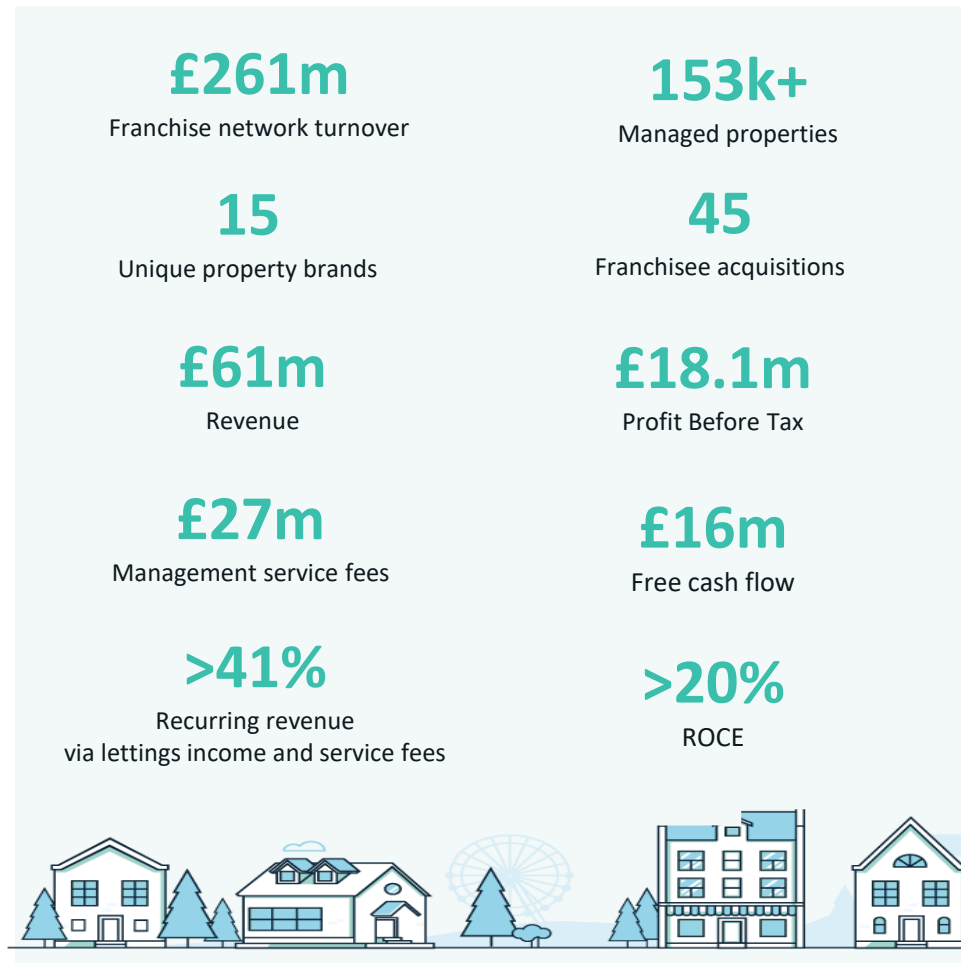


Full Year Results 2023 & merger with Belvoir Group plc

The UK's largest multi-brand property franchisor



The leading property, mortgage and franchise entity



TPFG is the UK's largest property franchisor:

- Lettings
 - Estate agency
 - Financial services
- Established in 1986, it has grown both organically and through acquisition and is now a national business throughout the UK
 - Operating through 15 unique property brands with over 910 franchised outlets.
 - Resilient and recurring revenues, with lettings at the core of the business
 - Multiple growth drivers:
 - Market drivers (e.g. rental increases)
 - Franchisee recruitment
 - Assisted acquisitions for franchisees
 - Acquisition
 - Highly cash generative and debt free
 - Sustained growth in dividends over the last 11 years (+23.3%)

FY23 Record results and transformational acquisition

FY23 another year of record performance in a challenging market

Business model has proven its strength and resilience

Franchise model, with focus on lettings and diversification of income is improving network resilience

Transformational merger with Belvoir creates the UK's largest multi-brand lettings and estate agency groups with FS business

Combined Group will benefit from increased scale and geographic reach

National footprint with Local expertise

 **15** property brands

National property franchise brands



143 Territories



178 Territories



189 Territories

Regional property franchise brands



29 Territories



16 Territories



16 Territories



15 Territories



14 Territories



3 Territories

New for 2024



157 Offices



20 Offices



90 Offices



15 Offices



39 Offices



10 Territories



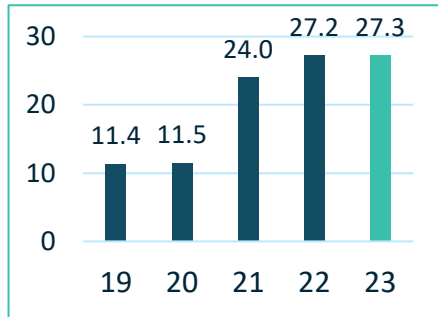


Financials

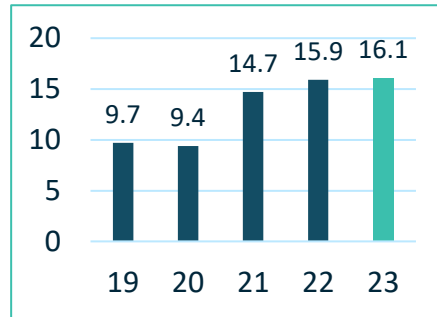
FY23 Financial highlights

Delivered sustained growth over the last 11 years in profit before tax, CAGR +23.5% and dividends +23.3%

