

Taylor
Wimpey | plc

Half Year Results Presentation

for the six months to
3 July 2022

3 August 2022



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Agenda

Highlights and current trading

Jennie Daly

Financial review

Chris Carney

Well positioned: A strong and resilient business

Jennie Daly



Member of
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Sustainability Indices**
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Highlights and current trading

Jennie Daly
CEO



Well positioned: a strong and resilient business

- Excellent first half against strong comparators
 - UK completions excluding JVs of 6,587 (H1 2021: 7,219)
 - Operating profit* of £424.6 million (H1 2021: £424.0 million) with Group operating margin* increasing to 20.4% (H1 2021: 19.3%) including some benefit from planned land sales and a strong performance from joint ventures
 - Opened 50 new UK outlets in the period (H1 2021: 37), growing outlet numbers to 233 (H1 2021: 227)
- Excellent total UK order book of 10,102 homes as at 3 July 2022 (2021 equivalent period: 10,344), excluding joint ventures
- Expect full year Group operating profit to be around the top end of the current market consensus range**
- Continue to lead the volume homebuilders in average Construction Quality Review score, with a score of 4.77 (H1 2021: 4.65)
- Won TheJobCrowd 'Best Apprentice Company of the Year' award and top in both graduate and apprentice categories for House Building for 2022/23
- Continued to progress fire safety works and remain committed to resolving these issues as soon as practicable for our customers

* See definitions slide in the appendix

** As published on 2 August 2022, the Company compiled consensus expectation for full year 2022 Group operating profit including joint ventures and excluding exceptional items is c.£905 million, with a range of £873 million to £924 million

Current market backdrop

- Industry dynamics:
 - Current housing market continuing to prove resilient
 - Demand continuing to outweigh supply
 - Good availability of attractively priced mortgages including 95% LTV
 - Material and labour cost inflation over the last twelve months, fully offset by house price growth
- Consumer dynamics:
 - Desire for home ownership remains high
 - Continuing high levels of employment
 - Appointments and enquiries continuing to be at high levels
 - Help to Buy reliance continues to fall and in H1 2022 represented c.20% of private reservations (H1 2021: c.27%)

Market performance – to date

	H2 2022 (w/e 31 July 2022)	H1 2022	H2 2021	H1 2021
Average outlets open	230	228	221	228
Private sales rate (net)	0.57	0.90	0.85	0.97
Private sales price £000	352	354	340	322
Cancellation rate (private)*	19%	15%	14%	14%

- 50 new outlets opened in H1 2022 (H1 2021: 37)
- Total order book of 10,392 homes with a value of £2,893 million as at 31 July 2022 (2021 equivalent period: 10,589; £2,712 million), excluding joint ventures
- As at 31 July 2022, we were c.92% forward sold for private completions for 2022 (2021 equivalent period: c.99%)
- Incentives at low levels
- Down valuations and cancellations remain at normal levels. Cancellations for H1 2022 at 15% (H1 2021:14%)

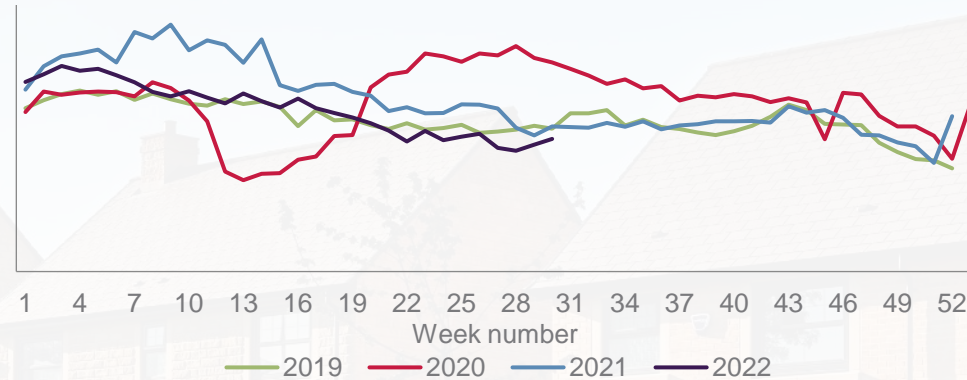
Data based on reservations excluding JVs

* Private cancellation rate is defined as cancellations divided by gross reservations in the period

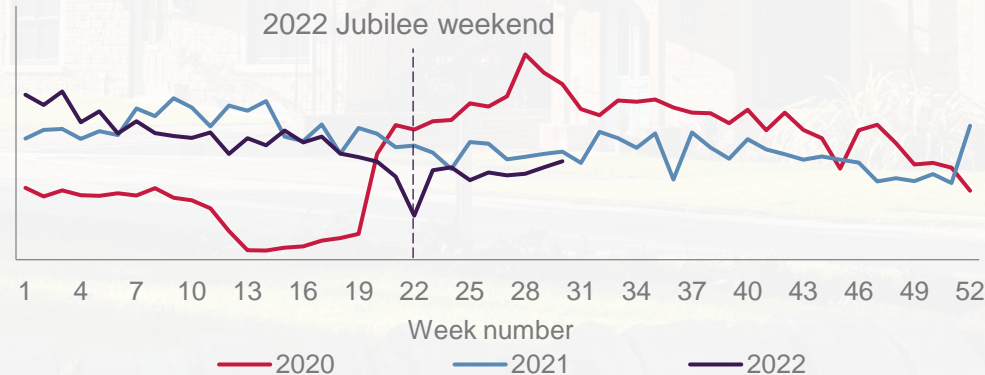
Positive sales momentum and forward indicators

- Continued good levels of customer interest
- Forward indicators remain good relative to recent years
- Media spend a third less compared to 2019

