

Servcorp Limited Analyst Presentation

27 August 2014



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Operational Highlights

FY 2014

- Revenue of \$242,247,000, up 17%
- NPBT of \$34,257,000, up 24%
- NPAT of \$26,336,000, up 24%
- NPBT (like for like) of \$38,249,000 up 35%
- Operating cash flow of \$40,214,000, up 48%
- NTA backing of \$2.06 per share, up 5%
- EPS of \$0.27, up 24%
- Strong unencumbered cash & investment balances of \$93,452,000
- Final dividend of 11.00 cps, 35% franked, declared for FY 2014
- Forecast FY 2015 dividend of 22.00 cps



Overview

FY 2014

- **Management satisfied with performance:**
 - Revenue growth gathering momentum
 - Margins improving
- **Particularly pleased with the performance in:**
 - The Middle East
 - Japan
- **The performance of Australia and Singapore can improve**
- **Virtual office continued to grow steadily**
 - Package growth of 7%
- **Occupancy of like for like floors was 79% (30 June 2013: 78%)**
- **The number of occupied offices increased by 10% during FY 2014**
- **We view our current vacancy levels as a significant opportunity to improve:**
 - our margins, and
 - operating results



Financial Results

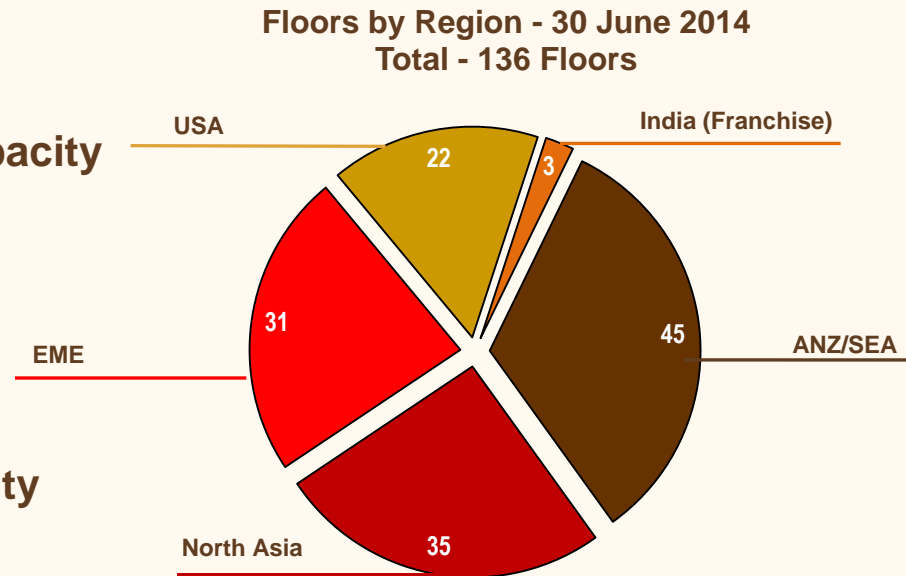
FY 2014

	FY 2013 \$AUD 000's	FY 2014 \$AUD 000's	%	% Constant Currency
Revenue	207,995	242,247	17%	10%
NPBT	27,630	34,257	24%	20%
Tax	(6,359)	(7,921)		
NPAT	21,271	26,336	24%	
	FY 2013 \$AUD	FY 2014 \$AUD	%	% Constant Currency
Net Tangible Assets (per share)	\$1.96	\$2.06	5%	
Earnings per share	\$0.22	\$0.27	24%	
Dividends per share	\$0.15	\$0.20	33%	

The Servcorp Footprint

FY 2014

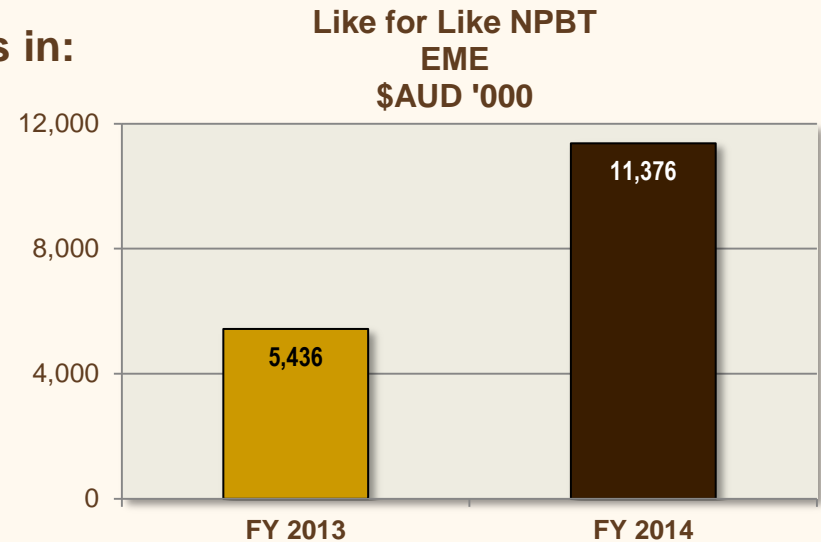
- As at 30 June 2014 there were 136 floors in 52 cities in 21 countries
- 78 floors opened in the 60 months to 30 June 2014
- New Floor openings in FY 2014
 - 6 new floors opened
 - 5 floors were expanded
- Added approximately 11% to office capacity
- Expansion FY 2015
 - Plan to open a further 9 floors
 - Expand 3 existing floors
 - Add a further 10% to office capacity