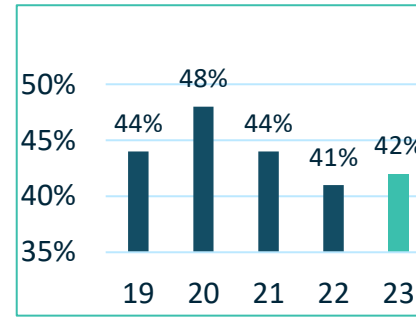
Group revenue
£27.3m



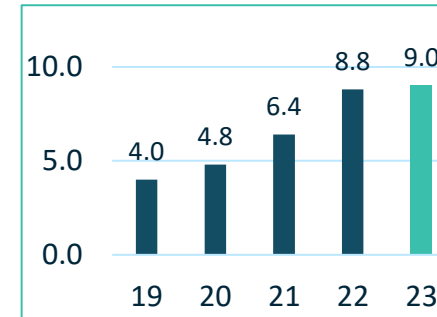
MSF
£16.1m



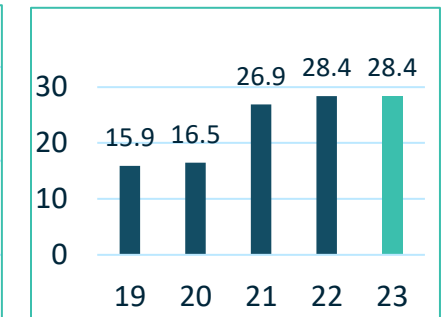
Adjusted operating margin
42%



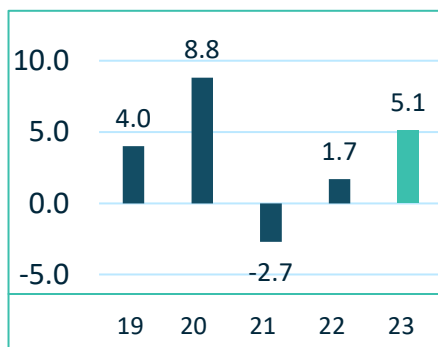
Profit before tax
£9.0m



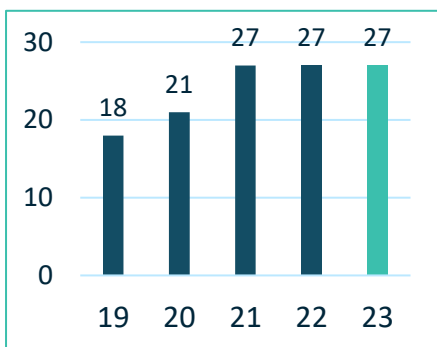
Adjusted EPS fully diluted
28.4p



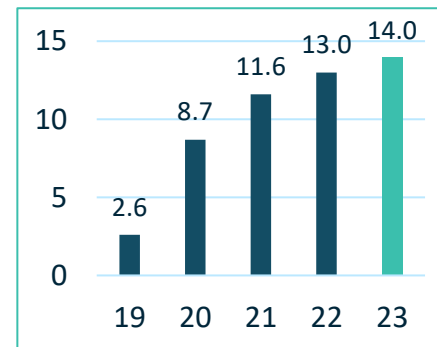
Net cash
£5.1m



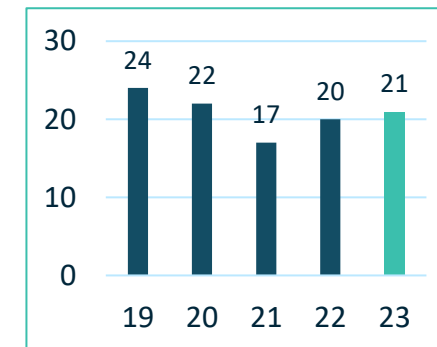
Free cash flow per share
27p



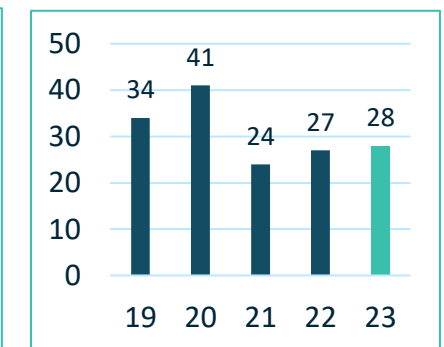
Dividend per share
14.0p



Return on capital employed
21%

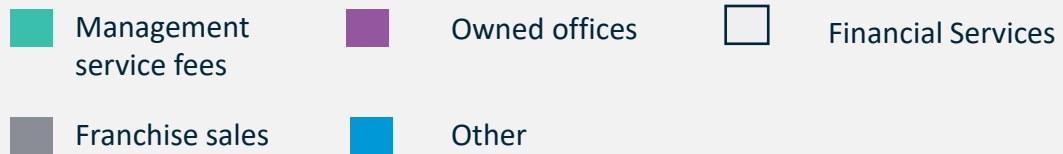
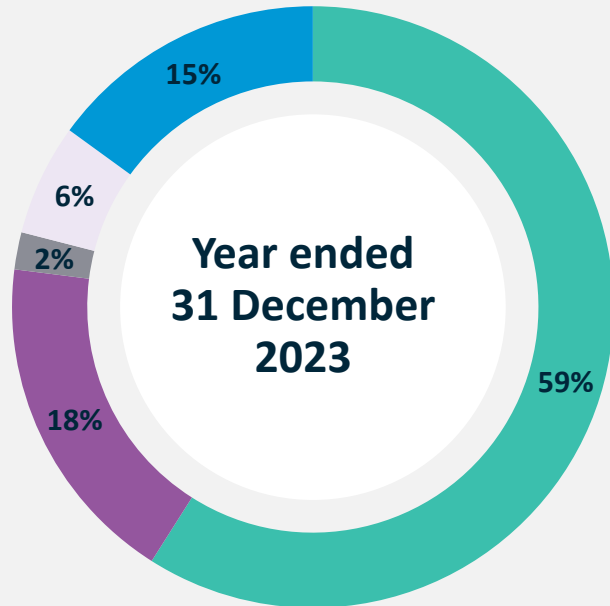


Return on invested capital
28%

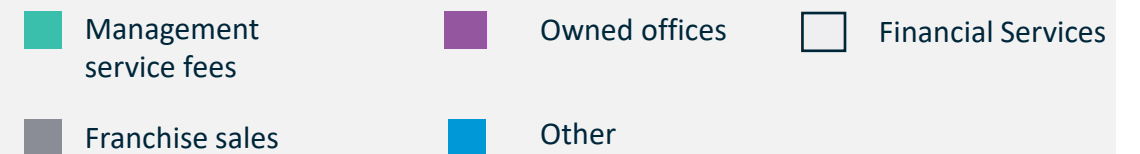
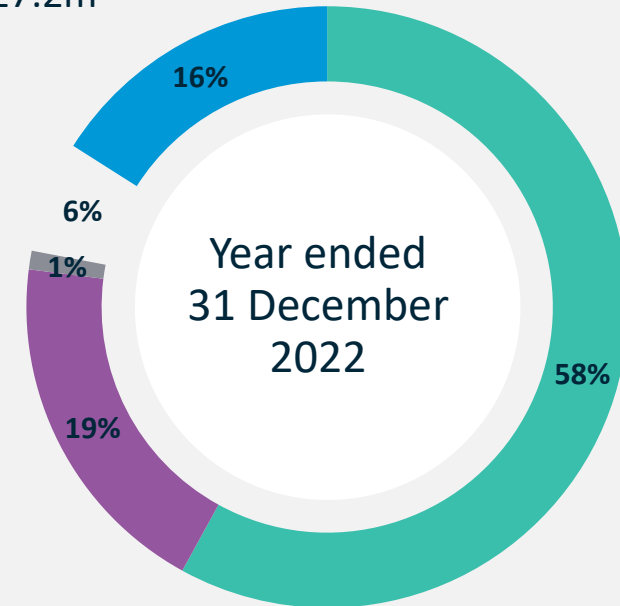


