

Countryside Properties PLC H1 2019 Trading Statement

Solid H1 trading, full year in line with expectations

Countryside Properties PLC (the “Group”), a leading UK home builder and urban regeneration partner, is today issuing a trading update for the six-month period from 1 October 2018 to 31 March 2019.

Operational Highlights

- On track to deliver full year in line with expectations
- Total completions up 43% to 2,362¹ homes (H1 2018: 1,655 homes)
- Private average selling price (“ASP”) reduced by 4% to £377,000 due to an increased contribution from our regional businesses (H1 2018: £392,000)
- Net reservation rate at the top end of our target range and in line with prior year at 0.86 (H1 2018: 0.87)
- Open sales outlets up 15% to 60² (H1 2018: 52) with active sites up 49% to 140 (H1 2018: 94)
- Strong total forward order book up 49% to £1,037m³ (H1 2018: £696.5m)
- Net debt better than expectations at £42.1m (H1 2018: £13.7m net cash).

¹1,788, up 8% excluding Westleigh

²56, up 8% excluding Westleigh

³£891m, up 28% excluding Westleigh

Partnerships

Our Partnerships division continued to grow strongly over the period, with a 61% increase in completions to 1,889 homes or 12% excluding the impact of the acquisition of Westleigh. Our three new regions across the Midlands and in Yorkshire established following the acquisition are now fully integrated and provide an excellent platform for future mixed-tenure growth.

Our modular timber frame factory in Warrington commenced full production in March and is on track to deliver around 500 homes in the current financial year with production capacity of up to 1,500 homes per annum.

We continue to win new business, with an additional 9,893 plots secured during the first half, including 2,170 homes at the Cambridge Road Estate, Kingston upon Thames, as well as approximately 3,000 homes from the new Midlands and Yorkshire regions, strengthening our medium-term pipeline. We also secured 900 additional homes at Acton Gardens, London. We now have 36,132 Partnerships plots secured (H1 2018: 21,698), including those with preferred bidder status, which represents over nine years of future work at current volumes.

Housebuilding

Housebuilding completions were broadly flat in the period, as expected, at 473 (H1 2018: 483 homes), but with a higher proportion of private for sale homes.

Like Partnerships, Housebuilding also had a good first six months in securing future work. We were selected by Homes England to deliver 769 homes across two new developments at Burgess Hill, West Sussex and Tattenhoe, Milton Keynes, and we were successful in securing an option over 1,000 units in Tangmere, West Sussex, supporting our future delivery in this region. Our strategic-land bank was 21,284 plots, of which 21% were owned and the remainder controlled by options or conditional contracts.

Management changes

As announced separately this morning, Becky Worthington, Group Chief Operating Officer, is leaving the Group and will be stepping down from her role and resigning as a director of the Company.

Outlook and current trading

Following a slower start to the year, customer demand in the second quarter has been good and we have achieved private reservations at the top end of our target range. As expected, completions will be second half weighted but with a strong forward order book and further outlet openings in the second half, we remain on track to deliver expectations for the full year. We continue to see attractive new business opportunities in both divisions to support our medium-term growth strategy.

Ian Sutcliffe, Group Chief Executive, commented:

“Despite the wider political and macroeconomic uncertainty, demand for mixed-tenure homes remains strong and we have enjoyed a robust spring selling season. With our modular timber frame factory now operational, we continue to be well positioned to deliver on our geographic expansion. With excellent visibility of future work, we remain confident of delivering our medium-term growth plans.”

- 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: 6106159

Our 2019 half year results will be announced on 16 May 2019.

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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, the Midlands and Yorkshire.

For further information, visit www.countrysideproperties.com.