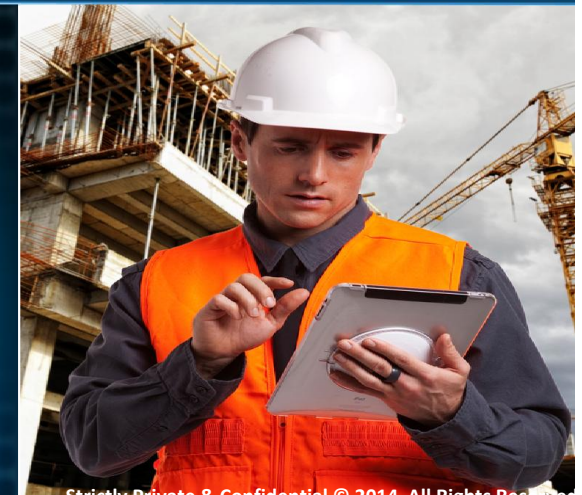
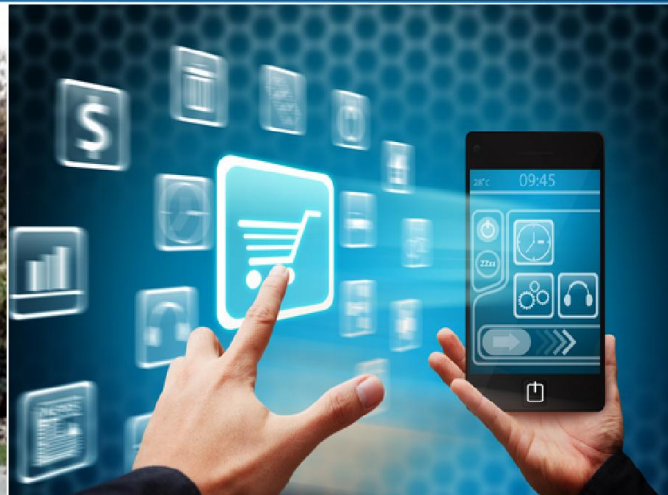




# SGO Investor Presentation

## May 2015

Stream Group Limited | ACN: 010 597 672



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# Corporate data

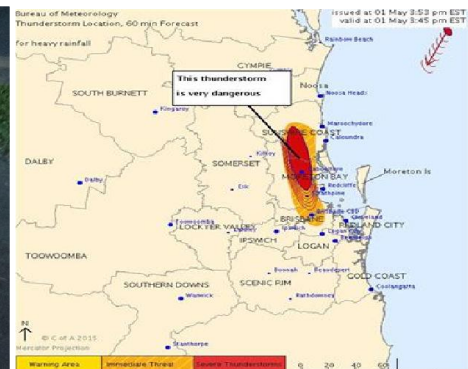
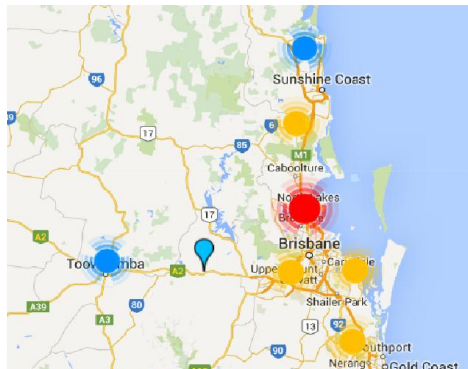


- **ASX CODE: SGO**
- **Operations in Australia, New Zealand, United Kingdom and the Philippines.**
- **Issued Capital: 175 million shares.**
- **Market Capitalisation : \$16.6 million (9.5c per share).**
- **1:5 non-renounceable rights issue at 9.5 cents per share to raise up to \$3.276 million.**
  - **Record date 8 May 2015.**
  - **Amount raised to provide working capital, reduce debt and pay for costs of the offer.**
  - **Shortfall will be placed with existing eligible investors and new investors.**



# UPDATE ON NSW AND QLD STORMS

- At least 1,800 claims expected across client base from April weather events.
- Still in early stages of allocation and assessments, although positive impact expected on revenue and earnings crossing over into FY16.
- Resources are being utilised from across Australia, New Zealand and United Kingdom to support swift completion of assessments.



# What is our market?

Supporting insurance companies in managing their insurance claims to achieve a fast and efficient outcome.



