

LSL Property Services plc

Full Year Results

Year ended 31st December 2018



Agenda

1.	Group Highlights
2.	Financial Performance
3.	Market Overview, Strategy and Outlook
4.	Q&A
5.	Appendices
6.	Disclaimer

Group Highlights: 2018

Highly resilient revenue and Underlying Operating Profit performance in the context of challenging residential market conditions

- Group Revenue up 4%
- Group Underlying Operating Profit¹ down 4%
- Group Adjusted EBITDA¹ down 3%
- Net Exceptional costs £3m
- **Estate Agency**
 - Total revenue up 3%. Operating profit down 24% reflecting effect of operational gearing on lower residential exchange volumes which more than offset benefits from FS income & Lettings income growth
 - Ongoing self-help measures delivered 4% Lettings growth (3% organic) and 17% growth in Financial Services (1% organic)
 - Residential sales exchange revenue down 9% with fees per unit up 1%
 - Write-down of LSL investment in Yopa by £12.2m
- **Surveying**
 - Strong revenue growth of 9% including a material contribution in H2 2018 from the Lloyds Bank plc contract
 - Strong growth in operating profit of 8% and strong operating margins of 29.3%

Strong Balance Sheet

- Net Bank Debt of £32.1m (2017: £30.0m)
- Gearing ratio² remains low at 0.8x 2018 Group Adjusted EBITDA (2017: 0.7x)
- Material reduction in PI payments in 2018, with a reduction in provision to £12.4m following a £2.2m exceptional PI Costs provision release
- 2019 expected exceptional cash costs of c.£9m relating to reshaping of the structure of the Your Move and Reeds Rains branch networks

Executing on our stated strategy

- **Estate Agency**
 - Increased recurring revenue
 - Strong Financial Services income growth with two Financial Services acquisitions during the year (PTFS and RSC)
 - Acquired a c.35% holding in Mortgage Gym Ltd, a digital mortgage business
 - LSL has recommenced its lettings book acquisition programme
 - One Marsh & Parsons branch opened during 2018 in outer prime London
 - Concluded Your Move and Reeds Rains ways of working programme, with changes announced on 5th February 2019
- **Surveying**
 - Material Lloyds Bank plc contract win in May 2018 on a five year contract
 - Continuation of technology roll-out with further system functionality releases
 - New graduate intake to alleviate the impact of capacity constraints

Group Operating Performance

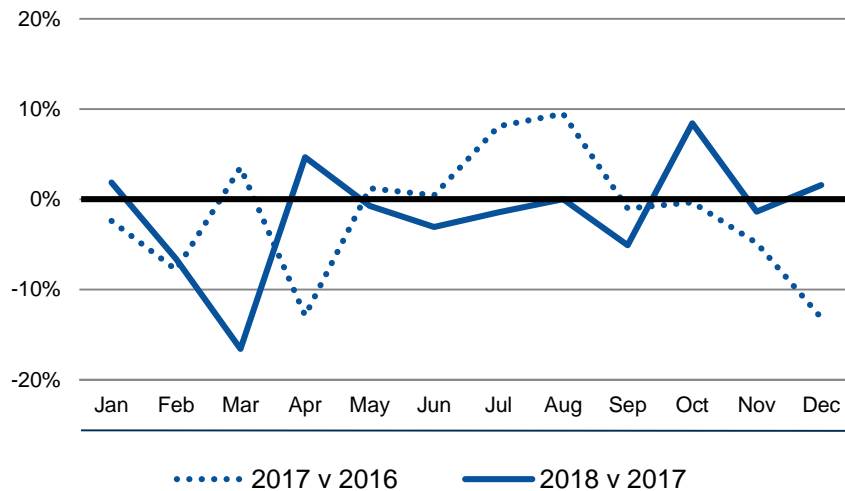
Group Revenue	£324.6m ▲ 4%	Net Exceptional (costs)/gain	(£3.0m) 2017: Exceptional Gain £9.3m
Group Underlying Operating Profit	£35.9m ▼ 4%	Adjusted Earnings Per Share	27.2p ▼ 4%
Group Adjusted EBITDA	£41.6m ▼ 3%	Proposed Dividend per share	10.9p ▼ 4%
Profit Before Tax	£23.1m ▼ 42%	Net Bank Debt / Gearing ratio	£32.1m / 0.8x



2018 Market Dynamics

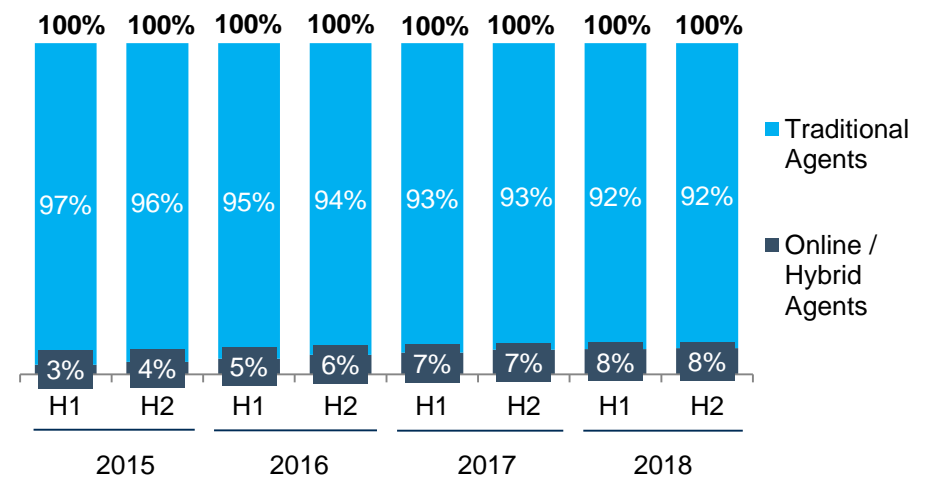
Market impacted in 2018 by challenging conditions

Approvals for House Purchases¹



- The UK residential property sales market was subdued in 2018. Approvals for house purchases¹ in 2018 were down by 1.9%
- The decline in market transactions continued to be more substantial in London and the South East²

Share of housing stock available for sale³



- The proportion of residential housing stock available for sale with online and hybrid estate agents sector continued to grow on a year-on-year basis, increasing from 7% in 2017 to 8% in 2018
- LSL continues to believe that traditional estate agents will represent the substantial majority of the Residential Sales and Lettings markets for the foreseeable future and that Estate Agency branches will continue to remain core to providing the service our customers expect

