



THE AGENCY
— GROUP AUST LTD

INVESTOR PRESENTATION

19 October 2021

ASX:AU1

Direct exposure to national property market with a re-set Balance Sheet and a Team to deliver growth

DISCLAIMER



NOT AN OFFER

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Certain statements contained in this presentation, including information as to the future financial or operating performance of the Company and its projects, are forward looking statements. Such forward looking statements:

- are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company, are inherently subject to significant technical, business, economic, competitive, political and social uncertainties and contingencies;

- involve known and unknown risks and uncertainties that could cause actual events or results to differ materially from estimated or anticipated events or results reflected in such forward looking statements; and
- may include, among other things, statements regarding estimates and assumptions in respect of prices, costs, results and capital expenditure, and are or may be based on assumptions and estimates related to future technical, economic, market, political, social and other conditions.

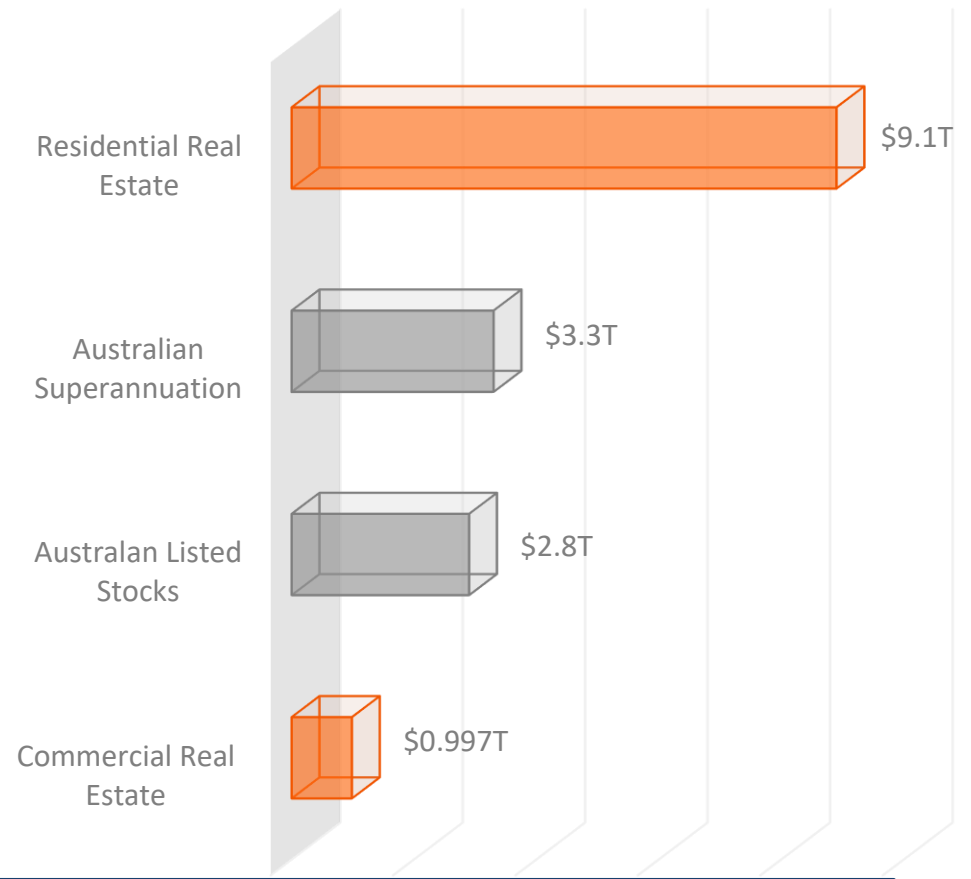
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The words “believe”, “expect”, “anticipate”, “indicate”, “contemplate”, “target”, “plan”, “intends”, “continue”, “budget”, “estimate”, “may”, “will”, “schedule” and similar expressions identify forward looking statements.

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Real Estate underpins Australia's wealth



Total addressable market¹: \$5.68 Billion GCI

Data as at October 2021.

