



Cass O'Connor, Chair
Cameron Judson, CEO

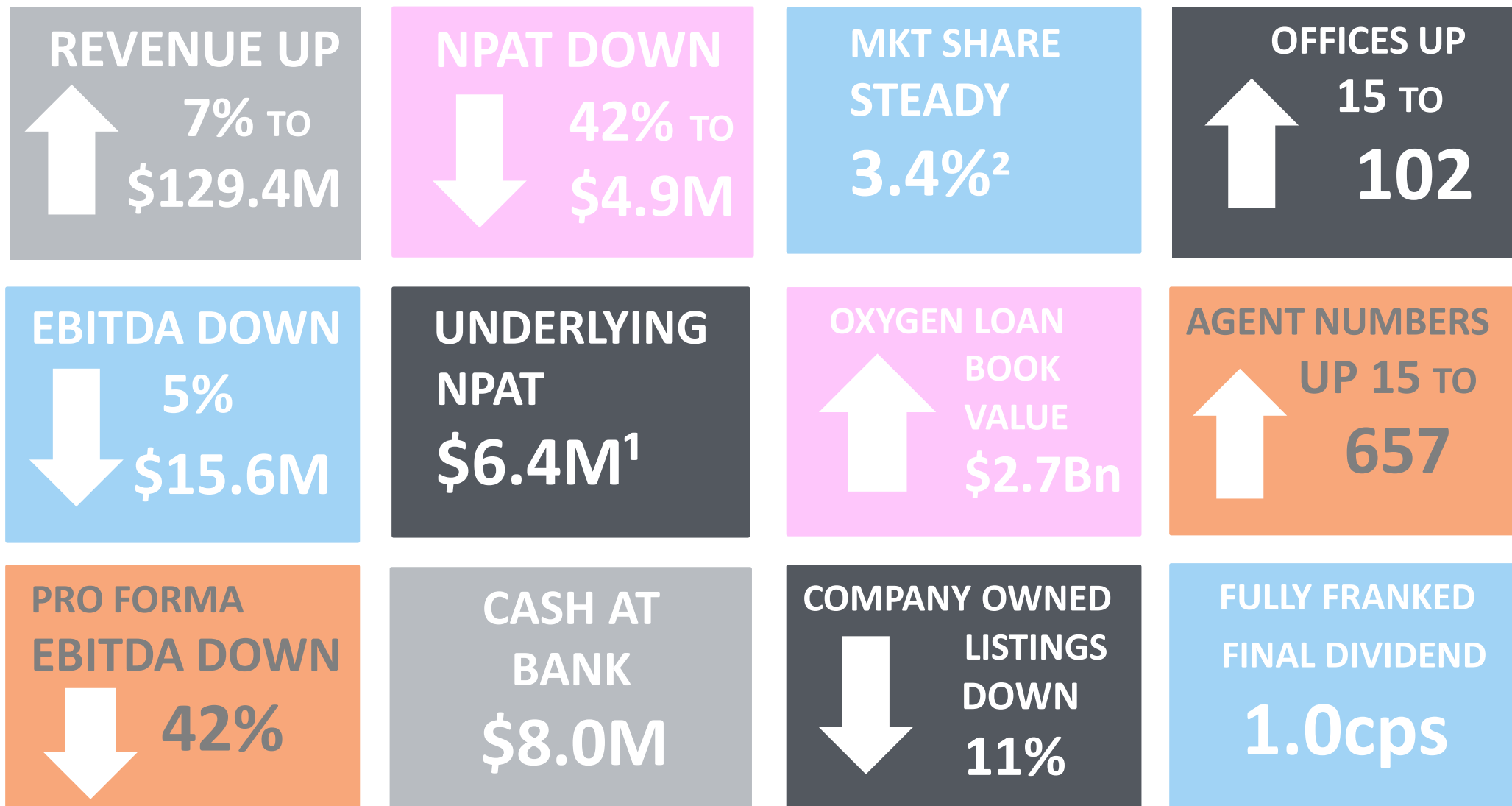
McGrath

McGrath Limited 2017 Annual General Meeting

Wednesday 22 November 2017

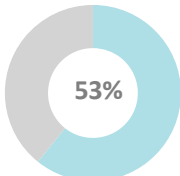
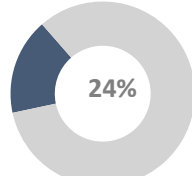
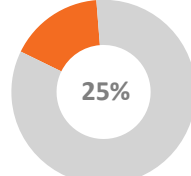
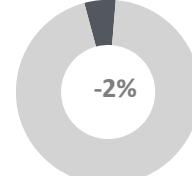
191 New South Head Rd, Edgecliff NSW

FY17 – A SNAPSHOT



Note: Financial performance above compares FY17 statutory results vs FY16 statutory results unless indicated. 1. Underlying NPAT excludes impairment of software costs of \$2.2m (\$1.5m after tax) 2. McGrath Management estimates based on published sales data where an agent was recorded in that data. Total market size by value derived from CoreLogic data, 12 months to 30 June 2017.

