SAI GLOBAL

Results Presentation

Half-year ended 31 December 2014

"This is a pleasing result that underscores the resilience of our businesses and demonstrates that our operational efficiency programme is delivering results."

"There is clearly more to be done to lift revenue growth. We are addressing this through our new strategy that increases the focus on sales and marketing, and bundles our service offering."

Peter Mullins
Chief Executive Officer

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Overview

Peter Mullins

Chief Executive Officer

Solid financial results

Statutory Results

- Revenue up 2.1%
- EBITDA up 6.2%
- EBITDA margin up 0.7%
- NPAT up 8.2%

Underlying Results[1]

- EBITDA up 13.6%
- EBITDA Margin up 2.2%
- NPAT up 21.6%

1. Underlying performance is an unaudited non-IFRS measure that, in the opinion of the Directors, is useful in understanding and appraising the Company's performance. The underlying basis excludes significant charges that are unusual in size and typically of a non-recurring nature

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Key points

- Operational efficiency initiatives improving profitability
- Weaker Australian dollar
- Revenue growth was mixed
- Focus on accelerating revenue growth
- PEXA - providing opportunity
- Constructive engagement with Standards Australia
- Compliance Services – Risk and Compliance Solutions performing well, more work to do on Learning

Business segments performing well

$M	1H FY15	1H FY14		
Assurance Services				
Revenue	**98.5**	94.8		3.9%
EBITDA	**17.7**	14.3		24.3%
EBITDA margin	**18.0%**	15.0%		3.0%
Compliance Services				
Revenue	**46.5**	46.9		(0.7%)
EBITDA	**15.0**	12.8		16.8%
EBITDA margin	**32.1%**	27.3%		4.8%
Standards & Technical Info.				
Revenue	**38.3**	38.2		0.2%
EBITDA	**20.2**	19.7		2.9%
EBITDA margin	**52.9%**	51.5%		1.3%
Property Services				
Revenue	**86.9**	84.1		3.3%
EBITDA	**15.2**	11.8		29.5%
EBITDA margin	**17.5%**	14.0%		3.5%

Financial overview

Geoff Richardson

Chief Financial Officer

Operational efficiency initiatives taking effect

	Statutory 1H FY15	Statutory 1H FY14	Change	Underlying[1] 1H FY15	Underlying 1H FY14	Change
Revenue	**268.4**	262.9	2.1%	**268.4**	262.9	2.1%
Other income	**0.4**	(0.2)		**0.4**	(0.2)	
Expenses	**(217.7)**	(214.6)	1.5%	**(210.1)**	(211.0)	(0.4%)
EBITDA	**51.1**	48.1	6.2%	**58.7**	51.7	13.6%
EBITDA margin	**19.0%**	18.3%	0.7%	**21.9%**	19.7%	2.2%
Depreciation & amortisation	**(18.1)**	(17.5)	3.4%	**(18.1)**	(17.5)	3.4%
EBIT	**33.0**	30.6	7.9%	**40.6**	34.2	18.8%
Finance costs – net	**(5.7)**	(5.9)	(2.0%)	**(5.7)**	(5.9)	(2.0%)
Associates	**0.1**	0.1		**0.1**	0.1	
Profit before tax	**27.4**	24.8	10.3%	**35.0**	28.4	23.2%
Tax expense	**(7.7)**	(6.7)	15.1%	**(9.8)**	(7.7)	27.1%
Minorities	**(0.2)**	(0.1)		**(0.2)**	(0.1)	
Net profit after tax attributable to shareholders	**19.5**	18.0	8.2%	**25.0**	20.6	21.6%

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 performance. The underlying basis excludes significant charges associated with acquiring and integrating new businesses, costs associated with any significant restructuring and other significant items of a non-recurring nature.**

