

Silver Chef Limited



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Operational Strength & Stability

- Commercial long term rental of profit generating assets - 29 months
- Strong operating cash flows - \$ 2 to \$ 3m per month and growing
- Organic growth strategy deploying one solution through two core brands
- Effective risk and asset management - low bad debts & used assets remarketed
- Predictable future revenue streams - 74% of this years income contracted
- Strong Return on Equity – 25%

★ *Proven Track Record*

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2009 Highlights

20% - increase on rental income to \$34.9M

16% - increase in operating cash flow to \$20.5M

25% - return on shareholders funds (from 22% in 2008)

14 cents - fully franked dividend – for the June 09 financial year

36% - growth of NPAT to \$3.6M (assisted by income tax allowance on rental assets purchased)

★ *Sustainable Growth*



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Overview

- Established 1986 - IPO 2005
- Rent-Try-Buy rental program
 - 12 month term
 - 75% Rebate
 - Purchase or continue to rent

★ *Established Product*

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Key Metrics

7,000 - rental contracts

\$10,161 - average contract

<1% - largest client / rental income

450 - dealers in Hospitality

85 - vendors in GoGetta

High Growth	Low Risk
✓	✓
	✓
	✓
✓	✓
✓	✓

High Growth – Low Risk



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Hospitality Division – Silver Chef

\$33.3M - acquisitions,

\$76.6M - assets at cost on rental

>400 - dealers nationwide

✓ - dealer incentive program supporting acquisition growth

>200% - increase in clearance figures, quality and control since launch of

Wacol Service Facility for used assets

High Growth – Low Risk – 23 Years!

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Commercial Equipment Division - GoGetta



19% - over budget est. for Acquisitions, to \$8.036M

✓ - penetrated multiple industries including compressors audio & lighting,
and construction

85 - Vendors appointed to date

47 - Finance Brokers appointed to date

✓ Established a nationwide sales team

Developing Growth Opportunity – Same Model

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Risk Management



- Security Bonds
- Weekly Rentals
- Smart Numbers – DDR Defaults and settlement ratio
- Remarketing of ex rental Assets
- Credit Analyst

Low, well managed risk

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Financial Highlights



- Strong 5 year growth
- Revenue, NPAT and Margin growth
- Assets under management & cash flow growth
- Shareholder value growth – increased EPS & Dividends

Demonstrated Ability

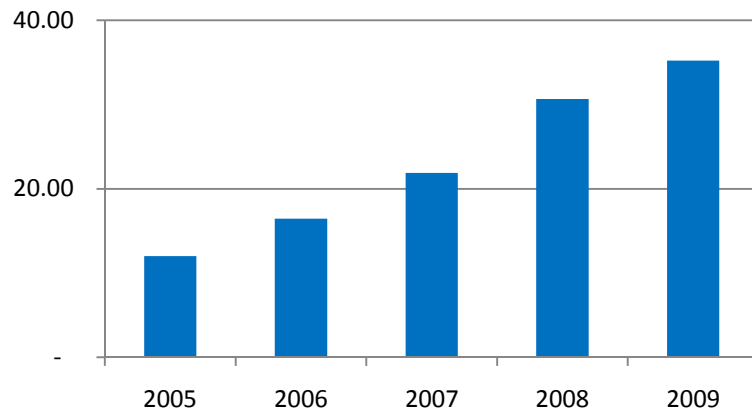
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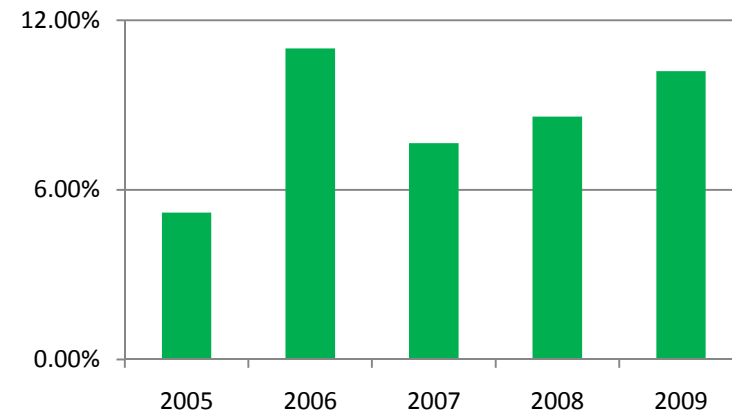
Financial Highlights – Profit



