SAI Global delivers stronger results

Full Year Results 2015/16

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12 months in – SAI Global FY16 highlights

Financial

↑ 4.1%
GROSS REV
UP 4.1% TO $570.2M

↑ 19.7%
'STATUTORY'
EBITDA

↑ 35.1%
NPAT UP 35.1%
TO $53.1M

↑ 17c
INCREASED FULLY
FRANKED DIVIDEND

13 successive years
of revenue growth

Capabilities

$4M
NEW WEBSITE

$6M
ECOMMERCE
PLATFORM

108
NEW SALES
& MARKETING
RESOURCES

↑ 60.0%
RISK CAPEX INVESTMENT
INCREASE YOY 60.0%

Customer

+15% NPS
VOICE OF THE
CUSTOMER

↑ 4.0%
CROSS
PORTFOLIO SALES

↑ 9.7%
NEW BUSINESS
GROWTH YOY 9.7%

IBM
CDG
FRIDAYS
MONASH
University

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Possible sale of Assurance

- *Valuable asset to SAI Global*
- *Lots of interest in buying this asset*
- *SAI Global well positioned with or without Assurance*

Financial overview

Geoff Richardson

Chief Financial Officer

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Financial performance

A$M	Statutory FY16	Statutory FY15	Change	Underlying[1] FY16	Underlying FY15	Change
Revenue	**570.2**	547.7	4.1%	**570.2**	547.7	4.1%
Other income	**2.3**	(0.2)		**2.3**	(0.2)	
Expenses	**(448.6)**	(444.0)	1.1%	**(441.2)**	(421.1)	4.8%
EBITDA	**123.9**	103.5	19.7%	**131.3**	126.3	4.0%
EBITDA margin	***21.7%***	*18.9%*	***2.8%***	***23.0%***	*23.1%*	***(0.1%)***
Depreciation & amortisation	**(40.1)**	(38.0)	5.5%	**(40.1)**	(38.0)	5.5%
EBIT	**83.7**	65.5	27.9%	**91.2**	88.2	3.3%
Finance costs – net	**(10.0)**	(10.7)	(6.8%)	**(10.0)**	(10.7)	(6.8%)
Associates	**0.2**	0.2		**0.2**	0.2	
Profit before tax	**73.9**	55.0	34.6%	**81.4**	77.7	4.7%
Tax expense	**(20.7)**	(15.4)	34.9%	**(22.7)**	(21.8)	4.0%
Minorities	**(0.1)**	(0.3)		**(0.1)**	(0.3)	
Net profit after tax attributable to shareholders	**53.1**	39.3	35.1%	**58.6**	55.6	5.3%

1. *The underlying basis is an unaudited non-IFRS measure that, in the opinion of the Directors, is useful in understanding and apprising 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.*

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Significant items

A$M	FY16	FY15
Incidental charges relating to potential acquisitions, including Modulo	**1.5**	0.8
Advisory fees relating to potential divestments, including Assurance	**1.5**	-
Restructuring of EMEA operations *(consulting fees, terminations and office rationalisation)*	**3.2**	-
Advisory fees and costs of responding to unsolicited, conditional and non-binding approach	-	5.2
Operational efficiency initiatives *(consulting fees, terminations and office rationalisation)*	-	11.2
Strategy formulation and transformation (consulting fees, temporary resources and other incidental costs)	-	2.6
Winding up of the Canadian defined benefit plan	-	2.4
Other significant charges of a non-recurring nature	**1.3**	0.5
Pre tax total	**7.5**	**22.8**
Less income tax impact	***2.0***	*6.4*
Significant items post tax	**5.5**	**16.4**

