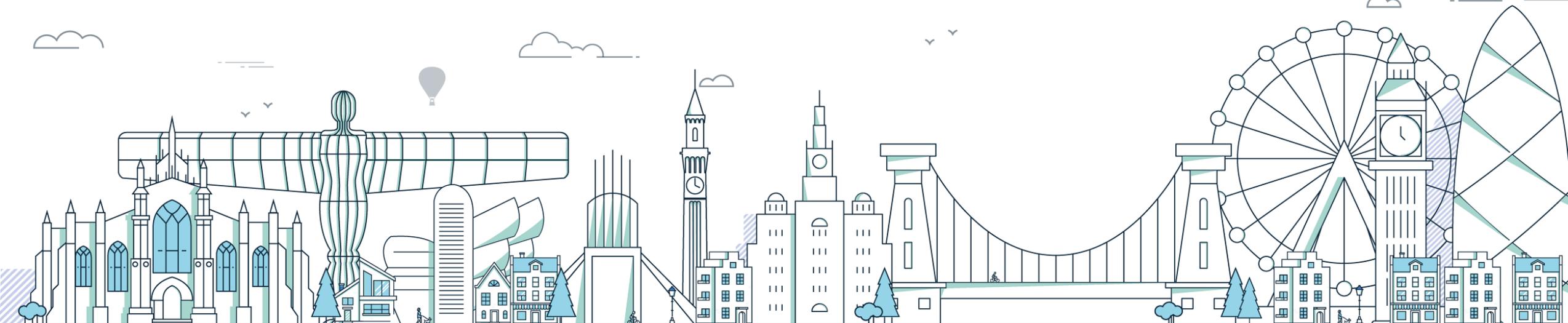


Full Year Results 2022

The UK's largest property franchisor

Strong financial performance ahead of market expectations



TPFG: The UK's largest property franchisor



Nine property brands



Significant scale

577

Trading territories (Incl EweMove)

189

EweMove territories contracted

76,000

Tenanted managed properties

Over 24,000

Properties sold in 2022



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



A record year for the Group

Delivered on investment and growth objectives with strong financial performance, significantly increasing revenue and profit

Strong organic growth in lettings revenues: underpinned by our quality of service and market strength

Operating profit increased 40% for the second year in a row to £9.3m

Integration Hunters achieved ahead of target, now benefitting as an enlarged Group with synergies achieved

Continued investment into our highly experienced senior management team

Return to a net cash position following the acquisition of Hunters, providing a strong platform for growth





Financials

Financial overview

Group revenue¹ up 13% to **£27.2m** (2021: £24.0m)

Management Service Fees up 8% to **£15.9m** (2021: £14.7m)

Adjusted EBITDA³ up 14% to **£11.8m** (2021: £10.4m)

Adjusted operating margin⁴ of **41%** (2021: 40%)

Profit before tax up 38% to **£8.8m** (2021: £6.4m)

Net cash of **£1.7m** (net debt 2021: £2.7m)

Dividends paid and declared for FY22 up 12% to **13.0p** per share (2021: 11.6p)

aEPS³ (diluted) up 6% to **28.4p** (2021: 26.9p)

