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FULL YEAR ANNOUNCEMENT FOR RIGHTMOVE PLC - YEAR ENDED 31 DECEMBER 2023

Rightmove plc, the UK's largest property portal, today announces its audited results for the year ended 31 December 2023.

A year of strong financial, operational and strategic progress

Financial Highlights	**2023**	**2022**	**Change vs 2022**	**% Change vs 2022**
Revenue	£364.3m	£332.6m	£31.7m	+10%
Operating profit	£258.0m	£241.3m	£16.7m	+7%
Underlying operating profit(1)	£264.6m	£245.4m	£19.2m	+8%
Final dividend	5.7p	5.2p	0.5p	+10%
Total dividend for the year	9.3p	8.5p	0.8p	+9%
Basic earnings per share	24.5p	23.4p	1.1p	+5%
Underlying basic earnings per share(2)	25.2p	23.8p	1.4p	+6%

- Revenue up £31.7m/10% on 2022 to £364.3m, as customers continued to upgrade their packages and increase their use of digital products

- Operating profit of £258.0m; up 7% on 2022 (2022: £241.3m); Underlying Operating Profit(1) of £264.6m; up 8% on 2022 (2022: £245.4m)

- Basic earnings per share up 5% to of 24.5p (2022: 23.4p) and underlying basic earnings per share(2) up 6% to 25.2p (2022: 23.8p)

- Final dividend for 2023 up 10% to 5.7p (2022: 5.2p) per ordinary share. Total dividend for 2023 up 9% to 9.3p (2022: 8.5p)

- £201.7m of cash returned to shareholders through share buybacks and dividends during 2023 (2022: £197.7m)

- Cash and cash equivalents, including money market deposits, at the end of the period was £38.9m (31 December 2022: £40.1m)

Operational highlights

- Average revenue per advertiser (ARPA) (3) up 9% to £1,431 per month (2022: £1,314)

- Total membership reduced 1% at 18,785 (2022: 19,014), with Agency branches down 93/1% and New Homes Developments down 136/4% since the start of the year

- Resilient traffic, with a total of 15.4 billion(4) minutes spent on the platform in the year (2022: 16.3 billion). Time on platform 27% higher than 2019 (2019: 12.1 billion)

- Continued uptake of our top packages – Optimiser Edge and 2020 for agents, with 35% of independent agents now subscribing, up from 34% in December 2022, and Advanced for developers, with 53% of developers subscribing (December 2022: 42%)

- Ongoing strategic innovation to increase the digitisation of sales and rental transactions, with the introduction of agent mortgage broker solutions for consumers and the full Lead to Keys digital journey for renters and rental agents

- Rebasing of our emissions targets and continued progress towards achieving them; alongside the launch of our Go Greener initiatives to help facilitate the property industry's green transition, using our vast and unique property market dataset.

(1) Underlying operating profit is operating profit before the share-based payments (including the related National Insurance charge)
(2) Underlying basic EPS is profit for the year before share-based payments charges (including the related National Insurance and appropriate tax adjustments), divided by the weighted average number of ordinary shares outstanding in the period
(3) Average Revenue per Advertiser (ARPA) is calculated as revenue from Agency and New Homes advertisers in a given month divided by the total number of advertisers during the month, measured as a monthly average over the year
(4) Source: Google analytics

Outlook

Our financial performance in 2023 reflects the resilience of our business model, our market leading position with UK consumers and the strength of the Rightmove network effect. We continue to build the business from this position of strength.

In 2024, we expect ARPA growth of £100-£110, driven by the new Optimiser Edge package, ongoing product uptake and contract renewals, with overall revenue growth of 7-9%.

Customer numbers are likely to drop slightly, given the ongoing uncertainty in the macro environment.

We will continue to invest in innovation for both our consumers and our customers, and into accelerating our strategic growth areas of commercial real estate, rental services and mortgage lead generation, while maintaining disciplined cost management. We anticipate an underlying operating margin(1) of 70% in 2024.

Our capital allocation policy remains unchanged. We prioritise organic investment, including any bolt-on M&A that might help us to accelerate the execution of our strategy. We then prioritise a progressive dividend policy, following which all remaining cash generated in the year is returned via share buybacks.

The strength of our business model, coupled with ongoing innovation, underpins the Board's confidence in Rightmove's outlook for 2024 and beyond.

(1) Underlying operating margin is defined as the underlying operating profit as a percentage of revenue.

Johan Svanstrom, Chief Executive Officer, said:

"In a year of economic uncertainty, consumers continued to trust Rightmove as the place to turn to help them make their move. Customers were able to choose from an expanded, more sophisticated product suite, to continue to drive business results in a changing market environment.

"Our financial performance in 2023 reflects the strength of our business model and our platform network effects.

"The results are underpinned by the commitment and talent of the Rightmove team, who are focused on innovation and delivering continuous improvement for our customers and consumers. We reshaped our strategy during 2023, setting out a plan to further digitise the property sector, expand our business, stretch our brand and accelerate the financial performance long term. We are looking forward to 2024 with confidence and to delivering further value to all stakeholders on our platform, progressing the ambitious Rightmove strategy."

The Company will publish a pre-recorded audio results presentation at 7.00am today, followed by an audio Q&A session for analysts and investors at 9.30am with Johan Svanstrom, CEO, and Alison Dolan, CFO.

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Chair's review

It is my pleasure to present Rightmove's results for the year ended 31 December 2023. In a year of ongoing economic challenge, I am delighted that our strong financial results demonstrate the resilience of the Group's business model and the value we have delivered for both our customers and all our stakeholders.

Economic uncertainty, driven by higher interest rates, continued throughout 2023, with much speculation on the potential for a negative impact on the housing market. In the end, housing transactions remained resilient at 1.0million[(1)] (2022:1.2million). Home hunters remained active in their desire to move, and our customers continued to use our site and digital products to help them find new properties and sell current ones – developing their own businesses via Rightmove as they did so. Home hunters continued to trust and value Rightmove as the place they turn to first and return to most, as they searched for their next property and for a trusted agent to help with their home-moving journey.

The value that Rightmove's customers and consumers derive from our products is delivered by our talented and adaptable teams, who are committed to exceeding their expectations and ensure they receive a market leading experience. On behalf of the Board, I would like to thank all our customers for their continued confidence in Rightmove, and our colleagues, for their dedication and hard work.

Johan Svanstrom succeeded Peter Brooks-Johnson as Chief Executive in March in an orderly and seamless transition for which I would like to thank both Peter and Johan. We set out the strategy for the business for the coming five-year period at our Investor Day on 27 November, establishing the size of the opportunities for some of our newer strategic businesses – commercial real estate; mortgages and rental services – as well as the ongoing opportunity for growth in our core business. We provided clarity on the financial and operational targets we have set and the acceleration of revenue and profit that these represent.

During 2023, the Board focused on supporting the management team and on establishing our ambition over both the medium and longer terms. We also focused on the potential of AI to help to deliver some of this growth at greater pace and cost-efficiency, enabling us to continue to give our customers and consumers the user experience they have come to expect from the UK's number one property portal.

Financial Results

The Group's results reflect the strength of the business model and our core value proposition, delivering underlying operating profit[(2)] of £264.6m (2022: £245.4m) and operating profit of £258.0m (2022: £241.3m) from revenue of £364.3m (2022: £332.6m). Underlying basic earnings per share[(3)] was 25.2p (2022: 23.8p) and basic earnings per share 24.5p (2022: 23.4p). The cash[(4)] position at the year-end was £38.9m (2022: £40.1m), having returned all surplus cash to shareholders.

Returns to shareholders and dividend

In keeping with our policy of returning free cash to our shareholders, £201.7m (2022: £197.7m) was returned: £130m through the share buyback programme, and £71.7m through dividend payments made in May and October.

The Board remains confident in our ability to deliver sustainable returns to shareholders and is recommending a final dividend of 5.7p per share for 2023 (2022: 5.2p). The final dividend will be paid, subject to shareholder approval, on 24 May 2024, taking the total dividend for the year to 9.3p (2022: 8.5p).

Board changes

On 6 March 2023, Peter Brooks-Johnson stepped down from his position as CEO and as an Executive Director. I would like to thank Peter for his leadership as CEO and for everything he contributed throughout his 16 years of outstanding service that enabled Rightmove to become the clear market leader.

Johan Svanstrom was appointed to the Board on 20 February 2023, and became CEO on 6 March 2023, bringing an impressive track record of growing established business-to-consumer online marketplace businesses.

Rakhi Goss-Custard stepped down from the Board on 5 May 2023, having served her maximum term as a Non-Executive Director. I would like to thank Rakhi for the significant contribution she made to the Board throughout her tenure and particularly for the deep knowledge of the customer and consumer experiences she brought from a range of other digital product and mobile platforms.

Kriti Sharma was appointed to the Board on 25 July 2023. She brings internationally recognised expertise in AI and a strong record of building and transforming successful technology businesses and products for consumer, B2B and enterprise companies. She is currently Chief Product Officer, LegalTech, for Thomson Reuters and was formerly the VP of Artificial Intelligence at FTSE 100 software company The Sage Group plc.

