



Domain

Australia's home of property

# Investor Presentation

2022 Full Year Results

17 August 2022

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# Agenda

## **Introduction and Overview**

Jason Pellegrino

## **Current Trading Environment and Outlook**

Jason Pellegrino

## **Group Financials**

Rob Doyle

## **Q&A**

## **Appendix**

1. Non-Controlling Interest





# Introduction & Overview

Jason Pellegrino, CEO



# Group Trading Performance

## TRADING RESULT (AS REPORTED)

(\$M)	FY22	FY21	% Change
Revenue	356.7	289.6	23.2%
Expenses	(234.6)	(189.0)	(24.1%)
EBITDA	122.1	100.6	21.4%
EBIT	91.9	64.5	42.4%
Net profit attributable to members of the company	55.3	37.9	46.0%
Earnings per share (EPS) ¢	9.30	6.48	43.4%

## ONGOING RESULT (ADJUSTED FOR JOBKEEPER/ZIPLINE<sup>1</sup>)

(\$M)	FY22	FY21 <sup>1</sup>	% Change
Revenue	356.7	289.6	23.2%
Expenses (excluding Realbase acquisition)	(221.2)	(195.5)	(13.2%)
Expenses (including Realbase acquisition)	(226.7)	(195.5)	(15.9%)
EBITDA (including Realbase acquisition)	130.1	94.0	38.2%
EBITDA margin (%)	36.5%	32.5%	

- Revenue growth of 23.2%
- Trading costs (as reported) increased 24.1%.
- Adjusted for JobKeeper repayment and Zipline expenses, ongoing costs excluding the Realbase acquisition increased 13.2%, in line with guidance. Including Realbase ongoing costs up 15.9%
- Trading EBITDA (as reported) increased 21.4%. Adjusted for Jobkeeper repayment and Zipline expenses, ongoing EBITDA increased 38.3%
- Dividend of 4.0 cents bringing the total 12 month dividend to 6.0 cents up 50% YoY

1. Ongoing result excludes JobKeeper and Zipline expense of \$8.0 million in FY22, and JobKeeper and Zipline benefit of \$6.5 million in FY21. Zipline was Domain's voluntary employee program implemented during the initial stages of the COVID-19 pandemic to deliver a 20% reduction in employee cash salary. Refer to Slide 40 for further details.

# Segment Results

## TRADING RESULT (AS REPORTED)

(\$M)			
Residential	239.2	195.3	22.5%
Media, Developers & Commercial	49.4	46.0	7.4%
Agent Solutions	21.9	13.1	66.8%
Property Data Solutions	14.9	11.0	35.3%
<b>Core Digital</b>	<b>325.5</b>	<b>265.5</b>	<b>22.6%</b>
Consumer Solutions	9.4	5.5	69.1%
<b>Digital</b>	<b>334.9</b>	<b>271.0</b>	<b>23.6%</b>
<b>Print</b>	<b>21.7</b>	<b>17.8</b>	<b>22.0%</b>
<b>Corporate</b>	<b>0.2</b>	<b>0.8</b>	<b>(75.6%)</b>
<b>Domain Group</b>	<b>356.7</b>	<b>289.6</b>	<b>23.2%</b>

### REVENUE

	FY22	FY21	% Change
	239.2	195.3	22.5%
	49.4	46.0	7.4%
	21.9	13.1	66.8%
	14.9	11.0	35.3%
	325.5	265.5	22.6%
	9.4	5.5	69.1%
	334.9	271.0	23.6%
	21.7	17.8	22.0%
	0.2	0.8	(75.6%)
	356.7	289.6	23.2%

### EBITDA

	FY22	FY21 <sup>1</sup>	% Change
	154.0	130.0	18.4%
	(4.3)	(6.2)	31.2%
	149.7	123.8	20.9%
	5.6	2.8	99.1%
	(33.2)	(26.1)	(27.6%)
	122.1	100.6	21.4%

### EBITDA MARGIN

	FY22	FY21 <sup>1</sup>
	47.3%	49.0%
	(45.6%)	(112.1%)
	44.7%	45.7%
	25.9%	15.9%
	34.2%	34.7%

- On a Trading (as reported) basis:
  - Core Digital EBITDA +18.4%
  - Total Digital EBITDA +20.9%
  - Print EBITDA +99.1%
  - Group EBITDA +21.4%



# Segment Results

## ONGOING RESULT<sup>2</sup> (ADJUSTED FOR JOBKEEPER/ZIPLINE)

(\$M)	REVENUE			EBITDA			EBITDA MARGIN	
	FY22	FY21	% Change	FY22	FY21 <sup>1</sup>	% Change	FY22	FY21 <sup>1</sup>
Residential	239.2	195.3	22.5%					
Media, Developers & Commercial	49.4	46.0	7.4%					
Agent Solutions	21.9	13.1	66.8%					
Property Data Solutions	14.9	11.0	35.3%					
<b>Core Digital</b>	<b>325.5</b>	<b>265.5</b>	<b>22.6%</b>	<b>158.9</b>	<b>121.3</b>	<b>31.0%</b>	<b>48.8%</b>	<b>45.7%</b>
Consumer Solutions	9.4	5.5	69.1%	(4.1)	(6.6)	37.9%	(43.5%)	(118.6%)
<b>Digital</b>	<b>334.9</b>	<b>271.0</b>	<b>23.6%</b>	<b>154.9</b>	<b>114.7</b>	<b>35.0%</b>	<b>46.2%</b>	<b>42.3%</b>
<b>Print</b>	<b>21.7</b>	<b>17.8</b>	<b>22.0%</b>	<b>5.8</b>	<b>2.4</b>	<b>143.2%</b>	<b>26.8%</b>	<b>13.4%</b>
<b>Corporate</b>	<b>0.2</b>	<b>0.8</b>	<b>(75.6%)</b>	<b>(30.6)</b>	<b>(23.0)</b>	<b>(32.8%)</b>		
<b>Domain Group</b>	<b>356.7</b>	<b>289.6</b>	<b>23.2%</b>	<b>130.1</b>	<b>94.1</b>	<b>38.2%</b>	<b>36.5%</b>	<b>32.5%</b>

- On an Ongoing basis:
  - Core Digital EBITDA +31.0%
  - Total Digital EBITDA +35.0%
  - Print EBITDA +143.2%
  - Group EBITDA +38.2%

1. FY21 results have been restated for IFRIC guidance on AASB138 Intangible Assets which expenses cloud based software development costs (previously capitalised)

2. Ongoing result excludes JobKeeper and Zipline expense of \$8.0 million in FY22, and JobKeeper and Zipline benefit of \$6.5 million in FY21. Zipline was Domain's voluntary employee program implemented during the initial stages of the COVID-19 pandemic to deliver a 20% reduction in employee cash salary. Refer to Slide 40 for further details.

# Creating a Property Marketplace to inspire confidence in life's property decisions



**Domain Media**  
Online Media Advertising

**Domain**  
Print Media & Advertising



**RealTime AGENT**  
Digital agent solutions

**REALBASE**  
Campaign management platform, proposals and social solutions

**homepass**  
Open for Inspection Tool



**Domain**  
Leading National Residential Listings Search Platform

**Commercial Real Estate**  
Leading National Commercial Listings Platform

**allhomes**  
No 1. Canberra/ACT Listings Search Platform

**Domain**  
Developers



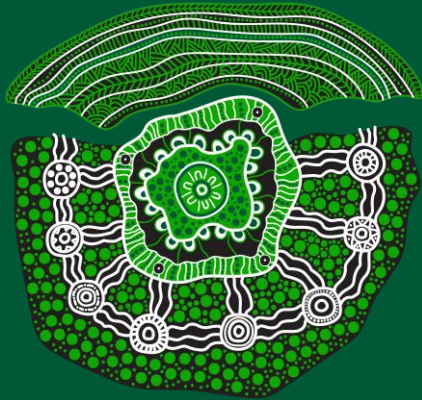


# Delivering to our Marketplace Strategy

## Better Together



1. Controllable yield refers to price plus depth on new 'for sale' listings only, reflects like-for-like performance, and does not include the impact of geographic market mix or revenue deferral



## With Open Hearts and Minds, Together we grow

Being open is at our core. We shine a light on all things property by opening minds and opening doors. Our openness brings people together and helps us grow.

When we listen to and learn from those around us, we open a path to a better future for everyone.

The artwork concept and narrative was developed by David Williams. David is a proud Wakka Wakka artist at Gilimbaa.

