

ASX Release
18 November 2022

AGM DETAILS & PRESENTATION

National real estate company The Agency Group Australia (**ASX:AU1**) (“**The Agency**” or “**the Company**”) is holding its 2022 AGM via a hybrid meeting at 8:30am AWST (11:30am AEDT) on 18th November 2022. The meeting will be held at The Agency’s head office at 68 Milligan Street, Perth, and as a virtual meeting.

Hybrid Virtual Meeting

The Company is pleased to provide the opportunity to access the meeting through an online meeting platform powered by Advanced Share Registry. Please use the relevant links below to access the virtual meeting:

Shareholder Login

<https://www.advancedshare.com.au/Dashboard/Virtual-Meeting-Centre-Login>

In order to login to the AGM, shareholders will require:

- Meeting ID: AU10010
- Shareholder ID: this is located on your proxy form

Shareholders attending the Meeting virtually will be able to submit questions both written (by typing) and verbal (by recording their question) during the meeting, by clicking on the ‘ASK A QUESTION’ button.

All enquiries, please contact Advanced Share Registry on +61 8 9389 8033.

AGM Presentation

A copy of the AGM presentation by The Agency Managing Director and CEO Geoff Lucas is attached

Announcement authorised for release by the Board of The Agency Group Australia Limited.

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THE AGENCY

(ASX: AU1)
Annual General Meeting
18 November 2022



FY22 KEY TAKEAWAYS

UNDERLYING EBITDA¹

\$3.85M

(FY21: \$3.06M) → +26%

Gross Value of Properties Sold

\$5.9Bn

(FY21: \$4.8Bn) → +23%

Revenues from Ordinary Activities

\$72.7M

(FY21: \$58.4M) → +24%

No. of Properties Sold

5,709

(FY21: 4,964) → +15%

GCI²

\$102.5M

(FY21: \$80.7M) → +27%

No of Agents

393

(FY21: 308) → +28%

1. Underlying EBITDA adjusted for the impact of AASB16 and Government Incentives received in the prior period
2. Gross Commission Income ("GCI") is the fees the vendor pays for the sale of a property.



Continued growth in agent numbers with 415 agents at 31 Oct 2022

(up from 393 at 30 June 2022)

Since 30 June 2022, The Agency has entered its sixth state being Tasmania through its acquisition of Bushby Property Group.

Geographical expansion in South East Sydney is an example of using organic recruitment to expand market share in areas adjacent to existing brand recognition.

The Agency has continued to focus on expanding its geographical footprint in December.

Bushby Property Group Acquisition

Bushby Property Group, renamed The Agency – Team Bushby settled on 22 July 2022. The business sells approx. \$125m in real estate on an annual basis and has 1,300+ Properties under management

Consideration of c. \$5M subject to a number of earn out provisions based on performance and growth

Integration of business broadly completed with efficiencies and coordinated branding initiatives successfully undertaken

Recruitment initiatives to build off the back of this market entry strategy has commenced

Further geographical expansion into other Tasmanian cities expected to be earnings accretive



MDC Trilogy Group Alliance

New strategic alliance with MDC Trilogy Group (“MDC Trilogy”) to accelerate The Agency market share across geographical areas.

An inhibitor to agent recruitment is often an agent owning existing rent roll assets. The alliance with MDC Trilogy provides an opportunity for the agent to sell their business including rent roll assets and join The Agency as a sales agent.

The business sale allows the agent to refocus on their selling strengths rather than administrative tasks that enables a focus on superior services and results to the customers.

Across Australia, there are 3.25 million rental properties which we estimate are worth near \$3 trillion dollars in asset value. This is broadly equivalent to the entire ASX listed stocks value and compared to the ASX listed funds management industry, the management of the residential rental properties has seen limited innovation over recent decades.

MDC Trilogy Group intends to continue purchasing rent rolls across New South Wales, Queensland and Victoria areas with favourable demographics, strong rental appreciation potential and high demand from tenants and investors and is in late stage due diligence on a number of further opportunities that will be managed by The Agency.



Our local presence is
your national
opportunity.

Bringing the nation's best together under the one roof.

That has always been, and continues to be, our strategy here at The Agency. From across the nation, we bring together the most experienced professionals who have demonstrated success in their local market. Our collaborative and connected approach means your property has national exposure, leading to better sales results. It's probably why we're one of the fastest growing agencies across the country and the most successful in delivering outstanding client results.

