

2023 Annual General Meeting Chair's Address and CEO's Presentation

Thursday, 16 November 2023 – McGrath Limited (ASX: MEA) (**Mcgrath**) attaches the Chair's Address and CEO's Presentation to be presented at McGrath's Annual General Meeting today.

-ENDS-

This announcement is authorised for release by McGrath's Board of Directors.

For further information, please contact:

Investors

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Media

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About McGrath:

McGrath Limited (ASX: MEA) is one of Australia's most successful integrated real estate services business, offering agency sales, property management, mortgage broking and career training services. McGrath Estate Agents currently has offices located throughout the East Coast of Australia. For further information, please visit www.mcgrath.com.au

Chair's Address

As always, I would like to start by thanking you all for your continued support and investment in McGrath.

The 12 months ending 30 June 2023 was a challenging year for the residential property market. The macro-economic environment, and in particular the successive interest rate rises, has had a detrimental impact to both volumes and prices.

Market intelligence from CoreLogic indicated that market volumes declined approximately 20% compared to the previous 12 months, this being 5% below the 10-year market average. In addition, national dwelling prices were on average approximately 5% lower for the 12-month period compared with the previous corresponding period.

Notwithstanding these challenging market conditions, we were pleased your company posted underlying EBIT of \$4.3 million. This full year result was as expected and consistent with the first half results announced in February 2023 this year. Statutory Net Profit After Tax of \$6.2 million included gains made on transition of selected company offices to franchises as part of the Sunrise project. Given the level of profitability, we were able to pay a fully franked special dividend of 2.5 cents per share, and fully franked ordinary dividends of 2.0 cents through the year.

Underpinning the McGrath business is its strong financial position. We had approximately \$27 million in cash on our balance sheet at June and no debt. As you will see from today's update release, this amount has been reduced to approximately \$22m due primarily to payments to shareholders as dividends or buybacks.

The 2023 financial year also included other highlights, such as the continuation of transformation from a mixture of company owned and franchise offices, to a more predominantly franchise operation, the afore mentioned Project Sunrise.

I'll let John talk to this in his address as well as further initiatives he is implementing with the management team.

The commitment and leadership of our Executives and all 2,000 members of our team have been key to the delivery of McGrath's 2023 financial results and I would like to thank all our team members and partners for your dedication, hard work and commitment to our Company.

Our focus remains on our team of property professionals, and we continue to conduct business with focus, dedication and integrity, ensuring McGrath's long-term position as a market leader.

Finally, I am pleased to advise that the Australian residential property market has shown great resilience and partially recovered in the early part of the 2024 financial year, and we have provided a positive trading update to the ASX earlier today. John can further expand on this in his address.

Which is a nice segue to handover to John.



McGRATH LIMITED (ASX: MEA)

ANNUAL GENERAL MEETING FY23

16 NOVEMBER 2023 AT 1PM

WELCOME



AGENDA

CHAIR
ADDRESS

PETER LEWIS

CEO
ADDRESS

JOHN
MCGRATH

FORMAL
BUSINESS

THREE
RESOLUTIONS

CHAIR
ADDRESS
PETER LEWIS



CEO ADDRESS

JOHN MCGRATH



FY23 RESULTS AT A GLANCE

McGrath strong full year profit despite tough market, with a strong balance sheet, ordinary and special dividends declared

\$82.5M

REVENUE

\$6.2M

STATUTORY
NET PROFIT
AFTER TAX

18

NET NEW
FRANCHISE
OFFICES

\$27.1M

CASH

Zero Debt
Strong Balance
Sheet

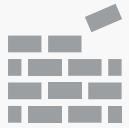
4.5C

DIVIDENDS

1.0c Interim Dividend
1.0c Final Dividend
2.5c Special Dividend

STRATEGY

01



RAPID SCALE

02



TALENT

03



TECHNOLOGY

04



ADJACENCIES

05



SELECT
INVESTMENTS

TRADING UPDATE H1

- H1 FY24 Underlying EBITDA estimated to be in the range of \$4.5m to \$5.0m – midpoint of range representing approximately 40 % increase on LY
- Executing well on growth strategies.
- Continued focus on increased agent productivity and growing office footprint on East Coast of Australia.
- Strong financial position with currently c.\$22m in Cash, no debt and plans to continue to provide returns to shareholders through ongoing dividends and on market share buyback.



