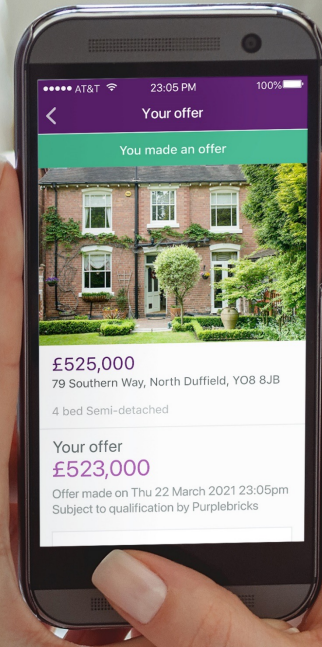


Purplebricks Group plc FY21 Results Presentation

6 JULY 2021



Disclaimer

Forward-looking statements

This presentation includes statements that are, or may be considered to be, "forward-looking statements". By their nature, such statements involve risk and uncertainty since they relate to future events and circumstances. Results may, and often do, differ materially from forward-looking statements previously made. Any forward-looking statements in this presentation reflect management's view with respect to future events as at the date of this announcement. Except as required by law or by the AIM Rules of the London Stock Exchange, the Company undertakes no obligation to publicly revise any forward-looking statements in this presentation following any change in its expectations to reflect subsequent events or circumstances.

Agenda

1. **Highlights** Vic Darvey, CEO

2. **Financial review** Andy Botha, CFO

3. **Strategy to drive growth opportunity** Vic Darvey, CEO

4. **Outlook & summary** Andy Botha, CFO & Vic Darvey, CEO

5. **Q&A**

Highlights

Delivered strong performance and managed costs well in disrupted market conditions

- Revenue up 13%, instructions up 14%
- 4.6% share of properties sold by volume¹
- Very strong Group Adjusted EBITDA² growth, up over 300% to £12.0m, fuelled by a strong market, operational excellence and financial discipline

Significant strategic and operational progress in an unprecedented year

- Continued to build strong foundations for growth
- Pricing trials successfully concluded, Money Back Guarantee being rolled out in July
- Stepped up our investment in tech to deliver a much better home moving experience for our customers
- Continued to focus on delivering a more consistent and improved performance across all areas in the field
- Our accelerated strategy takes us closer to in excess of 20% revenue growth in the medium term

1. Source: TwentyCI

2. For Alternative Performance Measures (APMs) see appendix

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My impressions after one year in the role

- Even more confident in the opportunity for the business to transform the industry
- The business has performed well over a very unpredictable last 12 months
- Business is in a strong position to accelerate sustainable growth
 - Profitable and cash generative
 - Strong balance sheet, healthy cash balance
- Embedded a healthy focus on financial control and discipline
- Strengthened governance & controls across the business
- Further improved the bench-strength of Finance and Compliance teams
- Taken the opportunity to review the key metrics investors use to measure our financial performance
- Making some changes to provide greater transparency and enable analysts to understand the key revenue drivers

UK financial & operational highlights¹

Strong performance in H1 continued into H2 to deliver outstanding results

Instructions²

+14%

58,043

FY20 50,948

ARPI³

+7%

£1,501

FY20 £1,401

Total Fee Income⁴

+22%

£87.1m

FY20 £71.4m

Revenue

+13%

£90.9m

FY20 £80.5m

Adjusted EBITDA⁵

+150%

£12.0m

FY20 £4.8m

Cash

+139%

£74.0m

FY20 £31.0m

1. Continuing operation represents UK segment only, FY20 comparatives restated to match
2,3,4. New definition and comparative restated – see appendix
5. See appendix for definition

