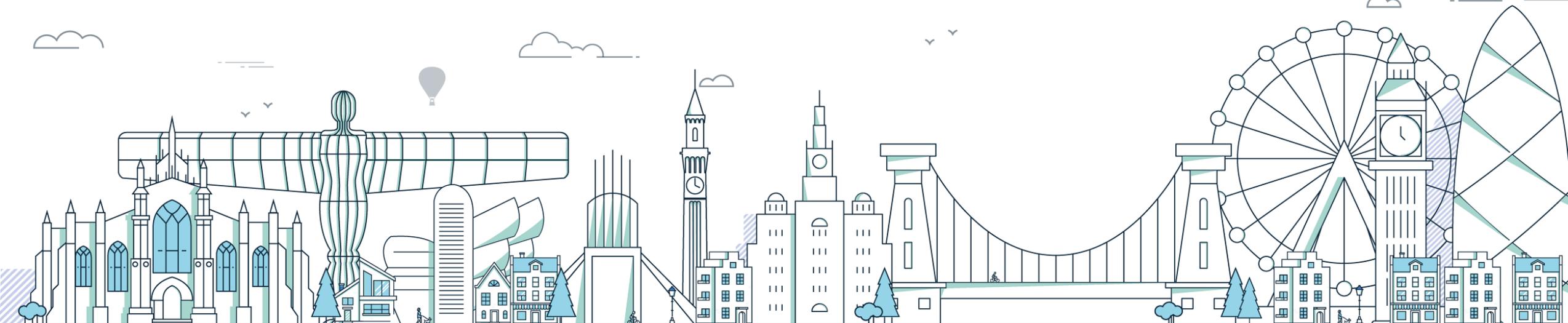


# Interim Results 2023

**The UK's largest property franchisor**

*Record H1, outperforming market in lettings and sales*



# TPFG: The UK's largest property franchisor



## Nine property brands



## Significant scale

614

Trading territories (Incl EweMove)

194

EweMove territories contracted

77,000

Tenanted managed properties

Over 9,000

Properties sold in H1



## 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

Another period of record revenue, with increasing proportions of recurring revenue and outperformance in sales and lettings

Lettings demand continuing to outstrip impact of reduction in UK housing transactions

Strong performance demonstrating the resilience of the offering and the strength of our model

Ongoing execution against our strategic initiatives





# Financials

# Financial overview

Group revenue to **£13.2m** (H1 2022: £13.1m)

Management Service Fees up 3% to **£7.7m** (H1 2022: £7.5m)

Adjusted EBITDA<sup>1</sup> **£5.8m** (H1 2022: £5.7m)

Adjusted operating margin<sup>2</sup> of **42%** (H1 2022: 41%)

Profit before tax up 11% to **£4.2m** (H1 2022: £3.8m)

Net cash position of **£0.7m** (H1 2022: net debt £2.6m)

Dividend declared for H1 2023 up 10% at **4.6p** per share (H1 2022: 4.2p)

Basic earning per share up 4% to **10.3p** (H1 2022: 9.9p)

<sup>1</sup>Before share-based payments charges

<sup>2</sup> Before share-based payments charges and amortisation arising on consolidation

