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

27 August 2024

Manager Company Announcements
ASX Limited
20 Bridge Street
SYDNEY NSW 2000

By E-lodgement

McMillan Shakespeare Limited 2024 Investor Presentation

This release contains an announcement to the Australian Securities Exchange Limited (ASX) regarding the following:

1. FY24 Results Investor Presentation.

Yours faithfully
McMillan Shakespeare Limited

Ashley Conn
Chief Financial Officer and Company Secretary

This document was authorised for release by the MMS Board.

MMS FY24 Results Presentation

27 August 2024

Presenters

Rob De Luca
CEO & Managing Director

Ashley Conn
CFO & Company Secretary

Disclaimer and important notice

This presentation has been prepared by McMillan Shakespeare Limited ABN 74 107 233 983 ("MMS"). It contains summary information about MMS and its subsidiaries and their activities current as at the date of this presentation. The presentation contains selected information and does not purport to be all inclusive or to contain information that may be relevant to a prospective investor. No reliance may be placed on MMS for financial, legal, taxation, accounting or investment advice and the information in this presentation is not and should not be considered a recommendation to investors or potential investors. It does not take into account the investment objectives, financial situation and particular needs of any particular investor and each person is responsible for conducting their own examination as to the sufficiency and relevance for their purpose of the information contained in this presentation and any offering documentation. Each person should undertake their own independent investigation of MMS and assessment of the merits and risks of investing in MMS' shares.

This presentation contains certain forward-looking statements which are based on management's own current expectations, estimates and projections about matters relevant to MMS' future financial performance. These statements are only forecasts. Actual events or results may differ materially. Nothing in this presentation is a promise or representation as to the future. MMS does not make any representation or warranty as to the reasonableness or accuracy of such statements or assumptions. MMS assumes no obligation to update any forward looking statements.

Forward-looking information and statements are based on the reasonable assumptions, estimates, analysis and options of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date such statements are made, but which may prove to be incorrect. The purpose of forward-looking information is to provide the audience with information about management's expectations and plans. These forward-looking statements involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of MMS and its management, and which may cause actual results to differ from those expressed in the statements contained in this presentation.

The information in this presentation is for information purposes only and is not an offer of securities for subscription, purchase or sale in any jurisdiction or otherwise engage in any investment activity and neither this presentation nor anything in it shall form the basis of any contract or commitment whatsoever. No representation or warranty, express or implied, is made as to the fairness, accuracy, reliability, completeness or correctness of the information, opinions and conclusions contained in this presentation. To the maximum extent permitted by law, none of MMS, its directors, employees, agents or advisers, nor any other person accepts any liability for any loss arising from the use of this presentation or its contents or otherwise arising in connection with it, including, without limitation, any liability arising from fault or negligence on the part of MMS or its directors, employees, agents or advisers.

An investment in MMS is subject to known and unknown risks, some of which are beyond the control of MMS, including possible loss of income and principal invested. MMS does not guarantee any particular rate of return or the future business performance of MMS, nor does it guarantee the repayment of capital from MMS or any particular tax treatment. Each person should have regard to MMS' other periodic and continuous disclosure documents when making their investment decision and should make their own enquiries and consult such advisers as they consider necessary (including financial and legal advice) before making an investment decision. Past performance information given in this presentation is given for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance.

Financial data

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 are rounded.

We acknowledge the Traditional Owners of the lands on which we meet today and pay our respects to Elders past and present.

FY24 Overview

Key messages

1. Strong financial performance with organic growth across all segments
2. Novated sales growth driven by continued customer demand, improved supply and higher yielding EVs[1]
3. Continued to execute on strategic agenda for sustainable growth
4. Delivered increased dividend and Normalised ROCE[6]

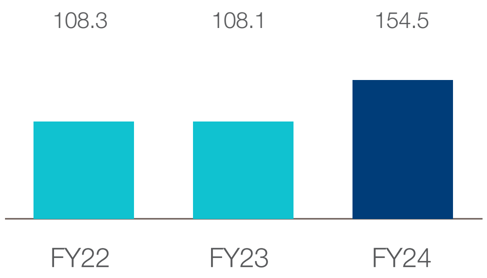
Footnotes 1 and 6, refer to Endnotes in Appendix 2.

All financial information and metrics in this presentation are from continuing operations only unless otherwise stated. The Group completed the sale of its Australian Asset Finance Aggregation business (trading as UFS and NFC, Aggregation Business) on 31 July 2023, and also completed the sale of its Asset Management Services UK business on 30 November 2023. As a result of these sales the Aggregation and UK businesses are no longer presented in the segment note and are discontinued operations.

Delivered strong growth and returns for shareholders

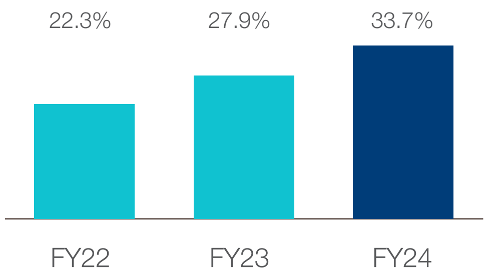
EPS growth
+19.4% CAGR FY22 – FY24

Normalised EPS [2,3,5] c



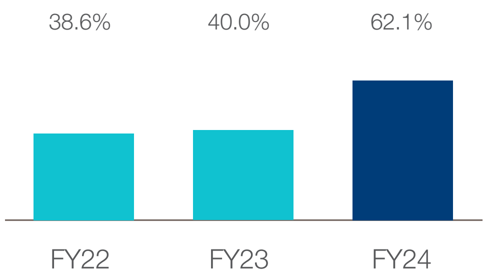
Margin expansion
+11.4%pts FY22 – FY24

Normalised EBITDA Margin [3,4] %



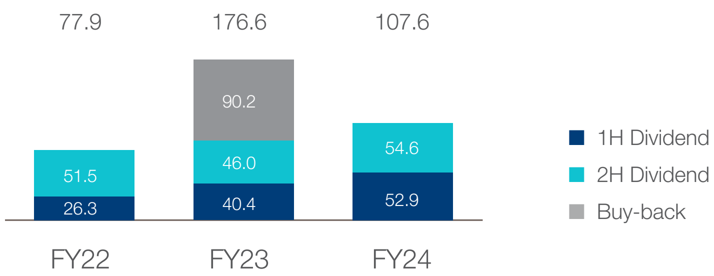
Increased Normalised ROCE [6]
+23.5%pts FY22 – FY24

Normalised ROCE [6] %



Returns to shareholders
Dividends paid out of Normalised UNPATA [3,5], reflecting our aim to avoid negatively impacting shareholders during the Warehouse transition period

Returns to shareholders $m



Footnotes 2–6, refer to Endnotes in Appendix 2.

i FY22 included discontinued operations. Refer to Endnotes in Appendix 2 for definition of discontinued operations.

