

Servcorp Limited Analyst Presentation

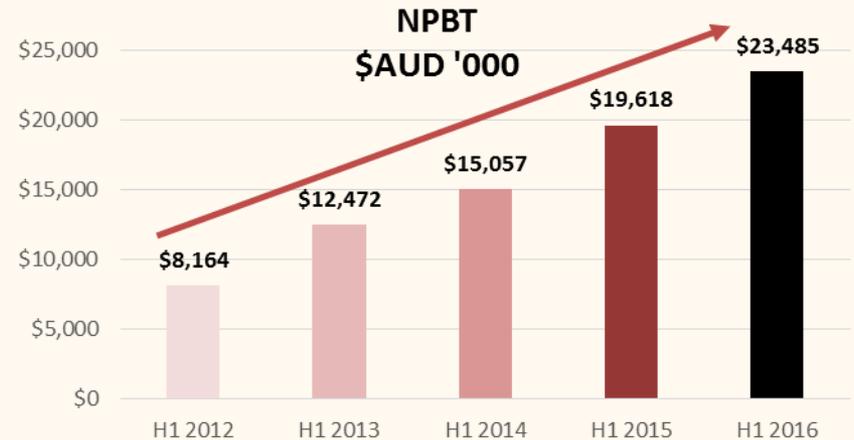
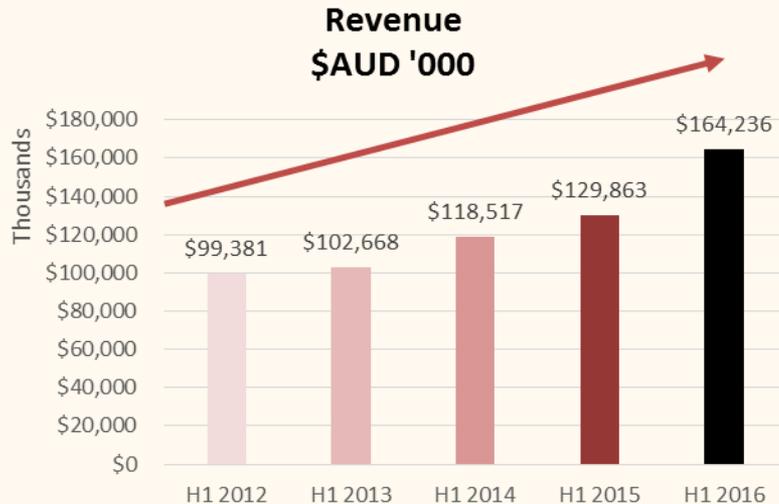
23 February 2016



Presented by: Alf Moufarrige, CEO

Operational Highlights

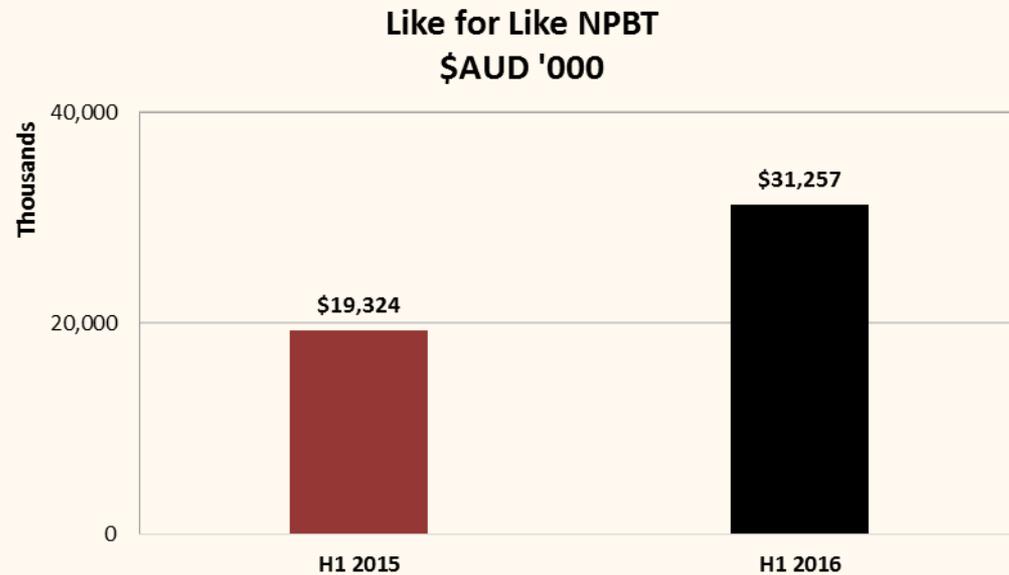
H1 FY 2016



- Revenue of \$164,236,000, up 27%
- NPBT of \$23,485,000, up 20%
- NPAT of \$18,726,000, up 17%
- NTA backing of \$2.39 per share, up 9%
- EPS of 19.0 cps, up 17%
- Reaffirm NPBT guidance of not less than \$48,000,000 for FY 2016
- Interim dividend of 11.00 cps, declared for H1 FY 2016, 50% franked
- Forecast H2 FY 2016 dividend of 11.00 cps, 50% franked
- Unencumbered cash and investment balances of \$92,196,000