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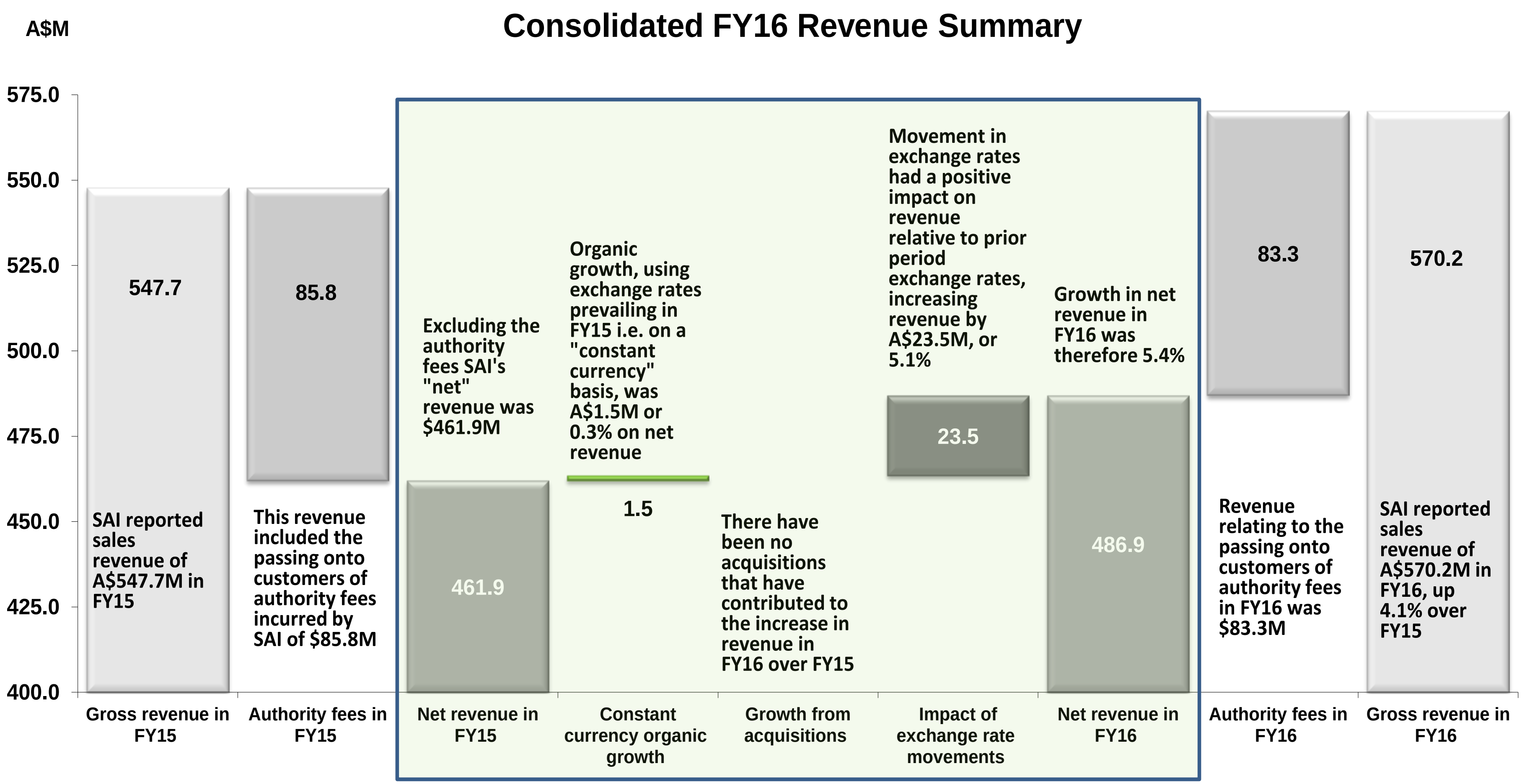
Favourable impact of depreciating A$