Revenue

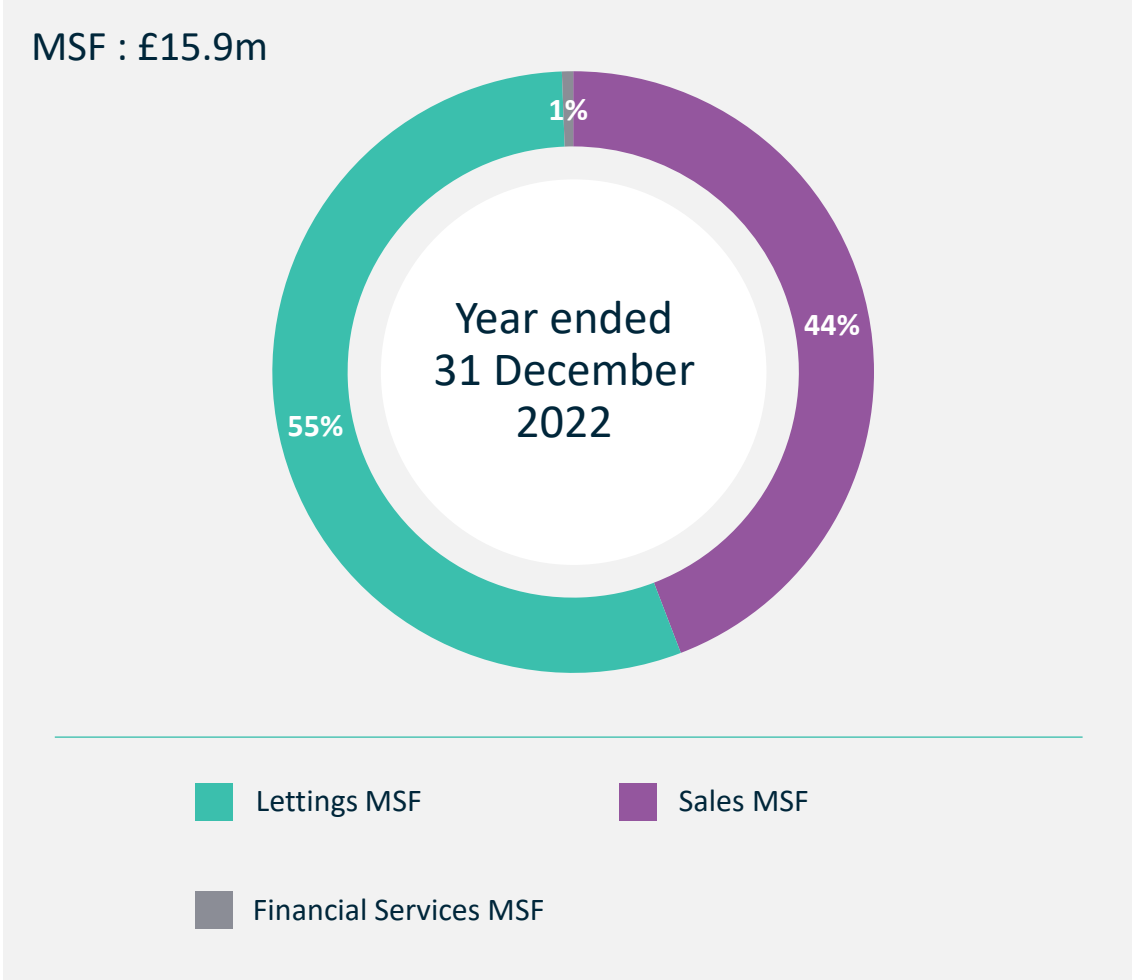
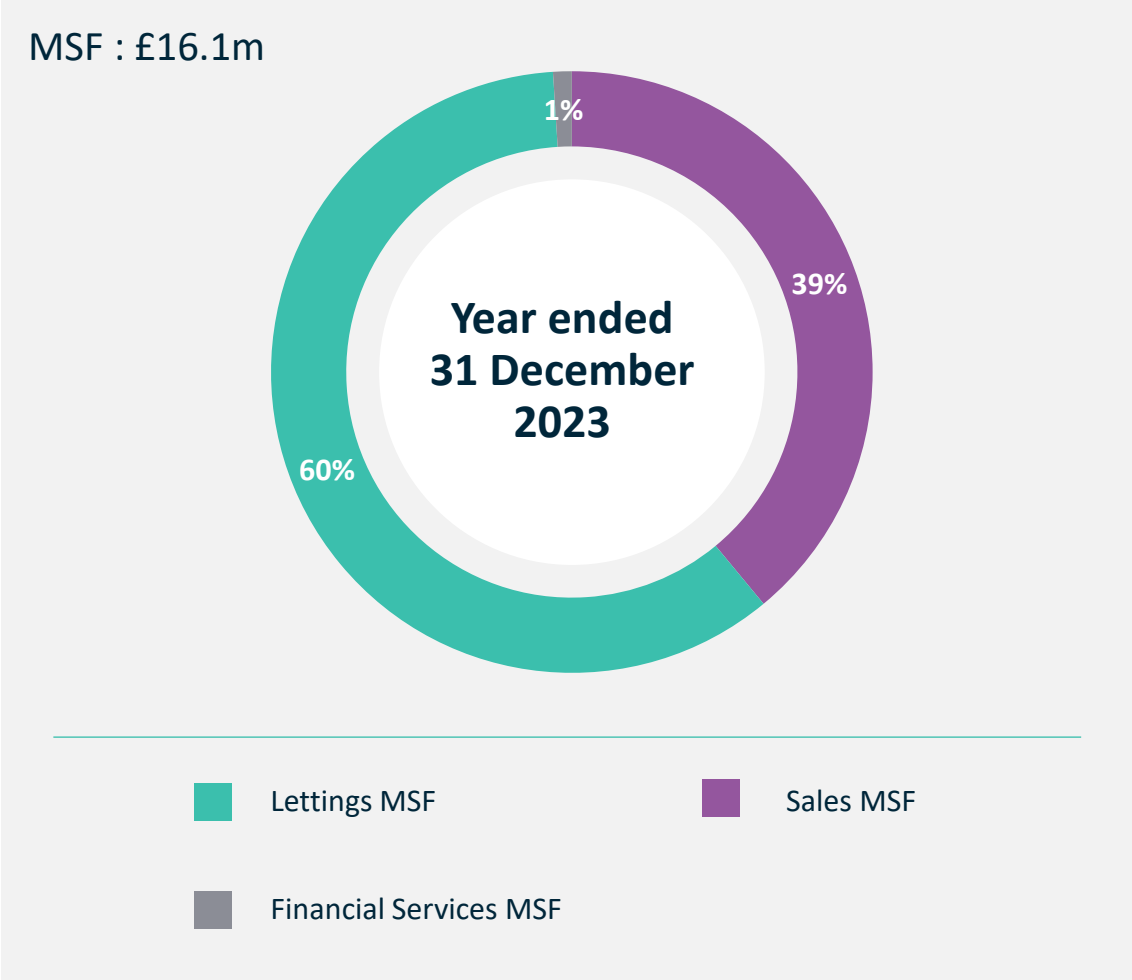
Revenue : £27.3m



