FOXTONS GROUP PLC

HALF YEAR RESULTS PRESENTATION

For the period ended 30 June 2024

30 July 2024

Important information

This presentation includes statements that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believe”, “estimates”, “plans”, “projects”, “anticipates”, “expects”, “intends”, “may”, “will”, or “should” or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include matters that are not historical facts and include statements regarding the Company’s intentions, beliefs or current expectations.

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AGENDA

30 July 2024

01 H1 2024 HIGHLIGHTS

Guy Gittins, Chief Executive Officer

Highlights

Double digit revenue and earnings growth as the Group continues to deliver on its turnaround plan.

1. **Revenue growth** (+11%) and **adjusted operating profit growth** (+24%) despite weak sales market.[1]
2. Reinforced positions as **number 1 estate agent in London** and **largest lettings brand in the UK**.[2]
3. **Sales market outperformance** with 30% market share growth. **Double-digit new Lettings business** volume growth.[3]
4. **Improved productivity** with 6% revenue per fee earner growth and 15% revenue per branch growth.
5. **Robust business** with c.70% of revenue generated from non-cyclical and recurring activities.[4]
6. **Operational upgrades** in H1 focussed on driving lead opportunities, customer service and productivity levels.

1) Adjusted operating profit is defined as profit before tax for the period before finance income, finance cost, other gains/(losses) and adjusted items.
2) Defined as share of London estate agent lettings and sales instructions and share of UK estate agent lettings instructions. Source: TwentyCi.
3) Sales market share defined as share of sales exchanges in Foxtons' core addressable markets.
4) Defined as revenue streams generated by Lettings and refinance activities within Financial Services.

02 MARKET UPDATE

Guy Gittins, Chief Executive Officer

London lettings market dynamics continuing to normalise.

Supply and demand dynamics normalising with flat YoY rental prices.

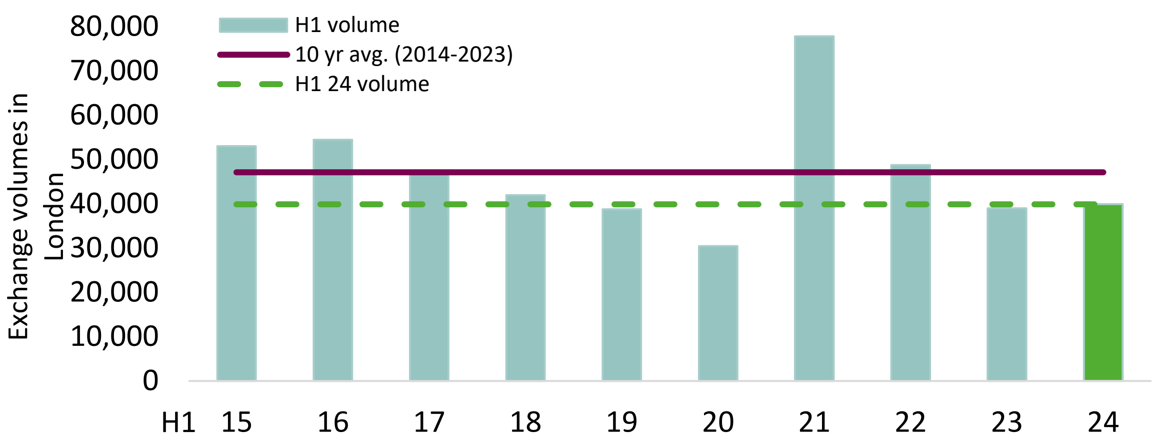
Source: Zoopla, Foxtons

- London lettings market continuing to normalise with increased levels of rental stock and moderating tenant demand.
- Marginally lower demand versus H1 2023, with fewer renters per available property.
- Rental prices broadly flat whilst remaining at elevated levels. Prices are underpinned by high levels of tenant demand and limited new supply of rental properties.
- Increasing stock levels creates greater opportunities to grow new business volumes and expand the size of Foxtons' tenancy portfolio, which underpins medium-term growth potential.