Operational Highlights

H1 FY 2016



- Like for like NPBT of \$31,257,000, up 62%

Overview

H1 FY 2016

- Revenue and profit have improved:
 - 5 consecutive years of revenue and profit growth
- Management encouraged:
 - all geographic segments improved performance
- Like for Like occupancy at 31 December 2015 was 76%
- A temporary drop in occupancy was seen in:
 - Australia, China, UAE and Singapore
- Sales pipeline is strong and occupancy levels should improve
- Revenue and profits have benefited from a weaker AUD:
 - Approx. 80% of our revenue and profits are in foreign currencies
- The balance sheet also benefited from a weaker AUD:
 - NTA increased by 9% to \$2.39 per share
- New floor net operating costs during H1 FY 2016 were (\$7,772,000)



Financial Results

H1 FY 2016

	H1 FY 2015 \$AUD 000's	H1 FY 2016 \$AUD 000's	%	% Constant Currency
Revenue	129,863	164,236	27%	10%
NPBT	19,618	23,485	20%	6%
Tax	(3,579)	(4,759)		
NPAT	16,039	18,726	17%	
	H1 FY 2015 \$AUD	H1 FY 2016 \$AUD	%	% Constant Currency
Net Tangible Assets (per share)	\$2.19	\$2.39	9%	
Earnings per share	\$0.163	\$0.19	17%	
Dividends per share	\$0.11	\$0.11	0%	

The Servcorp Footprint

H1 FY 2016

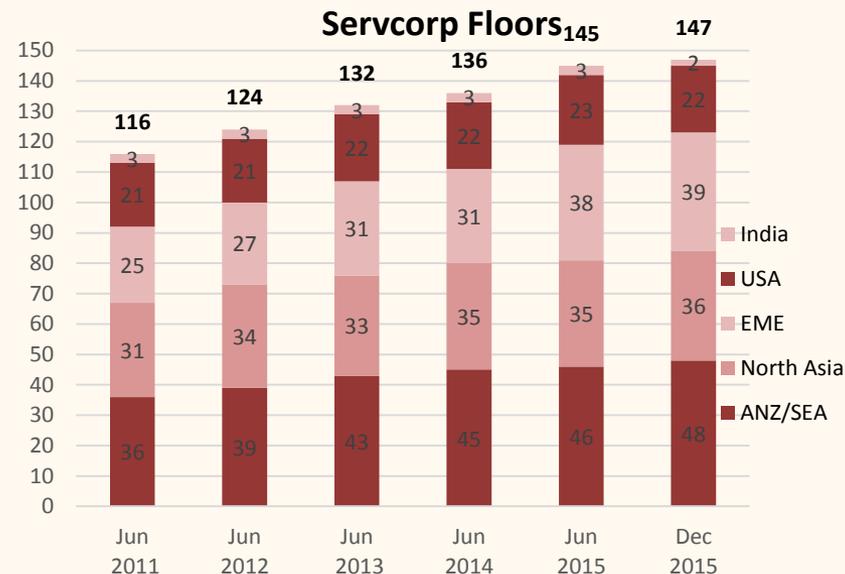
- **New Floor openings in H1 FY 2016:**

- 4 new floors opened in Singapore, UAE, New Zealand & Japan
- 1 floor was expanded

- **New floors - H2 FY 2016:**

- We plan to open a further 6 floors in Iran, Malaysia, Bahrain & Australia
- In Iran we will open 63 Offices, across 3 floors in 1 location
- In FY 2016 we will add a further 10% to office capacity (previously forecasted 7%)

