

**ASX Announcement
6 August 2021**

REA Group Investor & Analyst Presentation FY21

On behalf of REA Group Ltd (ASX:REA) please find attached a full-year results presentation for the year ended 30 June 2021.

-ends-

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The release of this announcement was authorised by the Board.

About REA Group Ltd: (www.rea-group.com): REA Group Ltd ACN 068 349 066 (ASX:REA) ("REA Group") is a multinational digital advertising business specialising in property. REA Group operates Australia's leading residential and commercial property websites – realestate.com.au and realcommercial.com.au – as well as the leading website dedicated to share property, Flatmates.com.au. REA Group owns Smartline Home Loans Pty Ltd and Mortgage Choice Ltd, Australian mortgage broking franchise groups, and PropTrack Pty Ltd, a leading provider of property data services. In Australia, REA Group holds strategic investments in Simpology Pty Ltd, a leading provider of mortgage application and e-lodgement solutions for the broking and lending industries; Realtair Pty Ltd, a digital platform providing end-to-end technology solutions for the real estate transaction process, Campaign Agent Pty Ltd, Australia's leading provider of Buy Now Pay Later solutions for the Australian real estate market and Managed Platforms Pty Ltd, an emerging Property Management software platform. Internationally, REA Group holds a controlling interest in India's Elara Technologies Pte. Ltd. operator of established brands Housing.com, Makaan.com and PropTiger.com and owns leading portals in Hong Kong (squarefoot.com.hk) and China (myfun.com). REA Group also holds a significant minority shareholding in Move, Inc., operator of realtor.com in the US, and the PropertyGuru Group, operator of leading property sites in Malaysia, Singapore, Thailand, Vietnam and Indonesia.

REA Group Ltd

Full year results 30 June 2021

Changing the way the world
experiences property



REA Group

Agenda

01.

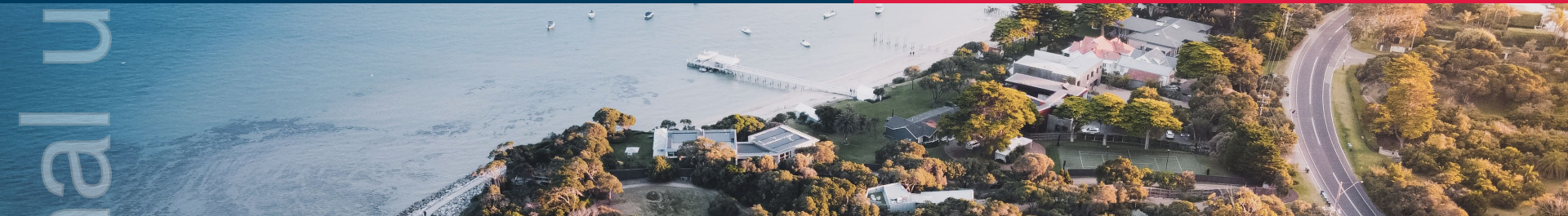
Business
highlights

02.

Financial
results
update

03.

Q&A
session





Business Highlights



Owen Wilson
Chief Executive Officer



Exceptional FY21 financial results delivered

Core revenue¹

\$928m
+13%

Core EBITDA^{2, 3}

\$565m
+19%

Core net profit after tax³

\$318m
+18%

60%

Core EBITDA^{3, 4}
margin

131¢ **+19%**

FY21 full year
dividend per share

247¢ **+21%**

Core earnings per
share³

\$169m

Cash closing
position⁵

\$245m

Net debt^{5, 6}

(1) Revenue – refer to glossary for definition. (2) EBITDA – refer to glossary for definition. (3) Financial results from core operations – refer to glossary for definition. (4) EBITDA before contributions from associates and joint ventures. (5) Jun 21 cash balance of \$169m excludes \$5m of cash held for sale. (6) Net debt – refer to glossary for definition.

Significant milestones delivered in FY21



Consumer highlights

Record audience

realestate.com.au now reaching over 12.6m Australians on average each month¹

Highly engaged members

New experiences such as Property Owner dashboard and Loan Tracker driving increased engagement

Empowering more home owners

More Australians tracking properties to monitor their market and make confident property decisions



Customer highlights

Record Premiere penetration

Premiere continues to outperform, demonstrating the superior returns to agents and vendors

Record Audience Maximiser growth

Continued growth in add-on products with record uptake of AudMax campaigns, up 126% YoY²

Record buyer enquiry

2.6m average monthly buyer enquiries, up 55% YoY³, delivering more customer leads



Pivotal investments

Expanding India exposure

Controlling position acquired in Elara, India's fastest growing digital property business

Mortgage Choice and Simpology investments completed

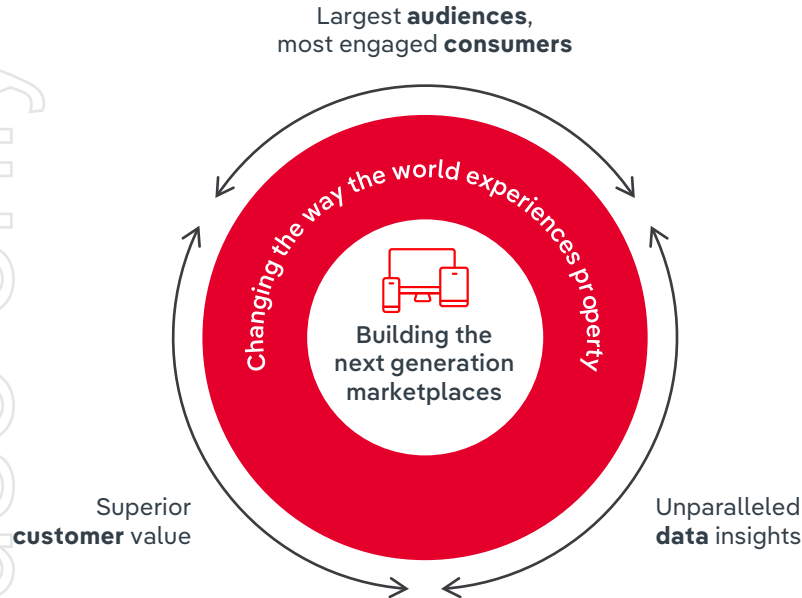
Transactions build on strong foundations and accelerate financial services strategy

PropertyGuru transaction completed

Transaction creates the most compelling proptech group in Southeast Asia; REA takes 18% share⁴

(1) Nielsen Digital Media Ratings (Monthly Tagged), Jan 21 - Jun 21 (average), P2+, Digital (C/M), text, realestate.com.au, Unique Audience. (2) REA internal data at 30 Jun 21 compared to 30 Jun 20. (3) Adobe Analytics, internal data, Jul 20 - Jun 21 vs. Jul 19 - Jun 20. (4) 18% undiluted, 16.6% on a fully diluted basis if all warrants and ESOPs are exercised. If planned merger with Bridgetown 2 and listing on the NYSE completes (currently expected to occur in Q2 or Q3 FY22), the capital raising conducted as part of the business combination is expected to see REA hold an undiluted 15.8% stake in the listed entity (14.9% on a fully diluted basis.) Assumes no SPAC shareholders elect to have their SPAC shares redeemed for cash as permitted.

Strategy supporting ongoing growth



Our global network:

Australia

-  realestate.com.au
-  realcommercial.com.au

Flatmates
com.au



Campaign
Agent

India / Asia



North America



realestate.com.au extends audience leadership position

3.3x more visits than the nearest competitor¹

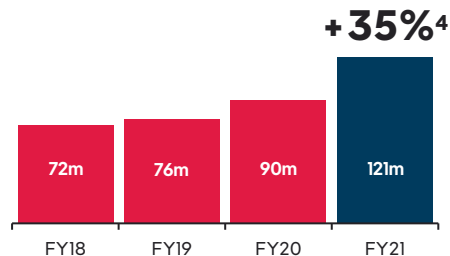
Reaching over **12.6m** people on average each month²

6.4m people using realestate.com.au exclusively on average each month³

Monthly visits

121m⁴

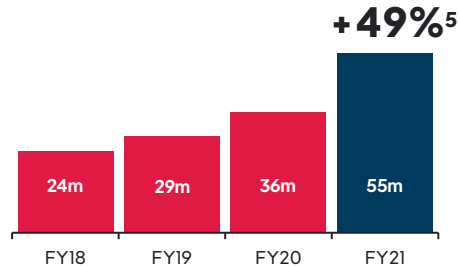
FY21 average monthly traffic to realestate.com.au on all platforms



App launches

55m⁵

FY21 average monthly launches of the realestate.com.au app



(1) Nielsen Digital Media Ratings (Monthly Tagged), Jul 20 - Jun 21 (average), P2+, Digital (C/M), text, realestate.com.au vs. Domain, Total Sessions. (2) Nielsen Digital Media Ratings (Monthly Tagged), Jan 21 - Jun 21 (average), P2+, Digital (C/M), text, realestate.com.au, Unique Audience. (3) Nielsen Digital Content Planning, Jan-May 21 (average), P2+, Digital C/M, text, Exclusive Reach, realestate.com.au and Domain. (4) Nielsen Digital Media Ratings (Monthly Tagged), Jul 20 - Jun 21 vs. Jul 19 - Jun 20 (average), P2+, Digital (C/M), text, realestate.com.au, Total Sessions. (5) Nielsen Digital Media Ratings (Monthly Tagged), Jul 20 - Jun 21 vs. Jul 19 - Jun 20 (average), P2+, Digital (C/M), text, realestate.com.au, App Launches.





 realestate.com.au

Australia's 8th largest online brand

Reaching over 60% of Australia's
18+ population¹

Top 10 Online Brands June 2021²

Rank	Brand	Unique Audience
1	Google	20.3m
2	Facebook	17.7m
3	MSN/Outlook/Bing/Skype	15.0m
4	Instagram	13.6m
5	ABC Online Network	13.4m
6	Microsoft	13.4m
7	eBay	12.3m
8	Realestate.com.au	12.3m
9	PayPal	12.1m
10	Apple	12.0m

(1) Nielsen Digital Content Ratings (Monthly Tagged), Jun 21, P18+, Digital (C/M), text, realestate.com.au, Active Reach %. (2) Nielsen Digital Media Ratings (Monthly Total), Jun 21, P2+, Digital (C/M) Text, All Categories, Unique Audience.

