

REA Group delivers an exceptional FY24 result
Financial highlights from core operations¹ compared to prior corresponding period:

- Revenue² of \$1,453m, up 23%
- Operating expenses of \$628m, up 18%
- EBITDA³ (excluding associates) of \$825m, up 27%
- Net profit⁴ of \$461m, up 24%
- EPS of \$3.49, up 24%
- Full year dividend of \$1.89 per share fully franked, up 20%

REA Group Ltd (ASX:REA) today announced its results for the year ended 30 June 2024. Group financial highlights from core operations¹ include revenue growth of 23% to \$1,453m, an increase in EBITDA excluding associates of 27% to \$825m, and a 24% increase in net profit to \$461m. Reported net profit declined 15% to \$303m, reflecting the impairment of PropertyGuru at December 2023 and other one-off impacts in both periods (see Appendix 1 for a reconciliation between core and reported earnings). All financial information referred to below relates to core operations unless otherwise stated.

The Board has determined to pay a final dividend of 102 cents per share fully franked, up 23% YoY.

REA Group Chief Executive Officer, Owen Wilson commented: “REA’s exceptional result reflects the value we deliver at every stage of the property journey. In a strong market, particularly in Melbourne and Sydney, customers increasingly preferenced our premium products to leverage the strength of our audience and maximise their campaigns.

REA India maintained its strong momentum with excellent revenue growth as customers increased usage of our products, and we continued to benefit from investment in our app experience with significant app audience growth.”

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.

AUD\$m (unless stated)	FY24	FY23	YoY growth
Australia revenue	1,350	1,104	22%
India revenue	103	79	31%
Group revenue	1,453	1,183	23%
Australia operating expenses*	489	414	18%
India operating expenses	139	118	18%
Group operating expenses	628	532	18%
Australia EBITDA before associates*	861	690	25%
India EBITDA before associates	(36)	(39)	9%
Group EBITDA before associates	825	651	27%
EBITDA (including share of profit/losses from associates)	799	635	26%
NPAT attributable to owners of parent	461	372	24%
Earnings per share (EPS) (cents)	349	282	24%

* Includes corporate costs

AUSTRALIA

In Australia, REA Group operates the leading residential and commercial sites realestate.com.au and realcommercial.com.au⁵, data and insights business, PropTrack, and a leading mortgage broking business, Mortgage Choice. Core Australian revenue of \$1,350m was up 22% YoY, or 20% excluding the acquisition of CampaignAgent.

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

	Q1'24	Q2'24	Q3'24	Q4'24	FY24
Residential Buy listings change⁶					
National	1%	8%	6%	16%	7%
Sydney	16%	22%	20%	26%	21%
Melbourne	14%	24%	18%	32%	22%
Project commencement change	(18%)	(29%)	(2%)	3%	(13%)

Residential revenue increased 24% to \$996m. Buy revenue growth was driven by a 19% increase in Buy yield, a 7% increase in national listings and a modest negative impact from revenue deferral. Buy yield benefited from a 13% average national price rise, increased Premiere+ and total depth penetration, and a 3% positive impact from geographical mix due to the outperformance of the higher yielding Sydney and Melbourne markets. Rent revenue increased with an 8% average price rise and growth in depth penetration, partly offset by a 1% decline in listings.

Commercial and Developer revenue increased 12% to \$159m. Commercial revenue growth was driven by an average 11% price rise, increased depth penetration and higher listings across both sale and lease. Developer revenues were up modestly on the prior year, with increased Project Profile duration and a price rise in the prior year offsetting the 13% decline in project commencements.

Media, Data and Other revenue was up 25% to \$122m, or up 2% excluding the impact of the CampaignAgent acquisition. Growth in Data revenue, driven by higher data & insights and valuations revenues, and modest growth in Developer Display, was partially offset by lower Media display in a softer advertising market. CampaignAgent, which has been consolidated from July 2023, has more than doubled revenue since acquisition, driven by customer growth and higher utilisation.

