



OnTheMarket plc

Full Year Results to 31 January 2023

Delivering record results and strategic progress whilst increasing value for customers

OUR MISSION STATEMENT

Listening. Innovating. Delivering.

Presented by



Jason Tebb

Chief Executive Officer



Simon Bullock

Interim Chief Financial Officer



Tom Carter

Chief Financial Officer

(joined 3rd July 2023)



1

Highlights

2

Financial
and
operational
review

3

Strategic
update:
Our four
pillars

4

Driving
growth in
ARPA

5

New
innovations

6

Summary
and outlook

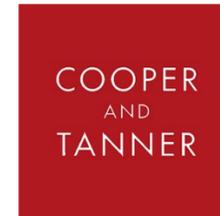


Highlights



Cemented our position as the agents' portal

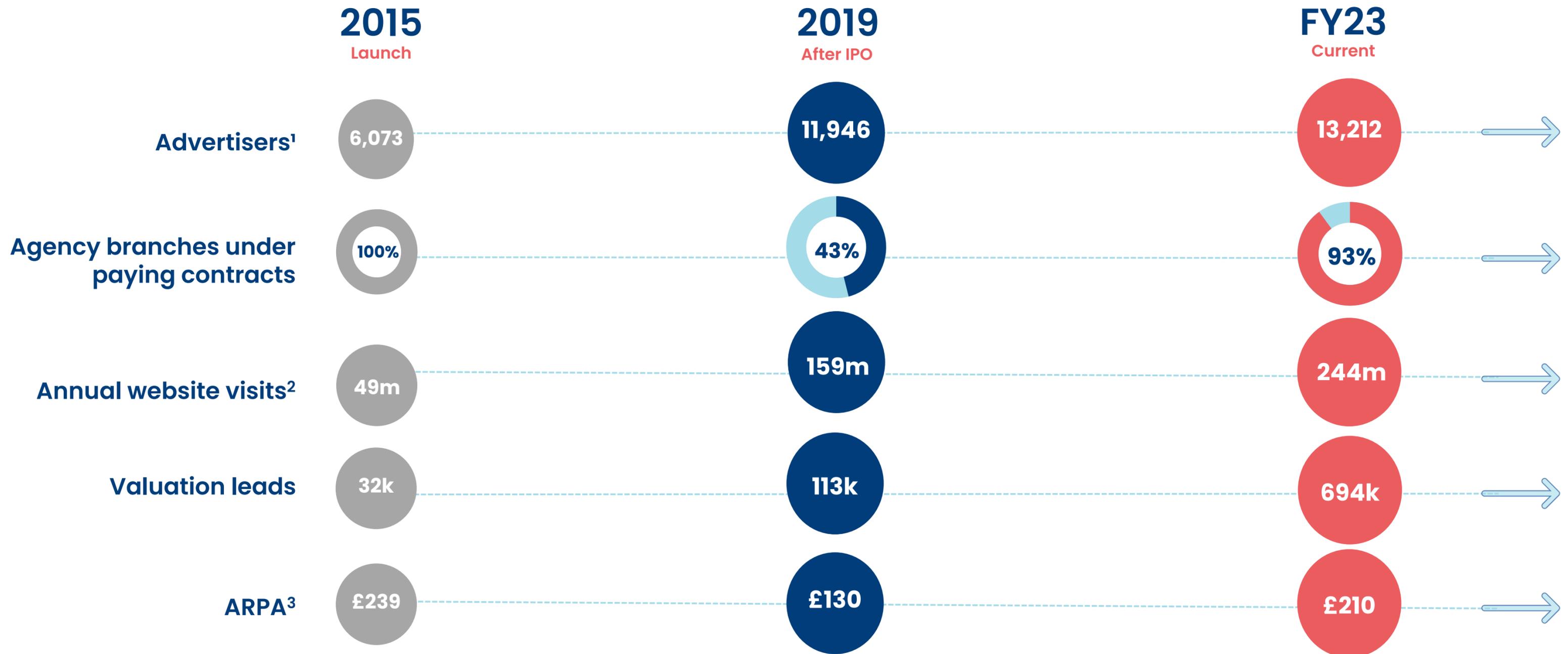
Contracts continue with some of the largest estate agents in the UK, plus some high-profile new brands



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Scale – delivering network effects



¹ Advertisers are defined as the aggregate of estate and letting agent branches and new homes developments listed at OnTheMarket.com. Dates are 31/2/16, 31/1/19, 31/1/23.

² Website visits: total visits comprises individual sessions at OnTheMarket.com and mobile app as measured by Google Analytics for year ending 31 January.

³ Average revenue per property advertiser, being revenues due from property advertisers before the deduction of non-cash share-based agent recruitment charges for a period divided by the average number of property advertisers for that period. ARPA is the average of the monthly ARPAs for the year. Note, FY16 ARPA uses number of advertisers and advertiser revenue from February 2016.

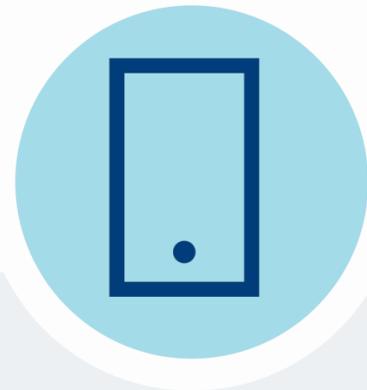
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Through the development of our four pillars



Portal

Continued and sustained development of OnTheMarket.com, to deliver an innovative 'best-in-class' property search platform delivering high quality leads from serious property seekers



Software

Design, develop and deliver software solutions that streamline the estate and lettings agency workflows with a focus on automation and multi-platform integrations saving our customers time and money



Data and market intelligence

Utilising data and market intelligence to help our customers grow their businesses through the use of innovative tools that deliver deep property insights and value-add opportunities



Consumer communication and monetisation

Growing brand awareness amongst serious property seekers to drive consumers to OnTheMarket and supporting our customers with marketing and nurturing tools to support their own customer growth

Our four pillars driving the network effects

Our suite of customer and consumer products within the property ecosystem has powerful network effects

Portal

Best in class website with exclusive 'Only With Us' (OWU) property content and cutting edge functionality

Software

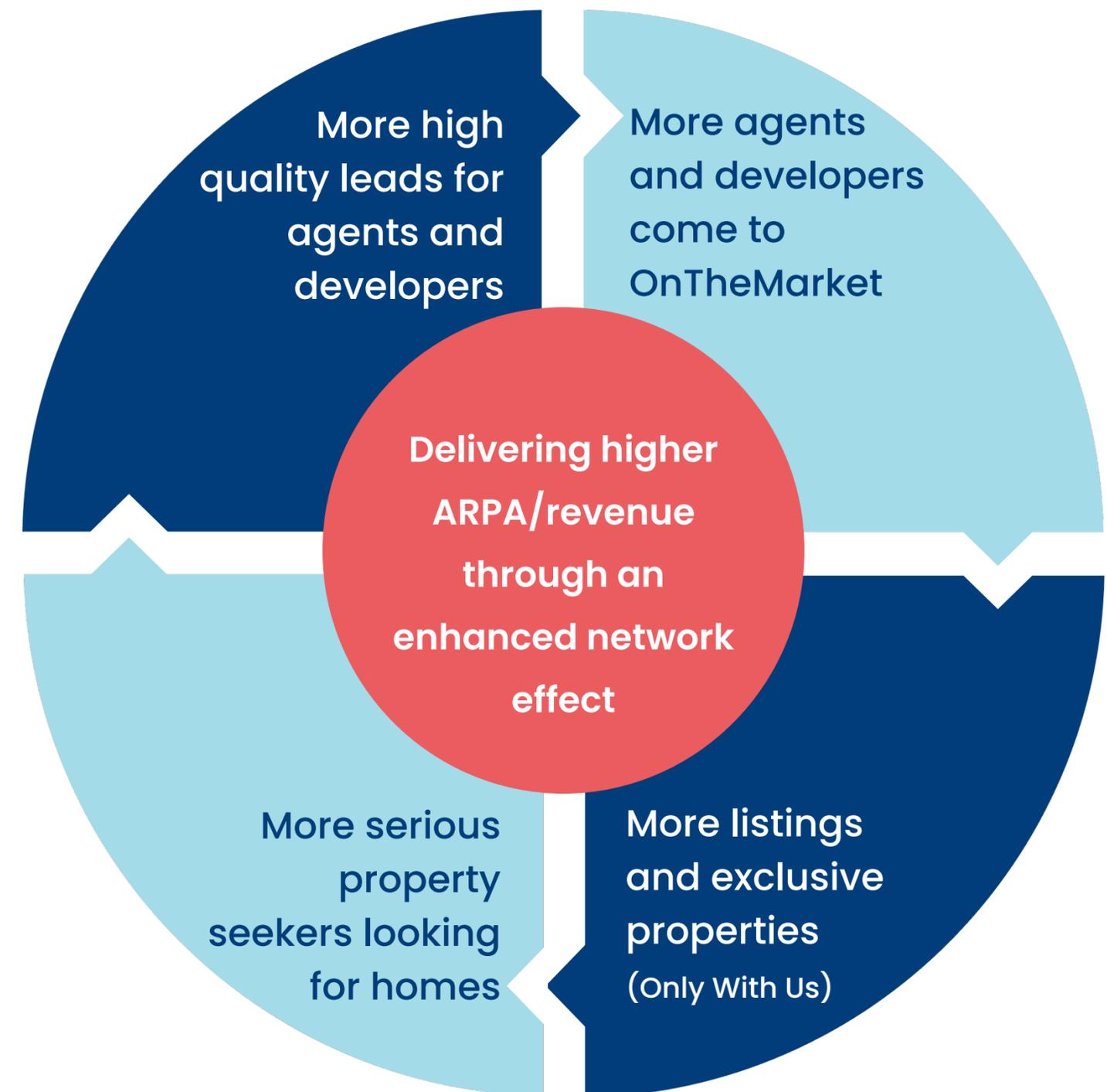
Continue to deliver innovation across the OnTheMarket Software suite to meet the needs of our customers

Data and market intelligence

Ensure our agent and developer customers have industry and consumer data to drive their businesses forward

Consumer communication and monetisation

Deliver serious property seekers direct to our customers and supporting them with their own activity



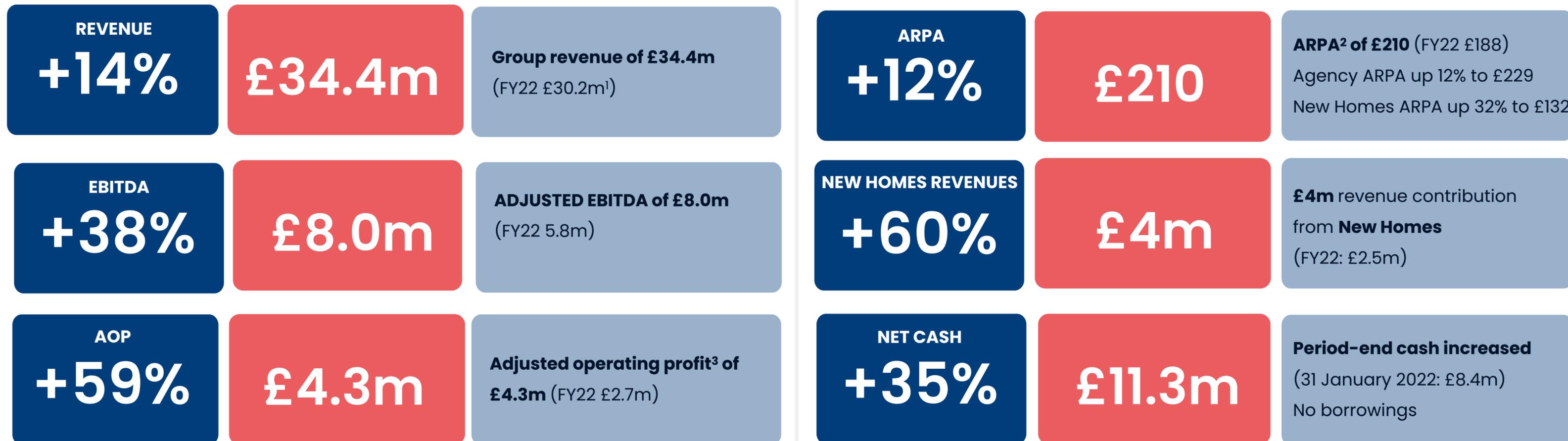


Financial and operational highlights FY23



Full year results to 31 January 2023

Strong financial performance



¹Restated, see appendix

²Average revenue per property advertiser, being revenues due from property advertisers before the deduction of non-cash share-based agent recruitment charges for a period divided by the number of property advertisers for that period.

