

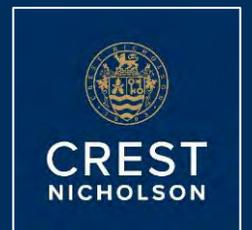


WINDSOR GATE
WINDSOR

Crest Nicholson Holdings plc

CAPITAL MARKETS DAY

20 March 2025



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'Crest Nicholson' or the 'Group' refers to Crest Nicholson Holdings plc and its subsidiary companies.



CONTENT

1 Where is Crest Nicholson today?

2 What are the future opportunities?

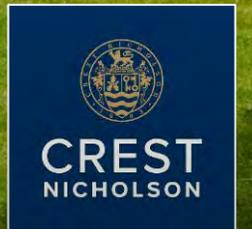
3 How does Crest Nicholson get there?

4 What is the ambition for Crest Nicholson?

WHERE IS CREST NICHOLSON TODAY?



FULLERS GROVE
EAST CHALLOW, OXFORDSHIRE



LOOKING TO THE FUTURE – KEY MESSAGES

Positive structural tailwinds



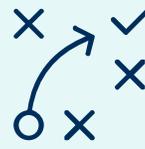
Ongoing undersupply of housing and government commitment to housebuilding

Strong foundations



Well-regarded brand with a high quality land bank and strong balance sheet

Focus on mid premium



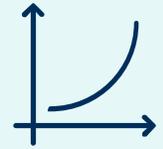
Future focus on attractive, resilient mid premium segment, aligned to strong foundations

Clear plan to execute



Delivering high quality homes and putting the customer at the heart of Crest Nicholson

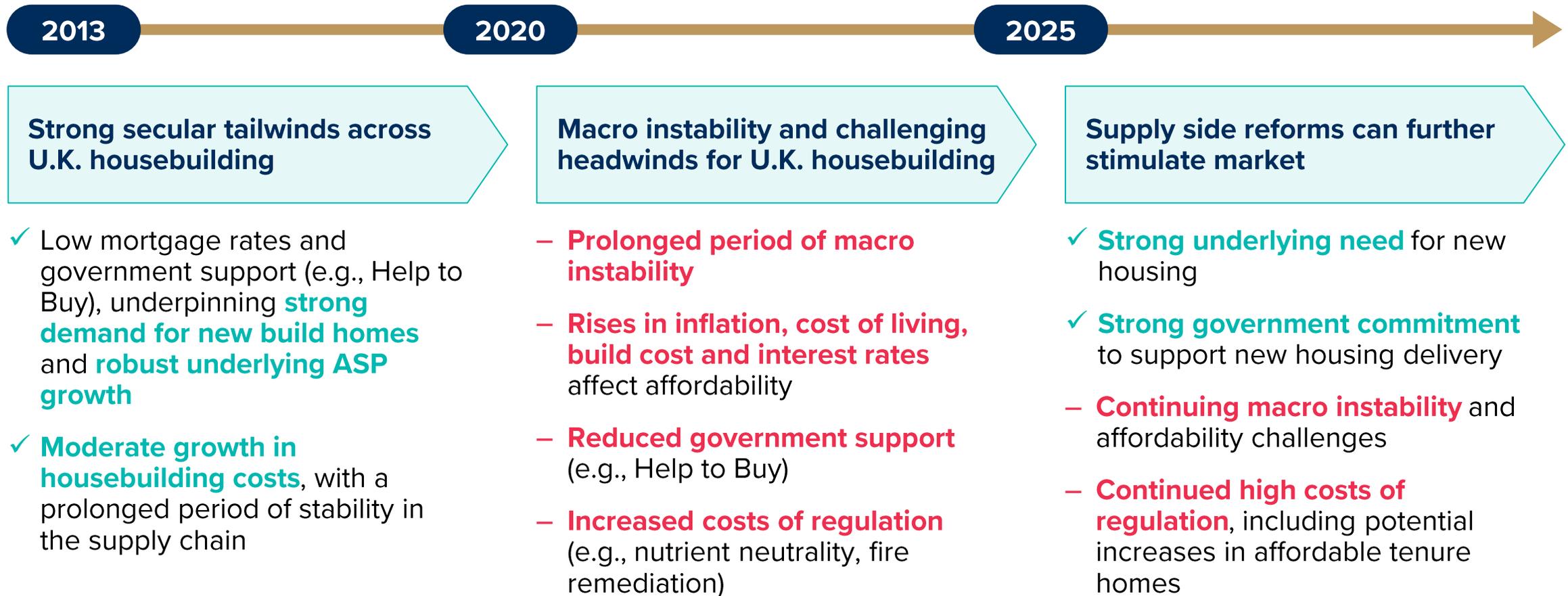
Delivering sustainable returns



Renewed focus delivers strong value growth alongside disciplined volume growth

Delivered by experienced leadership and motivated team

THE MARKET CONTEXT HAS FUNDAMENTALLY CHANGED

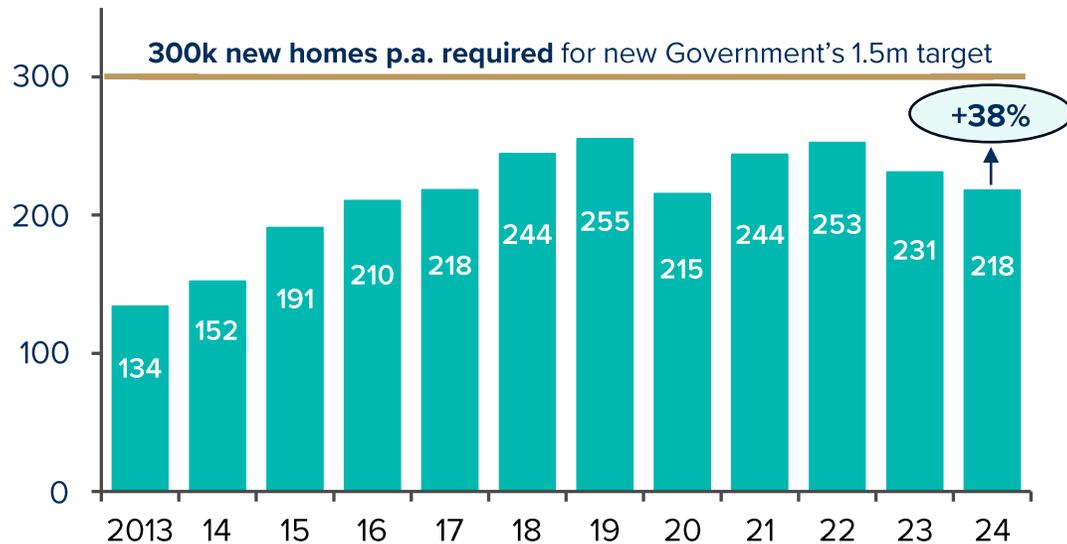


POSITIVE STRUCTURAL TAILWINDS GOING FORWARDS

Structural undersupply of new homes

EPC completions in England (2013-24)

Thousands of completions



Source: Savills; ONS

Government commitment to housebuilding

“We'll get shovels in the ground, cranes in the sky and **build the next generation** of Labour new towns”

UK Prime Minister

“The Planning and Infrastructure Bill will provide the powers to **accelerate the infrastructure and homes needed** to deliver on the government's ambitions”

UK Government

“Increasing **capacity and capability within the planning system** will address some of the causes of long-standing delays”

HBF

“**Biggest building boom'** in a generation through planning reforms... [We] will see significant measures introduced to **speed up planning decisions** to boost housebuilding

Planning and Infrastructure Bill

EXISTING 'MULTI-CHANNEL' STRATEGY IS CHALLENGED

Crest Nicholson's 'multi-channel' growth strategy – ambition to deliver 5,000 units, underpinned by:

- 1 Buying more and larger sites
- 2 Driving down build cost
- 3 Selling across multiple segments

External challenges

Macroeconomic instability

Build cost inflation

Taxation increases

Rising costs of capital

Declining margins on PRS contracts

Planning timeline challenges

Rising affordable requirements on sites

Increased fire remediation costs

Internal challenges

Compromises on build specification

Lower build quality (and subsequent 4-star rating)

