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Full Year Results Presentation for the year ended 31 December 2019

26 February 2020



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— Agenda

Introduction
Pete Redfern

**2019 UK operational
overview**
Jennie Daly

**Financial review,
cost levers and cash
generation**
Chris Carney

**Strategy and
priorities**
Pete Redfern

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Introduction

Pete Redfern
Chief Executive



TW – our 2019 year

- Highlights – increasing the sustainability of our business
 - Stable market with robust customer demand despite wider uncertainty
 - UK completions up by 5% to 15,520, a record for Taylor Wimpey
 - £599.7 million paid in total dividends in 2019
 - Annual Injury Incidence Rate has reduced further to 156 per 100,000 employees and contractors
 - Record sales rate of 0.96 homes per outlet per week in line with strategic goal
- Challenges
 - Build cost inflation
 - Market uncertainty, leading to weaker pricing environment
 - Some weakness in South East and at higher price points
 - ‘Would you recommend’ 8-week score dipped to 89.4%
- Building sustainable advantage
 - 10% further growth in strategic land pipeline
 - Industry leading NHBC Construction Quality Review score of 4.13 (2018: 3.93)
 - Over 630 key trade apprentices in place, across all geographies
 - Glassdoor Top 50 employer for 3rd year running

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2019 UK operational overview

Jennie Daly
Group Operations Director



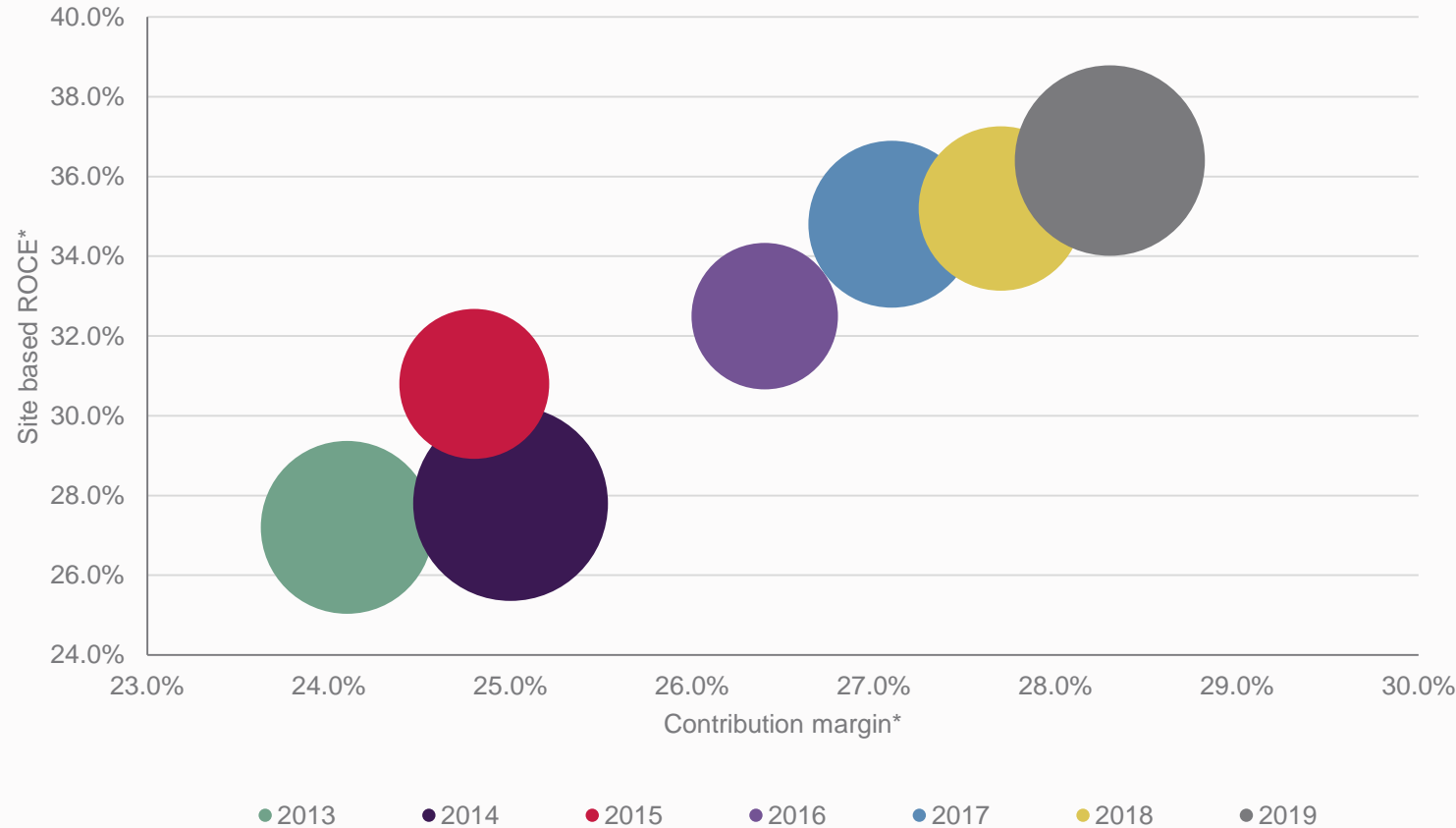
2019 market – the backdrop

- Confidence – a stable market despite uncertain political and economic backdrop
- Market fundamentals – supply and demand remained resilient in the new homes market
- Pricing – overall flat with modest growth in the North and weakness in London and the South East and at higher price points
- Land – overall supply remained good

Operational analysis

	FY 2019			FY 2018		
	Private sales rate (net)	Completions excl. JVs	Average selling price £000	Private sales rate (net)	Completions excl. JVs	Average selling price £000
North	0.88	6,709	230	0.75	6,431	219
Central and South West	1.10	5,484	260	0.88	5,259	252
London and South East incl. Central London	0.97	3,327	361	0.80	3,132	376
UK	0.96	15,520	269	0.80	14,822	264

Quality additions to a strong landbank



- Short term landbank stood at c.76k plots at the end of December 2019 (2018: c.76k plots)
- Strategic land pipeline was c.140k potential plots at the end of December 2019 (2018: c.127k plots)
- Acquired 7,268 plots in the short term land market during 2019
- Converted 8,387 strategic pipeline plots into the short term landbank in 2019
- 56% of 2019 completions were sourced from the strategic land pipeline

At current costs and current selling prices in year of acquisition

* See definitions slide in the appendix

Land market and politics

- Short term land market
 - Market relatively flat particularly in last six months of 2019
- London market
 - Poor underlying availability and value, and uncertainty in the market
- Strategic land market
 - Noticeable pressure on minimum prices, options premium and cost caps, increasing the focus on one-to-one opportunities through structured site searches, and more effective relationships
- Planning and local politics
 - Around 65% of Councils have now reported a climate emergency causing delays in local plan adoption and consideration of planning applications

2019 operational performance – our KPIs

Customer	FY 2019	FY 2018	FY 2017
Customer satisfaction – would you recommend 8-week score % *	89	90	89
Customer satisfaction – would you recommend 9-month score %**	77	76	74
Build quality			
Construction Quality Review – average score out of 6	4.13	3.93	3.74
Average reportable items per inspection	0.28	0.28	0.26
Land and planning			
Land cost as % of ASP on approvals	16.2	19.2	19.8
Landbank years	c.4.8	c.5.1	c.5.1
Completions from strategically sourced land %	56	58	53

KPIs for UK only

* The 8-week 'would you recommend' score for 2019 relates to customers who legally completed between October 2018 and September 2019, with the comparators relating to the same period in the prior years

** The 9-month 'would you recommend' score for 2019 relates to customers who legally completed between October 2017 and September 2018, with the comparators relating to the same period in the prior years

2019 operational performance – our KPIs

Efficiency

	FY 2019	FY 2018	FY 2017
Net private sales rate per outlet per week	0.96	0.80	0.77
Private legal completions per outlet	48.2	41.8	40.4
Order book value £m	2,176	1,782	1,628
Order book volume – number of homes	9,725	8,304	7,136

Employee

Employee turnover (voluntary) %	12.9	14.5	14.0
Number of people recruited into early talent programmes: graduates, management trainees and site management trainees	116	175	126
Directly employed key trades people including trade apprentices	1,169	748	581
Health and Safety Injury Incidence Rate* (per 100,000 employees and contractors)	156	228	152

KPIs for UK only

* See definitions slide in the appendix

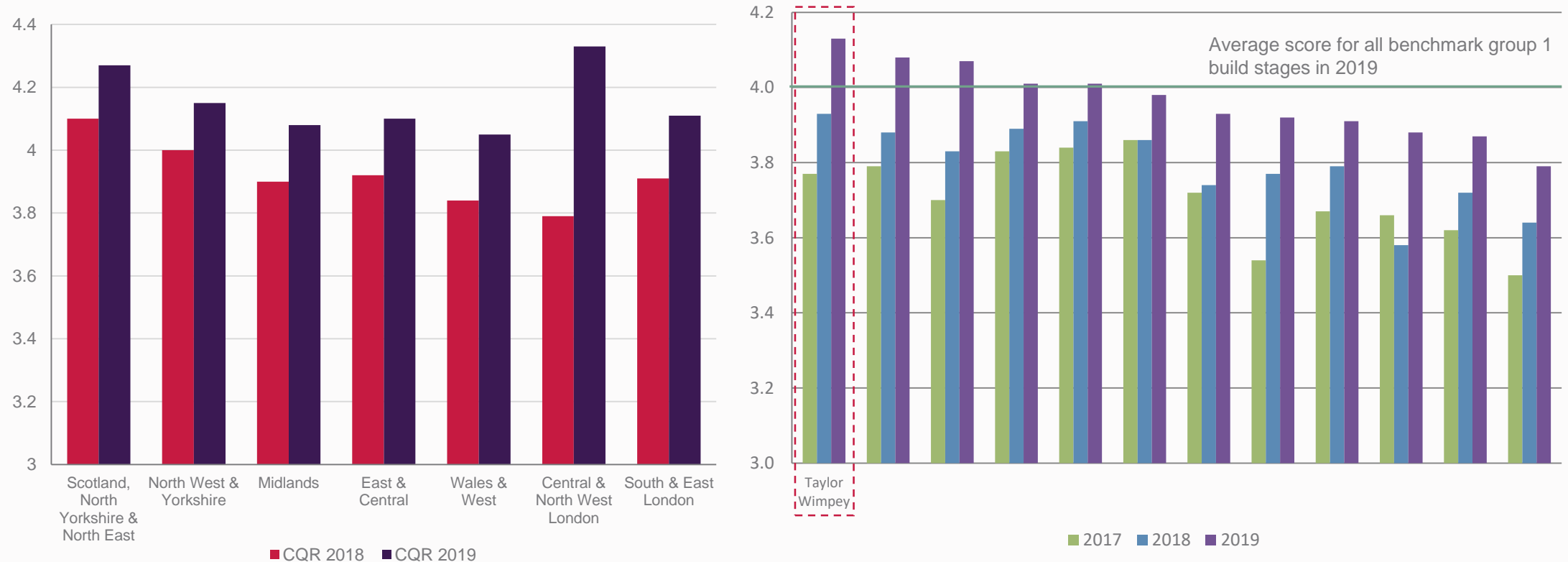
Continual Quality Improvement

- Quality Managers introduced across the business
 - Delivering support and guidance to Site Managers, direct labour and the supply chain
- Supplier and contractor engagement
 - Collaborating with suppliers to develop a quality platform, expand knowledge of site teams and improve installer training
- Construction Quality Review (CQR)
- Production manual update
 - Quality, consistency, efficiency and effectiveness



Construction Quality Review

Taylor Wimpey CQRs by division - results to end Dec 2019 Year on year results for benchmark group 1 builders*



*Chart shows proportion of build stages marked 'good' or better for benchmark group 1 builders

