

4 July 2025



MJ Gleeson PLC
("the Group" or "the Company")

Trading update: FY2025 concluded in line with market expectations

Gleeson Homes management changes to enhance performance and delivery

MJ Gleeson plc announces a trading update in respect of the year ended 30 June 2025 (FY2025) and a series of organisational and management changes to enhance operational performance and commercial delivery at its Gleeson Homes division.

Trading update

Group

The Group is expected to deliver a profit before tax and exceptional items for FY2025 within current market expectations which range from £21.0m to £22.5m.

Gleeson Homes

Gleeson Homes completed the sale of 1,793 homes (FY2024: 1,772 homes) of which 205 were sold via multi-unit sales (FY2024: 346).

The division is expected to report an operating profit within current market expectations which range from £21.7m and £23.0m.

Net reservation rates over the last six months averaged 0.88 per site per week (H2 FY2024: 0.63). Excluding multi-unit agreements, net reservation rates improved significantly to 0.64 per site per week (H2 FY2024: 0.50) net of an improved cancellation rate of 14% (H2 FY2024: 18%).

Three partnership deals covering 175 homes were agreed during the second half, a creditable achievement in a weak market with activity depressed by uncertainty over housing association funding.

Gleeson Homes holds a forward order book of 845 plots (30 June 2024: 559 plots).

The division opened 13 new build sites during the year and started the new financial year with 68 build sites (30 June 2024: 79 sites) of which 57 are active sales sites (30 June 2024: 62 sites).

The anticipated sale of one of Gleeson Homes' extensive land holdings in East Yorkshire did not proceed and a number of options to optimise the efficiency of our working capital in this region are being reviewed.

Gleeson Land

Gleeson Land completed 7 disposals during the year and is expected to report an operating profit at the lower end of market expectations which range from £7.0m to £8.4m. The remaining 3 disposals which were anticipated to complete before the year end are now expected to complete in H1 FY2026.

Gleeson Land's portfolio of sites as at 30 June 2025 includes eight sites with either planning permission or resolution to grant and which have the potential to deliver 1,343 plots (30 June 2024: seven sites, 1,473 plots).

Balance Sheet

Due to timing issues, the Group ended the year with a net debt position of £0.8m (30 June 2024: net cash position of £12.9m).

Gleeson Homes reorganisation

Gleeson Homes' gross margin had come under pressure through the year due to the cumulative impact of a number of headwinds. These reflected external pressures such as increased build costs and flat selling prices, along with the cost of mitigating actions including the continued use of incentives and several bulk sale transactions. Planning delays, which pushed back the opening of new higher-margin sites, the absence of an anticipated wider market recovery and further costs arising from legacy site issues meant that the margin improvement expected in the second half did not materialise.

Additionally, issues around process and compliance with procedures within the business, which were resulting in cost overruns, had been identified in the summer of 2024. Immediate actions did not fully address these and a comprehensive review of the business, under the banner of Project Transform, was initiated in the autumn.

The review identified the need to implement some organisational and management changes.

These are designed to shorten reporting lines, empower the divisional leadership teams and strengthen regional management as well as reinforcing controls and driving local ownership and accountability. They will also substantially improve oversight of processes and compliance from the centre, supported by enhanced data provision.

The changes, which have largely been implemented and are expected to be fully concluded in a matter of weeks, include:

Management and reporting lines

Mark Knight has stepped down from his role of Chief Executive of Gleeson Homes and left the business.

The Northern division will continue to be run by Andy Davies. The Central division will be run by Scott Stothard who is joining the business from Vistry where he was Divisional Chair. Both Andy and Scott will report to Graham Prothero.

Simon Topliss, previously Gleeson Homes Finance Director, has been appointed to the newly created role of Chief Operating Officer, with responsibility for central functions, driving performance and governance. Simon will also report to Graham Prothero.

Organisation

Gleeson Homes will retain its current six regions within two divisions, as follows:

- **Central division:** Greater Manchester & Merseyside, Cumbria, Midlands and South/West Yorkshire regions
- **Northern division:** East Yorkshire and Tees Valley/Tyne & Wear regions

Greater Manchester / Merseyside and Cumbria, whilst remaining separate regions, will now be led by a single leadership team which will afford significant operational synergies.

The strengthened management structure is expected to lead to a marked improvement in performance and delivery, improving pace and quality of build and management and control of costs.

As a result of the reorganisation, a cash cost of approximately £1.2m is expected to be recognised as an exceptional item in the FY2025 accounts.

Outlook

The housing market lacks confidence and remains subdued and the Board does not see a short-term catalyst for any substantial improvement.

However, as reflected in our robust sales rate, there are customers for well-located homes at the right price. Meanwhile, housing associations have been rightly buoyed by the Chancellor's recent announcements around grant funding and the rent settlement, which improve prospects for our partnership business.

Continuing capacity issues in the planning system have delayed site openings and Gleeson Homes will operate from fewer sites than anticipated in the current year. However, our strong pipeline and improvements in our own process give us confidence in our ambitious growth plans.

Gleeson Land's performance in FY2026 is expected to be similar to FY2025 with delivery weighted to the latter part of the year. Site acquisition and planning application activity is high with the tailwind of the improving medium-term planning environment.

Taking these factors into account, the Board expects that profit before tax and exceptional items for FY2026 will be at or around £24.5m, the lower end of current market expectations.

Graham Prothero, CEO of MJ Gleeson plc, commented:

"This was a challenging year for Gleeson.

"As well as external factors, it had become clear that our commercial delivery was not where we needed it to be. Over the last nine months we have therefore been implementing at pace management changes which will significantly benefit the business through FY2026 and beyond.

"These changes will also ensure the delivery of our strategic objectives.

"Whilst we do not expect any significant economic recovery in the short-term, we are maintaining a robust sales rate. This, along with our remedial actions, gives me confidence that we have a stronger business which will deliver our projections for the current year and our significant growth plans over the medium-term."

Analyst conference call

A conference call for analysts will be held at 08:00 this morning. To dial-in, please use the below details:

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

Notice of Results

The Company will report its audited full year results on Thursday 18 September 2025.

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About MJ Gleeson:

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