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OnTheMarket announces record growth and looks to agents to take control

In its full year results published this morning, OnTheMarket plc (“OnTheMarket” or “The Group”) has reported strong financial and operational performance, with record growth sitting alongside major progress against all four of its strategic pillars.

Highlights for the year to 31 January 2023 include:

- Record Group revenues and profits with continued strategic progress.
- Group Revenues up 14% and ARPA up 12%, reflecting growth in paying customers, strong product sales and continued strong growth in New Homes (up 60%).
- Adjusted operating profit up 59% to £4.3m (2022: £2.7m) driven by revenue growth across all income streams.
- Strong balance sheet, with year-end cash of £11.3m and no borrowings (31 January 2022: £8.4m and no borrowings).

Beyond the record financial performance, OnTheMarket has continued to make significant progress with its strategy of building a differentiated, tech-enabled property business based on four principal pillars. Below is a summary of key developments in each pillar during the period covered by the annual report:

Portal

Continued development of the portal including:

- New valuation tools: Innovative new ways for homeowners to receive indicative valuations of their homes with ‘Video Appraisal’ and ‘Express Appraisal’ from local agents without the need for a face-to-face appointment.

- WhatsApp integration: Consumers can enquire about sales and lettings properties via WhatsApp, providing improved response times.
- Additional property search filters: Property searches can be tailored in greater detail with the addition of filters for auction properties, flexible office space listings, pet-friendly properties, accessible properties, student homes and a 'Greener choice' filter which allows property seekers to search for energy efficient, eco-friendly homes.

Software solutions

Continued development of software with an enhanced suite of products:

- TecLet: A market leading automated pre-tenancy and property management platform.
- TecCRM: Allows agents to manage prospecting, marketing, and nurture journeys for sales and lettings agents.
- TechHub: Allows consumers, whether they are a buyer, seller, landlord or tenant, to transact directly to bring automation and 24/7 transacting to agency businesses.
- TecWeb: Provides agents with a fully interactive website solution which includes SEO and pay-per-click services.

Data and market intelligence

Continued development of our data and market intelligence tools for our agents and developers:

- Commercial partnership: Working with Sprift Technologies to provide a full-service canvassing and prospecting system with automated trigger points.
- OnTheMarket Property Sentiment Index- (PSI): A unique focus on buyer and seller confidence, derived from consumer responses to questions with an average response rate of over 80,000 consumers per month.
- Introduced behavioural profiles: Profiling serious property seekers through our 'Buyer Ready' and 'Rent Ready' journeys, delivering pre-qualified leads to our customers.

Consumer Communication and Monetisation

Continued development of our consumer marketing strategy:

- TV advertising: FY23 saw our biggest investment yet in TV advertising showcasing our creative across multiple channels.
- Focus on attracting serious property seekers: 73% of buyers, who responded to our online survey, reported that they are confident that they will buy a property in the next 3 months (source: OnTheMarket PSI June 23).
- A comprehensive communications program: Built for those consumers using our Instant Online Valuation tool to ensure they are encouraged to contact an OnTheMarket agent at the appropriate time.
- New podcast series: 'OnTheRecord' showcases industry expertise and thought leadership to customers.
- New TikTok channel: Focused on engaging with serious property seekers.

OnTheMarket has begun implementing the next phase of its evolution towards becoming a 'core strategic partner' for customers by offering time saving solutions, alongside helping expand income streams and managing data. Post year-end developments aimed at improving efficiency and supporting agents to generate additional revenue as part of this new phase include:

- The launch of OnTheMarket Money, a new division providing consumers with access to financial services and other essential products associated with the home moving journey that paves the way for agents to earn associated fees.
- The roll out of Your Property Services, a portal-first sales and lettings data nurturing service to help estate agents generate fresh revenue from their existing database and win more instructions through valuations.
- The release of innovative AI tools, with OnTheMarket becoming the first major portal in the UK to embrace the new technology, benefitting both our customers and property seekers.

Commenting on the results, Jason Tebb, Chief Executive Officer of OnTheMarket, says:

“What a year it has been for OnTheMarket. Our record growth, despite a year of unprecedented macro-economic turmoil, is a direct result of the continued success of our 'four pillars' strategy. A focus on delivering a suite of valuable products and services to our customers, paired with our model of fair and sustainable pricing, has helped bring serious and tangible competition into the portal marketplace at a time when it is more important than ever.

OnTheMarket was founded by agents as a competitive response to the negative effects of a duopolistic market and I am delighted to say that ten years on from its inception, agents continue to be passionate about the need for real competition. But now we are much more than 'competition'. With the development of our four pillars, we have grown to be more than just a portal, having put in place the services needed to be considered as our customers' core strategic partner. Key developments, such as the launch of OnTheMarket Money, will help our agents generate additional revenue from essential products associated with the home moving journey.

We have built the portal that I always wanted when I was an agent and I strongly believe our customers will support the continued growth of a business that has their best interests at heart. Now it is time for us to drive growth, moving on to what we believe will be the most important phase yet, as we continue to diversify the services and products we provide to our loyal base.

A sincere thank you to our customers, estate agents and housebuilders, big and small, corporate and independent, and those in-between, for their unwavering support in launching, scaling and growing this business. Their partnership at each phase of our growth has been crucial to our continued success and I look forward to taking the next steps as a Group with them by our side and passionately supporting our future vision. The network effects of growing support for OnTheMarket will exponentially enhance the value and savings we are able to pass back to our agents and shareholders going forward. With their support, OnTheMarket can change the status quo, challenge the incumbents, and in doing so change the portal landscape forever. Now is our time."

Ends.