Rightmove
Company Valuation

Group 5

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Investment Thesis & Recommendation

Decision Recommendation: BUY

Main Value Drivers

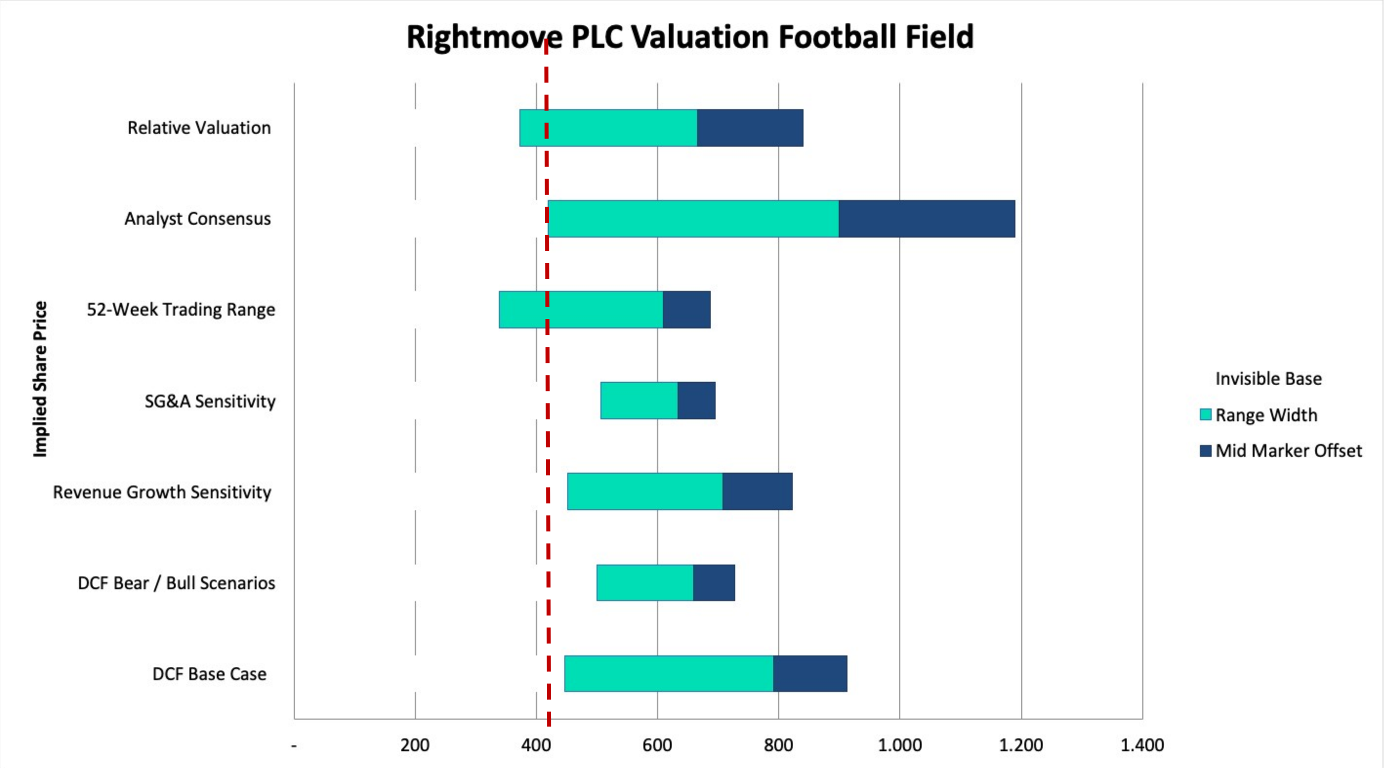
Dominant UK Portal
#1 property platform with >80% of time spent on UK portals. Self-reinforcing network effects

Excellent Margin Profile
70% EBITDA margin and 107% cash conversion in FY2025. Asset-light subscription model delivers high earnings visibility with minimal reinvestment

Consistent Revenue Growth
9% revenue growth to £425.1m in FY2025. ARPA-driven across more than 19,000 paying members

AI & Platform Expansion
31 AI initiatives underway. Strategic Growth Areas (mortgages, commercial, rental) up 25% to £29m in FY2025

Capital Return
Share count reduced from 977m (2015) to 752m (2026) through buybacks. £200m+ returned annually. Growing DPS supports shareholder value



Current Price	DCF Base Case	Weighted Target	Relative Valuation
416p	567p	598p	665p
29 May 2026	+36.4% upside	+43.8% upside	+59.9% upside

