

# RESULTS PRESENTATION

## Year ended 30 June 2015

“The strong improvement in profitability evident in this result flows from the successful implementation of our operational efficiency programme. In addition, during the second-half we have worked very hard to position the business to grow the top line at a faster rate. Improving the organic growth rate is a key focus for us in FY16”.

Peter Mullins  
Chief Executive Officer

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# OVERVIEW

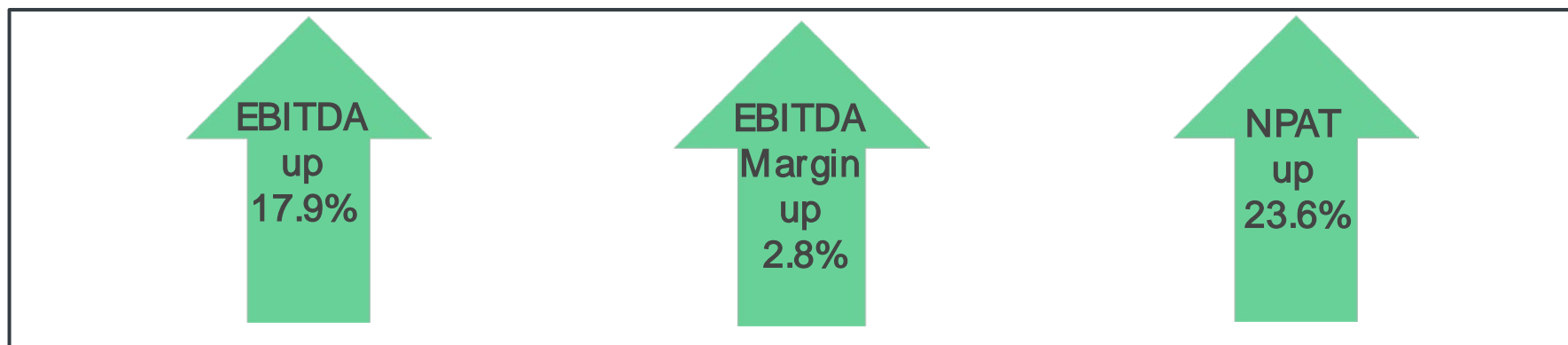
**Peter Mullins**  
**Chief Executive Officer**

# SOLID FINANCIAL RESULTS

## Statutory Results



## Underlying Results<sup>1</sup>



- 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*

# KEY POINTS

## Profitability improvement continues

- Efficiency initiatives across business paying off
- Risk and Compliance Solutions performed well, new strategy for Learning being implemented
- Property and Standards & Technical Information continue to grow
- Weakened Australian dollar providing tailwind, but operational improvements clear













## New operating model implemented

- New appointments completed, new metrics agreed
- Emerging capacity to cross-sell products and services to customers globally

## Outlook

- Growth in revenue and profitability across group in FY16
- Pursuing strategic and bolt-on acquisitions

# BUSINESS SEGMENTS PERFORMING WELL

\$M	FY15	FY14		
<b>Assurance Services</b>				
Revenue	205.7	192.9		6.6%
EBITDA	39.7	33.2		19.6%
EBITDA margin	19.3%	17.2%		2.1%
<b>Compliance Services</b>				
Revenue	97.8	93.0		5.2%
EBITDA	34.0	25.0		35.9%
EBITDA margin	34.8%	26.9%		7.9%
<b>Standards &amp; Technical Info.</b>				
Revenue	79.3	77.0		3.0%
EBITDA	41.2	39.7		3.7%
EBITDA margin	51.9%	51.6%		0.3%
<b>Property Services</b>				
Revenue	169.7	167.2		1.5%
EBITDA	28.7	24.2		18.7%
EBITDA margin	16.9%	14.5%		2.4%

# FINANCIAL OVERVIEW

**Geoff Richardson**  
**Chief Financial Officer**

# OPERATIONAL EFFICIENCY INITIATIVES TAKING EFFECT

	Statutory FY15	Statutory FY14	Change	Underlying <sup>1</sup> FY15	Underlying FY14	Change
Revenue	547.7	527.7	3.8%	547.7	527.7	3.8%
Other income	(0.2)	(0.5)		(0.2)	(0.5)	
Expenses	(444.0)	(433.9)	2.3%	(421.2)	(420.1)	0.3%
<b>EBITDA</b>	<b>103.5</b>	<b>93.3</b>	<b>10.9%</b>	<b>126.3</b>	<b>107.1</b>	<b>17.9%</b>
<b>EBITDA margin</b>	<b>18.9%</b>	<b>17.7%</b>	<b>1.2%</b>	<b>23.1%</b>	<b>20.3%</b>	<b>2.8%</b>
Depreciation & amortisation	(38.0)	(34.6)	10.0%	(38.0)	(34.6)	10.0%
<b>EBIT</b>	<b>65.5</b>	<b>58.7</b>	<b>11.4%</b>	<b>88.3</b>	<b>72.5</b>	<b>21.7%</b>
Finance costs – net	(10.8)	(11.3)	(5.4%)	(10.8)	(11.3)	(5.4%)
Associates	0.2	0.3		0.2	0.3	
<b>Profit before tax</b>	<b>54.9</b>	<b>47.7</b>	<b>15.2%</b>	<b>77.7</b>	<b>61.5</b>	<b>26.4%</b>
Tax expense	(15.3)	(12.2)	25.8%	(21.8)	(16.3)	33.9%
Minorities	(0.3)	(0.2)		(0.3)	(0.2)	
<b>Net profit after tax attributable to shareholders</b>	<b>39.3</b>	<b>35.3</b>	<b>11.2%</b>	<b>55.6</b>	<b>45.0</b>	<b>23.6%</b>

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.

