



McMillan
Shakespeare
Limited

FY19 Half Year Results Presentation

Presenters

Mike Salisbury, CEO

Mark Blackburn, CFO

Overview

Key Financial Metrics

Revenue up 1.2% to
\$273.1 million

EBITDA down 3.8% to
\$65.3 million

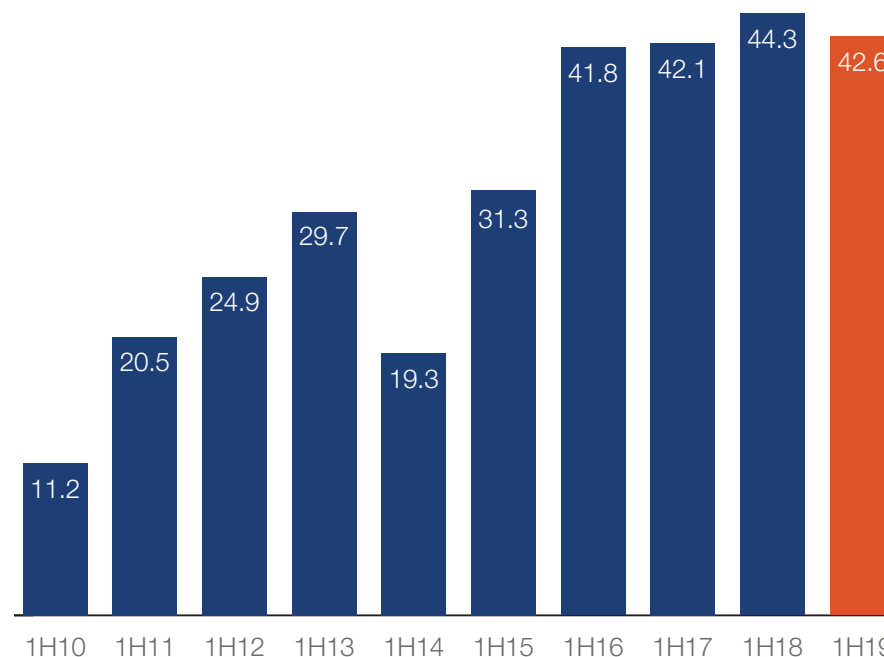
UNPATA¹ down 3.9% to
\$42.6 million

Underlying EPS down 4.1% to
51.5 cents/share

Fully franked dividend up 3.0% to
34.0 cents/share

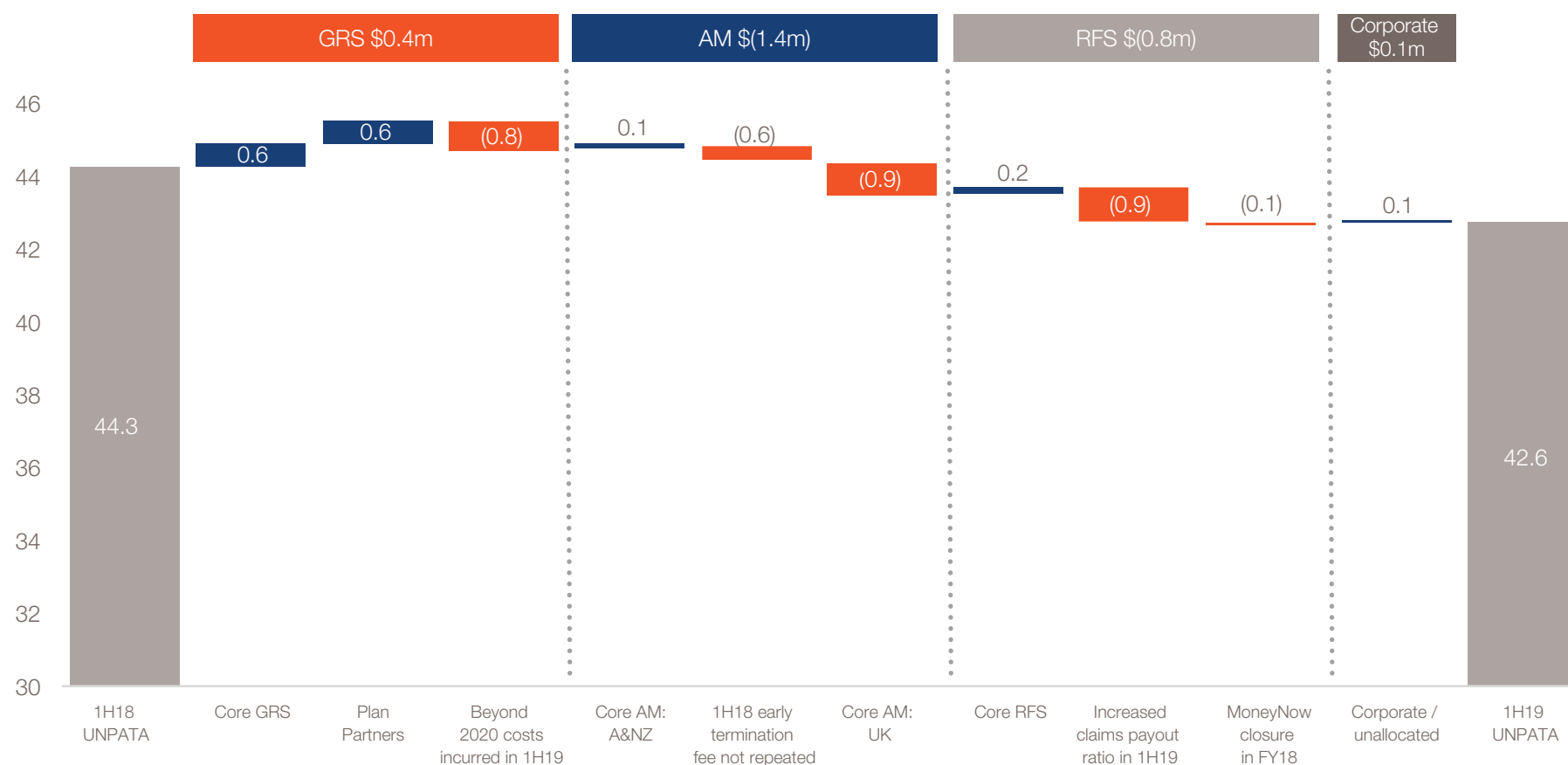
Compared to previous corresponding period (pcp)

1H UNPATA Performance (\$m)



¹ Underlying NPATA excludes one-off acquisition-related expenses, amortisation of acquisition intangibles and asset impairment of acquired intangible assets

