

9 November 2022

Taylor Wimpey plc

Trading statement

Overview

Jennie Daly, CEO, commented:

“In a challenging economic and political backdrop we are performing well and are on track to deliver full year operating profit in line with market expectations¹.”*

While sales rates have been impacted by wider economic uncertainty, we continue to see good levels of customer interest in our homes and a desire to get onto or move up the housing ladder.

Taylor Wimpey is an agile business and we have been focused on operational efficiency and execution. We operate from a position of financial strength and as we continue to navigate the current macro-economic challenges, our quality landbank in customers’ preferred locations positions us well. We will continue to manage the business with discipline as we seek to deliver value for all our stakeholders.”

UK trading performance

We achieved a net private sales rate of 0.74 homes per outlet per week for the year to date (2021: 0.95) and 0.51 homes per outlet per week in the second half of the year to date (2021: 0.91), reflecting customer response to heightened levels of economic uncertainty.

The cancellation rate for the second half of the year to date was 24% (2021: 14%), with a year to date cancellation rate of 18% (2021:14%).

As at 6 November 2022, our current total order book excluding joint ventures stood at c.£2.6 billion (2021: c.£2.8 billion) and our order book represented 9,153 homes as at 6 November 2022 (2021: 10,643) of which 79% is exchanged.

Customer visits to our website continue to be at good levels, albeit with conversions taking longer. Where customers have locked in mortgage rates, they remain keen to complete their purchase.

In the year to date, we have operated on an average of 229 sales outlets (2021: 224), and we are currently operating from 234 outlets (2021: 217) having opened 74 new outlets in the year (2021: 64).

Prevailing build cost inflation remains around 9-10%.

Proactive response to changing market conditions

We have been closely monitoring the market and lead indicators, and have acted decisively and proactively to mitigate risk through the levers available to us. We have further increased cost control, increased management controls and focused our sales teams for selling in a tougher market.

With a strong land position, we can continue to be highly selective in our landbuying. As a result, year to date approvals total c.7k plots, similar to our half year position. We will continue to operate on a highly selective basis in the land market.

As at the end of October 2022, our short term landbank stood at c.86k plots (3 July 2022: c.88k) and our strategic land pipeline stood at c.145k potential plots (3 July 2022: c.145k). This strong land position gives us options in all market conditions.

We have a strong balance sheet and are highly cash generative. Reflecting the proactive actions taken, we now expect to end the year with net cash** of c.£800 million.

Outlook

With resilient pricing in the order book and a focus on cost discipline, we expect to deliver operating profit in line with our expectations. We expect Group volumes to be at broadly similar levels to 2021, given the uncertainty in the market. We remain on track to increase our outlet numbers at the end of the year which will provide us and our customers with increased choices and gives us the flexibility to respond quickly to changing market conditions.

Higher mortgage rates will contribute to the wider cost of living challenges affecting our customers. Despite the more challenging short term conditions, we remain confident in the long term sector fundamentals with a continued meaningful supply and demand imbalance in UK housing.

Taylor Wimpey is financially strong with an excellent, well located landbank and a highly experienced management team with a focus on protecting value while driving further operational efficiency. We remain well placed to navigate the current challenges, deliver quality homes to our customers and long term growth and value to our stakeholders.

¹ As published on 7 November 2022, the Company compiled consensus expectation for full year 2022 Group operating profit including joint ventures and excluding exceptional items is c.£922 million.

* 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 cash is defined as total cash less total borrowings.

Note:

2021 relates to 2021 equivalent trading period, unless stated.

-Ends-

CEO Jennie Daly and Group Finance Director Chris Carney will be hosting a conference call with Q&A for analysts and investors at 9.00am on 9 November 2022. The call will be recorded and streamed live to our website:

<https://www.taylorwimpey.co.uk/corporate/investors/results-and-reports>

For further information please contact:

Taylor Wimpey plc

Tel: +44 (0) 1494 885656

Jennie Daly, CEO
Chris Carney, Group Finance Director
Debbie Archibald, Investor Relations
Andrew McGeary, Investor Relations

FGS Global

TaylorWimpey@fgsglobal.com

Faeth Birch
Anjali Unnikrishnan
James Gray

Notes to editors:

Taylor Wimpey plc is a customer-focused homebuilder, operating at a local level from 23 regional businesses across the UK. We also have operations in Spain.

For further information please visit the Group's website: www.taylorwimpey.co.uk/corporate

Follow us on Twitter @TaylorWimpeyplc