³Adjusted operating profit is defined as operating profit before share-based payments (including charges relating to shares issued for agent recruitment), specific professional fees and non-recurring items. This is an alternative performance measure and should not be considered an alternative to IFRS measures, such as revenue or operating profit.

Full year results to 31 January 2023

Progress against key operational metrics

13,086

Average monthly advertisers¹ listed, down 2% from FY22

+123%

Increase in agents using **additional products** reflecting value provided and progress against strategy

+26%

Increase in valuation leads to agents vs FY22

244m

Visits² down 14% from FY22, reflecting change in marketing strategy and abnormally buoyant FY22

105

Average **monthly leads per advertiser, down 10%** reflecting change in marketing strategy and abnormally buoyant FY22.

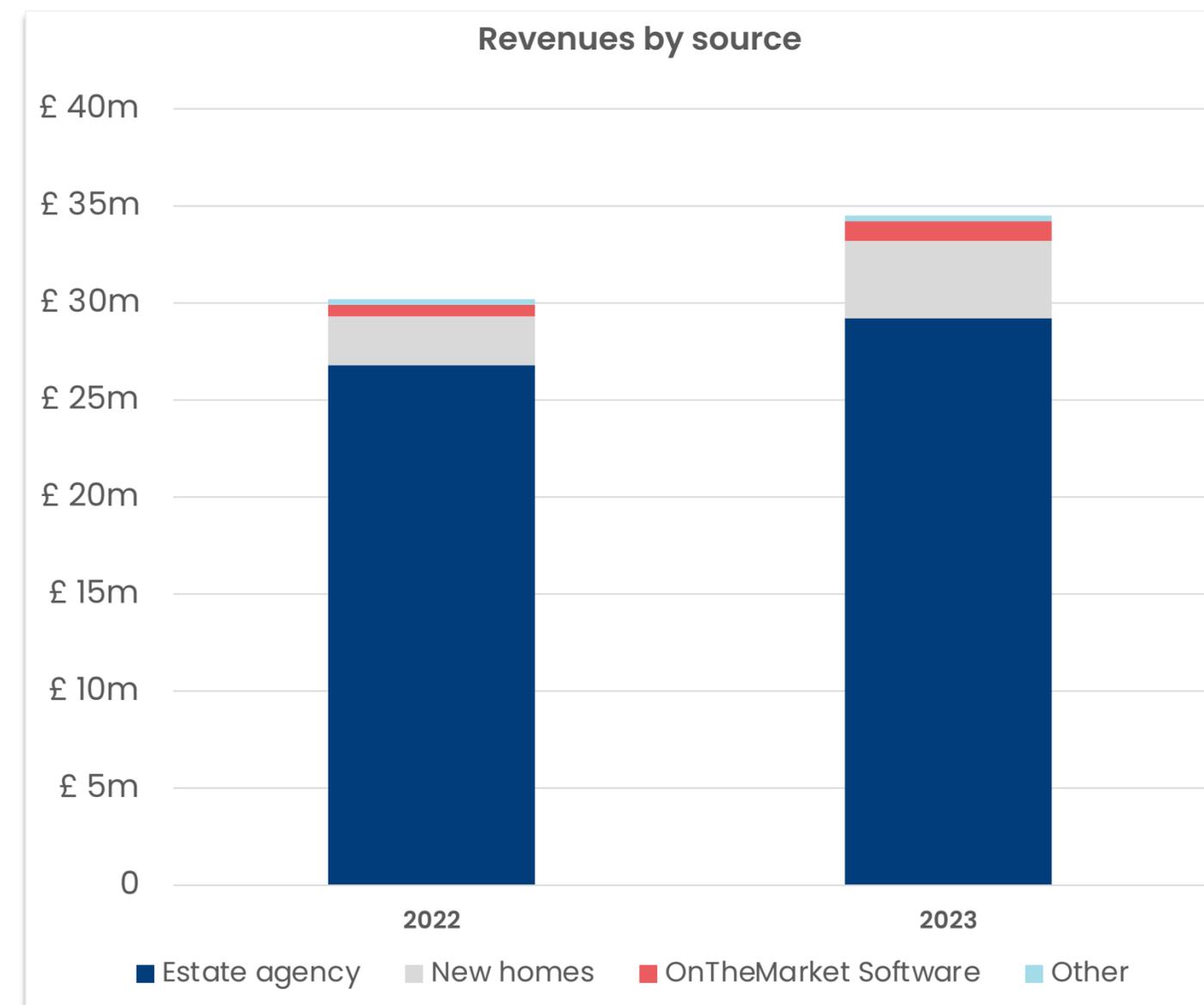
6.8%

Conversion ratio of site visits to leads up from 6.5% in FY22, reflecting our focus on serious property seekers.

Revenues and ARPA by source

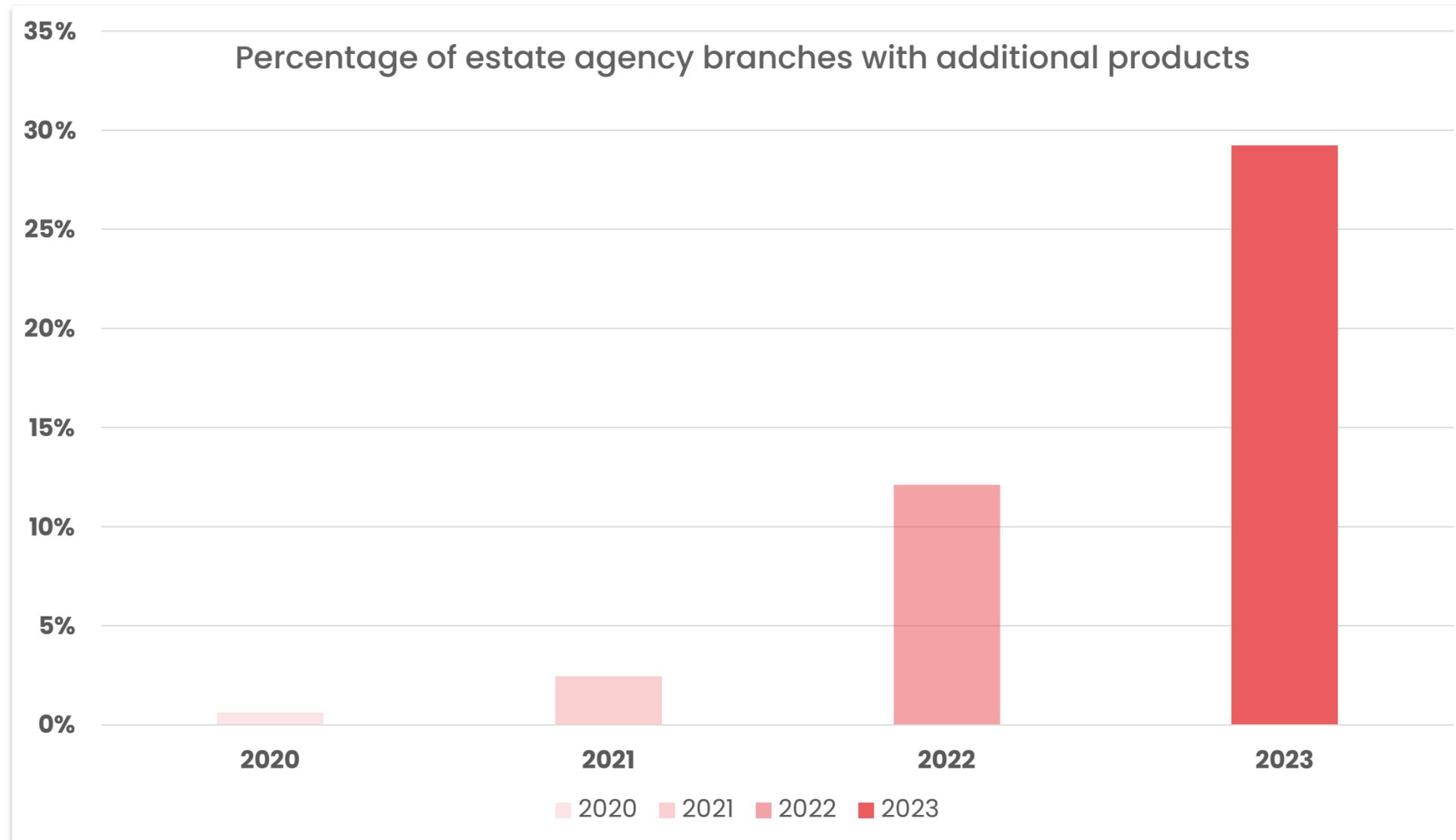
Period ended 31 January	2023	2022*	Change
Group revenue			
Estate Agency	£29.1m	£26.8m	+9%
New Homes	£4.0m	£2.5m	+60%
OnTheMarket Software	£1.0m	£0.6m	+67%
Other	£0.3m	£0.3m	-
Advertisers			
Average estate agency advertisers	10,547	11,171	(6)%
Average new homes advertisers	2,542	2,125	+20%
As at 31 January	13,212	13,732	(4)%
- agency branches	10,367	11,451	(9)%
- NH developments	2,845	2,281	+25%
ARPA			
Estate agency	£229	£204	+12%
New Homes	£132	£100	+32%

- Estate agency revenues continue to build as ARPA grows
- New homes revenues show very strong growth
- Average agency advertisers reflect fluctuations in branches under short-term free of charge contracts



Estate agent additional product growth

Significant growth – continuing opportunity



+123%

Increase in estate agency branches purchasing additional products (FY23 vs FY22)



29%

Of all estate agency branches are purchasing additional products

New Homes growth

Significant growth – continuing opportunity

Revenue has increased by 60% to £4.0m (FY22: £2.5m)

- **20% increase** in average developments listed on site
- **ARPA up 32%** YoY to £132, with continuing growth anticipated as we add further value to our offering

