

ASX Announcement
7 February 2020

REAGroup Investor Presentation HY2020

On behalf of REAGroup Limited (ASX:REA) please find attached a half-year results presentation for the half-year ended 31 December 2019.

The release of this announcement was authorised by Sarah Turner, General Counsel & Company Secretary

For further information, please contact:

REAGroup Limited Investors:

Graham Curtin
Executive Manager Group Finance
P: +61 3 8456 4288
E: ir@rea-group.com

REAGroup Limited Media:

Prue Deniz
Corporate Affairs
M: + 61 438 588 460
E: prue.deniz@rea-group.com

About REAGroup

About REAGroup Limited: (www.rea-group.com): REAGroup Limited ACN 068 349 066 (ASX:REA) (“REAGroup”) is a multinational digital advertising business specialising in property. REAGroup operates Australia’s leading residential, commercial and share property websites - realestate.com.au, realcommercial.com.au, Flatmates.com.au – as well as Spacely, a short-term commercial and co-working property site. In Asia, REAGroup owns leading portals in Malaysia (iproperty.com.my), Hong Kong (squarefoot.com.hk) and Indonesia (rumah123.com), and prominent portals in Singapore (iproperty.com.sg) and China (myfun.com), and a leading property review site in Thailand (thinkofliving.com). REAGroup owns Smartline Home Loans Pty Ltd, an Australian mortgage broking franchise group, and Hometrack Australia Pty Ltd, a leading provider of data property services. REAGroup also holds a significant shareholding in property websites realtor.com in the US and PropTiger.com, housing.com and Makaan.com in India.





REA Group Limited

Investor & Analyst presentation
Half-year results, 31 December 2019

Changing the way the world experiences property

Resilient performance in tough market conditions

Results & market update



Resilient performance in challenging market conditions¹:

- Revenue² down 6%
- Operating expenses³ down 4%
- EBITDA³ down 7%
- Net profit down 13%



Listings and project commencements

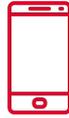
- National residential listings: -14%
- Sydney listings: -17%
- Melbourne listings: -16%
- New project commencements: -30%



Signs of property market recovery

- Syd & Melb leading recovery
- Relaxed lending requirements
- Gains in home prices⁴
- Buyer enquiries up over 30%⁵
- Increased dwelling approvals⁶

Progress on strategy



Individual, proactive & lifelong consumer interactions

- New consumer technology platforms & capabilities
- Active REA members increased 16%⁷
- Increased # of tracked properties⁸



Customer value driving leads & ROI

- Record customer numbers committed to depth
- Agent Match - 30% lead conversion⁹
- Ignite - making business easier



Richest content, data & insights empowering decisions

- Hometrack data integration
- ~1.5m weekly Auction and Sales results emails¹⁰
- Record visits to News section of realestate.com.au¹¹

HY 2020 highlights



Audience

- realestate.com.au #1 across all platforms¹²
- Australia's leading property app¹³
- #1 sites across Malaysia, Indonesia and Hong Kong¹⁴



Strong growth across International

- Revenue growth in Malaysia, India and North America
- 99.co JV presents opportunity to rapidly increase market share in Singapore and Indonesia



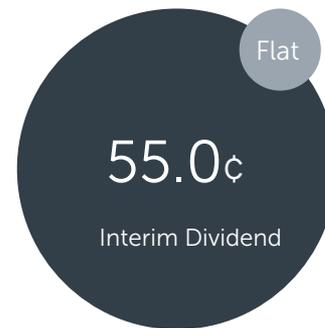
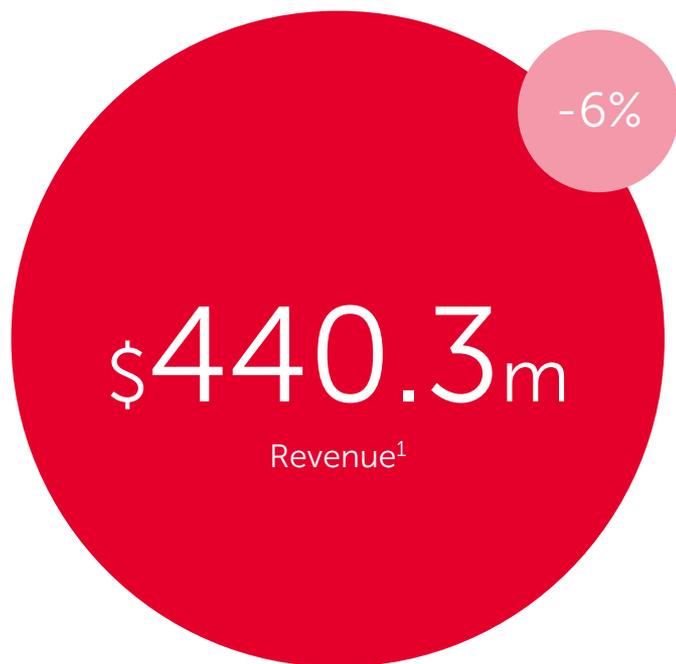
Continued Group Capex investment

- Investment focus on supporting product, technology and data strategies to underpin future growth opportunities

⁽¹⁾ Financial results from core operations exclude significant non-recurring items such as restructure costs, gain/loss on acquisitions and disposals, and transaction costs. In the prior comparative period they excluded items such as revaluation, unwind and finance costs of contingent consideration, transaction costs relating to acquisitions by associates and impairment charges. ⁽²⁾ Revenue is defined as revenue from property and online advertising and revenue from Financial Services less expenses from franchisee commissions. ⁽³⁾ Operating expenses and EBITDA exclude share of losses of associates and joint ventures. ⁽⁴⁾ REA Internal Data (Home Price Index for Sydney and Melbourne) as at Dec 19 compared to Dec 18. ⁽⁵⁾ Adobe Analytics, total email leads and phone reveals, (Jul 19 - Dec 19) compared to the same period (Jul 18 - Dec 18). ⁽⁶⁾ ABS, Building Approvals, Australia, Nov 19 compared to Mar 19. ⁽⁷⁾ REA Internal Data (Jul 19 - Dec 19) and compared to the same period (Jul 18 - Dec 18). ⁽⁸⁾ REA Internal Data as at Dec 19 compared to Dec 18. ⁽⁹⁾ REA Internal Data (May 18 - Dec 19). ⁽¹⁰⁾ REA Internal Data (Jul 19 - Dec 19). ⁽¹¹⁾ Adobe Analytics, visits to realestate.com.au/news (Oct 19). ⁽¹²⁾ Nielsen Digital Content Ratings (Monthly Tagged), text, Jul 19 - Dec 19, P2+, Computer, Smartphone and Tablet, realestate.com.au vs Domain, unique audience (Jul 19 - Dec 19 avg). ⁽¹³⁾ Nielsen Digital Panel, Jul 19 - Dec 19, realestate.com.au - Property App vs Domain Real Estate and Property App, Unique Audience. ⁽¹⁴⁾ SimilarWeb, monthly visits for iproperty.com.my site (Malaysia) compared to the nearest competitor and rumah123.com site (Indonesia) compared to the nearest competitor (Jul 19 - Dec 19), and squarefoot.com.hk site (Hong Kong) compared to the nearest competitor at Dec 19. Excludes app.