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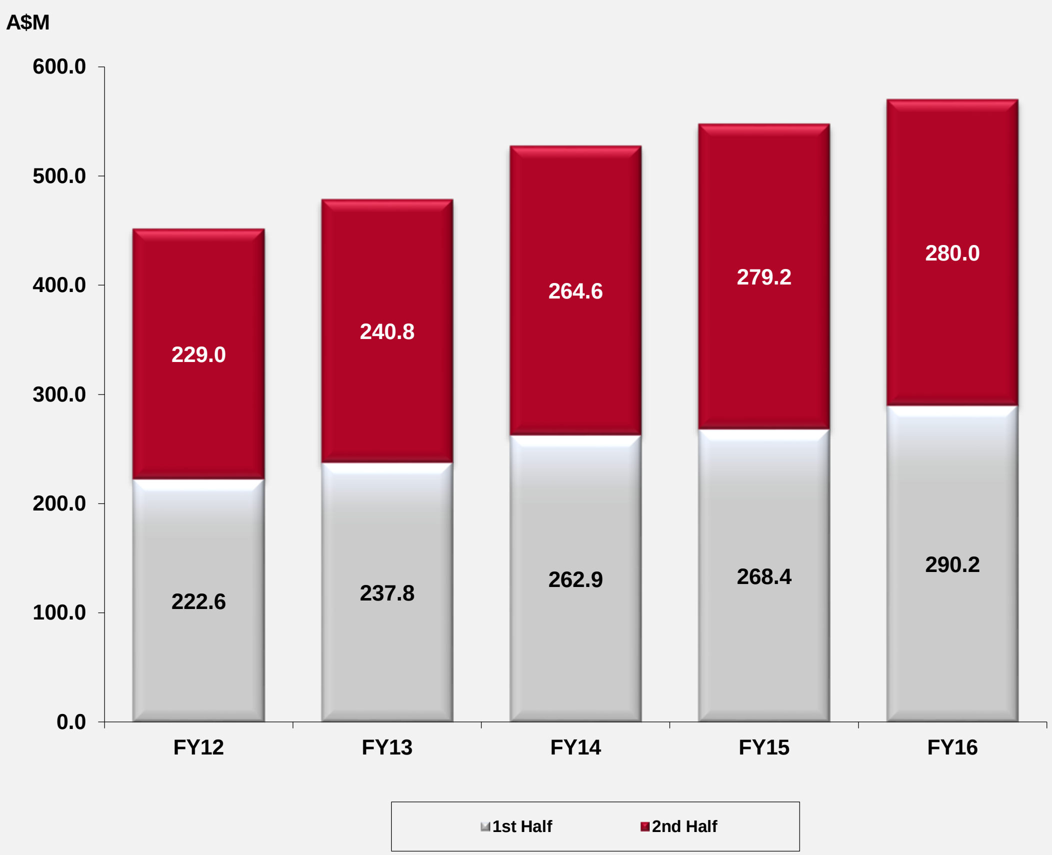
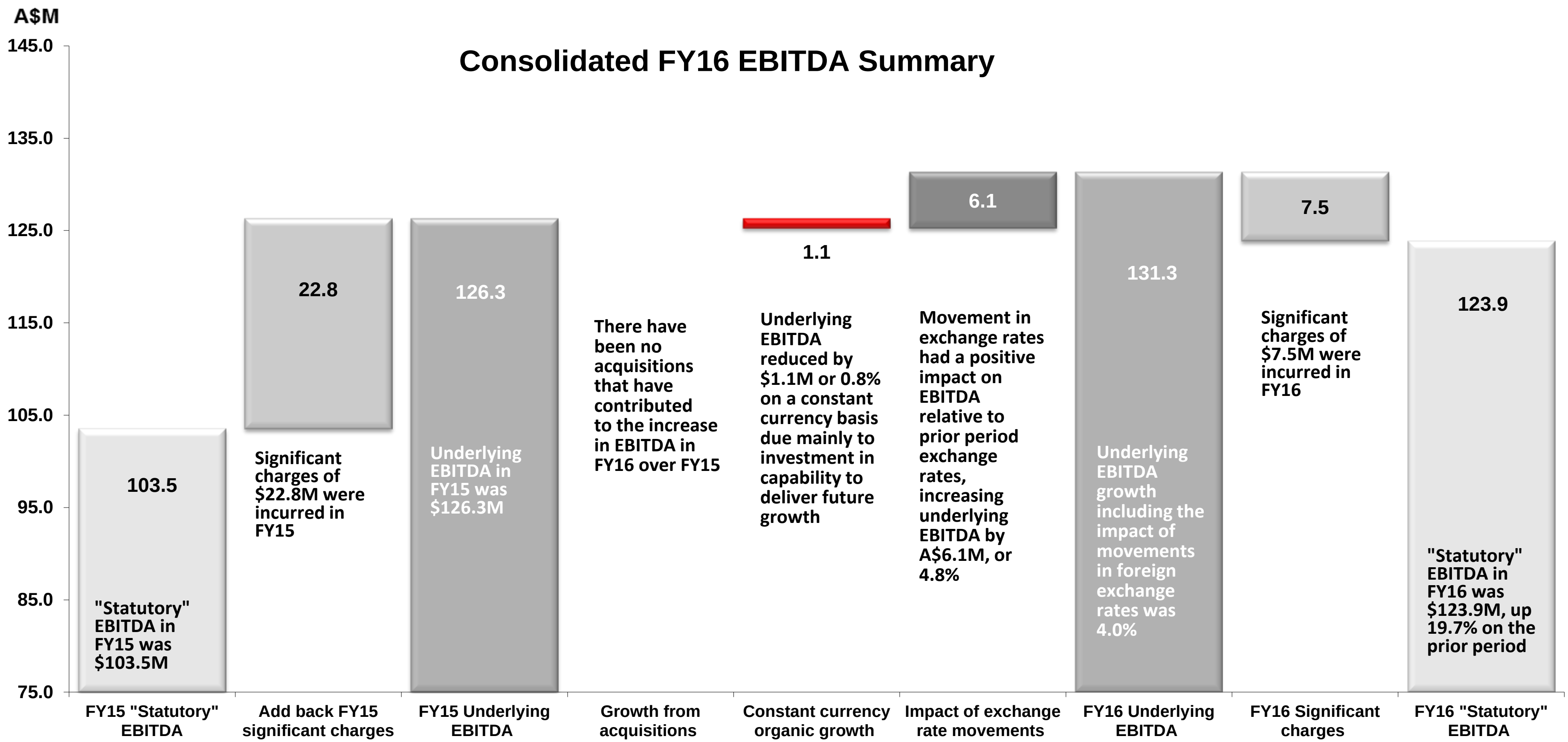
13 successive years of revenue growth