UK summary income statement

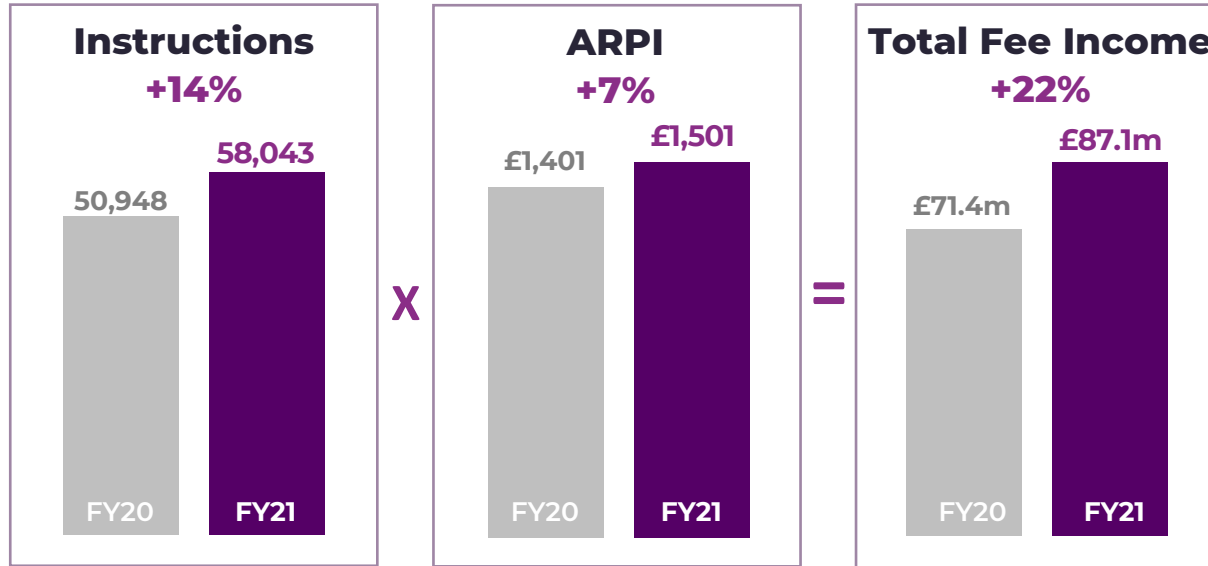
Impressive progress year on year despite the unpredictable market

	FY21 £m	FY20 £m	Change %
Revenue	90.9	80.5	13%
Gross profit margin %	63.5%	64.1%	-60bps
Adjusted operating costs	(26.5)	(26.2)	1%
Marketing costs	(18.9)	(20.6)	-8%
Other net expenditure	(0.3)	-	
Adjusted EBITDA	12.0	4.8	+150%
Adjusted EBITDA margin %	13.2%	6.0%	+7.3ppts
Operating profit	9.4	(0.2)	

- Revenue growth of 13% driven by strong performance post-UK lockdown
- Underlying gross profit margin % returned to historic levels
- Retaining our teams and investment in new talent balanced by improved cost efficiencies
- Marketing spend down – more detail later in the presentation
- Strong improvement in Adjusted EBITDA and operating profit, in part reflecting the unique factors at play in FY21

UK performance

Total Fee Income driven by healthy uplift in both instructions and ARPI



Strong performance driven by buoyant market

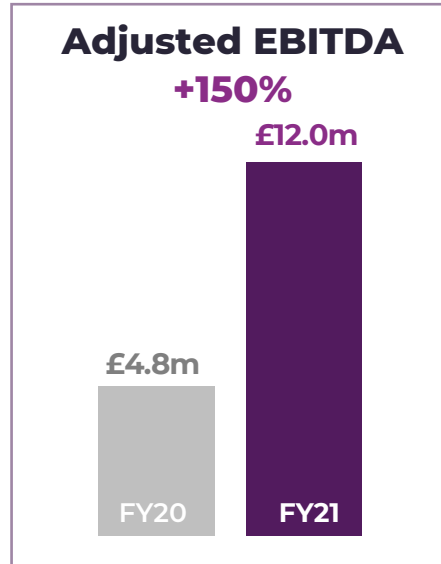
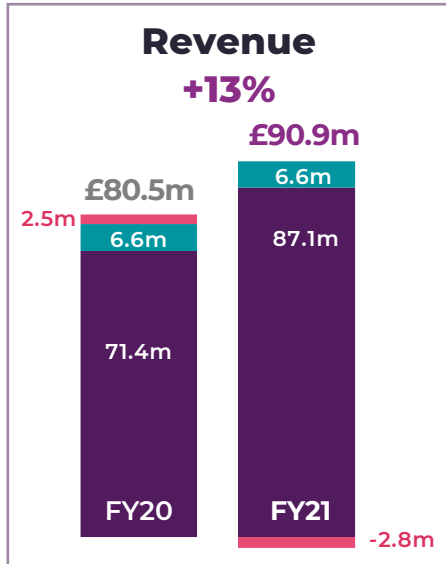
Growth from good take up of additional product sales

