



# CREATING A BETTER WAY TO LIVE

## HALF-YEAR REVIEW 2024



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Find more information at: [redrowplc.co.uk](http://redrowplc.co.uk)

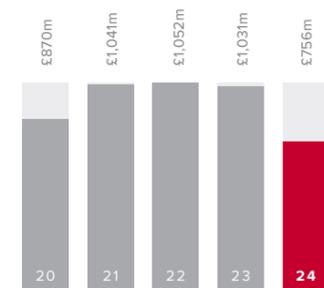


← Cover image:  
An Oxford house type at our Mill Meadows development, Monmouthshire.

↑ Daresbury Garden Village, Cheshire.

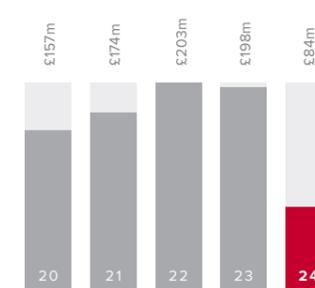
# HALF-YEARLY PERFORMANCE SUMMARY

## REVENUE



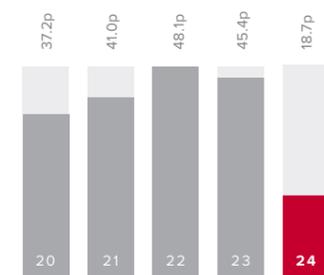
£756m -27%

## PROFIT BEFORE TAX



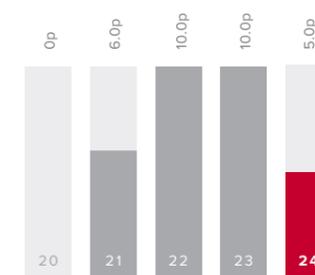
£84m -58%

## EARNINGS PER SHARE



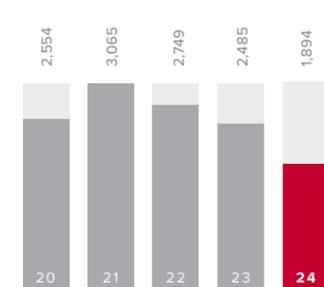
18.7p -59%

## INTERIM DIVIDEND (PER SHARE)



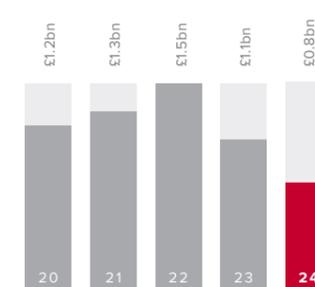
5.0p -50%

## LEGAL COMPLETIONS



1,894 -24%

## ORDER BOOK



£0.8bn -27%

This report covers the first half of our 2024 financial year – from 3 July 2023 to 31 December 2023.

\* Redrow uses a variety of statutory performance measures and alternative performance measures when reviewing the performance of the Group. See note 15 for an explanation and reconciliation of these alternative performance measures.

## AWARD HIGHLIGHTS



# GROUP CHIEF EXECUTIVE'S STATEMENT

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Despite numerous macroeconomic headwinds we have produced a resilient set of results. We continue to deliver on our proven strategy of creating aspirational homes from our award-winning Heritage Collection.



**Matthew Pratt**  
Group Chief Executive

## OVERVIEW

Despite numerous macroeconomic headwinds we have produced a resilient set of results. We continue to deliver on our proven strategy of creating aspirational homes from our award-winning Heritage Collection. All situated in beautiful, well-designed places.

Redrow's differentiated offering taps into the downsizer market. This is evidenced by our high number of cash buyers: 37% (H1 2023: 31%). However, even these customers still rely on a functioning housing market to complete sales chains.

It has been very challenging for homebuyers over the last six months, due in part to the rapid increase in mortgage rates over the course of 2023. In recent weeks, the housing market has shown signs of improvement as mortgage rates have started to come down as a result of lower inflation in the UK economy and competition amongst lenders. This in turn has increased homebuyer confidence and raised the prospects of a return to a more normal sales market. The country continues to have a chronic undersupply of new homes, which is recognised by the main political parties.

## FINANCIAL REVIEW

Redrow's private sales rate per outlet per week during the first half was 0.36 (H1 2023: 0.38) including bulk sales and 0.35 (H1 2023: 0.38) excluding bulk sales, reflecting the subdued market.

Once again, our differentiated products led to a high average selling price on private reservations of £465,000 (H1 2023: £481,000). This maintains Redrow as one of the leading housebuilders in terms of reservation turnover per outlet.

Group revenue was £0.76bn (H1 2023: £1.03bn) reflecting fewer outlet openings as we balanced work in progress with the sales rate.

Cancellations were elevated at 26% (H1 2023: 28%), reflecting the pressures on our purchasers' chains. This translated into total home legal completions in the first half of 1,894 (2023: 2,485). Profit before tax was £84m (H1 2023: £198m), with an operating margin of 11.4% (H1 2023: 19.3%).

Our earnings per share for the first half was 18.7p, compared with 45.4p for the same period last year.

We are continuing to closely monitor work in progress and are being very selective with any land opportunities.

Given the market looks set to improve, we'll be reviewing our current cautious approach to one of more optimism. At the same time, we will invest in sensible and lower risk opportunities.

Return on Capital Employed was 15.4% (H1 2023: 23.2%). We ended the first half with net cash of £121m excluding lease liabilities (2023: £107m) and our average net monthly cash was £155m (H1: 2023: £248m).

In line with our dividend policy, we have declared an interim dividend of 5 pence per share. This will be paid on 8 April 2024 to those shareholders on the register at the close of business on 23 February 2024.

As build rates across the industry have slowed, competition amongst sub-contractors and suppliers has increased. On that basis, we expect to see price reductions to reflect the changing market.

We have 24,565 (June 2023: 26,070) plots in our current land holdings with 37,500 (June 2023: 36,100) plots in our strategic land portfolio. Our continued focus is on obtaining planning permissions for our owned and controlled land. This will hopefully be made easier with an increased spotlight on Local Authorities to deliver on their housebuilding plans.

Our investment and focus on strategic land was driven by the attractiveness of the lower investment costs, whilst securing a realisable pipeline to replace immediate lost land opportunities. We believe cross-party political backing to build new homes will increase the number of consents going forward.

We continue to make positive progress in tackling issues of fire safety under the terms of the government's and the Welsh government's deed of bilateral contract relating to developer self-remediation to deliver safe residential and mixed-use buildings of 11m and over in height. All of our identified buildings have been fire assessed.

Redrow continues to actively progress all 59 identified buildings with known external and/or internal works. Contractors are on site at 28 of these buildings with the balance of 31 expected to commence within the next 12 to 18 months. Our fire safety provision remains adequate for the works we are required to complete including the government's additional requirement to undertake further works to internal common parts.

