EnergyAction

ASX Release

06 April 2020

Energy Action withdraws FY20 earnings guidance

Energy Action Limited (ASX: EAX or 'The Company') today announced that due to the uncertain impact of the ongoing COVID-19 pandemic on the Company's revenue, it is withdrawing its FY20 earnings guidance.

Energy Action continues to generate robust operating cash flows, maintains strong credit quality and expects to be in a stable net debt position at 30 June 2020. The Company also advises that the majority of its cash flow is derived from high quality longer-term contracts secured prior to the COVID-19 situation.

Energy Action has implemented prudent measures to further manage the Company's cost base. At the board level, non-executive director, Mark de Kock, has announced his resignation from the Energy Action board to take effect from 30 April 2020. Further, the remaining three board members have volunteered to collectively reduce their remuneration by 20 per cent for up to six months, with Energy Action's chief executive officer and senior management team doing the same.

Energy Action's chief executive officer, John Huggart, said: "The impact of the evolving COVID-19 situation continues to be felt across the Australian economy. The resulting uncertainty is constraining decision-making among some client segments, which began to weigh on the Company's revenue in late March."

"Given it is impossible to predict the duration and impact of the COVID-19 situation on the Company's future earnings, it is appropriate to withdraw our previous FY20 guidance," Mr Huggart said.

Energy Action's chairman, Murray Bleach, added: "I would like to thank Mark de Kock for his contribution and service to the Energy Action Board over many years and wish him all the best for his future endeavours."

-ENDS-

The release of this announcement was authorised by John Huggart, CEO.

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