Lack of clarity on target customers

Less focus on product differentiation

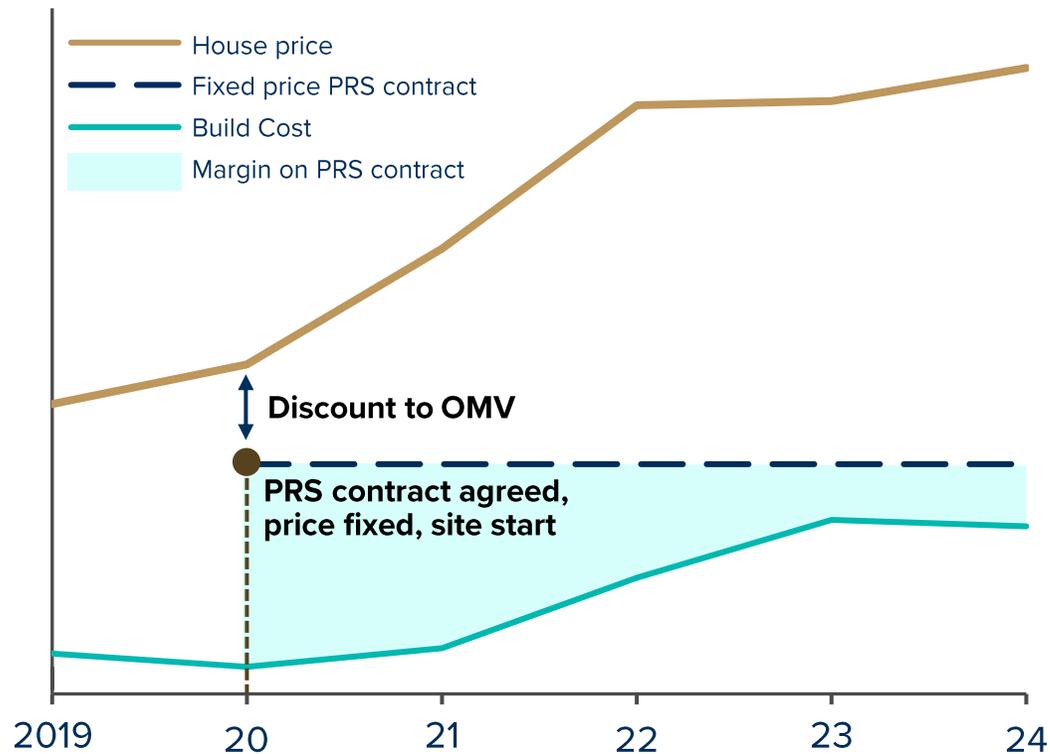
Reduced focus on the brand

Limited clarity on strategic focus internally

Stretched leadership team

PRS CREATES CHALLENGES FOR CREST NICHOLSON

Illustrative example of the challenges of PRS for Crest Nicholson

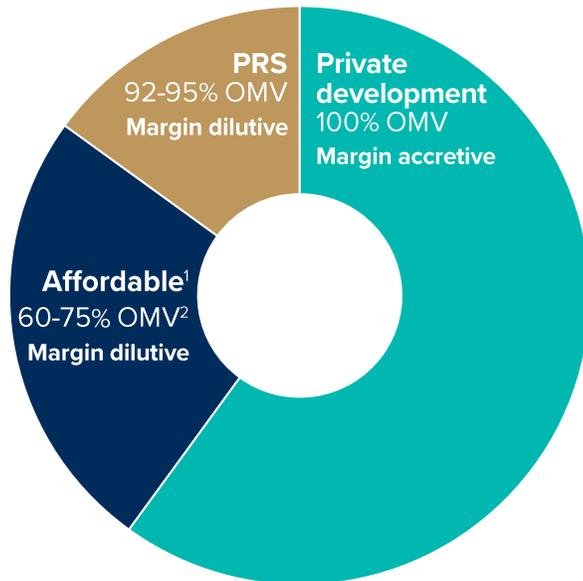


- **PRS contracts are fixed price at a discount to OMV and do not benefit from market level growth in ASPs**
- The housebuilder is required to take **build cost inflation risk**
- To better manage these risks, **a successful builder in PRS needs volume** to drive down costs of delivery and hedge risks across multiple sites
- As Crest Nicholson has struggled to grow volume, it has not been able to drive margin from its PRS contracts

FUTURE REGULATIONS WILL CREATE FURTHER PRESSURES

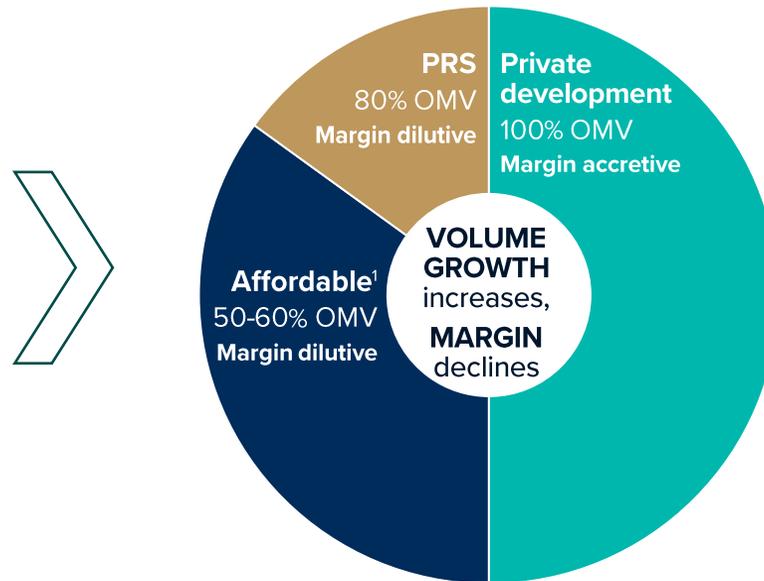
'Multi-channel' strategy profile

Multi-channel strategy delivered on Crest Nicholson land



Future site profile with NO ACTION

Continued multi-channel strategy with increased Affordable due to government policy



OR

Future site profile with REVISED STRATEGY

Action to minimise PRS due to increased Affordable requirements to support margin



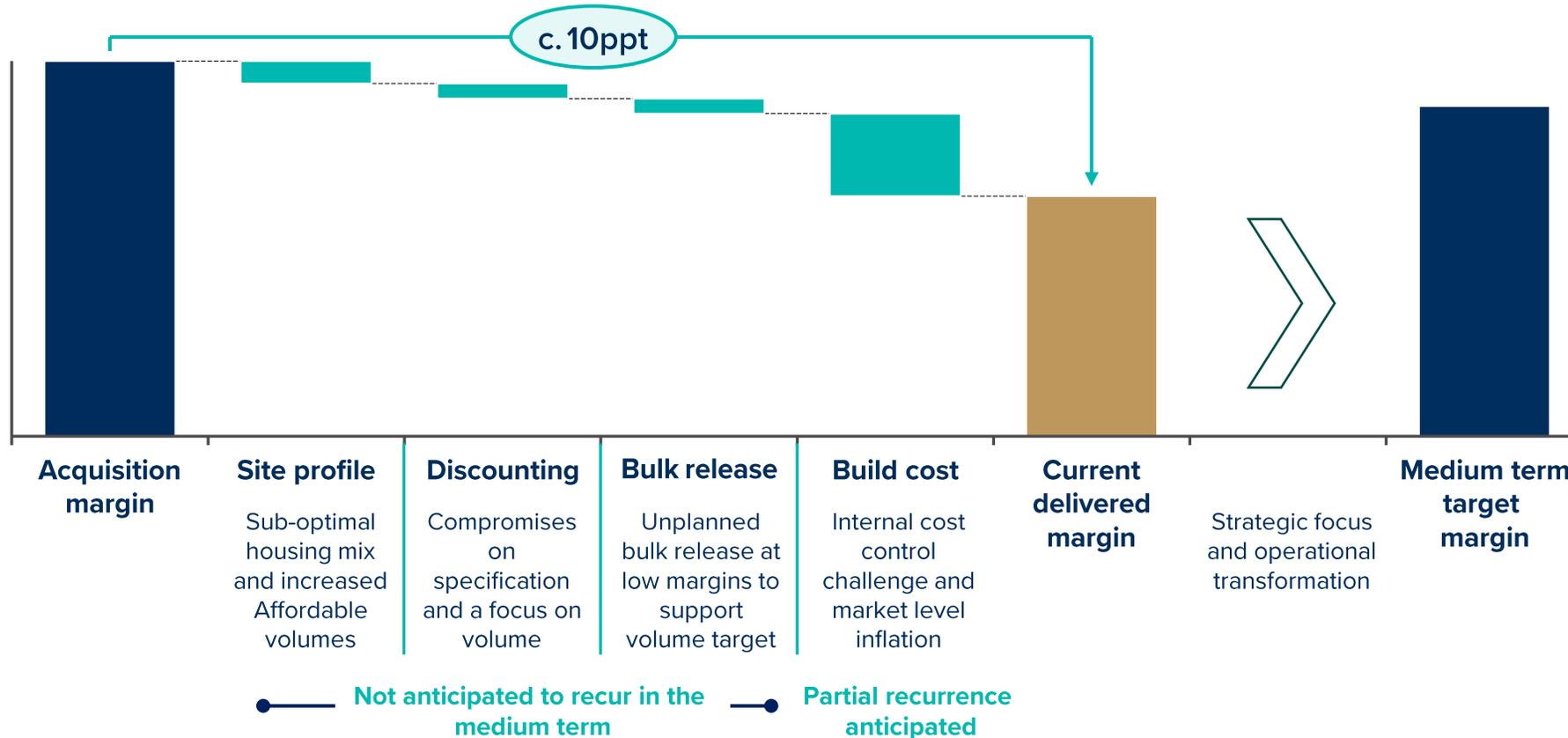
Using Crest Nicholson's land for private development, rather than PRS, to maximise realised values and benefit from increased demand and price growth, leading to improved margins