Group UNPATA Bridge



Segment Scorecard

Segment	Stated strategy	1H19 impact
Group Remuneration Services	<ul style="list-style-type: none"> > Continue organic growth > Margin improvement via technology advancements > Broaden product suite 	<ul style="list-style-type: none"> – Solid growth across key revenue drivers, novated units up 7.0% and salary packages up 3.8% compared to pcp – Accelerated Beyond 2020 spend in first half (68% of FY19) has delivered improvement in productivity and novated lease conversion rates – EBITDA up 5.2%, UNPATA up 1.0% compared to pcp – Plan Partners achieved its first profitable month in December 2018
Asset Management	<ul style="list-style-type: none"> > Disciplined approach to growth > Grow capital light business model > Leverage UK asset finance platform to grow market share 	<ul style="list-style-type: none"> – A&NZ asset WDV up 8.9%, assets managed down 1.9% – P&A funding (capital light model) continues to grow, currently \$56m compared to \$23m pcp – Softer economic conditions in the UK coupled with increased expenditure for the broker network expansion resulted in UNPATA down 31.0% – NAF up 26.6%, however market conditions driving increased competition and lower margins
Retail Financial Services	<ul style="list-style-type: none"> > Partner of choice > Broaden asset class > Improve product design 	<ul style="list-style-type: none"> – Aggregation business providing a positive contribution – NAF up 8.2% and UNPATA up 5.9% compared to pcp – Re-positioned dealer warranty products with enhanced product value for consumers gaining market traction with revenue up 6.8% pcp – Overall UNPATA down 17.4% post closure of Money Now POS motor vehicle consumer finance business

Continued growth in customers and assets

Organic volume growth driving future profitability



339,100

Salary packages

↑ 3.8%



65,300

Novated leases

↑ 7.0%



44,795

Assets managed
(Units)

↑ 12.5 %



\$537m

Assets written
down value¹

↑ 2.0%



\$1,464m

Net amount financed³

↑ 8.6%



\$395m

End of period salary
packaging float²

↓ 1.0%



1,290

Average
Employees

↑ 4.9%



54.3

Net Promoter Score

Average monthly score for 1H19

↑ 14.8%

¹ Inclusive of on and off balance sheet funding in Australia, New Zealand and the UK

² Client monies in trust interest accruing to the Group

³ Represents finance originated for which a brokerage commission is derived

Note: Movements compared to prior corresponding period

Strategic growth priorities - Beyond 2020

Financial

- Front ended the Beyond 2020 expenditure to bring forward productivity and conversion rate improvements
- Remain on target to spend \$5.0m for FY19

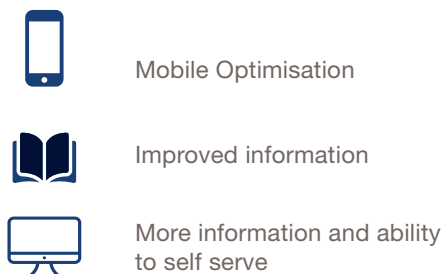
	FY19	1H19	1st Half Spend
Capex	(2.8)	(2.2)	79%
Opex	(2.2)	(1.2)	55%
Total	(5.0)	(3.4)	68%

Operational achievements

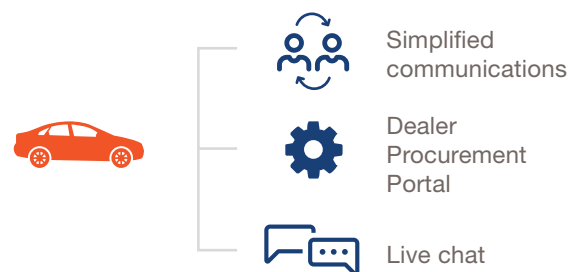
- Introduced robotic process automation
- Introduced digital vehicle purchasing (dealer portal)
- Increased self-serve footprint (i.e. payment status tracking, personal information updates, etc.)

Customer digital self-service	Online self-service payments	↑ 11.0%
Better buying	Novated lease conversions	↑ 4.0%
Automation and robotics	Robot to human productivity ratio	1: 3.5

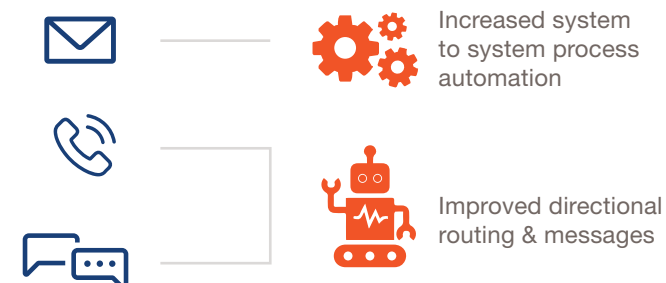
Customer Self-Service



Better Buying



Automation & Robotics



Strategic growth priorities – Maxxia UK

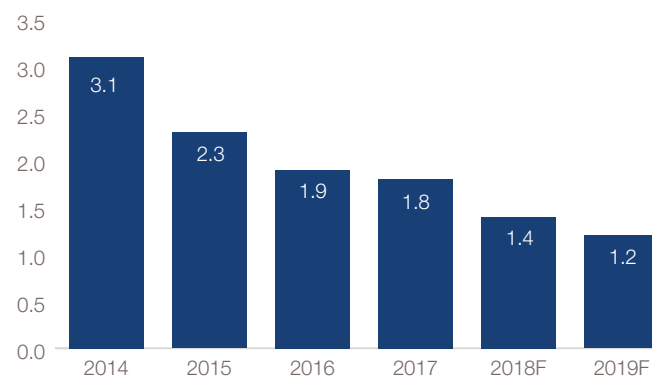
UK market conditions

- Brexit uncertainty dominates UK economic debate, with business investment confidence being impacted
- Vehicle registrations are down 7.5% for 1H19 compared to 1H18
- The central economic forecast for asset finance investment post-Brexit is modest growth at circa 2.0%pa to 2023

Maxxia UK impact

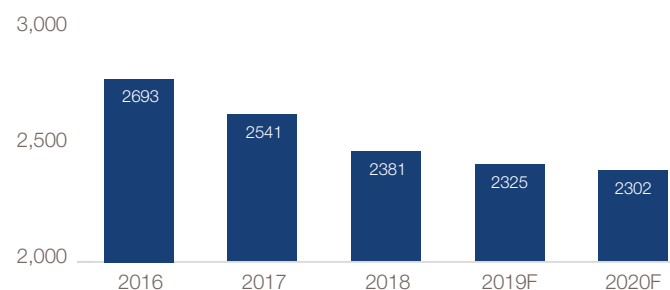
- Soft 1H19 with UNPATA declining from \$2.9m at 1H18 to \$2.0m at 1H19
- It is anticipated that these market conditions will remain in place during 2H19

UK GDP (%)



Source: Statista

UK Vehicle Registrations (000)



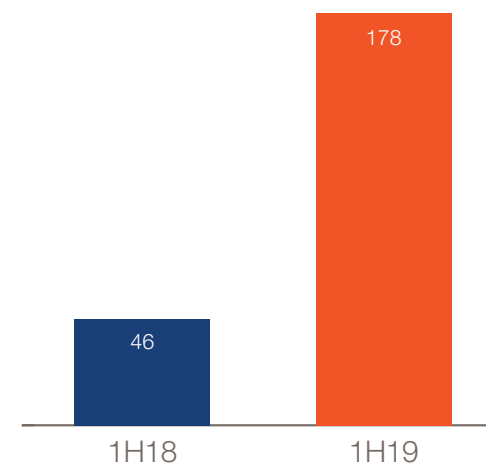
Source: SMMT 10/18

Strategic growth priorities – Plan Partners

- Plan Partners provides intermediary services, funding and payment administration to National Disability Insurance Scheme (NDIS) participants
- Increasing awareness and recognition of the value of plan management services and private sector involvement
 - > Steady growth in the percentage of NDIS plans issued with plan management funding
- Growth phase continuing as full rollout of the NDIS progresses
 - > WA license completes national presence
 - > Customer funding under management now \$178m
 - > Achieving increased share of the management of NDIS plans with plan management services
 - > Network of service providers expanded to 6,500
 - > Continued focus on development of systems capability to improve productivity
- Recorded its first month of profitability in December 2018



