

# Servcorp Limited

## FY22 Results Presentation



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# FY22 HIGHLIGHTS



# FY22 HIGHLIGHTS

**The focused investment by management in all teams across Servcorp has seen higher levels of client engagement and retention over the last 2 years with stronger results starting to materialise in FY22, despite ongoing challenges from COVID-19 and uncertain global economic conditions.**

- Statutory NPBT up 12%, and Statutory NPAT up 19% to \$28.0m
- Underlying Free Cash \$57.3m (up 17%)
- Underlying revenue up 3% on a constant currency basis
- Mature revenue up 4% on a constant currency level
- Underlying NPBIT up 18% to \$38.0m (including IFRIC cloud computing adjustment)
- Underlying NPBIT up 17% to \$35.2m (excluding IFRIC cloud computing adjustment)
- EPS up 19% to 28.9 cps
- FY22 final dividend of 10.0 cps, unfranked, 100% conduit foreign income (total FY22 dividend of 20.0 cps)

## Balance Sheet remains strong

- Unencumbered cash balance at 30 June 2022 of \$107.6m, up \$10.6m on 30 June 2021, despite the material increase in capital expenditure year-on-year, attributed to a strong free cash production, and an enhanced cash collection process
- Cash balance currently in excess of \$115.0m
- NTA of \$1.88 per share, up 1% on FY21 (\$1.86 per share)
- Underlying Free Cash 163% of Underlying FY22 NPBIT, providing a continuing buffer to navigate through the economic uncertainty worldwide, supporting further capital expenditure and dividends
- No external net debt

## KEY MESSAGE

As most parts of the world gradually return to a state of normalcy, challenges continue on, reflected in the rising inflation rate, declining consumer confidence, tightening monetary policy, disrupted supply chain, and geographic instability.

FY22 saw the hard work and effort invested in the last 2 years materialise, in a steady yet strong recovery in revenue and profitability.

Empowered by the strong Balance Sheet, abundant cash reserve, and the unique value proposition supported by the best-in-market technology, Servcorp was able to seize opportunities to expand its footprint in various markets, and enhance its revenue streams worldwide.

Continued investment is being made in IT development, with the team achieving a significant milestone in FY22: the completion of a core component to Servcorp's new IT platform. This will streamline various internal processes and provide a future avenue for growth.



# FY22 HIGHLIGHTS (cont'd)

Underlying NPBIT \$38.0m

*Underlying NPBIT \$35.2m excluding gain from cloud computing adjustment, **within market guidance of \$33m - \$36m***

Underlying Free Cash \$57.3m

*Adjusting for cash rent payments relating to prior years previously withheld, **exceeding market guidance of \$50m***



NTA \$1.88/ share

*Strong Balance Sheet, with >\$100m cash on hand*

New platform (SmartOffice) roll-out completed in Japan and started in Australia

*Best-in-market technology, enabling hybrid workspaces to continue evolving and lead the industry*

# RESULTS OVERVIEW

# RESULTS OVERVIEW

**\$57.3m**  
**Underlying Free Cash**  
*Up 17%*

**20.0 cps**  
**DPS**  
*Up 11%*

**\$274.5m**  
**Underlying Revenue**  
*Up 3%\**

**\$38.0m**  
**Underlying NPBIT**  
*Up 18%\*\**

**\$28.0m**  
**Statutory NPAT**  
*Up 19%*

**28.9 cps**  
**EPS**  
*Up 19%*

**\$107.6m**  
**Unencumbered Cash**  
*Up 11%*

**\$1.88**  
**NTA**  
*Up 1%*

**5,162**  
**Stock Capacity**

**\$198.3m**  
**Net Asset**  
*Up 2%*



\* Underlying revenue refers to operating revenue, which is up 3% year-on-year on constant currency terms; refer to slide 9  
\*\* Including cloud computing adjustments

# RESULTS OVERVIEW (cont'd)

## Operating Revenue

	FY22 \$'m	FY21 \$'m	
<b>Mature operations</b>			
Lease revenue	198.8	200.9	
Other revenue	66.0	69.5	
<b>Total Revenue - Mature operations*</b>	<b>264.8</b>	<b>270.4</b>	
<b>Immature &amp; closed operations</b>			
Lease revenue	6.4	1.6	
Other revenue	2.2	0.5	
<b>Total Revenue - Immature &amp; closed operations</b>	<b>8.6</b>	<b>2.1</b>	
Other revenue	1.1	(1.1)	
<b>Operating Revenue</b>	<b>274.5</b>	<b>271.4</b>	
Non-operating revenue	1.0	4.3	
<b>Statutory Revenue</b>	<b>275.6</b>	<b>275.7</b>	
Forex impact	(3.6)		
New floors (net of forex impact)	2.2		
Closed floors (net of forex impact)	(5.2)		
<b>FY21 Proforma adjustments</b>	<b>(6.6)</b>		
	<b>Mature</b>	<b>non-Mature</b>	<b>Total</b>
<b>Drivers of Operating Revenue Movement</b>	<b>\$'m</b>	<b>\$'m</b>	<b>\$'m</b>
FY21 Operating Revenue	270.4	2.1	272.5
Proforma adjustments	(17.3)	10.7	(6.6)
<b>Proforma Operating Revenue adjusting for forex and like-for-like floors</b>	<b>253.1</b>	<b>12.8</b>	<b>265.9</b>
<b>Proforma FY21 Revenue in like-for-like and constant currency terms</b>	<b>265.9</b>		
Price increase	2.2		
Sales growth	6.4		
<b>FY22 Operating Revenue</b>	<b>274.5</b>		
% on Pro-forma FY21 Operating Revenue on a constant currency level	3%		

### Other operating revenue

- Other operating revenue
- includes revenue from ancillary services
  - includes franchise fee
  - excludes non-operating revenue (e.g. interest income, gain on disposal of financial assets, dividend income...).

### Immature & closed operations

Servcorp closed 5 operations, and opened 4 new floors in FY22.

### Non-operating Revenue

The key factor that drives the year-on-year variance in non-operating revenue is \$2.5m JobKeeper concession received from the Australian Government in FY21.

### Foreign Exchange impact

AUD (the group reporting currency) strengthened substantially against most major currencies year-on-year; excluding the forex impact of \$3.6m.

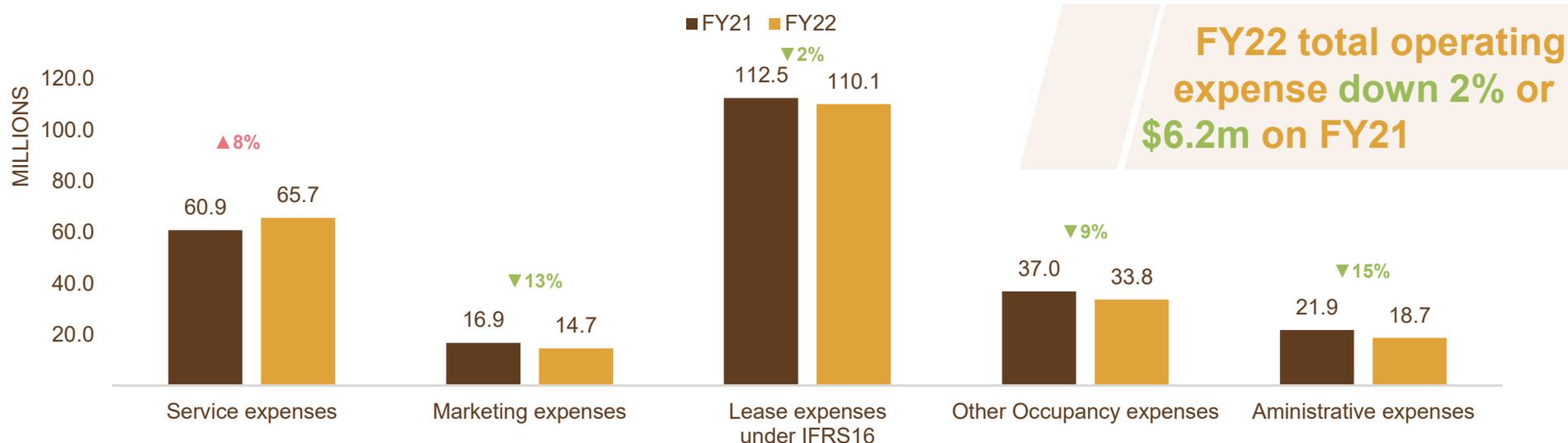
### Revenue growth from advances in sales

The isolated impact of net business development achieved during the year, in the like-for-like operations, is an increase in operating revenue by \$6.4m, adjusting for any year-on-year forex or price movement.