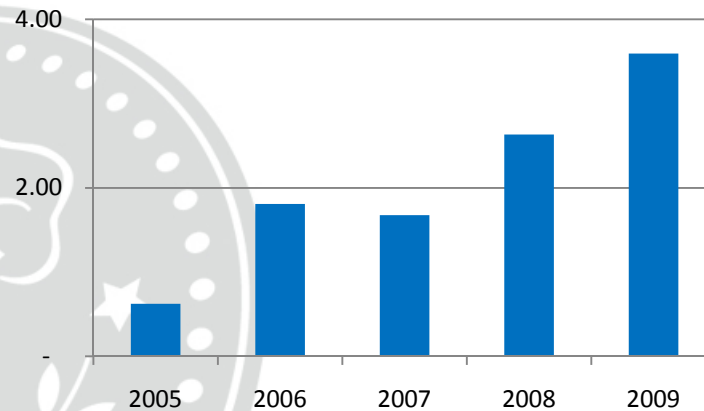
Revenue - \$m CAGR 31%



Net Margin CAGR 18%



NPAT - \$m CAGR 55%



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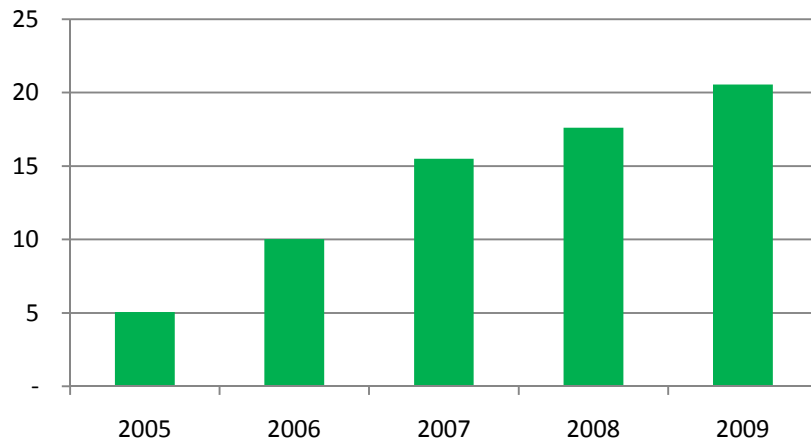
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Financial Highlights – Cash flow & Assets