1. Affordable homes as designated within the S106 agreement
2. Open Market Value

EXISTING STRATEGY AND EXECUTION HAS LED TO MARGIN LEAKAGE

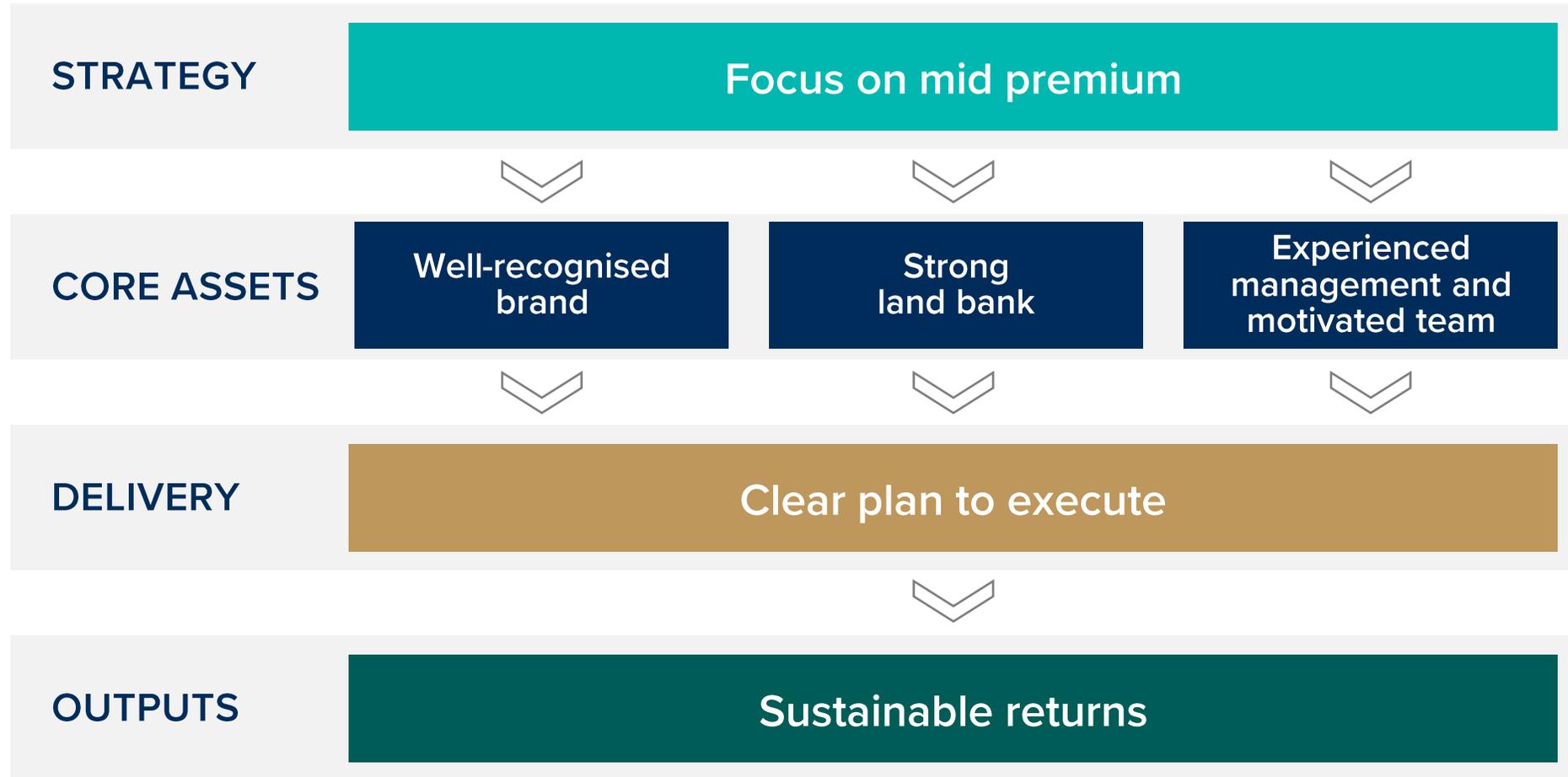
Margin leakage on DELIVERED Crest Nicholson land

Gross margin %



- Margin leakage primarily impacts land during the construction and sales phase

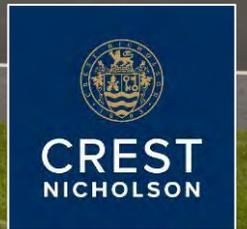
LEVERAGING OUR CORE ASSETS TO DELIVER THE STRATEGY



WHAT ARE THE FUTURE OPPORTUNITIES?



NOBEL PARK
DIDCOT



THERE ARE 5 KEY MARKET SEGMENTS IN HOUSEBUILDING

AFFORDABLE

Lower price properties delivered under regulated requirements

PRS

Properties sold directly to institutions to serve the private rental market

ENTRY LEVEL

Smaller and lower price properties, often targeting first-time buyers given affordability constraints

MID PREMIUM

Higher value properties targeted at more affluent and discerning buyers (often second or third movers, or downsizers)

PREMIUM

High value properties targeted at very affluent buyers

FOCUS ON CREST NICHOLSON'S MID PREMIUM STRATEGY



TARGET CUSTOMER

- Affluent purchasers with above average incomes
- Downsizers / upsizers
- Second / third time movers with lower LTVs



PRODUCT PORTFOLIO

- Product designed and priced to capture incremental value
- High quality build
- House types and locations reflective of consumer needs



LAND BANK

- Well-located short term land bank
- Significant portfolio of strategic opportunities
- Optimisation to align with strategy



STRATEGIC POSITIONING

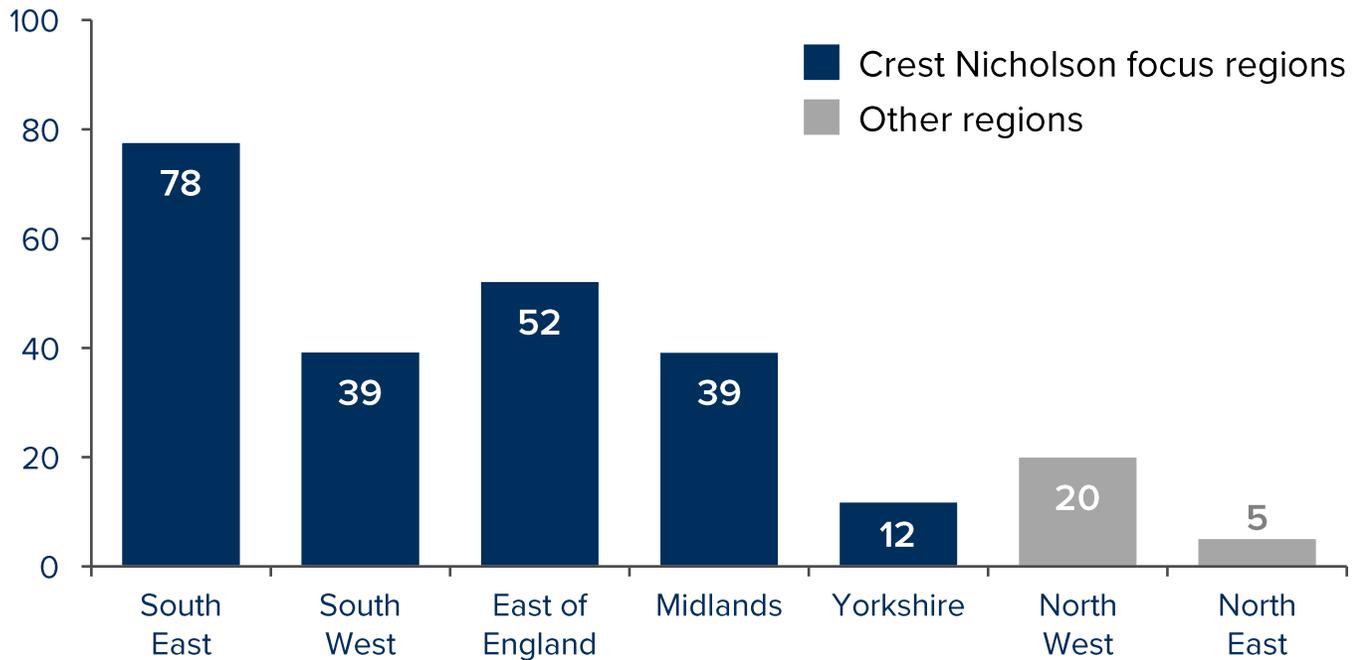
- Focus on open market sales
- Reduced exposure to strategic PRS
- Affordable home percentage in line with regulatory obligations



MID PREMIUM SEGMENT IS A SCALED OPPORTUNITY

Total number of housing transactions OVER £300k (2023)

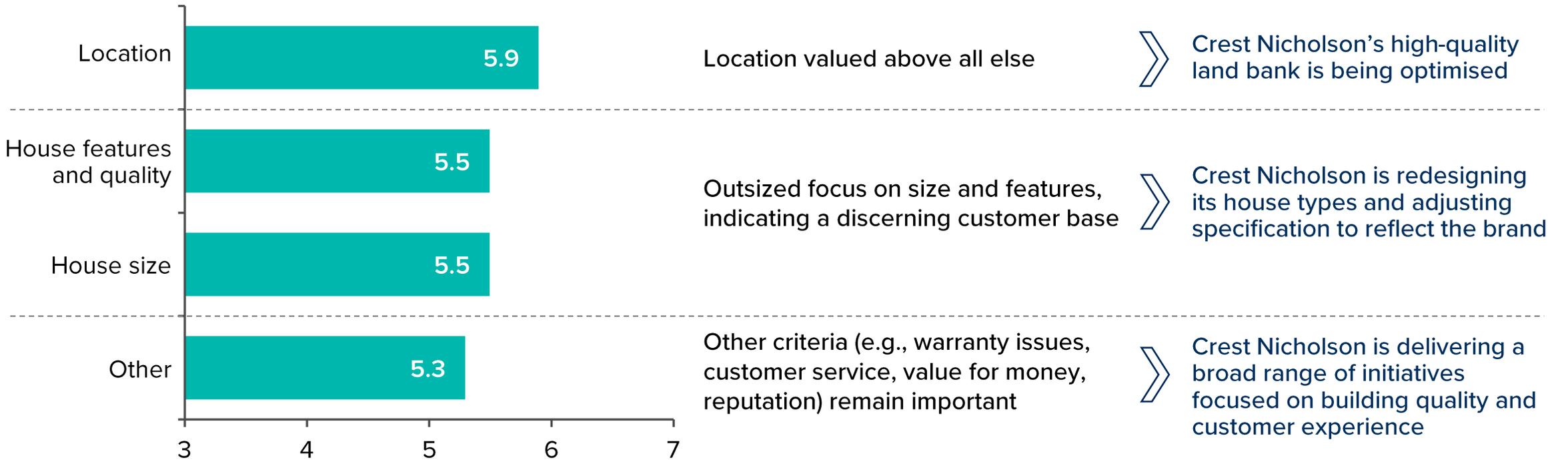
Thousands of transactions



- There are **>200k transactions at mid premium price points (both new and existing build)** in Crest Nicholson's focus regions demonstrating the scale of this market segment
- Crest Nicholson's open market completions totalled <1% of all transactions but an opportunity to represent c.10% of mid premium transactions

