This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) No. 596/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

Crest Nicholson Holdings plc

(the “Group” or “Crest Nicholson”)

GOOD PROGRESS DELIVERING OUR STRATEGY

ROBUST BALANCE SHEET AND RENEWED FINANCING

GROWTH AMBITIONS UPDATED TO REFLECT MARKET CONDITIONS

Crest Nicholson today provides an update on trading for the 12-month period ending 31 October 2022.

Financial highlights

- FY22 Adjusted Profit Before Tax expected to be within previously guided range of £135m to £140m
- 18-week SPOW rate to 31st October 2022 of 0.55 with weaker trading in recent weeks, reflecting the increased economic uncertainty
- Forward sales as at 11 November 2022 were 2,038 units and £526.2m Gross Development Value (GDV) (12 November 2021: 2,502 units and £623.9m GDV), with good visibility of sales pipeline for FY23
- Continued expansion of operating margins in line with guidance as the Group continues to make good progress with new site acquisitions whilst maintaining discipline on overheads
- Excellent cash generation in FY22, ensuring the Group ran on a net-cash basis throughout the year. Net cash as at 31 October 2022 was £276.5m (FY21: £252.8m)
- Disciplined investment for growth in a competitive land market: 2,771 plots have been approved in FY22 for purchase at a gross margin of 25.5% (after S&M)
- Completion of a new Sustainability Linked Revolving Credit Facility further enhances our financial position.

Operational highlights

- Increased utilisation of new house type range which delivers operational efficiencies and optimises build rates
- Progress against our sustainability targets remains on track and our commitments have been enhanced in our new Sustainability Linked Revolving Credit Facility
- During the year we have been able to add high quality sites to our land portfolio in Yorkshire and East Anglia as well as across our existing divisions. We will remain disciplined and selective in acquiring new sites
- Given the current macro-economic uncertainty the Group has decided to defer the planned opening of a third new division in FY23 until further notice and will adjust the expected pace of growth across its existing divisions.

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

‘We continue to make good progress against our strategy with further revenue growth, operating margin expansion, an increase in return on capital employed and excellent cash generation throughout the year. We are pleased to have mobilised operations in Yorkshire and East Anglia with strong teams in place and good opportunities in these regions. However, given the well-publicised economic conditions we believe it is the right decision to defer the planned opening of a third new division and adjust the pace of growth in our existing ones until a more stable environment returns.

We also hope that repeated commitments to reform the planning system will be delivered in the near term. These changes should focus on releasing more land which can be immediately developed, helping the UK fix its longstanding shortage of housing stock. Accordingly, we will remain focused on delivering our strong forward order book and maintaining a robust financial position.

The UK is clearly facing a challenging macro-economic outlook, however we remain confident in the long-term fundamentals of the UK housing market. The strength of our balance sheet underpins this conviction and the delivery of our medium-term growth strategy.'

£250m Revolving Credit Facility

The Group's existing £250m revolving credit facility was due to expire in June 2024. We are pleased to announce that the Group completed a new Sustainability Linked Revolving Credit Facility on 13 October 2022.

This £250m facility provides the Group with strong levels of liquidity to complement the year-end net cash position of £276.5m and expires in October 2026. It is also linked to the Group's sustainability strategy with a lower interest paid if certain targets are achieved. These targets include:

- Reduction in absolute scope 1 and 2 emissions in line with our science-based targets
- Increasing the number of our suppliers engaging with the Supply Chain Sustainability School
- Reduction in carbon emissions associated with the use of our homes
- Increasing the number of our employees in trainee positions and on training programmes

The Group will provide annual detailed disclosure on its progress against these targets in its next Annual Integrated Report which will be published in February 2023.

For further information, please contact:

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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.

17 November 2022