Board governance

The Corporate Responsibility Committee has continued to guide and oversee progress in the delivery of our Environmental, Social and Governance (ESG) strategy. I am delighted with the launch of our new Go Greener initiative, which will help provide a pathway to greener property in the UK, recognising that Rightmove has an opportunity to not only focus on its own operations and emissions but to contribute, through its unique property market data and insights, to helping with the UK's target to become Net Zero by 2050.

The Audit Committee has overseen the selection of a new Head of Internal Audit as we transition, during 2024, from outsourced internal audit to an in-house function and has continued to monitor the second phase of the implementation of the new Enterprise Resource Planning (ERP) system.

Looking ahead

Our mission remains to continually innovate, to make property moving easier and simpler by giving everyone the best place to turn to – and return to – for access to the tools, data and expertise to successfully enable their move.

Whilst continuing to focus on our core business of the UK domestic property market, our ambitions are to further invest into, and digitise, our existing but smaller business areas. These include enhanced advertising in the commercial real estate market, capturing value from our unique property data, improving the rental journey and offering a range of mortgage related products.

I am looking forward to continuing to work with our teams on our long-held strategy to deliver greater value for all our stakeholders in 2024.

Andrew Fisher
Chair

(1) Residential property transactions in the UK recorded by the Land Registry
(2) Underlying Operating Profit is defined as operating profit before share-based payments charges (including the related National Insurance)
(3) Underlying basic EPS is defined as profit for the year before share-based payments charges (including the related National Insurance and appropriate tax adjustments), divided by the weighted average number of ordinary shares in issue for the period
(4) Cash including money market deposits

Chief Executive's review

One year in and I am delighted to report continued growth for Rightmove through 2023. With all the macro uncertainty, particularly in the early part of the year, we have delivered not just strong financial growth, but increased the quality and range of products and efficiency tools we offer to our consumers and customers. We also reshaped our strategy, setting out an ambitious plan to expand our business, stretch our brand, and deliver meaningful acceleration in both revenues and profits over the coming five years. Our new vision is to 'give everyone the belief they can make their move'.

Resilience of the business model through all cycles of the property market

The housing market slowed somewhat during 2023, reflecting the increased interest rates and noisy economic backdrop, to 1.0 million (1) sales transactions (2022: 1.2 million).

The most notable impact of the higher interest rate environment was increased caution on the part of buyers and sellers. Although this prolonged the property cycle (the time it takes for a seller to find a buyer) to an average of 59 days (2) (2022: 37 days), it remained broadly in line with pre-pandemic markets (2019: 66 days). In this slower property market, both estate agents and new homes developers needed to work harder to close sales and to win new vendor mandates. Nonetheless, they remained resilient and agile, and trusted the Rightmove platform and products to provide them with marketing solutions, lead-generation opportunities and market data.

As a result, our revenues increased by 10% on 2022. This continued growth in a more challenging market, as well as during the post pandemic years of more frenzied property market activity, demonstrates the robustness of our business model, and the return on investment our products provide to customers, in all cycles of the property market.

Leading products and innovation for both consumers and customers

Rightmove remained the place that consumers chose to turn to first, and engage with most, throughout 2023. Over 86% of all time spent on property portals in the UK was spent on Rightmove (2022: 85%) (3) and Google continued to report that more people start their property searches with 'Rightmove' than with 'Property'(4). Consumers visited the Rightmove platform over 2.2 billion times during 2023 (2022: 2.3 billion) and spent over 15.4 billion minutes searching and researching properties (2022: 16.3 billion). The reduction in both visits and time since 2022 reflects the more challenging market during 2023, however both metrics are well above pre-pandemic levels and show the growing strength of the Rightmove platform; up 38% and 27% respectively on 2019 (2019: 1.6 billion visits, 12.1 billion minutes).

Consumers ongoing choice of Rightmove reflects our investment in continuous improvement of the platform's features and the data that underpins it, and a determination to ensure that every visit is both worthwhile and enjoyable. During 2023, we focused on ways to get to know more about our consumers - to allow us to better personalise their experiences and provide each visitor with relevant content, expanding beyond the part of finding a property. In addition to search tools, we invested in expanding the research data we provide to consumers - such as our House Price Index, and our publication of weekly mortgage updates and a quarterly rental tracker; all of which leverage our unique property data. We sent 3.6 million consumer emails every week, providing updates and insights on the property market.

The extent of Rightmove's consumer reach means that our customers can advertise their own brands and properties to the largest property audience in the UK. With our suite of marketing products, customers see both outstanding and measurable results. During 2023, we continued to invest in new and improved products to deliver further customer value and to improve marketing opportunities. We enhanced our top package for estate agents with the launch of Optimiser Edge, which contains two exclusive products: Native Search Adverts (NSA), an interactive advert on the search results page that drives enhanced consumer engagement and the ability to re-target consumers; and a Premium version of our Price Guide that provides data-backed personalized reporting to support agents' valuations. Both products exemplify how Rightmove can deliver unsurpassed value from the largest and deepest data set in the UK market. The top package for new homes developers, Advanced, was upgraded to improve the look of video content which showcases their developments.

The extent of our consumer reach also allows us to provide customers with a wealth of behavioural data through our lead-generation products - Rightmove Discover and Local Valuation Alert - which increase the value of a Rightmove sales lead. Over 60 million leads were sent from our platform during 2023, a reduction on 2022 (2022: 67 million) due to the slower market and buyer caution, but a strong 50% increase on 2019 (2019: 40 million), demonstrating the value of our ongoing investment in lead generation products.

More than marketing

Customers get much more than marketing as part of their Rightmove membership. Our customer platform, Rightmove Plus, is designed to make running customers' day-to-day businesses easier and more time efficient, through managing their listings, accessing data and generating reports such as the Best Price Guide (used over 19 million times in 2023). Customers also have access to the Rightmove Hub which provides market leading professional training programmes for their employees. This includes regularly scheduled CPD-certified webinars - covering topics from the latest legislation and mandatory training requirements to changes in the market conditions (viewed over 23,000 times during 2023); a hub of supporting documents and material to research and read; and our free Ofqual-regulated Level 3 Certificate for Estate and Lettings Agents (CELA), which over 3,000 agents signed up to during 2023. Agent managers can assign, track and ensure compliance with training across their teams using the Teams View tool within the Hub. Over 40,000 individual agents are registered on the Rightmove Hub.

Expanding our vision and strategy

Our vision is to give everyone the belief they can make their move, and, to achieve that vision, our mission remains to make the move easier and simpler, by giving everyone access to the best tools, expertise and data to make it happen. Our strategy is ultimately to deliver exceptional value to both customers and consumers on the back of the broadest range of property data in the UK, fuelled by unsurpassed digital scale, which in turn will generate growth and exceptional value for all our stakeholders.

As we set out at our Investor Day in November, we see numerous opportunities to expand the Rightmove offering, beyond our ongoing focus on the core business of the residential property market segment. Although the core business will remain our primary business driver, we have now set our ambition in each of commercial real estate, rental services and mortgage generation. We are going deeper into the value chain within several property market segments and further digitising processes together with our partners: beyond 'find' and into 'afford' as well as the later stages of 'transact', 'move' and 'lifestyle'.

During 2023, we made progress in each of these three strategic growth areas. In rentals, which stands for over 50% of all moving journeys each year in the UK [(5)], we developed a new solution, whereby a rental agreement can now be achieved in five digitised and connected steps, bringing efficiency to all three stakeholders of consumers, agents and landlords. In financial services, we doubled our revenue by building out our digital mortgage in principle (MIP) tool, to provide greater volumes and higher-quality MIP leads to our lender partner. We also connected an estate agent broker to the online application journey; for the first time allowing consumers to access mortgage advice without leaving our platform, by innovating together with our agent partners. Finally, our commercial real estate business saw strong double-digit growth as we began the process of creating a world-class digital commercial real-estate advertising product. We see significant long-term opportunity by deepening the Rightmove commercial product set and delivering value to commercial landlords, tenants and brokers on a market leading and UK focused platform.

We have strong conviction that our strategy will serve us well over the medium-term. It is underpinned not only by our business model and network effect, but by structural tailwinds in the UK property market, which has a shortage of housing stock relative to demand; a growing population; increasing lifespans; increasing real estate values, and ever-increasing digital adoption, all of which create a multiplier economic effect. We are investing in our data platform and the enabling technologies of cloud, mobile and generative AI. We see opportunities to further strengthen our data moat and leading network effects, driving discovery and efficiency for consumers and customers, as well as internal operations.

Our vision to give everyone the belief that they can make their move is all-encompassing. The Rightmove platform and data will provide the products, data and insights for anyone considering any property related move, delivering value to the entire eco-system.

Contributing to communities and the environment

Giving back to the communities in which we operate, not only through volunteering and charitable giving, but through supporting the environment, is high on our agenda.

We believe that Rightmove has not just the opportunity, but the responsibility, to provide insights to help the UK go greener and to accelerate change to meet its Net Zero targets by 2050. The UK property market contributes 25% of total UK emissions(6). Rightmove's platform has the reach and audience, as well as vast amounts of unique property market data, to inform and facilitate action amongst stakeholders to drive the needed reduction in sector emissions.