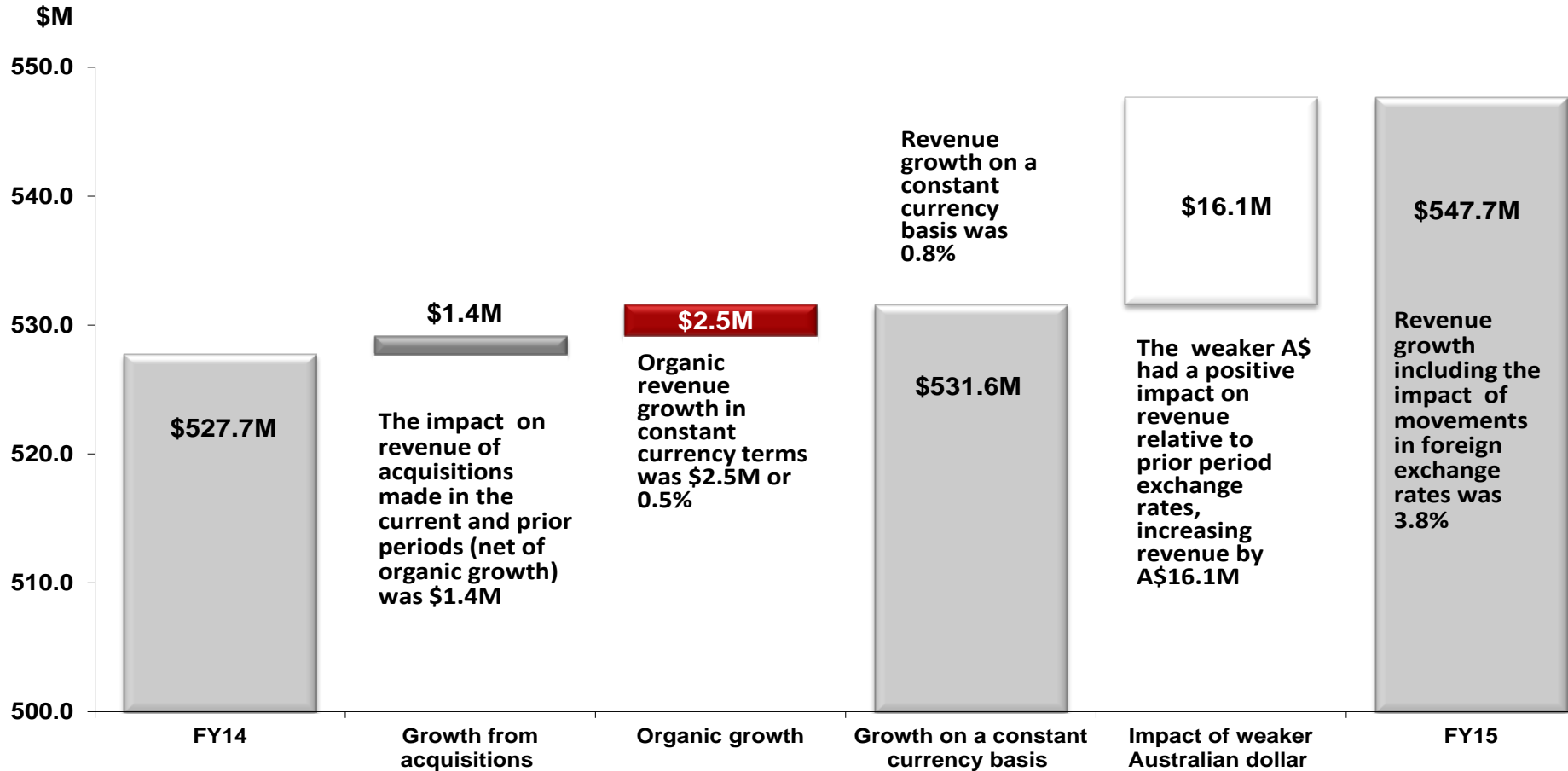


# SIGNIFICANT ITEMS

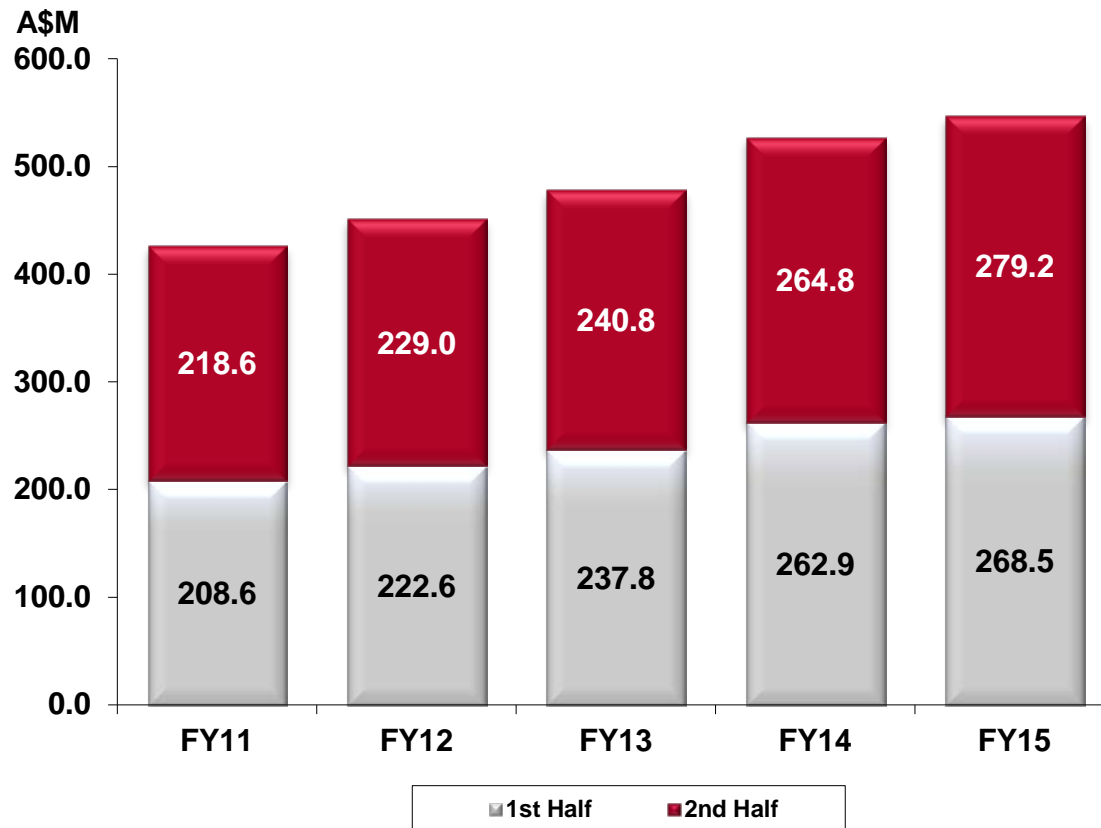
\$M	FY15	FY14
Advisory fees and costs of responding to unsolicited, conditional and non-binding approach	5.2	-
Operational efficiency initiatives	11.2	8.4
Strategy formulation and transformation	2.7	-
Incidental costs of acquisitions	0.8	0.2
Winding up/closure of Canadian defined benefit plan	2.4	0.7
CEO transition and other senior management changes	-	3.0
IT governance review	-	0.8
Other	0.5	0.7
<b>Pre tax total</b>	<b>22.8</b>	<b>13.8</b>
Less income tax impact	6.4	4.1
<b>Significant items post tax</b>	<b>16.4</b>	<b>9.7</b>

