



The Tower, Melbourne Central,  
Floor 21, 360 Elizabeth Street, Melbourne VIC 3000

Phone: 03 9097 3000  
[www.mmsg.com.au](http://www.mmsg.com.au)

**20 February 2024**

Manager Company Announcements  
ASX Limited  
20 Bridge Street  
SYDNEY NSW 2000

**By E-lodgement**

**McMillan Shakespeare Limited (MMS, the Company) Interim Results Investor Presentation**

This release contains an announcement to the Australian Securities Exchange Limited (ASX) regarding the FY24 Interim Results Investor Presentation.

The Company advises it will host its 1HFY24 Results Presentation on Tuesday 20 February 2024 at 9:00am. Investors can access the presentation using the following details:

- Webcast link: <https://webcast.openbriefing.com/mms-hyr-2024/>
- Dial-in number: 1800 954 501; Conference ID: 10036157

This announcement was authorised for release by the Board of MMS.

For more information please contact:

**Ashley Conn**  
CFO and Company Secretary  
McMillan Shakespeare Limited

For personal use only

**MMS 1HFY24**  
**Results Presentation**  
20 February 2024

**Presenters**

**Rob De Luca**  
CEO & Managing Director

**Ashley Conn**  
CFO & Company Secretary

**MMS**

For personal use only

# 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 its 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.



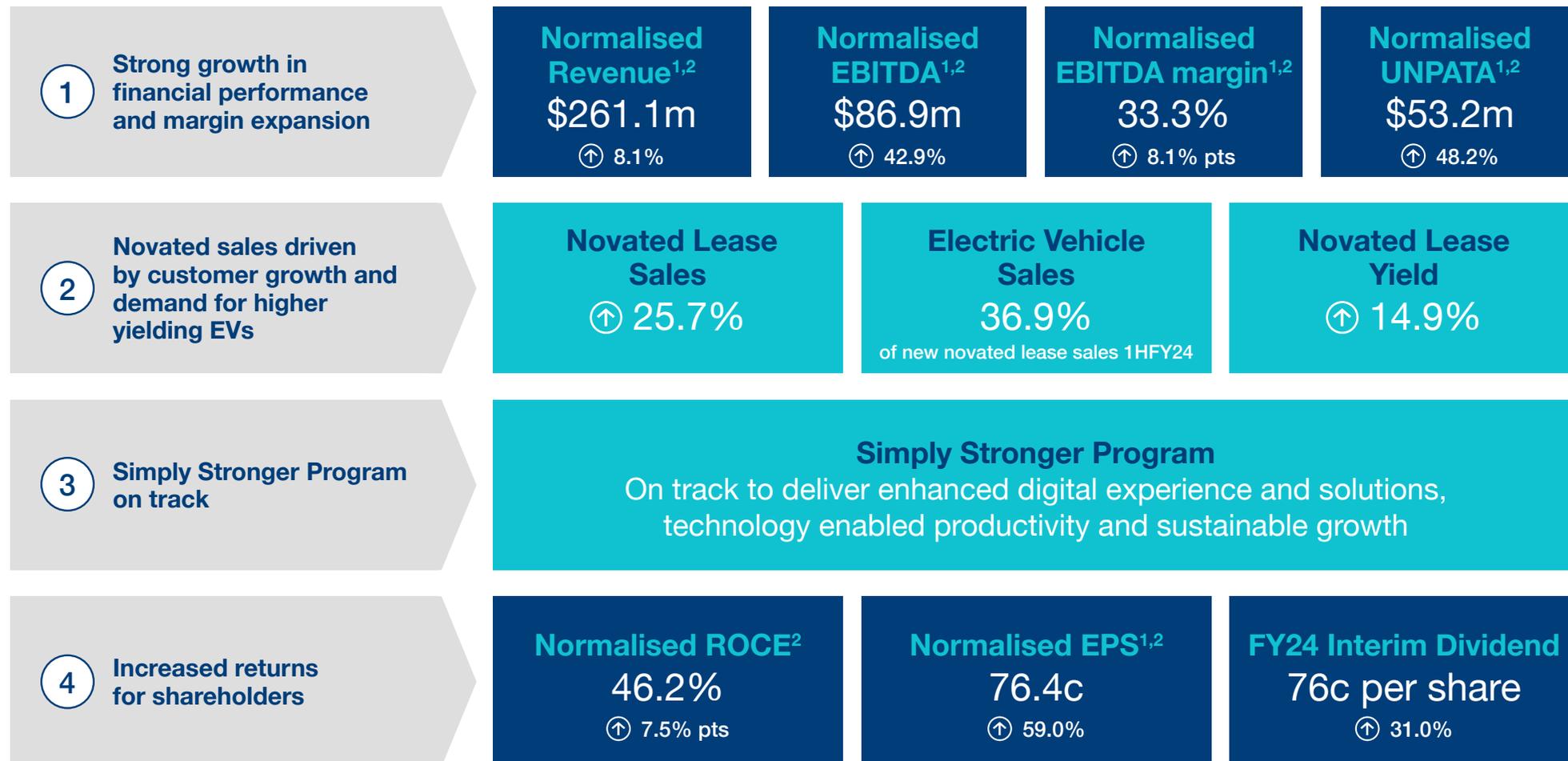
We acknowledge the  
Traditional Owners of the lands on  
which we meet today and pay our  
respects to Elders past and present.