We launched our Go Greener initiative in the second half of the year, which provides a pathway to greener property in the UK and defines the central pillars of how Rightmove will contribute: Greener Homes, Greener Data, Greener Buildings, Greener Rightmove. Our initiatives include supplying green property data and insights to better understand a property's green credentials; becoming a trusted voice for consumers, customers and property professionals as they assess the challenges and benefits of making green improvements; and driving greener buildings by enabling commercial tenants and investors to discover sustainable buildings and opportunities. We also published our second Greener Homes report (7) in July, which combined millions of Rightmove's property data points, from the last 15 years, as well as government data and opinions from thousands of homeowners, landlords and renters that we surveyed. The report provided suggestions and insights on the incentives that are needed to help people make green improvements.

Rightmove, in parallel, is continuing its focus on improving its own operational emissions and targets. In 2023, we achieved our three-year environmental target to reduce our office electricity tonnes of CO2 by 10% and are ahead of plan on our target to have 75% of fleet cars ultra-low emission by 2025, and 100% by 2028. We also completed a rebase of 2020 calculation methodology and data sets, to ensure consistency with our latest carbon footprint calculation.

Moving forward with the Rightmove team

The commitment and talent of the Rightmove team was one of my first impressions on joining, and it has endured. The team underpins Rightmove's success. We have a performant culture that is inclusive, creative, innovative and collaborative. Our team is focused on delivering for our customers and consumers and driving improvement right across the business. Working and playing hard, well over 80% of employees say that 'Rightmove is a great place to work' in the annual employee survey.

Employee polices and benefits were reviewed and enhanced during the year: two additional days annual holiday for everyone, plus two further 'Rightmove gives-back' days for volunteering; increasing the employer pension contribution; and an increased cycle to work allowance. We refreshed and extended our Thrive programme which provides support and training in well-being, mental health and financial matters.

Diversity is core to our People agenda, benefitting everyone and the business: bringing not only a more enjoyable workplace but a broader range of perspectives, which reflect the consumers and customers we serve, promoting innovation and business success. We continue to evolve our internal training on all aspects of diversity. Whilst we are pleased that certain aspects have improved, such as our gender pay gap and the ethnic diversity of our employees reflecting the UK population, we believe and know there is always more to do.

I am proud of what the Rightmove team delivered, and equally proud of our ambitions for the future - and would like to thank everyone for the hard and high-quality work during 2023. I look forward to continuing to support the team in delivering further value to all stakeholders on our platform and progressing the ambitious Rightmove strategy.

Johan Svanstrom
Chief Executive Officer

(1) Residential property transactions in the UK recorded by the Land Registry
(2) Source – Rightmove Data Services
(3) Source: Comscore Mobile Metrix® Mobile App only, total Audience, Custom-defined list of Rightmove (Mobile App) and Zoopla Property Search (Mobile App), January – December 2023, United Kingdom.
(4) Source: Google analytics
(5) Based on number of private rented properties in the UK and average tenancy length (English Housing Survey 2022-2023)
(6) Source – UK Green Building Council
(7) Source - Green Homes Report available at https://www.rightmove.co.uk/guides/energy-efficiency/rightmove-greener-homes-report-2023/

Financial review

A strong financial performance, against an uncertain economic backdrop, driven by the resilient and growing demand for Rightmove's products and services that deliver exceptional value for customers and consumers.

Revenue

Revenue increased by £31.7m/10% on 2022, to £364.3m (2022: £332.6m), due to increased demand for our products and packages within Estate Agency and New Homes, annual price increases and growth in the Other business units.

	2023 £m	**2022 £m**	**Change vs 2022 £m**	**Change vs 2022 %**
Agency	262.0	247.3	14.7	6%
New Homes	66.4	52.6	13.8	26%
Other	35.9	32.7	3.2	10%
Total revenue	**364.3**	**332.6**	**31.7**	**10%**

	2023	**2022**	**Change vs 2022**	**Change vs 2022 %**
Agency branches	15,839	15,932	(93)	(1%)
New Homes developments	2,946	3,082	(136)	(4%)
Total membership	**18,785**	**19,014**	**(229)**	**(1%)**

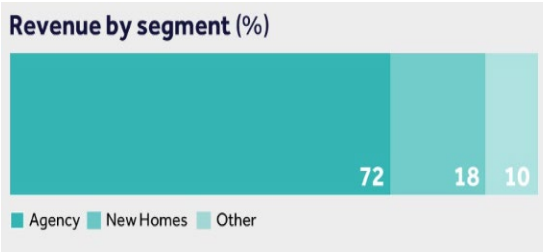
Agency revenues increased to £262.0m, up 6%/£14.7m on 2022, as agents continued to invest in additional products and to upgrade their packages, as well as the annual price increases from contract renewals. Agency ARPA(1) increased to £1,356 - up 6%/£78 on 2022 (2022: £1,278). Agency customer numbers ended the year broadly flat at 15,839 – down 1%/ 93 compared to 2022 (2022: 15,932).

New Homes revenue, at £66.4m, was up 26%/£13.8m on 2022, reflecting significant upgrades to the Advanced package, incremental purchase of products, and successful contract renewals. New Homes ARPA(2) increased to £1,825 per development per month, up 21%/£312 on 2022 (2022: £1,513). Development numbers ended the year at 2,946 - a decrease of 4%/ 136 on 2022 (2022: 3,082).

Outside the core business, our other business units also grew by £3.2m/10% in aggregate, led by our Strategic Growth Businesses. Mortgages revenues doubled, growing by over 130%[3], as more consumers completed their transactions with a mortgage initially secured through our Mortgages in Principle product. Commercial Real Estate revenues grew by 15%[4], driven by higher customer numbers, and higher ARPA reflecting increased spending on digital products – multi-channel marketing campaigns and banner adverts in particular.

The majority (c.60%) of revenue growth from the core business was from incremental product uptake and package upgrades, leading to higher ARPA. Development numbers in New Homes also contributed, being 5% higher on average throughout 2023 than during 2022.

2023 Revenue by Segment



The percentage of total revenue from New Homes increased to 18% (2022: 16%). The contribution from Agency to total revenue was 72% (2022: 74%), reflecting the semi-countercyclical nature of the Agency and New Homes businesses, with developers increasing marketing activity in response to the changing market conditions during 2023.

Administration costs

Administration costs of £106.3m were up £15.0m/16% from £91.3m in 2022. Underlying operating costs[5] (defined as operating costs before the inclusion of share-based payments charges and related National Insurance of £6.5m) were £99.7m - an increase of £12.5m/14% on 2022 (2022: £87.2m). The increase is due primarily to:

- £8m higher payroll costs: reflecting increased headcount of 12% (average 727 vs 647 in 2022) and the impact of the annual salary increase (7%), partially offset by reduced contractor costs as permanent roles were filled throughout the year;
- £2m higher Tech costs: mostly from increased spend on consultancy on AI; migration of our data centres to the Cloud; infrastructure maintenance; and higher costs for software licences following the increased headcount;
- £2m of increased overhead costs: general inflation across rent and utilities, staff expenses; higher spend on legal and professional fees; and larger doubtful debt charges reflecting the impact of the challenging market dynamics on smaller agents with more payment plans utilised during the year; and,
- £0.5m increased depreciation and amortisation charges: reflecting increased software amortisation following the full year impact, and ongoing capitalisation of MIP and ERP development costs.

The share-based payments charge of £6.5m increased by £2.4m on 2022 (2022: £4.1m) reflecting new awards, accelerated charges for good leavers and the impact of the increase in the share price during the year on the national insurance charge.

Operating profit

	2023 £m	2022 £m	Change vs 2022 £m	Change vs 2022 %
Revenue	**364.3**	332.6	31.7	10%
Admin costs	**(106.3)**	(91.3)	(15.0)	16%
Operating profit	**258.0**	241.3	16.7	7%
Operating margin	*71%*	*73%*		

Operating profit of £258.0m increased by 7%/£16.7m on 2022, with an operating profit margin for 2023 of 71% (2022: 73%).

Underlying operating profit(6) of £264.6m increased by 8%/£19.2m compared to 2022 (2022: £245.4m), with an underlying operating profit margin(7) of 73% (2022: 74%).

Earnings per share (EPS)
Basic EPS increased by 5% to 24.5p (2022: 23.4p), driven by the increase in profit and continuance of the share buyback programme, which reduced the weighted average number of ordinary shares in issue to 813.3m (2022: 835.3m).

Underlying basic EPS(8) (based on underlying operating profit(6)) increased by 6% to 25.2p (2022: 23.8p).

Taxation
The consolidated effective tax rate for the year ended 31 December 2023 was 23.3% (2022: 18.9%), slightly below the UK's blended standard rate for the year of 23.5% (2022: 19.0%).

All tax matters are managed to ensure that the right amount of tax is paid and collected at the right time, in line with all applicable tax laws and there were no overdue taxes at the year end.

As in prior years, the total of UK taxes paid and collected by the Group is significantly more than the corporation tax paid on UK profits. Rightmove's total tax contribution to the UK Exchequer was £148.4m in 2023 (2022: £119.8m). Of this, £69.1m (2022: £52.2m) related to taxes borne by the Group, while the remaining £79.2m (2022: £67.6m) was collected in respect of payroll taxes and net VAT. The increase in total tax contribution compared to the prior year is primarily due to the rise in corporation tax rate to 25.0% effective 1 April 2023, and higher operating profit, which impacted both VAT and corporation tax. Rightmove's tax strategy can be found on the corporate website.

