11 February 2025

Results for the half year ended 31 December 2024

Strongly positioned for a market recovery

Graham Prothero, Chief Executive Officer, commented:

"I am pleased to report a robust performance during the six months to 31 December 2024, despite the market remaining subdued, with Gleeson Homes completing the sale of 801 homes, more than the first half last financial year. Gleeson Homes is making good progress against its growth strategy, opening 8 new build sites and 11 new sales outlets, and we remain confident of growing by circa 10 sales outlets per annum from next year onwards.

Gleeson Land is progressing a number of significant opportunities which we expect to complete during the second half. The business is starting to reap the rewards from its restructured operations and market-leading research and data analytics capabilities, and will continue to grow its portfolio of sites in the second half and beyond. We are already seeing the benefit of the changes to the NPPF, with three planning consents achieved post period end.

At Gleeson Homes, there are early indications of an improving selling season with much stronger net reservation rates in the first four weeks. More importantly, we are pleased with the progress of our site opening programme which will drive sustained growth over the medium-term."

	H1 24/25	**H1 23/24**	*Change*
Revenue			
Gleeson Homes	£156.6m	£142.3m	*10.0%*
Gleeson Land	£1.3m	£9.2m	*(85.9%)*
Total	**£157.9m**	**£151.5m**	***4.2%***
Operating profit by division			
Gleeson Homes	£9.1m	£10.2m	*(10.8%)*
Gleeson Land	(£1.9m)	£1.0m	*(290.0%)*
Group operating profit	**£5.1m**	**£8.8m**	***(42.0%)***
Group profit before tax	**£3.6m**	**£7.2m**	***(50.0%)***
Net debt	**(£18.1m)**	**(£18.7m)**	***£0.6m***
ROCE[1]	**8.0%**	**9.0%**	***(100bp)***
EPS (basic)	**4.8p**	**9.6p**	***(50.0%)***
Dividend per share	**4.0p**	**4.0p**	**-**

1 Return on capital employed is calculated based on earnings before interest and tax and exceptional items (EBIT), expressed as a percentage of the average of opening and closing net assets for the prior 12 months after deducting deferred tax and cash and cash equivalents net of borrowings.

Gleeson Homes:

- 801 homes sold (H1 23/24: 769)
  - Net reservation rate increased to 0.55 per site per week (0.44 excluding multi-unit orders), compared to 0.41 per site per week last year (0.39 excluding multi-unit orders)
- Average selling prices increased by 4.8% to £193,900 (H1 23/24: £185,000)
  - Underlying net selling prices on open-market sales increased by 0.8% year-on-year
- Gross margin on home sales of 20.6% (H1 23/24: 24.5%) reflecting flat pricing, sales incentives and extended prelims
- Administrative expenses reduced by 6.9% to £23.1m (H1 23/24: £24.8m)
- Gleeson Partnerships secured a second agreement during the first half and continues to target one per region by the year-end
- Strongly positioned for a market recovery, serving an under-supplied market segment with resilient underlying demand and continuing affordability
  - 11 new sales outlets opened (H1 23/24: two outlets opened)
  - Increased forward order book of 597 plots (30 June 2024: 559 plots)
  - Land pipeline[1] 18,731 plots on 174 sites (30 June 2024: 19,138 plots on 179 sites)

Gleeson Land:

- No land sales completed (H1 23/24: one land sale)
  - £1.3m revenue reflects accounting for a collaborative land swap with a joint venture partner
- Five sites being marketed or in a sales process (H1 23/24: four sites)
  - Marketing commenced on a further three sites in January
- Planning achieved on two sites during the first half (H1 23/24: four sites)
  - Planning secured on a further three sites in January including the division's first grey-belt site
- Continued focus on enhancing the depth and quality of the portfolio[2] of 73 sites (30 June 2024: 71 sites)
  - Bid and win rates doubled, to 5-6 bids per month and c.1/3 success rate

Current trading and outlook:

- The Group is seeing encouraging signs of a recovery in demand
  - Net reservation rates increased by 45% to 0.77 in the four weeks to 31 January 2025 (2024: 0.53 in the four weeks to 2 February 2024)
  - Strong start to the second half for Gleeson Land, having secured planning permission on three sites in January
- The positive start to the second half, as well as the encouraging momentum generated in the first half, provide the Board with confidence in meeting current market expectations[3], including Gleeson Land completing between four and eight site sales in H2
- Longer-term, the Company remains well positioned to deliver sector-leading growth underpinned by Gleeson Homes' programme of new site openings and a more stable planning environment for Gleeson Land

[1] *Pipeline refers to sites either purchased, contracted to purchase subject to planning or with terms agreed to be contracted.*
[2] *Portfolio refers to sites under contract or owned.*
[3] *Analyst consensus for FY2025 can be found at: https://www.mjgleesonplc.com/investors/analyst-coverage/*

Analyst presentation

A presentation by Graham Prothero, CEO, and Stefan Allanson, CFO, will be held at 9:30am this morning at the offices of Hudson Sandler, 25 Charterhouse Square, London, EC1M 6AE.

The presentation will also be webcast https://brrmedia.news/GLE_IR_25. A recording of this will be available after the event on the Company's website.

About MJ Gleeson:

MJ Gleeson plc comprises two divisions: Gleeson Homes and Gleeson Land.