Help to Buy

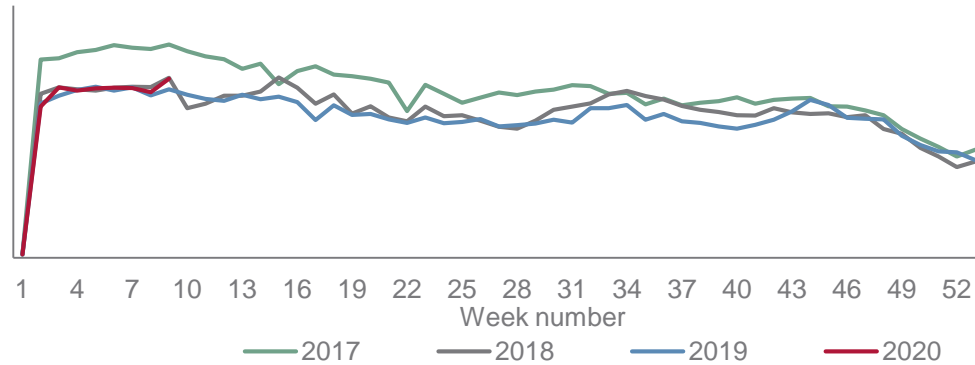
- The current scheme conditions require completions by December 2020
- A new Help to Buy scheme (April 2021 – March 2023) – first time buyers only, subject to regional price caps
- 76% of our Help to Buy sales in 2019 were to first time buyers, of which 79% were within proposed regional price caps
- Preparing for change:
 - Market segmentation
 - Disciplined land assessment
 - Changing sales strategy
 - Mix and mix distribution
 - Maintaining other routes to market
 - Engagement with industry and lenders on other options

Sector regulatory backdrop

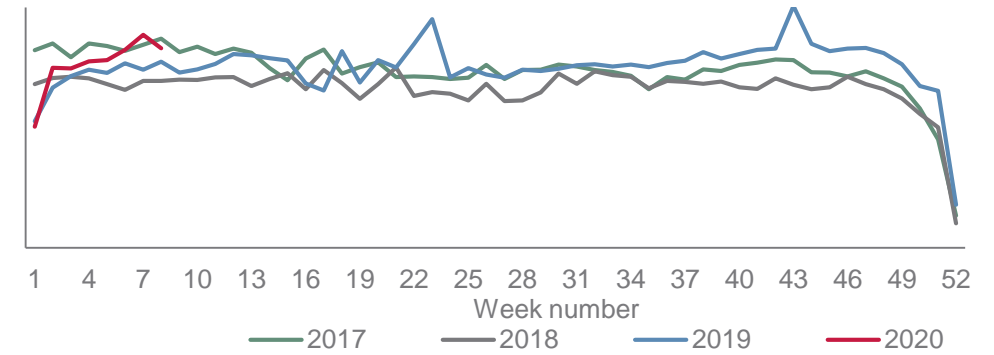
- Majority Government and stabilising political environment
- Busy short term outlook for the regulatory environment:
 - Future Homes Standards - Approved Documents L (energy) and F (ventilation)
 - Electric vehicle charging
 - “First Homes” consultation
 - Planning White Paper – Accelerating Planning
 - Environmental Bill – including mandatory Biodiversity Net Gain
 - Design Agenda
 - New Homes Ombudsman

A good start to the year

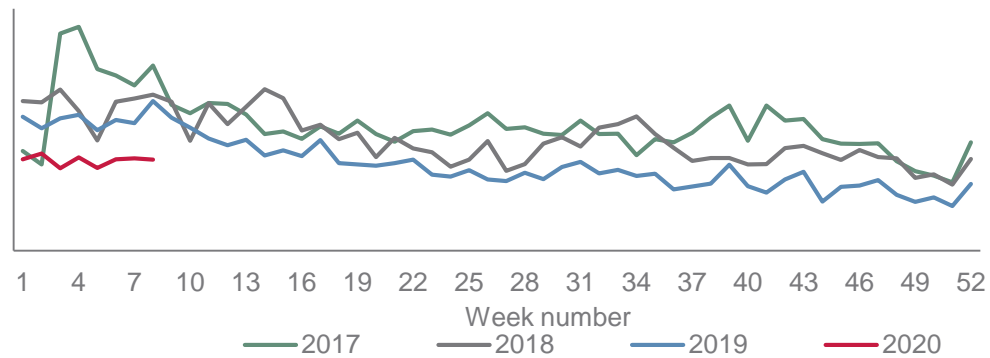
Customer interest – organic website visits



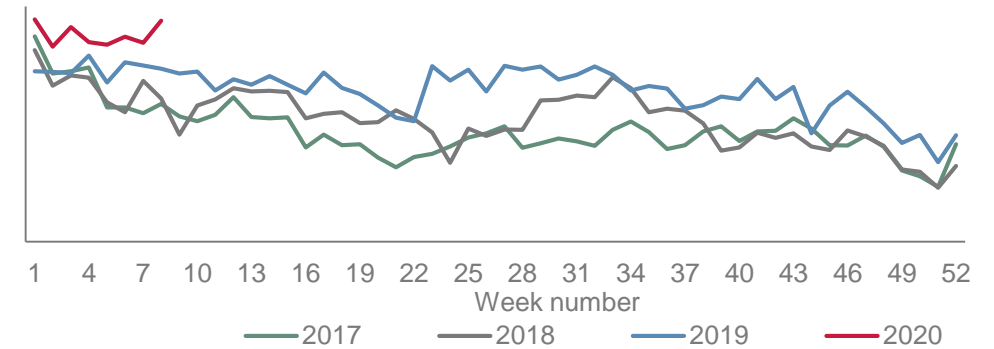
Website calls



Brochure requests



Appointments booked



Market performance – to date

	H1 2020 (w/e 23 Feb 2020)	H2 2019	H1 2019	H2 2018	H1 2018
Average outlets open	240	243	257	266	280
Private sales rate (net)	0.97	0.92	1.00	0.76	0.83
Private sales price £000	333	314	298	290	296
Cancellation rate (private)	14%	16%	14%	15%	13%

- 89 new outlets opened in 2019 (2018: 82)
- 2019 private sales price excluding Central London – £291k (2018: £283k)
- 2020 sales have started well – sales rates 2% lower year-on-year
- c.1.5% increase against budget in the first eight weeks of 2020 including bulk deals
- Total orderbook of 10,901 homes as at w/e 23 February 2020 (2019 equivalent period: 9,622)

Data based on reservations excluding JVs

A young man wearing a white hard hat with 'Taylor Wimpey' written on it, a dark hoodie, and a high-visibility yellow and grey safety vest. He is looking down and to the left, standing next to a vertical metal pole. The background is a blurred construction site with orange and grey structures.

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Financial review, cost levers and cash generation

Chris Carney
Group Finance Director

Summary Group results

£m (before exceptional items)	FY 2019	FY 2018	Change
Revenue	4,341.3	4,082.0	6.4%
Gross profit*	1,044.1	1,074.5	(2.8)%
Gross profit margin %	24.1	26.3	(2.2)ppt
Operating profit*	850.5	880.2	(3.4)%
Operating profit margin %	19.6	21.6	(2.0)ppt
Profit before tax and exceptional items	821.6	856.8	(4.1)%
Adjusted basic earnings per share* pence	20.3	21.3	(4.7)%
Tangible NAV per share* pence	100.5	98.3	2.2%
Return on net operating assets* %	31.4	33.4	(2.0)ppt

* See definitions slide in the appendix

UK performance summary

	FY 2019	FY 2018	Change
Legal completions – excl JVs	15,520	14,822	4.7%
Private	12,043	11,421	5.4%
Affordable	3,477	3,401	2.2%
Average selling price – excl JVs	269	264	1.9%
Private £000	305	302	1.0%
Affordable £000	141	137	2.9%
Legal completions – JVs	199	111	79.3%
Share of profit – JVs £m	8.0	5.3	50.9%
Gross profit margin %	23.8	26.2	(2.4)ppt
Operating profit £m	818.4	851.0	(3.8)%
Operating profit margin %	19.4	21.4	(2.0)ppt

Indicative movements in UK operating profit margin

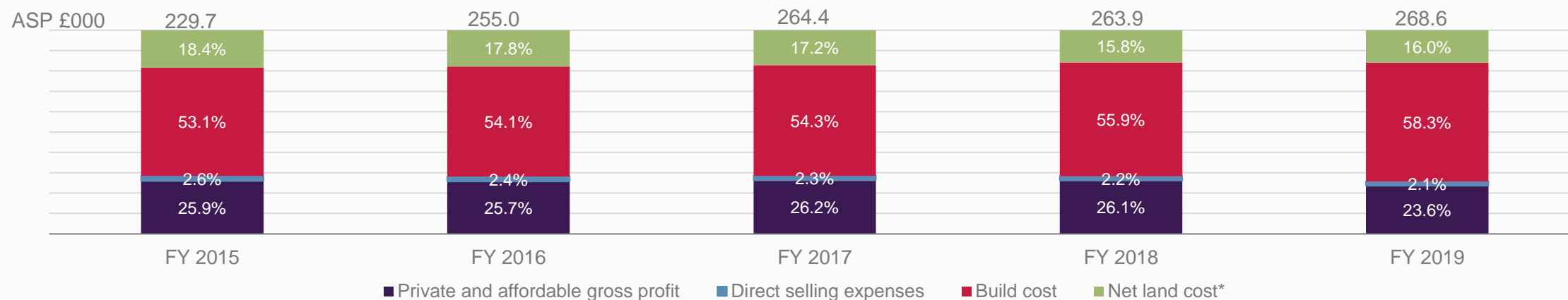
FY 2018 to FY 2019	Annual change	Impact on FY 2019 income statement
Market inflation on selling prices	c.1.0%*	0.7%
Market inflation on build cost	c.4.5%	(2.6)%
Net economic benefit captured		(1.9)%
Market impact of landbank evolution		(0.2)%
Net market impact		(2.1)%
Investment in sustainability		
Build quality		(0.4)%
Build capacity		(0.2)%
Apprentices and direct trades		(0.2)%
Customer service		<u>(0.1)%</u>
Change in land mix		0.4%
Land and property sales		0.1%
Net operating and direct selling expenses		0.4%
Share of JV profits		0.1%
Total UK operating profit margin movement		(2.0)%

* Source: Adjusted average of latest Nationwide regional data (weighted based on regional HPI prevailing at time of reservation)

UK margin drivers

£000 per unit	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
ASP	229.7	255.0	264.4	263.9	268.6
Net land cost*	(42.4)	(45.4)	(45.4)	(41.7)	(42.9)
Build cost	(121.9)	(137.9)	(143.7)	(147.4)	(156.6)
Direct selling expenses	(6.0)	(6.2)	(6.0)	(5.9)	(5.7)
Private and affordable gross profit	59.4	65.5	69.3	68.9	63.4

UK gross profit analysis as a % of ASP



* NRV is wholly allocated to land costs in the income statement – comparable basis to peers

Levers to offset future build cost inflation



Summary Group balance sheet

Group £m	31 Dec 2019	31 Dec 2018	Change
Long term assets and JVs	115.3	100.2	15.1
Land	2,735.9	2,757.7	(21.8)
WIP	1,460.1	1,430.5	29.6
Debtors	204.7	190.4	14.3
Land creditors	(729.2)	(738.6)	9.4
Other creditors	(773.2)	(824.4)	51.2
Pensions and post retirement benefits	(85.0)	(133.6)	48.6
Provisions	(128.4)	(170.3)	41.9
Net operating assets*	2,800.2	2,611.9	188.3
Tax	(38.1)	(29.2)	(8.9)
Net cash*	545.7	644.1	(98.4)
Net assets	3,307.8	3,226.8	81.0
Tangible NAV per share	100.5p	98.3p	2.2p

