











Silver Chef established by Non-Executive Chairman Allan English Silver Chef listed on ASX Launched GoGetta in Australia Silver Chef New Zealand established Silver Chef Canada established Silver Chef 30 Year Anniversary

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

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## PERFORMANCE HIGHLIGHTS



Net profit after tax of \$20.2 million – strong second half performance of \$15.6 million and includes one-off asset write off 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

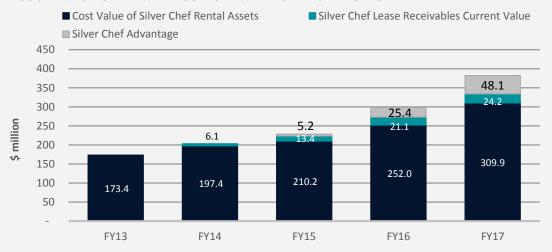
#### #Includes lease receivables at carrying value and rental assets at cost

## KEY FINANCIAL STATISTICS

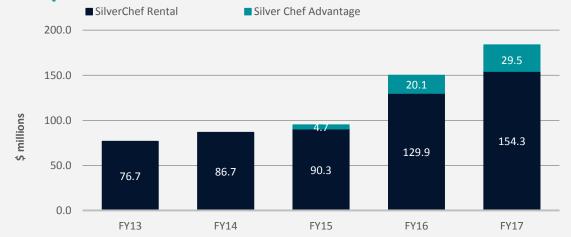
	FY2017	FY2016	Change (YoY)
Revenue (\$ millions)	\$286.0m	\$221.1m	29.4%
Rental assets (at cost) and lease receivables (\$ millions)	\$657.3m	\$539.2m	21.9%
NPAT (\$ millions)	\$20.2m	\$22.4m	(9.8%)
Net operating cash flows (\$ millions)	\$152.9m	\$119.7m	27.7%
Basic EPS	55.3cps	68.9cps	(19.7%)
Dividend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

### HOSPITALITY PERFORMANCE

#### COST VALUE OF RENTAL ASSETS AND LEASE RECEIVABLES



#### **ACQUISITIONS**



#### PORTFOLIO CONCENTRATION



- 77.2% < \$15k
- 10.6% \$15k \$25k
- 7.4% \$25k \$50k
- 3.4% \$50k \$100k
- 1.4% Over \$100k

#### **GLOBAL DIVERSIFICATION**



- 82.0% Australia
- 9.0% New Zealand
- 9.0% Canada

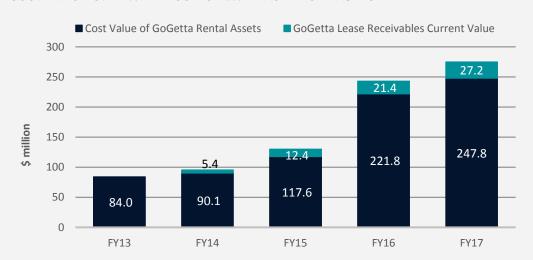
#### AUSTRALIA GEOGRAPHIC DIVERSIFCATION



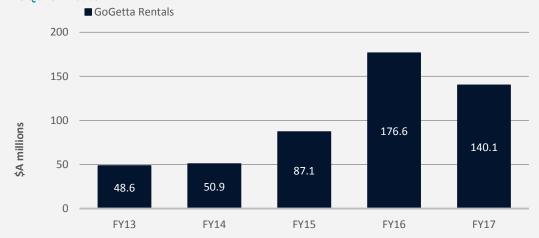
- 28.5% QLD 30.5% NSW
- 21.5% VIC 9.8% WA
- 5.1% SA 1.9% TAS
- 1.6% ACT 1.1% NT

## GOGETTA PERFORMANCE

#### COST VALUE OF RENTAL ASSETS AND LEASE RECEIVABLES



#### **ACQUISITIONS**



#### PORTFOLIO CONCENTRATION



- 37.6% < \$15k
- 27.8% \$15k \$25k
- 21.6% \$25k \$50k
- 10.3% \$50k \$100k
- 2.8% Over \$100k

#### AUSTRALIA GEOGRAPHIC DIVERSIFICATION



- 33.0% QLD
- 32.3% NSW
- 20.1% VIC
- 7.3% WA
- 5.0% SA
- 1.1% TAS
- 0.7% NT
- 0.5% ACT

#### ASSET DIVERSIFCATION



- 41.9% Trucks and Trailers
- 31.3% Light Commerical
- 10.7% Construction
- 16.2% Other\*

