11 March 2025

FULL YEAR RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

Delivering growth

Persimmon Plc today announces Final Results for the year ended 31 December 2024.

Financial Highlights

	2024	2023	Change
New home completions	10,664	9,922	+7%
New home average selling price	£268,499	£255,752	+5%
New housing revenue	£2.86bn	£2.54bn	+13%
Underlying operating profit[1]	£405.2m	£354.5m	+14%
Underlying operating margin[2]	14.1%	14.0%	+10bps
Underlying profit before tax[1]	£395.1m	£359.4m	+10%
Underlying return on average capital employed[3]	11.1%	10.5%	+60bps
Dividend per share	60p	60p	-%
Cash at 31 December	£258.6m	£420.1m	£(161.5)m
Statutory measures:			
Total Group revenue	£3.20bn	£2.77bn	+16%
Profit before tax	£359.1m	£351.8m	+2%
Operational highlights:			
Land holdings at 31 December – plots owned and under control	82,084	82,235	-%
Number of selling outlets at 31 December	270	258	+5%
Current private forward sales position[4]	£1.15bn	£0.90bn	+27%
Customer satisfaction score[5]	96.0%	92.9%	+310bps

- 7% increase in completions to 10,664
- 14% increase in underlying operating profit and underlying operating margin of 14.1% (2023: 14.0%)
- Improved net private sales rate of 0.70 per outlet per week up from 0.58 in 2023. Excluding bulk sales, net private sales rate of 0.59, up 5% on the prior year (2023: 0.56)
- Customer satisfaction score improved to 96.0% (2023: 92.9%); continued five-star HBF rating
- 13,064 plots achieved detailed planning consent in the year, a 21% improvement and significantly above industry trends
- £1.55bn disciplined land investment in last three years supporting future outlet growth
- 12% increase in underlying EPS to 92.1p[1]

Current trading and outlook

We entered 2025 with an improved forward order book and have continued to add to it since the start of the year. In the first nine weeks of 2025, our net private sales rate per outlet per week was 0.67, up 14% compared to the same period last year (2024: 0.59). Combined with a 3% increase in the private average selling price to £288,542 (2024: £279,282), our current private forward order book is £1.15bn, 27% higher year on year (2024: £0.90bn).

Given this progress in our forward order book and an anticipated increase in the delivery of affordable homes, we are targeting 11,000-11,500 completions in 2025. Alongside this we are targeting further growth in profit and returns, in line with market expectations, and an improved underlying operating margin in 2025. Although we are mindful of the potential impact from ongoing macroeconomic and geopolitical uncertainties, the underlying market fundamentals remain strong. Persimmon is well positioned to benefit from our disciplined investment in land and operational improvements of recent years. Our medium-term ambition is to deliver an underlying operating margin and ROCE of 20%.

Dean Finch, Group Chief Executive, commented:
"Persimmon's disciplined investment and significant operational improvements in recent years has created a stronger business. This is demonstrated by our growth in 2024, with completions, outlets and profit all up. The underlying market fundamentals remain strong and we are encouraged by the further improvement in our sales rates in the early weeks of this year. The Government's welcome planning reforms and pro-housebuilding agenda demands more of the high-quality, affordable homes which are Persimmon's core strength, providing a positive tailwind.

With our strong platform in place, we are targeting further growth this year and are confident the business will grow margins, returns and shareholder value over the medium term."

Footnotes

1 Stated before net exceptional charge (2024: £34.4m; 2023: £nil), and goodwill impairment (2024: £1.6m; 2023: £7.6m).
2 Stated before net exceptional charge (2024: £34.4m; 2023: £nil), and goodwill impairment (2024: £1.6m; 2023: £7.6m) and based on new housing revenue.
3 12 month rolling average calculated on operating profit before net exceptional charge (2024: £34.4m; 2023: £nil), and goodwill impairment (2024: £1.6m; 2023: £7.6m).
4 2024 figure as at 2 March 2025; 2023 figure as at 3 March 2024.
5 The Group participates in a National New Homes Survey, run by the Home Builders Federation. The rating system is based on the number of customers who would recommend their builder to a friend.

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There will be an analyst and investor presentation at 09.00 today, hosted by Dean Finch, Group Chief Executive and Andrew Duxbury, Chief Financial Officer.

Analysts unable to attend in person may listen live via webcast using the link below. All participants must pre-register to join the webcast. Once registered, an email will be sent with important details for this event, as well as a unique Registrant ID. This ID is to be kept confidential and not shared with other participants.

Live webcast: https://edge.media-server.com/mmc/p/sovwpads

An archived webcast of today's analyst presentation will be available from this afternoon on www.persimmonhomes.com/corporate.

CHAIRMAN'S STATEMENT

Introduction

I am delighted that the Group's results deliver on our ambition of a strong return to growth in 2024, with a 7% increase in completions and a 10% improvement in underlying profit before tax[1]. But more importantly, I believe they mark the start of an exciting new growth phase for Persimmon.

Over the past few years, we have been clear that we needed to be building five-star homes that met or exceeded our customer expectations. We needed to build them safely and we needed to leverage our in-house supply chain effectively while continuing to buy land at the right price to increase the number of outlets we have open. I believe 2024 marked the turning point with good progress across the board, and we have achieved this whilst maintaining a strong balance sheet.

At Persimmon, we have three fundamental principles. First, we will protect our robust balance sheet and maintain a disciplined approach to investment in land. This, coupled with the significant improvements in our operational capabilities, has positioned the business for success over the next housing cycle.

Second, our commitment to build quality and customer care has improved both our brand and reputation in a highly competitive market. I am proud of our team's dedication and progress as evidenced by further improvement in our customer satisfaction score and the achievement of a five-star HBF rating for the third year in a row.

Third, vertical integration remains a key advantage and differentiates us from our peers. These key capabilities provide us with security of supply and support our drive to deliver high-quality, affordable homes consistently and cost efficiently, as demonstrated by our industry-leading margins.

These core elements to Persimmon's approach are reinforced by our recent disciplined investment in land, complemented by the current Government's pro-housebuilding agenda. The recent, and very welcome, planning reforms are creating a positive tailwind on the supply side, providing additional momentum towards our ambition of growing our outlets to at least 300.

With a greater focus on our three well positioned brands, we have the opportunity to drive further growth as this enhanced diversification for the Group caters to different customer segments.

Persimmon is well placed to drive further growth, delivering strong financial performance and value for our shareholders. I would like to thank all our employees and subcontractors for their dedication and hard work, which have been instrumental in driving our success.

Industry leadership

I am proud to reaffirm our unwavering commitment to our building safety remediation programme and we are delivering ahead of the Government's Remediation Acceleration Plan timetable. The proactive measures taken in addressing our building safety remediation have meant we have completed or started works on over 70% of known developments or over 80% of our accepted buildings and are on track to be on site at all developments by the end of 2025. We anticipate completing remediation works on the majority of the outstanding developments over the next two years.

During the year, the Board were pleased to meet with Dame Judith Hackitt, the former Chair of the Independent Review of Building Regulations and Fire Safety, to discuss our approach to building safety.

Shareholder returns

Our Capital Allocation Policy balances cash returns to shareholders with business investment for future growth. For 2024, the Board proposes a final dividend of 40p per share, payable on 11 July 2025 to shareholders on the register at 20 June 2025, following shareholder approval at the AGM. This dividend, combined with the interim dividend of 20p per share paid in November 2024, totals 60p per share for the 2024 financial year.

Board changes

We were delighted to welcome Andrew Duxbury as CFO in June 2024. Andrew is already making a significant contribution to the business and brings a wealth of experience to the team.

Additionally, Paula Bell and Anand Aithal joined the Board as Non-Executive Directors in September 2024 and January 2025 respectively. Paula has an extensive background in finance and strategic planning, which will help support the financial performance and strategic growth of the Company. Anand is an entrepreneur who brings significant experience in digital transformation and innovation, as well as Government relations, which will be invaluable as Persimmon continues to modernise its operations. The Board and I look forward to working with them both. We bid farewell to Shirine Khoury-Haq, who departed from the Board in September 2024 to focus on her Executive role, having served on the Persimmon Board for three years. We extend our thanks and best wishes to Shirine in her future endeavours.

In conclusion

We believe we are well positioned for the future. This is as a result of the land and planning investments we have made in recent years, our vertical integration capabilities, and our excellent teams. This investment, coupled with the Government's ambitious planning reforms, should drive more of the high-quality, affordable homes which are Persimmon's core strength, thus supporting our long-term growth ambitions.

1 Stated before net exceptional charge (2024: £34.4m; 2023: £nil), and goodwill impairment (2024: £1.6m; 2023: £7.6m).

CHIEF EXECUTIVE'S REVIEW

Delivering growth

Persimmon benefits from a strong balance sheet and a secure and growing pipeline of outlets, complemented by longer-term strategic land positions. Our decisions to sustain disciplined investment in new land, enhance sales and marketing, improve build quality and customer service and extend the efficiency benefits of our vertical integration have enabled us to build a better and more sustainable business. Our return to growth in 2024, with a 7% increase in completions and 14% improvement in underlying operating profit[1], demonstrates the success of our approach.

We are well placed to capture further opportunities. The Government's planning reforms and ambitious pro-house building agenda, coupled with our strong land bank and enhanced planning approach, support our aim of operating from at least 300 outlets. Further investment in our digital marketing platforms and the targeted expansion of our three brands – each well positioned at the affordable end of their respective markets - will enable us to further increase volumes, driving growth and financial returns. A new automated production line in our Space4 timber frame factory will further enhance build efficiency and mitigate anticipated industry skills shortages. A second timber frame factory, together with innovations such as a brick facade product and construction management digitisation, will provide further efficiency benefits.

I am really proud of the Persimmon team for its dedication and hard work in recent years in positioning our business for sustained growth and success. I am pleased to welcome Iain McPherson as our new UK Manging Director and would like to thank Paul Hurst for his 28 years of dedicated service.

Persimmon has built a platform for longer-term growth, well placed to drive further margin improvement and enhanced returns.

Trading performance

Our stated ambition was to capitalise on our enhanced operational capabilities and leverage our investment in land to return to growth as quickly as possible. These results demonstrate the success of this strategy as we delivered 10,664 new homes in the year (2023: 9,922). Enhanced sales and marketing led to a net sales rate of 0.70 per outlet per week which included a 0.13 per outlet per week contribution from bulk sales (2023: 0.07) as we took advantage of the growing institutional investor and Build to Rent ('BTR') market. Since the 2024 spring selling season, customer enquiries and sales rates have been consistently ahead of the prior year. Private average selling prices on reservations increased as the year progressed with incentives controlled at c.4.5% per gross reservation (2023: c.4.0%).

We are pleased to have achieved an underlying operating margin[2] of 14.1% (2023: 14.0%). Our vertical integration and operational efficiencies enabled us to mitigate the substantial impact of embedded build cost inflation coming into the year. These unique capabilities have helped underpin the margin performance and will help drive further growth.

Improving sales effectiveness

The benefit of our investment in our sales and marketing platforms and teams is evident in a 34% increase in website visitors and a 26% growth in enquiries in the year. This increased interest helped drive an improved net private sales per outlet per week of 0.70 (2023: 0.58), 0.57 excluding bulk sales (2023: 0.50).

We have three strong brands across the business in Persimmon Homes, Charles Church and Westbury Partnerships, providing diversification and the ability to realise our assets more efficiently. This strategy broadens our customer pool, with each brand's ambition to be the leading provider of value in their respective markets.