Expanding suite of additional marketing products

- Pay per lead options
- Targeted marketing strategies
- In-market advertising

92%

of total developments listing on Rightmove

2023

2,845 developments*

Vistry Group



Churchill Retirement Living 

 REDROW PLC

 Persimmon
Together, we make your home

 Keepmoat Homes

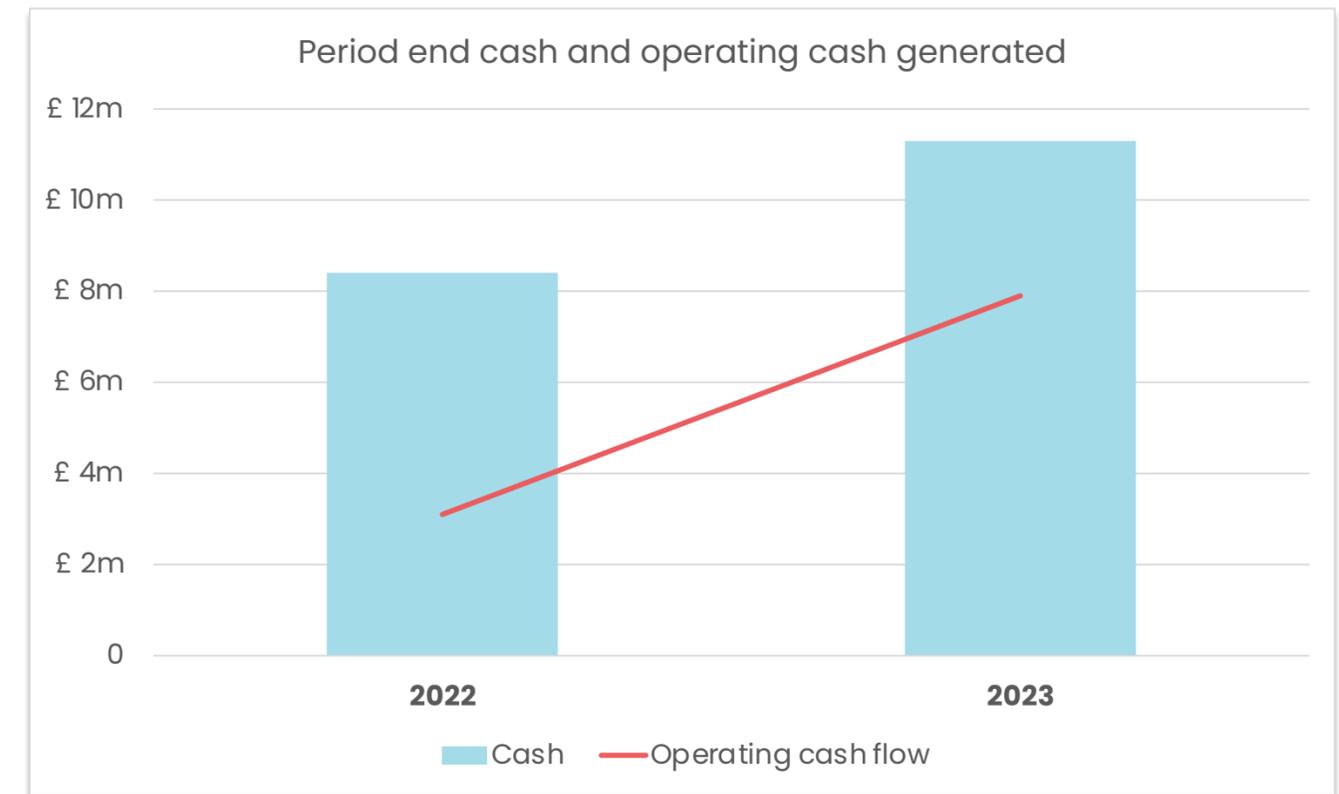
Bellway

McCARTHY STONE
Life, well lived

Taylor Wimpey

Strong balance sheet driving investment for growth

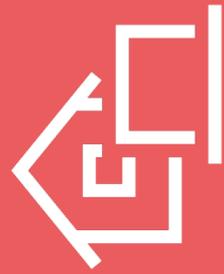
- Closing cash balance of £11.3m, +35% (FY22: £8.4m), and no borrowings
- Strong cash position with net cash generated from operating activities at £7.9m (FY22: £3.1m)
- Group net assets of £19.8m, up +6% (FY22: £18.7m)
- Operating cash conversion of 99% of adjusted EBITDA
- Financially stable to support investment and growth, with prudent cost management
- Cash position as at 30th June £11.4m and no borrowings





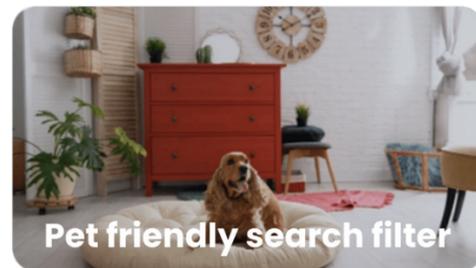
Strategic update: Our four pillars





Portal

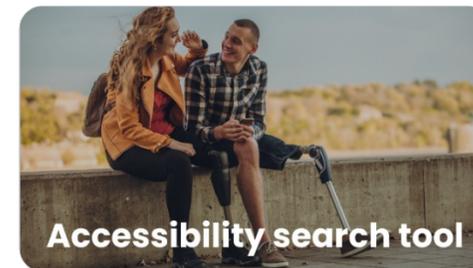
Creating the best property search site in the UK



Pet friendly search filter



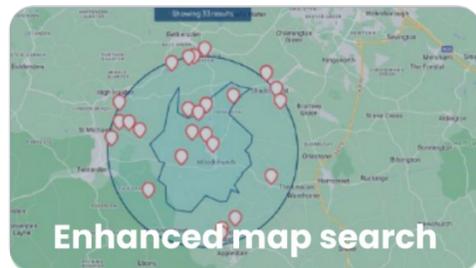
Auction property filter



Accessibility search tool



Greener Choice Filter



Enhanced map search



Enhanced agent profiles



Personal brand identifiers



Student homes section



Video Appraisal



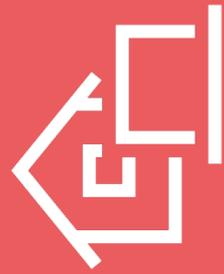
Express Appraisal



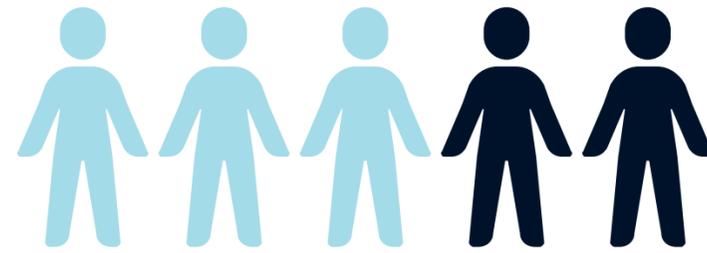
Whatsapp Integration



Reduced price filter



Attracting serious property seekers



6.8%

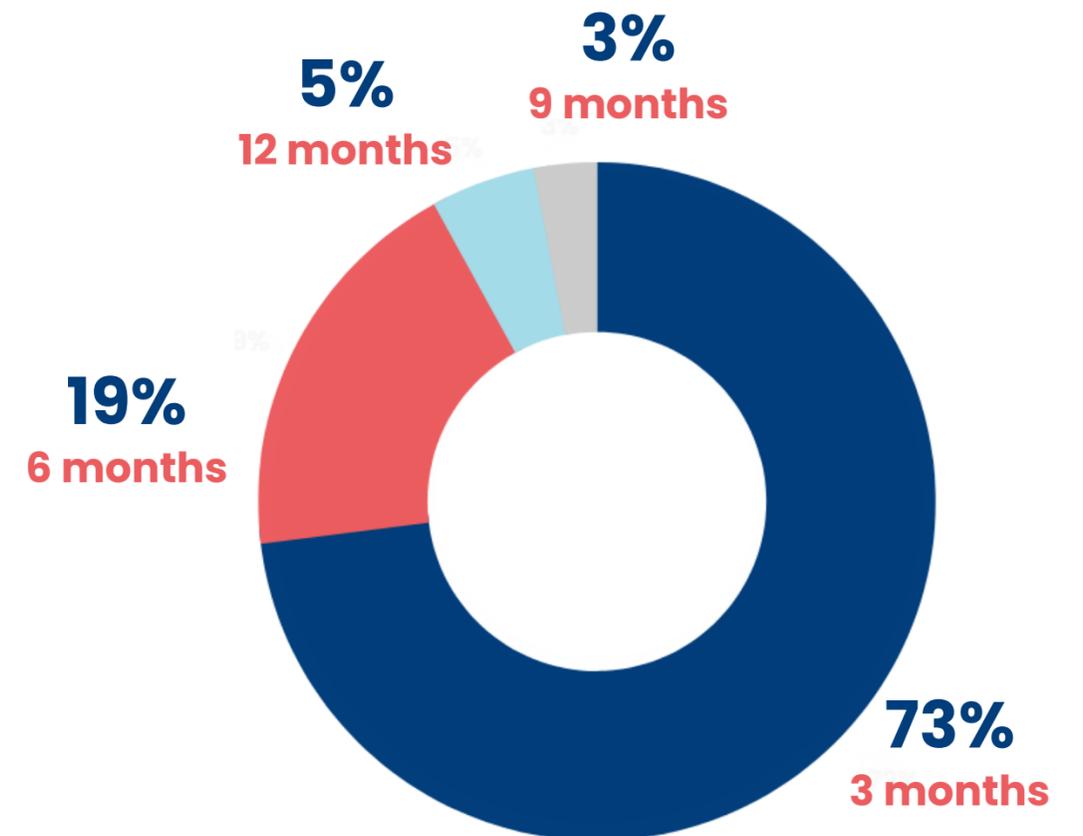
Conversion ratio of site visits to leads (vs 6.5% FY22)



+13%

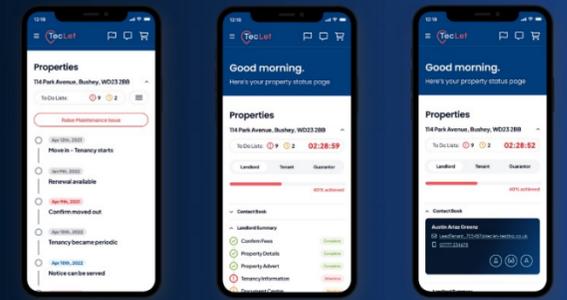
Total active property alerts

Buyers who responded to our online survey reported that they are confident that they'll buy a property in the next...

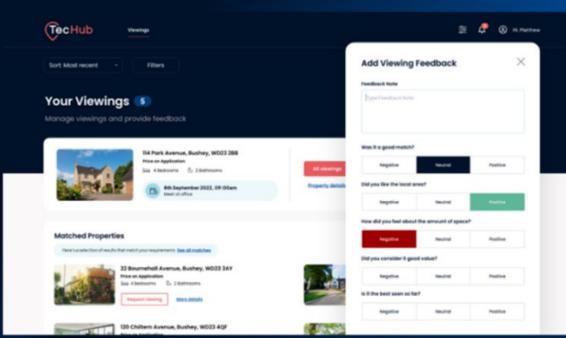


Software

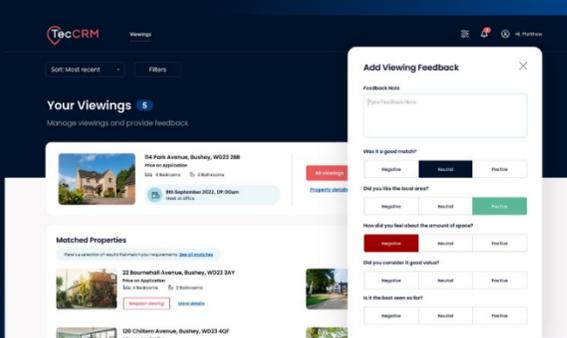
Creating best-in-class software



TecLet
Streamline and automate the lettings process, saving agents time and increasing efficiency



