

### McGrath Trading Update

19 November 2021 - McGrath Limited (**McGrath** or the **Company**) (ASX: MEA) today announced a trading update for the first half of the 2021-22 financial year.

#### Highlight

- Underlying EBITDA<sup>1</sup> is expected to be in a range of \$10 million to \$11 million for the first half of FY22, representing an increase of approximately 60% compared with the first half of the prior year.

Subject to continued market conditions and the Company's performance, McGrath expects the first half FY22 underlying EBITDA<sup>1</sup> to be in a range of \$10 million to \$11 million. This projected underlying EBITDA<sup>1</sup> represents an increase of approximately \$4 million (or approximately 60%), compared with the first half of the prior year.

On a statutory reporting basis, McGrath noted that Net Profit After Tax (**NPAT**) for the first half of FY22 is likely to be less than the first half of the prior year. The corresponding prior period included one-off abnormal items of at least \$4 million<sup>2</sup> which contributed to reported NPAT in that period. The results for the first half of FY22 will be announced to the market on 21 February 2022.

Mr. Eddie Law, CEO of McGrath said "We are pleased with our first four month's performance for FY22, achieved during a sustained period of COVID- 19 lockdown restrictions experienced across our Eastern Seaboard markets. We were able to successfully innovate many of our key processes through these lockdowns, conducting our business operations and transactions through advanced technology and digital solutions.

"These solutions include live streamed auctions and virtual property inspections. Ultimately, our goal through all of this has been to keep our people and communities safe and it has been inspiring to see how well our network and our clients adapted to the online environment throughout the lockdowns," he added.

"The fundamentals of the property market remain strong, with liquidity and low interest rates driving buyer demand. As we emerge from the COVID-19 lockdowns, we expect supply will increase over the coming months. Buyer demand may become constrained by affordability, helping to moderate some of the strong price gains we have seen. Our business is well positioned for long-term future growth", said Mr. Law.

-Ends-

<sup>1</sup> Pre-adoption of new AASB 16 Leasing standard and not including gain on sale of business and subject to continued market conditions

<sup>2</sup> H1 FY21 included abnormal items of sale of business and Government Grants totalling approximately \$4m

This Announcement was authorised for release by McGrath Board of Directors

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**About McGrath:**

McGrath Limited (ASX: MEA) has grown to be an integrated real estate services business, offering agency sales, property management, mortgage broking and career training services. McGrath Estate Agents currently has 108 offices located throughout the East Coast of Australia. For further information, please visit [www.mcgrath.com.au](http://www.mcgrath.com.au).