



9 February 2017

## PS&C market update

PS&C Ltd (ASX: PSZ) provides an update to the market on its half year result to 31 December 2016.

Subject to finalisation of the audit review for the six months to 31 December 2016, the company expects normalised EBIT, before corporate overhead, to be approximately 11% down on the previous corresponding period.

The EBIT of the People and Security segments has improved on the previous corresponding period, while the Communication segment has performed well below the previous year result. Although corporate overhead is up on the previous corresponding period, the Communication result is key to the overall EBIT falling from last year.

Management expects the Communication business to improve in the second half given the existing pipeline, however longer range forecasts developed internally have been reduced for this segment. This reduction in longer term forecasts will result in a write down in goodwill for the Communication segment at the half year.

The Company remains positive on the outlook for the group given the steady performance of the People business and the continued increase in activity in the Security segment. Cyber security services are expected to grow at a compound growth rate of around 15% in APAC over the next five years years<sup>1</sup>.

PS&C Ltd will announce the complete half year results on 23 February 2017. In conjunction with this announcement, the company will announce outcomes associated with an internal strategic review. As foreshadowed at the AGM, the board believe that the value of the PS&C business units is worth significantly more than the current market capitalisation of the group overall. The strategic review is focused on realising shareholder value for the operating businesses and the company expects to announce a plan that will realise that value in addition to other structural changes.

<sup>1</sup>Markets and Markets

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