

24 March 2020

Market Update

EQT Holdings Ltd [ASX: EQT] provides the following update on the impact of the COVID-19 pandemic on its business and earnings.

EQT has long term revenue streams and a strong balance sheet with low debt and high levels of liquidity. EQT is operating as usual with employees working both on-site and increasingly from home.

EQT has previously indicated that FY20 second half earnings growth was expected to improve as revenue from new business grew. It also acknowledged that market volatility would continue to influence outcomes.

As the majority of EQT revenues are linked to the level of funds under management, administration and supervision, the market downturn is having an adverse impact on earnings and therefore, the previous guidance is no longer appropriate. At this stage, it is not possible to precisely quantify the impact on earnings as markets remain highly volatile.

As previously communicated, the two primary drivers of market leverage on revenues are:

- for the Trustee and Wealth Services (TWS) business - approximately 50-60% leverage to the (daily) ASX200; and
- for the Corporate Trustee Services (CTS) business - approximately 50% leverage to the (daily) global MSCI.

Revenue is also leveraged to other asset classes.

The Group is positioned with low gearing, approximately \$30 million of cash surplus to regulatory requirements, and \$20 million of undrawn committed bank facilities. The Group's debt facility was renewed in December 2019 and matures in December 2022.

EQT Managing Director, Mick O'Brien said, "The safety and wellbeing of our employees are a priority and we are taking action across the business to protect them. We are also taking steps to ensure we continue to support our clients, beneficiaries, investors, members and other stakeholders during this challenging time."

EQT will continue to provide updates as appropriate.



Mick O'Brien, Managing Director has authorised that this document be given to the ASX.

FURTHER INFORMATION

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