

Foxtons Group

Q125 benefit from Stamp Duty pull forward

Foxtons Group's Q125 trading update revealed revenue growth of 24%, driven predominantly by growth in the Sales division, which in turn benefited from a pull forward in transactions due to Stamp Duty changes. However, in the longer term, we believe the company's strategic direction remains positive, and we expect an update on its strategy to be revealed at the 4 June capital markets day. This may see an upgrade to the medium-term adjusted operating profit target of £28–33m, which is now coming into focus. We maintain our revenue and operating profit estimates and our 134p/share valuation, although risks appear to be skewed to the upside if market momentum continues.

Year end	Revenue (£m)	PBT (£m)	EPS (p)	DPS (p)	P/E (x)	Yield (%)
12/23	147.1	7.9	3.21	0.90	17.8	1.6
12/24	163.9	17.5	4.93	1.17	11.6	2.0
12/25e	176.5	18.2	5.26	1.84	10.9	3.2
12/26e	183.5	23.4	6.54	2.29	8.8	4.0

Note: PBT and EPS include amortisation of acquired intangibles and exceptional items (ie diluted company definition).

Healthy Q1 trading driven by Sales

Foxtons' Q1 group revenue increased by 24% to £44.1m, with Sales being the primary driver, supported by more modest growth in Lettings and Financial Services. The largest division, Lettings, grew revenue by 5% (or £1.3m) to £25.2m, mainly due to including the October 2024 acquisitions. It also benefited from higher property management revenues and increased long-term lets, offset by volatility in renewals and lower interest income on client deposits. The Sales division increased revenue by 73% (or £6.9m), largely driven by organic growth, with the Stamp Duty change pulling volumes forward from Q2, with some additional benefit from M&A. The Financial Services division increased revenue by 7%, supported by the new purchase revenue and partially offset by lower refinance activity.

Capital markets day to set out revised growth strategy

On 17 April, Foxtons announced that it intends to hold a capital markets day at the London Stock Exchange on 4 June to present and discuss its latest strategy for growth. This is likely to build on the existing strategy and targets that have been largely met and, in the case of Sales' market share, exceeded. Furthermore, the medium-term profit target, which was increased from £25–30m to £28–33m to reflect the exclusion of amortisation, is likely to be reviewed and potentially revised upwards considering the success to date and the fact that we believe Foxtons is likely to hit the lower end of the target range as early as FY26.

Share buyback and largely unchanged forecasts

Following the Q125 results statement, we have retained existing revenue and adjusted operating profit figures, but raised EPS modestly due to the share buyback. Q1 trading was robust, especially in Sales, but Q2 will no doubt be initially affected as the Stamp Duty changes saw volumes pulled forward into Q1, and the under-offer pipeline was down c 10% at the start of Q2. However, we have reflected the £3m share buyback, which implies that year-end net debt increases by a similar figure, from £5.4m to £8.4m, leaving sufficient upside for M&A.

Q125 trading update

Real estate

23 April 2025

Price 57.30p
Market cap £172m

Net cash/(debt) at 31 December 2024 £(12.7)m
Shares in issue 300.4m
Free float 100.0%
Code FOXT
Primary exchange LSE
Secondary exchange N/A

Share price performance



%	1m	3m	12m
Abs	(7.4)	(13.0)	9.2
52-week high/low		69.9p	49.6p

Business description

Foxtons Group is London's leading and most widely recognised estate agency. It operates from a network of interconnected branches offering a range of residential-related services, which are split into three separate revenue streams: sales, lettings and mortgage broking.

