

TELECONFERENCE – Q3/17

16 NOVEMBER 2017

TODAY'S AGENDA



Q3 Highlights	03
Market Trends (Europe, Asia, Australia, Americas)	06
Key financial figures	10
Strategy Update	12
Full Year Outlook 2017	15
Q&A Session	16



Disclaimer

The outlook for 2017 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 Santa Fe Group A/S.



Martin Thaysen
Group CEO



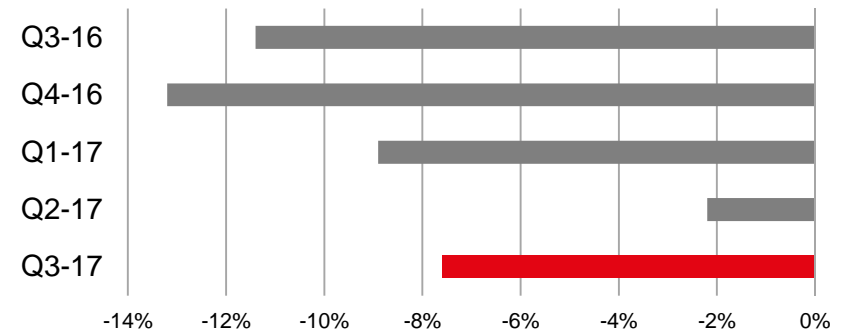
Christian Møller Laursen
Group CFO

Q3 HIGHLIGHTS



- Continued challenging market conditions in Q3
- Overall financial results in the summer peak season were disappointing
- Growth in Relocation Services continues
- Strategic initiatives progressed according to plan. Options for entry into the US market are being reviewed – transaction in 2017 unlikely
- Joint Venture buyout in China completed in July
- Records Management China sale signed 15 Nov

Revenue growth - Continuing Moving & Relocation businesses



Growth rates stated in local currencies



-9.4%

Moving Services



+2.8%

Relocation Services



-73.9%

Records Management

Q3 2017 NET RESULT WAS SIMILAR TO LAST YEAR



EURm	Q3 2017	Q3 2016	Q3 17 ex. RM	Q3 16 ex. RM
Revenue	89.1	102.4	88.0	97.8
EBITDA before special items	7.0	9.3	6.6	8.1
Special items	-1.1	-1.0	-	-
Reported EBITDA	5.9	8.3	-	-
Depreciation, amortisation & impair.	-1.0	-1.6	-	-
Operating profit (EBIT)	4.9	6.7	-	-
Share of profit in associates	0.0	0.0	-	-
Financials, net	0.2	-0.7	-	-
Income tax	-1.0	-1.6	-	-
Net profit/loss	4.1	4.4	-	-

7.6% decline in local currencies for the Continuing Moving & Relocation business

Cost savings could not entirely compensate for decline in revenue

Restructuring costs including migration of back-office functions to Manila

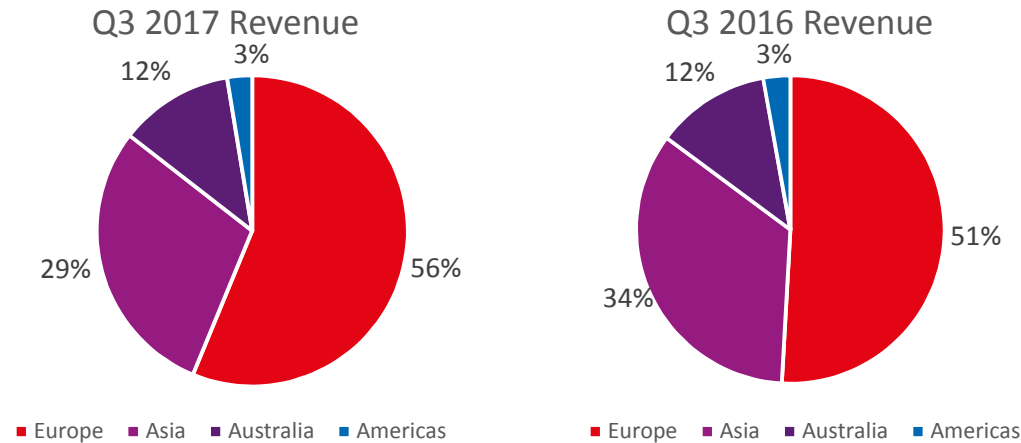
Wridgways trademark written off end 2016. Records Management assets divested.



