



SILVER CHEF LIMITED (SIV)



FY12 Results Investor Presentation

7 September, 2012

Charles Gregory, Chief Executive Officer

David Wilson, Chief Financial Officer



Agenda

About Silver Chef

FY12 Financial Highlights

Risk Management

Funding

Outlook

12 months to 30 June, 2012

1. ABOUT SILVER CHEF

Company Overview

- Established 26 years ago by Chairman and major shareholder, Allan English.
- Listed on ASX in 2005.
- More than 120 employees across Australia and New Zealand.
- Provides equipment funding solutions under two brands: Silver Chef and GoGetta
- A proven, rental-based equipment funding model that is well suited to the needs of small business.
- More than 12,000 rental agreements currently in place.
- Highly risk aware with proven, well-managed credit and residual asset risk systems.
- Voted by employees as the 19th best place to work in Australia.
- Corporate sponsor of Opportunity International



Business Model – Simple, Predictable & Sustainable

- Rental assets only acquired for specific rental contracts
- Standard rental charged weekly by direct debit in advance
- Minimum 12-month contract for customers provides recurring income
- At the end of the contract, customer either purchases, returns, upgrades or continues renting
- Low average contract value reduces risk and exposure



Business Model – Simple, Predictable & Sustainable

Silver Chef (Hospitality)



- Freedom. Flexibility. Options.
- Offers funding for all types of restaurant and catering equipment through standard contracts.
- Supports businesses big or small, old or new, in Australia and New Zealand.
- Customer Value Proposition:
 - Low weekly rental repayments.
 - Frees working capital.
 - The ability to 'try before you buy'.
 - Upgrade at any time
 - Short term (12 month) agreements
 - Rental payments are 100% tax-deductible.
 - Renting is off 'balance sheet', meaning it doesn't affect clients capacity to borrow for future expansion.
 - Simple, obligation free application process



Business Model – Simple, Predictable & Sustainable

GoGetta



- Freedom. Flexibility. Options.
- Provides funding for commercial equipment requirements of businesses large and small.
- Target sectors include fitness, butchery and construction.
- Business-friendly terms which acknowledge the challenges most businesses have in managing working capital.
- Targets
- Customer Value Proposition:
 - Low weekly rental repayments.
 - Frees working capital.
 - The ability to 'try before you buy'.
 - Short term (12 month) agreements
 - Long term 36 month rental available
 - Rental payments are 100% tax-deductible.
 - Renting is off 'balance sheet', meaning it doesn't affect clients capacity to borrow for future expansion.
 - Simple, obligation free application process



FY12 Results Overview

	(\$m)	30 June 2012	30 June 2011	Change
Rental income		84.0	62.7	↑ 34%
Rental assets at cost		185.4	141.3	↑ 31%
Net profit before tax (NPBT)		13.1	9.7	↑ 35%
Net profit after tax (NPAT)		9.0	6.7	↑ 34%
Operating cash flow		56.4	43.5	↑ 30%
Basic EPS		37.4 cps	29.7 cps	↑ 26%
Total dividend		24 cps	20.0 cps	↑ 20%

FY12 Earnings – Key Drivers

Organic Growth

- Both customer brands - Silver Chef (Hospitality) and GoGetta - delivered organic growth in Australia with rental asset acquisitions at cost in FY12 of \$93.0 million, up from \$66.7 million in FY11.

Resilient Markets

- The retail sub-sector that Silver Chef funds equipment into, namely cafes and takeaways, has proved resilient in the current economic environment.

New Markets

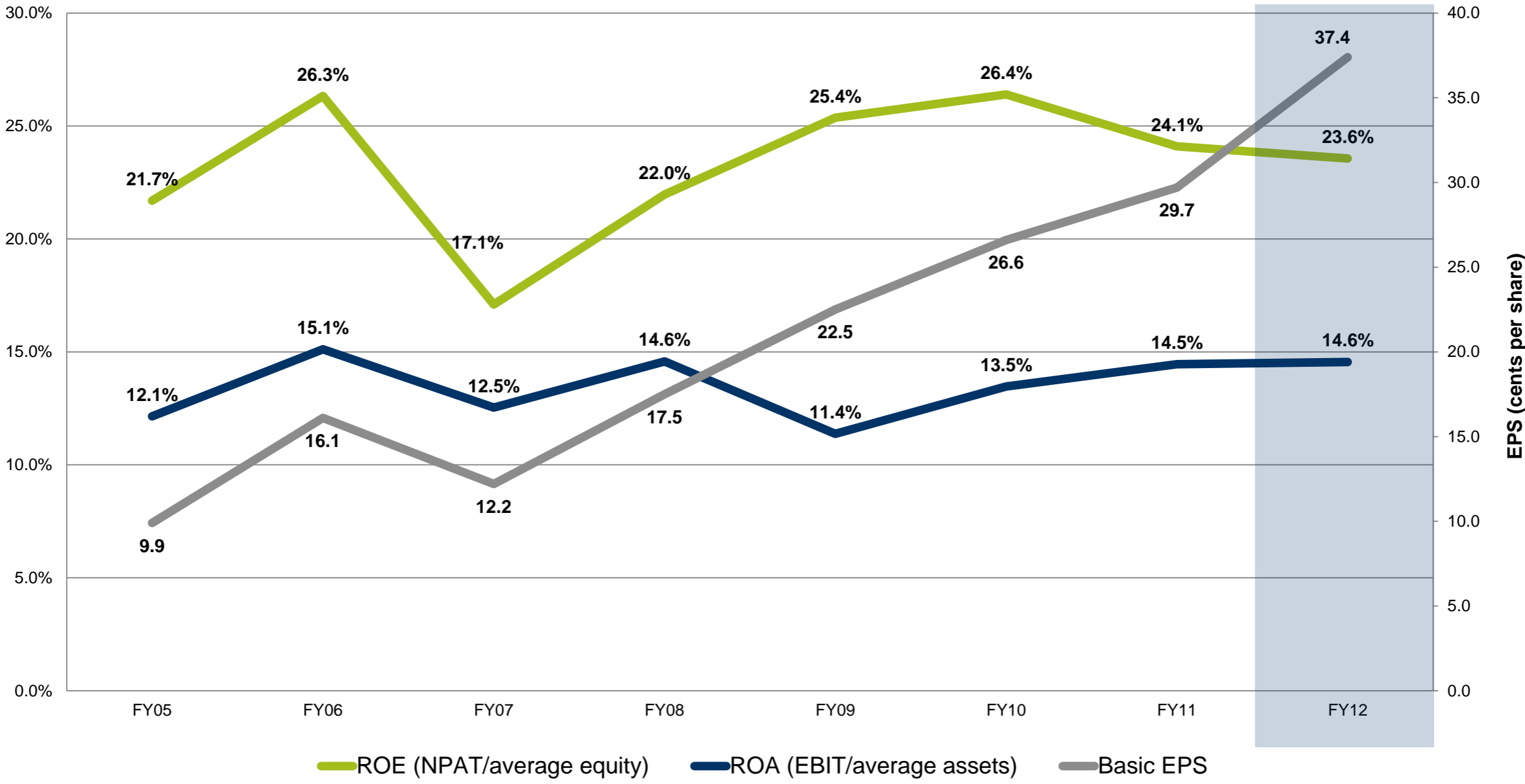
- Brands successfully grew into new sub-sectors within the food retailing sector, most notably food outlets in the franchise sector where the company financed over 100 franchise groups and acquired more than \$11 million in rental assets.
- Over \$1m of assets funding in the first few months of entering the New Zealand hospitality equipment market.