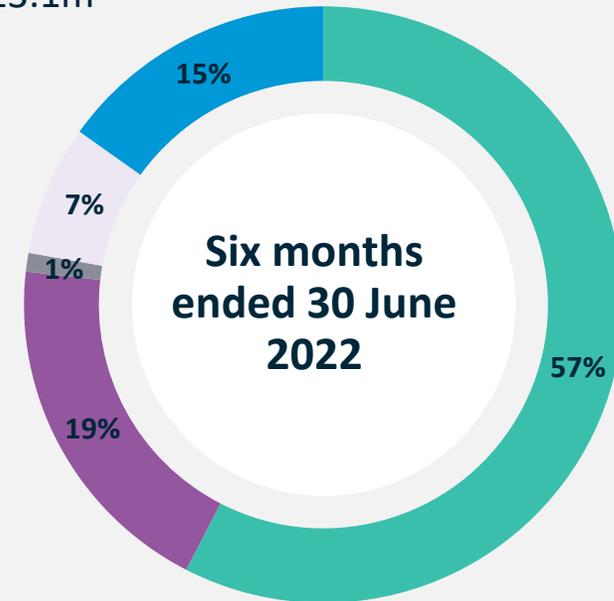


# Revenue

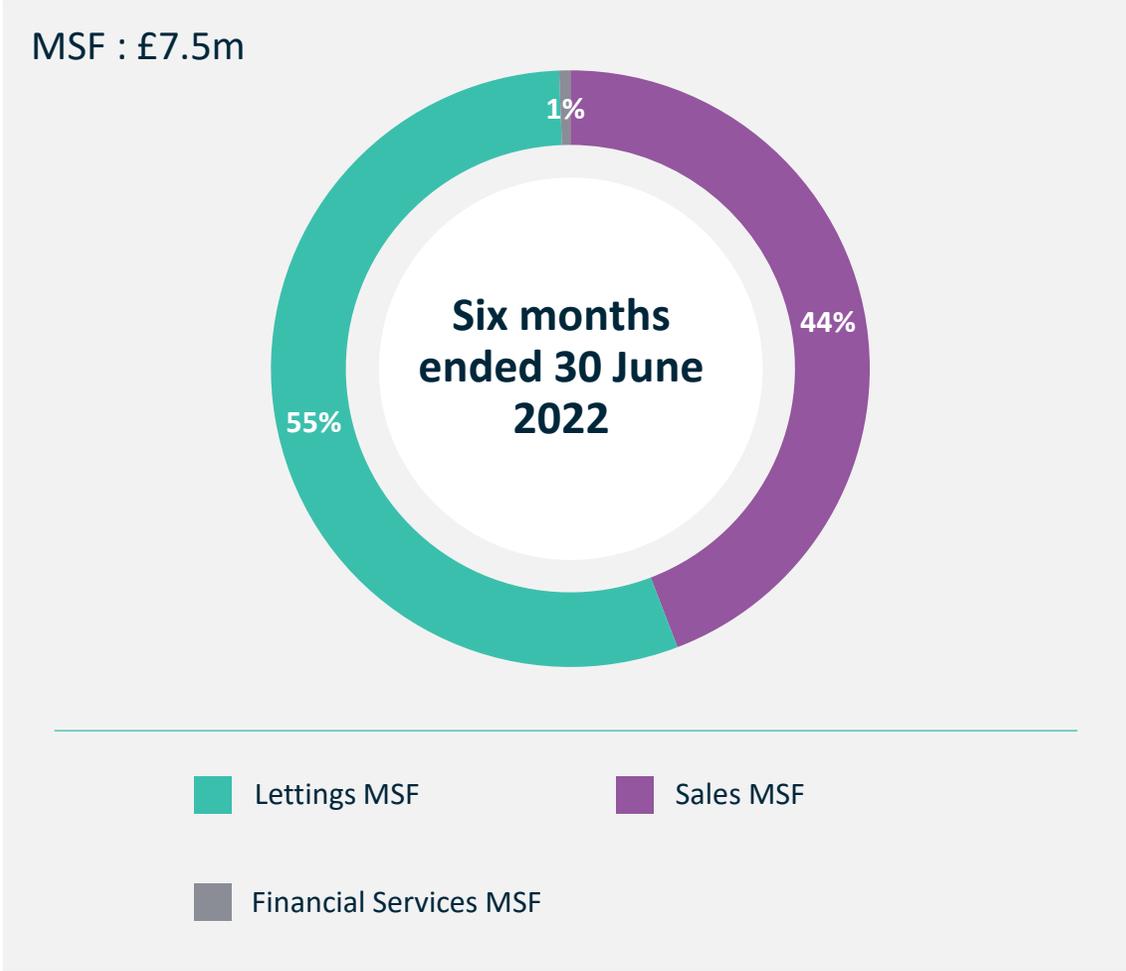