Customer interest*



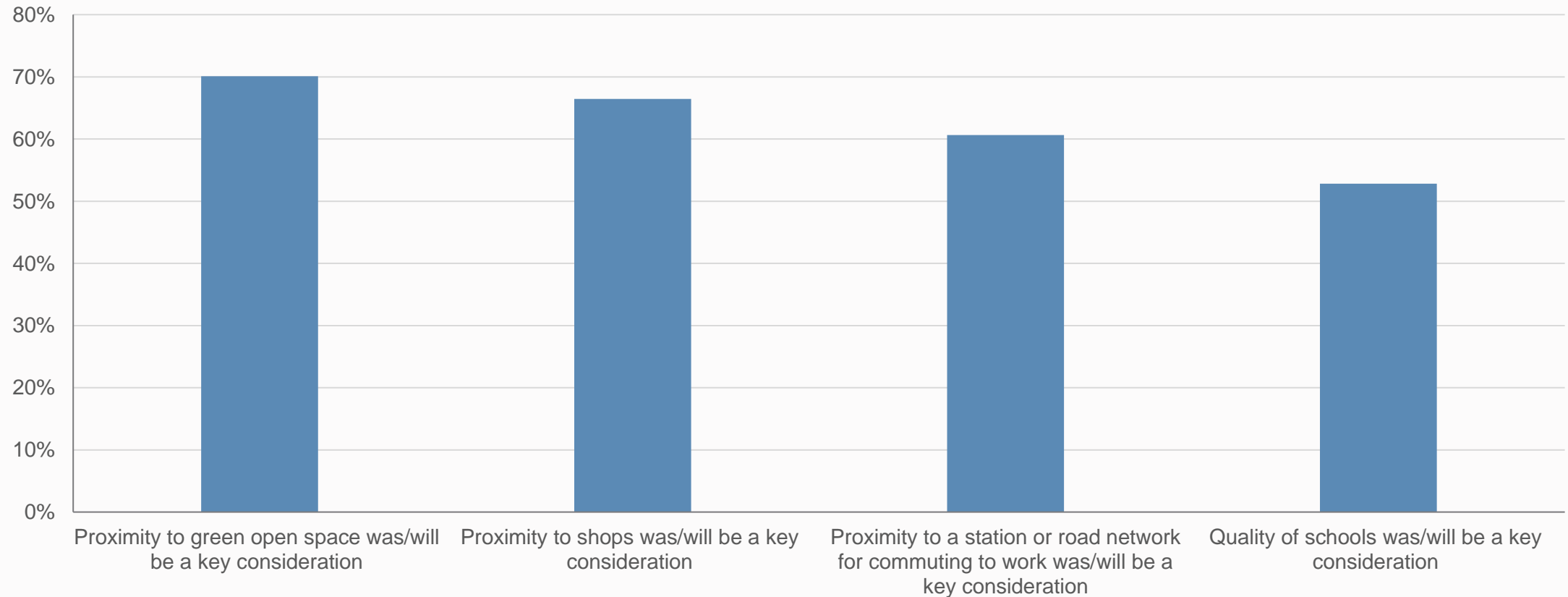
Appointments



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

What our customers want is reflected in the quality of our locations

Recent customer research – considerations of recent movers and those in market



N.B. Sample of 1,500 recent buyers and those in market to move in the next year



Financial review

Chris Carney
Group Finance Director



Summary Group results

£m (before exceptional items)	H1 2022	H1 2021	Change	FY 2021
Revenue	2,076.8	2,196.3	(5.4)%	4,284.9
Gross profit	524.5	522.3	0.4%	1,027.0
Gross profit margin %	25.3	23.8	1.5ppt	24.0
Operating profit	424.6	424.0	0.1%	828.6
Operating margin %	20.4	19.3	1.1ppt	19.3
Profit before tax and exceptional items	414.5	412.5	0.5%	804.6
Adjusted basic earnings per share* pence	9.0	9.3	(3.2)%	18.0
Tangible NAV per share* pence	120.0	113.3	5.9%	118.1
Return on net operating assets* %	24.4	23.0	1.4ppt	24.7

* See definitions slide in the appendix

UK performance summary

	H1 2022	H1 2021	Change	FY 2021
Legal completions – excl JVs	6,587	7,219	(8.8)%	13,929
Private	5,137	6,061	(15.2)%	11,481
Affordable	1,450	1,158	25.2%	2,448
Average selling price – excl JVs	300	299	0.3%	300
Private £000	337	327	3.1%	332
Affordable £000	169	150	12.7%	148
Legal completions – JVs	132	70	88.6%	158
Share of results – JVs £m	10.0	1.3	-	5.4
Gross profit margin %	25.1	23.8	1.3ppt	24.0
Operating profit £m	406.6	419.6	(3.1)%	814.0
Operating margin %	20.2	19.4	0.8ppt	19.3

UK operating margin

Illustrative movements in UK operating margin H1 2021 to H1 2022

	Annual change	Impact on H1 2022 income statement (ppt)
Market inflation on selling prices	c.6.5%*	4.4
Market inflation on build cost	c.6.5%	(3.8)
Net economic benefit captured		0.6
Market impact of landbank evolution		0.1
Net market impact		0.7
Land and property sales		0.3
Direct selling costs		(0.1)
Net operating expenses		(0.8)
Share of JV profits		0.4
Other		0.3
Total UK operating margin movement		0.8

* Source: Market inflation based on internal pricing data

- The improvement in H1 2022 operating margin has been supported by:
 - The net benefit from house price and build cost inflation
 - Continued focus on price optimisation
 - Small number of planned high margin land sales
 - Increase in JV profits
- FY22 operating margin guidance is unchanged