Gleeson Homes is the leading low-cost, affordable housebuilder with the vision of "Building Homes. Changing Lives." Focusing on areas where affordable housing is most needed in the Midlands and North of England, Gleeson Homes' average selling price was £193,900, 34% lower than other housebuilders average selling price of £291,700 in the same geographic regions. This means that a couple earning the National Living Wage can afford to buy a home on any Gleeson Homes development.

Gleeson Land, which operates across the South of England and the Midlands, is the Group's land promotion division. To deliver on its vision of "Promoting Land. Unlocking Value", the division carefully identifies sustainable development opportunities which it then promotes through the residential planning system and sells on behalf of the landowner. Gleeson Land is a pioneer of data analytics in the land promotion space, which it leverages to secure new promotion agreements and deliver successful planning outcomes.

In July 2023, the Company held a Capital Markets Day titled 'Putting in place the foundations for growth', where it set a medium-term target within a stable market environment to reach 3,000 annual completions.

More details on the Company can be found at: https://www.mjgleesonplc.com/

Enquiries:

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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.
LEI: 21380064K7N2W7FD6434

CHIEF EXECUTIVE'S STATEMENT

I am pleased to report on an encouraging first half performance, particularly in Gleeson Homes which grew sales volumes notwithstanding continued market pressures and challenges.

Gleeson Homes sold 801 homes during the period (H1 23/24: 769), with net reservations increasing to 0.55 per site per week (0.44 excluding multi-unit orders), compared to 0.41 per site per week (0.39 excluding multi-unit orders) in the half year to 31 December 2023, reflecting a modest recovery in demand.

Underlying net selling prices on open market reservations were broadly flat compared with the prior half year period reflecting slightly higher gross prices offset by slightly higher incentives.

Gleeson Homes enters the second half of the year with a strengthened forward order book of 597 plots (30 June 2024: 559 plots), including a second partnership agreement signed during the period.

We have seen an encouraging start to the important spring selling season with net reservations per site over the last four weeks up 45% on the same period last year.

Net reservations per site per week excluding multi-unit orders		
	Six months to 31 December	Four weeks to 2 February
FY25	0.44	0.77
FY24	0.39	0.53

Whilst we anticipate the market will continue to recover over the coming months, helped by further interest rate cuts, the timing and trajectory of that recovery remains uncertain.

The ability of Housing Associations to enter into partnerships and multi-unit purchases remains constrained, as they are unable to commit to transactions pending the Government's new funding settlement. Nevertheless, we continue to secure small volume sales and anticipate agreeing further multi-unit sales and partnership agreements in the second half of the financial year and beyond.

We ended the period with net debt of £18.1m (31 December 2023: £18.7m) which reflects the opening of eight new build sites and investment in build activity on established sites ahead of the important spring selling season.

We continue to tightly manage costs whilst ensuring we have capacity to open new sites and deliver strong rates of growth as the market recovers.

Gleeson Partnerships

We launched Gleeson Partnerships during the year ended 30 June 2024 and are pleased to have signed our first partnership deals with Home Group and Citra Living (Lloyds Living). As referenced, the funding environment is currently constrained which reduces the ability of Housing Associations to transact, but we are in discussion on multiple agreements.

The introduction of a partnerships capability enables Gleeson Homes to develop suitable sites on a 'capital-light' basis with partner funding contributing to the acquisition of the site and its required infrastructure. This will enable the division to secure larger sites which are typically more efficient to develop through leveraging operating, marketing and sales synergies, economies of scale for materials and offering long-term certainty to subcontractors. The secured sales reduce market risk and the provision of forward funding on a partnership site leads to an improved return on capital.

Pending the Government's new funding settlement for Housing Associations, we expect to see our partnership business gain momentum, contributing more to Group performance from FY2026 and beyond. We also expect the scale of our partnership sites to increase over the coming years.

Quality and affordability

Gleeson Homes is focused on providing high-quality, affordable homes and an exceptional customer experience. We are pleased to have maintained our 5-star customer recommendation score in each of the regions in which we operate.

Continuous improvement based on customer feedback has been a key focus, with a strong emphasis on enhancing handover quality and addressing defects promptly, so that we consistently deliver a positive experience. We recognise that buying a Gleeson home is a significant life decision and we remain committed to meeting and exceeding our customers' expectations.

Mortgage rates and the cost of home ownership reduced during 2024, whilst rental costs continued to rise. The cost of owning a Gleeson home at current mortgage rates is significantly lower than the cost of renting, and the benefits of home ownership are clear. The cost of a typical Gleeson 2 bed home is c.£700 per month, against c.£900 in rent for the equivalent property. The majority of Gleeson homes continue to be affordable for a couple working full time and earning the National Living Wage, which will increase by 6.7% on 1 April 2025.

Gleeson homes are built to be energy efficient, using approximately half the energy to heat and power when compared to existing housing stock. This results in materially lower running costs for our customers (an average annual saving of £870 on a Gleeson 3 bed home) while also providing the health and wellbeing advantages associated with living in a modern, well-insulated home.

In our ongoing commitment to customer affordability, we are working closely with lenders and Homes England, to provide affordable housing options for our customers. We have introduced new shared ownership opportunities at selected sites which, alongside our other product offerings, will continue to support first time buyers on their journey to homeownership.

Planning, sites and growth

The current planning system continues to prove challenging, with under-resourced planning departments and roadblocks such as nutrient neutrality, however, we are starting to see early signs of improvement and are encouraged by the commitment from the Government to address the key issues. The revised National Planning Policy Framework ("NPPF"), announced in December 2024, starts to address some of the fundamental challenges to achieving the Government's ambitious housing targets.

