

H1 20 RESULTS PRESENTATION



TODAY'S AGENDA

INTRODUCTION

Vic Darvey

FINANCIAL REVIEW

James Davies

STRATEGIC REVIEW

Vic Darvey

Q&A



H1 20 HIGHLIGHTS

Resilient trading in face of challenging market conditions

- Saved our customers £150m
- 4.1 % share of UK listings
- 5.3% share of UK houses sold
- Canada modestly outperformed expectations

Operational excellence delivers group EBITDA profitability

- Exit of US and AUS markets going well
- Healthy cash balance

Good progress on strategy

- Brand strength continues to gain traction in both markets
- Transformation programme now underway



**PURPLE
BRICKS**

SOLD STC

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FINANCIAL REVIEW

James Davies

REMINDER OF OUR FOCUS FOR FY20

Three key areas:

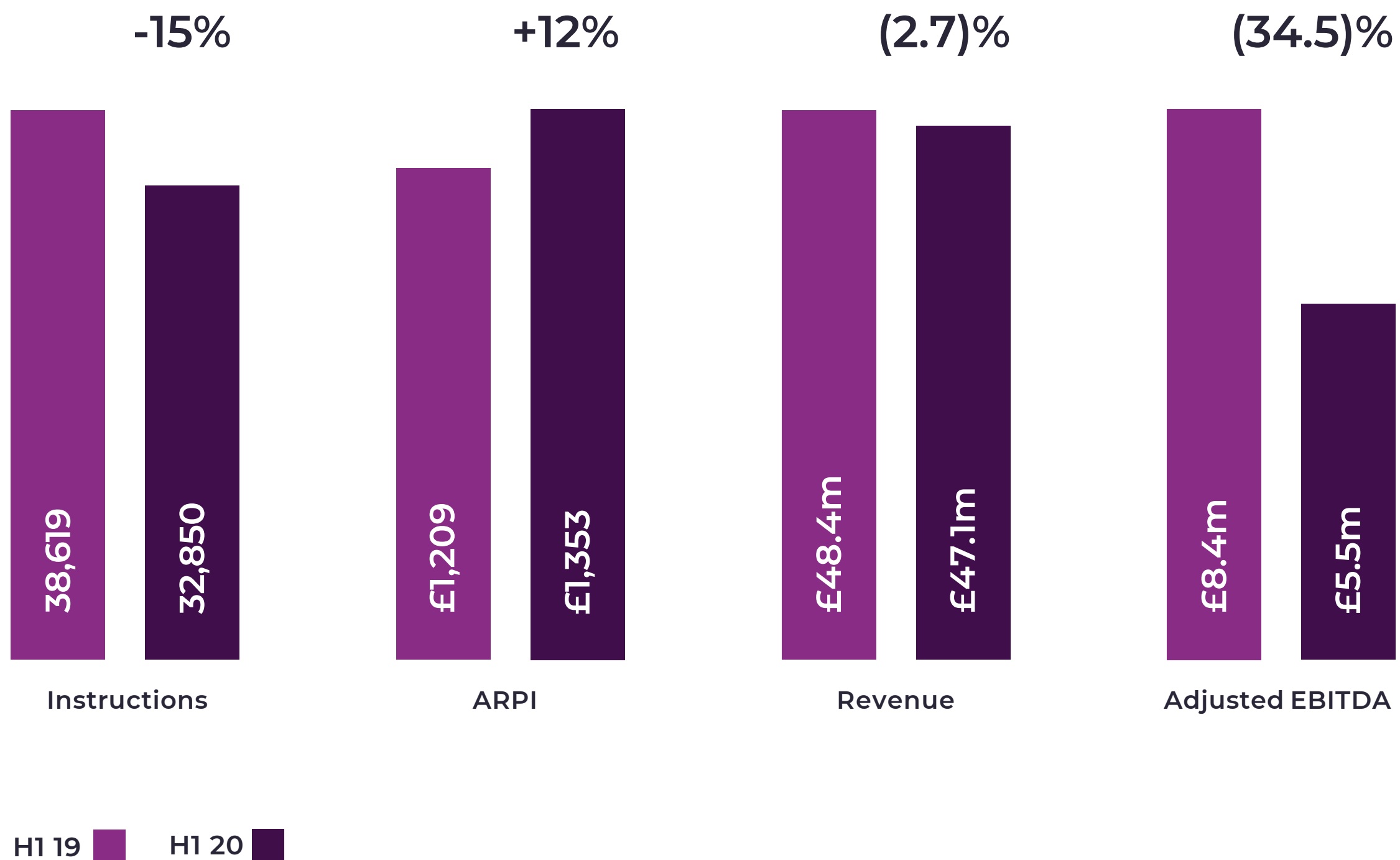
- Capital allocation with financial discipline
- Geographical focus
- Investment in technology





