STIFEL


One Year Price Chart

July 16, 2013

UTi Worldwide Inc.
UTIW – NASDAQ
Buy
Airfreight/Logistics

Company Update

Transformation to Make Big Leap Forward in Next Six Months; Reiterate Buy

We had the pleasure to host the management of UTi Worldwide in a series of investor meetings last week to get an update on the company's Transformation initiative and discuss the outlook for each of its segments - below are key takeaways from those meeting. The company believes its $75mm-$95mm in targeted cost savings are "highly achievable," as they can control them regardless of what the freight markets are doing, and reiterated its near-to-medium-term consolidated operating margin target of 12%-13% (assuming revenues rebound to roughly FY12 levels). We believe the next six months will be critical for UTi, as it will go from roughly 10% of its global forwarding transactions on its new "OneView" system to 70% on the new system. Given the potential for significant cost savings (finally) being achieved in the next 12 months, we reiterate our Buy rating on the shares.

- The airfreight market is bouncing along the bottom, according to UTi, as volumes are no longer worsening but not improving more than just low-single-digits y/y. Buy rates have declined recently, but so have sell rates, limiting the yield expansion potential. Main forwarding competitors are Expeditors, DHL, and Kuehne + Nagel and strongest lanes are trans-Atlantic, S. Africa-Germany, and S. Africa-Asia. The trans-Pacific is the company's biggest lane but not where it has the best competitive advantage.
- Ocean freight is growing slowly (3%-4%), as more capacity continues to come online in the form of bigger vessels. Similar to airfreights, buy rates have been favorable recently, but yields are expected to remain flattish y/y in FY14 vs. FY13. Asia-Europe rate increases taken by carriers the past couple of months appear to be sticking, while trans-Pacific rates are still falling.
- The contract logistics and distribution segment at UTi has suffered from poor country concentration (i.e., Spain, France, and Italy) and the recent loss of a couple large customers, but the company is seeing a lot of opportunity for new business in China. Main contract logistics competitors are DHL, CEVA, and Kuehne + Nagel.
- South Africa is a significant region for UTi, contributing nearly 20% of revenues and a higher proportion of operating income. EMENA, which had been the most profitable region a couple years ago is now the least profitable. Improving volumes are seen out of Asia (China, Thailand, Hong Kong) today, while Europe has stabilized but is still "bad."
- Our EPS estimates remain relatively unchanged. We are just adjusting FY14 from $0.48 to $0.41 mainly due to F1Q14's miss and increasing FY16 slightly from $1.03 to $1.06.

Changes	**Previous**	**Current**
Rating	—	Buy
Target Price	$16.00	$18.00
FY14E EPS (Net)	$0.48	$0.41
FY15E EPS (Net)	—	$0.80
FY14E Rev (Net)	$1.60B	$1.58B
FY15E Rev (Net)	$1.68B	$1.66B

Price (07/15/13):	$16.59
52-Week Range:	$17 – $12
Market Cap.(mm):	1,725.4
Shr.O/S-Diluted (mm):	104.0
Enterprise Val. (mm):	$1,931.7
Avg Daily Vol (3 Mo):	719,059
LT Debt/Total Cap.:	32.9%
Net Cash/Share:	$0.00
Book Value/Share:	$7.68
Dividend($ / %)	$0.06 / 0.4%
S&P Index	1,682.50

EPS (Net)	**2013A**	**2014E**	**2015E**
Q1	$0.15	$(0.02)A	$0.15
Q2	0.20	0.14	0.22
Q3	0.16	0.17	0.24
Q4	(0.13)	0.12	0.19
FY Jan	$0.37A	$0.41	$0.80
P/E	44.8x	40.5x	20.7x

Excludes charges related to UTIW's transformation initiative and other nonrecurring items

Rev (Net)	**2013A**	**2014E**	**2015E**
FY Jan	$1.59B	$1.58B	$1.66B
EV/Revenue	1.2x	1.2x	1.2x

David G. Ross, CFA dross@stifel.com (443) 224-1316
J. Bruce Chan chanb@stifel.com (443) 224-1386
Stifel Equity Trading Desk US: (800) 424-8870 Canada: (866) 752-4446

Transformation update

- We found it interesting to learn that the company does not just have four global IT operating systems for freight forwarding (as we've heard since the 4asOne plan was introduced) but actually nine. Still, as the immortals say in *Highlander* – "there can be only one," and that one (internally developed) system is called OneView.
- On the financial reporting side, UTi had been using six general ledger systems that are being replaced with Oracle, now active in 23 countries.
- The benefits of a single operating system should be significant, as the company will 1) reduce redundancies in order entry, 2) improve visibility internally and externally, 3) reduce manual error, 4) improve data gathering/analysis, 5) allow for better costing (and therefore better pricing/yield management). For example, in current operations with multiple systems on a shipment from Shanghai to Los Angeles, the data is entered into the system in Shanghai and then in Los Angeles, the worker has to enter in his data into the Shanghai system and then enter the data again into the L.A. system. Under OneView, the data gets entered once and both sides of the transaction can see it.
- OneView has been rolled out in 15 countries as of the end of F1Q14 and should be operational in 18-20 countries total (including one of the "big 3" – U.S., Germany, or S. Africa) by the company's F2Q14 conference call in early September. While tweaks have been made along the way and some smaller countries used some "manual work-arounds" in implementing the system, those work-arounds are to be fully automated by the time the system is introduced in the bigger territories. The remaining "big 3" countries should see the system go live by October 31 and by year-end, UTi expects 70% of their global forwarding transactions to be on OneView. This time next year, management expects OneView to be fully implemented.
- The company needs revenues to rebound to FY12 levels, though, in order to achieve its margins targets of 20% in freight forwarding and 10% in contract logistics. When those targets were first laid out, the expectation was for no revenue growth when it's in fact been negative.
- *Risks* – system lacks customer ease-of-use, implementation in big countries, further losses in contract logistics, further declines in global airfreight market, and loss of key personnel or labor unrest as significant headcount reduction nears.
- *Next steps* – after Transformation complete, the company will look for further opportunities to improve efficiency and also plans to focus its efforts on certain products/regions/lanes to continue to expand its margin beyond the targeted 12%-13%.

Other notes

- The company is still evaluating how to best return cash to shareholders, but we believe near-term share repurchases or dividend increases are unlikely.
- Once the new forwarding system is rolled out completely, EBITDA should increase significantly, allowing for more availability (cash + borrowing capacity) to buy back stock opportunistically. Acquisitions are not officially off the table near term, but we believe it would have to be a very attractive deal to consider prior to full implementation of OneView. Any future forwarding acquisitions would be immediately converted onto the UTi platform.
- Current cash on its balance sheet is largely held overseas and should not be brought back to the U.S. for tax reasons. Also, its bank covenants are based

around gross debt and not net debt.

- Capex, excluding current IT initiatives (roughly $140mm in total capex spend on Transformation), is roughly $50mm-$60mm.
- Near-shoring is a trend the company is hearing a lot about but only seeing in small doses. We believe global supply chains are changing and will change but that the change should be gradual and that we'll still be talking about near-shoring/re-shoring for the next 10-15 years.
- Housing, auto and oil/gas are strong sectors for UTi presently in the U.S.

Target Price Methodology/Risks

Our 12-month target price is $18, or 17x our CY15 EPS estimate of $1.04.

Risks to Target Price

Global or regional economic recession; missteps in the integration of the company's global freight forwarding operating platform; customer concentration in the auto and retail sectors; foreign currency fluctuations; airline capacity; steamship capacity; rapidly rising fuel costs; poorly executed acquisition strategy; failure of cost reduction initiatives; financial integrity risk with rollout of Oracle Financials; and DOJ investigation and litigation risk.

Company Description

UTi Worldwide Inc. is an international, non-asset-based supply chain services and solutions company providing air and ocean freight forwarding, contract logistics, customs brokerage, distribution, inbound logistics, truckload brokerage, and other supply chain management services. The company serves a large and diverse base of global and local companies, including clients operating in industries with unique supply chain requirements, such as the pharmaceutical, retail, apparel, chemical, automotive, and technology industries. The company seeks to use its global network, proprietary information technology systems, relationships with transportation providers, and expertise in outsourced logistics services to deliver competitive advantage to each of its clients' supply chains.

STIFEL

Equity Comps - Transportation

Comparative Valuation Matrix

(figures in $US millions, except per share amounts)

