



## ASX Announcement

### Market update – COVID-19 Pandemic

#### Release date 27 March 2020

Smartgroup Corporation Limited (ASX:SIQ) (**Smartgroup**) provides the following update in relation to the COVID-19 pandemic and the actions Smartgroup is taking in response to the evolving situation.

Smartgroup's focus remains on safeguarding the well-being of its employees and customers, as well as supporting and servicing those customers who provide essential services at this time, such as employees in Federal and State government, health care, aged care and charities.

Smartgroup notes that its performance for the two months to 29 February 2020 was in line with performance for the corresponding period in 2019. However, following recent public health measures that have been implemented, and the corresponding impact on economic activity, the business is starting to see signs of reduced business activity particularly across sales leads for new novated leases.

While it is too early to assess and quantify the specific impact of the current environment on Smartgroup's business, Smartgroup is planning and repositioning itself for reduced trading conditions to persist for some time.

Smartgroup does not provide earnings guidance but notes that, given the current uncertainty, Smartgroup does not consider any earnings forecasts in analyst reports in relation to Smartgroup to be reliable in the present circumstances.

Smartgroup has a diversified client base, with c.96% of our employee customers working in Federal and State government and departments, healthcare, education and not for profit segments.

Smartgroup operates an asset-light business model, is well capitalised and has adequate cash to support business operations. Smartgroup currently has available cash balances in excess of \$60m and net debt of c.\$36 million.

Smartgroup will continue to closely monitor developments and provide further updates as required.

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