Rightmove defiant in face of expected OTM onslaught

The portal's CEO Johan Svanstrom says its revenue and profit figures are healthy despite the anticipated attack from OnTheMarket and its new American owners.

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Rightmove says it is holding firm despite the expected onslaught from rival OnTheMarket and its new owners.

The property listings giant reported revenue growth of 8-10% and underlying profit increased by 7-8%, in a City trading update.

Rightmove said "the strength of demand for our products means that we now expect ARPA (Average Revenue Per Advertiser) growth for the full year to be £112-116, exceeding our previous guidance of £103-£105".

"The overall full year outlook for 2023 remains at least in line with our previous guidance," it said.

> **The momentum that we reported in July has continued".**

Johan Svanstrom, CEO at Rightmove (main picture), says: "The momentum that we reported in July has continued through the third quarter and beyond."

WARNED

The portal's shareholders were recently warned to sell their holding in the business or risk suffering a 30% fall in value in the face of competition from **OnTheMarket**.

OTM is being bought by global property data group CoStar, subject to shareholder approval, in a move clearly designed to challenge the dominance of Rightmove.

CLEAR LEAD

US investment bank Citigroup acknowledged that Rightmove has a "clear lead" in the residential sector, which has helped it come through previous competition challenges "unscathed".

But "the firepower and ambition of CoStar means it could be trickier this time", Citigroup said.

INCREASE SPEND

CoStar plans to spend £46.5 million on sales and marketing in the first full year following the takeover, which is six times what OTM currently spends and more than three times the current annual media spend of Rightmove.

In July, revenue at Rightmove was up £179.5 million, and operating profit increased 7% to £129.5 million, with a 9% boost in underlying operating profit to £132.2 million.

ARPA increased by 9% to £1,411 per month, and the company maintained a strong market share of 86%.