



WELLCOM GROUP ANNOUNCES FY19 EARNINGS UPDATE

23 JULY 2019

Wellcom Group Limited (Wellcom) (ASX: WLL) is today providing an earnings guidance update for the year ending 30 June 2019.

Excluding the impacts of the below factors, together with incremental management incentives driven by the improvement in EPS, Wellcom has traded in line with the expected EPS growth range of 10% to 15% announced on 21 August 2018, and subsequently confirmed on 19 February 2019.

Following a number of recent non-trade performance related impacts Wellcom now expect FY19 EPS growth on the prior year of between 30% and 35%.

The updated guidance is driven by the following factors:

- As of 30 June 2019 management has reached a buyout agreement with the landlord of Wellcom's existing US commercial property lease. The terms of the agreement are such that the Group will recognise a net benefit before tax of approximately \$6.7M in the year ended 30 June 2019. At the same time as entering into the buy-out agreement, management have entered into a new long-term commercial property lease in Brooklyn, New York, which will form the base for Wellcom's US operations for the years to come.
- Partially offsetting the gain on the property lease buyout are a number of non-recurring costs incurred during the period, including dilapidation costs relating to Wellcom London's former commercial property lease; acquisition costs, including Brandsystems; and costs associated with the relocation of a major client from Columbus, Ohio to New York.

Further information with respect to the financial result and outlook for the future will be provided during the Company's full-year results announcement on 20 August 2019 once full-year audited results are available.

For further information contact:

Wayne Sidwell
Chairman
Wellcom Group Limited
(03) 9946 8000

Andrew Lumsden
Chief Financial Officer & Company Secretary
Wellcom Group Limited
(03) 9946 8000