



REAL ESTATE
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JUNE QUARTER 2019

CONTINUES TO BUCK DOWNTURN & OUTPERFORM PEERS WITH STRONG RESULTS

HIGHLIGHTS

	The Agency Group		Total Q4 2019
	The Agency	SLP	
No. of New Listings	625	175	800
Value of Exchanges (m)	\$536	\$64.8	\$600.8
No. of Exchanges	536	138	674
GCI (m)	\$8.7	\$1.3	\$10
Properties Under Management	4,337	-	4,337
No. of Agents	205	67	272

**Unaudited Figures*

- **The Agency Group (The Agency and SLP) delivers strong growth during the June Quarter 2019 despite subdued market conditions:**
 - **674 Exchanges, highest on record and 9% increase on PCP**
 - **4337 Properties Under Management, highest on record and 29% increase on PCP**
 - **Gross Commission Income (GCI) of \$10 million, achieved for past two consecutive quarters**
- **272 agents operating across The Agency and SLP brands, a 42% increase on PCP**
- **The Agency (East Coast and West Coast) reported:**
 - **625 new listings, up 4% PCP**
 - **536 Exchanges, up 24% on PCP**
 - **4337 PUM, up 29% on PCP**
 - **\$8.7 million GCI**
- **Strong recruitment pipeline due to expansion into key real estate markets nationally:**
 - **Strategic expansion in NSW with high-performing local teams appointed in Southern Highlands and Illawarra regions**
 - **Launch of Mandurah office, WA's 2nd largest city, with highly experienced agent**
- **Integration of West Australian and East Cost businesses continues with cost synergies being realised as planned**

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10 July 2019: The Agency Group Australia (ASX:AU1) (“The Agency” or “the Company”) has delivered strong June Quarter 2019 results across key operating metrics despite the lingering property market downturn in the Company’s key markets.

The Company reported its busiest quarter on record for Number of Exchanges and Properties Under Management (PUM) while Gross Commission Income (GCI) was consistent with last quarter’s result.

These results continue to highlight the Company’s ability to perform strongly in a housing market which has experienced a significant and prolonged downturn coupled with the seasonal downturn in June with the onset of winter.

Despite the market conditions, The Agency Group is consistently outperforming its major competitors who are either stagnant or receding.

Across the Group, The Agency Group delivered Gross Commission Income (GCI) of \$10 million on the back of a record 674 exchanges and more than \$600 million worth of property sold during the quarter.

The Agency performed well across key operating metrics with GCI of \$8.7 million on back of 536 exchanges and \$536 million of property sold.

Over the past 12 months, the Group has grown to 272 agents (The Agency: 204, SLP: 67), a 42% increase from 191 agents as at 30th June 2018 and a further sign the company’s innovative non-franchise, high-commission model is continuing to attract top agents nationally.

Reflecting the quality of the agent network, new listings for the quarter came in at 625 for The Agency, up 4% on PCP.

Property management continues to grow with The Agency reporting a record total of 4,337 PUM for June Quarter 2019, up 29% on PCP. The group continues to explore a number of opportunities to expand its property management portfolio and leverage off its existing scale.

Following the strategic review in April 2019, SLP delivered a strong quarterly performance with GCI of \$1.3 million on back of 138 exchanges and \$65 million of property sold while the number of agents remained at 67 agents.

During the period, The Agency also achieved a number of landmark sales including:

- **April:** Scott Thornton’s Cremorne conjunction sale at approximately \$8 million
- **May:** Nic and Kingsley Yates’ Mosman sale at over \$5 million

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Strategic East Coast and West Coast Expansions

The Agency brand is now operating in Perth, Sydney, Melbourne, Gold Coast, Newcastle (NSW), Illawarra (NSW), Southern Highlands region (NSW) and Mandurah (WA).

During the quarter, The Agency's Ben Olofsen and Cameron McKillop, of McKillop Property, joined forces under The Agency banner to target the lucrative Southern Highlands, Southern Tablelands and Wollondilly regions of New South Wales.

The operation is one of the largest in the region with 200 listings and a team of 15 agents and staff. Cameron McKillop's Southern Highlands sales team will be joining The Agency and the Goulburn office will be re-branded The Agency.

Enhancing the connection between the Sydney and Southern Highland markets is a strategic move for both businesses. Currently there is a shortage of stock in the Sydney market, particularly in the prestige category, and in the Southern Highlands 80 to 85 per cent of buyer enquiries are from Sydney.

The Agency has also commenced operations in Mandurah – Western Australia's second largest city – through the recruitment of highly-experienced agent Renee Hardman.

The new Mandurah operations denotes a hastening expansion by The Agency into prestige regional areas, with Ms Hardman to establish Team Sauvage, an office five agents based in the coastal city.

Ms Hardman has operated her own real estate business for 13 years in Mandurah, where she holds the claim for selling the highest-priced property in Halls Head Canals for \$5.8 million.

During the quarter, the Illawarra region was further strengthened with an additional 18 agents that were operating in the area coming under company ownership.

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

"The June quarter result was a significant achievement for The Agency Group especially when considering the prevailing tough conditions in our key markets on both the East and West Coasts during the period.

"In particular, The Agency (WA) delivered a stellar quarterly result with records across all key metrics while The Agency (East Coast) and SLP continued to perform strongly.

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“Our expansion into the lucrative Southern Highlands region of NSW and the city of Mandurah in WA is further evidence that our disruptive model attracts the best talent that can negotiate the best results for our clients in any market conditions.

“On the topic of market conditions, should the market start to turnaround, this will only aid in improving our results. Considering our significant achievements during the downturn, we will be well placed when the property market rebounds.”

ENDS

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