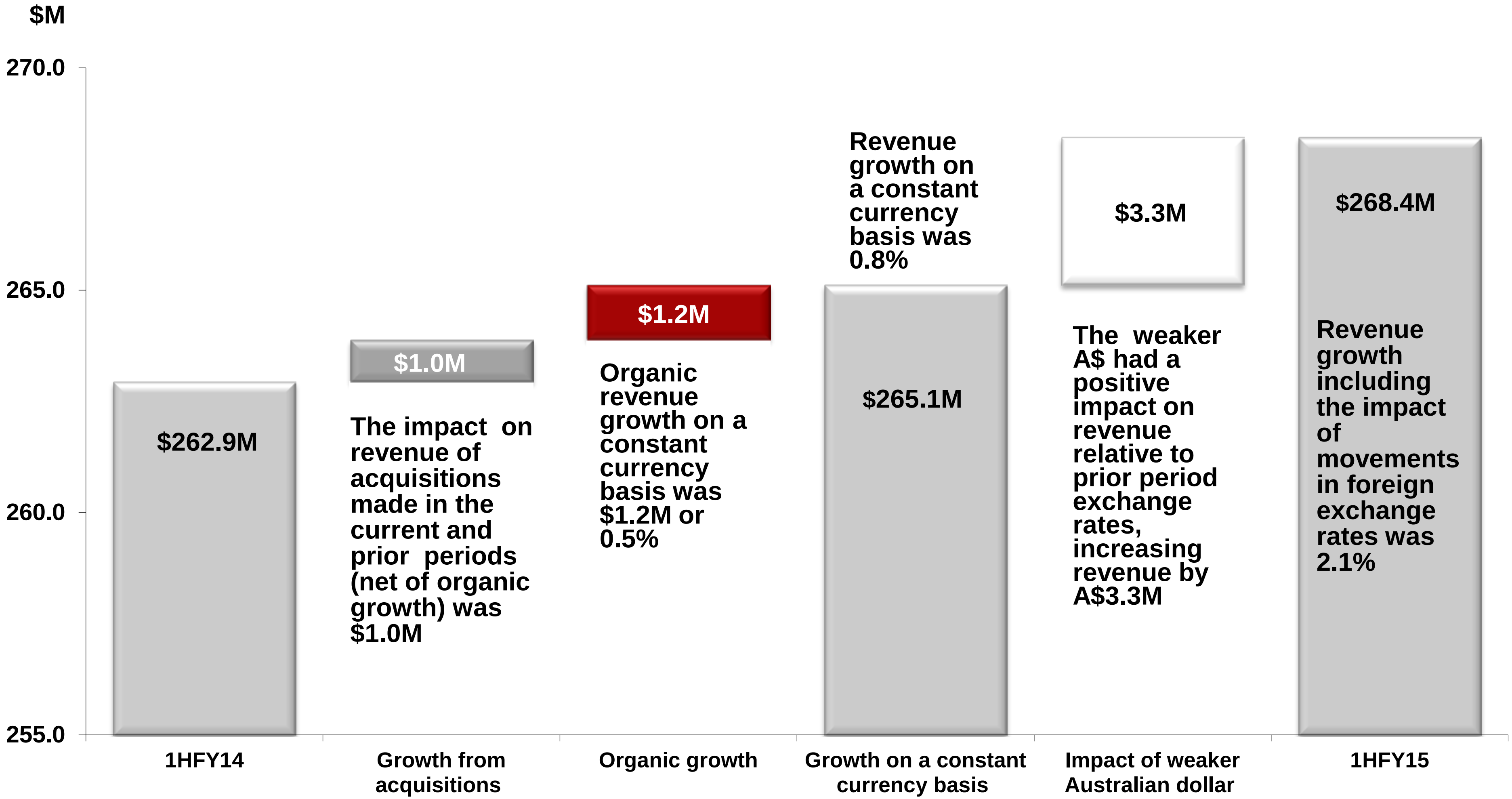
Significant items

- **Primarily comprise costs of responding to approach**

$M	1H FY15	1H FY14
Advisory fees and costs of responding to unsolicited, conditional and non-binding approach	**5.2**	-
Operational efficiency initiatives	**2.3**	2.0
Incidental costs of acquisitions	**0.1**	0.1
Closure of Canadian defined benefit plan	**-**	0.7
IT governance review	**-**	0.8
	7.6	3.6
Less income tax impact	**2.1**	1.1
Significant items post tax	**5.5**	2.5

- **Further charges in second-half as the company transitions to the new operating model and continues to implement operational efficiency measures (estimated at $5.5M to $6.5M pre tax)**

Revenue positively impacted by weaker A$



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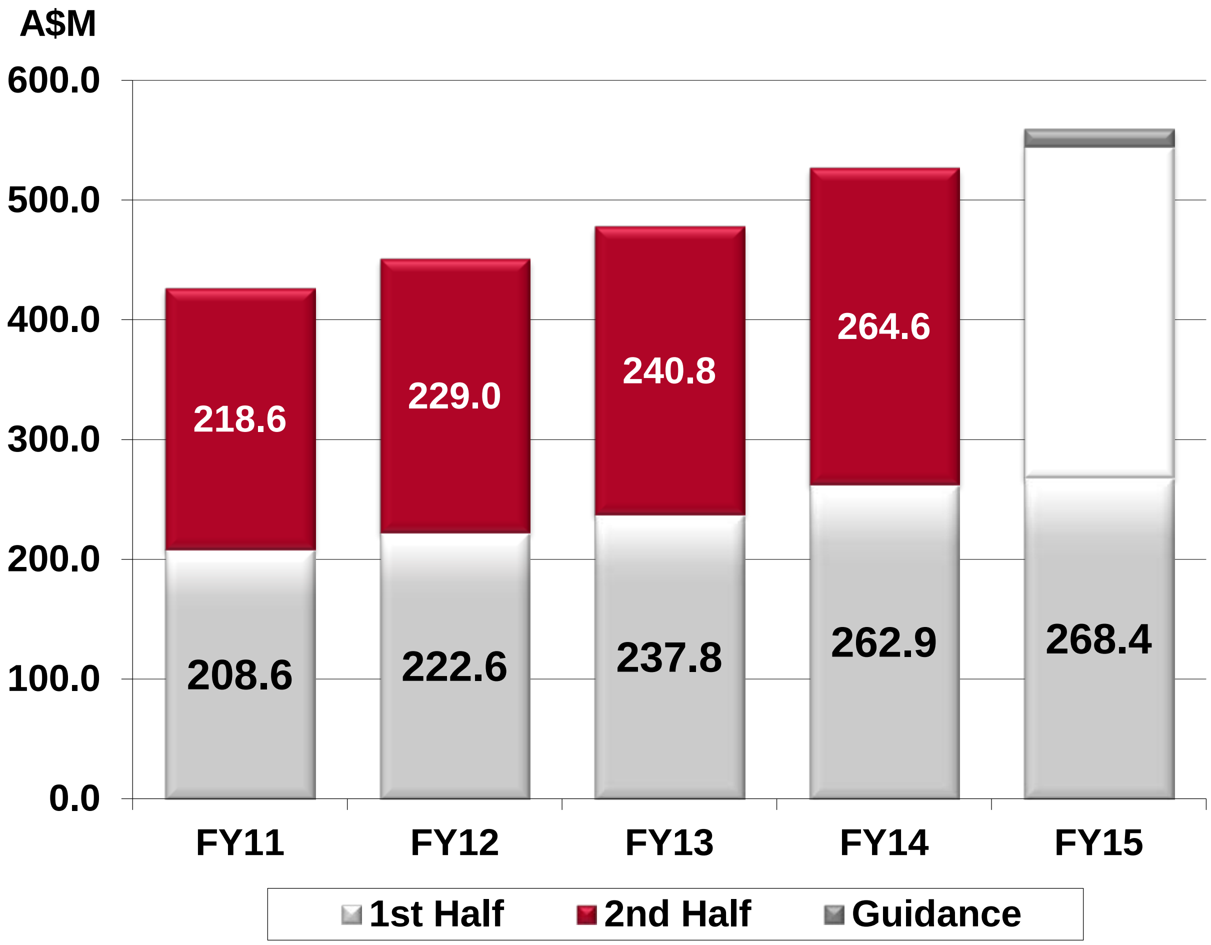
22 successive halves of revenue growth