1 Group revenue for 2021 excludes Aux Group Ltd and Auxilium Partnership Ltd which were sold in July 21

2 Like for like comparisons exclude the acquisitions of Hunters, Mortgage Genie and the disposals in note 1

3 Before share-based payments charge, loss/gain on listed investments and exceptional costs

4 Before amortisation arising on consolidation and the item in note 3

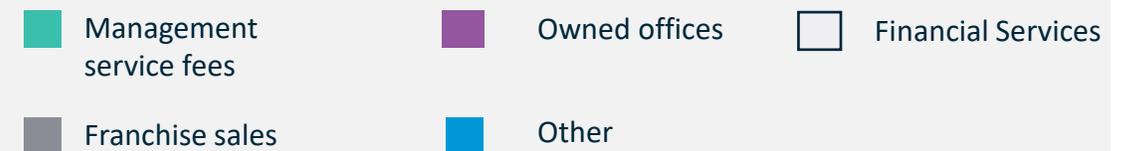


Revenue

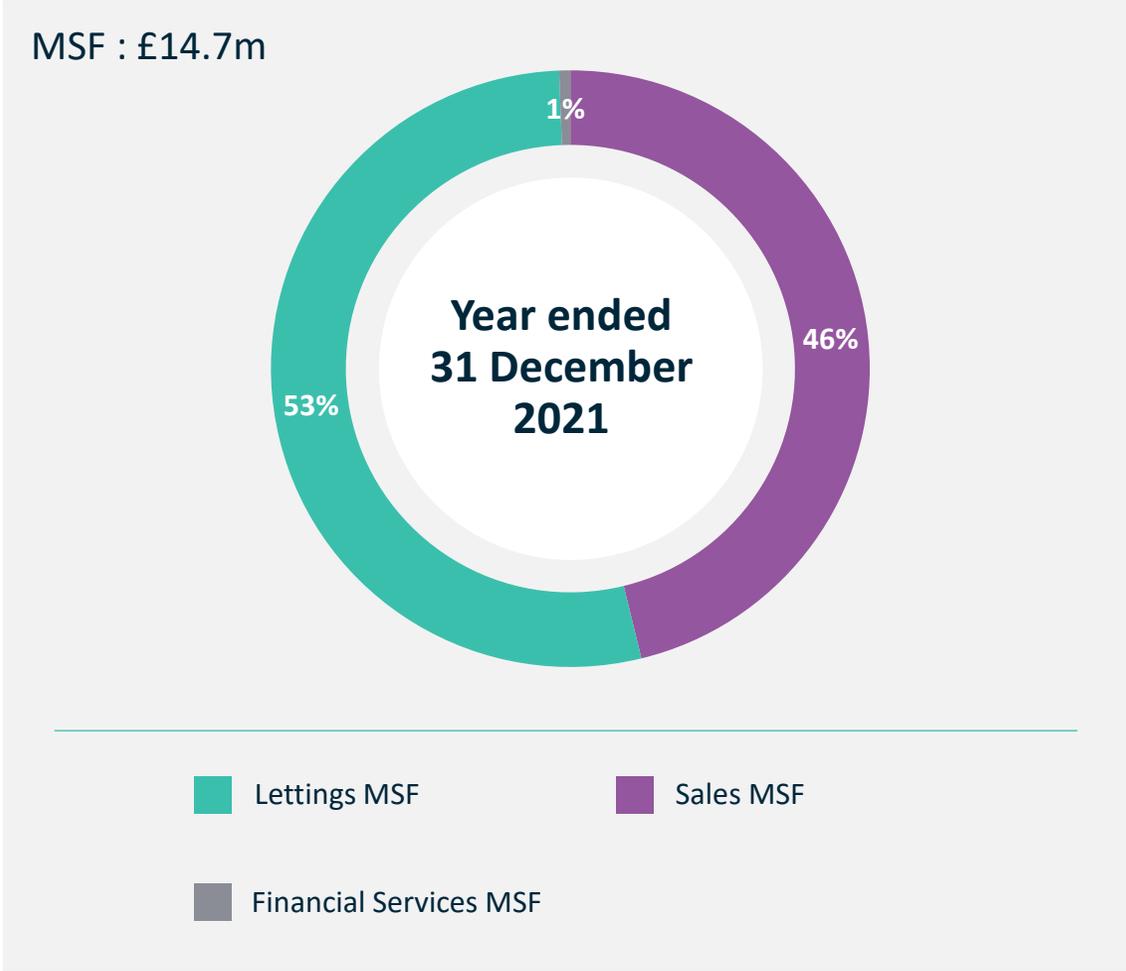
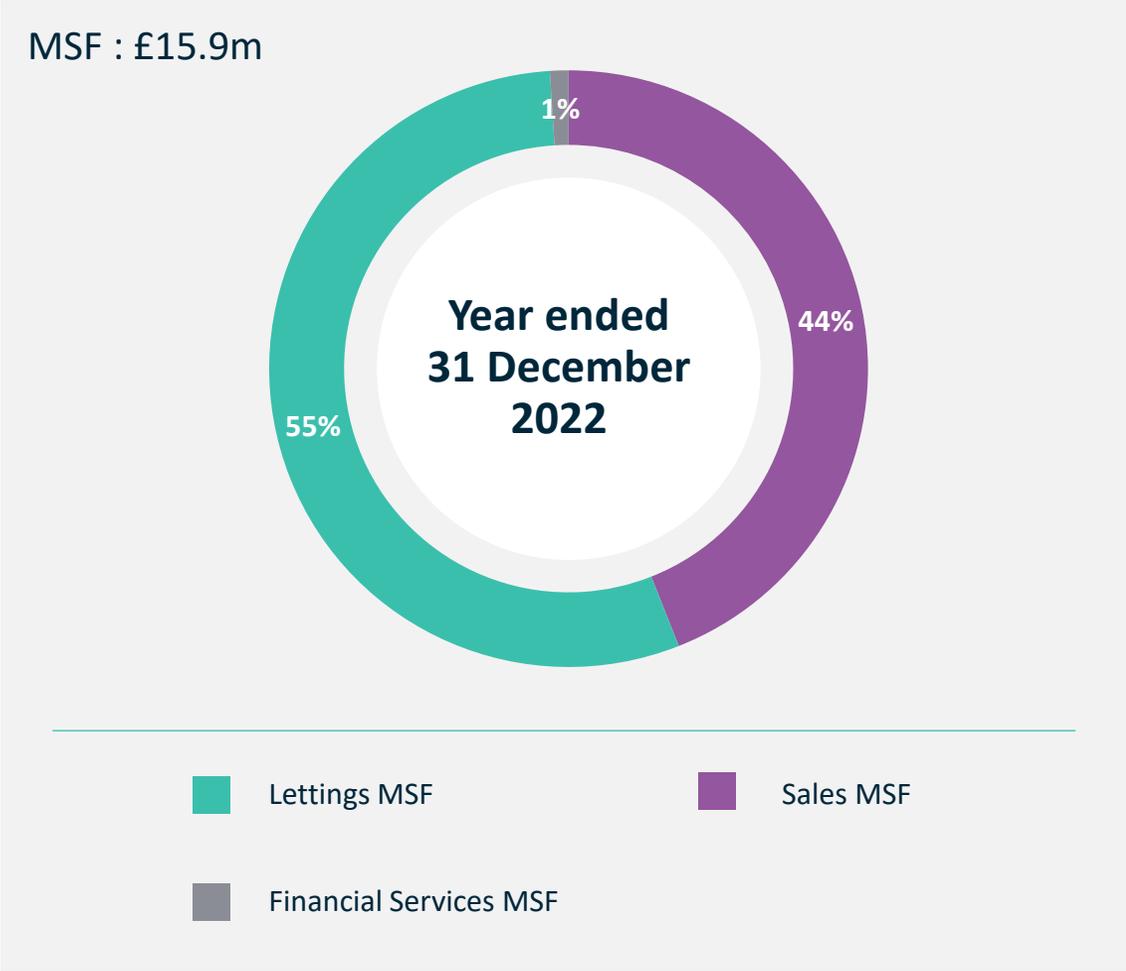
Revenue : £27.2m



