

Foxtons Group plc
FULL YEAR RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024
5 March 2025

47% earnings growth¹ driven by significant Sales market share gains² and strong returns from Lettings acquisitions. Next phase of the growth plan now firmly in focus.

Foxtons Group plc (LSE:FOXT) (“the Group” or “Foxtons”) has delivered another year of growth. Strengthened operational capabilities, combined with strong returns from Lettings acquisitions, have underpinned 47% earnings growth. The Group is on track to deliver against its medium-term targets set in March 2023 and the next phase of the growth plan is now coming into focus. Key elements of this growth plan will be communicated at a capital markets event in Q2 2025.

	2024	2023	% change
Revenue	£163.9m	£147.1m	+11%
Adjusted EBITDA ³	£23.8m	£17.5m	+36%
Adjusted operating profit ⁴	£21.6m	£15.7m	+38%
Profit before tax ⁵	£17.5m	£7.9m	+121%
Adjusted earnings per share (basic) ⁶	5.0p	3.4p	+47%
Earnings per share (basic)	4.6p	1.8p	+156%
Net free cash flow ⁷	£9.8m	(£0.1m)	n/m
Total dividend per share	1.17p	0.9p	+30%

Financial highlights:

- Group revenue up 11% to £163.9m, with growth delivered in each business:
 - Lettings revenue up 5%, boosted by earnings accretive acquisitions.
 - Sales revenue up 31%, driven by double-digit market share gains².
 - Financial Services revenue up 6%, due to operational upgrades and stronger new transaction volumes.
- Adjusted operating profit up 38% to £21.6m, showing significant progress towards medium-term target of £28m-£33m (excluding amortisation of acquired intangibles, and consequentially restated from £25m-£30m)⁸.
- Stronger revenue to profit conversion drove improved adjusted operating profit margin of 13.2% (+260 bps).
- Profit before tax up 121% to £17.5m.
- Significant improvement in net free cash flow (2024: £9.8m; 2023: (£0.1m)) reflecting a return to strong cash generation and more normalised working capital movements.
- Year-end net debt of £12.7m (2023: £6.8m net debt), reflecting improved cash generation, £12.7m of acquisition spend, and £2.8m of dividends.
- Total dividend up 30% to 1.17p per share in-line with the Group’s progressive dividend policy.

Strategic highlights

- Continued delivery against strategic priorities:
 - 3.3% Lettings organic revenue CAGR since 2022, within the Group’s target range of 3%-5%⁹.
 - 26% average return on Lettings acquisitions, ahead of the Group’s target of 20%¹⁰, with synergistic acquisitions continuing to be a key driver of profit growth.
 - 4.9% Sales exchange market share (2023: 4.1%), ahead of the Group’s target of at least 4.5% (20% growth versus 2023)².
 - 67% of revenue generated from non-cyclical and recurring activities, underpinning Group earnings¹¹.

Operational highlights:

- Largest lettings agent in London and largest lettings brand in the UK¹² and highest number of sales agreed in London in 2024¹³.

- Organic Lettings portfolio grew 4%, driven by a 12% increase in new business volumes and stronger landlord retention, supported by the Group's data and technology capabilities and improving customer service levels.
- Two commuter town acquisitions (Reading and Watford) completed in October 2024 for an initial consideration of £12.6m. The acquisitions are earnings enhancing and unlock new organic and inorganic growth opportunities. The rapid integration of the new Watford hub has enabled the further acquisition of Marshall Vizard, completed on 28 February 2025¹⁴. This bolt-on acquisition is expected to generate strong synergies and reinforce Foxtons' leadership position in the Watford lettings market.
- Sales revenue growth of 31% driven by market outperformance, with a 20% increase in market share in 2024². Foxtons' growth was highest in London's volume markets (up to £1m price range). These markets are more resilient and more active than higher value ones, and in 2024 comprised 86% of total London volumes.
- Further upgrades to the industry-leading Foxtons Operating Platform delivered in 2024, as part of the Group's continuous improvement ethos. Highlights include a new employee value proposition, technology upgrades, an AI-driven lead-scoring platform, a new real-time customer satisfaction feedback system and brand enhancement initiatives.
- We are determined to continue enhancing our culture, and build on the work to date and this will remain a key area of focus throughout 2025:
 - In 2024 we delivered a 6% improvement in employee engagement vs 2023¹⁵; 13% improvement in Lettings and Sales employee retention rates vs 2022¹⁶; and made progress with career development and diversity programmes resulting in a 25% increase in the number of female managers vs 2022¹⁶.
 - 87% of employees believe Foxtons values diversity and builds diverse teams¹⁵ and 81% of employees recommend Foxtons as a great place to work (8% higher than the average score for companies in the UK with 1,000-5,000 employees)¹⁵.
- Financial Services has undergone a significant rebuild in 2024 under a new Managing Director appointed in January 2024. Key initiatives introduced include process upgrades, enhanced cross-selling from the estate agency business, and a new data suite to support a KPI-driven performance culture.

Trading and outlook

- Trading year to date is in-line with our expectations.
- Lettings market dynamics are expected to remain consistent with 2024, with rental levels broadly flat. Healthy stock levels support the Group's focus on driving new business and organic growth, whilst the October 2024 and February 2025 acquisitions provide further incremental revenues and organic growth opportunities.
- In Sales, our under-offer pipeline entering 2025 was at its highest level since the Brexit vote in 2016, delivering strong year-to-date revenue growth as the under-offer pipeline converts to exchanges, with volumes boosted by first time buyers taking advantage of stamp duty relief ahead of 31 March 2025 deadline.
- New under-offer activity, which is not influenced by stamp duty relief, has shown good growth as buyers respond positively to recent interest rate reductions. The under-offer pipeline at the end of February 2025 stood 21% higher than the prior year. The speed and extent of future interest rate reductions will likely determine the number of buyers entering the market, with faster interest rate cuts providing an opportunity for accelerated growth.
- Group remains on track to deliver against the medium-term target of £28m-£33m adjusted operating profit⁸ set in March 2023, despite £2m of additional national insurance costs per annum.
- With the operational turnaround complete, the next phase of the growth plan is now underway. We will communicate the key elements of this plan at a capital markets event in Q2 2025. Further details will be provided in due course.

Guy Gittins, Chief Executive Officer, said:

"2024 was another strong year for Foxtons with revenue up 11% and adjusted operating profit up 38%. Across 2024 we retained our position as London's largest lettings agent and the UK's largest lettings estate agency brand, and increased our share of the London sales market by 20%.

“In Sales, significant market share gains drove revenue growth of 31% and meant we agreed the highest number of transactions in London last year, while our Lettings and Financial Services businesses continued to provide the steady, recurring revenues which underpin Group profitability.

“In October 2024, we acquired Haslams Estate Agents and Imagine Property Group, both businesses with strong lettings portfolios, taking us into the exciting new growth markets of Reading and Watford. Last week, as part of our Watford growth plan, we acquired Marshall Vizard, a high-quality lettings business that further strengthens Foxtons’ Watford presence and market share.

“Estate agency is a people-first business, and maintaining an engaging, respectful and inclusive culture is of the utmost importance to us. We are focused on creating an environment which attracts, motivates and retains a diverse team of talent, that can together deliver excellent customer outcomes. Although significant progress has been made over the last two years, including the introduction of mandatory annual respect and inclusion training, strengthened ED&I policies, and enhanced whistleblowing and speak up processes, there remains more to do. This is particularly important to me and we remain steadfast in our commitment to an inclusive, professional and respectful culture and we will continue to seek further improvement and progress.

“Changes made to date are supporting our transformation, including: a 25% increase in female managers over the last two years; improving employee engagement; and a 12% increase in employee retention rates since 2022 as new career development and diversity programmes take effect. Our latest employee engagement survey, indicated that 87% of employees believe Foxtons values diversity and builds diverse teams, and 81% of employees recommend Foxtons as a great place to work, 8% higher than equivalent businesses in the UK. These initiatives are particularly important to me and while progress has been made, we recognise there is more we can and should do. We remain steadfast in our commitment to an inclusive, professional and respectful culture and we will continue to seek further improvements and progress.

“After a good start to 2025, we are well positioned to deliver another year of growth and are on-track to deliver against the medium-term growth targets I set out in March 2023. I look forward to setting out details of the next stage of our growth plan to investors at a capital markets event in Q2 2025.”

For further information, please contact:

Foxtons Group plc

Chris Hough, Chief Financial Officer
Muhammad Patel, Investor Relations

investor@foxtongroup.co.uk

+44 20 7893 6261

Cardew Group

Will Baldwin-Charles / Olivia Rosser

Foxtons@cardewgroup.com

+44 7834 524833 / +44 7552 864 250

An analyst presentation will be held at 9.00am today by webinar. For joining instructions, please contact investor@foxtongroup.co.uk. A recording of the presentation will be available at www.foxtongroup.co.uk.

¹ On an adjusted earnings per share basis.

² Sales market share calculated as Foxtons' share of exchange volumes in 2024 vs 2023 in Foxtons' core addressable markets. Source: TwentyCi.

³ Adjusted EBITDA is an alternative performance measure and is consistent with the definition of adjusted EBITDA used to calculate the Group's revolving credit facility covenants. The metric is defined as profit before tax before finance income, non-IFRS 16 finance costs, other gains, depreciation of property, plant and equipment (but after IFRS 16 depreciation), amortisation, share-based payment charges and adjusted items.

⁴ Adjusted operating profit is an alternative performance measure. Adjusted operating profit represents profit before tax before amortisation of acquired intangibles, finance income, finance cost, other gains/(losses) and adjusted items. This definition has been revised for the 2024 financial results and now excludes the amortisation of acquired intangibles. Comparatives have been restated to the new definition to ensure a fair comparison across financial years.

⁵ Profit before tax includes £0.3m of adjusted item credits (2023: £4.5m of adjusted item charges) and £2.1m of amortisation of acquired intangibles (2023: £1.4m). On an adjusted basis, adjusted profit before tax is up 40% to £19.2m (2023: £13.8m).

⁶ Adjusted earnings per share is an alternative performance measure. This definition has been revised for the 2024 financial results and now excludes the amortisation of acquired intangibles. Comparatives have been restated to the new definition to ensure a fair comparison across financial years.

⁷ Net free cash flow is net cash from operating activities less repayment of IFRS 16 lease liabilities and net cash generated/used in investing activities, excluding the acquisition of subsidiaries (net of any cash acquired) and purchase of investments.

⁸ The Group's adjusted operating profit target range has been restated by £3m to reflect the revised adjusted operating profit definition which now excludes the amortisation of acquired intangibles.

⁹ Defined as organic revenue growth excluding interest earned on client monies and the revenue contribution from lettings acquisitions completed since 1 January 2022.

¹⁰ "Return" refers to return on invested capital and is defined as EBITDA less cash taxes / enterprise value, for acquisitions operated by Foxtons for over 12 months. The acquisitions of Haslams and Imagine, completed in October 2024, are excluded from this calculation.

¹¹ Revenue derived from Lettings and Financial Services refinance activity.

¹² Market share of estate agent lettings instructions by brand in 2024. Source: TwentyCi

¹³ Sales agreed in London in 2024 by estate agent brand. Source: TwentyCi.

¹⁴ Acquisition completed for £2.3m on a cash free and debt free basis, of which £0.5m deferred for 12 months subject to performance conditions.

¹⁵ Result from the Group's annual employee engagement survey independently administered by a third party, CultureAmp. 77% (2023: 68%) of the workforce responded to the 2024 survey.

¹⁶ 2022 comparator presented, being the last year before the introduction of the operational turnaround plan which includes improving staff retention and improving the gender balance in managerial positions.

PERFORMANCE AT A GLANCE

Year ended 31 December	2024	2023	Change
Income statement			
Revenue	£163.9m	£147.1m	+11%
Adjusted EBITDA ¹	£23.8m	£17.5m	+36%
Adjusted operating profit ^{1,2}	£21.6m	£15.7m	+38%
Adjusted operating profit margin ^{1,2}	13.2%	10.6%	+260bps
Profit before tax	£17.5m	£7.9m	+121%
Earnings per share			
Basic earnings per share	4.6p	1.8p	+156%
Adjusted basic earnings per share ¹	5.0p	3.4p	+47%
Dividends			
Interim dividend per share	0.22p	0.20p	+10%
Final dividend per share	0.95p	0.70p	+36%
Cash flow and net debt			
Net cash from operating activities	£24.7m	£15.7m	+58%
Net free cash inflow/(outflow) ¹	£9.8m	(£0.1m)	n/m
Net debt ¹	(£12.7m)	(£6.8m)	+87%
Segmental metrics			
Lettings revenue	£106.0m	£101.2m	+5%
Lettings volumes ³	19,384	19,334	-
Average revenue per Lettings transaction ³	£5,470	£5,234	+5%
Sales revenue	£48.6m	£37.2m	+31%
Sales volumes ³	3,725	2,871	+30%
Average revenue per Sales transaction ³	£13,038	£12,942	+1%
Financial Services revenue	£9.3m	£8.8m	+6%
Financial Services volumes ³	5,115	5,033	+2%
Average revenue per Financial Services transaction ³	£1,824	£1,745	+5%

¹ These measures are APMs used by the Group and are defined, and purpose explained within Notes 2 and 16.

² Adjusted operating profit and adjusted operating profit margin definitions have been revised for the 2024 financial results and now excludes the amortisation of acquired intangibles. Comparatives have been restated to the new definition to ensure a fair comparison across financial years. Refer to Note 2 of the financial statements for a reconciliation to statutory measures and purpose.

³ These segmental metrics are defined within Note 16.

CHAIRMAN'S STATEMENT

2024 has been a year of continued progress for Foxtons, with our efforts focused on delivering improved financial performance and making progress against our strategic priorities following the steps taken in 2023 to strengthen the foundations of the business. Over the last two years we have made substantial strides in enhancing our technology, data capabilities, culture and brand positioning, all of which have contributed to strong revenue and earnings growth.

The business continues to benefit from a resilient revenue base, with approximately two thirds of the Group's revenues coming from recurring and non-cyclical sources, primarily from Lettings. This shift has been supported by a series of lettings focused acquisitions which have been a key driver of earnings growth, created a more stable earnings profile and significantly reduced our exposure to the volatility of the sales market.