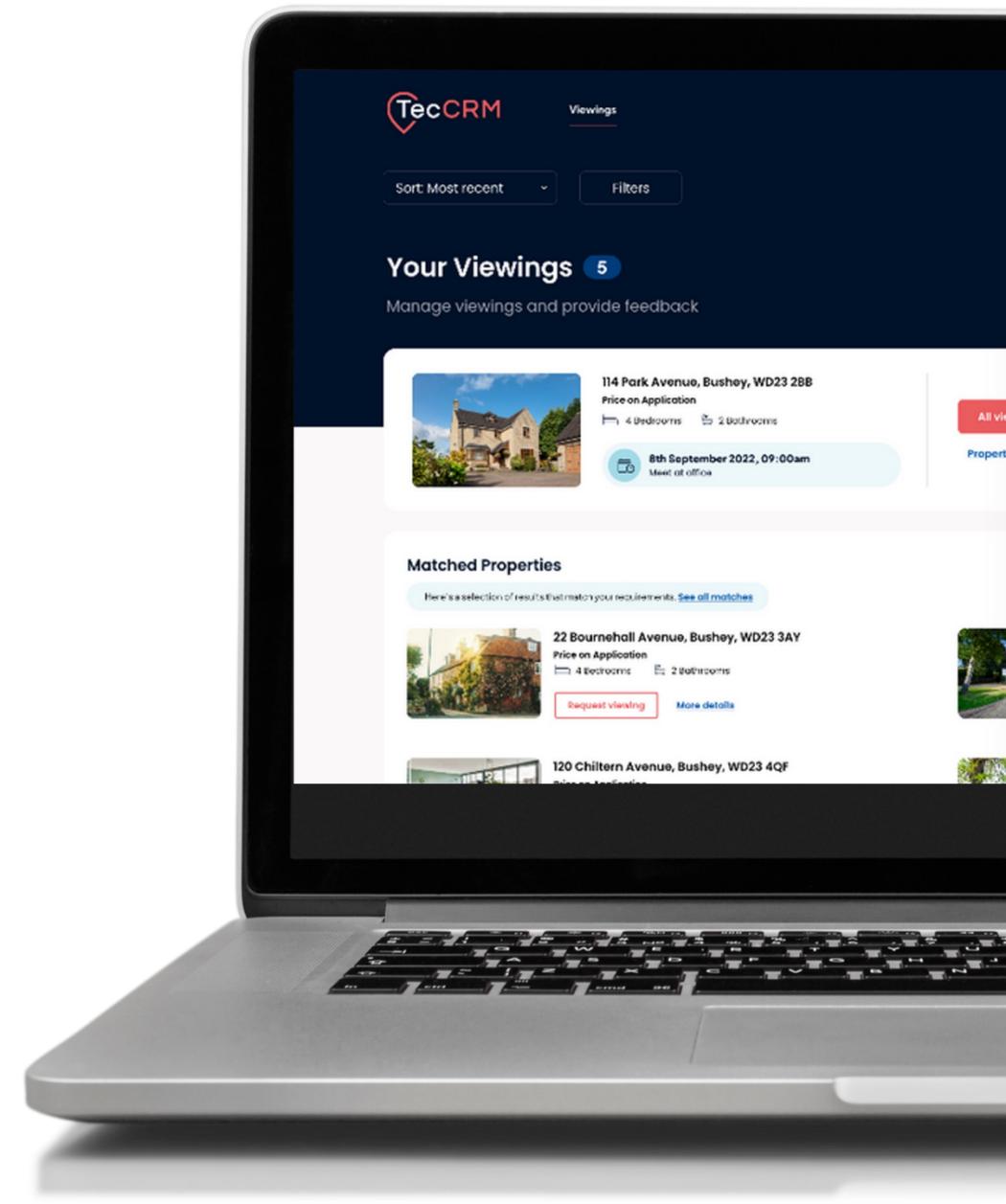
TecHub
Transforming the way customers interact with agents with a 24/7 customer portal



TecCRM
Optimise customer relationships and drive growth with advanced CRM software



TecWeb
Stunning websites designed to drive business success and elevate agent's online presence



The software journey

Growth since acquisition:

- +84%** **TecLet licence increase**
Since acquisition in 2021
- +461%** **TecCRM licence increase**
Since acquisition in 2021
- +84%** **Estate agency growth**
Increase of estate agency branches using OnTheMarket Software

Increases since acquisition in May 2021 vs May 2023 for OnTheMarket Software only. Does not represent full year comparison.



Creating innovative data tools



Attracting agents and developers



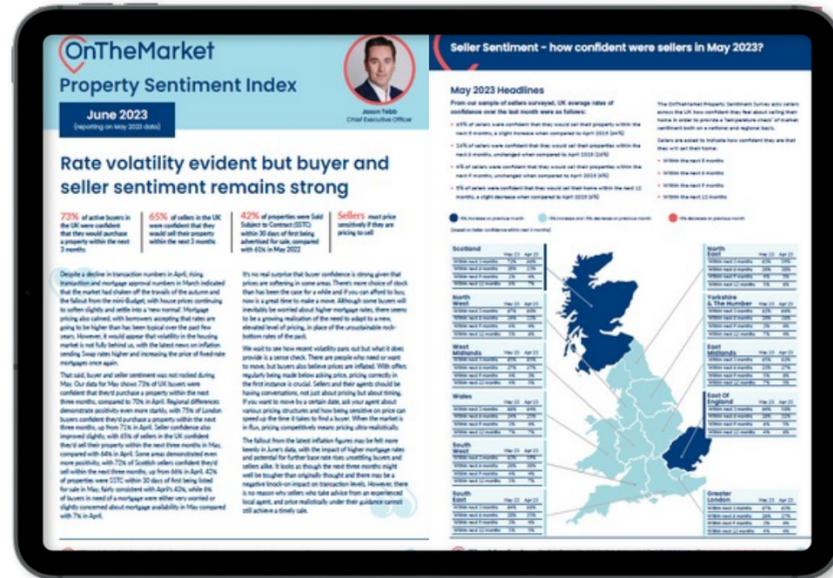
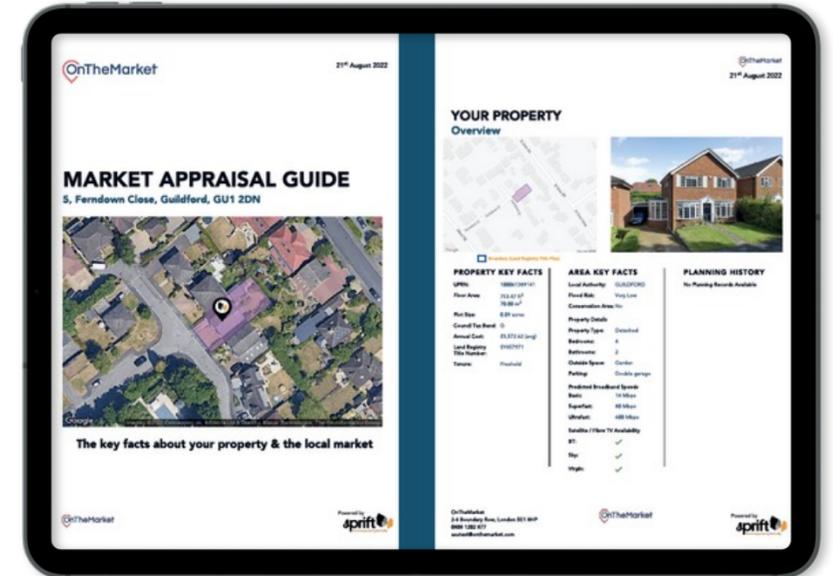
data



MAGs per month

Thousands of 'best in class' market appraisal guides created by our customers*

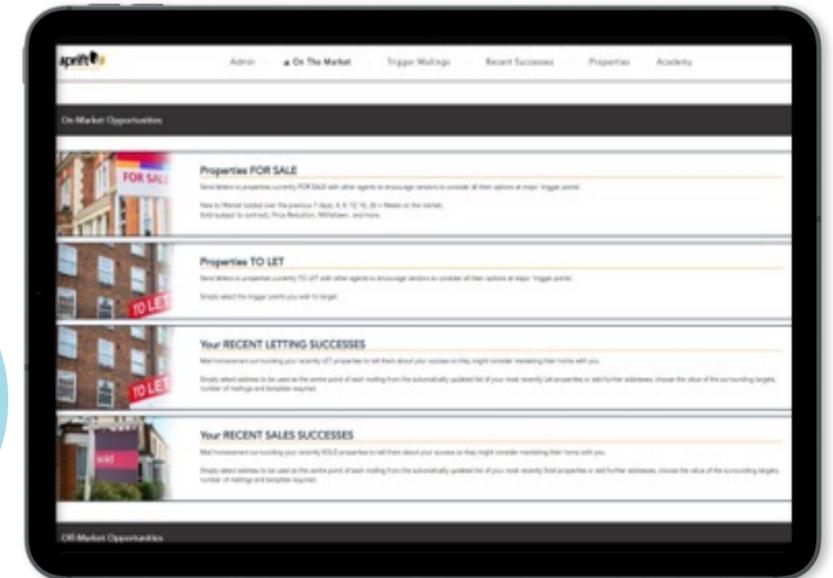
c8,000



PSI responses

The largest sentiment index in the UK, demonstrating serious property seekers visit our site*

c80,000



SmartMail

c40,000 direct mail prospecting letters generated*

c40,000



*Average numbers per month YTD 2023

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Powerful data insights for our customers

Reset x

Show agents you're serious

I'm Serious about moving (off)

Your property address and phone number are required to access all I'm Serious benefits

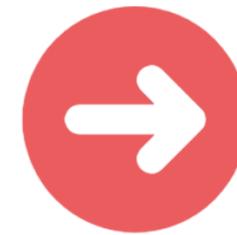
Property address

Search postcode e.g. BA1 2LR

Can't find your address? Enter manually

Phone number

Cancel Save



OnTheMarket

Buying | Selling

I'm Serious

42 The Magpies, Epping, CM16 6QG
07773392099

Serious About Moving has been activated by Matthew on OnTheMarket.com
Matthew Langer is serious about Selling and Buying

Request details

You have received a details request from **Matthew Langer**.

Achievements

- User has viewed more than x properties in last 3 months
- User has at least one active saved search
- User is clicking links on property alert emails
- User has sent more than x leads in 3 months
- User has a property to sell / let that is not on the market

Rent Ready



Buyer Ready



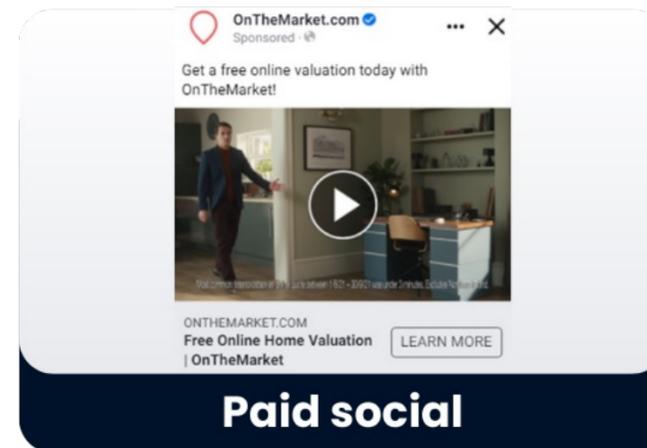


consumer

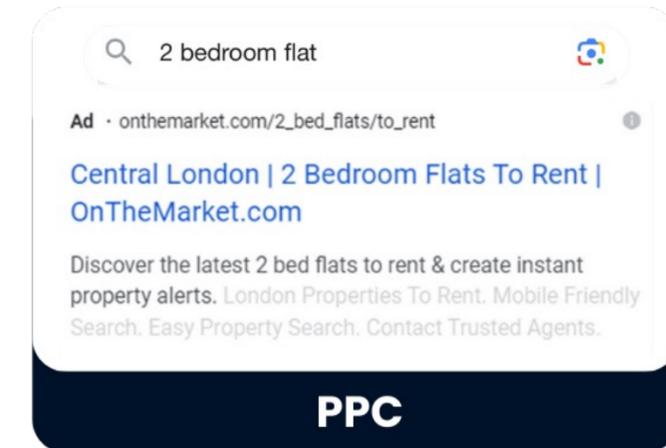
Creating innovative marketing strategies



