

FOXTONS GROUP PLC

Unaudited 2025 Year End Trading Update and Acquisition of Cauldwell Property Services

15 January 2026 - Foxtons Group plc (LSE: FOXT) ("the Group" or "Foxtons") provides an update on trading for the year ended 31 December 2025, together with the acquisition of Cauldwell Property Services Ltd ("Cauldwell"), expanding its presence into the fast-growing commuter town of Milton Keynes and further advancing the Group's growth strategy.

2025 strategic highlights

- Lettings contributed c.64% of Group revenue, with strong margins delivering earnings stability despite sales market volatility.
- Appointed a new Managing Director of Sales in December 2025, to drive revenue growth and improve profitability. James Stevenson brings 20 years' Foxtons experience and a track record of driving growth.
- HQ relocation complete. Expected to enhance collaboration across key functions alongside delivering c.£1.5m annual operating cost savings from January 2026, partly mitigating the impact of higher national insurance costs and general inflationary pressures.
- Further investment in people and culture. Launched our "Getting It Done. Together" framework, aligning all elements of the Group's people strategy and building on the work to date to foster a respectful, rewarding, and inspiring workplace which delivers an enhanced experience for all stakeholders.
- Formed an exclusive partnership with IAG Loyalty, making Foxtons the only UK estate agent through which customers can collect Avios, aimed at attracting landlords, rewarding loyalty, and driving adoption of high-margin services.
- Returned £5.5m to shareholders via two share buyback programmes, alongside £3.6m of dividends, in line with the Group's capital allocation policy.
- Increased the size of the Revolving Credit Facility (RCF) to £40m, from £30m, to support the acquisition strategy and working capital requirements. All other terms of the RCF remain unchanged.

2025 trading review (unaudited)

Total revenue for the full year was c.£172m, up c.5% versus the prior year (2024: £163.9m). Adjusted operating profit of c.£22m (2024: £22.1m¹) as the Group strategically maintained Sales headcount to preserve bench strength, positioning itself for expected market stabilisation in 2026.

Lettings revenue increased by c.5%, driven by incremental revenue from acquisitions and broadly flat like-for-like revenues². Operating margins were maintained, despite lower interest on client monies, through a continued focus on growing higher margin revenues, such as property management services.

Sales revenue increased by c.5%, with incremental revenues from acquisitions offsetting a like-for-like revenue decline of c.2%. The Group delivered particularly strong Q1 2025 revenues ahead of the March stamp duty holiday, after which activity slowed, with the second half impacted by a much-publicised slowdown in the market leading up to the Autumn Budget alongside broader economic uncertainty.

Financial Services revenue was up c.10%, driven by higher levels of refinance opportunities alongside growth in new purchase mortgages revenues reflecting operational upgrades to improve productivity and increased connectivity with estate agency operations.

The Group's net debt at year end was c.£17m (31 Dec 2024: £12.7m) as improved net free cash flow³ was more than offset by £5.3m of acquisition spend and £9.1m of shareholder returns (buybacks and dividends).

Acquisition of Cauldwell

On 7 January 2026, the Group completed the acquisition of Cauldwell, a leading independent agent in Milton Keynes, for a total enterprise value of £6.5m on a cash and debt-free basis, of which £0.8m is deferred for 12 months and contingent on performance targets being met. Cauldwell's unaudited total revenue and operating profit for the 12 months ended 30 November 2025 was £3.1m and £0.8m, respectively. Approximately two-thirds of total revenue is attributable to Lettings.

Milton Keynes is a high-growth commuter town with strong road and rail links to London. The city is located within both the London commuter belt and the Government-backed "Oxford-Cambridge Growth Corridor". The city ranks among the highest areas in the UK for GDP per capita and has seen strong population growth, supported by significant levels of New Homes and Build-to-Rent developments.