BUSINESS OVERVIEW BY SEGMENT

	Company owned		Franchise Services	Other ³
	Sales	Property Management		
FY17 EBITDA Contribution / Margin	 <p>53%</p> <p>18% margin</p>	 <p>24%</p> <p>35% margin</p>	 <p>25%</p> <p>63% margin</p>	 <p>-2%</p> <p>-3% margin</p>
Overview¹	<ul style="list-style-type: none"> • 28 offices • 222 agents • 4,504 property sales • \$6.4 billion value of property sales • Generates revenue by charging the vendors of residential property a commission for successfully selling a property 	<ul style="list-style-type: none"> • 65 property managers • 7,463 properties under management (leased) • Churn rate of ~23.5%² • Generates revenue through management and leasing fees 	<ul style="list-style-type: none"> • 74 offices • 435 agents • 8,337 property sales • \$7.5 billion value of property sales • 24,738 properties under management • Franchise fees are largely consistent across the network 	<ul style="list-style-type: none"> • 36 brokers settled 1,635 mortgages for a value of \$915 million • ~\$2.7 billion of loans under management • Mortgage broking generates up front and trailing revenue from each loan • McGrath Training organises and operates a number of industry leading residential real estate conferences in Australia • 51 exclusive auctioneers

Note: 1. Data as at 30 June 2017 unless otherwise stated. 2. Churn rate is defined as the total number of properties lost as a percentage of total properties managed each year and does not account for the addition of new properties. 3. Incorporates the mortgage broking, auctioneering and training businesses.

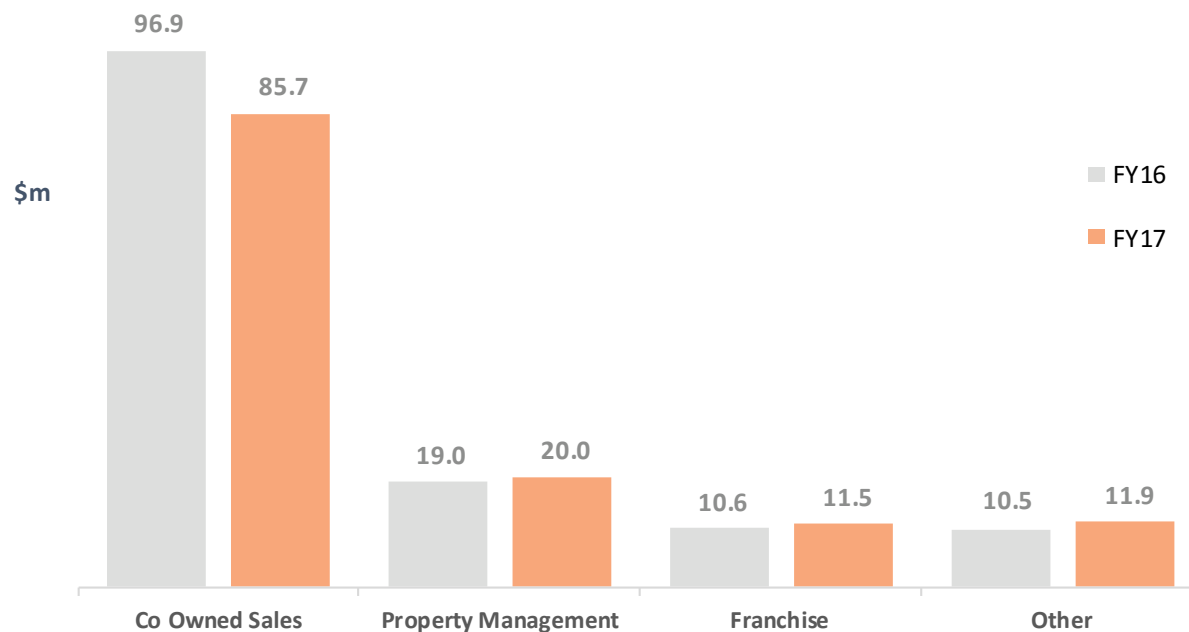
CHALLENGING OPERATING ENVIRONMENT

Statutory \$m	FY17	FY16	% Change
Revenue	129.4	121.0	7%
EBITDA	15.6	16.4	(5%)
NPAT	4.9	8.4	(42%)
Final dividend per share (cps)	1.0	3.5	
Cash	8.0	12.5	(36%)
Net assets	98.7	96.3	2%
Operating cash flow	12.4	7.4	66%

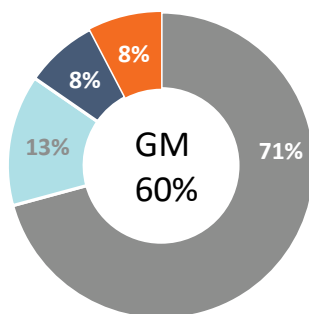
Pro Forma \$m	FY17	FY16	% Change
Revenue	129.0	137.0	(6%)
EBITDA	15.3	26.2	(42%)

- Revenue
 - Full year contribution from Smollen Acquisition
- EBITDA
 - Listing volumes
 - McGrath Future costs
- NPAT
 - Increased amortisation
 - Impairment of software asset
- Cash conversion 82%
- Pro forma revenues
 - Sales segment down \$11m
 - Franchise up / PM up
- Pro forma EBITDA
 - Sales segment contribution down to \$15.5m

PRO FORMA REVENUE BY SEGMENT

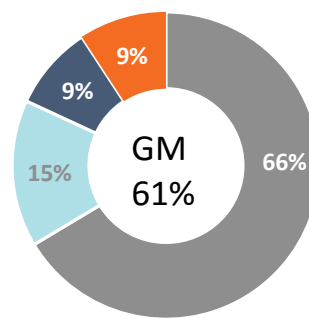


- Co Owned Sales
 - Listings down 11%
 - Lower agent numbers
- Property Management
 - Increase in PUMs
- Franchise
 - Franchise Fees up 13%
 - 7 grant fee signings
 - 12 additional offices
- Gross Margin
 - Improved to 61%