Source: CoreLogic, APRA, RBA, ABS, ASX
Assuming 1.3% commission on total sales



A SCALABLE, VERTICALLY-INTEGRATED REAL ESTATE SERVICES COMPANY

Providing investors direct exposure to the growing \$8.9T residential Australian property market¹

Real estate services

- ✓ One of Australia's largest vertically-integrated real estate services companies
- ✓ Continued agent recruitment growth in existing / new market sectors across two brands: The Agency + SLP

Unique business model

- ✓ **Our agents are our clients** and are at the core of our business model
- ✓ Attracts **high performing real estate agents** by offering **higher commissions and support** than traditional franchises & independent models

Achieved scale

- ✓ Substantial growth since 2017 & achieved a profitable scale:
 - FY21 EBITDA (pre AASB16) of \$4.57M vs FY20 of \$0.71M, a \$3.86M improvement.

Stabilised balance sheet

- ✓ Long-term ~\$8M funding package strengthens financial position & balance sheet
- ✓ Assets (rent roll, mortgage book etc) valued at more than \$25M

External validation

- ✓ **Group CEO Geoff Lucas joins mgmt. team** - one of the most highly regarded executive teams in the Australian property industry
- ✓ Primary lender Macquarie Bank has **reduced interest rate from 4.75% to 3.75%** in recognition of significant improvements to balance sheet.
- ✓ Supportive shareholder **Peters Investments converts \$3M in Convertible Notes** to emerge a 30.2% shareholder

Vertical integration

- ✓ Multiple **cross-selling opportunities** with a suite of real estate services including property sales, property management, mortgage financing and conveyancing (settlement)

Macroeconomic tailwinds

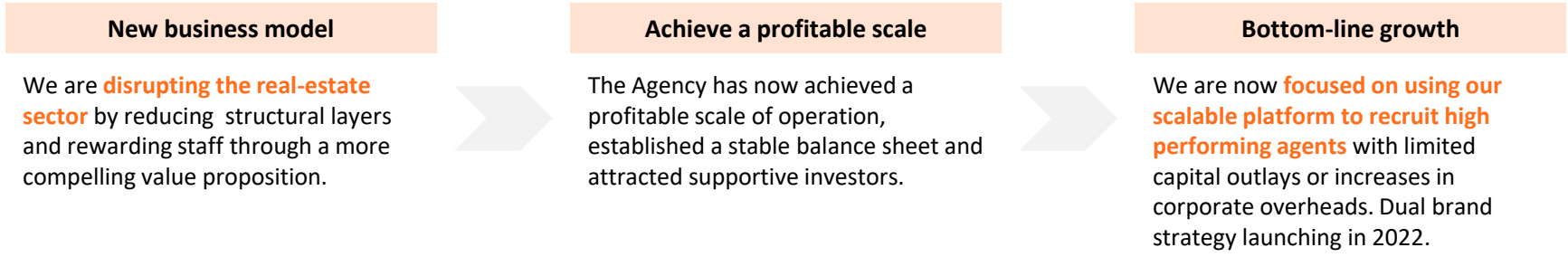
- ✓ Continued strong outlook with low interest rates & low unemployment

Scalable footprint

- ✓ We are now **focused on using our scalable platform to recruit high performing agents** with limited capital outlays or increases in corporate overheads.
- ✓ Dual brands