- Revenue growth trend continues
- Trend expected to continue in second-half of FY15
- Opportunities to drive stronger growth in future

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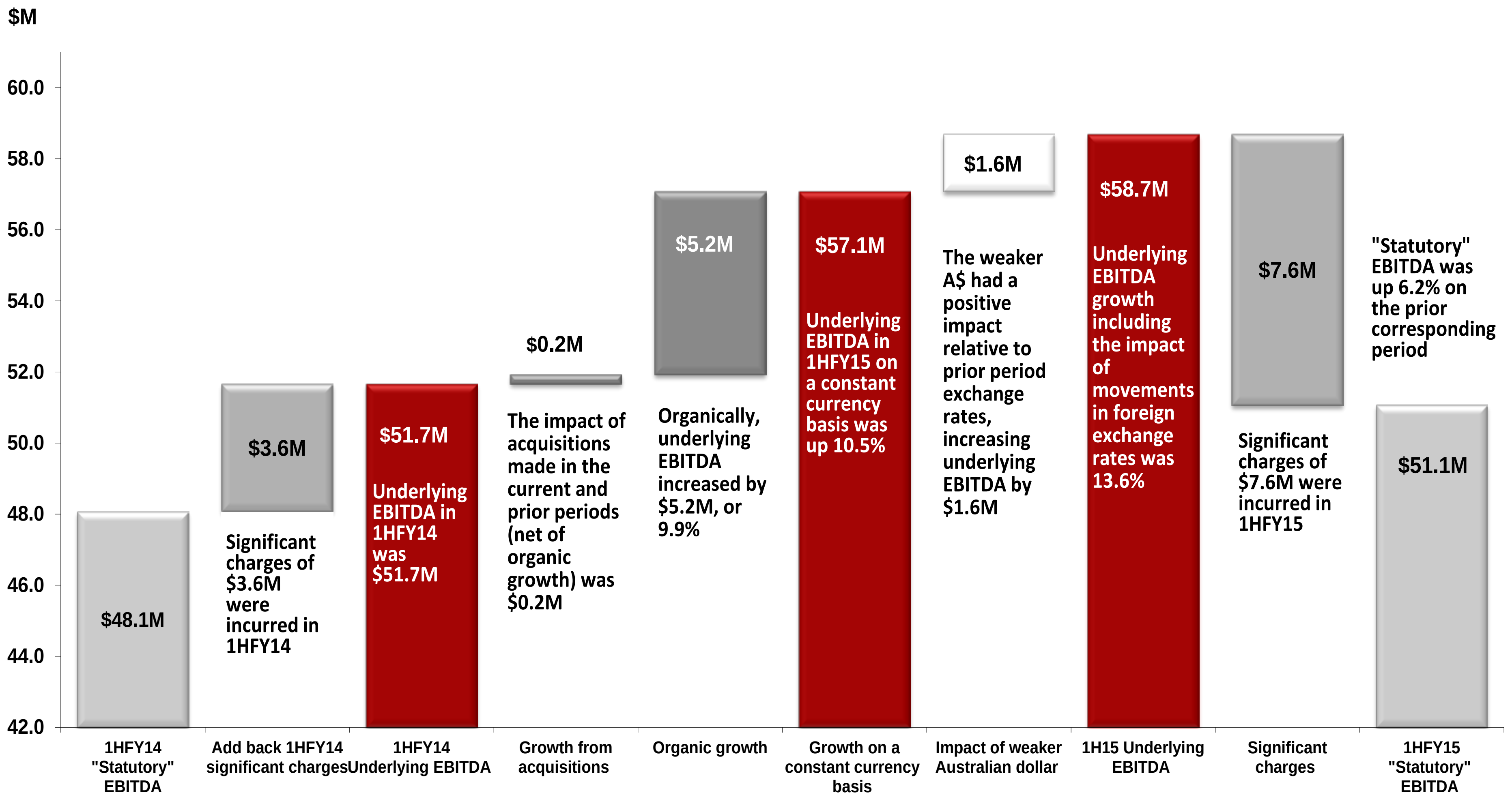
EBITDA growth driven by cost out initiatives