For personal use only

# 1HFY24 Overview

# 1HFY24 Highlights

For personal use only



1 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.

2 Refer page 3 for definition of "Normalised".

# 1HFY24 Financial performance

Continuing operations <sup>1</sup>	1HFY24	1HFY23	Variance
Normalised Revenue <sup>2</sup> (\$m)	261.1	241.6	⬆️ 8.1%
Normalised EBITDA <sup>2,3</sup> (\$m)	86.9	60.8	⬆️ 42.9%
Normalised EBITDA margin <sup>2,3</sup> (%)	33.3%	25.2%	⬆️ 8.1% pts
<b>Normalised UNPATA<sup>2,4</sup> (\$m)</b>	<b>53.2</b>	<b>35.9</b>	<b>⬆️ 48.2%</b>
UNPATA <sup>4</sup> (\$m)	43.9	32.6	⬆️ 34.8%
Statutory NPAT (\$m)	43.8	31.8	⬆️ 37.7%

## Discontinued operations<sup>1</sup>

Statutory NPAT (\$m)	(6.2)	3.8	⬇️ >(100%)
----------------------	-------	-----	------------

## Total operations

<b>Statutory NPAT (\$m)</b>	<b>37.6</b>	<b>35.5</b>	<b>⬆️ 5.8%</b>
-----------------------------	-------------	-------------	----------------

Normalised EPS <sup>1,2,4</sup> (c)	76.4	48.1	⬆️ 59.0%
Underlying EPS <sup>1,4</sup> (c)	63.1	43.6	⬆️ 44.5%
Normalised ROCE <sup>5</sup> (%)	46.2%	38.7%	⬆️ 7.5% pts

Interim dividend per share <sup>6</sup> (c)	76.0	58.0
Normalised UNPATA payout ratio <sup>2,7</sup> (%)	100%	100%
UNPATA payout ratio <sup>7</sup> (%)	121%	109%

- 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.
- 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 1HFY24 and 1HFY23 (for comparative purposes) and are currently expected to be stated up to and including FY25. Normalised impacts of 1HFY24 Revenue \$(4.6m), EBITDA \$(12.6m), EBIT \$(13.3m) and UNPATA of \$(9.3m) and 1HFY23 Revenue \$(1.8m), EBITDA \$(4.2m), EBIT \$(4.7m) and UNPATA of \$(3.3m).
- 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.
- 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.
- Normalised return on capital employed (ROCE), is based on last 12 months' Normalised earnings before interest and tax (EBIT). Normalised EBIT (continuing operations for 1HFY24 and total operations for 1HFY23) 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 for detailed calculation.
- Dividend per share calculated as total dividend payable divided by the final number of shares on issue 69,643,024.
- 1HFY23 UNPATA for payout ratio included discontinued operations.

# Segment performance

## Continuing operations

For personal use only

		Group Remuneration Services (GRS)	Asset Management Services (AMS)	Plan and Support Services (PSS)
Contribution to Normalised UNPATA <sup>1</sup>		74%	19%	8%
Normalised financial performance	Revenue	\$142.7m <span>⬆️ 29.2%</span>	\$90.1m <span>⬇️ (15.4%)</span>	\$26.2m <span>⬆️ 11.9%</span>
	EBITDA	\$64.2m <span>⬆️ 58.8%</span>	\$15.1m <span>⬇️ (3.6%)</span>	\$6.8m <span>⬆️ 37.6%</span>
	EBITDA margin	45.0% <span>⬆️ 8.4 pts%</span>	16.8% <span>⬆️ 2.1 pts%</span>	25.8% <span>⬆️ 4.8 pts%</span>
	UNPATA	\$39.6m <span>⬆️ 71.5%</span>	\$9.9m <span>⬇️ (4.0%)</span>	\$4.4m <span>⬆️ 40.1%</span>
Key performance metrics		<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">  <p><b>404,809</b> Salary Packages Up 4.8%</p> </div> <div style="text-align: center;">  <p><b>76,773</b> Novated Leases Up 3.6%</p> </div> <div style="text-align: center;">  <p><b>36.9%</b> EVs as % of total new NL sales</p> </div> <div style="text-align: center;">  <p><b>+48</b> Net Promoter Score (NPS)</p> </div> </div>	<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">  <p><b>\$339m</b> Assets managed – WDV Up 9.4%</p> </div> <div style="text-align: center;">  <p><b>\$79.8m</b> Net amount financed Up 10.5%</p> </div> </div>	<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">  <p><b>33,684</b> Customers Up 16.1% Above NDIS growth of 12.8%</p> </div> <div style="text-align: center;">  <p><b>+53</b> Net Promoter Score (NPS)</p> </div> </div>
		<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">  <p><b>+25.7%</b> Novated lease sales growth</p> </div> <div style="text-align: center;">  <p><b>+43.1%<sup>2</sup></b> New novated lease sales growth (above VFACTS growth of 18.7%<sup>3</sup>)</p> </div> <div style="text-align: center;">  <p>SA Government contract not to be renewed beyond 30 June 2024</p> </div> </div>	<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">  <p><b>+44</b> Net Promoter Score (NPS)<sup>4</sup></p> </div> <div style="text-align: center;">  <p>1HFY23 included one-off benefit from expiration of larger customer contracts. EBITDA excluding this was up 7.3%</p> </div> </div>	<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">  <p>No pricing increase from NDIA and plan duration increases</p> </div> <div style="text-align: center;">  <p>ISO27001 certification for Information Security enabling NDIA access via API</p> </div> </div>

<sup>1</sup> Normalised UNPATA for continuing operations includes ~\$(0.7m) unallocated costs representing (1%) of the total.

