

The background of the slide is a bokeh effect of out-of-focus lights in various colors including white, yellow, orange, red, purple, and blue, set against a dark background. The top of the slide has a light grey gradient bar.

MMS Group
Annual General Meeting

2016

McMillanShakespeareGroup

Overview

> Financial

- Record financial result with revenue up 30% to \$503m and UNPATA¹ up 25% to \$87.2m vs prior year
- Full year dividend of \$0.63 per share fully franked, a 21% increase over the prior year

> Customer

- Increased participation rates and new business wins delivering the strongest organic growth rates within the salary packaging industry
- Number of salary packages up 8.6% and novated leases up 9.6% vs prior year
- Maintained net promoter score of 49

> People

- 1,200 strong workforce across Australia, NZ and UK
- Employee engagement score of 81%

> Process

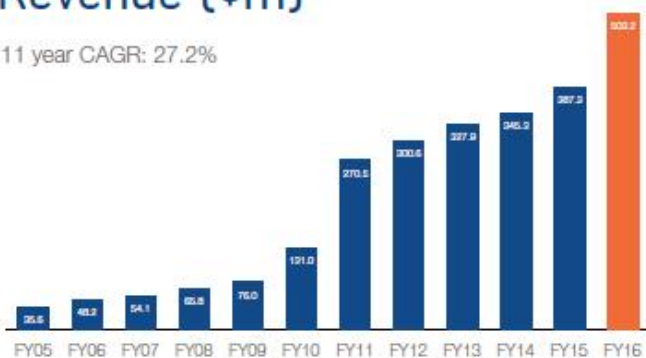
- Capital light P&A funding mechanism allowing greater financing flexibility
- Financial diversification strengthened by two acquisitions in the Retail Financial Services (RFS) and Asset Management (AM) business segments
- Continue to invest in technologies and processes to drive productivity and margin growth

¹ Underlying NPATA (UNPATA) excludes one-off payments in relation to transaction costs incurred in acquisitions and the amortisation of acquisition intangibles

Key financial metrics

> Revenue (\$m)

11 year CAGR: 27.2%



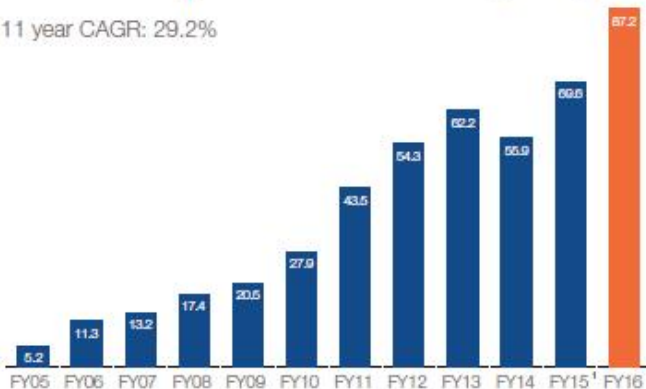
> Dividends per share (cents)

11 year CAGR: 28.8%



> UNPATA performance (\$m)

11 year CAGR: 29.2%



> Earnings per share (cents)

