
2017
ANNUAL GENERAL MEETING
Chief Executive Officer
Operational Presentation
SILVER CHEF LIMITED

1986

Silver Chef established by Non-Executive Chairman Allan English

2005

Silver Chef listed on ASX

2008

Launched GoGetta in Australia

2011

Silver Chef New Zealand established

2013

Silver Chef Canada established

2016

Silver Chef 30 Year Anniversary

DISCLAIMER

Silver Chef Limited has not considered the financial position or needs of the recipient in providing this presentation. Persons needing advice should consult their stockbroker, bank manager, solicitor, attorney, accountant or other independent financial or legal advisor.

The presentation includes certain 'forward-looking statements' which are not historical facts but rather are based on Silver Chef's current expectations, estimates and projections about the industry in which Silver Chef operates, and beliefs and assumptions regarding Silver Chef's future performance.

Words such as 'anticipates', 'expects', 'intends', 'plans', 'believes', 'seeks', 'estimates' and similar expressions are intended to identify forward-looking statements.

These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and other factors, some of which are beyond the control of Silver Chef, are difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements.

Silver Chef cautions shareholders and prospective shareholders not to place undue reliance on these forward-looking statements, which reflect the view of Silver Chef only at the date of this presentation.

The forward-looking statements made in this presentation relate only to events as of the date on which the statements are made. Silver Chef will not undertake any obligation to release publicly any revisions or updates to these forward-looking statements to reflect events, circumstances or unanticipated events occurring after the date of this presentation except as required by law or by any appropriate regulatory authority.

FY17 RESULTS SUMMARY

PERFORMANCE HIGHLIGHTS

- Net profit after tax of $20.2 million – strong second half performance of $15.6 million and includes one-off provision for fraud of $2.3 million
- Consistent strong performance from the Hospitality business with the rental asset base# up 28% on 30 June 2016
- Canadian rental asset base# up 81% year on year, new asset acquisitions up 48% over the same period
- Improved second half credit performance from GoGetta
- GoGetta business continues to be refined with focus on improving return on capital through customer quality measures
- Dividend payout ratio increased to 68.7% of full year earnings
- Implementation of securitisation funding facility on target

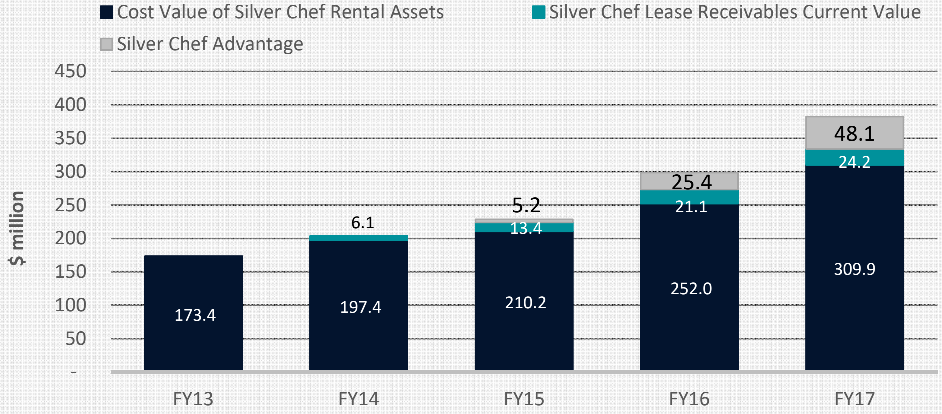
Includes lease receivables at carrying value and rental assets at cost

KEY FINANCIAL STATISTICS

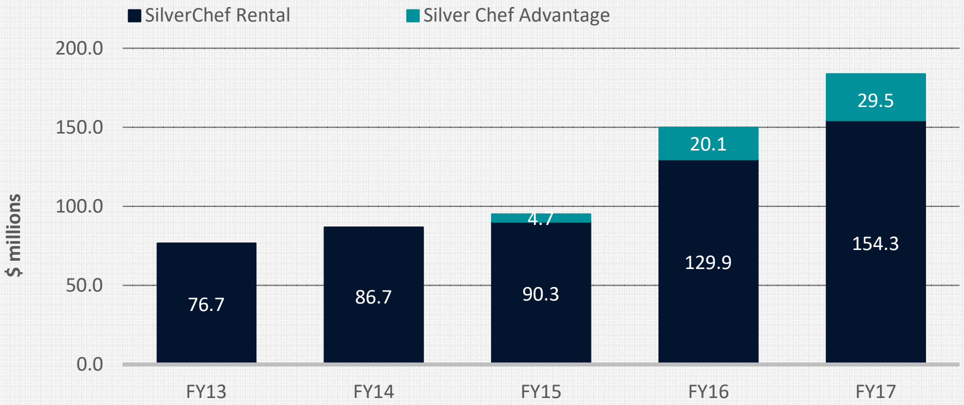
	FY2017	FY2016	Change (YoY)
Revenue ($ millions)	$286.0m	$221.1m	29.4%
Rental assets (at cost) and lease receivables ($ millions)	$657.3m	$539.2m	21.9%
NPAT ($ millions)	$20.2m	$22.4m	(9.8%)
Net operating cash flows ($ millions)	$152.9m	$119.7m	27.7%
Basic EPS	55.3cps	68.9cps	(19.7%)
Dividend (fully franked)	38.0cps	42.0cps	(9.5%)