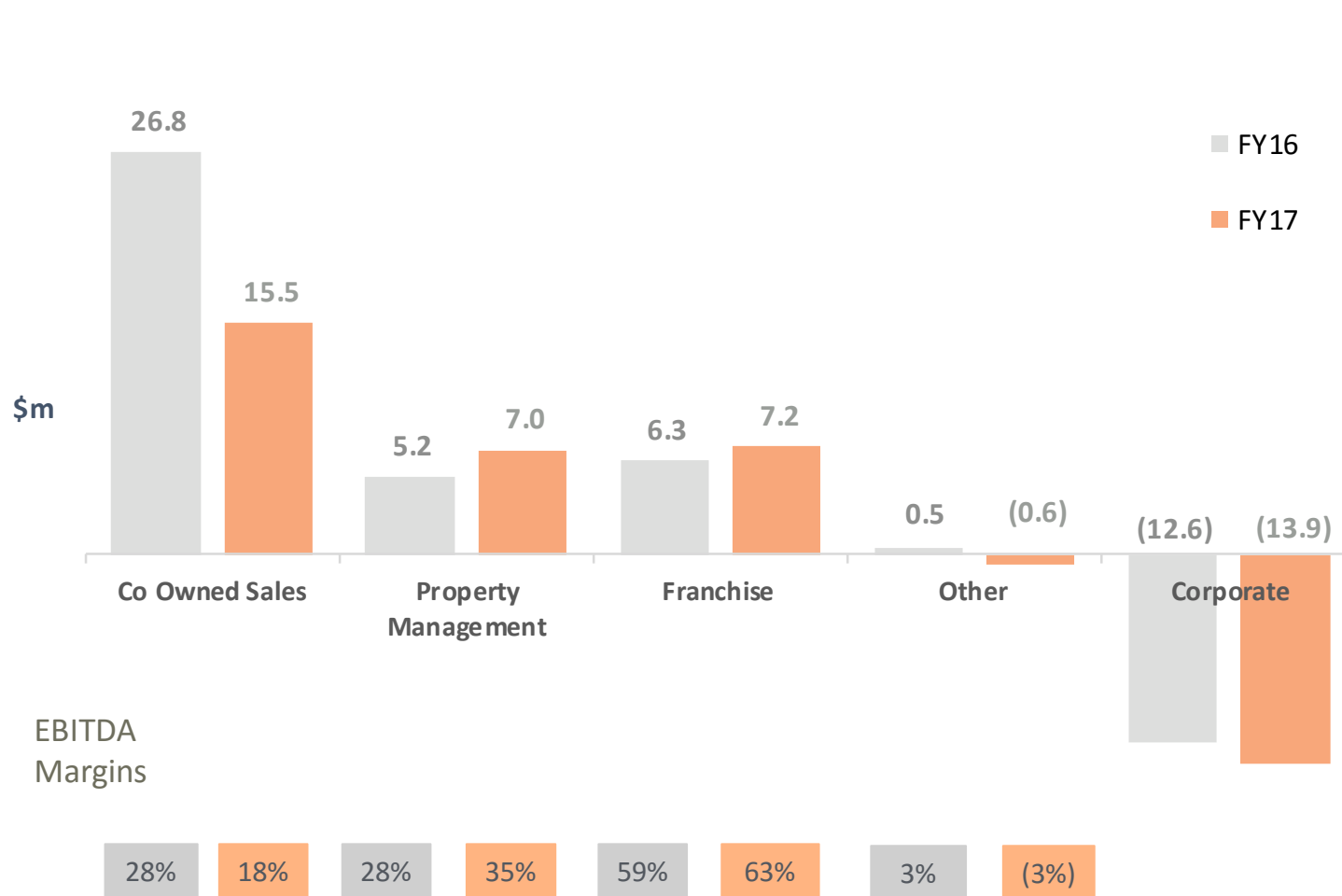
FY16 Revenue Mix

- Co Owned Sales
- Property Management
- Franchise
- Other



FY17 Revenue Mix

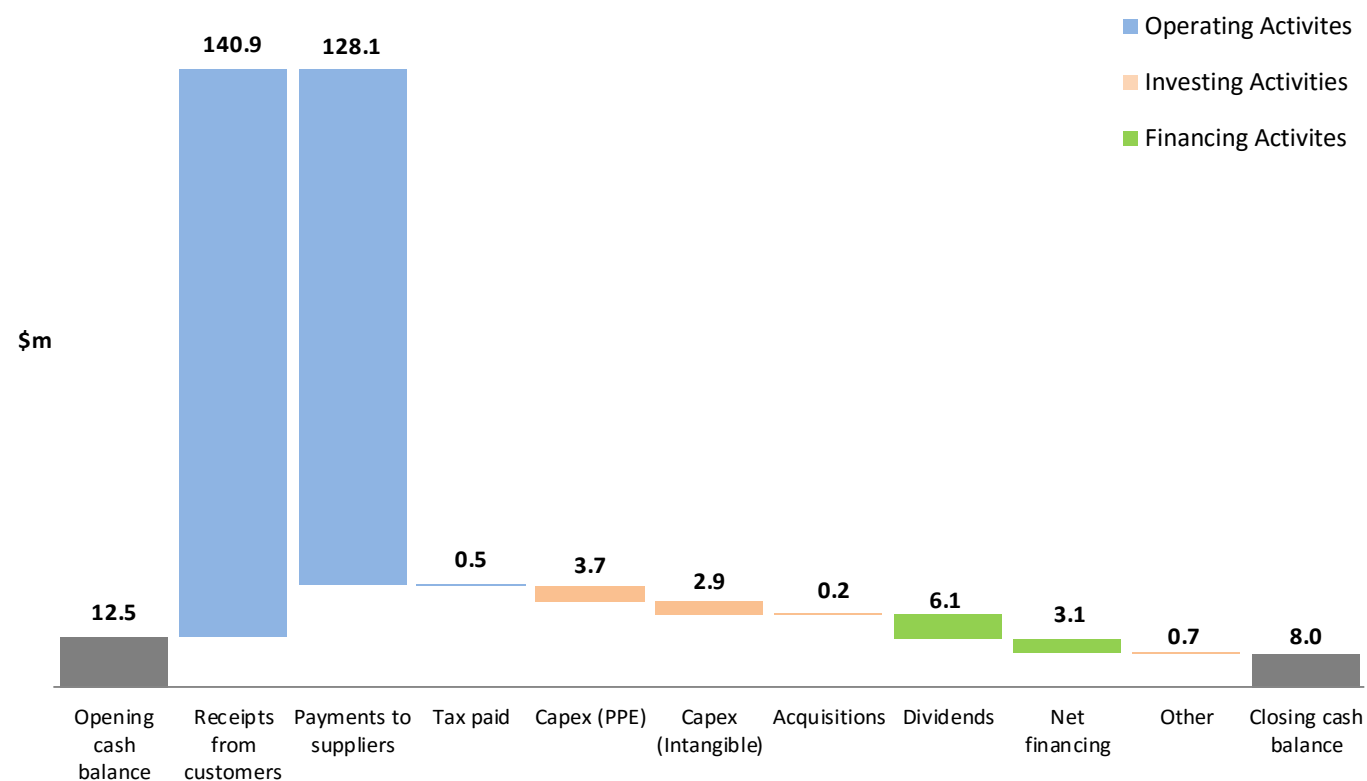
PRO FORMA EBITDA BY SEGMENT



- Co Owned Sales
 - Listings down 11%
 - Investment in Sales leadership
 - McGrath Future costs
- Property Management
 - Growth in PUMs
 - Improving EBITDA margin
 - Focus on productivity and efficiency
- Franchise
 - Growing network of offices
 - Improving EBITDA margin
