

## ASX ANNOUNCEMENT

# Domain Holdings Australia Limited 2022 Annual General Meeting and Trading Update

**Sydney, 9 November 2022:** Domain Holdings Australia Limited [ASX:DHG] ("**Domain**" or "**Company**") is today holding its Annual General Meeting (AGM) in a virtual format. The meeting can be accessed at <https://meetings.linkgroup.com/DHG2022>.

### Speeches & Presentations

Accompanying commentary and the presentations from Chairman Nick Falloon and Managing Director and Chief Executive Officer, Jason Pellegrino are attached.

### Trading Update

A trading update contained in the CEO presentation is set out below:

- Trading in FY23 Q1 (1 July to 30 September 2022) saw:
  - Digital revenue up around 24% year-on-year
  - Total revenue up around 23% year-on-year
  - Total revenue up around 13% on a like-for-like basis (excluding acquisitions)
- Current market conditions are trending well below expectations, particularly in inner metro areas. The rapid pace of interest rate increases has impacted on market sentiment and listing volumes, with a noticeable deterioration since September, depressing the usual seasonal Q2 uplift.
- We are encouraged by the strong results from the controllable elements of our business, particularly controllable yield, which has delivered in line with our longer-term aspirations. This was achieved despite more challenging market conditions, and underpins our confidence to continue investing through the cycle into our Marketplace transformation.
- However, mindful of the meaningful change in the current environment, our FY23 cost expectations in the range of \$275-\$280 million implied by the August 2022 guidance, are currently under review.
- FY23 costs are expected to be skewed to H1 with a significantly larger YoY percentage increase due to the timing of acquisitions in FY22, and a lower FY22 H1 cost base impacted by COVID lockdowns.
- While we remain committed to longer term margin expansion, as a result of the more challenging market environment, we anticipate FY23 EBITDA margins will see a low single digit percentage point reduction versus FY22 on an ongoing cost basis.

**Authorised for lodgement:** Catriona McGregor, Group General Counsel and Company Secretary

### Contacts

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**Media:** Sarah Macartney, +61 433 949 639, [sarah.macartney@domain.com.au](mailto:sarah.macartney@domain.com.au)

## Chairman and CEO's Addresses and Presentations

### Nick Falloon - Chairman:

*[The Chairman began the meeting with an Acknowledgement of Country and introduced the members of the Domain Board].*

#### Slide 2

Ladies and Gentlemen, we are very pleased to welcome shareholders to Domain's first physical AGM since 2019. We appreciate you joining us today and for your ongoing support.

Over the past four years, Domain's business has operated with a backdrop of considerable trading volatility. Through it all, we have maintained the pace of our business model evolution, while responding to the changing environment. The laser focus of our team on the elements we can control has positioned the Company to leverage property market strength, while providing downside protection when the cycle has been less supportive.

Domain's pleasing FY22 performance benefited from the appropriate balance of cost discipline, and investment in innovation to best position the Company for the future. Our Marketplace strategy is building the foundation for Domain to become a much bigger revenue business.

#### Slide 3

For the 2022 financial year, Domain reported the following trading results (excluding significant items and disposals):

- Revenue of \$356.7 million, an increase of 23%, benefiting from a continued improvement in the property listings environment, higher depth or premium penetration, and growth in all our businesses;
- Earnings before interest, tax, depreciation and amortisation (EBITDA) of \$122.1 million, an increase of 21%;
- Earnings per share of 9.3 cents, an increase of 43%, and a total dividend of 6 cents per share, a year-on-year increase of 50%;
- Net debt of \$151 million which represents a leverage ratio of 1.2 times EBITDA.

Domain reported a statutory net profit of \$35.1 million after taking into account significant items of \$20.2 million net of tax.

As outlined to shareholders at last year's AGM, the Board made the decision to repay grants received in FY21 from the Federal Government's JobKeeper scheme as a result of our increased confidence in the property market outlook. Excluding the impact of Jobkeeper and Project Zipline, ongoing EBITDA increased 38% to \$130 million.

#### Slide 4

Domain's strategy is to create a property Marketplace that expands the addressable markets for our services, and supports customers and consumers at more points of their property journeys.

# Domain

We are creating an ecosystem that delivers to our purpose to inspire confidence in life's property decisions.

This cohesive ecosystem of services includes:

- Core Listings, which builds on our valuable heritage as a classifieds business. We connect Domain's quality engaged audience with properties and agents across digital, print and social;
- Agent Solutions, which helps agents grow their businesses. We build on our long term and trusted relationships with agents to provide a suite of innovative workflow solutions;
- Consumer Solutions which partners with specialist providers to deliver services, with a current focus on home loans;
- Property Data Solutions which provides actionable and customer centric solutions to agents, consumers, government, financial institutions and corporates.

During the 2022 financial year, Domain invested in additional growth drivers for our Marketplace model, with the acquisitions of Insight Data Solutions and Realbase. Jason will provide more detail on how these assets broaden the revenue opportunities available to the Company.

## Slide 5

While our Marketplace model allows Domain to expand its addressable markets, importantly it also provides strategic differentiation through our "Better Together" approach. Our solutions are each creating stand-alone value which is significantly increased when combined into a cohesive Marketplace ecosystem.

