

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

Taylor  
Wimpey | plc

# Full Year Results Presentation for the year ended 31 December 2021

---

3 March 2022





# Disclaimer

For the purposes of this notice, this “presentation” shall include these slides and any question-and-answer session that follows oral briefings by representatives of Taylor Wimpey plc. This presentation is for information purposes only and 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 and does not constitute a recommendation to sell or buy any such securities, 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 and should not be taken as a representation that trends or activities underlying past performance will continue in the future.

No representations or warranties, express or implied, are made as to, and no reliance should be placed on, the accuracy, fairness or completeness of the information presented or contained in this presentation. 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 and Taylor Wimpey accepts no liability should the future results actually achieved fail to correspond to the forward-looking statements included in this presentation. 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

**2021 review**  
Pete Redfern

**Financial review**  
Chris Carney

**Operational review and  
outlook**  
Jennie Daly



The logo for Taylor Wimpey plc, featuring the company name in a white serif font on a purple background. A vertical line separates 'Wimpey' from 'plc'.

# 2021 review

---

Pete Redfern  
Chief Executive





# Strong 2021 performance

## 2021 highlights

- Positioned Group for growth with high quality land investment
- 5-star customer rating maintained
- Environment strategy progressed

### Group completions

14,302

### Revenue

£4,284.9 million

### Operating profit\*

£828.6 million

### Construction Quality Review score

4.67

### 8-week 'would you recommend' score

92%

### Plots in short term landbank

c.85k

\* See definitions slide in the appendix



# Strong trading performance

	H1 2022 (w/e 27 Feb 2022)	H2 2021	H1 2021	H2 2020	H1 2020
Average outlets open	230	221	228	244	237
Private sales rate (net)	1.02	0.85	0.97	0.81	0.70
Private sales price £000	343	340	322	320	320
Cancellation rate (private)	14%	14%	14%	19%	21%

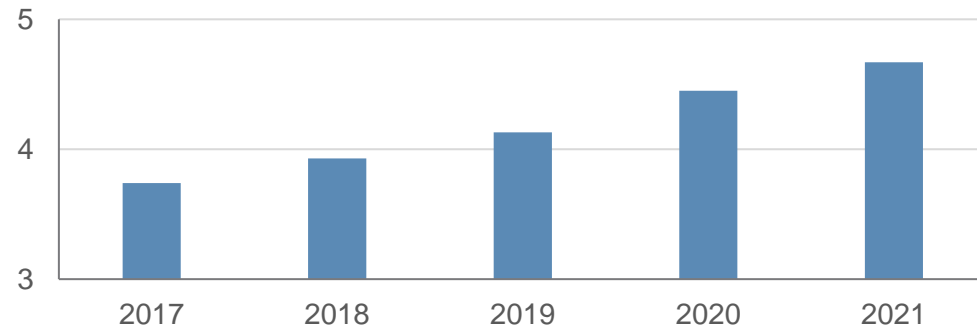
- 84 new outlets opened in 2021 (2020: 73)
- 2021 private sales price on reservations £331k (2020: £320k)
- 36% of private completions used Help to Buy in 2021 (H2 2021: 29%; 2020: 53%)
- 2022 sales have started well – sales rates and prices higher year-on-year
- Total order book of 10,934 homes as at w/e 27 February 2022 (2021 equivalent period: 11,054)
- Entered the year 47% forward sold for private completions for 2022 (2021 equivalent period: 54%)

Data based on reservations excluding JVs

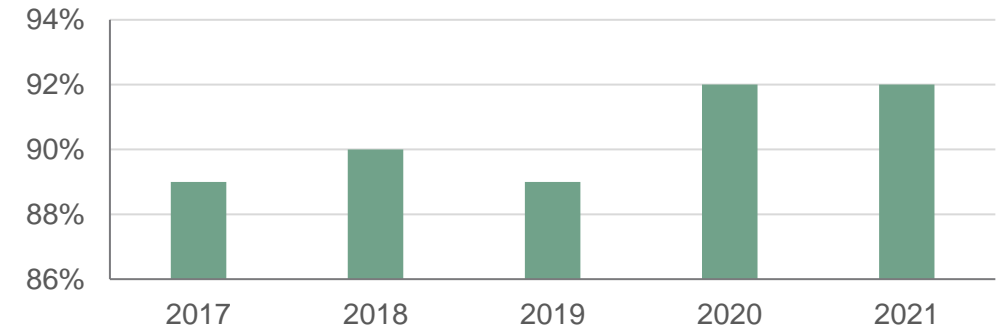


# Operational progress

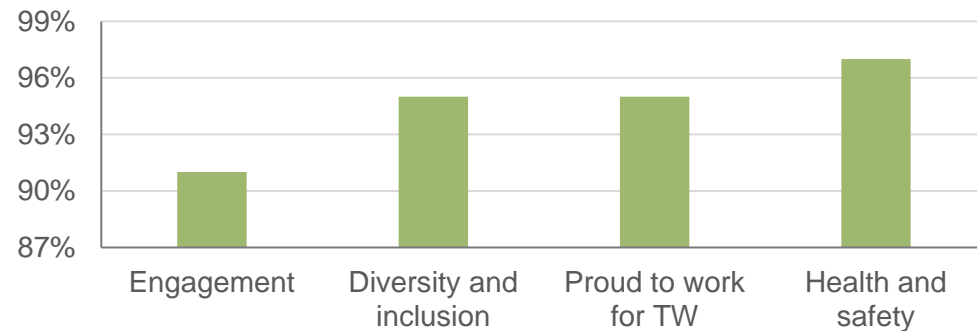
Construction Quality Review score (out of six)



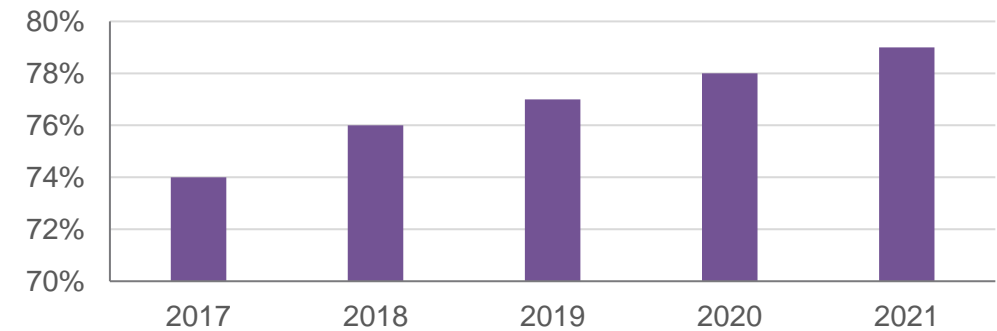
8-week 'would you recommend' score



2021 employee survey



9-month 'would you recommend' score



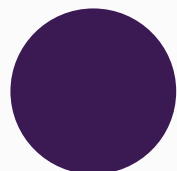


# Driving operational excellence

- Customer relationship management system is now live and driving information and value benefits
- 2020 restructure has increased MD ownership and renewed cost discipline mindset
- Central procurement efficiency and improvement programme
  - Further reduction of product complexity and improved cost certainty and efficiency
  - Understanding from our suppliers which products they can more easily supply and adopting these where they meet with our specification
- Security of supply achieved through a collaborative forecasting approach
  - Strong supply chain relationships with detailed knowledge to identify early / mitigate potential bottlenecks
  - Significant improvements in forecasting and communication of demand for supply chain

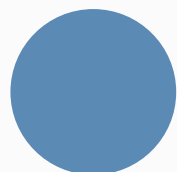


# ESG highlights 2021



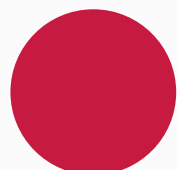
## Environmental

- Achieved 35% absolute reduction in emissions since 2013, and reduced our carbon emissions intensity by 50% since 2013
- One of the first UK developers to set Science Based Targets across our value chain, including a 1.5°C target for operational emissions. During 2022, we will develop a credible Road to Net Zero Carbon Plan
- Building on our nature partnerships – worked with Hedgehog Street and Buglife to integrate hedgehog highways across 100 new sites and install bee bricks and bug hotels
- Participate in several global and sectoral benchmarks including as a constituent of the Dow Jones Sustainability Europe Index and FTSE4Good. Received A- score in CDP Climate Change and recognised as a Supplier Engagement Leader