\* Refer to Segment notes reconciliation in Appendix (slide 31)

# RESULTS OVERVIEW (cont'd)

## Operating Expenses



**FY22 total operating expense down 2% or \$6.2m on FY21**

**Service expenses**

- The increase year-on-year reflects the additional resources recruited for both operations (including new floors) and IT development activities.
- Staff remuneration and incentives was reviewed to ensure it stays largely in line with market.

**Marketing expenses**

- Marketing expenses reduced slightly year-on-year, removing the FX impact from stronger AUD.
- The investment in marketing expenditure showed promising return, evident in the growing volume of leads in many markets.

**Lease expenses (IFRS16)**

- Lease expenses under IFRS16, namely ROUA amortization expense and Lease interest expense, was \$2.4m lower year-on-year, in line with the naturally downward sloped trend of the “deemed” lease interest expenses over lease terms, due to time value of money impact.

**Other Occupancy expenses**

- Other occupancy expenses include outgoing, utility and depreciation expenses associated with the occupancy of the premises.
- \$4.6m rent relief received and recorded to the Income Statement in FY22 (FY21 \$3.3m).

**Administrative expenses**

- FY22 corporate overheads reduced by \$3.2m on FY21, attributed to the tight control on expenditure, and processes streamlining.

# RESULTS OVERVIEW (cont'd)

## Underlying Profit & Statutory Profit

	FY22 \$'m	FY21 \$'m	%
<b>Statutory NPBT</b>	<b>34.4</b>	<b>30.6</b>	<b>12%</b>
<b><i>Add back</i></b>			
Operating loss from new floors pre-maturity or from closed floors post-closure	3.6	-	nmf
Loss from lease adjustment	-	0.2	nmf
Impairment loss	-	1.5	nmf
<b>Underlying NPBIT including cloud computing adjustment</b>	<b>38.0</b>	<b>32.3</b>	<b>18%</b>
<b><i>Removes</i></b>			
Gain from cloud computing adjustment	(2.8)	(2.2)	(28%)
<b>Underlying NPBIT excluding cloud computing adjustment</b>	<b>35.2</b>	<b>30.0</b>	<b>17%</b>
<b><i>Removes</i></b>			
Interest & franchise income	(1.3)	(0.8)	(54%)
Other non-operating items	(1.2)	(2.2)	46%
<b>Underlying Operating Profit excluding cloud computing adjustment</b>	<b>32.7</b>	<b>27.1</b>	<b>21%</b>
<b><i>Add back</i></b>			
Operating loss from new floors pre-maturity or from closed floors post-closure	(3.6)	-	nmf
Gain from cloud computing adjustment	2.8	2.2	28%
Loss from lease adjustment	-	(0.2)	nmf
<b>Statutory Operating Profit</b>	<b>32.0</b>	<b>29.1</b>	<b>10%</b>

### Lease restatement

The restatement adjustment is driven by the revision of lease commencement date to the earlier of access dates and the commercial lease start dates.

### Cloud computing adjustment

IFRIC issued a guidance in April 2021 clarifying the treatment of "Configuration or Customisation Costs in Cloud Computing Arrangement" for "Software as a Service" (SaaS) products.

Following an assessment of the applicable costs incurred, the Consolidated Entity has retrospectively changed its accounting policy relating to the recognition of intangible asset. As a result, depreciation expenses originally arising from the assets retrospectively derecognised were reversed in the relevant periods. The impact for FY22 and FY21 were \$2.8m and \$2.2m respectively.

# RESULTS OVERVIEW (cont'd)

## Balance Sheet

Balance Sheet	FY22 \$'m	FY21 \$'m
Cash	100.8	93.8
Trade Receivables	20.0	24.0
PP&E & ROUA	340.5	384.0
Software & Intangible	2.1	0.8
Goodwill	13.8	13.8
Deferred Tax Asset	39.8	40.6
Lease Deposit	41.1	41.8
Other Assets	24.6	20.8
<b>Total Assets</b>	<b>582.7</b>	<b>619.6</b>
Trade Payables	35.0	35.9
Provisions	11.4	11.0
Lease liabilities	310.8	349.5
Other Financial Liabilities	27.3	28.5
<b>Total Liabilities</b>	<b>384.4</b>	<b>424.9</b>
<b>Net Assets</b>	<b>198.3</b>	<b>194.6</b>
NTA (\$)	1.88	1.86

PP&E & ROUA	PP&E \$'m	ROUA \$'m	Total \$'m
<b>Opening balance</b>	<b>90.0</b>	<b>294.0</b>	<b>384.0</b>
Addition <sup>1</sup>	13.1	71.1	84.2
Disposal <sup>2</sup>	(1.6)	-	(1.6)
Depreciation	(19.7)	(100.0)	(119.7)
FX movement	(1.3)	(5.1)	(6.4)
<b>Movement</b>	<b>(9.5)</b>	<b>(34.0)</b>	<b>(43.5)</b>
<b>Closing balance</b>	<b>80.5</b>	<b>260.0</b>	<b>340.5</b>

<sup>1</sup> capital investment in ANZ & SEA, North Asia, EME; new leases signed and/or renewed across all segments

<sup>2</sup> floor closure in ANZ & SEA, North Asia, EME

### Collection cycle and efficiency

Cash collection efficiency improved significantly in FY22:

- Collection cycle shortened substantially;
- Bad debt reduced by 42% year-on-year; and
- Expected Credit Loss ("ECL") provision decreased by 66% compared to FY21.

### Software & Intangible

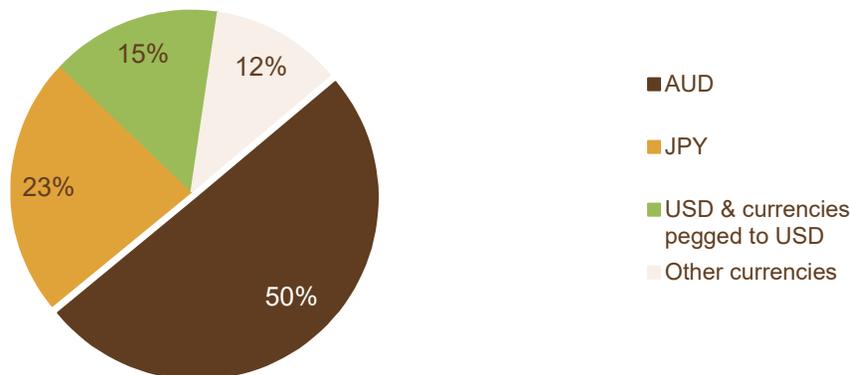
Includes the carrying value of the post proof-of-concept development cost of SmartOffice.

### Deferred tax assets ("DTA")

As at 30 June 2022, DTAs have not been recognised for \$25.5m tax losses (tax-effected) because it is not probable that future taxable profit will be available against which the Consolidated Entity can utilise the benefits therein. The majority of the unrecognised tax losses relate were generated in the USA. In FY22, the preliminary tax calculation indicates the tax losses have started being recouped as the USA operation produced a small profit, after a targeted management effort.

