

For immediate release

9 July 2020

Notice of Results & Trading Update

MJ Gleeson plc (GLE.L), the low-cost housebuilder and strategic land specialist, today provides an update for the year ended 30 June 2020 ("FY2020"). The Company will report its audited full year results on Monday, 14 September 2020.

Gleeson Homes

Gleeson Homes completed the sale of 1,072 homes during the year, a reduction of 29.9% compared with the previous year's total of 1,529.

However, the division has entered the new financial year ("FY2021") in a strong position with a forward order book standing at £145.3m on 1,033 plots (June 2019: £87.6m on 677 plots) and over 1,000 built or part-built homes.

Net daily reservations over the last four weeks have risen to more than 80% of pre Covid-19 levels with the majority reserved at prices higher than in January and February 2020.

Four new build sites were opened in the last two months of the year bringing the total build sites to 71. Of these sites, 65 are actively selling. The business plans to open more than 25 new sites during FY2021 year and expects to have at least 80 active build sites by the end of the period.

Current safe-working protocols are, as expected, having an impact on productivity and build rate. Build activity on sites is currently running at 60% of pre Covid-19 levels and is expected to reach 80% by September 2020.

The land pipeline of owned and conditionally purchased plots at 30 June 2020 increased by 1.7% compared to the prior year end, totaling 13,801 plots on 149 sites, of which 6,952 plots have been purchased subject to planning permission.

Gleeson Strategic Land

During the year Gleeson Strategic Land sold two land interests with the potential to deliver 195 plots for housing development.

The division's total portfolio comprises 68 sites, with the potential to deliver 23,314 plots, and 44 acres of commercial land. Of these, planning permission has been granted on 11 sites that have the potential to deliver 3,855 plots (June 2019: 9 sites, 2,929 plots).

Prior to Covid-19, the division was seeing strong interest in its consented sites. As the land market reopens this interest is returning, with enquiries from a broad range of housebuilders.

Group

The Group ended the year with cash balances of £76.8m including £60m drawn on the Company's committed bank facility (30 June 2019: £30.3m net cash). In addition, the Group has a £10m committed overdraft facility which is currently undrawn.

The majority of furloughed staff have returned to work, either to site or working from home, and the voluntary management pay cuts introduced in April were reversed on 1 July. No further use of the furlough scheme is anticipated after July.

The Board expects the results for FY2020 to be in line with revised market expectations.

James Thomson, Chief Executive Officer, commented:

"The impact of Covid-19 on the FY2020 results is as expected. What is pleasing is that the business has demonstrated its underlying resilience in the face of enormous challenges and we are starting the new financial year in a strong position."

"Gleeson Strategic Land's pipeline is strong and housebuilders are returning to the market to acquire much-needed consented land which remains in short supply."

"Buying a high-quality affordable Gleeson home remains substantially cheaper than renting - often poor quality - accommodation. With strong demand and reservation levels expected to soon recover to pre Covid-19 levels, our robust pipeline will enable us to open more sites than ever as we continue to deliver on our strategic plan of completing 2,000 homes p.a. in FY2022."

"We are confident that, if the current market improvement continues, the Group will see a rapid recovery in FY2021."

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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.

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