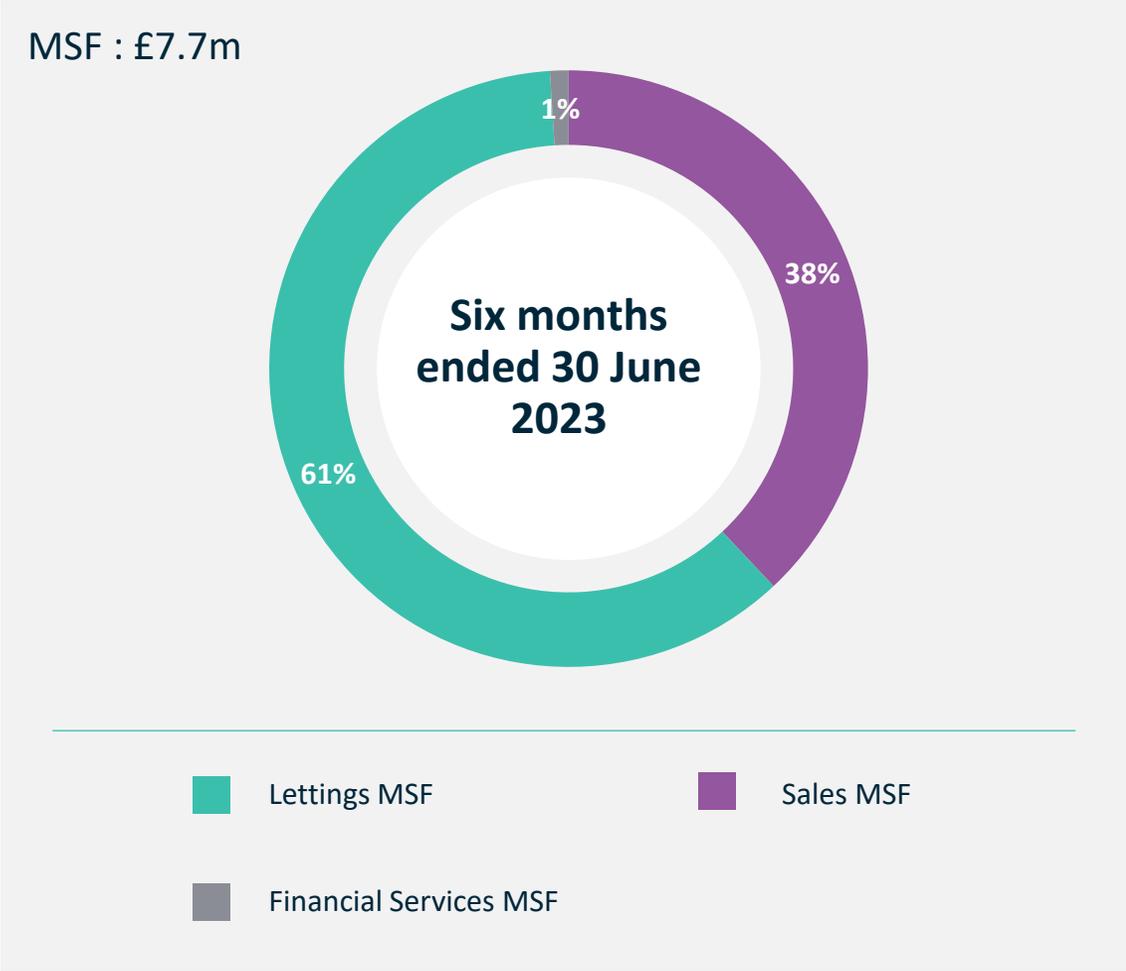
Revenue : £13.2m



