McMillanShakespeareGroup

The Tower, Melbourne Central,
Floor 21, 360 Elizabeth Street, Melbourne VIC 3000
Phone: 03 9097 3000 Fax: 03 9097 3048
www.mmsg.com.au

23 February 2022

Manager Company Announcements
ASX Limited
Level 4
20 Bridge Street
SYDNEY NSW 2000

By E-lodgement

McMillan Shakespeare Limited ("the Company") 2022 Interim Results Investor Presentation

This release contains an announcement to the Australian Securities Exchange Limited (ASX) regarding the FY22 Interim Results Investor Presentation.

The Company advises it will host its 1HFY22 Results Presentation on Wednesday 23 February 2022 at 9.00am. Investors may use the following details to access the presentation:

- https://webcast.openbriefing.com/7918/
- Dail in: 1800 123 296 or +61 2 8373 2830 . Conference ID: 2554606

Yours faithfully
McMillan Shakespeare Limited

Ashley Conn
Chief Financial Officer

This document was authorised for release by the MMS Board.

FY22 Half Year Results Presentation
23 February 2022

Presenters

Mike Salisbury
CEO & Managing Director

Ashley Conn
CFO & Company Secretary

MMS
McMillanShakespeareGroup

Overview

1H22 Highlights

Strong operating performance

1H22 UNPATA $40.0m[1] up 12.8% on pcp (excl. JobKeeper) - Driven by strong customer growth, elevated vehicle yields and uplift from UK restructure, with increasing carryover to benefit future periods. Plan Partners reporting in its own segment from 1H22, Plan & Support Services ("PSS")

Enhancing MMS's strong culture

New Purpose, Vision and Values: "Making a difference to people's lives"

ESG: FY22 strategic measures on track

– *Improved employee engagement score 85%, up 6% pts*

GRS: Salary Packaging and Novated Leasing

Client renewals and new business wins underpin salary package growth, with growth in customer demand and increasing carryover to benefit future periods

– *Salary package growth 1.8%*

– *Novated lease orders +4% vs pcp*

– *Carryover up 154% vs pcp, ~$19m[4] of future revenue*

Plan & Support Services

Strong organic revenue growth with investments in people and technology in period to drive future performance

Integration of Plan Tracker progressed and on track

– *Customer growth 69% vs pcp*

Asset Management ANZ

Favourable residual values

– *47.2% UNPATA growth[3]*

– *Remarketing profits up 30% vs pcp*

Asset Management UK

Benefits of restructure and UK now experiencing residual values tailwind

– *Vehicle profits 616% of 1H20*

– *NAF[2] up 2% vs pcp*

Retail Financial Services

Aggregation: Growth in NAF and UNPATA with ongoing price pressure

Retail: Divested Warranty business Sep21

– *27.3% UNPATA growth[3]*

– *NAF up 30% vs pcp*

Financial highlights

$40.0m UNPATA[1]

Underlying EPS 51.7cps, up 12.9%[3]

Dividend 34.0cps 65.9% of UNPATA[1]

ROCE of 33.6%

Net cash $115.7m (excl. funded fleet)

Gearing 26% (incl. funded fleet)

Warehouse ready to launch, awaiting final ASIC approval

1 UNPATA as defined on page 5 of this document.
2 Excludes NAF from divested EVC business.
3 UNPATA excluding JobKeeper.
4 Estimated revenue associated with increased carryover (above pre-COVID levels) expected to become revenue when vehicle supply constraints revert.

“Making a Difference to People’s Lives”

To build on our successful culture we have a new Purpose, Vision and Values

Purpose:	Making a difference to people’s lives
Vision:	To be the trusted partner, supporting customers’ financial wellbeing and lifestyle goals
Values:	

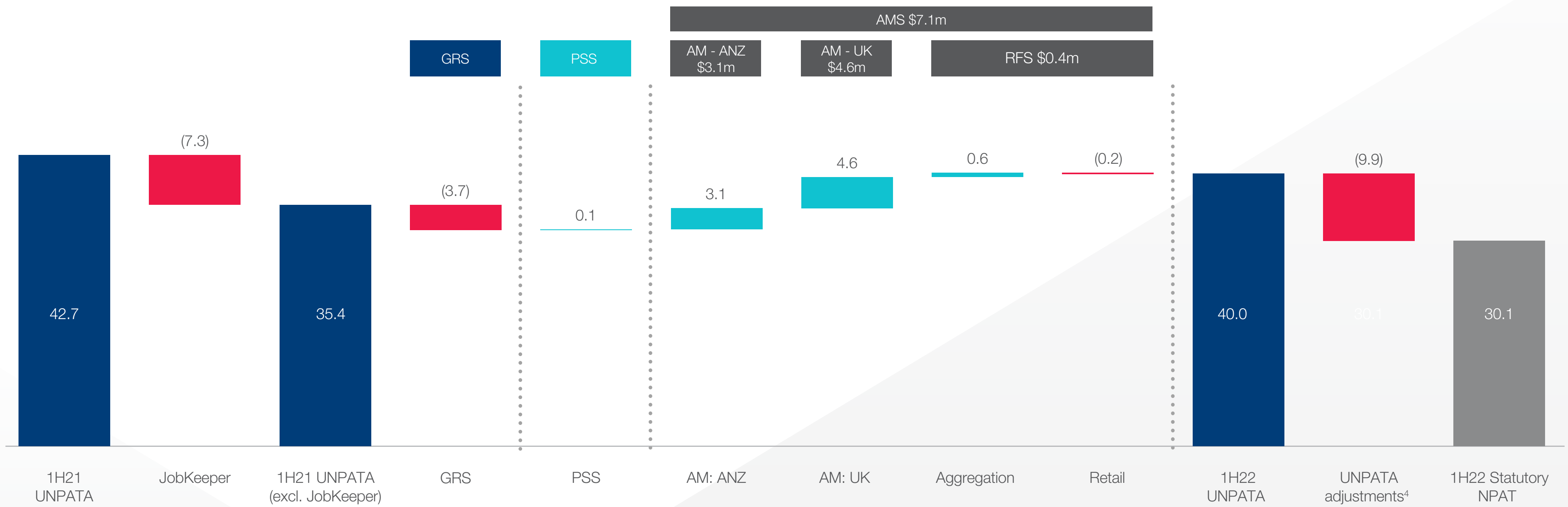
Introduction to our new segments

	Group Remuneration Services ("GRS")	Plan & Support Services[1] ("PSS")	Asset Management Services ("AMS")		
			AM Australia & NZ	AM United Kingdom	Aggregation
Brands	Maxxia RemServ Onboard Finance	Plan Partners Plan Tracker	interleasing JustHonk.com	CLM Maxxia AngloScottish	nfc Aggregation UFS Aggregation
Primary service	– Salary packaging – Novated leases – Novated lease financing	– Plan management – Support co-ordination	– Vehicle fleet leasing and management – Used vehicle retail sales	– Vehicle fleet leasing and management – Asset finance aggregation	– Asset finance aggregation – Insurance and warranty business divested in 1H22
Customers	– Government, Health, Not-for-profit and Corporate	– NDIS participants	– Government, Corporate and Not-for-profit – Retail (used vehicle sales)	– Corporate and SME – Vendors and brokers	– Asset finance broker network

1 Previously included in Group Remuneration Services.

Group UNPATA bridge

Revenue	EBITDA	UNPATA[2]	Underlying EPS
$311.6m	$59.5m	$40.0m	51.7 cps
up 25.8%	up 3.2%[1]	up 12.8%[3]	up 12.9%[3]



1 Excludes JobKeeper (pre tax) $10.5m (GRS $9.0m, AM-ANZ $0.8m, RFS $0.6m) recorded as a reduction to expenses in 1H21.
2 Underlying net profit after tax and acquisition amortisation (UNPATA), being net profit after tax but before the after-tax impact of acquisition related and non-business related operational items are detailed in the Appendix.
3 Excludes JobKeeper (post tax) $7.3m (GRS $6.3m, AM-ANZ $0.6m, RFS $0.4m) in 1H21.
4 UNPATA adjustments are detailed in the Appendix.

Key operating metrics

Strong operating performance across portfolio

363,975
Salary packages
Up 1.8%

71,720
Novated leases
Orders up 4%[2]

~$19m
Novated carryover revenue[4]
Up 154%[2]

$348m
Assets managed – WDV[1]
Down (4.2%)

$1,428m
Net amount financed
Up 7.0%[2]

22,729
Plan & Support Services customers
Up 69%[2]

1,322
Average employees
Up 6.6%[2]

56
Net Promoter Score (NPS)[3]
Down (6.7%)

1 Inclusive of on and off balance sheet funding, but excludes off balance sheet Maxxia Ltd assets.
2 Growth over prior comparative period.
3 GRS customer satisfaction measured through Net Promoter Score.
4 Estimated revenue associated with increased carryover (above pre-COVID levels) expected to become revenue when vehicle supply constraints revert.
Note: Movements reflect net increase/ decrease over the period unless otherwise noted.

