

Taylor
Wimpey | plc

Building a stronger and more resilient business

25 May 2022



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What you will hear today

- **Great shape**
 - Sector leading landbank
 - Strong balance sheet
 - Great people culture
- Current guidance reconfirmed for operating profit* margin and outlet-led volume growth

But there is more potential to unlock through

1. Future focused approach and sharper operational execution
2. Delivery of financial targets for operating profit margin of 21-22% and RONO^{*} of 30%
3. Building a stronger and more resilient business

To deliver superior returns for shareholders through our sector leading landbank and enhance value through sharper operational focus

* See definitions slide in the appendix

Introducing today's presenters



Jennie Daly
CEO

*30 years in
industry and 8
years at TW*



**Stephen
Andrew**
**Group
Technical
Director**

*22 years in
industry and 18
years at TW*



Nick Wright
**Group Supply
Chain Director**

*34 years in
supply chain /
operations and 4
years at TW*



Lee Bishop
**Group
Managing
Director
Strategic Land**

*38 years in
industry, all at
TW*



Chris Carney
**Group Finance
Director**

*15 years in
industry, all at
TW*

Agenda



Building a stronger and more resilient business

14:00-14:30



Operational excellence and fit for the future

14:30-15:10

Q&A

15:10-15:30

Coffee break

15:30-15:50



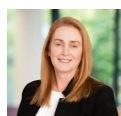
Land: optimising value

15:50-16:30



Targets and capital allocation

16:30-16:50



Closing remarks

16:50-17:00

Q&A

17:00-17:30

Drinks reception

17:30

Strong and experienced operational management team



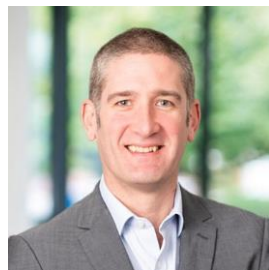
Ingrid
Osborne

*Divisional Chair
London and South
East*



Nigel
Holland

*Divisional Chair
Central, South
West and Spain*



Shaun White

*Divisional Chair
Midlands and
Wales*



Ian
Drummond

*Divisional Chair
Scotland, North
East and North
Yorkshire*



Andrew
Wilkinson

*Divisional Chair
North West and
Yorkshire*



Lee Bishop

*Group Managing
Director Strategic
Land*

- Full Group Management Team has over 150 years of experience at TW and over 200 in industry

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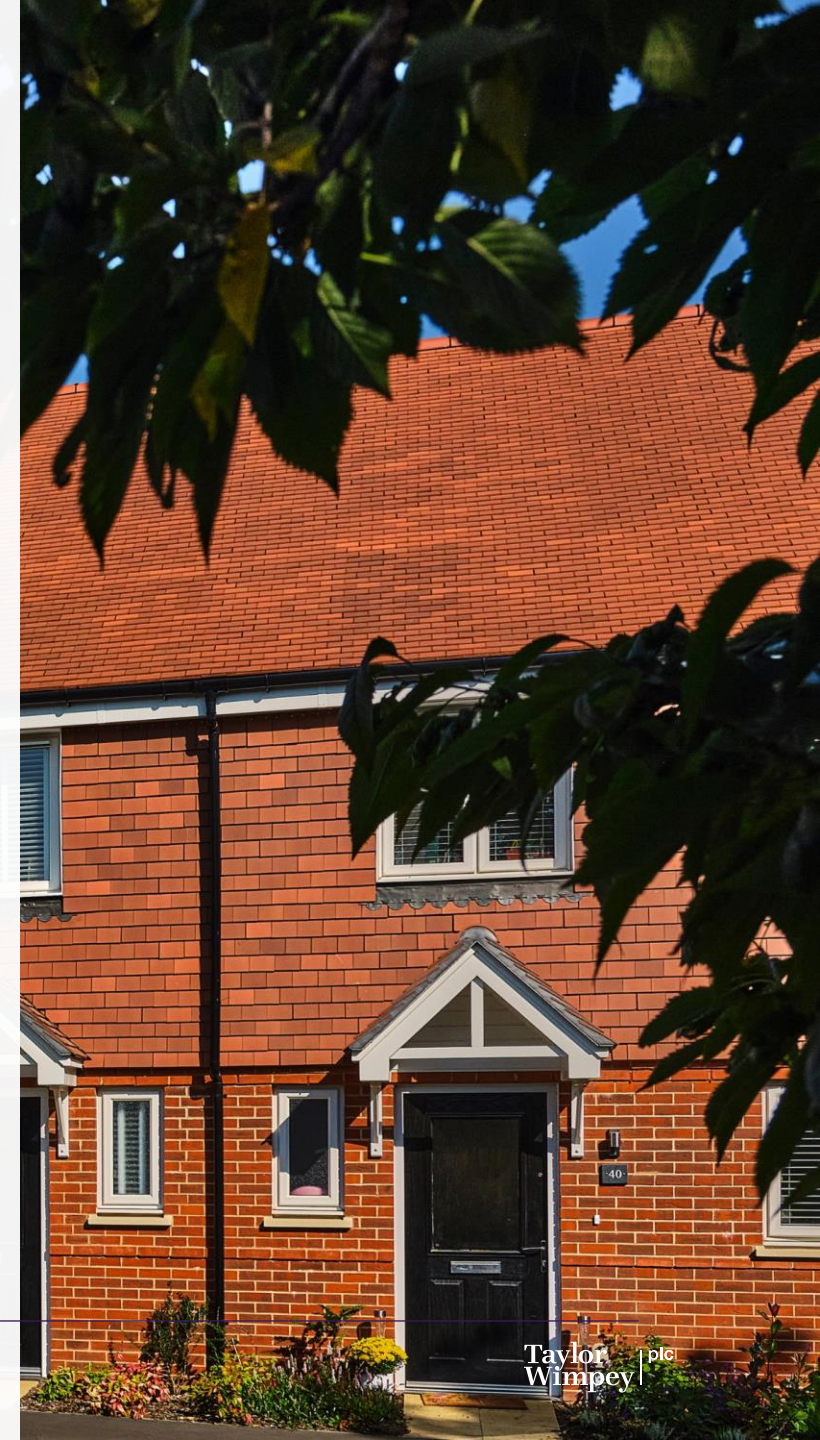
Building a stronger and more resilient business

Jennie Daly
CEO



On track to deliver our 2022 and 2023 priorities

- Operating margin
 - Operational excellence and discipline driving increase in operating margin
- Outlet growth
 - Progressing recent land acquisitions through planning to facilitate outlet growth in late 2022 and volume growth in 2023
- Great stakeholder experience
 - Continue to deliver consistently great build quality, customer service and employee experience
- Embedding sustainability
 - Further embedding sustainability through the business targeting areas where we can make the most difference



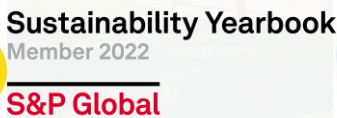
A strong purpose



To build great homes and create thriving communities

Taylor Wimpey is a strong business

- Sector leading landbank and strategic pipeline positions us for delivery of near term growth
- Highly engaged and skilled employees and experienced management team
- Five-star customer service and best quality volume housebuilder in terms of independently measured CQR score
- Strong culture of doing the right thing underpins our relationships with key stakeholders
- Strong balance sheet, highly cash generative with good visibility of investor returns



Focusing on our value chain



Creating more value by having a clearer operational focus

What stays the same

- Health and safety
- Landbank strength
- Focus on strategic land
- Customer service and build quality
- Culture of doing the right thing
- Strong balance sheet

Where there is more potential to unlock

- Sharper operational focus
- Ensuring we are 'future fit'
- Approach to modern methods of construction (MMC)
- Approach to skills and resources
- Right customer proposition

Well positioned to deliver for customers



Underpinned by great customer service

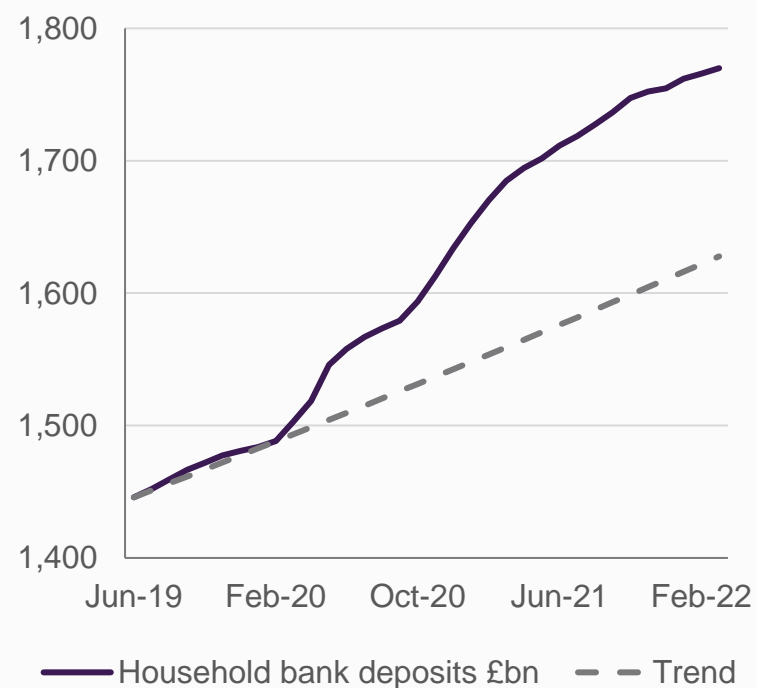
Sector fundamentals remain robust

- Resilient housing market due to unmet demand / continued and consistent undersupply
- Affordability remains robust although we are mindful of future economic impacts
- Competitive lending environment with accessible affordable lending for customers
- Inflation headwinds offset by house price growth
- UK employment high