Client funding under management (\$m)



Eclipx (ECX) proposed merger

Merger announcement (8 November 2018)	<ul style="list-style-type: none"> > Creates a leading Australian and New Zealand salary packaging and fleet management company > Leverages existing operational and financial strength > Highly complementary and synergistic businesses with strong mutual cross-sell opportunities > Delivers an improved offering for clients and career development opportunities for employees
ECX NPATA¹ announcement (29 January 2019)	<ul style="list-style-type: none"> > ECX currently expects NPATA¹ for the year ended 30 September 2019 (FY19) will be broadly in-line with reported FY18 NPATA > Expected NPATA in FY19 reflects a number of factors including <ul style="list-style-type: none"> – Ongoing positive performance of the Australian and New Zealand commercial fleet and novated businesses – Operating initiatives and management changes in Right2Drive – The Consumer business is also experiencing softer retail market conditions – Grays continues to experience weakness in insolvency and industrial auctions > 1H FY19 NPATA is currently expected to be approximately 40% of the full FY19 NPATA > Commenced the implementation of a further cost reduction programme
MMS announcement (29 January 2019)	<ul style="list-style-type: none"> > Considering ECX NPATA announcement and further work required > First court hearing of 1 February 2019 will be rescheduled > A further update will be provided in due course

¹ NPATA is net profit after tax adjusted to exclude the after tax effect of the amortisation of intangible assets and material one-off adjustments or costs that do not reflect the ongoing operations of the business.

Financial Performance

Results Summary

\$m	1H19	1H18	Variance
Revenue ¹	273.1	269.7	1.2%
EBITDA	65.3	67.9	(3.8%)
<i>EBITDA margin (%)</i>	23.9%	25.2%	
NPBT	50.8	51.3	(1.2%)
NPAT (MMS share)	34.5	34.9	(1.2%)
Underlying NPATA	42.6	44.3	(3.9%)
Basic earnings per share (cents)	41.8	42.3	(1.2%)
Underlying earnings per share (cents) ¹	51.5	53.7	(4.1%)
Interim dividend per share (cents)	34.0	33.0	3.0%
Payout ratio (%) ²	66.0%	61.5%	
Free cash flow³	26.1	35.8	(27.1%)
Return on equity (%) ⁴	22.9%	23.1%	
Return on capital employed (%) ⁴	19.6%	18.8%	

1 1H18 Revenue has been re-stated to include revenue in AM (UK) from the sale of motor vehicles together with a corresponding increase in the cost of sales. There is no impact on EBITDA and UNPATA.

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

3 Free operating cash flow is before investing, financing activities and fleet increases.

4 Prior period comparatives have been restated to measure ROE and ROCE, which are based on first half UNPATA and underlying EBIT respectively, as annualised returns which exclude one-off acquisition related expenses, the amortisation of acquisition intangibles and the impairment of acquired intangible assets. Equity and capital employed used in the calculations includes the add back of impairment of acquired intangible asset charges incurred in the respective financial periods.

Balance Sheet

Strong balance sheet

\$m	31 December 18			30 June 18
	AM	Other	Group	Group
Cash at bank	40.3	72.6	112.9	99.7
Other current assets	24.3	38.0	62.3	59.4
Total fleet funded assets	490.6	0.0	490.6	483.7
Goodwill / intangibles	50.5	159.3	209.8	205.9
Other non-current assets	4.3	7.3	11.6	12.2
Total Assets	610.0	277.2	887.2	860.9
Current borrowings	3.0	11.5	14.5	14.5
Other current liabilities	37.3	91.4	128.7	133.8
Non-current borrowings	342.3	12.9	355.2	323.4
Other non-current liabilities	15.4	0.8	16.2	18.8
Total Liabilities	398.0	116.6	514.6	490.5
Net Assets	212.0	160.6	372.6	370.4

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 (\$72.6m) less corporate debt (\$24.4m) excludes fleet funded debt

5 AM net debt (current and non-current borrowings less cash) / total fleet funded assets

Group

Net debt to EBITDA¹

2.0x

Group gearing²

41 % vs 39% pcp

Interest times cover³

10.7x vs 7.7x pcp

Net cash (excl. fleet funded debt)⁴

\$48.2 million

Specific

AM net debt to funded fleet WDV⁵

62 % vs 59% pcp

Compared to previous corresponding period (pcp)

