

28 January 2025

Harworth Group plc
("Harworth" or "the Group")

Trading Update

Strong operational performance and record land sales driving NDV growth

Harworth, a leading regenerator of land and property for sustainable development and investment, today provides a trading update in respect of the year ended 31 December 2024, ahead of its Full Year Results announcement which is scheduled for 18 March 2025.

Lynda Shillaw, Chief Executive of Harworth, commented: "2024 has been a record year for Harworth operationally and, as we enter 2025, we remain confident in our ability to reach our £1 billion EPRA NDV target by the end of 2027.

"We have an extensive platform to scale the business, owning and controlling a sizeable land pipeline capable of delivering 33.6 million sq. ft. of Industrial & Logistics space and 31,264 new homes, and we remain well positioned in structurally undersupplied sectors that are fundamental to the UK's economic growth. With low debt and high available liquidity, we are well placed to take advantage of opportunities whilst remaining resilient through the near-term macro-economic uncertainty.

"The consistency of Harworth's performance over time continues to highlight the agility and resilient nature of our business model, and our team's expertise in identifying and driving significant latent value from the portfolio. We continue to make solid progress in delivering our strategy and are confident in our ability to continue to drive both strong returns and long-term value from our landbank and development activities."

Management actions and landmark land sales continue to drive EPRA NDV growth towards £1 billion

- The Group anticipates that EPRA NDV⁽¹⁾ as at 31 December 2024 will be broadly in line with current market consensus⁽²⁾, with growth driven by management actions including completion of the first phase of the £106.6 million serviced land sale to Microsoft at Skelton Grange and, following the receipt of planning approval, completion of the land sale at Ansty in Warwickshire for £53.5m. Alongside this we also delivered record Residential plot sales, further planning progress and continued investment in sites over the last six months.
- Sales for the year included a record 2,385 Residential plots and 4.4 million sq. ft. of Industrial & Logistics land for a headline sales value of £230.1 million⁽³⁾, evidencing the continued strong demand for Harworth's high quality land products.
- Acquisitions continue to scale the Group's land pipeline adding the potential for 1.0 million sq. ft. of Industrial & Logistics space, a Residential development at Stewartby with planning approval for 1,000 plots, and 3,044 plots reflecting Harworth's share of an allocated site near Grimsby in Strategic Partnership with a local landowner.

Achieved record Residential plot sales

- Completed record Residential sales of 2,385 plots, concluding 13 transactions with a headline sales value of £104.1 million, broadly in line with or ahead of 30 June 2024 book values, consistent with the Group's target of 2,000 plot sales on average per year.
- Achieving this volume of sales, to a mix of national and regional housebuilders as well as registered providers of affordable housing, including the conclusion of the Group's third forward funding development agreement with Great Places, evidencing the widening breadth of Harworth's Residential products and the depth of demand.

Strong planning progress and successful planning approvals extend the Group's deliverable pipeline

- Harworth's significant Industrial & Logistics pipeline is now capable of delivering 33.6 million sq. ft. of space (30 June 2024: 38.8 million), reflecting the completion of land sales at Skelton Grange and Ansty. Following receipt of planning approval for 6.8 million sq. ft. of space in the year, and these completed land sales, the consented Industrial & Logistics pipeline now totals 8.4 million sq. ft.
- The Group's extensive Residential land pipeline totals 31,264 plots, of which 15% is now consented following receipt of permission for a further 818 plots.
- During the year, the Group secured allocations or draft allocations within local plans for 4.1 million sq. ft. and 2,875 plots.

Momentum building in Industrial & Logistics development programme

- Harworth's Industrial & Logistics Major Developments portfolio consists of 12 sites at various

stages of development, from early enabling works to near-complete Grade A units. Infrastructure works have completed at Chatterley Valley in Staffordshire, which is mobilising into the first phase of building development. Highways and infrastructure works have commenced at Wingates in Bolton, and at Skelton Grange, in Leeds.

- During the year the Group completed over 100,000 sq. ft. of direct development and was on site at the year end with an additional 270,000 sq. ft., all of which is expected to complete in the next 12 months.
- 68% of the space completed in the year was retained in the Group's Investment Portfolio, with the balance built for an owner occupier. Of the space due to complete in the next 12 months, 100% is expected to be retained and is anticipated to generate additional annualised rental income of £2.7 million.
- The Group expects to enable and deliver up to 5.9 million sq. ft. before the end of 2027 through a combination of direct development to hold, direct development for third parties and serviced land sales.

On track to achieve 100% Grade A Investment Portfolio by the end of 2027, targeting £0.9 billion by the end of 2029

- Harworth's Investment Portfolio totals 2.8 million sq. ft., of which 45% is Grade A (31 December 2023: 2.5 million sq. ft. and 37% Grade A).
- 73,000 sq. ft. of directly developed Grade A Industrial & Logistics space was transferred into the Investment Portfolio in the year, all of which is now let.
- Acquired Catalyst, a 285,000 sq. ft. Grade A urban logistics estate adjacent to Harworth's Advanced Manufacturing Park in Rotherham, for £43.7 million, adding £2.2 million of annualised rental income, which increases to £2.5 million when fully let.
- EPRA vacancy rate of 5.6% (31 December 2023: 9.9%) and 98% of rent due has been collected to date.

Investing in community infrastructure and sustainable growth

- Opened a new 350-acre country park at Thoresby Vale in Edwinstowe, Nottinghamshire, in the heart of Sherwood Forest, and recently completed construction of a 420-place Forest primary school at Coalville, Leicestershire.
- At Wingates, work is underway to realign a section of the A6 and move traffic away from nearby homes by creating a new landscaped buffer to screen the road and provide more green space for residents.
- The Group will provide an update on its journey to Net Zero Carbon through publication of its 2024 Net Zero Carbon Progress Report, which will be released alongside the Annual Report & Accounts in April 2025.

Robust cash generation and strong balance sheet position

- Net debt as at 31 December 2024 of £46.7 million (31 December 2023: £36.4 million), representing a pro-forma LTV based on 30 June 2024 valuations of 6.1% (31 December 2023: 4.7%).
- The Group's Revolving Credit Facility (RCF) was increased to £240 million (31 December 2023: £200 million) in December through activation of an accordion option as per the terms of the facility, providing additional liquidity.
- Available liquidity of £192.4 million (31 December 2023: £192.2 million), with no major refinancing requirements until 2027.

Financial calendar key dates

Harworth is scheduled to announce its Full Year results on 18 March 2025.

Notes:

- (1) European Real Estate Association (EPRA) Net Disposal Value (NDV), an adjusted Net Asset Value metric which is one of Harworth's key Alternative Performance Measures.
- (2) Current Bloomberg consensus for 31 December 2024 EPRA NDV is £712 million, and EPRA NDV per share is 220p, comprising three analyst forecasts.
- (3) Including an element of deferred proceeds.

For further information

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About Harworth

Listed on the equity shares (commercial companies) category of the Main Market of the London Stock Exchange, and a constituent of the FTSE 250 index, Harworth Group plc (LSE: HWG) is a leading UK sustainable regenerator of land and property for development and investment which owns, develops and

sustainable regenerator of land and property for development and investment which owns, develops and manages a portfolio of over 14,000 acres of land on over 100 sites located throughout the North of England and Midlands. The Group specialises in the regeneration of large, complex sites, in particular former industrial sites, into new Industrial & Logistics and Residential developments to create sustainable places where people want to live and work, supporting new homes, jobs and communities across the regions and delivering long-term value for all stakeholders. LEI: 213800R8JSSGK2KPFG21.

Visit www.harworthgroup.com for further information.

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