

McMillanShakespeareGroup

ASX ANNOUNCEMENT

Market Update

Financial Year 2020 (FY20) Trading Performance Update

McMillan Shakespeare Limited (MMS) is experiencing more challenging market conditions in Australia, New Zealand and the United Kingdom (UK) than expected. We now believe these conditions and the negative impact they are having on business and consumer confidence are likely to persist for at least the remainder of FY20.

We continue to grow our customer base in Group Remuneration Services, in both salary packaging and novated leasing. Notwithstanding the further fall in new car sales, our novated sales are ahead of last year, however, are below our expectations. Regulatory changes effecting credit and insurance products have resulted in a reduction in margins.

In Asset Management in Australia, a flat market and an increase in customer inertia (delaying decisions to invest) is impacting profitability.

General market conditions in the UK have continued to drive a fall in vehicle registrations, a reduction in new assets financed and lower interest rates and margins.

In our Retail Financial Services business, volumes in our aggregation business are lower due to the softer car market and changes to our funding panel is impacting on margins.

Plan Partners is growing its customer base and profitability in line with expectations.

MMS currently expects underlying net profit after tax for FY20 to be in the range of \$83-\$87 million.

MMS will announce its first half FY20 financial results on 19 February 2020.

For more information please contact:

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