



INTERIM RESULTS PRESENTATION

26 WEEKS TO 31 DECEMBER 2023

FEBRUARY 2024

AGENDA

Overview

Financial Review

Operating Review and Outlook

FINANCIAL OVERVIEW:

- Revenue of £756m (2023: £1.03bn)
- Pre-tax profit of £84m (2023: £198m)
- Interim dividend of 5p (2023: 10p)



MARKET OVERVIEW:

- Housing market subdued in H1
- Build cost inflation reducing
- Demand has picked up in H2 FY24



FINANCIAL REVIEW

HIGHLIGHTS

- EPS of 18.7p (2023: 45.4p)
- ROCE of 15.4% (2023: 23.2%)
- Net cash of £121m (2023: £107m)



INCOME STATEMENT

| £m | H1 | H1 | Variance | |
|--------------------|-------------|-------|----------|-------|
| | 2024 | 2023 | £m | % |
| Revenue – Homes | 752 | 992 | (240) | (24) |
| Revenue – Other | 4 | 39 | (35) | (90) |
| Total Revenue | 756 | 1,031 | (275) | (27) |
| Gross Profit | 143 | 257 | (114) | (44) |
| Operating expenses | (57) | (58) | 1 | 2 |
| Operating profit | 86 | 199 | (113) | (57) |
| Interest | (2) | (1) | (1) | (100) |
| Profit before tax | 84 | 198 | (114) | (58) |

ANALYSIS OF PRIVATE PLOTS IN COST OF SALES

| | H1 2024 | H1 2023 |
|--|------------|------------|
| Average plot cost eliminated (£k) | 91 | 89 |
| Average plot cost as percentage of ASP | 19 | 19 |

REVENUE BY GEOGRAPHY

- Regions outside London all down proportionally due to housing market condntions
- Colindale up due to the affordable sale to Barnet Council

| | H1 2024 | | H1 2023 | |
|---------------------|---------|-----|---------|-----|
| | £m | % | £m | % |
| North | 162 | 21 | 233 | 22 |
| Central | 252 | 33 | 348 | 34 |
| South | 256 | 34 | 380 | 37 |
| Colindale | 82 | 11 | 21 | 2 |
| Total Homes Ongoing | 752 | 99 | 982 | 95 |
| Build Out Sites | - | - | 10 | 1 |
| Other | 4 | 1 | 39 | 4 |
| Group | 756 | 100 | 1,031 | 100 |

HOMES REVENUE ANALYSIS

- Private Houses first half revenue of £567m, down 33% due to lower volumes
- Affordable revenue up due to the timing and geographical mix
- Blended ASP down 1% at £397k due to higher proportion of affordable revenue at 17% vs 10% in H1 2023

| | Revenue (£m) | | | | Volume | | | | ASP (£k) | | | |
|--------------------|--------------|-------|-------|-------|--------------|-------|-------|-------|------------|-------|-----|-------|
| | H1 24 | H1 23 | Var | % Var | H1 24 | H1 23 | Var | % Var | H1 24 | H1 23 | Var | % Var |
| Private Houses | 567 | 847 | (280) | (33) | 1,167 | 1,774 | (607) | (34) | 486 | 477 | 9 | 2 |
| Private Apartments | 59 | 41 | 18 | 44 | 143 | 136 | 7 | 5 | 413 | 301 | 112 | 37 |
| Total Private | 626 | 888 | (262) | (30) | 1,310 | 1,910 | (600) | (31) | 478 | 465 | 13 | 3 |
| Affordable | 126 | 104 | 22 | 21 | 584 | 575 | 9 | 2 | 216 | 181 | 35 | 19 |
| Total Homes | 752 | 992 | (240) | (24) | 1,894 | 2,485 | (591) | (24) | 397 | 399 | (2) | (1) |

HOMES PRIVATE REVENUE ANALYSIS

- Heritage Collection 89% of private revenue (2023: 95%)
- Apartments represent 9.4% of private revenue (2023: 4.6%)
- Heritage Collection ASP up 3% due to mix
- Extras revenue of £10m (2023: £25m)

| | Revenue (£m) | | | Volume | | | ASP (£k) | | |
|---------------|--------------|-------|-------|--------------|-------|-------|------------|-------|-----|
| | H1 24 | H1 23 | Var | H1 24 | H1 23 | Var | H1 24 | H1 23 | Var |
| Heritage | 559 | 848 | (289) | 1,160 | 1,808 | (648) | 482 | 469 | 13 |
| Bespoke | 67 | 40 | 27 | 150 | 102 | 48 | 447 | 392 | 55 |
| Total Private | 626 | 888 | (262) | 1,310 | 1,910 | (600) | 478 | 465 | 13 |

