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12 April 2019

MARCH QUARTER 2019

STRONG QUARTER FOR THE AGENCY GROUP

Highlights

- Strong March Quarter 2019 results across key operating metrics for The Agency Group
- Number and value of exchanges for the quarter up on the previous quarter and up strongly on the prior period
- Gross Commission Income (GCI) for the quarter of \$10.3m, the second highest on record for the group
- New listings for the quarter of 1,040, a record for the group and up 14% on the prior quarter⁽¹⁾
- Market share in key markets of WA and NSW continue to grow and now at c.5% and c.1% respectively
- Healthy agent recruitment pipeline, including the transition of 18 agents in the Wollongong area to full company ownership post quarter end increasing number of agents to 276

	March Quarter 2019	% Change on PCP
Number of New Listings⁽¹⁾	1,040	
Value of Exchanges (m)⁽²⁾	\$613.4	30%
No. of Exchanges⁽²⁾	616	32%
GCI (m)⁽¹⁾	\$10.3	
Properties Under Management	4,304	11%
No. of Agents	258	(7%)

1 – New Listing, GCI and Number of Agents for Sell Lease Property is only available from purchase. On this basis they have only been included from 31 March 2018 and PCP comparison has not been provided. The Agency prepared on the basis that the acquisition of Top Level Real Estate occurred effective 1 January 2017

2 – Value and number of exchanges prepared on the basis that the acquisition of Top Level Real Estate occurred effective 1 January 2017 and Sell Lease Property had occurred effective 1 January 2018.

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Sales Performance

Against a backdrop of subdued market conditions and the quieter January period, The Agency Group produced its second busiest quarter to date in terms of number of exchanges and GCI and third in terms of value of exchanges.

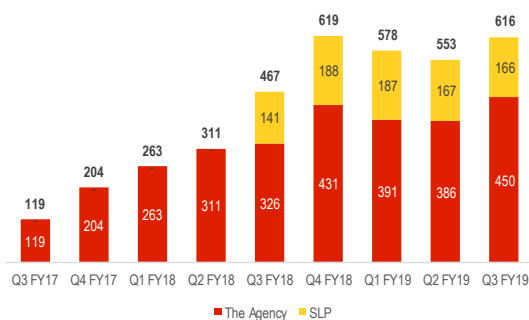
The results represent significant increases over the PCP and has benefited from increases in:

- overall agent numbers;
- the proportion of agents operating under The Agency brand; and
- the performance of agents post their initial transition period.

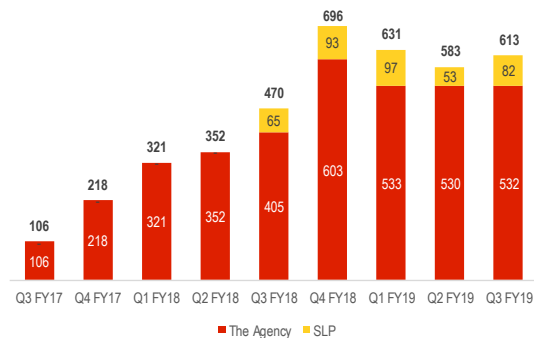
During the period, the group had a number of high-profile sales, including 20B Tivoli Avenue, Rose Bay, Sydney by The Agency's Ben Collier - the highest sale result so far in Australia in CY2019.

The group's market share in its most established market, WA, increased to more than 5% over the second half of the calendar year 2018.

Number of Exchanges ⁽²⁾



Value of Exchanges (\$m) ⁽²⁾



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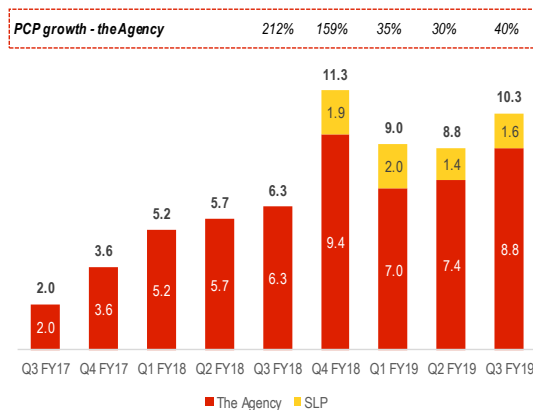
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GCI (\$m) ⁽¹⁾



Agent Network and Listings

The Agency Group continues to secure the significant talent, with a strong forward pipeline of agents looking to join. At 31 March 2019, 191 agents were operating under the brand up 10% from 174 at the same time last year.

