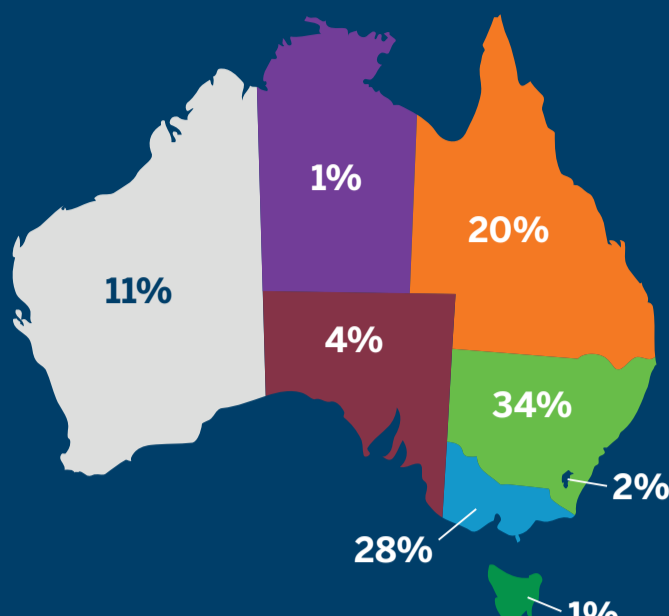
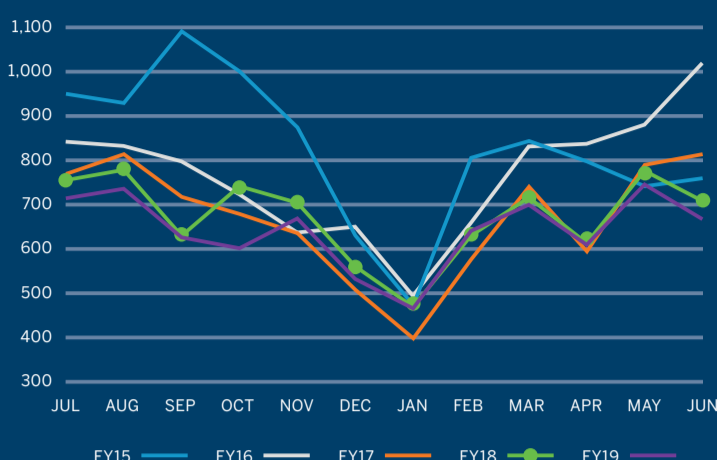


External administrations by state & territory

Total appointments in Australia = **8,105**
 Minimal **4.6%** increase since FY18



Trends FY15 to FY19



Industries experiencing stress

- 19% construction** = 12% increase on FY18
37% from NSW, 27% from VIC
- 13% accommodation & food services** = 13% increase on FY18
33% from NSW, 28% from VIC
- 7% retail** = holding steady with FY18
29% from VIC, 26% from NSW, 23% from QLD



Mining is on the rise with a **15% increase** in external administrations – however overall they are still lower at 104 than their FY16 high of 301. **WA** continues to have the highest rate at **43%**.

External administrations across Australia's key industries

Construction	1,515
Accommodation & food services	1,074
Retail trade	592
Transport, postal & warehousing	339
Manufacturing	230
Rental, hiring & real estate services	183
Electricity, gas, water & waste services	170
Information media & telecommunications	135
Wholesale trade	129
Professional, scientific & technical services	118
Mining	104
Agriculture, forestry & fishing	103
FIS-Other financial services	93
Health care & social assistance	90
Education & training	72
Unknown	62
Arts & recreation services	59
Administrative & support services	48
FIS-Managed Investments	33

Construction remains the most stressed, representing **19%** of all appointments

Additional 2,956 appointments classified by ASIC as Other (business & personal) services



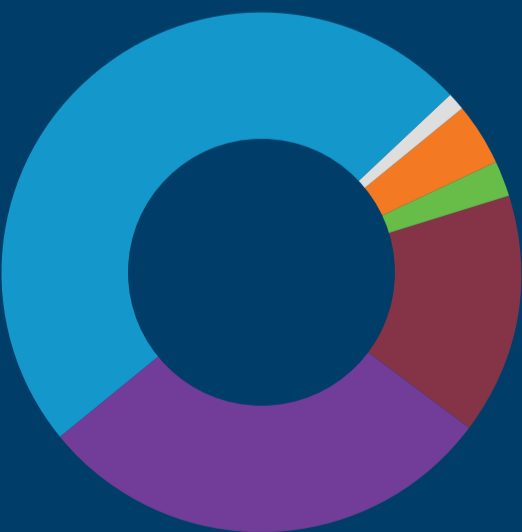
Companies entering external administration by appointment type

49% = creditors wind-ups

This predominantly relates to SMEs as it's the preferred course for liquidating at the smaller end of the market.

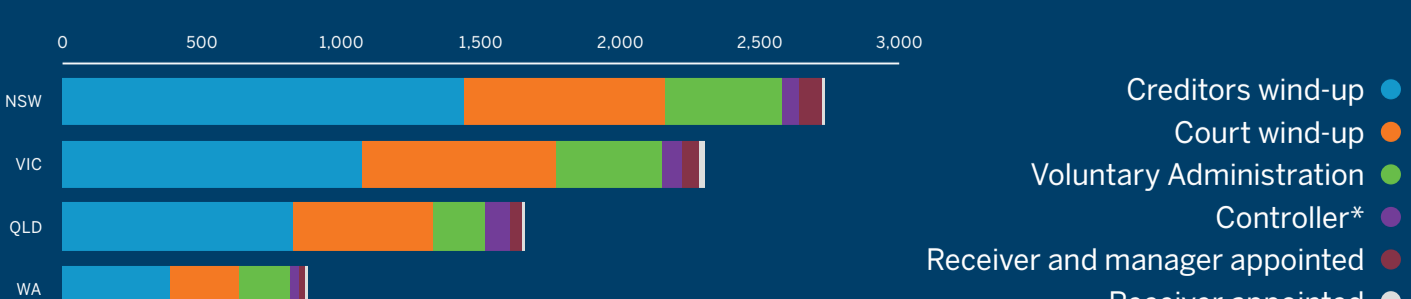
2% = receiver and manager (bank/lender) appointments

Consistently low due to the current turnaround culture where lenders support businesses through a restructure arrangement rather than a formal appointment, as well as a benign insolvency market.



Domestic and offshore funds are ramping up as they discover more opportunities in companies at different points of the stress curve. We believe lenders will see an increase in direct approaches for debt sale opportunities in the next 24 months. This will be a real test of the lenders appetite to hold non-performing loans based on the domestic economic outlook.

Comparison of appointments by state



*except receiver and managing controller