Summary consolidated statement of financial position

	2023 £m	2022 £m	Change £m
Property, plant and equipment	**9.4**	10.4	(1.0)
Intangible assets	**21.8**	22.1	(0.3)
Deferred tax asset	**2.4**	1.5	0.9
Trade and other receivables	**31.5**	26.6	4.9
Contract assets	**0.8**	0.5	0.3
Income tax receivable	**0.2**	0.6	(0.4)
Money market deposits	**5.2**	5.0	0.2
Cash	**33.6**	35.1	(1.5)
Trade and other payables	**(24.7)**	(20.9)	(3.8)
Contract liabilities	**(2.5)**	(2.3)	(0.2)
Lease liabilities	**(7.5)**	(9.6)	2.1
Provisions	**(0.8)**	(0.8)	0.0
Net assets	**69.4**	68.2	1.2

Rightmove’s balance sheet at 31 December 2023 shows net assets and total equity at £69.4m (2022: £68.2m), including cash and money market deposits of £38.8m (2022: £40.1m).

Trade and other receivables of £31.5m increased by £4.9m on December 2022, primarily reflecting higher revenues in 2023, which increased trade receivables to £24.5m (2022: £20.9m), as well as some ageing of debts, with debtor days for the year at 24 (2022: 23 days). The remaining increase in other receivables reflects the timing of prepayments and quarterly interest receivable on cash and money market deposits.

Trade and other payables of £24.7m increased by £3.8m due to the timing of expenditure and invoices received for both trade and capital expenditure purchases, as well as higher year end creditors for VAT and social security payments; where the increases are driven by higher revenues and increased headcount. Payments to suppliers continued to be made on a timely basis: on average within 19 days (2022: 17 days).

Cash flow and liquidity

Rightmove remained debt-free during 2023 and cash generation remained strong at 104% of Operating Profit(9) (2022: 101%). Cash generated from operating activities increased by £24.0m to £268.2m (2022: £244.2m).

The closing cash balance, including money market deposits, was £38.8m (2022: £40.1m). Surplus cash continues to be invested in short-term, easily-accessible money market deposits, including in a green money-market fund.

The Group bought back and cancelled 24.0m ordinary shares during the year (2022: 22.3m), at a cost of £130.9m (including expenses) as part of its ongoing share buyback programme (2022: £130.9m). Dividends totalling £71.7m in relation to the final 2022 dividend payment and interim 2023 payment were also paid during the year (2022: £67.7m).

Shareholder returns

Consistent with our progressive dividend policy, the Directors are recommending a final dividend of 5.7p per ordinary share, which will take the total dividend for the year to 9.3p - growth of 9% on the 2022 dividend. It will be paid on 24 May 2024 to all shareholders on the register on 26 April 2024.

Alison Dolan

Chief Financial Officer

(1) Agency ARPA is calculated as revenue from Agency advertisers in a given month divided by the total number of advertisers during the month, measured as a monthly average over the year

(2) New Homes ARPA is calculated as revenue from New Homes developers in a given month divided by the total number of developers during the month, measured as a monthly average over the year

(3) Mortgage revenue growth of over 130% resulted in revenue of £2.2m for the 2023 financial year

(4) Commercial revenue growth of 15% resulted in revenue of £12.2m for the 2023 financial year

(5) Underlying costs are defined as administrative expenses before share-based payments charges (including the related National Insurance)

(6) Underlying operating profit is defined as operating profit before share-based payments charges (including the related National Insurance)

(7) Underlying operating margin is defined as the underlying operating profit as a percentage of revenue

(8) Underlying basic EPS is defined as profit for the year before share-based payments charges (including the related National Insurance and appropriate tax adjustments), divided by the weighted average number of ordinary shares in issue for the period

(9) Cash generated from operating activities of £268.2m (2022: £244.2m) compared to operating profit as reported in the income statement of £258.0m (2022: £241.3m).

Principal risks and uncertainties

The principal risks and uncertainties facing the Rightmove Group have been assessed in accordance with our risk management framework. Principal risks are defined as those risks which could seriously affect the performance, future prospects or reputation of the Group. These include risks that would threaten the Group's business model, future performance, solvency or liquidity.

Effective management of these risks is essential to the execution of our strategy, the achievement of sustainable shareholder value, the maintenance of our reputation, and ongoing good governance.

A description of the principal risks and uncertainties faced by the Group in 2023 (in no order of priority), together with the potential impact and monitoring and mitigating activities, is set out in the table below.

Macroeconomic environment *change from prior year* →

The Group derives almost all its revenues from the UK and is therefore dependent, to a certain extent, on the prevailing macroeconomic conditions in the UK housing market and on consumer confidence, both of which can influence the number of property transactions in a given year. The Rightmove business model and consumer engagement largely shield it from all but extreme market swings – nonetheless a severe and prolonged recession could reduce the customer base and, potentially, negatively impact revenues.

Potential impact

Substantially fewer housing transactions than normal may lead to a reduction, or consolidation, in the number of agency branches, or a reduction in the number of new home developments advertised; both of which are an important contributor to the Group's revenues. A more uncertain macro and/or political environment may lengthen the property transaction cycle, reducing cash flows for smaller agents and/or leading to a reduction in advertisers' marketing budgets, reducing demand for the Group's property advertising products.

Changes in the year

Despite the ongoing economic uncertainty during 2023, housing transactions remained broadly stable at 1.0 million(1) (2022: 1.2 million and 2019: 1.0 million) and the impact on Rightmove's performance and results was minimal: revenue was up 10% and membership numbers broadly flat (229/1% lower than December 2022) and ARPA(2) was up 9%/£117 from 2022.

Risk monitoring and mitigation

- Monitoring of the housing market, including leading indicators and membership trends
- Continuing to provide the most significant and effective exposure for customers' brands and properties
- Remaining the primary source of high-quality leads, offering value-adding products and packages and helping to drive operational efficiencies for our customers; thereby embedding the value of our membership
- Maintaining a flexible cost base that can respond to changing conditions

Competitive environment *change from prior year* →

The Group operates in a competitive marketplace, with attractive margins and low barriers to entry, which may result in increased competition from existing competitors, or new entrants targeting the Group's primary markets.

Potential impact

Increased competition may impact Rightmove's ability to grow revenues due to a potential loss of audience, advertisers or demand for additional advertising products.

Changes in the year

There have been some changes in the competitive environment during the year. Rightmove continued to retain the largest and most engaged audience of any UK property portal - its market share of a selection of the top property portals was 86% in 2023(3) (2022: 85.0%)(3)

Risk monitoring and mitigation

- Sustained investment and innovation to provide products to our customers to help them build their businesses and to consumers to meet all of their property search and listing requirements
- Communication of Rightmove's value to advertisers
- Continued investment in our account management teams to help customers run their businesses more efficiently
- Sustained marketing investment in the Rightmove brand

New or Disruptive technologies *change from prior year*

Rightmove operates in a fast-moving online marketplace. Failure to innovate or adopt new technologies and or failure to adapt to changing customer business models and evolving consumer behaviour may impact the Group's ability to offer the best products and services to its advertisers and the best consumer experience.

Potential impact

Failing to innovate on a timely basis may impact Rightmove's ability to grow or sustain revenues due to the potential loss of audience engagement, advertisers and demand for additional advertising products.

Changes in the year

Progress continues with Cloud migration, currently over 40% complete and expect to complete in 2025. Following the procurement of our new user research tool in 2022, over 2,000 sessions were held with users to conduct research, understand evolving needs and how Rightmove can support. With the acceleration in technology advancement within AI over the past 18 months, we conducted an accelerated discovery programme, to understand both the threats and opportunities that AI poses for Rightmove, in advance of building out our AI capability in 2024. Finally, investing continued in the consumer proposition to accelerate progress.

Risk monitoring and mitigation

- Ongoing research and prototyping of new concepts with users
- Formation of the new AI and consumer teams that will enable us to accelerate innovation in our consumer roadmap
- Ongoing engagement with start-ups, prop-tech and international peers to stay abreast of market innovation

Cyber security and IT systems *Change from prior year*

The Group has a high dependency on technology and IT systems. In today's digital world there are increased risks associated with external cyber-attacks which could result in an inability to operate our platforms. A security breach, such as corruption or loss of key data, may disrupt the efficiency and functioning of the Group's day-to-day operations.

Potential impact

Any loss of website availability, or theft/misuse of data held within the Group's databases and IT systems, could result in reputational damage to the Group from loss of consumer and customer confidence, as well as financial loss arising from increased downtime or potential penalties, fines and lawsuits.

Changes in the year

High levels of cyber threat-activity continued. We remained focused on investing in enhanced security controls, across both our website hosting environment and administrative IT estate, ensuring that customers', consumers', and company data is protected. In addition to our in house IT environments, we extended security activities this year to cover cloud-based SaaS services which increasingly support our day-to-day business operations. Third-party assurance exercises continued to be used to validate our capabilities and controls; undertaking penetration tests, benchmarking exercises, and an assessment of current working practices against the ISO27001 standard for information security management.

