.0%*
NPAT	**9.7**	**3.1**	***>100.0%***
NPAT margin	*15.8%*	*6.6%*	
UNPATA	**5.7**	**4.0**	***42.5%***
UNPATA margin	*9.3%*	*8.6%*	
Key Metrics			
Assets managed (units)	21,000	18,900	*11.1%*
Assets written down value ($m)[2]	144.0	149.0	*(3.3%)*
Net amount financed ($m)	886.6	506.6	*75.0%*
- On balance sheet ($m)	151.7	82.5	*83.9%*
- Off balance sheet ($m)	734.8	424.2	*73.2%*
Direct employees (FTE's)[3]	216	174	*24.2%*

Commentary

- Strong NAF growth of 67% (in local currency) over pcp to £500m
- Assets managed increased by 11% to circa 21,000 units
- Established bespoke broking platform and diversified funding panel
- Recently acquired businesses, CAPEX and EVC, successfully integrated

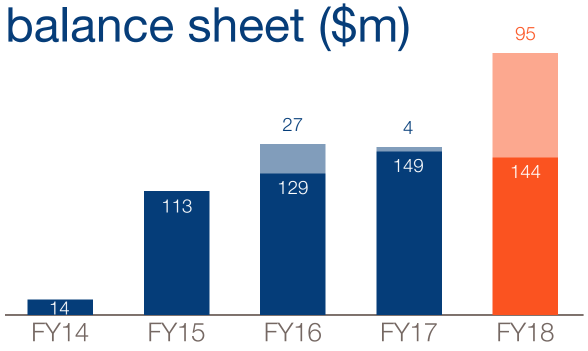
Outlook

- Strategic acquisitions expanding our geographic footprint remains a core focus
- Off balance sheet funding to drive ROCE improvement

1 FY17 Revenue has been re-stated to include revenue in AM UK from the sale of vehicles together with a corresponding increase in the cost of sales by $10.4m. There is no impact on EBITDA or UNPATA.
2 On MMS balance sheet
3 Average yearly direct employees

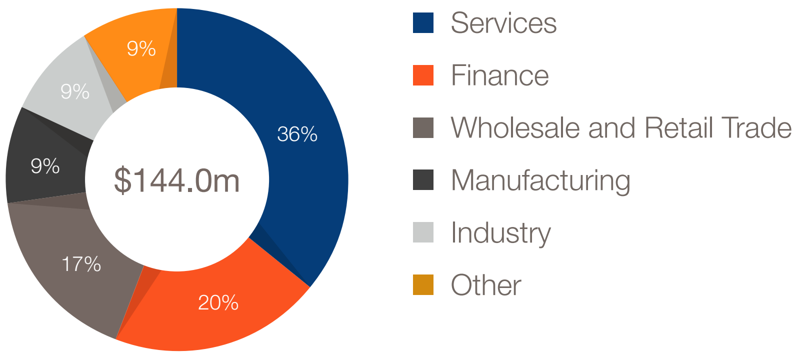
AM – United Kingdom
Operating Metrics

Assets WDV – On and off balance sheet ($m)

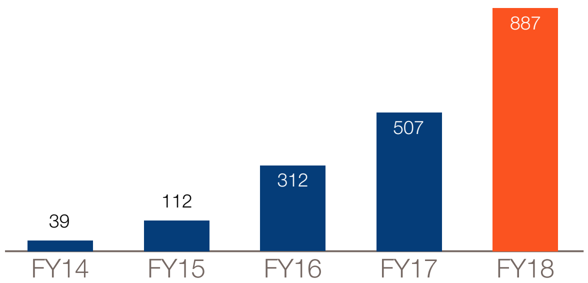


Assets moved off balance sheet as part of P&A arrangements

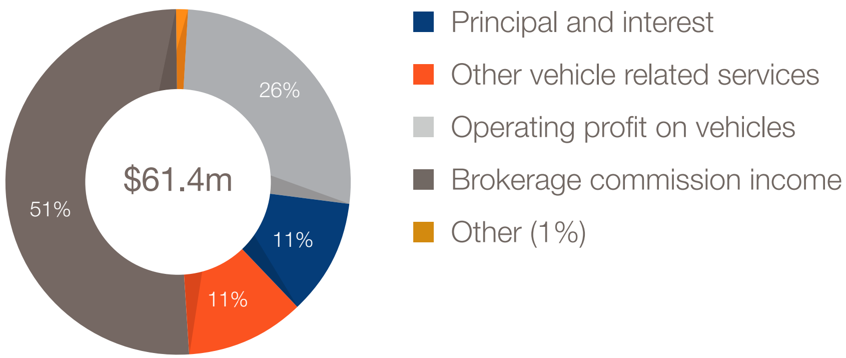
FY18 WDV breakdown



Net amount financed ($m)