HOSPITALITY PERFORMANCE

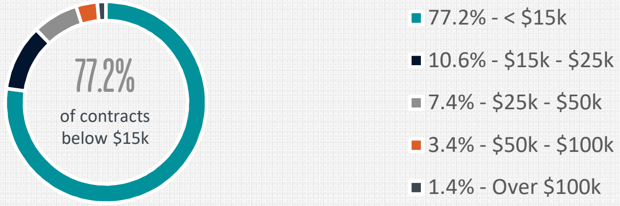
COST VALUE OF RENTAL ASSETS AND LEASE RECEIVABLES



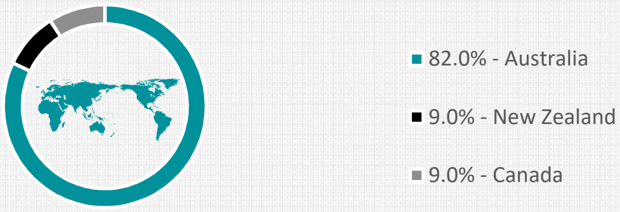
ACQUISITIONS



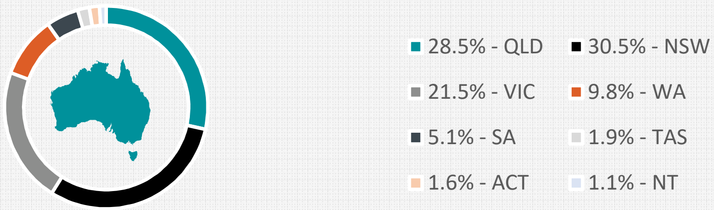
PORTFOLIO CONCENTRATION



GLOBAL DIVERSIFICATION

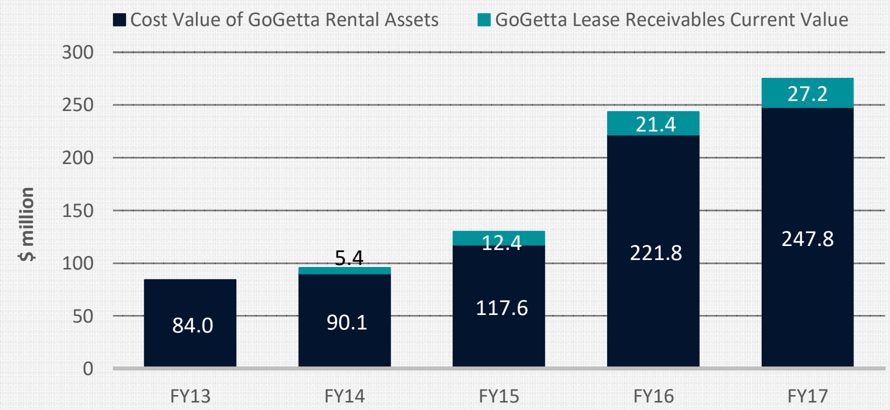


AUSTRALIA GEOGRAPHIC DIVERSIFCATION