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THE AGENCY

Investment in Marketing Activities

Appointment of Chief Marketing Officer and National Head of Brand

1 December 2022 National Brand Refresh to align all regions under a single brand and improve brand recognition and penetration

1 December 2022 will also launch a new website to maximise engagement and generate more recruitment leads

Launch of bespoke marketing offering that coordinates inhouse all agent marketing to ensure better consistency of brand

Variety of local level brand campaigns across various markets to complement agent marketing and increase brand awareness

Leveraging existing sponsorship opportunities to generate a greater return



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THE AGENCY

Data Strategy

We have made significant investments in the area of data strategy and security with the appointment of a Chief Technology Officer. The CTO will focus on identifying efficiencies and deliver efficiency savings, along with leading IT investments that support and enhance our growth strategy as we scale nationally.

CONNECTING OUR SYSTEMS

The Agency has undertaken a nation-wide project to consolidate all of our systems and ensure they work together more seamlessly. Progress to date has focused on the collation of data into a data warehouse which allows greater visibility of our customers across our various software platforms used across departments (sales, property management and ancillary services). This allows our team members to provide more meaningful interactions with our customers across all geographic regions and across all arms of the business.

CONNECTING OUR SUPPLIERS AND SERVICES

The Agency has continued the integration of best in class IT solutions that provide Agents with a better experience through the integration of suppliers across the entire property journey lifecycle. This ensures a better experience for our agents and ensures The Agency has a competitive difference.

SEAMLESS ONBOARDING FOR OUR AGENT RECRUITS

The Agency has built proprietary technology and workflow process that assists in onboarding agents and agencies without the need to change their existing technology they are familiar with. This allows for rapid transition into the technology ecosystem which results in lower training time required for new agents.



More leads
More opportunities
More flexibility

THE  AGENCY

Data Security

DATA SECURITY STRATEGY

External Data Security review process being undertaken by The Agency to review how data is collected and stored. While the majority of our customer data is held in external SaaS databases, The Agency still has a responsibility to minimise any risk.

Benefits of this review include changing the way The Agency is capturing data. As an example, The Agency is incorporating new custom technology that ensures a high standard of legal compliance from listing to settlement. The Agency will roll out in January a new ID verification software that is cutting edge and reduces the quantum of sensitive data held on The Agency's technology ecosystem, or its SaaS providers.



Take your
business to the
next level

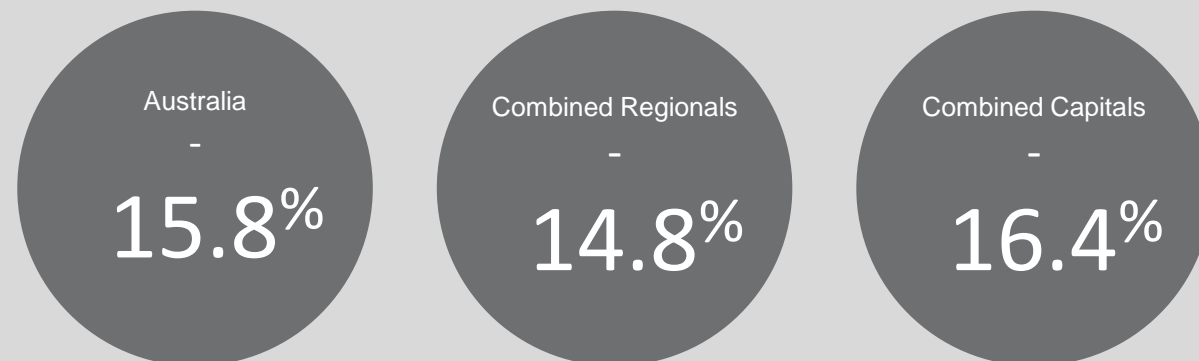
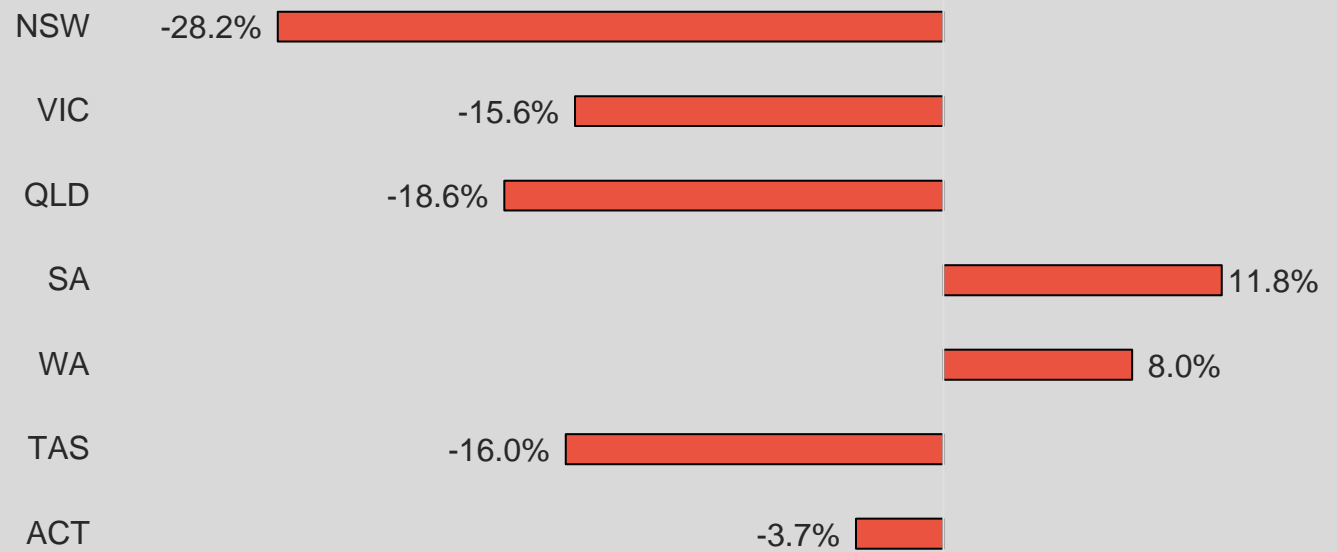
THE  AGENCY