At the same time, we have remained focused on rebuilding market share in Sales, with operating losses reducing significantly in 2024. Continued progress towards sustained profitability in Sales remains a priority as we move into 2025, with market share growth remaining the key area of focus.

In October 2024 we completed two acquisitions in the commuter towns of Reading and Watford, reinforcing our growth trajectory and demonstrating that Foxtons is firmly on the front foot. In February 2025, we acquired a second Watford lettings business, Marshall Vizard, which will be earnings accretive in 2025 and builds upon our market leading position in Watford.

Market and financials

The lettings market remained resilient in 2024, with supply and demand dynamics stabilising after a period of imbalance in prior years. Volumes in the sales market also saw signs of improvement, as lower interest rates underpinned improving buyer demand in our core markets. This supported improved London exchange volumes in 2024 versus 2023, albeit below the 10-year historical average.

Revenue increased 11% to £163.9 million, reflecting growth across all areas of the business. Adjusted operating profit, excluding amortisation of acquired intangibles, increased 38% to £21.6 million, with profit growth outpacing revenue, demonstrating the operating leverage within the Foxtons model.

The Group returned to cash generation in 2024, with £9.8 million of net free cash flow (2023: (£0.1 million)) reflecting underlying cash generation and normalised working capital movements. After £12.7 million of acquisition spend and £2.8 million of dividends, net debt at 31 December 2024 stood at £12.7 million (2023: £6.8 million net debt).

To support the Group's continued organic and acquisitive growth strategies, the Board increased and extended the revolving credit facility in May 2024. The facility was expanded from £20 million to £30 million and extended by one year to June 2027, with an option for a further one-year extension. The facility also includes a £10 million accordion option, which can be drawn upon with bank approval.

The revolving credit facility supported the acquisitions of Haslams and Imagine in 2024 and with an increased facility and a return to cash generation, we are in a strong position to continue to progress our acquisition strategy, as demonstrated last week through the acquisition of Marshall Vizard.

Cost base

Like many people-based businesses, the Government's planned April 2025 increase in employer's national insurance contributions will increase our cost base. The impact is estimated at £2 million per annum, which we expect to mitigate with the incremental profit that will be generated by the two October 2024 acquisitions, by continuing to improve fee earner productivity and by proactively managing costs.

We continue to engage with the landlord of our Chiswick Park headquarters to explore options to surrender a portion of our office space with a view to generating meaningful cost savings ahead of the September 2027 lease end date. This ability to downsize our headquarters is now possible through better utilising our branch network and building out a lower-cost property management hub outside of London.

Culture

As a sales-focused business, we are firmly focused on building a high-performance culture which inspires all of our people to deliver the very best results for our customers and each other. The Board is acutely focused on building this culture within an environment which is inclusive, professional and respectful.

The Board takes this very seriously and monitors culture through a variety of mechanisms, including reviewing employee engagement surveys, visiting branches, non-executive directors attending each Employee Engagement Committee meeting, and monitoring a range of culture performance indicators.

Guy has been instrumental in bringing cultural change to Foxtons, and with a clear tone from the top, he has made changes to create a more respectful and inclusive environment which attracts, retains and motivates the

Foxtons team. 2024 saw a number of culture enhancing initiatives rolled out, including mandatory annual respect and inclusion training, enhancing the Group's speak up processes and relaunching the Group's employee value proposition. Although significant steps have been taken to enhance our culture, we are determined to continue improving, build on the work to date, and this will remain a key area of focus throughout 2025.

Rental market reform

The proposed Renters' Rights Bill, set to take effect in 2025, is progressing through Parliament. While we support many initiatives, we have raised concerns about recent changes, specifically the ban on upfront rental payments which could harm lower-income tenants, the international student market, and drive talent away from London and the UK. We will continue to engage with the Government and provide a constructive point of view. We believe Foxtons is well-positioned to seize opportunities as landlords seek professional lettings agents to navigate the changing regulations.

Dividends

With a strong earnings profile and clear growth ambitions, the Board is maintaining its progressive dividend policy, balancing capital returns to investors with reinvestment in the business.

For 2025, the Board is proposing a final dividend of 0.95p per share, bringing total dividends declared for 2024 to 1.17p, representing a 30% increase on the prior year.

Outlook

Sales market conditions are continuing to improve, particularly in the volume segment where Foxtons holds a leading share, creating a supportive backdrop for the next phase of growth. The Group remains on track to deliver against the medium-term target of £28 million to £33 million adjusted operating profit, despite £2 million of additional national insurance costs per annum, reflecting the strength of our core operations and diversified revenue streams. Recent acquisitions in key commuter towns have further expanded our footprint, enhancing our growth potential. We remain confident in our ability to deliver long-term value for shareholders, employees, and customers alike.

CHIEF EXECUTIVE'S REVIEW

2024 has been a year of significant progress for Foxtons, reinforcing our position as London's leading estate agency and the UK's largest lettings brand. Despite an evolving macroeconomic environment, we delivered strong financial and operational results, with revenue growth of 11% and adjusted operating profit growth of 38%. This performance reflects the execution of our transformation strategy and the resilience of our business model.

We've continued to invest in the capabilities of our industry-leading Foxtons Operating Platform, driving improvements in efficiency, customer service, and employee productivity. Investments in key areas such as culture, technology, data and brand have enhanced our ability to serve customers while increasing market share across our business segments.

We have made further strategic progress in 2024, particularly in Lettings, where we have delivered organic portfolio growth and delivered strong returns through our acquisition strategy which provide a platform for future organic growth and synergistic value creation. In Sales, enhancements to lead generation, customer service, and staff productivity drove double-digit market share growth and we entered 2025 with an under-offer pipeline at its highest level since 2016.

Additionally, in 2024 we completed two acquisitions, expanding our reach into the high-growth markets of Watford and Reading. These acquisitions align with our strategic objective of adding high-quality, earnings-accretive lettings businesses to our portfolio while unlocking new growth opportunities. Last week, we acquired Marshall Vizard, a lettings business in Watford, which will be integrated into the newly created, Foxtons branded hub as we extend our market leading position.

At the start of 2023, I outlined a vision to re-establish Foxtons as London's go-to agent and, to ensure we held ourselves fully accountable to this vision, I also set a number of medium-term growth targets. Over the past two years, we have successfully rebuilt the Group's competitive advantages, and in 2024, we saw real momentum in each of our businesses. With a strong operational foundation in place, we are well positioned to capitalise on further opportunities in 2025 enabling us to deliver on our growth targets.

2024 market conditions

The London lettings market remained resilient in 2024, supported by sustained tenant demand and an increase in available rental stock. As a result, the supply and demand imbalance that had driven sharp rental price increases in prior years reduced towards historical norms. Rental prices in the market were broadly flat over the year, while higher stock levels enabled Foxtons to deliver organic portfolio growth, which will drive future revenue expansion. Looking ahead, we expect this more stable market environment to persist into 2025, with rental price growth likely to track inflation over the medium term.

The sales market experienced some recovery from the depressed levels of 2023, as improved macroeconomic stability and declining interest rates supported growth in buyer demand over the year. Annual transaction volumes in London increased by 9%, reflecting this increased demand, with a notable divergence between the first and second halves of the year. In H1, sales volumes were broadly in line with 2023, while H2 saw a 16% increase in transaction activity, with the volume market (up to £1 million price range), which is where Foxtons primarily operates, being the most active and resilient part of the market. Given the typical three-to-four-month timescale for property transactions to complete, some of this increased demand will flow into early 2025, and is reflected in our under-offer pipeline entering the year, which was at its highest level since the Brexit vote in 2016.

Despite the change in government in 2024, market conditions remained stable over the year. Unlike previous election years, the General Election in June had minimal impact on the sales market, and the Chancellor's Autumn Budget introduced no material policy changes affecting the property market, although the Government did confirm the first-time buyer stamp duty relief will end at the end of March 2025.

On the regulatory front, the Government is advancing the Renters' Rights Bill, largely continuing the legislative framework proposed by the prior administration. While we support several elements of the Bill, we recognise that ongoing regulatory changes may introduce short-term uncertainty for landlords. Our focus remains on ensuring our customers—both landlords and tenants—are well-informed and positioned to navigate any potential market impacts. As the industry becomes increasingly complex, landlords are likely to place greater reliance on large, professional lettings agents, reinforcing Foxtons' competitive advantage.

Financial results

Foxtons delivered strong financial performance in 2024 driven by continued operational improvements and growth in each business. Revenue for the year was up 11% to £163.9 million, adjusted operating profit up 38% to £21.6 million and profit before tax up 121% to £17.5 million.

Lettings

Lettings revenue increased by 5% or £4.8 million to £106.0 million, with acquisitions contributing £4.3 million of incremental revenue alongside £1.0 million of additional interest on client monies. Organic revenue was broadly flat as strong new business growth and increased property management revenues, were offset by an expected temporary reduction in the volume of existing tenancies re-transacting following longer tenancy terms signed in 2022 and 2023. Lettings adjusted operating profit margin remained strong at 26% (2023: 27%).

Operational improvements, including improved brand visibility, enhanced data capabilities, and proactive customer acquisition strategies, supported strong landlord retention and incremental growth in revenue per landlord. We recognise customer service is key to delivering long term growth, to this end we embedded a real-time customer satisfaction feedback system, enabling us to gather valuable and actionable insights across various customer segments and refine our processes to better align with customer expectations.

Sales

Sales revenue increased by 31% to £48.6 million, supported by a 20% increase in market share and a modest 10% recovery in transaction volumes.

Significant operational upgrades, including enhancements to instruction generation, fee earner productivity, and cross-selling of ancillary services, underpinned our market outperformance. The adjusted operating loss in Sales reduced by 58% to £4.1 million. This improvement reflects the growing productivity of the fee earner investments made in 2023, delivering tangible results throughout the year. With the right number of fee earners now in the business and significantly better fee earner retention rates, supported by improving market conditions, the Sales business now has a clear path to profitability.

Financial Services

Financial Services revenue grew by 6% to £9.3 million, benefiting from both operational improvements supporting market share growth and improved mortgage market conditions. Adjusted operating profit increased 74% to £1.1 million.

Under a new Managing Director, who joined in January 2024, a full operational review of the business has been completed. Key initiatives included process upgrades, enhanced cross-selling from the estate agency business, and the implementation of a new data suite to support a KPI-driven performance culture. These efforts drove an 11% increase in revenue per adviser and an 8% rise in deals per adviser.

Operational progress

In 2024, we continued to make substantial strides in enhancing our performance, with a focus on lead generation, customer service, culture and team productivity. The continued evolution of the Foytons Operating Platform continues to be key to our success and provides competitive advantage.

Culture and people

Estate agency is a people-first business, and maintaining an engaging, respectful and inclusive culture is of great importance. Creating an environment which attracts, motivates and retains outstanding talent and delivers excellent customer outcomes is critical to our success. Although significant progress has been made over the last two years, including delivering mandatory annual respect and inclusion training, improving ED&I policies, enhancing whistleblowing and speak up processes, there is always more we can and should do. Whilst significant progress has been made, we remain steadfast in our commitment to fostering an inclusive, professional and respectful working environment and we will continue to further improve and progress our culture.

A key milestone for us this year was the launch of our new employee value proposition, 'Make it with us'. This initiative reflects two years of work to build a culture which fully aligns to our strategic priorities. The proposition includes an overhaul of our training programmes, a more robust recruitment process, the introduction of clear career development pathways, and a refreshed approach to rewards and recognition. Whilst significant progress has been made, we remain steadfast in our commitment to fostering an inclusive, professional, respectful and high-performance culture where hard work and dedication are recognised and rewarded.

Technology and data

Our bespoke real-time productivity reporting system has been instrumental in driving greater transparency, highlighting best practices, and aligning individual performance with broader business goals. In 2024 we achieved an 8% increase in revenue per fee earner, a direct result of both our people strategy and improved technology and data systems.

Technological advancements were another key driver of our operational success in 2024. We introduced an AI-driven lead-scoring platform across our branch network, complementing the system we launched in our customer prospecting centre in 2023. This has significantly boosted our lead generation efforts and driven higher instruction levels. We also enhanced our marketing capabilities with a new data and reporting suite that provides

in-depth insights into campaign performance, improving customer targeting and maximising returns on marketing spend.

Brand

Foxtons continues to be one of the most recognised brands in London, and 2024 saw the revitalisation of our customer-facing marketing strategy. We launched a series of thematic campaigns, such as 'Ready, Set, Foxtons', designed to boost engagement and reinforce our unique market position. These campaigns drive organic growth and enhanced customer brand perception levels.

Acquisitions

Finally, we expanded our footprint into the commuter towns of Reading and Watford, through the acquisition of two high-quality, lettings focused businesses in October 2024. Both businesses are the leading independent agent in their markets and will act as hubs to deliver long term growth through organic growth and further synergistic bolt-on acquisitions. We have already started to increase our Watford presence through the February 2025 acquisition of Marshall Vizard making Foxtons the clear market leader. With demand for lettings on the rise in both Reading and Watford, this expansion aligns with our goal of increasing our portfolio of recurring lettings revenues and further decoupling Group earnings from sales market volatility.

Continued delivery against our strategic priorities and targets

In March 2023, I presented four strategic priorities which underpin the delivery of our medium-term adjusted operating profit target. Over the last two years we set out to rebuild the Foxtons Operating Platform to drive change across a range of areas including culture, training, technology, data and brand.

From 2024 onwards, in order to align with market practice, our adjusted operating profit target has been redefined to *exclude* the non-cash amortisation of acquired intangibles, resulting in the target range being restated by £3 million: £28 million to £33 million. Our 2024 adjusted operating profit of £21.6 million (2023: £15.7 million) reflects a materially improved contribution from Sales compared to 2023 and strong profit accretion from Lettings acquisitions.

Over the course of 2024, we have made good progress against the four strategic priorities, as set out below:

- 1. Lettings organic growth:** 3.3% organic revenue CAGR since 2022 reflecting good growth across 2023 and broadly flat revenues in 2024 as growth in new business volumes and higher margin property management revenues offset an expected temporary reduction in the volume of existing tenancies re-transacting in 2024, following longer tenancy terms signed across 2022 and 2023.