Auto sector influences

Constrained supply continues and is expected to remain at least through CY22

1H22 observations

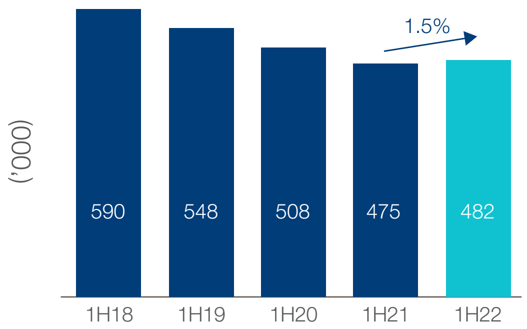
- Customer demand remains strong (novated lease orders up 4% vs pcp)
- Supply constraints have increased driven by micro chip shortages and other supply chain issues
- Reduced stock levels driving increased pricing in both new and used car markets
- Channel relationships remain strong
- Carry-over levels (grew further to 711% of 1H20 levels) will flow through to profit when the supply dynamic unwinds (~$19m[3] of future revenue in carryover)

FY22 outlook

- No indication of changes in current environment
  - Customer demand remains high
  - No change in supply dynamic
  - Carry over continues to increase
  - Elevated prices to remain
- Expect to continue at least through CY22

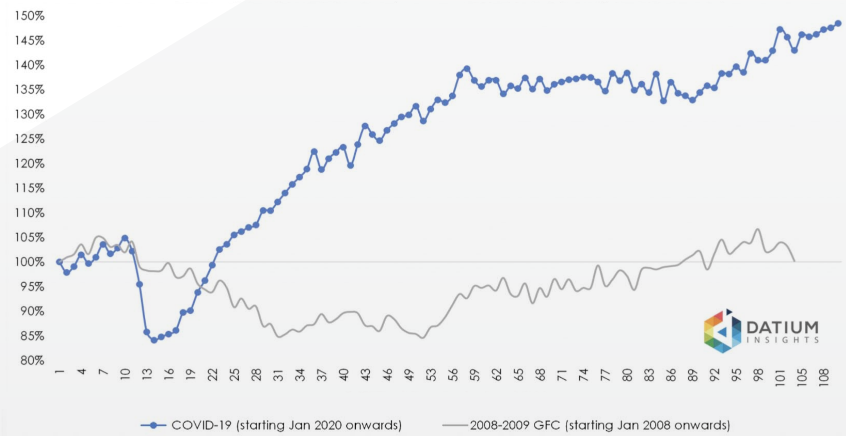
Outperformed new car sales (up 1.5%) with novated lease activity levels up 4%

Australian new car sales ('000)[1]



Constrained new car supply supporting used car prices

Average used car prices[2]



1 Source: VFacts.
2 Souce: Source Datium Insights.
3 Estimated revenue associated with increased carryover (above pre-COVID levels) expected to become revenue when vehicle supply constraints revert.

Strategic sustainability initiatives progressing well

Sustainability strategy rollout underway, focusing on creating shared value for MMS and our stakeholders

MMS sustainability strategy

Performance highlights			
100% Australian offices[2] on renewable electricity contracts	**A Roadmap for Transition to EVs** Guide released by Interleasing Australia	**100%** People Leaders completed mental health training	**36%** Women in leadership[4]

FY22 strategy rollout	Status	Progress
Pathway to net zero carbon emissions[1], and 100% renewable electricity across MMS operations[2]		– Roadmap to net zero under development – All MMS Australian offices[2] switched to 100% renewable electricity contracts – MMS car fleet currently participating in the Ampol carbon neutral fuel initiative
Supporting our customers transition to a low carbon future through adoption of low/zero emission vehicles		– Roadmap for Transition to EVs guide released by Interleasing Australia – Customer EV trials underway – EVs promoted through Maxxia and RemServ distribution channels
Embedding sustainability risks and opportunities into our supply chain		– FY21 Modern Slavery Statement submitted to the Australian Government – FY22 modern slavery risk management program underway
Climate risk and opportunity assessment		– Independent high-level climate risk and opportunity assessment underway in line with TCFD[3] framework
Reconciliation Action Plan and Accessibility and Inclusion Plan		– Development of MMS's first Reflect Reconciliation Action Plan underway – Development of MMS's first Accessibility and Inclusion Plan underway
Supporting the success and wellbeing of our people		– Mental health training provided to all MMS People Leaders to better support our people.

1 Scope 1 (fuel), Scope 2 (purchased electricity), Scope 3 (employee commute and working from home, business travel and third party services). Net Zero target is set against the baseline year FY19.
2 All controllable sites, where MMS has the ability to choose the electricity provider using the existing building infrastructure.
3 TCFD – Taskforce for Climate-related Financial Disclosures.
4 As at 31 December 2021. Board, Executive Committee and General Managers, Senior Managers and Other Manager levels.

Financial performance

McMillanShakespeareGroup

Financial performance

Strong operating performance

$m	1H22	1H21 (excl. JobKeeper)	1H21	Variance[4]
Revenue	311.6	247.6	247.6	*25.8%*
EBITDA	**59.5**	**57.6**	**68.1**	***3.2%***
EBITDA margin (%)	*19.1%*	*23.3%*	*27.5%*	
NPBT	42.6	35.8	46.3	*19.0%*
NPAT	30.1	18.2	25.5	*65.7%*
UNPATA	**40.0**	**35.4**	**42.7**	***12.8%***
Underlying earnings per share (cents)	51.7	45.8	55.2	*12.9%*
Interim dividend per share (cents)	34.0	30.2	30.2	*12.7%*
Payout ratio[1]	*65.9%*	*66.0%*	*54.7%*	
Free cash flow[2]	**37.8**	**28.1**	**42.2**	***34.6%***
Free cash flow % of UNPATA	*94.6%*	*79.3%*	*98.8%*	
Return on equity (%)[3]	*28.4%*	*19.9%*	*24.1%*	
Return on capital employed (%)[3]	*33.6%*	*18.5%*	*22.8%*	

1 Dividend payout ratio is calculated as total dividend for the financial period divided by UNPATA for the financial period.

2 Free operating cash flow before investing, financing and net fleet movements.

3 Return on equity (ROE) and return on capital employed (ROCE), are based on last 12 months' UNPATA and underlying earnings before interest and tax (EBIT). Underlying EBIT is before the pre-tax impact of acquisition related and non-business operational items (refer to Appendix for post tax amounts). Equity and capital employed (excluding lease liabilities) used in the calculations includes the add back of impairment of acquired intangible asset charges incurred in the respective financial period.

4 Compared to 1H21 (excl. JobKeeper).

Balance sheet

Strong net cash position (excl. fleet funded debt) creating capacity for growth

$m	31 December 2021 AM	31 December 2021 Other	31 December 2021 Group	30 June 2021 Group
Cash at bank	24.9	106.1	131.0	158.0
Other current assets	38.3	24.2	62.4	50.9
Total fleet funded assets	269.9	-	269.9	276.9
Goodwill / intangibles	22.0	116.4	138.3	134.9
Other non-current assets	19.9	43.6	63.5	65.4
Total assets	**374.9**	**290.3**	**665.2**	**685.9**
Borrowings (current)[6]	20.0	2.6	22.6	25.5
Other current liabilities	48.6	75.7	124.3	154.6
Borrowings (non-current)[6]	154.9	51.4	206.3	199.7
Other non-current liabilities	30.6	4.2	34.8	36.9
Total liabilities	**254.2**	**133.9**	**388.1**	**416.7**
Net assets	**120.8**	**156.4**	**277.1**	**269.2**

Group

Net debt to EBITDA[1]
0.8x vs 0.8x pcp

Group gearing[2]
26% vs 25% pcp

Interest times cover[3]
30.7x vs 13.8x pcp

Specific

Net cash (excl. fleet funded debt)[4]
$115.7m vs $95m pcp

AM debt to funded fleet WDV[5]
65% vs 61% pcp

1 Net debt defined as current and non-current borrowings less cash, inclusive of fleet funded debt & lease liability adjustment. EBITDA based on last 12 months.
2 Group net debt / (equity + net debt).
3 EBIT / Net interest (interest expense less interest income).
4 Cash ($131.0m) less corporate and other non-fleet debt ($15.3m) excludes fleet funded debt.
5 AM debt (current and non-current) / total fleet funded assets.
6 Borrowings are inclusive of lease liabilities.