We have reinvigorated the Charles Church brand with an enhanced specification which will drive increased value for the business. Charles Church saw a 31% increase in private completions in the period demonstrating the initial progress we've made in capturing the demand in this market. Our newly promoted Deputy UK Managing Director will drive the brand's further growth.

We completed 1,456 bulk sales to investors in the period (2023: 780) and continue to expect this segment of the market to contribute c.10-15% of our future volume. Savills reported £5.1bn of investment in the BTR market in 2024, of which c.50% was for single family housing[3]. With the institutional investor and BTR markets presenting a large and growing opportunity, we will continue to develop long-term relationships to secure sales that enhance capital returns and accelerate delivery.

The Government has an ambitious affordable homes programme, and we expect this to be a growing market in the coming years. Our new UK Managing Director has significant experience in this market, complementing our improved relationships in this segment of the market. We anticipate growing our affordable homes delivery in 2025 with nearly all units secured for the year, demonstrating the benefit of our proactive engagement with housing associations and local authorities.

Continued focus on build quality and safety

Our improvements in customer service and build quality have ensured that prospective purchasers continue to choose Persimmon in a highly competitive market. Recent investment in digitisation of on-site build processes is helping drive further improvement in build quality and efficiency, health and safety management and engagement with our customers.

The results of these improvements are clear. We have further improved our HBF eight-week customer satisfaction score[4] to 96.0% (2023: 92.9%), having maintained our five-star HBF rating for the third consecutive year. Reportable items improved by 7% to 0.26 in 2024 (2023: 0.28); this equates to a 60% improvement from the position in 2019. These efforts were also acknowledged in the industry's Pride in the Job Awards, where 19 sites received awards in 2024, more than double the number in 2023 and Persimmon's best results in at least a decade.

I am pleased that we continue to make good progress on our building safety remediation programme, ahead of the Government's Remediation Acceleration Plan targets. We have completed works or are on site at 73% of known developments or 82% of accepted buildings, with the remainder expected to be on site by the end of the year. Further detail is provided in the Financial Review.

Land and planning success

We made a strategic decision to continue to invest in land in recent years at the right point in the cycle. Savills Greenfield Development Land Index[5] fell 9% from September 2022 to March 2024, with our disciplined investment in this period helping secure the strong embedded margins within our land bank. In the year, we successfully brought 13,404 plots into our owned and under control land holdings, a replacement rate of 126%.

We have continued to focus on actions we can take to address challenges in the planning system to improve our performance. In the period, we secured detailed or reserved matters planning for 13,064 plots, reflecting a 21% increase from the previous year (2023: 10,809) and representing 123% of 2024 completions, demonstrating the success of this approach. The Government's revision of the National Planning Policy Framework will provide further helpful momentum in coming years.

Our approach is to proactively engage local authorities and find innovative solutions to address challenges. For example, our Anglia business developed its own nature-based nutrient mitigation solution at Guist, Norfolk, to treat both phosphates and nitrates. This solution will allow us to bring forward c.1,000 plots across three sites in a more timely and cost-effective manner than available alternatives.

Our sustained, disciplined investment in land and planning approval success positions the business for future growth. We ended the period with 270 outlets, a 5% increase from the previous year (2023: 258 outlets) against a backdrop of industry decline. We have a strong pipeline of new outlets to open in 2025 and remain on track to achieve our target of at least 300 outlets.

Vertical integration providing efficiency and resilience in supply

Our Brickworks, Tileworks and Space4 factories are a differentiator and continue to provide a secure supply of cost-effective, high-quality materials to the business. We estimate that where we use our own bricks, tiles and timber frames we save up to £5,500 per plot, insulating us from supplier cost increases and providing a positive contribution to margin. In 2024, we sourced 56% of our brick (2023: 54%) and 85% of our roof tiles (2023: 81%) from our in-house factories.

Innovation will be key to the delivery of our growth and build efficiency ambitions. Anticipated skills shortages present a challenge to the whole industry particularly considering the Government's ambitious growth targets. New techniques that significantly shorten build times provide an opportunity for further efficiency gains and factory-assured high quality. Timber frame has a crucial role to play as it reduces the demand for scarce labour and typically shortens our build times by around eight weeks. This is why we have continued to invest in our existing Space4 factory, beginning the installation of a new automated line in early 2025 to further improve productivity, efficiency and quality of our timber frame product. We anticipate commencing work on our second Space4 factory in Loughborough this year, to further increase our capacity and range of timber frame products. We have also piloted further innovation, such as the combined use of our timber frame with the Mauer brick facade product. The combination of timber frames produced in our new factory and the Mauer facade provides the opportunity for a significant step-up in housing output, while securing additional savings through lower off-site manufacturing costs and even faster build times.

Current trading and outlook

We entered 2025 with an improved forward order book and have added to it further since the start of the year. In the first nine weeks of the year our net private sales rate per outlet per week was 0.67, up 14% compared to the same period last year. The private average selling price in the current order book is up 3% compared to last year. Together, these improved sales rates and average selling prices means our current private forward sales position is £1.15bn, 27% higher year on year (2024: £0.90bn).

With this progress in our forward order book, alongside an anticipated increase in the delivery of affordable homes, we are targeting 11,000-11,500 completions for 2025. With the ongoing benefit of our improved operational capabilities and disciplined investment in our land holdings, we are on track to deliver further growth in profit and returns and an improved underlying operating margin again this year.

We are mindful of the ongoing macroeconomic and geopolitical uncertainties and their potential impact on delivery. The timing of any future interest rate changes is likely to impact prevailing customer confidence. Government policy and regulatory changes, such as the National Insurance increase and proposed Building Safety Levy, are adding costs to the business. We will continue to mitigate their impact through our relentless focus on cost control and efficiency, and we expect to be able to restrict build cost inflation to low single digits in the year.

The underlying market fundamentals remain strong and Persimmon's disciplined investment and operational improvement in recent years, mean we are confident the business will grow margins, returns and shareholder value over the medium-term. Our enhanced approach to planning is already helping to convert our sustained investment in land into new outlets and supports our target of at least 300 outlets. Our disciplined land buying incorporates the new regulations such as Future Homes Standard, Building Safety Levy, nutrient neutrality and Biodiversity Net Gain to preserve embedded margins.

Our investment in new technology is enhancing our sales and marketing, both driving greater customer interest and enhancing conversion rates. Our on-site digitisation has already secured operational, commercial and quality improvements and efficiencies, with more opportunities ahead. Enhanced automation in both our existing and new timber frame factories, coupled with innovations such as the combination with a brick facade product, means we have significant further build efficiency opportunities ahead.

With three strong brands, each positioned as good value products in their respective markets, we are well placed to increase volumes and returns. With this volume growth delivered efficiently given our investment and operational improvements, our overhead leverage will improve further strengthening our margin. Taken together we believe we are well placed to deliver a medium-term margin and ROCE ambition of 20%, driving increasingly stronger shareholder returns.

Footnotes:

1. Stated before net exceptional charge (2024: £34.4m; 2023: £nil), and goodwill impairment (2024: £1.6m; 2023: £7.6m).
2. Stated before net exceptional charge (2024: £34.4m; 2023: £nil), and goodwill impairment (2024: £1.6m; 2023: £7.6m) and based on new housing revenue.
3. Savills UK | UK Build to Rent Market Update – Q4 2024.
4. The Group participates in a National New Homes Survey, run by the Home Builders Federation. The rating system is based on the number of customers who would recommend their builder to a friend.
5. Savills Greenfield Index.

FINANCIAL REVIEW

The Group operates with a very strong balance sheet and delivered an improved financial performance, and growth in volume of new homes, as a result of our disciplined and strategic financial investment into the business.

Trading

The Group generated total revenue[1] of £3.20bn (2023: £2.77bn), with new housing revenue 13% higher than 2023 at £2.86bn (2023: £2.54bn).

In total, the Group delivered 10,664 new homes in 2024, 7% higher than in the prior year (2023: 9,922), at a blended average selling price up 5% at £268,499 (2023: £255,752).

Of these, 9,075 homes were delivered to private customers, an increase of 18% on last year (2023: 7,681) and representing 85% of total completions (2023: 77%). This greater weighting towards private sales reflects a more typical completion mix, after accelerating delivery of affordable homes in 2023 when private market conditions were weaker. The private average selling price of £287,162 was marginally up on the prior year (2023: £285,774) reflecting the strength of the market in some of our regions, offset by an increased use of incentives and an increase in the number of plots sold to investors. During the year, we completed the sale of 1,456 homes to investors, up from the 780 delivered last year, as we continue to strengthen our strategic relationships in this increasingly important part of the market.

The Group delivered a further 1,589 new homes to housing associations (2023: 2,241) at an average selling price of £161,916, 6% higher than the prior year (2023: £152,852). We are aware of the financial challenges facing many registered providers, and the impact on their ability to bid for s106 housing plots, and so are pleased that we have nearly all of our expected s106 housing delivery for 2025 already secured.

The Group's performance continues to be supported by our high-quality land portfolio, with land cost recoveries[2] of 11.9% of new housing revenue for the year (2023: 11.7%). The small increase in the year reflects the mix of completions and has resulted in a small decrease in the Group's underlying gross margin[3] to 20.3% from 20.5% last year. As a percentage of new housing revenue, build and other direct costs were flat year on year.

The Group's underlying gross profit[4] for the year increased by 12% to £582.4m (2023: £520.1m). The Group's reported gross profit for the year is £580.4m (2023: £520.1m) after exceptional items, as described below.

The Group has maintained its focus on cost control and has been able to increase its operating margin in the year. Underlying operating profit[5] for the Group increased 14% to £405.2m (2023: £354.5m), generating an underlying operating margin[6] of 14.1% (2023: 14.0%). On a reported basis operating profit increased 6% to £369.2m (2023: £346.9m) including the net exceptional charge described below.

The Group has reported a net exceptional charge of £34.4m (2023: £nil). This includes a net exceptional charge within gross profit of £2.0m (2023: £nil) in relation to the anticipated costs of the Group's commitments to the costs of removal of combustible claddings and other fire related remediation works (see below). The Group also recognised an exceptional charge of £25.0m in relation to the impairment of its investment and long-term loan notes in TopHat Enterprises Limited, which writes down the value of the investment and long-term notes to £nil, as well as a charge of £7.4m relating to costs incurred on professional fees associated with one-off projects, including for prospective M&A opportunities and the ongoing CMA investigation. These have been classified as exceptional given they are non-recurring in nature. Further detail is provided in note 4 to the financial information.

Net finance cost for the year was £10.1m (2023: £4.9m net finance income) being a result of lower average cash balances, increased utilisation of our £700m Revolving Credit Facility ('RCF'), £3.8m of imputed interest payable on land creditors (2023: £6.0m) and £7.4m of imputed interest payable on the legacy buildings provision (2023: £4.0m).

The Group generated an underlying profit before tax[5] of £395.1m (2023: £359.4m), and a reported profit before tax of £359.1m (2023: £351.8m).

The Group has an overall tax charge of £92.0m for the year (2023: £96.4m) and an effective tax rate of 25.6% (2023: 27.4%), lower than the standard rate of 29.0% (including both corporation tax and the Residential

Property Developers Tax) (2023: 27.5%). The lower rate was driven by deductions arising from the finalisation of prior year tax returns, including one-off items in respect of the treatment of building safety remediation provisions, and we anticipate the rate reverting towards the standard rate in the future.

Underlying basic earnings per share[5] for the year was 92.1p, 12% higher than the prior year (2023: 82.4p). Reported basic earnings per share was 5% higher than last year at 83.6p (2023: 80.0p).

