McMillan
Shakespeare
Limited

FY21 Half Year Results Presentation

24 February 2021

Presenters

Mike Salisbury, CEO

Ashley Conn, CFO

Overview

1H21 Highlights – Exceeded expectations in a challenging environment

1H21 UNPATA[1] of $42.7m (13.1% growth vs pcp) reflects focus on efficient and improved customer engagement during a half of lockdowns and a rebound in market conditions.

GRS - Salary Packaging and Novated Leasing
Customer growth through execution improvement
Salary packages: +1.7%
Novated leases: +1.0%

GRS - Plan Partners
Continued customer and earnings growth while investing further in the business
+118%: Client funds under administration

Asset Management ANZ
Favourable residual values deliver growth
+22% UNPATA growth

Asset Management UK
Management restructure complete with cash $1.8m and non-cash $12.7m costs

RFS
Improved UNPATA in a challenging market
NAF 88% of pcp

Maintained focus on strategic agenda
Capital light
Digital investment
Funding warehouse

Interim dividend
66% of UNPATA (excl. JobKeeper $7.3m)
30.2cps

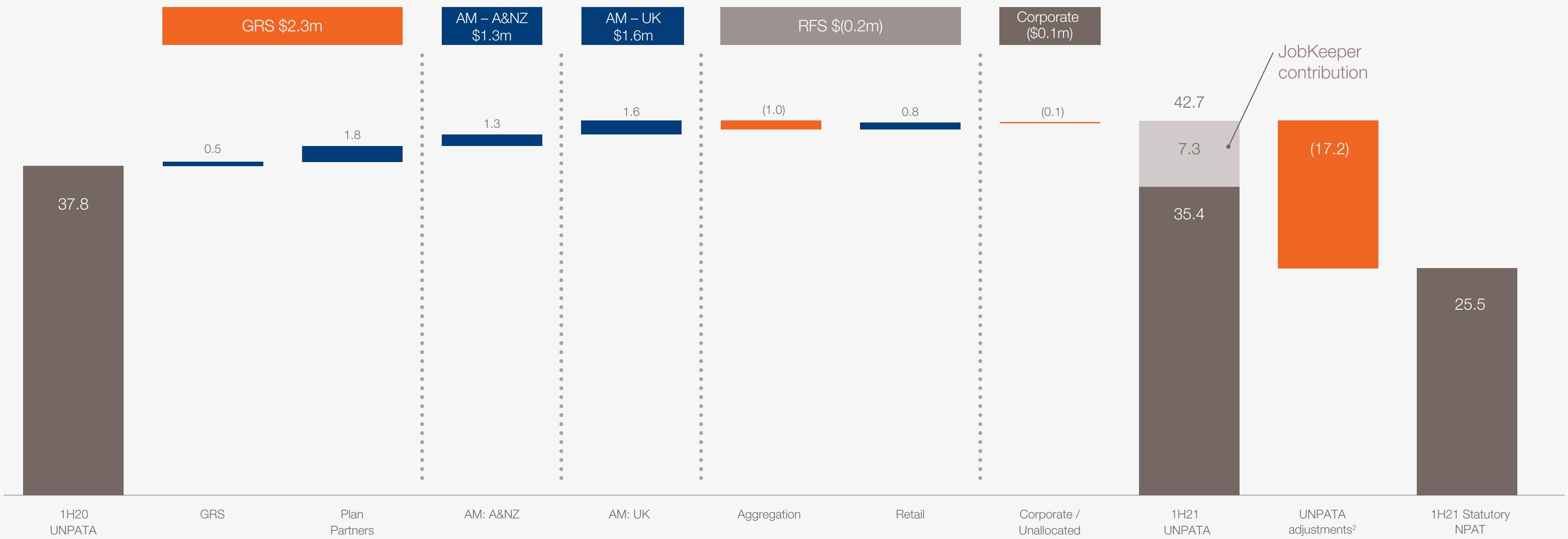
Balance sheet in good shape
Net cash $95m (excl. funded fleet)
Gearing 25% (incl. funded fleet)

Improvement in ROCE
Up to 22.8%

1 UNPATA is defined on page 3 of this document

Group UNPATA bridge

Revenue	EBITDA	UNPATA[1]	Underlying EPS
$247.6m	$68.1m	$42.7m	55.2 cps
down (8.4%)	up 19.1%	up 13.1%	up 17.9%



1 Underlying net profit after tax and acquisition amortisation (UNPATA), being net profit after tax but before the after-tax impact of acquisition related and non-business operational items (refer to page 30).
2 UNPATA adjustments are detailed on page 30.

COVID-19 management

COVID-19 was a sharp and severe impact

- UNPATA excl. JobKeeper for CY20 was down $24.8m or 29% on CY19
- Qualified for JobKeeper in April 20, ended in September 20

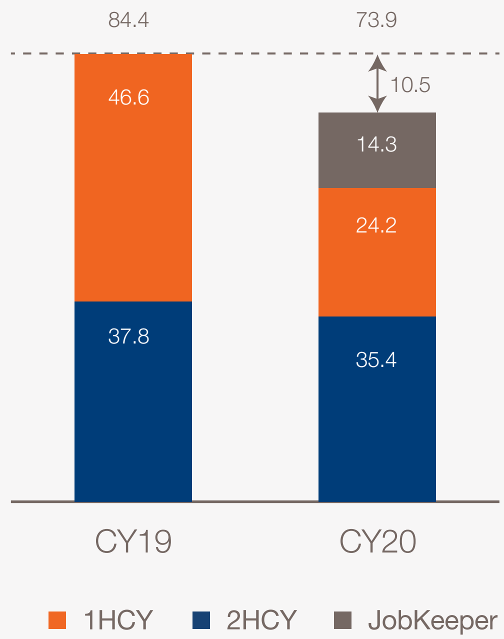
Focus on our people

- Retained and supported our workforce
- Investments in technology and hardware to move quickly to a fully remote work environment
- Continued to deliver high service levels to our customers
- Able to stand out people up quickly as growth returned

Costs and balance sheet managed

- Stand downs and salary reductions
- Non essential spend restricted
- Extended senior debt maturities
- No final dividend for FY20 paid
- Wage freeze for FY21 and no bonuses were paid

UNPATA ($m), CY20 versus CY19



UNPATA for CY20, including JobKeeper was $10.5m, or 12% lower than CY19

Resilient performance in challenging environment

364,100
Salary packages
1.7%

72,300
Novated leases
1.0%

35,700
Assets pool – units
(18.0%)

$385m
Assets managed – WDV [1]
(25.0%)

$1,335m
Net amount financed
(6.9%)

$909m
Plan Partners client funds under administration
>100%

1,240
Average employees
(8.7%)
Reduction largely relates to UK restructure

60
Net Promoter Score (NPS) [2]
Further improved strong monthly customer satisfaction for 1H21 (up from previous score 52)

1 Inclusive of on and off balance sheet funding. WDV excludes off Balance Sheet Maxxia Ltd assets.
2 GRS customer satisfaction measured through Net Promoter Score.
Note: Movements compared to prior corresponding period.

