

**Foxtons Group plc**  
**Q3 TRADING UPDATE**

**Lettings continues to drive solid performance alongside strong sales revenue growth**

**27 October 2022** – Foxtons Group plc (LSE:FOXT), London’s leading estate agency, continued to make progress in the third quarter delivering growth across all areas of the business, with revenue in the three months ended 30 September 2022 up 25% to £43.8m (Q3 2021: £35.1m). Revenue for the nine months ended 30 September 2022 was £108.9m, up £10.4m, or 11% on the prior year.

**Commenting on Q3, Guy Gittins, Chief Executive Officer, said:** “I’m delighted to be back at Foxtons and to have met with so many of the talented team since my arrival in September. The business has significant unfulfilled potential and there is a shared understanding and vision of how we can deliver this. I am excited about leading this reset and determined we can get Foxtons back on the front foot. This quarter has seen continued positive momentum with growth across all areas of the business. Our lettings business performed strongly as we delivered both organic and acquisitive growth. Our investment in sales negotiators, combined with strong buyer demand and a renewed focus on sales intensity has benefitted our sales business. We enter Q4 with a less certain sales market backdrop, but cost action taken in H1 and our resilient lettings and financial services businesses leave us positioned to weather further macroeconomic and political challenges.”

**Group revenue: 3 months ended 30 September**

	<b>Q3 2022</b>	<b>Q3 2021</b>	<b>£m change</b>	<b>% change</b>
Lettings	£29.2m	£24.8m	£4.4m	18%
Sales	£11.9m	£8.3m	£3.6m	44%
Financial services	£2.8m	£2.0m	£0.7m	37%
<b>Total</b>	<b>£43.8m</b>	<b>£35.1m</b>	<b>£8.7m</b>	<b>25%</b>

**Lettings**

Lettings revenue was up 18% in the quarter to £29.2m (Q3 2021: £24.8m), comprising £3.1m of organic growth and £1.3m of incremental revenues from the acquisitions of Gordon & Co and Stones Residential in May 2022. Both acquisitions are performing in line with our expectations and integration is well progressed. Organic growth was driven by a 23% increase in average revenue per transaction, as higher average rental prices and longer tenancies offset a 9% decrease in lettings volumes. Rental price growth was underpinned by strong domestic tenant demand and growth in international tenants and corporate relocations over the summer months, while rental stock levels remain constrained. Lettings revenue for the nine months ended 30 September 2022 was £68.6m, up £10.9m, or 19% on the prior year.

**Sales**

Sales revenue for the period was up 44% to £11.9m (Q3 2021: £8.3m) reflecting a 39% increase in sales volumes and a 2% increase in average revenue per transaction. Higher volumes were driven by a more normalised market in Q3 2022, in comparison to the prior year which was impacted by the pull forward effect of the 30 June 2021 stamp duty deadline. The increase in average revenue per transaction reflects early progress in targeting higher value properties in our addressable markets.

At the end of Q3, the under offer pipeline was 15% higher than the same point last year. Despite a robust quarter and growth in the pipeline, we enter Q4 with a less certain market backdrop and are alert to the macroeconomic and political challenges which may impact conversion to revenue in Q4.

Sales revenue for the nine months ended 30 September 2022 was £32.7m, down £0.8m, or 2% on the prior year.

### **Financial Services**

Financial services revenue was up 37% in the quarter to £2.8m (Q3 2021: £2.0m), reflecting a 27% increase in mortgage transaction volumes and an 8% increase in average revenue per transaction.

The Group is committed to profitably growing financial services over the medium-term and Q3 revenue growth reflects progress in building adviser headcount and delivering increased cross-selling of protection products, alongside a more normalised sales market. Financial services revenue for the nine months ended 30 September 2022 was £7.6m, up £0.3m, or 5%.

### **FY22 full year outlook**

Whilst we are mindful of the ongoing macroeconomic and political uncertainty, the strength of our performance in the third quarter gives us confidence in the outlook for the full year. Accordingly, we now expect to deliver a result for the 2022 financial year ahead of our previous expectations.

### **For further information, please contact:**

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### **About**

Foxtons is London's leading estate agent with the most recognised brand. Founded in 1981, Foxtons operates from a network of interconnected branches, offering a range of residential related services across three revenue streams: lettings, sales and financial services.

Foxtons is confident it can deliver significant shareholder value by delivering against its core strategic objectives:

- Driving organic revenue growth through market share growth, developing new revenue channels and enhancing cross-sell capabilities;
- Identifying, acquiring, and integrating high quality lettings portfolios; and
- Achieving profit growth by increasing staff productivity and continuing to streamline infrastructure and management.

To find out more, please visit [www.foxtonsgroup.co.uk](http://www.foxtonsgroup.co.uk).