

ASX: CCG

ASX Release 16 April 2020

Reaffirmation of FY20 Guidance, Trading Update and COVID-19

CommsChoice Group Limited (“CommsChoice”) today provides an update on trading results, the impact of COVID-19 on its business and reaffirms its earnings guidance for FY20.

The health and wellbeing of our customers and staff is a key priority. CommsChoice responded early enabling staff to work remotely and from home. Work-from-home trials were undertaken in early March 2020; and from mid-March the majority of staff in Australia and the Philippines were working remotely.

The move to have all staff working remotely was executed smoothly. Remote access to key systems has been seamless. CommsChoice’s own MS Teams Calling / Direct Routing (telephony) service has enabled CommsChoice staff to interact via telephone and video conferencing with each other, our suppliers, customers and sales opportunities via voice and video, no matter where they are located.

Customer interaction today is being handled by staff remote from our key offices, in both Australia and the Philippines with no impact on quality of our service offering or business performance.

CommsChoice is pleased to have supported several key customers who needed to swiftly implement CommsChoice’s unified communications solutions to support their remote working and work-from-home transitions.

CommsChoice will continue to monitor the situation with respect to Covid-19 and respond appropriately with any required changes as to how it operates its business.

Trading update

With the move to remote working and work-from-home by many businesses, CommsChoice has seen a marked increase in enquiries for work-from-home solutions from existing customers. CommsChoice has also experienced an increase in revenue from several key customers in March.

The Company is also receiving strong interest from both existing and new customers in our key Unified Communications solutions, particularly MS Teams Calling (Direct Routing), enabling our customers to operate their own businesses remotely with both video and telephony integrated.

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At this stage it remains too early to advise if the Covid-19 impact on certain sectors of the economy will have a material impact on CommsChoice financial trading results. To date, the impact has been minor.

Earnings Guidance Reaffirmed and Balance Sheet is Strong

Based on trading results to date, CommsChoice can re-affirm it's FY20 guidance to the market for EBITDA of \$1.8m to \$2.2m.

The Company maintains a strong balance sheet. As at 31/3/2020, cash at bank was \$1.6m and the Company has access to an overdraft facility of \$350k.

Authorised for release by the Board of CommsChoice Group Limited.

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About CommsChoice Group:

CommsChoice Group provides cloud communications for business. The company services mid-tier corporate customers in Australia, Asia and internationally using its cloud based global business phone platform and MS Teams Calling/Direct routing integration combined with innovative SD-WAN technology and fibre and NBN access products.

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