¹ Source: Bank of England House Purchase Approvals data

² Source: LSL estimates including Land Registry regional data - February 2019

³ Source: LSL sourced data analysis



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Group Financials: Summary

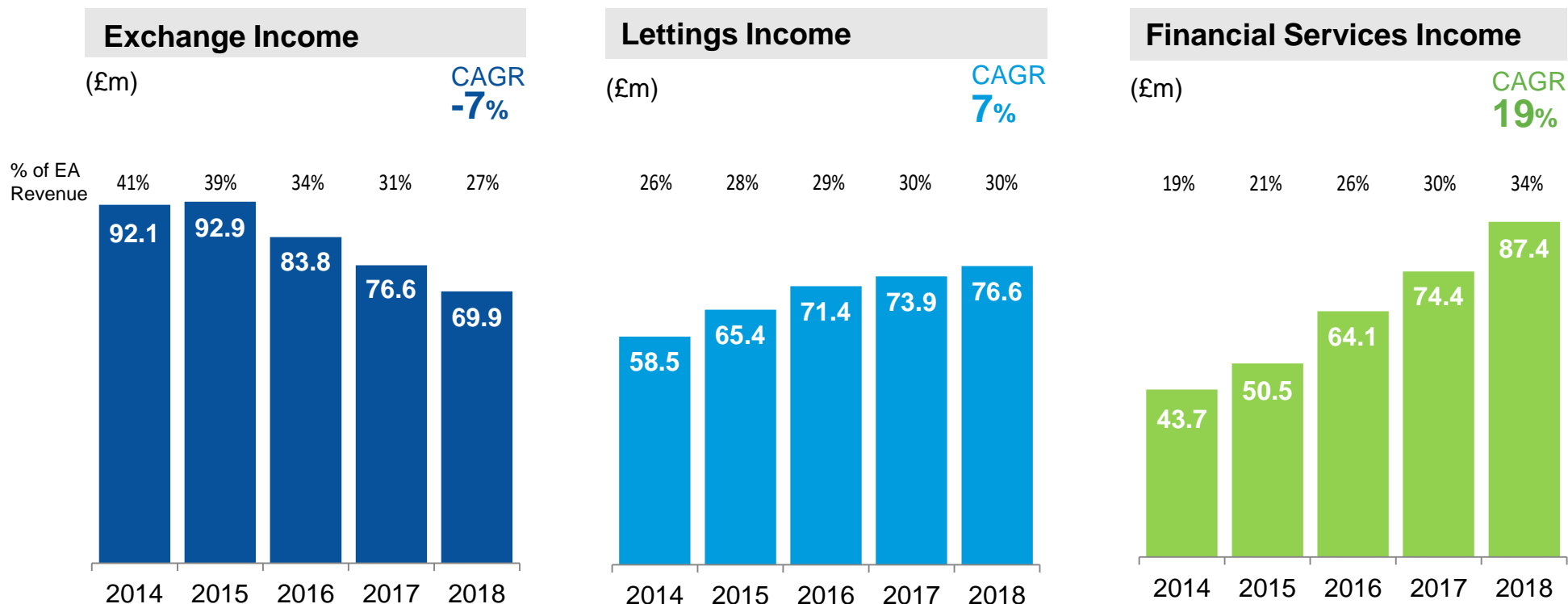
	2018	2017	Change
P&L (£m)			
Revenue	324.6	311.5	4%
Group Underlying Operating Profit	35.9	37.5	-4%
<i>Group Underlying Operating Margin</i>	11.1%	12.0%	
Group Adjusted EBITDA	41.6	42.7	-3%
Net exceptional (loss) / gain	(3.0)	9.3	
Profit before Tax	23.1	40.1	-42%
Cash-flow (£m)			
Cash-flow from operations ¹	36.9	43.8	-16%
Dividends (pence)			
Adjusted Earnings Per Share	27.2	28.3	-4%
Full year dividend Per Share	10.9	11.3	-4%

Financial Summary

- Total revenues up 4% (organic +0.3%)
- Overall Estate Agency Division income up 3% year on year
- Revenue up 9% in Surveying including a material contribution in the second half from commencement of the Lloyds Bank plc surveying and valuations services relationship
- Group Underlying Operating Profit down 4%, with Estate Agency down 24% and Surveying up 8%
- Group Adjusted EBITDA down 3%
- Total net exceptional costs in 2018 comprising £2.2m of exceptional gain relating to the historic PI Costs provision and exceptional costs of £5.2m
- Proposed full year dividend down 4%

Estate Agency Revenues

Successfully diversifying revenue streams over the last 5 years¹

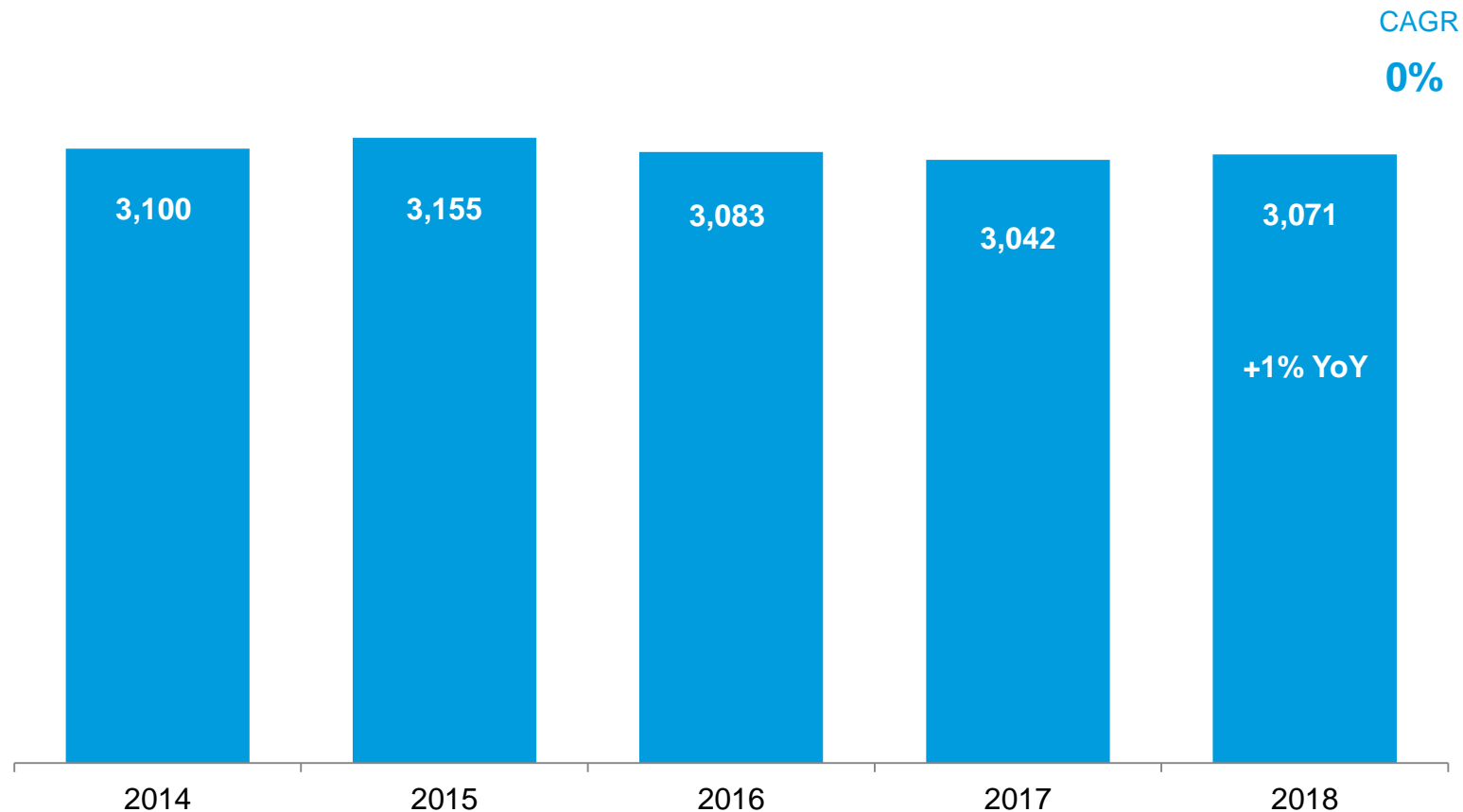


¹ All CAGR's measured over period 2014-2018



Average LSL Estate Agency Residential Sales exchange fee¹ (£)

LSL has been highly disciplined in its Residential Sales exchange fee strategy



¹ CAGR measured over period 2014-2018 for all brands (Your Move, Reeds Rains, LSLi and Marsh & Parsons)



Financial Performance: Estate Agency

Positive growth in Lettings and Financial Services

	2018	2017	Change
P&L (£m)			
Residential Sales exchange Income	69.9	76.6	-9%
Lettings Income	76.6	73.9	4%
Financial Services Income	87.4	74.4	17%
Asset Management Income	5.5	6.3	-13%
Other Income	15.4	16.2	-5%
Total Revenue	254.8	247.4	3%
Expenditure	(234.2)	(220.5)	-6%
Underlying Operating Profit	20.6	26.9	-24%
<i>Underlying Operating Margin</i>	8.1%	10.9%	
KPIs			
Exchange units (000's)	22.7	25.2	-10%
Fees per unit (£)	3,071	3,042	1%
Market data			
House purchase approvals ¹ (000's)	781	797	-2%
Repossessions ² (000's)	6.8	7.4	-9%