TV and radio



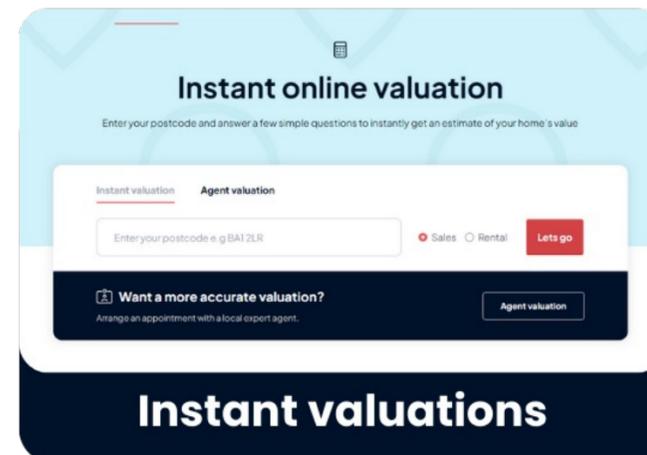
Paid social



PPC



Display



Instant valuations



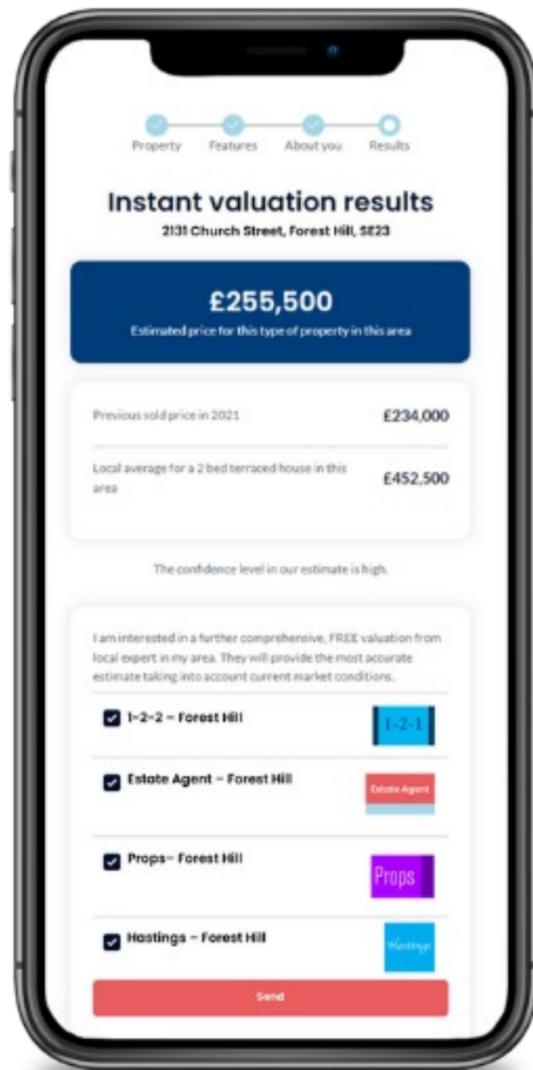
OnTheMarket Connect





Consumer

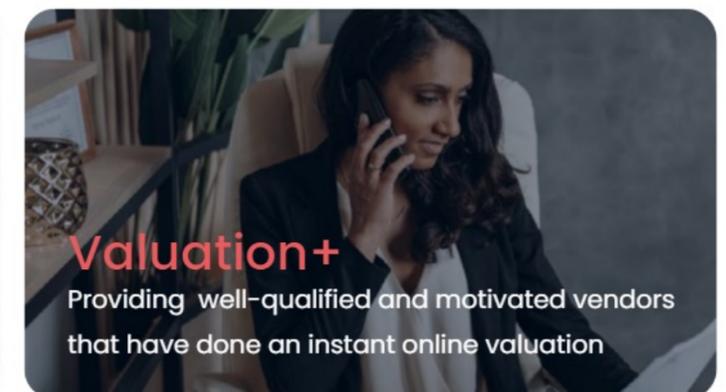
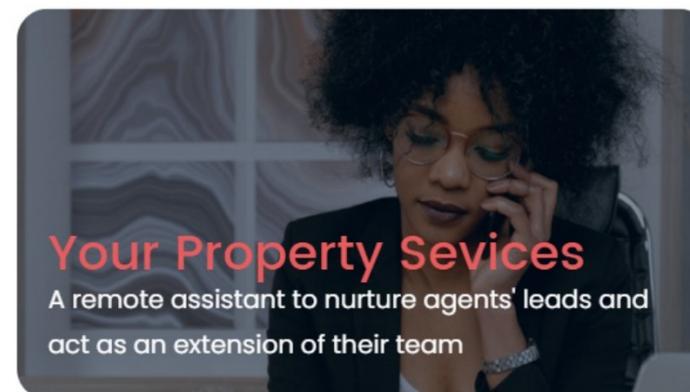
Attracting and monetising serious property seekers



Valuation lead sent to agent paying for the position



Option to upgrade where leads are nurtured via additional paid-for product

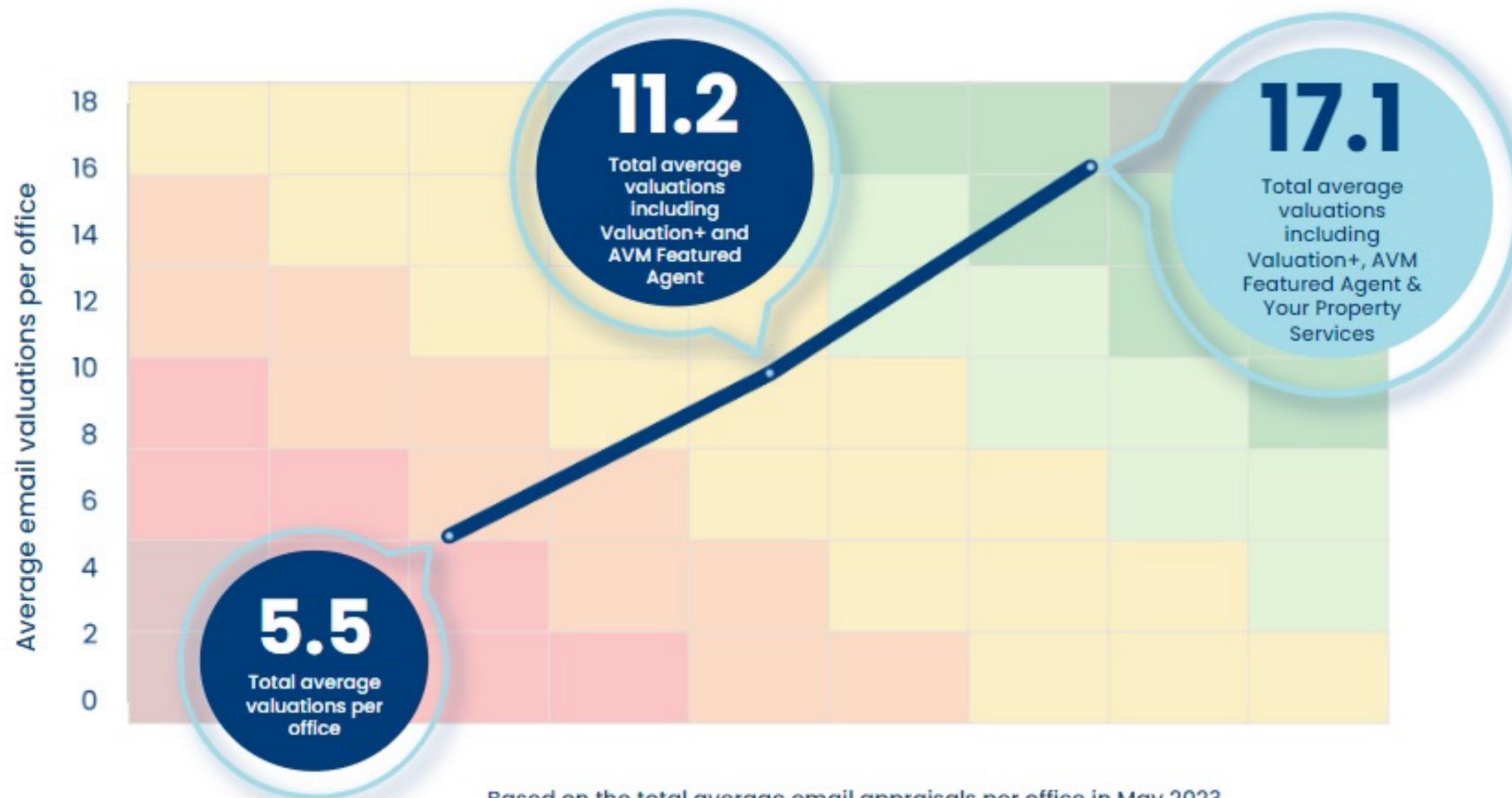




Driving ARPA growth by delivering what our customers want



ARPA growth through products



- Generates 3x monthly valuations with:**
- AVM Featured Agent
 - Valuation+
 - Your Property Services

ARPA growth through packages



ARPA Growth through OnTheMarket Connect



ARPA growth through added value to our New Homes developers

+Impact Xtra

Targeted Facebook and Instagram ads



SmartMail

Direct mail campaigns powered by Sprift



Email and SMS

Utilising our database to target serious property seekers



Stock

The more stock we have, the more leads we'll generate



**ARPA
growth**

*92% of new homes developments listed on Rightmove. Based on Rightmove annual report 2022

