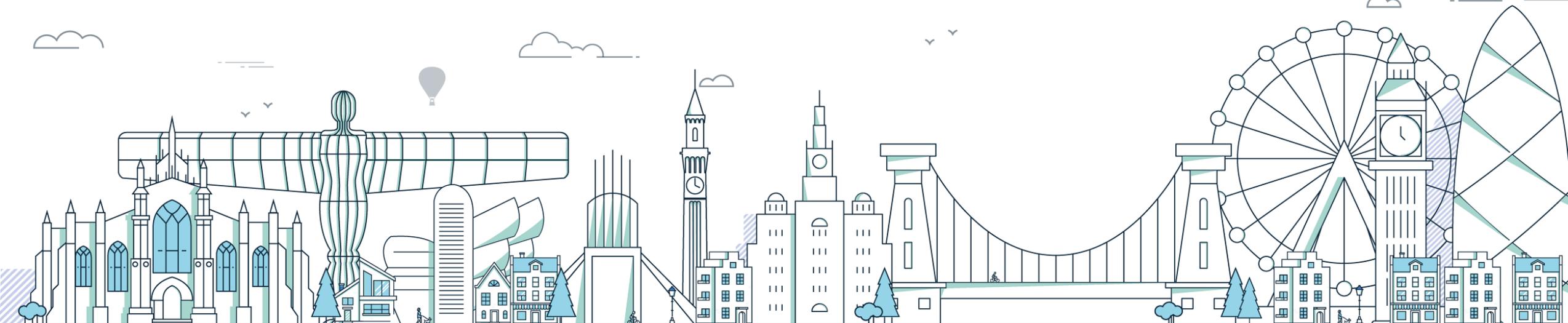


# Full Year Results 2021

The UK's largest property franchisor

A transformational year



# TPFG: The UK's largest property franchisor



## Nine property brands



## Significant scale

590

Trading territories (Incl EweMove)

167

EweMove territories contracted

Over 74,000

tenanted managed properties

Over 26,000

properties sold in 2021



## Our Purpose

To support our franchisees, helping them to become more successful

## Our Vision

To achieve an increasing UK market share of lettings, estate agency transactions and property-related financial services



# Summary of the period

Record financial performance driven by a very active residential sales market and strategic progress

Acquired Hunters in March, Mortgage Genie in September and agreed LSL financial services partnership in April

Record levels of franchisee recruitment into EweMove

Management team substantially bolstered, providing best-in-class offer to franchisees



# Financial overview

Network income up 67% to **£157m** (2020: £94m)

Group revenue<sup>1</sup> up 118% to **£24.0m** (2020: £11.5m)

Management Service Fees up 57% to **£14.7m** (2020: £9.4m)

Adjusted EBITDA<sup>2</sup> up 81% to **£10.4m** (2020: £5.8m)

Adjusted operating margin<sup>2</sup> of **40%** (2020: 48%)

Profit before tax up 35% to **£6.4m** (2020: £4.8m)

Net debt position<sup>1</sup> of **£2.7m** (2020: net cash £8.8m) after borrowing £12.5m to fund the acquisition of Hunters

Dividends paid and declared for FY21 up 33% to **11.6p** per share (2020: 8.7p)

aEPS<sup>3</sup> (basic) up 61% to **27.0p** (2020: 16.8p)

<sup>1</sup>Excludes Auxilium Partnership Ltd

<sup>2</sup>Before share based payments charges, exceptional items, amortisation arising on consolidation

<sup>3</sup>Earnings adjusted to add back amortisation on intangibles, share based payments charge, exceptional costs and Auxilium impairment



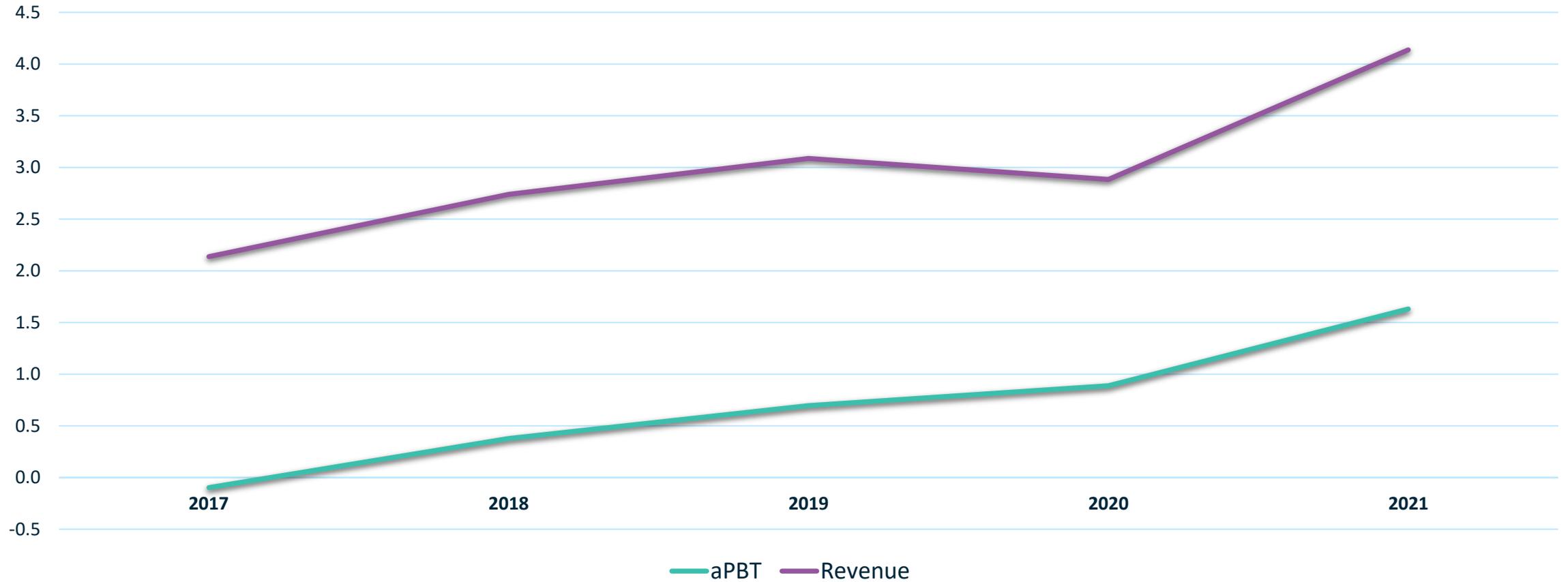
# High-Street Led Brands/ EweMove / Hunters