Medium-term target set in March 2023: 3% – 5% revenue CAGR.

- 2. Lettings acquisitions:** Prior year bolt-on acquisitions continue to perform well, delivering over 26% average annual returns since acquisition. In 2024, the Group entered new commuter belt markets through the acquisition of two businesses which will act as strategic hubs in Reading and Watford. These hubs create new organic and non-organic growth opportunities, with the latter through subsequent bolt-on acquisitions. A return on capital higher than the Group's weighted average cost of capital is targeted for the initial strategic hub investment, and a higher return on capital is targeted for subsequent bolt-on acquisitions that integrate into a strategic hub.

Medium-term target set in March 2023: 20%+ return on capital for bolt-on acquisitions.

- 3. Sales market share growth:** Exceeded the target of 4.5%, growing sales exchange market share by 20% to 4.9% (2023: 4.1%). Continuing to build on this share level, combined with market volumes recovering to more normalised levels, will support the Sales business' return to profitability

Medium-term target set in March 2023: 4.5%+ exchange market share.

- 4. Financial Services revenue growth:** 6% revenue growth in 2024 as operational upgrades drove revenue growth through adviser productivity gains. The business' foundations have been rebuilt and it is now well positioned to deliver further growth.

Medium-term target set in March 2023: 7% – 10% revenue CAGR.

2025 trading and outlook

Lettings is expected to remain resilient with the business continuing to display strong non-cyclical and recurring characteristics. Tenant demand remains high, underpinning rental prices, while stock levels have steadily improved over the past 18 months. Through our leading market position, and by leveraging the Foxtons Operating Platform, we are well positioned to continue capitalising on the increased supply of rental properties, providing the opportunity to continue to grow market share organically. The Renters' Rights Bill may cause some market turbulence as landlords and tenants adapt to any changes in legislation, but over the medium term, the

Bill is expected to increase the importance of selecting high-quality, professional agents, creating growth opportunities for Foxtons.

In Sales, we entered 2025 with a notably stronger under-offer pipeline compared to the previous year, our best start since 2016, underpinning a good level of year-on-year revenue growth in Q1. The increase in the pipeline towards the end of 2024 was supported by first-time buyer activity ahead of increased stamp duty rates from April, which is driving higher exchange volumes in Q1, particularly in the lower value property segment.

Early 2025 has shown continued strength in buyer demand, boosted by the recent interest rate reduction. New offers have outpaced last year's levels and the under-offer pipeline at the end of February stood 21% higher than the prior year. This signals more potential growth, provided macroeconomic conditions and consumer confidence hold steady.

We are on track to deliver against the medium-term target of £28 million to £33 million adjusted operating profit set in March 2023. With the full potential of the Foxtons Operating Platform at our disposal, we are in growth mode, and I look forward to setting out details of the next stage of our growth plan to investors at a capital markets event in Q2 2025.

FINANCIAL REVIEW

	2024 £m	2023 £m	Change
Revenue and profit measures			
Revenue	163.9	147.1	+11%
Contribution ¹	104.9	93.2	+12%
<i>Contribution margin¹</i>	64.0%	63.4%	+60bps
Adjusted EBITDA ¹	23.8	17.5	+36%
<i>Adjusted EBITDA margin¹</i>	14.5%	11.9%	+260bps
Adjusted operating profit ^{1,2}	21.6	15.7	+38%
<i>Adjusted operating profit margin^{1,2}</i>	13.2%	10.6%	+260bps
Profit before tax	17.5	7.9	+121%
Profit after tax	14.0	5.5	+155%
Earnings per share			
Adjusted earnings per share (basic)	5.0p	3.4p	+47%
Earnings per share (basic)	4.6p	1.8p	+156%
Net free cash flow and net (debt)/cash			
Net free cash inflow/(outflow) ^{1,2}	9.8	(0.1)	n/a
Net debt ¹	(12.7)	(6.8)	+87%
Dividends			
Interim dividend per share	0.22p	0.20p	+10%
Final dividend per share	0.95p	0.70p	+36%

¹APMs are defined, purpose explained and reconciled to statutory measures within Notes 2 and 16 of the financial statements.

²Adjusted operating profit and adjusted operating profit margin definitions have been revised for the 2024 financial results and now exclude the amortisation of acquired intangibles. Comparatives have been restated to the new definition to ensure a fair comparison across financial years.

Note: Throughout the financial review, values in tables/narrative may have been rounded and totals may therefore not be the sum of presented values in all instances.

FINANCIAL OVERVIEW

As presented in the table above, key financial performance measures include:

- Revenue increased by 11% to £163.9 million (2023: £147.1 million), with Lettings revenue up 5%, Sales revenue up 31% and Financial Services revenue up 6%.
- Adjusted EBITDA increased by 36% to £23.8 million (2023: £17.5 million) and adjusted operating profit increased by 38% to £21.6 million (2023: £15.7 million).
- Profit before tax increased to £17.5 million (2023: £7.9 million) and profit after tax increased to £14.0 million (2023: £5.5 million).
- Basic adjusted earnings per share was 5.0p (2023: 3.4p) and basic earnings per share was 4.6p (2023: 1.8p).
- Net free cash flow was £9.8 million (2023: £0.1 million outflow) and net debt at 31 December 2024 was £12.7 million (2023: £6.8 million net debt) reflecting the uses of cash explained on page 17.
- An interim dividend of 0.22p per share was paid in September 2024. The Board has proposed a final dividend of 0.95p per share, resulting in a total dividend for the year of 1.17p per share (2023: 0.90p per share).

In May 2024, the Board increased and extended the Group's revolving credit facility (RCF). The size of the committed facility increased from £20 million to £30 million and the facility was extended by a year to June 2027, with an option to extend for a further year. The facility also includes a £10 million accordion option which can be requested at any time subject to bank approval. The RCF supports the Group's inorganic and organic growth strategy.

REVENUE

	Revenue			Volumes ¹			Revenue per transaction ¹		
	2024 £m	2023 £m	Change	2024	2023	Change	2024 £	2023 £	Change
Lettings	106.0	101.2	+5%	19,384	19,334	-	5,470	5,234	+5%
Sales	48.6	37.2	+31%	3,725	2,871	+30%	13,038	12,942	+1%
Financial Services	9.3	8.8	+6%	5,115	5,033	+2%	1,824	1,745	+5%
Total	163.9	147.1	+11%						

¹'Volumes' and 'Revenue per transaction' are defined in Note 16 of the financial statements.

The Group consists of three operating segments: Lettings, Sales and Financial Services. Lettings represents 65% (2023: 69%), Sales 30% (2023: 25%) and Financial Services 5% (2023: 6%) of total revenue. Non-cyclical and recurring revenue streams, generated by Lettings and refinance activity within Financial Services, represents 67% (2023: 72%) of Group revenue.

Lettings revenue

Lettings revenue increased by 5% to £106.0 million (2023: £101.2 million), including £4.3 million of incremental acquisition revenues (2 additional months of trading from Atkinson McLeod, acquired 3 March 2023; 10 additional months of trading from Ludlow Thompson, acquired 6 November 2023; and 2 additional months of trading from Haslams and Imagine, both acquired 28 October 2024). Transaction volumes were flat and average revenue per transaction increased by 5%, reflecting improved property management cross-sell and a change in mix towards higher fee new business volumes.

Double-digit growth in new business volumes offset an expected temporary reduction in the volume of existing tenancies renewing/re-letting in 2024, following longer tenancy terms signed across 2022 and 2023. Average tenancy lengths have increased by c.15% since 2022 as part of the Group's strategy to improve client retention and grow its portfolio of recurring revenues.

As expected, rental prices for new deals completed in the year were flat as year-on-year rental growth moderated as supply and demand dynamics continue to normalise, but with rental prices remaining at elevated levels.

Lettings revenue includes £6.6 million (2023: £5.6 million) of interest earned on client monies which supports the operating costs of managing client money, such as staff costs, bank and card fees, and compliance costs.

Sales revenue

Sales revenue increased by 31% to £48.6 million (2023: £37.2 million), with the increase driven by an 30% increase in Sales exchange volumes compared to 2023. Foxtons' Sales volumes outperformed the market which saw a 9% increase in volumes (source: TwentyCi) with Foxtons' market share of exchanges increasing by 20% to 4.9% (2023: 4.1%).

Average revenue per transaction was 1% higher than 2023 reflecting a 1% increase in the average price of properties sold (2024: £592,000; 2023: £586,000), whilst commission rates remained flat at 2.25% (2023: 2.25%). The 1% increase in the average price of properties sold compared to 1% reduction in London property values (source: Land Registry).

Financial Services revenue

Financial Services revenue increased by 6% to £9.3 million (2023: £8.8 million), reflecting a 2% increase in volumes and a 5% increase in average revenue per transaction. Higher average revenue per transaction was driven by growth in new purchase activity, which commands a higher average fee than product transfers within the refinance business. In 2024, £3.7 million (40% of revenue) was generated from non-cyclical refinance activity and £5.6 million (60% of revenue) from purchase activity which is more cyclical in nature.

CONTRIBUTION AND CONTRIBUTION MARGIN

	2024		2023	
	£m	margin	£m	margin
Lettings	78.1	73.7%	75.4	74.5%
Sales	22.7	46.8%	14.5	38.9%
Financial Services	4.0	43.0%	3.4	38.8%
Total	104.9	64.0%	93.2	63.4%

Contribution, defined as revenue less direct salary costs of front office staff and bad debt charges, increased to £104.9 million (2023: £93.2 million). Contribution margin for the year was 64.0% (2023: 63.4%) reflecting the following segmental margin changes:

- Lettings contribution margin fell slightly to 73.7% (2023: 74.5%) reflecting a temporary reduction in higher margin re-transaction volumes.
- Sales contribution margin increased to 46.8% (2023: 38.9%) due to growth in transaction volumes and the inherent operating leverage in the business. The margin improvement is reflective of increased productivity of Sales fee earners, with average revenue per fee earner increasing by 23% year-on-year.
- Financial Services margin increased to 43.0% (2023: 38.8%) due to a higher margin revenue mix.

Total average fee earner headcount across Lettings, Sales and Financial Services is up 4% to 859 (2023: 829), reflecting selective headcount investment and acquired headcount from acquisitions. Fee earner retention continues to be important in driving average fee earner productivity, with Lettings and Sales fee earner retention rates improving by 13% since 2022 (period prior to the Group's operational turnaround).

ADJUSTED OPERATING PROFIT AND ADJUSTED OPERATING PROFIT MARGIN

	2024		2023	
	£m	margin	£m	margin
Lettings	27.2	25.6%	27.2	26.8%
Sales	(4.1)	(8.4%)	(9.9)	(26.6%)
Financial Services	1.1	12.2%	0.7	7.4%
Corporate costs	(2.6)	n/a	(2.3)	n/a
Total	21.6	13.2%	15.7	10.6%

Adjusted operating profit for the year was £21.6 million (2023: £15.7 million) and adjusted operating margin was 13.2% (2023: 10.6%). Refer to Note 2 of the financial statements for a reconciliation of adjusted operating profit to the closest equivalent IFRS measure and Note 16 for a reconciliation of the revised definition of the adjusted operating profit metrics to the previous definition.

Consistent with prior periods, for the purposes of segmental reporting, shared costs relating to the estate agency businesses are allocated between Lettings and Sales with reference to relevant cost drivers, such as front office headcount in the respective businesses. Corporate costs are not allocated to the operating segments and are presented separately.

Lettings adjusted operating profit remained flat at £27.2 million. Sales adjusted operating loss decreased materially by £5.8 million to £4.1 million, and Financial Services operating profit increased by £0.5 million to £1.1 million.

Within adjusted operating profit the following depreciation, amortisation and share-based payment IFRS 2 charges were incurred:

	2024	2023
	£m	£m
Depreciation – property, plant and equipment	2.5	2.4
Amortisation – non-acquired intangibles	0.2	0.4
Share-based payment charges	1.5	1.0
Total	4.2	3.8

ADJUSTED EBITDA AND ADJUSTED EBITDA MARGIN

	2024		2023	
	£m	margin	£m	margin
Adjusted EBITDA	23.8	14.5%	17.5	11.9%

Adjusted EBITDA increased by 36% to £23.8 million (2023: £17.5 million) and Adjusted EBITDA margin increased to 14.5% (2023: 11.9%). Adjusted EBITDA, which excludes non-cash depreciation, amortisation and share-based payment charges, is defined on a basis consistent with that of the Group’s revolving credit facility covenants. Since the metric includes IFRS 16 lease depreciation and IFRS 16 lease finance cost the measure fully reflects the Group’s lease cost base. Refer to Note 16 of the financial statements for a reconciliation of adjusted EBITDA to the closest equivalent IFRS measure.

ADJUSTED ITEMS

A net adjusted items credit of £0.3 million (2023: £4.5 million net charge) was incurred in the year. Adjusted items, due to their size and incidence require separate disclosure in the financial statements to reflect management’s view of the underlying performance of the Group and allow comparability of performance from one period to another. The table below provides detail of the adjusted items in the year, refer to Note 3 of the financial statements for further details.

	2024	2023
	£m	£m
Branch asset impairment charge	-	3.4
Net property related (reversal)/charge	(0.6)	0.7
Transaction related costs	0.3	0.4
Total net adjusted items (credit)/charge	(0.3)	4.5

Net cash outflow from adjusted items during the year totalled £1.2 million (2023: £0.6 million).

PROFIT BEFORE TAX AND ADJUSTED PROFIT BEFORE TAX

	2024	2023
	£m	£m
Adjusted operating profit	21.6	15.7
Add/(deduct): adjusted items	0.3	(4.5)
Less: amortisation of acquired intangibles	(2.1)	(1.4)
Operating profit	19.8	9.8
Less: net finance costs and other losses/gains	(2.3)	(1.9)
Profit before tax	17.5	7.9
(Deduct)/add: adjusted items	(0.3)	4.5
Add: amortisation of acquired intangibles	2.1	1.4
Adjusted profit before tax	19.2	13.8

Profit before tax increased by 121% to £17.5 million (2023: £7.9 million) due to increased underlying profitability and adjusted items being favourable by £4.8 million compared to the prior year as previously noted. Net finance costs and other losses/gains of £2.3 million (2023: £1.9 million), of which £2.1 million relates to IFRS 16 lease finance costs (2023: £2.0 million), were incurred in the year. Adjusted profit before tax, which excludes adjusted items, is £19.2 million (2023: £13.8 million).

