

McMillan Shakespeare 2024 AGM Report

ASX code	MMS
Meeting date	Friday, 25 October 2024
Type of meeting	Hybrid
Monitor	Christine Haydon
Pre AGM-meeting	Meeting with Chair Helen Kurincic

Meeting Statistics

Number of holdings represented by ASA	46
Number of shares represented by ASA	142,228
Value of shares represented by ASA	\$2,156,176.
Total number attending meeting	22 in person, 47 online
Market capitalisation	\$1.05b
ASA open proxies voted	ASA voted in favour of all resolutions

Monitor Shareholding: The individual involved in the preparation of this voting intention has no shareholding in this company.

A very positive meeting with a consistent good story to tell despite the challenges of inflation, cost of living pressures, the unsuccessful renewing of a contract with the South Australian Government and the EV & new vehicle delivery times.

The Company delivered strong Group financial performance with growth in Normalised Revenue, EBITDA and UNPATA supported by organic growth across all three of its segments. Normalised refers to adjustments made for the negative earnings impact during the transitional period for the implementation of the funding warehouse, known as Onboard Finance, which was launched in 2022. It secures and diversifies MMS' funding source, increases annuity-based income, which is also a new source of income and captures a greater share of the value of transactions. 2025 will be the last year of Normalisation.

There was an emphasis on the company's sustainability strategy with much being achieved including the Morgan Stanley Capital International Environment, Social and Governance (ESG) Rating increased from A to AA during 2024.

A soft launch of a new product called Oly commenced in May. Oly is a digitised novated leasing solution that allows novated leases to be available to employees from small and medium sized businesses. These businesses make up about 67% of the Australian economy and the results to date from people visiting the online site is encouraging according to the company. A new green funding product is also available to support the growth of electric vehicles. Government changes to NDIS rules and the FBT benefit on hybrid plug-in vehicles are awaited.

Stephen Mayne asked several questions online. ASA questions (in the room) were about LTI's time period, a summary of the remuneration report, and the actual take-home pay of key management personnel being extended to cover a 5-year period. In relation to the Board, we suggested the director shareholding requirement being of 5 years be shortened and the skills matrix be available in the Annual Report with skills consigned to particular directors. One other question from a shareholder was to seek some clarification from the auditor.

All items put to the meeting were passed by over 97%, and 61% of registered shareholders voted.

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