

# MJ Gleeson plc (GLE.L)

("Gleeson" or "the Company")

For immediate release

25 March 2020

## **Covid-19 Update**

### **Corporate Actions**

The Board of MJ Gleeson plc has been closely monitoring and assessing the impact on the business of the rapidly evolving COVID-19 pandemic.

#### **Covid-19 and Corporate Actions**

First and foremost, our priority must be to protect the health, safety and wellbeing of our colleagues, customers and the wider communities where we operate.

Following recent guidance from the Government, we have taken the decision that all sites will cease build activity and that we will temporarily close our development sites in the coming days. We will continue to support our customers and prospective customers online and by phone.

We have decided that a controlled wind down and closure of site activity on a temporary basis is the right thing to do at this time. It supports the Government's key message of "Staying at Home, Protecting the NHS and Saving Lives": we all have an obligation to do this where we can.

We will continually review the situation, taking action where necessary, and we will look to reopen sites and sales offices once it is appropriate and safe to do so.

Gleeson builds and sells low-cost quality 2, 3 and 4 bedroom homes to first time buyers on average and lower incomes across the Midlands and North of England, areas where there are already acute supply shortages. We recognise that the current situation will further exacerbate this position and we will look to work with central government and local authorities to ascertain what provisions might be put in place to see the safe resumption of building of much-needed quality affordable homes as soon as possible.

It should be noted that a significant proportion of the homes we sell are to people in what are now designated "key worker" roles. The Board has decided that when we are able to recommence selling, we will look to prioritise sales to front-line and other key workers in recognition of the extraordinary role that they are playing at this time.

#### **Trading and Financial Update**

In light of the uncertainties the Company currently faces, it is unable to provide guidance on the full year results to 30 June 2020.

As a result of a disciplined approach to cash management and capital allocation, the Company has a strong balance sheet. This is reflected in cash balances of £67m, including £60m drawn

down from the Company's committed bank facility, in addition to a £10m committed overdraft facility. The Board believes that the Company is in a resilient position.

Given the ongoing uncertainty around the duration and potential impact of Covid-19, however, the Board believes it would also be prudent to cancel the payment of the interim dividend of 12.0 pence per share due to be paid on 3 April 2020 to shareholders on the register at close of business on 6 March 2020. The interim dividend equates to £6.6m.

Dermot Gleeson, Chairman, commented:

***"The decisions we are announcing today have not been taken lightly but I believe that all our stakeholders will agree that we need to take these steps in what are extraordinary and uncertain times. We will not hesitate to implement additional measures if we judge that they are necessary to ensure the safety and wellbeing of our colleagues and the wider community. We are also determined to ensure that the Company remains well placed to return to the task of delivering homes to people who need them just as soon as circumstances permit."***

***ENDS***

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