### Other Financial Liabilities

Mostly security deposits held from clients.



Cash and cash equivalents

# RESULTS OVERVIEW (cont'd)

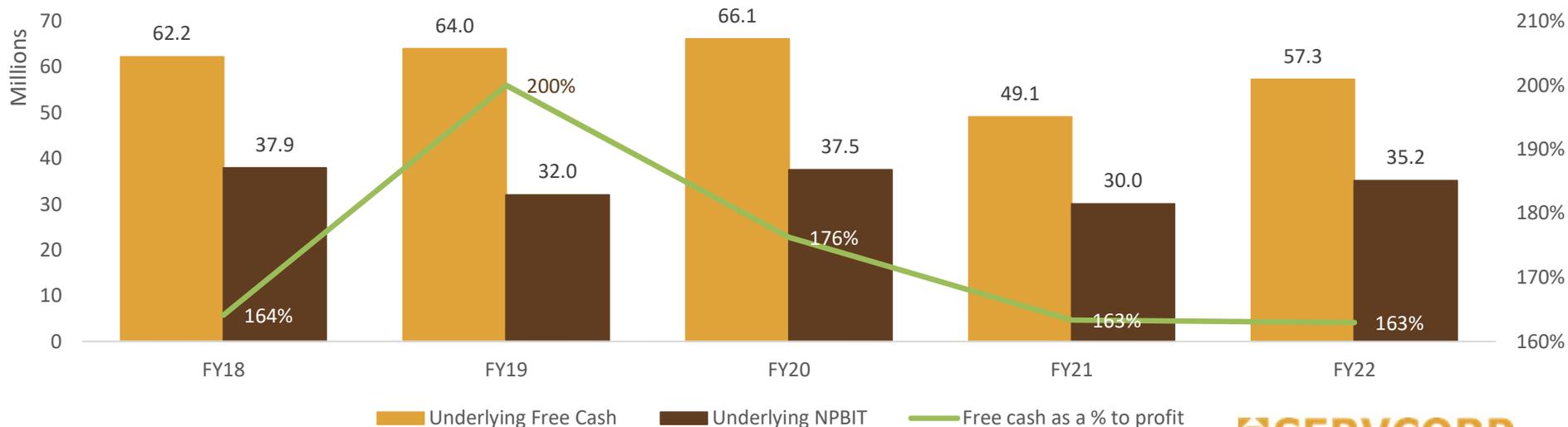
## Free Cash Production

Underlying Free Cash produced in FY22 was \$57.3m (up 17% on FY21), adjusting for the timing differences arising from the remittance of cash rent as a result of the ongoing lease renegotiations.

The strength and resilience in business manifests in the steady recovery of the Underlying NPBIT as well as the Underlying Free Cash production.

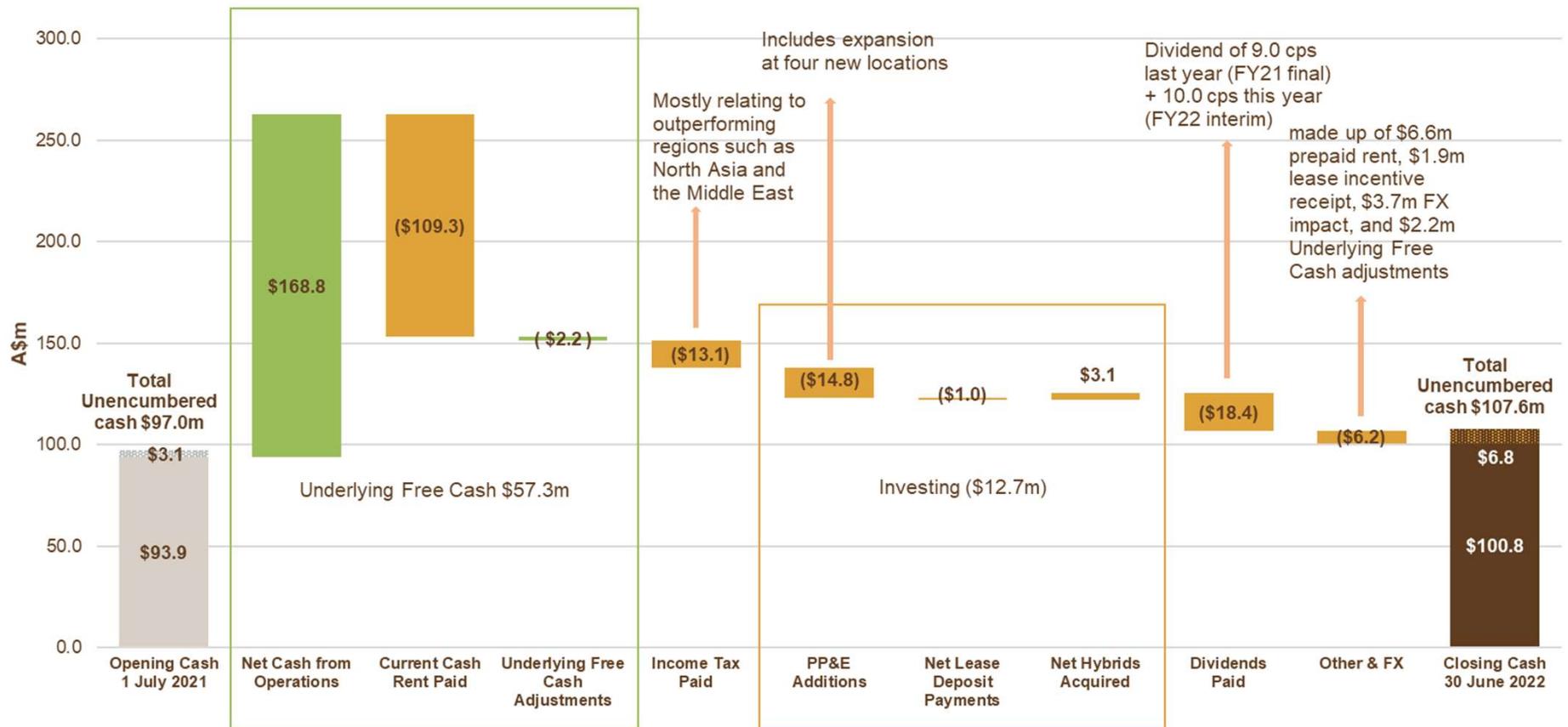
FY22 produced a decent bounce-back in business performance, as well as a solid improvement in cash collection from clients, which supported the ratio of free cash in comparison to profit at a steady level of 163%.

	FY22	FY21
		\$'m
<b>Net Operating Cash flow</b>	<b>145.6</b>	<b>139.7</b>
<i>Add:</i>		
Tax paid	13.1	10.3
<i>Less:</i>		
Lease liability Cash Rent for related period paid in related period	99.2	106.8
Cash Rent timing differences	1.9	(1.1)
Other timing differences	2.5	2.2
<b>Free Cash</b>	<b>55.2</b>	<b>42.1</b>
<i>Add:</i>		
Restructure cost and write-offs	-	2.9
Cash Rent previously withheld now paid	2.0	8.4
<i>Less:</i>		
Cash Rent relating to current period withheld	(0.1)	4.3
<b>Underlying Free Cash</b>	<b>57.3</b>	<b>49.1</b>



# RESULTS OVERVIEW (cont'd)

## Cash Flow & Liquidity





# CONTINUED IT INVESTMENT

# INVESTMENT IN SOFTWARE DEVELOPMENT

## Completion of proof of concept

A core component to Servcorp's new IT platform (SmartOffice) was completed in FY22, streamlining various internal processes and providing a future avenue for growth. SmartOffice was successfully rolled out to Japan, commenced implementation in Australia, and the Middle East is next in the line.