Q3 PERFORMANCE BY REGION AND BUSINESS LINE

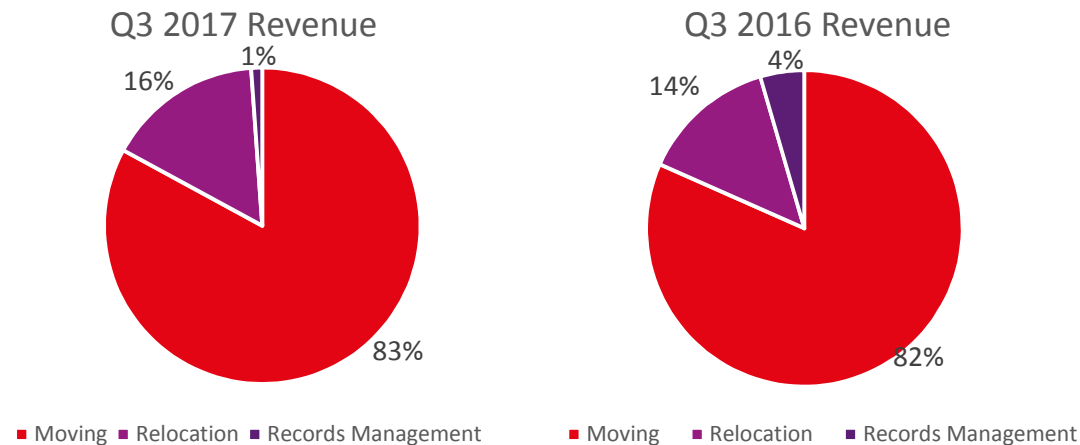


By Segment (Region)



- Revitalised European team driving growth with corporate clients (outside UK)
- Asia market is challenging, and further affected by the divested Records Management activities
- Australia not out of difficulties

By Business Line



- Relocation Services growing in importance – in line with strategy.
- Relocation services now constitutes 16% of total revenue in Q3 2017 (14% in Q3 2016)

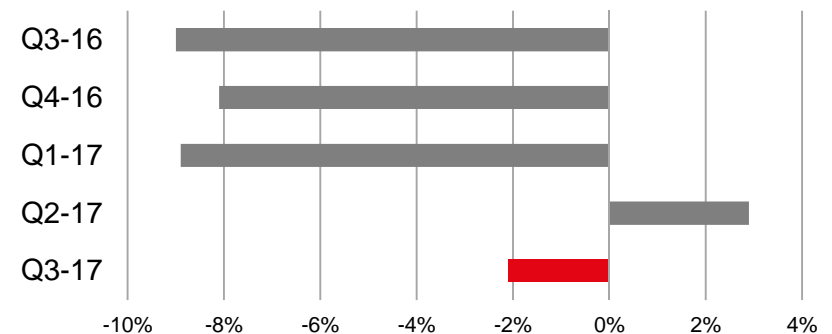
Q3 PERFORMANCE EUROPE

Growth rates stated in local currencies



- 2.1% revenue decline overall
 - 3.6% decrease in Moving Services
 - 6.3% increase in Relocation Services
 - Substantial decline in UK market countered growth on the continent
 - Important contract wins Q4/Q1 contributed positively
- EBITDA of EUR 5.1m (5.6m)
 - Revenue shortfall and unfavourable customer mix in the UK.
 - Lower fixed costs mitigated to some extent