New Products

- Go.Own.plus – GoGetta long term rental product launched – customer take up encouraging.



Building Value – Total Shareholder Returns



Building Value – Key Metrics

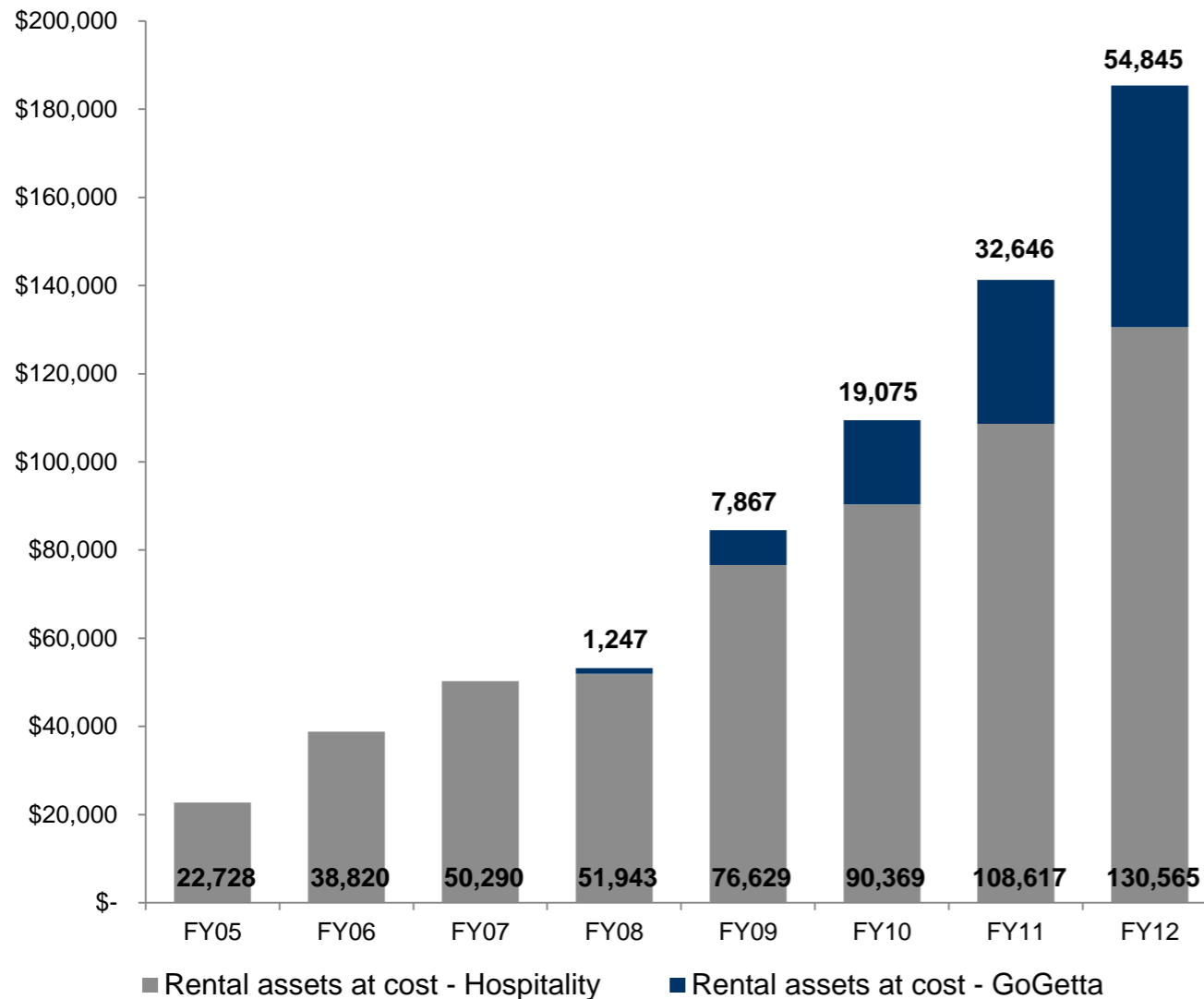
	CAGR Since listing	Change FY 11 v FY 12
Rental income	↑ 37%	↑ 34%
Rental assets at cost	↑ 35%	↑ 31%
Net profit before tax (NPBT)	↑ 42%	↑ 35%
Net profit after tax (NPAT)	↑ 41%	↑ 34%
Operating cash flow	↑ 41%	↑ 30%
Basic EPS	↑ 21%	↑ 26%
Total dividend	↑ 12%	↑ 20%

12 months to 30 June, 2012

2. FINANCIAL HIGHLIGHTS

Financial Highlights – Rental Assets at Cost

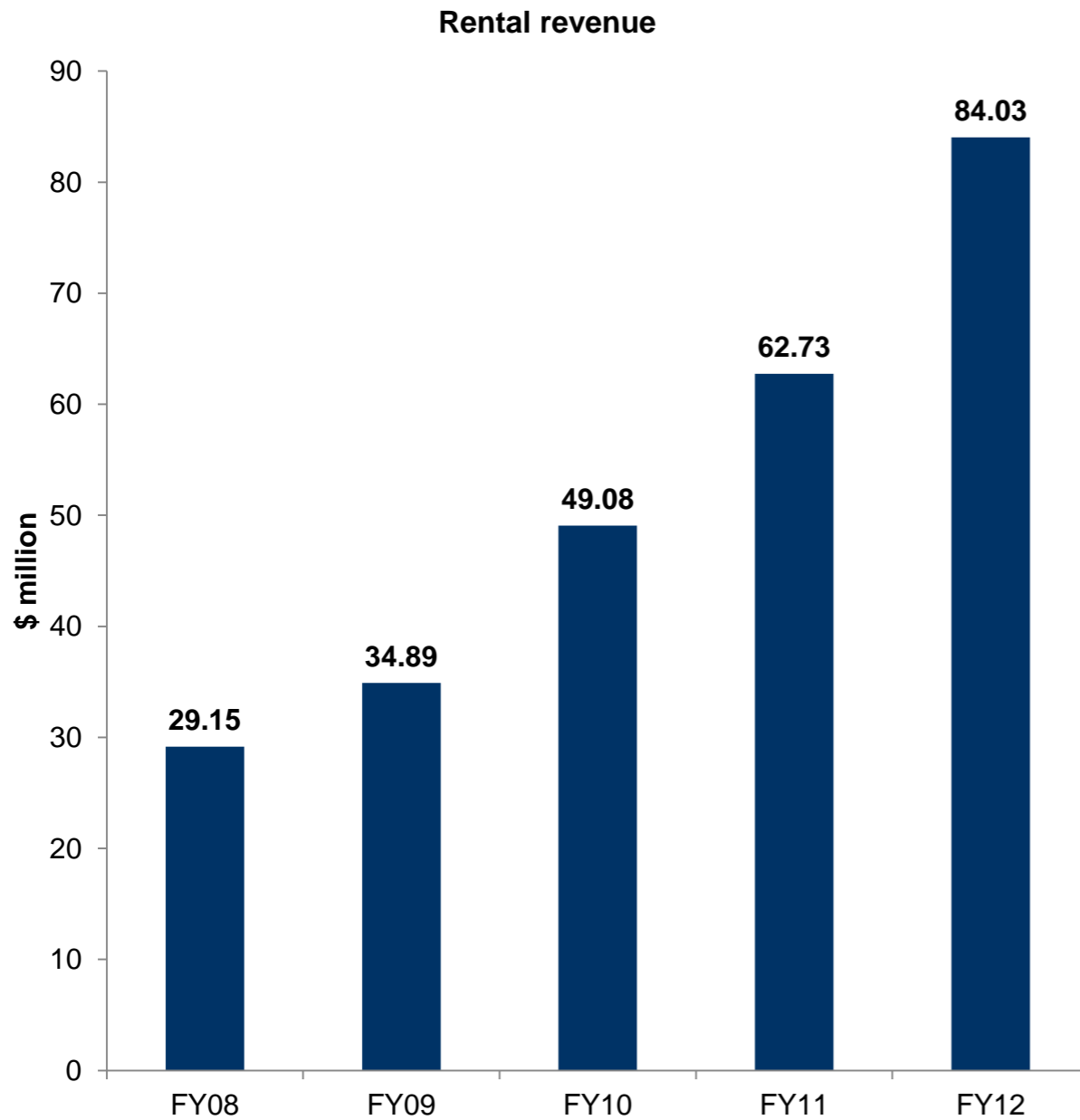
Rental assets (at cost) under management
(\$ thousand)



