

Optimising performance to benefit all stakeholders

I want to begin my last Chief Executive statement at Taylor Wimpey by, firstly, thanking all the individuals and the teams across the business for their daily hard work, dedication and – on a personal note – their support.

I'm pleased to report that we have delivered an excellent performance in 2021, significantly increasing profit, margins and home completions in a challenging year for the industry with pressure on the availability and cost of certain materials. It has also not been a 'normal' year for our people, customers, subcontractors or suppliers, amidst changing COVID-19 restrictions. However by working together, our construction sites have continued to operate safely and efficiently and we have continued to serve our customers. We have continued to prioritise the safety and wellbeing of everyone working for, and with us, and that of our customers, and have increased engagement and collaboration. This has continued to strengthen these key



Pete Redfern
Chief Executive

stakeholder relationships (and you can read more about this on pages 38 to 47). I am particularly proud to share that, not only do we continue to be a 5-star homebuilder as rated by customers in the Home Builders Federation (HBF) customer survey, but we are also, once again, the highest rated major homebuilder in the National House Building Council's (NHBC) independently measured 2021 Construction Quality Review (CQR). This is an outstanding effort and truly reflects the efforts and the pride and passion of our people across the business.

As Irene set out in her Chairman's letter, our employees are what make Taylor Wimpey special. We are deeply shocked and

saddened by the tragic events in Ukraine and, together with our employees, we will be pledging our support to the humanitarian effort. You can read more about our people on pages 40 to 41. While voluntary turnover increased in the year, alongside Annual Injury Incidence Rate, it is worth noting that the 2020 comparators were impacted by COVID-19. You can read more about our key operational performance metrics on pages 24 to 27.

I have been in this role for nearly 15 years and over 20 years with the business and it has been an incredible journey. I am very proud of what we have achieved at Taylor Wimpey and the culture we have built and I will miss it greatly. Whilst there is always much more we can do and need to do, the

business is in excellent health with a very strong balance sheet, and an outstanding short term landbank and strategic land pipeline, with real forward momentum. In particular, our approach, with your support as shareholders, to landbuying during the pandemic, at a time when there was significantly reduced competition, has set us up extremely well for the future. It enabled us to accelerate our landbuying, at attractive margins, creating a balanced portfolio which will benefit the business for several years. Importantly, this has created strong momentum, opportunity and growth and a route to increased, and very compelling, shareholder returns. With such exciting prospects for the future, it is undoubtedly the right time to hand over the business to someone new as the Company embarks on the next chapter.

On 7 February, the Board announced that Jennie Daly has been appointed as CEO, effective from the conclusion of the AGM on 26 April 2022. This follows a thorough recruitment and selection process led by the Nomination and Governance Committee of the Board, that considered a long list of industry and non-industry candidates, along with extensive consultation with shareholders which is discussed on pages 90 and 91.

I am delighted with the Board's decision to appoint Jennie. Jennie is a phenomenal operator and with her vast and varied experience and leadership capability, I am very confident that she will deliver the value from our outstanding landbank for all of Taylor Wimpey's stakeholders.

Building momentum to deliver improved operating margin and accelerated volume growth

Our purpose is to deliver great homes and create thriving communities. We seek to deliver this with a strategy set to optimise long term shareholder returns in a responsible way, while delivering attractive and sustainable returns and adding value to all stakeholders.

We are focused on excellent operational delivery and increasing financial performance. This is visible at all levels in the business and reflected in our 2021 full year performance, with improvements across key financial and operational metrics. The 2020 equity raise and our approach to landbuying has continued to differentiate Taylor Wimpey, as we added a significant amount of attractively valued land to our portfolio. This timely land acquisition and the hard work by our teams in bringing it through the planning system has positioned the business for high-quality outlet-led volume growth at a time when the land market has become increasingly competitive.

With the strength of our landbank and operational excellence we aim to grow annual completions to between 17,000 and

18,000 in the medium term whilst generating compelling returns.

