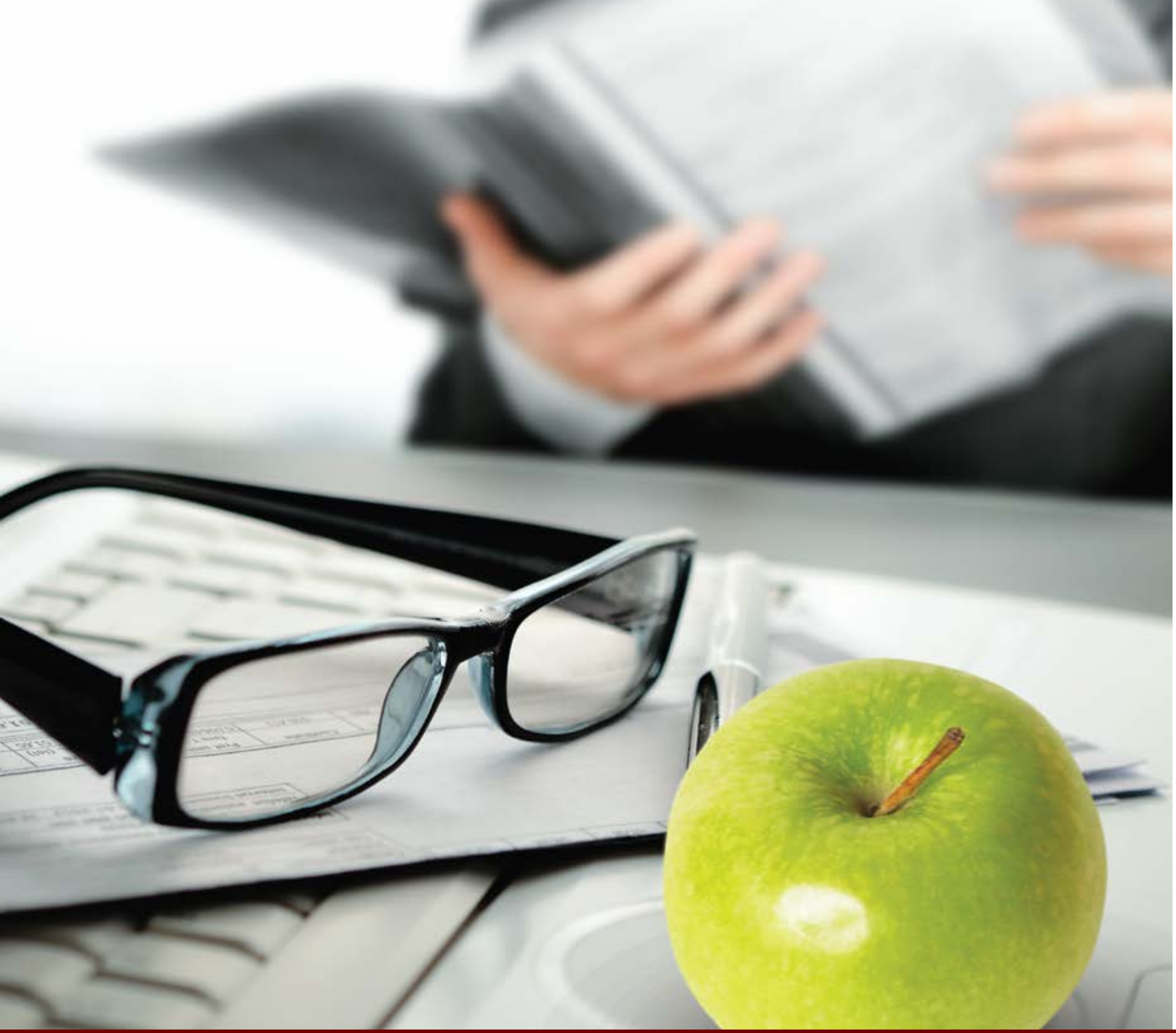
SAI Global Limited

ASX Code: SAI



21 August 2014

Results Presentation

Year Ended

30 June 2014

"Operationally, the business has ended the year in better shape, but there is more work to be done."

"Improved profitability is expected across each of SAI's operating divisions in FY15."

Andrew Dutton
Executive Chairman

SAI GLOBAL
INFORM. INSPIRE. IMPROVE.

SAI Global Limited
ABN: 67 050 611 642

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Agenda

1. Overview
2. Financial overview
3. Operational performance
4. Outlook
5. Q & A

1. Overview

Andrew Dutton

Executive Chairman

Financial Result

	Statutory	Underlying[1]
Revenue[2]	↑ 10.3% to $527.7M	↑ 10.3% to $527.7M
EBITDA	↓ 7.3% to $93.3M	↑ 3.3% to $107.1M
NPAT	↑ from a loss to a profit of $35.3M	↑ 6.3% to $45.0M

- Significant charges of $9.7M (after tax) incurred
- Operating cash inflows ↑ 11.1% to $80.5M
- Final dividend of 8.5 cents[3], 3.8 cents franked ↑ from 8.2 cents

1. The underlying basis is an unaudited non-IFRS measure that, in the opinion of the Directors, is useful in understanding and appraising the Company's underlying performance. The underlying basis excludes significant charges associated with acquiring and integrating new businesses, costs associated with any significant restructuring within the business, any impairment charges and any other specific items deemed to be significant on account of their nature or size.
2. Excludes interest and other income
3. Ex div date: 29 August 2014. Record date: 2 September 2014. Payment date: 26 September 2014