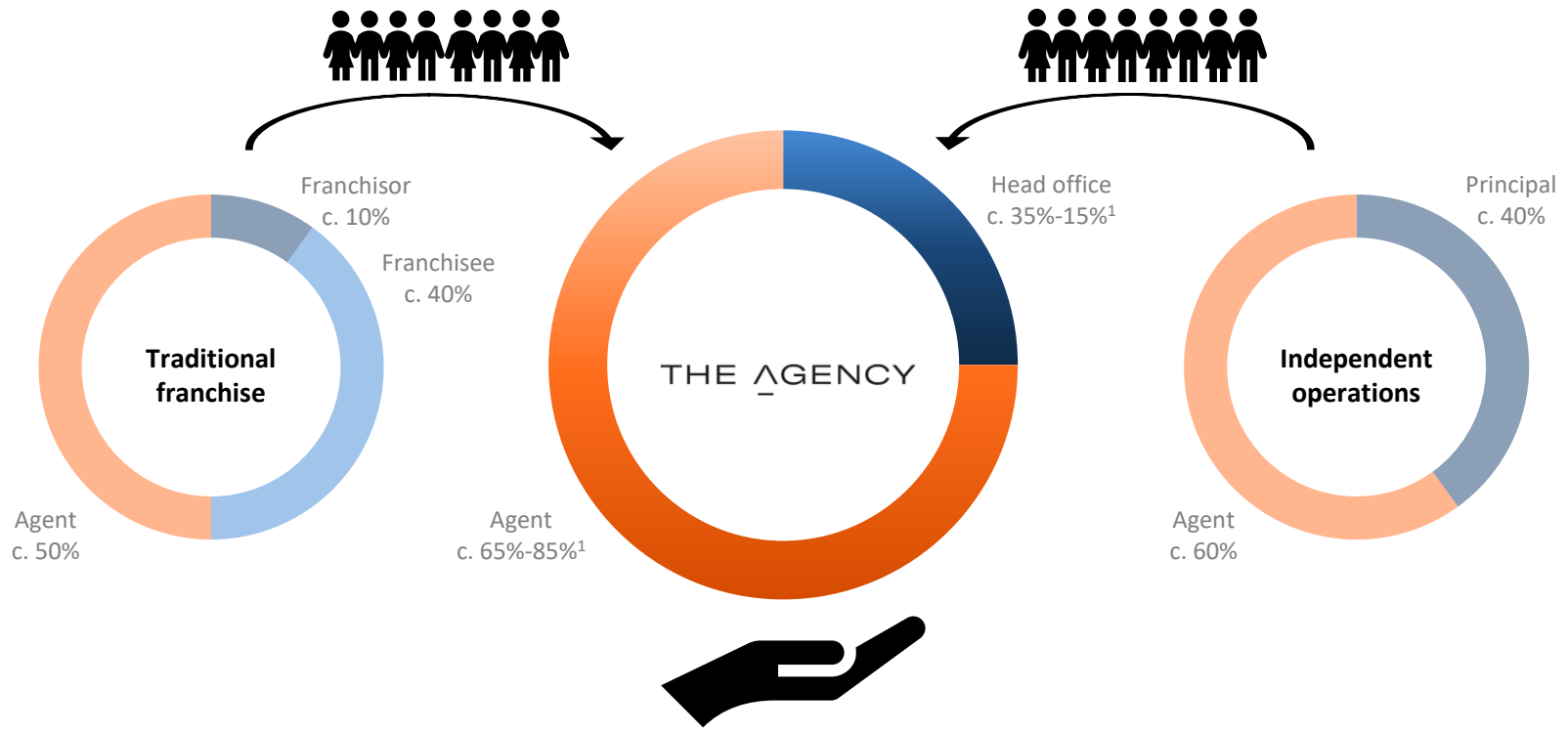
Built for scale with ability to materially grow agent numbers with limited capex or increase in corporate overheads





Our agents are **our clients** and are at the **core of our business model**

**Able to attract leading agents, without compromising on margin.
Attractive business model with agent first culture providing high levels of support services**



Note 1: Commission structure is tailored dependent on brand (The Agency or SLP) and agent performance.



Q1 FY22 RESULTS: KEY TAKEAWAYS

GCI

\$24.5MQ1 FY21 GCI of \$16.6M, **↑ 47.5%**

Revenue

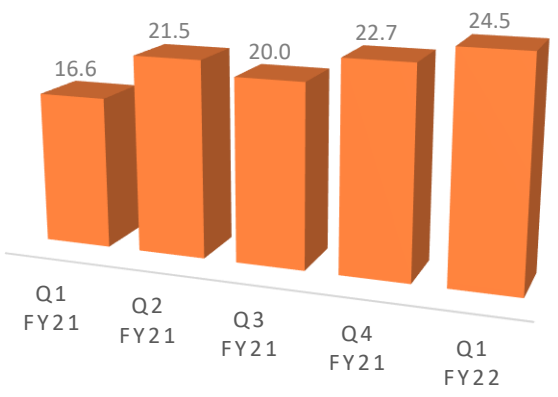
\$16MQ1 FY21 Revenue of \$13.6M, **↑ 18%**Strong
Growth**44.6%**Sales for 12 months to Sep 21 sales of 5174 (sales of 3578 pcp) **↑ 44.6%**Balance
Sheet**Strong
Financial
Position**Borrowings reducing as EBITDA grows, Operating Costs reducing as Revenue grows, rent roll and loan book valued at ~\$25m¹ and cash/ cash equivalents \$6.8M²