Revenue : £27.2m



Group MSF split



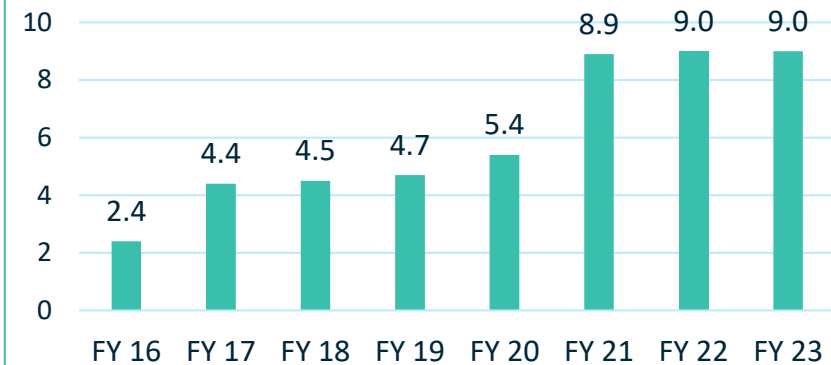
Cash

Summary of key movements in cash in the last year:

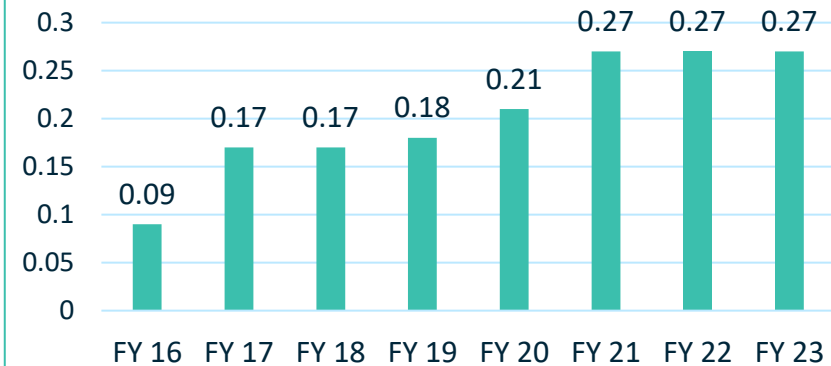
Cash at 31 December 2022	£6.7m
Net cash from operations	£9.0m
RCF repaid (50%)*	(£2.5m)
Dividends paid	(£4.3m)
Other movements	(£1.3m)
Cash at 31 December 2023	£7.6m

*At 31.12.2023 the remaining balance outstanding on the RCF was £2.5m. This was paid in full in January 2024 and the group was effectively debt-free from this date.

Net cash generated from operations (£m)



Free cash flow per share (£)

