



# 2016 Full Year Results

Chris Coonan, Chief Executive Officer  
Frank Hardiman, Chief Financial Officer



# Highlights

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## Foundations for continued growth

### Financial Highlights

- Gross Revenues up 14.2% to \$28.2m
- Group Revenues excluding franchises up 15.8% to \$22.8m
- Net Profit after Tax up 113% to \$1.7m

### Operational Highlights

- Completed delivery of the national rebrand project.
- Continued strong growth in residential valuations.
- Significant growth within the commercial valuations business.
- Investment in staff, IT infrastructure and office upgrades.
- 12.5% investment in LMW WA – joint venture partner to improve national offering to major clients with identifiable synergies.

# Highlights

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## Successful National Rebrand

From this:





**LMMW**

*We Value Your Property*

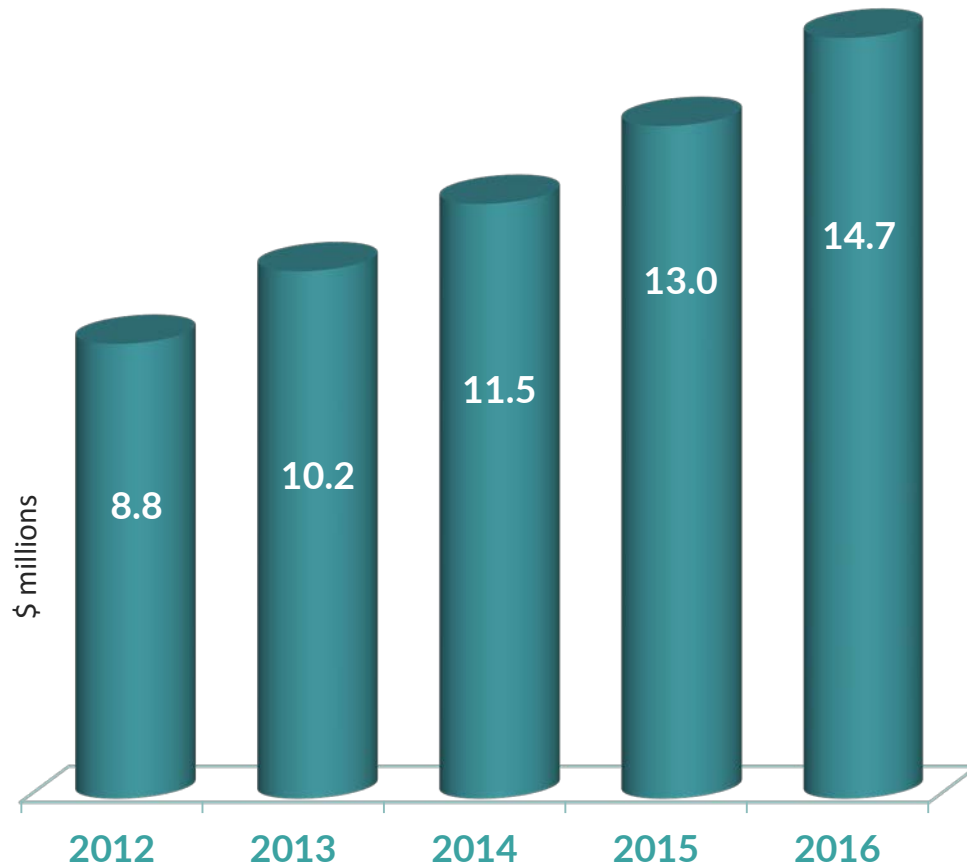
# Highlights

## Investment in business infrastructure

	FY 2016 \$m	FY 2015 \$m	Change %
<b>Gross Revenues</b>	28.2	24.7	14.2
<b>Group Revenues</b> (excluding franchises)	22.8	19.7	15.8
<b>Profit before Tax</b>	2.37	1.15	106
<b>Net Profit after Tax</b>	1.66	0.78	113
	<i>Cents</i>	<i>Cents</i>	<i>%</i>
<b>Earnings per Share</b> (cents per share)	6.0	2.8	214
<b>Full year Dividend</b> (cents per share)	4.5	3.75	20