RESILIENT UK PERFORMANCE

PROFITABLE IN A CONTRACTING MARKET



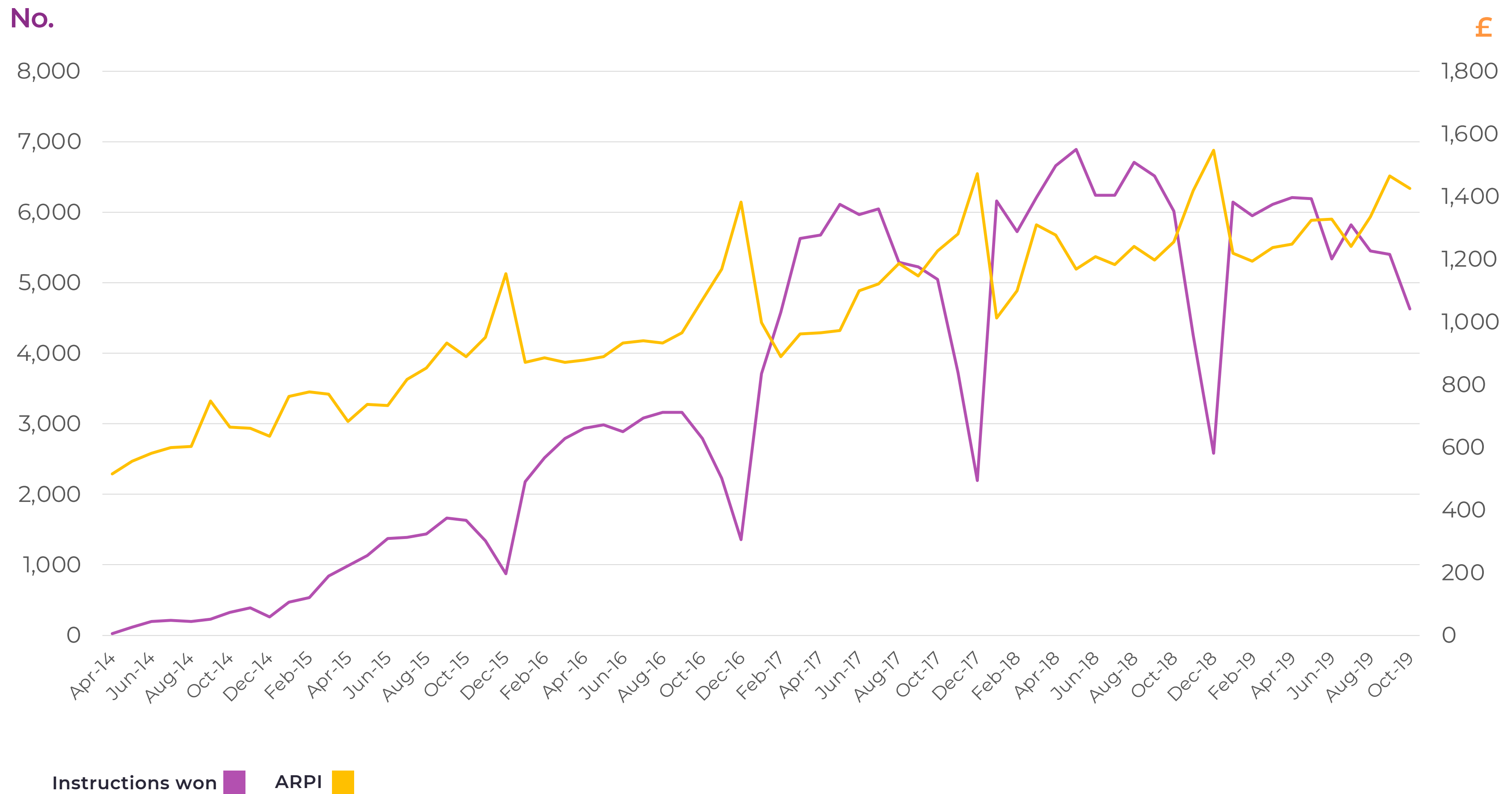
- Market share of new listings maintained, despite 15% YoY instruction decline
- Market share of completions up 280bps
- ARPI increase of 12% largely compensates for the volume headwinds
- Revenue down 2.7%, ancillary share up to 45%
- Marketing investment down 9% YoY
- After house strategy investment, UK generated EBITDA of £5.5m





