

This amended version replaces the presentation previously lodged, which contained errors in the balance sheet table on slide 10 and the cash flow table on slide 11.



SALMAT **FULL YEAR RESULTS TO 30 JUNE 2017**

29 AUGUST 2017

Rebecca Lowde, CEO and Alex Panich, Acting CFO

AGENDA

- 01** Full year summary
- 02** Group financial performance
- 03** Operations and strategic review
- 04** Outlook

FY17 FINANCIAL HIGHLIGHTS

EBITDA and profit growth on reduced revenue

\$435.3m

Revenue

\$22.8m

Underlying EBITDA

\$7.7m

Underlying profit
before income tax

\$4.3m

Net profit after tax

\$19.1m *net operating cash inflow*

CONTINUING TO EVOLVE SALMAT

Supporting a sustainable and profitable business

> Business transformation complete

Program implemented and results flowing through.
Continuous improvement ongoing.

> Earnings on the right track

EBITDA and margin growth achieved year on year over past three years. Generating cash.

> Strategic review undertaken

Have identified key growth and innovation opportunities.
Further work to be done.

> Targeting new business growth

Implementing further sales improvement initiatives.
New business growth and organic growth.

> Seamless leadership transition

Experienced management team continuing the strategy.
New Board members providing fresh input.

> Evolving Salmat for the future

Strategic priorities geared towards long-term sustainability and profitable growth.