MID PREMIUM CUSTOMERS VALUE LOCATION & QUALITY

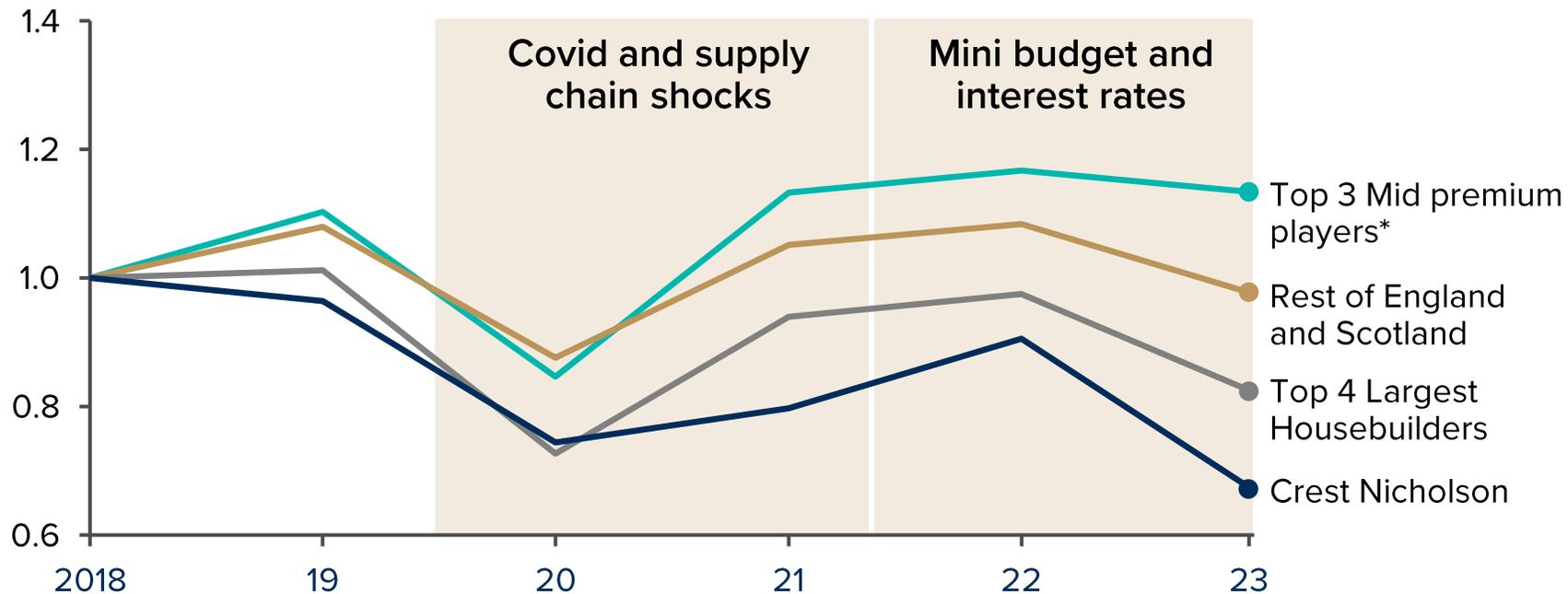
**Importance of house buying criteria for mid premium customers
(Crest Nicholson 2024 survey)**
Reported score out of 7



THIS SEGMENT IS MORE RESILIENT TO MACRO CYCLES

House completions (2018-2023)

Index (2018=1)



- Mid premium customers typically have:
 - larger cash reserves
 - greater household assets / wealth
 - lower LTV ratios
- More resilient buying behaviour relative to the market

Note: *Cala, Bloor, Redrow

MID PREMIUM SEGMENT IS FRAGMENTED

All completions by mid premium builders (2023)

>20k
completions

Multiple players
with <1k
completions

Cala

Bloor

Redrow

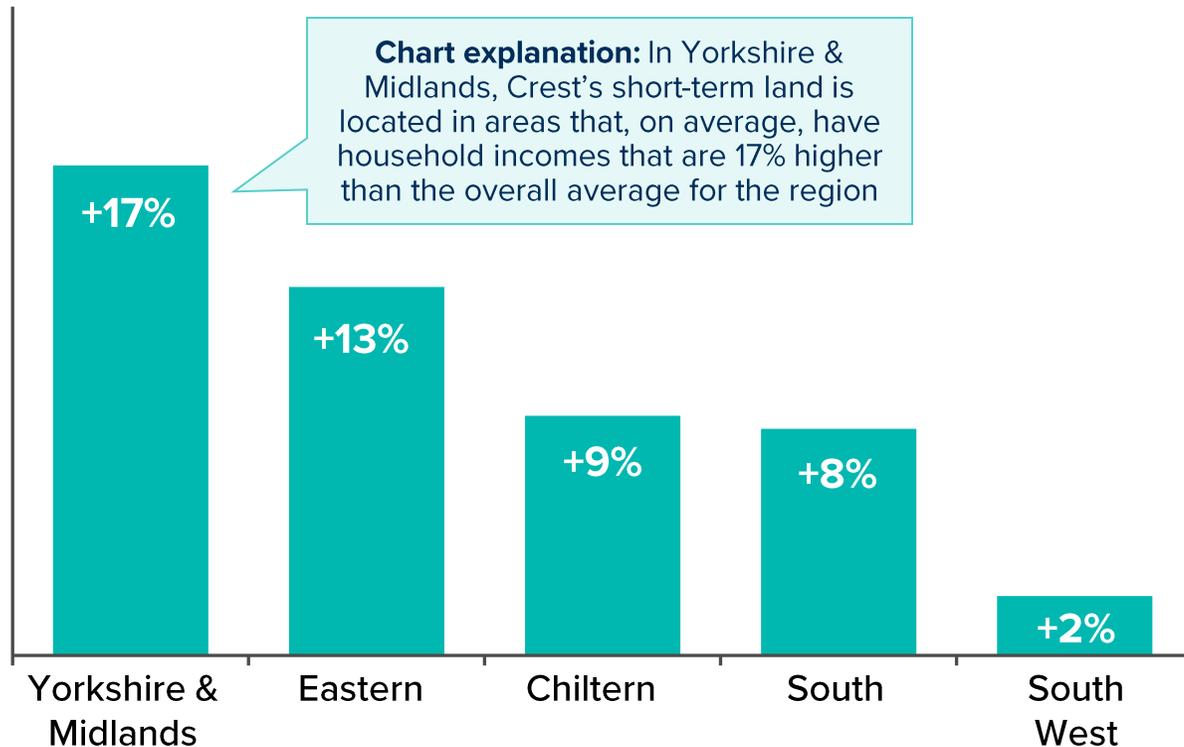
- There are **over 20k new build mid premium transactions per year**
- 25% of mid premium units are delivered by a long tail of **fragmented regional builders**
- **Crest Nicholson can leverage its scale** in this specific market segment to build competitive advantage and gain market share

CREST NICHOLSON'S LAND IS IN HIGH INCOME AREAS...

Difference in household income

– Crest Nicholson **SHORT-TERM** land locations vs. regional average income

Percent difference



- The specific locations in which Crest Nicholson has short term land holdings have **higher average household incomes** than the wider region they are in
- Short-term land holdings are therefore **well-aligned to the brand's ambitions** and **suitable areas for mid premium customers** that place significant value on location

...HAS STRONG ESTIMATED EMBEDDED MARGINS...