Risk monitoring and mitigation

- Disaster Recovery and Business Continuity Plans subject to regular testing and review, including incident response capabilities, which are provided by external managed services
- Best in class security controls (and investment in) for both all of our IT environments (on-premise, cloud and SaaS)
- Regular testing of the security of our IT systems and platforms - including penetration testing with ongoing monitoring and detection of external threats and threat capabilities
- Regular internal information security training, phishing and spearphishing tests
- Embedding best practice for secure application development into our software development lifecycle
- Regular review of any changes in the technology landscape (for example, AI) and assessment of the security implications

Regulatory risks Change *from prior year* →

The Group operates in an increasingly complex regulatory environment. There is a risk that the Group fails to comply with these requirements or to respond to changes in regulations - including GDPR and, for its subsidiaries, the Financial Conduct Authority's rules and guidance.

Potential impact

Failure to meet regulatory requirements could lead to reputational damage, legal action and/or financial penalties – all of which could impact both the performance of the Group and returns to shareholders

Changes in the year

Key changes in 2023 included updates to our existing Consumer Duty policies, processes and controls to ensure compliance with the new requirements, as directed by the FCA; continued work on our primary and secondary Data Protection Impact Assessments; as well updating our cookie policy, launching a new cookie wall and updating the marketing consent modal.

Risk monitoring and mitigation

- Code of Conduct in place, underpinned by policies and procedures
- Group-wide mandatory training programmes, which include anti-bribery and corruption, data privacy, information security and continuous professional development for all in regulated roles
- A dedicated internal legal, risk and compliance team responsible for identifying, assessing and responding to upcoming changes in laws and regulations; with access to external specialist advice.
- Risk Management Frameworks in place to monitor, oversee and challenge both legal & regulatory risks and ensuring compliance with our regulated activities
- Proactive engagement with regulators, legislators, trade bodies and policy makers

Securing and retaining the right talent Change *from prior year* →

Our continued success is dependent on our ability to attract, recruit, retain and motivate our highly skilled workforce.

Potential impact

An inability to recruit and retain talented people could impact our ability to maintain our financial performance and deliver our strategic objectives. If key staff leave or retire, there is a risk that knowledge or competitive advantage is lost.

Changes in the year

During 2023, we announced several changes in benefits which included awarding all employees an additional two days' annual holiday from 2024 onwards, and additional loyalty days for all those who reach 10 years' service. Other benefit options were refreshed, which included pension contributions and private medical health. Investment continued in employee development and training - with a focus on manager capabilities, well being and learning opportunities, which include one-to-one well-being coaching. The non-executive directors continued to host face to face sessions with employees to hear feedback first-hand. Employee sentiment remains strong, with our 'great place to work' score at 88% (2022: 87%).

Risk monitoring and mitigation

- Regular benchmarking of total reward packages
- Regular staff communication and engagement and semi-annual employee survey
- Ongoing succession planning and development of future leaders

- Learning and development for all employees, including mandatory training
- The ability for all employees to participate in the success of the Group through the SIP and SAYE schemes
- Hybrid working policy to provide the option of up to three days at home, with two set days in the office

Key:

No change since prior year *Slight increase since prior year* *Slight decrease since prior year*

Emerging risks

Emerging risks are new risks, or changing risks, which we believe are not immediate but may represent a significant future opportunity or threat, are not yet fully understood, and where the likelihood and the impact are uncertain or even widely unknown. These include company-specific risks and global risks affecting the macro economy and are beyond any particular party's capacity to control, including scenarios which could derail our strategic plans.

Our approach to emerging risk identification, prioritisation and response, is systematic and includes horizon scanning and impact assessment, and consideration of consolidating risks. This identification, capture, evaluation and on-going monitoring of emerging risks falls within our risk management framework and is reviewed formally by the Board semi-annually with the risk register. Examples of emerging risks include:

- The pace of change in relation to environmental and other ESG matters as well as evolving consumer expectations; and
- The pace of technological change with regards to Artificial Intelligence and the possible impact on consumer behaviour.

(1) Residential property transactions in the UK recorded by the Land Registry

(2) Revenue from Agency and New Home advertisers in a given month divided by the total number of advertisers during the month, measured as a monthly average over the year.

(3) Source: Comscore MMX® Desktop only + Comscore Mobile Metrix® Mobile Web & App, Total Audience, Custom-defined list of Rightmove Sites, RIGHTMOVE.CO.UK, ZOOPLA.CO.UK, PRIMELOCATION.COM, ONTHEMARKET.COM, January - December 2023, United Kingdom

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
AS AT 31 DECEMBER 2023

	Note	2023 £000	2022 £000
Revenue	3	**364,316**	332,622
Administrative expenses		**(106,283)**	(91,279)
Operating profit	4	**258,033**	241,343
Operating profit before share-based incentive charges		**264,570**	245,412
Share-based incentive charge	12	**(6,537)**	(4,069)
Financial income		**2,227**	381
Financial expenses		**(491)**	(442)
Net financial income/(expense)		**1,736**	(61)
Profit before tax		**259,769**	241,282
Income tax expense	7	**(60,618)**	(45,601)
Profit for the year being total comprehensive income		**199,151**	195,681
Attributable to:			
Equity holders of the Parent		**199,151**	195,681
Earnings per share (pence)			
Basic	5	**24.5**	23.4
Diluted	5	**24.4**	23.4

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	Note	2023 £000	2022 £000
Non-current assets			
Property, plant and equipment		**9,385**	10,429
Intangible assets		**21,842**	22,074
Deferred tax asset		**2,383**	1,460
Total non-current assets		**33,610**	33,963
Current assets			
Trade and other receivables	8	**31,474**	26,614
Contract assets		**759**	454
Income tax receivable		**165**	593
Money market deposits		**5,224**	5,047
Cash and cash equivalents		**33,641**	35,089
Total current assets		**71,263**	67,797
Total assets		**104,873**	101,760
Current liabilities			
Trade and other payables	9	**(24,737)**	(20,874)
Lease liabilities		**(2,291)**	(2,327)
Contract liabilities		**(2,536)**	(2,325)
Total current liabilities		**(29,564)**	(25,526)
Non-current liabilities			
Lease liabilities		**(5,112)**	(7,242)
Provisions		**(841)**	(829)
Total non-current liabilities		**(5,953)**	(8,071)
Total liabilities		**(35,517)**	(33,597)
Net assets		**69,356**	68,163
Equity			
Share capital	10	**814**	838
Other reserves		**618**	594
Retained earnings (net of own shares held)		**67,924**	66,731
Total equity attributable to the equity holders of the Parent		**69,356**	68,163

The accompanying notes form part of these financial statements.

The financial statements were approved by the Board of Directors on 29 February 2024 and were signed on its behalf by:

Johan Svanstrom
Director

Alison Dolan
Director

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

	2023 £000	2022 £000
Cash flows from operating activities		
Profit for the year	**199,151**	195,681
Adjustments for:		
Depreciation charges	**3,424**	3,504
Amortisation charges	**1,560**	1,082
Financial income	**(2,227)**	(381)
Financial expenses	**491**	442
Share-based payments	**5,886**	4,179
Income tax expense	**60,618**	45,601
Operating cash flow before changes in working capital	**268,903**	250,108
Increase in trade and other receivables	**(4,503)**	(3,456)
Increase/(decrease) in trade and other payables	**3,863**	(1,883)
Increase in provisions	**-**	39
Increase in contract assets	**(305)**	(334)
Increase/(decrease) in contract liabilities	**211**	(308)
Cash generated from operating activities	**268,169**	244,166
Financial expenses paid	**(479)**	(451)
Income taxes paid	**(60,979)**	(45,622)
Net cash from operating activities	**206,711**	198,093
Cash flows used in investing activities		
Interest received on cash and cash equivalents	**1,694**	305
Increase in money market deposits	**-**	(44)
Acquisition of property, plant and equipment	**(2,018)**	(835)
Acquisition of intangible assets	**(1,328)**	(2,015)
Net cash used in investing activities	**(1,652)**	(2,589)
Cash flows used in financing activities		
Dividends	**(71,651)**	(67,679)
Purchase of own shares for cancellation	**(130,000)**	(129,981)
Purchase of own shares for share incentive plans	**(1,998)**	(2,898)
Cost incurred on purchase of own shares	**(922)**	(933)
Payment of principal portion of lease liabilities	**(2,530)**	(2,391)
Proceeds on exercise of share-based incentives	**594**	482
Net cash used in financing activities	**(206,507)**	(203,400)
Net decrease in cash and cash equivalents	**(1,448)**	(7,896)
Cash and cash equivalents at 1 January	**35,089**	42,985
Cash and cash equivalents at 31 December	**33,641**	35,089

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023

	Share capital £000	Own shares held £000	Other reserves £000	Reverse acquisition reserve £000	Retained earnings £000	Total equity £000
At 1 January 2022	860	(11,588)	434	138	80,688	70,532
Total comprehensive income						
Profit for the year	-	-	-	-	195,681	195,681
Transactions with owners recorded directly in equity						
Share-based payments	-	-	-	-	4,179	4,179
Tax credit in respect of share-based incentives recognised directly in equity	-	-	-	-	(1,220)	(1,220)
Dividends	-	-	-	-	(67,679)	(67,679)
Exercise of share-based awards	-	588	-	-	(106)	482
Purchase of shares for share incentive plans	-	(2,898)	-	-	-	(2,898)
Cancellation of own shares	(22)	-	22	-	(129,981)	(129,981)
Costs of shares purchases	-	-	-	-	(933)	(933)
At 31 December 2022	838	(13,898)	456	138	80,629	68,163
At 1 January 2023	**838**	**(13,898)**	**456**	**138**	**80,629**	**68,163**
Total comprehensive income						
Profit for the year	**-**	**-**	**-**	**-**	**199,151**	**199,151**
Transactions with owners recorded directly in equity						
Share-based payments	**-**	**-**	**-**	**-**	**5,886**	**5,886**
Tax charge in respect of share-based incentives recognised directly in equity	**-**	**-**	**-**	**-**	**133**	**133**
Dividends	**-**	**-**	**-**	**-**	**(71,651)**	**(71,651)**
Exercise of share-based incentives	**-**	**2,156**	**-**	**-**	**(1,562)**	**594**
Purchase of shares for share incentive plans	**-**	**(1,998)**	**-**	**-**	**-**	**(1,998)**
Cancellation of own shares	**(24)**	**-**	**24**	**-**	**(130,000)**	**(130,000)**
Costs of share purchases	**-**	**-**	**-**	**-**	**(922)**	**(922)**
At 31 December 2023	**814**	**(13,740)**	**480**	**138**	**81,664**	**69,356**

The accompanying notes form part of these financial statements.

