Full Year Results Presentation
for the year ended 31 December 2020

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2 March 2021

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Agenda

Introduction, priorities and key areas

Pete Redfern

2020 UK operational overview

Jennie Daly

Financial review

Chris Carney

Outlook

Pete Redfern

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Introduction, priorities and key areas

Pete Redfern
Chief Executive

2020 overview

2020 highlights

- Supported all stakeholders through the Q2 shutdown
- Adapted to COVID-secure operations
- Assertive re-entry into the land market

Strengthened for 2021+

- Rationalisation of organisation and costs
- Simplification of objectives
- Record year end order book
- Growing land position
- Launched environmental strategy

Group completions

9,799

Revenue

£2,790.2 million

Operating profit*

£300.3 million

Construction Quality Review score

4.45

8-week 'would you recommend' score

92%

Land

Since re-entering the land market, agreed terms on and authorised gross land purchases of

c.£1.3 billion

* See definitions slide in the appendix

Medium to long term structural backdrop remains favourable

Political environment

Housing remains a priority for the Government:

- Healthy consultation through COVID-19 crisis
- End of SDLT holiday not considered material risk
- Planning White Paper aims to speed up and simplify planning
- Possible 95% Guarantee Scheme

The industry needs to play its part:

- New homes quality is key
  - New Homes Ombudsman
  - Cladding and fire safety
- Climate change focus
  - New building regulations announced

Housing market

Current conditions positive:

- High LTV mortgages returning
- Help to Buy and new build attractive to first time buyers
- Strong demand in the face of reduced supply
- Housing a priority for many post lockdown

Medium term housing market remains supportive for buyers:

- Price increases in line with inflation
- Low interest rates
- Unsatisfied underlying demand
- Government support for housing market

Land market

Current conditions normalising:

- Competition has returned in most areas
- Land sellers and planners still ‘catching up’
- Good timing of incremental land purchases
- Continue to be active at normal level

Medium term balance of land availability to industry demand remains stable:

- Planning policy changes short term risk, long term opportunity
- Probable policy shift back to brownfield balance
- Mayoral and devolved authorities creating different local conditions

Priorities for 2021

Margin delivery – optimisation of selling price and an enhanced cost mindset

Bringing through new land acquisitions for volume growth in 2023/24

Delivering customer service and consistently great build quality

Building on our strengths in Social and Governance areas and new Environmental strategy

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Land acquisitions underpin medium term growth

- Short term landbank c.77k plots as at 31 Dec 2020 (2019: c.76k plots, 31 Jan 2021: c.79k plots)
- Strategic land pipeline was c.139k potential plots as at 31 Dec 2020 (2019: c.140k plots)
- Acquired 7,644 plots in the short term land market during 2020
- Converted 4,010 strategic pipeline plots into the short term landbank in 2020

- Since re-entering the land market, authorised c.£1.3 billion of gross land purchases, comprising 93 sites and c.22,600 plots by 31 December 2020
  - Broad geographic coverage and range of sizes (average of 243 plots per site) and an increased number of smaller sites
  - Attractive returns in line with our medium term operating profit margin target of 21-22%, average ROCE* of c.34%
- Expect short term landbank to grow by over 10k plots over the next 12-18 months
- Land acquired in 2020 and 2021 expected to deliver outlet growth during late 2022 and 2023

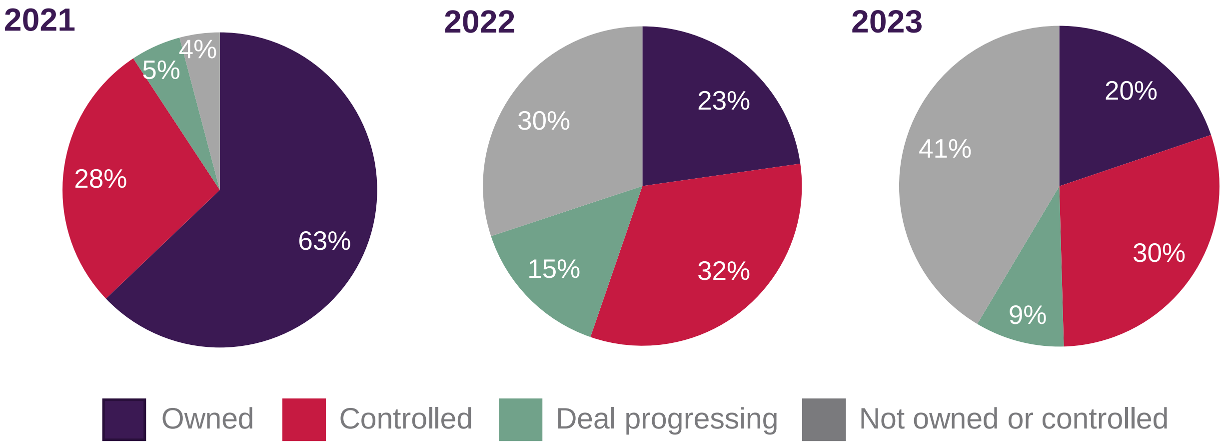
* See definitions slide in the appendix

Land progression into early 2021

UK approved land acquisitions since re-entering the land market (plots)	31 December 2020	31 January 2021	26 February 2021
Acquired / unconditionally exchanged	6,074	10,416	11,512
Conditionally exchanged	5,267	4,869	8,718
Not exchanged	11,091	8,249	10,373
Lost deals	180	180	353
Total	**22,612**	**23,714**	**30,956**
Total value £bn	**c.1.3**	**c.1.3**	**c.1.6**

Outlet opportunities to 2023

- 89 outlets opened in 2019, 73 outlets opened in 2020
- Around 330 outlets for potential opening in next three years, before planning timing risk
- c.30% are from new approvals post equity raise, with over 90% of these acquisitions expected to be open by end of 2023



ESG highlights 2020

Environmental

- Sustainability Champion in each of our regional businesses to engage colleagues on waste and energy-efficiency
- 97% construction waste recycled in 2020
- Our Home for Nature Toolkit, launched in 2019, includes practical ideas enhancing biodiversity on every site
- Our homes feature: energy-efficient walls and windows, insulated loft spaces, 100% low energy light fittings, and appliances that are at least A-rated for energy efficiency

Social

- Early supportive communication with customers, employees and supply chain. Pay It Forward Scheme
- Care home initiative supporting >50 homes in May and June with PPE and other support
- Care worker discount, 5% for 3,028 reservations in 2020
- Charity support to homelessness charities and local community groups