Company name (Ticker)	Rating	Closing Price 7/15/2013	Diluted S/O	Market cap.	Total Debt	Cash & equiv.	TEV [a]	Equity value as a multiple of Earnings per Share 2012A[b]	2013E[b]	2014E[b]	Book value	Enterprise value as a multiple of TTM Revenue	2013E EBITDA	TTM EBITDA	TTM EBITDAR [c]	TTM EBIT	TTM ROA	TTM ROE	TTM ROIC	PEG ratio[d]	Div. Yield	2013E FCF Yld
Non-Asset-Based Forwarding / Logistics																						
C.H. Robinson Worldwide (CHRW)	Sell	59.94	160.6	9,623.9	390.6	159.9	9,854.7	21.7x	20.7x	18.7x	6.5x	5.6x	12.1x	12.9x	12.5x	13.7x	17.8%	32.3%	28.3%	1.5	2.2%	1.8%
DSV A/S (DSV-DK)	NC	DKK 148.80	184.3	27,428.3	1,225.7	91.2	28,581.5	NE	NE	NE	NM	15.3x	NE	NM	43.6x	NM	7.4%	31.8%	15.2%	NM	0.7%	NM
Echo Global Logistics (ECHO)	Buy	20.16	24.0	483.8	0.0	44.1	439.8	32.5x	25.5x	19.8x	3.3x	3.0x	10.8x	12.9x	12.1x	18.1x	6.7%	10.8%	10.8%	0.7	0.0%	4.3%
Expeditors International (EXPD)	Buy	40.67	206.7	8,405.7	0.0	1,394.7	7,027.6	25.9x	23.6x	21.6x	4.0x	3.9x	11.4x	12.2x	11.5x	13.2x	11.2%	16.0%	15.7%	2.2	1.5%	4.7%
Forward Air Corp. (FWRD)	Hold	39.93	31.2	1,245.2	0.2	71.6	1,173.7	22.4x	20.5x	18.6x	3.3x	2.0x	9.9x	11.3x	9.5x	14.2x	13.1%	15.5%	15.6%	1.7	1.0%	3.6%
Hub Group (HUBG)	Hold	36.85	37.7	1,388.0	0.0	86.3	1,301.7	20.1x	17.7x	15.5x	2.7x	3.6x	9.9x	10.7x	9.3x	11.4x	7.7%	14.4%	14.5%	1.1	0.0%	2.2%
Kuehne + Nagel International AG (KNIN-CH)	Hold	CHF 112.30	120.1	13,485.1	65.2	895.1	12,893.7	24.4x	22.1x	19.7x	5.5x	1.5x	13.1x	12.2x	8.4x	13.1x	9.5%	26.5%	26.1%	1.3	3.1%	6.4%
Landstar System (LSTR)	Hold	53.05	46.8	2,483.4	130.5	139.8	2,474.2	19.2x	19.9x	18.0x	6.1x	0.9x	10.7x	10.6x	10.5x	12.0x	15.3%	35.2%	26.2%	1.2	0.0%	5.2%
Pacer International (PACR)	Buy	6.42	35.5	228.0	0.0	27.7	200.3	NM	25.7x	16.1x	1.9x	0.9x	9.0x	9.9x	4.1x	16.6x	2.8%	5.5%	6.1%	1.1	0.0%	14.4%
Panalpina Welttransport Holding (PWTN-CH)	Hold	CHF 116.40	23.7	2,753.2	3.3	418.9	2,351.9	NM	NM	29.7x	3.3x	1.4x	17.4x	22.5x	9.7x	29.0x	1.3%	3.3%	3.1%	2.0	1.7%	3.6%
Roadrunner Transportation Svcs. (RRTS)	Hold	29.95	36.1	1,081.8	157.3	16.2	1,222.9	25.8x	22.2x	19.7x	2.6x	1.1x	11.9x	14.5x	12.7x	16.6x	6.3%	11.2%	8.9%	1.3	0.0%	-0.5%
Universal Truckload Svcs. (UACL)	Buy	25.76	30.1	775.5	136.0	4.8	906.7	19.1x	15.9x	14.1x	11.1x	0.9x	8.7x	9.1x	8.7x	11.2x	17.8%	69.9%	33.0%	0.7	0.0%	4.4%
UTi Worldwide (UTIW)	**Buy**	**16.59**	**104.0**	**1,724.7**	**392.3**	**185.3**	**1,931.7**	**35.3x**	**NM**	**21.3x**	**2.1x**	**1.2x**	**11.6x**	**15.0x**	**9.1x**	**29.4x**	**0.9%**	**2.2%**	**2.2%**	**1.5**	**0.4%**	**1.6%**
XPO Logistics, Inc. (XPO)	Buy	21.78	45.4	989.7	111.6	206.2	895.2	NM	NM	NM	4.2x	17.8x	NM	NM	NM	NM	-10.5%	-14.7%	-10.1%	NM	0.0%	NM
Min				228.0	0.0	4.8	200.3	19.1x	15.9x	14.1x	1.9x	0.9x	8.7x	9.1x	4.1x	11.2x	-10.5%	-14.7%	-10.1%	0.7	0.0%	-0.5%
Mean				5,149.7	186.6	267.3	5,089.7	24.6x	21.4x	19.4x	4.4x	4.2x	11.4x	12.8x	12.4x	16.5x	7.7%	18.6%	14.0%	1.4	0.8%	4.3%
Median				1,556.3	88.4	115.5	1,616.7	23.4x	21.4x	19.2x	3.3x	1.7x	11.1x	12.2x	9.7x	14.0x	7.5%	15.0%	14.9%	1.3	0.2%	4.0%
Max				27,428.3	1,225.7	1,394.7	28,581.5	35.3x	25.7x	29.7x	11.1x	17.8x	17.4x	22.5x	43.6x	29.4x	17.8%	69.9%	33.0%	2.2	3.1%	14.4%
Stifel Transportation Average				**8,504.1**	**1,567.9**	**482.1**	**9,629.1**	**20.4x**	**18.5x**	**16.6x**	**3.1x**	**2.3x**	**9.2x**	**9.5x**	**6.8x**	**14.4x**	**5.2%**	**15.5%**	**10.2%**	**1.3**	**1.0%**	**2.6%**

(a) Total Enterprise Value = Market Capitalization of Equity + Total Debt - Cash + Market Value of Minority Interest

(b) Stifel estimates for those rated and First Call mean estimates for unrated securities

(c) Enterprise value adjusted to include the capitalization of off balance sheet operating leases with lease expense (or rent expense) being added back to EBITDA for the valuation multiple calculation

(d) 2014E P/E divided by First Call mean or Stifel estimated long-term growth rate

Excludes non-recurring items

Calculations may vary due to rounding

Source: Company data , First Call, and Stifel estimates

STIFEL

David Ross, CFA / dross@stifel.com
J. Bruce Chan / chanj@stifel.com

UTi Worldwide Income Statement

(figures in $ millions, except per share amounts)