Increase in volume of instructions and uplift in ARPI drives growth

- Change to KPI definitions this year to aid understanding (See appendix for new and previous metric definitions/comparison)
- **Instructions:** Number of instructions won in the year, net of instructions refunded in the year
- **ARPI:** Total fee income divided by the number of instructions in the year
- **Total Fee Income:** Fees receivable in respect of instructions & mortgage referrals, and conveyancing fees due in respect of completed sales

UK performance

Revenue improves despite increase in deferral for IFRS adjustments

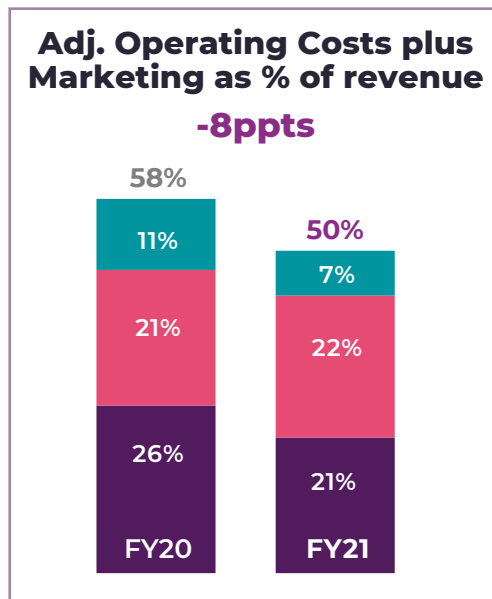
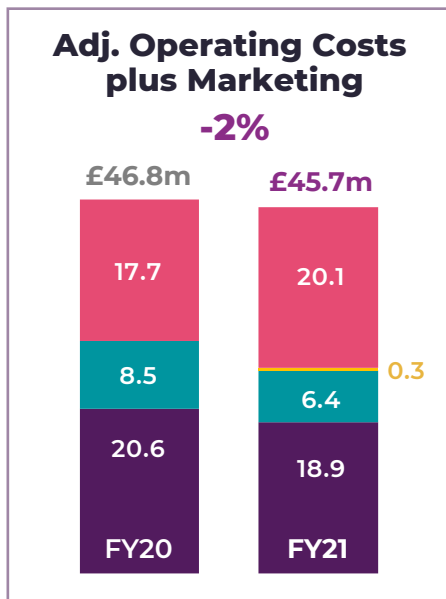


- +13% revenue improvement year on year primarily due to growth in Total Fee Income
- Lettings revenue flat YoY – a continued opportunity going forward following investment in new platforms to enable growth
- Revenue softened by a negative IFRS adjustment in FY21 due to increasing phasing of instructions growth in the last quarter which will benefit FY22
- Strong improvement in Adjusted EBITDA arising from the combination of revenue growth together with cost discipline throughout FY21

