

McMillanShakespeareGroup

ASX ANNOUNCEMENT

Market update

McMillian Shakespeare Limited (MMS) advises that it expects Underlying Net Profit After Tax (UNPATA) for the first half of the financial year ending 30 June 2018 (FY18) to be approximately \$44.0 million. Based on an expected first half / second half split of 47% / 53%, FY18 UNPATA will be approximately \$93.6 million.

The FY18 performance to date of the Group Remuneration Services segment is exceeding expectations and the Asset Management segment in both Australia and the UK is performing well and in line with expectations. FY18 performance to date of the Retail Financial Services (RFS) segment is below expectations.

During FY18, the RFS segment has been reorganised into two new business streams, an aggregation business which contains the two finance brands NFC and UFS and a retail business that operates the warranty, insurance and Money Now finance business. Whilst the aggregation business is performing in line with expectations, regulatory uncertainty continues to impact the financial performance of the retail business.

The RFS retail business is forecast to generate approximately 3% of FY18 MMS UNPATA. However, some goodwill and other intangible assets on the MMS balance sheet is associated with the RFS retail business and is required to be tested for impairment every six months.

Based on preliminary half-year end work carried out to date, MMS expects to recognise an impairment charge to the carrying value of goodwill and other intangible assets for the RFS retail business in its half year accounts. The asset impairment is likely to be in the range of \$9-14 million after tax. This adjustment would be included in MMS Statutory Net Profit After Tax but excluded from reported MMS UNPATA.

MMS will report its half-year financial results on 21 February 2018.

MMS calculates UNPATA as NPAT plus any after-tax acquisition costs, after-tax amortisation of acquisition intangible assets and any after-tax impairment of acquisition intangibles.

For more information please contact:



Mark Blackburn
CFO and Company Secretary
McMillan Shakespeare Limited

McMillan Shakespeare Limited
Level 21, 360 Elizabeth Street, Melbourne, Victoria 3000
ABN 74 107 233 983 AFSL No. 299054
Phone: +61 3 9097 3273 Web: www.mmsg.com.au