Fiscal Year End January 31	1996A	1997A	1998A	1999A	2000A	2001A	2002A	2003A	2004A	2005A	2006A	2007A	2008A	2009A	2010A	2011A	2012A
Gross revenues	**465.3**	**504.1**	**528.5**	**571.1**	**707.0**	**863.3**	**889.8**	**1,170.1**	**1,502.9**	**2,259.8**	**2,785.6**	**3,561.4**	**4,357.6**	**4,547.4**	**3,567.5**	**4,549.8**	**4,914.2**
% change y/y		*8.3%*	*4.9%*	*8.1%*	*23.8%*	*22.1%*	*3.1%*	*31.5%*	*28.4%*	*50.4%*	*23.3%*	*27.9%*	*22.4%*	*4.4%*	*-21.5%*	*27.5%*	*8.0%*
Freight consolidation costs	298.3	327.5	342.0	362.9	461.3	561.4	585.2	765.3	906.7	1,486.0	1,819.2	2,336.9	2,860.9	2,998.8	2,206.5	2,994.3	3,210.4
% change y/y		*9.8%*	*4.4%*	*6.1%*	*27.1%*	*21.7%*	*4.2%*	*30.8%*	*18.5%*	*63.9%*	*22.4%*	*28.5%*	*22.4%*	*4.8%*	*-26.4%*	*35.7%*	*7.2%*
Net revenues	**167.0**	**176.6**	**186.5**	**208.3**	**245.6**	**301.8**	**304.6**	**404.8**	**596.1**	**773.8**	**966.4**	**1,224.5**	**1,496.7**	**1,548.7**	**1,361.0**	**1,555.5**	**1,703.9**
% change y/y		*5.7%*	*5.6%*	*11.7%*	*17.9%*	*22.9%*	*0.9%*	*32.9%*	*47.3%*	*29.8%*	*24.9%*	*26.7%*	*22.2%*	*3.5%*	*-12.1%*	*14.3%*	*9.5%*
Operating expenses:																	
Staff costs	85.7	89.0	92.3	106.5	124.3	154.4	156.0	205.0	318.7	397.8	514.8	643.0	804.9	834.8	745.0	850.0	938.1
Depreciation and amortization	6.3	6.3	6.0	6.3	7.8	9.1	9.4	11.2	14.8	19.5	22.0	33.4	39.7	41.9	44.0	46.0	47.6
Amortization of intangible assets	0.3	0.4	0.7	1.8	2.9	4.3	5.3	0.2	0.7	2.0	4.7	8.0	9.4	13.0	11.1	14.7	15.8
Restructuring and impairments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other operating expenses	68.4	68.2	71.7	77.3	90.0	109.8	104.1	142.9	202.9	259.1	292.9	381.5	483.1	504.9	470.5	522.0	551.9
Total operating expenses	**160.7**	**163.9**	**170.8**	**192.0**	**225.1**	**277.6**	**274.9**	**359.3**	**537.1**	**678.3**	**834.3**	**1,065.9**	**1,337.2**	**1,394.6**	1,270.6	1,432.8	1,553.3
Operating ratio (net revenue)	*96.2%*	*92.8%*	*91.6%*	*92.2%*	*91.6%*	*92.0%*	*90.3%*	*88.8%*	*90.1%*	*87.7%*	*86.3%*	*87.0%*	*89.3%*	*90.0%*	*93.4%*	*92.1%*	*91.2%*
EBIT	**6.3**	**12.7**	**15.7**	**16.3**	**20.5**	**24.2**	**29.7**	**45.5**	**59.1**	**95.5**	**132.1**	**158.6**	**159.6**	**154.1**	**90.4**	**122.7**	**150.6**
% margin	*3.8%*	*7.2%*	*8.4%*	*7.8%*	*8.4%*	*8.0%*	*9.7%*	*11.2%*	*9.9%*	*12.3%*	*13.7%*	*13.0%*	*10.7%*	*10.0%*	*6.6%*	*7.9%*	*8.8%*
EBITDA	**12.8**	**19.3**	**22.4**	**24.5**	**31.3**	**37.6**	**44.4**	**56.9**	**74.5**	**116.9**	**158.7**	**200.0**	**208.7**	**208.9**	**145.5**	**183.4**	**213.9**
% margin	*7.7%*	*10.9%*	*12.0%*	*11.7%*	*12.7%*	*12.4%*	*14.6%*	*14.1%*	*12.5%*	*15.1%*	*16.4%*	*16.3%*	*13.9%*	*13.5%*	*10.7%*	*11.8%*	*12.6%*
Operating income	**6.3**	**12.7**	**15.7**	**16.3**	**20.5**	**24.2**	**29.7**	**45.5**	**59.1**	**95.5**	**132.1**	**158.6**	**159.6**	**154.1**	**90.4**	**122.7**	**150.6**
Interest income	0.0	0.0	0.0	0.0	0.0	0.0	4.1	4.6	6.9	4.1	4.9	8.2	11.0	13.3	7.3	12.3	18.1
Interest expense	0.0	0.0	0.0	(3.9)	(1.3)	(2.2)	(5.3)	(5.1)	(5.8)	(4.6)	(8.8)	(23.3)	(26.9)	(30.6)	(20.0)	(28.5)	(31.9)
Other income/(expense)	2.5	(1.9)	(1.1)	5.5	(0.5)	3.6	0.0	(1.7)	(0.3)	1.0	(0.3)	0.4	4.7	1.4	(0.9)	1.2	(0.2)
Pretax income	**8.8**	**10.8**	**14.6**	**17.9**	**18.8**	**25.6**	**28.5**	**43.3**	**59.8**	**96.0**	**127.9**	**143.9**	**148.4**	**138.3**	**76.8**	**107.8**	**136.6**
% margin	*5.3%*	*6.1%*	*7.9%*	*8.6%*	*7.6%*	*8.5%*	*9.4%*	*10.7%*	*10.0%*	*12.4%*	*13.2%*	*11.8%*	*9.9%*	*8.9%*	*5.6%*	*6.9%*	*8.0%*
Provision for income taxes	2.9	2.1	2.5	3.2	1.7	6.2	8.0	12.5	13.4	25.7	35.3	32.1	40.5	38.7	21.8	33.2	41.6
Tax rate	*33.4%*	*19.8%*	*17.4%*	*18.0%*	*8.8%*	*24.2%*	*28.0%*	*28.9%*	*22.4%*	*26.8%*	*27.6%*	*22.3%*	*27.3%*	*28.0%*	*28.4%*	*30.8%*	*30.4%*
Income before minority interest	5.9	8.7	12.1	14.7	17.1	19.4	20.5	30.8	46.4	70.3	92.6	111.8	101.7	99.6	55.0	74.5	95.0
Minority interest	(0.5)	0.0	(0.3)	(0.1)	(0.4)	(1.0)	(1.3)	(1.5)	(1.6)	(2.7)	(4.2)	(3.8)	(3.0)	(2.1)	(4.4)	(4.7)	(6.5)
Net income from continuing operations	**5.3**	**8.7**	**11.8**	**14.6**	**16.7**	**18.5**	**19.2**	**29.3**	**44.8**	**67.5**	**88.4**	**107.9**	**98.7**	**97.5**	**50.6**	**69.8**	**88.6**
Discontinued operations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(0.1)	0.0	0.0	0.0
Extraordinary items	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(6.2)	(102.1)	(9.4)	0.0	(16.0)
Net income	**5.3**	**8.7**	**11.8**	**14.6**	**16.7**	**18.5**	**19.2**	**29.3**	**44.8**	**67.5**	**88.4**	**107.9**	**98.7**	**(4.6)**	**41.2**	**69.8**	**72.5**
% margin	*3.2%*	*4.9%*	*6.4%*	*7.0%*	*6.8%*	*6.1%*	*6.3%*	*7.2%*	*7.5%*	*8.7%*	*9.1%*	*8.8%*	*6.6%*	*-0.3%*	*3.0%*	*4.5%*	*4.3%*
Average shares outstanding - diluted					58.1	63.2	76.5	79.5	94.4	95.7	98.0	99.6	100.2	101.0	101.7	102.2	103.4
FY EPS - diluted		**$0.18**	**$0.23**	**$0.25**	**$0.29**	**$0.29**	**$0.25**	**$0.37**	**$0.47**	**$0.71**	**$0.90**	**$1.08**	**$0.99**	**($0.05)**	**$0.41**	**$0.68**	**$0.70**
% change y/y			*32.1%*	*8.1%*	*14.0%*	*1.6%*	*-14.3%*	*47.1%*	*28.7%*	*48.8%*	*27.8%*	*20.2%*	*-9.1%*	*NM*	*NM*	*68.5%*	*2.7%*
FY EPS - diluted (continuing operations)		**$0.18**	**$0.23**	**$0.25**	**$0.29**	**$0.29**	**$0.25**	**$0.37**	**$0.47**	**$0.71**	**$0.90**	**$1.08**	**$1.05**	**$0.97**	**$0.50**	**$0.68**	**$0.86**
% change y/y						*1.6%*	*-14.3%*	*47.1%*	*28.7%*	*48.8%*	*27.8%*	*20.2%*	*-3.4%*	*-7.8%*	*-48.5%*	*37.3%*	*25.3%*
CY EPS - diluted						**$0.23**	**$0.36**	**$0.46**	**$0.68**	**$0.89**	**$0.94**	**$1.00**	**$0.31**	**$0.11**	**$0.64**	**$0.71**	**($0.47)**
% change y/y						*N/A*	*52.3%*	*28.8%*	*47.6%*	*31.3%*	*5.8%*	*6.5%*	*-69.1%*	*-65.9%*	*NM*	*10.2%*	*NM*
CY EPS - diluted (continuing operations)						**$0.23**	**$0.36**	**$0.46**	**$0.68**	**$0.89**	**$0.94**	**$1.05**	**$1.00**	**$0.51**	**$0.67**	**$0.84**	**$0.48**
% change y/y						*N/A*	*52.3%*	*28.8%*	*47.6%*	*31.3%*	*5.8%*	*10.9%*	*-4.6%*	*-48.4%*	*30.8%*	*24.3%*	*-42.7%*