- Revenue growth continued in FY16
- Opportunities to drive stronger growth in future:
  - New organisational structure and investment
  - Acquisition opportunities

"Statutory" EBITDA up 19.7% to A$123.9m



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Regional performance mixed

A$M	FY16	FY15		%	FY16	FY15		%
	As reported				Constant currency[1]			
RMS APAC								
Revenue	**151.6**	152.4	↓	0.5%	**150.4**	152.4	↓	1.3%
EBITDA	**56.6**	55.0	↑	3.0%	**56.6**	55.0	↑	2.9%
EBITDA margin	**37.4%**	36.1%	↑	1.3%	**37.6%**	36.1%	↑	1.5%
RMS EMEA								
Revenue	**81.0**	80.3	↑	0.8%	**77.1**	80.3	↓	4.1%
EBITDA	**3.9**	10.8	↓	63.9%	**4.2**	10.8	↓	60.7%
EBITDA margin	**4.8%**	13.4%	↓	8.6%	**5.5%**	13.4%	↓	7.9%
RMS AMERICAS								
Revenue	**171.3**	149.0	↑	14.9%	**152.9**	149.0	↑	2.6%
EBITDA	**55.2**	47.7	↑	15.8%	**49.3**	47.7	↑	3.4%
EBITDA margin	**32.2%**	32.0%	↑	0.2%	**32.2%**	32.0%	↑	0.2%
PROPERTY (Australia only)								
Revenue	**172.3**	169.7	↑	1.6%	**172.3**	169.7	↑	1.6%
EBITDA	**34.1**	28.7	↑	18.7%	**34.1**	28.7	↑	18.7%
EBITDA margin	**19.8%**	16.9%	↑	2.9%	**19.8%**	16.9%	↑	2.9%

1. FY16 results measured at FY15 average exchange rates

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Product mix and profitability

A$M	FY16	FY15		%	FY16	FY15		%
		As reported				Constant currency[1]		
RMS RISK SOFTWARE								
Revenue	**52.3**	44.5	↑	17.6%	**47.4**	44.5	↑	6.5%
Gross margin %	**85.5%**	81.1%	↑	4.4%	**85.5%**	81.1%	↑	4.4%
RMS LEARNING								
Revenue	**79.3**	71.9	↑	10.3%	**71.5**	71.9	↓	0.5%
Gross margin %	**70.0%**	69.3%	↑	0.7%	**69.6%**	69.3%	↑	0.3%
RMS ASSURANCE								
Revenue	**183.0**	182.9	↑	0.1%	**174.5**	182.9	↓	4.6%
Gross margin %	**50.2%**	52.2%	↓	2.0%	**50.4%**	52.2%	↓	1.8%
RMS KNOWLEDGE								
Revenue	**83.2**	78.7	↑	5.7%	**80.9**	78.7	↑	2.8%
Gross margin %	**69.1%**	72.6%	↓	3.5%	**69.9%**	72.6%	↓	2.7%
PROPERTY								
Revenue	**172.3**	169.7	↑	1.6%	**172.3**	169.7	↑	1.6%
Gross margin %	**33.7%**	31.9%	↑	1.8%	**33.7%**	31.9%	↑	1.8%