Cash flow statement

Strong cash conversion at 95% of UNPATA

$m	1H22					1H21
	Group Remuneration Services	Plan and Support Services	Asset Management Services	Unallocated / parent co.	MMS Group Total	MMS Group Total
NPAT	20.3	2.1	9.1	(1.4)	30.1	25.5
Non-fleet depn/amort, reserves and other non-cash items	7.9	0.8	11.0	(0.0)	19.6	25.5
Capex (non fleet) and software upgrade	(3.6)	(0.0)	(1.2)	-	(4.8)	(4.2)
Tax payments in excess of tax expense	5.5	(0.1)	(4.9)	-	0.5	4.6
Working capital inflow / (outflow)	(3.6)	(0.1)	(3.9)	-	(7.5)	(9.2)
Free cash flow before fleet increase	26.5	2.7	10.1	(1.4)	37.8	42.2
Investing activities and fleet movements:						
Net decline in Asset Management portfolio	-	-	6.3	-	6.3	37.2
Sale of Fleet portfolio	-	-	0.6	-	0.6	32.5
Cash transferred on disposal of net assets of subsidiaries	-	-	(20.1)	-	(20.1)	-
Subordinated loan made to UK JV	-	-	-	-	-	(3.5)
Payment for investment in subsidiaries (net of cash assumed)	-	(10.7)	-	-	(10.7)	6.0
Free cash flow	26.5	(8.1)	(3.1)	(1.4)	13.9	114.4
Financing activities:						
Internal working capital funding	(4.3)	0.1	4.2	-	-	-
Repayment of borrowings	-	-	(3.9)	(9.8)	(13.7)	(84.5)
Payment of lease liabilities	(1.9)	(0.4)	(0.8)	-	(3.1)	(4.0)
Treasury shares acquired	-	-	-	-	-	(0.2)
Dividends paid	-	-	-	(24.1)	(24.1)	-
Net cash movement	20.3	(8.4)	(3.7)	(35.2)	(27.0)	25.7
Opening cash					158.0	91.4
Closing cash					131.0	117.1

Warehouse update

Warehouse ready to launch, awaiting final ASIC approval

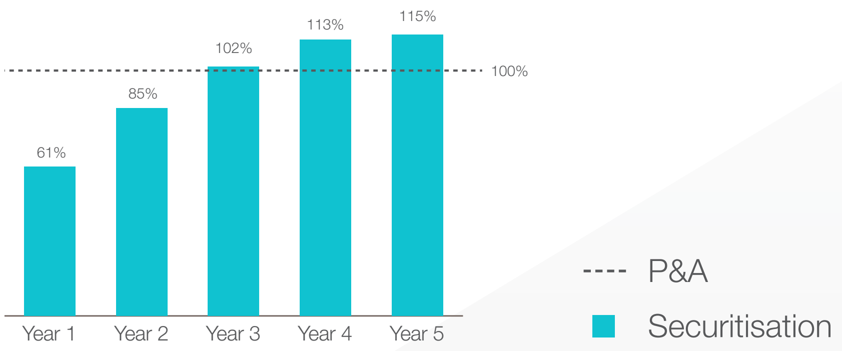
Diversification of funding sources, improving value for our customers and creating an annuity income stream with a higher per transaction NPV

Implementation update

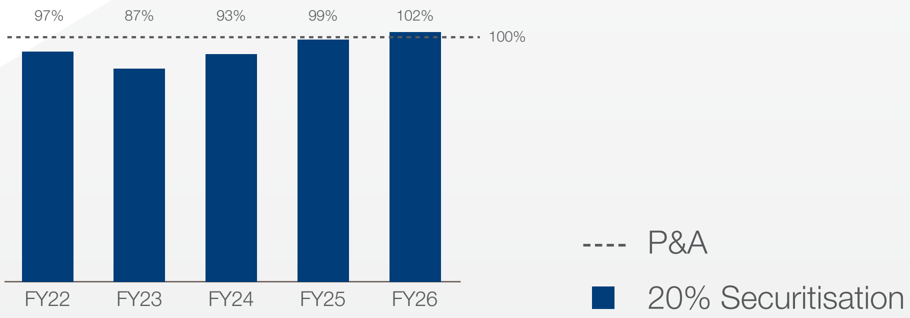
- System development complete
- Awaiting credit licence approval from ASIC
- Continue to target 20% of monthly novated volumes

- Assuming the licence is received in March 2022
  - Impact to FY22 UNPATA will be $(2-3m)
  - Previously advised $(4–5m)
  - Change in timing in the implementation of the warehouse means the ramp up to 20% of volume through the warehouse will continue into 1H23

Cumulative NIM comparison P&A vs Securitisation[1]



FY25 UNPATA under Warehouse model will approximately equal P&A model[2]



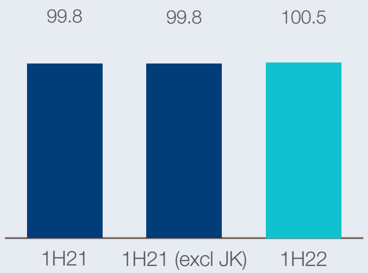
1 NIM comparison reflects NPV of a single lease.
2 Assumes the credit licence is received in March 2022 (may be subject to change).

Segment performance

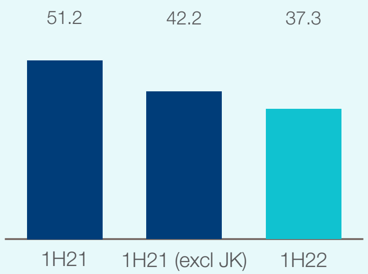
GRS: Highlights

Strong demand will benefit future periods

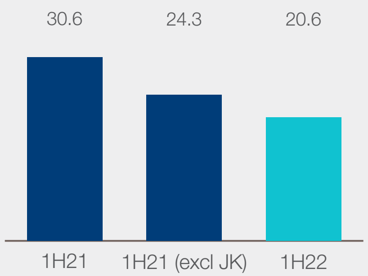
Revenue
$100.5m
↑ 0.6%



EBITDA
$37.3m
↓ (11.6%)[1]



UNPATA
$20.6m
↓ (15.3%)[1]



Commentary

- Return to growth in Salary Packaging through both participation growth (100% retention of Tier 1 clients (2) during the period) and new business wins
- Successfully executed supply and transition agreements with Angle finance post sale of St George/Westpac auto book
- Continued growth in novated lease orders rates, up 4% on pcp
- Novated lease yields remain elevated as result of supply constraints increasing retail prices and average net amount financed
- 1H22 profitability impacted by supply constraints, increasing carryover, now over 7x pre COVID levels with ~$19m[2] revenue to benefit future periods
- Fully remote workforce, with strong engagement levels
- Ongoing digital investments driving growth in leads

FY22 outlook

- Vehicle supply issues expected to continue through CY22
- Continued growth in customer base with new business wins in 1H22 to provide access to an additional ~ 57,500 employees
- Future periods to benefit from rising interest rates on salary package float

1 Compared to 1H21 (excl. JobKeeper).
2 Estimated revenue associated with increased carryover (above pre-COVID levels) expected to become revenue when vehicle supply constraints revert.

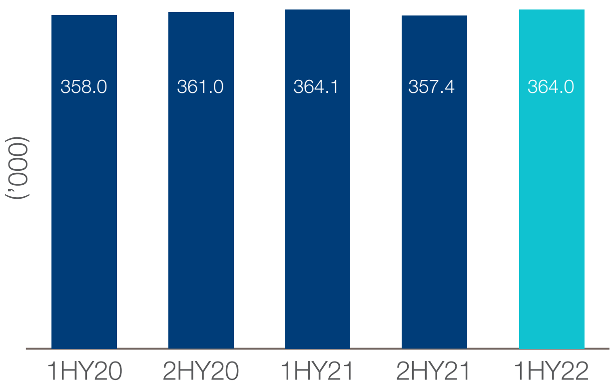
GRS: Operating metrics

Accelerating growth with improved participation, new business wins and increased pipeline

Salary packages[1]

363,975

↑ 6,587

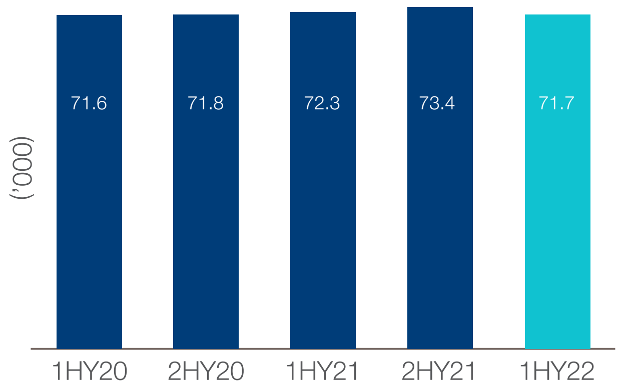


- New clients: 2,932 packages
- Increased participation: 3,655 packages

Novated leases[2]

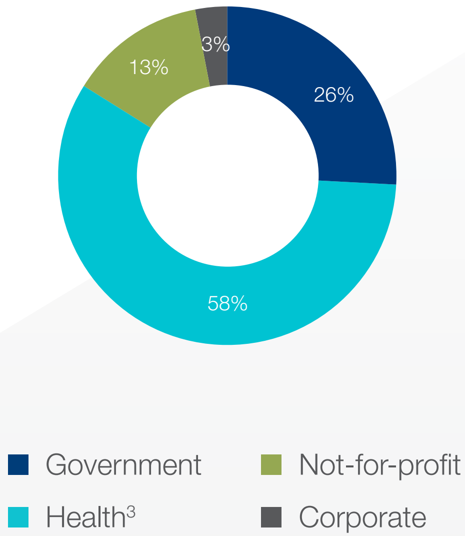
71,720

↓ (1,655)



- Lower total leases impacted by auto suply but carryover has materially increased
- New clients: 436 vehicles
- Decreased participation: (2,091) vehicles

Salary packages by industry segment



New business wins in 1H22 represent ~57,500 FTE opportunity from April

1 Total number of salary packages at period end.
2 Novated leases under management at period end.
3 Health includes public, private and not for profit hospitals.
Note: New clients are organisations who commenced during the period.

