Servcorp Limited

Analyst Presentation FY 2015

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Operational Highlights

FY 2015

- Revenue of $277,378,000, up 15%
- NPBT of $41,211,000, up 20%
- NPAT of $33,141,000, up 26%
- Like for like NPBT of $48,176,000, up 36%
- Operating cash flow from operations of $59,928,000, up 49%
- Unencumbered cash and investment balances of $99,335,000, up 6%
- NTA backing of $2.31 per share, up 12%
- EPS of 34 cps, up 26%
- Final dividend 11.00 cps, declared for FY 2015, 40% franked
- Total dividends for FY 2015 of 22.00 cps, 30% franked
- Forecast dividends of 22.00cps for FY 2016
- Guidance of not less than $48,000,000 NPBT for FY 2016

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Overview

FY 2015

- **Management pleased with overall performance**
- **Our result this year exceeded guidance of NPBT growth of 15%**
- **Cash flows generated from operations continued to grow strongly**
    - ❖ Continued to expand organically
    - ❖ Capex of approx. $40 million
    - ❖ Dividends paid of approx. $22 million
    - ❖ Unencumbered cash balance grew by 6%
- **In turbulent markets, a cash balance of $99 million will enable us to take advantage of opportunities**
- **Our Virtual Office business continues to grow**
- **Like for like occupancy was 79% (2014: 79%)**

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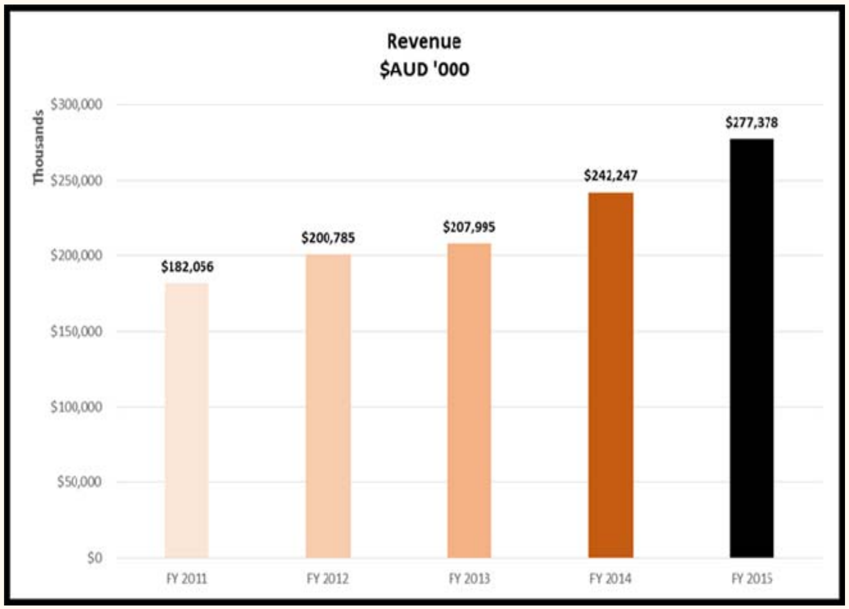
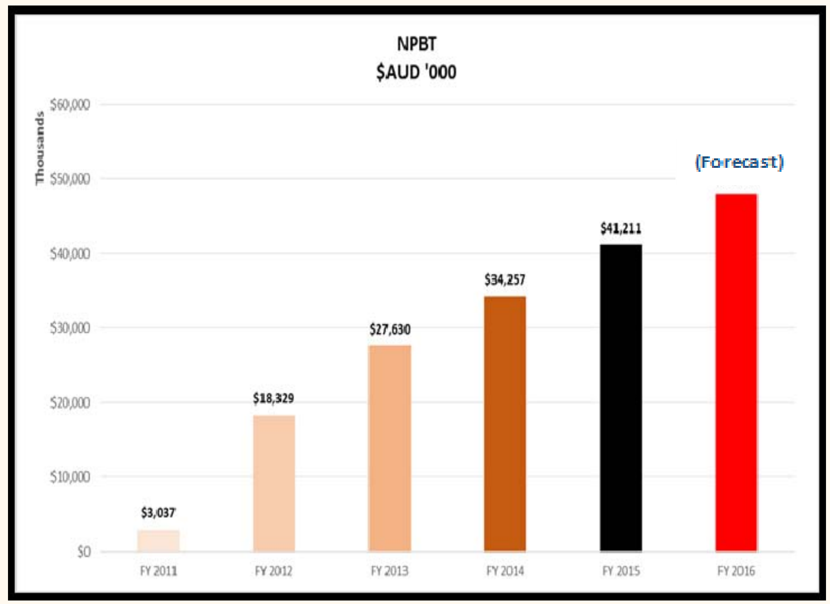
Overview (cont.)