European growth rates



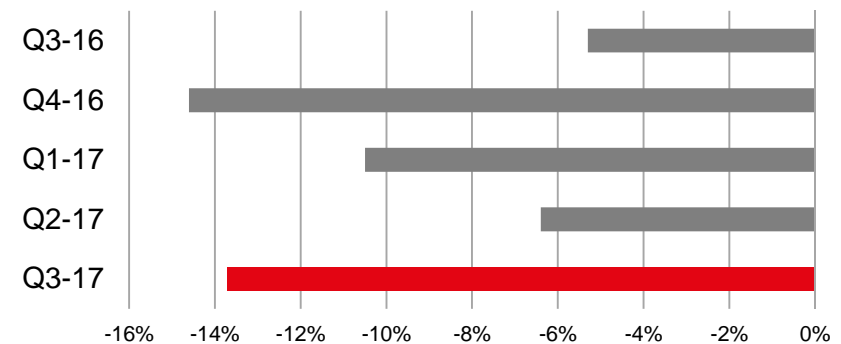
Q3 PERFORMANCE ASIA

Growth rates stated in local currencies



- 13.7% revenue decline for continuing Moving & Relocation business
 - Drop of 0.3% in Relocation Services
 - 14.6% decline in Moving Services
 - Lower activity levels from existing clients and reduced support from US agents being the main factors
 - RM business declined to EUR 1.0m (EUR 4.5m) due to divested activities
- EBITDA from continuing business of EUR 3.7m (4.5m)
 - Lower revenue from Moving Services, countered by cost reductions

Asian growth rates - Continuing Moving & Relocation businesses



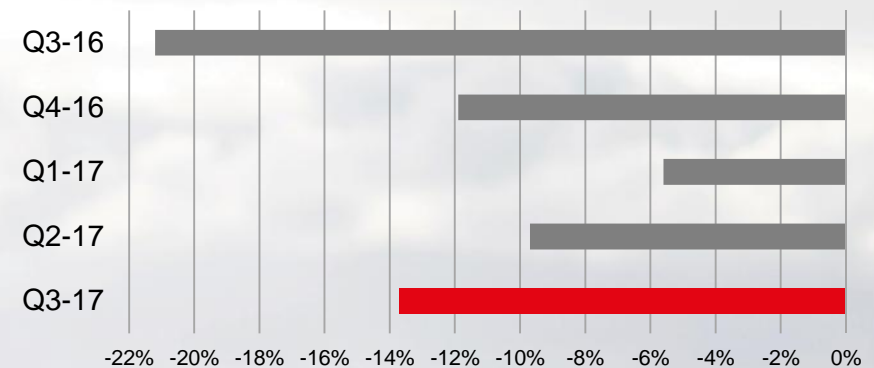
Q3 PERFORMANCE AUSTRALIA

Growth rates stated in local currencies

- 13.7% revenue decline
 - Decline in both Corporate, Consumer and Agents' business
 - New Managing Director 11 August
 - New website launched 7 October
 - Wridgways brand re-launched 31 October
 - No impact in Q3, but re-assuring increase in consumer leads
- EBITDA of EUR -1.6m (-1.4m)
 - Focus on top-line stabilization and growth to get back to profitability.