Financial performance

Results summary

$m	1H21	1H20	Variance
Revenue	247.6	270.4	*(8.4%)*
EBITDA	**68.1**	**57.2**	***19.1%***
EBITDA margin (%)	*27.5%*	*21.2%*	
NPBT	46.3	47.4	*(2.3%)*
NPAT[4]	25.5	34.0	*(25.0%)*
UNPATA	**42.7**	**37.8**	***13.1%***
Basic earnings per share (cents)	32.9	42.1	*(21.9%)*
Underlying earnings per share (cents)	55.2	46.8	*17.9%*
Interim dividend per share (cents)	30.2	34.0	*(11.2%)*
Payout ratio[1]	*66.0%*	*69.7%*	*(5.3%)*
Free cash flow[2]	**42.2**	**34.2**	***23.4%***
Return on equity (%)[3]	24.1%	24.3%	
Return on capital employed (%)[3]	22.8%	19.5%	

1 Dividend payout ratio is calculated as total dividend for the financial period divided by UNPATA for the financial period. 1H21 payout ratio is calculated on UNPATA excluding JobKeeper of $7.3m (net of tax).

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

3 Return on equity (ROE) and return on capital employed (ROCE), which are based on last 12 months' UNPATA and underlying earnings before interest and tax (EBIT). Underlying EBIT is before the pre-tax impact of acquisition related and non-business operational items (refer to page 30 for post-tax amounts). Equity and 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.

4 NPAT in 1H20 is after Outside Equity Interest adjustment for 25% share of Plan Partners.

Balance sheet

$m	31 December 20			30 June 20
	AM	Other	Group	Group
Cash at bank	32.1	85.0	117.1	91.4
Other current assets	22.2	30.8	53.0	77.9
Total fleet funded assets	292.7	-	292.7	336.7
Goodwill / intangibles	28.6	106.6	135.2	140.4
Other non-current assets	15.9	19.6	35.5	38.0
Total Assets	**391.5**	**242.0**	**633.5**	**684.4**
Borrowings (current)[6]	24.0	8.7	32.7	18.2
Other current liabilities	52.8	90.8	143.6	143.7
Borrowings (non-current)[6]	153.3	14.2	167.5	269.8
Other non-current liabilities	12.6	22.2	34.8	23.8
Total Liabilities	**242.7**	**135.9**	**378.6**	**455.6**
Net Assets	**148.8**	**106.2**	**255.0**	**228.9**

1 Net debt defined as current and non-current borrowings less cash, inclusive of fleet funded debt & lease liability adjustment. EBITDA based on last 12 months.
2 Group net debt / (equity + net debt).
3 1H EBIT / Net interest (interest expense less interest income).
4 Cash ($117.1m) less corporate debt ($22.1m) excludes fleet funded debt.
5 AM debt (current and non-current) / total fleet funded assets.
6 Borrowings are inclusive of lease liabilities.

Group

Net debt to EBITDA[1]
0.8x vs 2.5x pcp

Group gearing[2]
25% vs 51% pcp

Interest times cover[3]
13.8x vs 11.2x pcp

Specific

Net cash (excl. fleet funded debt)[4]
$95m

AM debt to funded fleet WDV[5]
61% vs 72% pcp

Compared to previous corresponding period (pcp)

Funding overview

- UK borrowing facilities restructured with most amortising to match profile of underlying lease portfolio
  - > Extended and cost lowered
- Diversity of on and off balance sheet funding of operating lease portfolio from Australia's major banks, with over 30% of the AM-ANZ portfolio off balance sheet
- Corporate amortising debt facility has been repaid in full ahead of 31 January 2021 maturity

		Local Currency		Australian Dollars ($m)			
		Currency	Facility size	Facility size	Amount drawn	Amount undrawn	Duration
Asset Financing Australia	Revolving	A$	195.7	195.7	74.1	121.6	($158.8m) 31 March 2022 ($59.1m) 31 March 2023 ($20.0m) 31 March 2024
Asset Financing New Zealand	Revolving	NZ$	45.0	42.2	29.9	12.3	
Asset Financing UK	Revolving	GBP	15.0	26.6	9.7	16.8	31 March 2023
Corporate	Amortising	A$	12.6	12.6	12.6	-	($5.6m) 29 September 2022 ($7.0m) 31 December 2022
Asset Financing UK	Amortising	GBP	25.0	44.3	44.3	-	31 March 2023
Corporate	Amortising	GBP	1.5	2.7	2.7	-	31 January 2021
Corporate	Amortising	GBP	3.8	6.7	6.7	-	31 March 2022
		Revolving total		**264.5**	**113.8**	**150.7**	
		Amortising total		**66.4**	**66.4**	**-**	
		Total		**330.8**	**180.1**	**150.7**	

MMS funding warehouse – On track and on budget

Strategy

Establishing a revolving warehouse as an additional source of funding for novated leases during FY21

Rationale

- Alternative funding for attracting new investors and lenders
- Enabling more customers access to novated leasing products and services
- Strong appetite from funders

Revenue recognition for warehoused assets

- Net interest margin earned throughout life of novated lease rather than as upfront revenue
- First volumes expected to be in June 2021, initially small
- Gradual increase in warehouse financing during FY22, although will take some time to increase to longer term levels