## Slide 6

During the year Domain progressed our Environmental, Social and Governance practices to deliver sustainable value to all our stakeholders. We delivered on the commitment made at last year's AGM to extend the measurement of our environmental footprint, and lay the foundations of a plan to achieve carbon neutrality. The grass roots passion of our people, and the allocation of additional resources, supported a range of projects across the business. I'll make special mention of the launch of our Reconciliation Action Plan, in partnership with Reconciliation Australia. This initiative includes the commission of the beautiful artwork you see on this slide, by artist David Williams. The title, "With Open Hearts and Minds, Together we grow", captures many of the core values at Domain. During the year the Company received bronze recognition from the Australian Workplace Equality Index, for our commitment to making Domain a home for everyone. In addition, Domain has signed up to the 40:40 Vision, an investor-led initiative, to support diversity within executive leadership teams.

## Slide 7

In closing, I would like to thank my fellow Board members for the contribution they make to Domain. Their guidance and expertise provide great benefit to the Company and shareholders. I welcome Nine executive Rebecca Haagsma to the Board.

On behalf of the Board, I would like to thank our talented people for their hard work and dedication, in evolving Domain to a property Marketplace. I would like to acknowledge Jason and his leadership team for their inspirational and agile leadership.

I now invite Jason to provide a Business Review.

## **Jason Pellegrino – Managing Director and Chief Executive Officer:**

### Slide 8

Good morning everyone, and thank you for joining us today. It's great to see shareholders in person again.

In the Chairman's address, Nick spoke about how Domain's Marketplace strategy is building strong foundations for the future. Our commitment to this evolution is serving us well through the ever-changing property market backdrop of recent years. By remaining laser focused on the elements of our business that we can control, we are creating a fundamentally stronger, and higher quality company, that can fully leverage the growth opportunities that lie ahead.

### Slide 9

This slide provides a high-level overview of Domain's strategy since FY19, and the evolution of our operating model from an online classifieds business, to a property Marketplace. Through the different phases of the property cycle, we have maintained the appropriate balance of cost discipline, and investment in innovation, to best position the business for the future. Our focus on the elements of our business that we can control, is demonstrated in the key metric of controllable yield, which measures the price and take-up of our depth, or premium listings, by agent customers. We have lifted controllable yield over the three phases of our strategy to date, and delivered significant margin expansion, with digital EBITDA margins lifting from 36% to 46%. And our business has become increasingly digital, with print's revenue contribution declining from 16%, to just 6% of total in FY22.

### Slide 10

Domain delivers audiences at scale, with an average unique digital audience of 7.9 million and record monthly average app launches of 16.7 million during FY22. Importantly, Domain delivers the quality audience metrics that matter. Our high-intent audiences are more likely than the national average, and those of our competitor, to have purchased property in the past 12 months, or plan to buy in the next 12 months. And our audience acquisition is underpinned by increased marketing efficiency, which is delivering higher value to agents.

Turning now to a deeper dive into the performance of the four elements of our Marketplace.

### Slide 11

Core Listings connects agents, properties and Domain's quality audiences across digital print and social. In FY22, the business delivered 14% increase in controllable residential yield, record depth penetration, and a record number of new and upsell depth contracts. Core Digital EBITDA increased 23% year-on-year on an ongoing basis.

Notwithstanding the increasingly challenging property environment, the underlying performance of our business in Q1 was pleasing, with an 11% uplift in controllable residential yield, record depth penetration and an 18% increase in depth revenue. We've also seen strong performance in new and upgraded depth contracts, as well as new Social Boost add-on contracts.

## Slide 12

The chart on the left is an update from one I shared at last year's AGM, and illustrates the continuing volatility of the property cycle. Through it all, we have continued to grow our controllable yield, a direct outcome of our targeted micro market strategy, which customises our approach to price and depth for each micro property market. We're very pleased with the results of this strategy, which has seen Domain's residential revenue growth outperform the broader market over the past two years, reflecting the increasing value we are delivering to agents and consumers. In Q1, new listings volumes increased around 4%, which together with the 11% controllable yield growth, supported the 18% uplift in depth revenue we reported for the quarter. Our success in driving growth in controllable yield provides a buffer against property listings volatility.

## Slide 13

The strong trends in Domain's depth performance are illustrated on this slide. It shows depth product penetration by state for the first quarter of FY23 versus the previous two years. We've seen Platinum, and overall depth penetration increase in every state. Victoria is benefiting from a strong uptake in Silver contracts from new clients in middle and outer ring Melbourne, who are taking the first step in their depth journeys, and we're seeing similar trends in the smaller states as well. In New South Wales, where our depth penetration is already very high, our focus has been on upgrading existing Platinum clients to Platinum with add-on social options. Our Social Boost All product is outperforming our expectations and is driving additional revenue, however is not included in this depth penetration chart.

## Slide 14

Agent Solutions helps agents grow their businesses, by providing a range of products and services that support their key activities. In FY22 we acquired Realbase to supplement existing capabilities, scale the business and address new markets. We delivered 70% revenue growth at Real Time Agent (RTA), and Pricfinder delivered 12% subscriber growth, with the best net additions in seven years.

