

21 May 2020

Office of Company Secretary

Level 4
357 Collins Street
MELBOURNE VIC 3000
AUSTRALIA

The Manager

Phone: 03 9677 8888

Fax: 03 9677 8877

Market Announcements Office
Australian Securities Exchange
4th Floor, 20 Bridge Street
SYDNEY NSW 2000

ELECTRONIC LODGEMENT

Dear Sir or Madam

Service Stream COVID-19 Business Update

In accordance with the Listing Rules, I attach a market release, for release to the market.

Yours faithfully



Chris Chapman
Company Secretary

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ASX & MEDIA RELEASE

Service Stream COVID-19 Business Update

Leading essential network services company Service Stream Limited (ASX: SSM) wishes to update the market on the impact that COVID-19 is having on business operations and Group earnings for the financial year ending 30 June 2020.

Consistent with Service Stream's commitment to the health and safety of our workforce and the communities in which we operate, the business has proactively introduced a range of protocols to minimise the spread of COVID-19 whilst supporting our clients' programs of work and the continuity of our field operations.

As an essential network service provider, demand for our services has generally remained strong throughout the COVID-19 crisis. The business has, however, experienced some negative impacts, largely associated with increased costs to safely deliver field-based operations; some clients temporarily pausing some work programs; and the delayed commencement of individual minor projects.

We now expect EBITDA from Operations for FY20 to be approximately \$108 million, which remains a record operating result for the Group. This follows a review of performance throughout the recent period, including finalisation of April's result, and with the benefit of a clearer perspective on the likely impacts to work volumes through to 30 June 2020.

The Group's balance sheet, cashflow and liquidity remains very strong. Not only has this underpinned the Group's ability to effectively deal to COVID-19 headwinds, but it provides the Board with confidence as to the Group's continuing ability to maintain its commitment to dividends, and to secure expansion opportunities across the utilities and telecommunications markets as they present.

Service Stream's Managing Director, Leigh Mackender, said: "We have been working closely with our clients throughout this challenging period to ensure we are able to continue supporting their critical network infrastructure and provide certainty and continuity to our workforce. Whilst it is unfortunate that some clients have had to temporarily adjust or delay aspects of their work programs, Service Stream continues to be in a strong position, with a healthy contracted pipeline of ongoing work across a blue-chip client base."

"Whilst it is likely that COVID-19 impacts will continue to be felt into at least the early part of FY21, we will be in a better position to discuss the Group's outlook following the release of our FY20 results."

For further details contact:

Service Stream Limited

Leigh Mackender, Managing Director

Tel: +61 3 9937 6350

E: leigh.mackender@servicestream.com.au

Service Stream Limited

Linda Kow, Chief Financial Officer

Tel: +61 3 9937 6350

E: linda.kow@servicestream.com.au

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About Service Stream Limited:

Service Stream is a public company listed on the Australian Securities Exchange (Code: SSM). The Service Stream Group is a provider of essential network services to the telecommunications and utility sectors. Service Stream operates across all states and territories, has a workforce in excess of 2,200 employees and access to a pool of over 3,000 specialist contractors. For more information please visit www.servicestream.com.au

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