FY24 Financial performance

Continuing operations[2]	FY24	FY23	Variance
Statutory Revenue ($m)	521.0	464.0	*12.3%*
Normalised Revenue[3] ($m)	525.8	471.4	*11.5%*
Normalised EBITDA[3,4] ($m)	177.0	131.3	*34.8%*
Normalised EBITDA margin[3,4] (%)	*33.7%*	*27.9%*	*5.8% pts*
Normalised UNPATA[3,5] ($m)	**107.6**	**77.9**	***38.2%***
UNPATA[5] ($m)	90.4	66.4	*36.1%*
Statutory NPAT ($m)	90.1	64.4	*39.7%*
Discontinued operations[2]			
NPAT – Discontinued operations ($m)	(6.5)	(32.2)	*79.8%*
Total operations			
Statutory NPAT ($m)	**83.5**	**32.3**	***>100%***
Normalised EPS[2,3,5] (c)	154.5	108.1	*42.9%*
Underlying EPS[2,5] (c)	129.8	92.1	*40.9%*
Normalised ROCE[6] (%)	*62.1%*	*40.0%*	*22.1% pts*
Interim dividend per share (c)	76.0	58.0	
Final dividend per share (c)	78.0	66.0	
Total dividend per share (c)	154.0	124.0	
Normalised UNPATA payout ratio[3,5,ii] (%)	*100%*	*100%*	
UNPATA payout ratio[5,ii] (%)	*118%*	*116%*	

Footnotes 2–6, refer to Endnotes in Appendix 2.

i Dividend per share calculated as total dividend payable divided by the final number of shares on issue 69,643.024.

ii FY23 UNPATA payout ratio includes discontinued operations.

Segment performance

Trusted partner, with organic growth across all segments.

	MMS Trusted partner, providing solutions in ***making*** complex ***matters*** simple		
	Group Remuneration Services (GRS) *Trusted partner and leader in the management of employee benefits*	**Asset Management Services (AMS)** *Trusted partner and specialist in the management of assets*	**Plan and Support Services (PSS)** *Trusted partner and a leader in plan management and support co-ordination*
Normalised UNPATA [3,5] Growth	$80.7m ↑ 53.7%	$19.1m ↑ 2.0%	$8.5m ↑ 6.4%
Growth in trusted relationships	412,914 ↑ 4.7% Salary packages [i] 79,228 ↑ 7.9% Novated leases [i]	15,074 ↑ 4.9% Assets managed	35,030 ↑ 10.3% Customers
Satisfied customers	+46 Net Promoter Score	+29 Net Promoter Score [ii]	+57 Net Promoter Score

Footnotes 3 and 5, refer to Endnotes in Appendix 2.

i Includes ~39k packages and ~6k leases relating to SA Government contract which concluded on 30 June 2024.

ii AMS Net Promotor Score (annual) measured as at June 2024.

Simply Stronger Program (FY23–FY25)

On track to deliver enhanced digital experience and solutions for customers and technology-enabled productivity.

	1 Excel in customer experience	2 Drive technology-enabled productivity	3 Broaden our competency-led solutions
	Improve customer app experience and offering enabling greater self service	*Modernise technology infrastructure, automation and scalability of platforms*	*Leverage and extend our relationships and capabilities to broaden market offering*
Activity	– *New mobile apps and web portals* – *Enhance digital functionality* – *Enhance client digital self service*	– *Technology simplification* – *Digitise manual processes* – *Build digital enablement technology*	– *Broaden EV offering* – *Extend partnerships and integration* – *Leverage our data and relationships*
Progress	– *Employer Connect:* launched – *Digital signatures:* launched – *App redevelopment:* on track	– *Telephony platform migration:* complete – *Invoice automation:* phase 1 completed – *Digital enablement layer:* on track	– *Oly:* soft launched – *AMS Green funding product:* launched – *Partner integration:* improved
Outcomes	**Employer connect** – *96% of clients migrated to interactive platform reducing correspondence* **Digital signatures** – *Improved speed to deliver novated sales and settlements*	**PSS invoice automation** – *26%[i] improvement in invoice processing efficiency* **Telephony platform** – *Common PSS platform with improved performance monitoring*	**Oly soft launched** – *New novated lease brand targeting SME market* **AMS new green funding product** – *Available for zero and low emissions vehicles*

i Improvement recorded in Jun-24, post completion of phase 1.

Oly brand soft launched in May 2024

A simple and digital novated leasing solution for employees of small to medium sized businesses.

Large unaddressed market for novated leases in the small to medium sized business segment

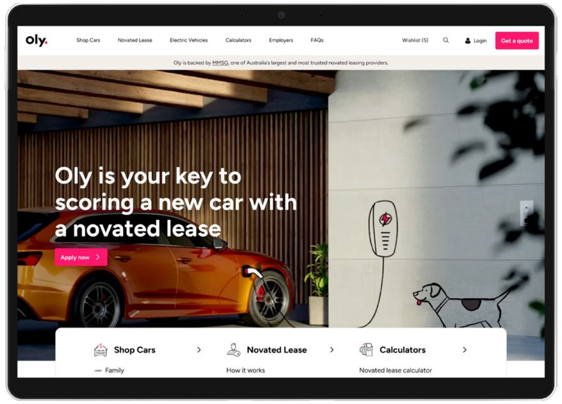
~67%

Of working Australians are employed by a small to medium sized business

~$160m

Serviceable Addressable Market [i]

Oly brand soft launched in May 2024 with a simple and digital novated leasing solution



EV FBT[v] legislation improved EV uptake and awareness of novated lease value proposition

~12%

% EV car market sales [ii] in FY24

~40%

Of EV new car sales financed via NL [iii]

Favourable early indicators supporting rationale

~100k

Website visits in June 2024

~68%

Orders were EVs in FY24 [iv]

i Source: OC&C Strategy Consultants.
ii Source: VFACTS passenger and SUV sales.
iii The National Automotive Leasing and Salary Packaging Association (NALSPA) submission to the Standing Committee on Climate Change, Energy, Environment and Water's Inquiry into the transition to electric vehicles (EVs), March 2024.
iv % of all novated lease orders in Oly only.
v *Treasury Laws Amendment (Electric Car Discount) Bill 2023* passed December 2022.

