

29 April 2020

Market Announcements Office
ASX Limited
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

PSC INSURANCE GROUP LTD (PSI) – PRESENTATION – GOLDMAN SACHS EMERGING LEADERS CONFERENCE

Please find following a copy of the presentation to be given today at the Goldman Sachs Emerging Leaders Conference 2020.

Please direct any queries to Tony Robinson, Managing Director, on 0407 355 616.

Yours faithfully

A handwritten signature in black ink, appearing to read 'S. Abbott', with a stylized flourish at the end.

Stephen Abbott

Company Secretary



Goldman Sachs Emerging Leaders Conference

Tony Robinson – Managing Director
Joshua Reid – Chief Financial Officer
29th April 2020



COVID-19 Impacts

Defensive Attributes of our Businesses Evident

- Despite the uncertain economic outlook, the non-discretionary attributes of the 'insurance spend' will assist revenue in coming periods, relative to other sectors.
- Natural stabilisers in the cost base and pro-active reduction in some areas is assisting financial performance.
- 100% ownership of businesses enhances our ability to manage costs.
- We are actively working with our Clients to ensure insurance covers are placed and, where required, to offer funding mechanisms including increased use of 3rd party premium funders.
- We are seeing JobKeeper providing confidence and funding to the most challenged SME businesses.
- Our technology is allowing our Teams to service our Clients and to collaborate in a seamless manner.
- March organic revenue 5% higher than the prior period.

Balance Sheet Considerations

Sound liquidity position, long dated debt maturities, undrawn debt limits

- Current cash balances ~ \$50m. Dividend, Australian Unity, Safex and deferred consideration payments funded from operating cash-flow since last reporting period.
- Syndicated Facility Agreement (Australia) has been extended; limits increased from \$80m to \$100m and maturity extended from March 2022 to December 2024. Drawn debt \$76m, available limits of \$24m.
- Loan Note Syndication Agreement (UK) drawn to \$54m, with \$36m in immediately available limits. Debt maturity November 2024.
- A sound funding position is evident for the next Paragon cash instalment payment, which is expected to be not less than \$35m. This will be funded from a combination of cash and debt.

Outlook

We remain confident in the short and long term prospects of the Group

- Q4 is the peak season for the Group and sector. We are seeing a resilience across the businesses; notwithstanding the current economic uncertainty.
- We remain committed to the AGM underlying EBITDA guidance of greater than \$57m, with the non-discretionary attributes of the SME 'insurance spend' and cost reduction measures both assisting.
- We will keep the market updated in Q4 should this position require updating.
- We expect the current economic conditions to prolong the hardening pricing cycle in to FY21.
- FY21 will build off the FY20 result, with the benefit of the annualised impact of Paragon, potentially partly offset by the impact of the current economic conditions. Our businesses are not weighted materially to sectors most impacted across any of our jurisdictions.



CLOSE & QUESTIONS