



ASX Announcement

Release date: 22 August 2018

Smartgroup announces 27% increase in H1 2018 profits and declares fully franked interim dividend of 20.5 cents per share

Smartgroup Corporation Ltd (ASX: SIQ), a specialist employee management services provider, today reported its financial results for the half year ended 30 June 2018.

Profit after tax, as measured by NPATA¹, was \$38.5 million for the half year, a rise of 27% on the prior corresponding half year. Revenue was \$122.6 million, exceeding the prior corresponding half year by 26%.

Smartgroup had a net debt balance of \$27.9 million at 30 June 2018 with gearing less than 0.3 times².

The Board of Directors has declared a fully franked interim dividend of 20.5 cents per share, representing an increase of 24% from the prior corresponding period, with a record date of 14 September 2018 and payment date of 28 September 2018.

Smartgroup Chief Executive Officer Deven Billimoria said, "It has been another successful 6 months for the Group with positive financial results, continued client growth and initial success in delivering multiple services to clients. The integration of acquisitions is tracking well and we remain focused on operational excellence as we consolidate our salary packaging service delivery."

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

2. Institutional placement and share purchase plan raised \$78.4m bringing gearing to less than 0.3 times, based on last twelve months proforma EBITDA, and excluding vehicle borrowing



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

Time: 9:00 am AEST

Date: Thursday 23 August 2018

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/2936.aspx>.

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

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