FY18 Revenue breakdown



Retail Financial Services (RFS)

Restructure complete, sustainable distribution footprint with enhanced customer offering

$m	FY18	FY17	Variance
Revenue	**92.5**	**106.0**	***(12.7%)***
Brokerage commissions	42.0	45.7	*(8.1%)*
Employee expenses	18.4	22.9	*(19.7%)*
Net claims	11.1	9.4	*18.1%*
Property and other expenses	7.0	8.4	*(16.7%)*
EBITDA	**14.0**	**19.6**	***(28.6%)***
EBITDA margin	*15.1%*	*18.5%*	
Depreciation	1.3	1.2	*8.3%*
Amortisation and impairment of intangibles	42.5	22.9	*85.6%*
Disposal of business	8.6	0.0	*100.0%*
Tax	0.1	0.5	*(80.0%)*
NPAT	**(38.5)**	**(5.0)**	***>100.0%***
NPAT margin	*(41.6%)*	*(4.7%)*	
UNPATA	**8.6**	**12.4**	***(30.6%)***
UNPATA margin	*9.3%*	*11.7%*	
Key Metrics			
Net amount financed ($m)	1,061.4	1,081.3	*(1.8%)*
- Aggregation ($m)	969.2	947.8	*2.3%*
- Retail ($m)	92.3	133.5	*(30.9%)*
Direct employees (FTE's)[1]	125	164	*(23.6%)*

1 Average direct employees for the period

Commentary

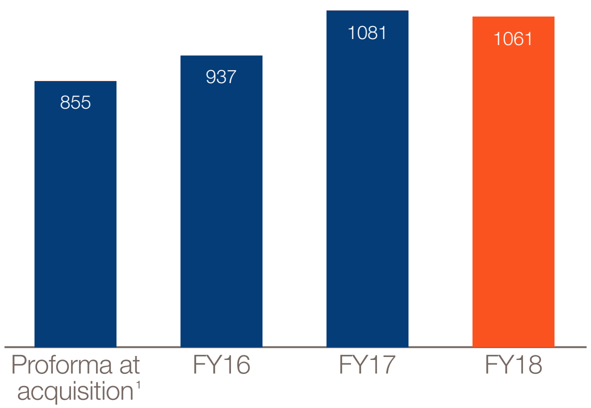
- Strategic review completed, resulted in closure of Money Now point of sale motor vehicle consumer finance business
  - NPAT impacted by asset impairment in relation to the Retail business
- Aggregation performed in line with expectations, however lower profitability than prior year due to a change in the funding landscape
- Redesigned dealer warranty product aimed at creating enhanced value for our customers
  - Resulted in increasing level of claims paid to customers

Outlook

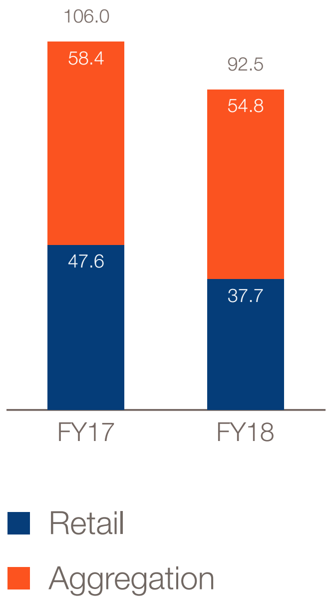
- Further develop relationships with lenders and broker partners
- Continue focus on product design and customer value proposition

RFS
Operating Metrics

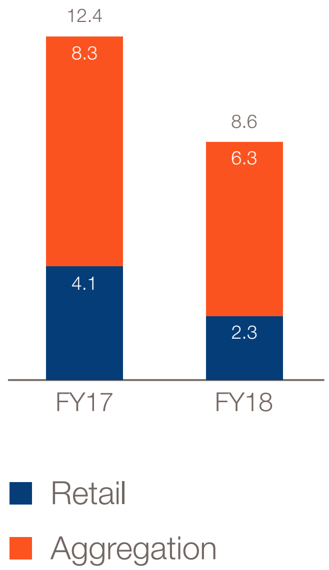
Net amount financed ($m)