PROFIT AFTER TAX

	2024	2023
	£m	£m
Profit before tax	17.5	7.9
Less: current tax charge	(3.5)	(2.8)
Add: deferred tax credit	-	0.4
Profit after tax	14.0	5.5

The Group has a low-risk approach to its tax affairs and all business activities are within the UK and are UK tax registered and fully tax compliant. The Group does not have any complex tax structures in place and does not engage in any aggressive tax planning or tax avoidance schemes. The Group is transparent, open and honest in its dealings with tax authorities.

Profit after tax of £14.0 million (2023: £5.5 million) is after charging current tax of £3.5 million (2023: £2.8 million). No deferred tax credits have been recognised in the period (2023: £0.4 million).

The effective tax rate for the year was 19.9% (2023: 30.5%), which compares to the statutory corporation tax rate of 25.0% (2023: 23.5%). The 2024 effective tax rate is lower than the statutory corporation tax rate primarily due to an adjustment in respect of previous periods.

Net deferred tax liabilities totalled £26.8 million (2023: £26.2 million), which comprise £29.5 million (2023: £28.2 million) of deferred tax liabilities relating to the Group's intangible assets, offset by deferred tax assets of £2.7 million (2023: £2.0 million). The deferred tax assets relate to fixed asset timing differences, share based payments and tax losses brought forward which are expected to be recovered through future taxable profits.

The Group received £nil in tax refunds during the year (2023: £0.3 million).

ADJUSTED OPERATING COST BASE

The Group defines its adjusted operating cost base as the difference between revenue and adjusted operating profit, excluding depreciation of property, plant and equipment and amortisation of intangible assets. The reconciliation of the adjusted operating cost base measure is presented below:

	2024	2023
	£m	£m
Revenue	163.9	147.1
Less: Adjusted operating profit	(21.6)	(15.7)
Difference between revenue and adjusted operating profit	142.3	131.4
Less: Property, plant and equipment depreciation	(2.5)	(2.4)
Less: Amortisation – non-acquired intangibles	(0.2)	(0.4)
Adjusted operating cost base	139.6	128.6

The table below analyses the adjusted operating cost base into five categories. The adjusted operating cost base increased by £11.0 million to £139.6 million (2023: £128.6 million), with £4.5 million attributable to incremental acquisition related operating costs.

	2024	2023
	£m	£m
Direct costs ¹	59.1	53.9
Branch operating costs ²	33.0	32.5
Centralised revenue generating operating costs ³	16.9	14.9
Revenue generating operating costs	108.9	101.4
Central overheads ⁴	28.1	25.1
Corporate costs ⁵	2.6	2.3
Adjusted operating cost base	139.6	128.7

¹ Direct salary costs of branch fee earners and bad debt charges.

² Branch related operating costs shared between Lettings and Sales.

³ Centralised fee earners, lead generation staff and Lettings property management staff.

⁴ Central overhead costs supporting branch operations.

⁵ Corporate costs not attributed directly to the operating activities of the operating segments.

Key movements in the adjusted operating cost base in 2024 versus 2023 are as follows:

- Direct costs increased by £5.2 million primarily due to an increase in variable commissions paid to fee earners reflecting year-on-year revenue growth and a 4% increase in fee earner headcount, following selective headcount investment and acquired headcount from acquisitions.
- Centralised revenue generating operating costs increased by £2.0 million primarily due to acquired headcount relating to Lettings acquisitions and investment in centralised fee earner and lead generation teams.
- Central overhead costs increased by £3.0 million reflecting specific investments in centralised teams responsible for the delivery of revenue generating projects, acquisition related overheads that will be subject to further rationalisation, general inflationary pressures and £0.5 million of incremental share-based payment charges.

EARNINGS PER SHARE

	2024	2023
	£m	£m
Profit after tax	14.0	5.5
(Deduct)/Add: adjusted items (net of tax)	(0.3)	3.6
Add: amortisation of acquired intangibles (net of tax)	1.6	1.0
Adjusted earnings for the purposes of adjusted earnings per share	15.3	10.1
Earnings per share (basic)	4.6p	1.8p
Earnings per share (diluted)	4.5p	1.7p
Adjusted earnings per share (basic)	5.0p	3.4p
Adjusted earnings per share (diluted)	4.9p	3.2p

CASH FLOW FROM OPERATING ACTIVITIES AND NET FREE CASH FLOW

	2024	2023
	£m	£m
From continuing operations		
Operating cash flow before movements in working capital	35.3	28.7
Working capital outflow	(4.9)	(10.8)
Income taxes paid	(5.6)	(2.2)
Net cash from operating activities	24.7	15.7
Repayment of IFRS 16 lease liabilities	(13.2)	(12.5)
Net cash used in investing activities ¹	(1.8)	(3.2)
Net free cash flow	9.8	(0.1)

¹ Excludes £12.7 million (2023: £13.9 million) of cash outflows relating to the acquisition of subsidiaries (net of any cash acquired), and £0.1 million (2023: £nil) proceeds related to the sale of shares.

Operating cash flow before movements in working capital increased by £6.6 million to £35.3 million (2023: £28.7 million). Net cash from operating activities increased by £9.1 million to £24.7 million (2023: £15.7 million) due to increased operating cashflows, more normalised working capital movements as the impact of shorter landlord billing terms eases (as highlighted in the prior year), offset by a £3.4 million increase in income taxes paid. Net free cash flow was a £9.8 million inflow (2023: £0.1 million outflow).

NET DEBT

Net debt at 31 December 2024 was £12.7 million (2023: £6.8 million). Net debt reflects operating cash inflows of £24.7 million, £12.7 million of acquisition related spend, £4.9 million of working capital outflows, £2.7 million of capital expenditure, and £2.8 million of dividends paid.

REVOLVING CREDIT FACILITY

In May 2024, the Board increased and extended the Group's RCF. The size of the RCF was increased from £20 million to £30 million and the facility was extended by a year to June 2027, with an option to extend for a further year. The facility also includes a £10 million accordion option which can be requested at any time subject to bank approval. The RCF supports the Group's Lettings portfolio acquisition strategy and working capital management. Drawdowns on the facility accrue interest at SONIA +1.65%.

The RCF is subject to a leverage covenant (net debt to adjusted EBITDA not to exceed 1.75x) and an interest cover covenant (adjusted EBITDA to interest not to be less than 4x) as defined in the facility agreement. Both covenants are calculated using pre-IFRS 16 accounting principles. At 31 December 2024 the leverage ratio was 0.5x and the interest cover ratio was 29x.

Under an IAS 1 amendment, effective 1 January 2024, which clarified the requirements relating to the classification of liabilities subject to covenants, the RCF balance is presented as non-current and the prior year comparative has been restated on the same basis.

ACQUISITIONS

Haslams

On 28 October 2024, the Group acquired the entire issued capital of Haslams Estate Agents (Thames Valley) Limited. Gross purchase consideration was £9.7 million, with £7.4 million paid up to 31 December 2024 and £2.2 million deferred for a period of 12 months post completion. Acquired net assets were fair valued and include £2.8 million of customer contracts and relationships and £7.0 million of acquired goodwill. The acquisition contributed £1.1 million of revenue and £0.3 million of adjusted operating profit in 2024, with cost synergies to be delivered in 2025.

Imagine

On 28 October 2024, the Group acquired the entire issued capital of Imagine Group Property Limited. Gross purchase consideration was £6.3 million, with £5.1 million paid up to 31 December 2024 and £1.1 million deferred for a period of 12 months post completion. Acquired net assets were fair valued and include £1.1

million of customer contracts and relationships and £5.2 million of acquired goodwill. The acquisition contributed £0.6 million of revenue and £0.1 million of adjusted operating profit in 2024, with cost synergies to be delivered in 2025.

Refer to Note 9 of the financial statements for further details of the 2024 acquisitions.

OTHER BALANCE SHEET POSITIONS

Significant balance sheet movements in the period:

- Goodwill of £52.3 million (2023: £40.7 million) and other intangible assets of £118.0 million (2023: £114.9 million), with the increase in goodwill and other intangible assets driven by the acquisitions in the year which contributed £12.1 million of goodwill and £3.9 million of customer contracts and relationships.
- Other intangible assets of £118.0 million (2023: £114.9 million) include £2.8 million (2023: £1.5 million) of assets under construction which primarily relates to the development of the Group's customer website due to launch in Q1 2025.
- Total contract assets of £24.2 million (2023: £19.0 million) and total contract liabilities of £10.5 million (2023: £12.2 million), with the increase in contract assets including acquired contract assets of £1.2 million.
- Lease liabilities of £42.8 million (2023: £47.6 million) and right-of-use assets of £38.6 million (2023: £42.5 million) with movements in the balances explained in Note 8 of the financial statements.
- Borrowings of £18.0 million (2023: £11.8 million) to finance the Group's acquisition strategy.

DIVIDEND POLICY AND CAPITAL ALLOCATION

The Group's capital allocation framework has been refined in the year to fully reflect the Group's ongoing strategic priorities and capital structure. The framework, which aims to support long-term growth and deliver sustainable shareholder returns, prioritises:

- Organic growth, by investing in strategically important areas such as people, technology, data and brand.
- Accretive acquisition opportunities, by acquiring high-quality lettings portfolios which contribute non-cyclical and recurring revenues and deliver strong returns on investment and synergy potential.
- A progressive dividend, which provides a reliable and growing income stream to investors, whilst maintaining strong dividend cover.

We also continuously assess other shareholder return opportunities, such as share buybacks, considering factors such as earnings per share accretion, borrowing capacity and leverage.

The Group seeks to utilise its balance sheet and revolving credit facility to best effect, and to maintain a leverage ratio (net debt to adjusted EBITDA) of less than 1.25x.

An interim dividend of 0.22p per share was paid in September 2024. The Board has proposed a final dividend of 0.95p per share, resulting in a total dividend for the year of 1.17p per share (2023: 0.90p per share). The proposed dividend will be paid on 16 May 2025 to shareholders on the register at 11 April 2025, subject to shareholder approval at the AGM due to be held on 7 May 2025. The shares will be quoted ex-dividend on 10 April 2025.

SHARE BUY BACK

No shares were bought back in the year (2023: £1.1 million). The Board will continue to keep share buybacks under review in the context of other potential uses of capital.

RELATED PARTY TRANSACTIONS

Related party transactions are disclosed in Note 14 of the financial statements.

TREASURY MANAGEMENT

The Group seeks to ensure it has sufficient funds for day-to-day operations and to enable strategic priorities to be pursued. Financial risk is managed by ensuring the Group has access to sufficient borrowing facilities to support working capital demands and growth strategies, with cash balances held with major UK based banks. The Group has no foreign currency risk and consequently has not entered into any financial instruments to protect against currency risk.

PENSIONS

The Group does not have any defined benefit schemes in place but is subject to the provisions of auto-enrolment which require the Group to make certain defined contribution payments for our employees.

POST BALANCE SHEET EVENTS

On 28 February 2025, the Group acquired the entire issued share capital of Marshall Vizard LLP (and its holding companies), a Watford lettings agent, for a consideration of £2.3 million on a debt free and cash free basis. The consideration was fully satisfied in cash, with £0.5 million deferred for 12 months subject to performance conditions. Unaudited revenue and operating profit for the 12 months ended 31 March 2024 was £0.9 million and £0.5 million respectively. The synergistic acquisition adds a further c.600 tenancies and demonstrates further progress against the Group's acquisition strategy.

RISK MANAGEMENT

The Group has identified its principal risks and uncertainties and they are regularly reviewed by the Board and Senior Management. Refer to pages 20 and 21 for details of the Group's risk management framework and principal risks and uncertainties.

GOING CONCERN, PROSPECTS AND VIABILITY

The financial statements of the Group have been prepared on a going concern basis as the Directors have satisfied themselves that, at the time of approving the financial statements, the Group has adequate resources to continue in operation for a period of at least 12 months from the date of approval of the financial statements. Furthermore, the Directors have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over a five-year viability period.

Refer to Note 1 of the financial statements for details of the Group's going concern assessment and the going concern statement.

Chris Hough
Chief Financial Officer
4 March 2025

PRINCIPAL RISKS

Risk management

The Board is responsible for establishing and maintaining the Group’s system of risk management and internal control, with the aim of protecting its employees and customers and safeguarding the interests of the Group and its shareholders in the constantly changing environment in which it operates. The Board regularly reviews the principal risks facing the Group, together with the relevant mitigating controls, and undertakes a robust risk assessment. In reviewing the principal risks, the Board considers emerging risks, including climate-related risks, and changes to existing risks. In addition, the Board has set guidelines for risk appetite as part of the risk management process against which risks are monitored.

The identification of risks is undertaken by specific executive risk committees that analyse the risk universe by risk type across four key risk types: strategic risks, financial risks, operational risks and compliance risks. A common risk register is used across the Group to monitor gross and residual risk, with the results assessed by the Audit Committee and Board. The Audit Committee monitors the effectiveness of the risk management system through management updates, output from the various executive risk committees and reports from internal audit.

The principal risks do not comprise all of the risks that the Group may face and are not listed in any order of priority. Additional risks and uncertainties not presently known to management, or deemed to be less material at the date of this report, may also have an adverse effect on the Group.