CASH FLOW

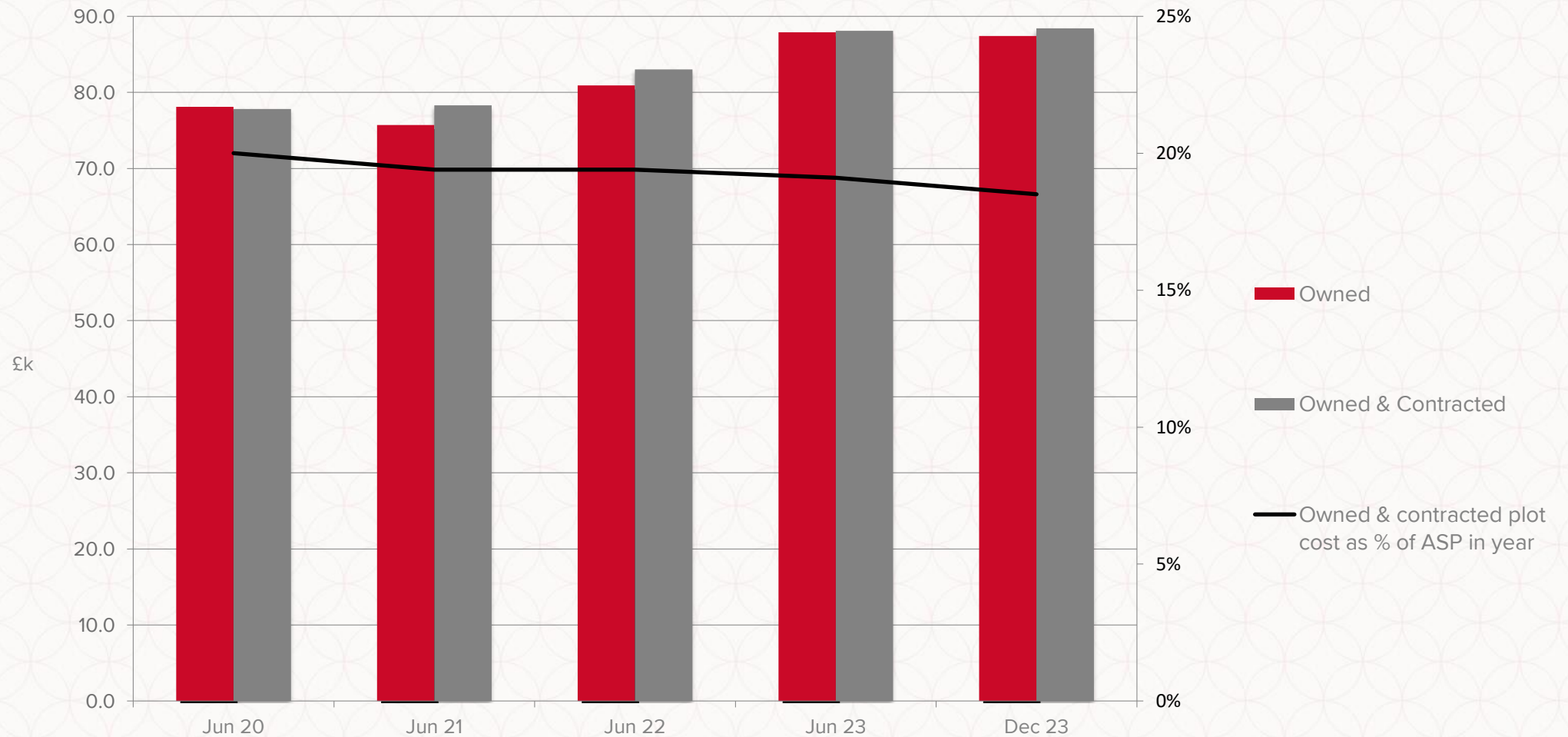
| | H1 | |
|-----------------------------------|-------------|-------|
| | 2024 | 2023 |
| Operating cash flow (£m) | | |
| EBITDA | 89 | 202 |
| Movement in land | 83 | (106) |
| Movement in land creditors | (91) | 36 |
| Cash investment in land | (8) | (70) |
| Movement in WIP | (56) | (97) |
| Movement in fire safety provision | (7) | (4) |
| Other working capital movements | (38) | 12 |
| Operating cash flow | (20) | 43 |
| Cash conversion (%) | (22) | 21 |

