

7 November 2024
Taylor Wimpey plc
Trading statement

Good performance, trading in line with expectations

Jennie Daly, CEO, commented:

“We’re pleased with the progress and performance of our business in the second half to date. Our teams have continued to work extremely hard on the ground, supporting customers through their buying journey and delivering an improved sales rate – thanks to the quality of our sites and locations, and our focus on operational excellence.

Delivering high-quality homes is essential to achieving sustainable economic growth and a thriving society and we welcome the steps the Government is taking to unlock the planning system and deliver more homes.

Looking ahead, we continue to expect to deliver full year 2024 UK volumes towards the upper end of our guidance range of 9,500 to 10,000 homes. Underpinned by a strong balance sheet, well-located landbank and highly experienced teams, we are well positioned for growth from 2025, assuming supportive market conditions.”

UK trading

In the second half to date, we saw steady signs of improvement in customer demand as mortgage rates reduced and affordability improved. Whilst there was some uncertainty ahead of the Budget, we remain on track to deliver UK volumes in line with previous guidance and Group operating profit* in line with current market expectations¹.

In the second half to date, our net private sales rate per outlet per week was 0.70 (2023: 0.51) with a cancellation rate of 17% (2023: 21%). Excluding the impact of bulk deals, we have achieved a net private sales rate of 0.68 (2023: 0.48).

For the year to date, we have achieved a net private sales rate of 0.73 (2023: 0.63), with a cancellation rate of 15% (2023: 18%). Excluding the impact of bulk deals, our net private sales rate was 0.68 (2023: 0.57).

As at 4 November 2024, our current total order book excluding joint ventures stood at c.£2.2 billion (2023: c.£1.9 billion), representing 7,716 homes (2023: 7,042).

In the second half to date, we operated from an average of 209 sales outlets (2023: 231). At the year end, taking into consideration prevailing sales rates and planned outlet openings, we expect to be operating from just over 200 outlets.

Driving operational performance

Our performance in the period reflects our high-quality locations and excellent teams. We have continued to support our customers through the homebuying process and, consistent with our strategy, are focused on delivering value across the business. Whilst it is still early in their tenure, we look forward to working constructively with the Government to deliver much needed new homes across the UK.

During the year we have been active and opportunistic in reviewing land opportunities and in the weeks leading up to the recent Budget we saw a number of attractive opportunities. As a result, our year to date approvals are c.11k plots (2023: c.3k plots). We now expect to end the year with net cash** of c.£500 million, subject to the timing of land purchases in the remainder of the year.

As at the end of October 2024, our short term landbank stood at c.79k plots (30 June 2024: c.79k plots) and our strategic land pipeline stood at c.136k potential plots (30 June 2024: c.140k potential plots). In the year to date, we have converted c.4k plots from our strategic pipeline (2023: c.6k plots).

Outlook

We continue to expect to deliver full year 2024 UK volumes excluding JVs towards the upper end of our guidance range of 9,500 to 10,000 homes, and to deliver Group operating profit in line with current market expectations¹.

As we move towards the year end, our focus is on building our order book to optimise value and position us for 2025. Looking ahead, we welcome the Government's focus on addressing the UK's housing supply and unlocking the planning system which we expect to have positive implications for the supply of land over the medium term. We have excellent visibility of our land pipeline to deliver growth from 2025, assuming a supportive market. As previously reported, we own and control all land for 2025 completions, almost all of it with detailed planning. We continue to leverage our strategic land position with proactive applications in the system and additional applications prepared if we see the proposed National Planning Policy Framework changes adopted in the coming months.

We remain confident in the fundamentals of the market with strong underlying demand for the homes we sell. We have positioned our business to operate through the cycle, leaving us well placed to create value for all our stakeholders.

¹ As published on 5 November 2024, the Company compiled consensus expectation for full year 2024 Group operating profit including joint ventures and excluding exceptional items is £416 million.

* Operating profit is defined as profit on ordinary activities before financing, exceptional items and tax, after share of results of joint ventures.

** Net cash is defined as total cash less total borrowings.

Note:

2023 relates to 2023 equivalent trading period, unless stated otherwise.

-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 7 November 2024. 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 22 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 our company page on LinkedIn, Taylor Wimpey plc