

4 November 2021

Purplebricks Group plc
("Purplebricks", the "Company" or the "Group")

Half year trading update and notice of results

Purplebricks Group plc (AIM: PURP), the UK's leading tech-led estate agent, today issues the following trading update for the six months ended 31 October 2021.

Housing market update

After an exceptionally strong period for the UK housing market in FY2021, buoyed by the stamp duty holiday, the six-month period to 31 October 2021 has been more challenging. New instructions have slowed significantly in recent months, given continued strong demand across the housing market is not being met by sufficient supply of instructions. This imbalance has resulted in new instructions coming to market being approximately 23%¹ below the comparative period last year.

Strategic transformation and momentum

The Group has driven considerable transformation during the first half of the year and has significantly invested in and transformed its business model in this period, introducing new pricing and a simplified proposition alongside a new operating model. We are pleased with the progress we have made transitioning our sales team to a fully employed model, which will offer our agents greater security and benefits and will enable the Company to scale up quickly when market conditions improve. We have over 95% of our new sales team in position and are starting to see encouraging progress across both conversion rates and ancillary attachment rates. We are also pleased with the progress we have made in enhancing our digital capabilities as we continue to transform the buying and selling experience for consumers.

Given the supply and demand imbalance in the market and the disruption caused by the business transformation, we expect to report a reduction in instructions for the six-month period to c. 22,000 (H1 2021: 35,387). Our cash position as at 31 October 2021 was approximately £58m (31 October 2020: £75.8m), which reflects a period of significant investment in digital, non-recurring costs incurred in managing the business through the pandemic and one-off exceptional costs in transitioning to a fully-employed model. We expect the cash position to stabilise in the second half of the year.

Outlook

Going forward, uncertainty remains regarding the imbalance of supply and demand in the housing market and given the disruption caused by the business transformation, we expect this dynamic to continue into the second half of the financial year, impacting new instructions for the full year. The cost guidance provided with the Group's update on 10 August 2021 remains unchanged, and therefore adjusted EBITDA² is expected to be below previous guidance.

However, we are confident that our transformed business model will partially mitigate the impact of market conditions on instruction levels. This transformation is yielding positive results in terms of growth in ARPI and we are starting to see progress in our market share aspirations and are well-positioned to grow following the completion of our transition to a fully employed model in the second half.

The Company's medium-term guidance remains unchanged, and the Board continues to expect Purplebricks to be able to deliver annual revenue growth in excess of 20% in the medium-term, with confidence in the Group's ability to deliver against its growth strategy.

Vic Darvey, CEO, commented:

"Following a stronger period for instructions last year, supply in the market has fallen as we slowly adjust to a below normal level of activity following a period of successive lockdowns and the end of the stamp duty holiday. Our service proposition remains strong and compelling, with properties selling quickly, but the reduced amount of stock coming to the market is proving challenging.

Against this more challenging backdrop, the team is continuing to execute on our transition to the new operating model. We are encouraged by the early results we are seeing on the ground and whilst they are not yet reflected in the overall group performance, we are confident in the strategy and that we have developed a strong platform for growth as activity levels pick-up. We are committed to our mission of achieving 10% market share by being the go-to-place to buy, sell or let your home."

Notice of Half Year Results

The Company expects to publish its unaudited half year results for the period ended 31 October 2021 on Tuesday 14 December 2021.

1: Source: Rightmove

2. Adjusted EBITDA is defined as operating profit, adding back depreciation, amortisation, share based payment charges and exceptional items.

Enquiries

Purplebricks

Vic Darvey, Chief Executive Officer
Fiona O’Nolan, Equitory, Investor Relations

+44 (0)20 7466 5000
investors@purplebricks.com

Zeus Capital (NOMAD)

Daniel Harris, Nick Cowles

+ 44 (0)20 3829 5000

Citi

Stuart Field, Robert Farrington

+44 (0) 207 986 4000

Peel Hunt

Dan Webster, George Sellar

+44 (0)20 7418 8900

Buchanan

David Rydell, Jamie Hooper, Kim van Beeck

+44 (0)20 7466 5000

Forward-looking statements

This announcement includes statements that are, or may be considered to be, "forward-looking statements". By their nature, such statements involve risk and uncertainty since they relate to future events and circumstances. Results may, and often do, differ materially from forward-looking statements previously made. Any forward-looking statements in this announcement reflect management’s view with respect to future events as at the date of this announcement. Except as required by law or by the AIM Rules of the London Stock Exchange, the Company undertakes no obligation to publicly revise any forward-looking statements in this announcement following any change in its expectations to reflect subsequent events or circumstances.

About Purplebricks

Purplebricks is a leading technology-led estate agency business, based in the UK. Purplebricks combines highly experienced and professional local property experts and innovative technology to help make the process of selling, buying or letting more convenient, transparent and cost effective. Purplebricks shares are traded on the London Stock Exchange AIM market.