	High-street led*	EweMove	Hunters**	Total
<b>Network</b>				
Trading territories	224	158	208	<b>590</b>
Managed properties	56,000	3,000	15,000	<b>74,000</b>
Properties let	25,500	1,300	13,500	<b>40,300</b>
Properties sold	10,000	4,300	11,900	<b>26,200</b>
Network revenue (£'m)	95	16	46	<b>157</b>
<b>TPFG</b>				
Revenue (£'m)	9.7	4.1	9.8	<b>23.6</b>
MSF (£'m)	8.3	2.9	3.5	<b>14.7</b>
adj EBITDA (£'m)	5.2	1.6	3.6	<b>10.4</b>
adj EBITDA margin	54%	39%	37%	<b>44%</b>

\*Includes PLC \*\* Since acquisition.

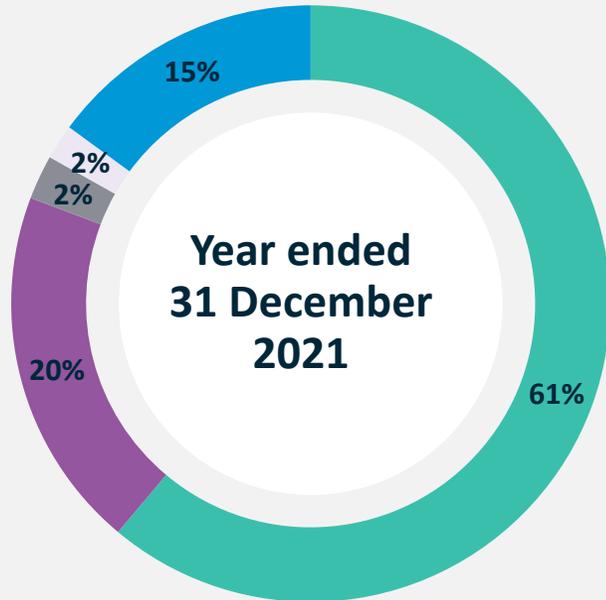
# EweMove profit growth

EweMove - 5 year revenue and aPBT (£m)

