

ASX Announcement
6 February 2025

REA Group delivers an outstanding H1 result

Financial highlights from core operations¹ compared to prior corresponding period:

- Revenue² of \$873m, up 20%
- Operating expenses of \$338m, up 18%
- EBITDA³ (excluding associates) of \$535m, up 22%
- Net profit⁴ of \$314m, up 26%
- EPS of \$2.38, up 26%
- Interim dividend of \$1.10 per share fully franked, up 26%

REA Group Ltd (ASX:REA) today announced its results for the half-year ended 31 December 2024. Group financial highlights from core operations¹ include revenue growth of 20% to \$873m, an increase in EBITDA excluding associates of 22% to \$535m, and a 26% increase in net profit to \$314m.

Reported net profit increased 246% to \$441m, reflecting the gain on sale of the Group's investment in PropertyGuru 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 an interim dividend of \$1.10 per share fully franked, up 26% YoY.

REA Group Chief Executive Officer, Owen Wilson commented: "REA's exceptional first half result was driven by strong yield growth in a healthy listings environment. Vendors remained confident during the half with sales volumes consistently higher than the prior year, demonstrating the depth of demand, while buyers benefitted from more choice and some moderation in price 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)	H1 FY25	H1 FY24	YoY growth
Australia revenue	809	682	19%
India revenue	64	44	46%
Group revenue	873	726	20%
Australia operating expenses*	260	224	16%
India operating expenses	78	63	24%
Group operating expenses	338	287	18%
Australia EBITDA before associates*	549	458	20%
India EBITDA before associates	(14)	(19)	27%
Group EBITDA before associates	535	439	22%
EBITDA (including share of profit/losses from associates)	521	426	22%
NPAT attributable to owners of parent	314	250	26%
Earnings per share (EPS), \$	2.38	1.89	26%

* Includes corporate costs

AUSTRALIA

Australian revenue of \$809m was up 19% YoY, or 18% excluding the acquisition of Realtair, which was consolidated from 1 July.

A summary of the quarterly residential 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	H1'25
Residential Buy listings change⁵							
National	1%	8%	6%	16%	7%	4%	5%
Sydney	16%	22%	20%	26%	11%	2%	7%
Melbourne	14%	24%	18%	32%	9%	2%	5%
Project commencement change	(18%)	(29%)	(2%)	3%	(11%)	11%	(1%)

Residential revenue increased 21% to \$614m. Buy revenue growth was driven by a 14% increase in Buy yield and a 5% increase in national listings. Buy yield benefited from a 10% average Premiere+ price rise, increased Premiere+ and total depth penetration, and growth in add-ons including Audience Maximiser and Luxe, offset by a small negative impact from geographical mix. Rent revenue was driven by an 8% average price rise, growth in depth penetration and a 6% increase in listings.

Financial Services revenue increased 13% to \$41m. Volumes were positive in the half, with submissions up 13% and settlements increasing 6%. Revenue was further supported by higher penetration of higher-margin white label products and increased productivity across the broker network.

The Group has reclassified Developer display revenues from Media, Data and Other (now referred to as Other) to sit within Commercial and Developer. A history of reclassified revenue splits is provided in Appendix 2.

Commercial and Developer revenue increased 10% to \$110m. Commercial revenue growth was driven by an average 12% price rise, increased depth penetration and higher listings. Developer revenues were up modestly on the prior year, with increased Project Profile duration, a price rise from 1 July and increased display revenue more than offsetting the 1% decline in project commencements.

Other revenue was up 9% to \$43m. CampaignAgent delivered strong revenue growth driven by increased customers and higher listings. This growth was partly offset by lower PropTrack and programmatic display revenues.

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

REA Group's flagship site, realestate.com.au, extended its audience leadership in H1 FY25⁶, reinforcing its position as Australia's number one address in property.

Mr Wilson commented: "realestate.com.au is the premier destination for customers to connect with Australia's largest audience of buyers and sellers. More people turned to our platform in the half than ever before, with 5.1 million more Australians visiting realestate.com.au every month on average compared to our nearest competitor. Our personalised consumer experiences supported a 13% year-on-year increase in our unique audience lead and helped drive exceptional year-on-year growth in the number of seller leads delivered to customers."

