Taylor Wimpey plc

Half Year Results Presentation for the half year ended 1 July 2018

31 July 2018

Disclaimer

This presentation is not intended to, and does not constitute or form part of, any offer, invitation or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities in Taylor Wimpey plc or any other invitation or inducement to engage in investment activities, nor shall this presentation (or any part of it) nor the fact of its distribution form the basis of, or be relied on in connection with, any contract or investment decision.

Past performance of Taylor Wimpey plc cannot be relied upon as a guide to its future performance.

Certain statements made in this presentation are forward looking statements. Such statements are based on Taylor Wimpey's current expectations and beliefs concerning future events and are subject to a number of known and unknown risks and uncertainties that could cause actual events or results to differ materially from any expected future events or results referred to in these forward looking statements. Such statements are also based on numerous assumptions regarding Taylor Wimpey plc's present and future strategy and the environment in which it operates, which may not be accurate. Taylor Wimpey plc will not release any updates or revisions to forward looking statements contained in this presentation except as required by law or regulation.

Agenda

Operating performance, current trading and outlook
Pete Redfern

Financial performance
Chris Carney

Business improvement and strategic goals
Pete Redfern

Operating performance, current trading and outlook

Pete Redfern
Chief Executive

Financial highlights

Return on net operating assets*
30.9%
(H1 2017: 30.9%)

Cash conversion*
86%
(H1 2017: 104%)

Operating profit* margin
20.0%
(H1 2017: 20.3%)

Profit before tax and exceptional items
£331m
(H1 2017: £335m)

Basic earnings per share
7.5p
(H1 2017: 5.1p)

Net cash
£525.1m
(H1 2017: £429.0m)

* See definitions slide in the appendix
Prior period numbers have been restated to include the impact on adoption of IFRS 9 'Financial Instruments' and IFRS 15 'Revenue with contracts for customers', see slides 55 and 56 for more detail.

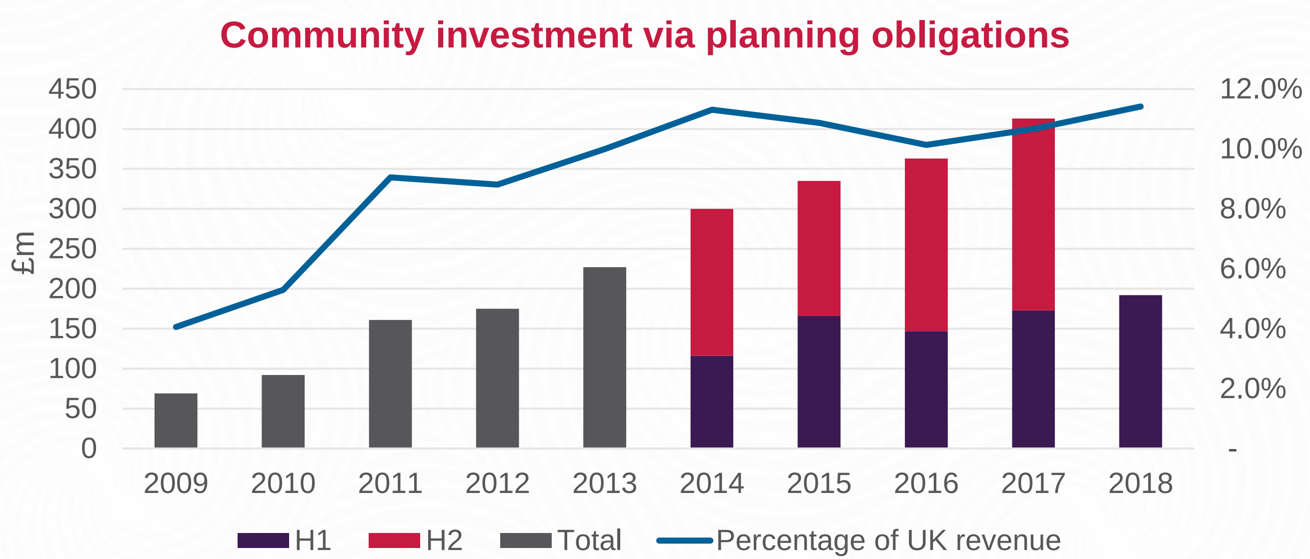
Operating highlights

Customer and communities	8 week 'Would you recommend' 90.3% 9 month 'Would you recommend' 78.5%
Land and planning	Land cost as a % of ASP on approvals 17.1% Potential revenue in landbank increased to £48 bn
Production and supply chain	Construction Quality Review – sites rated good or better increased from 68% to 74% 1,542 directly employed trade staff
People and culture	Voluntary turnover rate 14.6% Glassdoor top 20 employer 15
Systems and efficiency	My Taylor Wimpey pilot complete Project Management IP roll out complete Stage 1 of cost and efficiency review completed

Customers and communities

- Improvement in 'Would you Recommend' scores to 90% (H1 2017: 88%) 5 star level for first half
- Improvement in accuracy of move in dates – 83% of customers move in 'within window' or earlier

Customer care costs £m	H1 2018	H2 2017	H1 2017
Overheads	10.9	11.2	11.4
Remediation	17.4	19.3	19.7
Total	**28.3**	**30.5**	**31.1**



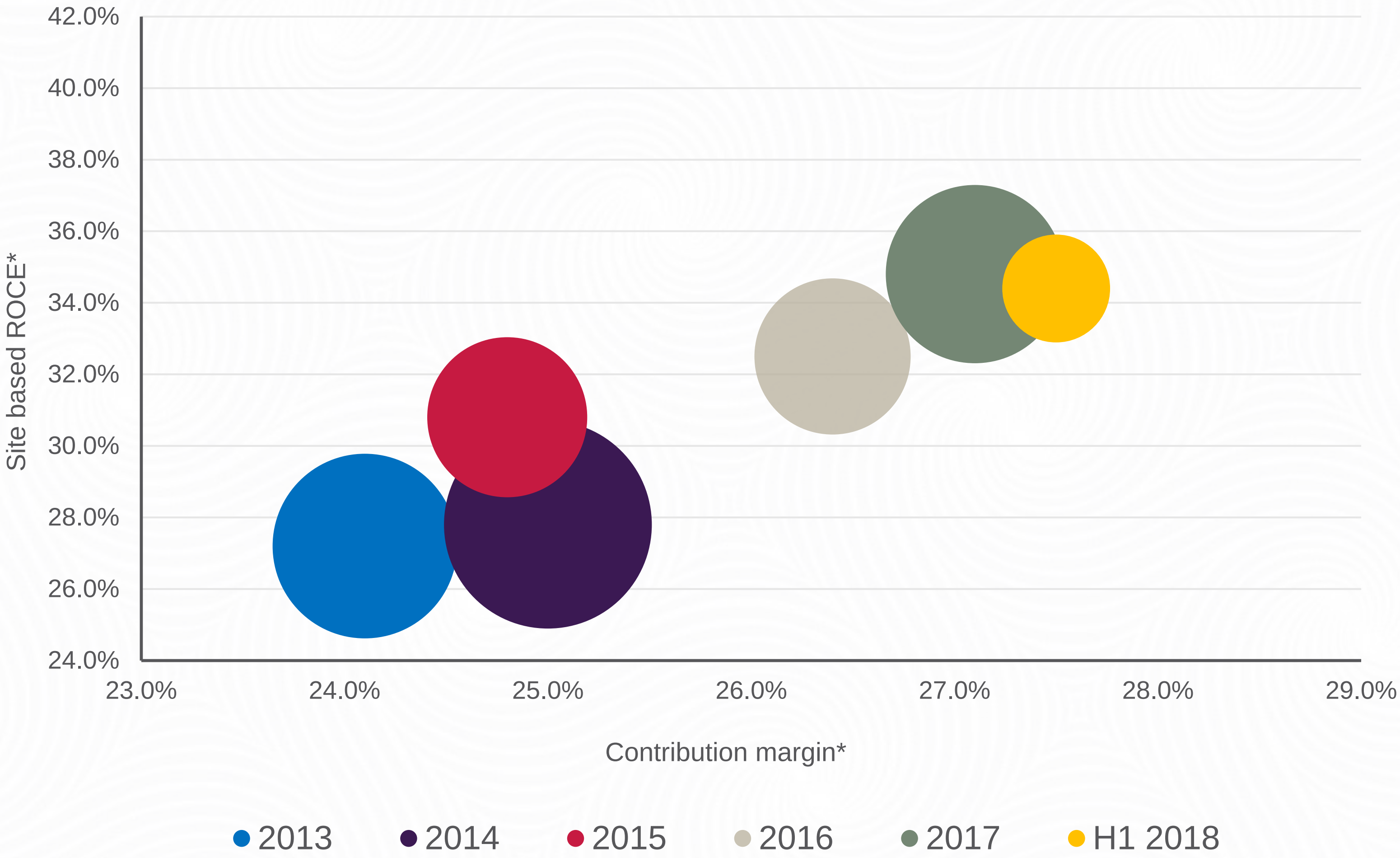
Customer service

YTD scores for the 'Recommend' question 8 week survey	2018 YTD average	2017 YTD average
Taylor Wimpey UK Ltd	**90.3%**	**88.3%**
North	90.1%	90.1%
Central and South West	90.1%	85.6%
London and South East	91.1%	88.2%

9 month scores*	Customers moved in Oct 16-Sep 17	Customers moved in Oct 15-Sep 16
Recommend	78.5%	74.2%
Quality	81.2%	73.4%
% problems (<11)	62.5%	53.7%
Repair standard	72.0%	66.0%
Service after	61.1%	55.2%
Development	90.1%	87.6%
Overall CMS score	**74.3%**	**68.3%**

* Surveys completed by customers 9 months after completion

Quality of land acquisitions



At current costs and current selling prices in year of acquisition
* See definitions slide in the appendix

UK landbank

- Land cost in short term owned landbank is 14.6% of ASP (H1 2017: 15.1%), supported by strategic pipeline conversions
- Land cost as % of ASP on H1 2018 approvals – 17.1%
- Potential revenue in the landbank at 1 July 2018 was £48 billion (2 July 2017: £43 billion), comprising short term land of £21 billion (2 July 2017: £20 billion) and strategic land of £27 billion (2 July 2017: £23 billion)
- In the year we achieved a 1.1% percentage points margin upside on completions from land acquired since 2009, compared with the expected margin at the point of acquisition

	Land cost on balance sheet £m 1 July 2018	Number of plots 1 July 2018	Land cost on balance sheet £m 31 Dec 2017	Number of plots 31 Dec 2017
Short term owned	2,384	56,828	2,338	56,619
Short term controlled	98	18,789	84	18,230
Total short term	**2,482**	**75,617**	**2,422**	**74,849**
Strategic owned*	75	25,404	90	26,836
Strategic controlled*	76	92,722	69	90,409
Total strategic*	**151**	**118,126**	**159**	**117,245**
Total landbank*	**2,633**	**193,743**	**2,581**	**192,094**