Revenue breakdown ($m)



UNPATA 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

- Strong FY18 performance
  - $93.5m UNPATA – in-line with guidance
  - Strong organic growth
- Free cash flow, up 28%
  - Continued focus on capital management, increase returns through capital light model
  - Dividend payout ratio[1] of 64.5%, dividend up 10.6%
- Long term growth strategies – execution underway and on track
  - Beyond 2020 – investment in GRS platforms and systems, drive novated leasing sales growth and reduced operating costs
  - Plan Partners – market leadership in NDIS plan management, building scale
  - UK business performing well, positioned to step up growth
- Higher cost base in FY19, investing for strong and more valuable future business

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

Appendix

Key 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 and lower operating cost
- Capturing synergy benefits from a fully integrated business
- Continue to deliver high returns on capital and free cash flow
- Selectively approaching acquisitions to complement organic growth

Complementary diversification across the MMS Group

	Group Remuneration Services	Asset Management	Retail Financial Services
Brands	Maxxia, RemServ	Interleasing, Eurodrive Motor Finance, Maxxia, Holden Leasing, AngloScottish, 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 1,300 customers – Circa 1.2 million employees	– Over 450 customers – Select brokers and dealers	– 1,000+ active dealers – 250 finance brokers
Key operating statistics	– 334,850 salary packages – 63,300 novated leases	– 42,750 total assets managed – $521m total assets funded[1]	– $1,060m 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 Cars nationally – Consider selective acquisitions to expand UK presence	– Further develop relationships with lenders and broker partners – Continue focus on product design and customer value proposition

1 Total assets funded on and off balance sheet

Reconciliation between NPAT and UNPATA

$m	FY18	FY17	Variance
NPAT	50.3	67.9	*(25.4%)*
1. Amortisation of intangibles from acquisitions after-tax	3.5	3.0	*17.1%*
2. Deferred consideration	(5.5)	-	
3. Costs associated with discontinued operations	6.9	-	
4. Asset impairment in relation to warranty and insurance business after-tax	38.3	15.3	*>100.0%*
5. Acquisition transactions cost after-tax	-	1.0	
UNPATA	93.5	87.2	*7.2%*

1. Amortisation of intangible assets acquired on business combination
2. The deferred consideration for Anglo Scottish has been released pending renegotiation of the earn-out in FY19
3. Costs associated with the closure of the Money Now branches including goodwill, intangible and redundant asset write-offs as well as termination costs of contractual arrangements, employees and property
4. Impairment to the carrying value of intangibles for the warranty and insurance business
5. Costs incurred in relation to the acquisitions of CAPEX and EVC

Funding Overview

- Competitive finance rates and long term duration driven by MMS scale and quality of customer base
- Renegotiated the current component of the Asset Financing facilities in each jurisdiction, extending the maturity dates beyond the next 12 months
- Refinanced the CLM acquisition facility on more favourable terms and pricing, extending the facility from 31 March 2018 to 31 January 2021

		Local Currency		Australian Dollars ($m)			
		Currency	Facility size	Facility size	Amount drawn	Amount undrawn	Duration
Asset Financing Australia	Revolving	A$	190.0	190.0	170.5	19.5	(A$95m) 31 March 2020 (A$125m) 31 March 2021
Asset Financing NZ	Revolving	NZ$	32.8	30.0	22.2	7.8	
Asset Financing UK	Revolving	GBP	89.0	158.4	100.3	58.1	(UK$35m) 31 December 2019 (UK$42m) 31 March 2020 (UK$12m) 31 March 2021
Purchase of Presidian	Amortising	A$	30.1	30.1	30.1	-	31 March 2020
Purchase of CLM UK	Amortising	GBP	3.5	6.2	6.2	-	31 March 2021
Purchase of EVC/Capex UK	Amortising	GBP	5.0	8.9	8.9	-	31 January 2022
		Revolving total		**378.4**	**293.0**	**85.4**	
		Amortising total		**45.3**	**45.3**	**-**	
		Total		**423.7**	**338.3**	**85.4**	

