

**ASX Announcement
7 August 2020**

REA Group Investor & Analyst Presentation FY20

On behalf of REA Group Ltd (ASX:REA) please find attached a full-year results presentation for the full-year ended 30 June 2020.

-ends-

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The release of this announcement was authorised by Erin Thorne, Acting Company Secretary.

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 Spacely, a short-term commercial and coworking property website. In Asia, REA Group owns leading portals in Malaysia (iproperty.com.my) and Hong Kong (squarefoot.com.hk), a prominent portal in China (myfun.com) and a leading property review site in Thailand (thinkofliving.com). REA Group owns Smartline Home Loans Pty Ltd, an Australian mortgage broking franchise group, and Hometrack Australia Pty Ltd, a leading provider of property data services. REA Group also holds a significant shareholding in property websites realtor.com in the US, 99.co and iproperty.com.sg in Singapore, rumah123.com in Indonesia and PropTiger.com, housing.com and Makaan.com in India.



REA Group Ltd

Investor & Analyst presentation
Full-year results, 30 June 2020

Changing the way the world experiences property

Changing the way the world experiences property

Results & market update



Resilient performance against unprecedented backdrop¹:

- Revenue² down 6%
- Operating expenses³ down 9%
- EBITDA³ down 5%
- Net profit down 9%



Listings and project commencements

- National residential listings: -12%
- Sydney listings: -6%
- Melbourne listings: -8%
- New project commencements: -27%



COVID-19 continues to create volatility

- FY21 listings remain volatile due to changes in COVID-19 restrictions
- Consumer confidence and Gov. stimulus integral to property market recovery
- REA well positioned to leverage growth opportunities as conditions improve

Progress on strategy



Largest and most engaged audience

- Realestate.com.au No. 1 property site⁴
- 60% Australia 18+ population visit monthly⁵
- 3x more visits than nearest competitor⁶
- Over 61% people exclusive to realestate.com.au⁷



Delivering superior customer value

- Record customer uptake of premium listing products
- 1.6m avg. monthly visits to Find Agents section⁸
- Agent Match customer-vendor interactions converted 32% leads into listings⁹



Providing unparalleled data insights

- Hometrack servicing Australia's largest financial institutions
- REA Insights providing unique view of consumer behaviour & demand
- 3m weekly personalised property eDMs⁹

FY 2020 highlights



Successfully tackling COVID-19

- Prioritised health and safety
- Customer support measures launched
- New product features and innovations
- Strong industry engagement



Record audience performance

- Daily audience 1.9m, up 61% YoY¹⁰
- Monthly audience 11.9m, up 34% YoY¹¹
- Monthly visits 114.4m, up 43% YoY¹²
- Monthly app launches 46.2m, up 46% YoY¹³



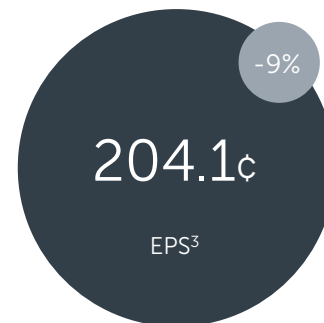
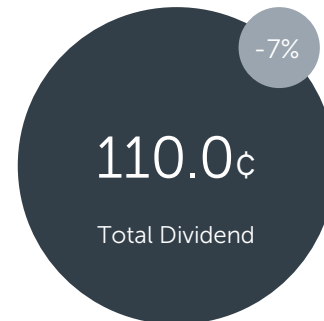
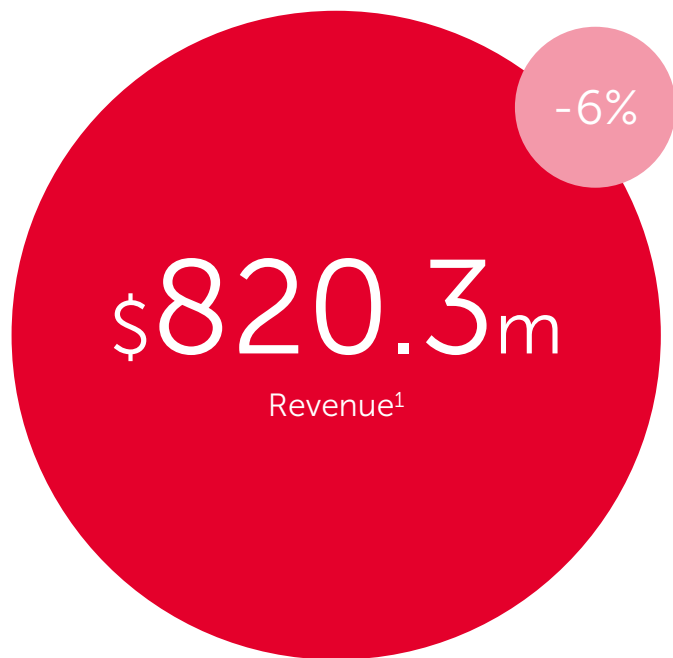
Balancing cost management with long term investment

- Q4 delivered 21% Opex reduction¹⁴
- Increased core EBITDA margin³ to 60%
- Capex investment focus to underpin future growth

(1) Financial results from core operations exclude significant non-recurring items such as restructure costs, revaluation of contingent consideration, gain/loss on acquisitions, disposals and divestments, and impairment charges. In the prior comparative period, this included 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) Nielsen Digital Content Ratings (Monthly Tagged), Jul 19 – Jun 20, P2+, Digital (C/M), text, Real Estate/Apartments subcategory, Unique Audience. (5) Nielsen Digital Content Ratings (Monthly Tagged), Jun 20, P19+, Digital (C/M), text, realestate.com.au, Active Reach %. (6) Nielsen Digital Content Ratings (Monthly Tagged), Jul 19 – Jun 20 (average), P2+, Digital (C/M), text, realestate.com.au vs Domain, Total Sessions. (7) Nielsen Digital Panel (Duplication report), Jun 20, P2+, computer, smartphone, tablet, text, realestate.com.au and Domain, Incremental Audience %. (8) Adobe Analytics, average monthly visits to 'Find agents' section on realestate.com.au (Jul 19 – Jun 20). (9) REA internal data (Jul 19 – Jun 20). (10) Nielsen Digital Content Ratings, (Daily), Jun 20 vs Jun 19, P2+, Digital (C/M), Text, realestate.com.au, average Unique Audience. (11) Nielsen Digital Content Ratings (Monthly Tagged), May 20 vs May 19, P2+, Digital (C/M), text, realestate.com.au, Unique Audience. (12) Nielsen Digital Content Ratings (Monthly Tagged), Jun 20 vs Jun 19, P2+, Digital (C/M), text, realestate.com.au, Total Sessions. (13) Nielsen Digital Content Ratings (Monthly Tagged), Jun 20 vs Jun 19, P2+, Digital (C/M), text, realestate.com.au, App Launches. (14) FY20 Q4 core operational expense excludes FX loss (\$5.3m) and bad debts expense (\$5.4m) for the period.

Full year financial results

Resilient performance delivered; strong EBITDA margin² increased to 60%



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

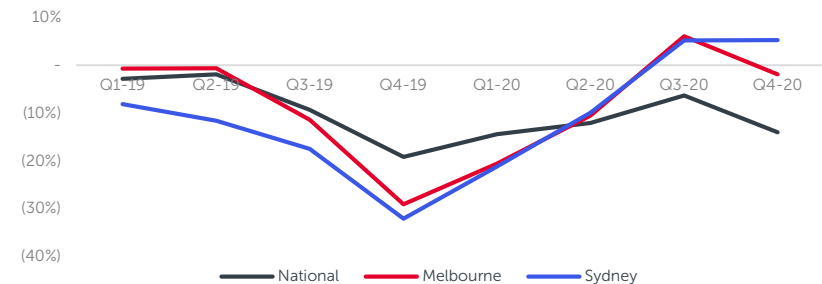
2. EBITDA excludes share of losses of associates and joint ventures. Financial results from core operations exclude significant non-recurring items such as restructure costs, revaluation of contingent consideration, gain/loss on acquisitions, disposals and divestments, and impairment charges. In the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

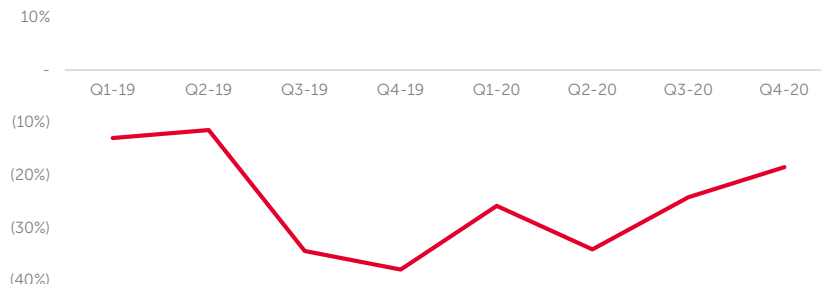
Market update

Early 2020 signs of property market recovery overshadowed by COVID-19 impacts and economic uncertainty

