



21 January 2021

Countryside Properties PLC Q1 2021 Trading Statement

Countryside Properties plc (the “Group”), the UK’s leading mixed-tenure developer, is today issuing a trading update for the 13-week period from 1 October 2020 to 31 December 2020.

Q1 Operational Highlights

- Q1 performance in line with expectations for full year ending 30 September 2021
- Total completions up 17% to 1,280 homes (Q1 2020: 1,097 homes)
- Private average selling price (“ASP”) of £404,000 (Q1 2020: £394,000)
- Net reservation rate¹ of 0.53 (Q1 2020: 0.81), reflecting strong forward order book
- Average open sales outlets at 60 (Q1 2020: 59)
- Total forward order book at £1,259m (FY 2020: £1,432m), driven by private completions in Q1 and new development timing
- Net cash of £91m (Q1 2020: net debt £62m)

¹ Net reservations per open outlet per week

Group Performance

Trading during the first quarter was in line with expectations and we are around 80% forward sold for 2021, underpinning our earnings guidance provided at our full year results on 3 December 2020. The phasing of delivery across the year is expected to be broadly in line with our previous guidance.

Our net reservation rate was 0.53 (Q1 2020: 0.81), in line with our expectations and reflects the strong forward order book carried over from the prior year. As we delivered homes delayed by the 2020 lockdown, this resulted in a decrease in the private forward order book on the year end position to £408m (FY 2020: £528m). Demand for affordable and PRS homes has also remained robust with their combined order book at £851m (FY 2020: £904m) and a number of new contracts expected to be signed in the balance of the year as we start on new developments.

During the period we completed a total of 1,280 homes (Q1 2020: 1,097 homes) which included a number of homes that should have originally completed between July and September 2020 but were impacted by the national lockdown earlier in the year. Our growth plan remains on track and at the end of the quarter we were active on a total of 116 sites (FY 2020: 124 sites). The reduction relates to the completion of a number of smaller developments in the quarter as well as some delays to site starts driven by planning taking longer than usual.

We are pleased to have signed two new framework agreements during the period. The first with Places for People to deliver up to 10,000 homes nationally over the next 10 years and the second, an extension of our relationship with Sigma Capital, to deliver up to 5,000 new PRS homes across multiple regions over the next three years. These framework agreements help to underpin our mixed tenure delivery pipeline over the medium term.

Divisional Performance

Our **Partnerships** division delivered total completions of 902 homes (Q1 2020: 855 homes), including 330 private homes (Q1 2020: 160 homes). Affordable and PRS delivery was lower than last year at 572 homes (Q1 2020: 695 homes) as we replanned some sites to increase the proportion of private homes for future years as well as experiencing delays to planning on a number of developments. As at 30 December 2020, we had 41,173 plots secured within Partnerships, up 4% on the prior year (Q1 2020: 39,656 plots).

We have made progress on our key growth initiatives outlined in July 2020, with two new Divisional CEOs appointed to Partnerships in the North and Midlands during the quarter and new opportunities identified in our newly-opened regions. Delivery of our second modular panel factory, which is under construction, also remains on track.

Our **Housebuilding** division delivered 56% more completions on the prior year at 378 homes (Q1 2020: 242 homes) reflecting the completion of a number of properties which were originally scheduled for Q4 FY20 completion. Overall, our land bank stood at 26,008 plots (Q1 2020: 24,957 plots).

Sustainability

Over the last 12 months we have increased our focus on operating as a more sustainable business. This is to ensure that we take a long-term view of the business, including our environmental performance, alongside our social impact while delivering an exceptional customer experience to everyone who interacts with Countryside. Following the recent appointment of a Group Sustainability Director, we will launch our new approach to sustainability, including science-based targets, in March 2021. This will be followed in the summer with the publication of a detailed statement setting out our Pathway to Net Zero.

Group structure

The internal reorganisation of the Group announced at our full-year results on 3 December 2020 is progressing in line with the process set out and, to the extent that counter-party consents are received, is expected to be completed at the end of March 2021. Completing this process will facilitate a smoother separation of the two divisions when the Board believes it is in the best interests of the Company and its shareholders.

Chair succession

The Nomination Committee, led by our Senior Independent Director, Douglas Hurt, has commenced a search for a Non-Executive Chair following the announcement of David Howell's intention to step down later this year. The Board is focusing on candidates who have the requisite skill set and experience to lead the Company during the next phase of its growth and we will provide a further update in due course.

Outlook

We enter the second quarter with good visibility which underpins our delivery for the full year. Whilst some economic uncertainty remains as a result of the COVID pandemic and new UK-EU trading arrangements, the outlook for the Group remains positive given sustained levels of strong demand for our homes across all tenures. All our construction sites remain open in line with our health and safety guidelines and our sales teams are operating on an appointment only basis. Build programmes remain on track for the full year and we anticipate further growth in the number of open outlets in the second quarter. We remain focused on delivering exceptional customer service, continuing to operate at HBF 5-star builder status. Overall, we remain on track to deliver our full year plans.

Iain McPherson, Group Chief Executive, commented:

"We have entered the new financial year with a strong forward sales position which underpins our guidance for FY21. We continue to win new business as we progress our accelerated growth strategy. The plans set out last summer for regional expansion are on track and we are progressing the separation of our two divisions. I would like to thank all our employees for their continued hard work during the quarter, in particular through the current national lockdown."

- Ends -

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Note to editors:

Countryside is the UK's leading mixed-tenure developer through its two divisions, Partnerships and Housebuilding, creating places where people love to live, with sustainable communities built to last. In April 2020, it was awarded the 5 Star Rating by the Home Builders Federation following the latest home building industry's Customer Satisfaction Survey.

Countryside's Partnerships division was established over 40 years ago, specialising in estate regeneration, with operations in London, the South East, the North West, the Midlands and Yorkshire. It works mainly on public sector owned and brownfield land, in partnership with local authorities and housing associations to develop private, affordable and PRS homes. It recently established a modular panel manufacturing facility in Warrington to improve quality and reduce build times on site. Its developments include large scale urban regeneration projects at Beam Park, Rainham; Acton Gardens, Ealing; and Rochester Riverside, Medway.

Countryside's Housebuilding division benefits from an industry leading strategic land bank which is focused around outer London and the Home Counties. It builds family homes, with a focus on placemaking and selling to local owner occupiers. Its developments include a number of large-scale projects including Beaulieu, Chelmsford, Springhead Park, Ebbsfleet and Tattenhoe Park, Milton Keynes.

Countryside delivered 4,053 homes in the twelve months to September 2020 - 3,213 through its Partnerships division and 840 through its Housebuilding division, with a mix of private for sale, PRS and affordable homes. The Group has a strong balance sheet with new framework agreements signed during 2020 which, along with a record forward order book, up 23% to £1,432m, underpin the mixed-tenure delivery model focused on delivering quality homes and sector leading growth. It was listed on the London Stock Exchange in February 2016 as a constituent of the FTSE 250.

For more information see www.countrysideproperties.com or follow @CountrysideProp on Twitter