*The restructuring of the business and transformation to the new operating model is now largely complete. As a consequence, and in the absence of any unforeseen circumstances, we do not envisage significant charges in FY16. However, we will continue to call out costs associated with M&A activity.*

# REVENUE POSITIVELY IMPACTED BY WEAKER \$A

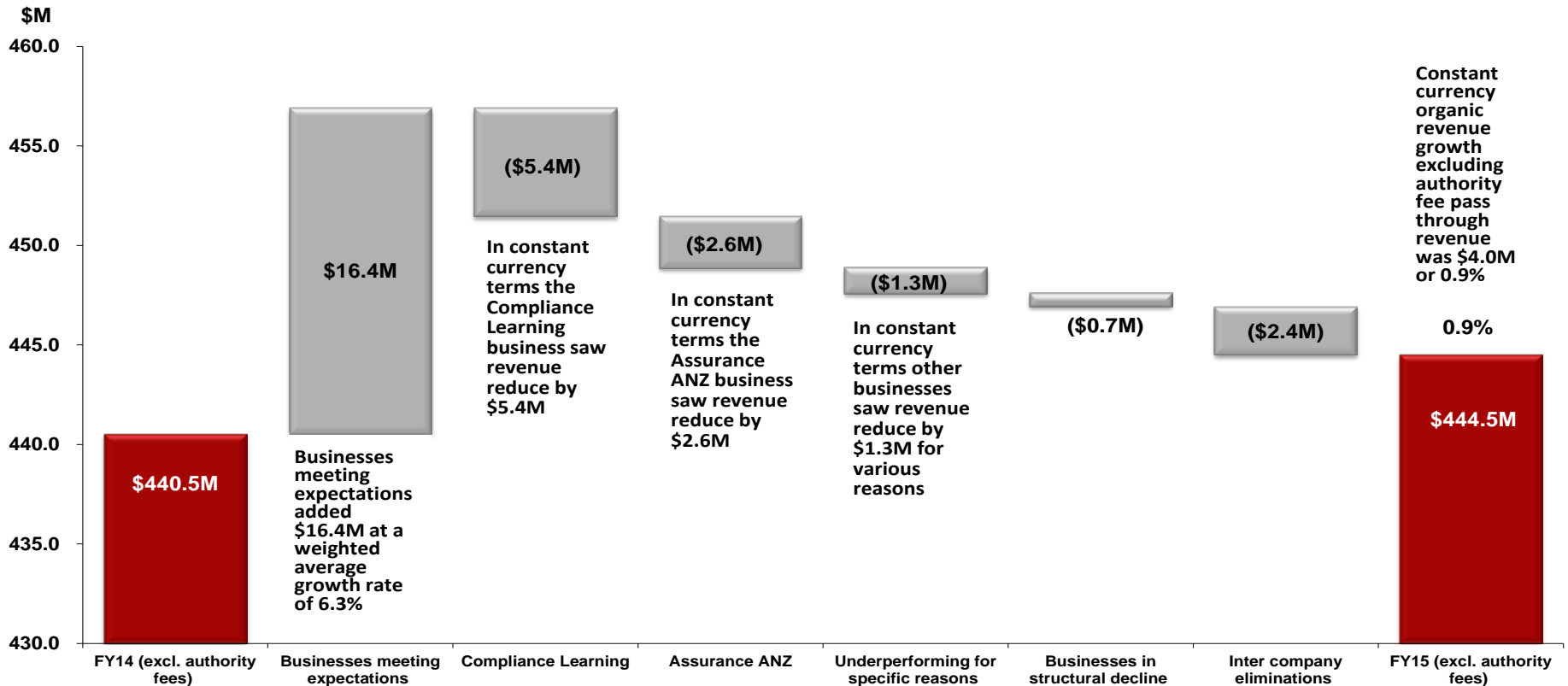


# 23 SUCCESSIVE HALVES OF REVENUE GROWTH



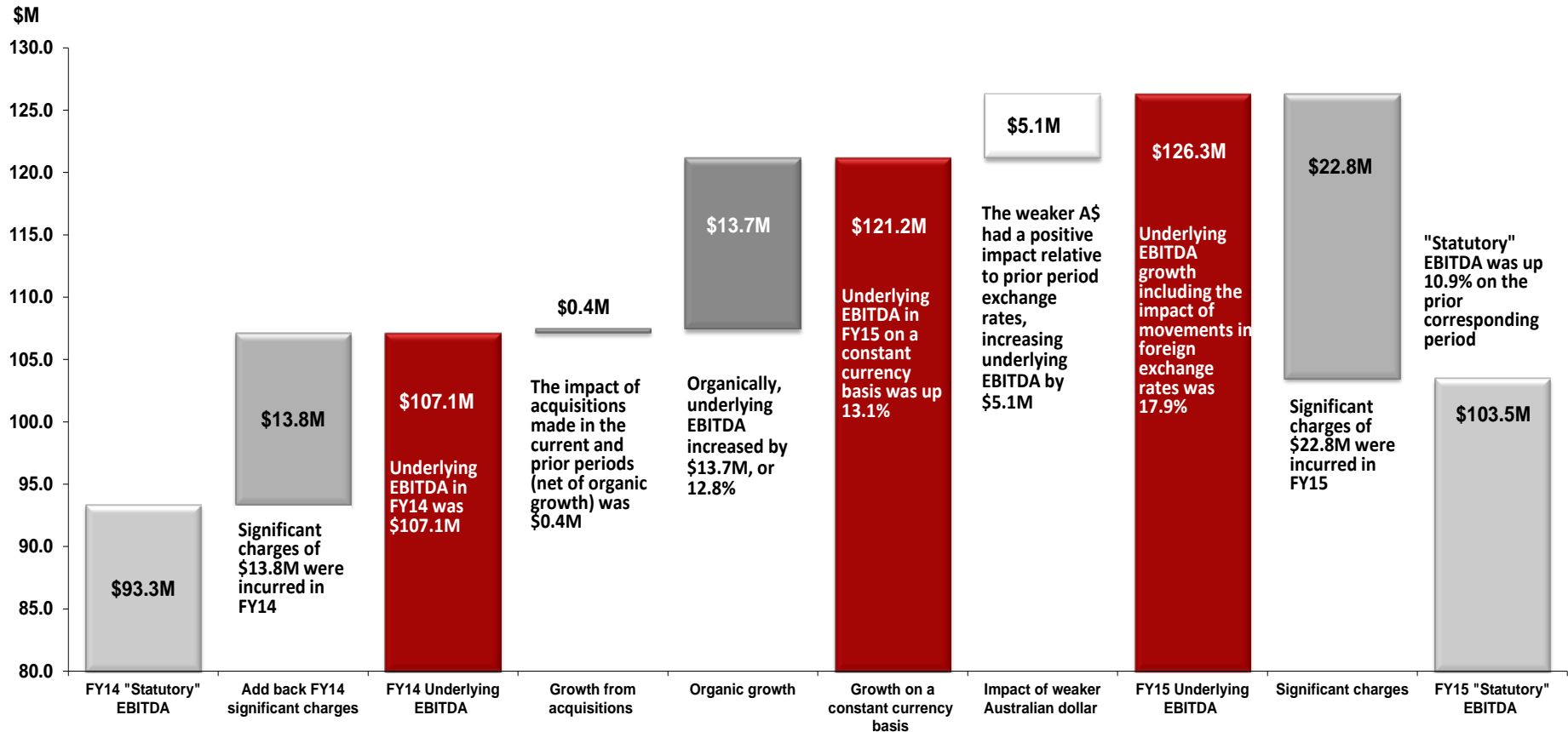
- Revenue growth trend continues