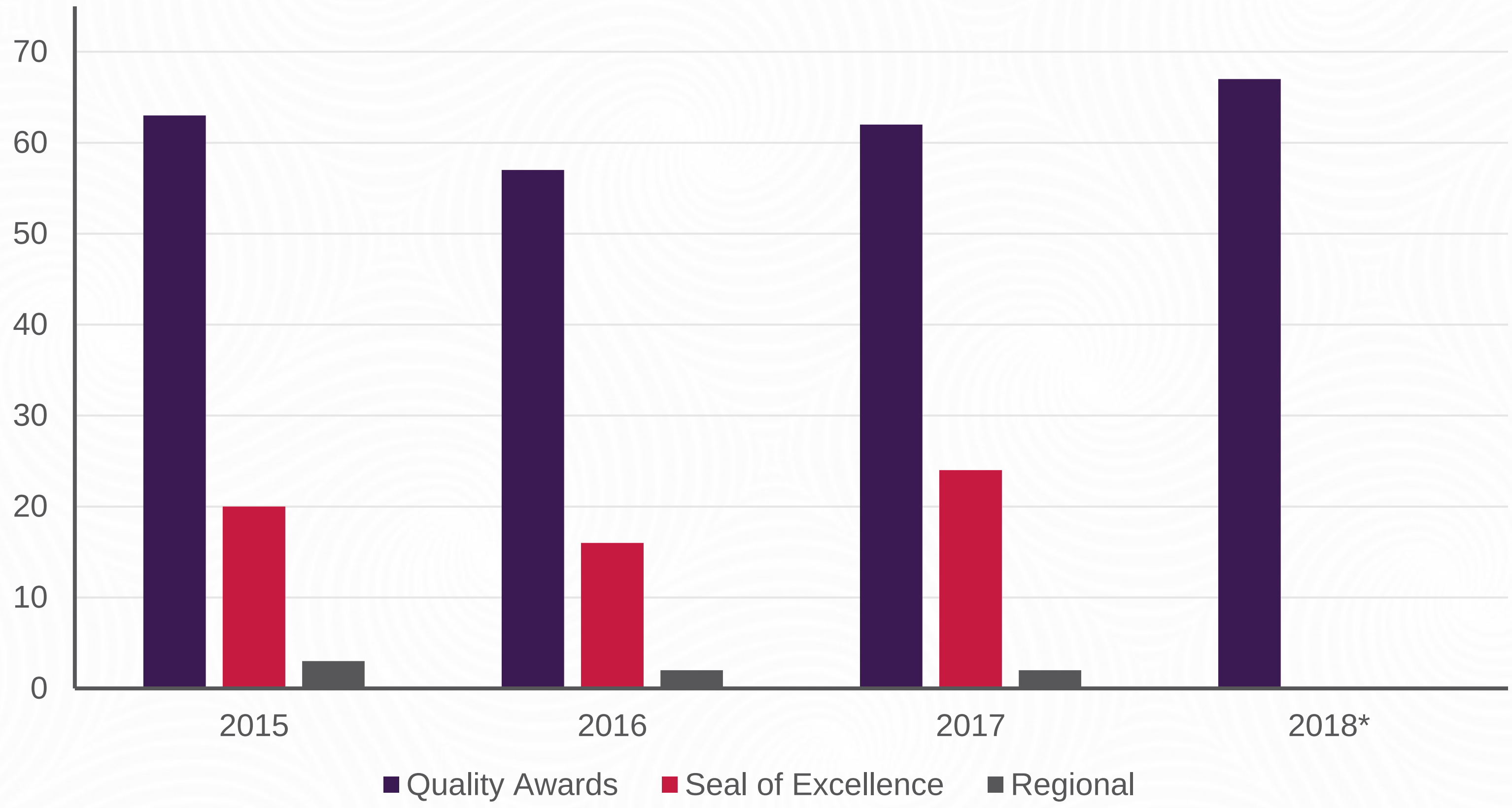
Data includes JV plots
* Excludes land with less than 50% certainty of achieving planning permission

Production

- Focus over the last three years has been on:
  - Quality, particularly finish quality
  - Accuracy and predictability of delivery timings
- Absolute commitment to maintaining these improvements, but with a renewed focus on:
  - Underlying 'right first time' construction quality
  - Cost efficiency
  - Resourcing and supply chain management
  - Delivery pace
- Number of projects in place e.g. Consistent Quality Approach (CQA) document - a collaboration between Production and Customer Service to ensure a robust common understanding of quality
  - Essential core document and process if we move to a Housing Ombudsman
- Construction Quality Reviews (CQRs) test underlying build quality site by site – sites rated good or better increased from 68% to 74%
- Strategic goal is to deliver faster, more responsive, cost efficient production whilst maintaining quality

NHBC Pride in the Job awards

- Taylor Wimpey winners of ‘Pride in the Job’ awards

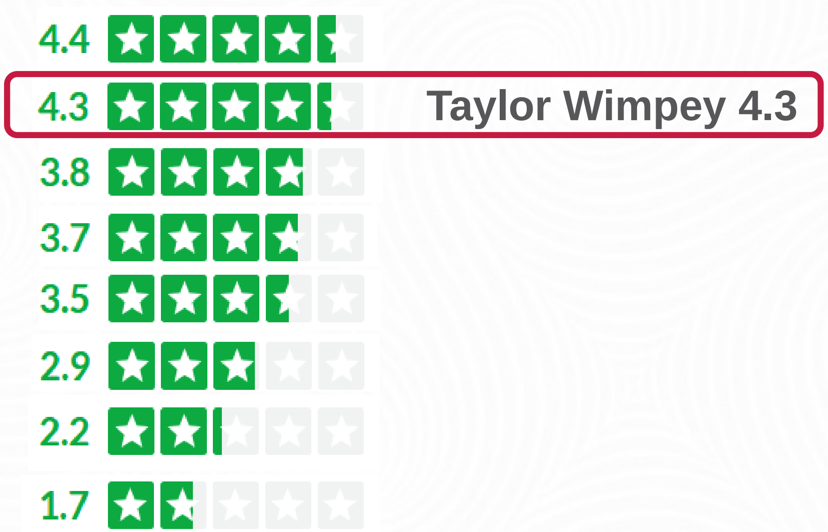


* 2018 Seal of Excellence and Regional winners to be announced later in the year

People and culture

- Staff survey – 94% of employees agree / strongly agree that Taylor Wimpey is committed to becoming an inclusive organisation with a diverse workforce
- Number 15 in the top 20 places to work in the UK, by Glassdoor, as voted for by employees, the only private housebuilder to make the top 50
    - Other top 20 companies include Google, Facebook and Apple…
    - …and high growth companies including Capital One and Screwfix

Industry comparators



Taylor Wimpey ratings and trends

Taylor Wimpey plc

H1 2018 market backdrop

- Consumer confidence has been affected by Brexit uncertainty
- However new housebuilding sales and build rates have remained very positive
- HTB remains a key factor, as do continuing low interest rates
- Mortgage availability remains good

2-year fixed rates	January 2017	July 2017	February 2018	July 2018
HTB equity loan	1.64% – 1.89%	1.39% – 1.87%	1.44% – 2.17%	1.61% – 2.17%
85% LTV (new build)	1.74%	1.52%	1.64%	1.74%

UK market performance – to date

	H2 2018 (w/e 22 July 2018)	H1 2018	H2 2017	H1 2017	H2 2016	H1 2016
Average outlets open	275	280	284	292	286	294
Private sales rate (net)	0.68	0.83	0.66	0.87	0.65	0.78
Private sales price £000	288	296	287	289	279	271
Cancellation rate (private)	15%	13%	15%	11%	14%	12%

- 300 factories in operation at 1 July 2018
- 49 new outlets opened in H1 2018 (H1 2017: 63)
- H1 2018 private sales price excluding Central London – £286k (up on H1 2017 by c.2.9%)

Data based on reservations excluding JVs

Taylor Wimpey plc

Central London market performance

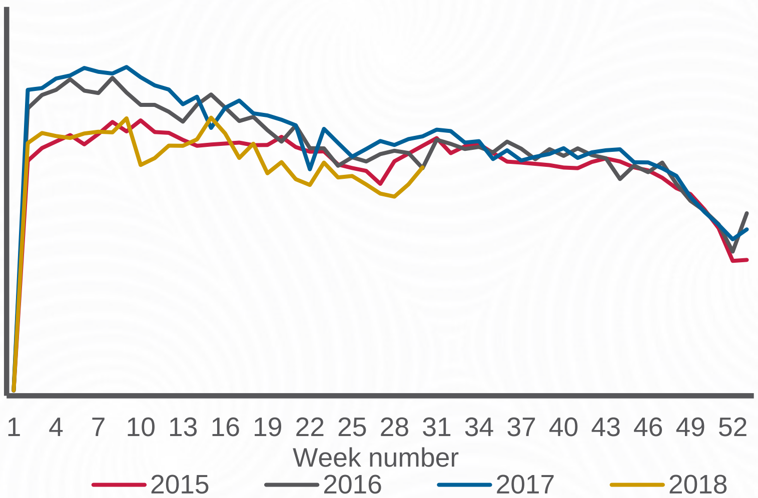
	H1 2018	H2 2017	H1 2017	H2 2016	H1 2016
Average outlets open	8	8	8	8	9
Private sales rate (net)	0.47	0.24	0.41	0.42	0.29
Private sales price £000	896	962	1,147	863	1,011
Cancellation rate (private)	12%	26%	18%	14%	24%

- Mount Pleasant
  - Progress is in line with our programme when we acquired the site
  - UK and international sales launch of Phase 1 will take place in September 2018
  - All planning conditions necessary to commence Phase 1 of the development have been discharged

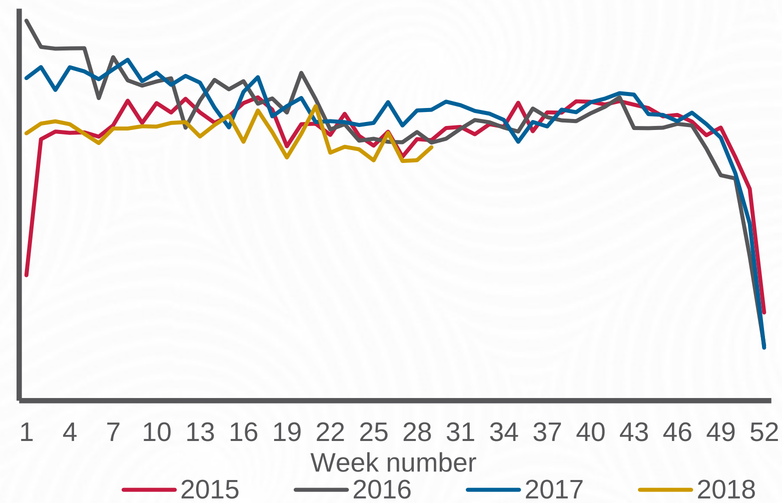
Data based on reservations excluding JVs

2018 UK market performance - lead indicators

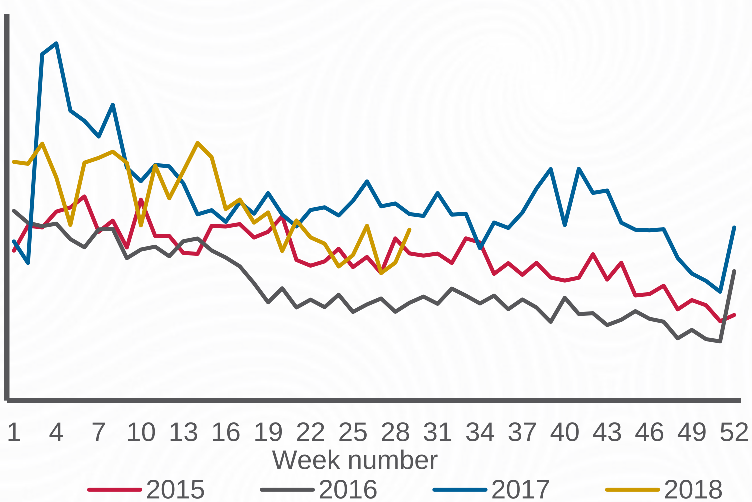
Customer interest – organic website visits



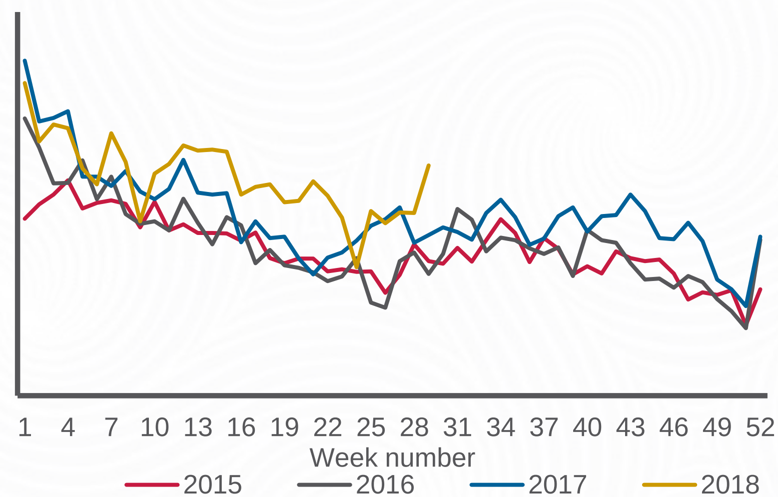
Website calls



Brochure requests



Appointments booked



Taylor Wimpey plc

Sales rates and landbank efficiency

H1 2018	Sites with an open outlet in period	Sales rate per site
Super large (751+)	22	1.53
Large (376-750)	33	1.14
Medium (201-375)	76	0.91
Small (1-200)	131	0.71
Total	**262**	**0.89**