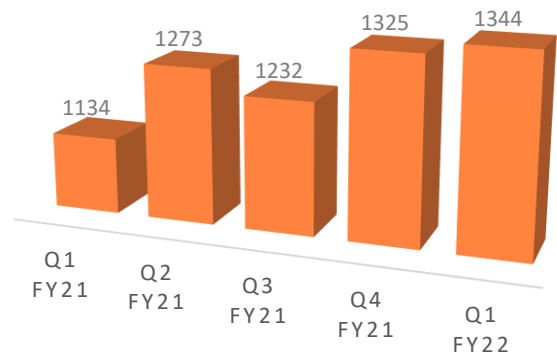
Q1 FY22: ALL-TIME HIGH RESULTS ACROSS KEY METRICS

- Delivered strong operating results for Q1 FY22 with key metrics increasing quarter-on-quarter.
- The results further reinforce the sustained growth the business has been able to achieve.
- This is despite the ongoing impact of COVID-19 and resultant restrictions on the real estate sector nationally.

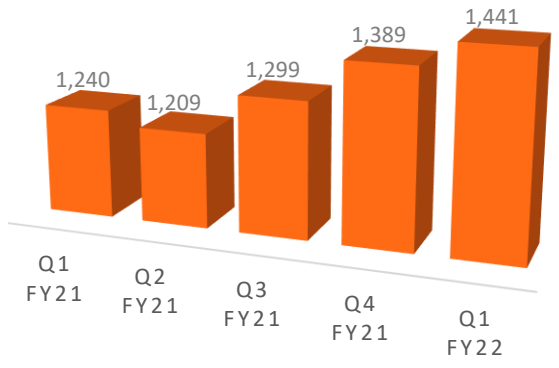
Gross commission income (\$ million)



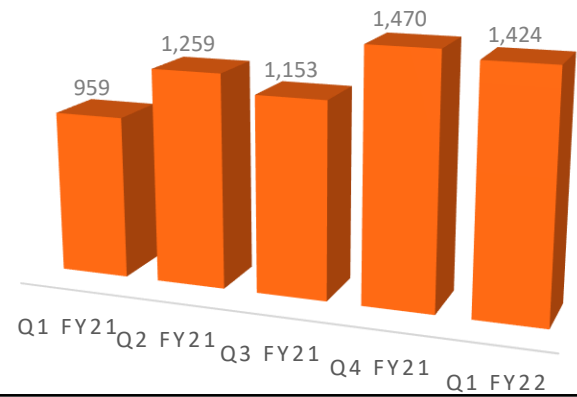
Number of Sales



Listings



Gross value of sales (\$ million)

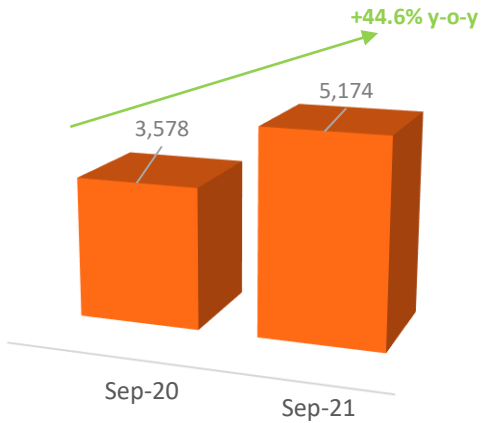




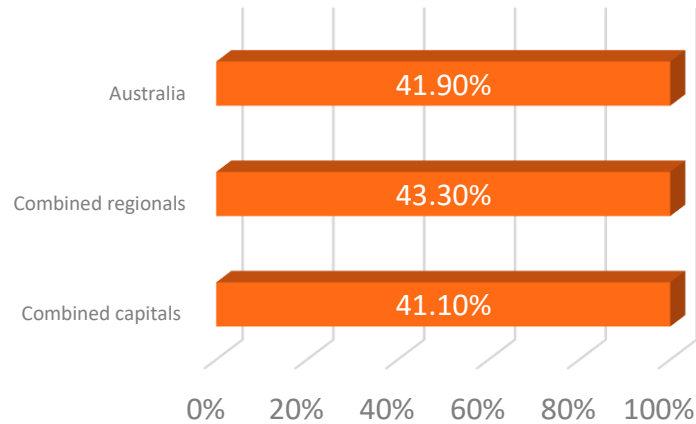
OUTPERFORMING THE NATIONAL REAL ESTATE MARKET

Total number of transactions for 12 months to September 2021 of 5,174, a **44.6% increase** on prior year. This is greater than the **41.9% increase** experienced across the national real estate market for 12 months to September 2021¹