## Improved operational efficiency

SmartOffice establishes a solid foundation for the restructure of Servcorp's ecosystem, to improve business and operational efficiency at each floor. Many business processes were reviewed and redefined in SmartOffice, allowing floor teams more time to concentrate on business development and value creation to deliver the premium services to our clients.



## Revenue enhancement

SmartOffice is designed to be user-intuitive, embedded with a number of robust workflows and integrated controls. Servcorp will now be able to perform advanced data analytics to improve revenue generation and mitigate revenue leakage.



## Multi-faceted integration with modern architecture

Within the upgraded IT ecosystem, the functionality of each module is evaluated, in the context of its interconnection with the rest of the ecosystem. The flow mechanism was redesigned such that the new ecosystem achieves a genuine multi-faceted integration across departments, functions, geographic regions, etc.



## Client experience to the next level

Following the upgraded level of integration, client experience will be enhanced as our clients can travel seamlessly between all Servcorp locations over 129 floors in 41 cities across 20 countries.





**PORTFOLIO**

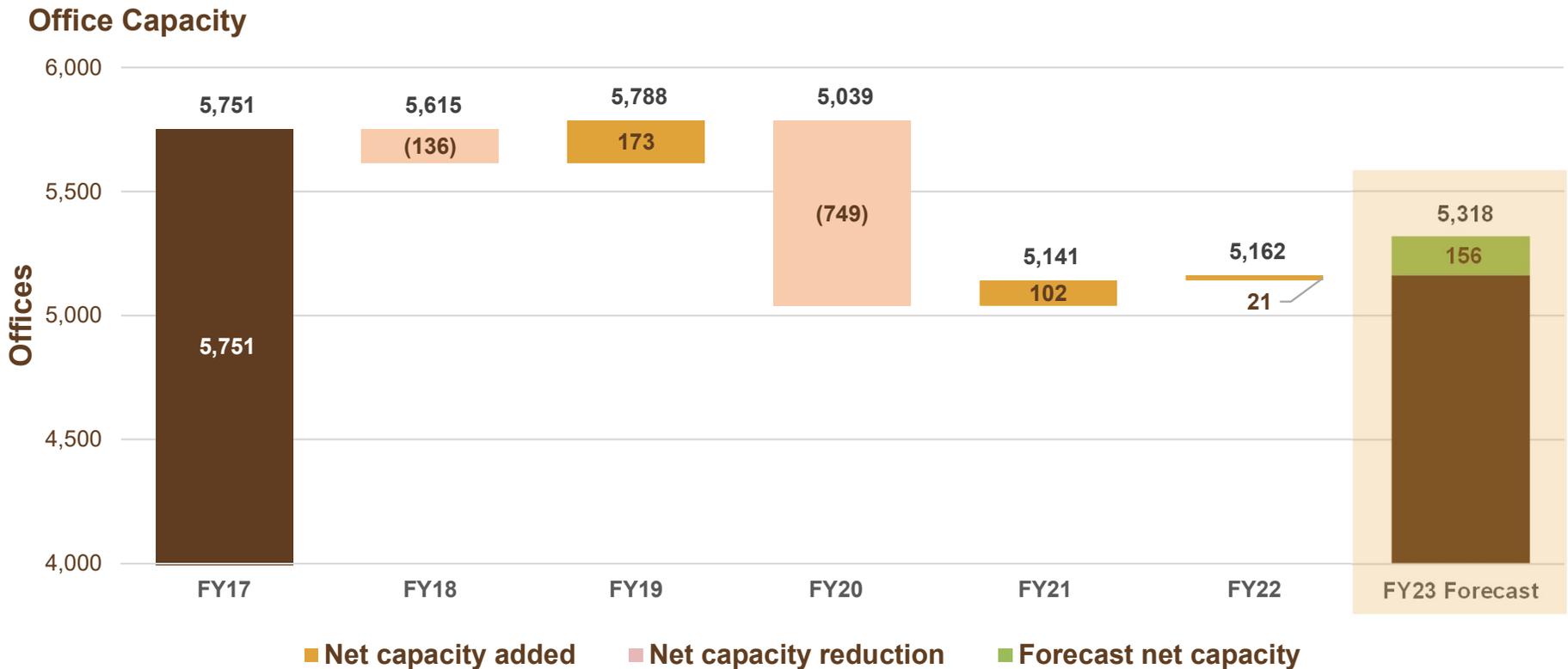
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**SEGMENT OVERVIEW**

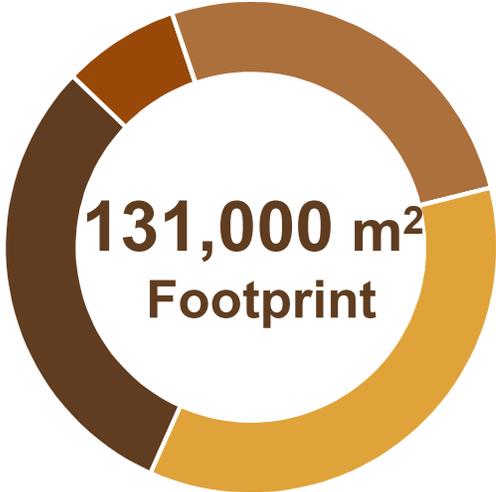
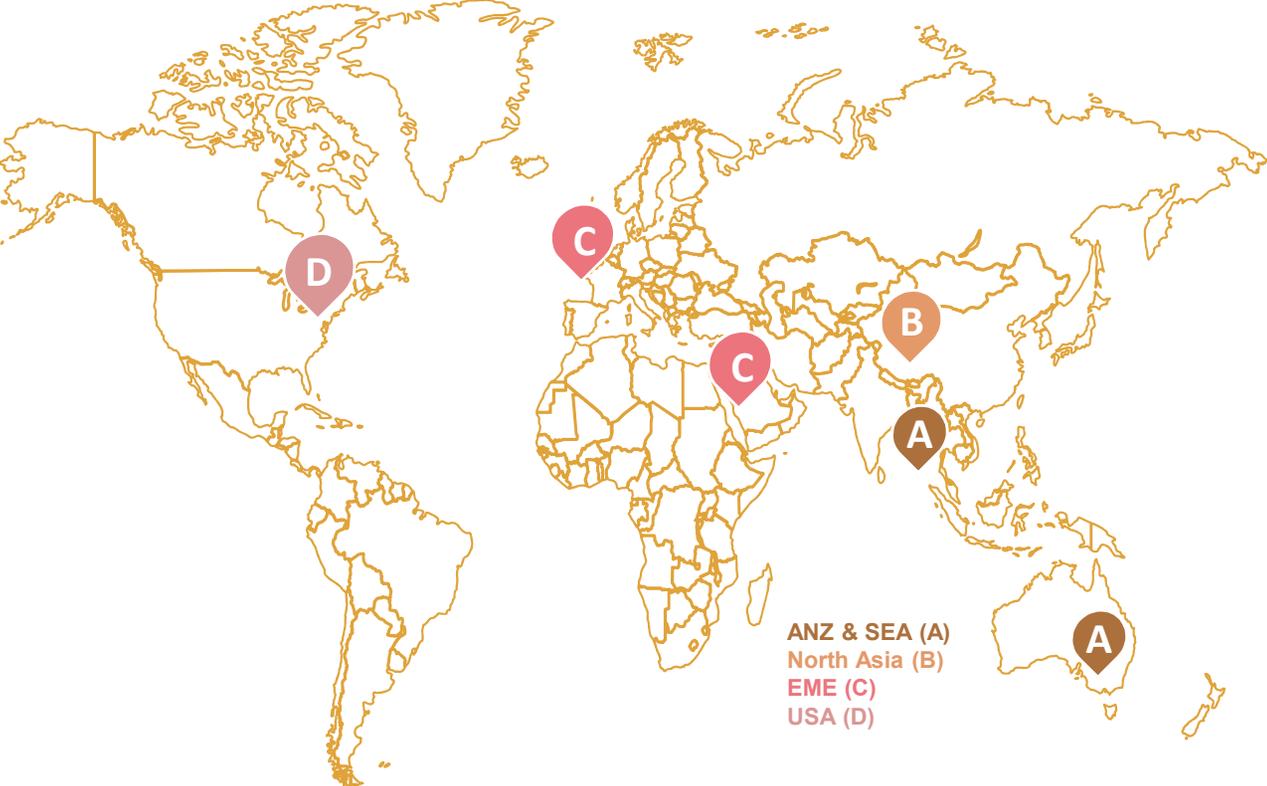
# SERVCORP CAPACITY

Servcorp closed five floors in ANZ & SEA, North Asia and EME in FY22, and replaced those with operations at four new locations where relevant management teams possess the skills, resources and capacity to drive profitability.