In the following pages 10 to 17, the GMT discuss our key priorities as we continue to build momentum. These underpin our confidence in future delivery.

We support the UK's commitment to reach net zero carbon by 2050. In 2022, we will develop our net zero transition plan and net zero target. We are reviewing the net zero criteria published by the SBTi and will use this to guide our approach. We expect to publish our target in 2023. For the housebuilding sector, the majority of emissions are associated with the production and manufacture of materials and the energy used by customers once they have moved into new homes (scope 3). This means achieving net zero emissions will require system-level changes and coordinated action by multiple parties, from suppliers to governments, and at all points along the value chain. We are committed to working with our peers, suppliers and others to help tackle this challenge. Our plan will include details of specific measures and key milestones designed to provide future measurable targets against which the delivery of the plan can be assessed. We have also introduced a carbon-reduction related measure into our Executive Incentive Scheme for 2022.

Upcoming regulatory changes

The industry will face a number of planned, fundamental changes in the short to medium term. Whilst there are obvious challenges, we believe that these changes offer an opportunity to further strengthen our customer proposition and drive value. We will see the first of these come into effect in 2022, with the New Homes Ombudsman and a change in building regulations as well as the effective removal of Help to Buy for reservations this year ahead of the scheme's closure in March 2023. We have been preparing for these changes for some time, and this is reflected in our landbuying approach and in our processes. More information can be found on pages 12 and 13.

UK market environment and current trading

The 2022 spring selling season has started well, reflecting the underlying strength of demand for our homes, underpinned by low interest rates and good mortgage availability.

The net private sales rate for the year to date (w/e 27 February 2022) was 1.02 per outlet per week (2021 equivalent period: 0.91). At that time, we were more than 60% forward sold for private completions in 2022 and have continued to grow our order book well into the second half of the year. As at 27 February 2022, our total order book excluding joint ventures was £2,899 million (2021 equivalent period: £2,796 million), comprising 10,934 homes (2021 equivalent period: 11,054 homes).

Our approach to ESG

Our purpose is to build great homes and create thriving communities. We will do so sustainably, making sure those communities are themselves sustainable for the future.

Environmental, social and governance (ESG) has always been an important part of working for Taylor Wimpey.

Social and Governance

Our teams see the social and governance aspects of ESG as 'business as usual', including our contributions to, and involvement in, local communities and our strong culture. This is also evident in our key performance indicators (see pages 24 to 27) and our stakeholder interactions (see pages 34 to 35). As we embed our ambitious environmental strategy we will further increase our focus on this important area. More information can be found on pages 14 to 15.

We are committed to transparent disclosure of our ESG performance and are aligning our reporting with the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD) and the Sustainability Accounting Standards Board (SASB) recommended disclosures for our sector, among other standards. This can be found on pages 48 to 57 and a full list of targets and our progress against these targets is included in our Sustainability Supplement 2021, available on our website.

Environment

We were one of the first UK developers to set a carbon reduction target verified by the Science Based Targets initiative (SBTi), including a 1.5 degrees target for our operational emissions. Our environment strategy (Building a better world), launched in 2021, also includes ambitious targets for increasing nature on our developments, cutting waste and improving resource efficiency. This can be found on pages 28 to 29.

We are committed to achieving net zero and in 2022 we will develop a plan to achieve this. More details can be found on page 17.

Land activity

Our short term owned and controlled landbank has increased by c.8k plots to c.85k plots as at 31 December 2021 (31 December 2020: c.77k plots). During the early stages of the pandemic, we took the strategic decision to increase investment in land on an opportunistic basis. Accordingly, over the 18 months to 31 December 2021 we have strengthened our landbank adding c.29k new plots to our short term landbank.

Our investment case

Our approach to land differentiates Taylor Wimpey and has enabled us to build an excellent landbank which will underpin strong volume and margin growth potential and returns to shareholders. We are focused on execution and delivering value from our outstanding landbank and via our talented teams, in a responsible way to benefit all stakeholders.