Funds Flow

$m	FY18 GRS	FY18 AM	FY18 RFS	FY18 Unallocated / parent co.	FY18 MMS Group Total	FY17 MMS Group Total
NPAT	64.1	25.5	(38.5)	(0.8)	50.3	67.9
Non-fleet depn/amort, reserves and other non-cash items	7.5	0.7	50.5	0.0	58.7	30.9
Capex (non fleet) and software upgrade	(10.5)	(2.2)	(0.6)	0.0	(13.3)	(8.0)
Tax payments in excess of tax expense	(3.4)	(1.0)	(2.8)	0.0	(7.2)	(2.5)
Working capital inflow / (outflow)	5.1	11.7	2.1	0.0	18.9	(4.3)
Free cashflow before fleet increase	62.8	34.7	10.7	(0.8)	107.4	84.0
Investing activities and fleet increases:						
Net growth in Asset Management portfolio	0.0	(95.1)	0.0	0.0	(95.1)	(45.8)
Sale of fleet portfolio	0.0	91.6	0.0	0.0	91.6	0.0
Subordinated loan made to UK JV	0.0	(0.9)	0.0	0.0	(0.9)	0.0
Investment in acquisitions (net of cash acquired)	0.0	0.0	0.0	0.0	0.0	(8.9)
Equity contribution to subsidiary companies	0.0	4.1	0.0	(4.1)	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	(1.2)
Free cashflow	62.8	34.4	10.7	(4.9)	103.0	28.1
Financing activities:						
Net equity contribution (exercise of options)	0.0	0.0	0.0	1.7	1.7	0.0
Intercompany funding	25.0	(18.4)	(6.6)	0.0	0.0	0.0
Debt repayments	0.0	(129.9)	0.0	(11.5)	(141.4)	(58.1)
Debt drawdown	0.0	133.2	0.0	0.0	133.2	58.2
Treasury reserve for share-based payments	0.0	0.0	0.0	0.0	0.0	(10.2)
Dividends paid	0.0	0.0	0.0	(56.2)	(56.2)	(54.1)
Net cash movement	87.8	19.3	4.1	(70.9)	40.3	(36.2)
Opening cash					59.4	95.6
Closing cash					99.7	59.4

Risks and sensitivities

- Regulation of consumer insurance products[1]
- Regulation of consumer lending products[2]
- Ongoing potential risk of consumer action, including class actions
- 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) and Total Asset Insurance (TAI)
2 Consumer Lending Products includes the ability of the dealer or broker to flex the interest rate above the base lending rate provided by the financier

Group Remuneration Services

Half yearly performance

$m	FY18			FY17			Variance		
	1H	2H	FY	1H	2H	FY	1H	2H	FY
Revenue	99.7	108.2	207.8	90.5	99.2	189.7	*10.1%*	*9.0%*	*9.6%*
Employee expenses	42.3	42.9	85.2	34.3	39.2	73.5	*23.3%*	*9.4%*	*15.9%*
Property & other expenses	13.3	12.3	25.6	12.9	13.7	26.6	*3.3%*	*(10.4%)*	*(3.7%)*
EBITDA	44.0	53.0	97.0	43.3	46.2	89.5	*1.7%*	*14.5%*	*8.4%*
EBITDA margin	*44.2%*	*49.0%*	*46.7%*	*47.8%*	*46.6%*	*47.2%*			
Depreciation	2.7	3.0	5.7	2.0	2.6	4.6	*35.0%*	*15.4%*	*23.9%*
Tax	12.3	15.3	27.6	13.1	13.5	26.6	*(6.4%)*	*13.5%*	*3.7%*
UNPATA	29.1	34.6	63.6	28.2	30.1	58.3	*3.0%*	*14.9%*	*9.1%*
UNPATA margin	*29.2%*	*32.0%*	*31.8%*	*31.2%*	*30.3%*	*30.7%*			
Outside Equity Interests - Plan Partners	(0.3)	(0.2)	(0.5)	-	-	-	-	-	-
UNPATA (MMS share)	29.4	34.7	64.1	28.2	30.1	58.3	*4.3%*	*15.6%*	*9.9%*
UNPATA margin	*29.7%*	*32.1%*	*31.1%*	*31.2%*	*30.3%*	*30.7%*			
Key metrics									
Salary packages (units)	326,800	334,850	334,850	297,100	317,500	317,500	*10.0%*	*5.5%*	*5.5%*
Novated leases (fleet units)	61,000	63,300	63,300	56,900	59,800	59,800	*7.2%*	*5.9%*	*8.2%*
Direct employees (FTE's)	590	627	609	540	570	555	*9.3%*	*10.0%*	*9.7%*