Sector fundamentals remain robust

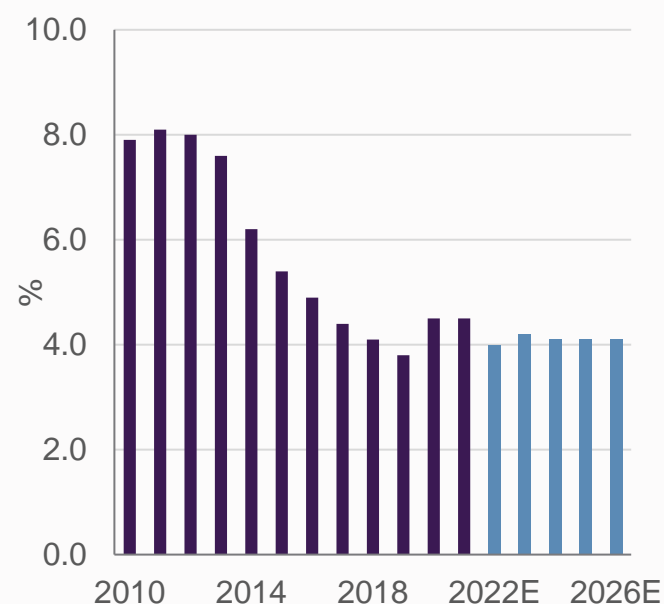
Household bank deposits



Source: Lazarus Economics, Bank of England

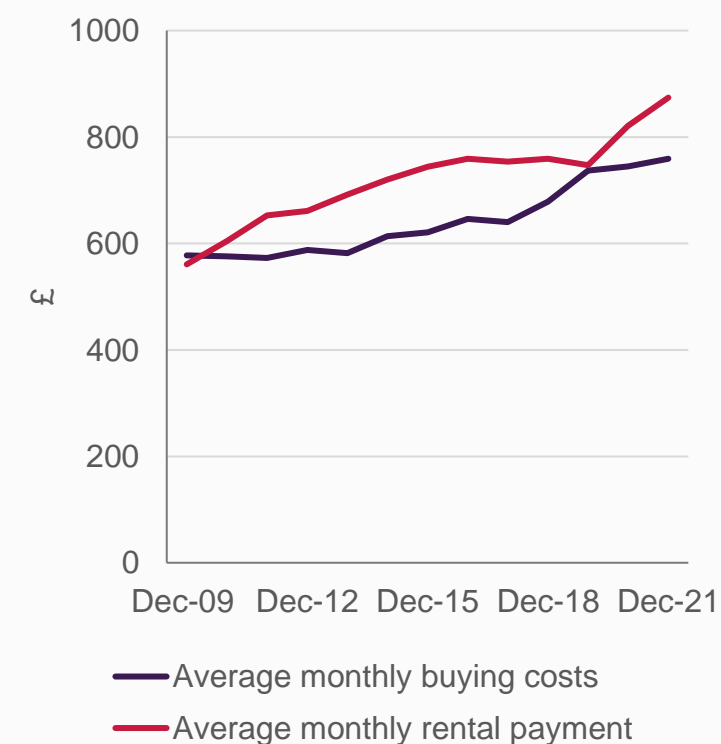
All data relates to the UK

Annual unemployment



Source: ONS, Statista

Cost of buying a home attractive compared to rental



Source: Halifax

Well placed to face new build market challenges

- Political environment for housebuilding
- Customer and New Homes Ombudsman
- Generational step change in regulatory environment
- Emerging land supply and planning challenges
- Nutrient neutrality
- Skills and resource availability
- ESG and climate change agenda
- Cost of living pressures



Cornerstones of value and a clear strategic focus

1. Land

**2. Operational
excellence**

3. Sustainability

**4. Capital
allocation**

To deliver superior returns for shareholders through our sector leading landbank and enhance value through sharper operational focus



Operational excellence and fit for the future

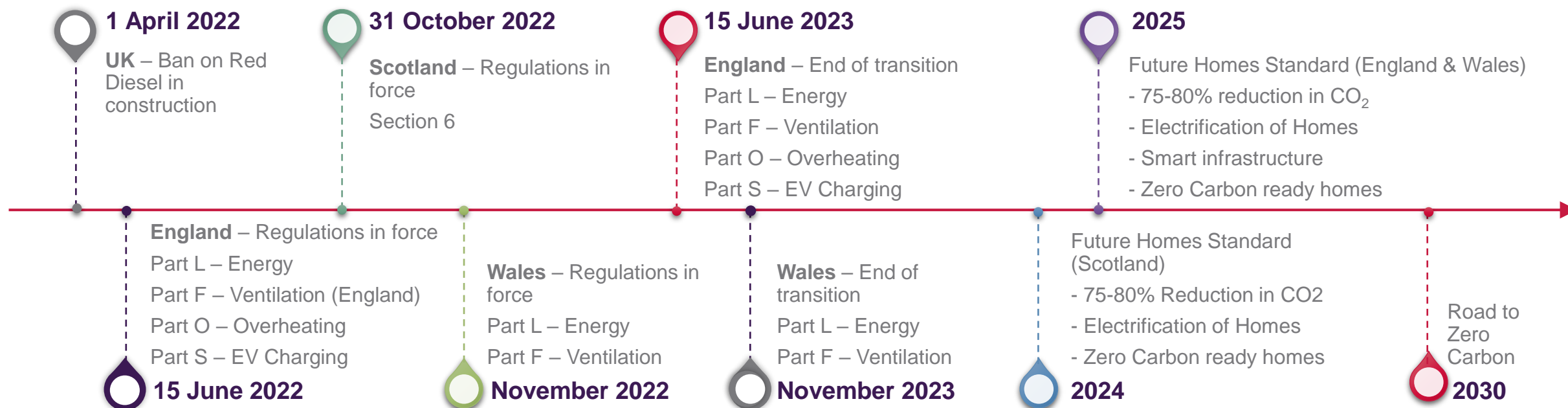
Stephen Andrew, Group Technical Director
Nick Wright, Group Supply Chain Director



What you will hear

- Fit for the future – Stephen Andrew, Group Technical Director
 - Significant regulatory changes in medium term
 - On track to meet Part L and F and O requirements for Energy, Ventilation and Overheating
 - Trialling solutions to meet Future Homes Standard
 - Working towards net zero carbon requires a co-ordinated business approach
- Operational excellence – Nick Wright, Group Supply Chain Director
 - Procurement efficiencies – increased standardisation and Stock Keeping Unit (SKU) reduction
 - Delivering consistency and right first time through supplier training
 - Driving efficiencies through TW Logistics

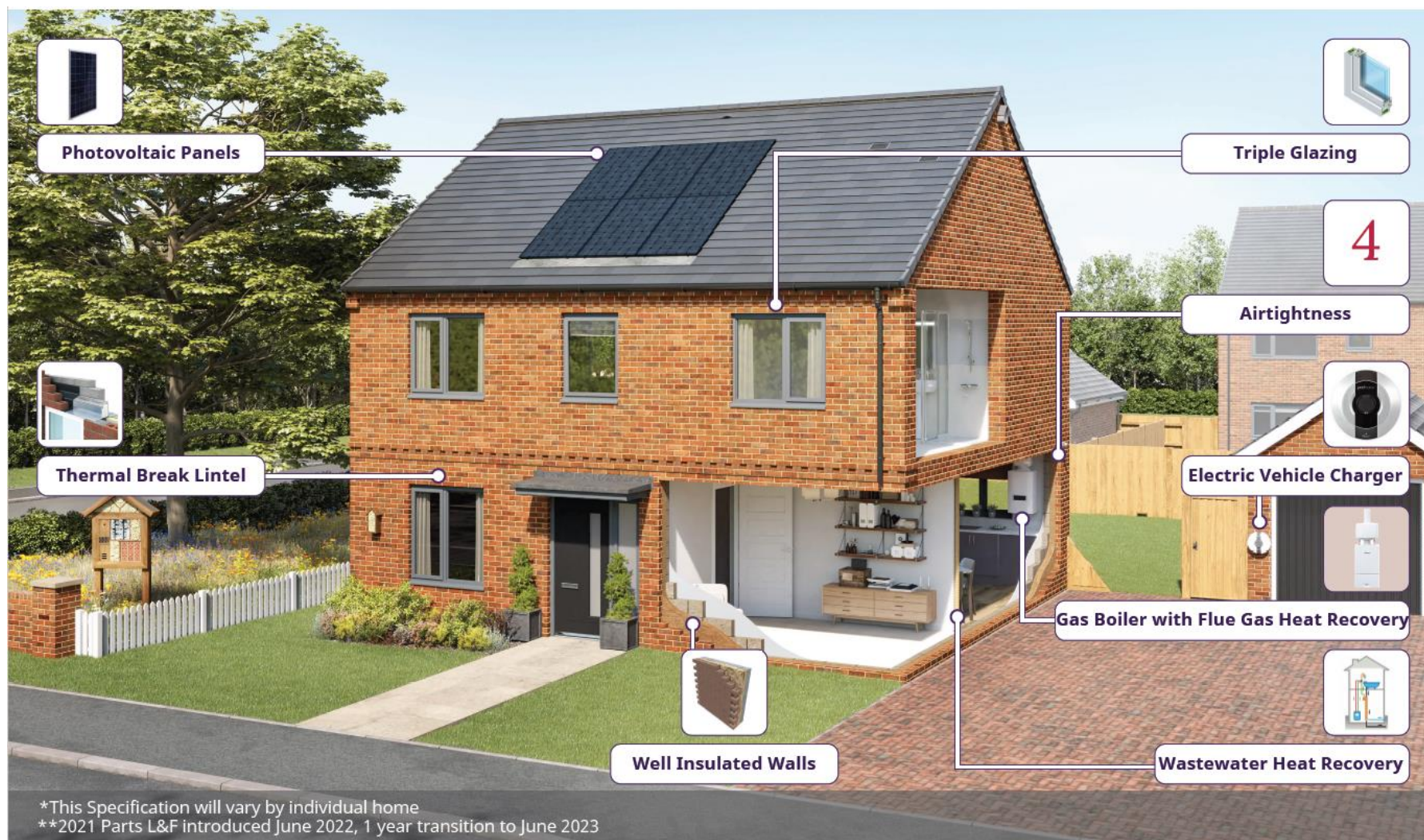
Adapting to meet changing regulations and protect margin



Current Taylor Wimpey home



Part L&F compliant home



Future Homes Standard home



Squares not greyed out represent additional solutions in response to the Future Homes Standard

