

MEDIA/ASX ANNOUNCEMENT
28 October 2015

**SILVER CHEF LIMITED
ANNUAL GENERAL MEETING
WEDNESDAY 28 OCTOBER 2015 COMMENCING 10.30AM
EXECUTIVE CHAIRMAN'S ADDRESS
ALLAN ENGLISH**

SLIDE – AGM

SLIDE – CHAIRMAN'S ADDRESS - ALLAN ENGLISH

Good morning ladies and gentlemen and welcome to the eleventh annual general meeting for 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. It is now my great honour to 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, Sophie Mitchell and Patrick Tapper. Bede King is unfortunately an apology as he has unavoidable commitments overseas. Don Mackenzie our Company Secretary is also in attendance. I would like to take a few minutes and introduce our new director Patrick Tapper, who was appointed to the board in July 2015, to fill a vacancy created by Karen Penrose's resignation. Patrick has had over 25 years' experience in the telecommunications, technology, media, and entertainment industries, most notably as Executive Director and Chief Executive Officer of national broadband company, Internode. The Directors and I believe Patrick's skills and experience will be important as the business navigates the rapidly changing IT landscape and identifies opportunities to leverage new technologies to make our business more efficient and competitive.

A number of Silver Chef staff are also in attendance today and will be available after the meeting to meet with you over a cup of tea. We also acknowledge the Company's auditor KPMG and the Company's legal representative McCullough Robertson, who are also in attendance today.

Over the past financial year Silver Chef has continued its impressive track record in delivering revenue and earnings growth. Strong growth in earnings per share has also resulted in increased dividends for its shareholders. But importantly, the Company has continued to make a significant impact on the wider community, initiatives which I am delighted to update you on later in this presentation.

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

SLIDE – OUR BUSINESS

As the Company continues to deliver on its strategy of evolving and expanding both domestically and internationally, Silver Chef remains focused on its core purpose of helping people to achieve their dreams.

The Company has two brands which provide support to entrepreneurs and growing businesses: in the hospitality sector through the Silver Chef brand, and general equipment in the construction and transport sectors 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 sensible approach is to rent the equipment from Silver Chef and once achieving a spreadsheet forecast, then exercise the option to purchase on known information and receive a 75% rental rebate as a deduction from the purchase price.

Both Brands performed strongly during the year, but we are particularly proud of the GoGetta business which grew substantially and cemented its position in the broker market as a reliable form of alternative equipment finance.

The Company has also extended its product range to include a number of more traditional long-term financing options in order to more effectively support its customers during the life of business. This strategy also provides the Company with additional benefits of reducing the number of assets being returned to warehouse facilities and generating a new reliable stream of annuity cash flows. I am pleased to report that in 2015 Silver Chef's lease receivable book grew to \$32 million.

SLIDE – RESULTS SNAPSHOT

Now to our results for the 2015 financial year. Silver Chef reported a record net profit after tax of \$15.5 million for the year, up 22% from the previous year. The total compound growth in earnings per share since the Company's listing is 18%.

The result reflects a 21% increase in revenue, a 20% increase in total rental assets at cost and lease receivables and a 15% increase in our net operating cash flow.

Earnings per share also increased during the year growing by 20% to 51.9cps. This growth enabled the Board to declare fully franked dividends for the year of 36.0 cents per share.

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 20%, bringing the total rental assets at cost and lease receivables to \$358.4 million.

SLIDE – GOGETTA FY15 HIGHLIGHTS AND RESULTS

I'm pleased to announce a record breaking year for our GoGetta division with revenue reaching \$57.4 million, a 31% net increase from the 2014 financial year. Particularly strong markets for the Company were in Queensland and New South Wales as we delivered on our strategy of going deep in the construction and transport sectors. Our focus in these areas has allowed our business development managers to become asset class experts and build long term relationships with the appropriate broker channels. Our unique Rent.Grow.Own product has struck a chord with the 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.