Risk	Impact on the Group
Market risk	<p>The key factors driving market risk are:</p> <ul style="list-style-type: none"> • Affordability, including ongoing cost of living increases, which in turn may reduce transaction levels; • The market being reliant on the availability of affordable mortgage finance, a deterioration in availability or an increase in borrowing rates may adversely impact the performance of the Sales business. Over the course of 2024, there has been improved stability and reductions in borrowing rates. Future reductions in borrowing rates may support additional market activity; • The market being impacted by changes in government policy such as the Renters’ Rights Bill which is being progressed through Parliament or changes in stamp duty legislation; • A reduction in London’s standing as a major financial city caused by the macro-economic and political environment; and • Heightened geopolitical risk which may increase market uncertainty and customer confidence.
Competitor challenge	<p>The Group operates in a highly competitive marketplace and there is a risk the Group could lose market share.</p> <p>Market share loss could be the result of competitors scaling up (organically or through acquisition), developing new customer service propositions, changing pricing structures or launching alternative business models to drive competitive advantage.</p>
Compliance with the legal and regulatory environment	<p>Breaches of laws or regulations could lead to financial penalties and reputational damage.</p> <p>Our estate agency business operates under a range of legal and regulatory requirements, such as complying with certain money laundering regulations and protecting client money in line with the relevant regulations.</p> <p>Our Financial Services business is authorised and regulated by the Financial Conduct Authority (FCA) and could be subject to sanctions for non-compliance. During periods of interest rate volatility there is an increased risk of compliance issues arising which require specific management.</p>

Risk	Impact on the Group
IT systems and cyber security	<p>Our business operations are dependent on sophisticated and bespoke IT systems which could fail or be deliberately targeted by cyber attacks leading to interruption of service, corruption of data or theft of personal data.</p> <p>Such a failure or loss could also result in reputational damage, fines or other adverse consequences.</p>
People	<p>There is a risk the Group may not be able to recruit or retain quality staff to achieve its operational objectives or mitigate succession risk. As experienced in the current labour market, increased competition for talent leads to a reduction in the available talent pool and an increased cost of labour. Additional risk could arise in the event there are changes or downturns in our industry or markets which reduce the earnings potential of employees and result in less attractive career opportunities.</p>
Reputation and brand	<p>Foxtons is an iconic estate agency brand with high levels of brand recognition. Maintaining a positive reputation and the prominence of the brand is critical to protecting the future prospects of the business.</p> <p>There is a risk our reputation and brand could be damaged through negative press coverage and/or negative social media coverage due to a range of matters such as customer service issues, employee relations matters and cultural concerns.</p> <p>We recognise the need to maintain our reputation and protect our brand by delivering consistently high levels of service and maintaining a culture which encourages our employees to act with the highest ethical standards and maintain a respectful and inclusive environment.</p>

Forward looking statements

This preliminary announcement contains certain forward-looking statements with respect to the financial condition and results of operations of Foxtons Group plc. These statements and forecasts involve risk and uncertainty because they relate to events and depend upon circumstances that will occur in the future. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements and forecasts. The forward-looking statements are based on the Directors' current views and information known to them at 4 March 2025. The Directors do not make any undertakings to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Nothing in this statement should be construed as a profit forecast.

RESPONSIBILITY STATEMENT

The following statement will be contained in the 2024 Annual Report and Accounts.

Each of the Directors confirms that to the best of their knowledge:

- The consolidated financial statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit of the Group;
- The Parent Company financial statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities and financial position of the Company;
- The Strategic Report and the Directors' Report include a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- The Directors consider that the Annual Report and Accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Group's and the Company's position, performance, business model and strategy.

This responsibility statement was approved by the Board of Directors and was signed on its behalf by:

Guy Gittins
Chief Executive Officer
4 March 2025

Chris Hough
Chief Financial Officer
4 March 2025

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024

		2024	2023
	Notes	£'000	£'000
Continuing operations			
Revenue	2	163,927	147,127
Direct operating costs		(59,064)	(53,881)
Other operating costs		(85,057)	(83,456)
Operating profit		19,806	9,790
Other gains		260	–
Finance income		296	381
Finance costs		(2,877)	(2,277)
Profit before tax		17,485	7,894
Tax charge	4	(3,483)	(2,404)
Profit and total comprehensive income for the year		14,002	5,490

Earnings per share

Basic earnings per share	6	4.6p	1.8p
Diluted earnings per share	6	4.5p	1.7p

Adjusted measures

Adjusted EBITDA ²	16	23,803	17,511
Adjusted operating profit ^{1,3}	2, 16	21,559	15,652
Adjusted profit before tax ^{1,2}	16	19,238	13,756
Adjusted basic earnings per share ^{1,4}	6, 16	5.0p	3.4p

¹ In 2024 the Group's adjusted profit/earnings measures have been redefined to exclude the amortisation of acquired intangibles. 2023 comparatives have been restated as applicable under the revised definition to ensure a fair comparison. Refer to Note 16 for definitions of each of the adjusted measures, the rationale for the change in definitions and reconciliations presenting the restatement of the prior year comparatives as applicable.

² Adjusted EBITDA and Adjusted profit before tax are reconciled to the nearest statutory measure in Note 16.

³ Adjusted operating profit is reconciled to the nearest statutory measure in Note 2.

⁴ Adjusted basic earnings per share is reconciled to statutory earnings per share in Note 6.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Notes	2024 £'000	Restated ¹ 2023 £'000
Non-current assets			
Goodwill	7	52,278	40,709
Other intangible assets	7	118,017	114,897
Property, plant and equipment		8,084	9,459
Right-of-use assets	8	38,622	42,471
Contract assets		5,608	4,748
Investments		31	31
Deferred tax assets		2,738	1,905
		225,378	214,220
Current assets			
Trade and other receivables		16,709	17,432
Contract assets		18,579	14,256
Current tax assets		2,172	-
Cash and cash equivalents		5,320	4,989
Assets classified as held for sale		-	450
		42,780	37,127
Total assets		268,158	251,347
Current liabilities			
Trade and other payables		(23,921)	(21,303)
Current tax liabilities		-	(79)
Borrowings	10	-	(40)
Lease liabilities	8	(11,354)	(10,686)
Contract liabilities		(10,506)	(11,770)
Provisions		(2,156)	(1,609)
		(47,937)	(45,487)
Net current liabilities		(5,157)	(8,360)
Non-current liabilities			
Lease liabilities	8	(31,410)	(36,915)
Borrowings	10	(18,008)	(11,740)
Contract liabilities		-	(439)
Provisions		(2,321)	(3,008)
Deferred tax liabilities		(29,503)	(28,153)
		(81,242)	(80,255)
Total liabilities		(129,179)	(125,742)
Net assets		138,979	125,605
Equity			
Share capital	11	3,301	3,301
Merger reserve	12	20,568	20,568
Other reserves	12	2,653	2,653
Own shares reserve	13	(11,012)	(12,092)
Retained earnings		123,469	111,175
Total equity		138,979	125,605

¹ Current and non-current borrowings as at 31 December 2023 have been restated to adopt Amendments to IAS 1 effective 1 January 2024. See Notes 1 and 10 for further details.

The financial statements of Foxtons Group plc, registered number 07108742, were approved by the Board of Directors on 4 March 2025.

Signed on behalf of the Board of Directors

Chris Hough

Chief Financial Officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

	Notes	Share capital £'000	Merger reserve £'000	Other reserves £'000	Own shares reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2024		3,301	20,568	2,653	(12,092)	111,175	125,605
Total comprehensive income for the year		–	–	–	–	14,002	14,002
Dividends	5	–	–	–	–	(2,787)	(2,787)
Credit to equity for share-based payments		–	–	–	–	2,490	2,490
Settlement of share incentive plan	13	–	–	–	1,080	(1,411)	(331)
Balance at 31 December 2024		3,301	20,568	2,653	(11,012)	123,469	138,979

	Notes	Share capital £'000	Merger reserve £'000	Other reserves £'000	Own shares reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2023		3,301	20,568	2,653	(10,993)	107,139	122,668
Total comprehensive income for the year		–	–	–	–	5,490	5,490
Dividends	5	–	–	–	–	(2,725)	(2,725)
Own shares acquired in the period	13	–	–	–	(1,112)	–	(1,112)
Credit to equity for share-based payments		–	–	–	–	1,284	1,284
Settlement of share incentive plan	13	–	–	–	13	(13)	–
Balance at 31 December 2023		3,301	20,568	2,653	(12,092)	111,175	125,605

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2024

	Notes	2024 £'000	2023 £'000
OPERATING ACTIVITIES			
Operating profit:	2	19,806	9,790
<i>Adjustments for:</i>			
Depreciation of property, plant and equipment and right-of-use assets		13,226	12,910
Amortisation of intangible assets	7	2,302	1,791
Net impairment of plant and equipment and right-of-use assets	3	-	3,410
(Gain)/loss on disposal of property, plant and equipment		(37)	17
Gain on lease surrenders and lease modifications		(556)	(894)
Sub-lease asset impairment		-	190
(Decrease)/increase in provisions		(705)	422
Share incentive plans – tax settlements on behalf of employees		(331)	-
Share-based payment charges		1,549	1,036
Operating cash flows before movements in working capital		35,254	28,672
Increase in receivables and contract assets		(2,916)	(12,136)
(Decrease)/increase in payables and contract liabilities		(2,004)	1,328
Cash generated by operations		30,334	17,864
Income taxes paid		(5,587)	(2,192)
Net cash from operating activities		24,747	15,672
INVESTING ACTIVITIES			
Interest received		296	381
Proceeds on disposal of property, plant and equipment and assets held for sale		607	-
Purchases of property, plant and equipment		(1,106)	(2,121)
Purchases of intangibles	7	(1,565)	(1,495)
Proceeds on sale / (purchase) of investments		91	(25)
Acquisition of subsidiaries (net of cash acquired)	9	(12,704)	(13,935)
Net cash used in investing activities		(14,381)	(17,195)
FINANCING ACTIVITIES			
Proceeds from borrowings		26,800	21,573
Repayment of borrowings		(20,629)	(10,681)
Dividends paid	5	(2,787)	(2,725)
Interest on borrowings		(536)	(236)
Interest on lease liabilities		(2,065)	(1,971)
Repayment of lease liabilities		(11,102)	(10,554)
Sub-lease receipts		284	191
Purchase of own shares	13	-	(1,112)
Net cash used in financing activities		(10,035)	(5,515)
Net increase/(decrease) in cash and cash equivalents		331	(7,038)
Cash and cash equivalents at beginning of year		4,989	12,027
Cash and cash equivalents at end of year		5,320	4,989

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES, JUDGEMENTS AND ESTIMATES

1.1 General information

Foxtons Group plc ('the Company') is a company incorporated in the United Kingdom under the Companies Act 2006. The address of the Company's registered office is Building One, Chiswick Park, 566 Chiswick High Road, London W4 5BE. The principal activity of the Company and its subsidiaries (collectively, 'the Group') is the provision of services to the residential property market in the UK.

These financial statements are presented in pounds sterling which is the currency of the primary economic environment in which the Group operates.

1.2 Basis of preparation

The consolidated preliminary results of the Company for the year ended 31 December 2024 comprise the Company and its subsidiaries.

The consolidated preliminary results of the Group for the year ended 31 December 2024 were approved by the Directors on 4 March 2025. These consolidated preliminary results have been prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards. They do not include all the information required for full annual financial statements to comply with UK-adopted International Accounting Standards, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2024.

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Financial Review. The Financial Review also includes a summary of the Group's financial position and its cash flows.

The financial information for the year ended 31 December 2024 does not constitute statutory accounts as defined in sections 435 (1) and (2) of the Companies Act 2006. The auditor has reported on these accounts; their report was unqualified, did not include a reference to any matters to which the auditor drew attention by way of emphasis of matter and did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

Statutory accounts for the year ended 31 December 2023 have been delivered to the Registrar of Companies and those for 2024 will be delivered following the Company's 2025 Annual General Meeting.

1.3 Going concern

Going concern assessment

The financial statements of the Group have been prepared on a going concern basis as the Directors have satisfied themselves that, at the time of approving the financial statements, the Group will have adequate resources to continue in operation for a period of at least 12 months from the date of approval of the consolidated financial statements. The assessment has taken into consideration the Group's financial position, liquidity requirements, recent trading performance and the outcome of reverse stress testing over an 18-month forecast period to August 2026.

At 31 December 2024, the Group was in a net current liability position of £5.2 million (2023: £8.4 million) and a net debt position of £12.7 million (2023: £6.8 million net debt), which includes the £18.0 million drawdown on the Group's £30.0 million revolving credit facility ('RCF') used to fund the Group's acquisition strategy and working capital requirements. The facility is available for use until June 2027 and has an option to extend for a further year to June 2028. The facility also includes a £10 million accordion option which can be requested at any time subject to bank approval. For RCF terms refer to Note 10.

Reverse stress scenario

In assessing the Group's ability to continue as a going concern, the Directors have stress tested the Group's cash flow forecasts using a reverse stress scenario which incorporates a severe deterioration in market conditions. Reverse stress testing seeks to determine the point at which the Group could be considered to fail

without taking further mitigating actions or raising additional funds. For the purposes of the reverse stress test, the point of failure has been defined as the point at which the Group breaches its RCF covenants.

The reverse stress scenario has taken into consideration the revenue characteristics of the Group, specifically the transactional nature of Sales revenue, which contrasts to the recurring and non-cyclical nature of Lettings revenue. The scenario assumes a severe macro-economic downturn from April 2025 to August 2026 which heavily impacts Sales and Financial Services revenues since these streams are most sensitive to the macro-economic environment. Additionally, Lettings revenues have been assumed to be impacted despite their resilient nature.

Under the reverse stress scenario Sales revenue would be 15% lower than 2024 and Lettings revenue 4% lower than 2024, despite the Group having completed two acquisitions in October 2024 which are revenue accretive. The key assumptions are:

- A 24% reduction in sales market transactions and a 10% reduction in Lettings units compared to 2024. For context, a 24% reduction in sales market transactions would see transaction volumes fall c.7% compared to those levels seen in 2009 following the Global Financial Crisis.
- An 18% reduction in sales market share and a 10% reduction in Lettings average revenue per transaction from current levels, further reducing revenues.
- Mitigating action is taken to reduce discretionary spending and right size fee earner headcount to reflect market conditions. The modelled actions include: reducing direct costs to reflect market conditions; reducing discretionary spend such as marketing; and pausing management bonuses.

In the unlikely event of the reverse stress scenario, the Group forecasts it would breach the RCF's leverage covenant (refer to Note 10 for details of the covenants) in March 2026. Under such a scenario, further mitigating actions that could be taken, but not included in the reverse stress scenario, include further reducing discretionary spend, further rationalising headcount, pausing capital expenditure, seeking agreement to defer lease payments or raising additional funds.

1.4 Critical accounting judgements and key sources of estimation uncertainty

The critical accounting judgements and key sources of estimation uncertainty within these consolidated preliminary results are the same as those within the 2024 Annual Report and Accounts: 'Useful economic life of the brand intangible asset', 'impairment of intangibles with an indefinite life' and 'contract asset expected credit loss provision'.