Overview

- Revenue growth of 10.3% assisted by the impact of the weaker Australian dollar
- **Information Services:** Revenue ↑ 10.6%, EBITDA ↑ 10.3%
- **Compliance Services[1]:** Revenue ↑ 8.9%, EBITDA ↑ 1.2%
- **Assurance Services:** Revenue ↑ 10.6%, EBITDA ↑ 6.4%
- **Corporate Services:** Costs ↑ \$4.8M[2] to \$15.0M

1. Performance on a constant currency basis declined but was in line with the Company's expectations
2. Increase due to:
   - Reinstatement of STI payments based on achievement of targets set by Board
   - Investment in improved IT governance processes as a precursor to a leaner and more efficient IT capability across the Company

Overview

- IT governance review
  - External review completed during first-half; implementation underway
- Next generation Compliance Services learning platform
  - Progressing well for first release in first-half of calendar 2015
- Reducing cost base
  - Initial steps implemented, more to come
  - Savings to flow in FY15 and beyond
- Interest from potential acquirers
  - Formal process to assist qualified potential acquirers (for both the whole company or individual divisions) established in May and continuing

2. Financial overview

Geoff Richardson

Chief Financial Officer

Financial summary

$M	Statutory FY14	Statutory FY13	Change	Underlying[1] FY14	Underlying FY13	Change
Revenue	**527.7**	478.6	10.3%	**527.7**	478.6	10.3%
Other income	(0.5)	0.6		(0.2)	0.6	
Expenses	(433.9)	(378.5)	14.6%	(420.4)	(375.4)	12.0%
EBITDA	**93.3**	**100.7**	(7.3%)	**107.1**	**103.7**	3.3%
EBITDA margin	17.7%	21.0%	(3.3%)	20.3%	21.7%	(1.4%)
Depreciation & amortisation	(34.6)	(32.3)	7.0%	(34.6)	(32.3)	7.0%
Impairment	-	(86.0)		-	-	
EBIT	**58.8**	(17.7)	n/a	**72.6**	71.4	1.6%
Finance costs - net	(11.4)	(13.6)	(16.8%)	(11.4)	(13.6)	(16.8%)
Associates	0.3	0.1		0.3	0.1	
Profit before tax	**47.7**	**(31.2)**	n/a	**61.5**	**57.9**	6.2%
Tax expense	(12.2)	(11.9)	2.6%	(16.3)	(15.4)	5.8%
Minorities	(0.2)	(0.1)		(0.2)	(0.1)	
Net profit after tax attributable to shareholders	**35.3**	**(43.2)**	n/a	**45.0**	**42.4**	6.3%