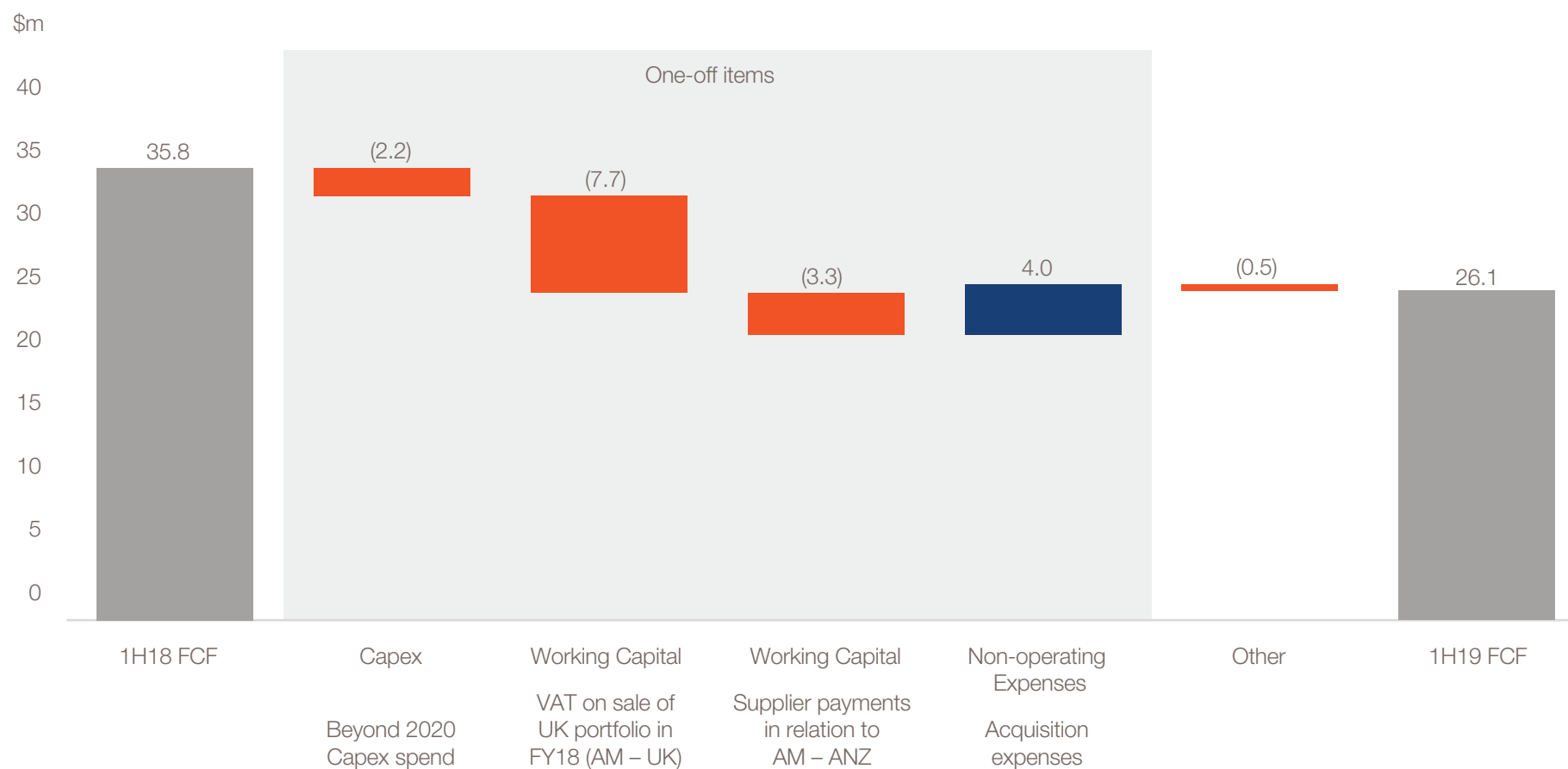
Funds Flow

Group cash flow impacted by timing issues affecting AM working capital

	1H19					1H18
	Group Remuneration Services	Asset Management	Retail Financial Services	Unallocated / parent co.	MMS Group Total	MMS Group Total
\$m						
NPAT	29.7	5.3	2.7	(3.3)	34.4	34.9
Non-fleet deprn/amort, reserves and other non-cash items	3.3	5.0	1.9	-	10.2	18.1
Capex (non fleet) and software upgrade	(6.7)	(1.6)	(0.8)	-	(9.1)	(6.3)
Non operating expense relocated	-	-	-	4.0	4.0	-
Tax payments in excess of tax expense	(3.1)	(1.7)	(0.2)	-	(5.0)	(6.2)
Working capital inflow / (outflow)	0.4	(12.2)	3.4	-	(8.4)	(4.7)
Free cashflow before fleet increase	23.6	(5.2)	7.0	0.7	26.1	35.8
<i>Investing activities and fleet increases:</i>						
Net growth in Asset Management portfolio	-	(60.6)	-	-	(60.6)	(25.5)
Sale of fleet portfolio	-	55.2	-	-	55.2	-
Subordinated loan made to UK JV	-	-	-	-	-	(0.9)
Acquisition expenses	-	-	-	(4.0)	(4.0)	-
Equity contribution to subsidiary companies	-	2.8	-	(2.8)	-	-
Free cashflow	23.6	(7.8)	7.0	(6.1)	16.7	9.4
<i>Financing activities:</i>						
Equity contribution (exercise of options)	-	-	-	-	-	1.9
Intercompany working capital funding	6.5	(2.3)	(4.2)	-	-	-
Debt borrowing (repayments)	-	(76.5)	-	(5.8)	(82.3)	(45.0)
New borrowings	-	111.9	-	-	111.9	51.0
Dividends paid	-	-	-	(33.1)	(33.1)	(28.9)
Net cash movement	30.1	25.3	2.8	(45.0)	13.2	(11.6)
Opening cash (June)					99.7	59.4
Closing cash (December)					112.9	47.8

Funds Flow Bridge

FCF¹ impacted by a number of one-off items, expect FCF to revert to normal levels



¹ Free cashflow (FCF) before fleet investing activity.

Performance Ratios

		10 year historical performance										
		1H19	1H18	1H17	1H16	1H15	1H14	1H13	1H12	1H11	1H10	CAGR
Revenue	\$m	273.1	269.7	251.2	244.3	182.5	162.5	161.5	143.5	136.7	43.6	22.6%
EBITDA	\$m	65.3	67.9	66.6	65.2	47.4	32.6	44.7	38.9	35.4	17.0	16.2%
EBITDA margin	%	23.9%	25.2%	26.5%	26.7%	26.0%	20.1%	27.7%	27.1%	25.9%	38.9%	
UNPATA	\$m	42.6	44.3	42.1	41.8	31.3	19.3	29.7	24.9	20.5	11.2	16.0%
UNPATA margin	%	15.6%	16.4%	16.8%	17.1%	17.2%	11.9%	18.4%	17.4%	15.0%	25.7%	
Underlying earnings per share	cents	51.5	53.7	50.6	50.6	41.4	25.8	33.9	36.3	30.2	16.6	13.4%
Dividend per share	cents	34.0	33.0	31.0	29.0	25.0	21.0	24.0	22.0	16.0	10.0	14.6%
Payout ratio (UNPATA)	%	66.0%	61.5%	61.2%	57.4%	60.4%	81.4%	70.8%	60.6%	53.0%	60.2%	
ROE ¹	%	22.9%	23.1%	22.5%	24.7%	26.5%	19.4%	34.1%	39.7%	42.9%	37.6%	
ROCE ¹	%	19.6%	18.8%	19.2%	19.8%	22.3%	16.6%	28.3%	30.2%	28.4%	108.6%	
Free cash flow (FCF) from operations	\$m	26.1	35.8	34.2	53.9	32.2	26.6	27.4	25.5	15.4	13.2	7.9%
FCF as % of UNPATA	%	61.3%	80.8%	81.2%	128.9%	102.9%	137.8%	92.3%	102.4%	75.1%	117.9%	

¹ Prior period comparatives have been restated to measure ROE and ROCE, which are based on first half UNPATA and underlying EBIT respectively, as annualised returns which exclude one-off acquisition related expenses, the amortisation of acquisition intangibles and the impairment of acquired intangible assets. Equity and capital employed used in the calculations includes the add back of impairment of acquired intangible asset charges incurred in the respective financial periods.

Segment performance

Segment Review

\$m	Group Remuneration Services			Asset Management			Retail Financial Services			Unallocated			Total		
	1H19	1H18	%	1H19	1H18	%	1H19	1H18	%	1H19	1H18	%	1H19	1H18	%
Revenue	106.0	99.6	6.4%	124.2	120.4	3.2%	42.3	48.9	(13.5%)	0.6	0.7	(15.7%)	273.1	269.7	1.2%
Expenses	59.7	55.6	7.2%	111.1	104.0	6.9%	36.2	41.3	(12.3%)	0.8	0.8	15.3%	207.8	201.6	3.1%
EBITDA	46.3	44.0	5.2%	13.1	16.4	(20.6%)	6.1	7.6	(19.7%)	(0.2)	(0.1)	>(100%)	65.3	67.9	(3.8%)
EBITDA margin (%)	43.7%	44.2%		10.5%	13.7%		14.4%	15.5%		(36.8%)	(14.3%)		23.9%	25.2%	
D&A of PPE and software	3.8	2.7	40.7%	0.7	1.6	(56.3%)	0.4	0.7	(50.0%)			-	4.9	5.1	(3.9%)
Amortisation and impairment of intangibles (acquisitions)			-	1.0	0.9	11.1%	1.6	16.6	(90.4%)			-	2.6	17.6	(85.1%)
Deferred consideration FV adjustment			-	2.6	(6.5)	>100%			-			-	2.6	(6.5)	>100%
Corporate interest expense			-			-			-	0.5	0.6	(27.5%)	0.5	0.6	(27.5%)
Acquisition expenses			-			-			-	4.0	-	>100%	4.0	-	>100%
NPBT	42.5	41.3	3.2%	8.8	20.4	(57.1%)	4.1	(9.7)	>(100%)	(4.7)	(0.7)	>(100%)	50.7	51.3	(1.2%)
Tax	12.9	12.3	4.9%	3.5	3.8	(7.9%)	1.4	0.8	75.0%	(1.4)	(0.2)	>(100%)	16.4	16.7	(1.8%)
NPAT	29.6	28.9	2.4%	5.3	16.6	(68.3%)	2.7	(10.5)	>100%	(3.3)	(0.5)	>(100%)	34.4	34.6	(0.8%)
Outside Equity Interest - Plan Partners	0.1	0.3	(66.7%)	-	-	-	-	-	-	-	-	-	0.1	0.3	(66.7%)
NPAT (MMS Interest)	29.7	29.4	1.0%	5.3	16.6	(68.3%)	2.7	(10.5)	>100%	(3.3)	(0.5)	>(100%)	34.5	34.9	(1.2%)
UNPATA	29.7	29.4	1.0%	9.5	10.9	(12.8%)	3.8	4.6	(17.4%)	(0.4)	(0.5)	20.0%	42.6	44.3	(3.8%)