Half year financial metrics

A resilient performance in challenging market conditions



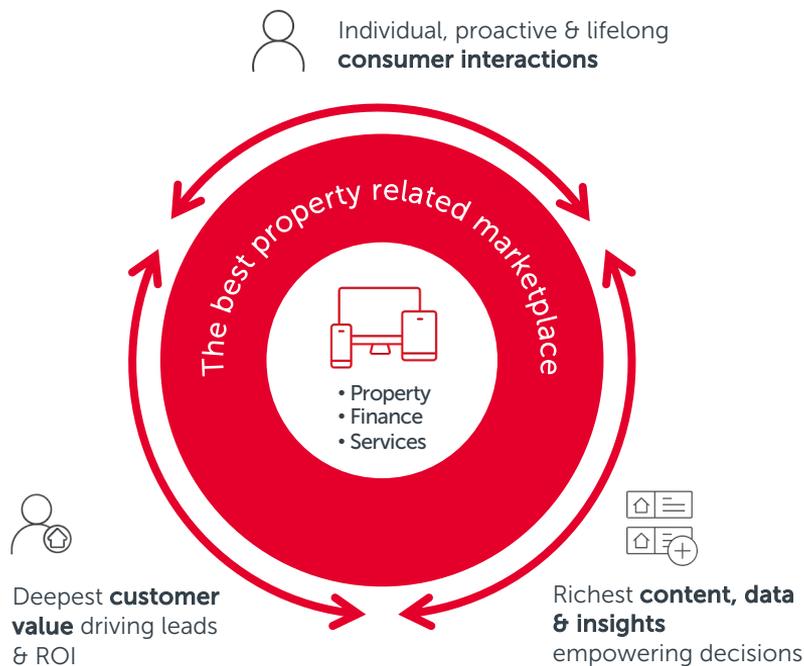
1. Revenue is defined as revenue from property and online advertising and revenue from Financial Services less expenses from franchisee commissions.

2. EBITDA excludes share of losses of associates and joint ventures. Financial results from core operations exclude significant non-recurring items such as restructure costs, gain/loss on acquisitions and disposals, and transaction costs. In the prior comparative period they excluded items such as revaluation, unwind and finance costs of contingent consideration, transaction costs relating to acquisitions by associates and impairment charges.

3. Financial results from core operations exclude significant non-recurring items such as restructure costs, gain/loss on acquisitions and disposals, and transaction costs. In the prior comparative period they excluded items such as revaluation, unwind and finance costs of contingent consideration, transaction costs relating to acquisitions by associates and impairment charges.

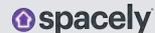
Changing the way the world experiences property

Delivering on our purpose and growth strategy



Our global network:

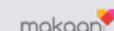
AUSTRALIA



NORTH AMERICA



ASIA



realestate.com.au is No. 1 across all platforms¹

The largest² and most engaged² audience of property seekers - record monthly visits of 92 million in October³



Total visits

84m⁴

2.95x⁴

Average monthly traffic to
realestate.com.au on all platforms



Monthly searches

103m⁵

+14%⁵

Average monthly searches across
realestate.com.au on all platforms



Monthly unique audience

8.8m⁶

+7%⁶

Average monthly unique audience across
realestate.com.au on all platforms



1. Nielsen Digital Content Ratings (Monthly Tagged), text, Jul 19 - Dec 19, P2+, Computer, Smartphone and Tablet, realestate.com.au vs Domain, unique audience (Jul 19 - Dec 19 avg).

2. "Largest" - Nielsen Digital Content Ratings (Monthly Tagged), text, Jul 19 - Dec 19, P2+, Computer, Smartphone and Tablet, average daily unique audience, realestate.com.au vs. Domain. "most engaged" - Nielsen Digital Content Ratings (Monthly Tagged), text, Jul 19 - Dec 19, P2+, average time spent on realestate.com.au vs. Domain.

3. Nielsen Digital Content Ratings (Monthly Tagged), text, Oct 19, P2+, Computer, Smartphone and Tablet, realestate.com.au, Total Sessions.

4. Nielsen Digital Content Ratings (Monthly Tagged), text, Jul 19 - Dec 19, P2+, Computer, Smartphone and Tablet, realestate.com.au, Total sessions (Jul 19 - Dec 19 avg) and vs. Domain.

5. Adobe Analytics, average monthly visits to realestate.com.au/searches (Jul 19 - Dec 19) and compared to the same period (Jul 18 - Dec 18).

6. Nielsen Digital Content Ratings (Monthly Tagged), text, Jul 19 - Dec 19, P2+, Computer, Smartphone and Tablet, unique audience (Jul 19 - Dec 19 avg) and compared to the same period (Jul 18 - Dec 18).

Australia's market leading property app¹

People are using our realestate.com.au app more than ever before – record monthly app launches of 38 million in October²



Hours on App

2.6m³

4.06x³

Average monthly hours spent on realestate.com.au app

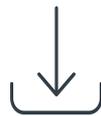


App launches

34.9m⁴

+28%⁴

Average monthly launches of the realestate.com.au app

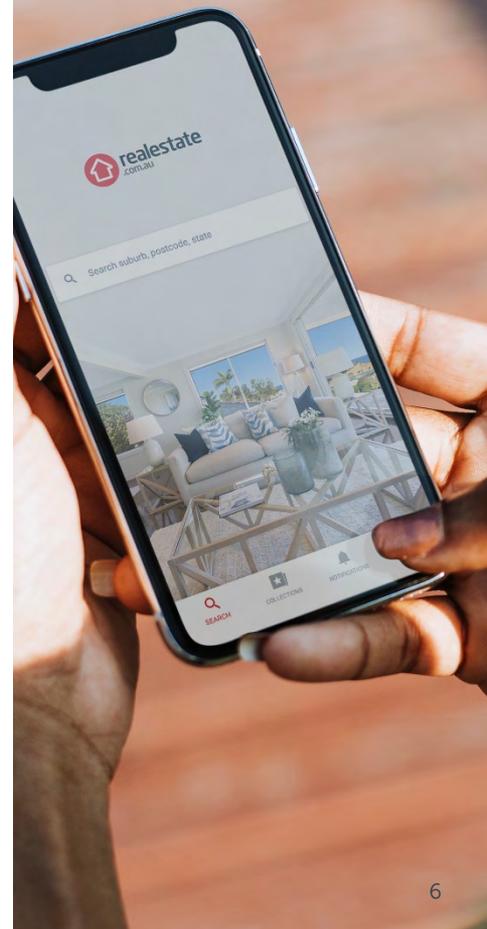


App downloads

9.5m⁵

+12%⁵

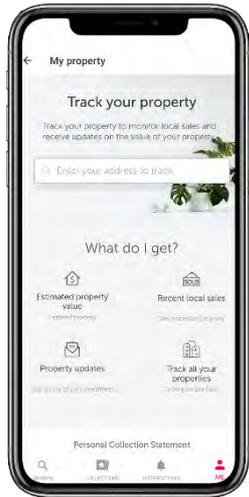
Total downloads of realestate.com.au app



1. Nielsen Digital Panel, Jul 19 – Dec 19, realestate.com.au - Property App vs Domain Real Estate and Property App, Unique Audience.
2. Nielsen Digital Content Ratings (Monthly Tagged), text, Oct 19, P2+, realestate.com.au app launches.
3. Nielsen Digital Content Ratings (Monthly Tagged), text, Jul 19 - Dec 19, P2+, total time spent on realestate.com.au app (avg in hours per month) and vs. Domain.
4. Nielsen Digital Content Ratings (Monthly Tagged), text, Jul 19 – Dec 19, P2+, realestate.com.au app launches and compared to the same period (Jul 18 – Dec 18).
5. Google Play & iTunes App Store, total number of realestate.com.au app downloads at Dec 19 and compared to Dec 18.

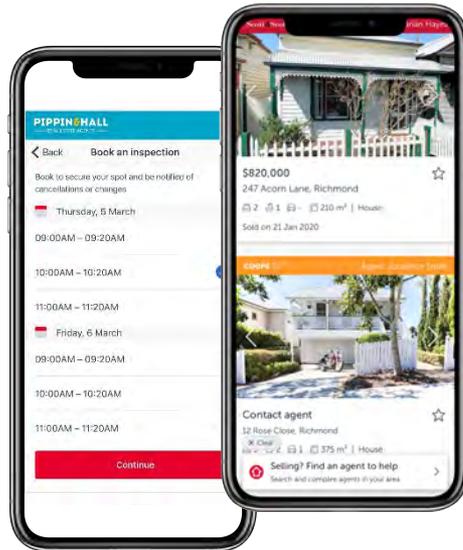
Delivering a personalised consumer experience