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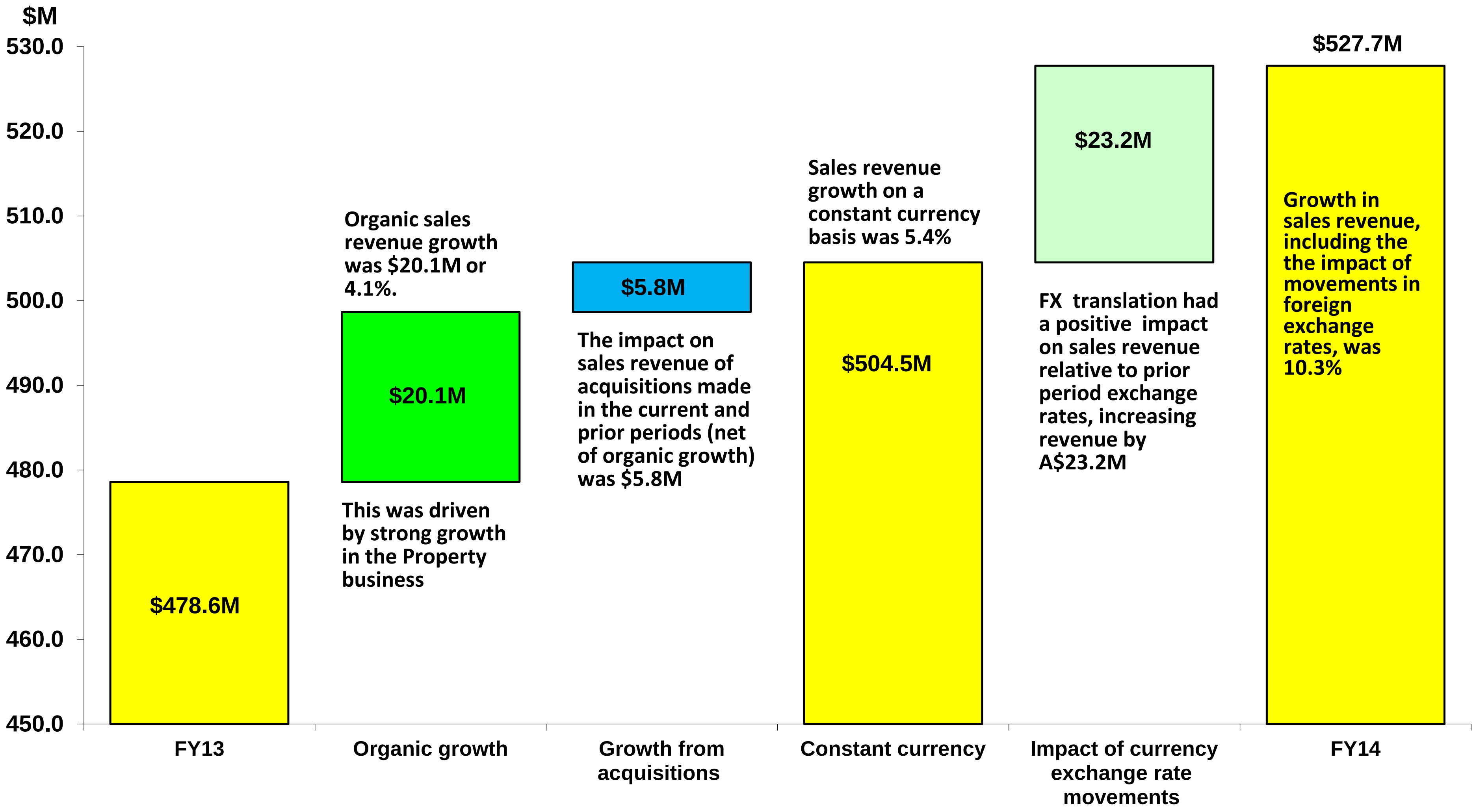
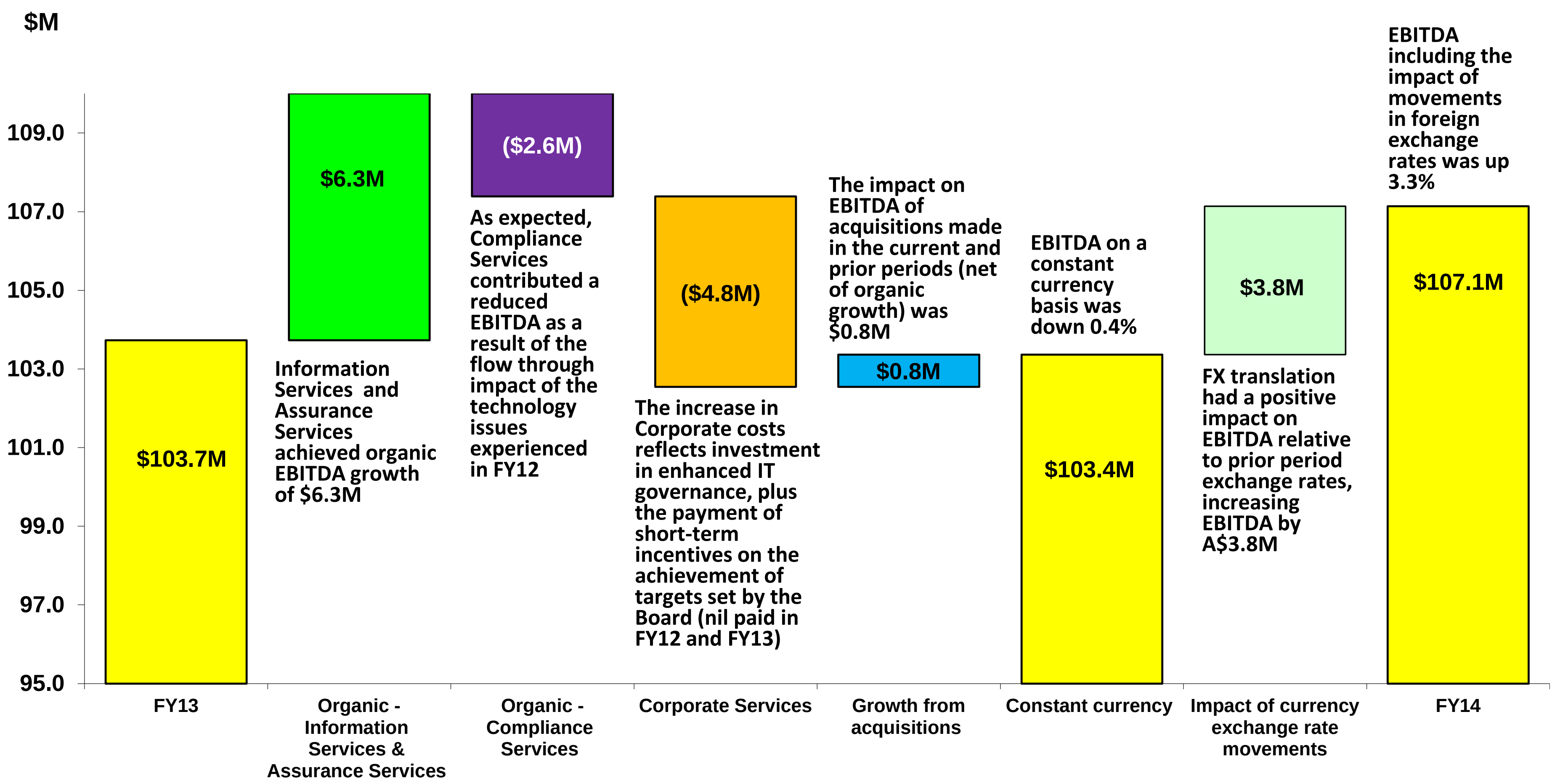
Significant charges

$000's	FY14	FY13
Impairment charges	-	86,000
Incidental charges relating to acquisitions	188	567
Operational efficiency initiatives (consulting fees, terminations and office rationalisation)	8,379	-
CEO transition and other senior management changes	2,975	2,504
Closure of Canadian defined benefit pension plan	741	-
IT governance review	790	-
Other significant items of a non-recurring nature	715	-
Significant charges before tax	13,788	89,071
Income tax credit applicable to significant charges	4,065	3,474
Significant charges after tax	9,723	85,597

