

FOXTONS GROUP PLC
Q1 2024 Trading Update

Strong revenue growth underpinned by significant Sales market share growth¹ and Lettings growth from acquisitions. Entered Q2 with the Sales under-offer pipeline at its highest level since the 2016 Brexit vote which, alongside the backdrop of an improving sales market, is expected to drive further revenue growth.

18 April 2024 – Foxtons Group plc (LSE: FOXT) (“the Group” or “Foxtons”) first quarter revenue is up 9% to £35.7m (Q1 2023: £32.9m) with growth delivered across all business segments. The Group is trading in line with management’s expectations.

Group revenue: 3 months ended 31 March

	Q1 2024	Q1 2023	£m change	% change
Lettings	£24.0m	£22.8m	+£1.2m	+5%
Sales	£9.5m	£8.1m	+£1.4m	+17%
Financial services	£2.3m	£2.0m	+£0.3m	+16%
Total	£35.7m	£32.9m	+£2.9m	+9%

Lettings

Lettings revenue was up 5% in the quarter to £24.0m (Q1 2023: £22.8m) reflecting incremental revenues from the two 2023 portfolio acquisitions and broadly flat revenues on a like-for-like basis. As expected, compared to 2023, the supply and demand dynamic has normalised and rental prices have stabilised accordingly.

Sales

Sales revenue was up 17% in the quarter to £9.5m (Q1 2023: £8.1m) with growth underpinned by a significant increase in Foxtons’ market share of transactions¹. Market share growth has been enabled by the Group’s operational turnaround, with Sales growing its market share of transactions in 4 out of the last 5 quarters.

Foxtons’ sales agreed in the quarter were 31% higher by volume compared to Q1 2023. At the end of March 2024, the value of the under-offer pipeline was 34% higher than 2023 and 12% higher than 2022, the highest value since the 2016 Brexit vote. This under-offer pipeline is expected to support further revenue growth in Q2, supported by an improving sales market backdrop as mortgage availability and rates have both stabilised, alongside good levels of available stock.

Financial Services

Financial Services revenue was up 16% in the quarter to £2.3m (Q1 2023: £2.0m). Growth was driven by increased mortgage volumes reflecting operational upgrades to improve both adviser productivity and levels of cross-selling across the Group.

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

“This has been a strong start to the year with our revenue growth demonstrating the real momentum we have built across the business. Last year we regained our number 1 position in London and delivered significant growth in our market share of property instructions across both Lettings and Sales. The business is now focussed on converting these listings to transactions as we deliver results for our clients.

“Sales revenue was up 17%, reflecting improved market conditions and Foxtons’ continued growth in market share as the operational improvements we made last year took effect. We entered the second quarter with the highest value under-offer Sales pipeline since the 2016 Brexit vote, giving us optimism for the rest of the year.

“We have made great strides in the past two years, with the business’ foundations rebuilt and the Foxtons Operating Platform significantly strengthened. We are well placed to continue to unlock value within our business, drive growth, and ultimately deliver against our medium-term adjusted operating profit target.”

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Note: Values in tables may have been rounded and totals may therefore not be the sum of presented values in all instances.

¹ Market share of sales exchange volumes in Foxtons' core addressable markets. Source: TwentyCi

About

Founded in 1981, Foxtons is London's leading estate agency and largest lettings agency brand, with a portfolio of over 28,000 tenancies. The Group operates from a network of interconnected, single-brand branches and offers a range of residential property services across three business segments: Lettings, Sales and Financial Services.

The Group's strategy is to accelerate growth and deliver £25m to £30m adjusted operating profit in the medium-term, by focusing on non-cyclical and recurring revenues from Lettings and Financial Services refinance activities, supplemented by market share growth in Sales.

Growth is underpinned by the Foxtons Operating Platform, the most comprehensive and advanced platform in UK estate agency. The platform was strengthened through 2023 and leverages the Group's competitive advantages in data and technology; the Foxtons brand, its hub and spoke operating model and its people, culture and training.

By fully leveraging the platform, the Group will drive significant growth, both organically through market share gains and by strengthening Foxtons' position as an effective sector consolidator, to deliver significant profit growth and value for shareholders. The Group's strategic priorities are:

- **Lettings organic growth:** Focus on winning new property instructions, with speed to market and high quality landlord service to drive revenue growth.
- **Lettings acquisitive growth:** Acquire, integrate and service high quality lettings portfolios.
- **Sales market share growth:** Reinvigorating the Foxtons brand and increasing sales headcount to grow addressable market share.
- **Financial Services revenue growth:** Increasing adviser headcount, with improving productivity and cross sell to drive revenue growth.

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