GRS: Novated leasing

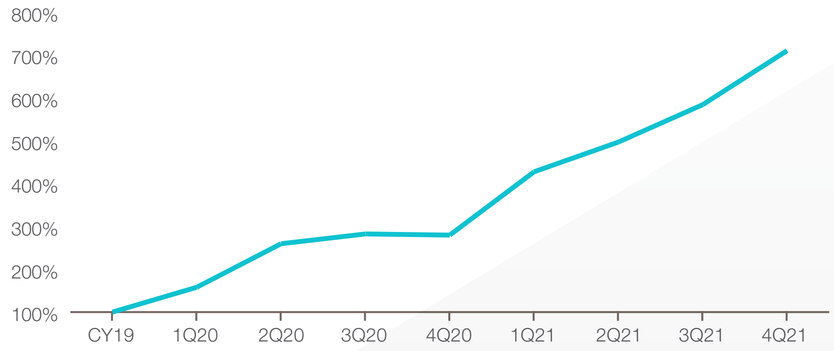
Customer demand remains robust, yield increased, with carry over to benefit future periods

Order levels continue to grow, however, vehicle supply constraints have resulted in reduced sales units through 1H22

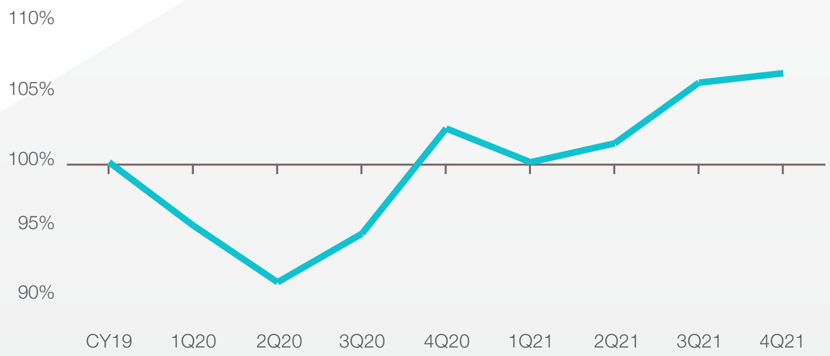
Orders and units benchmarked to CY19 average

Carryover has increased to over 7 times historical levels to ~$19m[1], which will benefit future periods. Elevated vehicle prices continue to drive increased yields

Carry-over indexed to Dec-19



Yields indexed to CY19 average



1 Estimated revenue associated with increased carryover (above pre-COVID levels) expected to become revenue when vehicle supply constraints revert.

Introducing Plan and Support Services (PSS)

The trusted partner making a difference to people's lives

Plan Partners and Plan Tracker provide NDIS Plan Management and Support Co-ordination services

Plan Management

Support participants to manage their NDIA approved budgets

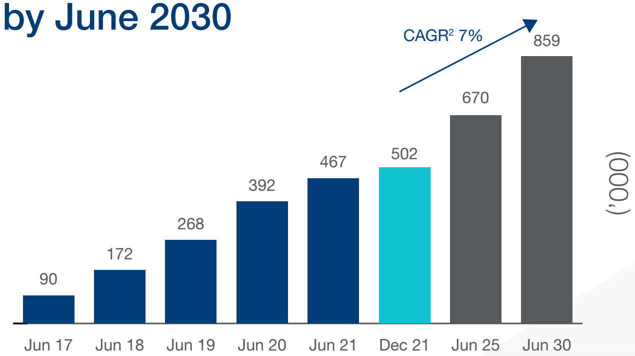
- Assist participants to make the best decisions about their support with the help of our vast network and deep knowledge of local and national providers
- Process customer invoices through to the NDIS for payments to providers
- Fee based service funded by the NDIS

Support Co-ordination

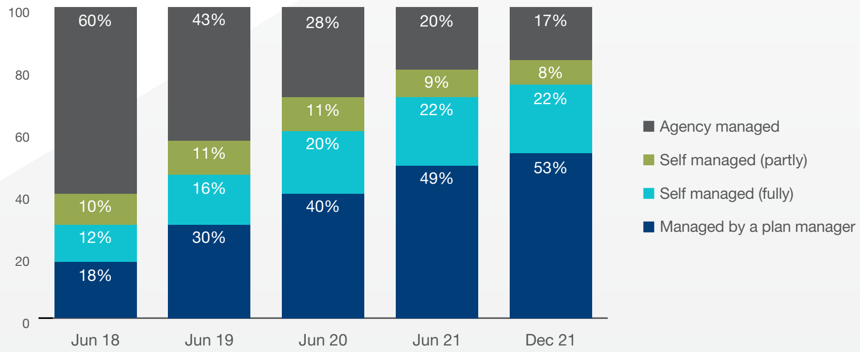
Work with participants one-on-one to find and manage supports aligned to their goals

- Long-term, tailored support over the course of a plan
- Support managing plan reviews to navigate changes and ensure the plan reflects evolving needs
- Fee based service funded by the NDIS. Hourly rate service (number of permitted hours prescribed in each NDIS plan)

NDIS participants expected to grow to 859,300[1] by June 2030



Plans managed by a plan manager continue to increase[1]

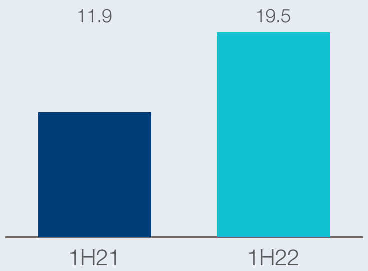


1 COAG Disability Reform Council Quarterly Report – 31 December 2021.
2 CAGR calculated on period Jun-21 to Jun-30.

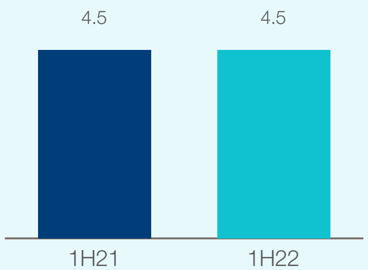
PSS: Highlights

Improving market share and investments in period to support future growth

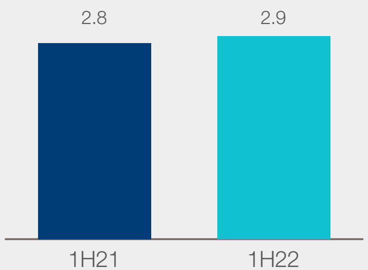
Revenue
$19.5m
↑ 63.6%



EBITDA[1]
$4.5m
↑ 0.5%



UNPATA[1]
$2.9m
↑ 3.2%



1 EBITDA has been adjusted to exclude $0.7m (pre-tax) acquisition costs which have been excluded from UNPATA.
2 COAG Disability Reform Council Quarterly Report – 31 December 2021.

Commentary

- Strong organic customer acquisition driving revenue growth, supplemented by Plan Tracker (acquired 1 July 2021)
- Significant investments made in period in people, technology and brand marketing to further expand our services to our customers to generate future growth
  - Enhanced digital and self service experience for customers and service providers
  - Rollout of after hours and 7 day a week operations to provide improved customer experience to participants
- Growth in support co-ordination hours up 19% on pcp
- Plan Tracker integration well progressed and on track
- NDIS roll out now at 58% complete (circa 502,413[2] people) with 53% of plans now eligible for Plan Management (vs 45% 12 months prior)
- Established brand with 88% customer satisfaction score, customers who are very happy with our services

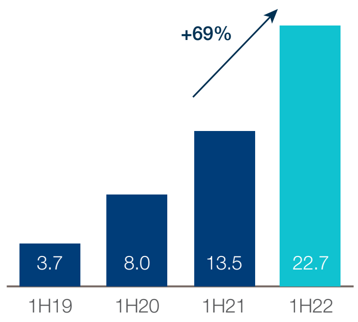
FY22 outlook

- NDIS now forecast participants to be 859,000 by June 2030, increase of 87% from original NDIA estimates
- Drive organic growth through customer acquisition and retention
- Investments in system integration across brands to improve overall efficiency rates and margins
- Continue to explore M&A opportunities

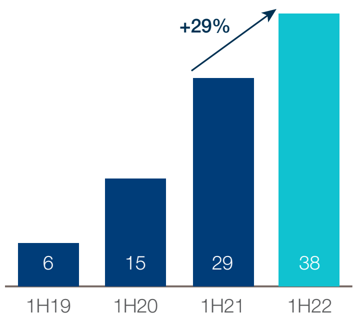
PSS: Operating metrics

Increasing market share through organic growth and acquisitions

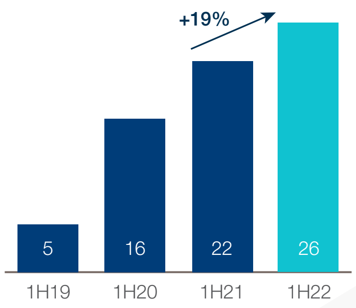
Customers
‘000



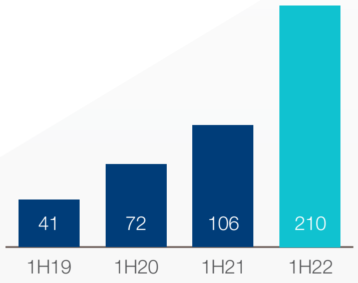
Unique service providers
‘000



Support co-ordination hours
‘000



FTEs

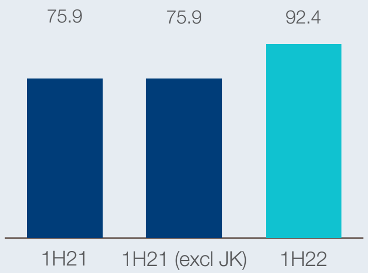


Note: All amounts include acquisition of Plan Tracker in 1H22.