Supporting our customers transition to a low carbon future and making social impact

GRS and AMS supporting Australia's transition to a low carbon future

Educating our customers on a low carbon future

- Vehicle emissions intensity ratings provided on all quotations[i]
- Environmental performance reporting to AMS fleet customers
- Educational programs delivered to our clients and customers

Providing low carbon solutions

- *'On the Go'* EV charge card enabling drivers to charge at **250+** locations across Australia
- Green finance for low and zero emission fleet vehicles
- Offsetting vehicle emissions through MMS partners Ampol and Greenfleet

Helping achieve low carbon outcomes

- **41% EVs** of new novated lease sales
- **6% EVs** of new AMS assets delivered[ii]
- **↓ 10%** average GRS novated customer tailpipe emissions[iii]
- **↓ 5%** average AMS fleet customer tailpipe emissions[iii]

GRS and PSS making a social impact

Educating customers on benefits of salary packaging and NDIS

- **260k+** people engaged on the benefits of novated leasing and the EV discount
- **1,770k+** downloads of educational NDIS ebooks on mental health and autism
- NDIS educational sessions offered to every new customer

Providing customer and community support

- Paid scholarships for **15 nursing caregivers** for postgraduate studies
- Partnership with Jigsaw Australia to support **four first year trainees** fostering disability employment
- Paid for **more trained nurses** in stem cell transplants

Helping achieve better wellbeing and social outcomes

- **412k** salary packages enabling customers to maximise their pay
- **79k** novated leases[vi] enabling customer benefits
- **35k** PSS customers assisted in achieving social and economic participation
- **62k** hours in support coordination helping achieve plan goals

MSCI[v] ESG 'AA' Rating for MMS – up from 'A' in November 2023

i For AMS passenger and light commercial vehicles.
ii Excludes managed only assets.
iii For AMS, the metric includes active Passenger and Light Commercial Vehicles only, with funding facilitated by MMS, and excludes pre-paid maintenance and managed-only fleet.
For GRS, the metric includes active novated leases as at 30 June 2024, originated by Maxxia, RemServ and Oly. Tailpipe emissions are measured as grams of tailpipe CO_2 emissions per kilometre.
vi Includes fully maintained, self managed and administered via panel arrangements.
v Morgan Stanley Capital International.

Segment performance

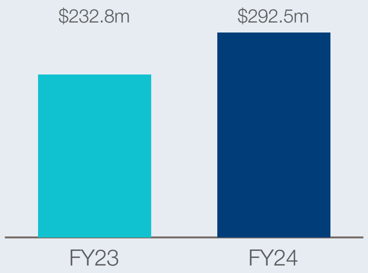
GRS: Highlights

Continued demand for higher yielding EVs driving organic growth, margin expansion and financial performance.

Normalised Revenue[3]

$292.5m

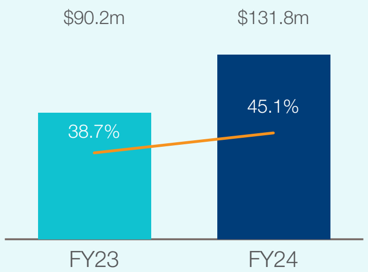
↑ 25.7%



Normalised EBITDA[3,4]

$131.8m

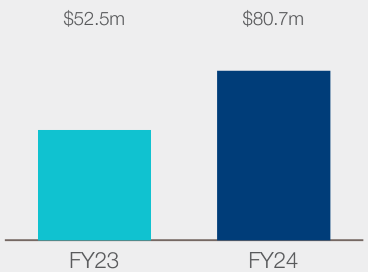
↑ 46.2%



Normalised UNPATA[3,5]

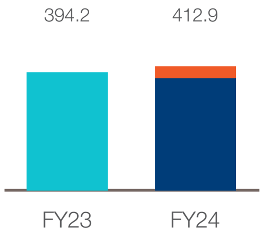
$80.7m

↑ 53.7%



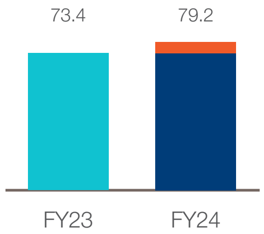
Salary packages up 4.7%

Salary packages '000



Novated leases[i] up 7.9%

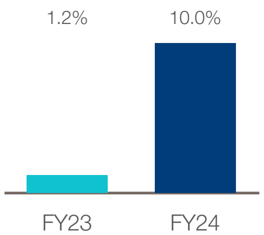
Novated leases '000



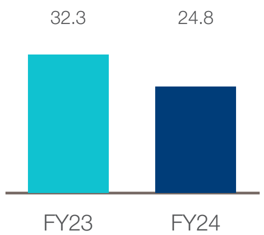
■ Includes ~39k packages and ~6k leases relating to SA Government contract which concluded on 30 June 2024[ii].

Carry over of $24.8m to benefit future periods

NL yield growth on pcp



NL carry over $m



Footnotes 3–5, refer to Endnotes in Appendix 2.

i Includes fully maintained, self managed and administered via panel arrangements.

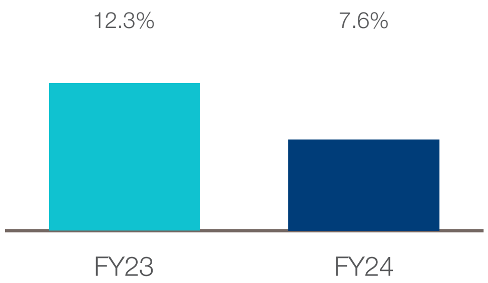
ii The contract represented 3.4% of the Group's Normalised revenue and ~7% of the GRS segment's Normalised revenue in FY23.

GRS: Novated leasing

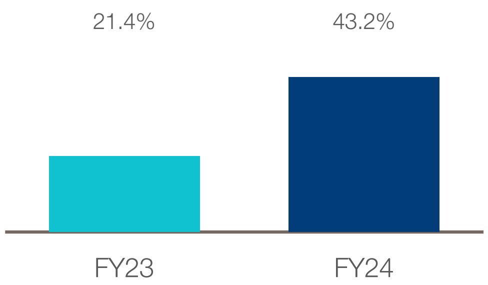
Value proposition of novated leasing, particularly for EVs, driving above market growth.

