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Crest Nicholson Holdings plc

CAPITAL MARKETS DAY – READY FOR GROWTH

GEOGRAPHICAL EXPANSION TO CREATE SIGNIFICANT SHAREHOLDER VALUE

STRONG EARNINGS ACCRETION TO BE DELIVERED FROM ENLARGED GROUP

NEW CLIMATE CHANGE TARGETS

Crest Nicholson Holdings plc ('Crest Nicholson', or the 'Group') is hosting an investor and analyst event today which will include a site visit and a series of presentations from management.

The Group has successfully completed a turnaround of its financial and operational performance. It has established a strong operating platform and has assembled an experienced leadership team to deliver the next phase of growth. The Group has introduced a new house type range, achieved a five-star customer satisfaction rating and built upon its commitment to placemaking and build quality. At the same time a strong focus on operational efficiency, cash flow generation and a disciplined approach to capital allocation has transformed the balance sheet.

Given the significant and rapid progress made in financial and operational performance and building on the foundations of a strong balance sheet, the Group is now outlining an ambitious growth strategy which will see it expand into new geographies.

To help guide understanding of how we will deliver our plans, the Group is today pleased to announce the following medium term targets:

- A two-phase plan
 - Phase one: gross margin rate accretion and volume growth from existing divisions (FY22-FY24)
 - Phase two: volume growth from the three new divisions (FY24-FY26)

Medium term targets	FY24	FY26
Home completions (units)	In excess of 3,000	In excess of 4,200
Divisions	5+	8
Operating profit margins	18-20%	
Return on capital employed	22-25%	
Land Creditors (% of Net Assets)	Less than 30%	
Dividend Policy (cover)	2.5x	

New climate change targets

Today we are also announcing new targets in respect of climate change:

- Signatory to the United Nation's Race to Zero campaign
- Developing ambitious interim science-based targets, validated by the Science Based Targets initiative (SBTi)
- Achieving net zero emissions across our value chain by 2050 at the latest

Becoming signatories to the Business Ambition for 1.5°C and joining the Race to Zero demonstrates the Group's strong commitment to climate action and builds on our existing targets and the progress we have already made in reducing emissions. This includes a transition to the exclusive use of renewable electricity and driving significant reductions in operational emissions. The new targets will go further and include scope 3 emissions from our supply chain and the 'in-use' phase of our homes. Further detail on the targets will be provided in the first half of 2022.

Commenting on today's announcement, Peter Truscott, Chief Executive said:

'Our turnaround is now complete. We have developed an efficient operating platform and assembled a highly capable leadership team. The rapid progress we have made, supported by our strong balance sheet and favourable market context, gives us confidence to set out today's ambitious growth plans. The leadership team has a clear focus on delivering strong earnings accretion and creating substantial value for shareholders over the medium term. We are excited about the opportunities that lie ahead.

Climate change is one of the greatest challenges of our time and we have already taken positive steps to reduce emissions in our operations. Ahead of COP26, we are accelerating our ambition by joining the Race to Zero and committing to set science-based targets, ensuring that our roadmap to net zero is ambitious, robust and in line with climate science to limit warming to 1.5°C.'

Our Capital Markets Day will be held in Maldon, Essex today for pre-registered sell side analysts and investors. A recording of today's event will be available on our corporate website later today. www.crestnicholson.com/investors

For further information, please contact:

Crest Nicholson

Jenny Matthews, Head of Investor Relations +44 (0) 7557 842720

Tulchan Communications

James Macey White / Giles Kernick +44 (0) 20 7353 4200

The person responsible for arranging the release of this announcement on behalf of the Company is Kevin Maguire, General Counsel and Company Secretary