Cash flow statement

$m	1H21 Group Remuneration Services	1H21 Asset Management	1H21 Retail Financial Services	1H21 Unallocated / parent co.	1H21 MMS Group Total	1H20 MMS Group Total
NPAT	33.5	(9.0)	1.7	(0.7)	25.5	34.0
Non-fleet depn/amort, reserves and other non-cash items	8.0	16.8	0.7	-	25.5	10.8
Capex (non fleet) and software upgrade	(4.8)	0.6	-	-	(4.2)	(9.2)
Tax payments in excess of tax expense	1.3	3.1	0.2	-	4.6	1.9
Working capital inflow / (outflow)	(2.0)	(4.6)	(2.6)	-	(9.2)	(3.2)
Free cash flow before fleet increase	36.0	6.9	-	(0.7)	42.2	34.2
Investing activities and fleet increases:						
Net decline/(growth) in Asset Management portfolio	-	37.2	-	-	37.2	(59.5)
Sale of Fleet portfolio	-	32.5	-	-	32.5	55.1
Subordinated loan made to UK JV	-	(3.5)	-	-	(3.5)	(2.1)
Cash acquired from business combination, net of cash consideration paid	-	6.0	-	-	6.0	-
Free cash flow	36.0	79.1	-	(0.7)	114.4	27.8
Financing activities:						
Equity contribution (exercise of options)	-	-	-	-	-	5.5
Intercompany working capital funding	(16.5)	2.1	14.4	-	-	-
Debt repayments	-	(82.3)	-	(2.2)	(84.5)	(65.0)
Debt drawdown	-	-	-	-	-	62.2
Payment of lease liabilities	(3.3)	(0.6)	(0.1)	-	(4.0)	(3.6)
Treasury shares acquired	-	-	-	(0.2)	(0.2)	-
Share buy back (including expenses)	-	-	-	-	-	(80.5)
Dividends paid	-	-	-	-	-	(33.3)
Net cash movement	16.2	(1.7)	14.3	(3.1)	25.7	(86.9)
Opening cash					91.4	137.8
Closing cash					117.1	50.9

Segment performance

Segment review

$m	Group Remuneration Services			Asset Management			Retail Financial Services			Unallocated			Total		
	1H21	1H20	%	1H21	1H20	%	1H21	1H20	%	1H21	1H20	%	1H21	1H20	%
Revenue	111.8	108.8	*2.7%*	105.9	123.1	*(14.0%)*	29.9	38.3	*(21.8%)*	0.1	0.2	*(68.0%)*	247.6	270.4	*(8.4%)*
Expenses	56.1	59.1	*(5.2%)*	95.8	113.9	*(15.9%)*	26.7	38.9	*(31.4%)*	1.0	1.3	*(23.7%)*	179.5	213.2	*(15.8%)*
EBITDA	55.7	49.7	12.1%	10.1	9.3	*9.3%*	3.2	(0.7)	*>(100.0%)*	(0.9)	(1.1)	*(14.9%)*	68.1	57.2	*19.1%*
EBITDA margin (%)	*49.8%*	*45.7%*		*9.5%*	*7.5%*		*10.7%*	*(1.8%)*		*>(100.0%)*	*>(100.0%)*		*27.5%*	*21.2%*	
D&A of PPE and software	7.4	6.4	*15.9%*	1.6	1.4	*10.4%*	0.2	0.5	*(55.5%)*	-	-	-	9.3	8.3	*11.5%*
Amortisation and impairment of intangibles (acquisitions)	-	-	-	11.7	0.9	*>100%*	0.4	1.3	*(71.8%)*	-	-	-	12.1	2.2	*>100%*
Deferred consideration FV adjustment	-	-	-	-	(1.5)	*(100.0%)*	-	0.0	-	-	-	-	-	(1.5)	*(100.0%)*
Interest expense	0.2	0.3	(38.2%)	0.2	0.2	*(4.5%)*	0.0	0.0	*(73.2%)*	*0.1*	*0.3*	*(67.8%)*	0.5	0.8	*(34.8%)*
NPBT	48.1	43.0	*11.9%*	(3.4)	8.3	*>(100.0%)*	2.6	(2.6)	*>100%*	(1.0)	(1.4)	*(26.2%)*	46.3	47.4	*(2.3%)*
Tax	14.6	11.5	*27.1%*	5.6	2.6	*>100%*	0.9	(0.7)	*>100%*	(0.3)	(0.4)	*(23.8%)*	20.8	13.1	*59.3%*
NPAT (before minority interest add-back)	33.5	31.5	*6.4%*	(9.0)	5.7	*>(100.0%)*	1.7	(1.9)	*>100%*	(0.7)	(1.0)	*(27.3%)*	25.5	34.3	*(25.7%)*
Outside Equity Interest – Plan Partners	-	(0.3)	*>100%*	-	-		-	-		-	-		-	(0.3)	
NPAT	33.5	31.1	*7.5%*	(9.0)	5.7	*>(100.0%)*	1.7	(1.9)	*>100%*	(0.7)	(1.0)	*(27.3%)*	25.5	34.0	*(25.0%)*
UNPATA	33.5	31.1	*7.5%*	8.0	5.1	*55.6%*	2.0	2.2	*(9.1%)*	(0.7)	(0.7)	*9.5%*	42.7	37.8	*13.1%*

Group Remuneration Services (GRS)

$m	1H21	1H20	Variance
Revenue	**111.8**	**108.8**	***2.7%***
Employee expenses [4]	39.1	47.2	*(17.1%)*
Property & other expenses	17.0	11.9	*42.0%*
EBITDA	**55.7**	**49.7**	***12.1%***
EBITDA margin	*49.8%*	*45.7%*	
Depreciation	7.4	6.4	*15.9%*
Interest expense	0.2	0.3	*(38.2%)*
Tax	14.6	11.5	*27.1%*
UNPATA (before minority interest add-back)	**33.5**	**31.5**	***6.4%***
UNPATA margin	*29.9%*	*28.9%*	
OEI – Plan Partners	-	(0.3)	*>100%*
UNPATA [1]	**33.5**	**31.1**	***7.5%***
UNPATA margin	*29.9%*	*28.6%*	
Key metrics			
Salary packages (units)	364,100	357,999	*1.7%*
Novated leases (fleet units)	72,300	71,620	*1.0%*
Direct employees (FTE's)[2] – GRS	600	609	*(1.5%)*
Direct employees (FTE's) – Plan Partners	106	72	*47.2%*
Key financials excluding impact of interest [3]			
Revenue	110.4	105.2	*4.9%*
EBITDA	54.3	46.3	*17.3%*

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.
4 JobKeeper has been offset against employee expenses.

