

Domain

ASX ANNOUNCEMENT

Macquarie Australia Conference 2021 Commentary and Presentation

Sydney, 4 May 2021: Domain Holdings Australia Limited [ASX:DHG] (“**Domain**” or “**Company**”) will today deliver a presentation at the Macquarie Australia Conference.

Presentation commentary and accompanying slides are attached.

The presentation contains a trading update, the details of which have been extracted below:

Trading Update

- Trading in the FY21 March quarter (1 January - 31 March 2021), adjusted for divestments*, saw:
 - Digital revenue increase 8% for the quarter
 - Total revenue increase 2% for the quarter.
- April 2021 new residential listings have rebounded strongly from April 2020’s COVID-impacted base. Property indicators remain positive as evidenced by record property search volumes, open home attendance, clearance rates and new account creation at Domain Home Loans.
- FY21 total costs (adjusted for divestments) are expected to increase in the mid single digit range from the FY20 base of \$177.2 million.

*divestment of MyDesktop

Ends

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PRESENTATION COMMENTARY

Jason Pellegrino – Chief Executive Officer and Managing Director:

Slide 1

Good morning everyone and thanks for joining CFO Rob Doyle and me at the 2021 Macquarie Australia Conference.

I'd like to begin by acknowledging the Wurundjeri people, the Traditional Custodians of the land I am on today. I would like to pay my respects to their elders past and present, and extend that respect to all Aboriginal and Torres Strait peoples, especially those here today. It's great to have the opportunity to talk to you in an environment which is so much better than was feared a year ago.

Slide 2,3

At the 2020 conference I spoke to you about the early stages of Domain's evolution to a Marketplace strategy. Today I'll provide an update on how we have progressed that strategy by simultaneously growing our core listings business, and delivering new innovative Marketplace solutions. I'll then outline some of the performance indicators that demonstrate how this Marketplace approach is driving our results. Finally, I will provide a trading update, after which Rob will join me to take your questions.

Slide 4

Our Marketplace strategy is making the most of the recent improvement in the operating environment, while building for the future in a disciplined and purposeful way. Before I get into the detail, I want to reflect on the team at Domain. Through the challenges of recent times, with a difficult property market environment followed by COVID, their commitment to Domain and each other has been exceptional. It is their creativity and hard work that has underpinned the strong performance of our core listings business, and accelerated the velocity of our Marketplace innovation pipeline. I'm excited to share the early results of these initiatives.

Slide 5

Our evolution to a Marketplace model is designed to make our solutions work better together, and to expand the addressable markets for our services. This cohesive ecosystem of services means that we can support agents and consumers at more points of their property journeys, and fulfill Domain's purpose to inspire confidence for all of life's property decisions. Creating valuable new solutions for agents, consumers and corporates supports additional growth opportunities, while at the same time strengthening the value of our core listings business.

Slide 6

Domain's business model continues to evolve, reflecting the opportunities available to us from our unique assets and trusted relationships with consumers and customers. The journey is taking Domain from its origins as an online classified portal, with ubiquity and broad reach, to a property Marketplace that delivers to our purpose.

Our heritage as a classifieds business has been incredibly valuable in establishing a sizable and strong Core Listings business on which to build our Marketplace. This is the base where we have accumulated rich connections to properties, and cultivated strong and trusted

Domain

relationships with Agents and Consumers. We are well positioned to extend the duration of these relationships as reflected in the positive early uptake of our broader solutions.

Our business model is evolving from a publisher model that supports a one-off transaction, to a property ecosystem that is responsive to the entire property journey. From an audience strategy solely based on scale and volume, to one that focuses on quality and user intent. From products that are feature-based, to ones that are solutions-based. In turn this evolution broadens the addressable market opportunities that lie in front of us.

Slide 7

What this means for our relationships with agents and consumers is outlined on this slide.

For agents, we are moving from offering digital listings products to providing business solutions that help them grow their businesses. Rather than just selling ads, we are helping agents to find and win the next listing, market and sell the property quickly for the best possible price, run an efficient and profitable business, differentiate their brands and attract and retain talent. Our goal is to move beyond selling a narrow set of listings products to agents, to being invited to stay and help them grow their businesses. Our long-term and trusted relationships with agents are a key competitive advantage to help us achieve this.

For consumers, this means an evolution from a generic property search to personalised, relevant and actionable experiences. And while our monetisation relationship with consumers under the online classifieds model has been indirect, the new model opens up opportunities to service the entire property journey with direct transactions.

Slide 8

I note that the theme of today's conference is ESG, and I want to touch on how our Marketplace strategy fits in with our approach to Corporate Social Responsibility at Domain. The four pillars of our approach to ESG are outlined on this slide: Our People and Values; Community; Financial Sustainability; and Environment. We've also included the material risks we have identified for each one. While all these pillars are of critical importance to Domain, I'll focus on Financial Sustainability as highly relevant to today's audience. The key risks we have identified for this pillar are Customer satisfaction and Technology. At its core, our Marketplace strategy has solutions to address these risks, and to underpin the long-term Financial Sustainability of Domain for the benefit of all stakeholders.

Slide 9

I mentioned earlier the opportunity that the Marketplace strategy provides to expand Domain's addressable market. While the sizes of the bubbles on this page are indicative only, they provide a sense of the new market opportunities available, and the significant incremental revenue potential of expanding Domain's addressable ecosystem.

Slide 10

At the heart of Domain's Marketplace is our mantra of "Better Together", an approach that seeks to maximise the value of each of our solutions through close collaboration. This strategic differentiation underpins the strong performance indicators that I will talk to later in the presentation. Key differentiators of each of our solutions are outlined on this slide.