Planning and preparing for changing regulations

- In preparation for the Future Homes Standard (FHS) we will trial a shortlisted range of fabric and technology solutions on a live site
- Aim to create a robust, deliverable, customer focused and design friendly specification for FHS 2025
- The trials will encompass traditional masonry construction and timber frame combined with fabric upgrades and a range low carbon heat and hot water configurations
 - Air source heat pumps with underfloor heating, larger radiators and heated skirting boards
 - Electric panel heaters
 - Infrared ceiling panels / Infrared underfloor heating and ThermaSkirt electric
 - Heat pump cylinder
 - Sunamp thermal energy storage, PV panels and battery storage
- Ongoing innovation informing Group approach

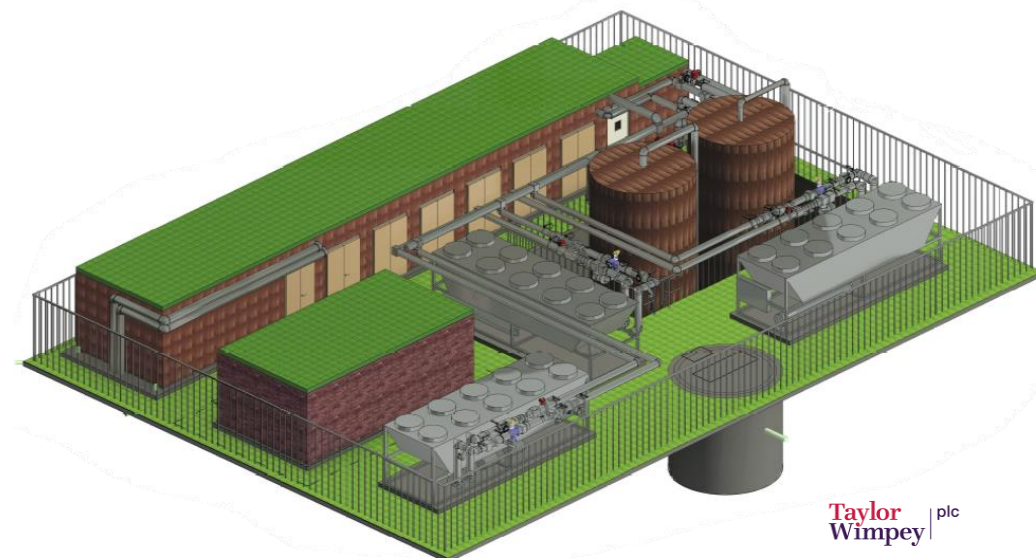


Holistic approach to net zero carbon



Sudbury – the heat network

- The network utilises plastic pipe at 60°C flow and 30°C return
- Laid in standard utility trench
- Three Air Source Heat Pumps provide heat which heats water in two 40,000L stores
- Supplemented by six 500kw electric boilers for peak demand (c.5% of annual heat load)
- Future proof – can convert to hydrogen when and if viable
- Heat Interface Unit replaces boiler
- No hot water cylinder required
- Underfloor heating not required
- Oversize radiators as heating circuit at 45°C-50°C
- Smart meter to monitor energy usage
- Online account management and development website



Simplification, standardisation and innovation

- In 2021, nearly 90% of Taylor Wimpey UK homes used some form of MMC sub-assemblies and / or componentisation

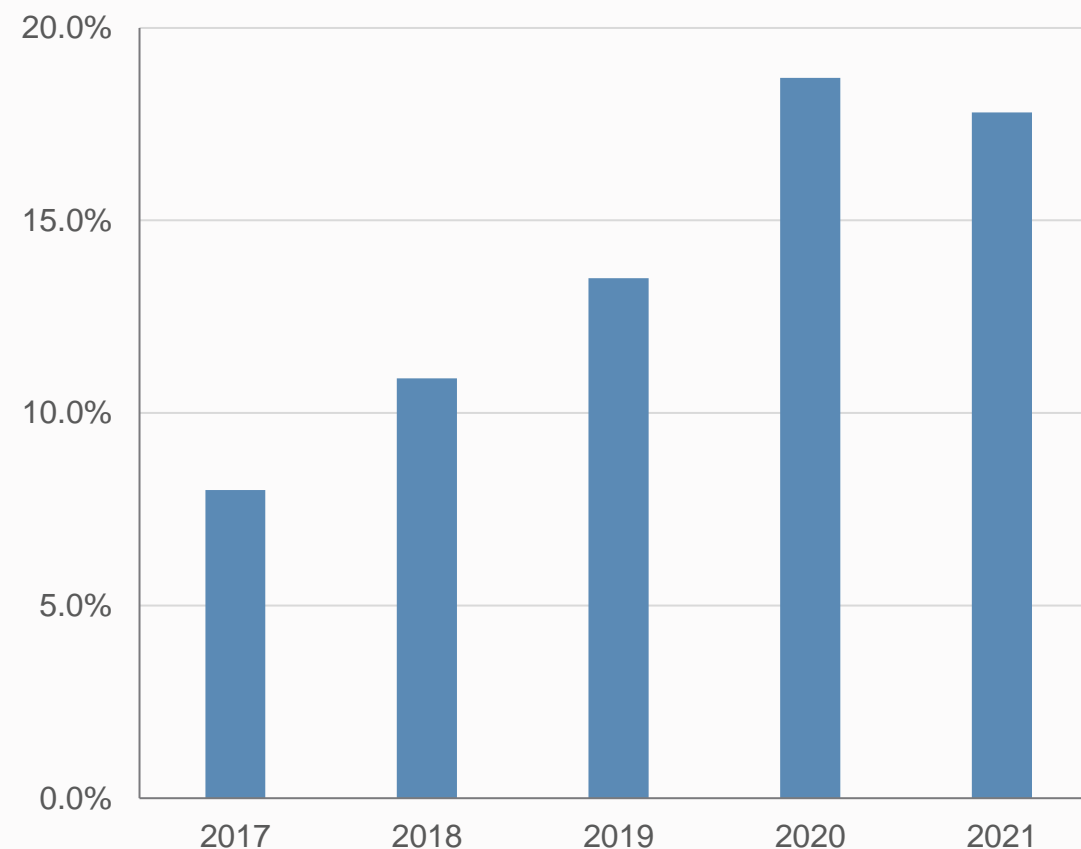
Usage of MMC sub assemblies / componentisation	2021
Timber frame kits	2,737
Roof cassettes	1,350
Timber floor cassettes	2,197
Spandrel panels	25,000
Timber beam joist packs	9,500
Glass reinforced polymer components	12,576

Driving value from timber frame

Why timber frame?

- Drive value from increased standardisation and simplification combined with our new house type range
- Offsite manufactured products improve the accuracy, quality and consistency of on-site works
- Increased speed of build
- Underpins our strategy for Future Homes Standard and reduces carbon footprint due to embodied carbon
- Reduced build programmes provide the ability to mitigate weather delays
- Early dry weather tight buildings provide enhanced working conditions and reduced weather damage
- Offsite manufactured products help optimise movement and accountability of materials and trades
- Opportunity for more cost effective foundation solutions due to reduced superstructure loads

Timber frame as a % of total completions

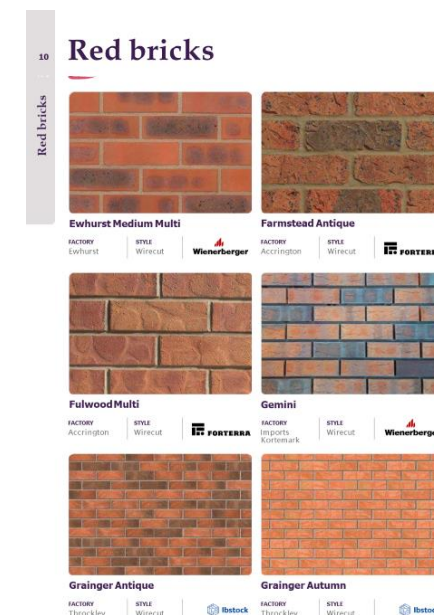


Procurement – standardisation, simplification and supply chain security

- TW procurement strategies support and benefit from business operational imperatives of standard build, technically assessed, quality products
- Simplification of product ranges (SKU rationalisation) improve forecasting and material availability
- New house type range is key to enabling acceleration of standardisation, realising procurement efficiencies and SKU reduction



Contents		
Red bricks	Red multi bricks	Buff bricks
<ul style="list-style-type: none"> 04 Abbey Blend 04 Abbey Red Multi 04 Abbey Burgundy 04 Aston Special Reserve 04 Athenaze Red 04 Athenaze Red Multi 05 Balmoral 05 Blackland Multi Reserve 05 Bridgwater Weathered Red 05 Brunsack Antique 05 Brunsack Farmhouse Mixture 10 Leicester Weathered Red 10 Linton Cottage Red Multi 10 Linton Cottage Red Reserve 10 Meria Antique 10 Meria Orange 10 Minor Beckstone Mixture 11 Newlyn Blend 11 Oakthorpe Red Multi 11 Old Rickstone Blend 11 Old English (Throckley) 11 Red Smooth (Ravenhead) 	<ul style="list-style-type: none"> 16 Ashington 16 Calders 16 Colchester Multi 16 Chatham Multi 16 Colorado Red Multi 16 Darfield Multi 17 Durham Claret 17 Durham Red Multi 17 Ebbw Vale Medium Multi 17 Gemini 17 Hagley Red Multi 	<ul style="list-style-type: none"> 20 Arizona Yellow 20 Arandel Yellow Multi 20 Brunsack Buff 20 Brunsack Wilton Yellow 20 Cranmer Gold 20 Harrogate Buff Multi 21 Harrogate Mosaic Sandstone 21 Harvest Buff 21 Harwood 21 Kinsley Yellow



SKU reduction – internal doors and appliances (examples)

Kitchen appliances

- Reduced SKUs from 185 models to 44 models
 - Introduced a two brand strategy with offering aligned to market trends
 - Fewer model variants
 - Reducing supply risks in a volatile market
 - Improved and easier forecasting
 - Improved supplier relationship



Internal doors

- Moved from one to two suppliers to improve material availability, mitigating significant delays and disruption to build and focus on two styles of door
- Reduced SKUs from 536 (268 per supplier) to c.290 SKUs total
 - Achieved by standardising to manufacturer's core ranges
 - Strategy delivered greater supply chain certainty
 - Improved manual handling health and safety by moving from heavyweight to midweight doors