During Q1 RTA delivered 47% year-on-year growth in subscribers, and expansion of its geographic footprint into South Australia, while Pricfinder subscribers increased 12% year-on-year. At Realbase we are accelerating the platform integration with Domain, to drive cross-selling opportunities. While lower listings volumes do impact on transactional revenue lines across our Agent Solutions suite, we continue to see strong agent commitment to our product set, and excitement about our future roadmap of integrated data and analytics. We are leveraging the breadth of our Marketplace to deliver solutions that are unique to Domain.

## Slide 15

Our goal of providing a complete solution for agents is illustrated on this slide, and reflects our purpose to inspire confidence for life's property decisions. The acquisition of Realbase brings new capabilities in proposals and campaign management, and adds a differentiated social marketing product to Domain's Social Boost offering. Realbase strengthens Domain's position as the leading provider of a comprehensive end-to-end agent workflow platform.

## Slide 16

Consumer Solutions partners with specialist providers to offer direct-to-consumer home loans. Going forward we have decided to step away from other direct to consumer ventures, to focus on the significant opportunity ahead for Domain Home Loans (DHL).

During FY22, Consumer Solutions delivered underlying revenue growth of 69% at DHL. The 30% reduction in DHL's operating losses demonstrates the strong unit economics of the business as we increase volumes. The increasing efficiency of the business is reflected in the 35% higher conversion to approvals, achieved over the past two years.

The performance in Q1 has been against the backdrop of a more challenging macro environment for home loans, reflecting longer time to settlement and reduced loan value. While the business has always been highly skewed to new property purchases, we have been able to offset some of this lower new purchase activity with a shift to refinance loans. Pleasingly, DHL is benefiting from its increased scale which is driving a 17% improvement in cost per acquisition

## Slide 17

Domain Home Loans' award-winning service is reflected in the customer testimonial on the slide. Despite the current market headwinds, we are confident that DHL's leading customer service and digital platforms, combined with Domain's differentiated Marketplace solutions, will underpin significant long-term growth.

## Slide 18

In Property Data Solutions we are leveraging our multi-decade track record of accurate and timely property data, to drive value right across Domain's property Marketplace.

During FY22, we significantly expanded the size of our addressable markets with the acquisition of IDS, which supported momentum in new client wins in the financial institution and government sectors. We undertook significant investment in data to build a 'Single View of Property', and create Australia's best quality property data asset. And we continued to expand our prospecting tool, Leadscope, with an impressive increase in the number of active users.

In Q1, IDS continued to make progress in securing the next whole-of-state Valuer General contract, and Leadscope's new banking product is in pilot with a leading bank. We are seeing increasing takeup of our Automated Valuation Model by leading financial institutions, with results being delivered ahead of expectations.

## Slide 19

The acquisition of IDS establishes Domain as the market leading provider of land and property valuation, insights and analytics services into the Government sector. It adds to Domain's ecosystem which already included Agents, Consumers and Financial Institutions. Our 'Single View of Property' leverages our proprietary data sources, and will deliver major improvements in quality, accuracy, breadth and speed of ingesting property data signals and delivery of insights, which will create value right across our Marketplace.

## Slide 20

Turning now to the current trading environment and outlook.

## Slide 21

- Trading in FY23 Q1 (1 July to 30 September 2022) saw:
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Thank you for your attention. I'll now hand back to Nick to conduct the formal part of the meeting.

**Ends**





# Domain

2022 Annual  
General Meeting

9 November 2022



# Chairman's Address

Nick Falloon



# Domain's FY22 Performance

**\$356.7m**

Revenue\*  
+23.2% YoY

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**\$122.1m**

EBITDA\*  
+21.4% YoY

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**9.3c**

Earnings Per Share\*  
+43.4% YoY



**6c**

Total dividend  
Per Share

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**\$151.5m**

Net Debt

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**1.2x**

Net Debt/EBITDA\*

\* Reflects trading performance excluding significant items

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

**Domain**  
HomeLoans  
Home loans

Powered by  
**lendi**

Audiences

**Domain Media**  
Online media advertising

**Domain**  
Print media & advertising



**pricefinder**  
AUSTRALIAN  
PROPERTY MONITORS

Property data and research

**ids**  
**Domain**  
RESEARCH HOUSE

**RealTime**  
AGENT  
Digital agent solutions

**homepass**  
Open for inspection tool

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

Properties

**Domain**  
Leading national residential  
listings search platform

**allhomes**  
No 1, Canberra/ACT listings  
search platform

**Commercial  
Real Estate**  
Leading national commercial  
listings platform

**Domain**  
Developers

# The Marketplace approach is a strategic differentiator





## 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 Gilimbai.

## Chairman's Address

# 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 to ESG with appointment of dedicated sustainability officer
- Increased data security resourcing, and data incident response training for key functions
- Enhanced security aligned with ISO/IEC-27001, the international best practice for managing data security
- Enhanced policies and procedures relating to data governance, data retention and data security
- Increased transparency and reporting on sustainability through external survey participation including CDP, S&P Global CSA, Sustainability and others
- Framework reporting plan established for SASB to enable smooth transition to ISSB once released