In our Core listings business, our targeted micro market strategy is driving growth in controllable yield, and our flexible pricing strategy ensures an appropriate mix of price and depth.

Domain

In Agent Solutions, our track record of trusted partnerships with agents provides a unique platform to launch new products and services. And importantly, our approach to solutions is that they are integrated into agent workflow, and designed to help agents grow their own businesses.

In Consumer solutions, our digital first approach is very different to other solutions in the market, which are tied to legacy bricks and mortar distribution channels. This is important for two reasons. Firstly, it means we are providing consumers their preferred digital means of interaction, a preference that has only accelerated as a result of COVID. Secondly, our digital interaction with consumers means that we can connect with them at the relevant stages of their property journeys, so our solutions are strongly linked to intent. The benefits to Domain are based on higher margins from superior broker productivity, and a better ability to manage compliance costs.

Our Property data solutions business has a multi-decade track record of timely and accurate property data. Pricer's proprietary data is supplemented with an ever-increasing depth of data collaborations. The insights from these solutions are actionable, customer centric and deliver value to agents, consumers and non-real estate clients through products such as Lead Miner and HomePrice Guide.

Slide 11

So what does "Better Together" look like in practice. On this slide you can see the solutions that have combined to drive value through our Marketplace approach.

Lead Miner combines Agent Solutions and Property Data solutions. It helps agents to capture a greater proportion of listings from their own databases, by providing them with our real-time understanding of a property's propensity to come to market. This means agents can spend more time on growing their businesses, and less time on inefficient cold calling.

The collaboration of Core Listings with Agent Solutions supports products like MarketNow and Early Access. MarketNow provides flexible payment solutions to encourage new listings and assist vendors in managing their cash flows. And Early Access is embedded into the Real Time Agent workflow, allowing agents to start marketing a property as soon as the vendor authority is signed.

The combination of Core Listings and Consumer Solutions supports Domain Home Loans to provide high intent consumers with access to finance at the relevant stage of their property journeys. Domain provides a platform for digital interaction that is unencumbered by the anchor of legacy structures and technologies.

Slide 12

Not only is our Marketplace model differentiated from a strategy perspective, it is differentiated by a culture with a track record of flexible execution. Our Marketplace is being created in a disciplined manner with a clear framework of when to Build, Buy or Partner.

Our innovative product teams position Domain to build new solutions such as Lead Miner and Early Access with internal capability. Our API platform connects us to the PropTech community and provides an early view of interesting new opportunities for investment. This was certainly the case with Real Time Agent. And we have a strong track record of partnering with fintechs in the areas of home loans, insurance and payments to combine their specialist expertise with Domain's Marketplace platform.

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I'll turn now to show some case studies of the Marketplace in action.

Slide 13

The first case study focuses on Core Listings and our performance in Queensland during the March quarter of 2021.

Our targeted micro market strategy is driving strong growth in the highest quality audience metrics, with a 38% lift in views, and an amazing 128% increase in enquiries.

Our flexible pricing strategy is supporting growth in controllable yield with a sustainable mix of price and depth. As you can see illustrated on the slide, there was a significant increase in depth penetration in Queensland in the March quarter. This supported revenue per listing growth in the mid-teens, the strongest performance of the major states for the period.

Slide 14

The second case study is of Domain's relationship with a Victorian agency group in one of our expanding markets. It clearly shows how our core listings business in this market is benefiting from the quality of our Marketplace solutions. This is better together in action.

Two years ago, the agency group was on basic or branded subscriptions with Domain. We saw some modest silver and gold depth uptake. The real breakthrough came when we discussed a Lead Miner trial with the agency principal. He was so excited by the potential for Lead Miner that he signed up for Platinum depth across the agency group, a requirement for participation in the trial. The success of their Platinum depth experience has seen this agency group sign up for other Marketplace solutions, including Homepass, Pricerfinder, Dream Homes, Early Access and Real Time Agent.

Slide 15

The success of the Marketplace approach is demonstrated on this slide. In the March quarter of 2019, only 12% of listings from this agent were paid depth listings; by the March 2021 quarter, this had increased to 90%.

This deeper relationship has provided considerable value to the agency group and to Domain. The agency group has benefited from a dramatic increase in customer views, engagement and leads. And Domain has seen a 400% year-on-year revenue uplift in the March 2021 quarter.

Slide 16

The third case study is for Consumer solutions.

I spoke earlier of our differentiated approach to Consumer Solutions, with digital platforms that deliver consumers' preferred modes of interaction. This is a key competitive advantage for Domain Home Loans versus the anchor of legacy bricks and mortar distribution channels.

We're excited about the strength of the audience metrics which Domain delivered in March. Our Unique digital audience for Domain Media Group reached a new record of 9.3 million, with exceptional year-on-year growth in app launches, up 73%, listing views up 40% and leads up 57%.

Domain

Combining Domain's quality, high intent audiences with deepening consumer digital adoption is underpinning accelerating growth in Consumer Solutions. In the March quarter, Domain Home Loans new accounts increased by 65% year-on-year. This is better together in action.

Slide 17

So far I have spoken to you about the implementation of our Marketplace model. In the next few slides, I want to share with you some of the results the strategy is delivering.

Slide 18

While the potential of our Marketplace solutions is truly exciting for Domain's future, it's of vital importance to me that we deliver results today. Through the property market volatility of the past three years, our core listings business has continued to deliver depth penetration growth. Pleasingly, our year-on-year depth penetration growth has accelerated in the second half of FY21 to date.

In our most recent quarter, depth revenue grew 11% despite the absence of our usual price increase in January. We are currently in market communicating a price increase to our customers to take effect on 1 July.

Slide 19

You can see the accelerating trend in depth penetration reflected on this slide. In the 10 months to April, Domain delivered year-on-year growth in depth penetration in every state to reach a new record. This is the Marketplace in action - delivering results in our core listings business today.

