

Analyst

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Authorisation

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REA Group (REA)

Compounding growth - upgrade to Buy

Recommendation

Buy (Hold)

Price

\$189.26

Target (12 months)

\$218.00 (previously \$203.00)

Sector

Media

Expected Return

Capital growth	15.2%
Dividend yield	1.0%
Total expected return	16.2%

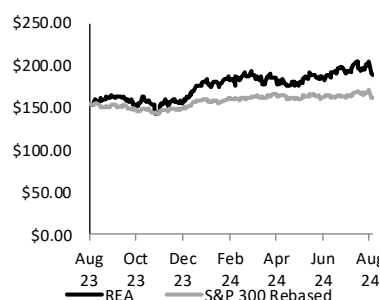
Company Data & Ratios

Enterprise value	\$25.0b
Market cap	\$25.0b
Issued capital	132.1m
Free float	39%
Avg. daily val. (52wk)	\$29.2m
12 month price range	\$140.50-\$208.03

Price Performance

	(1m)	(3m)	(12m)
Price (A\$)	191.50	176.68	155.14
Absolute (%)	-1.17	7.12	21.99
Rel market (%)	-0.35	5.90	17.77

Absolute Price



SOURCE: IRESS

FY24 preview

Following recent industry data releases we have reviewed our FY24/25 forecasts and anticipate a strong FY24 performance at the result on 8th August, driven by potential listings growth above REA commentary for a 5-7% range (BPe: 8%) and positive geo mix (BPe: 2.5%) from outperformance in key Syd/Mel markets. We expect 2% increase in revenue to \$1,468m (Bberg consensus: \$1,443m), and a 4% increase in EBITDA to \$809m (consensus: \$813m) incorporating 18.5% opex growth and the mid-point of guidance for share of associate losses. Our revised estimates for FY24 EPS (BPe: 352cps) and DPS (BPe: 193cps) are in-line with consensus following upgrades of 8%/4%.

Increasing free cash flows generate positive feedback loop

We continue to observe positive operating condition, underpinned by ongoing increases in total loan originations which grew 25%/16% on R6m/R12m bases in June. Increase in lending appears to be supported by pull forward of recent tax cuts, which has the potential to meet rate cuts in 2HFY25. FY25 cycles a tougher comp in both listings and geo mix following outperformance in Syd/Mel, however we see further growth in FY25 from a mix of avg. price increase and product uptake underpinned by \$111m in FY24 BPe software capex. We make immaterial changes to FY25e/26e EPS with forecast growth of 21%/23%.

Investment view: Upgrade to Buy, TP \$218.00/sh

We upgrade to a Buy recommendation following the recent pullback, model roll-forward to proportionally account for FY26, and adjustment in our prev. equal-weighted valuation to 40% EV/EBITDA, 40% SOTP and 20% DCF. We prefer REA due to its large audience and network effect, generating pricing power and an economic moat that is difficult to duplicate. REA's continues to entrench its market leader position through a virtuous free cash flow/platform re-investment cycle which is returning 30%+ on invested capital. We see some relative value emerging end-FY25 with REA trading on forward looking discounts to current TTM multiples.

Earnings Forecast

Year end June	FY23a	FY24e	FY25e	FY26e
Sales (A\$m)	1183.2	1467.5	1676.9	1895.1
Operating EBITDA (\$m)	650.9	836.7	967.4	1148.9
NPAT (adjusted) (A\$m)	356.1	465.6	561.4	687.7
NPAT (reported) (A\$m)	344.7	459.1	559.9	687.7
EPS (adjusted) (Acps)	269.5	352.4	424.9	520.5
EPS growth (%)	-7%	31%	21%	23%
PER (x)	70.2	53.7	44.5	36.4
FCF Yield	0.0	0.0	0.0	0.0
EV/EBITDA (x)	38.4	29.9	25.9	21.8
Dividend (A cps)	158.0	193.0	238.0	291.5
Franking (%)	100%	100%	100%	100%
Yield (%)	0.8	1.0	1.3	1.5
ROE (%)	24.7	28.9	30.6	32.6

SOURCE: BELL POTTER SECURITIES ESTIMATES

Near term outlook

Strong FY24 result driven by price and volume

Strong listings growth ahead of expectations for FY24 in key geo mix markets (pg. 3) has lifted our revenue (pg.5) slightly above consensus and around the top end of the range. EBITDA is largely in line with consensus and assumes 18.5% operating expense growth and the mid-point (-\$27.5m) of REA’s guidance for its share of equity accounted losses.