- Insurance coverage continues to grow strongly year on year.
- Insurance is an unavoidable part of life in the modern age; asset owners want 'peace of mind'.
- Growing in prevalence through emerging economies increasing global opportunity.
- Provides Stream with an opportunity to capitalise on global scale.



- The insurance industry is able to weather economical down turns.
- It will always be required.
- Where insurance is in place; insurance claims will be made.



- Insurance is diverse; insurance types are increasing:
 

- Aircraft	- Bond	- Construction
- Consumer credit	- Third party	- Cyber risk
- Defamation	- Engineering	- Extended warranty
- Farm, crop, livestock	- General property	- Home warranty/ Lenders Mortgage
- Public and products liability	- Strata	- Travel
- Marine insurance	- Medical indemnity	- Motor vehicle
- Workers Compensation		
- Provides Stream with the opportunity to diversify into many insurance markets in future.

# What do we provide our market?



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# CLAIMS SERVICES





# What do we do?



Stream provides customised claims and catastrophe response solutions for insurance partners:

- Insurance companies.
- Brokers.
- Agents.
- Underwriting agencies.
- Government departments.



Our expert services include:

- Building.
- Contents.
- Motor.
- Marine.
- Catastrophe response.
- Structural engineering.



Powered by market leading, innovative technology and in-house global capability, we deliver:

- Fast;
- Cost efficient; and
- Value-driven results.



Guided by our 'hands on' executive, customer focused teams and extensive insurance experience we deliver:

- Customised solutions to meet your specific needs and
- Exceptional Customer service

**Stream is a preferred partner to clients that demand tailored solutions to meet their unique business needs.**



# How does this benefit clients?



We help insurance companies achieve greater profitability:



We reduce the overall cost of claims.



We help them retain their customers.

Stream is able to deliver the above benefits to our clients because:



We close claims swiftly.

