

MEDIA/ASX ANNOUNCEMENT
3 NOVEMBER 2016

**SILVER CHEF LIMITED
ANNUAL GENERAL MEETING
THURSDAY 3 NOVEMBER 2016 COMMENCING 10.30AM
EXECUTIVE CHAIRMAN'S ADDRESS
ALLAN ENGLISH**

SLIDE – AGM

SLIDE – CHAIRMAN'S ADDRESS

Good morning ladies and gentlemen and welcome to the twelfth annual general meeting of shareholders of Silver Chef Limited. For those of you who don't know me, my name is Allan English and I am the founder and Executive Chairman of Silver Chef Limited. The notice of meeting was mailed out to all shareholders. I will take the notice as read and declare this annual general meeting open.

I would like to begin by introducing my fellow Directors and Company Secretary. Seated at the table with me are our Directors Andrew Kemp, Bede King, Sophie Mitchell and Patrick Tapper. Don Mackenzie our Company Secretary is also in attendance. Several Silver Chef staff are also here today and will be available after the meeting to meet with you over a cup of tea. We also acknowledge the Company's external auditor KPMG and the Company's legal representative McCullough Robertson, who are also in attendance today.

This year, the Silver Chef business celebrated its thirtieth anniversary and it is with great pride that I recognise the significant achievements that the team has accomplished over that time. We have funded over 45,000 customers, have grown our asset base to \$539.2 million, operate in three countries and employ over four hundred people. We are also well on track with our targets to make a substantial contribution to the wider social good, by funding more than 900 thousand people out of poverty in conjunction with Opportunity International. Importantly since our listing on the stock exchange in 2005, we have consistently delivered outstanding total shareholder returns. The last financial year was no exception, as Silver Chef continued its impressive track record in delivering growth in its rental asset base and underlying earnings. Strong growth in earnings per share has also resulted in increased dividends for its shareholders.

SLIDE – A VALUES DRIVEN APPROACH

First however, I would like to provide some background about our business for those of you in attendance today who are new to the Silver Chef story.

A key element of Silver Chef's long history of commercial success is that it chooses to run its business differently. The Company has always had a strong purpose driven culture focussed on helping people achieve their dreams. This is demonstrated through initiatives such as supporting and developing our people and making a meaningful economic contribution to community investment initiatives in conjunction with Opportunity International. We firmly believe that successful, sustainable commercial enterprises require alignment of their activities around a values driven framework and a desire to make a wider contribution to the world. This approach enables Silver Chef to attract and retain high quality staff, create deeper and more meaningful engagement with our customers and demonstrate to investors and other stakeholders that their capital is invested in a business that is both doing well and doing good.

During the year, the Company continued its strategy of aligning its commercial activities around an all-encompassing purpose driven framework focused on customers, community, staff, governance and the environment. Silver Chef has taken the progressive step of obtaining independent certification for these activities by becoming a certified B Corporation. Silver Chef was one of the first “for-profit” listed companies in Australia to join a group of over 1,850 Certified B Corporations worldwide with the unifying goal of redefining success in business. Certified B Corporations choose to meet higher standards of social and environmental performance, transparency, and accountability and set a benchmark to inspire all businesses to compete not only to be the best in the world, but to be the best for the world.

Continuing to align our organisational strategy with the B Corp principles allows us to ensure our social impact can be shared and so we can leverage international best practice in building a sustainable modern business.

SLIDE – BUSINESS MODEL

The Company has two brands which provide support to entrepreneurs and growing businesses: in the hospitality sector through the Silver Chef brand, and in the construction and transport channels through the GoGetta brand. Both divisions offer a unique, tried and tested equipment rental and funding solution through the Rent. Try. Buy. and Rent. Grow. Own. solutions.

Very simply, we think that for small business using spreadsheets to forecast a future return on asset investment is risky. A more sensible approach is to rent the equipment from Silver Chef and once financial performance of the asset is achieved, then exercise the option to purchase on known information and receive a 75% rental rebate as a deduction from the purchase price.

The Company has also extended its product range to include several more traditional long-term financing options to more effectively support its customers during the life of their business. I am pleased to report that in 2016 Silver Chef’s lease receivable book grew to \$65 million up from \$32 million in the previous year.

SLIDE – RESULTS SNAPSHOT

Now to our financial results for the year. The Company reported net profit after tax of \$22.4 million for the financial year ending 30 June 2016. The result included a one-off after tax break cost of \$1.0 million arising from early redemption of \$30 million of loan notes on 14 September 2015. The underlying net profit after tax for the year was \$23.4 million.

