

11 October 2018

Countryside Properties PLC FY2018 Trading Statement “Continued strong growth from mixed tenure delivery”

Countryside Properties PLC (the “Group”), a leading UK home builder and urban regeneration partner, is today issuing a trading update for the year from 1 October 2017 to 30 September 2018. The Group will report its full year results on Wednesday 21 November 2018.

Operational Highlights

- Total completions up 27% to 4,295 homes (2017: 3,389 homes)
- Open sales outlets up 28% at 60 (2017: 47 outlets) with a further 55 sites under construction (2017: 41 sites)
- Net reservation rate¹ 0.80, at top of target range (2017: 0.84)
- Private average selling price (“ASP”) reduced by 7% to £402,000 due to the impact of regional mix with underlying sales price growth of 2%
- Total forward order book up 40% at £900m (2017: £644m) of which the private forward book was £215m (2017: £242m)
- Strong cash generation with closing net cash of £45m, after the acquisition of Westleigh (2017: £77m)

¹ Net reservations per open outlet per week

Partnerships

Our Partnerships division has delivered another year of strong growth with total completions up 38% at 3,019 homes versus 2,192 homes in 2017. This includes 465 homes delivered by Westleigh, acquired by the Group in April 2018. The private ASP in our Partnerships division decreased by 7% to £318,000, driven by the change in regional mix.

Private completions were up 38% to 1,137 homes, Private Rental Sector (“PRS”) units were up 12% at 809 and affordable homes were up 66% to 1,073 in the period.

The scale of opportunity for our Partnerships division continues to expand and we had another very successful year in winning new business, underpinning growth and giving us excellent visibility for the future. In addition to those sites already in the land bank, including those with preferred bidder status, we secured 9,646 new plots in the year, more than three times the number of plots used during the year.

We now have 29,878 Partnerships plots under our control (2017: 19,223 plots), including 4,981 plots from the acquisition of Westleigh. This represents approximately ten years of future work at current volumes for our Partnerships division.

Housebuilding

Our Housebuilding division has also continued to deliver good growth with total completions up 7% at 1,276 homes (2017: 1,197 homes). The Housebuilding division continues to grow to scale and is utilising our industry-leading strategic land bank to deliver improving returns. Private ASP remained broadly flat at £512,000 during the year, in line with our strategy of ensuring that housing remains relatively affordable for local owner-occupiers.

We have maintained our strategic land bank in the Housebuilding division by acquiring 1,334 plots on ten sites during the period. The Housebuilding land bank now stands at 19,778 plots (2017: 19,826 plots) of which 85% has been sourced strategically, on options or conditional contracts.

Outlook

Our strategy of delivering a mix of tenures is both fuelling our growth and providing resilience. We anticipate that private for sale housing will only make up around one third of Group completions in the coming year. We continue to have excellent visibility of our medium-term growth with ten years' secured work for Partnerships and our strategically-sourced land bank in Housebuilding.

We continue to see strong demand for our homes, particularly from first time buyers and the private rental sector but are seeing a more subdued tone from discretionary purchasers. However, we reiterate the medium-term guidance given at our Capital Markets Day in June of 10% to 15% growth per annum. We will update on current trading alongside our full year results announcement on 21 November 2018.

Ian Sutcliffe, Group Chief Executive, commented:

“We have enjoyed another year of strong growth, underpinned by our strategy of mixed tenure delivery. Both our Partnerships and Housebuilding divisions have performed very well on all financial measures, exceeding all of the medium-term targets we set out ahead of our IPO three years ago.”

- Ends -

There will be a conference call for analysts and investors held today at 0800hrs (BST):

Standard dial in: +44 (0) 20 7192 8338
Dial in UK Free Call: 0800 279 6619
Dial in UK Local Call: 0844 481 9752
Conference ID: 2258609

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About Countryside

Countryside is a leading UK home builder specialising in place making and urban regeneration. Our business is centred around two complementary divisions, Partnerships and Housebuilding. Our Partnerships division specialises in urban regeneration of public sector land, delivering private and affordable homes by partnering with local authorities and housing associations. The Housebuilding division, operating under Countryside and Millgate brands, develops sites that provide private and affordable housing, on land owned or controlled by the Group. Countryside was founded in 1958. It operates in locations across outer London, the South East, the North West of England and the Midlands.

For further information, visit www.countryside-properties.com.