

JOHNS LYNG  GROUP

# AGM

Annual General Meeting  
2019

Johns Lyng Group Limited

Johns Lyng Group

# Chairman's Address

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Chairman's Address

## 2019 Highlights

It was an outstanding year of achievements for Johns Lyng Group including strong financial performance and strategic growth.

With the significant possibilities that the Bright & Duggan acquisition brings, the Group's market position and opportunity has never been stronger.



### Financial Performance

Strong financial performance, significantly outperforming FY18, in particular BAU activities.



### Organic Growth

Strong organic growth with more than 10 new or renewed contracts with major insurers.



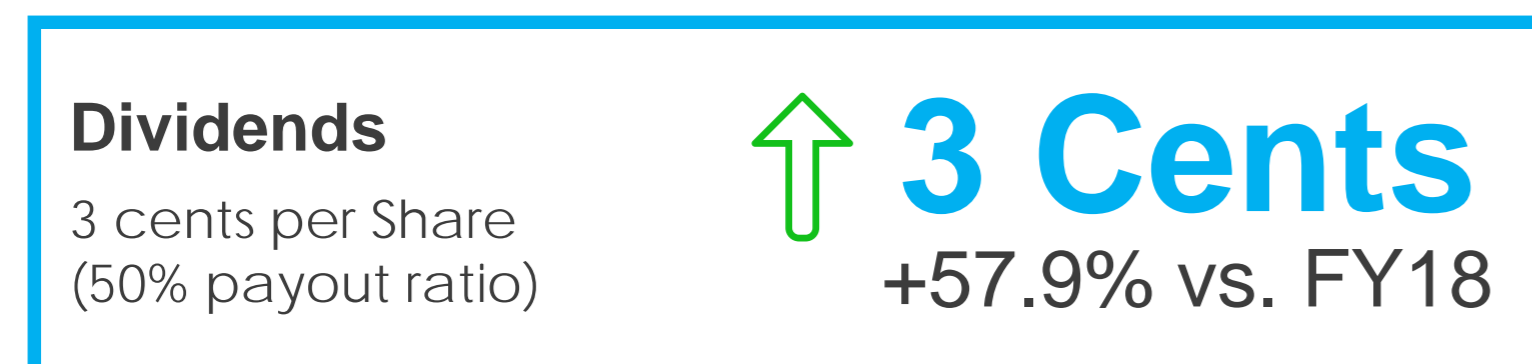
### Acquisitions

Johns Lyng Group made 3 significant acquisitions; Dressed For Sale, Steamatic and Bright & Duggan.