Highly personalised consumer experiences driving engaged members

Consumer profiles enable the delivery of experiences based on individual needs



Growing membership

31% YoY¹ increase in new members with more Australians signing up to realestate.com.au



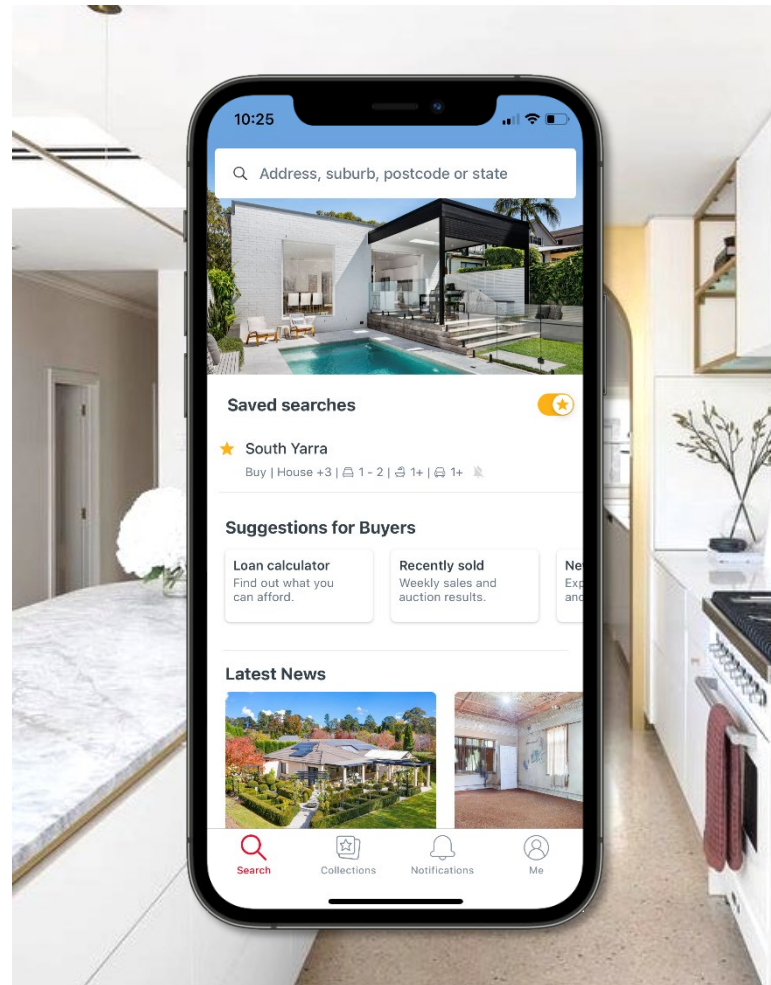
Strong engagement

20% YoY¹ increase in membership engagement with consumer experiences



Increasing property tracks

52% YoY increase in owner tracks² demonstrating strength of relationships with home owners



(1) REA internal data, Jul 20 – Jun 21 vs. Jul 19 – Jun 20. (2) REA internal data at 30 Jun 21 compared to 30 Jun 20.

Property owner dashboard empowering consumers

Helping owners monitor their market and make confident property choices while driving highly qualified customer leads



Increasing engagement

765k owners engaging with dashboard since launch, with strong return frequency¹



Prospect conversion

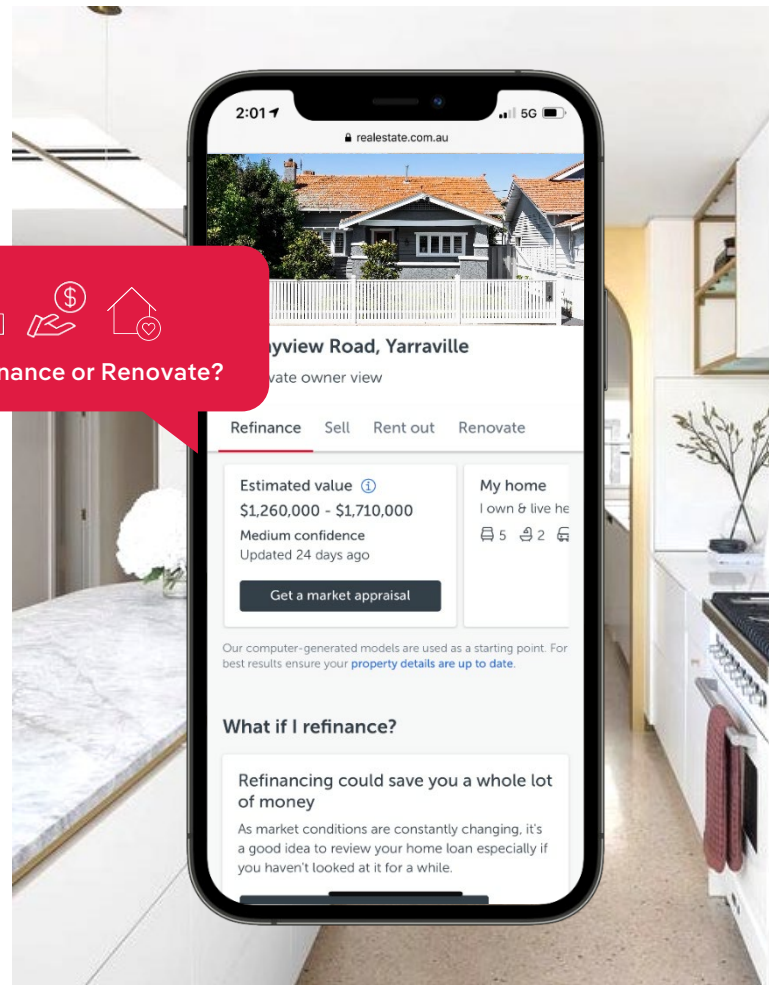
24% of owners visiting dashboard becoming seller, refinance or landlord prospects since launch¹



Leads growth

71% growth in leads generated from owners taking the next step since launch¹


Sell, Rent, Refinance or Renovate?



Connecting customers with more buyers, sellers and renters

A comprehensive suite of products and services helping agencies and agents throughout the property lifecycle

Agency Marketplace

Leading destination to help agencies and agents stand out from the crowd through branding, awareness and track record

1.8m avg. monthly visits to Agency Marketplace, **up 17% YoY¹**

Search & compare

Profiles

Ratings and reviews

Seller leads



Agency Services

Digital services to help streamline our customers' workflows, freeing up their time to focus on business growth

Ignite total onboarded customers, **up 56% YoY²**

Connect:

- CMA
- Pitch & sign
- Agent Elevate

Agency Dashboard

Rental Applications



Property Advertising

Australia's first choice for digital property advertising solutions

2.6m avg. monthly buyer enquiries, **up 55% YoY¹**, delivering more leads

Depth products

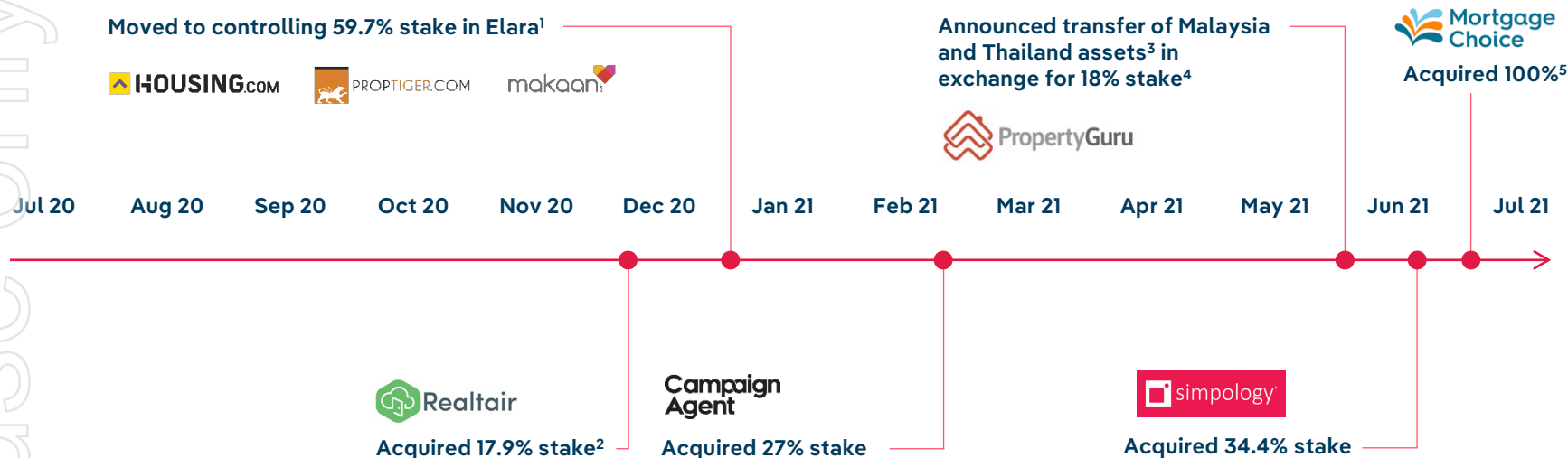
Add-on products

Campaign Flex

Campaign Agent



Accelerating REA's strategy through pivotal investments



(1) The Group held a 59.65% shareholding on acquisition and subsequently increased its holding to 60.65% as at 30 Jun 21. Shareholding increased to 65.49% in Jul 21. (2) In Dec 20, the Group acquired a 17.9% share and subsequently increased its holding to 22.33%. (3) PropertyGuru transaction completed on 3 Aug 21. (4) 18% undiluted, 16.6% on a fully diluted basis if all warrants and ESOPs are exercised. If planned merger with Bridgetown 2 and listing on the NYSE completes (currently expected to occur in Q2 or Q3 FY22), the capital raising conducted as part of the business combination is expected to see REA hold an undiluted 15.8% stake in the listed entity (14.9% fully diluted). Assumes no SPAC shareholders elect to have their SPAC shares redeemed for cash as permitted. (5) Acquisition closed on 1 Jul 21.

Elara delivers audience and market share growth despite ongoing COVID impacts



Strong audience & market share growth

92% YoY increase in Housing.com site visits¹, outperforming competitors²

Launch of Housing Edge

10+ features enabling the digitisation of multiple owner and tenant services including:

- Rent payments
- Rental agreements
- Tenant verification
- Home loan options

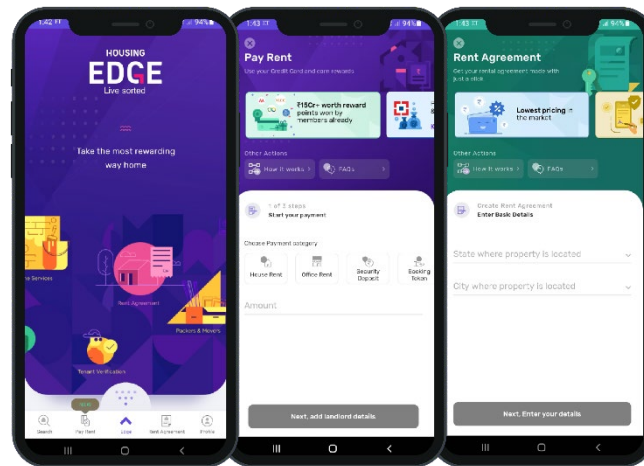
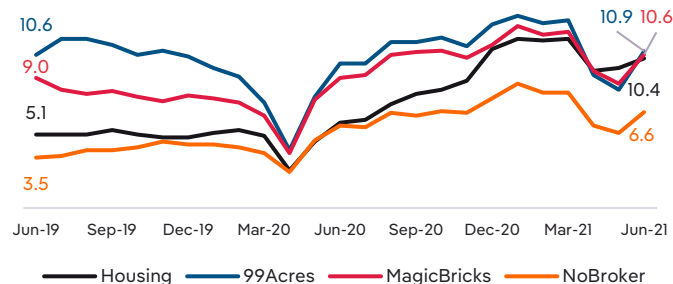
Exceptional app usage uptake

242% YoY increase in monthly app users³, driving more leads in more ways

Catering to new audiences

6 new local language search experiences launched on Housing.com, providing a more native consumer experience and reaching more of India's population

Site visits ('m)



(1) Similarweb, average site visits Jul 20 – Jun 21 vs. Jul 19 – Jun 20. (2) Similarweb, Jun 21 visits vs. nearest competitors compared to Jun 20 visits vs. nearest competitors. (3) Internal data, Jun 21 vs. Jun 20.

Financial services – strong broker performance and new digital experiences launched

Growth in leads

realestate.com.au is a powerful source of home finance leads, increasing **+46% YoY¹**

Loan tracker launched

Gaining strong traction providing personalised alerts on better repayment options

Comparison feature launched

Loan tracker now linking through to home loan comparison details

Record recruitment

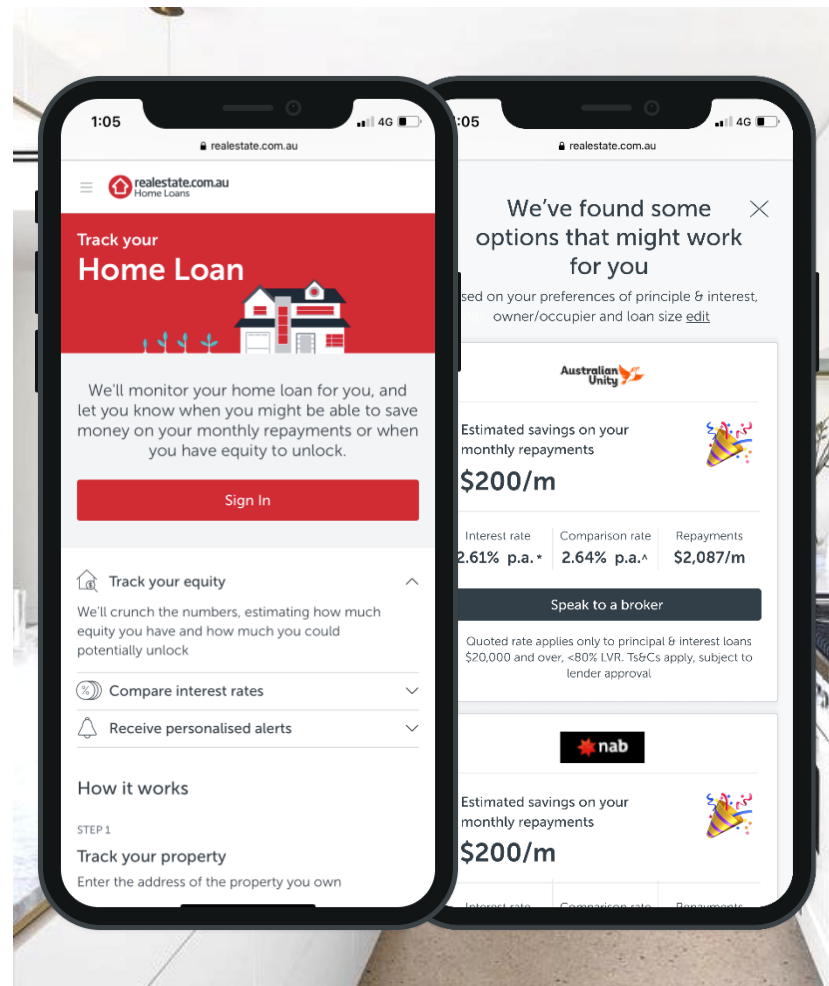
Industry leading value proposition driving strong **+26% YoY** increase in recruitment¹

Record submissions

Strength of broker-customer relationships supporting **+31% YoY** submissions growth¹

Record settlements

+23% YoY increase supported by productivity improvements and buoyant housing market¹



(1) REA internal data for FY21 compared to FY20. Does not include Mortgage Choice.