Affordable housing

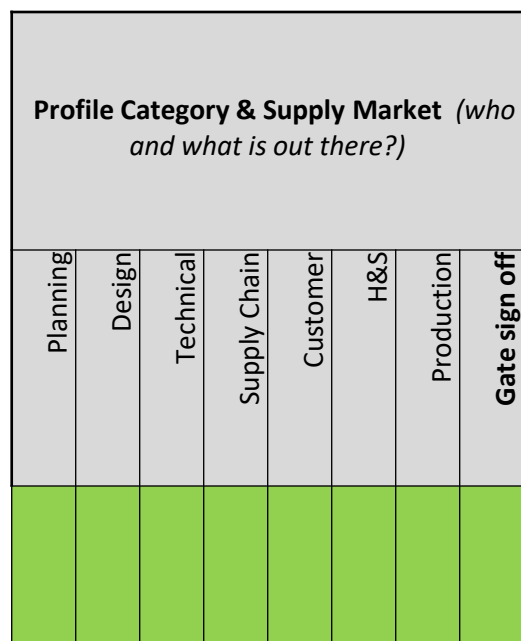
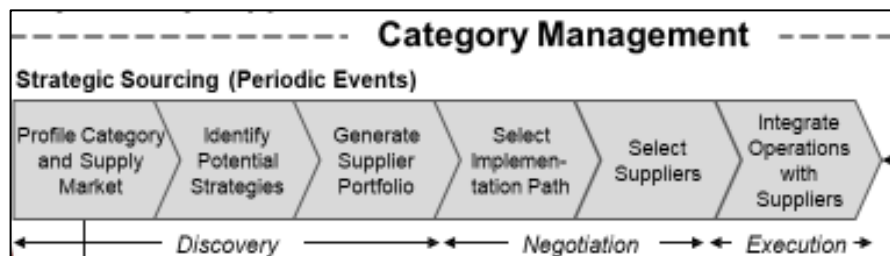


Focus door

Managing supply chain risk

- Understanding and managing risk across
 - Brexit
 - Pandemic
 - Conflict
- Suppliers are asked numerous questions around supply chain security including:
 - For products purchased from outside of the UK, has your organisation identified an alternate UK source?
 - Does your organisation single source, or multi-source key components?
 - Has your organisation carried out detailed analysis of logistics routing from point of manufacture, to point of import into the UK (for products which originate overseas, but outside of the EU)?
 - Does your organisation utilise its own haulage fleet, or third party provider for outbound deliveries from your operations?
 - If third party haulage contractor(s) utilised, please provide detail of measures planned or taken to ensure availability

A robust onboarding process for new products

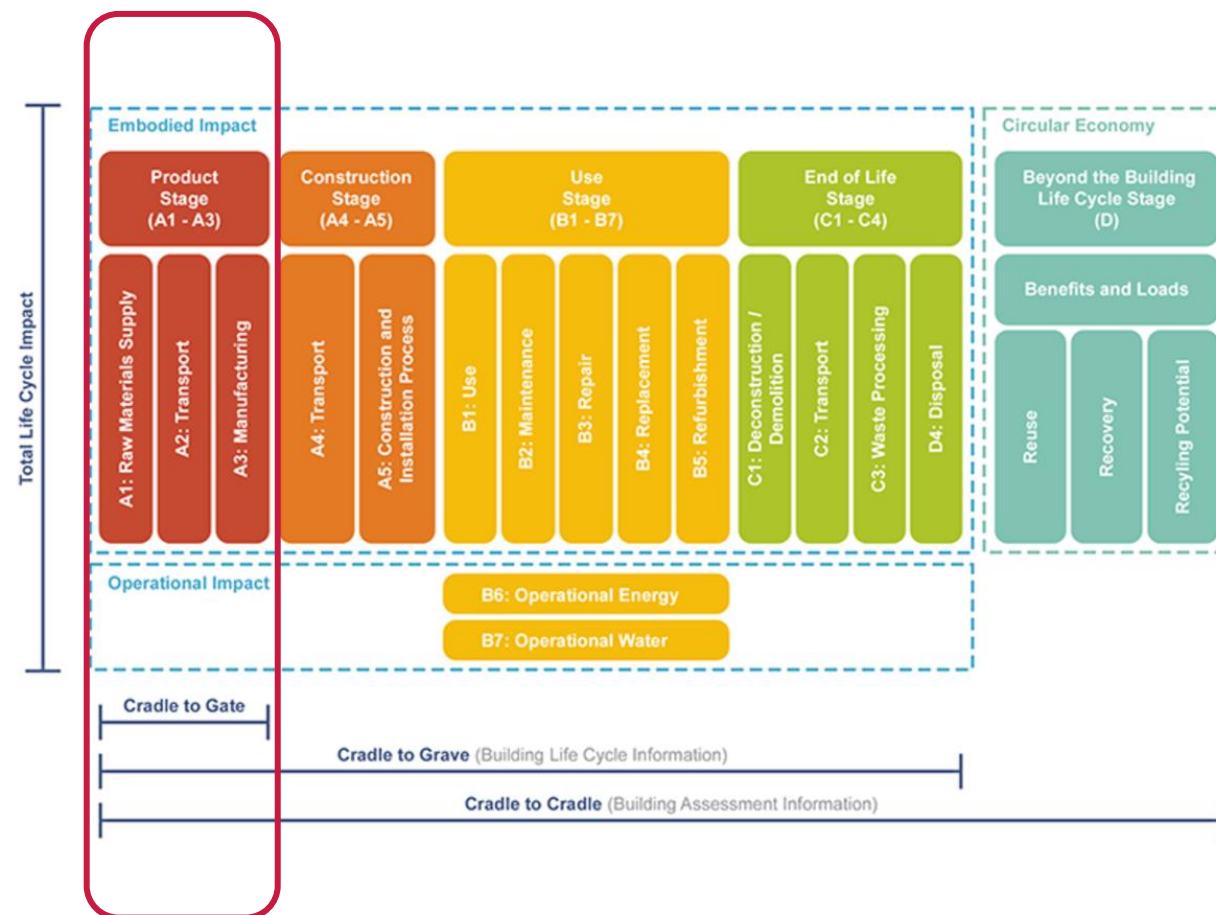


Multi-functional teams progress all aspects of new product introduction to ensure seamless onboarding through every step of process



Sustainability – Taylor Wimpey and supplier actions

- We engage our suppliers to understand their ESG strategy
- We use our sustainability questionnaire to engage with suppliers
- We make sustainability targets and actions part of regular reviews between TW and the supplier
- We engage on elements such as
 - Our Supplier Sustainability Policy and Strategy
 - How suppliers can reduce their operational impact using targets against packaging, waste, logistics and plastics
 - Risk management processes
 - Product and material end of life strategies



Supplier training programme

- Collaborating with supply chain partners to deliver training and upskilling in conjunction with Quality Managers, installers and trades
- To deliver consistency and right first-time installation of suppliers' building products
- The supplier training initiative aims to share 'expert supplier' knowledge
 - To improve knowledge / upskill site teams, installers and trades
 - To verify building products are installed per installation guidance using best practice techniques
 - To improve quality of product installation, reduce remedial costs and supplier call outs
 - To provide site teams with the knowledge and confidence to identify and challenge poor product installation



TW Logistics

- TW Logistics procures, receives, consolidates and dispatches supplies to our sites
- It provides benefits including:
 - Security of supply
 - Reducing delivery complexity
 - Greater visibility
 - Financial benefit
 - Supporting the business
 - Compliance
 - Future strategy
- Relocated to larger premises in 2021 to improve efficiency and allow for future growth



TW Logistics build packs

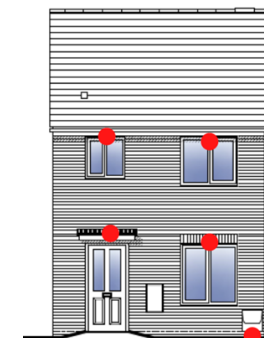
Build Pack 01	Lintels Arc Meter Boxes Brickwork Sundries	→	Build Stage 09	Commence Superstructure
Build Pack 03	Fascia & Soffit Arc	→	Build Stage 40	Brickwork to Wall Plate
Build Pack 04	Sawn Timber CLS Window Board Sheet Material	→	Build Stage 45	Roof Tile Complete
Build Pack 05	Skirting & Architrave Timber DK Linings Loft Hatches	→	Build Stage 60	Plaster Complete
Build Pack 06	Doors Ironmongery	→	Build Stage 75	Paint
Build Pack 07	Garage Pack Lintels Arc	→	Build Stage 09	Commence Superstructure
Build Pack 08	Apartment Entrance Door Sets	→	Build Stage 50	1 st Fix
Build Pack 10	Taps	→	Build Stage 70	2 nd Fix Plumber/ Electrician

Build Pack 1

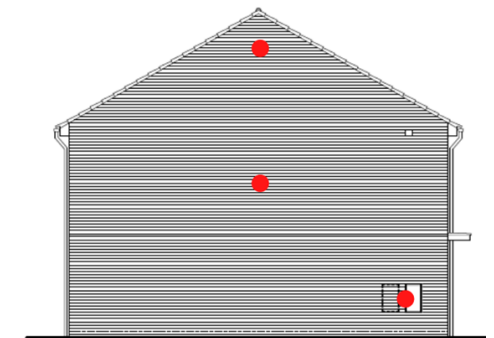
Fire Stop
Lintels



Build Pack 1: ●
(Lintels, Fire Stop, Brickwork Sundries)



FRONT ELEVATION



SIDE ELEVATION

Operational excellence and fit for the future summary

- Well prepared for upcoming regulations
- Cross functional working group to manage and deliver our Roadmap to Zero Carbon
- Trials well underway for 2025 Future Homes Standard
- Timber frame activities supporting efficiency and environmental improvements
- Ongoing risk management of supply chain activities
- Continued focus on driving benefits through procurement, logistics and supplier training

Enhancing

Protecting

Optimising

Realising





The background of the slide is a photograph of a residential development. In the foreground, there is a grassy area with some snow. In the middle ground, there is a row of brick houses with dark roofs and dormer windows. A car is parked on a street in front of the houses. The sky is clear and blue. A large purple semi-transparent rectangle is overlaid on the left side of the image, containing the company logo and the main title.