Slide 20

I want to conclude the overview of Marketplace indicators with a look at the performance of residential depth revenue over the past three years.

Although there were early signs of recovery in the first half of FY21, new listings remained 15% below the level achieved in the first half of FY18, the last time we saw relatively normal market conditions. Despite this headwind, Domain's residential depth revenue increased 24% between 2018 and 2021. The 45% increase in revenue per listing achieved over that period demonstrates the resilience of the Marketplace model in challenging circumstances. We're equally optimistic about the upside benefits of the Marketplace model as market conditions become more supportive.

Slide 21

Turning now to an update of current trading.

Slide 22

Trading in the FY21 March quarter (1 January - 31 March 2021), adjusted for divestments, saw:

- Digital revenue increase 8% for the quarter
- Total revenue increase 2% for the quarter

April 2021 new residential listings have rebounded strongly from April 2020's COVID-impacted base. Property indicators remain positive as evidenced by record property search volumes, open home attendance, clearance rates and new account creation at Domain Home Loans.

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FY21 total costs (adjusted for divestments) are expected to increase in the mid-single digit range from the FY20 base of \$177.2 million.

Slide 23

That concludes the formal part of the presentation. Rob will now join me and we'll be happy to take your questions.



Investor Presentation

Macquarie Australia Conference

4 May 2021

Domain
Australia's home of property

Disclaimer

Summary Information

This presentation contains summary information about Domain Holdings Australia Limited (ASX: DHG) (Domain) and its activities current as at 4 May 2021. The information in this presentation is of a general background nature and does not purport to be complete. It should be read in conjunction with Domain's other periodic and continuous disclosure announcements which are available at shareholders.domain.com.au.

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This presentation contains certain "forward-looking statements". The words "expect", "should", "could", "may", "predict", "plan" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Forward-looking statements, opinions and estimates provided in this presentation are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Forward-looking statements including projections, guidance on future earnings and estimates are

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The inclusion of forward-looking statements in this presentation should not be regarded as a representation, warranty or guarantee with respect to its accuracy or the accuracy of the underlying assumptions or that Domain will achieve, or is likely to achieve, any particular results.

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Agenda

Marketplace Strategy

Marketplace Performance Indicators

Trading Update

Q&A



Marketplace Strategy

Creating a Property Marketplace to inspire confidence for all of life's property decisions