<sup>2</sup> MMS new car sales growth on 1HFY23.

<sup>3</sup> VFACTS passenger and SUV new car sales growth on 1HFY23.

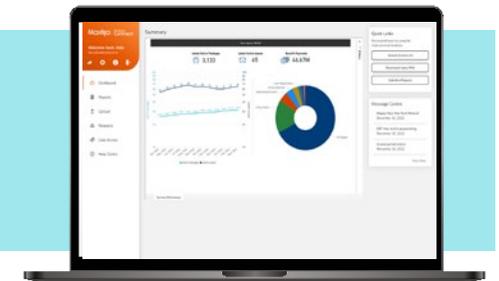
<sup>4</sup> AM-ANZ Net Promotor Score (annual) measured as at June 2023.

# Simply Stronger Program

On track to deliver enhanced digital experience and solutions, technology-enabled productivity and sustainable growth. 1HFY24 CAPEX \$7.3m.

For personal use only

	1	2	3
<b>Activity</b>	<p><b>Excel in customer experience</b></p> <p><i>Improve customer app experience and offering enabling greater self service</i></p>	<p><b>Technology-enabled productivity</b></p> <p><i>Modernise technology infrastructure, automation and scalability of platforms</i></p>	<p><b>Competency-led solutions</b></p> <p><i>Leverage and extend our relationships and capabilities to broaden market offering</i></p>
<b>Benefits</b>	<ul style="list-style-type: none"> <li>- New mobile apps and web portals</li> <li>- Enhance digital functionality</li> <li>- Enhance client digital self service</li> </ul>	<ul style="list-style-type: none"> <li>- Technology simplification</li> <li>- Digitise manual processes</li> <li>- Build digital enablement technology</li> </ul>	<ul style="list-style-type: none"> <li>- Broaden EV offering</li> <li>- Extend partnerships and integration</li> <li>- Leverage our data and relationships</li> </ul>
<b>Case Study</b>	<p><i>Launched Employer Connect, an interactive self-serve platform, enhancing the client experience and reporting, resulting in lower inbound enquiries.</i></p> <ul style="list-style-type: none"> <li>- 95% of clients migrated</li> <li>- 50%<sup>1</sup> reduction in the number of enquiries received</li> </ul>		



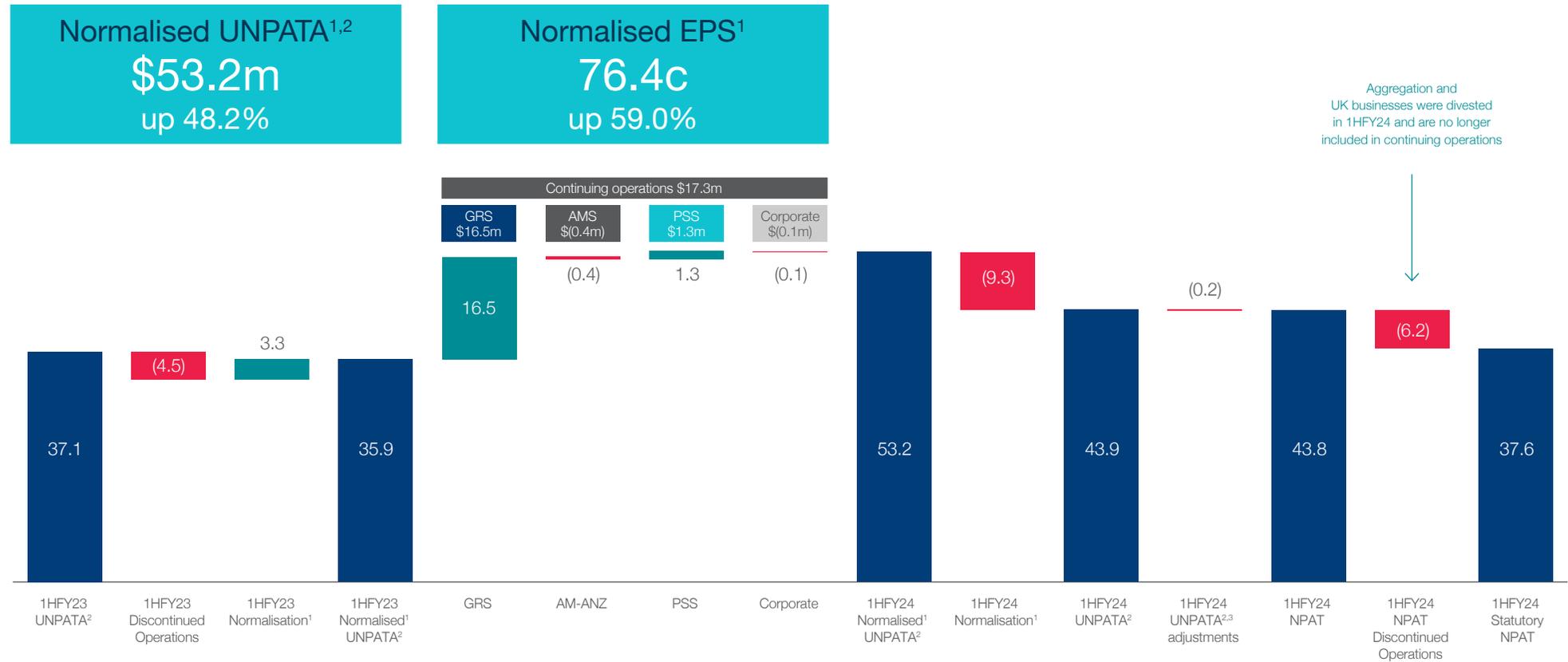
1 Review of initial launch clients actively using Employer Connect.

