

8 July 2025

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

**Trading Update**

Springfield Properties plc (AIM: SPR), a leading housebuilder in Scotland focused on delivering private and affordable housing, is pleased to announce that it expects to report profit before tax for FY 2025 in line with current market expectations and that the Group's focus on the removal of its bank debt has enabled it to reduce net debt in excess of market expectations.

The Group expects to report an increase in revenue to £280m (2024: £266m), driven primarily by the significant growth in land sales, including through the Group's agreement with Barratt Redrow plc ("Barratt").

In private housing, as previously noted, sales during the year continued to be impacted by subdued market conditions and reservation rates remained stable compared with the second half of FY 2024. The Group experienced a lengthening of the sales cycle, particularly from existing homeowner buyers. Therefore, while reservation rates have remained steady, private housing completions have been slightly lower than anticipated.

In affordable housing there has been a year-on-year increase in revenue in line with market expectations and a significant improvement in gross margin, which returned to double digits. The improvement in gross margin was primarily due to the Group having completed its low-margin legacy contracts at the end of FY 2024 and the contracts delivered in FY 2025 having much stronger commercial terms.

During the year, the Group entered an agreement to sell to Barratt undeveloped land, primarily located across Central Scotland, equating to 2,480 plots across six sites. The land sale enables two strategic actions: to remove the Group's bank debt and become net cash positive by FY 2027, and to focus the Group on the significant opportunities that are emerging in the North of Scotland driven by renewable energy development and infrastructure upgrades.

During the period, the sale of five sites to Barratt were completed, with the sale of the sixth site expected to complete in the coming weeks. The Group's land sales were highly profitable and, as a result, the Group expects to report a substantial increase in profit before tax for the year, in line with current market expectations. The Group also continued its non-binding discussions regarding the sale by the Group of a number of further future land holdings.

The Group continues to focus on removing its bank debt and accelerated the receipt of a payment from Barratt that was originally scheduled for March 2026. As a result, the Group has been able to reduce bank debt faster than expectations to £21m at year end (31 May 2024: £39.9m).

As noted in the Group's interim results announcement of 17 February 2025, Springfield's strategic focus going forward is on the North of Scotland where the Board believes substantial opportunities exist driven by incoming UK Government-financed net zero infrastructure development. The net zero infrastructure development will require new housing for the thousands of additional workers that are needed to deliver and operate the projects as well as the long-term growth in population as a result of the economic stimulus to the region. During the year, the Group continued to have advanced discussions with key stakeholders about how to meet the demand for the new housing required. The Group also made significant progress in securing options over land in the region, which enabled the Group to submit a significant number of plots in response to the Highland Council's call for new sites to be allocated for housing development in their forthcoming Local Plan. With land holdings across North of Scotland, the Group believes that it is well-positioned to support the economic stimulus in these areas and the proceeds from the recent land sale to Barrat will enable the Group to capitalise on this opportunity.

**Innes Smith, CEO of Springfield Properties, said:** "I am pleased that we have continued to accelerate the removal of our bank debt, keeping us on track to remove bank debt by the end of FY 2027, and achieved an increase in profit and revenue for the year. This reflects our profitable land sales to Barratt and a substantial improvement in our affordable housing gross margin, which has returned to double digits. This has put us on a firm footing to be able to capitalise on the sizable opportunities in the North of Scotland where there is significant demand for housing to support the development of net zero infrastructure, which is well underway. We are working with the infrastructure providers, the Scottish Government and the Highland and Moray councils to address this need, and we look forward to reporting on our progress."

The Group will provide further details in its final results announcement, which is expected to be announced in September 2025.

#### 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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