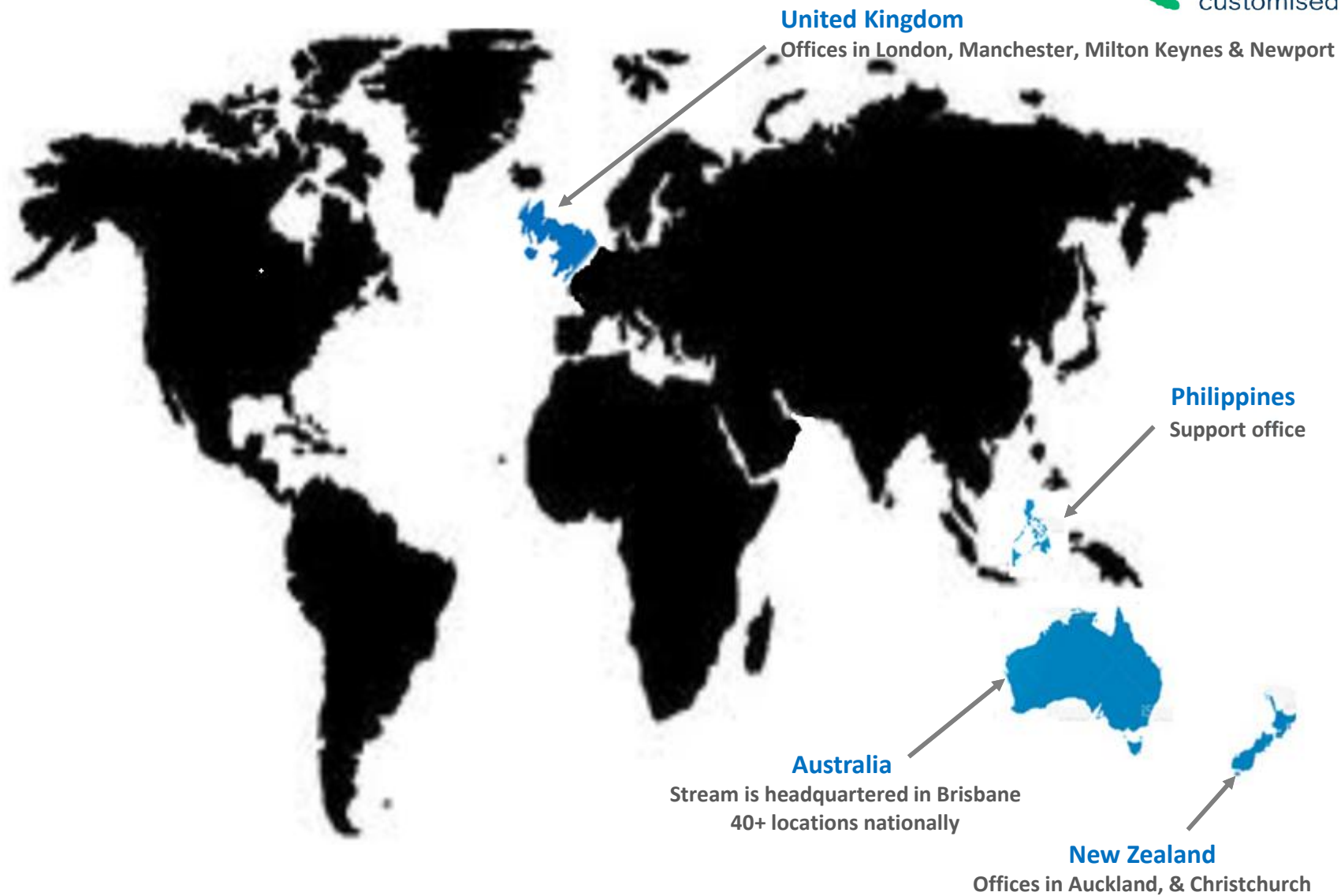


We ensure that the replacement or repair scope is only for items covered under the policy.



Our technology creates a competitive marketplace to achieve the best possible price for the replacement or repair.

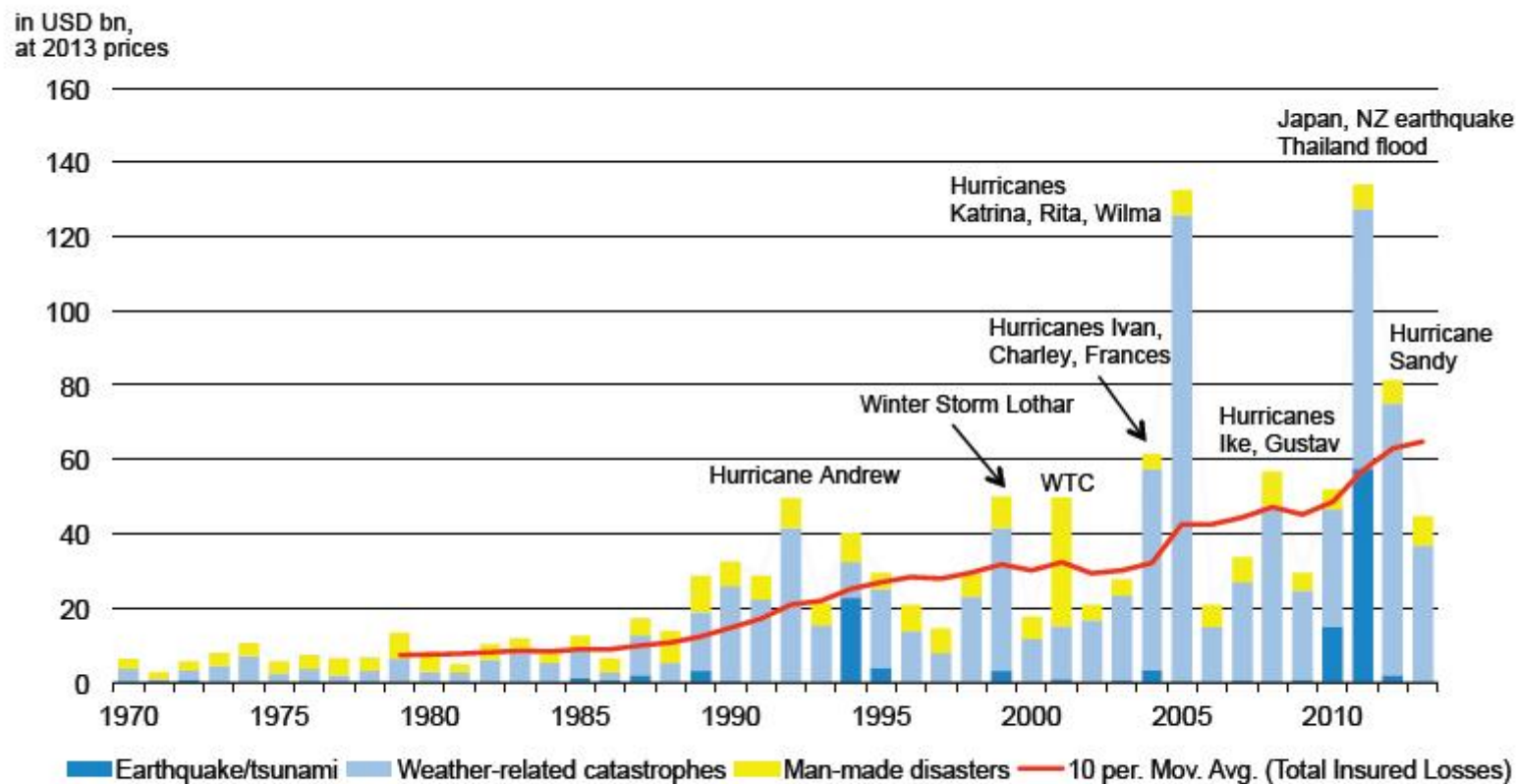
# Where do we operate?



