

Annual General Meeting

THE AGENCY

16 November 2023

Managing Director AGM Presentation & Update

A photograph of a bedroom interior. On the left, a bed with white pillows is visible. In the center, a dark wooden side table holds a glass vase with a bouquet of flowers, including purple and green blooms, and a stack of three books. One book cover is visible with the text 'AUSTRALIAN STYLE'. A modern, clear glass pendant light hangs above the table. To the right, a window with dark blinds is partially visible. The overall lighting is soft and natural.

FY23 Key Takeaways

\$(1.30M)

Underlying EBITDA¹
(FY22: +\$3.85M)

\$76.9M

Revenues from Ordinary Activities
(FY22 : \$72.7M)

\$5.3B

Gross Value of Properties Sold
(FY22 : \$5.9B)

5,734

No. of Properties Sold
(FY22 : 5,709)

\$95.4M

GCI²
(FY22 : \$102.5M)

399

No of Agents
(30 June 2022: 393)

1. Underlying adjusted for the impact of AASB16 Leasing Standard, Gain on Sale and other one off items.
2. Gross Commission Income ("GCI") is the fees the vendor pays for the sale of a property.

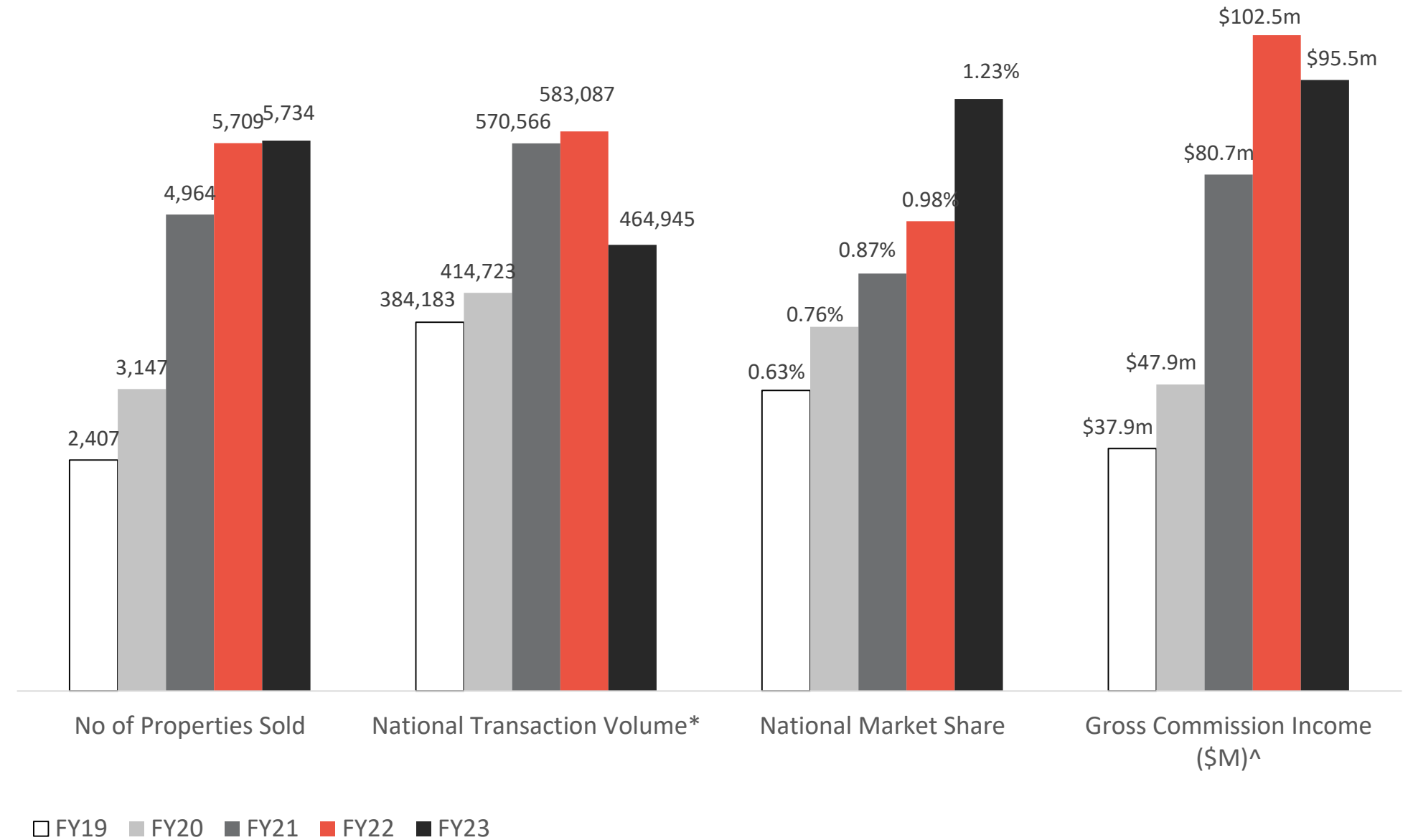


Stable agent productivity against a fall in market volumes underpinned market share growth

0.98% to 1.23% Increase in National Market Share in FY23

Although we are increasing national market share, state mix of sales and average selling price movements have impacted Gross Sales Volume and lower Gross Commission Income.

WA Average Sale Price in the period was +7.6% in FY23, while NSW Average Sale Price was -5.7% in FY23 which are both broadly in line with market movements (+6.0% and -5.3% respectively).



* Source: CoreLogic Economist Park (Jul 2023).
 National Market Share Source: The Agency # of Sales / Estimated Properties sold per CoreLogic Economist Park (Jul 2023)
 Note – recent months sales are subject to revision by CoreLogic
 ^ Gross Commission Income (“GCI”) is the fees the vendor pays for the sale of a property.



A growing brand now with 414 agents at 31 October 2023 with presence across 6 states and territories.