Read more in relation to our key strengths and resources on page 22

1. Strong momentum following significant recent land investment to drive outlet growth and volumes

c.50

additional outlets to be added in the period H1 2021 to H1 2023

3. Highly cash generative with a commitment to return excess cash

c.£150 million

2022 buyback

2. Clear levers to improve operating margin

21-22%

operating profit margin target

4. Delivering for all stakeholders

5-star

HBF customer satisfaction rating

Chief Executive's statement continued

Our high-quality landbank remains a key competitive advantage and value driver and underpins our confidence in delivering our medium term target of 21-22% operating profit margin. Our accelerated landbuying provides us with a greater number of options for sustainable, profitable volume growth amidst a challenging planning environment. We have also grown our high-quality strategic land pipeline and are able to operate selectively in today's competitive land market.

We remain very focused on progressing new acquisitions through the planning system and opening quality outlets. As at the end of February we own or control, with planning or a Resolution to Grant (RTG), 88% of the sites where we intend to open an outlet in 2022 of which we have already started on site at nearly one third. We own and have outline or detailed planning on 100% of 2022 expected completions and 85% of 2023 expected completions. All of the remainder are currently controlled and most have planning or RTG.

Fire safety

It has long been our view that customers and leaseholders should not have to pay for fire safety remediation works to ensure their buildings are safe and mortgageable. We took early and proactive action, committing significant funding to address fire safety and cladding issues on our buildings, with total amounts provided up to March 2021 of £165 million. Taylor Wimpey's decision a year ago meant that funding was

in place to bring all our affected buildings, going back 20 years from January 2021, up to current EWS1 standard.

We have identified all Taylor Wimpey buildings that may require works and are in active dialogue with building owners to undertake these and are committed to resolving these issues as soon as possible for our customers. From April 2022, we will also be paying the new Residential Property Developer Tax (which is a 4% tax on profits) that will fund the Government's Building Safety Fund for buildings over 18 metres.

We are working closely with Government through the HBF to facilitate an equitable solution involving all industry stakeholders. We fully support the HBF's recent letter to the Government which sets out proposed additional commitments from the industry in relation to buildings over 11 metres. We continue to believe this is an industry-wide issue involving many types of organisations and therefore needs an industry-wide solution. If accepted by Government, the HBF proposal would result in an additional modest provision for Taylor Wimpey.

Guidance and outlook

Interest rates remain at close to historically low levels and there is good availability of affordable mortgages. Whilst further rises in the base rate are anticipated this year, we expect affordability to remain good and the cost of servicing a mortgage to remain attractive compared to the cost of rental.

Assuming the market remains broadly stable, we continue to expect to deliver low single digit year on year completions growth in 2022 and to make further progress towards our 21-22% operating margin target. We expect 2022 year end net cash to be around £600 million, depending on the timing of land payments.

Build cost inflation is currently running at c.6% and, at this stage, we expect sales price growth to continue to offset build cost inflation in 2022.

The additional land we have secured over the last 18 months, has positioned the Group to deliver high-quality, profitable and sustainable growth. These additional land investments differentiate Taylor Wimpey and will result in increased outlet openings from late 2022 and material volume growth from 2023, generating additional value and compelling investor returns.

With a continued focus on execution and efficiency, the Board believes the Group has strong momentum to make significant progress and deliver enhanced shareholder value in the years ahead.



Pete Redfern
Chief Executive

"It is an honour and privilege to take on the role of CEO at Taylor Wimpey and I am delighted to have the support of the Board and our Executive and wider teams. This is an outstanding business with a strong landbank and strategic land pipeline, and a talented and committed team. Taylor Wimpey is strongly positioned to deliver sustainable sector-leading growth and returns, whilst always operating as a responsible business. I am energised by the opportunities at Taylor Wimpey and look forward to working closely with the Board and our teams to deliver on the significant potential at the company."

