

# McMillan Shakespeare Limited

**Results Presentation and Analyst Briefing**

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**McMillan Shakespeare**

*Benefit From Our Experience*  
EST 1988

# Financial Performance

	<b>First half 08/09 \$'000</b>	<b>First half 07/08 \$'000</b>	<b>% change on prior year</b>
<b>Revenue</b>	37,699	31,533	20%
<b>EBITDA</b>	13,629	11,813	15%
<b>EBIT</b>	12,924	11,091	17%
<b>NPAT</b>	9,537	7,948	20%
<b>Basic earnings per share (cents)</b>	14.10	11.81	19%
<b>Dividends declared per share (cents)</b>	8.5	7.5	13%
<b>% franked</b>	100%	100%	



# Key highlights for first half 08/09

- Strong NPAT and revenue growth (including both units and average yield in Novated Leasing business, despite the travails of the car market).
- Net operating cash flow \$13.8m.
- EPS – 14.1cps (19% growth on PCP).
- Interim dividend – 8.5cps (1<sup>st</sup> half 07/08 – 7.5cps).
- Significant improvement in customer service metrics.
- Launched extended warranty insurance in Novated Leasing business.
- Developed consumer finance offering.
- Retained key health contracts.
- Acquired two major contracts and sundry smaller contracts.

# Key highlights for first half 08/09

- Conducted I.T. review and set 5 year strategy for systems development to improve quality of delivery and reduce operating costs.
- Active participant in Henry Tax Review (<http://taxreview.treasury.gov.au>).
- Actively pursued and pursuing acquisition targets.
- Completed scan of international opportunities.



# MMS in the context of current economic conditions

- High exposure to non-cyclical sectors (Health/PBI's).
- Annuity income streams.
- No debt.
- Negative working capital.
- Strong cash flow.
- Minimal credit risk.
- Scale in core business.
- Strong operational performance.



# Outlook for second half

- Continuing growth in salary packaging through increased participation and new business.
- Continuing growth in novated leasing services through cross-sell into our salary packaging customers.
- Further extensions/new offerings planned for second half.
- Continue to look for well-priced bolt-on or related acquisitions.



# Outlook for second half

- Novated leasing business a key sensitivity (ongoing slow down in national car sales), however:
  - the tax benefit remains attractive to prospective car buyers;
  - MMS has minimal exposure to luxury cars;
  - MMS increasing its sales and average yield; and
  - we are exceeding our budgetary expectations Y.T.D.
- We will continue to invest in:
  - new business acquisition;
  - participation rates (increased marketing spend); and
  - I.T. and systems development.

