

11 March 2020

## **Countrywide plc (LSE: CWD)**

### **Countrywide plc ("Countrywide", "Company")**

#### **Non-completion of the sale of Lambert Smith Hampton ("LSH") and unaudited trading update**

##### **Failure of John Bengt Moeller to complete the purchase of LSH**

On 29 November 2019, the Company announced that it had agreed the sale of LSH to John Bengt Moeller with completion due, subject to shareholders' approval, by 20 January 2020. Following protracted efforts to effect completion and after agreeing a revised timetable to complete on more than one occasion, Mr Moeller has failed to complete the transaction in accordance with the final timetable set for completion by 12.00 on 11 March 2020.

The Company continues to engage with Mr Moeller and wishes to effect completion as soon as possible. However, given the significant delay caused by him, the Company has notified Mr Moeller that it will now also explore alternative options for the sale of LSH, and is considering its legal options to pursue Mr Moeller for damages and costs from continuing delay in completion. The Company will update shareholders as appropriate in due course.

Meanwhile, the Company has entered into discussions with another interested purchaser that actively expressed an interest in LSH during the delayed completion period.

##### **Trading update - continuing operations**

The Company is also today providing a trading update on the Group's continuing operations, being residential sales and lettings, financial services and the B2B businesses of surveying, conveyancing and asset management. LSH will be classified as an asset held for sale and reported as a discontinued operation in our 2019 Preliminary Statement.

Total Group income for the year was £498 million (2018: £515 million<sup>(1)</sup>), a highly resilient performance in a challenging market and after absorbing the loss of tenant fees income of c. £12 million.

The Group is seeing the benefits from its 'Back to basics' turnaround Plan, with continuing operations having returned to growth in profitability. Adjusted EBITDA<sup>(2)</sup> for the year ended 31 December 2019 is expected to be ahead of both the Board's expectations and ahead of the prior year.

##### **Outlook and notice of results**

The Group has seen a positive mood swing in public sentiment through the early part of 2020 which we have seen reflected in a strong start in agreed sales which are ahead of the Board's expectations through February 2020. Whilst we have seen some softening in recent days as a result of Covid-19, it is too early to assess that impact.

We expect full year results to be reported later this month.

This announcement contains inside information for the purposes of Regulation 596/2014/EU. The person responsible for making this announcement on behalf of the Company is Gareth Williams, Company Secretary.

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**Notes to Editors:****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 three key business units: Sales and Lettings; B2B and Financial Services.

**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.

**Notes**<sup>(1)</sup> Segment restatement

As reported in our interim results 2019, we transferred our Countrywide Residential Development Solutions (New Homes) and Auctions businesses from B2B to Sales & Lettings. A summary of the restatement for the 2018 results, along with the exclusion of the LSH discontinued operations for the comparative period, can be found below:

Restatement of the 2018 Income, Adjusted EBITDA and KPIs	As previously reported		Revised following restatement and divestment	
	Income	Adjusted EBITDA	Income	Adjusted EBITDA
£m	£m	£m	£m	£m
Sales & Lettings	329.2	1.2	343.0	(2.5)
B2B	213.3	27.9	87.5	20.1
Financial Services	83.9	16.6	83.9	16.6
Central costs	0.7	(13.1)	0.7	(13.1)
<b>Total continuing operations</b>	<b>627.1</b>	<b>32.7</b>	<b>515.1</b>	<b>21.1</b>
Discontinued operations			112.0	11.6
<b>Total group</b>			<b>627.1</b>	<b>32.7</b>
<b>KPIs</b>	<b>Sales &amp; Lettings</b>	<b>B2B</b>	<b>Sales &amp; Lettings</b>	<b>B2B</b>
House exchanges	43,769	3,059	46,828	-
Properties under management	86,415	38,599	87,033	-
FTE (average across the period)	5,467	2,540	5,670	1,034

<sup>(2)</sup> Earnings before interest, tax, depreciation, amortisation, exceptional items, employment-linked contingent consideration, share-based payments and share of profits from joint venture.