## A BETTER WAY TO LIVE

With ongoing economic and regulatory pressures on the housebuilding sector, our 'Better way to live' purpose is keeping us focused on long-term sustainable value creation. Over the last six months, we've made a measurable and positive difference to society, with much-needed new homes, investment in community infrastructure and nature, skills and employability and credible net zero climate targets.

We remain rated as 'excellent' on Trustpilot based on over 7,475 customer reviews. We've held this industry leading position since 2018, which highlights the quality of our customer interactions across the entire home buying experience. This is in addition to our Five Star awards in the Home Builders Federation

customer satisfaction survey, highlighting our commitment to customer service and build quality.

We were pleased to take the step of bringing forward our net zero target to 2045 (from 2050). We're accelerating decarbonisation initiatives across our operations, supply chain and product.

Redrow's eco electric range has been pioneering for our sector. These homes are meeting market demand for smarter living, while significantly driving down emissions in the value chain.

My role as co-chair of the Future Homes Standard Implementation Board (part of the Future Homes Hub) demonstrates our commitment to help drive a smooth cross industry transition to the government's ambition to drive tighter energy efficiency standards in new homes. A critical element of this is the support given to small and medium-sized businesses (SMEs) who often don't have the specialist inhouse staff to focus and prepare for forthcoming building regulation changes.

We've created more Thriving Communities that offer better places for our customers and nature to live and thrive. Working closely with government and local planning authorities, we're helping to shape the local communities we work in so that district-wide design codes meet today's customer demand for beautiful detached/semi-detached homes and spacious neighbourhoods.

Likewise, we've joined up with industry stakeholders to welcome the imminent Biodiversity Net Gain (BNG) regulation – having applied it in principle for two years, we're sharing evidence-based proposals for how it could work even better for nature and communities.

In the continued challenging on-site environment, we could not be prouder of our teams. Taking forward the 20 National House Building Council (NHBC) Pride in the Job Awards in the

summer, we were pleased to see that six of our Site Managers went on to attain Seals of Excellence.

Our Group Human Resources (HR) Director, Karen Jones, won the Lifetime Achievement Award at the 2023 Women in Construction Awards. The prestigious award is reserved for those who have dedicated their life to making a positive contribution to the industry and helping others to do the same.

## CURRENT TRADING & OUTLOOK

The new year traditionally results in increased activity across the housing market and this year it is pleasing to see a return of strong interest from customers.

We entered the second half with a total order book of £0.8bn of which £0.5bn was private. Our net private reservation rate per outlet per week over the first 5 weeks of calendar year 2024 was 0.52 (2023: 0.51).

We believe that Redrow is very well positioned to capitalise on any market upturn with tight cost control and a highly desirable product range which occupies a differentiated position within the new homes market. By operating with a social purpose and long-term outlook we look forward to creating many more Redrow homes and communities for years to come.

**Matthew Pratt**  
Group Chief Executive

6 February 2024

# BUILDING RESPONSIBLY

## CUSTOMERS FIRST

This has been the fifth consecutive year that we've received five stars from the HBF, complementing our ongoing 'Excellent' ratings from Trustpilot (derived from over 7,475 customer reviews). Ratings like these are testament to the quality and appeal of our homes, as well as our reputation for excellent service and safe, responsible operations. We've improved NHBC Construction Quality Review scores (incorporating the new Quality Common Scoring system), while mobilising rapidly to improve how we identify, report and learn from any reported defects.

## THE DREAM HOME IN THE PALM OF YOUR HAND

Our research shows that almost 40% of homeowners use a property app to search for their new home. Building on the success of My Redrow and our Homeowner Support portal, we launched a personalised home search app for iOS and Android – the first of its kind for our industry. At the tap of a screen, home searchers can receive instant notifications when the right home becomes available, enjoy enhanced virtual tours, access legal and financial information and make appointments with our teams.

Matt Grayson, Group Customer and Marketing Director commented "The app is the next step in Redrow's ongoing investment to help customers find eco-friendly homes and builds on our industry-first online technology experience".

The app follows our 2023 win for the Best Application of Technology at the UK Customer Satisfaction Awards and Best Customer Satisfaction Initiative at the Housebuilder awards.

## CLIMATE ACTION

As 2023 concluded with the COP28 Climate Summit, we've continued to accelerate our own climate actions. Since publishing our Annual Report last summer, we have set our target to achieve net zero carbon by 2045<sup>1</sup>, building on our previous commitment to achieve net zero carbon before 2050. This target has been submitted to the Science Based Target initiative for verification<sup>2</sup> and will sit alongside our approved carbon reduction targets for 2030:

- Reduce absolute Scope 1 and 2 greenhouse gas (GHG) emissions by 42% by 2030.
- Reduce absolute Scope 3 GHG emissions by 25% by 2030.<sup>3</sup>

To meet these targets, we've maintained focus on decarbonisation initiatives, such as reducing diesel-based generators on construction sites, renewable energy procurement across our offices and sites and

expanding our fleet of electric company cars. Against our Scope 3 emissions target, the last six months have been instrumental as the sale of eco electric homes will substantially reduce gas consumption and CO<sub>2</sub> emissions from our homes in use. Meanwhile, we have continued to drive reductions through supply chain partnerships that reduce the impact of construction materials.

<sup>1</sup> Reduce absolute scope 1, 2 and 3 GHG emissions 90% by 2045 from a 2021 base year.

<sup>2</sup> Targets are considered science-based if they are designed to meet the goals of the Paris Agreement international treaty to limit warming within 1.5°C. It was adopted by 196 parties at the UN Climate Change Conference in Paris, France, on 12 December 2015. All our targets are against a 2021 baseline.



We're committed to upholding the highest standards of quality, safety and sustainability. This applies in our builds, our operations and in how we interact with customers and wider stakeholders.

### Tim Stone

Regional Chief Executive for Western and London

#### MATERIAL ISSUES

- Health & safety
- Carbon & climate change
- Product design & lifecycle
- Pollution prevention
- Resource efficiency
- Water
- Build quality

#### CONTRIBUTION TO SDGS



## WELCOMING OUR FIRST ECO ELECTRIC CUSTOMERS AT STONE HILL MEADOW

A year on from England's Part L Building Regulation on energy performance in new and existing buildings, launching the first eco electric homes has been a milestone for Redrow and our industry. With enhanced insulation, alongside air source heat pumps and underfloor heating as standard, the homes reduce heat loss by 63% compared to those built in the 1970s.

The first residents to move into an eco electric home at our Stone Hill Meadow development in Bedfordshire were young couple Sarah Hopper and Lochlan Pinder. As well as being delighted by the great layout of their Heritage Collection home and the connectivity of the neighbourhood, they're buoyant about the increased efficiency of their home.

