

FOR IMMEDIATE RELEASE

Thursday 10 February 2022

# REDROW plc

## INTERIM RESULTS FOR THE 27 WEEKS TO 2 JANUARY 2022

### CONTINUED STRONG PERFORMANCE REFLECTING POPULARITY OF THE HERITAGE COLLECTION

#### Financial Results

	H1 2022	H1 2021	Var
Revenue	£1,052m	£1,041m	+£11m
Operating Margin	19.5%	17.1%	+2.4ppts
Profit before tax	£203m	£174m	+£29m
EPS	48.1p	41.0p	+7.1p
Net Cash	£242m	£238m	+£4m
Interim Dividend per share	10.0p	6.0p	+4.0p
Total Order Book	£1.5bn	£1.3bn	+£200m

#### Summary

- Record first half revenue of £1,052m (2021: £1,041m)
- House price inflation continues to exceed build cost inflation
- Operating margin returns to normalised level of 19.5%, one year ahead of previous guidance
- EPS up 17% to 48.1p
- Interim dividend up 4p to 10p as we return to a 33:67 payout ratio
- Value of private reservations for the 27 weeks up 6% to £884m (2021: £836m)
- All divisions achieved a 5 star customer recommend score
- Further progress in the land market with 3,316 plots added to current land and 2,945 plots to forward land
- Strong start to the second half with the value of private reservations per outlet per week for the 5 weeks to 6 February averaging £417,000 in total and £367,000 excluding a bulk deal in London (2021: £301,000)
- Southern division on track to open in summer 2022

#### 2024 Guidance updated

	Previous	Current
Revenue (£bn)	> 2.2	2.3 – 2.4
Operating Margin (%)	c19.5	19.5 – 20
EPS (p)	≥ 90	≥ 92
ROCE (%)	> 22	22 - 25

- Revenue increased due to mix and House Price Inflation
- EPS increased but impacted by the introduction of the Residential Property Developer Tax

Commenting on the results Matthew Pratt, Group Chief Executive said:

“Redrow continued to perform strongly in the first half, delivering record revenue for the period, which demonstrates the ongoing success of our strategy. Our premium quality product is more in demand and attractive to customers than ever before and is perfectly suited to accommodating the blending of family and work life that many of us are experiencing.

By continuing to evolve our highly successful Arts & Crafts style Heritage Collection, we have capitalised on strong demand, improved sales margins and continued to invest for growth. The value of our first half reservations was £884m, an increase of 6% on the same period last year (2021: £836m), and our total order book increased to £1.5bn (2021: £1.3bn), leaving us well placed for the future.

The Group continues to maintain its high level of customer satisfaction with a score of 93.7% in the latest NHBC 8-week quarterly customer recommend survey (Q3 2021). It is also pleasing to note that every one of our divisions are currently achieving a Five Star recommend score- a minimum of 90% or above customer satisfaction across the board.

We are very aware of the stress and burden experienced by residents of high-rise apartments that have fire-safety issues. We share the Government’s desire to resolve this issue and are committed to being part of the solution. As we are predominantly a builder of family detached houses, we have historically only developed a relatively small number of high-rise apartment schemes. It is important that the whole industry plays its part in tackling the cladding issue, not just housebuilders. We will continue to participate in discussions with Government and all relevant parties to try and resolve this complex issue for the benefit of all leaseholders.

We have made a positive start to the second half and are delivering against our strategy. In the five weeks to 6th February, private reservations in terms of value have averaged £417,000 per outlet per week and £367,000 excluding a bulk deal in London (2021: £301,000). We have also appointed the leadership team for our new Southern division, which will open this summer and is currently acquiring its first sites.

With the ongoing popularity of our Heritage collection, strong land bank, and commitment of our teams across the country, I am confident the business will deliver further progress in the second half.”

#### **Enquiries:**

##### **Redrow plc**

Matthew Pratt, Group Chief Executive	01244 527411
Barbara Richmond, Group Finance Director	01244 527411

##### **Instinctif Partners**

Tim McCall, Head of Capital Markets	0207 457 2020
Bryn Woodward, Associate Partner	07753 561862
	07500 027181

A webcast and slide presentation of our results will be available at 7.00 am on <https://www.redrowplc.co.uk/>.

There will be an analyst Q&A meeting with management at 9.30 am at The London Stock Exchange, 10 Paternoster Square, London, EC4M 7LS. Coffee will be served from 9.00 am.

A live audio webcast of this event will be available at 9.30 am on [www.redrowplc.co.uk](http://www.redrowplc.co.uk). Participants can also dial in to hear the Q&A live at 9.30 am on +44 (0) 20 3936 2999 or UK Toll Free 0800 640 6441; access code 954012.

A recording will be available until 17th February 2022 on +44 (0) 20 3936 3001; access code 378096.

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Announcement Classification:  
1.2: Half yearly financial report and audit reports/limited reviews