Servcorp Limited

2023 Half Year
Results Presentation

16 February 2023

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1H23 HIGHLIGHTS

Strong growth in revenue and free cash production underpinned by strategic focus on client retention, team development and the commencement of new investment in growth opportunities

- Statutory NPBT up 9% to $17.4m, and Statutory NPAT up 12% to $14.9m
- Underlying Free Cash $29.2m (up 13%*)
- Underlying revenue up 10% on a constant currency basis*
- Mature revenue up 10% on a constant currency level*
- Underlying NPBIT up 49% to $20.3m (excluding the one-off income in 1H22)
- EPS up 12% to 15.4 cps
- 1H23 interim dividend of 10.0 cps, unfranked, 100% conduit foreign income

Balance Sheet remains strong

- Unencumbered cash balances at 31 December 2022 of $115.6m, up $8.0m on 30 June 2021, despite the material increase in capital expenditure year-on-year, attributed to a strong free cash production as revenue and profitability grows
- NTA of $1.98 per share, up 5% on June 2022 ($1.88 per share)
- Underlying Free Cash 144% of Underlying 1H23 NPBIT, providing a continuing buffer to navigate through the economic uncertainty worldwide, supporting further capital expenditure and dividends
- No external net debt

** In comparison with 1H22 excluding the $3.7m one-off income (refer to slide 9 for details)*

KEY MESSAGE

Servcorp is empowered by its strong balance sheet including the respectable cash reserves, global presence in gateway cities at premium locations, and the unique value proposition underpinned by market leading technology to pursue organic growth. Management reaffirms FY23 Underlying NPBIT guidance of between $41.0m and $43.0m, and Underlying Free Cash to exceed $60.0m.

Notwithstanding, management acknowledges the softened market condition as macroeconomic factors continue to overshadow global economic climate, manifest in persistent inflation rates, contractionary monetary policies worldwide, ongoing supply chain disruption, and deteriorating geopolitical uncertainty. Business confidence and consumer confidence both slipped, leading to longer consideration periods and more hesitance for businesses and entrepreneurs to conclude on decisions that involve mid-to-long term commitments. Management continues the strategic focus on client retention and engagement along with IT development, to enable Servcorp to navigate through the challenging time.

1H23 HIGHLIGHTS (cont'd)

Underlying NPBIT $20.3m

On track *to meet profit guidance of $41.0m - $43.0m*

NTA $1.98/ share

Strong Balance Sheet, with >$100m cash on hand

Commitment made to open at least 5 new floors in the next 12 months

More vigorous expansion plan in the growth pipeline

Increased investment in global team development & training initiatives

Driving client satisfaction from bottom-up. Year-on-year retention ***up 17%***

Underlying Free Cash $29.2m

Up 13% on pcp, despite the delay in client receipts amid the festival season when many business took overseas vacation for the first time since the start of the pandemic.*

New platform (SmartOffice) roll-out commenced in the Middle East in Q2.

Best-in-market technology, enabling hybrid workspaces to continue evolving and lead the industry

** In comparison with 1H22 excluding the one-off income (refer to slide 9 for details)*

2 RESULTS OVERVIEW

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RESULTS OVERVIEW

$144.5m Underlying Revenue Up 10%*	$18.9m Underlying Operating Profit Up 56%*	$20.3m Underlying NPBIT Up 49%*	$29.2m Underlying Free Cash Up 13%*	$115.6m Unencumbered Cash Up 7% ∆
$14.9m Statutory NPAT Up 12%	15.4 cps EPS Up 12%		$1.98 NTA Up 5% ∆	$207.8m Net Asset Up 5% ∆
74% Occupancy Up 3% ∆	52% Client Retention Up 17%	9.3% Receivable Ratio Up 1.1% ∆	5,225 Stock Capacity Up 1% ∆	10.0 cps DPS

** In comparison with 1H22 excluding the $3.7m one-off income (refer to slide 9 for details)*
∆ Compared to June 2022

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RESULTS OVERVIEW (cont'd)

Operating Revenue

$'000	1H23 $'m	1H22 $'m	Var $'m	Var %
Statutory Total Revenue	**145.4**	**137.7**	**7.6**	**6%**
Less				
Other revenue and income	(1.5)	(1.4)	(0.1)	(8%)
Statutory Operating Revenue	**143.9**	**136.4**	**7.5**	**6%**
Add				
Revenue adjustment	0.6	1.4	(0.8)	(58%)
Underlying Revenue incl. one-off income	**144.5**	**137.7**	**6.7**	**5%**
Less				
One-off income	-	(3.7)	3.7	(100%)
Forex impact	-	(2.3)	2.3	(100%)
Underlying Revenue - Constant Currency	**144.5**	**131.6**	**12.8**	**10%**
Total Revenue from c/f occupancy/ package count	**131.6**			
Total Growth drives	6.2			
Total Price drives	6.7			
Underlying Revenue	**144.5**			

	1H23	1H22	Var	%
Mature floors	140.2	127.0	13.2	10%
Forex impact	-	2.2	(2.2)	(100%)
Mature floors excluding one-off income	**140.2**	**129.2**	**11.0**	**8%**
One-off income	-	3.7	(3.7)	(100%)
Mature floors including one-off income	**140.2**	**133.0**	**7.2**	**5%**
Pre-mature floors	4.3	0.5	3.7	720%
Post-closure floors	0.0	4.2	(4.2)	(100%)
Underlying Revenue incl. one-off income	**144.5**	**137.7**	**6.7**	**5%**

Other revenue and income

Other revenue and income
- Includes interest income, which jumped 177% on pcp due to the rising cash rates in most parts of the world;
- Offset by the one-off receipt of $0.9m Covid support received last year

Revenue adjustment

Revenue adjustment
- Adds back revenue generated from JV operation that is not consolidated in the Statutory Total Revenue;
- Removes the royalty income produced from the JV operation and franchise to avoid duplication
- Includes the Covid revenue support from government authority, received in 1H22

One-off income

One-off income captures the non-recurring indemnity income received in 1H22, and is removed from the year-on-year movement analysis to ensure full comparability.

Forex impact

Forex impact arising from the stronger AUD against most major currencies year-on-year

Mature revenue

Mature revenue increased by $13.2m or 10% on pcp, on a constant currency basis.

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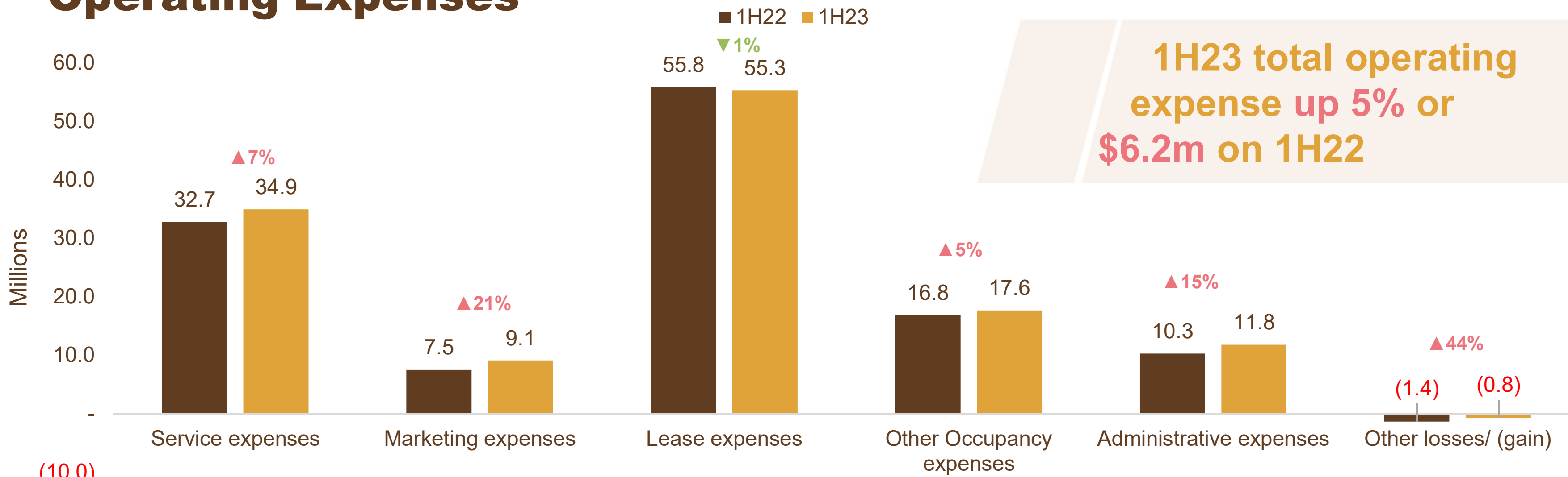
RESULTS OVERVIEW (cont'd)