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



GoGetta	FY2016	FY2017
Originations Including Advantage (AUD)	\$176.6m	\$140.1m
Rental Assets at Cost (AUD)	\$221.8m	\$247.8m
Finance Lease Receivables (AUD)	\$21.4m	\$27.2m
Rental Asset Numbers	18,040	15,147
Customer Numbers	7,182	7,418
Average Contract Size	\$26,090	\$26,929
Average Contract Life*	22 months	23 months



Silver Chef (CA)	FY2016	FY2017
Originations Including Advantage (AUD)	\$12.6m	\$18.6m
Rental Assets at Cost (AUD)	\$14.5m	\$25.3m
Finance Lease Receivables (AUD)	\$1.4m	\$3.4m
Rental Asset Numbers	4,679	9,133
Customer Numbers	904	1,313
Average Contract Size	\$11,124	\$10,898

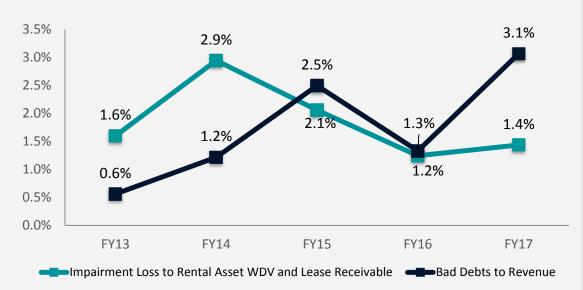
Silver Chef (AU)	FY2016	FY2017
Originations Including Advantage (AUD)	\$127.6m	\$150.3m
Rental Assets at Cost (AUD)	\$219.4m	\$259.6m
Finance Lease Receivables (AUD)	\$40.9m	\$64.3m
Rental Asset Numbers	62,599	71,583
Customer Numbers	10,692	12,122
Average Contract Size	\$10,336	\$11,304
Average Contract Life*	29 months	30 months

Silver Chef (NZ)	FY2016	FY2017
Originations Including Advantage (AUD)	\$9.8m	\$14.8m
Rental Assets at Cost (AUD)	\$18.1m	\$25.0m
Finance Lease Receivables (AUD)	\$1.6m	\$4.5m
Rental Asset Numbers	5,359	7,553
Customer Numbers	893	1,214
Average Contract Size	\$11,445	\$11,329
Average Contract Life*	27 months	27 months

<sup>\*</sup>Average contract duration has been prepared using five years' worth of contract data

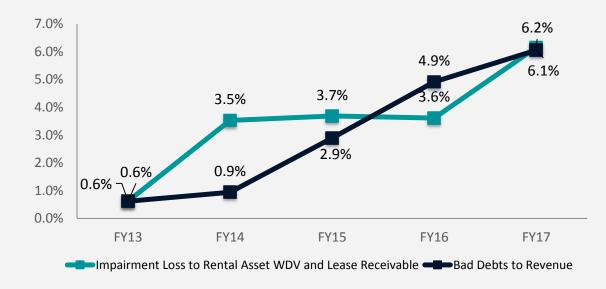
### CREDIT AND RESIDUAL ASSET RISK

#### 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)

## GOGETTA CREDIT PERFORMANCE

#### GOGETTA ARREARS VOLUMES



- Introduction of Credit Sense and tightening of credit processes implemented in October 2016
- Disaccreditation of underperforming brokers commenced Q1 FY17 improving underlying credit quality
- Decrease in level of arrears associated with contracts written post October 2016
- A restructure of the business' collection process and outsourcing arrangements greater efficiency and faster recovery of arrears and assets
- The legacy book of GoGetta light commercial contracts written pre-October 2016 continues to be recovered with the assistance of external collection agencies