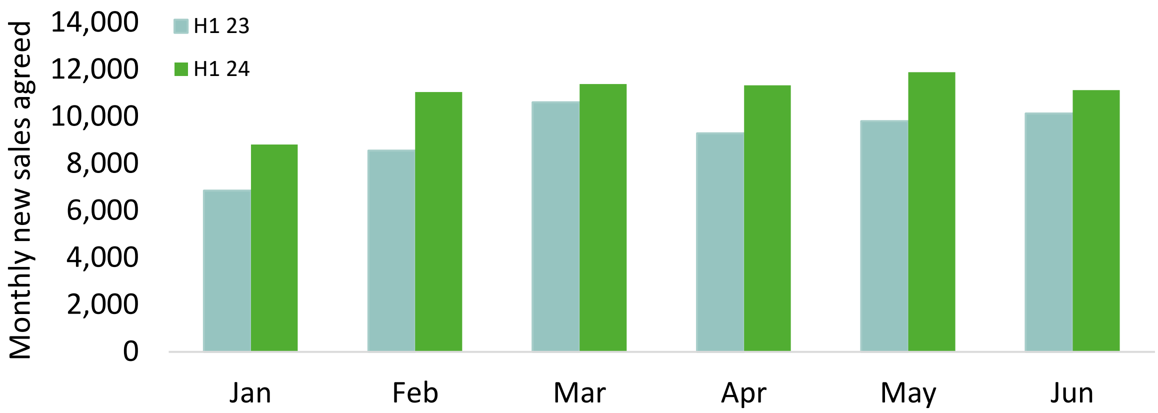
Revenue in H1 24:
+5% Lettings

H1 24 London exchanges in-line with H1 23 levels, with early signs of some recovery.

Flat London sales exchange volumes in H1 2024 (1)



Growth in London new sales agreed in H1 2024 (2)



- Flat YoY H1 London exchange volumes and prices.
- Depressed market exchange volumes due to elevated interest rates, mortgage availability levels and the macroeconomic backdrop.
- H1 2024 market exchange volumes 15% below 10 year average.
- Foxtons grew exchange market share to 5.1% (2023: 3.9%).[3]
- London market is showing early signs of some recovery, with good growth in sales instructions and 18% YoY increase in new sales agreed.
- New sales agreed have increased despite little change in BOE interest rates and demonstrates pent-up demand in the market.

Note: London is defined as the Greater London Administrative Area.
1) Source: Land Registry, TwentyCi
2) Source: TwentyCi.
3) Year to date market share of exchanges in Foxtons' addressable markets. Source: TwentyCi.

Revenue in H1 24:
+28% Sales

03 PROGRESS AGAINST STRATEGIC PRIORITIES

Guy Gittins, Chief Executive Officer

Progress against strategic priorities

Continued progress in H1 2024. On track to deliver medium-term adjusted operating profit target.

	Strategic priorities		Progress in H1 2024
Lettings	**Organic growth**	3%-5% CAGR[1]	**6% CAGR since H1 2022.** • Double-digit YoY growth in Lettings new business volumes. • Doubled volumes in Build to Rent.
	Acquisitive growth	Return: 20%+[2]	**25% average annual returns from acquisitions.** • Ludlow Thompson acquisition integrated into Foxtons. • Improved landlord retention rates across recently acquired portfolios.
Sales	**Market share growth**	4.5%+ share normalised markets	**5.1% exchange market share (2023: 3.9%).**[3] • 30% exchange market share growth in H1 2024 vs. H1 2023.
Financial Services	**Revenue growth**	7%-10% CAGR	**(3%) CAGR since H1 2022 reflecting turbulent mortgage market.** • 7% YoY revenue growth in H1 2024.

1) Defined as organic revenue growth excluding interest earned on client monies and the revenue contribution from lettings acquisitions completed since 1 January 2022.
2) Return on invested capital.
3) Year to date market share of exchanges in Foxtons' addressable markets. Source: TwentyCi.

