

24 March 2020

Taylor Wimpey plc

Response to COVID-19, and dividend and AGM update

The health and safety and wellbeing of our employees, subcontractors and customers is our number one priority. We are doing all we can to support them during this unprecedented crisis; to help prevent the spread of the virus and to ensure they stay safe and are following the latest Government and Public Health guidance. In the interest of customer and employee safety, we have taken the decision to close all of our show homes, sales centres, and construction sites for all work except that needed to make the sites safe and secure. Sales offices were closed with effect from the evening of Monday 23 March 2020. We will continue to support new and existing customers and will conduct all business by telephone or digitally. Construction sites will begin the close down process today.

We have operated the business with caution in recent years and have a well capitalised balance sheet and net cash position. Our large orderbook and quality long term landbank give us increased levels of resilience. As we enter a period of uncertainty that may last for several months, we have been putting contingency plans in place to respond to the likely potential changes in customer behaviour and reduced productivity.

Our UK operations have only been meaningfully impacted in very recent days. Our small Spanish business also has faced disruption over the past few days as it has responded to the government imposed shut down.

Cash preservation and 2020 dividend update

In order to conserve cash and increase our flexibility, we are taking measures to manage our working capital very tightly and have stopped all discretionary land spend. In addition, we have taken the prudent step of drawing down our previously unutilised Revolving Credit Facility (RCF) of £550 million, resulting in a gross cash position of £807 million and net cash of £165 million as at 23 March 2020.

We have taken rapid proactive measures to protect the balance sheet in the short term. However, we are likely to face weeks or months of uncertainty, including periods of inactivity which will limit our ability to complete on homes and therefore generate cash.

Until the extent and duration of the disruption is better understood, the Board believes conserving cash is in the best interests of the long term sustainability of the business. Whilst our ordinary dividend of at least c.£250 million per annum, has been stress tested and is payable though a 'normal' downturn, the global COVID-19 pandemic goes beyond normal and even severe cyclical swings and represents an exceptional case.

Accordingly, we have taken the decision to cancel the 2020 final dividend of 3.80 pence per share (c.£125 million) that was due to be paid on 15 May and the planned special dividend payment of 10.99 pence per share (c.£360 million) that was due to be paid on 10 July, both of which were subject to shareholder approval. As a result of these actions; Resolutions 2 and 3 will be withdrawn from the AGM due to take place on the 23 April.

In light of the significantly changed circumstances, we also suspend our previous guidance for 2020. We will assess our medium term targets when there is greater clarity on the length and impact of the current crisis.

We remain an inherently cash generative business and will revisit the payment of dividends and the resumption of guidance when there is more certainty on the outlook.

Annual General Meeting update – change of venue and time

The Company's Annual General Meeting is due to be held on Thursday 23 April 2020. In light of the Government's advice, the Board has taken the decision to move the location of the AGM to the Company's Head Office at Gate House, Turnpike Road, High Wycombe, Buckinghamshire HP12 3NR and to change the time of the meeting to 9:00am.

The well-being of our shareholders is important to us and we recommend that shareholders adhere to current Government instruction to stay at home. To enable shareholders to listen to the proceedings of the meeting from their homes we will be sending a communication to all shareholders providing telephone dial-in details. There will be an opportunity for shareholders to ask the Board of Directors questions on the formal business of the meeting via the telephone dial-in facilities.

The Company will ensure that the meeting adheres to the Government's advice around social distancing and enhanced hygiene measures will be in place. To further support these efforts there will be only limited Company representation at the meeting. We will also reduce the length of the meeting by limiting it to the formal business required. There will be no corporate presentation or refreshments available.

We encourage shareholders to submit their proxies as early as possible. Further information on how shareholders can submit their proxies can be found in the Notice of 2020 Annual General Meeting. Please note the deadline for submitting proxies will be 9:00am on Tuesday 21 April 2020.

-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

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