



HiTech Group Australia Limited

2018 Annual General Meeting - 30 November 2018

Chairman's Address to Shareholders

Welcome to our 19th Annual General Meeting as a publicly listed company.

FY2018 Results: Another Record Year!

For the financial year ended 30 June 2018, the consolidated entity's operating **revenue was \$26,385,262, an increase of 13% over the previous corresponding period (pcp)**. The revenue is a combination of contracting fees and permanent placement fees.

Gross Profit was \$5,279,899 an increase of 12% over pcp (FY17: \$4,705,131).

Net profit after taxation (NPAT) and Earnings before interest, taxes, depreciation and amortization (EBITDA) are normalised figures reflecting the profit attributable to the underlying business operation for FY2018.

Underlying NPAT was up 16% to \$2.68m

Underlying EBITDA up 13% to \$3.81m

Our Net Tangible Assets (NTA) are \$0.19 per share.

Cash at bank is approximately \$5.3m

The directors have declared a fully franked dividend of 4 cents per share. The dividend was paid on 12 September 2018 to shareholders registered on close of business on 27 August 2018. The total amount paid was \$1,522,000. This represents a gross annualised dividend **yield of 12.4%** at the current share price of 92.5 cents.

During FY2018 HiTech performed stronger than ever whilst maintaining a robust balance sheet and no debt which is unique in our industry.

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, potential accretive acquisitions to increase stakeholder returns. The future for HiTech continues to look bright.

The directors extend their appreciation to all our team members for their efforts during the 2018 financial year.

Outlook for FY2019 remains positive and optimistic

Our outlook for FY2019 remains positive and optimistic - depending on the prevailing economic conditions at the time and the demand for human talent from both government and private sectors.

Based on unaudited internal management accounts for the period up to end of October 2018, **the Group's expected Profit for the first half of FY2019 is expected to be 10% or greater than the pcp.** I am delighted with our results so far.

We expect continuing similar growth for the full year FY2019 with yet another record year!

Exact results can't yet be predicted but we will keep the market updated as required.

HiTech remains a well-placed and resilient business, with growing revenue and profit, a strong balance sheet, solid cash reserves and no debt.

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 EPS accretive, 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

30 November 2018