Table 1 - FY24 BPe v consensus

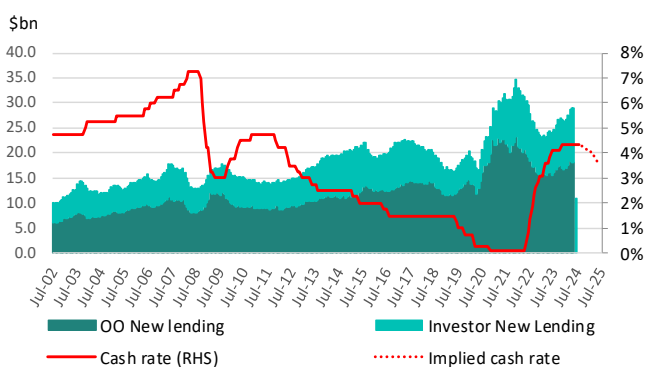
FY24	BPe	Bloomberg consensus range			BPe v Mid
		Low	Mid	High	
Revenue	1467	1398	1443	1468	1.7%
EBITDA	809	799	813	834	-0.4%
EBIT	693	676	693	719	0.0%
Reported NPAT	466	-	463	-	0.5%
EPS	352	327	351	362	0.5%
DPS	193	181	193	214	0.1%

SOURCE: BELL POTTER SECURITIES ESTIMATES AND BLOOMBERG

Positive trends ongoing into FY25

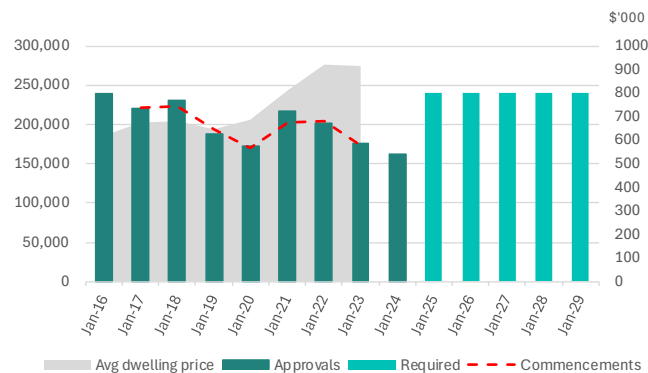
Owner-occupier and investor new lending have both steadily increased in recent months up to June, likely reflecting increased capacity from pending tax cuts now in effect. Implied overnight rates are now forecasting RBA’s cutting cycle to commence Feb ‘25, brought forward from late FY26 as late as mid-July. We also flag the ongoing constrained supply from low building approvals and commencements, which is supporting house prices and therefore a positive selling environment to drive listings and depth penetration via price growth at present.

Figure 1 – Lending trends vs. cash rates



SOURCE: ABS, RBA AND BLOOMBERG

Figure 2 – Building approvals vs. Housing Accord Target



SOURCE: ABS AND PROTRACK

We await commentary regarding REA’S FY25 outlook at the upcoming result on 8th Aug, though in the meantime we flag (1) recent tax cuts supporting borrowing capacity, equivalent to two rate cuts according to REA at its May economic outlook; (2) ongoing constrained supply from declining building approvals; partially offset by (3) net immigration to slow in-line with Aus Gov’t’s 2024-25 migration program, reducing pressure on demand for housing; and (4) FY25 cycling stronger listings and geo mix comps following significant outperformance in high value Sydney and Melbourne markets during FY24.

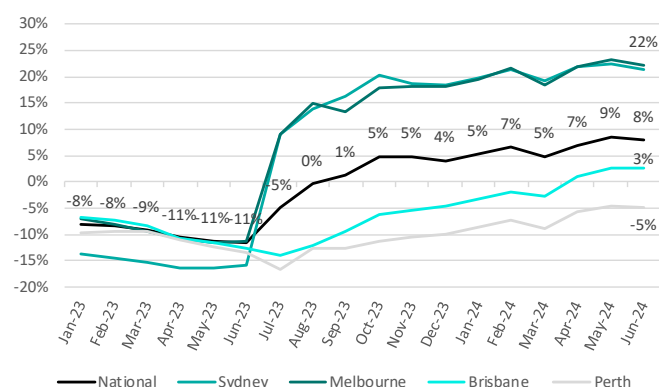
Potential upcoming catalysts include material FY24 beat/miss vs. BPe/consensus and/or FY25 commentary, though we anticipate a likely conservative outlook from REA.