M&A activity builds on strong foundations and accelerates financial services strategy



Enhancing REA's exposure to the \$400+ billion annual home loan market¹

- Combined Mortgage Choice and Smartline business creates:
 - #2 retail mortgage broking leadership position²
 - 945 brokers and 40+ lenders³
 - \$20.0b settlements⁴ and \$84.8bn loan book³
 - 5% market share⁵

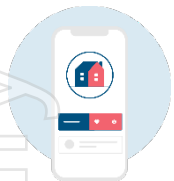


Will enable seamless transmission of digital mortgage applications

- Partnership will provide a step-change in consumer loan selection and digital application experience
- Digital products will help deliver broker productivity improvements
- Deep integrations with 30 lenders & 12k+ brokers



Creating a next generation financial services marketplace

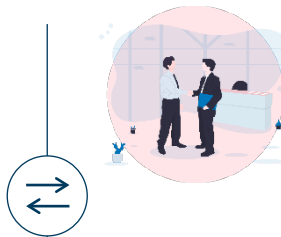


Digital Experience

 realestate.com.au  simpology

Engage audience and nurture leads through best-in-class digital model: audience reach and experience driving lead generation

- Educate, nurture and engage our audience with tools, content and calculators
- Enrich our leads and optimise allocation
- Leverage FinTech to drive digital and broker innovation



Broker Experience

 Mortgage Choice  smartline

Scaled market-leading broker model with the best local brokers: trusted brand, service and relationships driving conversion

- Achieve scale and coverage of expert brokers
- Further digital enablement of brokers
- Drive conversion through lead triage support model

Audience

Access to buyers and owners at scale



Rate

Competitive market rate for retail brokers



Choice

Range of brands and products



Ease

Easy digital application and assessment



Service

Great service, seamless transition between digital and local broker

PropertyGuru transaction creates most compelling proptech group in Southeast Asia

PropertyGuru #1 player in four of five key SEA markets¹

SEA one of the fastest growing regions globally², predicted to be 4th largest economy by 2030²

SEA Internet users to reach ~400 million in 2020, 70% of total population³

Provides REA with 18% shareholding⁴ in larger, more diversified company

Creates new opportunities and access to deeper pool of expertise, technology and investment

Combined businesses uniquely positioned to accelerate next wave of proptech innovation across SEA

Singapore

#1



Vietnam

#1



Malaysia

#1



Thailand

#1



Indonesia

#2



(1) ASEAN Key Figures, 2020. Relative engagement market share based on SimilarWeb data. (2) Singapore Business Review, ASEAN to become world's fourth largest economy for 2030: Singapore PM Lee, August 2018. (3) Google, Temasek & Bain & Co. eConomy SEA 2020 Report. (4) Undiluted, 16.6% on a fully diluted basis if all warrants and ESOPs are exercised. If planned merger with Bridgetown 2 and listing on the NYSE completes (currently expected to occur in Q2 or Q3 FY22), the capital raising conducted as part of the business combination is expected to see REA hold an undiluted 15.8% stake in the listed entity (14.9% on a fully diluted basis). Assumes no SPAC shareholders elect to have their SPAC shares redeemed for cash as permitted.

REA well positioned to drive future growth

Consumer & Audience

Australia's largest audience with a significant base of active members

Customer Value

Assist customers to win more business by generating the largest number and highest quality leads

Data and Insights

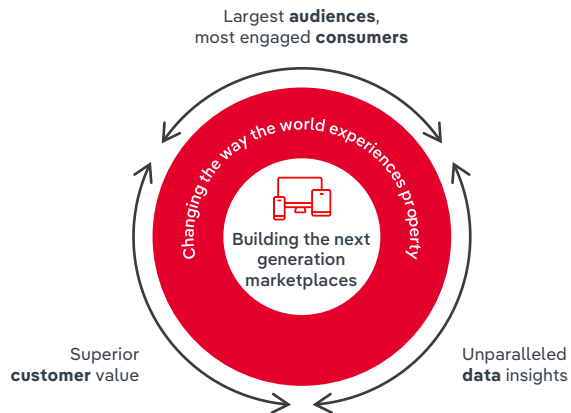
Drive ongoing adoption of scalable data and valuation products with market leading accuracy

Next Generation Marketplaces

Ambition to originate 1 in 10 mortgages in Australia
Innovative new experiences for buyers, sellers and renters

Elara

Become the undisputed #1 real estate portal in India



Supporting a sustainable future

Creating positive change through responsible business practices



Environment & community

Strong progress made on ESG initiatives

Achieved Climate Active Carbon Neutrality and an improved MSCI rating

Tackling social issues

Renewal of partnerships with The Big Issue, Orange Sky and Launch Housing focused on the issue of homelessness



Workplace culture

Named Australia's 4th Best Workplace by Great Place to Work

Overall employee engagement increased to 84%

90% of REA employees enjoy new hybrid work approach

Team members believe REA has created an effective hybrid way of working



Gender diversity

5 out of 9 on Executive team are female

Gender parity across extended leadership group and wider employee base

31% of tech roles held by women

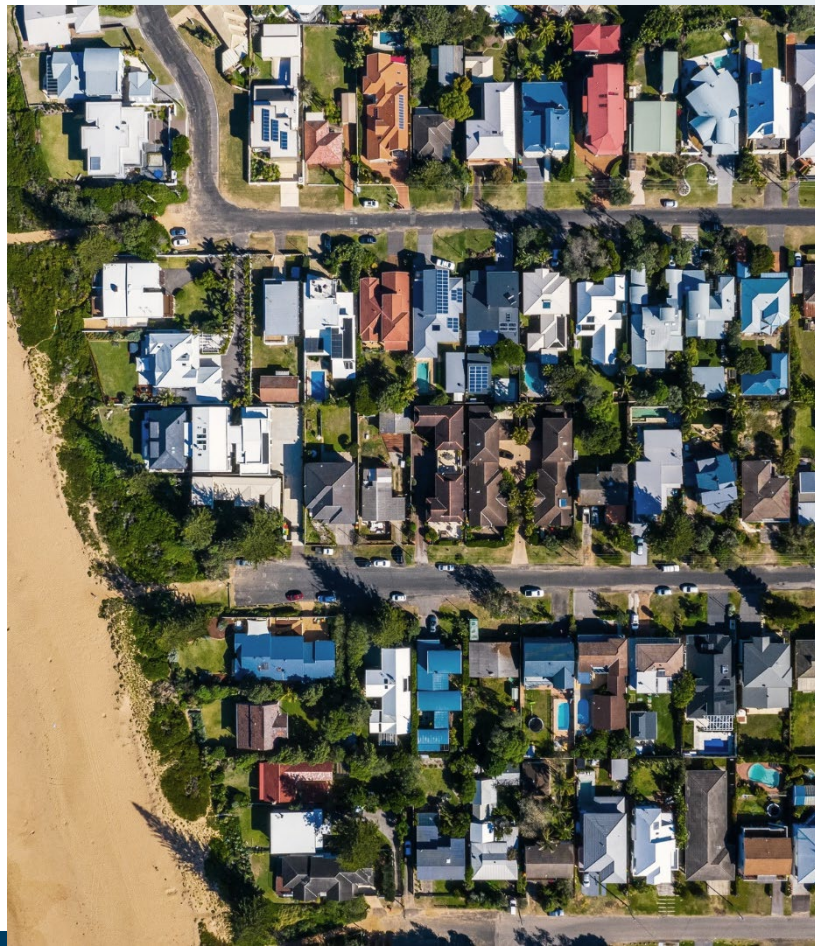
Women in Tech program offering unique opportunities; moving the dial on gender diversity ratio



Financial Results Update



Janelle Hopkins
Chief Financial Officer



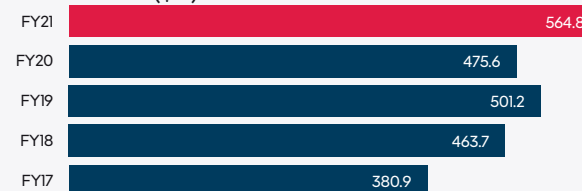
Financial operating results

Performance (\$m)	FY 2021 ex acquisitions	FY 2021 acquisitions	FY 2021 Total Core	FY 2020 Total Core	Growth %	Growth ex acquisitions %
Revenue¹						
Australia	846.3	-	846.3	746.7	13%	13%
Financial Services	24.0	-	24.0	25.7	(7%)	(7%)
Asia	40.2	-	40.2	47.9	(16%)	(16%)
Elara	-	17.3	17.3	-	n/m	n/m
Group revenue	910.5	17.3	927.8	820.3	13%	11%
Group operating expenses²	(336.8)	(35.4)	(372.2)	(328.2)	13%	3%
EBITDA before associates²						
Australia	580.0	-	580.0	495.5	17%	17%
Financial Services	6.4	-	6.4	10.0	(36%)	(36%)
Asia	10.1	-	10.1	8.9	14%	14%
Elara	-	(18.0)	(18.0)	-	n/m	n/m
Corporate	(22.9)	-	(22.9)	(22.4)	2%	2%
Group EBITDA before associates²	573.7	(18.0)	555.6	492.1	13%	17%
<i>EBITDA margin before associates</i>	<i>63%</i>		<i>60%</i>	<i>60%</i>		
Associates ²	11.6	(2.4)	9.1	(16.5)	>100%	>100%
Group EBITDA^{2, 3}	585.3	(20.4)	564.8	475.6	19%	21%
<i>EBITDA margin</i>	<i>64%</i>		<i>61%</i>	<i>58%</i>		
Net profit²	342.0	(24.0)	318.0	268.9	18%	24%
Earnings Per Share (cents) ²	259.1	(11.7)	247.4	204.1	21%	24%
Dividend Per Share (cents)			131.0	110.0	19%	

Revenue (\$m)¹



EBITDA (\$m)^{2, 3}



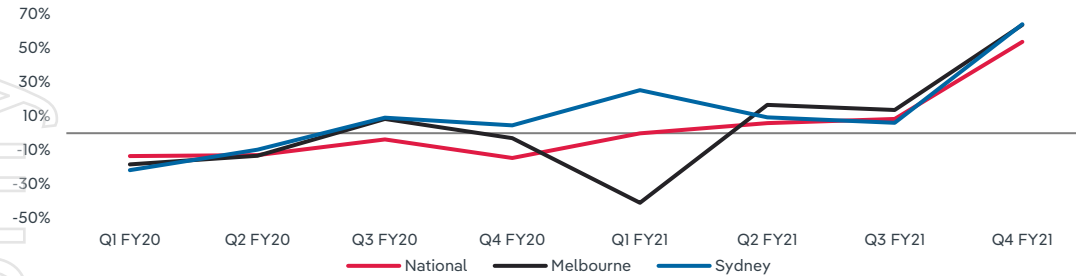
EPS (cents)²



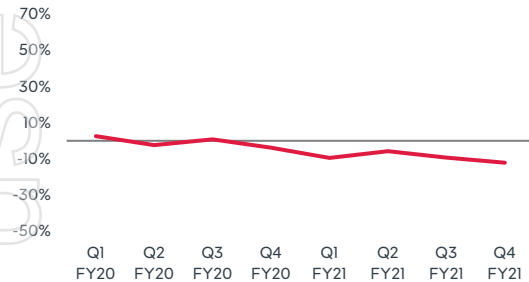
(1) Revenue – refer to glossary for definition. (2) Financial results from core operations – refer to glossary for definition. (3) EBITDA – refer to glossary for definition.