FY 2015

- Revenue and profit have improved materially
- 5 consecutive years of revenue and profit growth





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Financial Results

FY 2015

	FY 2014 $AUD '000	FY 2015 $AUD '000	%	% Constant Currency
Revenue	242,247	277,378	15%	9%
NPBT	34,257	41,211	20%	16%
Tax	(7,921)	(8,070)		
NPAT	26,336	33,141	26%	
	FY 2014 $AUD	FY 2015 $AUD		
Net Tangible Assets (per share)	$2.06	$2.31	12%	
Earnings Per Share	$0.27	$0.34	26%	
Total Dividends Per Share	$0.20	$0.22	10%	

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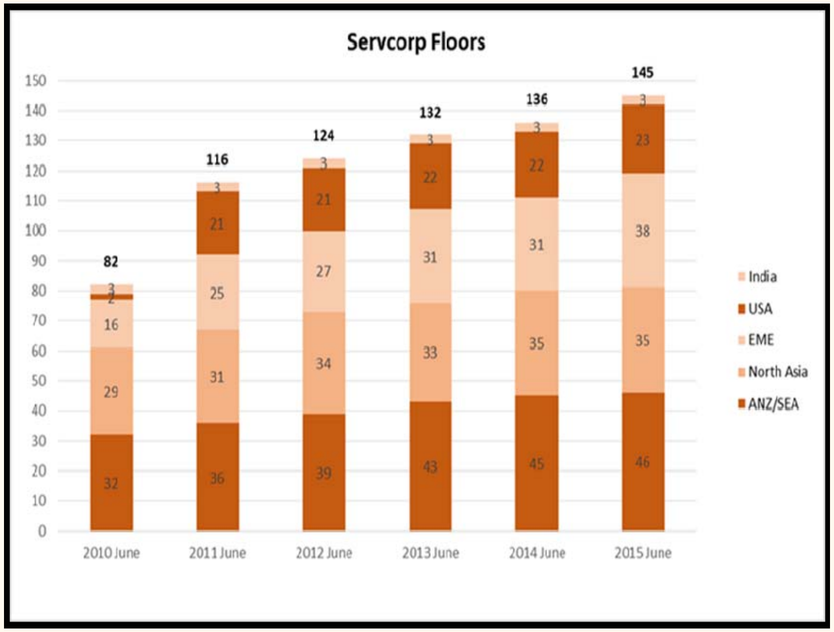
The Servcorp Footprint

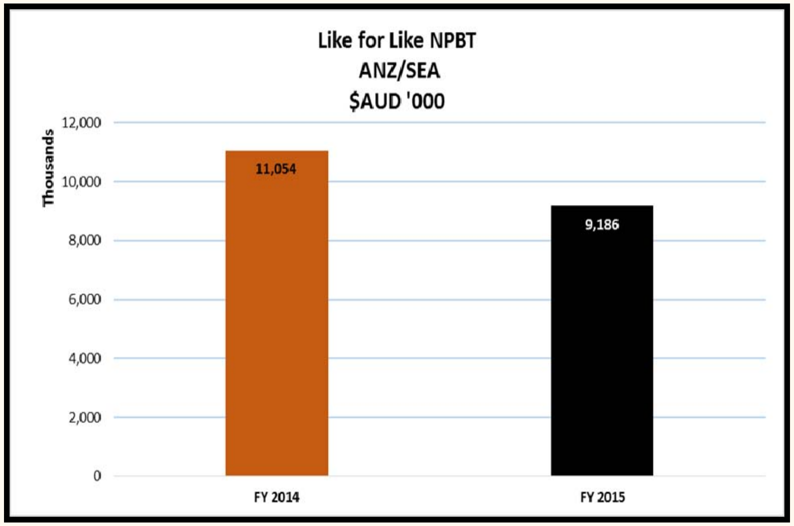
FY 2015



- **Increased office capacity by 645 offices**
  - ❖ Growing office stock by 15%
- **FY 2015 was Servcorp's biggest office expansion year ever**
- **Added new landmark locations:**
  - ❖ One World Trade Centre, New York
  - ❖ One Mayfair Place, London
  - ❖ The Leadenhall Building, London
- **We have added 63 (net) new locations to our footprint since June 2010**
- **As at 30 June 2015 there were 145 floors in 52 cities in 21 countries**