Listings trends

PropTrack listings growth

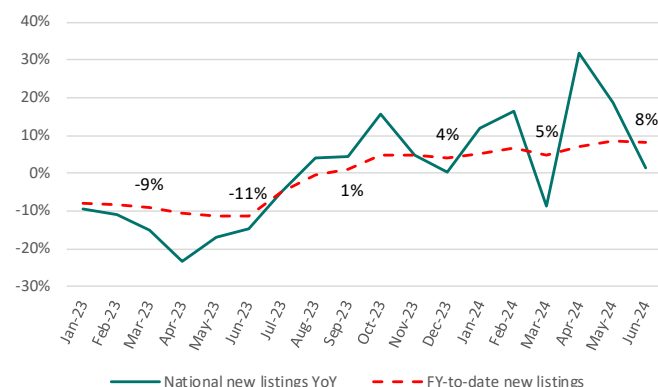
PropTrack listings data for June implies a non-weighted average new listings growth for FY24 of ~8%. This is above REA's expectation for a range of 5-7% and would be the second listings upgrade during H2FY24 initial commentary for 3-5% FY growth at the interim result. Key Sydney and Melbourne markets both had extremely strong an FY and 2H for new listings growth, supporting a likely positive geo mix benefit and depth penetration components to Buy yield (FY24 BPe: 20.5%), in addition to the strong listings performance.

Figure 3 - FY-to-date listings growth estimates (non-weighted)



SOURCE: PROPTACK, BELL POTTER SECURITIES ESTIMATES

Figure 4 - National new listings growth YoY (non-weighted)



SOURCE: PROPTACK

PropTrack listings table

Table 2 contains a summary of new listings growth at national and key market level, as well as estimates on periodic growth across R6M and Financial-YTD bases. We note estimates are non-weighted averages of YoY monthly movements and are therefore likely to be underweight heavy volume months/overweight light volume months.

Table 2 - PropTrack new listings growth

YoY	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24
National	-9%	-11%	-15%	-24%	-17%	-15%	-5%	4%	5%	16%	5%	0%	12%	17%	-9%	32%	19%	1%
Sydney	-16%	-19%	-23%	-25%	-19%	-9%	9%	18%	21%	33%	12%	17%	28%	34%	1%	45%	29%	8%
Melbourne	-15%	-16%	-21%	-23%	-19%	-7%	9%	21%	10%	32%	19%	19%	28%	35%	-5%	53%	36%	9%
Brisbane	-7%	-12%	-16%	-32%	-21%	-23%	-14%	-10%	-4%	3%	-2%	-1%	5%	9%	-9%	34%	17%	5%
Perth	-15%	-7%	-10%	-26%	-23%	-26%	-17%	-8%	-13%	-7%	-8%	-7%	0%	2%	-21%	24%	5%	-6%
R6M ending:	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24
National	-11%	-16%	-17%	-18%	-17%	-15%	-14%	-12%	-9%	-2%	2%	4%	7%	9%	7%	9%	12%	12%
Sydney	-19%	-26%	-19%	-22%	-22%	-17%	-6%	6%	16%	24%	22%	21%	19%	26%	21%	27%	25%	27%
Melbourne	-9%	-20%	-17%	-20%	-21%	-16%	-5%	8%	13%	21%	20%	23%	22%	27%	19%	28%	28%	33%
Brisbane	-8%	-17%	-12%	-20%	-23%	-25%	-20%	-16%	-10%	-4%	-1%	0%	1%	4%	2%	11%	14%	19%
Perth	-12%	-16%	-11%	-14%	-20%	-25%	-22%	-17%	-13%	-10%	-9%	-7%	-5%	-2%	-7%	1%	2%	8%
FTYD	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24
National	-8%	-8%	-9%	-11%	-11%	-11%	-5%	0%	1%	5%	5%	4%	5%	7%	5%	7%	9%	8%
Sydney	-14%	-14%	-15%	-16%	-16%	-16%	9%	14%	16%	20%	19%	18%	20%	22%	19%	22%	23%	21%
Melbourne	-7%	-8%	-10%	-11%	-12%	-11%	9%	15%	13%	18%	18%	18%	20%	22%	19%	22%	23%	22%
Brisbane	-7%	-7%	-8%	-11%	-12%	-13%	-14%	-12%	-10%	-6%	-5%	-5%	-3%	-2%	-3%	1%	3%	3%
Perth	-10%	-9%	9%	-11%	-12%	-13%	-17%	-13%	-13%	-11%	-11%	-10%	-9%	-7%	-9%	-6%	-6%	-6%