Operating Expenses



1H23 total operating expense up 5% or $6.2m on 1H22

Service expenses	Marketing expenses	Lease expenses (IFRS16)	Other Occupancy expenses	Administrative expenses	Other losses/ (gain)
• More sources are deployed at the global/ regional head offices level to enable more centralized functions for efficiency enhancement; • Higher consumable expenses, offset by savings achieved in lower consulting fee	• The increase in marketing expenses represents heightened focus and investment on leads generation. • As a result of the lifted marketing spending, revenue growth (6%-58%) is observed in most countries	• Lease expenses, given its set pattern dictated by IFRS16, remains largely flat year-on-year, as expected. • The total expenses aren't expected to move materially in the second half, unless a material restructure (acquisition or disposal) takes place.	• 1H22 expense was subsidized by ~$2.6m Covid-initiated rent abatement, recorded as a direct credit under the practical expedient approach under IFRS16. • No Covid-abatement was received in 1H23.	• Admin expenses includes mainly an increased commitment in global training program, and a conservative provision for expected credit loss given the uncertain economic outlook.	• $1.8m impairment loss is recognized in relation to Hong Kong, given its continued underperformance since the start of the pandemic, ongoing geopolitical disruption, and unexpected delay in local market reopening and recovery.

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RESULTS OVERVIEW (cont'd)

Underlying Profit & Statutory Profit

	1H23 $'m	1H22 $'m	Var $'m	Var %
Statutory NPBT	**17.4**	**16.0**	**1.5**	**9%**
Add				
Operating loss from new floors pre-maturity or from closed floors post-maturity	1.0	1.3	(0.3)	(23%)
Impairment loss	1.8	-	1.8	nmf
Underlying NPBIT including one-off income	**20.3**	**17.3**	**3.0**	**17%**
Less				
One-off income	-	(3.7)	3.7	nmf
Underlying NPBIT excluding one-off income	**20.3**	**13.6**	**6.7**	**49%**
Less				
Interest & franchise income	(1.5)	(0.7)	(0.8)	(125%)
Other non-operating items	(0.3)	(1.0)	0.8	75%
Underlying Operating Profit excluding one-off income	**18.5**	**11.9**	**6.7**	**56%**
Add				
Operating loss from new floors pre-maturity or from closed floors post-closure	(1.0)	(1.3)	0.3	23%
One-off income	-	3.7	(3.7)	nmf
Statutory Operating Profit	**17.5**	**14.3**	**3.2**	**23%**

Impairment loss

$1.8m impairment loss was recognised against lease assets held in Hong Kong

One-off income

The one-off income captures the non-recurring indemnity income received from a restructure transaction, and the one-off revenue subsidy from the government authority in pcp. Both were removed from the year-on-year movement analysis for full comparability.

Interest & franchise income

Both interest and franchise income experience upward growth in 1H23, comparing to pcp. Benefited from the growing interest rates and the active treasury management initiatives, interest income went up 177% year-on-year.

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RESULTS OVERVIEW (cont'd)

Balance Sheet

Balance Sheet	Dec-22 $'m	Jun-22 $'m
Cash	105.1	100.8
Trade Receivables	26.0	20.0
PP&E & ROUA	390.1	340.5
Software & Intangible	2.3	2.1
Goodwill	13.8	13.8
Deferred Tax Asset	42.7	39.8
Lease Deposit	41.9	41.1
Other Assets	26.9	24.8
Total Assets	**648.7**	**582.7**
Trade Payables	42.1	35.0
Provisions	11.6	11.4
Lease Liabilities	360.5	310.8
Other Liabilities	26.8	27.3
Total Liabilities	**440.9**	**384.4**
Net Assets	**207.8**	**198.3**
NTA ($)	1.98	1.88

PP&E & ROUA	PP&E $'m	ROUA $'m	Total $'m
Opening balance	**80.5**	**260.0**	**340.5**
Addition[1]	10.4	94.9	105.4
Disposal[2]	(0.2)	-	(0.2)
Depreciation	(9.6)	(50.1)	(59.7)
Impairment	-	(1.8)	(1.8)
FX movement	1.7	4.3	6.0
Movement	**2.3**	**47.4**	**49.7**
Closing balance	**82.8**	**307.4**	**390.1**

[1] new leases signed, and capital investment carried out in ANZ & South East Asia, North Asia, Europe & Middle East

[2] floor closure in ANZ & South East Asia

Collection cycle and efficiency

- Although the gross receivable balances went up ~$4.5m in the 6 months to December 2022 (excluding forex impact), the increment is predominately arising from a strong growth in revenue.
- The underlying receivable to sales turnover ratio at December 2022 is ~9.3%, up 1.1% from 8.2% in June 2022, and is largely flat on December 2021, indicating the increase is temporary in nature and is likely driven by the festival seasons when payments typically slow down around Christmas and New Year.
- Expected Credit Loss ("ECL") kept a float of $1.1m following a conservative approach in light of the uncertain economic outlook globally.

PP&E and ROUA

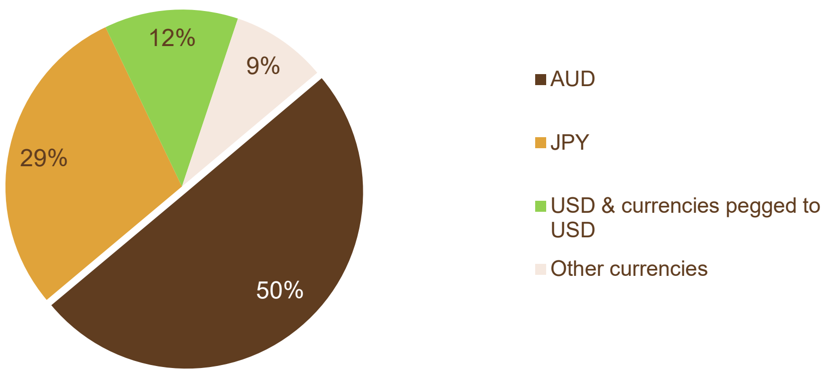
- Between PP&E and ROUA, a total of $105.4m was added in the last 6 months, reflecting the expansion leases and/or renewal leases executed.

Deferred Tax Asset ("DTA")

- DTA increased by $2.9m from 30 June. Half of the movements reflects timing differences arising from lease asset/ liability/ fixed assets, which would unwind throughout the asset life. The other half relates to tax losses recognised in Asia.

Trade Payables

- Similar to the receivables, Trade Payables balance increased by ~$5.3m on a constant currency basis, largely due to the cut-off timing differences around Christmas and New Year.



Cash and cash equivalents

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RESULTS OVERVIEW (cont'd)

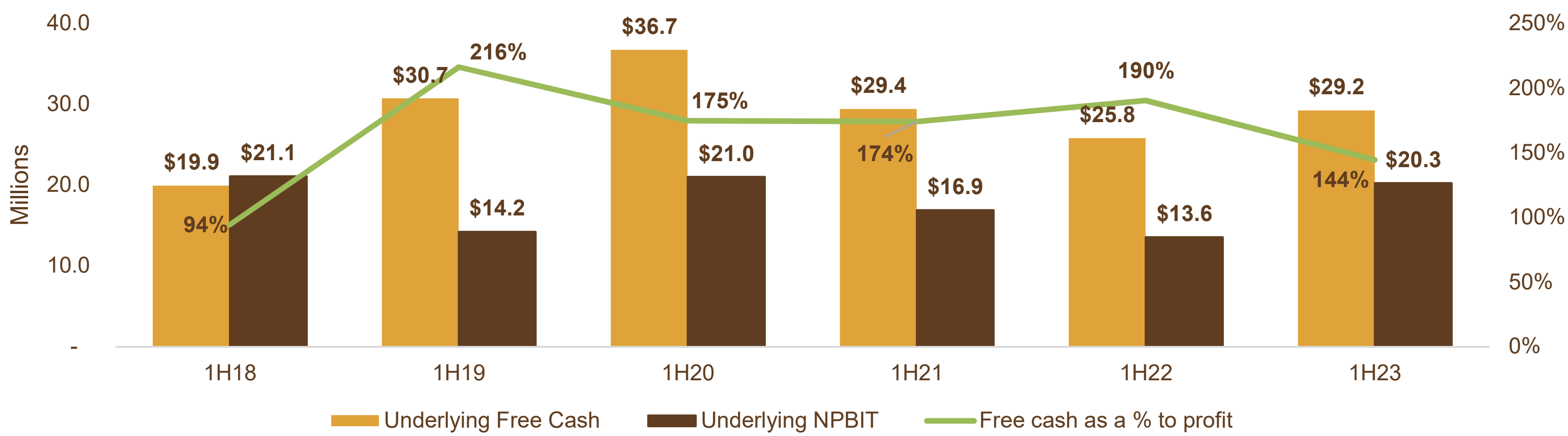
Free Cash Production

Underlying Free Cash produced in 1H23 was $29.2m (up 13%* on 1H22), adjusting for the timing differences arising from the remittance of cash rent as a result of the ongoing lease renegotiations.

