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Crest Nicholson Holdings plc
(the “Group” or “Crest Nicholson”)

FY21 PROFIT TO BE MARGINALLY AHEAD OF CONSENSUS¹

STRONG SALES PERFORMANCE IN H2

TRANSFORMED BALANCE SHEET TO SUPPORT FUTURE GROWTH

Crest Nicholson today provides an update on trading for the 12-month period ending 31 October 2021.

Financial highlights

- FY21 Adjusted Profit Before Tax expected to be marginally ahead of consensus of £101.2m¹, with the Longcross Film Studio contribution being more than anticipated
- Strong sales performance throughout the second half of the year with current sales rates remaining robust across all regions
- Forward sales as at 12 November 2021 were 2,502 units and £623.9m Gross Development Value (GDV) (13 November 2020: 2,330 units and £496.6m GDV), with good visibility of sales pipeline for FY22
- Continued expansion of operating margins in line with guidance as the Group makes strong progress depleting poorer legacy sites and maintains discipline on overheads
- Excellent cash generation throughout FY21, ensuring the Group ran on a net-cash basis throughout the year
- The Group remained active in the land market in FY21: 4,332 plots have been approved for purchase at a gross margin of 26.7% (after S&M)

1. Consensus as published on 17 November 2021 at <https://www.crestnicholson.com/investors/consensus-estimates>

First stage of turnaround now complete and plans to grow underway

- Successful roll out of new house types with over 6,000 units now planned, which represents 74% of open market housing held in the short-term land portfolio
- Operational efficiency programme, coupled with house price inflation, continues to insulate the Group against supply chain disruption and build cost inflation
- At our Capital Markets Day on 20 October 2021, the Group presented a growth strategy which will see it expand into three new UK geographies by 2026
- The Group is initiating its plan to establish divisions in Yorkshire and East Anglia from 2022
- Medium term targets set to illustrate progress on growth strategy. 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	

Good progress against our existing sustainability targets and further ambition to come

- Existing medium targets to 2025 progressing well in FY21
 - Carbon emission reduction target: 25%
 - Renewable electricity target: 100%
 - Waste reduction target: 15%
- New targets announced at recent Capital Markets Day
 - 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

Progress against existing sustainability targets will be provided in our FY21 preliminary results and further detail will be given on our new sustainability targets in the first half of FY22.

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

'The Group has performed strongly in the second half of the year with our full year underlying profit before tax marginally ahead of our expectations.

While the trading environment remains robust, it has been a challenging operational environment for our sector as we have emerged from the pandemic, with disruption to supply chains and the availability of materials. I am delighted that our teams have remained focused on implementing our strategy and have managed to successfully navigate our way through these issues.

At our recent Capital Markets Day, the leadership team outlined how the first part of our turnaround strategy is complete and presented an exciting vision for the future. The Group now has the necessary resources and capabilities to grow its footprint in the UK and we see this as the best way to maximise shareholder value over the medium term. We look forward to communicating more detail on this as we progress with the implementation of our plans.'

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

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