Supporting our ARPA growth with our commercial partnerships

Agents could save more than **£8,000***

SAVING AGENTS THOUSANDS


Autoenhance.ai


ALAN BOSWELL GROUP

callwell

Canopy

 **KREMER SIGNS**

 **OnTheMarket Software**

 **PROPERTY ACADEMY**

 **PROPERTY PATHWAYS**


sprift
Know any property instantly

 **The Able Agent®**

VABOO



New innovations – leveraging the platform



Growth of serious property seeker audience through our new App



Aiming to be the best property search App in the world



Unique search functionality

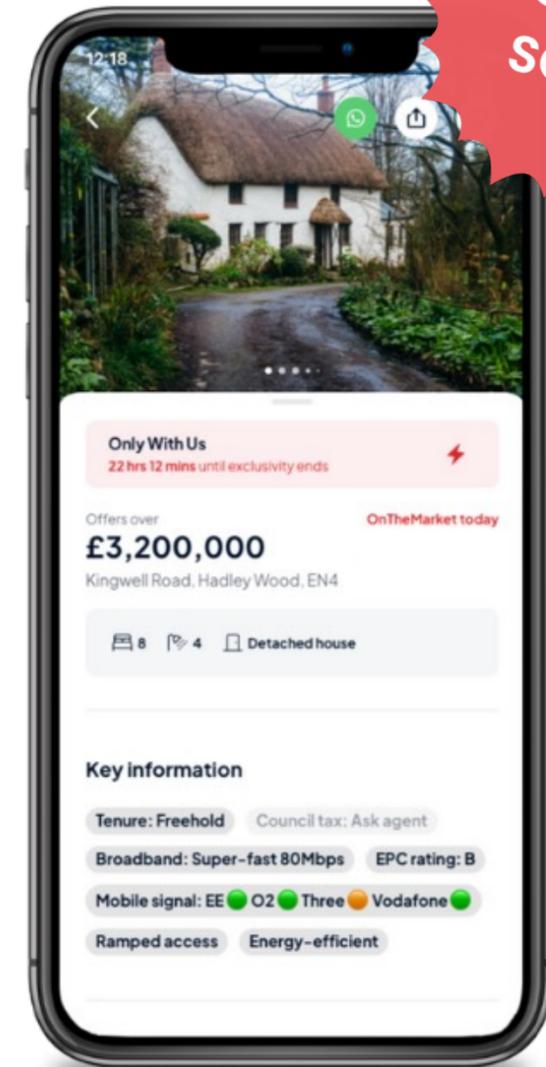


MyPlace – built for App use and repeat search



The App will lead the way

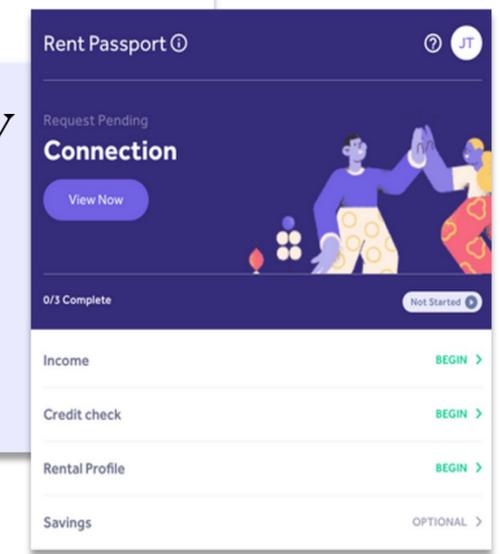
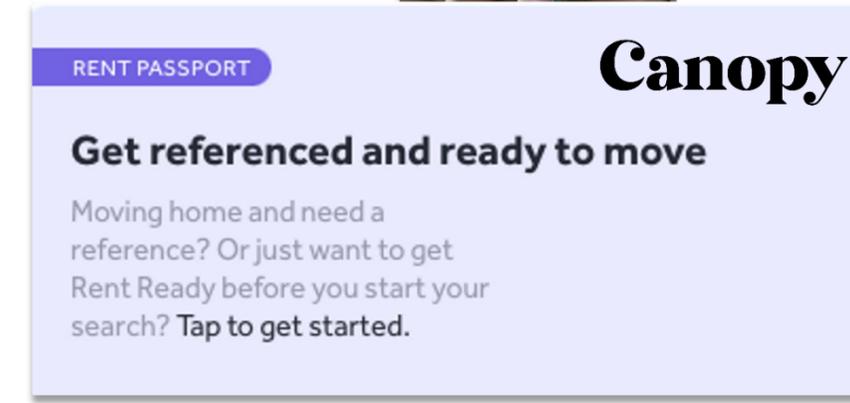
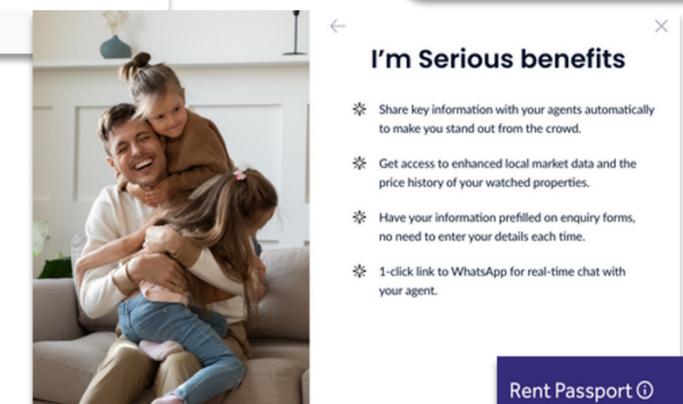
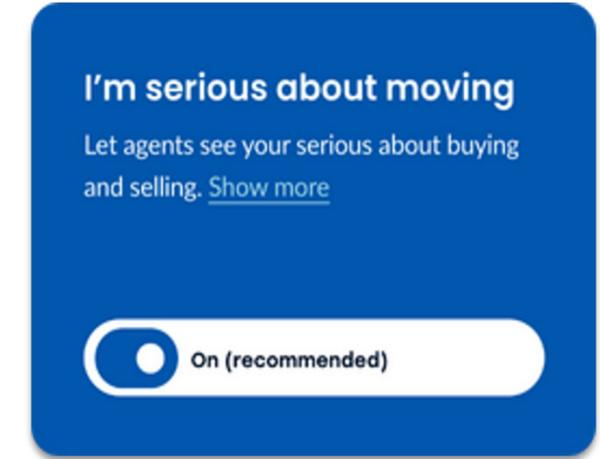
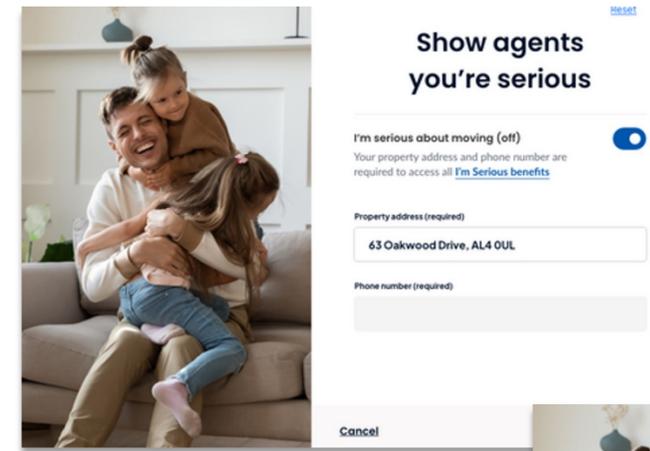
Scheduled for launch in Q4 2023



COMING SOON

Building our consumer relationships

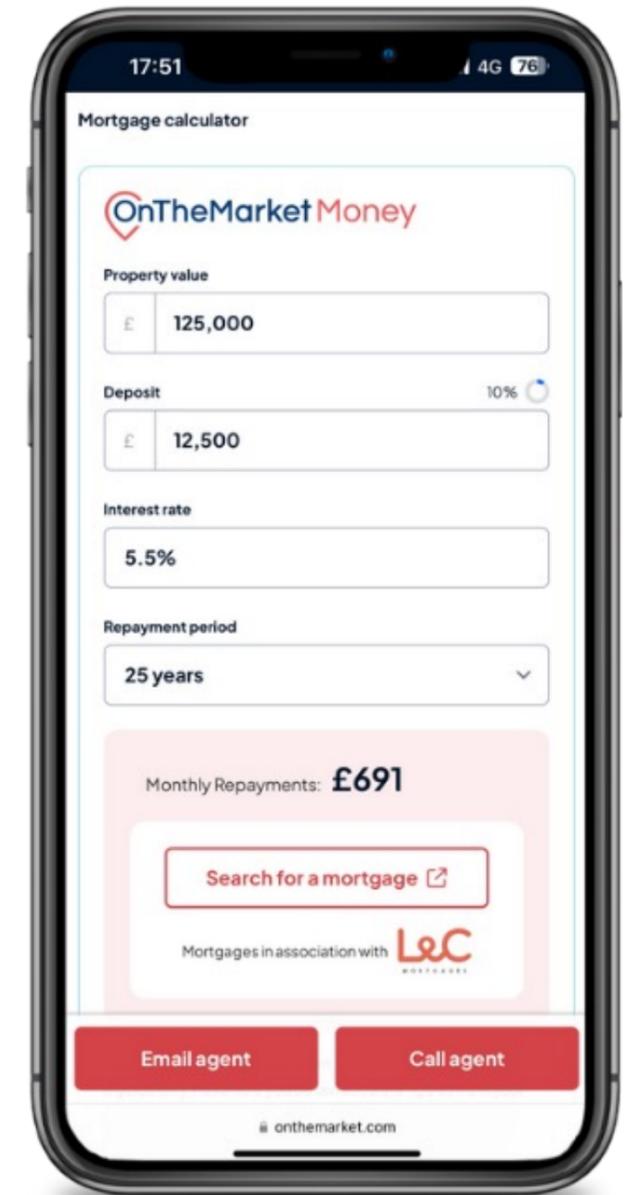
MyPlace



Monetising serious property seekers

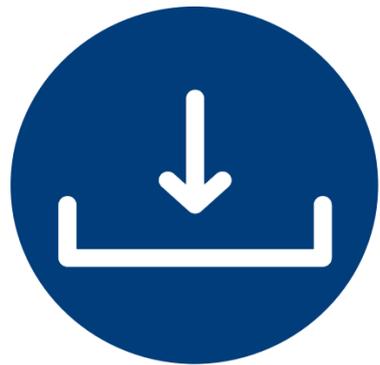


- **NEW!** Brand extension into finance : For serious property seekers needing mortgages and other home moving services
- A brand that has B2C and B2B facing products and services
- Leveraging our 20m site visits per month



The first UK portal to join The AI revolution

Introducing you to Otiem (oh-tee-em) your AI powered digital assistant!



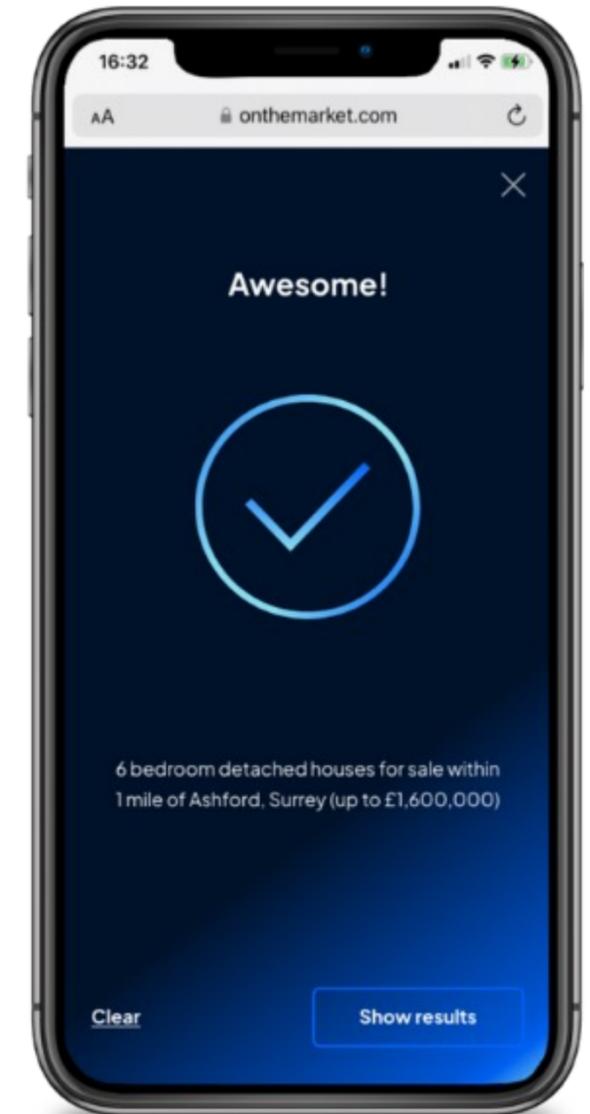
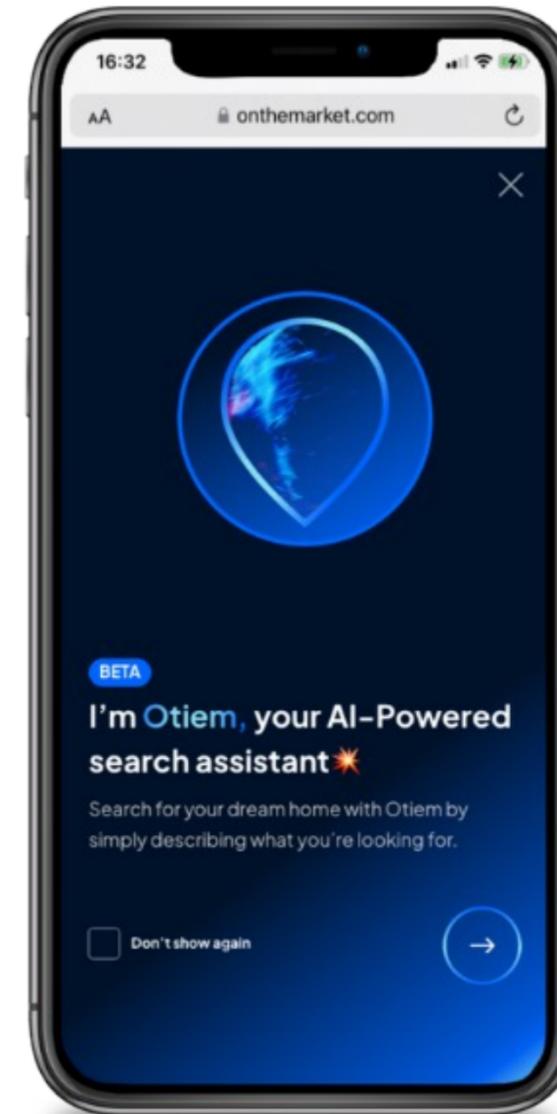
The new App will be tailored for AI

