

Crest Nicholson Holdings plc

(the 'Company', 'Group' or 'Crest Nicholson')

Trading Update on Positive Debt Reduction Progress and Revised FY26 Expectations

This announcement contains inside information

Crest Nicholson Holdings plc provides the following trading update:

Debt reduction ahead of plan

The Group continues to make good progress with the actions announced as part of its cash optimisation programme, and has recently concluded a further material fire remediation recovery from a third party. This recovery will be treated as an exceptional profit item in the full year results.

The Group has completed one additional land disposal in the second half of the year at a value in line with expectations and continues to expect that one or two further transactions will be achieved in the remainder of the financial year.

As a result of this progress, year-end net debt is now expected to be better than previously indicated and lie in the range of £70 to £90m an improvement of c. £30m (previous guidance of £100m to £120m).

Outlook and full year profit guidance

Market conditions have been more subdued than expected through the seasonally quieter summer trading period, with affordability constraints and competitive pricing continuing to weigh on open market sales rates. Over the last six weeks, the Group achieved a net open market sales rate achieved of 0.35. This compares to 0.48 in the first half and 0.55 in the same period last year.

Pricing pressure has remained particularly evident in bulk sales, where the Group continues to take a disciplined and selective approach to transactions.

Build cost inflation remains in line with previous guidance of c.3-4%, mostly on materials.

Against this backdrop, the Group now expects full-year completions to be in the range 1,350 to 1,400 (previous guidance 1,400 to 1,500) and for EBIT to be a loss of around £10m (previous guidance for EBIT profit of £5m to £10m). The reduction in profitability reflects lower expected completions following weaker open-market demand, and continued competitive pricing, particularly in bulk transactions, also resulting in some further NRV provisions on a small number of sites.

Lender update

The Group remains in constructive discussions with its lenders to amend its covenants and ensure that it has an appropriate level of funding and liquidity going forwards, although the Group now anticipates some slippage in the current timetable and will provide a further market update in due course.

Martyn Clark, CEO commented:

“While the trading backdrop has remained difficult through the summer, we are making tangible progress on the actions within our control. Our cash optimisation programme is delivering with the expected year-end net debt position now materially better.

The Group continues to make good progress against its strategic priorities. We are building a stronger operational platform through tighter cost control, improved procurement, disciplined land and WIP management, and a continued focus on build quality and customer service.

Looking ahead, our new house types remain on track to contribute from end of FY27. These homes will support Crest Nicholson's repositioning towards the mid-premium segment, with a more consistent product range, improved customer proposition and the potential for greater build efficiency and stronger margins over time.

Although the timing of a broader market recovery remains uncertain, the Group is taking the right actions to protect liquidity and improve operational execution, while positioning the business for recovery when market conditions normalise."

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