Company Overview

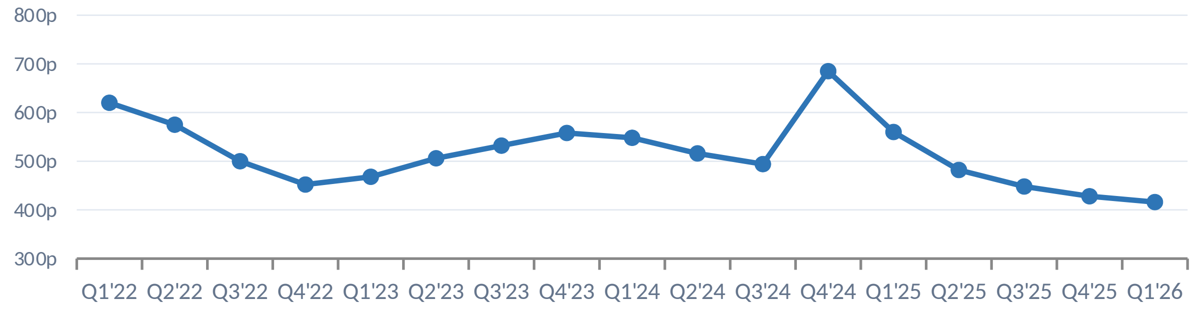
Rightmove Plc

Headquarters	Year Founded	Stock Exchange	Monthly Visits	FY25 Revenue	FY25 EBIT	Employees
London	2000	LSE:RMV	170m	£425.1m	£287.9m	900

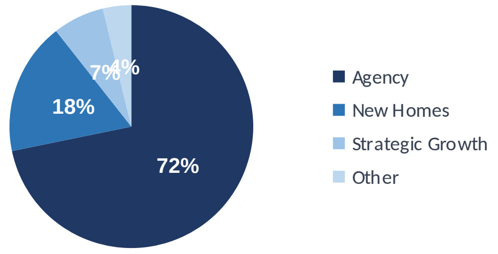
Company Overview

- Rightmove is the **UK's #1 online property marketplace**, connecting more than 19,000 estate agents, developers and letting agents with property seekers across the UK
- Subscription-based, asset-light business model generating industry-leading with 70% EBITDA margins and strong free cash flow conversion
- Dominant market position where **>80% of time spent on UK property portals**
- Active capital return programme with £200m+ returned annually via dividends and buybacks. Share count reduced from 977m (2015) to 752m (2026)
- **Key risk:** 2026 operating margin guided to compress to ~67% (from 70% in FY2025) due to deliberate AI and headcount investment

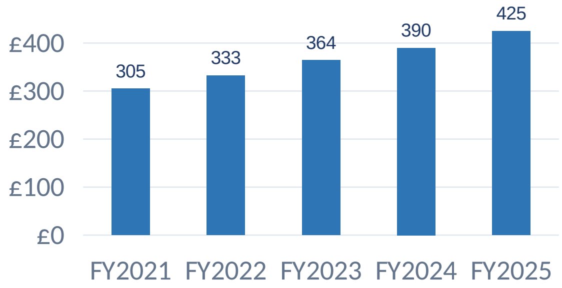
Share Price



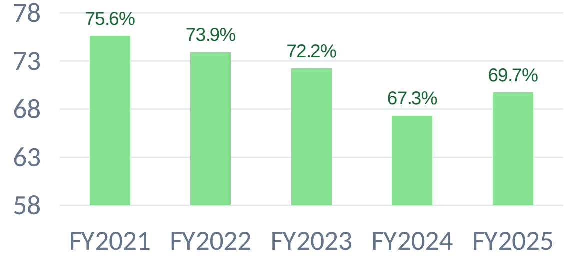
Revenue by Segment FY2025



Revenue Growth



EBITDA Margin



Market Position

#1 UK property portal by traffic

>80% share of time on UK portals

~19k agent & developer members

~900k properties listed

Market Drivers & Assumptions

Rightmove Plc

Opportunities

ARPA expansion

Financial Services

New Homes Growth

Data & Analytics

Risks

Housing Market downturn

Tech disintermediatio n

Increased competitio n

Regulatory risk

Assumptions

Revenu es

Revenue growth: 8% p.a. Average of 2021–2025 actuals, driven by continued ARPA expansion across agency tiers and new product upsells (mortgage services, data analytics).

OPEX

SG&A: 30% of revenue (average of past 2 years) — Rightmove is actively investing in product and headcount. D&A: 2% p.a. growth. CapEx: 0.3% of revenue (asset-light model; negligible physical infrastructure).

Tax Rate

Corporate tax rate: 25% (UK statutory rate from April 2023) Income tax expense grows at 9% p.a. Average of past 2 years' income tax growth, consistent with earnings trajectory.