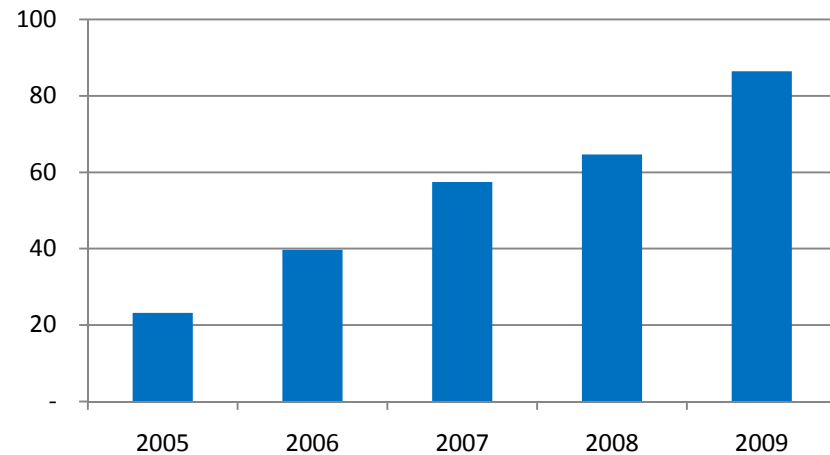
C/Flow From Operations - \$m

CAGR 42%



Rental Assets - \$m

CAGR 39%



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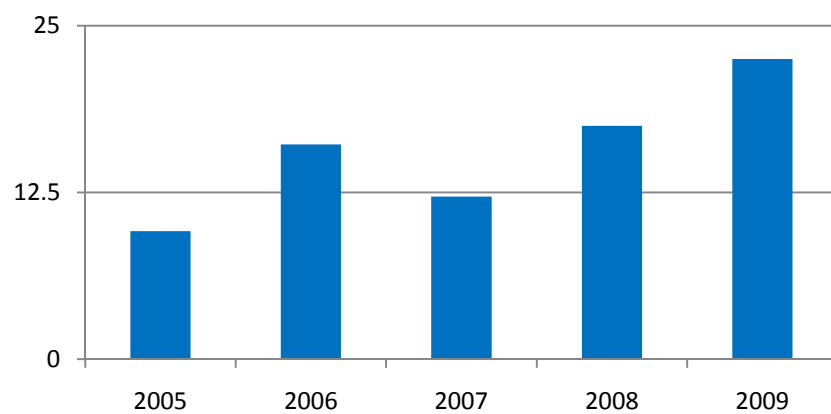




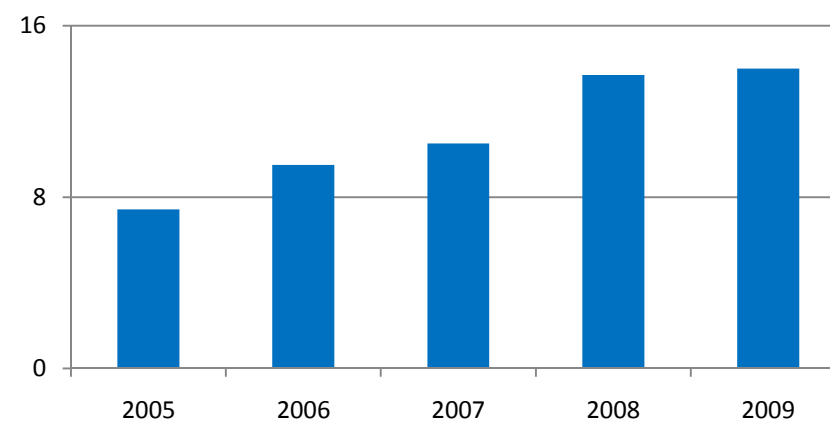
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Shareholder Value

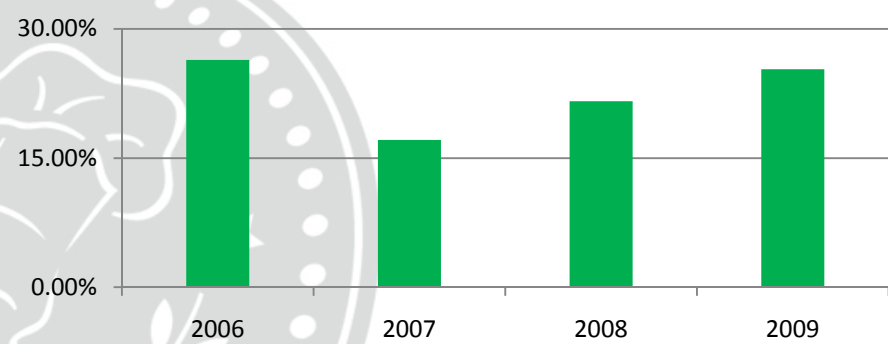
Earnings Per Share cents



Dividends Per Share cents



Return on Average Shareholder Funds



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Key Strengths

- Weekly payments
- Security bonds
- Low bad debts, Critical Supplier, Diversified Customer and Distribution base
- Resilient model in challenging economic climate
- Remarketing ability of Used Assets – Online, Auctions, Dealers, Direct
- Strong returns on rental assets employed,
- Predictable - 74% annuity style income