Commentary

- COVID-19 impacts
  - > Limited supply of new vehicles increased retail prices and average net amount financed
  - > Extended restrictions in Vic reduced sales opportunities
- Digital and live chat leads have increased by 35% over 1H20, and contributed 42% of the total leads for 1H21
- Continued customer growth reflected in 1.7% increase in salary packages and 1.0% increase in novated fleet units
- Take up of online claims increased to 91%
- JobKeeper[4] subsidy of $9.0m included in 1H21

Plan Partners

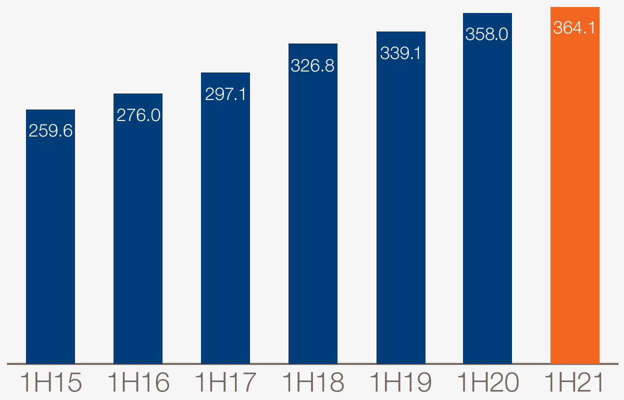
- Fully owned from 30 June 20 with corporate costs allocated
- Continued customer growth over 1H20
- Investments in the business to support growth

Outlook

- Vehicle supply expected to return to market in 4Q21 with normalisation of retail pricing
- Plan Partners expected to increase investment and customer growth through 2H21

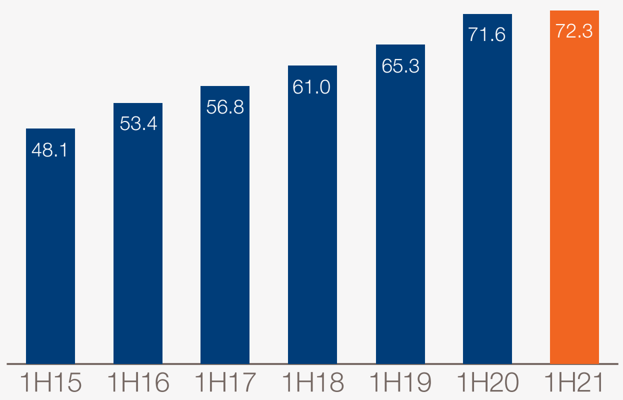
GRS operating metrics

Salary packages (000's)[1]



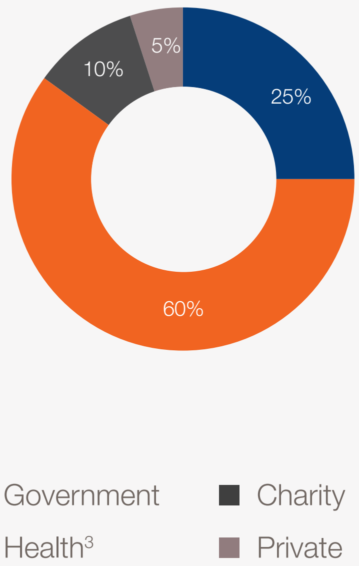
- New clients 2,900 packages
- Increased participation 3,200 packages

Novated vehicles (000's)[2]



- New clients 400 vehicles
- Increased participation 300 vehicles

Salary packages by Industry segment

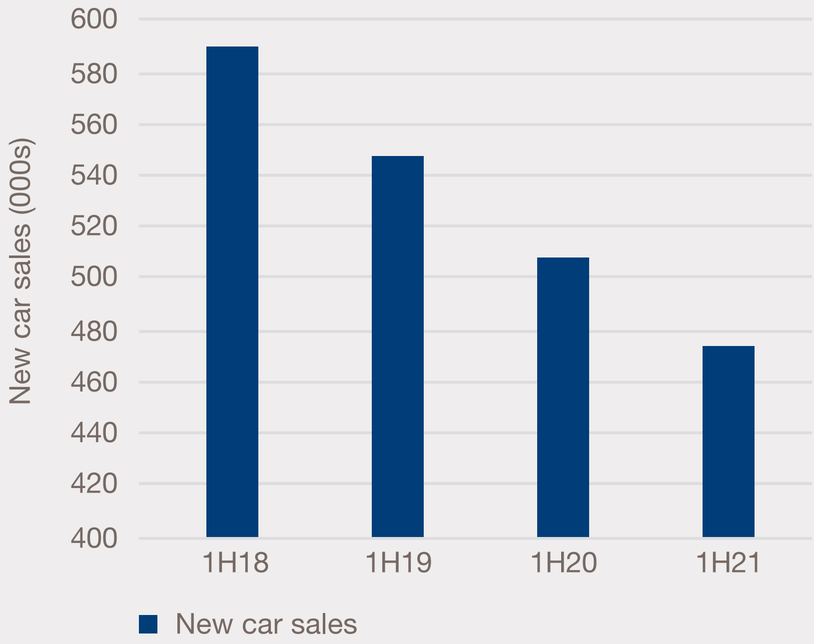


1 Total number of salary packages at period end.
2 Novated leases under management at period end.
3 Health includes public, private and not for profit hospitals.
Note: New clients are organisations who commenced during the period.

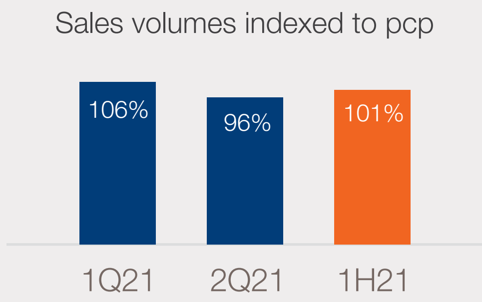
GRS Novated performed well in the context of a challenging Australian new car sales market

MMS was able to maintain activity at similar levels to last year despite negative market volumes.

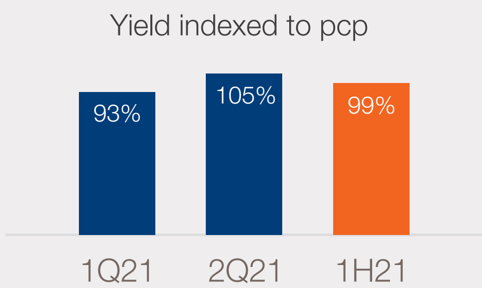
Australian new car sales down 6.7% vs pcp



MMS sales volumes in 1Q21 benefited from demand following COVID-19 lockdowns



Abnormal market conditions in 2Q21 resulted in increased yields



GRS Digital investment update – Improvements to productivity and lower cost to serve

Digital strategy 2021 and beyond

Adopt automation technologies and agile delivery practices to improve productivity, capability of employees and support growth opportunities.

