

21 July 2022

COUNTRYSIDE PARTNERSHIPS PLC

Q3 2022 Trading Statement

Solid Q3 performance, no change to FY22 guidance

Countryside Partnerships (or “the Group”) today issues the following trading update for the 13-week period from 1 April 2022 to 30 June 2022.

Q3 highlights

- Partnerships completions broadly unchanged from prior year at 817 homes (Q3 2021: 818 homes)
- Partnerships adjusted¹ revenue up 20% to £219m (Q3 2021: £183m)
- Group net reservation rate² up 30% to 1.04 (Q3 2021: 0.81)
- Group net debt of £74.8m, with average weekly debt of £72.6m
- FY 2022 guidance unchanged at approximately £150m adjusted¹ operating profit³

Q3 trading

In Q3, we continued to build on the initiatives to improve operational performance, augment controls and manage our cost base to enhance returns and cash generation.

Q3 trading reflected good progress towards an exclusively Partnerships business and continued to show improvement in operating performance since the first quarter. Partnerships South and Home Counties continued to perform well, there has been a solid year-on-year improvement in the Midlands and the North division is beginning to demonstrate a recovery from the challenges experienced at the start of the year.

Following a review of the Group’s manufacturing facilities, the Board has taken the decision to exit its site in Bardon, one of three MMC factories owned by the Group, and we expect a reduction in the run-rate of manufacturing losses as a result. During the period, we also completed the review of cost savings across the business, identifying at least £15m of savings on an annualised basis, and delivery is well underway.

We remain on track to deliver our previously communicated target of £450m asset realisation from the exit of the Legacy business and have realised £174m to date at the end of June.

On 13 June 2022, the Board announced its decision to conduct a formal sale process for the Group. The preparatory work is progressing well and further announcements regarding the timing and formal launch of the process will be made as appropriate.

The search for a new CEO is continuing and we will update the market in due course.

Outlook

We have made solid progress in Q3 and have a strong forward order book as we move into Q4, our most significant trading quarter of the year, in which approximately 40% of the Group’s annual completions are expected. Our total forward order book at the end of June was £1,910m, up 60% from the same date last year, and we are over 99% forward sold⁴ for FY22 as at the end of June.

While we are mindful of the challenging macro-economic backdrop, we reiterate our FY 22 guidance of approximately £150m adjusted¹ operating profit³.

¹ Adjusted measures include the Group's share of results from joint ventures and associates and exclude non-underlying items

² Net reservations per open outlet per week

³ For the purposes of Rule 28 of the Takeover Code this is a re-statement of a profit forecast made by the Company on 31 March 2022. Please refer to the Appendix for a confirmation from Countryside's Directors in relation to this profit forecast

⁴ Our forward sold percentage represents the proportion of full year housing sales that have been forward sold and are scheduled to complete before year-end. Forward sold includes sales completed to date, contract exchanges and private home reservations.

ENQUIRIES:

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NOTES TO EDITORS:

Countryside Partnerships 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.

Countryside's differentiated Partnerships business model:

- Mixed tenure developments, including affordable homes, homes for institutional private rental and homes for private 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 ("MMC"), with a target of 50% of all homes to be built using MMC by 2025.
- Placemaking 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 positive legacy for future generations.

For more information, visit www.countrysidepartnerships.com or follow @CountrysidePPLC on Twitter.

APPENDIX

Profit Forecast

The Group's half year results for the year ended 31 March 2022 included the following statement:

"As announced on 7 April 2022, the Board expects adjusted operating profit for the full year of approximately £150m (2021: £167.3m) including a significant profit growth in the second half."

This constitutes a profit forecast for the purposes of Rule 28 of the Code (the "FY 22 Profit Forecast"). This trading update repeats the FY 22 Profit Forecast.

Set out below is the basis of preparation of the FY 22 Profit Forecast and the assumptions on which it is based.

Basis of preparation

The FY 22 Profit Forecast has been prepared on a basis consistent with the Group's accounting policies which are in accordance with IFRS. These policies are consistent with those applied in the preparation of the Group's annual results for the year ended 30 September 2021.

Assumptions

The FY22 Profit Forecast is based on the assumptions listed below.

Factors outside the influence or control of Countryside's Directors

- There will be no material changes to existing prevailing macroeconomic, regulatory or political conditions in the markets and regions in which the Group operates.
- The interest, inflation and tax rates in the markets and regions in which the Group operates will remain materially unchanged from the prevailing rates.
- There will be no material adverse events that will have a significant impact on the Group's financial performance.
- There will be no material change in the availability or cost of key subcontractors and resources from prevailing conditions
- There will be no material change in the availability of mortgage financing for our private home customers
- There will be no material impact on stakeholder relationships arising from our ongoing sale process
- There will be no material change in employee attrition rates
- There will be no material changes in legislation or regulatory requirements impacting on the Group's operations or on its accounting policies.

Factors within the influence or control of Countryside's Directors

- There will be no material change to the present management of the Group.
- The Group's accounting policies will be consistently applied over the forecast period.
- There will be no material change in the operational strategy of the Group.

Directors' confirmation

The Directors have considered the FY 22 Profit Forecast and confirm that it remains valid as at the date of this announcement, has been properly compiled on the basis of the assumptions set out in this Appendix and the basis of the accounting used is consistent with the Group's accounting policies.