

ASX Announcement
9 May 2025

REA Group delivers a strong Q3 result

REA Group Ltd (ASX:REA) (REA Group) today announced its results for the nine months ended 31 March 2025 as reported by News Corporation (ASX:NWS) (News Corp). The News Corp report includes US GAAP financial information for REA Group and its subsidiaries (the Group) for the nine months ended 31 March 2025.

Group financial highlights from core operations¹ for the nine months ended 31 March 2025 include revenue² of \$1,247m, up 18% YoY, and EBITDA³ excluding associates of \$734m, an increase of 19%.

Q3 revenue grew by 12% to \$374m, driven by double-digit revenue growth across Residential, Commercial, Financial Services and India. EBITDA excluding associates increased by 12% to \$199m.

A summary table of the key financial information from core operations¹ is presented below. The information is presented in Australian dollars and is prepared under AIFRS. All financial growth rates refer to YoY comparisons unless otherwise stated.

	Nine months ended 31 March⁴		
AUD\$m (unless stated)	FY25	FY24	YoY change
Revenue	1,247	1,060	18%
Operating expenses	513	444	15%
Operating EBITDA (excluding share of profit/losses from associates)	734	616	19%
EBITDA (including share of profit/losses from associates)	714	594	20%
Free cash flow ⁵	389	322	21%

	Three months ended 31 March⁴		
AUD\$m (unless stated)	FY25	FY24	YoY change
Revenue	374	334	12%
Operating expenses	176	157	12%
Operating EBITDA (excluding share of profit/losses from associates)	199	177	12%
EBITDA (including share of profit/losses from associates)	193	168	15%
Free cash flow ⁵	132	110	19%

REA Group Chief Executive Officer, Owen Wilson commented:

“REA delivered a strong third quarter result underpinned by double-digit yield growth as we continued to drive increased value for customers across our premium products. The first interest rate cut in 4 years, combined with expectations of more to come, spurred buyer demand and supported house price growth across the country.

These conditions encouraged sellers to bring properties to market with listings matching the very strong levels of this time last year.”

Q3 RESULT

AUSTRALIA

Australian revenue of \$340m was up 11% YoY, or 10% excluding the acquisition of Realtair, which was consolidated from 1 July 2024.

A summary of the quarterly residential new Buy listings and new homes project commencement changes is outlined in the table below, showing changes against the prior corresponding period.

	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25
Residential new Buy listings change⁶							
National	1%	8%	6%	16%	7%	4%	0%
Sydney	16%	22%	20%	26%	11%	2%	4%
Melbourne	14%	24%	18%	32%	9%	2%	(3%)
Project commencement change	(18%)	(29%)	(2%)	3%	(11%)	11%	13%

Residential revenue was up 12% for the quarter. Whilst national listings were flat YoY, Buy revenue growth was driven by a 15% yield increase, partially offset by a 3% negative impact from revenue deferral. Buy yield benefited from a 10% average Premiere+ price rise, increased depth and Premiere+ penetration and growth in add-ons including Audience Maximiser and Luxe, partially offset by a small negative impact from geographical mix. Rent revenue increased with an 8% average price rise, growth in depth penetration and a 4% increase in listings.

Commercial and Developer revenue increased during the quarter, with stronger growth in Commercial revenues tempered by more modest growth for Developer. Commercial revenues were driven by an average 11% price rise and increased depth penetration and listings. Developer revenues increased, with a 13% increase in project commencements, longer project duration and a price rise from 1 July more than offsetting lower display revenues.

Other revenues were flat during the quarter, with strong growth from CampaignAgent offset by lower PropTrack and programmatic display revenues.

Financial Services revenue increased during the quarter, benefiting from a 16% increase in settlements, with Mortgage Choice Freedom white label settlements passing through \$2bn, and improved broker productivity.

realestate.com.au strengthens its position as Australia's number one address in property

REA Group's flagship site realestate.com.au reached record audiences during the quarter⁷.

Mr Wilson commented: “Australians can find more listings and more buyers on realestate.com.au than anywhere else. A record number of people turned to our platform in March with our lead over the nearest competitor extending to 5.5 million people⁸. Enhancements to our personalised consumer experiences further cemented our position as the No. 1 address in property while the strength of our owner experiences helped drive a substantial increase in seller leads delivered to customers.”

Key audience highlights during the quarter included:

- 12.3 million people visited realestate.com.au each month on average⁹, with 6.4 million exclusively using realestate.com.au⁹;
- 133.4 million average realestate.com.au monthly visits¹⁰, 3.9 times more visits than the nearest competitor each month on average¹⁰;
- 4.3 million unique properties tracked by their owner on realestate.com.au¹¹, up 24% YoY¹¹;
- 2.3 million average monthly realestate.com.au buyer enquiries¹², down 3% YoY¹², with inspection interactions up 12%¹²;
- 50% YoY increase in realestate.com.au seller leads¹³; and
- 6% YoY increase in active members¹⁴.

INDIA

REA India's revenue was up 28% YoY, driven largely by strong growth in adjacency services on the Housing Edge platform. Housing core revenue was flat, with increased competition putting downward pressure on yields, while PropTiger revenues declined reflecting reduced volume of stock.

CORE OPERATING COSTS

Group operating costs grew by 12% and Australian costs were up 9%. Excluding the impact of the Realtair acquisition, Group operating costs were up 10% and Australian expenses increased 7%.

Australian cost growth was predominantly driven by employee costs, reflecting increased strategic investment and higher performance related incentives, and higher technology costs. This was partially offset by lower marketing spend.