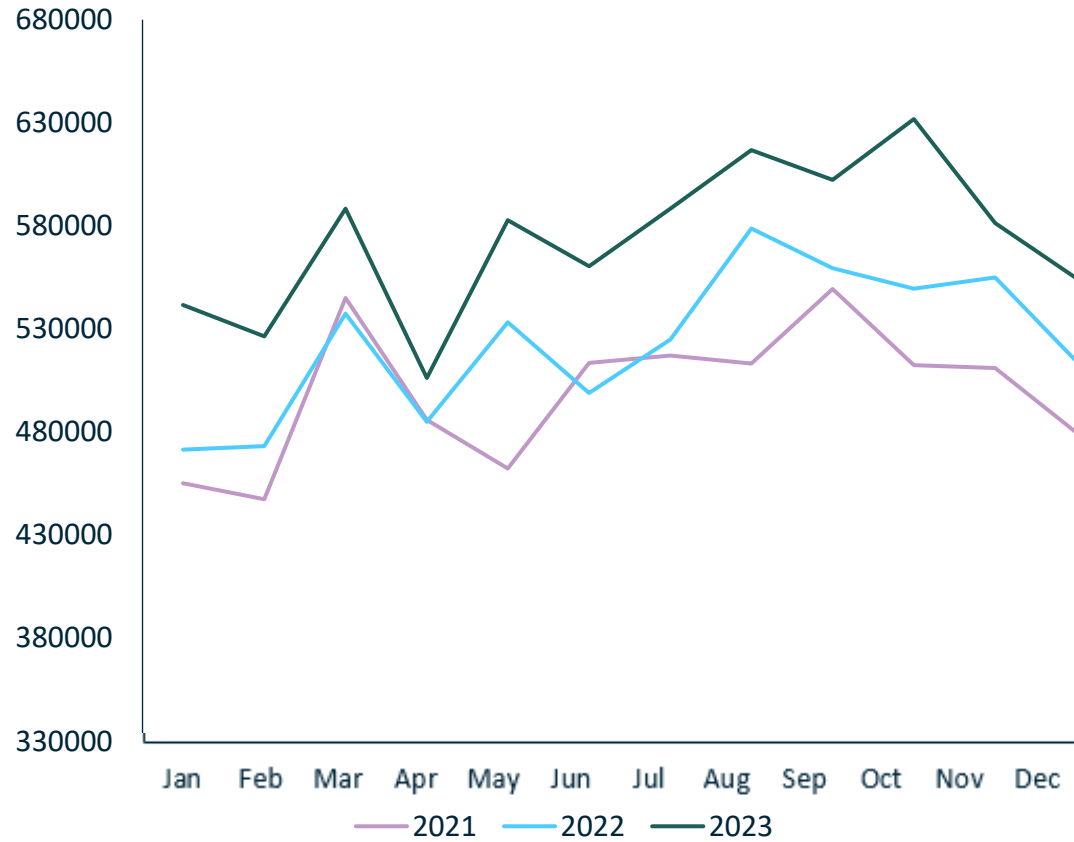




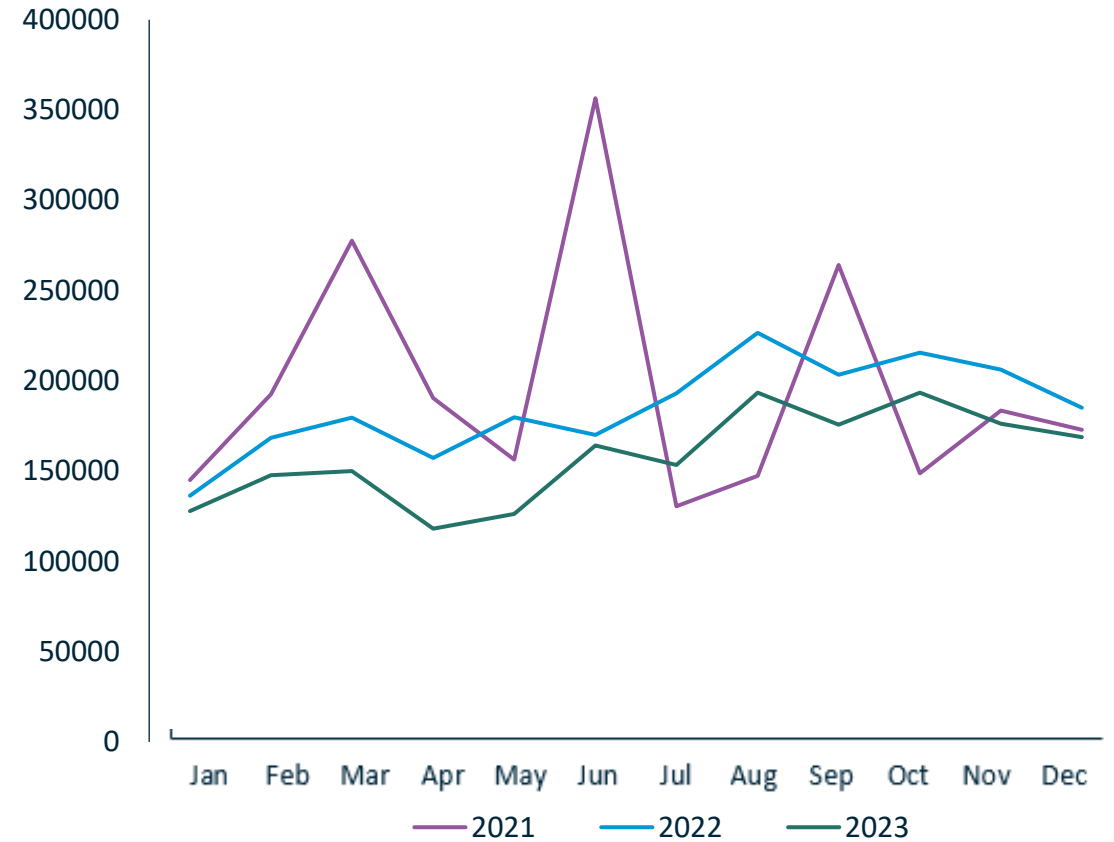
A period of significant growth

High street-led brands

Lettings MSF (£)



Sales MSF (£)



Market update



- Strong lettings market, with demand continuing to outstrip supply
- Rising rental rates and increasing costs for landlords



- Subdued sales market, with an uptick in the second half
- Outperformed the market



- Improving market, with lettings continuing to grow at high single digits
- Expecting 1.1 million sales completions in 2024



2023 update



Lettings

- Strong year, with double digit growth. 53% of total revenue
- 78,000 managed properties



Sales

- Outperformed the market – UK sales completions reduced by 19%, group by 16%
- Represents 28% of total revenue
- EweMove’s sales completions reduced by less than 10%



Financial Services

- Mortgage Genie performed as expected given an immature back book of business
- Significantly strengthened by Belvoir Financial Services with Michelle Brook now leading this division



Recruitment

- 46 new franchise owners recruited, 15 as traditional agents and 31 to our hybrid model
- Extended the EweMove territories to 182
- 21 resales of existing franchises to bring in new impetus to a mature network



Acquisitions

- Assisted acquisitions brought 1,879 tenanted properties into the network
- Transformational merger with Belvoir, adding significant scale and opportunities



Digital Marketing

- Completed the installation for new operating systems and platform across the Group to enable more digital interaction
- Developed a portal giving franchisees access to a wealth of information, improving efficiency

Growth drivers



Lettings

- Increase our market penetration and keep lettings at our core
- Introduction of more regulation is expected to drive more landlords to opt to use a letting agent in the future



Sales

- Capitalise upon the market upturn and develop sales activities further in the high-street-led brands



Financial Services

- Belvoir Financial Services business, led by Michelle Brook, presents significant opportunity to scale across broader footprint



Recruitment

- Attract new franchisees, to increase UK coverage, develop brands further and enable the resale of existing franchise territories



Acquisitions

- Accelerate business growth through acquisitions of the same, similar and complementary earnings accretive businesses



Digital Marketing

- Continue to build on our developing capabilities to provide an intuitive and engaging customer journey for as many of the 9m customers we hold records for as possible



Belvoir Group

Merger creates UK's largest multi-brand property franchisor

Belvoir Group

Founded in 1995 and listed on AIM in 2012

Leading UK property, mortgage and franchise group operating through two divisions:

- **Property franchising:**
 - Six estate and lettings agency brands operating throughout UK
 - 330 locations across six brands in residential lettings, property management and residential sales
- **Financial Services:**
 - Largest appointed representative of the Mortgage Advice Bureau, one of the UK's leading networks for mortgage intermediaries. Accounting for 15% of MABs network revenue.
 - Grown organically and by acquisition since 2017
 - Now comprises 308 advisers, wrote 19,682 mortgages in FY23

Strong acquisitions track record – corporate and franchise level (assisted acquisitions programme)

The merger

- Belvoir merger completed on 7 March 2024 in an all-share merger
- Share offer valued each Belvoir share at 277.4p per share comprising an equity value for Belvoir of c£103.5m with TPFG at £111.0m
- Following completion of the Merger, TPFG Shareholders hold c52%. and Belvoir Shareholders hold c48%.