GROUP FINANCIAL PERFORMANCE

Alex Panich, Acting CFO



FULL YEAR FINANCIAL SUMMARY

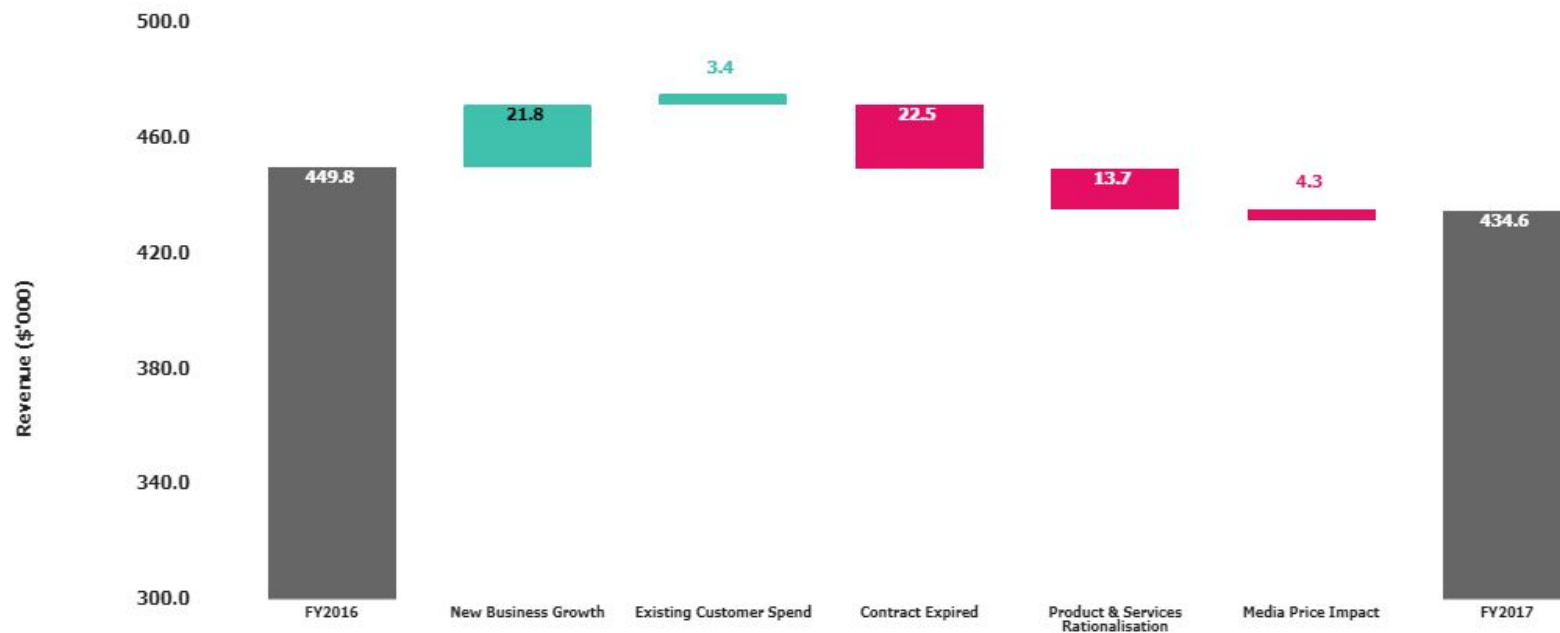
EBITDA growth and a net profit result

\$ million	FY17	FY16	% change
Revenue	435.3	450.8	-3.4
Underlying EBITDA	22.8	19.6	+16.3
Depreciation & Amortisation	(13.5)	(13.6)	-0.7
Net interest	(1.6)	(1.8)	-11.1
Underlying profit before income tax	7.7	4.2	+83.3
Income tax expense	(2.8)	(3.4)	-17.6
Underlying profit/(loss) after income tax	4.9	0.8	*
Significant items	(0.6)	(6.8)	-91.2
Net profit/(loss) after tax	4.3	(6.0)	+171.7

