

Foxtons Group

FY25 results to be in line; M&A opportunities

Foxtons Group is expected to achieve its FY25 profit expectation despite external factors affecting demand. However, these factors, plus an internal decision to maintain headcount to capture growth when it arises, leads us to reduce our FY26 and FY27 estimates, in effect pushing out growth by 12 months. Our valuation moves from 126p to 120p as a result. That said, financial headroom has been increased to facilitate further M&A, which appears increasingly likely given the forthcoming Renters' Rights Act.

Year end	Revenue (£m)	PBT (£m)	EPS (p)	DPS (p)	P/E (x)	Yield (%)
12/23	147.1	7.9	3.21	0.90	17.7	1.6
12/24	163.9	18.0	5.11	1.17	11.2	2.1
12/25e	171.8	17.4	4.95	1.20	11.5	2.1
12/26e	181.2	17.6	5.11	1.25	11.2	2.2

Note: PBT and EPS include amortisation of acquired intangibles and exceptional items (ie diluted company definition).

FY25 trading in line with market expectations

Foxtons' FY25 trading update revealed that revenue was expected to be c £172m, up c 5%, and adjusted operating profit was expected to be in line with market expectations at c £22.0m (FY24: £22.1m restated), despite subdued markets and increased cost pressures. Year-end net debt is expected to be c £17.0m due to £5.3m of acquisition expenditure and £9.1m of shareholder returns.

Robust trading across the divisions

In the core Lettings division, revenue increased c 5% due mainly to the impact of acquisitions. Revenue from the existing portfolio was broadly flat on a like-for-like basis. Margins were also unchanged despite lower interest income on client monies as Foxtons focused on higher-margin revenue streams. Sales revenue also increased c 5%, again due to acquisitions, while like-for-like revenue slipped c 2%. The division was heavily affected by political intervention relating to stamp duty (Q1) and the Autumn Budget (Q4). Financial Services revenue increased c 10%, driven as expected by higher levels of refinancing.

Latest M&A delivers on strategy

On 7 January, Foxtons completed the acquisition of Milton Keynes-based estate agent Cauldwell for a total enterprise value of £6.5m. In the year to November 2025, the business generated revenue of £3.1m and an operating profit of £0.8m. The business is expected to serve as a hub location, benefiting from its position in this high-growth area. The three directors of the business will be staying to drive the next stage of growth under Foxtons' ownership.

Valuation: FY26 and FY27 estimates lowered

Despite hitting FY25 expectations and executing the latest acquisition, we have revised our FY26 and FY27 expectations to reflect three specific issues: external factors such as increased costs (eg National Insurance contributions and minimum wage rates); an unknown future demand profile, especially in Sales, due to unpredictable levels of consumer confidence; and a deliberate decision to maintain the headcount in Sales to capture demand recovery when it emerges.

FY25 trading update

Real estate

15 January 2026

Price 57.00p
Market cap £168m

Net debt at 31 December 2025 £(17.0)m
Shares in issue 294.8m
Free float 100.0%
Code FOXT
Primary exchange LSE
Secondary exchange N/A

Share price performance



%	1m	3m	12m
Abs	(4.0)	4.6	(9.6)
52-week high/low		68.9p	49.4p

Business description

Foxtons Group is London's leading and most widely recognised estate agency. It operates from a network of interconnected branches offering a range of residential-related services, which are split into three separate revenue streams: sales, lettings and mortgage broking.

Next events

FY25 preliminary results 5 March 2026

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Changes to forecasts

Exhibit 1: Revised estimates

£m	FY24	FY25e (Old)	FY25e (New)	Chg (%)	FY26e (Old)	FY26e (New)	Chg (%)
Revenue	163.9	173.9	171.8	-1.2%	180.8	181.2	0.2%
y-o-y growth (%)	10.8%	-	4.8%	-	-	5.4%	-
Adjusted operating profit	22.1	22.0	22.0	0.0%	26.9	23.0	-14.4%
y-o-y growth (%)	33.6%	-	-0.5%	-	-	4.7%	-
Reported PBT	18.0	17.4	17.4	0.2%	21.6	17.6	-18.6%
y-o-y growth (%)	106.8%	-	-3.4%	-	-	0.9%	-
EPS (Company definition) (p)	5.1	4.9	4.9	1.0%	6.1	5.1	-16.2%
y-o-y growth (%)	38.5%	-	-3.2%	-	-	3.3%	-
DPS (p)	1.2	1.3	1.2	-7.7%	1.5	1.3	-16.7%
y-o-y growth (%)	55.3%	-	2.6%	-	-	4.2%	-
Net cash (pre-IFRS 16, ie ex-lease liabs)	(12.7)	(15.1)	(17.0)	12.3%	(2.2)	(15.0)	582.6%
y-o-y growth (%)	88.3%	-	33.7%	-	-	-11.5%	-