Belvoir merger creates UK's largest multi-brand franchisor

Enhanced scale and geographic reach

- 910 locations, managing c153,000 tenanted properties, expected to sell more than 28,000 properties pa
- Enables enlarged Group to enhance its value proposition to franchisees and customers

Earnings accretion and annual synergies

- Areas for cost savings identified providing stronger platform for growth, enhancement of progressive dividend policy
- Plc/listing costs, expertise in revenue generation and sales development, development of ancillary services

Acceleration of financial services strategy

- Well-established division under leadership of Michelle Brook
- Division comprises a network of 308 advisors which wrote 19,682 mortgages in 2023

Strengthened management team

- Board strengthened with Michelle Brook appointed Executive Director and Jon Di-Stefano and Paul George appointed Non-Executive Directors

Belvoir FY23 Financial and non-financial KPIs

Belvoir audited results

	2023	2022	Change %
Turnover (£m)	34.2	33.7	1%
Adjusted EBITDA (£m)	11.1	10.6	5%
PBT (£m)	9.1	9.1	0%
Adjusted PBT (£m)	11.0	10.2	8%
Basic adjusted EPS	22.6	22.1	2%
Net cash (£m)	1.7	1.2	43%

Belvoir non-financial KPIs

	2023	2022	Change %
Number of property franchise offices	331	338	(2%)
Average MSF per franchised office	£35,800	£34,000	+2%
Number of managed properties	75,200	75,500	-
MSF p.a. from assisted acquisitions	£400,000	£300,000	+33%
Number of advisers	308	284	+8%
Number of mortgages arranged	19,682	18,329	+7%

TPFG and Belvoir highlights (£'000)

	TPFG		Belvoir		Combined	
	2023	2022	2023	2022	2023	2022
Revenue	27,278	27,158	34,182	33,718	61,460	60,876
Gross profit	21,878	21,583	20,480	20,269	42,358	41,852
Adjusted EBITDA	12,090	11,809	11,139	10,596	23,229	22,405
PBT	9,014	8,833	9,116	9,118	18,130	17,951



Outlook

Outlook

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

Another strong year for lettings anticipated

Improving sales market and financial services throughout 2024

Cognisant of uncertainty caused by general election

Transformational year ahead for the Group



Q&A



Appendix

Sustainability

Commitment to expanding our ESG knowledge and standing

ESG assessment

- Conducted inaugural materiality assessment of ESG matters to identify and prioritise potential issues that could impact our operations or performance, and to highlight near and medium- term ESG initiatives that can fit into what we already do.
- We believe this will scale our positive impact on our stakeholders and the communities in which we operate.
- The independent assessment included a thorough review of activities against international standards of ESG such as the Global Reporting Initiative (GRI), the Task-force on Climate-related Financial Disclosures (TCFD), Science Based Targets initiative (SBTi), and social value models.
- During the assessment, Inspired ESG found that the Group already supports some best practices in its governance, such as training and upskilling, and promoting diversity and inclusion. They concluded that these existing activities should be the foundation of our planned ESG strategy in the near term. actions to increase our ESG standing.
- The assessment also highlighted that Governance and Social categories such as Corporate Governance, Communities and Employees were most material to our business.
- The results of the materiality assessment will be used to improve strategic decision making for ESG and enhance stakeholder engagement.
- The Group seeks to analyse and action the materiality assessment in the next financial year. In 2024, we will hold a workshop to discuss the findings and facilitate actions to increase our ESG standing

Income statement summary

	2023 £'000	2022 £'000
Revenue	27,278	27,158
Cost of sales	(5,400)	(5,575)
Gross profit	21,878	21,583
Administrative expenses	(11,831)	(11,876)
Share-based payments charge	(783)	(411)
Operating profit	9,264	9,296
Finance income	20	39
Finance costs	(357)	(470)
Other gains and losses	87	(32)
Profit before income tax expense	9,014	8,833
Income tax expense	(1,644)	(1,588)
Profit and total comprehensive income for the year	7,370	7,245
Profit and total comprehensive income for the year attributable to:		
Owners of the parent	7,395	7,229
Non-controlling interest	(25)	16
	7,370	7,245

Key movements :

- Revenue
 - +0.4% to £27.3m
- Adjusted EBITDA
 - +2% to £12.1m
- Operating profit
 - £9.3m (2022: £9.3m)
- PBT
 - +2% to £9.0m

Balance sheet summary

Key movements:

- Net cash of £5.1m at 31 December 2023 (2022: net cash £1.7m)
- 50% of RCF repaid (£2.5m); the remaining £2.5m was repaid in January 2024

	2023 £'000	2022 £'000
Assets		
Non-current assets		
Intangible assets	43,757	44,958
Property, plant and equipment	181	162
Right-of-use assets	1,525	1,613
Prepaid assisted acquisitions support	230	297
Investments	-	137
Other receivables	210	240
	45,903	47,407
Current assets		
Trade and other receivables	4,134	3,718
Cash and cash equivalents	7,642	6,684
	11,776	10,402
Total assets	57,679	57,809

	2023 £'000	2022 £'000
Equity		
Shareholders' equity		
Called up share capital	323	320
Share premium	4,129	4,129
Own share reserve	(420)	(348)
Merger reserve	14,345	14,345
Other reserves	1,673	1,316
Retained earnings	20,765	17,399
	40,815	37,161
Non-controlling interest	(3)	22
Total equity attributable to owners	40,812	37,183
Liabilities		
Non-current liabilities		
Borrowings	-	5,000
Lease liabilities	1,647	1,856
Deferred tax	4,394	5,168
Provisions	181	212
	6,222	12,236
Current liabilities		
Borrowings	2,500	-
Trade and other payables	6,319	6,724
Lease liabilities	395	506
Tax payable	1,431	1,160
	10,645	8,390
Total liabilities	16,867	20,626
Total equity and liabilities	57,679	57,809

