

## **TRADING UPDATE**

**WEDNESDAY 25 APRIL 2018**

Persimmon plc (“the Group”) announces the following trading update covering the period from 1 January 2018 to date, ahead of its Annual General Meeting (“AGM”) which is being held at 12.00 noon today.

The Group continues to focus on building family housing at affordable prices across the UK. Customer activity since the start of the year has been encouraging with the Group’s total enquiry levels running c. 13% ahead of the prior year. This has resulted in robust trading since the start of the year with visitor levels to site, sales conversion rates and cancellation rates all running in line with our expectations.

The Group’s forward sales position remains very strong with total forward sales revenue, including legal completions taken to date in 2018, of £2.76 billion, being c.8% higher than last year (2017: £2.56 billion). Our weekly private sales rate per site since the start of the year of c. 0.85 (2017: c. 0.83) reflects solid market conditions. We have 9,048 (2017: 8,928) new homes sold forward into the private ownership market with an average selling price of c. £236,500 (2017: c. £229,500). Pricing conditions remain firm across our regional markets. The Group has also maintained a substantial forward order book of new homes for delivery to its Housing Association partners, with 5,330 (2017: 4,616) new homes included in our forward sales position.

The Group has opened 65 of the c. 100 new sites planned for the first half of the year and is building new homes on all sites that have an implementable detailed planning consent. The Group is currently developing 375 active sales outlets across the UK. During the period we continued to identify good opportunities to acquire new land on a selective basis to support the future growth of the business.

To help meet demand for new housing in all of its regional markets and to support the sustainable growth of the Group, six new operating businesses have been opened over the last three years, bringing the total regional house building businesses to 30. Since the launch of the Group’s new strategy in 2012 the Group has built and sold over 80,000 new homes across the UK.

The development of our off-site manufacturing capability will play an increasingly important role in supporting the expansion of our new home construction volumes. Our manufacturing hub at Harworth, Doncaster where the Group continues to invest in new manufacturing capacity to help improve the supply of essential construction materials is a major differentiator for Persimmon. In 2017 the Group opened a new brick manufacturing factory and has announced it is to establish a new roof tile manufacturing facility during 2018 to further strengthen the reliability of our new home delivery and to support further growth. In addition, the Board will continue to review plans for the expansion of the Group’s Space4 business to extend its reach for the supply of timber frames, highly insulated wall panels and roof cassettes to Group companies across the UK.

Exercising capital discipline through the cycle whilst growing the business as market conditions allow are key features of the Group’s strategy. Our Capital Return Plan (“the Plan”) to return surplus capital to shareholders continues to be a fundamental element of this capital discipline. The Group’s successful trading performance over the six years to the end of 2017, increasing annual output by over 70% and opening 1,189 new sales outlets whilst investing c. £3.2 billion in land, has enabled the Board to increase the total value of the Plan. In total, the Group has generated £2.77 billion of free cash before the return of surplus capital over the six years since the launch of the Group’s strategy.

As announced on 27 February 2018, additional payments under the Plan of 125p per share will be paid over the next three years in late March/early April each year. The first of these additional payments of £389 million, was paid to shareholders as an interim dividend on 29 March 2018. At the same time the Board recommended that the scheduled return of 110p per share, or c. £345 million, will be paid to shareholders on 2 July 2018 as a final dividend. With

the scheduled payment on 2 July 2018, the total value of the capital returned by that date of £2.22 billion will be £1.36 billion greater than that originally planned at launch in 2012.

The additional payments over the next three years will bring the total value of the Plan to £13.00 per share, more than double the £6.20 per share original commitment made by the Board in 2012. The total value of the Plan is now c. £4.07 billion.

Total shareholder returns to date from the launch of the Group's new strategy in 2012 now exceed 500%.

The Board remains confident of the future prospects of the Group.

We will provide a further report in our Trading Update on Thursday 5 July 2018.

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