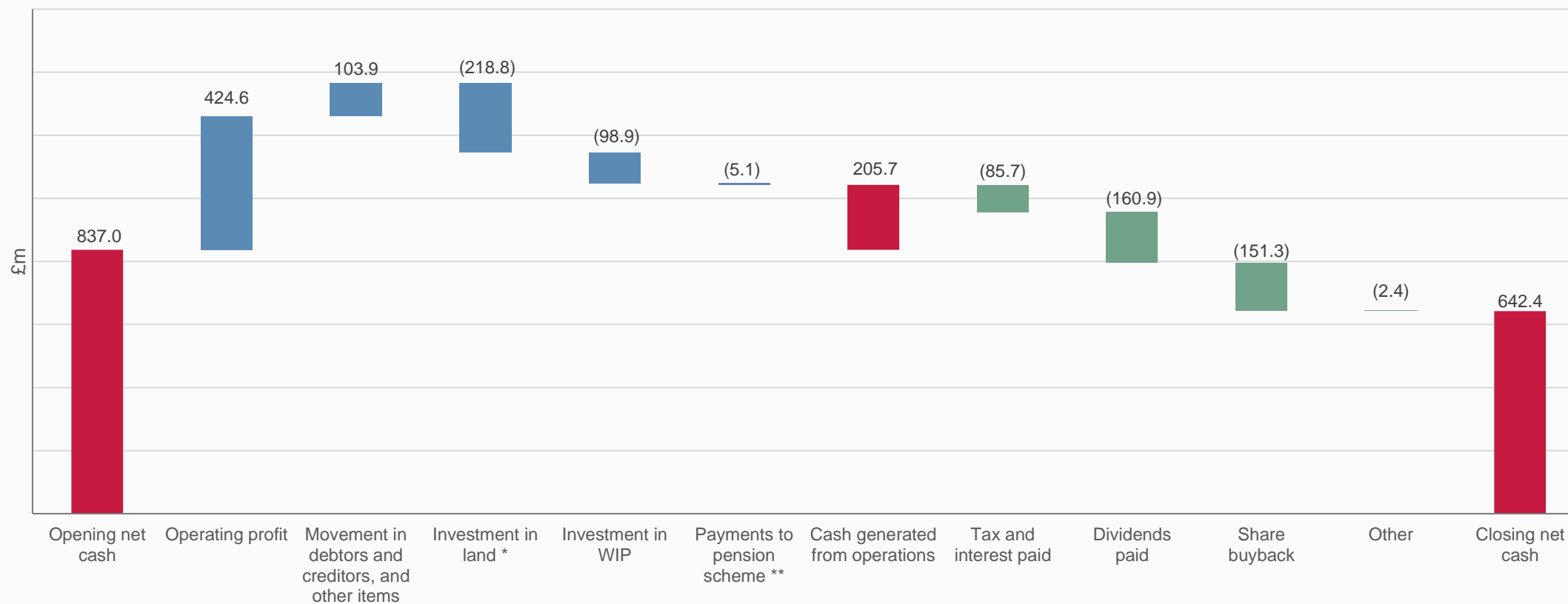
Summary Group balance sheet

Group £m	3 July 2022	4 July 2021	Change	31 Dec 2021
Long term assets and JVs	144.2	140.4	3.8	150.2
Land	3,636.3	3,261.1	375.2	3,385.7
WIP	1,673.4	1,540.5	132.9	1,560.0
Debtors	202.4	173.9	28.5	195.7
Land creditors	(843.7)	(843.1)	(0.6)	(806.4)
Other creditors	(857.8)	(788.0)	(69.8)	(752.2)
Pensions and post retirement benefits	(30.4)	(37.0)	6.6	(37.3)
Provisions	(327.6)	(249.3)	(78.3)	(245.1)
Net operating assets*	3,596.8	3,198.5	398.3	3,450.6
Tax	35.4	35.2	0.2	26.4
Net cash*	642.4	906.5	(264.1)	837.0
Net assets	4,274.6	4,140.2	134.4	4,314.0
Tangible NAV per share	120.0p	113.3p	6.7p	118.1p

- Maintained a strong balance sheet with low adjusted gearing* of 4.7%
- Increase in net operating assets of 12.5%
- Tangible NAV per share growth of 5.9%
- Returned £160.9 million to shareholders by way of a 2021 final ordinary dividend and £150.0 million via a share buyback in the period

* 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

2022 guidance

UK completions (excl. JVs)	Continue to expect low single digit growth vs 2021 volumes c.20% affordable
Group operating profit (incl. JVs)	To be around the top end of the current consensus range*
Year end net cash	c.£600 million
Land	New approvals on a replacement basis
Net finance charges	c.£20 million (c.£3 million cash)
JV share of profit	c.£14 million

* As published on 2 August 2022, the Company compiled consensus expectation for full year 2022 Group operating profit including joint ventures and excluding exceptional items is c.£905 million, with a range of £873 million to £924 million



Well positioned: A strong and resilient business

Jennie Daly
CEO



Building a stronger, more resilient business

1. Land

**2. Operational
excellence**

3. Sustainability

**4. Capital
allocation**

Core targets: 21-22% operating margin and 30% RONO

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

Operational KPIs

Land	H1 2022	H1 2021	FY 2021
Land cost as % of ASP on approvals	20.8%	14.4%	16.1%
Landbank years	c.6.5	c.5.8	c.6.1
% of completions from strategically sourced land	47%	55%	50%
Operational excellence			
Construction Quality Review (average score / 6)	4.77	4.65	4.67
Average reportable items per inspection	0.28	0.25	0.26
Health and Safety Injury Incidence Rate (per 100,000 employees and contractors) rolling 12 months*	212	193	214
Employee engagement (annual survey)			91%
Sustainability			
Customer satisfaction 8-week score 'Would you recommend?''**	92%	92%	92%
Customer satisfaction 9-month score 'Would you recommend?''***	78%	80%	79%
Reduction in operational carbon emissions intensity (measured at year end)			13%

KPIs for UK only

* See definitions slide in the appendix

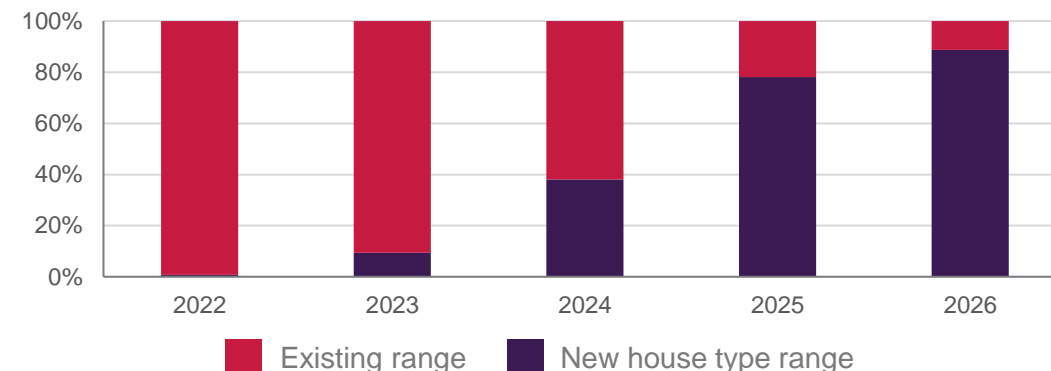
** The 8-week 'would you recommend' score for H1 2022 relates to customers who legally completed between October 2021 and March 2022, with the H1 comparator relating to the same period in the prior years

*** The 9-month 'would you recommend' score for H1 2022 relates to customers who legally completed between October 2020 and March 2021, with the H1 comparator relating to the same period in the prior years