- Residential Sales exchange income impacted by a number of factors including:
 - Q4 2017 market conditions impacting opening 2018 pipeline levels
 - subdued market activity during 2018
 - selective branch closures in Q4 2017 (2% of wholly owned branch network)
- Highly disciplined Residential Sales exchange fee strategy throughout 2018, with increase of 1%
- Lettings income: growth of 4% (organic growth: 3%)
- Financial Services: income grew strongly again with 17% year-on-year growth in 2018. Adjusting for the acquisitions of PTFS and RSC in the first quarter of 2018, organic growth was 1% in line with market
- Asset Management market share of new possessions was maintained in 2018
- Like for like expenditure has been broadly maintained at the same level as prior year³

¹ Source: Bank of England House Purchase Approvals – January 2019

² Source: UK Finance 'Possessions on mortgaged properties' – February 2019

³ The Estate Agency like for like expenditure is after adjustments for acquisitions, share of profit/loss after tax from joint ventures and the one-off gain on sale of the leasehold property in Marsh & Parsons in H1 2017

Financial Performance: Marsh & Parsons¹

Resilient performance despite a challenging London market

	2018	2017	Change
P&L (£m)			
Total Revenue	33.5	34.3	-2%
<i>Residential Sales exchange Income</i>	11.7	13.5	-13%
<i>Lettings Income</i>	21.2	20.4	4%
<i>Other Income</i>	0.6	0.4	50%
Gain on sale of property	-	0.7	-
Expenditure	(31.2)	(31.1)	-
Underlying Operating Profit	2.3	3.9	-41%
<i>Underlying Operating Margin</i>	7.0%	11.3%	
Adjusted EBITDA	3.4	4.9	-31%

London market conditions

- LSL estimates that the overall London market for sales transactions was down by 15%-20% during 2018²

Marsh & Parsons performance

- Resilient top line performance given overall challenging prime Central London market, with revenue down by 2%
- Residential Sales exchange income down by 13%
- Lettings performance continued to deliver growth of 4% (3% adjusting for branch openings)
- Expenditure flat year-on-year despite the opening of the Chiswick branch in 2018, and the full year impact of two openings in 2017
- 2017 profits benefited from the one-off gain on the sale of a leasehold property of £0.7m

¹ Included in Estate Agency financial performance on slide 9

² Source: LSL estimates and external data including Land Registry regional data



Financial Performance: Surveying

Strong Revenue and Operating Profit Performance

	2018	2017	Change
P&L (£m)			
Total Revenue	69.8	64.1	9%
Expenditure	(49.4)	(45.2)	-9%
Underlying Operating Profit	20.4	18.9	8%
<i>Underlying Operating Margin</i>	29.3%	29.4%	
KPIs			
Jobs performed (000's)	366	309	18%
Revenue from private surveys (£m)	2.1	2.4	-13%
Income per job (£)	191	207	-8%
Number of operational surveyors at 31 st Dec ¹	503	321	57%
Balance Sheet (£m)			
PI Costs Provision at 31 st December	(12.4)	(15.9)	-22%

- Revenue was up by 9% including a material contribution in the second half of 2018 from the successful commencement of the Lloyds Bank plc relationship
- Strong growth in Underlying Operating Profit of 8%
- Continued to deliver strong operating margins of 29.3%
- Increase in the number of operational surveyors of 57% associated with the transfer to e.surv of the Lloyds Bank plc surveyors
- LSL's on-going graduate programme continues to be successful
- Continued positive progress in addressing historic Professional Indemnity (PI) claims with a £2.2m exceptional release

¹ FTE (Full Time Equivalent)



Financial Performance: Exceptionals

	2018	2017
Exceptionals Items (£m)		
Exceptional gains:		
Gain on sale of GPEA shares	-	5.6
Historic PI Costs provision release	2.2	3.7
Exceptional costs:		
Surveying contract transition and integration costs	(3.2)	-
EA restructuring costs	(2.0)	-
Net exceptional cost	(3.0)	9.3
	2018	2017
PI (£m)		
PI Costs provision	(12.4)	(15.9)
PI cash payments	(1.7)	(3.3)

- Total net exceptional costs in 2018 were £3.0m (2017: gain of £9.3m) comprising £2.2m of exceptional gain relating to the historic PI Costs provision and exceptional costs of £5.2m
- Exceptional costs in 2018 were initial one-off transition and integration costs for the Lloyds Bank plc contract and restructuring costs in the Estate Agency Division
- Continued positive progress in addressing historic Professional Indemnity (PI) claims with a £2.2m exceptional release
- Material reduction in PI payments in 2018
- Exceptional costs of approximately c.£15m expected in 2019 relating to the reshaping of the Your Move and Reeds Rains branch networks

Financial Performance: Balance Sheet

Reshaping the Your Move and Reeds Rains branch networks – Exceptionals

- Planned changes to the structure of the Your Move and Reeds Rains estate agency branch networks and operations were announced on 5th February 2019, following completion of LSL's ways of working programme
- LSL expects to invest approximately £1m of incremental capex which comprises IT system and telephony and improved tools for the colleagues in the keystone branch network
- A total exceptional P&L charge of approximately £15m is expected over 2019 and 2020. Of the total estimated exceptional P&L charge, approximately 80% of this will be in cash costs over the three years from 2019 to 2021 with approximately £9m falling in 2019. The cash costs will be funded out of free cash-flow
- The majority of the exceptional costs are expected to be redundancy costs and leasehold property costs with the balance comprising non-cash fixed asset write-offs
- LSL has a robust balance sheet with relatively low levels of gearing

Yopa valuation

- LSL retains a strong position in its traditional Estate Agency business. We continue to believe that traditional estate agents will represent the substantial majority of the Residential Sales and Lettings markets for the foreseeable future and that Estate Agency branches will continue to remain core to providing the service our customers expect
- LSL has a 14.7% minority shareholding in Yopa. LSL's previous carrying value of £20.0m for Yopa has been written down through reserves by £12.2m to £7.8m as at 31st December 2018 to reflect the Board's assessment of fair value

IFRS 16 (Leases)

- Implemented effective 1st January 2019
- Non-cash impact



Group Financials: Cash-flow

Business is extremely cash generative at the operational level

	2018	2017
Operating Cash-flows (£m)		
Group Underlying Operating profit	35.9	37.5
Depreciation, working capital etc.	1.0	6.3
Cash-flow from operations (pre PI and exceptionals)	36.9	43.8
PI Costs Payments	(1.7)	(3.3)
Exceptional receipt/(costs)	(3.3)	1.0
Cash-flow from operations (post PI and exceptionals)¹	31.9	41.5
Sale of financial assets	-	3.0
Acquisitions	(7.7)	-
Cash acquired on acquisitions	6.9	-
Investments and revaluations in JVs / financial assets and contingent / deferred consideration	(5.4)	(27.3)
Payment of loan notes (deferred consideration)	(2.0)	-
Proceeds from sale of property	-	1.5
Capital expenditure	(5.7)	(5.5)
Dividends paid	(11.6)	(10.6)
Interest, tax and other	(8.5)	(12.3)
Net Cash-flow	(2.1)	(9.7)
Closing Net Bank Debt at 31st December	(32.1)	(30.0)

- Strong cash from operations converting 103% of Group Underlying Operating Profit to cash-flow from operations (pre PI and exceptionals) (2017: 117%)
- Relatively low gearing. 2018 Net Bank Debt of £32.1m at 0.8x Group Adjusted EBITDA (2017: 0.7x)
- Working capital movement includes impact of £3.1m outflow related to acquisitions (creditors acquired)
- Acquisitions includes £3.6m PTFS initial consideration, £2.5m RSC consideration, and £1.7m on 6 lettings book acquisitions
- Total investments and consideration includes £4.1m to acquire a c.35% holding in Mortgage Gym Limited and £1.4m LSLi earn-out contingent consideration



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Market Overview, Strategy and Outlook