- Trend expected to continue in FY16
- Opportunities to drive stronger growth in future:
  - Foundations laid for stronger organic growth
  - Acquisition opportunities

# ORGANIC CONSTANT CURRENCY REVENUE GROWTH WAS MIXED



The revenue figures above exclude the authority fees that are incurred by the Property Services business and passed onto clients. This revenue was \$87.2M in FY14 and \$85.7M in FY15

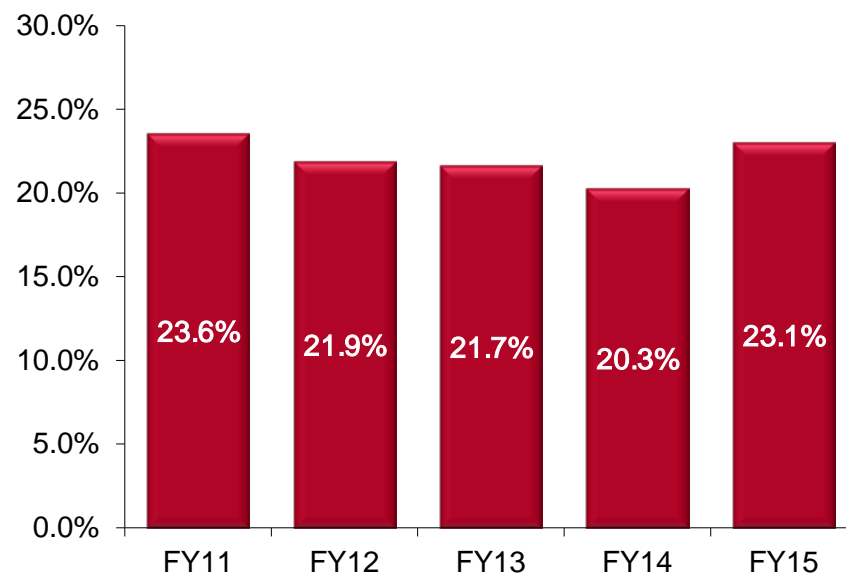
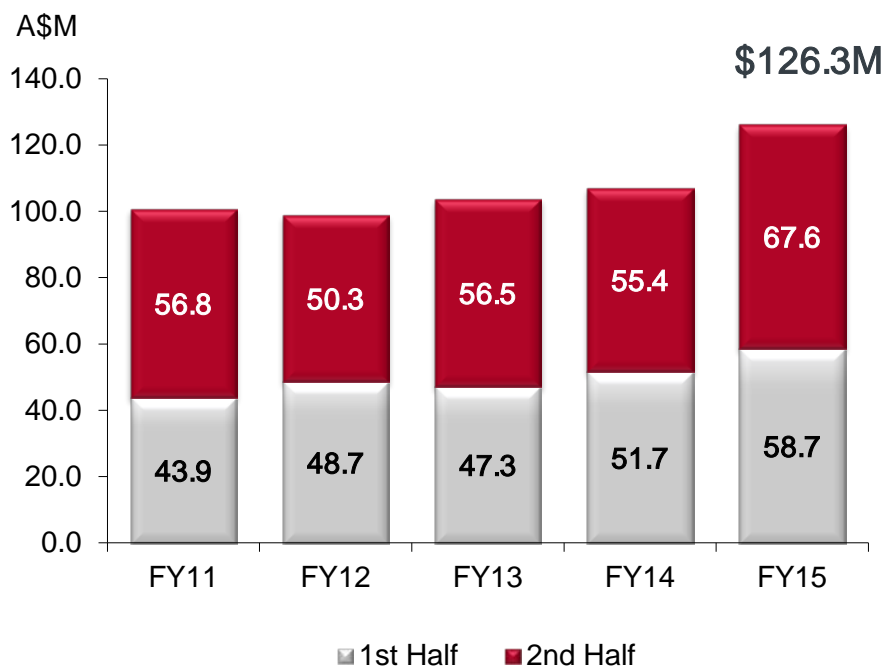
# EBITDA GROWTH DRIVEN BY COST OUT INITIATIVES