Whilst challenges persist, our land teams in both Gleeson Homes and Gleeson Land have a proven track record of success. Both businesses maintain robust pipelines, ensuring their resilience and ability to navigate changing market conditions.

Gleeson Homes' pipeline includes 95 sites with a potential 11,085 plots expected to open over the next few years. Whilst we anticipate our total number of sales outlets will reduce this year as more sites reach completion, we expect to consistently open approximately ten net new outlets each year from next year onwards.

Gleeson Land successfully secured planning permission on two sites in the period, including one through appeal, and has secured planning permission on a further three sites since the period end. We have enjoyed significant success in strengthening the portfolio, entering into promotion agreements on five new sites in the period. We are encouraged by the recent performance of our refocused operational structure and this, combined with our market leading research and data analytics capabilities, will enable us to consistently grow the quality and size of Gleeson Land's portfolio of sites.

Selling prices, build costs and margins

Gleeson Homes' reported average selling prices increased by 4.8% to £193,900 driven by 0.8% higher underlying selling prices on open-market sales and 4.0% higher average prices from the mix of multi-unit sales and house types.

As market conditions improve, we anticipate there will be opportunities to reduce the level of discounts and incentives offered, whilst continuing to selectively increase prices.

Build cost inflation was modest during the period at circa 1%, with material cost increases being slightly higher than labour rate increases. We anticipate build cost inflation over the next six months to increase to between 2% and 3% driven in part by the increase in National Insurance costs from April 2025.

Gross margins in the first half were, as anticipated, lower than previous years but are expected to recover in the second half and beyond due to the mix of sites with lower margins closing and new sites with higher margins opening.

A sustainable proposition

We are committed to providing exceptional value for our customers. I am proud that a working couple earning the National Living Wage can afford to purchase a high-quality home on any one of our developments. This demonstrates our commitment to our vision of "Building Homes. Changing Lives" and our mission of delivering affordable, quality homes, where they are needed, for the people who need them most. This approach aligns with UN Sustainable Development Goal 11 (Sustainable cities and communities) by promoting access to "safe and affordable housing" for all.

We are committed to decarbonising our operations, supply chain and the in-use emissions of our homes. We are setting near-term targets for 2032, and a commitment to net-zero by 2050 for scope 1, 2 and 3 emissions. We are currently working with the Science Based Targets initiative (SBTi) to have these targets validated.

In response to the Future Homes Standard and changes in Building Regulations, we are now installing air source heat pumps in all of the homes we commenced after 15 June 2023 which means that our homes are net-zero ready. We are also actively transitioning to lower carbon materials where feasible. This includes using concrete bricks or reconstituted stone instead of traditional kiln-fired clay bricks and using fuel efficient technologies for our construction processes on site, including forklifts and generators.

Finally, we are proud to have retained our accreditation from the Fair Tax Foundation again this year. We remain the only listed housebuilder to be accredited with the Fair Tax Mark, which certifies that we pay our fair share of tax in the right place, at the right time and are honest and transparent in our disclosures.

Building safety

The Group is fully committed to swiftly remediating life-critical fire-safety issues and has a dedicated full-time senior resource overseeing progress on building safety issues. Monthly update meetings are held by the Executive leadership team, and reports on progress are presented to the Board at every meeting.

We were prompt in contacting all building owners and management companies and we are actively pursuing resolution of all potentially affected buildings. We are progressing safety assessments and remediation on the majority of buildings. We expect work to have completed on seven buildings by 30 June 2025 and are proactively engaging on the remaining projects.

The overall provision has been assessed and remains appropriate with total provisions of £12.3m as at 31 December 2024. The timing of expected cash spend reflects our desire to complete remediation work as quickly as possible against the challenges of obtaining access to some buildings and completion of works.

Financial Performance

Group results

Revenue increased by 4.2% to £157.9m (H1 23/24: £151.5m) with gross profit decreasing by 15.9% to £31.8m (H1 23/24: £37.8m). The Group's operating profit decreased by 42.0% to £5.1m (H1 23/24: £8.8m), principally reflecting the lack of completed sales in Gleeson Land. Following a net interest charge of £1.5m (H1 23/24: £1.5m), profit before tax decreased by 50.0% to £3.6m (H1 23/24: £7.2m).

The tax charge for the period was £0.8m (H1 23/24: £1.6m) reflecting an effective rate of 23.0% (H1 23/24: 22.7%). Profit after tax for the period was £2.8m (H1 23/24: £5.6m).

Total shareholders' equity was £297.2m as at 31 December 2024 compared to £287.2m as at 31 December 2023. This equates to net assets per share of 508.7 pence (31 December 2023: 492.0 pence).

The Group had net debt as at 31 December 2024 of £18.1m (31 December 2023: £18.7m net debt, 30 June 2024: net cash of £12.9m). The Group's £135m borrowing facility was drawn by £18.9m at the period end (30 June 2024: £nil), split between an overdraft balance of £2.9m and borrowings of £16.0m, with £0.8m of cash held by solicitors on our behalf.

Gleeson Homes

Revenue increased by 10.0% to £156.6m (H1 23/24: £142.3m), as a result of the increase in volumes and selling prices. Revenue also included £1.2m from one land sale during the period (H1 23/24: £nil).

The average selling price for homes sold in the period increased by 4.8% to £193,900 (H1 23/24: £185,000), reflecting underlying selling price increases of 0.8% and the mix impact of multi-unit sales, site locations, beds and garages which increased average reported selling prices by 4.0%.

