



31 January 2022

Barratt Developments PLC

Acquisition of Gladman Developments Limited Significantly enhances strategic land credentials

Barratt Developments PLC (“Barratt” or the “Group”), the UK’s leading national sustainable housebuilder, is pleased to announce that it has acquired the land promoter Gladman Developments Limited (“GDL” or “Gladman”) for a total cash consideration of £250m on a debt free and cash free basis.

The acquisition combines Barratt’s best in class housebuilding operations with Gladman’s excellent land sourcing and promotion capabilities, providing greater flexibility for landowners and significantly enhancing Barratt’s strategic land credentials.

Gladman operates as a land promoter in the UK with particular strength in the south of England. In the three years through to 31 March 2019, prior to the onset of the COVID-19 pandemic, Gladman generated average annual sales of £52.5m, EBITDA of £19.6m, operating profits of £18.7m and profit before tax of £18.9m; with an annual average of 4,230 plots securing planning permission and 4,156 plots sold for Gladman’s promotion partners over this same period.

In its last financial year, to 31 March 2021, Gladman, despite the ongoing disruption created by COVID-19, secured planning consent on 2,760 plots across 15 sites with a high planning success rate and, through its targeted marketing, secured sales of 2,796 plots on 18 sites to housebuilders and housing associations. In the year to 31 March 2021 Gladman reported profit before tax of £6.9m and gross assets of £212.3m at that date.

Following the acquisition, Gladman will operate as a stand-alone business within the Group led by its experienced management team, including David Gladman, Chairman and Victoria Hesson, CEO. Gladman will continue to supply land to third parties as well as provide an additional route for Barratt to source strategic land and help to promote Barratt’s existing strategic land portfolio.

Gladman’s existing portfolio, comprising approximately 406 potential sites with an average site size of 242 plots, is expected to deliver an incremental 500 home completions per annum for Barratt from FY25.

Commenting on the acquisition, Steven Boyes, Chief Operating Officer and Deputy Chief Executive at Barratt Developments PLC said:

“Barratt has built a reputation for a disciplined and competitive approach to acquiring land and Gladman’s strong credentials in identifying attractive land and promoting sites through the planning process will be an important addition to the Group. As always, we are working hard to help address the shortage of homes across the country and today’s acquisition of a long-standing and trusted partner will further strengthen our ability to deliver our medium-term target to build 20,000 high quality homes per year.”

Victoria Hesson, Chief Executive at Gladman Developments, commented:

“We are very proud of the expertise, track record and reputation Gladman has built over the past 34 years. By becoming part of Barratt we can accelerate our growth as the UK’s leading land promoter and help to realise the

potential of Barratt’s attractive strategic land holdings, together delivering more high quality homes and sustainable developments across the country.”

Key terms of the acquisition

On 31 January 2022, BDW Trading Limited (“BDW”), the Group’s principal operating subsidiary, entered into a share purchase agreement (“SPA”) with the individual owners of GDL, including GDL’s founder and current Chairman, David Gladman, and members of GDL’s highly experienced management team (together, the “Sellers”). Pursuant to the SPA and certain associated agreements, BDW has agreed to acquire the entire issued and to be issued share capital of GDL for a total cash consideration of £250m on a debt free and cash free basis. Under the terms of the SPA and associated agreements, £12.2m of the consideration payable to certain Sellers who are also employees of GDL will be deferred for a period of up to 4 years from completion, with those deferred payments being guaranteed by Barratt Developments PLC. Under the terms of the SPA, the Sellers have given customary warranties as well as covenants regarding their post-completion conduct. Completion of the acquisition was unconditional and therefore occurred simultaneously with signing of the SPA.

Note on forward looking statements

Certain statements in this announcement may be forward looking statements. By their nature, forward looking statements involve a number of risks, uncertainties or assumptions that could cause actual results to differ materially from those expressed or implied by those statements. Forward looking statements regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. Accordingly undue reliance should not be placed on forward looking statements. Unless otherwise required by applicable law, regulation or accounting standards, the Group does not undertake to update or revise any forward looking statements, whether as a result of new information, future developments or otherwise.

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Financial reporting calendar

The Group's next scheduled announcement is the FY22 interim results on 9 February 2022.

Notes to editors

Barratt Developments PLC is the country's largest housebuilder. Barratt is committed to building high quality sustainable homes and we were awarded 93 NHBC Pride in the Job Awards on our sites in 2021, more than any other housebuilder for the 17th consecutive year. Barratt is also committed to customer service and we are the only major housebuilder to be awarded a HBF 5 Star rating for customer service for 12 years in a row. Barratt is at the forefront of sustainability, attaining industry-leading scores in the latest 2021 CDP results and being named “Sustainable

Housebuilder of the Year” at the Housebuilder Awards in December 2021. For more information visit: www.barrattdevelopments.co.uk

Gladman is a privately-owned business which was founded in 1987 by the current Chairman, David Gladman. It uses its extensive land and planning expertise to identify land suitable for development; agree contractual partnerships with landowners; fund all costs associated with obtaining planning permission; and then, through targeted marketing and competitive tender, secure optimum value for the land sale with Gladman receiving a share of the sale proceeds.

Based in Congleton, Cheshire, Gladman’s 91 employees are located across the country and include Gladman’s in-house residential land, planning and technical teams, which are key to Gladman’s track record of planning success and growth over the last decade. For further information visit: www.gladman.co.uk