



# H1 2014 PRESENTATION

Web-cast – 21 August, 2014, 11.30 am (CET)

Presentation available at [www.eac.dk](http://www.eac.dk)



# GROUP HIGHLIGHTS H1 2014

## Santa Fe is turning the corner

- Profitability on track ahead of Q3 peak season
- EBITDA of DKK 26m (DKK 22m): 45% growth in local currencies; 118% when disregarding one-offs

## Group EBITDA improved to DKK 14m (DKK 6m)

- Before special items of DKK 3m

## Full-year outlook maintained for Santa Fe

- ~DKK 18m restructuring costs in parent company

## Controlled generational handover initiated

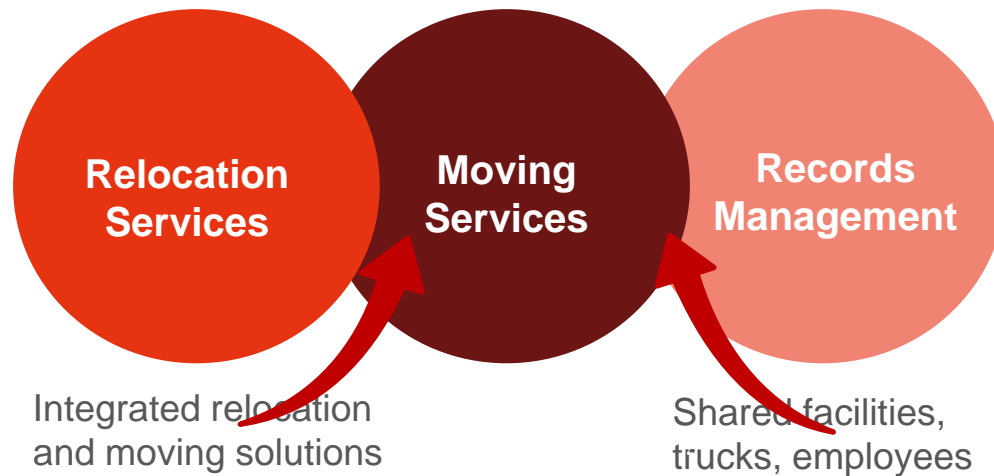
### Disclaimer

*The outlook for 2014 reflects management's expectations of future events and must be viewed in the context of the business environments and currency markets, which may cause actual results to deviate materially from those projected by EAC.*



# BUSINESS HIGHLIGHTS H1 2014

- Large corporate tenders won during 2013 positively impact performance
- Higher share of value-added services and cost containment propel margins
- Indications of rebound in largest single market Australia after years of hardship
- New important relocation and moving services contracts wins
- Corporations remain cautious over mobility costs – but bookings indicate strong performance through Q3 peak season



# RELOCATION SERVICES

*Revenue growth in local currencies, unless otherwise stated*

**DKK 135m (DKK 124m) revenue in H1: 9% growth in DKK, 13% growth in local currencies**

- Visa & immigration services remain strong drivers
- EMEA: Newly won accounts and increased activity among existing clients drive 20% growth, primarily in Western Europe and the UAE
- Asia: 1% decrease as progress in South East Asia is offset by lower support from US relocation companies in India and North Asia
- Australia: 68% growth in minor emerging business; rebranding after acquisition of visa & immigration service provider in April

## Service offering

- Work permits, visa, immigration, etc.
- Area orientation and home search
- Tenancy and property management
- School search, language training, settling-in assistance



# MOVING SERVICES

*Revenue growth in local currencies, unless otherwise stated*

**DKK 886m (DKK 960m) revenue in H1: 8% decrease in DKK, 2% decrease in local currencies**

- Margins continuously under pressure from competition and customer price expectations
- EMEA: 1% revenue decrease as business from new accounts was outweighed by lower activity in main market UK as well as Spain
- Asia: 9% revenue decrease following lower client and partner activity in most parts of the region
- Australia: 2% revenue growth due to minor rebound in domestic moving services and increased volumes through brokerage business

## Service offering

- Moving of household goods, mainly as part of corporate programs for expats
- Packing, shipping, storing of goods
- Office moving service
- Direct Consumer Business



# RECORDS MANAGEMENT

*Revenue growth in local currencies, unless otherwise stated*

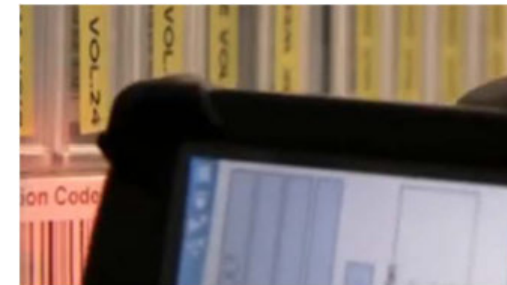
**DKK 45m (DKK 45m) revenue in H1: Revenue flat in DKK, 6% growth in local currencies**