Financial Services operating revenue⁷ increased 8% to \$74m. Higher trail commission revenue driven by lower run-off rates and increased penetration of higher-margin white label products was partially offset by a 1% decline in settlements. Net revenue increased 21% to \$74m, with the prior year impacted by an \$8m valuation adjustment to expected future trail commissions.

Realestate.com.au extends audience leadership

REA Group's flagship site, realestate.com.au, extended its audience leadership in FY24⁸, reinforcing its position as Australia's number one address in property. Mr Wilson commented: "Our highly personalised consumer experiences drive loyalty and strengthen the quality of our audience across each of our platforms. With a focus on deep member engagement, we extended our realestate.com.au audience leadership to 4.6 million Australians. Alongside healthy market conditions, this focus supported robust growth in both seller leads and buyer enquiries, increasing the value we delivered to our customers."

Key audience highlights for the year included:

- 10.8 million people visited each month on average⁹, with 5.7 million people exclusively using realestate.com.au⁹;
- 127.2 million average monthly visits¹⁰, 4.1 times more monthly visits in H2 than the nearest competitor on average¹¹;
- 3.8 million unique properties tracked by their owner on realestate.com.au¹², up 37% YoY¹²;
- 2.2 million average monthly realestate.com.au buyer enquiries¹³, up 14% YoY¹³;
- 37% YoY increase in realestate.com.au seller leads¹⁴; and
- 1.5 million people visited realcommercial.com.au each month on average¹⁵, 2.4 times more visitors than the nearest competitor each month on average¹⁵.

Acquisition of Realtair

On 18 June 2024, REA Group acquired the remaining shares of Realtair for cash consideration of \$34m. The Group initially invested in Realtair in December 2020 and held a 37% stake in the business prior to the acquisition of the remaining shares. Realtair is an end-to-end property sales platform that streamlines the way agents connect with property owners. It has a suite of products that enable agents to create customisable digital listing presentations, digitally sign agreements and contracts in real time, and manage auction and private sale transactions.

Realtair, which had been equity accounted since FY21, has been consolidated from 30 June 2024. The acquisition is expected to be broadly EBITDA neutral in FY25.

INDIA

REA India continues to deliver strong results, with revenue up 31% to \$103m. Revenues from property and advertising increased 25%, with Housing.com benefiting from stronger customer events, increased depth penetration and improving monetisation in Tier 2 cities. Revenue from adjacent services on Housing Edge was up 44%, driven by increased customer acquisition.

Continued focus on improving the mobile experience and targeted marketing has seen Housing.com maintain its #1 position throughout FY24¹⁶ and REA India's app-first strategy has driven app traffic growth of 39%¹⁷, with share of app downloads at 40%¹⁸.

OPERATING COSTS

Excluding the impact of the CampaignAgent acquisition, Group operating costs grew 15%. Australian expenses were up 14%, driven largely by employee costs due to increased incentives, salary inflation and accelerated investment. Marketing expenses were driven by increased consumer brand campaigns and customer events, and Technology costs were higher due to supplier price rises and increased data usage. India operating costs increased by 18%, driven by higher marketing and revenue related costs. Including the impact of the CampaignAgent acquisition, Group operating costs were up 18%.

EQUITY ACCOUNTED INVESTMENTS

REA Group has a 20% investment in Move, Inc. (Move) which operates realtor.com[®], a leading property portal in North America. Move revenue declined by 10% in FY24, impacted by the current challenging macroeconomic environment in the US which has led to a 3% decline in leads and lower transaction volumes¹⁹. This was partly offset by revenue growth in Seller, New Homes and Rentals. Increased marketing investment was largely offset by lower employee costs, resulting in an equity accounted loss of \$21m, compared with a \$6m loss in the prior period.