EME

FY 2014

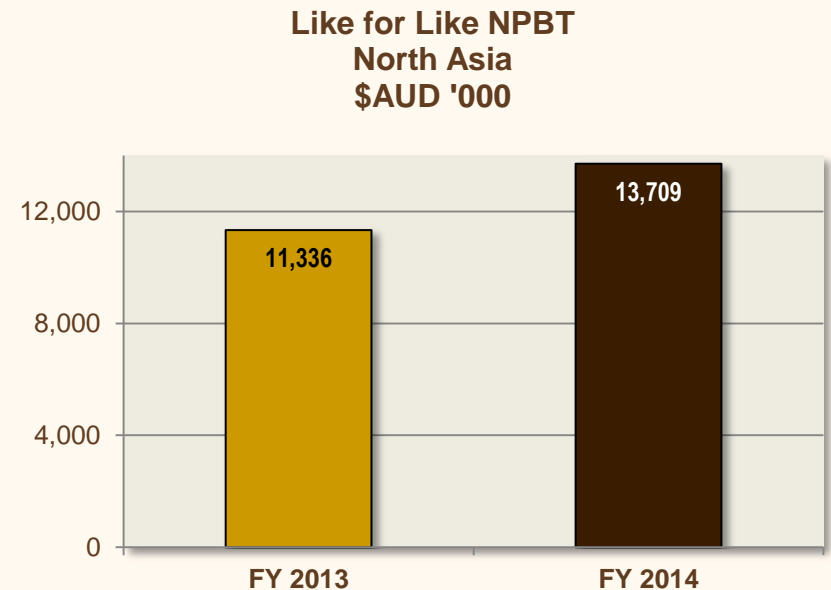
- Like for like NPBT growth in EME was 109%
- Management pleased with this outcome
- Remain focused on expanding in identified high growth areas
- Consolidated our operation in Paris by closing 1 ageing location
- Performance of London continued to improve
- In FY 2015 we will open landmark locations in:
 - One Mayfair Place, London
 - The Leadenhall Building
(The Cheesegrater), London
 - Etihad Towers, Abu Dhabi, UAE



North Asia

FY 2014

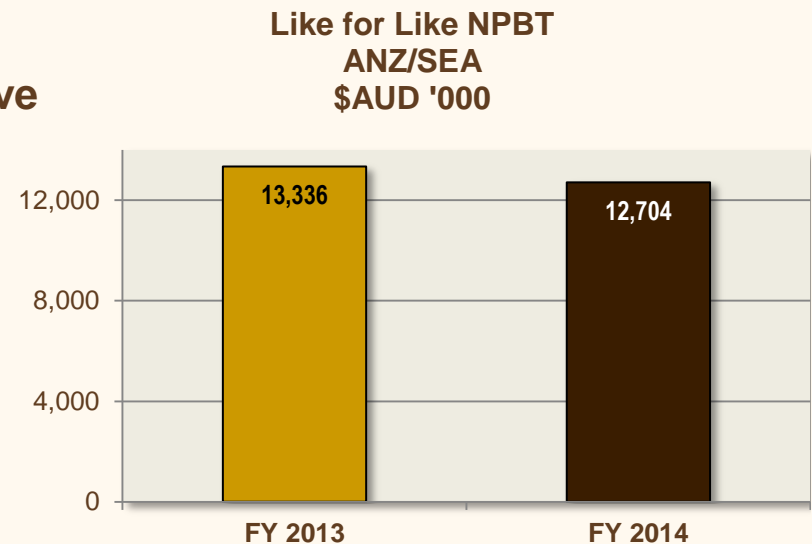
- Like for like NPBT growth for North Asia was up 21%
- Japan continued to outperform
- Still considerable upside potential in China
- Opened a new landmark location
 - Fortune Financial Centre, Beijing
- Performance of Hong Kong is improving
 - Expect margin growth to continue



