

30 January 2025

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

**Full Year Trading Update**

**2024 results ahead of expectations and materially above prior year**

LSL issues a pre-close trading update for the 12-month period ending 31 December 2024<sup>1</sup>.

**Highlights**

Trading during the second half of the year was resilient and much stronger than 2023.

Group revenues for the 12 months ended 31 December 2024 are expected to increase by c.20% to c.£173m (2023: £144.4m). Group Underlying Operating Profit<sup>2</sup> is significantly ahead of prior year and slightly ahead of the Board's prior expectations, with each of our three divisions reporting an increase in Underlying Operating Profit.

Operating Margin<sup>2</sup> improved in each Division, with Group Operating Margin of c.16% compared to LSL's historical norm of 12%, reflecting the benefits of the reorganised Group structure. The Group cash flow conversion rate improved to over 100% (2023: -2%).

Profit increased year on year in our Financial Services Network business and our overall share of the UK purchase and remortgage market<sup>3</sup> increased to 11.6% (2023: 10.7%). Operating margin for the year improved to c.18% (2023: 14%).

Surveying & Valuation performance increased materially from prior year, benefiting from normalising market conditions and contract extensions. Operating margin for the year improved to c.23% (2023: 9%).

In the Estate Agency Franchising Division, we completed our first full year with an entirely franchised branch network, delivering a material increase in profits with operating margin at a record high of 28% (2023: 21%).

The Group retains a strong balance sheet, with Net Cash of £32.4m at 31 December 2024 (31 December 2023: £35.0m).

**Current trading and outlook**

Looking ahead, we remain confident about the Group's prospects. Whilst current economic sentiment, higher interest rates, and the increase in employer NI costs constitute headwinds, we entered the year with stronger pipelines than in 2024 and January trading is in line with expectations. We will continue to invest further in each of our businesses to take advantage of the growth opportunities identified, and at this early stage of the year we expect to deliver an increase in profit for 2025 compared to 2024 in line with expectations, as our markets continue to normalise. A further update on current trading and outlook will be shared with the release of our preliminary results.

**Notes to trading update:**

1. This trading update is based on preliminary unaudited financial information
2. Group Underlying Operating Profit/Operating Margin before exceptional costs, contingent consideration assets & liabilities, amortisation of intangible assets and share-based payments
3. Mortgage lending excluding product transfers. New mortgage lending by purpose of loan, UK (BOE) - Table MM23 released January 2025

**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.

Over 2,700 advisers representing over 11% of the total purchase and remortgage market.

Its 62 estate agency franchisees operate in 310 territories.

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.

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

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