The number of homes sold in the period increased by 4.2% despite the market remaining subdued, at 801 homes (H1 23/24: 769 homes sold). Of the homes sold during the first half-year, 12% were sold under private multi-unit sale agreements with three carefully selected partners (H1 23/24: 22%).

Gross profit on homes sold decreased by 8.6% to £31.9m (H1 23/24: £34.9m). As anticipated, gross margin on home sales in the period reduced by 390 basis points to 20.6% (H1 23/24: 24.5%). Reported gross margin including £0.2m of profit from one land sale was 20.5% (H1 23/24: 24.5%). The lower gross margin on home sales in the period reflects build cost inflation which was not offset by selling price increases on open-market sales, the impact of discounts on multi-unit transactions, continued extensions to site durations and cost increases on older sites nearing completion. Gross margins are expected to start recovering during the second half as sites close and a higher proportion of sales are delivered from higher margin sites.

Administrative expenses decreased by 6.9% to £23.1m (H1 23/24: £24.8m) reflecting lower headcount and tight control of overhead costs.

Operating margin on homes sold decreased by 140 basis points to 5.8% (H1 23/24: 7.2%), with operating profit falling by 10.8% to £9.1m (H1 23/24: £10.2m).

Gleeson Homes purchased eight sites during the period (H1 23/24: eight sites). The pipeline of owned plots increased during the period by a net 226 plots to 7,646. The total pipeline of owned and conditionally purchased plots decreased to 18,731 plots on 174 sites as at 31 December 2024 (30 June 2024: 19,138 plots on 179 sites). During the period, 10 new sites were added to the pipeline, whilst 15 sites were completed or did not proceed to purchase. Our land pipeline represents over 10 years of home sales.

Gleeson Homes opened eight new build sites during the first half and was building on 79 sites as at 31 December 2024 (31 December 2023: 76 sites) and selling from 65 active sales outlets (31 December 2023: 64 sites).

The division entered the second half with a forward order book of 597 plots (30 June 2024: 559 plots, 31 December 2023: 586), of which 453 are expected to complete in the second half.

Gleeson Land

As previously flagged, the division did not complete any land sales in the first half (H1 23/24: one land sale). The revenue in the period reflects a land swap with a collaborative partner in which the division took 100% control of one agreement in exchange for relinquishing its interests in another agreement.
The division reported a gross loss for the period of £0.3m (H1 23/24: gross profit of £2.9m) reflecting a small increase in inventory provisions.

Overheads during the period were £1.6m (H1 23/24: £1.9m) resulting in an operating loss for the first half of £1.9m (H1 23/24: operating profit of £1.0m).

As at 31 December 2024, four sites were being actively progressed for sale, which have the potential to deliver 973 plots (31 December 2023: one site being actively progressed, 87 plots). A further site was being marketed with the potential to deliver 140 plots (31 December 2023: three sites being marketed, 300 plots). Marketing commenced on a further three sites in January 2025.

As at 31 December 2024, there were eight sites in the portfolio with either planning permission or a resolution to grant permission for a total of 1,382 plots (30 June 2024: seven sites, 1,473 plots). Planning permission or resolution to grant was achieved on two sites during the period.

There are a further 11 sites where the division is currently awaiting a decision on planning applications or appeals (30 June 2024: 11 sites). Three of these sites were granted planning permission in January 2025.

We continue to invest in Gleeson Land's portfolio, with five high-quality sites secured under promotion agreements in the period which have the potential to deliver 1,060 plots. Agreements on a significant number of other well-located sites are currently being progressed and are expected to exchange and be added to the portfolio in the second half of the financial year.

The portfolio, in which the Group has a beneficial interest of 88%, comprised 73 sites with the potential to deliver 17,434 plots (30 June 2024: 71 sites, 16,911 plots).

Dividends

Considering these results and the current outlook, the Board is declaring an interim dividend of 4.0 pence per share (H1 23/24: 4.0 pence per share) in line with the Company's policy of covering total full year dividends with earnings between three and five times, which remains in place.

The interim dividend will be paid on 4 April 2025 to shareholders on the register at close of business on 7 March 2025.

Summary & Outlook

- The Group is seeing encouraging signs of a recovery in demand
    - Net reservation rates increased by 45% to 0.77 in the four weeks to 31 January 2025 (2024: 0.53 in the four weeks to 2 February 2024)
    - Strong start to the second half for Gleeson Land, having secured planning permission on three sites post period end
- The positive start to the year, as well as the encouraging momentum generated in the first half, provide the Board with confidence of meeting current market expectations
- Longer-term, the Company remains well positioned to deliver sector-leading growth underpinned by Gleeson Homes' programme of new site openings and a more stable planning environment for Gleeson Land

Graham Prothero
Chief Executive Officer

Condensed Consolidated Income Statement
for the six months to 31 December 2024

	Note	**Unaudited Six months to 31 December 2024 £000**	Unaudited Six months to 31 December 2023 £000	Audited Year to 30 June 2024 £000
Revenue		**157,850**	151,463	345,345
Cost of sales		**(126,060)**	(113,639)	(260,811)
Gross profit		**31,790**	37,824	84,534
Administrative expenses		**(26,761)**	(29,230)	(56,233)
Other operating income		**80**	166	252
Operating profit		**5,109**	8,760	28,553
Finance income		**69**	90	109
Finance expenses		**(1,543)**	(1,622)	(3,813)
Profit before tax		**3,635**	7,228	24,849
Tax	*3*	**(836)**	(1,638)	(5,543)
Profit for the period		**2,799**	5,590	19,306
Earnings per share				
Basic	*5*	**4.80 p**	9.60 p	33.13 p
Diluted	*5*	**4.78 p**	9.59 p	33.04 p

