

**FOXTONS GROUP PLC**  
**Q1 Trading Update**

***Strong growth in Lettings drives revenues as operational turnaround progresses***

**20 April 2023** - Foxtons Group plc (LSE: FOXT) has started the new financial year well and in line with management's expectations. Revenue in the first quarter was up 10% to £32.9m (Q1 2022: £30.0m) with Lettings revenue up 27%, reflecting continued progress against the Group's strategy to grow its resilient Lettings business both organically and through acquisition.

**Group revenue: 3 months ended 31 March**

	<b>Q1 2023</b>	<b>Q1 2022 <sup>(1)</sup></b>	<b>£m change</b>	<b>% change</b>
Lettings	£22.8m	£17.9m	£4.9m	27%
Sales	£8.1m	£9.6m	(£1.6m)	(16%)
Financial Services	£2.0m	£2.4m	(£0.4m)	(18%)
<b>Total</b>	<b>£32.9m</b>	<b>£30.0m</b>	<b>£2.9m</b>	<b>10%</b>

<sup>1</sup> 2022 revenues are presented on a continuing basis and exclude revenue from the D&G Sales business which was disposed of on 11 February 2022.

**Lettings**

Lettings revenue was up 27% in the first quarter to £22.8m (Q1 2022: £17.9m), with organic revenue growth of 20% and £1.3m contribution from the acquisitions completed in May 2022 and March 2023. Lettings revenue grew to 69% of Group revenue, up from 60% last year.

Organic revenue growth was underpinned by operational improvements and an increase in average revenue per transaction. Growth in average revenue per transaction includes a focus on securing longer non-cancellable tenancy terms (resulting in a greater proportion of revenue being recognised at the start of the tenancy), increased cross sell of our higher value property management service, and higher average rental prices.

**Sales**

In line with management's expectations, Sales revenue declined 16% to £8.1m (Q1 2022: £9.6m), driven by a reduction in exchange volumes in the quarter. This was a consequence of the lower under-offer sales pipeline at the start of the year, resulting from reduced buyer activity following the September mini-budget.

However, we are much encouraged by the early impact of the operational improvements we have made. During the quarter, we saw an increase in instruction market share and we completed the highest number of quarterly viewings in the last 5 years. Combined with growing levels of buyer demand, this has supported good growth in the value of the under-offer pipeline over the course of the first quarter.

**Financial Services**

Financial Services revenue was similarly down 18% in the quarter to £2.0m (Q1 2022: £2.4m). Against a backdrop of lower sales market activity, investment in adviser capacity supported marginally higher volumes, particularly from refinance customers.

**Commenting on Q1, Guy Gittins, Chief Executive Officer said:**

*“We delivered good year-on-year growth in the first quarter, reflecting strong growth in our resilient Lettings business as operational improvements and high levels of tenant demand drove strong organic revenue growth, supplemented by incremental revenues from acquisitions. As expected, Sales and Financial Services revenues were lower year-on-year, reflecting the lower under-offer pipeline at the start of 2023 and volatility in the mortgage market. Over the course of the quarter, operational improvements and increasing levels of buyer demand, meant we have made good progress in rebuilding the under-offer sales pipeline.*

*“We are focused on delivering the operational upgrades I set out in March at pace. Key areas of progress in the quarter include rebuilding fee generating headcount and embedding estate agency culture changes; including prioritising lead generation in competitive markets, focusing on core estate agency KPIs and improving cross-sell across the Group.*

*“I am encouraged by the early results achieved to date. We have grown our market share of Sales instructions and completed the highest number of viewings in the last 5 years, delivered growth in the cross-sell of Lettings property management services, and in Financial Services delivered growth in both the volume of mortgages underwritten and the cross-sell of protection products.*

*“I remain confident in our refocused strategic priorities and the determination of the business to deliver market share growth and shareholder value by making Foxtons London’s go-to estate agent.”*

**For further information, please contact:**

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**About**

Foxtons is London’s most iconic estate agency. Founded in 1981, The Group operates from a network of interconnected branches, offering a range of residential property related services across three business segments: Lettings, Sales and Financial Services.

The Group seeks to deliver significant shareholder value through its strategic priorities:

- Lettings organic growth
- Lettings acquisitive growth
- Sales market share growth
- Financial Services revenue growth