UK PROGRESS

INSTRUCTIONS AND ARPI



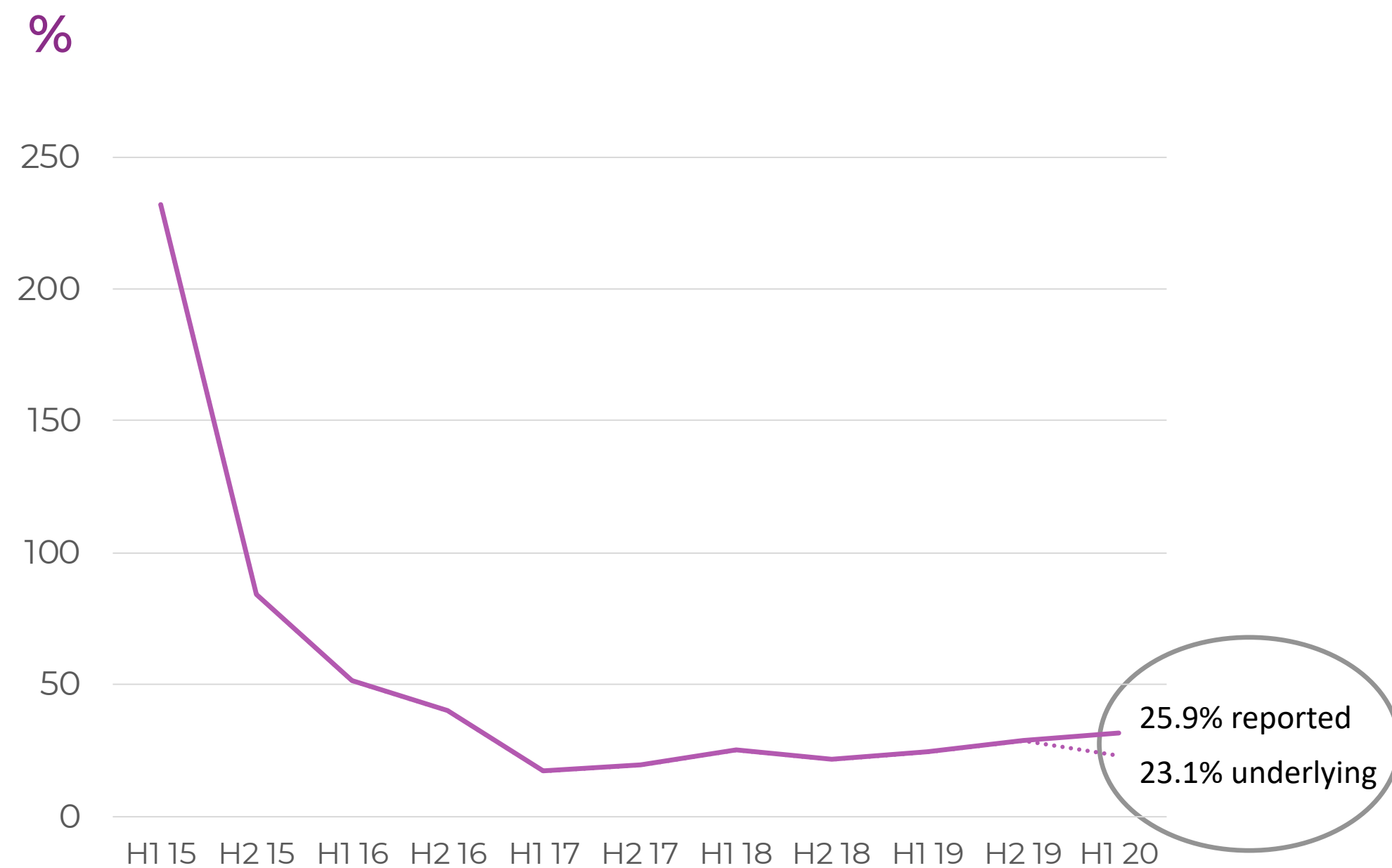
Instructions won ■ ARPI ■



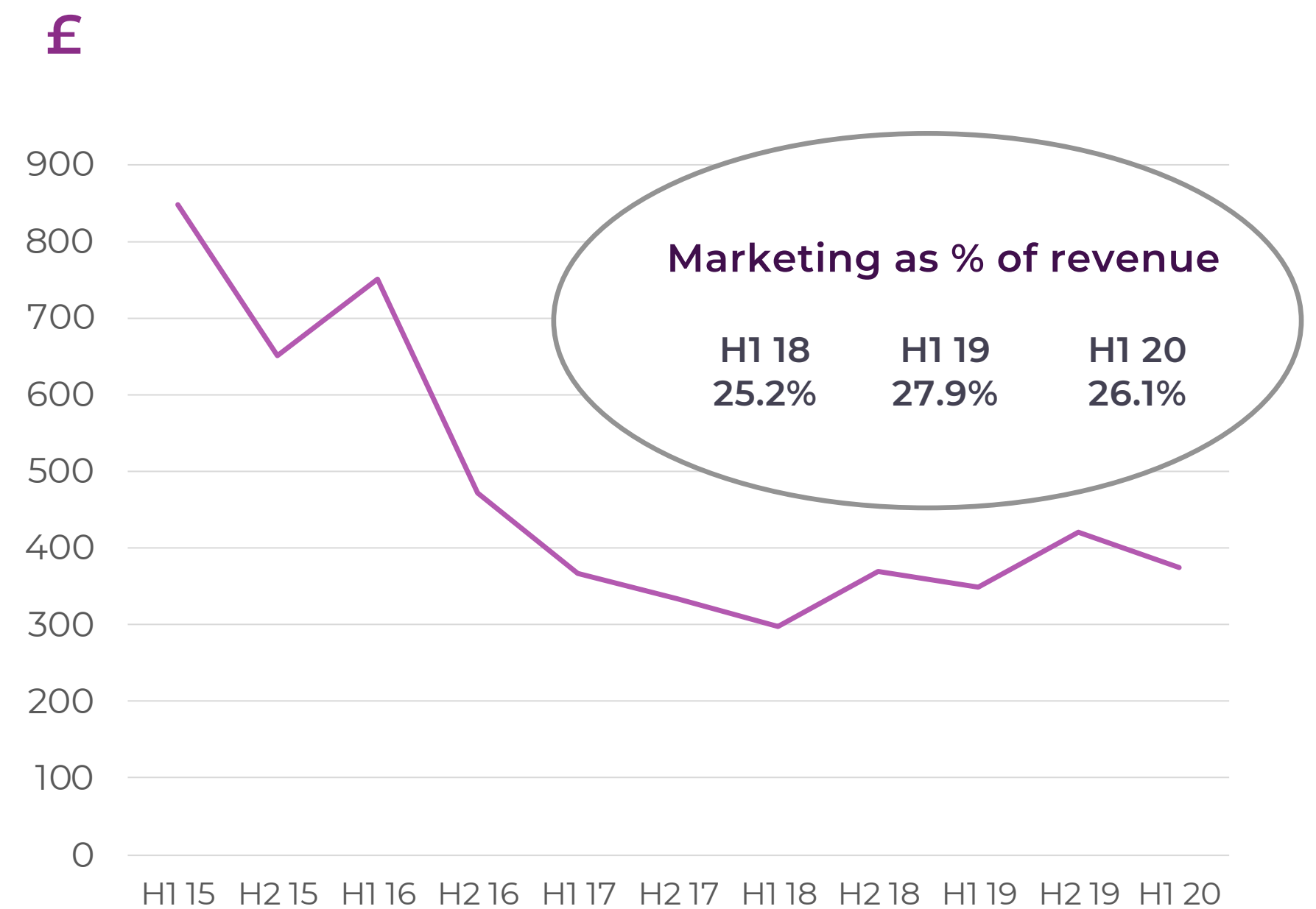
UK SCALE

OPERATING LEVERAGE OVER TIME

UK adjusted overheads as % of revenue



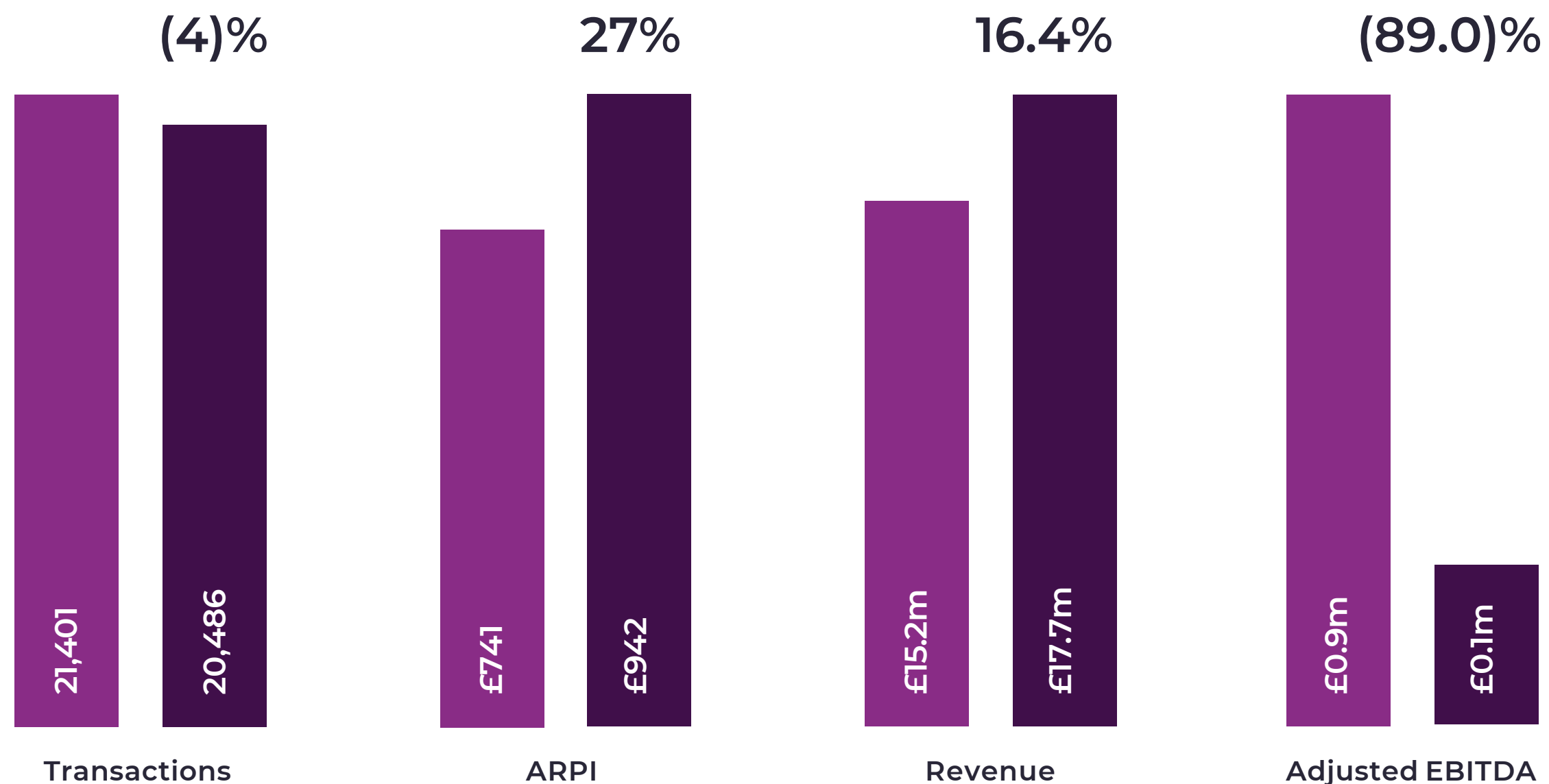
UK CPI including portal costs





MARKET-LEADING CANADIAN BUSINESS

DRIVING GROWTH OUTSIDE QUEBEC



H1 19 Pro forma H1 20

Completed acquisition 6 July 2018

- Two key themes – EBITDA stability in Quebec, revenue growth in Rest of Canada
- Mixed market conditions
- Revenue up 16.4%, up 13.0% at constant currency
- ARPI continues upward trajectory
- Marginally profitable despite material increase in marketing investment outside Quebec

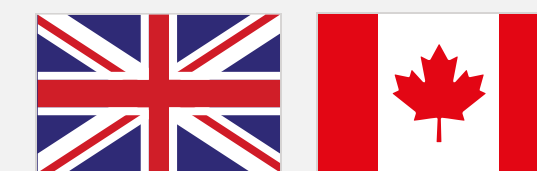




AUSTRALIA/US CLOSURE UPDATE

Guidance	£m
Australia	6-8
US	4-6
Total	10-14
Current Estimate	10.5-13

Additional cash cost to close these countries is expected to be no more than £3m



GROUP INCOME STATEMENT

Continuing operations

	H1 20	H1 19 Pro forma
	£m	£m
Revenue	64.8	63.6
Gross margin %	60.8%	62.1%
Marketing costs	(16.5)	(16.7)
Adjusted operating (loss)/profit	(1.2)	4.8
Adjusted EBITDA	4.3	8.4

- Headline revenue up 12.5%, a proforma increase of 1.9%
- Disciplined marketing investment with UK savings covering increased investment in brand building in Canada
- Adjusted EBITDA profit of £4.3m for continuing operations against a loss of £21.0m in H1 last year

CONSOLIDATED CASH FLOW BRIDGE



IN SUMMARY

- Significant strategic changes
- Positive £25m swing in Group Adjusted EBITDA
- Focus on operational excellence and underpin strong foundations
- Investing for market share growth to take advantage of pent up demand