Key audience highlights for the year included:

- 11.9 million people visited each month on average⁷, with 6.1 million people exclusively using realestate.com.au⁷;
- 130.7 million average monthly visits⁸, 4.0 times more monthly visits than the nearest competitor on average⁸;
- 4.2 million unique properties tracked by their owner on realestate.com.au⁹, up 29% YoY⁹;
- 2.2 million average monthly realestate.com.au buyer enquiries¹⁰, up 4% YoY¹⁰;
- 88% YoY increase in realestate.com.au seller leads¹¹;
- 17% YoY increase in active members¹² and
- 1.5 million people visited realcommercial.com.au each month on average¹³, 2.7 times more visitors than the nearest competitor each month on average¹³.

INDIA

REA India delivered strong revenue growth, up 46% to \$64m. Revenue from adjacent services on Housing Edge increased 153%, driven by increased customer acquisition and usage. Housing.com revenue was up 15%, continuing to benefit from stronger customer events and improved monetisation in Tier 2 cities, with yield growth slowing in a competitive market. PropTiger revenues declined by 26%, reflecting reduced volume of stock and lower commission rates in the strong property market.

REA India's app-first strategy continues to deliver strong results, with Housing.com's app sessions increasing 37%¹⁴ and share of app downloads at 54%¹⁵.

OPERATING COSTS

Group operating costs grew by 18% and Australian costs were up 16%. Excluding the impact of the Realtair acquisition, Group operating costs were up 16% and Australian expenses increased 13%.

Australian costs were elevated in H1, with marketing expenses reflecting a major marketing campaign launched during the Paris Olympics, and employee cost growth reflecting strategic investment, which was relatively subdued in the prior period. Revenue-related costs were also higher, driven by employee incentives and COGS from the stronger performance of Audience Maximiser. India operating costs increased by 24%, driven largely by revenue-related costs attached to Housing Edge's Rent Pay on Credit offering, and higher marketing spend.

EQUITY ACCOUNTED INVESTMENTS

Revenue from Move, Inc. (Move), which operates realtor.com® in North America, was in line with the prior year. Growth in Seller, New Homes and Rentals revenue was offset by the continued impact of the macroeconomic environment on the U.S. housing market¹⁶, which resulted in lower transaction volumes and a 1% decline in leads¹⁶. Move's equity accounted loss of \$11m was flat compared to the prior period.

Total losses from equity accounted investments increased from \$13m in the prior period to \$15m in H1 FY25, reflecting new investments in Athena Home Loans and Arealytics.

In December 2024, the sale of the Group's 17.2% stake in PropertyGuru Group Limited was finalised, resulting in a total gain of \$151m.

BALANCE SHEET STRENGTH

The Group repaid all external debt (\$209m) following the sale of PropertyGuru in December 2024. A \$400m undrawn debt facility remains in place, with a maturity of September 2028. As at 31 December, the Group had a cash balance of \$338m.

RETURNS TO SHAREHOLDERS

The Board has determined to pay an interim dividend of \$1.10 per share fully franked, an increase of 26%. The 2025 interim dividend dates are:

Ex-dividend date	4 March 2025
Record date	5 March 2025
Payment date	19 March 2025

OUTLOOK

Strong employment, high immigration levels and expectations for interest rate cuts in the first half of 2025 continue to support buyer demand and vendor confidence to list. A higher level of available residential stock is affording buyers with more choice, which has tempered house price growth.

January National residential new Buy listings were up 3% YoY, with Sydney increasing by 5% and Melbourne declining by 2%. As previously flagged, YoY growth rates for the second half of the financial year will reflect very strong prior period listings volumes, particularly for Melbourne and Sydney.

Our expectation for double-digit FY25 residential Buy yield growth remains unchanged. The magnitude of growth may be impacted if the negative drag from geographical mix continues across the remainder of the year.

We continue to target positive operating jaws in FY25. Low double-digit group core operating cost growth is now anticipated, compared to high single-digits previously. This reflects increased revenue-related costs including employee incentives, and COGS related to Audience Maximiser revenues in Australia and Rent Pay on Credit in India. Phasing of group operating expenses, particularly for marketing campaigns and employee costs, is expected to result in lower YoY growth rates in the second half of FY25 compared to the first half. 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, reflecting our new investment in Athena Home Loans.

