



WINDSOR GATE
WINDSOR

Crest Nicholson Holdings plc

PRELIMINARY RESULTS 2024

4 February 2025

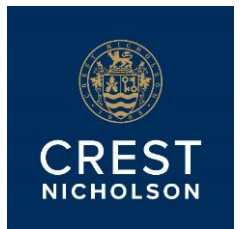


CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This presentation may include statements that are, or may be deemed to be, 'forward-looking statements'. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms 'believes', 'estimates', 'plans', 'projects', 'anticipates', 'expects', 'intends', 'may', 'will' or 'should' or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this presentation and include, but are not limited to, statements regarding the Group's intentions, beliefs or current expectations concerning, among other things, the Group's results of operations, financial position, liquidity, prospects, growth, strategies and expectations of the industry.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Forward-looking statements are not guarantees of future performance and the development of the markets and the industry in which the Group operates may differ materially from those described in, or suggested by, any forward-looking statements contained in this presentation. In addition, even if the development of the markets and the industry in which the Group operates are consistent with the forward-looking statements contained in this presentation, those developments may not be indicative of developments in subsequent periods. A number of factors could cause developments to differ materially from those expressed or implied by the forward-looking statements including, without limitation, general economic and business conditions, industry trends, competition, commodity prices, changes in law or regulation, changes in its business strategy, political and economic uncertainty. Save as required by the Listing and Disclosure Guidance and Transparency Rules, the Company is under no obligation to update the information contained in this presentation. Past performance cannot be relied on as a guide to future performance.

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



AGENDA

MARTYN CLARK

- INTRODUCTION

BILL FLOYDD

- FINANCIAL REVIEW

MARTYN CLARK

- OPERATIONAL UPDATE
- OUTLOOK

Q&A



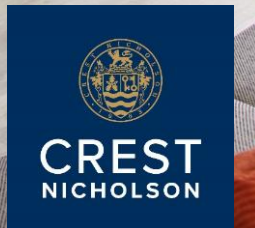
ALBANY WOOD
SOUTHAMPTON

INTRODUCTION

MARTYN CLARK
Chief Executive Officer



CLAYBOURNE
BUCKINGHAM



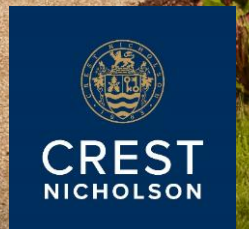
INTRODUCTION

EXECUTIVE SUMMARY

- Results in line with June 2024 guidance after a very challenging year
- Legacy issues addressed and provisions made
- Introducing ‘best in class’ customer service
 - On track for Five Star HBF rating
- Governance and financial discipline strengthened
- Implementing operational change at pace
- Improving planning environment post Government change
- Challenging market conditions slowly moderating
- Aim to deliver consistent shareholder returns

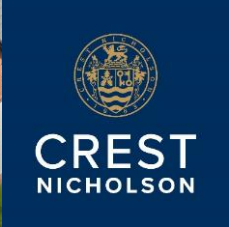


WHITEHOUSE PARK
MILTON KEYNES



FINANCIAL REVIEW

BILL FLOYDD
Chief Financial Officer



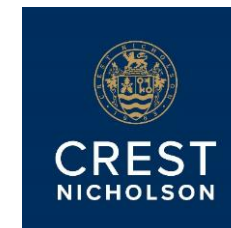
FULLERS GROVE
EAST CHALLOW, OXFORDSHIRE

FINANCIAL SUMMARY

(£m)	FY24	FY23 ¹
Revenue	618.2	657.5
Adjusted gross profit	86.8	105.6
Gross margin	14.0%	16.1%
Adjusted operating profit	31.3	50.8
Adjusted profit before tax	22.4	48.0
Exceptional items before tax	(166.1)	(24.9)
Adjusted basic earnings per share	5.6	14.2
Dividend per share (p)²	2.2	17.0
Net (debt)/cash	(8.5)	64.9