Across FY23, the broader industry saw a number of lower performing agents exit the industry as a result of the tough operating environment on the East Coast. The Agency achieved good recruitment success in Western Australia during the period as we focus on gaining market share in the premium western suburb markets.

Following the July 2022 entry into the Tasmanian market, in December 2022, The Agency expanded its presence to Rockhampton and Capricorn Coast in QLD as part of our objective to have a stronger local presence in regional powerhouses to better service our clients at the local and national levels.

In May 2023, The Agency announced the joining of independent Devine Real Estate to The Agency. Located across 4 offices across Inner West of Sydney selling over \$250m in properties annually, this expansion was in conjunction with MDC Trilogy Group Alliance.

On 1 August, The announced the joining of independent Coleman Estate Agents to The Agency. Located in Toukley on the Central Coast region in NSW, the office led by Ron Coleman sells over \$100m in properties annually and is a logical expansion from our existing office in Terrigal on the southern area of Central Coast.



Devine.
Now home to
The Agency.

THE  AGENCY

Over 9,000 investment properties managed by The Agency

Following the acquisition of Bushby Property Group, and the re-establishment of the Western Australia property management business, The Agency has grown to 5,024 properties under management as at 31 October 2023.

Since its announcement, MDC Trilogy Group have deployed nearly \$25m in purchasing rent roll assets across NSW and Queensland. These purchased rent roll assets comprise of over 4,000 properties under management which are now managed by The Agency under a services arrangement.

Combined, the 9,000 plus managed properties represent an estimated \$8 billion of Australian's property investors wealth and has the ability for Landlords with a geographically dispersed portfolio the opportunity to have all their properties managed by a single company. The increased portfolio scale enables greater cost synergies across The Agency owned portfolio.