1

Market overview - volume & house price trends

2

Delivering on LSL's strategy

3

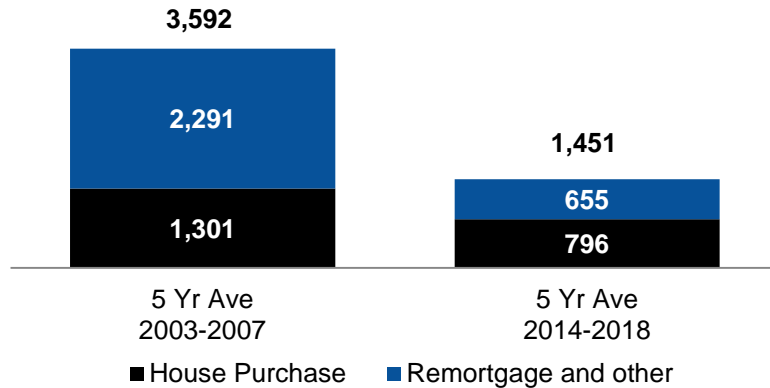
Outlook



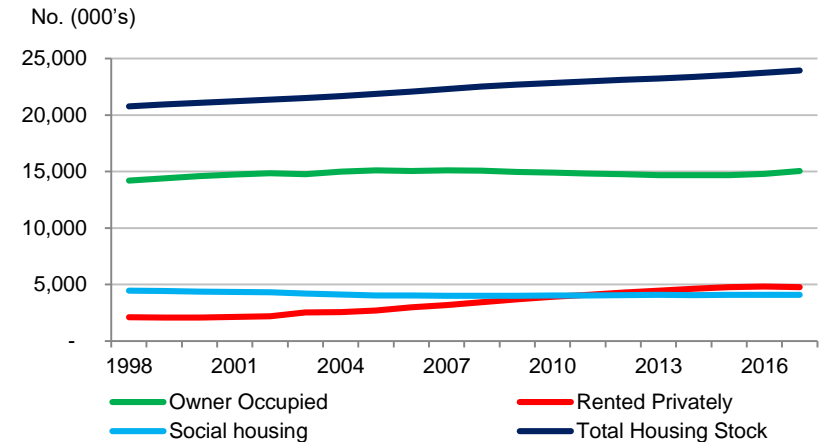
1 Market Overview: Volume Trends

Challenging residential market conditions during 2018

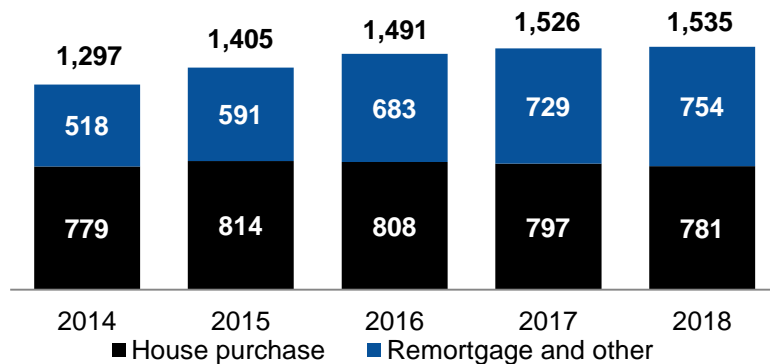
BoE: 5 Year Average Approvals Volume¹



Housing Stock: Dwelling stock by tenure²



Mortgage and House Purchase Approvals¹

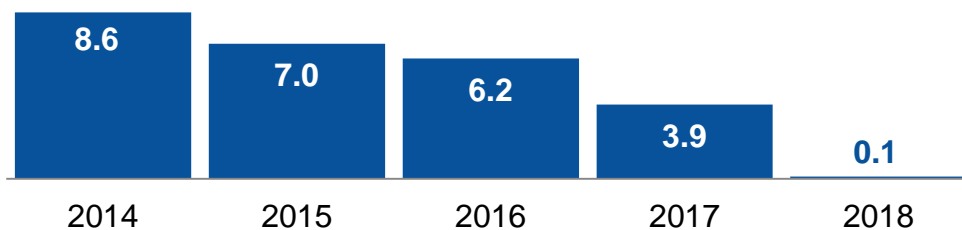


1 Market Overview: House Price Trends

Annual change in house price growth lowest for seven years

England and Wales – House Price Changes¹

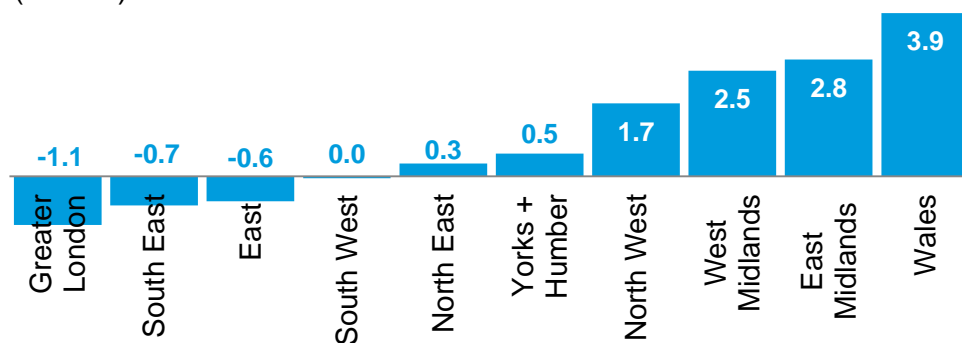
(% YoY)



- Average house prices in England and Wales increased by 0.1% to £305k
- Excluding London and the South East, the rest of UK and Wales showed house price growth of 1.0%
- Greater London house prices were down 1.1%

House Price Movements by Region during 2018¹

(% YoY)



¹ Source: LSL Property Services / Acadata HPI – February 2019



2 LSL Strategy: LSL plans to continue to execute on its stated strategy, positioning the Group for success across a range of market conditions

Mid-term strategy

Estate Agency	Drive operating profit per branch	Medium term ambition to achieve £80k to £100k profit per branch
	Marsh & Parsons branch rollout	Ambition to expand the number of branches to 36 in the medium term particularly outside prime Central London
	Increase recurring income	Organic Lettings growth and continuation of lettings book acquisitions
	Selective acquisitions/investments	Evaluate further selective acquisitions
	Enhancing core Estate Agency business	Execution of the ways of working programme: expected to deliver material improvements to Your Move & Reeds Rains operational performance
Financial Services	Enhance Financial Services position	Further strengthen LSL's position as a leading distributor of mortgage and non-investment insurance products
	Consistent delivery of appropriate outcomes for consumers	Focus on "best practice" standards of regulatory compliance
	Enhancement of technology solutions	Improve the customer experience and operational efficiency
	Selective acquisitions/investments	Assess further selective acquisitions
Surveying	Optimise contract performance	Continued focus and performance on contracts
	Improve efficiency and capacity utilisation	Further improvement in efficiency and capacity utilisation, leveraging from scale benefits
	Enhance proposition and deliver further improvements to risk management through the enhanced IT platform	Implement further functionality of IT system to drive improvements in customer satisfaction and performance
	Add capacity through graduate programme	Continue investment in graduate programme



2 LSL Group Strategy: Change to Segmental Reporting

Group reporting changed to reflect the increased importance of LSL's Financial Services businesses

- LSL's Financial Services Revenue CAGR over the 5-year period 2014 to 2018 has been 19%, representing approximately 27% of total Group revenue in 2018
- To reflect the increased importance of LSL's Financial Services businesses, the LSL Board has decided to update the Group segmental reporting effective from 1st January 2019
- From 1st January 2019 LSL will report three segments: Estate Agency; Financial Services; and Surveying and Valuation Services
- The 2018 and 2017 financial results contained within this presentation are on the previous segment reporting basis with two segments as the change to segment reporting did not come into effect until 1st January 2019

