

Countrywide plc Business unit restructure 2015

Outline

Countrywide plc announces its revised segmental structure ahead of its preliminary results for the year ended 31 December 2015.

As part of the Group's Building our Future strategy, the Group's businesses have been re-organised around customer groups and geography. The branch network now combines estate agency and lettings operations enabling management to focus on delivering excellent service to our retail customers. The network has been segregated between London and the regions (Retail).

The London Business Unit (BU) led by Graham Bell comprises branches in and around London and the entire Hamptons International network of branches.

The Retail BU led by Samantha Tyrer comprises all other branches across the United Kingdom.

The Financial Services BU led by Peter Curran remains unchanged except to reflect enhanced conveyancing revenue from customers introduced by the consultant network.

The Business to Business (B2B) BU led by Paul Creffield brings together all our lines of business which are delivered to corporate clients. These include: Surveying Services which now includes Hamptons Valuations; Conveyancing Services; Estate and Asset Management taken from the Lettings and Estate Agency divisions; Countrywide Residential Development Solutions business (comprising of the former CW Land & New Homes and Hamptons RDI businesses) from Estate Agency and Hamptons; Property Auctions from Estate Agency; and Lambert Smith Hampton. Conveyancing, Countrywide Residential Development Solutions, Asset Management and Property Auctions all use the branch network to deliver products and services on behalf of our clients, therefore revenue is paid across to the other Business Units. In order to drive group value, the enhanced conveyancing payments have been agreed and reflected in the new structure.

The following tables illustrate the changes to the comparative financial data. Total Income and EBITDA before exceptionals have been restated for the half years 2014 and 2015 and full years 2013 and 2014. Key KPIs that have been restated for the half years 2014 and 2015 and full years 2013 and 2014 are also shown. Restated full comparative numbers for the full year 2014 will be presented in Countrywide's Annual Report 2015.

New Segments – Full year 2013

Old Segments	2013 Annual Report	Combine B2B	Split Lettings	Reallocate branches	Transfer B2B businesses	Enhanced Conveyancing Referrals	Overhead Allocation	New Values	New Segments	
Total Income (£,000)										
Estate Agency	192,968	-	75,648	(30,450)	(13,662)	7,541	-	232,045	Retail	
London and Premier	115,634	-	24,803	30,450	(5,906)	-	-	164,981	London	
Lettings	112,515	-	(112,515)	-	-	-	-	-		
Financial Services	64,944	-	-	-	-	2,712	-	67,656	Financial Services	
Surveying Services	53,621	} (53,621)	-	-	-	-	-	-		
Conveyancing Services	25,695		70,203	12,064	-	19,568	(10,253)	-	117,277	Business to Business
Lambert Smith Hampton	16,582		(16,582)	-	-	-	-	-	-	
Central costs	2,809	-	-	-	-	-	-	2,809	Central	
Total	584,768	-	-	-	-	-	-	584,768		
EBITDA (£,000)										
Estate Agency	16,131	-	21,165	(4,759)	(368)	7,148	(558)	38,759	Retail	
London and Premier	24,176	-	5,564	4,759	(263)	-	(712)	33,524	London	
Lettings	28,624	-	(28,624)	-	-	-	-	-		
Financial Services	12,213	-	-	-	-	2,580	(584)	14,209	Financial Services	
Surveying Services	11,834	} (11,834)	-	-	-	-	-	-		
Conveyancing Services	8,435		14,138	1,895	-	631	(9,728)	(1,278)	14,093	Business to Business
Lambert Smith Hampton	2,304		(2,304)	-	-	-	-	-	-	
Central costs	(17,087)	-	-	-	-	-	3,132	(13,955)	Central	
Total	86,630	-	-	-	-	-	-	86,630		