# Residential

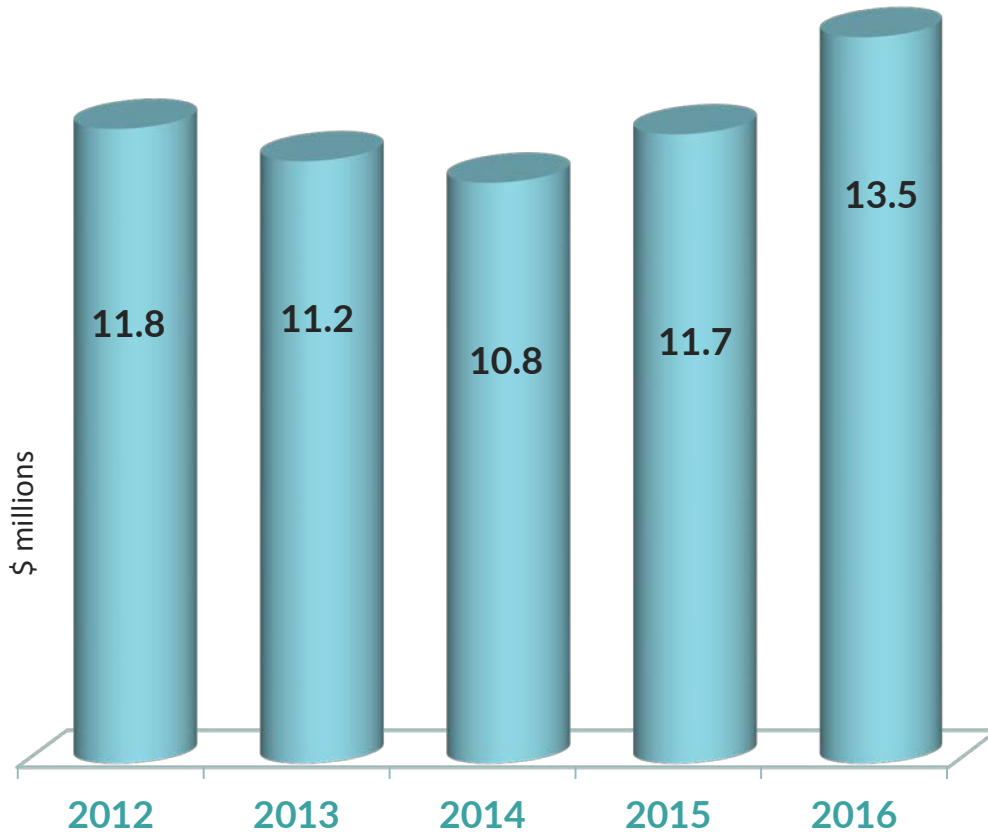
Continued contribution to revenue growth



- Growth reflects increase in market share despite flattening residential activity.
- Increased staff and productivity.
- Investing in client relationships.
- Broadening expertise and client base.