Client receipts saw some delay during the festival season, as many businesses and individuals took holidays abroad for the first time since the start of the pandemic following the re-opening of international border globally. The delay led to a lower free cash recorded in 1H23, the timing difference of which largely washed out in January 2023.

The ratio of free cash in comparison to profit remains at a respectable level of 144%.

	1H23 $'m	1H22 $'m	Var $'m	Var %
Net Operating Cash flow	**78.0**	**79.9**	**(1.9)**	**(2%)**
Add:				
Tax paid	3.8	6.2	(2.4)	(39%)
Less:				
Lease liability Cash Rent for related period paid in related period	48.8	52.6	(3.7)	(7%)
Cash Rent timing differences	1.5	2.4	(0.9)	(36%)
Free Cash including one-off income	**31.4**	**31.1**	**0.3**	**1%**
Less:				
Cash received from one-off income	-	3.7	(3.7)	nmf
Free Cash excluding one-off income	**31.4**	**27.4**	**4.0**	**15%**
Add:				
Cash Rent previously withheld now paid	-	1.6	(1.6)	nmf
Less:				
Cash Rent relating to current period withheld	1.3	3.2	(1.9)	(59%)
Other timing differences & write-off	0.9	-	0.9	nmf
Underlying Free Cash excluding one-off income	**29.2**	**25.8**	**3.4**	**13%**
Add:				
Cash received from one-off income	-	3.7	(3.7)	nmf
Underlying Free Cash including one-off income	**29.2**	**29.5**	**(0.3)**	**(1%)**



** In comparison with 1H22 excluding the one-off income (refer to slide 9 for details)*

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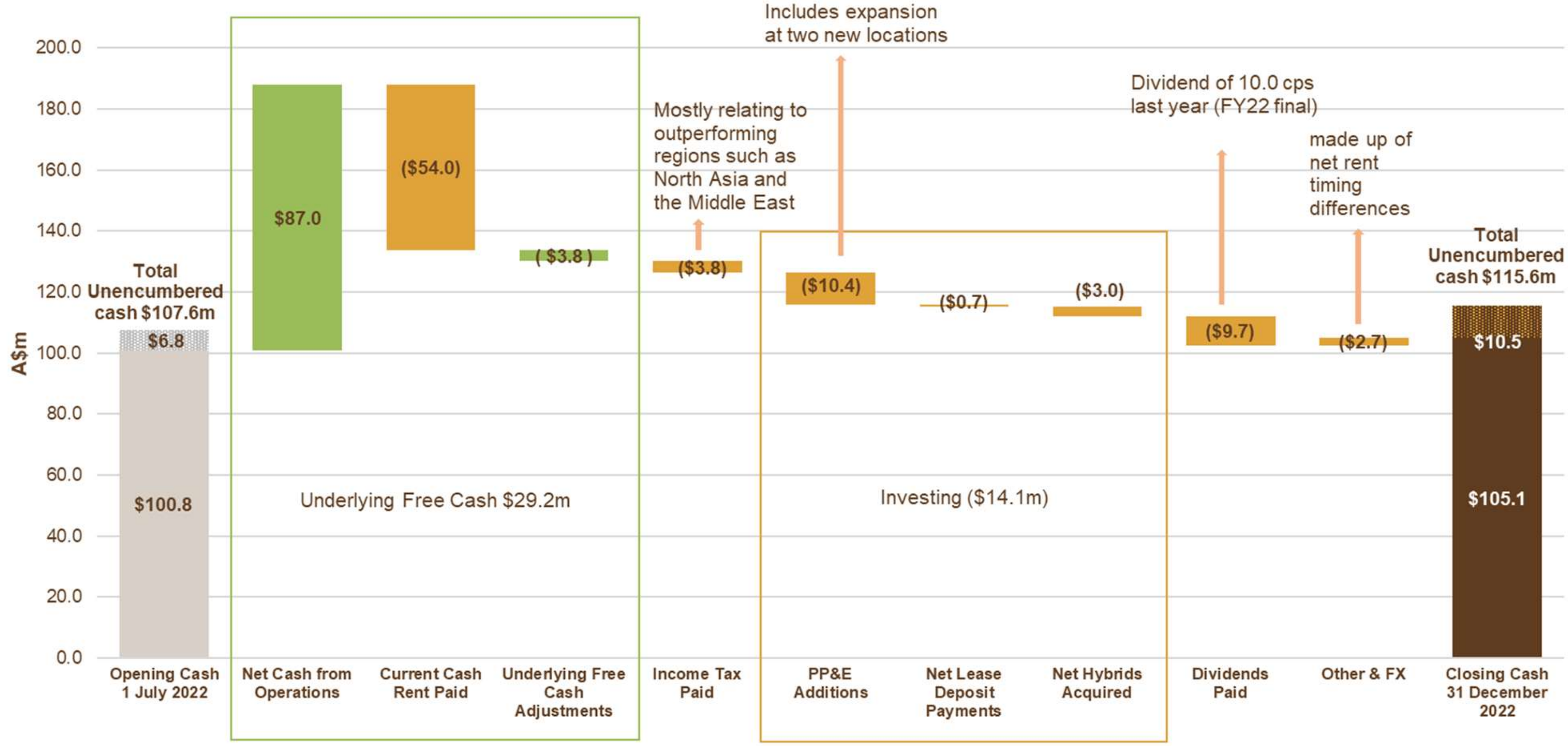
RESULTS OVERVIEW (cont'd)

Cash Flow & Liquidity



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3 PORTFOLIO & SEGMENT OVERVIEW

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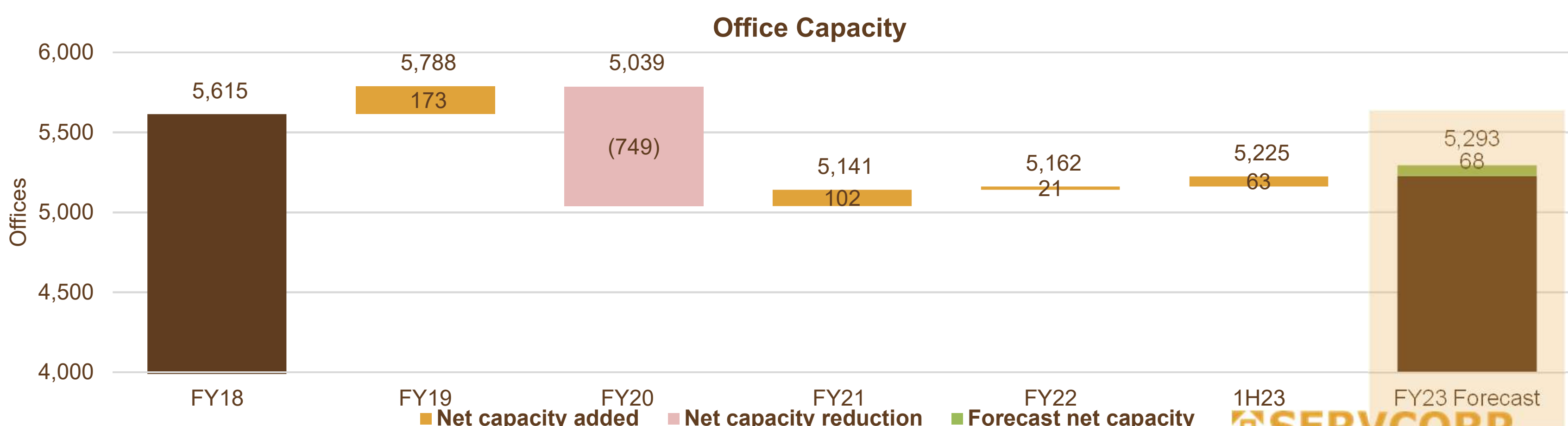
SERVCORP CAPACITY & CONTINUED INVESTMENT

Servcorp closed one floor in ANZ & SEA, and replaced it with a new floor at a more premium location in the same area, through which the capital is recycled to drive opportunities with higher expected return. In addition, one floor at a new building was opened in North Asia in late December 2022.