Operating summary by segment
ANZ/SEA

FY 2015

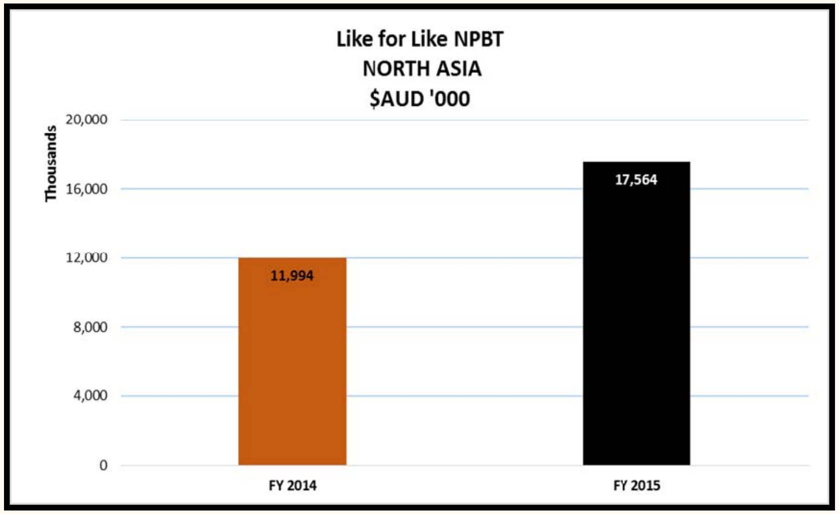


- **Like for Like NPBT in ANZ / SEA was down 17%**
- **Both New Zealand and Thailand continue to produce solid results**
- **Our floors in the Philippines are now profitable**
- **Malaysia and Singapore:**
  - Were impacted by the management restructure in FY 2014
  - Performance bottomed out in July 2014
  - Sales and profitability have been improving since this date
  - Office sales were strong during FY 2015
  - We have now achieved an optimal level of office occupancy
  - Malaysia and Singapore returned to profitability in June 2015
  - We look forward to stronger results in FY 2016
- **All cities in Australia improved their performance in FY 2015, except Perth**
  - Perth continues to be impacted by lack of demand and over-supply of office stock

North Asia

FY 2015

- **North Asia produced a solid result in FY 2015**
  - ❖ Like for Like NPBT growth of 46%
- **Margins improved in both Japan and Hong Kong**
- **There is still potential for improvement in China**
  - ❖ Management are currently focusing on this region



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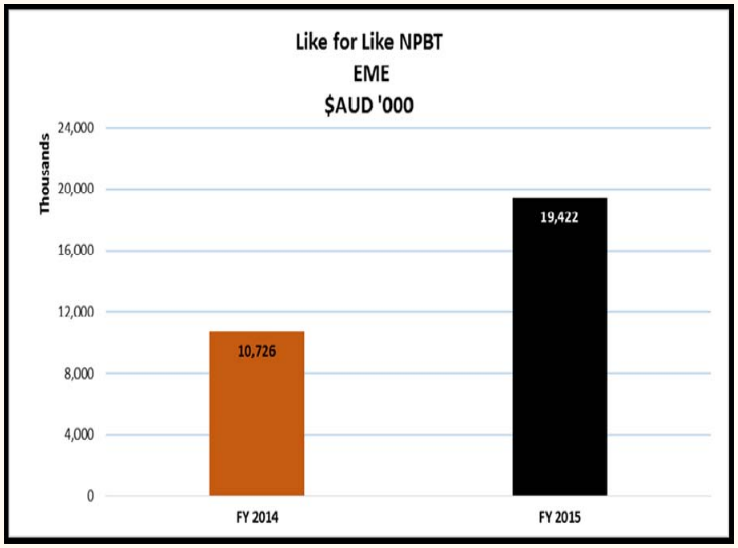
EME