Digital roadmap includes:

- Launch new products and channels to improve the customer experience
- Create a digitally enabled customer experience
- Use digital technology to enhance customers' overall experience through seamless interactions

1H21 update

- Continued to build core CX and data science capabilities
- Embedded new digital experiences to respond to COVID-19

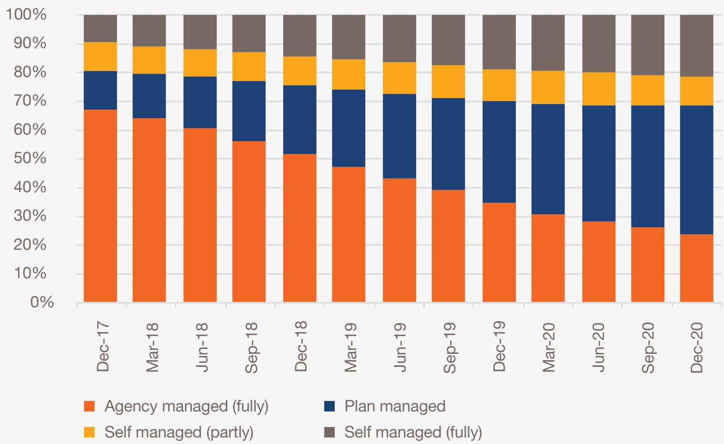
Key achievements

- Launched the new RemServ Online Self Service Platform
- Launched the Digital Estimate Platform for RemServ and Maxxia
- Expanded online education for customers to support change in service delivery resulting from COVID-19 restrictions
- Launched Apple and Android Pays for Maxxia and RemServ
- Improved online set up for new salary packaging

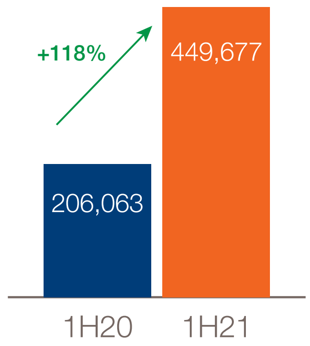
GRS Plan Partners: Continuing to deliver growth as a leader in NDIS plan management

- NDIS roll out now 87% complete (circa 433,000[1] people) with 45% of plans managed (vs 35% 12 months prior)
- Well positioned brand with a 91% customer satisfaction score, customers who are very happy with our services
- Service delivery and activity levels not impacted by COVID-19
- 100% wholly owned subsidiary (since 30 June 2020)

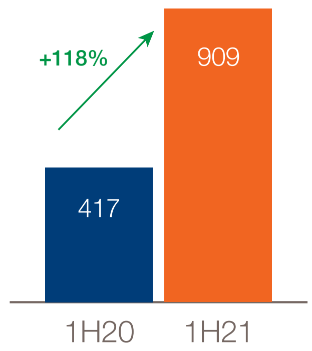
Distribution of active NDIS participants by plan type



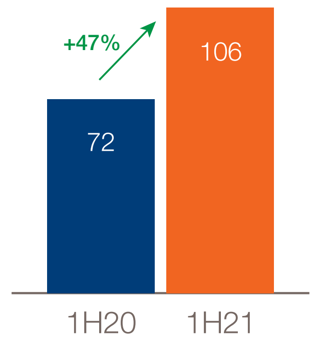
Invoices processed



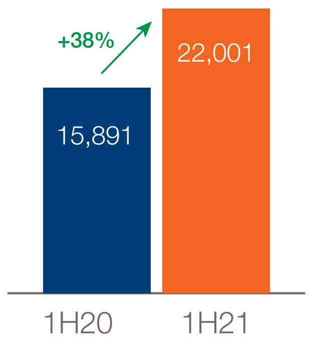
Funds under administration $m



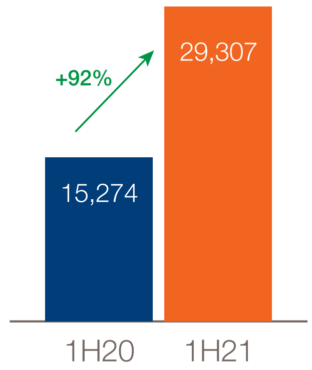
FTEs



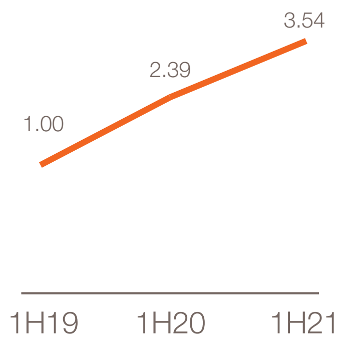
Support coordination hours



Unique service providers



Efficiency rates[2] indexed to 1H19



1 COAG Disability Reform Council Quarterly Report - 31 December 2020.
2 Efficiency rates calculated as FTE / Invoices processed.

Asset Management (AM) – Australia & New Zealand

$m	1H21	1H20	Variance
Revenue	**75.8**	**91.0**	***(16.6%)***
Fleet depreciation	23.5	30.5	*(23.1%)*
Lease and vehicle management expenses	30.5	38.2	*(20.2%)*
Employee expenses[4]	6.3	7.5	*(16.1%)*
Property and other expenses	4.3	5.3	*(19.8%)*
EBITDA	**11.3**	**9.4**	***20.3%***
EBITDA margin	*14.8%*	*10.3%*	
Depreciation	0.9	0.8	*9.0%*
Interest expense	0.1	0.1	*(0.5%)*
Tax	3.1	2.5	*20.6%*
UNPATA [1]	**7.2**	**5.9**	***22.1%***
UNPATA margin	*9.5%*	*6.5%*	
Key metrics			
Return on assets (%)	4.5%	3.1%	
Asset pool (units) [2]	17,200	20,100	*(14.4%)*
– Funded (units)	8,100	11,400	*(28.9%)*
– Managed (units)	4,800	6,000	*(20.0%)*
– P&A (units)	4,300	2,700	*59.3%*
Assets written down value ($m)	319.2	377.2	*(15.4%)*
– On balance sheet ($m)	216.1	301.9	*(28.4%)*
– Off balance sheet ($m)	103.1	75.2	*37.0%*
Direct employees (FTE's) [3]	86	98	*(12.2%)*

Commentary

- COVID-19 impacts
  - > Limited supply of new vehicles and increase in demand for used vehicles resulted in increased remarketing yields
  - > Customers have returned to normalised payment schedules following a period of payment relief
  - > Contract extensions are due to finalise in 2021
- Reduction in written down values
  - > Increase in customer extensions increasing the average fleet duration and age of fleet
  - > Continued reductions to customers overall fleet size
- Market remains highly competitive
- JobKeeper[4] subsidy of $0.8m included in 1H21