- 14% volume growth driven by Greater China and Indonesia



## Service offering

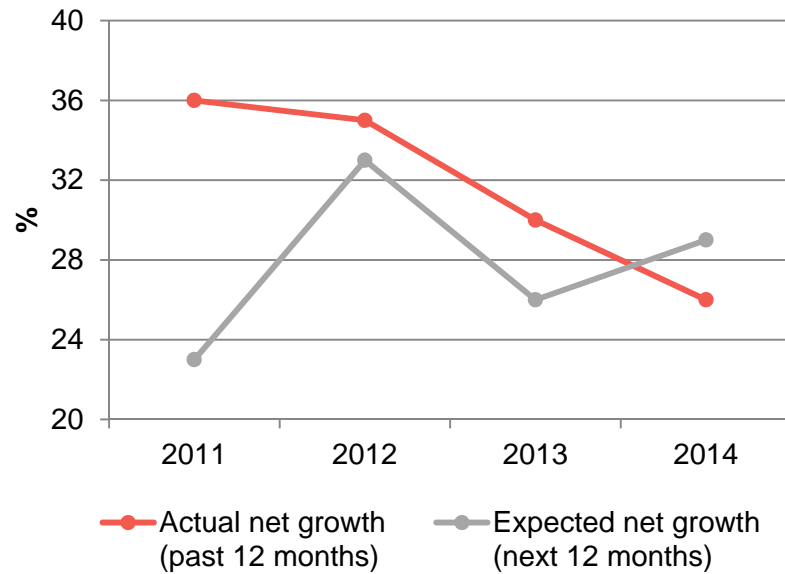
- Storing, archiving and managing files with imaging technology
- Delivery services
- Climate-controlled facilities with 24-hours surveillance