- Total Fee Income
- IFRS ● Lettings

UK operating costs

Improvement in UK cost metrics, discipline and Covid-19 benefit

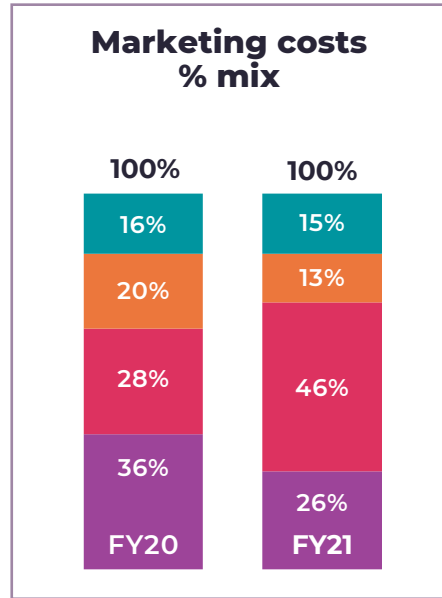
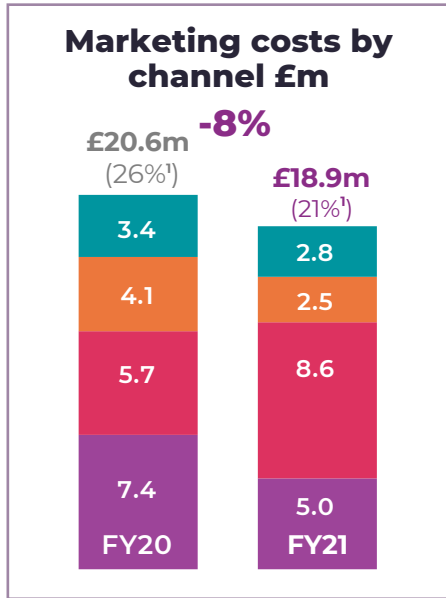


- Overall operating costs down in absolute terms and as a % of revenue
- Investment in our teams to support them during the pandemic and to maintain pace of delivery
- Other costs managed down due to restrictions in place for most of the year
- Costs inflated by the £1m furlough repayment – underlying people costs flat as a % of revenue YoY
- Marketing spend down year on year - covered on next slide

● Marketing ● People
● Other ● Net Furlough

UK marketing costs

Marketing as % revenue drops 5pp as a result of our response to the pandemic



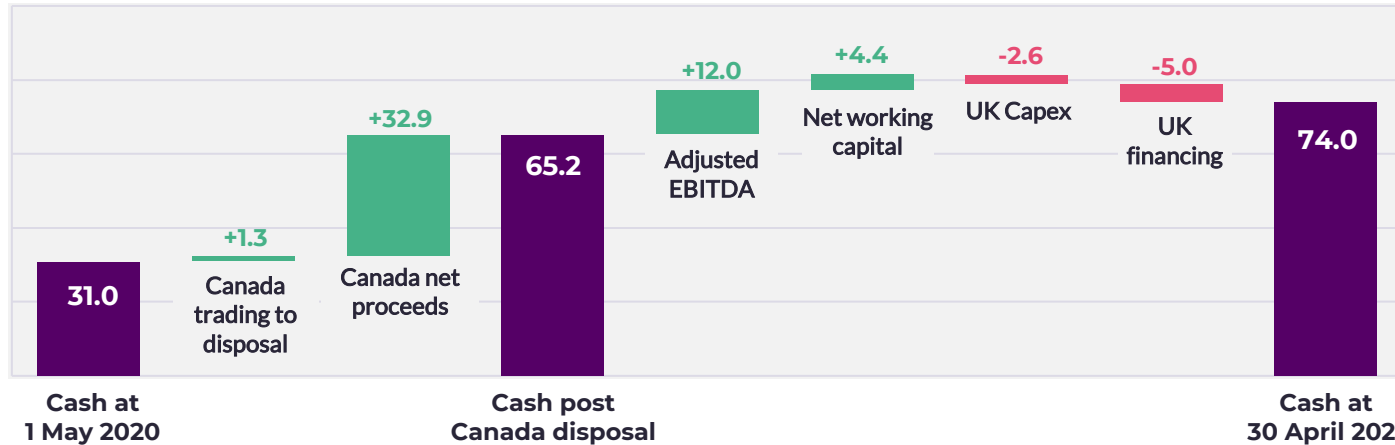
- Marketing reductions due to minimal spend in May and optimised spend during the strong latter period
- Brand down due to planned reduction in activity plus benefit of price reductions for advertising
- Portal reduction due to one off price changes in H1 but returned to normalised levels in H2
- Channel mix continues to shift as we invest more in our digital and social channels
- Marketing will revert to higher levels as % of revenue now the market has re-opened (but still expect to reduce over medium term)

