

PEXA delivers strong revenue and earnings growth in FY21; reaffirms FY22 Prospectus forecasts

Melbourne, Australia – 25 August 2021 – PEXA Group Limited (ASX: PXA; PEXA or the Company), operator of Australia’s leading digital property settlements platform, is pleased to announce its financial results for the year ended 30 June 2021 (FY21). These results represent PEXA’s first as a listed company following its successful Initial Public Offering and ASX listing.

FY21 result highlights (vs FY20):

- Revenue up 42% to \$221.0 million, and 1% ahead of Prospectus forecast
 - 3.3 million PEXA Exchange transactions, up 37%, and 1% ahead of Prospectus forecast
 - Transfer market penetration of 80%, up 14 percentage points, and in line with Prospectus forecast
- Pro forma PEXA Exchange EBITDA¹ up 114% to \$110.4 million, and 2% ahead of Prospectus forecast
 - PEXA Exchange EBITDA margin of 50%, up 17 percentage points, and in line with Prospectus forecast
- Pro forma Group EBITDA up 124% to \$101.8 million, and 2% ahead of Prospectus forecast
- Statutory Net Loss After Tax of \$(11.8) million
- Pro forma Net Loss After Tax of \$(4.9) million
- Pro forma net free cash flow before interest and tax of \$90.1 million, an 89% conversion from EBITDA
- Strong balance sheet (pro forma; post listing) with \$51.5 million cash and 2.2x net leverage

Commenting on the FY21 results, PEXA Managing Director and Group CEO Glenn King said: *“I am very pleased to be presenting PEXA’s inaugural financial results as a publicly listed company. I would like to thank all our stakeholders for their efforts and support in helping to bring PEXA to market, importantly our passionate workforce. We have delivered on our promises, with FY21 Prospectus forecast revenue, EBITDA and key drivers met or exceeded.*

“The positive property market conditions in the second half of FY21 have continued, and as we move into the coming year, we have reaffirmed our Prospectus forecasts for FY22. Our strategy to leverage our position as the operator of Australia’s leading digital property settlements platform is delivering attractive results.

“Supported by a sound balance sheet, we look forward to further progressing our growth initiatives in the coming year, with momentum building in the UK to support our international strategy. Meanwhile we continue to see excellent opportunities to leverage our existing platforms, insights and relationships to create new products and services to meet the changing needs of our members, consumers and government.”

¹ Earnings before Interest, Tax, Depreciation and Amortisation, excluding certain project and other non-PEXA Exchange related costs

Strong growth in revenue and earnings

PEXA performed strongly over FY21, with almost all key metrics in line with, or slightly ahead of FY21 Prospectus forecasts.

Market conditions were positive, with volumes through the PEXA Exchange up 37%, underpinned by transfer volumes and refinances increasing in all States in which it operates. Total property values settled through the PEXA Exchange since inception passed through \$1.5 trillion, and the business is now supporting over 9,400 practitioners and 160 financial institutions.

The growth in underlying business drivers over FY21 enabled the Company to deliver revenue of \$221.0 million (up 42% on FY20). Gross margin improved to 87%, underpinned by an increase in multi-party transactions and fixed costs of sale per lodgement, and together with a stable cost base, this led to 114% growth in pro forma PEXA Exchange EBITDA to \$110.4 million.

Balance sheet well positioned to support growth initiatives

Pro forma net free cash flow before interest and tax of \$90.1 million in FY21 represented an 89% conversion rate from EBITDA and delivered a closing cash balance of \$51.5 million. With part of the IPO proceeds enabling the retirement of all outstanding shareholder loans (immediately after 30 June), PEXA's balance sheet is well placed to support the Company's growth initiatives. PEXA has \$297 million of external debt in place, resulting in net leverage (net debt / pro forma PEXA Exchange EBITDA) of 2.2x.

Attractive organic growth initiatives

Momentum continues to build in PEXA International, with the UK market entry strategy underway. Commitments to participate in product testing with the Bank of England have been secured with lender pilot-groups. In addition, positive senior official engagement is ongoing with key stakeholders including the Bank of England, HM Land Registry, regulators, trade associations and critical government departments. Market scoping has begun in New Zealand.

PEXA Insights now has over 40 data specialists, with work continuing to develop a centralised Property Bureau. PEXA Insights is actively developing new insights and analysis products and has demonstrated its value, with its summary of east-coast property market trends being featured in major news outlets across the country. At the same time, PX Ventures is seeking to build on PEXA's digital and industry experience, with partnerships underway to expand services to consumers, business, industry and government.

FY22 Prospectus forecasts reaffirmed

With property market conditions continuing to be positive, and a strong start observed in the new financial year despite widespread lockdowns in response to COVID-19 outbreaks, PEXA has reaffirmed its FY22 Prospectus forecasts:

A\$ million	FY22F Pro Forma	FY22F Statutory
Revenue	246.9	246.9
PEXA Exchange EBITDA	126.3	126.3
EBITDA	107.6	75.6
NPAT	19.6	(2.5)

This release was authorised by the Board of Directors of PEXA Group Limited.

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About PEXA Group Limited

PEXA operates Australia's leading online property exchange network. It assists members – such as lawyers, conveyancers and financial institutions – lodge documents with Land Registries and complete financial settlements electronically. PEXA is committed to supporting the property industry as it transitions towards a 100 per cent digital conveyancing process that is fast, safe and efficient. PEXA is actively exploring domestic and international growth opportunities that leverage its experience, expertise and proprietary technology.

Please visit <https://www.pexa.com.au/>.