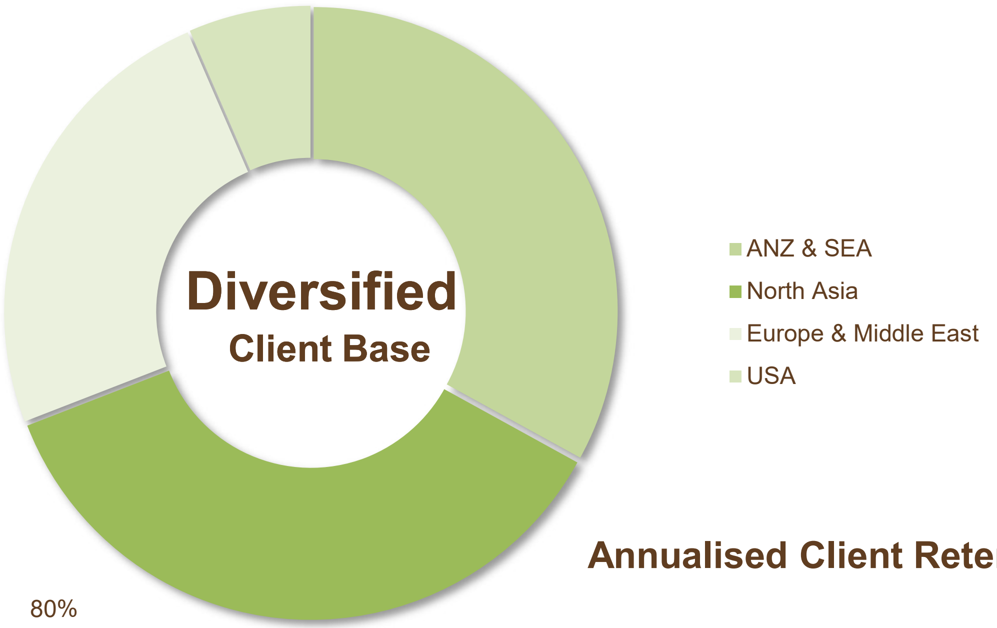
Net capacity increased by 63 offices to 5,225, and capacity for FY23 is forecast, based on the new leases signed or schedule to be signed in the coming weeks, to increase by 68 offices to 5,293.

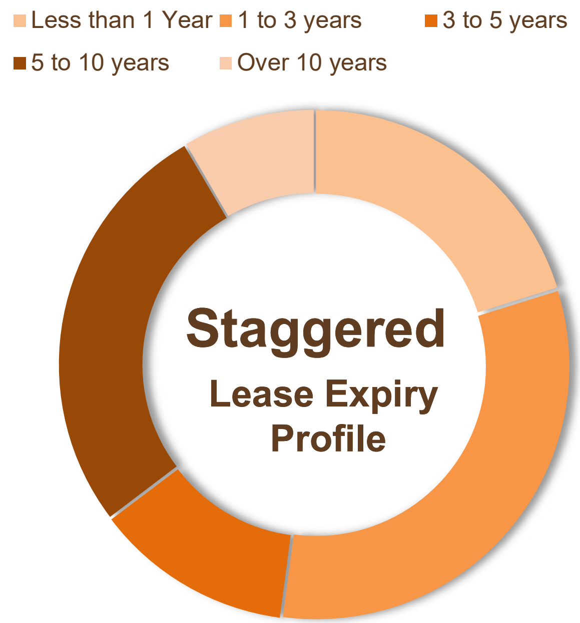
As rising demand in quality flexible workspace solutions drives to reshape the commercial real estate industry, more attraction was drawn to Servcorp product unique for its genuine flexibility to upsize and downsize in real time as needs arise, with fully supported and secure tools to enable shared or remote workspace experience while maintaining productivity and corporate culture.

Underpinned by the unique value proposition and the competitive advantage, Servcorp actively seeks opportunities to expand organically where proven management team is established. Five more floors are scheduled to open in the next 12 months, with more in the pipeline under negotiation and feasibility evaluation.

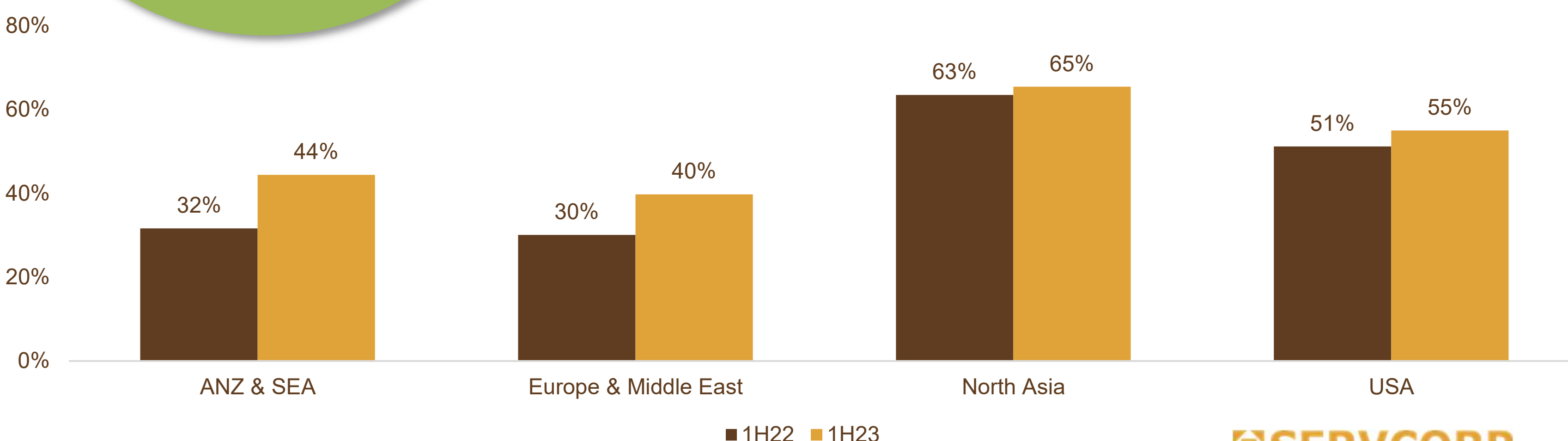


PORTFOLIO OVERVIEW





Annualised Client Retention Ratio



SEGMENT PERFORMANCE

Global Overview

Revenue continues recovering post-pandemic, driven almost equally by increase in effective prices (net of incentives) and growth in sales.

As a result, profit margin almost doubled year-on-year, excluding the forex impact.

- Mature Revenue was $12.4m higher on pcp. All regions except North Asia recorded revenue enhancement compared to 1H22.
- The majority of the revenue growth translated to profit, driving the Mature Segment Profit up $10.6m or 103% on a constant currency terms.
- Operating cash earnings from Mature floors was $7.8m or 35% higher year-on-year.

	Mature Revenue		Mature Segment Profit		Mature Cash Earnings		Margin	
	1H23 $'m	1H22 $'m	1H23 $'m	1H22 $'m	1H23 $'m	1H22 $'m	1H23 %	1H22 %
ANZ & SEA	32.4	29.2	6.4	(2.5)	9.5	2.8	20%	(8%)
North Asia	52.6	57.0	7.5	10.4	9.4	12.3	14%	18%
Europe & Middle East	44.1	34.6	7.8	4.1	11.2	7.3	18%	12%
USA	9.4	7.9	(0.7)	(0.7)	0.2	0.2	(8%)	(9%)
Total	**138.6**	**128.6**	**20.9**	**11.3**	**30.3**	**22.5**	**15%**	**9%**
Total (constant currency)	**138.6**	**126.2**	**20.9**	**10.3**	**30.3**	**22.5**	**15%**	**8%**

