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LANDMARK WHITE (ASX: LMW) TO ACQUIRE TAYLOR BYRNE

- LandMark White Limited (**LMW** or **Company**) and Taylor Byrne Pty Ltd (**Taylor Byrne**) have entered into an agreement under which LMW will acquire 100% of Taylor Byrne.
- Taylor Byrne is a leading regional property valuation firm with 26 offices across Queensland and New South Wales.
- The transaction will bring additional annualised revenue and EBITDA of approximately AUD22.7million and AUD2.3million respectively.
- LMW and Taylor Byrne see substantial strategic benefits from a combination of the two businesses, both in terms of national scale and capability, leading to revenue growth opportunities.
- EPS accretive in FY19 with full effects anticipated to be realised in FY20 of 1.8 cents.
- Further progression of LMW's previously stated growth strategy.

Acquisition of Taylor Byrne

The Board of LandMark White Limited (ASX:LMW) is very pleased to announce it has entered into an agreement to acquire the property valuation firm, Taylor Byrne.

The acquisition further cements LMW's position as the largest ASX listed valuation services business and expands LMW's regional footprint throughout the eastern seaboard of Australia. The acquisition will lead to revenue growth opportunities for LMW.

Key Acquisition Terms

- Total consideration value of AUD10,300,000, based on a 4.5x normalised FY18 EBITDA multiple payable as:
 - AUD5,150,000 cash consideration; and
 - 8,583,333 fully paid ordinary shares in LMW at a deemed issue price of AUD0.60 (**Consideration Shares**).
- The share consideration will be subject to voluntary escrow, with one quarter of the shares released every 6 months, with the first release to occur one year from Completion.
- There are no material conditions precedent that need to be satisfied before completion.

The cash component will be funded out of existing cash reserves and financing facilities, meaning there will be no new share issuance other than the Consideration Shares plus 440,834 shares issued to settle advisor fees associated with the transaction.

By structuring the transaction through voluntarily escrowed share consideration, the acquisition aligns Taylor Byrne's 24 Shareholders, each of whom are existing employees, directly with LMW's vision and goals.

The share issues, both to the vendors and to settle advisor fees, will be from within LMW's listing rule 7.1 capacity.

The issue of the Consideration Shares to the shareholders of Taylor Byrne is subject to all Taylor Byrne shareholders accepting their offer of Consideration Shares by 15 October 2018 pursuant to the Offer Information Statement dated 8 October 2018.

Chris Coonan, LMW Chief Executive Officer said: "In line with our previously stated acquisition strategy, we have continued to evaluate opportunities for growth. We are conscious of the benefits of expanding a geographical footprint, and Taylor Byrne is an ideal fit for that goal. We eagerly look forward to delivering the benefits of additional scale, capacities and sustainable earnings growth for our shareholders, and continuing to provide LMW's personalised and streamlined service for our existing and new clients".

Timothy Rabbitt, Taylor Byrne's Managing Director said: "This transaction represents an exciting next step for Taylor Byrne. Our employees and clients stand to benefit from the combined capacities of the two businesses, and we very much look forward to working with LMW to build a much larger property services business."

Benefits of the Acquisition

The acquisition will deliver many benefits including increased revenues, margins and geographical footprint for LMW. This will result in increased shareholder value and further improvements to our client service.

- **Increased Revenue**
The Company believes that the acquisition of Taylor Byrne will deliver the Company a platform for further growth in market share.
- **Improved Margins**
The transaction allows LMW to internalise work previously contracted to third parties which will improve gross margins within the combined business.
- **Geographical Footprint**
With the acquisition of Taylor Byrne, the Company broadens its geographic footprint, further supporting LMW's growth in market share in the residential, commercial and statutory segments along with the introduction of a strong rural division.

The Company has not fully included these benefits into its earnings calculations.

LMW looks forward to providing more commentary as both businesses are integrated in the coming months.

About Taylor Byrne

Established in 1960, Taylor Byrne commenced operations in Brisbane and has continued to expand throughout Queensland and New South Wales. Taylor Byrne provides a full range of valuation services and is well recognised for its strength and integrity in regional Australia along with strong portfolio valuation and property consultancy divisions.

Taylor Byrne has over 90 valuers and the ability to deliver valuations across Australia's eastern seaboard.

Taylor Byrne Financial Performance	Financial Year 30 June 2018 (\$M)
Revenue	\$22.7
EBITDA*	\$2.3

*normalised

The Taylor Byrne entities will transition to LMW's branding over time and LMW will not change its name as a result of the transaction. ASX has confirmed that LMW will not be required to re-comply with Chapters 1 and 2 of the ASX Listing Rules, and shareholder approval for the increase in the scale of LMW's operations as a result of the acquisition is not required.

Effect of the Transaction on LMW

The transaction progresses the continued evolution of LMW, delivering sustainable and diversified top-line growth. The transaction is anticipated to be Earnings Per Share accretive in FY19 with full effects expected to be realised in FY20 of circa 1.8 cents.

The expected effect of the transaction including the acquisition and capital issued is set out below:

Particulars	Pre Transaction (\$M)	Taylor Byrne Acquisition (\$M)	Post Transaction (\$M)	Percentage Increase
Net Assets	35.6 ¹	5.2 ¹	40.8	15%
Total Securities on Issue (Number)	76,109,944	9,024,168 ²	85,134,112	12%
Consolidated Annual Revenue	45.1 ³	22.7 ¹	67.8	50%

¹ As per each respective company's 30 June 2018 Financial Reports

² Note that this includes 440,834 advisor shares

³ As per FY19 forecasts as previously announced on 14th August 2018

There will be no changes to the board of LMW or its executive management team as a result of the transaction. The senior executives within TB will remain and join the LMW executive team.

Market Announcement



Indicative Timetable

Event	Estimated Date
Execute agreement to acquire Taylor Byrne	Tuesday 9 th October 2018
Completion of Taylor Byrne acquisition	Monday 15 th October 2018
Issue of Consideration Shares to Taylor Byrne Shareholders	Monday 15 th October 2018

For further information please contact:
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About LMW

Founded in 1982, listed on the Australian Stock Exchange in 2003, with over 600 shareholders, LMW is one of Australia's leading independent valuation and property consultancy companies. Our clients are people and companies throughout Australia who need a broad range of property valuation services. Whether they are lenders, investors or homeowners, LMW is their essential partner when it comes to expert advice and quality valuation reports. Our focus is providing unrivalled property services that minimise the risks.