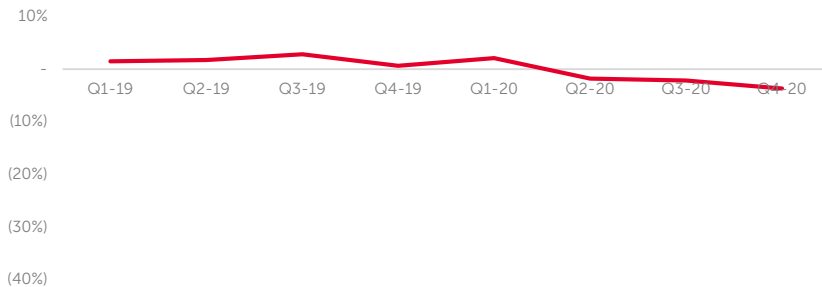
Residential buy listings YoY*



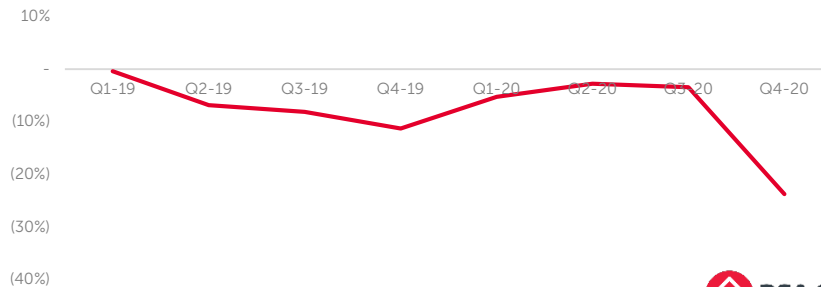
Developer project launches YoY



Residential rent listings YoY*



Commercial listings YoY*



* YoY growth is adjusted for working days

Delivering on our growth strategy

Balancing operational discipline with long term growth opportunities



Our global network:

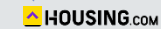
AUSTRALIA



NORTH AMERICA



ASIA



Successfully tackling COVID-19

Prioritising health and safety while responding rapidly to address customer and consumer needs

REA responded decisively



Prioritised health and safety



Seamlessly embraced virtual working



Strong cost focus and job preservation

Customer support measures launched



Pricing deferral



Flexible listing options



Subscription relief

Delivering new product innovations



Digital Inspections



Online Auctions



Inspections bookings

Strong industry engagement



Market updates and economic webinars



Editorial and consumer activity



Highlighting reform opportunities

realestate.com.au is Australia's no. 1 property site¹

Record audience performance extending leadership position

Total visits

90m²

+18%²

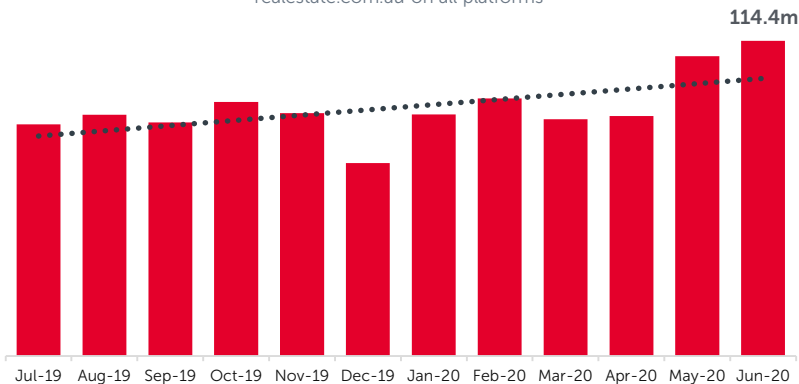
FY20 average monthly traffic to realestate.com.au on all platforms

Monthly unique audience

9.8m⁴

+16%⁴

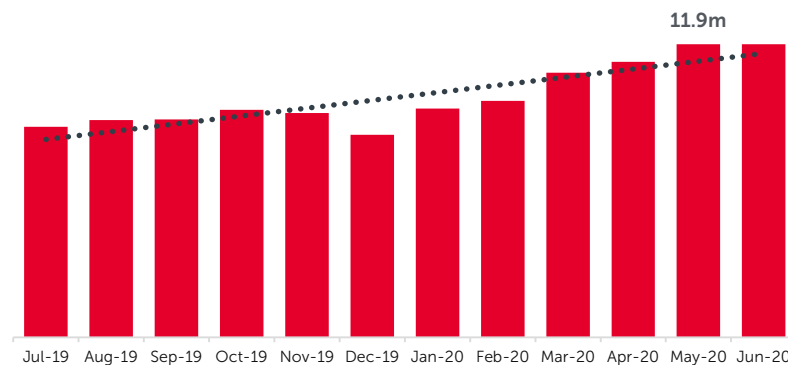
FY20 average monthly unique audience to realestate.com.au on all platforms



June record 114.4m³

3.2x

vs nearest competitor³



May record 11.9m⁵

+34%⁵

1. Nielsen Digital Content Ratings (Monthly Tagged), Jul 19 – Jun 20, P2+, Digital (C/M), text, Real Estate/Apartments subcategory, Unique Audience.
2. Nielsen Digital Content Ratings (Monthly Tagged), Jul 19 – Jun 20 vs Jul 18 – Jun 19 (average), P2+, Digital (C/M), text, realestate.com.au, Total Sessions.
3. Nielsen Digital Content Ratings (Monthly Tagged), Jun 20, P2+, Digital (C/M), text, realestate.com.au vs Domain, Total Sessions.
4. Nielsen Digital Content Ratings (Monthly Tagged), Jul 19 - Jun 20 vs Jul 18 - Jun 19 (average), P2+, Digital (C/M), text, realestate.com.au, Unique Audience.
5. Nielsen Digital Content Ratings (Monthly Tagged), May 20 vs May 19, P2+, Digital (C/M), text, realestate.com.au, Unique Audience.

Australia's market leading property app¹

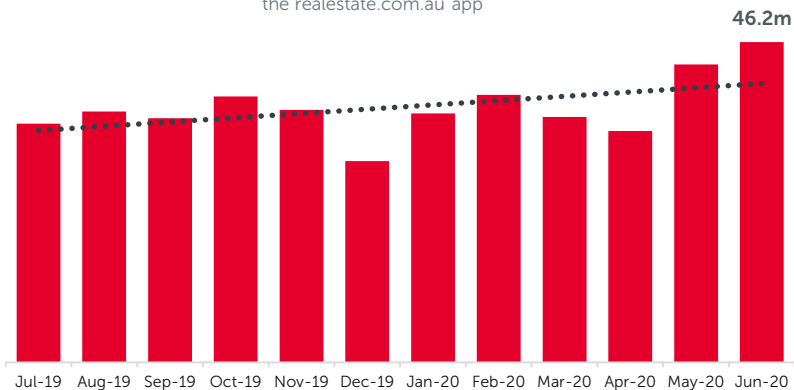
realestate.com.au app fueling over 50% of buyer enquiries²

App launches

36.8m³

+25%³

Average monthly launches of the realestate.com.au app



June record 46.2m⁴

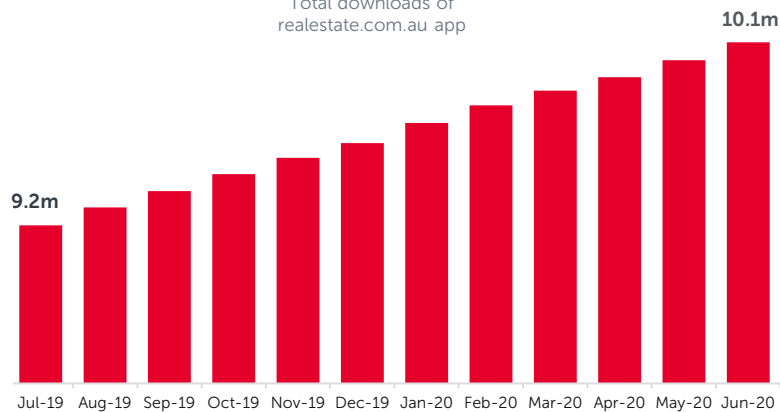
+46%⁴

App downloads

10m⁵

+11%⁵

Total downloads of realestate.com.au app



2.8m hours on app⁶

4.1x

vs nearest competitor⁶

1. Nielsen Digital Panel, Jul 19 - Jun 20, P18+, smartphone and tablet, application, Real Estate/ Apartments subcategory, Unique Audience.
2. Adobe Analytics internal data, Jul 19 - Jun 20.
3. Nielsen Digital Content Ratings (Monthly Tagged), Jul 19 - Jun 20 vs Jul 18 - Jun 19 (average), P2+, Digital (C/M), text, realestate.com.au, App Launches.
4. Nielsen Digital Content Ratings (Monthly Tagged), Jun 20 vs Jun 19, P2+, Digital (C/M), text, realestate.com.au, App Launches.
5. Google Play & iTunes App Store, total number of realestate.com.au app downloads at Jun 20 and compared to Jun 19.
6. Nielsen Digital Content Ratings, (Monthly Tagged), Jul 19 - Jun 20, P2+, Mobile (App), text, realestate.com.au vs Domain, App Previous Session Length.

