

28 April 2020

RTC Group Plc
("RTC", "the Company" or "the Group")

Update on the impact of COVID-19

RTC Group Plc (AIM: RTC.L) is today making a statement to provide an update on the impact of the COVID-19 pandemic on our business and the measures we are taking to mitigate the risks presented by this situation.

The safety of RTC employees is the Company's highest priority and the necessary operational changes to ensure their wellbeing have been made, with the majority working effectively from home and those who are unable to work from home strictly adhering to the social distancing measures advised by the Government.

The majority of RTC's activities are in public and regulated sectors (infrastructure and railway transportation) and provide contract workers vital to the country. The indications are that this will continue. Our activities internationally are largely unaffected. However, general UK recruitment and smart-meter installation activities have been significantly impacted by the lockdown.

The Directors believe that the Group has a strong balance sheet and the Company is taking additional measures to protect this by reducing the cost base, deferring non-essential capital expenditure, reducing debt. The Group is making use of the Government's Coronavirus Job Retention Scheme by furloughing affected employees and utilising the Government's VAT deferral scheme. In addition, no dividend payment is proposed for 2020 and the Board and senior management have all agreed to a temporary 20% reduction in their salaries.

Trading in Q1 has been largely unaffected by the current situation, however, the scale and duration of disruption to future activities is not yet clear. Whilst rail and infrastructure activities provide comfort for the future it is too early to quantify the impact of COVID-19 on revenues and operational profits for the full calendar year 2020. A further update will be given at our AGM in June.

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About RTC

RTC Group Plc is an AIM listed recruitment business that focuses on white and blue-collar recruitment, providing temporary and permanent labour to a broad range of industries and customers in both domestic and international markets through its geographically defined operating divisions.

UK division

Through its Ganymede and ATA Recruitment brands the Group provides a wide range of recruitment services in the UK.

Ganymede specialise in recruiting the best technical and engineering talent and providing complete workforce solutions to help build and maintain infrastructure and transportation for a wide range of UK and international clients. Ganymede is a market leader in providing a diverse range of people solutions to the rail, energy, construction, highways and transportation sectors. With offices strategically located across the country, Ganymede provides its clients with the benefit of a national network of skilled personnel combined with local expertise.

ATA Recruitment provide high-quality technical recruitment solutions to the manufacturing, engineering and technology sectors. Working as an engineering recruitment partner supporting businesses across the UK. ATA Recruitment has a strong track record of attracting and recruiting the best engineering talent for our clients. ATA's regional offices which are strategically located in Leicester and Leeds each have dedicated market-experts to ensure ATA delivers excellence to both our clients and candidates.

The Group headquarters are located at the Derby Conference Centre which also provides office accommodation for its operating divisions in addition to generating rental and conferencing income from space not utilised by the Group.

International division

Through its GSS brand the Group works with customers across the globe that are focused on delivering projects in a variety of engineering sectors. GSS has a track record of delivery in some of the world's most hostile locations. Working closely with its customers GSS provides contract and permanent staffing solutions on an international basis, providing key personnel into new projects and supporting ongoing large-scale project staffing needs. GSS typically recruit across a range of disciplines and skills from operators and supervisors, through to senior management level.

www.rtcgroupplc.co.uk