- Other
 - IT infrastructure costs for entire Network
- Corporate
 - IT infrastructure costs for Co Owned

CASH FLOW

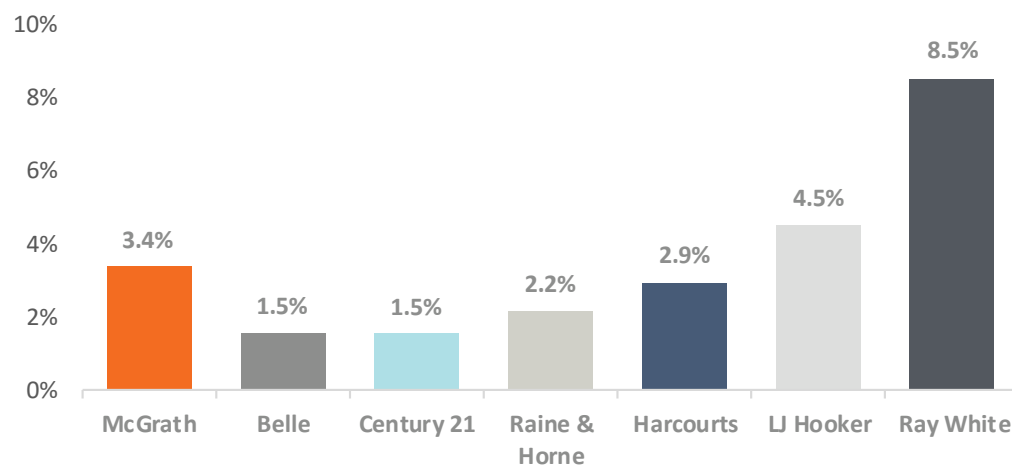
1 July 2016 to 30 June 2017



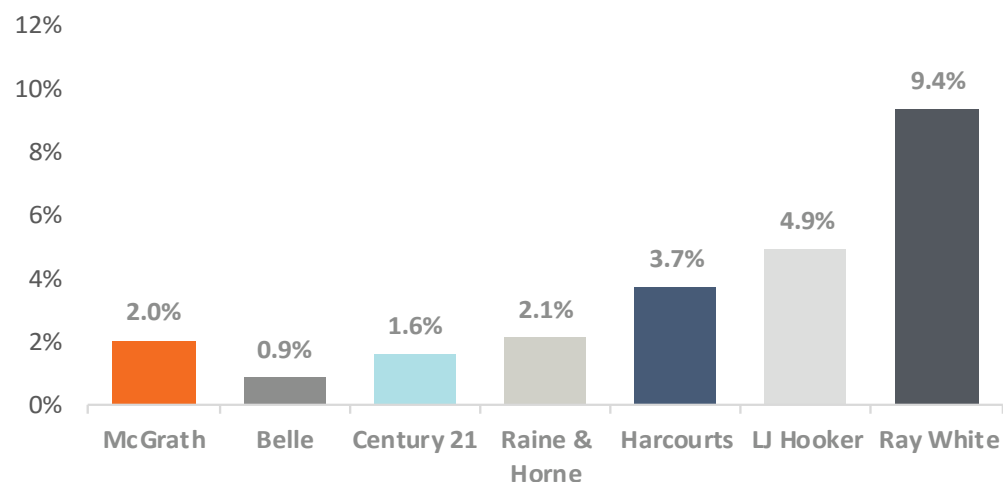
- Dividend Payment
- Deferred consideration payment made to Smollen Group
- Capital expenditure on new offices, relocations and refurbishment
- IT software spend
 - MAP
 - Website
- IT program spend
 - Infrastructure refresh
- Cash conversion 82%