Group Remuneration Services (GRS)

Continued outperformance with strong novated leasing volume growth

\$m	1H19	1H18	Variance
Revenue	106.0	99.6	6.4%
Employee expenses	43.5	42.3	2.8%
Property & other expenses	16.2	13.3	21.8%
EBITDA	46.3	44.0	5.2%
EBITDA margin	43.7%	44.1%	
Depreciation	3.8	2.7	40.7%
Tax	12.9	12.3	4.9%
UNPATA¹	29.6	29.1	1.7%
UNPATA margin	27.9%	29.0%	
OEI - Plan Partners	0.1	0.3	(66.7%)
UNPATA (MMS share)	29.7	29.4	1.0%
UNPATA margin	28.0%	29.3%	
Key metrics			
Salary packages (units)	339,100	326,800	3.8%
Novated leases (fleet units)	65,300	61,000	7.0%
Direct employees (FTE's) ²	635	590	7.5%
Key financials excluding impact of interest³			
Revenue	101.2	95.0	6.5%
EBITDA	41.5	39.4	5.3%

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

- Solid revenue growth underpinned by a 3.8% increase in salary packages and a 7.0% increase in novated leasing units on pcp
 - > New business growth driven by the private sector creating higher growth in novated lease opportunities
- Delivered enhanced insurance products
- FY19 Beyond 2020 investment of \$5.0m front ended with \$1.2m in operating expenses and \$2.2m in capital expenditure spent in the first half
 - > Productivity and novated leasing conversion rates increasing
- Employee increase supporting Plan Partners expansion
- Plan Partners recorded its first profitable month in December 2018

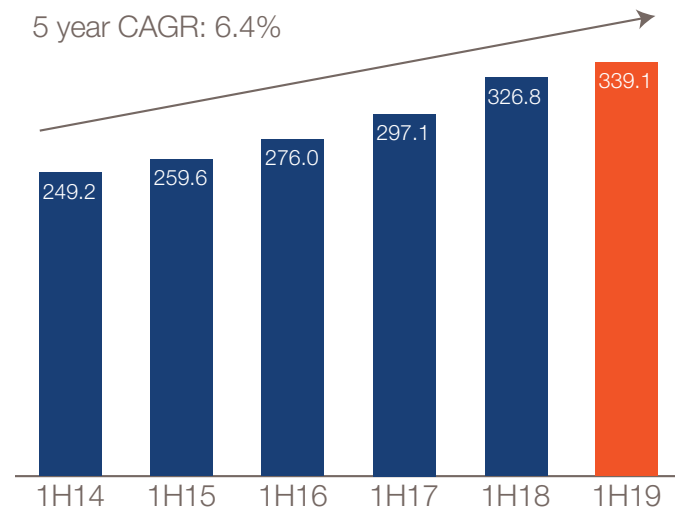
Outlook

- Continue the development of technology and systems via Beyond 2020 initiative
 - > Capital and operational costs to decrease in 2H19 with improved productivity and conversion rates
- Plan Partners 2H19 profit contribution

GRS

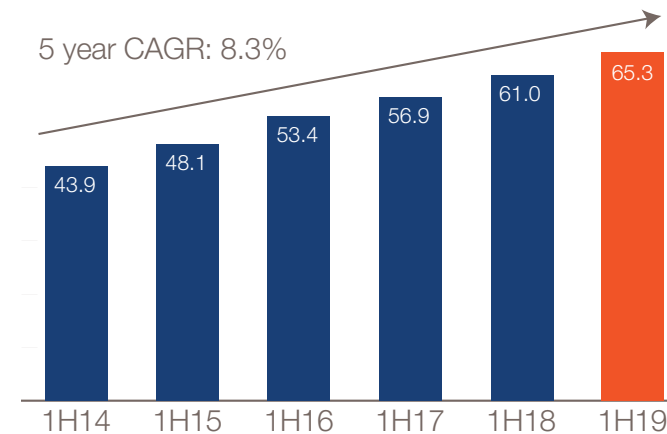
Operating metrics

Salary packages (000's)¹



- Net new clients: 7,000 packages
- Increased participation: 5,300 packages

Novated vehicles (000's)²



- Net new clients: 2,000 vehicles
- Increased participation: 2,300 vehicles

¹ Total number of salary packages at period end

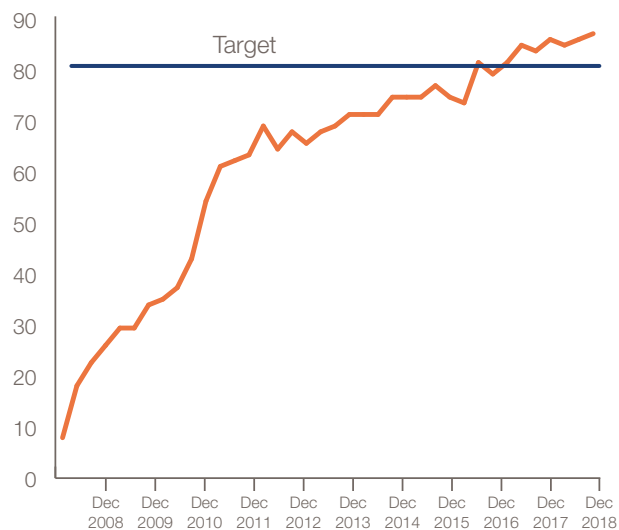
² Novated leases under management at period end

Note: New clients are organisations who commenced during the period

GRS

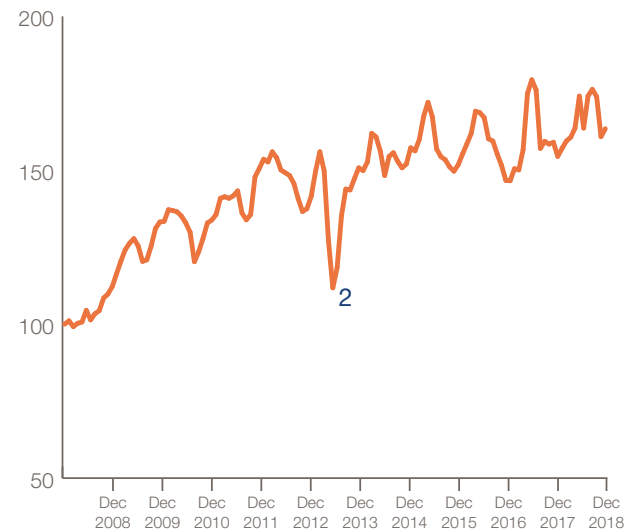
Technology investments drive new levels of innovation and productivity