India operating costs increased by 20%, driven largely by revenue-related costs attached to Housing Edge's Rent Pay on Credit offering.

EQUITY ACCOUNTED INVESTMENTS

The Group's combined share of associates contributed a \$6m loss to core EBITDA in the quarter, which compares to a \$9m loss in the prior corresponding period. The losses largely reflect continued challenging market conditions in the US for Move, Inc., and the Group's investment in Athena Home Loans from 31 October 2024.

OUTLOOK

Strong employment and expectations for further interest rate cuts continue to support buyer demand and vendor confidence. The level of available residential stock remains at elevated levels, however the increase in buyer demand following the February rate cut has resulted in a return to modest property price growth.

YoY growth rates for national residential new Buy listings in the fourth quarter will reflect very strong prior period volumes, particularly for Melbourne and Sydney. As expected, April listings declined, down 11% YoY with Sydney and Melbourne both 16% lower, reflecting the strong prior period as well as the timing of Easter and the federal election. We anticipate FY25 listings growth of 1-2%.

Residential Buy yield growth is expected to be between 13-15% in FY25, with the key variable being geographical mix in Q4.

We continue to target positive operating jaws in FY25. Low double-digit group core operating cost growth is anticipated, with the YoY growth rate in Q4 lower due to phasing of marketing costs and lower anticipated COGS in India. EBITDA losses in India are anticipated to be marginally lower in FY25 compared to FY24.

Contributions from combined associates' losses in FY25 are anticipated to be modestly higher than the prior year.

Mr Wilson commented: "The Australian property market continues to be supported by strength in the underlying fundamentals. Expectations of further rate cuts should support buyer demand, and this demand, coupled with steady house prices should underpin seller confidence. Our personalisation strategy is driving our record audience and as its rollout continues it will further underpin deep consumer engagement and the value we deliver to our customers and their vendors."

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The release of this announcement was authorised by the Board.

About REA Group (www.rea-group.com): REA Group Ltd ACN 068 349 066 (ASX:REA) ("REA Group") is a multinational digital advertising business specialising in property. REA Group operates Australia's leading residential and commercial property websites – realestate.com.au and realcommercial.com.au – as well as the leading website dedicated to share property, Flatmates.com.au and property research website, property.com.au. REA Group owns Mortgage Choice Pty Ltd, an Australian mortgage broking franchise group, PropTrack Pty Ltd, a leading provider of property data services, Campaign Agent Pty Ltd, Australia's leading provider in vendor paid advertising finance solutions for the Australian real estate market and Realtair Pty Limited, a digital platform providing end-to-end technology solutions for the real estate transaction process. In Australia, REA Group holds strategic investments in Simpology Pty Ltd, a leading provider of mortgage application and e-lodgement solutions for the broking and lending industries, Arealytics, a provider of commercial real estate information and technology in Australia and Athena Home Loans, a leading digital non-bank lender and one of Australia's fastest growing fintechs. Internationally, REA Group holds a controlling interest in REA India Pte. Ltd. operator of established brands Housing.com and PropTiger.com. REA Group also holds a 20% shareholding in Move, Inc., operator of realtor.com in the US and a minority interest in Easiloan, a technology platform for end-to-end digital processing of home loans in India.

References

¹ Financial results/highlights from core operations exclude significant non-recurring items such as impairment, legal and advisory costs incurred as part of the withdrawn bid to acquire Rightmove plc, M&A related integration costs, net gain/loss on acquisition or divestment related activities, and share of associate non-core costs.

² Revenue is defined as revenue and other income from property and online advertising, and revenue from Financial Services less expenses from franchisee commissions.

³ Earnings Before Interest, Tax, Depreciation and Amortisation.

⁴ Results are based on unaudited financial information and rounded to the nearest million.

⁵ Free Cash Flow based on reported results.

⁶ The Group releases a monthly REA Insights Listings report, which provides month-on-month and year-on-year movements in new and active realestate.com.au listings. The report is available on rea-group.com and realestate.com.au.

⁷ Ipsos iris Online Audience Measurement Service, Mar 2025, P14+, PC/laptop/smartphone/tablets, text only, Homes and Property Category, Brand Group, Realestate.com.au, Audience (000's).

⁸ Ipsos iris Online Audience Measurement Service, Mar 2025, P14+, PC/laptop/smartphone/tablets, text only, Homes and Property Category, Brand Group, Realestate.com.au vs Domain, Audience (000's).

⁹ Ipsos iris Online Audience Measurement Service, Jan 2025 - Mar 2025 (average), P14+, PC/laptop/smartphone/tablets, text only, Homes and Property Category, Brand Group, Realestate.com.au vs Domain, Audience (000's).

¹⁰ Ipsos iris Online Audience Measurement Service, Jan 2025 - Mar 2025 (average), P14+, PC/laptop/smartphone/tablets, text only, Homes and Property Category, Brand Group, Realestate.com.au vs Domain, Monthly Visits (000's).

¹¹ REA internal data, Mar 2025 and vs. Mar 2024.

¹² Adobe Analytics, internal data, Jan 2025 - Mar 2025 (average) and vs. Jan 2024 - Mar 2024 (average).

¹³ REA internal data, Jan 2025 - Mar 2025 vs. Jan 2024 - Mar 2024.

¹⁴ REA internal data, monthly logged-in members, realestate.com.au, Jan 2025 - Mar 2025 (average) vs. Jan 2024 - Mar 2024 (average).