ANZ/SEA

FY 2014

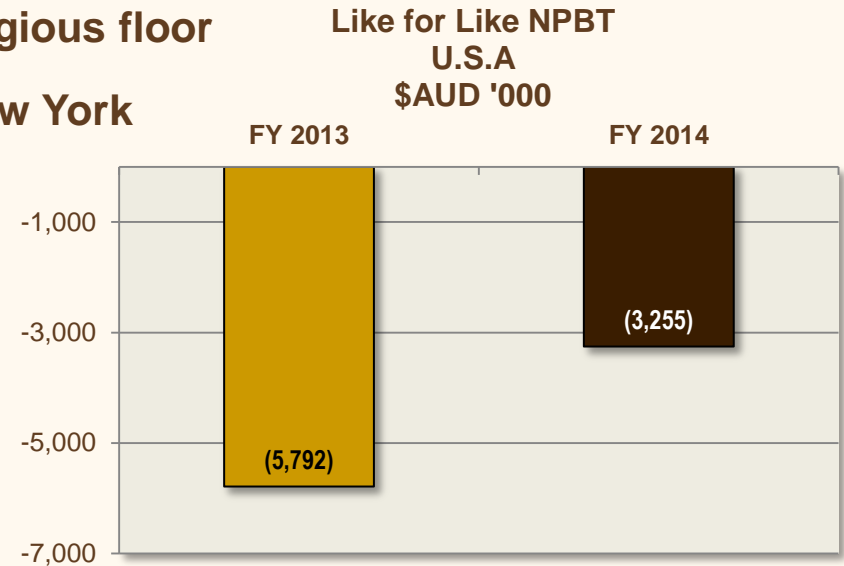
- Like for like NPBT performance in ANZ / SEA was down 5%
- In SEA we had a complete management restructure
 - negatively impacted sales and margins for both Singapore and Malaysia
 - now believe we are at the bottom of the cycle
- Performance in Thailand remained strong
- The Australian market remained competitive
 - the Perth market has not recovered (after the collapse in FY 2013)
 - expect margins in Sydney and Melbourne to improve



USA

FY 2014

- Revenue and margins continued to improve throughout FY 2014
- We are now close to a NPBT breakeven position
- Anticipate generating a modest like for like profit in FY 2015
- We continue to have confidence in our USA business model
- In FY 2015 we will open our most prestigious floor
 - Level 85, World Trade Centre 1, New York
- We will also expand locations in:
 - Boston
 - Los Angeles



Dividend

FY 2014

- Final dividend payable of 11.00 cents per share, 35% franked
- Total dividends payable in relation to FY 2014 of 20.00 cents per share, 19% franked

There is no foreign conduit income attributed to this dividend

Forecast

FY 2015

- Dividends of no less than 22.0 cents per share expected to be paid in relation to FY 2015
 - 11.00 cents in each half
- At this point, future franking levels are uncertain

Future dividends are subject to currencies remaining constant, global financial markets remaining stable and no unforeseen circumstances

Share Buy Back

- The share buy-back commenced on 11 September 2012 has been finalised

Outlook

FY 2015


- **Notwithstanding significant levels of global political and economic uncertainty, we anticipate further revenue growth and an improvement in occupancy**
- **We will also remain focused on expanding our office footprint in identified growth markets, where we have critical mass and experienced management**
- **We expect to add 10% to office capacity in FY 2015**
- **We forecast NPBT to improve by no less than 15% in FY 2015**

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



OPENING SOON:
Level 85, World Trade Centre, New York

SERVCORP LOCATIONS JUST OPENED:

 Sydney, Australia



Level 36, Gateway Tower, Sydney

 Tokyo, Japan



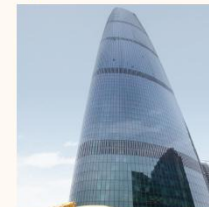
Yusen Building, Marunouchi

 Beijing, China



Level 26, Fortune Financial Centre, Beijing

 Guangzhou, China



Level 54, IFC West Tower, Guangzhou

SERVCORP LOCATIONS OPENING SOON:

 London, UK



Level 1, Mayfair Place, Mayfair

 London, UK




Leadenhall Building, City of London

 Doha, Qatar



Level 21, Burj Doha, Doha

 Abu Dhabi, UAE



Level 36, Etihad Towers, Abu Dhabi