- Just a snapshot to show how sales rates are progressing, particularly on larger sites
- Remains our view that there are long term volume upsides from taking a different approach to both customers and these sites
- There is, and will remain, significant variation by site but these averages give you a good perspective overall

Net private sales by price band

Net private sales	<£200k	£201k-£250k	£251k - £300k	£301k - £450k	£451k-£600k	£601k - £1m	>£1m	Total
North	999	769	613	421	28	5	-	2,835
Central and South West	329	366	413	787	123	13	-	2,031
London and South East	36	123	155	493	243	123	33	1,206
Total	**1,364**	**1,258**	**1,181**	**1,701**	**394**	**141**	**33**	**6,072**

Total	**22%**	**21%**	**20%**	**28%**	**6%**	**2%**	**1%**	**100%**

Outlook

- Employment prospects, mortgage availability and affordability all good by historic standards
- Help to Buy remains important differentiator in new build
- Base case still low house price growth overall – scale of future interest rate changes important
- Build pressures manageable
- Reduced competition and increased investment margins available in the land market
- Business well placed to perform well in all market conditions and on track to meet FY 18 expectations

Financial performance

Chris Carney
Group Finance Director

Taylor Wimpey plc

Summary Group results

£m (before exceptional items)	H1 2018	H1 2017	Change	FY 2017
Revenue	1,719.8	1,727.5	(0.4)%	3,965.2
Gross profit	445.0	443.7	0.3%	1,031.8
Gross profit margin %	25.9	25.7	0.2ppt	26.0
Operating profit*	344.3	350.5	(1.8)%	844.1
Operating profit* margin %	20.0	20.3	(0.3)ppt	21.3
Profit before tax and exceptional items	331.0	335.0	(1.2)%	812.0
Adjusted basic earnings per share* pence	8.2	8.3	(1.2)%	20.2
Tangible NAV per share* pence	100.3	94.0	6.7%	95.7
Return on net operating assets* %	30.9	30.9	-	32.5

* See definitions slide in the appendix

Prior period numbers have been restated to include the impact on adoption of IFRS 9 'Financial Instruments' and IFRS 15 'Revenue with contracts for customers', see slides 55 and 56 for more detail

UK performance summary

	H1 2018	H1 2017	Change	FY 2017
Legal completions – excl JVs	**6,367**	**6,580**	**(3.2)%**	**14,387**
Private	4,854	5,219	(7.0)%	11,602
Affordable	1,513	1,361	11.2%	2,785
Average selling price – excl JVs	**257**	**253**	**1.6%**	**264**
Private £000	295	287	2.8%	296
Affordable £000	135	123	9.8%	131
Legal completions – JVs	10	87	(88.5)%	154
Share of results – JVs £m	(2.1)	4.4	-	7.6
Gross profit margin %	**25.8**	**25.8**	**-**	**25.9**
Operating profit* £m	**334.8**	**347.7**	**(3.7)%**	**817.3**
Operating profit* margin %	**19.9**	**20.4**	**(0.5)ppt**	**21.1**

* See definitions slide in the appendix
Prior period numbers have been restated to include the impact on adoption of IFRS 9 ‘Financial Instruments’ and IFRS 15 ‘Revenue with contracts for customers’, see slides 55 and 56 for more detail

Indicative movements in UK operating profit* margin

H1 2017 to H1 2018	Annual change	Impact on H1 2018 income statement	
Market inflation on selling prices	c.3.0%**	1.8%	
Market inflation on build cost	c.3.5%	(1.8)%	
Net economic benefit captured		**0.0%**	
Market impact of landbank evolution		(0.1)%	
Net market impact			**(0.1)%**
Change in land mix			**0.1%**
Enhanced customer journey			**(0.1)%**
Affordable housing			**0.1%**
Net operating expenses			**(0.1)%**
Share of JV results			**(0.4)%**
Total operating profit* margin movement			**(0.5)%**

* See definitions slide in the appendix
** Source: Adjusted average of latest Nationwide regional data
Prior period numbers have been restated to include the impact on adoption of IFRS 9 ‘Financial Instruments’ and IFRS 15 ‘Revenue with contracts for customers’, see slides 55 and 56 for more detail

Cost and efficiency programme update

- No burning platform, and not much in the way of easy wins, but there are clear opportunities to improve productivity and procurement efficiency
- Strong underlying IT systems with the potential to support and drive efficiency with improved data analysis
- Addressable cost of £2.3 billion, excluding land
- Already progressing with some opportunities, and in the process of validating others, with improved technology being a key driver
- Expect validation of all opportunities to be complete by end of 2018
- Programme duration likely to be 2/3 years with majority of benefits captured in income statement between years 2 and 5

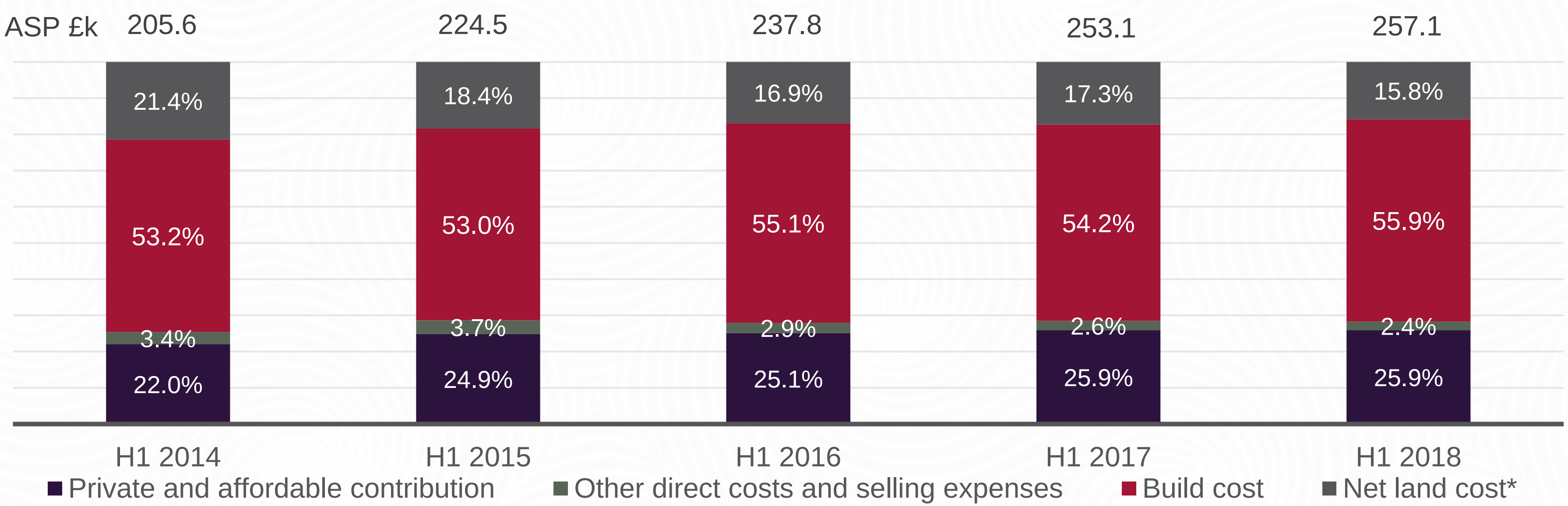
Systems and efficiency

	Why / opportunity	Results / benefits	Progress
Delivery Excellence	Significant inefficient paper-based admin processes on site. Mobile devices and apps solutions piloted successfully.	Improvement in production build quality and efficiency together with a reduction in avoidable costs.	Pilot completed, roll out imminent.
Commercial Excellence	Opportunity for automation of a number of inefficient manual commercial processes.	20-30% reduction in procure to pay process time across commercial and finance to re-focus resources to value-add activities.	In progress.
Procurement - Groundworks	Variable expertise in the commercial and engineering aspects of groundworks across Business Units.	Cost reductions via training, upskilling and leveraging TW expertise across the business.	In validation process.
Product standardisation	Opportunity to drive an increase in the proportion of standard houses at the same time as reducing standard house types from 112 to 47.	Increased repetition driving margin improvement from production and procurement efficiencies and avoidance of bespoke design costs.	In validation process.
Procurement - Materials	Currently c.600 suppliers and a range of prices paid for stock keeping units (SKUs).	Potential for savings from price, SKU and supplier rationalisation.	In validation process.

UK margin drivers and build cost

£000 per unit	H1 2014	H1 2015	H1 2016	H1 2017	H1 2018
ASP	205.6	224.5	237.8	253.1	257.1
Net land cost*	(44.1)	(41.3)	(40.3)	(43.7)	(40.6)
Build cost	(109.3)	(118.9)	(131.0)	(137.4)	(143.7)
Other direct cost and selling expenses	(6.9)	(8.4)	(6.8)	(6.5)	(6.2)
Private and affordable contribution	**45.3**	**55.9**	**59.7**	**65.5**	**66.6**

UK contribution analysis as a % of ASP



* NRV is wholly allocated to land costs in the income statement – comparable basis to peers

Exceptional item – ACM cladding

- Completed a review to identify all legacy and current buildings with Aluminium Composite Material (ACM) cladding
- We have followed the MHCLG advice relating to interim mitigation measures for buildings with ACM cladding and obtained professional advice from fire safety experts on what further steps to take for each building
- Provision of £30m before tax, relates to replacement of ACM cladding for those sites where it is right to do so
- Majority of the provision relates to the Glasgow Harbour development
  - Particular circumstances at Glasgow Harbour mean funding the replacement is the right course of action
  - Residents and owners were facing a very significant and unexpected cost
  - Unwilling to wait any longer for a solution which accommodates all private buildings

Summary Group balance sheet

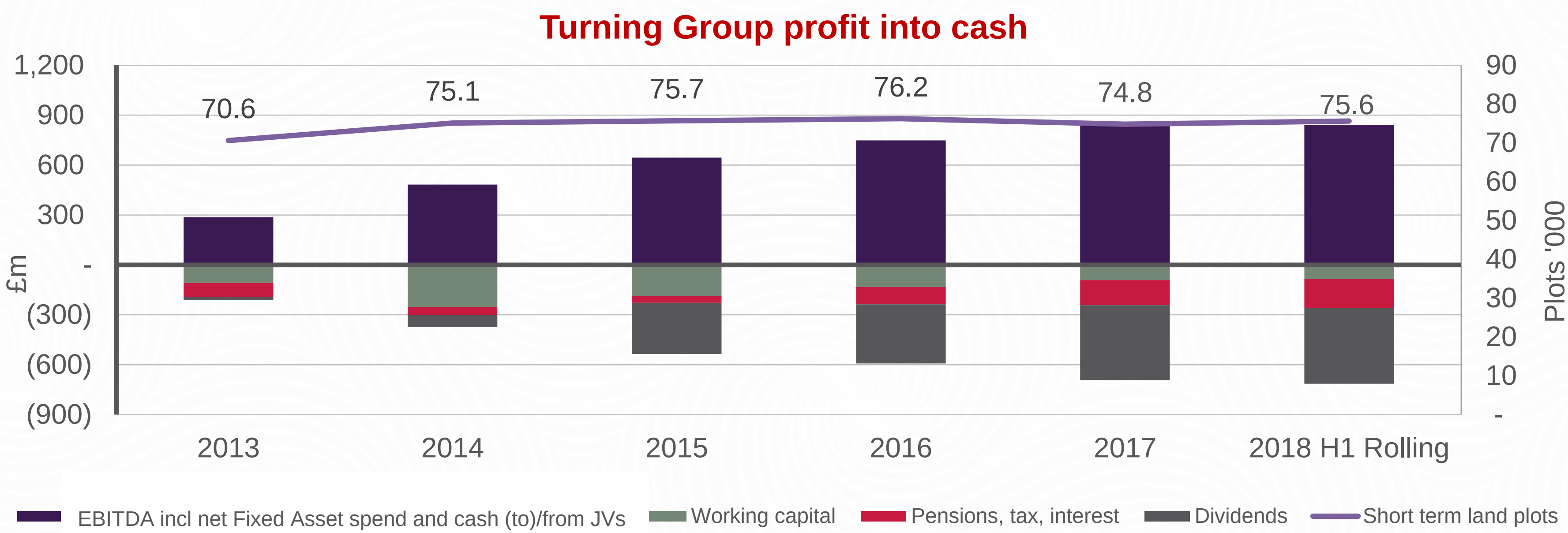
Group £m	1 July 2018	2 July 2017	Change	31 Dec 2017
Long term assets and JVs	124.8	81.0	54.1%	77.6
Land	2,746.3	2,593.9	5.9%	2,684.5
WIP	1,537.8	1,461.3	5.2%	1,391.2
Debtors	216.3	230.6	(6.2)%	182.3
Land creditors	(668.1)	(526.1)	27.0%	(639.1)
Other creditors	(926.7)	(901.6)	2.8%	(816.0)
Pensions and post retirement benefits	(56.3)	(130.2)	(56.8)%	(64.8)
Provisions	(191.7)	(162.8)	17.8%	(161.6)
Net operating assets*	**2,782.4**	**2,646.1**	**5.2%**	**2,654.1**
Accrued dividends	(340.0)	(300.0)	13.3%	-
Tax	(16.9)	3.8	-	(28.6)
Net cash	525.1	429.0	22.4%	511.8
Net assets	**2,950.6**	**2,778.9**	**6.2%**	**3,137.3**
Tangible NAV per share*	**100.3p**	**94.0p**	**6.3p**	**95.7p**