Loyal and exclusive audience

A powerful source of high intent property seekers driving more leads

60%

Now reaching **60%¹** of Australian +18 population each month

61%

Over **61%²** of people use realestate.com.au exclusively and do not visit nearest competitor

9.6x

Unrivalled return frequency with each person visiting **9.6³ times** each month

47mins

People spend **47 mins⁴** on average engaged with realestate.com.au experiences each month



FY20 Q4 Property views
for buy listings

+29% YoY⁵



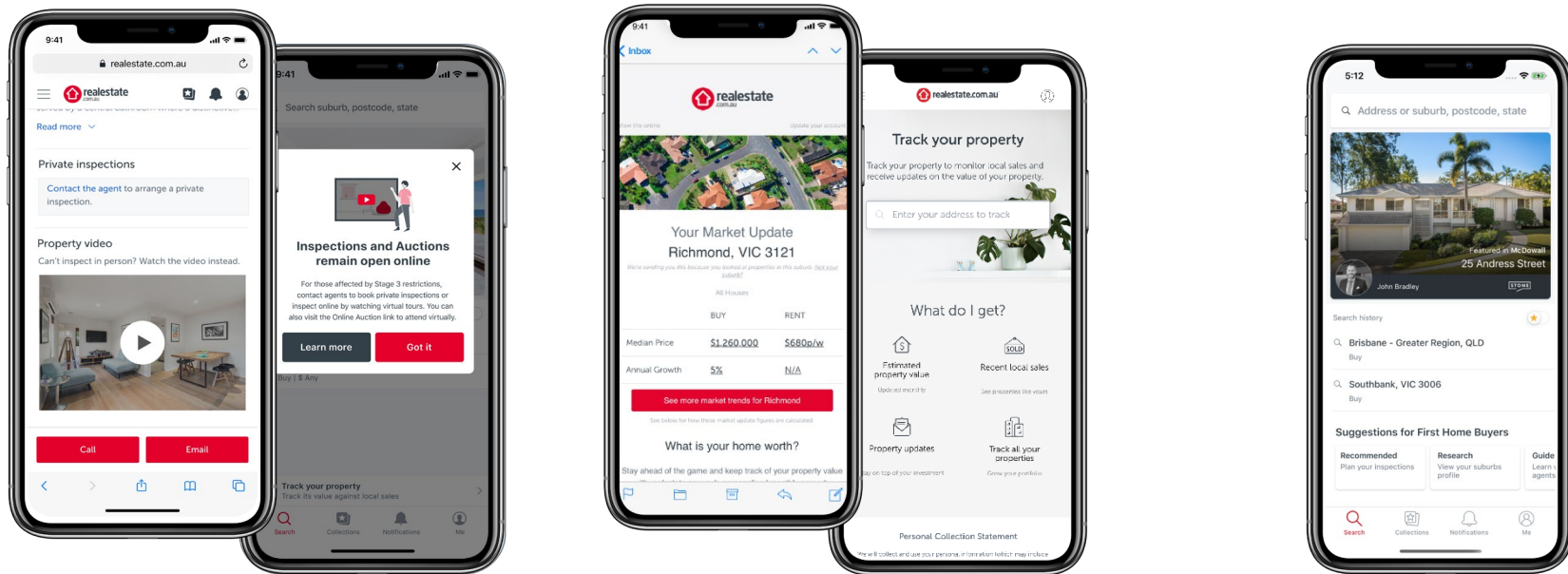
FY20 Q4 Buyer enquiries
volume

+46% YoY⁵

1. Nielsen Digital Content Ratings (Monthly Tagged), Jun 20, P18+, Digital (C/M), text, realestate.com.au, Active Reach %
2. Nielsen Digital Panel (Duplication report), Jun 20, P2+, computer, smartphone, tablet, text, realestate.com.au and Domain, Incremental Audience %
3. Nielsen Digital Content Ratings (Monthly Tagged), Jun 20, P2+, Digital (C/M), text, realestate.com.au, Sessions per person.
4. Nielsen Digital Content Ratings (Monthly Tagged), Jun 20, P2+, Digital (C/M), text, realestate.com.au, Avg time spent.
5. Adobe Analytics, internal data, Apr 20 - Jun 20 vs Apr 19 - Jun 19.

Delivering highly personalised consumer experiences

Connecting property seekers with the best experiences, at the right time throughout their property journey



Strong digital inspections uptake

- 13.8m video views¹ and 14m 3D tours since launch¹
- Driving more qualified consumer leads
- Helping connect Agents with more buyers, sellers and renters, despite COVID-19 restrictions

Cultivating lifelong property relationships

- 1.8m active REA members – up 11% YoY²
- 1.39m consumers tracking property – up 33% YoY²
- 1.9m properties now tracked – up 62% YoY²

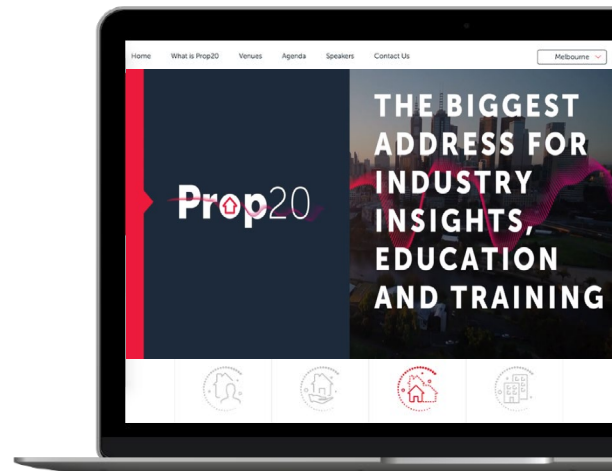
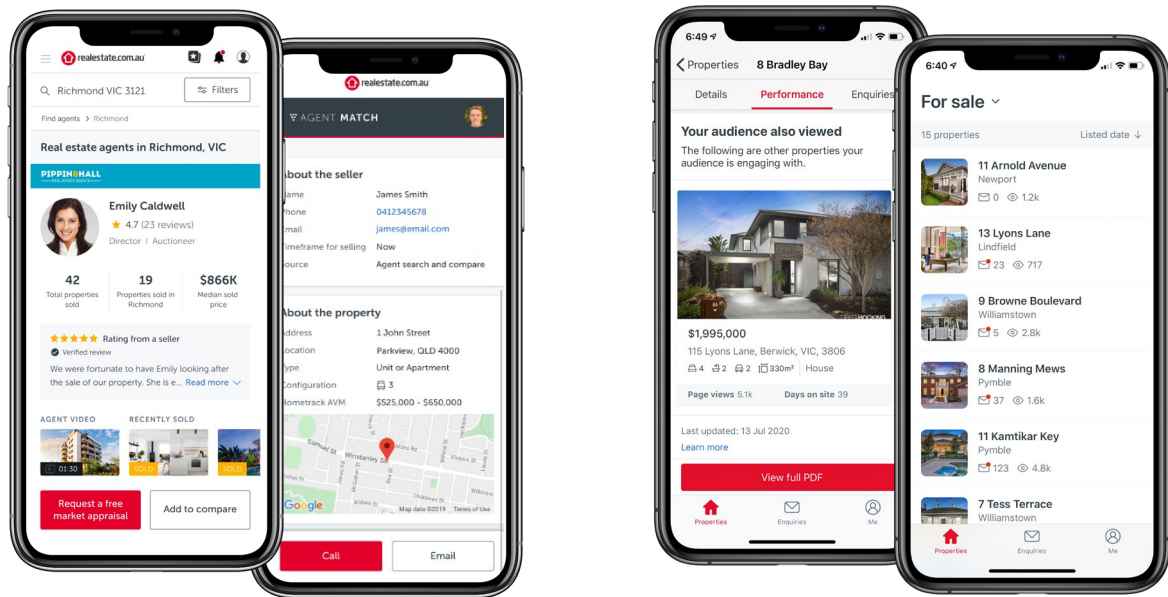
New personalisation features launched

- *'Next best action'* feature launched
- Targets property owners and first home buyers with highly personalised options to progress their property journey
- Over 180,000 users have accessed feature since launch³

1. REA internal data as at Jun 20.
2. REA internal data Jun 20 and compared to Jun 19.
3. REA internal data from Google BigQuery, iOS and Android as at Jun 20.