2 Estate Agency Strategy: Ways of Working Programme

Reshaping the Your Move and Reeds Rains branch networks

- The changes to the structure of the Your Move and Reeds Rains estate agency branch network and operations announced by LSL on 5th February 2019 are proceeding in line with expectations
- The Your Move and Reeds Rains branch network has been reduced from 308 to 144 keystone branches following the closure and merging of 81 neighbouring branches into the keystone branch network, the franchising of 39 branches to an existing franchisee and the closure of 44 branches
- Delivering the ways of working programme into Your Move and Reeds Rains is expected to deliver material improvement in Your Move and Reeds Rains operating profit, assuming no material change in market conditions

Your Move and Reeds Rains branch summary:

Branch numbers (at 31 st December 2018)				Branch numbers (at 5 th March 2019)			
Business	Owned	Franchise	Total	Business	Owned	Franchise	Total
Your Move	194	58	252	Your Move	89	84	173
Reeds Rains	114	38	152	Reeds Rains	55	51	106
Sub-total	308	96	404	Sub-total	144	135	279

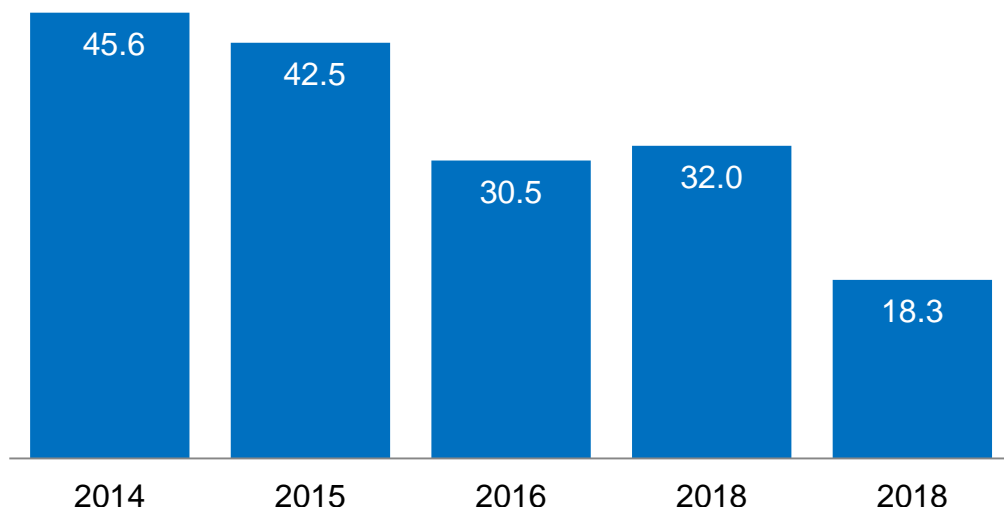


2 Estate Agency Strategy: Drive Operating Profit per Branch

The ambition is to achieve £80k to £100k profit per branch in the medium term for Reeds Rains, Your Move and LSLi branches

Estate Agency Operating Profit per Branch

(£k)



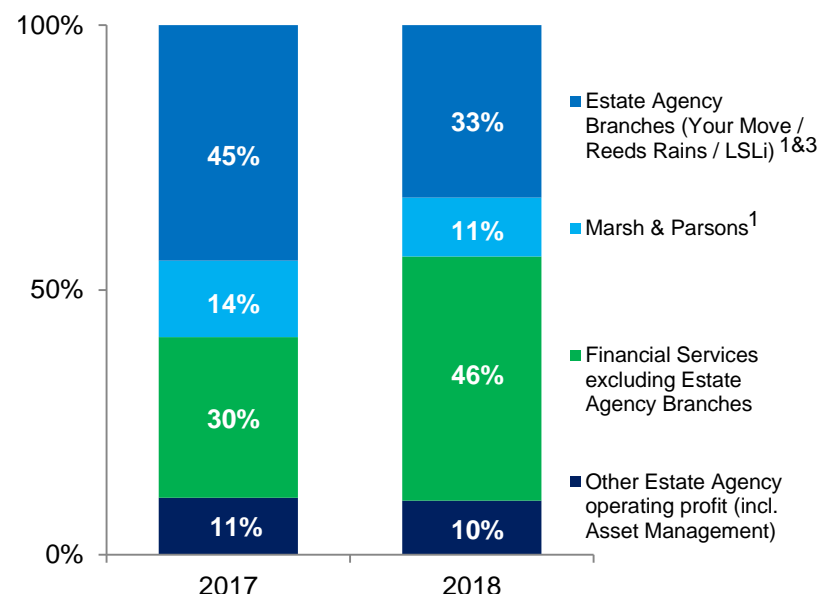
The ambition to achieve £80k to £100k profit per branch in the medium term is based on the expectation of a normalised level of market transactions in the UK residential property sales market

¹ The profit per branch methodology has been consistently applied since the profit per branch ambition of £80k-£100k was first announced by LSL in March 2014. Profit per branch is calculated for Your Move, Reeds Rains and the LSLi owned branches and excludes Marsh & Parsons

² Estate Agency branches and Marsh & Parsons include operating profit from residential exchange fees, lettings and financial services from branches

³ From 1/1/19 the Estate Agency Division will receive a commercially agreed commission payment from Embrace Financial Services which is part of the Financial Services segment. This arrangement reflects FS volumes generated from the Estate Agency segment

Breakdown of Total Estate Agency Division Underlying Operating Profit

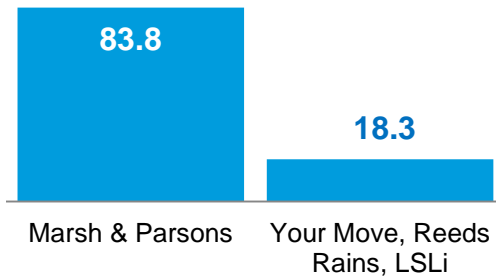


2 Estate Agency Strategy: Marsh & Parsons Branch Rollout

Marsh & Parsons is an award winning estate agency operating in London

2018 Profit per branch*

(£k)



M&P delivers higher branch profitability

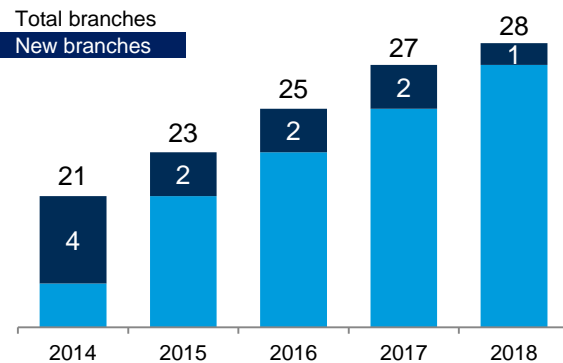
- Prime Central London is currently facing tough trading conditions
- Outer prime Central London has not been as negatively impacted as prime Central London
- The ambition is to expand the number of branches to 36 in the medium term (28 branches¹ as at 31st December 2018) particularly outside prime central London

MARSH & PARSONS

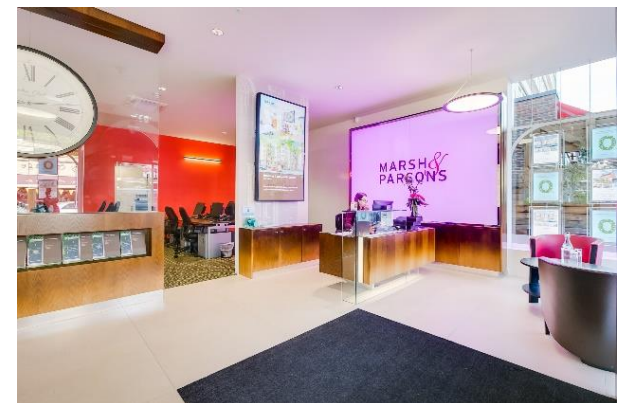
Chiswick opened in April 2018



Marsh & Parsons New Branch Openings



- A new branch in the outer prime Central London location of Chiswick opened in April 2018 and is performing in line with expectations
- Further new offices are under evaluation