- Total rental assets (at cost) - up 31% to \$185.4m
- Silver Chef assets up 20.2% to \$130.6m
- Resilient retail sub-sector (cafes and takeaways) in current economic environment
- Significant growth from strategic targeting of franchise sector groups
- GoGetta assets up 68% to \$54.8m
- Rent.Grow.Own model proving attractive to numerous segments

*GoGetta established 2008

Financial Highlights – Rental Revenue

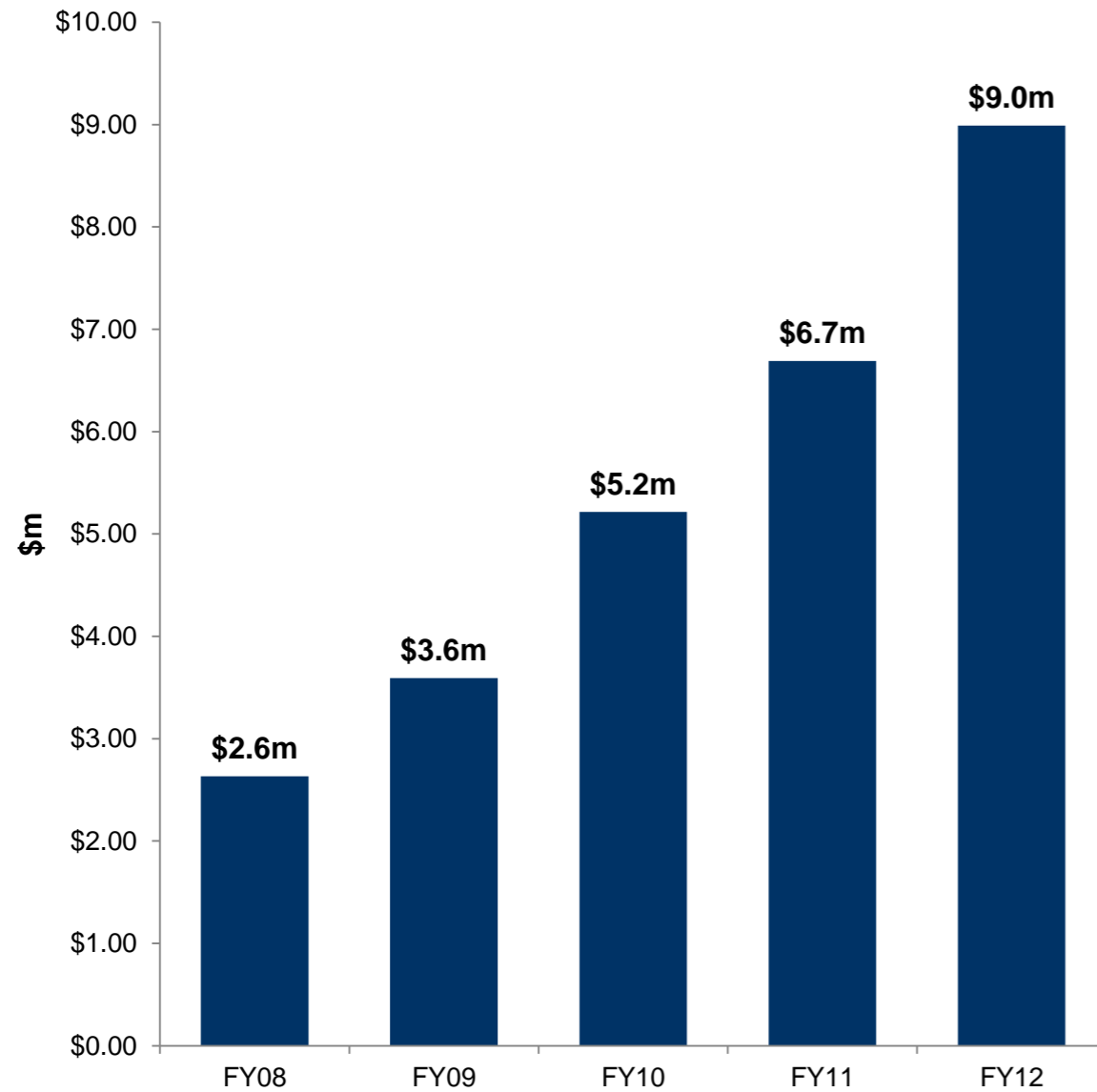


(\$ millions)	FY08	FY09	FY10	FY11	FY12
Rental income – Silver Chef (Hospitality)	29.09	32.93	42.02	49.24	60.11
Rental income - GoGetta	0.65	1.96	7.06	13.48	23.92
Total rental revenue	29.15	34.89	49.08	62.73	84.03