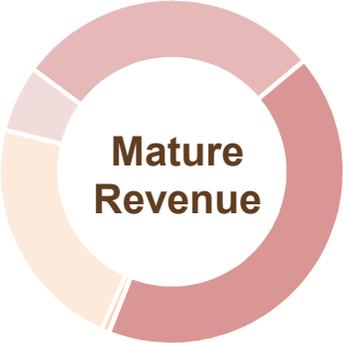
Net capacity increased by 21 offices to 5,162, and capacity for FY23 is forecast, based on the new leases signed or schedule to be signed in the coming weeks, to increase by 156 offices to 5,318.



# PORTFOLIO OVERVIEW



■ ANZ & SEA ■ USA ■ Europe & Middle East ■ North Asia



# SEGMENT PERFORMANCE

## Global Overview

The long overdue USA recovery marks a pleasing FY22 result that each and every Mature operating segment achieved profit, although the overall margin was still lower than ideal.

- Mature Revenue was \$6.2m lower compared to FY21, largely due to the stronger AUD. On a constant currency level, Mature Revenue was \$9.8m or 4% higher on FY21.
- Mature Segment NPBT is \$7.2m higher on FY21.
- Operating cash earnings from Mature floors was \$63.4m in FY22, up \$13.8m on FY21.

	Mature Revenue		Mature Segment Profit		Mature Cash Earnings		Margin	
	FY22	FY21	FY22	FY21	FY22	FY21	FY22	FY21
	\$'m		\$'m		\$'m		%	
ANZ & SEA	58.9	67.1	7.5	2.5	13.8	5.3	13%	4%
North Asia	111.4	117.5	16.8	24.0	30.6	35.5	15%	20%
Europe & Middle East	76.1	71.1	10.1	5.6	16.9	11.6	13%	8%
USA	16.5	13.4	0.3	(4.5)	2.1	(2.7)	2%	(34%)
<b>Total</b>	<b>262.9</b>	<b>269.1</b>	<b>34.7</b>	<b>27.5</b>	<b>63.4</b>	<b>49.6</b>	<b>13%</b>	<b>10%</b>
<b>Total (constant currency)</b>	<b>262.9</b>	<b>253.1</b>	<b>34.7</b>	<b>28.8</b>	<b>63.4</b>	<b>49.0</b>	<b>13%</b>	<b>11%</b>

\* Reconciliation to Note 2 Operating segments on the Financial Statements is included in the Appendix slide 31

# SEGMENT PERFORMANCE (cont'd)

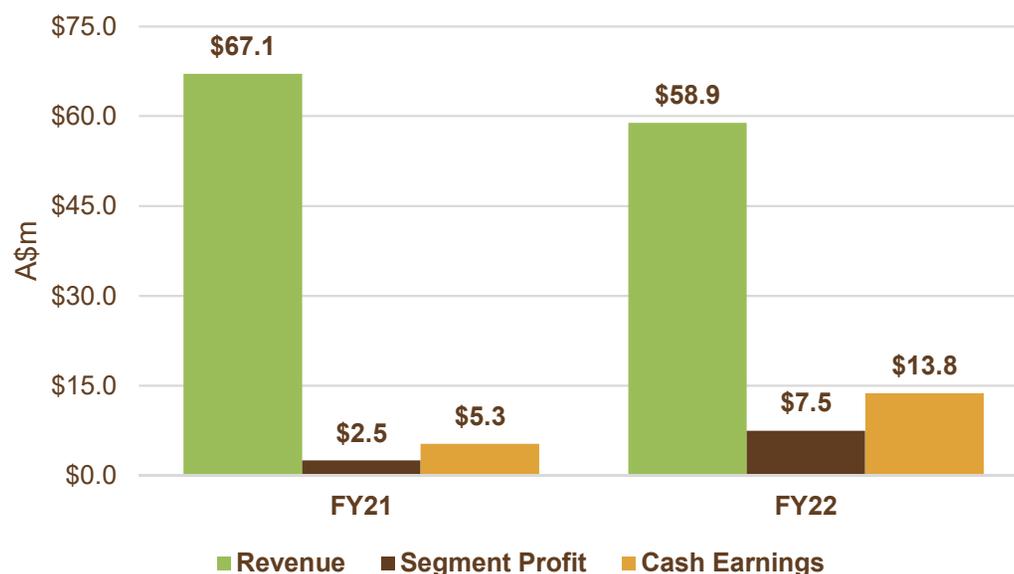
## ANZ & South East Asia (ANZ & SEA)

ANZ & SEA performance was disappointing, down 12% year-on-year in Mature Revenue.

Portfolio consolidation review led to the closure of operations at two locations in FY22. One new floor was opened.

The portfolio rationalisation resulted in an increase in overall Mature Segment Profit (up \$5.0m) as well as Cash Earnings (up \$8.5m), despite the decline in Mature Revenue.

Mature: Revenue, Segment Profit & Cash Earnings



# SEGMENT PERFORMANCE (cont'd)

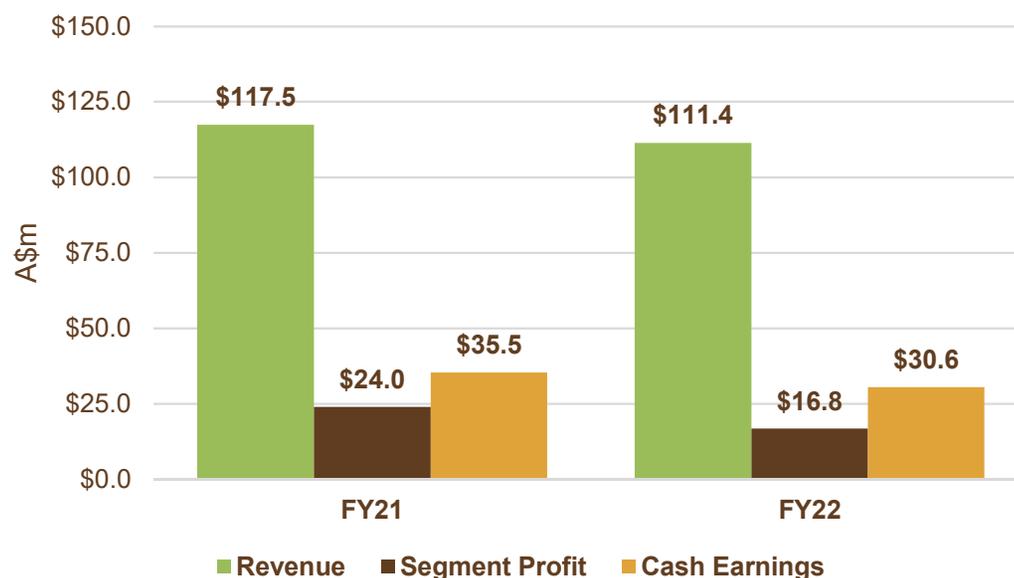
## North Asia

North Asia as a whole continued to deliver a solid result, although the year-on-year performance was undermined largely due to the ongoing government pursuit of zero-COVID-19 policy in China (including Hong Kong).