Source: Foxtons Group, Edison Investment Research

Exhibit 2: Financial summary

	£'m	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
Year end 31 December		IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS
INCOME STATEMENT										
Revenue		106.9	93.6	126.5	140.3	147.1	163.9	171.8	181.2	188.4
Total adjusted operating profit		(0.7)	1.9	8.9	13.9	15.7	22.1	22.0	23.0	25.5
Exceptionals		(5.7)	(1.1)	(1.4)	(0.1)	(4.5)	0.3	0.5	0.0	0.0
Amortisation of acquired intangibles		0.0	0.0	0.0	0.0	(1.4)	(2.1)	(3.0)	(3.0)	(3.0)
Reported operating profit		(6.3)	0.8	7.6	13.8	9.8	20.4	19.5	20.0	22.5
Net Interest		(2.4)	(2.2)	(2.0)	(1.9)	(1.9)	(2.6)	(2.4)	(2.5)	(2.3)
Other gains		(0.1)	(0.0)	(0.0)	(0.0)	0.0	0.3	0.3	0.0	0.0
Profit Before Tax (reported)		(8.8)	(1.4)	5.6	11.9	7.9	18.0	17.4	17.6	20.2
Reported tax		1.0	(1.8)	(6.9)	(2.4)	(2.4)	(3.5)	(4.4)	(4.4)	(5.0)
Profit After Tax (reported)		(7.8)	(3.2)	(1.3)	9.6	5.5	14.6	13.1	13.2	15.1
Discontinued operations		0.0	0.0	(4.8)	0.0	0.0	0.0	0.0	0.0	0.0
Net income (reported)		(7.8)	(3.2)	(6.2)	9.6	5.5	14.6	13.1	13.2	15.1
Basic average number of shares outstanding (m)		274.9	313.8	324.0	307.7	302.0	302.9	297.6	297.6	297.6
EPS - basic reported (p)		(2.83)	(1.02)	(1.90)	3.11	1.82	4.80	4.39	4.43	5.09
EPS - Continuing, diluted, and adjusted. Company definition (p)		(1.06)	(0.16)	1.98	3.00	3.21	5.11	4.95	5.11	5.76
Dividend (p)		0.00	0.00	0.45	0.90	0.90	1.17	1.20	1.25	1.30
Revenue growth (%)		-4.1	-12.5	35.2	10.9	4.9	11.4	4.8	5.4	4.0
EBITDA Margin (%)		12.6	16.8	19.9	19.8	20.1	22.5	21.5	21.0	21.5
Normalised Operating Margin (%)		0.5	4.1	9.5	11.1	11.3	14.4	14.0	13.8	14.6
BALANCE SHEET										
Fixed assets		178.7	173.4	184.4	191.7	214.2	225.4	223.9	220.5	212.2
Intangible Assets		101.0	103.5	107.3	109.3	114.9	118.0	119.4	120.5	121.6
Goodwill		9.3	11.4	17.7	26.1	40.7	52.3	52.3	52.3	52.3
Tangible Assets		13.0	10.5	9.7	10.7	9.5	8.1	18.3	26.8	30.5
Right of use assets		51.4	44.4	43.8	42.6	42.5	38.6	25.6	12.6	(0.4)
Contract assets		0.6	0.4	0.9	1.7	4.7	5.6	5.6	5.6	5.6
Investments & other		3.3	3.1	5.1	1.4	1.9	2.8	2.7	2.7	2.6
Current assets		30.2	52.6	39.3	34.5	37.1	42.8	39.8	50.7	62.4
Contract assets		1.0	1.7	3.7	5.7	14.3	18.6	18.6	18.6	18.6
Debtors		13.4	13.9	16.0	16.0	17.4	16.7	18.0	27.0	30.1
Cash & cash equivalents		15.5	37.0	19.4	12.0	5.0	5.3	1.0	3.0	11.5
Other		0.3	0.1	0.3	0.7	0.5	2.2	2.2	2.2	2.2
Current liabilities		(27.9)	(29.2)	(31.9)	(38.7)	(45.5)	(47.9)	(42.3)	(44.7)	(41.2)
Creditors		(10.5)	(10.3)	(14.5)	(16.7)	(21.3)	(23.9)	(18.8)	(21.7)	(18.8)
Tax and social security		0.0	0.0	0.0	0.0	(0.1)	0.0	0.0	0.0	0.0