Domain
HOME LOANS
Home Loans

powered by **lendr**

Domain
INSURE
Insurance Services

Domain
CONNECTIONS
Utilities Connections

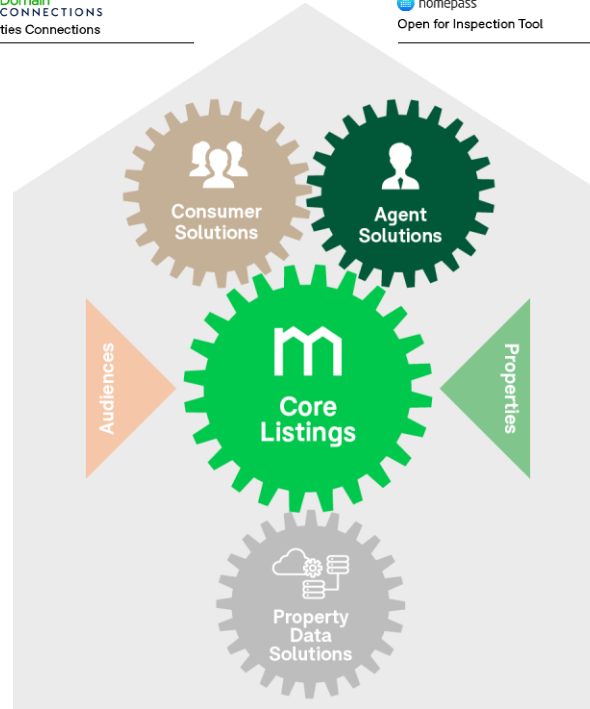
homepass
Open for Inspection Tool

RealTime
AGENT
Digital end-to-end solutions

MarketNow
Payment Solutions

Domain media
Online Media Advertising

Domain
Print Media & Advertising



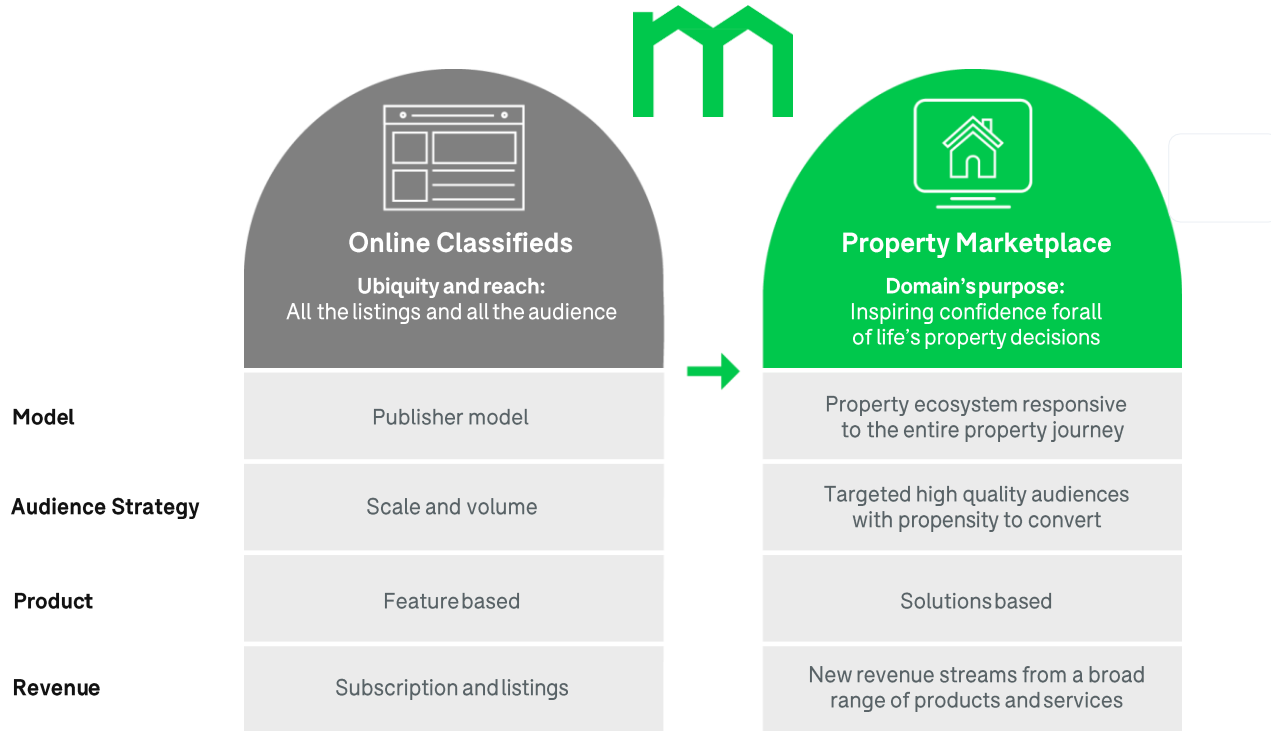
Domain
Leading National Residential
Listings Search Platform

allhomes
No. 1 Canberra/ACT Listings
Search Platform

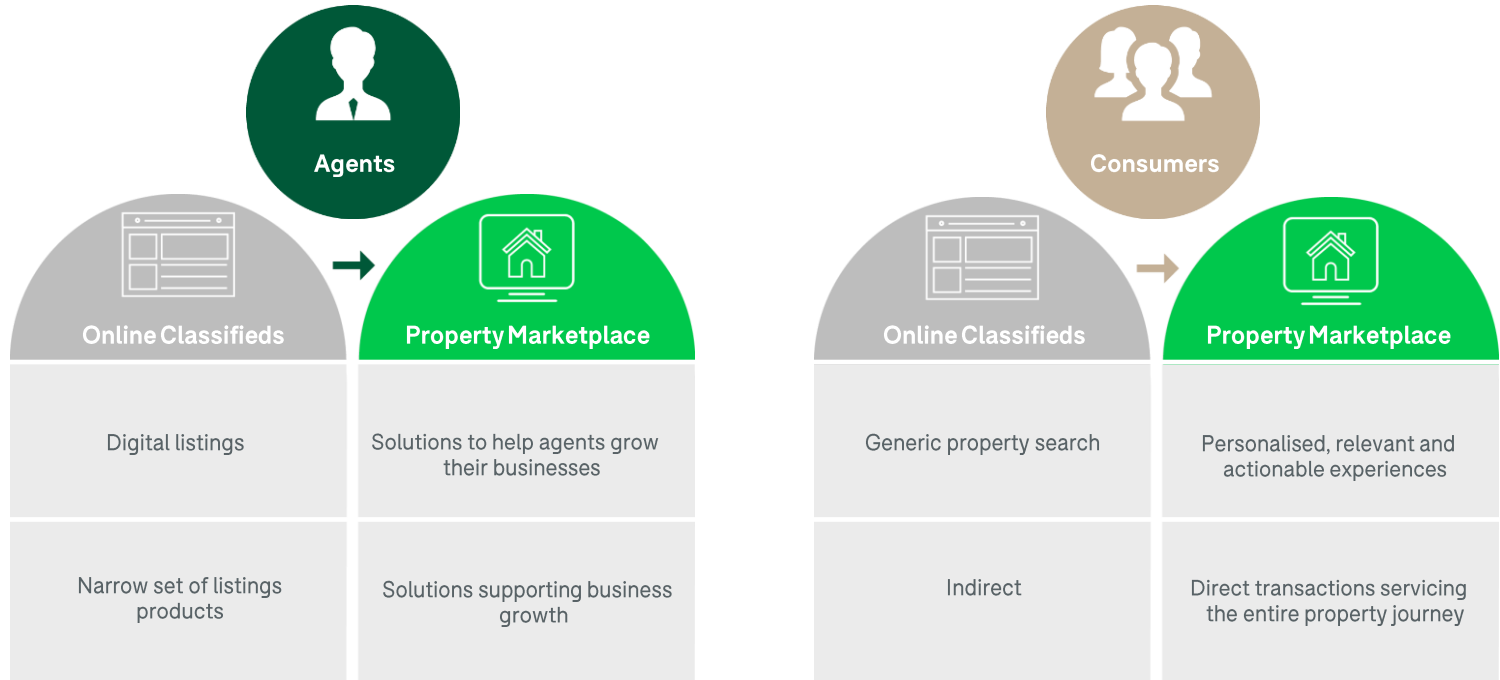
Commercial
Real Estate
Leading National CRE
Listings Platform