# Global catastrophe claims



A history of rising losses...







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# AUSTRALIA

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# Stream AU – Q3 Financial performance



- Performance of business has continued to improve month on month in Q3.
- \$1million Net Profit in March.

	JAN	FEB	MAR	TOTAL
Revenue	\$1,322,000	\$1,580,000	\$2,986,000	\$5,888,000
Operating Expenses	-\$1,419,000	-\$1,385,000	-\$1,961,000	-\$4,765,000
Net Profit	-\$97,000	\$195,000	\$1,025,000	\$1,123,000

- Significant Revenue and Net Profit increase from FY2014 to FY2015.

	AU Total Q3 FY 2014	AU Total Q3 FY 2015
Revenue	\$1,454,000	\$5,888,000
Operating Expenses	-\$1,825,000	-\$4,765,000
Net Profit	-\$371,000	\$1,123,000

- Carried forward tax losses ~\$25 million, accessible by the available fraction in forward years.
- Franking account balance \$3.5 million. The Board intends to commence distribution of fully franked dividends as soon as profits are available.

# Stream AU – Q3 Claims performance



- Client diversification has increased significantly.
  - BAU claims volume increase by 296%.
  - Storm/ Cat claims environment has returned.
  - Client diversification has increased following consolidation of acquisitions.

	Q3 FY 2014	Q3 FY 2015	Variance
Business as usual claims	1,338	3,973	296%
Cat claims	0	3,729	-
Individual clients	1	39	+ 38





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# UNITED KINGDOM

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## UK – Q3 Financial performance