* no meaningful figure

SALES REVENUE BRIDGE

Year to 30 June 2017



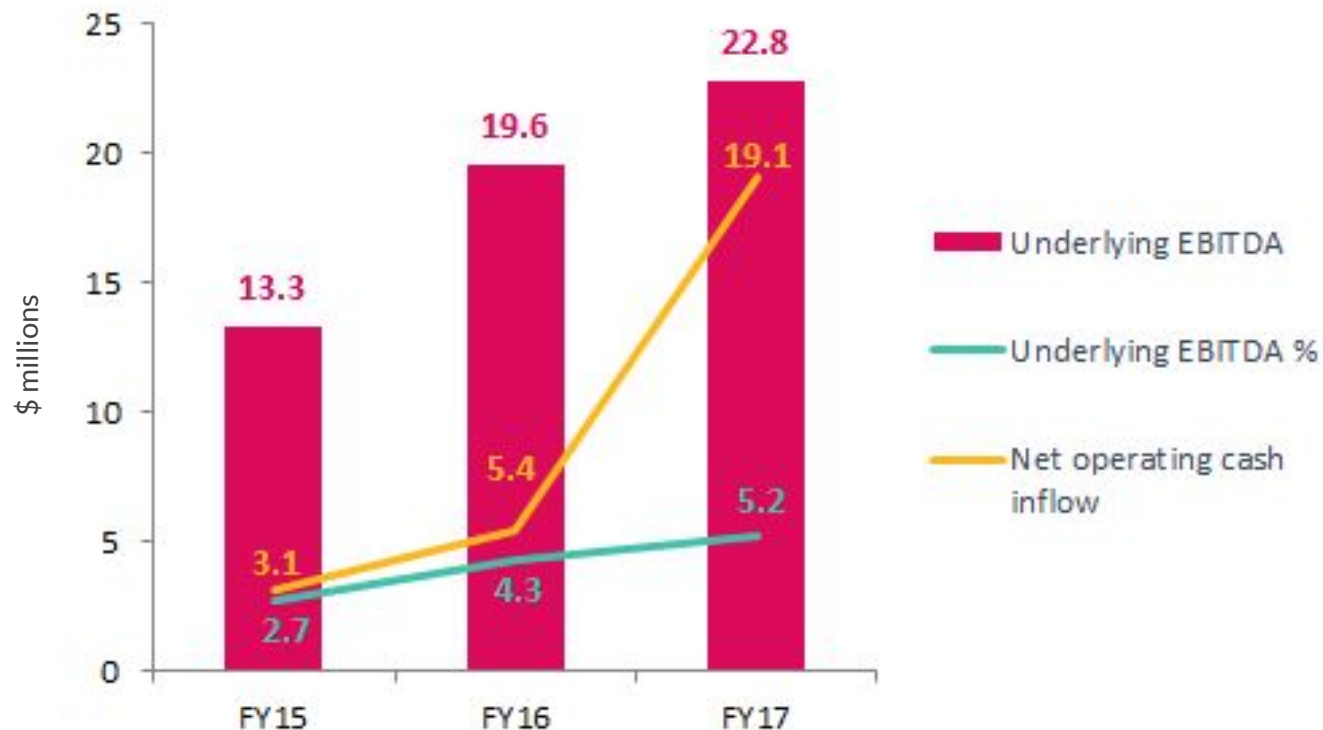
EBITDA BRIDGE

Year to 30 June 2017



UNDERLYING EBITDA TRAJECTORY

Steady growth over past three financial years



BALANCE SHEET

- Balance sheet improvement continued in 2H17.
- Cash outflows included MicroSourcing acquisition payments (also reducing current liabilities).
- Continue to reduce spend on fixed assets in favour of cloud.
- Final payments made for Netstarter acquisition.
- Repayment reduced net borrowings.

\$ million	30 Jun 17	30 Jun 16	Change A\$m
Cash and cash equivalents	34.8	42.9	(8.1)
Trade and other receivables	57.5	56.2	1.3
Fixed assets	10.9	13.4	(2.5)
Goodwill & intangibles	88.1	91.2	(3.1)
Other	19.2	23.2	(4.0)
Total assets	210.5	226.9	(16.4)
Current liabilities	61.0	91.8	(30.8)
Borrowings	26.0	28.3	(2.3)
Other non-current liabilities	6.7	8.9	(2.2)
Total liabilities	93.7	129.0	(35.3)
Equity	116.8	97.9	18.9

CASH FLOW SUMMARY

- Positive net operating cash inflow with further improvement in 2H17.
- Net cash reduced overall in line with expectations however ended the year in a positive position.
- Payment for remaining 50% MicroSourcing and Netstarter. Further \$4.6m in August.
- Rights issue completed successfully in 1H17 generating \$14m in net proceeds.

	\$ million
Net cash at 30 June 2016	14.7
Net operating cash inflow	19.1
Payment for acquisitions	(30.9)
Capex	(7.3)
Dividend paid to non-controlling interest	(1.7)
Net borrowings	0.9
Net financing costs (incl interest)	(1.4)
Rights issue proceeds incl transaction costs	14.0
Sale of investment in associate	1.4
Net cash at 30 June 2017	8.8

SEGMENT INFORMATION

Year ended 30 June 2017

\$ million	FY17	FY16	% change
Sales revenue:			
Media + Digital	224.3	254.9	-12.0%
Contact	210.3	194.9	+7.9%
EBITDA:			
Media + Digital	21.6	24.2	-10.7%
Contact	7.7	5.8	+32.8%

Production volumes	FY17	FY16	% change
Catalogues	4.3bn	4.6bn	-6.5%
Contact centre seat utilisation (average)	75.6%	68.9%	
Email/SMS	387m	336m	+15.2%



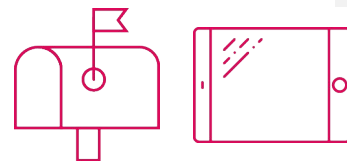
OPERATIONS AND STRATEGIC REVIEW

Rebecca Lowde, CEO



MARKETING SOLUTIONS

Market-leading media and e-commerce capabilities



MEDIA

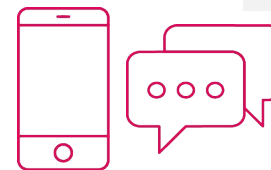
- Catalogue volumes down overall but increased for top clients.
- Mid-tier and smaller clients remain under pressure.
- Success optimising cost base.
- Focus on sales growth.
- Salmat Hub trialled and now rolling out nationally.
- Network sustainability focus: strengthening and leveraging our reach; attracting walkers.
- More accountability, auditing of deliveries.
- Innovation program underway: catalogue of the future and value-added services.