Governance

- A gender diverse Board and Executive team and growing focus on ethnic diversity
- Early decisions on Executive and Board salary reduction, maintaining employee base pay levels and return of furlough funds
- Investment in systems and processes that allow the Group to enhance performance and meet regulatory requirements
- Open and full communication approach with investors, Government and other stakeholders

New environmental strategy targets

Science-based carbon reduction target

- We have achieved an absolute reduction in emissions of 39% since 2013, and reduced our carbon emissions intensity by 30% since 2013
- Reduce operational carbon emissions intensity by 36% by 2025 from a 2019 baseline
- Reduce carbon emissions intensity from our supply chain and customer homes by 24% by 2030 from a 2019 baseline
- The Science Based Targets initiative has confirmed that our operational target is consistent with reductions required to keep warming to 1.5°C

Nature

- Increase natural habitats by 10% on new sites from 2023
- Include our priority wildlife enhancements from 2021
  - Partnering with Hedgehog Street to introduce hedgehog highways on all suitable new sites
  - Working to ensure our sites include pollinator and wildlife friendly planting
- We have targeted biodiversity net gain on a number of recent planning applications

Resources and waste

- By 2022, publish a ‘towards zero waste’ strategy for our sites
- Cut our waste intensity by 15% by 2025 and use more recycled materials
  - Partnering with two suppliers to reduce waste from used paint pots
  - Working to better understand packaging waste streams and work with suppliers to achieve reductions
  - Trialling a reusable alternative to temporary decking (used to prevent accidents in stairwells during construction)
  - Pallet repatriation service – pallets are collected from site and reused where possible

Fire safety in high rise buildings

- Following the tragic fire at Grenfell Tower, we quickly identified where action was needed to remove ACM cladding from high rise buildings
- We provided £40 million to cover cost of replacing ACM cladding and have completed work on 12 out of 19 affected buildings
- Today we announce a new £125 million provision for fire safety investment for leaseholders on Taylor Wimpey apartment buildings built in last 20 years
- Provision reflected as a non-adjusting post balance sheet event, and will be recognised as an exceptional charge in 2021 accounts

- Over the past three years multiple updates to regulation and advice materially widened scope to include apartment buildings below 18 metres and other cladding
  - As a result of guidance changes, many leaseholders left with unreasonably large bills to ensure post-Grenfell fire safety standards
  - On 10 February 2021, UK Government endorsed RICS approach clarifying where an External Wall Fire Review (EWS1) form is required
  - Clearer requirements enable us to focus on resolving issues for leaseholders using EWS1 as independent framework

- Whilst we await a further RICS update, we want to provide as much clarity for customers as possible
  - We have identified 232 apartment buildings that may require fire safety works under EWS1 requirements
  - For buildings we own, we will fund and oversee improvements, regardless of eligibility for the UK Government Building Safety Fund, including apartment buildings below 18 metres
  - For buildings we no longer own that are ineligible for the Building Safety Fund we will contribute funding to assist freeholders in bringing those buildings up to EWS1 standards, where a freeholder produces a fair and proportionate plan

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2020 UK operational overview

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Jennie Daly

Group Operations Director

Market performance – to date

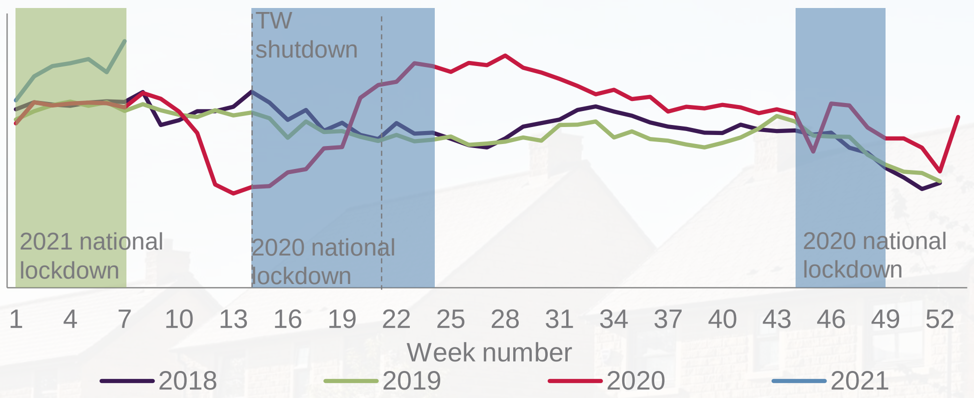
	H1 2021 (w/e 21 Feb 2021)	H2 2020	H1 2020	H2 2019	H1 2019
Average outlets open	236	244	237	243	257
Private sales rate (net)	0.89	0.81	0.70	0.92	1.00
Private sales price £000	312	320	320	314	298
Cancellation rate (private)	17%	19%	21%	16%	14%

- 73 new outlets opened in 2020 (2019: 89)
- 2020 private sales price £320k (2019: £305k)
- 2021 sales have started well – sales rates 5% lower year-on-year
- Total order book of 11,013 homes as at w/e 21 February 2021 (2020 equivalent period: 10,880)
- Entered the year over 50% forward sold for private completions for 2021 (2020 equivalent period: 34%)
- Between 16 December 2020 and 21 February 2021, taken a total of 1,102 net Help to Buy 2 reservations
- 74% of Help to Buy completions in England in 2020 were to first time buyers, of which 74% were within Help to Buy 2 regional price caps

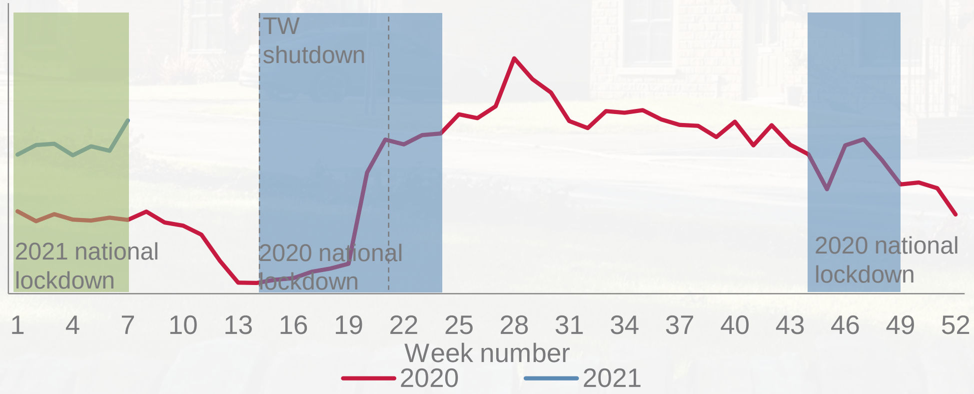
Data based on reservations excluding JVs

