

# **MJ Gleeson plc**

(GLE.L)

9 January 2024

## **Trading Update & Notice of Results** **("the Company" or "the Group")**

MJ Gleeson plc, the low-cost housebuilder and land promoter, provides a trading update for the half-year ended 31 December 2023 (the "period") ahead of announcing results on 15 February 2024.

Gleeson Homes completed the sale of 769 homes during the half-year, 14% fewer than the half-year to 31 December 2022, reflecting the weaker conditions experienced across the housing market during 2023. However, Gleeson Homes entered the second half of the financial year with a forward order book of 586 plots (31 December 2022: 319 plots).

Net reservation rates during the half-year period were 0.41 per site per week (half-year to 31 December 2022: 0.36 per site per week).

Additional costs relating to a number of older sites, along with the cumulative impact of current market conditions including extended site durations, sales incentives and multi-unit sales, are now expected to result in full year gross margins falling below expectations by circa 1.5% to 2.0%.

Gleeson Land completed the sale of one site during the half year to 31 December 2023 (H1 2023: three sites sold). We have recently commenced marketing a further four sites.

Reflecting the significant investment in bringing forward a higher proportion of home starts before June 2023 the Group will report net debt of £18.7m at 31 December 2023 (30 June 2023: net cash £5.2m). The cash impact of this investment is expected to unwind over the next two years.

Against the backdrop of stabilising interest rates the Board anticipates a recovery in demand for low-cost housing in the seasonally busier selling period over the coming weeks and months. Gleeson Homes also continues to negotiate further multi-unit sales and expects to enter into agreements over the coming months for delivery of homes in the current and next financial year.

### **Analyst conference call**

A conference call for analysts will be held at 07:45 this morning. To dial-in, please use the below details:

- UK-Wide: +44 (0) 33 0551 0200
- UK Toll Free: 0808 109 0700
- Code: MJ Gleeson

*This announcement contains inside information. The person responsible for arranging the release of this announcement on behalf of the company is Stefan Allanson, Chief Financial Officer.*

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

Gleeson Homes is the leading low-cost, affordable housebuilder. Its two-bedroom homes start from circa £100,000. Gleeson's vision is "Building Homes. Changing Lives", prioritising areas where people need affordable housing the most. Our aim is to ensure that on all of our developments, a material proportion of the homes are affordable to a couple earning the National Living Wage. Buying a Gleeson home typically costs less than renting a similar property. All Gleeson homes are traditional brick built semi or detached homes. 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 approach to sustainability can be found at: [mjgleesonplc.com/sustainability](http://mjgleesonplc.com/sustainability)