Ongoing EV demand and novated value proposition driving order growth.

NL order growth on pcp

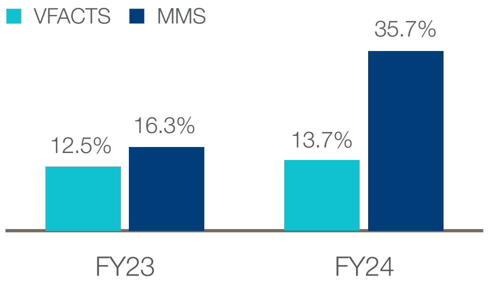


EV% of MMS new novated orders

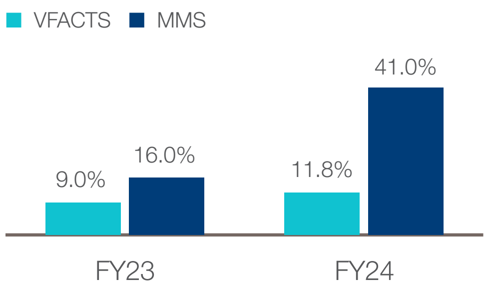


Improvements in supply and EVs driving sales growth.

Growth VFACTS[i] and MMS new novated sales

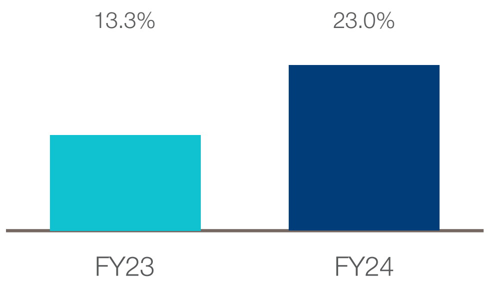


EV% of VFACTS[i] and MMS new novated sales

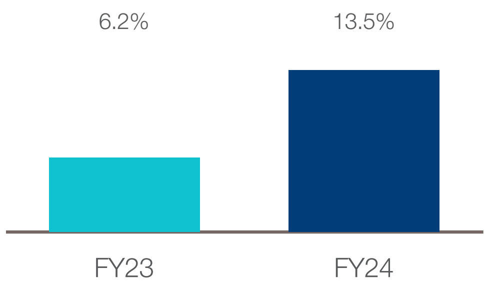


Higher % of EVs driving sales growth and higher net amount financed.

NL sales growth on pcp



NL NAF growth on pcp



i Source: VFACTS passenger and SUV sales.

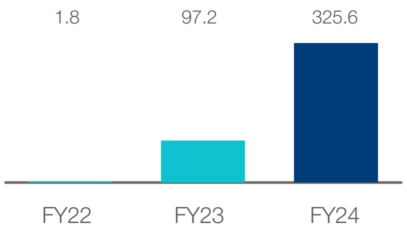
GRS: Onboard Finance (Warehouse)

Rationale for the Warehouse confirmed. FY24 Normalisation of $(17.2m) driven by higher novated volumes and yields. FY25 expected to be ~$(9m)[i] and the last year of Normalisation.

Strong GRS novated sales growth driving Warehouse volumes

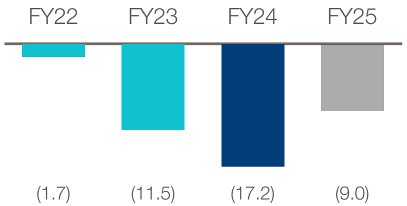
Strong receivables growth in FY24 to provide future annuity income streams

Receivables balance $m



FY25 expected to be ~$(9m)[i] and last year of Normalisation with ~20%[iii] novated volume target

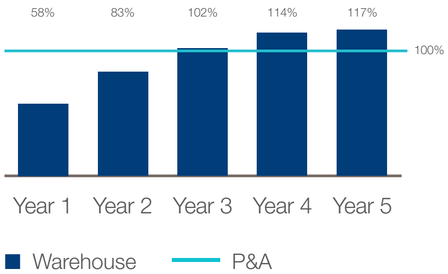
Warehouse Normalisation $m



Warehouse rationale confirmed[ii]

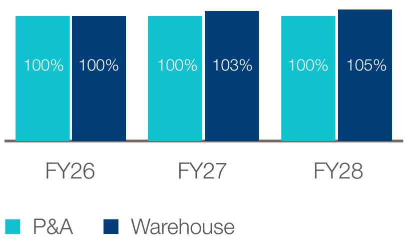
Warehouse now expected to be +16.6% of traditional P&A

Cumulative NIM comparison %[iv]



Warehouse to contribute incremental earnings post the Normalisation period

MMS UNPATA[5] Warehouse vs. P&A %

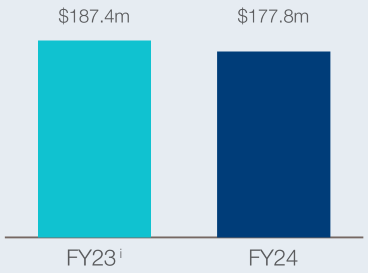


Footnote 5, refer to Endnotes in Appendix 2.
i Subject to market conditions.
ii Refer to Appendix 2 for Warehouse rationale.
iii Excludes Oly volume.
iv Based on a five year lease.

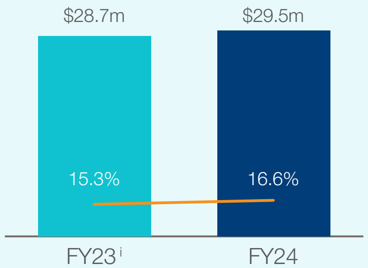
AMS: Highlights

Growth in NAF, WDV and managed assets from new business and improved vehicle supply.

