



# Q3 2015 RESULTS & FULL-YEAR OUTLOOK



# TODAY'S AGENDA



- Q3 highlights
- Market trends
  - EMEA
  - Asia
  - Australia
- Income statement
- Strategy update
- Full-year outlook
- Q&A session



CEO  
**Martin Thaysen**



CFO  
**Christian Møller  
Laursen**

## **Disclaimer**

*The outlook for 2015 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.*

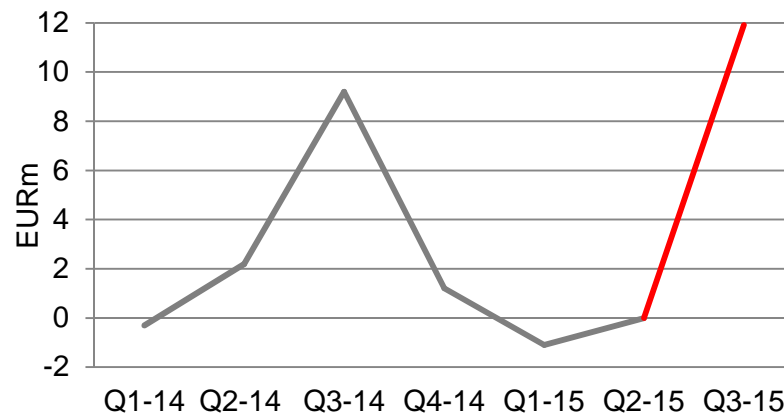
# Q3 HIGHLIGHTS

*Growth rates stated in local currencies*



- Q3 peak season handled well in EMEA and Asia
- Overall revenue growth of 4% (9% in EUR), subdued by Australia
- EUR 11.9m (9.2m) EBITDA result before special items
  - EUR 2m gain from divestment
- EBITDA margin of 8.7% (8.8%) adjusted for one-off gain
- Significant cash flow and working capital improvements
- Full-year outlook revised to EUR 11-13m range (previous EUR 10-12m)

**EBITDA**  
before special items



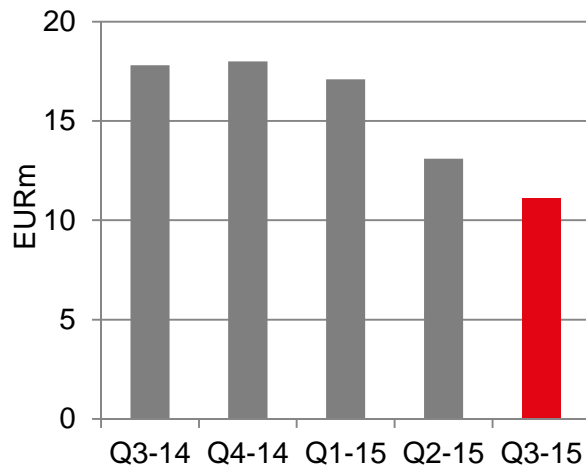
# CASH FLOW FOCUS STARTS PAYING OFF

*Growth rates stated in local currencies*

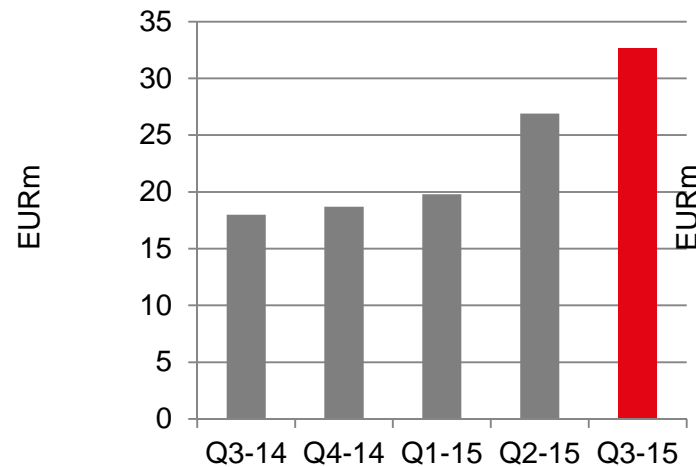


- Reduced accounts receivables  $\Rightarrow$  working capital employed reduced by 38%
- Cash flow from operating activities advanced by around EUR 15.0m
- Net interest bearing debt down 33% – cash position improved by 77%