## GOING DEEP



#### 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



- 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



- 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

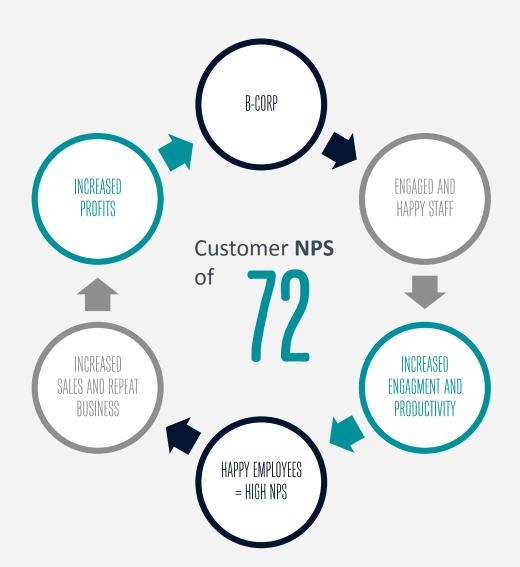


## PURPOSE AND CULTURE



#### 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

#### GOOD BUYING

Aligning our procurement to our purpose

#### REDUCING ENVIRONMENTAL IMPACT

Commitment to reducing our impact by at least 10%

#### COMMITMENT TO GIVING

Formalise our giving program by setting up the Silver Chef Foundation





### CAPITAL MANAGEMENT



#### DEBT

- Terms for \$200 million Securitisation Debt Facility have been formally approved and in final stages of documentation
- New Securitisation Facility will take group borrowing capacity to \$550 million
- Minor amendments to conditions of existing senior banking arrangements to permit implementation of securitisation in final stages of approval and documentation



#### EQUITY

- Successful implementation of securitisation creates a reduced reliance on new equity capital over the short to medium term
- Maintain consolidated financial leverage associated with full recourse debt to no more than 65-70% of rental assets and lease receivables



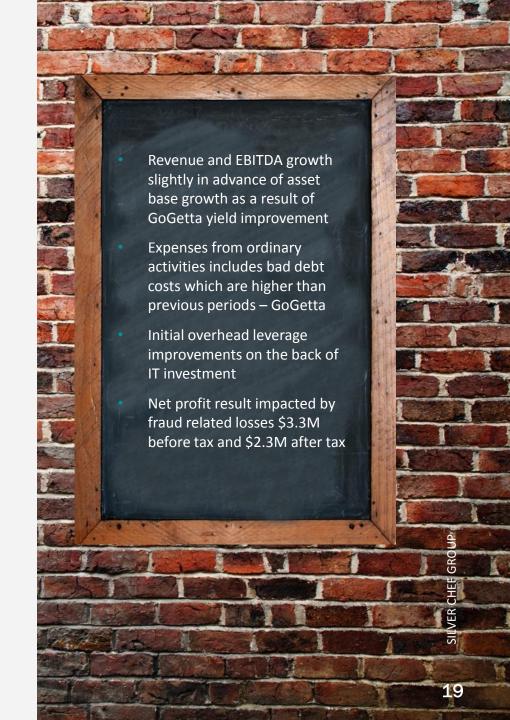
#### STRATEGY

- Build effective long term relationships with a diversified group of investors (equity and debt) based on transparency and consistent financial performance
- Diversify funding sources to ensure the availability of capital through the economic cycle necessary to support the Company's growth objectives
- Maintain appropriate borrowing headroom and average debt maturity profile
- Securitisation provides a pathway to fund a portion of the Companies rental asset base on a limited recourse basis



## PROFIT AND LOSS

\$ millions	FY2013	FY2014	FY2015	FY2016	FY2017	Change
Revenue	114.4	141.3	171.0	221.1	286.0	29.4%
Expenses from ordinary activities	(33.8)	(42.6)	(57.9)	(65.3)	(84.7)	29.7%
Loss on sale of plant and equipment	(4.5)	(5.4)	(6.1)	(9.1)	(9.2)	1.1%
Earnings before interest, depreciation, amortisation, impairment and tax	76.1	93.3	107.0	146.7	192.1	31.8%
Depreciation, amortisation and impairment	(52.7)	(68.4)	(76.9)	(103.7)	(150.5)	45.1%
Finance costs	(6.8)	(7.0)	(7.8)	(11.2)	(13.3)	18.8%
Profit before income tax	16.6	17.9	22.3	31.8	28.3	(11.0%)
Income tax expense	(5.1)	(5.2)	(6.8)	(9.4)	(8.1)	(13.8%)
Statutory net profit after tax	11.5	12.7	15.5	22.4	20.2	(9.8%)
Earnings per share						
Basic earnings per share (cents)	41.5	43.4	51.4	68.9	55.3	(16.7%)
Diluted earnings per share (cents)	41.4	43.4	51.4	68.9	55.3	(16.7%)