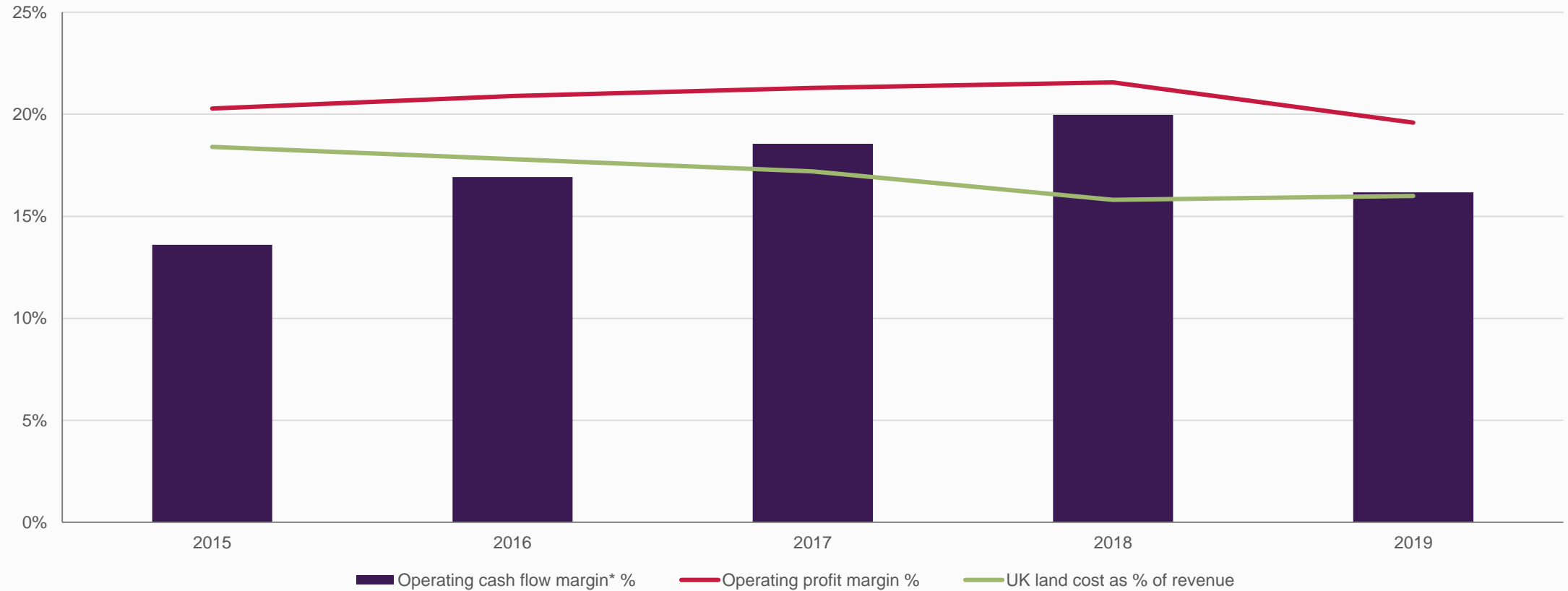
- Growth in net operating assets of 7.2%
- Net asset growth* pre-dividend distribution of 21.1%
- Tangible NAV per share growth of 2.2%

* See definitions slide in the appendix

Group cash generation

£m	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Operating profit	641.2	768.1	844.1	880.2	850.5
Payments to the pension scheme	(19.9)	(20.1)	(20.1)	(32.2)	(45.3)
Decrease / (increase) in net land	(26.9)	63.3	(4.2)	15.8	(14.5)
Decrease / (increase) in WIP and other	(167.5)	(189.1)	(83.9)	(48.4)	(88.5)
Operating cash inflows	426.9	622.2	735.9	815.4	702.2
<i>Cash conversion %</i>	<i>66.6%</i>	<i>81.0%</i>	<i>87.2%</i>	<i>92.6%</i>	<i>82.6%</i>
Net interest and tax	(19.4)	(83.8)	(131.0)	(145.4)	(152.5)
Exceptional payments	-	-	-	(25.9)	(36.8)
Other investing and financing	11.4	(41.1)	(7.3)	(12.3)	(11.6)
Dividends paid	(308.4)	(355.9)	(450.5)	(499.5)	(599.7)
Increase / (decrease) in net cash	110.5	141.4	147.1	132.3	(98.4)

Strong cash generation underpinned by margin and low land cost



* See definitions slide in the appendix

2020 guidance

Completions	Targeting slightly lower sales rate than 2019 Volumes expected to be slightly lower in 2020 Affordable c.22%
Year end net cash	c.£350m
Margin	FY: aiming to maintain margin broadly in line with 2019 H1: margins will show pressure vs H1 19 from 2019 build cost inflation and selling prices and long term investment in quality and business improvement H2: margin improvement expected as cost initiatives improve performance
Build cost inflation	c.3%
Land	Replacement basis with net cash spend similar to recoveries
Interest	c.£25m (£10m cash)
JV share of profit	Similar levels to 2019
Ordinary dividend	Approximately 7.5% of Group net assets and not less than £250m p.a. (subject to shareholder approval)
Special returns	c.£360m special dividend to be paid in July 2020 (subject to shareholder approval)

Summary

- Good underlying performance in 2019 despite build cost inflation
- 2020 focus on cost discipline
 - Further embed zero based approach to overheads
 - Continue deployment of cost and efficiency workstreams
 - Driving value from enhanced reporting
- Future cash generation underpinned by strong landbank

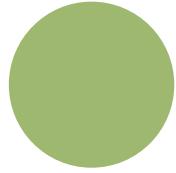
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Strategy and priorities

Pete Redfern
Chief Executive

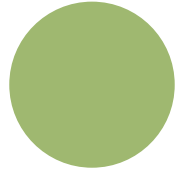


Building a sustainable advantage



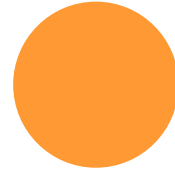
Customers

- Extensive customer service training
- Community engagement and placemaking
- Responding to customer feedback
- Slippage on 8-week survey



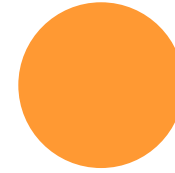
Build quality

- Quality Managers
- Consistent Quality Approach manual
- Leading CQR score
- Standardisation and new housetype range



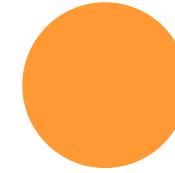
Strategy for large sites

- Multiple factory approach
- Ability to increase build capacity to meet market demand
- Opportunity to manage build costs and margin better



Apprentices

- Implemented across the business
- Long term advantage on costs, quality and managing risk
- Value not yet realised



Land strategy – mix of sites

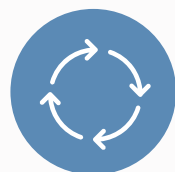
- Optimising the balance of small and large sites
- Using strategic land strength to support large sites

How we now see the environment we operate in



Political environment

- Majority Government is more supportive operating environment for land buying
- Improved customer confidence following election
- Brexit uncertainty has reduced, though still a process to complete
- Will start to now see the regulatory environment develop



Cycle

- Market not behaving like late cycle or boom conditions
- Stable, low interest rates and good mortgage availability
- Low house price inflation for past several years
- Generally positive UK environment for confidence



Risks

- Help to Buy changes in pipeline, mitigation in place
- New regulations and policies, particularly around the environment
- Skills shortages, mitigation in our own control

Strategic improvements

- Setting out firm targets for great, well rounded customer service
 - Deliver a 5* “Would you recommend?” rating every year
 - Improve our 9-month customer satisfaction surveys to a consistent annual 80%
 - Deliver quality homes measured by maintaining a CQR score of at least 4.0
- Margin and cost focus
 - Rebalance towards ‘value over volume’ in 2020 relative to 2019
 - Price balance is small but significant and in hand in early 2020
 - Cost focus has been redoubled and will start to show benefits in H2
- Land strategy
 - Maintain and improve advantage in strategic land
 - Balance large acquisitions with smaller sites to improve outlet numbers and provide flexibility in different market conditions

Environmental factors

Area of focus	Where we are
CO ₂ emission (direct)	<ul style="list-style-type: none"> • 43% cut in our CO₂ emission intensity since 2013 • On track to meet our goal of 50% reduction by 2023 • To introduce a science-based target this year
Waste recycled	<ul style="list-style-type: none"> • 97% in 2019 (2018: 96%)
Timber frame	<ul style="list-style-type: none"> • Increase usage reducing embodied carbon in build
Next Generation*	<ul style="list-style-type: none"> • Ranked fifth out of 24 companies in the benchmark
CDP Climate report	<ul style="list-style-type: none"> • Received a score of B
CDP (approach to engaging suppliers on climate change)	<ul style="list-style-type: none"> • Supplier engagement score of A-

*A rigorous and detailed sustainability performance benchmark of the UK's largest homebuilders

Sustainability / environment strategy

- Where we are
 - Sustainability Champions designated to operate in each business
 - R&D investment
 - Trialling products to further improve energy performance and reduce carbon footprint, without adding significant cost or complexity
 - Project 2020 homes in Oxfordshire, Manchester and West Scotland – sustainable build technologies and energy efficiency solutions
- Wider sustainability
 - £447 million contribution to local communities via s.106 planning obligations
 - Affordable housing 23% of completions
 - 57% of completions were within 500 meters of public transport
- Future plans – will be rolling out a new environmental strategy in 2020, which will include:
 - Science-based carbon reduction target – develop by the end of 2020
 - Biodiversity net gains – support the legacy we leave on our developments
 - Waste management – using education to encourage correct storage and disposal of waste to reduce impact
 - Carbon – develop routes to achieve carbon neutral homes

Medium term targets

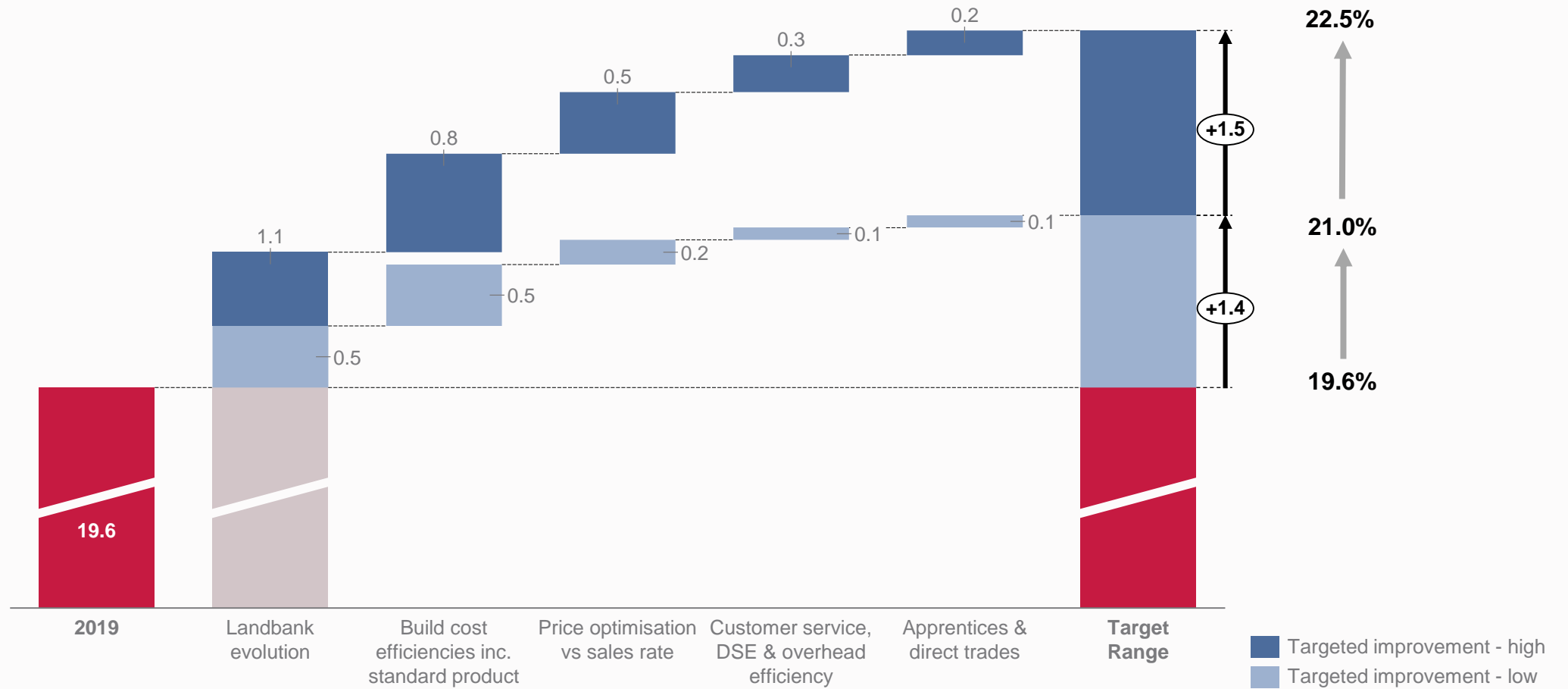
2018-2023 medium term targets

		2019	2018
Return on net operating assets	Increase to 35%	31.4%	33.4%
Cash conversion*	Convert 70-100% of operating profit into operating cash flow	82.6%	92.6%
Operating profit margin	Maintain at c.21-22%	19.6%	21.6%
Landbank years	Short term owned and controlled landbank years to 4-4.5 years	c.4.8	c.5.1