Recent additions to The Agency brand prior to 31 March 2019 include expansion into Newcastle and surrounding region with the appointment of award-winning local agent, Cveta Kolarovski and a team of four agents.

The Agency brand is now operating in Perth, Sydney, Melbourne, Gold Coast, Newcastle and the Illawarra region. The Illawarra region has been further strengthened post 31 March with an additional 18 agents that were operating in the area coming under company ownership and increasing the total number of agents under The Agency brand to 209.

Following its acquisition in late February 2018, management have commenced rationalising the agent network of Sell Lease Property ahead of expanding the offering nationally. This rationalisation is partially due to new award conditions in WA that took effect in April 2019 and are expected to materially reduce the number of agents operating across the industry in

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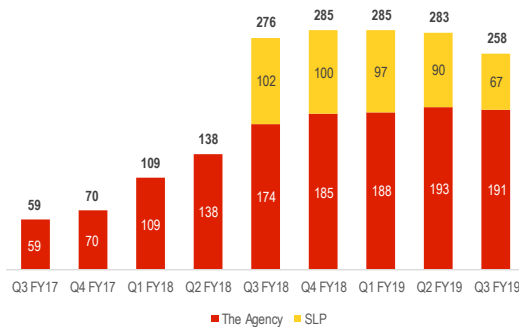
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WA. This has resulted in the number of agents within Sell Lease Property reducing to 67 at 31 March 2019, with limited impact on exchanges or listings.

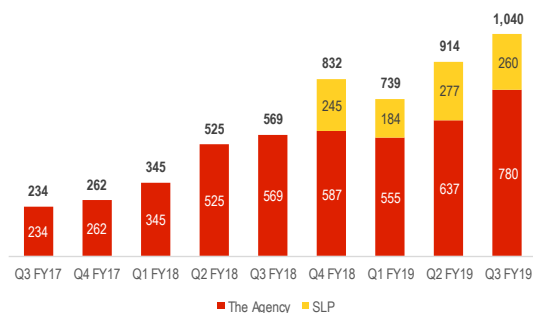
Reflecting the quality of the agent network, new listings for the quarter were 1,040, a record quarter for the group and 14% up on the prior period – the previous record.

Significant listings include “Le Fanu” a landmark beachside property in Cottesloe with a price guide of ~\$17 million. The 125-year-old heritage-listed home features uninterrupted beachfront views, has been lovingly restored and is currently on the market through The Agency's Pamela Wilkinson.

Number of Agents ⁽¹⁾

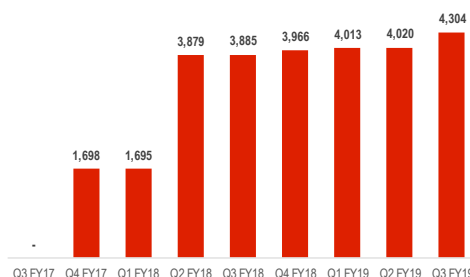


Number of New Listings ⁽¹⁾



Property Management

Property management across the group continues to grow with 4,304 properties under management at 31 March. The group continues to explore a number of opportunities to expand its property management portfolio and leverage off its existing scale.



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Commenting on the quarterly result, The Agency Managing Director Paul Niardone said:

“When considering the prevailing tough property market in Perth, Sydney and Melbourne, this is an exceptional result for the Company.

“It is further evidence that our disruptive model attracts the best talent that can negotiate the best results for our clients in any market conditions.

“Our recent integration of the Illawarra operations and expansion into Newcastle, illustrates that we continue to outperform our peers who are finding it difficult to grow and recruit.

“We are continuing to defy what is being reported across the industry with higher auction clearance rates being achieved consistently so far throughout 2019 while our market share continues to grow in what remains a subdued market.

“Our sales agents are highly skilled and trained to handle all market conditions and are achieving record prices. Our average selling price has been maintained while the market has dropped.

“When market conditions are challenging, skilled agents become the choice of vendors. We are honoured to have some of the very best agents in Australia with a fiercely loyal client base of repeats and referrals.”

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Media

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