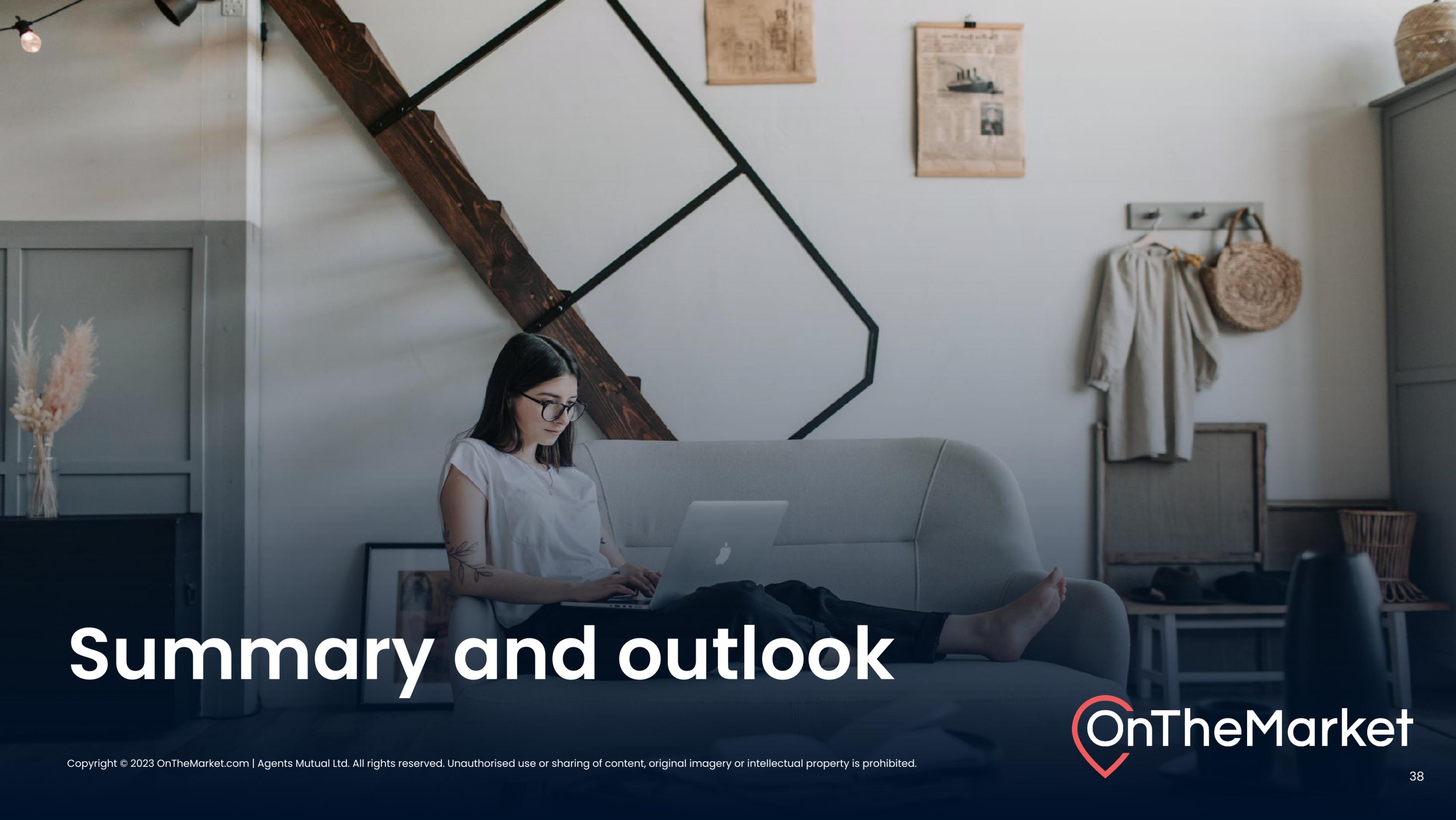


Saving users time, initially with search but then expanding



AI with natural language processing





Summary and outlook

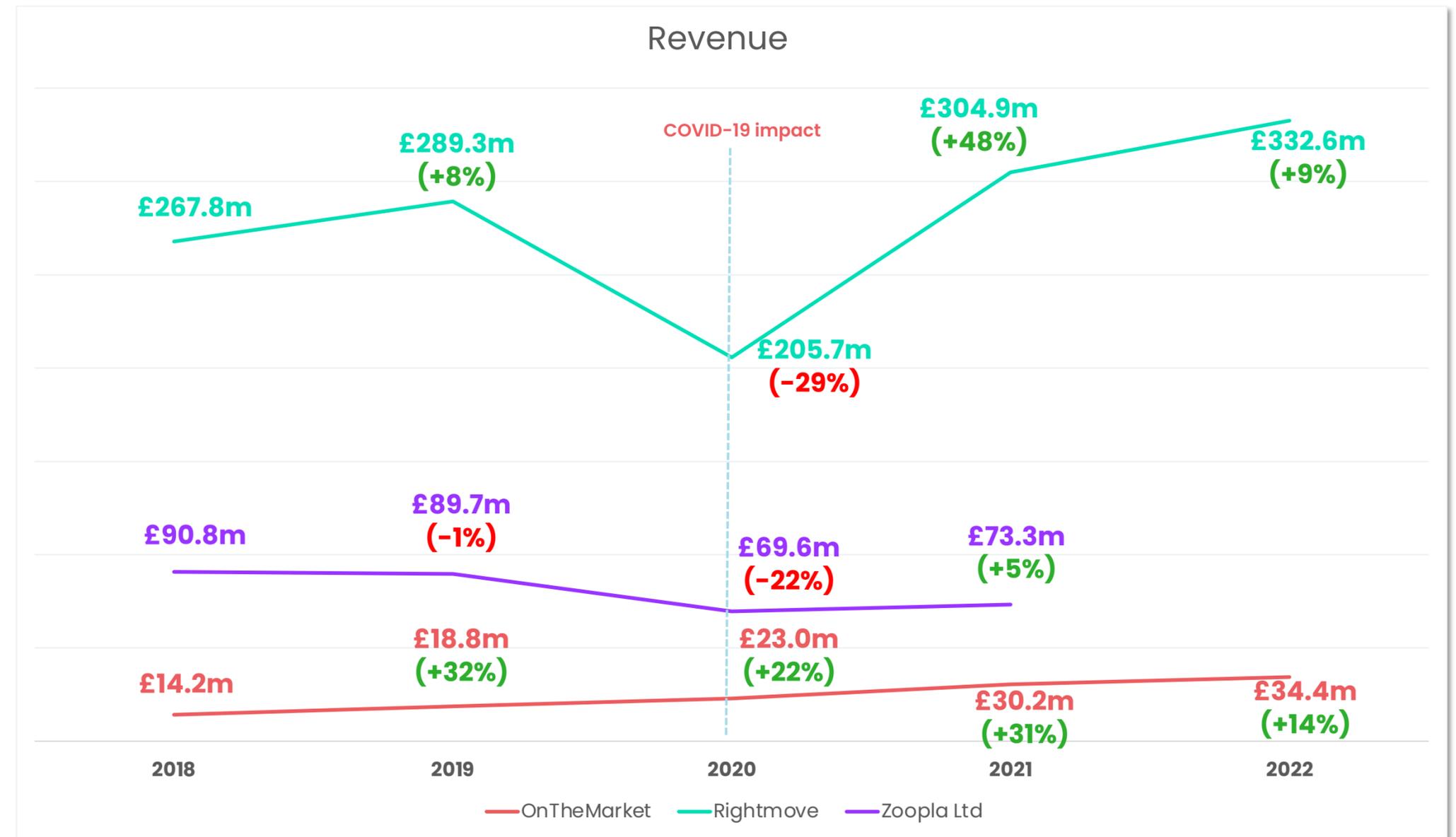


Competitor marketplace

What our competitors latest published results show



OnTheMarket
Revenue +14%
£34.4m



OnTheMarket revenue is based on period February through to January in the following year.
Zoopla Ltd revenue for 2020 is a pro rata calculation based £86,999 total revenue for a 15-month period.
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Growth in 'Share of Wallet'

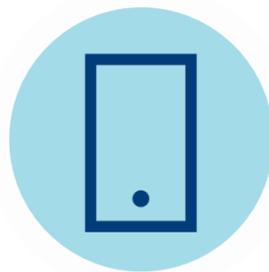
£400m

Over £400m per annum is spent directly with portals*

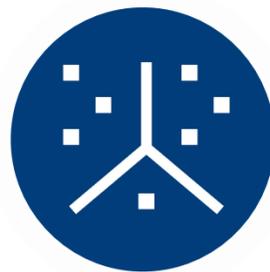
- OnTheMarket current share of spend is 7.9%
- Now we need to actively pursue greater share of our customers spend...



Portal



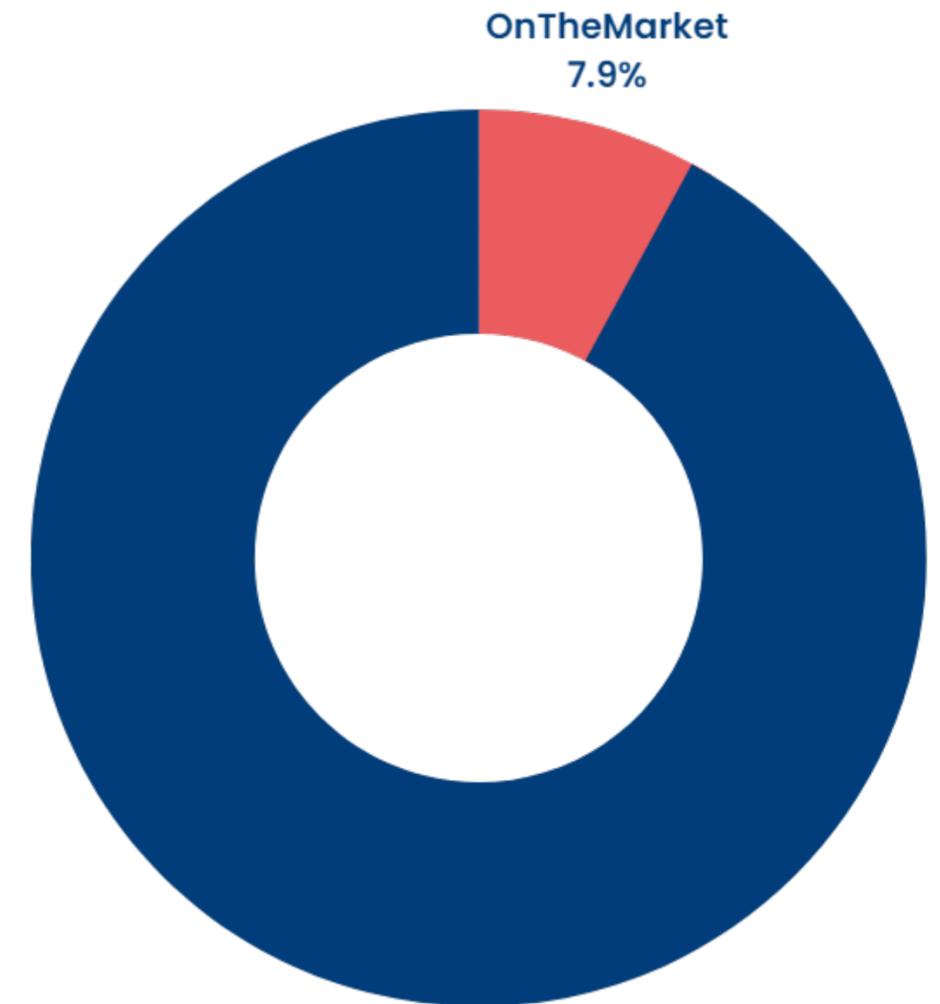
Software



Data and market intelligence



Consumer communication & monetisation



Every 1% of the portal share of wallet = **£4m**

Feedback from our shareholders – encouraging our growth



"... I was a founder member of OnTheMarket and am very keen to see it succeed. Rightmove will always be a hard nut to crack, but OnTheMarket can be a serious competitor.