Asset Management – Australia & New Zealand
Half yearly performance

$m	FY18 1H	FY18 2H	FY18 FY	FY17 1H	FY17 2H	FY17 FY	Variance 1H	Variance 2H	Variance FY
Revenue	**91.5**	**90.8**	**182.3**	**90.2**	**89.2**	**179.4**	*1.4%*	*(1.8%)*	*1.6%*
Fleet depreciation	36.6	34.6	71.2	38.3	37.2	75.5	*(4.4%)*	*(7.0%)*	*(5.7%)*
Lease and vehicle management expenses	30.6	32.0	62.6	29.6	29.7	59.3	*3.4%*	*7.7%*	*5.6%*
Employee expenses	6.6	7.8	14.4	6.4	6.5	12.9	*3.1%*	*20.0%*	*11.6%*
Property and other expenses	5.2	4.6	9.8	5.0	4.8	9.8	*4.0%*	*(4.2%)*	*0.0%*
EBITDA	**12.5**	**11.8**	**24.3**	**10.9**	**11.0**	**21.9**	*14.7%*	*7.3%*	*11.0%*
EBITDA margin	*13.7%*	*13.0%*	*13.3%*	*12.1%*	*12.3%*	*12.2%*			
Depreciation	1.3	0.6	1.9	1.3	1.2	2.5	*0.0%*	*(50.0%)*	*(24.0%)*
Tax	3.2	3.4	6.6	2.9	3.0	5.9	*10.3%*	*13.3%*	*11.9%*
UNPATA	**8.0**	**7.8**	**15.8**	**6.7**	**6.8**	**13.5**	*19.4%*	*14.7%*	*17.0%*
UNPATA margin	*8.7%*	*8.6%*	*8.7%*	*7.4%*	*7.6%*	*7.5%*			
Key metrics									
Assets managed (units)	21,600	21,800	21,800	22,000	22,900	22,900	*(1.8%)*	*(4.8%)*	*(4.8%)*
Assets written down value ($m)	345.8	376.7	376.7	321.3	335.1	335.1	*7.6%*	*12.4%*	*12.4%*
– On balance sheet ($m)	323.1	336.3	336.3	316.8	325.1	325.1	*2.0%*	*3.4%*	*3.4%*
– Off balance sheet ($m)	22.7	40.5	40.5	4.4	10.0	10.0	*415.9%*	*304.6%*	*304.6%*
Direct employees (FTE's)	83	86	84	79	83	81	*5.1%*	*2.4%*	*3.7%*

Asset Management – United Kingdom
Half yearly performance

$m	FY18			FY17			Variance		
	1H	2H	FY	1H	2H	FY	1H	2H	FY
Revenue	21.5	39.9	61.4	13.8	22.5	46.7	*55.8%*	*21.3%*	*31.5%*
Lease and vehicle management expenses	6.8	23.5	30.3	4.2	19.0	23.2	*61.9%*	*23.7%*	*30.6%*
Employee expenses	6.5	6.9	13.4	3.9	6.1	10.0	*66.7%*	*13.1%*	*34.0%*
Share of JV	0.5	0.9	1.4	0.7	0.6	1.3	*(28.6%)*	*50.0%*	*7.7%*
Property and other expenses	3.8	4.3	8.1	2.7	3.2	5.9	*40.7%*	*34.4%*	*37.3%*
EBITDA	3.9	4.3	8.2	2.3	4.0	6.3	*69.6%*	*7.5%*	*30.2%*
EBITDA margin	*18.1%*	*10.8%*	*13.4%*	*16.7%*	*12.2%*	*13.5%*			
Depreciation	0.3	0.4	0.7	0.3	0.4	0.7	*0.0%*	*0.0%*	*0.0%*
Amortisation of impairment of intangibles	0.9	1.0	1.9	0.4	1.1	1.5	*>100%*	*(9.1%)*	*26.7%*
Deferred consideration FV adjustment	(6.5)	1.2	(5.3)	-	-	-	*0.0%*	*0.0%*	*0.0%*
Tax	0.6	0.6	1.2	0.4	0.6	1.0	*50.0%*	*0.0%*	*20.0%*
NPAT	8.6	1.1	9.7	1.2	1.9	3.1	*>100%*	*(42.1%)*	*>100%*
NPAT margin	*40.0%*	*2.8%*	*15.8%*	*8.7%*	*5.8%*	*6.6%*			
UNPATA	2.9	2.8	5.7	1.5	2.5	4.0	*93.3%*	*12.0%*	*42.5%*
UNPATA margin	*13.5%*	*7.0%*	*9.3%*	*10.9%*	*7.6%*	*8.6%*			
Key metrics									
Assets managed (units)	18,210	21,000	21,000	16,755	18,900	18,900	*8.7%*	*11.1%*	*11.1%*
Assets written down value ($m)	180.4	144.0	144.0	137.7	149.0	149.0	*31.0%*	*(3.3%)*	*(3.3%)*
Net amount financed ($m)	383.1	503.5	886.6	191.6	315.0	506.6	*99.9%*	*59.8%*	*75.0%*
– On balance sheet ($m)	71.2	80.5	151.7	38.8	43.7	82.5	*83.5%*	*84.3%*	*83.9%*
– Off balance sheet ($m)	311.9	422.9	734.8	152.8	271.4	424.2	*104.1%*	*55.8%*	*73.2%*
Direct employees (FTE's)	211	221	216	151	197	174	*39.7%*	*12.2%*	*24.2%*