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STRATEGIC REVIEW

Vic Darvey

HOUSE STRATEGY



OUR VISION

To be the only place
people go to buy, sell
and let their home

OUR MISSION

10% market share in 3 – 5 years

EVOLVE
OUR
PRICING

ESTATE
AGENT OF
THE FUTURE

ENHANCE
PERFORMANCE
IN THE FIELD

TRANSFORM
CUSTOMER
PROCESSES

OUR VALUES

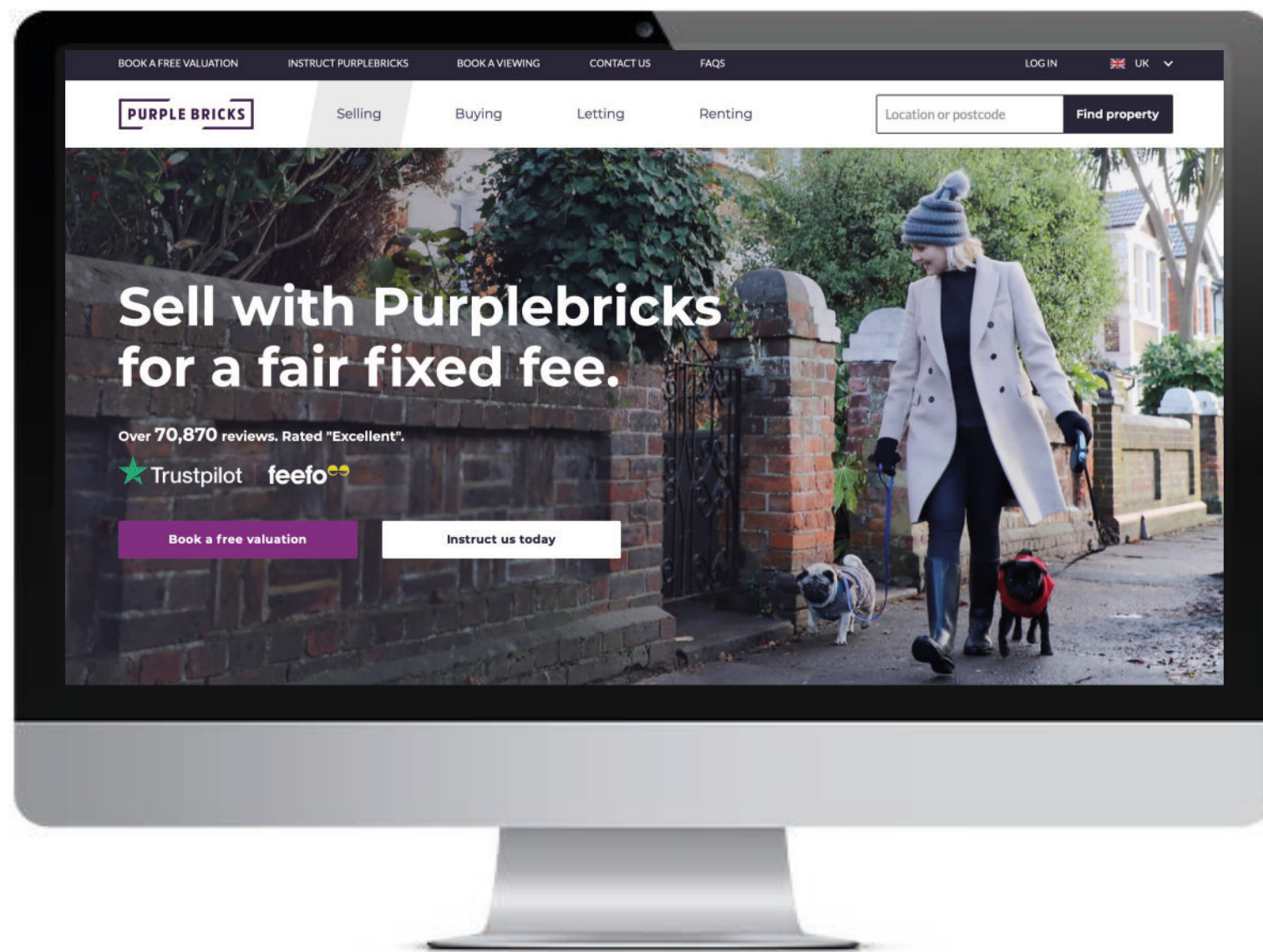
PEOPLE AND CULTURE

MARKET-LEADING BRAND



1

EVOLVE OUR PRICING



Conclusion

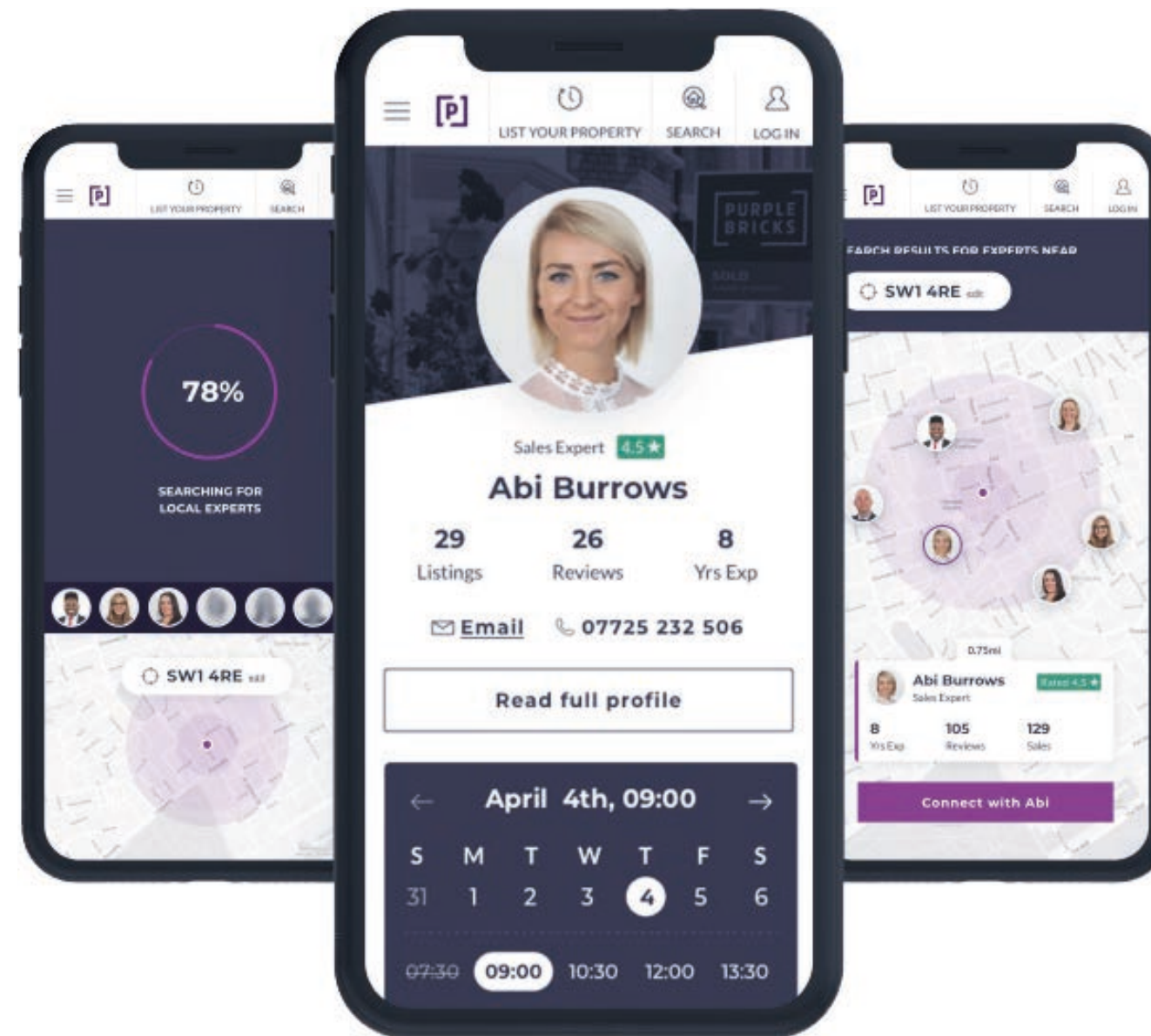
- Multi-method approach applied to ensure a more differentiated perspective on pricing.
- Reducing the level of the upfront fee will widen the market opportunity.
- The overall fee can be increased further than the £999 and £1,499 if split between publication and completion
- In-market tests to be carried out for a split model and technology changes are already being scoped out
- By increasing the overall fee, there's a greater opportunity to further increase amount paid to LPEs

