



FOR IMMEDIATE RELEASE

Redrow plc

10 November 2023

## 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 18 weeks ended 3 November 2023, being the first 18 weeks of the 2024 financial year.

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

"Following the usual summer slowdown we reported in our 2023 results announcement, the housing market has remained subdued through the Autumn. The business has had to adapt to this more difficult trading environment in terms of build rate and operating costs. However, we continue with our strategy of delivering our high quality, award winning Heritage homes to our target customers."

### **Trading Update**

The value of net private reservations in the period was 25% below the prior year at £384m (2023: £515m). Gross private reservations per outlet per week for the period were 0.49 compared to 0.63 last year (there were no bulk sales in either period). However, whilst our customers are generally financially resilient, with 35% of our private customers being cash buyers many of them are at the top of a house purchase chain. Currently the rate of breakdown of chains is elevated because of difficulties with mortgages lower down the chains. This has caused our cancellation rate for the year to date to rise to 25% (2023: 22%) and resulted in a net weekly reservation rate of 0.36. This is an increase on the 0.34 for the first 10 weeks of the financial year albeit it is below the 0.38 achieved for the first half of FY2023. The average selling price of private reservations in the period was 2.5% lower at £471,000, compared to £483,000 in the prior year.

The Group has operated from an average of 125 outlets in the period (2023: 120). Due to the slower sales market, we now expect the average number of outlets for the full financial year will be c113 rather than the 117 guidance we issued in September.

Whilst build cost inflation continues to abate, we still expect overall build cost inflation will be c7% for the current financial year given the inflation inherent in the opening work in progress.

Homes turnover for the period was 30% below last year at £456m (2023: £650m).

The total order book at 3 November is £864m of which 66% is exchanged, compared to £1.36bn at the same time last year with 74% exchanged. For the current financial year, we have already legally completed or exchanged c58% of revenue (2023: 72%).

Due to improved timing of affordable legal completions, we now expect the revenue profile for the current financial year to be more evenly split than originally anticipated, with 45% in the first half and 55% in the second half.

### **Land**

During the period, we have added 277 plots to our current land holdings (2023: 724 plots). Due to the current economic uncertainty, we are being very selective and limiting our land buying and focusing on strategic land options.

### **Outlook**

We continue to expect our results to be in the guidance range we gave in September 2023 of revenue between £1.65bn and £1.7bn and profit before tax of between £180m and £200m. However, with the lower than anticipated sales rate due to the more subdued Autumn housing market they are more likely to be towards the lower end of the range.

Our balance sheet remains strong and on 3 November 2023 we had net cash of £125m (4 November 2022: £182m), following our £100m share buyback that concluded earlier in the year. We continue to expect to have net cash of over £150m at the end of June 2024.

**Enquiries:**

**Redrow plc**

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The next scheduled trading update will be the interim results for the 26 weeks ending 31 December 2023, which are due to be announced on Thursday 8 February 2024.

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**Announcement Classification:**

3.1: Additional regulated information required to be disclosed under the laws of a Member State