Working Capital

Change in NWC: 0 Rightmove's subscription-based business model, a neutral working capital assumption: no inventory, minimal receivables, and upfront agency subscription payments

WACC & TV

WACC: 9.0625% (from prior CAPM calc: Rf = 4.48%, levered beta = 0.65, ERP = 7.05%; capital structure 99.8% equity / 0.2% debt). Terminal growth rate: 2.5% (UK long-run nominal GDP)

DCF Valuation

Rightmove Plc

FCFF Forecast

Income Statement	FY 2021 12/31/2021	FY 2022 12/31/2022	FY 2023 12/31/2023	FY 2024 12/31/2024	FY 2025 12/31/2025	2026 12/31/2026	2027 12/31/2027	2028 12/30/2028	2029 12/30/2029	2030 12/30/2030
Revenue	£ 304.90	£ 332.60	£ 364.30	£ 389.90	£ 425.10	£ 459.11	£ 495.84	£ 535.50	£ 578.34	£ 624.61
Total Revenue	**£ 304.90**	**£ 332.60**	**£ 364.30**	**£ 389.90**	**£ 425.10**	**£ 459.11**	**£ 495.84**	**£ 535.50**	**£ 578.34**	**£ 624.61**
Cost Of Goods Sold	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
Gross Profit	**£ 304.90**	**£ 332.60**	**£ 364.30**	**£ 389.90**	**£ 425.10**	**£ 459.11**	**£ 495.84**	**£ 535.50**	**£ 578.34**	**£ 624.61**
Selling General & Admin Exp.	£ 76.80	£ 86.70	£ 101.30	£ 127.60	£ 128.90	£ 137.73	£ 148.75	£ 160.65	£ 173.50	£ 187.38
Depreciation & Amort.	£ 3.40	£ 3.50	£ 3.40	£ 3.60	£ 3.90	£ 3.98	£ 4.06	£ 4.14	£ 4.22	£ 4.31
Other Operating Expense/(Income)	-£ 1.40	£ 1.10	£ 1.60	£ 2.40	£ 4.40	£ 4.40	£ 4.40	£ 4.40	£ 4.40	£ 4.40
Operating Expense., Total	**£ 78.80**	**£ 91.30**	**£ 106.30**	**£ 133.60**	**£ 137.20**	**£ 146.11**	**£ 157.21**	**£ 169.19**	**£ 182.12**	**£ 196.09**
Operating Income (EBIT)	**£ 226.10**	**£ 241.30**	**£ 258.00**	**£ 256.30**	**£ 287.90**	**£ 313.00**	**£ 338.63**	**£ 366.31**	**£ 396.22**	**£ 428.52**
Interest Expense	£ 0.50	£ 0.40	£ 0.50	£ 0.50	£ 0.50	£ 0.50	£ 0.50	£ 0.50	£ 0.50	£ 0.50
Interest Income	£ -	£ 0.40	£ 2.20	£ 2.60	£ 2.60	£ 2.60	£ 2.60	£ 2.60	£ 2.60	£ 2.60
Net Interest Exp.	**£ 0.50**	**£ 0.10**	**-£ 1.70**	**-£ 2.10**	**-£ 2.10**	**-£ 2.10**	**-£ 2.10**	**-£ 2.10**	**-£ 2.10**	**-£ 2.10**
Other Non-Operating Exp. (Inc)	£ -	-£ 0.40	-£ 2.20	-£ 2.60	-£ 2.60	-£ 2.60	-£ 2.60	-£ 2.60	-£ 2.60	-£ 2.60
EBT Excl. Unusual Items	**£ 225.70**	**£ 241.70**	**£ 262.00**	**£ 261.00**	**£ 292.60**	**£ 317.70**	**£ 343.33**	**£ 371.01**	**£ 400.92**	**£ 433.22**
Other Unusual Items	£ -	£ 0.40	£ 2.20	£ 2.60	£ 2.60	£ 2.60	£ 2.60	£ 2.60	£ 2.60	£ 2.60
EBT Incl. Unusual Items	**£ 225.60**	**£ 241.30**	**£ 259.80**	**£ 258.40**	**£ 290.00**	**£ 315.10**	**£ 340.73**	**£ 368.41**	**£ 398.32**	**£ 430.62**
Income Tax Expense	£ 42.60	£ 45.60	£ 60.60	£ 65.70	£ 72.90	£ 79.46	£ 86.61	£ 94.41	£ 102.90	£ 112.17
Earnings from Cont. Ops.	**£ 183.10**	**£ 195.70**	**£ 199.20**	**£ 192.70**	**£ 217.10**	£ 235.64	£ 254.12	£ 274.01	£ 295.41	£ 318.46
Net Income	**£ 183.10**	**£ 195.70**	**£ 199.20**	**£ 192.70**	**£ 217.10**	**£ 235.64**	**£ 254.12**	**£ 274.01**	**£ 295.41**	**£ 318.46**

