



REAL ESTATE
FINANCE
SETTLEMENT
INSURANCE

HY2020 RESULTS

2 March 2020

THE AGENCY CONTINUES NATIONAL GROWTH TRAJECTORY **POSITIVE \$533K EBITDA¹ FOR 1H2020**

Highlights²

The Agency Group	1H19	1H20	Change
Listings	1044	1955	+87%
Gross Commission Income (m)	\$17.7	\$24.9	+41%
No. of Properties Sold	1129	1591	+41%
Value of Properties Sold (m)	\$1235	\$1517	+23%
Properties Under Management	4209	4678	+11%
Total Revenue (m)	\$10.5	\$25.2	+140%

- Statutory reported EBITDA¹ of +\$533k for 1H20, a significant improvement on previous corresponding period
- EBITDA of \$1.5 million post adoption of new accounting standard AASB 16
- Total revenue of \$25.6m – up 145% (\$10.5m: 1H2019)
- Record combined gross commission income (GCI) of \$24.9m – up 41% (\$17.7m: 1H19);
- Strong growth across all key operating metrics (recruitment numbers, properties sold, listings, properties under management)
- Cash and cash equivalents at 31 Dec 2019 of \$3.7m – up from \$2.6m as at 30 June 2019
- Total market value of rental roll and mortgage book is \$29m
- Remains on target for \$2.5 million cost savings during FY20

¹ Prior to adoption of AASB 16

² 1H19 numbers provided in this announcement exclude Top Level, which was acquired in January 2019 2HY19

HEAD OFFICE 68 Milligan Street PERTH WA 6000
08 9204 7955 theagencygroup.com.au ABN 52 118 913 232



REAL ESTATE
FINANCE
SETTLEMENT
INSURANCE

- **Continued growth in revenue and key metrics across the Company expected in the second-half FY20 on back of improving market conditions**
- **Launches Canberra office with highly experienced property developer and agent Peter Micalos taking the role of senior partner**

The Agency Group Australia's (ASX:AU1) ("The Agency" or "the Company") is pleased to provide strong results, both operationally and financially, across the business for the six month period ending 31st December 2019 on the back of a marked improvement in the real estate sector on the eastern seaboard during the period.

In a significant milestone, the Group reported earnings before interest tax depreciation and amortisation (EBITDA) of \$533k (\$1.5million post adoption of AASB16 Leases), a significant improvement on the prior corresponding period.

The EBITDA positive result reflects the significant synergistical benefits being realised by the company 12 months on from its acquisition of Top Level Real Estate Pty Ltd, the success of The Agency's disruptive model in attracting and continuing to attract the highest quality agents and business owners and the proactive cost reduction program being implemented during FY2020.

Positive EBITDA was achieved on the back of \$25.6 million revenue from continuing operations for the six-month period, a significant 145% increase on the six-month period ending 31 December 2018 (HY2019: \$10.5m).

Total gross commission income (GCI) for the Consolidated Entity for the six-month period totalled \$24.9 million – up 41% from previous corresponding period (HY2019: \$17.7 million) and representing 66% of FY19 GCI of \$38 million.

HEAD OFFICE 68 Milligan Street PERTH WA 6000
08 9204 7955 theagencygroup.com.au ABN 52 118 913 232