2

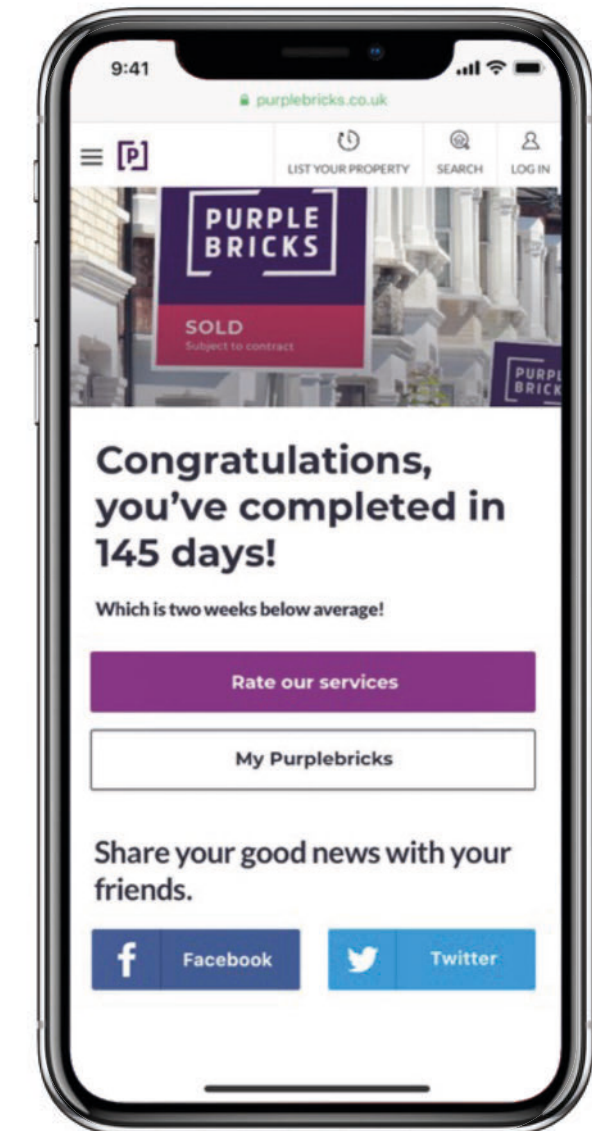
ESTATE AGENT OF THE FUTURE



Re-accelerate the growth of core by delivering rapid innovation of the customer journey



