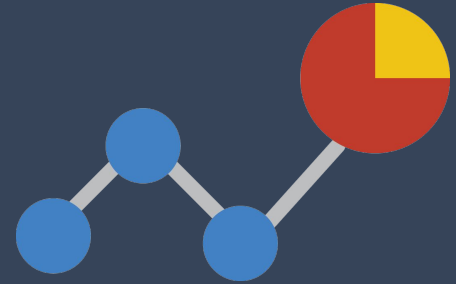


SALMAT
ANNUAL GENERAL MEETING
26 NOVEMBER 2019

DISCLAIMER

Company announcements and presentations can contain forward-looking statements. Words such as “believe”, “anticipate”, “plan”, “expect”, “intend”, “target”, “estimate”, “project”, “predict”, “forecast”, “guideline”, “should”, “aim” and similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements.

Forward-looking statements involve inherent risks and uncertainties. We caution you that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. These factors include but are not limited to: competition and product pricing in the markets in which we operate; general economic and market conditions; compliance with, and possible changes in, environmental and health and safety laws; dependence on cyclical markets; the supply and cost of materials; exposure to environmental or other legal proceedings; and risks of conducting business internationally. We caution you that the foregoing list of factors is not exclusive and that other risks and uncertainties may cause actual results to differ materially from those contained in forward-looking statements. Forward-looking statements speak only as of the date they are made.



CHAIRMAN'S ADDRESS

Peter Mattick, Chairman

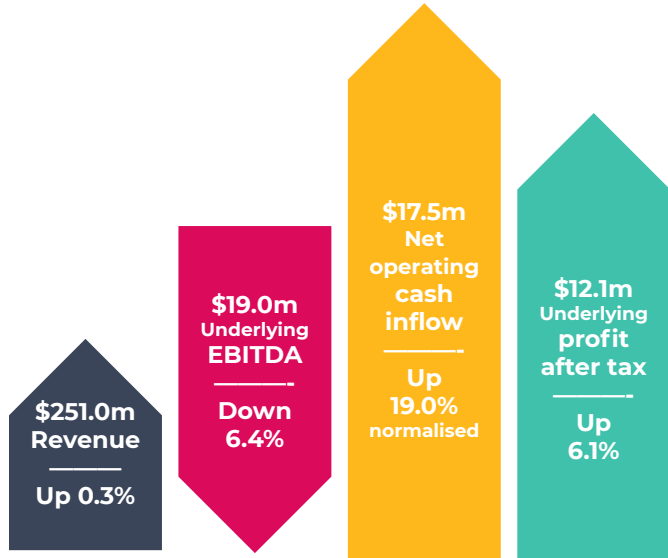
SALE ANNOUNCEMENT

Best result for Salmat and its shareholders



- Following a comprehensive industry review process by Salmat, this agreement was determined to be the best option for all stakeholders.
- IVE recognised an opportunity to merge capabilities in the catalogue print and distribution market.
- As a result, Salmat has entered into an agreement to sell the Marketing Solutions business to the IVE Group for \$25 million.
- Completion is anticipated by 1 January 2020.
- We are currently reviewing strategic options for Salmat once the sale completes.

PERFORMANCE OVERVIEW



Based on continuing operations

FY19 was a year of investment and innovation:

- Contact Centre separation completed
- Key new wins in difficult market
- Operational excellence drive in Marketing Solutions
- Successful automated collation trial
- Solid performance & growth in Managed Services

CAPITAL MANAGEMENT

Return on investment for our shareholders



- Maintained net cash position while strategic options were explored.
- Continued to distribute fully-franked dividends for FY19:
 - Interim dividend of 1cps.
 - Special dividend of 5cps subsequent to year end.
- \$12 million total paid to shareholders.
- Closed year with \$58.6 million net cash (before \$10 million special dividend).
- Use of cash following the sale of Marketing Solutions to be determined following completion and review of remaining Salmat business.

FUTURE DIRECTION

Time for change



- Salmat celebrated 40 years of business in 2019.
- We built the Australian catalogue distribution industry and remain the market leader.
- The IVE agreement is the best achievable solution for Salmat's Marketing Solutions business in the current climate.
- Having explored a number of options, this deal also represents best value for shareholders.
- Completion expected by 1 January 2020.
- Managed Services continues to perform well with 27.6% EBITDA growth and 20.6% revenue growth in FY19.
- Salmat structure will require review pending the sale completion.

THANK YOU

For 40 amazing years





FY19 YEAR IN REVIEW

Rebecca Lowde, CEO

FY19 AT A GLANCE



STRATEGY - innovated our core competencies

Continued to pursue innovation priorities (salmathub, collation, data & analytics, Lasoo update) in Marketing Solutions.