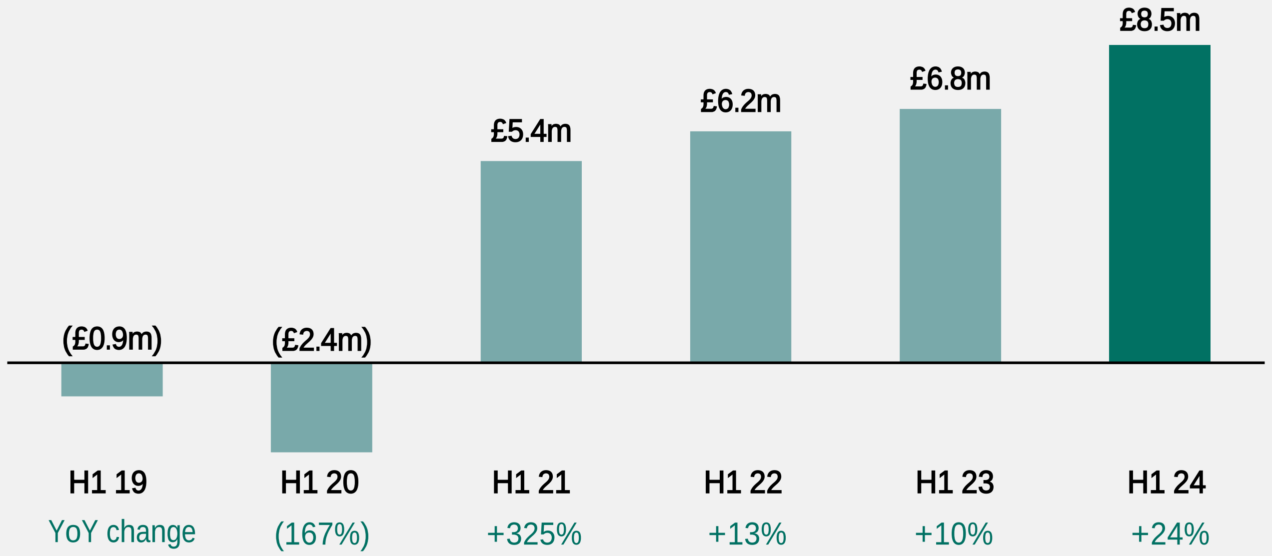
Delivering YoY growth through market outperformance.

The Group is progressing against its strategy to deliver growth through sales market cycles.

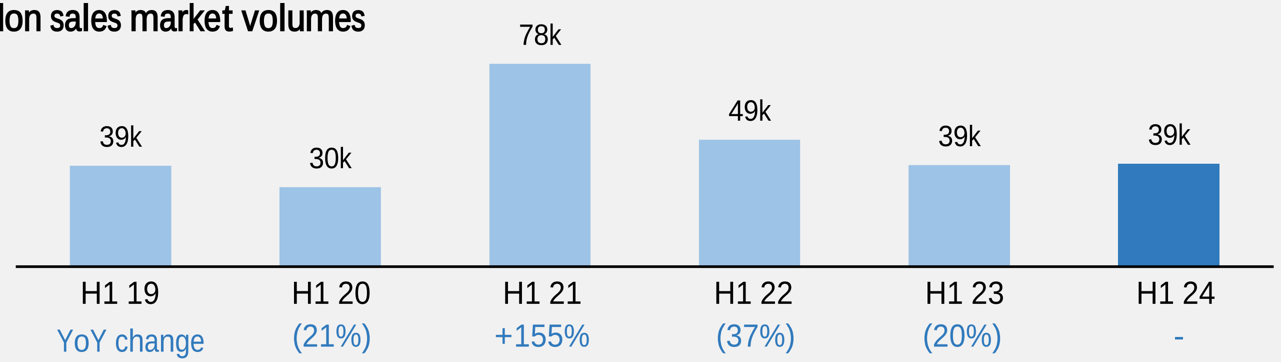
By focussing on non-cyclical and recurring activities, Group earnings more resilient and less exposed to sales market cycles.