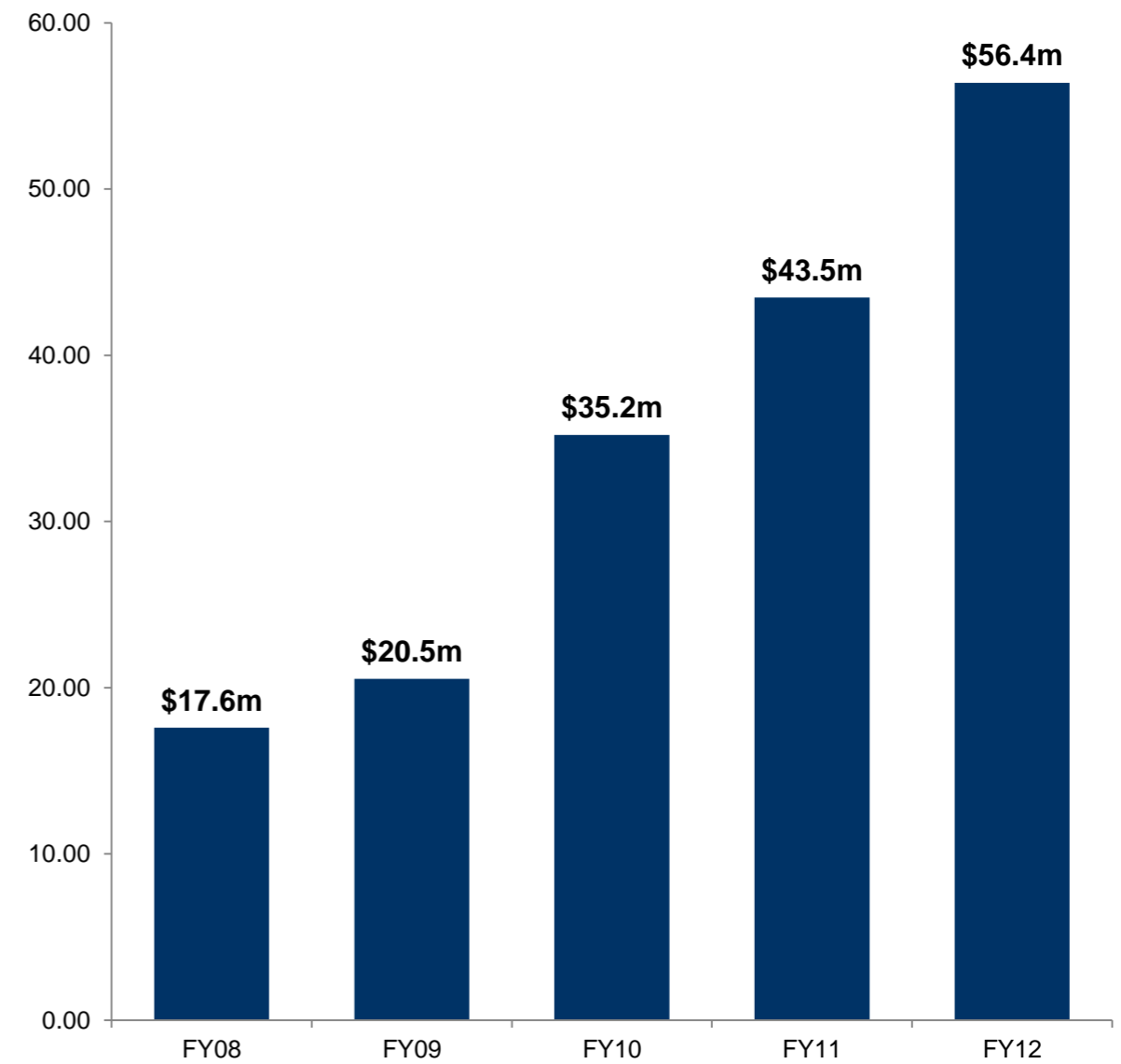
- Growing rental income from solid growth in rental assets across both brands.
- High utilisation of rental assets.

Financial Highlights - FY12 Results

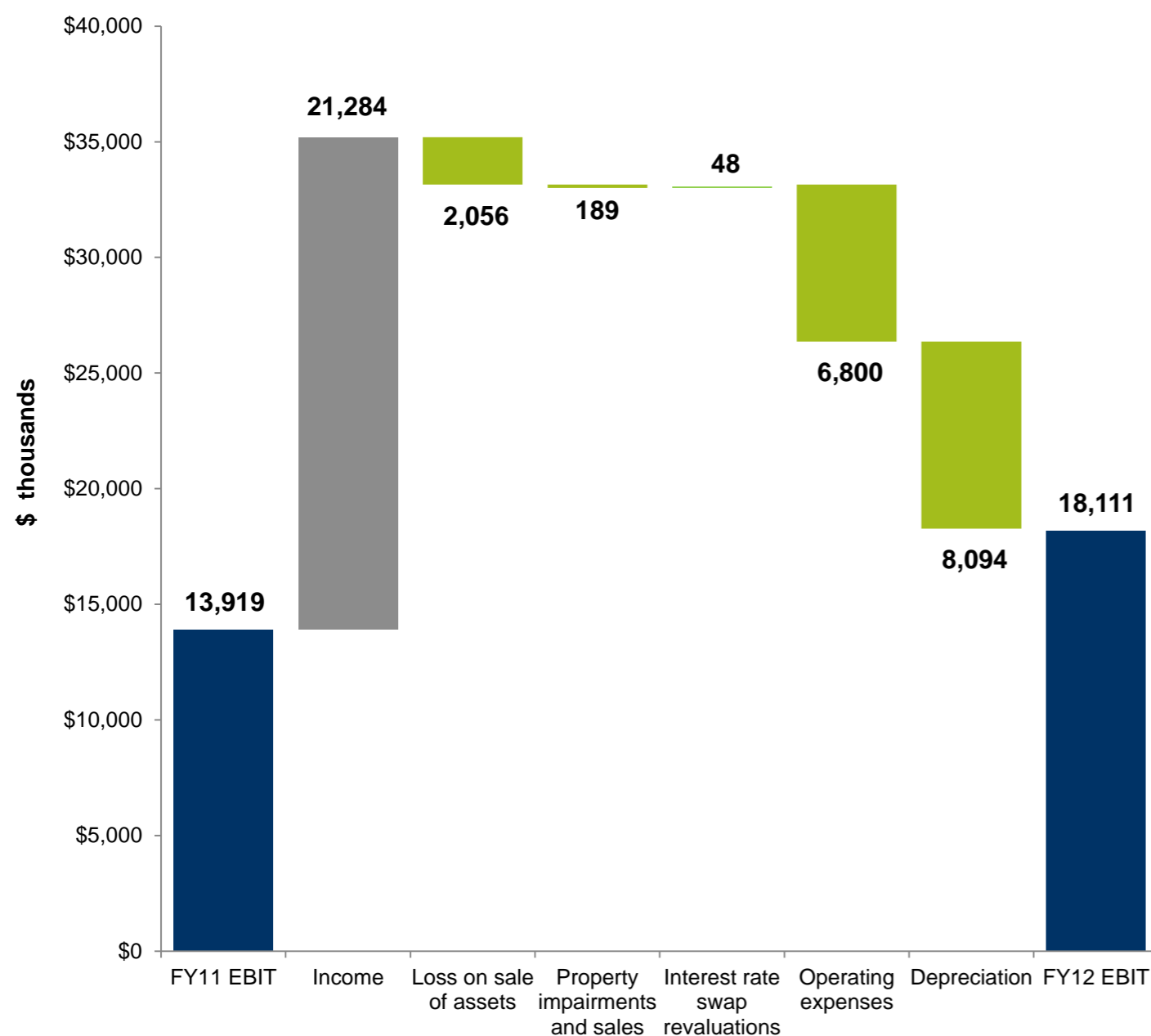
Net profit after tax (NPAT) up 34% to \$9.0 million