GOGETTA PERFORMANCE

COST VALUE OF RENTAL ASSETS AND LEASE RECEIVABLES



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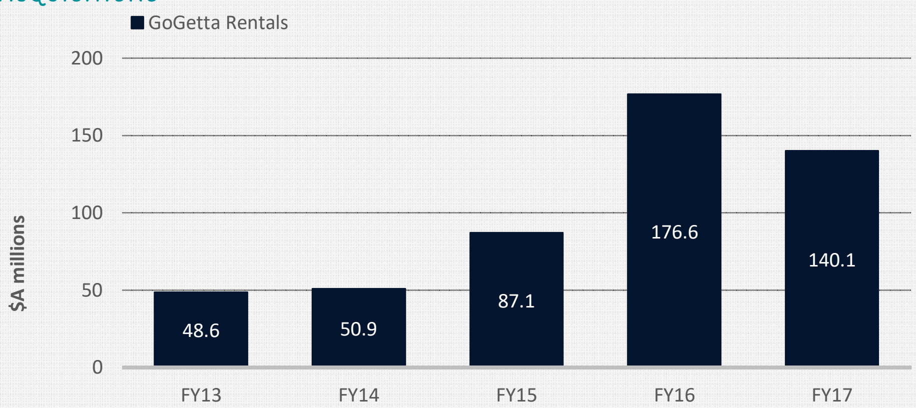

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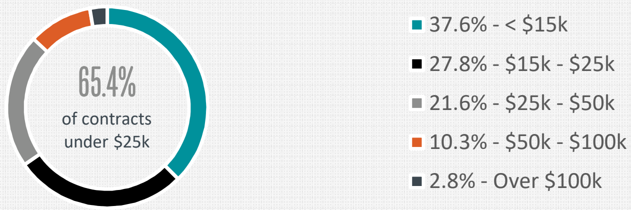
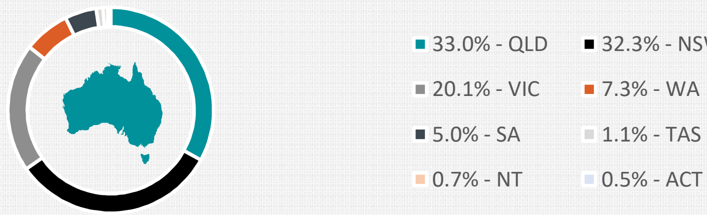
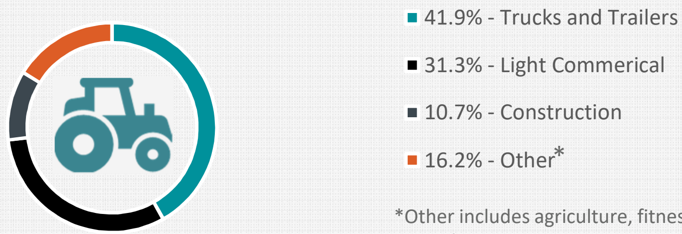