** Reconciliation to Note 2 Operating segments on the Financial Statements is included in the Appendix A (slide 30)*

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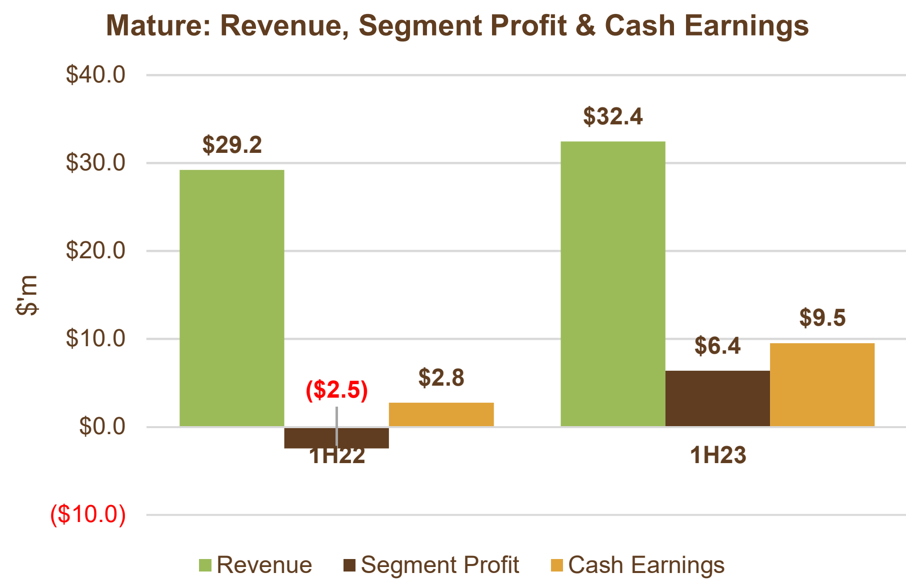
SEGMENT PERFORMANCE (cont'd)

ANZ & South East Asia (ANZ & SEA)

ANZ & SEA performance showed early signs of recovery, up 11% year-on-year in Mature revenue. One floor was closed in 1H23. The capital was recycled and deployed to open a new floor in the same region with a better return opportunity.

As recovery in revenue started materialising, Mature Segment Profit successfully swung back to the profitable territory, recorded a gain of $6.4m, up $8.9m on 1H22. Mature Cash Earnings followed a similar path, up $6.7m on 1H22.



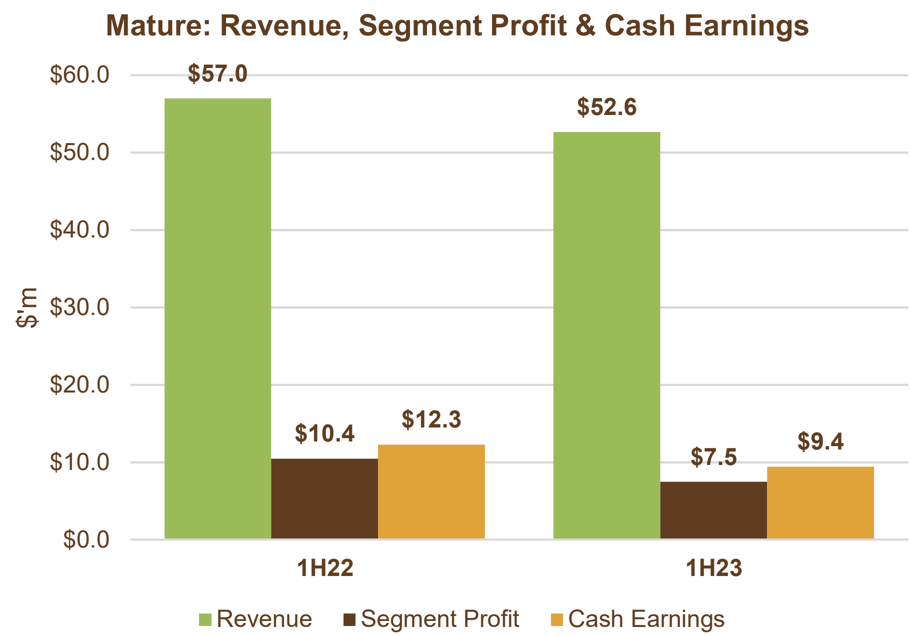
SEGMENT PERFORMANCE (cont'd)

North Asia

North Asia as a whole continued to deliver a solid result, although the year-on-year performance was undermined largely due to the ongoing government pursuit of zero-Covid-19 policy in China (including Hong Kong).

Mature revenue was down 8% from $57.0m to $52.6m. Mature Segment Profit & Cash Earnings decreased 28% and 24% respectively in 1H23 compared to 1H22.

In 1H23, an impairment loss of $1.8m was recognised for Hong Kong due to the continued underperformance and delayed recovery.



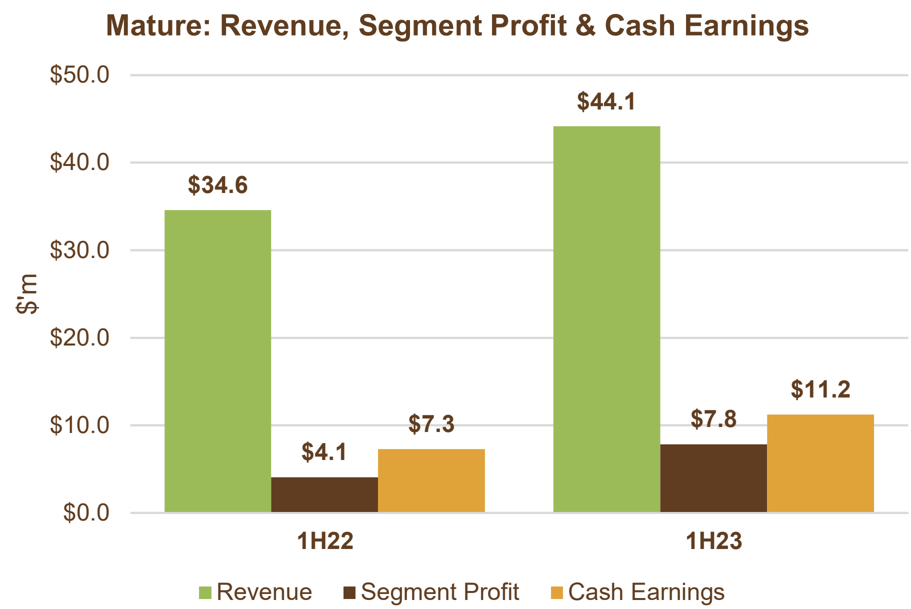
SEGMENT PERFORMANCE (cont'd)

Europe & Middle East (EME)

EME continues to outperform.

Mature Revenue was up $9.5m in 1H23 compared to 1H22, of which ~40% converted into Mature Segment Profit and Cash Earnings, which increased 90% and 53% respectively.

No new floor was opened in 1H23. The two operations opened in late FY22 are both on track to meet their performance target.



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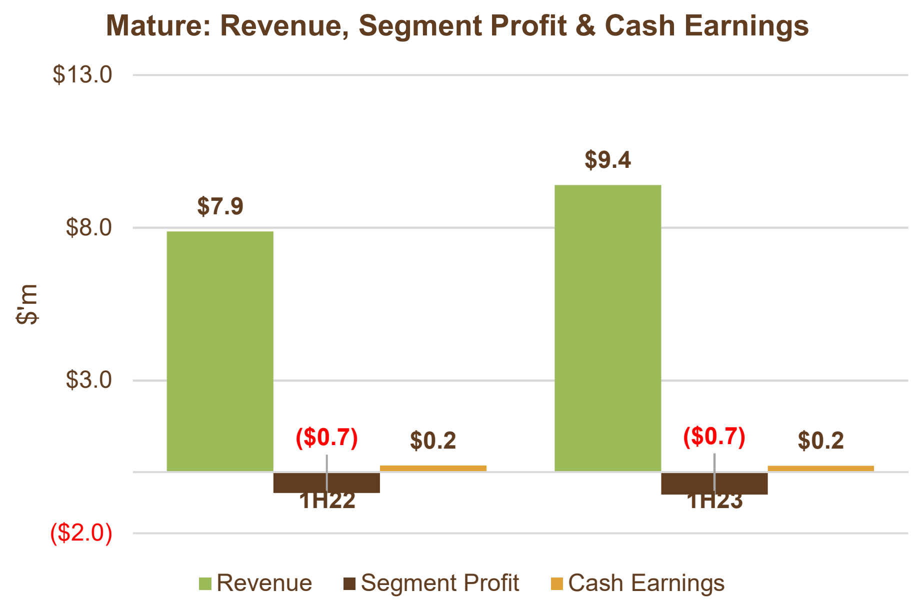
SEGMENT PERFORMANCE (cont'd)