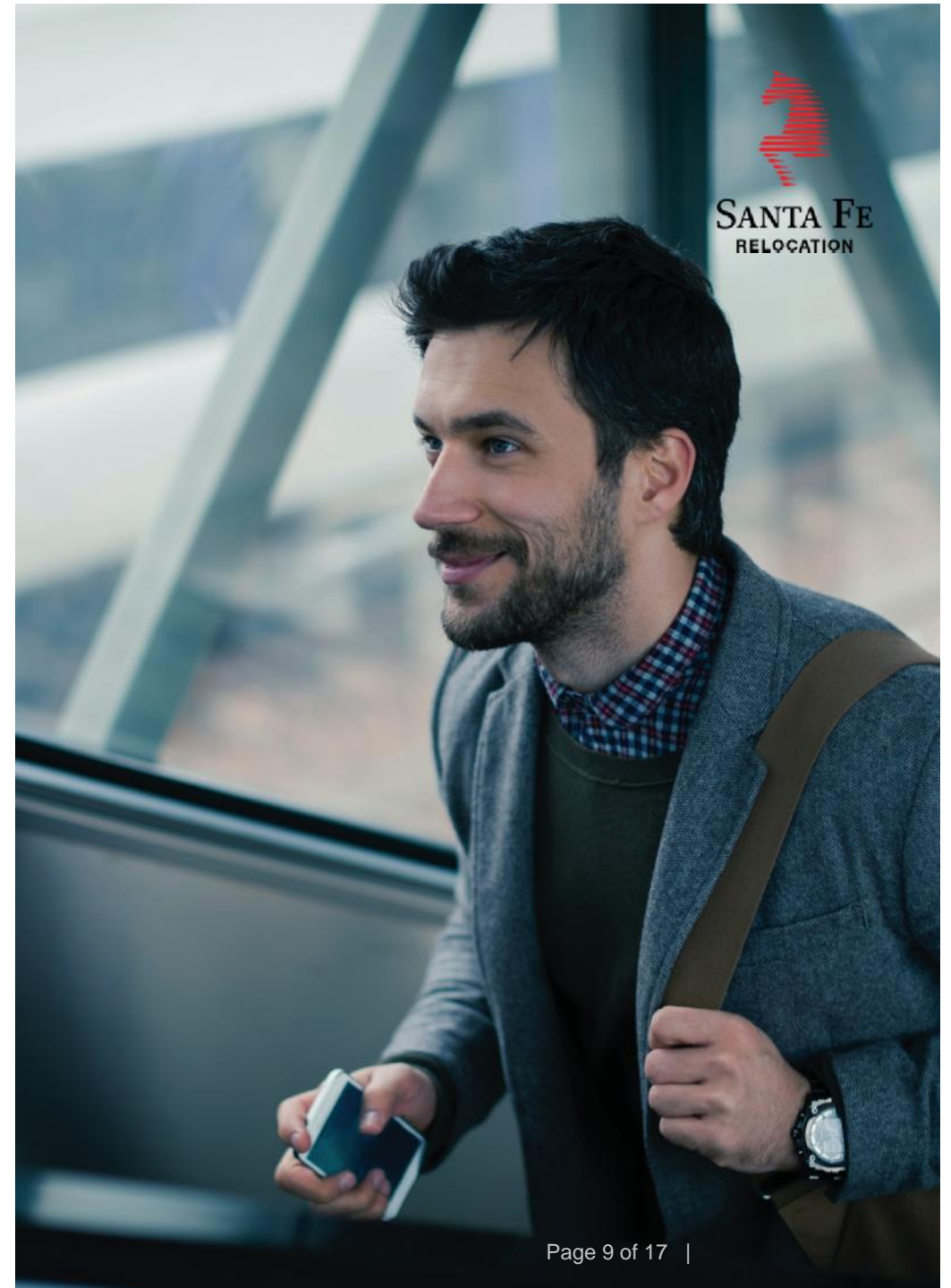
Australian growth rates



Q3 PERFORMANCE AMERICAS

Growth rates stated in local currencies

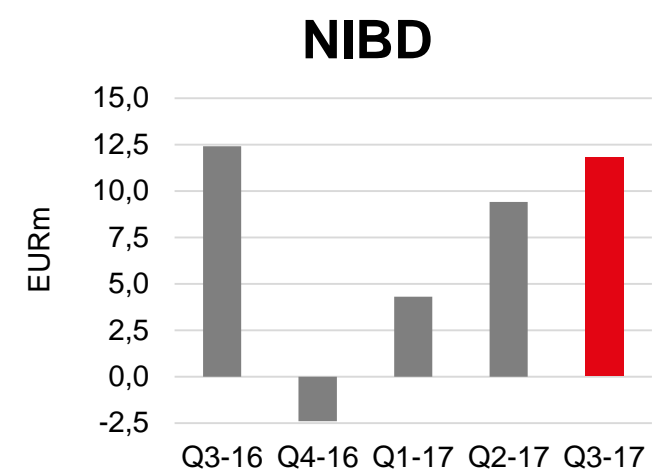
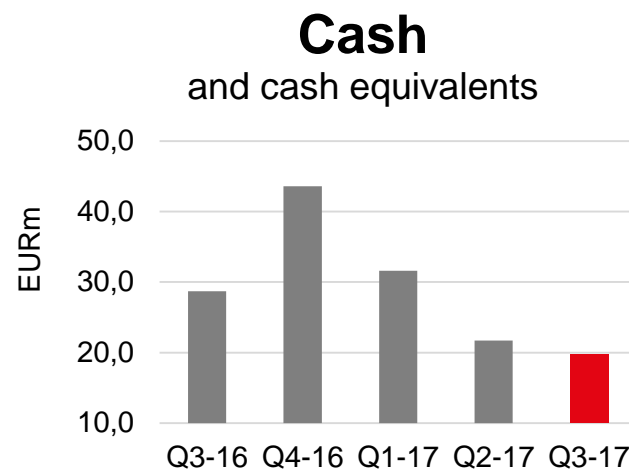
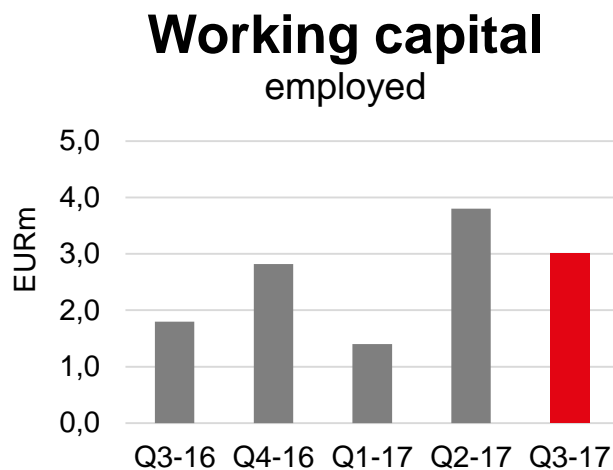
- 17.2% revenue decline:
 - Lower activity levels from existing customers
 - Significant efforts undertaken to identify structural growth opportunities to add home-sale capability
 - Unlikely to result in acquisition within 2017.
 - Alternative options being developed.
 - Proposed tax reform creates uncertainty
- EBITDA of EUR 0.2m (0.2m)



WORKING CAPITAL WAS NOT WELL MANAGED THROUGH THE PEAK



- Working capital employed EUR 3.0m vs EUR 1.8m same time last year, as collections temporarily affected by migration of back-office functions to Manila.
- Back-log of billing accumulated through the peak – now being cleared.
- NIBD remains lower than same time last year



KEY FINANCIAL FIGURES



EURm	Q3 2017	Q3 2016	FY 2016
Total Assets	215.5	247.0	234.7
Working Capital Employed	3.0	1.8	2.8
Cash & cash equivalents	19.8	28.7	43.6
Net Interest Bearing Debt, end of period	11.8	12.4	-2.4
SFG's share of equity	79.0	91.3	86.8
Invested Capital	84.2	98.8	79.3
ROIC (%), annualised	5.0	0.3	-4.1
Cash Flow from operating activities (Jan-Sep)	-13.6	0.9	4.6
Cash Flow from investing activities (Jan-Sep)	5.9	-2.7	8.6

Reduction in Invested Capital due to impairment and Records Management assets divested

NWC increased by EUR 9.3m vs. an increase of only EUR 0.2m Jan-Sep 2016 from an unusual low position end 2015

Proceeds of EUR 10.6m from the closing of the Records Management divestment offset by investment in Core Technology

SETTING UP SANTA FE FOR GROWTH

WINNING NEW BUSINESS, BUT HIDDEN BY MARKET SETBACK



2015-16

Lay the Foundation

- Fix the Core moving business
- Build growth-enabling capabilities; recruit top talent
- Implement new technologies
- Optimize financial and operational processes
- Bring strategy to life for employees