- Margin target remains sound and a key priority
- Landbank length has naturally shortened as volume has grown
 - Focus remains on the right land strategy for the changing environment
 - Favour strategic land balanced with smaller sites – comfortable if this pushes controlled landbank up
 - Strategy for large sites successful and gives advantage on these sites

* See definitions slide in the appendix

Operating margin bridge



Assuming stable market with selling price gains offsetting build cost inflation

2020 priorities

Customers

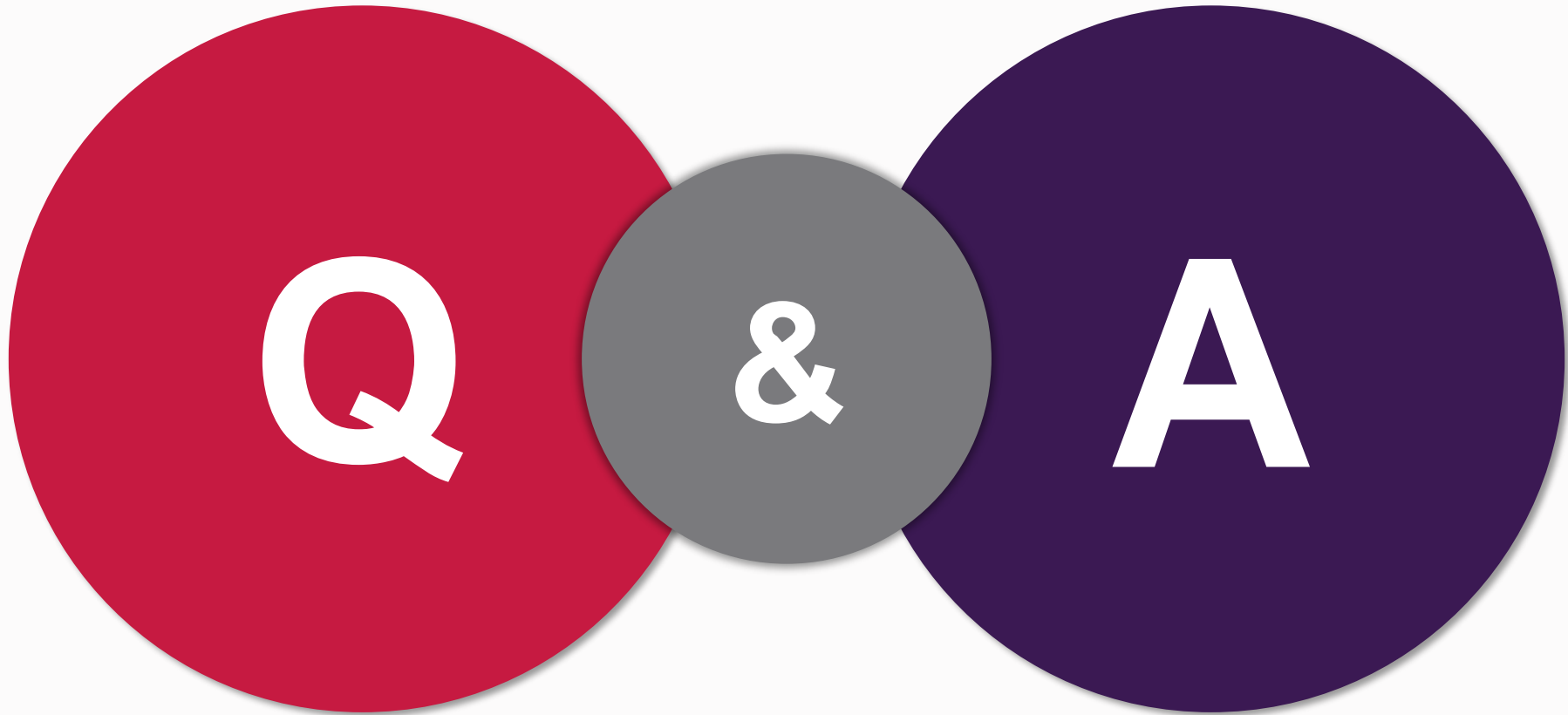
- 5-Star 'Would you recommend' score
- Improvement in 9-month score

Financial returns

- Building on strategy for large sites to balance margin and volume
- Cost reduction and efficiency
- Cash generation and WIP efficiency

People and environment

- Sustainability and carbon strategy
- Transitioning apprentice programme into direct labour programme
- Keep things safe and simple



Future investor communications

- 23 April 2020 AGM and trading update
- 29 July 2020 Half year results 2020

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Appendices

Full Year Results Presentation
for the year ended 31 December
2019

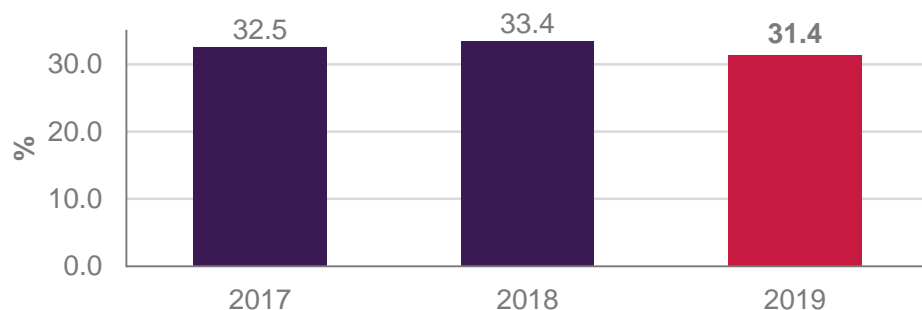
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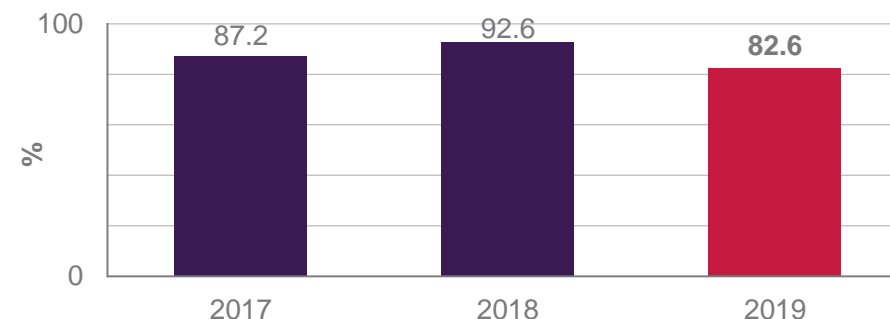
Group financial highlights

Return on net operating assets



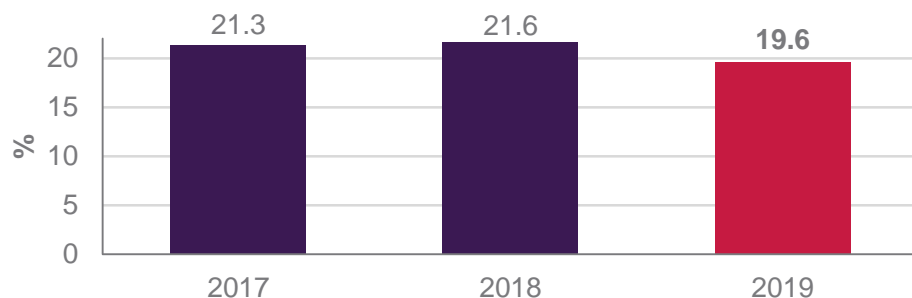
2018-2023 medium term target: Increase to 35%

Cash conversion



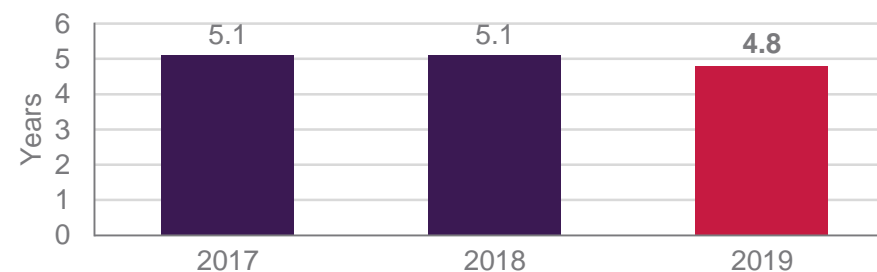
2018-2023 medium term target: Convert 70-100% of operating profit into operating cash flow*

Operating profit margin



2018-2023 medium term target: Maintain at c.21-22%

Landbank years



2018-2023 medium term target: Short term owned and controlled landbank years to 4-4.5 years

* See definitions slide in the appendix

Summary income statement*

Group £m	FY 2019	FY 2018	Change	H1 2019
Revenue	4,341.3	4,082.0	6.4%	1,732.7
Cost of sales	(3,297.2)	(3,007.5)	9.6%	(1,323.1)
Gross profit	1,044.1	1,074.5	(2.8)%	409.6
Net operating expenses	(201.6)	(199.6)	1.0%	(97.5)
Profit on ordinary activities before finance costs and tax	842.5	874.9	(3.7)%	312.1
Net finance cost	(28.9)	(23.4)	23.5%	(12.1)
Share of results of JVs	8.0	5.3	50.9%	(0.2)
Profit before tax	821.6	856.8	(4.1)%	299.8
Tax charge	(159.3)	(162.3)	(1.8)%	(57.8)
Profit for the period	662.3	694.5	(4.6)%	242.0