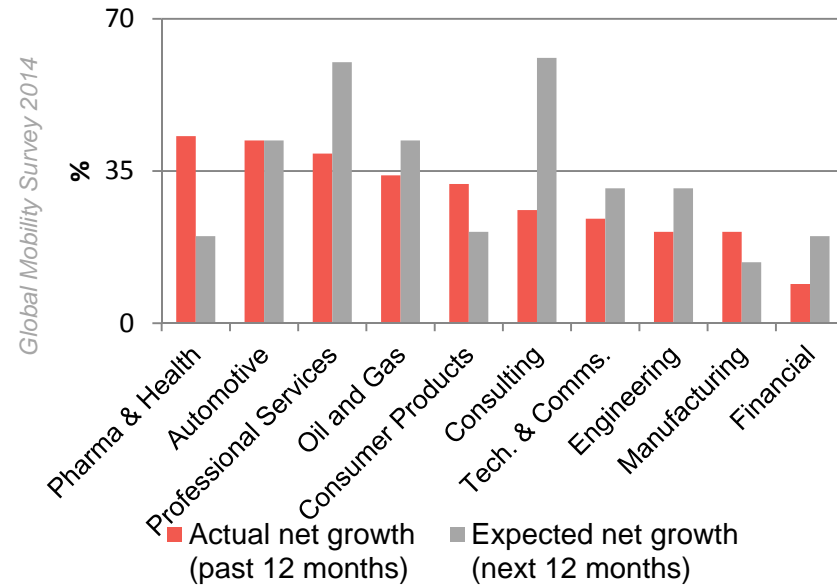


# INCREASED CONFIDENCE IN MOBILITY GROWTH

First year that expectations outweigh actual net growth in assignments

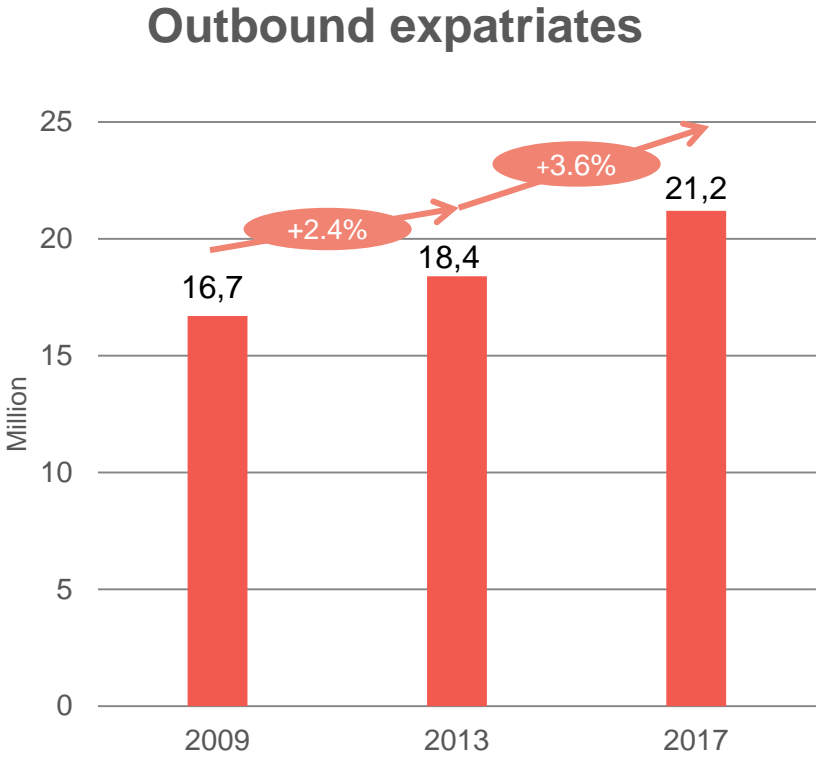


Consulting & professional services industries have most confidence

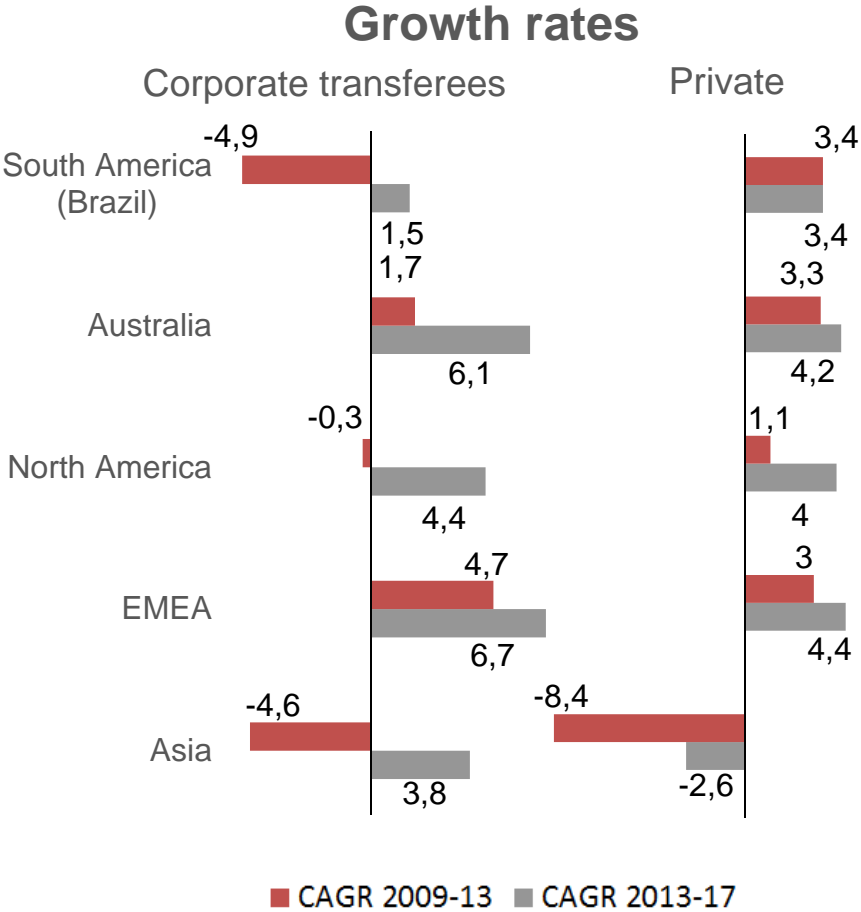


Source: "Global Mobility Survey" 2014 commissioned by Santa Fe. Comprises 1,269 company respondents from 72 countries world-wide.