AUSTRALIA GEOGRAPHIC DIVERSIFICATION



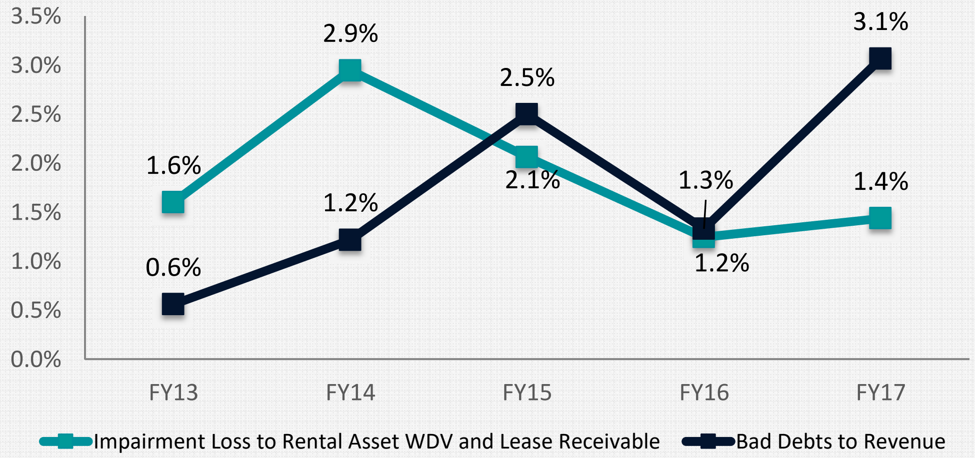
ASSET DIVERSIFCATION



*Other includes agriculture, fitness and other non-core asset classes

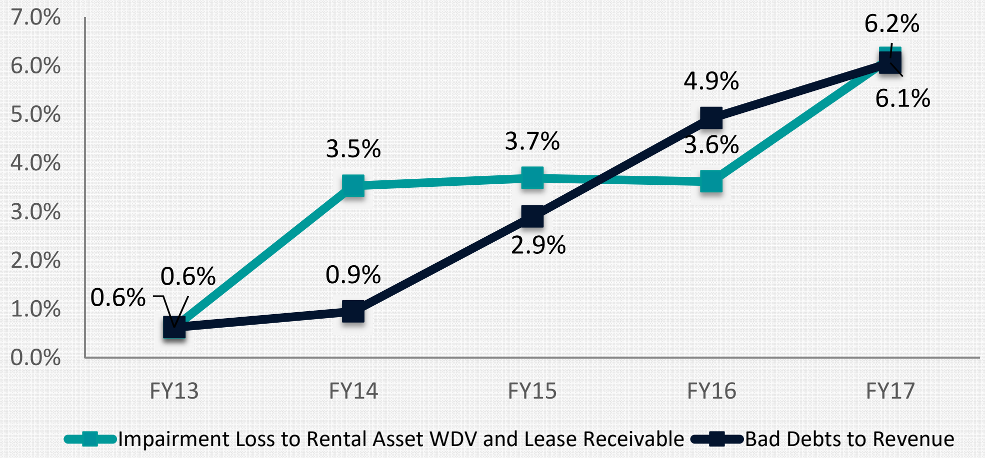
CREDIT AND RESIDUAL ASSET RISK

HOSPITALITY BAD DEBTS AND IMPAIRMENT LOSS



- Hospitality bad debts remain within the target range of 2.5%-3.5%
- Impairment loss normalised within 1%-2% band, in line with expectations
- Management expects these trends to continue throughout FY18

GOGETTA BAD DEBTS AND IMPAIRMENT LOSS



- Bad debt rate down from first half peak of 7.6%
- First month default rates, the lead indicator of future credit quality, have reduced significantly across all GoGetta asset classes
- Impairment losses remain in line with expectations (includes fraud)

DELIVERING LONG-TERM GROWTH

- Going deep – channel focus
- Asset optimisation - maximising returns
- Leveraging technology
- Purpose and culture
- International expansion

GOING DEEP

CHANNEL FOCUS

HOSPITALITY

- Focus on Hospitality with the Silver Chef brand
- In depth understanding of customer, dealer and asset
- Unlock profit pools such as franchise, coffee, pubs and clubs, developers and aged care - key to delivering continued growth

GOGETTA

- Focus on Transport and Construction with the GoGetta brand – shift away from Light Commercial
- In depth understanding of customer, vendors, assets and brokers
- Expand network of remarketing partners to manage higher return volumes
- Unlocking profit pools in heavy transport, earthmoving and agriculture
- Critical for continued growth and improved financial returns

ASSET OPTIMISATION

MAXIMISING RETURNS

- Continued focus both internally and with partners to increase the average contract duration and decrease asset return risk
- Growing Silver Chef Certified Used and GoGetta Work Ready brands and distribution channels to minimise cycle times and maximise realisation value
- Credit quality initiatives have included changes to the Company's credit matrix and incentivisation strategies to improve performance metrics. First month default rates are trending down for both brands which is the lead indicator for overall credit performance
- Overhaul of the internal collections process towards a purpose driven collections strategy. This has improved the recoverability of non-performing assets
- In line with the increase to the GoGetta rental rate in May 2016, the average contract yield within the GoGetta portfolio has increased significantly. These high yielding assets/contracts will continue to drive earnings into FY2018

LEVERAGING TECHNOLOGY

DRIVING SPEED & EASE

- Streamline customer applications with instant customer verification
- Implementation of Company integrated application management portal for dealers and brokers
- Automation of contract documentation upon customer approval
- Company to gain process efficiencies leading to lower FTE and higher grades of service
- Process is faster and easier for both customer and partner