- Net operating asset* growth of 5.2%
- Net asset growth pre dividend distribution of 24.0%
- Tangible NAV per share* growth of 6.7%

* See definitions slide in the appendix

Cash management

UK metrics	H1 2015	H2 2015	H1 2016	H2 2016	H1 2017	H2 2017	H1 2018
Completions (excl JVs)	5,842	7,377	6,019	7,789	6,580	7,807	6,367
Total sq ft per unit	1,031	1,027	1,033	1,013	1,008	1,018	1,023
ASP £ per sq ft	218	228	230	265	251	269	251
Build cost £ per sq ft	(116)	(123)	(127)	(142)	(136)	(147)	(140)
Land cost £ per sq ft	(42)	(41)	(39)	(49)	(43)	(46)	(40)
% private apartments	11%	15%	10%	17%	15%	16%	10%
WIP turn*	3.00x	3.10x	2.69x	3.00x	2.81x	2.95x	2.68x



* See definitions slide in the appendix

** Adjusted EBITDA includes fixed asset (spend) / proceeds and cash flows (to) / from JVs

Taylor Wimpey plc

Pensions

- Technical deficit assessed at 31 March was £23 million
- Bullet payment to fully fund paid in April 2018
- No further contributions expected in 2018 as payments do not resume until scheme is less than 96% funded
- IFRIC 14 deficit of £55 million on balance sheet represents present value of future payments from the asset backed funding scheme of £5.1 million and committed administration costs

Dividend payment profile

Paid (or to be paid) per share (pence)	FY 2019***	FY 2018	FY 2017	Change FY 2017 to FY 2018
Ordinary dividend*	c.7.6	4.9	4.6	6.5%
Special dividend**	c.10.7	10.4	9.2	13.0%
Total	c.18.3	15.3	13.8	10.9%

Paid (or to be paid) (£m)	FY 2019***	FY 2018	FY 2017	Change FY 2017 to FY 2018
Ordinary dividend*	c.250	c.160	150	6.7%
Special dividend**	350	340	301	13.0%
Total	c.600	c.500	451	10.9%

- As announced previously, ordinary dividend increased to c.7.5% of net assets, c.£250 million per year, from 2019
- 2018 interim dividend of 2.44 pence per share to be paid on 9 November 2018
- Special dividend of £350m will be paid in July 2019 subject to AGM approval

* Includes interim and final dividends for the year
** Additional cash returns for the year
*** 2019 is indicative, subject to shareholder approval

Summary

- Key priorities:
  - Driving business improvement through application of technology
  - Reducing inefficiency in our core processes to drive productivity
  - Getting the most out of the investment we've made in our IT systems

Business improvement and strategic goals

Pete Redfern
Chief Executive

Taylor Wimpey plc

Strategy summary

- Long term direction focused on identifying customer needs and aspirations and delivering them in a commercially sound way
- Build on existing strategic land assets and skills, and work our land harder in a less constrained land environment
- Invest in the build and delivery capacity of the business to enable increased production, quality and flexibility over the medium and long term
- Continue to deliver high margins, and improving returns on capital
- Maintain a cyclically cautious approach, with a strong balance sheet and appropriate cash returns to investors
- Build a sector leading, customer-centric, highly professional, robust business model that can take advantage of long term demand and be much better able to flex to meet short term threats

From reactive and reactionary to proactive and innovative

2008

2018

2028

Strategy implementation - business improvement

Customer and communities

Land and planning

Production and supply chain

People and culture

Systems and efficiency

Customers and communities

	Why / opportunity	Results / benefits	Progress
Enhancements to customer service teams and processes	Focusing on improving the product and service through enhanced structure and implementation of Home Quality Inspection (HQI) process.	90% ‘Would you Recommend’ score in H1 2018 – up from 86% in 2016.	Started in 2016 – investment complete, now ‘tweaking’.
Options online	Moving from paper selection to online option configurator, allowing customers to personalise and visualise their options in their own homes and create a wish list of options. Enables customers to review option choices at a time and location convenient to them.	We believe this will enhance the customers journey and relieve Sales Executives’ management time. Touchpoint adoption on the pilot has increased by 15%.	Trialled in three regions.
Customer service portal	Guiding customers through their own personalised customer journey.	Customer usage is holding at 65 - 70% of plots accessing the portal.	Fully rolled out to all Business Units.
Sales areas	Reviewing our whole customer offering and experience. Enhancing our customer digital experience via marketing.	Reviewing opening hours and resource to make sure we have the right skills and knowledge and staff levels to offer the right experience. Reviewing the show homes to allow customers to make the most of their time during a visit.	Initiatives trialled and tested.
Springboard, Private Rented Sector (PRS)	Testing widening routes to market – giving customers more choices, sharing financial responsibility to increase accessibility for customers and making the business more resilient in weaker market conditions.	Springboard – rent to buy product (pilot identified of 14 plots). £100 million previously announced earmarked for investment in PRS.	Springboard pilot to be launched in Aug 2018.

Customers and communities

	Why / opportunity	Results / benefits	Progress
Standard house type range	Increased efficiency for site management teams and subcontractors and better design for customers. Introducing new standard apartment range for first time.	Using post occupancy research and customer research to improve the customer offering. Reducing from 112 house types to 47. Cost control and increased durability.	Consolidation completed, being used on current applications. New apartments due in 2019.
New house type range	Following the consolidation of existing house types above, we are starting to review the range from first principles. A new house type range now provides the opportunity to create a customer-centric range, and seize the opportunity offered by an increasing awareness internally, of the value of design in placemaking and community building.	A refreshed product range benefiting from updated understanding of what our customers want, enhanced urban design and placemaking capability, supply chain and production efficiencies. Combination of customer satisfaction and sales and pricing effectiveness.	Detailed design and prototyping complete by summer 2019.
New media strategy	Continuation of switch away from both traditional media and comparison marketing websites to provide customers with information directly and in a high quality way.	Customer service and cost efficiency.	Strategy in place and commenced. Continuous improvement.

Land and planning

	Why / opportunity	Results / benefits	Progress
Advances to community engagement	Social media trials via Facebook and Instagram in order to increase our reach within communities and modernise our engagement approach.	Results have to date been variable dependent upon scheme size and platform, the lessons learned from previous trials are however now being applied.	Ongoing – second wave of trials.
Reinvestment and restructure in strategic land team	Restructure of strategic land teams to enhance coverage particularly in South East. Significant increase in recruitment, including strategic land graduate scheme.	Ensure highest quality people, and that structure ties into strategic allocation of capital.	Structure changes done, most roles filled, graduate program entering year three.
Placemaking project	Increase focus by training and communication of placemaking skills. Aim to increase the long term quality of developments for the benefit of customers and communities.	Customer care and better communities. Sales rates and future planning reputation. Increased awareness of benefits within the business and beyond.	Detailed workshops and training delivered via e-learning platforms. Timing to support roll out of new house type range.
Major Developments	New business focused on strategic partnerships, large complex sites and placemaking.	Create centre of excellence for these skills, and enable business to become best in class in an increasingly important area. Financial focus on superior returns due to capital structure.	First sites acquired and delivering legal completions. Part of ongoing strategy.
Project Management Improvement Plan (PMIP)	Objective to professionalise project management within the business. Looking at inception of site through to build start, streamlining process and improving communication between departments.	Increase: pace of outlet delivery, quality of outlet delivery and the quality of site start. Better sites quicker!	Training phase complete and PMIP Leads in place in all businesses. Improvements evidenced by design to build audits.

Outlet openings – a zero sum choice?

Production and supply chain

	Why / opportunity	Results / benefits	Progress
Consistent quality approach	Framework to define consistent finishing standard shared with subcontractors.	Collaboration between production and customer service to ensure that local teams recognise and maintain a robust understanding of quality.	Implemented in 2018.
Quality assurance	Setting the quality standard of build, processes and documentation.	A cross functional group has been set up ensuring touchpoints of quality and creating ongoing feedback loop.	Construction spec complete. Trade spec nearing completion.
Production efficiency	Reduction in both time and variation in build durations for standard product through enhanced project management, training and sharing best practice.	Increased capital efficiency and reduced prelims.	In validation process.
Supply Chain / Taylor Wimpey Logistics	Cost efficiencies and economies of scale. Securing - 'protection' of critical materials on fast moving sites.	Partnering agreements to ensure quality outcomes.	New role of Research and Development Manger to deliver quality and efficiency focused solutions in collaboration with supply chain.

Production and supply chain

	Why / opportunity	Results / benefits	Progress
Timber frame project	Reducing reliance on masonry build / materials, decreasing build time.	20% target by 2020.	Consolidated standard house type range conversion complete and on target.
Direct labour	Investing in recruiting and developing inhouse trades / expertise, reducing reliance on subcontractors and impact of skills shortage. Adding to TW culture. Focusing on bricklayer, carpenters, scaffolders, painters and roofers.	Increase delivery effectiveness and efficiency. Moving to a hybrid model - mix of experienced and non-experienced trades. Planning ahead - 1 to 5 years.	Already successful in the North – target to increase to 30% of TW employees by 2021. Looking at infrastructure to support increase in direct labour e.g. systems and recruitment and impact on site development.
Project 2020	Trialling innovation, research and development.	Reviewing design changes and build approaches and testing these through targeted customer engagement, build and liveability assessments including those of new methods of construction.	Prototypes being built on three sites, including two in modern methods of construction.

Production – Project 2020

Taylor Wimpey plc

People and culture

	Why / opportunity	Results / benefits	Progress
Culture development	Evolve a highly engaged workforce to ensure we create a business environment which is sustainable in what and how we deliver for our customers.	Brings into focus the way we collaborate and innovate. Culturally adapting in line with employee expectations in 'how' they want to engage. Sharing of best practice.	Regional focus groups underway – understanding our aspirational employer brand. Review the 'barriers' to collaboration. Trialling social media to share ideas.
Entry level programmes (graduate, management trainee, apprenticeships)	Redesigned programmes aligning to future business skills, improving the breadth of operational understanding.	Increase the succession into both leadership and functional roles. Ensuring we take a longer term view on careers vs role through developing greater versatility and breadth of knowledge. Planned succession in the 'skilled shortage roles'.	Graduate programme updated in 2017/18. New management trainee programme due to launch Aug 2018. New apprenticeship support structures being trialled on site.
Investment in Training Academies (Sales, Customer Service, Production, Design)	Training our staff in key areas, providing them with appropriate skills and professional qualifications.	Drives certainty as to the skills required when new in role. Provides further development opportunities as individuals become more experienced in role. Provides clear development paths for those who wish to progress their careers. Ensures consistency of delivery.	Production – 181 in progress/68 complete. Design – 61 in progress/136 complete. Sales – 236 in progress/23 complete. Customer Service – 164 in progress.

People and culture continued

	Why / opportunity	Results / benefits	Progress
Leadership programmes	Provision of leadership development from a first time line manager to senior leader – ensuring a strong succession pipeline.	Ensuring alignment of values in 'how' we lead the business. Develops business breadth beyond the traditional 'functional expertise'. Creates leaders who are free to challenge, drive change, take managed risks and champion continued improvement.	Continued commitment to leadership programmes introduced in 2017 (MD, RD, Line Manager) – 237 completed. Pilot of FastTrack programmes. Introduced new development portal.
Induction programme	Development of comprehensive induction process.	Drives consistency of understanding to the business, our commitment to our customers and the 'ways of working' in line with our values. Enhanced employee experience – building our employer brand.	Designed and launched online materials for regional use. MD induction now available.