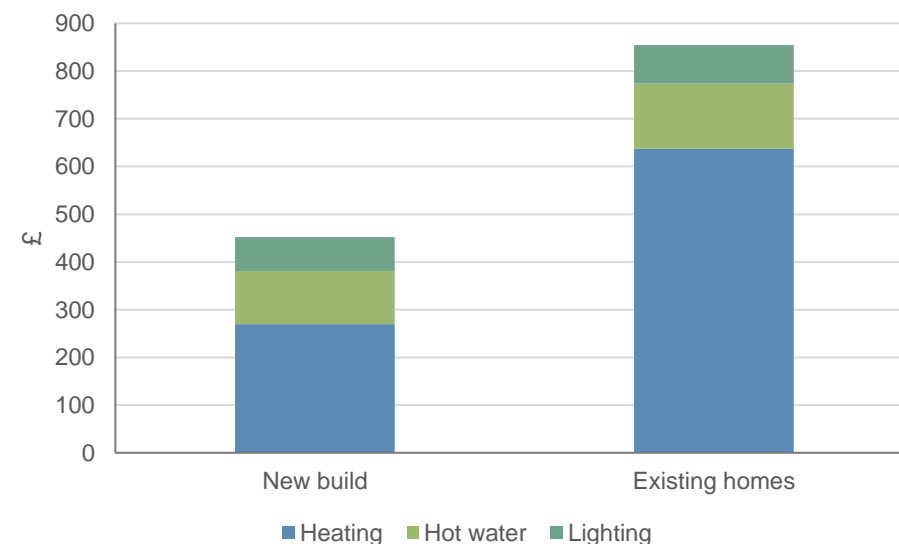
House type range

- Simplification and standardisation
 - 107 house types in 2017
 - 46 houses in our consolidated house type range in 2018
 - 28 core house types in the new house type range
- Feedback from sales of prototypes:
 - Improvement in plotting performance
 - Costs in line with expectations
 - Sales values achieved compare well with previous range
- Standard Assessment Procedure (SAP) software issues delaying conclusion of Part L compliant future specifications
- Testing solutions for Future Homes Standard (FHS)
 - Will begin construction of pilot homes testing and gaining insights into methods to meet FHS requirements. These homes will complete in the first half of 2023
- Customer research insight: rising energy prices is causing a re-evaluation of energy efficiency and maintenance costs in favour of new builds

New house type range legal completions



Average energy costs per home for 12 months to June 2022



Source: DLUHC published 28 July 2022

Tetford flythrough



The Tetford
Three bedroom home

Taylor
Wimpey

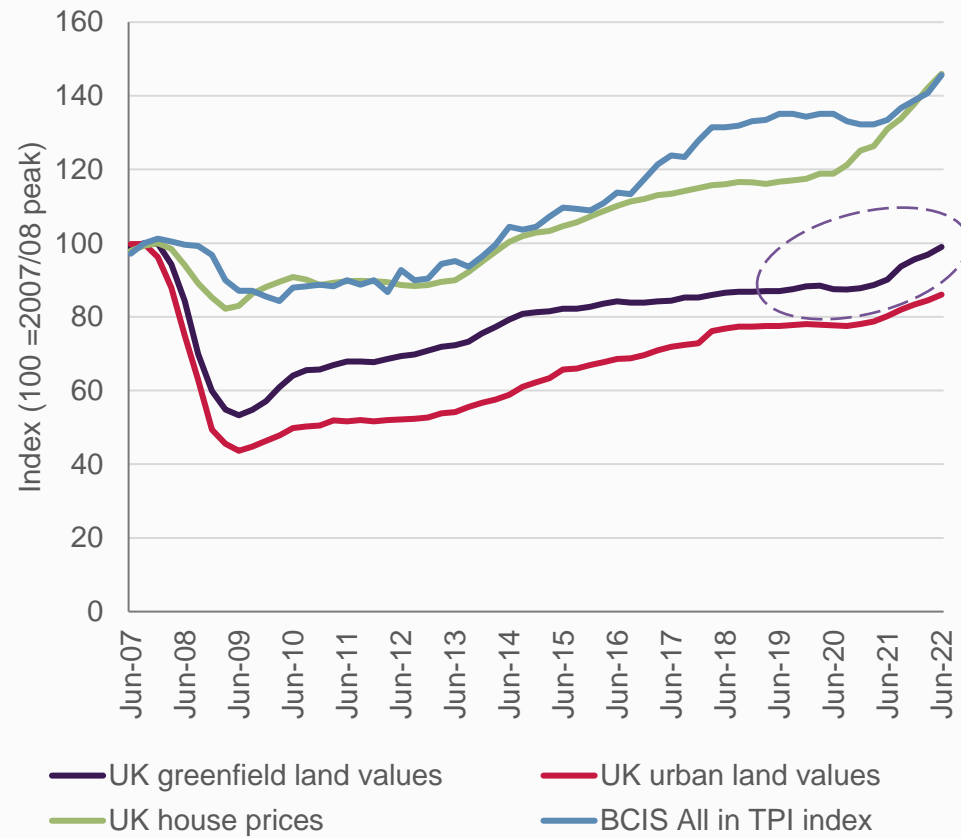
Land market

- Land market continues to be very competitive and given our strong landbank position and high visibility of future pipeline we remain well positioned and can be selective in our new approvals
- We are seeing industry-wide planning issues including localised 'nutrient neutrality', potentially causing delays to site starts and beginning to impact land availability
- We are in a strong position to navigate these challenges with an excellent short term landbank of c.88k plots and the largest strategic land position in the sector
- An agile land strategy is needed to drive and deliver the most value from our assets