On-line claims take-up rate (%)

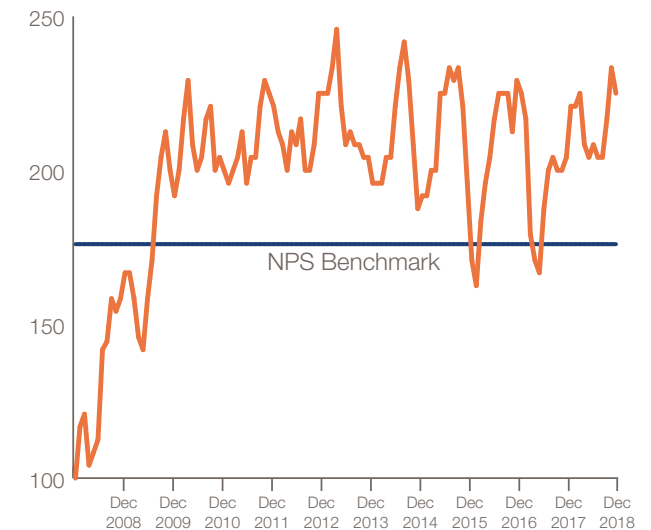


■ 85% at 31 December 2018

Productivity index¹



Customer satisfaction index³



■ 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

Disciplined and focused strategy with reducing capital intensity

\$m	1H19	1H18	Variance
Revenue	93.3	91.5	2.0%
Fleet depreciation	34.3	36.6	(6.3%)
Lease and vehicle management expenses	34.8	30.6	13.7%
Employee expenses	7.7	6.6	16.7%
Property and other expenses	5.5	5.2	5.8%
EBITDA	11.0	12.5	(12.0%)
EBITDA margin	11.8%	13.7%	
Depreciation	0.3	1.3	(76.9%)
Tax	3.2	3.2	-
UNPATA¹	7.5	8.0	(6.3%)
UNPATA margin	8.0%	8.7%	
Key Metrics			
Return on assets (%)	4.0%	4.8%	
Assets managed (units) ²	21,200	21,600	(1.9%)
– Funded (units)	12,500	13,050	(4.2%)
– Managed (units)	6,800	7,800	(12.8%)
– P&A (units)	1,900	750	153.3%
Assets written down value (\$m)	376.6	345.8	8.9%
– On balance sheet (\$m)	320.3	323.1	(0.9%)
– Off balance sheet (\$m)	56.3	22.7	148.0%
Direct employees (FTE's) ³	98	83	18.0%

Commentary

- Assets managed has declined 1.9% compared to pcg
- Asset WDV increasing by 8.9% compared to pcg
- Novated lease 'buy back' initiative conversion rates and margins on plan
- Employee expense partly driven by establishment of second Just Honk Used Car yard in NSW
- Miles platform fully depreciated last year
- Focus on capital light funding on track, with \$56m off balance sheet
- No change in market conditions regarding residual values

Outlook

- Market remains competitive with some opportunity for growth
- Additional P&A funder expected to be finalised in 2H19 providing further reduction in on-balance sheet funded assets

¹ NPAT and UNPATA are the same

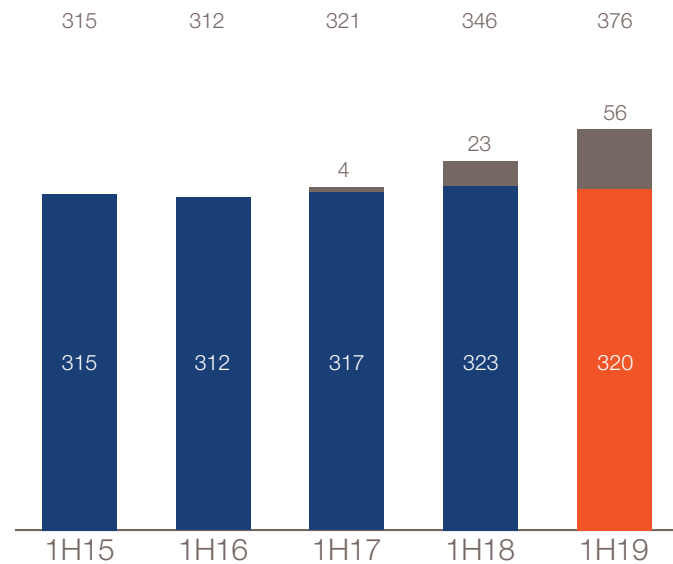
² Assets managed comprises operating and finance leases and fleet managed vehicles

³ Average direct employees for the period

AM – Australia & New Zealand

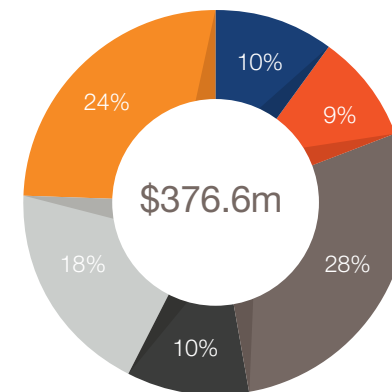
Operating metrics

Fleet assets written down value (\$m)¹



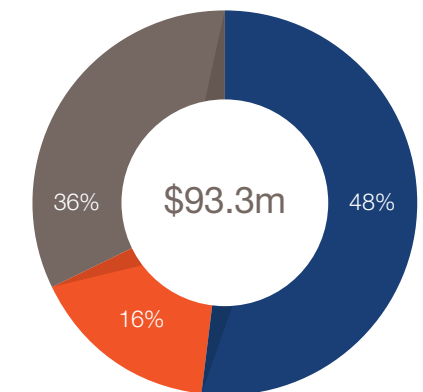
■ Fleet assets funded utilising P&A

1H19
WDV breakdown



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

1H19
Revenue breakdown



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

AM – United Kingdom

Current economic conditions and broker expansion resulted in softer 1st half result

\$m	1H19	1H18	Variance
Revenue³	30.9	28.9	6.9%
Lease and vehicle mgmt. expenses	15.1	14.2	6.3%
Employee expenses	7.8	6.5	20.0%
Share of JV	0.7	0.5	40.0%
Property and other expenses	5.2	3.7	40.5%
EBITDA	2.1	4.0	(47.5%)
<i>EBITDA margin</i>	6.8%	13.8%	
Depreciation	0.4	0.3	33.3%
Amortisation of intangibles	1.0	0.9	11.1%
Deferred consideration FV adjustment	2.6	(6.5)	>100%
Tax	0.3	0.6	(50.0%)
NPAT	(2.2)	8.6	>(100%)
<i>NPAT margin</i>	(7.1%)	29.8%	
UNPATA	2.0	2.9	(31.0%)
<i>UNPATA margin</i>	6.5%	10.0%	
Key Metrics			
Assets managed (units)	23,595	18,210	29.6%
Assets written down value (\$m) ¹	160.0	180.4	(11.3%)
Net amount financed (\$m)	484.9	383.1	26.6%
- On balance sheet (\$m)	121.7	71.2	70.9%
- Off balance sheet (\$m)	363.2	311.9	16.4%
Direct employees (FTE's) ²	242	211	14.6%