THE AGENCY



MORTGAGE
& FINANCE
Solutions Australia



LANDMARK
Settlements Australia



AUSNET
Insurance



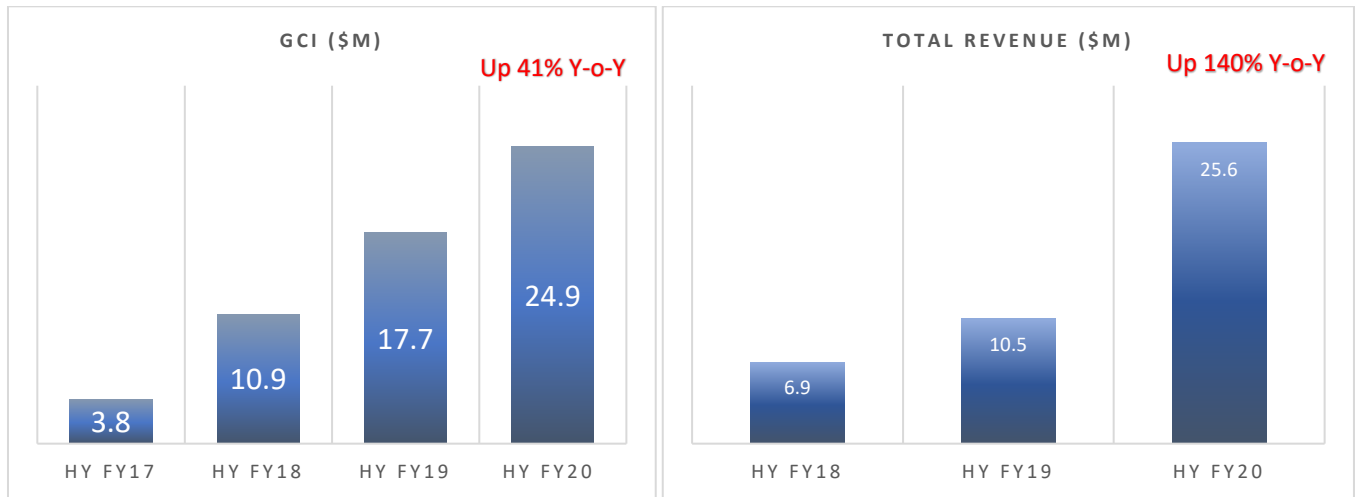
AUSNET
Financial Planning

THE AGENCY
— GROUP AUST LTD

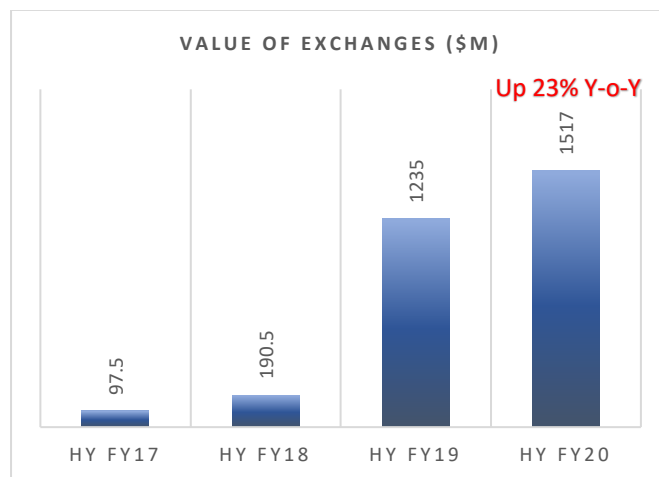
ASX:AU1



REAL ESTATE
FINANCE
SETTLEMENT
INSURANCE



GCI was due to 1,591 exchanges and more than \$1.5 billion worth of property sold across the combined group for the six-month period. This is compared to 719 exchanges worth approximately \$382 million in the previous corresponding period.



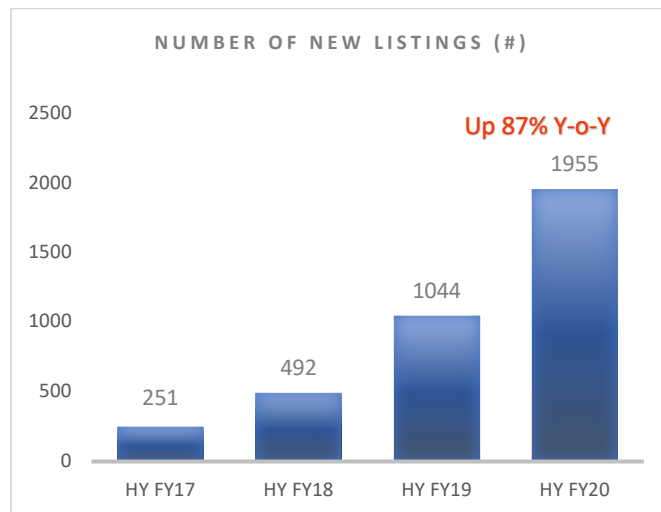
Looking ahead to the second half of FY2020, the Company remains confident revenue and commission growth will be maintained as the real estate market shows further signs of improvement.

The pipeline for future sales is significant, with the combined group reporting 1,955 listings, up 87% on the previous corresponding period.