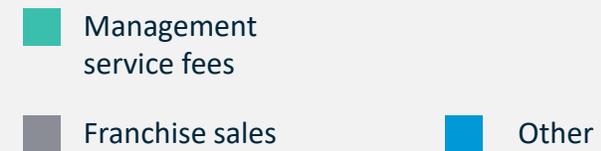


# Revenue

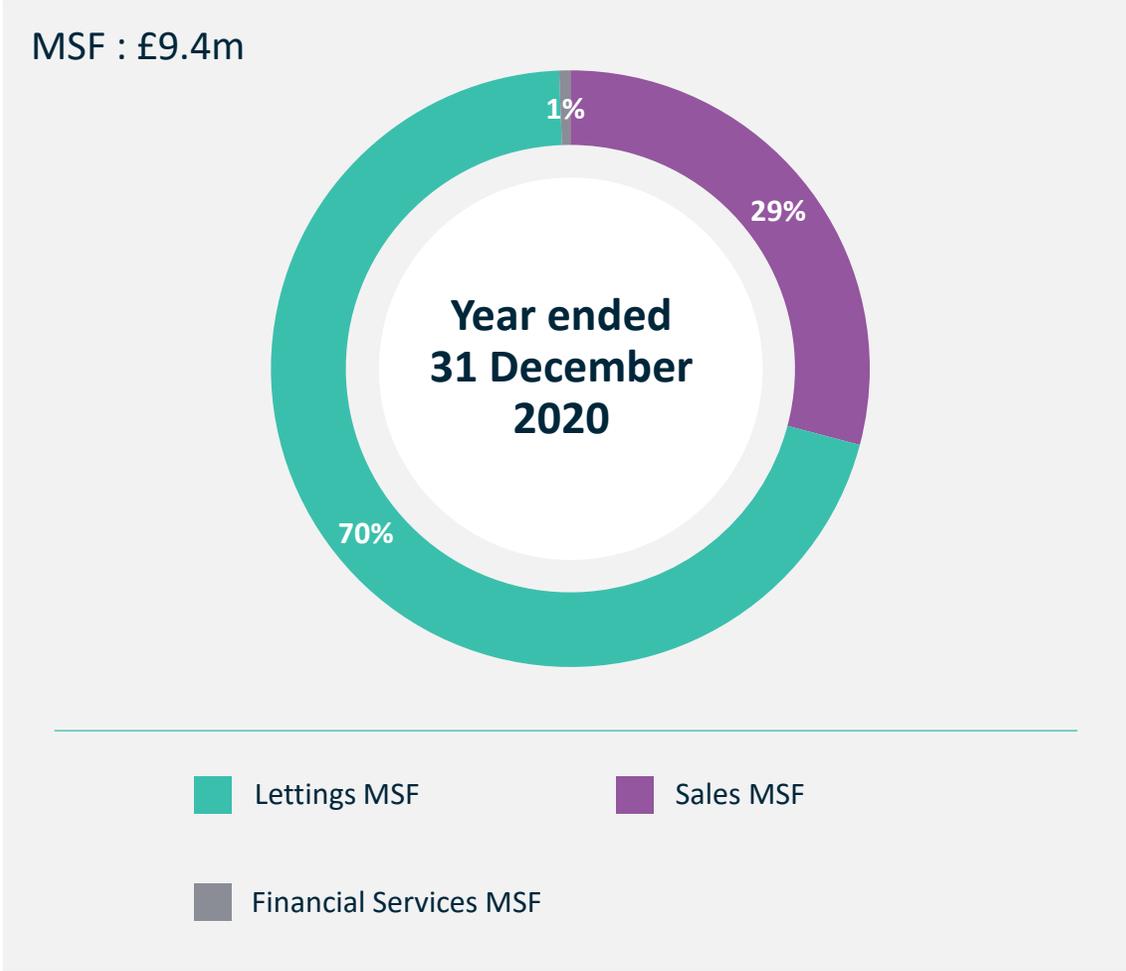
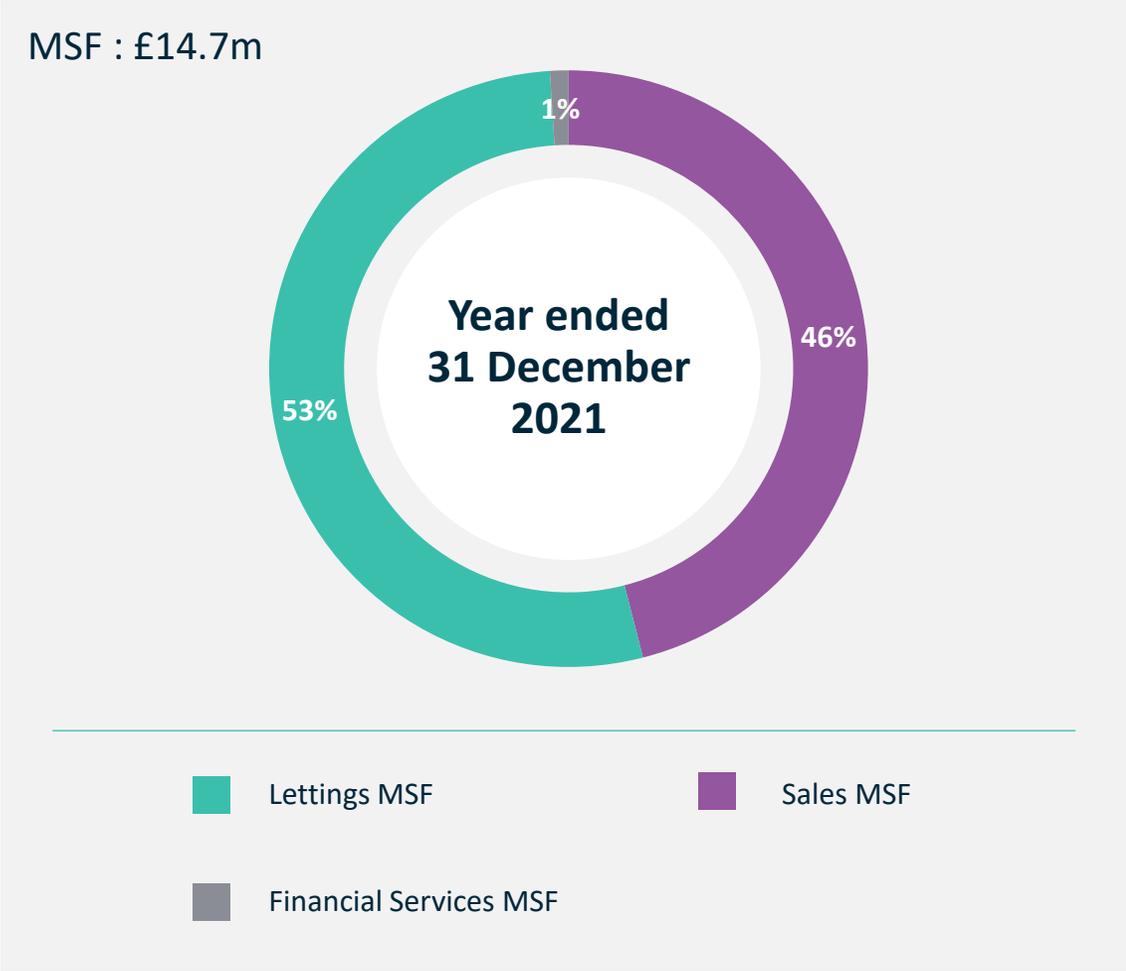
Revenue : £24.0m