LSL Property Services plc

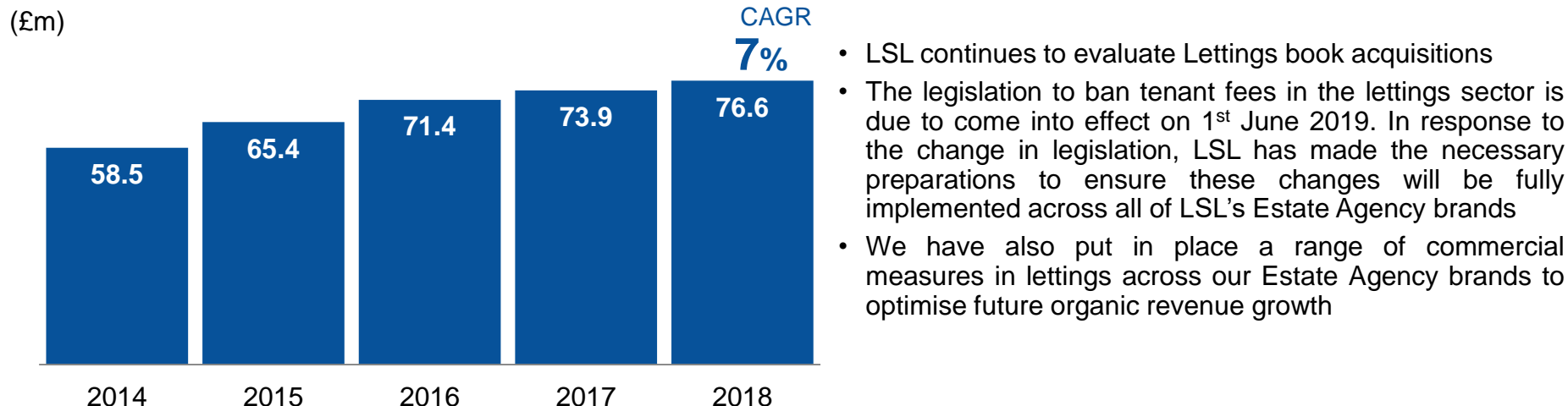
2018 YEAR END RESULTS PRESENTATION

¹ high street locations from which M&P operates

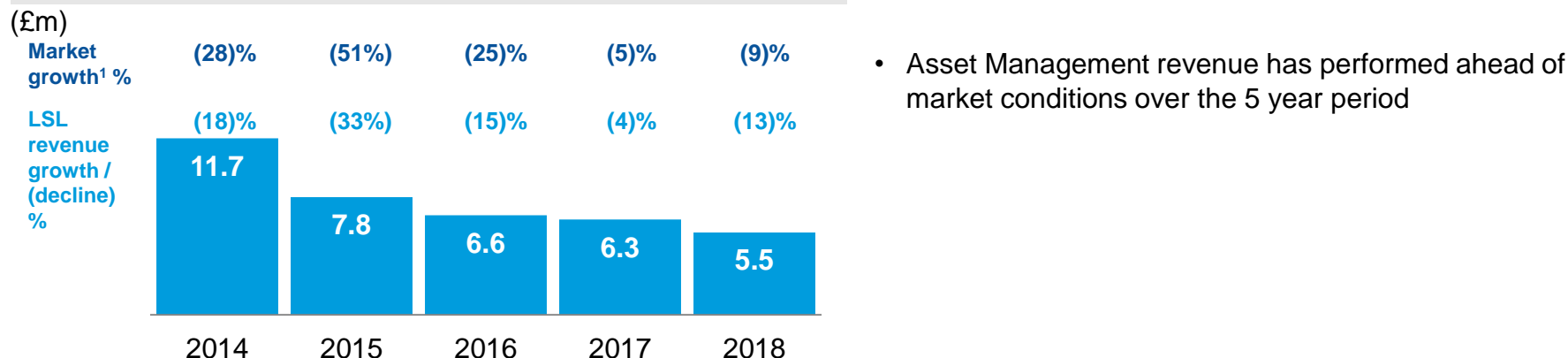
2 Estate Agency Strategy: Recurring Income Streams

One of our key objectives is to grow recurring income and where market conditions permit, counter-cyclical revenue streams









Recurring Revenue (Lettings)



Counter-cyclical Revenue (Asset Management)

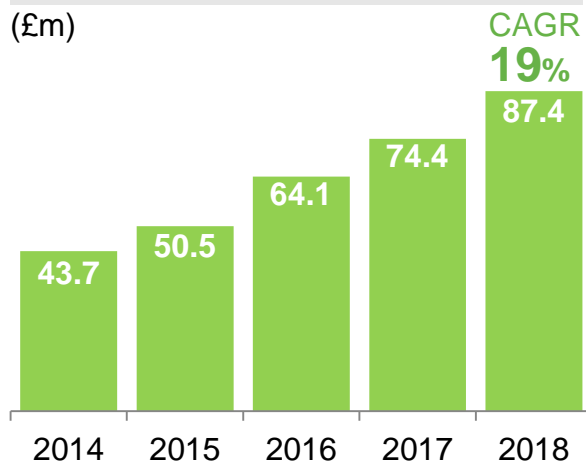


2 Financial Services (FS) Strategy: LSL FS Business Overview

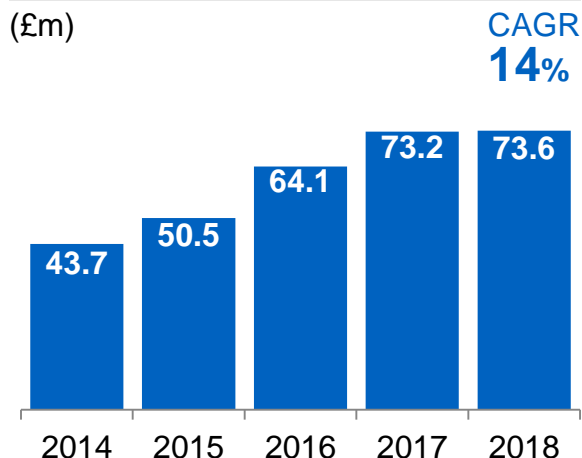
	<p>PRIMIS (657 firms - 1844 advisers) is the trading style of three Mortgage & Protection Networks that are regulated by the FCA, formerly trading as First Complete, Pink Home Loans and PTFS</p>
	<p>Personal Touch Financial Services (199 firms – 467 advisers) based in Solihull was acquired in January 2018 and includes mortgage protection and wealth managers</p>
	<p>The Mortgage Alliance is a trading style of Advance Mortgage Funding and distributes mortgages and financial services products to directly authorised mortgage intermediaries (over 2000 members with over 300 loyal users)</p>
	<p>Embrace Financial Services (advisers incl. in PRIMIS numbers) is the group of employed advisers who look after the estate agency mortgage and protection business, through the branch outlets and telephony channels</p>
	<p>First2Protect have been providing insurance services to customers of firms within the LSL Group for over 20 years through various trading styles, and offer competitively priced insurance products for property owners, landlords and tenants</p>
	<p>Linear Financial Solutions, an appointed representative of PRIMIS, provides those products through a network of financial consultants based remotely and in the branches of estate agents. Linear is a wholly owned subsidiary of LSL</p>
	<p>Mortgages First & RSC New Homes are appointed representatives of PRIMIS and specialise in providing mortgages and financial services to customers financing the purchase of new-build property. LSL are the majority shareholder in both businesses</p>
	<p>Mortgage Gym is a digital marketplace that matches mortgage borrowers with mortgage lenders, but without taking away real people from the process. LSL owns c35% of the equity in Mortgage Gym</p>