- Adjusted PBT in line with guidance provided in June 2024
- Adjusted gross profit includes £7.3m of completed site charges (HY24 £5.9m)
- FY23 represented to align treatment of completed sites costs
- Net debt ahead of guidance
- Dividend reverts to 2.5x adjusted earnings after FY23 payout ratio was increased to match FY22 dividend in cash terms

1. Represented for completed site costs
 2. FY24 interim dividend paid of 1.0 pence per share and final dividend proposed of 1.2 pence per share



SALES METRICS

	FY24	FY23	% Change
Outlets (full year equivalents)	44	47	(6.4)
Sales rate (open market)	0.48	0.52	(7.7)
Home completions (units)^{1,2}			
Open market (private)	1,047	1,222	(14.3)
Bulk ³	331	273	21.2
Affordable	495	525	(5.7)
Total	1,873	2,020	(7.3)
<i>Joint ventures</i>	238	215	10.7

ASP £'000 ^{2,4}	FY24	FY23	% Change
Home completions			
Open market (private)	421	437	(3.7)
Total housing ASP (weighted average)	344	347	(0.9)

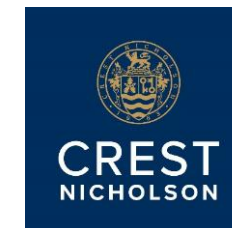
- Outlet reduction reflects planning constraints
- Sales rate marginally ahead of plan reflecting early sales team training benefits
- ASPs reflect mix changes
- FY25 forward order book is 1,051 units

1 Includes joint venture units at full unit count

2 Presented on an equivalent unit basis which allocates a proportion of the unit count for a deal to the land sale element where the deal contains a land sale.

3 Bulk home completions reflect sales to Private Rented Sector (PRS), Registered Providers (excluding S106) and private investors

4 ASP calculation includes the Group's share of joint venture units and sales prices

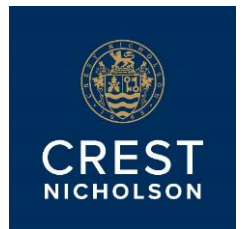


EXCEPTIONAL ITEMS

£m	FY24	FY23 ¹
Cost of sales		
Combustible materials charge	(131.7)	(11.3)
Combustible materials credit	4.4	10.0
Net combustible materials charge	(127.3)	(1.3)
Legal provision and professional fees	(0.4)	(13.0)
Completed site costs	(25.0)	(6.6)
Freehold inventories write-off	(5.7)	-
Total cost of sales charge	(158.4)	(20.9)
Administrative expenses		
Aborted transaction costs	(1.6)	-
Net finance expense		
Combustible materials imputed interest	(6.1)	(4.6)
Share of post-tax profit of joint ventures		
Combustible materials credit of joint ventures	-	0.6
Total exceptional charge	(166.1)	(24.9)
Tax credit on exceptional charge	48.2	6.5
Total exceptional charge after tax credit	(117.9)	(18.4)

- Fire remediation – all known buildings now provided for, further detail on page 10
- Legal claim – no substantive change in the year, legal fees
- Completed site costs in line with expectations at half year
- Freehold assets written off pending Government decision on ground rents
- Transaction costs from unsolicited Bellway approach

1. Represented for completed sites costs



FIRE REMEDIATION

PROVISION MADE FOR EXPECTED COSTS ON ALL KNOWN BUILDINGS IN SCOPE

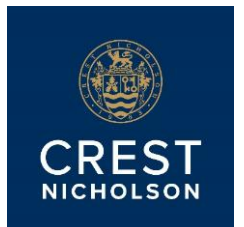
	£m	Buildings provided for	Detailed external surveys completed
FY23 gross costs	172.3	138	35%
Changes in FY24	137.8		
FY24 gross costs	310.1	291	73%
Spent	(60.8)		
FY24 Y/E provision	249.3		

Indicative cashflow profile

FY25	FY26	FY27 to FY29+
c.£70m	c.£75m	c.£104m

Provisions includes:

- All known buildings in scope
- Internal and external work
- Build cost inflation
- Project management costs
- Best assessment of known risks



BALANCE SHEET

Balance sheet – key items (£m)	FY24	FY23
Land	670.2	679.4
WIP	334.1	361.3
Completed buildings	102.9	89.6
Part exchange inventories	30.2	34.5
Land creditors	131.6	205.5
Net (debt) /cash	(8.5)	64.9
Net assets	728.9	856.3

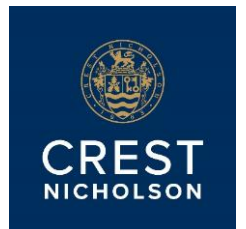
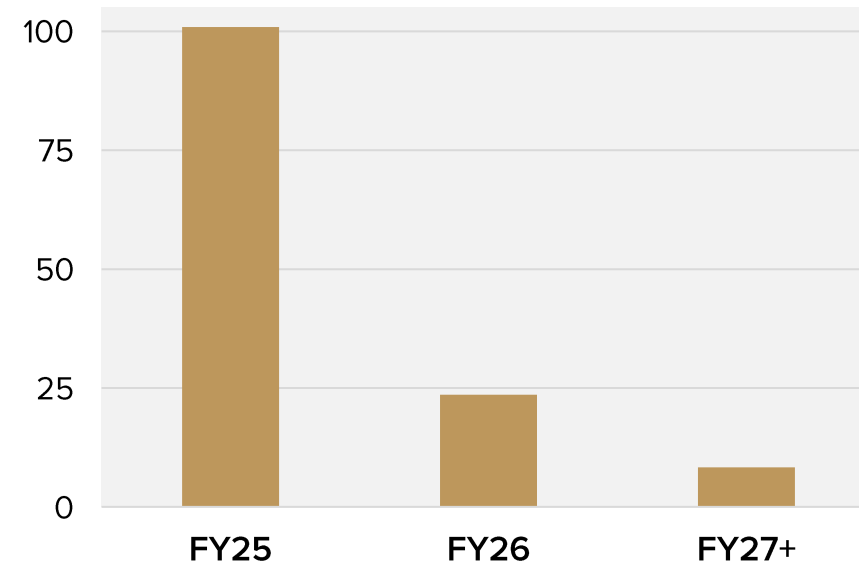
Debt facilities:

- Private placement of £85m maturity 2025 – 2029

PP repayment dates	Aug 25	Aug 27	Aug 29
	£20m	£50m	£15m

- Revolving credit facilities of £250m extended to October 2027

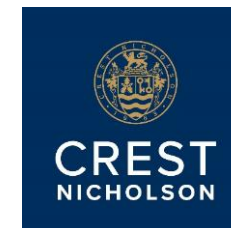
LAND CREDITOR ROLL OUT BY YEAR (£m)



CASH FLOW

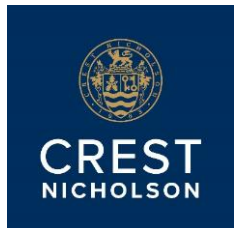
Operating cash flow (£m)	FY24	FY23
Operating (loss)/profit before changes in working capital	(120.8)	43.0
Decrease / (increase) in inventories	22.2	(182.3)
Other working capital changes	23.9	(6.4)
Cash used by operations	(74.7)	(145.7)
Finance expense paid	(5.1)	(5.6)
Income tax received / (paid)	12.0	(14.3)
Investing and financing activities	(21.0)	(45.4)
Decrease in cash and cash equivalents	(88.8)	(211.0)
Opening cash and cash equivalents	162.6	373.6
Private placement	(85.0)	(100.0)
Fees	2.7	2.3
Net (debt) / cash	(8.5)	64.9

- Improvement in cash management and forecasting process
- Control established on inventory, early benefits visible
- Overpaid tax recovered