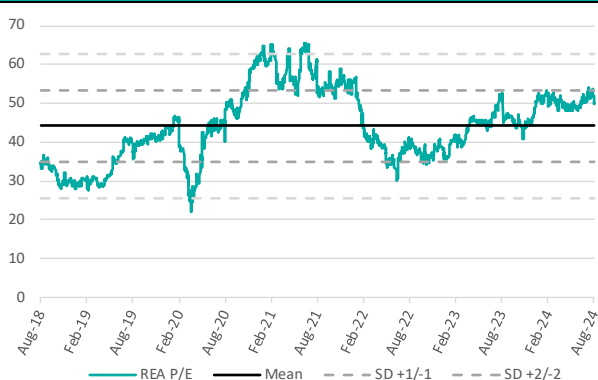
SOURCE: PROPTACK

Valuation trends

Relative valuation performance

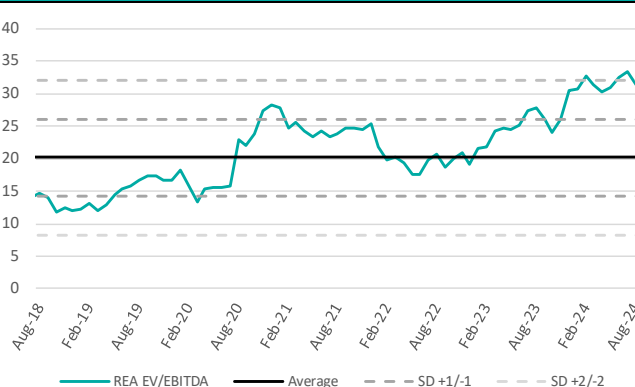
REA recently traded as high as 32x TTM EV/EBITDA, which is 1 standard deviation/17% above its six-year average of 27x, but has since pulled back to 30x/10% above the average. REA is currently trading at an 108% premium to rival domain (DHG, Buy rated, TP:\$3.75), following some compression in the premium from its peak of 111%. REA currently trades on ~26x FY25e EV/EBITDA, which is slightly below its TTM EV/EBITDA average.

Figure 5 – REA P/E ratio (daily)



SOURCE: BLOOMBERG

Figure 6 - REA EV/EBITDA (monthly)



SOURCE: BLOOMBERG

Consensus estimates and comps

REA is trading slightly below a 20% premium to listed local and international peers at 45x FY25e P/E, which we feel is justified due to its market leadership position in the attractive Australian residential property market, generating a positive feedback effect on FCF. Our increased 12-month TP of \$218 implies an FY25e P/E multiple of 51x, which is slightly below REA's current TTM multiple of 54x.