* Before exceptional items

Cash flow summary

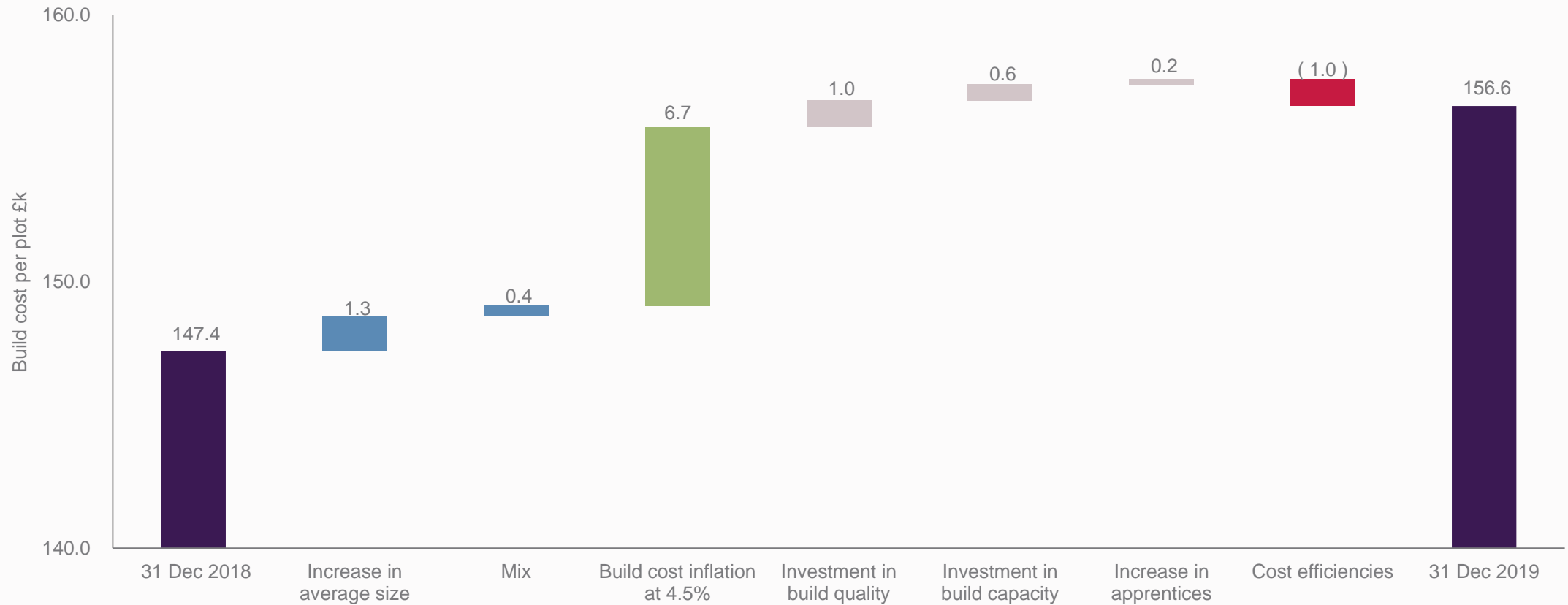
Group £m	FY 2019	H2 2019	H1 2019	FY 2018
Profit from ordinary activities before finance costs*	856.8	544.7	312.1	828.8
(Increase) / decrease in inventories	(21.7)	218.2	(239.9)	(1.7)
Exceptional items (credit) / charge	(14.3)	(14.3)	-	46.1
Other operating items**	(118.6)	(30.4)	(88.2)	(57.8)
Cash generated by operations	702.2	718.2	(16.0)	815.4
Payments relating to exceptional charges	(36.8)	(25.3)	(11.5)	(25.9)
Tax paid	(149.0)	(77.5)	(71.5)	(139.6)
Interest paid	(6.4)	(3.1)	(3.3)	(8.6)
Net cash from / (used in) operating activities	510.0	612.3	(102.3)	641.3
Investing activities	(8.6)	15.2	(23.8)	8.7
Financing activities	(602.6)	(476.9)	(125.7)	(516.2)
Cash flow for the period	(101.2)	150.6	(251.8)	133.8
Net cash b/f	644.1	392.0	644.1	511.8
Cash (outflow) / inflow	(101.2)	150.6	(251.8)	133.8
Foreign exchange	2.8	3.1	(0.3)	(1.5)
Closing net cash	545.7	545.7	392.0	644.1

* See definitions slide in the appendix

** Includes other non-cash items, movement in receivables and payables and pension contributions

Investing in quality and sustainability

UK build cost per plot



Group segmental analysis

	FY 2019			FY 2018		
	Operating profit £m	Operating profit margin %	RONOA %	Operating profit £m	Operating profit margin %	RONOA %
North	320.0	20.7	37.1	307.1	21.6	36.6
Central and South West	316.2	21.8	39.9	344.7	25.6	45.3
London and South East incl. Central London	234.9	19.3	22.8	270.6	22.4	25.9
Corporate	(52.7)	-	-	(71.4)	-	-
UK	818.4	19.4	31.1	851.0	21.4	33.1
Spain	32.1	26.7	45.5	29.2	28.0	49.3
Group	850.5	19.6	31.4	880.2	21.6	33.4

North Division – segmental analysis

As at 31 Dec 2019	Scotland, North East and North Yorkshire	North West and Yorkshire	Midlands	North Division FY 2019	North Division FY 2018
Number of outlets	53	38	27	118	135
Private sales rate (net)	0.86	0.89	0.90	0.88	0.75
Completions	2,648	1,978	2,083	6,709	6,431
Average selling price on completions £000	241	214	230	230	219
Net operating assets £m	384.2	259.5	242.1	885.8	839.5

Data based on completions excluding JVs

Central and South West Division – segmental analysis

As at 31 Dec 2019	East and Central	Wales and West	Central and South West Division FY 2019	Central and South West Division FY 2018
Number of outlets	39	28	67	72
Private sales rate (net)	1.12	1.08	1.10	0.88
Completions	3,007	2,477	5,484	5,259
Average selling price on completions £000	276	240	260	252
Net operating assets £m	365.8	445.6	811.4	773.5

Data based on completions excluding JVs

London and South East Division – segmental analysis

As at 31 Dec 2019	South East excl. London market†	London market†	London and South East Division FY 2019	London and South East Division FY 2018
Number of outlets	44	11	55	49
Private sales rate (net)	0.97	0.98	0.97	0.80
Completions	2,643	684	3,327	3,132
Homes transferred to other Group entities (for rent to buy)	-	-	-	14
Average selling price on completions £000	308	569	361	376
Net operating assets £m	622.0	405.3	1,027.3	1,034.8

Data based on completions excluding JVs
 † The London market includes the area inside the M25

Net private sales by price band

Net private sales	<£200k	£201k – £250k	£251k – £300k	£301k – £450k	£451k – £600k	£601k – £1m	>£1m	Total
North	1,697	1,729	1,308	961	82	13	-	5,790
Central and South West	466	783	997	1,593	247	23	-	4,109
London and South East	110	254	314	1,087	411	295	121	2,592
Total	2,273	2,766	2,619	3,641	740	331	121	12,491
Total	18%	22%	21%	29%	6%	3%	1%	100%

UK market performance – affordable homes

	H1 2020 (w/e 23 Feb 2020)	31 Dec 2019	31 Dec 2018	Change
Average outlets open	240	250	273	(8.4)%
Affordable order book £m	753	772	605	27.6%
Affordable order book units	5,302	5,426	4,452	21.9%
Affordable order book ASP £000	142	142	136	4.4%

Data based on reservations excluding JVs

Central London market performance

	H1 2020 (w/e 23 Feb 2020)	H2 2019	H1 2019	H2 2018	H1 2018
Average outlets open	4	5	6	7	8
Private sales rate (net)	0.97	1.12	0.54	0.36	0.47
Private sales price £000	1,074	1,035	1,006	1,092	896
Cancellation rate (private)	18%	14%	24%	39%	12%

Data based on reservations excluding JVs

Financing

- Net cash at 31 Dec 2019: £545.7 million (31 Dec 2018: £644.1 million)
- Adjusted gearing* including land creditors of 5.5% (2018: 2.9%)
- Average net cash during 2019: £157.0 million (2018: £259.6 million)

- Borrowings and facilities:
 - £550 million Revolving Credit Facility
 - Fully undrawn at year end
 - Expiring February 2025 following a recent extension
 - €100 million Senior Loan Notes due June 2023
 - Issued 28 June 2016 at a fixed coupon of 2.02% p.a. and is being used to hedge the investment in our Spanish business
 - Weighted average life of 4.0 years now extended to 4.9 years

* See definitions slide in the appendix

Help to Buy – a manageable adjustment

Homes England Region	Help to Buy price cap**	First time buyers using Help to Buy as a % of total 2019 private completions	% within price cap
North East	£186,100	20%	35%
North West	£224,400	40%	67%
Yorkshire & The Humber	£228,100	36%	72%
East Midlands	£261,900	38%	61%
West Midlands	£255,600	37%	66%
East of England	£407,400	43%	88%
London	£600,000	43%	100%
South East	£437,600	45%	93%
South West	£349,000	40%	87%
Total*		39%	79%

* England only, excludes Scotland and Wales which are not affected by the announced changes to the Help to Buy Equity Loan Scheme

** Regional price caps for properties sold under Help to Buy Equity Loan scheme from April 2021 to March 2023

Tax

Asset / (liability)	Current tax £m	Deferred tax £m	Net tax £m
As at 1 January 2019	(69.9)	40.7	(29.2)
Income statement*	(149.1)	(12.9)	(162.0)
SOCI / SOCIE	1.1	2.5	3.6
Cash paid	149.0	-	149.0
Other (including foreign exchange)	1.0	(0.5)	0.5
As at 31 December 2019	(67.9)	29.8	(38.1)

- Pre-exceptional underlying tax rate of 19.4% (2018: 18.9%)
- Expect future underlying tax rate to largely reflect statutory rate
- Six UK tax instalment payments in 2020 (2019: four) arising from change in UK tax regime for very large companies
- £39.6m unrecognised Spanish temporary differences

* Including tax on exceptional items

Pension fund contributions

- Funding update as at 31 December 2019
 - Technical provisions deficit of £76 million and funding level of 97.0%
 - Deficit contributions of £40 million per year re-instated from January 2019 until the earlier of full funding or Q4 2020
 - Funding level is re-assessed quarterly
- Total contributions for 2020 expected to be £47.1 million (2019: £47.1 million) consisting of:
 - £40.0 million deficit contributions
 - £5.1 million Pension Funding Partnership
 - £2.0 million scheme expenses

Pensions

Movement in present value of defined benefit obligations

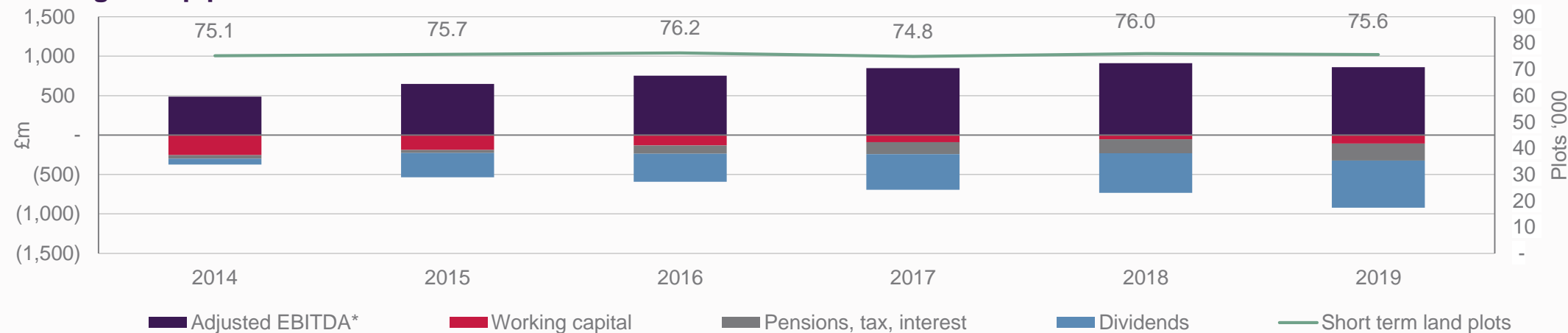
Total UK £m	FY 2019	FY 2018	FY 2017	FY 2016
Pre-IFRIC 14 (surplus) / deficit brought forward	(33.1)	(23.9)	232.7	177.1
Employer contributions*	(47.1)	(34.1)	(23.1)	(23.1)
Administration cost	1.8	1.9	3.0	3.3
Interest (income) / charge	(1.7)	(1.1)	5.9	6.1
Increase in scheme liabilities due to GMP	-	16.1	-	-
Decrease in scheme liabilities due to PIE	(15.3)	-	-	-
Amounts recognised through other comprehensive income	(5.1)	8.0	(242.4)	69.3
Pre-IFRIC 14 (surplus) / deficit	(100.5)	(33.1)	(23.9)	232.7
Interest charge arising on IFRIC 14	4.9	2.2	-	-
Adjustment for IFRIC 14	180.1	163.9	87.6	-
Carried forward deficit	84.5	133.0	63.7	232.7

* Includes £5.1 million paid through the Pension Funding Partnership structure in 2019 (2018: £5.1 million)

Cash management

UK metrics	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Completions (excl JVs)	13,219	13,808	14,387	14,822	15,520
Total sq ft per unit	1,029	1,021	1,013	1,017	1,030
ASP £ per sq ft	223	250	261	259	261
Build cost £ per sq ft	118	135	142	145	152
Land cost £ per sq ft	41	44	45	41	42
% private apartments	13%	14%	16%	12%	11%
WIP turn*	3.10x	3.00x	2.95x	2.95x	3.06x

