

Silver Chef Limited Presentation

Morgans Queensland Conference – October 2016



Disclaimer

Silver Chef Limited has not considered the financial position or needs of the recipient in providing this presentation. Persons needing advice should consult their stockbroker, bank manager, solicitor, attorney, accountant or other independent financial or legal advisor.

The presentation includes certain 'forward-looking statements' which are not historical facts but rather are based on Silver Chef's current expectations, estimates and projections about the industry in which Silver Chef operates, and beliefs and assumptions regarding Silver Chef's future performance.

Words such as 'anticipates', 'expects', 'intends', 'plans', 'believes', 'seeks', 'estimates' and similar expressions are intended to identify forward-looking statements.

These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and other factors, some of which are beyond the control of Silver Chef, are difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements.

Silver Chef cautions shareholders and prospective shareholders not to place undue reliance on these forward-looking statements, which reflect the view of Silver Chef only at the date of this presentation. The forward-looking statements made in this presentation relate only to events as of the date on which the statements are made.

Silver Chef will not undertake any obligation to release publicly any revisions or updates to these forward-looking statements to reflect events, circumstances or unanticipated events occurring after the date of this presentation except as required by law or by any appropriate regulatory authority.

1. Company overview

ASX Trading Information

Share Price	16 Oct 15	\$8.85
52-w Trading Range		\$5.64 - \$10.14
Issued Shares		31.6m
Market Capitalisation		\$280.0m
Debt		\$166.0m
Cash / Term Deposits	16 Oct 15	\$2.7m
Enterprise Value		\$443.3m

Major Shareholders (at 14 May 15)

	Shares	Interest
Allan English and Related Parties	9.0m	29.1%
Directors and Staff	1.2m	3.9%
Institutional Investors	9.6m	31.1%
Retail Investors	11.1m	35.9%

Funding Metrics

Gearing (net debt/net debt + equity)	67.7%
Net debt to net rental assets (including receivables)	62.0%
ICR	3.55x

Key performance measures

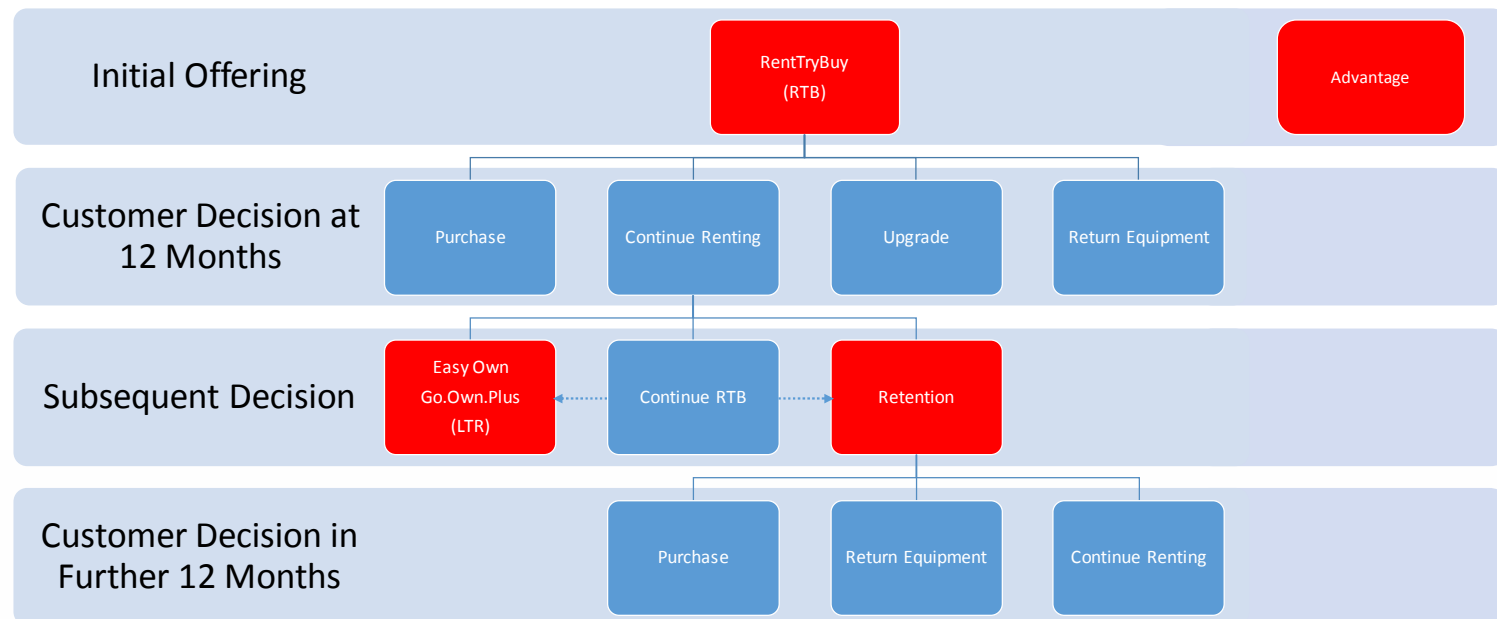
Lost time injury frequency rate	nil
Net promoter score	65