## Social

- Contributed £418 million to local communities, via planning obligations in 2021 (2020: £287 million)
- Delivered 2,501 affordable homes including joint ventures (2020: 1,904), equating to 18% of total UK completions (2020: 20%)
- Recruited 105 people into early talent programmes (2020: 47)
- Closed case with the Competition and Markets Authority on doubling ground rents within original expected cost



## Governance

- Over 90% engagement score in most recent employee survey
- Launched our new Equality, Diversity and Inclusion Policy and remain committed to equality of opportunity in all of our employment practices, policies and procedures across the business









# Fire safety in high rise buildings

- We believe customers and leaseholders should not have to pay for fire safety remediation works to ensure their buildings are safe and mortgageable
- TW took early and proactive action, committing significant funding to address fire safety and cladding issues on our buildings
- TW decision a year ago meant that funding was in place to bring all TW buildings constructed in last 20 years up to EWS1 standard
- Also paying the Residential Property Developer Tax which commences on 1 April 2022 to fund the Building Safety Fund
- Fully support the HBF's recent additional proposal and are working closely with Government through the HBF to facilitate an equitable solution involving all industry stakeholders. The proposal would result in a modest additional provision for TW
- We continue to believe this is an industry-wide issue and needs an industry solution



# Delivering 2021 priorities

	Progress
Delivered strong uplift in 2021 completion volumes	
Strong recovery in operating margin through increased volumes and continued cost discipline	
Significant land investment and outlet progress provides platform for growth	
Embedding new environment strategy with ambitious carbon reduction, biodiversity and waste reduction targets	
Launched and piloted new house type range enhancing customer offering and plotting efficiency	
Improved our industry leading Construction Quality Review score	



# Financial review

---

Chris Carney  
Group Finance Director





# Summary Group results

£m (before exceptional items)	FY 2021	FY 2020	Change
Revenue	4,284.9	2,790.2	53.6%
Gross profit	1,027.0	496.7	106.8%
Gross profit margin %	24.0	17.8	6.2ppt
Operating profit	828.6	300.3	175.9%
Operating profit margin %	19.3	10.8	8.5ppt
Profit before tax and exceptional items	804.6	274.4	193.2%
Adjusted basic earnings per share* pence	18.0	6.5	176.9%
Tangible NAV per share* pence	118.1	110.0	7.4%
Return on net operating assets* %	24.7	9.9	14.8ppt

\* See definitions slide in the appendix

## UK performance summary

	FY 2021	FY 2020	Change
<b>Legal completions – excl JVs</b>	<b>13,929</b>	<b>9,412</b>	<b>48.0%</b>
Private	11,481	7,564	51.8%
Affordable	2,448	1,848	32.5%
<b>Average selling price – excl JVs</b>	<b>300</b>	<b>288</b>	<b>4.2%</b>
Private £000	332	323	2.8%
Affordable £000	148	146	1.4%
Legal completions – JVs	158	197	(19.8%)
Share of profit – JVs £m	5.4	7.9	(31.6%)
<b>Gross profit margin %</b>	<b>24.0</b>	<b>17.5</b>	<b>6.5ppt</b>
<b>Operating profit £m</b>	<b>814.0</b>	<b>284.5</b>	<b>186.1%</b>
<b>Operating profit margin %</b>	<b>19.3</b>	<b>10.4</b>	<b>8.9ppt</b>



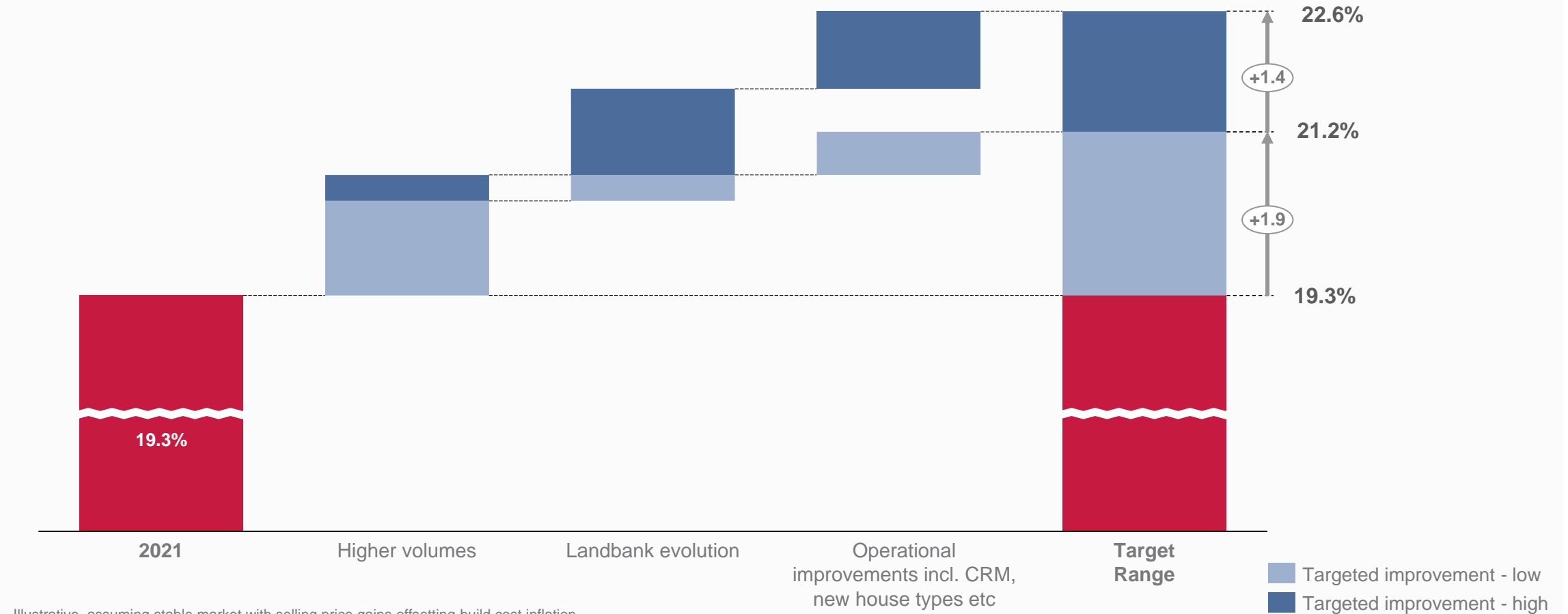
# Movement in UK operating margin

Illustrative movements in UK operating margin FY 2020 to FY 2021	Annual change	Impact on 2021 income statement (ppt)
Market inflation on selling prices	c.4.0%*	2.9
Market inflation on build cost	c.4.0%	(2.3)
<b>Net economic benefit captured</b>		<b>0.6</b>
Market impact of landbank evolution		0.5
<b>Net market impact</b>		<b>1.1</b>
Absence of incremental COVID-19 costs		2.3
Restructuring benefit		0.8
Direct selling and fixed elements of build costs		2.6
Net operating expenses		1.7
Careworker discount		(0.2)
Other		0.6
<b>Total UK operating margin movement</b>		<b>8.9</b>

- The improvement in operating margin in 2021 has been supported by:
  - The net benefit from house price and build cost inflation
  - The absence of COVID-19 related costs
  - Cost savings realised from the 2020 restructuring
  - Higher completion volumes driving improved fixed cost recovery

\* Source: Market inflation based on internal pricing data

## Bridge to medium term operating margin target



Illustrative, assuming stable market with selling price gains offsetting build cost inflation