# FULL YEAR UNDERLYING<sup>1</sup> EBITDA EXCEEDED GUIDANCE













Guidance range  
\$120M to \$125M

Declining margin trend  
reversed



1. Before the impact of significant charges

# EPS UP, INCREASED DIVIDEND, STRONG CASH FLOW

	Statutory	Underlying <sup>1</sup>
Earnings per share	 10.7% to 18.6c	 22.9% to 26.3c
Dividend <sup>2,3</sup>	 6.5% to 16.5c	 6.5% to 16.5c
Free cash flow	 2.4% to \$48.0M	 16.7% to \$70.8M
Interest cover	 from 7.7x to 9.4x	 from 8.8x to 11.4x
Balance sheet gearing	 from 34.4% to 33.6%	 from 34.4% to 33.6%
EBITDA gearing	 From 2.67 to 2.75	 from 2.32 to 2.26

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2. Final dividend ex div date: 27 August 2015. Record date: 31 August 2015. Payment date: 23 September 2015.

3. Final dividend of 9 cents 80% franked (FY14 45% franked)

# BALANCE SHEET MOVEMENTS REFLECT WEAKER \$A

\$M	Jun 2015	Jun 2014	Change
Cash	83.9	67.7	23.9%
Intangibles	583.3	503.5	15.9%
Other assets	250.9	214.0	17.2%
<b>Total assets</b>	<b>918.1</b>	<b>785.2</b>	<b>16.9%</b>
Debt	284.9	248.8	14.5%
Deferred revenue	86.0	72.3	18.9%
Other liabilities	150.3	119.5	25.8%
<b>Total liabilities</b>	<b>521.2</b>	<b>440.6</b>	<b>18.3%</b>
<b>Net assets</b>	<b>396.9</b>	<b>344.7</b>	<b>15.2%</b>
<b>Net gearing<sup>1</sup></b>	<b>33.6%</b>	<b>34.4%</b>	<b>(0.8%)</b>
<b>Net asset backing</b>	<b>187.5</b>	<b>163.3</b>	<b>14.8%</b>

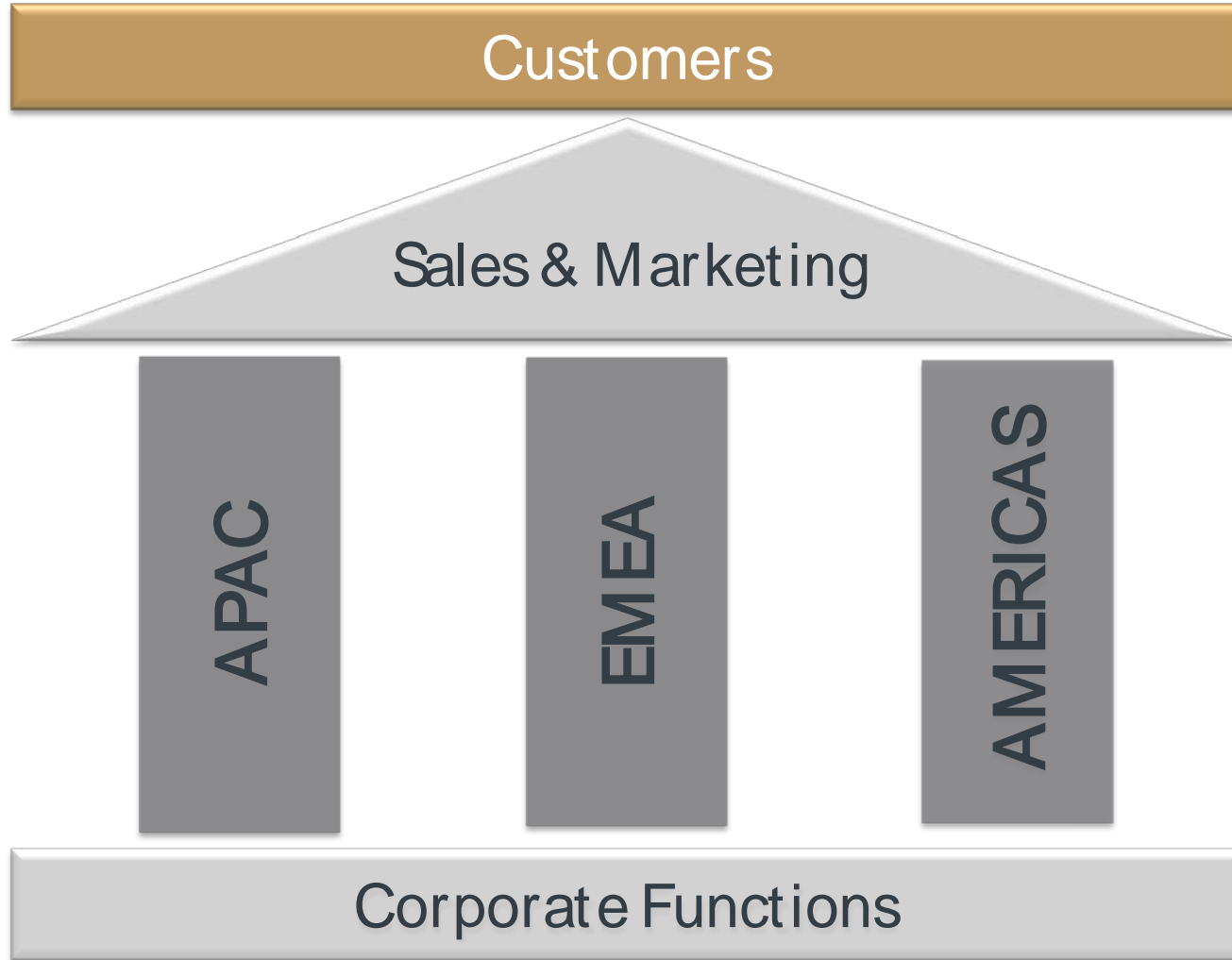
1. Net debt / (net debt plus equity)