1 On MMS balance sheet

2 Included in assets written down value

3 Average period direct employees

Commentary

- Experienced softer than expected start to FY19
 - > Uncertainty surrounding Brexit
 - > Disruption to new vehicle sales flowing from manufacturers requirements to meet new vehicle emission standards
 - > Strong NAF growth offset by reduced margins
- Assets managed increased by 30% to 23,600 units
- EBITDA margin impacted by
 - > Increased employees to expand broking network into new regions
 - > Acquisition costs of \$0.9m (excluded in UNPATA)
- Asset portfolio sales totalled \$65m for the half due to ROCE focus

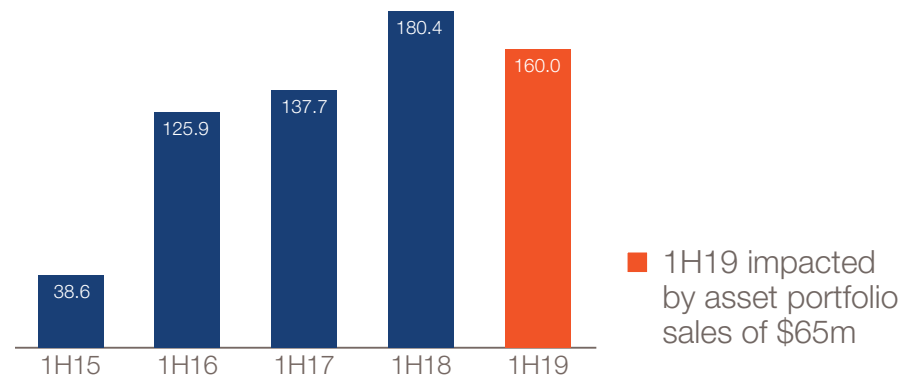
Outlook

- Current subdued trading conditions expected to remain for the second half

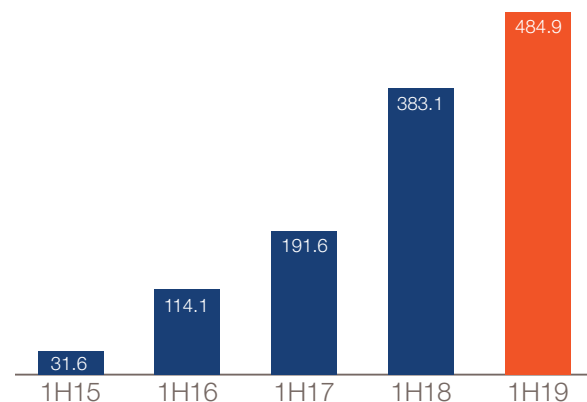
AM – United Kingdom

Operating metrics

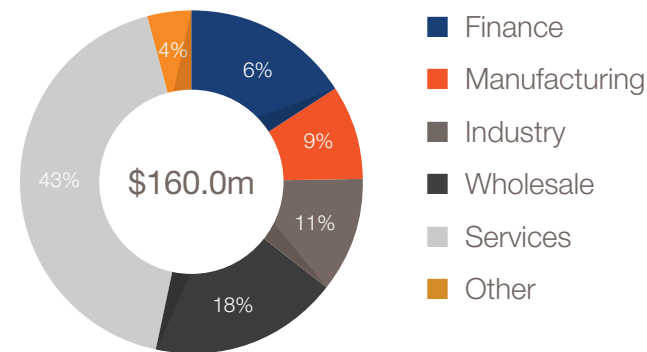
Assets written down value (\$m)



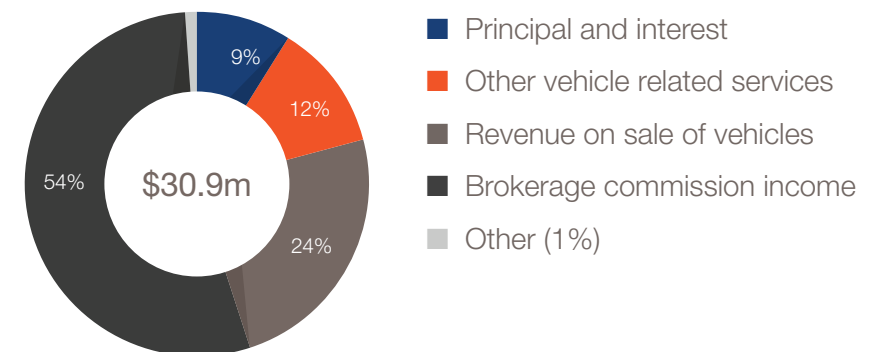
Net amount financed (\$m)



1H19 WDV breakdown



1H19 Revenue breakdown



Retail Financial Services (RFS)

Business well positioned for a sustainable future

\$m	1H19	1H18	Variance
Revenue	42.3	48.9	(13.5%)
Brokerage commissions	19.2	21.8	(11.9%)
Employee expenses	9.0	10.7	(15.9%)
Net claims	6.3	5.1	23.5%
Property and other expenses	1.7	3.7	(54.1%)
EBITDA	6.1	7.6	(19.7%)
EBITDA margin	14.4%	15.5%	
Depreciation	0.4	0.7	(50.0%)
Amortisation of intangibles	1.6	2.6	(38.5%)
Impairment of intangibles	-	14.0	(100.0%)
Tax	1.4	0.8	75.0%
NPAT	2.7	(10.5)	(125.5%)
NPAT margin	6.4%	(21.7%)	
UNPATA	3.8	4.6	(17.4%)
UNPATA margin	9.0%	9.4%	
Key Metrics			
Net amount financed (\$m)	533.2	534.7	(0.3%)
- Aggregation (\$m)	521.5	481.9	8.2%
- Retail (\$m)	11.7	52.8	(77.9%)
Employees (FTE's) ¹	88	133	(33.8%)

Commentary

- Result impacted by first full trading period post closure of Money Now (MN) point of sale motor vehicle consumer finance business together with continued market and regulatory uncertainty
 - > MN UNPATA contribution in 1H18 circa \$0.1m, with 45 FTE's
- Redesigned warranty products in place
- Successful launch of new general insurance product range
- Re-positioned Aggregation business performed well for the half
 - > Aggregation NAF and profit contribution up on 1H18
 - > Changes in lender composition and the introduction of flex commissions changes from 1 November 2018 managed successfully

Outlook

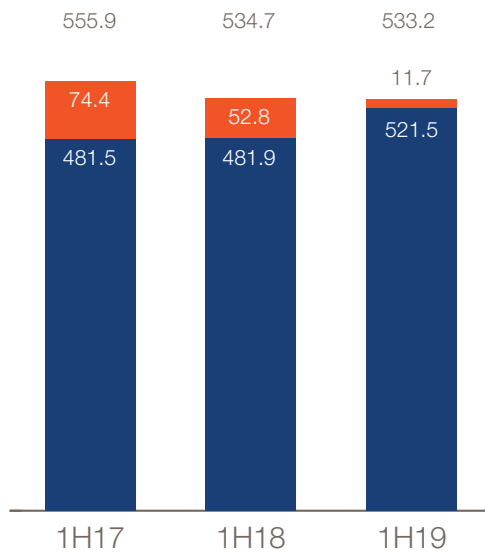
- Royal Commission recommendations to provide desired clarity
- Business well positioned to respond to new regulatory environment
- Maintain and enhance strong partnerships with lenders and brokers