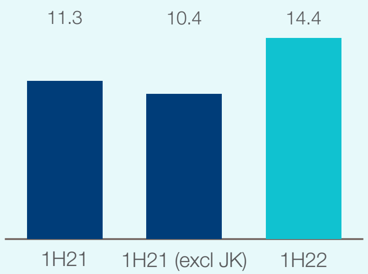
AM ANZ: Highlights

Supply constraints delivering improved remarketing profits

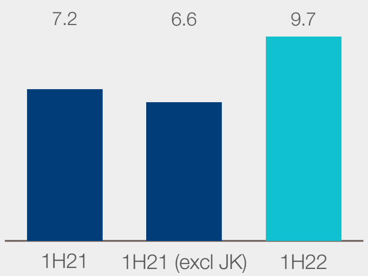
Revenue
$92.4m
↑ 21.8%



EBITDA
$14.4m
↑ 37.9%[1]



UNPATA
$9.7m
↑ 47.2%[1]



Commentary

- Limited supply of new vehicles and increase in demand for used vehicles resulted in increased remarketing profits
- Increase in customer extensions increasing the average fleet duration and age of fleet
- Limited supply of new vehicles increasing new pipeline to record levels

FY22 outlook

- Vehicle supply issues expected to continue through FY22 with elevated profits partially offset by reduced sales opportunities
- Amalgamation of brands and technology between Australia and New Zealand to be better positioned to win trans Tasman customers
- Market remains highly competitive

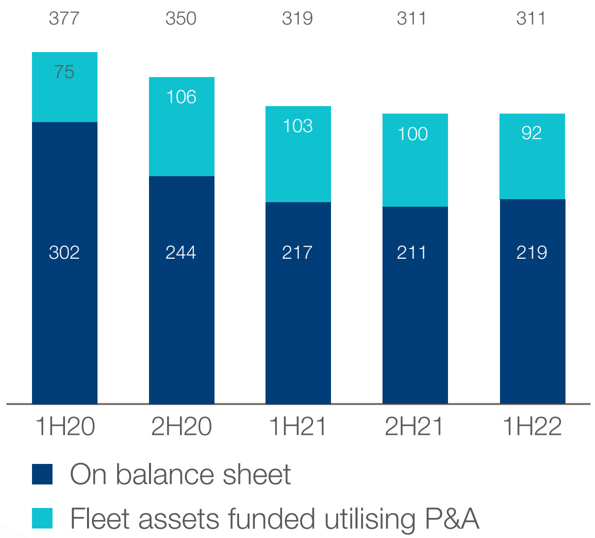
1 Compared to 1H21 (excl. JobKeeper).

AM ANZ: Operating metrics

WDV growth constrained as a result of market conditions

Written down value

$311m



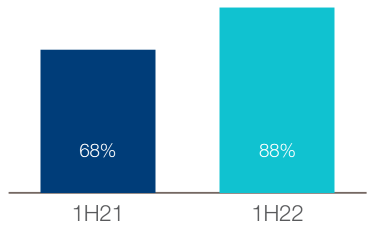
– Vehicle return rates have slowed due to vehicle supply shortages leading to extensions

– New vehicle delays with average lead time to procure vehicles increasing by 30% on 1H21

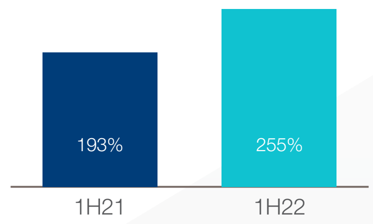
– Remarketing profits benefiting from the higher second hand car market and our aging fleet

Remarketing profits remain elevated and sales remain subdued – expect to continue through FY22

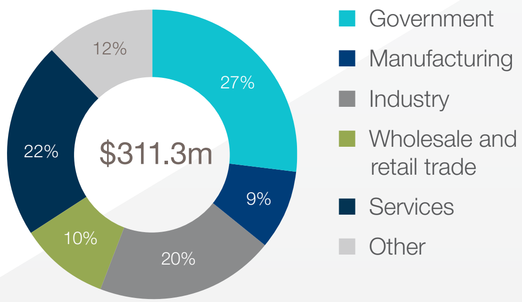
Remarketing units - indexed to 1H20



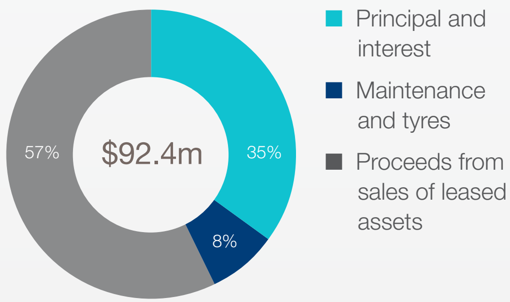
Remarketing profit - indexed to 1H20



1H22 WDV breakdown



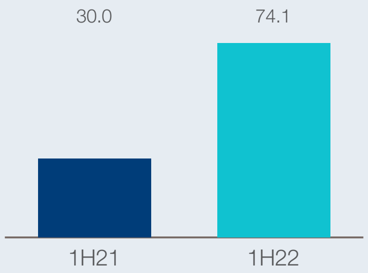
1H22 revenue breakdown



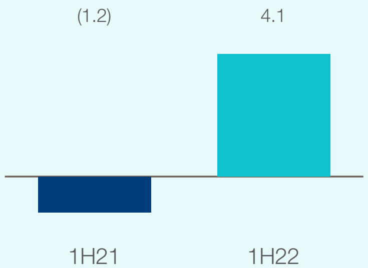
AM UK: Highlights

Restructured and delivering improved remarketing profits

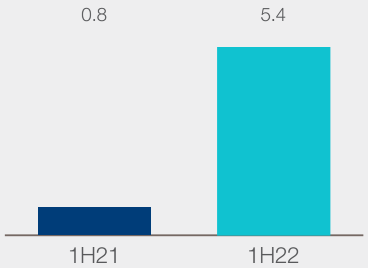
Revenue
$74.1m
>100%



EBITDA[2]
$4.1m
>100%



UNPATA[3]
$5.4m
>100%



Commentary

- Limited supply of new vehicles driving an increase in demand for used vehicles
- Off balance sheet finance originations up 2%[1] to $397m
- One off tax credit in 1H22 relating to sub-ordinated loan in prior years $2.4m
- CLM impairment $6.0m in 1H22

FY22 outlook

- Continued run off of Maxxia Finance portfolio, with higher remarketing yields expected to be maintained
- Drive organic growth from broking and fleet management business'
- Auto supply dynamic expected to continue through CY22

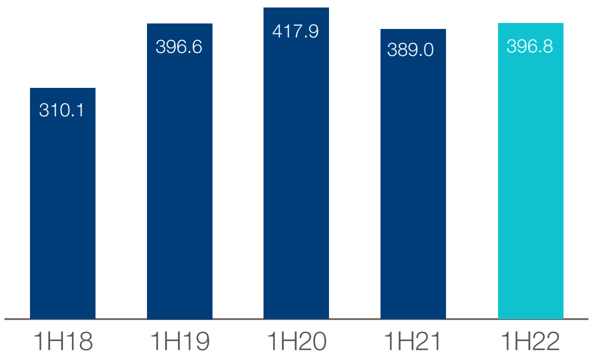
1 Excludes NAF from divested EVC business.
2 Acquisition of 50% share of JV Maxxia Ltd 31 Dec 21, previously accounted for on a cash basis (as a loss) in expenses. One off restructure costs $14.6m (net of tax) and CLM impairment $2.0m in 1H21.
3 CLM impairment excluded from UNPATA in both 1H21 and 1H22.