● Brand ● Digital
● Portal ● Other

1. As a percentage of revenue

Cash bridge

Cash generative UK business with a strong balance sheet to support growth



- Our strong EBITDA performance and positive working capital effects generated an operational cash inflow of £16.4m, after repayment of furlough support of £1.0m
- The sale of our Canadian business generated £32.9m following a £0.5m true up adjustment to working capital in H2

Financial summary

- Strong trading and operational performance in a buoyant market
- This together with financial discipline led to strong Adjusted EBITDA growth
- Translates into a further improved cash position providing opportunity to support targeted investment
- Incredibly proud of the way the business has developed over the last 12 months
- We have a clear focus on multiple levers to grow revenue and scale costs in a controlled manner

Agenda

1. Highlights

2. Financial review

3. **Strategy to drive growth opportunity** Vic Darvey, CEO

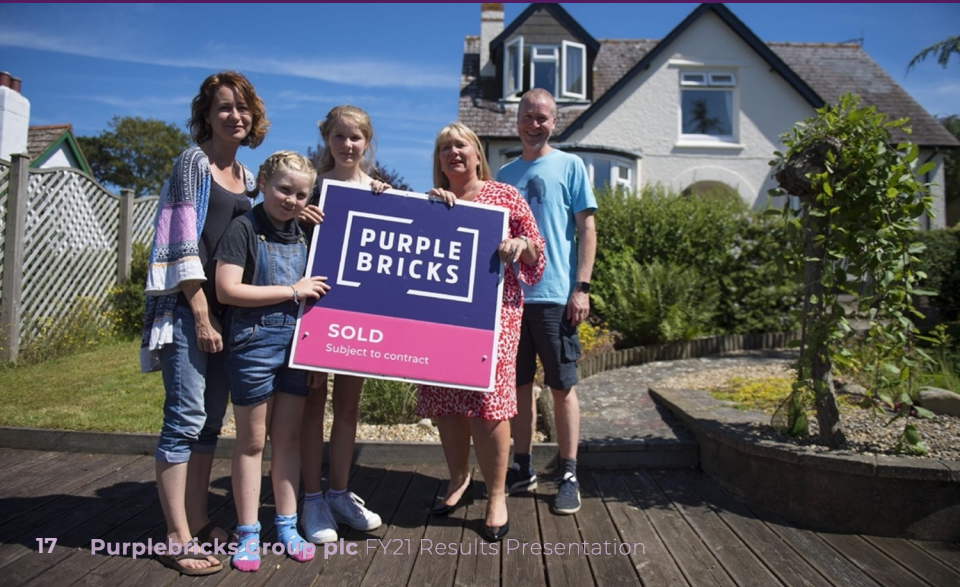
4. Outlook & summary

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3. Strategy to drive growth opportunity

Purplebricks today

1 year on... emerging from the pandemic in a very strong position



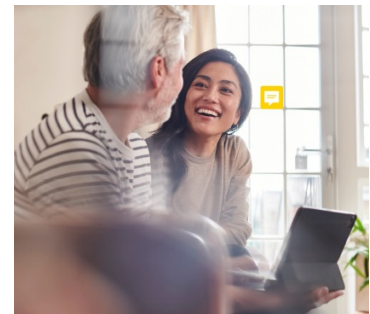
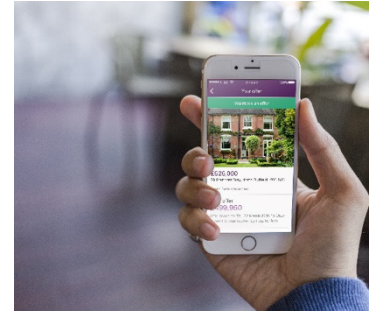
Strong foundations

- Market-leading brand strength
- Low cost, digital first, tech-led model
- Growing addressable market
- Clear strategy being delivered at pace
- New experienced digital leadership team
- Strengthened balance sheet