1.5 Alternative performance measures (APMs)

In reporting financial information the Group presents APMs which are not defined or specified under the requirements of IFRS. The Group believes that the presentation of APMs provides stakeholders with additional and helpful information on the performance of the business, but does not consider them to be a substitute for or superior to IFRS measures. APMs are also used to enhance the comparability of information between reporting periods, by adjusting for factors which affect IFRS measures, to aid users in understanding the Group's performance. The Group's APMs are defined, explained and reconciled to the nearest statutory measure within Notes 2 and 16.

Changes in APM definitions

During the financial year, the Board reviewed certain APM definitions and decided to exclude the amortisation of intangibles acquired in business combinations from profit measures. The amortisation charge is excluded since the incremental amortisation charge arising from acquired intangible assets is not considered when assessing the underlying trading performance of the Group/segments. The change also aligns the metric with generally accepted market practice.

As a result of this change, the following APMs have been redefined to exclude the amortisation of intangibles acquired in business combinations:

- Adjusted operating profit
- Adjusted operating profit margin
- Adjusted profit before tax
- Adjusted earnings per share

2023 comparatives have been restated as applicable under the revised definition to ensure a fair comparison. Refer to Note 16 for further details of the restatement of the 2023 comparatives.

Adjusted items

Adjusted operating profit, adjusted operating profit margin, adjusted EBITDA, adjusted EBITDA margin, adjusted profit before tax and adjusted earnings per share exclude adjusted items.

Adjusted items include costs or revenues which due to their size and incidence require separate disclosure in the financial statements to reflect management's view of the underlying performance of the Group and allow comparability of performance from one period to another. Items include restructuring and impairment charges, significant acquisition costs and any other significant exceptional items. Refer to Note 3 for further information around the adjusted items recognised in the year.

2. BUSINESS AND GEOGRAPHICAL SEGMENTS

Products and services from which reportable segments derive their revenues

Management has determined the operating segments based on the monthly management pack reviewed by the Directors, which is used to assess both the performance of the business and to allocate resources within the entity. Management has identified that the Board is the Chief Operating Decision Maker ('CODM') in accordance with the requirements of IFRS 8 'Operating Segments'.

The operating and reportable segments of the Group are (i) Lettings; (ii) Sales; and (iii) Financial Services.

- (i) Lettings generates commission from the letting and management of residential properties and income from interest earned on tenants' deposits.
- (ii) Sales generates commission on sales of residential property.
- (iii) Financial Services generates commission from the arrangement of mortgages and related products under contracts with financial service providers and receives administration fees from clients.

All revenue for the Group is generated from within the UK and there is no intra-group revenue.

Segment assets and liabilities, including depreciation, amortisation and additions to non-current assets, are not reported to the Directors on a segmental basis and are therefore not disclosed. Goodwill and intangible assets have been allocated to reportable segments as described in Note 7.

The segmental disclosures include two APMs as defined below. Further details of the APMs is provided in Note 16.

Contribution and contribution margin

Contribution is defined as revenue less direct operating costs (being salary costs of front office staff and costs of bad debt). Contribution margin is defined as contribution divided by revenue. These measures indicate the profitability and efficiency of the segments before the allocation of shared costs.

Adjusted operating profit and adjusted operating profit margin

Adjusted operating profit represents the profit before tax for the period before amortisation of acquired intangibles, adjusted items (defined in Note 1.5), finance income, finance cost and other gains/losses. Adjusted

operating profit margin is defined as adjusted operating profit divided by revenue. As explained in Note 16, these measures are used by the Board to measure delivery against the Group's strategic priorities, to allocate resource and to assess segmental performance.

As explained in Note 1.5, the definitions of adjusted operating profit and adjusted operating profit margin have been updated in the year to exclude the amortisation of acquired intangibles. The 2023 comparatives (Group and segmental metrics) have been restated as detailed within this note to ensure a fair comparison.

Segment revenues and results

The following is an analysis of the Group's results by reportable segment for the year ended 31 December 2024:

	Notes	Lettings £'000	Sales £'000	Financial Services £'000	Corporate costs £'000	Group total £'000
Revenue		106,030	48,565	9,332	n/a	163,927
Contribution	16	78,105	22,743	4,015	n/a	104,863
Contribution margin	16	73.7%	46.8%	43.0%	n/a	64.0%
Adjusted operating profit/(loss)	16	27,158	(4,099)	1,135	(2,635)	21,559
<i>Adjusted operating profit/(loss) margin</i>	16	25.6%	(8.4%)	12.2%	n/a	13.2%
Adjusted items	3					331
Amortisation of acquired intangibles						(2,084)
Operating profit						19,806
Other gains						260
Finance income						296
Finance cost						(2,877)
Profit before tax						17,485

Depreciation and amortisation	Lettings £'000	Sales £'000	Financial Services £'000	Corporate costs £'000	Group total £'000
Depreciation ¹	8,249	4,963	14	–	13,226
Amortisation from non-acquired intangibles	103	66	49	–	218
Amortisation from acquired intangibles	1,666	418	–	–	2,084
Total	10,018	5,447	63	–	15,528

¹ Total depreciation of £13.2 million consists of £2.5 million of property, plant and equipment depreciation and £10.7 million of IFRS 16 lease depreciation (refer to Note 8).

The following is an analysis of the Group's results by reportable segment for the year ended 31 December 2023:

	Notes	Lettings £'000	Sales £'000	Financial Services £'000	Corporate costs £'000	Group total £'000
Revenue		101,188	37,158	8,781	n/a	147,127
Contribution	16	75,381	14,455	3,410	n/a	93,246
Contribution margin	16	74.5%	38.9%	38.8%	n/a	63.4%
Adjusted operating profit/(loss) – restated¹	16	27,148	(9,874)	654	(2,276)	15,652
<i>Adjusted operating profit/(loss) margin – restated¹</i>	16	26.8%	(26.6%)	7.4%	n/a	10.6%
Adjusted items	3					(4,466)
Amortisation of acquired intangibles						(1,396)
Operating profit						9,790
Finance income						381
Finance cost						(2,277)
Profit before tax						7,894

¹ The adjusted operating profit/loss and adjusted operating profit/loss margin lines have been restated under the Group's revised definitions of these measures which now both exclude the amortisation of acquired intangibles. Refer to Note 16 for further details including a reconciliation of the metrics under the revised definition versus the previous definition.

Depreciation and amortisation	Lettings £'000	Sales £'000	Financial Services £'000	Corporate costs £'000	Group total £'000
Depreciation ¹	8,080	4,815	15	–	12,910
Amortisation from non-acquired intangibles	205	130	60	–	395
Amortisation from acquired intangibles	1,315	81	–	–	1,396
Total	9,600	5,026	75	–	14,701

¹ Total depreciation of £12.9 million consists of £2.4 million of property, plant and equipment depreciation and £10.5 million of IFRS 16 lease depreciation (refer to Note 8).

3. ADJUSTED ITEMS

Adjusted operating profit, adjusted operating profit margin, adjusted EBITDA, adjusted EBITDA margin, adjusted profit before tax, adjusted earnings per share, exclude adjusted items. These APMs are defined, purpose explained and reconciled to statutory measures in Note 2 and Note 16. The following items have been classified as adjusted items in the period.

	2024 £'000	2023 £'000
Branch asset impairment charge ¹	-	3,410
Net property related / other (reversal)/charge ²	(629)	671
Transaction related costs ³	298	385
Total net adjusted items (credit)/charge	(331)	4,466

¹ The 2023 branch asset impairment charge related to property and equipment (£1,037k) and right-of-use assets (£2,373k) (refer to Note 8).

² Net property related / other (reversal)/charge includes dilapidations, rates, service charges and other unavoidable costs under onerous leases, offset by net gains on the disposal of IFRS 16 balances.

³ Transaction related costs relate to costs involved with the acquisition of Imagine and Haslams (2023: for the acquisition of Atkinson McLeod and Ludlow Thompson).

Net cash outflow from adjusted items during the year totalled £1.2 million (2023: £0.6 million).

4. TAXATION

Recognised in the Group comprehensive income statement

The components of the tax charge recognised in the Group income statement are:

	2024	2023
	£'000	£'000
Current tax		
Current period UK corporation tax	4,546	2,684
Adjustment in respect of prior periods	(1,029)	160
Total current tax charge	3,517	2,844
Deferred tax		
Origination and reversal of temporary differences	(473)	(471)
Impact of change in tax rate	-	(24)
Adjustment in respect of prior periods	439	55
Total deferred tax credit	(34)	(440)
Tax charge on profit on ordinary activities	3,483	2,404

Corporation tax for the year ended 31 December 2024 is calculated at 25% (2023: 23.5%) of the estimated taxable profit for the period.

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25%. This new law was substantively enacted on 24 May 2021. For the financial year ended 31 December 2024 the tax rate was 25% (2023: the weighted average tax rate was 23.5%). Deferred tax at the balance sheet date has been measured using this enacted tax rate.

Reconciliation of effective tax charge

The tax on the Group's profit before tax differs from the standard UK corporation tax rate of 25% (2023: 23.5%), because of the following factors:

	2024	2023
	£'000	£'000
Profit before tax	17,485	7,894
Tax at the UK corporation tax rate (see above)	4,371	1,855
Tax effect of expenses that are not deductible	392	483
Tax effect of non-taxable income	(280)	(12)
Other differences – share awards	(59)	(51)
Adjustment in respect of previous periods	(590)	215
Impact on deferred tax of change in tax rate	-	(24)
Recognition of a deferred tax asset	(351)	(62)
Tax charge on profit on ordinary activities	3,483	2,404
Effective tax rate	19.9%	30.5%

Group relief is claimed and surrendered between Group companies for consideration equal to the tax benefit.

Tax arising in the reporting period and not recognised in net profit or loss or other comprehensive income but directly credited to equity is £941k (2023: £248k), comprising £750k (2023: £248k) of deferred tax and £191k (2023: £nil) of current tax. This relates to share-based payment schemes.

5. DIVIDENDS

	2024 £'000	2023 £'000
Final dividend for the year ended 31 December 2023: 0.70p (31 December 2022: 0.70p) per ordinary share	2,119	2,122
Interim dividend for the year ended 31 December 2024: 0.22p (31 December 2023: 0.20p) per ordinary share	668	603
	2,787	2,725

For 2024, the Board has proposed a final dividend of 0.95p per ordinary share (£2.9 million) to be paid on 16 May 2025.

6. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the earnings for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year, excluding own shares held.

Diluted earnings per share is calculated by dividing the earnings attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial period, excluding own shares held, plus the weighted average number of ordinary shares that would be issued on conversion of all the potentially dilutive ordinary share awards into ordinary shares. The Company's potentially dilutive ordinary shares are in respect of share awards granted to employees.

As explained in Note 1.5, the definition of adjusted earnings per share has been updated in the year to exclude the amortisation of acquired intangibles. The 2023 comparative has been restated as detailed within this note to ensure a fair comparison.

	2024 £'000	2023 £'000
Profit for the purposes of basic and diluted earnings per share	14,002	5,490
<i>Adjusted for:</i>		
Adjusted items (including associated taxation) ¹	(314)	3,585
Amortisation of acquired intangibles (including associated taxation)	1,563	1,047
Adjusted earnings for the purposes of adjusted earnings per share²	15,251	10,122
		Restated ^{2,3}
Number of shares	2024	2023
Weighted average number of ordinary shares for the purposes of basic earnings per share	302,867,437	302,039,983
Effect of potentially dilutive ordinary shares	6,899,138	12,877,904
Weighted average number of ordinary shares for the purpose of diluted earnings per share	309,766,575	314,917,887
Earnings per share (basic)	4.6p	1.8p
Earnings per share (diluted)	4.5p	1.7p
Adjusted earnings per share (basic)³	5.0p	3.4p
Adjusted earnings per share (diluted)³	4.9p	3.2p

¹ Adjusted items credit of £331k (2023: £4,466k charge) per Note 3, and associated tax charge of £17k (2023: £881k credit), resulting in an after tax credit of £314k (2023: £3,585k charge).

² The 2023 'adjusted earnings for the purposes of adjusted earnings per share' comparative has been restated to exclude the amortisation of acquired intangibles net of tax of £1,047k, increasing the metric from £9,075k (as presented in 2023) to £10,122k.

³ The 2023 'adjusted earnings per share (basic and diluted)' has been restated to reflect the adjusted earnings noted above. The 2023 adjusted earnings per share (basic) has increased from 3.0p to 3.4p and 2023 adjusted earnings per share (diluted) has increased from 2.9p to 3.2p.

7. GOODWILL AND OTHER INTANGIBLE ASSETS

2024	Goodwill £'000	Brand £'000	Software £'000	Assets under construction £'000	Customer contracts and relationships £'000	Total £'000
Cost						
At 1 January 2024	50,528	99,000	3,007	1,487	17,925	171,947
Fair value adjustments ¹	(577)	–	–	–	–	(577)
Additions	–	–	–	1,565	–	1,565
Acquired through business combinations (refer to Note 9)	12,146	–	–	–	3,857	16,003
Transfer	–	–	228	(228)	–	–
At 31 December 2024	62,097	99,000	3,235	2,824	21,782	188,938
Accumulated amortisation and impairment losses						
At 1 January 2024	9,819	–	2,193	–	4,329	16,341
Amortisation	–	–	218	–	2,084	2,302
At 31 December 2024	9,819	–	2,411	–	6,413	18,643
Net carrying value						
At 31 December 2024	52,278	99,000	824	2,824	15,369	170,295
At 1 January 2024	40,709	99,000	814	1,487	13,596	155,606

¹ Fair value adjustment relating to prior year acquisitions arising from an adjustment to deferred consideration within the 12-month window from acquisition date. Refer to Note 9 for further details on the prior year acquisitions.