McGRATH MARKET SHARE IS CONSTANT

Market share by sales value¹



Market share by sales volume¹



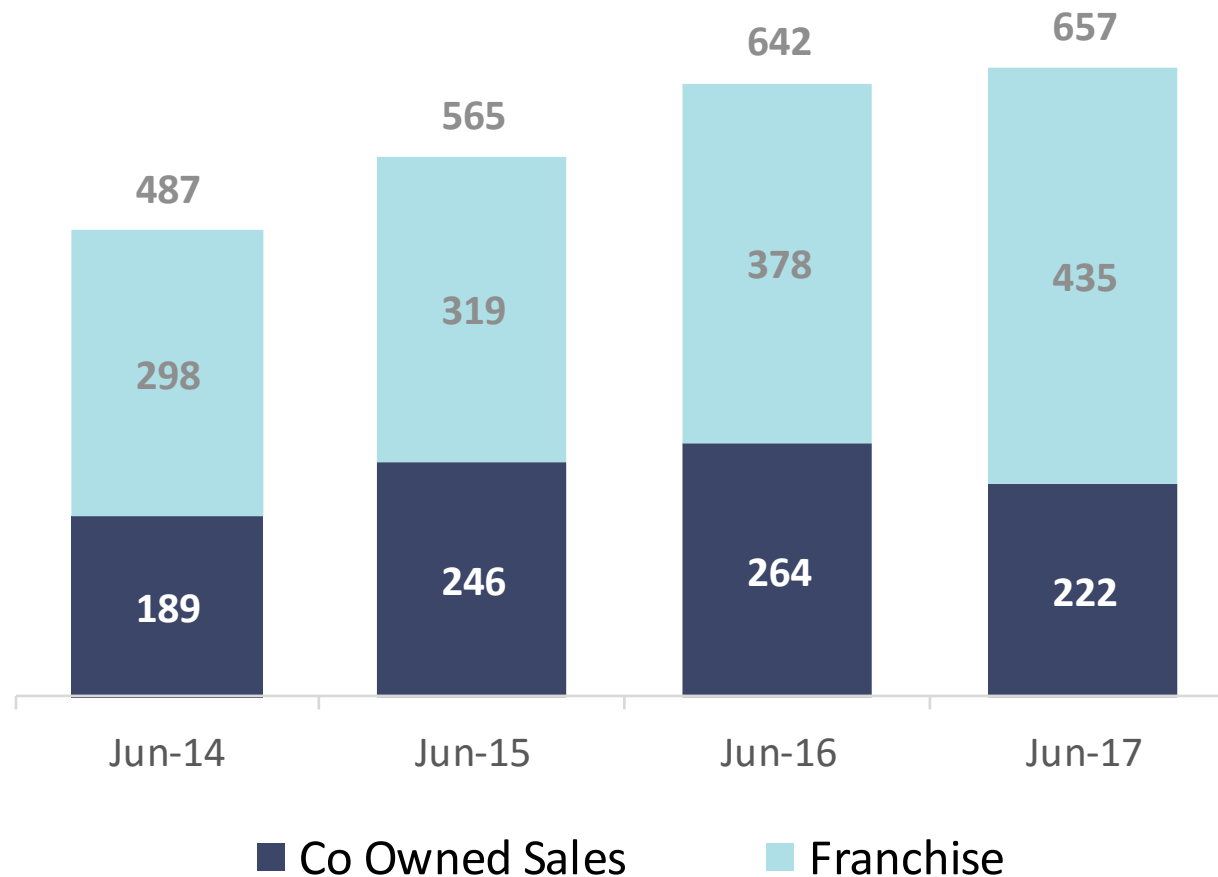
- Market share by sales value constant at 3.4%
- 19 of top 100 agents work for McGrath²

Market share by sales value³

Addressable Markets	12 mths to Jun17	12 mths to Jun16
NSW	6.7%	7.1%
QLD	2.1%	1.7%
ACT	5.3%	4.3%
VIC	0.6%	0.1%
National	3.4%	3.3%

1. McGrath management estimates based on published sales data where an agent was recorded in that data. Total market size derived from CoreLogic data, 12 months to 30 June 2017. 2. Real Estate Business: Top 100 Ranking April 2017. 3. Prior period comparative CoreLogic data, for 12 months to 30 June 2016 re-run.