pricefinder **AUSTRALIAN**
PROPERTY MONITORS
Property Data and Research

Evolving Domain's Model



Adding Value to Agents and Consumers at every stage of the property journey



Corporate Social Responsibility

Commitment to delivering sustainable value to all our stakeholders

Sustainability
Pillars

ESG Material
Risks



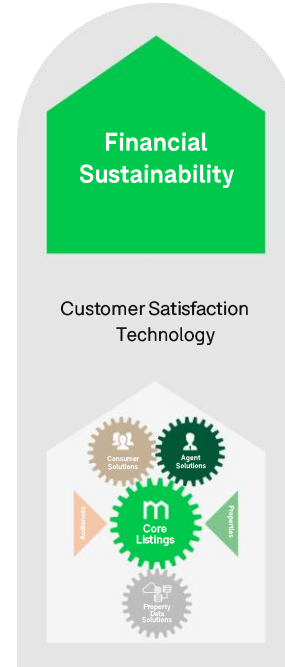
Our People
and Values

Employee Engagement
Diversity & Inclusion



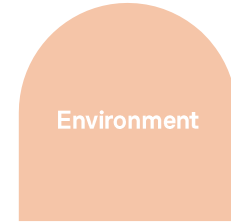
Community

Data Security & Privacy
Business Ethics



Financial
Sustainability

Customer Satisfaction
Technology



Environment

Sustainable supply chain
GHG emissions

Expanding Domain's addressable market



Note: Bubble sizes are indicative only

*Core Listings addressable market includes digital subscription and listings fees for residential and commercial property, media and new developer revenues for Domain and REA for FY20

9 | Investor Presentation

The Marketplace approach is a strategic differentiator

Better Together



How Domain's Marketplace delivers "Better Together"

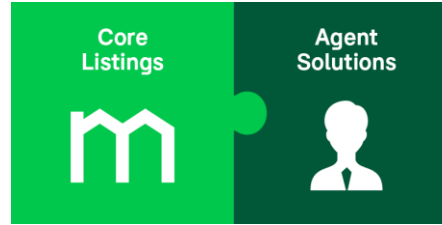


Lead Miner

Smarter prospecting

- Assists agents to capture a greater proportion of listings from their own databases
- Reduces admin time

**Value to Agents/
Consumers**



MarketNow

Flexible payment solutions

- Flexible solutions to encourage listings and appropriate vendor marketing spend
- Assists in managing vendor cashflow



Early Access

Off-market amplification

- Builds early interest and momentum
- Accesses high quality price feedback
- Enables a better sales outcome for the vendor



Domain Home Loans

Digital Home loan broking

- Assists high intent consumers to access finance at the relevant stages of their property journeys
- Provides a digital platform for consumers that meets their preferred mode of interaction

**Value to
Domain**

- Builds stickiness with agents through providing a strong, differentiated offering that maximizes the value of an agent's own assets

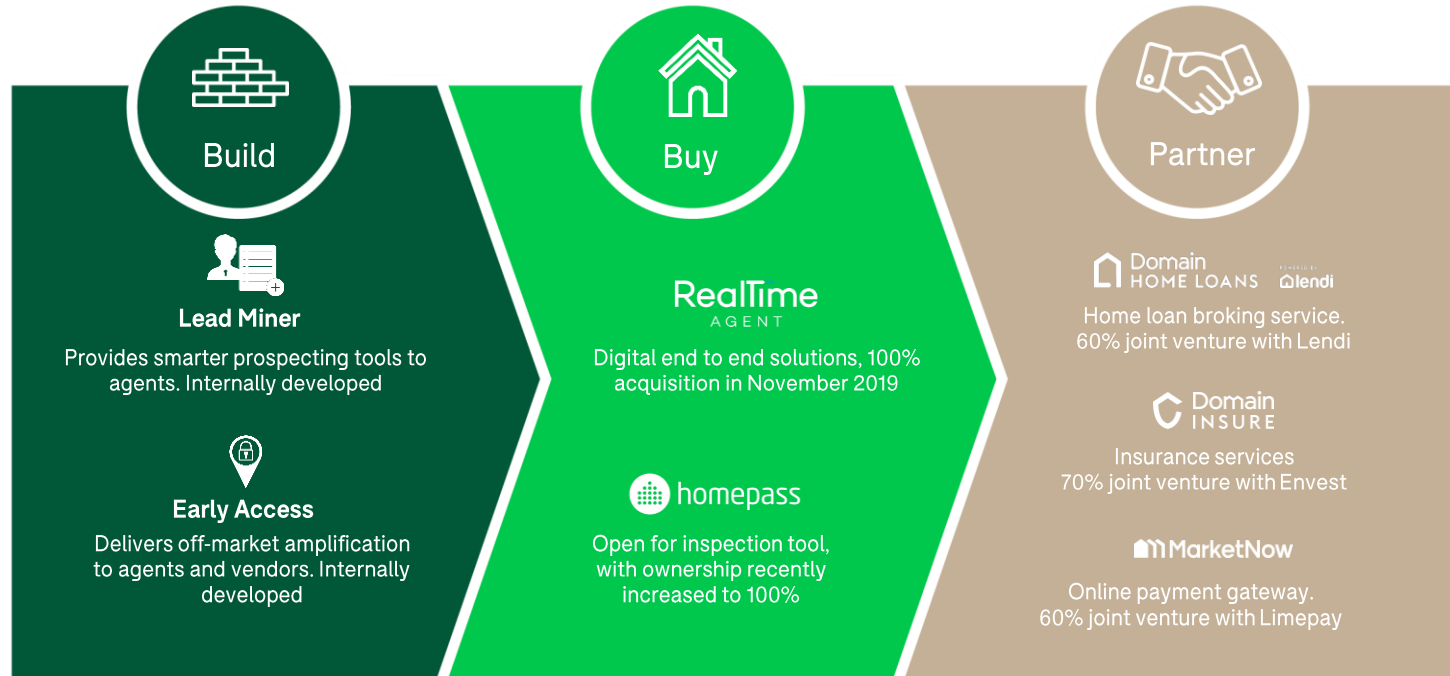
- Removes barriers to depth penetration
- Delivers flexibility to agents and achieves agent stickiness
- Builds a sustainable new revenue stream