Driving strong customer value and engagement

Creating opportunities to connect more buyers and sellers with REA customers



Driving quality seller leads to our customers

- 1.6m avg. monthly visits from people looking for Agent¹
- ~70k Agent Ratings and Reviews²
- Agent Match vendor leads up 19% YoY³
- Agent Match customer-vendor interactions converted 32% leads into listings⁴

Ignite empowering customers

- Powerful listings management and campaign insights
- 12,000 customers onboarded; 91% sessions app based²
- 42,500 private inspection request notifications pushed to customers during COVID-19 restrictions²

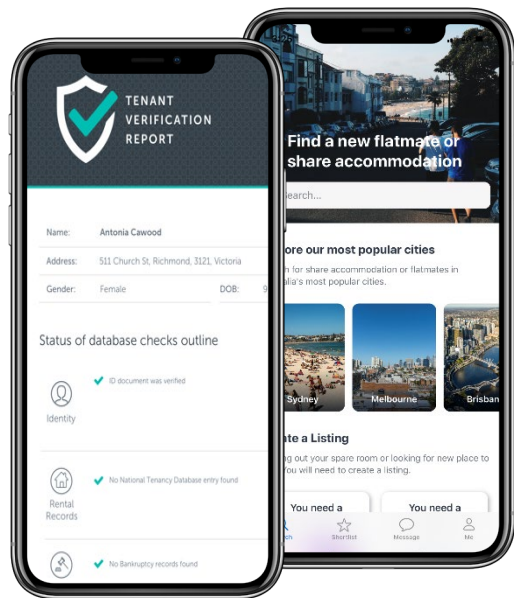
Prop20 supporting Industry development

- Over 5,000 delegates attended in person events
- Reimagined Prop20 post COVID-19 restrictions
- Over 6,000 people accessed immersive experience
- Over 7,000 customers attended Q4 market webinars

1. Adobe Analytics, average monthly visits to "Find agents" section on realestate.com.au (Jul 19 – Jun 20).
2. REA internal data as at 30 Jun 20.
3. REA internal data (Jul 19 – Jun 20) and compared to the same period (Jul 18 – Jun 19).
4. REA internal data (Jul 19 – Jun 20).

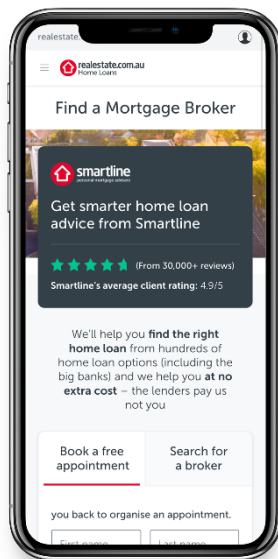
Building next generation marketplaces

Investing in more ways to connect more Australians



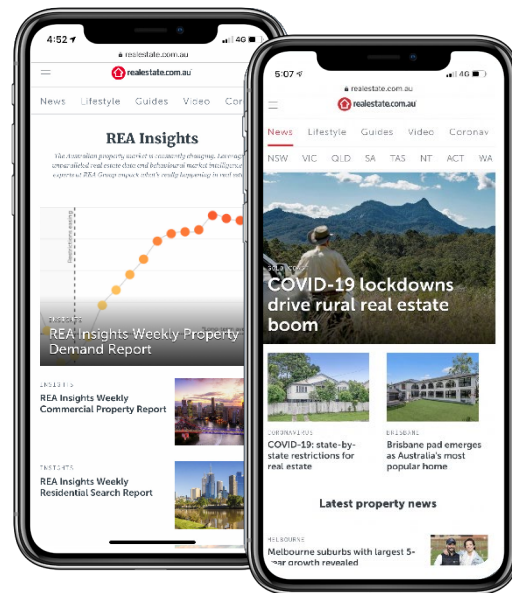
Australia's #1 place for Rent

- 18.9m avg. monthly visits to Rent section of realestate.com.au¹
- ~100k Tenant Verifications purchased since launch²
- 1Form applications increased to 3.9m, up 21% YoY³
- Flatmates.com.au iOS app launched; over 400k new members welcomed during FY20⁴



Helping Australians finance property

- Loan submissions and settlements growth
- Over 1m active users with financial profiles²
- 41% YoY growth in visits to finance content hub³
- 28% increase in visits to online tools & calculators³



Leveraging unparalleled data and insights

- Hometrack servicing Australia's largest financial institutions
- REA Insights launched providing weekly market insights
- +3m weekly eDMs deliver personalised property insights⁴
- Record 57.7m visits to News section, up 83% YoY⁵

1. Adobe Analytics, average monthly visits to realestate.com.au/rent (Jul 19 - Jun 20).
2. REA internal data as at Jun 20.
3. REA internal data (Jul 19 - Jun 20) and compared to the same period (Jul 18 - Jun 19).
4. REA internal data (Jul 19 - Jun 20).
5. Adobe Analytics, total visits to realestate.com.au/news (Jul 19 - Jun 20) and compared to the same period (Jul 18 - Jun 19).

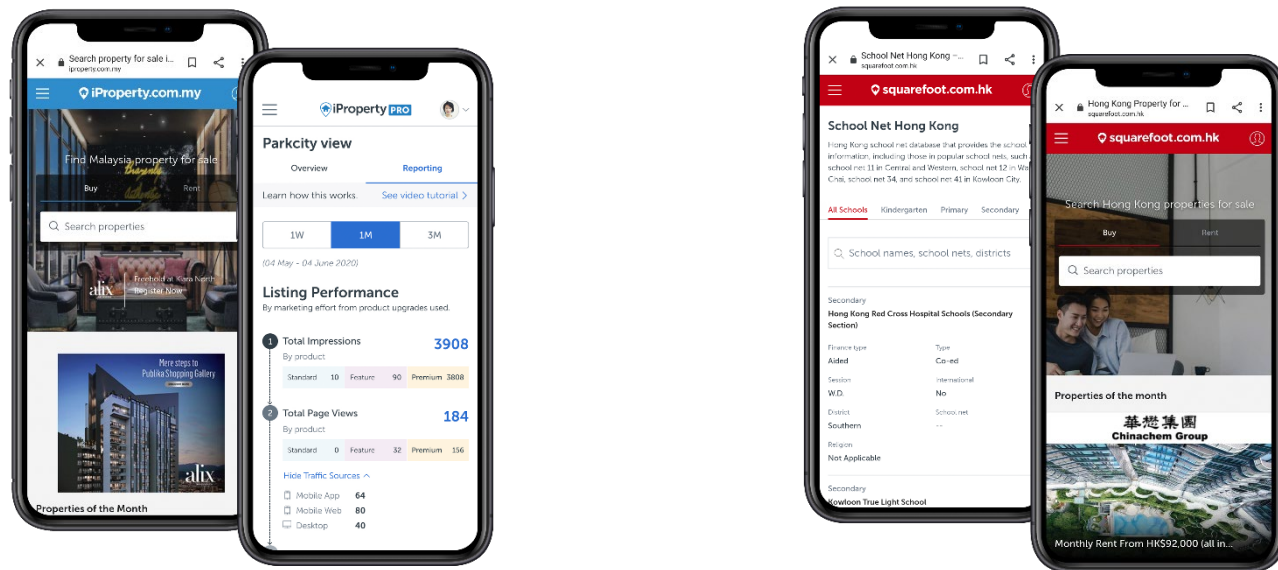
Our global footprint spans three continents

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



Leveraging REA's unique capabilities across Asia

Asia segment included strong Malaysia performance; offset by Hong Kong disruption and COVID-19 impacts



iProperty.com.my Malaysia's clear market leader

- Maintained strong site leadership position at 1.6x¹
- Improved yield, customer acquisition and audience growth
- Launched *iProperty PRO*, a mobile prime customer platform - delivers improved market analytics & customer reporting
 - revised product packaging to encourage uptake of depth offering

Hong Kong impacted by market forces

- Prolonged unrest and COVID-19 impacts weighed on overall performance
- Launched *360 Tours* replacing need for physical property inspections
- Launched *School Net* pages as part of consumer experience investment
 - provides ability to search for property based on school locations
 - supports education zoning rules across the region

Strong foothold in key markets

Long term growth opportunities across North America and Asia

realtor.com

- Move, Inc. revenue decreased 2% to USD 473 million¹
- COVID-19 impacted Q4 performance
- realtor.com avg monthly unique users in Q4 grew 11% YoY to 80 million²