New Segments – Full year 2014

Old Segments	2014 Annual Report	Combine B2B	Split Lettings	Reallocate branches	Transfer B2B businesses	Enhanced Conveyancing Referrals	Overhead Allocation	New Values	New Segments
Total Income (£,000)									
Estate Agency	210,495	-	92,477	(33,168)	(13,370)	8,439	-	264,873	Retail
London and Premier	118,843	-	30,213	33,168	(6,410)	-	-	175,814	London
Lettings	134,629	-	(134,629)	-	-	-	-	-	
Financial Services	73,720	-	-	-	-	2,719	-	76,439	Financial Services
Surveying Services	57,986	(57,986)	-	-	-	-	-	-	
Conveyancing Services	28,570	130,784	11,939	-	19,780	(11,158)	-	179,915	Business to Business
Lambert Smith Hampton	72,798	(72,798)	-	-	-	-	-	-	
Central costs	5,160	-	-	-	-	-	-	5,160	Central
Total	702,201	-	-	-	-	-	-	702,201	
EBITDA (£,000)									
Estate Agency	28,195	-	28,693	(7,529)	903	8,046	(350)	57,958	Retail
London and Premier	23,274	-	8,123	7,529	145	-	(656)	38,415	London
Lettings	39,266	-	(39,266)	-	-	-	-	-	
Financial Services	16,386	-	-	-	-	2,588	(388)	18,586	Financial Services
Surveying Services	13,603	(13,603)	-	-	-	-	-	-	
Conveyancing Services	9,310	21,960	2,450	-	(1,048)	(10,634)	(1,320)	20,718	Business to Business
Lambert Smith Hampton	8,357	(8,357)	-	-	-	-	-	-	
Central costs	(17,288)	-	-	-	-	-	2,714	(14,574)	Central
Total	121,103	-	-	-	-	-	-	121,103	

New Segments – Half year 2014

Old Segments	2014 Annual Report	Combine B2B	Split Lettings	Reallocate branches	Transfer B2B businesses	Enhanced Conveyancing Referrals	Overhead Allocation	New Values	New Segments
Total Income (£,000)									
Estate Agency	101,313	-	44,637	(16,184)	(7,006)	3,936	-	126,696	Retail
London and Premier	57,840	-	13,897	16,184	(3,154)	-	-	84,767	London
Lettings	64,265	-	(64,265)	-	-	-	-	-	
Financial Services	33,248	-	-	-	-	1,266	-	34,514	Financial Services
Surveying Services	28,107	} (28,107)	-	-	-	-	-	-	
Conveyancing Services	13,489		61,790	5,731	-	10,160	(5,202)	-	85,968
Lambert Smith Hampton	33,683	} (33,683)	-	-	-	-	-	-	
Central costs	2,580		-	-	-	-	-	-	2,580
Total	334,525	-	-	-	-	-	-	334,525	
EBITDA (£,000)									
Estate Agency	7,093	-	13,574	(3,488)	130	3,781	(118)	20,972	Retail
London and Premier	10,444	-	3,248	3,488	91	-	(290)	16,981	London
Lettings	17,616	-	(17,616)	-	-	-	-	-	
Financial Services	5,409	-	-	-	-	1,214	(177)	6,446	Financial Services
Surveying Services	4,755	} (4,755)	-	-	-	-	-	-	
Conveyancing Services	3,810		7,925	794	-	(221)	(4,995)	(622)	6,691
Lambert Smith Hampton	3,170	} (3,170)	-	-	-	-	-	-	
Central costs	(7,282)		-	-	-	-	-	1,207	(6,075)
Total	45,015	-	-	-	-	-	-	45,015	