# Chairman's Address

Nick Falloon

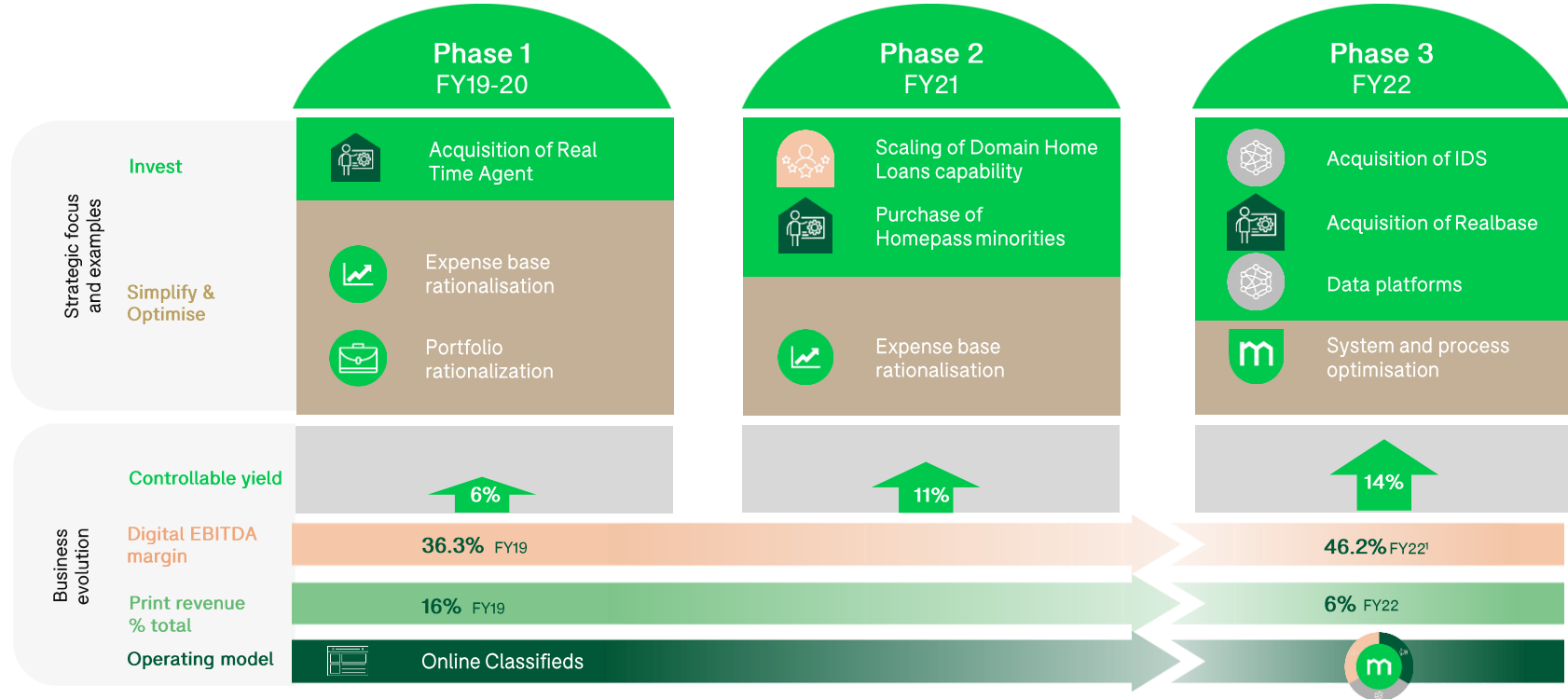


# CEO's Business Review

Jason Pellegrino

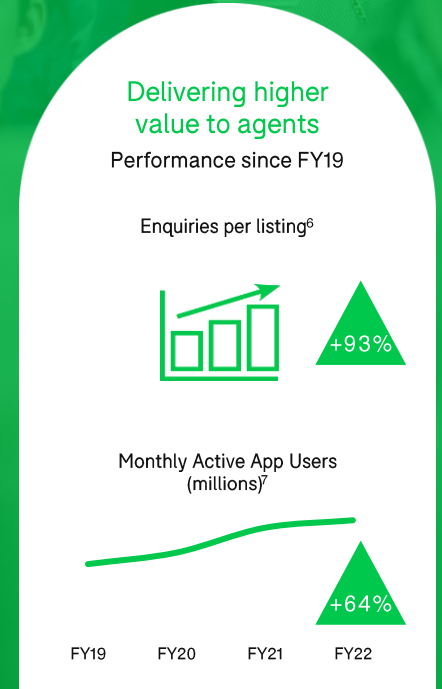
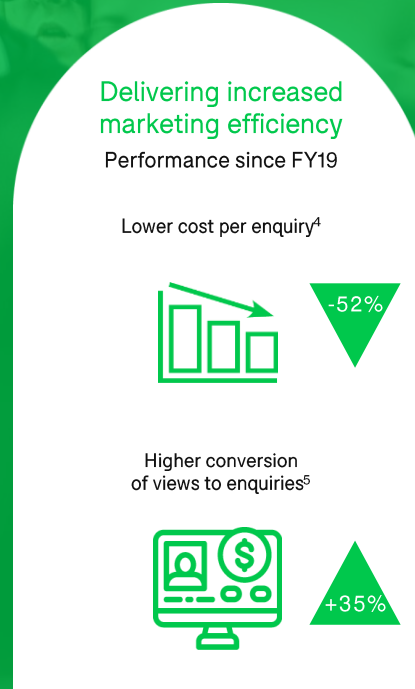
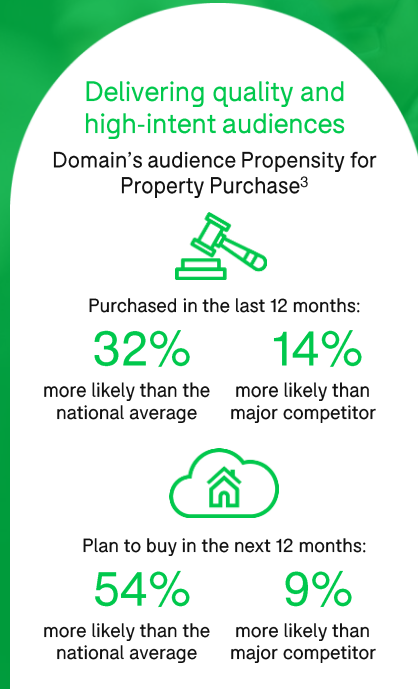


# The Marketplace strategy is building a higher quality, higher margin business



Note: 1. FY22 ongoing EBITDA margin  
9 | 2022 Annual General Meeting

# Delivering the quality audience metrics that matter



Source: 1. Nielsen Content Ratings, Monthly Tagged, July 2021 – May 2022 monthly average, P2+, Digital C/M, text, Domain Group, Unique Audience 2. Nielsen Content Ratings, Monthly Tagged, Average Jul 2021 - May 2022, P2+, Digital C/M, text, Domain, App launches 3. Roy Morgan, Jul 21 - Jun 22, Domain Group (Domain, Allhomes, CRE) Print + Digital & REA, last 7 days 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)



# Core Listings

## FY22 Achievements

- **14%** Growth in controllable residential yield<sup>1</sup> and record depth penetration