HOUSING.COM



PROPTIGER.COM

makaan

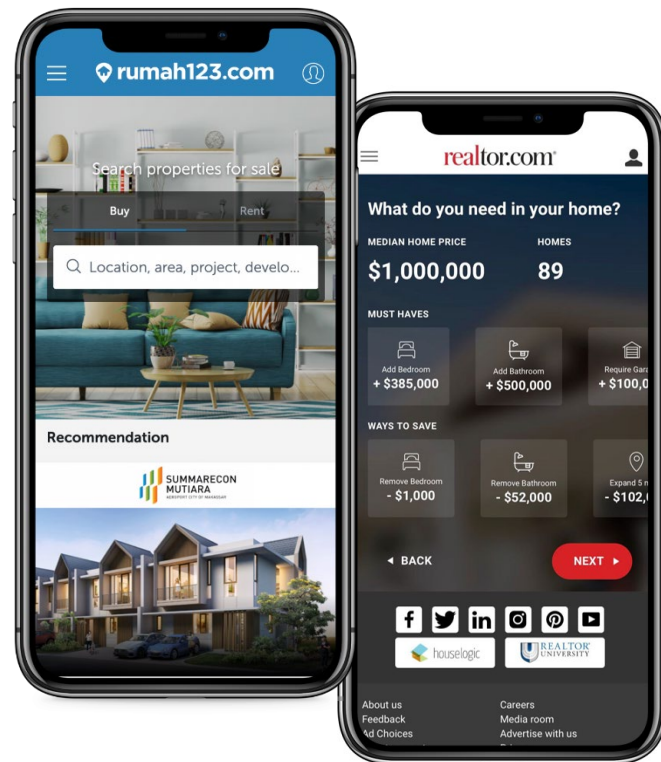
- Elara Technologies fastest growing digital real estate classifieds business in India
- Elara delivered strong revenue growth prior to the impact of COVID-19
- Strong contribution from Housing.com

99.co

iProperty.com.sg

rumah123.com
Situs Properti No.1 di Indonesia

- Investment in 99 Group successfully completed; REA Group largest shareholder at 27%
- Transition of existing businesses including 99.co, iProperty.com.sg & rumah123.com
- Exciting opportunity to increase Singapore market share and extend Indonesian leadership



Our people & culture provides a competitive edge

Strong focus on supporting REA teams in a virtual working environment

50:50

Exec leadership demonstrates gender diversity

34%

Internal promotions demonstrates workplace talent

31%

Tech roles held by women above industry norm

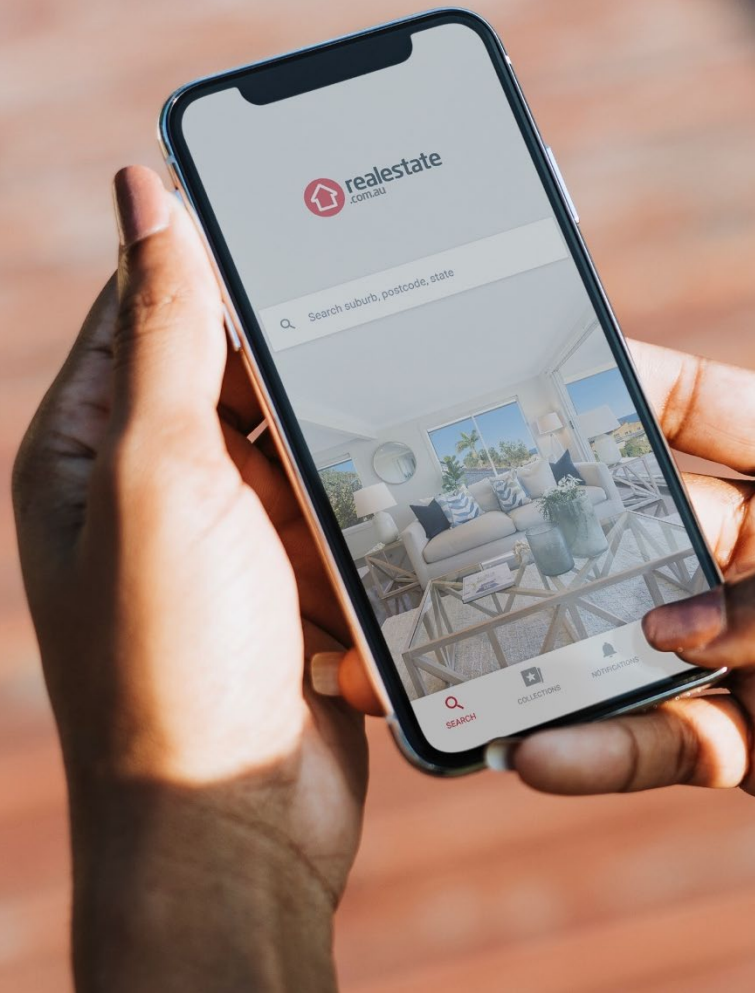
86%

Employees visiting REAUni underpins continuous learning



Supporting our people in a virtual working environment

- Seamless transition to virtual working during the onset of COVID-19
- Weekly CEO hosted all staff virtual Town Hall meeting including pulse survey question:
 - *On average, 91% employees strongly agreed "I believe REA Group is effectively managing the current challenges to secure our future" over 11 weeks*
- Regular senior leadership & people leader briefings
- Activated holistic wellness approach:
 - *Weekly meditation sessions*
 - *Virtual exercise classes*
 - *Resilience workshops*
 - *Mental health first aid*



Financial Highlights

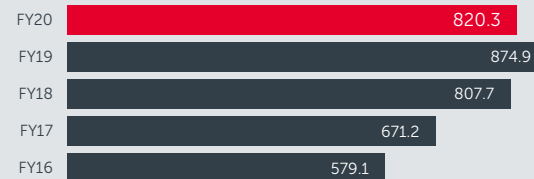
Full year results, 30 June 2020

Financial operating results

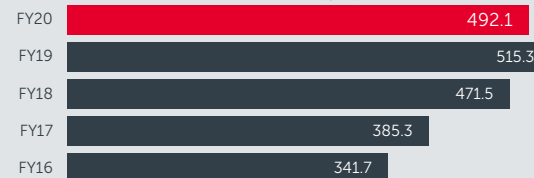
Performance (\$m)	FY 2020	FY 2019	Growth \$m	Growth %
Revenue¹				
Australia	746.7	799.3	(52.6)	(7%)
Financial Services	25.7	27.0	(1.3)	(5%)
Asia	47.9	48.6	(0.8)	(2%)
Group Revenue	820.3	874.9	(54.7)	(6%)
EBITDA²				
Australia	495.5	518.2	(22.6)	(4%)
Financial Services	10.0	9.6	0.4	4%
Asia	8.9	7.4	1.5	20%
Corporate	(22.4)	(19.9)	(2.5)	(13%)
Group EBITDA before associates²	492.1	515.3	(23.3)	(5%)
<i>EBITDA Margin</i>	<i>60%</i>	<i>59%</i>		
Associates	(16.5)	(14.1)	(2.3)	(17%)
Group EBITDA²	475.6	501.2	(25.6)	(5%)
<i>EBITDA Margin</i>	<i>58%</i>	<i>57%</i>		
Net profit²	268.9	295.5	(26.6)	(9%)
Cash Balance	222.8	137.9	84.9	62%
Earnings Per Share ('EPS') (cents) ²	204.1	224.3	(20.2)	(9%)
Dividend Per Share (cents)	110.0	118.0	(8.0)	(7%)

Reconciliation to Financial Statements (\$m)	FY 2020	FY 2019	Growth \$m	Growth %
Net profit from core operations	268.9	295.5	(26.6)	(9%)
Restructure costs, net of tax	(5.7)	-	(5.7)	(>100%)
Gain/(loss) on acquisitions and disposals and business combination transaction costs ³	(2.0)	(0.1)	(1.9)	(>100%)
Impairment charge	(148.6)	(188.9)	40.4	21%
Unwind, revaluation and finance costs of contingent consideration	(0.0)	(1.2)	1.2	100%
Reported net profit	112.6	105.3	7.3	7%

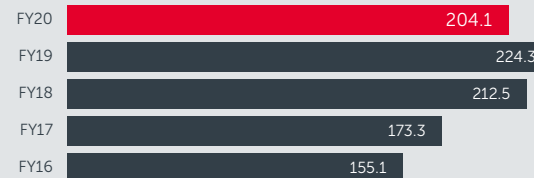
Revenue (\$m)¹



EBITDA before associates (\$m)²



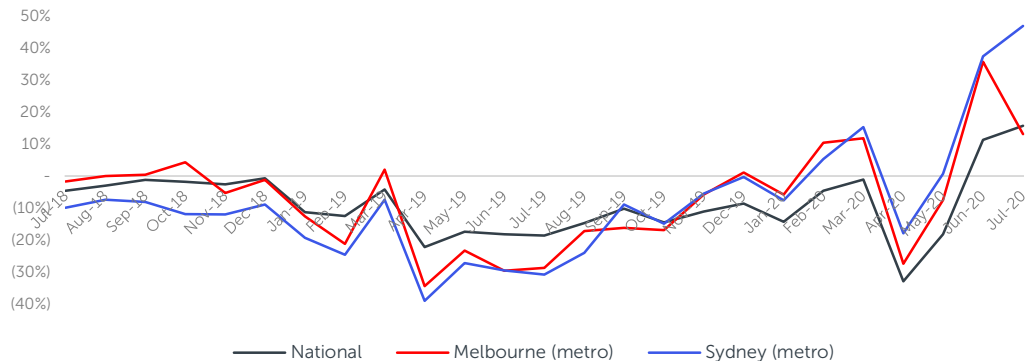
EPS (cents)²



1. Revenue is defined as revenue from property and online advertising and revenue from Financial Services less expenses from franchisee commissions.
 2. Financial results from core operations exclude significant non-recurring items such as restructure costs, revaluation of contingent consideration, gain/loss on acquisitions, disposals and divestments, and impairment charges. In the prior comparative period, this included items such as revaluation, unwind and finance costs of contingent consideration, transaction costs relating to acquisitions by associates and impairment charges.