Turning Group profit into cash**



* See definitions slide in the appendix

** Excludes cash payments in respect of exceptional items

Dividend payment profile

Paid (or to be paid) pence per share	FY 2020***	FY 2019	FY 2018	FY 2018 to FY 2019	Change
Ordinary dividend*	c.7.63	7.64	4.88		55%
Special dividend**	10.99	10.70	10.40		3%
Total	c.18.62	18.34	15.28		20%

Paid (or to be paid) £m	FY 2020***	FY 2019	FY 2018	FY 2018 to FY 2019	Change
Ordinary dividend*	c.250	250	160		56%
Special dividend**	c.360	350	340		3%
Total	c.610	600	500		20%

- Final ordinary dividend of 3.80 pence per share will be paid on 15 May 2020 (c.£125 million) subject to AGM approval
- Special dividend of c.£360 million will be paid on 10 July 2020 subject to AGM approval
- The Board confirms its intention to keep the mechanics of how the Company will pay special dividends, including the merits of undertaking a share buyback at some point in the future should it become appropriate to do so, under regular review

* Includes interim and final dividends

** Additional cash returns for the year

*** 2020 is indicative, subject to shareholder approval

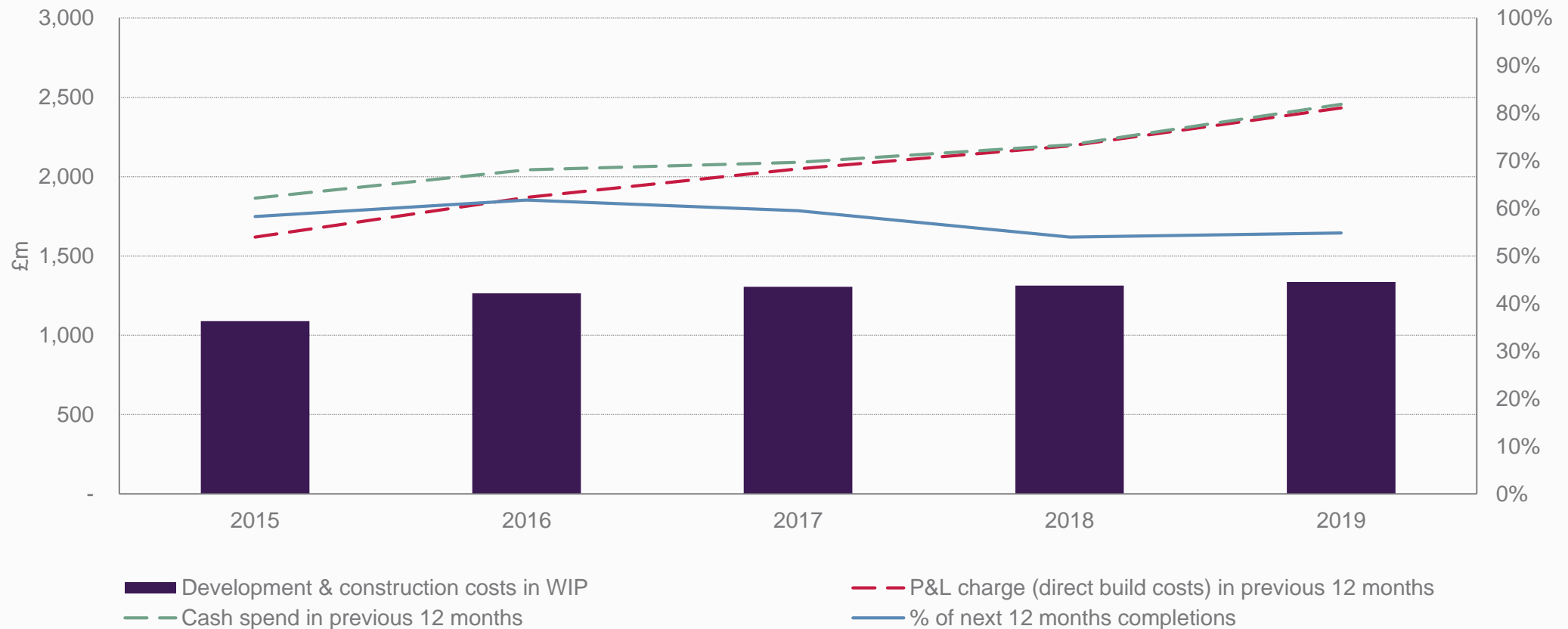
UK land commitments

£m	< 1 yr	1-2 yrs	2-5 yrs	5+ yrs	2019 total	2018 total
Committed cash payments in respect of unconditional land contracts	333	193	190	24	740	749
Expected cash payments in respect of conditional land contracts	148	65	79	3	295	367

- Included in unconditional land contracts at 31 December 2019 are UK overage commitments of £56 million (2018: £102 million)

Managing UK working capital

WIP cash spend vs P&L charge



Data based on completions excluding JVs

Movement in Group net assets

	31 Dec 2019 £m	31 Dec 2018 £m	Breakdown of movement %
Opening net assets	3,226.8	3,137.3	N/A
Pre-exceptional net earnings	662.3	694.5	20.5%
Net impact of exceptional items (after tax)	11.6	(37.9)	0.4%
Actuarial losses after tax	(7.2)	(69.6)	(0.2)%
Net share scheme and other movements	14.0	2.0	0.4%
Returns to shareholders	(599.7)	(499.5)	(18.6)%
Closing net assets	3,307.8	3,226.8	2.5%
Add back returns to shareholders	599.7		18.6%
Closing net assets pre returns to shareholders	3,907.5		21.1%

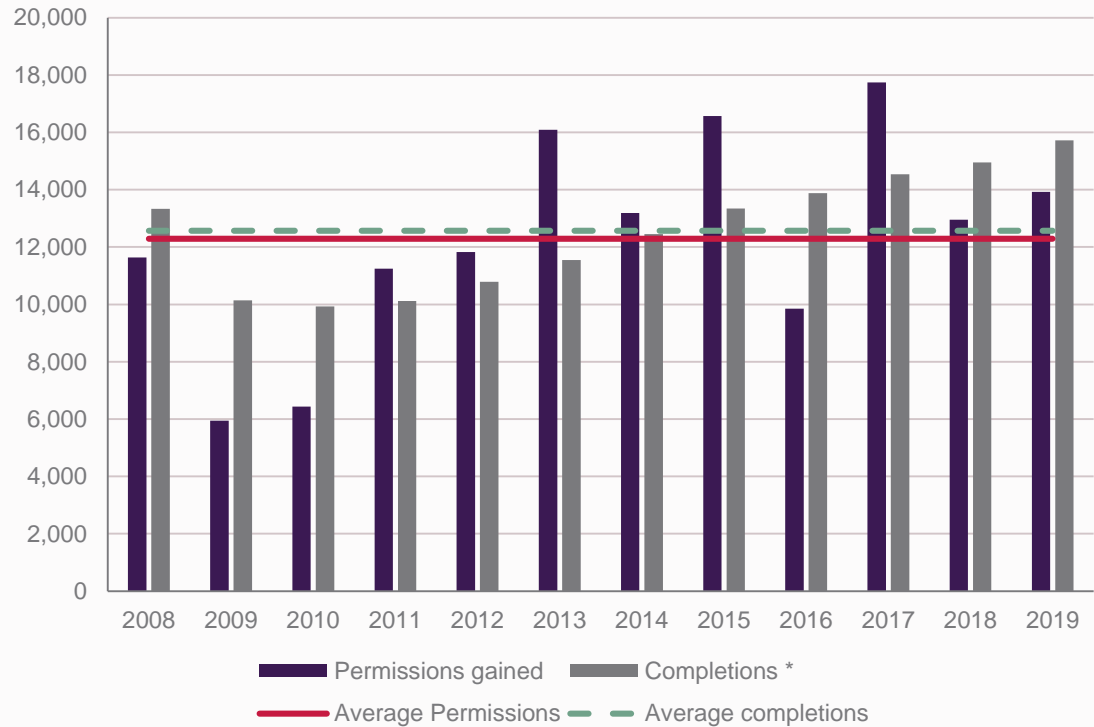
- Net operating asset turn* increased from 1.55x to 1.60x

* See definitions slide in the appendix

UK net operating assets

£m	31 Dec 2019	31 Dec 2018
Fixed assets	59	51
Investment in JVs	55	48
Land	2,645	2,659
WIP	1,392	1,363
Total inventories	4,037	4,022
Debtors	203	189
Land creditors	(710)	(716)
Other creditors	(712)	(744)
Total creditors	(1,422)	(1,460)
Pension liability and PRMA	(85)	(134)
Provisions	(125)	(167)
Net operating assets	2,722	2,549

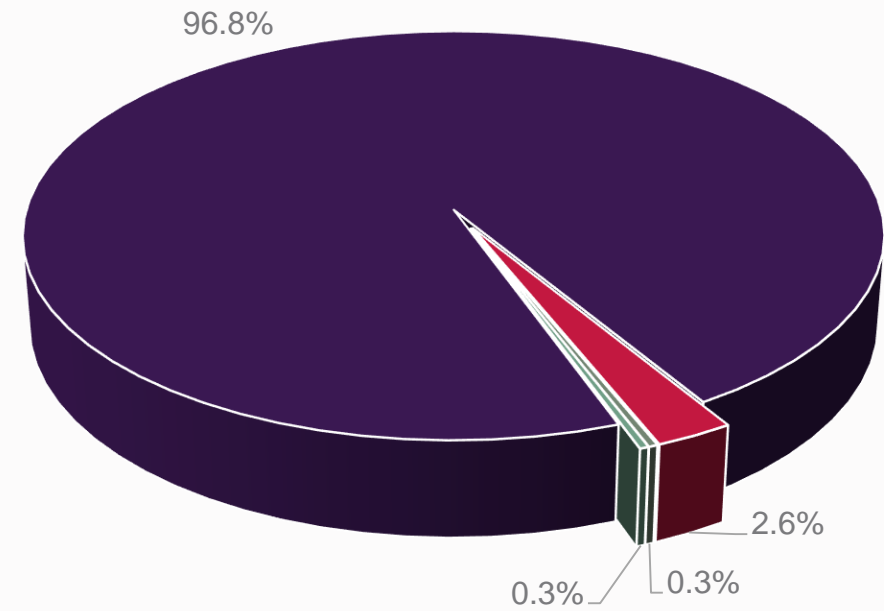
UK planning permissions



- Average detailed planning permissions achieved - *Intake*
- Average completions / detailed planning permissions implemented - *Output*

* Data includes JV plots

Sites with implementable planning permission



- Started on site as at 31 December 2019
- Starting on site Q1 2020
- Starting on site Q2 2020
- Intending to sell land in 2020

Finance charges

£m	FY 2019	FY 2018	Change
Financial indebtedness	5.5	5.2	5.8%
Foreign exchange movements	1.1	1.0	10.0%
Unwind of land creditors and other items	21.5	18.5	16.2%
Pensions	3.2	1.1	190.9%
Interest on IFRS 16 leases	0.5	0.5	-
Total	31.8	26.3	20.9%

UK land pipeline

Plots	31 Dec 2019			31 Dec 2018
	Owned	Controlled	Total	Total
Detailed planning	39,118	4,342	43,460	43,996
Outline planning	14,642	5,084	19,726	18,619
Resolution to grant	881	11,545	12,426	13,380
Short term	54,641	20,971	75,612	75,995
Short term with implementable planning	36,833		36,833	40,795
Allocated strategic*	2,870	14,885	17,755	15,542
Non-allocated strategic*	30,459	92,010	122,469	111,875
Strategic	33,329	106,895	140,224	127,417
Total	87,970	127,866	215,836	203,412