ATTRACT AND RETAIN AGENTS

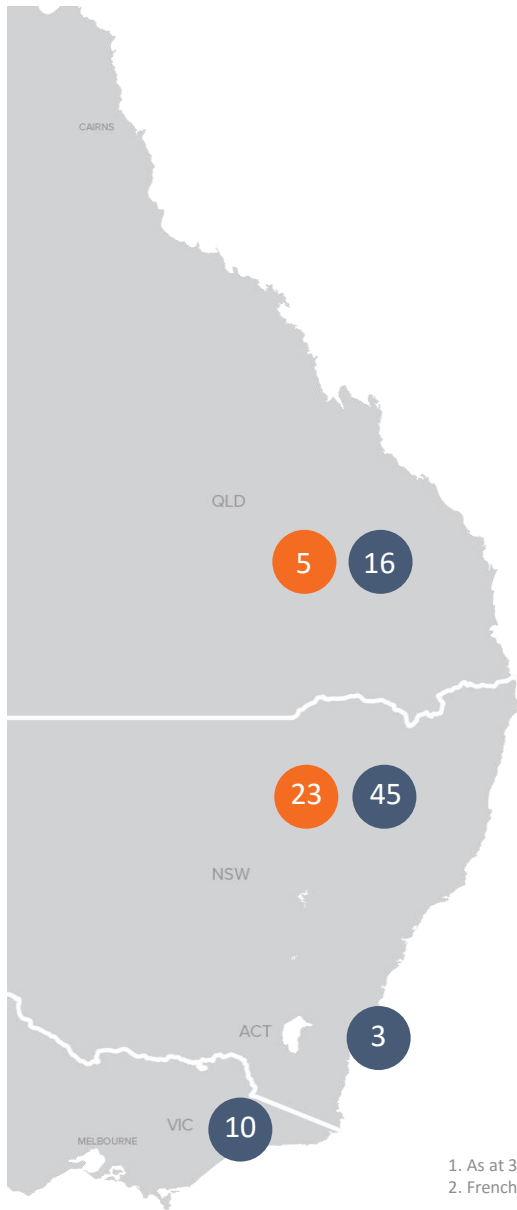


- Continued focus on
 - Talent identification
 - Develop and retain high performing and emerging agents
- McGrath Future
 - high performance bonus commission
 - agent recruitment trail commission
 - property management partnership
- 19 of top 100 agents work for McGrath¹
- Average 15 training days training provided each month

1. Real Estate Business: Top 100 Ranking April 2017.

ROLL OUT NEW OFFICES

102 McGrath offices¹



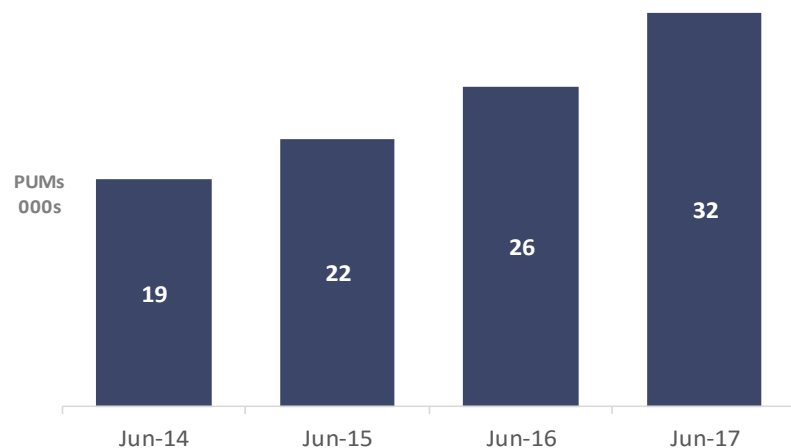
1. As at 30 June 2017.

2. Frenchs Forest, a Franchise office transferred to Forestville, a Company Owned office on July 1, 2017

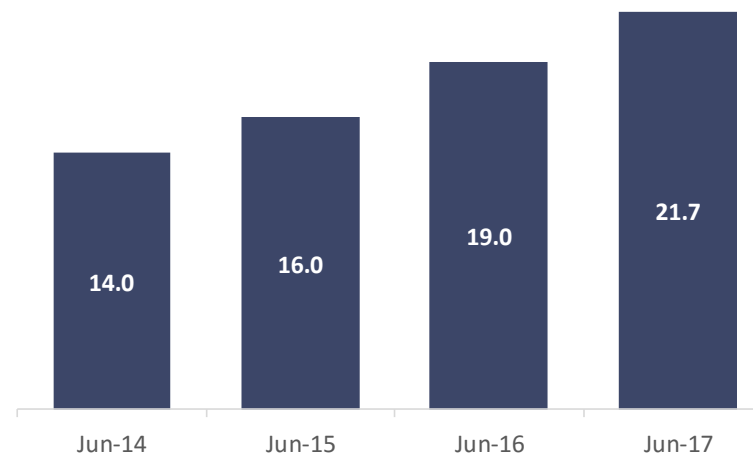
- 15 additional offices
- Company Owned Sales
 - Forestville, NSW²
 - Wahroonga, NSW
 - Blacktown, NSW
- Franchise
 - Northcote, VIC
 - Hunter Valley, NSW
 - Shellharbour, NSW
 - Sandringham, VIC
 - New Lambton, NSW
 - Blackburn, VIC
 - Box Hill, VIC
 - Geelong, VIC
 - Yarraville, VIC
 - San Souci, NSW
 - Berowra, NSW
 - Toukley, NSW
 - Bayside Cleveland, QLD
 - Central Tablelands, NSW
- Closed - Ascot, QLD (Franchise)
- Transfer - Frenchs Forest, NSW² (Franchise)