Characteristics of Crest Nicholson's short term land bank

By estimated embedded margin*

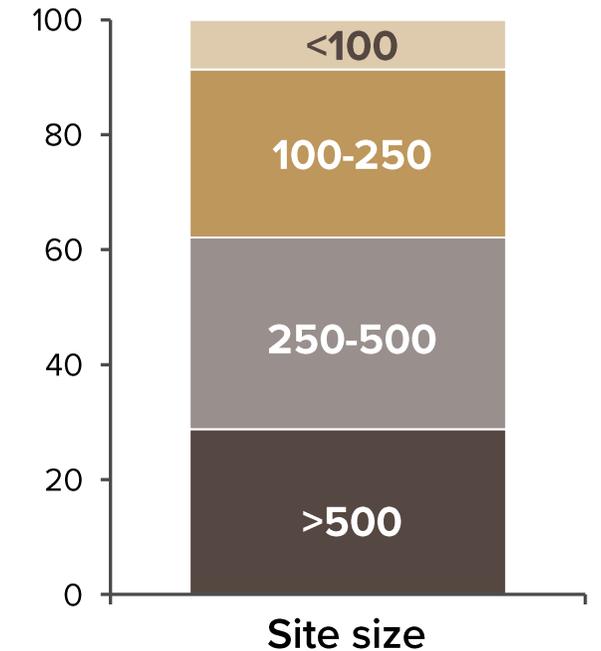
% of units



- High-quality short-term land bank with **14k units at strong embedded** average margins as the foundation for stronger returns:
 - Nearly 40% of units are on sites with an estimated embedded margin of over 25%
- **Small number of larger sites (e.g., >500) that are unsuitable for the new strategy**, given the cash they will tie up in development:
 - There are **opportunities to trade out** of these to free up cash for reinvestment in mid premium land for growth

By site size

% of units

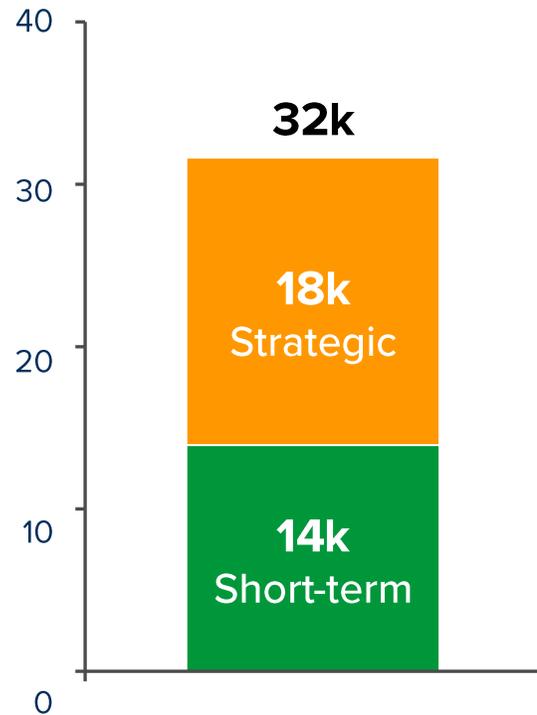


Note: * At the point of purchase

SHORT / LONG-TERM LAND IS WELL LOCATED FOR MID PREMIUM

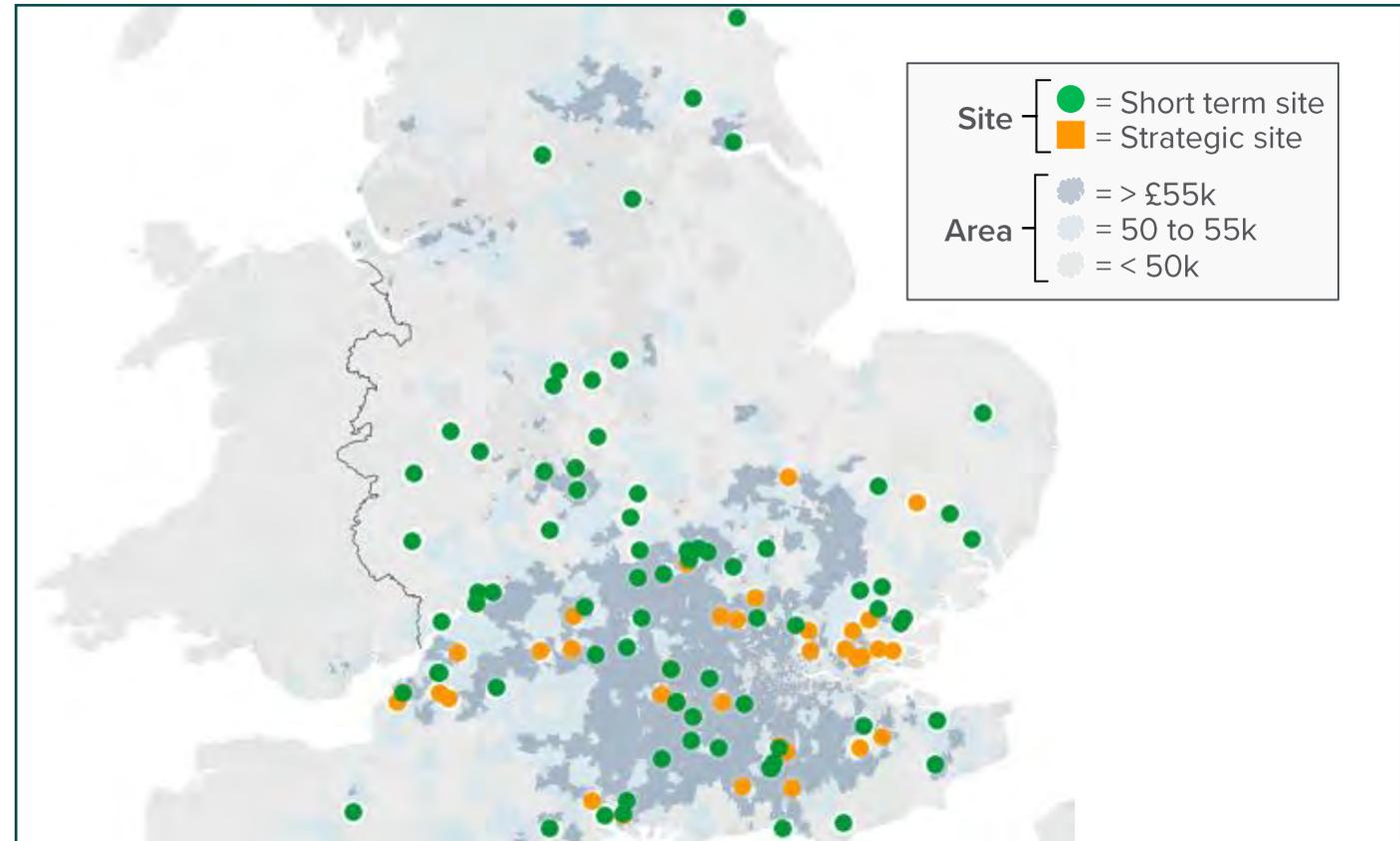
Crest short-term / strategic land (FY2024)

Thousands of plots



Crest short / long-term land sites and household income

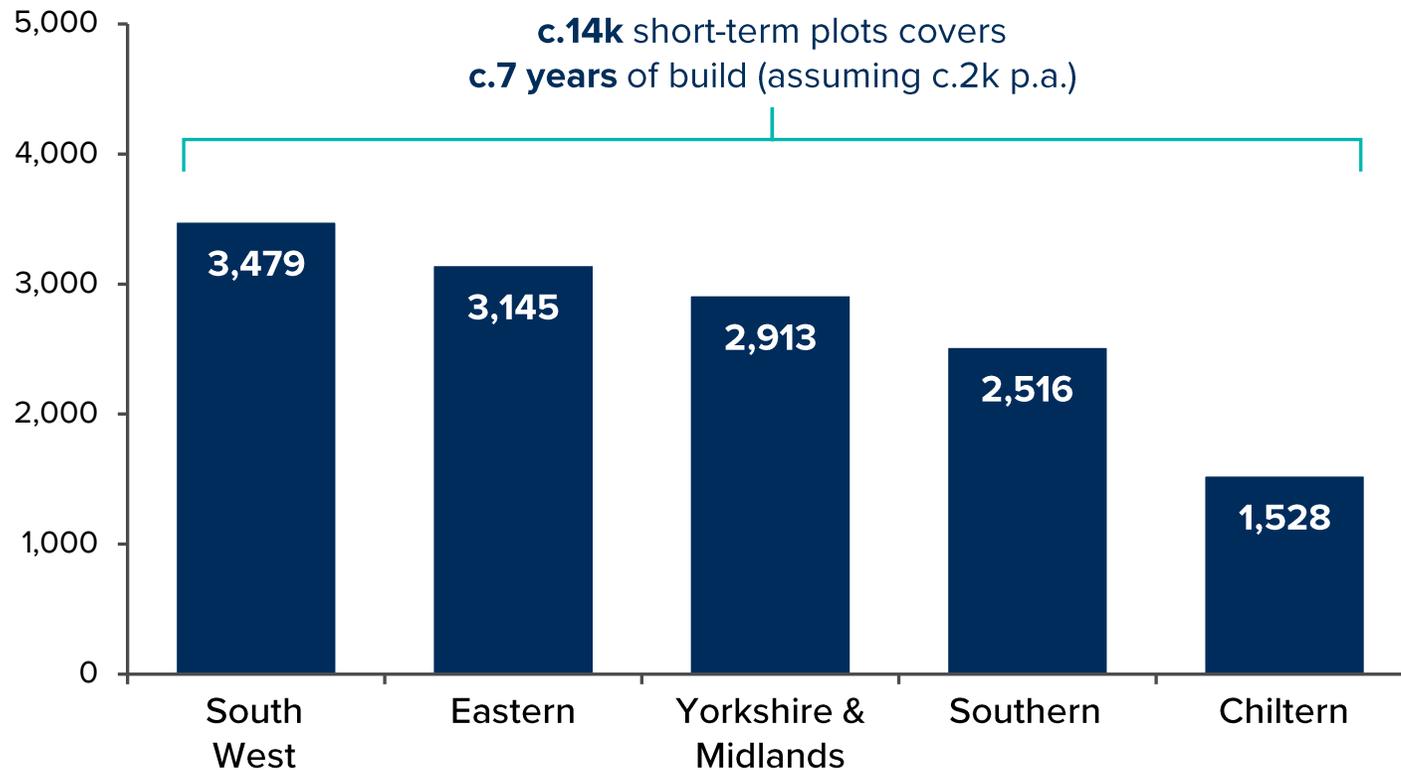
Household Income



...AND IS DISTRIBUTED ACROSS DIVISIONS

Short-term land bank by division

Number of units



- Ideal short-term land bank would cover 4-5 years of build – there are therefore **opportunities to divest land in divisions** with longer short-term land banks
- Further land bank optimisation is a core pillar of the forward-looking strategy

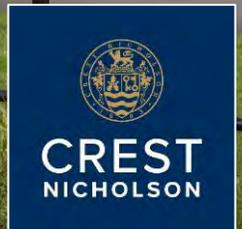
MID PREMIUM SEGMENT IS ATTRACTIVE FOR CREST NICHOLSON

- A** Large scale in Crest Nicholson's focus regions
- B** Attractive customer base of discerning and affluent households and families
- C** More resilient to macro economic cycles
- D** Fragmented market with few large-scale players leading to opportunities

HOW DOES CREST NICHOLSON GET THERE?