New Segments – Half year 2015

Old Segments	2014 Annual Report	Combine B2B	Split Lettings	Reallocate branches	Transfer B2B businesses	Enhanced Conveyancing Referrals	Overhead Allocatio	New Values	New Segments
Total Income (£,000)									
Estate Agency	86,732	-	47,567	(13,230)	(6,003)	3,286	-	118,352	Retail
London and Premier	56,816	-	15,868	13,230	(5,531)	-	-	80,383	London
Lettings	68,525	-	(68,525)	-	-	-	-	-	
Financial Services	34,742	-	-	-	-	1,310	-	36,052	Financial Services
Surveying Services	31,672	(31,672)	-	-	-	-	-	-	
Conveyancing Services	12,673	75,990	5,090	-	11,534	(4,596)	-	100,691	Business to Business
Lambert Smith Hampton	44,318	(44,318)	-	-	-	-	-	-	
Central costs	3,104	-	-	-	-	-	-	3,104	Central
Total	338,582	-	-	-	-	-	-	338,582	
EBITDA (£,000)									
Estate Agency	1,123	-	14,592	(1,448)	451	3,033	(377)	17,374	Retail
London and Premier	8,099	-	3,237	1,448	(1,063)	-	(438)	11,283	London
Lettings	18,790	-	(18,790)	-	-	-	-	-	
Financial Services	6,110	-	-	-	-	1,227	(285)	7,052	Financial Services
Surveying Services	7,563	(7,563)	-	-	-	-	-	-	
Conveyancing Services	3,148	12,084	961	-	612	(4,260)	(587)	11,958	Business to Business
Lambert Smith Hampton	4,521	(4,521)	-	-	-	-	-	-	
Central costs	(8,326)	-	-	-	-	-	1,687	(6,639)	Central
Total	41,028	-	-	-	-	-	-	41,028	

Key Performance Indicators

Branch numbers	FY 2013	FY 2014	HY 2014	HY 2015
<u>Branch numbers - previously reported closing balances</u>				
Estate Agency	804	815	811	813
London & Premier	126	126	128	137
Lettings – co-located (now combined with EA)*	323	330	333	348
- stand alone	91	101	98	96
Total	1,344	1,372	1,369	1,394
<u>Branch numbers - revised closing balances</u>				
Retail branches	758	781	779	772
London branches	263	261	257	274
Total	1,021	1,042	1,036	1,046

Average cash fee (£)	FY 2013	FY 2014	HY 2014	HY 2015
Retail	2,705	2,678	2,669	2,612
London	8,330	8,132	8,283	8,291
Group average	3,836	3,731	3,779	3,716

* Previously reported as the number of trading units in each of Lettings and Estate Agency as a 'gross' total

House exchanges	FY 2013	FY 2014	HY 2014	HY 2015
<u>Exchanges previously reported</u>				
Estate Agency	59,471	66,022	31,480	27,579
London & Premier	6,338	6,383	3,110	2,861
Total	65,809	72,405	34,590	30,440
<u>Exchanges revised</u>				
Retail	49,356	55,388	26,318	22,945
London	12,054	12,126	5,888	5,014
B2B	4,399	4,891	2,384	2,481
Total	65,809	72,405	34,590	30,440
Managed properties				
Lettings	52,181	65,334	64,334	69,741

Retail	44,544	56,113	55,079	59,515
London (includes Hamptons not previously reported)	10,726	12,691	12,116	14,158
B2B Estate Management (not previously reported)	41,696	37,107	37,650	32,093

Retail Summary

		FY 2013	FY 2014	H1 2014	H2 2014	HY 2015
Total income	£,000	232,045	264,873	126,696	138,177	118,352
EBITDA before exceptionals	£,000	38,759	57,958	20,972	36,986	17,374
Estate agency revenue	£,000	140,421	153,862	72,973	80,889	63,701
Lettings revenue	£,000	74,899	89,965	43,519	46,446	45,312
Conveyancing revenue	£,000	10,359	11,638	5,430	6,208	4,358
Other revenue	£,000	6,366	9,408	4,774	4,634	4,981
	£,000	232,045	264,873	126,696	138,177	118,352
Exchanges		49,356	55,388	26,318	29,070	22,945
Average cash fee (£)		2,705	2,678	2,669	2,686	2,612
Average house price (£)		168,024	181,286	176,551	185,753	181,651
Managed properties (average)		44,554	56,113	55,079	57,147	59,515
Branches (average)		733	781	776	785	776
Employees FTE (average)		4,352	4,791	4,828	4,753	4,539