Fresh minds with fresh ideas usually have a positive impact. Monthly fees – are they enough? We're happy to pay for results..."

James Wyatt
Barton Wyatt



"Thank you for organising what seems to be (from memory over the last 15 years) the first time a portal has bothered to listen! I felt it was a great opportunity to speak to the people making the decisions within the business and I came away re-energised with the OTM message! I can't wait to see the progress of OTM and will be booking into the next round of Town Halls!"

Chris Wallington
Sibley Pares



"Another interesting Town Hall meeting with Jason today. It's great to hear that OnTheMarket have so many ideas and plans and that their work to date is making a difference. Many agents are reporting strong numbers of leads and at Hobbs Parker we can confirm that."

Roger Lightfoot
Hobbs Parker

Continued concern over Rightmove



It's a very small leap from this to go direct to sellers and landlords... Agents should be very wary!

Comment by estate agent on Property Industry Eye
2023



...will not be long before they are selling and letting directly. Agents who use Rightmove are signing their own death warrant

Comment by estate agent on Property Industry Eye
2023



Another innovative step forward for Rightmove, but a step back for estate/letting agents. Slowly slowly...

Comment by estate agent on Property Industry Eye
2023

But there's a solution... a portal that has agents at its heart



Listed with OnTheMarket for years, you don't need any of the other portals. Buyers find the stock and sellers and landlords don't care as much as you think

Comment by estate agent on Property Industry Eye
2023

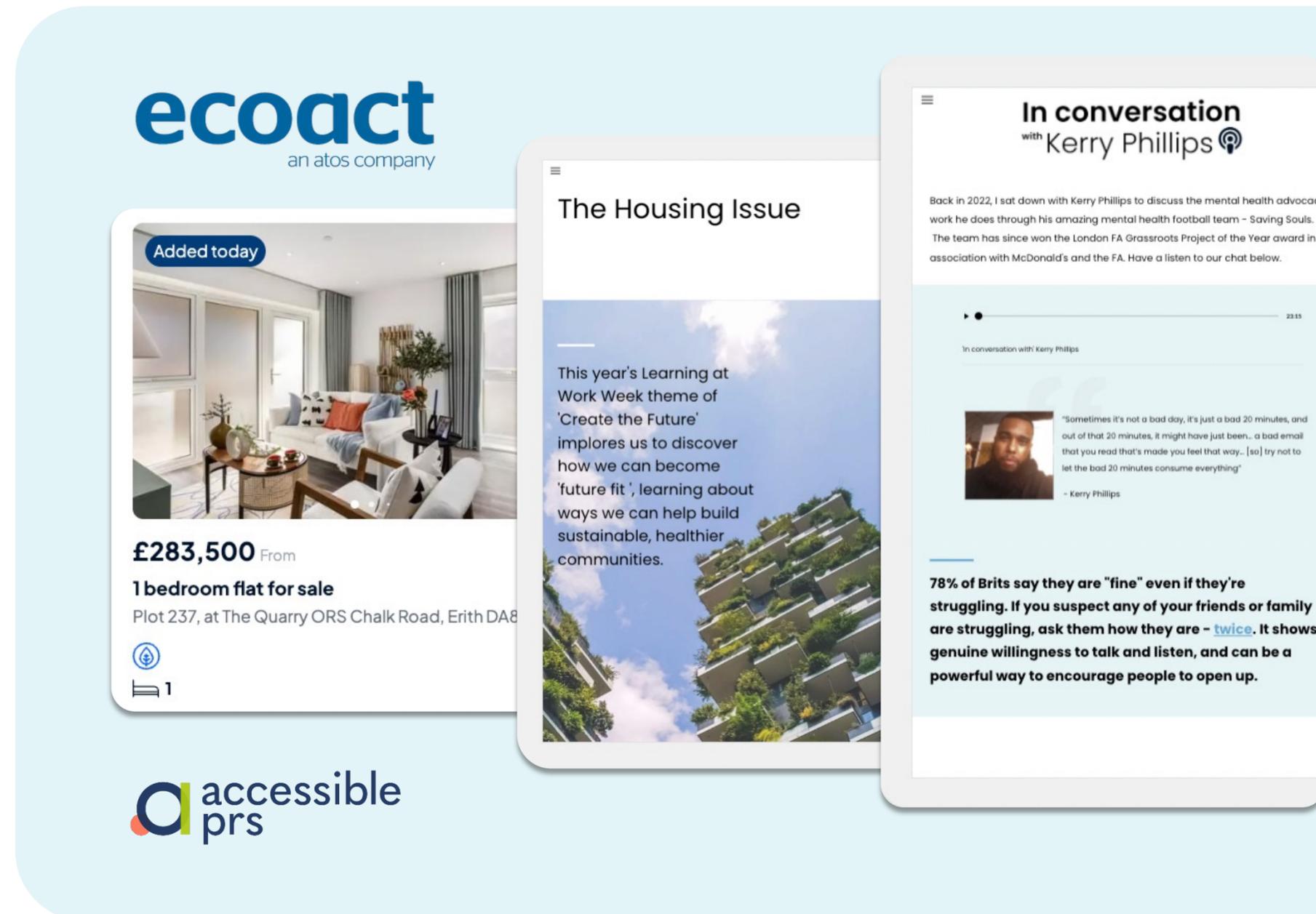
Awards and recognition

Multiple awards in 2022 and 2023 for both B2B and B2C propositions



Mindful of our social and environmental impact

- Carbon footprint analysis via EcoAct
- Staff working groups:
 - Sustainability strategy
 - Equality, Diversity and Inclusion
 - Employee engagement
 - Innovation & Processes
- Training and development
- Green filter and icon
- Accessibility collaboration
- Eco-themed developer forum



Outlook

- **A positive start for FY24 with current trading in the year-to-date in line with board expectations**
- **Macro-economic picture remains uncertain** – mortgage affordability, stubborn inflation, high cost of living and ongoing geo-political events
- **Cancellations have been higher than expected** – mitigation measures in place, with packages to provide exceptional value and additional products

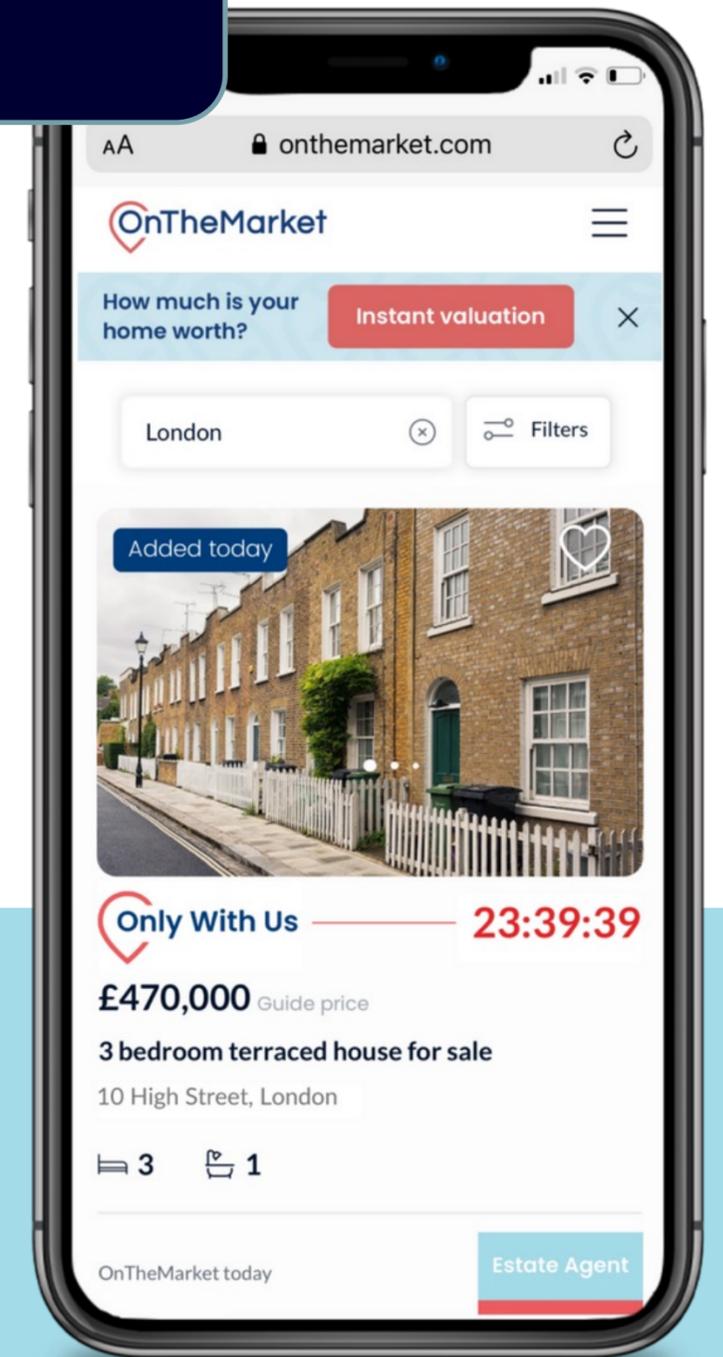
Property Market

- **Sales market is particularly challenging** – buyers are increasingly deciding to ‘wait and see’, which impacts sales pipelines and transactions
- **Lettings market seeing a continuing but levelling decline in new instructions** – fewer transactions and managed properties affecting agents’ income streams

Despite these external factors, the board believes that the Group’s recent operational and financial progress provides a strong platform for its continued strategic development to become a tech-enabled property business across the entire customer and consumer ecosystem.

Now is our time

- We have built a fantastic portal and supportive customer base
- We have even more potential to grow through network effects
- We are targeting our competitors for growth in our 'share of wallet'
- We aim to become our customers' core strategic partner within the entire property ecosystem
- We have built the foundations to become the leading property search site in the UK



"We have built the products, services and infrastructure to support our long-term growth.

Our strategy is working.

With the support of our customers, OnTheMarket can change the status quo, challenge

the incumbents and change the portal landscape forever." Jason Tebb, CEO

Investment case



Strong foundations

Growing from a position of strength, with a strong balance sheet and net cash position and no borrowings



Strong agent support

Significant agent ownership providing strong support from some of the largest independent estate agency brands in the UK



Strong consumer engagement

Continue to see significant levels of engagement amongst serious property seekers with an average of 20 million visits a month



Opportunity for further growth

Pursue an increased share of customer spend and diversification into other revenue streams



More than just a portal

Building a differentiated technology-enabled property business providing services for agents, housebuilders and consumers

Thank you

For further information, please email our investor relations team at investors@onthemarket.com

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Prior Period Restatement

Upon listing in FY18 OnTheMarket used equity incentivisation to encourage agents to join as shareholders in return for committing to long-term paying contracts. By a resolution dated 22 December 2017 the Directors were authorised to issue up to 40,000,000 shares to estate agents in connection with such agents signing listing agreements with the Company or its subsidiaries. This expired in December 2022. Shares were issued in return for payment of the nominal share value in cash and, in some cases historically, in return for share premium in non-cash consideration relating to the long-term listing agreements signed. Shares are either issued as soon as practicable after contract commencement or following the completion of contractual commitments, depending upon the contract terms.

Following an internal review of agents that were entitled to shares as part of long-term listing agreements, it was identified that an acceleration of the agent recruitment charge was required in prior periods due to incomplete agent charges, incorrect fair values used at the grant date and incorrect classification of the charge in line with the Group's accounting policies.

Consequently a £0.8m prior period adjustment was recognised in FY22 Retained Earnings.

Impact on prior periods

Each affected financial statement line item has been restated for the comparative period, including the opening statement of financial position as at 31 January 2021. As a result of the changes to the income statement for the period ended 31 January 2022, basic and diluted EPS reduced by 1.6p.