USA

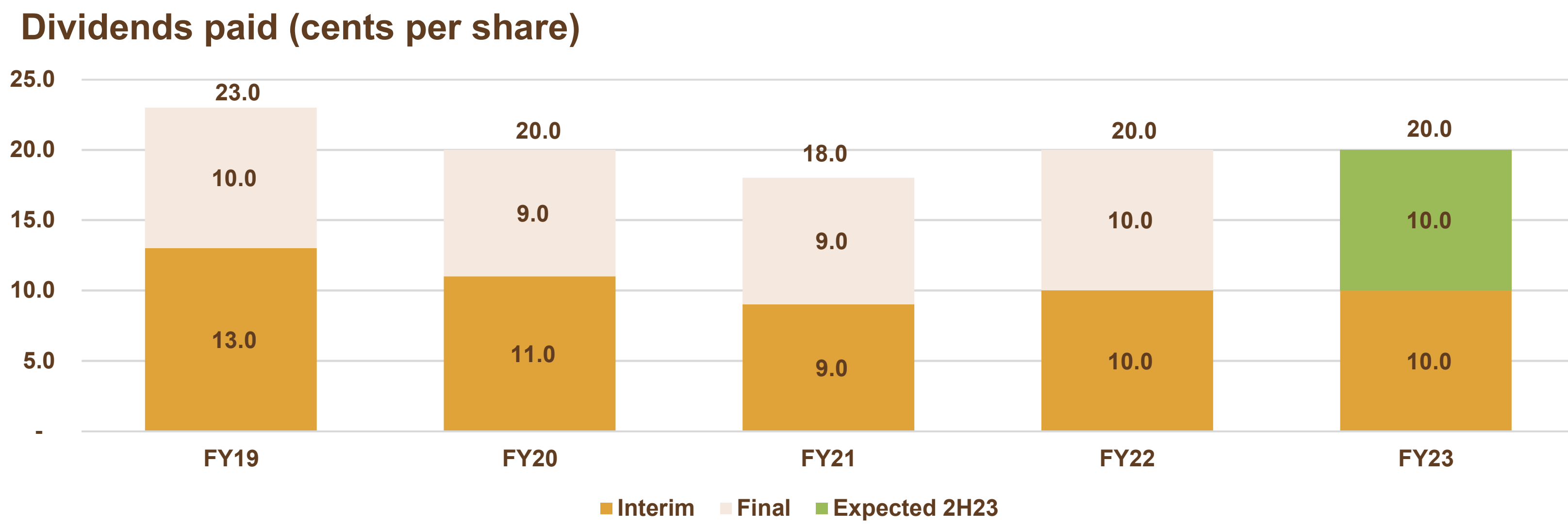
Although Mature Revenue continued growing in the USA, up 19% or $1.5m on pcp, the increase was fully offset by the higher operating expenses.

Both Mature Segment Profit and Cash Earnings remained the same year-on-year.



4 DIVIDEND

DIVIDEND



Interim FY23 dividend

- Interim dividend payable of 10.0 cps, unfranked, payable on 5 April 2023.
- The final FY23 dividend is expected to be no less than 10.0 cps (franking uncertain).
- Future dividends are subject to currencies remaining constant, continued strong cash generation, and global economic climate.

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5 OUTLOOK & GUIDANCE

OUTLOOK & GUIDANCE

While uncertainty remains in the general economic climate worldwide, Servcorp is well positioned to take advantage of the opportunities in the market to expand globally and organically.

With the improvement in performance starting to materialize in ANZ & South East Asia, and continued outperformance in North Asia and Europe & Middle East, the overall resilience of the business to global economic downturns is stronger.

Underpinned by demonstrated track record of strategy execution, we reaffirm the full year profit guidance of **Underlying NPBIT between $41.0m and $43.0m**, and **at least $60.0m free cash**.


6
APPENDICES
SERVCORP


RESULTS
BRIDGING

RESULTS BRIDGING

Income Statement to Cash Flow Statement

Statutory Profit	1H23 $'m	1H22 $'m	Var $'m	Var %
Revenue and other income	145.4	137.7	7.6	6%
Total expenses	(127.9)	(121.8)	(6.2)	(5%)
Net profit before tax	**17.4**	**16.0**	**1.5**	**9%**
Income tax expense	(2.5)	(2.7)	0.2	6%
Net profit after tax	**14.9**	**13.3**	**1.6**	**12%**

Statutory Cash Flow	1H23 $'m	1H22 $'m	Var $'m	Var %
Net profit after tax	**14.9**	**13.3**	**1.6**	**12%**
Working capital movement	70.7	77.7	(7.0)	(9%)
Franchise & interest income	1.4	0.5	0.9	197%
Interest paid	(5.2)	(5.4)	0.2	3%
Tax paid	(3.8)	(6.2)	2.4	39%
Net operating cash inflows	**78.0**	**79.9**	**(1.9)**	**(2%)**
Net investing cash outflows	**(14.1)**	**(4.8)**	**(9.3)**	**(195%)**
Net financing outflows	**(64.9)**	**(65.7)**	**0.8**	**1%**
Foreign exchange movement	5.3	0.1	5.1	(4679%)
Net cash movement	**4.3**	**9.5**	**(5.2)**	**nmf**
Opening cash 1 July	**100.8**	**93.8**	**7.0**	**7%**
Net cash movement	4.3	9.5	(5.2)	(55%)
Closing cash 30 June	**105.1**	**103.3**	**1.7**	**2%**

Underlying	1H23 $'m	1H22 $'m	Var $'m	Var %
Statutory Revenue and other income	**145.4**	**137.7**	**7.6**	**6%**
Revenue from operations pre-maturity	(4.3)	(0.5)	(3.7)	720%
Revenue from operations closed since 2H22**	(0.0)	(4.2)	4.2	(100%)
Revenue from JV	0.6	1.4	(0.8)	(58%)
Non-operating revenue	(1.5)	(1.4)	(0.1)	8%
One-off income*		(3.7)	3.7	nmf
Forex impact		(2.3)	2.3	nmf
Revenue from mature floors excl. one-off income	**140.2**	**129.2**	**11.0**	**8%**
Revenue from operations pre-maturity	4.3	0.5	3.7	720%
Revenue from operations closed since 2H22	0.0	4.2	(4.2)	nmf
One-off income*		3.7	(3.7)	nmf
Underlying Revenue incl. one-off income	**144.5**	**137.7**	**6.7**	**5%**
One-off income*		(3.7)	3.7	nmf
Underlying Revenue excl. one-off income	**144.5**	**134.0**	**10.5**	**8%**
Total expenses	(124.2)	(120.4)	(3.8)	(3%)
Net profit before tax	**20.3**	**13.6**	**6.7**	**49%**
Income tax expense	(2.9)	(2.3)	(0.7)	(29%)
Net profit after tax	**17.3**	**11.3**	**6.0**	**54%**

Underlying Free Cash	1H23 $'m	1H22 $'m	Var $'m	Var %
Net operating cash inflows	**78.0**	**79.9**	**(1.9)**	**(2%)**
Add: tax paid	3.8	6.2	(2.4)	(39%)
Net Cash Rent adjustments	(51.7)	(56.6)	4.9	(9%)
One-off income*		(3.7)	3.7	nmf
Other timing differences	(0.9)		(0.9)	nmf
Underlying Free Cash	**29.2**	**25.8**	**3.4**	**13%**

** In comparison with 1H22 excluding the one-off income (refer to slide 9 for details)*

*** Revenue from closed floors reported in 1H22 of $0.8m was restated to be $4.2m to include revenue from floors closed in periods subsequent to 1H22, to ensure full comparability of year-on-year results*

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RESULTS BRIDGING (cont'd)

Segment notes reconciliation

	Total Revenue from Continuing Operations	Revenue from new floors pre-maturity	Other adjustments	Mature Revenue	Total Revenue from Continuing Operations	Adj. from status changes since 1H22	Adj. Total Revenue from Continuing Operations	Revenue from new floors pre-maturity	Other adjustments	Mature Revenue
	1H23 in $'m				1H22 in $'m					
ANZ & SEA	34.4	(1.9)	-	32.4	30.9	(1.2)	29.7	(0.5)	-	29.2
North Asia	53.0	(0.4)	-	52.6	57.6	(0.6)	57.0	(0.0)	-	57.0
Europe & Middle East	45.4	(2.0)	0.7	44.1	38.5	(1.5)	36.9	-	(2.3)	34.6
USA	9.4	-	-	9.4	7.9	(0.0)	7.9	-	-	7.9
Total - operating segments	**142.2**	**(4.3)**	**0.7**	**138.6**	**134.8**	**(3.4)**	**131.5**	**(0.5)**	**(2.3)**	**128.6**
Other	1.6			1.6	0.7	0.0	0.7			0.7
Grand Total	**143.8**			**140.2**	**135.5**	**(3.4)**	**132.2**			**129.3**