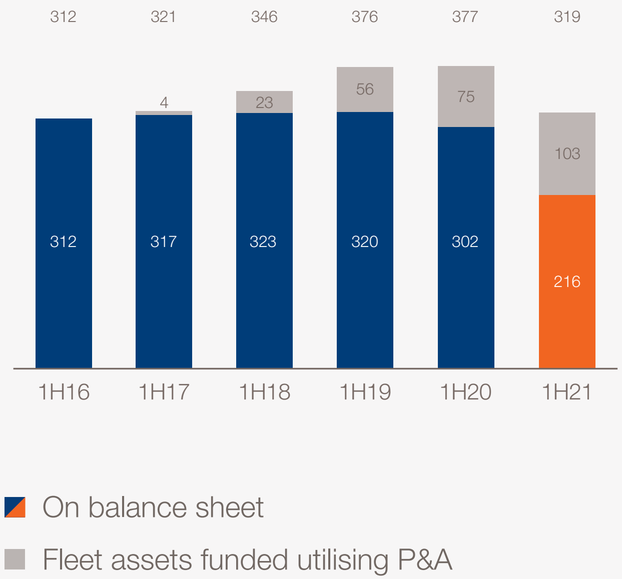
Outlook

- Continue to increase off balance sheet funding
- Vehicle supply expected to return to market in 4Q21 with increased remarketing sales offset by normalisation of yields
- Improved customer engagement tools – new app, new customer booking system and driver e-learning initiatives

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.
4 JobKeeper has been offset against employee expenses.

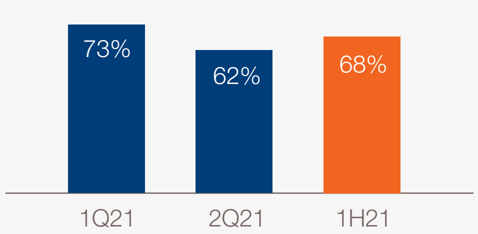
AM–ANZ operating metrics

Fleet assets written down value ($m)



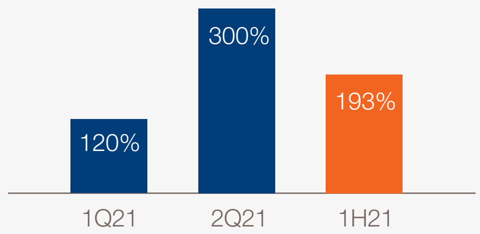
MMS sales volumes reduced as a result of COVID-19 related contract extensions

Remarketing units[1] indexed to pcp

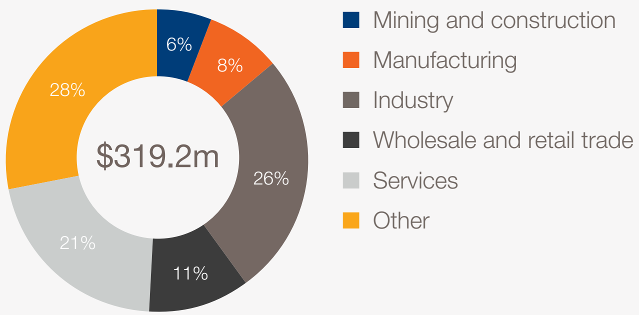


Abnormal market conditions in 1H21 resulted in increased average yields

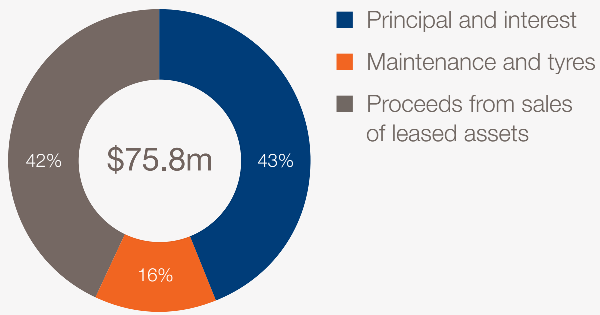
Remarketing yield[1] indexed to pcp



1H21 WDV breakdown



1H21 Revenue breakdown



1 Remarketing units and yield exclude those sold via Just Honk Used Cars.

AM – United Kingdom

$m	1H21	1H20	Variance
Revenue	30.0	32.2	*(6.7%)*
Lease and vehicle management expenses	17.9	17.2	*4.0%*
Employee expenses	6.5	8.8	*(26.1%)*
UK subordinated loan expense	3.5	2.1	*67.6%*
Property and other expenses	3.3	4.2	*(21.6%)*
EBITDA	(1.2)	(0.1)	*>(100%)*
EBITDA margin	*(3.9%)*	*(0.3%)*	
Depreciation	0.7	0.6	*12.4%*
Amortisation and impairment of intangibles	11.7	0.9	*>100.0%*
Interest expense	0.1	0.1	*(41.70%)*
Deferred consideration FV adjustment	-	(1.5)	*(100.0%)*
Tax	2.6	-	*>100%*
NPAT	(16.2)	(0.2)	*>100%*
NPAT margin	*(53.9%)*	*(0.8%)*	
UNPATA	0.8	(0.7)	*>100.0%*
UNPATA margin	*2.7%*	*(2.3%)*	
Key Metrics			
Asset pool (units)	18,515	23,443	*(21.0%)*
Assets written down value ($m) [1]	66.2	136.4	*(51.5%)*
Portfolio sales ($m)	7.0	57.0	*(87.8%)*
Net amount financed ($m)	469.2	499.6	*(6.1%)*
– On balance sheet ($m)	0.0	101.9	*(100.0%)*
– Off balance sheet ($m)	469.2	397.7	*18.0%*
Direct employees (FTE's) [2]	178	266	*(33.1%)*

Commentary

- Off balance sheet originations increased 18% on prior year supported by UK government CBILS loans attracting lower margins
- Maxxia Finance revenue continues to reduce in line with the reduction in net asset value with no new funding being provided
- UK Government furlough payments of $0.6m were directly passed through to eligible employees
- One off restructure costs $14.5m (net of tax)
- CLM performance heavily impacted by further UK lockdowns and expected pace of recovery resulting in a goodwill impairment of $2.0m

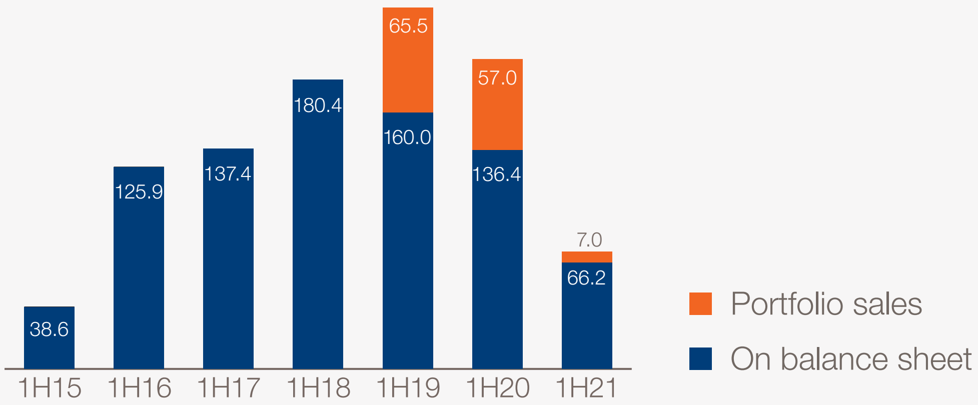
Outlook

- Continued sell down of Maxxia receivables and recovery of residual values on leased vehicles
- Drive organic growth from broking and fleet management business
- Lockdowns continue in the UK; commenced roll-out of vaccines expected to result in a gradual recovery through 2021

