

Countrywide plc Quarter 3 Trading Update

Countrywide plc (“Countrywide” or the “Group”) (LSE:CWD), the UK’s largest integrated property services group, issues its trading update for the quarter ended 30 September 2017.

Total Group revenue for Q3 was £175.1m, an increase of 2% compared with Q2 and down 7% year on year. This represents a resilient performance in London sales and lettings and in Financial Services, and a solid performance in B2B, offsetting the effect of slower housing transactions across the UK. Despite the sustained challenges in the estate agency market, our cost actions are delivering. As in previous years, the final quarter remains important and we currently expect our results for the full year to be towards the lower end of the range of market expectations.

Within estate agency, Q3 revenue was £47.8m (2016: £57.0m). Transaction levels were up in Q3 compared with Q1 and Q2, with Q3 revenue up 2% on Q2. Revenue was up 1.5% in London compared with Q2 and revenues across the UK estate agency business increased 2% on Q2. Our digital proposition has been rolled out to over 50% of the network and generally delivers a net benefit in market share. We are continuing to evaluate our position in the markets that benefit from the digital offering before rolling out this proposition to the rest of the network. Year on year revenue for Q3 in London was down 5%, while the UK estate agency business declined 23% reflecting the strong comparatives in Q3 2016 prior to the full effect of the market uncertainty which affected the fourth quarter of 2016.

Third quarter lettings revenue was £47.3m (2016: £49.0m), with London flat year on year and a small decline in the rest of the UK.

The gross value of total mortgages arranged in the quarter was £4.7bn, up 16% year on year as new intermediary channels mitigated a slowdown in the estate agency derived volumes. Financial services revenue was £22.3m (2016: £23.2m), a decline of 4% reflecting the change in mix, with strong double digit growth in the Buy to Let Business, Mortgage Bureau and Mortgage Intelligence channels offset by lower transactional volumes from the high street. In October 2017, the Group also announced that it had entered into a partnership with Blenheim Chalcott to develop an online mortgage broking business as well as a set of digital tools for mortgage advisors, with an expected launch date of early 2018.

Our B2B revenue increased 1% with a strong performance in surveying. The Group renewed its longstanding partnership with Nationwide Building Society as their primary valuation and survey provider for a further three years until 31 October 2020. In addition, we saw a resilient performance in estate and asset management, auctions and our commercial business, Lambert Smith Hampton. The final quarter is always an important quarter in our commercial business.

Operating costs were down 7% year to date. The £19m of 2017 cost programmes have been delivered and we are busy mobilising our cost transformation plans for 2018 and beyond, which are expected to deliver as much again.

Quarter 3 Group EBITDA and operating cash flow were in line with the Board’s expectations.

Alison Platt, Group CEO said:

“We have a clear strategy founded on being the provider of choice for property services in the UK and to give customers the ability to use Countrywide across multiple channels. During the quarter, we continued to extend multi-channel offerings to our customers, which shows through in the resilience of the overall revenue performance. Our focus on cost reduction remains equally unabated and we are mobilising the next phase of our cost transformation programme.

The market for housing transactions remains challenging and is likely to be down overall compared with 2016. As in previous years, the final quarter remains important and we currently expect our results for the full year to be towards the lower end of the range of market expectations.”

-Ends-

9 November 2017

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About Countrywide plc

Countrywide is the UK's largest integrated property services Group, including the largest estate agency and lettings network. Countrywide's network of expertise combining national scale and local reach helps more people move than any other business in the UK and is structured around four key business units: Retail, London, B2B and Financial Services. We are proud of our strong position:

- £19 billion worth of property sold in 2016 - More homes in the UK than anyone else
- £16 billion of mortgages completed in 2016 - Largest single mortgage broker in the UK
- 90,000 total properties under management - Largest player in a fragmented market

Countrywide plc's award-winning service has earned over 50 high-profile industry awards during 2017 with customers voting Countrywide Best Large Estate Agency Group, Best Large Lettings Group and Best National Conveyancing Group at the 2017 ESTAS awards.

1. Forward Looking Statements

This announcement has been prepared solely to provide additional information to the shareholders of Countrywide plc in order to meet the requirements of the FCA's Disclosure and Transparency Rules. It should not be relied on by any other party, or for other purposes. Forward-looking statements have been made by the directors in good faith, using information available up until the date on which they approved this statement. Forward-looking statements should be regarded with caution, because of the inherent uncertainties in economic trends and business risks.

2. Next Results Announcement

The next trading update is expected to be the 2017 full year results, to be issued in March 2018.