

ASX Announcement

Release date: 19 August 2020

Smartgroup announces \$32.1m profit, declares fully franked interim dividend of 17.0 cents

Smartgroup Corporation Ltd (ASX: SIQ), a specialist employee management services provider, today reported its financial results for the half-year ended 30 June 2020.

Profit after tax, as measured by NPATA¹, was \$32.1 million for the half year, in line with market guidance provided on 10 June 2020 and 11% down from the prior corresponding half year. Revenue at \$111.4 million was also down 11%.

Smartgroup's net debt of \$12.2 million at 30 June 2020 represents net debt / EBITDA of c.0.1x.

The Board of Directors has declared an interim fully franked dividend of 17.0 cents per share. This dividend is payable on 16 September 2020, with a record date of 2 September 2020.

Smartgroup's Managing Director and CEO Tim Looi said: "Like many other businesses, Smartgroup has seen impacts from the COVID-19 pandemic over the past several months. Smartgroup put in place a range of initiatives to respond to the impacts of COVID-19 and we will continue to focus on both safeguarding the well-being of our team members and the continued delivery of high quality service to our customers."

Tim Looi and Chief Financial Officer Nigel Underwood will hold a briefing tomorrow morning to discuss the results. The details are as follows:

Time: 9:00 am (Sydney time)
Date: Thursday 20 August 2020

The audio briefing will be streamed live at this time and can be accessed via the Smartgroup company page on the Open Briefing website: <http://www.openbriefing.com/OB/3913.aspx>

This can also be accessed from the Investors section of the Smartgroup website: <http://ir.smartgroup.com.au/investors/>

This announcement was authorised for release by the Board of Directors of Smartgroup.

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¹NPATA is net profit after tax, adjusted to exclude the non-cash tax effected amortisation of intangibles and significant non-operating items.