

TRADING UPDATE

WEDNESDAY 5 JULY 2017

Persimmon plc (“the Group”) announces the following update ahead of its Half Year Results to 30 June 2017, which will be released on Tuesday 22 August 2017. This statement covers the period from 1 January 2017 to 30 June 2017.

The Group’s trading performance in the first half of the year has been excellent. We have increased legal completion volumes by 8% to 7,794 new homes (2016: 7,238). The 556 increase in new homes sold demonstrates the Group’s drive to meet market demand in all its regional markets across the UK. Our average selling price improved by 3.5% to c. £213,000 (2016: £205,762). Revenue grew by 12% to reach £1.66bn (2016: £1.49bn).

We have continued to experience good levels of customer demand since the Group’s AGM trading update on 27 April 2017, with the market taking the snap UK General Election in its stride. Consumer confidence remains resilient and compelling mortgage rates continue to offer good support to new home buyers. Group sales through May and June were healthy, leaving our weekly private sales rate per site for the first half c. 7% ahead of last year at 0.80 (2016: 0.75).

We expect the Group’s strong trading through the first half of the year, including the contribution from 95 new sales outlets opened in the period, will lead to further good progress in our operating margin. We anticipate that the Group’s operating margin in the first half of 2017 will comfortably exceed the 25.7% delivered in the second half of the prior year.

The Group has strong momentum moving into the second half of the year, with total forward sales value at 30 June 2017 of £1.60bn, 18% higher than last year (2016: £1.36bn) and a network of 375 active outlets. In addition, sales through the second half of 2017 will be supported by opening a further c. 100 new sales outlets despite the frustration of continued delays to site starts due to planning inefficiencies. We are developing all our sites for which we have secured detailed residential planning consent.

The Group has remained active in the land market with 47 new land deals for c. 9,300 new homes that will provide high quality returns in future periods. We have pulled through c. 3,000 plots from our strategic land portfolio within this total, representing 38% of our first half land consumption. Our land spend totalled c. £370m (2016: £305m).

A key feature of the Group’s strategy is our commitment to return surplus capital to shareholders over the long term. On 27 February 2017 the Board announced an additional payment under the Group’s Capital Return Plan (“the Plan”) of 25p per share (or £77m) which was paid to shareholders on 31 March 2017. This raised the total value of the Plan to c. £2.85billion, or £9.25 per share, to be returned to shareholders by the end of 2021. This represents an increase of 49% over the original value of the Plan at launch in 2012. The scheduled instalment of 110p per share (or £339m) under the Plan was paid on 3 July 2017.

At 30 June the Group held £1,120m of cash (2016: £462m) prior to payment of the scheduled Capital Return of £339m on 3 July 2017.

Successful execution of the long term strategy launched in 2012 has placed the Group in a very strong financial position, with an excellent asset platform designed to position Persimmon for success through the housing cycle. We remain fully committed to building the new homes needed by communities right across the UK. Our focus on building traditional family housing in attractive locations will help meet unfulfilled demand from first time buyers and home movers. We are confident in the Group’s future prospects.

We will announce our Half Year Results on Tuesday 22 August 2017.

Please Note

There will be a call for analysts at 0900 BST today. Please use the dial-in details below:

Telephone number: +44 (0)333 300 0804

PIN: 89206677#

Password: Persimmon

An audiocast of the call will be available on www.corporate.persimmonhomes.com from this afternoon.

For further information please contact:

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