Medium and long term goals

- Building a business that is more **connected with its customers** and **communities** than any currently in the sector

- Creating a long term **growth** platform that is more **agile** and **responsive** to a fundamentally attractive market

- Reducing risk and becoming more **resilient** to changing conditions by aligning genuinely with all key stakeholders, and having a driving social purpose

- Energising our people to create a **high performance**, high return, **cash generative** business

Political environment

- Political focus has been distracted by the Government debates over Brexit
  - Probably delayed a HTB decision, although we do expect this in H2
  - Letwin Review timeline has not particularly been affected
  - Delayed changes to NPPF which have now been finalised

- Output of analysis stage of Letwin Review
  - Potential for increase in output from existing large sites with planning owned by major housebuilders
  - Major barrier to this increase is ‘sales absorption at current prices’
  - Does not believe that distorting local prices negatively is a desirable outcome
  - ‘No evidence that major housebuilders are guilty of speculative landbanking’ and ‘it would not be consistent with their business models’
  - Next stage is policy recommendations prior to Autumn Budget

- New National Planning Policy Framework (NPPF)
  - Formalised, standard Housing Delivery Test – with teeth if not being met
  - Increased focus on design and quality
  - Renewed (or return to) focus on environmental performance including climate change and flooding

Summary

- Investments made in customer service and to key processes starting to pay off
- Focused on improving every aspect of the business, with customer focus as a catalyst
- Taking a more proactive approach – becoming more challenging and innovative
- Strategic goal is to create a business with the long term ability to grow in an agile, high-quality way
- Additional benefits and efficiencies to come longer term from key investments already made – e.g. technology and people

Q & A

Future investor communications

13 November 2018	Trading update
9 January 2019	Trading update
27 February 2019	Full year results 2018

Taylor Wimpey plc

Taylor Wimpey plc

Half Year Results Presentation
for the half year ended 1 July 2018

Appendices

Summary income statement*

Group £m	H1 2018	H1 2017	Change	FY 2017
Revenue	1,719.8	1,727.5	(0.4)%	3,965.2
Cost of sales	(1,274.8)	(1,283.8)	(0.7)%	(2,933.4)
Gross profit	**445.0**	**443.7**	**0.3%**	**1,031.8**
Net operating expenses	(98.6)	(97.6)	1.0%	(195.3)
Profit on ordinary activities before finance costs and tax	**346.4**	**346.1**	**0.1%**	**836.5**
Net finance cost	(13.3)	(15.5)	(14.2)%	(32.1)
Share of results of JVs	(2.1)	4.4	-	7.6
Profit before tax	**331.0**	**335.0**	**(1.2)%**	**812.0**
Tax charge	(61.9)	(63.9)	(3.1)%	(151.7)
Profit for the period	**269.1**	**271.1**	**(0.7)%**	**660.3**

* Before exceptional items
Prior period numbers have been restated to include the impact on adoption of IFRS 9 'Financial Instruments' and IFRS 15 'Revenue with contracts for customers', see slides 55 and 56 for more detail.

Summary of impact of IFRS 16 on H1 2018

- The Group has chosen to early adopt IFRS 16 ‘Leases’ from 1 January 2018.
- IFRS 16 requires the value of all assets held under lease agreements across the Group to be capitalised and an associated lease liability recognised which is equal to the present value of the lease commitment.
- The modified retrospective approach adopted by the Group means there is no restatement of prior period numbers. The cumulative impact of £1.5 million has been recognised through reserves in H1 2018.
- The impact on the H1 2018 results and financial position of the Group are as follows:

£ million	Right-of-use assets	Lease Liabilities	Other*	Retained earnings
Adjustments on transition at 1 January 2018	26.5	(28.5)	0.5	1.5
Movements in the period	3.2	(1.1)	(2.5)	0.4
At 1 July 2018	**29.7**	**(29.6)**	**(2.0)**	**1.9**

* Other includes trade and other receivables, trade and other payables, provisions and deferred tax assets

Summary of impact of restatements H1 2017

- The impact of the accounting standards adopted in 2018 on the Group's H1 2017 income statement* and key metrics is as follows:

Group £m	Published	IFRS 9 impact	IFRS 15 impact	Restated
Revenue	1,727.5	-	-	1,727.5
Cost of sales	(1,283.5)	(0.3)	-	(1,283.8)
Gross profit	**444.0**	**(0.3)**	**-**	**443.7**
Net operating expenses	(99.4)	0.3	1.5	(97.6)
Profit on ordinary activities before finance costs and tax	**344.6**	-	**1.5**	**346.1**
Net finance costs	(14.0)	-	(1.5)	(15.5)
Share of results of JVs	4.4	-	-	4.4
Profit before tax	**335.0**	**-**	**-**	**335.0**
Gross profit margin %	25.7%	-	-	25.7%
Operating profit margin %	20.2%	-	0.1%	20.3%
Return on net operating assets %	30.8%	-	0.1%	30.9%

* Before exceptional items

There is no impact on the balance sheet on adoption of IFRS 9 or IFRS 15

Summary of impact of restatements 31 December 2017

- The impact of the accounting standards adopted in 2018 on the Group's 31 December 2017 income statement* and key metrics is as follows:

Group £m	Published	IFRS 9 impact	IFRS 15 impact	Restated
Revenue	3,965.2	-	-	3,965.2
Cost of sales	(2,932.2)	(1.2)	-	(2,933.4)
Gross profit	**1,033.0**	**(1.2)**	**-**	**1,031.8**
Net operating expenses	(199.4)	1.2	2.9	(195.3)
Profit on ordinary activities before finance costs and tax	**833.6**	-	**2.9**	**836.5**
Net finance costs	(29.2)	-	(2.9)	(32.1)
Share of results of JVs	7.6	-	-	7.6
Profit before tax	**812.0**	**-**	**-**	**812.0**
Gross profit margin %	26.1%	-	(0.1)	26.0%
Operating profit margin %	21.2%	-	0.1%	21.3%
Return on net operating assets %	32.4%	-	0.1%	32.5%

* Before exceptional items
There is no impact on the balance sheet on adoption of IFRS 9 or IFRS 15

Cash flow summary

Group £m	H1 2018	FY 2017	H2 2017	H1 2017
Profit from ordinary activities before finance costs*	316.4	706.5	490.4	216.1
(Increase) / decrease in inventories	(187.0)	(61.7)	75.5	(137.2)
Exceptional items	30.0	130.0	-	130.0
Other operating items**	35.6	(38.9)	(36.2)	(2.7)
Cash generated by operations	**195.0**	**735.9**	**529.7**	**206.2**
Payments relating to exceptional charges	(8.9)	-	-	-
Tax paid	(64.1)	(126.7)	(65.3)	(61.4)
Interest paid	(3.8)	(5.1)	(2.3)	(2.8)
Net cash from operating activities	**118.2**	**604.1**	**462.1**	**142.0**
Investing activities	(20.9)	4.6	7.5	(2.9)
Financing activities	(83.0)	(460.2)	(384.7)	(75.5)
Cash flow for the period	**14.3**	**148.5**	**84.9**	**63.6**

Net cash b/f	**511.8**	**364.7**	**429.0**	**364.7**
Cash inflow	14.3	148.5	84.9	63.6
FX and fair value adjustments	(1.0)	(1.4)	(2.1)	0.7
Closing net cash	**525.1**	**511.8**	**511.8**	**429.0**

* See definitions slide in the appendix

** Includes other non-cash items, movement in receivables and payables and pension contributions

Prior period numbers have been restated to include the impact on adoption of IFRS 9 ‘Financial Instruments’ and IFRS 15 ‘Revenue with contracts for customers’, see slides 55 and 56 for more detail.

Group segmental analysis

	H1 2018			H1 2017			FY 2017		
	Operating profit* £m	Operating profit* margin %	RONOA* %	Operating profit* £m	Operating profit* margin %	RONOA* %	Operating profit* £m	Operating profit* margin %	RONOA* %
North	133.4	20.9	33.8	144.8	22.8	34.3	294.9	22.1	35.6
Central and South West	150.3	25.3	42.5	130.5	24.6	36.3	318.0	24.6	43.0
London and South East	86.7	19.3	22.1	112.4	21.2	27.1	271.4	22.0	25.9
Corporate	(35.6)	-	-	(40.0)	-	-	(67.0)	-	-
UK	**334.8**	**19.9**	**30.3**	**347.7**	**20.4**	**30.7**	**817.3**	**21.1**	**32.1**
Spain	9.5	25.1	56.3	2.8	11.4	36.8	26.8	28.5	52.4
Group	**344.3**	**20.0**	**30.9**	**350.5**	**20.3**	**30.9**	**844.1**	**21.3**	**32.5**

* See definitions slide in the appendix
Prior period numbers have been restated to include the impact on adoption of IFRS 9 ‘Financial Instruments’ and IFRS 15 ‘Revenue with contracts for customers’, see slides 55 and 56 for more detail

Taylor Wimpey plc

North Division – segmental analysis

As at 1 July 2018	Scotland, North Yorkshire and North East	North West and Yorkshire	Midlands	North Division H1 2018	North Division FY 2017
Number of outlets	56	44	43	**143**	143
Private sales rate (net)	0.76	0.83	0.69	**0.76**	0.72
Completions	1,119	923	842	**2,884**	6,076
Average selling price on completions £000	222	204	229	**218**	217
Net operating assets* £m	364.7	228.9	270.0	**863.6**	840.7

Data based on completions excluding JVs
* See definitions slide in the appendix

Taylor Wimpey plc

Central and South West Division – segmental analysis

As at 1 July 2018	East and Central	Wales and West	Central and South West Division H1 2018	Central and South West Division FY 2017
Number of outlets	46	31	**77**	83
Private sales rate (net)	0.94	1.04	**0.99**	0.87
Completions	1,304	1,032	**2,336**	5,135
Average selling price on completions £000	269	222	**247**	250
Net operating assets* £m	416.9	365.7	**782.6**	749.8

Data based on completions excluding JVs
* See definitions slide in the appendix

London and South East Division – segmental analysis

As at 1 July 2018	South East excl. London market†	London market†	London and South East Division H1 2018	London and South East Division FY 2017
Number of outlets	40	18	**58**	52
Private sales rate (net)	0.75	0.90	**0.80**	0.77
Completions	836	311	**1,147**	3,176
Average selling price on completions £000	317	528	**374**	378
Net operating assets* £m	451.2	684.5	**1,135.7**	1,056.7

Data based on completions excluding JVs
* See definitions slide in the appendix
† The London market includes the area inside the M25

Taylor Wimpey plc

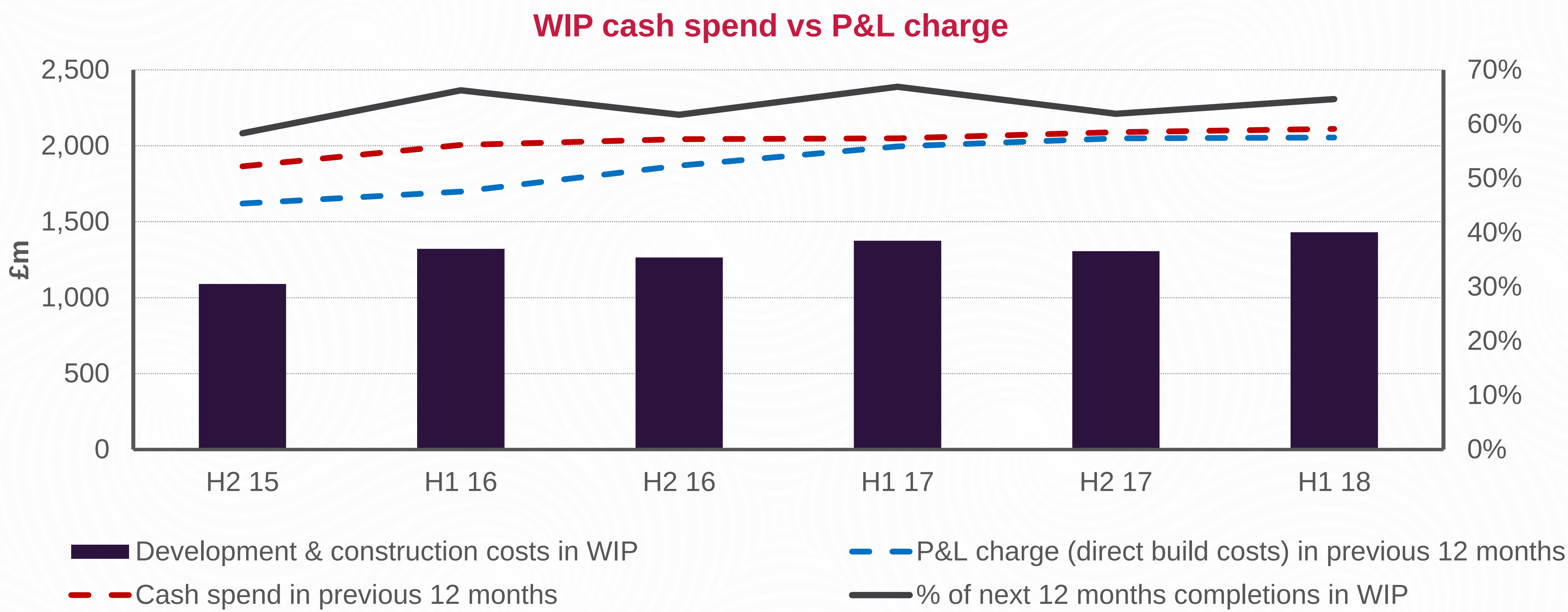
Tax

Asset / (liability)	Current tax £m	Deferred tax £m	Net tax £m
As at 1 January 2018	(57.9)	29.3	(28.6)
Income statement*	(54.9)	(1.6)	(56.5)
SOCI / SOCIE	0.7	3.4	4.1
Cash paid	64.1	-	64.1
As at 1 July 2018	(48.0)	31.1	(16.9)