Positive sales momentum and forward indicators

Customer interest*



Appointments



* Organic traffic i.e. traffic via a search engine, to our plot and development pages

Procurement – driving cost and efficiency

Central

In 2018 initiated a central procurement efficiency and improvement programme focused on improving:

- Sourcing and tendering processes
- Quality and delivery through product standardisation
- Supplier relationships, delivering greater forecasting with cost and simplification benefits

The forecast benefits of these initiatives for 2021 include a 1% reduction in material costs movement, with a further reduction in product complexity forecast in the order of 15%

Local

Since 2018, business unit procurement and commercial functions have implemented improved:

- Cost management through robust procurement processes
- Sourcing and tendering processes
- Supplier relationships
- Forecasting accuracy, including subcontractors material demand
- Workflow and system processes

Engaging with the supply chain

2020

Central procurement activity focused on:

- Brexit planning and mitigation
- Co-ordinating material supplies to support site remobilisation

Central and local procurement and commercial teams worked to protect availability of labour supply:

- Pay It Forward Scheme
- Continuity of build supporting the subcontractor base through site remobilisation strategy
- Continuing to open and invest in new sites
- A partnership approach to deliver COVID-secure sites

2021

Procurement priorities:

- Cost efficiency and management, continuity and security of supply, continued standardisation and Stock Keeping Unit (SKU) reduction
- Supporting build and customer quality
- Enhancing our environmental and sustainability credentials through awareness in the supply chain

Build cost inflation in 2021 estimated to be c.2-3%, marginally lower than in 2020, dependent on industry-wide production levels as well as the strength of the housing market

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New house types

- Meeting changing customer needs
- Changing regulation
- Business performance and efficiency

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Impact of operational improvements

House type range

- Increased plotting of standard house types (86% in 2020 excl. apartments)
- Focus on National Standard Sales Specification, reducing product complexity
- Easier and more efficient adjustment to future regulatory changes
- Increased customer and build quality benefits

Training and quality

- Quality Managers supporting production teams
- Business wide “Masterclasses” and site based “Best in Class” training
- Supplier and partner led virtual and site based training
- Time efficient online health and safety training and online inductions

Technology

- Digitised the whole of the sales process from reservation to completion
- Dynamics to be rolled out to all businesses in 2021 with customer care and operating benefits
- Rolled out a digital technical risk management tool delivering data quality and resource efficiencies
- Virtual platforms for conducting public consultation during pandemic

Health and safety

- Comprehensive new COVID-secure protocols for site based employees and subcontractors
- “Gifted” COVID-secure protocol measures and supporting information to SMEs

Achieving operational excellence

- Build Quality
  - Construction Quality Review (CQR) score of 4.45 (2019: 4.13) volume sector leading
  - Reportable Items 0.24 (2019: 0.28)
  - Remobilisation strategy enhanced smoothing of the build programme
- Customer
  - 92% in 8-week ‘would you recommend’ score for survey year
  - 78% in 9-month ‘would you recommend’ score for survey year
  - Prepared for the launch of the New Homes Ombudsman
- Sales
  - Regular customer engagement and communication strengthened visibility across the order book and maintained low cancellation numbers
- People
  - Continuing low level of health and safety issues – Annual Injury Incidence Rate* of 151 in 2020 (2019: 156) per 100,000 employees and contractors
  - Employer of Choice – Glassdoor Top 50 Places to Work in the UK in 2021

* See definitions slide in the appendix

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Financial review

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Chris Carney

Group Finance Director

Summary Group results

£m (before exceptional items)	FY 2020	FY 2019	Change
Revenue	2,790.2	4,341.3	(35.7)%
Gross profit	496.7	1,044.1	(52.4)%
Gross profit margin %	17.8	24.1	(6.3)ppt
Operating profit	300.3	850.5	(64.7)%
Operating profit margin %	10.8	19.6	(8.8)ppt
Profit before tax and exceptional items	274.4	821.6	(66.6)%
Adjusted basic earnings per share* pence	6.5	20.3	(68.0)%
Tangible NAV per share* pence	110.0	100.5	9.5%
Return on net operating assets* %	9.9	31.4	(21.5)ppt

* See definitions slide in the appendix

UK performance summary

	FY 2020	FY 2019	Change
Legal completions – excl JVs	**9,412**	**15,520**	**(39.4)%**
Private	7,564	12,043	(37.2)%
Affordable	1,848	3,477	(46.9)%
Average selling price – excl JVs	**288**	**269**	**7.1%**
Private £000	323	305	5.9%
Affordable £000	146	141	3.5%
Legal completions – JVs	197	199	(1.0)%
Share of profit – JVs £m	7.9	8.0	(1.3)%
Gross profit margin %	**17.5**	**23.8**	**(6.3)ppt**
Operating profit £m	**284.5**	**818.4**	**(65.2)%**
Operating profit margin %	**10.4**	**19.4**	**(9.0)ppt**

Margin recovery in 2021

Illustrative movements in UK operating margin FY 2019 to FY 2020	Annual change	Impact on 2020 income statement (ppt)
Market inflation on selling prices	1.9%*	1.6
Market inflation on build cost	3.0%	(1.7)
Net economic benefit captured		**(0.1)**
Market impact of landbank evolution		(0.7)
Net market impact		**(0.8)**
Incremental COVID-19 costs		(2.3)
Restructuring costs		(0.4)
Direct selling and fixed elements of build costs		(1.8)
Net operating expenses		(2.1)
Land and property sales		(0.4)
Investment in quality and business improvement		(0.5)
Care worker discount scheme		(0.2)
Other		(0.5)
Total UK operating margin movement		**(9.0)**

* Source: Adjusted average of latest Nationwide regional data (weighted based on regional HPI prevailing at time of reservation)

- The expected improvement in 2021 operating margin is supported by:
  - The absence of non-recurring COVID-19 related costs and 2020 restructuring costs
  - Increased volumes driving more efficient recovery of fixed costs
  - Cost savings arising from the 2020 restructuring
  - Benefit in the order book of 2020 sales rate and price optimisation

Bridge to medium term operating margin target

Assuming stable market with selling price gains offsetting build cost inflation

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Deepening customer engagement through digital technology