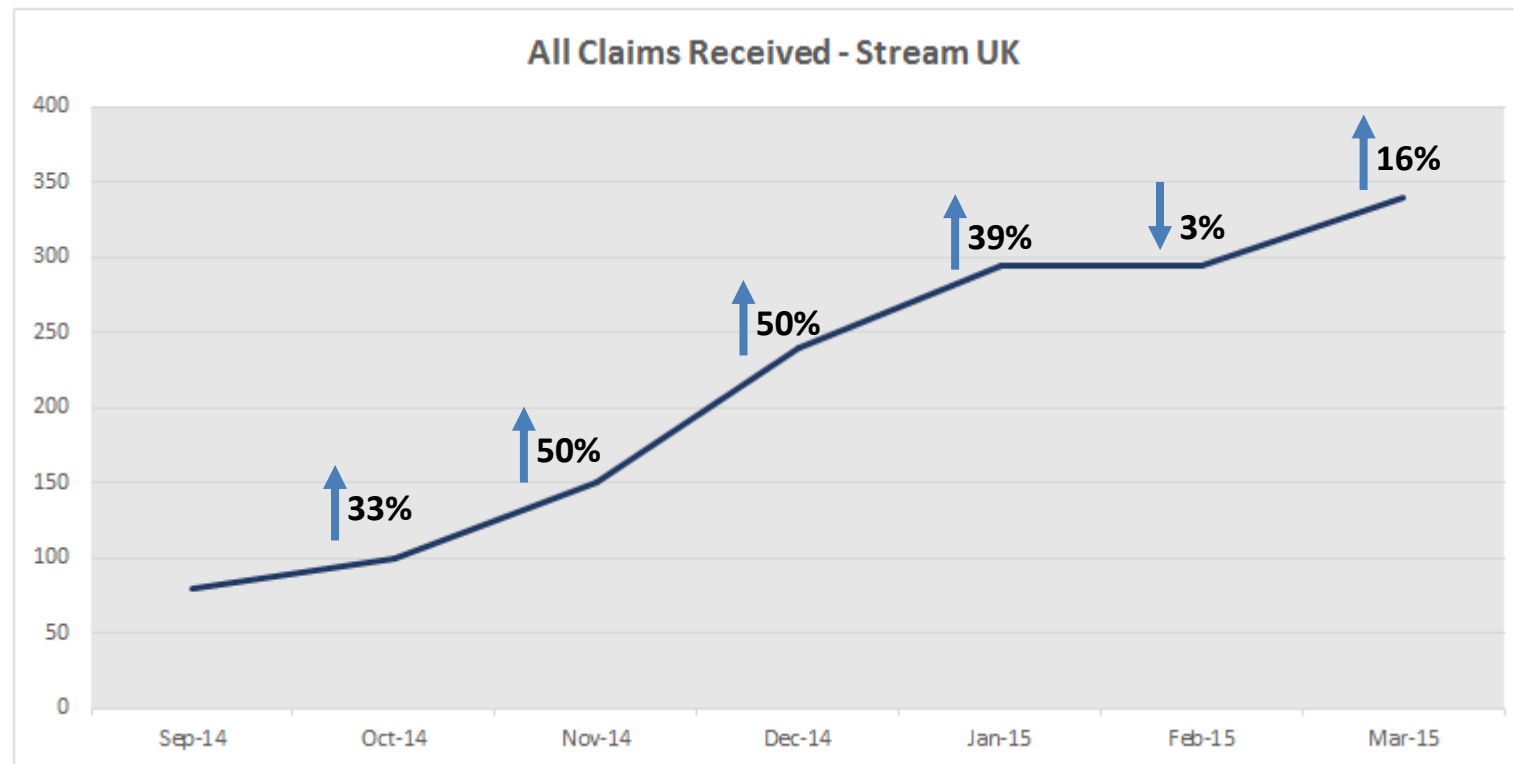
- UK has achieved significant milestone of profitability.
- Target 15% Net Profit going forward.

	JAN	FEB	MARCH	TOTAL Q3
Revenue	\$182,000	\$345,000	\$671,000	\$1,198,000
Operating Expenses	-\$597,000	-\$571,000	-\$604,000	-\$1,772,000
Net Profit	-\$415,000	-\$226,000	\$67,000	-\$574,000

# Claim growth continues...



- Claims volumes are growing strongly across all lines of business.
- Supports progress to ongoing and sustainable profitability.