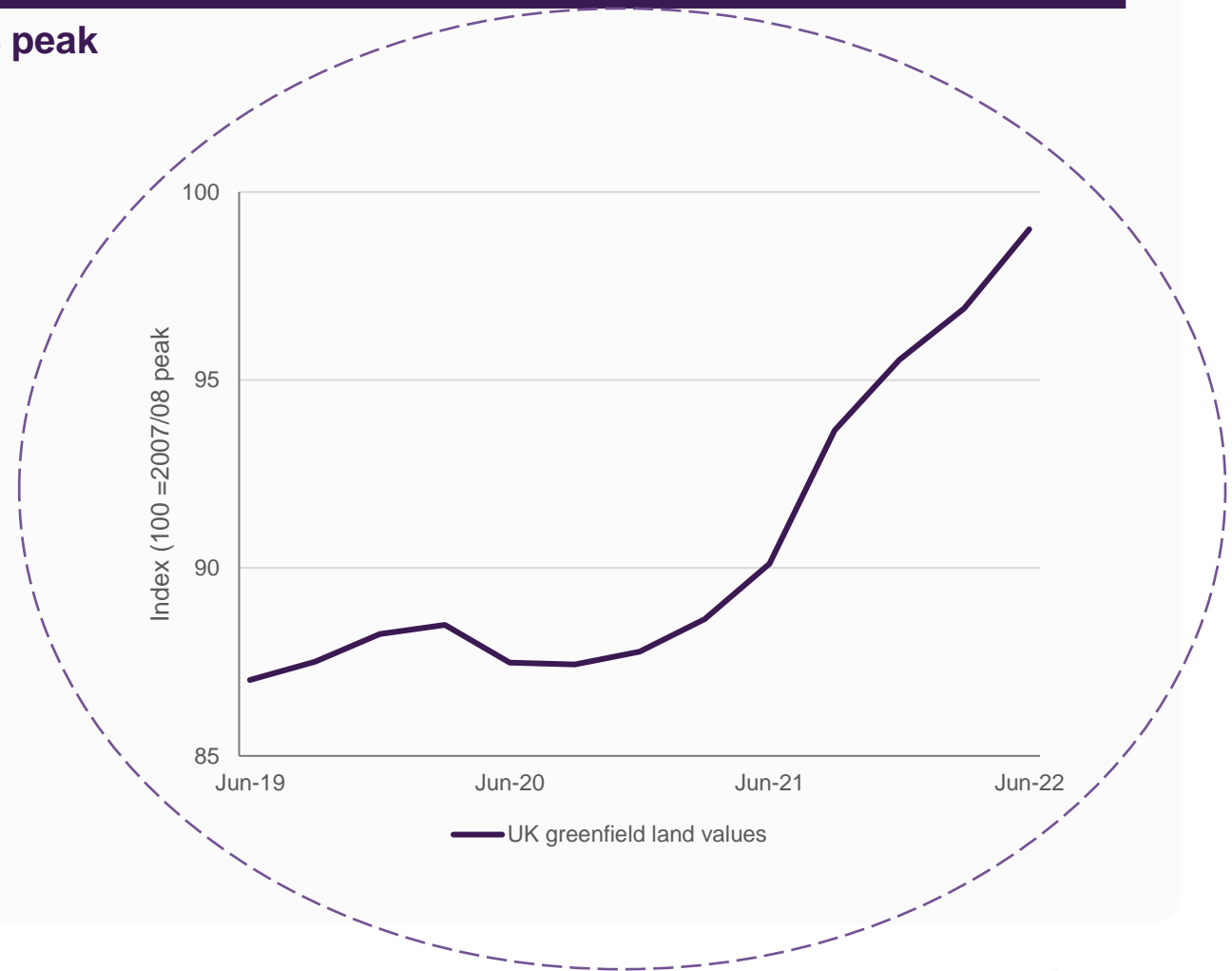


Current land market backdrop

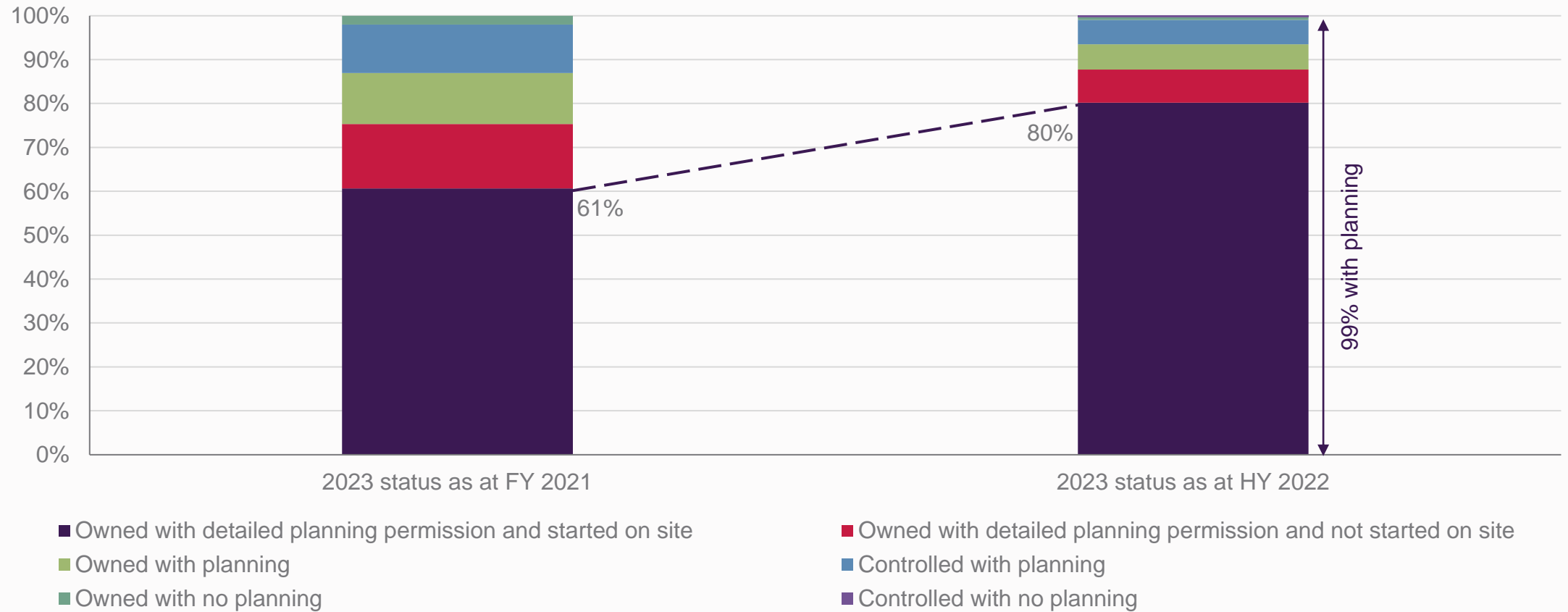
UK greenfield land values grow close to their 2007/08 peak