The Group delivered 24% YoY adjusted operating profit growth in H1 24 despite sales market volumes remaining at historically low levels.

H1 adjusted operating profit progression



H1 London sales market volumes



1) H1 2021 and H1 2022 on a continuing operations basis.
2) Source: Land Registry, TwentyCi.

04 FINANCIAL REVIEW

Chris Hough, Chief Financial Officer

Highlights.

	H1 24	H1 23	*Change (£)*	*Change (%)*
Revenue	**£78.5m**	**£70.9m**	***+£7.6m***	***+11%***
Adj. EBITDA[1]	£10.5m	£8.4m	*+£2.1m*	*+25%*
Adj. operating profit	**£8.5m**	**£6.8m**	***+£1.7m***	***+24%***
Adj. operating profit margin	10.8%	9.6%	*n/a*	*+120 bps*
Profit before tax	**£7.5m**	**£6.1m**	***+£1.5m***	***+24%***
Adj. EPS (basic)[2]	1.9pps	1.4pps	*+0.5pps*	*+36%*
Net free cash flow[3]	(£0.9m)	(£4.3m)	*+£3.4m*	*+80%*
Interim dividend	0.22pps	0.2pps	*+0.02pps*	*+10%*

Market share gains and acquisitive growth drove H1 revenue and profit growth against a backdrop of sales market weakness.

The Group's expectations for the full year remain unchanged and is on-track to deliver its medium-term target of £25m to £30m adjusted operating profit.

Note: certain totals and change movements may be impacted by the effect of rounding
1) Adjusted EBITDA represents the profit before tax before finance income, non-IFRS 16 finance costs, other gains, depreciation of property, plant and equipment (but after IFRS 16 depreciation), amortisation, share-based payment charges and adjusted items.
2) Adjusted earnings per share is defined as earnings per share excluding the impact of adjusted items.
3) Net free cash flow is defined as net cash from operating activities less repayment of IFRS 16 lease liabilities and net cash generated/used in investing activities, excluding the acquisition of subsidiaries (net of any cash acquired), divestments and purchases of investments.

Income statement.

£m	H1 24	H1 23	*Change (£)*	*Change (%)*
Revenue	**78.5**	**70.9**	***+7.6***	***+11%***
Direct costs	(27.5)	(26.5)	*(1.0)*	*(4%)*
Contribution	**51.0**	**44.5**	***+6.5***	***+15%***
Contribution margin	65%	63%	-	*+230 bps*
Overheads	(34.0)	(29.9)	*(4.1)*	*(14%)*
Depreciation, amortisation and share based payments	(8.5)	(7.8)	*(0.7)*	*(9%)*
Adj. operating profit	**8.5**	**6.8**	***+1.7***	***+24%***
Adj. operating profit margin	*11%*	*10%*	-	*+120 bps*
Adjusted items	0.1	0.0	*+0.1*	-
Net finance cost	(1.3)	(0.8)	*+0.5*	*(66%)*
Other items	0.3	0.0	*+0.3*	-
Profit before tax	**7.5**	**6.1**	***+1.4***	***+24%***
Tax	(1.7)	(2.0)	*+0.3*	*+15%*
Profit after tax	**5.9**	**4.1**	***+1.8***	***+43%***

24% increase in adjusted operating profit to £8.5m (2023: £6.8m):

- Revenue increased 11% to £78.5m, with Lettings revenue up 5%, Sales revenue up 28% and Financial Services revenue up 7%.
- YoY fee earner headcount up 5% and supported organic revenue growth.
- Increased overheads reflect pre-synergy costs from the Ludlow Thompson acquisition, growth investments in performance marketing and lead generation, and inflationary pressures. Cost savings partly mitigated this impact.
- Ludlow Thompson integrated into Foxtons by the end of June. Synergies related to H1 costs will be realised over the next 12 months.
- Increased depreciation, amortisation and share based payment expense primarily driven by additional amortisation related to acquired lettings portfolios.
- 120 bps growth in adjusted operating profit margin.