For personal use only

## 1HFY24 Financial performance

# UNPATA bridge

For personal use only



1 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 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 1HFY23 and 1HFY22 (for comparative purposes) and are currently expected to be stated up to and including FY25. Normalised impacts of 1HFY24 Revenue \$(4.6m), EBITDA \$(12.6m), EBIT \$(13.3m) and UNPATA of \$(9.3m) and 1HFY23 Revenue \$(1.8m), EBITDA \$(4.2m), EBIT \$(4.7m) and UNPATA of \$(3.3m).

2 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.

3 UNPATA adjustments are detailed in the appendix.

# Balance sheet

\$m	31 Dec 23	30 Jun 23
Cash at bank	145.6	60.6
Restricted client trust funds	416.5	402.6
Other current assets	63.7	47.3
Total fleet and warehouse funded assets	442.9	327.5
Goodwill / intangibles	76.3	73.4
Other non-current assets	51.0	60.5
<b>Total Assets - continuing operations</b>	<b>1,196.0</b>	<b>971.9</b>
Restricted client trust funds for salary packaging <sup>5</sup>	416.5	402.6
Borrowings <sup>6</sup> (current)	7.6	8.9
Other current liabilities	150.5	110.8
Borrowings <sup>6</sup> (non-current)	456.8	316.2
Other non-current liabilities	31.5	37.1
<b>Total Liabilities - continuing operations</b>	<b>1,062.9</b>	<b>875.6</b>
<b>Net Assets - continuing operations</b>	<b>133.1</b>	<b>96.3</b>
Net Assets - discontinued operations	-	49.3
<b>Net Assets - total operations</b>	<b>133.1</b>	<b>145.6</b>

Net debt to EBITDA<sup>1</sup>

**0.8X vs 1.1x pcp**

Interest times cover<sup>2</sup>

**9.3X vs 39.1x pcp**

Net cash

(excl. fleet and warehouse funded debt)<sup>3</sup>

**\$79.4m vs \$43.7m pcp**

AM debt to funded fleet WDV<sup>4</sup>

**69% vs 68% pcp**

Compared to previous corresponding period (pcp)

Group

Specific

1 Net debt defined as current and non-current borrowings less cash, excluding Warehouse debt and restricted client trust funds, and inclusive of fleet funded debt & lease liabilities. Normalised EBITDA (continuing operations) based on last 12 months ("LTM"). 1HFY23 included discontinued operations.

2 Total operations EBIT / Net interest (interest expense less interest income). Excludes interest on restricted client trust fund and interest on right of use assets. Includes allowable covenant adjustments.

3 Cash (\$145.6m) less corporate debt and other non-fleet debt (\$66.2m) excludes fleet funded and warehouse debt. Excludes restricted client trust funds.

4 AMS debt (current and non-current) / total AMS fleet funded assets. Continuing operations for 1HFY24. Included discontinued operations in 1HFY23.

5 Relating to restricted client trust funds.

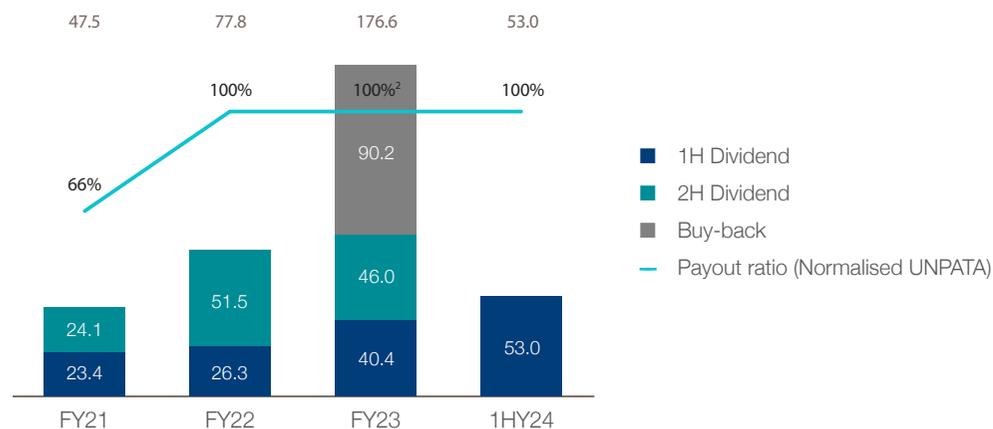
6 Borrowings are inclusive of lease liabilities.

# Cash flow and Capital allocation

Cash conversion 113%<sup>1</sup> of UNPATA includes working capital benefit of ~\$16m to revert in 2HFY24. Interim dividend reflects 100% payout ratio of Normalised UNPATA.