1. FY16 results measured at FY15 average exchange rates

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Other financial KPIs

	Statutory	*Underlying*[1]
Earnings per share	↑ 33.9% to 24.9c	↑ 4.9% to 27.6c
Dividend[2]	↑ Up 0.5c to 17.0c	↑ Up 0.5c to 17.0c
Free cash flow	↑ 26.7% to $60.9M	↓ 3.5% to $68.3M
Interest cover	↑ from 9.4x to 11.6x	↑ from 11.4x to 12.3x
Balance sheet gearing	↑ from 33.6% to 32.7%	↑ from 33.6% to 32.7%
EBITDA gearing	↑ From 2.75 to 2.31	↑ from 2.26 to 2.18

1. *The underlying basis is an unaudited non-IFRS measure that, in the opinion of the Directors, is useful in understanding and apprising 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*

2. *Final dividend of 9.5 cents. Ex div date: 30 August 2016. Record date: 31 August 2016. Payment date: 23 September 2016.*

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Balance sheet

A$M	Jun 2016	Jun 2015	Change
Cash	**85.4**	83.9	**1.7%**
Intangibles	**569.9**	583.3	**(2.3%)**
Other assets	**244.5**	250.9	**(2.6%)**
Total assets	**899.8**	918.1	**(2.0%)**
Debt	**286.4**	284.9	**1.0%**
Deferred revenue	**82.4**	86.0	**(4.2%)**
Other liabilities	**116.7**	150.3	**(22.3%)**
Total liabilities	**485.5**	521.2	**(6.8%)**
Net assets	**414.3**	396.9	**4.4%**
Net gearing[1]	**32.7%**	33.6%	**(0.9%)**
Net asset backing	**194.5**	187.5	**3.7%**

1. *Net debt / (net debt plus equity)*

Strategy Update

Peter Mullins

Chief Executive Officer

Delivering on the strategy

1. Customer at the centre

- Introduced Voice of the Customer program
- Implemented new CMS and eCommerce systems
- Increased number and quality of customer facing staff

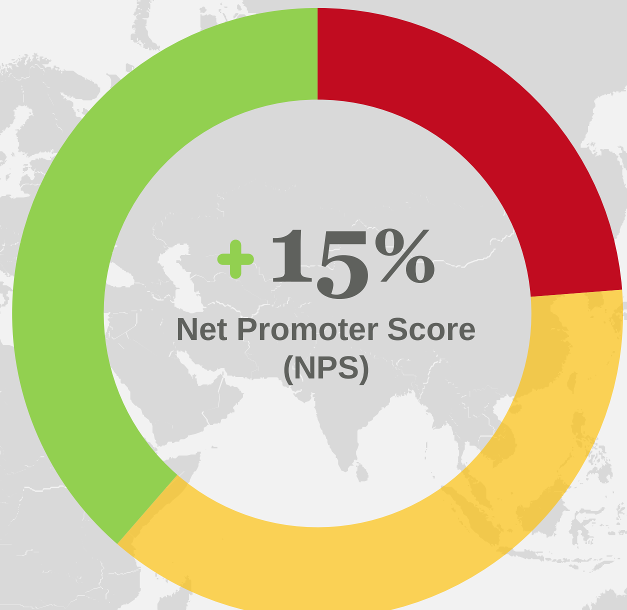
2. Integrate and optimise

- Transformation complete
- Adding analytics capability
- Global system harmonisation
- Outsourced legacy IT

3. Accelerate growth in risk and BPO

- IT GRC acquisition
- Launched 'Intelligent Risk' value proposition
- Accelerated risk product development
- Move into adjacent BPO services