# ESG initiatives

Commitment to delivering sustainable value to all our stakeholders



## Environment

Sustainable supply chain  
GHG emissions



## Social

Employee engagement  
Diversity & inclusion  
Customer satisfaction



## Governance

Data security & privacy  
Business ethics  
Technology

### FY22 ESG Progress

- **85% reduction** in Scope 1 and 2 emissions
- **Scope 3 emissions** measurement and progress on developing a plan for carbon neutrality
- **Green energy** extended to offices covering more than 80% of Domain's headcount
- **Highest NABERS** energy efficient score of 6 for Sydney office
- **9% reduction** in software engineering emissions in a pilot program to be extended across the technology function
- **Sustainability in Property** research from Domain Research House
- **Reconciliation Action Plan** launched in partnership with Reconciliation Australia
- **Bronze AWEI recognition**, the definitive national benchmark on LGBTQIA+ inclusion
- **40:40 Vision signatory**, an investor-led initiative to achieve executive leadership gender balance
- **Employee engagement scores** remain strong
- **\$50,000 raised** in national charity partnership with OzHarvest
- **New employee policies** introduced in areas including workplace flexibility, domestic violence and enhanced parental leave
- **Additional resourcing commitment** with appointment of head of cybersecurity and dedicated sustainability officer
- **Enhanced security compliance** with ISO/IEC-27001, the international best practice for managing data security
- **Data privacy and recovery** training for key functions
- **External survey participation** including CDP, S&P Global CSA, Sustainalytics and others.
- **Framework reporting plan** established for SASB to enable smooth transition to ISSB once released



# Domain's revenue drivers



# Residential

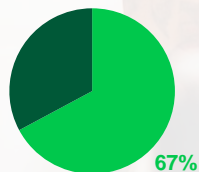
## Revenue \$M



FY21 195.3

FY22 239.2

## Revenue as % of Total



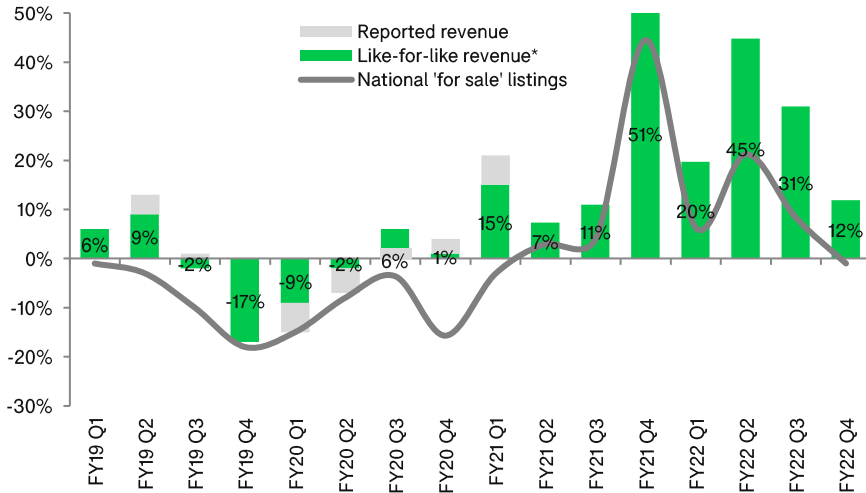
## Key Result Drivers

- FY22 new 'for sale' listings volumes +9% year-on-year
- Controllable yield increase of 14%
- 26% depth revenue growth
- Depth: Subscription revenue split 88%:12%

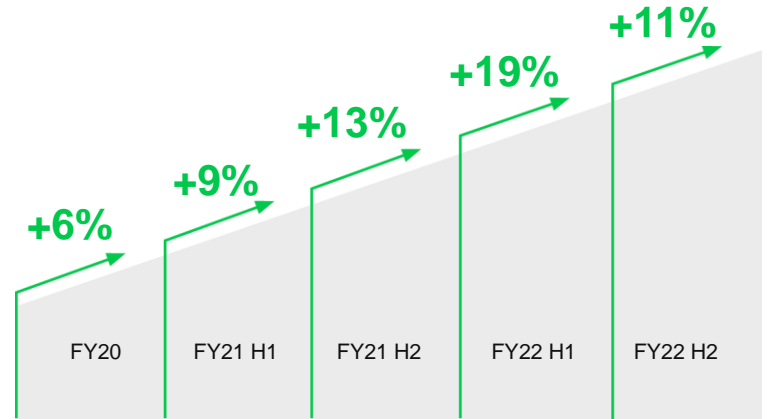


# Strong performance in controllable yield

Domain quarterly residential depth revenue versus new national 'for sale' market listings (% change YoY)

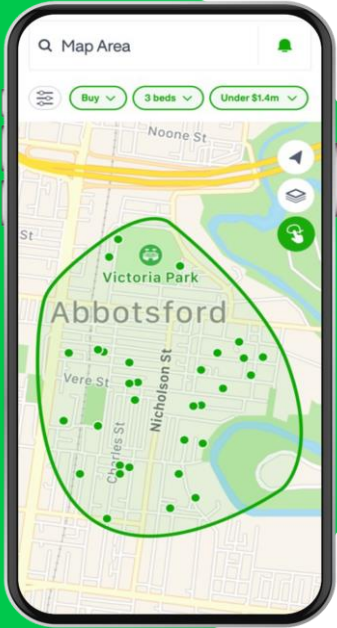


Controllable yield 'for sale' listings (% change)



\*Like-for-like depth revenue is adjusted for extra week in FY19 and impact of revenue deferral arising from new depth contract duration in FY20

# Differentiated micro market strategy driving results



## FY22 Achievements

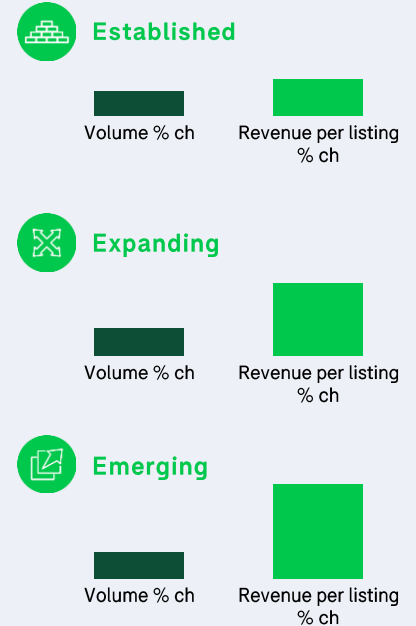
- Record growth in new and upgraded depth contracts, with Q4 new contracts up 70%, providing a strong base for FY23
- Targeted price increases designed to support increased depth penetration
- Successful introduction of “Social Boost All” contracts capturing additional vendor paid advertising opportunities

## FY23 growth strategies

- Leverage strong FY22 Q4 depth contract growth
- Maximise targeted micro market strategy, prioritising key markets with the greatest revenue opportunities to:
  - Grow share of views
  - Drive depth
  - Increase add-on opportunities

## Market Segments

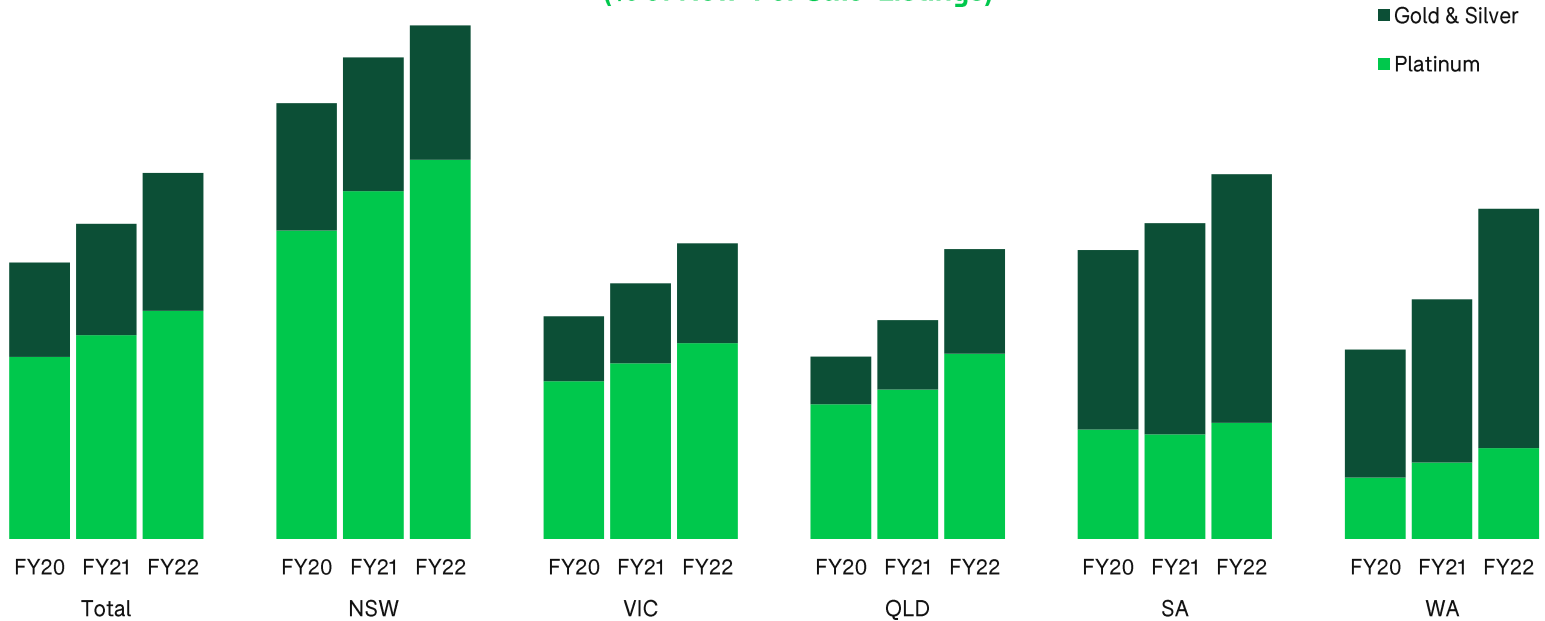
FY22 Volume vs Revenue Per Listing\* (sale only)