Underlying return on average capital employed ('ROCE') including land creditors was 11.1%[7], higher than the prior year (2023: 10.5%) reflecting the increase in underlying operating profit[5] in the year. ROCE excluding land creditors was 12.2%[7] compared with 11.8% at 31 December 2023. On a statutory basis, ROCE including land creditors was 10.1%[7] (2023: 10.2%).

Building safety

The Group has committed to make progress on its building safety remediation programme, as well as investing in future building quality. Our work has been recognised by our membership of the Building Safer Future Charter.

Across our legacy building programme, we continue our proactive approach of working with management companies, factors (in Scotland) and their agents to carry out necessary remediation as soon as possible. The table below sets out our detailed position at 31 December 2024, compared to 31 December 2023.

Of the total of 83 developments in our programme, 40 (48%) have already had any necessary works completed. Of the remaining 43 developments, 21 currently have work on site and 22 are at varying stages of pre-tender, live tender, progressing to contract or agreed contract and works starting very soon. As we actively progress the programme the number of developments at or before the tender stage has reduced by 37% to 10; and the number of developments on site or completed has increased 9% to 61.

Identified developments	**As at 31 December 2024**	**As at 31 December 2023**
Recently made aware and under investigation	1	2
Pre-tender preparation ongoing	9	8
Live tender process	-	6
Sub-total: progressing through tender	**10**	**16**
Progressing to contract	8	7
Contracted but works yet to start	4	3
Sub-total: pre-works starting	**22**	**26**
Currently on site	21	17
Sub-total: to complete	**43**	**43**
Completed developments	40	39
Total identified developments	**83**	**82**
Cash expenditure in the year	£58m	£46m
31 December provision	£235m	£283m

During the year, the provision has been increased by £25.0m, following a review of the projected costs to complete rectification work, partly offset by the recoverability of £23.0m of VAT applicable to certain costs resulting in a net £2.0m increase in the provision. Due to the non-recurring nature of these changes, they have been disclosed as exceptional items to support the understanding of financial performance and improve the comparability between reporting periods.

We spent £58.1m on the programme in the year, with total aggregate expenditure now over £120m, whilst a further £7.4m of imputed interest was charged to the income statement through finance costs. The remaining provision at 31 December 2024 was £235.3m and the next 24 months are projected to be the peak period of cash expenditure on this programme. Given our own proactive approach, and the sustained significant publicity around cladding and building safety, we do not anticipate substantial new building additions into the programme.

Competition and Markets Authority ('CMA')

On 26 February 2024, the CMA launched an investigation under Chapter I of the Competition Act 1998 into suspected breaches of competition law by eight housebuilders, including Persimmon, relating to concerns that it may have exchanged competitively sensitive information. On 10 January 2025, the CMA extended the timeline for the initial investigation by five months to May 2025. The Group continues to cooperate with the CMA in relation to its ongoing market investigation into alleged anti-competitive conduct by housebuilders.

Balance sheet

Total equity increased by £0.09bn to £3.51bn at 31 December 2024 (2023: £3.42bn). This is after returning £191.8m of capital to shareholders through a final dividend of 40p per share in respect of the 2023 financial year and an interim dividend of 20p per share for the 2024 financial year. Retained earnings increased to £2.94bn (2023: £2.85bn). Reported net assets per share of 1,096p represents a 2% increase from 1,070p at 31 December 2023.

Land holdings

A core strength of the business remains its disciplined approach to land replacement. Over the last three years we have maintained our selective land purchase strategy, positioning us well for the future as we look to grow our outlet position. At 31 December 2024, we had 270 outlets, 5% higher than 31 December 2023, and remain on track to increase outlets in 2025 as we position the business for further growth.

At 31 December 2024, the carrying value of the Group's land assets increased by 8% to £2,266m (2023: £2,104m), reflecting continued investment in the Group's future and our ongoing focus on converting owned land with outline planning permissions to implementable consents. The Group's land cost recoveries for the year of 11.9%[2] of new housing revenue is 20bps higher than the prior year, reflecting the mix of completions in the year, and remains an excellent position.

During the year, the Group brought 13,404 plots into its owned and under control land holdings across 58 locations throughout the country, of which 7,591 (57%) were converted from our strategic land portfolio.

At the end of the year, the Group had owned and under control land holdings of 82,084 (2023: 82,235) representing 7.7 years of forward supply at 2024 volumes. Owned plots totalled 69,189 (2023: 66,742) of which 40,430 have a detailed implementable planning consent, a 5% year on year increase, providing excellent visibility. The Group's owned land holdings represent 6.5 years of forward supply at 2024 volumes, with an overall pro-forma site gross margin[8] of c.29% (2023: c.29%) and a land cost to revenue ratio of 11.9%[9] (2023: 11.5%) which provides good confidence for future margin progression.

In addition to its owned plots, the Group controls 12,895 plots (2023: 15,493) through exchanged contracts. These contracts to acquire the site will be completed once all outstanding unfulfilled planning conditions have been satisfied. Cash invested in these under control plots is limited to deposits paid on the exchange of contracts and fees associated with progressing the sites through the planning system. During the year, the Group secured detailed or reserved matters planning for 13,064 plots (2023:10,809).

The Group incurred net land spend of £437.0m during 2024 (2023: £397.8m), including £210.6m of payments in satisfaction of deferred land commitments (2023: £253.0m).

In 2024, the Group acquired interests in a further c.6,900 potential plots of strategic land opportunities resulting in a total of c.70,000 plots at 31 December 2024 (2023: c.79,500 plots). This will provide a long-term supply of forward plots for future development by the Group.

Work in progress

At 31 December 2024, the Group had work in progress of 3,684 equivalent units of new homes under construction, 12% lower than the position we entered the year in (2023: 4,170). This decrease reflects the strong volume of completions in 2024, ahead of expectations, alongside good control of working capital. On average, overall weekly build rates tracked 2% higher in the year, with an average of 201 equivalent units of build per week, compared to 198 per week in 2023.

Our work in progress investment at 31 December 2024 of £1.43bn was in line with the prior year (2023: £1.43bn).

As at 31 December 2024, we owned 739 part exchange properties (2023: 591 properties) at a value of £154.4m (2023: £114.6m). Part exchange continues to be a key sales incentive for our customers, and we are progressing sales of part exchange properties promptly at around expected values.

Cash generation and liquidity

During the year, we continued our targeted investment into the business to enhance quality, efficiency and returns as we build a more sustainable business. Our long-standing financial discipline will continue to maintain our robust balance sheet.

At 31 December 2024, the Group had a cash balance of £258.6m (2023: £420.1m) with land creditors of £423.2m (2023: £372.0m), of which c.£240m are expected to be settled during 2025.

The Group generated £419.6m of cash from operating activities in the year (2023: £360.1m), before investing £232.7m in working capital (being principally £113.4m in net land and a £57.3m utilisation of the legacy buildings provision) and returning £191.8m of capital to shareholders through dividend payments (2023: £255.4m).

The Group's shared equity loans have generated £4.6m of cash in the year (2023: £5.7m). The carrying value of these outstanding shared equity loans, reported as 'shared equity loan receivables', is £29.0m at 31 December 2024 (2023: £32.1m).

During the year the Group's banking facility was extended by 12 months to July 2029, with the possibility of a further extension to 2030. The RCF is a 'sustainability linked' facility within the banks' finance frameworks, with ESG targets across the facility's term. The targets are consistent with the Group's science-based operational carbon reduction targets, our commitment to deliver net zero homes in use by 2030 and our long-standing ambition to deliver excellent development opportunities for our colleagues.

The Group's defined benefit pension asset has increased to £130.7m at 31 December 2024 (2023: £127.1m), the increase reflecting an increase in the discount rate assumptions applied to the scheme obligations offset in part by the underperformance of asset returns from that expected at the start of the year.

Capital allocation

The Group's Capital Allocation Policy is to invest in future growth through disciplined expansion of our land portfolio while maintaining a strong balance sheet and delivering sustainable returns to shareholders.

For 2024, the Board proposes a final dividend of 40p per share to be paid on 11 July 2025 to shareholders on the register on 20 June 2025, following shareholder approval at the AGM. This dividend is in addition to the interim dividend of 20p per share paid on 8 November 2024 to shareholders on the register on 18 October 2024 to give a total dividend of 60p per share in respect of the financial year 2024 (2023: 60p).

As we deliver on our medium-term growth ambitions, coupled with further progress on our fire safety remediation programme, we anticipate increasing our returns to shareholders.

2025 outlook

Although we are mindful of the potential impact from ongoing macroeconomic and geopolitical uncertainties, the underlying market fundamentals remain strong. Our current private forward sales position stands at £1.15bn, a 27% increase year on year (2024: £0.90bn). With this progress in our forward order book and an expected rise in the delivery of affordable homes, we are targeting 11,000-11,500 completions for 2025. Benefiting from our improved operational capabilities and disciplined investment in our land holdings, we aim to achieve further growth in profit and returns, as well as an improved underlying operating margin to between 14.2% and 14.5% for 2025.

The next two years are expected to see peak expenditure on our building safety remediation programme, with approximately £100m anticipated to be spent in 2025. The net cash position at the end of 2025 is currently forecast to be between £nil and £200m.

Footnotes:

1. The Group's total revenues include the fair value of consideration received or receivable on the sale of part exchange properties and income from the provision of broadband internet services. New housing revenues are the revenues generated on the sale of newly built residential properties only.
2. Land cost value for the plot divided by the revenue of the new home sold.
3. Stated before a net exceptional charge of £2.0m (2023: £nil), as set out in note 4, and based on new housing revenue (2024: £2.86bn; 2023: £2.54bn).
4. Stated before a net exceptional charge of £2.0m (2023: £nil), as set out in note 4.
5. Stated before a net exceptional charge of £34.4m (2023: £nil), as set out in note 4, and goodwill impairment (2024: £1.6m; 2023: £7.6m).
6. Stated before a net exceptional charge of £34.4m (2023: £nil), as set out in note 4, and goodwill impairment (2024: £1.6m; 2023: £7.6m) and based on new housing revenue (2024: £2.86bn; 2023: £2.54bn).
7. 12-month rolling average calculated on underlying operating profit and total capital employed. Underlying operating profit is stated before net exceptional charge of £34.4m (2023: £nil), as set out in note 4, and goodwill impairment (2024: £1.6m; 2023: £7.6m). Capital employed being the Group's net assets less cash and cash equivalents plus land creditors. ROCE excluding land creditors is calculated on capital employed being the Group's net assets less cash and cash equivalents excluding land creditors. Statutory ROCE including land creditors is calculated on reported operating profit and capital employed with capital employed being the Group's net assets less cash and cash equivalents plus land creditors.
8. Estimated weighted average site gross margin based on assumed revenues and costs at 31 December 2024 and normalised output levels.
9. Land cost value for the plot divided by the anticipated future revenue of the new home sold.