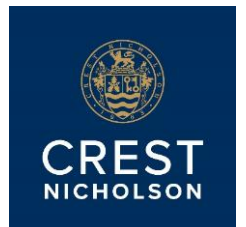
FY24 FINANCIAL SUMMARY

- An extremely challenging year for the Group
- Substantial progress made in progressing legacy sites to a conclusion
- Completed sites reviewed and provided for
- Expected costs for all known buildings in scope of SRT now provided for
- Baseline from which the business can now progress established



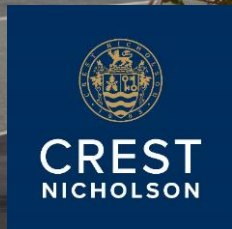
FY25 GUIDANCE

	FY25	FY24
Volume		
Open market	1,050 – 1,150	1,047
Bulk and Affordable	650 – 750	826
	1,700 – 1,900	1,873
Outlets	40 – 42	45
Sales Rate	0.5 - 0.6	0.48
Interest	£10m - £12m	£8.8m
Profit before tax	£28m – £38m	£22.4m
Net debt	£40m – £90m	£8.5m



OPERATIONAL UPDATE

MARTYN CLARK
Chief Executive Officer

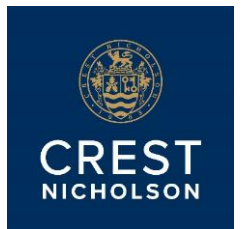


WATERMAN'S GATE
ARBORFIELD GREEN

FIRST IMPRESSIONS

- **Good land portfolio**
 - Great sites in desirable locations with good embedded margins
 - Reviewing larger sites to maximise potential
 - Strategic land portfolio provides pipeline for future growth
- **Strong Brand**
 - Strong brand with high customer awareness and perception
 - Current product offering lacks alignment with brand values
- **People**
 - Dedicated colleagues worked through uncertainty as a result of unsolicited bid
 - Embraced new strategic focus
- **Operational efficiency gaps**
 - Improve management information reporting
 - Improvements in control and monitoring processes
- **Product offering not aligned with brand value**
 - Specification below expected standard
 - Build quality requires focus
- **Customer journey and experience**
 - Requires improvement to enhance overall satisfaction
- **Legacy issues**
 - Diverting focus from growth

Underpinned by three strategic priorities – delivering outstanding customer experience, building exceptional quality homes efficiently, optimising value of land portfolio



DELIVERING AN OUTSTANDING CUSTOMER JOURNEY

- Commitment to Exceptional Customer Service
 - Achieving a customer satisfaction rating above 90% (Five Star)
 - Organisational and management changes to strengthen operations
 - Enhanced customer journey from first contact to moving in
- Upgraded core specification offerings
 - Reflect brand positioning
 - More flexible options to meet customer requirements
- Rejuvenated sales team and process
 - Recurrent training to strengthen confidence in brand and product offering
 - Revised incentive structures
- Focus on product quality and post-sales support
 - Robust inspections at every stage of build
 - Dedicated site team and tracking system to enhance response time

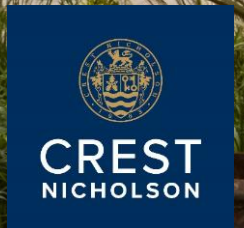
Improved end-to-end customer journey



BUILDING HOMES OF EXCEPTIONAL QUALITY, EFFICIENTLY

- Addressing gap between brand quality expectations and build production
 - Implementing control and monitoring processes
 - Enhancing IT and data visibility across all functions
 - Improving supply chain management
- Enhanced quality monitoring and benchmarking
 - External benchmarking against NHBC Construction Quality Review's (CQR) to ensure alignment of build excellence
 - Senior oversight and site team education