	FY 2013					FY 2014					FY 2015					
	Apr	Jul	Oct	Jan		Apr	Jul	Oct	Jan		Apr	Jul	Oct	Jan		
Fiscal Year End January 31	1QA	2QA	3QA	4QA	2013A	1QA	2QE	3QE	4QE	2014E	1QE	2QE	3QE	4QE	2015E	2016E
Gross revenues	**1,168.7**	**1,155.8**	**1,128.9**	**1,099.3**	**4,552.6**	**1,080.7**	**1,144.9**	**1,169.3**	**1,118.4**	**4,513.3**	**1,118.3**	**1,221.1**	**1,238.3**	**1,166.4**	**4,744.1**	**4,938.1**
% change y/y	*-2.5%*	*-10.9%*	*-10.7%*	*-4.7%*	*-7.4%*	*-7.5%*	*-0.9%*	*3.6%*	*1.7%*	*-0.9%*	*3.5%*	*6.7%*	*5.9%*	*4.3%*	*5.1%*	*4.1%*
Freight consolidation costs	762.9	749.7	725.3	728.2	2,966.0	704.9	744.1	752.4	731.8	2,933.2	724.1	800.5	800.8	760.7	3,086.0	3,196.9
% change y/y	*-3.2%*	*-12.2%*	*-11.7%*	*-2.5%*	*-7.6%*	*-7.6%*	*-0.8%*	*3.7%*	*0.5%*	*-1.1%*	*2.7%*	*7.6%*	*6.4%*	*4.0%*	*5.2%*	*3.6%*
Net revenues	**405.8**	**406.1**	**403.6**	**371.1**	**1,586.5**	**375.7**	**400.8**	**416.9**	**386.6**	**1,580.1**	**394.2**	**420.6**	**437.5**	**405.7**	**1,658.1**	**1,741.1**
% change y/y	*-1.2%*	*-8.4%*	*-9.0%*	*-8.7%*	*-6.9%*	*-7.4%*	*-1.3%*	*3.3%*	*4.2%*	*-0.4%*	*4.9%*	*4.9%*	*4.9%*	*4.9%*	*4.9%*	*5.0%*
Operating expenses:																
Staff costs	231.2	225.3	219.1	218.9	894.5	220.2	222.8	226.7	211.5	881.2	213.2	222.2	229.9	216.5	881.9	906.3
Depreciation and amortization	11.5	11.2	12.3	13.9	48.9	13.2	12.2	12.7	11.9	49.9	12.0	12.4	12.9	12.1	49.5	51.0
Amortization of intangible assets	3.2	3.2	3.0	2.9	12.3	2.8	3.7	8.8	8.6	23.9	8.4	8.9	8.9	8.6	34.8	35.0
Restructuring and impairments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other operating expenses	134.6	131.2	137.5	143.1	546.5	132.9	132.6	136.1	128.7	530.3	129.9	135.0	140.9	131.9	537.7	557.2
Total operating expenses	380.5	370.9	371.8	378.9	1,502.1	369.1	371.2	384.3	360.7	1,485.3	363.6	378.5	392.7	369.2	1,503.9	1,549.6
Operating ratio (net revenue)	*93.8%*	*91.3%*	*92.1%*	*102.1%*	*94.7%*	*98.2%*	*92.6%*	*92.2%*	*93.3%*	*94.0%*	*92.2%*	*90.0%*	*89.8%*	*91.0%*	*90.7%*	*89.0%*
EBIT	**25.2**	**35.2**	**31.8**	**(7.8)**	**84.4**	**6.6**	**29.6**	**32.7**	**25.9**	**94.9**	**30.7**	**42.1**	**44.8**	**36.5**	**154.2**	**191.5**
% margin	*6.2%*	*8.7%*	*7.9%*	*-2.1%*	*5.3%*	*1.8%*	*7.4%*	*7.8%*	*6.7%*	*6.0%*	*7.8%*	*10.0%*	*10.2%*	*9.0%*	*9.3%*	*11.0%*
EBITDA	**40.0**	**49.5**	**47.0**	**9.0**	**145.6**	**22.6**	**45.5**	**54.2**	**46.4**	**168.6**	**51.1**	**63.4**	**66.7**	**57.2**	**238.5**	**277.6**
% margin	*9.9%*	*12.2%*	*11.6%*	*2.4%*	*9.2%*	*6.0%*	*11.3%*	*13.0%*	*12.0%*	*10.7%*	*13.0%*	*15.1%*	*15.3%*	*14.1%*	*14.4%*	*15.9%*
Operating income	**25.2**	**35.2**	**31.8**	**(7.8)**	**84.4**	**6.6**	**29.6**	**32.7**	**25.9**	**94.9**	**30.7**	**42.1**	**44.8**	**36.5**	**154.2**	**191.5**
Interest income	3.6	3.5	4.8	5.1	17.1	5.1	2.2	2.6	2.7	12.6	3.0	3.3	3.5	3.7	13.4	17.8
Interest expense	(6.4)	(6.0)	(7.1)	(11.0)	(30.5)	(8.4)	(6.6)	(6.6)	(6.6)	(28.4)	(6.6)	(6.6)	(6.6)	(6.6)	(26.6)	(26.6)
Other income/(expense)	(0.0)	(0.3)	(0.2)	0.1	(0.4)	(0.2)	0.0	0.0	0.0	(0.2)	0.0	0.0	0.0	0.0	0.0	0.0
Pretax income	**22.4**	**32.4**	**29.3**	**(13.6)**	**70.5**	**3.1**	**25.2**	**28.6**	**22.0**	**78.9**	**27.0**	**38.8**	**41.7**	**33.6**	**141.0**	**182.7**
% margin	*5.5%*	*8.0%*	*7.3%*	*-3.7%*	*4.4%*	*0.8%*	*6.3%*	*6.9%*	*5.7%*	*5.0%*	*6.8%*	*9.2%*	*9.5%*	*8.3%*	*8.5%*	*10.5%*
Provision for income taxes	5.7	10.8	10.7	(1.7)	25.5	4.0	8.4	9.5	7.4	29.3	9.5	13.6	14.6	11.8	49.4	64.0
Tax rate	*25.5%*	*33.2%*	*36.4%*	*12.5%*	*36.1%*	*128.4%*	*33.4%*	*33.4%*	*33.4%*	*37.1%*	*35.0%*	*35.0%*	*35.0%*	*35.0%*	*35.0%*	*35.0%*
Income before minority interest	16.7	21.6	18.7	(11.9)	45.1	(0.9)	16.8	19.0	14.7	49.6	17.6	25.2	27.1	21.8	91.7	118.8
Minority interest	(1.3)	(1.3)	(2.3)	(1.5)	(6.5)	(1.6)	(1.7)	(1.7)	(1.7)	(6.7)	(2.0)	(2.0)	(2.0)	(2.0)	(8.0)	(8.0)
Net income from continuing operations	**15.4**	**20.3**	**16.3**	**(13.4)**	**38.6**	**(2.4)**	**15.1**	**17.3**	**13.0**	**42.9**	**15.6**	**23.2**	**25.1**	**19.8**	**83.7**	**110.8**
Discontinued operations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Extraordinary items	(2.5)	(1.4)	(5.8)	(129.5)	(139.1)	(10.0)	0.0	0.0	0.0	(10.0)	0.0	0.0	0.0	0.0	0.0	0.0
Net income	**12.9**	**18.9**	**10.5**	**(142.8)**	**(100.5)**	**(12.4)**	**15.1**	**17.3**	**13.0**	**32.9**	**15.6**	**23.2**	**25.1**	**19.8**	**83.7**	**110.8**
% margin	*3.2%*	*4.7%*	*2.6%*	*-38.5%*	*-6.3%*	*-3.3%*	*3.8%*	*4.2%*	*3.4%*	*2.1%*	*3.9%*	*5.5%*	*5.7%*	*4.9%*	*5.0%*	*6.4%*
Average shares outstanding - diluted	103.9	103.9	104.0	103.8	103.5	104.0	104.0	104.0	104.0	104.0	104.0	104.0	104.0	104.0	104.0	104.0
FY EPS - diluted	**$0.12**	**$0.18**	**$0.10**	**($1.38)**	**($0.97)**	**($0.12)**	**$0.14**	**$0.17**	**$0.12**	**$0.32**	**$0.15**	**$0.22**	**$0.24**	**$0.19**	**$0.80**	**$1.06**
% change y/y	*47.5%*	*-17.7%*	*-63.2%*	*NM*	*-238.4%*	*-196.3%*	*-20.4%*	*64.3%*	*NM*	*-132.6%*	*NM*	*54.1%*	*44.7%*	*52.9%*	*153.9%*	*32.4%*
FY EPS - diluted (continuing operations)	**$0.15**	**$0.20**	**$0.16**	**($0.13)**	**$0.37**	**($0.02)**	**$0.14**	**$0.17**	**$0.12**	**$0.41**	**$0.15**	**$0.22**	**$0.24**	**$0.19**	**$0.80**	**$1.06**
% change y/y	*15.1%*	*-19.9%*	*-45.2%*	*NM*	*-56.4%*	*-115.9%*	*-25.9%*	*6.1%*	*NM*	*10.6%*	*NM*	*54.1%*	*44.7%*	*52.9%*	*94.9%*	*32.4%*
CY EPS - diluted	**($0.54)**	**$0.06**	**$0.16**	**$0.14**	**($0.18)**	**$0.14**	**$0.20**	**$0.24**	**$0.21**	**$0.78**	**$0.21**	**$0.26**	**$0.30**	**$0.27**	**$1.04**	
% change y/y	*NM*	*-65.1%*	*24.3%*	*NM*	*-61.0%*	*NM*	*250.1%*	*47.5%*	*49.6%*	*NM*	*48.3%*	*32.3%*	*28.1%*	*30.7%*	*33.5%*	
CY EPS - diluted (continuing operations)	**($0.06)**	**$0.09**	**$0.16**	**$0.14**	**$0.33**	**$0.14**	**$0.20**	**$0.24**	**$0.21**	**$0.78**	**$0.21**	**$0.26**	**$0.30**	**$0.27**	**$1.04**	
% change y/y	*NM*	*-50.6%*	*-6.2%*	*NM*	*-31.6%*	*NM*	*123.8%*	*47.5%*	*49.6%*	*138.4%*	*48.3%*	*32.3%*	*28.1%*	*30.7%*	*33.5%*	

(1) On March 26, 2006 a 3-for-1 stock split occurred, all share count prior to this period has been restated to reflect that split
(2) F4Q08 excludes after-tax restructuring charges of $6.2 million ($8.395 million before tax)
(3) F1Q09 excludes after-tax restructuring charges of $4.4 million ($6.036 million before tax)
(4) F2Q09 excludes $5.3 million benefit from sale of art packing business
(5) F3Q09 excludes $2.1 million benefit from sale of art packing business
(6) F4Q09 excludes $10.6mm in one-time pre-tax severance-related charges in Staff costs and $1.1mm in one-time pretax charges in Other operating expenses. F4Q09 EPS also includes a negative currency translation non-cash adjustment of $0.06 per share due to a rapidly strengthening U.S. dollar
(7) F1Q10 excludes $6.3mm in one time gain-on-sale of a corporate property in South Africa, severance charges of $5.2mm, and restructuring charges of $1.2mm. It also includes approximately $0.03/share due to adverse currency translation from the strong dollar
(8) F1Q12 excludes a pre-tax sum of $6.461mm for transformational and facility exit costs due to closure of underutilized contract logistics facilities in Europe (after tax effect of $4.605mm), yielding a $0.05 per share overall impact
(9) F2Q12 excludes $3.483mm in one-time pre-tax severance expenses, which were primarily related to transformational activities, for a net, after-tax effect of $2.397mm
(10) F3Q12 excludes $1.655mm in one-time pre-tax severance expenses, which were primarily related to transformation initiatives, for a net, after-tax effect of $1.133mm
(11) F4Q12 excludes $5.1mm in one-time pre-tax severance expenses and $5.2mm in intangible asset impairment, with a net, after-tax effect of $4.5mm and $3.4mm respectively
(12) F1Q13 and F2Q13 exclude $1.7mm and $2.1mm in one-time pre-tax severance expenses, respectively, for a net, after-tax effect of $1.2mm and $1.4mm, respectively
(13) F3Q13 excludes pre-tax severance of $3.884mm, primarily related to transformational activities, and excludes $5.213mm related to a legal judgment from a 2006 warehouse fire, and adds back $3.315mm of tax adjustments for both items, for a total net after-tax effect of $5.782mm

Source: Company data and Stifel estimates

STIFEL

David Ross, CFA / dross@stifel.com
J. Bruce Chan / chanj@stifel.com

UTi Worldwide Balance Sheet

(figures in $ millions, except per share amounts)