- Record new and upsell depth contracts. Q4 new contract growth of 70%
- **31%** YoY increase in Core Digital EBITDA (ongoing)

## FY23 Q1 Progress

- **11%** Growth in controllable residential yield<sup>1</sup> and record depth penetration
- **18%** increase in depth revenue
- Strong performance in new and upgraded depth contracts and new Social Boost add-on contracts

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



Core Listings

Domain

Leading National Residential  
Listings Search Platform

allhomes

No 1. Canberra/ACT Listings  
Search Platform

Commercial  
Real Estate

Leading National Commercial  
Listings Platform

DomainMedia

Online Media Advertising

Domain

Developers

Domain

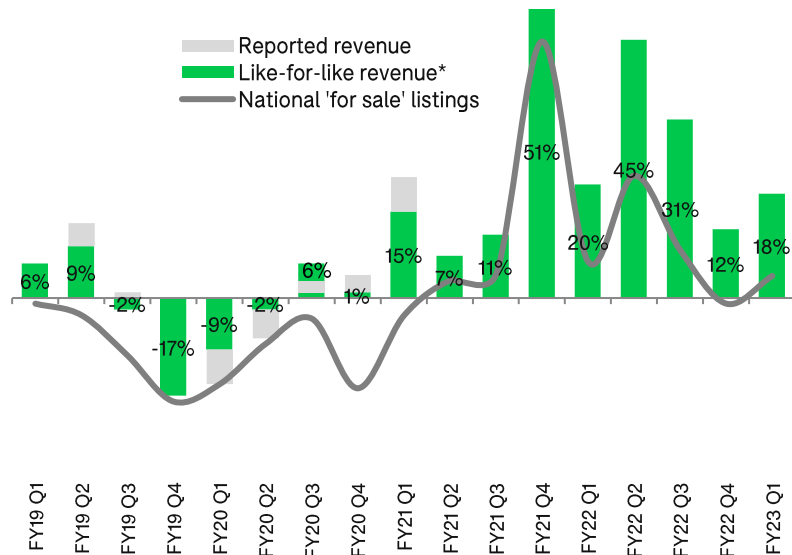
Print Media & Advertising



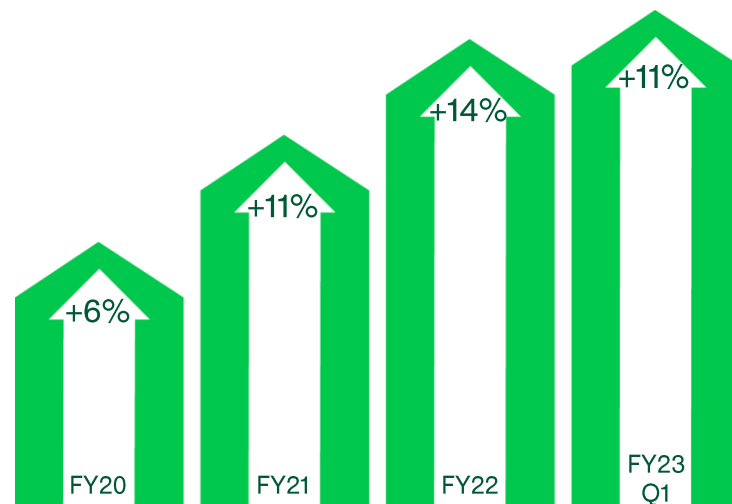


# Expanding controllable yield reflects increasing value delivery

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



Controllable yield (% change)