Mature revenue was down 5% from \$117.5m to \$111.4m. Mature Segment Profit & Cash Earnings decreased 30% and 14% respectively in FY22 compared to FY21.

In FY22, one floor was closed in the region, replaced by a new operation at a more premium location.

Mature: Revenue, Segment Profit & Cash Earnings



# SEGMENT PERFORMANCE (cont'd)

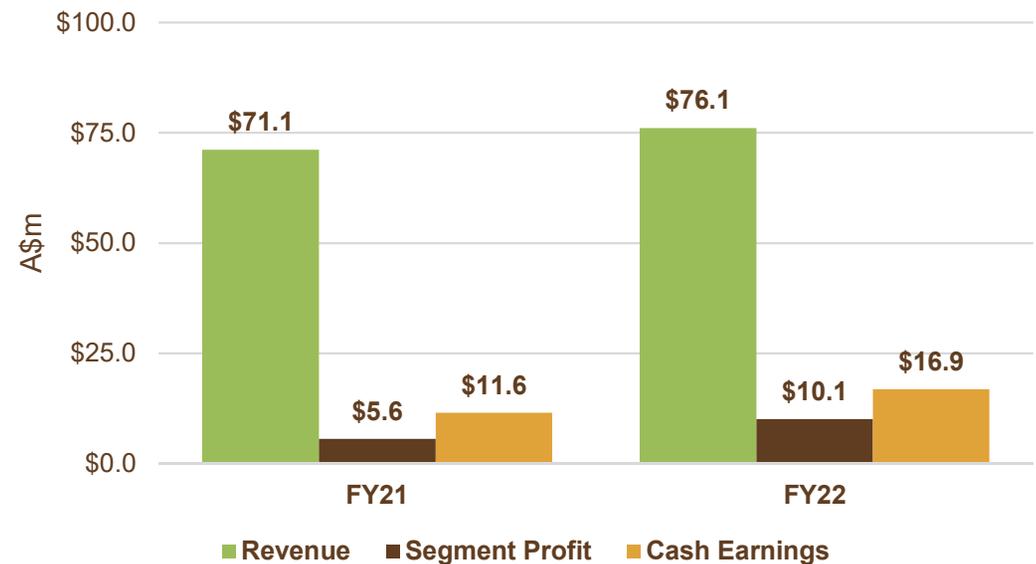
## Europe & Middle East (EME)

EME continue to thrive.

Mature Revenue was up \$5.0m in FY22 compared to FY21, almost fully converted into Mature Segment Profit and Cash Earnings, which increased 80% and 46% respectively.

The proven management team continues to support the expansion in the region. One new operation and one replacement operation were opened at new locations in Q4 of FY22.

Mature: Revenue, Segment Profit & Cash Earnings



# SEGMENT PERFORMANCE (cont'd)

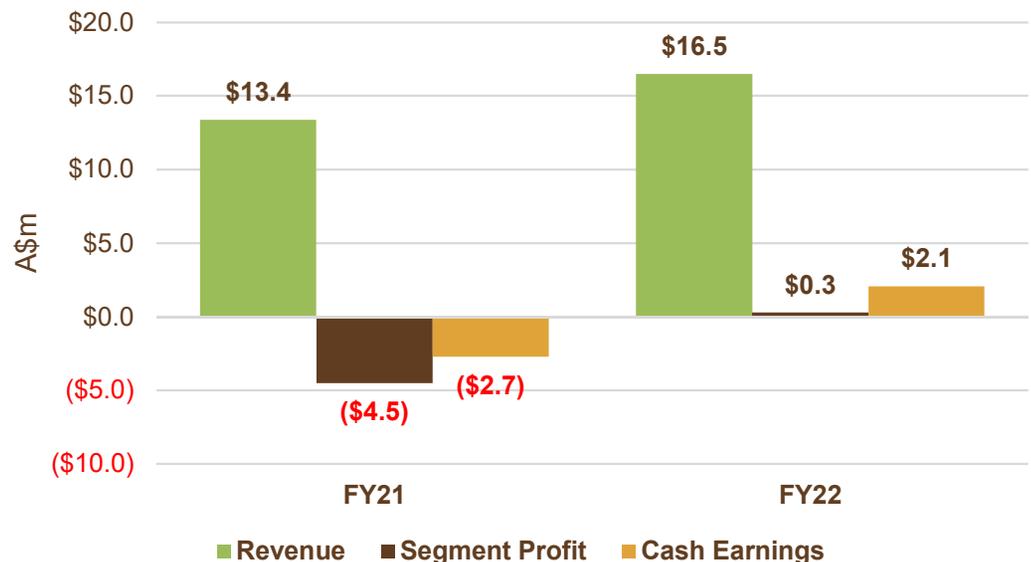
## USA

After the long and relentless effort to develop businesses in the USA market, and a targeted focus in FY22, the segment finally turned into profit in FY22.

The USA recorded Mature Segment Profit and Cash Earnings of \$0.3m and \$2.1m respectively.

Mature Revenue of \$16.5m was up 23% in FY22 compared to FY21.

Mature: Revenue, Segment Profit & Cash Earnings

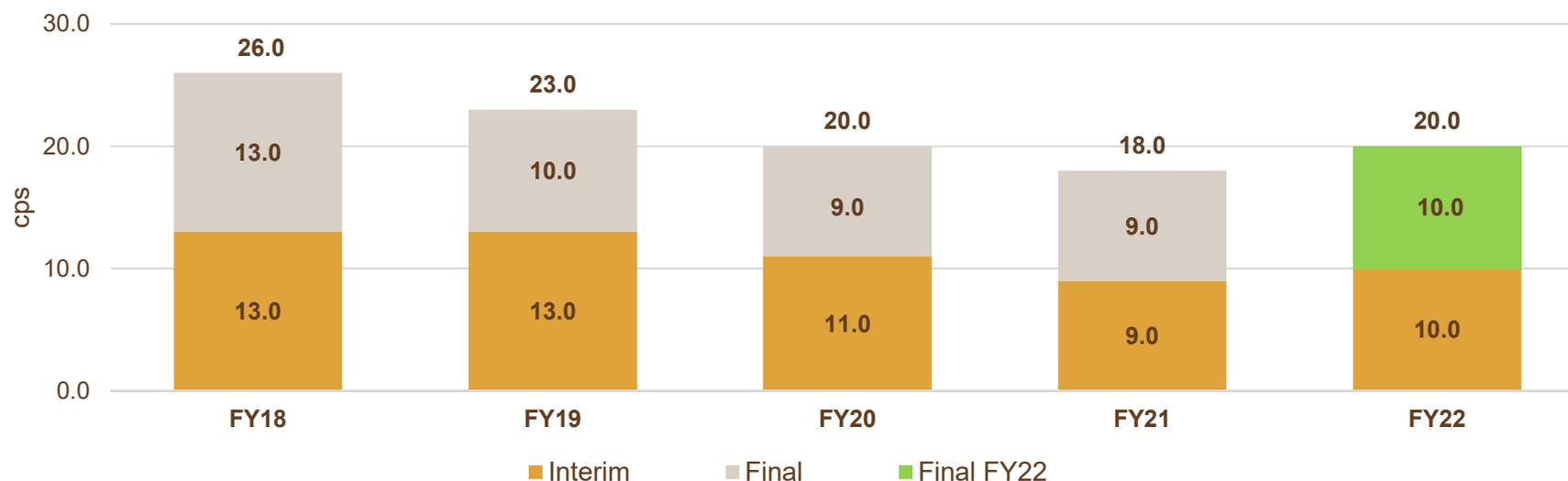


A photograph of a business meeting around a wooden table. Several people are working on laptops and tablets. There are various charts and documents on the table, including a prominent pie chart. A small potted plant sits on the table. The scene is brightly lit, suggesting an office environment.