\*Revenue per listing is for new 'for sale' listings only and does not include the impact of revenue deferral

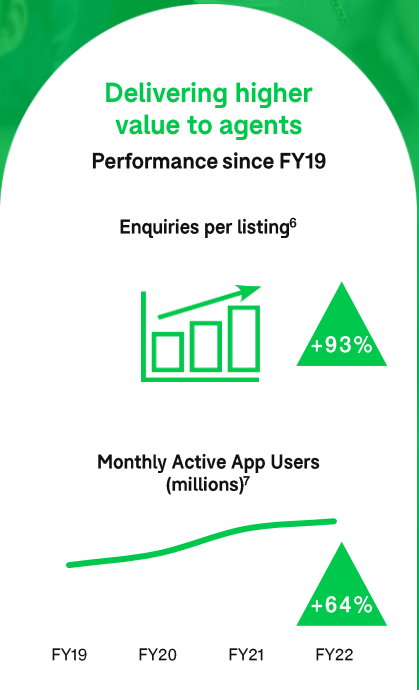
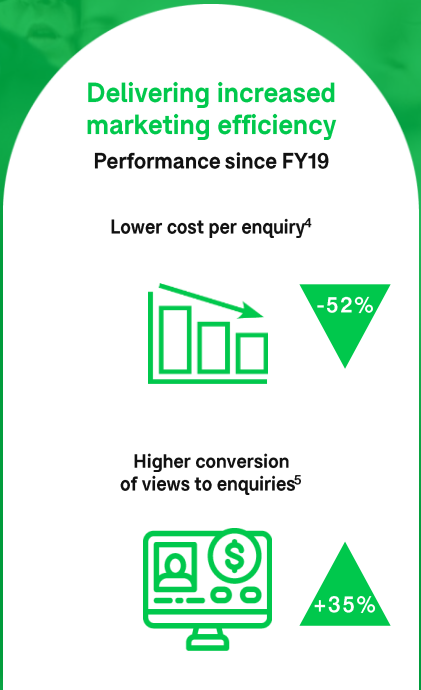
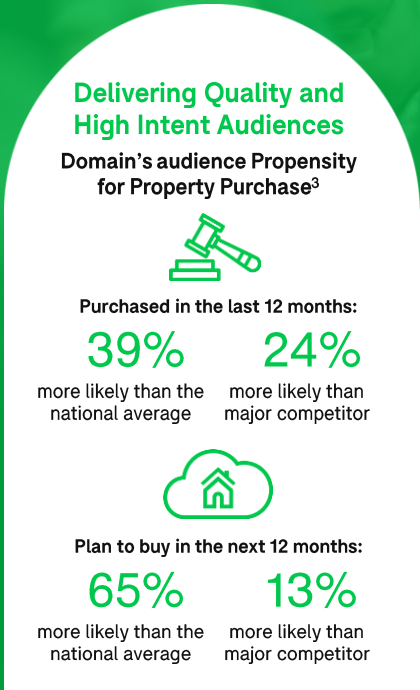
# Continued Strong Growth in Depth Penetration in all markets

Domain Residential Depth Product Penetration  
(% of New 'For Sale' Listings)





# Delivering the quality audience metrics that matter



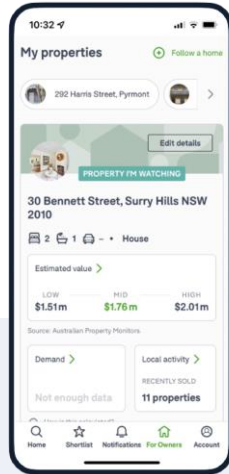
Source: 1. Nielsen Unique Audience: Digital Media Ratings, Monthly Tagged, Oct 2021, P2+, Digital C/M, text, Domain Group, Unique Audience 2. Digital Media Ratings, Monthly Tagged, Average Jul 2021 - May 2022, P2+, Digital C/M, text, Domain, App launches 3. Roy Morgan, Oct - 21 - Mar 22, Domain Group Print + Digital & REA, last 7 days, Domain group (Domain, CRE, Allhomes) 4. Domain Internal data, Sales only, Residential, FY19 (July 18 - June 19) vs FY22 (July 21 to June 22) 5. Domain Internal data, Sales only, Residential, FY19 (July 18 - June 19) vs FY22 (July 21 to June 22) 6. Domain, Internal data, Sales only, Residential, FY19 (July 18 - June 19) vs FY22 (July 21 to June 22) 7. Domain Internal data, FY19 (July 18 - June 19) vs FY22 (July 21 to June 22)

# Great user experiences at every stage of the property journey



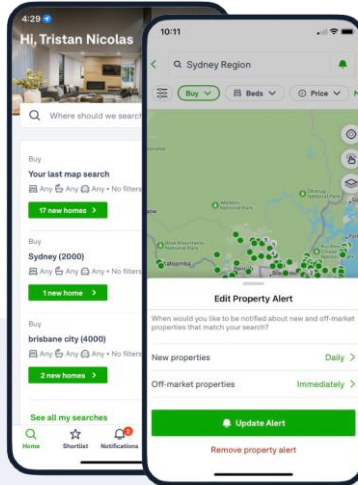
## Social Boost

Enhanced Social Boost product to help agents increase the visibility of their listings and deliver high return on investment by targeting highly engaged audiences on social media



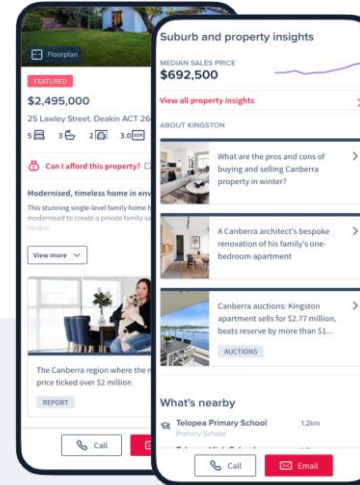
## Property Research pages

New features added to Home Price Guide to include demand estimates for addresses with limited or no historical sale data, assisting property buyers to make informed decisions



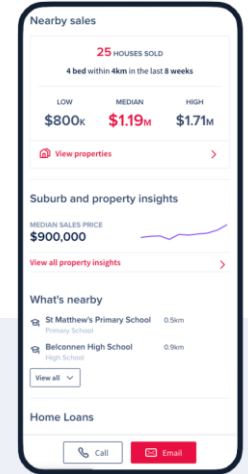
## Enhanced app usability

Ongoing enhancements to the app interface, including a new "home screen" to access saved searches and easier management of property alerts



## Allhomes: Editorial showcase

Creating a closer integration between editorial content and listing pages so that relevant and timely editorial content is featured on listings, off-market properties and new developments



## Allhomes: Nearby sales feature

New feature provides users access to recent sales similar to the listing they are viewing, thereby increasing confidence to make an offer



# Media, Developers & Commercial

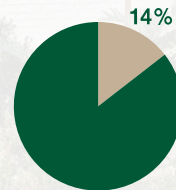
## Revenue \$M



FY21 46.0

FY22 49.4

## Revenue as % of Total



## Key Result Drivers

- Commercial Real Estate (CRE) delivered record depth penetration in a mixed listing environment with weakness in the lease market
- Developers delivered depth growth in a challenging market for multi-storey developments
- Media delivered solid growth on the prior year's elevated base

# Solid performance across all verticals

## Developers

- Solid YoY growth supported by strong first half momentum in Victoria and Queensland.
- Weakness in ACT reflecting COVID-related shutdowns

### FY22 Performance

## Commercial Real Estate

- Solid full year revenue performance with strong growth in depth penetration offsetting a subdued volume environment
- Strong performance from Victoria and smaller states offset weaker NSW
- Record depth penetration across every state in both sale and lease

### Market Dynamics

- Constrained large multi-storey market with continued activity in boutique developments
- More challenging H2 macro environment

### Priorities

- Leverage strong lead generation performance to drive depth and yield growth

## Media

- Solid H1 performance despite the impact of broad COVID-related lockdowns in Q1. H2 slowdown due to elevated growth rates in prior year
- Revenue benefited from focus on niche and premium advertisers, and shift in education related advertising from print to digital

- Broader digital advertising market delivered solid year-on-year growth

- Leverage Domain's quality audiences and content and strengthened client relationships