# Financial Snapshot

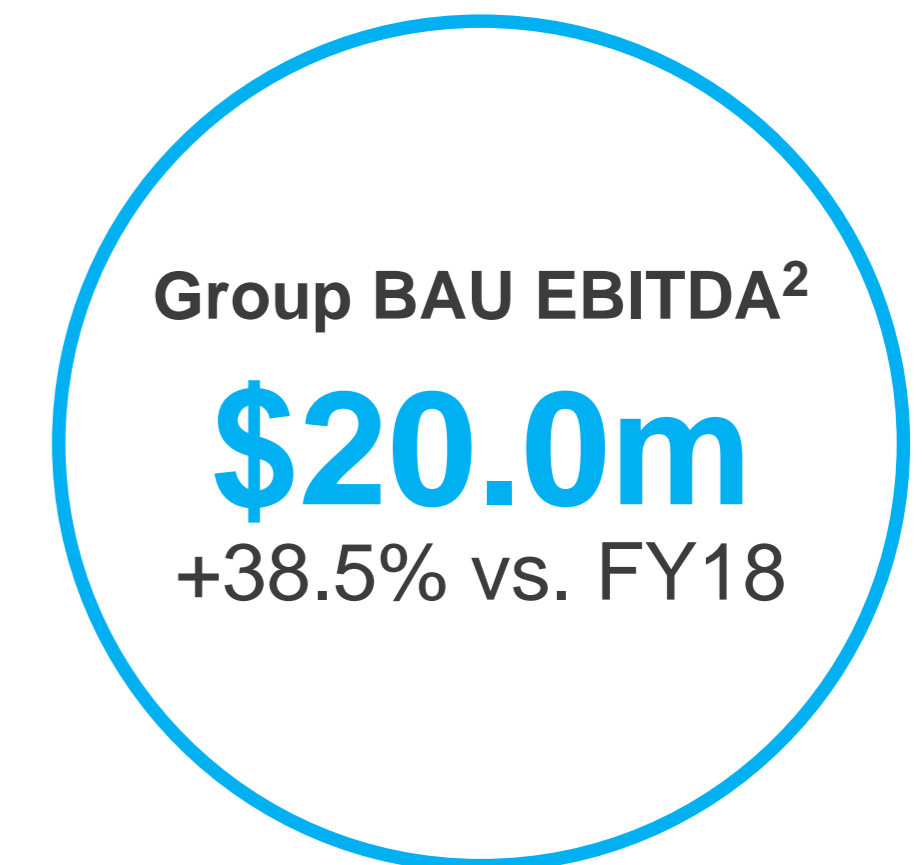
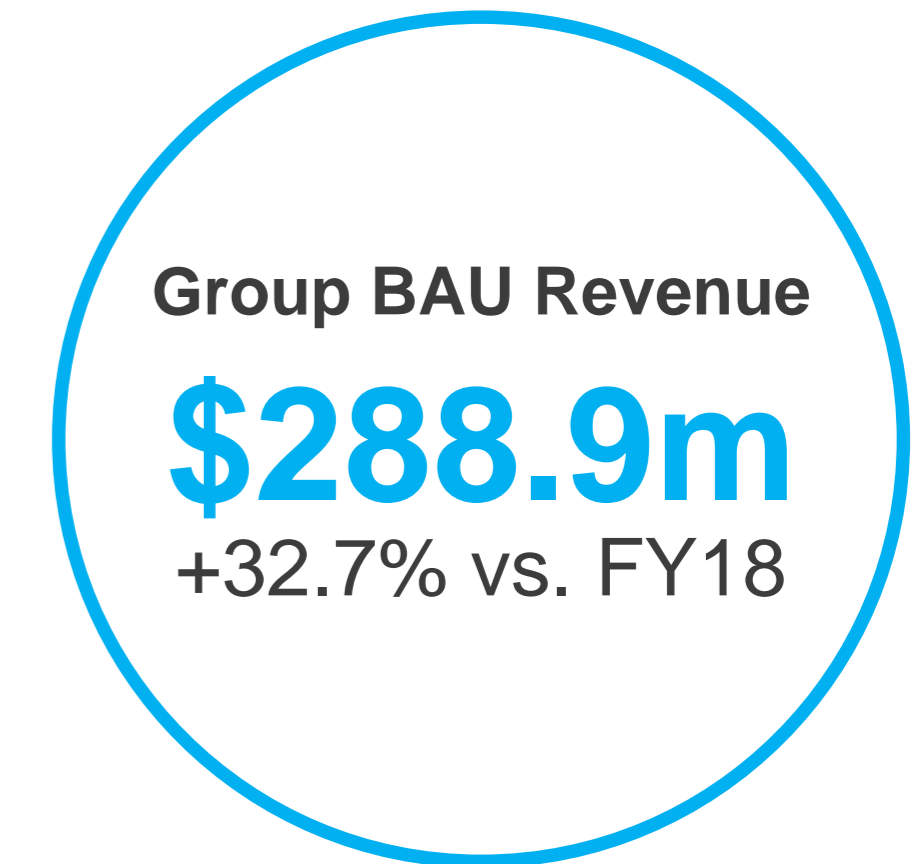
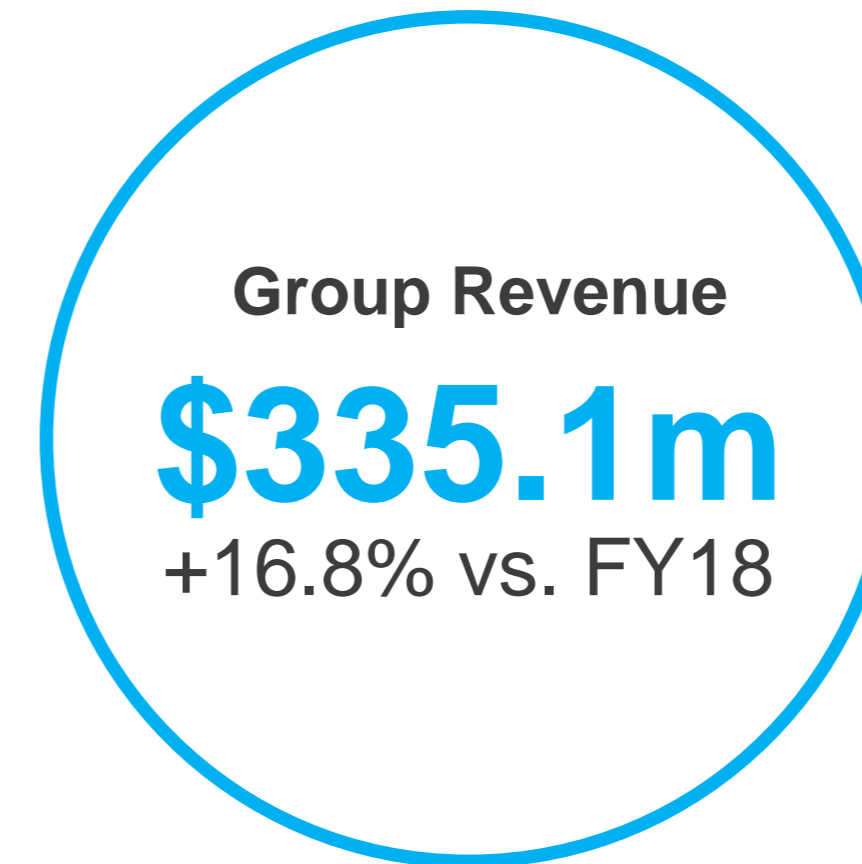
Johns Lyng Group delivered a strong FY19 financial performance with BAU in-line with expectations<sup>1</sup>.

