

FOXTONS GROUP PLC
TRADING UPDATE
25 JANUARY 2018

Foxtons Group plc (LSE: FOXT) (the “Group”), London’s leading estate agency, issues its trading update for the year ended 31 December 2017 ahead of its preliminary results announcement on 28 February 2018.

The Group’s performance for the year was in line with the Board’s expectations. Group revenue was circa £117m (2016: £133m), with revenue for the quarter ended 31 December 2017 totalling circa £24m (2016: £26m). Adjusted EBITDA¹ for the full year is expected to be approximately £15m (2016: £24.6m). In addition we will be recognising a circa £2m non-recurring charge as we continue to manage our cost base for the future benefit of the business.

Group cash performance for the year was strong, supporting a strong balance sheet with no debt. Year end cash was circa £18m (2016: £9.5m).

The reduction in full year Group revenue compared to the prior year was driven mainly by the significant fall in sales volumes in the first quarter of 2017, as the first quarter of 2016 benefitted from the surge in sales transactions ahead of the introduction of the stamp duty premium for buy to let properties and second homes.

Sales revenue for 2017 was circa £42m (2016: £55m). Sales revenue in the final quarter of 2017 was circa £10m (2016: £12m) as the activity levels we saw during Q3 continued throughout Q4.

Our Lettings business remains a consistent and recurring revenue stream for the Group. Total Lettings revenue for 2017 was circa £66m (2016: £68m) driven by the impact of downward pressure on rents across the market throughout the year. In the final quarter of 2017, lettings revenue was circa £12m (2016: £13m).

Alexander Hall mortgage broking revenue was circa £9m for 2017, and was broadly in line with the prior year.

Nic Budden, CEO, said:

“This was a solid performance in the context of ongoing challenging conditions in the London property market. We remain focused on achieving the best results for our customers and are pleased with the reaction to the recent growth initiatives in our lettings business.

Looking ahead, we expect trading conditions to remain challenging throughout 2018. We are well placed to withstand these conditions due to our strong balance sheet with no debt, and we will provide an update on a number of strategic initiatives which we have been working on at our preliminary results presentation on 28 February 2018.”

For further information, please contact:

Foxtons Group plc

Mark Berry, Chief Financial Officer
Jenny Matthews, Investor Relations Manager
+44 20 7893 6484
investor@foxtons.co.uk

Teneo Blue Rubicon

Robert Morgan / Laura Stewart
+44 20 7420 3194

Forward Looking Statements

This trading update may include statements that are forward looking in nature. Forward looking statements involve known and unknown risks, assumptions, uncertainties and other factors which may cause the actual results, performance or achievements of the Group to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. Except as required by the Listing Rules and applicable law, the Group undertakes no obligation to update, revise or change any forward looking statements to reflect events or developments occurring after the date such statements are published.

Notes

1. Adjusted EBITDA is defined as profit for the period before finance costs, finance income, tax, exceptional and non-recurring items, depreciation, amortisation, profit on disposal of property, plant and equipment and share-based payments.

About Foxtons Group plc

Foxtons is a multi-award-winning estate agency which was founded in 1981 with the first branch opened in Notting Hill Gate. Today with 67 branches, the Group covers most of London providing sales and lettings services for higher-value properties.