Our tech-led business model is now more relevant than ever

Driven by our purpose “to make every home move amazing”



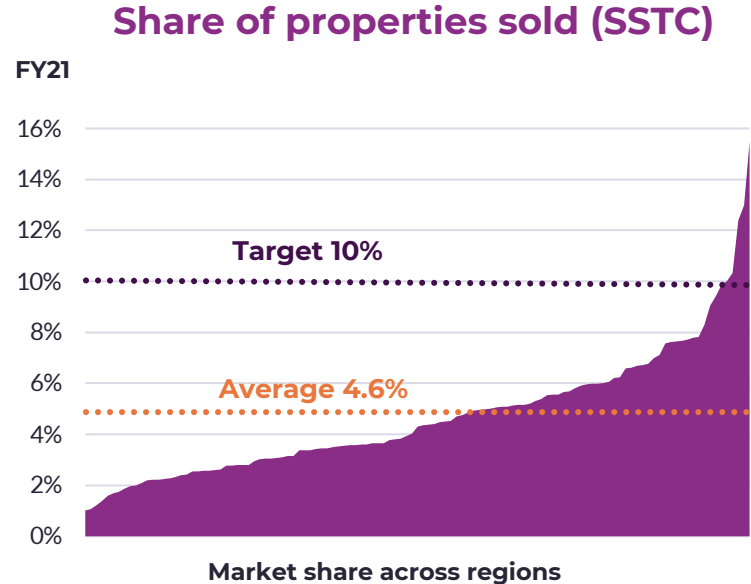
3. Strategy to drive growth opportunity

The opportunity

Significant opportunity to grow market share

Our mission:

**To achieve 10%
market share by
being to go-to place
to buy, sell or let your
home**



Source: FY21 company data, TwentyCi

Three perceived barriers to consideration

Upfront fee



Unconditional fee and perceived lack of incentive for agents

Proposition



Customers do not fully understand the PB offering, often seeing it as a DIY alternative to the high street

Local expertise



Perception that we lack local expertise

What this means for PB:

Core principles for defining the future pricing and proposition

Upfront fee



In order to achieve growth the future pricing and proposition must:

- Ensure that there is a **sense of accountability** beyond the initial listing

Proposition



- Educate the seller on the **full service** that PB offers and the outcomes it delivers

Local expertise



- **Simplify** the offering to allow ease of comparison vs the high street
- Promote and emphasise our **local expertise**

3. Strategy to drive growth opportunity

Our refreshed strategy

3 strategic pillars to drive growth

1

**WIN MORE
CUSTOMERS**

HOW:

by evolving our pricing
and proposition

2

**CREATE THE BEST
HOMEMOVING
EXPERIENCE**

HOW:

by redefining the end-to-
end customer journey

3

**EMPOWER OUR
PEOPLE**

HOW:

by enabling them to be
their best every day



1 WIN MORE CUSTOMERS

By... evolving our pricing and proposition, supported by increased marketing investment

Key elements of our new proposition



Pricing – research & trials

Hypothesis: Introducing a price model that emphasises accountability will increase market share

- Launched 6-week money back guarantee (MBG) trial in a number of territories in the North West in Q2 2021
- Territories chosen specifically as areas that are fiercely competitive

Key terms and conditions

- Property marketed at agreed valuation
- MBG applies if customers don't receive an offer within 10% of valuation





Launching Money Back Guarantee

Following a successful trial, launching nationally in mid-July 2021

Trial key findings

Consideration¹

+44%

- MBG had a similar effect on consideration to a fixed fee on completion:
 - Consideration to instruct increased 44% vs current proposition

Conversion²

+18%

- MBG also increased conversion:
 - Conversion in the living room increased during the trial, improving across all territories

Instructions³

+14%

- Introducing MBG increased instructions won:
 - Compared to pre-trial, MBG region daily run-rate outperformed non-MBG national average

1. Simon-Kucher & Partners | Market research February 2021 Q: Now imagine the same Purplebricks offer came with a money back guarantee. How likely would you be to sell your home with this Purplebricks offer?