	Segment Profit from Continuing Operations	Loss from new floors pre-maturity	Other adjustments	Mature Segment Profit	Segment Profit from Continuing Operations	Adj. from status changes since 1H22	Adj. Segment Profit from Continuing Operations	Loss from new floors pre-maturity	Other adjustments	Mature Segment Profit
	1H23 in $'m				1H22 in $'m					
ANZ & SEA	5.6	0.8	-	6.4	1.0	(4.4)	(3.4)	0.9	-	(2.5)
North Asia	7.1	0.4	-	7.5	8.5	1.8	10.3	0.1	-	10.4
Europe & Middle East	7.4	0.2	0.3	7.8	4.3	3.3	7.6	-	(3.5)	4.1
USA	(0.7)	-	-	(0.7)	0.2	(0.9)	(0.7)	-	-	(0.7)
Total - operating segments	**19.3**	**1.4**	**0.3**	**20.9**	**14.0**	**(0.1)**	**13.8**	**1.0**	**(3.5)**	**11.3**
Other	(0.4)				2.8	(2.3)	0.5			0.5
Grand Total	**18.9**				**16.8**	**(2.4)**	**14.4**			**11.8**

	Mature Segment Profit	Depreciation	Other Non-cash adjustments	Mature Cash Earnings	Mature Segment Profit	Depreciation	Other Non-cash adjustments	Mature Cash Earnings
	1H23 in $'m				1H22 in $'m			
ANZ & SEA	6.4	2.5	0.6	9.5	(2.5)	4.3	0.9	2.8
North Asia	7.5	2.6	(0.6)	9.4	10.4	2.7	(0.9)	12.3
Europe & Middle East	7.8	3.4	-	11.2	4.1	3.2	-	7.3
USA	(0.7)	0.9	-	0.2	(0.7)	0.9	-	0.2
Total - operating segments	**20.9**	**9.4**	**-**	**30.3**	**11.3**	**11.2**	**-**	**22.5**

** Other includes Head Office and other business units that are not allocated to any of the four Operating Segments*

*** Revenue from closed floors reported in 1H22 of $0.8m was restated to be $4.2m to include revenue from floors closed in periods subsequent to 1H22, to ensure full comparability of year-on-year results*

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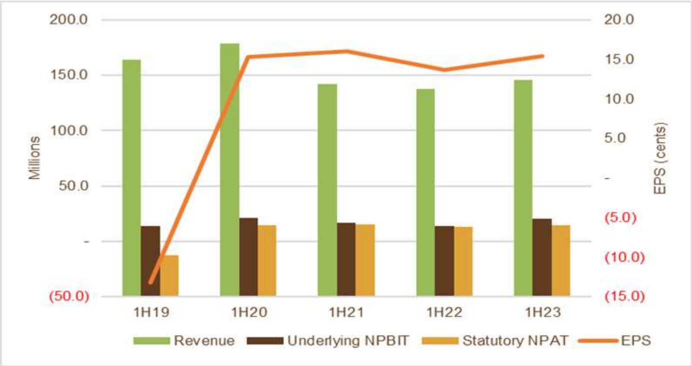
5-YEAR KPI TRACKER

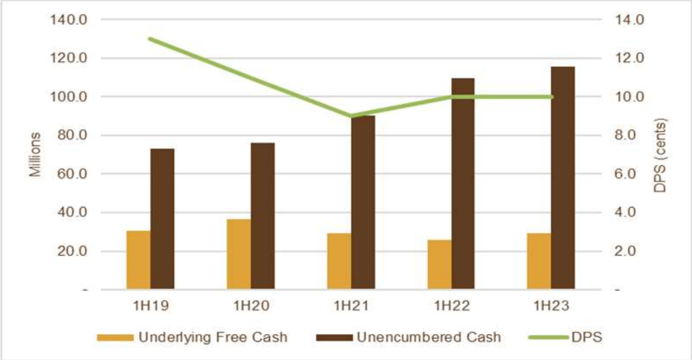
	Revenue $'m	Underlying NPBIT* $'m	Statutory NPAT $'m	EPS cents
1H19	164.2	14.2	(12.8)	(13.2)
1H20	178.8	21.0	14.8	15.3
1H21	142.0	16.9	15.5	16.0
1H22	137.7	13.6	13.3	13.7
1H23	145.4	20.3	14.9	15.4

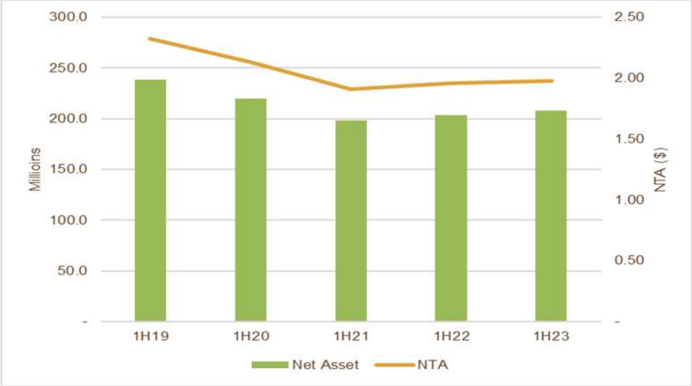
	Underlying Free Cash* $'m	Unencumbered Cash* $'m	DPS cents
1H19	30.7	72.9	13.0
1H20	36.7	75.9	11.0
1H21	29.4	90.1	9.0
1H22	25.8	109.6	10.0
1H23	29.2	115.6	10.0

	Net Asset $'m	NTA $
1H19	238.6	2.32
1H20	220.1	2.13
1H21	198.6	1.91
1H22	203.5	1.96
1H23	207.8	1.98

	Stock Capacity	Number of Floors
1H19	5,715	155
1H20	5,655	145
1H21	5,003	125
1H22	5,113	122
1H23	5,225	130







* Excluding the one-off income in 1H22

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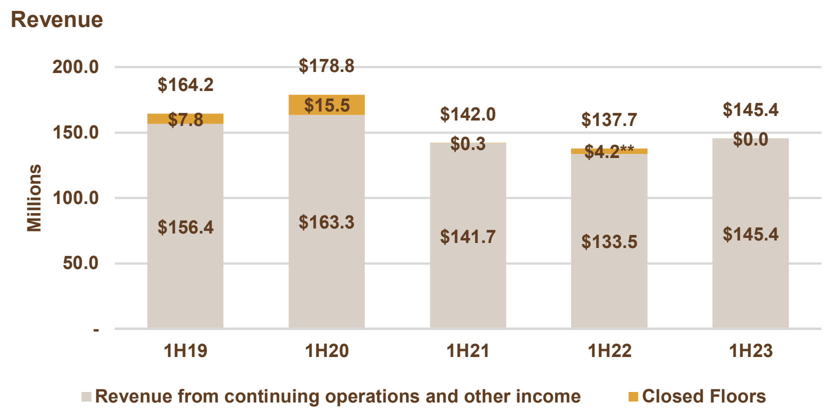
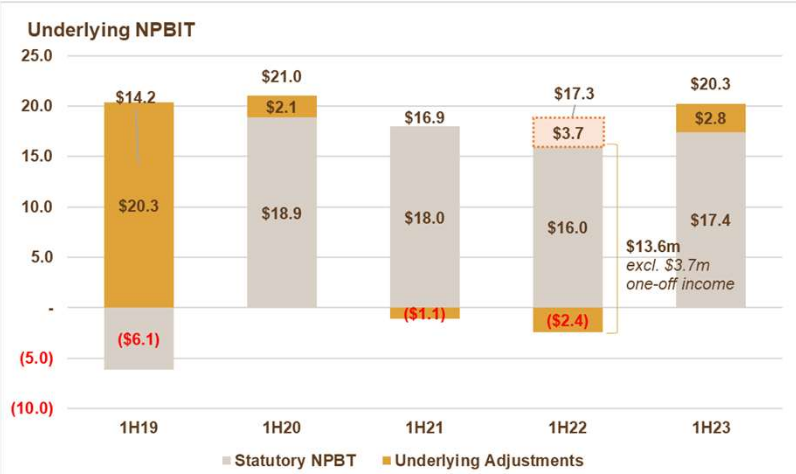
5-YEAR STATUTORY & UNDERLYING RESULTS

Statutory Revenue vs. Revenue from continuing operations and other income*

	Statutory Revenue $'m	Revenue from continuing operations and other income $'m
1H19	164.2	156.4
1H20	178.8	163.3
1H21	142.0	141.7
1H22	137.7	136.9
1H23	145.4	145.4