Table 3 - Comps table

Company	Currency	Last Price (\$)	Mkt Cap (\$m)	EV (\$m)	EBITDA (\$m)			EV/EBITDA			EBITDA margin			P/E			EPS growth		
					FY24	FY25	FY26	FY24	FY25	FY26	FY24	FY25	FY26	FY24	FY25	FY26	FY24	FY25	FY26
Global comps																			
Zillow	USD	41.6	10045	8,979	454	611	790	19.8x	14.7x	11.4x	21.0%	25.0%	28.5%	32.3x	26.7x	19.5x	8.1%	27.3%	38.2%
Rightmove	GBP	548.0	4340	4,319	276	301	331	15.6x	14.3x	13.0x	70.7%	70.5%	70.7%	21.1x	19.6x	17.7x	4.9%	11.6%	13.8%
Scout24	EUR	71.0	5321	5,471	334	370	412	16.4x	14.8x	13.3x	59.2%	59.8%	60.9%	26.2x	22.9x	20.4x	11.6%	14.9%	14.4%
CoStar Group	USD	72.7	29794	25,976	202	550	979	128.6x	47.2x	26.5x	7.4%	17.5%	26.4%	112.5x	58.7x	36.2x	-46.5%	89.4%	61.7%
Hemmet Group	SEK	365.6	33458	33,900	771	982	1225	44.0x	34.5x	27.7x	54.2%	57.8%	59.6%	61.3x	46.4x	36.6x	63.2%	43.1%	27.7%
Schibsted	NOK	290.0	67232	62,281	1975	2743	3414	31.5x	22.7x	18.2x	19.4%	25.7%	29.3%	100.0x	43.1x	31.6x	n.a.	167.9%	37.1%
Global Average				23,488	668.6	926.4	1191.9	42.6x	24.7x	18.4x	38.6%	42.7%	45.9%	58.9x	36.2x	27.0x	8.3%	59.0%	32.1%
Global Median				17,477	394.0	580.8	684.5	25.7x	18.7x	15.8x	37.6%	41.8%	44.5%	46.8x	34.9x	26.0x	8.1%	35.2%	32.4%
Local comps																			
Carsales	AUD	32.7	12348	13,419	580	646	727	23.1x	20.8x	16.6x	52.9%	53.6%	54.6%	35.9x	32.2x	29.1x	23.1%	9.0%	13.4%
Seek	AUD	20.5	7326	8,618	488	528	613	17.7x	16.3x	11.9x	42.8%	46.0%	48.1%	37.2x	33.9x	26.9x	-32.5%	25.4%	25.9%
Hub24	AUD	47.5	3855	3,803	118	152	182	32.3x	24.9x	18.1x	35.8%	38.6%	40.3%	57.3x	42.3x	34.8x	25.8%	33.8%	21.1%
Webjet	AUD	8.6	3344	2,954	188	230	269	15.7x	12.9x	9.8x	39.9%	41.9%	43.2%	28.3x	21.7x	18.2x	109.7%	27.3%	21.4%
Wiseleech	AUD	85.0	28428	28,511	491	652	847	58.0x	43.7x	26.5x	46.2%	49.3%	51.5%	105.0x	75.3x	56.2x	10.0%	39.1%	34.8%
TechnologyOne	AUD	20.3	6629	6,553	214	250	291	30.6x	26.2x	19.7x	42.7%	44.1%	45.3%	56.5x	48.0x	41.0x	15.8%	17.2%	16.6%
Domain	AUD	3.0	1870	2,072	138	149	166	15.0x	13.9x	11.5x	34.8%	34.8%	35.8%	35.4x	31.2x	26.2x	33.3%	13.1%	17.9%
Local Average				10,643	316.7	372.5	442.0	27.5x	22.7x	16.3x	42%	44%	46%	50.8x	40.7x	33.2x	26%	24%	22%
Local Median				7,585	213.9	250.1	291.0	23.1x	20.8x	16.6x	43%	44%	45%	37.2x	33.9x	29.1x	23%	25%	21%
Total Average					507.6	668.0	840.0	36.1x	24.4x	17.7x	41.0%	44.2%	46.5%	56.1x	39.2x	30.7x	17.6%	42.2%	27.2%
Total Median					394.0	539.1	670.0	26.9x	21.7x	17.3x	42.8%	45.0%	46.7%	46.8x	38.1x	30.4x	11.6%	27.3%	23.7%
REA	AUD	189.26	25005	25,215	812.6	937.4	1082.9	31.0x	26.9x	21.3x	56.3%	57.5%	59.3%	54.0x	45.0x	37.9x	25.2%	20.1%	18.7%

SOURCE: BLOOMBERG

Earnings & Valuation

Earnings adjustments

We make the following changes to our earnings estimates:

- FY24 listings growth of 8% (prev. 6%)
- FY24 BPe total Buy yield increased to 20.5% (prev. 18%), FY25e Buy yield steady at 13%
- Reduce our FY25 listings expectations to 2% (prev. 2.5%), given potential pull forward for listings during FY24, particularly in Melbourne from investor sell-downs following tax increases. Our forecast for listings growth in FY25 is underpinned by ongoing strength in lending trends (albeit backwards looking), potential interest rate cuts, tight housing stock/low residential construction, as well as recent tax cuts.