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Land: optimising value

Jennie Daly, CEO

Lee Bishop, Group Managing Director Strategic Land

What you will hear

- Land: the key driver of value
- Significant land bought over last two years puts TW in a strong position
- Well placed with excellent portfolio and highly experienced land and planning teams
- Agile approach in current land market environment
- Maturity and depth of strategic land a key differentiator
- Long term presence in strategic land with significant landbank and track record of conversion success



Land market and planning environment

Current conditions:

- Competitive land market – therefore replacing land selectively across all geographies
- Frustrating planning environment, means beneficial to have a slightly longer landbank
- Localised impacts from water and nutrient neutrality issues

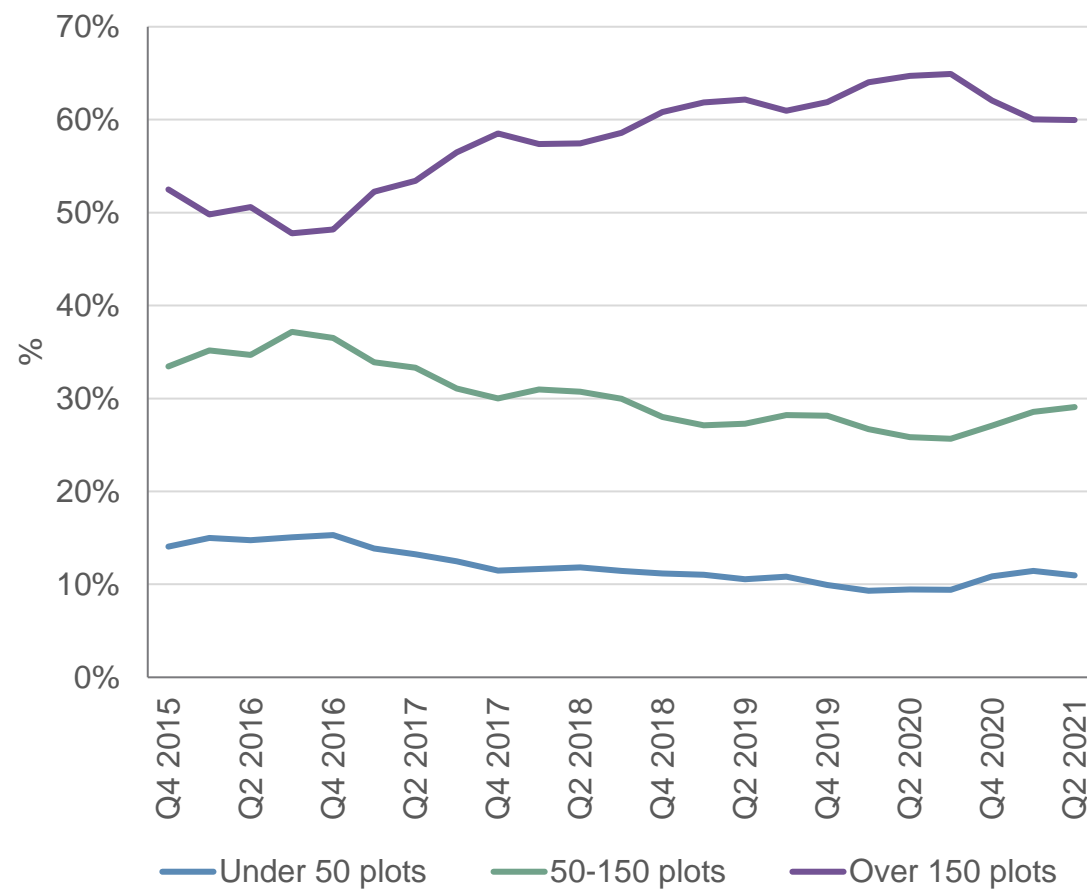
Medium term and anticipated changes:

- Planning processing and local plan delays
- Acceleration of environmental targets
- Levelling Up and Regeneration Bill
- Design agenda and Office for Place

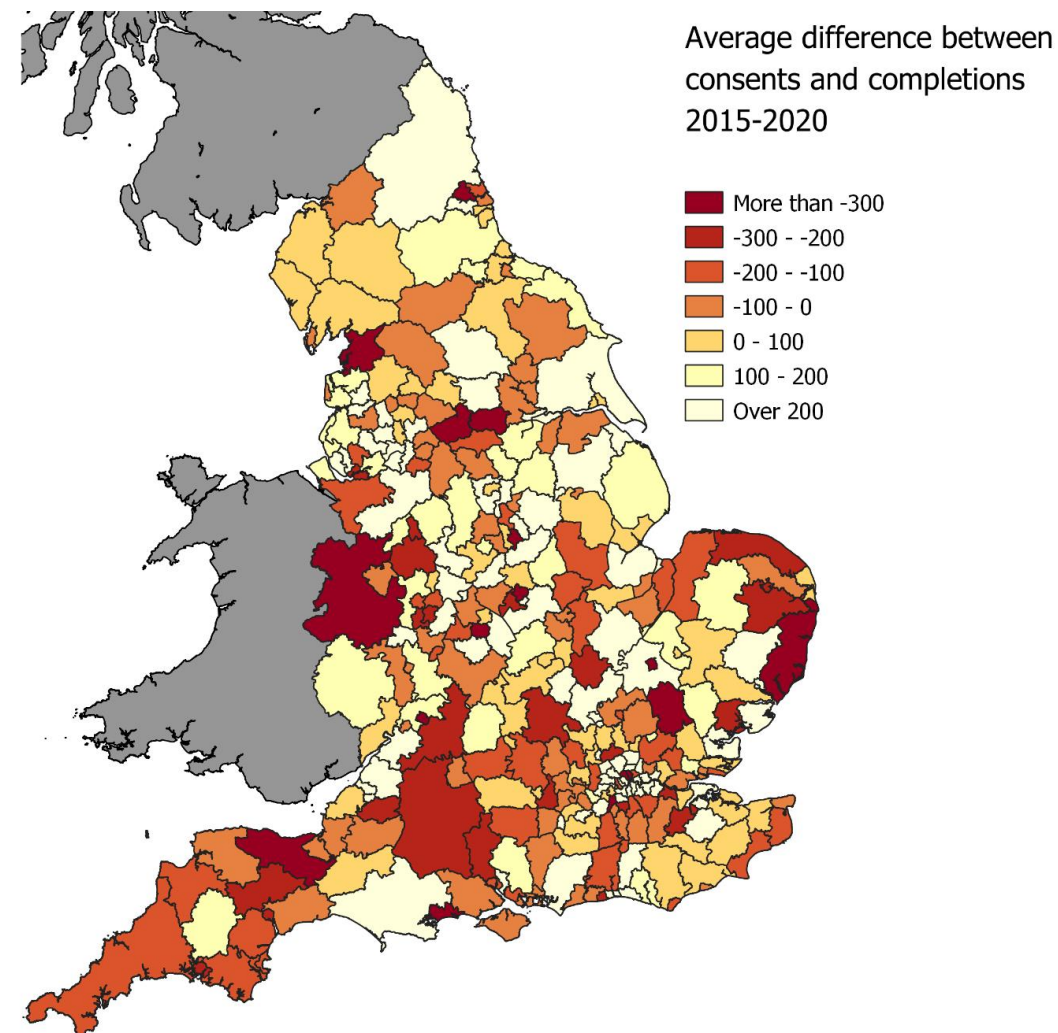


Consents and delivery

Proportion of homes consented on site size in England



Source: Savills Research using DLUHC and Glenigan



We benefit from a stronger land position, providing more options



Land – a robust governance process

- Our approach to land is vital in delivering our purpose
- Proactively consider impacts on the environment and local communities and deliver any mitigation required throughout development process
- An embedded approach to community engagement
- Land must be a good business fit and this is assessed in a standardised way
- Land is reviewed through our thorough approval process
- Live environment is continuously reviewed, monitored and managed
- Transparent process through tracking and analysing from start to completion

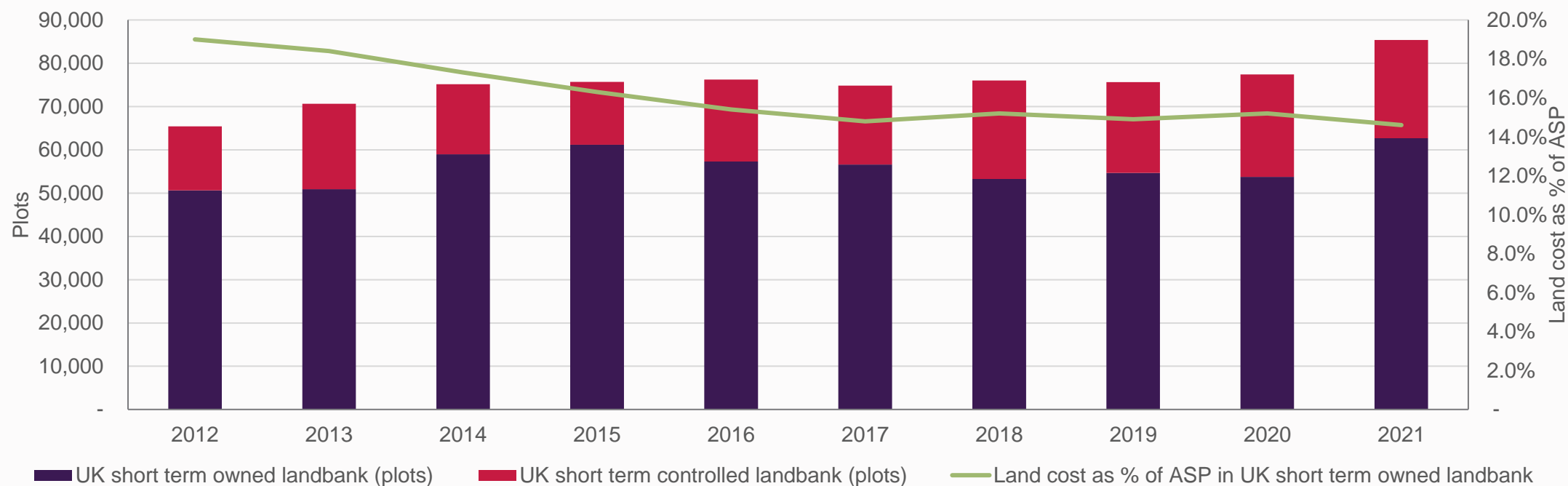
What makes a good short term landbank

Assessing a landbank

Length	Measured in years with reference to prior full year completions or on a rolling basis
Weight	Land cost % of ASP in owned landbank
Shape	Measured in range of site sizes and geographical distribution
Efficiency	RONOA, overall time to outlet opening and production efficiency
Quality	Locational quality