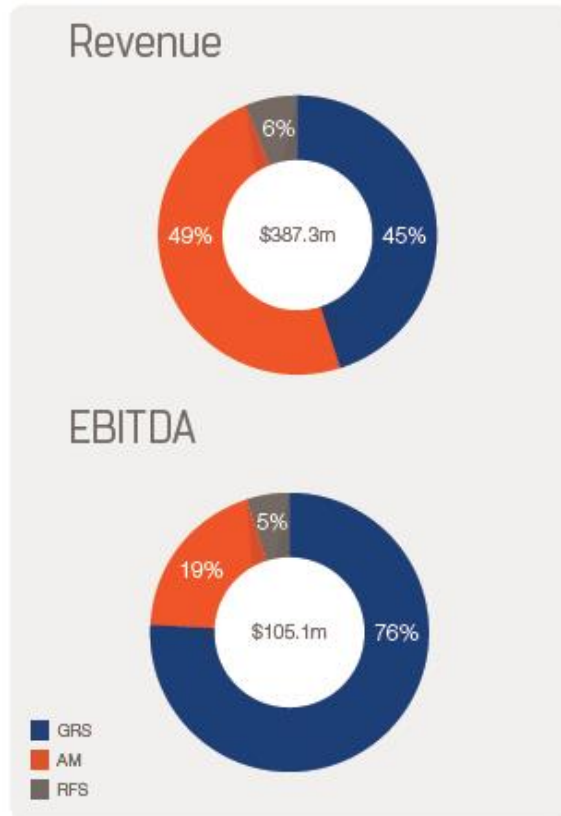
11 year CAGR: 26.5%



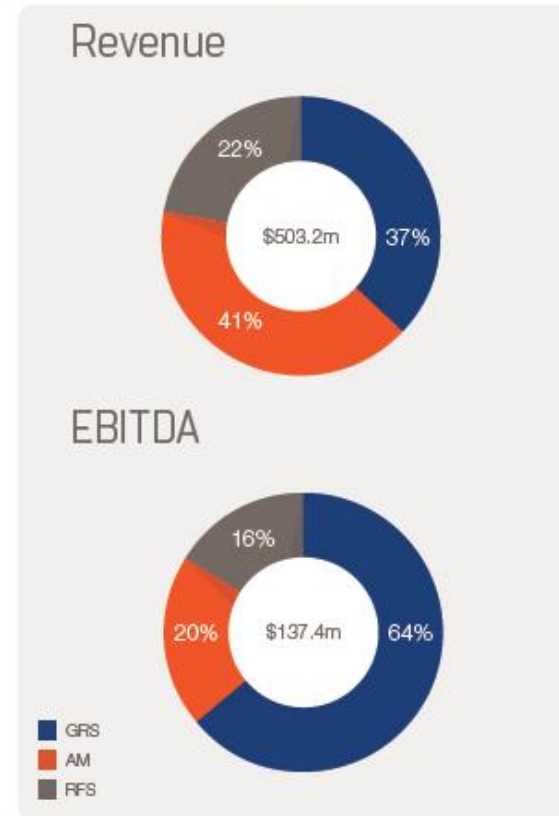
¹ FY15 UNPATA of \$60.6m has been restated (was previously \$70.2m) to be consistent with FY16
 Note: FY14 UNPATA was negatively impacted by proposed changes to novated leasing

Financial diversification

> FY15 Results

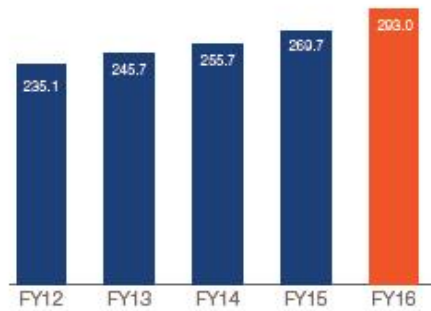


> FY16 Results



Key operational metrics

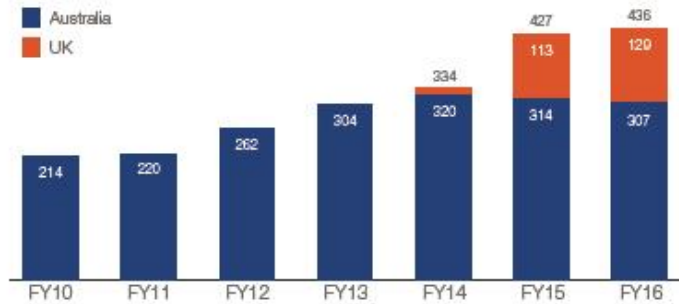
> Salary Packages (000)



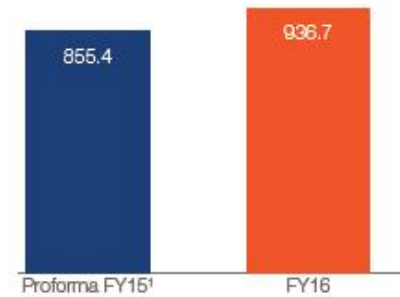
> Novated Vehicles (000)



> Fleet Assets Written Down Value (\$m)



> RFS Net Amount Financed (\$m)



¹ Proforma FY15 represents 12 months trading of President from 1 July 2014 and 11 months trading of URS from 1 August 2014

FY17 Update

Queensland Government novated leasing contract

Announced on 10 October 2016 that RemServ had been appointed as one of eight organisations who are authorised to originate and manage novated leases for employees of the Queensland Government, effective 7 November 2016 for a period of three years with an option to extend for an additional two years (exercisable by the Queensland Government)

Market conditions

Experiencing year on year growth in new car sales with used vehicle prices being maintained at prior year levels, partially driven by record low interest rates and the removal of tariffs with China, Japan and Korea resulting in lower priced new vehicles

New business wins

MMS has secured a number of new salary packaging / novated leasing contracts including two organisations in the health sector covering 9,000 employees

Capital light funding

Implementation of P&A funding arrangements progressing well with a number of transactions completed for several select customers during Q1 FY17, with discussions on-going to expand the panel of P&A financiers to complement our committed revolving facilities

Regulatory environment

MMS remains supportive of the regulators review of the practices of credit insurance providers resulting in improved transparency, clarity and consistency across the automotive industry

MMS is continuing to understand the implications of the proposed changes, with initial modelling undertaken suggesting that the proposed changes will not have a material impact on FY17 results

Summary

- **Record profit result in FY16 with strong free cash flow:**
 - Segment revenue \$503.2m +29.9%
 - UNPATA \$87.2m, +25.3%
 - Free cash flow \$93.5m, +42.1%
- **Extends track record of delivering earnings growth, +26.5% CAGR over last 11 years**
- **Focus on clear strategies to drive medium term growth in revenues, deliver synergies and improve productivity across the integrated group:**
 - Cross sell into significant distribution footprint
 - Competitive strengths of people, processes and technology
 - Leverage financial scale and expertise

A background of colorful bokeh lights in shades of red, orange, yellow, purple, and blue, creating a festive and celebratory atmosphere.

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Adoption of the Remuneration Report

For	48,525,453	95.75%
Against	1,738,171	3.43%
Open-Usable	412,129	0.82%
Abstain	152,322	n/a

Re-election of Mr John Bennetts as a Director

For	45,822,165
Against	14,191,233
Open-Usable	408,479
Abstain	19,164

Re-election of Mr Ian Elliot as a Director

For	59,939,925
Against	78,811
Open-Usable	406,829
Abstain	15,494

Re-election of Ms Sue Dahn as a Director

For	59,960,255
Against	56,463
Open-Usable	408,829
Abstain	15,494

Renewal of Proportional Takeover Provisions of Constitution

For	59,837,374
Against	172,380
Open-Usable	396,829
Abstain	34,458

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