Leads and enquiries
Website, telephone

Marketing
Email, SMS converting leads to visit

Sales centres
Leads follow up, conversion to visit and reservation

Legal
Exchange contracts, progression, completion

Customer service
Aftercare support

Microsoft Dynamics 365

Reducing use of incentives and discounting

Enhancing efficiency across the business

Improving customer engagement and communication through the sales process

Summary Group balance sheet

Group £m	31 Dec 2020	31 Dec 2019	Change
Long term assets and JVs	141.8	115.3	26.5
Land	2,875.7	2,735.9	139.8
WIP	1,659.0	1,460.1	198.9
Debtors	215.4	204.7	10.7
Land creditors	(675.9)	(729.2)	53.3
Other creditors	(731.2)	(773.2)	42.0
Pensions and post retirement benefits	(89.5)	(85.0)	(4.5)
Provisions	(130.5)	(128.4)	(2.1)
Net operating assets*	**3,264.8**	**2,800.2**	**464.6**
Tax	32.6	(38.1)	70.7
Net cash*	719.4	545.7	173.7
Net assets	**4,016.8**	**3,307.8**	**709.0**
Tangible NAV per share	**110.0p**	**100.5p**	**9.5p**

* See definitions slide in the appendix

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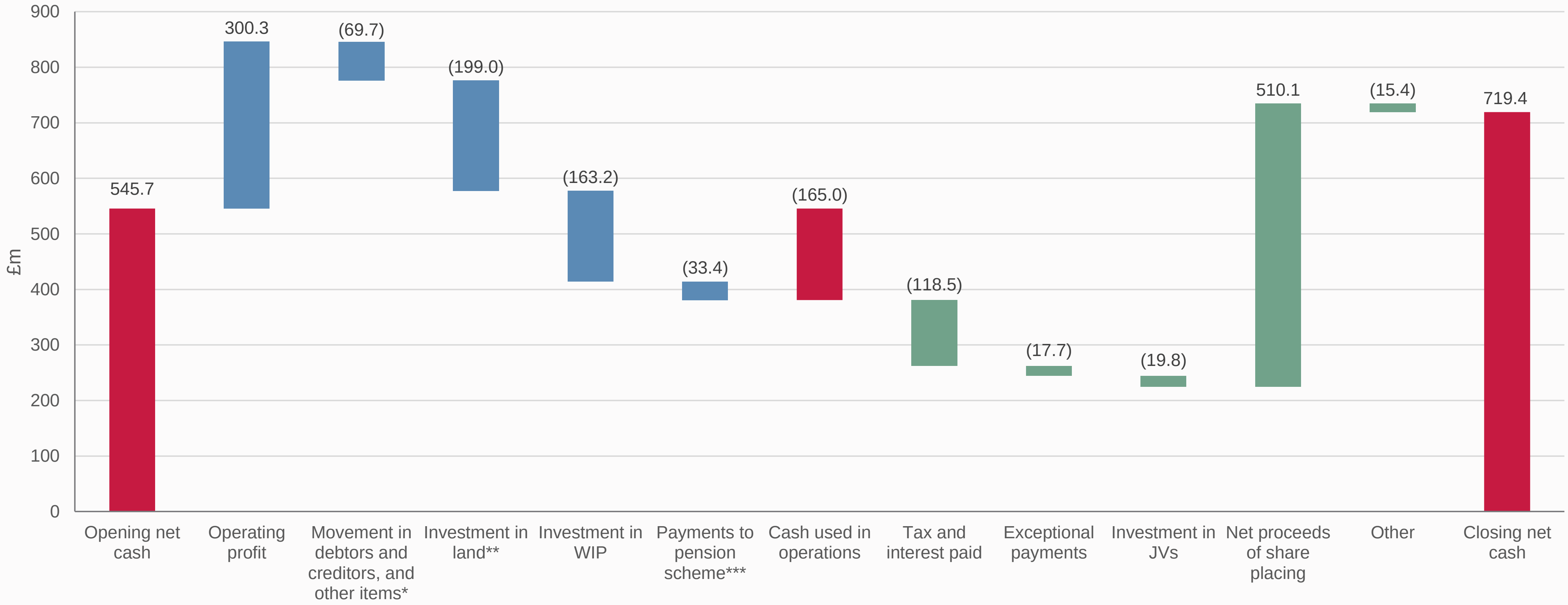
Group cashflow



* Includes movements in debtors, creditors and non-exceptional provisions; and other non-cash items
** Includes movement in land debtors and land creditors
*** Pension contributions in excess of charge to income statement

Shareholder returns

Resumption of ordinary dividend

- Resumption of Ordinary Dividend Policy, being 7.5% of net assets
- First payment will be the 2020 final ordinary dividend paid in May 2021, subject to shareholder approval at the AGM. This will be 4.14 pence per share which equates to a payment of c.£151 million

Approach to return of excess capital

- Our intention remains to return cash generated by the business in excess of that needed by the Group to fund land investment, all working capital, taxation and other cash requirements of the business, and once the ordinary dividend has been met
- We are not proposing to return excess capital in 2021. We will review the level of excess capital and potential return in respect of 2021 at the time of the 2021 full year results in February 2022, for payment in 2022
- This represents a shorter period between proposing and distributing excess capital and we expect to continue with this timing going forward
- The method of returning excess capital, either by way of special dividend or share buyback, will be considered at the appropriate time

2021 guidance

UK completions (excl. JVs)	85%-90% of 2019 volumes c.17% affordable
Group operating profit margin (incl. JVs)	18.5%-19%
Year end net cash	c.£500 million
Land	New approvals on a replacement basis
Net finance charges	c.£25 million (c.£6 million cash)
JV share of profit	c.£5 million

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Outlook

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Pete Redfern
Chief Executive

Outlook

- Current trading positive, giving confidence about housing market for 2021
- Long order book gives additional confidence and ability to focus on price
- Cost inflation more benign, and cost control plans bearing fruit, although regulatory costs need careful management
- Housing market dynamics into the medium term look healthy with strong demand, low interest rates and positive signs on mortgage availability
- Last few years of largely low price growth and reduced interest rates have reduced risk of correction
- Recent land acquisitions strengthen our position for growth and future capital returns
- Return to ordinary dividends in 2021 and expect capital return in 2022 and beyond