Australian market update

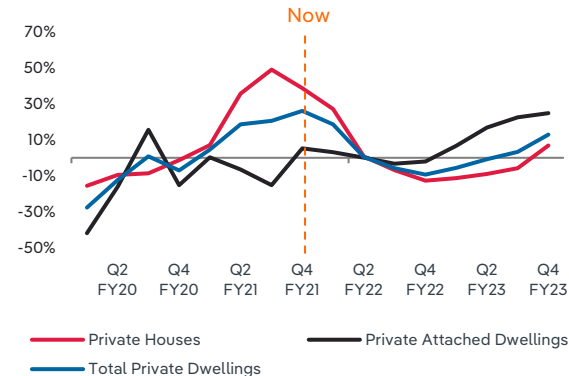
Residential buy listings YoY



Residential rent listings YoY



Dwelling Commencement YoY¹



(1) BIS Oxford Building Industry Prospects data: dwelling commencements quarterly forecast at Jun 21.

Residential Buy listings

- Q1 FY21 Australian residential listings negatively impacted by Melbourne COVID lockdowns, however recovered strongly over the remainder of the year.
- National listings in FY21 increased 15% YoY, with Melbourne up 11% and Sydney up 25%.

Residential Rent listings

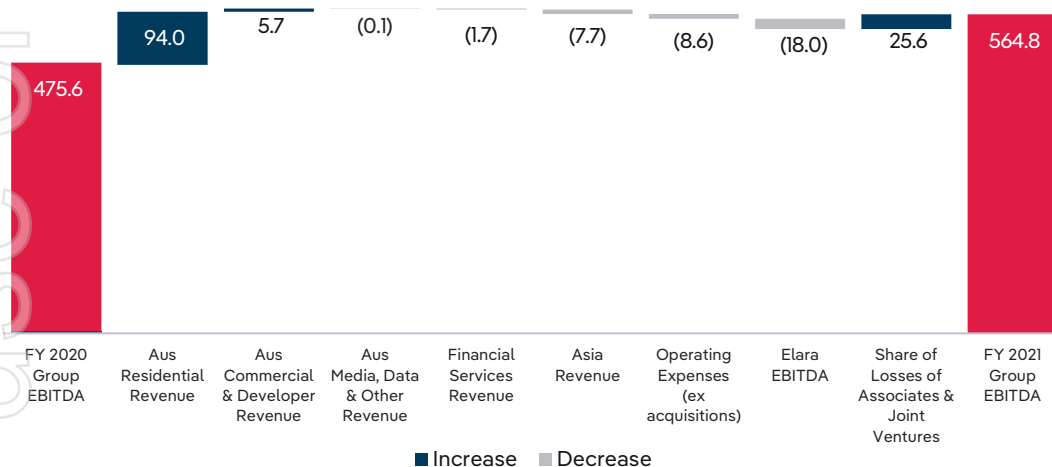
- Rent listings down 9% in FY21, impacted by lack of migration, absence of international students and moratoriums on tenant evictions.

Developments

- 17% increase in project launches in FY21, driven in part by Government stimulus.
- BIS Oxford has upgraded its FY22 forecast for new dwelling commencements from -7% to 0%¹.

Strong 19% EBITDA growth driven by Residential performance

Group EBITDA (\$m)^{1, 2}



Residential revenue +18%

- Higher national listings.
- Improved depth and Premiere penetration.
- Continued growth in add-on products.

Commercial and Developer revenue +5%

- 17% increase in new project commencements
- Increase in project profile duration and subscriptions.
- Partially offset by decline in Commercial revenue due to negative impact of COVID.

Media, Data & Other revenues flat

- Growth in Data and Media revenues.
- Offset by a reduction in Other revenue.

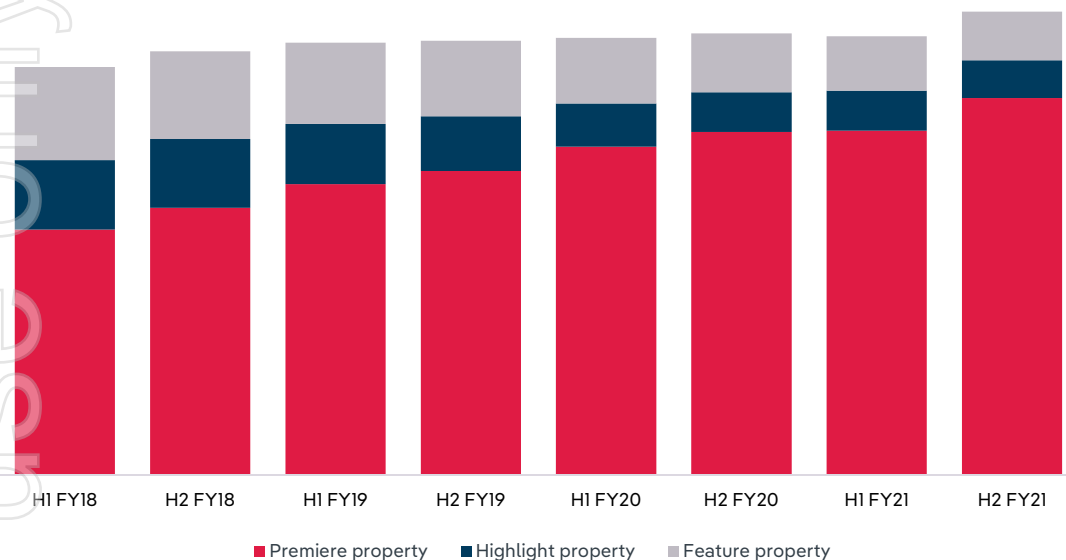
Financial Services operating revenue +9%

- Higher settlements, increased broker recruitment and improved productivity.
- More than offset by YoY decline in partnership revenue given current NAB agreement performance payments reached maturity in September 2020.

(1) Financial results from core operations – refer to glossary for definition. (2) EBITDA – refer to glossary for definition.

Strong Premiere penetration

Residential Buy Listing Penetration (depth)



* Penetration is based on listings being on site for minimum 3 days.

Record Residential Buy listing depth penetration

- Record number of customers are committed to our depth products, with customers upgrading to higher tier products.
- The highest yielding listing product Premiere continues to outperform, with a sizeable increase in penetration demonstrating the superior returns to agents and vendors.
- Penetration growth experienced across all major states with strong performance particularly in the second half.

Rollout of new Residential depth contract

- Q4 FY21 focus was on recontracting customers onto the new depth offering.
- Continue to target an increase in Premiere penetration.

International: strong Move performance, Asia COVID impact

Asia

Revenue ¹	EBITDA ^{1, 2}
\$40.2m	\$10.1m
(16%)	+14%

Elara

Revenue	EBITDA ²
\$17.3m	(\$18.0m)
n/m	n/m

Move

Share of gain²
\$15.9m
From \$7.2m loss

Elara

Share of loss³
\$2.4m
n/m

99.co

Share of loss
\$2.9m
n/m

Move – an excellent year

- Strong turnaround from \$7.2m associate loss in FY20 to \$15.9m profit in FY21.
- Revenue increased 36% driven by continued strength in the referral model and traditional lead gen product⁴.

Elara – consolidated from 1 Jan 2021

- Revenue of \$17.3m and core EBITDA loss of \$18.0m in FY21 in line with expectations.
- Local currency revenue growth of 23% despite challenging COVID environment.

Asia – negatively impacted by COVID

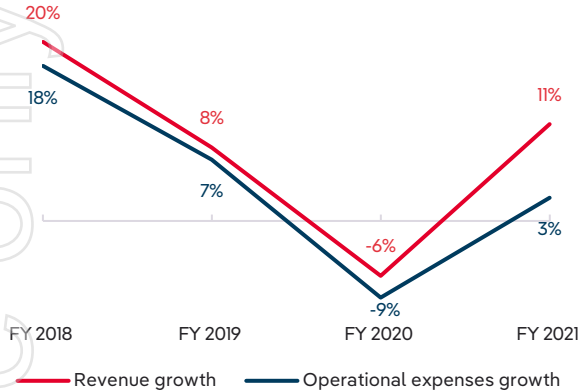
- Revenue impacted by renewed COVID lockdowns, event cancellations and one-off COVID-related reduction in syndicated MyFun listings in H1 FY21.
- Asia EBITDA positively impacted by strong focus on right-sizing cost base.
- Malaysia and Thailand businesses generated revenue of \$15m in FY21 and an EBITDA loss of \$8m.

