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# Half Year Trading Update & Notice of Results

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## THE PROPERTY FRANCHISE GROUP PLC ("TPFG", the "Company" or the "Group")

### Half Year Trading Update and Notice of Results

The Property Franchise Group PLC, the UK's largest property franchisor, is pleased to provide an update on trading ahead of publishing its interim results on Tuesday 12 September 2023.

H1 2023 performance was in line with management's expectations, driven by the Group's lettings heritage and the continued focus on growing its lettings revenues. In the period, the Group achieved a slightly higher revenue performance over H1 2022, notwithstanding the comparative period benefitting from a significantly stronger residential housing market.

#### Highlights:

- Group revenue increased 1% to £13.2m (H1 2022: £13.1m)
- Management Service Fees ("royalties" or "MSF") increased 3% to £7.7m (H1 2022: £7.5m)
- Sales' agreed pipeline decreased 16% to £28.4m (H1 2022: £33.8m)
- Managing 77,000 rental properties (H1 2022: 74,000)
- EweMove sold 17 new territories (H1 2022: 19)
- Net cash of £0.7m (H1 2022: net debt of £2.6m)

Lettings MSF continued to perform strongly, achieving 12% growth over H1 2022. This growth more than offset the reduction in sales MSF over the same period as the residential sales market continued to adjust to the uncertainty regarding inflation, interest rates and house prices. Sustained demand for lettings properties, growth in the portfolio of managed properties and rental inflation meant lettings MSF continued to be a growing and highly resilient revenue stream for the Group, contributing 61% (H1 2022: 55%) of total MSF in the period.

Seasonally adjusted UK Property Transactions\* at 521,950 for June 2023 YTD were 20% lower than H1 2022, a trend reflected in Hunters performance, whilst other brands grew market share. The Group's pipeline of agreed sales remains very healthy. Lead times for converting agreed sales into completions have lengthened in the same way that they did in H1 2022, and management expects sales transactions in 2023 to continue at this reduced level whilst uncertainty surrounding interest rates continues.

EweMove continued to perform well with MSF increasing by 15% over H1 2022. It sold 17 new territories in the half year almost equalling its strong performance in the prior period. This model continues to be attractive especially during more uncertain macro-economic times, allowing franchisees to benefit from a low-cost base and increased flexibility.

Our network of franchisees continues to benefit from the strength and experience of the senior management team. We are pleased to have further bolstered the team in H1, with the recruitment of our first Commercial Director, the appointment of a Group Franchise Services Director and Finance Director. The investment in our management team will further enhance our ability to support the franchise network to seize the opportunities that exist and invest where further value can be derived.

\*HMRC National Statistics 28 July 2023

**Chief Executive Officer, Gareth Samples, commented:** *"We are pleased with our performance in the first half of 2023. The benefits of operating a focused franchise model with multiple income streams are reflected in these results, as we continue to demonstrate considerable resilience in the face of an uncertain macro-economic backdrop. Whilst the Board expects the macro-economic uncertainty to continue, it is confident that trading remains in line with expectations for the full year."*

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**About The Property Franchise Group PLC:**

The Property Franchise Group PLC (AIM: TPFPG) is the largest property franchisor in the UK and manages the second largest estate agency network and portfolio of lettings properties in the UK.

The Company was founded in 1986 and has since grown to a diverse portfolio of nine brands operating throughout the UK, comprising longstanding high-street focused brands and a hybrid, no sale no fee agency.

The Property Franchise Group's brands are Martin & Co, EweMove, Hunters, CJ Hole, Ellis & Co, Parkers, Whitegates, Mullucks & Country Properties.

Headquartered in Bournemouth, UK, the Company was listed on AIM on the London Stock Exchange in 2013. More information is available at [www.propertyfranchise.co.uk](http://www.propertyfranchise.co.uk)

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