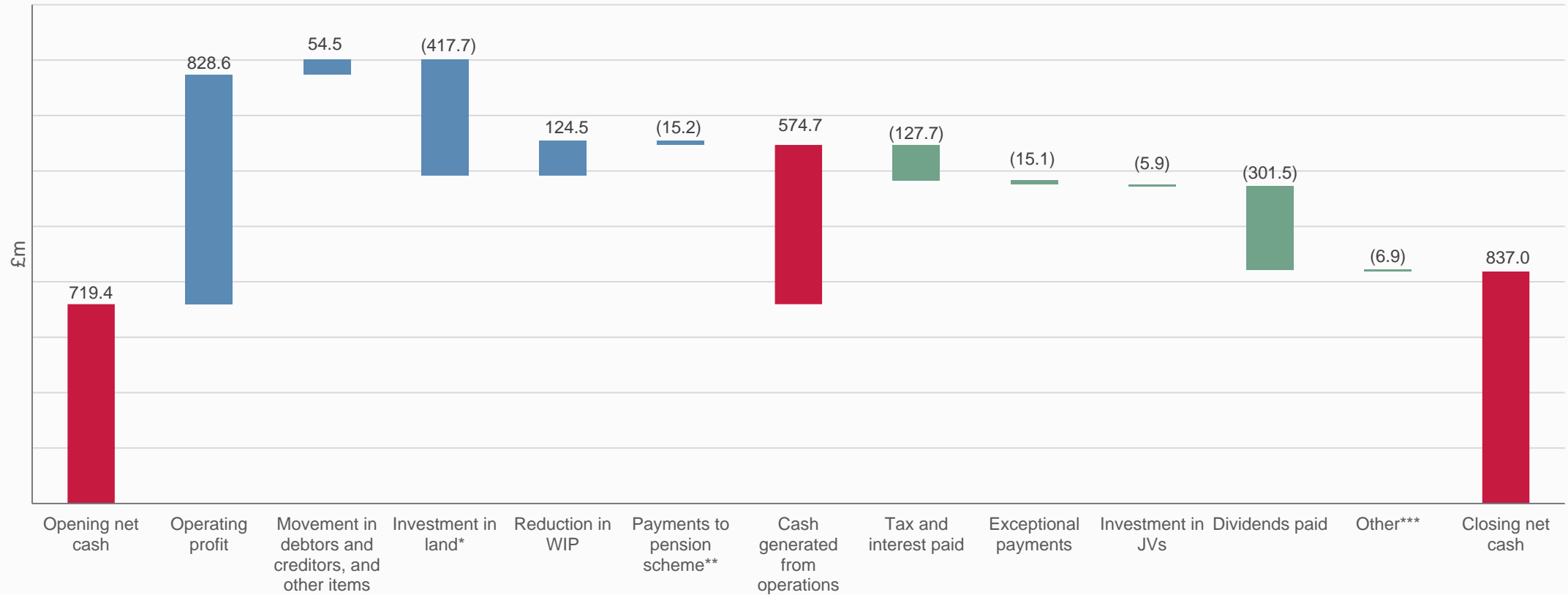


# Summary Group balance sheet

Group £m	31 Dec 2021	31 Dec 2020	Change
Long term assets and JVs	150.2	141.8	8.4
Land	3,385.7	2,875.7	510.0
WIP	1,560.0	1,659.0	(99.0)
Debtors	195.7	215.4	(19.7)
Land creditors	(806.4)	(675.9)	(130.5)
Other creditors	(752.2)	(731.2)	(21.0)
Pensions and post-retirement benefits	(37.3)	(89.5)	52.2
Provisions	(245.1)	(130.5)	(114.6)
<b>Net operating assets*</b>	<b>3,450.6</b>	<b>3,264.8</b>	<b>185.8</b>
Tax	26.4	32.6	(6.2)
Net cash*	837.0	719.4	117.6
<b>Net assets</b>	<b>4,314.0</b>	<b>4,016.8</b>	<b>297.2</b>
<b>Tangible NAV per share</b>	<b>118.1p</b>	<b>110.0p</b>	<b>8.1p</b>

\* See definitions slide in the appendix

# Group cashflow



\* Includes movement in land debtors and land creditors

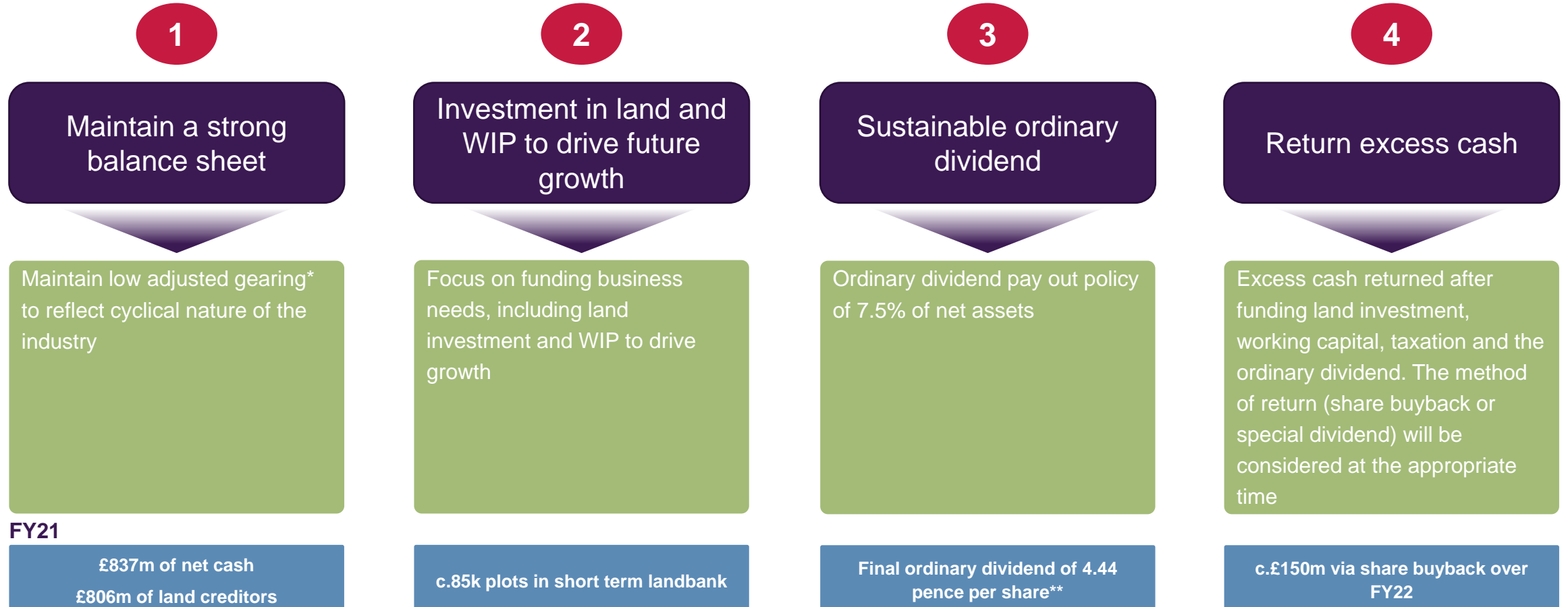
\*\* Pension contributions in excess of charge to income statement and excluding payments into escrow

\*\*\* Includes payments into escrow



# Our capital allocation priorities

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



\* See definitions slide in the appendix

\*\* Subject to shareholder approval

## 2022 guidance

	Guidance
UK completions (excl. JVs)	Modest, low single digit growth vs 2021 volumes c.20% affordable
Group operating profit margin (incl. JVs)	Further progress towards 21-22%
Year end net cash	c.£600 million
Land	New approvals on a replacement basis
Net finance charges	c.£28 million (c.£5 million cash)
JV share of profit	c.£10m



# Operational review and outlook

---

Jennie Daly

Group Operations Director and CEO Designate





# Medium to long term structural backdrop remains favourable

## Housing market

Current conditions positive:

- High LTV mortgages
- Overall affordability remains good
- New build attractive to first time buyers
- Well prepared for the transition away from Help to Buy e.g. Deposit Unlock
- Strong demand in all geographies

Medium term housing market remains supportive for buyers:

- Unsatisfied underlying demand
- Attractive modern homes with excellent energy-efficiency

## Land market

Current conditions:

- Competitive land market
- Replacing land selectively across all geographies
- Localised impacts from water and nutrient neutrality issues

Medium term and anticipated changes:

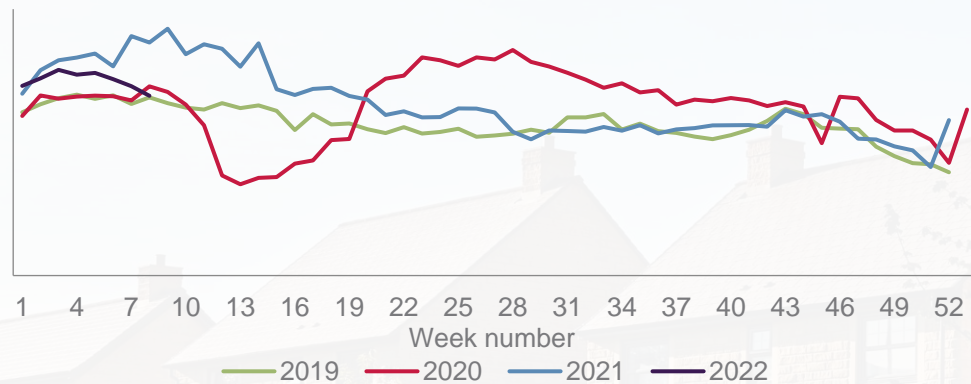
- Planning processing and local plan delays
- Acceleration of environmental targets
- Infrastructure Levy
- Design agenda and Office for Place

## Political environment

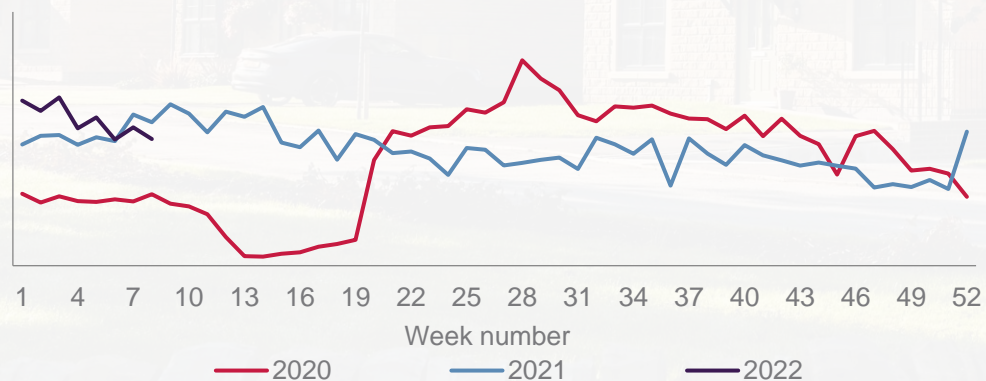
- Cladding and Building Safety
- Levelling up White Paper – Housing 1 of 12 key “missions”
- Anticipate new Planning Bill
- May 2022 local and mayoral elections
  - more devolved authorities creating variable local conditions

# Positive sales momentum and forward indicators

## Customer interest\*



## Appointments



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



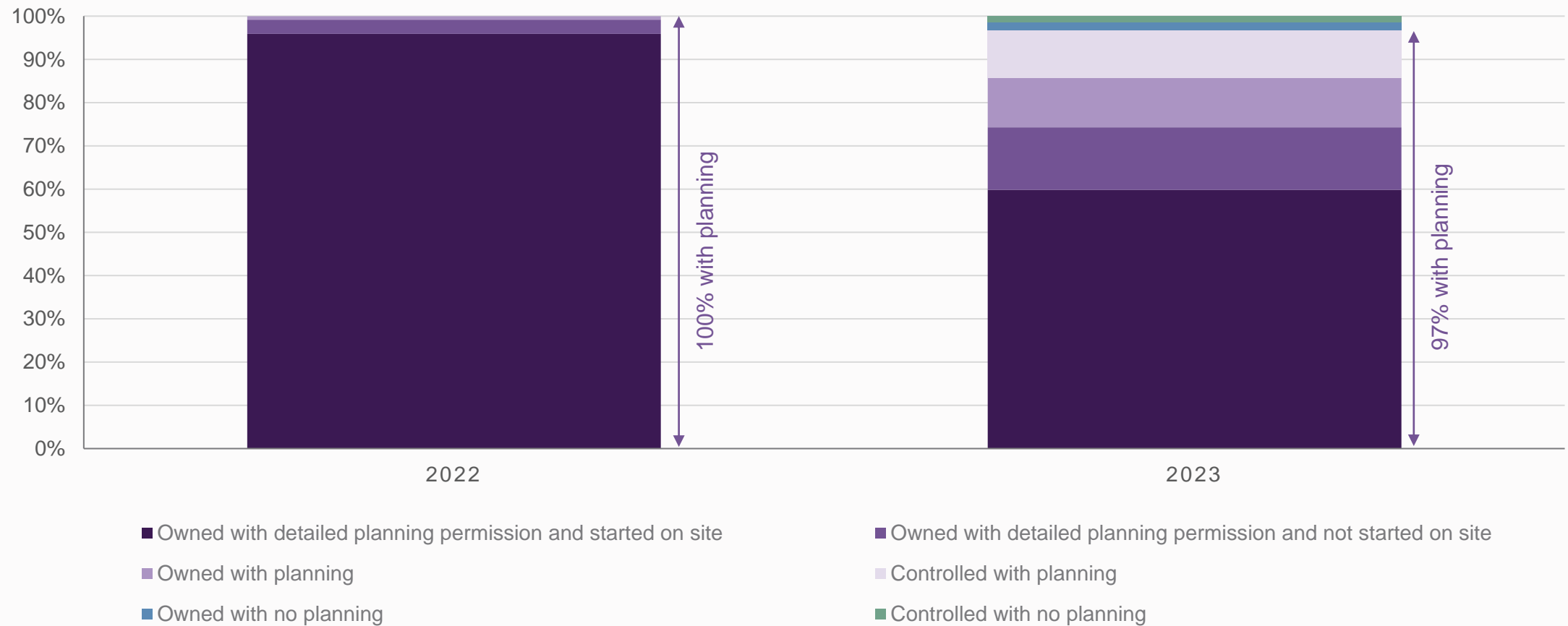


# Strong landbank

- Short term landbank c.85k plots as at 31 December 2021 (31 December 2020: c.77k plots)
- Acquired 14,450 plots in the short term land market during 2021 (2020: 7,644)
- Over the 18 months to 31 December 2021, we have added c.29k new plots to our short term landbank
- Converted 7,691 strategic pipeline plots into the short term landbank in 2021 (2020: 4,010)
- Focused on progressing recently acquired land through the planning stages as expected, providing excellent momentum for growth
- Positioning the business to deliver increased volume growth in the medium term
- Land cost in short term owned landbank is 14.6% of ASP (2020: 15.2%), supported by strategic pipeline conversions
- Land cost as % of ASP on 2021 approvals 16.1% (2020: 18.3%)