### IN THE WORDS OF OUR CUSTOMERS

We knew that new-build homes had an obvious advantage over second-hand properties, thanks to all the energy efficient benefits that modern materials and better floorplans provide. Knowing that our home at Stone Hill Meadow would be even more environmentally efficient thanks to the air source heat pump and underfloor heating was a real standout when making our decision!

### Sarah and Lochlan

The first eco electric home residents

By launching at scale, well ahead of the Future Homes Standard implementation deadline, Redrow has been able to collate an enormous amount of learnings across the technical, design, supply chain and commercial aspects of the net zero transition.



## SAFE, RESPONSIBLE OPERATIONS

Always looking to enhance the safety of our operations, we are now capturing more health, safety and environment (HSE) data than ever before. Enhancing our 'Red HSE' app is just one of the ways in which we're making it easy for colleagues to know how to respond to (and report if needed) safety risks or incidents. We have also improved (and digitised) several HSE monitoring processes, including leadership visits, out of

hours inspections and sales and office checklists. In the next six months, we will be rolling out a feedback process to enable us to assess the effectiveness of the system and plan for its development.

Against life-critical fire safety remediation requirements in England and Wales, 100% of Redrow buildings developed in the last 30 years have been assessed and we are now

systematically progressing works where needed, with all leaseholders and residents kept in close contact. As members of the Considerate Construction Scheme, our sites have continued scoring well against its Code of Considerate Practice, with many sites achieving full marks and our highest performing category being 'valuing the workforce'.

<sup>3</sup> The GHG Protocol defines three categories of emissions: Scope 1 are those created directly (e.g. gas and owned vehicle fuel use); Scope 2 emissions are indirect, including electricity or purchased energy; and Scope 3 are those indirectly created up and down the value chain, including supplier chain and customer home occupancy.

# THRIVING COMMUNITIES

## BETTER PLACES TO LIVE

In the last six months, we've built more characterful homes designed with the quality, flexibility and high energy efficiency for today's living. At the same time, we've worked closely with governmental and non-governmental partners to create even better places to live for people and nature. As we look forward, our strategy puts us in a confident position to deliver on the government's – and the public's – ambition for aspirational places and homes.

## BUILDING BEAUTIFUL HOMES AND PLACES

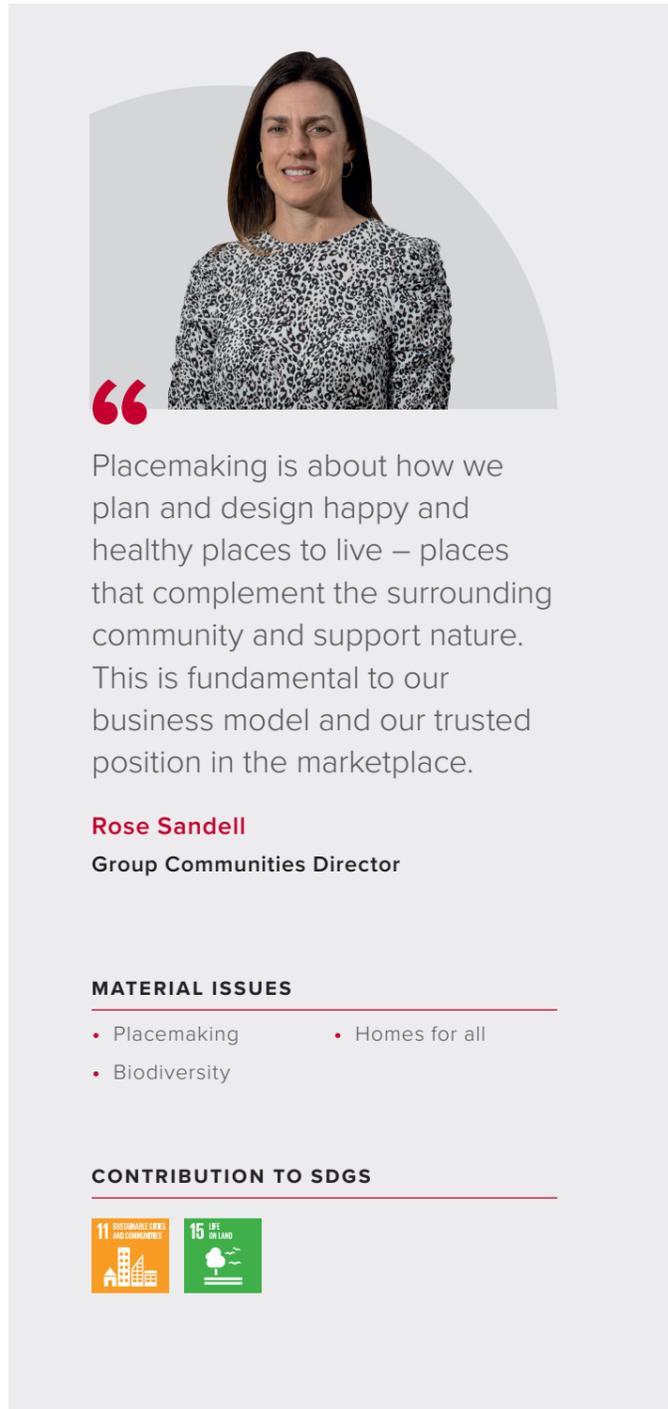
In December, the government published its long awaited revised National Planning Policy Framework, which emphasises the role of beauty and placemaking in planning. Based on our extensive research, we know that beautiful places can be delivered in many different forms and densities. Places like Bournville Garden Village in Birmingham are considered by the public to be as, if not more, beautiful than more urban forms of housing, such as Georgian terraces that are increasingly given as examples of some of the most attractive forms of development.

We conducted further independent research in November 2023 where we showed photographs of different places and asked 2,000 respondents to rate their beauty. When asked which was more beautiful, a photograph of a street comprising low density homes in Bournville Garden Village or a Georgian terraced street, 85% chose Bournville and just 6% the Georgian street. Other responses reinforced this by showing a very high preference for the beauty of streets comprising lower-density detached homes over terraced housing, whether of a contemporary or classical style.

We've consistently expressed to government that the views of home purchasers and local communities must be at the heart of aesthetic planning. This has been the core of our strategy around beautiful homes and places that give our customers and the surrounding communities better ways to live.

## SHAPING DESIGN CODES

Under the proposed changes to the planning system set out in the Levelling Up and Regeneration Act, all local planning authorities will be required to have a district-wide design code. Our position has consistently been that these design codes must be shaped through comprehensive collaboration with local communities and house builders to ensure they align with residents and proposed customer requirements and aspirations. We've also highlighted the limitations to these codes, which often tend to have an urban and higher density



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Placemaking is about how we plan and design happy and healthy places to live – places that complement the surrounding community and support nature. This is fundamental to our business model and our trusted position in the marketplace.

**Rose Sandell**  
Group Communities Director

### MATERIAL ISSUES

- Placemaking
- Biodiversity
- Homes for all

### CONTRIBUTION TO SDGS



focus, citing extensive (and independent) evidence that successful communities and many homebuyers prefer detached and semi-detached homes with green frontage and convenient off-street parking.