Jennie Daly,
Group Operations Director and CEO Designate



Introducing our new CEO

On 7 February, Jennie Daly was announced as CEO Designate, and will take on the role following the Group's AGM on 26 April 2022.

Jennie is currently Group Operations Director of Taylor Wimpey and a member of the Board of Directors. Since 2018 and in her current role, Jennie oversees Taylor Wimpey's land, planning, design, technical, sustainability, production and supply chain functions, as well as managing the Taylor Wimpey Logistics business. She has almost 30 years of experience in the housebuilding and land and planning industries, with excellent relationships across all stakeholders. Jennie joined Taylor Wimpey in 2014 from Redrow Plc where she was Managing Director of its Harrow Estates business and, prior to that, was Group Land Manager at Westbury Plc. Her early career was in local authority and council planning roles in Macclesfield and Blackpool. Jennie is also a Non Executive Director of the Peabody Trust and of the New Homes Quality Board Limited.

How we are building momentum

Our differentiated approach to land has created strong momentum and the opportunity for quality, profitable growth. Taylor Wimpey is well positioned to deliver strong growth and sustainable returns, whilst always operating as a responsible business.

Our purpose

Our purpose must guide us in all that we do: we build great homes and create thriving communities. Whilst short term performance is very important, we run the business for the long term; to enhance and generate more value and to mitigate risk. We will deliver on our priorities, in a responsible and sustainable way which makes a positive contribution to all stakeholders. This approach is integrated into our business decision making, including our commitment to health and safety and prior investments in build quality and in developing our people.

Medium term goals (2018-2023):

Return on net operating assets €

35%
24.7% in 2021 (2020: 9.9%)

Operating profit margin €

c.21-22%
19.3% in 2021 (2020: 10.8%)

Short term landbank

4-4.5 years
c.6.1 years in 2021 (2020: c.8.1 years)

Cash conversion €

70-100%
69.4% in 2021 (2020: (54.9)%)

Remuneration report € See pages 105 to 124

Delivering against our key priorities

Operational excellence and discipline driving an increase in operating margin

Page 10

Progressing recent land acquisitions through planning to facilitate outlet growth in late 2022 and volume growth in 2023

Page 12

Continue to deliver consistently great build quality, customer service and employee experience and identify where we can add value

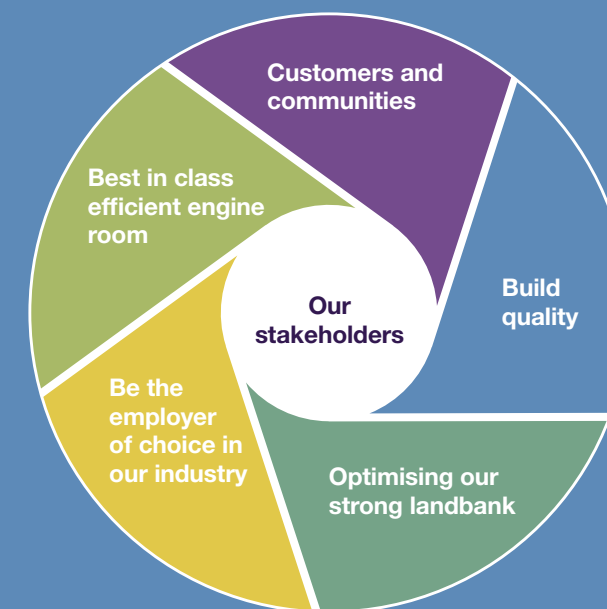
Page 14

Further embedding sustainability through the business, targeting areas where we can make the most difference to future proof the business

Page 16

**Guided by our clear purpose:
To build great homes and create thriving communities**

Driven through our strategy to deliver for all stakeholders and as measured by our KPIs /p 24-27



Embedded ESG mindset in the business and decision making /p 16-17

Environment strategy and targets /p 28-29

Always engaging with our stakeholders /p 38-47

Underpinned by our strong culture of doing the right thing and our core values



Respectful and fair



Take responsibility



Better tomorrow



Be proud