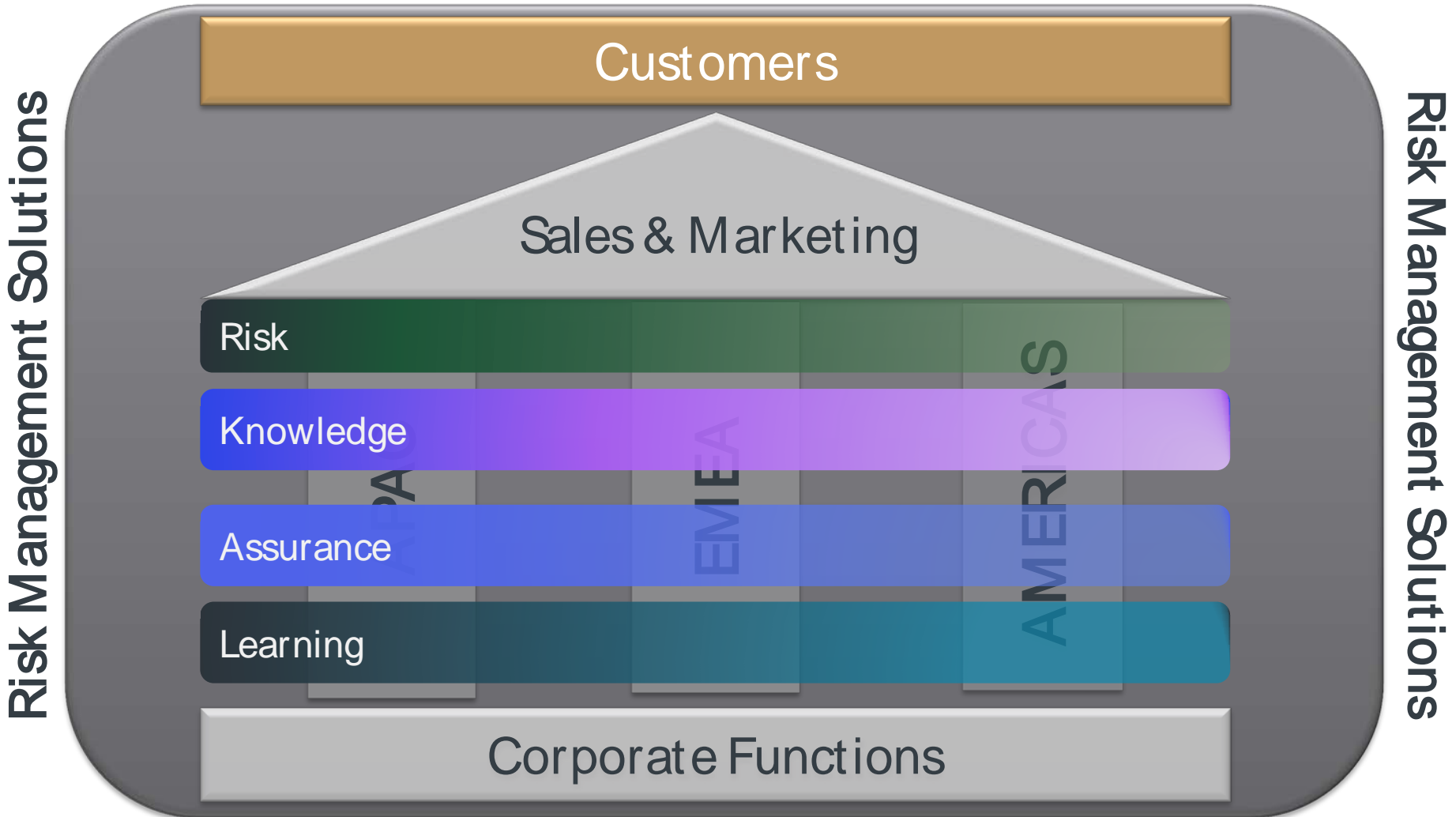
# UPDATE ON STRATEGY

**Peter Mullins**  
**Chief Executive Officer**

# UPDATE ON STRATEGY








# UPDATE ON STRATEGY



# FOCUS ON GROWTH

- **Risk Management Division has four major focus areas**
  1. Sales capability
  2. New approach to marketing and digital media and e-commerce
  3. Product portfolio management
  4. Operational excellence
- **Property Division**
  1. Strong pipeline for growth in Mortgage Services
  2. Consider BPO services in adjacent markets
  3. Grow Information Broking
- **Increased focus on Acquisitions**