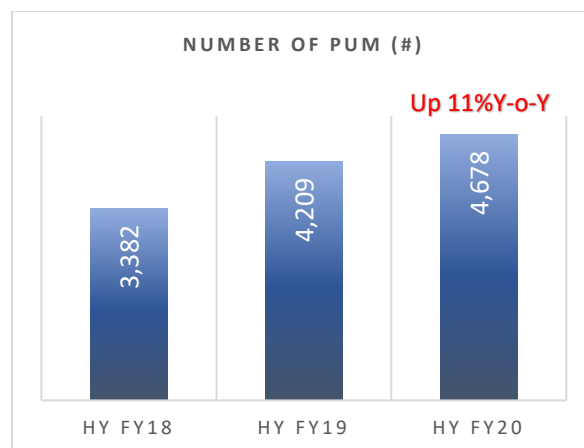
HEAD OFFICE 68 Milligan Street PERTH WA 6000
08 9204 7955 theagencygroup.com.au ABN 52 118 913 232



REAL ESTATE
FINANCE
SETTLEMENT
INSURANCE



Properties under management (PuM) also continues to be a source of strength for the Company with The Agency's east coast and west coast operations reporting a total management portfolio of 4,678 PuM as at 31st December 2019, up 11% on the previous corresponding period (1H19: 4209PuM).



The number of agents operating under the combined group were 278 as at 31st of December 2019, down from 292 agents as at 31st December 2018. This follows Fair Work Australia's recent legislative changes (which meant all agents in WA had to receive a minimum commission), resulting in the Company reducing the number of agents within its SLP brand during the period.

HEAD OFFICE 68 Milligan Street PERTH WA 6000
08 9204 7955 theagencygroup.com.au ABN 52 118 913 232



REAL ESTATE
FINANCE
SETTLEMENT
INSURANCE

Post end of period, The Agency launched an office in Canberra appointing highly experienced property developer and agent Peter Micalos to the role of senior partner.

The Agency Canberra will offer residential and commercial sales, residential and commercial property management and project marketing and sales.

Along with Mr Micalos' project pipeline, that is estimated to grow to 2,000 units over 24 months and a total value of \$1 billion, he will be establishing The Agency's bricks-and-mortar hub in Canberra and initiating a major recruitment drive.

Canberra is on a growth trajectory with dwelling values increasing by 2.3% in December 2019 and 3.14% in January 2020.³

Cost reduction program

As part of the Company's ongoing integration of The Agency's East Coast and West Coast operations, a proactive cost reduction program has been implemented across the combined group during FY2020.

During the six-month period, wage savings of approximately \$678,000 have been realised as a result of streamlining the business post-merger with Top Level Real Estate Pty Ltd.

Cost reductions of \$2.5 million are expected to be delivered in FY20 with The Agency on target to meet these reductions.

Results Commentary

Commenting on the half year results, The Agency Group's Managing Director Paul Niardone said:

I am thrilled to deliver yet another set of strong results for the HY2020 which included a maiden positive EBITDA of \$533k.

These results reflect the strength of our brand and why reputable real estate businesses and agents continue to join our business as they realise we offer higher commissions, reduced risk and higher-level of support compared to franchise and stand-alone businesses.

³ <https://www.corelogic.com.au/research/monthly-indices>



REAL ESTATE
FINANCE
SETTLEMENT
INSURANCE

In addition, we are witnessing an improving housing market in which house values have risen across every capital city, auction clearance rates have rapidly increased and fewer days on market for properties in Sydney and Melbourne. In Perth, green shoots are emerging with a boost to property values in recent months.

We continued our national growth trajectory with the launch of an office in Canberra – which holds an important position on our expansion roadmap – appointing highly experienced property developer and agent Peter Micalos to the role of senior partner. According to CoreLogic data, Canberra is on a growth trajectory with dwelling values increasing by 2.3% in December 2019 and 3.14% in January 2020.

The nation-wide improvement in the housing market is highly encouraging for The Agency and we anticipate building on our strong half year 2020 result for the remainder of the financial year.

This ASX release has been approved for release by the board.

Stuart Usher

Company Secretary

For further information, please refer to the Company's Half Year 2020 accounts and/or please contact:

Investors

The Agency Australia Ltd

Paul Niardone

T: +61 08 9204 7955

Media

Chapter One Advisors

David Tasker / Colin Jacoby

HEAD OFFICE 68 Milligan Street PERTH WA 6000
08 9204 7955 theagencygroup.com.au ABN 52 118 913 232



REAL ESTATE
FINANCE
SETTLEMENT
INSURANCE

T: +61 433 112 936 / +61 439 980 359

HEAD OFFICE 68 Milligan Street PERTH WA 6000
08 9204 7955 theagencygroup.com.au ABN 52 118 913 232

THE AGENCY  MORTGAGE
& FINANCE
Solutions Australia

 LANDMARK
Settlements Australia

 AUSNET
Insurance

 AUSNET
Financial Planning

THE AGENCY
— GROUP AUST LTD

ASX: AU1