Our strategy to be more focused in two major segments, being transport and construction has paid good dividends. Within the transport sector we have increased our business in the traditional truck and trailer market, but also opened up opportunities within the light commercial sector. The increasing demand for delivery services relating to rising levels of merchandise and wholesale trade has contributed significantly to increased demand for the funding of light commercial vehicles.

SLIDE – HOSPITALITY FY 15 HIGHLIGHTS AND RESULTS

The Company's Hospitality business completed another consecutive year of strong growth with a 16% increase in revenue to \$110.0 million. Despite a maturing domestic market the Company has continued to deliver strong growth in its rental asset base. These results have been delivered on the back of strong underlying sector growth (double that of general retail) but also through continuing to build on our long term dealer relationships and delivering outstanding levels of customer service. We are also

continuing to focus on new hospitality equipment financing opportunities in the franchise and aged care sectors.

SLIDE – CANADA

We are very pleased with the progress our Canadian business made during the course of the 2015 financial year. Currently we are tracking slightly ahead of plan with Canada expected to make a net accounting profit contribution in the 2016 financial year.

New sales offices were established in Alberta and Ontario during the year along with the appointment of a new Franchise Manager to focus on the large franchise sector which we have identified within the Canadian market. We continue to rapidly build our brand in Canada with the support of the equipment dealer network and large franchise customers who recognise the benefit of our flexible product features. We are establishing our business in Canada at the right time, and expect that growth in the coffee and both independent and franchise restaurant sub-sectors will provide tremendous opportunity for us in the coming years.

Our New Zealand business also performed very strongly during the year, doubling its previous year's profit contribution. With the newly established customer service division and office in Auckland we have the infrastructure and staffing to support the next level of growth expected out of New Zealand in 2016.

SLIDE - FINANCIAL POSITION AND CAPITAL MANAGEMENT

We are satisfied with the health of the Company's financial position with our Net Assets increasing to \$84.0 million as at 30 June 2015. As already noted, we have seen strong growth in our lease receivables book increasing during the year.

In August 2015 the Company announced the establishment of a new \$300 million syndicated banking facility. The new facility creates a staggered debt maturity profile with \$175 million maturing over a three year period and \$125 million maturing over a five years. The facility has a number of key benefits for the business including the reduction of pricing and the increased capacity to fund future growth. The facility also enables the Company to borrow directly in New Zealand and Canadian dollars assisting in the mitigation of foreign exchange risk and minimising interest withholding taxes. Using excess debt capacity created through the refinancing, the Company redeemed the \$30 million of 8.5% corporate notes which had been on issue since 2012. While break costs were incurred as a result of the early redemption, the reduced interest rate achieved from the refinancing means the Company will be better off over the remaining four year life of the bonds.

The Company intends to restrict group gearing to a maximum of 70% and will continue to apply a conservative approach to managing the group's capital position. To this end, we continue to operate the dividend reinvestment plan which allows shareholders to reinvest at a 5% discount to the market price at the time. We also undertook two small placements in calendar 2015, the funds from which were used substantially to cover the dividend reinvestment plan shortfall. The placements were well supported by institutional investors.

SLIDE – DELIVERING SHAREHOLDER VALUE

The Company continued to deliver excellent value to its shareholders in respect of both dividend returns and growth in the Company's earnings per share. We are confident that this trend can continue and we will be able to leverage operating cost and financing efficiencies to improve net margins and shareholder returns.

SLIDE – CORPORATE SOCIAL RESPONSIBILITY

For many years the Company has won awards for Employer of Choice and Great Places to work. Silver Chef continued to distinguish itself as an employer of choice through expanding its focus on

Corporate and Social Responsibility objectives during the year. The Company is serious about making a difference to its stakeholders and the wider community, and conducting its activities to the highest levels of social, environmental and economic sustainability.

During the year Silver Chef gained accreditation as a B Corporation. As a B Corp we have been through a rigorous external review of the whole business, our products, our people, values, governance and sustainability along with social purpose. We join over 1,400 companies in 41 countries who have gained certification. In an increasingly competitive and socially conscious employment and investment market, we believe that the B Corp accreditation will allow the Company to continue to attract great talent but also provide a greater alignment with our wider stakeholder network. We believe a growing number of investors seek to invest in companies that explicitly create value for both the shareholders and society.