# DIVIDEND

# DIVIDEND

## Dividends paid (cents per share)



## Final FY22 dividend

- Final dividend payable of 10.0 cps, unfranked, payable on 6 October 2022
- Total FY22 dividend of 20.0 cps, up 11% on FY21

## FY23 dividend

- Guidance for FY23 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.



# OUTLOOK & GUIDANCE



RESERVOIR

# OUTLOOK & GUIDANCE

Although the economic outlook globally remains uncertain, to Servcorp FY23 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, in FY23 **NPBIT guidance is between \$41m and \$43m**, an increase of at least 16% from FY22 Underlying NPBIT of \$35.2m.

In line with this guidance and performance, in FY23 we expect to produce **more than \$60m in Underlying Free Cash**. We would expect to continue to make dividend payments consistent with our long-term history and commitment to shareholders.

Despite the uncertainty, we remain optimistic due to our unique positioning, worldwide reach, experienced global team, technology platform, longstanding track record and cash generation.

# APPENDICES

# RESULTS BRIDGING

## Income Statement to Cash Flow Statement

	Statutory Profit		
	FY22	FY21	%
	\$'m	\$'m	
Revenue and other income	275.6	275.7	(0%)
Total expenses	(241.2)	(245.1)	2%
<b>Net profit before tax</b>	<b>34.4</b>	<b>30.6</b>	<b>12%</b>
Income tax expense	(6.4)	(7.1)	10%
<b>Net profit after tax</b>	<b>28.0</b>	<b>23.5</b>	<b>19%</b>

	Underlying		
	FY22	FY21	%
	\$'m	\$'m	
Revenue and other income	273.4	273.9	(0%)
Total expenses	(238.2)	(243.9)	2%
<b>Net profit before tax</b>	<b>35.2</b>	<b>30.0</b>	<b>17%</b>
Income tax expense	(5.5)	(6.4)	14%
<b>Net profit after tax</b>	<b>29.7</b>	<b>23.6</b>	<b>26%</b>

	Statutory Cash Flow		
	FY22	FY21	%
	\$'m	\$'m	
<b>Net profit after tax</b>	<b>28.0</b>	<b>23.5</b>	<b>19%</b>
Non-cash movement	132.3	133.1	(1%)
Working capital movement	7.3	7.7	(5%)
Franchise & interest income	1.2	0.9	36%
Interest paid	(10.1)	(12.3)	18%
Tax paid	(13.1)	(10.3)	(27%)
Payments for deconsolidation of subsidiaries	-	(2.9)	nmf
<b>Net operating cash inflows</b>	<b>145.6</b>	<b>139.7</b>	<b>4%</b>
<b>Net investing cash outflows</b>	<b>(12.6)</b>	<b>(6.5)</b>	<b>(95%)</b>
<b>Net financing outflows</b>	<b>(122.3)</b>	<b>(131.3)</b>	<b>7%</b>
Foreign exchange movement	(3.7)	(8.0)	54%
<b>Net cash movement</b>	<b>7.0</b>	<b>(6.1)</b>	<b>nmf</b>
<b>Opening cash 1 July</b>	<b>93.8</b>	<b>99.9</b>	<b>(6%)</b>
Net cash movement	7.0	(6.1)	
<b>Closing cash 30 June</b>	<b>100.8</b>	<b>93.8</b>	<b>7%</b>

	Underlying		
	FY22	FY21	%
	\$'m	\$'m	
<b>Statutory Revenue and other income</b>	<b>275.6</b>	<b>275.7</b>	<b>(0%)</b>
Revenue from operations pre-maturity*	(2.2)	(1.7)	27%
<b>Underlying Revenue and other income</b>	<b>273.4</b>	<b>273.9</b>	<b>(0%)</b>

	Underlying Free Cash		
	FY22	FY21	%
	\$'m	\$'m	
<b>Net operating cash inflows</b>	<b>145.6</b>	<b>139.7</b>	<b>4%</b>
Add: tax paid	13.1	10.3	27%
Net Cash Rent adjustments	(101.4)	(103.8)	(2%)
Payments for deconsolidation of subsidiaries		2.9	(100%)
<b>Underlying Free Cash</b>	<b>57.3</b>	<b>49.1</b>	<b>17%</b>

\* Only revenue from immature floors is adjusted; no revenue was generated from closed floors post-closure

# RESULTS BRIDGING

## Segment notes reconciliation

	Total Revenue from Continuing Operations	Revenue from new floors pre-maturity	Covid Relief	Mature Revenue
	FY 22 in \$'m			
ANZ & SEA	60.6	(1.7)	-	58.9
North Asia	111.5	(0.1)	-	111.4
Europe & Middle East	74.5	(0.3)	1.9	76.1
USA	16.5	-	-	16.5
<b>Total - operating segments</b>	<b>263.1</b>	<b>(2.2)</b>	<b>1.9</b>	<b>262.9</b>
Other*	1.9			1.9
<b>Grand Total</b>	<b>265.0</b>			<b>264.8</b>

	Segment Profit from Continuing Operations	Loss from new floors pre-maturity	Covid + JV adjustments	Mature Segment Profit
	FY 22 in \$'m			
ANZ & SEA	6.3	1.2	-	7.5
North Asia	16.3	0.4	(0.0)	16.8
Europe & Middle East	8.1	0.1	1.9	10.1
USA	0.3	-	-	0.3
<b>Total - operating segments</b>	<b>31.0</b>	<b>1.8</b>	<b>1.9</b>	<b>34.7</b>
Other	2.3			
<b>Grand Total</b>	<b>33.3</b>			

	Mature Segment Profit	Depreciation	Other Non-cash adjustments	Mature Cash Earnings
	FY 22 in \$'m			
ANZ & SEA	7.5	6.3	-	13.8
North Asia	16.8	5.5	8.4	30.6
Europe & Middle East	10.1	6.5	0.3	16.9
USA	0.3	1.8	-	2.1
<b>Total - operating segments</b>	<b>34.7</b>	<b>20.0</b>	<b>8.7</b>	<b>63.4</b>

	Total Revenue from Continuing Operations	Revenue from new floors pre-maturity	Covid Relief	Mature Revenue
	FY 21 in \$'m			
	65.2	(0.0)	2.0	67.1
	119.1	(1.7)	0.0	117.5
	70.1	(0.0)	1.0	71.1
	13.4	-	-	13.4
	<b>267.8</b>	<b>(1.7)</b>	<b>3.0</b>	<b>269.1</b>
	1.3			1.3
	<b>269.2</b>			<b>270.4</b>

	Segment Profit from Continuing Operations	Loss from new floors pre-maturity	Covid + JV adjustments	Mature Segment Profit
	FY 21 in \$'m			
	(0.3)	0.9	2.0	2.5
	22.2	-	1.8	24.0
	4.5	-	1.0	5.6
	(4.5)	-	-	(4.5)
	<b>21.9</b>	<b>0.9</b>	<b>4.8</b>	<b>27.5</b>

	Mature Segment Profit	Depreciation	Other Non-cash adjustments	Mature Cash Earnings
	FY 21 in \$'m			
	2.5	5.6	(2.8)	5.3
	24.0	5.3	6.2	35.5
	5.6	6.7	(0.7)	11.6
	(4.5)	4.8	(3.0)	(2.7)
	<b>27.5</b>	<b>22.4</b>	<b>(0.3)</b>	<b>49.6</b>

\* Other includes Head Office and other business units that are not allocated to any of the four Operating Segments