New technology and product innovation fueling growth



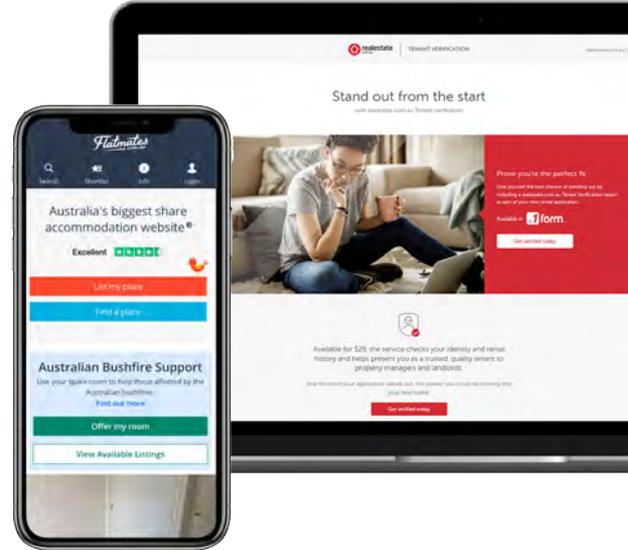
Lifelong property relationships

- Active REA members increased 16% YoY¹
- 26% YoY growth in consumers tracking properties²
- Over 1.4m properties being tracked³
- 3.7m personalised Residential Buy eDMs sent to consumers weekly⁴



Market Leading Innovation

- New consumer technology platforms and capabilities driving personalisation across all channels
- New content in app feature delivering users over 200 stories, videos and image galleries each week
- New open for inspection booking tool facilitating 60,000 additional weekly bookings⁵



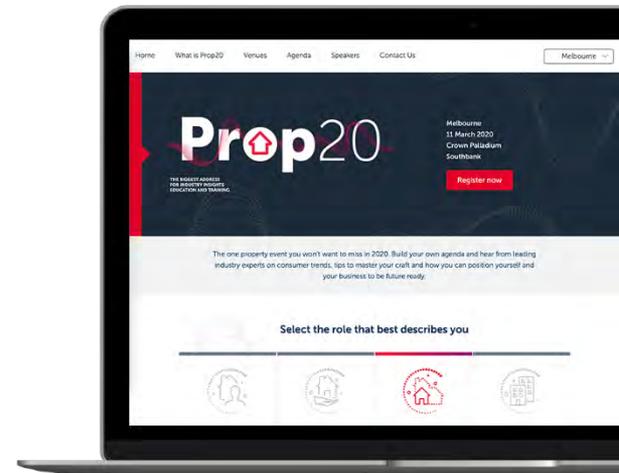
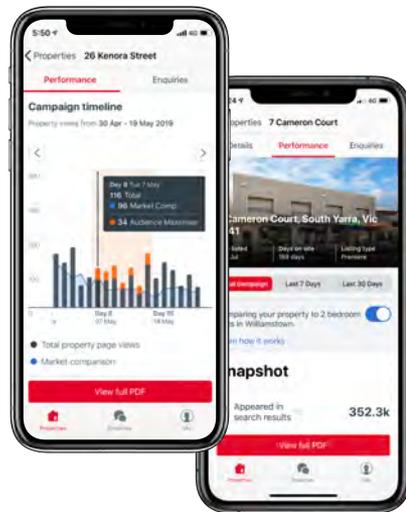
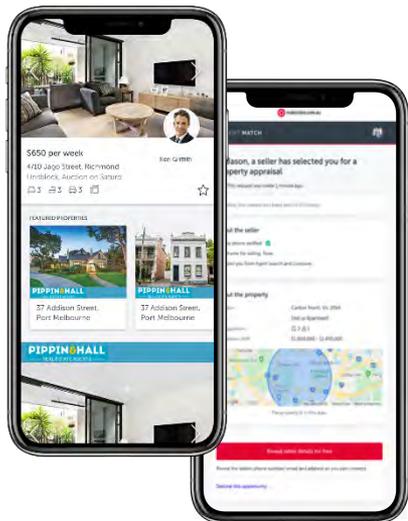
Australia's #1 place for Rent

- 3.6x more monthly visits to rent section of realestate.com.au⁶
- ~1,000 tenant verifications purchased weekly⁴
- 1Form applications for the half increased 13% YoY to 1.6m¹
- Flatmates.com.au welcomed over 218,000 new members⁴

1. REA Internal Data (Jul 19 – Dec 19) and compared to the same period (Jul 18 – Dec 18).
2. REA Internal Data as at Dec 19 compared to Dec 18.
3. REA Internal Data as at Dec 19.
4. REA Internal Data (Jul 19 – Dec 19).
5. Adobe Analytics weekly average app bookings vs. responsive web bookings (Jul 19 – Dec 19).
6. Hitwise, visits to realestate.com.au/rent compared to visits to domain.com.au/rent (Jul 19 – Dec 19).

Strengthening our customer relationships

Delivering real value and great leads



Delivering quality seller leads

- Growth in Property Showcase contracts sold¹
- 30% of Agent Match leads now converting into listings²
- ~44k Agent Ratings and Reviews currently published helping Agents stand out from competition³

Business made easy for customers

- Over 9,600 customers now signed up to Ignite³
- 96% of sessions accessed Ignite via app platform⁴
- 74% of customers enabling push notifications to receive regular updates³

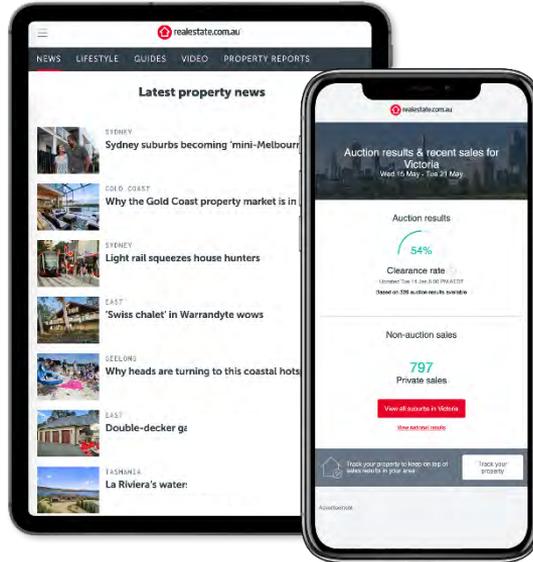
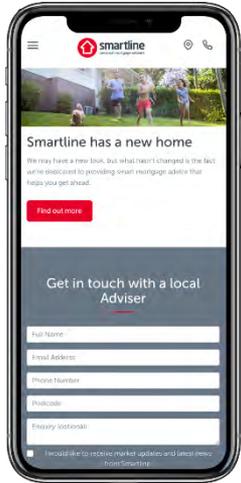
Prop20 unveiled

- National industry event series designed for REA customers
- Providing unique consumer insights and market trends
- Practical strategies to help drive customer success
- Running across Melbourne, Sydney, Brisbane, Adelaide, Perth

1. REA Internal Data (Jul 19 – Dec 19) and compared to the same period (Jul 18 – Dec 18).
2. REA Internal Data (May 18 – Dec 19).
3. REA Internal Data as at Dec 19.
4. REA Internal Data (Jul 19 – Dec 19).

Providing value beyond property transactions

Reaching more Australians in more ways



Evolving property finance strategy

- \$2.3 bn in digital home loan applications¹
- Smartline to be REA's mortgage broking brand
- Smartline recognised as Australia's top Franchise for 2019 for 10th time

Rich market data & insights

- Hometrack data integrated across all platforms and channels
- ~1.5 million personalised Auction and Sales results² emails sent to consumers weekly
- 23.6m visits to realestate.com.au news section and 61% YoY growth³