# UPDATE ON KEY COMMITMENTS FOR 2HFY15

Commitments	Benefits	Scorecard
New organisation structure by 30 June 2015	Revenue growth	 Completed
Work commenced on new customer centric website	Revenue growth and reduced costs	 New web site on track
Phase 1 of operational efficiency measures implemented	Cost savings of \$5m - \$10m targeted	 Completed. Will contribute to FY16 EBITDA growth
Operational efficiency rolled out to all areas	Gains in efficiency and improved quality	 Completed
Complete roll out of Epicor to Compliance Services. Commence roll out to Assurance Services	Reduced costs and improved reporting	 Assurance APAC completed. Emphasis switched to RMS* EMEA and Americas

*\*Risk Management Solutions*

# KEY COMMITMENTS FOR FY16

## Commitments

## Expected Benefits

Deliver new digital capabilities including a customer centric website and an improved e-commerce platform	Improved customer experience leading to improved organic revenue growth
Increase rate of organic growth across the business	Improved margins Improved returns on capital employed
Stabilise Learning product revenue	Improved organic growth rate
Execute on a proactive inorganic growth strategy	Increased presence in target sectors Enhanced product offering Reduced exposure to PLA*
Broaden geographic footprint with a particular focus on Asia and South America	Increased presence in target sectors Increased ability to service global accounts Increased access to high growth markets
Leverage market leadership positions in the Property division to deliver continued organic revenue growth	The onboarding of new strategic clients Expansion of BPO services offered to core target market

*\*Publishing License Agreement with Standards Australia*

# OUTLOOK

- **New operating model implemented with effect from 1 July 2015**
- **Major focus on sales and marketing effectiveness in FY16**
- **Organic revenue and profitability growth expected**
- **Weakened Australian dollar expected to continue to provide a tailwind**
- **Pursuing acquisitions in our target areas**

# QUESTIONS AND ANSWERS



# APPENDICES

- **Cash Flow**
- **Impact of, and sensitivity to, exchange rates**
- **Core debt maturity analysis**
- **Pro-forma, indicative segment note (FY16 format)**

# CASH FLOW

\$M	FY15	FY14	Change
Underlying EBITDA	126.3	107.1	17.9%
Less: net financing charges	10.7	11.3	(5.4%)
Less: income tax paid	16.9	11.1	52.6%
Less: capital expenditure	27.8	24.0	15.8%
<b>Free cash flow</b>	<b>70.8</b>	<b>60.7</b>	<b>16.7%</b>
\$M	FY15	FY14	Change
Operating cash inflow	80.0	80.5	(0.6%)
Add back: significant charges <sup>1</sup>	14.3	8.4	70.6%
	94.3	88.9	6.2%
Add back: net financing charges	10.7	11.3	(5.4%)
Add back: income tax paid	16.9	11.1	52.6%
<b>Ungearred pre-tax operating cash flows</b>	<b>121.9</b>	<b>111.3</b>	<b>9.6%</b>
Underlying EBITDA	126.3	107.1	17.9%
<b>Cash conversion ratio</b>	<b>97%</b>	<b>104%</b>	<b>(7.0%)</b>

1. Cash outflows relating to significant charges

# IMPACT OF, AND SENSITIVITY TO, EXCHANGE RATES

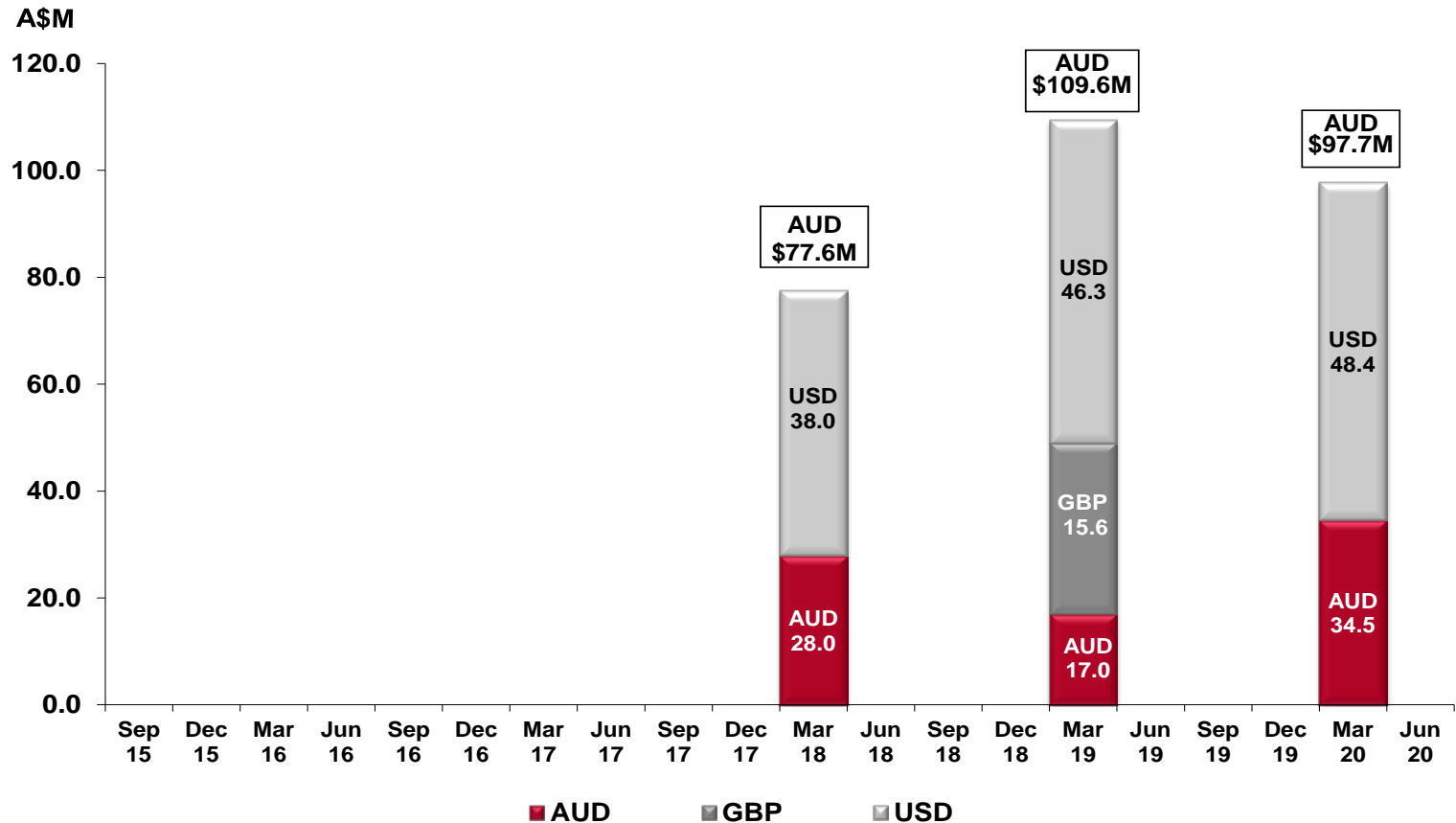
Revenue	Underlying currency	Australian dollar equivalent	%
	\$M	\$M	
Australian dollar	303.9	303.9	55.5%
US dollar	104.4	125.7	23.0%
Canadian dollar	19.7	20.2	3.7%
Pounds sterling	28.3	53.7	9.8%
Euro	11.6	16.6	3.0%
Other		27.6	5.1%
<b>Total</b>		<b>547.7</b>	<b>100.0%</b>