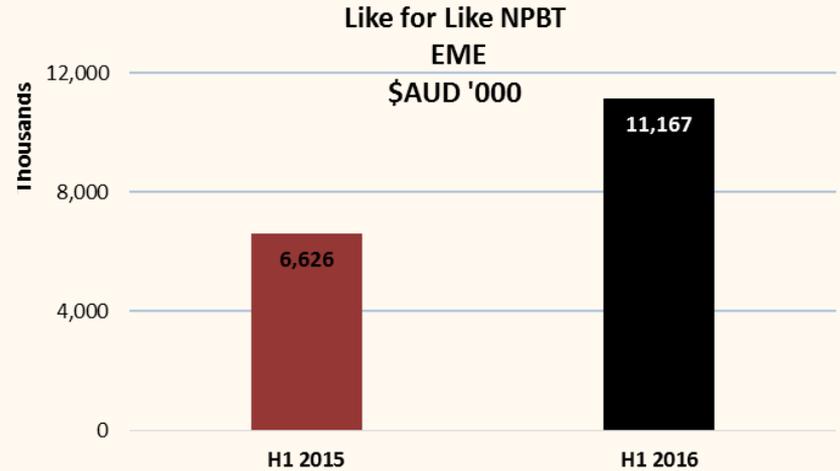
- **As at 31 December 2015 there were 147 floors in 52 cities in 21 countries**



EME

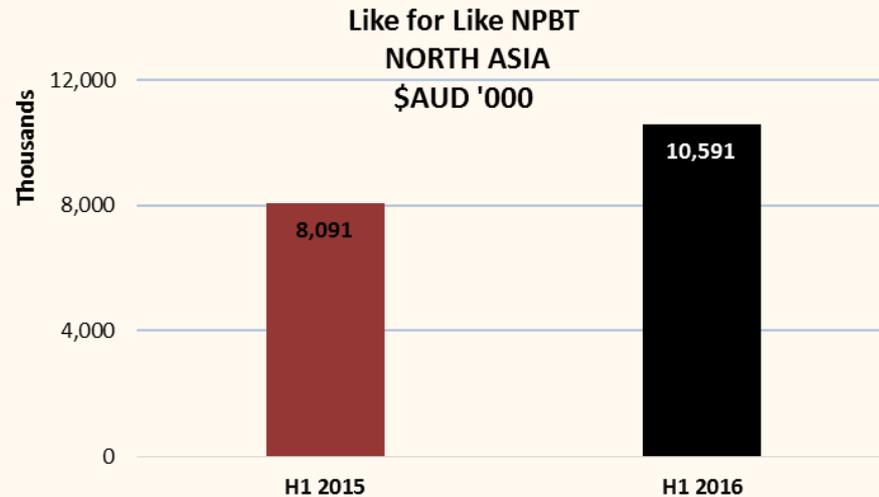
H1 FY 2016

- Like for like NPBT growth in EME was 69%
- All markets performed to expectations and Management is pleased with this outcome
- Performance of our new London locations have exceeded our expectations:
 - Recording strong sales and occupancy levels
 - Both locations are now producing profits
- We look forward to opening our new location in Tehran, Iran in H2 FY 2016
- New floor net operating costs were (\$3,663,000) in H1 FY 2016



North Asia

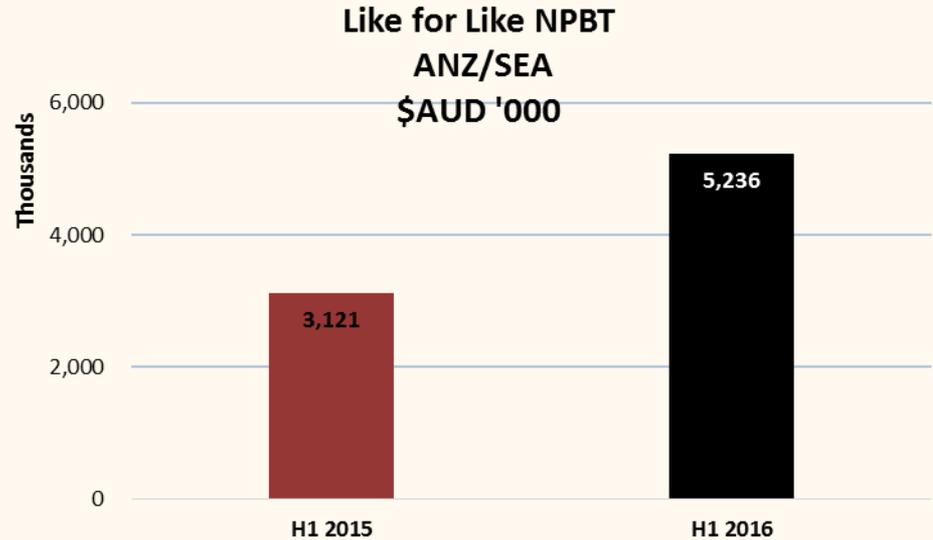
H1 FY 2016



- Like for Like NPBT growth was 31% in North Asia
- North Asia continues to produce solid results
- Japan continues to exceed expectations
- The margins in China/Hong Kong continue to improve.
- New floor net operating costs in H1 FY 2016 were (\$371,000)