Operating cash flows up 29.7% \$56.4 million



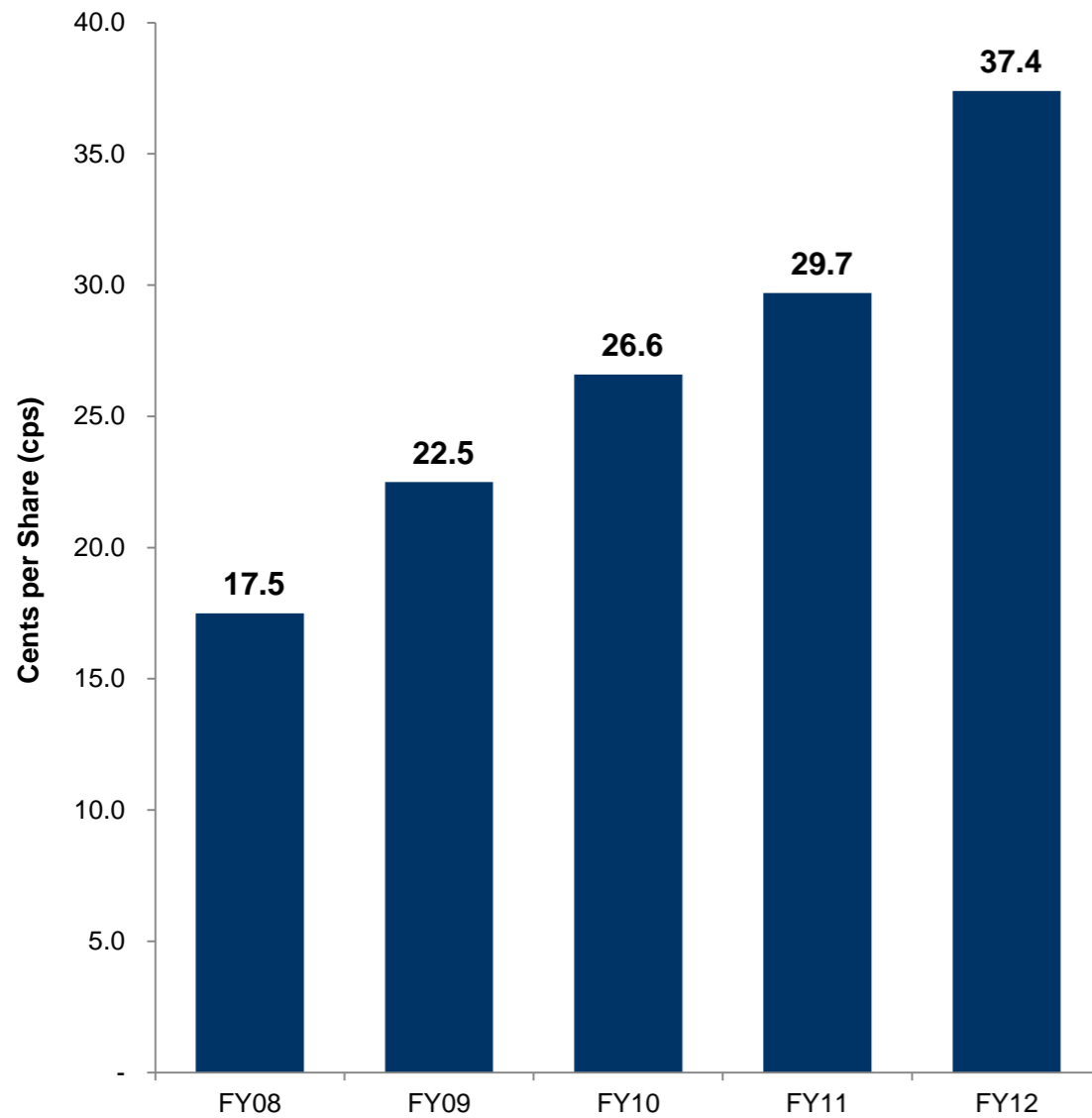
Financial Highlights – FY12 EBIT Analysis



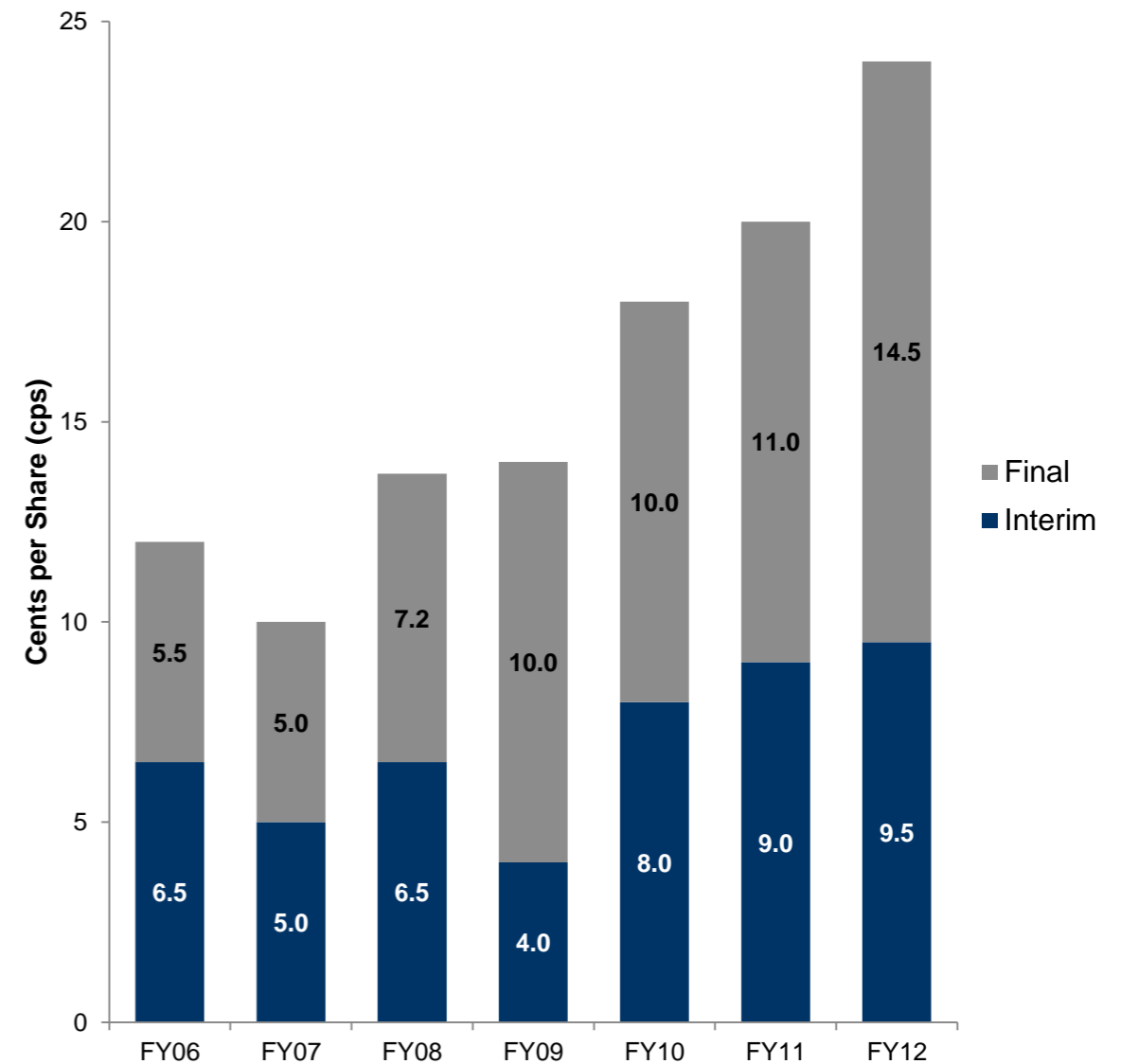
(\$ thousands)	FY12	FY11	Movement
Income	84,213	62,929	34%
Loss on sale of assets	(4,472)	(2,416)	85%
Property impairments and sales	(497)	(307)	62%
Interest swap revaluations	(328)	(376)	15%
Operating expenses	(26,032)	(19,232)	35%
Depreciation	(34,773)	(26,679)	30%
Earnings before interest and tax (EBIT)	18,111	13,919	30%
Finance costs	(5,027)	(4,204)	20%
Income tax	(4,093)	(3,024)	35%
Net profit after tax (NPAT)	8,991	6,691	34%
Earning per share (EPS)	37.4	29.7	26%