Lettings delivered a year of growth from operational upgrades and acquisitions.

	H1 24	H1 23	*Change (%)*
Financials			
Revenue	**£52.4m**	£49.8m	*+5%*
Contribution	£39.3m	£37.4m	*+5%*
Adj. operating profit	**£12.9m**	£14.1m	*(9%)*
Adj. operating profit margin	25%	28%	*(370 bps)*
KPIs			
Volumes	9,495	9,361	*+1%*
Revenue per deal	£5,515	£5,316	*+4%*

- Revenue growth included: £0.4m of like-for-like revenue growth (+1%) and £2.2m incremental revenues from 2023 acquisitions.
- Double-digit growth in new business volumes, including good Build to Rent growth, partly mitigated an expected reduction in the volume of existing tenancies re-transacting, as a result of longer tenancy lengths agreed across 2022 and 2023 as part of the Group's strategy to drive organic portfolio growth.
- Contribution margin maintained at 75% as revenue growth offset 6% YoY growth in fee earner headcount. Headcount at appropriate levels to drive growth in more normalised lettings market conditions.
- Adjusted operating profit and adjusted operating profit margin decrease reflects an increase in allocated central costs, primarily driven by growth initiatives and cost inflation.

Sales outperformed in historically low volume market through market share gains.

	H1 24	H1 23	*Change (%)*
Financials			
Revenue	**£21.6m**	£16.9m	*+28%*
Contribution	£9.8m	£5.5m	*+77%*
Adj. operating profit	**(£3.7m)**	(£6.4m)	*+41%*
Adj. operating profit margin	(17%)	(38%)	*+2,030 bps*
KPIs			
Volumes	1,655	1,293	*+28%*
Revenue per deal	£13,060	£13,084	-
Market share (1)	5.1%	3.9%	*+30%*

- Revenue grew by 28%, driven by 28% volume growth, against a backdrop of flat market volumes.
- 77% improvement in contribution reflecting 22% growth in fee earner productivity and the inherent operating leverage within the business.
- Adjusted operating loss decreased driven by higher revenues, with some offset from increased allocation of central costs.
- Buyer demand improved over the course of H1 2024 and, alongside continued Foxtons’ instruction growth, is driving new sales agreed.
- Foxtons’ under-offer pipeline 21% above the prior year at the end of June 2024.

1) Year to date market share and defined as Foxtons’ share of sales exchange volumes in Foxtons’ addressable markets. Source: TwentyCi.

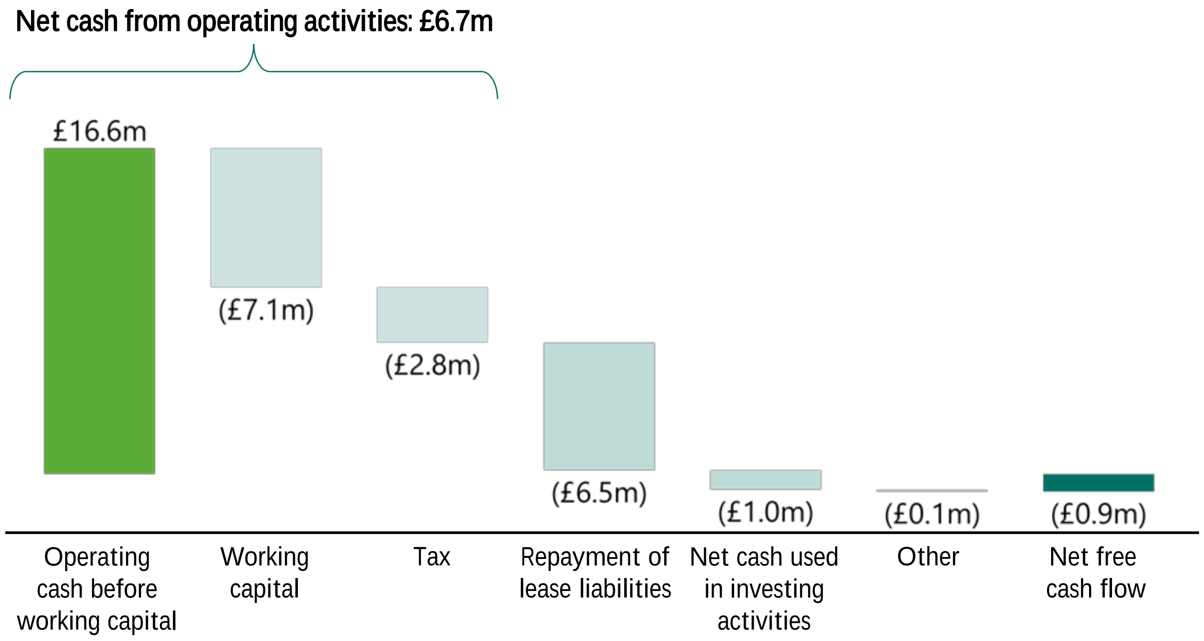
Financial Services delivered resilient performance in a turbulent mortgage market.