¹ Average direct employees for the period

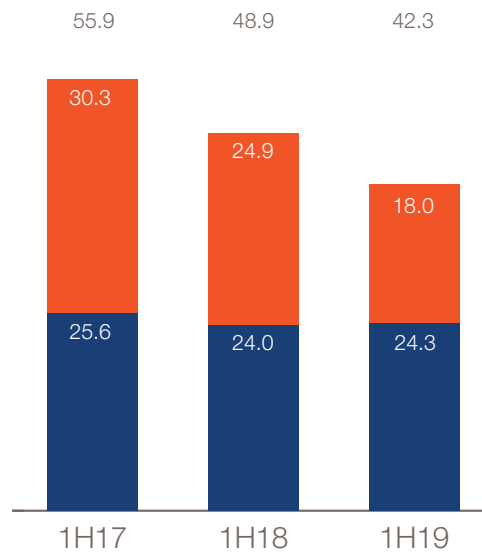
RFS

Operating metrics

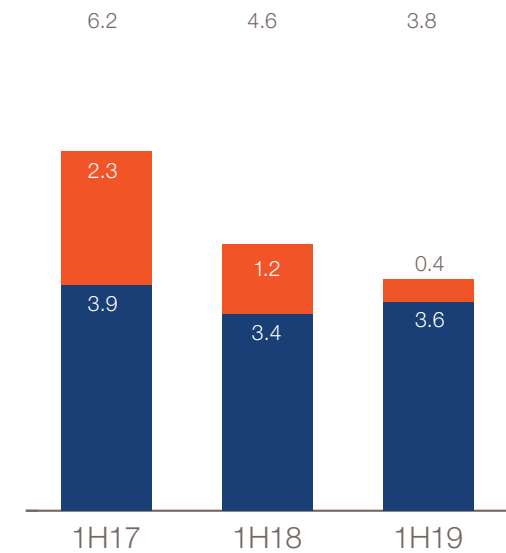
Net amount financed (\$m)



Revenue breakdown (\$m)



UNPATA breakdown (\$m)



■ Aggregation
■ Retail

Summary

Summary

- Consistent execution of strategic growth priorities driving solid growth in customers and assets
- Outperformance in novated leasing - deep expertise and capability driving ongoing growth
- UNPATA decline on pcg driven by:
 - > Accelerated investment in Beyond 2020
 - > Re-positioned RFS business
 - > Macro issues in the United Kingdom
- Long term growth strategy remains in place
 - > Beyond 2020 – investment to drive sales growth & reduce operating costs
 - > Plan Partners – achieved first profitable month in December 2018, will be profitable in 2H19
 - > UK – expansion of our existing platform
- Given recent ECX announcement further work is being undertaken, with an update to be provided in due course

Appendix

Key continuing initiatives for building long term shareholder value

▶ Broadening the suite of high quality products and industry leading service to drive organic growth










▶ Investing in technology resulting in an improved customer experience and lower operating cost

▶ Capturing synergy benefits from a fully integrated business

▶ Continuing to deliver high returns on capital and free cash flow

▶ Selectively approaching acquisitions to complement organic growth

Complementary diversification across the MMS Group

	Group Remuneration Services	Asset Management	Retail Financial Services
Brands	 	      	 
Primary service	<ul style="list-style-type: none"> – Salary packaging – Novated leases 	<ul style="list-style-type: none"> – Vehicle fleet leasing and mgt – Vehicle finance, insurance and broking – Used vehicle retail sales 	<ul style="list-style-type: none"> – Vehicle finance, insurance and warranty broking
Customers	<ul style="list-style-type: none"> – Hospitals, health & charity workers – Public and private sector 	<ul style="list-style-type: none"> – Predominantly corporate customer base – Dealer, broker and retail network 	<ul style="list-style-type: none"> – Retail customer base – Dealer, broker and retail network
Distribution	<ul style="list-style-type: none"> – Over 1,300 customers – Circa 1.2 million employees 	<ul style="list-style-type: none"> – Over 450 customers – Select brokers and dealers 	<ul style="list-style-type: none"> – 5,200+ active dealers – 200 finance brokers
Key operating statistics	<ul style="list-style-type: none"> – 339,100 salary packages – 65,300 novated leases 	<ul style="list-style-type: none"> – 44,795 total assets managed – \$537m total assets funded¹ 	<ul style="list-style-type: none"> – \$533m net amount financed
Growth strategy	<ul style="list-style-type: none"> – Organic growth via existing clients and new business – Broaden product suite – Consider strategic acquisitions 	<ul style="list-style-type: none"> – Continue P&A funding arrangements (“capital light” business model) – Expand Just Honk Used Cars nationally – Consider selective acquisitions to expand UK presence 	<ul style="list-style-type: none"> – Organic growth and capture of all identified synergies (revenue and cost)

¹ Total assets funded on and off balance sheet

Funding Overview

- Extended UK facilities beyond 12 months at same terms and pricing consistent with upper investment grade benchmarks
- Increased capital-efficient off balance sheet funding of lease portfolio by 39% in 1H19

		Local Currency		Australian Dollars (\$m)			Duration
		Currency	Facility size	Facility size	Amount drawn	Amount undrawn	
Asset Financing Australia	Revolving	A\$	190.0	190.0	180.8	9.2	(A\$95m) 31 March 2020
Asset Financing New Zealand	Revolving	NZ\$	31.5	30.0	26.1	3.9	(A\$125m) 31 March 2021
Asset Financing UK	Revolving	GBP	89.0	160.3	125.0	35.3	(UK£35m) 31 January 2020 (UK£42m) 31 March 2020 (UK£12m) 31 March 2021
Purchase of Presidian Australia	Amortising	A\$	25.7	24.3	24.3	-	31 March 2020
Purchase of CLM UK	Amortising	GBP	3.0	5.4	5.4	-	31 January 2021
Purchase of EVC/Capex UK	Amortising	GBP	4.7	8.4	8.4	-	31 March 2022
Revolving total				380.3	331.9	48.4	
Amortising total				38.1	38.1	-	
Total				418.4	370.0	48.4	

Risks and sensitivities

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

Reconciliation between NPAT and UNPATA

\$m	1H19	1H18	Variance
NPAT	34.5	34.9	(1.2%)
1. Amortisation of intangibles from acquisitions after tax	1.8	1.9	(5.3%)
2. Deferred consideration after tax	2.7	(6.5)	>100%
3. Asset impairment in relation to warranty and insurance business after tax	-	14.0	>(100%)
4. Due diligence costs after tax	3.6	-	>100%
UNPATA	42.6	44.3	(3.9%)

1. Amortisation of intangible assets acquired on business combination
2. The deferred consideration for Anglo Scottish was released in FY18 and renegotiated in 1H19
3. Impairment to the carrying value of intangibles for the warranty and insurance business
4. Due diligence costs incurred in relation to potential acquisitions

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