**FOXTONS GROUP PLC (the "Company" or "Foxtons")**

# PRE-CLOSE TRADING STATEMENT, UPDATE ON CAPITAL ALLOCATION AND SHARE BUYBACK PROGRAMME TO RETURN EXCESS CAPITAL TO SHAREHOLDERS

**Friday 11 December 2020**

Foxtons Group plc (LSE: FOXT), London's leading estate agency, today issues a pre-close trading statement, an update on its approach to capital allocation and also announces the commencement of a share buyback programme to return excess capital to shareholders.

**Performance improvement continues**

Since we reported on Q3 trading, group revenue in October and November was £14.8m, up 2% on the same period last year (2019: £14.5m). Within this, sales revenue increased by 11% to £5.4m (2019: £4.9m) as the conversion of the sales pipeline into exchanges gathers momentum; lettings revenue was down 1% to £8.0m (2019: £8.1m) with strong volume increases being offset by a decline in average rents and; mortgage broking revenue was down 14% to £1.3m (2019: £1.5m).

Group revenues for the eleven months to the end of November 2020 were £83.6m, down 15% on the prior year (2019: £98.0m).

As a result of the improving revenue trend and the continued tight control of costs, the Board now expects adjusted operating profit to be between £1.0m and £1.5m for the full year, up from an adjusted operating loss of £(0.7)m in 2019. The cash balance as at 31 December 2020 is expected to be in excess of £30m.

**Approach to capital allocation**

In April this year, the Company successfully raised £22m of gross proceeds from investors via a placing (the "Placing") to support the Company through the closure of the property market as a result of the Covid-19 pandemic and also to navigate the wider uncertain macroeconomic backdrop that existed at that time.

The Company's trading performance since the Placing has been better than expected, enabling us to progress our strategy and deploy capital on attractive opportunities, specifically £4.6m spent acquiring three lettings books this year. The results we have seen from these initial acquisitions are encouraging and have reinforced our belief that they present an attractive method of growing the business, improving profitability and delivering strong financial returns. We have a good pipeline of additional, similar opportunities, and expect to make further investments in the next 12 months, striking a balance between executing at pace and ensuring the integration of the acquired businesses goes smoothly.

In addition to the capital required for further investment we have a strong cash position which gives us flexibility to manage further Covid-19 disruption and is sufficient for our working capital requirements. Beyond these requirements, the Board believes the Company has excess cash and that it is now appropriate to start to return this to shareholders whose support we appreciated at a time of great uncertainty. The Company will therefore commence buying back shares in the market from today, up to a maximum consideration of £3.0m, in accordance with the authorities granted to the Company at the time of the Annual General Meeting held on 13 May 2020. Further details on the Company's approach to capital allocation and returns policy will be provided at the time of the 2020 full year results announcement, which is planned for 2 March 2021.

**Share buyback programme**

The Company has appointed its broker Numis Securities Limited ("Numis") to manage a share buyback programme to repurchase Ordinary Shares on its behalf, up to a maximum aggregate consideration of £3.0m and subject to certain other set parameters, during the period commencing today and ending on 2 March 2021, or when the maximum aggregate consideration level has been reached, if earlier. The Company will provide Numis with an irrevocable commitment in relation to the share buyback programme prior to entering its close period on 1 January 2021. Share purchases will take place in open market transactions and may be made from time to time depending on market conditions, share price and trading volume. The maximum price paid per Ordinary Share will be no more than the higher of (i) 105 per cent of the average middle market closing prices of the Ordinary Shares for the five business days preceding any Ordinary Shares being purchased and (ii) the higher of the price of the last independent trade and the highest independent bid for Ordinary Shares on the trading venue where the purchase is carried out. Under the buyback, the purchased shares will be held in treasury.

The buyback programme is in accordance with Foxtons' general authority to purchase Ordinary Shares granted by its shareholders at the Annual General Meeting held on 13 May 2020. The share buyback programme will also be effected within the parameters of the Market Abuse Regulation 596/2014/EU and the Commission Delegated Regulation 2016/1052/EU (as in force in the UK from time to time, including where relevant pursuant to the Market Abuse (Amendment)(EU Exit) Regulations 2019).

Due to the limited liquidity in the issued Ordinary Shares, a buyback of Ordinary Shares pursuant to the buyback programme on any given trading day may represent a significant proportion of the daily trading volume in the Ordinary Shares on the London Stock Exchange and may exceed 25 per cent of the average daily trading volume and, accordingly, the Company may not benefit from the exemption contained in Article 5(1) of Regulation (EU) No. 596/2014.

The Company will make further regulatory announcements to shareholders in respect of purchases of Ordinary Shares by the Company as they occur.

The Company confirms that it currently has no other unpublished price sensitive information other than the information that has been communicated in this announcement.

The information communicated in this announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) No. 596/2014.

**For further information, please contact:**


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