PERSIMMON PLC

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2024

	Note	**2024 Total £m**	2023 Total £m
Revenue	3	**3,200.7**	2,773.2
Cost of sales		**(2,620.3)**	(2,253.1)
Gross profit		**580.4**	520.1
Analysed as:			
Underlying gross profit		**582.4**	520.1
Exceptional - Legacy buildings provision (through Cost of Sales)	4	**(2.0)**	-
Other operating income		**9.8**	8.6
Operating expenses		**(196.0)**	(181.8)
Exceptional - Impairment of a financial asset	4	**(25.0)**	-
Profit from operations		**369.2**	346.9
Analysed as:			
Underlying operating profit		**405.2**	354.5
Exceptional - Legacy buildings provision (through Cost of Sales)		**(2.0)**	-
Exceptional - Impairment of a financial asset		**(25.0)**	-
Exceptional - Project fees	4	**(7.4)**	-
Impairment of intangible assets		**(1.6)**	(7.6)
Finance income		**11.1**	19.7
Finance costs		**(21.2)**	(14.8)
Profit before tax		**359.1**	351.8
Analysed as:			
Underlying profit before tax		**395.1**	359.4
Exceptional items		**(34.4)**	-
Impairment of intangible assets		**(1.6)**	(7.6)
Tax	5	**(92.0)**	(96.4)
Profit after tax (all attributable to equity holders of the parent)		**267.1**	255.4
Other comprehensive expense			
Items that will not be reclassified to profit:			
Remeasurement loss on defined benefit pension schemes	13	**(1.5)**	(35.1)
Tax	5	**0.4**	9.8
Other comprehensive expense for the year, net of tax		**(1.1)**	(25.3)
Total recognised income for the year		**266.0**	230.1
Earnings per share			
Basic	6	**83.6p**	80.0p
Diluted	6	**82.7p**	79.5p

PERSIMMON PLC

Consolidated Balance Sheet

As at 31 December 2024

	Note	**2024 £m**	2023 £m
Assets			
Non-current assets			
Intangible assets		**164.6**	165.4
Property, plant and equipment		**154.6**	140.5
Investments accounted for using the equity method		**0.3**	1.0
Shared equity loan receivables	9	**25.7**	27.2
Trade and other receivables		**-**	6.9
Deferred tax assets		**9.2**	11.5
Retirement benefit assets	13	**130.7**	127.1
		485.1	479.6
Current assets			
Inventories	8	**3,902.8**	3,701.2
Shared equity loan receivables	9	**3.3**	4.9
Trade and other receivables		**167.8**	182.0
Current tax assets		**15.8**	-
Cash and cash equivalents	12	**258.6**	420.1
		4,348.3	4,308.2
Total assets		**4,833.4**	4,787.8
Liabilities			
Non-current liabilities			
Trade and other payables		**(196.2)**	(178.7)
Deferred tax liabilities		**(73.1)**	(64.9)
Partnership liability		**(10.3)**	(15.1)
Legacy buildings provision	10	**(123.9)**	(161.7)
		(403.5)	(420.4)
Current liabilities			
Trade and other payables		**(806.3)**	(821.7)
Partnership liability		**(5.6)**	(5.6)
Current tax liabilities		**-**	(0.1)
Legacy buildings provision	10	**(111.4)**	(121.5)
		(923.3)	(948.9)
Total liabilities		**(1,326.8)**	(1,369.3)
Net assets		**3,506.6**	3,418.5
Equity			
Ordinary share capital issued		**32.0**	31.9
Share premium		**25.6**	25.6
Capital redemption reserve		**236.5**	236.5
Other non-distributable reserve		**276.8**	276.8
Retained earnings		**2,935.7**	2,847.7
Total equity		**3,506.6**	3,418.5

PERSIMMON PLC

Consolidated Statement of Changes in Shareholders' Equity

For the year ended 31 December 2024

	Share capital	Share premium	Capital redemption reserve	Other non-distributable reserve	Retained earnings	Total
	£m	£m	£m	£m	£m	£m
Balance at 1 January 2023	**31.9**	**25.6**	**236.5**	**276.8**	**2,868.5**	**3,439.3**
Profit for the year	-	-	-	-	255.4	255.4
Other comprehensive expense	-	-	-	-	(25.3)	(25.3)
Transactions with owners:						
Dividends on equity shares	-	-	-	-	(255.4)	(255.4)
Own shares purchased	-	-	-	-	(1.2)	(1.2)
Share-based payments	-	-	-	-	5.7	5.7
Balance at 31 December 2023	**31.9**	**25.6**	**236.5**	**276.8**	**2,847.7**	**3,418.5**
Profit for the year	-	-	-	-	267.1	267.1
Other comprehensive expense	-	-	-	-	(1.1)	(1.1)
Transactions with owners:						
Dividends on equity shares	-	-	-	-	(191.8)	(191.8)
Issues of new shares	0.1	-	-	-	-	0.1
Own shares purchased	-	-	-	-	(0.2)	(0.2)
Share-based payments	-	-	-	-	14.0	14.0
Balance at 31 December 2024	**32.0**	**25.6**	**236.5**	**276.8**	**2,935.7**	**3,506.6**

PERSIMMON PLC

Consolidated Cash Flow Statement

For the year ended 31 December 2024

	Note	**2024** **£m**	2023 £m
Cash flows from operating activities:			
Profit for the year		**267.1**	255.4
Tax charge	5	**92.0**	96.4
Finance income		**(11.1)**	(19.7)
Finance costs		**21.2**	14.8
Depreciation charge		**20.1**	18.7
Impairment of intangible assets		**1.6**	7.6
Exceptional items (non-cash)	4	**27.0**	-
Profit on disposal of fixed assets		**(2.5)**	-
Share-based payment charge		**14.7**	4.5
Net imputed interest expense		**(10.0)**	(8.7)
Other non-cash items		**(0.5)**	(8.9)
Cash inflow from operating activities		**419.6**	360.1
Movements in working capital:			
Increase in inventories		**(200.4)**	(235.3)
Decrease in trade and other receivables		**12.7**	37.5
Decrease in trade and other payables		**(49.6)**	(233.6)
Decrease in shared equity loan receivables		**4.6**	5.7
Cash generated/(absorbed) from operations		**186.9**	(65.6)
Interest paid		**(9.3)**	(4.3)
Interest received		**5.1**	11.7
Tax paid		**(97.8)**	(71.6)
Net cash inflow/(outflow) from operating activities		**84.9**	(129.8)
Cash flows from investing activities:			
Investment in an associate		**-**	(0.7)
Acquisition of loan notes		**(17.5)**	(6.8)
Purchase of property, plant and equipment		**(32.3)**	(36.4)
Proceeds from sale of property, plant and equipment		**4.8**	1.0
Net cash outflow from investing activities		**(45.0)**	(42.9)
Cash flows from financing activities:			
Lease capital payments		**(4.0)**	(3.0)
Payment of Partnership liability		**(4.6)**	(4.3)
Bank fees paid		**(0.9)**	(4.9)
Own shares purchased		**(0.2)**	(1.2)
Share options consideration		**0.1**	-
Dividends paid		**(191.8)**	(255.4)
Net cash outflow from financing activities		**(201.4)**	(268.8)
Decrease in net cash and cash equivalents	12	**(161.5)**	(441.5)
Cash and cash equivalents at the beginning of the year		**420.1**	861.6
Cash and cash equivalents at the end of the year	12	**258.6**	420.1

Notes

1. Basis of preparation

The results for the year have been prepared on a basis consistent with the accounting policies set out in the Persimmon Plc Annual Report for the year ended 31 December 2024.

The preparation of the financial statements in conformity with the Group's accounting policies requires the Directors to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenue and expenses during the reported period. Whilst these estimates and assumptions are based on the Directors' best knowledge of the amount, events or actions, actual results may differ from those estimates.

The financial information set out above does not constitute the Group's statutory accounts for the years ended 31 December 2024 or 2023 but is derived from those accounts. Statutory accounts for 2023 have been delivered to the Registrar of Companies, and those for 2024 will be delivered in due course. The auditor has reported on those accounts; their reports were (i) unqualified, (ii) did not include reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report and (iii) did not contain statements under Section 498(2) or (3) of the Companies Act 2006.

Whilst the financial information included in this announcement has been computed using the recognition and measurement requirements of UK adopted International Accounting Standards (IAS), this announcement does not itself contain sufficient information to comply with IAS. The Company expects to send its Annual Report 2024 to shareholders on 24 March 2025.

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report in the Annual Report and the financial statements and notes. The Directors believe that the Group is well placed to manage its business risks successfully. The principal risks that may impact the Group's performance and their mitigation are outlined in note 15. After making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to fund its operations for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the annual financial statements.

Adoption of new and revised International Financial Reporting Standards (IFRSs) and Interpretations (IFRICs)

The following relevant UK endorsed new amendments to standards are mandatory for the first time for the financial year beginning 1 January 2024:

- Amendments to IAS 1 Presentation of Financial Statements
- Amendments to IAS 7 and IFRS 7 Supplier Finance Arrangements
- Amendments to IFRS 16 Lease Liability in a Sale and Leaseback

The effects of the implementation of these amendments have been limited to disclosure amendments where applicable.

The Group has not applied the following new standards, amendments and improvements to standards which are not yet effective:

- IFRS 18 Presentation and Disclosure in Financial Statements
- Amendments to IAS 21 Lack of Exchangeability
- Annual Improvements to IFRS Accounting Standards – Volume 11

The Group is currently considering the implication of these standards, amendments and improvements with the expected impact upon the Group being limited to disclosures if applicable.

Going concern

The Group operates with a very strong balance sheet position and delivered an improved financial performance, and growth in volume of new homes delivered, as a result of our disciplined and strategic financial investment into the business. Persimmon's long-term strategy, which recognises the risks associated with the housing cycle by maintaining operational flexibility, investing in high quality land, minimising financial risk and deploying capital at the right time in the cycle, has equipped the business with strong liquidity and a robust balance sheet.

The Group completed the sale of 10,664 new homes (2023: 9,922), generating a profit before tax of £359.1m (2023: £351.8m). At 31 December 2024, the Group's strong financial position included £258.6m of cash (2023: £420.1m), high quality land holdings, and land creditors of £423.2m (2023: £372.0m). During the year the Group extended by one year to July 2029 its £700m Revolving Credit Facility. There remains the possibility to extend the facility for a further year. The facility was undrawn at the year end.

The Group's forward order book at 1 January 2025 includes 2,360 new homes sold forward into the private owner occupier market (1 January 2024: 1,877 new homes forward sold) with an average selling price of c.£276,860. In addition, the cumulative average private sales reservation rate for the first nine weeks of 2025 is c.14% stronger than for the same period last year.

The Directors have carried out a robust assessment of the principal risks facing the Group, as described in note 15 of this announcement. The Group has considered the impact of these risks on the going concern of the business by performing a range of sensitivity analyses to the latest base case forecast, covering the period to 30 June 2026, including severe but plausible scenarios materialising together with the likely effectiveness of mitigating actions that would be executed by the Directors. For further detail regarding the approach and process the Directors follow in assessing the long-term viability of the business, please see the Viability Statement in note 15.

The scenarios emphasise the potential impact of severe market disruption, including for example the effect of economic disruption from a cost-of-living crisis or a war, on short to medium-term demand for new homes. The scenarios' emphasis on the impact on the cash inflows of the Group through reduced new home sales is designed to allow the examination of the extreme cash flow consequences of such circumstances occurring. The Group's cash flows are less sensitive to supply side disruption given the Group's sustainable business model, flexible operations, agile management team and off-site manufacturing facilities.

The first scenario modelled is a severe but plausible downside scenario that models a fall in housing revenue, when compared to full year 2024, of c.54% for full year 2025 followed by gradual recovery. The housing revenue modelled factors in changes in both volumes and average selling prices. The assumption used in this scenario reflects the experience management gained during the Global Financial Crisis from 2007 to 2010, it being the worst recession seen in the housing market since World War Two.

A second, even more extreme, scenario assumes the same significant downturn in 2025 followed by a period of enduring depression of the UK economy and housing market during 2026, assuming that neither volumes nor revenue recover.

In each of these scenarios, cash flows were assumed to be managed consistently, ensuring all relevant land, work in progress and operational investments were made in the business at the appropriate time to deliver the projected new home legal completions. Each scenario fully reflects the current estimate of cash outflows, value and timing, associated with the legacy buildings provision. In each of these scenarios, the Group is able to operate within its facilities.