Retail Financial Services
Half yearly performance

$m	FY18 1H	FY18 2H	FY18 FY	FY17 1H	FY17 2H	FY17 FY	Variance 1H	Variance 2H	Variance FY
Revenue	48.9	43.6	92.5	55.9	50.1	106.0	*(12.5%)*	*(13.0%)*	*(12.7%)*
Brokerage commissions	21.8	20.2	42.0	24.1	21.6	45.7	*(9.5%)*	*(6.5%)*	*(8.1%)*
Employee expenses	10.7	7.7	18.4	12.0	10.9	22.9	*(10.8%)*	*(29.4%)*	*(19.7%)*
Net claims	5.1	6.0	11.1	4.6	4.8	9.4	*10.9%*	*25.0%*	*18.1%*
Property and other expenses	3.7	3.3	7.0	5.2	3.2	8.4	*(28.8%)*	*3.1%*	*(16.7%)*
EBITDA	7.6	6.4	14.0	10.0	9.6	19.6	*(24.0%)*	*(33.3%)*	*(28.6%)*
EBITDA margin	*15.5%*	*14.7%*	*15.1%*	*17.9%*	*19.2%*	*18.5%*			
Depreciation	0.7	0.6	1.3	0.8	0.4	1.2	*(12.5%)*	*50.0%*	*8.3%*
Amortisation and impairment of intangibles	16.6	25.9	42.5	1.3	21.6	22.9	*>100%*	*19.9%*	*85.6%*
Disposal of business	0.0	8.6	8.6	0.0	0.0	0.0	*0.0%*	*0.0%*	*0.0%*
Tax	0.8	(0.7)	0.1	2.6	(2.1)	0.5	*(69.2%)*	*(66.7%)*	*(80.0%)*
NPAT	(10.5)	(28.0)	(38.5)	5.3	(10.3)	(5.0)	*>(100%)*	*171.4%*	*>100%*
NPAT margin	*(21.5%)*	*(64.2%)*	*(41.6%)*	*9.5%*	*(20.6%)*	*(4.7%)*			
UNPATA	4.6	4.0	8.6	6.2	6.2	12.4	*(25.8%)*	*35.5%*	*(30.6%)*
UNPATA margin	*9.4%*	*9.2%*	*9.3%*	*11.1%*	*12.4%*	*11.7%*			
Key metrics									
Net amount financed ($m)	534.7	526.7	1,061.4	555.9	525.4	1,081.3	*(3.8%)*	*0.2%*	*(1.8%)*
– Aggregation ($m)	481.9	487.3	969.2	481.5	466.3	947.8	*0.1%*	*4.5%*	*2.3%*
– Retail ($m)	52.8	39.5	92.3	74.4	59.1	133.5	*(29.0%)*	*(33.2%)*	*(30.9%)*
Direct employees (FTE's)	133	117.5	125	175.0	153.0	164	*(24.0%)*	*(23.2%)*	*(23.6%)*

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