Revenue : £24.0m



Group MSF split



Cash

Summary of key movements in cash in last six months:

Cash at 31 December 2021	£8.4m
Net cash from operations	£9.0m
Bank loan repaid	(£6.1m)
Dividends paid	(£3.8m)
Other movements	£0.1m
Cash at 31 December 2022	£7.6m

Net cash generated from operations (£m)



Free cash flow per share (£)





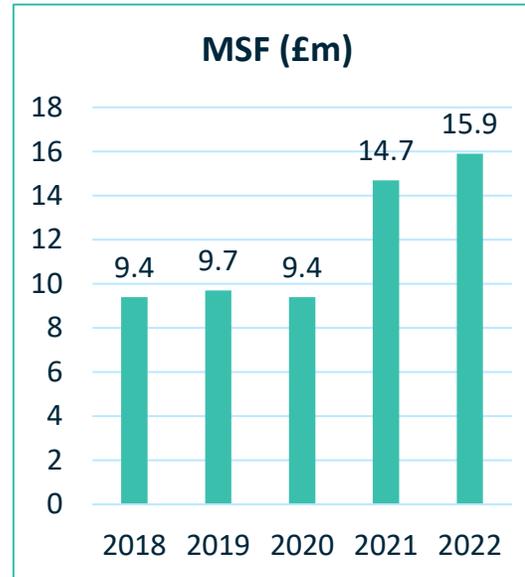
A period of significant growth

5 year trends

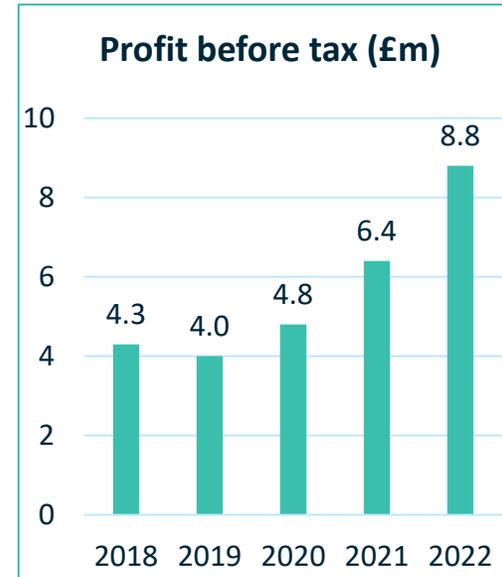
+143% growth



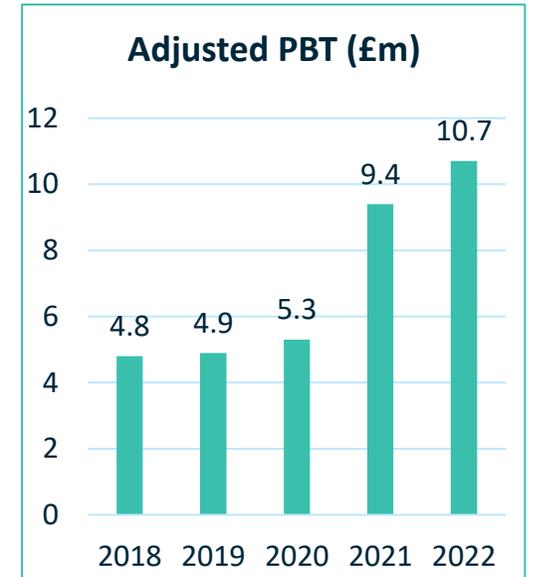
+69% growth



+105% growth

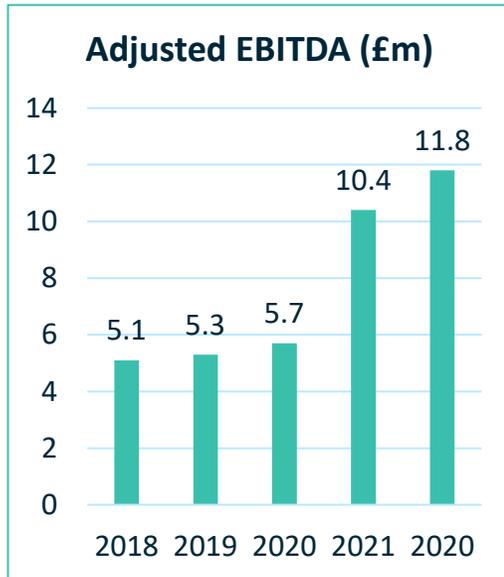


+123% growth

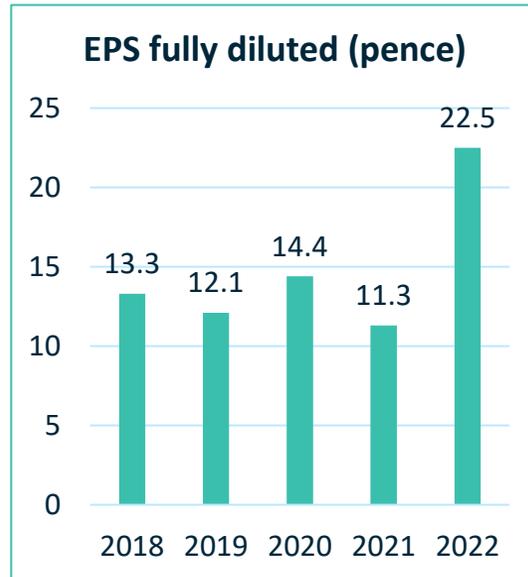


5 year trends

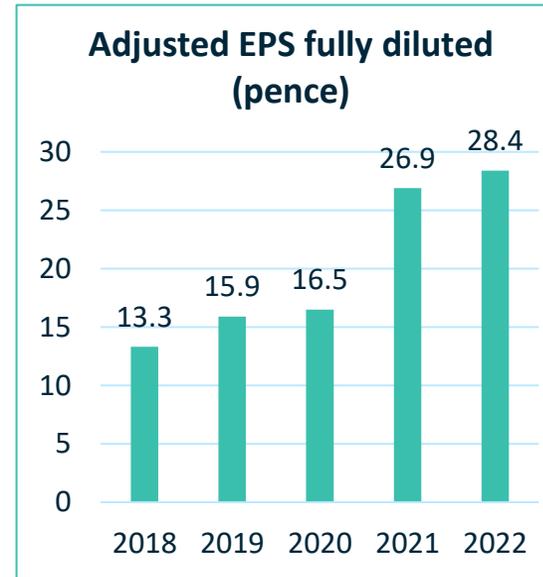
+131% growth



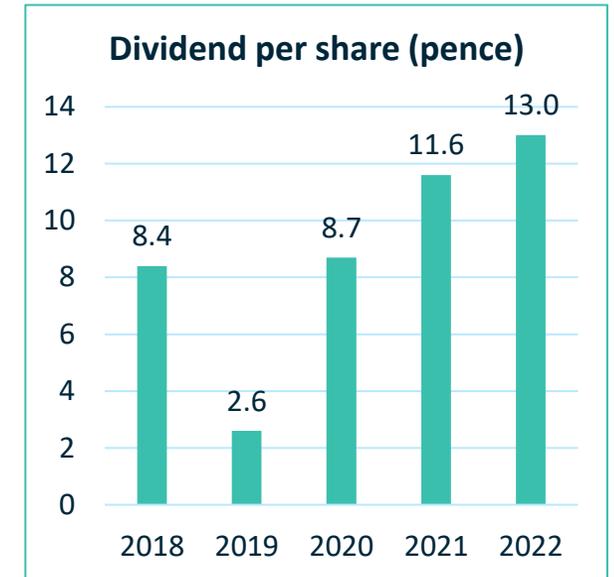
+69% growth



+114% growth

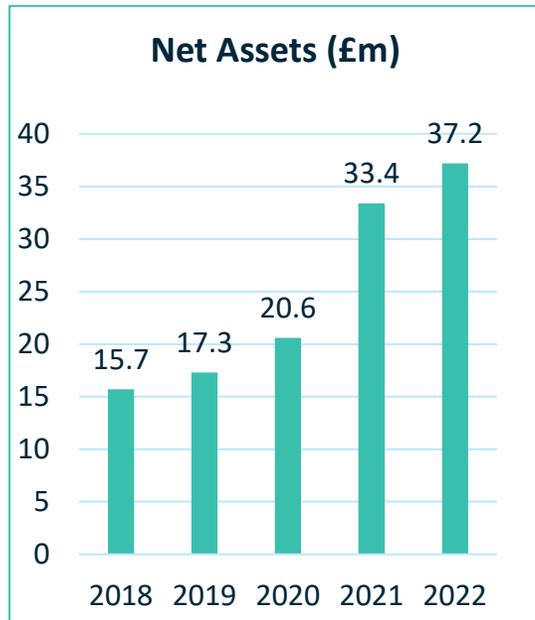


+55%

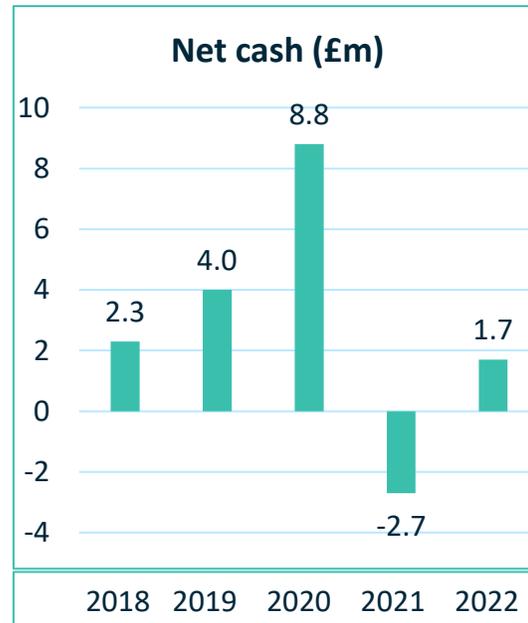


5 year trends

+137% growth



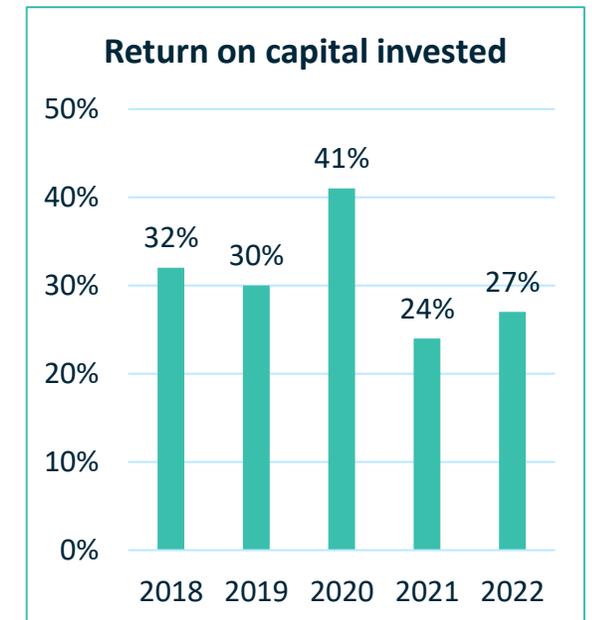
Highly cash generative



ROCE strong & improving



ROCI strong & improving

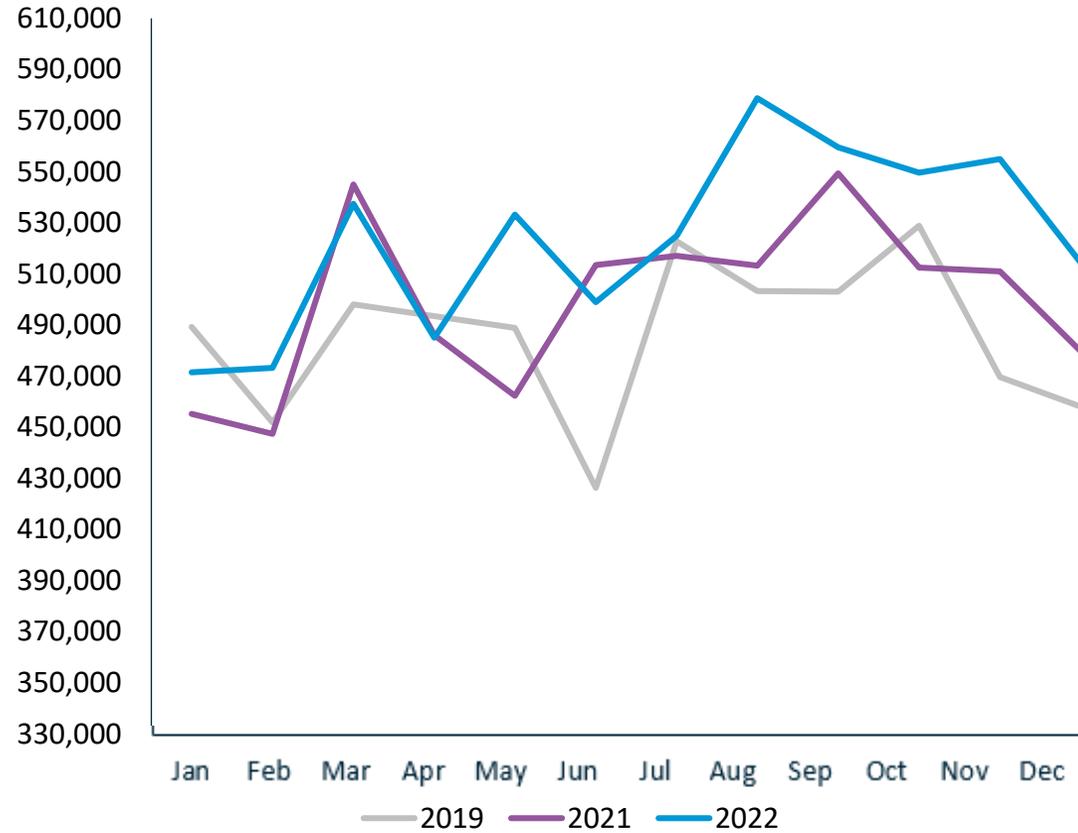




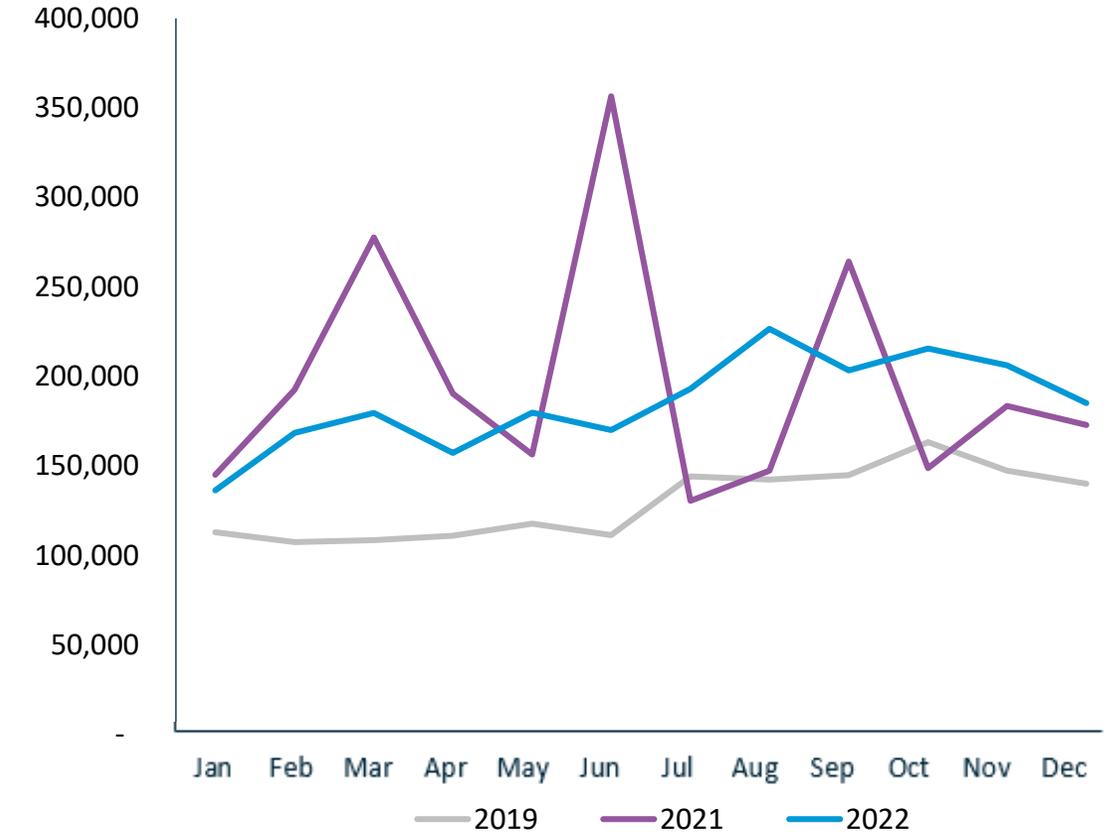
Market update & growth initiatives