Financial Highlights – EPS & Dividends

Basic EPS – up 26% to 37.4 cents

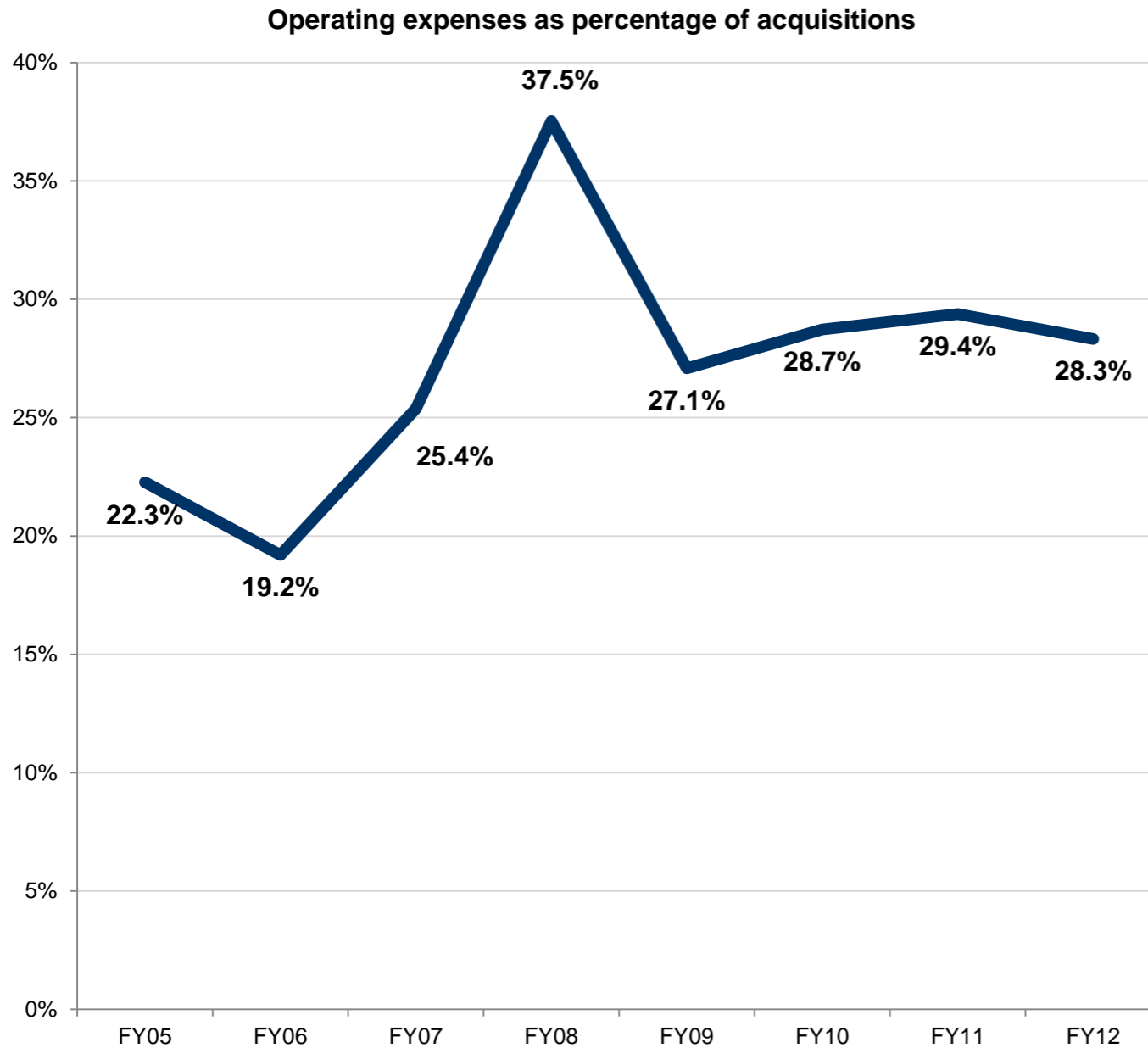


Full year dividends – up 20% to 24 cents



*2011 HY includes full dilution effect of 5.3m shares issued Oct/Nov 2009

Operating Expenses



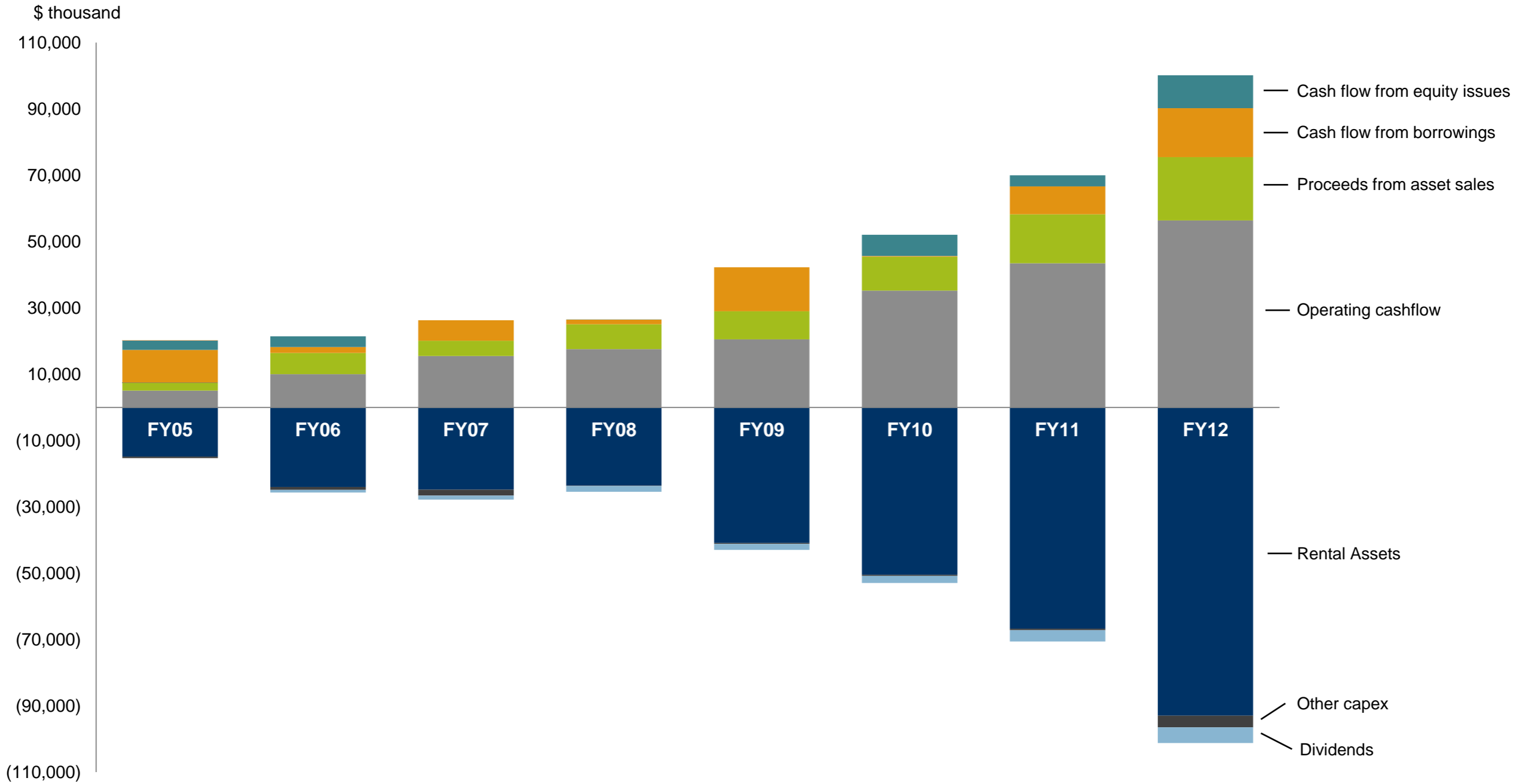
- Asset acquisitions are the significant driver of operating expenses
- Have remained constant since FY09 as a percentage of acquisitions