1 *Customer at the centre*



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2 Integrate and optimise

People

- Four stand alone business silos brought into one global structure
- Created a global commercial function for all customer facing activities
- Short term incentives standardised

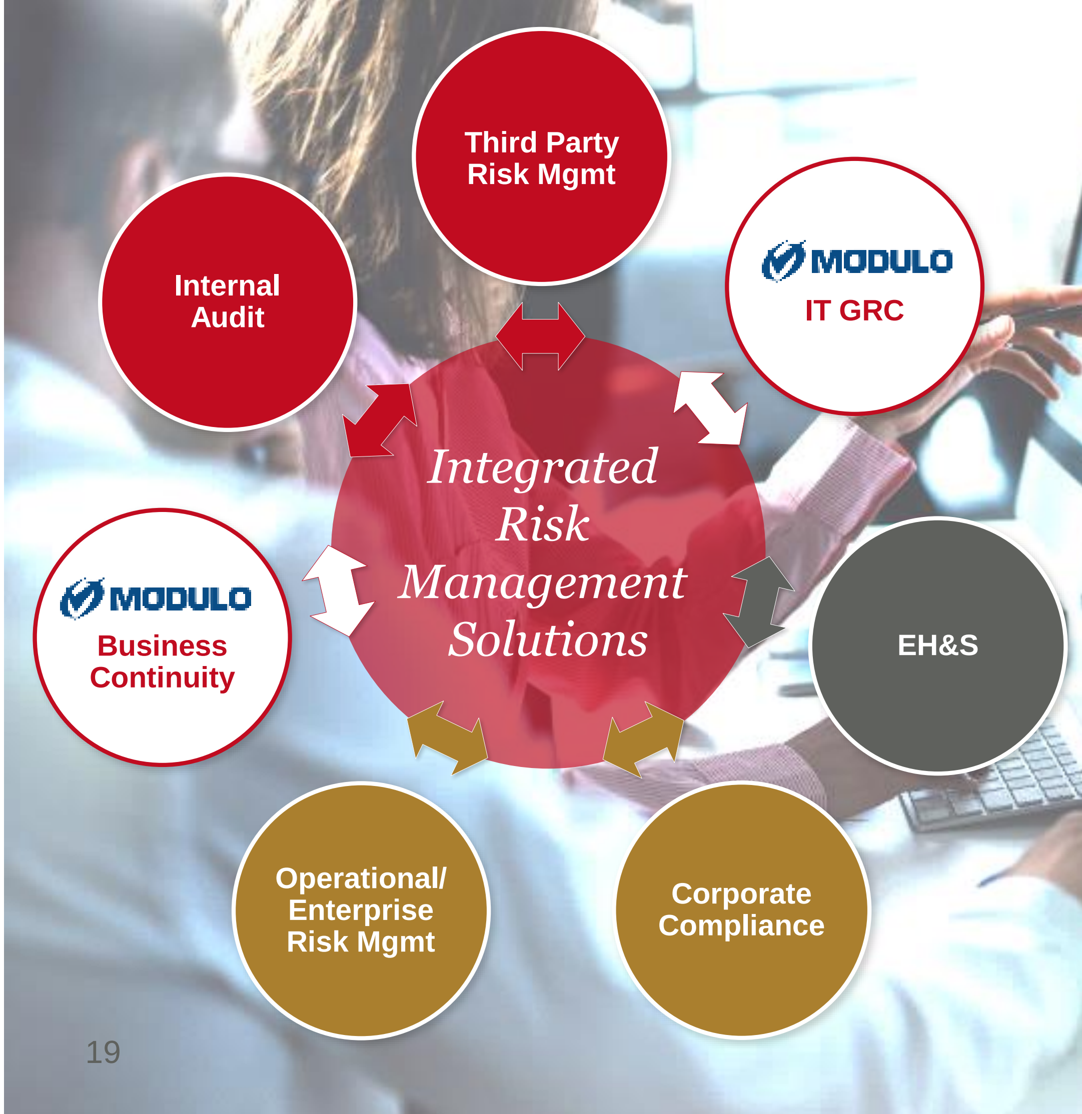
Systems

- Establishment of Business Intelligence and analytics capability
- Managed Service of Legacy applications transitioned to HCL
- Standardised approach to portfolio management
- Agile development approach and tool set introduced
- Application Development Centres consolidated down to 5 from 9
- Enterprise architecture and 3 year roadmap laid out