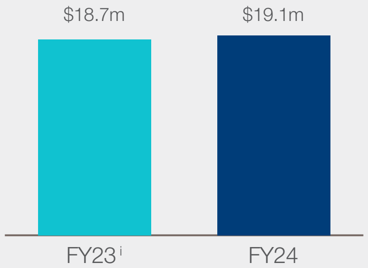
Revenue
$177.8m
(5.1%)



EBITDA[4]
$29.5m
2.7%

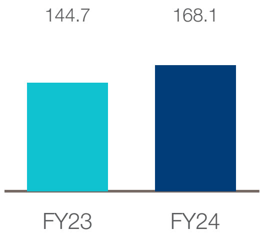


UNPATA[5]
$19.1m
2.0%



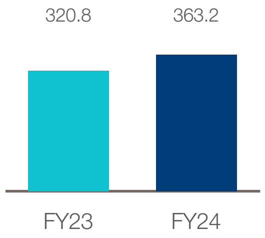
Net amount financed up 16.2%

Net amount financed $m



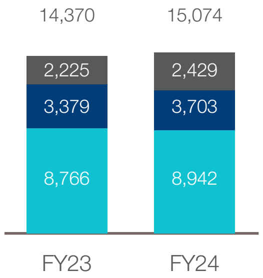
Written down value up 13.2%

Written down value $m



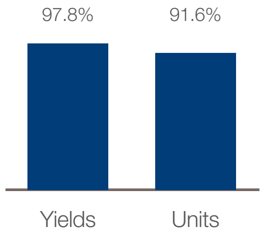
Managed assets up 4.9%

- Managed units (#)
- P&A units (#)
- Funded units (#)



Remarketing yields contracted marginally, remaining at elevated levels on lower unit sales

Remarketing vs pcp



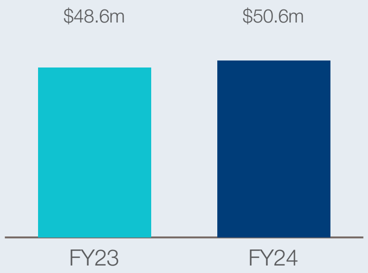
Footnotes 4 and 5, refer to Endnotes in Appendix 2.

i FY23 included ~$1.6m EBITDA from one off financial benefit from the expiration of larger customer contracts. Excluding this EBITDA growth was 8.8 %.

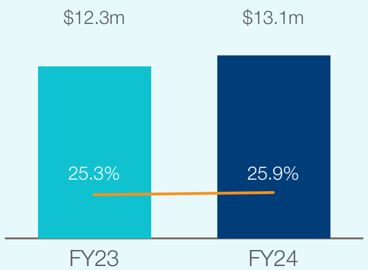
PSS: Highlights

Organic customer growth and operating leverage while supporting scheme integrity and sustainability.

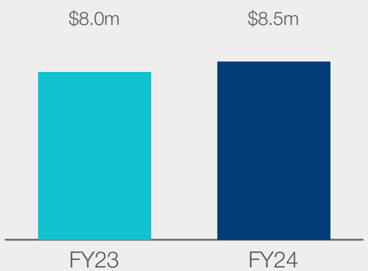
Revenue
$50.6m
↑ 4.3%



EBITDA[4]
$13.1m
↑ 6.7%

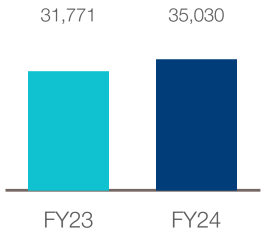


UNPATA[5]
$8.5m
↑ 6.4%



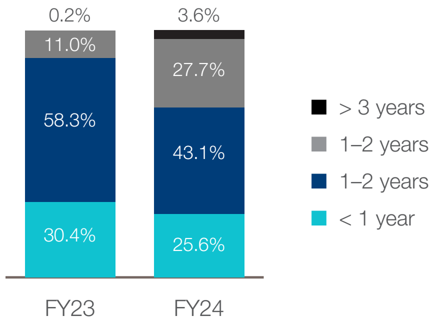
PSS Customers up 10.3%

Customers #



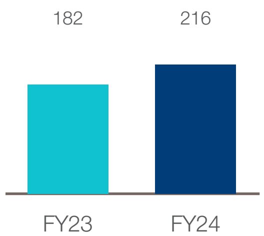
Continued increase in plan duration reducing renewal frequency

Plans by duration[i]



Investments in technology and consolidated platform delivering productivity improvements

18.7% improvement in customers to FTE



Supporting scheme integrity and sustainability

$88.9m

in Scheme savings for FY24 of services received by PSS customers under the price guide limit

$53.3m

of invoices received were withheld for further investigation due to PSS integrity checks

Footnotes 4 and 5, refer to Endnotes in Appendix 2.

i Plan duration splits relate to Plan Partners customers only.

Cash flow and balance sheet

Cash flow and capital allocation

Cash conversion 136% of UNPATA[5]. Benefits from working capital management, equity capital released from the Warehouse and timing tax benefit accelerated asset write off.

Cash flow summary $m	FY24
Normalised UNPATA[2,3,5]	107.6
Discontinued operations and Normalised UNPATA[2,3,5] adjustments	(24.1)
Statutory NPAT	83.5
Depreciation and amortisation[i]	18.2
Other non-cash items	14.2
Capital expenditure	(21.6)
Working capital movement	9.5
Income tax payments lower than expense	19.2
Operating cash movement	123.0
Net cash from Warehouse	15.2
Net cash from AMS fleet	6.5
Other borrowings movement[ii]	(8.4)
Borrowings and Warehouse/AMS fleet receivables net movement	13.3
Net proceeds from sale of UK and Aggregation businesses	20.3
Dividends paid	(98.9)
Treasury shares acquired	(3.0)
Total other	(81.6)
Net movement	54.7
Opening cash	98.3
Closing cash	153.0

Footnotes 2, 3 and 5, refer to Endnotes in Appendix 2.

i Excludes depreciation on AMS fleet.

ii Includes lease liabilities.