OPERATIONS - expanded operational excellence program

Improved structure, standardised processes, rolled out improvements. New MicroSourcing facilities to meet demand & enable growth.



FINANCIALS - strong focus on cost management and efficiency

Grew new business, revenue, underlying profit and operating cash flow. Maintained underlying EBITDA within 7-10% target.

FINANCIAL OVERVIEW

Full year to 30 June 2019

\$ million	FY19	FY18	% change
Revenue*	251.0	250.2	0.3%
Underlying EBITDA from continuing operations	19.0	20.3	-6.4%
Depreciation & Amortisation	-4.8	-6.1	-21.3%
Net interest	0.7	-0.4	NMF
Underlying profit before income tax	14.9	13.7	8.8%
Income tax expense	-2.8	-2.3	21.7%
Underlying profit after income tax	12.1	11.4	6.1%
Significant items	-38.1	-16.6	NMF
Net loss after tax from continuing operations	-26.0	-5.2	NMF

* FY19 revenue reduced by \$7.9m due to accounting standard change. NMF = no meaningful figure

SEGMENT INFORMATION

Year ended 30 June 2019

\$ million	FY19	FY18	% change
Sales revenue:			
Marketing Solutions	162.4	176.9	-8.2%
Managed Services	87.8	72.8	+20.6%
EBITDA:			
Marketing Solutions	10.2	16.6	-38.6%
Managed Services	13.4	10.5	+27.6%
<i>Corporate costs</i>	-4.5	-6.8	-33.8%

Production volumes	FY19	FY18	% change
Catalogues	4.0bn	4.2bn	-3%
MicroSourcing headcount	4,057	3,853	+5%

MARKETING SOLUTIONS

Took steps to strengthen the market offering



- **Catalogue industry issues** persisted. Price and volume challenges.
- **Bolstered value proposition with innovation:** salmathub, automated collation trial, data & analytics capability growth.
- **Catalogues** are still a valuable tool for retailers and loved by consumers across all age groups. Will become more targeted.
- **Digital** performance issues persisted: recently closed this service.

MANAGED SERVICES

Supported continued growth with investment



- MicroSourcing continues to lead this **specialist market** with unmatched expertise and experience.
- **Expanded facilities** in two sites to address capacity constraints.
- **New website** launched and supported with additional online optimisation and marketing investment.
- **Growth from new and existing clients** - proven 'sticky' model.
- **Continued demand** prompting review of further expansion options. Key client has renewed.

NEXT STEPS

Completion of sale process and review of strategic future options for Salmat

- The Marketing Solutions sale marks a significant 'change of state' for Salmat.
- We are focussed on achieving completion by 1 January 2020 and assisting a smooth transition.
- Future options for Salmat including the Managed Services segment to be determined.
- Salmat will keep the market informed of any material developments.



ORDINARY BUSINESS OF MEETING

Peter Mattick, Chairman



Item one

FINANCIAL STATEMENTS

To consider and receive the Financial Report, the Directors' Report and the Auditor's Report of Salmat Limited for the year ended 30 June 2019.

Item two

RE-ELECTION OF DIRECTOR - STUART NASH

ORDINARY RESOLUTION: That **Stuart Nash**, who retires in accordance with the Constitution of the Company, be re-elected as a Director of the Company.

Following any questions or discussion, at the end of the meeting a poll will be held to ensure that the voting cast on this resolution is clear to all shareholders.

VOTES RECEIVED	IN FAVOUR	AGAINST	OPEN	ABSTAINING
	175,432,883	191,767	1,183,619	24,103

Item three

REMUNERATION REPORT

NON-BINDING ADVISORY RESOLUTION: That the Remuneration Report of the Company for the year ended 30 June 2019 be adopted.

Following any questions or discussion, at the end of the meeting a poll will be held to ensure that the voting cast on this resolution is clear to all shareholders.

VOTES RECEIVED	IN FAVOUR	AGAINST	OPEN	ABSTAINING
	120,747,588	11,166,270	1,183,619	1,708

PROXIES RECEIVED ON RESOLUTIONS

RESOLUTION	IN FAVOUR	AGAINST	OPEN	ABSTAINING
Re-election of Director, Stuart Nash	175,432,883	191,767	1,183,619	24,103
Remuneration Report	120,747,588	11,166,270	1,183,619	1,708



POLL FOR RESOLUTIONS

PLEASE INDICATE YOUR VOTE ON YOUR YELLOW VOTING CARD

Link Market Services representatives will collect your completed cards.

THANK YOU