

ASX ANNOUNCEMENT



Wednesday 6 July 2016

ASG finishes FY16 on profit target, further strong growth forecast for FY17

Leading Australian IT services provider ASG Group (ASX: ASZ) is pleased to confirm a strong operating result for the 2016 financial year, including record operating cashflow.

ASG has received multiple queries from analysts and institutional investors in recent weeks and believes it is appropriate to update the market ahead of the release of the Company's annual results next month.

At the close of FY16, ASG recorded:

- Revenue at the upper end of the forecast \$185-190 million range
- EBITDA margin above forecast 14%
- Operating cashflow of approximately 100% of EBITDA (bringing average operating cashflow as a percentage of EBITDA over the last three years to 92%)
- Net debt less than \$3 million, compared to forecast of \$5 million.

ASG Chief Executive Geoff Lewis said the strong performance underlined both the stability and predictability of revenue and earnings.

"Our business is based around long-term, stable contracts and a reliable, sustainable revenue model that allows us to look forward to FY17 and beyond with confidence and a high degree of certainty," said Mr Lewis.

Total capital expenditure for the year was approximately \$8 million, which will be less than depreciation and amortisation.

The lower than forecast debt net debt level was achieved despite a share buyback program that saw ASG outlay \$5 million in the year.

ASG will report its full, audited financial results for 2016 on 17 August.

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FOR FURTHER INFORMATION PLEASE CONTACT:

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ABOUT ASG

ASG Group Limited (ASX: ASZ) is an award winning and Australian IT business solutions provider, offering IT management and consulting services, business intelligence and thought leadership. Established in 1996, the company's goal is to provide innovative, high-quality and cost-effective services to its clients. In 2002, ASG listed on the Australian Securities Exchange. For more information visit www.asggroup.com.au