DomainMedia

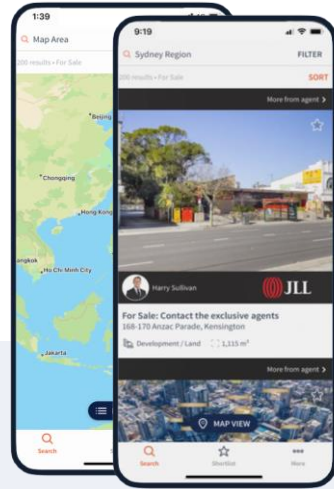


# New product features enhancing the CRE and developer user experiences



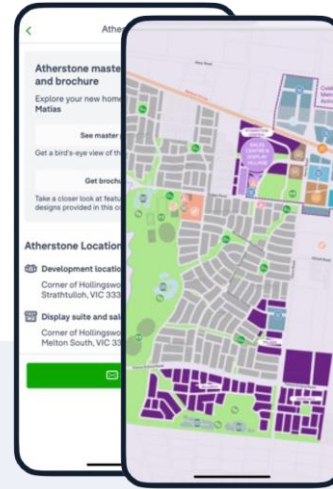
## CRE special features

Launch of dedicated property special features section on CRE website to support *Australian Financial Review* lift-outs during marketing campaigns



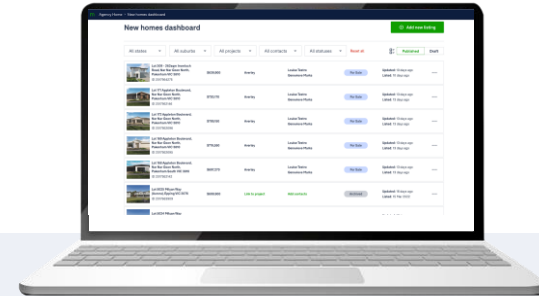
## Faster CRE property search platform

Migration from older search engine technologies to more robust search platform to drive faster user search and load experience



## Enhanced new development project pages

Ongoing enhancements to Domain's project listing pages to help new homes buyers take the next step of their journey with confidence



## 'New homes' dashboard for Developers

Providing an efficient single screen for developer clients to upload and manage listings

# Agent Solutions

## Revenue \$M



FY21 13.1

FY22 21.9

## Revenue as % of Total

6%



## Key Result Drivers

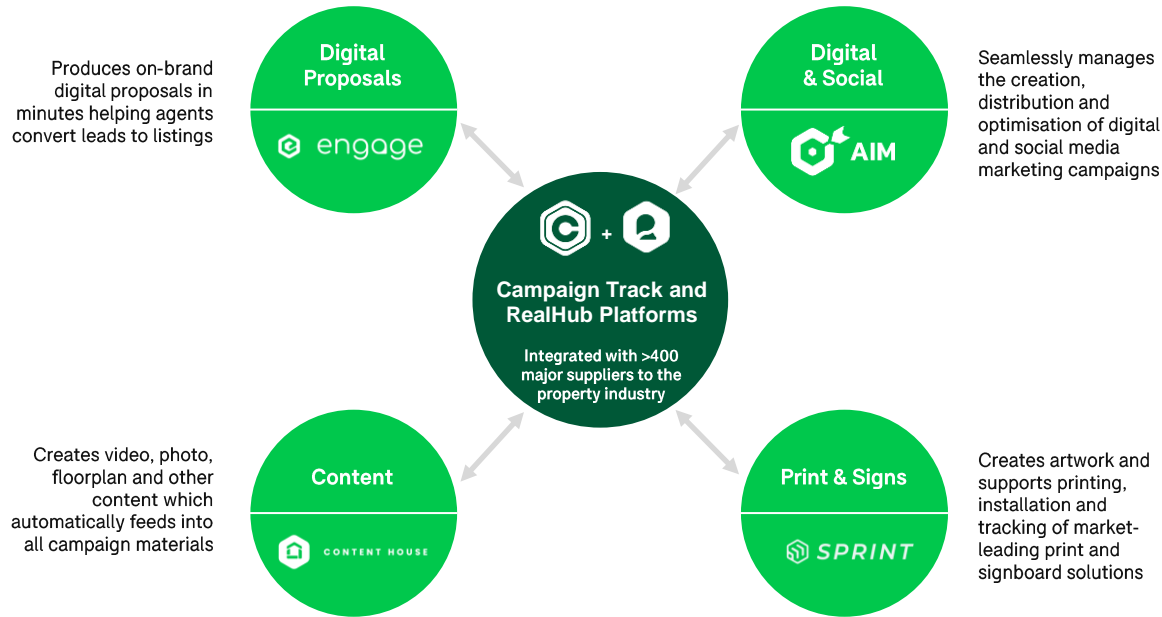
- Underlying revenue growth of 17% YoY before the contribution of Realbase from May 2022
- Pricefinder (Agent) delivered largest net subscriber additions in seven years
- Real Time Agent driving ongoing strong momentum from increased adoption by new and existing customers

# Expanding suite of innovative workflow solutions

	Data, Research & Insights	Digital End-to-end Solutions	Open for Inspection	Property Marketing
Overview	<ul style="list-style-type: none"> <li>Property data platform with extensive data, insights and reporting tools</li> </ul>	<ul style="list-style-type: none"> <li>Point of sale platform digitising key steps in the property sale process</li> </ul>	<ul style="list-style-type: none"> <li>Open for inspection registration tool and database</li> </ul>	<ul style="list-style-type: none"> <li>Largest real estate campaign management platform in Australia and New Zealand</li> </ul>
Value To Agents	<ul style="list-style-type: none"> <li>Comprehensive and accurate property data supports agents in understanding their local markets</li> <li>Tools that support agents to undertake property appraisals and win listings</li> </ul>	<ul style="list-style-type: none"> <li>Simple to use platform that results in a significant reduction in time spent on admin work, back-office costs and paperwork</li> <li>Improves efficiency and accuracy for compliance</li> </ul>	<ul style="list-style-type: none"> <li>Delivers an improved open for inspection consumer experience</li> <li>Seamless registration of attendees and integration with CRM platforms</li> <li>Team collaboration with integrated messaging and location sharing</li> </ul>	<ul style="list-style-type: none"> <li>Produces on-brand digital proposals in minutes</li> <li>Seamlessly creates and manages digital and social media marketing campaigns</li> <li>Creates content for all campaign materials and supports print and signboard solutions</li> </ul>
FY22 Performance	<ul style="list-style-type: none"> <li>12% subscriber growth with largest net subscriber additions in 7 years reflecting enhanced sales effort and lower churn</li> </ul>	<ul style="list-style-type: none"> <li>70% revenue growth based on momentum in new customer acquisition, increased geographic footprint and expanded product uptake by existing customers</li> </ul>	<ul style="list-style-type: none"> <li>Focus on product development and improved consumer experience following move to 100% ownership</li> </ul>	<ul style="list-style-type: none"> <li>First time contribution from May 2022</li> <li>Strong momentum from Engage's pre-list and proposals products and AIM's social and digital media marketing</li> </ul>



# Integrating Realbase for end-to-end agent solutions



## Early 'Better Together' integration initiatives



### Building

cross-selling opportunities across sales teams



### Integrating

Realbase across the Agent Solutions workflow to enhance agent efficiency



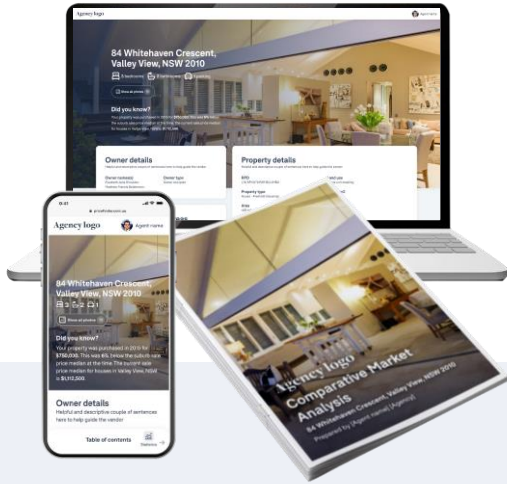
Integrate data assets to

### Drive Innovation

and better performance for our customers

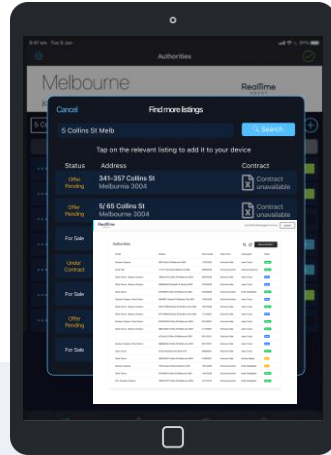


# Delivering solutions to agents to help grow their businesses



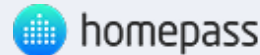
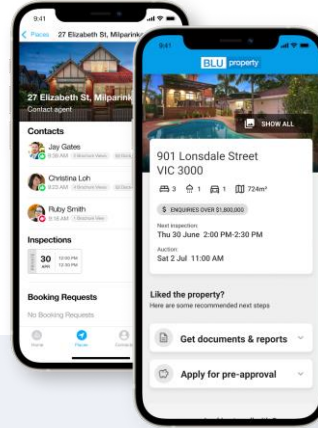
**Strongest net subscriber additions in 7 years**