Unfavourable market conditions

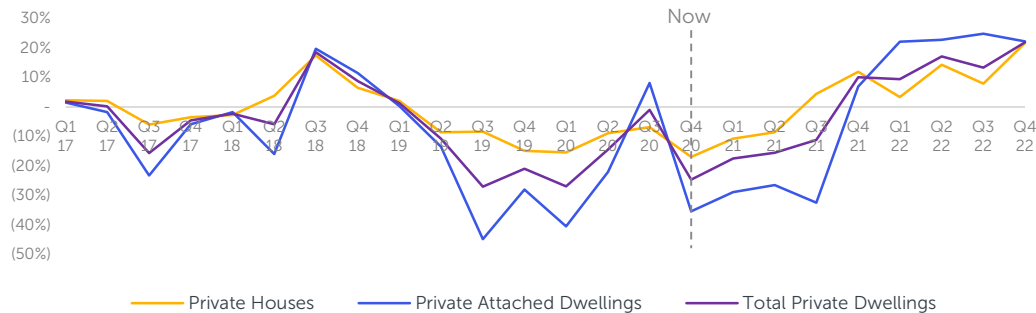
Residential Listing Changes¹



Residential listings

- Australian residential listings decreased 12% for the year, including declines of 6% in Sydney and 8% in Melbourne.
- H1 decline in listings primarily as a result of the restrictive lending environment following the 2019 Financial Services Royal Commission.
- Q3 listings indicated a gradual recovery.
- The emergence of COVID-19 in mid-March significantly impacted listings in April and May. As COVID-19 restrictions eased in June, the real estate market responded positively.

Dwelling Commencement Changes²



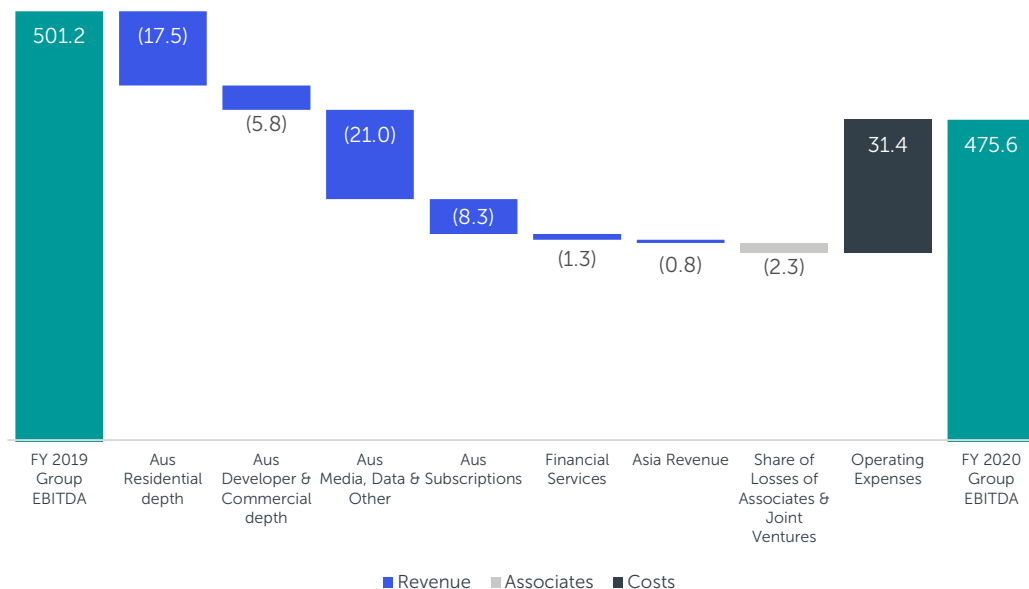
Developments

- Continued reduction in new project commencements, down 27% for the year.
- New project commencements are expected to continue to decline until Q4 FY21².

1. REA Internal Data Jul 18 – Jul 20.
2. BIS Oxford BIA Data - dwelling commencements quarterly forecast at Jun 20.

Resilient performance in challenging market conditions

Group EBITDA (\$m)¹



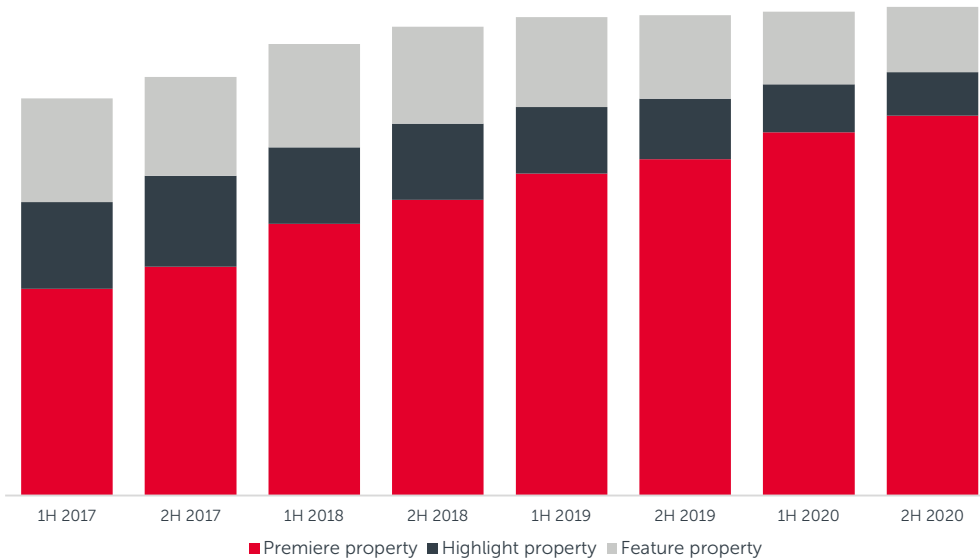
- **Residential revenue** declined 4%, with lower national listing volumes partially offset by price changes that took effect from 1 July 2019 and improved product mix across both buy and rent.
- **Commercial and Developer revenue** declined 7% reflecting the continued reduction in new project commencements, down 27%, partially offset by an increase in project profile duration.
- **Media, data and other revenue** declined by 19% due to lower new project commencements and reduced advertising revenue in key segments.
- **Subscription revenue** declined due to discounts provided as part of COVID-19 support.
- **Operating expenses²** decreased 9% as a result of strong cost management and efficiencies gained from an organisational realignment (6% reduction excluding impact of AASB 16).

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

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

Delivering customer value

Residential Listing Penetration (depth)

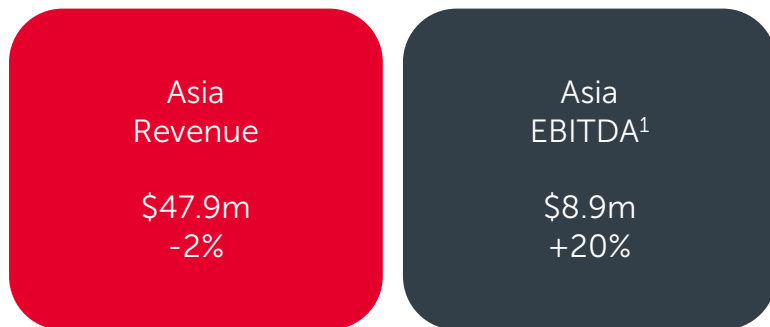


* Penetration is based on listings being on site for minimum 3 days.

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.

International performance impacted by COVID-19



Net impairment charges of \$141.2m relating to the Asia segment (\$99.4m) and investments in Elara and 99 Group (\$41.8m), due to COVID-19

Asia

- Malaysia had a strong first half with digital revenue performance increasing 20%, offset by the ongoing disruption in Hong Kong and significant impacts of COVID-19 on the region.
- EBITDA¹ growth driven by a combination of cost savings, favourable fx movement and lower costs driven by the divestment of the Indonesia and Singapore businesses in February.
- Elara experienced strong revenue growth prior to the impact of COVID
- Investment in 99 Group finalised on 28 February 2020, strengthening the Group's competitive position in Indonesia and Singapore.

North America

- Move Inc. reported revenue decreased 2% to US\$473m³ reflecting the impact of COVID-19 in the fourth quarter.
- Share of losses² for the period was \$7.2m, down from \$8.4m in the prior period due to a reduction in operating costs despite increased investment in OpCity and the impact of COVID-19.

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

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3. NewsCorp's Form 10-K stated in US Dollars for the twelve-month period ended 30 June 2020.

Operating results

Group Operating Results Growth¹



FY20 revenue

- The first half was impacted by a significant decline in Residential listings and Developer new project commencements.
- This was followed by strong signs of recovery at the start of the second half, including improved listings.
- COVID-19 significantly impacted the market in April and as restrictions eased, signs of positivity emerged, with an increase in Residential listings and new project commencements in June.