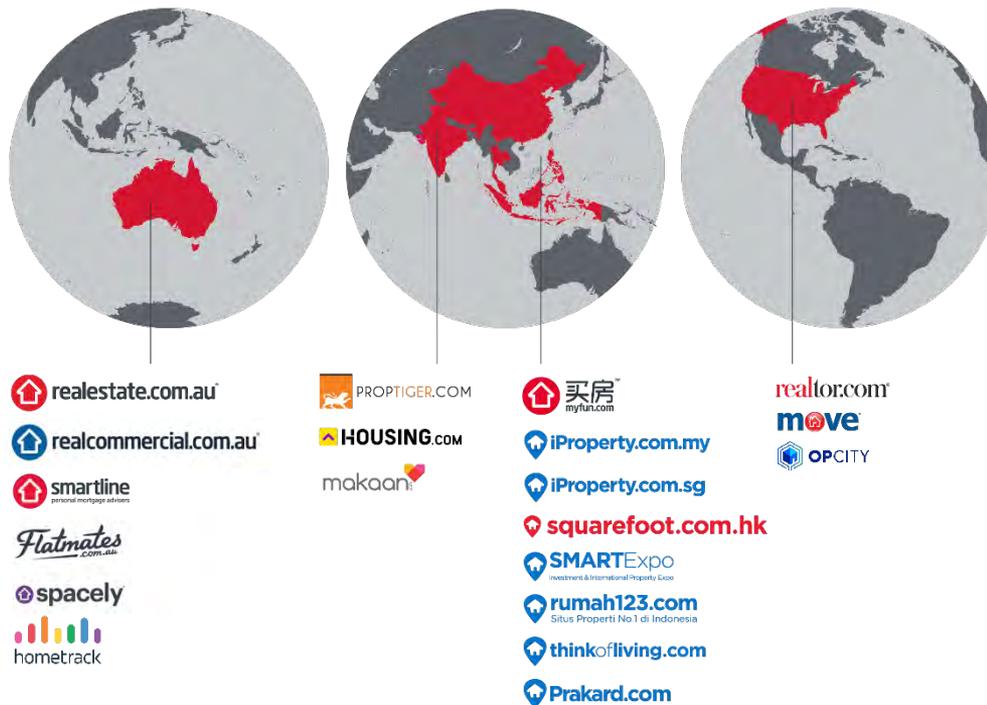
Partnering with powerful brands

- news.com.au content sharing partnership driving rapid increase in traffic – record monthly visits in Oct of 4.4m, growing 76% YoY⁴
- 3 year partnership announced with Sydney Swans as major sponsor

1. REA Internal Data, total value of digital home loan applications since launch to Dec 19.
2. REA Internal Data (Jul 19 – Dec 19).
3. Adobe Analytics, total visits to realestate.com.au/news (Jul 19 – Dec 19) and compared to the same period (Jul 18 – Dec 18).
4. Adobe Analytics, visits to realestate.com.au/news (Oct 19) and compared to the same period (Oct 18).

Our global footprint spans three continents

Providing exposure to some of the world's largest and fastest growing property markets



Exciting long-term growth strategy across Asia

Leveraging REA Group's capabilities to extend into Asia

Number one property sites in Malaysia, Hong Kong and Indonesia¹

- Malaysia – 1.7X
- Indonesia – 1.2x
- Hong Kong – 1.04x

Strong audience growth

- Malaysia visits increased 51% YoY²
- Indonesia increased visits 64% YoY³
- Hong Kong visits increased 38% YoY⁴

Product innovation fueling consumer growth

- New "Points of Interest" search experience released in Hong Kong, Malaysia and Singapore
- New "Page for Every Building" search experience released in Singapore allowing consumers to find properties available in buildings of interest

Inaugural Portal Demand Report launched in Malaysia

- Provides unique analytics and insights on property demand with the report reaching an audience of over 97 million people⁵

99.co JV presents opportunity to expand market share

- Exciting opportunity to rapidly increase market share in Indonesia and Singapore
- Transition of assets to JV company in Q3 FY 2020



1. SimilarWeb, monthly visits for iProperty.com.my site (Malaysia) compared to the nearest competitor and rumah123.com site (Indonesia) compared to the nearest competitor (Jul 19 - Dec 19), and squarefoot.com.hk site (Hong Kong) compared to the nearest competitor at Dec 19. Excludes app.
2. SimilarWeb monthly visits for iProperty.com.my (Jul 19 – Dec 19) compared to the same period (Jul 18 – Dec 18). Excludes apps.
3. SimilarWeb monthly visits for rumah123.com (Jul 19 – Dec 19) compared to the same period (Jul 18 – Dec 18). Excludes apps.
4. SimilarWeb, monthly visits for squarefoot.com.hk and GoHome.com.hk sites (Jul 19 – Dec 19) compared to the same period (Jul 18 – Dec 18). Excludes apps.
5. Ariff Communications, 24 August – 31 October, 2019.

REA Group diversifying into global markets

Global investments delivering growth



- Revenue increased 2% to US\$244 million¹
- Q2 average monthly unique users increased 9% to ~59 million - mobile representing more than half of all unique users²
- New product features successfully launched:
 - Provided consumers with Schedule Tour and Cash Back Offers, adding additional incentives for consumers to connect with customers
 - Launch of Photo First to improve the home buyers' property browsing experience



- Revenue increased 25%³
- Combined traffic increased 34%⁴
- Housing.com grew listings by 90%⁵
- Innovative experiences launched on Housing.com including:
 - New search capability targeting students and young professionals looking for paying guests and co-living communities in 12+ cities on Housing.com
 - 360-degree virtual site tour providing immersive experience launched on Housing.com



1. NewsCorp's Form 10-Q stated in US Dollars for the six month period ended 31 December 2019.
2. NewsCorp's Earnings Release stated in US Dollars (6 February 2020) for the six month period ended 31 December 2019: Average monthly unique users for Q2 FY 2020 and compared to the same period Q2 FY 2019.
3. Elara Technologies Pte. Ltd. Internal Data: revenue, for the period (Jun 19 – Nov 19) compared to the same period (Jun 18 – Nov 18).
4. Elara Technologies Pte. Ltd. Internal Data: average monthly visits to proptiger.com and housing.com (Jun 19 – Nov 19) compared to the same period (Jun 18 – Nov 18).
5. Elara Technologies Pte. Ltd. Internal Data: average monthly active listings for housing.com for the period (Jun 19 – Nov 19) compared to the same period (Jun 18 – Nov 18).

Our people and culture sets us apart

REA Group recognised as one of Australia's top 50 Best Places to Work

People are at the heart of REA Group

- Over 1,500 talented people across Australia and Asia
- Ranked #6 in Australia's top 50 Best Places to Work by Great Place to Work Australia
- Global Employee Value Proposition helping to attract and retain the best talent

Diversity, inclusion and talent

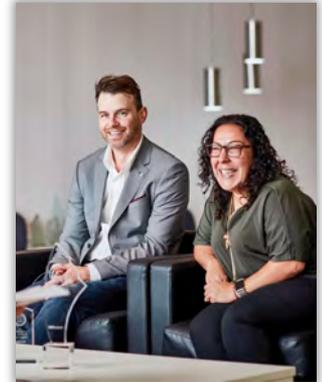
- 50:50 Executive Leadership Team gender representation
- One third of employees have been internally promoted in the last 12 months
- Award winning Women in Technology and Graduate programs
- 30% technology roles held by women, well ahead of the global industry average

Inaugural Sustainability report launched

- Commitment to responsible and sustainable business practices underpins everything we do
- Sustainability Report outlines performance and targets across Environment, Social and Governance (ESG)
- Our long-term commitment to sustainability is integral to ongoing success

Australian bushfire relief support

- Financial support provided to Red Cross appeal, matched employee donations and fundraising initiatives
- [Bushfire Relief Support Package](#) available to customers
- Free Flatmates.com.au service for those offering and seeking emergency accommodation