WESTWOOD PARK
COVENTRY



FOUR KEY STRATEGIC PRIORITIES TO DELIVER



01

BUILDING
EXCEPTIONAL
QUALITY HOMES
EFFICIENTLY



02

DELIVERING
OUTSTANDING
CUSTOMER
EXPERIENCE



03

UNDERPINNED
BY OPERATIONAL
AND COMMERCIAL
EXCELLENCE



04

OPTIMISING
VALUE OF THE
LAND PORTFOLIO



Delivering **strong value growth** alongside **disciplined volume growth**

A DISCIPLINED REFRESH OF DESIGNS & SPECIFICATIONS

BUILDING
EXCEPTIONAL
QUALITY HOMES
EFFICIENTLY

01

Actions to drive **design improvements**

- **Extensive research and surveys in progress** to understand the key preferences and needs of Crest Nicholson's mid premium client base
- **Ongoing programme to optimise layouts** to target mid premium customers, increase saleability and drive better returns
- **Targeted improvement to material quality to align with brand potential**, reduce future warranty claims, minimise future repair costs and **ensure the product is consistent with mid premium expectations**

Actions to drive **specification improvements**

- **Extensive research and surveys in progress** to understand the key preferences of Crest Nicholson's customer base for internal specification as well as establish a well-founded base level that is consistent with the aspirations for the brand
- **Ongoing enhancement to the base specification** to ensure consistent minimum brand standards achieved across all sites
- **Broader, more premium range of customer upgrade options**

A **disciplined** approach to enhance Crest Nicholson's designs and specifications to maximise returns

STRENGTHENING BUILD QUALITY ACROSS SITES

BUILDING
EXCEPTIONAL
QUALITY HOMES
EFFICIENTLY

01

- 1 Enhanced standardisation of build process and build staff training
- 2 Refocused internal quality team
- 3 Strengthened external quality reviews
- 4 Strengthened quality and customer service team
- 5 Established separate fire remediation team to ensure divisions focus on housing

DELIVERING ON BUILD HAS STRENGTHENED OUTCOMES

BUILDING
EXCEPTIONAL
QUALITY HOMES
EFFICIENTLY

01

CASE STUDY BLYTHE VALLEY, SOLIHULL

ONSITE ACTIONS

- Ensured **compliance with internal and external quality standards**
- **Implemented final Director sign-off for all completed properties** region-wide
- Appointed a **Customer Relations Manager for direct customer contact pre/post-completion**
- Allocated resources to **resolve post-completion warranty items efficiently**
- Conducted regular project and departmental review meetings to address **design and procurement issues**

OUTCOMES

	Pre Action 2023	Post Action 2024
Recommend	83.3%	100.0%
Build Quality	77.8%	94.4%
Service before	66.7%	94.4%
Complete on time	69.2%	91.7%
Cleanliness	77.8%	88.9%
Standard of finish	61.1%	100.0%
Service after	83.3%	100.0%
Net Promoter Score	0.0%	88.9%
Repair Work	83.3%	83.3%

“They have been very helpful since moving in - all issues sorted quickly and efficiently. Now can tell they genuinely care”

**Customer feedback,
November 2024**

“Friendly and efficient service from first enquiry to moving in. Overall, very good experience”

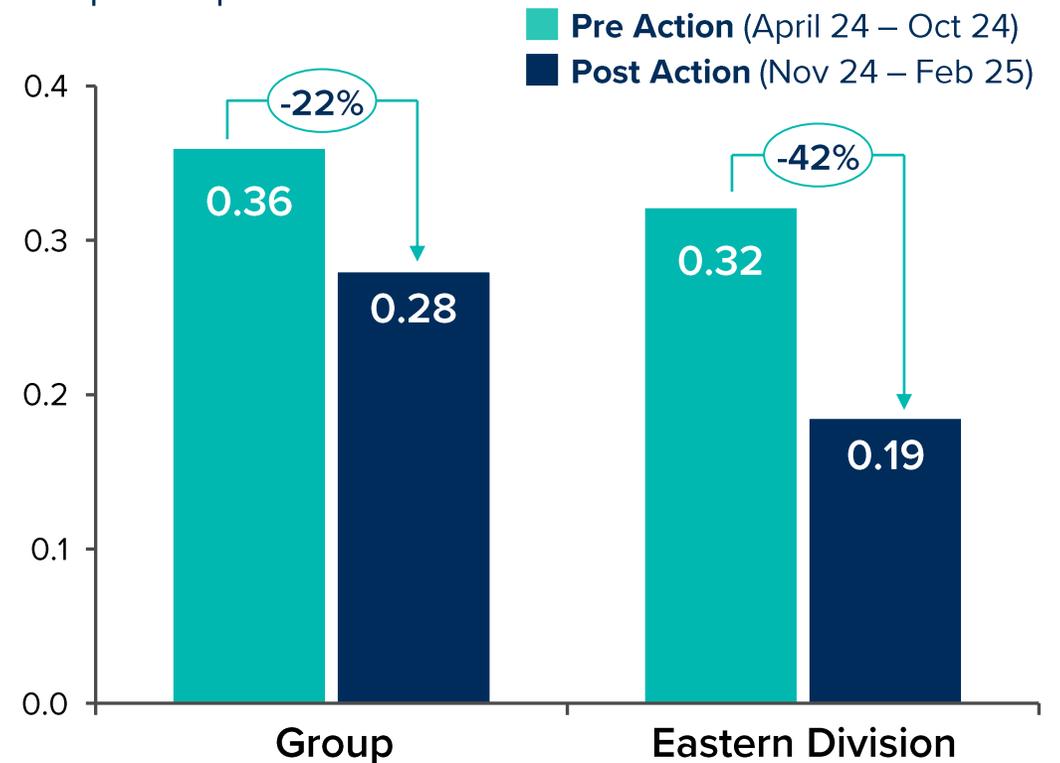
**Customer feedback,
November 2024**

PLACING THE CUSTOMER AT THE HEART OF THE BUILD



- **Instilling a ‘Build Right First Time’ Culture**
- **Focus on a structured review process** to monitor the Reportable Items and analyse defects to drive improved standards
- **Buying the right materials that are commensurate with the brand** – ensuring a quality product and reducing replacement / rework costs
- **Minimising snag requirements post-completion** through strengthened inspection processes and stricter quality control
- **Reducing customer service costs** through action to address defect at the construction stage and implement active clawbacks from subcontractors for poor workmanship
- Delivering as a **5 Star Builder with leading levels of customer satisfaction**

Reportable items* (2024/25)
RIs per inspection



Note: * A “NHBC Reportable Item” (also known as a “RI”) refers to any violation of NHBC technical standards or building regulations noted by a NHBC Inspector during any key build stage or scheduled inspection

PLACING SUSTAINABILITY AT THE FOREFRONT OF THE BUSINESS

BUILDING
EXCEPTIONAL
QUALITY HOMES
EFFICIENTLY

01

Net Zero by 2045

Committed to biodiversity

Reducing waste

Engaging with stakeholders to
understand and drive best practice

CASE STUDY WINDSOR GATE

Reducing carbon emissions

- Zero carbon ready development
- All homes fitted with EV charge points
- Solar powered streetlights and bollards

Supporting nature

- Retention of most boundary hedgerows
- Over 100 bat and bird bricks
- Wildflower meadow