Rollout of next generation platform with successful release of new Comparative Market Analysis (CMA) appraisal tool to market



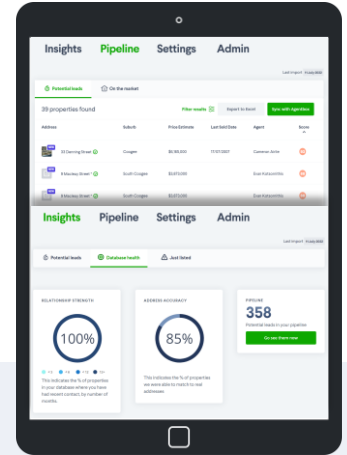
**Paid subscribers +56% YoY**

Multiple product enhancements driving a doubling of agent utilization and revenue uplift of 70%



**~2.8 million check-ins**

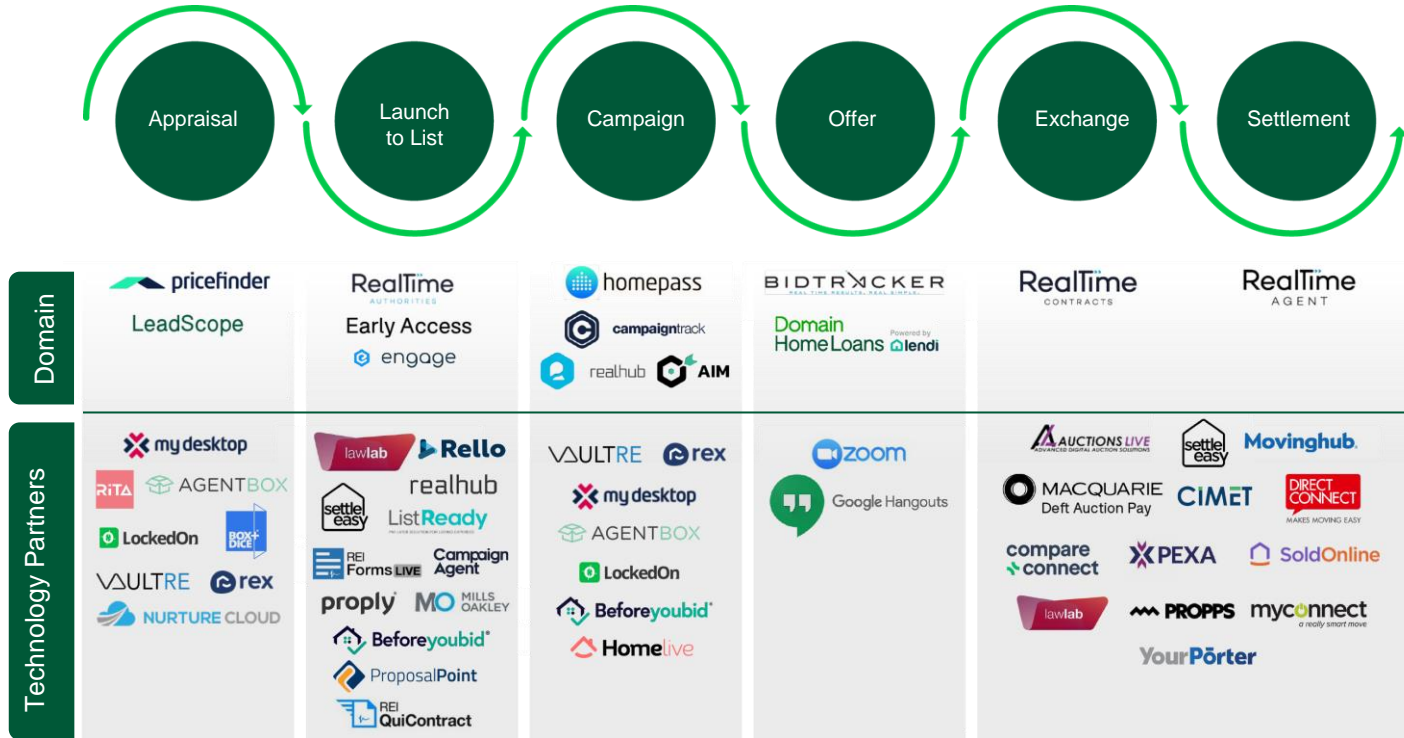
Launch of Resource Centre to proactively engage seekers and potential vendors with personalised communications and brochures



**Active users +390%**

Successful agent trial driving significant progress in keystone functionality and proving product-market fit

# Leveraging Domain's agent platform to provide 3<sup>rd</sup> party integrations and agent choice



# Property Data Solutions

## Revenue \$M

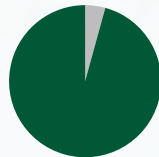
+35%

FY21 11.0

FY22 14.9

## Revenue as % of Total

4%



## Key Result Drivers

- Underlying revenue growth of 13% before the contribution from Insight Data Solutions (IDS) from mid-October 2021
- Strong performance from Pricefinder (non-agent) with growth accelerating into H2, and solid APM contribution

# Providing actionable and customer centric solutions

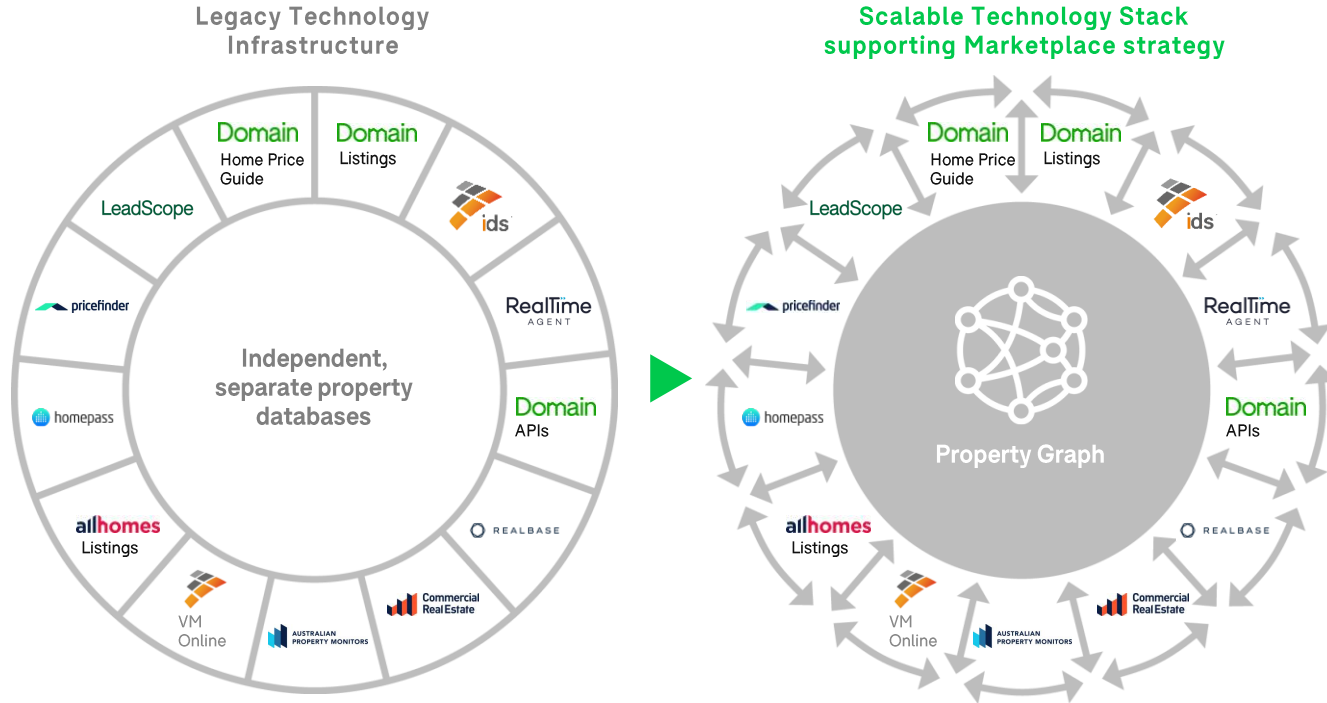
	Pricefinder	Australian Property Monitors	Insight Data Solutions
Overview	<ul style="list-style-type: none"> <li>Property data platform with extensive data, insights and reporting tools</li> </ul>	<ul style="list-style-type: none"> <li>Automated and real-time property valuation models and in-depth property research capability</li> </ul>	<ul style="list-style-type: none"> <li>Market-leading data business providing land and property valuation, insights and analytics services into the Government and Financial Institution sectors</li> </ul>
Value to customers	<ul style="list-style-type: none"> <li>Multi-decade history of comprehensive and accurate property data provided to financial institutions, developers, government, professional institutions and consumers</li> </ul>	<ul style="list-style-type: none"> <li>Comprehensive real time property information and analytical tools reduce costs, streamline processes and minimize risk</li> </ul>	<ul style="list-style-type: none"> <li>Platforms, workflow tools and property analytics allow Governments and Corporates to make more timely and accurate decisions regarding land and property valuations</li> </ul>
FY22 Performance	<ul style="list-style-type: none"> <li>Solid revenue performance accelerating into H2 with benefits from sales team relaunch and refocus, and large enterprise account wins</li> </ul>	<ul style="list-style-type: none"> <li>Stable valuations contribution, strong growth in revenue due to growing API customer base</li> </ul>	<ul style="list-style-type: none"> <li>Achieved new contract with NAB. Domain Group now services all 4 of the major banks; selected as a preferred supplier to the number 5 bank</li> <li>Close to securing the next Valuer General whole-of-state contract</li> <li>NSW Government tender is underway sooner than expected</li> </ul>