**Working capital**  
employed



**Cash**  
and cash equivalents





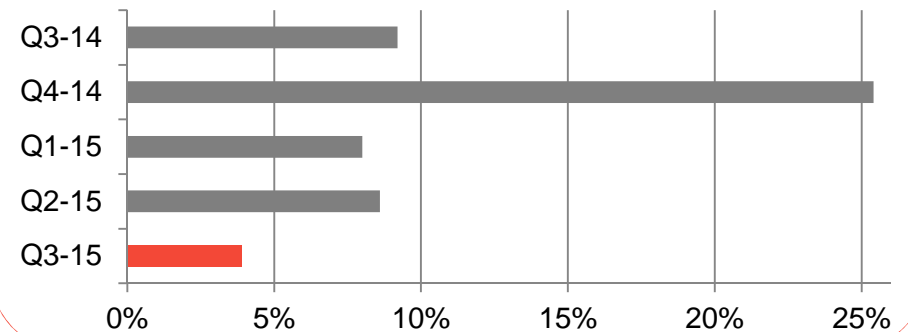
# GROWTH IN ALL BUSINESS LINES IN Q3

Growth rates stated in local currencies



- Impact from 2014 contract wins
- Increased uptake from existing accounts in EMEA and Asia
- Challenged markets in Australia, China and Switzerland

## Overall revenue growth



### Relocation Services



16%

### Moving Services



2%

### Records Management

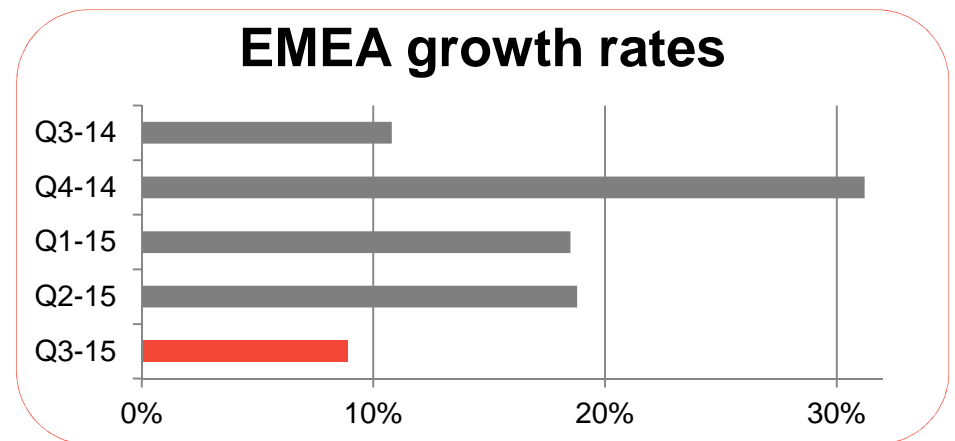


8%

# Q3 PERFORMANCE - EMEA

*Growth rates stated in local currencies*

- 9% revenue growth overall
  - 25% growth in Relocation Services
  - 7% growth in Moving Services
  - Benefits from new contracts and higher activity levels from existing customers
  - Challenging quarter in Switzerland
  
- EBITDA of EUR 6.1m (5.9m)
  - Continued margin pressure in main markets, although improvements seen in France and Germany
  - Higher staff cost to new contracts
  - Provision against labour disputes

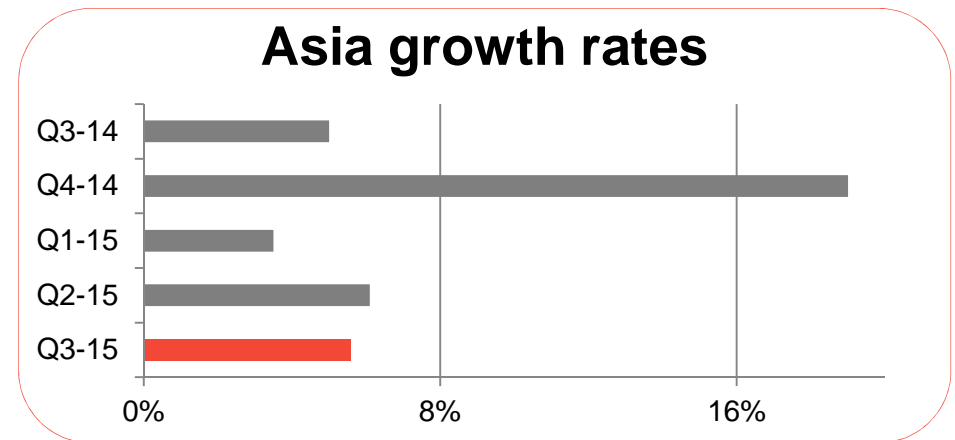


# Q3 PERFORMANCE - ASIA

*Growth rates stated in local currencies*



- 6% revenue growth overall
  - 6% growth in Relocation Services and 5% growth in Moving Services
  - Progress in most markets, primarily Singapore, Hong Kong and Indonesia
  - 20% decline in Chinese market
  - 10% growth in Records Management
- EBITDA up to EUR 7.9m (4.7m)
  - Gain on warehouse sale
  - Tight cost control, lower staff costs