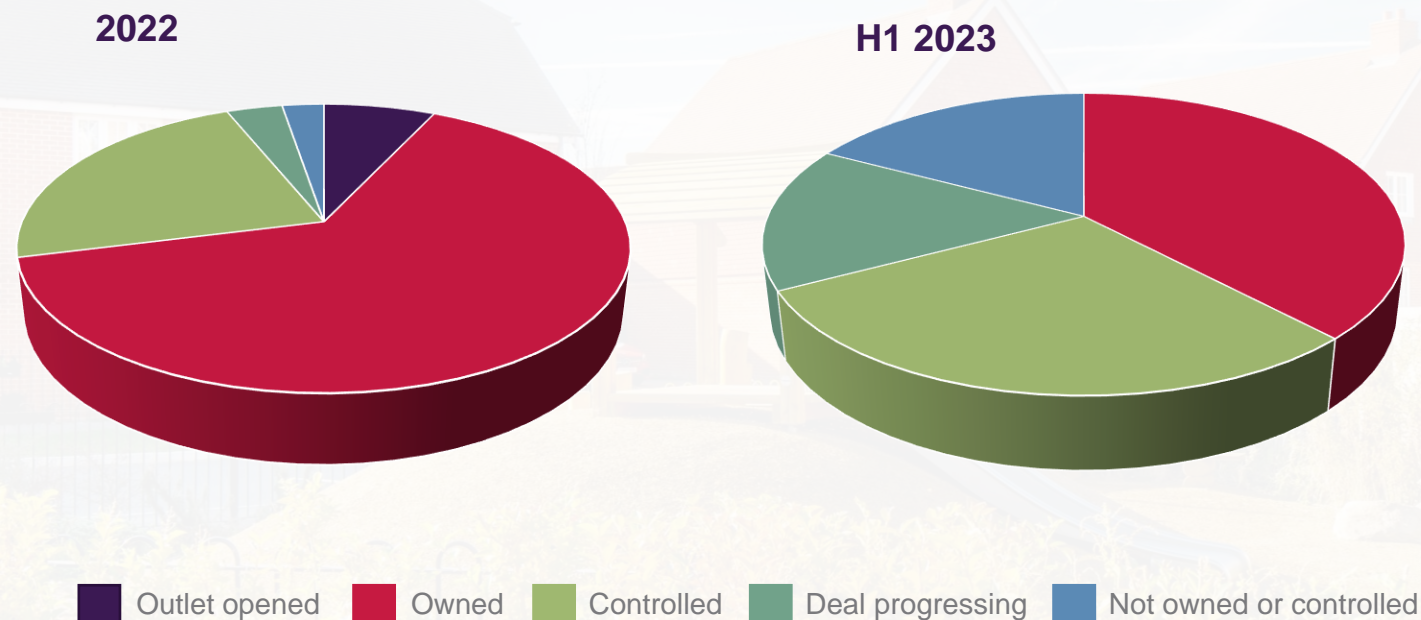
# Strong planning status of completions



# Quality led growth

- Excellent progression for 2022 and 2023 outlets

## Current status of outlets planned to open in 2022 and H1 2023





# Case studies – TW Bristol

## The site

- 450 plots acquired with outline planning consent
- Exchanged unconditional contracts in July 2020 with completion in January 2021
- Site start – July 2021
- Outlet open – December 2021
- First legal completion on track for April 2022

## Deal background

- Site initially marketed at the end of 2019
- Initially two other housebuilders bidding jointly were preferred bidder
- Initial interest not concluded and we re-engaged in April 2020
- Our position was strengthened by the equity raise and we were the only developer willing and able to commit
- Team were able to perform quickly

## Why is it a good fit for Taylor Wimpey

- Site we had previously identified as attractive but were initially outbid
- Secured site on better terms than original successful bid
- Excellent site size and market fit for TW Bristol





# Case studies – TW London

## The site

- 136 plots with outline planning permission
- Site secured by exchange of contracts in November 2020
- Site start anticipated – Summer 2022
- Outlet opening anticipated Q1 2023
- First legal completion anticipated in 2023

## Deal background

- Site under offer to another party with deal agreed pre COVID-19
- Due to lack of progress TW able to step in with alternative offer
- Team performed in less than two months from offer acceptance

## Why is it a good fit for Taylor Wimpey

- Smaller site size with outline planning
- Good standard housing mix, desirable location and at affordable mid-market price point
- Opportunity to diversify our outlets into Essex
- Happy landowner! Two further deals with same vendor on adjacent land

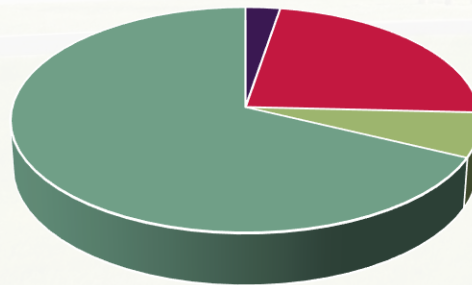




# Strategic land

- Restructured team with central resource driving strategic land strategy in collaboration with operational businesses
- Strategic land continues to deliver 50% of completions
- Strategic land pipeline was c.145k potential plots as at 31 December 2021 (31 December 2020: c.139k plots)
- Pipeline includes c.25% freehold. Of the balance, c.97% are options
- Options within the portfolio have an average discount opportunity of c.13%
- Good visibility and management of near term “conversions”
- New land intake and existing pipeline actively managed to ensure option periods and commercial terms match delays in local plan process and emerging regulatory burden

## Strategic land pipeline potential plots



- Owned with a major residential allocation
- Owned with no planning
- Controlled with a major residential allocation
- Controlled with no planning



# New house type update

- Businesses primed to adopt new range
- New range designed to be high-quality, energy-efficient and cost effective to build
- During prototyping consistent savings realised in superstructure build costs
- Better suited to accommodate Future Homes Standard and ease of build
- Produce adaptable and attractive street scenes, responsive to the design agenda
- Customer engagement throughout the design and development process
- Customers like the open plan living, natural light, improved storage and more modern exteriors

*October 2021*  
All new sites to use new house type range

*August 2022*  
First site using new homes go on sale

*H2 2022*  
Designs adapted to Part L, F & O

*July 2023*  
All homes to comply with Part L, F & O

*H2 2024*  
Majority of completions are new range





# Optimising our land asset

- Improved plotting efficiency
- Repetition of plot depths
- Designed to efficiently accommodate on plot parking requirements
- Reduced build costs and improved build efficiency
- Range of price point offerings
- Increased customer attractiveness and “kerb appeal”





# TW Logistics

- Certainty
  - Holds stock of high volume standard components
  - Consolidates supplier deliveries, providing certainty by mitigating supplier fluctuations and availability challenges
  - Centrally manages new product implementation alleviating availability gaps
- Efficiency
  - Direct access to site build programmes and scheduling of call-offs maximises the use of standard house type templates
  - Leverages commercial relationship as a bulk purchaser and single point of delivery
  - Provides co-ordinated material deliveries to sites “just in time” with minimal wastage
- Compliance and safety
  - Adherence to standard specification through strictly controlled build packs
  - Safety critical and cost sensitive items mandated through TW Logistics





# Prepared for the future

## Part L, F & O

- Part L, F & O costs built into landbuying decisions
- Phasing in of the new Part L, F & O from June 2022-23, enhanced fabric standards that may include heat recovery systems and PV panels
- Part L, F & O combined will achieve a 31% reduction in home energy use\*
- New house types were designed to accommodate these changes

\* In England

## Future Homes Standard

- Target 75% reduced emissions from customer homes in use by 2030
- From 2025, in line with regulation, build will be zero carbon ready
- Preparing for phase-out of gas central heating systems from 2025
- Future Homes Standard product trials and supply chain collaboration during 2022

## New Homes Ombudsman

- Support the introduction of an independent Ombudsman in 2022
- Already supporting consumer rights such as third party home inspections
- Aligning our processes to meet expectations and timescales set by the Ombudsman this year
- We have signed up to the new code of conduct that supersedes the UK Consumer Code for Home Builders



# Maintaining momentum

- 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 and identify where we can add value
- Embedding sustainability
  - Further embedding sustainability through the business targeting areas where we can make the most difference to future proof the business





# Outlook

- Continuing good affordability and mortgage availability
- Expect to deliver modest, low single digit growth in 2022 and to continue to make progress towards 21-22% operating margin
- Current build cost inflation of c.6%, fully offset by sales price growth
- Additional land secured has created strong momentum and the opportunity for quality, profitable growth
- Increased outlet openings from late 2022
- Material volume growth from 2023, generating additional value and compelling investor returns
- Continued focus on execution and efficiency



# Investment case



**Strong momentum following significant recent land investment to drive outlet growth and volumes**

**Clear levers to improve operating margin**

**Highly cash generative with a commitment to return excess cash**

**Delivering for all stakeholders**



# Future investor communications

- 26 April 2022 AGM and trading update
- Early Summer 2022 Investor update
- 3 August 2022 Half year results 2022
- 9 November 2022 Trading update



