McGrath

ASX ANNOUNCEMENT

McGRATH POSTS STRONG HALF-YEAR PROFIT

19 February 2024 - McGrath Limited (ASX: MEA) (**"McGrath"** or the **"Company**") today announced its first half results for the 2024 financial year.

Results summary

- Underlying EBIT of \$4.2 million
- Underlying EBITDA \$4.8¹ million, a \$ 1.4 million or 42% increase on prior corresponding period
- Strong balance sheet, with \$26.3 million cash and no debt
- Statutory Net Profit after tax of \$7.5 million \$5.7million increase on prior corresponding period
- Interim Dividend: 1.5c per share fully franked dividend declared
- Special Dividend: 1.5c per share fully franked dividend declared

McGrath has announced Underlying EBITDA of \$4.8 million for the first half at the top end of the range² of the trading update provided in November 2023 – a 42% increase over previous corresponding period.

Net profit after tax for the period rose from \$1.8 million to \$7.5 million, up \$5.7 million which includes the sale on selected offices and rent rolls, as well as a lift in the value of the company's investments.

Managing Director and CEO, Mr John McGrath, said "We are delighted with the result as it reflects the focus of our management team, outstanding agents and our strong brand – factors which have seen McGrath's market share continuing to grow in our key markets.

"We are also showing strong momentum in the delivery of our key strategies announced in the last financial year. An increase in our franchise offices is delivering a more stable income based on a fixed percentage of total sales commissions.

"We have also upgraded the tools and technology to keep our agents at the top of their game, with the release of our agent app, an enhanced and new website and a brand redesign, all of which will better serve our agents and clients", added Mr McGrath.

McGrath continues to be in a strong financial position, with currently approximately \$26 million in cash (which is after \$5.6 million worth of dividends paid in September 2023) and no debt.

 2 H1 Underlying EBITDA range provided in November 23 at \$4.5m -\$5m

McGrath Limited (ASX:MEA) ABN 61 608 153 779

 $^{^{\}rm 1}$ Pre-adoption of new AASB 16 Leasing standard and not including gain on sale of business

Suite2.02, Level2, 19 Harris Street, Pyrmont NSW 2009 www.mcgrath.com.au

Net assets, including management's estimate value of the property management rights not recorded on the balance sheet, are 54c per share.

The company has declared a 1.5c per share, fully franked interim dividend and a 1.5c per share fully franked special dividend, payable from proceeds from the sale of selected company owned offices and rent rolls to be paid on March 12, 2024. In addition, the company will consider further capital management opportunities as additional proceeds from the sale of some of the company owned offices and property management rent rolls are received.

<u>Outlook</u>

Mr McGrath said, "Despite economic headwinds and global uncertainty, the property market appears stable and in most areas prices continue to trend upwards. Our growth moving forward will be driven by increased agent productivity and more offices joining the group which will deliver increasing market share.

"We have seen good listing volumes to the start of the calendar year and we are in great shape to continue our momentum", he concluded.

-Ends-

Authorised for release by McGrath Board of Directors

For further information, please contact:

Investors Howard Herman CFO 02 9386 3333 Media Terri Sissian 0419 881 414

Tim Allerton 0412 715 707

About McGrath:

McGrath Limited (ASX: MEA) is one of Australia's most successful integrated real estate services business, offering agency sales, property management, mortgage broking and career training services. McGrath Estate Agents currently has offices located throughout the East Coast of Australia. For further information, please visit <u>www.mcgrath.com.au</u>

McGrath Limited (ASX:MEA) ABN 61 608 153 779 Suite2.02, Level2, 19 Harris Street, Pyrmont NSW 2009 www.mcgrath.com.au