NOTES

1 General information, judgements and estimates

The financial information set out above does not constitute the company's statutory accounts for the years ended 31 December 2023 or 2022 but is derived from those accounts. Statutory accounts for 2022 have been delivered to the registrar of companies, and those for 2023 will be delivered on 1 March 2024.

The auditor has reported on those accounts; their reports were (i) unqualified, (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

Rightmove plc (the Company) is a public limited company registered in England (Company no. 6426485) domiciled in the United Kingdom (UK). The consolidated financial statements of the Company as at and for the year ended 31 December 2023 comprise the Company and its interest in its subsidiaries (together referred to as the Group).

The consolidated financial statements of the Group as at and for the year ended 31 December 2023 are available upon request to the Company Secretary from the Company's registered office at 2 Caldecotte Lake Business Park, Caldecotte Lake Drive, Caldecotte, Milton Keynes, MK7 8LE or are available on the corporate website at plc.rightmove.co.uk.

Statement of compliance
The Group's financial statements have been prepared and approved by the Board of Directors in accordance with UK-adopted international accounting standards ("IFRS"). The consolidated financial statements were authorised for issue by the Board of Directors on 29 February 2024.

Basis of preparation
The accounts have been prepared in accordance with UK-adopted international accounting standards and the requirements of the Companies Act 2006. On publishing the Group's financial statements, the Company is taking advantage of the exemption in section 408 of the Companies Act 2006 not to present its individual statement of comprehensive income and related notes that form a part of these approved financial statements. The financial statements have been prepared on an historical cost basis.

Climate change
In preparing the financial statements, the Directors have considered the impact of climate change, particularly in the context of the climate change risks identified in the Sustainability section of the Strategic Report and the Group's stated target of net zero carbon emissions by 2040. These considerations did not have a material impact on the financial reporting judgements and estimates in the current year. This reflects the conclusion that climate change is not expected to have a significant impact on the Group's short-term or medium-term cash flows including those considered in the going concern and viability assessments, impairment assessments of the carrying value of non-current assets and the estimates of future profitability used in our assessment of the recoverability of deferred tax assets.

Basis of consolidation
Subsidiaries are entities controlled by the Group. Control exists when the Group has existing rights that give it the ability to direct the relevant activities of an entity and affect the returns the Group will receive as a result of its involvement with the entity. In assessing control, potential voting rights that are currently exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Alternative performance measures
In the analysis of the Group's financial performance, certain information disclosed in the financial statements may be prepared on a non-GAAP basis or has been derived from amounts calculated in accordance with IFRS but are not themselves an expressly permitted GAAP measure. These measures are reported in line with the way in which financial information is analysed by management and designed to increase comparability of the Group's year-on-year financial position, based on its operational activity. The key alternative performance measures presented by the Group are:

- *Underlying profit:* which is defined as profit for the year before share-based payments charges (including the related National Insurance and appropriate tax adjustments);

- *Underlying operating profit:* which is defined as operating profit before share-based payments charges (including the related National Insurance);
- *Underlying basic earnings per share (EPS):* which is defined as underlying profit divided by the weighted average number of ordinary shares outstanding during the period;
- *Underlying costs:* which is defined as administrative expenses before share-based payments charges (including the related National Insurance); and
- *Underlying operating margin:* which is defined as the underlying operating profit as a percentage of revenue.

The Directors believe that these alternative performance measures provide a more appropriate measure of the Group's business performance, as share-based payments are a non-cash charge that is not entirely driven by the principal operational activity of the Group. The Directors therefore consider underlying operating profit to be the most appropriate indicator of the performance of the business and year-on-year trends.

A reconciliation of the underlying performance measures to the GAAP measures are shown below:

Underlying profit

A reconciliation of the profit for the year to the underlying profit is presented below:

	2023	2022
	£000	£000
Profit for the year	199,151	195,681
Share-based incentives charge	5,886	4,179
NI on share-based incentives	651	(110)
Impact on tax charge	(1,008)	(999)
Underlying profit	204,680	198,751

Underlying profit is used instead of profit to calculate the underlying basic earnings per share, which is underlying profit divided by the weighted average number of ordinary shares in issue for the period, whereas earnings per share is profit for the year divided by weighted average number of ordinary shares in issue for the period.

Underlying operating profit

A reconciliation of the operating profit to the underlying operating profit is presented below:

	2023	2022
	£000	£000
Operating profit	**258,033**	241,343
Share-based incentives charge	**5,886**	4,179
NI on share-based incentives	**651**	(110)
Underlying operating profit	**264,570**	245,412

Underlying operating profit is used to calculate the underlying operating margin: which is underlying operating profit as a proportion of revenue, whereas the operating margin calculated as operating profit as a proportion of revenue.

Underlying costs

A reconciliation of the administrative expenses to the underlying costs is presented below:

	2023	2022
	£000	£000
Administration expenses	**106,283**	91,279
Share-based incentives charge	**(5,886)**	(4,179)
NI on share-based incentives	**(651)**	110
Underlying costs	**99,746**	87,210

Going concern

The Directors have performed a detailed going concern review and tested the Group's liquidity in a range of scenarios, as set out below.

Throughout the period, the Group was debt-free, remained highly cash generative and had a cash balance of £33.6m and money market deposits of £5.2m at 31 December 2023 (31 December 2022: cash balance of £35.1m and money market deposits of £5.0m).

The Group bought back shares to the value of £130.0m during the period (2022: £130.0m) and paid dividends totalling £71.7m in May and October 2023 (2022: £67.7m).

In reaching its assessment on going concern, the Directors have used the most recent Board approved forecasts for the Group for the period to 30 June 2025 ("the going concern period"), which have been modelled to reflect the expected impact of current economic conditions on trading, as set out in these financial statements.

In stress testing the future cash flows of the Group, the Directors modelled a range of scenarios which considered the effect on the Group of reductions of varying severity in the number of housing transactions for the period to 30 June 2025 and modelled the likely timing of cashflows from our customers during the going concern period. These included severe but plausible downside scenarios that are considered to pose the greatest threat to the business model and future performance of the Group, such as: an economic shock, increased competition and new disruptive technologies, or a cyber threat. The model considered the impact of changes in the key drivers of the Group's revenues, including customer numbers and average revenue per advertiser (ARPA) – one scenario being a 30% reduction in revenue, irrespective of cause. Cost assumptions were also considered in each of the severe but plausible scenarios, including an increase in marketing costs and IT costs, employee recruitment and retention costs, and higher spend on innovation and protection of the platform. The scenarios were stress tested individually and in combination. In all combinations of the scenarios tested, the Group remained cash positive and debt-free.

The Directors also reviewed the results of a reverse stress test, which was undertaken to provide an illustration of the scenario required to exhaust cash balances. The possibility of this scenario arising was assessed to be highly remote and could arise only in extreme circumstances, much more severe than the scenarios modelled above. The Directors are confident that the Group will remain cash positive and will have sufficient funds to continue to meet its liabilities as they fall due for at least the period to 30 June 2025 and have therefore prepared the financial statements on a going concern basis.

Judgements and estimates

The preparation of the consolidated financial statements in accordance with UK Adopted International accounting standards and the requirements of Companies Act 2006 requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience, and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods, if applicable.

Management has determined that there are no areas of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year or critical judgements in applying accounting policies that have a significant effect on the amounts recognised in the consolidated and Company financial statements.

2 Significant accounting policies

New and revised standards and interpretations

There were no new standards adopted by the group that had a material impact during the year.

The IASB have issued a number of amendments to IFRS that become mandatory in the period:

- IAS 1 regarding accounting policies
- IFRS 17 in relation to accounting for insurance contracts;
- IAS 8 amendment to the definition of accounting estimates;
- IAS 12 amendments in relation to deferred tax related to assets and liabilities arising from a single transaction, including leases and the impact of Pillar Two Model Rules,

Except for IAS 1, these amendments are either not applicable or have only an immaterial impact on the Group. The Group is not in scope for Pillar Two rules, as it does not meet the threshold of annual revenue of 750 million Euros and therefore the amendment to IAS12 in relation to Pillar Two has no impact.