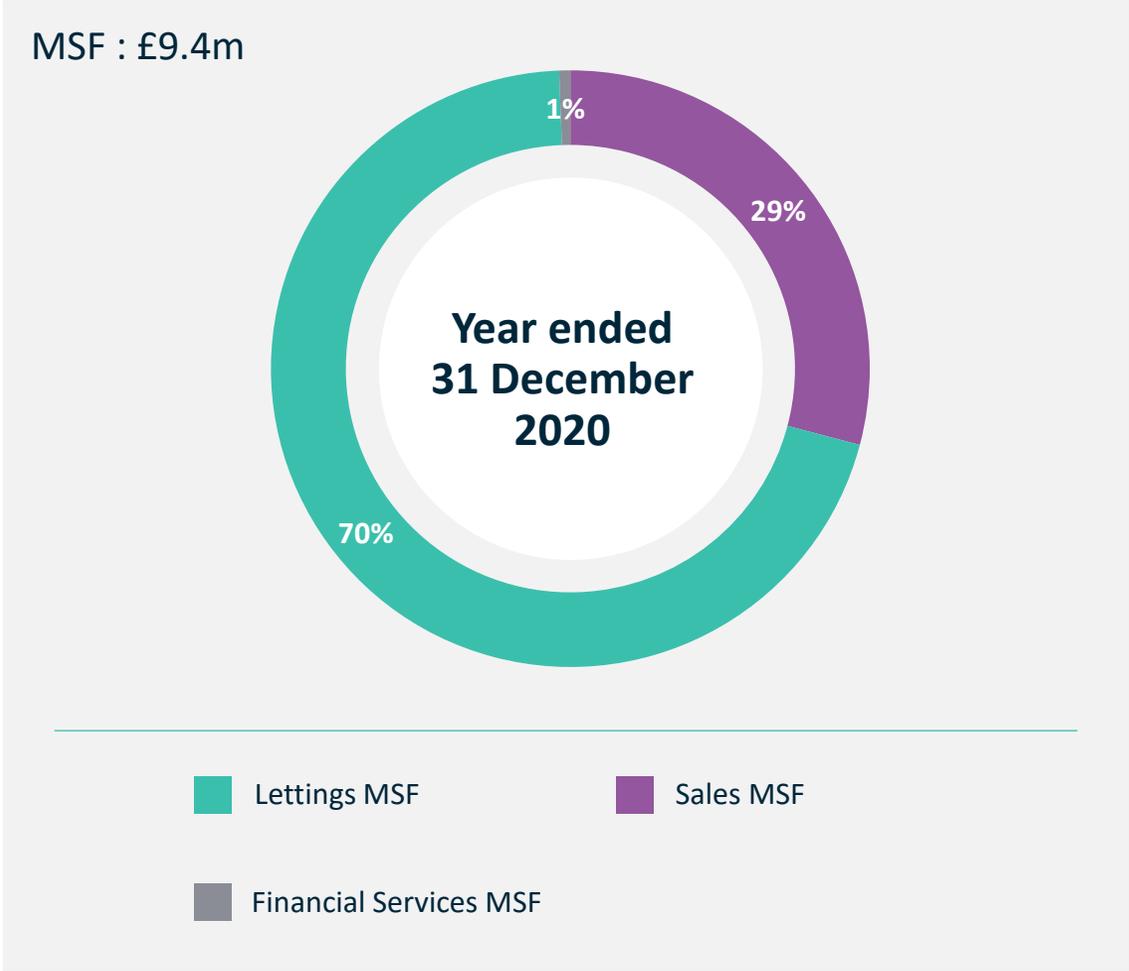
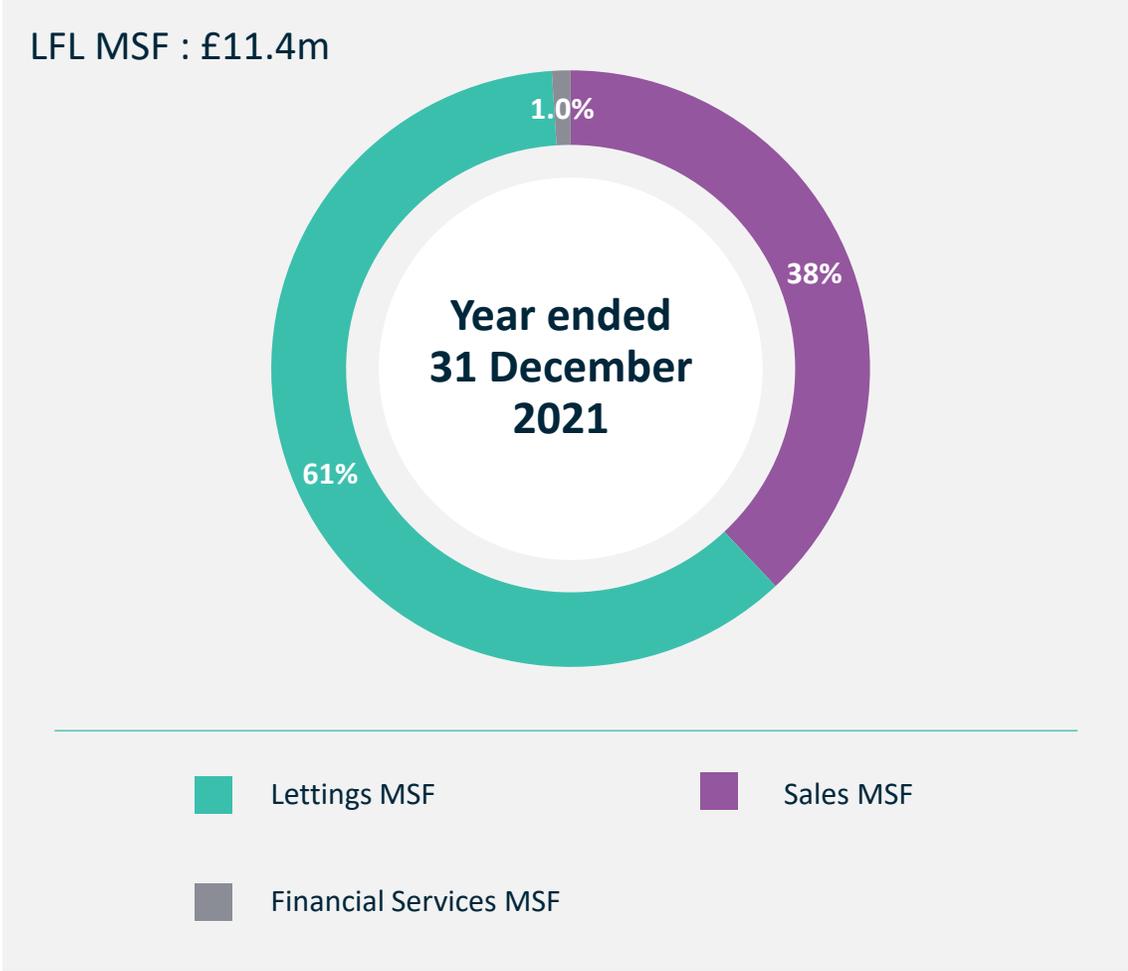
Revenue : £11.0m



