



22 November 2018

**ASX Announcement
PS&C LIMITED**

Divestment of Allcom Networks & Market Update

PS&C Limited (ASX:PSZ) (PSC) is pleased to announce that, as part of the broader restructuring activities across FY17 & FY18, it has successfully divested the Allcom Networks business to Crosspoint Telecommunications Pty Ltd (Crosspoint) for a total cash consideration of \$3.2m comprising a Completion payment of \$1.0m and post-Completion payments of \$1.8m and \$0.4m on 21st May 2019 and 21st November 2019 respectively.

The decision to divest the Allcom Networks business was based on the Company's view that the business was not cohesively aligned to the Company's core strategy.

PSC Managing Director and CEO Glenn Fielding said:

"PS+C is fundamentally a people business delivering specialised services to our clients. The Allcom Networks business did not align with where we are focusing the Company's efforts and did not provide PS+C with any competitive advantage moving forward. Our decision to divest was important to protect the integrity of the significant restructuring efforts across the past 24 months."

"Crosspoint is a business technology solutions provider offering comprehensive end-to-end managed IT solutions in voice, video, managed IT services and professional services. Allcom is a strategic investment for Crosspoint."

"I would like to thank the staff at Allcom and wish them all the very best in the journey that lies ahead with Crosspoint."

Impact of Transaction on FY19 Guidance

The Company has provided FY19 Operating EBITDA guidance of \$10m - \$12m. In FY18, Allcom Networks delivered an EBITDA performance of \$1.4m and was forecasted to deliver materially the same result in FY19.

The Company is very pleased with the start to FY19, in particular our Cyber Security businesses. The Company will provide updated FY19 guidance with the release of the mid-year results taking into account the divestment of Allcom Networks and its full six months trading.

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