High street-led brands (excluding Hunters)

Lettings MSF (£)



Sales MSF (£)



Market update



- Total residential sales transactions in the UK declined from c.1.5m in 2021 to c.1.25m in 2022
- Residential market likely to align with 2019 levels



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



- Net migration, rising mortgage costs and lack of new build set to continue driving rental inflation in 2023
- UK lettings market saw double digit growth in 2022

Our resilient and growth-focused Group

Why are we well-positioned?

Robust business and a market leader with a proven franchise model and growth track record

Strongly cash generative with a net cash position

Very experienced senior management team adding value

Clear and focused growth strategy

Core strength to capitalise on the opportunities that arise out of disruption

Quality acquisitions delivering well on their potential

High proportion of recurring income

Strong focus on enhanced margin

Strategic growth initiatives



Lettings growth

Through assisted acquisitions and local organic growth



Develop sales activity in the high-street led brands

Via provision of additional support and training



Financial Services growth

Increasing our penetration in the franchise network



EweMove recruitment

Continuing the growth to become the most geographically represented national franchise brand



Acquisitions at franchisor level

Acquisition of franchise brands and managed properties for owned offices



Digital Marketing

Developing our capabilities to deliver more timely and relevant offers/support

2022 update



Lettings growth

- 76,000 managed properties
- Assisted acquisitions brought 1,890 tenanted properties into the network and £2.1m of revenue



Develop sales activity in the high-street led brands

- c.55/44 lettings/sales
- All long-standing brands performed robustly despite backdrop
- Gained market share



Financial Services growth

- H2 2022 a challenge for financial services
- Mortgage Genie performed resiliently



EweMove recruitment

- 44 new territories added in 2022
- Total at 189 under contract



Acquisitions at franchisor level

- Hunters and Mortgage Genie integrated and performing well
- Further potential targets being assessed



Digital Marketing

- Investment into upgraded CRM systems for Hunters and EweMove and websites across the Group

Our industry-leading executive team

Ellie Hall

MD of Martin & Co
(Midlands and North)

- Acquisition of lettings businesses
- Lettings

Rob Smith

MD of Hunters and Whitegates

- Residential sales
- FS experience
- Conveyancing

Glynis Frew

Franchise Training and Development Director

- Training specialist
- Oversight of RoPA

Adam Noonan

Commercial Director

- Marketing
- IT
- Third party agreements

Eric Walker

MD of Martin & Co
(South & Scotland)

- Lettings
- Franchising
- Compliance

Nick Neill

MD of EweMove

- Hybrid model and digital expertise
- Franchising

Toby Phillips

MD of CJ Hole, Ellis & Co, Parkers, Country Properties & Mullucks

- Residential sales
- Business performance

Matt Stevens

MD of Mortgage Genie

- Mortgage and life protection



Outlook

Outlook

Whilst cognisant of the backdrop, we are confident in the execution of our strategic plan

Q1 has been ahead of management's expectations in terms of both revenue and profitability

Experienced team continues to support our group of franchisees, with further growth expected in 2023