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

Taylor  
Wimpey | plc

# Appendices

**Full Year Results  
Presentation**  
for the year ended  
31 December 2021

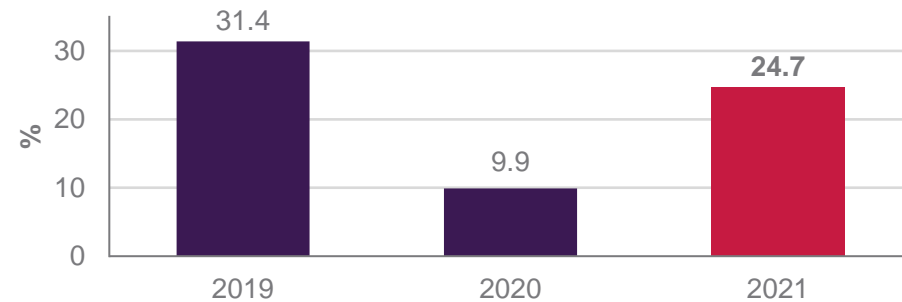
---

Taylor Wimpey plc



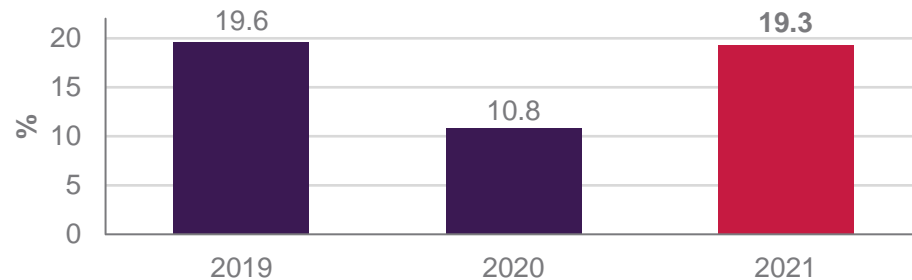
# Group financial metrics

## Return on net operating assets



2018-2023 medium term target: Increase to 35%

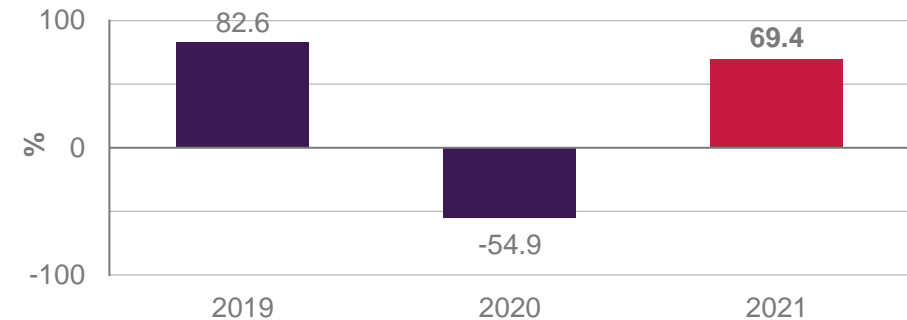
## Operating profit margin



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

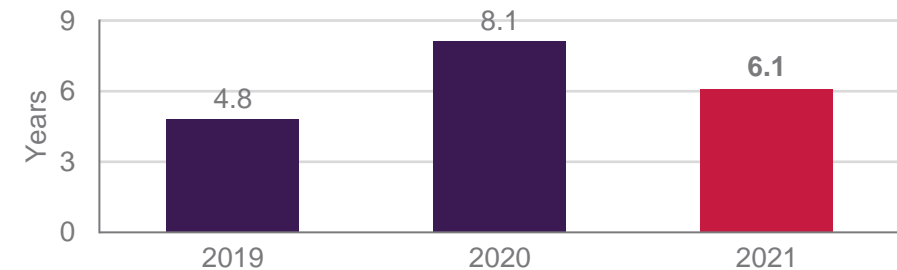
\* See definitions slide in the appendix

## Cash conversion\*



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

## Landbank years



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

# 2021 operational performance – our KPIs

Customer	FY 2021	FY 2020	FY 2019
Customer satisfaction – would you recommend 8-week score %*	92	92	89
Customer satisfaction – would you recommend 9-month score %**	79	78	77
<b>Build quality</b>			
Construction Quality Review – average score out of 6	4.67	4.45	4.13
Average reportable items per inspection	0.26	0.24	0.28
<b>Land and planning</b>			
Land cost as % of ASP on approvals	16.1	18.3	16.2
Landbank years	c.6.1	c.8.1	c.4.8
Completions from strategically sourced land %	50	55	56

KPIs for UK only

\* The 8-week 'would you recommend' score for 2021 relates to customers who legally completed between October 2020 and September 2021, with the comparators relating to the same period in the prior years

\*\* The 9-month 'would you recommend' score for 2021 relates to customers who legally completed between October 2019 and September 2020, with the comparators relating to the same period in the prior years



## 2021 operational performance – our KPIs

### Efficiency

	FY 2021	FY 2020	FY 2019
Net private sales rate per outlet per week	0.91	0.76	0.96
Private legal completions per outlet	51.0	31.5	48.2
Order book value £m	2,550	2,684	2,176
Order book volume – number of homes	10,009	10,685	9,725

### Employee

Employee turnover (voluntary) %	19.0	9.4	12.9
Number of people recruited into early talent programmes: graduates, management trainees and site management trainees	105	47	116
Directly employed key trades people including trade apprentices	743	1,038	1,169
Health and Safety Injury Incidence Rate* (per 100,000 employees and contractors)	214	151	156

KPIs for UK only

\* See definitions slide in the appendix



# Environmental strategy targets

## Science-based carbon reduction target

- 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



# Summary income statement\*

Group £m	FY 2021	FY 2020	Change	H1 2021
Revenue	4,284.9	2,790.2	53.6%	2,196.3
Cost of sales	(3,257.9)	(2,293.5)	42.0%	(1,674.0)
<b>Gross profit</b>	<b>1,027.0</b>	<b>496.7</b>	<b>106.8%</b>	<b>522.3</b>
Net operating expenses	(203.8)	(204.3)	(0.2)%	(99.6)
<b>Profit on ordinary activities before finance costs</b>	<b>823.2</b>	<b>292.4</b>	<b>181.5%</b>	<b>422.7</b>
Net finance cost	(24.0)	(25.9)	(7.3)%	(11.5)
Share of results of JVs	5.4	7.9	(31.6)%	1.3
<b>Profit before tax</b>	<b>804.6</b>	<b>274.4</b>	<b>193.2%</b>	<b>412.5</b>
Tax charge	(147.9)	(49.1)	201.2%	(75.5)
<b>Profit for the period</b>	<b>656.7</b>	<b>225.3</b>	<b>191.5%</b>	<b>337.0</b>

\* Before exceptional items

# Cash flow summary

Group £m	FY 2021	H2 2021	H1 2021	FY 2020
Profit on ordinary activities before finance costs	698.2	400.5	297.7	282.4
Increase in inventories	(293.2)	(184.9)	(108.3)	(362.2)
Exceptional items charge	125.0	-	125.0	10.0
Other operating items*	44.7	(46.2)	90.9	(95.2)
<b>Cash generated by / (used in) operations</b>	<b>574.7</b>	<b>169.4</b>	<b>405.3</b>	<b>(165.0)</b>
Payments relating to exceptional charges	(15.1)	(7.8)	(7.3)	(17.7)
Tax paid	(123.0)	(63.0)	(60.0)	(107.7)
Interest paid	(4.7)	(2.2)	(2.5)	(10.8)
<b>Net cash from / (used in) operating activities</b>	<b>431.9</b>	<b>96.4</b>	<b>335.5</b>	<b>(301.2)</b>
Investing activities	(10.3)	(11.2)	0.9	(23.9)
Financing activities	(321.7)	(169.1)	(152.6)	516.4
<b>Cash flow for the period</b>	<b>99.9</b>	<b>(83.9)</b>	<b>183.8</b>	<b>191.3</b>
<b>Opening net cash</b>	<b>719.4</b>	<b>906.5</b>	<b>719.4</b>	<b>545.7</b>
Cash inflow / (outflow)**	112.6	(71.2)	183.8	177.8
Foreign exchange	5.0	1.7	3.3	(4.1)
<b>Closing net cash</b>	<b>837.0</b>	<b>837.0</b>	<b>906.5</b>	<b>719.4</b>

\* Includes other non-cash items, movement in receivables and payables and pension contributions (excluding payments into escrow)

\*\* Includes movements in debt balance



# Group segmental analysis

	FY 2021			FY 2020		
	Operating profit £m	Operating profit margin %	RONOA %	Operating profit £m	Operating profit margin %	RONOA %
UK	814.0	19.3	25.1	284.5	10.4	9.7
Spain	14.6	19.0	13.2	15.8	25.0	16.7
<b>Group</b>	<b>828.6</b>	<b>19.3</b>	<b>24.7</b>	<b>300.3</b>	<b>10.8</b>	<b>9.9</b>