FYTD23 Market Sales Volumes

In the 4 months to 30 October 2022, Australian market volumes have reduced 15.8% from prior corresponding period.

The Agency has recorded better than system performance with volumes reducing by 0.9%. This has led to increased market share of national transactions.

Change in sales volumes, four months to Oct 2022



Recent months of sales volumes are modelled estimates, and are subject to revision

Business Performance Update

Key Performance Indicator Update

	4 months to 31 Oct 2022	4 months to 31 Oct 2021	Variance
# of Listings	2,152	2,072	+3.8%
# of Properties Sold	1,861	1,878	-0.9%
Gross Sales Volume	\$1.7bn	\$2.0bn	-12.8%
Gross Commission Income (GCI)	\$30.8m	\$34.2m	-10.0%
No of Agents	415	340	+75 agents

Despite the national market number of properties sold reducing by -15.1%¹, we have achieved better than system performance with movement in properties sold of by -0.9%. This has lead to increased market share of national transactions.

Although we are increasing national market share, reduction in sale prices is the main contributor to lower Gross Commission Income.

Notwithstanding a softer market environment, to ensure future growth is not inhibited, management have remained committed to invest in initiatives that ensure solid foundations. During the 1H FY23, these include a branding refresh, data consolidation strategy, data security review and establishment costs relating to MDC Trilogy Group. Costs are also being impacted by inflationary pressures. These initiatives and along with inflation have result in increased operating expenses.

Operating Costs are in line with plan, however the reduction in revenue against plan is likely to result in an EBITDA Pre AASB 16 in 1H FY23 up to negative \$1.0m.

Management intends to continue focusing on investing in future growth initiatives in 2H FY23 however has commenced a number of cost reduction actions which the company will see a benefit of in 2H FY23 and FY24.

STRATEGIC OBJECTIVES

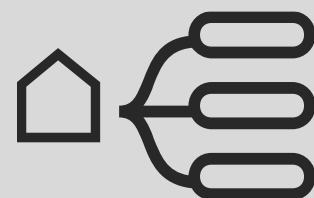


Further expansion of geographical regions across Australia in a disciplined capital and operating expenses approach including through MDC Trilogy Group.

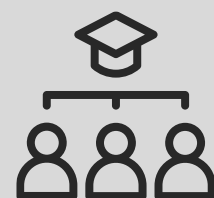
Continued growth in agent numbers across the company.



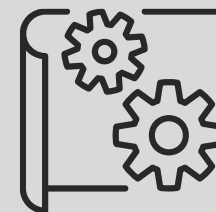
Enhancement of adjacency offerings to our agents and customers to increase the share of wallet.



Further development and rollout of a Multi Brand Strategy.



Training initiatives to ensure our Agents are positioned to capitalise on changing market conditions.



Leveraging technology and cost of doing business efficiencies to enhance agent experience and ensure a solid scalable platform for growth.

CY2023 OUTLOOK



Across 2023, states with lower median price points to continue to transact above decade average levels, outperforming higher median priced states which are expected to transact below decade volume averages.



In May, we have revised our CY22 National price growth to be -4% to -8%. Calendar year to date is -5.3%.

CY23 likely to be a year of two halves. The beginning of the year is likely to have continued price reductions, followed by price stabilisation in Spring 2023. Expectation of -2% to -7% national price decline across the fill year.



Inexperienced agents continue to leave the industry.



Market Consolidation continues as smaller independents and franchisees look to access operating efficiencies. The MDC Trilogy Group alliance means we are well placed to capitalise on this.



Consumer sentiment lower than GFC despite reduction in quantum of interest rate movements.

Recent weeks has started to see an improvement in auction attendance and clearance rates as rates get closer to their terminal value for this cycle.



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