Statutory NPBT vs. Underlying NPBIT



	Statutory NPBT $'m	Underlying NPBIT $'m
1H19	(6.1)	14.2
1H20	18.9	21.0
1H21	18.0	16.9
1H22	16.0	13.6 *
1H23	17.4	20.3

** $13.6m excluding $3.7m one-off income; or $17.3m including $3.7m one-off income*

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** Calculated as consolidated segment revenue for the period as disclosed in the Note 2 Operating segments in the FY23 Interim Financial Report , adjusted for Revenue from discontinued operations*

*** Revenue from closed floors reported in 1H22 of $0.8m was restated to be $4.2m to include revenue from floors closed in periods subsequent to 1H22, to ensure full comparability of year-on-year results*

CONTINUED INVESTMENT IN IT & PRODUCT DEVELOPMENT

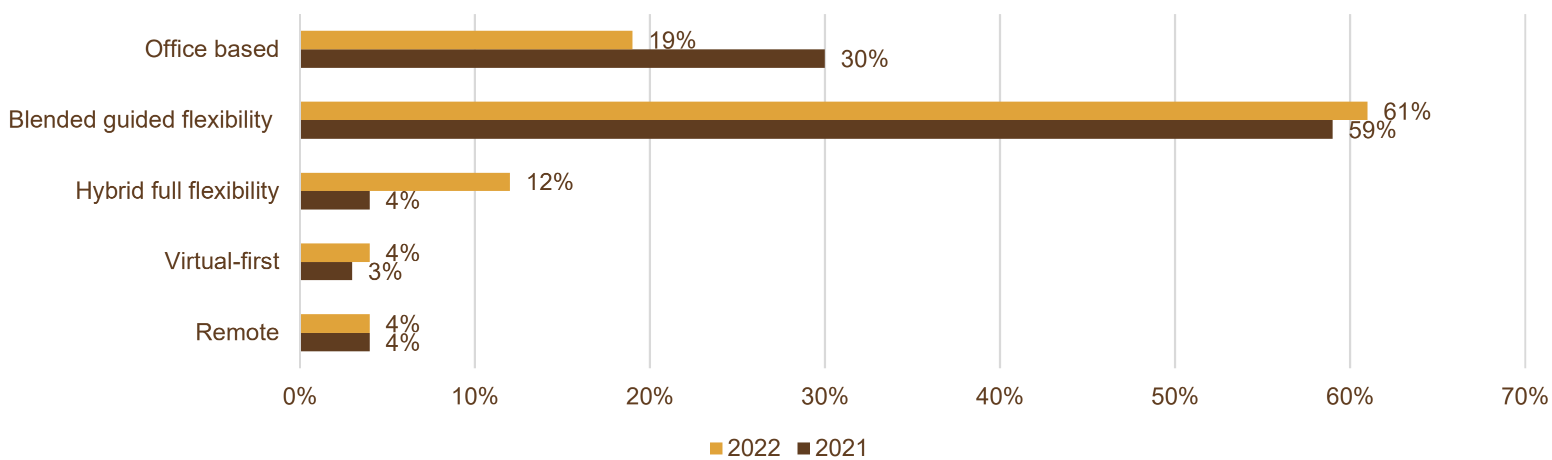
SERVCORP

FLEXIBLE WORKSPACE DEMAND

The pandemic catalyzed an unprecedented change in commercial workspace industry. Following the initial radical shift to Work From Home ("WFH") due to mandatory social distancing orders, businesses have been actively assessing their needs to seek purpose-driven flexibility to rebalance the evolving workstyle between physical and virtual work experience.

In the post-pandemic era, more corporate real estate teams are challenged to implement an optimal workspace strategy. CBRE research observed more hybrid working in 2022 than the previous year; however, many are challenged to find the optimal sharing efficiency that enable hybrid working, cost savings and space consolidation.

The ability to integrate the physical and virtual work environment becomes prominent to ensure productivity, efficiency and organizational culture.



** CBRE Spring 2022 U.S. Office Occupier Sentiment Survey*

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CONTINUED INVESTMENT IN IT DEVELOPMENT

Servcorp achieved a critical milestone of modernising the sales tool, enhancing sales and revenue generation. Upon completion, the modernised sales tool will fully integrate with the rest of the IT ecosystem. This would enable a multi-faceted platform that addresses sales inquiries in real time and allows more comprehensive analytics & insights of space and service utilisation ratio to drive more efficient and targeted sales.

Organisations worldwide are putting more prioritised focus on cybersecurity as growing cyber risks and threats continue driving public awareness.

Servcorp's dedicated IT team completed the security enhancement in 1H23 through upgraded infrastructure as well as the deployment of augmented security system, which equips Servcorp with the ability of Security Operations (SecOps).

Building into Servcorp IT ecosystem the fundamental ability to support market based and product based changes to accommodate the growing need of hybrid working while maintaining organisation culture and productivity.

This will also enable self-supported workspace management tailored to demand with the full ability to upsize and downsize the space portfolio (private office, Coworking, remote work) as needs arise.

Development of the new IT platform, SmartOffice, continued in 1H23.

Following Japan and Australia, SmartOffice was rolled out to the Middle East in Q2, bringing instant improvement in business and operational efficiency at each floor.

Stage 1 integration between SmartOffice and the rest of the upgraded IT ecosystem was completed with great success.

SERVCORP


SOCIAL &
COMMUNITY
RESPONSIBILITY
SERVCORP

SOCIAL & COMMUNITY RESPONSIBILITY

Minimising Our Pawprint

Servcorp acknowledges the seriousness of climate change and the impact high concentrations of greenhouse gases in the atmosphere are having on our planet. There is growing need for businesses to become sustainable to ensure the protection of the environment from further damage. We have three distinct areas of focus; ***Reduce, Offset and Educate***.

- Active partnership with landlords at energy efficient properties
- Continuous improvement in operation efficiency at Servcorp locations globally to achieve lower energy and water waste
- Committed contribution through not-for-profit and charitable organisations to support the community and those in need, and to contribute up to $1 million over 10 years to Greenfleet projects for replanting, reforestation or carbon offset.

'Servcorp forest' covers

530,000
SQM OF REGIONAL LAND

Planted more than

53,000
TREES

Community Service

Servcorp supports continuing research into the prevention and cure of cancer and assisting young, seriously or terminally ill members of the community. In the 12 months to December 2022, Servcorp has raised and donated in excess of $700,000 to help with many charitable organisations around the world.

GLOSSARY


THE POWER OF
BIG
WHEN YOU ARE SMALL
SERVCORP
Research Collaboration Agreement

GLOSSARY

ANZ	Australia and New Zealand
Cash Earnings	Is EBITDA minus Cash Rent paid
Cash Rent	Cash Rent is the amount paid to a landlord (or lessor) by Servcorp as a lessee under the terms of a signed lease agreement
cps	Cents per share
DPS	Dividend per share
EME	Europe & the Middle East
EPS	Earnings per share
Free Cash	Is the Net Operating Cash Flows before tax as reported in the Consolidated Statement of Cash Flows contained in the Servcorp Consolidated Financial Report minus Cash Rent paid
FY	Financial Year
Immature	Immature means floors that have been operational for less than 24 months and have not produced 3 months consecutive operating profit in the same timeframe. The period during which the floor is immature is defined as pre-maturity
Mature	Mature means floors that were open in both the current and comparative reporting periods. A floor is categorized as Mature at the earlier of 24 months from the date it becomes operational or 3 months consecutive operating profit. For the avoidance of doubt, Mature excludes closed floors
SEA	South East Asia
Segment Profit	Calculated in accordance with Australian Accounting Standards as reported in the Servcorp Consolidated Financial Report
Statutory NPAT	Calculated in accordance with Australian Accounting Standards as reported in the Servcorp Consolidated Financial Report
Statutory NPBT	Calculated in accordance with Australian Accounting Standards as reported in the Servcorp Consolidated Financial Report
Underlying Free Cash	Is Free Cash adjusted for significant items (before tax) which relate to the reported financial year however, because of timing, either occurred in the preceding financial year or will occur in the subsequent financial year
Underlying NPAT	Is the Statutory NPAT adjusted for significant items (net of tax) that are one-off in nature and that do not reflect the underlying performance of our business, and includes Mature floors only
Underlying NPBIT	Is the Statutory NPBT adjusted for significant items (before tax) that are one-off in nature and that do not reflect the underlying performance of our business, and includes Mature floors only
NTA	Net tangible asset per share
$'m	Million in Australian dollars

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