Number of Sales, 12 months to September 21 vs 12 months to September 20



Change in sales volume, 12 months to September 2021¹



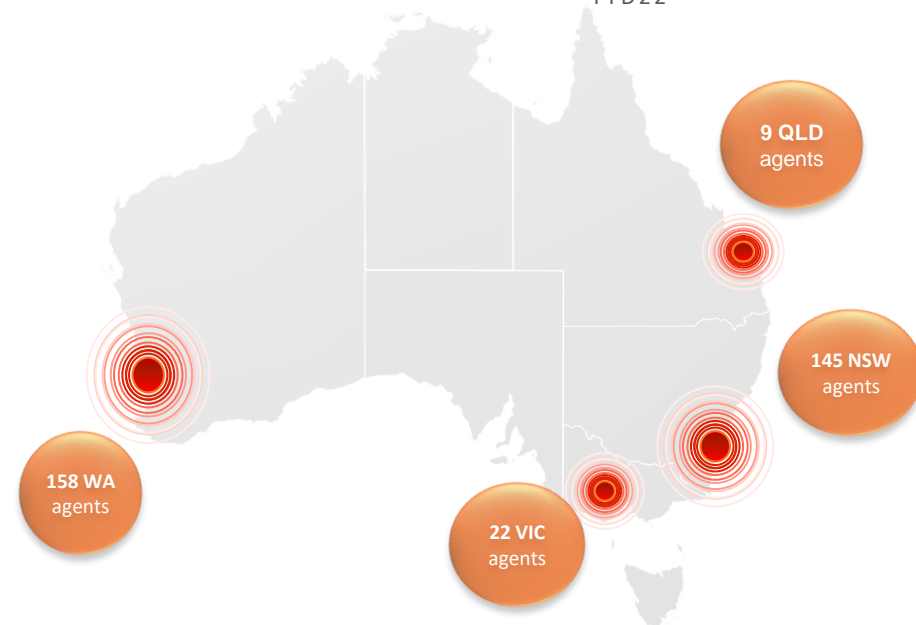
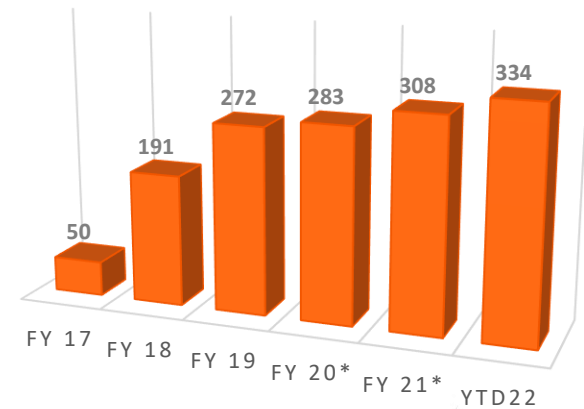


A NATIONAL FOOTPRINT IN KEY MARKETS READY TO SCALE

Now that our business model has achieved a profitable scale, focus shift to quality agent recruitment for driving growth.

- Our model of allowing our high-quality agents to focus on sales and providing support is being demonstrated by the year-on-year increase in GCI.
- We are looking to boost agent numbers in the coming quarters. Based on the company’s existing platform and cost structure, which is largely fixed, any future recruitment and productivity gains will contribute to EBITDA performance.