Cash flow positively impacted by:

- Renegotiation of Warehouse equity holding requirement, now ~2% of lease receivables, down from ~5%, with capital released back to MMS
- Timing benefit of accelerated asset write off
- Working capital management benefits
- Proceeds from sale of UK and Aggregation businesses

Balance sheet

$m	30 June 24	30 June 23
Cash at bank	153.0	60.6
Client trust funds (GRS)	403.4	402.6
Other current assets	51.0	47.3
Total fleet and Warehouse funded assets	574.8	327.6
Goodwill / intangibles	83.2	73.4
Other non-current assets	37.7	43.7
Total Assets - continuing operations	1,303.1	955.2
Restricted client trust funds for salary packaging [v]	403.4	402.6
Borrowings [vi] (current)	7.8	8.9
Other current liabilities	170.2	110.8
Borrowings [vi] (non-current)	580.3	316.2
Other non-current liabilities	12.5	20.4
Total Liabilities - continuing operations	1,174.2	858.9
Net Assets - continuing operations	128.8	96.3
Net Assets - discontinued operations	-	49.3
Net Assets - total operations	128.8	145.6

Group

Debt to EBITDA [i]

0.5x vs 1.3x pcp

Interest times cover [ii]

11.7x vs 10.4x pcp

Specific

Net cash
(excl. fleet and Warehouse funded debt) [iii]

$86.7m vs $28.4m pcp

AMS debt to funded fleet WDV [iv]

68% vs 58% pcp

Compared to previous corresponding period (pcp)

i Debt defined as current and non-current borrowings less allowable cash adjustment, excluding Warehouse and fleet funded debt and lease liabilities. In FY23 debt included fleet funded debt. EBITDA (PBT from total operations plus interest expense other than that associated with fleet funded debt, Warehouse debt and lease liabilities).

ii Total Operations NPBT plus interest expense (excl. Warehouse interest expense and group lease liabilities) / Interest expense (excl. Warehouse interest expense and group lease liabilities).

iii Cash ($153.0m) less corporate debt and other non-fleet debt ($66.2m) excludes fleet funded and Warehouse debt. Excludes client trust funds. FY23 cash included $37.7m of cash relating to discontinued operations.

iv AMS debt (current and non-current) / total AMS fleet funded assets. Continuing operations only. Excludes lease liabilities.

v Relating to restricted client trust funds.

vi Borrowings are inclusive of lease liabilities.

Outlook and focus

FY25 Outlook and focus

FY25 Expected market conditions

- Continued increases in auto supply and increased pricing competition
- Increase in manufacturers and EV models with more price points becoming available
- FBT exemption for plug-in hybrids scheduled to expire on 1 April 2025.
  Exemption on battery EVs to continue with Government committed to review by mid-2027
- Continued inflation and cost of living pressures
- Potential regulatory changes for the NDIS

Operations and business

- Pursue organic growth across all segments and from new channels such as Oly
- Warehouse to continue at ~20%[i] novated volume with Normalisation adjustment of ~$(9m)[ii] expected in FY25, which will be the last year our results are Normalised
- Complete FY25 Simply Stronger Program deliverables with FY25 CAPEX of ~$11m, including:
  - New customer facing apps
  - Improved customer self-service capability
  - Progressing technology modernisation
- Continue to invest in and focus on our strategic priorities – excelling in customer experience, driving technology-enabled productivity and broadening our competency-led solutions

i Excludes Oly volume.
ii Subject to market conditions.

Appendix 1
Warehouse rationale

The Warehouse provides strategic and financial benefits

Secures and diversifies our funding sources

The Warehouse provides a more secure and diverse source of funding, addresses funding partners change in appetite, and is a committed source of funding that reduces liquidity risk.

Competition and price benefits for our customers

The Warehouse is a positive initiative for our customers - expansion of our funding sources adding competition and pricing benefits for our customers.

Increase in annuity based income

The Warehouse produces more stable annuity revenue stream with less reliance on upfront income.

New source of income

Growth of the Warehouse adds additional sources of income, will be revenue accretive, and will enable access to term ABS issuance to take advantage of improved pricing and investor demand.

Higher overall value per transaction

New income streams result in increased value across the life time of the lease on an NPV basis.

Features of P&A and Warehouse securitisation models

P&A model

- Under a P&A model, the "agent" (MMS) has specific authority conferred upon them by an agreement to create a binding lease agreement between its principal (the "third party financier") and a prospective customer (ie. lessee)
- The lease agreement is financed onto the third party financiers balance sheet, with this party recorded as the lender of record
- Revenue (and cash) is received upfront eg brokerage fees
- MMS capital is not required under this model
- Funding under the P&A model is not committed, and remains at the discretion of the third party financier
- Credit risk of the lease sits with the third party as the funder

Warehouse securitisation model

- The Warehouse securitisation model is when financial assets (ie leases) are pooled into a "special-purpose vehicle" trust. The cash flow from the pool are then used to make payments on obligations to classes of creditors
- Revenue is received as annuity income by MMS and spread over the life of the lease
- Capital is required from MMS representing ~2% of lease receivables financed in the pool
- Leases and finance obligations are consolidated and recognised on MMS's balance sheet
- Committed funding is available under the model
- Credit decisions are controlled by the MMS originating entity Onboard Finance and credit risk is borne by MMS through seller note ownership held in the Warehouse

Comparison of each funding model

	P&A	Warehouse
Diversification of funding model	NO	YES
Annuity income earnings benefits	NO	YES
Upfront brokerage fees	YES	NO
Committed source of funding	NO	YES
Access to capital markets investors ~ domestic and international	NO	YES
Self-managed funding	NO	YES
Credit risk exposure to MMS ~ novated leases	NO	YES
Documentation fee and ancillary revenue sourced direct on lease contracts	YES	YES
Alternate in-life revenue on servicing leases	NO	YES
Capital requirement	NO	YES

Accounting impacts and changes

P&L

- Annuity income received as a net interest margin ("NIM") replaces upfront brokerage under P&A
- Recognise finance income over the term of the lease to reflect the periodic rate of return of the leased asset. The finance income is recognised as the lease receivable is unwound (amortised)
- No upfront brokerage fees recognised
- A shift to on-balance sheet funding results in lower income during the Normalisation period as income is recognised over the life of the lease
- MMS is taxed on the net income derived from the Warehouse

Balance Sheet

- Accounting treatment results in on-balance sheet recognition of the Warehouse in the consolidated financial statements of MMS
- Receivables financed into the Warehouse are reviewed for impairment according to AASB9

Cash flow

- MMS has invested capital into the Warehouse
- The removal of upfront brokerage from the Warehouse results in reduced operating cash during the Normalisation period. However, cash flow from NIM over the life of the lease is greater than the upfront brokerage.