The Group has evaluated further amendments to IFRS that become mandatory in subsequent periods and assessed that there are no standards that are issued, but not yet effective, that would be expected to have a material impact on the Group in the current or future reporting periods nor on foreseeable future transactions.

3 Revenue

The Group's operations and main revenue streams are those described in the annual financial statements. The Group's revenue is derived from contracts with customers.

Disaggregation of revenue

In the following table, revenue is disaggregated by property and non-property advertising revenue. The table also includes a reconciliation of the disaggregated revenue with the Group's business units.

Year ended 31 December 2023	**Agency £000**	**New Homes £000**	**Other £000**	**Total £000**
Revenue stream				
Property products	**261,954**	**66,447**	**18,877**	**347,278**
Non-property products	**-**	**-**	**17,038**	**17,038**
	261,954	**66,447**	**35,915**	**364,316**

Year ended 31 December 2022	Agency £000	New Homes £000	Other £000	Total £000
Revenue stream				
Property products	247,310	52,588	17,254	317,152
Non-property products	-	-	15,470	15,470
	247,310	52,588	32,724	332,622

Geographic information

In presenting information geographically, revenue and assets reflect the physical location of customers.

	2023		2022	
Group	**Revenue £000**	**Trade receivables £000**	Revenue £000	Trade receivables £000
UK	**358,470**	**24,480**	327,188	20,880
Rest of the world	**5,846**	**11**	5,434	29
	364,316	**24,491**	332,622	20,909

Contract balances

The contract assets primarily relate to the Group's rights to consideration for services provided but not invoiced at the reporting date. The contract assets are transferred to trade receivables when invoiced and the rights have become unconditional.

The contract liabilities primarily relate to the advance consideration received from Agency, Overseas and Commercial customers, for which revenue is recognised as or when the services are provided.

The following table provides information about contract assets and contract liabilities from contracts with customers:

	Contract assets £000	**Contract liabilities £000**
Contract balances as at 31 December 2021	**120**	**(2,633)**
Performance obligations satisfied in 2021	(120)	
Performance obligations satisfied in 2022		2,623
Accrued/(deferred) during 2022	454	(2,315)
Contract balances as at 31 December 2022	**454**	**(2,325)**
Performance obligations satisfied in 2022	(454)	-
Performance obligations satisfied in 2023	-	2,114
Accrued/(deferred) during 2023	759	(2,325)
Contract balances as at 31 December 2023	**759**	**(2,536)**

4 Operating profit

	2023	2022
	£000	£000
Operating profit is stated after charging:		
Employee benefits	**54,544**	45,474
Depreciation of property, plant and equipment	**3,424**	3,504
Amortisation of intangibles	**1,560**	1,082
Trade receivables impairment charge	**1,712**	733

Auditor's remuneration	**2023**	2022
	£000	£000
Fees payable to the auditor in respect of the audit		
Audit of the Company's financial statements	**55**	140
Audit of the Company's subsidiaries pursuant to legislation	**345**	310
Total audit remuneration	**400**	450
Fees payable to the Company's auditor in respect of non-audit related services		
Half year review of the condensed financial statements	**40**	40
All other services	**-**	10
Total non-audit remuneration	**40**	50

There were no other fees payable to Ernst & Young LLP (2022: no other fees payable).

5 Earnings per share (EPS)

		Pence per share	
	£000	**Basic**	**Diluted**
Year ended 31 December 2023			
Profit for the year and EPS	**199,151**	**24.5**	**24.4**
Underlying profit and underlying EPS	**204,680**	**25.2**	**25.1**
Year ended 31 December 2022			
Profit for the year and EPS	195,681	23.4	23.4
Underlying profit and underlying EPS	198,751	23.8	23.7

Weighted average number of ordinary shares (basic)

	2023 Number of shares	2022 Number of shares
Issued ordinary shares at 1 January less ordinary shares held by the EBT and SIP Trust	**835,094,530**	857,732,814
Less own shares held in treasury at the beginning of the year	**(12,185,222)**	(12,480,472)
Weighted effect of own shares purchased for cancellation	**(9,991,531)**	(9,977,584)
Weighted effect of share-based incentives exercised	**433,805**	144,448
Weighted effect of shares purchased	**(14,726)**	(99,344)
Issued ordinary shares at 31 December less ordinary shares held by treasury, SIP and the EBT	**813,336,856**	835,319,862

Weighted average number of ordinary shares (diluted)

In calculating diluted EPS, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all potentially dilutive shares. The Group's potentially dilutive instruments are in respect of share-based incentives granted to employees.

	2023 Number of shares	2022 Number of shares
Weighted average number of ordinary shares (basic)	**813,336,856**	835,319,862
Dilutive impact of share-based incentives outstanding	**2,002,000**	2,185,506
	815,338,856	837,505,368

The average market value of the Group's shares for the purposes of calculating the dilutive effect of share-based incentives was based on quoted market prices during the period which the share-based incentives were outstanding.

6 Dividends

Dividends declared and paid by the Company were as follows:

	2023		2022	
	Pence per share	**£000**	Pence per share	£000
2021 final dividend paid	-	-	4.8	40,312
2022 interim dividend paid	-	-	3.3	27,393
2022 final dividend paid	5.2	42,588	-	
2023 interim dividend paid	3.6	29,084	-	
	8.8	**71,672**	8.1	67,705
Unclaimed dividends returned	**-**	**(21)**	-	(26)
Net dividends included in the statement of cash flows	**-**	**71,651**	-	67,679

After the reporting date, a final dividend of 5.7p (2022: 5.2p) per qualifying ordinary share, being £45,330,000 (2022: £42,911,000), was proposed by the Board of Directors. The final dividend will be paid, subject to shareholder approval, on 24 May 2024.

The 2022 final dividend of £42,588,000 (5.2p per qualifying share) was paid on 26 May 2023. It was £323,000 lower than that reported in the 2022 annual accounts due to a decrease in the ordinary shares entitled to a dividend between 2 March 2023 and the final dividend record date of 28 April 2023.

The 2023 interim dividend paid on 27 October 2023 was £29,084,000, being £216,000 lower than that reported in the 2023 Half Year report of £29,300,000. This was due to a decrease in the number of ordinary shares entitled to a dividend between 30 June 2023 and the interim dividend record date of 29 September 2023.

The terms of the EBT provide that dividends payable on the ordinary shares held by the EBT are waived. No provision was made for the final dividend in either year, and there are no income tax consequences.

7 Income tax expense

	2023 £000	2022 £000
Current tax expense		
Current year	**61,324**	46,041
Adjustment to current tax charge in respect of prior years	**149**	102
	61,473	46,143
Deferred tax		
Origination and reversal of temporary differences	**(455)**	(195)
Adjustment to deferred tax in respect of prior years	**(324)**	(85)
Increase in tax rate at which deferred tax is being recognised	**(76)**	(262)
	(855)	(542)
Total income tax expense	**60,618**	45,601

Income tax recognised directly in equity

	2023 £000	2022 £000
Current tax		
Share-based incentives	**(30)**	(28)
Deferred tax		
Share-based incentives	**(95)**	1,180
Increase in tax rate at which deferred tax is being recognised	**(8)**	68
	(103)	1,248
Total income tax (charge)/credit recognised directly in equity	**(133)**	1,220

Reconciliation of effective tax rate

The Group's consolidated effective tax rate for the year ended 31 December 2023 is 23.3% (2022: 18.9%) which is lower than (2022: lower than) the standard rate of corporation tax in the UK due to the items shown below:

	2023 £000	2022 £000
Profit before tax	**259,769**	241,282
Current tax at 23.5% (2022: 19.0%)	**61,098**	45,844
Increase in tax rate at which deferred tax is being provided	**(76)**	(262)
(Non-taxable income)/net non-deductible expenses	**(44)**	16
Adjustment to deferred tax charge in respect of prior years	**(324)**	(85)
Share-based incentives	**(167)**	-
Adjustment to current tax charge in respect of prior years	**149**	102
Difference between the current and deferred tax rates	**(18)**	(14)
	60,618	45,601

Factors affecting future tax charge

The increase in the UK corporation rate from 19% to 25% was effective 1 April 2023 (substantively enacted on 24 May 2021). This has increased the Company's future current tax charge accordingly. The deferred tax at 31 December 2023 has been calculated based on these rates, reflecting the expected timing of reversal of the related temporary differences.

8 Trade and other receivables

Group	2023 £000	2022 £000
Trade receivables	**25,740**	21,754
Less provision for impairment of trade receivables	**(1,249)**	(845)
Net trade receivables	**24,491**	20,909
Prepayments	**6,259**	5,243
Interest receivable	**405**	48
Other debtors	**319**	414
	31,474	26,614

9 Trade and other payables

	2023 £000	2022 £000
Trade payables	**2,057**	1,155
Trade accruals	**7,662**	6,147
Other creditors	**1,510**	1,284
Other taxation and social security	**13,508**	12,288
	24,737	20,874

10 Share capital

	2023		2022	
	Amount £000	**Number of shares**	Amount £000	Number of Shares
In issue ordinary shares				
At 1 January	**838**	**837,401,085**	860	859,678,232
Purchase and cancellation of shares	**(24)**	**(23,951,466)**	(22)	(22,277,147)
At 31 December	**814**	**813,449,619**	838	837,401,085

All issued shares are fully paid. The nominal value of a share is 0.1p. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per ordinary share at general meetings of the Company. Included within shares in issue at 31 December 2023 are 1,029,919 (2022: 1,375,963) shares held by the EBT, 1,167,227 (2022: 930,592) shares held by the SIP and 11,709,197 (2022: 12,185,222) shares held in Treasury.