(1) Prior year number includes contribution from Singapore and Indonesia. (2) Financial results from core operations – refer to glossary for definition.

(3) Elara was equity accounted prior to REA obtaining a controlling shareholding. (4) NewsCorp's Form 10-K stated in US Dollars for the twelve-month period ended 30 June 2021.

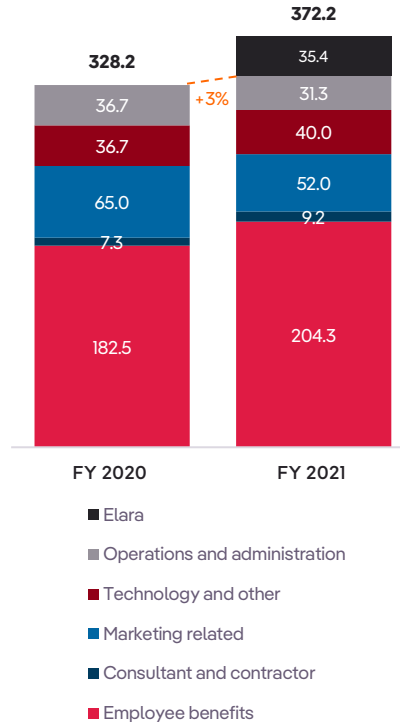
Positive operating jaws

Group Operating Results Growth¹
(ex acquisitions)



Including Elara, FY21 revenue growth was 13% and operating cost growth was 13%

Operational Expenses¹

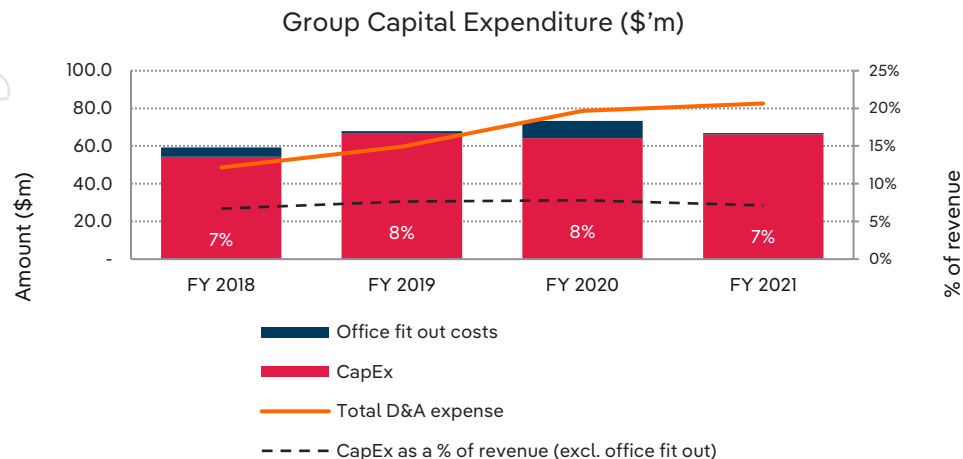


FY21 operating jaws (ex acquisitions) remain open

- Revenue increased 11% and operating costs up 3%, excluding the impact of Elara.
- Cost growth driven largely by a 12% increase in employee benefits - increased incentives linked to strong financial results, higher headcount and remuneration increase.
- Technology and other costs also increased, up 9% due to higher revenue-related variable costs.
- This growth is partially offset by a 20% reduction in marketing related spend.

(1) Financial results from core operations – refer to glossary for definition.

Continued investment in Capital Expenditure



REA Group (\$'m)	FY 2021 Actual	FY 2022 Forecast
Core depreciation & amortisation (ex acquisitions) ¹	69	65-68
Depreciation of leases (ex acquisitions) ¹	10	8-9
Elara core D&A	1	3-4
Mortgage Choice core D&A and depreciation of leases	-	4-5
Elara and Mortgage Choice amortisation of acquired intangibles	2	9-10
Total	83	90-96

(1) Includes reduction in FY22 D&A for divestment of Malaysia and Thailand businesses.

Investment strategy

- The Group continues to invest to support growth over medium to long-term.
- Investment focus is on consumer experience, new product delivery and supporting technology.
- Initiatives delayed as a result of difficult market conditions and COVID have ramped up, commencing in H2 FY21.

Core depreciation & amortisation

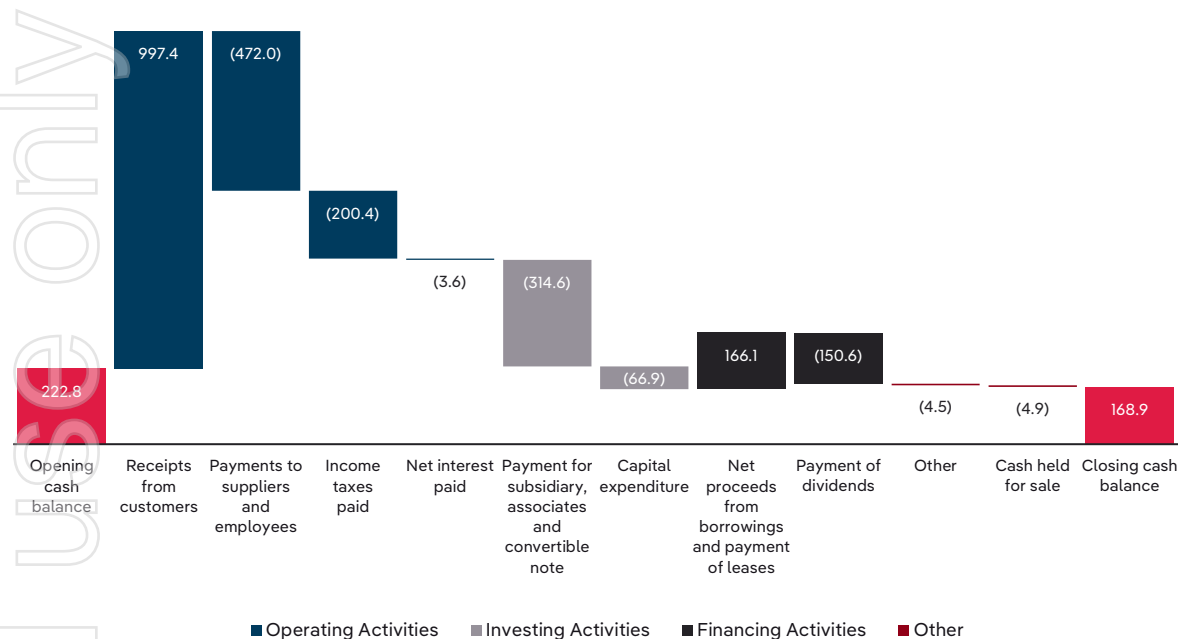
- The sale of Malaysia and Thailand businesses is expected to reduce FY22 D&A by \$6-7m.

Elara & Mortgage Choice acquired intangibles

- Valuation of acquired Elara assets finalised in H2 FY21.
- Valuation of acquired Mortgage Choice assets will be finalised within 12 months of the acquisition date.

Strong cash position

Group cash flow (\$m)¹



(1) Jun 21 cash balance of \$168.9m excludes \$4.9m of cash held for sale.

Strong operating cash flows

- Operating cash flows of \$321m, with free cash flow (ex acquisitions) of \$286m.
- Higher YoY income tax payments following temporary deferral of FY20 instalments as a result of COVID.

Investment in innovation and acquisitions

- Strategic investments of \$315m, net of cash acquired. Investments in subsidiaries include Mortgage Choice (\$227m) and Elara (\$41m), with \$46m invested in associates (incl convertible note).

Strong liquidity position enabling borrowings

- Net borrowings proceeds and leases payments of \$166m relate to \$413m draw down of NAB bridge facility, offset by \$240m repayment of previous facilities and \$7m of lease payments.
- \$520m bridge facility matures in July 2022 and is expected to be replaced with new syndicated facility in Q1 FY22.
- Final FY21 dividend payment of 72.0c per share, resulting in a 131c per share full year dividend, up 19% YoY.

Current trading

- COVID continues to cause market volatility globally and has the potential to impact the Group's FY22 performance.
- Despite COVID related volatility, market dynamics remain strong, with strong levels of buyer enquiry underpinned by low interest rates and healthy bank liquidity.
- The Australian Residential business will benefit from price increases, which came into effect from 1 July 2021.
- Listings volumes in July decreased 3% YoY, with Melbourne up 3% and Sydney listings down 22%.
- Continued investment in Elara throughout FY22 to drive further audience and revenue growth.
- Positive full year operating jaws are targeted (excluding the impact of consolidating Elara), while increasing the level of investment to deliver our strategic initiatives.
- The FY22 Group results will include the consolidation of Mortgage Choice and Elara, and the divestment of the Malaysia and Thailand operations. Equity accounted investments will reflect recent acquisitions and the divestment of 99 Group, which will be replaced by the investment in PropertyGuru.