No. of Agents (as at 30th September 21)



* COVID + JobKeeper slowed movement of agents, as overall industry agent numbers also reduced



STRENGTHENED FINANCIAL POSITION

Total financing facilities at end of June 2021 of \$8.35 million³

A renewed \$5 million Macquarie Bank primary secured debt facility

\$3.35 million Convertible Note to private investment company Peters Investments Pty Ltd⁴

AU1 borrowings continue to reduce as EBITDA grows

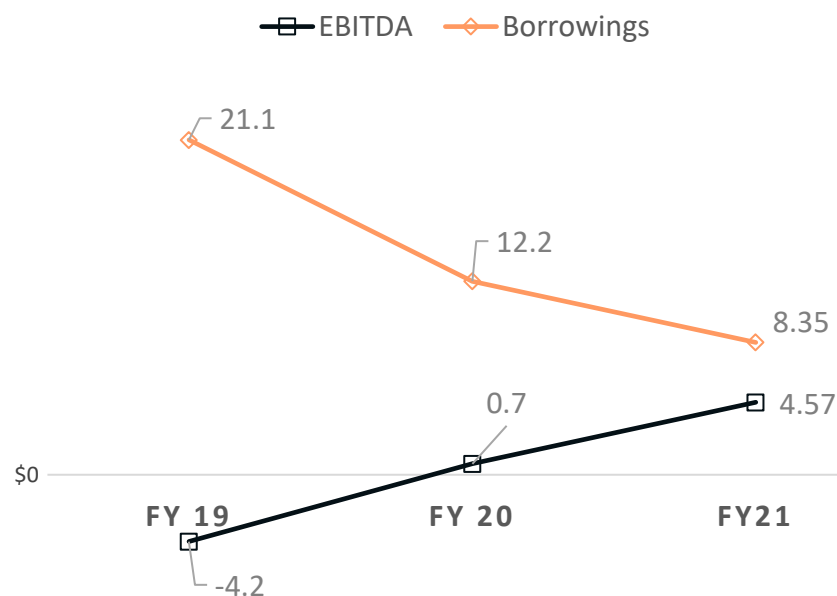
Macquarie Bank reduces interest rate from 4.75% to 3.75% in recognition of the significant improvements to balance sheet and continued strong operational performance

Operating costs at 32% of Revenue in FY21

A reduction from 42% of revenue in FY20 and 65% of revenue in FY19

Asset value (rent roll and loan book) ~\$25m

AU1 borrowings & EBITDA (\$ million)



(\$ million)	FY19	FY20	FY21
Borrowings ¹	21.1	12.2	8.35
Revenue	31.3	41.9	60.1
EBITDA ²	(4.2)	0.71	4.57

Note 1: Borrowings have been adjusted to off set financial assets held against the borrowings. **Note 2:** EBITDA adjusted to exclude the impact of AASB16 and government incentives. **Note 3:** Refer to June Quarter 2021 Appendix 4C in ASX announcement dated 29 July 2021 **Note 4:** Includes monthly interest which is capitalised.



BUSINESS CONTINUES TO GROW



- **STRONG PIPELINE OF LISTINGS**
Into FY22 on back of rebounding property market
- **QUALITY AGENT RECRUITMENT GROWTH**
In existing and new market sectors
- **BUILDING MARKET SHARE IN AUSTRALIA'S PREMIER REAL ESTATE MARKETS**
 - Total 334 agents currently, an 8% increase from 308 agents as at 30 June 21
 - Sydney & Melbourne still performing strongly despite COVID-19 lockdown
- **STRONG FINANCIAL POSITION**
Continuing to identify and implement efficiencies into the business



Experienced board & management team with a mix of real estate and commercial expertise



Paul Niardone | Managing Director

Previously Executive Director and founder of Professional Public Relations (WA), the largest PR and communications firm in the State until he sold the business to WPP. Experience in marketing and strategic planning for clients in both Government and the private sector and over 15 years experience with public companies.



Geoff Lucas | Group Chief Executive Officer

Geoff Lucas is one of the most highly regarded executives in the Australian property industry, with more than 25 years commercial experience and a distinguished track record of leadership in a number of corporate positions for an ASX-listed real estate group, as well as other major public companies. From 2008-2016 Geoff served as the Chief Operating Officer of McGrath Real Estate (ASX: MEA), later serving as Chief Executive Officer of the company.



Matt Lahood | Chief Executive Officer – Real Estate

More than 30 years in real estate sales; 2,000+ property sales worth over \$2bn. Previously Director of Sales for McGrath Real Estate, responsible for market entry strategies and management of 22 company owned offices and more than 250 people.