Increase LPE productivity by delivering greater automation and efficiency



Start building the foundations of an estate agent of the future



2

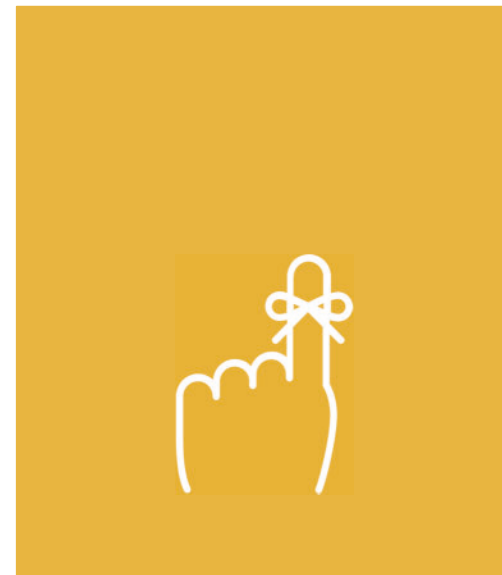
ESTATE AGENT OF THE FUTURE



Great first impressions



Living room experience



Kept in the loop



When things go wrong



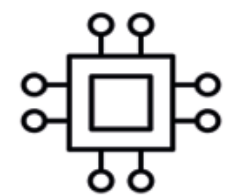
Getting over the line



The big day



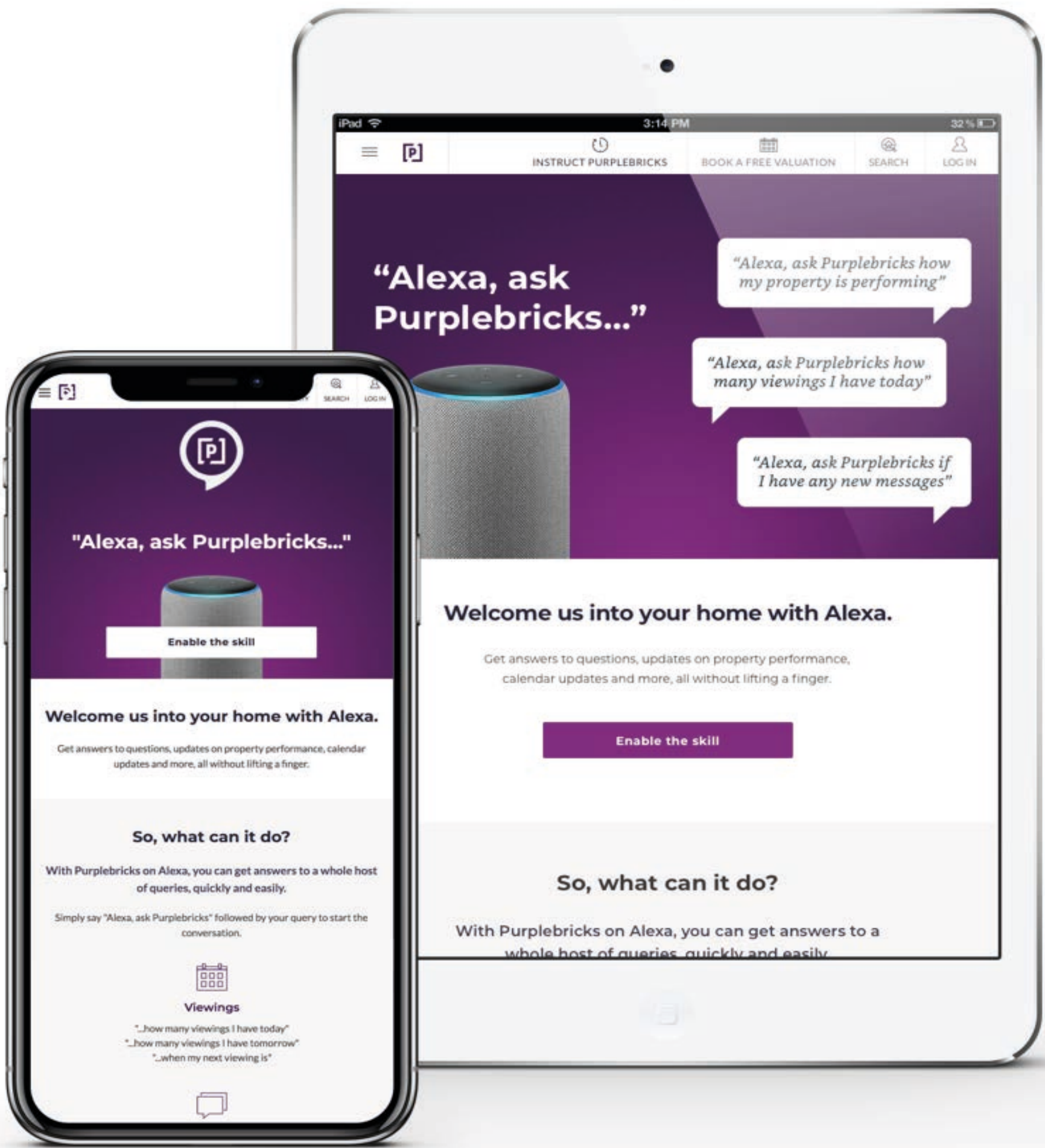
Product: Create a long-term vision and strategy



Technology: Support our engineering teams to execute on this strategy

2

ESTATE AGENT OF THE FUTURE



3

ENHANCING PERFORMANCE IN THE FIELD

Improving effectiveness and efficiency in the field

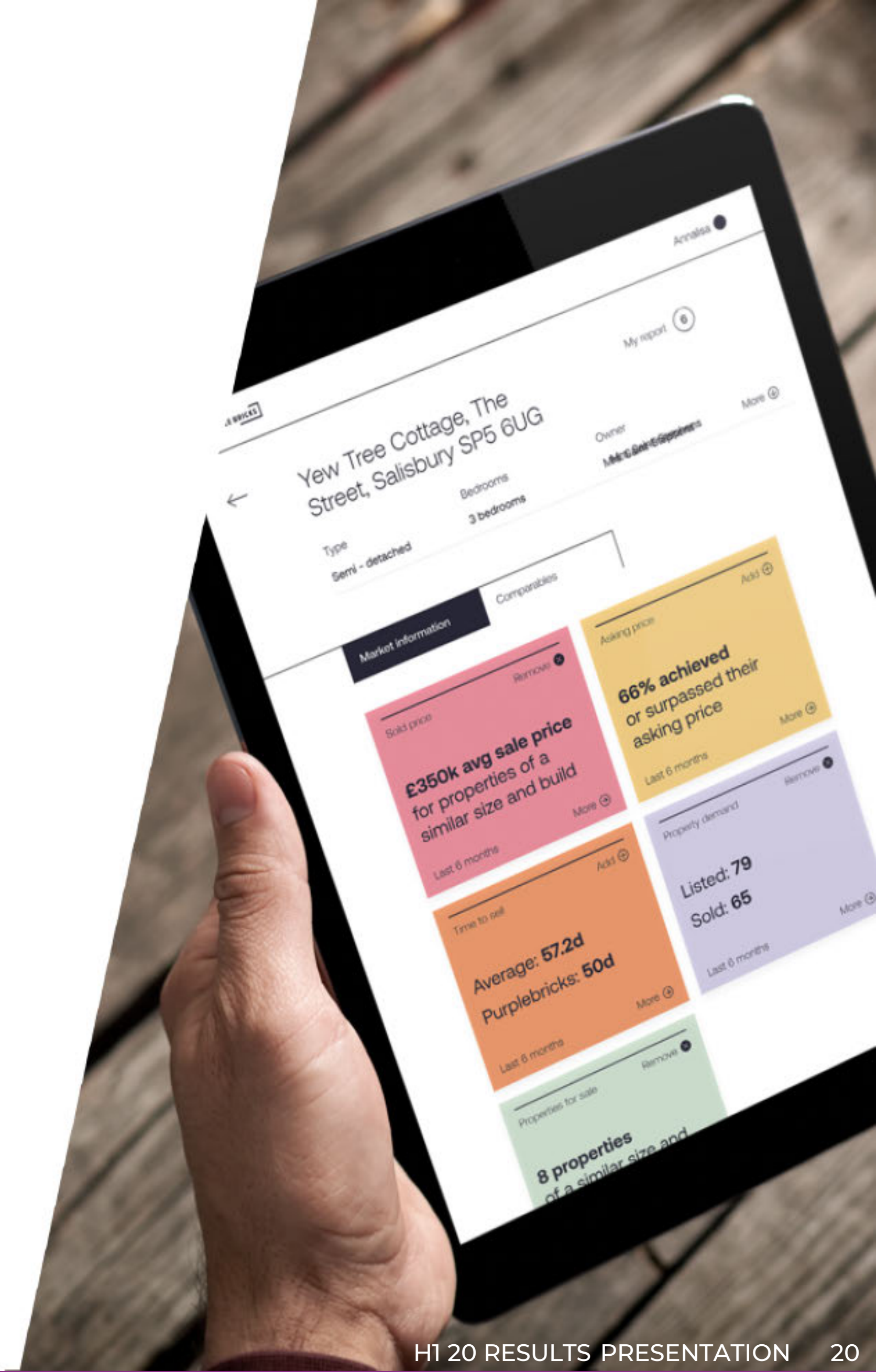
- Automation of key processes
- Real-time market data improving conversion in the living room