AM UK: Operating metrics

Off balance NAF growth and auto supply dynamic driving elevated remarketing profits

AngloScottish ASSET FINANCE LIMITED

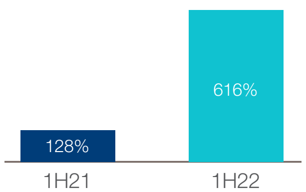
Consolidated asset brokerage business. Delivering improved off balance sheet NAF



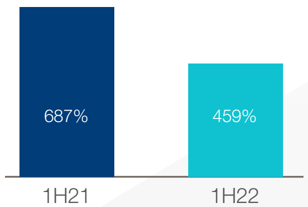
Maxxia

Restricted vehicle supply driving elevated remarketing profits and lower units

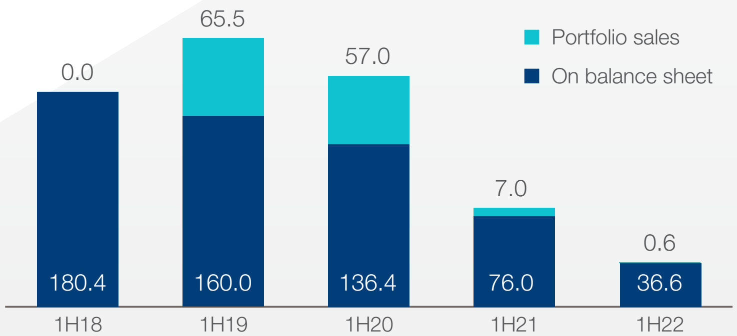
Remarketing profits indexed to 1H20



Remarketing units indexed to 1H20



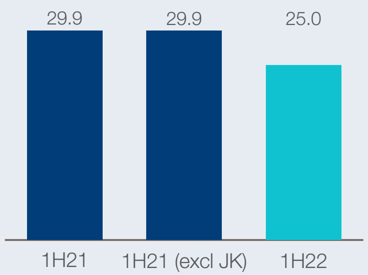
As the Maxxia book runs off contribution will decrease in future periods



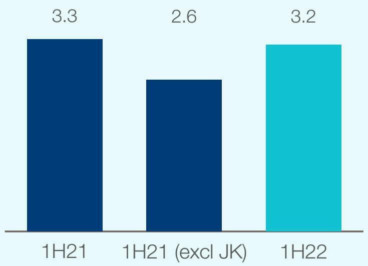
RFS: Highlights

Growth in Aggregation and Warranty business divested

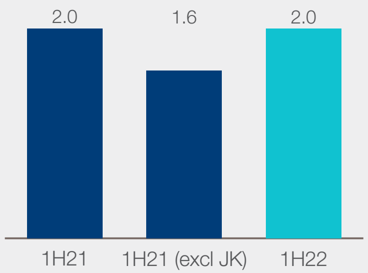
Revenue
$25.0m
(16.5%)



EBITDA[1]
$3.2m
23.1%[2]



UNPATA
$2.0m
27.3%[2]



Commentary

- Aggregation net amount financed up 30% on pcp
- Average NAF per deal improvement 11% on pcp
- Australian new car sales up 1.5% on pcp
- Competitive price pressure ongoing
- Warranty business divested September 2021
- Class action settlement complete

FY22 outlook

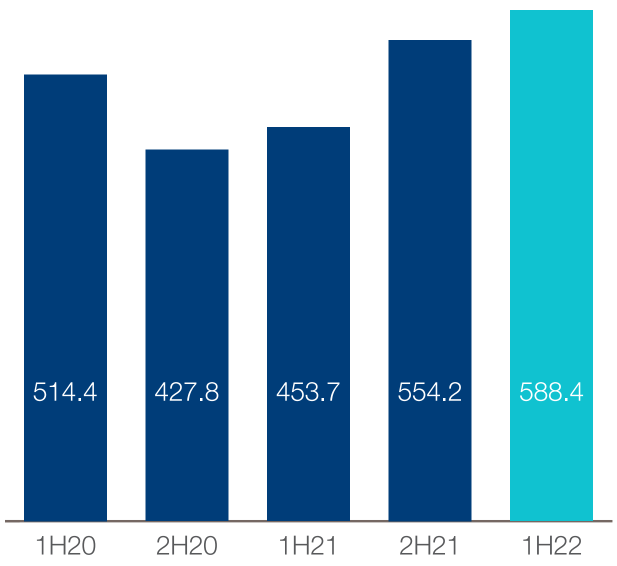
- Expected growth in activity levels in Aggregation
- Competitive price pressure to remain

1 EBITDA has been adjusted to exclude $1.2m loss on disposal which has been excluded from UNPATA.
2 Compared to 1H21 (excl. JobKeeper).

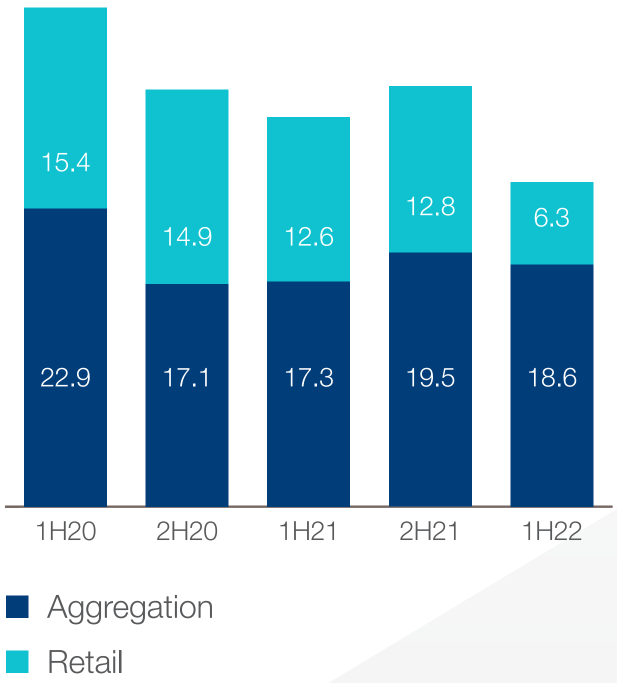
RFS: Operating metrics

Improvements in Aggregation performance

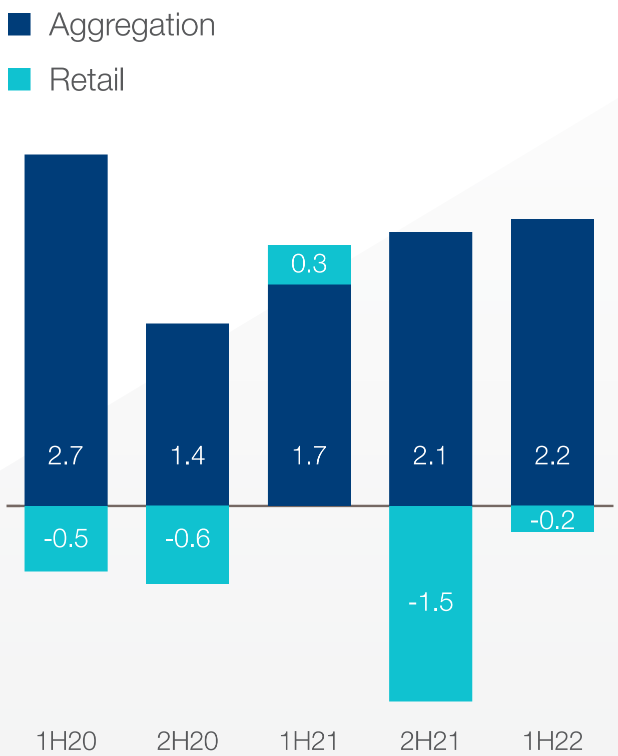
Net amount financed ($m)[1]



Revenue breakdown ($m)[2]



UNPATA breakdown ($m)[3]



1 Net Amount Financed relates to Aggregation only.
2 Revenue excludes the impact of the adjustment to deferred income.
3 UNPATA excludes in the impact of the adjustment to deferred income in FY21 only.

Summary and outlook

McMillanShakespeareGroup

Summary and outlook

Summary of 1H22

- Strong operating performance
- Profitability impacted by supply constraints, increasing carryover, now over 7 times pre-COVD levels with ~$19m[1] revenue to benefit future periods
- Highly engaged and stable workforce; employee engagement 85%, up 6% pts
- Progress on ESG initiatives creating shared value for MMS and our stakeholders
- Continued investment in digital channels to support customer growth
- Warehouse ready to launch, awaiting final ASIC approval
- Continued customer growth in Plan Partners and acquisition of Plan Tracker
- Simplification through divestment of RFS Warranty business and UK restructure

Outlook

- Customer growth in GRS through significant recent new business wins
- Continued customer and market share growth in Plan & Support Services
- Tailwinds from elevated new and used car prices on novated yields and end of lease income
- Constrained auto market supply through until at least the end of CY22
- Diversified novated funding sources with implementation of the Warehouse[2]
  - Revised impact in FY22 $(2–3m)[3]
- Strong balance sheet and cash position with capacity for growth
- Impacts of COVID-19 remain a variable

1 Estimated revenue associated with increased carryover (above pre-COVID levels) expected to become revenue when vehicle supply constraints revert.
2 Subject to credit licence approval and timing.
3 Assumes the credit licence is received in March 2022 (may be subject to change).

Appendix

McMillanShakespeareGroup

Reconciliation between NPAT and UNPATA

$m	1H22	1H21	Variance
NPAT	30.1	25.5	*18.1%*
1. Amortisation of intangibles from acquisitions	1.0	0.8	*15.7%*
2. Due diligence, acquisition and disposal costs	1.2	0.0	*>100%*
3. Warranty divestment loss on disposal and loan finance charge	1.3	0.0	*>100%*
4. Accounting standard changes	0.4	0.0	*>100%*
5. UK restructure costs - cash	0.0	1.8	*(100.0%)*
6. UK restructure costs - non-cash	0.0	12.7	*(100.0%)*
7. Asset impairment - UK businesses	6.0	2.0	*207.2%*
UNPATA	40.0	42.7	*(6.5%)*

Note: Numbers above are all presented net of tax.

