



24 January 2019

Countryside Properties PLC Q1 2019 Trading Statement

Q1 growth driven by 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 13-week period from 1 October 2018 to 31 December 2018 in conjunction with holding its 2019 Annual General Meeting.

Q1 Highlights

- Q1 performance in line with full year expectations
- Total completions up 28% to 1,094 homes (2018: 852 homes)
- Total forward order book up 78% to £946m (2018: £532m)
- Adjusted operating margin¹ in line with expectations
- Net debt of £12m better than expectations (2018: Net cash £65m)
- 5,613 additional Partnerships plots secured during the period

Group Performance

The strong growth in completions was driven by a sharp increase in affordable homes, up 52% to 413 homes (2018: 271 homes), and Private Rental Sector, up 66% to 341 homes (2018: 205 homes). This was due to the acquisition of Westleigh and the expansion of our PRS framework agreement with Sigma. Private for sale completions were lower in the quarter at 340 homes (2018: 376 homes) due to the phasing of completions in Partnerships in both the current and prior year.

Our net Private reservation rate² slowed in December and as a consequence was 0.63 for the quarter (2018: 0.70). Open sales outlets were up 10% to 54 (2018: 49) and Private average selling prices were broadly flat at £395,000 (2018: £394,000) with a 1% to 2% underlying increase in prices. Sites under construction increased by 34% to 129 (2018: 96), enabling a significant growth in the total forward order book up 78% to £946m (2018: £532m).

Partnerships

Our strong growth in completions, up 35% to 850 homes (2018: 628 homes), was driven by the additional 249 homes from the Westleigh acquisition. The total forward order book was up 115% at £659m (2018: £307m). We had a very strong quarter for new business with 5,613 additional plots secured including 2,170 plots at Cambridge Road, Kingston upon Thames, with enhanced planning adding an additional 900 plots at Acton Gardens, London. The total secured Partnerships land now stands at 34,254 plots (2018: 19,756 plots).

Housebuilding

The Housebuilding division delivered continued growth in completions, up 9% to 244 homes (2018: 224 homes), driven by a 30% increase in private completions to 164 homes (2018: 126 homes). The total forward order book was up 27% at £286m (2018: £225m). Our land bank reduced slightly to 19,649 plots (2018: 20,118 plots) as we continue to utilise our strategic land bank.

Outlook

We have performed well in Q1, in line with our full year expectations, with lower private completions being replaced with strong growth in PRS and affordable. While the political backdrop remains uncertain, our mixed tenure delivery model helps us meet the demand for homes of all tenures and leaves us well positioned to meet our medium term guidance.

Ian Sutcliffe, Group Chief Executive, commented:

“Our balanced business model continues to give us sector leading growth and greater resilience from our mixed tenure delivery. We have a record forward order book and continue to win new business in our Partnerships division, giving us visibility of future earnings and continued growth potential.”

– Ends –

Footnotes:

¹ Adjusted operating margin is defined as adjusted operating profit divided by adjusted revenue. Adjusted measures include the Group's share of the results of joint ventures and associate and exclude non-underlying items.

² Net private reservations per open outlet per week.

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

Standard dial-in	+44 (0)20 7192 8338
Dial in UK FreeCall	0800 279 6619
Dial in UK LocalCall	0844 481 9752
Conference ID / passcode	3567736

Enquiries:

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About Countryside

Countryside is a leading UK home builder specialising in place making and urban regeneration. For the year ended 30 September 2018, we completed 4,295 homes with revenues of £1.3bn.

Our business is focused on place making, which we deliver through our two divisions, Housebuilding and Partnerships. 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. Our Partnerships division specialises in urban regeneration of public sector land, delivering private and affordable homes by partnering with local authorities and housing associations.

Countryside was founded in 1958. It operates in locations across London, the South East, the North West of England, the Midlands and Yorkshire.

For further information, visit www.countrysideproperties.com.