

### COVID-19 update

6 April 2020

McGrath Limited (**ASX:MEA**) (**McGrath** or the **Company**) provides the following update in relation to the Company's response to the COVID-19 Pandemic, in addition to the range of business continuity measures to limit the impact on both our business and on our multiple stakeholders, as set out in McGrath's ASX Announcement dated 25 March 2020.

The Company's paramount priority is to ensure the health and well-being of its employees, agents and other contractors, our clients and the wider community, including vendors and prospective buyers of real estate listed through McGrath, and the owners and tenants in our property management business.

To mitigate the potential financial impact of COVID-19 on the business, and to ensure the Company emerges from this crisis with the greatest strength, the Board and Management have implemented a range of cost saving measures, including:

- Temporary closure of certain Company offices to reduce operating expenses. Agents have been redeployed to neighbouring offices, however noting our teams are respecting remote working conditions as required.
- Immediate cessation of all discretionary expenditure and non-essential spend.
- Minimisation of capital expenditure.
- Hiring freeze.
- 40% reduction in remuneration of the CEO and the Board of Directors for May, June and July 2020.
- 30% reduction in all salaries above \$70,000 p.a. for those staff employed by McGrath Limited for May, June and July 2020.

Given the extraordinary circumstances presented by COVID-19 and uncertainty of our operating environment, the impact on our business at this stage is difficult to predict. As soon as there is greater clarity of the implications on our business, McGrath will provide further updates to the market.

Geoff Lucas, CEO of McGrath said, "As previously announced, McGrath is well equipped to operate in this challenging environment. We have moved quickly to use the latest technology to conduct online auctions and virtual inspections within the required safety guidelines. The last two weekends has been a good litmus test in terms of illustrating how we can continue to conduct real estate and in many cases multiple bidders participated from the safety of their own homes."

Mr. Lucas concluded, "Our balance sheet is in a strong position with approx. \$10 million in cash, no debt, the benefit of the announced cost saving initiatives, and more importantly, the support of all of our highly valued employees, contractors and agents, we are well equipped to successfully overcome these unprecedented times."

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This Announcement was authorised for release by McGrath Limited's Board of Directors.

**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 96 offices located throughout the East Coast of Australia. For further information, please visit [www.mcgrath.com.au](http://www.mcgrath.com.au).

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