Financial Position

	(\$ thousands)	30 June 2012	30 June 2011	Change
Assets				
Current assets		5,881	6,671	↓ 12%
Rental assets at fair value		129,246	94,784	↑ 36%
Non-current assets		7,072	5,217	↑ 36%
Total assets		142,199	106,672	↑ 33%
Liabilities				
Customer deposits and bonds		21,638	17,183	↑ 26%
Current interest bearing debt		1,779	1,777	↑ 0.1%
Other current liabilities		7,912	6,346	↑ 25%
Non-current interest bearing debt		65,167	50,062	↑ 30%
Other non-current liabilities		487	193	↑ 152
Total liabilities		96,983	75,561	↑ 28%
Total equity		45,216	31,111	↑ 45%

NOTE: Summary information is taken from the financial statements lodged with Appendix 4E on 27 August 2012 and readers should refer to that complying statement

Strong Cash Flow

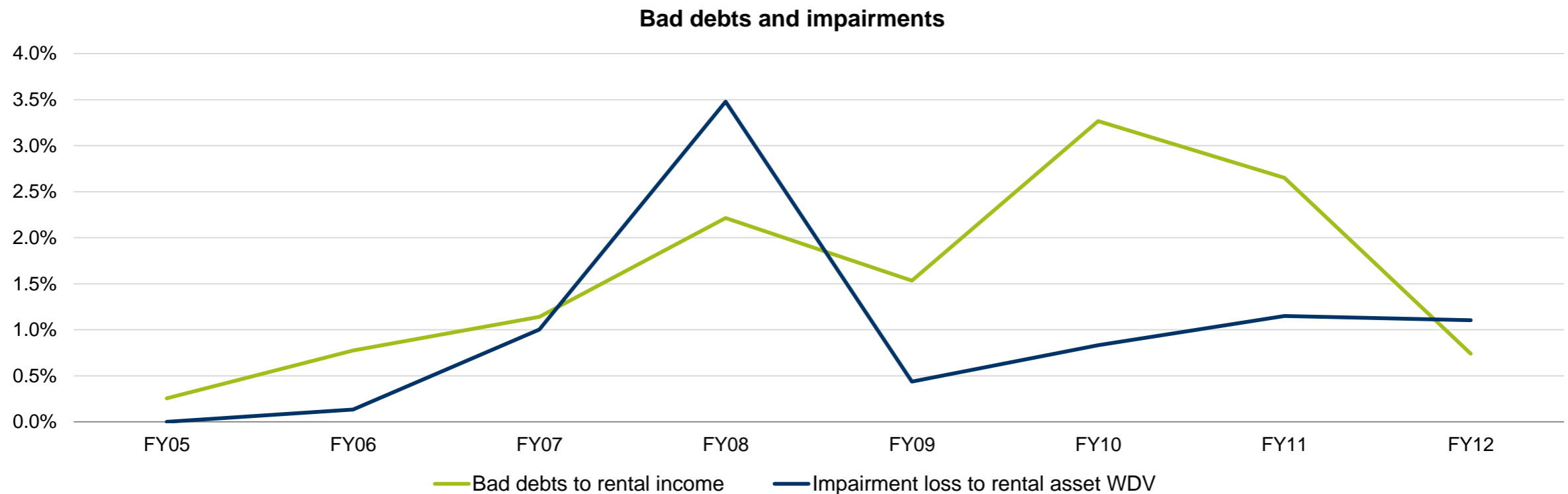


12 months to 30 June, 2012

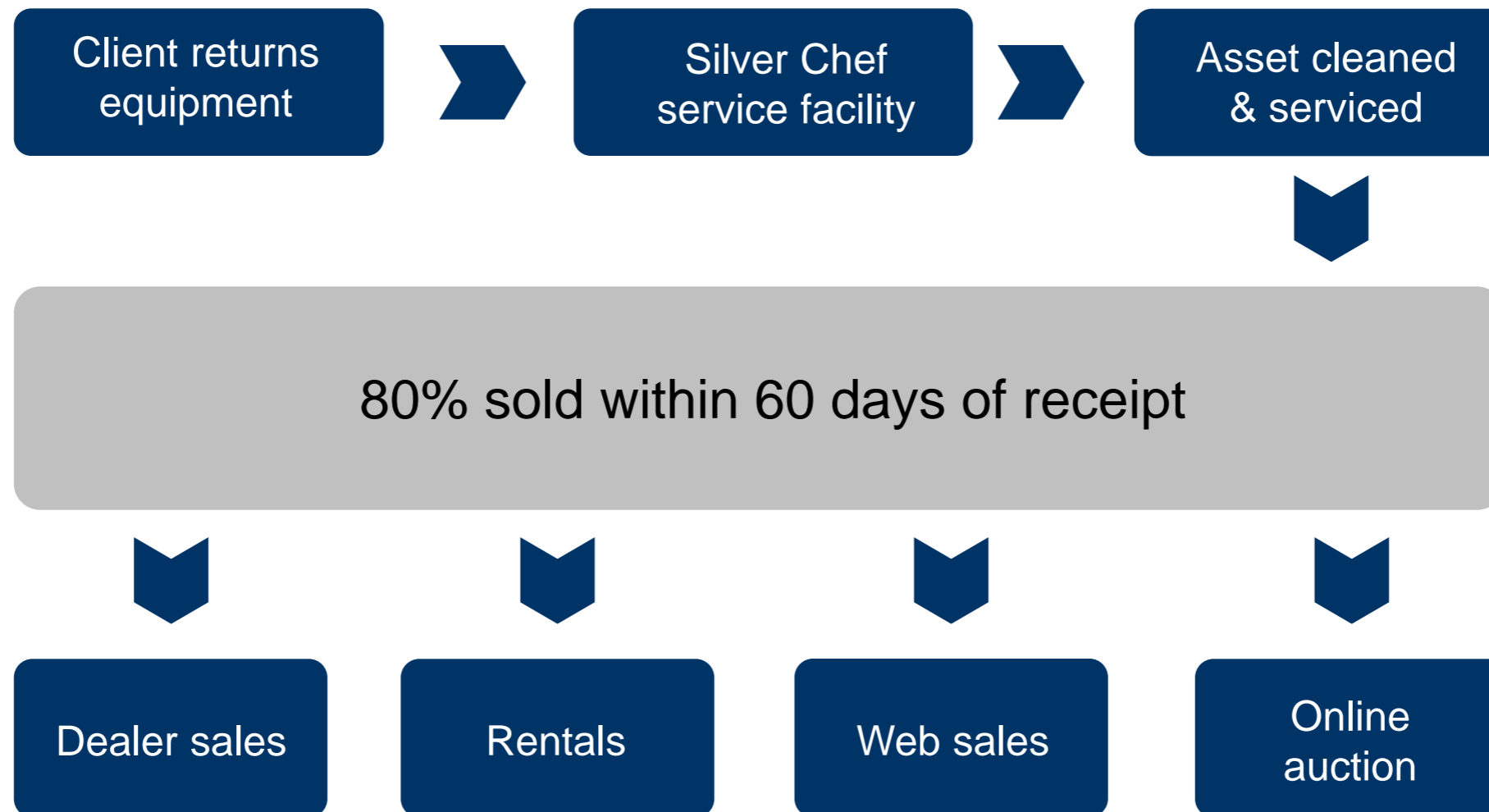
3. RISK MANAGEMENT

Risk Management - Overview

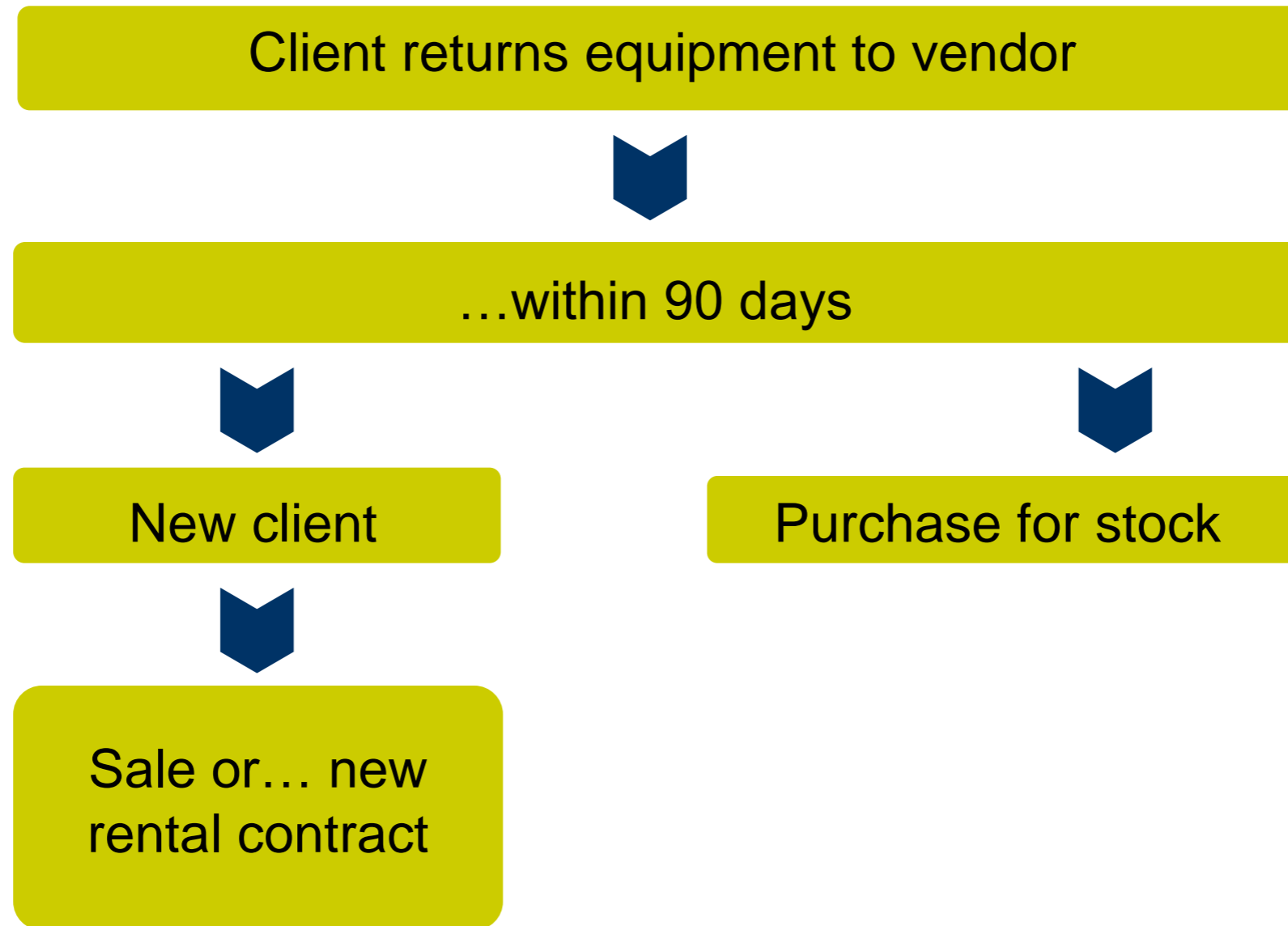
- Silver Chef is exposed to two fundamental and ongoing risks; credit and financial risk exposure to customers and residual asset risk inherent in the rental asset base.
- FY12 saw a decline in bad debts as a percentage of revenue to 0.7% (FY11 2.7%).
- The company has over 12,000 rental agreements in place so risk is spread over many customers. Largest client represents less than 1.0% of rental income.
- Efficient processes in place to re-market ex-rental equipment that is returned.
- Strong asset utilisation with 94.7% of assets in customers' businesses earning income.



Risk Management - Hospitality assets



Risk Management - GoGetta assets



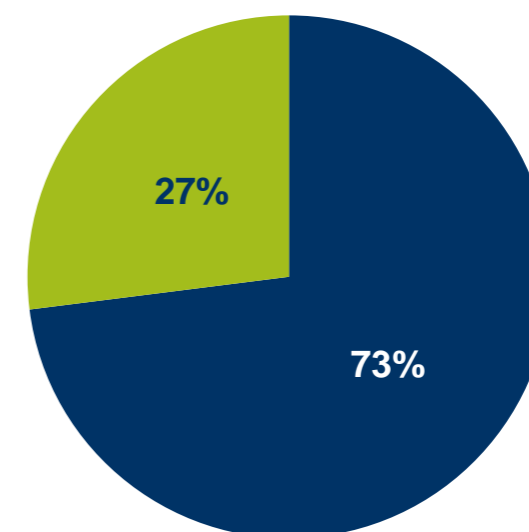
12 months to 30 June, 2012

4. FUNDING

Funding

- Silver Chef utilises a diverse range of funding to support the growth of the business through the acquisition of assets for rental to clients.
- In FY12 the company acquired \$93.0m worth of rental assets at cost of which 73% (\$67.9m) was funded from internally generated cash flows and the balance was funded from debt and equity.