Funding overview

- Right sized the debt facilities for Asset Financing United Kingdom
  - > Revolving facilities reduced from £15m to £5m
  - > Cancellation of £6m working capital facility
- Early redemption of corporate debt in Australia
- Diversity of on and off balance sheet funding of operating lease portfolio from Australia's major banks, maintaining around 30% of the AM-ANZ portfolio off balance sheet
- Operating lease uncommitted P&A facilities of $123m drawn to $61m

		Local Currency		Australian Dollars ($m)			
		Currency	Facility size	Facility size	Amount drawn	Amount undrawn	Duration
Asset Financing Australia	Revolving	A$	153.0	153.0	105.1	47.9	($85.4m) 31 March 2023 ($85.3m) 31 March 2024 ($20.0m) 31 March 2025
Asset Financing New Zealand	Revolving	NZ$	40.0	37.7	28.0	9.7	
Asset Financing UK	Revolving	GBP	5.0	9.3	-	9.3	31 March 2023
Asset Financing UK	Amortising	GBP	13.5	25.1	25.1	-	31 March 2023
Corporate	Amortising	GBP	3.1	5.7	5.7	-	30 June 2023
		Revolving total		**200.0**	**133.1**	**66.9**	
		Amortising total		**30.8**	**30.8**	**-**	
		Total		**230.8**	**163.9**	**66.9**	

Segment review

$m	Group Remuneration Services				Asset Management Services				Plan & Support Services			Unallocated			Total			
	1H22	1H21 (excl. JobKeeper)	1H21	Variance[1]	1H22	1H21 (excl. JobKeeper)	1H21	Variance[1]	1H22	1H21	Variance	1H22	1H21	Variance	1H22	1H21 (excl. JobKeeper)	1H21	Variance[1]
Revenue	100.5	99.8	99.8	0.6%	191.4	135.8	135.8	41.0%	19.5	11.9	63.6%	0.2	0.1	>100%	311.6	247.6	247.6	25.8%
Expenses	63.1	57.6	48.6	9.6%	170.9	123.9	122.4	38.0%	15.7	7.4	>100%	2.4	1.0	>100%	252.2	190.0	179.5	32.7%
EBITDA	37.3	42.2	51.2	(11.6%)	20.5	11.9	13.4	72.3%	3.8	4.5	(14.4%)	(2.2)	(0.9)	>100%	59.5	57.6	68.1	3.2%
EBITDA margin (%)	37.1%	42.3%	51.3%		10.7%	8.8%	9.8%		19.7%	37.6%		>(100%)	>(100%)		19.1%	23.3%	27.5%	
D&A of PPE and software	6.7	7.0	7.0	(3.7%)	1.8	1.8	1.8	(3.5%)	0.4	0.4	(9.5%)	-	-	-	8.9	9.3	9.3	(4.0%)
Amortisation and impairment of intangibles (acquisitions)	-	-	-	>100%	6.9	12.1	12.1	(43.2%)	0.4	-	>100%	-	-	-	7.3	12.1	12.1	(40.2%)
Interest expense	0.7	0.2	0.2	>100%	0.2	0.2	0.2	(5.4%)	0.0	0.0	(30.6%)	(0.2)	0.1	>(100%)	0.7	0.5	0.5	36.6%
NPBT	29.9	35.1	44.0	(14.7%)	11.7	(2.3)	(0.8)	>100%	3.1	4.0	(24.0%)	(2.0)	(1.0)	(98.7%)	42.6	35.8	46.2	19.0%
Tax	9.3	10.7	13.4	(13.4%)	2.9	6.1	6.5	(52.4%)	0.9	1.2	(23.8%)	(0.6)	(0.3)	(87.3%)	12.5	17.7	20.8	(29.2%)
NPAT	20.6	24.3	30.6	(15.3%)	8.8	(8.3)	(7.3)	>100%	2.1	2.8	(24.1%)	(1.4)	(0.7)	>(100%)	30.1	18.2	25.5	65.7%
UNPATA	20.6	24.3	30.6	(15.3%)	17.1	9.0	10.0	90.6%	2.9	2.8	3.2%	(0.7)	(0.7)	0.9%	40.0	35.4	42.7	12.8%

1 Compared to 1H21 (excl. JobKeeper).

New segments FY and halves - GRS

	1st Half comparison				FY21			Half Yearly Split	
	1H22	1H21 (excl. JobKeeper)	1H21	Variance[4]	1H21	2H21	FY21	1H21	2H21
Revenue	100.5	99.8	99.8	*0.6%*	99.8	102.7	202.6	*49.3%*	*50.7%*
Employee expenses[1]	46.1	43.0	34.0	*7.1%*	34.0	43.1	77.2	*44.1%*	*55.9%*
Property & other expenses	17.1	14.6	14.6	*17.0%*	14.6	14.7	29.3	*49.8%*	*50.2%*
EBITDA	37.3	42.2	51.2	*(11.6%)*	51.2	44.8	96.0	*53.3%*	*46.7%*
EBITDA margin	*37.1%*	*42.3%*	*51.3%*		*51.3%*	*43.6%*			
Depreciation	6.7	7.0	7.0	*(3.7%)*	7.0	7.1	14.1	*49.4%*	*50.6%*
Interest expense	0.7	0.2	0.2	*>100%*	0.2	1.7	1.9	*10.1%*	*89.9%*
Tax	9.3	10.7	13.4	*(13.4%)*	13.4	10.9	24.3	*55.2%*	*44.8%*
NPAT	20.6	24.3	30.6	*(15.3%)*	30.6	25.1	55.7	*55.0%*	*45.0%*
NPAT margin	*20.5%*	*24.4%*	*30.7%*		*30.7%*	*24.4%*			
UNPATA	20.6	24.3	30.6	*(15.3%)*	30.6	25.1	55.7	*55.0%*	*45.0%*
UNPATA margin	*20.5%*	*24.4%*	*30.7%*		*30.7%*	*24.4%*			
Key metrics									
Salary packages (units)	363,975	364,131	364,131	*(0.0%)*	364,131	357,388	357,388		
Novated leases (fleet units)	71,720	72,270	72,270	*(0.8%)*	72,270	73,375	73,375		
Direct employees (FTE's)[2] - GRS	621	600	600	*3.5%*	600	624	612		
Key financials excluding impact of interest[3]									
Revenue	99.8	98.4	98.4	*1.4%*	98.4	101.8	200.3		
EBITDA	36.7	40.8	49.8	*(10.1%)*	49.8	43.9	93.8		

1 JobKeeper has been adjusted against employee expenses.
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.
4 Compared to 1H21 (excl. JobKeeper).

New segments FY and halves – AM-ANZ

	1st Half comparison				FY21			Half Yearly Split	
	1H22	1H21 (excl. JobKeeper)	1H21	Variance[4]	1H21	2H21	FY21	1H21	2H21
Revenue	**92.4**	**75.9**	**75.9**	***21.8%***	**75.9**	**77.7**	**153.5**	*49.4%*	*50.6%*
Fleet depreciation	23.2	23.5	23.5	*(1.1%)*	23.5	22.8	46.3	*50.7%*	*49.3%*
Lease and vehicle management expenses	43.1	30.5	30.5	*41.3%*	30.5	31.2	61.7	*49.5%*	*50.5%*
Employee expenses[1]	8.2	7.2	6.3	*15.2%*	6.3	7.1	13.5	*47.0%*	*53.0%*
Property & other expenses	3.4	4.3	4.3	*(20.5%)*	4.3	3.6	7.8	*54.4%*	*45.6%*
EBITDA	**14.4**	**10.4**	**11.3**	***37.9%***	**11.3**	**13.0**	**24.3**	*46.5%*	*53.5%*
EBITDA margin	*15.6%*	*13.8%*	*14.9%*		*14.9%*	*16.7%*	*15.8%*		
Depreciation	1.0	0.9	0.9	*7.4%*	0.9	0.9	1.7	*51.1%*	*48.9%*
Interest expense	0.1	0.1	0.1	*6.1%*	0.1	0.1	0.3	*51.3%*	*48.7%*
Tax	4.0	2.8	3.1	*41.1%*	3.1	3.6	6.6	*46.1%*	*53.9%*
NPAT	**9.3**	**6.6**	**7.2**	***41.2%***	**7.2**	**8.4**	**15.6**	*46.1%*	*53.9%*
NPAT margin	*10.1%*	*8.7%*	*9.5%*		*9.5%*	*10.8%*	*10.2%*		
UNPATA	**9.7**	**6.6**	**7.2**	***47.2%***	**7.2**	**8.4**	**15.6**	*46.1%*	*53.9%*
UNPATA margin	*10.5%*	*8.7%*	*9.5%*		*9.5%*	*10.8%*	*10.2%*		
Key metrics									
Return on assets (%)	*6.3%*	*4.5%*	*4.5%*	*38.7%*	*4.5%*	*4.8%*	*5.0%*		
Asset pool (units)[2]	14,608	17,186	17,186	*(15.0%)*	17,186	16,595	16,595		
- Funded (units)	8,447	8,121	8,121	*4.0%*	8,121	8,327	8,327		
- Managed (units)	2,607	4,814	4,814	*(45.8%)*	4,814	4,214	4,214		
- P&A (units)	3,554	4,251	4,251	*(16.4%)*	4,251	4,054	4,054		
Assets written down value ($m)	311.3	319.2	319.2	*(2.5%)*	319.2	311.2	311.2		
- On balance sheet ($m)	219.7	216.1	216.1	*1.6%*	216.1	211.0	211.0		
- Off balance sheet ($m)	91.7	103.1	103.1	*(11.1%)*	103.1	100.2	100.2		
Direct employees (FTE's)[3]	89	86	86	*3.0%*	86	88	87		

1 JobKeeper has been adjusted against employee expenses.
2 Assets managed comprises operating and finance leases and fleet managed vehicles.
3 Average direct employees for the period.
4 Compared to 1H21 (excl. JobKeeper).