DIGITAL

- Impacted by some retail client contraction and reduced discretionary spend.
- Email/SMS volumes remain strong.
- Innovation programs looking to leverage rich source of consumer data.
- New business development staff appointed.

CONTACT SOLUTIONS

Onshore and offshore contact centres and managed services



CONTACT CENTRES

- Year of positive change: new key Australian facility and transition to new cloud-based platform.
- Reduced staff attrition and increased flexibility.
- New platform very well-received by clients: accelerating implementation due to demand.
- Carried some one-off extra costs due to changes.
- Strong 2H17. Utilisation increased by year end.
- Service delivery levels and client satisfaction both improved. Operational excellence focus.
- Organic growth and new business filled gap of discontinued contracts: further impact FY18.

MICROSOURCING

- Revenue and earnings growth for the year.
- Contribution from both organic growth and new business, outweighing closed business.
- Settlement of remaining consideration for final 50% acquisition now completed.
- Continues to run smoothly under existing management.
- Targeted online marketing program.
- Enhanced leveraging of MicroSourcing expertise to support Salmat's Contact business in Manila.

STRATEGY

Leveraging Salmat's core strengths as we adapt for the future

- Business transformation helped put Salmat's house in order: we are more disciplined and more agile.
 - Systems overhauled; duplication removed; process improvement.
- Strategic review identified opportunities that warrant further investigation. Progressing on these but nothing to announce at this stage.
- Key FY18 priorities centred on the evolution and innovation of Salmat's core capabilities and the long-term sustainability of the business:
 - Marketing Solutions (Media + Digital) and Contact Solutions evolution.
 - Business sustainability and profitable sales growth.



OUTLOOK

Rebecca Lowde, CEO



SUMMARY

Salmat is targeting long-term sustainability in challenging markets

- Business transformation has re-set Salmat's cost base and optimised operations.
- External markets have remained challenging for Salmat and clients alike.
- Strategic review has identified opportunities to innovate and evolve the business for long-term growth. Exploring these opportunities.
- Have successfully increased earnings and returned to profit.
- FY18 priorities: new business growth and innovation of core capabilities for long-term sustainability.
- Continue to target EBITDA margin growth.
- No dividend declared for this period. Looking to recommence dividends in FY18, subject to business conditions.

DISCLAIMER

Company announcements and presentations can contain forward-looking statements. Words such as “believe”, “anticipate”, “plan”, “expect”, “intend”, “target”, “estimate”, “project”, “predict”, “forecast”, “guideline”, “should”, “aim” and similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements.

Forward-looking statements involve inherent risks and uncertainties. We caution you that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. These factors include but are not limited to: competition and product pricing in the markets in which we operate; general economic and market conditions; compliance with, and possible changes in, environmental and health and safety laws; dependence on cyclical markets; the supply and cost of materials; exposure to environmental or other legal proceedings; and risks of conducting business internationally. We caution you that the foregoing list of factors is not exclusive and that other risks and uncertainties may cause actual results to differ materially from those contained in forward-looking statements. Forward-looking statements speak only as of the date they are made.

The background is a solid pink color. In the top-left corner, there are several overlapping squares of varying shades of pink, creating a stepped effect. In the bottom-right corner, there is a large, light pink geometric shape that resembles a staircase or a series of overlapping rectangles.

THANK YOU
+
QUESTIONS

APPENDIX

Significant items

Item	\$ million
Sale of shares in an investment	1.4
Fair value adjustment	0.8
Restructuring costs	(0.6)
Strategic review costs	(0.9)
Impairment	(1.3)
Total	(0.6)