In the last six months, we worked closely with government representatives through the Future Homes Hub as well as with local planning authorities, getting involved at the earliest opportunity on a number of draft design codes. We also worked to make it easier for local residents to comment on interactive masterplans for their neighbourhoods by trialling digital community consultation platforms supported by social media campaigns.

→  
A cycle route being used by residents at our Churchlands development near Cardiff.



↑  
Aerial view of the new wetland scheme at our development in Conningbrook, Kent.

## INNOVATION FOR HEALTHY WATERWAYS, CONNINGBROOK

At our Conningbrook development of 725 new homes in Ashford, Kent, alongside our development partner Quinn Estates, we've invested £3.5m in the creation of a new wetland scheme designed to ensure the new development achieves nutrient neutrality. The aim is to offset any additional nutrients that will be created by the new homes when they are occupied, in order to protect sensitive local river systems.

The scheme works by pumping water out of the Great Stour River, which has high nutrient levels, and through the reedbed of 140,000 reeds which naturally filter out nitrates and phosphates, returning clean water to the river downstream. The reedbed also provides new habitats for wildlife, with native species-rich grassland planted to provide screening around the pumping station and other artificial

features. The wetlands became operational in January 2024, prior to the first home completions. Future care of the wetlands will be undertaken on behalf of Redrow and Quinn Estates by Trustgreen, an open-space management company which specialises in promoting natural habitats and biodiversity.



## NATURE FOR PEOPLE

We welcome the new Biodiversity Net Gain (BNG) regulations<sup>4</sup>, which provide a transparent and measurable way to create and enhance habitats for nature in and around new developments.

We've been applying these principles for the past two years, ensuring our land purchase and design processes follow the mitigation hierarchy and deliver quality gains for nature. We have been reviewing government guidance and, under our membership of the Future Homes Hub, are providing feedback at industry level to identify where further information is needed for developers and local planning authorities to ensure a smooth transition.

We're committed to continuing to work with others to ensure effective delivery of BNG, particularly given the context of local planning resource pressures, which delivers nature-rich developments for communities.

<sup>4</sup> In Wales, the focus is on Net Benefits for Biodiversity on new developments.

# VALUING PEOPLE

## SUPPORTING SKILLS

As a forward-thinking company with an eye on the ongoing skills shortage and harnessing future talent, we've maintained investment in our acclaimed national apprenticeship programme that offers trade, technical and commercial training, including a flagship hub partnership with NHBC. Our latest survey of 16 to 24 year olds showed that:

- 32% are considering, or have considered, a career in construction.
- 36% believe gender-based stereotypes or norms when they were younger have influenced their career choices.
- 35% agree that their school does not/did not encourage them to go into apprenticeships.
- Half of parents would prefer their child went to university after school instead of taking an apprenticeship.

Raising the profile of vocational training, particularly among girls and young women, clearly remains an imperative. It's why we continue to invest in providing bursaries and internship opportunities. Most recently, this includes an exciting three-year partnership with Nottingham Trent University, giving their students in Construction Management courses access to Redrow Progression Fund bursaries and hands-on experience with us, including site visits.

We've provided further opportunities and education for 15 to 18 year olds to kickstart a career in housebuilding through a schools outreach programme that focuses on regions of low social mobility. Redrow Ambassador volunteers are integral to this, giving their time to inspire pupils and provide support in CV-writing and interviewing.



I am determined to obtain chartered status in Quantity Surveying in order to enhance my professional credentials. The Redrow funding has been instrumental in assisting me in taking these initial steps towards achieving these ambitious goals.

**Hassan Sabir**  
MSc Quantity Surveying



With the future pipeline of talent always in mind, we've undertaken more outreach to schools, inspiring and supporting youngsters in areas of low social mobility. At the same time, we've invested in our existing workforce to attract and retain the talent we need.

**Karen Jones**  
Group Human Resources (HR) Director

### MATERIAL ISSUES

- Company culture
- Sustainable procurement
- Diversity and inclusion
- Skills and training

### CONTRIBUTION TO SDGS



Year 5 pupils enjoying a visit to our Tudor Meadow development in Sawston, Cambridgeshire.



## VALUING OUR DIVERSE TALENT

ED&I in our workforce benefits Redrow by enhancing creativity, innovation, productivity and connection to customers. Every division has its own ED&I senior sponsor and lead representative. With our ongoing commitment to inspiring and developing more women into our industry in mind, our women-focused Empower network is providing support for female colleagues with quarterly campaigns.

Delivering on our purpose depends on an empowered, supported and engaged workforce – including those working indirectly for us via sub-contractors. We were pleased to see our new appraisal system going live,

following months of development, which offers improved performance management tracking for colleagues and managers alike. Meanwhile, we fostered a culture of wellbeing, with a particular focus on mental health and our ongoing Mind Your Head campaign. It was a privilege to host the construction industry wellbeing charity, Lighthouse, at two of our sites to run sessions around recognising the signs and symptoms of colleagues suffering from stress, anxiety or depression, giving teammates the courage to start a conversation. We look forward to expanding this support for both colleagues and sub-contractors in the year ahead.



Redrow bricklaying apprentice Akbar Zaman at the NHBC training hub, Tamworth.

## SEALS OF EXCELLENCE FOR OUR "SUPER SIX" SITE MANAGERS

Craig Thomas, Ben Goostrey, Michael Burnell, James Barraclough, Paul Peacock and Ian Larkins were presented with the coveted Seal of Excellence Pride in the Job Awards for their work leading construction teams at our developments across England and Wales. Around 8,000 eligible site managers across our industry are assessed across six key areas: consistency, attention to detail, leadership, interpretation of drawings and specifications, technical expertise and health and safety. Just 141 went on to win Seals of Excellence in 2023.



Michael Burnell, Seal of Excellence Pride in the Job Award winner, The Avenue at Thorpe Park, West Yorkshire.

In South Midlands, highly experienced site manager Paul Peacock has been recognised for excellence at Cottenham Grove:

“Winning the award is an incredible accomplishment. Building a solid team that share my values has been critical to the development's success, and I'd like to thank them for all for their hard work – I wouldn't be able to do my job without their ongoing support.”

Michael Burnell, from Leeds, won his third NHBC Pride in the Job Quality Award:

“Winning this award gives you a real sense of self-pride and achievement. It takes a lot of hard work and dedication from all of the team and that hard work has paid off.”

Part of Redrow's Midlands divisional development at Amington Garden Village:

“When we hand over a finished property, it's wonderful to see the new owners take the final steps to transform our building efforts from a house to home. It is such a special moment, and I am incredibly proud to play my part in such a key milestone of peoples' lives.”