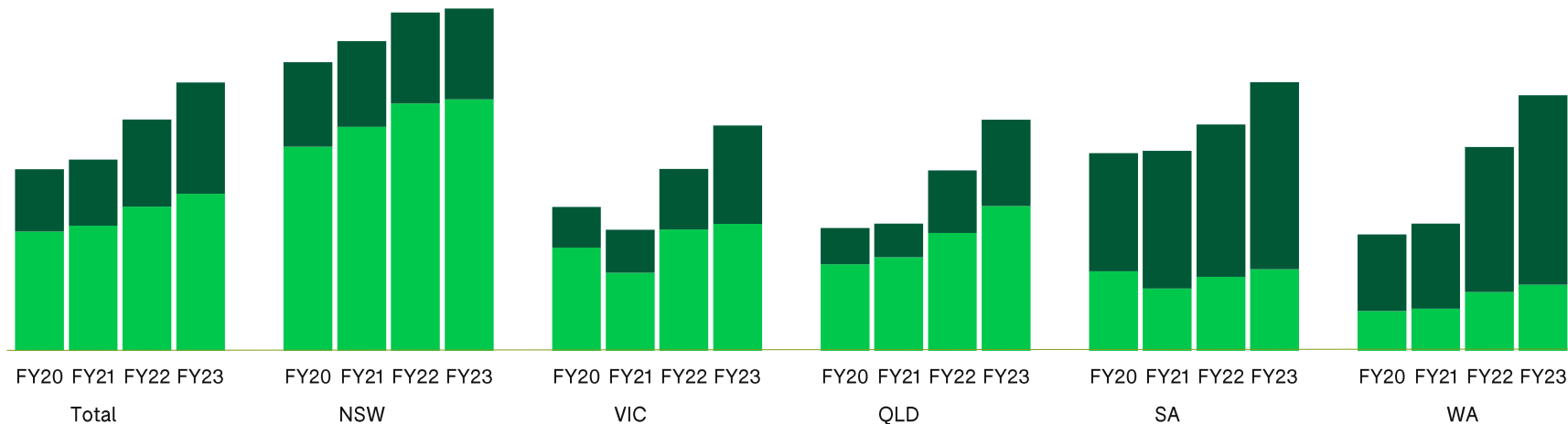


\*Like-for-like depth revenue is adjusted for extra week in FY19 and impact of revenue deferral arising from new depth contract duration in FY20

# Strong growth in depth penetration in all markets

Domain Residential Depth Product Penetration – Q1 (July-September)  
(% of New 'For Sale' Listings)

■ Gold & Silver  
■ Platinum



# Agent Solutions

## FY22 Achievements

- Acquisition of Realbase to scale Agent Solutions
- 70% YoY growth in Real Time Agent (RTA) revenue
- 12% YoY growth in Pricefinder (agent) subscribers

## FY23 Q1 Progress

- 47% YoY growth in RTA subscribers, with geographic expansion into South Australia
- 12% YoY growth in Pricefinder (agent) subscribers
- Accelerating Realbase platform integration with Domain to deliver end-to-end solutions and cross-selling opportunities



Agent Solutions

 **pricefinder**  
Property Data and Research

**RealTime**  
AGENT  
Digital agent solutions

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

 **homepass**  
Open for Inspection Tool

# Inspiring confidence at every step of the agent journey



Real Time Agent continued subscriber momentum

+47%

FY23 Q1 vs FY22 Q1

Pricefinder (agent) subscribers

+12%

FY23 Q1 vs FY22 Q1

# Consumer Solutions

## FY22 Achievements

- 69% underlying revenue growth underpinned by strong Domain Home Loans (DHL) performance
- 31% reduction in operating losses reflecting the benefits of scale
- 35% increase in conversion to approvals at DHL over 2 years

## FY23 Q1 Progress

- Shift to refinance versus new loans providing some offset to lower new purchase activity and average loan size
- 17% improvement in cost per acquisition



