

# Taylor Wimpey plc

Annual General Meeting  
28 April 2016

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# Welcome

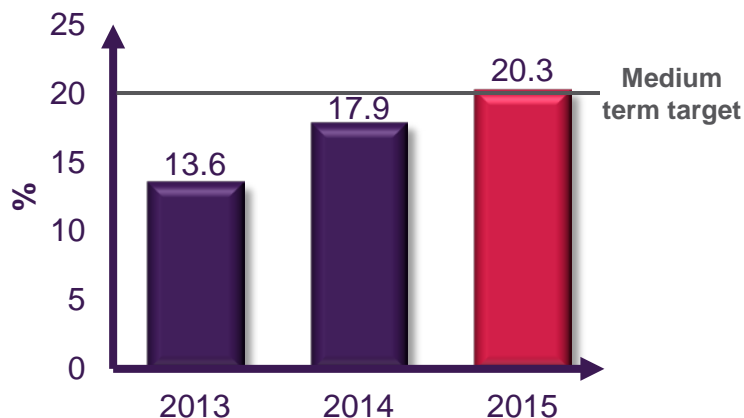
Kevin Beeston  
Chairman

# Group overview

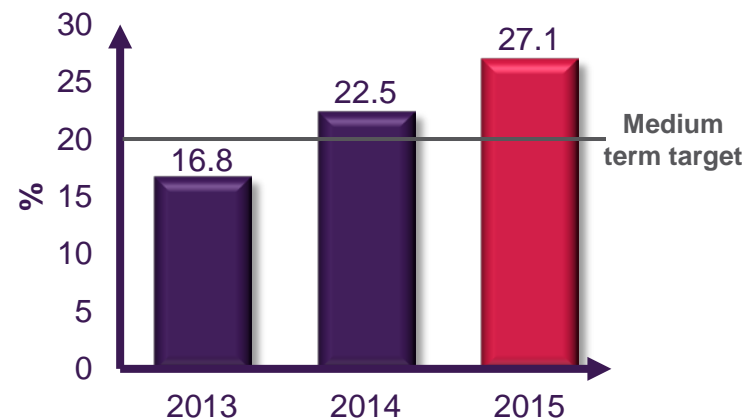
Pete Redfern  
Chief Executive

# 2015 Group financial highlights

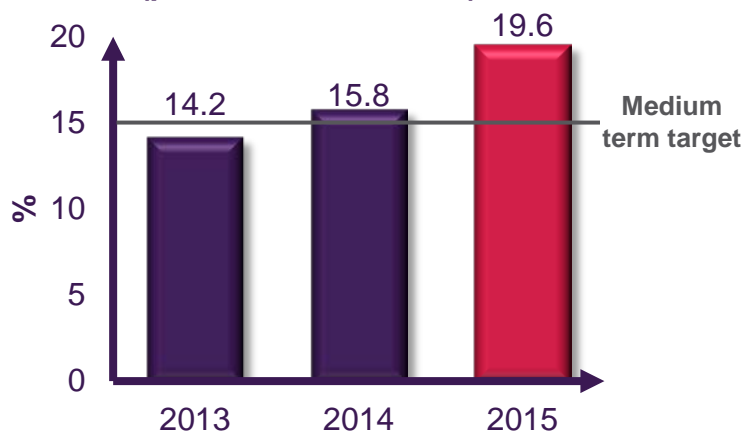
**Operating profit\* margin**



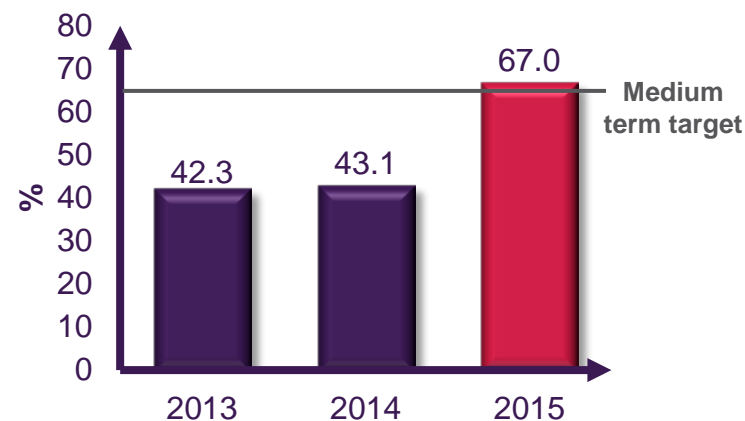
**Return on net operating assets\***



**Net asset annual growth NAV (pre-cash distribution)\***



**Conversion of operating profit\* to operating cash flow\***



\* See definitions slide in the appendix

- Delivered 13,219 new homes in the UK, excluding joint ventures – more than at any point in the last six years
- Record year end order book
- Accident rate kept low – Annual Injury Incident Rate (AIIR) of 175 per 100,000 employees and contractors (2014: 209)
- Short term landbank within right size range – c.76k plots in locations people want to live
- One of the largest strategic pipelines in the sector – c.107k potential plots