# Group MSF split



# Group MSF split – like for like\*



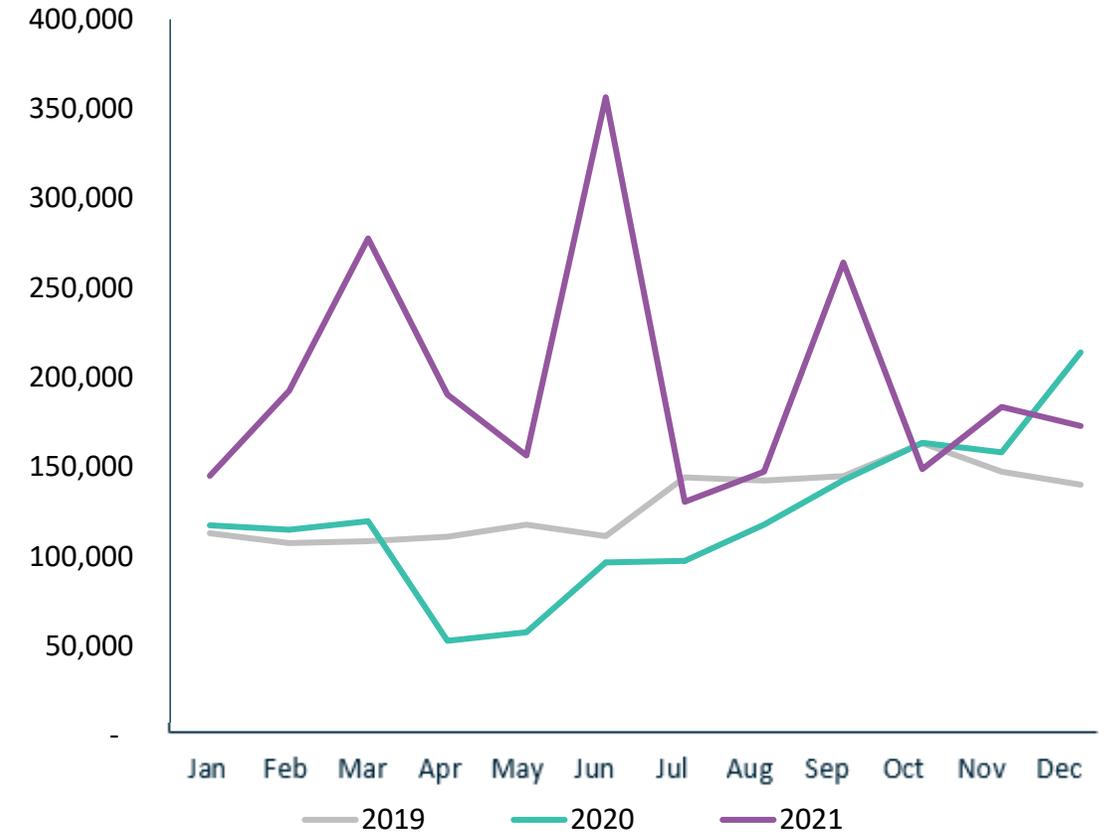
\* Like for like excludes Hunters

# High street-led brands (excluding Hunters)

## Lettings MSF (£)

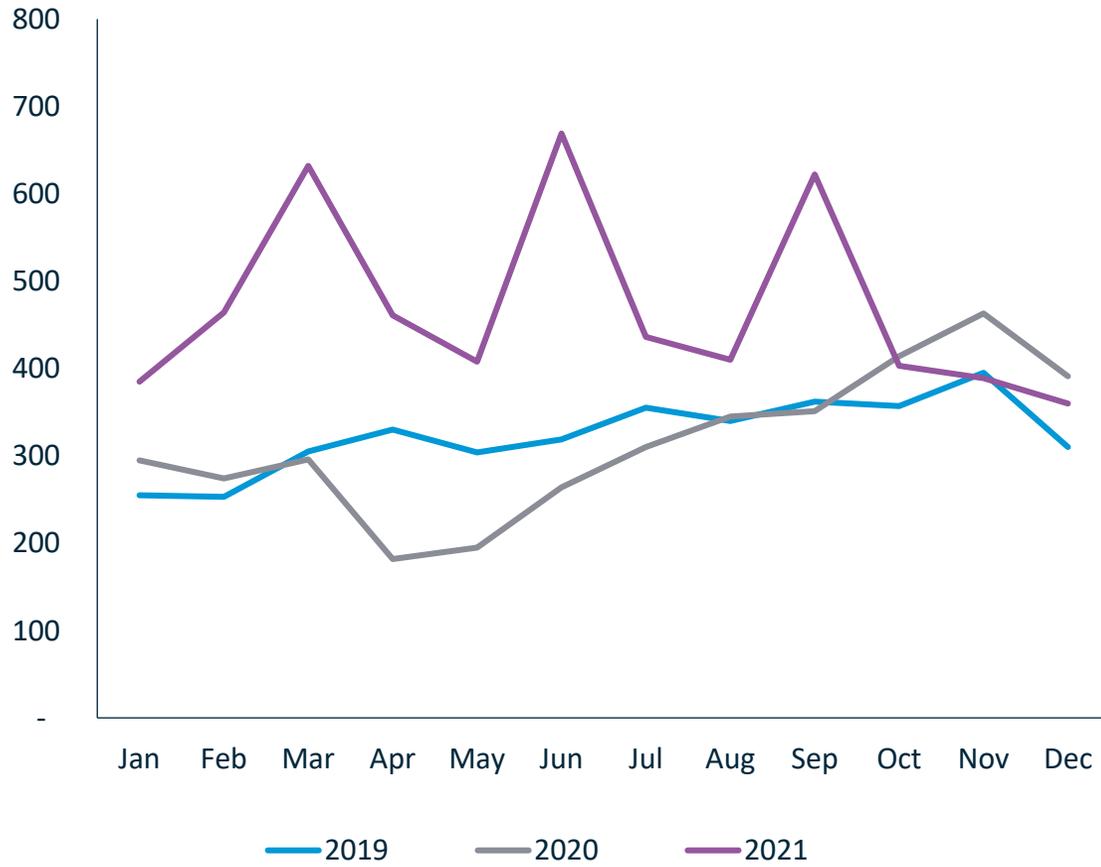


## Sales MSF (£)



# EweMove

## Transactions completed



## Sales transactions completed

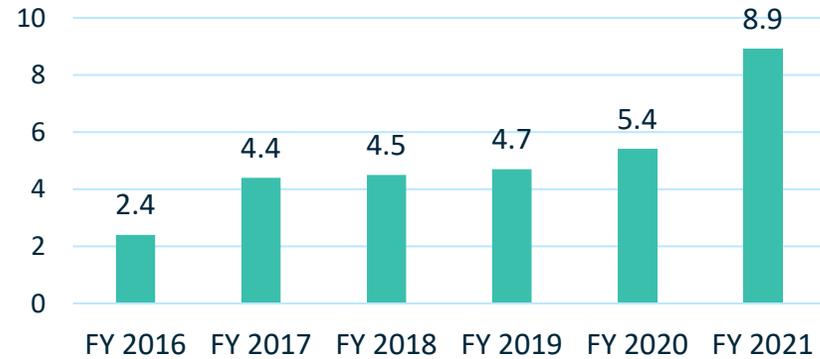


## Lettings transactions completed

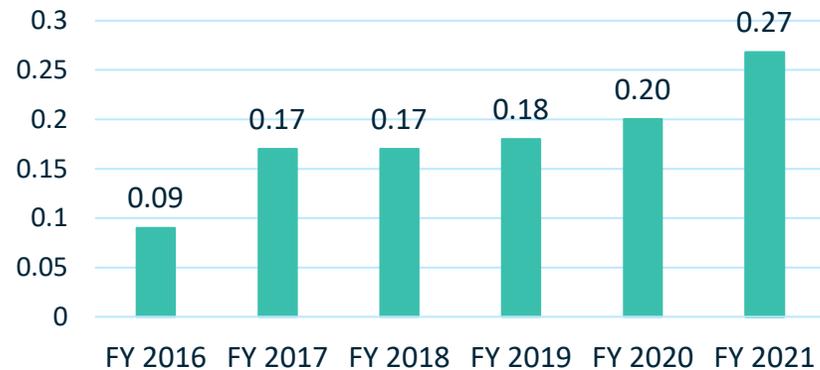


# Cash

**Net cash generated from operations (£m)**



**Free cash flow per share (£)**



## Summary of key movements in cash:

<b>Cash at 31 December 2020</b>	<b>£8.8m</b>
Net cash from operations	£8.9m
Acquisition of Hunters net of cash acquired	(£13.0m)
Acquisition of The Mortgage Genie net of cash acquired	(£0.1m)
Purchase of intangible/tangible assets	(£0.2m)
Disposal of Auxilium net of cash disposed of	(£0.3m)
Bank loans drawn and repaid	£8.1m
Dividends paid	(£2.9m)
Other movements (leases £0.5m, EBT £0.4m, sundry £0.1)	(£1.0m)
<b>Cash at 31 December 2021</b>	<b>£8.4m</b>



# Growth initiatives & market update

# Strategic growth initiatives



## Lettings growth

Continue to grow the portfolio of tenanted properties



## Develop sales activity in the high-street led brands

Via provision of additional support and training



## Financial Services growth

Aim to create a pool of 100 financial advisers



## EweMove recruitment

Aim to double EweMove territories to 230 by the end of 2022



## Acquisitions at franchisee and franchisor level

Assisted acquisitions programme & acquisition of franchise brands



## Digital Marketing

Maintaining a best in class capability