The reliable and sustainable performance in the Australian hospitality sector remains the engine room of the business and we continued to deliver growth well above general industry trends. Our New Zealand and Canadian businesses delivered on aggressive origination targets for the year and are growing in line with plan. Growth in the GoGetta business has exceeded our expectations and reflects the success we have had in developing deep relationships with equipment finance brokers in both the Transport and Construction channels. The outlook for both the Silver Chef and GoGetta brands remains positive.

One of the Company’s key performance indicators is its ability to grow its rental asset base. During the year to 30 June, the Company grew its rental assets and lease receivables book by 50%, bringing the total rental assets at cost and lease receivables to \$539.2 million.

Earnings per share also increased during the year growing by 34% to 68.9cps. This growth enabled the Board to declare fully franked dividends for the year of 42.0 cents per share. Total compound growth in earnings per share since the Company’s listing is 18%.

SLIDE – AUSTRALIA AND NEW ZEALAND HOSPITALITY FY 16 HIGHLIGHTS

The Silver Chef business in Australia and New Zealand exceeded expectations for the twelve-month period to 30 June 2016, with growth in its asset base of 28% against the previous corresponding period. The Company remains focused on maintaining key relationships with its dealer network and delivering exceptional levels of service to its customers. We also made significant investment during the year in our digital marketing strategy. This has generated excellent results through more targeted engagement with our existing customer base.

Growth in the Company's key channels of restaurants, cafes and bars remains strong. The coffee channel also performed strongly during the year as we continue to support the expanding market of boutique coffee roasters who provide coffee machines to their customers through a free on loan program in partnership with Silver Chef. The outlook for the hospitality sector in Australia and New Zealand remains strong and we anticipate ongoing growth in originations well above underlying industry growth of around 4%.

SLIDE – GOGETTA FY16 HIGHLIGHTS AND RESULTS

The GoGetta business delivered a record-breaking result for the year generating originations of \$160.1 million. This exceptional year on year growth has been achieved through building deeper relationships with the equipment finance broker network by focusing on the two key channels of transport and construction. Our unique Rent.Grow.Own product has struck a chord with the finance broker industry and their clients and we are seeing a positive response to our flexible rental funding approach which helps clients de-risk critical asset investment decisions.

The Company expects solid growth in the GoGetta portfolio again in FY17, particularly considering our relatively small market share. However, year on year growth in originations will revert to a more sustainable rate. The Company continues to refine its approach to customer credit evaluation for the GoGetta business and we expect that this will yield improvement to portfolio credit performance and increase average contract length during FY17. We believe the general outlook for small business operators in the transport and construction channels remains positive, and our rental offering will become more attractive in an environment of tightening credit from traditional lenders.

SLIDE – CANADA

The Canadian hospitality business performed well for the year delivering \$12 million of originations, more than double that of the previous year. The business ends the year with a rental asset base of \$15 million at cost, and is now delivering a consistent accounting profit each month. This growing business continues to be well supported by suppliers, equipment dealers and industry bodies in the local market and we have set an ambitious origination growth target for FY17. Canada is expected to make a meaningful profit contribution to Group earnings in FY17.

The prospects for our business in Canada are strong and we have accelerated our roll-out strategy to the Eastern Provinces to support our existing dealer and customer base which have national operations. We established our business in Canada at the right time, and expect that growth in the coffee and general hospitality channels will provide tremendous opportunity for us in the coming years.

SLIDE - FINANCIAL POSITION AND CAPITAL MANAGEMENT

We are satisfied with the Company's financial position with net assets increasing to \$129.2 million as at 30 June 2016 and the Company continuing to realise extremely high rates of utilisation - more than 90%, from its rental asset base.

In July 2016, the Company extended available capacity in its senior syndicated banking facility by \$100 million providing the Company with access to \$400 million of senior debt. The facility enables Silver Chef to borrow directly in New Zealand and Canadian dollars and has a staggered maturity profile, which assists in reducing refinancing risk. Establishment of this facility was in line with the Group's long term financing strategy and provides capacity to fund future growth in the Company's rental asset base.

Using capacity in this senior debt facility, the Company redeemed the \$30 million of 8.5% corporate notes which had been on issue since 2012. While break costs after tax of approximately \$1 million were incurred because of the early redemption, the reduced interest rate achieved from the refinancing means the Company will be better off over the period to September 2018 (the original remaining life of the notes).

The Company successfully completed equity capital raisings in October 2015 by way of a share placement and in April 2016 by way of a rights issue, raising a total of \$34 million of additional equity capital. The funds raised were used entirely to fund growth in the Company's rental asset base and were conducted as part of Silver Chef's ongoing capital management strategy.