Analysis of revenue growth



Analysis of underlying EBITDA growth

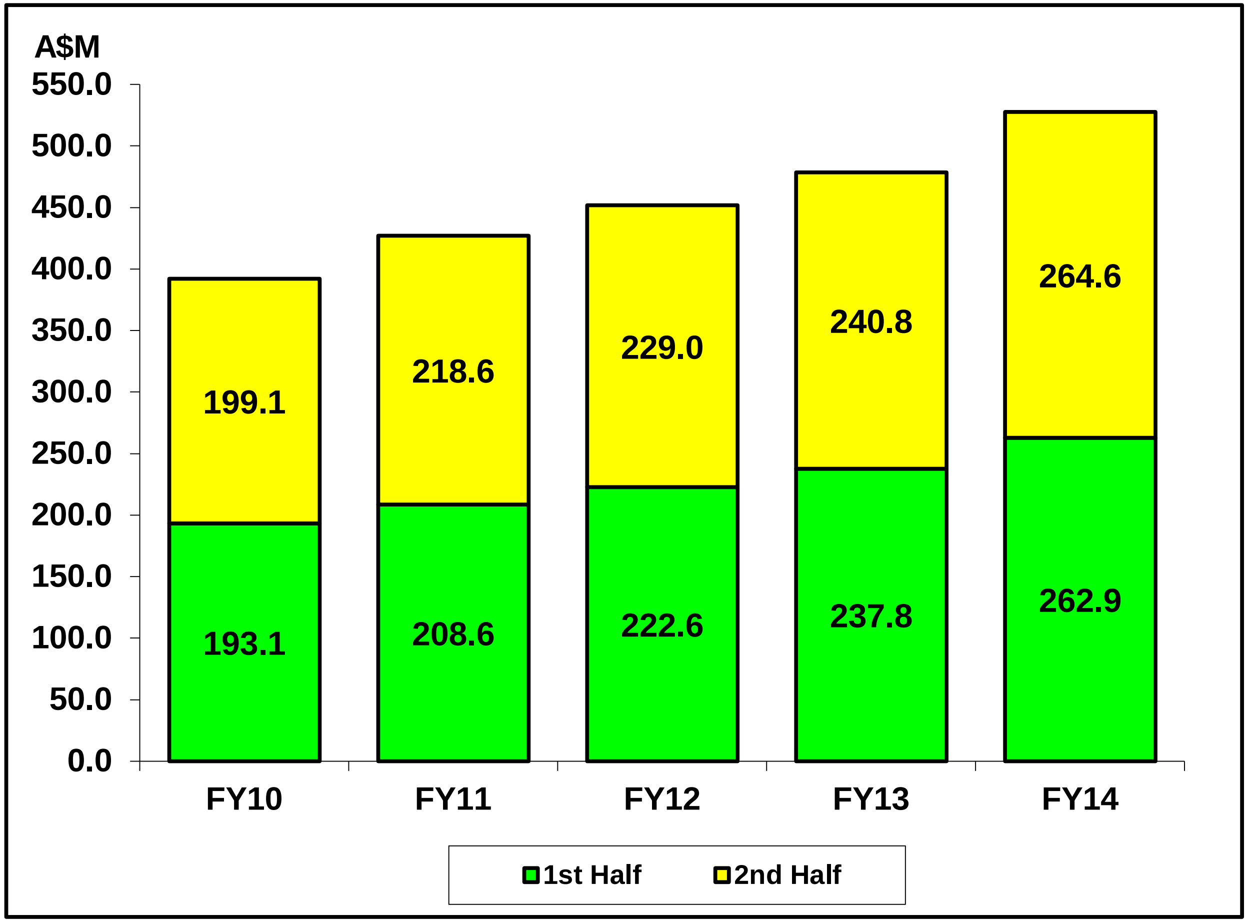


Cash flow

$000's	FY14	FY13	Change
EBITDA	**93,349**	100,661	(7.3%)
Less: net financing charges	**11,353**	13,640	(16.8%)
Less: income tax paid	**11,094**	7,963	39.3%
Less: capital expenditure	**23,960**	27,814	(13.9%)
Free cash flow	**46,941**	51,244	(8.4%)
Add: significant charges	**13,788**	3,071	
Underlying free cash flow	**60,729**	54,315	11.8%

$M	FY14	FY13	Change
Operating cash inflow	**80.5**	72.4	11.1%
Add back: cash outflow relating to significant charges	**8.4**	3.1	172.6%
	88.8	75.5	17.7%
Add back: net financing charges	**11.4**	13.6	(16.8%)
Add back: income tax paid	**11.1**	8.0	39.3%
Ungeared pre-tax operating cash flows	**111.3**	97.1	14.6%
Underlying EBITDA	**107.1**	103.7	3.3%
Underlying cash conversion ratio	**104%**	94%	11.0%