# Strong progress in 2021



## Lettings growth

- At 74,000 managed properties
- 1,270 assisted acquisitions - adds £1.2m of network income (annualised)
- Rent inflation



## Develop sales activity in the high-street led brands

- c.70/30 lettings/sales
- Sales agreed pipeline 65% higher end of 2021 vs end 2019
- Av. Sales per office up 45% on 2019



## Financial Services growth

- Agreement with LSL April 21
- Advisor recruitment slow until Q1 FY22
- Majority of franchisees engaged
- Mortgage Genie acquisition adds capability



## EweMove recruitment

- 58 new territories added in 2021
- Total at 167 under contract, in line with target
- Hunters Personal agent launched



## Acquisitions at franchisor level

- Acquired Hunters in March 2021
- Acquired Mortgage Genie in September 2021



## Digital Marketing

- Completed new websites across the Group
- Added a new CRM platform

# Building an industry-leading executive team

**Ellie Hall**  
MD of Martin & Co  
(Midlands and North)

- Acquisition of lettings businesses
- Lettings

**Gareth Williams**  
MD of Hunters

- FS implementation
- Residential sales

**Glynis Frew**  
Franchise Training and Development Director

- Training specialist
- Oversight of RoPA

As legislation changes and technology evolves, our central team innovate to keep our franchise owners ahead of the game.

**Eric Walker**  
MD of Martin & Co  
(South & Scotland)

- Lettings
- Franchising
- Compliance

**Nick Neill**  
MD of EweMove

- Hybrid model and digital expertise

**Kate Randall**  
MD of CJ Hole, Ellis & Co, Parkers and Whitegates

- Marketing guru
- ESG lead

**Matt Stevens**  
MD of Mortgage Genie

- Mortgage and life protection