London Summary

		FY 2013	FY 2014	H1 2014	H2 2014	HY 2015
Total income	£,000	164,981	175,814	84,767	91,047	80,383
EBITDA before exceptionals	£,000	33,524	38,415	16,981	21,800	11,283
Estate agency revenue	£,000	112,692	114,785	56,916	57,869	49,553
Lettings revenue	£,000	49,604	56,294	25,591	30,704	28,752
Conveyancing revenue	£,000	326	336	166	170	279
Other revenue	£,000	2,359	4,399	2,094	2,304	1,799
		164,981	175,814	84,767	91,047	80,383
Exchanges		12,054	13,372	6,529	6,843	5,622
Average cash fee (£)		8,330	8,132	8,283	7,988	8,291
Average house price (£)		588,879	598,733	593,408	603,814	630,226
Managed properties (average)		10,726	12,691	12,116	13,265	14,158
Branches (average)		243	259	255	262	264
Employees FTE (average)		1,762	1,886	1,851	1,921	2,008

Financial Services Summary

		FY 2013	FY 2014	H1 2014	H2 2014	HY 2015
Total income	£,000	67,656	76,439	34,514	41,925	36,052
EBITDA before exceptionals	£,000	14,209	18,586	6,446	12,140	7,052
Financial services revenue	£,000	63,820	72,470	32,678	39,792	34,825
Conveyancing revenue	£,000	3,836	3,969	1,836	2,133	1,227
	£,000	67,656	76,439	34,514	41,925	36,052
Total mortgages arranged (core)*		34,261	37,216	17,395	19,821	16,735
Gross mortgage value (core)*		£4.2bn	£4.8bn	£2.2bn	£2.6bn	£2.3bn
Total mortgages arranged (non-core)		26,379	33,313	15,377	17,936	16,423
Gross mortgage value (non-core)		£4.1bn	£5.5bn	£2.6bn	£2.9bn	£2.8bn
Total mortgages arranged (total)		60,640	70,529	32,772	37,757	33,158
Gross mortgage value (total)		£8.3bn	£10.3bn	£4.8bn	£5.5bn	£5.1bn
Life policies sold (core)*		23,011	27,337	13,400	13,937	12,069
GI policies sold (core)*		32,596	35,398	16,827	18,571	14,066
Employees FTE (average)		904	998	988	1,009	967

* Core statistics relate to transactions generated within the Countrywide branch network

Wednesday, 23 December 2015

Business to Business Summary

		FY 2013	FY 2014	H1 2014	H2 2014	HY 2015
Total income	£,000	117,277	179,915	85,968	93,947	100,691
EBITDA before exceptionals	£,000	14,093	20,718	6,691	14,027	11,958
Surveying & Valuation revenue	£,000	54,742	59,241	28,735	30,506	33,097
Conveyancing revenue	£,000	29,902	33,161	15,635	17,526	16,239
Estate & Asset Management revenue	£,000	16,649	15,033	7,261	7,772	6,330
CWRDS* revenue	£,000	18,576	19,914	9,947	9,967	11,186
Commercial revenue	£,000	16,582	72,797	33,683	39,114	44,318
Other revenue	£,000	1,414	2,022	1,011	1,011	740
Total Gross revenue from B2B clients	£,000	137,865	202,168	96,272	105,896	111,910
Revenue paid across to other BUs	£,000	(20,588)	(22,253)	(10,304)	(11,949)	(11,219)
B2B total income	£,000	117,277	179,915	85,968	93,947	100,691
Surveys & Valuations (no change)		330,121	332,290	149,283	183,007	162,030
Conveyances (excluding third party) completed (no change)		33,285	36,441	16,768	19,673	14,968
Exchanges CWRDS* customers		4,399	4,891	2,384	2,507	2,481
Corporate properties under management		41,696	37,107	37,650	36,565	32,093
Employees FTE (average)		1,627	2,452	2,396	2,508	2,614

* Countrywide Residential Development Solutions (formerly CW Land & New Homes and Hamptons RDI)

Wednesday, 23 December 2015

Central Summary

		FY 2013	FY 2014	H1 2014	H2 2014	HY 2015
Total income	£,000	2,809	5,160	2,580	2,580	3,104
EBITDA before exceptionals	£,000	(13,955)	(14,574)	(6,075)	(8,499)	(6,639)