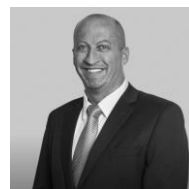
Andrew Jensen | Chief Operating Officer

Andrew, formerly CFO of Ray White, has extensive knowledge in the management of all aspects of finance with strong commercial, strategic, M&A, and change management experience. He has financially led companies engaged in various fields including real estate and ancillary services sectors globally. Fellow of IPA and member of the AICD.



Adam Davey | Non-Executive Director

Adam is Director, Private Clients and Institutional at Patersons Securities. His expertise spans over 25 years and includes capital raising (both private and public), mergers and acquisitions, ASX listings, asset sales and purchases, transaction due diligence and director duties.



Arjan Van Ameyde | Chief Financial Officer

Arjan has over 25 years’ experience in senior finance roles in listed companies and SME. He has previously founded short-term lending and insurance businesses and established the treasury for a listed multinational group. Most recently he was Chief Operating Officer/Chief Financial Officer(Australia and UK) of ASX listed Ensurance Limited (ASX: ENA).



Maria Carlino | Director of Property Management

Over 27 years of real estate experience in key markets incl. Sydney, Brisbane and the Gold Coast. Previous senior roles at RUN Property, Ray White and McGrath Real Estate where she was responsible for the management and growth strategies of the rental portfolio and team across all company owned offices.



Mark Williams | Chief Executive Officer – Commercial

Mark Williams brings more than 30 years of real estate experience to his commercial role with The Agency. As the CEO and founder of Ray White’s commercial division, he built a network of over 50 commercial businesses across Australia, Asia and New Zealand. Further to these achievements, he headed up the Ray White Group’s Asia operations as Director of Greater China and Asia.

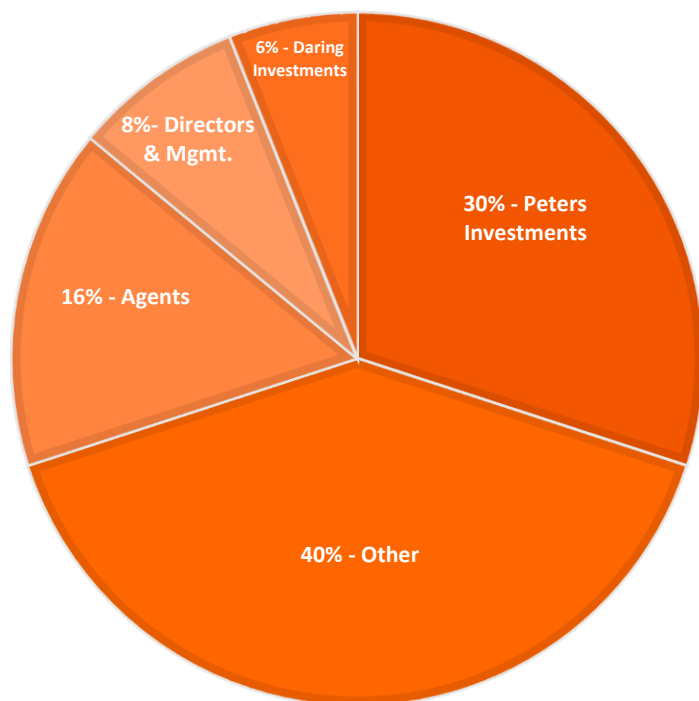
Board of directors

Paul Niardone	Managing director
Matt Lahood	Chief executive officer – Real estate
Andrew Jensen	Chief operating officer
Adam Davey	Non-executive director



Corporate snapshot

Top shareholders



Snapshot

ASX Code
AU1:ASX

Shares O/S 428.6m
Shares F/D² 570.7m

Market capitalisation
\$23m (@ 5.4cps)

Cash³
\$6.8m

Enterprise value
\$24.6m (@ 5.4cps)

Total Financing Facilities⁴
\$8.42m

Note 1: Trading history for the 12-month period ending 21 May 2021 (source: Thomson Reuters).

Note 2: Fully diluted shares outstanding inclusive of 333,333 unlisted options and conversion of the remaining balance of the Peters Investments Convertible Note (\$3.26m as at 28 February 2021) at maturity.

Note 3: Cash as at 30 Sep 2021. **Note 4:** Refer to Sep Quarter 2021 Appendix 4C in ASX announcement dated 19 October 2021



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Thank you

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