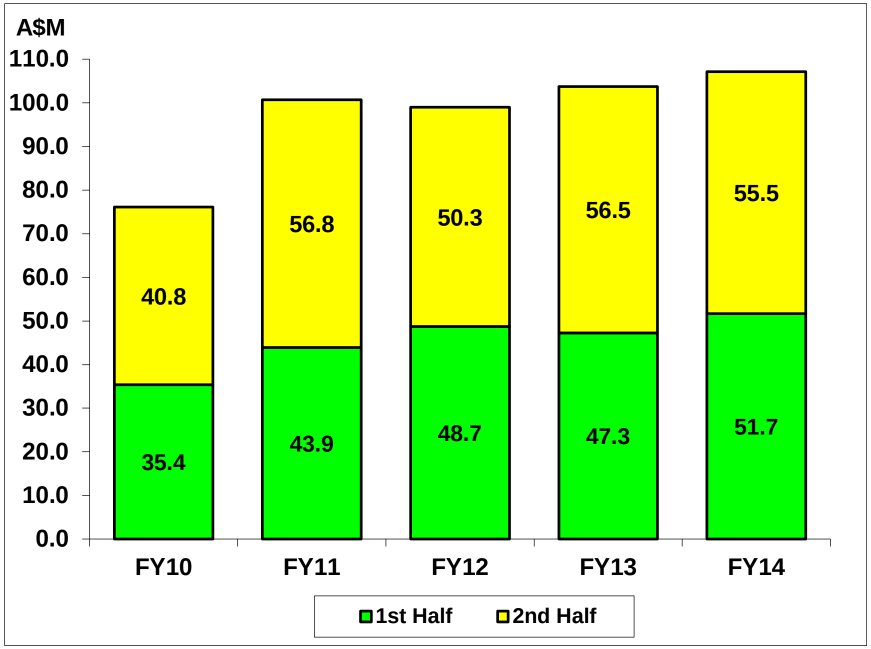
Consolidated trends – sales revenue



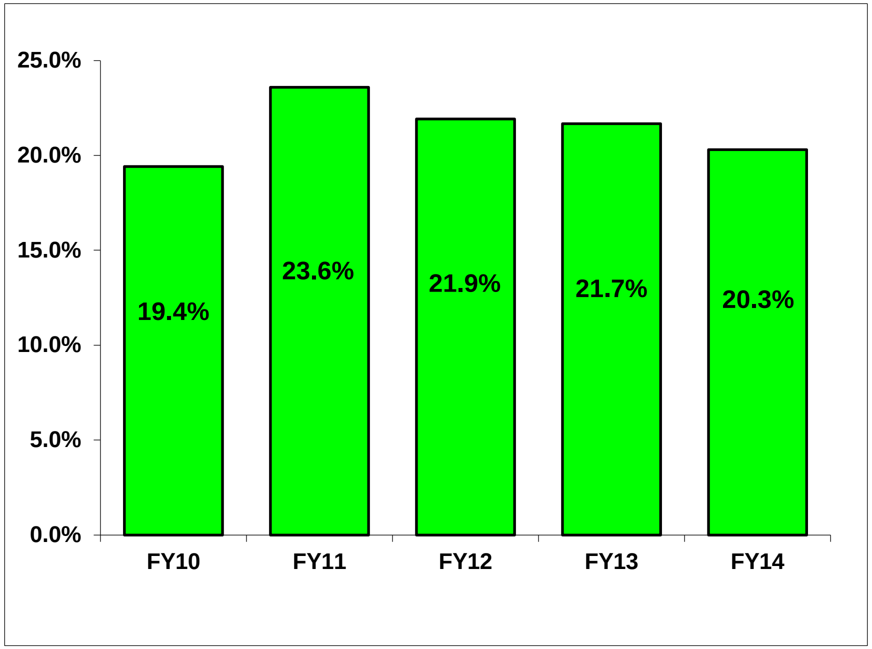
- Sales revenue up 10.3% year-on-year
- 5.4% growth on a constant currency basis, of which 4.1% was organic

Consolidated trends – underlying EBITDA[1]

EBITDA:



Margin:



- **EBITDA margin down slightly on FY13 from 21.7% to 20.3%, reflecting business mix and increase in corporate costs**

1. Before the impact of significant charges

Impact of, and sensitivity to, exchange rates

- Large impact on FY14 (revenue +$23.2M, EBITDA +$3.8M)
- Australian dollar weaker against major currencies in FY14
- A lower Australian dollar has a positive translation effect on SAI's overseas earnings
- Tables to the right show the currency make up of SAI's revenue, underlying EBITDA and underlying net profit before tax
- These tables can be used to determine an indicative impact of future movements in exchange rates

Revenue	Underlying currency M	Australian dollar equivalent $M	%
Australian dollar	303.6	303.6	57.5%
US dollar	104.3	113.7	21.5%
Canadian dollar	18.7	19.0	3.6%
Pounds sterling	27.2	48.1	9.1%
Euro	12.6	18.6	3.5%
Other		24.8	4.8%
Total		**527.7**	100.0%

Underlying EBITDA	Underlying currency M	Australian dollar equivalent $M	%
Australian dollar	59.4	59.4	55.4%
US dollar	34.4	37.5	35.0%
Canadian dollar	0.1	0.0	0.0%
Pounds sterling	2.5	4.4	4.1%
Euro	1.2	1.8	1.7%
Other		4.0	3.8%
Total		**107.1**	100.0%

