

24 October 2023

Manager Company Announcements
ASX Limited
20 Bridge Street
SYDNEY NSW 2000

By E-lodgement

Trading update for the first quarter of FY24¹

During the first quarter of FY24 McMillan Shakespeare Ltd (ASX: "MMS" or "Group") achieved strong growth in novated lease sales contributing to higher than expected MMS Group earnings. MMS's GRS segment recorded a 28% increase in novated lease unit sales versus the prior corresponding period ("pcp") at a higher average net amount financed, which has been particularly driven by growth in novated lease sales of Electric Vehicles ("EVs"). The GRS segment's Normalised² revenue for the first quarter is 29% higher versus the pcp and Group Normalised² revenue from continuing operations increased 15% versus the pcp.

MMS CEO and Managing Director Rob De Luca said: "We are particularly pleased with the first quarter's performance in the GRS segment with strong growth in novated lease unit sales and net amount financed. This is a result of the ongoing increase in novated lease sales relating to EVs while also maintaining the novated lease sale of internal combustion engine ("ICE") vehicles at similar levels to the pcp. EV unit sales represented 36% of new novated lease unit sales in the quarter.

The value of our carryover which is expected to benefit future periods remains at similar levels to that reported at the FY23 results.

Based on the growth in novated leases we currently expect the warehouse normalisation adjustment for FY24 to increase to ~\$(15m)³ reflecting our target of 20% of novated lease sales in the warehouse.

This performance endorses our strategy to assist our customers' transition to zero and low carbon emission vehicles. It is also an indication of the value proposition of novated leases to our customers, particularly of an

¹ Unaudited

² 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.

³ Key dependencies include: GRS novated unit volumes and yields, NIM and operating costs

EV, during these times of increasing cost of living pressures and is supported by the Treasury Laws Amendment (Electric Car Discount) Act.

During the quarter we continued to grow our customer base across all MMS's segments and for the remainder of the year we will continue to respond to market conditions and focus on our three strategic priorities."

MMS's Annual General Meeting will be held on 27 October 2023.

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