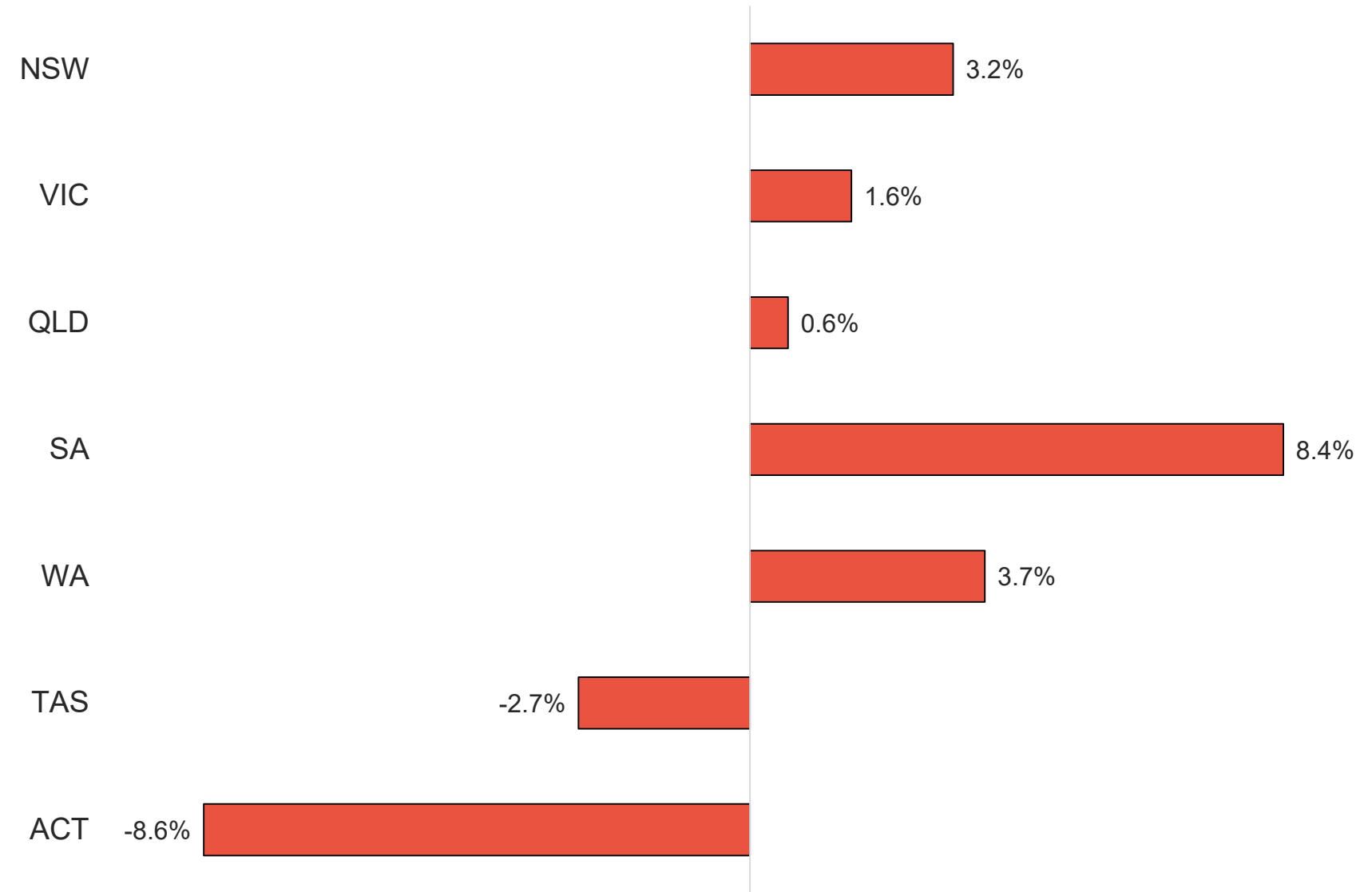
FYTD24 Market Sales Volume

In the 4 months to 31 October June 2023, Australian market volumes have increased +2.1% from prior year period levels.