Condensed Consolidated Statement of Comprehensive Income
for the six months to 31 December 2024

	Unaudited Six months to 31 December 2024 £000	Unaudited Six months to 31 December 2023 £000	Audited Year to 30 June 2024 £000
Profit for the period	**2,799**	5,590	19,306
Other comprehensive income			
Items that may be subsequently reclassified to profit or loss			
Change in value of shared equity receivables at fair value	**61**	116	171
Other comprehensive income for the period (net of tax)	**61**	116	171
Total comprehensive income for the period	**2,860**	5,706	19,477

Condensed Consolidated Statement of Financial Position

at 31 December 2024

	Note	**Unaudited 31 December 2024 £000**	Unaudited 31 December 2023 £000	Audited 30 June 2024 £000
Non-current assets				
Property, plant and equipment		**8,194**	10,874	9,269
Trade and other receivables		**101**	-	243
Deferred tax assets		**637**	1,127	317
		8,932	12,001	9,829
Current assets				
Inventories	*6*	**370,524**	358,051	345,234
Trade and other receivables		**6,829**	8,372	9,283
UK corporation tax		**1,982**	872	767
Cash and cash equivalents	*7*	**-**	-	12,934
		379,335	367,295	368,218
Total assets		**388,267**	379,296	378,047
Non-current liabilities				
Trade and other payables	*9*	**(7,153)**	(6,634)	(6,614)
Provisions	*8*	**(8,486)**	(5,733)	(10,073)
		(15,639)	(12,367)	(16,687)
Current liabilities				
Loans and borrowings	*7*	**(16,000)**	(13,000)	-
Bank overdraft	*7*	**(2,058)**	(5,736)	-
Trade and other payables	*9*	**(52,934)**	(53,389)	(60,594)
Provisions	*8*	**(4,466)**	(7,558)	(3,024)
		(75,458)	(79,683)	(63,618)
Total liabilities		**(91,097)**	(92,050)	(80,305)
Net assets		**297,170**	287,246	297,742
Equity				
Share capital	*10*	**1,169**	1,167	1,168
Share premium		**15,843**	15,843	15,843
Own shares	*10*	**(229)**	(469)	(456)
Retained earnings		**280,387**	270,705	281,187
Total equity		**297,170**	287,246	297,742

Condensed Consolidated Statement of Changes in Equity
for the six months to 31 December 2024

	Share capital £000	Share premium £000	Own shares £000	Retained earnings £000	Total equity £000
At 1 July 2023 (audited)	1,167	15,843	(743)	269,749	286,016
Profit for the period	-	-	-	5,590	5,590
Other comprehensive income	-	-	-	116	116
Total comprehensive income for the period	-	-	-	5,706	5,706
Purchase of own shares	-	-	(79)	-	(79)
Utilisation of own shares	-	-	353	(353)	-
Share-based payments	-	-	-	554	554
Movement in tax on share-based payments taken directly to equity	-	-	-	297	297
Dividends	-	-	-	(5,248)	(5,248)
Transactions with owners, recorded directly in equity	-	-	274	(4,750)	(4,476)
At 31 December 2023 (unaudited)	1,167	15,843	(469)	270,705	287,246
Profit for the period	-	-	-	13,716	13,716
Other comprehensive income	-	-	-	55	55
Total comprehensive income for the period	-	-	-	13,771	13,771
Share issue	1	-	-	-	1
Purchase of own shares	-	-	(27)	-	(27)
Utilisation of own shares	-	-	40	(40)	-
Share-based payments	-	-	-	(336)	(336)
Movement in tax on share-based payments taken directly to equity	-	-	-	(581)	(581)
Dividends	-	-	-	(2,332)	(2,332)
Transactions with owners, recorded directly in equity	1	-	13	(3,289)	(3,275)
At 30 June 2024 (audited)	**1,168**	**15,843**	**(456)**	**281,187**	**297,742**
Profit for the period	**-**	**-**	**-**	**2,799**	**2,799**
Other comprehensive income	**-**	**-**	**-**	**61**	**61**
Total comprehensive income for the period	**-**	**-**	**-**	**2,860**	**2,860**
Share issue	**1**	**-**	**-**	**-**	**1**
Purchase of own shares	**-**	**-**	**(27)**	**-**	**(27)**
Utilisation of own shares	**-**	**-**	**254**	**(193)**	**61**
Share-based payments	**-**	**-**	**-**	**327**	**327**
Movement in tax on share-based payments taken directly to equity	**-**	**-**	**-**	**294**	**294**
Dividends	**-**	**-**	**-**	**(4,088)**	**(4,088)**
Transactions with owners, recorded directly in equity	**1**	**-**	**227**	**(3,660)**	**(3,432)**
At 31 December 2024 (unaudited)	**1,169**	**15,843**	**(229)**	**280,387**	**297,170**

