

MJ Gleeson plc (GLE.L)

("Gleeson" or "the Company")

For immediate release

14 May 2020

Covid-19 Update **Reopening of sites and sales offices**

Following the Prime Minister's statements on Sunday 10 and Monday 11 May, and in line with the latest guidance from the Secretary of State for Housing, Communities, and Local Government, the Board has decided to implement its plan for a phased re-start of activity.

Gleeson announced on 25 March 2020 a controlled wind down and closure of site and sales activity. To support customers that had already exchanged prior to closure, we allowed a limited number to complete their purchase and, in line with official guidance, move into their new homes. Since then, and in anticipation of the Government's announcement, Gleeson has been preparing a detailed plan to restart, on a phased basis, build and sales activity across its 67 sites.

Covid-19 Secure

Our paramount concern is the safety of our staff, subcontractors and customers. We have developed rigorous new working protocols which are at the least fully compliant with, or exceed, the Government's *Covid-19 Secure* guidance and which are supported by Public Health England and the Construction Leadership Council.

These protocols include revised operating procedures and we are implementing training programmes to ensure that all our people are clear on what is required to ensure a safe environment. We have designed clear signage and will be providing on-site guidance, including Social Distancing Marshalls, to ensure safe working on site. We will also ensure that all our staff and site visitors have the requisite PPE and we will deploy a range of strict cleaning, handwashing and hygiene procedures.

Phased re-start

We will have reopened up to half of our sites for limited build activity by the end of this week and all sites will have reopened by the end of June. Initial on-site activity through May and June will focus on preparing site infrastructure and other ground-level works ahead of building out our forward order book.

We will begin to reopen sales offices this week on a regional hub basis and will have 19 sales offices covering all 67 sites open within two weeks. Visits to these regional hubs will be by appointment only.

The Company is undertaking an on-the-ground communications programme with the communities in which it operates, including via social media channels, to keep them informed about the Company's working protocols and revised operating procedures. On-site signage will provide a helpline phone number for residents to call should they have any concerns.

We announced on 6 April 2020 that, in line with the Government's Job Retention Scheme, the Company was furloughing a total of 456 employees, representing 76% of the workforce. Over the coming weeks we will begin to bring colleagues off furlough in line with the phased return to work. We hope to have all furloughed colleagues back at work by the end of July.

Corporate and trading update

Gleeson builds and sells high quality, low cost 2, 3 and 4 bedroom homes to first time buyers on average and lower incomes in areas of the Midlands and North of England where there are acute supply shortages. Gleeson homes remain highly affordable with 2-bedroom homes starting at £90,000. Monthly repayments on a 3-bedroom home are significantly below the monthly cost of renting an equivalent home.

Roughly two thirds of our customers are key workers. In recognition of the extraordinary contribution they have made to keeping us all safe, fed and healthy Gleeson is prioritising sales to key workers and has launched the *Gleeson Key Worker Priority Programme* on the Gleeson Homes website.

Whilst our sales offices were closed, we continued to receive and deal with enquiries both online and by phone. We also continued to take reservations and exchange contracts for sale, albeit at significantly lower levels. The Company has not to date experienced any negative impact on selling prices, incentives or lender valuations.

The Company believes that low cost homes, especially for first-time buyers, will be the segment of the housing market that will recover fastest. The forward order book currently stands at £124.5m on 888 plots.

The Company has a strong balance sheet with cash balances at 30 April 2020 of £83.9m, including £60m drawn on the Company's committed bank facility and £16m following a placing of shares on 14 April 2020 to facilitate an efficient and rapid return to work on existing sites and progress its new site opening programme. In addition, the Company has a £10m committed overdraft facility which is currently undrawn.

Whilst the return to work is welcome, uncertainties continue including the impact new working methods will have on build and sales activity and the rate of completions. As a result, the Board is unable to provide forward guidance on the full year results to 30 June 2020.

James Thomson, Chief Executive Officer, commented:

"We welcome the Government's assistance in facilitating our return to work to build much needed homes. It will be some time before we can accurately assess demand but we are encouraged by the level of interest from prospective buyers in just the last few days. Our segment of the market is typically the one that recovers the fastest."

ENDS

Enquiries:

Instinctif Partners

Mark Garraway 07771 860938

James Gray 07814 379412

This announcement is released by MJ Gleeson plc and contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 (MAR), and is disclosed in accordance with the Company's obligations under Article 17 of MAR. Upon the publication of this announcement, this information is considered to be in the public domain.

For the purposes of MAR and Article 2 of Commission Implementing Regulation (EU) 2016/1055, this announcement is being made on behalf of the Company by Stefan Allanson, Chief Financial Officer.

LEI: 21380064K7N2W7FD6434