FY20 costs

- Strong cost management and efficiencies gained from an organisational realignment resulted in a 9% reduction in total operating expenses² (6% excluding the impact of AASB 16), including a 21% reduction in Q4 operational costs³.

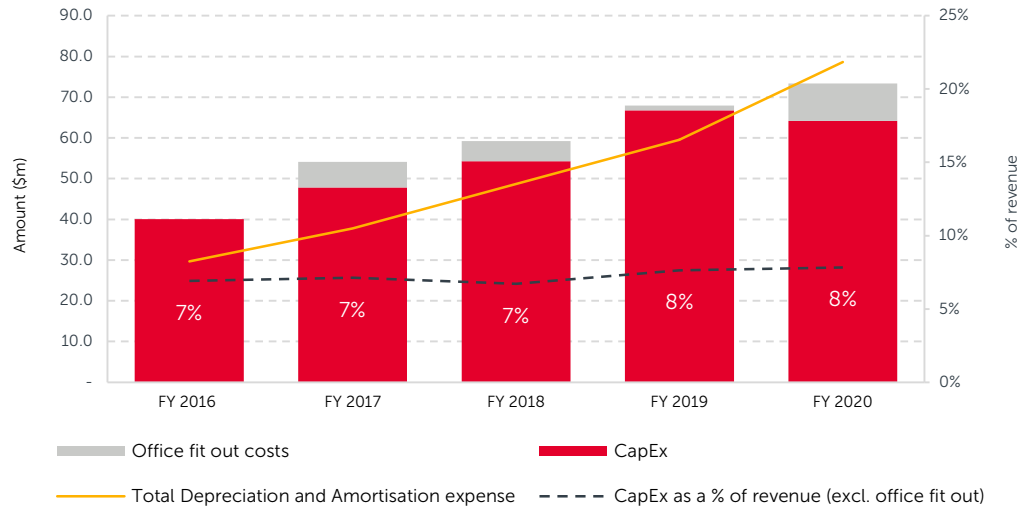
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3. FY20 Q4 core operational expense excludes FX loss (\$5.3m) and bad debts expense (\$5.4m) for the period.

Continued investment in Capital Expenditure

Group Capital Expenditure



REA Group (\$m)	FY 2020 Actual	FY2021 Forecast
Core Depreciation & Amortisation	70	67-71
Depreciation of leases	9	9-11
Total	79	76-82

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.
- Reduction in FY20 capital expenditure (excluding fit outs) in response to challenged market conditions.

Fit out costs

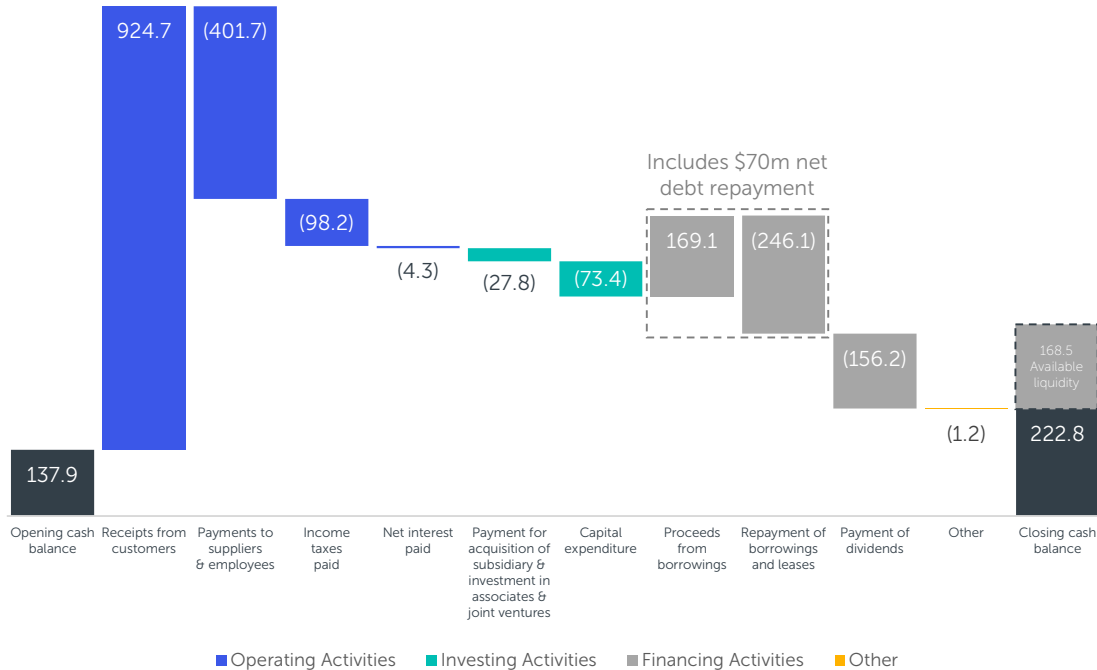
- FY20 costs relate to office fit outs (primarily additional Melbourne office).
- No significant fit outs are planned for FY21.

AASB 16

- Implemented AASB 16 from 1 July 2019.
- Net impact to the Income Statement for FY20 was a reduction to NPAT of \$2.6m.

Strong operating cash flows

Group cash flow (\$m)



Cash flow highlights

- Strong operating cash flows of \$419m.
- Repayment of \$70m of debt.
- Final dividend payment of 55.0c per share, maintaining full year payout ratio.
- Continued investment in innovation and acquisitions, with \$17m outflow for acquisition of remaining share in subsidiaries and \$11m outflow for associates.
- Lower tax payments as a result of COVID-19 payment deferral from the ATO.

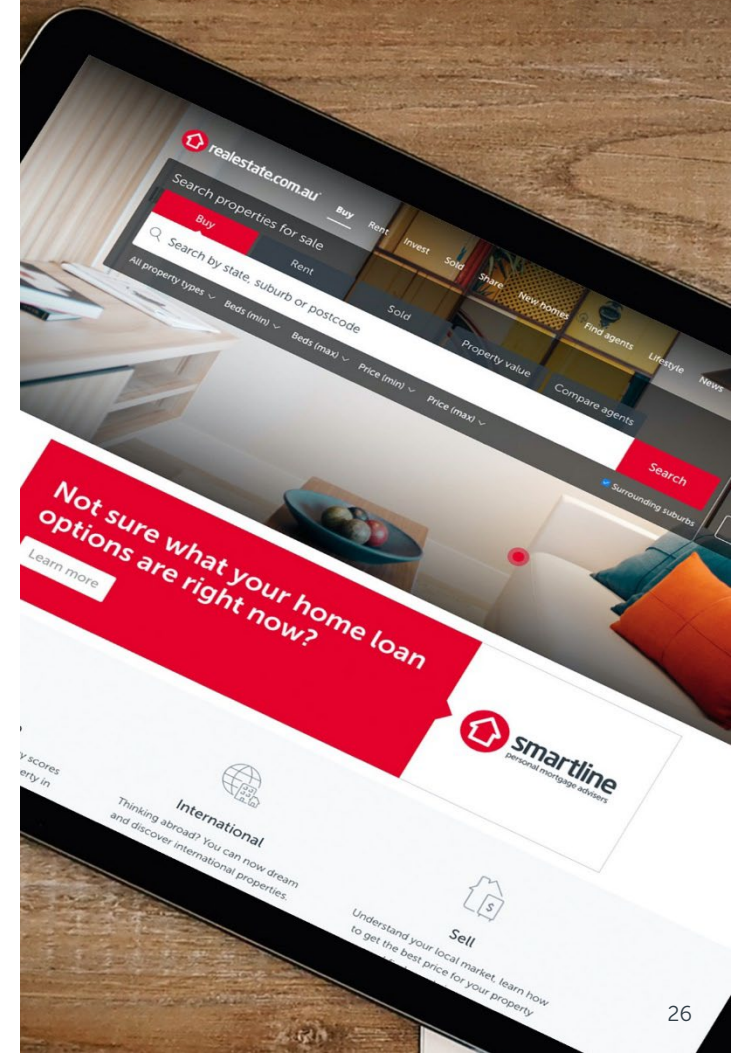
Strong liquidity position supported by:

- Additional \$149m loan facility and \$20m overdraft facility remain undrawn and are in place to cover the event of a significant and prolonged market downturn.
- Drawn facilities fall due in Apr-21 (\$70m) and Dec-21 (\$170m).

Current trading

Ongoing COVID-19 health crisis creates uncertain market conditions

- July 2020 national residential listings up 16%; Sydney up 47% and Melbourne up 13%, reflecting weak comparatives in July 2019.
- Despite COVID-19 impacts, buyer demand remains strong.
- FY21 price changes will only be implemented if a sustained Residential property market recovery is evident.
- Adverse impacts on Q1 FY21 revenue expected for:
 - short-term weakness in Melbourne residential listings for duration of lockdown
 - projected reductions in new development project commencements
 - listing volume declines in the Commercial and Asia businesses.
- Targeting FY21 positive operating jaws.
- Based on current market outlook, targeting no increase in core operating costs in FY21.
- Q1 FY21 core operating costs are expected to be approximately 5-10% lower YoY.