Silver Chef Customer Value Proposition

- Low weekly rental payments
- Frees up working capital
- The ability to 'try before you buy'
- Upgrade at any time
- Minimum 12 month agreement
- Customer receives a 75% net rental rebate if they exercise their option to purchase
- Simple, obligation-free application process



2. Product offering and key features



	RTB	Retention	LTR	Advantage
Length of Contract	12 Months	12 Months	36 Months	48 Months
Operating / Finance Lease	Operating	Operating	Finance	Finance
Typical Rental Rate	5-6% per month	20% Discount off RTB rate	30% Discount off RTB rate	3.5-4.0%
Other Features	n/a	n/a	n/a	6 Months Rent Free; Franchise Only

3. GoGetta – Transport and construction focus

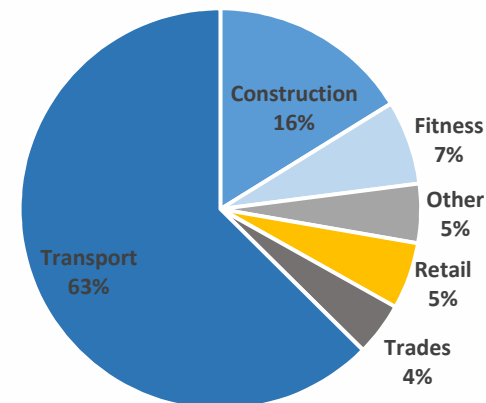
- Focus delivers results
- Transport and Constructions are the focus channels – within Transport, Light Commercial growing strongly
- 95% of business is through finance brokers
- Growth prospects are solid



Key divisional statistics - GoGetta

Employee numbers	49
Rental asset numbers	17,273
Rental asset costs	\$131.6m
Rental asset WDV	\$103.9m
Finance lease receivables	\$14.9m
Average contract life	24 months
Average contract size	\$28,265
Customer numbers	4,654
Finance broker numbers	314

GoGetta rental asset base by sector



4. Hospitality Australia – Growth in a maturing market

- Overall underlying industry growth forecast at 4.3% p.a.
- Continued organic growth through dealer network
- Good growth in franchise & coffee markets
- NZ acquisitions up 22% - another strong year forecast
- Exploring opportunities in Aged Care sector

Key divisional statistics – Hospitality (Australia)

Employee numbers	101
Rental asset numbers	67,734
Rental asset costs	\$191.7m
Rental asset WDV	\$115.9m
Finance lease receivable	\$24.5m
Average contract life	29 months
Average contract size	\$10,601
Customer numbers	9,890
Equipment dealer numbers	1,331



5. Hospitality Canada – Solid platform for growth

- Net profit breakeven expected in FY16
- Presence now in Toronto, expanding national reach
- Suppliers and industry bodies are proactively supporting our entry into that market
- Keeping the brand in the spotlight with support from large franchise groups
- Competition is low



Key divisional statistics – Hospitality (Canada)

Employee numbers	18
Rental asset numbers	2,930
Rental asset costs	CAD \$7.1m
Rental asset WDV	CAD \$6.2m
Customer numbers	546
Equipment dealer numbers	178

	Population ¹	Foodservice Market ²	Total outlets ²
Canada	35 million	\$US63 billion	109,213

1. Source: BIS Shrapnel

2. Source: The Mezzanine Group – Market Research Report (September 2013)



6. Corporate and social responsibility

- Silver Chef is committed to conducting its activities in ways that produce social, environmental and economic benefits for communities in Australia and around the world
- Our largest shareholder is a non-profit foundation that uses its dividend income to support Opportunity International and other charities
- Silver Chef employees internally fundraised \$51,138 in 2015 which the company matched dollar for dollar
- In conjunction with Opportunity International, Silver Chef has managed to fund 537,289 people out of poverty
- Silver Chef Gained accreditation as a B Corporation. B Corporation is validation of a companies commitment to social and environmental responsibility



