

6 November 2018

Purplebricks Group plc

("Purplebricks" or "the Company")

Trading update for the first six months of the year

On-course to meet full year guidance

Purplebricks (AIM: "PURP"), the leading hybrid estate agency operating in the UK, Australia and North America, announces a trading update for the six months ended 31 October 2018 ahead of reporting its interim results on 13 December 2018.

UK

The Company has continued to make good progress in the six months ended 31 October 2018 with year-on-year revenue growth of approximately 20% driven by double-digit growth in instructions along with a continuation of increasing average revenue per instruction from improved attachment rates of traditional and new ancillary products.

Purplebricks continues to win market share against a challenging market backdrop in the UK. The online/hybrid sector continues to grow and a market share of 74% was achieved in the month of October. This is despite increased competition and total category media spend in the sector increasing 80%¹. Purplebricks leads the UK market in brand awareness with aided awareness of 97% and unaided awareness of 48%.

International markets

In just over one year since launching in the US the Company has established the foundations to realise the substantial market opportunity. As at the end of October 2018 there are some 140 Local Real Estate Experts (LREEs) and sales consultants operating in seven states, with more currently in training and going through the recruitment process. Prompted brand awareness in the launch state of California has at October 2018 reached 44%, which is ahead of the UK equivalent at the same time in its development. While most of these states are in the very early stages of development, sellside listings are growing and buy-side revenue is increasing. Attach rates on ancillary revenue streams from our independent escrow business are performing strongly and we see significant further opportunity to grow ancillary revenues in the US from existing and new income streams.

Whilst we have experienced some challenges in Australia amid a tough market backdrop, recent changes made to our customer proposition have been well received and have resulted in a significant increase in conversion from valuation to instruction. Despite a slowdown in performance across the summer months, October showed over 35% growth in new instructions on the month of September following the launch of the new customer proposition. There has also been a significant strengthening of the team over the last few months.

Purplebricks announced its moves into Canada with the acquisition of Duproprio/Comfree in July 2018 and into Germany in October 2018 through the formation of a joint venture with

Axel Springer, which is taking an initial minority investment in Homeday. Both deals are backing existing management teams with local knowledge, proven track records and leading positions in their respective territories. Purplebricks will benefit from the upside as these markets transition their models, without the need to commit substantial management time.

The Canadian business is performing strongly, in line with our high expectations. With a structured plan now being implemented to drive further significant growth through 2019. Web visits continue to grow with over 5.4 million in Quebec and over 2 million visits in the English provinces in the four months since acquisition in July 2018. The strong traffic growth in the English speaking provinces supports the local management team's strategy of further expansion beyond Quebec where we are well placed to capitalise on a significant opportunity.

As stated in the Homeday announcement of 15 October 2018, the investment of £11.1m (Purplebricks share) is subject to antitrust clearance, the process of which has now commenced.

As at 31 October 2018 the Company's balance sheet remains strong with a net cash position of over £100m².

The Company remains on course to meet the previously provided guidance for full year revenue of between £165m and £185m.

Michael Bruce Group CEO of Purplebricks said:

"The challenging UK housing market is driving a shakeout in the industry, highlighting weaknesses in both some traditional and online agents business models. Against this backdrop Purplebricks continues to grow and win market share. Longer term with the best known brand in the sector, our flexible business model and the strong balance sheet, Purplebricks is well placed to further strengthen its leading UK position and replicate this success overseas. We are confident about the future for our business."

Note

- 1 Source: Nielsen Ad Spend for the whole online/hybrid sector, Jan-Sep 2018 v Jan to Sept 2017 excluding pay per click
- 2 Net cash at the period end is stated after the £29.3m cash cost for the acquisition of Duproprio but before the Homeday investment of £11.1m

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The person arranging release of this announcement on behalf of the Company is James Davies, Chief Financial Officer.

About Purplebricks

Purplebricks is the leading next generation estate agency in the UK with operations in Australia, the US and Canada that combines highly experienced and professional Local Property Experts (Local Real Estate Experts in the US) and an innovative use of technology to help make the process of selling, buying or letting so much more convenient, transparent and cost effective. Purplebricks is transforming the way people perceive estate agents and estate agency.