Source: Savills Research, Nationwide, BCIS



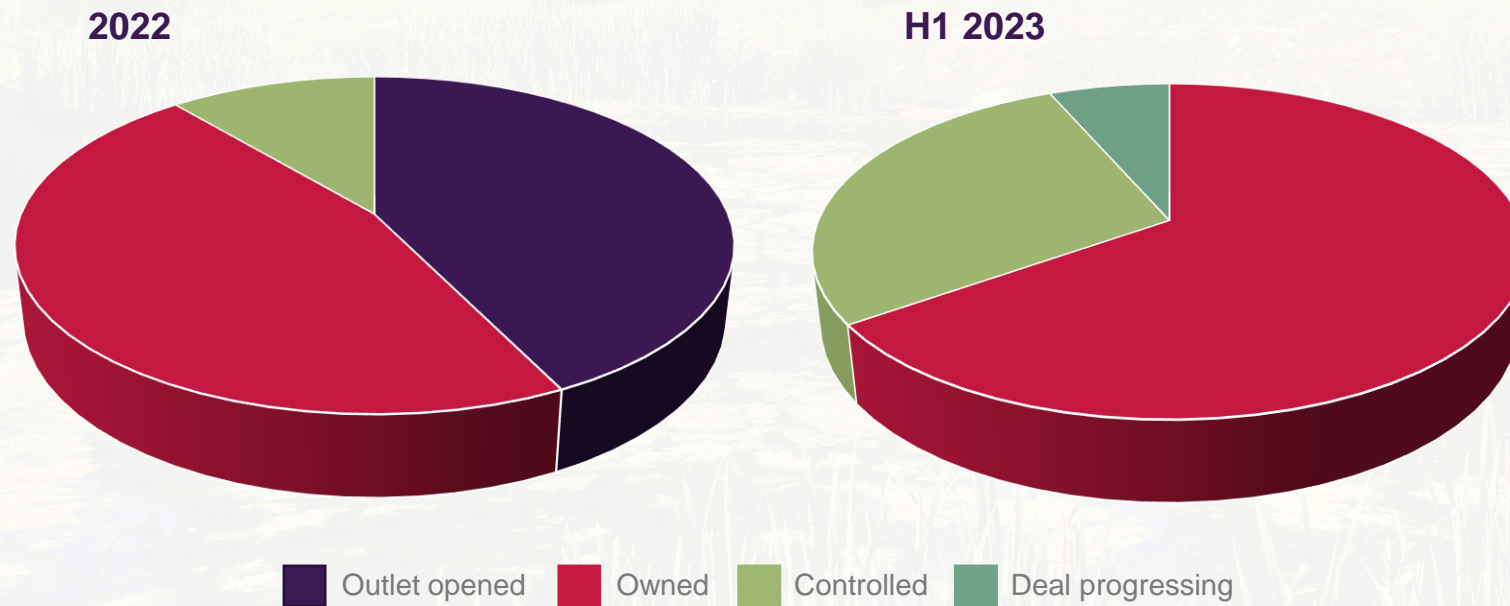
Strong planning status of completions



On track to deliver growth

- Excellent progression for 2022 and 2023 outlets
- Started work on 24 outlets due to open H2 2022

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



Summary

- Market remains resilient and market fundamentals remain strong
- Remain agile in our approach across the business to optimise performance
- With our sector leading landbank and strong financial position, our business is well positioned and flexible
- Clear focus on driving operational excellence and committed to delivering outstanding sustainable homes and best in class service to all our customers
- Continue to prioritise margin over volume growth
- Resilience, landbank and operational focus to deliver superior stakeholder returns and enhanced value

Strong investment case



Margin and returns focused

Focused on operational excellence to deliver strong margins and attractive long term returns

Differentiated by landbank

Sector leading landbank with capacity to deliver further outlet led volume growth, increased profitability and returns to shareholders

Sustainable and responsible

ESG embedded throughout the business for the benefit of all our stakeholders

Substantial shareholder returns

Committed to paying an annual ordinary dividend through the cycle and returning surplus capital at the appropriate time

Future investor communications

- 9 November 2022 Trading update
- 12 January 2023 Trading update
- 2 March 2023 Full year results 2022



Appendices

Half Year Results Presentation
for the six months to 3 July 2022

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Taylor Wimpey plc



Summary income statement*

Group £m	H1 2022	H1 2021	Change	FY 2021
Revenue	2,076.8	2,196.3	(5.4)%	4,284.9
Cost of sales	(1,552.3)	(1,674.0)	(7.3)%	(3,257.9)
Gross profit	524.5	522.3	0.4%	1,027.0
Net operating expenses	(109.9)	(99.6)	10.3%	(203.8)
Profit on ordinary activities before net finance costs and tax	414.6	422.7	(1.9)%	823.2
Net finance cost	(10.1)	(11.5)	(12.2)%	(24.0)
Share of results of JVs	10.0	1.3	-	5.4
Profit before tax	414.5	412.5	0.5%	804.6
Tax charge	(91.4)	(75.5)	21.1%	(147.9)
Profit for the period	323.1	337.0	(4.1)%	656.7

* Before exceptional items

Cash flow summary

Group £m	H1 2022	FY 2021	H2 2021	H1 2021
Profit from ordinary activities before finance costs	334.6	698.2	400.5	297.7
Increase in inventories	(317.7)	(293.2)	(184.9)	(108.3)
Exceptional items charge	80.0	125.0	-	125.0
Other operating items*	108.8	44.7	(46.2)	90.9
Cash generated by operations	205.7	574.7	169.4	405.3
Payments relating to exceptional charges	(11.7)	(15.1)	(7.8)	(7.3)
Tax paid	(83.3)	(123.0)	(63.0)	(60.0)
Interest paid	(2.4)	(4.7)	(2.2)	(2.5)
Net cash from operating activities	108.3	431.9	96.4	335.5
Investing activities	13.5	(10.3)	(11.2)	0.9
Financing activities	(314.6)	(321.7)	(169.1)	(152.6)
Cash flow for the period	(192.8)	99.9	(83.9)	183.8
Opening net cash	837.0	719.4	906.5	719.4
Cash (outflow) / inflow**	(192.8)	112.6	(71.2)	183.8
Foreign exchange	(1.8)	5.0	1.7	3.3
Closing net cash	642.4	837.0	837.0	906.5

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

** Includes movements in debt balance

Financing

- Net cash at 3 July 2022 of £642.4 million (31 December 2021: £837.0 million, 4 July 2021: £ 906.5 million)
- Cash balances of £729.4 million (4 July 2021: £1,005.6 million)
- Adjusted gearing including land creditors of 4.7% (31 December 2021: -0.7%, 4 July 2021: -1.5%)
- Average net cash during H1 2022 of £660.0 million (FY 2021: £ 788.1 million, H1 2021: £ 709.9 million)
- Main borrowings and facilities:
 - £550 million Revolving Credit Facility – expiring February 2025 – fully undrawn
 - €100 million 2.02% Senior Loan Notes due June 2023
 - Used to hedge the investment in our Spanish business
 - Weighted average life of 2.4 years

Our capital allocation priorities

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

1

Maintain a strong balance sheet

Maintain low adjusted gearing to reflect cyclical nature of the industry

Adjusted gearing of 4.7% at 3 July 2022

2

Investment in land and WIP to drive future growth

Focus on funding business needs, including land investment and WIP to drive growth

c.88k plots in short term landbank at 3 July 2022

3

Sustainable ordinary dividend

Ordinary dividend pay out policy of 7.5% of net assets

Interim dividend for 2022 of 4.62 pence per share

4

Return excess cash

Excess cash returned after funding land investment, working capital, taxation and the ordinary dividend. The method of return (share buyback or special dividend) will be considered at the appropriate time