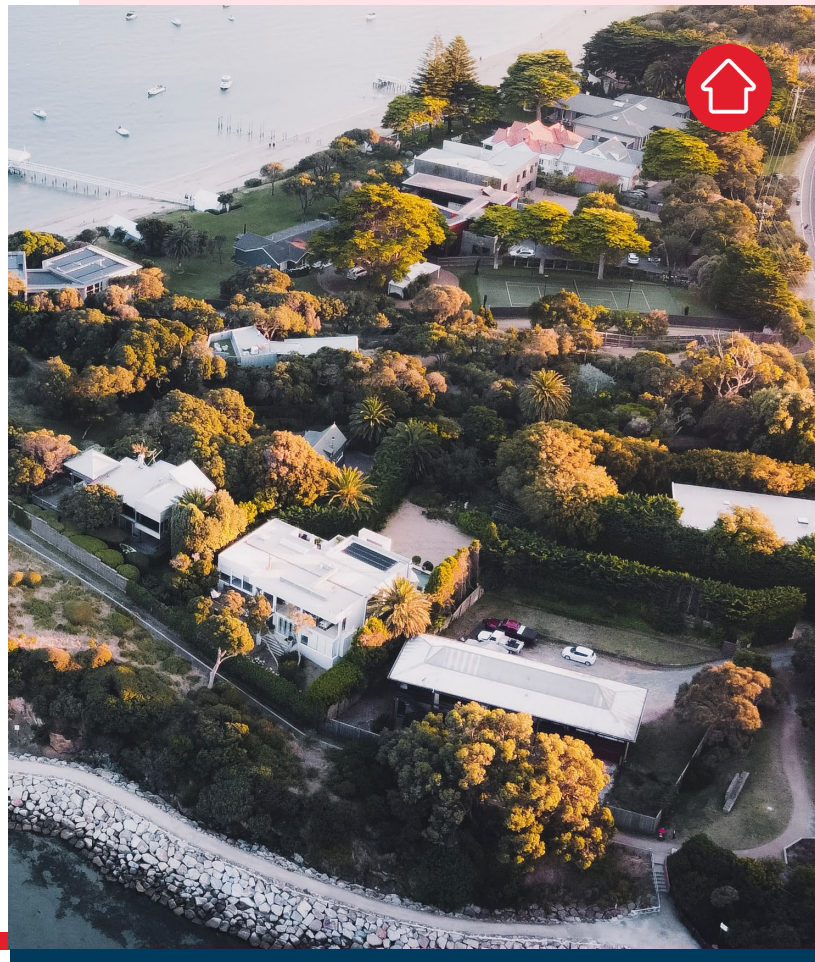
Q&A



Owen Wilson
Chief Executive Officer



Janelle Hopkins
Chief Financial Officer



Supplementary Information

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Core vs. reported net profit reconciliation

Reconciliation to Financial Statements (\$m)	FY 2021	FY 2020	Growth %
Net profit from core operations	318.0	268.9	18%
Restructure costs ¹	(0.6)	(5.7)	89%
Net gain/(loss) on acquisitions and disposals and transaction costs ¹	1.7	(2.0)	>100%
Integration costs ¹	(3.8)	-	n/m
Impairment charges	-	(148.6)	n/m
Historic tax provision ¹	(2.3)	-	n/m
Reported net profit	313.0	112.6	>100%

(1) Net of tax.

Transaction costs

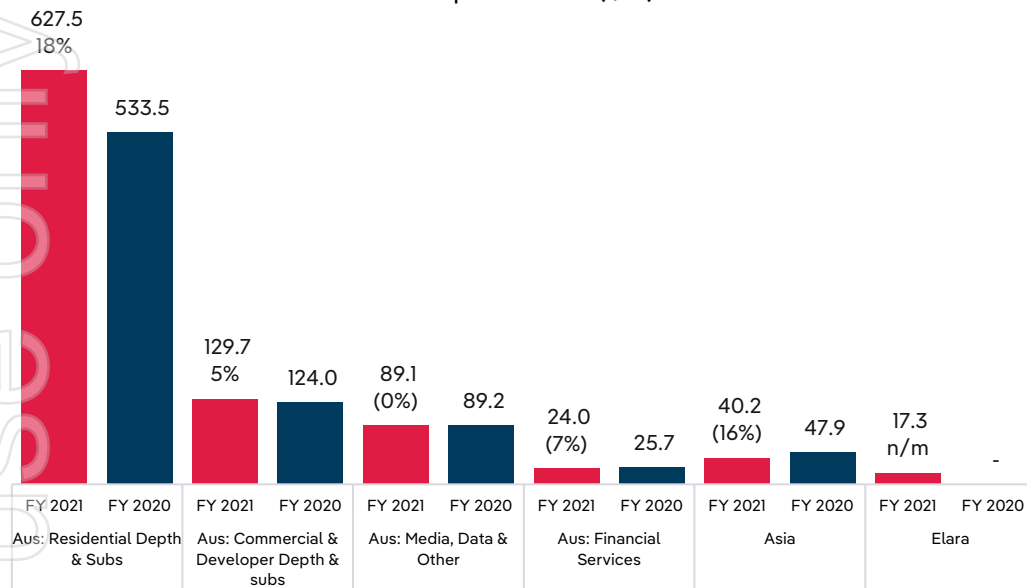
- Transaction costs incurred in the current period relate to the Group's acquisition of Elara and Mortgage Choice and divestment of Malaysia and Thailand businesses.
- Gain on acquisition relates to the gain recognised on the step acquisition of Elara in H1 FY21. Gain on disposal relates to divestment by associate.
- Transaction costs incurred in the prior comparative period relate to the Group's disposal of its investment in iProperty Singapore and Indonesia and its investment in 99 Group.

Integration costs

- Integration costs relate to the Elara integration.

Strong performance in volatile market conditions

Group Revenue¹ (\$m)



(1) Revenue – refer to glossary for definition.

Revenue category ¹ (\$m)	FY 2021	FY 2020	Growth
Australia			
Depth revenue	702.8	606.7	16%
Subscription revenue	54.4	50.8	7%
Media, Data & Other	89.1	89.2	(0%)
Financial Services	24.0	25.7	(7%)
Australian revenue	870.3	772.4	13%
Asia	40.2	47.9	(16%)
Elara	17.3	-	n/m
Total revenue	927.8	820.3	13%

Financial Services: FY21 pro forma



FY 2021	Existing REA Financial Services	Mortgage Choice ²	Combined ³ REA Financial Services
Revenue ¹	\$24.0m	\$43.6m	\$67.6m
Opex	\$17.6m	\$25.2m	\$42.8m
EBITDA ⁴	\$6.4m	\$18.4m	\$24.9m
Brokers	420	525	945
Settlements	\$7.1b	\$12.9b	\$20.0b
Loan Book	\$30.2b	\$54.6b	\$84.8b

Proforma earnings including Mortgage Choice

- While Mortgage Choice earnings will be consolidated from 1 July 2021, we have provided pro forma earnings assuming the business was owned for all of FY21.
- On a pro forma IFRS basis, Financial Services would have delivered revenue of \$67.6m and EBITDA of \$24.9m.
- The combined businesses would have ended FY21 with 945 brokers, delivering \$20.0b of settlements and a loan book of \$84.8b on a pro forma basis.

(1) Revenue – refer to glossary for definition. (2) Excludes financial planning (FinChoice) and non-core/one-off costs primarily relating to the REA transaction. (3) Assumes REA had owned Mortgage Choice for all of FY21. (4) EBITDA – refer to glossary for definition.

Balance sheet

Balance Sheet (\$m)	30 Jun 2021 ex Mortgage Choice	30 Jun 2021 Mortgage Choice ¹	30 Jun 2021 Total Group	30 Jun 2020 Total Group	Growth %
ASSETS					
Current assets					
Cash and cash equivalents ²	167.9	1.0	168.9	222.8	(24%)
Trade and other receivables	145.2	2.7	147.9	99.4	49%
Contract assets	-	-	-	5.6	(100%)
Commission contract assets	46.8	101.8	148.7	45.4	>100%
Assets of disposal group held for sale	221.6	-	221.6	-	n/m
Total current assets	581.6	105.5	687.0	373.1	84%
Non-current assets					
Property, plant and equipment	86.6	2.8	89.4	101.6	(12%)
Intangible assets	659.1	177.4	836.4	650.4	29%
Deferred tax assets	13.9	-	13.9	11.1	25%
Other non-current assets	1.6	3.4	5.0	1.6	>100%
Investment in associates and joint ventures	309.2	-	309.2	304.9	1%
Commission contract assets	148.0	283.4	431.3	147.9	>100%
Total non-current assets	1,218.3	467.0	1,685.3	1,217.4	38%
Total assets	1,799.9	572.4	2,372.3	1,590.5	49%
LIABILITIES					
Current liabilities					
Trade and other payables	85.3	10.4	95.7	78.5	22%
Current tax liabilities	15.9	(0.8)	15.1	58.6	(74%)
Provisions	12.5	1.3	13.8	7.9	75%
Contract liabilities	75.1	0.7	75.8	60.8	25%
Interest bearing loans and borrowings	7.6	1.2	8.8	76.5	(88%)
Commission liabilities	37.5	76.4	113.9	35.6	>100%
Liabilities of disposal group held for sale	28.5	-	28.5	-	n/m
Total current liabilities	262.4	89.2	351.6	317.8	11%
Non-current liabilities					
Contract liabilities	-	-	-	0.7	(100%)
Other non-current payables	5.9	1.7	7.6	-	n/m
Deferred tax liabilities	27.7	27.4	55.1	36.3	52%
Provisions	6.4	0.7	7.0	4.6	53%
Interest bearing loans and borrowings	485.3	1.5	486.8	250.7	94%
Commission liabilities	116.8	208.2	325.0	115.9	>100%
Total non-current liabilities	642.1	239.4	881.5	408.3	>100%
Total liabilities	904.4	328.7	1,233.1	726.0	70%
Net assets	895.5	243.7	1,139.2	864.5	32%
Net debt³	245.5	(1.0)	244.5	16.4	>100%

(1) Includes intangible assets recognised on consolidation. (2) Jun 21 cash balance of \$168.9m excludes \$4.9m of cash held for sale.