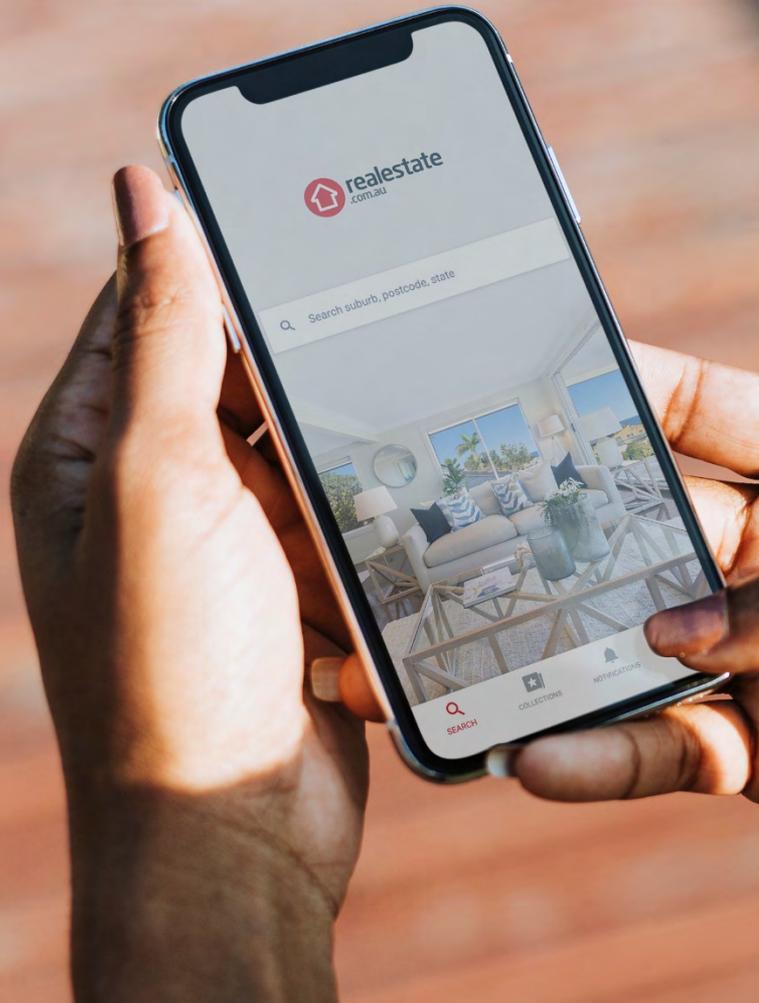


**Great
Place
To
Work®**

**2019 Best
Places to Work**

Over 1,000 Employees

AUSTRALIA



Financial Highlights

Half year results, 31 December 2019

Financial operating results

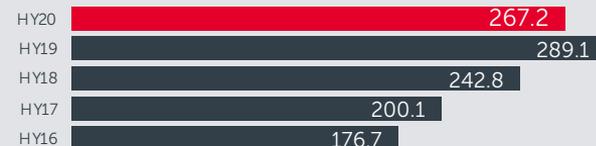
Performance (\$m)	HY 2020	HY 2019	Growth \$m	Growth %
Revenue¹				
Australia	400.5	428.5	(28.0)	(7%)
Financial Services	12.6	14.7	(2.1)	(14%)
Asia	27.2	26.0	1.2	5%
Group Revenue	440.3	469.2	(28.9)	(6%)
EBITDA²				
Australia	271.5	293.2	(21.7)	(7%)
Financial Services	4.3	5.8	(1.4)	(25%)
Asia	6.3	5.7	0.6	11%
Corporate	(10.0)	(10.6)	0.7	(6%)
Group EBITDA before associates²	272.1	294.0	(21.9)	(7%)
<i>EBITDA Margin</i>	62%	63%		
Associates	(4.9)	(4.9)	-	-
Group EBITDA²	267.2	289.1	(21.9)	(8%)
<i>EBITDA Margin</i>	61%	62%		
Net profit²	152.9	176.6	(23.7)	(13%)
Cash Balance	91.0	59.8	31.2	52%
Earnings Per Share ("EPS") (cents) ²	116.1	134.1	(18.0)	(13%)
Dividend Per Share (cents)	55.0	55.0	-	-

Reconciliation to Financial Statements (\$m)	HY 2020	HY 2019	Growth \$m	Growth %
Net profit from core operations	152.9	176.6	(23.7)	(13%)
Restructure costs, net of tax	(2.9)	-	(2.9)	n/m
Gain/(loss) on acquisitions and disposals and business combination transaction costs ³	(2.3)	(0.1)	(2.2)	>100%
Impairment charge	-	(173.2)	173.2	n/m
Unwind, revaluation and finance costs of contingent consideration	-	(0.8)	0.8	n/m
Reported net profit	147.7	2.5	145.2	>100%

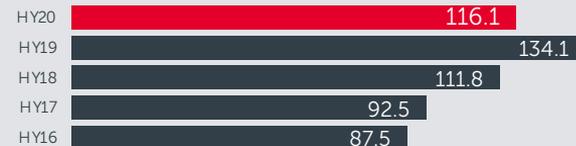
Revenue (\$m)¹



EBITDA (\$m)²



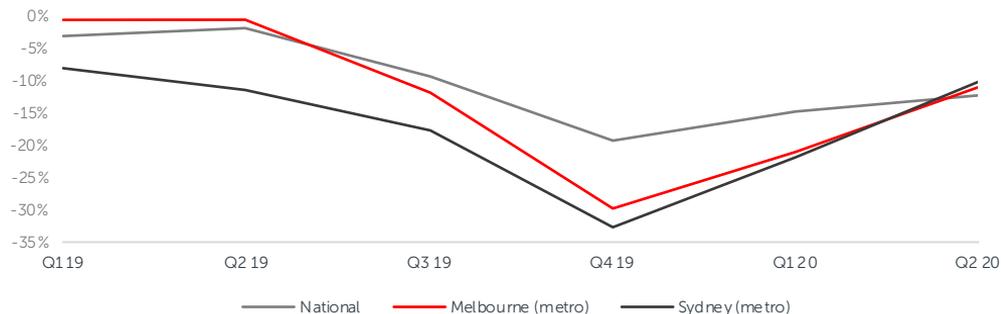
EPS (cents)²



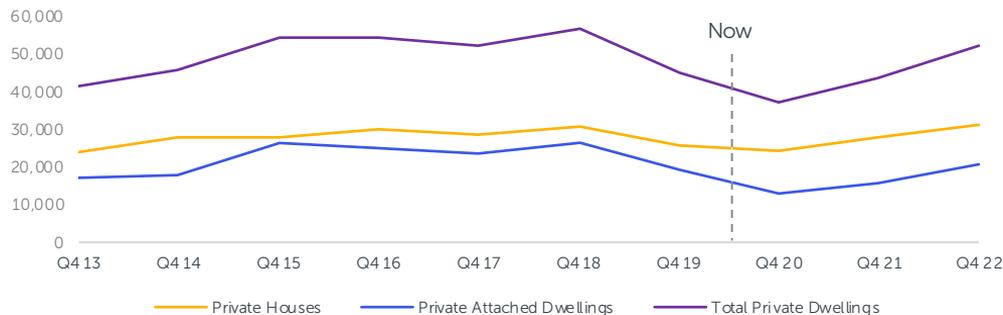
- Revenue is defined as revenue from property and online advertising and revenue from Financial Services less expenses from franchisee commissions.
- Financial results from core operations exclude significant non-recurring items such as restructure costs, gain/loss on acquisitions and disposals, and transaction costs. In the prior comparative period they excluded items such as revaluation, unwind and finance costs of contingent consideration, transaction costs relating to acquisitions by associates and impairment charges.
- Transaction costs incurred in the current period relate to the Group's disposal of its investment in iProperty Singapore and Indonesia and its investment in the 99.co joint venture. Transaction costs incurred in the prior comparative period relate to the Group's share of costs from acquisitions by associates.

Unfavourable market conditions

Residential Listing Changes¹



Dwelling Commencements²



Residential listings

- Australian residential listings decreased 14%. The overall decline was driven by declines of 17% in Sydney and 16% Melbourne, two of the highest yielding cities.
- Q2 listings indicate gradual recovery compared to Q1 FY 2020.
- Residential listing declines continued into January (-13%), with Sydney down 7% and Melbourne down 5%.

