



Quotable Value Limited half year results for the period ending 31 December 2019

Quotable Value Limited		
Unaudited Results for announcement to the Market 28 February 20		
Reporting Period	31 December 2019	(6 months)
Previous reporting period	31 December 2018	(6 months)
	31 December 2019	31 December 2018
Trading Revenue from ordinary activities	\$NZ 21.07m	\$NZ 17.36m
Profit / (loss) before tax	\$NZ 3.49m	\$NZ (0.30)m
Profit / (loss) from ordinary activities after tax	\$NZ 2.47m	\$NZ (0.21)m
Net profit / (loss)	\$NZ 2.47m	\$NZ (0.21)m
Dividends paid	\$NZ 0.24m	-
Dividend payment date	24 July 2019	-

Commentary

Quotable Value Limited (QV) Group has had a promising half year

QV is focused on delivering property intelligence to help government, business and the public make better decisions. We are pleased with our results that reflect positive progress against our strategy.

Profit after tax of \$2.47m for the six-month period ending 31 December 2019 was significantly stronger when compared to 2018's half year loss of \$0.21m. The Group trading revenue was \$21.07m, up by 22% against prior half year.

QV core operations were strong, particularly rating valuation services due to the cyclical nature of the contracts. We have also had a strong focus on managing costs, contributing to a positive improved gross margin against the prior period.

QV's core business is in Council rating valuations throughout New Zealand and New South Wales, Australia. In Australia these are carried out annually, and in New Zealand they are every three years. The 2020 New Zealand programme includes 21 Council triennial rating valuation projects. We are

pleased to report all 21 valuation projects, comprising of more than 580,000 properties, have been completed and have been approved by the Office of Valuer General.

We have now merged Darroch into the QV Group. The legal amalgamation successfully took place on 1 November 2019 and the integration of the team and processes are progressing well. The decision to amalgamate has signalled our clear commitment to the future of Darroch. A key objective of the merger is to share resources and reduce overheads. A number of initiatives are underway to leverage the opportunities available with the closer working relationships across the QV business units, and benefits are already being realised with the half year outcome better than the comparative prior year.

During the reporting period, Audit New Zealand, completed the audit for the year ended 30 June 2019. We are pleased to report that QV Group's environment, systems and controls (ESCO) grade for financial information systems and controls has been upgraded from the prior year.

A key focus for QV is to stay close to our customers as looking ahead in 2020 we have a large number of long-term contracts due to expire in a competitive environment. Contract renews are a regular feature of our sector and we work hard to retain these relationships. The contracts include rating valuation services, asset valuations for financial reporting in Darroch and QV businesses, and contracts from property and lease management services in the Darroch business. Discussions are underway with customers and contact renewal planning is in place.

We continue to develop our Monarch technology platform which provides tools and interfaces that no other provider in the market has delivered. During the first half of the year, we successfully implemented a new tool to improve our ongoing roll maintenance for residential rating valuations. The new tool allows the automation of information following the completion of building consents and ensures consistency in the rating valuations. QV completes approximately 70,000 of these updates to rating valuations per year. We are focused on ensuring a robust, accurate process which provides equitable and trusted valuations for ratepayers.

We are delivering on our strategy as outlined in our Statement of Corporate Intent. Our strategy is focused on maximising our core business, ensuring we operate efficiently and responsibly, while also looking for opportunities to partner with our customers and others to push the boundaries of property intelligence. This will allow us to grow revenue, in keeping with our core competencies.