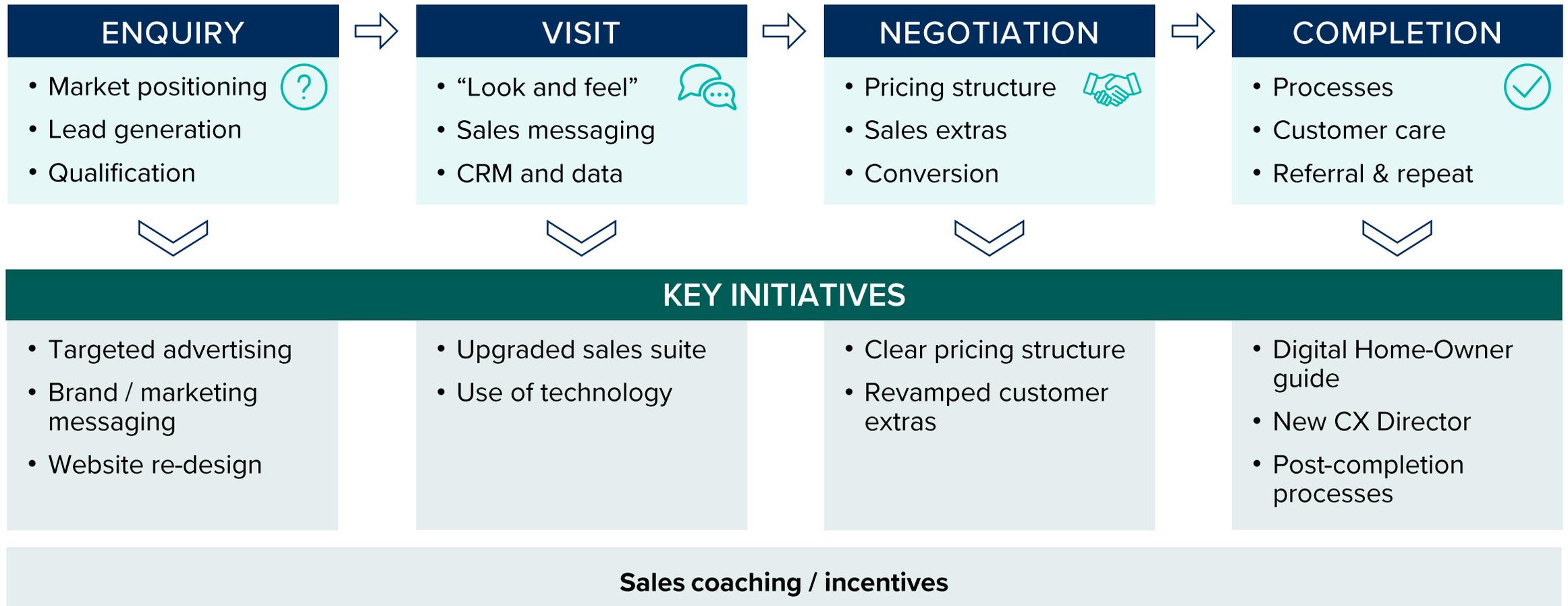
Amenity & green space

- Two play areas and trim trail
- Pocket allotments
- Sustainable drainage system to reduce flood risk

REFRESHING MARKETING AND CUSTOMER JOURNEY

DELIVERING
OUTSTANDING
CUSTOMER
EXPERIENCE 02

Key initiatives to upgrade and optimise Crest Nicholson’s customer journey

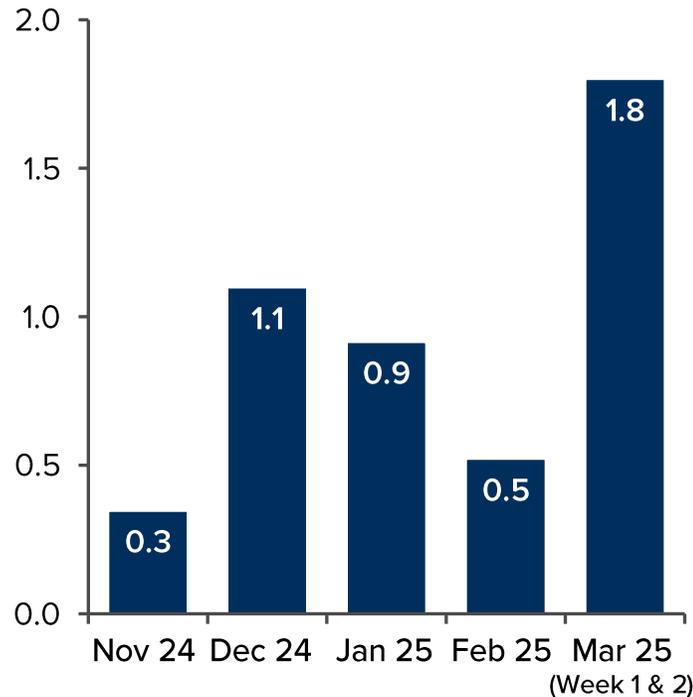


TRAINING SALES TEAM TO MAXIMISE VALUE AND SALES RATES

UNDERPINNED
BY OPERATIONAL
AND COMMERCIAL
EXCELLENCE 03

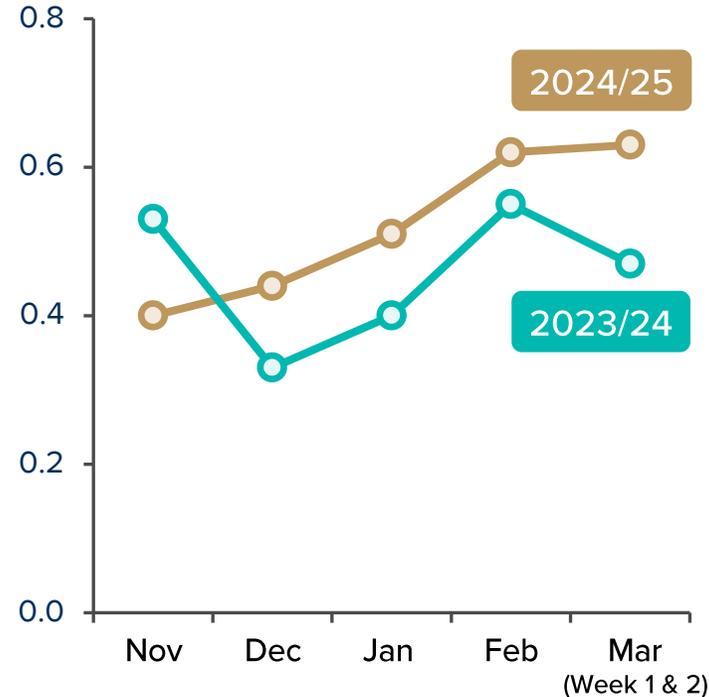
Net Achieved vs. Book Value (FY2025YTD)

% difference



Sales Rate (FY2025YTD)

Rate



- Renewed focus on **articulating the premium nature of Crest Nicholson's proposition** to maximise value has been cascaded down to the sales team
- New and clear guidance has been provided on **approaches to discounting and sales incentives**
- **Significant improvement observed** in net achieved prices vs. book value whilst maintaining strong sales rates

A TARGETED PROGRAMME FOR COMMERCIAL CONTROLS...

UNDERPINNED
BY OPERATIONAL
AND COMMERCIAL
EXCELLENCE 03

- 1 Centralising procurement strategy and improving supply chain management
- 2 Improving WIP tracking and forecasting tools
- 3 Upgrading payment controls
- 4 Enhancing budgeting and cost reviews
- 5 Strengthening workforce productivity monitoring
- 6 Improving internal governance and financial controls



Margin accretion

...AND OPERATIONAL EFFICIENCY

UNDERPINNED
BY OPERATIONAL
AND COMMERCIAL
EXCELLENCE 03

- 1 Merging of Yorkshire into Midlands until it has established sufficient scale
- 2 Process streamlining and better use of IT systems
- 3 Optimising site management and overhead structures
- 4 Third party cost review



Reducing overhead from 9% to 7% of revenue

A CLEAR STRATEGY ON LAND BUYING PRINCIPLES

OPTIMISING
VALUE OF THE
LAND PORTFOLIO

04

Strengthening Crest Nicholson's internal process and controls...

- 1 Development and communication of new land principles to ensure alignment with strategic priorities
- 2 New centralised governance of land investment
- 3 Enhanced financial discipline to align land buying to growth objectives
- 4 Full embedding of key regulated requirements into business cases (e.g., Biodiversity Net Gains, and FHS requirements)



