



FOR IMMEDIATE RELEASE

Redrow plc

11 November 2022

ANNUAL GENERAL MEETING TRADING UPDATE

Redrow plc is holding its Annual General Meeting (AGM) at 10am today at the Village Hotel Chester St David's, St David's Park, Ewloe, Flintshire CH5 3YB and providing a trading update for the period ending 6 November 2022.

At today's AGM, Richard Akers, Chairman, will say:

"We entered the new financial year in a strong position with a record order book of £1.44bn. The housing market had returned to normal following the elevated sales rate in the previous two years. However, recent instability in financial markets has had a negative impact on the housing market and the business has had to adapt to the changing economic outlook.

Trading

The value of net private reservations in the first 18 weeks of the financial year was 19% below the prior year at £515m (2022: £639m). The private revenue per outlet per week was £238k compared to £310k last year. Private reservations per outlet per week for the period were 0.49 compared 0.68 last year.

Our Heritage range of high quality well designed homes, combined with geographical and product mix and general house price inflation, has resulted in the average selling price of our private reservations for the first 18 weeks of the financial year being up 6.9% on the equivalent period last year at £483,000 (2022: £452,000).

The Group has operated from an average of 120 outlets in the year to date (2022: 115). We expect the average outlets for the full financial year will be 120, in line with the guidance we gave in September.

We continue to estimate that overall build cost inflation will be c7% for the current financial year.

Homes turnover for the first 18 weeks of the financial year was 1.7% above last year at £650m (2022: £639m). The total forward order book at 6 November is £1.36bn of which 74% is exchanged, compared to £1.49bn at the same time last year with 73% exchanged.

Land

During the period, we have added 724 plots to our current land holdings (2022: 1,495 plots). Due to the current economic uncertainty, we are being selective and limiting our land buying for the time being.

Outlook

Given the strength of our order book and the increase in private average selling price, despite the recent reduction in sales rate, we expect our revenue for 2023 to be c£2.1bn (2022: £2.1bn) and our operating margin to be c18% (2022: 19.3%).

Our balance sheet remains strong and on 4 November 2022, we had net cash of £182m (5 November 2021: £297m). We continue to expect to have net cash of over £150m at the end of June 2023.

Board

Nick Hewson will step down from the Board today after nine years' service. On behalf of the Board, I would like to thank Nick for his valuable contribution throughout his tenure and, in particular, his stewardship of the Audit Committee, which he chaired. On Nick's retirement, Nicky Dulieu will take over the role of Senior Independent Director."

Enquiries:

Redrow plc

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The next scheduled trading update will be the interim results for the 26 weeks ending 1 January 2023, which are due to be announced on Thursday 9 February 2023.