2023	Goodwill £'000	Brand £'000	Software £'000	Assets under construction £'000	Customer contracts and relationships £'000	Total £'000
Cost						
At 1 January 2023	35,869	99,000	2,244	755	12,041	149,909
Additions	–	–	763	732	–	1,495
Acquired through business combinations	14,659	–	–	–	5,884	20,543
At 31 December 2023	50,528	99,000	3,007	1,487	17,925	171,947
Accumulated amortisation and impairment losses						
At 1 January 2023	9,819	–	1,798	–	2,933	14,550
Amortisation	–	–	395	–	1,396	1,791
At 31 December 2023	9,819	–	2,193	–	4,329	16,341
Net carrying value						
At 31 December 2023	40,709	99,000	814	1,487	13,596	155,606
At 1 January 2023	26,050	99,000	446	755	9,108	135,359

Annual impairment review

a) Carrying value of goodwill and intangible assets with indefinite lives

The carrying values of goodwill and intangible assets with indefinite lives as at 31 December are summarised below.

	2024 £'000	2023 £'000
Lettings goodwill	52,278	40,709
Brand asset – Sales and Lettings	99,000	99,000
	151,278	139,709

- Lettings goodwill is allocated to the Lettings cash-generating unit (CGU) and tested at this level. This allocation represents the lowest level at which goodwill is monitored for internal management purposes and is not larger than an operating segment.
- The brand asset has been tested for impairment by aggregating the values in use relating to the Lettings and Sales CGUs. No brand value is allocated to the Financial Services CGU since the Foxtons brand only relates to the Sales and Lettings CGUs. This grouping represents the lowest level at which management monitors the brand internally and reflects the way in which the brand asset is viewed, rather than being allocated to each segment on an arbitrary basis.

b) Impairment review approach and outcome

The Group tests goodwill and the indefinite life brand asset annually for impairment, or more frequently if there are indicators of impairment, in accordance with IAS 36 'Impairment of Assets'.

The Group has determined the recoverable amount of each CGU from value in use calculations. The value in use calculations use cash flow projections from formally approved budgets and forecasts covering a five-year period, with a terminal growth rate after five years. The resultant cash flows are discounted using a pre-tax discount rate appropriate to the CGUs.

Following the annual impairment review performed as at 30 September 2024, there has been no impairment of the carrying amount of goodwill or the brand asset.

c) Impairment review assumptions

The assumptions used in the annual impairment review are detailed below:

Cash flow assumptions

The key variables in determining the cash flows are Lettings revenues, Sales revenues and the associated direct costs incurred during the forecast period. These assumptions are based upon a combination of past experience of observable trends and expectations of future changes in the market. Key assumptions are as follows:

- Sales revenue increases by a CAGR (compound average growth rate) of 7.9% as the market recovers 7.1% in 2025 and 2.5% annually from there and market share growth continues.
- Within the Sales revenue assumption, house prices are assumed to increase 1.5% annually.
- Lettings revenue is assumed to grow at a CAGR of 3.2% over the forecast period, excluding future Lettings portfolio acquisitions that must be excluded from forecast cash flows under the relevant accounting standard.

Long-term growth rates

To evaluate the recoverable amounts of each CGU, a terminal value has been assumed after the fifth year and includes a long-term growth rate in the cash flows of 2.0% (2023: 2.0%) into perpetuity.

The long-term growth rate is derived from management's estimates, which take into account the long-term nature of the market in which each CGU operates and external long-term growth forecasts.

Discount rates

In accordance with IAS 36, the pre-tax discount rate applied to the cash flows of each CGU is based on the Group's weighted average cost of capital (WACC) and is calculated using a capital asset pricing model and incorporates lease debt held under IFRS 16. The WACC has been adjusted to reflect risks specific to each CGU not already reflected in the future cash flows for that CGU.

The pre-tax discount rate used to discount Lettings cash flows used in the assessment of Lettings goodwill is 17.6% (2023: 17.1%). The pre-tax discount rate used to discount aggregated Sales and Lettings cash flows used in the assessment of the brand asset is 17.6% (2023: 17.1%). The year-on-year increase in the discount rate is attributable to market changes in WACC inputs, primarily the adjusted beta.

d) Sensitivity analysis

Sensitivity analysis has been performed to assess whether the carrying values of goodwill and the brand asset are sensitive to reasonably possible changes in key assumptions and whether any changes in key assumptions would materially change the carrying values. Lettings goodwill showed significant headroom against all sensitivity scenarios, while the brand asset is sensitive to reasonably possible changes in key assumptions.

The key assumption in the brand impairment assessment is the forecast revenues for the Lettings and Sales businesses. The carrying value of the brand asset is not highly sensitive to changes in discount rates or long-term growth rates.

The impairment model indicates brand asset headroom of £58.6 million (2023: £60.4 million) or 35% (2023: 38%) of the carrying value under test. Cash flows are sourced from the Group's Board approved plan while also complying with the requirements of the relevant accounting standard.

Assuming no changes in other elements of the plan, the brand asset headroom would reduce to zero if the combined revenue CAGR over the forecast period reduces from 4.8% to 3.0%. Under a reasonably possible downside scenario, Sales revenue would grow by 10.9% in 2025 (base: 17.3%) reflecting a possible, but pessimistic, sales market downside view, Lettings revenue growth is limited to 1% and the Group takes appropriate mitigating actions, such as reducing discretionary spend and direct costs, the brand asset headroom would be reduced to £10.2 million.

8. LEASES

Group as a lessee

The Group has lease contracts for its head office, branches and for motor vehicles used in its operations. With the exception of short-term leases, each lease is recognised on the balance sheet with a right-of-use asset and a lease liability. The Group classifies its right-of-use assets in a consistent manner to its property, plant and equipment.

Generally, the right-of-use assets can only be used by the Group, unless there is a contractual right for the Group to sub-lease the asset to another party. The Group is also prohibited from selling or pledging the leased assets as security.

Right-of-use assets

The carrying amounts of the right-of-use assets recognised and the movements during the year are outlined below:

	Property £'000	Motor vehicles £'000	Total £'000
At 1 January 2023	38,453	4,117	42,570
Additions	5,701	7,831	13,532
Acquired through business combinations	1,891	–	1,891
Lease modifications	(298)	–	(298)
Disposals	(1,845)	(495)	(2,340)
Depreciation	(7,012)	(3,499)	(10,511)
Impairment charge	(2,373)	–	(2,373)
At 31 December 2023	34,517	7,954	42,471
Additions	2,396	3,475	5,871
Acquired through business combinations (refer to Note 9)	921	80	1,001
Lease modifications	(84)	534	450
Disposals	(242)	(245)	(487)
Depreciation	(6,754)	(3,930)	(10,684)
At 31 December 2024	30,754	7,868	38,622

Lease liabilities

The carrying amounts of lease liabilities recognised and the movements during the year are outlined below:

	Property £'000	Motor vehicles £'000	Total £'000
At 1 January 2023	42,189	4,272	46,461
Additions	5,609	7,831	13,440
Acquired through business combinations	1,891	–	1,891
Lease modifications	(574)	–	(574)
Disposals	(2,577)	(486)	(3,063)
Interest charge	1,771	200	1,971
Payments	(8,832)	(3,693)	(12,525)
At 31 December 2023	39,477	8,124	47,601
Additions	2,367	3,475	5,842
Acquired through business combinations (refer to Note 9)	921	80	1,001
Lease modifications	(73)	535	462
Disposals	(799)	(241)	(1,040)
Interest charge	1,683	382	2,065
Payments	(9,012)	(4,155)	(13,167)
At 31 December 2024	34,564	8,200	42,764
Current	7,584	3,770	11,354
Non-current	26,980	4,430	31,410

During the year ended 31 December 2024, the difference in lease modifications movements recognised within right-of-use assets and lease liabilities, totalling £nil (2023: £0.3 million), is recognised as an adjusted item and included in the net property related charge within Note 3.

Of the movements in the year, cash payments with respect to principal lease instalments totalling £13.2 million were made (2023: £12.5 million) and the remaining net movement in lease liabilities of £8.3 million (2023: £13.7 million) was non-cash in nature.

At the balance sheet date, the group had outstanding commitments for future minimum lease payments which fall due as follows:

	2024	2023
	£'000	£'000
Maturity analysis – contractual undiscounted cash flows		
Within one year	13,101	12,488
In the second to fifth years inclusively	27,032	31,007
After five years	8,282	14,739
	48,415	58,234

The Group has elected not to recognise a lease liability for short-term leases (expected lease term is 12 months or less), in line with the IFRS 16 short-term lease exemption. Payments made under such leases are expensed on a straight-line basis. At 31 December 2024, the Group had a commitment of less than £0.1 million (2023: less than £0.1 million) in relation to short-term leases.

Amounts recognised in the profit or loss

The following are the amounts recognised in profit or loss during the year, in respect of the leases held by the Group as a lessee:

	2024	2023
	£'000	£'000
Depreciation of right-of-use assets	10,684	10,511
Net impairment of right-of-use assets ¹	-	2,373
Interest expense on lease liabilities	2,065	1,971
Expenses relating to short-term leases	915	1,438
Total amount recognised in profit or loss	13,664	16,293

¹ Net impairment of right-of-use assets is classified as an adjusted item due to the one-off nature and is included in the branch asset impairment charge within Note 3.

Group as an intermediate lessor

Finance lease receivables

The Group is an intermediate lessor for various lease arrangements considered to be finance sub-leases. The amounts recognised in the profit or loss during the year are outlined below:

	2024	2023
	£'000	£'000
Finance income under finance leases recognised in the year	30	41

As at 31 December 2024 and 2023, third parties had outstanding commitments due to the Group for future undiscounted minimum lease payments, which fall due as follows:

	2024	2023
	£'000	£'000
Within one year	171	210
In the second to fifth years inclusive	580	606
After five years	206	351
	957	1,167

9. BUSINESS COMBINATIONS

On 28 October 2024 the Group acquired 100% of the share capital of the following independent London estate agents which are primarily focused on the commuter towns of Reading and Watford:

- Haslams Estate Agents (Thames Valley) Limited and subsidiaries ('Haslams');
- Imagine Property Group Limited ('Imagine').

The acquisitions are in line with the Group's strategy of acquiring high quality businesses with strong lettings portfolios.

The provisional purchase price allocation exercise for both acquisitions has been completed which identified a total of £3.9 million of acquired intangible assets relating to customer contracts and relationships, which are identifiable and separable, and will be amortised over 10 years.

The discount rates applied to the forecast cash flows from the acquired customer contracts and relationships are based on the respective acquired entities' weighted average cost of capital (WACC), calculated using a capital asset pricing model. The WACC has been adjusted to reflect risks specific to Haslams and Imagine not already reflected in the future cash flows.

£7.0 million and £5.2 million of goodwill has arisen on the acquisitions of Haslams and Imagine, respectively, and is primarily attributable to synergies, new customers, the acquired workforce and business expertise. The acquired goodwill has been allocated for impairment testing purposes to the Group's Lettings cash-generating unit which is expected to benefit from the synergies of the combination. None of the goodwill is expected to be deductible for tax purposes.

Business combinations – contribution to 2024

From the date of acquisition, 28 October 2024, the Haslams business combination contributed £1.1 million of revenue and £0.3 million adjusted operating profit to the Group's performance for the year. If the acquisition had taken place at the beginning of the year, revenue for the year would have been £6.2 million and adjusted operating profit would have been £0.8million.

From the date of acquisition, 28 October 2024, the Imagine business combination contributed £0.6 million of revenue and £0.1 million adjusted operating profit to the Group's performance for the year. If the acquisition had taken place at the beginning of the year, revenue for the period would have been £3.4 million and adjusted operating profit would have been £0.7 million.

Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities of the combined acquired entities as at the date of acquisition are disclosed below. The fair value of the identifiable assets and liabilities are estimated by taking into consideration all available information at the reporting date.

	Haslams £'000	Imagine £'000	Total £'000
Assets			
Acquired intangible assets recognised on acquisition	2,797	1,060	3,857
Property, plant and equipment	61	-	61
Right-of-use assets	909	92	1,001
Cash and cash equivalents	377	865	1,242
Trade and other receivables	460	177	637
Contract assets	634	561	1,195
	5,238	2,755	7,993
Liabilities			
Trade and other payables	(774)	(533)	(1,307)
Contract liabilities	(13)	(12)	(25)
Lease liabilities	(909)	(92)	(1,001)
Current tax liabilities	272	(282)	(10)
Deferred tax liabilities (net)	(878)	(423)	(1,301)
Provisions	(240)	(325)	(565)
	(2,542)	(1,667)	(4,209)
Total identifiable net assets at fair value	2,696	1,088	3,784
Goodwill arising on acquisition	6,968	5,178	12,146
Fair value of consideration	9,664	6,266	15,930

The acquired lease liabilities were measured using the present value of the remaining lease payments as at the date of acquisition. The right-of-use assets were measured at an amount equal to the lease liabilities, less any acquisition related adjustments.

The net deferred tax liabilities mainly comprise the tax effect of the accelerated amortisation for tax purposes of the acquired intangible assets recognised on acquisition offset by the deferred tax asset recognised on the acquired net contract liabilities.

Purchase consideration

	Haslams £'000	Imagine £'000	Total £'000
Amount settled in cash	7,434	5,141	12,575
Contingent cash consideration	2,230	1,125	3,355
Fair value of consideration	9,664	6,266	15,930

Purchase consideration settled in cash during the year was £12.6 million as shown in the table above. Consideration paid in the year, net of cash acquired, was £11.3 million and is included in cash flows from investing activities.

As part of the purchase agreement with the previous owners of both Haslams and Imagine, an estimated £3.4 million of contingent cash consideration will be payable 12 months after the acquisition date subject to certain performance targets being met. This contingent consideration of £3.4 million is included within trade and other payables.

Prior period acquisitions

As disclosed in Note 13 of the 2023 Annual Report and Accounts, on 3 March and 6 November 2023 respectively the Group acquired 100% of the share capital of the following independent London estate agents which are primarily focused on providing Lettings and Property Management services:

- Atkinson McLeod Limited ('Atkinson McLeod');
- Ludlow Thompson Holdings Limited and its subsidiaries Ludlowthompson SLM Ltd and Ludlowthompson.com Limited (collectively 'Ludlow Thompson').

A total deferred consideration of £1.4 million was paid in 2024, with a further estimated £0.8 million of deferred consideration remaining payable.