													FY 2013				FY 2014				FY 2015				
Fiscal Year End January 31	2001A	2002A	2003A	2004A	2005A	2006A	2007A	2008A	2009A	2010A	2011A	2012A	1QA	2QA	3QE	4QA	1QA	2QE	3QE	4QE	1QE	2QE	3QE	2015E	2016E
Assets																									
Current assets																									
Cash and cash equivalents	98.4	87.6	168.1	156.7	178.1	246.5	278.4	289.1	256.9	350.8	326.8	321.8	329.4	262.8	227.0	237.3	185.3	250.7	267.2	279.4	318.2	335.0	360.9	381.3	515.2
Trade receivables, less allowances	212.9	180.9	247.9	280.0	435.2	498.0	662.8	865.0	645.3	727.4	879.8	947.5	954.8	941.1	996.2	898.8	985.1	913.0	921.3	925.2	910.2	925.4	939.2	948.8	987.6
Deferred income taxes	0.0	1.9	1.6	6.5	10.0	8.5	10.9	18.8	19.2	16.9	20.4	20.4	20.0	18.0	19.9	19.6	15.9	22.3	22.5	22.6	22.8	23.1	23.5	23.7	24.7
Other current assets	23.6	21.6	30.5	33.4	44.5	39.2	57.6	79.2	79.9	111.6	131.3	132.5	140.1	151.2	149.1	156.4	153.8	133.6	134.8	135.4	136.5	138.8	140.9	142.3	148.1
Total current assets	**334.8**	**292.0**	**448.1**	**476.7**	**667.9**	**792.2**	**1,009.7**	**1,252.1**	**1,001.2**	**1,206.7**	**1,358.3**	**1,422.2**	**1,444.4**	**1,373.1**	**1,392.2**	**1,312.1**	**1,340.2**	**1,319.6**	**1,345.8**	**1,362.6**	**1,387.7**	**1,422.4**	**1,464.5**	**1,496.2**	**1,675.6**
Property, plant and equipment							239.0	290.0	284.3	352.4	382.3	420.5	445.7	447.0	468.7	463.3	465.8	487.8	509.8	531.8	551.8	571.8	591.8	611.8	667.8
Less accumulated depreciation							(111.1)	(135.9)	(120.9)	(172.0)	(206.6)	(204.2)	(213.1)	(213.3)	(222.9)	(220.4)	(225.8)	(238.0)	(250.6)	(262.5)	(274.5)	(286.9)	(299.8)	(312.0)	(363.0)
Property, plant and equipment, net	35.0	31.2	44.6	54.4	71.2	80.4	128.0	154.1	163.4	180.4	175.7	216.3	232.6	233.7	245.8	242.9	240.0	249.8	259.2	269.3	277.3	284.9	292.0	299.8	304.8
Goodwill	68.0	76.6	125.6	148.4	251.1	327.0	426.5	537.4	442.7	487.0	424.0	415.2	416.3	407.1	407.3	314.3	312.6	309.0	300.1	291.5	283.1	274.2	265.3	256.7	221.7
Other intangible assets, net	0.0	0.0	0.0	10.2	42.7	42.4	64.4	80.4	0.0	0.0	91.6	119.0	124.9	130.0	137.4	143.4	148.9	148.9	148.9	148.9	148.9	148.9	148.9	148.9	148.9
Investments	0.2	0.2	0.8	1.1	0.6	1.1	3.1	2.8	2.9	1.7	1.1	1.1	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Deferred income taxes	1.5	1.4	1.2	2.4	1.1	4.0	12.7	17.3	23.8	31.8	29.5	43.3	36.3	37.5	40.9	25.8	24.5	31.2	31.5	31.6	31.9	32.4	32.9	33.2	34.6
Other non-current assets	4.3	3.2	6.7	10.2	10.1	11.7	15.5	30.5	14.6	29.4	32.5	38.6	39.4	38.1	37.3	34.7	36.0	36.0	36.0	36.0	36.0	36.0	36.0	36.0	36.0
Total assets	**443.8**	**404.6**	**627.1**	**703.3**	**1,044.7**	**1,258.8**	**1,659.9**	**2,074.7**	**1,648.7**	**1,937.0**	**2,112.7**	**2,255.6**	**2,295.0**	**2,220.4**	**2,261.8**	**2,074.1**	**2,103.2**	**2,095.5**	**2,122.5**	**2,140.9**	**2,165.9**	**2,199.8**	**2,240.5**	**2,271.8**	**2,422.6**
Liabilities																									
Current liabilities																									
Bank lines of credit	32.6	21.1	33.5	18.2	92.3	95.2	79.1	113.2	70.0	100.7	170.7	76.2	128.6	102.7	150.4	79.2	102.1	102.1	102.1	102.1	102.1	102.1	102.1	102.1	102.1
Short-term bank borrowings	11.6	11.5	9.1	1.3	3.2	4.4	2.8	5.9	6.9	8.0	7.2	1.0	1.0	1.0	1.0	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
Current portion of long-term bank borrowings	0.0	0.0	0.0	0.0	0.0	0.0	0.0	33.3	66.7	69.9	34.2	21.8	24.0	24.0	44.0	5.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7
Current portion of capital lease obligations	2.3	1.8	2.5	2.4	3.5	6.2	13.6	21.7	15.9	16.8	16.2	13.8	12.5	11.9	10.8	11.4	11.7	11.7	11.7	11.7	11.7	11.7	11.7	11.7	11.7
Trade payables and other accrued liabilities	188.9	173.1	236.5	269.1	413.0	465.1	603.6	817.1	593.3	731.5	822.9	859.1	833.4	792.6	766.9	786.4	806.7	801.7	808.9	812.4	819.2	832.9	845.3	853.9	888.9
Income taxes payable	3.7	4.7	8.1	10.9	18.5	22.9	15.3	12.6	10.4	1.9	8.5	12.7	9.6	8.0	14.7	8.5	9.3	13.4	13.5	13.5	13.7	13.9	14.1	14.2	14.8
Deferred income tax liabilities	0.2	0.8	0.5	0.3	0.7	1.7	4.0	5.0	2.5	3.5	3.9	1.9	4.3	4.7	3.9	2.8	4.2	4.5	4.5	4.5	4.6	4.6	4.7	4.7	4.9
Total current liabilities	**239.3**	**213.1**	**290.2**	**302.1**	**531.2**	**595.5**	**718.3**	**1,008.9**	**765.6**	**932.4**	**1,063.7**	**986.5**	**1,013.2**	**944.9**	**991.7**	**895.1**	**937.8**	**937.1**	**944.5**	**948.0**	**955.0**	**969.0**	**981.7**	**990.5**	**1,026.2**
Long-term bank borrowings	3.2	1.2	0.2	0.1	5.1	13.8	211.5	178.0	115.7	99.1	61.2	231.2	233.7	238.9	218.7	204.4	203.9	203.9	203.9	203.9	203.9	203.9	203.9	203.9	203.9
Capital lease obligations	8.7	5.7	7.1	7.3	9.8	16.1	24.1	30.6	20.8	23.9	19.2	15.8	14.3	14.7	14.6	73.5	70.8	70.8	70.8	70.8	70.8	70.8	70.8	70.8	70.8
Deferred income tax liabilities	2.4	1.6	1.6	3.9	19.6	11.6	30.3	38.1	27.5	32.9	30.5	31.8	24.3	25.5	24.6	29.7	28.0	22.3	22.5	22.6	22.8	23.1	23.5	23.7	24.7
Retirement fund obligations	0.7	0.7	1.0	1.3	1.3	5.1	7.5	4.3	6.9	8.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.5	4.5	4.5	4.6	4.6	4.7	4.7	4.9
Other non-current liabilities	0.0	0.0	0.0	0.0	0.1	5.0	12.1	19.3	19.1	26.4	37.9	38.8	41.2	38.6	40.1	47.2	47.5	31.2	31.5	31.6	31.9	32.4	32.9	33.2	34.6
Minority interests	2.0	2.5	2.7	2.9	3.3	25.2	18.8	21.3	16.2	22.9	13.1	12.7	13.8	12.1	13.9	14.3	15.8	17.5	19.2	20.9	22.9	24.9	26.9	28.9	36.9
Stockholders' equity																									
Preferred stock	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0								
Common stock	206.6	207.1	311.2	318.4	329.1	368.2	419.1	435.4	450.6	464.7	484.9	491.1	493.9	497.4	501.4	505.2	505.7								
Deferred compensation related to restricted share units	0.0	0.0	0.0	0.0	(3.2)	(8.3)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0								
Retained earnings (accumulated deficit)	19.4	36.6	64.0	105.9	169.8	253.6	266.1	349.2	338.5	373.5	437.3	503.7	516.6	529.2	539.8	396.9	384.5								
Accumulated other comprehensive loss	(38.5)	(63.9)	(51.0)	(38.4)	(21.5)	(26.9)	(48.0)	(10.4)	(112.3)	(46.9)	(35.1)	(56.0)	(56.1)	(80.9)	(83.1)	(92.3)	(90.8)								
Total stockholders' equity	**187.5**	**179.9**	**324.2**	**385.8**	**474.2**	**586.5**	**637.3**	**774.2**	**676.7**	**791.4**	**887.1**	**938.8**	**954.5**	**945.7**	**958.1**	**809.8**	**799.4**	**808.3**	**825.6**	**838.6**	**854.1**	**871.1**	**896.2**	**916.0**	**1,020.5**
Total liabilities and stockholders' equity	**443.8**	**404.6**	**627.1**	**703.3**	**1,044.7**	**1,258.8**	**1,659.9**	**2,074.7**	**1,648.7**	**1,937.0**	**2,112.7**	**2,255.6**	**2,295.0**	**2,220.4**	**2,261.8**	**2,074.1**	**2,103.2**	**2,095.5**	**2,122.5**	**2,140.9**	**2,165.9**	**2,199.8**	**2,240.5**	**2,271.8**	**2,422.6**

