

18 July 2019
Konekt Limited (ASX: KKT)

ASX Limited
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KONEKT FY19 REVENUE AND EBITDA UPDATE

Konekt Limited (ASX: KKT) advises that, based on unaudited year-end management accounts, it expects FY19 EBITDA will be between \$9.7m and \$9.9m before expensing \$0.2m of one-off transition costs relating to the expiration of the MHS/ADF contract on 30 June 2019. This compares to EBITDA guidance issued in February 2019 “of \$9.0m – \$9.5m (before MHS contract exit costs (if any))”.

FY19 revenue is anticipated to be between \$96.0m and \$97.0m in line with February 2019 guidance of \$96.0m – \$99.0m. The MHS/ADF contract contributed \$9.7m to FY19 revenues.

Excluding the MHS/ADF business, Konekt had a strong Q4 FY19 performance. Konekt expects the ex-MHS/ADF revenue and earnings to grow in FY20.

FY20 revenue, however, will reflect the impact of the expiry of the MHS/ADF contract, and is expected to result in revenue being circa 7% to 10% lower than FY19. The FY20 EBITDA margin is expected to be circa 9% of revenue. Konekt will provide further detail regarding FY20 guidance with the FY19 audited full-year results announcement, scheduled to be released to the market on 23 August 2019.

Konekt expects its FY21 EBITDA to exceed FY19 EBITDA.

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About Konekt Group

With 700 staff and over 107 branches across Australia, Konekt is one of the largest integrated employment placement, workplace injury management and workplace health solutions providers in Australia. Konekt's focus is on helping organisations, individuals and government to maximize workforce participation and productivity, and minimize the impact of workplace injury. We help organisations minimise workplace costs, resulting in increased participation, reduced workers' compensation premiums and safer workplaces. Konekt Employment is a leading jobactive, NEIS and DES provider, with Konekt Workcare assisting injured workers returning to the workforce.