Condensed Consolidated Statement of Cash Flow

for the six months to 31 December 2024

	Unaudited Six months to 31 December 2024 £000	Unaudited Six months to 31 December 2023 £000	Audited Year to 30 June 2024 £000
Operating activities			
Profit before tax	**3,635**	7,228	24,849
Depreciation of property, plant and equipment	**2,160**	2,354	4,621
Share-based payments	**327**	554	218
Profit on redemption of shared equity receivables	**(63)**	(139)	(182)
Decrease in provisions including exceptional items	**(145)**	(188)	(382)
Loss on disposal of property, plant and equipment	**110**	146	466
Finance income	**(69)**	(90)	(109)
Finance expenses	**1,543**	1,622	3,813
Operating cash flows before movements in working capital	**7,498**	11,487	33,294
Increase in inventories	**(25,290)**	(13,425)	(608)
Decrease in receivables	**3,021**	6,100	4,224
Decrease in payables	**(7,426)**	(17,185)	(9,323)
Cash (used in)/generated from operating activities	**(22,197)**	(13,023)	27,587
Tax paid	**(2,077)**	(2,002)	(5,572)
Finance costs paid	**(1,211)**	(2,045)	(4,029)
Net cash flow (deficit)/surplus from operating activities	**(25,485)**	(17,070)	17,986
Investing activities			
Proceeds from disposal of shared equity receivables	**189**	508	678
Interest received	**67**	13	31
Purchase of property, plant and equipment	**(895)**	(1,479)	(2,039)
Net cash flow deficit from investing activities	**(639)**	(958)	(1,330)
Financing activities			
Increase of loans and borrowings	**16,000**	13,000	-
Net proceeds from issue of shares	**-**	-	1
Purchase of own shares	**(27)**	(79)	(106)
Dividends paid	**(4,088)**	(5,248)	(7,580)
Principal element of lease payments	**(753)**	(540)	(1,196)
Net cash flow surplus/(deficit) from financing activities	**11,132**	7,133	(8,881)
Net (decrease)/increase in cash and cash equivalents	**(14,992)**	(10,895)	7,775
Cash and cash equivalents at beginning of period	**12,934**	5,159	5,159
Bank (overdraft)/cash and cash equivalents at end of period	**(2,058)**	(5,736)	12,934

Notes to the Condensed Consolidated Financial Statements
for the six months to 31 December 2024

1. Basis of preparation and accounting policies

This condensed consolidated interim financial report ("the Interim Report") for the six months ended 31 December 2024 has been prepared in accordance with UK-adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006. The Interim Report has been prepared on the basis of the policies set out in the Annual Report and Accounts for the year ended 30 June 2024 and in accordance with Accounting Standard IAS 34 "Interim financial reporting" and the Disclosure Guidance and Transparency Rules sourcebook of the UK's Financial Conduct Authority. The Interim Report does not constitute financial statements as defined in Section 434 of the Companies Act 2006 and is neither audited nor reviewed.

The interim financial statements need to be read in conjunction with the consolidated financial statements for the year ended 30 June 2024, which were prepared in accordance with UK-adopted International Financial Reporting Standards. A copy of the Annual Report and Accounts for the year ended 30 June 2024 is available either on request from the Group's registered office, 6 Europa Court, Sheffield Business Park, Sheffield, S9 1XE, or can be downloaded from the corporate website, www.mjgleesonplc.com.

The comparative figures for the financial year ended 30 June 2024 are not the Group's statutory accounts for that financial year. Those accounts have been reported on by the auditors of the Company and the Group and delivered to the Registrar of Companies. The report of the auditors was (i) unqualified, (ii) did not include a reference to any matters which the auditor drew attention to by way of emphasis without qualifying their report and (iii) did not contain statements under Section 498 (2) or (3) of the Companies Act 2006.

During the period, the Group has adopted the following new and revised standards and interpretations that have had no material impact on these condensed consolidated financial statements:

- Amendments to IAS 1, IFRS 16, IAS 7 and IFRS 7.

The preparation of condensed consolidated interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may subsequently differ from these estimates. In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 30 June 2024.

The accounting policies, method of computation, and presentation adopted are consistent with those of the Annual Report and Accounts for the year ended 30 June 2024.

Going concern

The Group has a committed facility with Lloyds Bank plc and Santander UK plc. The facility has a limit of £135m, which expires in October 2026 with two further uncommitted one-year extension options. At 31 December 2024, the Group's net debt balance was £18.1m (30 June 2024: net cash of £12.9m).

The Group's financial forecasts reflect a cautious view on the outlook based on current market conditions and the degree of macro-economic risk.

These forecasts have been subject to a range of sensitivities including a severe but plausible scenario together with the likely effectiveness of mitigating actions. The assessment considered the combined impact of a number of realistically possible, but severe and prolonged changes to principal assumptions from a downturn in the housing and land markets including:

1. Basis of preparation and accounting policies *(cont.)*

Going concern (cont.)

- a reduction in Gleeson Homes volumes of approximately 20%;
- a permanent reduction in Gleeson Homes selling prices of 5%; and
- a delay on the timing of Gleeson Land transactions and a 15% fall in land selling values.

Under these sensitivities, after taking certain mitigating actions, the Group continues to have a sufficient level of liquidity, operate within its financial covenants and meet its liabilities as they fall due.

Based on the results of the analysis undertaken, the Directors have a reasonable expectation that the Group has adequate resources available to continue in operation for the foreseeable future and operate in compliance with the Group's bank facilities and financial covenants. As such, the Interim Report for the Group has been prepared on a going concern basis.

