



Annual General Meeting

Chief Executive's Presentation

27 April 2022

2021 Trading highlights



	2021	2020	Change
Legal completions	14,551	13,575	+7%
Underlying PBT*	£973.0m	£863.1m	+13%
Underlying new housing operating margin ⁺	28.0%	27.6%	+0.4%
Cash	£1,246.6m	£1,234.1m	+£12.5m

🕒 £460 million land investment, securing nearly 21,000 plots across 101 sites

🕒 Cost to revenue percentage of owned & controlled plots of 11.9% (2020: 12.4%)

* Stated before legacy buildings provision and based on new housing revenue; ⁺ Stated on new housing revenue and underlying profit from operations, before legacy buildings provision and goodwill impairment

Trading update



- ④ Robust forward sales of £2.8bn
- ④ Private weekly sales rate per site c. 2% ahead of last year
- ④ Around 6,600 plots brought into the business across 22 locations
- ④ Some signs supply chain issues are easing but still uncertain with persistent inflation pressure
- ④ Pricing remains robust and helping to mitigate inflation pressures
- ④ Trading in line with expectations

Enhancing our strengths; creating further value



- ④ Persimmon has a unique balance of strengths and skill-sets that will provide a strong, resilient platform for a sustainable future
 - Our market positioning
 - High quality land holdings
 - Highly experienced management team
 - Ongoing investment in resource and operational capabilities
 - Our sustainability approach
- ④ Leading to industry-leading performance

Creating further value



👉 Key areas of operational focus:

- Build quality - ambition to “build right, first time, every time”
 - ✓ **17% improvement in the number of NHBC Reportable Items**
- Reinforcing trust - customers at the heart of our business
 - ✓ **92.0% score for 2020/21 HBF customer satisfaction survey – first ever 5* rating**
- Disciplined growth - strengthening our capability to deliver more new 5* star homes
 - ✓ **Land replacement rate of 143%**
- Industry-leading financial performance - sustaining strong margins and returns
 - ✓ **Underlying new housing operating margin at 28.0%**
- Supporting sustainable communities - focused on achieving net zero carbon economy
 - ✓ **Targets accredited by the Science Based Targets initiative**

Strengthening our market positioning

- ③ Widening the opportunity of home ownership across each of our 31 regional operating businesses
- ③ Strong core product range providing excellent choice for customers
- ③ Private house prices range from £100,000 to £1,000,000
 - 25% of private sales priced below £200,000
 - Average private selling price over 20% lower than the UK national average*
- ③ c. 50% of private new homes sold to first time buyers
- ③ High quality growth platform underpinned by disciplined land replacement strategy
 - Total land visibility of c.123,100 plots (at Dec 2021)
 - c.25,100 plots held under option proceeding through planning
 - c.10,000 plots controlled and allocated in local plan



* National average selling price for newly built homes sourced from the UK House Price Index as calculated by the Office for National Statistics from data provided by HM Land Registry. Group average private selling price is £259,231

Leading the industry as a responsible builder



➤ Residents' safety is our priority

- Committed that leaseholders would not have to pay to remove any cladding or correct safety issues on any multi-storey buildings we constructed - 33 developments identified
- Extended the “look back” 30 years in response to Government request - previously 22 years
- Secured successful EWS1 certificates for four of the identified buildings, working proactively on the rest
- £75m fund announced last year remains appropriate with no recourse to Govt's Building Safety Fund
- Signed the Government's Developer Pledge; proportionality and the additional levy now the focus

➤ Committed to providing certainty to our customers

- Led the industry in agreeing voluntary undertakings with the Competition and Markets Authority regarding their leasehold enquiry
- Extended our existing Right to Buy scheme to offer a greater discount on the purchase of their freehold

Excellent position to deliver future growth



- ③ Robust forward sales – £2.8bn
- ③ Current private weekly sales rate per site c. 2% ahead of last year
- ③ Customer enquiry levels remain strong
- ③ Anticipate expansion in our outlet network through 2022 – on track to open c.75 new outlets in the first half
- ③ Expect to deliver 4 - 7% growth in new home legal completions this year whilst maintaining the Group's industry-leading margins
- ③ Greater proportion of new homes to be delivered in the second half of year in line with our outlet growth profile

Good momentum & positive for the future



- ✓ Leading the industry as a responsible builder
- ✓ Improving build quality and strengthening the brand
- ✓ Meeting the “green” agenda
- ✓ Strong land holdings and growing outlets
- ✓ Investing further in our own vertical integration and people
- ✓ Disciplined growth ensures resilient margin and strong cash generation
- ✓ Demand remains strong

“An agile approach taking advantage of exciting opportunities”