Data includes JV plots

* Excludes land with less than 50% certainty of achieving planning permission

UK land portfolio – net cost

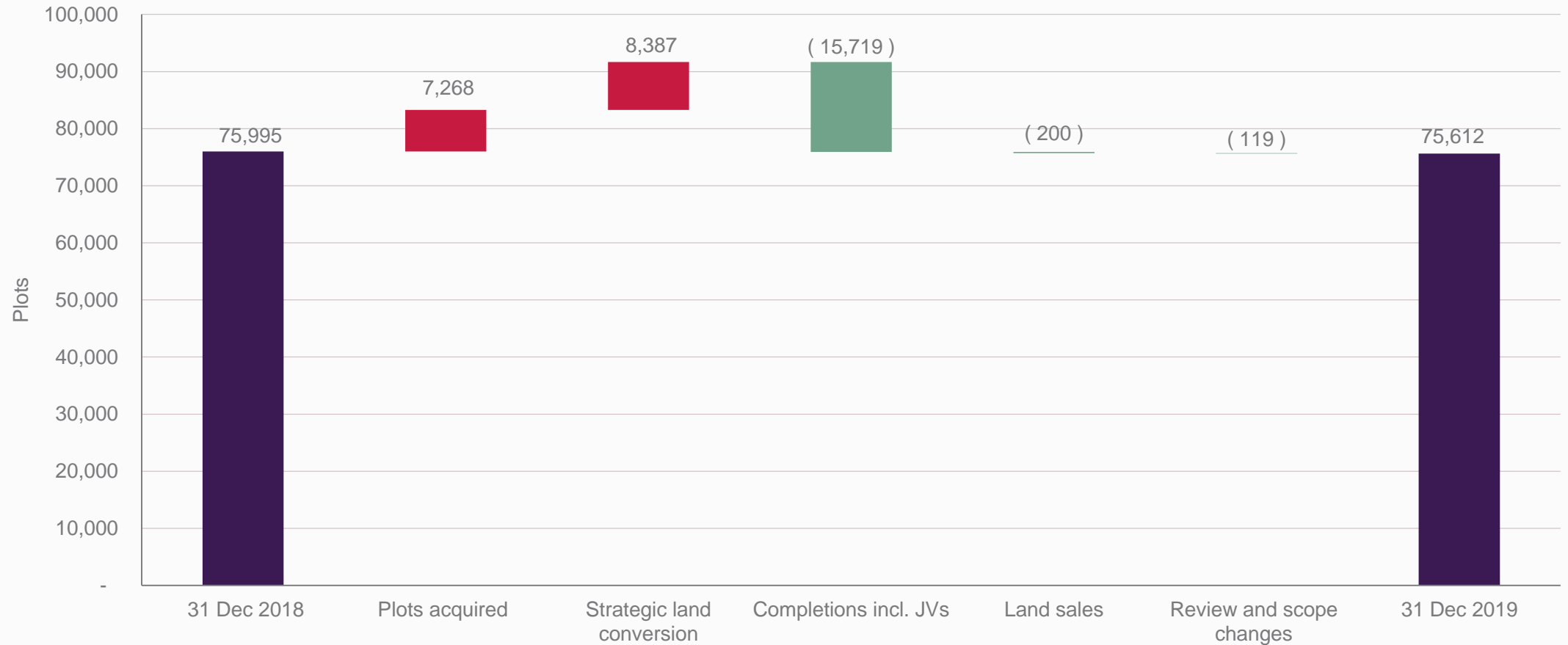
£m	31 Dec 2019			31 Dec 2018
	Owned	Controlled	Total	Total
Detailed planning	1,865	26	1,891	1,934
Outline planning	428	86	514	473
Resolution to grant	16	24	40	54
Sub-total	2,309	136	2,445	2,461
<i>plots</i>	<i>54,641</i>	<i>20,971</i>	<i>75,612</i>	<i>75,995</i>
Strategic	97	94	191	185
<i>plots</i>	<i>33,329</i>	<i>106,895</i>	<i>140,224</i>	<i>127,417</i>
Total	2,406	230	2,636	2,646

Of the short term owned and controlled land portfolio:

- 54% - post 2009 strategic land
- 35% - post 2009 short term land
- 11% - pre 2009 land

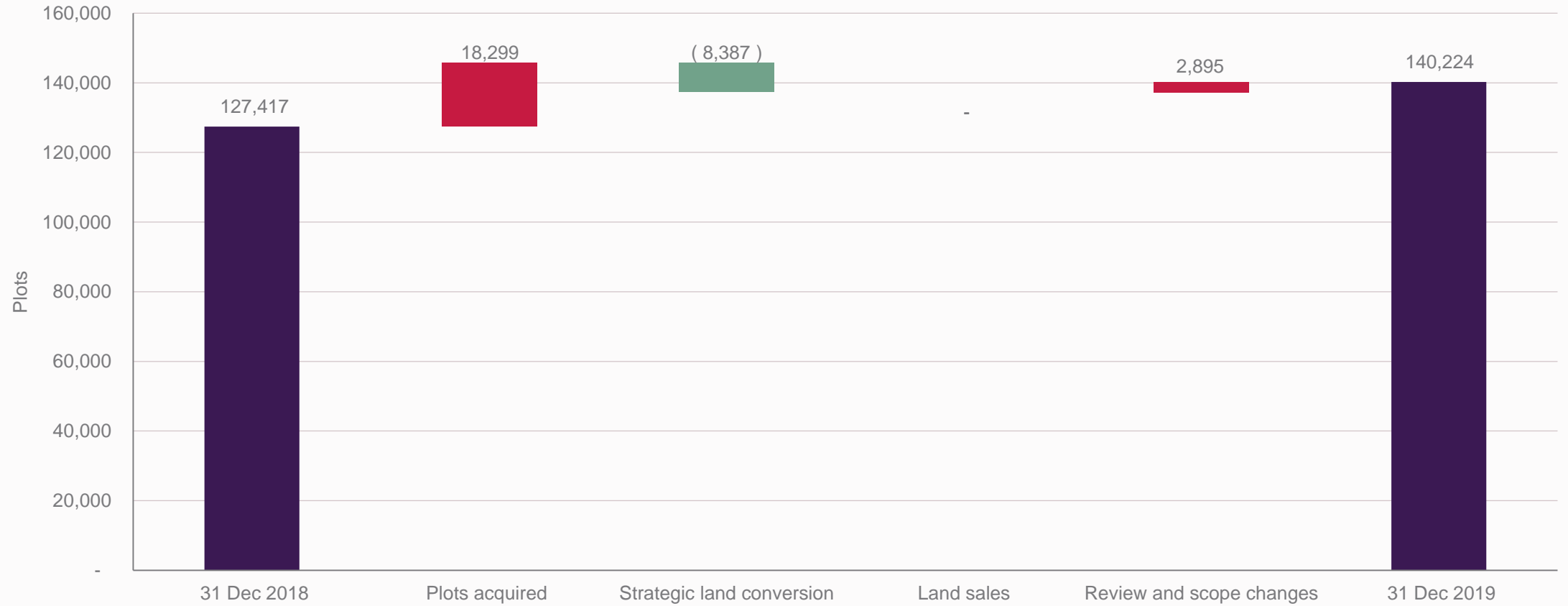
Includes JV plots at no cost, excludes land with less than 50% certainty of achieving planning permission
 NRV is wholly allocated to land, comparable basis to peers

UK short term landbank



Data includes JV plots

UK strategic pipeline



Excludes land with less than 50% certainty of achieving planning permission

Data includes JV plots

UK landbank

- Land cost in short term owned landbank is 14.9% of ASP (2018: 15.2%), supported by strategic pipeline conversions
- Land cost as % of ASP on 2019 approvals 16.2% (2018: 19.2%)
- Potential revenue in the landbank at 31 Dec 2019 was £53 billion (31 Dec 2018: £50 billion), comprising short term land of £21 billion (31 Dec 2018: £21 billion) and strategic land of £32 billion (31 Dec 2018: £29 billion)
- In the year we experienced a -2.3 percentage points margin downside on completions from land acquired since 2009, compared with the expected margin at the point of acquisition

	Land cost on balance sheet £m 31 Dec 2019	Number of plots 31 Dec 2019	Land cost on balance sheet £m 31 Dec 2018	Number of plots 31 Dec 2018
Short term owned	2,309	54,641	2,264	53,279
Short term controlled	136	20,971	197	22,716
Total short term	2,445	75,612	2,461	75,995
Strategic owned*	97	33,329	100	32,354
Strategic controlled*	94	106,895	85	95,063
Total strategic*	191	140,224	185	127,417
Total landbank	2,636	215,836	2,646	203,412

Data includes JV plots

* Excludes land with less than 50% certainty of achieving planning permission

North Division - land

As at 31 Dec 2019	Scotland, North East and North Yorkshire	North West and Yorkshire	Midlands	North Division FY 2019	North Division FY 2018
Short term owned and controlled land portfolio plots	14,817	9,095	7,449	31,361	29,009
Land portfolio years	5.6	4.6	3.6	4.7	4.5
Cost per plot £000*	30.7	27.8	34.6	30.9	30.0
ASP in short term owned land portfolio £000	236	227	237	234	228
Average land cost as a % of ASP	13.0%	12.2%	14.6%	13.2%	13.2%
Strategic land plots (> 50% probability)	35,527	19,324	19,909	74,760	68,387

* Based on short term owned plots. NRV is wholly allocated to land, comparable basis to peers

Central and South West Division - land

As at 31 Dec 2019	East and Central	Wales and West	Central and South West Division FY 2019	Central and South West Division FY 2018
Short term owned and controlled land portfolio plots	17,486	14,656	32,142	33,512
Land portfolio years	5.8	5.9	5.9	6.4
Cost per plot £000*	35.5	37.2	36.4	35.9
ASP in short term owned land portfolio £000	285	276	281	279
Average land cost as a % of ASP	12.5%	13.5%	13.0%	12.9%
Strategic land plots (> 50% probability)	18,372	25,991	44,363	40,677

* Based on short term owned plots. NRV is wholly allocated to land, comparable basis to peers

London and South East Division - land

As at 31 Dec 2019	South East excl. London market†	London market†	London and South East Division FY 2019	London and South East Division FY 2018
Short term owned and controlled land portfolio plots	6,639	5,470	12,109	13,474
Land portfolio years	2.5	6.4	3.4	4.1
Cost per plot £000*	65.7	173.0	81.2	77.0
ASP in short term owned land portfolio £000	360	701	411	384
Average land cost as a % of ASP	18.3%	24.7%	19.8%	20.1%
Strategic land plots (> 50% probability)	19,850	1,251	21,101	18,353

* Based on short term owned plots, including share of JVs. NRV is wholly allocated to land, comparable basis to peers

† The London market includes the area inside the M25

Site size of strategic land conversions

UK	Number of strategic land plot in planning as at end of 2019	Number of strategic land sites in planning as at end of 2019
Super large (751+)	7,700	5
Large (376-750)	3,679	7
Medium (201-375)	1,695	6
Small (1-200)	3,220	27
Total	16,294	45

Strategically sourced sites	2019 completions	2019 conversions	2018 completions	2018 conversions
Super large (751+)	1,712	1,950	2,018	1,814
Large (376-750)	1,839	2,484	1,407	1,772
Medium (201-375)	2,226	1,124	1,649	2,296
Small (1-200)	3,078	2,829	3,636	1,737
Total	8,855	8,387	8,710	7,619

Making the most of large sites

	No. of outlets* FY 2019	Private sales rate per outlet FY 2019	No. of outlets* FY 2018	Private sales rate per outlet FY 2018
Super large (751+)	22	1.39	30	1.08
Large (376-750)	46	1.35	44	0.96
Medium (201-375)	80	0.95	76	0.84
Small (1-200)	102	0.70	123	0.64
Total	250	0.96	273	0.80

	No. of factories* FY 2019	Private build** rate per factory FY 2019	No. of factories* FY 2018	Private build** rate per factory FY 2018
Total	298	0.81	307	0.70
Factories per outlet	1.19		1.12	

* Average in period

** Based on an equivalent unit methodology

Customer service

Customer satisfaction (Would you recommend?) 8-week score

	FY 2019 average Homes legally completed Oct 18-Sep 19	FY 2018 average Homes legally completed Oct 17-Sep 18
Taylor Wimpey UK Ltd	89%	90%
North	88%	91%
Central and South West	91%	90%
London and South East	90%	91%