Lease liabilities		(9.7)	(10.8)	(8.8)	(10.7)	(10.7)	(11.4)	(11.4)	(11.4)	(11.4)
Short term borrowings		0.0	0.0	0.0	0.0	(0.0)	0.0	0.0	0.0	0.0
Contract liabilities		(6.3)	(7.7)	(8.2)	(9.7)	(11.8)	(10.5)	(10.5)	(10.5)	(10.5)
Other		(1.4)	(0.4)	(0.3)	(1.5)	(1.6)	(2.2)	(1.6)	(1.1)	(0.5)
Long-term liabilities		(65.2)	(62.4)	(68.4)	(64.9)	(80.3)	(81.2)	(71.7)	(62.2)	(52.7)
Lease liabilities		(46.2)	(40.7)	(39.3)	(35.8)	(36.9)	(31.4)	(21.9)	(12.4)	(2.9)
Contract liabilities		(1.3)	(1.1)	(1.1)	(0.3)	(0.4)	0.0	0.0	0.0	0.0
Other long term liabilities		(17.8)	(20.6)	(28.0)	(28.8)	(42.9)	(49.8)	(49.8)	(49.8)	(49.8)
Net Assets		115.8	134.5	123.5	122.7	125.6	139.0	149.8	164.3	180.7
CASH FLOW										
Op Cash Flow before WC and tax		(2.6)	4.3	6.6	15.0	9.8	20.4	19.5	20.0	22.5
Depreciation - Right of use assets		9.8	9.4	10.6	12.2	12.9	13.2	13.0	13.0	13.0
Impairment of goodwill		0.0	0.0	3.2	0.0	0.0	0.0	0.0	0.0	0.0
Branch asset impairment		4.3	1.7	1.1	(0.3)	3.4	0.0	0.0	0.0	0.0
Gain on disposal of PPE etc		(0.4)	(0.5)	(1.4)	(0.3)	0.2	(0.0)	(0.5)	0.5	0.5
Working capital		(2.6)	(0.6)	1.7	(1.2)	(10.8)	(4.9)	(6.4)	(6.0)	(6.0)
Decrease in provisions		0.8	(0.8)	0.2	1.1	(0.5)	(1.3)	(1.0)	(1.0)	(1.0)
Share based payment charges		0.7	1.0	1.5	0.2	1.0	1.5	2.0	2.0	2.0
Cash settlement of share incentive plan		(0.4)	0.0	0.0	(0.0)	0.0	(0.9)	(0.5)	(0.5)	(0.5)
Tax		0.2	0.2	(0.2)	(2.7)	(2.2)	(5.6)	(4.4)	(4.4)	(5.0)
Net operating cash flow		9.8	14.7	23.5	23.9	15.7	24.7	25.0	26.6	28.3
Capex		(0.3)	(0.4)	(1.7)	(2.9)	(2.1)	(0.4)	(3.8)	(2.1)	(2.2)
Acquisitions/disposals		(0.2)	(3.9)	(14.5)	(9.6)	(15.5)	(14.3)	(6.5)	(6.5)	(1.6)
Net interest		0.0	0.0	(0.0)	0.1	0.1	(0.2)	(0.4)	(0.5)	(0.3)
Dividends		0.0	0.0	(0.6)	(1.5)	(2.7)	(2.8)	(3.5)	(3.6)	(3.7)
Repayment of lease liabilities		(12.0)	(10.0)	(15.2)	(12.7)	(12.5)	(13.2)	(12.0)	(12.0)	(12.0)
Purchase of own shares		(0.1)	(0.3)	(5.7)	(4.9)	(1.1)	0.0	(3.3)	(0.3)	(0.3)
Net proceeds from issue of ord. Shares		0.0	21.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net proceeds and repayment of external borrowings		0.0	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other		0.3	0.3	0.3	(3.4)	0.2	0.3	0.3	0.3	0.3
Net Cash Flow		(2.4)	21.5	(13.9)	(11.1)	(17.9)	(5.8)	(4.3)	1.9	8.5
Opening net debt/(cash)		(17.9)	(15.5)	(37.0)	(23.1)	(12.0)	6.8	12.7	17.0	15.0
Other non-cash movements		0.0	(0.0)	0.0	(0.0)	(0.9)	(0.1)	0.0	0.0	0.0
Closing net debt/(cash) (ex lease liabilities)		(15.5)	(37.0)	(23.1)	(12.0)	6.8	12.7	17.0	15.0	6.5

Source: Foxtons Group, Edison Investment Research

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