

Trading Update and Dividend Declaration

10.01.24

M Winkworth plc (“Winkworth” or the “Company”), the leading franchisor of real estate agencies, is pleased to announce the following trading update for the financial year ending 31 December 2023.

The rise in interest rates, which began after the mini budget in Q4 2022 and was sustained through 2023 by the fight against inflation, took its toll on the UK property market. As we anticipated, the gloomiest forecasts for prices were not met and prices ended the year only some 5% below their peak in the summer of 2022. Hesitancy on behalf of buyers, however, along with legal delays in conveyancing, led to a downturn in transactions. Winkworth’s network completed sales for the year fell by some 19%. A substantial number of already agreed and contracted sales will now be reported in 2024 and, with activity in Q4 2023 showing a year-on-year improvement, we have entered the New Year with a stronger pipeline than at the end of 2022.

The shortage of rental property in 2023 and consequent rise in prices translated into an increase in our network revenues of around 5%, offsetting the slower sales completions. We believe that the rise of accidental landlords, postponing their sales due to price uncertainty and switching to the lettings market, combined with tenants hitting affordability ceilings, will lead to lower growth in 2024 and slowing rent increases. Price increases from previous years, however, will continue to feed through as properties come up for re-letting, underpinning growth in the sector.

Winkworth’s full year pre-tax profits, subject to audit, are expected to be in line with the current market forecast of £2.1m (31 December 2022: £2.47m) and net cash at year end, following increased investment in new offices in 2023, to be at least £4.4m (31 December 2022: £5.25m). The Company expects to announce its final results for the year ended 31 December 2023 on or around 17 April 2024.

The directors of Winkworth are pleased to announce that the Company will pay an ordinary dividend of 3.0p per share (2022: 2.9p per share) for the fourth quarter of 2023, bringing the total ordinary dividend payments declared for the year to 11.7p per share (2022:11.0p per share).

The timetable for the payment of the ordinary dividend is as follows:

Ex-Dividend Date *	18/01/24
Record Date **	19/01/24
Expected Payment Date	15/02/24

* Shares bought on or after the ex-dividend date will not qualify for the dividend

** Shareholders must be on the Winkworth share register on this date to receive this dividend

Dominic Agace, Chief Executive Officer of Winkworth, commented:

“With inflation seemingly under control and interest rates peaking, we enter 2024 feeling more optimistic than this time last year. Winkworth has a well-balanced revenue flow between sales and lettings and improved conditions in the former would counterbalance any slowing in the latter. After opening four new offices in 2023, we are in negotiations for some eight additions in 2024, in line with our long-term target.”

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This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("MAR"), and is disclosed in accordance with the Company's obligations under Article 17 of MAR.

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About Winkworth

Winkworth is the leading London franchisor of residential real estate agencies with a pre-eminent position in the mid to upper segments of the sales and lettings markets. The franchise model allows entrepreneurial real estate professionals to provide the highest standards of service under the banner of a long-established brand name and to benefit from the support and promotion that Winkworth offers.

Winkworth is admitted to trading on the AIM Market of the London Stock Exchange.

For further information please visit: www.winkworthplc.com