Underlying EBITDA	Underlying currency	Australian dollar equivalent	%
	\$M	\$M	
Australian dollar	65.1	65.1	51.5%
US dollar	39.2	47.5	37.5%
Canadian dollar	0.6	0.6	0.5%
Pounds sterling	3.2	6.2	4.9%
Euro	1.1	1.5	1.2%
Other		5.4	4.4%
<b>Total</b>		<b>126.3</b>	<b>100.1%</b>

Underlying Net profit before tax	Underlying currency	Australian dollar equivalent	%
	\$M	\$M	
Australian dollar	49.9	49.9	64.2%
US dollar	18.0	21.8	28.0%
Canadian dollar	(0.1)	(0.1)	(0.1%)
Pounds sterling	0.0	0.0	(0.0%)
Euro	1.1	1.5	2.0%
Other		4.6	6.0%
<b>Total</b>		<b>77.7</b>	<b>100.0%</b>

- Favourable impact on FY15 (revenue +\$16.1M, EBITDA +\$5.1M).
- Australian dollar averaged 0.8277 in FY15, compared with 0.9175 in 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 left show the FY15 currency components of SAI's revenue, underlying EBITDA and net profit before tax.
- These tables can be used to determine an indicative impact of movements in exchange rates.

# CORE DEBT MATURITY ANALYSIS



- Tenure extended on improved terms
- First debt maturity now March 2018 quarter
- Weighted average cost of debt currently 3.41%

# PRO FORMA INDICATIVE SEGMENT NOTE (FY16 FORMAT)

	Risk Management Solutions (RMS)			Total RMS	Property Services	Corporate Services	Eliminations	Total
	APAC	EMEA	Americas					
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Sales revenue	152,815	80,904	148,997	382,716	169,651	-	(4,706)	547,661
Other income	196	(105)	(359)	(268)	62	1	-	(205)
	<b>153,011</b>	<b>80,799</b>	<b>148,638</b>	<b>382,448</b>	<b>169,713</b>	<b>1</b>	<b>(4,706)</b>	<b>547,456</b>
Less direct costs	(49,794)	(42,209)	(49,535)	(141,538)	(115,457)	(85)	4,706	(252,374)
<b>Gross profit</b>	<b>103,217</b>	<b>38,590</b>	<b>99,103</b>	<b>240,910</b>	<b>54,256</b>	<b>(84)</b>	-	<b>295,082</b>
Less: overheads	(36,910)	(25,391)	(50,956)	(113,257)	(22,718)	(32,798)	-	(168,773)
Less: corporate allocations	(8,184)	(2,211)	(2,373)	(12,768)	(2,842)	15,610	-	-
<b>Earnings before interest, tax, depreciation and amortisation (EBITDA), before significant charges</b>	<b>58,123</b>	<b>10,988</b>	<b>45,774</b>	<b>114,885</b>	<b>28,696</b>	<b>(17,272)</b>	-	<b>126,309</b>
Less: depreciation	(2,814)	(2,886)	(9,302)	(15,002)	(5,518)	(5,408)	-	(25,928)
Less: amortisation of acquired intangible assets	(1,915)	(1,501)	(7,759)	(11,175)	(920)	-	-	(12,095)
	<b>53,394</b>	<b>6,601</b>	<b>28,713</b>	<b>88,708</b>	<b>22,258</b>	<b>(22,680)</b>	-	<b>88,286</b>
Share of net profits of associates and joint venture partnership accounted for using the equity method	189	-	-	189	-	-	-	189
<b>Segment result: (Profit before interest, tax and significant charges)</b>	<b>53,583</b>	<b>6,601</b>	<b>28,713</b>	<b>88,897</b>	<b>22,258</b>	<b>(22,680)</b>	-	<b>88,475</b>