

This announcement contains inside information.

7 July 2021

## **Countryside Properties plc**

### **Strategy update and share repurchase programme**

Countryside is the market leader in the delivery of high quality mixed-tenure communities in partnership with housing associations, public bodies and institutional private rental operators, with a strong focus on placemaking and regeneration (“Partnerships”). The Group also operates a business focused on building private homes for owner-occupiers in the Home Counties (“Housebuilding”).

As a result of a strategic review of the potential separation of Housebuilding, the Board has concluded that in future, for the benefit of all stakeholders and in order to maximise shareholder value, the Group will focus all of its resources on its very successful Partnerships business.

The assets<sup>(1)</sup> of the Housebuilding division, including its exceptional people and management, will be deployed as follows:

- A new Partnerships region will be established to serve the Home Counties. This will be led by Philip Chapman, a highly experienced member of the Executive Committee, reporting to Iain McPherson. Some of the current Housebuilding division sites, and certain sites in the strategic land bank, have been identified as fitting the mixed-tenure Partnerships model and will be utilised by this new Partnerships region. The strategy of this region will be the same as the strategy of the rest of the Partnerships business which operates across London, the North, the Midlands and the South West. The Board expects Partnerships Home Counties to generate financial returns consistent with the rest of Partnerships over time and we expect it to generate annualised adjusted operating profit of at least £60m by 2023.
- Land and developments under way that do not fit the Partnerships strategy will either be sold or completed in line with our commitments to partners and customers. This will be overseen by a dedicated senior director reporting to Iain McPherson. No additional capital will be deployed in the building of new developments that do not fit the Partnerships model.

This strategy is expected to generate at least £450m of surplus cash by September 2023, when it will be substantially complete. The Company is also announcing today that this surplus cash will be returned to shareholders via the on-market purchase of its own shares over the realisation period, starting shortly.

The Company also intends to change its name to Countryside Partnerships plc in recognition of the absolute focus of the Group going forward.

Further details on the strategy of Countryside Partnerships will be provided at a Capital Markets Event on 8 September 2021.

Note (1) At 31 March 2021 the company reported £471m of tangible net operating assets of the Housebuilding division.

**John Martin, Chairman, said:**

“We are delighted to have concluded this strategy review which reinforces our commitment to Countryside’s outstanding and differentiated Partnerships business model. The strategy will significantly accelerate the development of our Partnerships business, which will be even stronger as a result. The value of the additional recurring earnings that this will generate, along with the £450m proceeds from the disposal of surplus assets, clearly significantly exceeds the value of any of the other strategic options available.”

**Iain McPherson, Group Chief Executive, said:**

“Countryside has a proven track record of creating sustainable communities, committed to providing homes built to the highest quality. Our longstanding relationships with partners, our people and a strong pipeline of opportunities provide us with confidence from which to grow our Partnerships Home Counties region. Our commitment to regeneration, mixed-tenure development and modern methods of construction, including our state-of-the-art manufacturing facilities, is unrivalled in the industry.”

- Ends -

There will be a conference call for analysts and investors at 8.00am (BST) today. Details are set out below:

**Date:** Wednesday 7 July 2021

**Time:** 0800hrs

**Dial in (Int'l):** +44 (0) 2071 928000

**Dial in UK FreeCall:** 08003767922

**Dial in UK LocalCall:** 08445718892

**Conference ID / passcode:** 9387909

Notes to editors:

Countryside is the market leader in the delivery of high quality mixed-tenure communities in partnership with housing associations, public bodies and institutional private rental operators, with a strong focus on placemaking and regeneration. The Group also operates a business focused on building private homes for owner-occupiers in the Home Counties.

Countryside’s differentiated Partnerships business model:

- Mixed tenure developments, including affordable homes, homes available for institutional private rental and available for private for sale.
- Over 40 years track record of collaborative working with partners in public and private sectors
- Over 60% of developments on regeneration or brownfield sites.
- Increasing use of Modern Methods of Construction, with a target of 50% of all homes to be built using our in-house manufacturing facilities by 2025.
- Place-making at the heart of everything we do - designing places people love, helping to build successful communities. Committed to high quality design, construction and management, creating a positive legacy for future generations.

For more information see [www.countrysideproperties.com](http://www.countrysideproperties.com) or follow @CountrysideProp on Twitter