↑ %  
Month on month  
increase in claim  
volumes

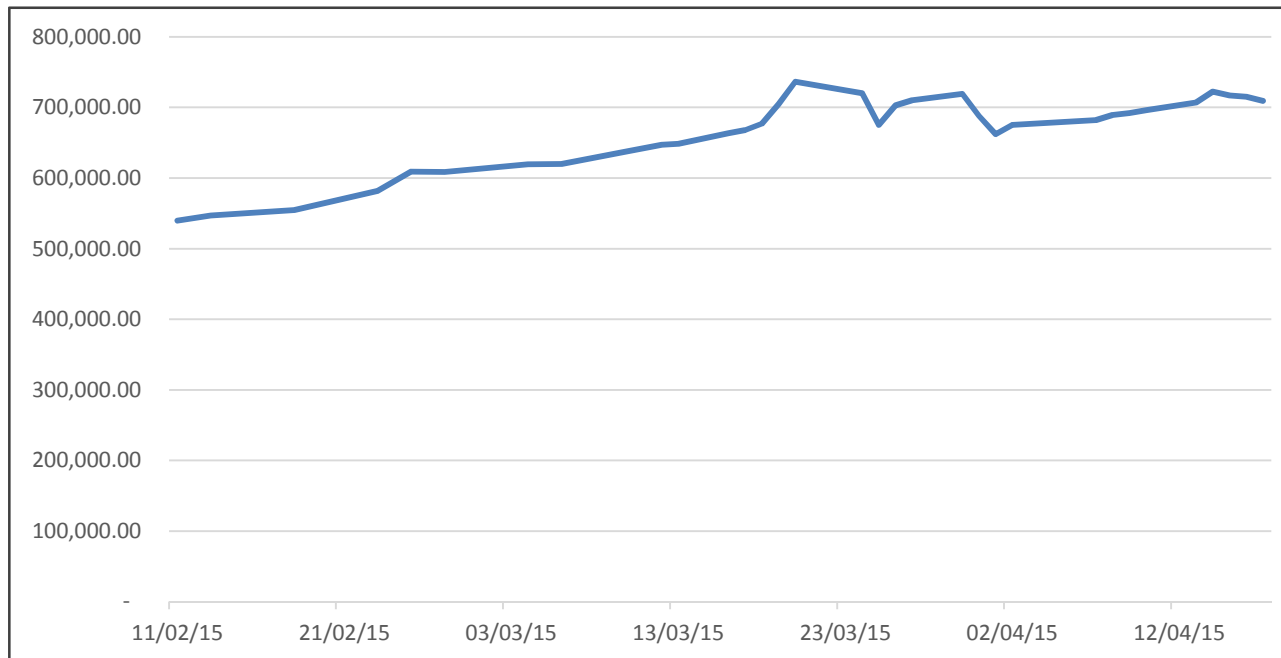


# “Work In hand” has stabilised



**Work in hand = (Value of fee's) – (Invoiced to date)**

- General target of 2 times monthly revenue will be work in hand.
- Supports annual revenue run rate of £3.6mil – £4.2mil (\$6.8mil - \$8.3mil).



## Working capital cycle:

1. Claims received.
2. Work in progress.
3. Debtors.
4. Cash.



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# NEW ZEALAND

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# New Zealand – Q3 Financial performance



- NZ region continues to perform well.
- Focus to continue to support Tower being the first major insurer to complete Earthquake program.
- Revenue diversification program underway.

	Q3 FY 2014	Q3 FY 2015
Revenue	\$4,689,000	\$3,867,000
Operating Expenses	-\$3,752,000	-\$3,220,000
Net Profit	\$937,000	\$647,000



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# TECHNOLOGY

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# Why technology development?



Stream's services business needs to deliver;

- Better service;
- Better cost outcomes;
- Better efficiency;

To achieve this, we built our own technology as it did not previously exist.

In recent times, we have also partnered with other leading technology solutions to expand our capability.

**Our technology supports the groups innovative processes and creates a competitive edge.**

Our clients want to:

- Be innovative;
- Offer a unique claims experience; and
- Have streamlined processes.

**Developing systems;**

- **Allows Stream to customise systems and outcomes specific to individual client needs. They are robust, flexible and scalable.**
- **Streamline and automate clients existing manual processes.**

Our technology can be utilised independently of our claims services business by non-related companies.

**We can leverage this asset into new revenue opportunities.**

**Revenue generated from software licensing sales allows us to keep investing in our technology to remain innovative.**

**Revenue generated from software diversifies our overall revenue base reducing risk.**

# Insurtech – Q3 Financial performance

- Sales progress has been hampered by busy claims environment due to:
  - November 2014 Brisbane hail storm; and
  - February 2015 Cyclone Marcia.
- Potential customers are handling significant increases in workload therefore large systems and process change is not high priority. Issues with lack of existing systems and process reaffirms our value proposition once workload decreases.
- Despite client delays, strong interest and engagement has been achieved in all products with revenue opportunities increasing as industry scales down post events.

	INSURTECH
Revenue	\$32,000
Operating Expenses	-335,000
Net Profit	-\$303,000
EBITDA	-\$13,000



# GROUP

## Performance & Strategy Summary



## Q3 - Group financial performance summary



- Financial performance has improved significantly.
- UK achieved profitability in March.
- Significant cost reduction implementation underway for 'Shared Services'. Target of 8% of total revenue.