Table 4 - Earnings changes summary

Earnings Changes	FY24e			FY25e			FY26e		
	old	new	% change	old	new	% change	old	new	% change
June year end									
Revenue (\$m)	1,432.8	1,467.5	2.4%	1,674.5	1,676.9	0.1%	1,907	1,895	-0.6%
Operating EBITDA (\$m)	802.1	836.7	4.3%	976.3	967.4	-0.9%	1,171	1,149	-1.9%
Adj. NPAT (\$m)	432.0	465.6	7.8%	559.3	561.4	0.4%	689.5	687.7	-0.3%
Adj. EPS (c)	327.0	352.4	7.8%	423.3	424.9	0.4%	521.9	520.5	-0.3%
DPS (c)	186.0	193.0	3.8%	284.2	238.0	-16.3%	305.9	291.5	-4.7%

SOURCE: BELL POTTER SECURITIES ESTIMATES

Valuation adjustments

We roll forward our model to proportionally account for FY25 and FY26, which upgrades our blended valuation to \$218/sh. Our relative valuation multiples remain static at 53x P/E (which is 1 standard deviation above its 6yr average, accounting for likely ongoing positive operating conditions near term), a 27x EBITDA multiple for Australian operations, 4x EBITDA for Financial Services, and a 7x revenue multiple for REA India in our SOTP valuation. We elect to roll forward our model to capture part of FY26 to reflect the potential of increased investment in platform and returns following our upgrades to FY24, which drives an increase in our Target Price to \$218 and in turn generates a Buy recommendation in-line with our recommendation structure.

Table 5 - Earnings changes summary

Methodology	New			prev.		
	Val p/share	%	Target Price	Val p/share	%	Target Price
DCF	\$186.4	20%	\$37.3	\$170.6	33%	\$56.9
SOTP	\$220.4	40%	\$88.1	\$213.6	33%	\$71.2
P/E ratio	\$230.3	40%	\$92.1	\$224.4	33%	\$74.8
Target Price			\$218.0			\$203.0

SOURCE: BELL POTTER SECURITIES ESTIMATES

REA Group

Company background

REA Group engages in online property advertising, property-related services and financial services. In Australia, REA operates its flagship website: realestate.com.au which is Australia's leading residential property website, it also operates several other websites including realcommercial.com.au, Australia's leading commercial property website, Flatmates.com.au, a share property website, property.com.au, a property research website, PropTrack Pty. Ltd., a provider of property data services. REA group also operates in Financial Services through Mortgage Choice Pty Ltd, a mortgage broking franchise group and Campaign Agent Pty Ltd, a provider in vendor paid advertising and home preparation finance solutions. REA owns a 78% interest in REA India Pte. Ltd. operator of Housing.com, Makaan.com and PropTiger.com, which are online property advertisement and related services businesses.

Founded in 1995 with the launch of realestate.com.au, REA Group has evolved from a property listings portal to a property, finance and data business. REA listed on the ASX in 1999 and is the no 1 property website in Australia.

Investment Thesis

We upgrade to a Buy recommendation and a \$218sh Target Price, set using a weighted blend of SOTP (40%), DCF (20%) and P/E (40%). We prefer REA due to its large audience and network effect, generating pricing power and an economic moat that is difficult to duplicate. REA's continues to entrench its market leader position through a virtuous free cash flow/platform re-investment cycle which is returning 30%+ on invested capital. We see some relative value emerging end-FY25 with REA trading on fwd looking discounts to current TTM multiples.

Risks to our thesis and valuation include: REA's ability to pass through targeted double digit price rises, stubborn inflation/hawkish outlook for interest rates negatively impacting market activity, or competitors taking market share.

Key risks

Key risks related to REA include, but are not limited to:

Economic risk: Fluctuations in economic conditions, including changes in interest rates, inflation, housing prices, global economic growth and unemployment could negatively impact real estate listings volumes, new developments and mortgage transactions (for REA's Mortgage Choice), driving revenue lower.

Technology risk: Aged and fragmented technology systems may impact REA's flexibility, speed and funding of the business in its normal operations and getting products to market.