...to optimise land buying

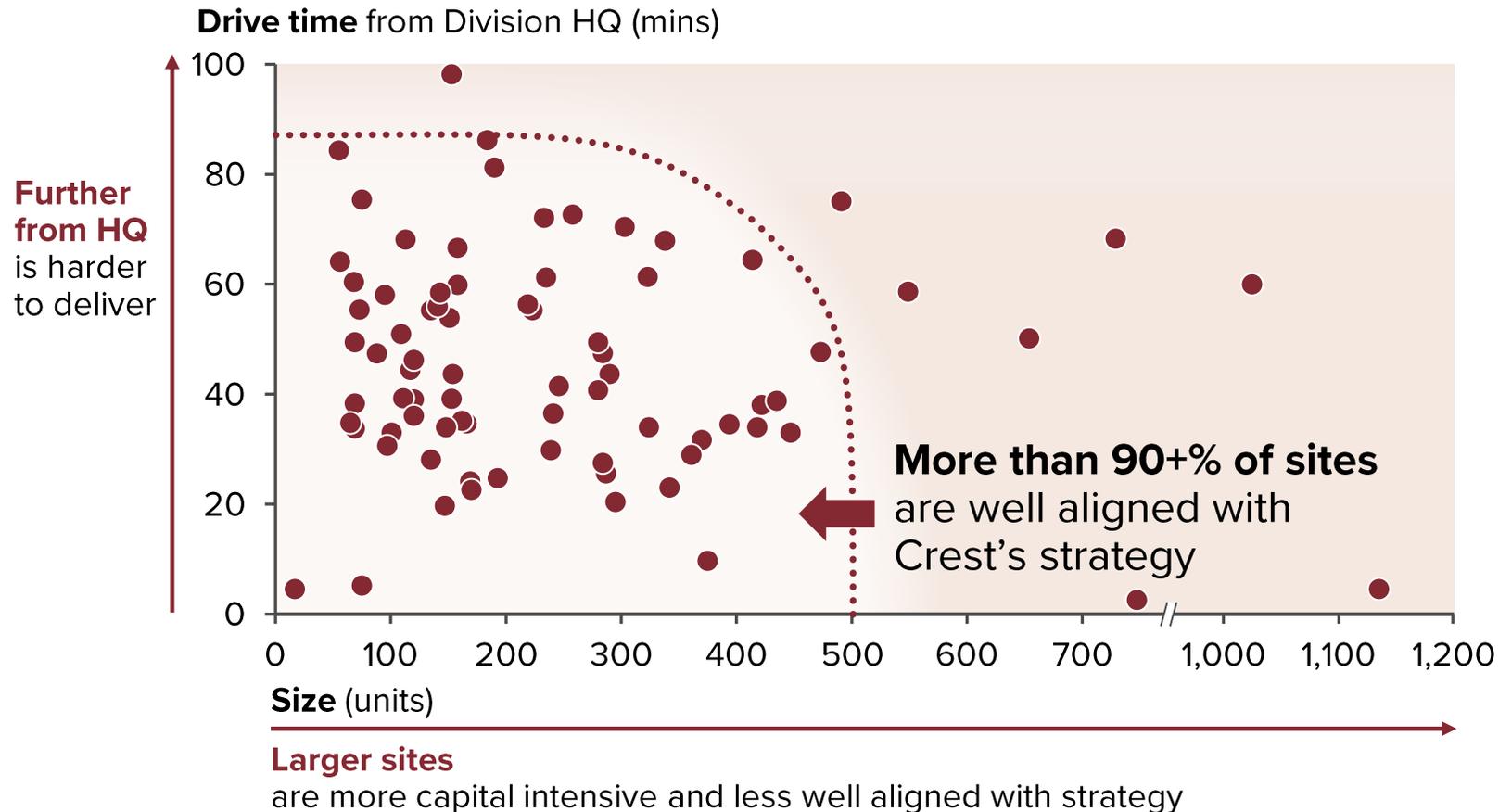
Selective divestment of large sites with high capital outlays to allow for re-investment in land suitable for mid premium

Prioritise development of smaller sites in sought after locations to increase outlets, improve asset turns, and enhance return on investment

A SHORT TERM LAND BANK ALIGNED TO THE STRATEGY

OPTIMISING
VALUE OF THE
LAND PORTFOLIO 04

Crest's short term land bank (2024)



For less well aligned sites, Crest Nicholson can selectively explore strategic options:

- Sell to invest in new land and meet liabilities
- Swap for other land opportunities
- Partially selling sites to improve balance sheet efficiency

ACCELERATING STRATEGIC LAND WILL CREATE OPPORTUNITIES

OPTIMISING
VALUE OF THE
LAND PORTFOLIO 04

Crest Nicholson has a high-quality strategic land bank to support its growth ambitions...

42
sites

18k
units

50%
allocated / draft
allocated to
support growth

Average
c.19%
discount to
open market
land value
on allocated
plots

**A high-
quality
resource
to support
growth**

...and is actively managing it to ensure its ongoing quality

- Active management of portfolio to ensure:
 - Appropriate timing of releases to support growth
 - Asset light on the balance sheet
 - Right sizing of developments to match local demand and infrastructure
- Dedicated specialist team to manage this strategy
- 50% of the portfolio is allocated / draft allocated with the remainder available for future growth aspirations

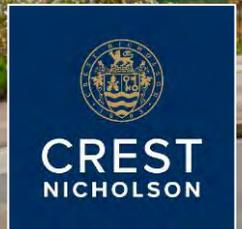
A COMPREHENSIVE PROGRAMME TO EMBED CHANGE

- 1 Significant transformation programme** across the business to deliver the new strategy
- Critical areas identified to **drive improvement and change** which will underpin the delivery of our vision for the group and our financial objectives
- Programme includes **putting the customer at the heart** of our business, **build quality**, optimising our approach to land, and seeking efficiency and productivity gains across the organisation
- Building and growing our talent and the development of our people will be at the centre of our approach** and, where appropriate, we will enable our teams with technology to enhance their productivity and effectiveness
- Expect the programme of **work to extend over 2-3 years** delivered at pace

WHAT IS THE AMBITION FOR CREST NICHOLSON?



ACKENDER HILL
ALTON



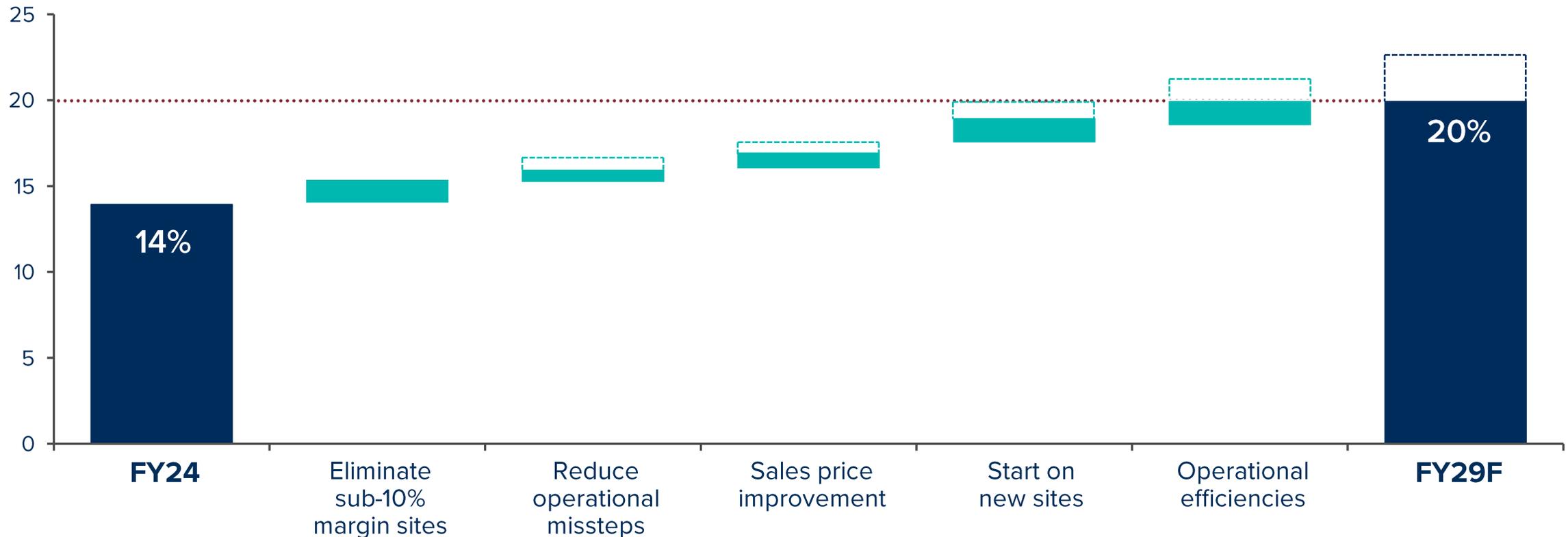
SIGNIFICANT UPLIFT IN PERFORMANCE FORECAST

	FY24	Progression	FY29
COMPLETIONS	c.1,900	Mid-single digit CAGR over 5 years	2,300+
GROSS MARGIN	14%	c.100-150bps average annual improvement	20%+
OVERHEAD	9%	Reduce to c.7% by FY27	c.7%
ROCE	4%	c.200bps average annual improvement	13%+

TANGIBLE DRIVERS OF UNDERLYING MARGIN IMPROVEMENT

Crest Nicholson drivers of gross margin improvement highlighting further opportunities
(FY2024-29F)

Margin percent



INVENTORY OPTIMISATION PROGRAMME

FY2024
inventory of
£1.1bn



- Reduce short-term land bank from 7 years forward cover to 4-5 years forward cover
- WIP reduction programme
- Completed homes and Part Exchange stock reduction programme



FY2029
inventory of
£900m to
£950m

(including 20-25%
volume increase)

BALANCE SHEET STRENGTH AND CAPITAL ALLOCATION

- 1 Existing facilities of £335m with a £250m RCF and £85m private placement
- 2 Existing facilities provide ample liquidity to meet obligations and reinvest in land bank
- 3 Medium-term goal to maintain facilities of £250-£300m, and operate between £50m debt and £50m cash
- 4 Dividend policy of 2.5 times cover from adjusted earnings maintained
- 5 Future optionality on capital allocation when fire remediation plan has been substantially delivered

A COMPELLING INVESTMENT OPPORTUNITY

Positive structural tailwinds



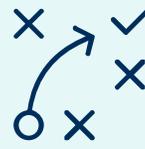
Ongoing undersupply of housing and government commitment to housebuilding

Strong foundations



Well-regarded brand with a high quality land bank and strong balance sheet

Focus on mid premium



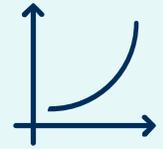
Future focus on attractive, resilient mid premium segment, aligned to strong foundations

Clear plan to execute



Delivering high quality homes and putting the customer at the heart of Crest Nicholson

Delivering sustainable returns



Renewed focus delivers strong value growth alongside disciplined volume growth

Delivered by experienced leadership and motivated team

Q&A



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