9-month scores

	Homes legally completed Oct 17-Sep 18	Homes legally completed Oct 16-Sep 17
Recommend	77%	76%
Quality	76%	77%
% problems (<11)	58%	60%
Repair standard	69%	69%
Service after	59%	58%
Development	86%	88%
Overall CSM score	71%	71%

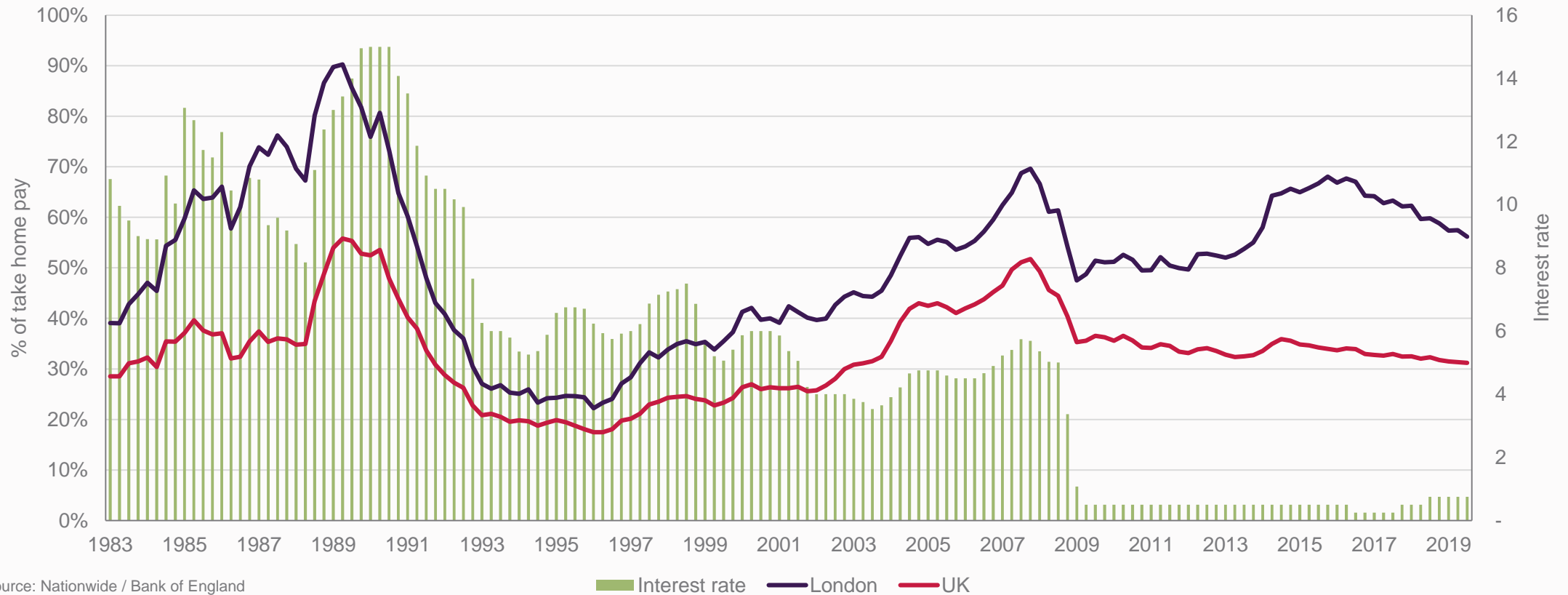
Land disposals

Proceeds £m	FY 2019	FY 2018
UK	37.9	56.4
Spain	-	0.2
Total	37.9	56.6

Gross profit £m	FY 2019	FY 2018
UK	19.3	17.6
Spain	-	(1.6)
Total	19.3	16.0

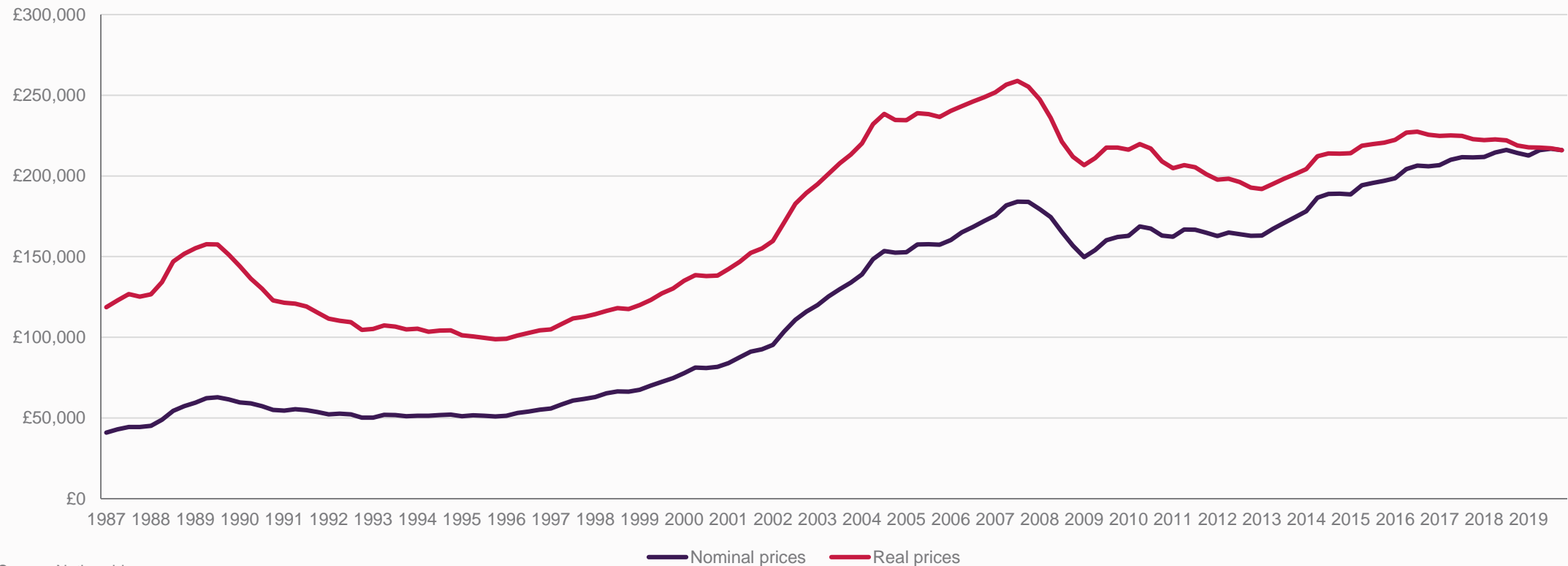
Land disposals are included in revenue and cost of sales

FTB mortgage payments as % of pay / interest rates



- FPC recommend to stress test assuming Bank Rate increases to 4%

Real house prices



Source: Nationwide

- Nominal prices are from UK All Properties series - not seasonally adjusted
- Real prices are the house prices adjusted for retail prices - This uses the Office for National Statistics Retail Price Index (RPI) to convert nominal prices to current prices
- For example, a typical property in 2005 would, on average, have cost c.£153k at the time. To buy this amount of 'retail goods' today would require c.£235k

UK customer segmentation

Total reservations	FY 2019	H2 2019	H1 2019	FY 2018	H2 2018	H1 2018
First time buyers	34%	31%	38%	34%	33%	35%
Second time buyers	34%	31%	37%	31%	30%	32%
Affordable	27%	32%	20%	30%	31%	29%
Investor	5%	6%	5%	5%	6%	4%
Total	100%	100%	100%	100%	100%	100%
Help to Buy*	34%	30%	40%	36%	34%	39%

Data based on reservations excluding JVs
 *Help to Buy Equity Loan Scheme

UK product mix

Private completions	FY 2019	H2 2019	H1 2019	FY 2018	H2 2018	H1 2018
Apartments	11%	11%	11%	12%	14%	10%
1 / 2 / 3 bed houses	48%	49%	47%	48%	47%	49%
4 / 5 / 6 bed houses	41%	40%	42%	40%	39%	41%
Total	100%	100%	100%	100%	100%	100%

Data based on completions excluding JVs

UK sales performance

	H1 2020 (w/e 23 Feb 2020)	H2 2019	H1 2019	H2 2018	H1 2018
Average outlets open	240	243	257	266	280
Average sales rate (net)	1.00	1.37	1.24	1.09	1.16
Average selling price £000	326	253	269	244	254

As at	H1 2020 (w/e 23 Feb 2020)	31 Dec 2019	30 June 2019	31 Dec 2018	1 July 2018
Total order book value £m	2,606	2,176	2,366	1,782	2,175
Total order book units	10,901	9,725	10,137	8,304	9,241
ASP in total order book £000	239	224	233	215	235
Outlets at end of period	236	240	246	256	278
Order book value £m per outlet	11.0	9.1	9.6	7.0	7.8

Data based on both private and affordable reservations excluding JVs

Spain financial summary

	FY 2019	FY 2018	Change
Average number of active sites	21	21	-
Legal completions	323	342	(5.6)%
Average selling price £000	373	304	22.7%
Average selling price €000	429	344	24.7%
Revenue £m	120.4	104.2	15.5%
Operating profit £m	32.1	29.2	9.9%
Operating profit margin %	26.7	28.0	(1.3)ppt
Order book £m	76.1	110.8	(31.3)%
Order book units	217	284	(23.6)%
Net operating assets £m	78.1	63.0	24.0%
Total landbank plots*	2,841	2,479	14.6%

* Landbank includes owned and controlled land

Definitions

- Operating profit is defined as profit on ordinary activities before net finance costs, exceptional items and tax, after share of results of joint ventures.
- Adjusted basic earnings per share represents earnings attributed to the shareholders of the parent, excluding exceptional items and tax on exceptional items, divided by the weighted average number of shares in issue during the period.
- Net operating assets is defined as net assets less net cash, excluding net taxation balances and accrued dividends.
- Return on net operating assets (RONOA) is defined as 12-month rolling operating profit divided by the average of the opening and closing net operating assets.
- Tangible net assets per share is defined as net assets before any accrued dividends excluding goodwill and intangible assets divided by the number of ordinary shares in issue at the end of the period.
- Net operating asset turn is defined as 12-month rolling total revenue divided by the average of opening and closing net operating assets.
- WIP turn is defined as total revenue divided by the average of opening and closing work in progress. Based on rolling 12 months.
- Contribution margin is defined as revenue less build costs, less land costs and less direct selling expenses, but before the benefit of supplier rebates, the utilisation of impairment provisions, and the discounting of deferred land commitments.
- Gross profit is defined as contribution margin plus the benefit of supplier rebates, the utilisation of impairment provisions, and the discounting of deferred land commitments.
- Profit from ordinary activities before finance costs is defined as profit on ordinary activities before net finance costs and tax, and before share of results of joint ventures.
- Cash conversion is defined as operating cash flow divided by operating profit on a rolling 12-month basis.
- Operating cash flow is defined as cash generated by operations before tax, interest paid and exceptional cash flows.
- Operating cash flow margin is defined as operating cash flow divided by revenue.
- Net asset annual growth (pre-cash distributions) is defined as the percentage change between closing net assets pre accrued and paid returns to shareholders, on a rolling 12-month basis, and closing net assets on a rolling 12-month basis from the comparative period.
- EBITDA is defined as operating profit before depreciation and software amortisation. Adjusted EBITDA includes cashflows relating to fixed assets and joint ventures.
- Return on capital employed (ROCE) is defined as 12-month rolling operating profit divided by average capital employed calculated on a monthly basis over the period.
- Net cash is defined as total cash less total financing.
- Adjusted gearing is defined as adjusted net debt divided by net assets. Adjusted net debt is defined as net cash less land creditors.
- The Annual Injury Incidence Rate (IIR) is defined as the number of incidents per 100,000 employees and contractors, calculated on a rolling 12 month basis, where the number of employees and contractors is calculated using a monthly average over the same period.