

7 July 2023

**MJ Gleeson plc (GLE.L)**  
("Gleeson" or "the Company")

**Trading Update, Capital Markets Day and Notice of Results**

- Full year results ("FY2023") expected to be in-line with expectations
- Shift in buyer demographics underpins encouraging prospects for FY2024
  - Capital Markets Day today sets out longer-term growth agenda

**Trading Update**

MJ Gleeson plc (GLE.L), the low-cost housebuilder and land promoter, today provides an update for the year ended 30 June 2023 ("FY2023").

***Gleeson Homes***

Gleeson Homes completed the sale of 1,723 homes during FY2023 (FY2022: 2,000 homes sold). During the second half of the year, 829 homes were sold (H2 FY2022: 1,068 homes sold), reflecting the downturn in the wider economy and the immediate impact on buyer confidence as a result of higher interest rates. The 1,723 completions included 115 homes sold out of 377 contracted reservations under four multi-unit sale agreements.

Selling prices were resilient, underpinned by a shortage of supply, and helped to offset material and labour cost increases experienced across the sector in the period. The average selling price of Gleeson homes sold during the year increased by 11.3% to £186,200 (FY2023: £167,300).

There was a significant shift in buyer demographics in the second half, with first-time buyers accounting for c. 50% of open-market reservations (FY2022: 71%), whilst over 20% of sales were to purchasers over 55 years old (FY2022: 10%).

We have successfully concluded the restructuring of Gleeson Homes from nine regional management teams to six and moved to a standardised operating structure. The process resulted in annualised administrative overhead cost savings of £3.2m, at a one-off cost of £1.0m. These savings will be realised from FY2024 onwards.

Purchasing a Gleeson home has become increasingly attractive to customers who would have previously bought a more expensive home, but who are attracted by Gleeson's affordable price points and equally high quality. At the same time, a couple working full time earning the National Living Wage can afford to buy a home on any Gleeson site.

Reservation rates over the last 6 months improved to 0.64 net reservations per site per week against 0.62 net reservations per week over the comparable period last year. Excluding the four multi-unit sale agreements, the reservation rate was 0.44 per site per week net of 19% cancellations.

We enter the new financial year with a stronger forward order book of 665 plots (31 December 2022: 319 plots, 30 June 2022: 618 plots).

### Outlook

Gleeson Homes opened 3 new build sites during the year, starting the new financial year with 82 sites (30 June 2022: 87 build sites) of which 71 are actively selling (30 June 2022: 61 sales sites).

Land continues to be available at sensible prices. The pipeline of owned and conditionally purchased sites increased by 3.3% to 17,375 plots on 173 sites as at 30 June 2023, of which 9,701 plots on 84 sites have been conditionally purchased subject to receiving planning permission.

Looking ahead, whilst the Board believes that demand from first-time buyers will continue at the levels seen through the last few months, it anticipates that interest from other value-driven buyers will increase as purchasers look to take advantage of Gleeson's more affordable price points and high quality.

### **Gleeson Land**

During the year, Gleeson Land appointed a new Managing Director, Guy Gusterson.

The business sold 3 sites with the potential to deliver 413 plots for housing development.

The portfolio of sites at 30 June 2023 included six sites with either planning permission or resolution to grant and which have the potential to deliver 1,400 plots for housing development (30 June 2022: three sites, 1,206 plots). The portfolio also includes 18 sites awaiting a planning decision (30 June 2022: 16 sites) with the potential to deliver 4,285 plots for housing development (30 June 2022: 3,559 plots).

The portfolio comprises 70 sites, with the potential to deliver 17,831 plots, and 25 acres of commercial land.

### Outlook

Whilst planning delays and economic uncertainty are causing some larger housebuilders to hesitate in completing land purchases, mid-size and regional housebuilders remain active buyers of high-quality consented land.

### **Group**

The Group ended the year with cash balances of £5.2m and no debt (30 June 2022: £33.8m cash and no debt). This was a pleasing outcome given the significant investment during the period in bringing forward a higher proportion of new homes starts.

The Board expects the results for FY2023 to be in line with market expectations.

### **Capital Markets Day**

The Company is today hosting a Capital Markets Day at its Petersmiths Park development in Nottinghamshire which, when completed, will comprise 305 homes.

Under the banner “Putting in place the foundations for future growth” Graham Prothero (Chief Executive Officer) and Stefan Allanson (Chief Financial Officer), along with Mark Knight (Chief Executive, Gleeson Homes) and Guy Gusterson (Managing Director, Gleeson Land), will set out a roadmap to significantly scale the Company’s operations over the long term. This will focus in particular on broadening out Gleeson Homes’ proven model, including exploring opportunities in partnerships, and expanding Gleeson Land’s footprint.

No new material financial information will be disclosed and a copy of the presentation materials that will be used through the day will be available on the Company’s website.

**Graham Prothero, Chief Executive Officer, commented:**

*“We are pleased with the year’s performance in a challenging economic environment. We have taken advantage of the quieter market to restructure Gleeson Homes, putting the business in great shape to grow as the market recovers. I am hugely impressed with the resilience of our team, who remained focused and committed through that process to deliver these results. This gives me confidence in achieving our potential. As we will describe later today at our Capital Markets Day, the changes we are implementing in the business for the new financial year will further improve our competitiveness in the current market, and position us well for gradual stabilisation in the economy.*”

*“We are also very excited about the longer-term prospects for the business and look forward to setting out later today why we believe that Gleeson is well-placed to scale significantly over the long-term, realising its true potential.”*

**Notice of Results**

The Company will report its audited full year results on Thursday, 14 September 2023. A presentation for analysts will be held at 09:30 that morning at the offices of Hudson Sandler, 25 Charterhouse Square, London, EC1M 6AE, and will also be webcast.

**ENDS**

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**About MJ Gleeson:**

MJ Gleeson plc is the leading low-cost, affordable housebuilder listed on the London Stock Exchange. Gleeson Homes' customers are typically young, first-time buyers, with a median income of £28,000. Its two-bedroom homes start from around £116,000. Gleeson's vision is "Building Homes. Changing Lives", prioritising areas where people need affordable housing the most.

Buying a Gleeson home typically costs less than renting a similar property. All Gleeson homes are traditional brick built semi or detached homes which include a driveway and front and rear gardens. Gleeson offers a wide mix of two, three and four bedroom layouts.

Gleeson Land is the Group's land promotion division, which identifies development opportunities and works with stakeholders to promote land through the residential planning system.

As a high-quality, affordable housebuilder, Gleeson has strong and inherent sustainability credentials. Its social purpose underpins the Company's strategy, and Gleeson measures itself closely against UN SDGs 5, 8, 11, 12, 13 and 15.

More details on the Company's sustainability approach can be found at: [mjgleesonplc.com/sustainability/](https://mjgleesonplc.com/sustainability/)

This announcement is released by MJ Gleeson plc and contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 (MAR), and is disclosed in accordance with the Company's obligations under Article 17 of MAR. Upon the publication of this announcement, this information is considered to be in the public domain.

For the purposes of MAR and Article 2 of Commission Implementing Regulation (EU) 2016/1055, this announcement is being made on behalf of the Company by Stefan Allanson, Chief Financial Officer.

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