# Commercial

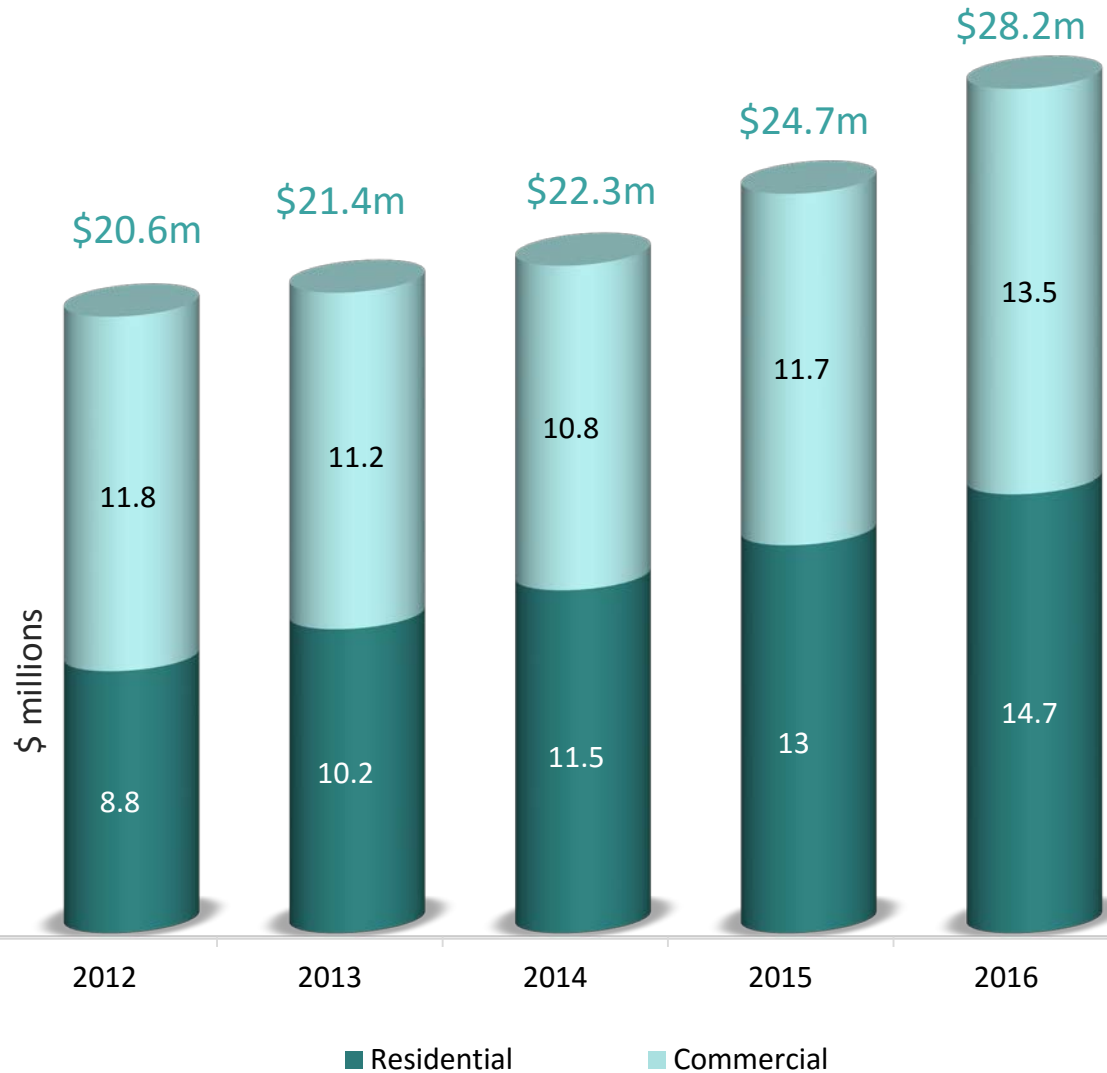
## Revenue growth in commercial



- LMW's expertise in Residential Development valuations continued.
- Deepened skill base and strengthened valuation teams.
- Focus on client engagement.
- Building specialisation and diversity of revenues.

# LMW Market Position

## Gross Revenue







# FY16 Achievements



# FY16 Achievements

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## Towards Excellence Business Plan

- Increase in professional staff numbers - 20% growth.
- Actioned last year's top to bottom review of LMW processes and practices.
- Implementation of IT projects resulting in increased efficiencies across the business.
- Focus on leveraging existing panel appointments to broaden national footprint.
- Residential: received outstanding results based on client KPI targets.
- Experienced growth across all commercial specialisations.

# FY16 Achievements

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## Towards Excellence Business Plan

- Greater brand exposure through online presence (improved digital marketing strategy).
- Realised the benefit from single supplier contract arrangements (eg printing, paper, archiving, consumables).
- Initiated a client engagement strategy.
- Launched new external newsletter.
- Improved internal communications.
- Strengthened risk management through the RMLT.

# FY16 Achievements

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## Towards Excellence Business Plan

- Increased investment in WA joint venture partner to 12.5%.
- Strategically enhances LMW's national presence.
- Strengthened service delivery to leading national clients resulting in increased market share.
- Centralised and consolidated accounting & payroll functions into Group finance team.
- Cost analysis reviews completed identifying operational savings and shared cost opportunities.
- Provided 12.7% fully franked dividends to LMW (effective 18% return).



