



Cala Group (Holdings) Limited

Cala Group delivers uplift in performance for Financial Year 2022 with turnover of £1.36bn and pre-tax profit of £169m

Cala Group (Holdings) Limited, one of the UK's leading homebuilders, today issues preliminary results for the twelve months to 31 December 2022, ahead of audited accounts to be finalised in March.

Financial highlights

- Strong trading performance, delivering revenue of £1.36bn, a 9% increase on 2021 (£1.24bn)
- Homebuilder anticipates pre-tax profit of c. £169m, a significant increase of 27% on 2021 (£132.7m)
- Total home completions of 3,027 – 4% up on the 2021 total of 2,904 units
- Sales per site per week across the 12 months were 0.62 compared to 0.76 achieved in 2021 (as a result of a material change in sales rates in the final quarter of 2022, following the UK Government's mini budget)
- The business recorded an uptick in private average sales price (ASP) to £492,000, up from £462,000 in 2021, as a result of sales price growth and the mix of sites sold during the year
- Cala entered the new financial year with 751 forward private reservations equating to £396m Gross Development Value (GDV), (2021: 994 units, £488m GDV)

Kevin Whitaker, CEO at Cala Group, said:

"Cala has delivered an excellent performance across 2022, achieving significant increases in revenue and pre-tax profit. This was attained through an increase in new home completions, strong sales price growth and the mix of homes sold during the year.

"We benefited from excellent market conditions in the first nine months of the year. During the final quarter of 2022, the impact of the UK Government's mini budget on the financial markets directly influenced buyer confidence. This has naturally affected sales rates in recent months and has impacted the strength of our forward sales position.

"2023 will be challenging for everyone, due to the increased financial pressures associated with higher living costs and mortgage repayments. Cala is well-placed to navigate the changing market conditions with the backing of our owners, Legal & General, alongside the talent, commitment and quality of our teams.

"The fundamental shortage in the supply of new homes continues to support new build delivery. In a more selective market, the quality of design and construction of Cala's homes, alongside industry-leading customer service, continue to attract home buyers.

"Now more than ever, against the backdrop of increased fuel costs and reduced availability of secondhand homes, new homes offer a great alternative. Excellent energy and thermal efficiency help minimise energy use, while facilitators like part exchange support customers through their move."

Strong performance for 2022

Strong market conditions in the first nine months of the year enabled Cala to sell out for 2022 in September, securing an excellent year of trading overall. Increased turnover and the highest pre-tax profit recorded by the homebuilder were delivered as a result of increased new homes completions and a significant uplift in ASP.

Sales per site per week over the 12-month period of 0.62 were down compared with 2021 (0.76). This reflects a reduction in sales rate during the final quarter of the year, when changes in the mortgage market, triggered by the UK Government's mini budget, began to affect buyer confidence.

As at the 31st of December 2022, private forward reservations were 751, equating to £396m GDV. This was down from £488m GDV and 994 units in 2021, reflecting the more challenging market experienced in Q4 of 2022.

Laying the foundations for a sustainable future

The land market has been highly competitive throughout 2022 and Cala has taken a selective approach, focusing on high-quality developments in desirable locations. During the 12-month period, Cala contracted 22 new short-term developments, expected to deliver 3,270 homes with an anticipated GDV of £1.3bn. Cala will continue to grow and strengthen its landbank throughout 2023.

Cala is making steady progress towards achieving its targets of building homes for its customers that are operationally net zero carbon enabled from 2030 and reaching net zero greenhouse gas emissions in line with the Scottish Government's 2045 target and ahead of UK Government's 2050 target.

Building on our existing commitment to meet net-zero operational greenhouse gas emissions by 2030, Cala has established net-zero road maps for each regional business to identify and schedule priority actions.

Outlook for 2023

The market in 2023 will be challenging given increases in mortgage rates, alongside the increased cost of living for all. The Group is well-placed to manage through changing market conditions with owners Legal & General, an experienced management team and the talent and commitment of its hard-working people.

The fundamental shortage in the supply of new homes continues to support new homes delivery and strong levels of interest continue through [Cala's website](#), as buyers remain attracted to Cala's outstanding quality of design and construction, alongside industry-leading customer service.

In addition, the energy and thermal efficiency of new homes, coupled with the range of ways Cala can reduce the cost and uncertainty associated with moving home, such as part exchange, will continue to support sales throughout 2023.

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CALA GROUP TRADING PERFORMANCE ACROSS 2019, 2020, 2021 AND 2022

For additional context, please see the table below which includes relevant figures for 2019, 2020, 2021 and 2022.

	2019	2020	2021	2022
Turnover*	£1002m	£713m	£1,241.1m	£1,356m
Profit before tax	£96.2m	£24.4m	£132.7m	£169m
Unit completions*	2,449	1,835	2,904	3,027
Sales per site per week	0.53	0.51	0.76	0.62
Forward private reservations (units)	443	839	994	751
Forward private reservations (revenue)	£181.3m	£369.9m	£487.8m	£395.7m
Average sale price (£ '000)	£464	£434	£462	£492

**Includes 100% of managed JVs*

Issued by tigerbond on behalf of Cala Group.
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Notes to Editor - Cala Group

- Cala Group is a major UK home builder focused on building well-designed, high quality homes in prime locations throughout the South of England, the Cotswolds and Scotland.
- Cala started as the City of Aberdeen Land Association in 1875 and was the first Scottish company listed on the London Stock Market.
- Today, Cala Group is a subsidiary of Legal & General (see below) and comprises the Cala Homes and Legal & General Homes brands.
- Cala Group employs over 1,300 people across 10 offices and has around 75 live developments at any time.
- Cala was awarded the maximum 5 Star rating in the Home Builders Federation's National New Homes Customer Satisfaction Survey 2022, for the fifth year running. The independent survey found that 95% of our customers would recommend Cala to a friend.
- In 2021 Cala Group sold 2,904 homes, resulting in a turnover of £1.24bn and profit before tax (before exceptional items and revaluations) of £132m.
- Cala is proud have Samaritans as its national charity partner. Cala's support will help to ensure that Samaritans can continue to be there for anyone who is struggling to cope. In turn, Samaritans provides training to help equip Cala's staff – as well as employees of its subcontractors – with the skills to take care of their own wellbeing and that of their colleagues.
- Cala has made a commitment to help fight the effects of climate change on the planet by:
 - Building homes that are operationally net zero carbon enabled before 2030.
 - Reaching net zero greenhouse gas emissions in line with the Scottish Government's 2045 target and ahead of UK Government's 2050 target.
- Besides Cala, which covers build-to-sell housebuilding, Legal & General's housebuilding businesses include urban and suburban build-to-rent which has a current pipeline of 5,500 homes; affordable and social housing which has a pipeline of 7,000 homes; later-life living through Inspired Villages which currently provides 2,500 homes on 11 sites, with plans for a further 5,100 age-appropriate homes; and Legal & General Modular Homes which has a growing pipeline of 800 EPC-A rated homes and capacity to manufacture 3,000 homes per year.

For further information visit www.cala.co.uk