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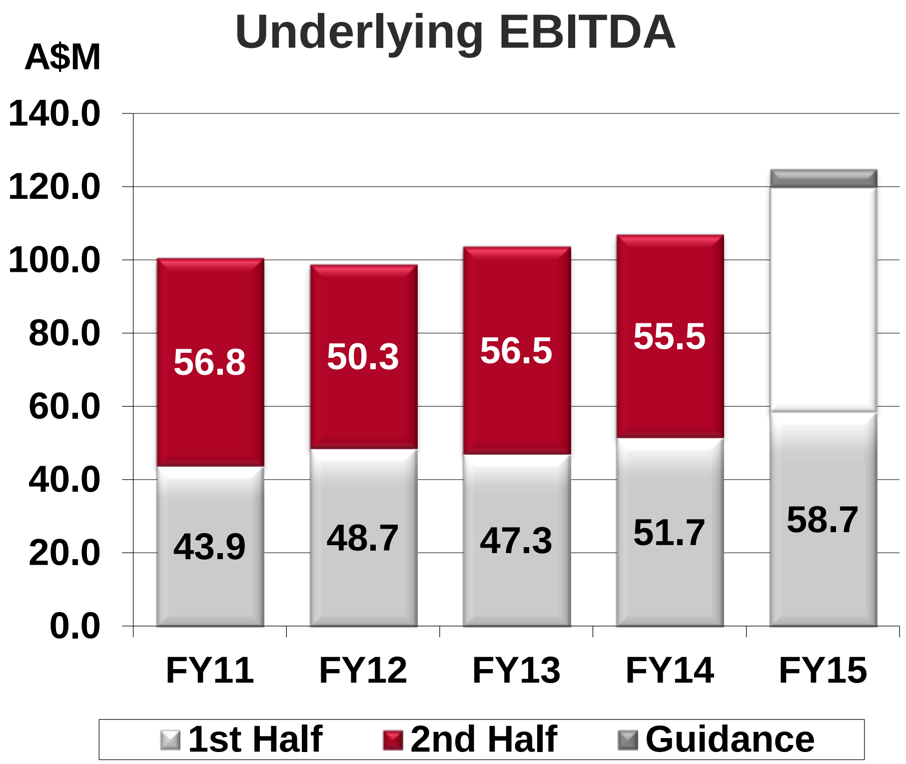
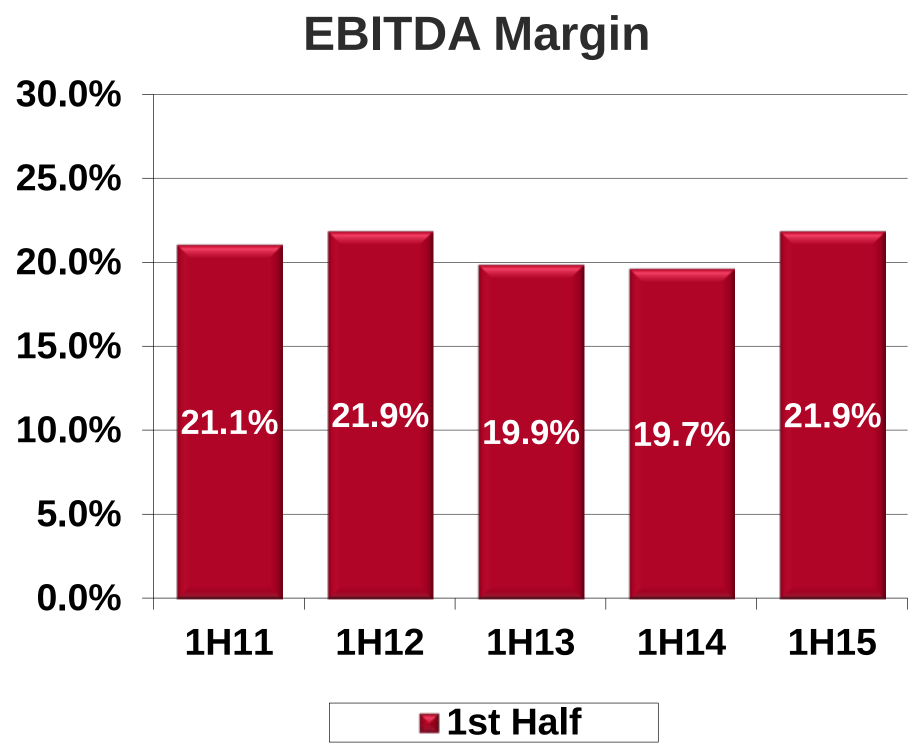
Full year underlying[1] EBITDA growth expected





- **EBITDA margin has increased from 19.7% to 21.9% in 1H FY15, reversing the declining trend of recent years**

1. Before the impact of significant charges

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EPS up, interim dividend increased