VOTING

SPEAKING AT MEETING

- Shareholders, proxies or corporate representatives
- Yellow card | Eligible to speak
- Blue card | Eligible to speak but not vote
- Red card | Not eligible to speak or vote

QUESTIONS PROTOCOL

- Raise your Yellow or Blue card when the Chair opens the meeting to questions when a resolution is considered
- Give your name or the name of the shareholder you represent

VOTING

- Shareholders, proxies or corporate representatives are entitled to vote
- Joint shareholdings – only the vote of the shareholder whose name is recorded first in the register will be counted
- Voting to be conducted by poll – record vote on Yellow card

FORMAL BUSINESS



ITEMS FOR CONSIDERATION

ANNUAL FINANCIAL
STATEMENTS FOR YEAR
ENDED 30 JUNE 2023



RESOLUTION 1

RE-ELECTION OF DIRECTOR – SHANE SMOLLEN

To consider and, if thought fit, pass the following as an ordinary resolution of the Company
“That Shane Smollen, who retires in accordance with rule 4.7(b) of the Company’s Constitution
and being eligible for election, is re-elected as a Director of the Company.”

RESOLUTION 1

RE-ELECTION OF DIRECTOR – SHANE SMOLLEN

To consider and, if thought fit, pass the following as an ordinary resolution of the Company “that Shane Smollen, who retires in accordance with rule 4.7(b) of the Company’s Constitution and being eligible for election, is re-elected as a Director of the Company.”

Proxies	Votes	Percentage
Total For:	75,380,475	97.93%
Total Open:	164,523	0.21%
Total Against:	1,432,128	1.86%
Total Abstain:	4,700	-

RESOLUTION 2

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 year ended 30 June 2023, as set out in the Directors' Report, be adopted"

RESOLUTION 2

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 year ended 30 June 2023, as set out in the Directors’ Report, be adopted”

Proxies	Votes	Percentage
Total For:	23,111,692	97.61%
Total Open:	164,523	0.69%
Total Against:	401,883	1.7%
Total Abstain:	13,219,042	-

RESOLUTION 3

APPROVAL OF ADDITIONAL SHARE ISSUE CAPACITY UNDER ASX LISTING RULE 7.1A

To consider and, if thought fit, pass the following as a special resolution of the Company "That, pursuant to with ASX Listing Rule 7.1A and for all other purposes, the shareholders of the Company approve the issue of equity securities up to 10% of the issued capital of McGrath Limited (at the time of issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and on the terms and conditions outlined in the Explanatory Memorandum which forms part of the Notice of Meeting."

RESOLUTION 3

APPROVAL OF ADDITIONAL SHARE ISSUE CAPACITY UNDER ASX LISTING RULE 7.1A

To consider and, if thought fit, pass the following as a special resolution of the Company “That, pursuant to with ASX Listing Rule 7.1 A and for all other purposes, the shareholders of the Company approve the issue of equity securities up to 10% of the issued capital of McGrath Limited (at the time of issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and on the terms and conditions outlined in the Explanatory Memorandum which forms part of the Notice of Meeting.”

Proxies	Votes	Percentage
Total For:	76,665,992	99.66%
Total Open:	164,523	0.21%
Total Against:	93,417	0.12%
Total Abstain:	57,894	-

GENERAL QUESTIONS





McGRATH CONTACTS ASSOCIATED WITH THIS PRESENTATION

HOWARD HERMAN

CFO

0413 886 489

TERRI SISSIAN

COMMUNICATIONS DIRECTOR

0419 881 414

INVESTOR CENTRE CONTACT DETAILS

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INVESTORCENTRE@MCGRATH.COM.AU

DISCLAIMER

This Presentation has been prepared by McGrath Limited (Company) together with its related bodies corporate (McGrath Group) and is dated 16 November 2023. The material contained in this Presentation has been prepared in connection with the Company's FY23 results and is intended to be general background information on the McGrath Group and its activities which are current as at the date of this Presentation.

The information in this Presentation is of a general nature and does not purport to be complete nor does it contain all information which a prospective investor may require in evaluating a possible investment in the Company or that would be required in a prospectus, product disclosure statement or other disclosure document prepared in accordance with the requirements of the Corporations Act 2001 (Cth). This Presentation 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 for the full year ended 30 June 2023, copies of which are available at <https://investor.mcgrath.com.au/Investor-Centre/>. 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.

To the extent permitted by law, no responsibility for any loss arising in any way (including by way of negligence) from anyone acting or refraining from acting as a result of this material is accepted by the McGrath Group, including any of its related bodies corporate. 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 Australian Accounting Standards or International Financial Reporting Standards (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. Management has used 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. 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 as 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 no 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.

You are strongly cautioned not to place undue reliance on forward-looking statements, particularly in light of the current economic climate.

McGrath