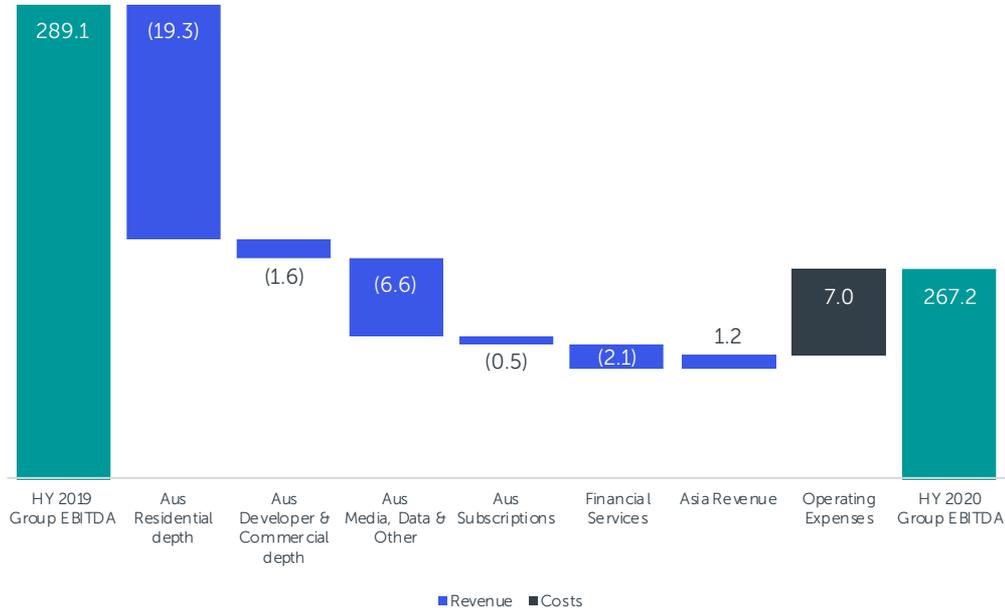
Developments

- Developer revenue declined reflecting the continued reduction in new project commencements down 30% for the half.
- BIS Oxford forecasts total new dwelling commencements to be 17% lower in the second half of FY 2020 YoY².

1. REA Internal Data for the three month periods ended 30 Sep 2018, 31 Dec 2018, 31 Mar 2019, 30 Jun 2019, 30 Sep 2019 and 31 Dec 2019.
2. BIS Oxford BIA Data - dwelling commencements quarterly forecast at December 2019.

Resilient performance in challenging market conditions

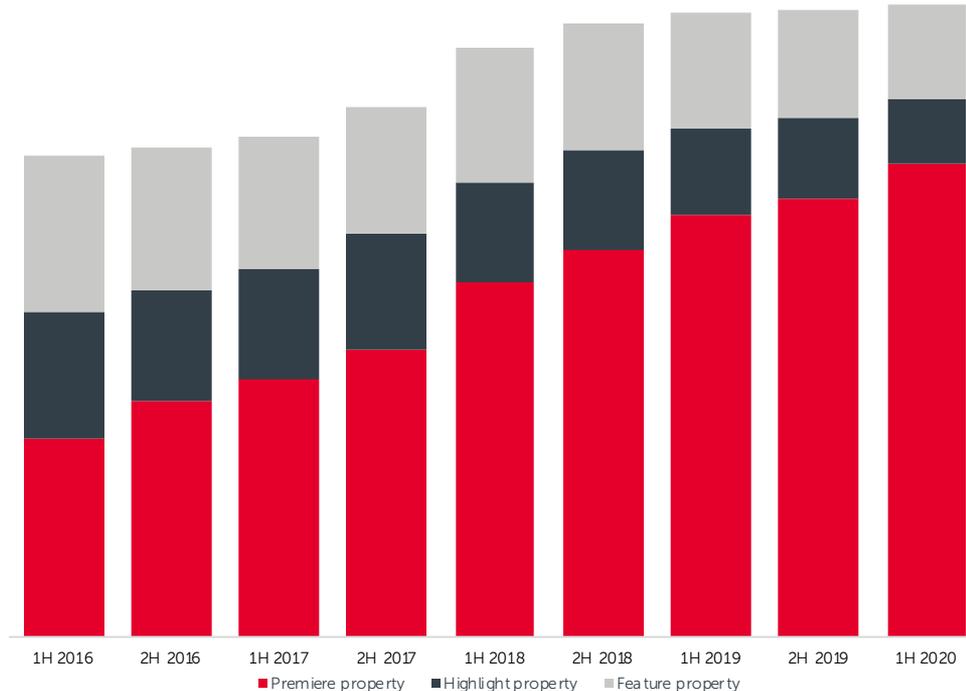
Group EBITDA (\$m)¹



- Residential revenue decline of 6% reflects unfavourable market conditions, partially offset by price changes taking effect from 1 July 2019 and continued growth in Premiere penetration, Property Showcase, Rent depth penetration and Tenant Verification.
- Developer and Commercial revenue declined by 4% reflecting the continued reduction in new project commencements down 30% for the half.
- Media, Data and Other revenue declined by 12% primarily due to a reduction in Developer display advertising due to lower new project commencements which was partially offset by continued growth from the Data business.
- Financial Services revenue was 14% lower primarily due to lower Partnership payments and reduced mortgage settlements, influenced by lower listings.
- The Asian business delivered a 5% increase in revenue driven by strong revenue growth in Malaysia, underpinned by improved customer acquisition and increased consumer audience.
- Operating expenses decreased 4% as a result of strong cost management and efficiencies gained from an organisational realignment (2% reduction excluding impact of AASB 16).

Delivering value for customers

Residential Premium Listing Penetration (depth)



* Penetration is based on listings being on site for minimum 3 days.

Residential listing depth penetration

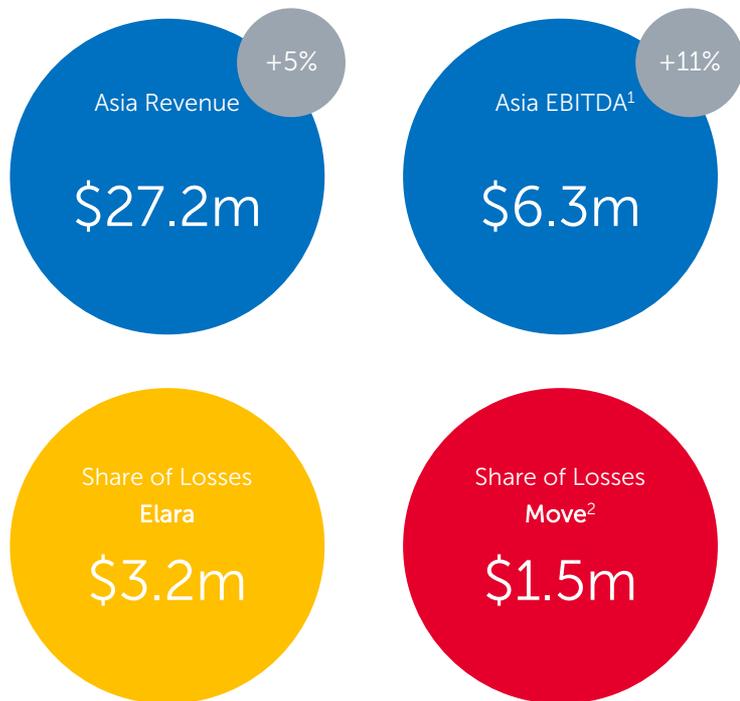
- Improved product mix and further depth penetration notwithstanding challenging market conditions.
- Record number of customers committed to depth products.
- Continued increase in penetration of the highest yielding listing product 'Premiere' demonstrating the superior returns to agents and vendors.

Other product growth

- Increased contribution from strong rent penetration and additional products such as Tenant Verification and Property Showcase.
- Since launch, more than 58,000 Tenant Verifications have been purchased.¹

1. REA Internal Data, total tenant verifications purchased (Dec 18 – Dec 19).

Continued international growth



Asia

- Revenue and EBITDA driven by strong revenue growth in Malaysia underpinned by improved customer acquisition and increased consumer audience. Malaysia has a leadership position of 1.7x the nearest competitor³. The ongoing disruption in Hong Kong impacted the overall segment result.
- Elara Technologies ('Elara') operates digital property brands Housing.com, PropTiger and makaan.com.
- Reported revenue growth of 25% due to strong growth in PropTiger and Housing.com. The Group's share of losses in Elara increased due to continued investment in technology and marketing.

