

ASX ANNOUNCEMENT

ADDRESS BY ALF MOUFARRIGE AO

CHIEF EXECUTIVE OFFICER, SERVCORP LIMITED

22 FEBRUARY 2024

UNDERLYING OPERATING PROFIT UP 25% YEAR ON YEAR

STATUTORY OPERATING PROFIT UP 42% YEAR ON YEAR

Our global numbers for the first 6 months of the 2024 financial year are more impressive if our Statutory Operating Profit is perused in isolation. In the first half it grew to AUD24.8 million, up 42%, with Underlying Operating Profit up 25% to AUD26.1 million.

Underlying Free Cash at AUD35.8 million was up 22%.

Servcorp also wishes to reiterate that we are on track to meet our upgraded numbers (\$50.0m - \$55.0m mature NPBIT) announced on 15 November 2023 in the Chairman's Address to the Annual General Meeting.

Demand remains strong.

The competitive environment is aggressive, but we remain confident that our growth will continue.

MIDDLE EAST UPDATE

Following our previous update to the market on 17 November 2023, the restructuring of the Middle East operations continues. We confirm that the Middle East reorganisation was completed prior to 31 December 2023, including the incorporation of a new holding company for this region ("NewCo").

Servcorp has now been granted a regional headquarter licence issued by the Saudi Ministry of Investment, the first foreign corporation in the shared workspace sector to obtain this. This ensures Servcorp receives full support in its international endeavours controlled by its Saudi entity and receives support from the Ministry of Investment in Saudi.

This achieves two of the key requirements for Servcorp to continue with a planned listing of its Middle East and European operations in the first or second quarter of calendar 2025.

Servcorp Limited intends to hold our Europe and Middle Eastern operations in NewCo, with Servcorp Limited retaining a 55% holding in the listed entity. Profit projections and revenue for the calendar year 2024 for these operations are being comfortably met, and four new locations are being built in the area to meet the strong demand. Based on current multiples being achieved in the Saudi market for growth businesses, we could expect to see a significant value uplift for our shareholders, should the transaction be successfully completed.

Servcorp Limited, in addition to owning 55% of NewCo, will retain 100% ownership of its locations in Australia, New Zealand, South East Asia, North Asia, United Kingdom, USA, plus some Middle Eastern operations, incorporating over 80 business centres.

A substantial cash injection should flow into Servcorp Limited and our view is profits will remain constant.

It's the Middle East, so projecting 1 year in advance has its risks.

Forecasts are subject to currencies remaining constant, global financial markets remaining stable, and no other unforeseen circumstances.

This ASX announcement is approved and authorised by the Board of Directors of Servcorp Limited.

For more information contact

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Results Presentation

Thursday 22 February 2024 at 4:30pm
Level 63, 25 Martin Place, Sydney

Dial-in facility	Online webinar
Australia: +61 2 9087 3602	If you wish to join the online meeting click
Access Code: 977-782-138	Register now!

or email Jessica.Fernandes@servcorp.com.au by midday on Thursday 22 February 2024