	H1 24	H1 23	*Change (%)*
Financials			
Revenue	**£4.5m**	£4.2m	*+7%*
Contribution	£2.0m	£1.6m	*+25%*
Adj. operating profit	**£0.6m**	£0.2m	*+157%*
Adj. operating profit margin	13%	5%	*+830 bps*
KPIs			
Volumes	2,599	2,411	*+8%*
Revenue per deal	£1,750	£1,755	-

- Revenue increased by 7% despite continuing weakness in the sales market and elevated interest rates:
  - 8% increase in volumes as a result of productivity gains.
  - Flat average revenue per deal.
- 44% of revenue generated from non-cyclical refinance activity and 56% of revenue from purchase activity which is more cyclical in nature
- Contribution and adjusted operating profit growth through productivity gains.

Improving net free cash flow as working capital normalises.

Operating cash to net free cash inflow/(outflow) conversion



Opening to closing of net cash / (net debt)

Opening net debt	**(£6.8m)**
Net free cash flow	(£0.9m)
Interest paid	(£0.5m)
Acquisition consideration paid	(£1.3m)
Dividends paid	(£2.1m)
Other	£0.3m
Change in cash (excluding borrowings)	(£4.5m)
Net debt at end of period	**(£11.3m)**

- Net free cash outflow of £0.9m in-line with expected seasonality movements.
- Improved cash generation versus H1 2023 and more normalised working capital movements as the impact of shorter landlord billing terms eases.
- RCF refinanced and extended: facility increased to £30m (from £20m) and extended to June 2027. The facility also includes a £10m accordion option which can be requested at any time subject to bank approval. Interest rate (SONIA +1.65%) and leverage covenant (≤1.75x Adj. EBITDA) remains the same.

05 OPERATIONAL UPDATE

Guy Gittins, Chief Executive Officer

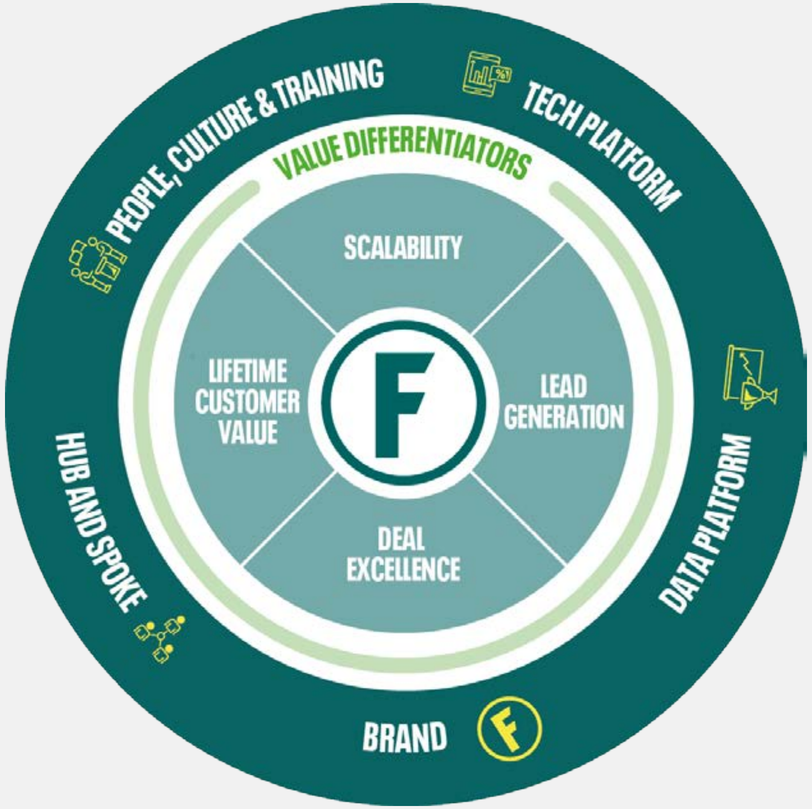
Delivering upgrades to Foxtons Operating Platform to enhance competitive advantages.