Revenue : £13.1m

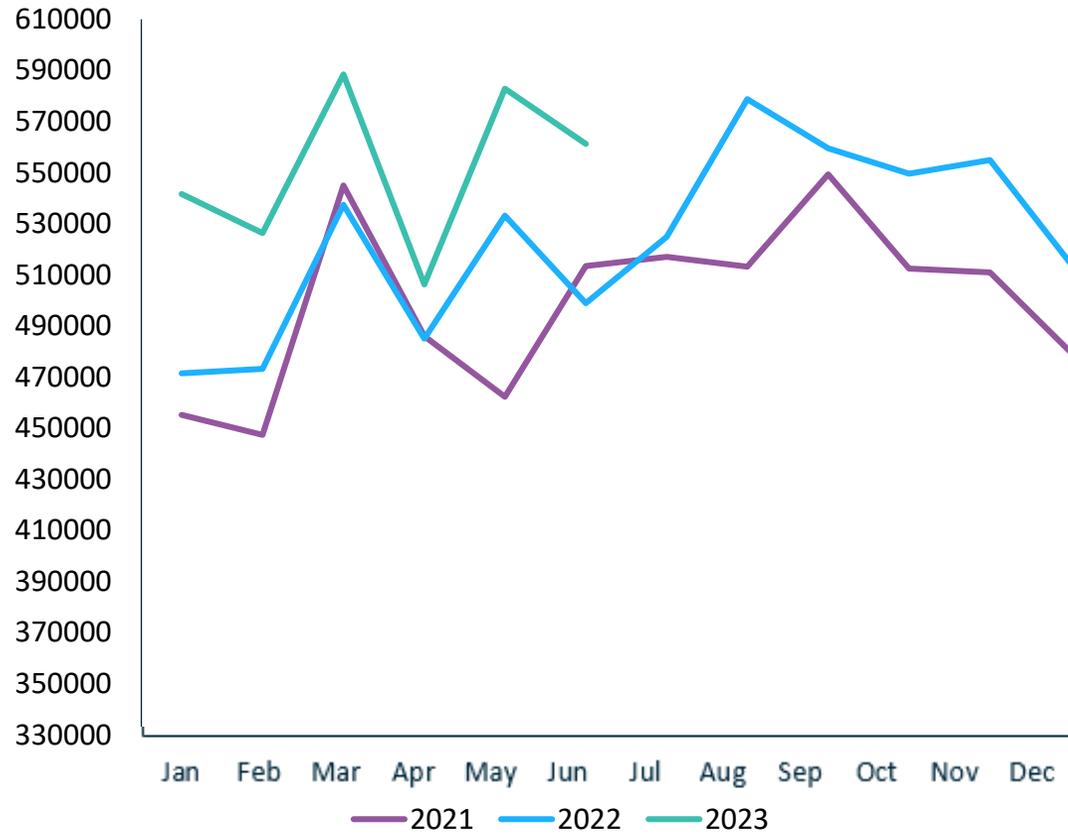


# Group MSF split

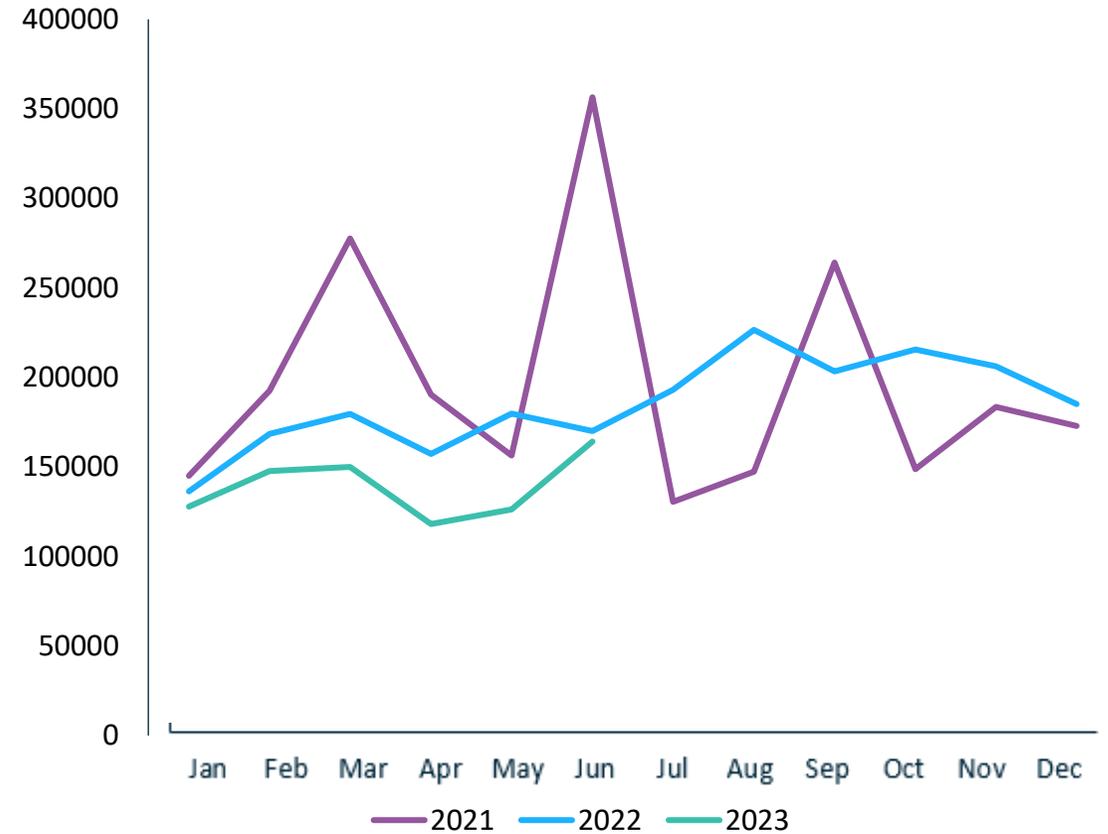


# High street-led brands (excluding Hunters)

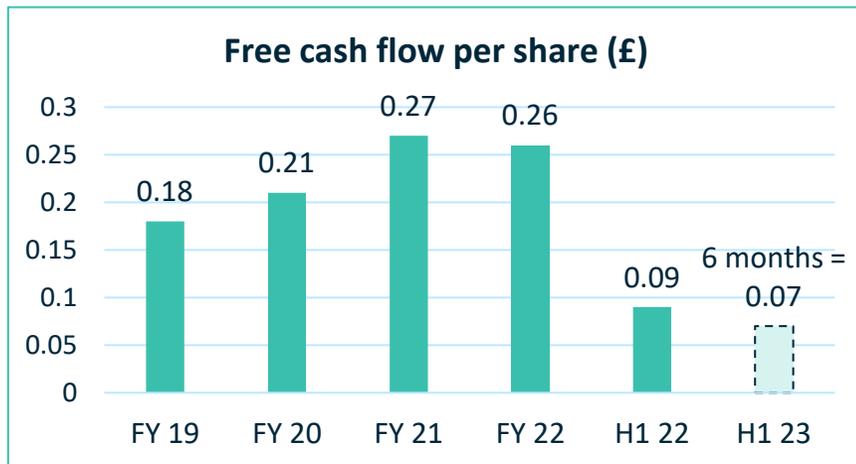
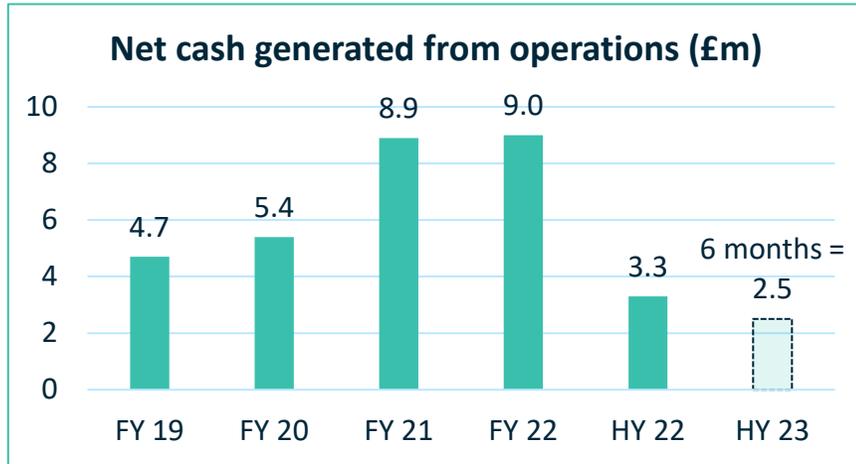
## Lettings MSF (£)



## Sales MSF (£)



# Cash



## Summary of key movements in cash in last six months:

<b>Cash at 31 December 2022</b>	<b>£6.7m</b>
Net cash from operations	£2.5m
Bank loan repaid (RCF)	(£2.5m)
Dividends paid	(£2.8m)
Other movements	(£0.7m)
<b>Cash at 30 June 2023</b>	<b>£3.2m</b>



# Market update & growth initiatives

# Market update



- UK property transactions for June 2023 were 20% lower than the comparable 2022 period
- Sales agreed pipeline remains strong with improving sales completion times



- Strong rental demand continues to outstrip supply
- Rental inflation a continuing trend



- Double digit growth in UK lettings market expected to continue
- Expect sales market to stabilise in 2024



# 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

**614** territories under contract

Strongly cash generative with a net cash position

Av. FCF conversion of **79% p.a.**

Very experienced senior management team adding value

Average sector experience **24 years**

Clear and focused growth strategy

**+143%** revenue growth last five years

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

**Nine** franchise brands acquired to date

Quality acquisitions delivering well on their potential

ROCI **27%** FY22

High proportion of recurring income

**65%** H1 FY23

Strong focus on enhanced margin

Adj. operating margin **42%** H1 FY23

# Strategic initiatives - robust H1 performance



## Lettings growth

- 77,000 managed properties
- 7 assisted acquisitions
- 806 managed properties, contributing £0.8m of managed income per annum



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

- c.61/39 lettings/sales
- Sales agreed pipeline remained strong, finishing H1 at £28.4m



## Financial Services growth

- Mortgage Genie performed inline with expectations
- Due to the uncertain interest rate environment the sector remains challenging