In June 2007, the Company commenced a share buyback program to purchase its own ordinary shares. The total number of shares bought back in 2023 was 23,951,466 (2022: 22,277,147) shares representing 2.9% (2022: 2.7%) of the ordinary shares in issue (excluding shares held in treasury). All the shares bought back in both years were cancelled. The shares were acquired on the open market at a total consideration (excluding costs) of £130,000,000 (2022: £129,981,000). The maximum and minimum prices paid were £5.97 (2022: £6.89) and £4.73 (2022: £4.39) per share respectively. The average price paid was £5.43 (2022: £5.83). Costs incurred on purchase of own shares in relation to stamp duty charges and broker expenses for share buy backs were £910,000 (2022: £910,000). Costs incurred on purchase of own shares in relation to stamp duty charges and broker expenses for the SIP award were £12,000 (2022: £23,000).

11 Reconciliation of movement in capital and reserves

Own shares held – £000	**EBT shares reserve £000**	**SIP shares reserve £000**	**Treasury shares £000**	**Total £000**
Own shares held as at 1 January 2022	(1,552)	(4,107)	(5,929)	(11,588)
Shares purchased for share incentive plans	(2,216)	(682)	-	(2,898)
Shares transferred to SIP	555	(555)	-	-
Share-based incentives exercised in the year	56	289	140	485
SIP releases in the year	-	103	-	103
Own shares held as at 31 December 2022	(3,157)	(4,952)	(5,789)	(13,898)
Own shares held as at 1 January 2023	**(3,157)**	**(4,952)**	**(5,789)**	**(13,898)**
Shares purchased for share incentive plans	**(725)**	**(1,273)**	**-**	**(1,998)**
Shares transferred to SIP	**725**	**(725)**	**-**	**-**
Share-based incentives exercised in the year	**1,297**	**557**	**230**	**2,084**
SIP releases in the year	**-**	**72**	**-**	**72**
Own shares held as at 31 December 2023	**(1,860)**	**(6,321)**	**(5,559)**	**(13,740)**

Own shares held – number of shares

	EBT shares reserve	**SIP shares reserve**	**Treasury shares**	**Total**
Own shares held as at 1 January 2022	1,158,418	787,000	12,480,472	14,425,890
Shares purchased for share incentive plans	432,254	128,774	-	561,028
Shares transferred to SIP	(99,476)	99,476	-	-
Share-based incentives exercised in the year	(115,233)	(63,893)	(295,250)	(474,376)
SIP releases in the year	-	(20,765)	-	(20,765)
Own shares held as at 31 December 2022	1,375,963	930,592	12,185,222	14,491,777
Own shares held as at 1 January 2023	**1,375,963**	**930,592**	**12,185,222**	**14,491,777**
Shares purchased for share incentive plans	**127,240**	**226,335**	**-**	**353,575**
Shares transferred to SIP	**(127,240)**	**127,240**	**-**	**-**
Share-based incentives exercised in the year	**(346,044)**	**(104,740)**	**(476,025)**	**(926,809)**
SIP releases in the year	**-**	**(12,200)**	**-**	**(12,200)**
Own shares held as at 31 December 2023	**1,029,919**	**1,167,227**	**11,709,197**	**13,906,343**

(a) EBT shares reserve
This reserve represents the cost of own shares acquired by the EBT less any exercises of share-based incentives.

At 31 December 2023, the EBT held 1,029,919 (2022: 1,375,963) ordinary shares in the Company, representing 0.1% (2022: 0.2%) of the ordinary shares in issue (excluding shares held in treasury). The market value of the shares held in the EBT at 31 December 2023 was £5,928,000 (2022: £7,031,000).

(b) SIP shares reserve
In November 2014, the Company established the Rightmove Share Incentive Plan Trust (SIP). This reserve represents the cost of acquiring shares less any exercises or releases of SIP awards. Employees of Rightmove Group Limited and Rightmove plc were offered 600 free shares with effect from 20 December 2023 (2022: 500), subject to a three-year service period. During the year 104,740 shares were exercised (2022: 63,893) and 12,200 shares (2022: 20,765) were released by the SIP in relation to good leavers and retirees. 127,240 shares were transferred to the SIP reserve from the EBT (2022: 99,476).

At 31 December 2023, the SIP held 1,167,227 (2022: 930,592) ordinary shares in the Company, representing 0.1% (2022: 0.1%) of the ordinary shares in issue (excluding shares held in treasury). The market value of the shares held in the SIP at 31 December 2023 was £6,718,000 (2022: £4,755,000).

(c) Treasury shares
This represents the cost of acquiring shares held in treasury less any exercises of share-based incentives. These shares were bought in 2008 at an average price of 47.60 pence and may be used to satisfy certain share-based incentive awards. At 31 December 2023, the Treasury held 11,709,197 of the ordinary shares in issue. The market value of the shares held in treasury at 31 December 2023 was £67,398,000 (2022: £62,266,000).

Other reserves
Other reserves of £480,000 (2022: £456,000) represents the Capital Redemption Reserve in respect of own shares bought back and cancelled. The movement of £24,000 (2022: £22,000) is the nominal value of ordinary shares bought back and cancelled during the year.

Retained earnings
The loss on the exercise of share-based incentives of £1,562,000 (2022: £106,000) is the difference between the weighted average value that the own shares, held individually by the EBT, SIP and treasury, were originally acquired at and the exercise price at which share-based incentives were exercised or released during the year.

12 Share-based payments

The Group operates share-based incentive schemes for executive directors and employees.

All share-based incentives are subject to service conditions. Such conditions are not taken into account in the fair value of the service received. The fair value of services received in return for share-based incentives is measured by reference to the fair value of share-based incentives granted. The estimate of the fair value of the share-based incentives is measured using either the Monte Carlo or Black Scholes pricing model as is most appropriate for each scheme. National insurance is being accrued, where applicable, at a rate of 13.8%, which management expects to be the prevailing rate when the awards are exercised, based on the share price at the reporting date.

The Group recognised a total share-based payments charge for the year of £5,886,000 (2022: £4,179,000) The NI charge for the year, relating to all awards, was £651,000 (2022: a credit of £110,000).

13 Subsequent events

On 1 February 2024, the Group acquired 100% equity capital and voting rights of HomeViews Platform Limited (HomeViews) for cash consideration of £8m. HomeViews is the UK's biggest community of verified resident reviews of property developments, with a particular focus on the build to rent sector.

Due to the timing of the acquisition being after 31 December 2023, the results of HomeViews are not included in our financial statement for the year ended 31 December 2023 and the acquisition accounting has not yet been completed. In line with IFRS 3, the price accounting for the acquisition will be finalised within 12 months of the acquisition date.

Other than the above transaction, there were no other subsequent events, between the 31 December 2023 and the reporting date.

ADVISERS AND SHAREHOLDER INFORMATION

Contacts

Chief Executive Officer:	Johan Svanstrom
Chief Financial Officer:	Alison Dolan
Company Secretary:	Carolyn Pollard
Website:	https://plc.rightmove.co.uk

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Corporate advisers

Financial adviser

UBS Investment Bank

Joint brokers
UBS AG London Branch
Numis Securities Limited

Auditor
Ernst & Young LLP

Bankers
Barclays Bank plc
Santander UK plc
HSBC UK Bank plc
Lloyds Banking Group plc

Solicitors
EMW LLP
Linklaters LLP
Herbert Smith Freehills LLP

Registrar
Link Asset Services[1]

Financial calendar 2024

2023 full year results	1 March 2024
Final dividend record date	26 April 2024
Annual General Meeting	10 May 2024
Final dividend payment	24 May 2024
Half year results	26 July 2024

[1] **Shareholder enquiries**
The Company's registrar is Link Group. They will be pleased to deal with any questions regarding your shareholding or dividends. Please notify them of your change of address or other personal information. Their contact details are:

Shareholder helpline: 0371 664 0300 calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 09:00 - 17:30, Monday to Friday excluding public holidays in England and Wales.

Email: shareholderenquiries@linkgroup.co.uk
Signal Shares shareholder portal: www.signalshares.com
Address: Link Group
Central Square
29 Wellington Street
Leeds
LS1 4DL

Shareholders can register online to view your holdings using the shareholder portal, a service offered by Link Group at www.signalshares.com. The shareholder portal is an online service enabling you to quickly and easily access and maintain your shareholding online – reducing the need for paperwork and providing 24 hour access for your convenience. You may:

- View your holding balance and get an indicative valuation
- View the dividend payments you have received
- Cast your proxy vote on the AGM resolutions online
- Update your address
- Register and change bank mandate instructions so that dividends can be paid directly to your bank account
- Elect to receive shareholder communications electronically
- Access a wide range of shareholder information and download shareholder forms