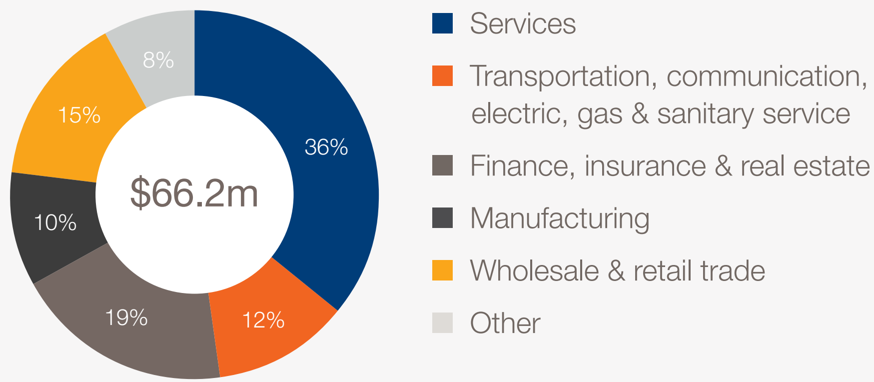
1 Included in assets written down value.
2 Average direct employees for the period.

AM–UK operating metrics

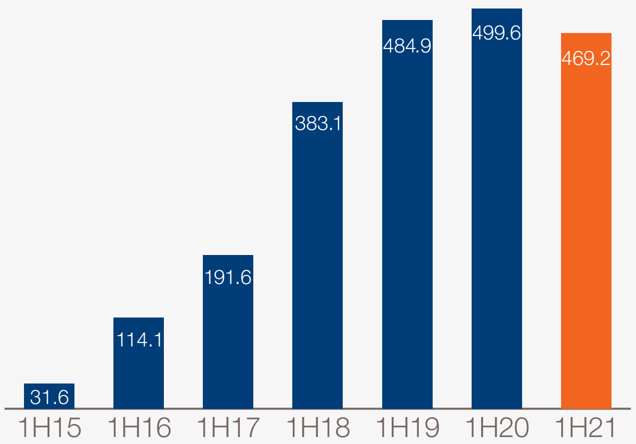
Fleet assets written down value ($m)



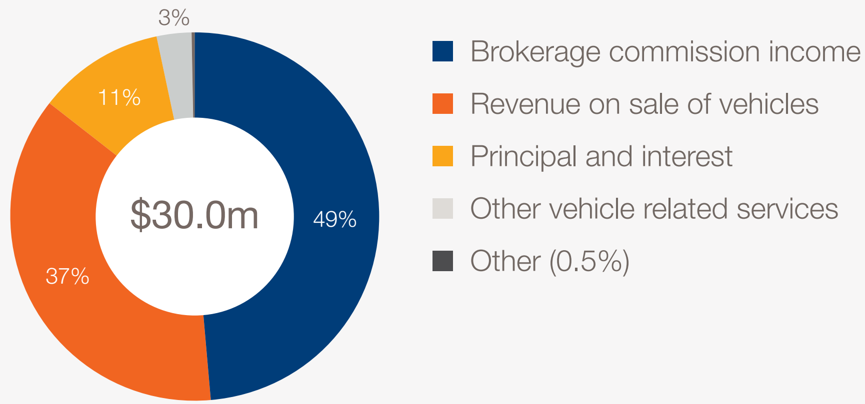
1H21 WDV breakdown[1]



Net amount financed ($m)

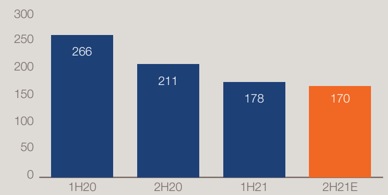


1H21 Revenue breakdown



1 WDV excludes off Balance Sheet Maxxia Ltd assets.

AM–UK strategic review update – Restructure complete

Key objectives	Update
Restructure the leadership and corporate office functions	Management restructure completed Acquisition of remaining 50% share of JV Maxxia Limited One off restructure costs in 1H21 excluded from UNPATA – Cash $1.8m – Non-cash $12.7m
Deliver on our cost out program	UK FTEs 
Drive organic growth from our broking businesses	$469m P&A funding, increase of 18% on pcp
Accelerate the transition to a capital light model	No new on balance sheet funding provided Assets written down value reduced by 51.5% on pcp to $66.2m

Retail Financial Services (RFS)

$m	1H21	1H20	Variance
Revenue	29.9	38.3	*(21.8%)*
Brokerage commissions	13.3	17.8	*(25.5%)*
Employee expenses[2]	6.3	8.0	*(21.3%)*
Net claims	5.9	6.9	*(14.6%)*
Property and other expenses	1.3	6.2	*(79.7%)*
EBITDA	3.2	(0.7)	*>100.0%*
EBITDA margin	*10.7%*	*(1.8%)*	
Depreciation	0.2	0.5	*(55.5%)*
Amortisation and impairment of intangibles	0.4	1.3	*(71.8%)*
Interest expense	-	-	*(73.2%)*
Tax	0.9	(0.7)	*>100.0%*
NPAT	1.7	(1.9)	*>100.0%*
NPAT margin	*5.8%*	*(4.9%)*	
UNPATA	2.0	2.2	*(9.1%)*
UNPATA margin	*6.7%*	*5.7%*	
Key metrics			
Net amount financed ($m)	453.7	514.5	*(11.8%)*
– Aggregation ($m)	453.7	514.4	*(11.8%)*
– Retail ($m)	-	0.1	*(100.0%)*
Employees (FTE's)[1]	69	82	*(15.8%)*