- Pre-exceptional underlying tax rate of 18.7% (H1 2017: 19.1%)
- Expect future underlying tax rate to largely reflect the UK statutory rate
- Exceptional tax credit of £5.4m relating to ACM cladding provision

* Including tax on exceptional items

Managing UK working capital



	H1 2015	H2 2015	H1 2016	H2 2016	H1 2017	H2 2017	H1 2018
Completions	5,842	7,377	6,019	7,789	6,580	7,807	6,367
Total sq ft per unit	1,031	1,027	1,033	1,013	1,008	1,018	1,023
ASP £ per sq ft	218	228	230	265	251	269	251
Build cost £ per sq ft	(116)	(123)	(127)	(142)	(136)	(147)	(140)
Land cost £ per sq ft	(42)	(41)	(39)	(49)	(43)	(46)	(40)
% private apartments	11%	15%	10%	17%	15%	16%	10%

Movement in Group net assets

	H1 2018 rolling 12 months £m	H1 2017 rolling 12 months £m	Breakdown of movement %
Opening net assets	**2,778.9**	**2,592.2**	**N/A**
Pre-exceptional net earnings	658.3	647.5	23.7%
Net impact of exceptional items	(24.2)	(107.6)	(0.9)%
Actuarial gains after tax	31.0	30.8	1.1%
Net share scheme and other movements	2.1	8.3	0.1%
Returns to shareholders	(495.5)	(392.3)	(17.8)%
Closing net assets	**2,950.6**	**2,778.9**	**6.2%**
Add back returns to shareholders	495.5		17.8%
Closing net assets pre returns to shareholders	**3,446.1**		**24.0%**

UK net operating assets

£m	1 July 2018	2 Jul 2017	31 Dec 2017
Fixed assets	54	26	27
Investment in JVs	70	55	51
Land	2,635	2,503	2,596
WIP	1,478	1,401	1,337
Total inventories	**4,113**	**3,904**	**3,933**
Debtors	214	228	180
Land creditors	(641)	(501)	(618)
Other creditors	(845)	(832)	(750)
Total creditors	**(1,486)**	**(1,333)**	**(1,368)**
Pension liability and PRMA	(56)	(131)	(65)
Provisions	(189)	(160)	(159)
Net operating assets*	**2,720**	**2,589**	**2,599**

* See definitions slide in the appendix

Financing

- Net cash at 1 July 2018: £525.1m (31 Dec 2017: £511.8m, 2 July 2017: £429.0m)
- Adjusted gearing* (net debt plus land creditors): 4.8% (31 Dec 2017: 4.1%, 2 July 2017: 3.5%)
- Average net cash: £360.6m (2017: £186.5m, 2 July 2017: £223.8m)
- Borrowings and facilities:
  - Fully undrawn £550m Revolving Credit Facility now expiring February 2023 following a recent extension
  - €100m Senior Loan Notes due June 2023 issued 28 June 2016 at a fixed coupon of 2.02% pa and is being used to hedge the investment in our Spanish business
  - Weighted average life of committed facilities 4.7 years

* See definitions slide in the appendix

Finance charges

£m	H1 2018	H1 2017	Change	FY 2017
Financial indebtedness	2.7	2.8	(3.6)%	6.0
Land creditor unwind	9.3	10.0	(7.0)%	20.7
Pensions	0.7	3.1	(77.4)%	5.9
Other	1.6	-	-	(0.3)
Total	**14.3**	**15.9**	**(10.1)%**	**32.9**

Prior period numbers have been restated to include the impact on adoption of IFRS 9 ‘Financial Instruments’ see slides 55 and 56 for more detail.

Pensions

Movement in present value of defined benefit obligations

Total UK £m	H1 2018	FY 2017	FY 2016	FY 2015
IAS 19 (surplus) / deficit brought forward	**(23.9)**	**232.7**	**177.1**	**182.4**
Employer contributions*	(33.1)	(23.1)	(23.1)	(23.1)
Administration cost	1.5	3.0	3.3	3.2
Interest cost	0.7	5.9	6.1	6.0
Actuarial changes and asset performance	(51.0)	(242.4)	69.3	8.6
IAS 19 (surplus) / deficit	**(105.8)**	**(23.9)**	**232.7**	**177.1**
Adjustment for IFRIC 14	161.0	87.6	-	-
Carried forward deficit	**55.2**	**63.7**	**232.7**	**177.1**

* Includes £5.1m paid through the Pension Funding Partnership structure in 2018 (2017: £5.1m)

UK land commitments

£m	< 1 yr	1-2 yrs	2-5 yrs	5+ yrs	As at 1 July 2018	As at 31 Dec 2017
Committed cash payments in respect of unconditional land contracts	345	149	149	31	**674**	650
Expected cash payments in respect of conditional land contracts	53	63	51	87	**254**	337

- Included in unconditional land contracts at 1 July 2018 are UK overage commitments of £113m (31 December 2017: £117m)

UK land portfolio – net cost

£m	1 July 2018 Owned	1 July 2018 Controlled	1 July 2018 Total	31 Dec 2017 Total
Detailed planning	1,927	15	**1,942**	1,884
Outline planning	440	62	**502**	496
Resolution to grant	17	21	**38**	42
Sub-total	**2,384**	**98**	**2,482**	**2,422**
plots	*56,828*	*18,789*	***75,617***	*74,849*
Strategic	75	76	**151**	159
plots	*25,404*	*92,722*	***118,126***	*117,245*
Total	**2,459**	**174**	**2,633**	**2,581**

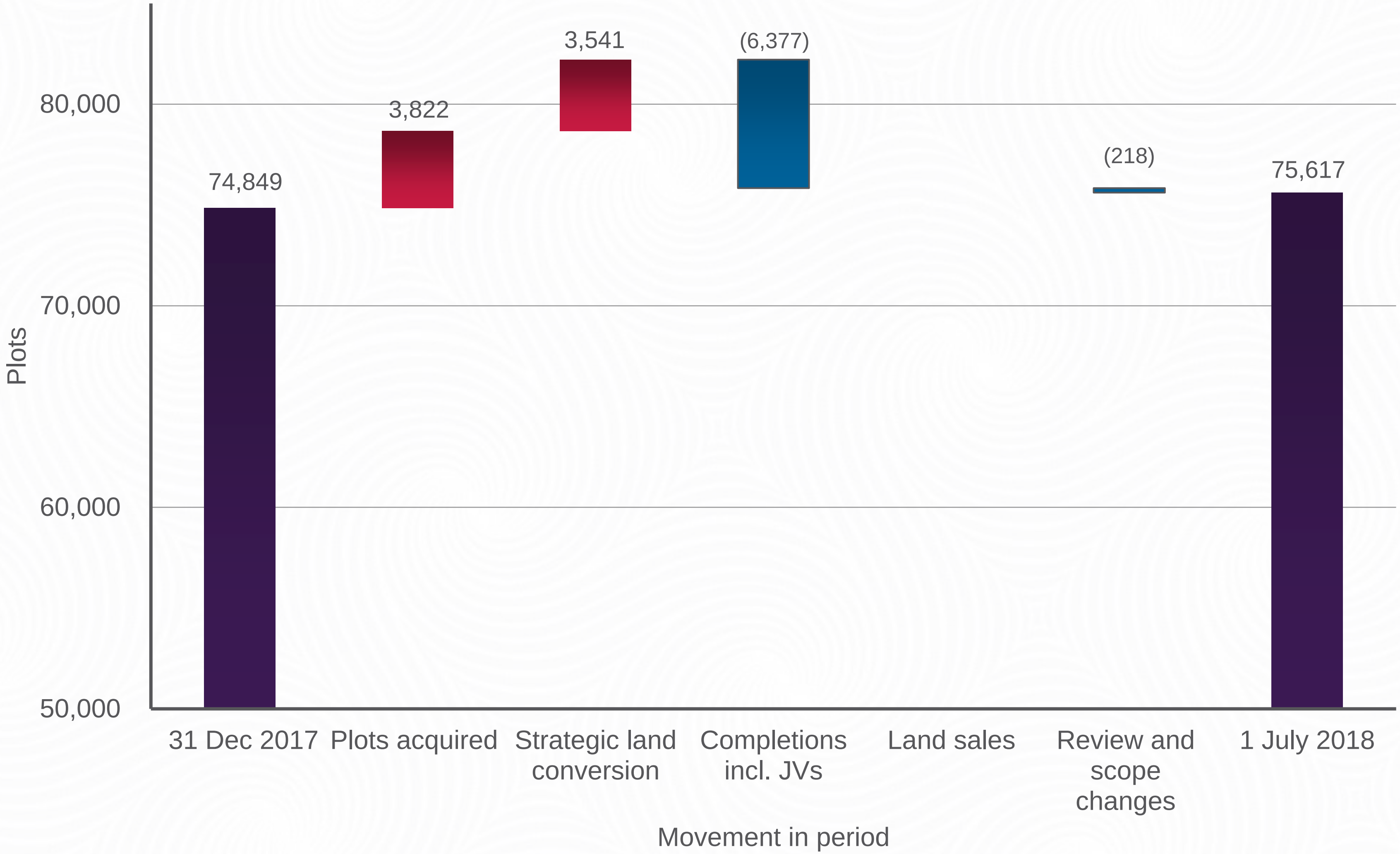
Of the short term owned and controlled land portfolio:

- 50% - post 2009 strategic land
- 34% - post 2009 short term land
- 16% - pre 2009 land

Includes JV plots at no cost, excludes land with less than 50% certainty of achieving planning permission
NRV is wholly allocated to land, comparable basis to peers