Book value per share	**$2.97**	**$2.35**	**$3.77**	**$4.05**	**$4.91**	**$5.94**	**$6.36**	**$7.79**	**$6.72**	**$7.78**	**$8.65**	**$9.07**	**$9.18**	**$9.10**	**$9.22**	**$7.80**	**$7.68**	**$7.77**	**$7.94**	**$8.06**	**$8.21**	**$8.37**	**$8.61**	**$8.81**	**$9.81**
Tangible book value per share	**$1.89**	**$1.35**	**$2.50**	**$2.41**	**$1.89**	**$2.21**	**$1.47**	**$1.56**	**$2.32**	**$2.99**	**$3.63**	**$3.91**	**$3.98**	**$3.93**	**$3.98**	**$3.40**	**$3.25**	**$3.37**	**$3.62**	**$3.83**	**$4.06**	**$4.31**	**$4.63**	**$4.91**	**$6.25**
Cash and short-term investments per share	$1.56	$1.14	$1.95	$1.65	$1.84	$2.50	$2.78	$2.91	$2.55	$3.45	$3.19	$3.11	$3.17	$2.53	$2.18	$2.29	$1.78	$2.41	$2.57	$2.69	$3.06	$3.22	$3.47	$3.67	$4.95
Average age of receivables (days)	88.1	77.4	65.8	63.9	63.6	63.7	65.2	68.4	75.9	67.2	74.2	78.1	74.3	74.8	78.3	78.7	79.5	75.6	71.6	75.3	74.9	68.6	68.7	73.9	73.6
Net working capital	95.4	78.9	157.9	174.6	136.7	196.7	291.4	243.3	235.6	274.3	294.6	435.7	431.2	428.1	400.5	417.0	402.4	382.5	401.3	414.6	432.7	453.4	482.8	505.7	649.4
Current ratio	1.4x	1.4x	1.5x	1.6x	1.3x	1.3x	1.4x	1.2x	1.3x	1.3x	1.3x	1.4x	1.4x	1.5x	1.4x	1.5x	1.4x	1.4x	1.4x	1.4x	1.5x	1.5x	1.5x	1.5x	1.6x
Total assets	443.8	404.6	627.1	703.3	1,044.7	1,258.8	1,659.9	2,074.7	1,648.7	1,937.0	2,112.7	2,255.6	2,295.0	2,220.4	2,261.8	2,074.1	2,103.2	2,095.5	2,122.5	2,140.9	2,165.9	2,199.8	2,240.5	2,271.8	2,422.6
Long-term debt	11.8	6.9	7.3	7.4	14.9	29.8	235.6	208.7	136.5	123.0	80.4	247.0	248.0	253.6	233.3	278.0	274.7	274.7	274.7	274.7	274.7	274.7	274.7	274.7	274.7
Total debt	58.3	41.3	52.4	29.3	113.9	135.7	331.0	382.8	295.9	318.4	308.8	359.9	413.9	393.2	439.5	375.4	392.3	392.3	392.3	392.3	392.3	392.3	392.3	392.3	392.3
Net debt (cash)	(40.1)	(46.3)	(115.7)	(127.4)	(64.2)	(110.9)	52.6	93.7	39.1	(32.3)	(18.0)	38.1	84.5	130.4	212.5	138.1	207.0	141.6	125.1	112.9	74.1	57.3	31.4	11.0	(122.8)
Debt/total book capitalization	23.7%	18.7%	13.9%	7.1%	19.4%	18.8%	34.2%	33.1%	30.4%	28.7%	25.8%	27.7%	30.3%	29.4%	31.4%	31.7%	32.9%	32.7%	32.2%	31.9%	31.5%	31.1%	30.4%	30.0%	27.8%
Debt/EBITDA	0.8x	1.1x	0.8x	0.5x	0.6x	0.8x	1.2x	1.7x	1.6x	2.1x	1.7x	1.6x	1.8x	1.9x	2.4x	2.5x	3.1x	3.2x	3.2x	2.3x	2.0x	1.8x	1.7x	1.6x	1.4x
Debt/EBIT	1.2x	1.7x	1.0x	0.7x	0.8x	0.9x	1.5x	2.2x	2.2x	3.4x	2.6x	2.2x	2.6x	2.7x	3.5x	4.4x	6.1x	6.5x	6.8x	4.0x	3.3x	3.0x	2.7x	2.5x	2.0x
Stockholders' equity	187.5	179.9	324.2	385.8	474.2	586.5	637.3	774.2	676.7	791.4	887.1	938.8	954.5	945.7	958.1	809.8	799.4	808.3	825.6	838.6	854.1	871.1	896.2	916.0	1,020.5