Ben Goostrey, from Congleton, Cheshire, is based at Kingsbourne, in Nantwich:

“It's a big achievement and a very proud moment. It's a real team effort and keeping a consistent team on site has helped to keep a high standard of build at every stage.”

Craig Thomas from our South Wales division was awarded his sixth Seal of Excellence Award in a row:

“The biggest reward for me is the recognition you get within the industry for you as the manager, the site team and Redrow as a business. It really does make all the hard work, commitment and sacrifices worthwhile.”

James Barraclough, from Wakefield, is based at Poppy Fields in Rotherham:

“It was such a great feeling to hear that I had won in the first round and now to win a Seal of Excellence Award – it has made me very proud.”

Customer visit taking place at  
Newton Garden Village, Nottinghamshire.



# STATEMENT OF DIRECTORS' RESPONSIBILITIES

We confirm that to the best of our knowledge:

- the condensed set of financial statements has been prepared in accordance with the UK adopted International Accounting Standard 34, Interim Financial Reporting; and
- the interim management report includes a fair review of the information required by:
  - a) DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred during the first 26 weeks of the financial year and their impact on the condensed set of financial statements and a description of the principal risks and uncertainties for the remaining 26 weeks of the financial year; and
  - b) DTR 4.2.8R of the Disclosure Guidance and Transparency Rules, being related party transactions that have taken place in the first 26 weeks of the current financial year and that have materially affected the financial position or performance of the entity during that period and any changes in the related party transactions described in the last annual report that could do so.

## THE DIRECTORS OF REDROW PLC AS AT THE DATE OF THIS STATEMENT ARE:

Richard Akers  
Matthew Pratt  
Barbara Richmond  
Nicky Dulieu  
Oliver Tant  
Geeta Nanda

By order of the Board

Beth Ford  
Company Secretary

6 February 2024

Redrow plc  
Redrow House  
St David's Park  
Flintshire  
CH5 3RX

## CONSOLIDATED INCOME STATEMENT

	NOTE	UNAUDITED 26 WEEKS ENDED 31 DECEMBER 2023 £M	UNAUDITED 26 WEEKS ENDED 1 JANUARY 2023 £M	AUDITED 52 WEEKS ENDED 2 JULY 2023 TOTAL £M
Revenue		756	1,031	2,127
Cost of sales		(613)	(774)	(1,619)
<b>Gross profit</b>		<b>143</b>	257	508
Administrative expenses		(57)	(58)	(109)
<b>Operating profit</b>		<b>86</b>	199	399
Financial income		3	2	5
Financial costs		(5)	(3)	(9)
Net financing costs		(2)	(1)	(4)
<b>Profit before tax</b>		<b>84</b>	198	395
Income tax expense	2	(24)	(48)	(97)
<b>Profit for the period</b>		<b>60</b>	150	298
<b>Earnings per share – basic</b>	4	<b>18.7p</b>	45.4p	91.2p
<b>– diluted</b>	4	<b>18.6p</b>	45.3p	90.9p

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	NOTE	UNAUDITED 26 WEEKS ENDED 31 DECEMBER 2023 £M	UNAUDITED 26 WEEKS ENDED 1 JANUARY 2023 £M	AUDITED 52 WEEKS ENDED 2 JULY 2023 TOTAL £M
Profit for the period		60	150	298
<b>Other comprehensive expense</b>				
<b>Items that will not be reclassified to profit or loss</b>				
Remeasurements of post employment benefit obligations	5	–	(16)	(34)
Deferred tax on remeasurements of post employment benefit obligations		–	5	12
<b>Other comprehensive expense for the period net of tax</b>		<b>–</b>	(11)	(22)
<b>Total comprehensive income for the period</b>		<b>60</b>	139	276

## CONSOLIDATED BALANCE SHEET

	NOTE	UNAUDITED AS AT 31 DECEMBER 2023 £M	UNAUDITED AS AT 1 JANUARY 2023 £M	AUDITED AS AT 2 JULY 2023 £M
<b>Assets</b>				
Intangible assets		1	1	1
Property, plant and equipment		20	22	22
Lease right of use assets		11	7	10
Deferred tax assets		1	1	1
Retirement benefit surplus	5	5	23	5
<b>Total non-current assets</b>		<b>38</b>	54	39
Inventories	6	2,743	2,943	2,770
Trade and other receivables		30	35	42
Current corporation tax		–	4	–
Cash and cash equivalents	8	121	107	235
<b>Total current assets</b>		<b>2,894</b>	3,089	3,047
<b>Total assets</b>		<b>2,932</b>	3,143	3,086
<b>Equity</b>				
Retained earnings at 3 July 2023/4 July 2022		1,922	1,846	1,846
Profit for the period		60	150	298
Other comprehensive expense for the period		–	(11)	(22)
Dividends paid		(65)	(76)	(108)
Net purchase of own shares arising from share buyback programme		–	(96)	(100)
Movement due to equity based share options and owned shares held by EBT		2	2	8
Retained earnings	12	1,919	1,815	1,922
Share capital	11	35	36	35
Share premium account		59	59	59
Other reserves		10	8	10
<b>Total equity</b>		<b>2,023</b>	1,918	2,026
<b>Liabilities</b>				
Trade and other payables	7	56	120	104
Deferred tax liabilities		3	9	3
Long-term provisions	10	140	90	88
<b>Total non-current liabilities</b>		<b>199</b>	219	195
Trade and other payables	7	657	893	750
Provisions	10	48	113	107
Current income tax liabilities		5	–	8
<b>Total current liabilities</b>		<b>710</b>	1,006	865
<b>Total liabilities</b>		<b>909</b>	1,225	1,060
<b>Total equity and liabilities</b>		<b>2,932</b>	3,143	3,086

Redrow plc Registered no. 2877315

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	SHARE CAPITAL £M	SHARE PREMIUM ACCOUNT £M	OTHER RESERVES £M	RETAINED EARNINGS £M	TOTAL £M
At 4 July 2022	37	59	8	1,846	1,950
Total comprehensive income for the period	–	–	–	139	139
Dividends paid	–	–	–	(76)	(76)
Net purchase of own shares arising from share buyback programme	(1)	–	–	(96)	(97)
Movement in LTIP/SAYE	–	–	–	2	2
<b>At 1 January 2023 (Unaudited)</b>	<b>36</b>	<b>59</b>	<b>8</b>	<b>1,815</b>	<b>1,918</b>
At 4 July 2022	37	59	8	1,846	1,950
Total comprehensive income for the period	–	–	–	276	276
Dividends paid	–	–	–	(108)	(108)
Net purchase of own shares arising from share buyback programme	(2)	–	2	(100)	(100)
Satisfaction of share options from treasury shares	–	–	–	2	2
Other LTIP/DB/SAYE credit	–	–	–	6	6
<b>At 2 July 2023 (Audited)</b>	<b>35</b>	<b>59</b>	<b>10</b>	<b>1,922</b>	<b>2,026</b>
At 3 July 2023	35	59	10	1,922	2,026
Total comprehensive income for the period	–	–	–	60	60
Dividends paid	–	–	–	(65)	(65)
Net purchase of own shares arising from share buyback programme	–	–	–	–	–
Other LTIP/DB/SAYE credit	–	–	–	2	2
<b>At 31 December 2023 (Unaudited)</b>	<b>35</b>	<b>59</b>	<b>10</b>	<b>1,919</b>	<b>2,023</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS

	NOTE	UNAUDITED 26 WEEKS ENDED 31 DECEMBER 2023 £M	UNAUDITED 26 WEEKS ENDED 1 JANUARY 2023 £M	AUDITED 52 WEEKS ENDED 2 JULY 2023 £M
<b>Cash flows from operating activities</b>				
Profit for the period		60	150	298
Depreciation and amortisation		4	3	4
Financial income		(3)	(2)	(5)
Financial costs		5	3	9
Income tax expense		24	48	97
Adjustment for non-cash items		(1)	(1)	–
Decrease in trade and other receivables		12	41	34
Decrease/(increase) in inventories		27	(203)	(30)
(Decrease)/increase in trade and other payables		(141)	8	(151)
(Decrease) in provisions		(7)	(4)	(12)
<b>Cash (outflow)/inflow generated from operations</b>		<b>(20)</b>	<b>43</b>	<b>244</b>
Interest paid		(3)	(1)	(4)
Tax paid		(27)	(45)	(82)
<b>Net cash (outflow)/inflow from operating activities</b>		<b>(50)</b>	<b>(3)</b>	<b>158</b>
<b>Cash flows from investing activities</b>				
Acquisition of software, property, plant and equipment		–	(5)	(4)
Interest received		3	2	4
<b>Net cash inflow/(outflow) from investing activities</b>		<b>3</b>	<b>(3)</b>	<b>–</b>
<b>Cash flows from financing activities</b>				
Payment of lease liabilities		(2)	(2)	(3)
Purchase of own shares		–	(97)	(100)
Dividends paid	3	(65)	(76)	(108)
<b>Net cash (outflow) from financing activities</b>		<b>(67)</b>	<b>(175)</b>	<b>(211)</b>
<b>(Decrease) in net cash and cash equivalents</b>		<b>(114)</b>	<b>(181)</b>	<b>(53)</b>
Net cash and cash equivalents at the beginning of the period		235	288	288
<b>Net cash and cash equivalents at the end of the period</b>	8	<b>121</b>	<b>107</b>	<b>235</b>

# NOTES TO THE FINANCIAL STATEMENTS

## 1. ACCOUNTING POLICIES

### Basis of preparation

The condensed consolidated half-yearly financial information for the 26 weeks ended 31 December 2023 has been prepared on a going concern basis in accordance with the Disclosure and Transparency Rules of the Financial Conduct Authority and with IAS 34 interim Financial Reporting, as adopted by the United Kingdom. The Directors consider this to be appropriate for the reasons outlined below.

The condensed consolidated financial statements are unaudited. A copy of the audited statutory accounts for year ended 2 July 2023 has been delivered to the Registrar of Companies.

The annual financial statements of the group for the 52 weeks to 30 June 2024 will be prepared in accordance with UK adopted international accounting standards (IFRS) in conformity with the requirements of the Companies Act 2006. As required by the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority, the condensed set of financial statements has been prepared applying the accounting policies and presentation that were applied in the preparation of the company's published consolidated financial statements for the 52 weeks ended 2 July 2023 which were prepared in accordance with applicable IFRSs.

### Going concern

The financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the reasons outlined below.

The Group renewed its available banking facilities in March 2021. As a result, the Group has a £350m Revolving Credit Facility (RCF) (2023: £350m) provided by an established syndicate of six banks being Barclays Bank PLC, Lloyds Bank Plc, The Royal Bank of Scotland Group Plc, Santander, HSBC and Svenska. This expires in September 2025 and is a committed unsecured facility. No change to the RCF covenants was made as a result of the renewal. As at 7 February 2024, £350m of this facility was undrawn. It is likely that the RCF will be renewed prior to its expiry in September 2025.

In addition the Group is in a net cash position at 31 December 2023 and 6 February 2024 and also has £3m of unsecured, uncommitted facilities.

The Directors have prepared forecasts including cashflow forecasts for a period of at least 12 months from the date of signing of these financial statements (the going concern assessment period). These forecasts indicate that the Group will have sufficient funds to meet its liabilities as they fall due, taking into account the following severe but plausible downside assumptions:

- A 10% price reduction on all unexchanged private and social legal completions for the going concern assessment period compared to the base case Board approved latest forecast prices;
- A 15% volume reduction for the going concern assessment period compared to the base case Board approved latest forecast volumes; and
- The Bank of England base rate increasing to 5.5% during FY24 before reducing to 5% by the end of the going concern assessment period.

These downside assumptions reflect the potential impact of increased economic uncertainty, the further potential impact of world conflicts, disruption in the energy and fuel market, inflation pressure, increasing rates of unemployment and the impact on consumer confidence levels.

Allowing for the above downside scenario, the model shows the Group has adequate levels of liquidity from its committed facilities and complies with all its banking covenants throughout the forecast period. The Directors therefore consider that the Group will have sufficient funds to continue to meet its liabilities as they fall due for the forecast period and have therefore adopted the going concern basis of accounting in preparing these financial statements.

Redrow plc is a public listed company, listed on the London Stock Exchange and domiciled in the UK.

The half-yearly condensed consolidated report should be read in conjunction with the annual consolidated financial statements for the 52 weeks ended 2 July 2023, which have been prepared in accordance with UK adopted international accounting standards.

This half-yearly financial information does not comprise statutory accounts within the meaning of section 435 of the Companies Act 2006. The comparative figures for the financial period ended 2 July 2023 are not the Group's statutory accounts for that financial year. Audited statutory accounts for the 52 weeks ended 2 July 2023 were approved by the Board of Directors on 15 September 2023 and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under section 498 (2) or (3) of the Companies Act 2006.

The principal accounting policies adopted in the preparation of this condensed half-yearly financial information are included in the annual consolidated financial statements for the 52 weeks ended 2 July 2023. The accounting policies are consistent with those followed in the preparation of the financial statements to the 52 weeks ended 2 July 2023.

The preparation of condensed half-yearly financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may subsequently differ from these estimates. In preparing this condensed half-yearly financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual consolidated financial statements for the 52 weeks ended 2 July 2023.

The main operation of the Group is focused on housebuilding. As it operates entirely within the United Kingdom, the Group has only one reportable business and geographic segment. After considering the requirements of IFRS 15 to present disaggregated revenue, the Group does not believe there is any disaggregation criteria applicable to its one reportable business and geographic segment. There is no material difference between any assets or liabilities held at cost and their fair value.