Taylor Wimpey plc

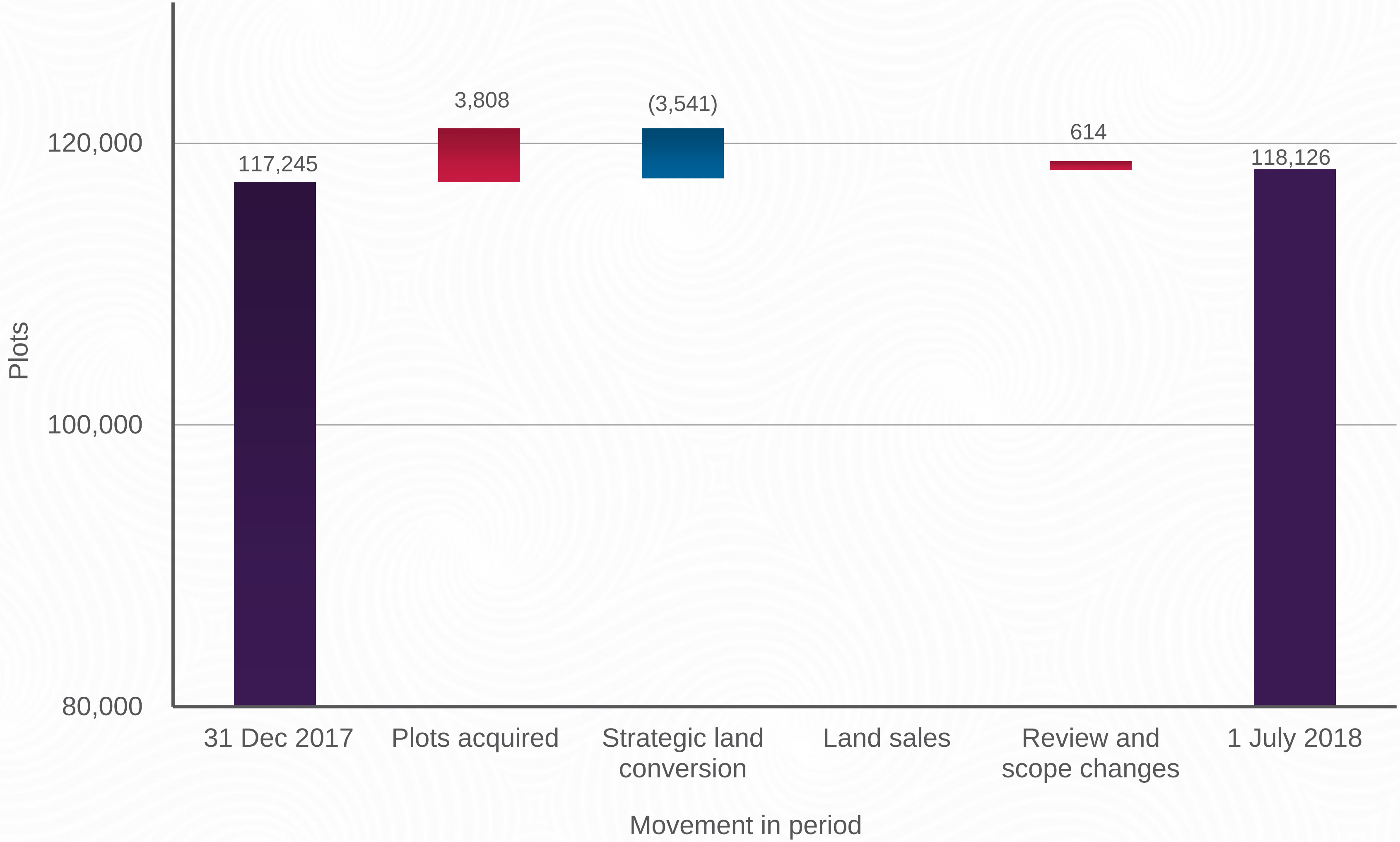
UK short term landbank



Data includes JV plots

Taylor Wimpey plc

UK strategic pipeline



Excludes land with less than 50% certainty of achieving planning permission
Data includes JV plots

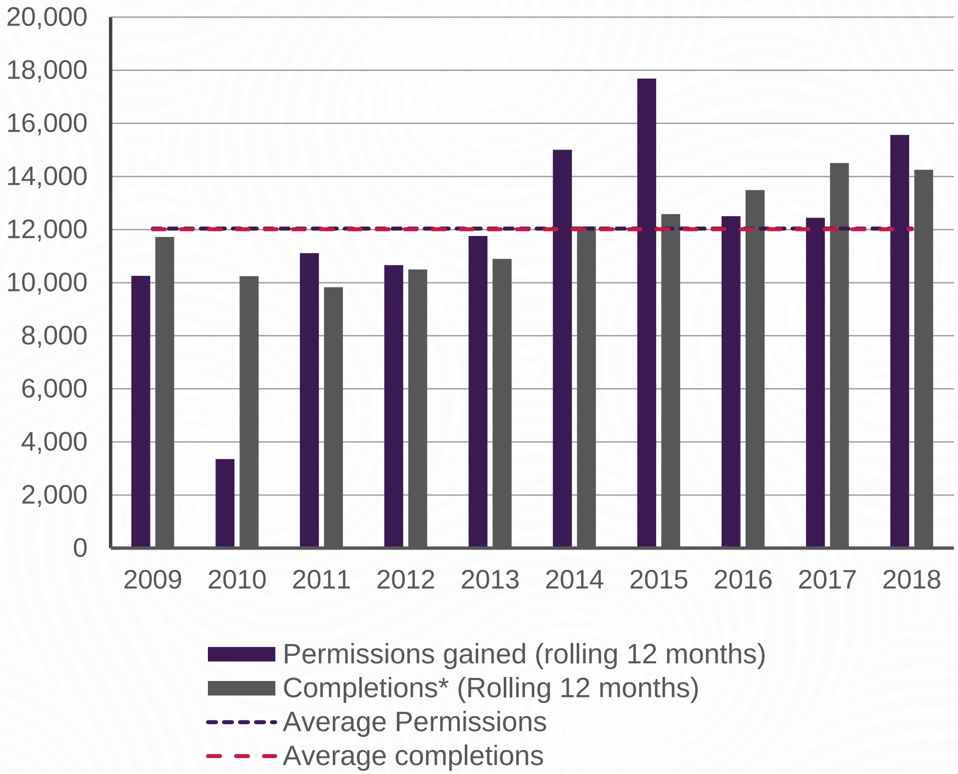
UK land pipeline

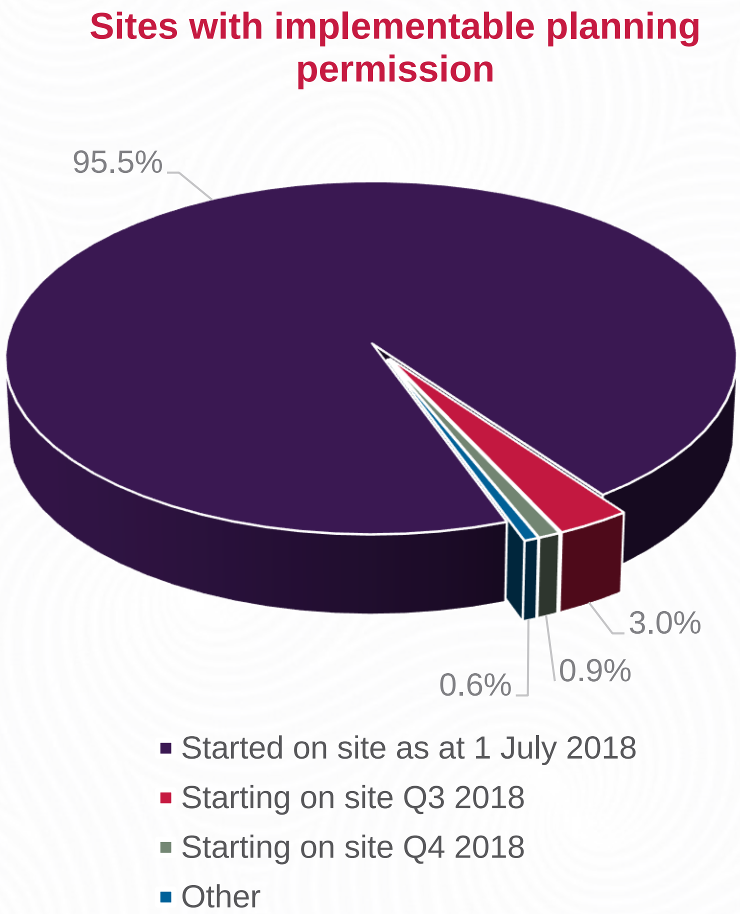
Plots	1 July 2018 Owned	Controlled	Total	31 Dec 2017 Total
Detailed planning	42,255	2,509	44,764	46,320
Outline planning	12,424	7,433	19,857	19,931
Resolution to grant	2,149	8,847	10,996	8,598
Short term	**56,828**	**18,789**	**75,617**	**74,849**
Short term with implementable planning	**41,816**	**-**	**41,816**	**42,094**
Allocated strategic*	5,401	10,374	15,775	16,121
Non-allocated strategic*	20,003	82,348	102,351	101,124
Strategic	**25,404**	**92,722**	**118,126**	**117,245**
Total	**82,232**	**111,511**	**193,743**	**192,094**

- Acquired 3,822 plots in the short term land market during H1 2018 at c.27% contribution margin** and c.32% ROCE**
- Converted 3,541 strategic pipeline plots into the short term landbank in H1 2018
- 59% of H1 2018 completions were sourced from the strategic land pipeline

Data includes JV plots
* Excludes land with less than 50% certainty of achieving planning permission
** See definitions slide in the appendix

UK planning permissions





- Average detailed planning permissions achieved - *Intake*
- Average completions / detailed planning permissions implemented - *Output*

* Data includes JV plots

Taylor Wimpey plc

North Division - land

As at 1 July 2018	Scotland, North Yorkshire and North East	North West and Yorkshire	Midlands	North Division H1 2018	North Division FY 2017
Short term owned and controlled land portfolio plots	13,062	8,863	7,850	**29,775**	27,821
Land portfolio years	5.7	4.9	4.2	**5.0**	4.6
Cost per plot £000*	30.0	24.7	37.2	**30.4**	31.0
ASP in short term owned land portfolio £000	242	206	228	**228**	219
Average land cost as a % of ASP	12.4%	12.0%	16.3%	**13.3%**	14.2%
Strategic land plots (> 50% probability)	33,278	17,757	13,442	**64,477**	63,550

* Based on short term owned plots. NRV is wholly allocated to land, comparable basis to peers

Central and South West Division - land

As at 1 July 2018	East and Central	Wales and West	Central and South West Division H1 2018	Central and South West Division FY 2017
Short term owned and controlled land portfolio plots	16,964	15,136	**32,100**	32,788
Land portfolio years	6.0	6.2	**6.1**	6.4
Cost per plot £000*	36.5	31.9	**34.3**	32.1
ASP in short term owned land portfolio £000	288	259	**274**	264
Average land cost as a % of ASP	12.7%	12.3%	**12.5%**	12.2%
Strategic land plots (> 50% probability)	15,406	19,715	**35,121**	36,159

* Based on short term owned plots. NRV is wholly allocated to land, comparable basis to peers

London and South East Division - land

As at 1 July 2018	South East excl. London market†	London market†	London and South East Division H1 2018	London and South East Division FY 2017
Short term owned and controlled land portfolio plots	8,230	5,512	**13,742**	14,240
Land portfolio years	4.0	5.8	**4.6**	4.3
Cost per plot £000*	71.7	83.2	**76.6**	74.9
ASP in short term owned land portfolio £000	270	615	**424**	412
Average land cost as a % of ASP	26.6%	13.5%	**18.2%**	18.2%
Strategic land plots (> 50% probability)	16,682	1,846	**18,528**	17,536

* Based on short term owned plots, including share of JVs. NRV is wholly allocated to land, comparable basis to peers