Additionally, the Group benefited from our catastrophe response in Townsville (floods) and Sydney (hailstorms).



Dividend policy: 40%-60% NPAT (attributable to Shareholders of Johns Lyng Group) – intention to pay interim dividends going forward.

<sup>1</sup> June 2019 earnings guidance



Note: Normalised financials presented - Refer to Appendix 1 per FY19 Results Presentation for detailed reconciliation to statutory results

<sup>1</sup> Excludes \$4.6m gain on Sale of businesses (Sankey and CHR).

<sup>2</sup> Excludes Executive Incentive Plan for comparative purposes

Chairman's Address

## FY20 Forecast

The Group continues to capitalise on growth opportunities including recent acquisitions and geographical expansion.

Group Revenue

**\$398.7m**

+19% vs. FY19

Group EBITDA<sup>1</sup>

**\$28.8m**

+36.2% vs. FY19

<sup>1</sup> Group EBITDA Forecast presented under AASB 117 (Leases) as opposed to AASB 16 (Leases) effective 1 July 2019 for comparative purposes

Johns Lyng Group

# CEO's Address

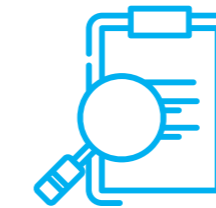
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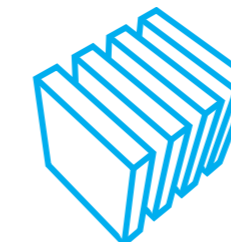
Introduction

# Initiatives



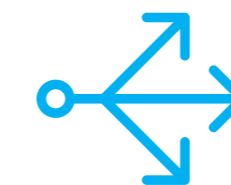
## New Contract Wins

B2B approach to build strong relationships with new and existing clients to secure new contracts.



## Emergency Broker Response

Johns Lyng Group provides a unique one-stop solution and service for Brokers.



## Loss Adjusters

Strategic national business development focus.



## Strata Market

With the recent acquisition of Bright & Duggan, the Group has now entered the Strata space which presents significant cross-sell opportunities.

Introduction

# Contract Wins



## Contract Wins

Chubb  
Contractor Connection  
CHU  
IAG  
Hollard  
QBE  
Zurich  
Suncorp  
Vero  
Youi  
RACWA



## Catastrophe

Townsville  
Sydney

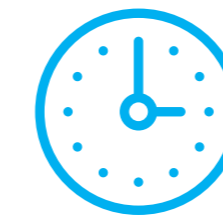






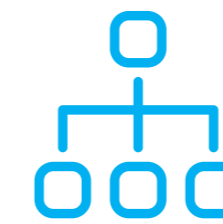
Introduction

# Emergency Broker Response



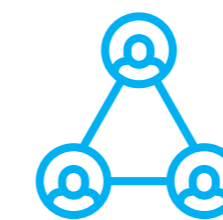
## Personalised 24/7 Service

The Group provides a dedicated Account Manager with a personalised hotline number to allocate 24/7 emergency Makesafe/Restoration works.



## Multi-faceted Workstreams

Ability to utilise our full service offering (Makesafe, Restoration and Building etc.) for the entire claims process.



## Pre-existing Relationships

The Group has developed strong relationships with Australia's largest Broker Networks: Steadfast, PSC & AUB Group.