New segments FY and halves – AM-UK

	1st Half comparison			FY21			Half Yearly Split	
	1H22	1H21	Variance	1H21	2H21	FY21	1H21	2H21
Revenue	74.1	30.0	*>100%*	30.0	72.7	102.8	*29.2%*	*70.8%*
Lease and vehicle management expenses	59.3	17.9	*>100%*	17.9	61.6	79.5	*22.5%*	*77.5%*
Employee expenses	5.5	6.5	*(14.7%)*	6.5	6.9	13.4	*48.5%*	*51.5%*
UK subordinated loan expense	-	3.5	*100%*	3.5	-	-	*100%*	*0.0%*
Property & other expenses	5.2	3.3	*58.0%*	3.3	3.5	10.3	*31.8%*	*68.2%*
EBITDA	4.1	(1.2)	*>100%*	(1.2)	0.8	(0.4)	*310.8%*	*(210.8%)*
EBITDA margin	*5.6%*	*(4.0%)*	*0.0%*	*(4.0%)*	*1.1%*	*(0.4%)*		
Depreciation	0.6	0.7	*(11.7%)*	0.7	0.6	1.3	*52.4%*	*47.6%*
Amortisation and impairment of intangibles	6.5	11.7	*(44.6%)*	11.7	0.3	12.0	*97.8%*	*2.2%*
Interest expense	0.0	0.1	*(20.1%)*	0.1	0.1	0.1	*53.3%*	*46.7%*
Tax	(2.0)	2.6	*>(100%)*	2.6	(0.1)	2.5	*103.7%*	*(3.7%)*
NPAT	(1.0)	(16.2)	*93.7%*	(16.2)	(0.0)	(16.2)	*99.9%*	*0.1%*
NPAT margin	*(1.4%)*	*(53.9%)*		*(53.9%)*	*(0.0%)*	*(15.8%)*		
UNPATA	5.4	0.8	*>(100%)*	0.8	0.6	1.4	*58.8%*	*41.2%*
UNPATA margin	*7.3%*	*2.7%*		*2.7%*	*0.8%*	*1.3%*		
Key metrics								
Asset pool (units)	*13,622*	*18,515*	*(26.4%)*	*18,515*	*16,996*	*16,996*		
Assets written down value ($m)[1]	37	76	*(51.9%)*	76	52	52		
Portfolio sales ($m)	1	7	*(91.2%)*	7	2	9		
Net amount financed ($m)	397	469	*(15.4%)*	469	421	890		
- On balance sheet ($m)	-	-	*>100%*	-	-	-		
- Off balance sheet ($m)	397	469	*(15.4%)*	469	421	890		
Direct employees (FTE's)[2]	148	178	*(16.7%)*	178	171	175		

1 Included in assets written down value.

2 Average direct employees for the period.

New segments FY and halves – RFS

	1st Half comparison				FY21			Half Yearly Split	
	1H22	1H21 (excl. JobKeeper)	1H21	Variance[3]	1H21	2H21	FY21	1H21	2H21
Revenue	**25.0**	**29.9**	**29.9**	***(16.5%)***	**29.9**	**29.3**	**59.2**	*50.5%*	*49.5%*
Brokerage commissions	12.8	13.3	13.3	*(3.7%)*	13.3	14.2	27.5	*48.3%*	*51.7%*
Employee expenses[1]	4.9	6.9	6.3	*(28.7%)*	6.3	6.5	12.7	*49.3%*	*50.7%*
Net claims	3.3	5.9	5.9	*(43.6%)*	5.9	6.4	12.3	*47.8%*	*52.2%*
Property & other expenses	0.7	1.2	1.2	*(38.4%)*	1.2	1.1	2.3	*51.5%*	*48.5%*
Disposal of business	1.2	-	-	*>100%*					
EBITDA	**2.0**	**2.6**	**3.3**	***(25.4%)***	**3.3**	**1.1**	**4.4**	*74.7%*	*25.3%*
EBITDA margin	*7.9%*	*8.8%*	*10.9%*		*10.9%*	*3.8%*	*7.4%*		
Depreciation	0.2	0.3	0.3	*(18.4%)*	0.3	0.3	0.5	*51.2%*	*48.8%*
Amortisation and impairment of intangibles	0.4	0.4	0.4	*0.0%*	0.4	0.4	0.8	*50.0%*	*50.0%*
Interest expense	0.0	0.0	0.0	*(68.6%)*	0.0	0.0	0.0	*59.9%*	*40.1%*
Tax	0.9	0.7	0.9	*33.5%*	0.9	0.2	1.0	*84.2%*	*15.8%*
NPAT	**0.5**	**1.3**	**1.7**	***(65.1%)***	**1.7**	**0.3**	**2.0**	*85.5%*	*14.5%*
NPAT margin	*1.8%*	*4.3%*	*5.8%*		*5.8%*	*1.0%*	*3.4%*		
UNPATA	**2.0**	**1.6**	**2.0**	***27.3%***	**2.0**	**0.6**	**2.6**	*78.2%*	*21.8%*
UNPATA margin	*7.9%*	*5.2%*	*6.7%*		*6.7%*	*1.9%*	*4.3%*		
Key metrics									
Net amount financed ($m)	588	454	454	*29.7%*	454	554	1,008		
Direct employees (FTE's)[2]	46	69	69	*(33.1%)*	69	69	69		

1 JobKeeper has been adjusted against employee expenses.
2 Average direct employees for the period.
3 Compared to 1H21 (excl. JobKeeper).

New segments FY and halves – PSS

	1st Half comparison			FY21			Half Yearly Split	
	1H22	1H21	Variance	1H21	2H21	FY21	1H21	2H21
Revenue	19.5	11.9	*63.6%*	11.9	14.3	26.2	*45.5%*	*54.5%*
Employee expenses[1]	11.6	5.1	*>100%*	5.1	7.8	12.9	*39.4%*	*60.6%*
Property & other expenses[1]	4.0	2.4	*72.2%*	2.4	2.5	4.8	*48.9%*	*51.1%*
EBITDA	3.8	4.5	*(14.4%)*	4.5	4.0	8.5	*52.9%*	*47.1%*
EBITDA margin	*19.7%*	*37.6%*		*37.6%*	*28.0%*			
Depreciation	0.4	0.4	*(9.5%)*	0.4	0.2	0.7	*64.4%*	*35.6%*
Amortisation of intangibles	0.4	-	*>100%*	-	-	-	-	-
Interest expense	0.0	0.0	*(30.6%)*	0.0	0.0	0.0	-	-
Tax	0.9	1.2	*(23.8%)*	1.2	1.1	2.3	-	-
NPAT	2.1	2.8	*(24.1%)*	2.8	2.6	5.4	*51.8%*	*48.2%*
NPAT margin	*10.9%*	*23.6%*		*23.6%*	*18.3%*			
UNPATA	2.9	2.8	*3.2%*	2.8	2.6	5.4	*51.8%*	*48.2%*
UNPATA margin	*14.9%*	*23.6%*		*23.6%*	*18.3%*			
Key metrics								
Direct employees (FTE's)	210	106	*98.6%*	106	148	127		
Customers	22,729	13,485	*68.6%*	13,485	15,814	15,814		

1 Includes $0.7m of acquisition related expenses in 1H22 ($0.4m in employee expenses and $0.2m in property & other expenses) which are excluded from UNPATA.

Dividend dates

	FY22
Interim	
Results Release	Wednesday, 23 February 2022
Ex-dividend	Thursday, 10 March 2022
Record date	Friday, 11 March 2022
Payment date	Friday, 25 March 2022
Final	
Results Release	Wednesday, 24 August 2022
Ex-dividend	Thursday, 8 September 2022
Record date	Friday, 9 September 2022
Payment date	Friday, 23 September 2022

Final dates subject to change.

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All dollar values are in Australian dollars ($) unless stated otherwise.

Effect of rounding

A number of figures, amounts, percentages, estimates, calculations of value and fractions in this presentation.

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