- Provides highly motivated buyers with access to off-market properties
- Builds stickiness with agents with a wider pool of buyers

- Develops a direct transactional relationship to support the entire property journey

The Marketplace in action:

Differentiation in execution



The Marketplace in action:

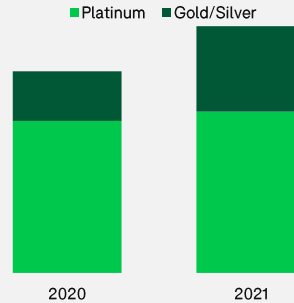
Core Listings - Queensland Case Study

March 2021 quarter performance

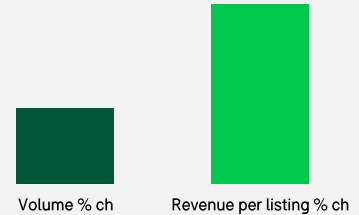
Dynamic Core Listings Marketplace



Increasing depth penetration



Growing revenue per listing

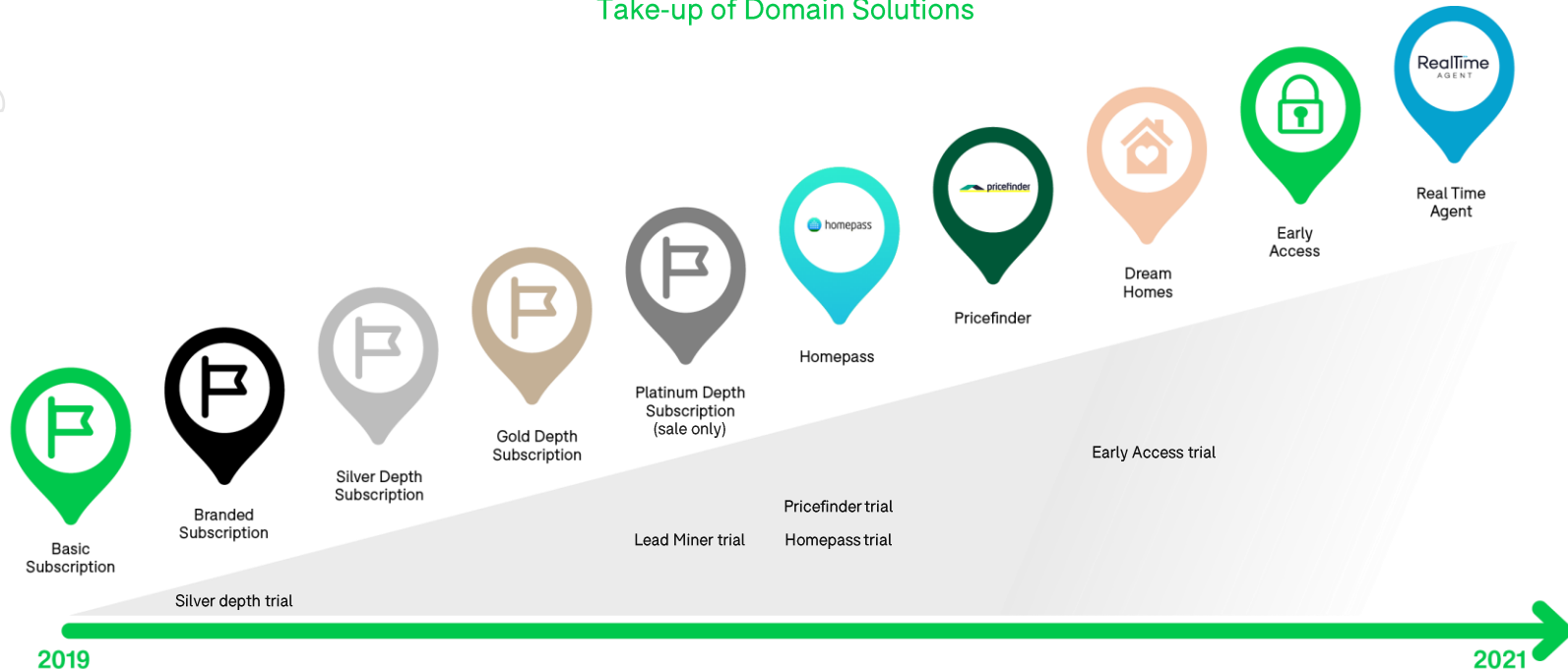


Source: Domain internal data. Core Listings Marketplace show uplifts in Jan-Mar'21 vs Jan-Mar'20 for Residential, Sale Listings, QLD in: 1. Total Views, 2. Email Enquiries



The Marketplace in action: Victorian Agent Case Study

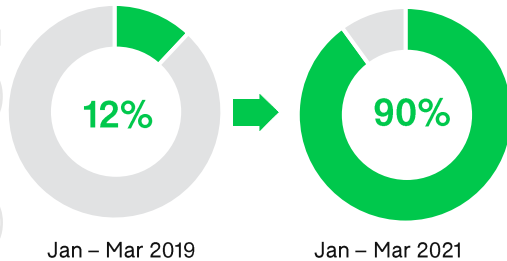
Take-up of Domain Solutions





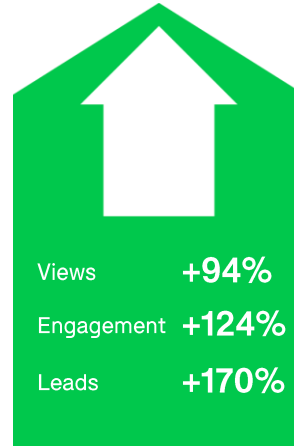
The Marketplace in action: Victorian Agent Case Study