REA Group also holds a 17.2% stake in PropertyGuru Group Limited (PropertyGuru), which operates leading property sites in Singapore, Vietnam, Malaysia and Thailand, and is listed on the NYSE. PropertyGuru core equity accounted contribution was a \$1m loss in FY24, an improvement from the \$3m loss in the prior period, with growth in Singapore offsetting market challenges in Vietnam and Malaysia²⁰.

Total losses from equity accounted investments increased from \$16m in the prior period to \$26m in FY24.

BALANCE SHEET STRENGTH

The Group has a \$600m syndicated debt facility with two tranches of \$200m and \$400m, which mature in September 2025 and September 2028 respectively, and an \$83m bilateral facility maturing in September 2025. As at 30 June 2024, the Group's total drawn debt was \$202m following repayment of \$119m in February 2024 and \$81m in June 2024, with a closing cash balance of \$204m.

RETURNS TO SHAREHOLDERS

The Board has determined to pay a final dividend of 102 cents per share fully franked, an increase of 23%. The 2024 final dividend dates are:

Ex-dividend date	29 August 2024
Record date	30 August 2024
Payment date	13 September 2024

OUTLOOK

Australia's residential property market remains healthy. Demand is strong nationally, supported by high levels of employment and immigration. Supply is also robust, with sellers confident in the level of demand and properties selling quickly with days on site well below the 6-year average. Interest rates are expected to stay at current levels until the first half of next calendar year and this stability, coupled with positive market fundamentals, should continue to support confidence.

July National residential new Buy listings were up 12% YoY, with Sydney increasing 12% and Melbourne listings up 15%. July benefited from an additional 2 working days relative to the prior year. Excluding this, like-for-like growth was 2%. YoY growth rates for the remainder of the financial year will reflect very strong prior period listings volumes, particularly for Melbourne and Sydney.

Residential Buy yield growth in FY25 will primarily be driven by an average 10% price increase in our highest penetrated product, Premiere+.

Positive operating jaws is targeted in FY25, with high single-digit Group core operating cost growth anticipated, including the acquisition of Realtair. Growth in Australia will largely reflect increased employee costs due to strategic investment and salary inflation, and higher technology costs. India will be driven by higher marketing spend and continued growth in employee costs. EBITDA losses in India are anticipated to be lower in FY25 compared to FY24.

The Group expects FY25 losses for combined contributions from associates to be marginally lower than the prior year, reflecting stabilising market conditions in the US.

Mr Wilson commented: “After a year of strong listings growth, we continue to see a healthy balance of supply and demand in the Australian property market. While interest rates are expected to remain at current levels for longer, strong demand drivers remain in place and the positive impact of income tax cuts should continue to support the confidence of buyers and sellers.

“REA enters FY25 in a strong position and with a clear strategy to drive growth. This will see continued investment and innovation across our products and platforms, and we look forward to delivering greater value to our customers and deeper experiences to our consumers.”

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For further information, please contact:

REA Group Ltd Investors:

Alice Bennett
Executive Manager Investor Relations
M: +61 409 037 726
E: ir@rea-group.com

REA Group Ltd Media:

Angus Urquhart
General Manager Corporate Affairs
M: +61 437 518 713
E: angus.urquhart@rea-group.com

The release of this announcement was authorised by the Board.

FY Results Presentation [webcast link](#)

About REA Group Ltd (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 and home preparation finance solutions for the Australian real estate market and Realtair Pty Ltd, 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 and Arealytics, a provider of commercial real estate information and technology in Australia. 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 significant minority shareholding in Move, Inc., operator of realtor.com in the US, the PropertyGuru Group, operator of leading property sites in Malaysia, Singapore, Thailand and Vietnam and Easiloan, a technology platform for end-to-end digital processing of home loans in India.

APPENDIX 1
Reconciliation of the financial results from core operations against reported financial results.