Length and weight

UK short term landbank and land cost as % of ASP



- Short term owned and controlled landbank stood at 87k plots as at Q1 2022

Shape – short term land

	Small (1-200)	Medium (201-375)	Large (376-750)	Super large (751+)	Total
Q1 2022	Plots	Plots	Plots	Plots	Plots
Owned	40%	33%	15%	12%	100%
Controlled	17%	16%	15%	52%	100%
Total	34%	28%	15%	23%	100%
Average plots	73	185	414	1,031	148

Efficiency

- Remain very focused on progressing new acquisitions through the planning and technical stages and opening quality outlets
- We monitor all the elements which contribute to efficiency including sales, WIP deployment and production efficiency
- Specially trained Project Managers in each regional business review our planning performance through to outlet opening
- Set realistic programmes at the point of acquisition and track, report and monitor against these, ensuring accurate budgeting and forecasting



Quality landbank key to success

- Quality of location key to selling in all market conditions
- Land quality improved over this cycle
- Continue to target high quality locations both in the short term market and strategic intake
- Strong land portfolio and strategic pipeline allow selective approach to landbuying
- In Q1 2022 85% of plots were in AA, AB, BA and BB locations

Quality area (plots) Q1 2022		Micro location – position within macro location				
		A	B	C	D	Total
Macro location – city, broken down by major suburb, town, village or rural area	A	12%	13%	0%	0%	25%
	B	16%	44%	3%	0%	63%
	C	3%	8%	1%	0%	12%
	D	0%	0%	0%	0%	0%
	Total	31%	65%	4%	0%	100%

What makes a good short term landbank

Assessing a landbank

Length	Measured in years with reference to prior full year completions or on a rolling basis
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Shape	Measured in range of site sizes and geographical distribution
Efficiency	RONOA, overall time to outlet opening and production efficiency
Quality	Locational quality

Strategic land a key differentiator

- Key attributes of strategic land are plot security and improved margins over the open market
- Control of land supply is the key to plot security and optionality and allows us to respond to current market conditions
- A strong strategic pipeline supports and enhances our choices



Strategic land at Taylor Wimpey

“Land which does not have any form of residential planning consent at the time we take a commercial interest”

- Can be owned outright, owned with uplift, or controlled via an option or hybrid agreement
- Overall aim is to provide future opportunities for TW at enhanced margins
- As a mature strategic land pipeline, we are delivering approximately 50% of our annual completions from historic strategic land sources
- Our team are highly skilled and experienced, with a leading reputation in this market – senior team of six have 180 years of industry experience, 120 years with Taylor Wimpey

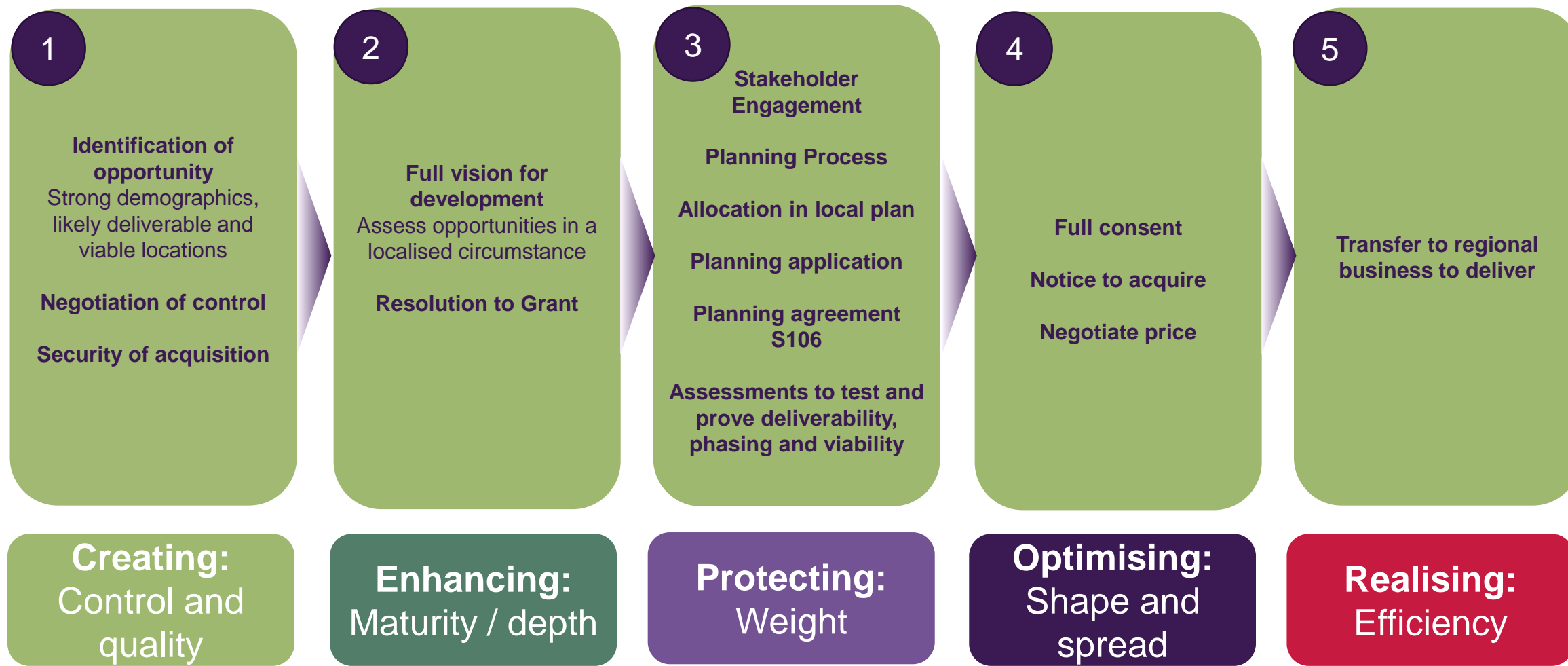


Benefits of industry leading strategic land pipeline

- Less reliant on short term land – provides alternative land supply
- Discount to open market value – options within the portfolio have an average discount opportunity of c.13%
- Greater control over the quality and readiness of the planning permissions we receive
- Able to flex and adapt quickly to changes in Government policy
- Delivers added value across the market cycle
- Control of an efficient balance sheet – as at Q1 2022 our strategic land is held on our balance sheet at £419 million for 145,041 potential plots
- Allows us to deliver both great places for our customers and value to both Taylor Wimpey and our landowners



Value added from strategic land



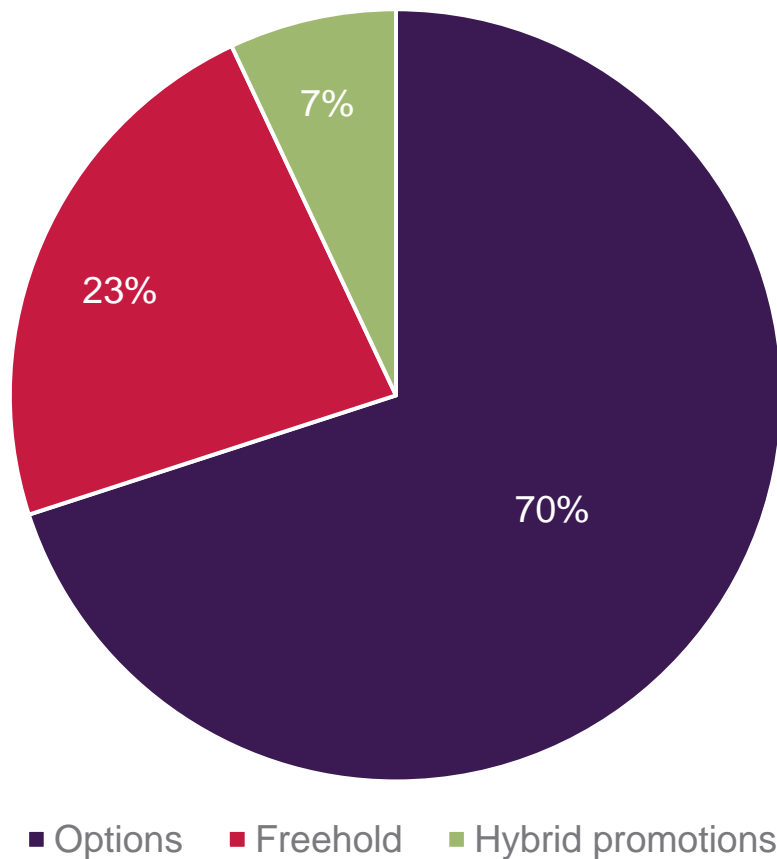
What makes a good strategic land pipeline

Assessing a strategic land pipeline

Control	Measures how we secure the various opportunities in our portfolio as a ratio of the percentages by: owned / optioned / promotion
Maturity / depth	Maturity is measured by reference to the improving planning provenance of the portfolio and depth by the time period over which the pipeline operates
Weight	Measured by reference to the number of plots overall in the strategic pipeline and the cost of that land on the balance sheet. Land cost per plot
Shape / spread	Measured in range of site sizes and geographical distribution
Efficiency	Our initial value added primarily measured by discount to open market value as the reward for successful allocation
Quality	Locational quality

Strategic land pipeline (control and maturity / depth)

Operational delivery



	Q1 2022			31 Dec 2021
Plots	Owned	Controlled	Total	Total
Allocated strategic*	4,045	9,764	13,809	13,077
Non-allocated strategic*	33,500	97,732	131,232	132,157
Strategic	37,545	107,496	145,041	145,234