	Statutory	Underlying[1]
Earnings per share	↑ 7.0% to 9.2c	↑ 20.4% to 11.8c
Interim dividend[2,3]	↑ 7.1% to 7.5c	↑ 7.1% to 7.5c
Free cash flow	↓ from \$25.9M to \$23.7M	↑ from \$29.4M to \$31.3M
Interest cover	↑ from 7.7x to 8.8x	↑ from 8.3x to 10.1x
Balance sheet gearing	↑ from 34.4% to 36.3%	↑ from 34.4% to 36.3%
EBITDA gearing	→ at 2.6	↓ from 2.4 to 2.3

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2. Ex div date: 4 March 2015. Record date: 6 March 2015. Payment date: 10 April 2015.
3. 60% franked (1HFY14 100% franked)

Balance sheet movements reflect weaker A$

$M	Dec 2014	Jun 2014	Change
Cash	**58.2**	67.7	(14.1%)
Intangibles	**556.7**	503.5	10.6%
Other assets	**207.8**	214.0	0.3%
Total assets	**822.7**	785.2	4.8%
Debt	**272.0**	248.8	9.3%
Deferred revenue	**73.9**	72.3	2.3%
Other liabilities	**101.2**	119.5	(15.3%)
Total liabilities	**447.1**	440.6	1.5%
Net assets	**375.6**	344.7	9.0%
Net gearing[1]	**36.3%**	34.4%	1.9%
Net asset backing	**177.5**	163.5	8.6%

1. Net debt / (net debt plus equity)

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Peter Mullins

Chief Executive Officer

Paul Butcher

Global Head, Sales & Marketing

Strategy

To transform SAI Global from three siloed businesses each selling products and services, to an integrated business focused on the risk management needs of customers across standards & technical information, compliance and assurance.

1. **Establish a single global sales and marketing function**

2. **Increase customer awareness of the breadth of SAI Global's products and services**

3. **Invest in interactive digital and e-commerce platforms**

4. **Property will remain as a separate business**

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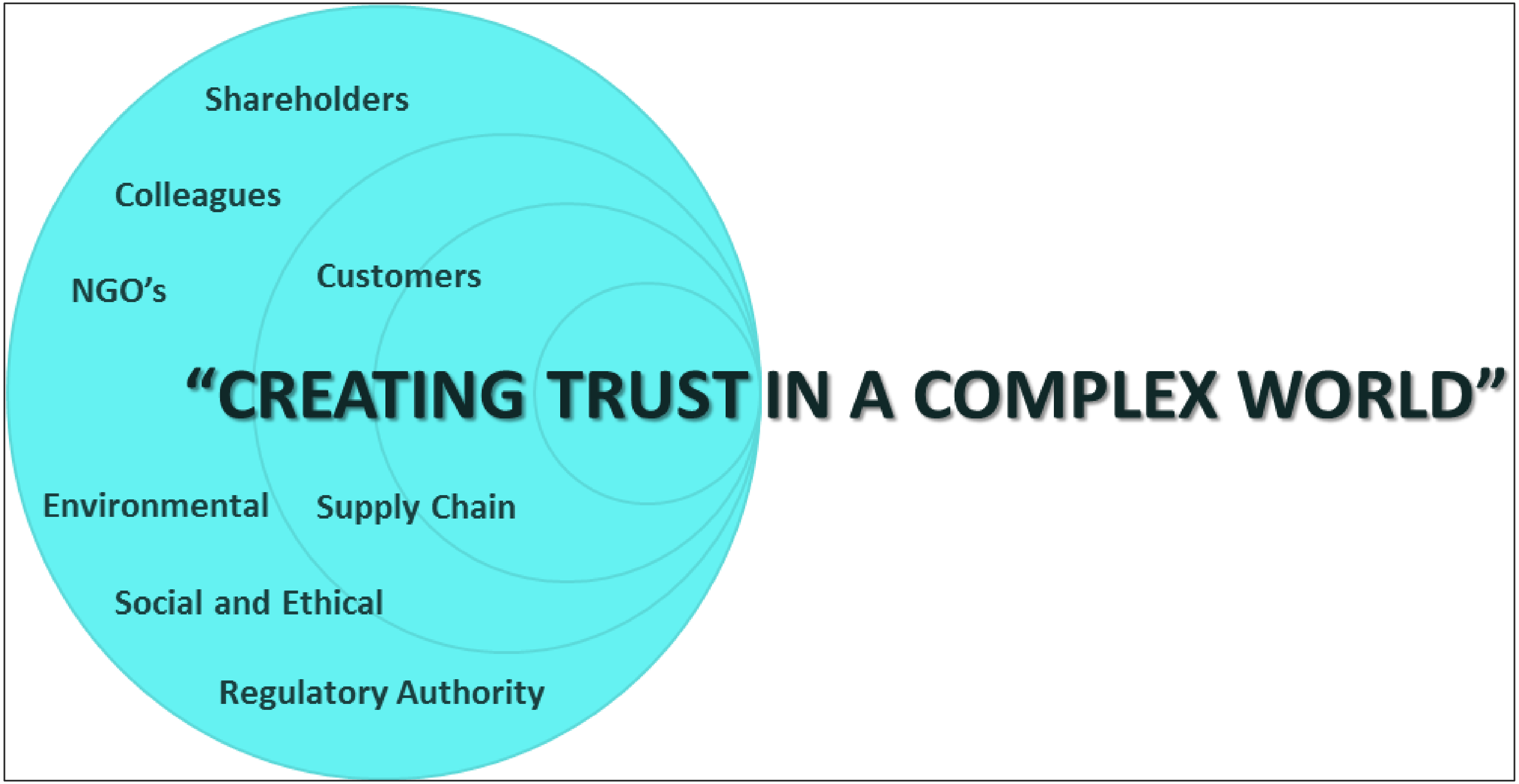
Clients face increasing complexity