As reported in the Financial Statements for the year ended 30 June 2024:

Core and reported results	FY24 \$'m	FY23 \$'m
Core operating income	1,452.8	1,183.2
Reported operating income	1,452.8	1,183.2
EBITDA from core operations (excluding share of gains and losses of associates)	824.8	650.9
Share of (losses) of associates	(31.6)	(18.4)
Share of associate non-core costs	5.4	2.5
EBITDA from core operations	798.6	635.0
Impairment	(122.5)	-
Gain/(loss) on revaluation of financial assets	(25.7)	-
Share of associate non-core costs	(5.4)	(2.5)
Net loss on acquisition related activities	(0.7)	(1.8)
Integration costs	(4.9)	(9.0)
Restructuring costs	-	(6.7)
Reported EBITDA	639.4	615.0
Net profit from core operations attributable to owners of parent	460.5	372.2
EBITDA impact of non-core adjustments	(159.2)	(20.0)
Non-core D&A, net interest and minority interest	-	(1.1)
Tax effect	1.5	5.0
Reported net profit attributable to owners of parent	302.8	356.1

References

¹ Financial results/highlights from core operations exclude significant non-recurring items such as integration costs, impairment expense, net loss on acquisition and divestment related activities, gain or loss on revaluation of financial assets and share of non-core costs in associates. The prior year comparative also excludes restructuring costs.

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

³ Earnings before Interest, Tax, Depreciation and Amortisation excluding contribution from associates.

⁴ Net profit after tax from core operations attributable to owners of the parent. Non-controlling interests held 22.0% of shares in REA India Pte. Ltd. and 43.8% of NOVII Pty Ltd as at 30 June 2024 (all shareholdings are on an undiluted basis).

⁵ Ipsos iris Online Audience Measurement Service, Jul 2023 – Jun 2024 (average), P14+, PC/laptop/smartphone/tablets, text only, Residential Property Search Category and Commercial Property Search Category, Brand Group, Audience (000's).

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 Operating revenue excludes valuation adjustments to the trail book.

⁸ Ipsos iris Online Audience Measurement Service, Apr 2024 - Jun 2024 and Apr 2023 - Jun 2023, 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, Jul 2023 - Jun 2024 (average), P14+, PC/laptop/smartphone/tablets, text only, Homes and Property Category, Brand Group, Realestate.com.au vs Domain, Audience (000's) and Exclusive Audience (000's)

¹⁰ Ipsos iris Online Audience Measurement Service, Jul 2023 - Jun 2024 (average), P14+, PC/laptop/smartphone/tablets, text only, Homes and Property Category, Brand Group, Realestate.com.au, Monthly visits.

¹¹ Ipsos iris Online Audience Measurement Service, Jan - Jun 2024 (average), P14+, PC/laptop/smartphone/tablets, text only, Homes and Property Category, Brand Group, Realestate.com.au vs Domain, Visits (000s).

¹² REA internal data Jun 24 and vs. Jun 23.

¹³ Adobe Analytics, internal data, Jul 23 - Jun 24 (average) and vs. Jul 22 - Jun 23 (average).

¹⁴ REA internal data, Jul 23 - Jun 24 vs. Jul 22 - Jun 23.

¹⁵ Ipsos iris Online Audience Measurement Service, Jul 2023 - Jun 2024 (average), P14+, PC/laptop/smartphone/tablets, text only, Homes and Property Category, Brand Group, realcommercial.com.au vs commercialrealestate.com.au, Audience (000s).

¹⁶ Similarweb, average site visits Jul 23 – Jun 24 vs. nearest competitor - excludes app.

¹⁷ Google Analytics, average of monthly app traffic, Jul 23 to Jun 24 vs. Jul 22 to Jun 23.

¹⁸ data.ai, app downloads as a % of top 4 online real estate classifieds in India, Jul 23 - Jun 24.

¹⁹ NewsCorp's Form 10-K stated in US Dollars for the twelve-month period ended 30 June 2024.

²⁰ PropertyGuru Group Limited's Form 6-K stated in Singapore Dollars for the three-months ended 31 March 2024.