For personal use only

## Returns to shareholders (\$m)



## Cash flow positively impacted by:

- ~\$16m working capital benefits, expected to revert in 2HFY24
- Proceeds from sale of UK and Aggregation businesses
- Timing benefit of instant asset write off

## Dividend:

- 100% payout ratio of Normalised UNPATA (121% of UNPATA)

## Stated Capital Allocation and Dividend Policy

### Capital Allocation:

MMS intends, under its current business model, to prioritise surplus cash flow to:

1. Invest in the business (operating and capital expenditure) for sustainable growth
2. Fund strategic acquisitions
3. Deleveraging where required
4. Return to shareholders primarily as fully-franked dividends
5. Where surplus capital remains, consider share repurchases

### Dividend Policy:

- Dividend payout ratio of 70% to 100% of UNPATA
- During the Warehouse transition period (currently expected to be up to and including FY25) the UNPATA used for the dividend policy will exclude the impact of the Warehouse (i.e. "Normalised UNPATA")

<sup>1</sup> Excludes cash movements from restricted client trust funds.

<sup>2</sup> Based on DPS declared in FY23 Results.

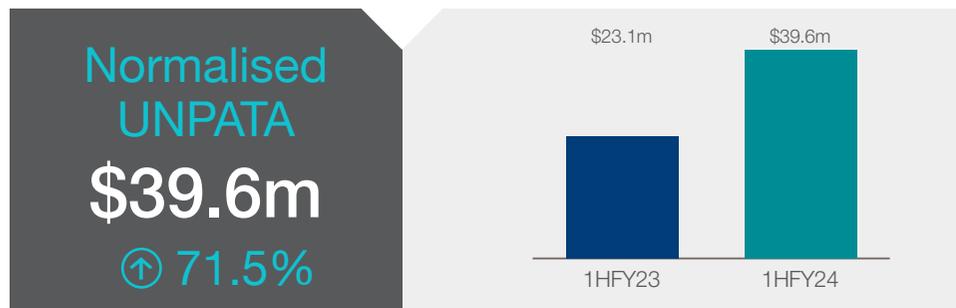
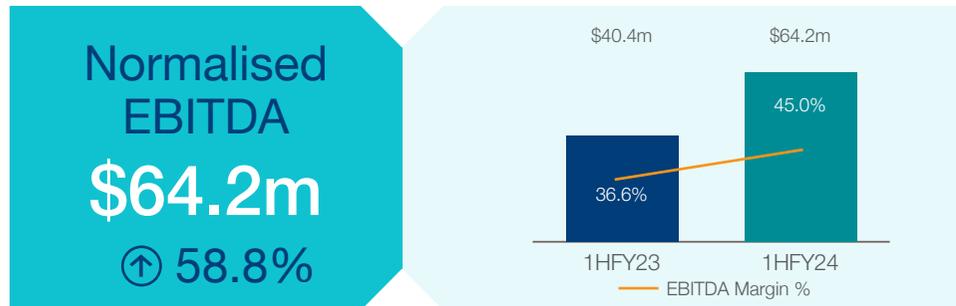
For personal use only

# 1HFY24 Segment Performance

# GRS: Highlights

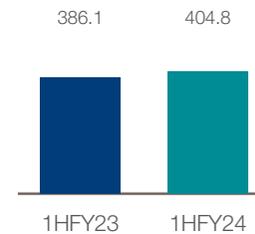
Customer growth and demand for higher yielding EVs driving margin expansion and financial performance.

For personal use only



## Salary packages up 4.8%

Salary packages '000



*Includes ~38,700 packages relating to SA Government*

## Novated leases<sup>1</sup> up 3.6%

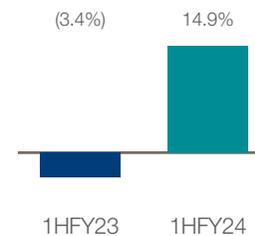
Novated leases '000



*Includes ~5,600 leases relating to SA Government.*

## Strong yields and carry over now at \$34.9m to benefit future periods

NL yield growth on pcp



NL Carry over<sup>2</sup> \$m



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

2 Estimated revenue associated with increased carry over (above pre-COVID levels) expected to become revenue when vehicle supply constraints reverse.

# GRS: Novated leasing

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

For personal use only

Continued growth in EV demand and novated value proposition driving order growth

Orders up 15.5% with 41.5% of new car orders EVs

NL order growth on pcp



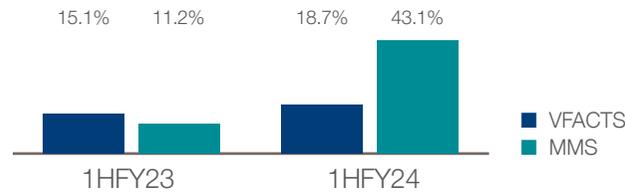
EV% of MMS new novated orders



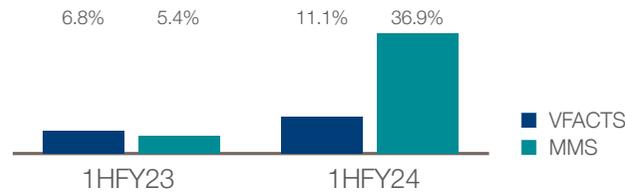
Improvements in supply and EVs driving sales growth