£150m excess cash returned in FY22 via share buyback

Finance charges

£m	H1 2022	H1 2021	Change	FY 2021
Financial indebtedness	2.4	2.5	(0.1)	5.0
Foreign exchange movements	0.3	0.5	(0.2)	0.8
Unwind of land creditors and other items	9.0	9.0	-	19.2
Pensions	0.3	0.5	(0.2)	1.0
Interest on lease liabilities	0.2	0.2	-	0.4
Total	12.2	12.7	(0.5)	26.4

Tax

Asset / (liability)	Current tax £m	Deferred tax £m	Net tax £m
As at 1 January 2022	0.2	26.2	26.4
Income statement*	(72.2)	(1.6)	(73.8)
SOCI / SOCIE	-	(0.6)	(0.6)
Cash paid	83.3	-	83.3
Other (including foreign exchange)	(0.1)	0.2	0.1
As at 3 July 2022	11.2	24.2	35.4

- Pre-exceptional effective tax rate of 22.1% (H1 2021: 18.3%) including impact of the 4% Residential Property Developer Tax (RPDT) introduced from 1 April 2022
- RPDT charged on pre-interest residential development profits, after deduction of £25 million annual allowance. RPDT payable in instalments, alongside Corporation Tax (CT)
- Remeasurement of UK deferred tax asset, reflecting the 4% RPDT from April 2022, resulting in £3.3 million credit (£1.7 million income statement, £1.6 million SOCI/SOCIE)
- Expect future underlying tax rate to largely reflect the combined CT and RPDT statutory rates

* Including Residential Property Developer Tax (RPDT) and tax on exceptional items

Pension funding

£m	FY 2021	FY 2022		FY 2023	
		Min	Max	Min	Max
Deficit contributions to the Scheme	10.3	-	-	-	-
Payments to escrow	10.0	-	5.0	-	20.0
Pension Funding Partnership	5.1	5.1	5.1	5.1	5.1
Scheme expenses	2.0	2.0	2.0	2.0	2.0
Total	27.4	7.1	12.1	7.1	27.1

- IAS 19 surplus at 3 July 2022 of £211.6 million, deficit of £30.1 million recognised after IFRIC 14 adjustment
- Pension payments total £6.1 million in the half year (PFP £5.1 million, expenses £1.0 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 were 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%
 - Surplus at June 2022 of £70 million and funding level of 103.5% 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 H1 2022	<£200k	£201k – £250k	£251k – £300k	£301k – £450k	£451k – £600k	£601k – £1m	>£1m	Total
Price band	23%	14%	16%	36%	8%	3%	-	100%

UK completions	H1 2022	FY 2021	H2 2021	H1 2021	FY 2020	H2 2020	H1 2020
First time buyers	35%	41%	39%	43%	40%	43%	35%
Second time buyers	39%	37%	38%	36%	35%	34%	35%
Affordable*	21%	18%	20%	17%	21%	19%	26%
Investor	5%	4%	3%	4%	4%	4%	4%
Total	100%	100%	100%	100%	100%	100%	100%
Help to Buy	17%	30%	23%	36%	42%	45%	35%

Private completions	H1 2022	FY 2021	H2 2021	H1 2021	FY 2020	H2 2020	H1 2020
Apartments	8%	8%	8%	8%	9%	10%	8%
1 / 2 / 3 bed houses	52%	50%	51%	49%	49%	48%	50%
4 / 5 / 6 bed houses	40%	42%	41%	43%	42%	42%	42%
Total	100%	100%	100%	100%	100%	100%	100%

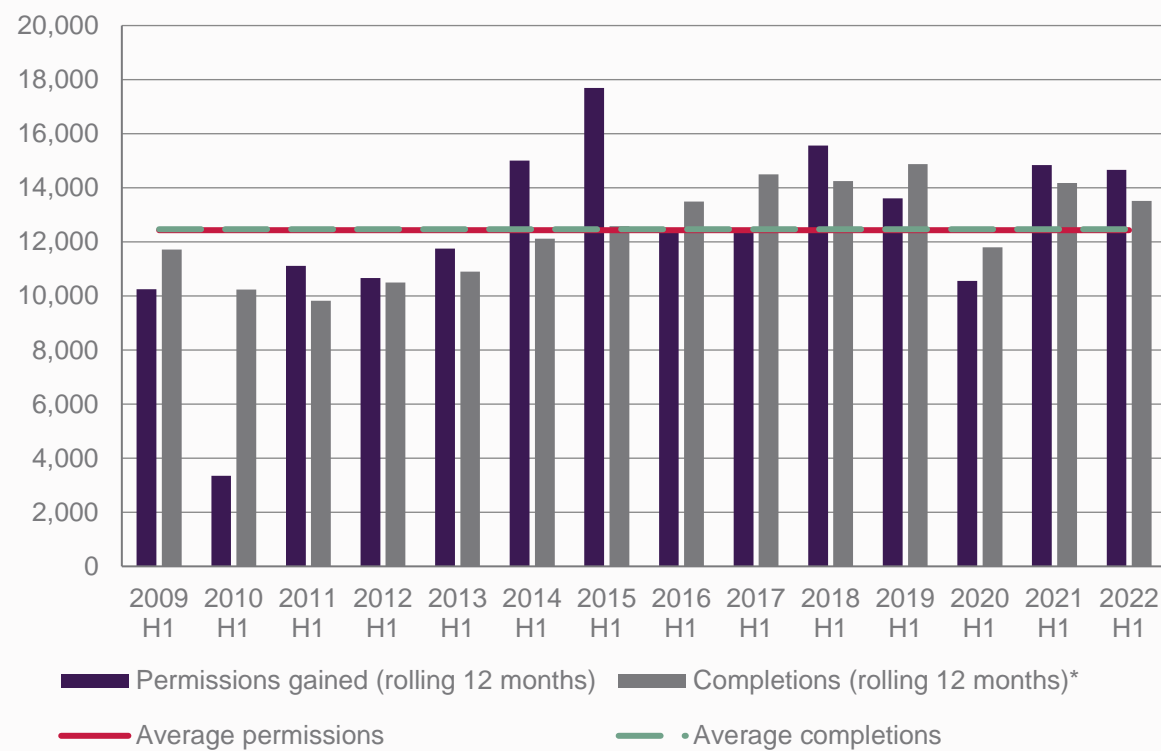
*Includes private sales to housing associations
Data based on completions excluding JVs