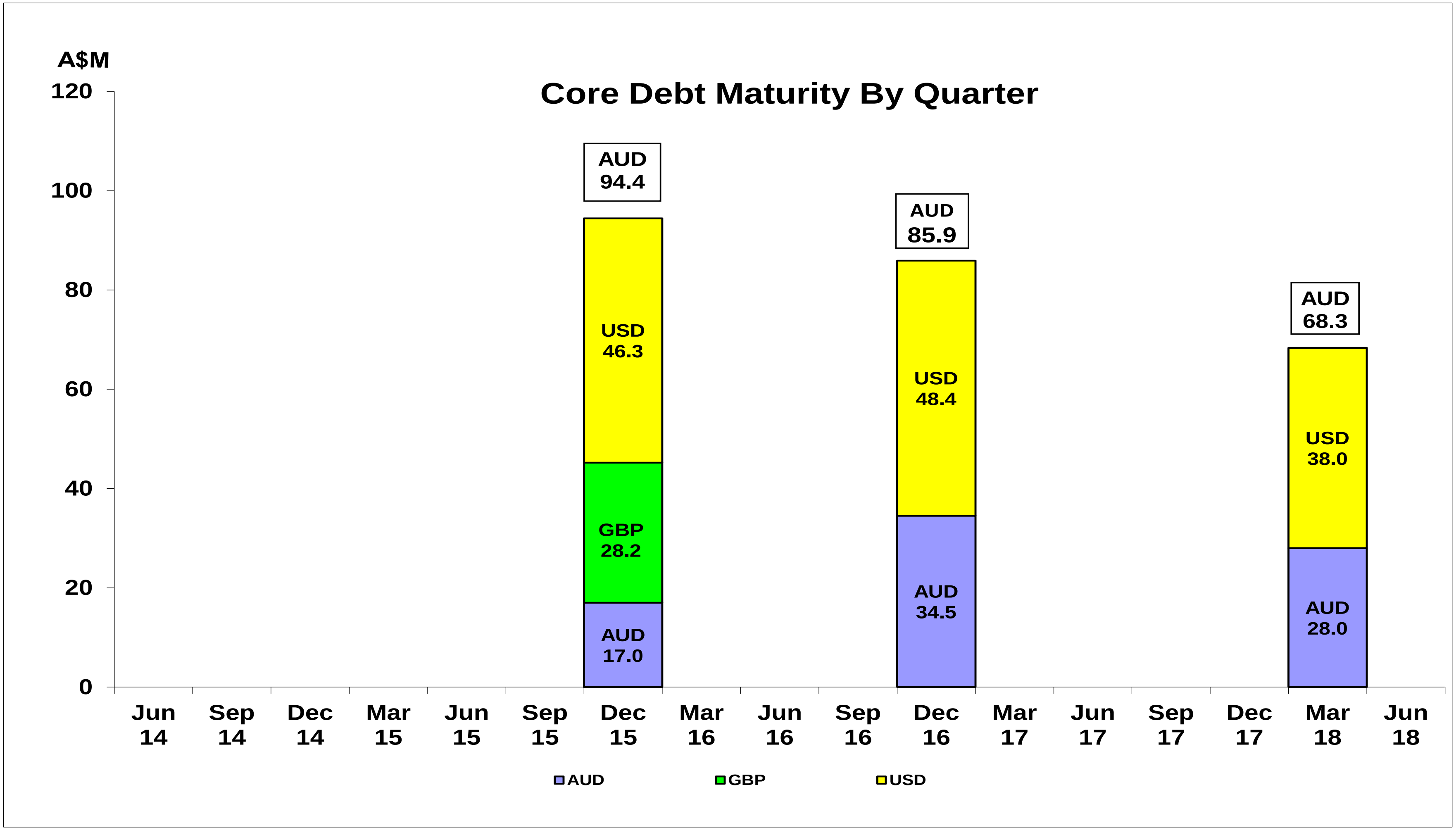
Underlying Net profit before tax	Underlying currency M	Australian dollar equivalent $M	%
Australian dollar	44.8	44.8	72.8%
US dollar	11.6	12.7	20.7%
Canadian dollar	(0.5)	(0.5)	(0.9%)
Pounds sterling	0.1	0.0	0.1%
Euro	1.3	1.9	3.1%
Other		2.5	4.2%
Total		**61.5**	100.0%

Balance sheet

	June 14 $M	June 13 $M	Change %
Cash	67.7	64.0	5.8%
Intangibles	503.5	515.1	(2.3%)
Other assets	214.0	198.4	7.9%
Total assets	**785.2**	**777.5**	**1.0%**
Debt	248.8	272.0	(8.5%)
Deferred revenue	72.3	75.2	(3.9%)
Other liabilities	119.4	92.9	28.5%
Total liabilities	**440.5**	**440.1**	**0.1%**
Net assets	**344.7**	**337.4**	**2.2%**
Net gearing[1]	**34.4%**	**38.1%**	**(3.7%)**
Interest cover[2]	**8.8x**	**7.3x**	**1.5x**
Net asset backing (cents)	**163.5**	**161.1**	**1.5%**