INTERNATIONAL EXPANSION

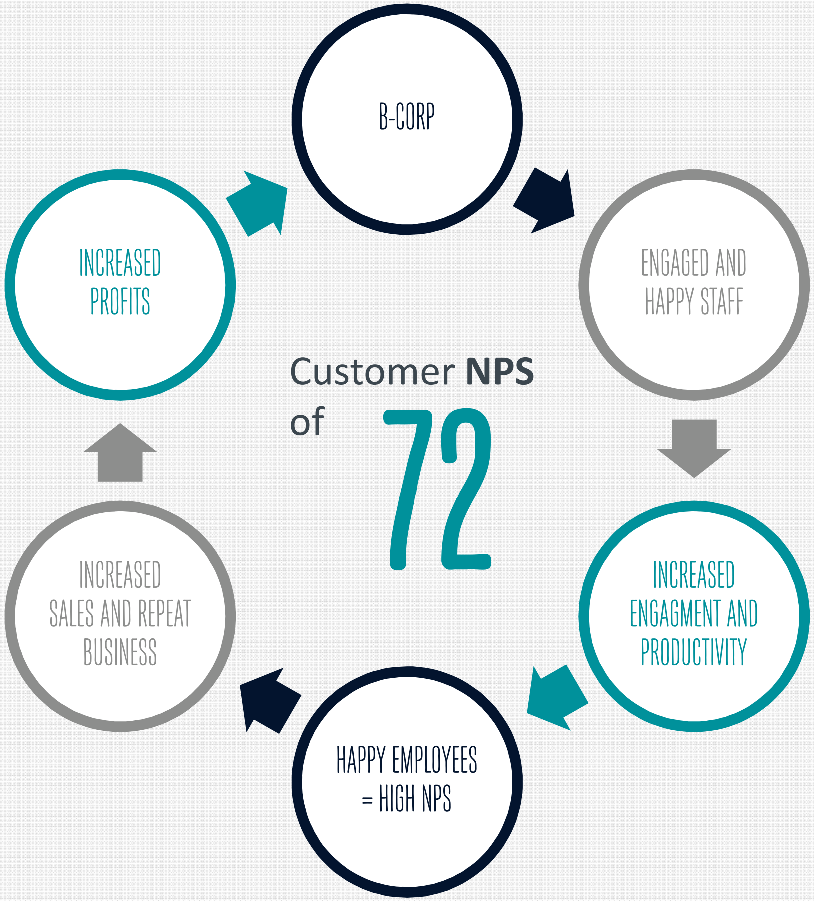
DELIVERING LONG TERM GROWTH

- The Silver Chef brand continues to achieve significant expansion overseas
- Evolution of the NZ business has led to a record breaking year with new acquisitions increasing 51%
- The North American strategy remains positive - Canada had another record breaking year with acquisitions up 47% to $18.6m
- Additional resourcing was introduced in the Eastern Provinces – additional staff in the Toronto market and presence now in Montreal
- Still significant opportunity to expand in to the East – significant opportunity in CA channels such as Franchise and Coffee

PURPOSE AND CULTURE

HELPING PEOPLE ACHIEVE THEIR DREAMS

- A global purpose of **helping people to achieve their dreams** enables Silver Chef to attract, engage and retain employees
- Purpose, culture and values are at the centre of everything we do and drive staff satisfaction which leads to satisfied customers – an NPS of 72
- Achieved through support of Opportunity International – goal of 1.5 million people out of poverty by 2020, currently at 1 million
- B-Corp accreditation – part of the global movement of companies who use business as a force for good – validates our purpose and how we run the business
- Significant focus on developing the capabilities of our people – launch of capability frameworks across the organisation and the introduction of a learning management system



WE ARE A "B CORP" ORGANISATION

Silver Chef became a Certified B Corporation in June 2015. The B Corporation certification is a validation of Silver Chef's commitment to social and environmental responsibility

B Corporations are an emerging group of companies that are using the power of business to create a positive impact on the world

There are more than 2,220 Certified B Corps from 50 countries and 130 industries. B Corporations meet higher standards of social and environmental performance, transparency, and accountability

Some of the most successful and best loved businesses are B Corporations including Patagonia, Ben and Jerry's, Natura and Laureate.

Company's B Corp Strategy

WORK WELCOME PROGRAM

Paid work experience program for refugees

REDUCING ENVIRONMENTAL IMPACT

Commitment to reducing our impact by at least 10%

GOOD BUYING

Aligning our procurement to our purpose

COMMITMENT TO GIVING

Formalise our giving program by setting up the Silver Chef Foundation

Certified B Corporation

OPPORTUNITY International AUSTRALIA

STRATEGY AND OUTLOOK

Maintain key relationships within domestic hospitality sector and continue to deliver above industry growth rates

Continue international expansion in Canada with a focus on establishing our presence in the Eastern Provinces

Focus on improved financial returns on capital invested in GoGetta:

- Improved credit quality
- Management of asset repossessions and outstanding arrears

Deliver improved technology solutions to improve customer experience and create better overhead leverage

Diversify funding sources through securitisation

The Company expects full year after tax earnings for FY18 in the range of $24 million to $26 million.

COMPANY DIRECTORY

COMPANY SECRETARY

Don Mackenzie

SHARE REGISTER

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Sydney NSW 2001
Phone: 1300 737 760
Fax: 1300 653 459
Website: **boardroomlimited.com.au**

SECURITIES EXCHANGE

The Company is listed on the Australian Securities Exchange (SIV.AX).

OTHER INFORMATION

Silver Chef Limited, incorporated and domiciled in Australia, is a publicly listed company limited by shares.