



**ASX announcement
Media Release
19 March 2020**

Market update: financial impact of coronavirus (COVID-19)

Hills Limited (ASX: HIL) has advised today that given the ongoing high level of uncertainty surrounding the spread, duration and impact of coronavirus (COVID-19) it is withdrawing earnings guidance for FY20.

It is now considered likely that COVID-19 will affect customer demand for some Hills products and services. In particular, there are signs that Hills Health Solutions customers are understandably reprioritising decision-making to focus on the handling of COVID-19. This has already resulted in some project delivery delays and we also expect this to delay some orders in the second half of FY20. Our Patient Engagement business should be less impacted by COVID-19 and we expect to see continued revenues from this business during this period of uncertainty.

The impact on Hills Distribution business is less clear, with a strong inventory position expected to help our SMB & IT business segments offset by project delays in our enterprise segment. Hills Technical Services is currently continuing to see business continuity associated with the NBN.

The uncertainty created by COVID-19 makes it difficult to make accurate forecasts, but Hills will continue to monitor cashflows and further reduce operating expenses, to help mitigate the impact of any decline in customer demand.

“We are taking all measures necessary to ensure the safety and wellbeing of our employees and their families, and we are working closely with customers and suppliers to mitigate the financial impact of this unprecedented pandemic,” Hills Managing Director and CEO Mr Lenz said.

Hills is confident the restructuring of the business in the past year – to refocus on its Health business and a streamlined Distribution business – will leave it well positioned for sustainable growth when conditions stabilise.

A further update on trading conditions will be provided when appropriate.

About Hills Limited

Hills is a majority Australian-owned publicly listed company (ASX: HIL) and consists of two businesses: Hills Health Solutions – the leading provider of nurse call solutions, patient engagement systems and wi-fi networks in Australian and New Zealand hospitals and aged care facilities; and Hills Distribution – a leading provider of integrated Security, IT and Technical Services across Australia and New Zealand. For more information, visit www.hills.com.au

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