Paid listings (new sale only) as % total



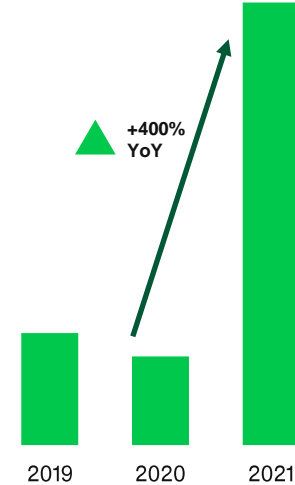
Consumer metrics

Jan - Mar 2021 vs Jan - Mar 2019



Listings revenue

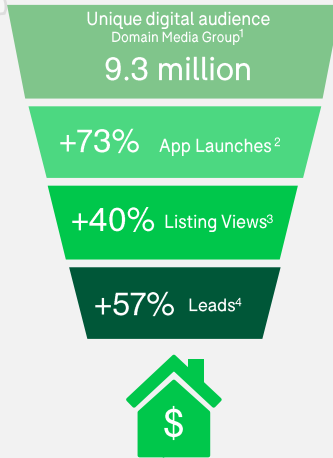
Jan - Mar



The Marketplace in action: Consumer Solutions Case Study

Domain's Quality Audience

March 2021 audience metrics



Deepening consumer digital adoption



Accelerating growth in Consumer Solutions

Domain Home Loans new accounts



1: Nielsen Digital Media Ratings, Monthly Tagged, March 2021, P2+, Digital (C/M), Text, Unique Audience, Domain Media Group 2: Nielsen Digital Media Ratings, Monthly Tagged, March 2021, P2+, Digital (C/M), Text, App Launches, Domain + Allhomes, Nielsen Digital Content Ratings, Monthly Tagged, March 2020, P2+, Digital (C/M), Text, App Launches, Domain + Allhomes 3: Domain Internal Total Views March 2021 vs March 2020, Domain + Allhomes 4: Domain Internal Total Leads March 2021 vs March 2020, Domain + Allhomes 5: productreview.com.au

Customer Reviews⁵



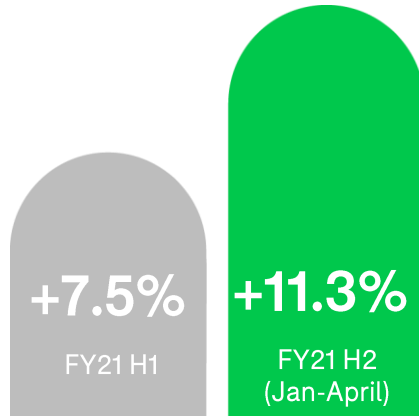
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Marketplace Performance Indicators

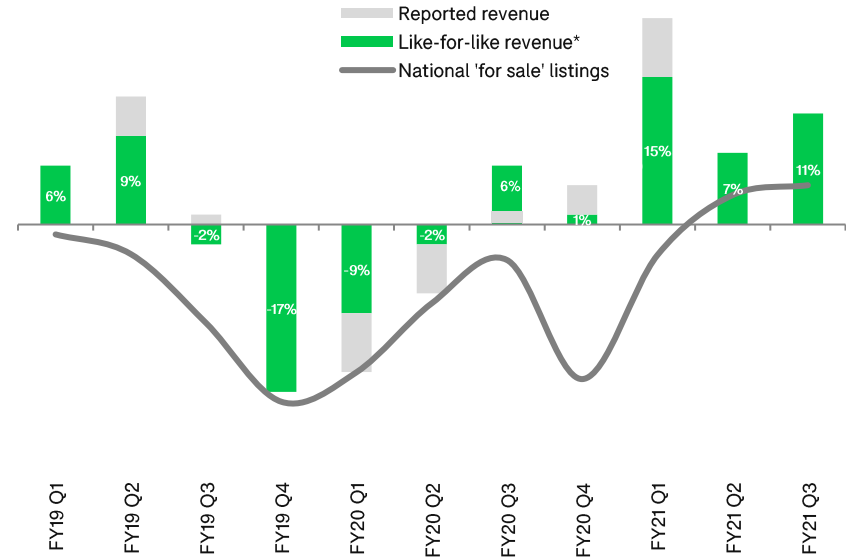


Accelerating growth in depth penetration

Depth penetration (% change YoY)



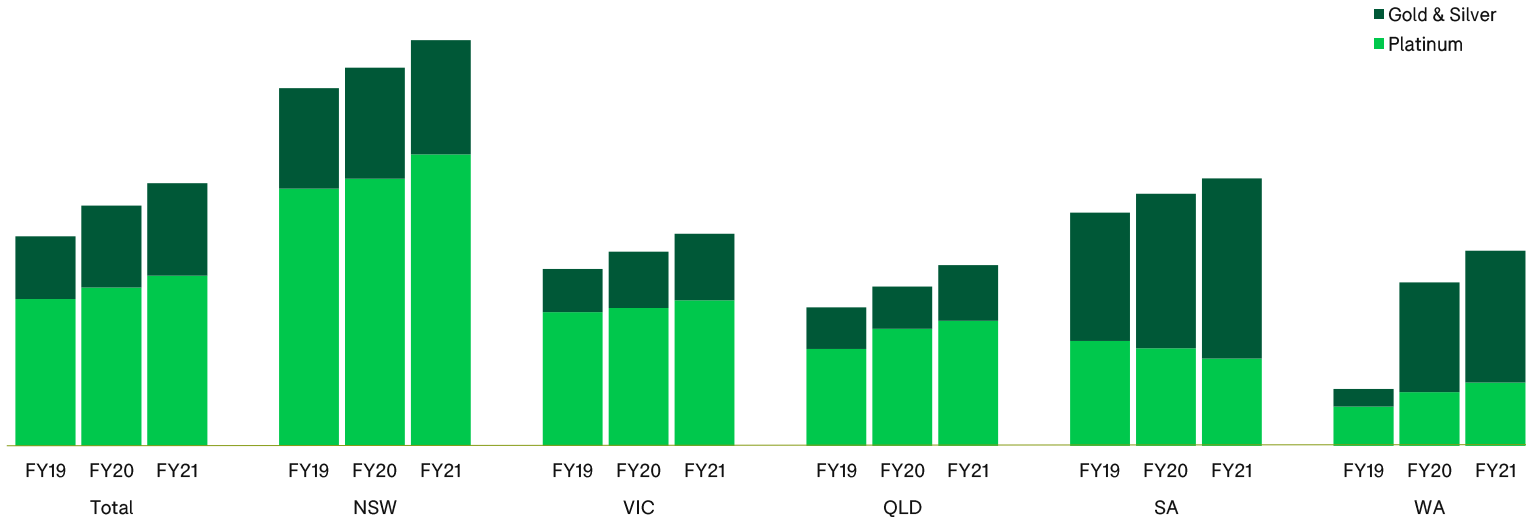
Domain quarterly residential depth revenue versus new national 'for sale' market listings (% change YoY)