- As at 30 June, 2012, the company's debt/debt+equity ratio was 59.7%.

FY12 Rental Asset Funding



- Asset acquisitions funded by net internal cash flow
- Asset acquisitions funded by debt and equity

Sources of Debt/Equity Funding

Equity	Debt (Bank)	Debt (Notes)
<ul style="list-style-type: none"> ○ During FY12 Silver Chef undertook a 2 for 13 non-renounceable rights offer at an issue price of \$2.80 to raise approximately \$10m. ○ Institutional component raised \$4.55m. ○ Retail component raised raised \$5.45m. ○ Both offers well supported and closed over subscribed. ○ Additional equity raised to maintain appropriate balance between debt and equity in rapid growth environment. 	<ul style="list-style-type: none"> ○ During FY12 Silver Chef extended its primary debt facility with the Commonwealth Bank from \$70m to \$110m. ○ As at 30 June, 2012, the facility was drawn to \$63.5m. ○ Concurrent with notes issue (August 2012), the CBA facility was reduced to retain overall levels of funding but with extended maturity profile. ○ Capacity available to increase in the future, if required and appropriate. 	<ul style="list-style-type: none"> ○ On August 30, 2012, Silver Chef launched a six-year senior unsecured fixed rate notes issue with the intention of raising A\$20-30 million. ○ Issue further diversifies the company's debt funding sources and maturity profile. ○ Offer only open to eligible professional and sophisticated investors.

12 months to 30 June, 2013

5. OUTLOOK

Outlook

- Continuous steady growth expected for 2013 across both brands – Silver Chef and GoGetta
- Franchise sector set to grow further
- Growth opportunities in New Zealand through Silver Chef
- Managing credit and residual asset risk – ongoing management focus
- Year 3 of 10 year strategic plan focussed on creating a solid and sustainable business

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.



FY12 Results Investor Presentation

