

24 April 2020

Persimmon plc
("Persimmon" or "the Group")

COVID-19 Update

On 25 March 2020, Persimmon announced the implementation of a range of measures in response to the COVID-19 outbreak, including the closure of all of its sales offices, the migration of non-site colleagues to home working and an orderly shutdown of its construction sites. The Group is today providing a further update on the status of its operations, including the announcement of a phased restart to work on site with effect from 27 April 2020, in response to the UK Government's objective of getting the construction sector back to work.

Throughout this period, the Group's top priority is the health and safety of the public, and its customers, colleagues, sub-contractors and suppliers, and Persimmon continues to closely follow Public Health England's guidance including instituting and maintaining social distancing practices.

Customers

Having made a swift transition to home working in line with Persimmon's existing business continuity planning, the Group's sales teams have continued to serve new and existing customers, making use of online resources, including virtual viewings and digitalised reservation processes. This has resulted in c. 820 gross private sales reservations being secured in the five weeks ended 19 April 2020. Cancellation rates remain at historically low levels. Our customer care teams have also remained active, continuing to handle all incoming enquiries, and preparing a schedule of work which will commence as soon as restrictions on home visits are relaxed. Emergency requests are being dealt with as required.

Where necessary, and within the bounds of social distancing restrictions, construction work has continued in certain limited instances to complete the construction of new homes to ensure that no customers were left homeless through this period.

Suppliers

The Group has continued to offer its full support to its suppliers, including making forward funding available where necessary, to help them manage through the crisis and to ensure they are able to recommence supply immediately, once conditions allow.

The Group continues to pay all supplier invoices in a timely manner, with 95% of invoices being settled within 60 days, in compliance with the requirements of the Prompt Payment Code, which Persimmon fully supports.

Colleagues

Following the announcement of enhanced Government and Public Health England guidance on Monday 23 March 2020, non-site colleagues were transferred to home working, with only a skeleton office staff remaining in place to facilitate the wider workforce working from home.

The transfer to home working was achieved swiftly and efficiently in line with our business continuity plans with all activities continuing to make good progress.

Colleagues working from home have continued to progress planning permissions, technical drawings, procurement, liaison with our sub-contractors, and all other work required to prepare sites for the restart of activity, to ensure this can be achieved swiftly. These home working arrangements will continue until further guidance from Government and Public Health England is provided.

Persimmon places great importance on supporting all colleagues through the crisis period and on ensuring that their skills are retained within the business into the recovery. Around 30% of Group colleagues have been unable to work during the shutdown period but have continued to be paid in full by Persimmon. The Group has not made use of the Government's Coronavirus Job Retention Scheme to furlough staff, has no current plans to access any of the UK Government's COVID-19 funding programmes and continues to pay all taxes promptly.

We are proud of the way our Persimmon colleagues have responded to the COVID-19 challenge to support their local communities through voluntary work, charity support and other practical measures such as donation of essential PPE to the NHS.

Re-commencement of construction activities

The Government has issued clear guidance that it sees construction as a vital element of the UK economy and that where sites can comply with the Construction Leadership Council's Standard Operating Procedures, then they should continue to operate.

Persimmon is keen to support the Government in meeting this objective but the health, safety and wellbeing of the public and everyone who works on our sites and in our offices remains our top priority, and we will not recommence construction operations until we are satisfied that it is safe to do so. In the period since 25 March 2020, working closely with our colleagues, sub-contractors and suppliers, we have therefore developed and tested a range of new site protocols to enable work to recommence, while ensuring that the necessary social distancing restrictions are strictly enforced. These new measures are fully compliant with UK Government and Construction Leadership Council guidance.

The Group is therefore announcing today that it will begin a phased re-opening of its construction sites from the morning of Monday 27 April 2020 which will allow us to support our customers by completing the construction of the new homes they have purchased in a safe and responsible manner.

David Jenkinson, CEO, said: "The UK Government has been very clear on the importance of the construction sector to the UK economy and its desire to see activity continue through the current period of crisis, provided appropriate public health measures are adopted.

"Nothing is more important to us than the health, safety and wellbeing of the public, our colleagues, sub-contractors and suppliers. Having spent the last month developing and testing new site protocols that incorporate the necessary social distancing and protective measures, we believe that we are now able to return to site safely and support the UK's economic recovery from the pandemic. These new measures are fully compliant with Government public health guidance and will be strictly enforced by a specialist team, with any individual failing to uphold standards being subject to disciplinary action and removal from site.

“Persimmon’s strong financial liquidity has enabled us to maintain our operational capability through this period by supporting all our colleagues on full pay, which will allow us to reopen sites swiftly, and emerge from the shutdown well-prepared and ready to deliver the new homes the country needs, aided by our strong work in progress position.”

“The commitment from our colleagues throughout this most challenging period, both to the business and to the wider communities in which we work, has been exceptional and I would like to thank them all for their unstinting support.”

The Group will announce a trading update for the period from 1 January 2020 to date, on 29 April 2020, ahead of its AGM.

Annual General Meeting

The Company's AGM will be held on 29 April 2020 at the Company’s Head Office at Persimmon House, Fulford, York, YO19 4FE. The health and well-being of our shareholders is vitally important to us, and in line with Government guidance shareholders cannot be permitted to attend the AGM in person this year. Instead, the meeting will be available for shareholders to view from home via a webcast. We encourage shareholders to vote by proxy, the deadline for submitting proxies will be 12.00pm on Monday 27 April 2020. Shareholders have the opportunity to submit questions to the Board prior to the meeting via email.

For further details please see our corporate website,
<https://www.persimmonhomes.com/corporate>.

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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