Processes

- Continued harmonisation of our Audit Management System
- Continued harmonisation of our financial system
- Implemented Enlighten globally for process standardisation and process optimisation

3 Accelerate growth in risk



Investment in the growth risk pillars

Risk investment

1. **Third party risk and Internal Audits additional capability in *data analytics***
2. **Refresh of Enterprise Risk Management with the introduction of a new *ERM Module C360 platform* launching September**
3. **Environmental Health and safety launching in this calendar year *Cintellate Standard Edition***
4. **IT GRC and business continuity acquired**

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3 *Intelligent risk*

At SAI Global, we believe that for organisations to build trust they need an Intelligent Risk approach.

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Market endorsement

OUTSELL

- SAI Global – **One of the 8 vendors to watch**

Gartner

- **Market Guide** for Corporate Compliance Solutions
- **Challenger rating** in IT Vendor Risk Management Quadrant
- **Vendor to consider** for risk management solutions and services

FORRESTER

- **Ranked Leader** in GRC Platform Wave report
- **Forrester Tech Radar solution provider** in EH&S, Compliance training and GRC Platforms

VERDANTIX

- **Challenger** in Green Quadrant for EH&S Solutions
- **Cited in numerous papers and webinars** for EH&S Management

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Property division performance

Performance FY15/16

- **Improved quality**
- **BPO expansion**
- **IB expansion**
- **BPO growth**

Strategy 2017

- **New partnerships to grow**
- **BPO services expansion**
- **Provide eConveyancing tools**
- **Leverage participation**

Outlook

Continued focus on sales and marketing effectiveness in FY17

Further investment in our risk portfolio and BPO business unit

Revenue and profit growth expected

Pursuing investments in our target areas

Q&A

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Appendices

Cash flow

A$M	FY16	FY15	Change
Underlying EBITDA	**131.3**	126.3	4.0%
Less: net financing charges	**10.0**	10.7	(6.8%)
Less: income tax paid	**18.5**	16.9	9.4%
Less: capital expenditure	**34.5**	27.8	23.9%
Free cash flow	**68.3**	**70.9**	**(3.5%)**
Operating cash inflow	**65.9**	80.0	(17.6%)
Add back: significant charges[1]	**12.8**	14.3	(10.2%)
	78.8	94.3	(16.5%)
Add back: net financing charges	**10.0**	10.7	(6.8%)
Add back: income tax paid	**18.5**	16.9	9.4%
Ungeared pre-tax operating cash flows	**107.3**	121.9	(12.0%)
Underlying EBITDA	**131.3**	126.3	4.0%
Cash conversion ratio	**81.7%**	**96.6%**	**(14.9%)**

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1. Cash outflows relating to significant charges booked in current and prior period

Impact of, and Sensitivity to Exchange Rates

	Underlying currency	Australian dollar equivalent	%
Revenue	M	$M	
Australian dollar	303.2	303.2	53.2%
US dollar	106.8	146.6	25.7%
Canadian dollar	20.5	21.3	3.7%
Pounds sterling	27.9	56.6	9.9%
Euro	10.6	15.0	2.6%
Other		27.5	4.8%
Total		**570.2**	100.0%

	Underlying currency	Australian dollar equivalent	%
Underlying EBITDA			
Australian dollar	67.8	67.8	51.6%
US dollar	44.6	61.6	46.9%
Canadian dollar	0.9	0.9	0.7%
Pounds sterling	(2.4)	(4.5)	(3.4%)
Euro	1.5	2.3	1.8%
Other		3.2	2.5%
Total		**131.3**	100.0%

	Underlying currency	Australian dollar equivalent	%
Underlying net profit before tax			
Australian dollar	53.5	53.5	65.7%
US dollar	24.7	34.4	42.3%
Canadian dollar	0.2	0.2	0.3%
Pounds sterling	(6.0)	(11.8)	(14.5%)
Euro	1.6	2.4	3.0%
Other		2.7	3.3%
Total		**81.4**	100.0%

- Favourable impact on FY16 (revenue +$23.5M, EBITDA +$6.1M).
- Australian dollar averaged 0.7283 in FY16, compared with 0.8380 in FY15.
- 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 FY16 currency components of SAI's revenue, underlying EBITDA and net profit before tax.
- These tables can be used to determine an indicative impact on SAI's results of movements in exchange rates.