The Directors have also considered a 'Reverse Stress Test' to demonstrate the point at which the Group runs out of liquid funds or breaches covenants but note the likelihood of this is less than remote.

In addition, the Group has been increasingly assessing climate related risks and opportunities that may present to the Group. During the period assessed for going concern no significant risk has been identified that would materially impact the Group's ability to generate sufficient cash and continue as a going concern.

Having considered the inherent strength of the UK housing market, the resilience of the Group's average selling prices and the Group's scenario analysis as detailed above, the Directors have a reasonable expectation that

the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing these financial statements.

Goodwill and brand intangibles

The key sources of estimation uncertainty in respect of goodwill and brand intangibles are disclosed in note 14 of the Group's annual financial statements for the year ended 31 December 2024, other than set out below no trigger events have been identified.

The goodwill allocated to the Group's acquired strategic land holdings is further tested by reference to the proportion of legally completed plots in the period compared to the total plots which are expected to receive satisfactory planning permission in the remaining strategic land holdings, taking account of historic experience and market conditions. This review resulted in an underlying impairment charge of £1.6m recognised during the period. This impairment charge reflects ongoing consumption of the acquired strategic land holdings and is consistent with prior years.

Investments in associates

In January 2024, the Group acquired £17.5m of interest bearing long-term loan notes from TopHat Enterprises Limited. At 30 June 2024, a review of both the investment of £0.7m and the £24.3m of long-term loan notes was undertaken and the value was written down to £nil. The write down being due to a re-assessment of risks within the modular build sector.

2. Segmental analysis

The Group has only one reportable operating segment, being housebuilding within the UK, under the control of the Executive Board. The Executive Board has been identified as the Chief Operating Decision Maker as defined under IFRS 8 Operating Segments.

3. Revenue

	2024	2023
	£m	£m
Revenue from the sale of new housing - private	**2,606.0**	2,195.1
Revenue from the sale of new housing - housing association	**257.3**	342.5
Revenue from the sale of new housing - total	**2,863.3**	2,537.6
Revenue from the sale of part exchange properties	**322.6**	223.7
Revenue from the provision of internet services	**14.8**	11.9
Revenue from the sale of goods and services as reported in the statement of comprehensive income	**3,200.7**	2,773.2

4. Exceptional Items

During the year, the Group recognised an exceptional charge of £25.0m in relation to its investment and long-term loan notes in TopHat Enterprises Limited which writes down the value of the investment and long-term loan notes to £nil. The write down being due to a re-assessment of risks within the modular build sector. In addition, there is a charge of £7.4m that relates to costs incurred on professional fees for one-off projects, including for prospective M&A opportunities and the ongoing CMA investigation (disclosed in note 14), which have been classified as exceptional given they are non-recurring in nature.

The Group has also recognised a net exceptional charge of £2.0m in relation to the anticipated costs of the Group's commitments to the costs of removal of combustible claddings and other fire related remediation works. Further details on this provision can be found in note 10.

In total, there was a net exceptional charge of £34.4m (2023: £nil) in the year, of which £27.0m is non-cash related.

All items have been disclosed as exceptional due to the non-recurring nature and scale of the charge to aid understanding of the financial performance of the Group and to assist in the comparability of financial performance between accounting periods.

5. Tax

Analysis of the tax charge for the year

	2024	2023
	£m	£m
Tax charge comprises:		
UK corporation tax in respect of the current year	**78.8**	81.2
RPDT in respect of the current year	**12.3**	13.0
Adjustments in respect of prior years	**(9.1)**	(0.2)
	82.0	94.0
Deferred tax relating to origination and reversal of temporary differences	**13.7**	2.8
Adjustments recognised in the current year in respect of prior years deferred tax	**(3.7)**	(0.4)
	10.0	2.4
Tax charge for the year recognised in statement of comprehensive income	**92.0**	96.4

The tax charge for the year of £92.0m includes a tax charge of £10.0m relating to the exceptional items detailed in note 4.

The tax charge for the year can be reconciled to the accounting profit as follows:

	2024	2023
	£m	£m
Profit from continuing operations	**359.1**	351.8
Tax calculated at UK standard corporation tax rate of 29.0% (inclusive of RPDT) (2023: 27.5%)	**104.1**	96.7
Goodwill impairment losses that are not deductible	**0.5**	1.8
Expenditure not allowable for tax purposes	**2.1**	0.9
Items not deductible for RPDT	**(0.3)**	(0.6)
Enhanced tax reliefs	**(1.6)**	(1.8)
Adjustments in respect of prior years	**(12.8)**	(0.6)
Tax charge for the year recognised in statement of comprehensive income	**92.0**	96.4

The tax charge for the year includes both current and deferred tax. The tax charge is based upon the expected tax rate for the full year, which is applied to taxable profits for the year, together with any charge or credit in respect of prior years and the tax impact of one-off/non-recurring items arising in the same year. Current tax includes both UK corporation tax and the Residential Property Developer Tax (RPDT).

Deferred Tax is calculated as the tax payable or recoverable in future accounting periods in respect of temporary differences which may be taxable or allowed as deductible. Temporary differences represent the difference between the carrying amount of an asset or liability in the financial statements and the relevant tax base.

The effective rate of tax for the period was 25.6% which was lower than in the prior year (2023: 27.4%) as a result of deductions arising from the finalisation of prior year tax returns, including one-off items in respect to the treatment of building safety remediation provisions.

Deferred tax recognised in other comprehensive expense

	2024	2023
	£m	£m
Recognised on remeasurement loss on pension schemes	**0.4**	9.8

Tax recognised directly in equity

	2024	2023
	£m	£m
Arising on transactions with equity participants		
Current tax related to equity settled transactions	**(0.1)**	(0.6)
Deferred tax related to equity settled transactions	**0.9**	(0.7)
	0.8	(1.3)

UK adoption of OECD Pillar 2: There is no impact from the implementation of the UK's domestic top-up tax, as the Group does not have any profits arising in any entities which are located in a non-UK jurisdiction, and which are taxed below the minimum rate of tax of 15%.

6. Earnings per share

Basic earnings per share is calculated by dividing the profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the year of 319.6m shares (2023: 319.2m) which excludes those held in the employee benefit trust and any treasury shares, all of which are treated as cancelled.

Diluted earnings per share is calculated by dividing the profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares in issue adjusted to assume conversion of all potentially dilutive ordinary shares from the start of the year, giving a figure of 323.1m shares (2023: 321.0m).

Underlying earnings per share excludes the net exceptional charge and goodwill impairment. The earnings per share from continuing operations were as follows:

	2024	2023
Basic earnings per share	**83.6p**	80.0p
Underlying basic earnings per share	**92.1p**	82.4p
Diluted earnings per share	**82.7p**	79.5p
Underlying diluted earnings per share	**91.1p**	81.9p

The calculation of the basic and diluted earnings per share is based upon the following data:

	2024	2023
	£m	£m
Underlying earnings attributable to shareholders	**294.2**	263.0
Net exceptional charge (net of tax)	**(25.5)**	-
Goodwill impairment	**(1.6)**	(7.6)
Earnings attributable to shareholders	**267.1**	255.4

At 31 December 2024 the issued share capital of the Company was 319,914,868 ordinary shares (2023: 319,421,416 ordinary shares).

7. Dividends/Return of capital

	2024	2023
	£m	£m
Amounts recognised as distributions to capital holders in the period:		
2022 final dividend to all shareholders of 60p per share paid 2023	**-**	191.5
2023 interim dividend to all shareholders of 20p per share paid 2023	**-**	63.9
2023 final dividend to all shareholders of 40p per share paid 2024	**127.9**	-
2024 interim dividend to all shareholders of 20p per share paid 2024	**63.9**	-
Total capital return to shareholders	**191.8**	255.4

The Directors propose a 40p final dividend in respect of the financial year 31 December 2024 to shareholders for each ordinary share held on the register on 20 June 2025 with payment made on 11 July 2025. The total anticipated distributions to shareholders is 60p per share (2023: 60p per share) in respect of the financial year ended 31 December 2024.

8. Inventories

	2024	2023
	£m	£m
Land	**2,265.6**	2,103.5
Work in progress	**1,426.3**	1,431.3
Part exchange properties	**154.4**	114.6
Showhouses	**56.5**	51.8
Inventories	**3,902.8**	3,701.2

The Group has conducted a further review of the net realisable value of its land and work in progress portfolio at 31 December 2024. Our approach to this review has been consistent with that conducted at 31 December 2023 and was fully disclosed in the financial statements for the year ended on that date. This review gave rise to an impairment of land and work in progress of £nil (2023: £13.7m). The key judgements and estimates in determining the future net realisable value of the Group's land and work in progress portfolio are future sales prices, house types and costs to complete the developments. Sales prices and costs to complete were estimated on a site by site basis. If the UK housing market were to improve or deteriorate in the future, then further adjustments to the carrying value of land and work in progress may be required.

Net realisable value provisions held against inventories at 31 December 2024 were £16.8m (2023: £18.9m). Following the review, £26.4m of inventories are valued at net realisable value rather than historical cost (2023: £27.4m).

9. Shared equity loan receivables

	2024	2023
	£m	£m
Shared equity loan receivables at 1 January	**32.1**	36.0
Settlements	**(4.6)**	(5.7)
Gains	**1.5**	1.8
Shared equity loan receivables at 31 December	**29.0**	32.1

All gains/losses have been recognised in the statement of comprehensive income. Of the gains recognised in finance income for the period £nil (2023: £0.2m) was unrealised.

10. Legacy buildings provision

	2024	2023
	£m	£m
Legacy buildings provision at 1 January	**283.2**	333.3
Additions to provision in the year	**25.0**	-
Imputed interest on provision in the year	**7.4**	4.3
Provision released in the year	**(23.0)**	(6.6)
Provision utilised in the year	**(57.3)**	(47.8)
Legacy buildings provision at 31 December	**235.3**	283.2

In 2020 the Group made an initial commitment that no leaseholder living in a building we had developed should have to cover the cost of removal of combustible cladding. During 2022 we signed the Building Safety Pledge (England) and worked constructively with the Government to agree the 'Long-Form Contract' that turned the pledge into a legal agreement. The Self Remediation Contract was signed on 13 March 2023.

In the year we have been informed by a management company of a potential liability for fire remediation costs, and we have added one development to the total number of developments. The number of developments we are now responsible for stands at 83, of which 40 have now either secured EWS1 certificates or concluded any necessary works. It is assumed the majority of the work will be completed over the next two years and the amount provided for has been discounted accordingly.

During the year £57.3m of the provision has been utilised for works undertaken whilst £7.4m of imputed interest has been charged to the statement of comprehensive income through finance costs. During the year £23.0m of the provision has been released and £25.0m has been charged, following a review of projected costs to complete rectification work. This includes the recoverability of VAT applicable to such costs resulting in the £23.0m release, offset by complications and additional rectification works identified once site works commenced, and facades were stripped, being the basis for the £25.0m charge. Due to the non-recurring nature of these charges they have been disclosed as exceptional items to support the understanding of the financial performance and improve the comparability between reporting periods.

Based on current cashflow forecasts management forecast that £111.4m of the provision will be utilised within the next 12 months and as a result has been reported as a current liability in the 31 December 2024 balance sheet.

The assessment of the provision remains a highly complex area with judgments and estimates in respect of the cost of the remedial works, with investigative surveys ongoing to determine the full extent of those required works. Where remediation works have not yet been fully tendered, we have estimated the likely scope and costs of such works based on experience of other similar sites. Whilst we have exercised our best judgement of these matters, there remains the potential for variations to this estimate from multiple factors such as material, energy and labour cost inflation, limited qualified contractor availability and abnormal works identified on intrusive surveys. Should a 20% variation in the costs of untendered projects occur then the overall provision would vary by +/- £9.6m.