Data includes JV plots

* Excludes land with less than 50% certainty of achieving planning permission

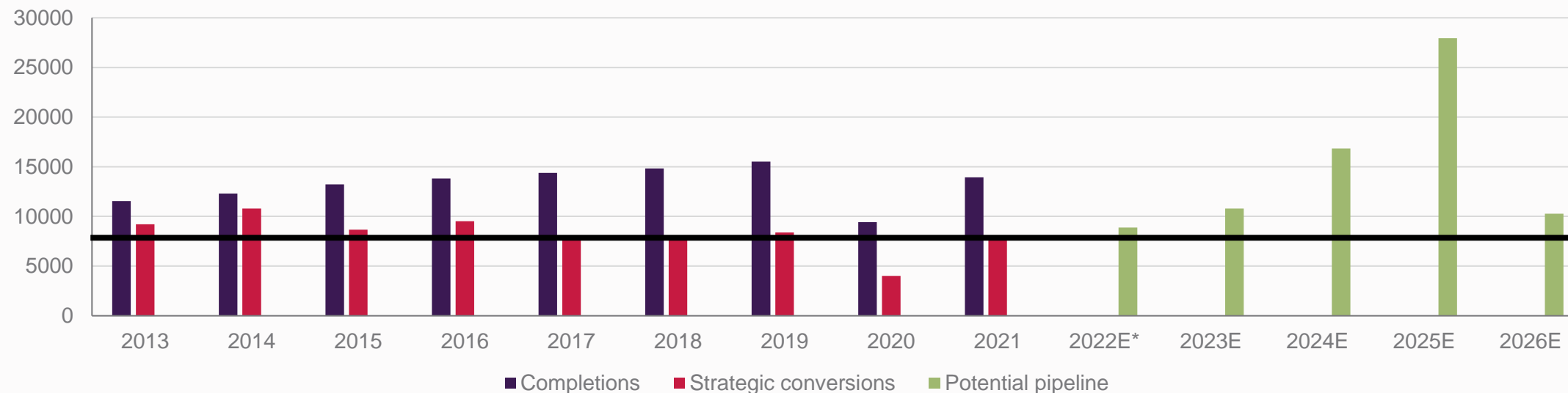
Strategic land pipeline (shape and spread)



Distribution of strategic land plots Q1 2022

	%
Scotland, North East and North Yorkshire	22.9%
North West and Yorkshire	11.9%
Midlands and Wales	20.8%
Central and South West	27.1%
London and South East	17.3%

Scale of strategic land opportunity



- We have a strong track record of delivery
 - Strategically sourced land makes up c.50% of our annual completions
 - Delivered 73,737 plots over the last nine years averaging 8,193 per annum
- We have a mature strategic land pipeline, well located across the country

* In year forecast

Efficient: case study – West Scotland

The site

- 198 homes
- Option agreement signed in 2014
- Detailed planning application submitted June 2019 ahead of Local Development Plan adoption with support of Local Authority
- Formal adopted allocation in November 2019
- Full planning permission granted in December 2019
- Sales outlet commenced December 2020

Deal background

- Proposals and application were well supported by the local community due to extensive community engagement
- Involved local schools and colleges in a site naming competition and gained support for apprenticeships during build

Why it is a good fit for Taylor Wimpey

- Favourable payment timing
- Efficient process and 'shovel ready'
- Strong sales rate due to quality location



Patience: case study – Buckinghamshire

The site

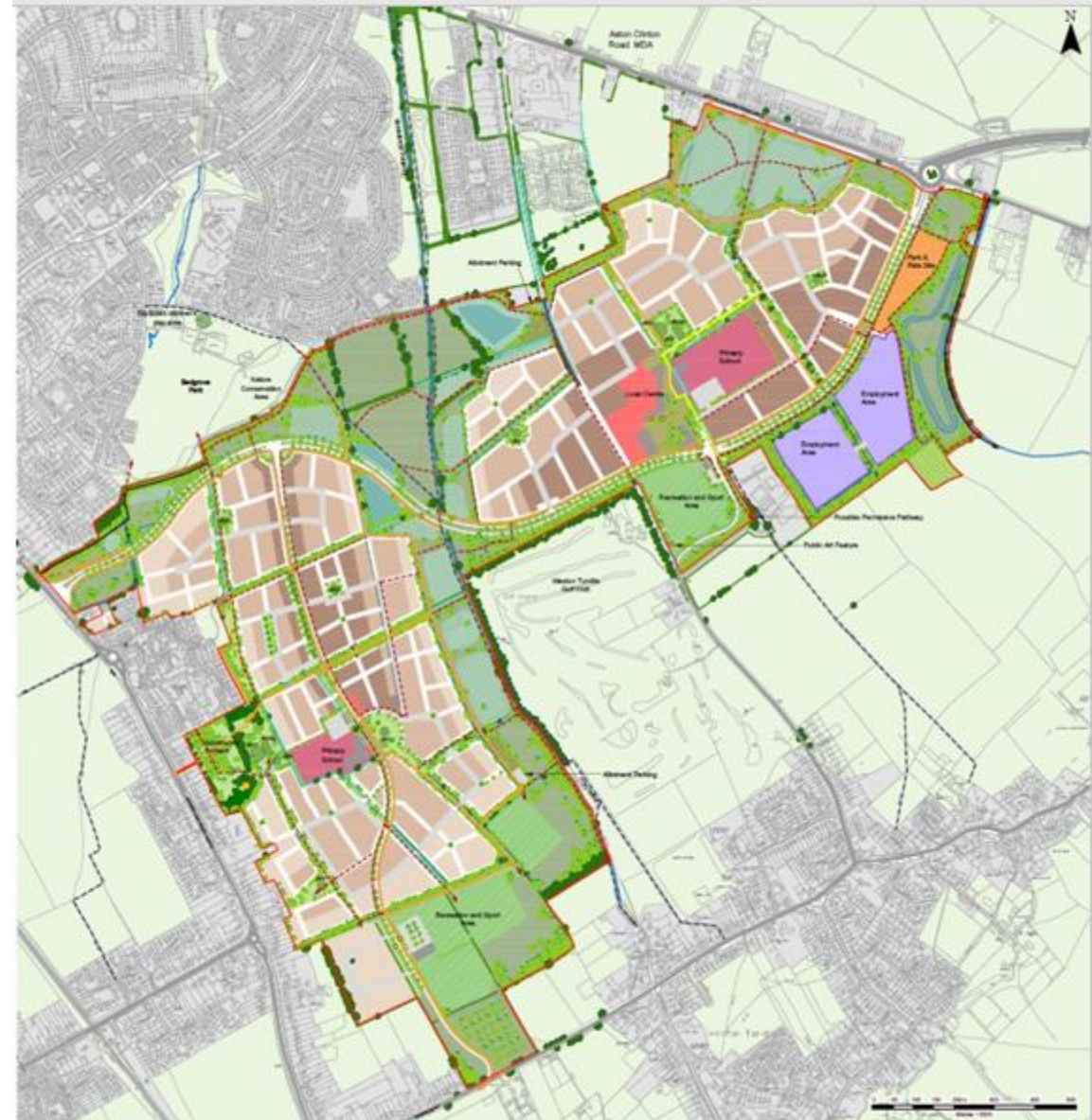
- 3,000 homes (30% affordable housing)
- Community facilities including: two primary schools, c.110 hectares of public open space sports facilities, parks and play provision, allotments and community orchards
- 2003 option agreement
- Outline planning permission issued in June 2021
- Conditional contracts to acquire the whole site secured February 2022
- Acquisition completed early May 2022

Deal background

- Scheme promoted over three local plans

Why it is a good fit for Taylor Wimpey

- Great opportunity demonstrating need for a long term view and patience
- Good design and the scheme won an internal Design and Placemaking Award in 2020
- Development will provide regional businesses with outlets in Spring 2024



Freehold: case study – Manchester

The site

- 220 homes
- Land purchased freehold in July 2016
- Secured housing allocation in December 2021
- Outlet expected June 2023
- Sales from November 2023

Deal background

- Promoted through Local Plan – secured draft allocation just three years after site purchase

Why it is a good fit for Taylor Wimpey

- Forecast to feed the Manchester business with four years of completions
- As the site is owned freehold no negotiations are required prior to outlet and forecast quick outlet turnaround following planning permission
- Will deliver strong returns in an area with a highly constrained and competitive land market



Summary

- Land remains the key driver of value and we continue to focus on optimising the landbank
- Highly skilled teams with extensive industry experience in land market
- Good progress on recent land acquisition giving us increased options for the future
- Continue to be agile in the land market
- Strategic land is a key differentiator for TW providing high quality land supply to the short term landbank and increased optionality