As many of you are probably aware, Silver Chef has a very strong tie to the charitable organisation Opportunity International. Silver Chef supports Opportunity in a number of different ways. We offer them 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 and offering to match dollar for dollar contributions.

To date, Silver Chef in conjunction with the English Foundation have assisted 520 thousand people out of poverty.

SLIDE – STRATEGY AND OUTLOOK

The Company continues to focus on delivering its ten year strategic plan of which we are currently in the sixth year. We are focused on our IT systems and infrastructure, as we look to ensure we stay up to date with the latest technologies which can improve the businesses efficiency and customer experience.

The Hospitality strategy is to continue to focus on moving high performing customers into long term financing agreements as well as continuing to grow market position within Australia at sustainable rates. There is no doubt that delivering ongoing growth rates to the domestic hospitality business will become more challenging based on our significant market share and increased level of competition from other financiers particularly while wholesale funding costs are low. We are confident however that our brand proposition and strong relationships with dealers and customers will allow us to continue to deliver growth.

The GoGetta strategy is to remain focused on delivering strong sector focused growth particularly within the transport and light commercial sectors. While the GoGetta product has a slightly lower margin than hospitality, we believe that our growth prospects in the construction and transport sectors are significant and compelling.

In the overseas markets of New Zealand and Canada, we will capitalise on our growing brand awareness, and continue to educate the dealer network as to the benefits of our flexible rental options. We believe there is substantial growth within both markets and the Company will aim to exploit this during the 2016 financial year.

FY15 was a strong year for the business where we delivered 20% growth on prior year earnings per share. Management's strategy is to build a business which can continue to deliver year on year growth in underlying earnings in that range. At the end of quarter 1, the business is achieving its acquisition targets and the business is generally performing to expectations. On this basis, the Board expects full year underlying net profit after tax of between \$18.5 million and \$19.5 million which is determined before taking into account a one-off non-recurring charge of \$0.98 million after tax associated with the early redemption of the 8.5% fixed rate notes. While an impost on FY16 earnings, the funding savings from

early redemption of the notes over the forthcoming periods will deliver improved earnings to the business.

As usual, there is a significant second half skew to the group's earnings profile as we continue to build momentum in the asset base, particularly in the GoGetta business. Given strength in the GoGetta acquisitions year to date, this skew is likely to be greater in FY16.

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I'd like to finish by thanking the leadership team and all the staff for their considerable efforts over the past financial year. I have thoroughly enjoyed my time back in the Company and look forward to the next exciting part of the Silver Chef journey.

As some of you may be aware, a long-term strategy for the business has been acquiring and developing high quality staff members with a personal commitment to achieving growth. We have been very successful with this over the years for a number of key reasons. These include the upholding of an amazing organisation culture, providing career growth through our Silver Chef University program, providing high quality office facilities and amenities, providing competitive remuneration, as well as providing a social purpose link for our employees beyond their day to day responsibilities. The ongoing investment in our people continues to yield excellent results for the business, the most pleasing of which is our consistently high net promoter score. Our NPS is consistently above 60, with the majority of other financial service providers below 20.

It is my pleasure to formally announce the appointment of Damien Guivarra as the Company's Chief Operating Officer. Damien has been with the business for ten years and has acted in a variety of roles within the business, including most recently the Executive General Manager of the Northern Region business across both the Silver Chef and GoGetta brands. Damien's wealth of experience, in particular in the areas of sales and marketing, will be critical to the group's ongoing success and we congratulate Damien on his appointment to that position.

This restructuring of the senior executive team will allow me to gradually scale back my day to day involvement with the business. My intention is to remain Executive Chairman for calendar 2016 with Damien taking on increased day-to-day operational responsibility for the business and re-evaluate my executive involvement at the end of calendar 2016. 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.

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.

SLIDE – FORMAL BUSINESS

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