

ASX Announcement

Release date: 16 June 2022

Department of Education and Training Victoria - contract update

Smartgroup Corporation Limited (ASX:SIQ, Smartgroup or the company) advises that following the completion of a competitive tender process, the Department of Education and Training Victoria (DET Victoria) has advised that it will not be renewing its contract with Smartgroup.

DET Victoria has been a long-term top 20 client of Smartgroup. Smartgroup is proud to have provided its services to DET Victoria over this period.

The contract transition date and terms have not been settled. Smartgroup does not expect a material impact on revenue in CY2022 as a result of the loss of this contract and expects an impact of less than 5% of revenue in CY2023¹.

Smartgroup advises that it currently expects H1 2022 revenue and EBITDA to be in line with H1 2021.

Smartgroup Chief Executive Officer, Tim Looi said, "We are of course disappointed that Smartgroup was not selected to continue our relationship with DET Victoria, however we have many strong long-term relationships with our diversified client base and continue to focus on customer experience as a key driver of those relationships.

"In 2021, we renewed or extended all top 20 contracts that fell due and we have now renewed or extended the majority of the top 20 contracts that fall due in 2022, with only one still remaining for renewal later in 2022."

This announcement was authorised by the Board of Smartgroup for release to the ASX.

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¹ The forecast impact on CY2022 and CY2023 revenue is based on actual CY2021 revenue