The Agency has recorded better than system performance with volumes increasing +10.7%. This has led to increased market share of national transactions.

Source: CoreLogic
Note – recent months sales are subject to revision by CoreLogic

Change in sales volumes, four months to October 2023



+2.1%

Australia

+4.5%

Combined Regionals

-2.0%

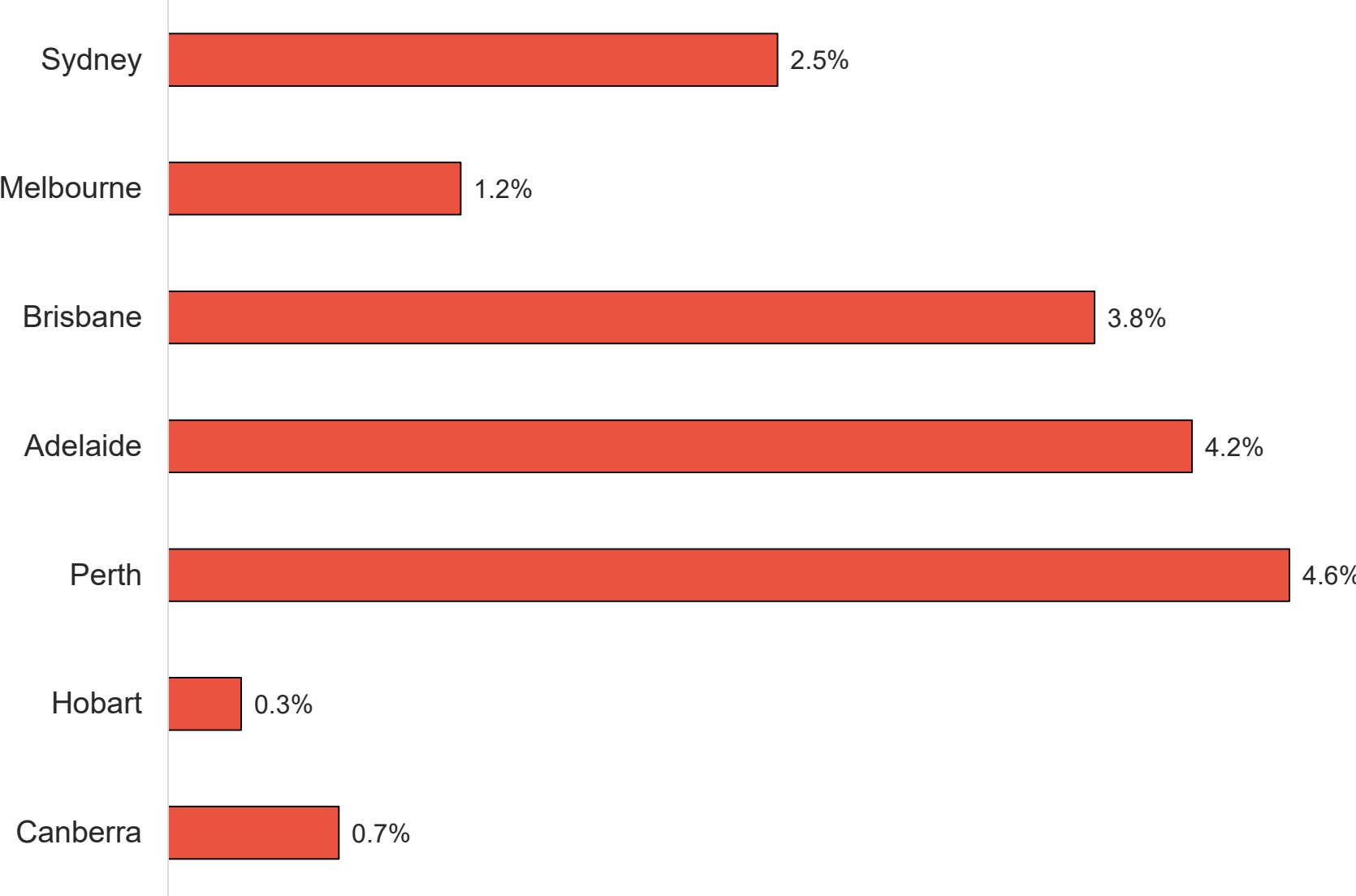
Combined Capitals

Last 3 Months Dwelling Value Price Movement

In the 3 months to 31 October, Australian prices increased 2.3%, easing slightly from a recent higher of 3.1% in the June 2023 quarter.