Analysis of cash flows on acquisition

	2024	2023
	£'000	£'000
Cash consideration	(12,575)	(13,769)
Cash acquired in subsidiaries	1,242	1,306
Current year acquisitions of subsidiaries, net of cash acquired	(11,333)	(12,463)
Deferred consideration paid in relation to prior year acquisitions	(1,371)	(1,472)
Acquisitions of subsidiaries, net of cash acquired (included in cash flows from investing activities)	(12,704)	(13,935)
Transaction costs of the acquisition (included in cash flows from operating activities) ¹	(295)	(285)
Net cash flow on acquisitions	(12,999)	(14,220)

¹ Transaction costs are presented within adjusted items set out in Note 3.

10. BORROWINGS

	Restated ¹	
	2024	2023
	£'000	£'000
Current:		
Freehold mortgage	-	40
Total borrowings due within one year		40
Non-current:		
Revolving credit facility	18,180	11,769
Transaction costs	(172)	(127)
Freehold mortgage	-	98
Total borrowings due in more than one year	18,008	11,740
Total borrowings	18,008	11,780

¹ As noted below, the 31 December 2023 comparative has been restated to reflect an IAS 1 amendment with all borrowings presented as non-current, except for £40k. The 2023 borrowings were presented as £11,682k (current) and £98k (non-current) within the 2023 financial statements.

During the period, the Company increased the revolving credit facility (RCF) from £20 million to £30 million and extended it by one year from June 2026 to June 2027. The RCF attracts a margin of 1.65% above SONIA and is unsecured. The facility is available for use until June 2027 and has an option to extend for a further year to June 2028, as well as an accordion facility to increase the facility size to £40 million subject to bank approval.

The RCF is subject to a leverage covenant (net debt to adjusted EBITDA not to exceed 1.75) and an interest cover covenant (adjusted EBITDA to interest not to be less than 4) as defined in the facility agreement. Both covenants are calculated using pre-IFRS 16 accounting principles as detailed within Note 16. The Group has been compliant with covenants throughout the period.

The IAS 1 amendments, effective from 1 January 2024, clarified the requirements relating to the classification of liabilities subject to covenants where the entity has the right defer settlement. The Group has the right to defer settlement of the RCF providing that the covenants are met. The Group was in compliance with the covenants at 31 December 2024 (leverage covenant 0.5x and interest cover 29x) and as such the RCF liability has been classified as non-current. The Group was also in compliance with the covenants as of 31 December 2023 (leverage covenant 0.4x and interest cover 59x). As the IAS 1 amendments are applied retrospectively, the comparative has been restated.

11. SHARE CAPITAL

	2024	2023
	£'000	£'000
Authorised, allotted, issued and fully paid:		
Ordinary shares of £0.01 each		
At 1 January and 31 December	3,301	3,301

As at 31 December 2024 the Company had 330,097,758 ordinary shares (2023: 330,097,758).

12. MERGER RESERVE AND OTHER RESERVES

	2024	2023
	£'000	£'000
Merger reserve	20,568	20,568
Capital redemption reserve	71	71
Other capital reserve	2,582	2,582
	23,221	23,221

During the period, there were no movements in either the merger reserve, capital redemption or other capital reserve. Prior to the Company's initial public offering, a ratchet mechanism reduced the number of shares in issue resulting in a reduction in share capital and transfer to the other capital reserve.

13. OWN SHARES RESERVE

	2024	2023
	£'000	£'000
Balance at 1 January	12,092	10,993
Acquired during the year	-	1,112
Settlement of share incentive plan	(1,080)	(13)
Balance at 31 December	11,012	12,092

The own shares reserve represents the cost of shares in the Company purchased in the market and held by either the Company or the Foxtons Group Employee Benefit Trust to satisfy awards under the Group's long-term share incentive schemes. The number of ordinary shares held by the Employee Benefit Trust at 31 December 2024 was 57,467 (2023: 57,467).

The number of ordinary shares held by the Company at 31 December 2024 was 26,192,151 (2023: 28,802,778).

14. RELATED PARTY TRANSACTIONS

Balances and transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and, in accordance with IAS 24, are not disclosed in this note.

Remuneration of key management personnel

The remuneration of the key management personnel of the Group is set out below in aggregate for each of the categories specified in IAS 24: 'Related Party Disclosures'. The definition of key management personnel extends to the Directors of the Company.

	2024	2023
	£'000	£'000
Short-term employee benefits	1,955	2,021
Post-employment benefits	22	21
Share-based payments	1,031	772
	3,008	2,814

¹ The 2023 comparative has been adjusted to remove related National Insurance charges to be on a consistent basis with the 2024 disclosure.

15. CLIENT MONIES

At 31 December 2024, client monies held within the Group in approved bank accounts amounted to £127.2 million (31 December 2023: £122.4 million). Neither this amount, nor the matching liabilities to the clients concerned, are included in the consolidated statement of financial position since these funds belong to clients. Foxtons Limited's terms and conditions provide that any interest income received on these client monies accrues to the Company.

Client monies are protected by the FSCS under which the government guarantees amounts up to £85,000 each. This guarantee applies to each individual client deposit, not the sum total on deposit.

16. ALTERNATIVE PERFORMANCE MEASURES

In reporting financial information the Group presents APMs which are not defined or specified under the requirements of IFRS. The Group believes that the presentation of APMs provides stakeholders with additional helpful information on the performance of the business, but does not consider them to be a substitute for or superior to IFRS measures.

The Group's APMs are aligned to the Group's strategy and together are used to measure the performance of the business with certain APMs forming the basis of remuneration performance measures. Adjusted results exclude certain items, because if included, these could distort the understanding of our performance for the period and the comparability between periods. The definition, purpose and how the measures are reconciled to statutory measures are set out below.

During the financial year, the Board reviewed certain APM definitions and decided to exclude the amortisation of intangibles acquired in business combinations from profit measures. The amortisation charge is excluded since the incremental amortisation charge arising from acquired intangible assets is not considered when assessing the underlying trading performance of the Group/segments. The change also aligns the metric with generally accepted market practice.

As a result of this change, the following APMs have been redefined to exclude the amortisation of intangibles acquired in business combinations:

- Adjusted operating profit
- Adjusted operating profit margin
- Adjusted profit before tax
- Adjusted earnings per share

The reconciliation between the revised definition of the APMs and the previous definition of the APMs have been included below.

a) Contribution and contribution margin

Contribution is defined as revenue less direct salary costs of front office staff and costs of bad debt. Contribution margin is defined as contribution divided by revenue. Contribution and contribution margin are key metrics for management since both are measures of the profitability and efficiency before the allocation of shared costs. A reconciliation between revenue and contribution is presented below.

31 December 2024	Lettings £'000	Sales £'000	Financial services £'000	Consolidated £'000
Revenue	106,030	48,565	9,332	163,927
Less: Direct operating costs	(27,925)	(25,822)	(5,317)	(59,064)
Contribution	78,105	22,743	4,015	104,863
Contribution margin	73.7%	46.8%	43.0%	64.0%

31 December 2023	Lettings £'000	Sales £'000	Financial services £'000	Consolidated £'000
Revenue	101,188	37,158	8,781	147,127
Less: Direct operating costs	(25,807)	(22,703)	(5,371)	(53,881)
Contribution	75,381	14,455	3,410	93,246
Contribution margin	74.5%	38.9%	38.8%	63.4%

b) Adjusted EBITDA and adjusted EBITDA margin

Adjusted EBITDA represents the profit before tax before finance income, non-IFRS 16 finance costs, other gains/(losses), depreciation of property, plant and equipment (but after IFRS 16 depreciation), amortisation, share-based payment charges and adjusted items. Since the measure includes IFRS 16 lease depreciation and IFRS 16 lease finance cost, adjusted EBITDA includes all elements of the Group's leasing costs and therefore fully reflects the Group's lease cost base. Adjusted EBITDA margin is defined as adjusted EBITDA divided by revenue. These measures are frequently used by investors, securities analysts and other interested parties to evaluate financial performance and compare performance of sector peers. Furthermore, adjusted EBITDA is used to calculate the leverage and interest cover ratios for the purposes of the Group's RCF covenants. A reconciliation between operating profit and adjusted EBITDA is presented below.

	Notes	2024 £'000	2023 £'000
Operating profit		19,806	9,790
(Deduct)/add back: adjusted items	3	(331)	4,466
Add back: Amortisation of acquired intangibles	7	2,084	1,396
Adjusted operating profit		21,559	15,652
Add back: Amortisation of non-acquired intangibles	7	218	395
Add back: Depreciation of property, plant and equipment ¹		2,542	2,399
Add back: Share-based payment charges ²		1,549	1,036
Deduct: Interest on IFRS 16 leases ³	8	(2,065)	(1,971)
Adjusted EBITDA		23,803	17,511
Adjusted EBITDA margin		14.5%	11.9%

¹ Depreciation of IFRS 16 right-of-use assets is not added back so that adjusted EBITDA includes the non-financing element of property and vehicle leases.

² 'Share based payment' charges exclude National Insurance.

³ Interest on IFRS 16 leases is deducted so that adjusted EBITDA includes the financing cost of property and vehicle leases.

c) **Adjusted operating profit and adjusted operating profit margin**

Adjusted operating profit represents the profit before tax for the period before finance income, finance cost, other gains/(losses) and adjusted items (defined within Note 1.5). This measure is reported to the Board for the purpose of resource allocation and assessment of segment performance. The closest equivalent IFRS measure to adjusted operating profit is profit before tax.

Adjusted operating profit margin is defined as adjusted operating profit divided by revenue. This APM is a key performance indicator of the Group and is used to measure the delivery of the Group's strategic priorities.

Refer to Note 2 for a reconciliation between profit before tax and adjusted operating profit and for the inputs used to derive adjusted operating profit margin. The table below reconciles the revised definition of the metrics to the previous definition.

	Notes	2024 £'000	2023 £'000
Operating profit		19,806	9,790
(Deduct)/add back: adjusted items	3	(331)	4,466
Adjusted operating profit (previous definition)		19,475	14,256
Add back: amortisation of acquired intangibles	7	2,084	1,396
Adjusted operating profit (revised definition)		21,559	15,652
Adjusted operating profit margin (previous definition)		11.9%	9.7%
Add back: amortisation of acquired intangibles		1.3%	0.9%
Adjusted operating profit margin (revised definition)		13.2%	10.6%

d) Adjusted profit before tax

Adjusted profit before tax represents profit before tax before adjusted items and provides a view of the underlying profit before tax and aids comparability of performance from one period to another. A reconciliation between profit before tax and adjusted profit before tax is presented below.

	Notes	2024 £'000	2023 £'000
Profit before tax		17,485	7,894
(Deduct)/add back: adjusted items	3	(331)	4,466
Adjusted profit before tax (previous definition)		17,154	12,360
Add back: amortisation of acquired intangibles	7	2,084	1,396
Adjusted profit before tax (revised definition)		19,238	13,756

e) Adjusted earnings per share

Adjusted earnings per share is defined as earnings per share excluding adjusted items and amortisation of acquired intangibles. The measure is derived by dividing profit after tax, adjusted for post-tax adjusted items and amortisation of acquired intangibles, by the weighted average number of ordinary shares in issue during the financial period, excluding own shares held. This APM is a measure of management's view of the Group's underlying earnings per share.

The closest equivalent IFRS measure is earnings per share. Refer to Note 6 for a reconciliation between earnings per share and adjusted earnings per share.

As noted above, adjusted earnings per share has been redefined to exclude the amortisation of intangibles acquired in business combinations. The relevant 2023 comparatives have been restated for the change in definition as explained in Note 6.

f) Net free cash flow

Net free cash flow is defined as net cash from operating activities less repayment of IFRS 16 lease liabilities and net cash used in investing activities, excluding the acquisition of subsidiaries (net of any cash acquired), divestments and purchase of investments. This measure is used to monitor cash generation. A reconciliation between net cash from operating activities and net free cash flow is presented below.

	2024 £'000	2023 £'000
Net cash from operating activities	24,747	15,672
Less: Interest on lease liabilities	(2,065)	(1,971)
Less: Repayment of lease liabilities	(11,102)	(10,554)
Net cash from operating activities, after repayment of IFRS 16 lease liabilities	11,580	3,147
Investing activities		
Interest received	296	381
Proceeds on disposal of property, plant and equipment and assets held for sale	607	-
Purchases of property, plant and equipment	(1,106)	(2,121)
Purchases of intangibles	(1,565)	(1,495)
Net cash used in investing activities	(1,768)	(3,235)
Net free cash flow	9,812	(88)

g) Net debt

Net cash/debt is defined as cash and cash equivalents less external borrowings and excludes IFRS 16 lease liabilities. The measure is monitored internally for the purposes of assessing the availability of capital and balance sheet strength. A reconciliation of the measure is presented below.

	2024	2023
	£'000	£'000
Cash and cash equivalents	5,320	4,989
External borrowings	(18,008)	(11,780)
Net debt	(12,688)	(6,791)

h) Other performance measure definitions

Definitions of other performance measures presented in the Group's Annual Report and Accounts are summarised below.

Volumes

- **Sales volumes:** Total number of property sales transactions which have exchanged during the period.
- **Lettings volumes:** Total of the number of long and short lets entered into by tenants and the number of renewals agreed between tenants and landlords during the period.
- **Financial Services volumes:** Total number of mortgages arranged during the period (purchase and refinance units).

Revenue per transaction

- **Revenue per Sales transaction:** Sales revenue during the period divided by Sales volumes during the period.
- **Revenue per Lettings transaction:** Lettings revenue during the period divided Lettings volumes during the period.
- **Revenue per Financial Services transaction:** Financial Services revenue during the period divided by Financial Services volumes during the period.

17. EVENTS AFTER THE REPORTING PERIOD

On 28 February 2025, the Group acquired the entire issued share capital of Marshall Vizard LLP (and its holding companies), a Watford lettings agent, for a consideration of £2.3 million on a debt free and cash free basis. The consideration was fully satisfied in cash, with £0.5 million deferred for 12 months subject to performance conditions. Unaudited revenue and operating profit for the 12 months ended 31 March 2024 was £0.9 million and £0.5 million respectively. Gross assets at 31 March 2024 were £1.1 million. Given the proximity of the transaction to the announcement of the Group's financial statements, a full purchase price allocation exercise has not yet been completed and the valuation of the assets acquired will be assessed prior to the next reporting date.