### Principal risks and uncertainties

As with any business, Redrow plc faces a number of risks and uncertainties in the course of its day to day operations.

The principal risks and uncertainties facing the Group are outlined within our half-yearly report 2024 (note 18). We have reviewed the risks pertinent to our business in the 26 weeks to 31 December 2023 and which we believe to be relevant for the remaining 26 weeks to 30 June 2024.

## 2. INCOME TAXES

Income tax charge is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year (29% (2023: 24.5%)) based on substantively enacted corporation tax and Residential Property Developer Tax (RPDT) rates. Deferred taxation balances have been valued at 29% (2023: 29%) being the corporation tax rate from 1 April 2023 substantively enacted on 24 May 2021 plus 4% RPDT with the exception of the deferred tax liability on employee benefits which has been calculated at 35% (2023: 35%).

## 3. DIVIDENDS

A dividend of £65m was paid in the 26 weeks ended 31 December 2023 (26 weeks ended 1 January 2023: £76m).

## 4. EARNINGS PER SHARE

The basic earnings per share calculation for the 26 weeks ended 31 December 2023 is based on the weighted number of shares in issue during the period of 321m (26 weeks ended 1 January 2023: 330m) excluding treasury shares held by the company and those held in trust under the Redrow Long Term Incentive Plan, which are treated as cancelled.

Diluted earnings per share has been calculated after adjusting the weighted average number of shares in issue for all potentially dilutive shares held under unexercised options.

### 26 weeks ended 31 December 2023 (Unaudited)

	EARNINGS £M	NUMBER OF SHARES MILLIONS	PER SHARE PENCE
Basic earnings per share	60	321	18.7
Effect of share options and SAYE	–	1	(0.1)
Diluted earnings per share	60	322	18.6

### 26 weeks ended 1 January 2023 (Unaudited)

	EARNINGS £M	NUMBER OF SHARES MILLIONS	PER SHARE PENCE
Basic earnings per share	150	330	45.4
Effect of share options and SAYE	–	1	(0.1)
Diluted earnings per share	150	331	45.3

**4. EARNINGS PER SHARE (CONTINUED)**  
**52 weeks ended 2 July 2023 (Audited)**

UNDERLYING AND STATUTORY	EARNINGS £M	NUMBER OF SHARES MILLIONS	PER SHARE PENCE
Basic earnings per share	298	327	91.2
Effect of share options and SAYE	–	1	(0.3)
Diluted earnings per share	298	328	90.9

**5. PENSIONS**

The amounts recognised in respect of the defined benefit section of the Group's Pension Scheme are as follows:

	UNAUDITED 26 WEEKS ENDED 31 DECEMBER 2023 £M	UNAUDITED 26 WEEKS ENDED 1 JANUARY 2023 £M	AUDITED 52 WEEKS ENDED 2 JULY 2023 £M
<b>Amounts included within the consolidated income statement</b>			
<b>Period operating costs</b>			
Scheme administration expenses	–	–	(1)
Net interest on defined benefit liability	–	–	1
	–	–	–
<b>Amounts recognised in the consolidated statement of comprehensive income</b>			
Return on scheme assets excluding interest income	5	(28)	(56)
Actuarial movements arising from changes in demographic assumptions	–	–	5
Actuarial movements arising from change in financial assumptions	(3)	18	21
Actuarial movements arising from experience adjustments	(2)	(6)	(4)
	–	(16)	(34)
<b>Amounts recognised in the consolidated balance sheet</b>			
Present value of the defined benefit obligation	(79)	(84)	(74)
Fair value of the Scheme's assets	84	107	79
<b>Surplus in the consolidated balance sheet</b>	<b>5</b>	<b>23</b>	<b>5</b>

**6. INVENTORIES**

	UNAUDITED AS AT 31 DECEMBER 2023 £M	UNAUDITED AS AT 1 JANUARY 2023 £M	AUDITED AS AT 2 JULY 2023 £M
Land for development	1,601	1,816	1,684
Work in progress	1,067	1,056	1,017
Stock of showhomes	75	71	69
	<b>2,743</b>	<b>2,943</b>	<b>2,770</b>

**7. LAND CREDITORS (INCLUDED IN TRADE AND OTHER PAYABLES)**

	UNAUDITED AS AT 31 DECEMBER 2023 £M	UNAUDITED AS AT 1 JANUARY 2023 £M	AUDITED AS AT 2 JULY 2023 £M
Due within one year	132	297	174
Due in more than one year	49	115	98
	<b>181</b>	<b>412</b>	<b>272</b>

**8. ANALYSIS OF NET CASH**

	UNAUDITED AS AT 31 DECEMBER 2023 £M	UNAUDITED AS AT 1 JANUARY 2023 £M	AUDITED AS AT 2 JULY 2023 £M
Cash and cash equivalents	121	107	235
Lease liabilities	(11)	(7)	(10)
	<b>110</b>	<b>100</b>	<b>225</b>

Net cash excludes land creditors.

**9. BANK FACILITIES**

At 31 December 2023, the Group had total unsecured bank borrowing facilities of £353m (1 January 2023: £353m), representing £350m committed facilities and £3m uncommitted facilities. The Group's syndicated loan facility matures on 30 September 2025.

**10. PROVISIONS**

	LEGACY FIRE SAFETY PROVISION £M	OTHER £M	TOTAL £M
At 2 July 2023 (audited)	188	7	195
Provisions utilised	(7)	–	(7)
<b>As at 31 December 2023 (unaudited)</b>	<b>181</b>	<b>7</b>	<b>188</b>

	UNAUDITED AS AT 31 DECEMBER 2023 £M	AUDITED AS AT 2 JULY 2023 £M
Current provisions	48	107
Non-current long term provisions	140	88
	<b>188</b>	<b>195</b>

## 10. PROVISIONS (CONTINUED)

### Legacy fire safety provision

Redrow is predominantly a housebuilder, however the Group historically built a small number of high rise buildings, mostly on a design and build basis by main contractors. In April 2022 the Group signed the government's Building Safety Pledge in respect of funding of remediation of life critical fire safety issues on buildings over 11m in which the Group was involved in going back 30 years. On 30 January 2023 Michael Gove announced the publication of the self remediation terms (SRT) which follows on from the signing of the Building Safety Pledge last year. Redrow signed this SRT on 13 March 2023 and the Welsh version on 18 April 2023. This SRT widened developers' responsibilities regarding potential remediation work which may need to be undertaken notably to include communal internal areas and for all buildings over 11m to be risk assessed regardless of EWS1 (External Wall Fire Review) status.