SAI assists client to navigate the complexity

- Global aggregation of standards, regulatory, technical & client content
- Gap analysis
- Advisory & consulting
- Enterprise risk management automation tools

- Advisory & consulting
- Portals & dashboards
- Reporting & analytics
- Non-conformity management

- Content modernisation and enrichment
- Policy creation & management tools

- Certification to 3rd party standards
- Audit & inspection
- 3rd party risk management
- Product certification
- Virtual evidence rooms

- Ethics and compliance learning
- Management systems learning
- Food and health & safety learning

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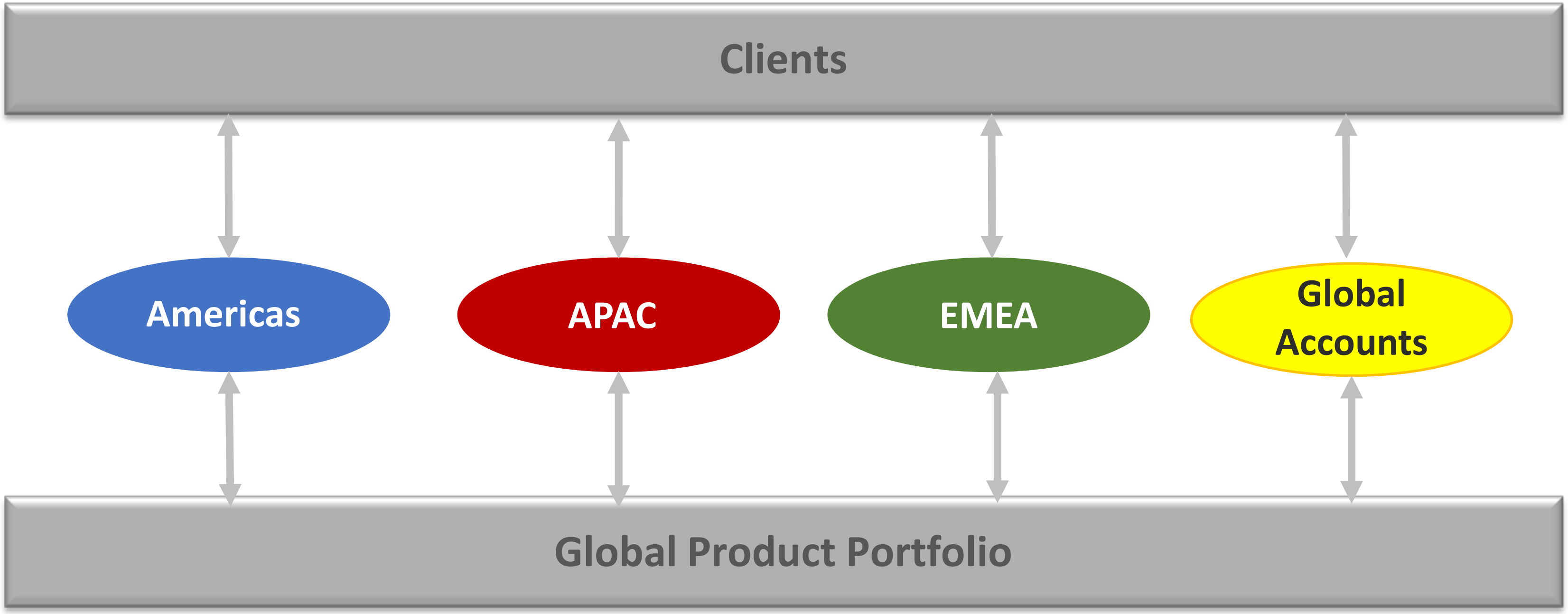
How we will serve clients



- Single global sales and marketing function
- Clients managed regionally
- Better servicing of global clients with complex needs, with a particular focus on Retail, Agri-Food
- New Head of Marketing to drive new digital strategy
- Integrated product offering, supported by a common IT development capability