2. Purplebricks | In-market trial North West region | Booked conversion pre-trial: (1st April to 9th May) to trial period (10th May to 20th June)

3. Purplebricks | In-market trial North West region | Daily instructions run-rate: (1st April to 9th May) to trial period (10th May to 20th June)

Launching 2 Tier Proposition

Hypothesis: Simplifying our proposition will increase market share

2 Tier Proposition trial

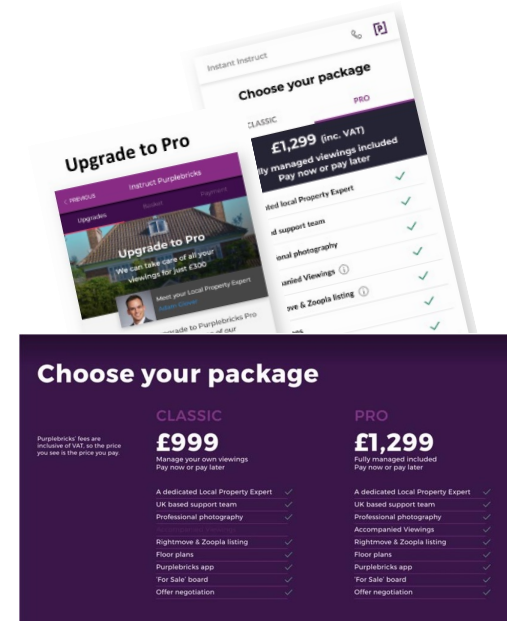
- Launched in a number of fiercely competitive territories in Q2 2021
- Test adding and removing packaging components based on learnings from research

Key packaging principles

- Using a 2-package line-up optimises choice and significantly increases consideration¹ +11% vs current proposition
- £999 remains a key price threshold
- 3D tours, premium listings and EPC/Home report should all be available but charged as add-ons

Launching new 2-tier proposition

- Simplified proposition launching in July - Classic & Pro



1. Simon-Kucher & Partners | Market research February 2021 | Based on conjoint analysis (indirect purchase simulation exercise)

Delivering a step change in our local marketing



Create & build a new “Famous” brand

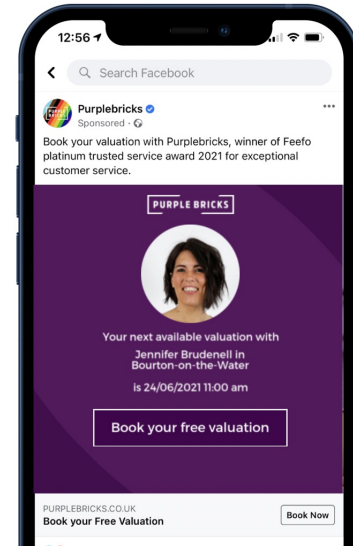
Hyper-local national media including TV, radio and Digital Out of Home advertising with targeted and relevant local messaging

Make our brand resonate locally

Increase brand visibility in towns and cities across the country through local partnerships and sponsorships – and more local marketing

Deliver on brilliant basics

Champion and equip our agents as true local heroes emphasising and amplifying their credentials within the local property market



PURPLE BRICKS



The 3 key pillars to redefining the end-to-end customer journey

2 CREATE THE BEST HOMEMOVING EXPERIENCE

By... defining the digital-enabled end-to-end customer journey

Create a more personalised experience

Put customers in control

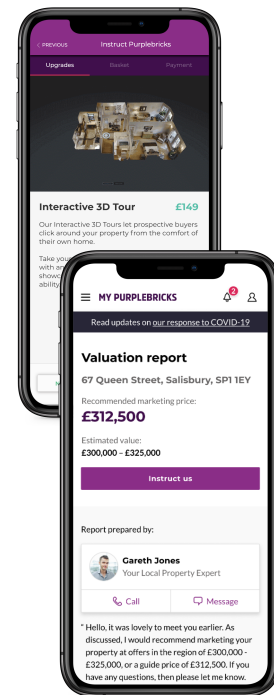
Improve the digital agent experience

Create the best home moving experience



Continue to focus on delivering better products and services for both our customers and our agents

