

26 January 2023

**Foxtons Group plc**  
**(the “Group” or “Foxtons”)**

**UNAUDITED FY22 YEAR END TRADING UPDATE**

**A year of progress with full year performance ahead of market expectations**

Foxtons Group plc (LSE: FOXT), London’s leading estate agency, today issues a trading update in respect of the year ended 31 December 2022.

**2022 highlights**

- Significant change in Senior Management including appointment of Guy Gittins as CEO.
- 2022 revenue and adjusted operating profit expected to be ahead of market expectations<sup>(1,2)</sup>.
- Non-cyclical revenues from Lettings and Financial Services, which enhance the Group’s earnings resilience, now represent c.65% of Group revenue and reflects significant growth in Lettings.
- £10.6m invested in Lettings acquisitions in 2022; Group’s Lettings portfolio now at c.26,500 tenancies.
- Dividends paid in the year totalled £1.5m. Further £4.9m returned to shareholders through share buybacks in 2022; over £10m returned since buyback programme restarted in December 2020.
- Strong balance sheet maintained, with c.£12m of net cash as at 31 December 2022.
- Operational review nearing completion, with plan to drive growth: revitalising the brand, investing in people, better leveraging our data and technology.

**2022 trading review**

Lettings, Sales and Financial Services all delivered revenue growth in 2022, with Group revenue ahead of market expectations at c.£140m (up c.11% year-on-year). Adjusted operating profit is also ahead of market expectations.

In February 2022, the Group successfully integrated the Douglas & Gordon Lettings portfolio and disposed of the loss-making Sales business, delivering significant earnings growth. Following this, in May 2022, the Group acquired two further Lettings portfolios, adding c.2,500 tenancies. The Group will continue to target further acquisition opportunities as part of its strategy to deliver attractive total returns on invested capital and improve the resilience of its revenues.

**Operational review**

An operational review of the Group is nearing completion covering all aspects of the business, resulting in a plan focused on driving growth and rebuilding Foxtons’ estate agency DNA. This will require investment in brand and people, including ensuring sufficient headcount capacity across our branch network, and the ability to better leverage our data and technology. Cost action already taken, alongside continued disciplined cost control, will self-fund the majority of this investment.

Details of the operational review and outcomes will be presented alongside the 2022 full year results on 7 March 2023.

**Outlook**

We expect H1 2023 to be more challenging than the prior year with a more subdued sales market as a result of higher interest rates and general economic uncertainty, as well as inflationary pressures.

Lettings revenues are expected to remain resilient despite these headwinds. Whilst the Group is cautious about the sales market outlook, the steady reduction in mortgage rates from the elevated levels seen immediately after the mini-budget is encouraging and may lead to more favourable markets as the year progresses.

**Guy Gittins, CEO, said:** *"Much has been achieved in a short period and it is great to see some of the team's hard work reflected in the 2022 results. The economic outlook for the year ahead remains uncertain, but we have a growing portfolio of non-cyclical revenues, and a refreshed operational strategy to rebuild Foytons' estate agency DNA and return the business to its position as London's go to estate agency."*

<sup>(1)</sup> Revenue and adjusted operating profit are presented on a continuing operations basis which excludes the results of the Douglas & Gordon Sales business that was disposed of on 11 February 2022.

<sup>(2)</sup> FY22 market expectations/estimates per Bloomberg: Revenue £133.8m; Operating profit £12.5m

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