

# SILVERLINING

## SILVER CHEF LIMITED INVESTOR NEWSLETTER

ISSUE 6 | QUARTER 3 2013

# STRONG FIRST HALF RESULT

## NEW LOOK INVESTOR UPDATE

We are making some changes to the format and frequency of our quarterly shareholder newsletters.

We plan to send out a summary of our half yearly and full year results together with commentary from our Chairman and CEO every February and August. This will be very similar to the result announcements released to ASX at these times.

In late May and November each year, we plan to send out two additional newsletters to update shareholders on company events and provide some interesting news on Silver Chef's recent activities and operations. Comments on the new format are welcome. Email [admin@silverchefgroup.com.au](mailto:admin@silverchefgroup.com.au).

In late February, Silver Chef announced a continuation of its solid growth with increases across all key indicators during the first half of the 2013 financial year.

We achieved a record \$5.9 million Net Profit After Tax for the six months to 31 December 2012, representing 41% growth on the previous corresponding period.

Basic Earnings per Share (EPS) increased 21% to 21.9 cents per share, above the guidance provided in December of 20.5 to 21.5 cents per share for the half year.

Silver Chef Chief Executive Officer Charles Gregory said the Group's key operating divisions - Silver Chef and GoGetta - both performed solidly, building on their successes of the last few years.

The Silver Chef hospitality division achieved a 26% increase in first-half revenues to \$35.3 million compared with \$27.9 million during the previous corresponding period. Assets under management were valued

at \$157.0 million (at cost), up from \$122.5 million at 31 December 2011.

The GoGetta division, which provides equipment funding to other industries and is now in its fifth full year, achieved further strong growth. After increasing 79% during the first half of 2011, the division's revenues increased a further 63% during the first half of 2013 to \$17.1 million. Assets under management were \$72.8 million (at cost) up from \$45.3 million at 31 December 2011.

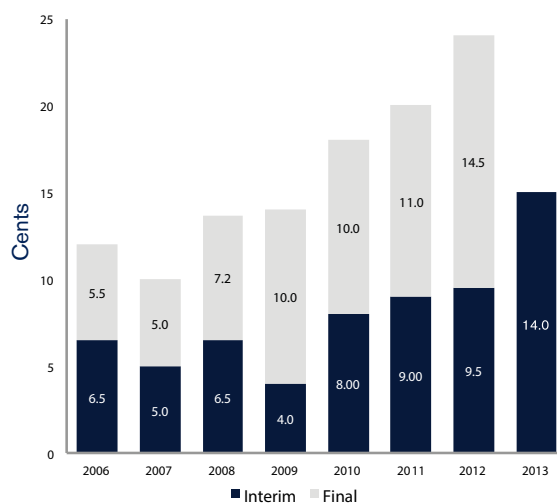
In accordance with the Company's dividend policy, the Board declared an interim fully franked dividend of 14.0 cents per share, 47% growth on the 9.5 cent interim dividend paid in April last year. The interim dividend was paid on 28 March 2013 to shareholders registered on 14 March 2013.

Silver Chef has started the year strongly and will release the full year results for 2013 on Monday 26 August. ☁



SILVER CHEF CEO CHARLES GREGORY

## SILVER CHEF DIVIDEND HISTORY



21%  EPS

41%  NPAT

37%  REV

# Highlights

## 2013

- JAN** Announces assistance measures for customers affected by flooding in Queensland and in northern New South Wales
- FEB** Silver Chef reports continued strong earnings growth with first half NPAT up 41% to \$5.9million
- Announces \$5 million Placement and launch of Share Purchase Plan (SPP) as part of ongoing capital management strategy
- MAR** Non-executive Director Karen Penrose appointed as Deputy Chairman
- Silver Chef added to All Ordinaries Index
- Share Purchase Plan (SPP) completed, raising \$3 million

## 2012

- FEB** Silver Chef delivers another solid profit result for the half year. NPAT up 38.0% to \$4.2 million, rental revenue up 30.0% to \$39.1 million, rental assets (at cost) up 32.0% to \$167.8 million
- GoGetta launches franchise accreditation program to capitalise on the growth in the franchise sector outside of hospitality
- MAR** The Company moves to expansive new home at West End Corporate Park to accommodate growing workforce
- Accelerated non-renounceable rights issue to raise \$10 million announced. Retail offer closes oversubscribed. Institutional offer well supported by existing and new institutional investors
- APR** Website nominated for People's Choice Award for Best Website based on design, functionality and return on investment
- JUN** Chairman Allan English honoured with Queensland Community Philanthropist Award for his support of a range of charities
- Silver Chef ranked number 19 in BRW's Best Places to Work 2012.

# New logo unveiled

Silver Chef has adopted a new term to its corporate nomenclature to reflect the expansion of the business beyond hospitality and the growth of the GoGetta business.



Silver Chef Group is the new umbrella brand and name for the Company and sits above the existing Silver Chef and GoGetta brands. The Company's registered name remains Silver Chef Limited.

The new Silver Chef Group visual identity was achieved with the help of leading brand consultancy Dais. We hope you like it!

# Capital raising completed

The Company continues to fund its growth through a mix of internal cash flows, debt and equity.

Silver Chef has completed a \$5.0 million Placement to institutional investors through the issue of 961,538 ordinary shares and raised \$3 million through a Share Purchase Plan (SPP) open to all shareholders.