Next events

AGM	7 May 2025
Capital markets day	4 June 2025

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Exhibit 1: Financial summary

	£'m	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
31-December		IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS
INCOME STATEMENT										
Revenue		106.9	93.6	126.5	140.3	147.1	163.9	176.5	183.5	190.8
Total adjusted operating profit		(0.7)	1.9	8.9	13.9	15.7	21.6	23.5	28.5	31.0
Exceptionals		(5.7)	(1.1)	(1.4)	(0.1)	(4.5)	0.3	0.0	0.0	0.0
Amortisation of acquired intangibles		0.0	0.0	0.0	0.0	(1.4)	(2.1)	(3.0)	(3.0)	(3.0)
Reported operating profit		(6.3)	0.8	7.6	13.8	9.8	19.8	20.5	25.5	28.0
Net Interest		(2.4)	(2.2)	(2.0)	(1.9)	(1.9)	(2.6)	(2.3)	(2.1)	(1.8)
Other gains		(0.1)	(0.0)	(0.0)	(0.0)	0.0	0.3	0.0	0.0	0.0
Profit Before Tax (reported)		(8.8)	(1.4)	5.6	11.9	7.9	17.5	18.2	23.4	26.2
Reported tax		1.0	(1.8)	(6.9)	(2.4)	(2.4)	(3.5)	(4.6)	(5.8)	(6.5)
Profit After Tax (reported)		(7.8)	(3.2)	(1.3)	9.6	5.5	14.0	13.7	17.5	19.6
Discontinued operations		0.0	0.0	(4.8)	0.0	0.0	0.0	0.0	0.0	0.0
Net income (reported)		(7.8)	(3.2)	(6.2)	9.6	5.5	14.0	13.7	17.5	19.6
Basic average number of shares outstanding (m)		274.9	313.8	324.0	307.7	302.0	302.9	297.6	297.6	297.6
EPS - basic reported (p)		(2.83)	(1.02)	(1.90)	3.11	1.82	4.62	4.59	5.89	6.60
EPS - Continuing, diluted, and adjusted. Company definition (p)		(1.06)	(0.16)	1.98	3.00	3.21	4.93	5.26	6.54	7.24
Dividend (p)		0.00	0.00	0.45	0.90	0.90	1.17	1.84	2.29	2.53
Revenue growth (%)		-4.1	-12.5	35.2	10.9	4.9	11.4	7.6	4.0	4.0
EBITDA Margin (%)		12.6	16.8	19.9	19.8	20.1	22.2	21.8	23.7	24.1
Normalised Operating Margin (%)		0.5	4.1	9.5	11.1	11.3	14.1	14.5	16.6	17.3
BALANCE SHEET										
Fixed assets		178.7	173.4	184.4	191.7	214.2	225.4	221.8	212.7	203.6
Intangible Assets		101.0	103.5	107.3	109.3	114.9	118.0	119.1	120.2	121.3
Goodwill		9.3	11.4	17.7	26.1	40.7	52.3	52.3	52.3	52.3
Tangible Assets		13.0	10.5	9.7	10.7	9.5	8.1	16.5	19.3	22.2
Right of use assets		51.4	44.4	43.8	42.6	42.5	38.6	25.6	12.6	(0.4)
Contract assets		0.6	0.4	0.9	1.7	4.7	5.6	5.6	5.6	5.6
Investments & other		3.3	3.1	5.1	1.4	1.9	2.8	2.7	2.7	2.6
Current assets		30.2	52.6	39.3	34.5	37.1	42.8	48.0	64.4	82.2
Contract assets		1.0	1.7	3.7	5.7	14.3	18.6	18.6	18.6	18.6
Debtors		13.4	13.9	16.0	16.0	17.4	16.7	17.6	18.3	19.1
Cash & cash equivalents		15.5	37.0	19.4	12.0	5.0	5.3	9.6	25.3	42.3
Other		0.3	0.1	0.3	0.7	0.5	2.2	2.2	2.2	2.2
Current liabilities		(27.9)	(29.2)	(31.9)	(38.7)	(45.5)	(47.9)	(47.7)	(47.5)	(48.0)
Creditors		(10.5)	(10.3)	(14.5)	(16.7)	(21.3)	(23.9)	(24.3)	(24.6)	(25.6)
Tax and social security		0.0	0.0	0.0	0.0	(0.1)	0.0	0.0	0.0	0.0