GROWING PROPERTY MANAGEMENT AND HOME LOANS

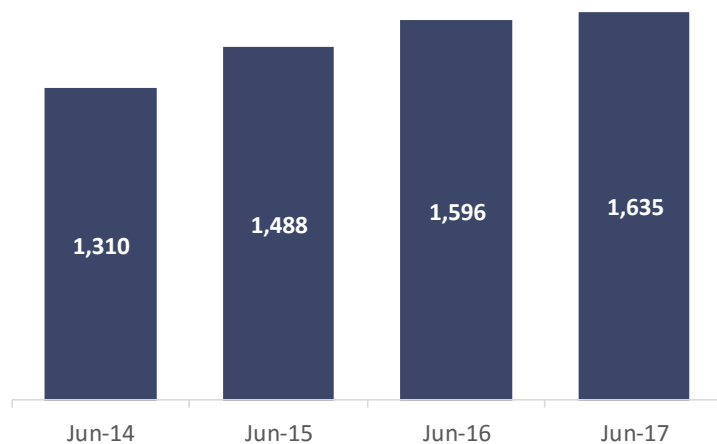
No of properties under management



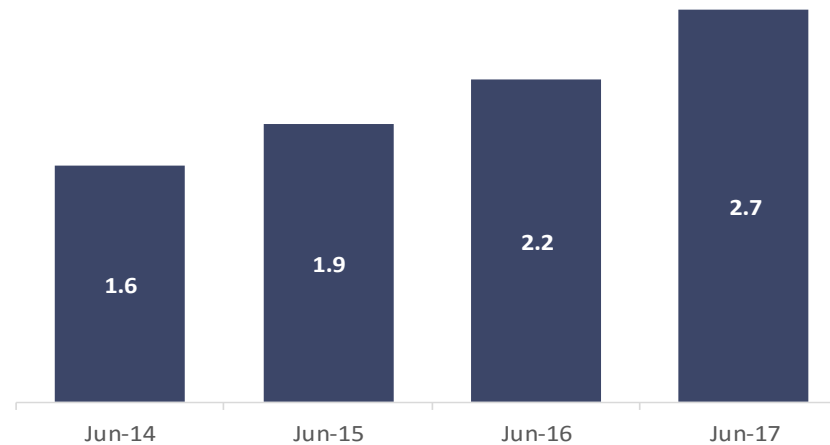
Value of PUMs (\$bn)



Oxygen Loans Settled



Oxygen Loan Book (\$bn)



TRADING UPDATE

- Having completed the first four months of trading for FY18, the Company's financial performance has fallen short of expectations at both the revenue and EBITDA levels, largely in Company Owned Sales and Project Marketing.
- The Board and Management believes it prudent to assume continued subdued market conditions for FY18.
- We have announced plans to restructure the Board, Executive and Leadership Team to remove approximately \$5 million of annualised costs from the business, incurring a restructuring cost of \$1.6 million.
- We are committed to maintaining market leading services to vendors, landlords and borrowers, whilst improving our service to our Partners and Agents
- As a Management team, for the balance of FY18, will be focussed on:
 1. Growing our annuity businesses in Property Management, Franchise and Oxygen
 2. De-risking the volatility of our earnings in Company Owned Sales and Project Marketing
 3. Improving the productivity and performance of each of our existing businesses
 4. Improving our offer to our Partners and Agents
 5. Maintaining a disciplined approach to investment in the business to build long term shareholder value

APPENDIX

PRO FORMA P&L

\$m	FY15	FY16	FY17
Total revenue	122.3	137.0	129.0
Cost of sales	(46.1)	(54.1)	(49.9)
Gross Profit	76.2	82.8	79.1
Employee benefits expenses	(29.5)	(33.9)	(36.9)
Other expenses	(19.5)	(22.7)	(26.9)
EBITDA	27.2	26.2	15.3
Depreciation and Amortisation	(4.7)	(5.8)	(7.6)
Impairment of software costs	0.0	0.0	(2.2)
EBIT	22.5	20.5	5.5
Net finance costs	0.2	0.1	0.0
Net profit before tax	22.6	20.6	5.5
Tax expense	(6.9)	(6.0)	(1.0)
NPAT	15.7	14.6	4.6

PRO FORMA SEGMENT PERFORMANCE

\$m	FY15	FY16	FY17
Revenue			
Co Owned Sales	87.1	96.9	85.7
Property management	15.6	19.0	20.0
Franchise	9.4	10.6	11.5
Other	10.2	10.5	11.9
Total Revenue	122.3	137.0	129.0
EBITDA			
Co Owned Sales	27.7	26.7	15.5
Property management	4.0	5.2	7.0
Franchise	5.8	6.3	7.2
Other	1.0	0.5	(0.6)
Corporate	(11.3)	(12.5)	(13.9)
Total EBITDA	27.2	26.2	15.3

STATUTORY P&L

\$m	FY17	FY16	% Change
Total revenue	129.4	121.0	7%
Cost of sales	(49.9)	(46.2)	8%
Gross Profit	79.5	74.7	6%
Employee benefits expenses	(36.9)	(31.0)	19%
Other expenses	(27.0)	(27.2)	(1%)
EBITDA	15.6	16.4	(5%)
Depreciation and Amortisation	(7.6)	(3.6)	111%
Impairment of software costs	(2.2)	0.0	0%
EBIT	5.8	12.8	(55%)
Net finance costs	0.0	(0.2)	(100%)
Net profit before tax	5.9	12.6	(53%)
Tax expense	(1.0)	(4.2)	(76%)
NPAT	4.9	8.4	(42%)

STATUTORY CASH FLOW

\$m	FY17	FY16
EBITDA	15.6	16.4
Change in net working capital	(3.2)	(8.5)
IPO transaction costs included in EBITDA	0.0	5.1
Acquisition transaction costs included in EBITDA	0.0	1.7
Non cash EBITDA items	0.4	(2.1)
Net cash flow from operating activities before capital expenditure, financing and tax	12.8	12.6
Capital expenditure	(6.7)	(8.1)
Net cash flow before financing and tax	6.1	4.5
Net interest received / (paid)	0.0	(0.2)
Income tax paid	(0.5)	(5.0)
Loan repayments received	0.1	2.1
Loans granted	(0.8)	(0.5)
Net proceeds of the offer	0.0	66.1
Purchase of controlled entities, net of cash acquired	(0.2)	(29.1)
Proceeds from borrowings	0.0	9.0
Repayment of borrowings	(3.1)	(15.9)
IPO and acquisition transaction costs	0.0	(10.3)
Net cash flow before dividends	1.6	20.7
Dividends and distributions paid	(6.1)	(11.1)
Net cash flow	(4.5)	9.7
Cash conversion ratio	82%	77%