Mr Wilson commented: "Following sustained listings growth, the Australian property market has reached a more balanced level of supply and demand. Continued strength in underlying fundamentals and the expectation of at least one interest rate cut before the end of FY25 should further support the health of the market. REA continues to invest in the next generation of consumer experiences and the delivery of further value to our customers."

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The release of this announcement was authorised by the Board.

HY 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 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 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 to reported financial results.

As reported in the Financial Statements for the half-year ended 31 December 2024:

Core and reported results	H1 FY25 \$'m	H1 FY24 \$'m
Core operating income	872.9	725.5
Reported operating income	872.9	725.5
EBITDA from core operations (excluding share of gains and losses of associates)	535.4	438.7
Share of losses of associates	(20.1)	(13.4)
Share of associate non-core costs	5.3	0.7
EBITDA from core operations	520.6	426.0
Impairment reversal/(expense)	116.9	(122.5)
Net gain on acquisition/divestment related activities	29.7	3.1
Rightmove M&A transaction costs	(18.8)	-
Share of associate non-core costs	(5.3)	(0.7)
M&A related integration costs	(2.0)	(3.0)
Reported EBITDA	641.1	302.9
Net profit from core operations attributable to owners of parent	313.9	249.7
EBITDA impact of non-core adjustments	120.5	(123.1)
Tax effect	6.9	0.8
Reported net profit attributable to owners of parent	441.3	127.4

APPENDIX 2

Summary of reclassification of Developer Display revenues

Updated View (\$m)	H1'23	H2'23	FY23	H1'24	H2'24	FY24	H1'25
Australia							
Residential	424.9	380.0	804.9	505.5	490.2	995.7	614.0
Commercial & Developer	93.5	87.0	180.5	99.9	98.4	198.3	110.3
Other	27.9	30.2	58.1	40.0	42.1	82.1	43.4
Property & Online Advertising	546.3	497.2	1,043.5	645.4	630.7	1,276.1	767.7

Previous View (\$m)	H1'23	H2'23	FY23	H1'24	H2'24	FY24	H1'25
Australia							
Residential	424.9	380.0	804.9	505.5	490.2	995.7	614.0
Commercial & Developer	72.2	69.4	141.6	80.3	78.4	158.7	90.3
Media, Data & Other	49.2	47.8	97.0	59.6	62.1	121.7	63.4
Property & Online Advertising	546.3	497.2	1,043.5	645.4	630.7	1,276.1	767.7

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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, 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 31 December 2024 (all shareholdings are on an undiluted basis).

⁵ 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.

⁶ Ipsos iris Online Audience Measurement Service, Jul 2024 - Dec 2024 (average) vs Jul 2023 - Dec 2023 (average), P14+, PC/laptop/smartphone/tablets, text only, Homes and Property Category, Brand Group, Realestate.com.au vs Domain, Audience (000's).

⁷ Ipsos iris Online Audience Measurement Service, Jul 2024 - Dec 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).

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

⁹ REA internal data, Dec 2024 vs. Dec 2023.

¹⁰ Adobe Analytics, internal data, Jul 2024 - Dec 2024 (average) and vs. Jul 2023 - Dec 2023 (average).

¹¹ REA internal data, Jul 2024 - Dec 2024 vs. Jul 2023 - Dec 2023.

¹² REA internal data, monthly logged-in members, realestate.com.au, Jul 2024 - Dec 2024 (average) vs. Jul 2023 - Dec 2023 (average).

¹³ Ipsos iris Online Audience Measurement Service, Jul 2024 - Dec 2024 (average), P14+, PC/laptop/smartphone/tablets, text only, Homes and Property Category, Brand Group, realcommercial.com.au vs commercialrealestate.com.au, Audience (000s).

¹⁴ SensorTower, average of monthly app sessions, Jul 2024 to Dec 2024 vs. Jul 2023 to Dec 2023.

¹⁵ data.ai, app downloads as a % of top 4 online real estate classifieds in India, Jul 2024 - Dec 2024.

¹⁶ NewsCorp's Form 10-Q stated in US Dollars for the six-month period ended 31 December 2024.