| | H1 | |
|----------------------------|--------------|-------|
| | 2024 | 2023 |
| Net cash movement (£m) | | |
| Operating cash flow | (20) | 43 |
| Tax paid | (27) | (45) |
| Dividend | (65) | (76) |
| Other (including buy back) | (2) | (103) |
| Net cash flow | (114) | (181) |
| Opening net cash | 235 | 288 |
| Closing net cash | 121 | 107 |
| Average monthly net cash | 155 | 248 |

NET ASSETS

| £m | Dec 23 | June 23 | Movement |
|------------------------------|--------|---------|----------|
| Land | 1,601 | 1,684 | (83) |
| WIP | 1,142 | 1,086 | 56 |
| Land creditors | (181) | (272) | 91 |
| Net investment in inventory | 2,562 | 2,498 | 64 |
| Legacy fire safety provision | (181) | (188) | 7 |
| Other working capital | (504) | (542) | 38 |
| Tax | (7) | (10) | 3 |
| Fixed Assets | 32 | 33 | (1) |
| Capital Employed | 1,902 | 1,791 | 111 |
| Net Cash | 121 | 235 | (114) |
| Net Assets | 2,023 | 2,026 | (3) |

PLOT COST CARRIED FORWARD



GUIDANCE 2024

| | |
|----------------|-------------------|
| Revenue | £1.65bn - £1.70bn |
| Underlying PBT | £180m - £200m |

As reported in the AGM trading statement on 10 November 2023, we expect the results to be towards the lower end of this range¹.

¹The statement above constitutes a profit forecast for the purpose of Rule 28 of the Takeover Code. See Appendix for its basis of preparation, the assumptions on which it is based, and the Redrow directors' confirmations as required by Rule 28 of the Takeover Code.

OPERATING REVIEW AND OUTLOOK

SALES MARKET - HIGHLIGHTS

- Market remained subdued in H1
- Total order book at the end of December 2023 of £0.8bn (Dec 2022: £1.1bn)
- 67% of order book exchanged (2023: 79% of order book exchanged)
- Encouraging trading so far in H2



SALES MARKET - TRADING

| H1 | 2024 | 2023 |
|--|------|------|
| Value of private net reservations (£m) | 513 | 571 |
| Value of private reservations per outlet per week (£k) | 166 | 184 |
| Sales rate per outlet per week (no.) ¹ | 0.36 | 0.38 |
| Cancellation rate (%) | 26 | 28 |

Note

¹ Excluding bulk sales 0.35 (2023: 0.38)

SALES MARKET - TRADING

H2 (first 5 weeks)

Value of private net reservations (£m)

Value of private reservations per outlet per week (£k)

Sales rate per outlet per week (no.)

Cancellation rate (%)

| | 2024 | 2023 |
|--|------|------|
| | 126 | 137 |
| | 239 | 236 |
| | 0.52 | 0.51 |
| | 20 | 17 |

SALES MARKET – ORDER BOOK

H1

Closing private order book (£bn)

Closing total order book (£bn)

Week 31

Private order book (£bn)

Total order book (£bn)

2024

2023

0.5

0.8

0.8

1.1

0.6

0.9

0.8

1.2

SALES MARKET – AVERAGE OUTLETS

| | 2024 | | 2023 | |
|------------------|------------|-------------|-----------|-----------|
| | H1 Actual | FY Forecast | H1 Actual | FY Actual |
| Ongoing Business | 119 | 112 | 119 | 116 |
| Build out sites | - | - | 1 | 1 |
| Group | 119 | 112 | 120 | 117 |

LAND - HIGHLIGHTS

- **Current land**
 - 417 plots added in H1
 - Land buying limited due to current market conditions
- **Forward land**
 - 277 plots transferred to current land
 - 1,637 plots added



OPERATIONS - HIGHLIGHTS

- **Customer**
 - Rated excellent on Trustpilot
 - HBF 5 star housebuilders
 - New Redrow mobile app launched
 - New Homes Quality Board Code of Practice