Q3 - FY2015	STREAM AU	STREAM NZ	STREAM UK	INSURTECH	GLOBAL SHARED SERVICES	TOTAL Q3
Revenue	\$5,888,000	\$3,867,000	\$1,198,000	\$32,000	\$0	\$10,985,000
Operating Expenses	-\$4,765,000	-\$3,220,000	-\$1,772,000	-\$335,000	-\$1,643,000	-\$11,535,000
Net Profit Before Tax	\$1,123,000	\$647,000	-\$574,000	-\$303,000	-\$1,643,000	-\$750,000
One Off Expenses Related To Acquisition	\$133,000	\$0	\$0	\$0	\$114,000	\$247,000
Normalised Profit Before Tax	\$1,256,000	\$647,000	-\$574,000	-\$303,000	-\$1,529,000	-\$503,000
Normalised EBITDA	\$1,583,000	\$696,000	-\$493,885	-\$13,000	-\$1,637,000	\$135,000
	JAN	FEB	MAR	TOTAL		
Group Normalised EBITDA	-\$812,000	-182,000	\$1,129,000	\$135,000		

The normalised basis is an unaudited non-IFRS measure that, in the opinion of the Board, is useful in understanding and appraising the Company's underlying performance. Excludes any investment impairments or asset write-downs.

# 2015/2016 Strategy



## CLIENTS

- **Building diverse revenue through valued services:**
  - Operations covering 100% of Australia, New Zealand and UK.
  - Expand services to existing clients.
  - Acquiring new clients and partners.



## OPERATIONAL PERFORMANCE

- **Focus on achieving high performance outcomes:**
  - Cash flow focus across group.
  - Increase equity and reduce debt.
  - Strategies to improve balance sheet strength.
  - Profitable, sustainable, scalable and value driven business.
- **Focus on existing products and services:**
  - Expand profitable lines of business.
  - Formalise “centres of excellence”.
  - Streamline resource/capacity.
  - Maximise growth and client penetration.



## PEOPLE

- **High performance culture:**
  - Recognised as experts in the products and services we deliver.
  - Investment in people.
  - Employer of choice.
  - Ethical and sustainable.

# Board members



## **Christian Bernecker - Chairman**

Joined the Board in October 2008 and has been a Director of Stream Group Holdings Pty Ltd since August 2010. Christian is also a Director of Uscom Limited. Christian has more than 10 years of investment experience across capital raising, acquisitions and divestments. Christian is qualified as a Chartered Accountant and holds a Bachelor of Commerce from Ballarat University.



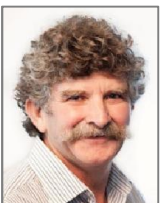
## **Don McKenzie - Managing Director**

Founder and Managing Director of Stream. Don commenced his professional life in 2001 contracting to builders, loss adjusters and insurance companies for property based repair work through his family construction business. During this time, Don obtained an understanding of the insurance industry and the claims management process and developed the key relationships to establish the Stream claims services business in 2007. This knowledge was used to create the first version of AcClaim, known as "BuildAssist."



## **Jens Neiser - Non-Executive Director**

Joined the Board on 31 January 2013 and is also member of the Audit & Risk Committee and the Nomination and Remuneration Committee. Jens manages Neiser Capital Investment Fund and was previously a partner with Boston Consulting Group in New York and Munich specialising in technology companies.



## **Tony Nicklin- Non-Executive Director**

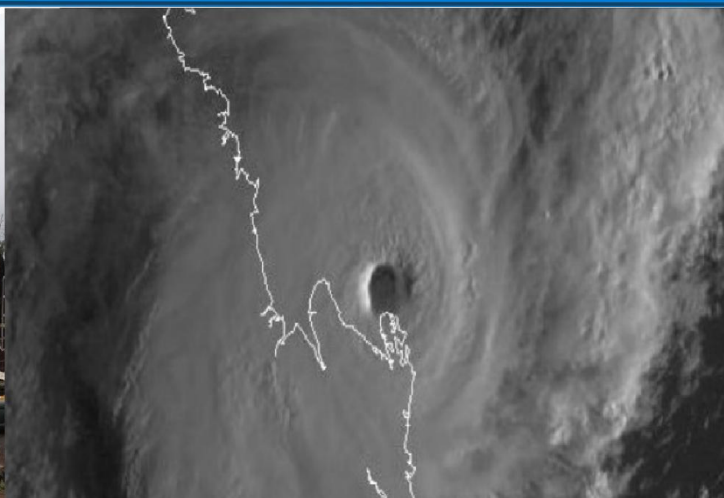
Director of Stream New Zealand Ltd since 2011 and joined the SGO board in May 2014. CEO of Carson Group of Companies 1999 – 2006. In 2006 Tony successfully negotiated and facilitated the sale of Carson Group which employed over 200 professional project managers with responsibility for managing an annual turnover of over \$4 billion in building and infrastructure works.





## CONTACT

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