

## ASX Announcement

### Onthehouse announces its FY15 results and positions itself for future growth

**Thursday, 20 August 2015:** Onthehouse Holdings Limited (ASX: OTH) today announced its results for the full year ended 30 June 2015 (FY15) with revenue of \$26.0 million underpinning continued investment in the future growth of the company's Real Estate Solutions (RES) and Consumer Online and Data (COD) divisions.

#### Key highlights for FY15

- **Underlying EBITDA up 12.2% to \$6.5 million**
- **Agent yield in Real Estate Solutions Division up 4%**
- **Reduction in corporate costs to allow further investment in operational delivery**
- **H2 FY15 improved cash position over H1 FY15**
- **25% increased investment in software development**
- **Unique browsers to Onthehouse.com.au up 43%**

Commenting on the FY15 result, Onthehouse's CEO, Mr Chris Meehan said: "Over the past 12 months the company has increased its focus on improving service and product features in the Console real estate software business and building the new Onthehouse.com.au website to be launched in the December quarter this year. At the same time, we have looked to right size the business and drive efficiencies to further reinvest in the future growth of both our operating divisions."

#### Key financial results for FY15

- Revenue steady at \$26.0 million (FY14: \$26.1 million)
- Underlying results:
  - Earnings before interest and tax (EBITDA) up 12.2% to \$6.5 million (FY14: \$5.8 million)
  - Net profit after tax (NPAT) slightly up at \$665k (FY14: \$653k)
- Statutory results:
  - EBITDA of \$6.2 million (FY14: \$5.4 million)
  - Net profit after tax was a loss of \$8.7 million due to a \$10.5 million impairment recorded in December 2014 in relation to COD

Commenting on the company's FY15 financial performance, Mr Meehan said:

"The Real Estate Solutions division delivered a 1% increase in revenue to \$21.5 million with a 4% increase in yield per agent on stable agent numbers due to customers increasing their spend on additional users, consulting and SMS services. The Consumer Online division saw an 8% fall in revenue with several clients halting their media spend which will be reviewed once the enhanced Onthehouse.com.au website is launched. This was partly offset by an increase in spend from new advertisers.

“Onthehouse’s focus on right-sizing the management team and a range of cost efficiency measures drove growth in underlying earnings, with underlying EBITDA up 12.2% to \$6.5 million. These efficiency measures also improved the cash balance from \$1.2 million at the half to \$1.8 million for the full year, while importantly making possible the funding of a 25% increased investment in software development. The underlying net profit before tax was relatively steady on the prior year with reduced financing costs offsetting increased amortisation.”

## **Outlook**

Mr Meehan said; “The strategic review was completed and announced in June, outlining the company’s strategy to maximise the opportunity in the RES business, and seek investment in the COD division given its higher risk profile but higher reward upside.”

“RES has strong market share, is very profitable and delivers strong cash flow to the Onthehouse Group. The intention is to reinvest some of that cash flow to redevelop the existing technology into a SaaS platform. This will build on our current market position and provide an integrated set of real estate marketing and backend software solutions to enable real estate agents to confidently grow their businesses.

“The new SaaS platform will enable Console to continue to grow and retain its customer base, increase revenue per agent through cross selling of additional products developed in-house or via partners and explore new revenue opportunities.”

“The company plans to develop the COD business within a non-listed JV vehicle in which OTH Holdings would maintain an interest of between 30% and 49%. Early discussions continue with potential partners and the process is expected to take up to six months.

“In the meantime the COD business continues to have strong growth in traffic, agent listings and consumer engagement. We have launched the beta site in July and the next stage is the launch of our newly enhanced next generation Onthehouse.com.au website in the December quarter this year. This new site will have improved usability and a new set of products to offer to real estate agents to drive monetisation,” said Mr Meehan.

Mr Meehan said any new investment in COD will focus on increasing marketing and the ongoing product development of the Onthehouse.com.au website.

“Until we secure a partner for the Consumer Online division we will continue to invest appropriately in both businesses. We have the resources to market and develop the next generation Onthehouse.com.au website and have increased investment in technology resources to commence the work on the new SaaS platform,” added Mr Meehan.

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## **For further information please contact:**

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*Financial information in addition to IFRS measures included in this announcement has been used for consistency and user readability. The financial measures have been derived from information contained in the financial statements.*

## **About Onthehouse Holdings Limited**

Onthehouse Holdings Limited (ASX: OTH) is an ASX listed Australian online real estate content and services platform headquartered in Brisbane. The business divisions operated by the Company consist of:

The Consumer Online Division is a platform of publicly available real estate websites underpinned by the [www.onthehouse.com.au](http://www.onthehouse.com.au) website, providing free access to an extensive database of real estate content and property values on most properties in Australia, including traditional real estate online classified listings. The website is comparable to successful offerings in the US (Zillow) and UK (Zoopla) and has very quickly become the third largest online real estate platform in Australia, currently attracting more than 1.8 million unique visitors per month. The division also offers data and valuation related services for financial institutions utilising Onthehouse's extensive database.

The Real Estate Solutions Division provides tools for real estate agents, other property professionals and financial institutions. It provides an integrated platform for office administration, property sales and management applications, online advertising solutions and other business performance tools for real estate agents.