



## Quotable Value Limited 2018/19

### Audited Results

Quotable Value Limited			
Audited Results for announcement to the Market 30 August 2019			
<b>Reporting Period</b>	30 June 2019	(12 months)	
<b>Previous reporting period</b>	30 June 2018	(12 months)	
	<b>30 June 2019 (post NZ IFRS)</b>	<b>30 June 2019 (pre NZ IFRS)</b>	<b>30 June 2018</b>
<b>Trading Revenue from ordinary activities</b>	\$NZ 34.18m	\$NZ 35.12m	\$NZ 38.20m
<b>EBITDA &amp; impairment</b>	\$NZ 1.40m	\$NZ 2.33m	\$NZ 2.52m
<b>Impairment (Darroch goodwill)</b>	\$NZ 0.49m	\$NZ 0.49m	-
<b>Profit (loss) before tax</b>	\$NZ (0.58)m	\$NZ 0.36m	\$NZ 1.10m
<b>Profit (loss) from ordinary activities after tax</b>	\$NZ (0.56)m	\$NZ 0.13m	\$NZ 0.79m
<b>Net profit (loss) after tax</b>	\$NZ (0.56)m	\$NZ 0.13m	\$NZ 0.79m
<b>Dividends paid</b>	\$NZ 0.24m	n/a	\$NZ 1.66m
<b>Dividend payment date(s)</b>	July 2019	n/a	October 2017

### Commentary

#### **QV has had a sound year, with results in line with expectations before NZ IFRS adjustments**

QV is focused on delivering property intelligence to help government, business and the public make better decisions. We have had a solid year, where we have made steady progress against our strategy.

In the current year, the Group has applied a number of amendments to NZ IFRS's issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begin on or after 1 January 2018. NZ IFRS 15 Revenue from Contracts with Customers have resulted in an adjustment of \$0.9 million to revenue related to the triennial nature of contracts with our Council customers for rating services.

Before NZ IFRS 15 adjustments earnings before interest tax, depreciation & amortisation (and impairment) was \$2.3 million against a budget of \$2.1 million. This result reflects the success of our core valuations business, offset by a disappointing result for Darroch. Pleasingly, the financial performance and outlook supported payment of a dividend of \$0.24 million to our shareholder subsequent to balance date.

As expected, Group revenue was \$35.1 million (before NZ IFRS 15 adjustments) reflecting the lowest year of activity in our triennial rating contracts with Councils across New Zealand. 2019 was a steady year for rating revaluations, and all were successfully completed on time and have met or exceeded quality standards. While our core valuation services performed well across the year, we also faced a number of challenges.

The Darroch business continued to perform below expectations with \$0.5 million goodwill impaired during the year. Darroch faces ongoing costs and resourcing pressure with aggressive competitors. We have undertaken a full review of the business and our options. This process showed that Darroch is a strong business that is aligned to QV. We have decided to amalgamate the Darroch business into QV, to enable us to share resources, reduce overhead, and have a more unified workforce. We look forward to leveraging both businesses to be more successful and competitive through this amalgamation.

QV Australia has also had a challenging year where we were required to retender for all our government work. While we were successful in retaining contracts for a five-year term, as a result of the tender process we have lost ten percent of our previous revenue. Management acted quickly and as a result, the business was only slightly below budgeted expectations. We have restructured the business and realigned costs appropriately.

A key highlight for 2019 has been the completion of our Monarch technology programme. We started this project in July 2016 as it was identified to be a critical requirement to protect our core business and enable future growth opportunities. While the Monarch programme is now complete, we recognise that there is more work to do and our platforms will need to be continually updated to ensure we can continue to deliver for our customers' expectations. This is acknowledged as being part of doing business today and we will continue to prudently invest in technology.

Our strategy is straightforward – to continue to focus our core business, operating efficiently and responsibly, while also looking for opportunities to partner with our customers and others to push the boundaries of property intelligence. Alongside these initiatives we are focused on leveraging our trusted position with customers and the wider sector to facilitate accessible and comprehensive property data and intelligence.