Competition & disruption risk: The development of new technologies and increased competition from existing or new products (e.g. the recent launch of view.com.au) could affect the existing business model.

Cyber security risk & system failure: Given the online nature of the businesses, cybersecurity breaches and system failures could result in business disruption, loss of consumer data and loss of corporate IP which would adversely impact the reputation and ability to meet business objectives.

Loss of talented personnel: Loss of talented and key personnel could result in a deterioration in company culture and impact the businesses ability to deliver on strategy and business performance.

Compliance & regulatory risk: Particularly relevant laws and regulations that REA, but are not limited to, laws governing the collection, storage and use of personal information, the provision of credit and credit assistance (REA) and general consumer protections. Failure to adhere to legal requirements could result in litigation and reputational damage.

International risks: Specific to REA. Economic, political and legal risks exist in REA's overseas markets, particularly in the USA and India. Different laws and customs increase risk of litigation resulting in potential reputational damage.

Table 6 - Financial summary

Year end June	2022a	2023a	2024e	2025e	2026e
Profit & Loss (A\$m)					
Revenue	1,160.2	1,183.2	1,467.5	1,676.9	1,895.1
... Change	25.0%	2.0%	24.0%	14.3%	13.0%
Operating Expenses	489.7	532.3	630.8	709.5	746.2
Operating EBITDA	670.5	650.9	836.7	967.4	1,148.9
Deprec. & amort	(93.1)	(91.8)	(108.2)	(118.4)	(126.8)
EBIT	554.8	523.2	693.0	829.4	1,010.3
Net interest	(6.9)	(10.3)	(17.9)	(6.0)	1.0
PBT	547.9	512.9	675.1	823.4	1,011.4
Tax expense	(176.2)	(168.2)	(216.0)	(263.5)	(323.6)
... tax rate	32%	33%	32%	32%	32%
Minorities	13.1	11.4	6.5	1.5	0.0
NPAT Attributable	384.8	356.1	465.6	561.4	687.7
Abs. & extras.	0.0	0.0	0.0	0.0	0.0
Reported NPAT	371.7	344.7	459.1	559.9	687.7
Cashflow (A\$m)					
EBITDA	670.5	650.9	836.7	967.4	1,148.9
Net Interest Expense	(6.0)	(10.1)	(17.9)	(6.0)	1.0
Tax Paid	(202.1)	(173.2)	(216.0)	(263.5)	(323.6)
Change in Wkg Capital	0.5	(18.2)	(8.0)	(8.5)	(8.9)
Other	24.7	23.3	(6.5)	(1.5)	0.0
Operating Cash Flow	487.6	472.7	588.3	687.9	817.4
Capex	(182.6)	(118.6)	(128.6)	(134.2)	(138.8)
Asset Sales	0.4	0.0	0.0	0.0	0.0
Acquisitions	(12.5)	(15.0)	(27.5)	0.0	0.0
Free Cash Flow	292.9	339.1	432.2	553.6	678.6
Dividend paid	(194.4)	(217.1)	(223.3)	(281.5)	(345.9)
Other	0.0	0.0	0.0	0.0	0.0
Equity Issues (Reduction)	(16.0)	(8.4)	0.0	0.0	0.0
Change in debt	(9.0)	(103.8)	0.0	0.0	0.0
(Inc.)/dec. in net debt	73.5	9.8	208.9	272.2	332.7
Balance Sheet (A\$m)					
Cash & near cash	248.2	259.8	468.7	740.9	1,073.7
Receivables	155.7	169.2	205.4	234.8	265.3
Other	156.1	183.7	157.2	151.2	151.2
Current assets	560.0	612.7	831.4	1,126.9	1,490.2
Fixed assets	16.8	17.7	18.8	19.7	20.4
Right of use asset	65.6	72.7	72.7	72.7	72.7
Intangibles	266.5	299.2	318.4	333.4	344.7
Other	1,659.9	1,624.3	1,624.3	1,624.3	1,624.3
Non current assets	2,008.8	2,013.9	2,034.3	2,050.1	2,062.1
Total assets	2,568.8	2,626.6	2,865.7	3,177.0	3,552.3
Creditors	114.0	123.0	145.7	166.5	188.2
Borrowings	0.0	0.0	78.3	78.3	78.3
Lease liabilities	8.6	10.5	10.5	10.5	10.5
Commission liabilities	122.2	117.5	117.5	117.5	117.5
Other	105.0	109.8	26.6	76.4	126.0
Current liabilities	349.8	360.8	378.6	449.2	520.5
Borrowings	411.7	316.7	316.7	316.7	316.7
Lease liabilities	66.7	76.0	76.0	76.0	76.0
Commission liabilities	330.1	314.1	314.1	314.1	314.1
Other	47.2	42.0	42.0	42.0	42.0
Non current liabilities	855.7	748.8	748.8	748.8	748.8
Total liabilities	1,205.5	1,109.6	1,127.4	1,198.0	1,269.3
Net assets	1,363.3	1,517.0	1,738.2	1,979.0	2,283.0

