

ASX RELEASE – IVE GROUP LIMITED (ASX:IGL)

23 March 2020

COVID-19 update, FY20 guidance and unpaid interim dividend withdrawn

IVE Group Limited (**IVE** or the **Company**) today announces that due to the unprecedented uncertainty surrounding the on-going impact and duration of the COVID-19 pandemic, the Company considers it appropriate to withdraw the FY20 EBITDA guidance previously announced to the market on 26 February, 2020.

Additionally, the Board considers it prudent to cancel the interim dividend of 8.6 cents (\$12.7m) announced on 26 February 2020, as permitted by the Company's constitution. This measure is precautionary and reflects a desire to maintain strong liquidity in an increasingly volatile and uncertain time.

The foreshadowed capital expenditure of \$25-30m on catalogue collation automation is on hold, with the Company incurring essential capital expenditure only until there is greater certainty.

Chief Executive Officer Matt Aitken said: "IVE moved quickly at the outset of the pandemic to implement appropriate measures across our operations to protect, to the extent possible, the safety and well-being of our customers and staff during this time.

We are very well placed to continue to serve our customers with duplicate operations and capacity if required to ensure business continuity across key segments. Currently our supply chain is solid and current inventory levels provide us with additional flexibility".

The Board considers it prudent to maintain a continuing high level of liquidity as the full extent of the current uncertainty unfolds.

At the end of February 2020:

- Cash on hand was \$29m
- Undrawn committed credit lines were \$18m
- Net debt was \$174.0m (includes Salmat/Reach Media acquisition(s) on January 1, 2020)
- IVE's net trade debtors exceed trade creditors & accruals by circa \$30m

IVE refinanced its banking facilities in April 2019, with the facilities maturing in April 2023. IVE remains within its banking covenants with available headroom. Given the unprecedented volatility and uncertainty of the current trading conditions, this position will continue to be closely monitored.



IVE Group Limited
ABN 62 606 252 644
Level 3
35 Clarence Street
Sydney NSW 2000
P+61 2 9089 8550
ivegroup.com.au

Executive Chairman, Geoff Selig said "We have moved quickly to execute a comprehensive range of initiatives in response to the circumstances to mitigate the impacts of revenue declines and the effects of COVID-19. We continue to work closely with our clients during this period to ensure we are responsive to their changing requirements, and are committed to staying close with our staff to ensure we communicate effectively throughout such an unsettling time for them and their families".

This announcement has been authorised for release by the IVE Board.

Geoff Selig
Executive Chairman

Contact Details:

Geoff Selig
+ 61 2 9089 8550
investors@ivegroup.com.au