Other intangible assets included in Goodwill until broken out separately in FY05

Source: Company data and Stifel estimates

STIFEL

David Ross, CFA / dross@stifel.com
J. Bruce Chan / chanj@stifel.com

UTi Worldwide Cash Flow Statement

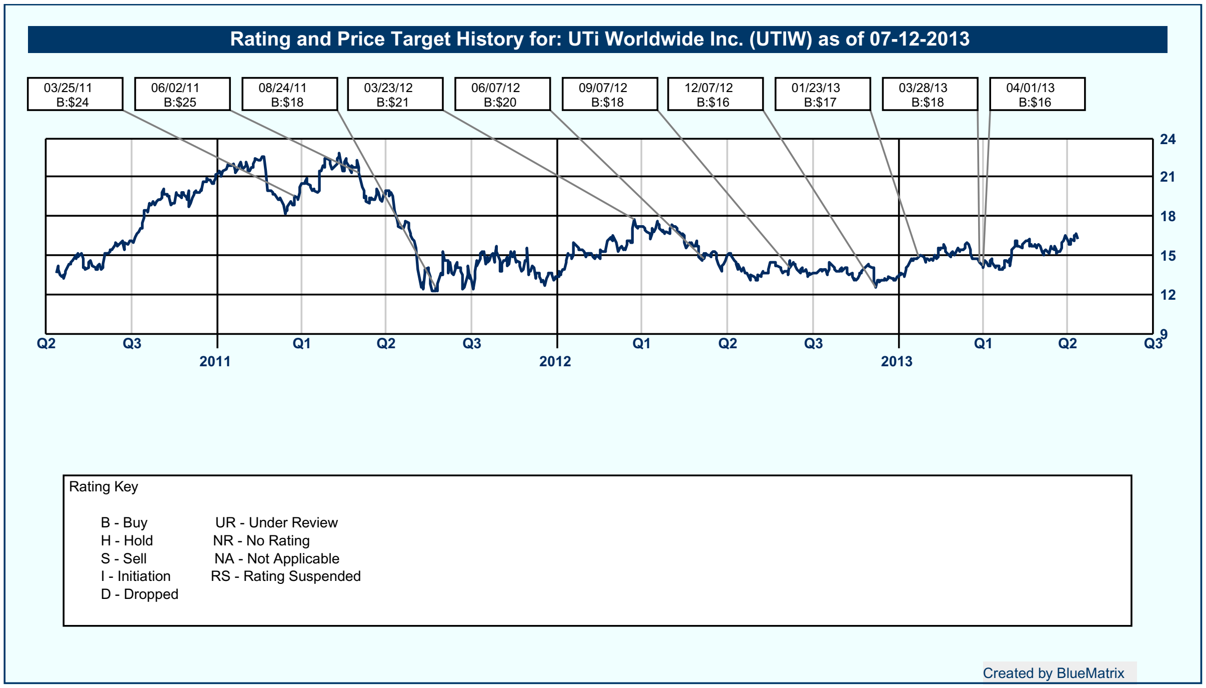
(figures in $ millions, except per share amounts)														FY 2013					FY 2014					FY 2015					
Fiscal Year End January 31	**2000A**	**2001A**	**2002A**	**2003A**	**2004A**	**2005A**	**2006A**	**2007A**	**2008A**	**2009A**	**2010A**	**2011A**	**2012A**	**1QA**	**2QA**	**3QA**	**4QA**	**2013A**	**1QA**	**2QE**	**3QE**	**4QE**	**2014E**	**1QE**	**2QE**	**3QE**	**4QE**	**2015E**	**2016E**
Operating activities																													
Net income (loss)	16.7	18.5	19.2	29.3	44.8	67.5	88.4	107.9	98.7	(4.6)	45.5	74.6	79.0	14.2	20.2	12.9	(141.4)	(94.0)	(10.9)	15.1	17.3	13.0	34.5	15.6	23.2	25.1	19.8	83.7	110.8
Adjustments:																													
Share-based compensation (benefits)/costs, net	1.4	3.8	0.3	0.2	0.8	0.6	5.2	(2.3)	9.8	10.0	8.3	8.7	15.4	3.6	3.5	4.6	2.9	14.6	3.4	0.0	0.0	0.0	3.4	0.0	0.0	0.0	0.0	0.0	0.0
Depreciation and amortization	7.8	9.1	9.4	11.2	14.8	19.5	22.0	33.4	39.7	42.0	44.0	46.0	48.0	11.5	11.2	12.3	13.9	48.9	13.2	12.2	12.7	11.9	49.9	12.0	12.4	12.9	12.1	49.5	51.0
Amortization of intangible assets	2.9	4.3	5.3	0.2	0.7	2.0	4.7	8.0	9.4	13.0	11.1	14.7	15.8	3.2	3.2	3.0	2.9	12.3	2.8	3.7	8.8	8.6	23.9	8.4	8.9	8.9	8.6	34.8	35.0
Amortization of debt issuance costs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.5	3.1	2.2	0.4	0.3	0.3	0.6	1.6	0.2	0.0	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0
Restructuring charges	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	8.4	2.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Goodwill and intangible assets impairment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	109.9	1.6	0.0	5.2	0.0	0.0	0.0	94.7	94.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deferred income taxes	(2.2)	0.1	1.3	0.4	0.8	1.4	(3.2)	(5.1)	(1.7)	(16.1)	6.1	(1.8)	(15.3)	2.2	1.1	(6.2)	19.9	17.0	4.5	(18.5)	(0.2)	(0.1)	(14.3)	(0.2)	(0.5)	(0.4)	(0.3)	(1.4)	(1.2)
Uncertain tax positions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.4	(1.8)	0.6	(3.7)	0.3	0.2	(0.5)	(0.9)	1.6	0.5	0.3	0.0	0.0	0.0	0.3	0.0	0.0	0.0	0.0	0.0	0.0
Gain on sale of subsidiary shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(3.2)	(7.4)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Tax benefit relating to exercise of stock options	0.0	0.0	0.0	0.0	0.8	1.6	3.0	1.8	1.7	0.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Excess tax benefit from share-based compensation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(1.5)	(0.8)	(0.5)	(1.7)	(0.3)	(0.5)	(0.3)	0.1	0.1	(0.0)	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Loss (gain) on disposal of property, plant and equipment	0.0	(0.2)	(0.2)	0.1	0.2	(0.2)	(1.0)	(1.2)	(0.1)	(1.4)	(5.9)	0.3	0.1	0.0	0.0	(0.0)	(0.7)	(0.7)	(0.4)	0.0	0.0	0.0	(0.4)	0.0	0.0	0.0	0.0	0.0	0.0
Minority interest and other	(0.2)	0.7	1.3	1.3	1.4	2.5	4.2	4.1	0.5	3.8	5.5	3.4	11.6	0.8	0.8	0.8	3.9	6.3	3.3	1.7	1.7	1.7	8.4	2.0	2.0	2.0	2.0	8.0	8.0
Changes in operating assets and liabilities:																													
Increase in trade receivables	(38.9)	(61.7)	23.3	(23.6)	(10.2)	(127.1)	(54.1)	(96.9)	(157.6)	79.3	4.0	(129.9)	(99.7)	(6.8)	(18.7)	(62.4)	89.5	1.6	(95.1)	72.1	(8.3)	(3.9)	(35.2)	15.0	(15.2)	(13.8)	(9.6)	(23.6)	(38.8)
(Increase)/decrease in other current assets	4.0	0.0	0.0	0.0	0.0	0.0	0.0	(9.6)	(7.0)	(12.1)	(9.4)	7.5	(1.2)	(8.9)	(12.6)	(11.7)	4.9	(28.2)	(1.2)	20.2	(1.2)	(0.6)	17.2	(1.1)	(2.3)	(2.1)	(1.4)	(6.9)	(5.8)
Increase in trade payables	12.4	58.1	(16.8)	30.5	11.7	103.6	61.9	68.1	79.1	(64.1)	24.6	41.0	41.5	(8.8)	(17.1)	(14.9)	28.9	(11.9)	0.3	(5.0)	7.3	3.4	6.0	6.8	13.7	12.4	8.6	41.5	34.9
Increase in accrued liabilities and other	6.2	0.0	0.0	0.0	0.0	0.0	0.0	21.3	29.3	(3.4)	(15.8)	9.2	15.4	(21.6)	4.3	19.1	(23.4)	(21.6)	27.1	(7.8)	0.4	0.2	19.9	0.4	0.8	0.8	0.5	2.5	2.1
Net cash provided by (used in) operating activities	**10.2**	**32.7**	**43.1**	**49.6**	**65.9**	**71.4**	**131.0**	**128.2**	**106.7**	**150.5**	**120.0**	**72.9**	**117.9**	**(10.2)**	**(4.1)**	**(43.1)**	**98.2**	**40.8**	**(52.6)**	**93.6**	**38.5**	**34.2**	**113.7**	**58.8**	**43.1**	**45.9**	**40.4**	**188.1**	**196.1**
Investing activities																													
Purchases of property, plant and equipment	(9.0)	(10.1)	(8.7)	(13.6)	(18.7)	(20.9)	(17.8)	(27.2)	(31.7)	(46.4)	(29.0)	(58.9)	(84.7)	(18.3)	(16.8)	(23.0)	(28.3)	(86.4)	(15.1)	(22.0)	(22.0)	(22.0)	(81.1)	(20.0)	(20.0)	(20.0)	(20.0)	(80.0)	(56.0)
Proceeds from disposal of property and equipment	0.5	0.9	0.9	0.4	0.9	2.7	3.1	5.9	3.9	4.5	13.6	2.5	5.0	1.8	0.5	0.2	1.0	3.5	1.0	0.0	0.0	0.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0
Proceeds from sale of subsidiary	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	8.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Decrease/(increase) in other non-current assets	(0.3)	0.0	0.0	0.0	(1.7)	(0.9)	(2.2)	0.9	(13.1)	2.9	1.4	(1.8)	(6.0)	(0.7)	(0.4)	0.6	1.3	0.8	(1.2)	0.0	0.0	0.0	(1.2)	0.0	0.0	0.0	0.0	0.0	0.0
Acquisitions and contingent earn-out payments	(21.8)	(31.2)	(21.9)	(62.9)	(30.3)	(118.2)	(53.2)	(231.1)	(67.6)	(30.9)	(9.2)	(3.4)	0.0	0.0	0.0	0.0	(0.9)	(0.9)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	1.0	0.2	(0.0)	(0.6)	(0.6)	0.8	0.1	(2.1)	(1.6)	(1.0)	(1.4)	(0.6)	(0.0)	0.1	0.0	(0.0)	0.0	0.1	(0.0)	0.0	0.0	0.0	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0
Net cash provided by (used in) investing activities	**(29.5)**	**(40.3)**	**(29.7)**	**(76.7)**	**(50.4)**	**(136.5)**	**(70.0)**	**(253.6)**	**(110.0)**	**(62.1)**	**(24.6)**	**(62.2)**	**(85.7)**	**(17.1)**	**(16.6)**	**(22.3)**	**(26.9)**	**(82.9)**	**(15.4)**	**(22.0)**	**(22.0)**	**(22.0)**	**(81.4)**	**(20.0)**	**(20.0)**	**(20.0)**	**(20.0)**	**(80.0)**	**(56.0)**
Cash available for (required by) financing activities	(19.3)	(7.6)	13.4	(27.1)	15.5	(65.1)	61.0	(125.4)	(3.3)	88.3	95.4	10.7	32.3	(27.3)	(20.8)	(65.4)	71.4	(42.1)	(67.9)	71.6	16.5	12.2	32.4	38.8	23.1	25.9	20.4	108.1	140.1
Cash flows from financing activities																													
(Decrease)/increase in bank lines of credit	7.4	12.5	(14.2)	12.4	(15.3)	74.2	2.8	(20.2)	25.5	(25.0)	4.6	65.1	(94.9)	52.7	(23.5)	46.4	(61.1)	14.5	26.6	0.0	0.0	0.0	26.6	0.0	0.0	0.0	0.0	0.0	0.0
(Decrease)/increase in short-term borrowings	0.9	9.4	0.2	(3.7)	(7.4)	4.1	0.7	(1.9)	1.6	1.8	0.8	(9.9)	(6.4)	(0.0)	0.6	(0.5)	0.2	0.2	(0.0)	0.0	0.0	0.0	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0
Long-term borrowings- advanced	0.0	3.0	0.1	0.0	0.0	1.9	13.8	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Proceeds from issuing of long-term borrowings	0.0	0.0	0.0	0.0	0.0	0.0	0.0	348.0	0.0	5.7	56.5	0.1	154.7	0.6	1.4	1.6	197.2	200.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Repayment of long-term borrowings	0.0	(0.2)	(0.1)	(0.2)	(0.1)	(0.3)	(5.6)	(152.2)	(1.1)	(34.1)	(70.5)	(68.2)	(36.1)	(10.1)	(1.0)	(10.1)	(183.8)	(205.0)	(3.5)	0.0	0.0	0.0	(3.5)	0.0	0.0	0.0	0.0	0.0	0.0
Debt issuance costs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(6.5)	0.0	(2.2)	(1.1)	0.0	0.1	(0.7)	(1.7)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Repayments of capital lease obligations	(2.7)	(2.0)	(2.0)	(3.1)	(3.4)	(4.6)	(5.7)	(10.6)	(19.9)	(23.4)	(22.8)	(19.2)	(18.8)	(5.5)	(4.3)	(4.0)	(3.6)	(17.4)	(4.4)	0.0	0.0	0.0	(4.4)	0.0	0.0	0.0	0.0	0.0	0.0
Dividends to minority interests	0.0	0.0	(0.5)	(1.0)	(1.3)	(0.7)	(0.8)	(0.8)	0.0	(0.6)	(2.0)	(1.7)	(2.4)	(0.0)	(2.4)	0.0	(0.4)	(2.8)	(0.1)	0.0	0.0	0.0	(0.1)	0.0	0.0	0.0	0.0	0.0	0.0
Net proceeds from the issuance of ordinary shares	0.0	72.8	0.2	100.8	5.6	5.3	10.8	12.2	5.7	4.7	4.2	5.5	0.1	1.4	0.1	(4.6)	2.4	(0.6)	0.8	0.0	0.0	0.0	0.8	0.0	0.0	0.0	0.0	0.0	0.0
Excess tax benefit from share-based compensation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.5	0.8	0.5	1.7	0.3	0.5	0.3	(0.1)	(0.1)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dividends paid	(2.9)	(3.1)	(1.9)	(1.9)	(2.9)	(3.6)	(4.7)	(5.8)	(6.0)	(6.1)	(6.0)	(6.1)	(6.2)	0.0	(6.2)	0.0	0.0	(6.2)	0.0	(6.2)	0.0	0.0	(6.2)	0.0	(6.2)	0.0	0.0	(6.2)	(6.2)
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(12.1)	(13.2)	(2.4)	(0.0)	4.1	(3.6)	(1.9)	(2.3)	0.0	0.0	0.0	(2.3)	0.0	0.0	0.0	0.0	0.0	0.0
Net cash provided by (used in) financing activities	**2.7**	**92.3**	**(18.2)**	**103.3**	**(24.9)**	**76.3**	**11.3**	**170.4**	**6.6**	**(76.6)**	**(40.0)**	**(46.2)**	**(24.9)**	**35.8**	**(35.4)**	**32.9**	**(53.4)**	**(20.2)**	**17.2**	**(6.2)**	**0.0**	**0.0**	**10.9**	**0.0**	**(6.2)**	**0.0**	**0.0**	**(6.2)**	**(6.2)**
Effect of exchange rate changes on cash and cash equivalents	(1.2)	(7.1)	(5.9)	4.3	(2.1)	10.2	(3.9)	(13.1)	7.4	(44.0)	38.5	11.6	(12.4)	(0.8)	(10.5)	(3.2)	(7.7)	(22.2)	(1.2)	0.0	0.0	0.0	(1.2)	0.0	0.0	0.0	0.0	0.0	0.0
Net increase (decrease) in cash and equivalents	(17.8)	77.6	(10.8)	80.5	(11.4)	21.4	68.4	31.9	10.7	(32.3)	93.9	(24.0)	(5.0)	7.7	(66.7)	(35.8)	10.3	(84.5)	(51.9)	65.4	16.5	12.2	42.1	38.8	16.8	25.9	20.4	101.9	133.9
Beginning cash balance	38.6	20.8	98.4	87.6	168.1	156.7	178.1	246.5	278.4	289.1	256.9	350.8	326.8	321.8	329.4	262.8	227.0	321.8	237.3	185.3	250.7	267.2	237.3	279.4	318.2	335.0	360.9	279.4	381.3
Ending cash balance	**20.8**	**98.4**	**87.6**	**168.1**	**156.7**	**178.1**	**246.5**	**278.4**	**289.1**	**256.9**	**350.8**	**326.8**	**321.8**	**329.4**	**262.8**	**227.0**	**237.3**	**237.3**	**185.3**	**250.7**	**267.2**	**279.4**	**279.4**	**318.2**	**335.0**	**360.9**	**381.3**	**381.3**	**515.2**
Net free cash flow (after dividends)	**(1.2)**	**20.3**	**33.4**	**34.5**	**45.1**	**49.7**	**111.6**	**101.1**	**72.9**	**102.4**	**98.6**	**10.3**	**32.1**	**(26.8)**	**(26.6)**	**(66.0)**	**71.0**	**(48.4)**	**(66.7)**	**65.4**	**16.5**	**12.2**	**27.3**	**38.8**	**16.8**	**25.9**	**20.4**	**101.9**	**133.9**
FCF margin (as % of total revenues)	-0.5%	6.7%	11.0%	8.5%	7.6%	6.4%	11.6%	8.3%	4.9%	6.6%	7.2%	0.7%	1.9%	-6.6%	-6.6%	-16.3%	19.1%	-3.1%	-17.8%	16.3%	4.0%	3.1%	1.7%	9.8%	4.0%	5.9%	5.0%	6.1%	7.7%
Per share	($0.02)	$0.32	$0.44	$0.43	$0.48	$0.52	$1.14	$1.02	$0.73	$1.01	$0.97	$0.10	$0.31	($0.26)	($0.26)	($0.63)	$0.68	-$0.47	($0.64)	$0.63	$0.16	$0.12	$0.26	$0.37	$0.16	$0.25	$0.20	$0.98	$1.29
Free cash flow (before dividends)	**1.7**	**23.4**	**35.3**	**36.5**	**48.0**	**53.2**	**116.3**	**106.9**	**78.9**	**108.6**	**104.6**	**16.5**	**38.3**	**(26.8)**	**(20.4)**	**(66.0)**	**71.0**	**(42.2)**	**(66.7)**	**71.6**	**16.5**	**12.2**	**33.6**	**38.8**	**23.1**	**25.9**	**20.4**	**108.1**	**140.1**
FCF margin (as % of total revenues)	0.7%	7.8%	11.6%	9.0%	8.1%	6.9%	12.0%	8.7%	5.3%	7.0%	7.7%	1.1%	2.2%	-6.6%	-5.0%	-16.3%	19.1%	-2.7%	-17.8%	17.9%	4.0%	3.1%	2.1%	9.8%	5.5%	5.9%	5.0%	6.5%	8.0%
Per share	$0.03	$0.37	$0.46	$0.46	$0.51	$0.56	$1.19	$1.07	$0.79	$1.07	$1.03	$0.16	$0.37	($0.26)	($0.20)	($0.63)	$0.68	-$0.41	($0.64)	$0.69	$0.16	$0.12	$0.32	$0.37	$0.22	$0.25	$0.20	$1.04	$1.35