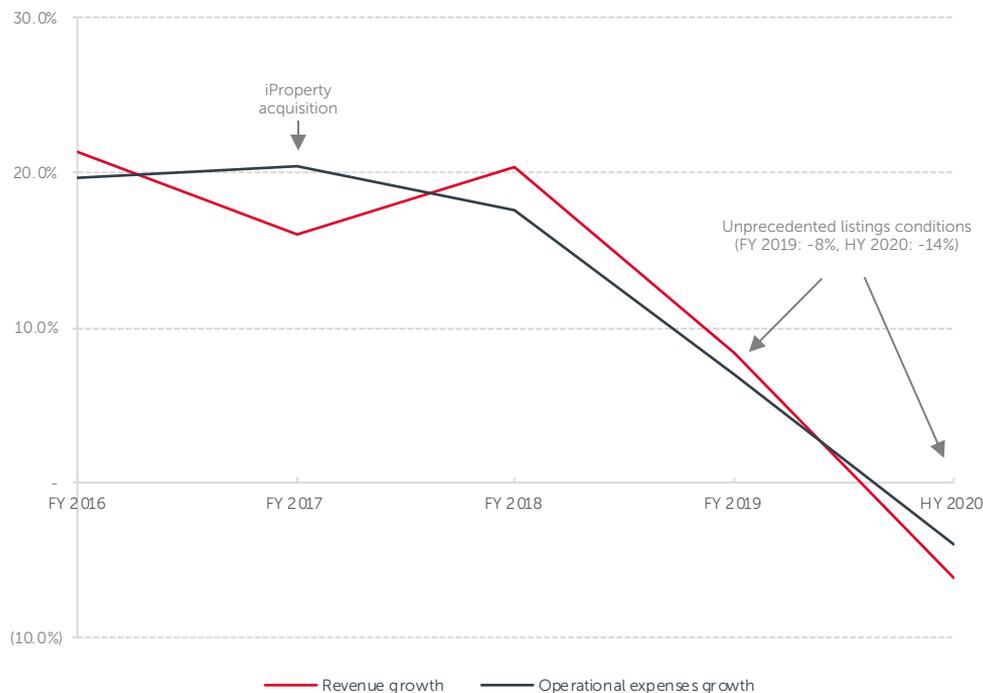
North America

- Move, Inc. operates realtor.com, the number two property portal in North America.
- Reported revenue growth of 2% to US\$244 million⁴ was due primarily to the acquisition of Opcity, partially offset by lower revenue from software and services.
- Our share of losses from Move decreased for the half due to an increase in revenue from real estate revenues, as well as a reduction in operating costs despite increased investment in Opcity.

1. Excludes share of losses of associates and joint ventures. Financial results from core operations exclude significant non-recurring items such as restructure costs, gain/loss on acquisitions and disposals, and transaction costs. In the prior comparative period they excluded items such as revaluation, unwind and finance costs of contingent consideration, transaction costs relating to acquisitions by associates and impairment charges.
2. Financial results from core operations exclude significant non-recurring items such as restructure costs, gain/loss on acquisitions and disposals, and transaction costs. In the prior comparative period they excluded items such as revaluation, unwind and finance costs of contingent consideration, transaction costs relating to acquisitions by associates and impairment charges.
3. SimilarWeb, monthly visits for iproperty.com.my site compared to the nearest competitor (Jul 19 - Dec 19). Excludes app.
4. NewsCorp's Form 10-Q stated in US Dollars for the six month period ended 31 December 2019.

Operating results

Group Operating Results Growth¹



HY20 revenue

- Impacted by significant decline in Residential listings and Developer new project commencements.
- Resilient performance despite challenging market conditions.

HY20 costs

- Strong cost management and efficiencies gained from an organisational realignment resulted in a 4% reduction in total operating expenses (2% reduction excluding impact of AASB 16).
- The realignment has increased the speed and efficiency of product delivery across the business, while allowing continued investment in innovation and growth initiatives.

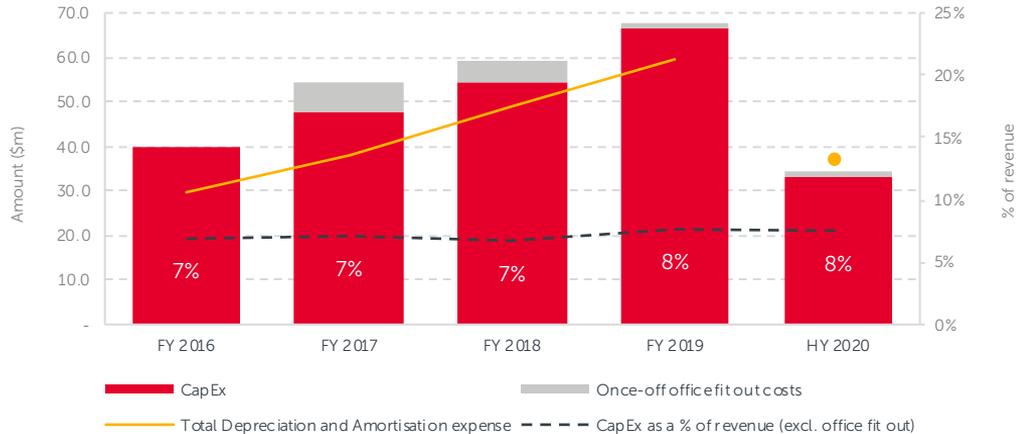
FY20 target

- The Group will continue to invest in growth initiatives. Planned efficiency gains and strong cost management are expected to result in a reduction in operating costs YoY. As a result, the rate of revenue growth is expected to exceed the rate of cost growth for the full year.

¹ Financial results from core operations exclude significant non-recurring items such as restructure costs, gain/loss on acquisitions and disposals, and transaction costs. In the prior comparative period they excluded items such as revaluation, unwind and finance costs of contingent consideration, transaction costs relating to acquisitions by associates and impairment charges.

Continued investment in Capital Expenditure

Group Capital Expenditure



REA Group (\$m)	HY 2020 Actual expense	FY 2020 Expected expense	FY 2020 Total expense
Core Depreciation & Amortisation	33	33-35	66-68
Depreciation of leases	4	5	9
Total	37	38-40	75-77

Impact of AASB 16 (\$m)	Impact	HY 2020 Actual expense	FY 2020 Expected expense	FY 2020 Total expense
Operating expense - rent	+	4	5	9
Depreciation expense	-	(4)	(5)	(9)
Interest expense	-	(1)	(1)	(2)
Net impact to Income Statement	-	(1)	(1)	(2)

Investment strategy

- The Group continues to invest to support growth over the medium to long term. Investment focus is on consumer experience plus new product delivery and supporting technology.

Once-off fit out costs

- HY 2020 costs relate to office fit outs (mainly Melbourne).
- For the FY 2020 full year, the Group expects to incur \$10-12 million of once-off capital expenditure in relation to office fit-outs, including the move to our expanded office in Melbourne.

AASB 16

- Implemented AASB 16 from 1 July 2019.
- Net impact to the Income Statement for the half-year was \$1.3 million.

Strong operating cash flows

Group cash flow (\$m)



Strong operating cash flows enabled:

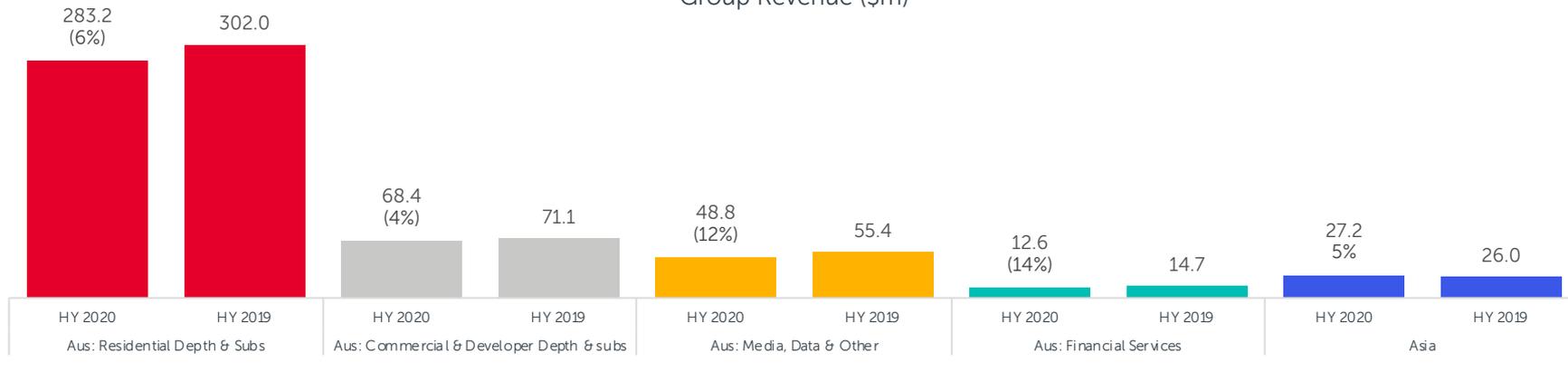
- Repayment of \$70m of debt
- Retained interim dividend payment of 55.0c despite decline in core NPAT
- Continued investment in innovation and acquisitions