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

We remain confident in delivering growth in FY23 and beyond



Q&A



Appendix

Income statement summary

	2022 £'000	2021 £'000
Revenue	27,158	24,042
Cost of sales	(5,575)	(3,697)
Gross profit	21,583	20,345
Administrative expenses	(11,876)	(12,719)
Share-based payments charge	(411)	(970)
Operating profit	9,296	6,656
Finance income	39	4
Finance costs	(470)	(320)
Other gains and losses	(32)	83
Profit before income tax expense	8,833	6,423
Income tax expense	(1,588)	(2,745)
Profit for the year from continuing operations	7,245	3,678
Discontinued operations	-	(169)
Profit and total comprehensive income for the year	7,245	3,509
Profit and total comprehensive income for the year attributable to:		
Owners of the parent	7,229	3,469
Non-controlling interest	16	40
	7,245	3,509

Key movements :

- Revenue
 - +13% to £27.2m
- Adjusted EBITDA
 - +14% to £11.8m
- Operating profit
 - +40% to £9.3m
- PBT
 - +38% to £8.8m

Balance sheet summary

Key movements:

- Net cash of £1.7m at 31 December 2022 (2021: net debt £2.7m)
- Term loan repaid (£6.1m)

	2022 £'000	2021 £'000
Assets		
Non-current assets		
Intangible assets	44,958	46,498
Property, plant and equipment	162	217
Right-of-use assets	1,613	1,568
Prepaid assisted acquisitions support	297	424
Investments	137	169
Investment properties	-	256
Other receivables	240	-
	47,407	49,132
Current assets		
Trade and other receivables	3,718	2,820
Cash and cash equivalents	6,684	8,413
	10,402	11,233
Total assets	57,809	60,365

	2022 £'000	2021 £'000
Equity		
Shareholders' equity		
Called up share capital	320	320
Share premium	4,129	4,129
Own share reserve	(348)	(348)
Merger reserve	14,345	14,345
Other reserves	1,316	905
Retained earnings	17,399	13,999
	37,161	33,350
Non-controlling interest	22	6
Total equity attributable to owners	37,183	33,356
Liabilities		
Non-current liabilities		
Borrowings	5,000	9,219
Lease liabilities	1,856	2,275
Deferred tax	5,168	5,570
Provisions	212	212
	12,236	17,276
Current liabilities		
Borrowings	-	1,875
Trade and other payables	6,724	6,280
Lease liabilities	506	465
Tax payable	1,160	1,113
	8,390	9,733
Total liabilities	20,626	27,009
Total equity and liabilities	57,809	60,365

The Property Franchise Group: Timeline of our Milestones



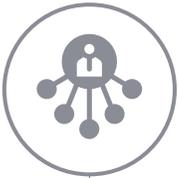
1986

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

143 offices
Sales & Lettings



Ellis&Co
Acquired in 2014

15 offices located
within M25
Sales & Lettings



Whitegates
Acquired in 2014

29 offices across Midlands
to North of England
Sales & Lettings



Parkers
Acquired in 2014

16 offices along M4
corridor
Sales & Lettings



CJ Hole
Acquired in 2014

16 offices in South West
of England
Sales & Lettings



EweMove
Acquired in 2016

189 territories
Non-office, hybrid model
Sales & Lettings



Hunters
Acquired in 2021

178 offices
**Country Properties
and Mullucks: 18
offices**
Sales & Lettings

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



The Board

Paul Latham
Non-Executive Chairman



Gareth Samples
Chief Executive Officer



David Raggett
Chief Financial Officer



Richard Martin
Non-Executive Director



Phil Crooks
Independent
Non-Executive Director



Dean Fielding
Independent
Non-Executive Director



High-Street Led Brands/ EweMove

	FY22			FY21		
	High-Street Led	EweMove	Total	High-Street Led*	EweMove	Total
Network						
Trading territories (at year end)	414	163	577	432	158	590
Managed properties (at year end)	72,500	3,500	76,000	71,000	3,000	74,000
Properties let (No.)	33,600	1,700	35,300	32,300	1,300	33,600
Properties sold (No.)	20,700	3,500	24,200	21,900	4,300	26,200
Network revenue (£'m)	148	15	163	141	16	157
TPFG						
Revenue (£'m)	21.3	4.5	25.8	19.5	4.1	23.6
MSF (£'m)	12.6	3.3	15.9	11.8	2.9	14.7
adj EBITDA (£'m)	10.1	1.6	11.7	8.8	1.6	10.4
adj EBITDA margin	47%	35%	45%	45%	39%	44%

* Since acquisition