FCFF Calculation

Year	Unit	2026E	2027E	2028E	2029E	2030E
EBIT	£	313.0	338.6	366.3	396.2	428.5
Tax Rate	%	0.3	0.3	0.3	0.3	0.3
D&A	£	4.0	4.1	4.1	4.2	4.3
CapEx	£	(1.4)	(1.5)	(1.6)	(1.7)	(1.9)
Change in WC	£	0.0	0.0	0.0	0.0	0.0
FCFF	£	237.3	256.5	277.3	299.7	323.8
Discount		217.6	215.7	213.7	211.8	209.9

Enterprise Value/Equity Value/Terminal Value

Enterprise Value	£	4,346.5
Cash & Equivalents	£	42.9
Total Debt	£	(7.2)
Equity Value	£	4,382.2
Shares Outstanding	m shares	772.4
Share Price	pence	567.4

Terminal Value	£	5057.82
PV of TV	£	3277.83
TV as % of EV	%	75.41%

Sensitivity Analysis

WACC / TV

Share price in pounds	5,674	WACC 8,0625%	8,5625%	9,0625%	9,5625%	10,0625%
TV	1,50%	£ 5,869	£ 5,444	£ 5,076	£ 4,754	£ 4,470
	2,00%	£ 6,255	£ 5,770	£ 5,354	£ 4,993	£ 4,677
	2,50%	£ 6,711	£ 6,149	£ 5,674	£ 5,265	£ 4,911
	3,00%	£ 7,257	£ 6,597	£ 6,046	£ 5,579	£ 5,179
	3,50%	£ 7,922	£ 7,133	£ 6,485	£ 5,945	£ 5,487

Revenue Growth / SG&A

Share price in pounds	5,674	Revenue Growth 4,00%	6,00%	8,00%	10,00%	12,00%
SG&A	26,00%	£ 5,067	£ 5,517	£ 5,999	£ 6,517	£ 7,071
	28,00%	£ 4,930	£ 5,367	£ 5,836	£ 6,340	£ 6,879
	30,00%	£ 4,792	£ 5,217	£ 5,674	£ 6,163	£ 6,687
	32,00%	£ 4,655	£ 5,067	£ 5,511	£ 5,986	£ 6,495
	34,00%	£ 4,517	£ 4,918	£ 5,348	£ 5,809	£ 6,303

Company Capital Structure and WACC

FY 2025 Actuals (TTM 31 Dec, 2025)

Equity	£4,013.30	99.8%
Preferred Equity	£0.00	0.0%
Short-Term Debt	£3.60	0.1%
Long-Term Debt	£3.60	0.1%
Enterprise Value	**£4,020.50**	**100.0%**

Cost of Equity	9.06%
WACC	**9.06%**

4.5%
Risk Free Rate
10-year US Treasury Bonds

0.65
Beta
Derived from an OLS regression using FTSE 100 Index returns as the market benchmark

7.1%
Country Premium
Based on the implied Equity Risk Premium for the UK market

11.5%
Market Premium
Implied excess return of the UK equity market over the risk free rate

Sources: Righmove Annual Report 2025 - Bloomberg

Trading Comparables

Multiples and Comparables Selection

Selection Criteria

Company	Tier	Selection Criteria
REA Group	Property portal, Australia	Dominant national portal, identical ARPA subscription model
Scout24	Property portal, Germany	Dominant portal, mature European market, same subscription model
Auto Trader	Auto marketplace, United Kingdom	Same subscription ARPA model, UK-listed, economically near-identical to RMV
Hemnet	Property portal, Sweden	Closest structural twin, monopoly portal, pure ARPA subscription
Zillow	Property portal, United States	Same sector, US scale reference

Multiples NTM

Company	EV/EBITDA	EV/Rev	P/E
REA Group ASX: REA	18.3	10.7	30.8
Scout24 FRA: G24	15.4	7.6	19.9
Auto Trader LSE: AUTO	9	6.7	13
Hemnet STO: HEM	16.1	6.7	19.5
Zillow NASDAQ: Z	28	2.8	15.1
Median	**16.1**	**6.7**	**19.5**
Mean	17.36	6.9	19.66
Rightmove LSE:RMV	**10.7**	**7.4**	**14.7**