MMS new car sales up 43.1% versus Australian new car sales up 18.7%<sup>1</sup> with 36.9% of MMS new car sales EVs

VFACTS (passenger and SUV)<sup>1</sup> and MMS new novated sales



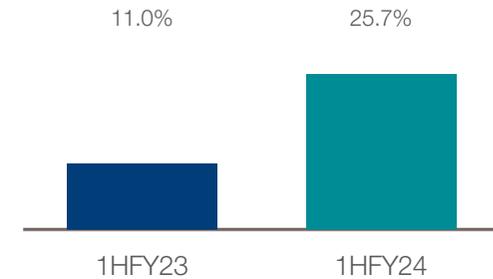
EV% of VFACTS (passenger and SUV)<sup>1</sup> and MMS new novated sales



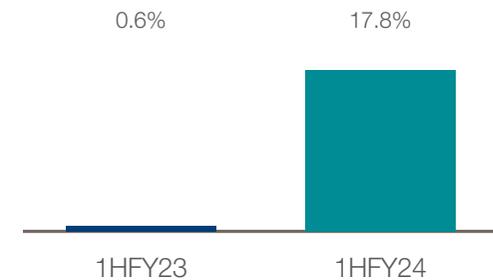
Increasing % of EVs driving sales growth and higher Net Amount Financed (NAF)

Sales up 25.7% and NAF up 17.8%

NL sales growth on pcp



NL NAF growth on pcp



<sup>1</sup> Source: VFACTS.

# GRS: Onboard Finance (Warehouse)

Higher novated lease volumes and average NAF to benefit future periods.

For personal use only

1HFY24  
Normalisation  
adjustment  
UNPATA  
\$(9.3m)

Estimated FY24  
Normalisation  
adjustment  
UNPATA  
~\$(15m)<sup>1</sup>

## Normalisation Transition Period

- Normalised refers to adjustments made for the negative earnings transitional period for the implementation of the funding warehouse
- 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 from FY22 and are currently expected to be stated up to and including FY25

FY24 Normalisation adjustment estimated at ~\$15m<sup>1</sup>

Growth in NAF and the book as ~20% of novated sales continue to be financed via Onboard Finance

Novated leases funded – cumulative \$m



<sup>1</sup> As disclosed in 2023 AGM presentation. Key dependencies include: GRS novated unit volumes and yields and operating costs.

# AMS: Highlights

1HFY23 included ~\$1.6m EBITDA from one off financial benefit from the expiration of larger customer contracts, excluding this EBITDA was up 7.3%. Growth in NAF and WDV from new business and improved vehicle supply.

For personal use only



**Net amount financed up 10.5%**



**Written down value up 9.4%**



**AM-ANZ Remarketing yields remain stable as unit sales decline**

Vehicle remarketing yield indexed to 1HFY22



Vehicle remarketing units indexed to 1HFY22



**Aggregation and UK business divestments completed in 1HFY24<sup>2</sup>**

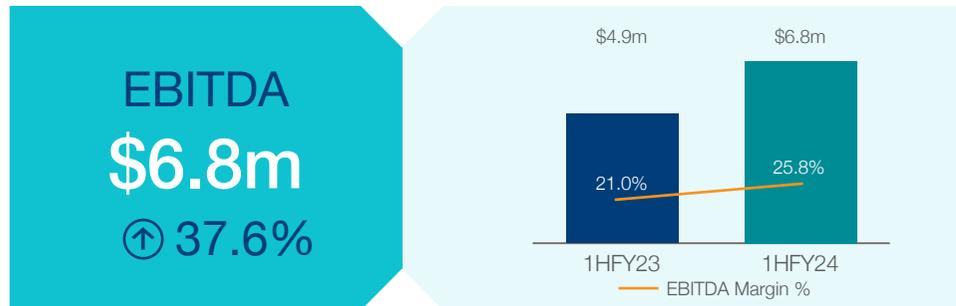
<sup>1</sup> 1HFY23 AM-ANZ revenue includes a revenue reclassification (previously reported \$107.5m), reflecting a change for the period consistent with the FY23 results.

<sup>2</sup> As a result of these divestments the Aggregation and UK businesses are included in discontinued operations and no longer presented in the AMS segment.

