

TRADING UPDATE – 15 JANUARY 2019

Persimmon plc announces the following update ahead of its Final Results for the year ended 31 December 2018, which will be released on 26 February 2019.

Persimmon has delivered another strong trading performance, with continued disciplined growth in 2018 in line with the Group's strategy. Total Group revenues of £3.74bn were 4% higher than the prior year (2017: £3.60bn). New housing revenues increased by 4% to £3.55bn (2017: £3.42bn). Legal completion volumes increased by 406 new homes, a 3% increase, to 16,449 (2017: 16,043), including private sales of 13,341 new homes (2017: 13,274). Our average selling price of c. £215,560 was 1% higher than last year (2017: £213,321). The UK housing market has continued to benefit from robust employment levels, low interest rates and a competitive mortgage market, which have supported confidence and customer demand across the regions.

Persimmon remains committed to increasing new home construction to meet market demand and has made a significant contribution to increasing UK housing supply since the launch of the Group's new strategy in 2012. Over this period we have opened 1,370 new selling outlets and delivered 97,175 new homes to the market, increasing our annual production by over 75%. The Group now has 31 house building businesses across the UK, having opened seven new businesses over the last four years. The Group opened a new operating business based near Ipswich in Suffolk on 2 January 2018 which has made good progress, delivering 348 new homes in 2018. Additionally, on 2 January 2019, we opened a new business based at Harworth, near Doncaster, which will support our growth across the Yorkshire region. The Group is seeking to identify similar regional expansion opportunities and will continue to invest in both its infrastructure and people to support further growth.

The Group has a strong platform as we move into the new year. The value of the Group's forward sales at 31 December 2018 of c. £1,395m was 3% ahead of the prior year (2017: £1,356m) after second half legal completion volumes of 8,377, which were 305 stronger than for the first half of the year (H1: 8,072), an increase of 4%. The Group is currently building new homes on c. 365 active developments, a similar number to the same point last year, offering a good range and choice of family homes for first time buyers and home movers. We will be adding to our outlet network with the launch of a variety of high quality new sites over the coming weeks and are looking forward to the new spring season with a robust development pipeline. The c. 55 sites that we plan to open through the first quarter of the year include 15 outlets where we have been progressing build programmes to a more advanced stage to support improved availability and moving in dates for our customers.

We have continued with a selective approach to land replacement in line with our strategic priorities, being mindful of market cycle risks and wider economic uncertainties, including

those associated with the process of the UK leaving the EU. The Group acquired over 17,000 plots of new land in over 80 locations through the year, with anticipated margins which continue to meet our targets.

The Group's cash generation remains strong. Cash balances of c. £1,048m were held at 31 December 2018 (2017: £1,303m) after returning £732m of capital to shareholders in 2018 (2017: £417m).

We anticipate our pre-tax profits for 2018 will be modestly ahead of current market consensus, having benefitted from the new developments we have opened through the year.

The Group continues to develop its manufacturing capabilities with the aim of better supporting sustainable growth. Brickworks, our new brick manufacturing plant located at Harworth, near Doncaster, is now nearing optimal production levels. The construction of the Group's new roof tile manufacturing plant, Tileworks, is progressing well on the same site. We look forward to Tileworks commencing deliveries to the business in the second half of 2019. In addition, Space4, the Group's manufacturing facility for our insulated frame build-system, based near Birmingham, continues to make a valuable contribution to the Group's output.

As we look forward to the 2019 spring season Persimmon is in an excellent market position. Whilst the future performance of the UK economy is currently subject to increased levels of uncertainty the Group is well positioned with its strong outlet network together with the availability of a range of attractive house types at affordable prices across the regions of the UK, supported by a high quality land bank and conservative financial structure. We will give an update on our assessment of the housing market over the early weeks of 2019 when we announce our results for the year ended 31 December 2018 on Tuesday 26 February 2019.

Please Note

There will be a call for analysts at 09.00 GMT today. Please use the dial-in details below:

Telephone number : +44 (0)33 3300 0804
Access pin : 47240467#
Passcode : Persimmon

An audiocast of the call will be available on www.persimmonhomes.com/corporate

For further information please contact:

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