Year end June	2022a	2023a	2024e	2025e	2026e
Valuation Ratios					
Adjusted EPS (¢ps)	291.3	269.5	352.4	424.9	520.5
Change (%)	26.7%	-7.5%	30.8%	20.6%	22.5%
Adjusted PE (x)	65.0	70.2	53.7	44.5	36.4
EV/EBITDA (x)	37.3	38.4	29.9	25.9	21.8
EV/EBIT (x)	45.1	47.8	36.1	30.2	24.8
P/CF (x)	51.3	52.9	42.5	36.4	30.6
FCF/share (\$ps)	2.2	2.6	3.3	4.2	5.1
FCF yield (%)	1%	1%	2%	2%	3%
NTA (\$ps)	17.43	17.62	19.28	21.52	24.28
P/NTA (x)	10.86	10.74	9.82	8.79	7.80
Book Value (\$ps)	10.32	11.48	13.16	14.98	17.28
Price/Book (x)	18.34	16.48	14.38	12.64	10.95
DPS (¢)	164.0	158.0	193.0	238.0	291.5
Payout (%)	56.3%	58.6%	54.8%	56.0%	56.0%
Yield (%)	0.9%	0.8%	1.0%	1.3%	1.5%
Performance Ratios					
Revenue growth (%)	25.0%	2.0%	24.0%	14.3%	13.0%
EBITDA growth (%)	16.6%	-5.1%	30.3%	18.3%	20.0%
EBITDA margin (%)	57.8%	55.0%	57.0%	57.7%	60.6%
EBIT margin (%)	47.8%	44.2%	47.2%	49.5%	53.3%
OCF Realisation (%)	99%	131%	120%	120%	100%
FCF Realisation (%)	88%	121%	119%	121%	99%
ROE (%)	30.8%	24.7%	28.9%	30.6%	32.6%
ROIC (%)	32.8%	29.3%	31.3%	32.2%	33.4%
Capex/Depn (x)	1.96	1.29	1.19	1.13	1.09
Interest cover (x)	80.41	50.80	38.77	137.53	(991.64)
Net Debt/EBITDA (x)	0.36	0.22	0.02	(0.27)	(0.52)
Net debt/equity (%)	18%	9%	1%	-13%	-26%
Current ratio (x)	1.60	1.70	2.20	2.51	2.86
Divisional Revenue (A\$m)					
Property & Online Advertising	1,048.4	1,043.5	1,297.5	1,471.9	1,655.1
Residential	776.0	804.9	1,047.5	1,207.3	1,364.3
Commercial & developer	134.0	141.6	135.0	141.6	155.8
Media, Data & other	96.9	97.0	115.0	123.0	135.0
Financial Services	67.2	60.9	70.0	75.0	80.0
India	53.9	78.8	100.0	130.0	160.0

SOURCE: BELL POTTER SECURITIES ESTIMATES

Recommendation structure

Buy: Expect >15% total return on a 12 month view. For stocks regarded as 'Speculative' a return of >30% is expected.

Hold: Expect total return between -5% and 15% on a 12 month view

Sell: Expect <-5% total return on a 12 month view

Speculative Investments are either start-up enterprises with nil or only prospective operations or recently commenced operations with only forecast cash flows, or companies that have commenced operations or have been in operation for some time but have only forecast cash flows and/or a stressed balance sheet.

Such investments may carry an exceptionally high level of capital risk and volatility of returns.

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