## EweMove recruitment

- 17 new territories sold
- Total at 194 under contract
- Significant growth opportunities ahead



## Acquisitions at franchisor level

- Hunters and Mortgage Genie integrated and performing well
- Acquired Michael Searches Property Management Limited
- Further potential targets being assessed



## Digital Marketing

- Identified and investing in the technology needed to be best in class
- Investment into websites, CRMs, internal dashboards, management software and referral software



# Outlook

# Outlook

Resilient business model well adept to continue delivering amidst a challenging market

Current market conditions anticipated to continue through H2

Growth supported by enhanced digital marketing capabilities and improved data usage

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

**We remain confident that trading remains in line with expectations for the full year**



# Q&A



# Appendix

# Income statement summary

	<i>6 Months Ended</i> 30.06.23 £'000	<i>6 Months Ended</i> 30.06.22 £'000	<i>12 Months Ended</i> 31.12.22 £'000
Revenue	13,182	13,089	27,158
Cost of sales	<u>(2,726)</u>	<u>(2,770)</u>	<u>(5,575)</u>
<b>GROSS PROFIT</b>	10,456	10,319	21,583
Administrative expenses	(5,646)	(5,679)	(11,876)
Share-based payments charge	<u>(416)</u>	<u>(644)</u>	<u>(411)</u>
<b>OPERATING PROFIT</b>	4,394	3,996	9,296
Finance income	3	15	39
Finance costs	(200)	(220)	(470)
Other gains and losses	-	-	(32)
<b>PROFIT BEFORE INCOME TAX EXPENSE</b>	<u>4,197</u>	<u>3,791</u>	<u>8,833</u>
Income tax expense	(886)	(608)	(1,588)
<b>PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<u><u>3,311</u></u>	<u><u>3,183</u></u>	<u><u>7,245</u></u>

## Key movements :

- Revenue
  - +1% to £13.2m
- Adjusted EBITDA
  - +2% to £5.8m
- Adjusted PBT
  - +3% to £5.3m

# Balance sheet summary

## Key movements:

- Net cash of £0.7m at 30 June 2023 (30 June 2022: net debt £2.6m)
- 50% of RCF repaid (£2.5m)

	As at 30.06.23 £'000	As at 30.06.22 £'000	As at 31.12.22 £'000
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Intangible assets	44,462	46,100	44,958
Property, plant and equipment	229	224	162
Investments	137	169	137
Right of use assets	1,456	1,591	1,613
Prepaid assisted acquisitions support	266	391	297
Other Receivables	220	-	240
	<u>46,770</u>	<u>48,475</u>	<u>47,407</u>
<b>CURRENT ASSETS</b>			
Trade and other receivables	4,521	3,892	3,718
Cash and cash equivalents	3,224	7,578	6,684
	<u>7,745</u>	<u>11,470</u>	<u>10,402</u>
<b>TOTAL ASSETS</b>	<u>54,515</u>	<u>59,945</u>	<u>57,809</u>

	As at 30.06.23 £'000	As at 30.06.22 £'000	As at 31.12.22 £'000
<b>ISSUED CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF PARENT</b>			
Share capital	320	320	320
Share premium	4,129	4,129	4,129
Merger reserve	14,345	14,345	14,345
Own share reserve	(348)	(348)	(348)
Retained earnings	17,906	14,679	17,399
Other reserves	1,851	1,594	1,316
	<u>38,203</u>	<u>34,719</u>	<u>37,161</u>
<b>NON-CONTROLLING INTEREST</b>	19	20	22
<b>TOTAL EQUITY</b>	<u>38,222</u>	<u>34,739</u>	<u>37,183</u>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	-	8,281	5,000
Lease liabilities	1,626	2,002	1,856
Provisions	181	212	212
Deferred tax	4,744	5,153	5,168
	<u>6,551</u>	<u>15,648</u>	<u>12,236</u>
<b>CURRENT LIABILITIES</b>			
Borrowings	2,500	1,875	-
Trade and other payables	5,432	5,979	6,724
Lease liabilities	495	502	506
Tax payable	1,315	1,202	1,160
	<u>9,742</u>	<u>9,558</u>	<u>8,390</u>
<b>TOTAL LIABILITIES</b>	<u>16,293</u>	<u>25,206</u>	<u>20,626</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>54,515</u>	<u>59,945</u>	<u>57,809</u>



# 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

# 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



**Claire Noyce**  
Independent  
Non-Executive Director