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

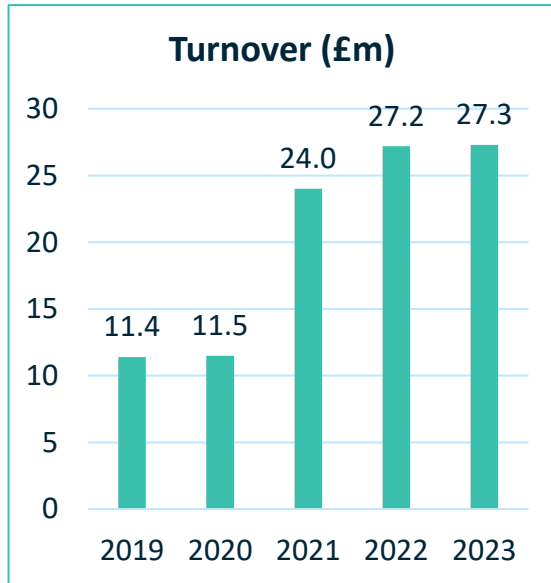


2014

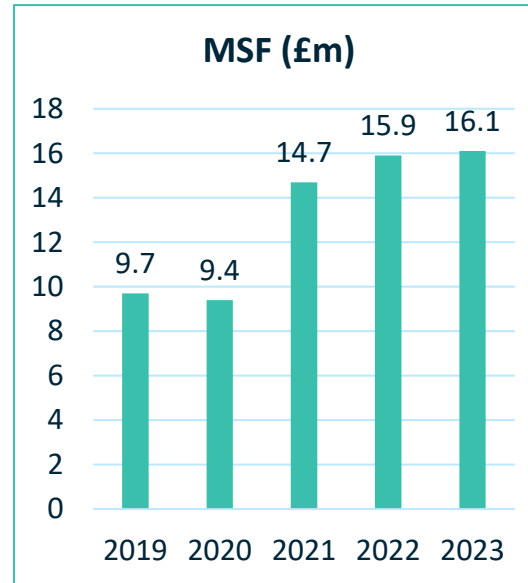
Acquired Xperience Franchising Ltd & Whitegates Estate Agency Ltd, increasing the number of offices to 282