# Q3 PERFORMANCE - AUSTRALIA

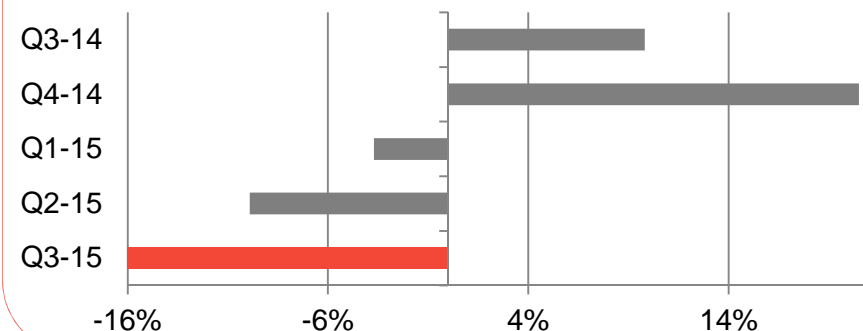
*Growth rates stated in local currencies*



- 15% revenue decline
  - General economic slowdown and severe downturn in mining industry
  - Reduced activity from corporate customers
  - Price pressure in the consumer business and lower volumes from US partners
- EBITDA down to EUR -1.6m (-0.4m)
  - Restructuring of network continues
  - Further efficiencies, cost reductions and organizational re-alignment
  - Commercial pipeline strengthened



## Australia growth rates





# INCOME STATEMENT

EURm	Q3 2015	Q3 2014
Revenue	114.4	104.9
<b>EBITDA before special items</b>	<b>11.9</b>	9.2
Special items	-0.6	-2.1
<b>Reported EBITDA</b>	<b>11.3</b>	7.1
Depreciation and amortization	-2.0	-1.6
Financials, net	0.8	-4.9
Income tax	-3.2	-2.0
<b>Profit from continuing operations</b>	<b>7.0</b>	-1.4
<b>Net profit</b>	<b>6.9</b>	-1.5
EURm	9M 2015	9M 2014
Revenue	283.4	247.8
<b>Reported EBITDA</b>	<b>9.5</b>	8.6
<b>Profit from continuing operations</b>	<b>1.0</b>	-3.1

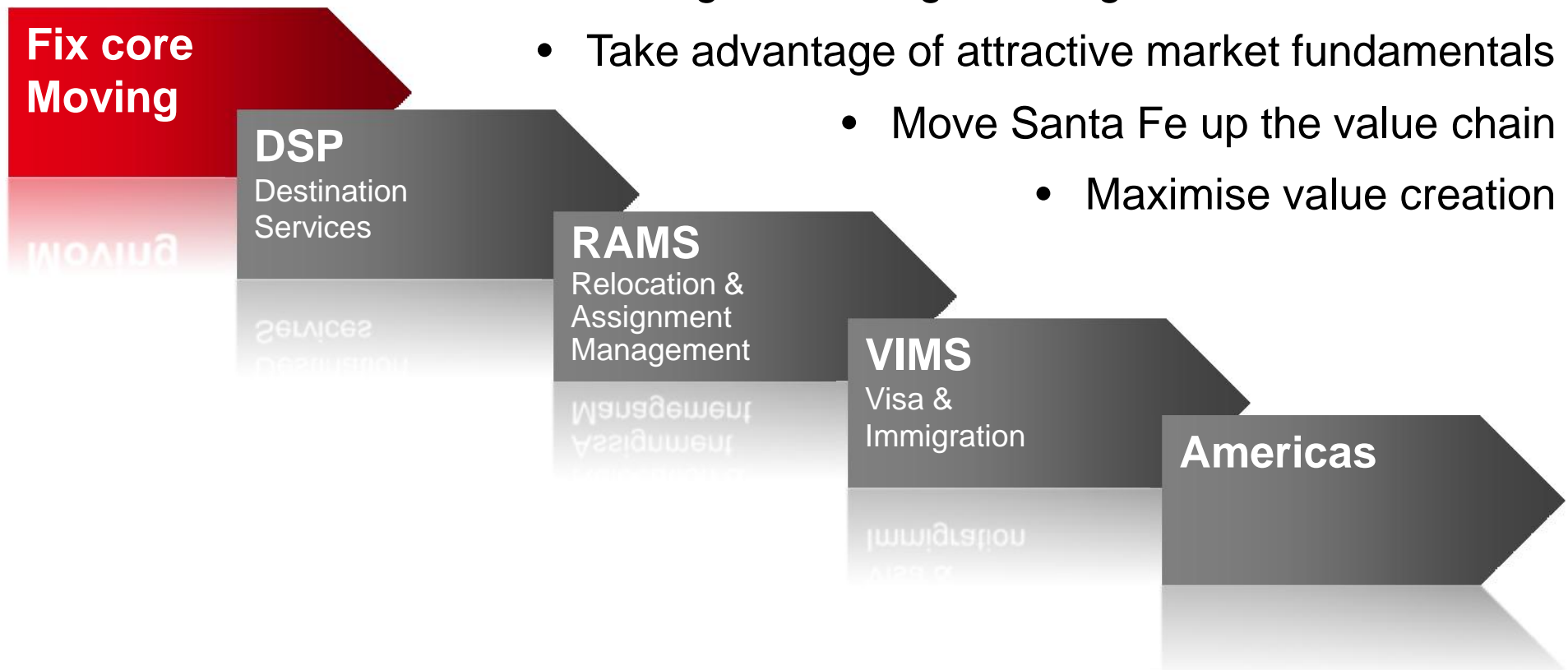
*EUR 2m  
sales gain  
from  
warehouse  
divestment*