- Real focus on improving virtual capabilities and enhancing personalised content:
 - virtual viewings and valuations
 - interactive 3D tours and video trailers
 - greater personalisation of end-to-end customer journey through implementation of new CRM
- Redesigned our mobile apps to deliver a smarter, faster & simpler experience
 - 4.5 star* approval rating in the App Store based on over 37,000 reviews
- Improved the digital agent experience:
 - diary management
 - advert creation
 - new proprietary app for agents



PURPLE BRICKS



Our top 3 priorities

3 EMPOWER OUR PEOPLE

By... enabling our people to be their best every day

Performance culture

Leadership & Talent Development

Operating model of the future

Empower our people

Continue to focus on delivering a more consistent and improved performance across all regions

- Introduction of a new value proposition to bring to life our culture and values in the living room – the PB Way
- Tablets being rolled out to agents on the ground to emphasise and amplify our data and technology credentials in the living room
- “Your Key to PB” program - Over 200+ people through our Talent assessment and development process
- Created and launched first online digital learning platform



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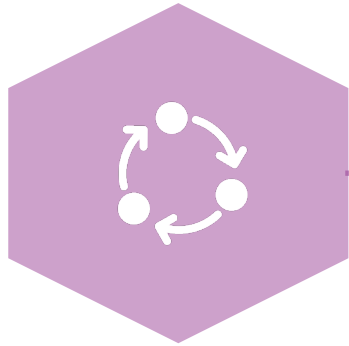
4. **Outlook & summary** Andy Botha, CFO & Vic Darvey, CEO

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Outlook & guidance

- Too early to quantify any incremental benefit of the MBG and simplified 2-tier propositions on FY22
 - Marketing strategy acceleration to support growth in consideration and share
 - Demand healthy, but currently out-stripping new supply volumes
 - Expect to see a re-balance of supply and demand over the Summer
- FY22 EBITDA expected to remain flat YoY, in line with market expectations
- New strategies expected to accelerate revenue growth and drive progress towards Group's medium-term targets over next few years
 - Expect to deliver annual growth in excess of 20% in the medium-term

Accelerating our growth opportunity



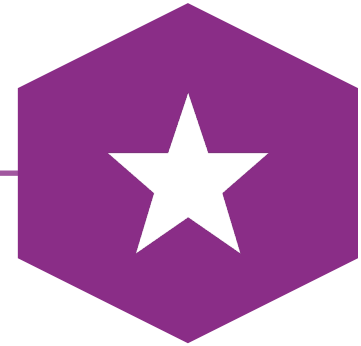
Evolve model

- New pricing
- Simplified proposition
- Marketing investment



Sustained growth

- New audiences
- Customer experience
- Agent performance



Unlock full potential

- Grow ancillary basket
- Home moving upsell
- Maximise customer data

Q&A

APPENDIX

Accounting terms and KPIs – new definitions

KPIs introduced for FY 21 and going forward

KPI	Definition	FY 21	FY 20	Mvmt
Instructions	Number of instructions won in the year, net of the number of instructions refunded in the year	58,043	50,948	14%
Total fee income	Fees receivable in respect of instructions (as defined above) and mortgage referrals, and conveyancing fees due in respect of completed transactions	£87.1m	£71.4m	22%
ARPI	Total fee income divided by the number of Instructions in the year	£1,501	£1,401	7%

KPIs in use at FY 20 and previously reported

KPI	Definition	FY 21	FY 20	Mvmt
Instructions	Number of instructions won in the year	60,238	53,680	12%
Total fee income	Fees receivable for published instructions, lettings and mortgage referrals; and conveyancing fees due in relation to completed transactions	£91.5m	£79.4m	15%
ARPI	Total fee income excluding lettings, divided by the number of published instructions in the period	£1,479	£1,394	6%

- **Adjusted EBITDA**

- Refer to Full Year Results Statement, note 4, Alternative Performance Measures

- **Adjusted operating costs**

- Refer to Full Year Results Statement, note 4, Alternative Performance Measures