# Domain's 'Single View of Property'

## Building Australia's best quality property data asset



Leveraging our Market leading and proprietary data sources



14.7 million  
unique properties



8.4 million+  
unique audience\*



21 million  
listings since 2009



19.7 million  
Homepass checkins since 2015

\*Nielsen Unique Audience: Digital Media Ratings, Monthly Tagged, Oct 2021, P2+, Digital C/M, text, Domain Group, Unique Audience

# Consumer Solutions



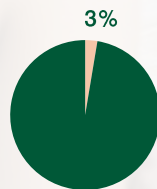
## Revenue \$M



FY21 5.5

FY22 9.4

## Revenue as % of Total

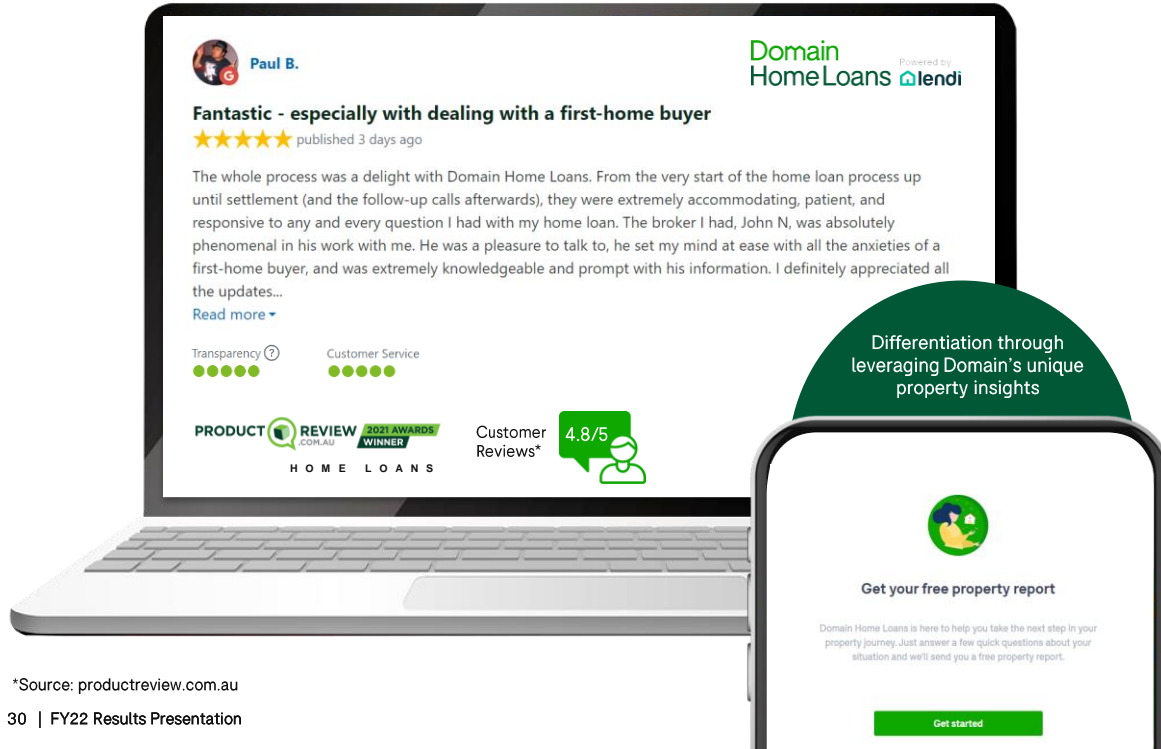


## Key Result Drivers

- Domain Home Loans (DHL) outperforming a strong home lending market
- Improving efficiency metrics with conversion to approval up 35% over a two year period
- Reduced EBITDA loss reflects benefits of increased revenue scale and operating efficiencies

# Delivering Valuable Marketplace Solutions to Consumers

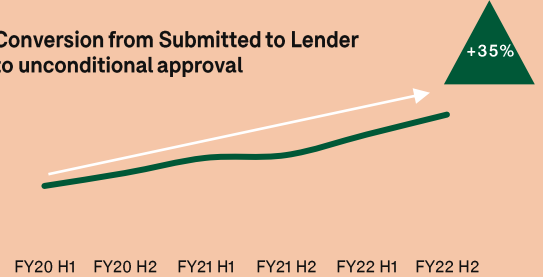
DHL's Award winning service and differentiated Marketplace solutions...



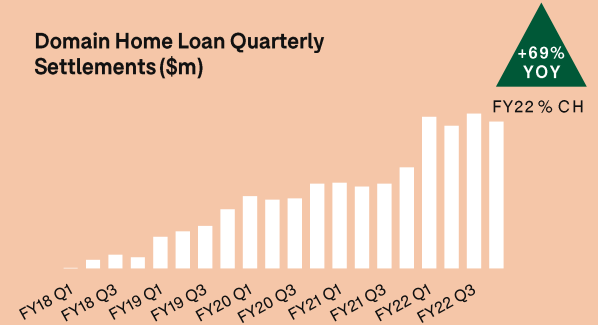
Differentiation through leveraging Domain's unique property insights

...are driving results with improving conversion and strong settlement growth

Conversion from Submitted to Lender to unconditional approval

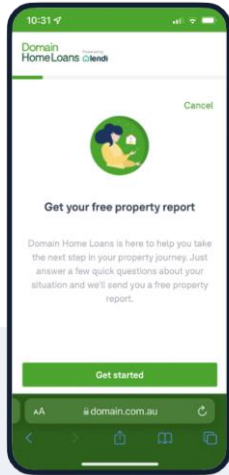


Domain Home Loan Quarterly Settlements (\$m)



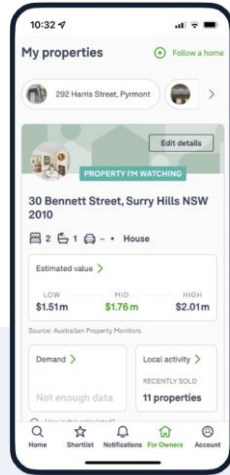
\*Source: productreview.com.au

# Integrated experiences driving “Better Together” Consumer Solutions



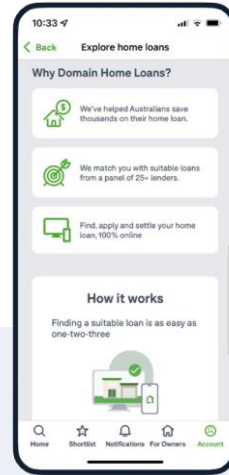
## DHL branded property report

Tailored report with price estimates, sales history and property details which introduce potential buyers and property owners to DHL



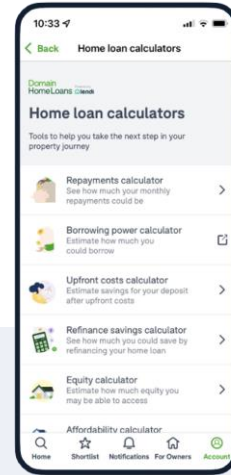
## Redesigned Domain for Owners

Providing key relevant financial information, including price estimates and refinance savings to introduce home owners to DHL's capabilities



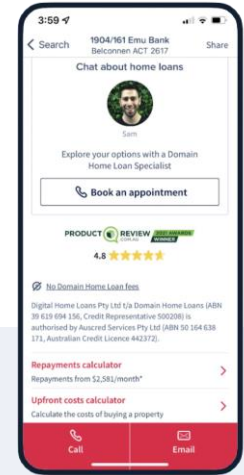
## Native landing page for DHL

Providing greater visibility and engagement by keeping users engaged in the app



## Enhanced home loan calculator

Integrates all Domain's calculators into a single experience, improving the discoverability of DHL in the Domain app



## Closer integration with Allhomes

Updated calculators and calls to action driving high intent account referrals to DHL