# Excess cash return payment profile

Paid (or to be paid) pence per share	FY 2022***	FY 2021	FY 2020
Ordinary dividend*	c.8.88	8.28	-

Paid (or to be paid) £m	FY 2022***	FY 2021	FY 2020
Ordinary dividend*	c.324	302	-
Share buyback**	c.150	-	-
Total	c.474	302	-

- Final ordinary dividend of 4.44 pence per share will be paid on 13 May 2022 (c.£162 million\*\*\*) subject to AGM approval
- Share buyback of c.£150 million will be undertaken in 2022

\* Includes interim and final dividends

\*\* Additional cash returns for the year

\*\*\* 2022 is indicative, with ordinary dividend subject to shareholder approval, and values based on current number of shares in issue



# Financing

- Net cash at 31 December 2021: £837.0 million (31 December 2020: £719.4 million)
- Adjusted gearing including land creditors of -0.7% (2020: -1.1%)
- Average net cash during 2021: £788.1 million (2020: £399.3 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
  - Weighted average life of borrowings and facilities of 2.9 years

# Finance charges

£m	FY 2021	FY 2020	Change
Financial indebtedness	5.0	8.3	(3.3)
Foreign exchange loss	0.8	-	0.8
Unwind of land creditors and other items	19.2	19.3	(0.1)
Pensions	1.0	1.4	(0.4)
Interest on IFRS 16 leases	0.4	0.4	-
<b>Total</b>	<b>26.4</b>	<b>29.4</b>	<b>(3.0)</b>



# Tax

Asset / (liability)	Current tax £m	Deferred tax £m	Net tax £m
As at 1 January 2021	(1.1)	33.7	32.6
Income statement*	(122.3)	(1.8)	(124.1)
SOCI / SOCIE	0.1	(5.3)	(5.2)
Cash paid	123.0	-	123.0
Other (including foreign exchange)	0.5	(0.4)	0.1
As at 31 December 2021	0.2	26.2	26.4

- Pre-exceptional underlying tax rate of 18.4% (2020: 17.9%)
- Expect future underlying tax rate to largely reflect statutory rate (Corporation Tax and Residential Property Developer Tax)
- £27.4 million unrecognised Spanish temporary differences

\* Including tax on exceptional items

# Pensions

## Movement in present value of defined benefit obligations

Total UK £m	FY 2021	FY 2020	FY 2019	FY 2018
Pre-IFRIC 14 deficit / (surplus) brought forward	89.1	(100.5)	(33.1)	(23.9)
Employer contributions*	(17.4)	(37.1)	(47.1)	(34.1)
Administration cost	2.2	2.5	1.8	1.9
Interest charge / (income)	1.0	(2.5)	(1.7)	(1.1)
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	(224.8)	225.5	(5.1)	8.0
<b>Pre-IFRIC 14 (surplus) / deficit</b>	<b>(149.9)</b>	<b>89.1</b>	<b>(100.5)</b>	<b>(33.1)</b>
Interest charge arising on IFRIC 14	-	3.9	4.9	2.2
Adjustment for IFRIC 14	186.9	(3.9)	180.1	163.9
<b>Carried forward deficit</b>	<b>37.0</b>	<b>89.1</b>	<b>84.5</b>	<b>133.0</b>

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



# Pension funding

£m	FY 2020	FY 2021	FY 2022	
			Min	Max
Deficit contributions to the Scheme	30.0	10.3	-	-
Payments to escrow	-	10.0	-	15.0
Pension Funding Partnership	5.1	5.1	5.1	5.1
Scheme expenses	2.0	2.0	2.0	2.0
<b>Total</b>	<b>37.1</b>	<b>27.4</b>	<b>7.1</b>	<b>22.1</b>

- Pension payments total £27.4 million in the year (deficit contributions £10.3 million, escrow £10.0 million, PFP £5.1 million, expenses £2.0 million)
- The funding agreement for the 2019 valuation became effective 1 April 2021:
  - Contributions of up to £20.0 million per annum to be paid into a jointly-controlled escrow account between 1 April 2021 and 31 March 2024
  - First 6 months' payments totalling £10.0 million have been guaranteed. Contributions from 1 October 2021 are subject to a quarterly funding test
  - Payments into escrow are suspended if the funding level of the Scheme reaches 100% on the Technical Provisions basis and restarted if the funding level falls below 98%; as measured at the start of each quarter
  - Surplus at December 2021 of £43 million and funding level of 101.7% on Technical Provisions basis
  - Annual PFP distributions (£5.1 million) and contribution towards Scheme expenses (£2.0 million) continue to be paid

# UK completions mix

UK completions 2021	<£200k	£201k – £250k	£251k – £300k	£301k – £450k	£451k – £600k	£601k – £1m	>£1m	Total
Price band	23%	18%	17%	31%	7%	3%	1%	100%

UK completions	FY 2021	H2 2021	H1 2021	FY 2020	H2 2020	H1 2020
First time buyers	41%	39%	43%	40%	43%	35%
Second time buyers	37%	38%	36%	35%	34%	35%
Affordable*	18%	20%	17%	21%	19%	26%
Investor	4%	3%	4%	4%	4%	4%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
Help to Buy	30%	23%	36%	42%	45%	35%

Private completions	FY 2021	H2 2021	H1 2021	FY 2020	H2 2020	H1 2020
Apartments	8%	8%	8%	9%	10%	8%
1 / 2 / 3 bed houses	50%	51%	49%	49%	48%	50%
4 / 5 / 6 bed houses	42%	41%	43%	42%	42%	42%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

\*Includes private sales to housing associations

Data based on completions excluding JVs

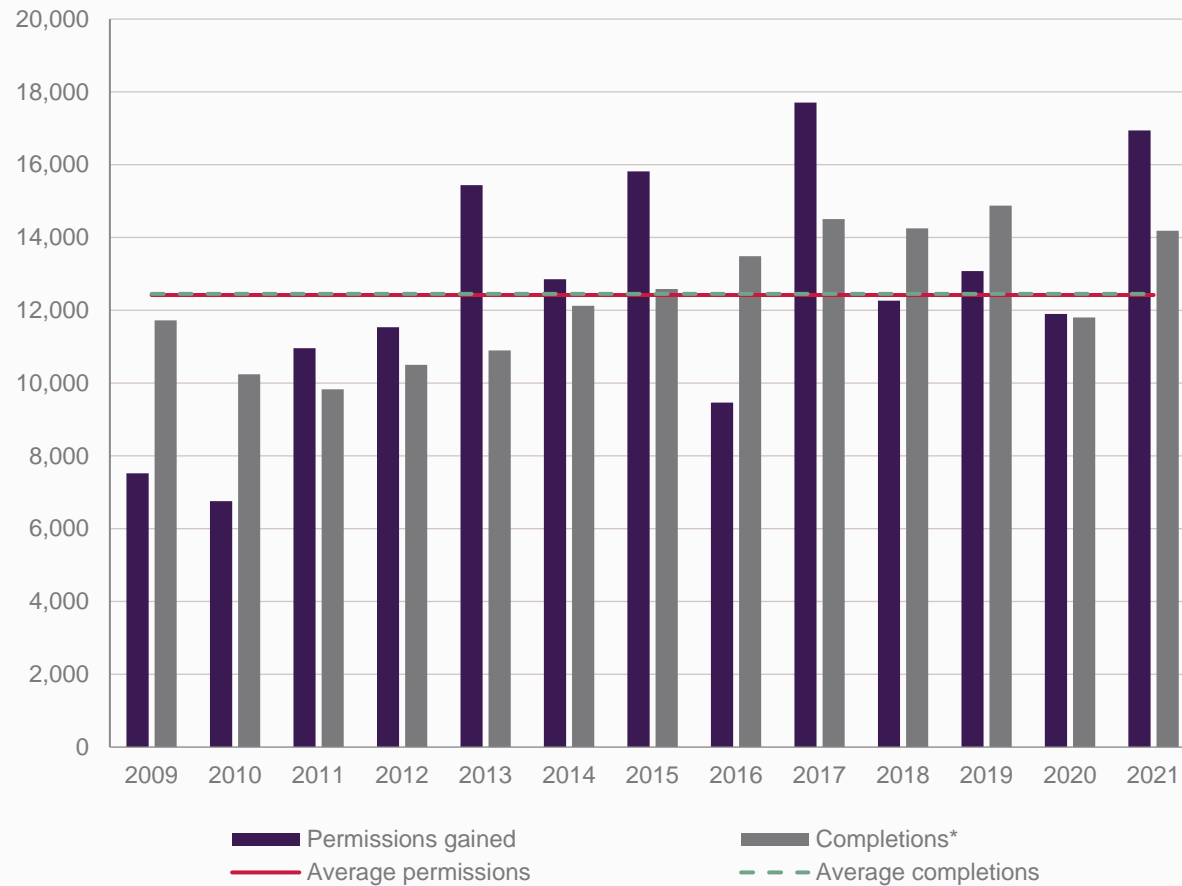


# UK land commitments

£m (at 31 December 2021)	< 1 yr	1-2 yrs	2-5 yrs	5+ yrs	2021 total	2020 total
Committed cash payments in respect of unconditional land contracts	315	295	180	23	813	690
Expected cash payments in respect of conditional land contracts	159	105	149	113	526	333