- Dividend payment
- Deferred consideration payment made to the Smollen group
- Capital Expenditure on new offices, relocations and refurbishment
- IT software spend
 - MAP
 - Website
- IT program spend
 - Infrastructure refresh
- Cash conversion 82%

STATUTORY BALANCE SHEET

\$m	30-Jun-17	30-Jun-16
Total current assets	39.2	44.2
Total non-current assets	88.4	89.8
Total assets	127.6	134.0
Total current liabilities	21.8	24.1
Total non-current liabilities	7.1	13.6
Total liabilities	28.9	37.7
Total assets	98.7	96.3
Contributed equity	95.2	92.1
Share based payment reserve	0.7	0.1
Retained profits / (accumulated losses)	2.8	4.1
Total equity	98.7	96.3

- No bank debt
- Reduction of liabilities is reflective of the first deferred cash payment for the Smollen acquisition
 - Remaining payment due of \$6.1m is reflective of the remaining cash (\$3.06m) and scrip payments (\$3.06m) for the Smollen acquisition

RESOLUTIONS

RESOLUTION 1. Election of Director – Nigel Dews

To consider and, if thought fit, pass the following as an ordinary resolution of the Company:

“That Nigel Dews, who retires in accordance with clause 4.7(a) of the Company’s Constitution and being eligible for election, is elected as a Director of the Company.”

Proxy Voting – Resolution 1

	For	Open	Against
Votes	50,908,631	165,918	118,845
Holders	75	25	18
Percentage	99.44	0.32	0.23

RESOLUTION 2. Election of Director – Cath Rogers

To consider and, if thought fit, pass the following as an ordinary resolution of the Company:

“That Cath Rogers, who retires in accordance with clause 4.7(a) of the Company’s Constitution and being eligible for election, is elected as a Director of the Company.”

Proxy Voting – Resolution 2

	For	Open	Against
Votes	50,878,107	165,918	116,769
Holders	75	25	16
Percentage	99.45	0.32	0.23

RESOLUTION 3. Remuneration Report

To consider and, if thought fit, pass the following as a non-binding ordinary resolution of the Company:

“That the Company’s Remuneration Report for the financial year ended 30 June 2017, as set out in the Directors’ Report, is adopted.”

Proxy Voting – Resolution 3

	For	Open	Against
Votes	47,791,273	141,477	518,428
Holders	40	24	46
Percentage	98.64	0.29	1.07

DISCLAIMER

This presentation has been prepared by McGrath Limited (Company) together with its related bodies corporate (McGrath Group). The material contained in this presentation is intended to be general background information on the McGrath Group and its activities.

The information is supplied in summary form and is therefore not necessarily complete. It should be read in conjunction with the Company's other periodic and continuous disclosure announcements filed with the Australian Securities Exchange and in particular the Company's latest full year results. It is not intended that it be relied upon as advice to investors or potential investors, who should consider seeking independent professional advice depending upon their specific investment objectives, financial situation or particular needs. The material contained in this presentation may include information derived from publicly available sources that have not been independently verified. No representation or warranty is made as to the accuracy, completeness or reliability of the information.

All amounts are in Australian dollars unless otherwise indicated.

Unless otherwise noted, financial information in this presentation is based on A-IFRS. McGrath Group uses certain measures to manage and report on its business that are not recognised under Australia Accounting Standards or IFRS. These measures are collectively referred to in this presentation as 'non-IFRS financial measures' under Regulatory Guide 230 'Disclosing non-IFRS financial information' published by ASIC. Managements uses these non-IFRS financial measures to evaluate the performance and profitability of the overall business and the Company believes that they are useful for investors to understand the Company's financial condition and results of operations. This information is also important for comparative purposes with the use of those measures in the Company's IPO prospectus dated 12 November 2015. Unless otherwise specified those non-IFRS financial measures have not been subject to audit or review in accordance with Australian Accounting Standards.

Forward-looking statements are statements about matters that are not historical facts. Forward looking statements appear in a number of places in this presentation and include statements regarding the McGrath Group's intent, belief or current expectations with respect to business and operations, market conditions, results of operations and financial condition, including, without limitation, future loan loss provisions, financial support to certain borrowers, indicative drivers, forecasted economic indicators and performance metric outcomes.

This presentation contains words such as 'will', 'may', 'expect', 'indicative', 'intend', 'seek', 'would', 'should', 'could', 'continue', 'plan', 'probability', 'risk', 'forecast', 'likely', 'estimate', 'anticipate', 'believe', or similar words to identify forward-looking statements. These forward-looking statements reflect the McGrath Group's current views with respect to future events and are subject to change, certain risks, uncertainties and assumptions which are, in many instances, beyond the control of McGrath Group, and have been made based upon the McGrath Group's expectations and beliefs concerning future developments and their potential effect upon us. There can be no assurance that future developments will be in accordance with the McGrath Group's expectations or that the effect of future developments on the McGrath Group will be this anticipated. Actual results could differ materially from those which the McGrath Group expects, depending on the outcome of various factors. Factors that may impact on the forward-looking statements made include, but are not limited to, general economic conditions in Australia, competition in markets in which the McGrath Group will operate and the inherent regulatory risks in the business of the McGrath Group.

When relying on forward-looking statements to make decisions with respect to us, investors and others should carefully consider such factors and other uncertainties and events. The McGrath Group is under on obligation to update any forward looking statements contained in this presentation, where as a result of new information, future events or otherwise, after the date of this presentation.