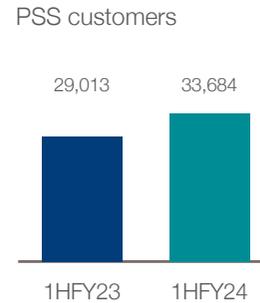
# PSS: Highlights

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

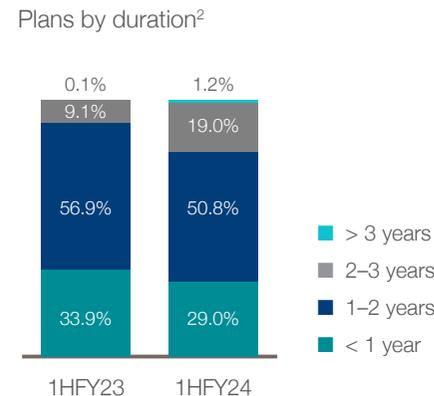
For personal use only



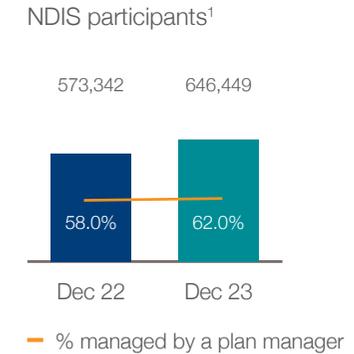
## PSS Customers up 16.1%



## Continued increase in plan duration



## Continued participant growth in NDIS and take up of plan management



## Supporting scheme integrity and sustainability

**\$43.4m**  
in Scheme savings for 1HFY24 of services paid by PSS customers under the price guide limit

**\$21m**  
of invoices not paid in 1HFY24 due to PSS integrity checks

1. Source: NDIS Quarterly Reports.  
2. Plan duration splits relate to Plan Partners customers only.

# PSS: Independent Review into the NDIS

Recommendations to be considered by Government with outcomes suggested to be implemented over a 5-year transition period, some of which may require legislative change.

## Independent Review Final Report into the NDIS (Dec 2023)

**26**  
Recommendations <sup>1</sup>

**139**  
Supporting Actions <sup>1</sup>

### Recommendations with potential implications

#### Recommendation 4:

“Support all people with disability to navigate mainstream, foundational and NDIS service systems”<sup>1</sup>

#### Action 4.1:

The NDIA should be the lead commissioner of a local navigation function to help people with disability find supports in their community and make the best use of their funding.

#### Recommendation 10:

“Invest in digital infrastructure for the NDIS to enable accessible, timely and reliable information”<sup>1</sup>

#### Action 10.3:

The NDIA should transition to fully electronic payments and improve visibility of NDIS payments.

#### Action 10.5

The Australian Government should develop and implement a clear transition path for existing Plan Managers.

### Next steps

Federal, State and Territory Governments to consider and formally respond to both Royal Commission and NDIS Review.

Recommendations to be considered by Government with outcomes over a 5-year transition period.

<sup>1</sup> Source: NDIS Review – the Final Report

For personal use only

For personal use only

## Outlook and priorities

# Outlook and priorities

Expect similar conditions in 2HFY24 while executing on our strategy to deliver sustainable growth.

## 2HFY24

### Expected market conditions

- 1HFY24 Auto supply dynamic and uptake of EVs to continue
- Current carry over of \$34.9m<sup>1</sup> of revenue to benefit future periods
- Continuation of wage and cost of living pressures

### Regulatory environment

- Engage with NDIA, government and the sector regarding the NDIS independent review outcomes
- Engage with Treasury via industry body National Automotive Leasing and Salary Packaging Association ('NALSPA') regarding the proposed Payment System Modernisation reforms
- Commonwealth Government will consult on its preferred settings for a Fuel Efficiency Standard ('FES') proposed for implementation in CY2025 which is designed to materially widen the range, type and affordability of EVs available in Australia

### Operations and business priorities

- Continue to drive organic growth and capture current EV market opportunity
- Warehouse to continue at 20% novated volume with FY24 UNPATA normalisation adjustment of ~\$15m<sup>2</sup>
- Take appropriate actions to minimise impact to future earnings of the SA Government contract loss
- Progress Simply Stronger Program, FY24 ~\$23m CAPEX

<sup>1</sup> Estimated revenue associated with increased carry over (above pre-COVID levels) expected to become revenue when vehicle supply constraints reverse.

<sup>2</sup> As disclosed in 2023 AGM presentation. Key dependencies include: GRS novated unit volumes and yields, NIM and operating costs.

For personal use only

## Appendix

# Reconciliation between NPAT and Normalised UNPATA

\$m	1HFY24	1HFY23	Variance
Statutory NPAT	37.6	35.5	5.8%
Discontinued operations <sup>1</sup>	(6.2)	3.8	>(100%)
<b>Statutory NPAT Continuing operations<sup>1</sup></b>	<b>43.8</b>	<b>31.8</b>	<b>37.7%</b>
Amortisation of intangible assets acquired on business combination	0.2	0.3	(39.3%)
Acquisition and disposal related expenses	-	0.3	(100%)
Capital structure costs	-	0.2	(100%)
<b>UNPATA Continuing operations<sup>1</sup></b>	<b>43.9</b>	<b>32.6</b>	<b>34.8%</b>
Warehouse normalisation adjustment	(9.3)	(3.3)	>(100%)
<b>Normalised UNPATA Continuing operations<sup>1</sup></b>	<b>53.2</b>	<b>35.9</b>	<b>48.2%</b>

<sup>1</sup> 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.

# Return on capital employed (ROCE) calculation

## Normalised Return on Capital Employed (ROCE)

### Normalised EBIT

Last 12 months Normalised EBIT 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. 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	1HFY24	1HFY23
Statutory equity	133.1	185.3
Impairments <sup>1</sup>	48.7	-
Warehouse equity and cash <sup>2</sup>	33.6	2.2
<b>Adjusted equity for ROCE purposes</b>	<b>215.4</b>	<b>187.5</b>
Cash <sup>3</sup>	(145.6)	(113.5)
Borrowings (excl. Warehouse)	232.1	216.0
<b>Adjusted capital employed for ROCE purposes</b>	<b>302.0</b>	<b>289.9</b>
<b>Average capital employed<sup>4</sup></b>	<b>297.3</b>	<b>304.9</b>
Normalised EBITDA (LTM)	157.4	136.3
Normalised D&A (non fleet) (LTM)	(16.7)	(17.1)
Normalised interest revenue (non fleet) <sup>5</sup> (LTM)	(3.5)	(1.4)
<b>Normalised EBIT (LTM)</b>	<b>137.3</b>	<b>117.9</b>
<b>Normalised ROCE</b>	<b>46.2%</b>	<b>38.7%</b>

1 Impairments for last 12 months. Includes impairments and loss on disposal in relation to Aggregation and UK businesses.