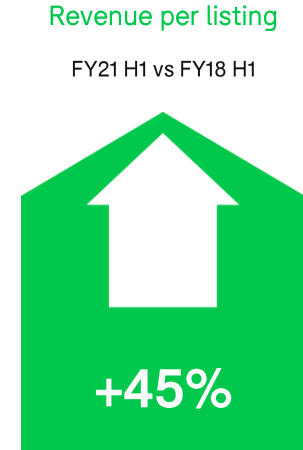
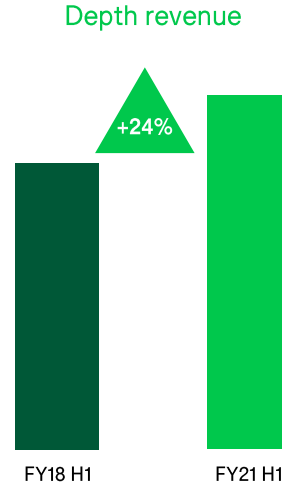
*Like-for-like depth revenue is adjusted for extra week in FY19 and impact of revenue deferral arising from new depth contract duration in FY20

Growth in depth penetration across all states

Domain Residential Depth Product Penetration
(% of New 'For Sale' Listings, July-April, FY19, FY20, FY21)



Driving long-term growth in revenue per listing



Trading
Update



FY21 Outlook

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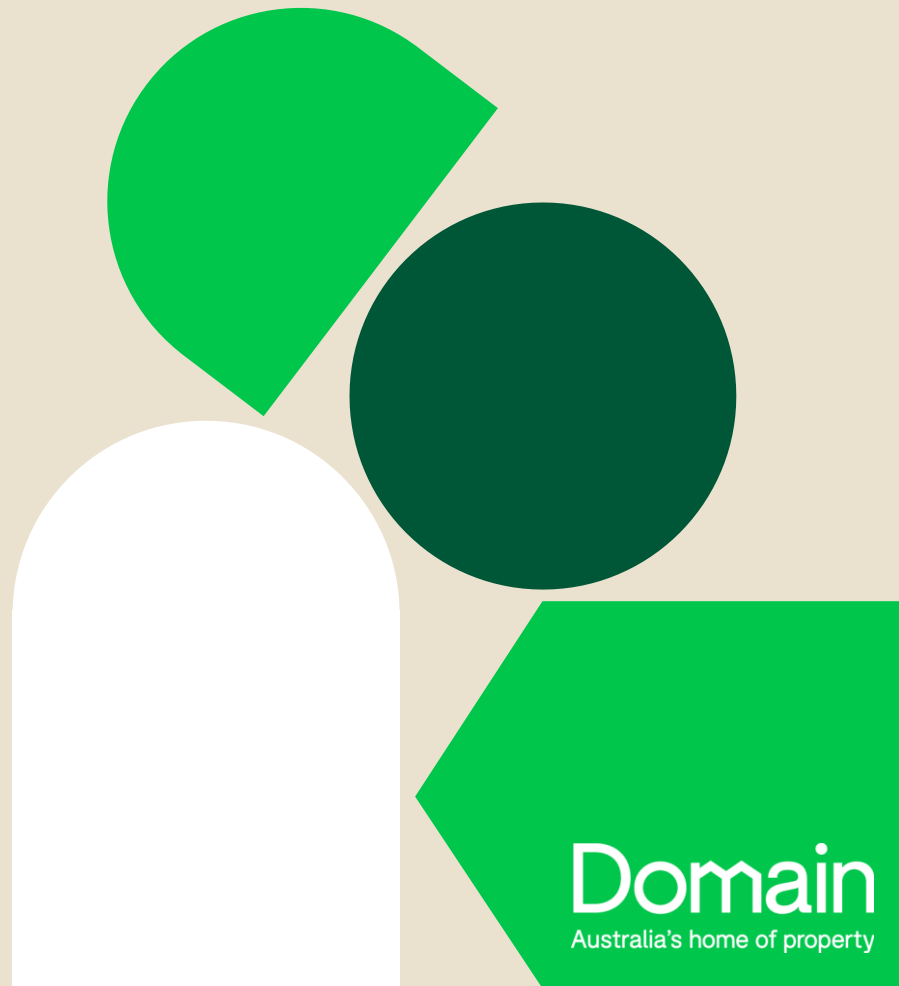
*divestment of MyDesktop



Q&A

Jason Pellegrino, CEO
Rob Doyle, CFO

Thank you.



Contact:
corporate.relations@domain.com.au

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