## FINANCIAL POSITION

\$ millions	FY2013	FY2014	FY2015	FY2016	FY2017	Change
ASSETS						
Cash	1.3	1.5	1.6	5.7	7.3	28.1%
Trade receivables and other	3.9	5.6	8.0	15.1	36.2	239.7%
Lease receivables	-	11.5	31.1	65.3	99.5	52.4%
Other current assets	1.6	0.6	2.3	3.2	3.1	(3.1%)
Rental assets at WDV	173.5	188.1	216.0	332.6	374.5	13.7%
Other non current assets	9.7	11.1	12.9	11.1	19.6	12.6%
Total assets	190.0	218.4	271.9	433.0	540.2	24.8%
LIABILITIES						
Trade and other payables	27.6	34.8	44.5	48.9	56.7	16.0%
Employee benefits	1.9	1.3	2.3	3.4	2.6	(23.5%)
Loans and borrowings	92.2	109.5	141.1	250.1	315.1	26.0%
Financial liabilities	-	-	-	1.4	0.7	(50.0%)
Total liabilities	131.8	150.7	187.9	303.8	375.1	23.5%
Net assets	58.2	67.7	84.0	129.2	165.1	28.7%



## CASH FLOW

\$ millions	FY2013	FY2014	FY2015	FY2016	FY2017	Change
Net cash from operating activities	75.3	89.4	103.3	119.7	152.9	27.7%
Payments for plant and equipment	(126.1)	(139.1)	(184.0)	(305.0)	(309.5)	1.5%
Proceeds from sale of plant and equipment	24.2	35.1	48.3	58.3	78.7	35.0%
Net proceeds from borrowing	26.3	17.4	32.0	110.6	65.5	(40.8%)
Net proceeds from issue of shares	8.8	3.5	9.0	33.9	27.2	(19.8%)
Dividend paid	(7.2)	(6.9)	(7.6)	(10.9)	(12.1)	11.0%
Other	(0.7)	0.8	(0.9)	(2.5)	(1.1)	(56.0%)
Increase/decrease in cash in period	0.6	0.2	0.1	4.1	1.6	
Cash at end of 30 June	1.3	1.5	1.6	5.7	7.3	28.1%



## 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

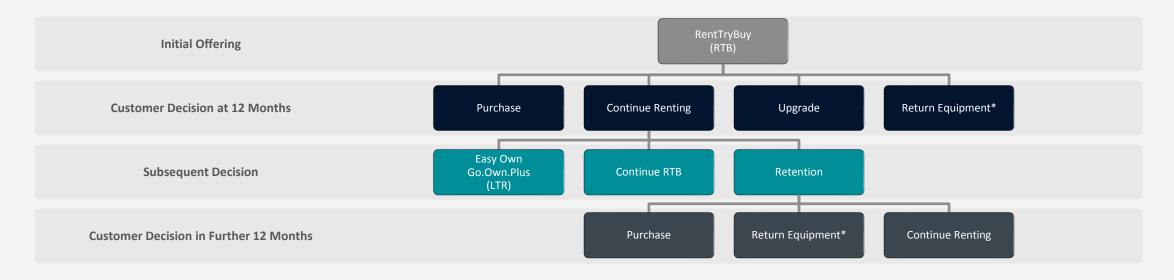


The Company expects full year after tax earnings for FY18 in the range of \$24 million to \$26 million.





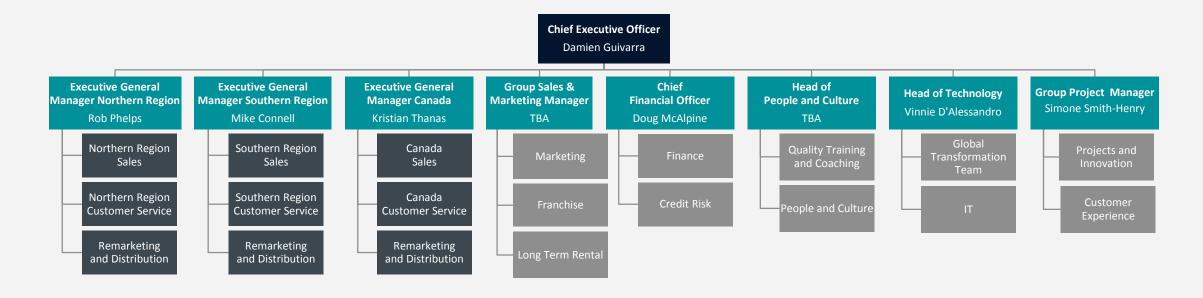
## PRODUCTS AND KEY FEATURES



	RTB	Retention	LTR	Advantage
Length of Contract	12 Months	12 Months	36 Months	48 Months
Operating/Finance Lease	Operating	Operating	Finance	Finance
Typical Rental Rate	5.5% – 6.5% per month	20% Discount off RTB rate	30% Discount off RTB rate	3.5% per month
Other Features	n/a	n/a	n/a	6 Months Rent Free; Franchise Only