*Unrealised  
exchange  
losses on  
inter-  
company  
loans*

# 2020 STRATEGY LAUNCHED



- Address immediate challenges to Moving Services effectively
  - Accelerate growth in higher-margin Relocation Services
    - Take advantage of attractive market fundamentals
      - Move Santa Fe up the value chain
        - Maximise value creation



# SETTING UP SANTA FE FOR GROWTH



2015-16

## Lay the Foundation

- Fix 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

- Leverage efficiencies and scale
- Return to growth
- Increase RAMS and VIMS share of market
- Scale up enabling functions
- Develop next-level leadership and talents

2019-20

## Industry Leader

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

# FOCUS AREAS TO “FIX THE CORE”



	2015 so far	What's next	Potential ⇒2020
Working Capital	<ul style="list-style-type: none"> <li>• EUR 10m released from overdue receivables</li> <li>• Interests/fees introduced</li> </ul>	<ul style="list-style-type: none"> <li>• Tighter credit policy</li> <li>• Improved invoicing processes</li> </ul>	
Procurement	<ul style="list-style-type: none"> <li>• Global tender for freight</li> <li>• Other tenders launched</li> </ul>	<ul style="list-style-type: none"> <li>• Conclude and implement contracts</li> <li>• Expand coverage to other categories</li> </ul>	EUR 5m
Revenue & Margin	<ul style="list-style-type: none"> <li>• Renegotiation of select low-margin contracts</li> </ul>	<ul style="list-style-type: none"> <li>• Re-design pricing methodology</li> </ul>	EUR 2m
Efficiency gains & savings	<ul style="list-style-type: none"> <li>• Cost containment</li> <li>• Enhanced Management structure</li> </ul>	<ul style="list-style-type: none"> <li>• Outsourcing vs. own operations</li> <li>• Review of off-shoring options</li> <li>• Improved technology</li> </ul>	EUR 3m
Operating Model	<ul style="list-style-type: none"> <li>• Rationalization of branch network in Australia</li> </ul>	<ul style="list-style-type: none"> <li>• Further rationalization in Australia and other countries</li> <li>• Turnaround of loss making countries</li> </ul>	EUR 2m

# REVISED FULL-YEAR OUTLOOK



2015 Outlook	Comments	2014
<b>Revenue:</b> EUR 370m - EUR 380m	<ul style="list-style-type: none"> <li>• <i>Previously:</i> EUR 370m - EUR 390m</li> <li>• Higher activity levels over 2014</li> <li>• Full impact of 2014 contract wins</li> <li>• Positive developments in Asia and EMEA - challenges in Australia</li> </ul>	338.1m
<b>EBITDA before special items:</b> EUR 11m - EUR 13m	<ul style="list-style-type: none"> <li>• <i>Previously:</i> EUR 10m - EUR 12m</li> <li>• Increased share of Relocation Services</li> <li>• Depressed Moving Services margins</li> <li>• Infrastructure costs to new contracts</li> <li>• Downturn in Australia</li> </ul>	12.3m
<b>Special items:</b> below 2014 costs	<ul style="list-style-type: none"> <li>• <i>Unchanged</i></li> </ul>	-2.5m

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





QUESTIONS, PLEASE

# ADDITIONAL INFORMATION



## **Martin Thaysen**

Group CEO

Tel. +44 (0) 20 3691 8300

Mobile: +44 (0) 7741 312 430

[Martin.Thaysen@santaferelo.com](mailto:Martin.Thaysen@santaferelo.com)

## **Christian Møller Laursen**

Group CFO

Tel. +44 (0) 2089 632 514

Mobile: +44 (0) 7771 553 623

[Christian.Laursen@santaferelo.com](mailto:Christian.Laursen@santaferelo.com)

## **Jesper Dahlsgaard**

Group Finance Director

Tel. +45 3525 4300

Mobile: +45 6060 6365

[Jesper.Dahlsgaard@santaferelo.com](mailto:Jesper.Dahlsgaard@santaferelo.com)

[www.santaferelo.com](http://www.santaferelo.com)