Investment case

Q & A

Our culture and values have shone through in 2020

We maintained our focus on sustainability

Added to our high-quality landbank and maintained strong balance sheet

Driving growth at the right time in the cycle

On track to generate significant and reliable shareholder returns

Future investor communications

22 April 2021	AGM and trading update
4 August 2021	Half year results 2021

Appendices

Full Year Results Presentation

for the year ended
31 December 2020

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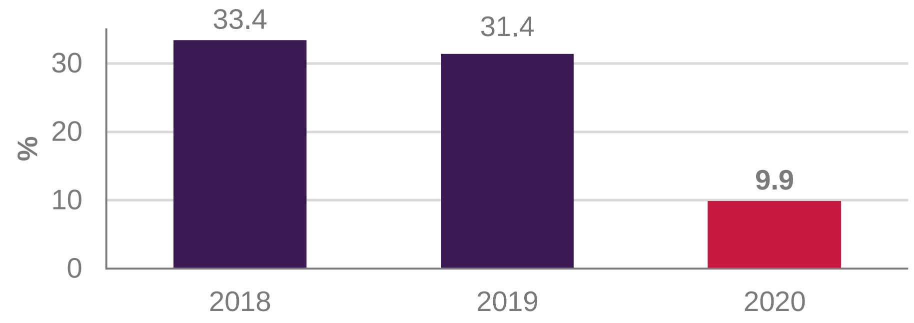
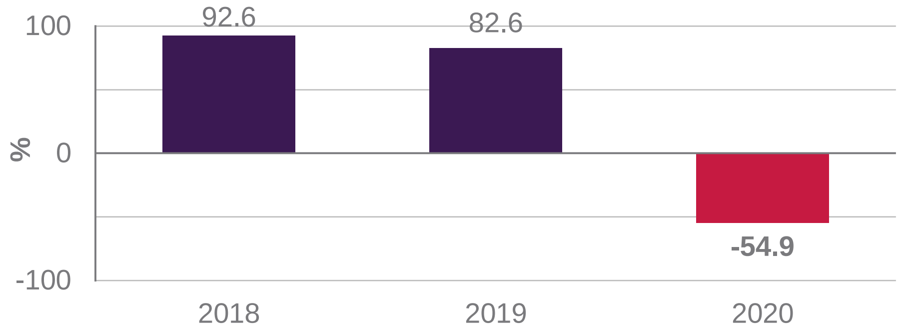
Group financial metrics

Return on net operating assets



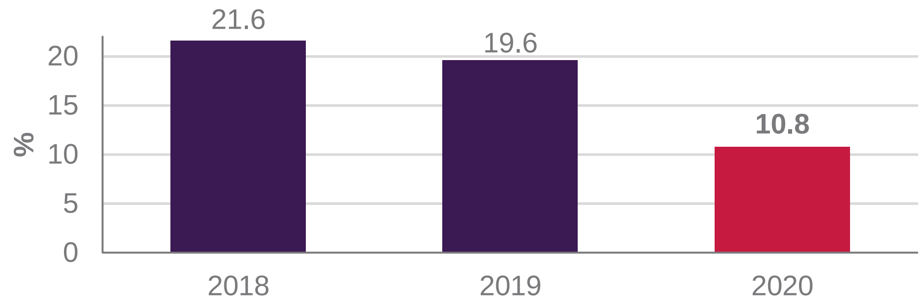
2018-2023 medium term target: Increase to 35%

Cash conversion*



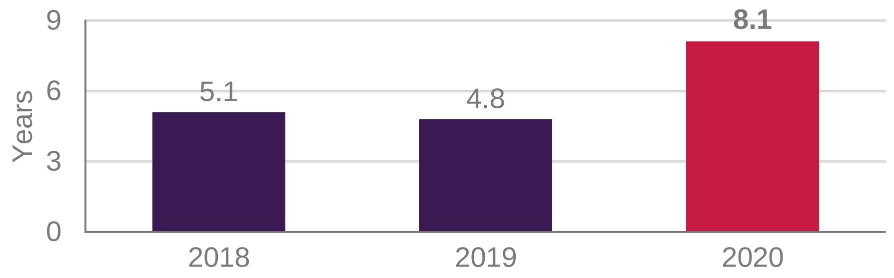
2018-2023 medium term target: Convert 70-100% of operating profit into operating cash flow

Operating profit margin



2018-2023 medium term target: Maintain at c.21-22%

Landbank years



2018-2023 medium term target: Short term owned and controlled landbank years to 4-4.5 years

* See definitions slide in the appendix

2020 operational performance – our KPIs

Customer	FY 2020	FY 2019	FY 2018
Customer satisfaction – would you recommend 8-week score %*	92	89	90
Customer satisfaction – would you recommend 9-month score %**	78	77	76
Build quality			
Construction Quality Review – average score out of 6	4.45	4.13	3.93
Average reportable items per inspection	0.24	0.28	0.28
Land and planning			
Land cost as % of ASP on approvals	18.3	16.2	19.2
Landbank years	c.8.1	c.4.8	c.5.1
Completions from strategically sourced land %	55	56	58

KPIs for UK only

* The 8-week 'would you recommend' score for 2020 relates to customers who legally completed between October 2019 and September 2020, with the comparators relating to the same period in the prior years

** The 9-month 'would you recommend' score for 2020 relates to customers who legally completed between October 2018 and September 2019, with the comparators relating to the same period in the prior years

2020 operational performance – our KPIs

Efficiency	FY 2020	FY 2019	FY 2018
Net private sales rate per outlet per week	0.76	0.96	0.80
Private legal completions per outlet	31.5	48.2	41.8
Order book value £m	2,684	2,176	1,782
Order book volume – number of homes	10,685	9,725	8,304

Employee	FY 2020	FY 2019	FY 2018
Employee turnover (voluntary) %	9.4	12.9	14.5
Number of people recruited into early talent programmes: graduates, management trainees and site management trainees	47	116	175
Directly employed key trades people including trade apprentices	1,038	1,169	748
Health and Safety Injury Incidence Rate* (per 100,000 employees and contractors)	151	156	228

KPIs for UK only
* See definitions slide in the appendix

Sustainable, responsible business

Environmental

- New environment strategy to reduce impacts and improve efficiency
- Science Based Targets for carbon reduction
- Enhancing nature on our sites, reducing waste, and using fewer and more sustainable resources

Social

- Our Community Communications Plan ensures a consistent approach to working with communities and we aim to improve this engagement
- Creating connected, sustainable communities through placemaking, benefiting customers and existing residents
- Significant contributors to local communities

Governance

- Strong culture of doing the right thing with health and safety as our number one priority
- Refined our purpose following stakeholder consultations
- Action plan to improve diversity

Summary income statement*

Group £m	FY 2020	FY 2019	Change	H1 2020
Revenue	2,790.2	4,341.3	(35.7)%	754.6
Cost of sales	(2,293.5)	(3,297.2)	(30.4)%	(663.6)
Gross profit	**496.7**	**1,044.1**	**(52.4)%**	**91.0**
Net operating expenses	(204.3)	(201.6)	1.3%	(105.3)
Profit / (loss) on ordinary activities before finance costs	**292.4**	**842.5**	**(65.3)%**	**(14.3)**
Net finance cost	(25.9)	(28.9)	(10.4)%	(13.7)
Share of results of JVs	7.9	8.0	(1.3)%	(1.8)
Profit / (loss) before tax	**274.4**	**821.6**	**(66.6)%**	**(29.8)**
Tax charge	(49.1)	(159.3)	(69.2)%	6.6
Profit / (loss) for the period	**225.3**	**662.3**	**(66.0)%**	**(23.2)**