Introduction

# Loss Adjusters

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## Compliance

Post the Royal Commission, Insurance companies are relying on Loss Adjusters for large loss/complex claim solutions.



## National Account Manager

The Group has appointed a new National Account Manager to ensure the development of new and existing relationships to procure new workstreams.



## Lower Risk

Loss Adjusters are responsible for handling the claim, therefore Johns Lyng Group are focussed on the quality of delivery.



Townsville

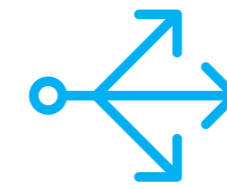
# CAT Response

Whenever a catastrophe (CAT) strikes, the Group gives back to the community through local subcontractor engagement and sponsorship initiatives.



## Subcontractor Engagement

Johns Lyng Group utilised over 100 local trades and suppliers in response to the Townsville event, boosting the revenue of local trade/suppliers allowing them to expand their business through increased job volumes.



## Community Reinvestment

Johns Lyng Group reinvested over \$600,000 to the Townsville community in response to the floods. Our sponsorship programme provided a positive impact in a time of need.



Bright & Duggan

# Overview

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## History

Bright & Duggan has a rich 42 year history, dating back to 1977.



## National Reach

Bright & Duggan has 230 employees including 75 Strata and Facilities Management professionals, located over 14 offices across 4 states and territories.



## Market Position

Bright & Duggan holds the 4<sup>th</sup> largest market share with over 58,000 lots across 2,000 schemes.



**WINNER**  
**STRATA MANAGEMENT BUSINESS OF THE YEAR**  
**2015 • 2016 • 2018 • 2019**

Strata Market

# The Opportunity

We see the potential for **five** different cross-sell opportunities in each Strata title in which Johns Lyng Group can add value;



**Insurance Building & Restoration**



**Emergency Trades**



**Flood Mitigation**



**Scheduled Trades/Home Maintenance**



**(CAT) Major Event Recovery**





Opportunity One:

# Insurance Work



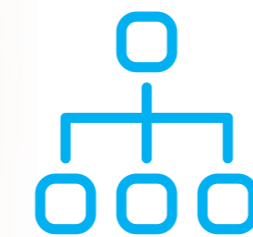
## Strategic Relationships

A strategic relationship between broker and underwriter provides the opportunity to influence procurement. Bright & Duggan purchase a significant amount of policies each year on behalf of its clients.



## Barriers to Entry

Without a direct relationship with Strata Managers there are high barriers to entry in the market.



## Synergistic Business Portfolio

Johns Lyng Group's existing business units complement each stage of property reinstatement:

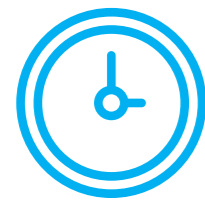
**Makesafe Builders**  
**Restorx Services**  
**Express Builders**  
**Insurance Builders**  
**Regional Builders**

*Public/Site safety*  
*Restoration works*  
*Less than \$20,000 jobs*  
*Greater than \$20,000 jobs*  
*Regional Locations*

Opportunity Two:

# Emergency Works

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## 24/7 Emergency Response

Johns Lyng Group will provide emergency services 24/7, within 60 minutes.



## Single Point of Contact

A single point of contact will be provided, ensuring clear communication to all Stakeholders.



## Insurance SLA's

Overlay of current SLA's with insurance companies for Strata repairs will significantly improve the customer experience.



Opportunity Three:

# Scheduled Maintenance



## Software Integration

Integration of current scheduling software based on Global Home Response's 'Huski' Trade services platform to address compliance and preventative maintenance obligations.



## Emergency & Scheduled Service

60 minute emergency trade services or customer scheduled trade services.



## Construction Quality

A need for robust maintenance schedules for structured maintenance programs in context of the current construction quality crisis.





Opportunity Four:

# Flood Mitigation

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## Immediate Response

Restorx is able to respond immediately in order to minimise contents, surface or structural damage.



## Specialised Equipment

Restorx is fully equipped with the specialised equipment required when dealing with any Strata specific need.



## Business Interruption Solutions

Restorx has years of experience providing business interruption solutions – in this case getting occupants back in their homes as quickly as possible.





Opportunity Five:

## Major Events

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Utilising our current catastrophe response capabilities, the Group can respond to opportunities in the Strata space during any major event such as fire or flood.



### **24/7 Availability**

Adding value through speed of response and 24/7 availability of resources.



### **Capability & Scalability**

Johns Lyng Group has a proven track record of delivering its extensive suite of service capabilities at scale.