ANZ/SEA

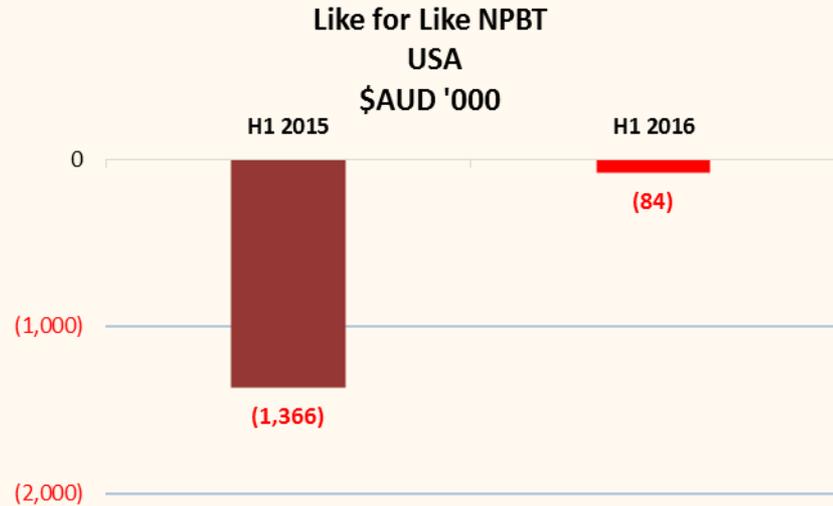
H1 FY 2016



- Like for like NPBT performance in ANZ / SEA was up 68%:
 - This is a solid result
 - Management is pleased with this performance
- The performance of Australia has improved markedly
- Malaysia and Singapore are not performing at their optimum level
- Management continues to focus on turning these markets around
- New floor net operating costs in H1 FY 2016 were (\$1,765,000)

USA

H1 FY 2016



- Like for Like Net Loss Before Tax for the USA reduced considerably
- On a run rate basis, the like for like USA business is now profitable:
 - We expect revenue and profits to improve in H2 FY 2016
- One World Trade Center is performing satisfactorily and to expectations
- New floor net operating costs were (\$1,973,000) during H1 FY 2016

Dividend

H1 FY 2016

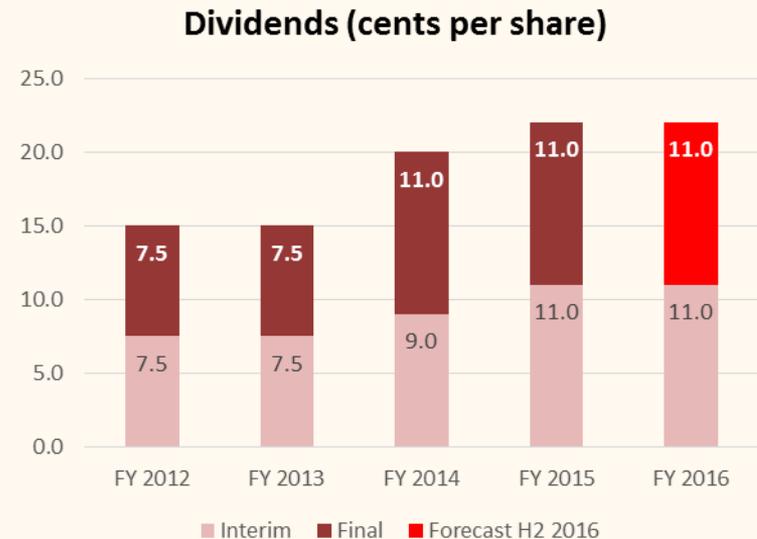
- Interim dividend payable of 11.00 cps, 50% franked

Forecast

H2 FY 2016

- Final dividend of 11.00 cps is expected to be paid for FY 2016, with an anticipated franking level of 50%
- Total dividends payable for FY 2016 of 22.00 cps, with an expected franking level of 50%

This payment is subject to currencies remaining constant, global financial markets remaining stable and no unforeseen circumstances



Outlook

FY 2016



- **Management reaffirms NPBT guidance of not less than \$48,000,000 for FY 2016:**
 - **Notwithstanding the ongoing volatility in financial markets**
- **There are plans to open an additional 6 floors in H2 FY 2016**
- **We now expect to increase office capacity by approximately 10% during the 2016 fiscal year**
- **Future earnings should benefit from a weaker AUD as approximately 80% of our revenue and profits are denominated in currencies other than AUD**

This forecast is subject to currencies remaining constant, global financial markets remaining stable and no unforeseen circumstances

QUESTIONS AND ANSWERS