# Print

The Sydney Morning Herald FINANCIAL REVIEW  
**Domain**  
14 JUN 2022

**Sweet home**  
New beginnings by the river

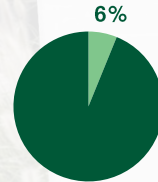
## Revenue \$M

▲  
+22%

FY21 17.8

FY22 21.7

## Revenue as % of Total

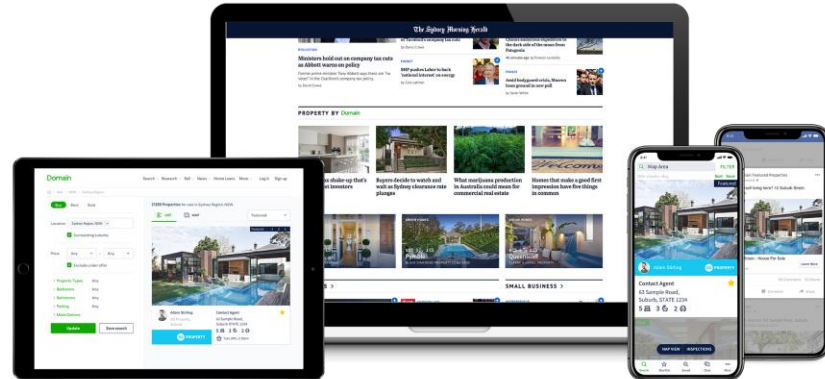


## Key Result Drivers

- Year-on-year growth reflects resumption of normal publishing schedule and strong property market conditions, concentrated in H1. FY21 reflected 68% of usual schedule.
- Outperformance in Victoria and underperformance in Canberra due to timing of COVID-related lockdowns
- Significant revenue driven margin recovery

# Print remains sustainable and profitable in high value markets

- Revenue recovery reflects resumption of publishing activities from FY21 H2 and strong property market conditions. Recovery concentrated in FY22 H1, with H2 delivering a modest decline reflecting timing of COVID-19 lockdowns in FY21.
- Significant margin improvement, underpinned by revenue recovery and continued careful management of cost.
- Print delivers strategic value to Domain by:
  - Attracting high value and passive buyers and aspirational and lifestyle audiences
  - Building agent profile and brand
  - Opportunities for bundling with premium digital products (e.g. Dream Homes and Social Boost) to enhance results.





# Current Trading Environment & Outlook

Jason Pellegrino, CEO



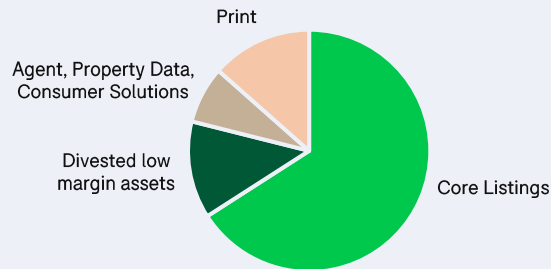
# Evolving our Marketplace Strategy to achieve scale

**FY19-FY20**  
Simplifying  
and Optimising

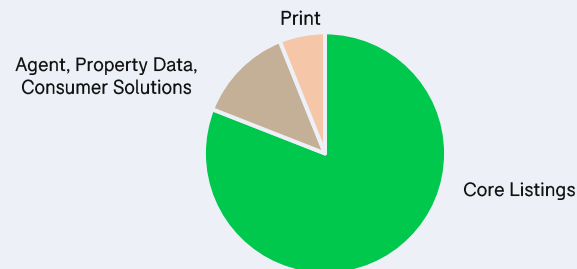
**FY21-FY22**  
Defining and launching our  
Marketplace strategy

**FY23 →**  
Executing and Scaling the  
Marketplace

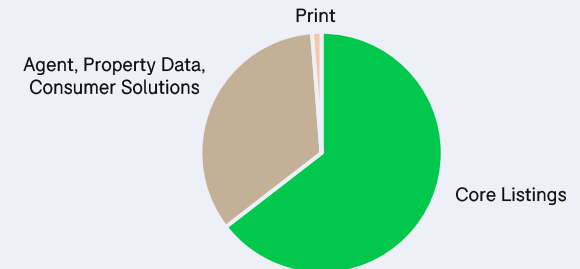
**FY19 Revenue mix**



**FY22 Revenue mix**



**Future Revenue mix**



- Organisational restructure
- Rationalisation of print publications and sale of Star Weekly
- Portfolio rationalisation with sale of Compare & Connect and MyDesktop
- Achievement of marketing efficiencies

- Successful implementation of new flexible pricing model and micro market strategy
- Investment in data capability to deliver value-added insights
- Acquisition of IDS to scale Property Data Solutions
- Acquisition of RealTimeAgent and Realbase to scale Agent Solutions

- Building on our Marketplace foundations to create a business with much larger scale and revenue
- Investment to replace legacy systems and build scalable technology platforms
- Investment to accelerate organic growth in prioritised micro markets
- Investment to accelerate growth in Agent solutions

# FY23 Outlook

- Trading in the first six weeks of FY23 reflects ongoing growth in new ‘for sale’ listings and a return to normal seasonal trading patterns. Domain continues to deliver expansion in depth penetration following record depth contract signups in FY22, with particularly strong momentum in Q4.
- The results of Domain’s transformation to date underpin our confidence to continue to pursue our Marketplace strategy, while retaining our disciplined investment approach.
- FY23 costs (excluding the impact of acquisitions) are expected to increase in the low double digit range from the FY22 ongoing expense base of \$226.7 million. This includes higher baseline expenses in the mid-to-high single digit range, together with meaningful investments in a small number of targeted initiatives which will accelerate our Marketplace aspirations.
- In addition, FY23 will see the full year expense impact of the FY22 acquisitions of IDS and Realbase which are expected to add approximately \$27 million to ongoing operating expenses, with associated incremental revenue contribution.
- While we remain committed to longer term margin expansion, as a result of our FY23 targeted investment initiatives, we anticipate FY23 EBITDA margins will remain stable on an ongoing cost basis, while expanding on a reported basis.



A photograph of a man with a beard and a young child sitting on a couch in a living room. The man is holding a tablet and looking at it with a smile. The child is leaning over his shoulder, also looking at the tablet. The background shows a blurred living room with a window and some furniture.

# Group Financials

Rob Doyle, CFO

# Reconciliation of Statutory (Reported 4E) to Trading Result FY22

<b>FY22 (\$M)</b>	<b>STATUTORY (REPORTED 4E)</b>	<b>LESS SIGNIFICANT ITEMS</b>	<b>STATUTORY EXCLUDING SIGNIFICANT ITEMS</b>	<b>LESS DISPOSALS</b>	<b>TRADING PERFORMANCE EXCLUDING SIGNIFICANT ITEMS</b>
Revenue	357.0	0.2	356.7	-	356.7
Share of Profits (Loss)	(0.0)	-	(0.0)	-	(0.0)
Expenses	(259.0)	(24.3)	(234.6)	-	(234.6)
EBITDA	98.0	(24.1)	122.1	-	122.1
Depreciation & Amortisation	(30.2)	-	(30.2)	-	(30.2)
EBIT	67.8	(24.1)	91.9	-	91.9
Net Finance Costs	(4.8)	0.7	(5.5)	-	(5.5)
Net Profit / (Loss) Before Tax	63.0	23.4	86.4	-	86.3
Tax (Expense)/ Benefit	(23.3)	3.2	(26.5)	-	(26.5)
Net Profit / (Loss) After Tax	39.7	(20.2)	59.9	-	59.9
Net Profit Attributable to Non Controlling Interest	(4.5)	-	(4.5)	-	(4.5)
Net Profit / (Loss) Attributable to Members of the Company	35.1	(20.2)	55.3	-	55.3
Earnings Per Share (EPS) (¢)	5.90		9.30		9.30

