FOXTONS GROUP PLC

UNAUDITED FULL YEAR TRADING UPDATE

Thursday 30 January 2020

Foxtons Group plc (LSE: FOXT), London's leading estate agency, today issues its unaudited full year trading update for the year ended 31 December 2019.

Group revenue for the full year was circa £107m, down 4% on the prior year (2018: £111.5m). This robust performance in difficult market conditions was due to improved Sales market share and growth in revenues from landlords.

Including the impact of the tenant fee ban (£2.7m), Lettings revenue fell 2% to circa £66m (2018: £67m), driven by our decision not to increase fees in response to the ban. Revenue from landlords continued to benefit from the wide-ranging improvements we have made to our Lettings offer.

Sales revenue fell by 10% to circa £33m (2018: £36m) as transaction volumes were impacted by ongoing political uncertainty, particularly at the higher end of the market.

Mortgage revenue grew by 3%, with strong growth in re-mortgages outweighing lower new mortgage volumes.

During December, Foxtons closed four underperforming branches whose territories can be well served by other branches in the Foxtons network; additionally, Foxtons has taken an impairment charge on a number of low profitability branches. Together these will result in a one-off charge of around £6m in 2019, the vast majority of which is non-cash.

The resilient revenue performance, including a stronger end to the year, combined with continued control of operating costs means Adjusted EBITDA[1] post-IFRS 16 is expected to be in the range £13.0m to £13.5m (Adjusted EBITDA pre-IFRS 16 £2.0m to £2.5m). The Group's cash balance at the end of the year was £15.5m (2018: £17.9m).

Foxtons intends to issue its full year results on 28 February 2020.

Nic Budden, CEO, said:

"Our team should feel pleased to have delivered a solid performance in difficult market conditions as political uncertainty played a significant role in suppressing an already weak sales market. Looking forward, with the uncertainty of the general election removed, early signs are that the sales market may improve during 2020 and our sales pipeline is ahead of last year. It is, however, too early to predict how the market will behave during the year with structural issues like affordability and stamp duty continuing to act as a brake on sales volumes. Competition in the lettings market remains fierce. Overall though Foxtons has successfully navigated a very difficult period and is well placed to benefit from any lasting improvement in market conditions."

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[1] Adjusted EBITDA is defined by the Group as profit before tax, finance costs, finance income, other gains/losses, depreciation, amortisation, profit on disposal of fixed assets, share-based payments and Adjusted items.