The Company continues to enjoy the support of its senior lenders and continuously reviews its capital requirements to ensure an appropriate mix and diversity of funding sources. The Company is making good progress in its discussions with several financiers around the application of a wholesale debt funding model to the Company's rental agreements and finance leases. Over time, this is expected to provide access to a substantial pool of capital to support growth, but also a reduction to the group's weighted average cost of capital.

SLIDE – OPPORTUNITY INTERNATIONAL

As many of you are probably aware, Silver Chef has a very strong tie to the charitable organisation Opportunity International. Silver Chef supports Opportunity International through the provision of office space and communication services for their Queensland based staff members. We also support them directly through the numerous fundraising and awareness enhancing initiatives throughout our offices globally. A recent initiative has been engaging our customer network on behalf of Opportunity International and offering to match dollar for dollar contributions made in conjunction with their rental contracts.

To date, Silver Chef in conjunction with the English Foundation and Opportunity International have assisted in excess of 900 thousand people out of poverty, which is well on our way to a target of 1.5 million people by 2020.

SLIDE – STRATEGY AND OUTLOOK

The Company continues to focus on delivering its ten-year strategic plan of which we are currently in our seventh year.

We are very focused on our IT systems and implementing an expanding suite of IT solutions which can improve businesses efficiency and customer experience. During the year, the Company completed the development and testing of phase one of a new application management system. The system will generate substantial internal efficiencies through reduced application processing times and allows direct importing of application information from equipment dealers and finance brokers. The Company has also implemented a variety of third party software solutions which provide additional information to support customer credit evaluation and identify verification. These are essential objectives to continue improving the credit quality of our portfolio.

Our domestic strategy is to promote our flexible financing product under both the Silver Chef and GoGetta brands and support our customers with exceptional levels of customer service. In the overseas markets of New Zealand and Canada, we will capitalise on our growing brand awareness, and continue to educate the dealer network of the benefits of our flexible rental options. We believe there is substantial growth within both markets.

We remain focussed on delivering constantly improving levels of customer service as measured by Net Promoter Score (NPS). Our average for FY16 was 68. This compares very favourably to performance in other sectors, particularly financial services where average NPS performance is 9. In quarter one FY17, the Company is delivering NPS exceeding 70.

At the end of the FY17 first quarter, the business is achieving its acquisition targets and generally performing in line with expectations. On this basis, the Board re-affirms full year net profit after tax earnings guidance of between \$23 million and \$25 million. As usual, there is a significant second half skew to the group's earnings profile as we build momentum in the asset base.

In setting the FY17 earnings target, the Company has also taken a more conservative position in respect of provisioning for bad debts in the GoGetta business. While the Company continues to refine its underwriting processes, the Company believes that additional provisioning against credit risk is prudent in the short term based on significant growth in the GoGetta customer base observed during FY16 and the stage of maturity of that portfolio.

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I would like to finish by thanking the leadership team and all the staff for their considerable efforts over the past financial year.

Attracting and retaining high quality talent within the business has and continues to be one of Silver Chef's key strategic advantages. During the year, a few critical appointments were made which significantly enhanced the depth and capability of the Company's senior executive team.

Robert Phelps was appointed to the Northern Region Executive General Manager role. He has more than twenty-five years of experience in the Financial Services sector, including holding executive roles with two major banks. Robert has a track record of achieving industry leading customer satisfaction levels and creating high performance sales cultures.

Mike Connell has been appointed to the role of Head of People and Culture. He has more than twenty-five years in senior human resource executive roles in infrastructure, rural services and resource based companies both within Australia and Asia.

It is also with great pleasure that I announce that Damien Guivarra has been appointed Chief Executive Officer. At the end of this meeting, I will return to the Non-Executive Chairman role, allowing me to focus more time on the English Family Foundation's philanthropic activities. As you know, the English Foundation and my family are the largest shareholders in the business and I will continue to act in a way which will ensure the best outcome for all shareholders.

Damien was appointed to the role of Chief Operating Officer in October 2015. Over the last ten years he has played an integral role in the growth of the Company holding a variety of sales focussed and operational management roles. Damien previously managed the Northern Region business across both the Silver Chef and GoGetta brands. Prior to joining Silver Chef, he held a variety of national sales and marketing roles. Let me be the first to formally congratulate Damien on his appointment to the role and confirm that the Board is confident in the capability of both Damien and his wider leadership team to continue to deliver on shareholders, staff and stakeholder expectations.

Thank you to my fellow Board members for their wise counsel and hard work. My thanks also to you, the shareholders for your continued support.

It has been a challenging but rewarding journey so far and I believe based on our business model, our value system and our people we can continue to achieve great things. The business is in excellent shape and I am confident that we have the right platform in place to continue to deliver outstanding shareholder value for the next thirty years.

SLIDE – FORMAL BUSINESS

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