1. Net debt/(net debt plus equity)
2. Underlying EBITDA/ interest expense

Core debt maturity analysis



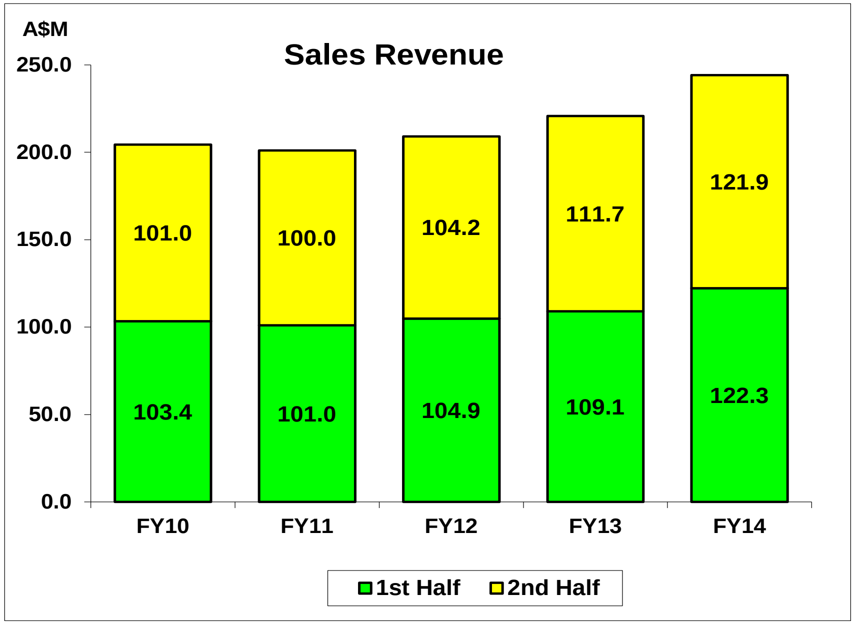
3. Operational performance

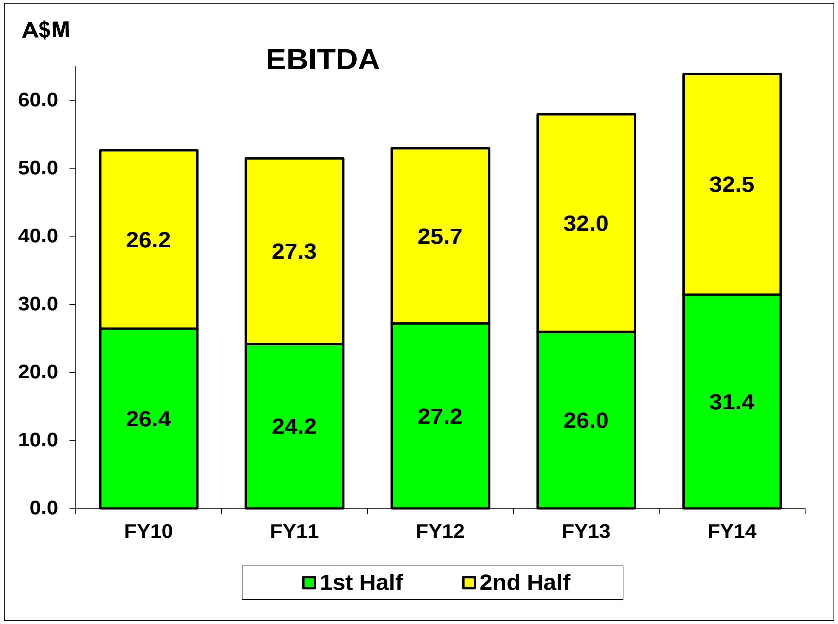
Andrew Dutton

Executive Chairman

Information Services

$M	FY14	FY13	Change %
Revenue	**244.2**	220.8	**10.6**
EBITDA	**63.9**	57.9	**10.3**
EBITDA margin (%)	**26.2%**	26.2%	**(0.1%)**



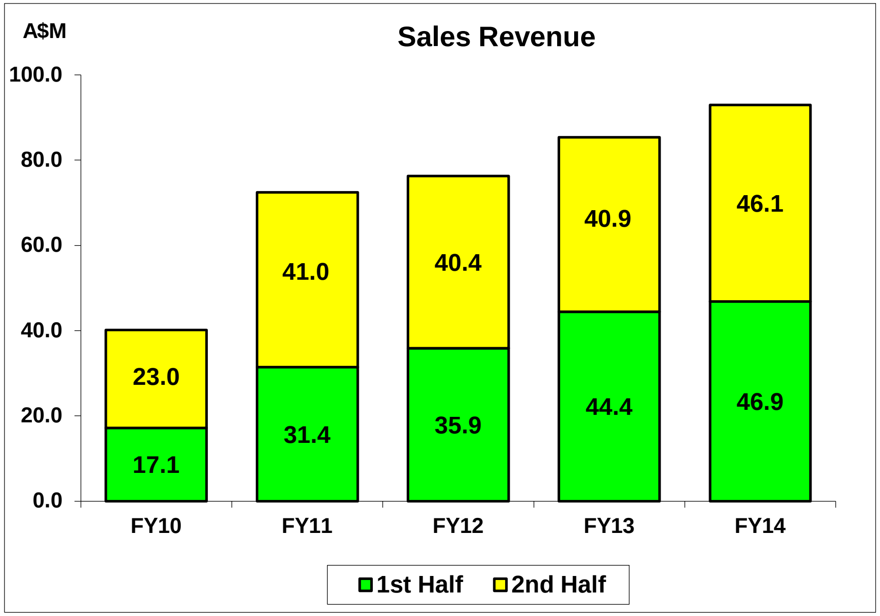


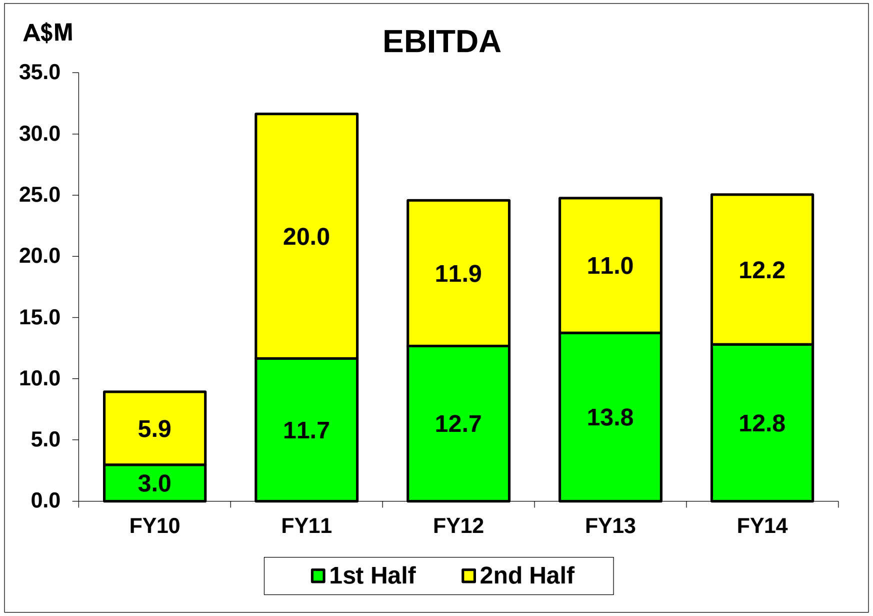
Information Services

- **Standards and Technical Information (S&TI) revenue up 9.6%**
  - **Strong subscriptions sales in all regions**
  - **Positive impact of ASME Pressure Vessel Code in EMEA**
  - **Investment in sales and marketing resources expected to see stronger EBITDA growth from FY15 (3.7% growth achieved in FY14)**
- **Property revenue up 11.1%**
  - **Increased mortgage services business from ANZ and CBA**
  - **EBITDA up 23%, reflecting enhanced efficiency**
- **Both businesses expecting revenue and profit growth in FY15**