* Before exceptional items

Cash flow summary

Group £m	FY 2020	H2 2020	H1 2020	FY 2019
Profit on ordinary activities before finance costs	282.4	306.7	(24.3)	856.8
(Increase) / decrease in inventories	(362.2)	61.6	(423.8)	(21.7)
Exceptional items charge / (credit)	10.0	-	10.0	(14.3)
Other operating items*	(95.2)	(58.0)	(37.2)	(118.6)
Cash (used in) / generated by operations	**(165.0)**	**310.3**	**(475.3)**	**702.2**
Payments relating to exceptional charges	(17.7)	(9.9)	(7.8)	(36.8)
Tax paid	(107.7)	(73.6)	(34.1)	(149.0)
Interest paid	(10.8)	(4.3)	(6.5)	(6.4)
Net cash (used in) / from operating activities	**(301.2)**	**222.5**	**(523.7)**	**510.0**
Investing activities	(23.9)	2.5	(26.4)	(8.6)
Financing activities	516.4	(3.5)	519.9	(602.6)
Cash flow for the period	**191.3**	**221.5**	**(30.2)**	**(101.2)**

Opening net cash	**545.7**	**497.3**	**545.7**	**644.1**
Cash inflow / (outflow)	177.8	221.5	(43.7)	(101.2)
Foreign exchange	(4.1)	0.6	(4.7)	2.8
Closing net cash	**719.4**	**719.4**	**497.3**	**545.7**

* Includes other non-cash items, movement in receivables and payables and pension contributions in excess of the charge to the income statement

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Affordable housing volumes

- Continue to expect 2021 volumes to be 85-90% of 2019 levels but with affordable of c.17%
- Reduction in affordable proportion in 2021 influenced by site mix and a revision to the way we contract land sold to Housing Associations, with revenue and profit realised slightly later
- Contract change results in c.350 fewer affordable completions in 2021
- Only timing of receipt / recognition changes – total cash and profit for individual affordable contracts is unaffected
- Affordable mix from 2022 is expected to return to around 20%

Group segmental analysis

	FY 2020			FY 2019		
	Operating profit £m	Operating profit margin %	RONOA %	Operating profit £m	Operating profit margin %	RONOA %
UK	**284.5**	**10.4**	**9.7**	**818.4**	**19.4**	**31.1**
Spain	15.8	25.0	16.7	32.1	26.7	45.5
Group	**300.3**	**10.8**	**9.9**	**850.5**	**19.6**	**31.4**

Financing

- Net cash at 31 December 2020: £719.4 million (31 December 2019: £ 545.7 million)
- Adjusted gearing* including land creditors of -1.1% (2019: 5.5%)
- Average net cash during 2020: £399.3 million (2019: £157.0 million)

- Borrowings and facilities:
  - £550 million Revolving Credit Facility expiring February 2025
    - Fully undrawn at year end
  - €100 million Senior Loan Notes due June 2023
    - Issued 28 June 2016 at a fixed coupon of 2.02% p.a. and is being used to hedge the investment in our Spanish business
  - €15 million Term Loan maturing December 2021
  - Weighted average life of borrowings and facilities of 3.8 years

* See definitions slide in the appendix

Finance charges

£m	FY 2020	FY 2019	Change
Financial indebtedness	8.3	5.5	2.8
Foreign exchange loss	-	1.1	(1.1)
Unwind of land creditors and other items	19.3	21.5	(2.2)
Pensions	1.4	3.2	(1.8)
Interest on IFRS 16 leases	0.4	0.5	(0.1)
Total	**29.4**	**31.8**	**(2.4)**

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Tax

Asset / (liability)	Current tax £m	Deferred tax £m	Net tax £m
As at 1 January 2020	(67.9)	29.8	(38.1)
Income statement*	(41.3)	(6.1)	(47.4)
SOCI / SOCIE	0.2	9.4	9.6
Cash paid	107.7	-	107.7
Other (including foreign exchange)	0.2	0.6	0.8
As at 31 December 2020	(1.1)	33.7	32.6

- Pre-exceptional underlying tax rate of 17.9% (2019: 19.4%)
- Expect future underlying tax rate to largely reflect statutory rate
- £38.7m unrecognised Spanish temporary differences

* Including tax on exceptional items

Pension fund contributions

- Triennial valuation of the Scheme at 31 December 2019 being negotiated; statutory deadline of 31 March 2021 for completion
- Funding update as at 31 December 2020
  - Technical provisions deficit of £125 million and funding level of 95% based on the 2016 valuation assumptions
  - Deficit contributions in the year of £30.0 million (£10.0 million Q2 deferred to be paid in Q1 2021)
  - 2021 deficit contribution payments currently committed of £10.3 million; additional 2021 payments dependent on outcome of negotiations for the triennial valuation at 31 December 2019
- Total confirmed payments for 2021 currently £17.4 million (2020: £37.1 million) consisting of:
  - £10.3 million deficit contributions
  - £5.1 million Pension Funding Partnership
  - £2.0 million scheme expenses

Pensions

Movement in present value of defined benefit obligations

Total UK £m	FY 2020	FY 2019	FY 2018	FY 2017
Pre-IFRIC 14 (surplus) / deficit brought forward	**(100.5)**	**(33.1)**	**(23.9)**	**232.7**
Employer contributions*	(37.1)	(47.1)	(34.1)	(23.1)
Administration cost	2.5	1.8	1.9	3.0
Interest (income) / charge	(2.5)	(1.7)	(1.1)	5.9
Increase in scheme liabilities due to GMP	1.2	-	16.1	-
Decrease in scheme liabilities due to PIE	-	(15.3)	-	-
Amounts recognised through other comprehensive income	225.5	(5.1)	8.0	(242.4)
Pre-IFRIC 14 deficit / (surplus)	**89.1**	**(100.5)**	**(33.1)**	**(23.9)**
Interest charge arising on IFRIC 14	3.9	4.9	2.2	-
Adjustment for IFRIC 14	(3.9)	180.1	163.9	87.6
Carried forward deficit	**89.1**	**84.5**	**133.0**	**63.7**