2 Warehouse equity and cash at period end. For 1HFY23 the Warehouse equity and cash reflected average over the last 12 months.

3 Excludes restricted client trust funds.

4 The average capital employed for 1HFY24 is based on 1HFY24 closing capital employed of \$302.0m and opening capital employed of \$292.7m. Note opening capital employed excludes the impact of prior year adjustments.

5. Excludes interest on restricted client trust funds.

# Funding overview

- Bullet loan facilities to August 2027, totalling up to \$60m with WBC and NAB for working capital purposes (fully drawn)
- Increased Warehouse securitisation to cover growth
- Revolving Asset Finance debt facilities remain in line with Jun-23
- Operating lease uncommitted P&A facilities of \$258.2m drawn to \$109.2m as at 31 December 2023

		Local Currency		Australian Dollars (\$m)			Duration
		Currency	Facility size	Facility size	Amount drawn	Amount undrawn	
Asset Financing Australia	Revolving	A\$	153.0	153.0	137.6	15.4	(\$105.2m) 31 March 2025 (\$28.6m) 30 June 2025 (\$61.0m) 30 June 2026
Asset Financing New Zealand	Revolving	NZ\$	45.0	41.8	28.5	13.3	
Securitisation Warehouse	Revolving	A\$	215.6	215.6	188.4	27.2	1 February 2028
MMS Working Capital	Bullet	A\$	60.0	60.0	60.0	-	25 August 2027

# Segment financials

\$m	GRS			AMS			PSS			Unallocated			MMSG		
	1HFY24	1HFY23	%	1HFY24	1HFY23	%	1HFY24	1HFY23	%	1HFY24	1HFY23	%	1HFY24	1HFY23	%
Normalised Revenue <sup>1</sup>	142.7	110.4	29.2%	90.1	106.5	(15.4%)	26.2	23.4	11.9%	2.1	1.2	65.7%	261.1	241.6	8.1%
Normalised EBITDA <sup>1</sup>	64.2	40.4	58.8%	15.1	15.7	(3.6%)	6.8	4.9	37.6%	0.8	(0.2)	>100%	86.9	60.8	42.9%
Normalised EBITDA margin <sup>1</sup>	45.0%	36.6%		16.8%	14.7%		25.8%	21.0%		39.2%	(19.1%)		33.3%	25.2%	
Depreciation and Amortisation <sup>1</sup>	7.0	6.7	3.9%	0.9	0.9	(0.5%)	0.5	0.4	12.8%	-	-		8.4	8.1	3.9%
Net interest expense <sup>1</sup>	0.7	0.7	(5.0%)	0.1	0.1	1.8%	-	-		1.8	0.6	>100%	2.6	1.4	79.3%
Tax <sup>1</sup>	17.0	9.9	71.1%	4.2	4.4	(3.7%)	1.9	1.4	40.1%	(0.3)	(0.2)	39.5%	22.8	15.4	47.7%
Normalised UNPATA <sup>1</sup>	39.6	23.1	71.5%	9.9	10.3	(4.0%)	4.4	3.2	40.1%	(0.7)	(0.6)	7.1%	53.2	35.9	48.2%
Normalised UNPATA margin <sup>1</sup>	27.7%	20.9%		11.0%	9.7%		16.9%	13.5%		(32.2%)	(49.7%)		20.4%	14.9%	
Warehouse UNPATA	(9.3)	(3.3)	>(100%)										(9.3)	(3.3)	>(100%)
UNPATA <sup>1</sup>	30.3	19.8	53.2%	9.9	10.3	(4.0%)	4.4	3.2	40.1%	(0.7)	(0.6)	7.1%	43.9	32.6	34.7%
NPAT <sup>1</sup>	30.3	19.8	53.2%	9.9	10.3	(4.0%)	4.2	2.8	54.0%	(0.7)	(1.0)	(36.5%)	43.9	31.8	37.7%
Discontinued operations NPAT				(6.2)	3.8	>(100%)							(6.2)	3.8	>(100%)
Statutory NPAT	30.3	19.8	53.2%	3.7	14.0	(73.7%)	4.2	2.8	54.0%	(0.7)	(1.0)	(36.5%)	37.6	35.5	5.8%

<sup>1</sup> Continuing operations only.

# Calendar

For personal use only

Interim	FY24
Results Release	Tuesday, 20 February 2024
Ex-dividend	Thursday, 07 March 2024
Record date	Friday, 08 March 2024
Payment date	Friday, 22 March 2024
<b>Final<sup>1</sup></b>	
Results Release	Tuesday, 27 August 2024
Ex-dividend	Thursday, 12 September 2024
Record date	Friday, 13 September 2024
Payment date	Friday, 27 September 2024

<sup>1</sup> These dates remain subject to change.

For personal use only