<sup>\*</sup> Assets are refurbished at our facilities and 80% re-rented within 60 days

## ORGANISATION CHART



## SILVER CHEF LEADERSHIP TEAM



DAMIEN GUIVARRA
CHIEF EXECUTIVE OFFICER

Mr. Guivarra was appointed to the role of Chief Executive Officer in November 2016. Over the last ten years Mr Guivarra has played an integral role in the growth of the Company holding a variety of sales focused and operational management roles. He spent the last three years managing the Northern Region business across both the Silver Chef and GoGetta brands. Prior to joining Silver Chef, he held a variety of national sales and marketing roles.



DOUG MCALPINE
CHIEF FINANCIAL OFFICER

Doug is a Chartered Accountant and commenced as Silver Chef's Chief Financial Officer in August 2014. He brings to the company 15 years of accounting and finance experience, including Financial Officer and Company Secretary of public companies in Australia. His previous experience includes Chief Financial Officer of Stanmore Coal Limited and prior to that Chief Financial Officer of Watpac Limited and Ariadne Limited. Doug has strong competencies in the areas of accounting, capital management, corporate governance and risk management.

## SILVER CHEF LEADERSHIP TEAM



ROB PHELPS
EXECUTIVE GENERAL MANAGER NORTHERN REGION

Robert has more than 25 years of experience in the financial sector, including executive positions with RemServ, St George Banking Group and National Australia Bank. Robert has a track record of achieving industry leading customer satisfaction levels and high performance sales cultures. As Executive General Manager he is passionate and dedicated to delivering superior customer service and building strong and mutually rewarding relationships with partners and clients.



KRISTIAN THANAS
EXECUTIVE GENERAL MANAGER CANADA

Kristian joined Silver Chef in 2012 as part of a new business development role in the hospitality sector in NSW. With a significant history of starting and selling his own businesses in the hospitality sector, he was an integral member of the Canadian start up team in late 2013. Kristian has historically been a Silver Chef customer and vendor providing him with a unique insight into the Silver Chef business. Kristian is now Executive General Manager of the Canadian business overseeing the growth within that rapidly growing market and is also a member of the company's executive management team.



MIKE CONNELL

EXECUTIVE GENERAL MANAGER SOUTHERN REGION

Mike Connell joined the company in January 2016. Mike has over 25 years in Human Resources with a broad range industries and markets both within Australia and Asia. His experience includes senior executive roles with Wesfarmers, Downer Mining, Ansaldo STS and Thiess. Mike is in the final stages of completing his PhD in Management the focus of which is achievement of effectiveness by corporations through the alignment of their financial and moral-based goals.

## SILVER CHEF LEADERSHIP TEAM



SIMONE SMITH-HENRY GROUP PROJECT MANAGER

Simone is responsible for Project Management and Project Execution across the group. Simone joined Silver Chef in 2007, and has extensive experience across all aspects of the Groups operations. A PRINCE2 certified Project Manager, Simone uses her qualifications along with the groups Gazelle and Argenti methodologies to drive executional excellence. Prior to her time at Silver Chef Simone had operational roles in a range of manufacturing and professional services firms.



VINNIE D'ALESSANDRO HEAD OF TECHNOLOGY

Vinnie D'Alessandro joined Silver Chef in June 2015 as IT Manager. He has 18 years of technology experience across various operational, architecture, strategy and management roles. After a decade in the energy and construction industries, Vinnie joined the ASX listed Tatts Group where he led the award winning infrastructure architecture team. Since joining Silver Chef he has developed the Group IT strategy and set about building a team of solution focused technology professionals.

## COMPANY DIRECTORY

COMPANY SECRETARY

Don Mackenzie

#### SHARE REGISTER

Boardroom Pty Limited GPO Box 3993 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.





