

10 December 2024

**Springfield Properties plc**  
("Springfield", the "Company" or the "Group")

**Trading Update**  
***Trading in line with market expectations***

Springfield Properties plc (AIM: SPR), a leading housebuilder in Scotland focused on delivering private and affordable housing, provides the following update on trading for the six months ended 30 November 2024.

The Group entered the new financial year experiencing an improvement in private housing reservation rates as homebuyer confidence returned. This momentum was sustained through the first half, resulting in an increased number of private housing reservations being secured in H1 2025 compared with H1 2024. In addition, selling prices have remained resilient across the Group's brands.

In affordable housing, the Group progressed the delivery of its contracts secured in the prior year. This, combined with the Group having completed its legacy contracts at the end of FY 2024, enabled a significant improvement in gross margin, which returned to double-digits. There has been some hesitancy among affordable housing providers to commence new projects due to uncertainty around availability of public funding. As a result, some of the affordable housing projects in the Group's pipeline will be initiated slightly later than previously anticipated. However, with the Scottish Budget last week allocating £768m to affordable housing supply for 2025/26, the Group expects affordable housing providers to now proceed with new contracts. In addition, the Scottish Government funding for affordable housing supply in 2025/26 is substantially higher than in the current year, which the Group expects to drive further growth in this market.

The Group has continued to engage with key stakeholders regarding the creation of the Inverness and Cromarty Firth Green Freeport and new powerlines in the North of Scotland. With land holdings across the region, the Group is extremely well-placed to deliver the new housing required for the development of this green infrastructure.

Net bank debt at 30 November 2024 was £63.6m (30 November 2023: £93.4m; 31 May 2024: £39.9m). This primarily reflects the strategic action undertaken in FY 2024 to reduce the debt position, but also a sustained focus on carefully managing costs and generating cost savings in H1 2025 through further rationalisation across the Group. The increase in net bank debt over the six-month period reflects the usual seasonal working capital cycle, with work-in-progress at the end of the first half that will unwind as houses complete and are sold in the second half of the year.

In addition, demand for well-located, deliverable land remains high and, with one of the largest owned land banks in Scotland and a high proportion of sites already having planning in place, the Group continues to consider opportunities for profitable land sales of sites that do not impact its near-term development pipeline.

As a result, the Group remains confident in meeting market expectations for FY 2025. Further details will be provided in the Group's interim results announcement, which is expected to be announced in mid-February 2025.

**Innes Smith, CEO of Springfield Properties, said:**"Trading for the first half of the year was in line with our expectations, as homebuyer confidence continued to increase and we progressed delivery of our affordable housing contracts that we won last year. Thanks to the decisive action that we took in FY 2024, we are in a much stronger position and well-placed to address the significant undersupply of housing across all tenures in Scotland.

"We are pleased that the Scottish Government has reconfirmed its commitment to delivering affordable housing, which has been established as one of its top priorities. With last week's Scottish Budget allocating nearly £800m to be invested in new affordable home supply in 2025/26, this reverses the funding cuts from last year and will give our partners the confidence to progress new contracts in the second half.

"Springfield continues to have one of the largest owned land banks in Scotland, with a high proportion of sites having planning already in place. We have an excellent reputation of offering high quality, energy efficient homes in desirable locations in key housing markets, and a track record of delivering developments exclusively for affordable housing. We also have established relationships with key stakeholders across the housing supply chain and we are particularly excited by the discussions we are having about the provision of housing to support the development of new powerlines and the Inverness and Cromarty Firth Green Freeport in the North of Scotland. As a result, we continue to look to the future with confidence."

#### Enquiries

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#### Analyst Research

Equity Development and Progressive Equity produce freely available research on Springfield Properties plc, including financial forecasts. This is available to view and download here:

<https://www.thespringfieldgroup.co.uk/news/updates-and-analyst-reports>

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