

SERVCORP

ASX announcement

3 April 2020

The Manager
Company Announcements Office
Australian Securities Exchange

SERVCORP COVID-19 UPDATE

Servcorp Limited ABN 97 089 222 506 (SRV) notes the recent announcements by the Australian Federal and State Governments, and various other Governments around the world, in relation to COVID-19. We are working through the exact impacts on our global footprint but we anticipate, and are planning for, a significant but temporary reduction in serviced office occupancy and coworking utilisation, with some offset from our virtual office products.

Our priority in any crisis is the health and safety of our people, and that of our clients who utilise our locations globally.

We are currently focused on maintaining strong cost control discipline, and in the current environment have eliminated all discretionary spending in order to keep operational costs to a minimum. We have unfortunately taken the decision to stand down or make redundant more than 100 team members globally. The majority of remaining team members have agreed to reduce their salary by 20% during this crisis. The non-executive Directors have similarly agreed to a reduction of fees by 20%, and the CEO has reduced his salary by 50%.

Despite the actions taken to date, given the current uncertainty and market volatility, it is considered prudent to suspend current market guidance.

We are determined to survive and thrive, working with our landlords, our teams and our clients. In most cases, our landlords are favourably considering rent reductions to mitigate to some degree rising vacancies and small businesses' inability to fulfil their obligations. The Company has no external debt; despite this, we have suspended capital expenditure programs at this time.

Servcorp has proven, over the more than forty years of its existence, to be a robust business, and this remains the circumstance today. We are confident that Servcorp will emerge from the COVID-19 crisis in a financially sound position and full of determination.

Servcorp, the market leader in the flexible workplace industry, and in providing superior IT and business infrastructure solutions, operates 146 floors in 52 cities across 22 countries.

This ASX announcement is approved and authorised by the Board of Directors of Servcorp Limited.

For more information contact

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