



HiTech Group Australia Limited

2020 Annual General Meeting - 27 November 2020

Chairman's Address to Shareholders

Welcome to our 20th Annual General Meeting as a publicly listed company.

FY2020 Results:

For the financial year ended 30 June 2020, the consolidated entity's operating **revenue is \$33,380,909 an increase of 10%** over the previous corresponding period (pcp):

- **Gross Profit is \$6,105,679, an increase of 6%** over pcp (FY19: \$5,777,819).
- **EBITDA is \$4,330,867, an increase of 8%** over pcp
- **NPAT is \$3,336,117, an increase of 15%** over pcp
- Fully diluted EPS is **8.77 cents, an increase of 15%** over pcp
- Our Net tangible Assets (NTA) is **\$0.18 per share.**

The directors have declared a fully franked final dividend of 4 cents per share. The dividend was paid on 14 September 2020 to shareholders registered on close of business on 31 August 2020. The total amount paid was \$1,522,000. This represents a gross annualised dividend yield of 8.6% (at a share price of \$1.58). Total dividends for the past 12 months of 9.5 cents per share fully franked.

During FY2020, despite the Covid-19 crisis, HiTech performed stronger than ever, a record result yet again, whilst maintaining a robust balance sheet and no debt which is unique in our industry. This demonstrates the strength of our business model that was designed in the recession of 1993 and how versatile HiTech is to cope with the tough times. The fact that we have managed to navigate through this once in a lifetime event, is testament to the resilience of the culture of the HiTech Group.

We are committed to improving our revenues and profitability which are at record highs. The majority of our revenue is still generated from our core ICT recruitment and contracting

business and we are active in non-ICT areas of recruitment as well. We have been focused on securing new clients all around Australia to successfully expand our client base.

We remain ready to take advantage of market opportunities promising organic growth and potential accretive acquisitions to increase stakeholder returns. The future for HiTech continues to look brighter than ever.

The directors extend their appreciation to all our team members for their efforts during the 2020 financial year.

Outlook for FY2021 remains positive and optimistic

Our outlook for FY2021 remains positive and optimistic - depending on the prevailing economic conditions and the demand for ICT human talent from both the government and private sectors.

Based on unaudited internal management accounts for the period up to end of October 2020, **the Group's expected Profit and revenue for the first half of FY2021 is expected to be greater than the pcp.** I am delighted with our results so far.

Exact results can't yet be released but we expect continuing growth for the full year FY2021. We will keep the market updated as required.

HiTech remains a strong, profitable, and resilient business, with growing revenue and record profit, a strong balance sheet, solid cash reserves and no debt. We have shown that we can beat this pandemic recession and stay profitable with a record result! We aim to continue that profitable growth path.

We are determined to improve our financial performance and profit results and will continue to do our best to improve growth both organically and via disciplined external acquisitions as appropriate.

I thank you all for your support and commitment as shareholders, staff members, candidates, contractors and valued clients.

Ray Hazouri
Chairman

27 November 2020