# The Outlook



# Australian Market

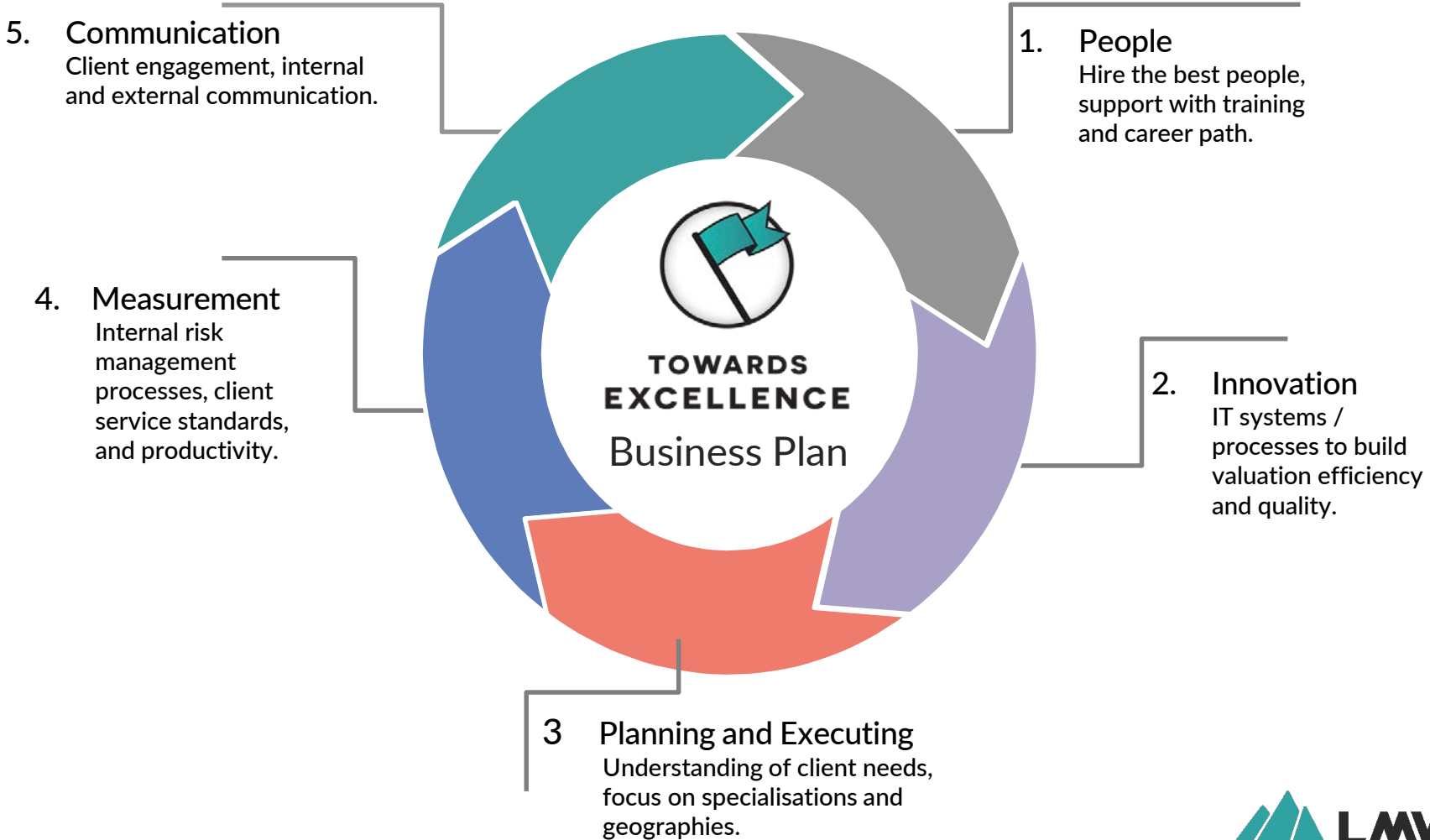
## Flattening growth in property valuations and sales

### Market

- Residential markets have flattened with reductions external to Melbourne and Sydney.
- Unlikely to see significant growth in demand for residential valuations.
- Expecting continuation of flat markets particularly in residential.
- Commercial activity differs greatly by geography and, in general terms, remains active without significant growth.
- Continued consolidation within the valuation industry.
- Large firms are getting larger at the expense of small firms.
- Clients continue to look for service quality and consistency across major markets.

# Our Towards Excellence Business Plan

Continuous improvement and sustainable development



# Core Elements for Success

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## Client Engagement

- Increase on client engagement for this year.
- Introduce KPI's around client interaction.
- Specific focus on top 10 current clients.
- Introduce KPI's for non-mortgage/private work.
- Continue to focus on high-value low-risk clients.
- Deliver superior customer experience.
- Maintain high standards of services and advice.

## Marketing

- Expand and deepen brand awareness.
- Improve web presence through Search Engine Marketing.
- Improved Customer Experience (CX).
- Digital marketing strategy and focus on non-mortgage work.
- Co-ordinated and holistic marketing approach.



# Building Best Practice

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## Innovation and back-office systems

- Transition of commercial operations onto the business IT platform delivering significant improvements to operational productivity & reporting.
- Further investment in CoreLogic integration to deliver improvements in data analysis, efficiency and report delivery (SLA's).
- Deployment of national intranet to improve communication and collaboration.
- Investment in commercial operations productivity.
- Retirement of legacy IT systems and software.

## Risk Management

- Maintain risk management as a high priority within the business.
- Introduction of new audit processes for commercial and residential business lines.
- Develop an accountable training program based on RICS
- Annual IT security testing by independent 3<sup>rd</sup> party.