Consumer Solutions

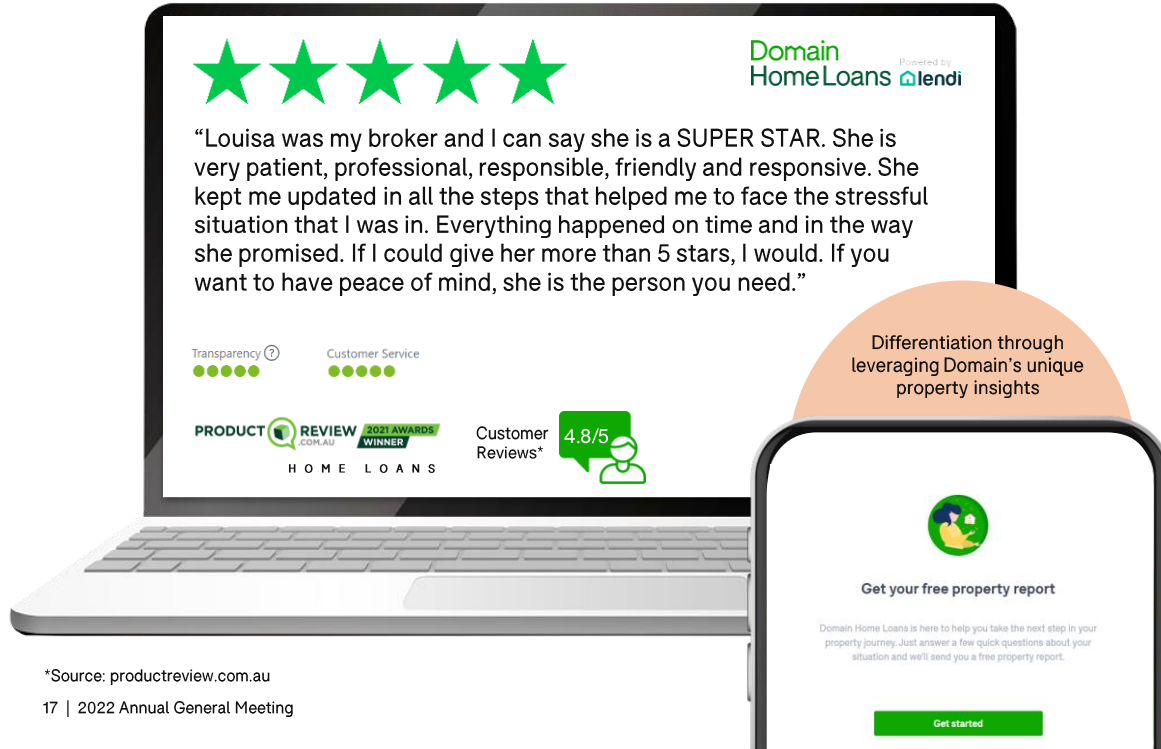
Domain  
HomeLoans  
Home Loans

Powered by  
alendi



# Delivering Valuable Marketplace Solutions to Consumers

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

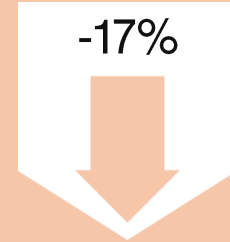


\*Source: productreview.com.au

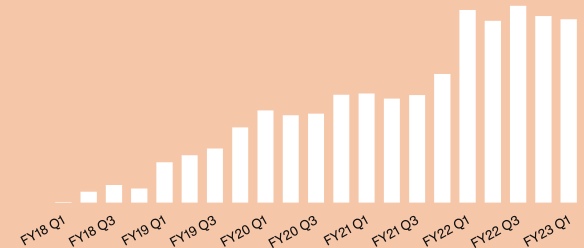
17 | 2022 Annual General Meeting

...are driving results with increased efficiency, demonstrating the benefits of increased scale

Domain Home Loans FY23 Q1 cost per acquisition



Domain Home Loan Quarterly Settlements (\$m)