† The London market includes the area inside the M25

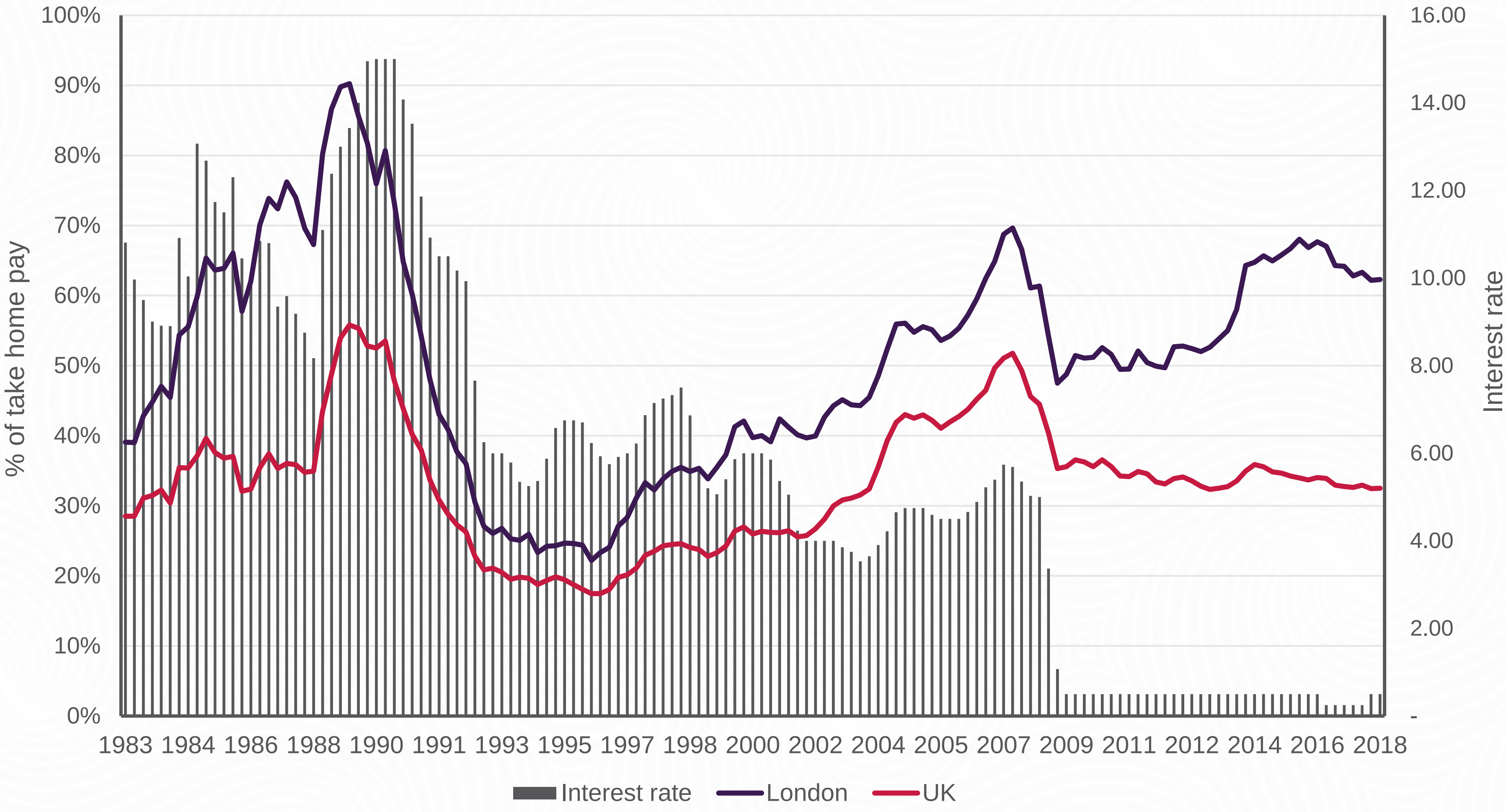
Taylor Wimpey plc

Land disposals

£m		H1 2018	H1 2017	FY 2017
Proceeds	UK	46.5	23.2	39.0
	Spain	-	0.6	0.5
	Total	**46.5**	**23.8**	**39.5**
Gross profit	UK	13.7	8.5	11.0
	Spain	-	(0.3)	(0.3)
	Total	**13.7**	**8.2**	**10.7**

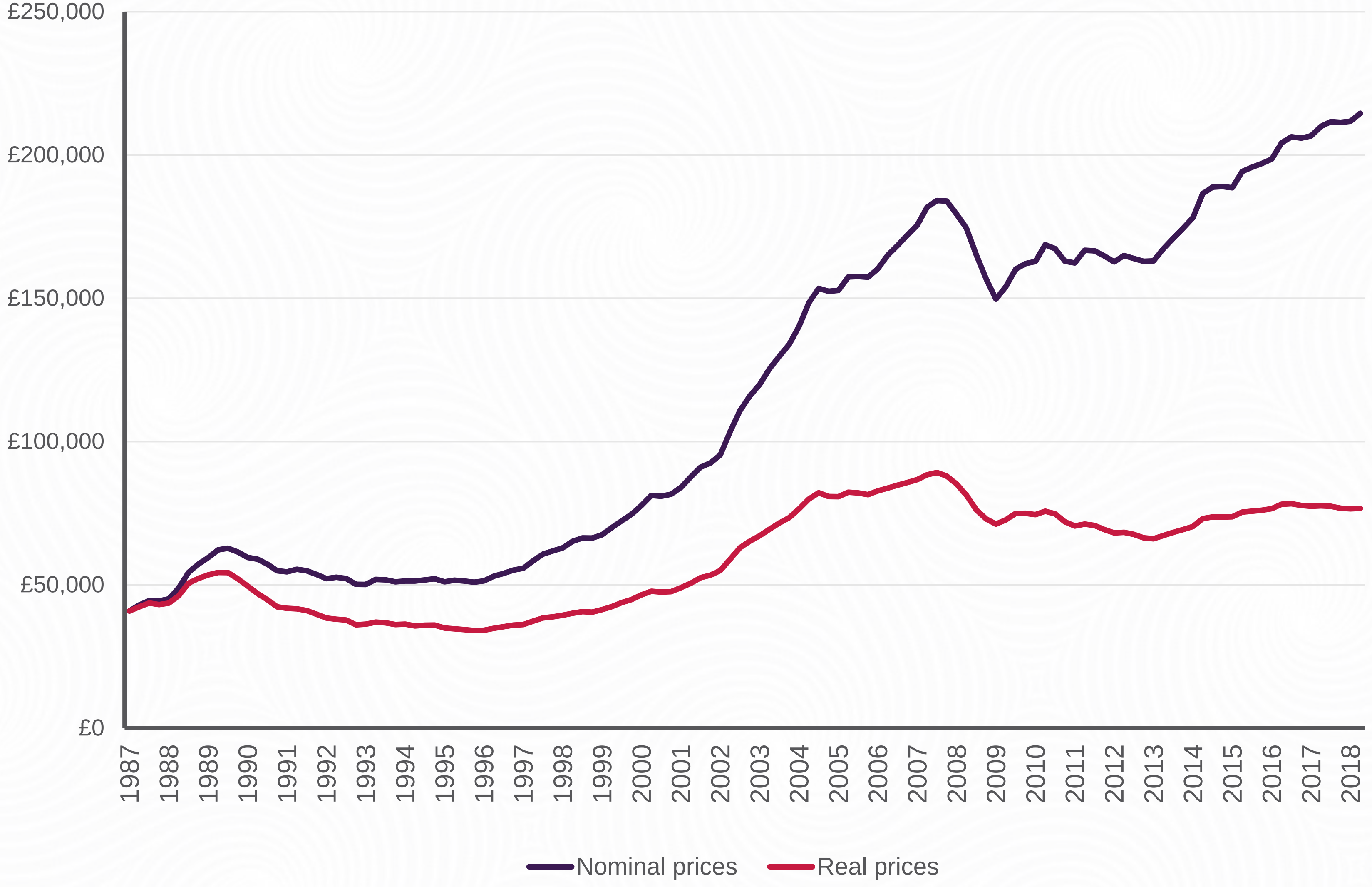
Land disposals are included in revenue and cost of sales

FTB mortgage payments as % of pay / interest rates



Source: Nationwide / Bank of England

Real house prices



Source: Nationwide – Nominal house prices

Taylor Wimpey plc

UK market performance

	H1 2018	H2 2017	H1 2017	H2 2016	H1 2016
Average outlets open	**280**	284	292	286	294
Private sales rate (net)	**0.83**	0.66	0.87	0.65	0.78
Private sales price £000	**296**	287	289	279	271
Cancellation rate (private)	**13%**	15%	11%	14%	12%

Data based on reservations excluding JVs

UK sales performance

	H2 2018 (w/e 22 July 2018)	H1 2018	H2 2017	H1 2017
Average outlets open	275	280	284	292
Average sales rate (net)	0.72	1.16	0.84	1.02
Average selling price £000	277	254	260	265

As at	H2 2018 (w/e 22 July 2018)	1 July 2018	31 Dec 2017	2 July 2017
Total order book value £m	2,269	2,175	1,628	2,111
Total order book units	9,612	9,241	7,136	8,741
ASP in total order book £000	236	235	228	242
Outlets at end of period	273	278	278	296
Order book value £m per outlet	8.3	7.8	5.9	7.1

Data based on reservations excluding JVs

UK market performance – affordable

	H2 2018 (w/e 22 July 2018)	H1 2018	H1 2017	Change	31 Dec 2017
Average outlets open	275	280	292	(4.1)%	287
Affordable order book £m	544	547	394	38.8%	400
Affordable order book units	4,034	4,047	3,286	23.2%	3,159
Affordable order book ASP £k	135	135	120	12.5%	127

Data based on reservations excluding JVs

Spain financial summary

	H1 2018	H1 2017	Change	FY 2017
Average number of active sites	20	18	11.1%	18
Legal completions	130	68	91.2%	301
Average selling price (£000)	292	342	(14.6)%	311
Average selling price (€000)	332	394	(15.7)%	352
Revenue £m	37.8	24.6	53.7%	94.2
Operating profit* £m	9.5	2.8	-	26.8
Operating profit* margin %	25.1	11.4	13.7ppt	28.5
Order book £m	130.3	125.0	4.2%	106.4
Order book (plots)	372	406	(8.4)%	329
Net operating assets* £m	61.7	57.2	7.9%	55.3
Total landbank plots**	2,698	2,834	(4.8)%	2,675

* See definitions slide in the appendix
** Landbank includes owned and controlled land

Glassdoor reviews

Taylor Wimpey is a great organisation that is always striving to be better. For a decentralised organisation, there is a surprisingly consistent culture across all the different business units. People work hard and are rewarded for doing so. There is a huge amount of pride in getting things right and people really care about building high quality homes for our customers.

A forward thinking innovative company. resource, develop and promote internally with a flair for encouraging business breadth and opportunities for its colleagues. A fun and exciting company to be a part of right now.

Love working as part of the Taylor Wimpey team! Customer service department is great and Taylor Wimpey as an employer are fab. Always support available if needed, and the benefits are better than anywhere else I've worked. Love my job.

Fantastic environment, great culture, support, training opportunities, business direction and strategic approach to the industry.

Personal and professional development is taken seriously at all levels, with considerable investment in individual training and identifying secondment opportunities to speed growth and development. Work life balance is in healthy equilibrium and a senior leadership team who lead the way.

Good benefits, good company ethos, positive company mentality, always do the best for not only the organisation in its entirety but the well-being of employees.

A reminder: Sites, outlets and factories, balancing sales and production

  - Site – a single piece of land, generally getting outline planning as a single entity. TW size range 50-3,500 homes
  - Outlet – a sales unit, with fully staffed customer presence. TW pa range historically 30-75 homes (incl. affordable)
  - Factory – a build team, with separate compound and management structure. TW pa range historically 30-60 homes

- The balance between these three can be changed significantly over time, materially impacting overall volumes
- The greatest flexibility is on large sites, where we have annual production / completion levels of up to 250 homes
- Growing the business on these sites involves confidence in sales and production capacity
  - Sales factors – no. of outlets, location quality, product quality and product variation, wider routes to market, customer reputation and sales processes and team
  - Production factors – no. of factories, quality of production processes and team, managing supply chain, managing quality, build efficiency of product

Definitions

- Operating profit is defined as profit on ordinary activities before net finance costs, exceptional items and tax, after share of results of joint ventures.
- Adjusted basic earnings per share represents earnings, attributed to the shareholders of the parent, excluding exceptional items and tax on exceptional items, divided by the weighted number of shares in issue during the period.
- Net operating assets is defined as net assets less net cash, excluding net taxation balances and accrued dividends.
- Return on net operating assets (RONOA) is defined as 12-month rolling operating profit divided by the average of the opening and closing net operating assets.
- Tangible NAV per share is defined as net assets before any accrued dividends excluding goodwill and intangible assets divided by the number of ordinary shares in issue at the end of the period.
- Net operating asset turn is defined as 12-month rolling total revenue divided by the average of opening and closing net operating assets.
- WIP turn is defined as total revenue divided by the average of opening and closing work in progress. Based on rolling 12 months.
- Adjusted gearing is defined as adjusted net debt divided by basic net assets. Adjusted net debt is defined as net cash less land creditors.
- Contribution margin is defined as revenue less total build cost less total land cost net of impairment provision less direct selling expenses.
- Profit from ordinary activities before finance costs is defined as profit on ordinary activities before net finance costs and tax, and before share of results of joint ventures.
- Operating cash flow is defined as cash generated by operations before tax, interest paid and exceptional cash flows.
- Cash conversion is defined as operating cash flow divided by operating profit on a rolling 12-month basis.
- EBITDA is defined as operating profit before depreciation and software amortization.
- Return on capital employed (ROCE) is defined as a 12-month rolling operating profit divided by the average of the opening and closing capital employed.