* Includes £5.1 million paid through the Pension Funding Partnership structure

UK completions mix

UK completions 2020	<£200k	£201k – £250k	£251k – £300k	£301k – £450k	£451k – £600k	£601k – £1m	>£1m	Total
Price band	27%	18%	17%	28%	7%	2%	1%	100%

UK completions	FY 2020	H2 2020	H1 2020	FY 2019	H2 2019	H1 2019
First time buyers	40%	43%	35%	36%	36%	35%
Second time buyers	35%	34%	35%	35%	35%	35%
Affordable*	21%	19%	26%	24%	23%	25%
Investor	4%	4%	4%	5%	6%	5%
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**
Help to Buy	42%	45%	35%	37%	37%	37%

Private completions	FY 2020	H2 2020	H1 2020	FY 2019	H2 2019	H1 2019
Apartments	9%	10%	8%	11%	11%	11%
1 / 2 / 3 bed houses	49%	48%	50%	48%	49%	47%
4 / 5 / 6 bed houses	42%	42%	42%	41%	40%	42%
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

*Includes private sales to housing associations
Data based on completions excluding JVs

Help to Buy price caps

Homes England Region	Help to Buy price cap**	First time buyers using Help to Buy as a % of total 2020 private completions	% within price cap
North East	£ 186,100	28%	29%
North West	£ 224,400	50%	65%
Yorkshire & The Humber	£ 228,100	35%	58%
East Midlands	£ 261,900	44%	55%
West Midlands	£ 255,600	42%	64%
East of England	£ 407,400	42%	80%
London	£ 600,000	40%	100%
South East	£ 437,600	45%	87%
South West	£ 349,000	46%	87%
Total*		**43%**	**74%**

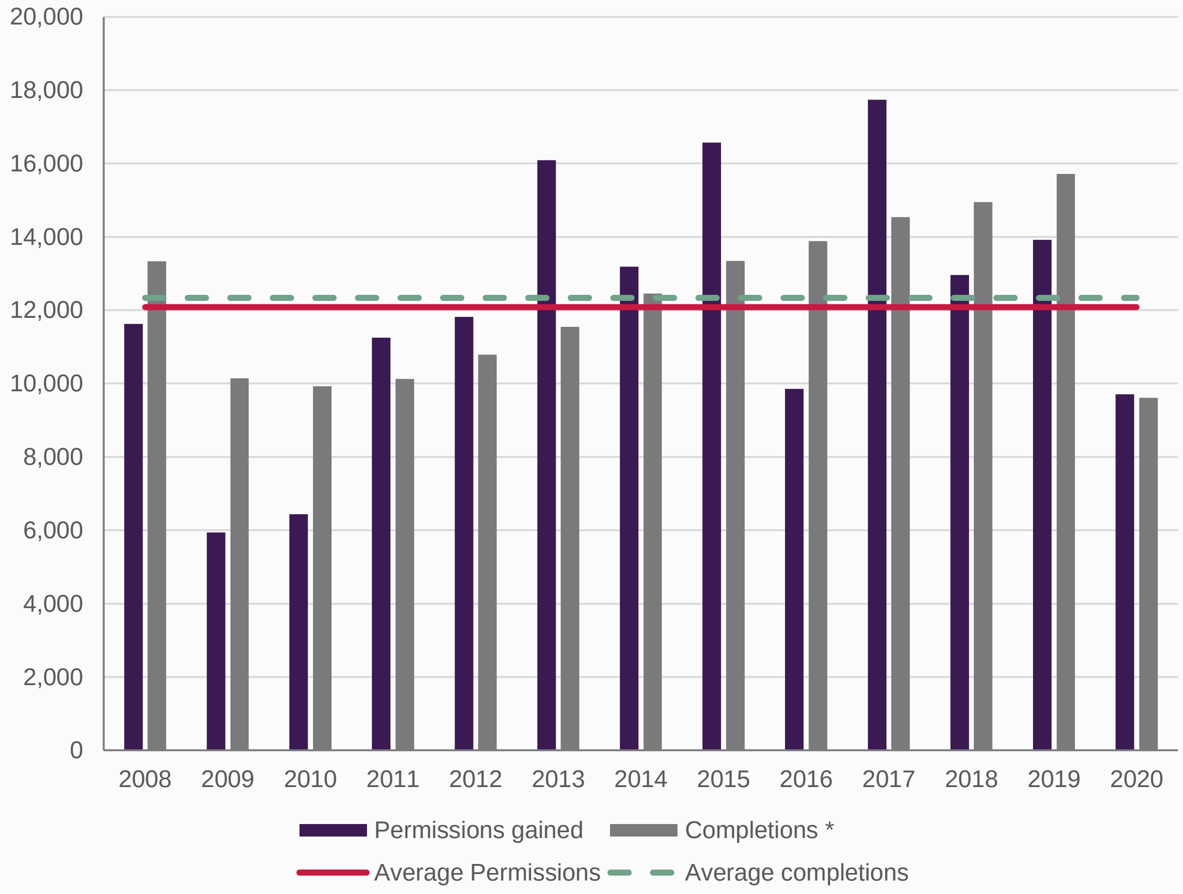
* England only, excludes Scotland and Wales which are not affected by the announced changes to the Help to Buy Equity Loan Scheme
** Regional price caps for properties legally completed under Help to Buy Equity Loan scheme from April 2021 to March 2023