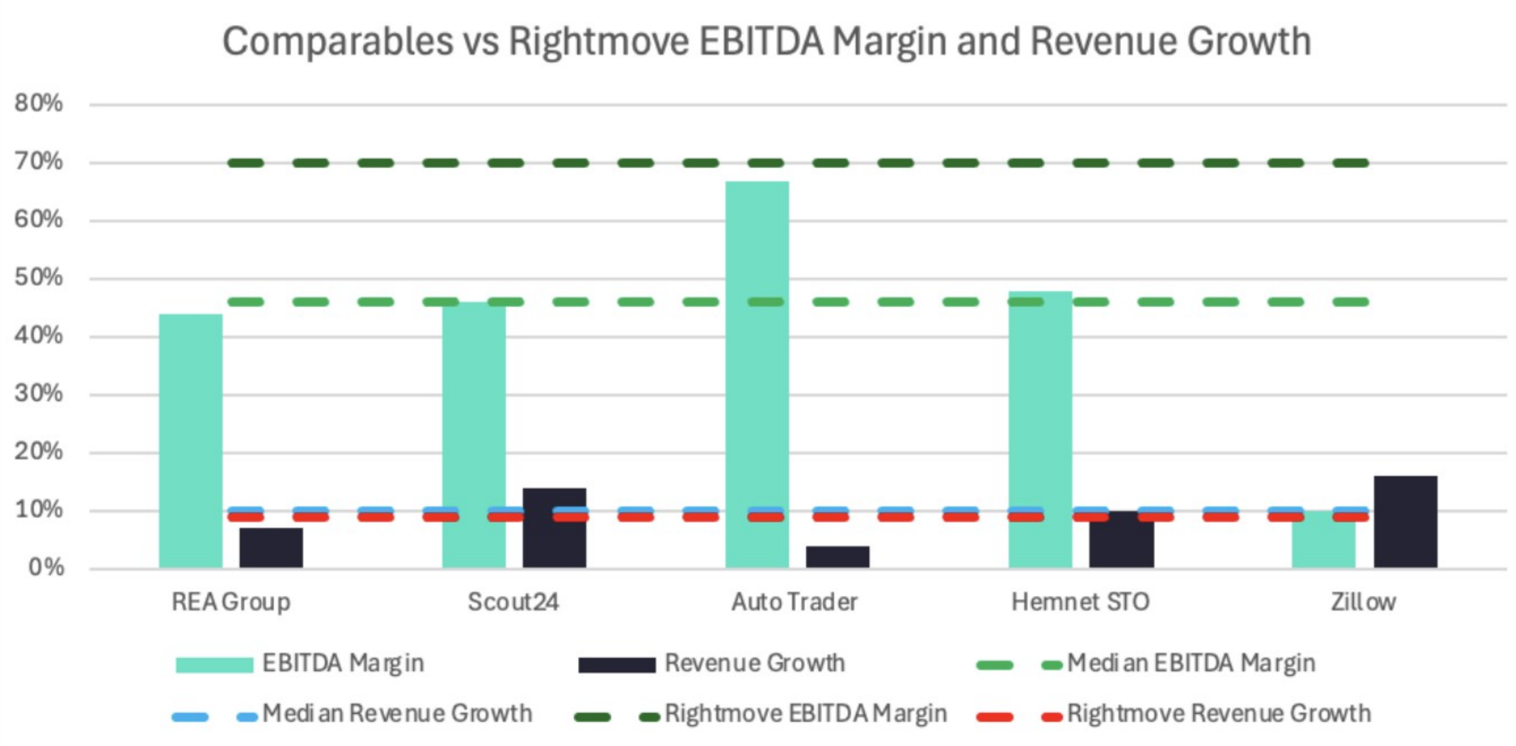
Source: Bloomberg Terminal

Trading Comparables and Precedent Transactions

Ratios and Precedents

Trading Comparables		
Median EV/E 16.1x		
RMV EBITDA	£	317
Implied EV		**5103.7**
Net cash	£	42.9
Debt	-£	7.2
Equity Value		**5139.4**
Shares	£	772.4
Share Price	**665.4 pence**	

Precedent Transactions**	
REA Group / Rightmove (2024)	Attempted acquisition of RMV, direct reference (rejected as bid was too low)
EQT / Idealista (2020)	Dominant European portal, same subscription model, reflects PE floor valuation
CoStar / OnTheMarket (2023)	Direct UK portal transaction, anchors lower bound as non-dominant #3 player



*TTM multiples used throughout; NTM estimates excluded given wide analyst dispersion across the peer set.

**Precedent transaction analysis excluded, majority of targets are private with insufficient public disclosure to derive reliable multiples.