

M Winkworth Plc

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Winkworth shares jump as profits rise on growth in rental revenues

Estate agent M Winkworth Plc (LON:WINK) reported a 5% rise in 2018 pre-tax profit as revenue was led higher by a strong performance in the rentals business.

Pre-tax profit increased to £1.45m last year from £1.38m in 2017 and revenue grew to £5.98m from £5.42m.

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Winkworth's sales transactions fell by 4%, driven by a 6% decline in London where the housing market has slowed, but it outperformed peers and its market share improved.

"Stretched affordability levels and increased taxation, combined with uncertainty around Brexit discussions, meant that, despite strong employment and low interest rates, property prices continued to decline in 2018," said chief executive Dominic Agace.

The decline in property sales was offset by a 8% increase rentals revenue, which now accounts for 50% of total revenues.

In the franchised office network, revenue rose by 1% to £46.5m with sales down 6% and rentals up 8%.

"After opening six new offices last year and reselling another six to new management, we expect this year to see new opportunities as some competing agencies seek to plug into to the Winkworth platform to grow their market share and others look to sell their portfolios," said Agace.

Since the start of the new financial year, the group said it has been generating new franchising applicants and a pipeline for new offices broadly in line with 2018.

However, the company expects a delay in some of the new applicants coming on board as they await the outcome of Brexit negotiations. Once there is more clarity on the UK's departure from the European Union, more applicants are expected to join the franchise network.

Winkworth proposed a 7.45p dividend per share, up from 7.25p in 2017.

Shares jumped 7.6% to 113p in late morning trading.

Price: 130

Market Cap: £16.55 m

1 Year Share Price Graph



July 2019 February 2020 June 2020

Share Information

Code: WINK

Listing: AIM

52 week High Low
185 65.2632

Sector: Real Estate

Website: www.winkworthplc.com

Company Synopsis:

Winkworth Franchising is a UK-based franchised estate agency, with 86 offices in total. Its core business is the franchising of estate agency sales, residential lettings and property management services under the brand name 'Winkworth'. Winkworth is traditionally associated with the London property market, where the majority of its offices are based.

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