UK land commitments

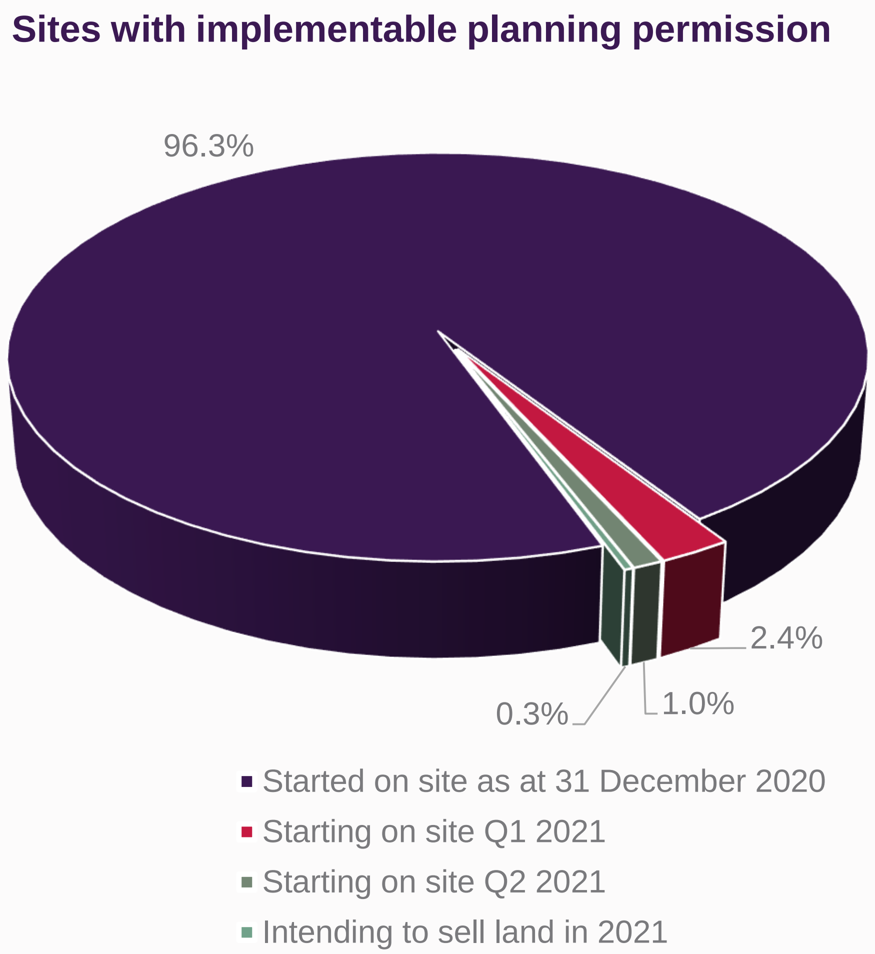
£m (at 31 December 2020)	< 1 yr	1-2 yrs	2-5 yrs	5+ yrs	2020 total	2019 total
Committed cash payments in respect of unconditional land contracts	346	166	151	27	**690**	**740**
Expected cash payments in respect of conditional land contracts	124	77	120	12	**333**	**295**

- Included in unconditional land contracts at 31 December 2020 are UK overage commitments of £65 million (2019: £56 million)

UK planning permissions



* Data includes JV plots



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UK land pipeline

Plots	31 Dec 2020 Owned	Controlled	Total	31 Dec 2019 Total
Detailed planning	39,217	3,557	42,774	43,460
Outline planning	13,919	5,858	19,777	19,726
Resolution to grant	595	14,289	14,884	12,426
Short term	**53,731**	**23,704**	**77,435**	**75,612**
Short term with implementable planning	**39,105**		**39,105**	**36,833**
Allocated strategic*	4,778	13,119	17,897	17,755
Non-allocated strategic*	32,190	88,557	120,747	122,469
Strategic	**36,968**	**101,676**	**138,644**	**140,224**
Total	**90,699**	**125,380**	**216,079**	**215,836**

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

UK land portfolio – net cost

£m	31 Dec 2020 Owned	Controlled	Total	31 Dec 2019 Total
Detailed planning	1,854	6	1,860	1,891
Outline planning	475	78	553	514
Resolution to grant	17	27	44	40
Sub-total	**2,346**	**111**	**2,457**	**2,445**
plots	*53,731*	*23,704*	*77,435*	*75,612*
Strategic	217	99	316	191
plots	*36,968*	*101,676*	*138,644*	*140,224*
Total	**2,563**	**210**	**2,773**	**2,636**

Of the short term owned and controlled land portfolio:

- 50% - post 2009 strategic land
- 40% - post 2009 short term land
- 10% - 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

UK landbank

- Land cost in short term owned landbank is 15.2% of ASP (2019: 14.9%), supported by strategic pipeline conversions
- Land cost as % of ASP on 2020 approvals 18.3% (2019: 16.2%)
- Potential revenue in the landbank was £54 billion (31 December 2019: £53 billion), comprising:
  - Short term land of £23 billion (31 December 2019: £21 billion)
  - Strategic land of £31 billion (31 December 2019: £32 billion)

	Land cost on balance sheet £m 31 Dec 2020	Number of plots 31 Dec 2020	Land cost on balance sheet £m 31 Dec 2019	Number of plots 31 Dec 2019
Short term owned	2,346	53,731	2,309	54,641
Short term controlled	111	23,704	136	20,971
Total short term	**2,457**	**77,435**	**2,445**	**75,612**
Strategic owned*	217	36,968	97	33,329
Strategic controlled*	99	101,676	94	106,895
Total strategic*	**316**	**138,644**	**191**	**140,224**
Total landbank	**2,773**	**216,079**	**2,636**	**215,836**

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

UK sales performance

Private and affordable reservations excl. JV	H1 2021 (w/e 21 Feb 2021)	H2 2020	H1 2020	H2 2019	H1 2019
Average outlets open	236	244	237	243	257
Average sales rate (net)	0.98	0.90	0.76	1.37	1.24
Average selling price £000	295	302	308	253	269

As at	H1 2021 (w/e 21 Feb 2021)	31 Dec 2020	30 June 2020	31 Dec 2019	30 June 2019
Total order book value £m	2,793	2,684	2,904	2,176	2,366
Total order book units	11,013	10,685	11,686	9,725	10,137
ASP in total order book £000	254	251	249	224	233
Outlets at end of period	231	239	252	240	246
Order book value £m per outlet	12.1	11.2	11.5	9.1	9.6

Data based on both private and affordable reservations excluding JVs

Spain financial summary

	FY 2020	FY 2019	Change
Average number of active sites	20	21	(1)
Legal completions	190	323	(41.2)%
Average selling price £000	333	373	(10.7)%
Average selling price €000	375	429	(12.6)%
Revenue £m	63.3	120.4	(47.4)%
Operating profit £m	15.8	32.1	(50.8)%
Operating profit margin %	25.0	26.7	(1.7)ppt
Order book £m	49.1	76.1	(35.5)%
Order book units	126	217	(41.9)%
Net operating assets £m	111.5	78.1	42.8%
Total landbank plots*	2,819	2,841	(0.8)%

* Landbank includes owned and controlled land

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 average 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 net assets 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.
- Cash conversion is defined as operating cash flow divided by operating profit on a rolling 12-month basis. Operating cash flow is defined as cash generated by operations before tax, interest paid and exceptional cash flows.
- Return on capital employed (ROCE) is defined as 12-month rolling operating profit divided by average capital employed calculated on a monthly basis over the period.
- Net cash is defined as total cash less total borrowings.
- Adjusted gearing is defined as adjusted net debt divided by net assets. Adjusted net debt is defined as net cash less land creditors.
- The Annual Injury Incidence Rate (IIR) is defined as the number of incidents per 100,000 employees and contractors, calculated on a rolling 12 month basis, where the number of employees and contractors is calculated using a monthly average over the same period.