5 year trends

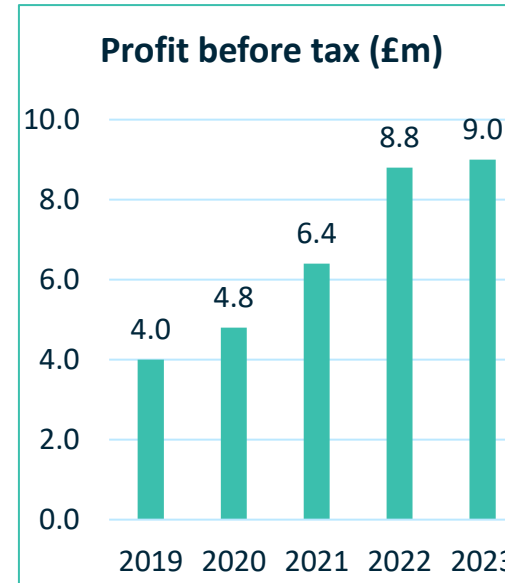
+139% growth



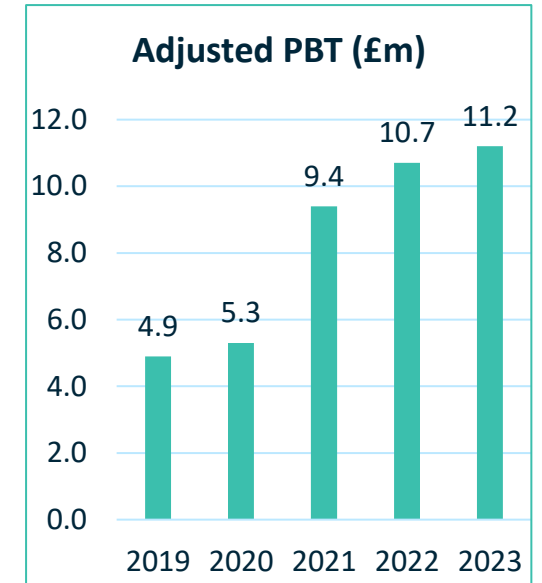
+66% growth



+125% growth

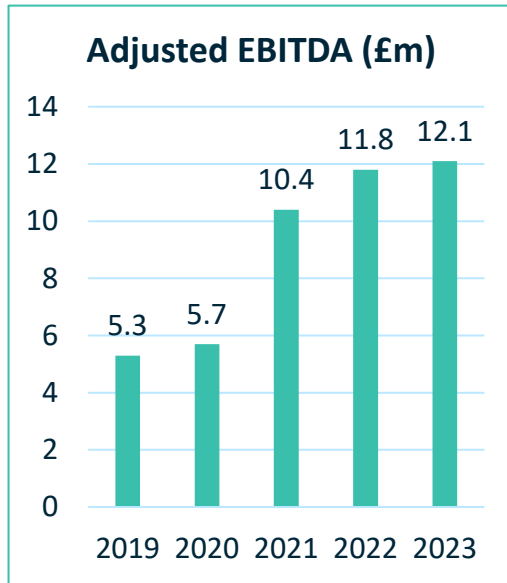


+129% growth

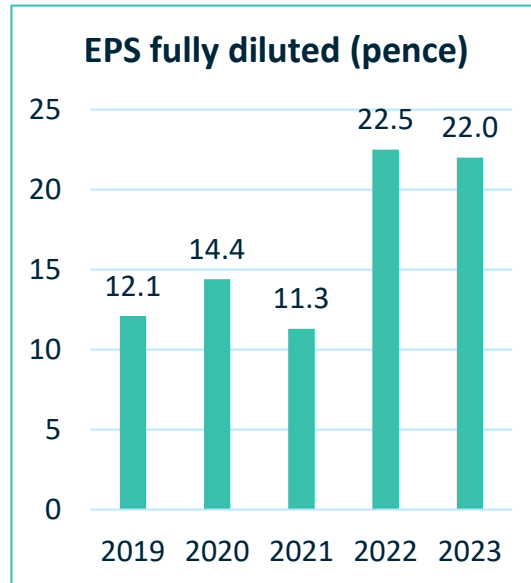


5 year trends

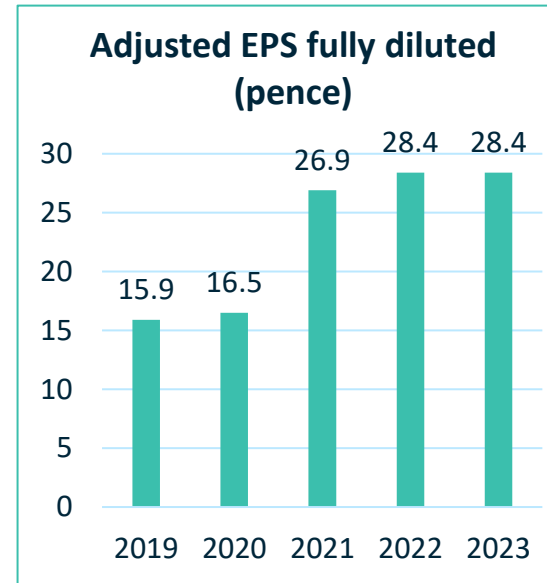
+128% growth



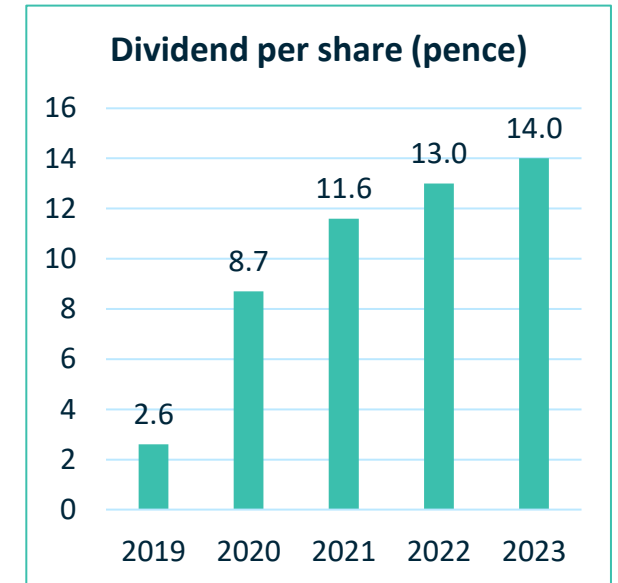
+82% growth



+79% growth

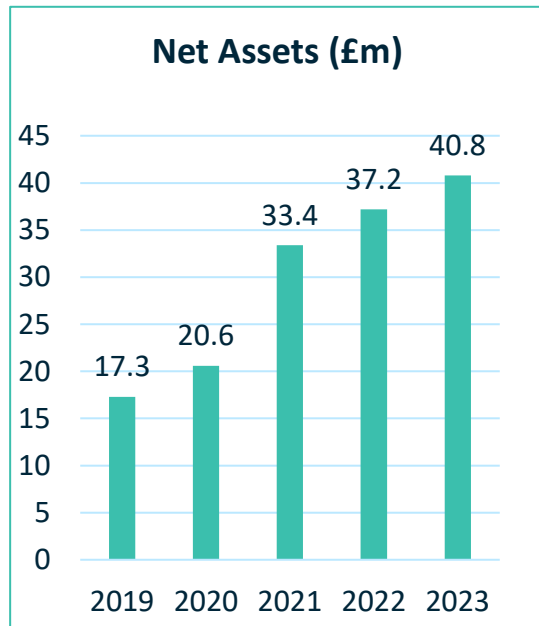


+438% growth

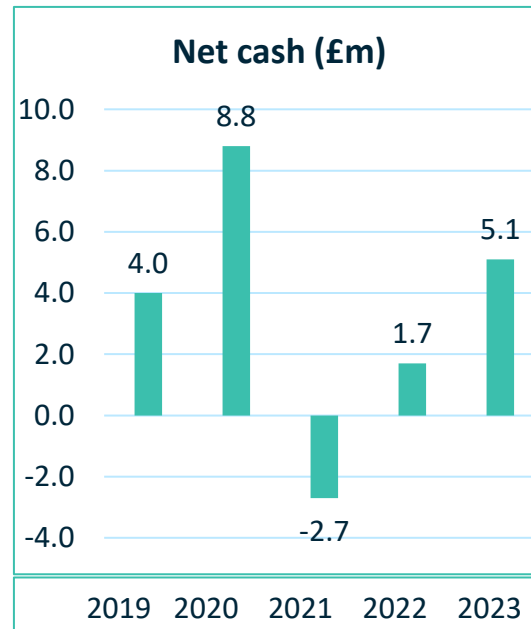


5 year trends

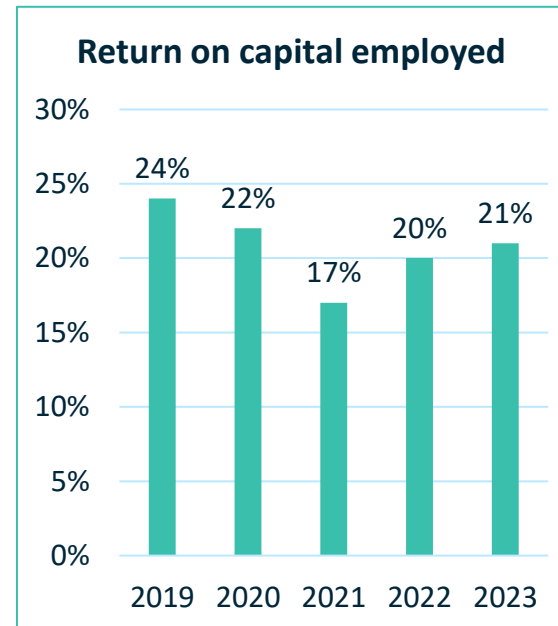
+136% growth



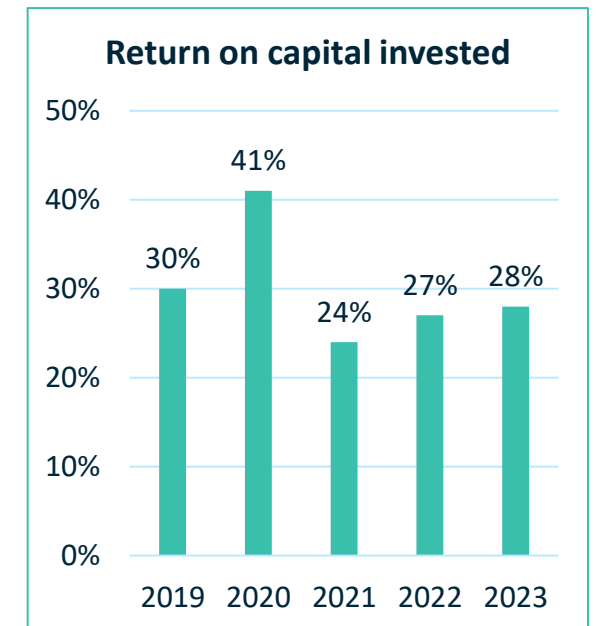
Highly cash generative



ROCE strong & improving



ROCI strong & improving



The Board



Paul Latham
Non-Executive Chair



Gareth Samples
Chief Executive Officer



David Raggett
Chief Financial Officer



Michelle Brook
Financial Services Director



Jon Di-Stefano
Independent Non-Executive Director



Dean Fielding
Non-Executive Director



Paul George
Independent Non-Executive Director



Claire Noyce
Independent Non-Executive Director