UK land commitments

£m	< 1 yr	1-2 yrs	2-5 yrs	5+ yrs	As at 3 July 2022	As at 31 Dec 2021
Committed cash payments in respect of unconditional land contracts	367	203	238	29	837	813
Expected cash payments in respect of conditional land contracts	241	103	103	118	565	526

- Included in unconditional land contracts at 3 July 2022 are UK overage commitments of £51 million (31 December 2021: £59 million)

UK planning permissions

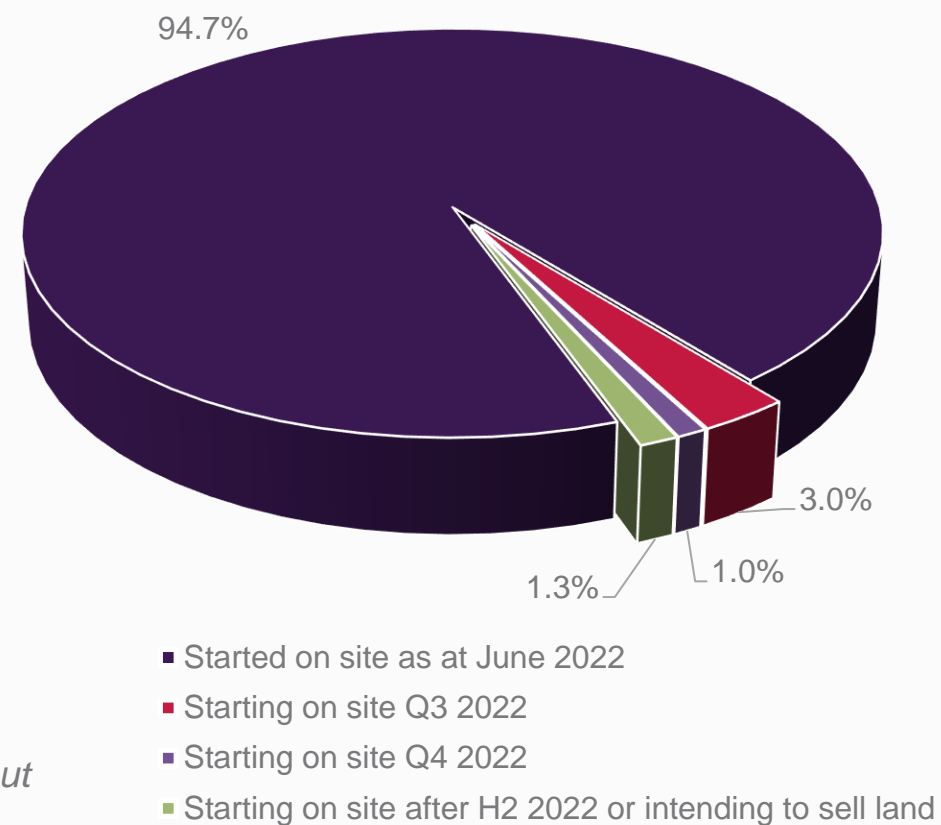


■ Average detailed planning permissions achieved - *Intake*

■ Average completions / detailed planning permissions implemented - *Output*

* Data includes JV plots

Sites with implementable planning permission



UK land pipeline

Plots	3 July 2022			31 Dec 2021
	Owned	Controlled	Total	Total
Detailed planning	41,553	3,400	44,953	43,329
Outline planning	22,442	7,300	29,742	24,790
Resolution to grant	2,579	10,370	12,949	17,257
Short term	66,574	21,070	87,644	85,376
Short term with implementable planning	41,487		41,487	41,680
Allocated strategic*	4,165	9,618	13,783	13,077
Non-allocated strategic*	33,283	97,725	131,008	132,157
Strategic	37,448	107,343	144,791	145,234
Total	104,022	128,413	232,435	230,610

Data includes JV plots

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

UK landbank

- Land cost in short term owned landbank is 14.3% of ASP (4 July 2021: 14.8%), supported by strategic pipeline conversions
- Land cost as % of ASP on H1 2022 approvals of 20.8% (H1 2021: 14.4%)
- Potential revenue in the landbank at 3 July 2022 was £61 billion (31 December 2021: £59 billion), comprising:
 - Short term land of £27 billion (31 December 2021: £26 billion)
 - Strategic land of £34 billion (31 December 2021: £33 billion)

	Land cost on balance sheet £m 3 July 2022	Number of plots 3 July 2022	Land cost on balance sheet £m 31 Dec 2021	Number of plots 31 Dec 2021
Short term owned	2,962	66,574	2,760	62,660
Short term controlled	141	21,070	108	22,716
Total short term	3,103	87,644	2,868	85,376
Strategic owned*	299	37,448	298	37,425
Strategic controlled*	109	107,343	98	107,809
Total strategic*	408	144,791	396	145,234
Total landbank	3,511	232,435	3,264	230,610

Data includes JV plots

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

UK land quality matrix

Short term landbank (plots) 3 July 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%	1%	-	26%
	B	18%	42%	4%	-	64%
	C	3%	6%	1%	-	10%
	D	-	-	-	-	-
	Total	33%	61%	6%	-	100%

UK sales performance

Private and affordable reservations excl JV	H2 2022 (w/e 31 July 2022)	H1 2022	H2 2021	H1 2021
Average outlets open	230	228	221	228
Average sales rate (net)	0.60	1.10	1.13	1.16
Average selling price £000	342	326	297	294

As at	H2 2022 (w/e 31 July 2022)	3 July 2022	31 Dec 2021	4 July 2021
Total order book value £m	2,893	2,800	2,550	2,608
Total order book units	10,392	10,102	10,009	10,344
ASP in total order book £000	278	277	255	252
Outlets at end of period	229	233	228	227
Order book value £m per outlet	12.6	12.0	11.2	11.5

Data based on both private and affordable reservations excluding JVs

Spain financial summary

	H1 2022	H1 2021	Change	FY 2021
Average number of active sites	22	21	4.8%	22
Legal completions	203	84	141.7%	215
Average selling price £000	332	360	(7.8)%	357
Average selling price €000	391	415	(5.8)%	417
Revenue £m	67.4	30.2	123.2%	76.8
Operating profit £m	18.0	4.4	309.1%	14.6
Operating margin %	26.7	14.6	82.9%	19.0
Order book £m	130.2	66.0	97.3%	99.4
Order book units	419	188	122.9%	324
Net operating assets £m	80.1	102.2	(21.6)%	108.9
Total landbank plots*	2,734	2,762	(1.0)%	2,779

* 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.
- Operating margin is defined as operating profit divided by revenue.
- 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 NAV 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.
- 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 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.