The financial statements have been prepared on the latest available information; however, there remains the possibility that, despite management's endeavours to identify all such properties, including those constructed by acquired entities well before acquisition, further developments requiring remediation may emerge.

11. Financial instruments

In aggregate, the fair value of financial assets and liabilities are not materially different from their carrying value.

Financial assets and liabilities carried at fair value are categorised within the hierarchical classification of IFRS 7 Revised (as defined within the standard) as follows:

	2024	2023
	£m	£m
	Level 3	Level 3
Shared equity loan receivables	**29.0**	32.1

Shared equity loan receivables

Shared equity loan receivables represent loans advanced to customers and secured by way of a second charge on their new home. They are carried at fair value. The fair value is determined by reference to the rates at which they could be exchanged by knowledgeable and willing parties. Fair value is determined by discounting forecast cash flows for the residual period of the contract by a risk adjusted rate.

There exists an element of uncertainty over the precise final valuation and timing of cash flows arising from these loans. As a result the Group has applied inputs based on current market conditions and the Group's historical experience of actual cash flows resulting from such arrangements. These inputs are by nature estimates and as such the fair value has been classified as Level 3 under the fair value hierarchy laid out in IFRS 13 Fair Value Measurement.

Significant unobservable inputs into the fair value measurement calculation include regional house price movements based on the Group's actual experience of regional house pricing and management forecasts of future movements, weighted average duration of the loans from inception to settlement of ten years (2023: ten years) and discount rate 8.8% (2023: 8.8%) based on current observed market interest rates offered to private individuals on secured second loans.

The discounted forecast cash flow calculation is dependent upon the estimated future value of the properties on which the shared equity loans are secured. Adjustments to this input, which might result from a change in the wider property market, would have a proportional impact upon the fair value of the loan. Furthermore, whilst not easily accessible in advance, the resulting change in security value may affect the credit risk associated with the counterparty, influencing fair value further.

12. Reconciliation of net cash flow to net cash and analysis of net cash

	2024	2023
	£m	£m
Cash and cash equivalents at 1 January	**420.1**	861.6
Decrease in net cash and cash equivalents in cash flow	**(161.5)**	(441.5)
Cash and cash equivalents at 31 December	**258.6**	420.1
IFRS 16 lease liability	**(14.5)**	(12.9)
Net cash at 31 December	**244.1**	407.2

Net cash is defined as cash and cash equivalents, bank overdrafts and interest bearing borrowings. At 31 December 2024, £nil (2023: £nil) of cash recognised was held at third party solicitors with an undertaking.

The Group has a Revolving Credit Facility of £700m which was extended by a further year during the year out to 5 July 2029. The facility was undrawn at 31 December 2024.

13. Retirement benefit assets

As at 31 December 2024 the Group operated five employee pension schemes, being three Group personal pension schemes and two defined benefit pension schemes. Remeasurement gains and losses in the defined benefit schemes are recognised in full as other comprehensive income within the consolidate statement of comprehensive income. All other pension scheme costs are reported in profit or loss.

The amounts recognised in the statement of comprehensive income are as follows:

	2024	2023
	£m	£m
Current service cost	**0.2**	0.9
Administrative expense	**0.4**	0.6
Curtailment cost	**0.1**	-
Pension cost recognised as operating expense	**0.7**	1.5
Interest cost	**18.6**	18.8
Return on assets recorded as interest	**(24.3)**	(26.2)
Pension cost recognised as net finance credit	**(5.7)**	(7.4)
Total defined benefit pension credit recognised in profit or loss	**(5.0)**	(5.9)
Remeasurement loss recognised in other comprehensive income	**1.5**	35.1
Total defined benefit scheme (gain)/loss recognised	**(3.5)**	29.2

The amounts included in the balance sheet arising from the Group's obligations in respect of the Pension Scheme are as follows:

	2024	2023
	£m	£m
Fair value of Pension Scheme assets	**504.3**	552.7
Present value of funded obligations	**(373.6)**	(425.6)
Net pension asset	**130.7**	127.1

The increase in the net pension asset to £130.7m (2023: £127.1m) is due to an increase in the discount rate assumption applied to scheme obligations to 5.5% (2023: 4.5%) which has been partially offset by the underperformance asset returns when compared to the standard expected returns at the start of the year.

During the period, the Persimmon Plc Pension & Life Assurance scheme has been closed to future accrual.

14. Contingent Liabilities

As disclosed in note 10 the Group has undertaken a review of all its legacy buildings that used cladding on their facades.

The financial statements have been prepared on the latest available information; however, there remains the possibility that, despite management's endeavours to identify all such properties, including those constructed by acquired entities well before acquisition, further developments requiring remediation may emerge. There is also the possibility that estimates based on preliminary assessments regarding the scale of remediation works relating to buildings yet to be fully surveyed may prove incorrect. The cost of remedial works will remain under review and be updated as works progress.

On 26 February 2024, the CMA launched an investigation under Chapter I of the Competition Act 1998 into suspected breaches of competition law by eight housebuilders, including Persimmon, relating to concerns that they may have exchanged competitively sensitive information. On 10 January 2025, the CMA extended the timeline for the initial investigation by five months to May 2025. The Group continues to cooperate with the CMA in relation to their ongoing market investigation into alleged anti-competitive conduct by housebuilders. The potential impact, if any, and timing is not yet known.

15. Principal Risks and Viability Statement

Key priorities:
1. Build quality and safety
2. Reinforcing trust: customers at the heart of our business
3. Disciplined growth: high-quality land investment
4. Industry-leading financial performance
5. Supporting sustainable communities

1. UK economic and market conditions

Risk rating	Very high
Risk trend	No change
Risk appetite	Averse Within tolerance
Risk owners	Executive Committee and Regional Chairs
Link to strategic priorities	3 and 4

Risk description

Housebuilding is an inherently cyclical industry, which can be particularly sensitive to macroeconomic changes and overall consumer confidence and sentiment. Adverse trends in employment levels, inflation, mortgage availability and affordability and overall consumer confidence can have a material effect on demand and pricing for new homes. This could in turn impact upon our revenues, margins, profits and cash flows and potentially result in the impairment of asset values.

Changes in the economic environment and market conditions could also drive changes in competitor strategies and actions that could pose a threat to the Group's overall strategy and business model. Such changes could include increased consolidation within the sector.

Key mitigations

- Highly disciplined approach to investments in land and work in progress, ensuring these are appropriate and reflective of current and anticipated levels of demand.
- Regular reviews of pricing structures to align with local market conditions. The Group benefits from a UK-wide network (with no significant presence in London), mitigating the effects of regional economic fluctuations.
- Annual Board strategic review monitors and responds to external conditions.
- Sales prices and incentive schemes to support sales are kept under constant review by management and can be flexed according to underlying market conditions.

Risk Monitoring measures

- The Board and Executive Committee closely monitor UK economic trends, with regular market and economic briefings, from banks, brokers and others.
- Sales rates and pricing patterns within each operating company are reviewed on a weekly basis.
- Routine principal risk reporting to the Board includes analysis of economic indicators, using both internal and external sources, and lending patterns.

2. Government policy and political risk

Risk rating	Very high
Risk trend	No change
Risk appetite	Averse Within tolerance
Risk owners	Group Director of Strategic Partnerships and External Affairs Group Planning Director Regional Chairs
Link to strategic priorities	1 and 5

Risk description

The housebuilding industry is subject to an increasingly complicated legal and regulatory environment, impacted by political decisions at both national and local level. Political decision making, in areas such as planning regulations, support schemes or specific industry taxation, can have a material impact on operational performance and affect the successful delivery of our strategy. The impact of Government policy has the potential to adversely affect revenues, margins, tax charges and asset values, and potentially impact on the viability of land investments.

Key mitigations

- The Group's mission and our five key priorities are aligned with the UK Government's objective of delivering an increased volume of new homes over the course of the current Parliament.
- The Group has expertise in managing and responding to relevant areas subject to Government involvement at both local and national level, including through our Group Land, Planning, Technical and External Affairs departments, and through engagement with industry bodies.
- A focused and methodical approach has been established to build relationships with councils and ensure alignment of development with local priorities.
- The Group also engages and participates in industry groups, including the HBF.

Risk monitoring measures

- Likely evolutions in Government housing policy are monitored closely by our External Affairs, Technical and Land and Planning departments, with regular feedback to the Executive Committee and Board.
- Planning refusal rates are monitored closely to ensure our approach can be adjusted where necessary.
- Routine principal risk reporting to the Board includes updates on political evolutions at national and local levels.

3. Climate change and sustainability

Risk rating	Medium
Risk trend	No change
Risk appetite	Averse Within tolerance
Risk owners	Group Strategy & Regulatory Director Group Sustainability Director
Link to strategic priorities	2 and 5

Risk description

The transition to a lower carbon and more sustainability focused economy is likely to involve an increasingly complex legal and regulatory environment, as seen with the Future Homes Standard and Biodiversity Net Gain requirements. This may in turn result in planning constraints, increased costs and competition for some key materials and skills. Increased physical risks are developing from climate change, with greater frequency of extreme weather events such as storms and flooding. Over time these may increase the likelihood of disruption to construction. The availability of mortgages and property insurance may also be affected as financial institutions consider their responses to the impacts of climate change.

Key mitigations

- The Group considers sustainability issues and the potential impacts of climate change routinely in key business decisions, from land acquisition through to planning and build processes.
- The Group has set near term carbon reduction targets approved by the Science Based Targets initiative, and targets to achieve net zero carbon homes in use to our customers by 2030, and become net zero carbon in our operations by 2040. Long-term net zero carbon targets to 2045 have been established and are awaiting approval from the Science Based Targets initiative.
- Inclusion of the cost of the latest regulatory changes (e.g. FHS) into land appraisals.
- Diversified production locations minimise risk of local extreme weather events, with build programmes designed to mitigate risks associated with adverse weather.

Risk monitoring measures

- The Sustainability Committee meets regularly to review progress on the Group's climate and sustainability related initiatives.
- Management reporting includes key climate and sustainability indicators such as CO_2 emissions, diesel usage and waste generation.
- Our scope 1, scope 2, scope 3 Category 1 (Purchased goods and services) and scope 3 Category 11 (Use of sold products) emissions are subject to external review.

4. HS&E Event

Risk rating	Medium
Risk trend	Decrease
Risk appetite	Averse Within tolerance
Risk owners	Group HS&E Committee Group HS&E Director Group Construction Director Group Special Projects Director
Link to strategic priorities	1

Risk description

Failures to safeguard our sites, or instances of non-compliance with the Group's robust framework of HS&E procedures could result in serious injury or loss of life, or damage to the environment. In addition to the human impacts of any health, safety or environmental breach or incident, there is the potential for reputational damage, construction delays and financial penalties.

Key mitigations

- Comprehensive policies and procedures to manage construction, manufacturing and office activities safely.
- Training programmes to embed the Group's policies effectively.
- Target Zero initiative to drive awareness of workplace safety and reduce the volume of safety related incidents in our operations.
- Inspection regime led by our Group HS&E department, with additional assurance from specialist resource within our Group Internal Audit department.
- Engagement with industry forums and best practice groups

Risk monitoring measures

- The Group HS&E Director provides regular narrative and KPI reporting to the Board on HS&E matters.
- Data from inspections by the Group HS&E department feed into management reports at all levels of the Group.
- The Group Internal Audit department conducts additional HS&E assurance engagements, with results and follow-up of actions reported to both executive management and the Audit & Risk Committee.