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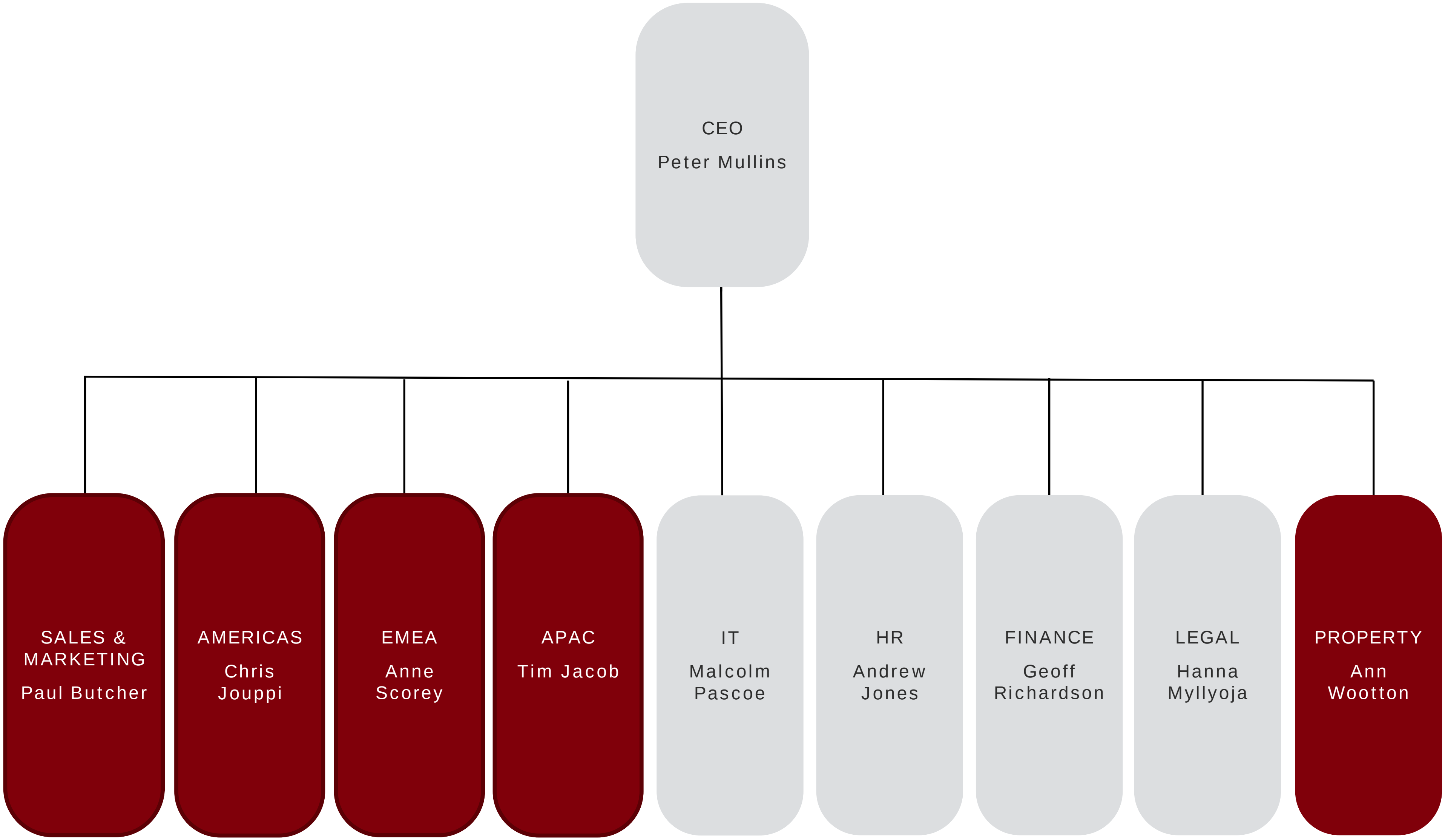
How we will organise ourselves



Key commitments over the next 6 months

Commitments	Expected Benefits
• New organisation structure by 30 June 2015	• Revenue growth
• Work commenced on new customer centric website	• Revenue growth and reduced costs
• Phase 1 of operational efficiency measures implemented	• Cost savings of $5m - $10m targeted
• Enlighten rolled out to all operational areas	• Gains in efficiency and improved quality
• Complete roll out of Epicor to Compliance Services. Commence roll out to Assurance Services	• Reduced costs and improved reporting

Outlook – guidance upgraded

- Financial performance across the business tracking to internal expectations
- In addition, the weaker Australian dollar is providing an added tailwind
- Full-year FY15 guidance is increased as follows:
  - Revenue between A$545M and A$560M
  - Higher underlying EBITDA in the range A$120M to A$125M (previously A$115M to A$120M)

Q & A

Appendices

- Cash flow
- Impact of, and sensitivity to, exchange rates
- Core debt maturity analysis

Cash flow

$M	1H FY15	1H FY14	Change
Underlying EBITDA	**58.7**	51.7	13.6%
Less: net financing charges	**5.7**	5.8	(2.0%)
Less: income tax paid	**9.7**	4.7	103.7%
Less: capital expenditure	**12.0**	11.7	2.6%
Free cash flow	**31.3**	29.4	6.5%

$M	1H FY15	1H FY14	Change
Operating cash inflow	**24.5**	36.3	(32.4%)
Add back: significant charges[1]	**6.9**	2.5	172.5%
	31.4	38.8	(18.9%)
Add back: net financing charges	**5.7**	5.8	(2.0%)
Add back: income tax paid	**9.7**	4.7	103.7%
Ungeared pre-tax operating cash flows	**46.8**	49.3	(5.2%)
Underlying EBITDA	**58.7**	51.7	13.6%
Cash conversion ratio	**79.7%**	95.4%	(15.7%)