Training and ongoing performance management

- Investments in recruitment, the Academy and in-field training

The right structure for the future

- Make better use of data to ensure everyone has access to the same opportunities
- Create a field-based team better paid than their High Street counterparts



4

TRANSFORMING OUR CUSTOMER PROCESSES

Investing to enhance customer engagement

- World Class Manager training programme and Contact Centre School
- Deployment of new Omni Channel customer engagement platform

Investing in Proactive post sales support

- Reduced time to complete from SSTC to completion by 7 days
- Increased number of houses we sell

Delivering great customer service

- A world class Net Promoter Score of 80
- Feefo Gold Trusted Service Award

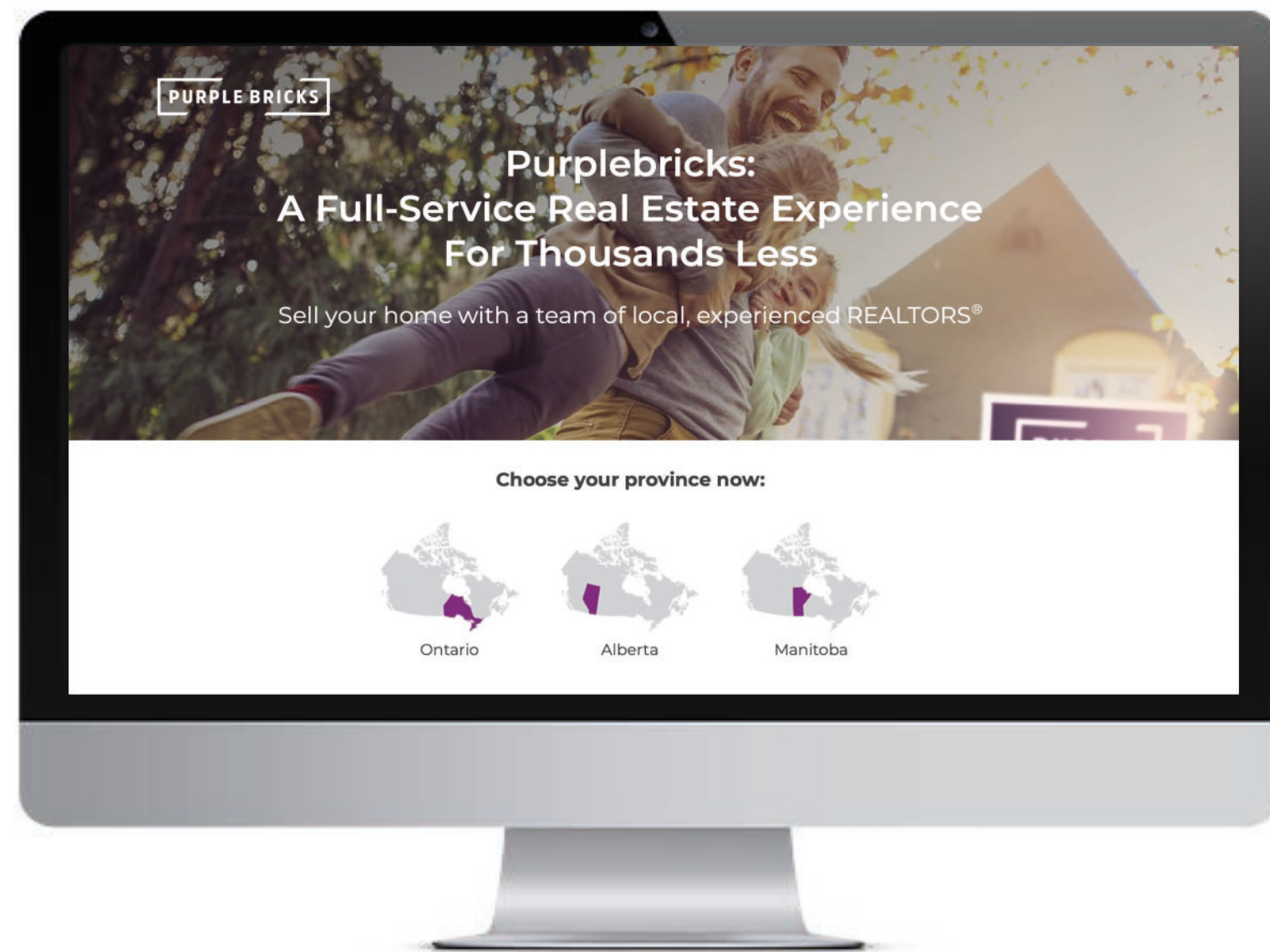




CANADA OUTPERFORMS IN A DIFFICULT MARKET

H1 Update

- Strong market share in Quebec
- Purplebricks has quickly cemented a place of prominence in the market, and has now reached 56% prompted awareness in English Canada.
- In English Canada, brokerage volumes significantly ahead YoY – driven by conversion and successful buy-side agent recruitment
- Total opportunity is 3x Quebec in terms of annual listings and we remain optimistic about the opportunity



H2 20 FOCUS

Continue to deliver operational excellence

- Achieved revenue growth and EBITDA profit
- Increased number of houses sold
- Strong cash position

Deliver Phase 2 of Strategy - Focus on 4 key initiatives

- Pricing tests in market
- Estate agent of the future
- Enhancing performance in the field
- Transforming our customer processes

Moving forward

- We remain confident of medium term objective of 10% market share





A purple and white 'SOLD' sign is mounted on a blue door. The sign features the 'PURPLE BRICKS' logo in white on a purple background. Below the logo, the word 'SOLD' is written in large purple letters on a white background, with 'STC' in smaller letters to its right. Underneath 'SOLD', the hashtag '#TeamPB' is visible. To the right of the text, there is a logo for 'TEAM GB' with the Olympic rings and the text 'OFFICIAL PARTNER' below it. The door has the number '36' above it and is set in a brick wall.

Q&A