5. Legacy Buildings

Risk rating	High
Risk trend	No change
Risk appetite	Averse Within tolerance
Risk owners	Group Construction Director Group Special Projects Director
Link to strategic priorities	1 and 2

Risk description

The Group has a well-established plan for the delivery of remediation works for legacy safety and quality issues. This includes measures to ensure resident safety in advance of any scheduled works. Should the remediation works be disrupted or delayed due to the complex nature of the works, lack of availability of skilled contractors or evolutions in regulation, or should further buildings requiring remediation be identified, the Group could be exposed to increased costs and potential reputational damage.

Key mitigations

- The Group has a dedicated Special Projects team, supported by specialist consultants, which is responsible for the identification of affected buildings, assessment of any remediation required, and ensuring that the work is contracted and completed as quickly as practicable.
- All identified buildings are independently assessed and, where necessary, interim measures are put in place to ensure resident safety until remedial works are carried out.
- Independent Quality Controllers, reporting centrally, provide assurance on the quality and status of remediation works.
- The Group's assumptions on the estimated financial costs associated with the remediation works have been subject to comprehensive challenge and are regularly reassessed.
- The Group Building Safety function has also been established. This provides an additional layer of oversight, ensuring continued alignment to good practice in building safety over the lifecycle of the homes we build.

Risk monitoring measures

- The Board receives routine reporting on the progress of the works on legacy buildings.
- The Finance team monitors costs incurred and provides assurance on the utilisation and ongoing appropriateness of the Group's provision.

6. Land and planning

Risk rating	High
Risk trend	No change
Risk appetite	Cautious Within tolerance
Risk owners	Group Planning Director Group Director of Land Operations Group Director of Transformation and Land Strategy Group Strategic Land Director Regional Chairs
Link to strategic priorities	3

Risk description

The Group's continued ability to secure an appropriate supply of land is crucial to ensuring timely availability of outlets and the delivery of our strategy.

Failure to maintain an adequate supply of high-quality land, due to factors such as planning constraints or inability to procure land at appropriate levels of return, could adversely affect future sales, margins and return on capital employed.

Failure to effectively understand, anticipate or adhere to planning conditions could result in delays in development of sites.

Key mitigations

- Enhanced approach to building relationships with councils, land agents, and promoters and ensuring alignment of potential development with local priorities.
- Scrutiny of all potential land transactions through comprehensive viability assessments to ensure appropriate returns and alignment with the Group's overall strategy.
- Land Committee approval process for all land transactions.

Risk monitoring measures

- The Group's Land Committee meets regularly to review the Group's current land holdings and future needs, and to assess potential land transactions.
- Volume of planning permissions obtained is monitored and reported on routinely, including tracking against legal completions via principal risk reporting.
- Outlet numbers are tracked routinely by management and subject to detailed reporting.

7. Supply Chain

Risk rating	Medium
Risk trend	Increase
Risk appetite	Cautious Within tolerance
Risk owners	UK MD Group Commercial Director Group Procurement Director
Link to strategic priorities	1 and 4

Risk description

The drive for a greater volume of construction of new homes in the UK could result in increased demand for certain materials, and for skilled labour, causing availability constraints and increased cost pressures.

Supply chain disruptions could also result from a range of factors, which potentially impact on availability and pricing of key materials.

Build quality could be compromised if unsuitable materials or labour are procured leading to damage to the Group's reputation and overall customer experience.

Key mitigations

- Vertical integration on key materials through investment in our Brickworks, Tileworks and Space4 facilities.
- Long-term relationships with key suppliers and sub-contractors, including appropriate payment terms.
- Strategic approach to procurement, led by our Group Procurement team, with supply chain engagement, robust processes for appointing suppliers and ongoing performance monitoring.
- Detailed forecasting and planning of material requirements to inform supplier negotiations.
- Group Commercial oversight and monitoring of operating company controls, including robust processes to monitor material purchases and stock holdings to minimise potential for loss or damage during construction.

Risk monitoring measures

- The Group Procurement department provides routine monitoring of trends and supplier performance.
- Site budgets and performance, including availability and pricing of materials, are assessed through the bi-monthly valuation process.
- Routine principal risk reporting is provided to the Board, including commentary from the Group Commercial Director on material purchasing trends and issues.

8. Finance and liquidity

Risk rating	Low
Risk trend	NEW
Risk appetite	Cautious Within tolerance
Risk owners	Group CFO Group Financial Controller Senior Group Accountant
Link to strategic priorities	3 and 4

Risk description

The Group's strategy requires access to significant working capital to fund investments in land and work in progress. At times, the Group will draw on its Revolving Credit Facility (RCF) to provide this working capital.

Failure to manage cash requirements effectively could lead to unnecessarily high borrowing costs, breaches of loan covenants, or an inability to take advantage of land or other investment opportunities that could benefit the Group.

Key mitigations

- The Group closely monitors its cash position and forecast cash utilisation to ensure these are sufficient to support land investments, fund work in progress and meet other requirements identified through annual budgets and business planning processes.
- Investment decisions in land are subject to comprehensive appraisal under the supervision of the Land Committee. Work in progress is tightly controlled through the bi-monthly valuation process.
- The Group's RCF is considered sufficient to meet all our projected funding requirements in the short to medium term. The RCF was extended during the period and now runs to July 2029, with an option to request an extension for a further year.

Risk monitoring measures

- Utilisation of the RCF and optimisation of cash deposits are monitored daily by the Group Finance team.
- Covenants on the RCF are monitored and subject to periodic certification.
- The Board is provided with routine reporting on the Group's actual and forecast cash positions.

9. Skilled workforce, retention and succession

Risk rating	Medium
Risk trend	No change
Risk appetite	Cautious Within tolerance
Risk owners	Chief HR Officer Director of Talent & Diversity
Link to strategic priorities	1

Risk description

Attracting and retaining a highly skilled workforce and management teams is crucial to the delivery of the Group's strategic priorities. The continued competition for skilled labour, and the ageing construction workforce in the UK, create risks of increased costs, operational disruption and potential delays to build programmes.

Key mitigations

- Development of a compelling employee value proposition to attract a high-quality workforce into the Group.
- Comprehensive training programmes including apprenticeships, Graduate Scheme and the Persimmon Pathways in core disciplines.
- Talent development and succession planning programmes.
- Competitive remuneration packages to attract and retain talent at all levels, including our Real Living Wage commitment, Sharesave and other employee benefits.
- Employee engagement monitoring through surveys and our Employee Engagement Panel.

Risk monitoring measures

- The Group HR department provides reporting, including metrics such as training hours, to management at all levels of the Group.
- The Chief HR Officer is a member of the Group Executive Committee and provides additional periodic reports and updates to the Board on employment trends.
- Feedback from the Employee Engagement Panel and annual Employee Engagement Survey is reviewed by the Board.
- Routine principal risk reports issued to each meeting of the Board include staff turnover data and commentary from the Group HR department.

10. Cyber and data

Risk rating	High
Risk trend	Increase
Risk appetite	Averse Within tolerance
Risk owners	Chief Information Officer Chief Information Security Officer
Link to strategic priorities	2 and 5

Risk description

The Group's operations are increasingly reliant on the continuous availability and security of various IT systems. Failure or significant disruption to the Group's core IT systems, particularly those storing customer data, could disrupt operations, result in significant financial costs and potentially cause reputational damage.

Key mitigations

- Oversight from the Security Council, chaired by the Chief Information Security Officer (CISO) and attended by senior leaders within the business.
- Comprehensive programme of investment via the Cyber Security Infrastructure Improvement Programme (CSIIP).
- Robust IT security policies and disaster recovery protocols.
- Routine in-house training and communications to promote awareness of cyber security and data protection issues.
- Regular external reviews, including penetration testing, to provide assurance on the effectiveness of the Group's control framework.

Risk monitoring measures

- Routine Board updates provided by the Group's Chief Information Officer ('CIO').
- Routine CIO reporting to the Group Executive Committee, ensuring IT and cyber risks are actively considered in all key business decision making.
- Periodic presentations by the CIO and CISO to the Audit & Risk Committee.
- Data breaches monitored and reported on via the Group's GDPR steering group.

11. Reputation

Risk rating	Medium
Risk trend	No change
Risk appetite	Cautious Within tolerance
Risk owners	Group Director of Strategic Partnerships and External Affairs Group Investor Relations Director Group Construction Director Chief Customer Experience Officer Regional chairs
Link to strategic priorities	1, 2, 4 and 5

Risk description

The Group aims to maintain a reputation for high standards of business conduct in all aspects of its operations. Failure to live up to our expected high standards in areas such as governance, build quality (including remediation of legacy issues), customer experiences and health and safety, or in dealing with local planning concerns could damage stakeholder relationships and have a detrimental impact on financial performance.

Key mitigations

- Company values underpinned by Board and Executive Committee level commitment to a culture of excellence, with particular emphasis on high quality in construction and customer care.
- Continued significant investments in build quality, through The Persimmon Way, our commitment to the objectives underpinning the New Homes Quality Code ('NHQC'), and in addressing legacy issues.
- Processes to build positive relationships with all our stakeholders, including local authorities and the communities in which we build, through addressing housing need, supporting local employment and making valuable contributions to local infrastructure and community causes.

Risk monitoring measures

- Operational performance, including build quality and customer experience, are subject to routine management oversight, with reporting to the Executive Committee and Board.
- The Board also oversees stakeholder engagement, including monitoring feedback from shareholders, and the results of our employee engagement surveys and the Employee Engagement Panel.
- Routine principal risk reports issued to each meeting of the Board include a range of internal and external indicators on reputation, such as NHBC survey data, Trustpilot scores and sentiment of media coverage.

12. Regulatory compliance

Risk rating	Medium
Risk trend	No change
Risk appetite	Averse Within intolerance
Risk owners	Chief Customer Experience Officer Group Construction Director Group Director of Legal Services Company Secretary Group Strategy & Regulatory Director
Link to strategic priorities	1 and 2

Risk description

The regulatory landscape for the housebuilding industry has become increasingly complex, particularly in land acquisition, planning, building regulations and the environmental impact of development. Further regulatory evolutions through the NHQC, for example, will affect many of our processes. Failure to comply with regulations in any of these areas could result in imposition of financial penalties and potential damage to the Group's reputation.

Key mitigations

- Comprehensive management systems to ensure regulatory and legal compliance, including policies, procedures and internal training for key areas of regulation.
- Inspection regimes supported by internal audits and external reviews on construction quality and compliance.
- Oversight from Group-level functions and cross-functional steering groups for key areas, such as GDPR compliance.

Risk monitoring measures

- The Board and Audit & Risk Committee are provided with regular updates on core areas of regulatory compliance and preparation for upcoming regulatory change.
- Routine principal risk reports issued to each meeting of the Board include narrative updates on regulatory matters from the relevant specialists within the business.

Viability Statement

Persimmon's prospects and viability

The long-term prospects and viability of the business are a consistent focus of the Board when determining and monitoring the Group's strategy. The identification and mitigation of the principal risks facing the business, which have been updated to reflect current UK economic conditions and uncertainties, also form part of the Board's assessment of long-term prospects and viability*.

Assessing Persimmon's long-term prospects

Persimmon has built a strong position in the UK's housebuilding market over many years, recognising the potential for long-term growth across regional housing markets. The Board recognises that the long-term demographic fundamentals of continued positive population growth and new household formation, together with the requirement to replace and improve the quality of the country's housing stock, provide a long-term supportive backdrop for the industry. However, the Board and the Group's strategy recognises the inherently cyclical nature of the UK housing market. The Group has therefore been able to maintain a position of strength with good liquidity, high quality land holdings and a strong balance sheet throughout the disruption caused by the cost of living crisis and ongoing geopolitical uncertainty. The future impacts of these disruptions in creating uncertainty within the UK economy and subsequent effect on the Group's sales and construction programmes remain uncertain. The Board has considered these potential impacts in depth when assessing the long-term prospects of the Group.