Appendix 2

MMS strategy to deliver sustainable growth

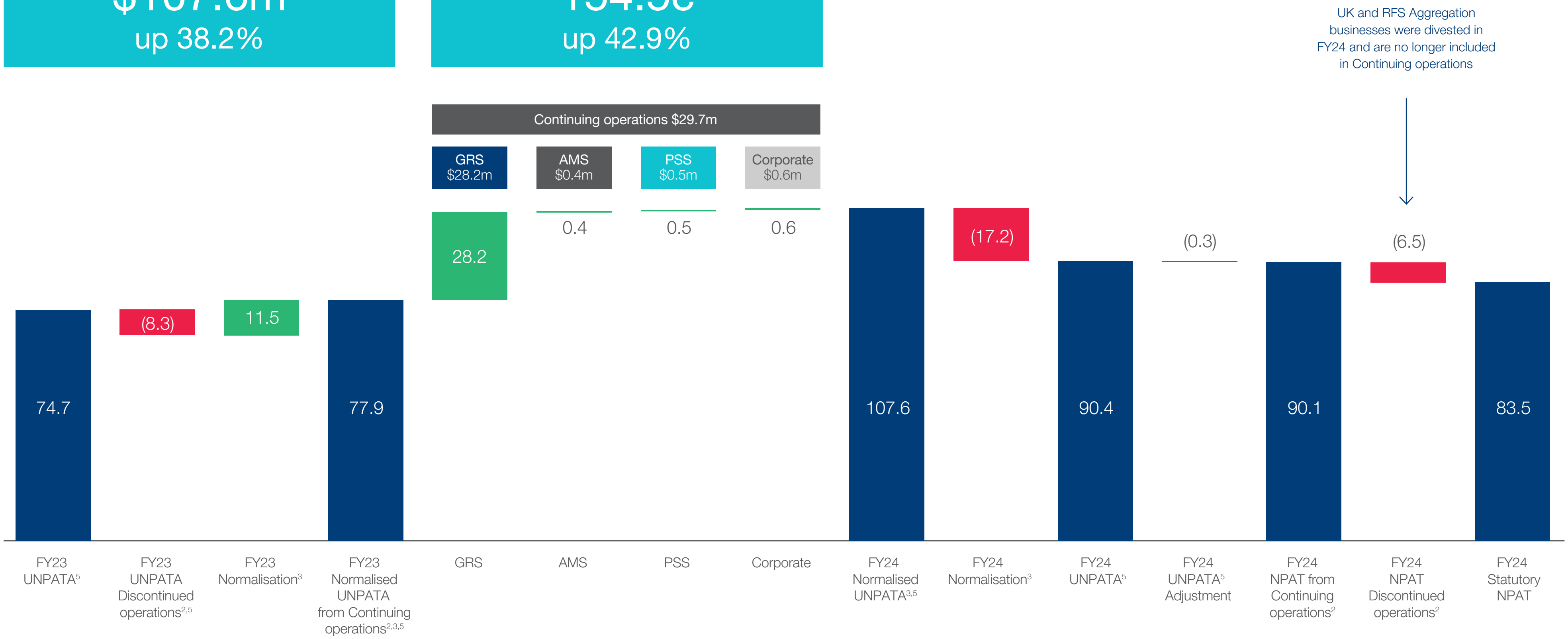
Making Matters Simple

Our Purpose	To make a difference to people's lives				
Our Vision	To be the trusted partner, providing solutions in *making* complex *matters simple*				
Our Strategic Priorities	1 Excel in customer experience	2 Drive Technology-enabled productivity	3 Broaden our competency-led solutions		
Our Outcomes	Strong NPS	Increase Productivity	High ROCE	Employer of Choice	EPS Growth
Our Values	CUSTOMER ALWAYS	EVERYONE MATTERS	BETTER TOGETHER	STRIVE FOR GREATNESS	

UNPATA bridge

Normalised UNPATA[2,3,5]
$107.6m
up 38.2%

Normalised EPS[2,3,5]
154.5c
up 42.9%



Footnotes 2, 3 and 5, refer to Endnotes in Appendix 2.

Reconciliation between NPAT and Normalised UNPATA Continuing operations

$m	FY24	FY23	Variance
Statutory NPAT	83.5	32.3	*>100%*
Discontinued operations[2]	(6.5)	(32.2)	*79.8%*
Statutory NPAT Continuing operations[2]	90.1	64.4	*39.7%*
Amortisation of intangible assets acquired on business combination	0.3	0.6	*(39.4%)*
Acquisition and disposal related expenses	-	1.2	*(100%)*
Capital structure costs	-	0.2	*(100%)*
UNPATA Continuing operations[2,5]	90.4	66.4	*36.1%*
Warehouse adjustment	(17.2)	(11.5)	*(49.9%)*
Normalised UNPATA Continuing operations[2,3,5]	107.6	77.9	*38.2%*

Footnotes 2, 3 and 5, refer to Endnotes in Appendix 2.

Return on capital employed (ROCE) calculation

Normalised Return on Capital Employed (ROCE)

Normalised[3] EBIT

Last 12 months Normalised[3] EBIT is before the pre-tax impact of acquisition and divestment related activities, accounting standard changes and non-operational items otherwise excluded from UNPATA[5] on a post-tax basis. Adjusted for the Warehouse.

Capital employed

Capital employed (excluding lease liabilities) used in the calculations includes the add back of impairment of intangible asset incurred in the financial period and includes add back for the Warehouse.

$m	FY24	FY23
Statutory equity	128.8	145.6
Impairments [i]	-	42.5
Loss on disposal [i]	6.5	-
Warehouse equity and cash [ii]	11.0	15.8
Adjusted equity for ROCE purposes	146.3	203.9
Cash [iii]	(153.0)	(98.3)
Borrowings (excl. Warehouse)	236.0	210.5
Adjusted capital employed for ROCE purposes	229.3	316.2
Average capital employed [iv]	251.4	308.2
Normalised EBITDA[3,4] (LTM)	177.0	143.4
Normalised Interest revenue [3,v] (LTM)	(4.7)	(2.8)
Normalised D&A (non fleet)[3] (LTM)	(16.2)	(17.1)
Normalised EBIT[3] (LTM)	156.1	123.4
Normalised ROCE [2,6]	62.1%	40.0%

Footnotes 3, 4, 5 and 6, refer to Endnotes in Appendix 2.

i Impairments and loss on disposal for last 12 months, in relation to Aggregation and UK businesses.

ii Warehouse equity and cash at period end. For FY23 the Warehouse equity and cash reflected average over the last 12 months.

iii Excludes restricted client trust funds.

iv The average capital employed for FY24 is based on FY24 closing capital employed of $229.3m and opening capital employed of $273.6m. Note opening capital employed excludes the impact of prior year adjustments.

v Excludes interest on restricted client trust funds.