Be seen by millions more buyers



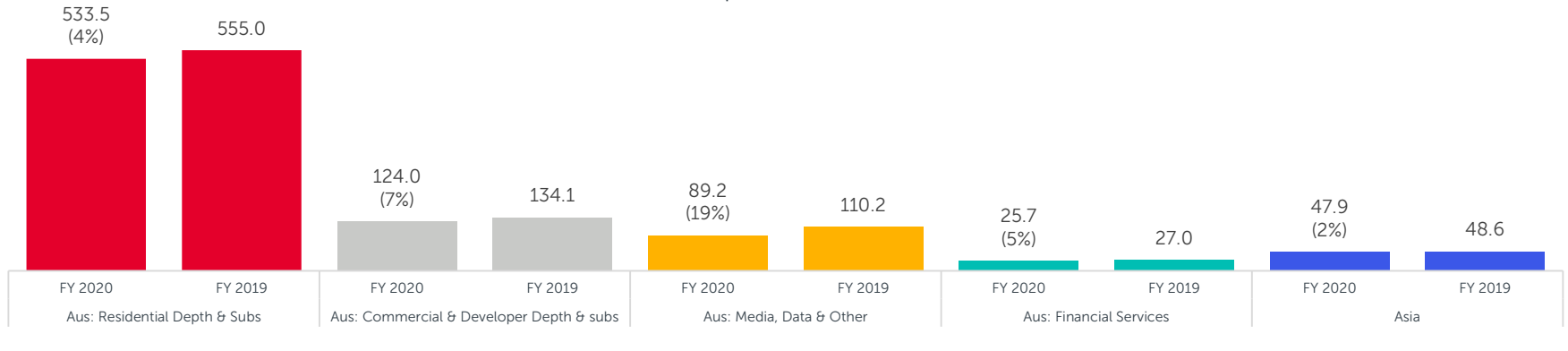
realestate.com.au
Australia's #1 address in property



Supplementary Information

Resilient performance in challenging market conditions

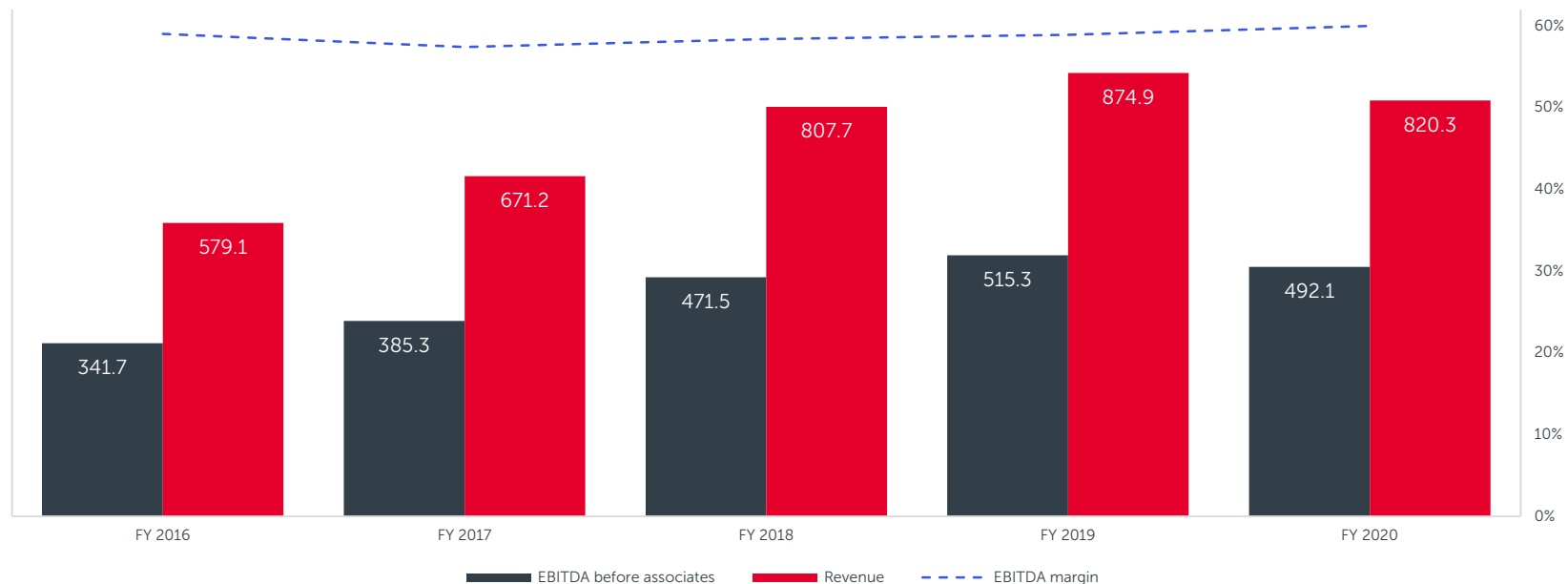
Group Revenue¹ (\$m)



Revenue category (\$m) ¹	FY 2020	FY 2019	Growth
Australia			
Depth revenue	606.7	630.0	(4%)
Subscription revenue	50.8	59.1	(14%)
Media, Data & Other	89.2	110.2	(19%)
Financial Services	25.7	27.0	(5%)
Australian revenue	772.4	826.3	(7%)
Asia	47.9	48.6	(2%)
Total revenue	820.3	874.9	(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, revaluation of contingent consideration, gain/loss on acquisitions, disposals and divestments, and impairment charges. In the prior comparative period, this included 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
	FY 2016		FY 2017		FY 2018		FY 2019		FY 2020		FY 2020
	\$m	Growth	\$m	Growth	\$m	Growth	\$m	Growth	\$m	Growth	\$m
Total revenue	579.1	21%	671.2	16%	807.7	20%	874.9	8%	820.3	(6%)	820.3
Total operating income	579.1	21%	671.2	16%	807.0	20%	874.9	8%	820.3	(6%)	820.3
Operating expenses	(237.4)	(20%)	(285.8)	(20%)	(336.2)	(18%)	(359.5)	(7%)	(328.2)	9%	(487.0)
Share of losses of associates & joint ventures	(13.8)	(96%)	(4.4)	68%	(7.8)	(76%)	(14.1)	(82%)	(16.5)	(17%)	(15.4)
EBITDA	327.8	21%	380.9	16%	463.7	22%	501.2	8%	475.6	(5%)	317.9
<i>EBITDA margin</i>	<i>57%</i>		<i>57%</i>		<i>57%</i>		<i>57%</i>		<i>58%</i>		<i>39%</i>
Depreciation & amortisation	(29.7)	(30%)	(37.8)	(28%)	(48.7)	(29%)	(59.6)	(22%)	(78.6)	(32%)	(78.6)
Earnings before interest and tax	298.2	20%	343.1	15%	415.0	21%	441.6	6%	397.0	(10%)	239.3
Net finance income/(expense)	(4.3)	(>100%)	(10.8)	(>100%)	(8.1)	25%	(6.5)	19%	(5.6)	14%	(5.6)
Earnings before tax	293.8	16%	332.3	13%	406.9	22%	435.1	7%	391.4	(10%)	233.7
Income tax expense	(89.6)	(20%)	(104.0)	(16%)	(127.0)	(22%)	(139.7)	(10%)	(122.5)	12%	(121.1)
Net profit	204.3	15%	228.3	12%	279.9	23%	295.5	6%	268.9	(9%)	112.6
Dividends per share (DPS) (cents)	81.5	16%	91.0	12%	109.0	20%	118.0	8%	110.0	(7%)	110.0
Earnings per share (EPS) (cents)	155.1	15%	173.3	12%	212.5	23%	224.3	6%	204.1	(9%)	85.3

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Cash flow reconciliation

Cash flow reconciliation (\$'m)	FY 2020	FY 2019	Growth
EBITDA ¹	475.6	501.2	(5%)
Working capital movement	33.6	(0.5)	>100%
Net interest paid	(4.3)	(9.1)	53%
Income taxes paid	(98.2)	(136.9)	28%
Capital expenditure	(73.4)	(68.0)	(8%)
Other	13.0	9.8	33%
Free cash flow	346.3	296.5	17%
(Payment)/receipt for acquisition of subsidiary, net of cash acquired	(16.5)	3.2	(>100%)
Payment for investment in associates and joint ventures	(11.3)	-	n/m
Proceeds from borrowings	169.1	-	n/m
Repayment of borrowings and leases	(246.1)	(122.7)	(>100%)
Dividends paid	(156.2)	(154.4)	(1%)
Other	(0.4)	(0.6)	33%
Net cash inflow/(outflow)	84.9	22.1	>100%

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