Lease liabilities		(9.7)	(10.8)	(8.8)	(10.7)	(10.7)	(11.4)	(11.4)	(11.4)	(11.4)
Short term borrowings		0.0	0.0	0.0	0.0	(0.0)	0.0	0.0	0.0	0.0
Contract liabilities		(6.3)	(7.7)	(8.2)	(9.7)	(11.8)	(10.5)	(10.5)	(10.5)	(10.5)
Other		(1.4)	(0.4)	(0.3)	(1.5)	(1.6)	(2.2)	(1.6)	(1.1)	(0.5)
Long-term liabilities		(65.2)	(62.4)	(68.4)	(64.9)	(80.3)	(81.2)	(71.7)	(62.2)	(52.7)
Lease liabilities		(46.2)	(40.7)	(39.3)	(35.8)	(36.9)	(31.4)	(21.9)	(12.4)	(2.9)
Contract liabilities		(1.3)	(1.1)	(1.1)	(0.3)	(0.4)	0.0	0.0	0.0	0.0
Other long term liabilities		(17.8)	(20.6)	(28.0)	(28.8)	(42.9)	(49.8)	(49.8)	(49.8)	(49.8)
Net Assets		115.8	134.5	123.5	122.7	125.6	139.0	150.3	167.3	185.1
CASH FLOW										
Op Cash Flow before WC and tax		(2.6)	4.3	6.6	15.0	9.8	19.8	20.5	25.5	28.0
Depreciation - Right of use assets		9.8	9.4	10.6	12.2	12.9	13.2	13.0	13.0	13.0
Impairment of goodwill		0.0	0.0	3.2	0.0	0.0	0.0	0.0	0.0	0.0
Branch asset impairment		4.3	1.7	1.1	(0.3)	3.4	0.0	0.0	0.0	0.0
Gain on disposal of PPE etc		(0.4)	(0.5)	(1.4)	(0.3)	0.2	(0.0)	(0.5)	0.5	0.5
Working capital		(2.6)	(0.6)	1.7	(1.2)	(10.8)	(4.9)	(0.6)	(0.4)	0.2
Decrease in provisions		0.8	(0.8)	0.2	1.1	(0.5)	(1.3)	(1.0)	(1.0)	(1.0)
Share based payment charges		0.7	1.0	1.5	0.2	1.0	1.5	2.0	2.0	2.0
Cash settlement of share incentive plan		(0.4)	0.0	0.0	(0.0)	0.0	(0.3)	(0.5)	(0.5)	(0.5)
Tax		0.2	0.2	(0.2)	(2.7)	(2.2)	(5.6)	(4.6)	(5.8)	(6.5)
Net operating cash flow		9.8	14.7	23.5	23.9	15.7	24.7	31.7	36.2	38.6
Capex		(0.3)	(0.4)	(1.7)	(2.9)	(2.1)	(0.4)	(2.0)	(2.1)	(2.2)
Acquisitions/disposals		(0.2)	(3.9)	(14.5)	(9.6)	(15.5)	(14.3)	(6.5)	(0.8)	(0.8)
Net interest		0.0	0.0	(0.0)	0.1	0.1	(0.2)	(0.4)	(0.2)	0.1
Dividends		0.0	0.0	(0.6)	(1.5)	(2.7)	(2.8)	(3.5)	(5.5)	(6.8)
Repayment of lease liabilities		(12.0)	(10.0)	(15.2)	(12.7)	(12.5)	(13.2)	(12.0)	(12.0)	(12.0)
Purchase of own shares		(0.1)	(0.3)	(5.7)	(4.9)	(1.1)	0.0	(3.3)	(0.3)	(0.3)
Net proceeds from issue of ord. Shares		0.0	21.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net proceeds and repayment of external borrowings		0.0	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other		0.3	0.3	0.3	(3.4)	0.2	0.3	0.3	0.3	0.3
Net Cash Flow		(2.4)	21.5	(13.9)	(11.1)	(17.9)	(5.8)	4.3	15.7	17.0
Opening net debt/(cash)		(17.9)	(15.5)	(37.0)	(23.1)	(12.0)	6.8	12.7	8.4	(7.3)
Other non-cash movements		0.0	(0.0)	0.0	(0.0)	(0.9)	(0.1)	0.0	0.0	0.0
Closing net debt/(cash) (ex lease liabilities)		(15.5)	(37.0)	(23.1)	(12.0)	6.8	12.7	8.4	(7.3)	(24.3)

Source: Company accounts, Edison Investment Research

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