# Market updates



- Anticipate move to more 'normal' sales market in 2022 – similar to 2019 (20% less than 2021)



- Rental demand continues to outstrip supply
- Increasing trend towards professionalisation



- Rent inflation has begun to impact
- UK rents up over 8%



# Outlook

# Outlook: Continued positivity into 2022

Q1 2022 has started better than hoped in regard to sales activity

Strategic initiatives continue to support growth momentum

Awake to macro-environment headwinds, but so far property market remains robust

Ultimate goal remains to support our franchisees in order to help them become more successful

**We remain confident in our ability to grow our Group and deliver on our strategic initiatives**



# Q&A



# Appendix

# ESG

TPFG is committed to the management and development of its business in a socially responsible way

## Environment

- Formed environmental steering group
- Plan to develop an Environmental Policy, aligned with the UN's SDGs
- Established recycling policy, use of energy efficient buildings
- Exploring the use of electric vehicles, office refits and landlord support

## Social

- Supporting local charities and social groups across the country
- One of our national charities, The Nikki Waterhouse Trust established in 2015, donated £20,000 to children's hospices
- Strong People strategy leading to very low staff turnover
- Committed to the upskilling & development of franchisees

## Governance

- High standards of corporate governance contribute to our success
- Committed to alignment with the QCA corporate governance code
- The Board is committed to maintaining good communications with shareholders