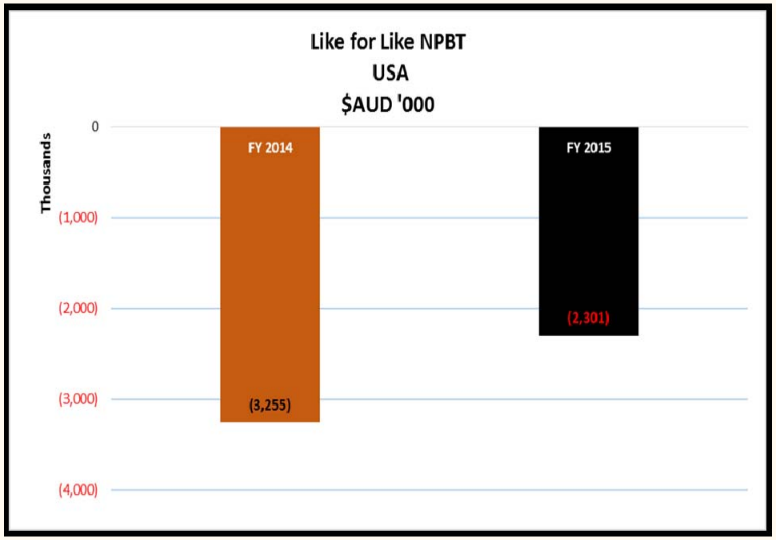
FY 2015

- **Europe and Middle East produced a solid result**
  - Like for Like NPBT up 81%
- **All markets performed to expectations**
  - Management is pleased with this outcome
- **Over the next 12 – 24 months our aim is to consolidate in EME**
- **During FY 2015 we opened 7 new locations in:**
  - Qatar
  - Saudi Arabia
  - UK
  - UAE
- **Office sales in new locations are performing to, or exceeding, our projections**



USA

FY 2015



- **Like for Like Net Loss Before Tax for the USA reduced by 29% during FY 2015**
- **The loss includes net expansion costs of approx. AUD$1 million**
  - ❖ We expanded 3 floors during the year
- **One World Trade Center (1 WTC), New York opened in March 2015**
  - ❖ Servcorp's best landmark location
  - ❖ The most significant addition to our global portfolio in recent times
  - ❖ Office and Virtual sales have exceeded our expectations
  - ❖ Occupancy on 1 WTC has reached 70%
  - ❖ We anticipate that 1 WTC will be a significant catalyst to the profitability of the USA business
- **In June, the USA business (excluding 1 WTC) was profitable**

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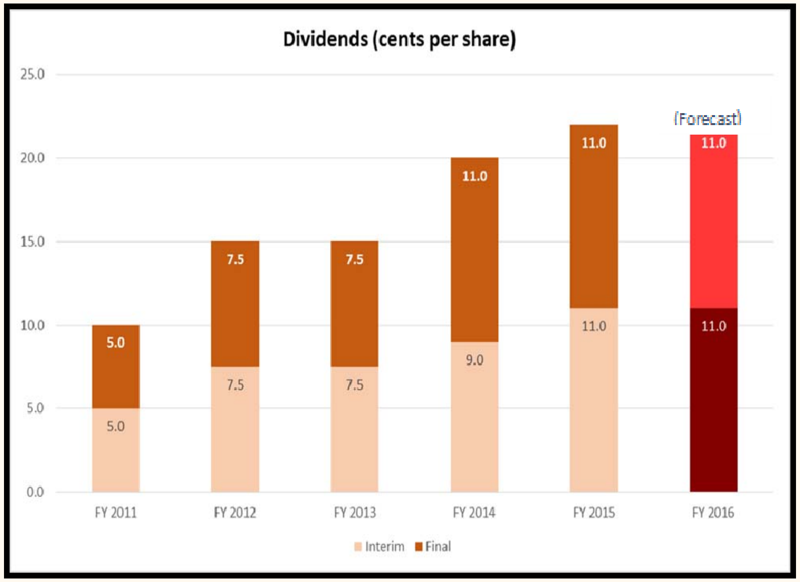
Dividend

FY 2015

- **Final dividend payable of 11.00 cps, 40% franked**
- **Total dividends payable of 22.00 cps, 30% franked**



Forecast

FY 2016

▪Dividends of 22.00 cps (11.0 cents in each half) are anticipated to be paid for FY 2016

▪FY 2016 franking levels are uncertain, but are unlikely to fall below our current franking levels

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

Outlook

FY 2016

- **Management projecting NPBT of not less than $48 million**
- **NPBT will be skewed towards the second half of FY 2016**
  - Expansion costs will impact the first half of FY 2016
  - If current market conditions continue, we see no reason why this cannot be achieved
- **New centres opened in the last half of FY 2015 should not be a substantial drain on profits in FY 2016**
- **In FY 2016 our aim is to consolidate, and to bring our new locations to maturity**
- **We aim to grow capacity by up to 7% in FY 2016**

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

QUESTIONS
&
ANSWERS