# Reconciliation of Statutory (Reported 4E) to Trading Result FY21

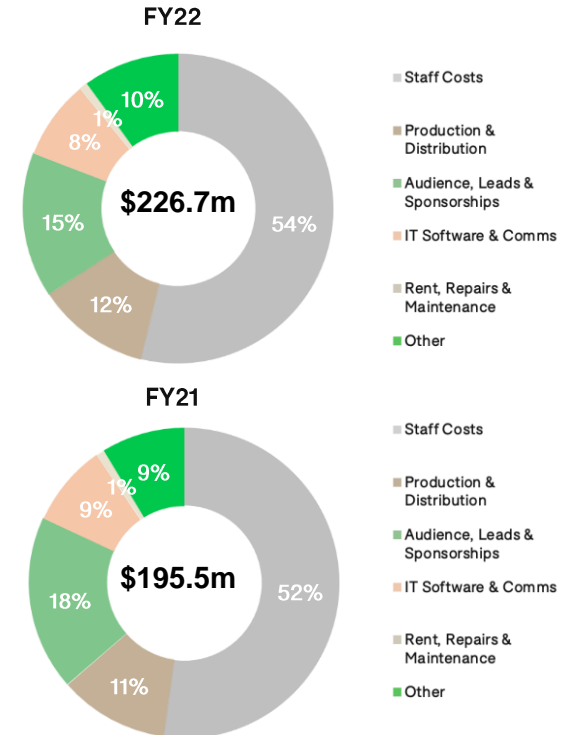
<b>FY21 (\$M)</b>	<b>STATUTORY (REPORTED 4E)</b>	<b>LESS SIGNIFICANT ITEMS</b>	<b>STATUTORY EXCLUDING SIGNIFICANT ITEMS</b>	<b>LESS DISPOSALS</b>	<b>TRADING PERFORMANCE EXCLUDING SIGNIFICANT ITEMS</b>
Revenue	294.2	(4.6)	289.6	-	289.6
Share of Profits (Loss)	-	-	-	-	-
Expenses	(200.5)	11.5	(189.0)	-	(189.0)
EBITDA	93.6	7.0	100.6	-	100.6
Depreciation & Amortisation	(36.0)	-	(36.0)	-	(36.0)
EBIT	57.6	7.0	64.5	-	64.5
Net Finance Costs	(6.7)	-	(6.7)	-	(6.7)
Net Profit / (Loss) Before Tax	50.9	7.0	57.9	-	57.9
Tax (Expense)/ Benefit	(15.4)	(2.4)	(17.7)	-	(17.7)
Net Profit / (Loss) After Tax	35.6	4.6	40.2	-	40.2
Net Profit Attributable to Non Controlling Interest	(1.3)	(1.0)	(2.3)	-	(2.3)
Net Profit / (Loss) Attributable to Members of the Company	34.3	3.6	37.9	-	37.9
Earnings Per Share (EPS) (c)	5.87		6.48		6.48

# Domain Cost Reconciliation and Structure

## Cost Reconciliation of Statutory (Reported 4E) to Trading Expenses and Ongoing expenses

(\$M)	FY22	FY21	% CHANGE
Statutory expenses	(259.0)	(200.5)	(29.1%)
Exclude: Significant items	24.3	11.5	111.0%
Statutory excluding significant items	(234.6)	(189.0)	(24.1%)
Exclude: Disposals	-	-	-
<b>Trading expenses</b>	<b>(234.6)</b>	<b>(189.0)</b>	<b>(24.1%)</b>
Exclude: JobKeeper	5.7	(5.7)	200.5%
Exclude: Zipline cash savings	-	(5.0)	100.0%
Exclude: Zipline share based payments*	2.2	4.2	(46.5%)
<b>Ongoing expenses</b>	<b>(226.7)</b>	<b>(195.5)</b>	<b>(15.9%)</b>
<b>Ongoing expenses (excluding Realbase)</b>	<b>(221.2)</b>	<b>(195.5)</b>	<b>(13.2%)</b>

## Ongoing Cost Structure



\*Zipline share based expenses continued until October 2021



# Significant Items

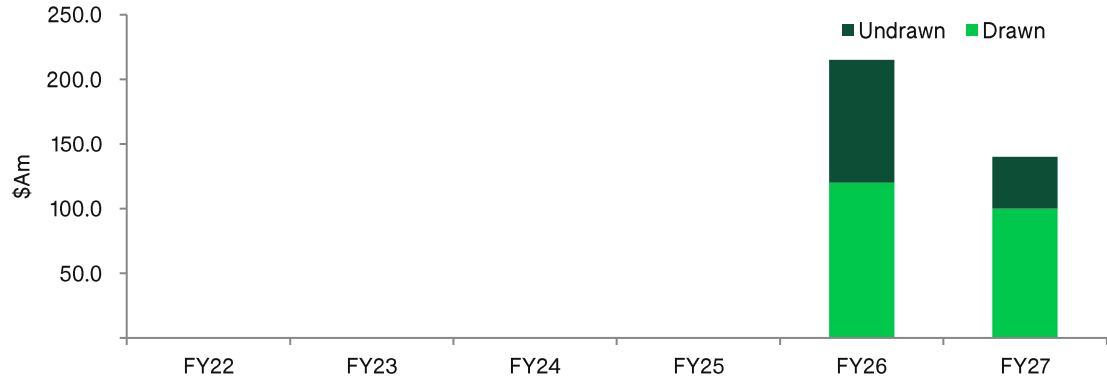
(\$M)	FY22	FY21
Restructuring charges	(8.2)	(7.2)
Loss on lease modification	(2.4)	0.0
Costs related to mergers and acquisitions	(5.5)	(1.4)
Remeasurement of contingent and deferred consideration	(8.0)	1.6
Gain on debt refinance	0.7	0.0
<b>Significant items, before tax</b>	<b>(23.4)</b>	<b>(7.0)</b>
Income tax benefit	3.2	2.4
<b>Significant items, net of tax</b>	<b>(20.2)</b>	<b>(4.6)</b>

# Cash Flow (Statutory)

(\$M)	FY22	FY21
Cash from Trading	96.4	86.2
Net Finance Charges	(4.7)	(4.7)
Income Tax Payments	(22.8)	(29.4)
<b>Net Cash Inflow from Operating Activities</b>	<b>68.9</b>	<b>52.1</b>
Investment in PP&E and Software	(20.9)	(17.7)
Net investment in Businesses/Ventures	(227.2)	4.5
Sublease Receipts	1.3	1.1
<b>Net Cash Outflow from Investing Activities</b>	<b>(246.8)</b>	<b>(12.1)</b>
Net Borrowing Proceeds/Repayments	48.5	3.0
Dividends Paid	(39.3)	(5.0)
Lease Payments	(9.6)	(8.7)
Net Cash inflow (payment) from Share issuance (purchase)	158.2	(0.7)
Net Other	(6.9)	0.0
<b>Net Cash Outflow from Financing Activities</b>	<b>150.9</b>	<b>(11.4)</b>
Net Cash (Outflow) / Inflow	(27.0)	28.7
Cash at Beginning of Period	94.2	65.5
<b>Cash at End of Period</b>	<b>67.1</b>	<b>94.2</b>

# Debt Facilities

Debt facility maturities



- Bank facility increased by \$130 million in December 2021
- Facility drawn down to \$220m as at June 2022

FY22 (\$M)	FACILITY	USAGE
Syndicated Bank Facility	355.0	220.0
<b>Total Debt Facilities</b>	<b>355.0</b>	<b>220.0</b>

# Balance Sheet (Statutory)

Net debt of \$151.5m represents a leverage ratio of 1.2x (last 12M ongoing EBITDA excluding significant items and disposals).

(\$M)	FY22	FY21
Cash	67.1	94.2
Trade and Other Receivables	63.4	51.1
Current Lease Assets	1.5	1.4
<b>Current Assets</b>	<b>132.0</b>	<b>146.6</b>
Intangible Assets	1,361.6	1,100.0
Property, Plant and Equipment	9.1	11.8
Non-Current Lease Assets	20.1	35.9
Other Non-Current Assets	6.9	4.0
<b>Non Current Assets</b>	<b>1,397.6</b>	<b>1,151.7</b>
<b>Total Assets</b>	<b>1,529.6</b>	<b>1,298.3</b>
Current Lease Liability	6.4	10.5
Other Current Liabilities	86.5	63.7
<b>Current Liabilities</b>	<b>92.9</b>	<b>74.2</b>
Interest Bearing Liabilities	218.6	173.1
Non-Current Lease Liability	19.4	33.7
Deferred Tax Liabilities	68.4	61.4
Other Non-Current Liabilities	15.1	5.2
<b>Non Current Liabilities</b>	<b>321.5</b>	<b>273.4</b>
<b>Total Liabilities</b>	<b>414.4</b>	<b>347.6</b>
<b>Net Assets</b>	<b>1,115.2</b>	<b>950.7</b>
Contributed Equity	1,474.9	1,296.5
Shares held in trust	(7.5)	-
Reserves	(39.2)	(23.4)
Retained Profits/(losses)	(323.1)	(325.0)
<b>Total Parent Equity Interest</b>	<b>1,105.1</b>	<b>948.1</b>
Non-Controlling Interest	10.2	2.6
<b>Total Equity</b>	<b>1,115.2</b>	<b>950.7</b>
<b>Net Debt / (Cash)</b>	<b>151.5</b>	<b>79.0</b>



See the  
possibilities.

## Q & A

Jason Pellegrino, CEO  
Rob Doyle, CFO



# Appendices

# 1. Non-Controlling Interest\*

(\$M)	FY22	FY21
Core Digital	(5.9)	(5.1)
Consumer Solutions	2.2	2.7
<b>Digital</b>	<b>(3.6)</b>	<b>(2.4)</b>
<b>Print</b>	<b>(0.9)</b>	<b>0.1</b>
<b>Total Non Controlling Interest</b>	<b>(4.5)</b>	<b>(2.3)</b>

\* Excluding significant items and disposals

# Thank you.

Contact:  
[corporate.relations@domain.com.au](mailto:corporate.relations@domain.com.au)

Domain