

RNS Number : 5783A  
LSL Property Services PLC  
25 May 2023

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## LSL Property Services plc ("LSL" or "Group")

### AGM Statement

LSL will hold its Annual General Meeting (AGM) today in London at 3:15pm at 210 Euston Road, London NW1 2DA. At the AGM, Bill Shannon, outgoing Non-executive Chair, will make the following comments:

The period since our last Annual General Meeting has been both busy and productive, with significant progress made in re-structuring and re-focusing the Group against the backdrop of very challenging market conditions. The successful completion of several large and complex projects during this time is testament to the commitment of the whole LSL team, for which I would like to place on record the thanks of the Board.

Just over two years ago, we set out the key elements of a new strategy that placed at its heart our Financial Services Network. As well as capitalising on the significant growth potential we had identified in Financial Services, we resolved to develop a simpler and more resilient business model that was less vulnerable to housing market cycles, allowing us to better pursue other exciting opportunities to grow our leading Surveying & Valuations business and develop the potential of our Estate Agency Franchise operation.

Although market conditions have often been difficult, I am pleased by the very substantial progress we have made. This includes consistent and strong financial performance in our Financial Services Network and Surveying & Valuations businesses, the transfer of our direct-to-consumer brokerages to Pivotal Growth, our joint venture with Pollen Street Capital, and the disposal of Marsh & Parsons at an attractive valuation.

Most recently, we announced on 4 May that our entire owned Estate Agency Network will convert to become franchises, in doing so transforming the Group into a business-to-business services provider, with a much smaller cost base and significantly less exposure to housing market cycles. Of our previously 183 owned branches, 143 are now trading as franchises following a smooth handover, with the remaining 40 expected to complete imminently. The resulting business, with over 60 franchisees operating more than 300 branches, will be a leading player in the sector and is well-placed to grow. Importantly, it is also a significantly less complex business to manage, freeing up valuable management time, and will enable the Group to deliver margins that are structurally higher than those it has reported historically.

As we set out on 13 April in our Full Year Results announcement market conditions remain challenging as expected in H1, albeit there have been some early signs of improved trading since then and we continue to expect an improvement in H2, supported by the remortgage market and increasing consumer confidence. The Board's expectations for the full year remain unchanged, with a more pronounced weighting of results towards H2 than would typically be the case.

Our focus in Estate Agency will be to finish the re-structuring required to realise the cost savings that will result from the transition to franchising and position the business to deliver improved returns in 2024. A more detailed update on trading conditions and the outlook for the Group will be given at the release of the Interim Results for 2023.

Immediately following this AGM, I will step down as Chair and from the Board of LSL. I have thoroughly enjoyed my time on the Board and following the significant strategic progress we have been able to report, I believe the Group is now very well-placed for future growth. I would like to thank my Board colleagues, management and the staff at LSL for their support, which I appreciate greatly. I will follow the progress of the Group with great interest, and I have every confidence it will go from strength-to-strength.

#### ***For further information, please contact:***

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#### **Notes on LSL**

LSL is one of the largest providers of services to mortgage intermediaries and estate agent franchisees.

Its c.2,900 advisors represent around 10% of the total purchase and remortgage market. PRIMIS was named Best Network, 300+ appointed representatives at the 2022 Mortgage Strategy Awards.

Its 62 estate agency franchisees will operate a network of just over 300 branches.

LSL is also one of the UK's largest providers of surveying and valuation services, supplying seven out of the ten largest lenders in the UK. e.surv was named Best Surveying Firm at the 2022 Mortgage Finance Gazette Awards.

For further information please visit LSL's website: [lsips.co.uk](https://lsips.co.uk)

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