1 Average direct employees for the period.
2 JobKeeper has been offset against employee expenses.

Commentary

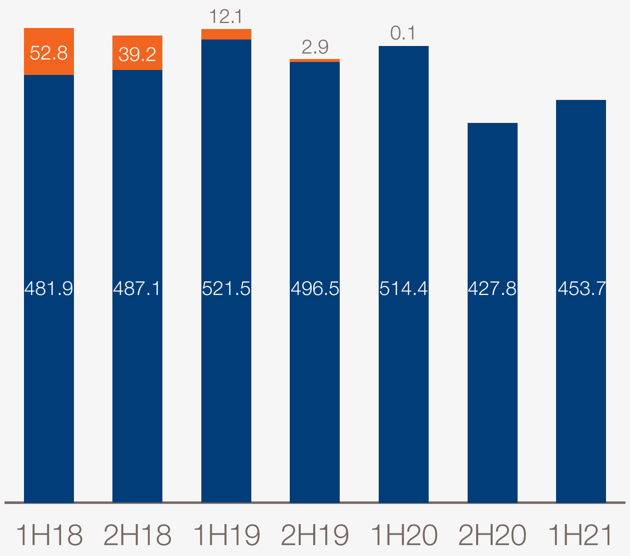
- COVID-19 impacted sales activity in 1H21
  - Aggregation net amount financed down 12% on pcp
  - Warranty sales down 15% on pcp
- Australian new car sales down 6.7% on pcp
- Competitive pricing pressure ongoing
- JobKeeper[2] subsidy of $0.6m included in 1H21

Outlook

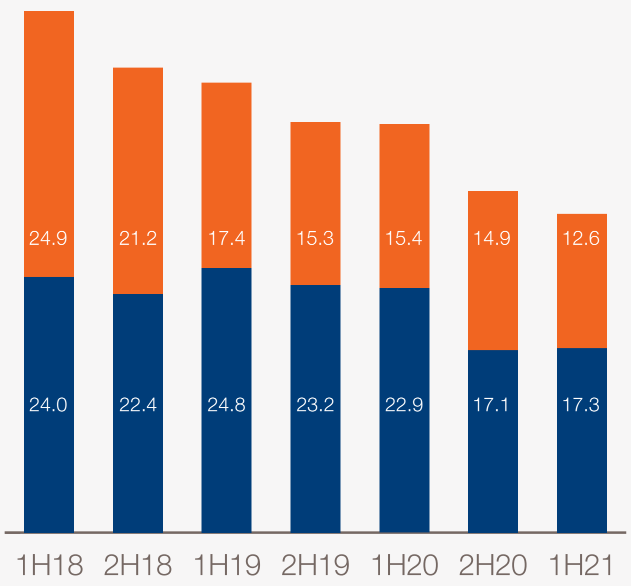
- Aggregation expected to return to pre COVID-19 volume levels
- Regulatory uncertainty surrounding warranty and insurance products

RFS operating metrics

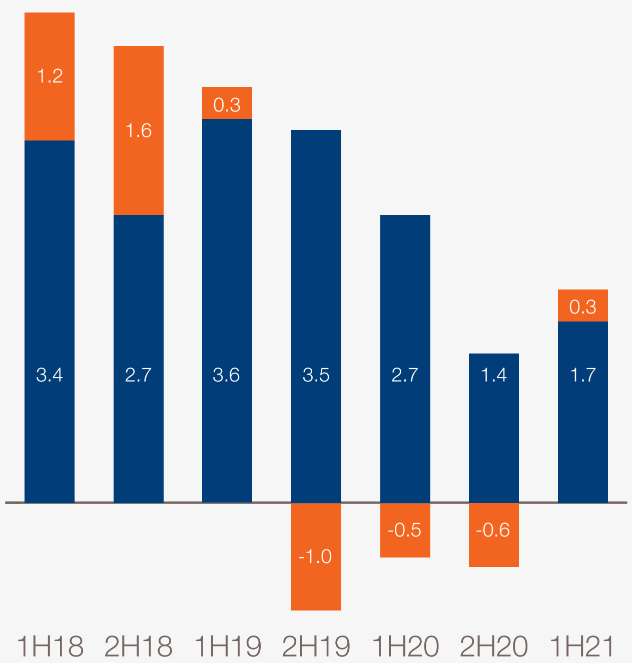
Net amount financed ($m)



Revenue breakdown ($m)



UNPATA breakdown ($m)



Aggregation

Retail

Summary

Summary and outlook

Summary	Outlook
■ Delivered a solid operating performance and grown our customers in salary packaging, novated leasing and plan management	■ Conditions in broader motor industry expected to normalise in 4Q21
■ Strengthened our balance sheet and improved our cash position	■ COVID-19 continues to impact operations, business and consumer activity and there remains the potential for further disruption
■ Remained focused on our strategic priorities – Restructured the UK – Invested in digital transformation – Progressed the funding warehouse	■ Operating performance in 2H21 expected to be similar to 1H21 excluding JobKeeper
■ Management in COVID-19 environment ongoing	

Appendix

Business on a page

	Group Remuneration Services	Asset Management	Retail Financial Services
Brands	Maxxia, RemServ, Plan Partners (Bringing your plan to life)	Maxxia, interleasing, JustHonk.com, CLM, AngloScottish, CAPEX Finance, Eurodrive Motor Finance	Presidian, National Warranty Company, nfc Aggregation, UFS Aggregation
Primary service	– Salary packaging – Novated leases – Plan management & support coordination	– Vehicle fleet leasing and management – Vehicle finance, insurance and warranty broking – Used vehicle retail sales	– Vehicle finance, insurance and warranty broking
Customers	– Hospitals, health & charity workers – Public and private sector – NDIS participants	– Predominantly corporate customer base – Dealer, broker and retail network – Retail customer base	– Retail customer base – Dealer, broker and retail network
Distribution	– Over 1,300 customers – Circa 1.2 million employees	– Over 400 customers – Select brokers and dealers – Retail car yards	– 5,200+ active dealers – 200 finance brokers
Key operating statistics	– 364,100 salary packages – 72,300 novated leases – $909m client funds under administration	– 35,700 total assets managed – $385m total assets funded[1]	– $454m net amount financed

1 Total assets funded on and off balance sheet excluding off Balance Sheet Maxxia Ltd assets.

Reconciliation between NPAT and UNPATA

$m	1H21	1H20	Variance
NPAT	25.5	34.0	*(25.0%)*
1. Amortisation of intangibles from acquisitions	0.8	1.7	*(51.6%)*
2. UK restructure costs - cash	1.8	0.1	*>100%*
3. UK restructure costs - non-cash	12.7	-	*>100%*
4. Asset impairment in relation to CLM	2.0	-	*>100%*
5. Class action legal and settlement costs	-	3.1	*>(100%)*
6. Share buy back costs (in relation to $80m buy back)	-	0.3	*>(100%)*
7. Deferred consideration (no longer payable)	-	(1.4)	*>100%*
UNPATA	42.7	37.8	*13.0%*

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