2 Financial Services Strategy (1 of 2)

Financial Services Income

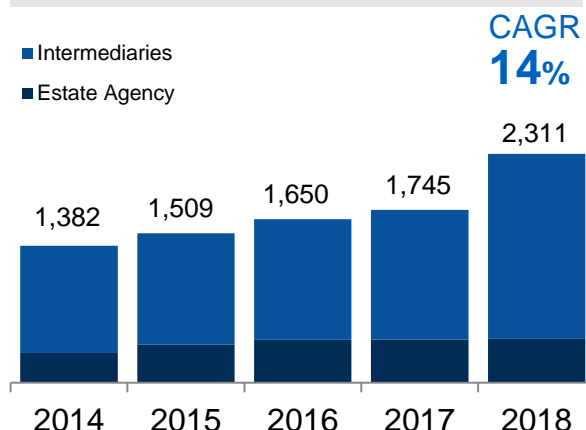


Organic Financial Services Income



- Organic growth has been achieved through advisor number growth and productivity gains
- Selective acquisition of Financial Services businesses during the last 2 years has enabled LSL to increase scale and market share
- Investment in RSC further strengthens LSL's new homes Financial Services offering
- LSL gross lending market share¹ increased to c.8.0% (2017: c.7.4 %)

Adviser Numbers

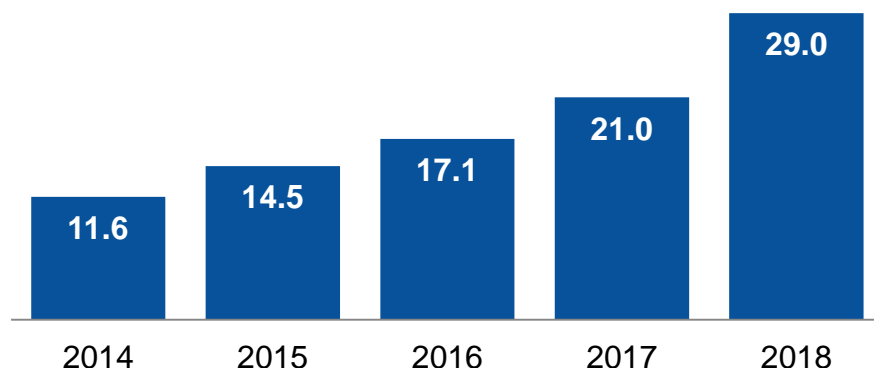


- Estate Agency generates financial services income by providing estate agency customers access to mortgage and related protection products as an intermediary broker as part of the housing transaction. Advisors typically operate out of the branch network
- LSL's Financial Services teams specialise in the brokerage of mortgage, pure protection and general insurance via its appointed representative network

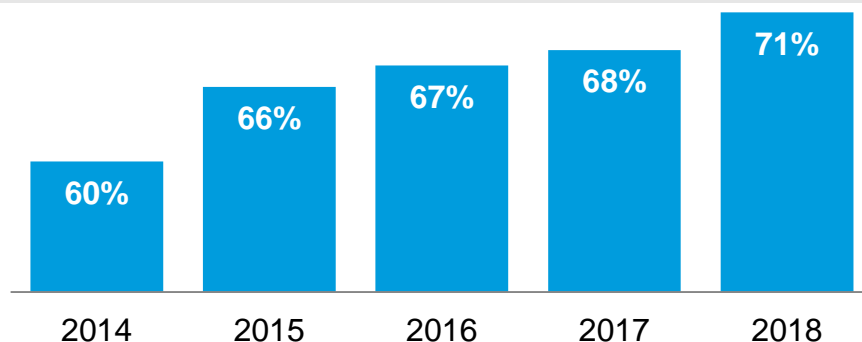


2 Financial Services Strategy (2 of 2)

Value of LSL Financial Services mortgage completions (£bn)¹



Market overview: percentage of intermediary market share for residential property excluding BTL and product transfers



PRIMIS
MORTGAGE NETWORK



Growth in value of LSL's mortgage completions

- Strong growth in the value of LSL's mortgage completions with the second largest network measured by combined numbers of appointed representative firms²

Strategy

- Enhance LSL's position as a leading distributor of mortgage and non-investment insurance products
- Consistent delivery of appropriate outcomes for consumers with a focus on "best practice" standards of regulatory compliance
- Enhancement of technology solutions to improve the customer experience and operational efficiency
- Evaluate further selective Financial Services acquisitions

Brand

- On the 1st February 2018, the mortgage intermediary networks First Complete and Pink were rebranded as PRIMIS Mortgage Network
- It was announced on the 31st January 2019 that PRIMIS Mortgage Network and PTFS would be joining to trade under the single PRIMIS brand

¹ LSL mortgage completions quoted include product transfers

² Source: Which-Network – network performance figures Q4 2018

2 Acquisitions and Investments

LSL has made the following acquisitions and investments with an increasing focus on Financial Services¹:



January 2018: Acquired the entire issued share capital of Personal Touch Financial Services Limited (PTFS) and its subsidiary company, Personal Touch Administration Services Limited (PTAS) for an initial consideration of £2.8m²

- PTFS is a financial services business specialising in the provision of mortgage and other financial services products via its network of intermediaries
- Supports LSL's strategy to grow long term profitability in the UK residential property services sector

March 2018: Acquired a 60% interest in RSC New Homes Ltd (RSC) for initial consideration of £2.5m

- Provides mortgage and protection brokerage services to purchasers of new homes
- Supports LSL's strategy to grow long term profitability in the UK residential property services sector

July 2018: LSL acquired 33.9% holding in Mortgage Gym Limited, a digital mortgage business, for cash consideration of £4.0m, and a further investment of £0.1m was made in September 2018 increasing LSL's holding to 34.7%

¹ These acquisitions and investments include LSL's material individual transactions from 1st January 2014 to 31st December 2018 and do not include any lettings books previously acquired by LSL

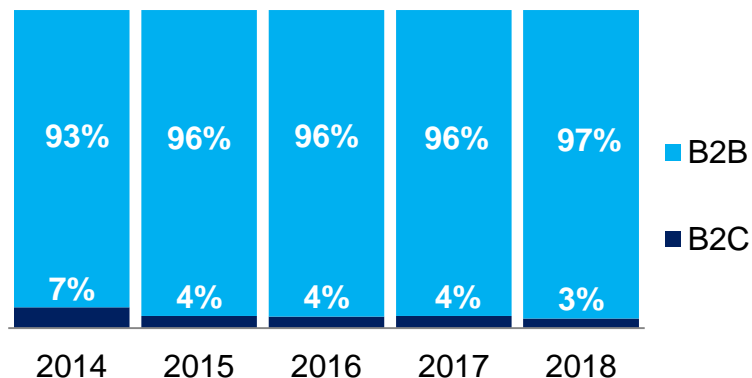
² Refer to Note 9 Acquisitions in the Preliminary Statements for further detail

2 Surveying Strategy (1 of 2)

Strategy

- Focus on the B2B market where the economics are most favourable
- Optimise contract performance and revenue generation from B2B customers
- Achieve further efficiency through optimising capacity management supported by IT technology
- Use technology to target further improvements in customer satisfaction and performance
- LSL's on-going graduate programme continues to be successful and assists in alleviating the impact of capacity constraints in the market

B2B and B2C revenue



New technology

- Following the successful roll out in 2016 of the market leading IT system there has been continued focus on optimising efficiency and operational performance through further enhancements and developments
- The technology roll-out continued during 2018 with further functionality releases designed to enhance quality and drive efficiencies e.g. risk and quality cost reduction