The Placement and SPP offer price of \$5.20 per share represented a 5.8% discount to the closing price on 22 February 2013 of \$5.52 and a 10.6% discount to the 5 day volume weighted average price of \$5.82.

Due to oversubscription, scaleback was necessary on the SPP.

Silver Chef Chief Executive Officer Charles Gregory commented: "We are delighted to have received a strong level of support for the Placement and SPP and to welcome several new institutional investors onto our share register."

Mr Gregory said the issue of new equity was consistent with the Company's strategy to maintain a diversified pool of funding. The Company's funding strategy utilises a mix of internal cash flows, debt and equity. It aims to fund approximately 30% of total assets with equity.

The Company recently renewed its debt facility with the CBA with a facility limit of \$110 million and an expiry date of 30 October 2014. The Company also issued \$30 million of senior unsecured unsubordinated corporate loan notes with a maturity date of 14 September 2018.

**"We are delighted to have received a strong level of support for the placement and SPP"**

SILVER CHEF LIMITED  
CEO CHARLES GREGORY

ASX Code	SIV
Listed	5 June, 2005
Total Shares on issue	28,762,745
Share price*	\$7.61
12-month range*	\$8.42 - \$3.09
Market Capitalisation*	\$218 million

\*As at 20 May 2013.



## CLIENT PROFILE: PJ's Steaks



Peppered with American paraphernalia such as a NY number plate and Yankees baseball and flag, it's been just over six months since PJ's Steaks opened on Boundary Street in West End and the quirky restaurant is going strong.

Uncle and nephew duo PJ Chang and James Chung (pictured) have done the near impossible with a start-up – they broke even in the first month. Both put the success down to their unique product offering.

Since his first encounter with Philly cheesesteak, PJ scoured the globe trying to locate the best spot to bring this authentic flavour. From Europe to Asia to New Zealand, PJ finally decided on Australia.

Read the full story on [our blog](#).

## Karen Penrose appointed as Deputy Chairman



During the quarter, Silver Chef appointed Non-Executive Director Karen Penrose to the position of Deputy Chairman.

Silver Chef founder Allan English will continue as Chairman of the Company and there are no other changes to the Board or senior management.

Karen joined the Board of Silver Chef Limited in September 2011 and in August 2012 was appointed the Chairman of the Audit & Risk Management Committee.

She brings significant experience and a high level of expertise in accounting and finance to the role of Deputy Chairman and is also a member of the Finance Committee.

She is currently the Chief Financial Officer and Chief Operating Officer of Wilson HTM Investment Group Ltd. Her previous senior positions include Executive General Manager at Commonwealth Bank of Australia, leading its corporate and business banking divisions. 🐾

## Founder wins leadership award

**“Allan’s business success and contribution to community is as inspiring as his entrepreneurial and innovative thinking,”**

GRIFFITH UNIVERSITY  
BUSINESS SCHOOL DEAN  
MARIE WILSON

Silver Chef founder and Chairman Allan English has been awarded the 2012 Griffith University Medal for Management Innovation in Queensland, recognising his development of the Rent.Try.Buy equipment funding model.

The medal celebrates the achievements of dynamic, pivotal and senior leaders in the business community whose names are synonymous with business innovation.

To present the medal and other awards, the Australian Institute of Management (AIM) hosted a Management Excellence Awards ceremony in Brisbane which was attended by more than 400 people.

At the ceremony, Griffith University Business School Dean Marie Wilson said Mr English deserved the medal because of his invention of Silver Chef's Rent.Try.Buy funding model and his subsequent philanthropy through Opportunity International Australia and the Karuna Hospice.

“Allan's business success and contribution to community is as inspiring as his entrepreneurial and innovative thinking,” Ms Wilson said. “(He has) devised a funding option that enabled small hospitality businesses to procure the equipment they needed, without committing large amounts of capital

Earlier this year, Mr English was awarded Queensland Community Philanthropist of the Year by the Queensland Community Foundation. 🐾



SILVER CHEF FOUNDER ALLAN ENGLISH

# Increased investor market following for Silver Chef

Silver Chef's continued corporate and earnings success is attracting the attention of the broader investment community with two new brokers commencing coverage of the company recently.

The company has enjoyed the support of RBS Morgans and Wilson HTM for some time with regular research reports providing valuable independent insights about the company.

Late last year Sydney-based broking house Ord Minnett initiated coverage with a detailed report by analyst James Lennon. The initial report recommended Silver Chef as 'Buy' with a price target of \$6.17.

Earlier this year Macquarie Securities also initiated coverage with an 'Outperform' recommendation and a price target of \$7.49.

The growth of the company has also been recognised with inclusion in the ASX All Ordinaries Index. The 'All Ords' comprises the 500 largest companies listed on the ASX.

The Company was included in the index as part of the March quarter re-weighting.

Chief Financial Officer David Wilson said the increased interest in the Company was a direct result of the Company's long term performance.

"It is rewarding to be acknowledged for the work we have done over recent times to create a Company which is focussed on growth and providing strong returns to shareholders," he said. 🍷



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### **Directors**

Allan English - Chairman  
Karen Penrose - Deputy Chairman  
Andrew Kemp  
Bede King  
Sophie Mitchell

### **Chief Executive Officer**

Charles Gregory

### **Chief Financial Officer**

David Wilson

### **Company Secretary**

Don Mackenzie

### **Share Registry**

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To find out more about Silver Chef Group's latest innovations and achievements  
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