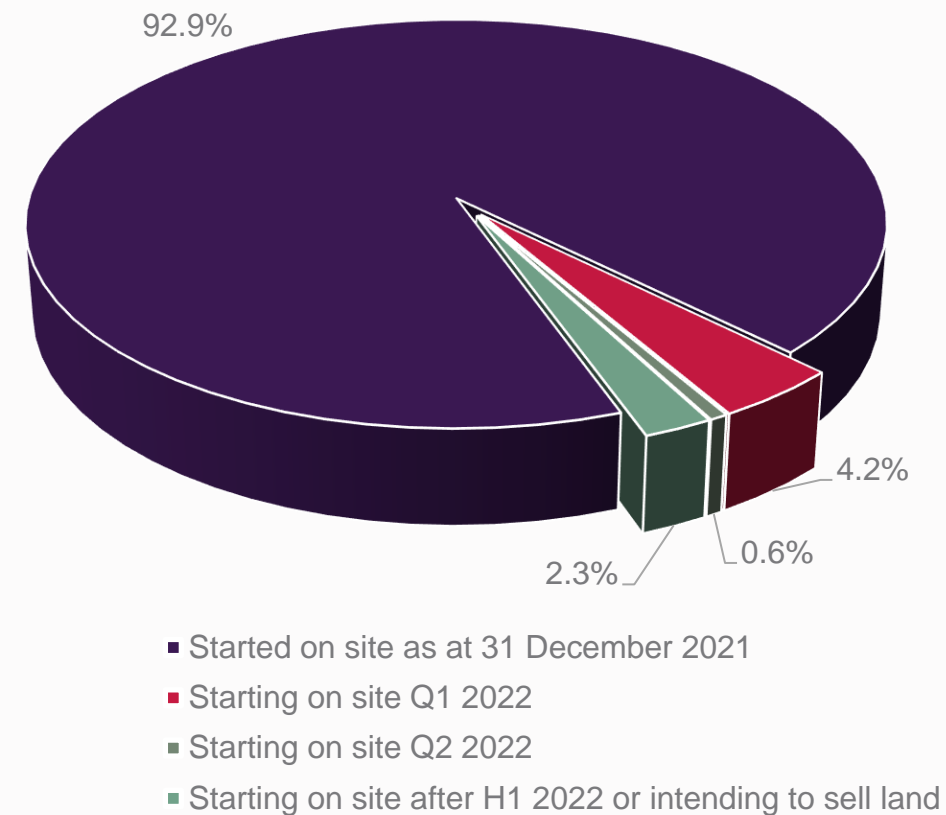
- Included in unconditional land contracts at 31 December 2021 are UK overage commitments of £59 million (2020: £65 million)

# UK planning permissions



\* Data includes JV plots

## Sites with implementable planning permission





# UK land pipeline

Plots	31 Dec 2021			31 Dec 2020
	Owned	Controlled	Total	Total
Detailed planning	41,961	1,368	43,329	42,774
Outline planning	17,784	7,006	24,790	19,777
Resolution to grant	2,915	14,342	17,257	14,884
<b>Short term</b>	<b>62,660</b>	<b>22,716</b>	<b>85,376</b>	<b>77,435</b>
<b>Short term with implementable planning</b>	<b>41,680</b>	<b>-</b>	<b>41,680</b>	<b>39,105</b>
Allocated strategic*	3,845	9,232	13,077	17,897
Non-allocated strategic*	33,580	98,577	132,157	120,747
<b>Strategic</b>	<b>37,425</b>	<b>107,809</b>	<b>145,234</b>	<b>138,644</b>
<b>Total</b>	<b>100,085</b>	<b>130,525</b>	<b>230,610</b>	<b>216,079</b>

Data includes JV plots

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

# UK land portfolio – net cost

£m	31 Dec 2021			31 Dec 2020
	Owned	Controlled	Total	Total
Detailed planning	2,129	1	2,130	1,860
Outline planning	591	73	664	553
Resolution to grant	40	34	74	44
<b>Sub-total</b>	<b>2,760</b>	<b>108</b>	<b>2,868</b>	<b>2,457</b>
<i>plots</i>	<i>62,660</i>	<i>22,716</i>	<i>85,376</i>	<i>77,435</i>
Strategic	298	98	396	316
<i>plots</i>	<i>37,425</i>	<i>107,809</i>	<i>145,234</i>	<i>138,644</i>
<b>Total</b>	<b>3,058</b>	<b>206</b>	<b>3,264</b>	<b>2,773</b>

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 14.6% of ASP (2020: 15.2%), supported by strategic pipeline conversions
- Land cost as % of ASP on 2021 approvals 16.1% (2020: 18.3%)
- Potential revenue in the landbank was £59 billion (31 December 2020: £54 billion), comprising:
  - Short term land of £26 billion (31 December 2020: £23 billion)
  - Strategic land of £33 billion (31 December 2020: £31 billion)

	Land cost on balance sheet £m 31 Dec 2021	Number of plots 31 Dec 2021	Land cost on balance sheet £m 31 Dec 2020	Number of plots 31 Dec 2020
Short term owned	2,760	62,660	2,346	53,731
Short term controlled	108	22,716	111	23,704
<b>Total short term</b>	<b>2,868</b>	<b>85,376</b>	<b>2,457</b>	<b>77,435</b>
Strategic owned*	298	37,425	217	36,968
Strategic controlled*	98	107,809	99	101,676
<b>Total strategic*</b>	<b>396</b>	<b>145,234</b>	<b>316</b>	<b>138,644</b>
<b>Total landbank</b>	<b>3,264</b>	<b>230,610</b>	<b>2,773</b>	<b>216,079</b>

Data includes JV plots

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

# UK sales performance

## Private and affordable reservations excl. JVs

	H1 2022 (w/e 27 Feb 2022)	H2 2021	H1 2021	H2 2020	H1 2020
Average outlets open	230	221	228	244	237
Average sales rate (net)	1.09	1.13	1.16	0.90	0.76
Average selling price £000	331	297	294	302	308

## As at

	H1 2022 (w/e 27 Feb 2022)	31 Dec 2021	4 July 2021	31 Dec 2020	30 June 2020
Total order book value £m	2,899	2,550	2,608	2,684	2,904
Total order book units	10,934	10,009	10,344	10,685	11,686
ASP in total order book £000	265	255	252	251	249
Outlets at end of period	230	228	227	239	252
Order book value £m per outlet	12.6	11.2	11.5	11.2	11.5

Data based on both private and affordable reservations excluding JVs



# Spain financial summary

	FY 2021	FY 2020	Change
Average number of active sites	22	20	2
Legal completions	215	190	13.2%
Average selling price £000	357	333	7.2%
Average selling price €000	417	375	11.2%
Revenue £m	76.8	63.3	21.3%
Operating profit £m	14.6	15.8	(7.6)%
Operating profit margin %	19.0	25.0	(6.0)ppt
Order book £m	99.4	49.1	102.4%
Order book units	324	126	157.1%
Net operating assets £m	108.9	111.5	(2.3)%
Total landbank plots*	2,779	2,819	(1.4)%

\* 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 from operations before tax, interest paid and exceptional cash flows.
- 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 (AIIR) 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.