Supplementary Information

Resilient performance in challenging market conditions

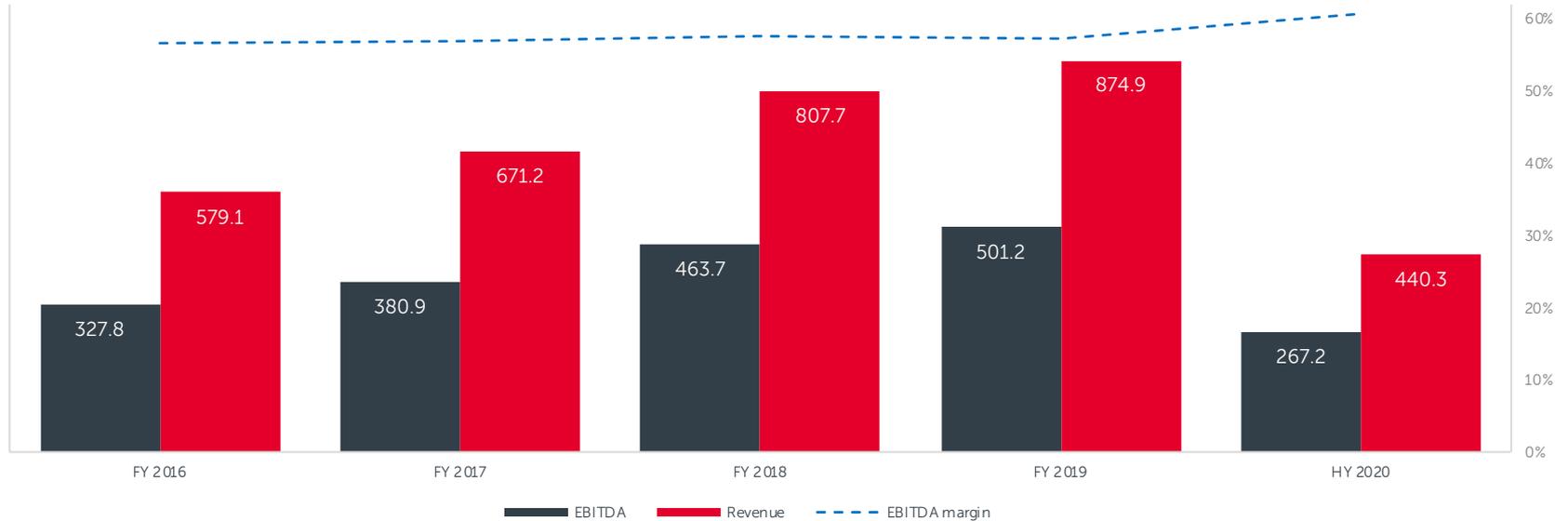
Group Revenue (\$m)



Revenue category (\$m) ¹	HY 2020	HY 2019	Growth
Australia			
Depth revenue	322.5	343.4	(6%)
Subscription revenue	29.2	29.8	(2%)
Media, Data & Other	48.8	55.4	(12%)
Financial Services	12.6	14.7	(14%)
Australian revenue	413.1	443.2	(7%)
Asia	27.2	26.0	5%
Total revenue	440.3	469.2	(6%)

Historical Revenue & EBITDA

Revenue, EBITDA and Margin
(core operations)¹



¹ Financial results from core operations exclude significant non-recurring items such as restructure costs, gain/loss on acquisitions and disposals, and transaction costs. In the prior comparative period they excluded items such as revaluation, unwind and finance costs of contingent consideration, transaction costs relating to acquisitions by associates and impairment charges.

Financial comparatives

Group results	Core Operations ¹										Financial Statements
	HY 2016		HY 2017		HY 2018		HY 2019		HY 2020		HY 2020
	\$m	Growth	\$m	Growth	\$m	Growth	\$m	Growth	\$m	Growth	\$m
Total revenue	289.8	21%	337.3	16%	406.8	21%	469.2	15%	440.3	(6%)	440.3
Total operating income	289.8	21%	337.3	16%	406.8	21%	469.2	15%	440.3	(6%)	440.3
Operating expenses	(107.2)	(9%)	(135.5)	(26%)	(160.0)	(18%)	(175.2)	(10%)	(168.2)	4%	(174.7)
Share of losses of associates & joint ventures	(5.9)	>100%	(1.8)	70%	(4.0)	>100%	(4.9)	(22%)	(4.9)	-	(3.8)
EBITDA	176.7	26%	200.1	13%	242.8	21%	289.1	19%	267.2	(8%)	261.8
<i>EBITDA margin</i>	61%		59%		60%		62%		61%		59%
Depreciation & amortisation	(13.4)	(19%)	(17.9)	(33%)	(23.1)	(29%)	(29.0)	(25%)	(36.7)	(27%)	(36.7)
Earnings before interest and tax	163.3	26%	182.2	12%	219.7	21%	260.1	18%	230.5	(11%)	225.1
Net finance income/(expense)	0.7	(74%)	(6.2)	(>100%)	(3.9)	(>100%)	(3.4)	13%	(3.6)	(4%)	(3.6)
Earnings before tax	164.0	24%	176.0	7%	215.8	23%	256.6	19%	226.9	(12%)	221.5
Income tax expense	(48.7)	(3%)	(54.2)	(11%)	(68.4)	(26%)	(80.1)	(17%)	(74.0)	8%	(73.8)
Net profit	115.3	36%	121.8	6%	147.3	21%	176.6	20%	152.9	(13%)	147.7
Dividends per share (DPS) (cents)	36.0	22%	40.0	11%	47.0	18%	55.0	17%	55.0	-	55.0
Earnings per share (EPS) (cents)	87.5	36%	92.5	7%	111.8	21%	134.1	20%	116.1	(13%)	112.1

1. Financial results from core operations exclude significant non-recurring items such as restructure costs, gain/loss on acquisitions and disposals, and transaction costs. In the prior comparative period they excluded items such as revaluation, unwind and finance costs of contingent consideration, transaction costs relating to acquisitions by associates and impairment charges.

Cash flow reconciliation

Cash flow reconciliation (\$'m)	HY 2020	HY 2019	Growth
EBITDA ¹	267.2	289.1	(8%)
Working capital movement	(15.9)	(31.5)	50%
Net interest paid	(2.6)	(5.3)	51%
Income taxes paid	(88.8)	(75.7)	(17%)
Capital expenditure	(34.5)	(31.9)	(8%)
Other	3.2	0.4	>100%
Free cash flow	128.6	145.1	(11%)
Receipt/(payment) for acquisition of subsidiary	(15.9)	3.2	(>100%)
Receipt/(payment) for investment in associates and joint ventures	(2.0)	-	n/m
Proceeds from borrowings	169.5	-	n/m
Repayment of borrowings and leases	(243.2)	(122.4)	(99%)
Dividends paid	(83.6)	(81.8)	(2%)
Other	(0.3)	(0.1)	(>100%)
Net cash inflow/(outflow)	(46.9)	(56.0)	(16%)

Visit our
investor site at
rea-group.com

Disclaimer: This presentation contains non-specific background information about REA Group's current activities. This information is a summary only. Investors and potential investors should obtain independent advice. This information is not intended to provide advice to investors or potential investors and does not take into account the individual investment objectives, financial situation or needs of any particular investor(s). These factors should be considered when making investment decisions.

Investors:

Graham Curtin
Executive Manager Group Finance
P: +61 3 8456 4288
E: ir@rea-group.com

Media:

Prue Deniz
Corporate Affairs
M: +61 438 588 460
E: prue.deniz@rea-group.com