OPERATIONS - HIGHLIGHTS

- **Build**
 - 20 Pride in the Job winners
 - 6 Seal of Excellence Pride in the Job winners
- **Product & ESG**
 - Net zero commitment now 2045 (was 2050)
 - Eco electric range
 - Early mover on Biodiversity Net Gain



SUMMARY AND OUTLOOK

- Resilient first half results
- Strong balance sheet and cash position
- Mortgage rates reducing, driving an increase in visitors
- Well placed to capitalise on market upturn





THANK YOU

A BETTER WAY TO LIVE

APPENDICES

MOVEMENT IN CURRENT LAND HOLDINGS

| | Plots Owned | Contracted Plots | Total | Social Plots % |
|--------------------------------|-------------|------------------|----------------|----------------|
| At 2 July 2023 | 24,912 | 1,158 | 26,070 | 25 |
| Legal completions | (1,894) | - | (1,894) | |
| Market additions | - | 140 | 140 | |
| Forward land pull through | 277 | - | 277 | |
| Transfers | 239 | (239) | - | |
| Other (land sales and replans) | (29) | 1 | (28) | |
| At 31 December 2023 | 23,505 | 1,060 | 24,565 | 25 |

MOVEMENT IN FORWARD LAND HOLDINGS

| | Total Plots | |
|----------------------------------|-------------|---------|
| At 2 July 2023 | 36,100 | |
| Additions | 1,637 | |
| Transfers to current land | (277) | |
| Strategic review | 40 | |
| At 31 December 2023 | 37,500 | |
| Analysis | Dec 23 | June 23 |
| Land owned without planning | 3,431 | 3,501 |
| Land contracted without planning | 1,551 | 1,828 |
| Options - allocations | 10,192 | 9,056 |
| - realistic prospect | 22,326 | 21,715 |
| | 37,500 | 36,100 |

BASIS OF PREPARATION AND DIRECTORS' CONFIRMATIONS

The Redrow Profit Forecast has been prepared on a basis consistent with Redrow's accounting policies which are in accordance with IFRS. These policies are consistent with those applied in the preparation of Redrow's annual results for the financial year ended 2 July 2023.

Assumptions

Factors outside the influence or control of the Redrow Directors:

- i. there will be no changes to existing prevailing macroeconomic, regulatory or political conditions in the markets and regions in which Redrow operates that would materially affect Redrow;
- ii. the inflation and tax rates in the markets and regions in which Redrow operates will remain materially unchanged from the prevailing rates;
- iii. there will be no material adverse events that will have a significant impact on Redrow's financial performance, including litigation, adverse weather events or natural catastrophes that affect key products, supply chain or markets or the construction process;
- iv. there will be no material change in the availability or cost of key subcontractors and resources from prevailing conditions;
- v. there will be no material changes in market conditions over the forecast period to 30 June 2024 in relation to either customer demand or competitive environment, including the availability of mortgage financing for Redrow's private home customers, house prices, interest rates or legislative or regulatory requirements;
- vi. there will be no material impact on stakeholder relationships arising from the combination;
- vii. there will be no material adverse outcome from any ongoing or future disputes with any customer, competitor, regulator or tax authority;
- viii. there will be no material change in employee attrition rates and no material change in Redrow's labour costs, including medical and pension and other post-retirement benefits driven by external parties or regulations; and
- ix. there will be no material changes in legislation or, taxation, regulatory requirements, applicable standards or the position of any regulatory bodies impacting on Redrow's operations or on its accounting policies.

Factors within the influence or control of the Redrow Directors:

- i. there will be no material change to the present management of Redrow;
- ii. there will be no major corporate acquisitions or disposals, developments, partnership or joint venture agreements being entered into by Redrow, prior to 30 June 2024 (for the avoidance of doubt, other than the Combination);
- iii. there will be no material changes in the dividend or capital policies of Redrow;
- iv. Redrow's accounting policies will be consistently applied over the forecast period; and
- v. there will be no material change in the operational strategy of Redrow.

Redrow Directors' confirmation

The Redrow Directors have considered the Redrow Profit Forecast and confirm that it remains valid as at the date of this presentation, has been properly compiled on the basis of the assumptions set out above and the basis of accounting used is consistent with Redrow's accounting policies.