Source: CoreLogic

Change in dwelling values, three months to October 2023



+2.3%

Australia

+1.5%

Combined Regionals

+2.6%

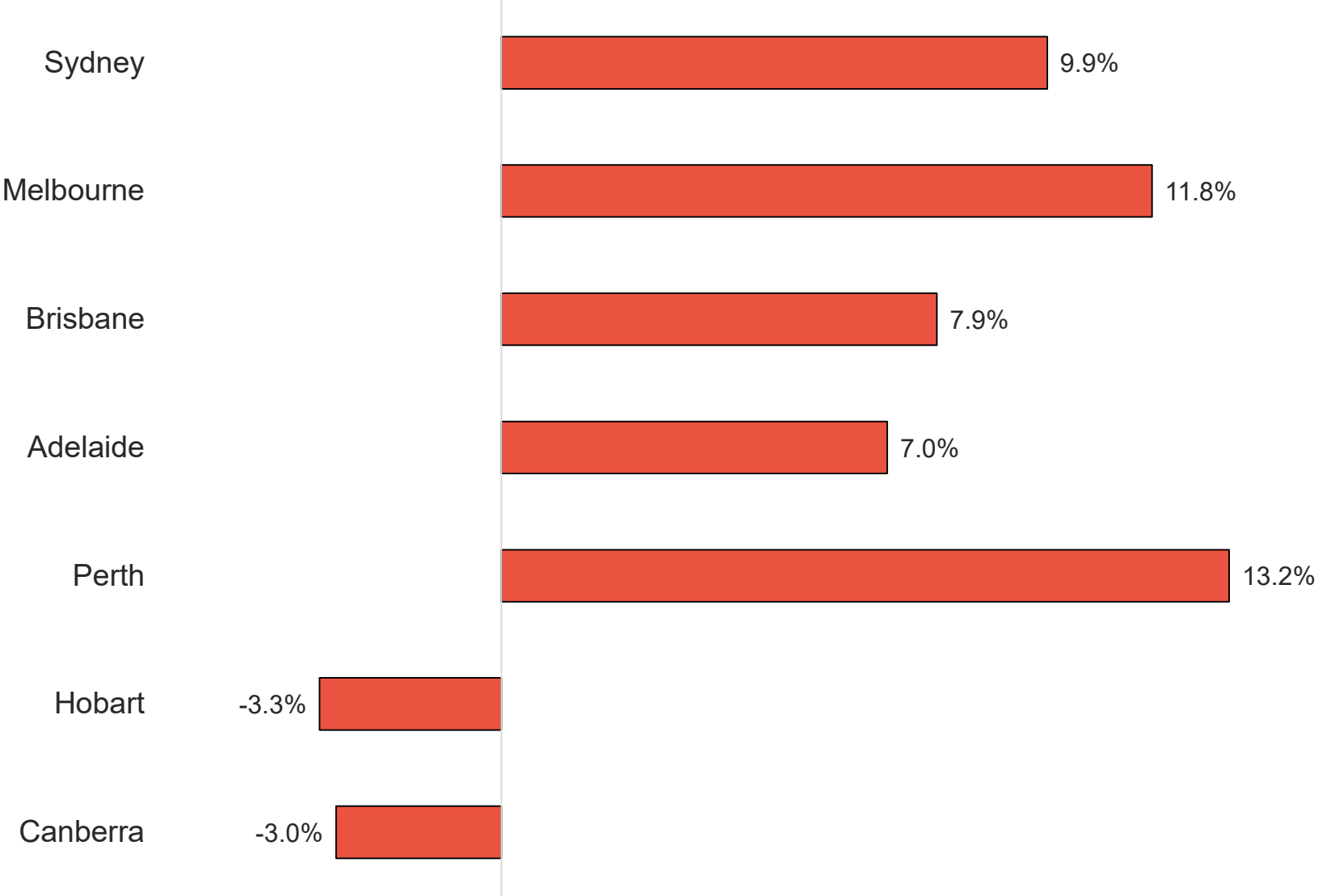
Combined Capitals

Annual Rental Movement

In the 12 months to 31 October, Australian rental rates changed 8.1%

Source: CoreLogic

Annual change in rental rates to October 2023



+8.1%

Australia

+4.0%

Combined Regionals

+9.7%

Combined Capitals

Business Performance Update

	4 months to 31 October 2023	4 Months to 31 October 2022	Variance
# of Listings	2,282	2,152	+6.0%
# of Properties Sold	2,071	1,861	+10.7%
Gross Sales Volume	\$2.1b	\$1.7bn	+22.4%
Gross Commission Income (GCI)	\$36.8m	\$30.8m	+19.4%

The Agency has outperformed that national market number of properties sold, with 10.7% increase in transactions, compared to 2.1% growth in market. The Agency had 414 agents as at 31 October 2023, up from 399 Agents reported at 30 June 2023.

A return to a greater portion of East Coast Sales has assisted the Average selling price increase of 10.8%, which has assisted the growth of GCI of 19.4% over the first 4 months of the financial year. Circa 10% of the GCI growth has come from growth in existing geographical locations, with the remainder growth is from new geographical regions.

Pleasingly, this GCI Growth, along with disciplined cost control has enabled a return to EBITDA Pre AASB16 profit in the first 4 months.

A number of growth initiatives continue to be implemented that enables further benefits from The Agency's existing office infrastructure and additional geographical areas that will enable the The Agency continues on its path to grow Gross Commission Income to \$200m.



Strategic objectives

Growth in agent numbers.

Further expansion of geographical regions across Australia in a disciplined capital and operating expense approach. This will include potential acquisitions through MDC Trilogy Group. Continued growth in agent numbers across all targeted regions across the country.