The acquisition delivers progress against the Group's strategy to acquire high-quality, non-cyclical and earnings-accretive lettings businesses to enhance the Group's portfolio of recurring revenues. The acquisition also delivers progress against the Group's strategy to expand into London's commuter towns to unlock growth opportunities in new regions.

The acquisition will serve as Foxtons' hub in Milton Keynes and, supported by the industry-leading Foxtons Operating Platform, is expected to drive organic growth through revenue and cost synergies, alongside enabling high ROI bolt-on acquisitions. The directors of Cauldwell will remain with the business post-acquisition to lead the next stage of growth under Foxtons' ownership.

2026 and medium-term outlook

Lettings is expected to remain resilient in 2026, supported by tenant demand and good stock levels, which underpin rental pricing and transaction volumes. The Group has a well-developed pipeline of acquisition opportunities and expects to announce further acquisitions over the course of 2026 in line with its strategy.

Sales began 2026 with a lower under-offer pipeline than the previous year, as a result of the significant sales market disruption around the Autumn Budget and a very strong comparative period in Q4 2024 (ahead of the March 2025 stamp duty deadline). Due to the lower under-offer pipeline, Q1 2026 Sales revenues will be lower than those recorded in Q1 2025. When the sales market normalises, we expect a more stable market backdrop, with transaction volumes to benefit from recent mortgage rate reductions and the release of pent-up demand.

With ongoing uncertainty around the economic outlook and buyer confidence in 2026, the Group expects to deliver revenue and profit growth in the year, underpinned by non-cyclical and recurring Lettings revenue.

Guy Gittins, Chief Executive Officer, said:

"Despite economic headwinds and fiscal events creating uncertainty in our markets, the Group delivered acquisition-led revenue growth and continued to make progress against our strategy."

"We are delighted to announce the acquisition of Cauldwell, the leading independent agent in Milton Keynes, and welcome their fantastic team to Foxtons. I am also pleased to have recently appointed James Stevenson as our new Managing Director of Sales. James has a strong track record of driving growth and is well placed to deliver market share gains."

"Through continued progress against our growth strategy, and underpinned by our portfolio of high quality, recurring Lettings revenues, we are confident in our ability to grow Group revenues and profits. Our focus remains on achieving our medium-term targets, including the delivery of £50m of adjusted operating profit."

The Group intends to report its 2025 full year results on 5 March 2026.

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¹ 2024 adjusted operating profit has been restated from £21.6m (as previously reported) to £22.1m under the Group's revised adjusted items policy. The policy now excludes non-cash IFRS 2 charges from the CEO's LTIP buyout award, as these relate to forfeited incentives from his former employer and do not represent underlying performance.

² Like-for-like revenue is defined as Lettings revenue excluding revenues from acquisitions operated for less than 12 months and interest on client monies.

³ Net free cash flow is 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) and purchases of investments.

About

Founded in 1981, Foxtons is London's leading estate agency and largest lettings agency brand, with a portfolio of over 31,000 tenancies. The Group operates from a network of interconnected branches in London and surrounding high growth commuter towns, offering a range of residential property services across three business segments: Lettings, Sales and Financial Services.

The Group's strategy to accelerate growth is focused on non-cyclical and recurring revenues from Lettings and Financial Services refinance activities, supplemented by market share growth in Sales. This growth is underpinned by its key competitive advantage, the Foxtons Operating Platform, which comprises unrivalled and market leading technology and data capabilities, its brand, unique hub and spoke model and its performance-led and inclusive culture.

The business has four strategic priorities:

- **Lettings organic growth:** driving portfolio growth by strengthening customer acquisition and retention, alongside enhancing margins through cross-selling high-value services.
- **Lettings acquisitions:** acquire, integrate and service high-quality lettings portfolios.
- **Sales growth:** increasing market share by growing the share of property instructions and improving conversion rates, whilst driving profitability through enhanced productivity.
- **Financial Services growth:** improving scale and cross-sell to drive revenue growth.

To find out more, please visit www.foxtonsgroup.co.uk