



McMillan Shakespeare 2021 AGM Report

ASX Code	MMS
Meeting Time/Date	10am, Monday 22 November 2021
Type of Meeting	Virtual
Proxy Collector	Mike Muntisov
Pre AGM Meeting?	No

Shortage of vehicles to continue

What the Company Does

McMillan Shakespeare operates three main divisions across Australia, New Zealand and the UK. The largest (by profit) is Group Remuneration Services, which provides administration services for salary packaging and novated vehicle leases. Within this division is Plan Partners which provides plan management services to NDIS participants. The Asset Management division provides vehicle fleet management services. Retail Financial Services provides vehicle financing and insurance services.

Proceedings at the AGM

The meeting was an audio-only virtual meeting. The meeting was the first hosted by new Chair Helen Kurincic.

The impact of COVID and shortage of new vehicles caused by supply chain issues featured in both the Chairman and CEO addresses. Nevertheless the underlying profit in FY21 grew by 15%.

Among the new initiatives discussed were the sale to a management buyout of the Retail Financial Services division, and the implementation of a revolving 'Warehouse' as an additional source of funding for novated leases. The warehouse will initially reduce underlying NPAT by \$4-\$5m in FY22 but is expected to be positive in following years.

The Plan Partners business appears to be growing rapidly with funds under administration growing by 73% to \$1.2B and support hours growing 43%. An acquisition of a NSW-based plan provider, Plan Tracker, was made subsequent to FY21 close and other M&A opportunities are being considered.

The meeting also heard from the Group's Sustainability Manager, as well as the leaders of the Plan Partners and Group Remuneration Services businesses.

New director Bruce Akhurst was easily elected as were long-time director Ross Chessari, and former chairman Tim Poole who, at the Board's request, is staying on for one year to aid in transition. Another director is expected to be appointed in this time.

There were several questions but the answers were high level and provided no additional insights into the company. All resolutions were passed very comfortably.

The Chair stated that her preference was to hold a Hybrid meeting at next year's AGM.

Outlook Statements from the Company

The company expected vehicle supply constraints to continue through to the end of Calendar Year 2022.

The following slide is from the company's AGM presentation.

MMS – Annual General Meeting 2021

FY22 update

Market conditions

- > Novated order activity increasing in NSW & Victoria following easing of COVID-19 restrictions
- > Auto supply constraints expected to continue through CY22 resulting in growth in carryover
- > Strong second hand vehicle market now contributing to increased remarketing yields in the UK

Growth priorities

- > Plan Partners continued growth:
 - Positive organic growth opportunity with number of participants expected to reach 859,000 by 2030
- > Plan Tracker integration well progressed
- > Warehouse ready to go live:
 - Strong interest from funders
 - Awaiting credit licence from ASIC
- > RFS Retail sale completed

Meeting Statistics

Number of Holdings Represented by ASA	34 (last year 29)
Number of Shares represented by ASA	182,000 (last year 183,000)
Value of Shares represented by ASA	\$2.4m (last year \$1.7m)
Number Attending Meeting	9 shareholders/proxy plus 39 visitors (last year 10 plus 34)
Market capitalisation	\$1.0B
Were proxies voted?	Yes, on a poll

Monitor Shareholding

The individual(s) (or their associates) involved in the preparation of this voting intention has no shareholding in this company.

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