Whilst this uncertainty remains, Persimmon possesses the sound fundamentals required to realise the Group's purpose and ambitions and deliver sustainable success:

- talented teams focused on consistently delivering good quality new homes for our customers;
- high quality land holdings that allow us to create attractive places in areas where people wish to live and work;
- strong customer and local community relationships;
- continued investment in the training and development of our teams;
- market knowledge, expertise and industry know-how;
- long-term healthy supplier engagement; and
- vertical integration ensuring internalised supply of key materials.

By continuing to build on these solid foundations through, for example, The Persimmon Way and our ongoing investments in the customer experience, its land, development sites and in its supply chain, the Group aims to create enduring value for the communities we serve and our wider stakeholders. This is reflected within the Group's materiality assessment, which ensures a thorough review of stakeholder interests is incorporated within the assessment of the Group's long-term prospects.

The Group adopts a disciplined annual business planning regime, which is consistently applied and involves the management teams of the Group's housebuilding businesses and senior management, with input and oversight by the Board. The Group combines detailed five-year business plans generated by each housebuilding business from the 'bottom up', with projections constructed from the 'top down' to properly inform the Group's business planning over these longer-term horizons. Zero-based 12-month budgets are established for each business annually.

This planning process provides a valuable platform, which facilitates the Board's assessment of the Group's short and long-term prospects. Consideration of the Group's purpose, current market position, its five key priorities and overall business model, and the risks that may challenge them are all included in the Board's assessment of the prospects of the Group.

Key factors in assessing the long-term prospects of the Group:

1. The Group's current market positioning

- Sales network of active developments across the UK providing geographic diversification of revenue generation.
- Three distinct brands providing diversified products and pricing deliver further diversification of sales.
- Imaginative and comprehensive master planning of development schemes with high amenity value to support sustainable, inclusive neighbourhoods which generate long-term value to the community.
- Disciplined land replacement reflecting the extent and location of housing needs across the UK provides a high quality land bank in the most sustainable locations supporting future operations.
- Long-term supplier and subcontractor relationships providing healthy and sustainable supply chains.
- Sustained investment to support higher levels of construction quality and customer service through the implementation of initiatives such as The Persimmon Way.
- Strong financial position, year end net cash and a £700m working capital credit facility that has been extended to July 2029. There remains the ability to extend for a further year. In making our assessments we have assumed we will exercise this extension.

2. Strategy and business model

- Strategy focuses on the risks associated with the housing cycle and on minimising financial risk and maintaining financial flexibility.
- Focusing on constructing new homes for our customers to the high quality standards that they expect and helping to create attractive neighbourhoods.
- Strategy recognises the Group's ability to generate surplus capital beyond the reinvestment needs of the business.
- Substantial investment in staff engagement, training and support to sustain operations over the long-term.
- Disciplined land replacement reflecting the extent and location of housing needs across the UK provides a high quality land bank in the most sustainable locations supporting future operations.
- Long-term supplier and subcontractor relationships providing healthy and sustainable supply chains.
- Approach to land investment and development activity provides the opportunity to successfully deliver much needed new housing supply and create value over the long-term.
- Differentiation through vertical integration, achieving security of supply of key materials and complementary modern methods of construction to support sustainable growth.
- Simple capital structure maintained with no structural gearing.

3. Principal risks associated with the Group's strategy and business model include

- Disruption to the UK economy and housing market conditions adversely affecting demand for and pricing of new homes, availability and pricing of land, or contributing to inflationary pressures.
- Changes in Government policy affecting the housebuilding sector, such as those relating to taxation, planning conditions or market support.
- Climate change risk, comprising both transition (legal and regulatory changes affecting the housebuilding sector) and physical (operational disruption through more frequent and prolonged adverse weather) elements.
- Failure to safeguard our sites, our people, our customers or the environment we work in could impact our reputation or result in financial penalties.
- Reputational damage and increased costs resulting from disruption or delays to scheduled remediation works to ensure resident safety.
- Failure to maintain an adequate supply of high quality land due to planning constraints or inability to procure land at appropriate levels of return.
- Disruption to supply chains, affecting the availability of key construction materials.
- Ability of the Group to access significant working capital to fund investments in land and work in progress.
- Adverse market competition and construction workforce trends, resulting in an inability to attract and retain high quality workers and an appropriately experienced management team.

- Cyber and data risk, including potential for significant or prolonged operational disruption arising from cyber-attack or failure of critical IT systems.
- Requirement to maintain a reputation for high standards of business conduct across all aspects of operations whilst working within an increasing complex regulatory landscape.

See above for the full list of principal risks together with detailed descriptions.

Disciplined strategic planning process

The prospects for the Group are principally assessed through the annual strategic planning review process conducted towards the end of each year. The management team from each of the Group's housebuilding businesses produce a five-year business plan with specific objectives and actions in line with the Group's strategy and business model. These detailed plans reflect the development skill base of the local teams, the region's housing market, strategic and on-market land holdings and investments required to support their objectives. Special attention is paid to construction programmes and capital management through the period to ensure the appropriate level of investment is made at the appropriate time to support delivery of the plan. Emerging risks and opportunities in their markets are also assessed at this local level.

Senior Group management reviews these plans and balances the competing requirements of each of the Group's businesses, allocating capital with the aim of achieving the long-term objectives of the Group including our five key priorities. The five-year plans provide the context for setting the annual budgets for each business for the start of the new financial year in January, which are consolidated to provide the Group's detailed budgets. The Board reviews and agrees both the long-term plans and the shorter-term budgets for the Group.

The outputs from the business planning process are used to support development construction planning, impairment reviews, funding projections, reviews of the Group's liquidity and capital structure, and for the identification of surplus capital available for return to shareholders via the Group's Capital Allocation Policy.

Assessing Persimmon's viability

The Directors have assessed the viability of the Group over a five-year period, taking into account the Group's current position and the potential impact of the principal risks facing the Group.

The Directors consider the use of a five-year period as the most appropriate time horizon for the purpose of assessing the viability of the Group, as it reflects the business model of the Group, with new land investments generally taking at least five years to build and sell through, and for the development infrastructure to be adopted by local authorities.

A key feature of the Group's strategy, as documented in the Strategic Report and set out in the Group's capital allocation priorities, is the Group's commitment to maintain capital discipline over the long-term through the housing cycle.

The key principles of the capital allocation policy are:

- maintain a strong balance sheet and low leverage through the housing cycle, while prioritising our building safety remediation works;
- invest in the long-term performance and growth of Persimmon through continuing our disciplined approach to land acquisition and investment into enhancing the Group's operational capabilities;
- pay ordinary dividends at a sustainable level that is well covered by post-tax profits through the housing cycle, thereby balancing capital retained for investment in the business with those dividends; and
- return any excess capital to shareholders from time to time, through a share buyback or special dividend as considered to be appropriate at the time.

On 12 March 2024, in line with the capital allocation policy, the Directors declared a final dividend of 40p per share in respect of the financial year ended 31 December 2023. This final dividend approved at the 2024 Annual General Meeting and was paid to shareholders on 12 July 2024.

On 8 August 2024, the Directors announced their intention to pay 20p per share as an interim cash dividend in respect of the financial year to 31 December 2024. This interim dividend was paid to shareholders on 8 November 2024.

On 10 March, the Directors declared a final dividend of 40p per share in respect of financial year ended 31 December 2024.

On an annual basis, the Directors review financial forecasts used for this Viability Statement as explained in the disciplined strategic planning processes outlined earlier. These forecasts incorporate assumptions on issues such as the timing of legal completions of new homes sold, average selling prices achieved, profitability, working capital requirements and cash flows.

The Directors have also carried out a robust assessment of the principal and emerging risks facing the Group, and how the Group manages those risks, including those risks that would threaten its strategy, business model, future operational and financial performance, solvency and liquidity. This risk assessment was also informed by the performance of the Group's materiality assessment, incorporating views from the Group's key stakeholders, and through a comprehensive survey to incorporate input from the Board and senior management from across the Group. The Directors have considered the impact of these risks on the viability of the business by performing a range of sensitivity analyses when compared to base position being the actual performance for full year 2024, including severe but plausible scenarios materialising together with the likely effectiveness of mitigating actions that would be executed by the Directors.

The scenarios emphasise the potential impact of severe market disruption including, for example, the effect of economic disruption from a cost of living crisis or a war on the short to medium-term demand for new homes. The scenarios' emphasis on the impact on the cash inflows of the Group through reduced new home sales is designed to allow the examination of the extreme cash flow consequences of such circumstances occurring. The Group's cash flows are less sensitive to supply side disruption given the Group's sustainable business model, flexible operations, agile management team and off-site manufacturing facilities.

The first scenario modelled is a severe but plausible downside scenario that models a fall in housing revenue, when compared to full year 2024, of c.54% for full year 2025 followed by a gradual recovery. The housing revenue modelled factors in changes in both volumes and average selling prices. The assumption used in this scenario reflects the experience management gained during the global financial crisis from 2007 to 2010, it being the worst recession seen in the housing market since World War Two.

A second, even more extreme, scenario assumes the same significant downturn in 2025 followed by a period of enduring depression of the UK economy and housing market through to 2029, assuming that neither volumes nor revenue recover, but that mitigations within management's control are exercised.

In each of these scenarios, cash flows were assumed to be managed consistently, ensuring all relevant land, work in progress and operational investments were made in the business at the appropriate time to deliver the projected new home legal completions. Each scenario fully reflects the current estimate of cash outflows, value and timing associated with the legacy buildings provision. The Directors assumed they would continue to make well-judged decisions in respect of capital allocation payments, ensuring that they maintained financial flexibility throughout and that the RCF would be extended to July 2030 as permitted by the current agreement.

Based on this assessment, the Directors confirm that they have reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period to the end of 31 December 2029.

* The Directors have assessed the longer-term prospects of the Group in accordance with provision 31 of the UK Corporate Governance Code 2018.

Statement of Directors' Responsibilities

The Statement of Directors' Responsibilities is made in respect of the full Annual Report and the Financial Statements not the extracts from the financial statements required to be set out in the Announcement.

The 2024 Annual Report and Accounts comply with the United Kingdom's Financial Conduct Authority Disclosure Guidance and Transparency Rules in respect of the requirement to produce an annual financial report.

We confirm that to the best of our knowledge:

- the Group and Parent Company financial statements, contained in the 2024 Annual Report and Accounts, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and
- the Strategic Report includes a fair review of the development and performance of the business and the position of the issuer, and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

We consider the Annual Report and Accounts taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

The Directors of Persimmon Plc and their function are listed below:

Roger Devlin	Chairman
Dean Finch	Group Chief Executive
Andrew Duxbury	Chief Financial Officer
Nigel Mills	Senior Independent Director
Annemarie Durbin	Non-Executive Director
Andrew Wyllie	Non-Executive Director
Alexandra Depledge	Non-Executive Director
Colette O'Shea	Non-Executive Director
Paula Bell	Non-Executive Director
Anand Aithal	Non-Executive Director

By order of the Board

Dean Finch	Andrew Duxbury
Group Chief Executive 10 March 2025	Chief Financial Officer

The Group's Annual financial reports, half year reports and trading updates are available from the Group's website at www.persimmonhomes.com/corporate.