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 ASX Media release

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

1. Media release for the financial results for the year ended 30 June 2024.

Yours faithfully
McMillan Shakespeare Limited

Ashley Conn
Chief Financial Officer and Company Secretary

This document was authorised for release by the MMS Board.

McMillanShakespeareGroup

Media Release

Date 27 August 2024

MMS DELIVERS STRONG FY24 FINANCIAL PERFORMANCE

Assisting customers during a year of cost-of-living pressures and supported their transition to low emission vehicles

McMillan Shakespeare Group (ASX: MMS) today announced its financial results for the 2024 financial year (FY24), achieving a strong financial performance with organic growth across all segments.

FY24 Highlights

- Normalised[1 2] Revenue of $525.8m (up 11.5%)
- Normalised Underlying Net Profit After Tax and Amortisation (UNPATA) of $107.6m (up 38.2%)
- Normalised Earnings Per Share (EPS) of 154.5c (up 42.9%)
- Statutory Net Profit After Tax (NPAT) of $83.5m (up 158.5%)
- Full Year Fully Franked Dividend of $1.54 per share (up 24.2%)
- Continued demand for EVs[3] and improvements to vehicle supply supported strong novated lease performance, with EV sales comprising 41.0% of all new novated sales
- "Simply Stronger" program progressed, improving customer experience, soft launching Oly and delivering efficiency gains

In an operating environment with higher interest rates and cost of living pressures, MMS saw more people look to manage the cost of maintaining a vehicle and increase their disposable income via its core salary packaging and novated leasing services.

In MMS's Group Remuneration Services (GRS) segment, the strength of its Maxxia and RemServ novated leasing and salary packaging offerings were evidenced in a 23.0% increase in novated lease sales in FY24. This significant growth contributed to normalised revenue for GRS of $292.5m, up 25.7%, and normalised UNPATA of $80.7m, up 53.7%.

---

[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 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 will be stated up to and including FY25. Normalised Revenue, Normalised EBITDA, Normalised UNPATA, UNPATA and Normalised EPS are non-IFRS metrics used for management reporting. The Group believes Normalised UNPATA and UNPATA reflects what it considers to be the underlying performance of the business.

[2] From continuing operations

[3] EV (Battery Electric Vehicle, BEV and Plug-In Hybrid Electric Vehicle, PHEV)

Australia's ongoing transition to zero and low emission vehicles continued throughout the year, supported by the Treasury Laws Amendment (Electric Car Discount) Bill 2022 which provides an FBT (Fringe Benefits Tax) exemption for EVs. MMS continued to support customers looking to transition to EVs which made up 43.2% of new novated lease orders in FY24 – more than double that of the previous financial year.

To make the benefits of novated leasing available to a broader market, MMS soft launched a new brand, Oly. Oly allows employees from small and medium-sized businesses to easily access and manage a novated lease. Oly will be rolled out and promoted more widely in FY25.

The year brought some relief from the vehicle supply constraints that have been a feature of recent years, resulting in a decrease in average novated lease delivery times. It also benefited MMS's Asset Management Services (AMS) segment, contributing to a 16.2% increase in the net amount financed and a 4.9% growth in assets managed.

MMS's Plan and Support Services Segment (PSS), which provides plan management and support coordination services to participants of the National Disability Insurance Scheme, saw a 10.3% increase in organic customer numbers, which grew to 35,030, despite slower participant scheme growth and the commencement of the NDIS PACE[4] program rollout. Our ongoing investment in creating a scalable platform allowed the segment to overcome another year with no government increase in plan management and support co-ordination pricing arrangements.

PSS fully supports the NDIA's ongoing focus on preventing fraud and conflicts of interest and ensuring the NDIS delivers value for money. During the year $53.3m of invoices identified by PSS integrity checks were withheld for further investigation prior to any payment whilst PSS supported Scheme savings of $88.9 million for services customers received under the price guide limit.

Throughout the year, MMS made strong progress on its strategy and Simply Stronger program to deliver sustainable growth. MMS's clear strategy aims to excel in customer experience, drive technology-enabled productivity and broaden MMS's competency-led solutions.

MMS CEO & MD, Rob De Luca said:
We're pleased to have achieved another strong year for MMS with organic growth across all segments. Not only have we delivered growth across our financial and operating metrics but, importantly, continued to deliver on our strategy and help more working Australians during a difficult year.

As many Australians feel the cost-of-living pressures, we're proud to support our customers maximise their take home pay through our salary packaging and novated leasing offering.

[4] PACE is NDIA's new system to make it easier and safer for participants to view and manage their NDIS funds and their service providers

We're pleased to be at the forefront of Australia's transition to low emissions vehicles. Since the introduction of the Treasury Laws Amendment (Electric Car Discount) Bill in December 2022, we've seen steady growth in the number of customers making the switch and this year we recorded our highest number of EV sales yet.

Looking at national new vehicle sales, EVs comprised 11.8%[5] of total passenger and SUV sales in FY24. During the year, 41.0% of our new novated lease sales were EV - almost four times the market.

With cost-of-living pressures expected to continue in FY25 and as a wider range of brands and EV models enter our market in the months ahead, we're looking forward to helping more Australians make the switch to lower and zero emission vehicles including through our new Oly brand.

Our normalised EBITDA margin was up 5.8% points, normalised ROCE up 22.1% points and normalised EPS up 42.9% in FY24 reflecting the progress being made in executing on our strategy to deliver sustainable growth. We are pleased to have declared a full year fully franked dividend of $1.54 per share, up 24.2%.

[5] VFACTS