

**25 April 2019**

**Taylor Wimpey plc**

**Trading statement for the period covering 1 January 2019 to today**

Taylor Wimpey plc is holding its Annual General Meeting (AGM) at 11:00 today in London, where the following comments will be made regarding current trading, financial performance and outlook for the financial year.

## **Overview**

Pete Redfern, Chief Executive, commented:

“We’ve made a good start to 2019 and in spite of wider macroeconomic uncertainty, the housing market has remained stable. We are achieving a record sales rate and building a solid forward order book for the year, although we see increased build cost pressures.

We continue to make encouraging progress in embedding our customer-centric strategy and driving significant improvements in our quality and delivery, and it was pleasing to be recognised by the Home Builders Federation (HBF) as a five-star homebuilder in March this year. Our priority is to enhance every step of our customers’ buying and aftercare service so that we deliver the highest quality homes and become the first choice homebuilder.

Looking ahead, we are focused on delivering our ambitious strategic goals to drive sustainable growth and create long term value for our customers and shareholders.”

## **UK current trading**

The market for new build housing has remained stable in the first four months of 2019. The underlying drivers of housing demand remained robust with continued good accessibility to mortgages and low interest rates for customers, combined with high employment levels.

Throughout the spring selling season, sales have continued to be at encouraging levels. Average private sales for the year to date were 1.03 per outlet per week (2018 week 16: 0.85) which is ahead of our expectations for 2019 and demonstrates continued progress in optimising our larger sites as part of our strategy. Sales pricing has remained flat relative to the end of 2018. Cancellation rates remained low at 13% (2018 week 16: 13%).

We continue to prioritise building a strong order book. As at week ending 21 April 2019, our total order book value stood at approximately £2,399 million (2018 week 16: £2,155 million). This represents 10,291 homes (2018 week 16: 9,050 homes), excluding legal completions to date.

We have seen higher than expected cost inflation in early 2019, particularly in materials, and now expect build cost inflation for 2019 to be c.5%. This is driven by a combination of underlying cumulative inflation and exchange rates impact on the cost base of suppliers, and a higher than expected demand in the short term from defensive additional buffer stock holding in the construction industry supply chain.

## **Land portfolio, planning and outlets**

The short term land market remains stable with opportunities to acquire land at attractive profit margins. Our land teams remain active in the market and land acquisition year to date has been encouraging. At the end of March 2019, our short term landbank stood at c.79k plots (2018 equivalent period: c.77k plots). We continue to engage widely and work together with local authorities and communities to secure planning permission for our strategic pipeline sites. Our strategic land pipeline stood at c.128k potential plots, as at the end of March 2019, following the conversion of c.3k plots into the short term landbank so far this year.

We remain focused on progressing our sites through the planning system to enable us to start work on sites with implementable planning as efficiently as possible and open our sales outlets in the right way for our customers. We have made good progress on outlet openings, with progress slightly ahead of our expectations. We are currently operating from 261 outlets (2018 week 16: 278 outlets).

## **Dividends**

Subject to shareholder approval at today's AGM, we will be paying a final ordinary dividend of 3.8 pence per share on 17 May 2019 (2017 final dividend: 2.44 pence per share), giving a total ordinary dividend for the year of 6.24 pence per share (2017 total ordinary dividend: 4.74 pence per share), an increase of 32%.

As previously announced, we will also be paying a special cash dividend of c.£350 million (10.7 pence per share) on 12 July 2019 (July 2018: 10.4 pence per share), subject to shareholder approval today.

## **Board updates**

As previously announced, James Jordan, Group Legal Director and Company Secretary, will stand down from the Board on 31 December 2019. James will continue with the business until he retires on 31 March 2020. We would once again like to express our thanks to James for his invaluable contribution to Taylor Wimpey during his 17 years of service.

Upon the conclusion of today's AGM, the Board confirms that Gwyn Burr, Independent Non Executive Director, will assume the role of Chair of the Remuneration Committee, in good time for the preparation of a new remuneration policy to be submitted to shareholders by way of a binding vote at the 2020 AGM. The Board would like to express its thanks to Dame Kate Barker, Senior Independent Director, for all of her work, leadership and judgement as Chair of the Remuneration Committee over the past three years. Kate, who was appointed to the Board as an Independent Non Executive Director in April 2011, will continue to be a member of the Remuneration Committee.

## **Outlook**

Trading through the spring selling season has been good, with robust customer confidence despite the wider political uncertainty.

We remain on track to meet our overall expectations for the year but expect results to be weighted towards the second half. Given the strong sales performance, we expect full year volumes to be slightly higher than 2018, but given the greater build cost inflation for the year, we expect margins to be slightly lower.

We are well positioned with a clear strategy in place that provides the flexibility to further increase our pace of build in future years, provided market conditions remain supportive. Subject to land spend variations, we expect to end the year with a net cash<sup>‡</sup> position of c.£500 million after dividend payments of c.£600 million, which are subject to the approval of shareholders today.

Our priority remains to deliver further improvements to customers, as part of our customer-led strategy, which will in turn drive increased value for shareholders. We are pleased to have recently been recognised as a five-star homebuilder with a customer recommendation score of over 90%, as measured by the National New Homes Survey undertaken by the National House-Building Council (NHBC), on behalf of the Home Builders Federation (HBF). We remain focused on getting our homes right first time and creating thriving communities, together with enhancing our delivery capability and investing in the right resource to enable us to deliver high-quality homes to more customers in the years ahead.

<sup>‡</sup> Net cash / (debt) is defined as total cash less total borrowings.

-Ends-

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**Notes to editors:**

Taylor Wimpey plc is a customer-focused residential developer, operating at a local level from 24 regional businesses across the UK. We also have operations in Spain.

For further information, please visit the Group's website:  
[www.taylorwimpey.co.uk](http://www.taylorwimpey.co.uk)

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