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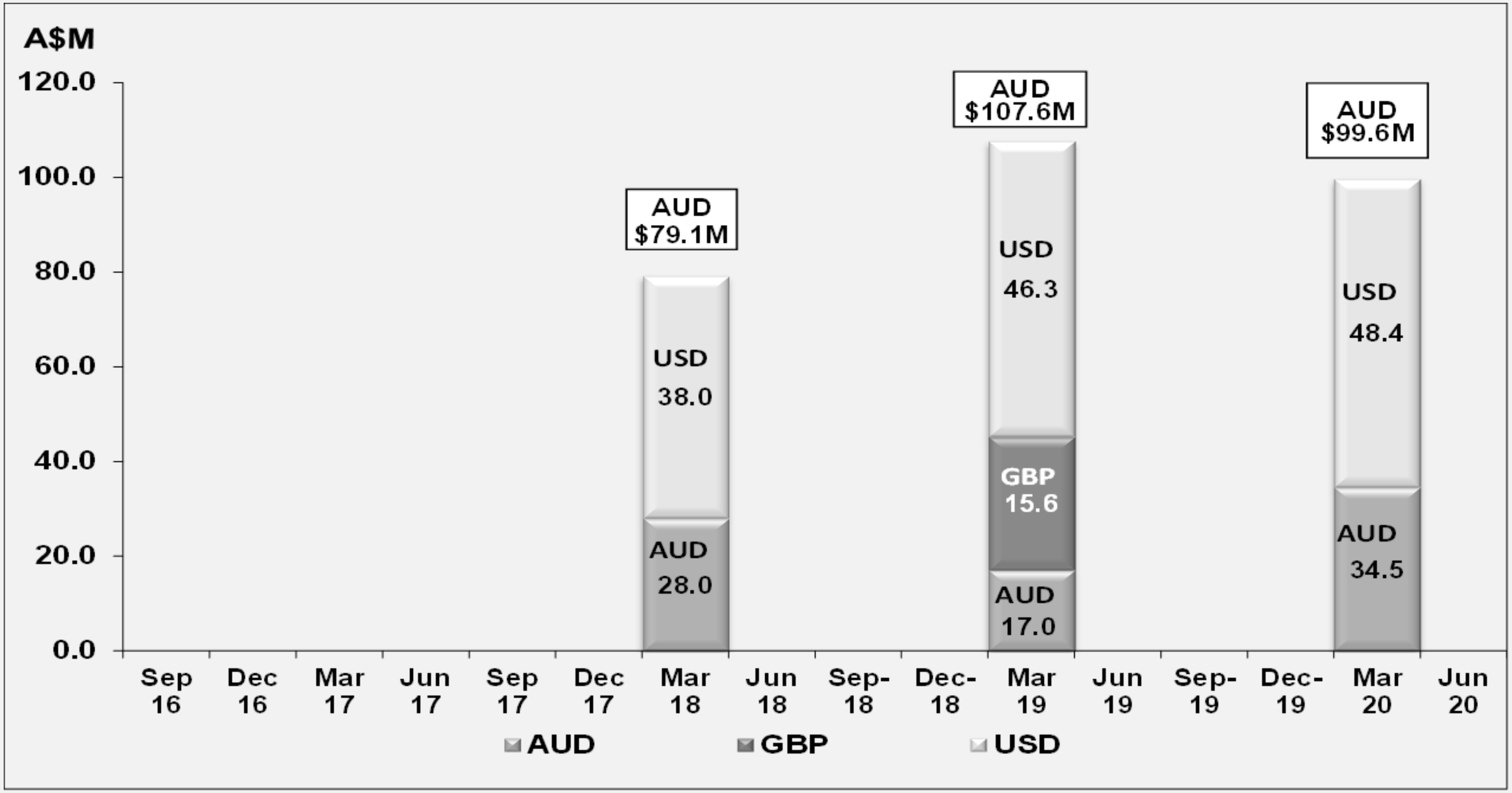
Core debt maturity analysis



- First debt maturity March 2018 quarter
- Weighted average cost of debt currently 3.35%

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