

ASX AND MEDIA RELEASE

SERVCORP REPORTS NET PROFIT BEFORE TAX OF \$34.4 MILLION

NET PROFIT AFTER TAX OF \$28.0 MILLION

UNDERLYING FREE CASH OF \$57.3 MILLION

Servcorp Limited ABN 97 089 222 506 (SRV) today announced a net profit before tax of \$34.4 million for the 12 months ended 30 June 2022.

Servcorp, the world's leading provider of workspace solutions and superior IT and business infrastructure solutions, operates 129 floors in 41 cities across 20 countries, at the date of this release.

Summary of results for Financial Year 2022

- Statutory net profit before tax of \$34.4 million, up 12%.
- Free cash (net operating cash flow before tax) of \$55.2 million for the 2022 financial year, up 31%. Underlying free cash of \$57.3 million, up 17%.
- Revenue and other income flat at \$275.6 million. Mature revenue increased 4% in constant currency terms.
- Underlying net profit before non-cash impairment of assets and tax of \$35.2 million, up 17%.
- Net profit after tax of \$28.0 million, up 19%.
- Earnings per share of 28.9 cents.
- Cash and investment balances of \$108.2 million as at 30 June 2022 (2021: \$104.5 million).
- Final dividend of 10.00 cents per share, unfranked; payable on 6 October 2022.
- Total dividends for the 2022 financial year of 20.00 cents per share, up 11%.

Business overview

- The Australian dollar strengthened in general against most major currencies through the 2022 financial year, resulting in a downward foreign exchange impact on operating revenue of \$3.6 million.
- Underlying net profit before non-cash impairment of assets and tax was underpinned by a strong Europe & Middle East performance, a solid North Asia performance and an improved result in the USA, offset by a poor performance in Australia, New Zealand and South East Asia.
- As most parts of the world gradually return to a state of normalcy, challenges continue, reflected in the rising inflation rate, declining consumer confidence, tightening monetary policy, disrupted supply chain, and geographic instability.
- Occupancy of mature floors was 73% at 30 June 2022 (2021: 73%). All floor occupancy was 72%.

Servcorp footprint

- Twelve new floors opened and five floors were closed in the 2022 financial year.

Dividends

- The Directors of Servcorp have declared a final dividend of 10.00 cents per share, with a record date of 1 September 2022 and payable on 6 October 2022. The dividend will be unfranked. There is 100% conduit foreign income attributed to the dividend.
- This brings total dividends for the 2022 financial year to 20.00 cents per share.
- Guidance for the 2023 financial year dividends will be announced at the Annual General Meeting in November, however we would expect to make dividend payments consistent with our long-term history and commitment to shareholders.
- Payment of future dividends is subject to currencies remaining constant, continued strong cash generation, and the continued impacts of global economic uncertainties on our operations.

Outlook for Financial Year 2023

- Although the economic outlook globally remains uncertain, for Servcorp the 2023 financial year is a year in which opportunities and risks co-exist.
- With the leading products in the industry, a unique value proposition that truly differentiates, high cash reserves, and a strong balance sheet, Servcorp is well positioned to capitalise on our renewed growth strategy.
- Given our view, and subject to no worsening near-term economic conditions globally, our guidance in the 2023 financial year for mature net profit before non-cash impairment of assets and tax is between \$41.0 million and \$43.0 million, an increase of at least 16% from 2022.
- In line with this guidance and performance, in the 2023 financial year we expect to produce more than \$60.0 million in underlying free cash.
- Forecasts are subject to currencies remaining constant, global financial markets remaining stable and the continued impacts of global economic uncertainties on our operations.
- Despite the uncertainty, we remain optimistic due to our unique positioning, worldwide reach, experienced global team, technology platforms, longstanding track record and cash generation.

This ASX announcement is approved and authorised by the Board of Directors of Servcorp Limited.

For more information contact

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Results Presentation

Thursday 25 August 2022 at 4:30pm

Dial-in facility	Online webinar
Australia: +61 2 9091 7604	If you wish to join the online meeting click below
Access Code: 340-750-663	Register now!

or email mateja.lukezic@servcorp.com.au by midday on Thursday 25 August 2022