2. Segmental analysis

The Group is organised into the following two operating divisions under the control of the Executive Board, which is identified as the Chief Operating Decision Maker as defined under IFRS 8 "Operating segments":

- Gleeson Homes
- Gleeson Land

The revenue in the Gleeson Homes segment relates to the sale of residential properties and ad hoc land sales. All revenue for the Gleeson Land segment relates to the sale of land interests. All of the Group's operations are carried out entirely within the United Kingdom. Segmental information about the Group's operations is presented below:

	Note	**Unaudited Six months to 31 December 2024 £000**	Unaudited Six months to 31 December 2023 £000	Audited Year to 30 June 2024 £000
Revenue				
Gleeson Homes		**156,591**	142,268	329,006
Gleeson Land		**1,259**	9,195	16,339
Total revenue		**157,850**	151,463	345,345
Divisional operating profit/(loss)				
Gleeson Homes		**9,126**	10,197	30,301
Gleeson Land		**(1,897)**	986	2,151
		7,229	11,183	32,452
Group administrative expenses		**(2,120)**	(2,423)	(3,899)
Group operating profit		**5,109**	8,760	28,553
Finance income		**69**	90	109
Finance expenses		**(1,543)**	(1,622)	(3,813)
Profit before tax		**3,635**	7,228	24,489
Tax	3	**(836)**	(1,638)	(5,543)
Profit for the period		**2,799**	5,590	19,306

2. Segmental analysis *(cont.)*

Balance sheet analysis of business segments:

	Unaudited 31 December 2024		
	Assets	**Liabilities**	**Net assets/ (liabilities)**
	£000	**£000**	**£000**
Gleeson Homes	**347,961**	**(69,497)**	**278,464**
Gleeson Land	**36,625**	**(855)**	**35,770**
Group activities	**3,681**	**(2,687)**	**994**
Net debt	**-**	**(18,058)**	**(18,058)**
	388,267	**(91,097)**	**297,170**

	Unaudited 31 December 2023		
	Assets	Liabilities	Net assets/ (liabilities)
	£000	£000	£000
Gleeson Homes	340,655	(68,437)	272,218
Gleeson Land	35,834	(1,864)	33,970
Group activities	2,807	(3,013)	(206)
Cash and cash equivalents	-	(18,736)	(18,736)
	379,296	(92,050)	287,246

	Audited 30 June 2024		
	Assets	Liabilities	Net assets/ (liabilities)
	£000	£000	£000
Gleeson Homes	329,927	(76,029)	253,898
Gleeson Land	34,158	(2,582)	31,576
Group activities	1,028	(1,694)	(666)
Cash and cash equivalents	12,934	-	12,934
	378,047	(80,305)	297,742

3. Tax

The results for the six months to 31 December 2024 include a tax charge of 23.0% of profit before tax (31 December 2023: 22.7%, 30 June 2024: 22.3%), representing the best estimate of the average annual effective tax rate expected for the full year, including residential property developer tax and land remediation relief, applied to the pre-tax income for the six month period.

4. Dividends

	Unaudited Six months to 31 December 2024	Unaudited Six months to 31 December 2023	Audited Year to 30 June 2024
	£000	£000	£000
Amounts recognised as distributions to equity holders:			
Final dividend for the year ended 30 June 2023 of 9.0p	**-**	5,248	5,248
Interim dividend for the year ended 30 June 2024 of 4.0p	**-**	-	2,332
Final dividend for the year ended 30 June 2024 of 7.0p	**4,088**	-	-
	4,088	5,248	7,580

On 6 February 2025 the Board approved an interim dividend of 4.0 pence per share at an estimated total cost of £2,336,000. The dividend has not been included as a liability as at 31 December 2024.

5. Earnings per share

The calculation of the basic and diluted earnings per share is based on the following data:

Earnings	**Unaudited Six months to 31 December 2024 £000**	Unaudited Six months to 31 December 2023 £000	Audited Year to 30 June 2024 £000
Profit for the period	**2,799**	5,590	19,306

Number of shares	**Unaudited 31 December 2024 No. 000**	Unaudited 31 December 2023 No. 000	Audited 30 June 2024 No. 000
Weighted average number of ordinary shares for the purposes of basic earnings per share	**58,339**	58,246	58,281
Effect of dilutive potential ordinary shares:			
Share-based payments	**229**	41	154
Weighted average number of ordinary shares for the purposes of diluted earnings per share	**58,568**	58,287	58,435

	Unaudited Six months to 31 December 2024 pence	Unaudited Six months to 31 December 2023 pence	Audited Year to 30 June 2024 pence
Basic earnings per share	**4.80**	9.60	33.13
Diluted earnings per share	**4.78**	9.59	33.04

6. Inventories

	Unaudited 31 December 2024 £000	Unaudited 31 December 2023 £000	Audited 30 June 2024 £000
Land held for development	**133,019**	112,191	113,801
Work in progress	**237,505**	245,860	231,433
	370,524	358,051	345,234

Net realisable value provisions held against inventories at 31 December 2024 were £6,871,000 (31 December 2023: £5,696,000, 30 June 2024: £8,380,000). The amount of inventory write-down recognised as an expense in the period was £667,000 (H1 23/24: £909,000, FY2024: £4,119,000) and the amount of reversal of previously recognised inventory write-down was £47,000 (H1 23/24: £384,000, FY2024: £656,000). The cost of inventories recognised as an expense in cost of sales was £125,106,000 (H1 23/24: £113,133,000, FY2024: £259,815,000).