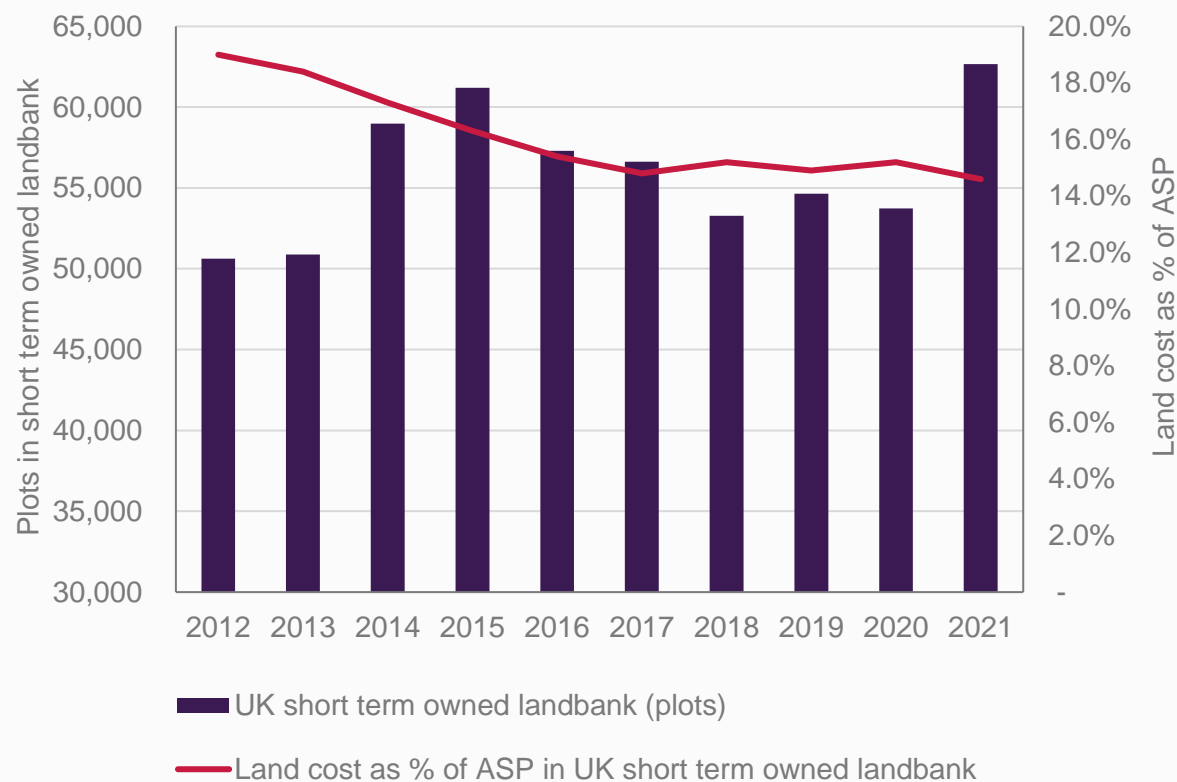
Targets and capital allocation

Chris Carney
Group Finance Director



A growing business with further potential

UK short term owned landbank and land cost as % of ASP



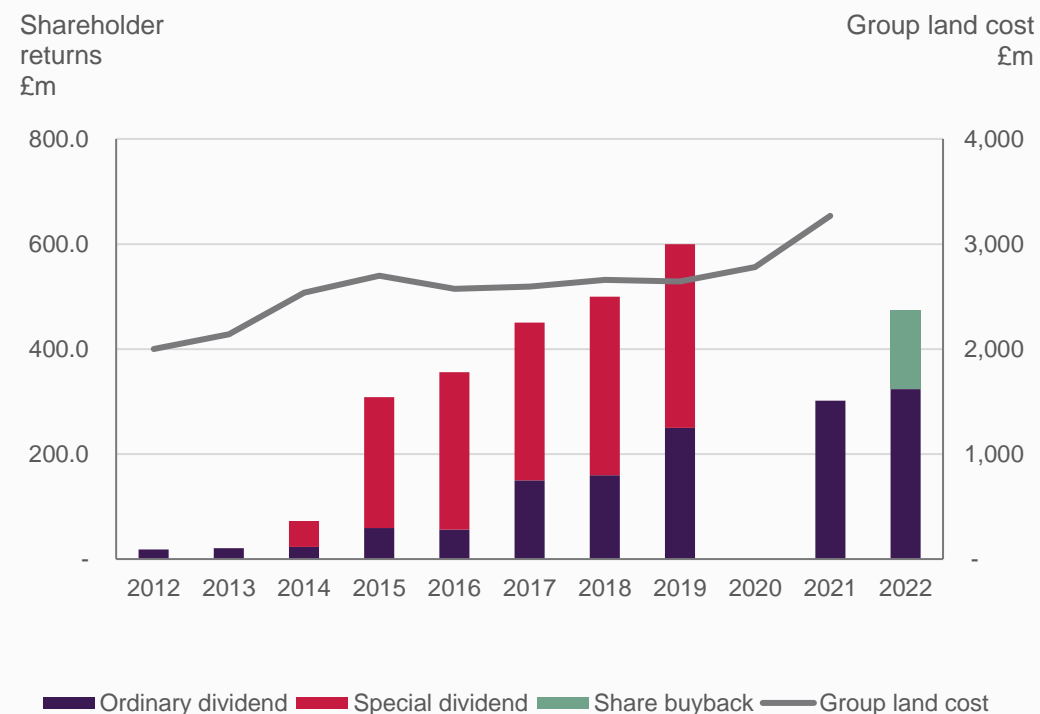
- At Q1 2022, we had 63,005 plots in the short term owned landbank, which is a 10 year high
- Land cost as a % of ASP at 10 year low level of 14.4% at Q1 2022
- Confident of increasing the number of outlets towards the end of 2022 and assuming stable market conditions will deliver material volume growth and further improvements in margin in 2023

A highly cash generative business

Operating cashflow and Group legal completions



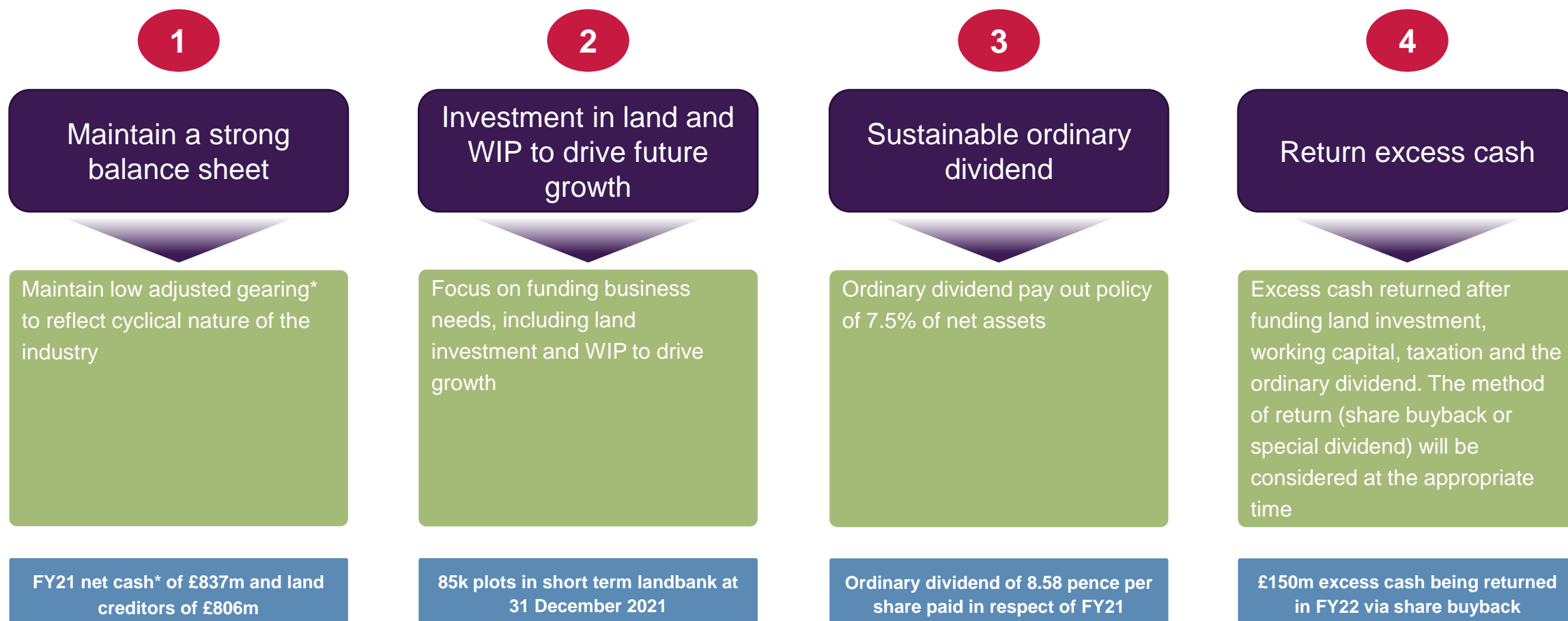
Shareholder returns and total land cost (£m)



2022 Ordinary Dividend includes 2021 final dividend and estimate of 2022 interim dividend

Our capital allocation priorities

Highly cash generative business allows for investment for growth and attractive shareholder returns



* See definitions slide in the appendix

Reliable shareholder returns across the cycle

- Ordinary Dividend Policy
 - 7.5% of net assets (at least £250 million)
 - More reliable than earnings measures
 - Stress tested and payable through a 'normal' downturn
- Excess cash returns
 - Continue to return cash generated in excess of that needed to fund land, working capital, tax, ordinary dividend etc.
 - Method of return to be considered at the appropriate time

Targeting operational and financial excellence for all stakeholders

- Priority lies with two key financial metrics:
 - Operating profit margin of 21-22%
 - Return on Net Operating Assets (RONOA) of 30%
- Operating margin improvement driven by:
 - Higher volumes
 - Embedded margin in the landbank
 - Operational improvements
- RONOA improvement driven by:
 - Higher asset turn as the volumes increase
 - Improvements to operating margin



Summary

- Business in great shape underpinned by excellent land position
- Strong cash generation through the cycle delivering compelling shareholder returns
- Current guidance for operating margin and outlet-led volume growth reconfirmed



The logo for Taylor Wimpey plc, featuring the company name in a white serif font on a dark green background. The 'plc' is in a smaller font and separated by a vertical line.

Taylor
Wimpey | plc

Closing remarks

Jennie Daly
Chief Executive







Appendices

Building a stronger and more resilient business
25 May 2022



Cornerstones of value and a clear strategic focus

	KPI
1. Land: optimising value from our owned and controlled landbank and our sector leading strategic land pipeline	Land cost as % of average selling price on approvals Landbank years % of completions from strategically sourced land
2. Operational excellence: building greater discipline through our business model to improve efficiency, protect value and ensure Taylor Wimpey is fit for the future	Construction Quality Review (average score / 6) Average reportable items per inspection Health and Safety Annual Injury Incidence Rate (per 100,000 employees and contractors) Employee engagement
3. Sustainability: continuing to evolve and embed ESG throughout the business for the benefit of all our stakeholders	Customer satisfaction 8-week score 'Would you recommend?' Customer satisfaction 9-month score 'Would you recommend?' Reduction in operational carbon emissions intensity
4. Capital allocation: reinforcing our clear and disciplined framework that balances investment for future value creation with sustainable annual dividends and excess cash returns for investors as appropriate through the cycle	
To deliver superior returns for shareholders through our sector leading landbank and enhance value through sharper operational focus	

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.
- 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.
- 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.