2017-2018

Next Level Growth

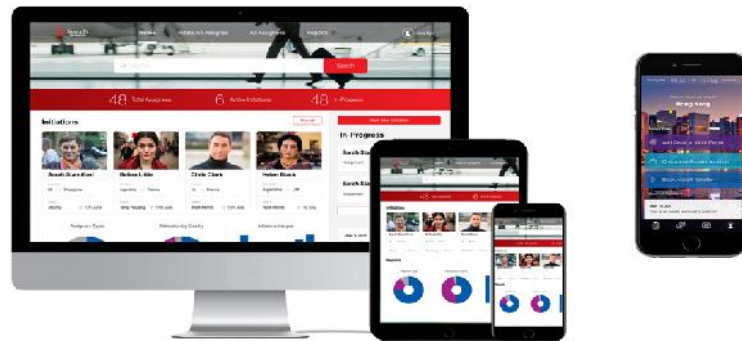
- Drive Growth
- Grow Immigration and Assignment Management share
- Accelerate Technology and Digitalisation
- Drive Customer Experience
- Develop next-level leadership and talents

2019-20

Industry Leader

- Add new markets and segments
- Take market shares
- Constant above-market growth
- Large-scale operations
- Outperform competition

LAUNCH OF NEW PORTALS ENHANCED CUSTOMER EXPERIENCE



Live Dates

Client Portal live on 30 October

Assignee Portal live on 30 October

Santa Fe App to be cleared on Apple and Android platforms in November

Implementation

Client onboarding to new portals to be completed in Q1 2018

Assignees automatically on new portals with immediate effect

200 Assignees access our new portal every week

PROUDLY AWARDED AT THE EMMAS INDUSTRY AND CUSTOMER RECOGNITION



Forum For Expatriate Management's awards are the most recognized and respected awards in the mobility industry. The judges are Corporate Heads of Mobility and thought leaders in the industry.



EUROPE AWARDS 2017

Winner : Relocation Management Company of the year

Winner : International Moving Company of the year

Runner up : Thought leadership

ASIA PACIFIC AWARDS 2017

Winner: Thought Leadership

Winner: Outstanding CSR

Runner up: International Moving Company of the Year

Runner up: Relocation Management Company of the Year

Runner up: Best employee benefits programme

Highly Commended: Best Technology

Highly Commended: Immigration Company of the Year

Highly Commended: DSP Company of the Year

SUCCESSFUL DIVESTMENT OF RECORDS MANAGEMENT IN CHINA



- Records Management in China and the Beijing warehouse sold to Iron Mountain at a cash consideration of EUR 23.0m
- Expected closing by 31 December, however this might drag into 2018
- The divestment is expected to generate a net proceed after tax of EUR 15m and a net gain before tax of EUR 19m
- The Group will hereafter only operate Records Management activities in Portugal



OBSERVATIONS FROM Q3 PEAK SEASON



Hard Business Realities

- Further set-back in UK market
 - Significant Market Weakness in Asia
 - Australia top-line still in decline
 - Continued Agent retraction
-
- Fixed cost reductions to counter Revenue shortfall
 - OPEX and CAPEX investments in strategy continues

Implications for Outlook

- Adjusted Revenue Expectations
-
- Adjusted EBITDA guidance

FULL-YEAR OUTLOOK 2017 REVISED



2017 Outlook	Comments	FY 2016 EURm
<p>Revenue: Around EUR 300m (Previously in the range of EUR 310m-320m)</p>	<ul style="list-style-type: none"> Disappointing peak season with lower activity levels in particular in Asia but also in UK and Australia Growth from new clients not strong enough to compensate for lower activity from existing clients and the divested Records Management activities 	338.6
<p>EBITDA before special items: In the range of EUR 6m-8m (Previously in the range of EUR 8m-10m)</p>	<ul style="list-style-type: none"> Cost saving programmes not enough to mitigate the impact of lower revenue. Australia performance has not yet picked up. 	10.6
<p>Special items: Net gain of around EUR 20m (Previously a net gain of around EUR 2m)</p>	<ul style="list-style-type: none"> EUR 4.3m gain on closing Records Management for the last 5 countries and EUR 19m expected gain from Records Management divestment in China. Additional restructuring costs triggered by the reduced activity level. 	7.6

Outlook for the remainder of year is highly dependent on the December peak season for relocations in Australia and generally sensitive to currency fluctuations, etc.





QUESTIONS, PLEASE

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SANTA FE
RELOCATION
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ADDITIONAL INFORMATION



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WE ARE
SANTA FE