7. Net (debt)/cash

	Unaudited 31 December 2024 £000	Unaudited 31 December 2023 £000	Audited 30 June 2024 £000
(Bank overdraft)/cash and cash equivalents	**(2,058)**	(5,736)	12,934
Bank borrowings	**(16,000)**	(13,000)	-
Net (debt)/cash	**(18,058)**	(18,736)	12,934
Lease liabilities	**(4,623)**	(5,293)	(5,076)
Net (debt)/cash including lease liabilities	**(22,681)**	(24,029)	7,858

At 31 December 2024, monies held by solicitors on behalf of the Group and included within cash and cash equivalents were £878,000 (31 December 2023: £989,000, 30 June 2024: £2,253,000).

	Unaudited 31 December 2024				
	Cash and cash equivalents £000	**Borrowings £000**	**Cash/(debt) net of borrowings £000**	**Lease liabilities £000**	**Total £000**
Net cash/(debt) at 1 July 2024	12,934	-	12,934	(5,076)	7,858
Cash flows	(14,992)	(16,000)	(30,992)	868	(30,124)
New leases	-	-	-	(305)	(305)
Lease disposals	-	-	-	5	5
Finance expense	-	-	-	(115)	(115)
Net debt at 31 December 2024	**(2,058)**	**(16,000)**	**(18,058)**	**(4,623)**	**(22,681)**

8. Provisions

	Dilapidations £000	**Building safety £000**	**Total £000**
As at 1 July 2024	699	12,398	13,097
Provisions utilised during the period	-	(145)	(145)
As at 31 December 2024	**699**	**12,253**	**12,952**

	Unaudited 31 December 2024 £000	Unaudited 31 December 2023 £000	Audited 30 June 2024 £000
Current provisions	**4,466**	7,558	3,024
Non-current provisions	**8,486**	5,733	10,073
	12,952	13,291	13,097

Dilapidations
The dilapidations provision covers the Group's leased property estate. The expected provision needed at the end of each lease is capitalised at the inception of the lease and recognised on a straight-line basis through depreciation over the term of the lease. There is no material uncertainty in either the timing or amount.

8. Provisions *(cont.)*

Building safety
The building safety provision includes estimated costs to remediate life-critical fire-safety issues on buildings over 11 metres which the Group had some involvement in developing over the last 30 years.

A provision of £12.4m was in place at 30 June 2024 in respect of the 17 buildings which had been identified as requiring remediation works, of which £0.1m has been utilised during the period, reducing the balance to £12.3m at 31 December 2024. We conduct regular reviews of the provision, taking into account the most recent inspections and any other relevant information.

On one building the work has been completed awaiting invoice, and for six further buildings we expect to complete remedial works before the end of the financial year.

9. Trade and other payables

Trade and other payables includes £12,762,000 of deferred payables on the purchase of land by the Gleeson Homes division (31 December 2023: £10,850,000, 30 June 2024: £9,300,000), of which £4,102,000 is due in more than one year (31 December 2023: £2,787,000, 30 June 2024: £3,133,000).

10. Share capital and reserves

	Unaudited 31 December 2024	Unaudited 31 December 2023	Audited 30 June 2024
Issued and fully paid 2p ordinary shares:			
Number	**58,428,126**	58,381,973	58,381,973
£000	**1,169**	1,167	1,168

Own shares reserve
The own shares reserve represents the cost of shares in MJ Gleeson plc purchased in the market or issued by the Company and held by the Employee Benefit Trusts ("EBT") on behalf of the Company in order to satisfy share-based payments and other share awards that have been granted by the Company.

	Unaudited 31 December 2024	Unaudited 31 December 2023	Audited 30 June 2024
Own shares held by the EBT			
Number	**51,957**	115,018	110,873
£000	**229**	469	456

11. Contingent liabilities

As set out in note 8, the Group is progressing its review of all of its historic building contracts for buildings over 11 metres in which, over the last 30 years, the Group had some involvement in developing. All of these buildings, including any external wall systems or cladding, were signed off by approved inspectors as compliant with the relevant building regulations at the time of their completion.

There are certain legacy activities of the Group where claims arise under historic contracts in Gleeson Construction Services Limited which were carried out in the ordinary course of activities.

The interim financial statements have been prepared based on currently available information and the current best estimate of the extent and future costs of work required, or in resolving known historic claims.

12. Related party transactions

There have been no material changes to the related party arrangements as reported in note 27 of the Annual Report and Accounts for the year ended 30 June 2024.

13. Seasonality

In common with the rest of the UK housebuilding industry, activity occurs all year round, although the trend of reservations usually means that Gleeson Homes' completions are higher in the second half of the year. There is no seasonality in the Gleeson Land division, although it typically completes the sale of more sites in the second half of the financial year.

14. Group risks and uncertainties

The Directors consider that the principal risks and uncertainties which could have a material impact on the Group's performance remain consistent with those set out in the Strategic Report on pages 38 to 43 of the Annual Report and Accounts for the year ended 30 June 2024.

Statement of Directors' Responsibility

for the six months to 31 December 2024

The Directors confirm that, to the best of our knowledge, these condensed interim financial statements have been prepared in accordance with UK adopted IAS 34 "Interim financial reporting" and that the interim management report includes a fair review of information required by DTR 4.2.7 and DTR 4.28, namely:

a) an indication of important events that have occurred during the first six months and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
b) material related party transactions in the first six months and any material changes in the related party transactions described in the last annual report.

The Board

The Board of Directors of MJ Gleeson plc at 30 June 2024 and their respective responsibilities can be found on pages 112 to 119 of the MJ Gleeson plc Annual Report and Accounts for the year ended 30 June 2024. There have been no changes since that date.

By order of the Board

Stefan Allanson
Chief Financial Officer
11 February 2025