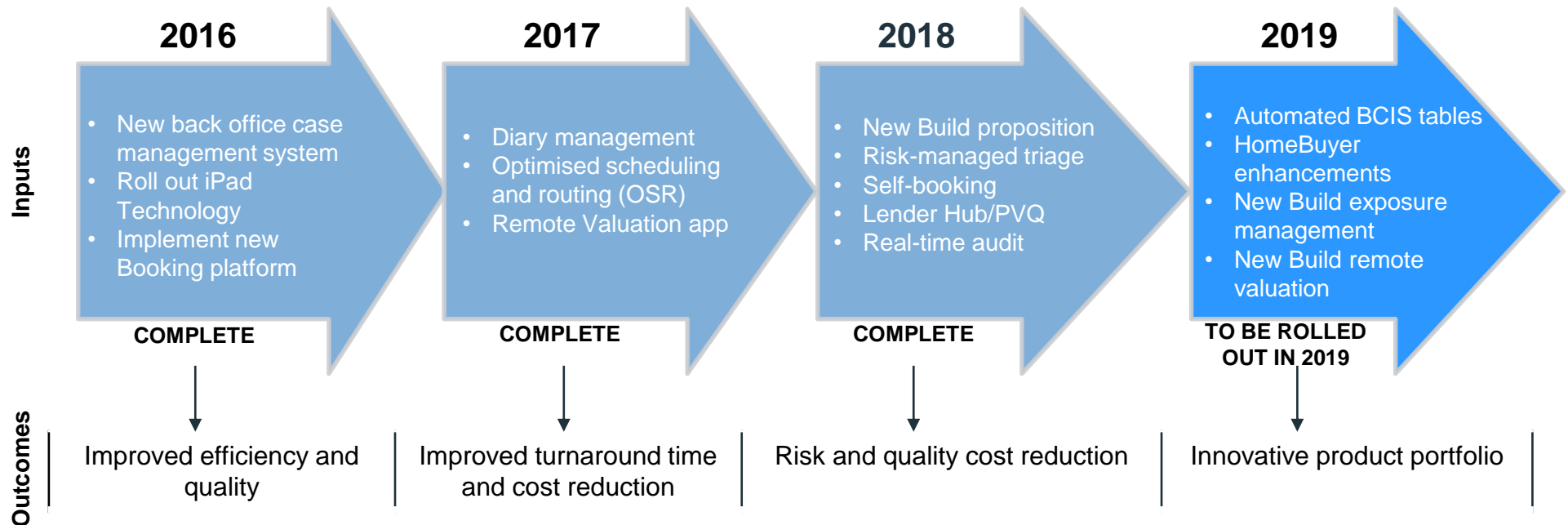


2 Surveying Strategy (2 of 2)

Surveying is focused on delivering against the following principles:

- **Creating the best customer service experience**
- **Providing and consistently delivering a compelling innovation roadmap**
- **Ensuring excellent property risk management expertise**

These strategic aims are underpinned by the ground-breaking technology successfully rolled out by Surveying in 2016 and 2017 with further innovations delivered in 2018 and beyond. Surveying is also the only provider with an established and operational Lender Hub



3 Outlook

Market conditions in 2019 have been notably softer than the equivalent period in 2018, whilst LSL's financial performance so far in 2019 has been marginally behind the Board's expectations. Nevertheless, at this early stage in the year, the Board's current expectation is that the Group will deliver a full year Underlying Operating Profit in line with its prior expectations, as the business is expected to continue to benefit from the range of LSL's ongoing self-help measures.

We continue to remain cautious on the residential property market outlook for 2019 given the current uncertainty over the UK and global political and economic environment and the potential impact on UK consumer confidence.

The Board currently expects to see a material reduction in the volume of house purchase transactions compared to the prior year. Mortgage costs continue to be low by historic standards and mortgage availability remains good. The medium to longer term fundamentals of the UK housing market remain solid.

The final arrangements for the planned exit from the European Union are uncertain. In the eventuality that the outcome leads to a changed impact on consumer confidence and our business, we will update our Shareholders.

Although Brexit and the current political environment continues to create uncertainty, the Group has a robust balance sheet with relatively low levels of gearing and is very cash generative at an operational level.

LSL continues to execute on its stated strategy and we are confident that LSL, with its market leading brands, broad portfolio of residential property services and the benefits from the proactive self-help measures, remains well positioned to perform well given a range of potential market conditions, in order to maximise Shareholder value. The Board remain confident of the opportunities for further positive progress for the Group.



Agenda

1.	Group Highlights
2.	Financial Performance
3.	Market Overview, Strategy and Outlook
4.	Q&A
5.	Appendices

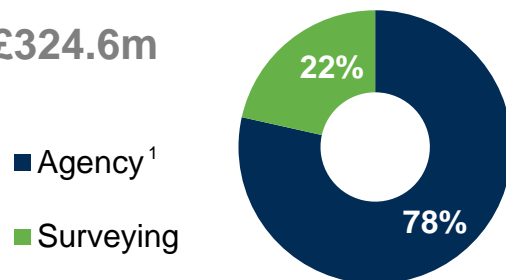


Appendices

LSL Property Services plc: Business Overview

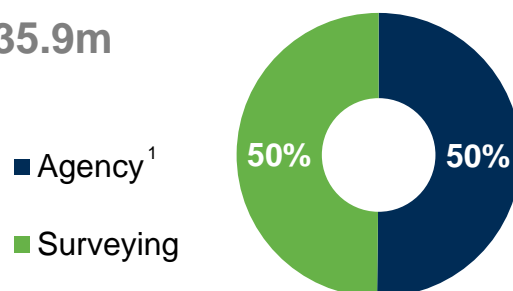
2018 Revenue

£324.6m



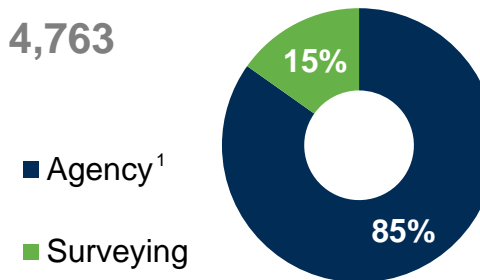
2018 Operating Profit

£35.9m



2018 Average FTE²

4,763



¹ Includes Estate Agency branches, Financial Services, Asset Management

² FTE (Full Time Equivalent)

Segments

Business	Primary Channel	Geography	Consumer brands
Estate Agency	B2C	UK	12 ¹
Surveying	B2B	UK	-

Estate Agency Revenue Split

Marsh & Parsons	17%	Central London London / South East Predominantly North
LSLi	19%	
Reeds Rains	22%	
Your Move	42%	National coverage

Branch numbers (at 31st December 2018)

Business	Owned	Franchise	Total
Your Move	194	58	252
Reeds Rains	114	38	152
Sub-total	308	96	404
LSLi	57	2	59
Agency Branches	365	98	463
Marsh & Parsons	28	-	28
Total	393	98	491

Branch numbers (at 5th March 2019)

Business	Owned	Franchise	Total
Your Move	89	84	173
Reeds Rains	55	51	106
Sub-total	144	135	279
LSLi	57	2	59
Agency Branches	201	137	338
Marsh & Parsons	28	-	28
Total	229	137	366



LSL Property Services plc

2018 YEAR END RESULTS PRESENTATION

¹ Excludes Yopa: LSL owns a 14.7% shareholding in Yopa

Financial Performance: Operating Profit per Branch

Break-down of Operating Profit per Branch

	2018			2017		
	Operating Profit	Branch Numbers	Operating Profit Per Branch	Operating Profit	Branch Numbers	Operating Profit Per Branch
	£m	No.	£k	£m	No.	£k
Estate Agency Branches (excluding Marsh & Parsons)						
Operating profit ¹	6.67			11.96		
Operating branch numbers (owned)		365			374	
Operating profit per branch			18.3			32.0
Marsh & Parsons						
Operating profit ¹	2.35			3.86		
Operating branch numbers		28			27	
Operating profit per branch			83.8			142.8
Other						
Financial Services excluding Estate Agency Branches	9.47			8.19		
Other Estate Agency operating profit (including Asset Management)	2.08			2.89		
Total Estate Agency Division Underlying Operating Profit	20.6			26.9		

2 Estate Agency Strategy: Marsh & Parsons Branch Rollout

Branch Openings since 2013

MARSH & PARSONS

2013

South Kensington
January 2013



Bishop's Park
June 2013



Marylebone
June 2013



Shepherd's Bush
March 2014



East Sheen
September 2014



Richmond
September 2014



Camden
October 2014



2015

Shoreditch
February 2015



Queen's Park
April 2015



Tooting
January 2016



2016

Tufnell Park
May 2016



2017

Brixton
January 2017



Islington
September 2017



2018

Chiswick
April 2018



Disclaimer

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