1. **Cash outflows relating to significant charges**

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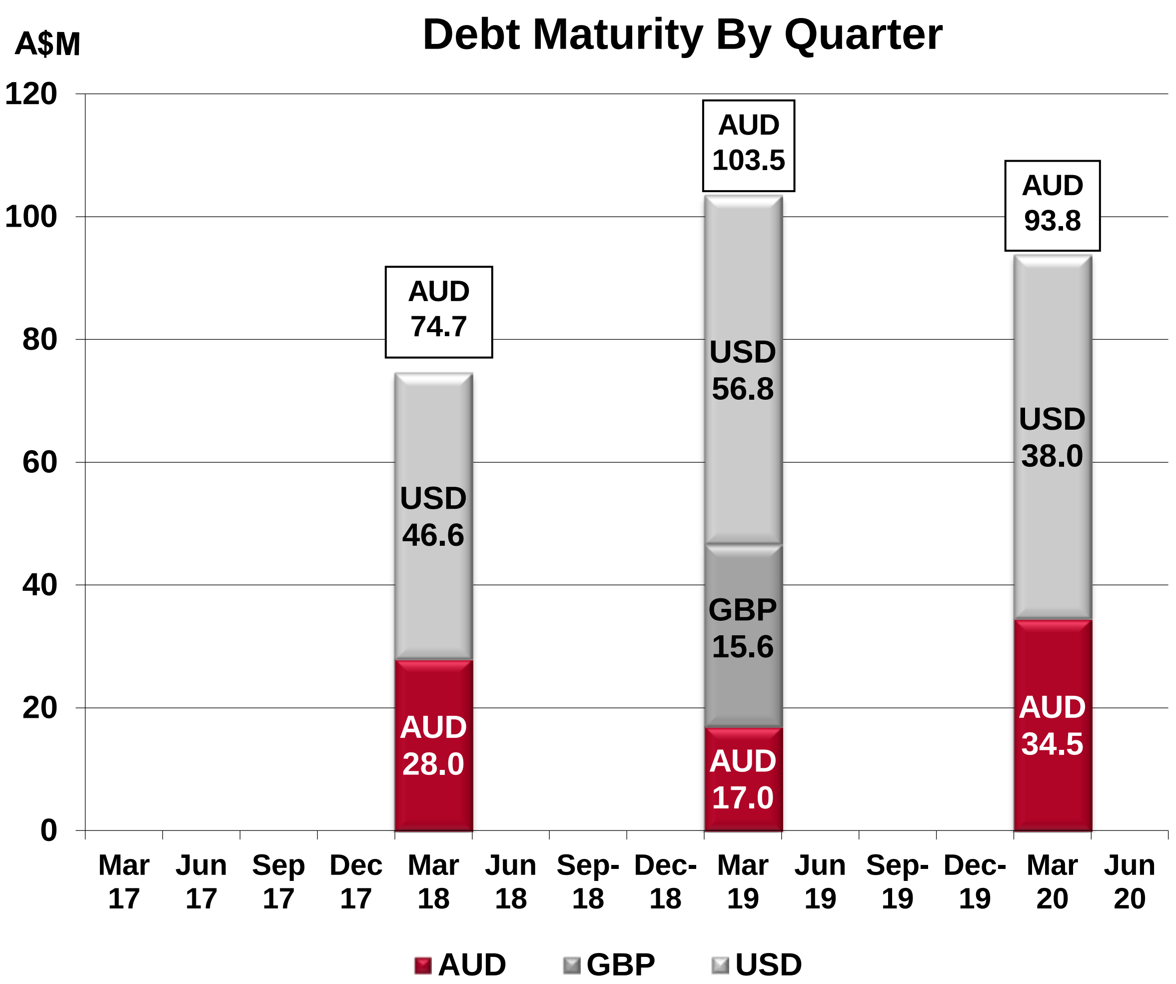
Impact of, and sensitivity to, exchange rates

- Favourable impact on 1H FY15 (revenue +$3.3M, EBITDA +$1.6M).
- Australian dollar averaged 0.8909 in 1H FY15, compared with 0.9226 in 1H FY14.
- Lower Australian dollar has a positive translation effect on SAI's revenue and EBITDA from offshore, but also an adverse impact on depreciation, amortisation and interest charges.
- Tables to the right show the 1H FY15 currency components of SAI's revenue, EBITDA and net profit before tax.
- These tables can be used to determine an indicative impact of movements in exchange rates.

	Underlying currency	Australian dollar equivalent	%
Revenue	M	$M	
Australian dollar	153.7	153.7	57.3%
US dollar	52.1	58.8	21.9%
Canadian dollar	9.2	9.3	3.5%
Pounds sterling	13.4	24.5	9.1%
Euro	5.7	8.3	3.1%
Other		13.8	5.1%
Total		**268.4**	100.0%
Underlying EBITDA			
Australian dollar	30.9	30.9	52.6%
US dollar	18.8	21.3	36.3%
Canadian dollar	(0.1)	(0.1)	-0.1%
Pounds sterling	1.4	2.7	4.6%
Euro	0.4	0.6	1.1%
Other		3.3	5.6%
Total		**58.7**	100.0%
Underlying net profit before tax			
Australian dollar	20.4	20.4	58.3%
US dollar	10.2	11.3	32.3%
Canadian dollar	(0.4)	(0.4)	-1.1%
Pounds sterling	0.1	0.3	1.0%
Euro	0.4	0.6	1.6%
Other		2.8	7.9%
Total		**35.0**	100.0%

Core debt maturity analysis



- **Tenure extended on improved terms**
- **First debt maturity now March 2018 quarter**
- **Weighted average cost of debt currently 3.5%**

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