(3) Net debt – refer to glossary for definition.

Mortgage Choice acquisition

- Net identifiable assets acquired of \$140m, with remaining goodwill of \$104m attributable to Mortgage Choice's strong position in its market and the expected growth of that market. Net commission assets totalled \$101m at 30 June 2021.

Net assets held for sale

- \$193m of net assets held for sale relating to Malaysia and Thailand businesses and investment in 99.co.

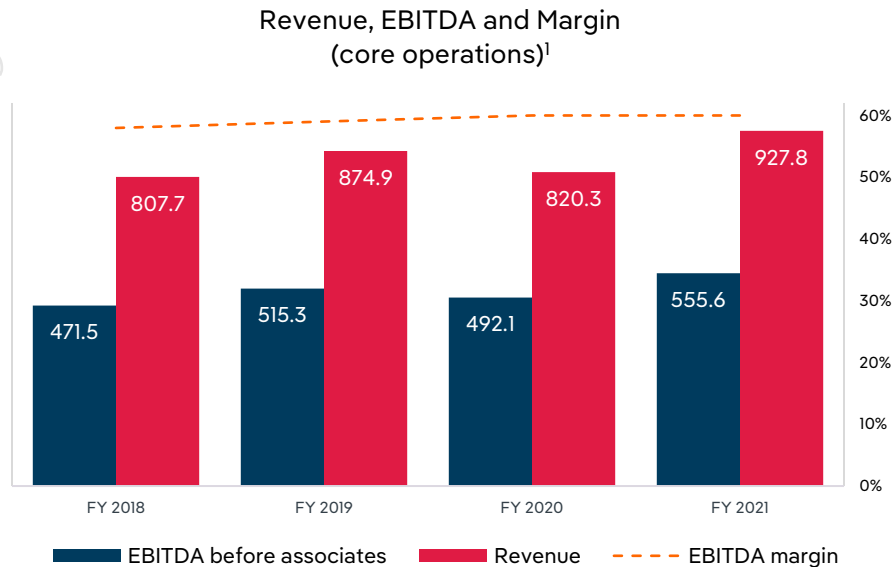
Interest bearing loans and borrowings

- Increase in borrowings to fund acquisition of Mortgage Choice via drawdown on \$520m NAB bridge facility, which matures in July 2022.

Current tax liabilities

- Higher YoY income tax payments following temporary deferral of FY20 instalments as a result of COVID.

Historical Revenue and Operating EBITDA



Revenue and cost growth

- FY21 revenue growth was 13% and core operating cost growth was 13%.
- Excluding the impact of Elara consolidation, FY21 revenue growth was 11% and operating cost growth was 3%.

Margin

- Operating EBITDA margin before associates has remained consistent at 60%.
- Excluding the impact of Elara, the EBITDA margin in FY21 improved to 63%.

(1) Financial results from core operations – refer to glossary for definition.

Financial comparatives

Group results	Core Operations ¹										Financial Statements
	FY 2017		FY 2018		FY 2019		FY 2020		FY 2021		FY 2021
	\$m	Growth	\$m	Growth	\$m	Growth	\$m	Growth	\$m	Growth	\$m
Total revenue ²	671.2	16%	807.7	20%	874.9	8%	820.3	(6%)	927.8	13%	927.8
Total operating income	671.2	16%	807.7	20%	874.9	8%	820.3	(6%)	927.8	13%	927.8
Operating expenses	(285.8)	20%	(336.2)	18%	(359.5)	7%	(328.2)	(9%)	(372.2)	13%	(384.8)
Share of gains/(losses) of associates & joint ventures	(4.4)	(68%)	(7.8)	76%	(14.1)	82%	(16.5)	17%	9.1	>100%	12.6
EBITDA	380.9	16%	463.7	22%	501.2	8%	475.6	(5%)	564.8	19%	555.6
<i>EBITDA margin</i>	<i>57%</i>		<i>57%</i>		<i>57%</i>		<i>58%</i>		<i>61%</i>		
Depreciation & amortisation	(37.8)	28%	(48.7)	29%	(59.6)	22%	(78.6)	32%	(82.6)	5%	(82.6)
Earnings before interest and tax	343.1	15%	415.0	21%	441.6	6%	397.0	(10%)	482.1	21%	473.0
Net finance income/(expense)	(10.8)	>100%	(8.1)	(25%)	(6.5)	(19%)	(5.6)	(14%)	(4.7)	(16%)	(4.7)
Earnings before tax	332.3	13%	406.9	22%	435.1	7%	391.4	(10%)	477.5	22%	468.4
Income tax expense	(104.0)	16%	(127.0)	22%	(139.7)	10%	(122.5)	(12%)	(159.5)	30%	(155.4)
Net profit	228.3	12%	279.9	23%	295.5	6%	268.9	(9%)	318.0	18%	313.0
Dividends per share (DPS) (cents)	91.0	12%	109.0	20%	118.0	8%	110.0	(7%)	131.0	19%	131.0
Earnings per share (EPS) (cents)	173.3	12%	212.5	23%	224.3	6%	204.1	(9%)	247.4	21%	244.6

(1) Financial results from core operations – refer to glossary for definition. (2) Revenue – refer to glossary for definition.

Cash flow reconciliation

Cash flow reconciliation (\$'m)	FY 2021	FY 2020	Growth
EBITDA ⁽¹⁾	564.8	475.6	19%
Working capital movement	(94.6)	33.6	(<100%)
Net interest paid	(3.6)	(4.3)	15%
Income taxes paid	(200.4)	(98.2)	(<100%)
Capital expenditure	(66.9)	(73.4)	9%
Acquisition-related movement	65.7	1.0	>100%
Other	(11.3)	12.0	(<100%)
Free cash flow	253.7	346.3	(27%)
Payment for acquisition of subsidiary, net of cash acquired	(267.4)	(16.5)	(<100%)
Purchase of subsidiary shares from non-controlling interest	(1.4)	-	n/m
Payment for investment in associates and joint ventures	(34.0)	(11.3)	(<100%)
Proceeds from borrowings	413.4	169.1	>100%
Repayment of borrowings and leases	(247.2)	(246.1)	-
Dividends paid	(150.6)	(156.2)	4%
Purchase of convertible note	(11.8)	-	n/m
Other	(3.8)	(0.4)	(<100%)
Net cash (outflow)/inflow⁽²⁾	(49.1)	84.9	(<100%)

Free cash flow

- Working capital movement due to higher gross revenue partially offset by increased operating costs, as well as consolidation of Mortgage Choice and Elara working capital balances.
- Increased tax payments following temporary deferral of FY20 instalments as a result of COVID.
- FY21 Group effective tax rate was 33.2%. This is expected to be largely consistent in FY22.
- Acquisition-related movement for consolidation of Mortgage Choice and Elara.

Investments

- Payment for acquisition of Mortgage Choice (\$227m) and Elara (\$41m), net of cash acquired.
- Investment in Realtair (\$8m), Campaign Agent (\$11m) and Simpology (\$15m) associates.
- Purchase of convertible note from 99 Group for \$12m.

Borrowings and leases

- \$413m draw down of bridge facility to fund Mortgage Choice acquisition, following repayment of \$240m of previous debt facilities. Also includes \$7m of lease payments.

(1) Financial results from core operations – refer to glossary for definition. (2) Excludes \$4.9m of cash classified as held for sale at 30 Jun 21.

Glossary

EBITDA

Earnings before Interest, Tax, Depreciation and Amortisation including share of associates and joint ventures.

Financial results from core operations

Reported results adjusted for significant non-recurring items such as restructure costs, gain/loss on acquisitions and disposals, related transaction costs, integration costs, and historic tax provision (historic indirect tax provision reflects potential retrospective changes to interpretation of tax law).

In the prior year, this included items such as restructure costs, revaluation of contingent consideration, gain/loss on acquisitions, disposals and divestments, and impairment charges.

Net debt

Calculated as the carrying value of borrowings less cash and cash equivalents.

Revenue

Revenue is defined as revenue from property and online advertising and revenue from Financial Services less expenses from franchisee commissions.

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