

7 August 2024

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

Half Year Trading Update
Transformational period for UK's leading property franchisor

The Property Franchise Group PLC, the UK's largest multi-brand property franchisor, is pleased to provide the following trading update ahead of publishing its interim results on Tuesday 10 September 2024.

The last six months has seen the commencement of another transformational period for the Group following to the merger with the Belvoir Group PLC ("Belvoir") and the acquisition of GPEA Limited ("GPEA"), owner of The Guild of Property Professionals and Fine & Country. Group revenue more than doubled compared to the prior period with significant increases in franchising and financial services, along with the addition of a new licensing revenue stream.

Highlights:

- Group revenue increased 104% to £26.9m (H1 2023: £13.2m)
 - 3% like for like increase to £13.6m¹
- Management Service Fees ("MSF") increased 60% to £12.3m (H1 2023: £7.7m)
 - 8% like for like increase to £8.3m¹
- Sales agreed pipeline increased 67% to £47.5m (H1 2023: £28.4m)
 - 16% like for like increase to £32.8m¹
- Managing 152,500 rental properties (H1 2023: 77,000)
 - 2% like for like increase to 78,000¹
- EweMove sold 22 new territories (H1 2023: 17)
- Financial services commissions increased 778% to £7.9m (H1 2023: £0.9m), all of the increase being attributable to Belvoir
- Net debt of £14.3m after borrowing £20m to fund the acquisition of GPEA (H1 2023: net cash of £0.7m)

¹Like for like comparison excluding the impact of the acquisition of Belvoir Group on 7 March 2024, and GPEA on 31 May 2024.

Lettings MSF increased by 8%, in line with the ONS Private Sector Index which showed a similar annual rental inflation to June 2024. With continued strong demand, lettings continues to be an important driver of the Group's revenue growth.

Sales MSF increased by 7%, when seasonally adjusted UK property transactions for January to June were flat on the same period in the prior year², demonstrating that the Group has outperformed the broader market. The Group's sales agreed pipeline at 30 June 2024 was 16% higher on a like for like basis than 30 June 2023 which bodes well for H2 trading despite lead times remaining high.

The recent base interest rate cut should have a positive impact on H2 sales and financial services activity.

Revenues from financial services are now dominated by the contribution from Belvoir. Total financial services revenues increased by 18%, with the acquisitions made by Belvoir in 2023 contributing approximately half of this increase.

²HMRC National Statistics 31 July 2024

Contributions from Acquisitions

The merger with Belvoir became effective on 7 March 2024 and Belvoir's trading results from that date to 30 June 2024 will be included within the Group's financial statements for the six months ended 30 June 2024. The H1 2024 revenue contribution from Belvoir was £12.2 million, of which £7.1 million was financial services, £4.0 million MSF and £1.1 million other franchising income.

The GPEA acquisition completed on 31 May 2024 and its trading results for June 2024 (one month) will be included within the Group's financial statements for the six months ended 30 June 2024. The H1 2024 revenue contribution from these businesses was £1.0 million.

The integration of Belvoir and GPEA into the broader Property Franchise group is progressing well with the restructuring of the senior leadership team largely completed and projects being initiated to drive synergies and develop revenue opportunities.

Chief Executive Officer, Gareth Samples, commented: *"The first half of 2024 has been transformational for our Group, building on our track record of growth and completing two significant acquisitions which has created a substantially larger group with an international presence. We are delighted with our organic revenue performance in the first half year and the contributions from each of our new businesses*

the first half year and the contributions from each of our new businesses.

"We have a very resilient and focused franchise model and multiple income streams across 18 brands including a significantly enhanced, exciting opportunity in financial services. With an improving pipeline and at least one interest rate reduction behind us, the Board is confident that trading remains at least in line with market expectations for the full year."

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About The Property Franchise Group PLC:

The Property Franchise Group PLC (AIM: TPFPG) is the UK's largest multi-brand property franchisor, with a network of over 1,946 outlets delivering high quality services to residential clients, combined with an established Financial Services business.

The Company was founded in 1986 and has since strategically grown to a diverse portfolio of 18 brands operating throughout the UK, comprising longstanding high-street focused brands and two hybrid brands. The Property Franchise Group is also a member of two leading mortgage networks through its mortgage brokers, Brook Financial (MAB) and The Mortgage Genie (Primis).

TPFG's brands are: Belvoir, CJ Hole, Country Properties, Ellis & Co, EweMove, Fine & Country, Hunters, Lovelle, Martin & Co, Mr and Mrs Clarke, Mullucks, Newton Fallowell, Nicholas Humphreys, Northwood, Parkers, The Guild of Property Professionals and Whitegates.

Headquartered in Bournemouth, the Company was listed on AIM on the London Stock Exchange in 2013 and entered the AIM 100 in July 2024.

More information is available at www.propertyfranchise.co.uk

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