Why the model works

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Outlook

- Hospitality – Increase market share due to credit squeeze
- GoGetta – point of difference
- EPS growth to 23 cents after dilution
- Key drivers for growth
 - Dealer incentive program to maximise sales
 - Wider distribution channels from our GoGetta Vendors
 - Finance Broker accreditation
 - Broader credit environment

Familiar, Predictable future

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Funding



- Current business volumes can support \$40M in acquisitions
- Share issue being investigated
- Bank clubbing
- 2 years to run on BankWest facility
- Dividend reinvestment plan to be introduced
- Demonstrated ability to source capital to fund growth

Funding our potential growth

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Conclusion



- We are a long term rental company
- Strong forecast growth - RTB model through two core brands
- Certainty of future rental streams
- Demonstrated, good investor returns.



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Appendices

- Detailed profit and loss
- Detailed Balance Sheet
- Detailed Cash flow statement



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Appendix 1 – Detailed Profit and Loss



Extract from Silver Chef Ltd Annual Report 2009 Income Statement

	June 09 \$000	June 09 \$000
Revenue	35,221	30,659
Expenses	(27,544)	(22,480)
Profit/(loss) on sales of non current assets	(544)	(575)
Change in fair value of investment property	(322)	(111)
Change in fair value of derivative financial instruments	217	-
Finance costs	(3,097)	(3,699)
Profit before income tax expense	3,931	3,794
Income tax expense	(339)	(1,160)
Profit after income tax expense	3,592	2,634

Appendix 2 – Detailed Balance Sheet



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Extract from Silver Chef Ltd Annual Report 2009		
Balance Sheet		
	June 09	June 09
	\$000	\$000
Current assets		
Cash and cash equivalents	504	2,526
Trade and other receivables	3,127	2,584
Tax receivables	207	-
Investment property held for resale	270	-
Other assets	124	110
Total current assets	4,232	5,220
Non-current assets		
Investment properties	6,182	5,410
Property, plant and equipment	57,375	41,386
Intangibles	794	1,070
Deferred tax asset	931	468
Derivative financial instruments	535	-
Equity accounted investments	-	1
Total non-current assets	65,817	48,335
Total assets	70,049	53,555
Current liabilities		
Trade and other payables	12,208	10,069
Other financial liabilities	15	2,204
Tax liabilities	-	1,112
Derivative financial instruments	318	-
Provisions	211	111
Total current liabilities	12,752	13,496
Non-current liabilities		
Other financial liabilities	42,076	26,758
Provisions	113	88
Total non-current liabilities	42,189	26,846
Total liabilities	54,941	40,342
Net assets	15,108	13,213
Equity		
Share capital	9,392	9,310
Retained earnings	5,716	3,903
Total equity	15,108	13,213

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Appendix 3 – Detailed Cash Flow Analysis



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Extract from Silver Chef Ltd Annual Report 2009
Statements of Cash Flows

	June 09 \$000	June 09 \$000
Cash flows from operating activities		
Receipts from customers	40,886	32,503
Payments to suppliers and employees	(16,105)	(9,413)
Finance costs paid	(2,282)	(3,492)
Interest received	75	192
Income taxes paid	(2,121)	(1,417)
GST recovered/(paid)	92	(769)
Net cash flows from operating activities	20,545	17,604
Cash flows from investing activities		
Payments for property plant and equipment	(41,173)	(23,591)
Proceeds from sale of property plant and equipment	8,467	7,478
Payments for investment properties	(1,032)	(1,456)
Proceeds from sale of investment properties	-	1,517
Payments for intangibles - software	-	(149)
Net cash flows from/(used in) investing activities	(33,738)	(16,201)
Cash flows from financing activities		
Proceeds/(repayment) of secured loans and finance leases	14,726	1,401
Proceeds from share issue	-	1
On market share buyback	(285)	-
Repayment of convertible notes	(1,491)	-
Payment of dividend	(1,779)	(1,690)
Net cash flows from/(used in) financing activities	11,171	(288)
Net increase/(decrease) in cash held	(2,022)	1,115
Cash at beginning of year	2,526	1,411
Cash and cash equivalents at end of year	504	2,526

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Thank you.



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