Compliance Services

$M	FY14	FY13	Change %
Revenue	**93.0**	85.4	**8.9**
EBITDA	**25.0**	24.8	**1.2**
EBITDA margin (%)	**26.9%**	**29.0%**	**(2.1%)**



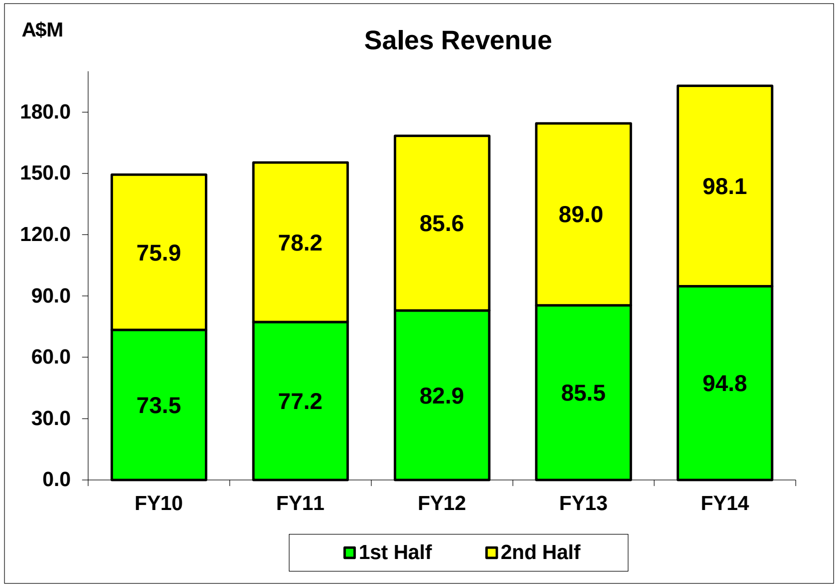


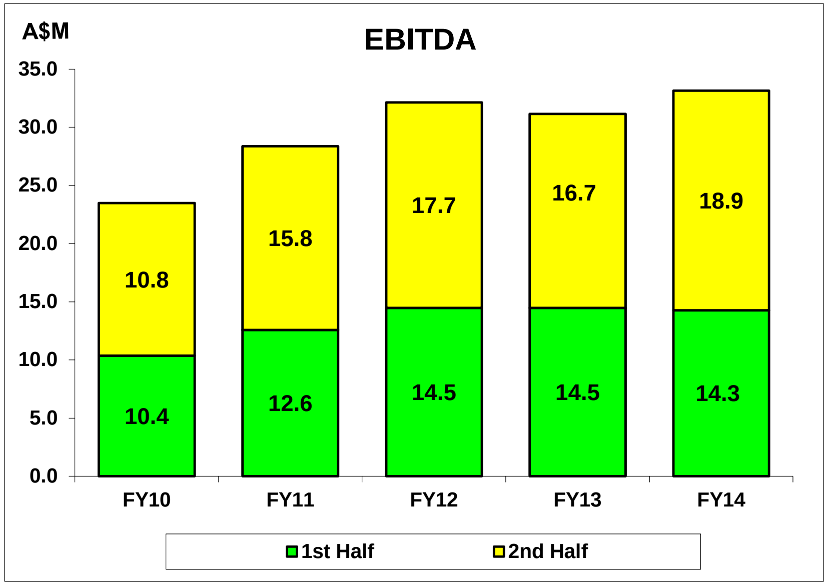
Compliance Services

- Revenue and EBITDA ahead of Company's expectations even though lower on a constant currency basis
- Key improvements implemented:
  - Globally experienced executives recruited
  - Global functional lines structure implemented
  - Re-focused strategy
  - Efficiency initiatives identified
  - Next generation learning platform for launch in 2015
- Expect EBITDA growth on flat revenue in FY15

Assurance Services

$M	FY14	FY13	Change %
Revenue	**192.9**	174.5	**10.6**
EBITDA	**33.2**	31.2	**6.4**
EBITDA margin (%)	**17.2%**	17.9%	**(0.7%)**





Assurance Services

- Improved second-half saw EBITDA growth of 13.3% on pcp[1] and EBITDA margin improvement to 19.3% (up from 15.0% in first-half of FY14)
- Global food business remains strong, especially with food standards focus in US and Asian regions
- Progress with single operational platform roll-out completed in APAC and partially implemented in EMEA
- Expect revenue, EBITDA and EBITDA margin growth in FY15

1. pcp = prior corresponding period

4. Outlook

- All three divisions expecting improved profitability in FY15
- Information Services and Assurance Services:
  - Revenue, EBITDA and EBITDA Margin growth
- Compliance Services:
  - Growth in EBITDA on flat revenue
- Board and Management will continue to drive identified operational improvements while progressing the Expressions of Interest Process with qualified parties

5. Q & A