Current share price $16.59	2000A	2001A	2002A	2003A	2004A	2005A	2006A	2007A	2008A	2009A	2010A	2011A	2012A	2013A	2014E	2015E	2016E
Net FCF yield	-0.1%	1.9%	2.6%	2.6%	2.9%	3.1%	6.9%	6.1%	4.4%	6.1%	5.8%	0.6%	1.9%	-2.8%	1.6%	5.9%	7.8%
FCF yield	0.2%	2.2%	2.8%	2.8%	3.1%	3.4%	7.2%	6.5%	4.7%	6.5%	6.2%	1.0%	2.2%	-2.5%	1.9%	6.3%	8.1%
Dividend/FCF	-248.5%	15.4%	5.8%	5.6%	6.4%	7.2%	4.2%	5.7%	8.2%	6.0%	6.1%	59.4%	19.2%	-12.9%	22.8%	6.1%	4.7%
CapEx, net/OCF	83.1%	28.3%	18.1%	26.5%	27.1%	25.5%	11.2%	16.6%	26.1%	27.9%	12.8%	77.4%	67.6%	203.4%	70.5%	42.5%	28.6%

Source: Company data and Stifel estimates

Important Disclosures and Certifications

I, David G. Ross, certify that the views expressed in this research report accurately reflect my personal views about the subject securities or issuers; and I, David G. Ross, certify that no part of my compensation was, is, or will be directly or indirectly related to the specific recommendations or views contained in this research report. For our European Conflicts Management Policy go to the research page at www.stifel.com.



For a price chart with our ratings and target price changes for UTIW go to http://sf.bluematrix.com/bluematrix/Disclosure?ticker=UTIW

Stifel expects to receive or intends to seek compensation for investment banking services from UTi Worldwide Inc. in the next 3 months.

Stifel makes a market in the securities of UTi Worldwide Inc..

Stifel research analysts receive compensation that is based upon (among other factors) Stifel's overall investment banking revenues.

Our investment rating system is three tiered, defined as follows:

BUY -For U.S. securities we expect the stock to outperform the S&P 500 by more than 10% over the next 12 months. For Canadian securities we expect the stock to outperform the S&P/TSX Composite Index by more than 10% over the next 12 months. For other non-U.S. securities we expect the stock to outperform the MSCI World Index by more than 10% over the next 12 months. For yield-sensitive securities, we expect a total return in excess of 12% over the next 12 months for U.S. securities as compared to the S&P 500, for Canadian securities as compared to the S&P/TSX Composite Index, and for other non-U.S. securities as compared to the MSCI World Index.

HOLD -For U.S. securities we expect the stock to perform within 10% (plus or minus) of the S&P 500 over the next 12 months. For Canadian securities we expect the stock to perform within 10% (plus or minus) of the S&P/TSX Composite Index. For other non-U.S. securities we expect the stock to perform within 10% (plus or minus) of the MSCI World Index. A Hold rating is also used for yield-sensitive securities where we are comfortable with the safety of the dividend, but believe that upside in the share price is limited.

SELL -For U.S. securities we expect the stock to underperform the S&P 500 by more than 10% over the next 12 months and believe the stock could decline in value. For Canadian securities we expect the stock to underperform the S&P/TSX Composite Index by more than 10% over the next 12 months and believe the stock could decline in value. For other non-U.S. securities we expect the stock to underperform the MSCI World Index by more than 10% over the next 12 months and believe the stock could decline in value.

Of the securities we rate, 50% are rated Buy, 47% are rated Hold, and 3% are rated Sell.

Within the last 12 months, Stifel or an affiliate has provided investment banking services for 16%, 9% and 3% of the companies whose shares are rated Buy, Hold and Sell, respectively.

Additional Disclosures

Please visit the Research Page at www.stifel.com for the current research disclosures and respective target price methodology applicable to the companies mentioned in this publication that are within Stifel's coverage universe. For a discussion of risks to target price please see our stand-alone company reports and notes for all Buy-rated stocks.

The information contained herein has been prepared from sources believed to be reliable but is not guaranteed by us and is not a complete summary or statement of all available data, nor is it considered an offer to buy or sell any securities referred to herein. Opinions expressed are subject to change without notice and do not take into account the particular investment objectives, financial situation or needs of individual investors. Employees of Stifel or its affiliates may, at times, release written or oral commentary, technical analysis or trading strategies that differ from the opinions expressed within. Past performance should not and cannot be viewed as an indicator of future performance.

Stifel is a multi-disciplined financial services firm that regularly seeks investment banking assignments and compensation from issuers for services including, but not limited to, acting as an underwriter in an offering or financial advisor in a merger or acquisition, or serving as a placement agent in private transactions. Moreover, Stifel and its affiliates and their respective shareholders, directors, officers and/or employees, may from time to time have long or short positions in such securities or in options or other derivative instruments based thereon.

These materials have been approved by Stifel Europe Limited, authorized and regulated by the Financial Conduct Authority (FCA) in the UK, in connection with its distribution to professional clients and eligible counterparties in the European Economic Area. (Stifel Europe Limited home office: London +44 20 7557 6030.) No investments or services mentioned are available in the European Economic Area to retail clients or to anyone in Canada other than a Designated Institution. This investment research report is classified as objective for the purposes of the FCA rules. Please contact a Stifel entity in your jurisdiction if you require additional information.

Additional Information Is Available Upon Request