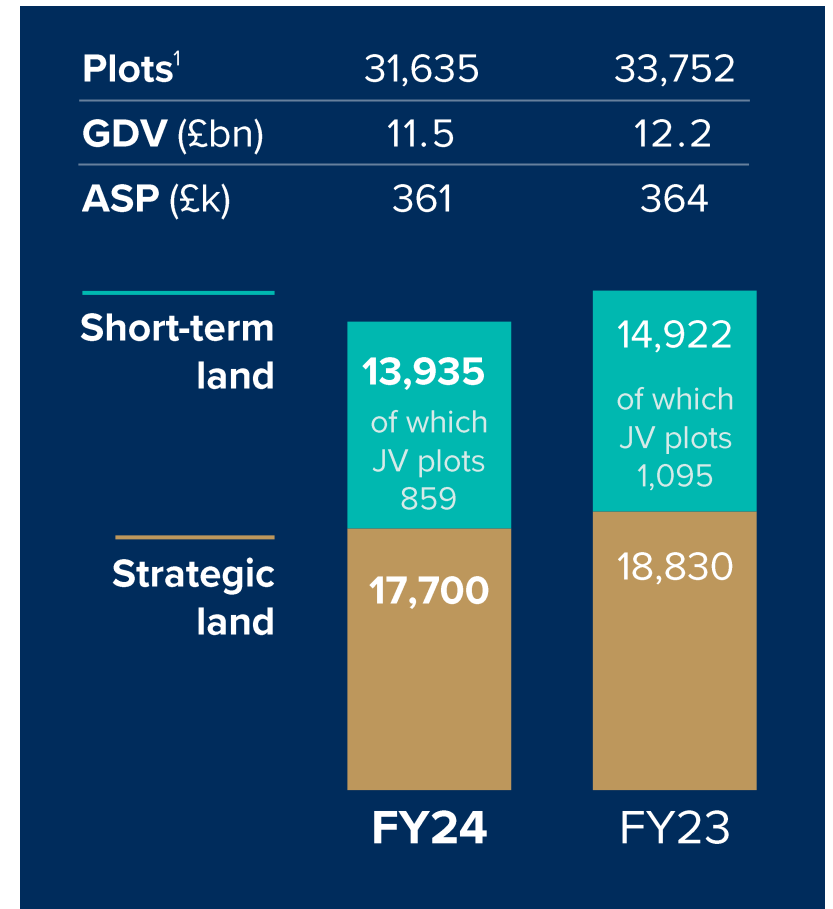
Increase operational efficiency and build quality



LEWIN PARK
LANGFORD

OPTIMISE LAND PORTFOLIO

- Prime land locations
 - Located in highly sought-after areas, with strong demand and higher gross margins
- Maximising land value and profitability
 - Lowering proportion of low margin sites, reducing gross margin drag
 - Focus on leveraging high-quality land assets to optimise site profitability
- Strong land pipeline for sustained growth
 - Sufficient permitted land for FY25 planned delivery
 - Strategic land portfolio supports long-term growth ambitions
- Comprehensive review underway
 - Evaluating land portfolio to manage cash outlay and expand the number of outlets over the medium term
- Establish cohesive land acquisition strategy
 - Prioritise location, scale, and financial viability to enhance long-term performance



Optimising quality land assets to drive organic profit growth

CENTRALISED FIRE REMEDIATION TEAM

EXPEDITE PROGRESS AND ENABLES BUILD FOCUS

Newly created centralised division dedicated to fire safety remediation

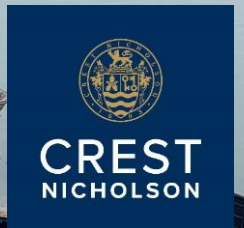
- Dedicated team to expedite assessment and remediation
- Systematically pursuing claims against third parties

Alignment with Government requirements

- Timing of delivery aligns closely with Government's Joint Plan
- Ensure compliance and operational clarity

Maximise focus on new home delivery

- Divisional teams can now concentrate on delivering high-quality new homes
- Uphold high construction standards



SUSTAINABILITY & SOCIAL VALUE

Strategic Foundation: Sustainability is central to building great places for our customers, communities and the environment

Sustainability Highlights 2024

Lower Emissions:

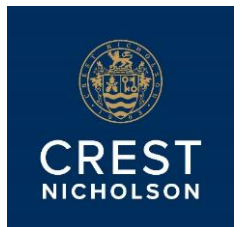
- Scope 1 & 2 emissions reduced by 18% vs. 2023 (63% since 2019), with emissions intensity down 12% year-on-year
- Scope 3 emissions intensity reduced by 9% year-on-year (6% since 2019)

Reducing Waste:

- Waste intensity (per 100 sq. m) down 35% vs. 2023 and 26% against 2019 baseline, exceeding our 15% target
- Improvements driven by enhanced waste management processes and policy compliance

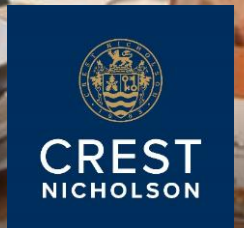
Future Ready:

- Introduced air source heat pumps across several developments, ahead of the forthcoming Future Homes Standard.
- Biodiversity net gain incorporated in new developments from February 2024



SUMMARY 2024

- Encouraged by early changes
 - Dedicated and adaptable work force with high engagement
 - Changing at pace
- Fire remediation cost provided for all in-scope buildings
 - Provides greater clarity on the business going forward
 - Re-invigorated business on firmer foundation
- Low margin legacy sites being traded through
- Clarity on legacy sites issues
 - Farnham build complete, others being traded through
 - Completed sites provisions addressed and managed
- Defined path for growth
 - Resolution of past issues
 - Renewed focus on driving operational efficiency
 - Focus on return on capital and consistent shareholder returns



WATERMAN'S GATE
ARBORFIELD GREEN

OUTLOOK AND FUTURE FOCUS

Strategic priorities

Strategic foundation for success

- Delivering outstanding experience to customers
- Building homes of exceptional quality efficiently
- Optimising value from the Group's high quality land portfolio

2025 focus

Establish excellence in key operational areas

- Exceptional customer service
- High quality product that aligns with brand value
- Ongoing operational improvements

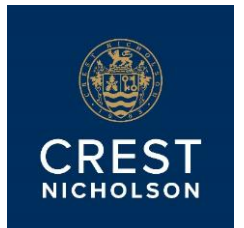
Leveraging reporting data and tools

- Improve business information

Evolve and optimise land portfolio

- Review land portfolio and strategy

Driving profitable growth and maximise shareholder returns



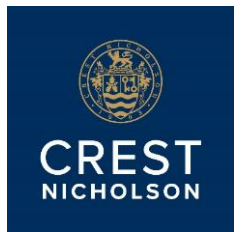


WINDSOR GATE
WINDSOR

Capital Markets Day

20 March 2025

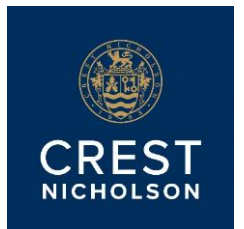
Windsor



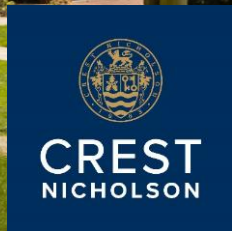


FULLERS GROVE
EAST CHALLOW, OXFORDSHIRE

Q&A



APPENDIX



ALBANY WOOD
BISHOPS WALTHAM

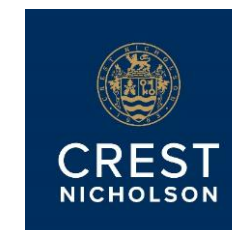
APPENDIX 1

INCOME STATEMENT

£m (unless otherwise stated)	FY24	FY23 ¹
Revenue	618.2	657.5
Cost of sales	(531.4)	(551.9)
Adjusted gross profit	86.8	105.6
Other operating income	75.8	44.7
Other operating expenses	(69.9)	(40.9)
Administrative expenses	(60.8)	(58.0)
Net impairment losses on financial assets	(0.6)	(0.6)
Adjusted operating profit	31.3	50.8
Adjusted net finance expense	(8.8)	(5.5)
Share of joint venture results	(0.1)	2.7
Adjusted profit before tax	22.4	48.0
Adjusted income tax	(8.0)	(11.7)
Adjusted profit after tax	14.4	36.3
Exceptional items net of income tax	(117.9)	(18.4)
Loss / (profit) after tax	(103.5)	17.9
Adjusted basic earnings per share (p)	5.6	14.2
Dividend per share (p)²	2.2	17.0