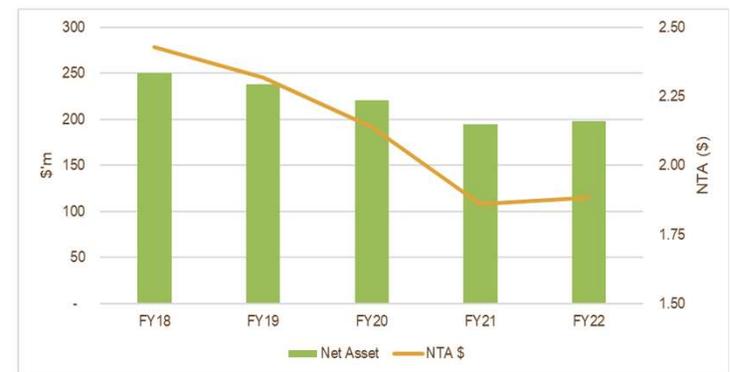
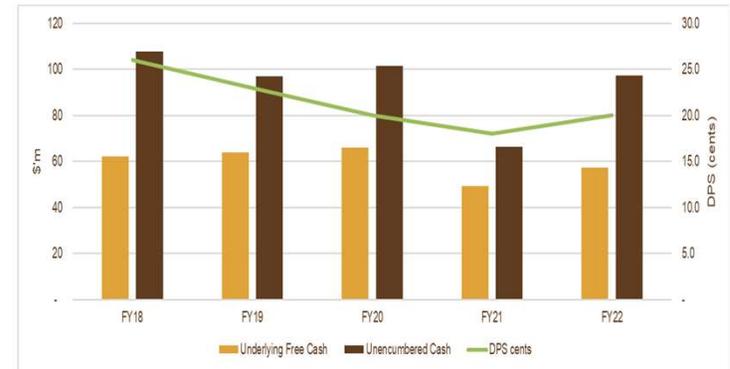
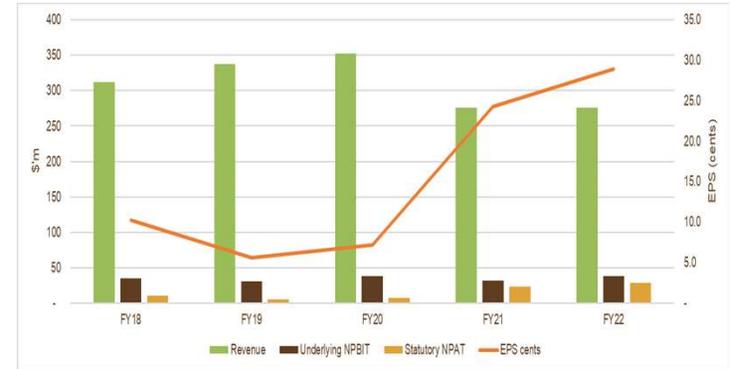
# 5-YEAR KPI TRACKER

	Revenue	Underlying NPBIT	Statutory NPAT	EPS
	\$'m	\$'m	\$'m	cents
FY18	312.5	37.9	10.1	10.2
FY19	337.4	32.0	5.4	5.6
FY20	352.9	37.5	6.9	7.2
FY21	275.7	30.0	23.5	24.3
FY22	275.6	35.2	28.0	28.9

	Underlying Free Cash	Unencumbered Cash	DPS
	\$'m	\$'m	cents
FY18	62.2	97.1	26.0
FY19	64.0	66.2	23.0
FY20	66.1	101.4	20.0
FY21	49.1	97.0	18.0
FY22	57.3	107.6	20.0

	Net Asset	NTA
	\$'m	\$
FY18	250.2	2.43
FY19	238.6	2.32
FY20	221.0	2.14
FY21	194.6	1.86
FY22	198.3	1.88

	Stock Capacity	Number of Floors
FY18	5,615	151
FY19	5,788	154
FY20	5,039	126
FY21	5,141	125
FY22	5,162	129



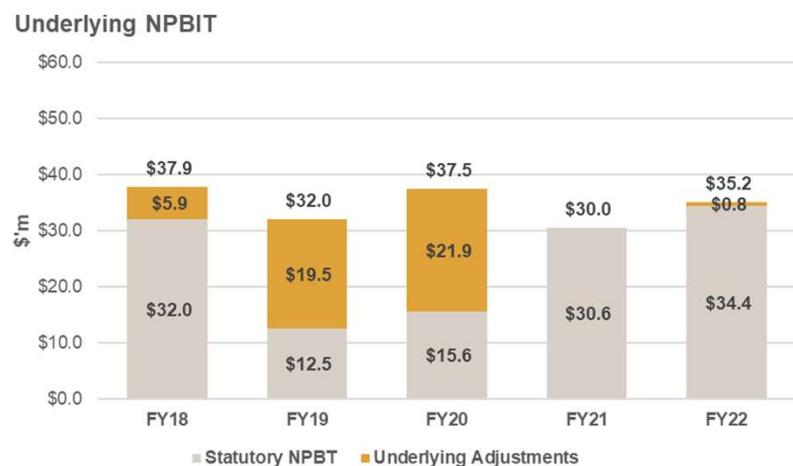
# 5-YEAR STATUTORY & UNDERLYING RESULTS

## Statutory Revenue vs. Revenue from continuing operations and other income\*

	Statutory Revenue	Revenue from continuing operations and other income
	\$'m	\$'m
FY18	312.5	311.5
FY19	337.4	298.4
FY20	352.9	331.4
FY21	275.7	275.3
FY22	275.6	269.1



## Statutory NPBT vs. Underlying NPBIT



	Statutory NPBT	Underlying NPBIT
	\$'m	\$'m
FY18	32.0	37.9
FY19	12.5	32.0
FY20	15.6	37.5
FY21	30.6	30.0
FY22	34.4	35.2



# GLOSSARY

<b>ANZ</b>	Australia and New Zealand
<b>Cash Earnings</b>	Is EBITDA minus Cash Rent paid
<b>Cash Rent</b>	Cash Rent is the amount paid to a landlord (or lessor) by Servcorp as a lessee under the terms of a signed lease agreement
<b>cps</b>	Cents per share
<b>DPS</b>	Dividend per share
<b>EME</b>	Europe & the Middle East
<b>EPS</b>	Earnings per share
<b>Free Cash</b>	Is the Net Operating Cash Flows before tax as reported in the Consolidated Statement of Cash Flows contained in the Servcorp Consolidated Financial Report minus Cash Rent paid
<b>FY</b>	Financial Year
<b>Immature</b>	Immature means floors that have been operational for less than 24 months and have not produced 3 months consecutive operating profit in the same timeframe. The period during which the floor is immature is defined as pre-maturity
<b>Mature</b>	Mature means floors that were open in both the current and comparative reporting periods. A floor is categorized as Mature at the earlier of 24 months from the date it becomes operational or 3 months consecutive operating profit. For the avoidance of doubt, Mature excludes closed floors
<b>SEA</b>	South East Asia
<b>Segment Profit</b>	Calculated in accordance with Australian Accounting Standards as reported in the Servcorp Consolidated Financial Report
<b>Statutory NPAT</b>	Calculated in accordance with Australian Accounting Standards as reported in the Servcorp Consolidated Financial Report
<b>Statutory NPBT</b>	Calculated in accordance with Australian Accounting Standards as reported in the Servcorp Consolidated Financial Report
<b>Underlying Free Cash</b>	Is Free Cash adjusted for significant items (before tax) which relate to the reported financial year however, because of timing, either occurred in the preceding financial year or will occur in the subsequent financial year
<b>Underlying NPAT</b>	Is the Statutory NPAT adjusted for significant items (net of tax) that are one-off in nature and that do not reflect the underlying performance of our business, and includes Mature floors only
<b>Underlying NPBIT</b>	Is the Statutory NPBT adjusted for significant items (before tax) that are one-off in nature and that do not reflect the underlying performance of our business, and includes Mature floors only
<b>NTA</b>	Net tangible asset per share
<b>\$'m</b>	Million in Australian dollars