Funding overview

- Bullet loan facilities to August 2027, totalling up to $60m for working capital purposes (fully drawn)
- Increased Warehouse facilities to cover growth
- Revolving Asset Financing debt increased and maturity date extended to cover growth
- Operating lease uncommitted P&A facilities of $243.9m drawn to $124.1m as at 30 June 2024

		Local currency		Australian dollars ($m)			
		Currency	Facility size	Facility size	Amount drawn	Amount undrawn	Maturity
Asset Financing Australia	Revolving	A$	183.0	183.0	147.6	35.4	(A$163.4m) 31 March 2027 (A$48.0m) 30 June 2028
Asset Financing New Zealand	Revolving	NZ$	31.0	28.4	22.6	5.8	
Warehouse	Revolving	A$	364.2	364.2	311.3	52.9	1 March 2028
MMS Working Capital	Revolving	A$	60.0	60.0	60.0	-	25 August 2027

Segment financials

$m	GRS			AMS			PSS			MSL			MMSG		
Continuing Operations[2]	FY24	FY23	%	FY24	FY23	%	FY24	FY23	%	FY24	FY23	%	FY24	FY23	%
Normalised Revenue[3]	292.5	232.8	*25.7%*	177.8	187.4	*(5.1%)*	50.6	48.6	*4.3%*	4.8	2.6	*86.3%*	525.8	471.4	*11.5%*
Normalised EBITDA[3,4]	131.8	90.2	*46.2%*	29.5	28.7	*2.7%*	13.1	12.3	*6.7%*	2.6	0.2	*>100%*	177.0	131.3	*34.8%*
Normalised EBITDA margin[3,4]	*45.1%*	*38.7%*		*16.6%*	*15.3%*		*25.9%*	*25.3%*		*54.7%*	*6.7%*		*33.7%*	*27.9%*	
Depreciation and amortisation	13.5	13.7	*(1.9%)*	1.8	1.8	*1.8%*	0.9	0.9	*8.9%*	0.0	0.0	*(>100%)*	16.2	16.4	*(1.0%)*
Interest expense	1.3	1.4	*(12.0%)*	0.3	0.3	*(23.0%)*	(0.0)	(0.0)	*>100%*	3.6	2.1	*68.6%*	5.1	3.9	*30.7%*
Tax	36.4	22.5	*61.8%*	8.4	7.9	*5.7%*	3.7	3.4	*6.4%*	(0.3)	(0.7)	*(55.9%)*	48.1	33.1	*45.2%*
Normalised UNPATA[3,5]	80.7	52.5	*53.7%*	19.1	18.7	*2.0%*	8.5	8.0	*6.4%*	(0.6)	(1.2)	*(52.8%)*	107.6	77.9	*38.2%*
Normalised UNPATA margin[3,5]	*27.6%*	*22.6%*		*10.7%*	*10.0%*		*16.8%*	*16.5%*		*(12.2%)*	*(48.2%)*		*20.5%*	*16.5%*	
Warehouse normalisation	(16.3)	(11.5)	*(41.9%)*	-	-		-	-		(0.9)	0.0	*(>100%)*	(17.2)	(11.5)	*(49.9%)*
UNPATA[5]	64.3	41.0	*57.0%*	19.1	18.7	*2.0%*	8.5	8.0	*6.4%*	(1.5)	(1.2)	*24.3%*	90.4	66.4	*36.1%*
Statutory NPAT	64.3	40.9	*57.0%*	19.1	18.7	*2.0%*	8.2	7.3	*11.7%*	(1.5)	(2.5)	*(40.1%)*	90.1	64.4	*39.7%*
Discontinued operations[2] – Statutory NPAT	-	-	-	(6.5)	(32.2)	*79.8%*	-	-	-	-	-	-	(6.5)	(32.2)	*79.8%*
Statutory NPAT	64.3	40.9	*57.0%*	12.5	(13.5)	*>100%*	8.2	7.3	*11.7%*	(1.5)	(2.5)	*(40.1%)*	83.5	32.3	*>100%*

Footnotes 2–5, refer to Endnotes in Appendix 2.

Calendar

Final	FY24
Results Release	Tuesday, 27 August 2024
Ex-dividend	Thursday, 12 September 2024
Record date	Friday, 13 September 2024
Payment date	Friday, 27 September 2024

Endnotes

1 Electric Vehicles (EV) includes Battery Electric Vehicles (BEV) and Plug-in Hybrid Electric Vehicles (PHEV).

2 Continuing operations. All financial information and metrics in this presentation are from continuing operations only unless otherwise stated. In relation to discontinued operations, on 31 July 2023, the Group completed the sale of its Australian Asset Finance Aggregation business (trading as UFS and NFC) and, on 30 November 2023 the Group also completed the sale of its Asset Management Services UK business. As a result of these sales the Aggregation and UK businesses are no longer presented in the segment note and are discontinued operations.

3 Normalised refers to adjustments made for the negative earnings transitional period for the implementation of the funding warehouse, Onboard Finance ("Warehouse"). It normalises for the Warehouse's in-year operating and establishment expenses and for an adjustment for current commissions that would have otherwise been received in period had the sales been financed via a principal and agency funder rather than through the Warehouse. Normalised financials are stated for FY24 and FY23 and to be stated up to and including FY25. Normalised impacts were for FY24 Revenue $(4.8m), EBITDA $(23.2m), EBIT $(24.6m) and UNPATA of $(17.2m) and FY23 Revenue $(7.0m), EBITDA $(15.3m), EBIT $(16.4m) and UNPATA of $(11.5m).

4 Earnings before interest, tax, depreciation (excluding fleet and Warehouse assets) and amortisation (EBITDA) excludes the pre-tax impact of acquisition and divestment related activities and non operational items otherwise excluded from UNPATA on a post-tax basis.

5 Underlying net profit after tax and acquisition amortisation (UNPATA), being net profit after tax but before the after-tax impact of acquisition and divestment related activities and non operational items. UNPATA adjustments are detailed in Appendix 2.

6 Normalised return on capital employed (ROCE), is based on last 12 months' Normalised earnings before interest and tax (EBIT). Normalised EBIT (continuing operations for FY24 and total operations for FY23) is before the pre-tax impact of acquisition and divestment related activities and non operational items otherwise excluded from UNPATA on a post-tax basis. 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 and also includes add back for the Warehouse. Refer to appendix 2 for the calculation.


MMS