¹ Represented for completed sites, other operating income and other operating expenses

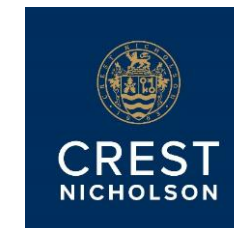
² FY24 interim dividend paid of 1.0 pence per share and final dividend proposed of 1.2 pence per share



APPENDIX 2

BALANCE SHEET

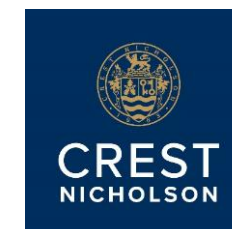
As at 31 October, £m	2024	2023
Non-current assets	127.8	69.9
Inventories	1,137.4	1,164.8
Cash and cash equivalents	73.8	162.6
Other current assets	103.2	133.0
Total assets	1,442.2	1,530.3
Non-current interest-bearing loans + borrowings	(63.2)	(83.5)
Non-current provisions	(192.5)	(75.2)
Other non-current liabilities	(56.0)	(76.6)
Current interest-bearing loans + borrowings	(19.1)	(14.2)
Current provisions	(94.1)	(93.9)
Other current liabilities	(288.4)	(330.6)
Total liabilities	(713.3)	(674.0)
Net assets	728.9	856.3



APPENDIX 3

CASH FLOW

£m	FY24	FY23
Operating (loss)/profit before changes in working capital and provisions	(120.8)	43.0
(Increase)/decrease in trade and other receivables	(10.6)	27.0
Decrease/(increase) in inventories	22.2	(182.3)
Increase/(decrease) in trade and other payables and provisions	35.6	(31.9)
Contribution to retirement benefit obligations	(1.1)	(1.5)
Cash used by operations	(74.7)	(145.7)
Finance expense paid	(5.1)	(5.6)
Income tax received / (paid)	12.0	(14.3)
Net cash outflow from operating activities	(67.8)	(165.6)
Net cash inflow from investing activities	25.0	1.6
Net cash outflow from financing activities	(46.0)	(47.0)
Net decrease in cash and cash equivalents	(88.8)	(211.0)
Cash and cash equivalents at the beginning of the year	162.6	373.6
Cash and cash equivalents at the end of the year	73.8	162.6
Private placement	(85.0)	(100.0)
Fees	2.7	2.3
Net (debt)/cash	(8.5)	64.9

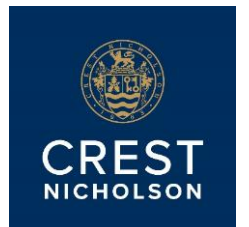


APPENDIX 4

COMBUSTIBLES

Buildings in scope of Self Remediation Terms

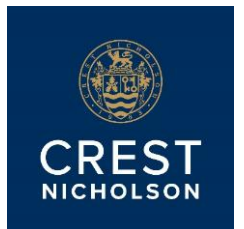
	Over 18 metres	11-18 metres	Cost per unit
Extensive combustible materials	33	41	High
Timber frame with combustible materials	-	12	Medium
Limited combustible materials	46	95	Medium
Traditional cavity wall	-	22	Low
No combustible materials	27	15	Low
	106	185	



APPENDIX 5

SURVEY STATUS

	Complete	To do	Total	%
FRAEW external assessments	211	80	291	73%
FRA internal assessments	169	122	291	58%



APPENDIX 6

COMPLETED SITES

Completed sites charge

£m	Year end final	Half year estimate
Underlying	7.3	5.9
Exceptional	25.0	25.5
Total	32.3	31.4

