

COVID-19 IMPACT ON FY20 OUTLOOK

Schaffer Corporation Limited (ASX: SFC) today announced it had withdrawn the profit outlook guidance for the FY20 financial year provided in its half-year results announced to the market on 14 February 2020.

At that time, SFC forecast that the net profit after tax or statutory profit¹ for the full financial year was likely to be similar to the 2019 financial year. That outlook was dependant on various risk factors, including the potential impact of COVID-19 and currency volatility.

Since the release of the profit guidance to the market, there has been a significant escalation of measures taken by the governments of many countries to prevent further spread of the virus.

These measures have caused supply chain disruption and precipitated a slowdown in economic activity which will impact the trading performance of SFC's manufacturing divisions. SFC's investment division is also being impacted by non-cash unrealised losses on listed investments and the potential for non-cash unrealised losses on non-listed investments.

As a consequence the Company advises that it has withdrawn its previously published guidance and is unable at this time to provide profit guidance for the financial year ended 30 June 2020.

SFC management are continuously monitoring the evolving situation, and are taking actions to minimise the impact of COVID-19 on our businesses. Our primary focus at this time is the health and safety of our employees and customers.

This announcement was authorised by the Board of SFC.

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1. Statutory profit is defined as net profit after tax for the period attributable to members