# EXPECTED GROWTH IN EXPATRIATIONS



Sources: AT Kearney & Finnacord





# ENCOURAGING TRENDS IN LOW SEASON

## Revenue flat in local currencies

- Down 6% in DKK due to AUD depreciation

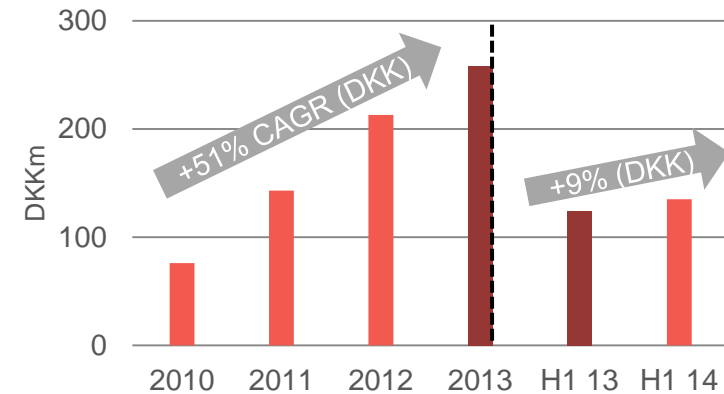
## Gross margin improved by 3pp

## EBITDA grew by 45% in local currencies

- 63% growth in DKK and 118% in local currencies excl. one-off income in Q2-2013

DKKm	H1 2013	H1 2014
Revenue	1,129	1,066
EBITDA	22	26
<i>EBITDA margin (%)</i>	1.9	2.4
<i>ROIC (% p.a.)</i>	3.4	4.8

## Relocation Services revenue



# MANAGEMENT AND ORGANISATION

## Controlled generational handover

- Board committed to profitable growth in Santa Fe and simplification of Group structure
- Endeavour requires focused, long-term commitment from executive management
- Niels Henrik Jensen and Lars Lykke Iversen both intend to retire in the foreseeable future
- As a result, search for new CEO for the consolidated operation is initiated immediately



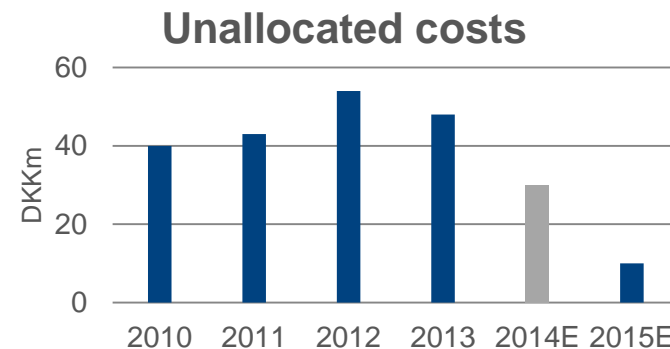
Niels Henrik Jensen Lars Lykke Iversen

## Review of Board's composition

- Relevant competencies to support Santa Fe

## Reduction of unallocated costs

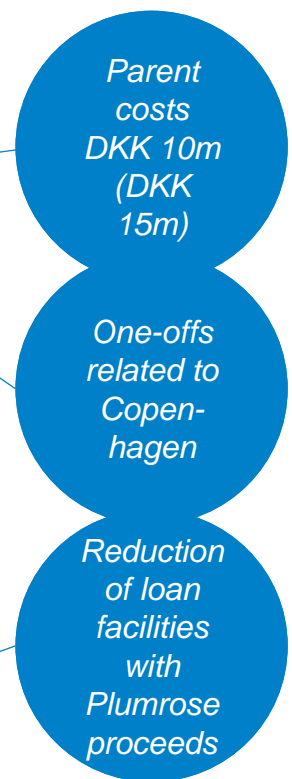
- DKK 10m projected in 2015



# HALF YEAR RESULTS

DKKm	H1 2013	H1 2014
Revenue	1,129	<b>1,066</b>
EBITDA before special items	6	<b>14</b>
Special items, net	0	<b>-3</b>
Operating profit (EBIT)	-16	<b>-10</b>
Profit from continuing operations	-72	<b>-12</b>
Profit from discontinued operations (Plumrose)	54	<b>603</b>
Profit for the period	-18	<b>591</b>
	H1 2013	H1 2014
Net interest bearing debt*	232	<b>149</b>
Invested capital*	1,291	<b>1,122</b>

\* Continuing operations



## 2014 OUTLOOK

DKKm	2014E	Comments	2013
Revenue	<i>Unchanged</i> 2,355- 2,550	- EMEA: Growth from corporate clients on-boarded 2013-14 and better product mix - Asia to benefit from large tenders won and improved results in records management - Australia only to benefit from new business-friendly political initiatives in 2015	2,355
Santa Fe EBITDA	<i>Unchanged</i> 135-155	- Increased share of higher margin services - Tight cost control with lower cost ratio	103
Corporate costs	<i>Unchanged</i> ~30	- Savings to start materializing in 2 <sup>nd</sup> half year	48
Group EBITDA before special items	<i>Unchanged</i> 105-125		68
Special items	<i>New</i> ~18	- One-off costs to streamlining of Group etc. - Will significantly lower corporate costs in 2015	0
Group EBITDA after special items	<i>Changed</i> 87-107	- Previous outlook of 105-125, which did not include any restructuring costs	68



## QUESTIONS, PLEASE

## ADDITIONAL INFORMATION



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