7. 30 June 2015 Financial Highlights

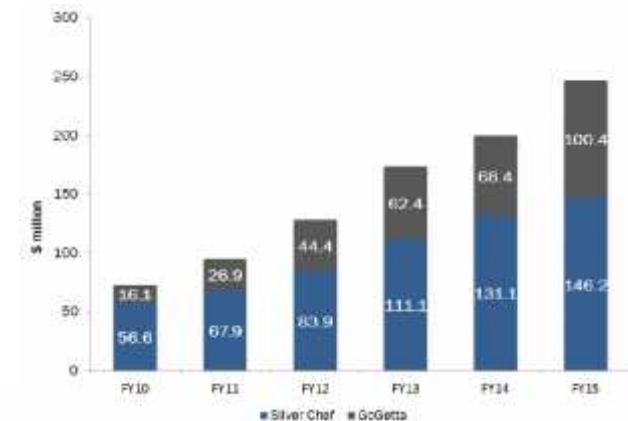
Performance highlights

- Strong growth in EPS and dividend returns on the back of record profit
- Excellent growth in GoGetta rental asset base
- Significant increase in group rental asset base including lease receivables
- Strong performance from Canadian business off a low asset base

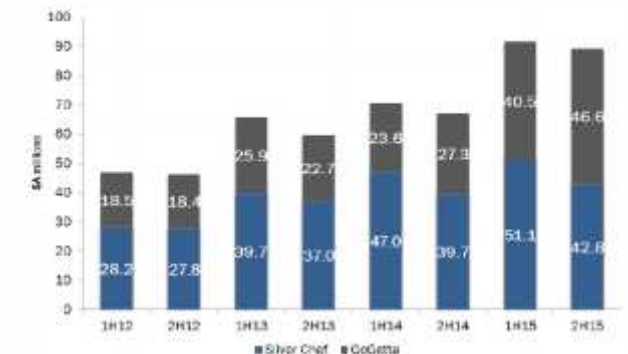
Financials

	FY15	FY14	Change
Revenue (\$m)	171.0	141.3	21%
Rental assets (at cost) and lease receivables (\$m)	358.4	299.0	20%
NPAT (\$m)	15.5	12.7	22%
Net operating cash flows (\$m)	103.2	89.4	15%
Basic EPS	51.9cps	43.4cps	20%
Dividend (fully franked)	36.0cps	30.0cps	21%

Book value of rental assets and lease receivables



Rental asset acquisitions and lease originations



8. Earnings and returns improving



Continued improvement to earnings and return metrics driven largely by better leverage from group overheads

9. Capital management

- 82% of FY15 asset acquisitions funded from internally generated cashflow
- Successfully transitioned SIV from a bilateral business banking facility to a \$300M multi currency syndicated loan structure
- Strong appetite observed from the senior debt market with indicative offers significantly in excess of \$300M final facility size
- Average total margins across 3 and 5 year tranches lower than SIV's historical 2 year bilateral facility costs

Capital Management Strategy

Equity	Debt (Senior)	Debt (Notes)	Debt (Asset Backed Funding)
<ul style="list-style-type: none"> ○ Gross gearing no more than 70% ○ Ongoing investment of operating cashflow into rental asset base ○ Modest equity issuances six monthly linked to any shortfall arising on dividend reinvestment plan take-up ○ Attractive dividend policy to be maintained 	<ul style="list-style-type: none"> ○ Existing bilateral facility with CBA replaced with 5 bank senior syndicated facility ○ Senior syndicated facility provides improved maturity to the group's debt profile and creates substantial headroom to support growth 	<ul style="list-style-type: none"> ○ Existing \$30 million of 8.5% fixed rate redeemed in September 2015 based on NPV of early call feature ○ Company now evaluating benefits of new notice issuance on both average debt cost and average maturity 	<ul style="list-style-type: none"> ○ The company is evaluating next steps to implement ABS in respect of its lease and rental contracts

10. Highlights

- Strong FY15 result continues excellent trend of total shareholder returns
- Excellent domestic growth prospects, particularly in GoGetta channels of light commercial and construction
- Canadian business growing strongly in line with budget
- Recently completed financing transaction provides access to substantial growth capital
- Building a substantial portfolio of long term finance leases
- Quarter 1 performance for FY16 in line with budget