- Total shareholder return from 1 Jan 2015 to 31 Dec 2015 increased to 55.2%



- Subject to shareholder approval, 2015 total dividends declared up 17.6%
  - 2015 final maintenance dividend of 1.18 pence per share (2014: 1.32 pence per share), to be paid on 20 May 2016
  - Total maintenance dividend for the year of 1.67 pence per share (2014 total maintenance: 1.56 pence per share)
  - As previously announced, special cash dividend of 9.20 pence per share (July 2015: 7.68 pence per share), to be paid on 15 July 2016



- Large local employer employing, on average, 4,299 people and c.13k subcontractors
- Voluntary employee turnover rate remained stable during 2015 at 13.3% (2014: 13.6%)
- Introduced more training and development opportunities for our employees:
  - Customer service training
  - Launched Production Academy, following success of Sales Academy
  - New coaching and leadership programmes

## 2015 employee survey results highlights

**94%** of employees  
are proud to work for  
Taylor Wimpey

**97%** of employees  
believe Taylor  
Wimpey is committed  
to being an ethical  
and responsible  
company

**96%** of employees  
think that Taylor  
Wimpey  
developments benefit  
local communities

**98%** of employees  
believe that Taylor  
Wimpey takes health  
and safety seriously

- Disappointed that our customer satisfaction score slipped in 2015
- 2014 / 2015 – completed an in-depth review of every aspect of the Customer Journey
  - To understand our customers' priorities to enable us to deliver at and ahead of expectations
    - Focused on delivering proactive, positive and professional service
- Implemented changes in three main areas:
  - Structure
  - Process
  - Culture

# Charity and communities in 2015

- Contributed over £335m (2014: £300m) to our local communities via planning obligations
- Charitable donations of over £746k (2014: £539k) to registered charities (donations and fundraising), in addition to c.£112k to other organisations





- Standard house floor plans – working well and in place across over 70% of sites
  - Offers many advantages:
    - Efficient procurement opportunities
    - Quality of design
    - Build and cost control within the regulatory framework
- During 2015, launched a detailed review of our standard product specification across the full range





- Project 2020
  - Aim to explore and evaluate trends, changes and new innovations in design, architecture, technology, materials and methodology in the housebuilding industry
  - Purpose to create a product range for 2020 and beyond, fully reflecting our customers' lifestyles and expectations
  - Working with customers and suppliers

# Current trading and outlook



- The new build housing market remained very positive across most geographies. In central London, the market continues to be stable
- We have performed very well so far in 2016, with increasing customer demand, up 14%
- Average private net reservation rates increased to 0.80 sales per outlet per week for the year to date (2015 equivalent period: 0.76)
- Cancellation rates remained low at 11% (2015 equivalent period: 11%)
- Our total order book stands at 8,811 homes (2015 week 16: 8,200 homes), excluding legal completions to date
- Total order book value increased by 16.6% to approximately £2,168 million (2015 week 16: approximately £1,859 million)

- The UK housing market continues to be underpinned by good mortgage availability and employment prospects
- We believe that the recent amendments to the Starter Homes provisions reduce the future risk of the scheme and, if passed, these changes will ensure that the Starter Homes initiative provides an incremental improvement to the housing market
- The uncertainty surrounding the EU referendum has not impacted trading to date and underlying demand remains solid across all of our geographies

- As at 24 April 2016 we are c.70% forward sold for 2016 private completions, positioning us well for the remainder of the year and beyond
- As expected, the rate of build cost inflation has reduced, and we continue to anticipate underlying build cost increases of 3-4% in 2016
- We remain disciplined and focused on creating sustainable value through the housing cycle, with a focus on embedding our improvements to customer service across our business
- We remain on track to deliver good progress towards all of our medium term targets in 2016

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## Appendices

- Operating profit is defined as profit on ordinary activities before net finance costs, exceptional items and tax, after share of results of joint ventures.
- Return on net operating assets is defined as 12 month rolling operating profit divided by the average of the opening and closing net operating assets.
- Operating cash flow is defined as cash generated by operations before tax and interest paid on a rolling 12 month basis.
- Net asset annual growth NAV (pre-cash distributions) is defined as the percentage change between closing net assets pre accrued and paid returns to shareholders, on a rolling 12 month basis, and closing net assets on a rolling 12 month basis from the comparative period.