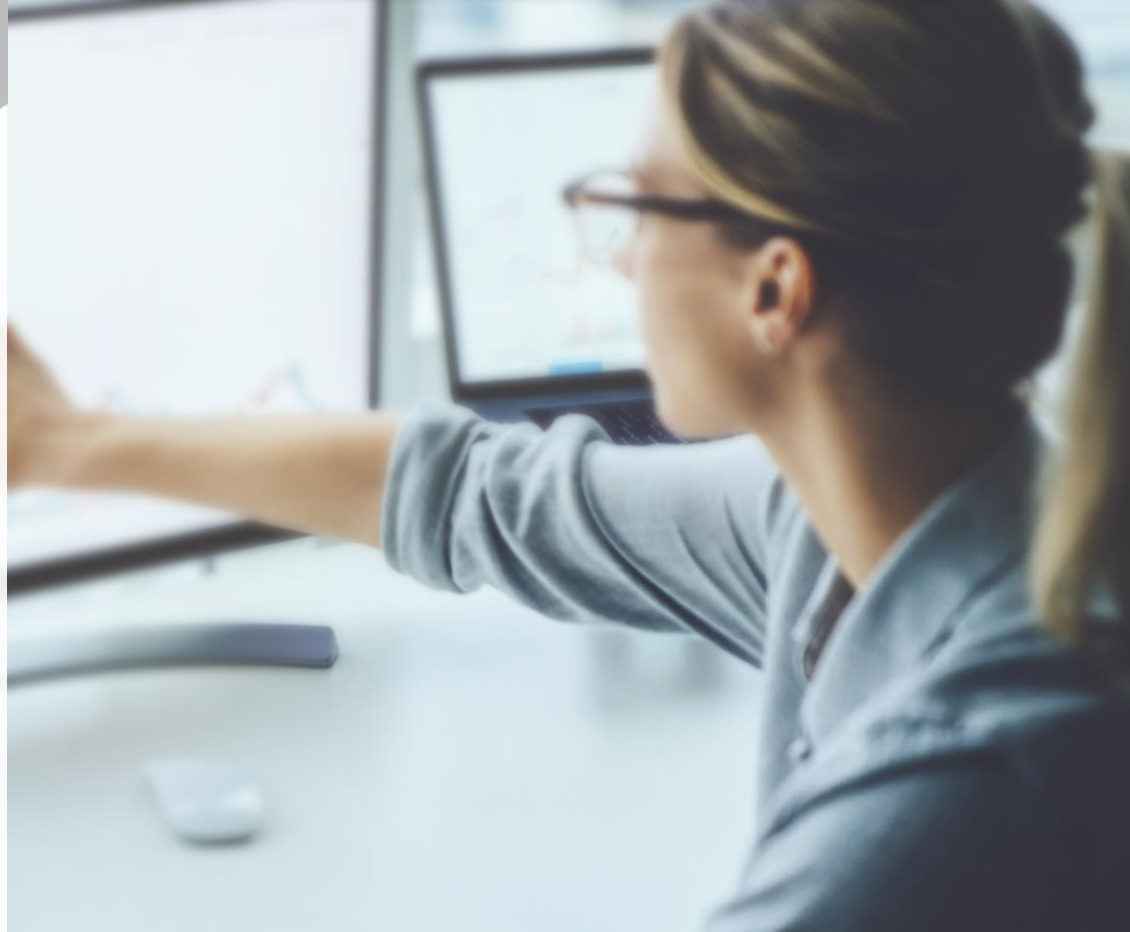
# Property Data Solutions

## FY22 Achievements

- Acquisition of IDS delivered momentum in new client wins in financial institutions and government
- Significant data investment undertaken to build our 'Single View of Property'
- 390% increase in Leadscope active users

## FY23 Q1 Progress

- IDS making progress in securing the next whole-of-state Valuer General contract
- Leadscope banking product in pilot with a leading bank
- New Automated Valuation Model (AVM) contract outperforming expectations



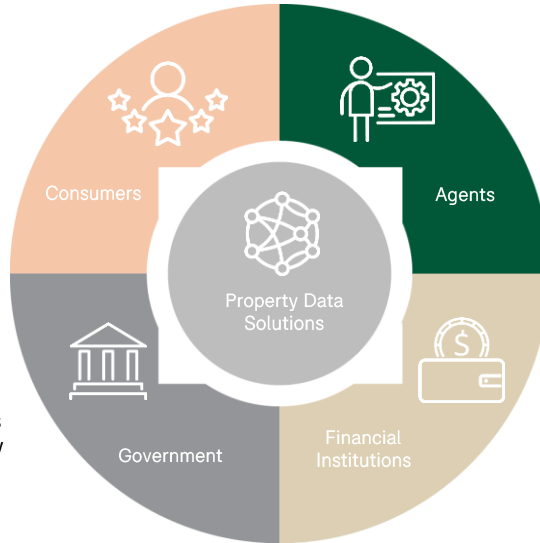
# Serving all four customer segments with a broad range of products and solutions

7.9m

Domain Media Group Unique  
Digital audience<sup>1</sup>

~50%

Through VM Online, Domain provides  
access to 28% of Australia's statutory  
property valuations market, on track  
for ~50%



~50%

Following the acquisition of Realbase,  
Domain has market coverage of ~50%  
of all Australian property transactions  
as well providing access to more than  
90% of Australian property listings

Big 4+

Through IDS and APM, Domain has  
relationships with all 4 of Australia's  
big banks, responsible for ~85% of loan  
volume as well as 5 Tier 2 banks and  
129 financial institutions



Leveraging our  
Market leading and  
proprietary data  
sources



14.7 million  
unique properties



7.9 million+  
unique audience<sup>1</sup>



21 million  
listings since 2009



19.7 million  
Homepass checkins  
since 2015

1. Nielsen Content Ratings, Monthly Tagged, July 2021 – May 2022 monthly average, P2+, Digital C/M, text, Domain Group, Unique Audience

# Current Trading Environment and Outlook

Jason Pellegrino, CEO



# FY23 Outlook

- Trading in FY23 Q1 (1 July to 30 September 2022) saw:
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# Disclaimer

## SUMMARY INFORMATION

This presentation contains summary information about Domain Holdings Australia Limited (Domain) and its activities current as at 9 November 2022. The information in this presentation is of a general background nature and does not purport to be complete. It should be read in conjunction with Domain's other periodic and continuous disclosure announcements which are available at [shareholders.domain.com.au](https://shareholders.domain.com.au).

## NOT FINANCIAL PRODUCT ADVICE

This presentation is for information purposes only and is not financial product or investment advice or a recommendation to acquire Domain securities and has been prepared without taking into account the objectives, financial situation or needs of individuals. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own objectives, financial situation and needs and seek legal and taxation advice appropriate to their jurisdiction. Statements made in this presentation are made as at the date of the presentation unless otherwise stated.

## PAST PERFORMANCE

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