PEOPLE, CULTURE & TRAINING

- ✓ 5% YoY increase in fee earner headcount.
- ✓ Improved fee earner retention rates driving increased average fee earner tenure and experience.
- ✓ Fee earner headcount at broadly appropriate levels to drive growth.

HUB AND SPOKE MODEL

- ✓ Deployed customer service software and embedding service upgrades linked to feedback.
- ✓ Development of out-of-London property management centre of excellence underway.
- ✓ Optimisation of branch network to drive improved outcomes and reduce operating costs.



TECH PLATFORM

- ✓ AI-driven lead-scoring platform to drive lead generation from branch network.
- ✓ Modernisation of Foxtons.co.uk website to drive optimisation of a leading source of customer leads.
- ✓ New Move-In app to streamline move-in process and improve tenant experience.

DATA PLATFORM

- ✓ New marketing reporting and analytics data suite.
- ✓ Real-time fee earner productivity reporting.
- ✓ Continuing transition to data-led company. H1 focus on embedding reporting and analytics across fee earner hierarchy.

BRAND

- ✓ New programme of thematic brand campaigns to drive customer engagement and reinforce brand proposition.
- ✓ Improved website performance through increased visibility and overhauled digital customer journeys.

New marketing campaigns to drive customer engagement and reinforce brand value proposition.

Driving improved customer engagement:

- ✓ +27% brand preference.[1]
- ✓ +30% web user engagement.[2]
- ✓ +15% stock on market.[3]

1) Q2 2024 vs. Q2 2023. Source: YouGov.
2) June 2024 vs. June 2023. Source: Google analytics.
3) June 2024 vs. June 2023. Source: Foxtons.

"Grab January by the Foxtons" new year campaign.

"Spring into Action" spring 2024 campaign.

"Ready. Set. Foxtons" to coincide with the sporting competitions to be held over summer 2024

06 TRADING AND OUTLOOK

Guy Gittins, Chief Executive Officer

Well positioned to deliver further YoY growth in H2.

- July 2024 trading in-line with expectations. Little change in customer behaviour or market dynamics since the General Election.
- H2 lettings market dynamics expected to remain broadly consistent with H1, and rents broadly flat. Healthy stock levels support a focus on driving new business volumes, supported by further incremental contribution from the Ludlow Thompson acquisition.
- In Sales, improved new buyer activity in H1 and Foxtons' increased market share of new sales agreed has driven a 21% YoY increase in the under-offer pipeline, now at its highest level since the Brexit vote in 2016. This pipeline growth is expected to deliver further YoY revenue growth in H2. Further growth in buyer activity is likely if we begin to see a reduction in inflation levels feeding through into lower interest rates.
- Financial Services refinance activity is expected to remain resilient, whilst demand for new purchase mortgages should track the performance of the wider sales market.
- Through continued market outperformance, the Group's expectations for the full year remain unchanged and is on-track to deliver its medium-term target of £25m to £30m adjusted operating profit.

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