

Covid-19, Capital Return Plan and AGM Updates

Persimmon plc (“Persimmon” or the “Company”) today announces how it is responding to the Covid-19 virus and is providing an update to its Capital Return Plan payments in 2020 and forthcoming Annual General Meeting (“AGM”).

Responding to the Covid-19 Virus

Since the outbreak of the virus in the UK, Persimmon has closely followed Public Health England’s guidance including instituting social distancing practices to ensure the safety of its customers, staff, contractors and suppliers throughout this period. Following enhanced Government and Public Health England guidance on Monday 23 March, we are now taking further measures including closing all of Persimmon’s sales offices from Thursday 26 March until further notice. While we will continue to support existing and new customers on the telephone and / or online, all customer care site visits will cease except for emergencies. All Persimmon regional offices will also close, with only a skeleton staff to facilitate the wider workforce working from home. Construction sites are commencing an orderly shutdown with only essential work taking place which will be focused on making partly built homes safe and secure and where failure to complete the build could put customers in a vulnerable position.

Balance Sheet Conservatism and Capital Return Plan Update

Persimmon entered this period of uncertainty with a robust operational performance in the year to date and a strong forward order book. Despite this encouraging start to the financial year we are preparing for a significant delay in the timing of legal completions, a rise in cancellation rates and a material slowdown in new sales, the extent and duration of which is uncertain.

In light of the current uncertainty caused by the Covid-19 virus and its operational impact on UK economic activity, and in line with the Group’s strategy of minimising the financial risk through the cycle, the Board believes that conserving cash and maximising financial flexibility is in the long term best interests of the business and all its stakeholders.

Accordingly, the Board of Persimmon has decided to: (i) cancel the proposed 125p per share interim dividend payment of surplus capital to shareholders on 2 April 2020; and (ii) to postpone the proposed annual, final dividend payment of 110p per share on 6 July 2020 and reassess it later in the calendar year when the effects of the virus will be clearer. Whilst the Company’s regular annual payment of at least 110p per share has been stress tested for payment through the housebuilding industry cycle, the Covid-19 virus presents an exceptional set of circumstances.

Persimmon entered the current year with a strong balance sheet including cash holdings of £844m, land creditors of £435m (£268m payable over 2020) and industry leading land holdings of 93,246 plots owned and under control. The Board remains confident of the Group’s future prospects. The Group’s current cash position of c. £610m (as at 20 March 2020), deferred land commitments of c. £195m to the end of the current year, availability of the Group’s £300m Revolving Credit Facility, together with the measures the Board is taking to manage the cash flows of the business, will preserve the strength of the Group during this unprecedented period of uncertainty.

The decisions taken by the Board today in no way diminishes its confidence in the long-term outlook for the Company and the strength of the through-the-cycle model, which is set up to withstand reasonable downside scenarios and to take advantage of opportunities as they arise. The Board remains committed to evaluating an ordinary course payment of 110p per share to shareholders this

year, should economic and business disruption abate in the next several months. Whilst the Board is disappointed in cancelling the 125p per share payment of surplus capital, the Board does not believe it would be prudent at this time to regard this cash as surplus, and the cancellation reflects a change in the Board's assessment of the Company's financial prospects this year and the broader economic risk profile, in line with the stated policy.

At this stage, given the level of continued uncertainty around economic and business activity, it is not possible to provide financial guidance for the FY20 financial year.

Annual General Meeting Update

The Company's AGM is due to be held on Wednesday 29 April 2020. In light of the Government's and Public Health England's advice, the Board has taken the decision to move the location of the AGM to the Company's Head Office at Persimmon House, Fulford, York, YO19 4FE.

The well-being of our shareholders is vitally important to us and we recommend that shareholders adhere to the current instructions to stay at home. To enable shareholders to listen to the proceedings of the meeting from their homes, the proceedings will be available by a webcast. There will be an opportunity for shareholders to ask the Board of Directors questions on the formal business of the meeting and further details will be on our website in due course.

The Company will ensure that the meeting adheres to the Government's and Public Health England's advice around social distancing and enhanced hygiene measures will be in place. To further support these efforts there will be only limited Company representation at the meeting. We will also reduce the length of the meeting by limiting it to the formal business required.

We encourage shareholders to submit their proxies as early as possible. Further information on how shareholders can submit their proxies can be found in the Notice of 2020 Annual General Meeting (the "Notice") and is available on our website. Please note the deadline for submitting proxies will be 12.00pm on Monday 27 April 2020.

In view of the Company's decision to postpone the proposed 110p per share payment, the Board announces its intention to withdraw Resolution 2 as set out in the Notice, dated 17 March 2020, relating to the proposed payment of a final dividend for 2019.

A trading update will be provided by the Company in advance of its AGM.

Dave Jenkinson, Group Chief Executive, said:

"Our primary concern is the safety and well-being of our customers, staff, contractors and suppliers and we have today set out a number of further measures throughout the business to protect them for the duration of the pandemic. We will listen carefully to the Government's future advice as the situation develops and will make further adjustments where necessary.

"The Group's long-term strategy of minimising financial risk and maintaining capital discipline over the long term through the housing cycle, ensures that we are well placed as we enter this period of uncertainty. Whilst the impacts of this pandemic go beyond the normal cyclical nature of the housing market, the Group's high quality land holdings, significant liquidity and strong balance sheet will allow us to work through these challenges and emerge in a strong position for the benefit of all our stakeholders."

This announcement contains inside information. The person responsible for arranging the release of this announcement on behalf of the Group is Tracy Davison, Company Secretary.

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