



26th August 2019

LMW FULLY FUNDED TO FINALISE THE EXECUTION AND IMPLEMENTATION OF BUSINESS OPTIMISATION STRATEGY

- LMW completes \$5.44m capital raising
- LMW is fully capitalised to execute the anticipated business optimisation strategy
- LMW expects to be reinstated to the ASX on Monday 26th August 2019

On 7th June 2019 LMW requested, and the ASX granted, a temporary suspension from official quotation of its securities on the ASX. The suspension was requested to allow LMW to assess and respond to the impact of the theft and public disclosure of documents announced on 30th May 2019.

As a result of the data theft, LMW was suspended from receiving work from several of our clients which impacted our revenues, profitability and cashflows.

The Company has undertaken further improvements to its already enhanced digital security platform and will imminently achieve ISO27001 (International Information Security Standard) compliance.

LMW has, over the last 2 months, been reinstated as a panel valuer by several lenders and anticipates reinstatement by others in the coming weeks and months. Our valued Government and private clients have continued to support LMW through these challenging times.

LMW subsequently announced a 4 for 5 Entitlements Offer to raise up to \$5.44m allowing the Company to deliver on the renewed strategy.

Successful Capital Raising

As announced on 23 August 2019, LandMark White Limited ACN 102 320 329 (**LMW** or **Company**) announced the Entitlement Offer and Shortfall Offer closed fully subscribed, with the Company raising \$5.44m (**Capital Raising**).

The Company is very pleased with the strong support from existing shareholders and the level of interest received from prospective investors, including by existing employees of the Company. The Lead Manager and Underwriter, Enrizen Capital, received applications in excess of the Shortfall Placement, of which such applications were ultimately not accepted or scaled back.

Forecast Earnings Profile

As a result of the Capital Raising, LMW is well positioned to deliver on the base case forecast for normalised FY20 earnings, as set out in Table A below and disclosed in the Entitlement Offer Prospectus dated 19 July 2019 (**Prospectus**) and Entitlement Offer - Supplementary Prospectus dated 9 August 2019 (**Supplementary Prospectus**).

Table A

\$'000	Base Case PBT at 10%	Low Case PBT at 8%	High Case PBT at 12%
Statutory Services Revenue	13,300		
Regional Network Revenue	12,900		
LMW Services Revenue	11,800		
Total Revenue	38,000	38,000	38,000
PBT	3,800	3,040	4,560
Tax expense	(1,181)	(1,040)	(1,560)
NPAT	2,619	2,000	3,000
EPS & ROI (Post Capital Raising)	1.7cps / 21%	1.3cps / 16%	1.9cps / 24%

The Company reaffirms the following FY20 guidance as set out in Table B below and as outlined in the **Prospectus** and **Supplementary Prospectus**. This guidance accommodates the anticipated costs incurred in executing LMW's optimisation strategy.

Table B

	FY2019 Actual	FY2020 Forecast	FY2020 Normalised
Revenue	\$43.0 M	\$38.6 M	\$38.0 M
PBT	- \$15.6 M	- \$2.0 M	\$3.8 M
NPAT	- \$15.1 M	- \$1.5 M	\$2.6 M

The Company is set to deliver upon the provided guidance as a result of its renewed strategy, as set out below.

Renewed Company Strategy

LMW has embarked upon a business optimisation strategy to streamline operations, improve company-wide earnings margins and secure sustainable ongoing returns to shareholders. The proceeds from the Capital Raising means LMW is fully funded to finalise the execution and implementation of its plan and is confident in achieving these objectives.

The optimisation strategy is set to capitalise on LMW's newly advanced IT infrastructure and customer information security to improve relationships with LMW's key clients. Realising cost savings which drive increased earnings is a key focus for LMW in the next six months from:

- a restructuring of employees (including redundancies);
- the simplification of the Company's structure;
- office expenses; and
- infrastructure costs.

LMW's strategy to have full control over quality assurance and direction of all operations has progressed pleasingly as a result of the discontinued franchise agreements previously in place. These agreements have historically restricted the advancement of the development of a commercial



valuation presence in key markets. LMW is now well positioned to grow owned revenues in these areas and establish a profitable business unit for LMW.

LMW has increased its equity interest in the WA Joint Venture from 25% to 42%. The WA Joint Venture provides valuation services to similar clients and across the same sectors as the broader LMW business operating on the Eastern seaboard. The Company has also obtained an option to acquire the remainder of the WA Joint Venture. The increased investment in the WA Joint Venture will further align the businesses and deliver access to further uplift in earnings from LMW WA.

With a refined operating model, LMW will be well positioned to provide high quality property valuation and advisory services across Australia.

LMW's strategy is set to deliver sustainable top-line growth. Current initiatives are focussed on:

- increasing insurance valuations;
- recapturing sub-contracted statutory valuations;
- building commercial valuations with an immediate rollout of commercial valuation services in Sydney;
- advancing regional capabilities; and
- consolidating and growing the WA business.

LMW will further seek to grow its presence in key market geographies and through expanding its offering to provide a broader base of valuation services outside of those within the current core client base. Ongoing investment in LMW's people and data analytics tools will ensure the Company is best positioned to capitalise on opportunities as they are identified.

LMW looks forward to updating investors on the Company's progress in the coming months.

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About LMW

Founded in 1982 and listed on the Australian Stock Exchange in 2003, LMW has a long and proud heritage of providing independent professional property services to people and companies across Australia.