# Income statement summary

	2021 £'000	2020 £'000
Revenue	24,042	11,017
Cost of sales	(3,697)	(933)
<b>Gross profit</b>	<b>20,345</b>	10,084
Administrative expenses	(12,719)	(5,257)
Share-based payments charge	(970)	(68)
<b>Operating profit</b>	<b>6,656</b>	<b>4,759</b>
Finance income	4	11
Finance costs	(320)	(3)
Other gains and losses	83	-
<b>Profit before income tax expense</b>	<b>6,423</b>	<b>4,767</b>
Income tax expense	(2,745)	(1,008)
<b>Profit for the year from continuing operations</b>	<b>3,678</b>	<b>3,759</b>
<b>Discontinued operations</b>	<b>(169)</b>	<b>33</b>
<b>Profit and total comprehensive income for the year</b>	<b>3,509</b>	<b>3,792</b>
<b>Profit and total comprehensive income for the year attributable to:</b>		
<b>Owners of the parent</b>	<b>3,469</b>	<b>3,783</b>
Non-controlling interest	40	9
	<b>3,509</b>	<b>3,792</b>

## Key movements :

- Revenue
  - +118% to £24.0m
  - Like for like\* +26% to £13.9m
- Exceptional costs
  - Hunters acquisition costs £0.9m
- Discontinued operation:
  - Auxilium P&L and impairment included as one line and comparatives restated
- Adjusted EBITDA
  - +81% to £10.4m
  - Like for like\* +19% to £6.8m
- Adjusted PBT
  - +79% to £9.5m
  - Like for like\* +23% to £6.5m

\*like for like excludes the impact of the acquisition of Hunters

# Balance sheet summary

## Key movements:

- Hunters acquisition added £33m intangibles and £4m deferred tax liabilities
- Bank loan of £12.5m drawn to fund Hunters acquisition

	2021 £'000	2020 £'000
<b>Assets</b>		
<b>Non-current assets</b>		
Intangible assets	46,498	14,380
Property, plant and equipment	217	68
Right-of-use assets	1,568	86
Prepaid assisted acquisitions support	424	600
Investments	169	-
Investment properties	256	-
	<b>49,132</b>	<b>15,134</b>
<b>Current assets</b>		
Trade and other receivables	2,820	1,291
Cash and cash equivalents	8,413	8,771
	<b>11,233</b>	<b>10,062</b>
<b>Total assets</b>	<b>60,365</b>	<b>25,196</b>

	2021 £'000	2020 £'000
Share premium	4,129	4,040
Own share reserve	(348)	-
Merger reserve	14,345	2,797
Other reserves	905	778
Retained earnings	13,999	12,690
	<b>33,350</b>	<b>20,563</b>
Non-controlling interest	6	9
<b>Total equity attributable to owners</b>	<b>33,356</b>	<b>20,572</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Borrowings	9,219	-
Lease liabilities	2,275	45
Deferred tax	5,570	1,115
Provisions	212	-
	<b>17,276</b>	<b>1,160</b>
<b>Current liabilities</b>		
Borrowings	1,875	-
Trade and other payables	6,280	2,750
Lease liabilities	465	41
Tax payable	1,113	673
	<b>9,733</b>	<b>3,464</b>
<b>Total liabilities</b>	<b>27,009</b>	<b>4,624</b>
<b>Total equity and liabilities</b>	<b>60,365</b>	<b>25,196</b>

# The Property Franchise Group: Timeline of our Milestones



**1986**

Martin & Co founded in 1986 in Yeovil



**1995**

First franchise launched in 1995



**2007**

100 franchised offices trading



**2012**

Launched sale service



**2013**

Martin & Co PLC listed on AIM



**2021**

Acquisition of Hunters, Strategic LSL partnership, Acquired 80% holding in Mortgage Genie



**2020**

Launched new Financial Services division



**2019**

58,000 managed properties



**2017**

Re-brand to The Property Franchise Group PLC



**2016**

Acquisition of hybrid agent, EweMove



**2014**

Acquired Xperience Franchising Ltd & Whitegates Estate Agency Ltd, increasing the number of offices to 282

# Business model



**Martin & Co**  
Est. 1987

151 offices  
Sales & Lettings



**Ellis&Co**  
Acquired in 2014

16 offices located  
within M25  
Sales & Lettings



**Whitegates**  
Acquired in 2014

28 offices across Midlands  
to North of England  
Sales & Lettings



**Parkers**  
Acquired in 2014

14 offices along M4  
corridor  
Sales & Lettings



**CJ Hole**  
Acquired in 2014

15 offices in South West  
of England  
Sales & Lettings



**EweMove**  
Acquired in 2016

158 territories  
Non-office, hybrid model  
Sales & Lettings



**Hunters**  
Acquired in 2021

208 offices  
Sales & Lettings

**Established a proven franchise model with clearly differentiated property brands, creating a solid platform for further growth opportunities.**



# The Board

**Richard Martin**  
Non-Independent  
Non-Executive Chairman



**Gareth Samples**  
Chief Executive Officer



**David Raggett**  
Chief Financial Officer



**Paul Latham**  
Independent  
Non-Executive Director



**Phil Crooks**  
Independent  
Non-Executive Director



**Dean Fielding**  
Non-Executive Director