Developing adjacent offerings.

Enhancement of adjacency offerings to our agents and customers to increase the share of wallet.

Multi Brand Strategy.

Continue development and rollout of secondary brand.

Training and coaching.

Further investment into training and coaching initiatives ensuring Agents and support teams are well placed to capitalise on evolving market conditions.

Leveraging technologies.

Leveraging technology and cost of doing business efficiencies enhancing agent experience. Focus on building out the scalable platform for future growth.

FY2024 Outlook

Volume increases expected.

Across FY24, states with lower median price points to continue to transact above decade average volume levels, outperforming higher median priced states which are expected to transact below decade volume averages.

Greater price stability.

Following the expectation that interest rates are at or very near the terminal rates, FY24 is expected to see a period of price stabilisation across the country. However it may be a 2-tier market, with more listings in lower value properties potentially causing price falls, while higher value properties may experience price increases.

Shift towards larger agent teams.

Super Agent Teams to continue to grow as inexperienced agents continue to leave the industry.

Market consolidation to continue.

Market Consolidation continues as smaller independents and franchisees look to access operating efficiencies. The MDC Trilogy Group alliance means we are well placed to capitalise on this.

Mixed consumer sentiment.

1H FY24 consumer sentiment to remain broadly at currently levels as consumers adjust to higher interest rates, followed by a rebound in consumer sentiment during 2H FY24 as media start discussing the peak of the tightening cycle having been reached.



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