The legacy fire safety provision reflects Management's best estimates of the cost of works outstanding to complete the remediation of all identified buildings within scope to the standard outlined in the SRT including the reimbursement of funds to the Build Safety Fund (BSF) as appropriate. Prior year provisions represented Management's best estimate of the liability based on the information available at the time in relation to the obligations at the time. In estimating the cost of the works for calculating the provision at 31 December 2023, Management has used the latest BSF cost information shared with Redrow, taken into account the cost of contracts Redrow has placed and tenders received together with input from external cost consultants with respect to estimated external and internal remediation costs per plot. Management classified buildings as in scope according to a risk assessment across 6 risk categories used in reporting to DLUHC including their EWS1 status. However, these estimates are inherently uncertain as this is a highly complex area involving bespoke buildings for which investigations and assessments will be ongoing for some time. It is expected that £48m of the remaining provision will be utilised in the next 12 months and the remainder over the following three years although these timescales are subject to the completion of negotiations with relevant stakeholders. Provisions are discounted to net present value where the effect is material.

## 11. ISSUED SHARE CAPITAL

### Allotted, called up and fully paid

	NUMBER	£M
At 2 July 2023 and 31 December 2023 ordinary shares of 10.5p each	330,770,245	35

## 12. RETAINED EARNINGS

Included in retained earnings of £1,919m at 31 December 2023 is £nil in respect of treasury shares held by the Company (at 1 January 2023: £38m).

## 13. CONTINGENT LIABILITIES

The Company has guaranteed the bank borrowings of its subsidiaries. Performance bonds and other building or performance guarantees have been entered into in the normal course of business. Management consider the possibility of a cash outflow in settlement to be remote.

## 14. RELATED PARTIES

Key management personnel, as defined under IAS 24 'Related Party Disclosures', are identified as the Executive Management Team and the Non-Executive Directors. Summary key management remuneration is as follows:

	UNAUDITED 26 WEEKS ENDED 31 DECEMBER 2023 £M	UNAUDITED 26 WEEKS ENDED 1 JANUARY 2023 £M	AUDITED 52 WEEKS ENDED 2 JULY 2023 £M
Short-term employee benefits	2	2	5
Share-based payment charges	–	1	2
	2	3	7

## 15. ALTERNATIVE PERFORMANCE MEASURES

Redrow uses a variety of Alternative Performance Measures (APMs) which are not defined or specified by IFRSs but which the Directors believe are pertinent to reviewing and understanding the broader performance of the Group, in conjunction with IFRS defined measures.

### Interim dividend per share

Interim dividend per share declared in respect of financial year.

### Legal completions

The number of homes legally completed in the half year.

### Order Book

The value of reserved and exchanged sales which had not legally completed at the half year end.

### Return on capital employed

Capital employed is defined as total equity plus net debt or minus net cash.

ROCE – at half year end, this is calculated as operating profit for the 52 weeks to 31 December 2023 and 52 weeks to 1 January 2023 before exceptional items as a percentage of the average of current year 31 December 2023 and prior year 1 January 2023 capital employed.

	26 WEEKS ENDED 31 DECEMBER 2023 £M		26 WEEKS ENDED 1 JANUARY 2023 £M
<b>Operating Profit</b>			
26 weeks to 31 December 2023	86	26 weeks to 1 January 2023	199
52 weeks to 2 July 2023	399	53 weeks to 3 July 2022	414
26 weeks to 1 January 2023	(199)	27 weeks to 2 January 2022	(205)
<b>52 weeks to 31 December 2023</b>	<b>286</b>	52 weeks to 1 January 2023	<b>408</b>
<b>Capital Employed</b>			
Total equity 31 December 2023	2,023	Total equity 1 January 2023	1,918
Net cash 31 December 2023	(121)	Net cash 1 January 2023	(107)
<b>Capital employed 31 December 2023</b>	<b>1,902</b>	Capital employed 1 January 2023	<b>1,811</b>
Total equity 1 January 2023	1,918	Total equity 2 January 2022	1,953
Net cash 1 January 2023	(107)	Net cash 2 January 2022	(242)
<b>Capital employed 1 January 2023</b>	<b>1,811</b>	Capital employed 2 January 2022	<b>1,711</b>
<b>Average capital employed</b>	<b>1,857</b>	Average capital employed	<b>1,761</b>
<b>ROCE %</b>	<b>15.4%</b>	ROCE %	<b>23.2%</b>

## 16. GENERAL INFORMATION

Redrow plc is a public limited company incorporated and domiciled in England and Wales and has its primary listing on the London Stock Exchange.

The registered office address is Redrow House, St David's Park, Flintshire, CH5 3RX.

### Financial Calendar

Interim dividend record date	23 February 2024
Interim dividend payment date	8 April 2024
Announcement of results for the 52 weeks to 30 June 2024	11 September 2024
Final dividend record date	To be confirmed
Circulation of Annual Report	4 October 2024
Annual General Meeting	8 November 2024
Final dividend payment date	To be confirmed

## 17. SHAREHOLDER ENQUIRIES

The Registrar of Redrow plc is Computershare Investor Services PLC. Shareholder enquiries should be addressed to the Registrar at the following address:

Registrars Department  
The Pavilions  
Bridgwater Road  
Bristol  
BS99 6ZZ  
Shareholder helpline: 0370 707 1257

## 18. RISK AND RISK MANAGEMENT

The Board has carried out a robust assessment of the Group's emerging and principal risks. The following tables outline Redrow's principal risks, together with key controls and mitigating strategies.

STRATEGIC OBJECTIVE	RISK	RISK OWNERS	KEY CONTROLS AND MITIGATING STRATEGIES	EXAMPLE KEY RISK INDICATORS
 <b>THRIVING COMMUNITIES</b>	<b>HOUSING MARKET</b> The UK housing market conditions have a direct impact on our business performance.	Group Chief Executive	Ongoing and regular monitoring of government policy consultations and developments and lobbying as appropriate.  Close monitoring of government guidance.  Market conditions and trends are being closely monitored allowing management to identify and respond to any sudden changes or movements.  Weekly review of sales at Group, divisional and site level with monitoring of pricing trends and customer demographics.  Ensuring strong relationships with lenders and valuers to ensure they recognise our premium product.  Delegated Crisis Committee established with Executive Management Team meetings a minimum of twice weekly in times of crisis.	<ul style="list-style-type: none"> <li>Leading market indicators re volumes and values</li> <li>Weekly sales statistics</li> </ul>
 <b>BUILDING RESPONSIBLY</b>   <b>VALUING PEOPLE</b>	<b>KEY SUPPLIER OR SUBCONTRACTOR FAILURE</b> The failure of a key component of our supply chain to perform due to financial failure or production issues could disrupt our ability to deliver our homes to programme and budgeted cost.	Group Commercial Director	Use of reputable supply chain partners with relevant experience and proven track record and maintain regular contact.  Monitoring of subcontract supply chain to maintain appropriate number for each trade to identify potential shortage in skilled trades in the near future.  Subcontractor utilisation on sites monitored to align workload and capacity.  Materials forecast issued to suppliers and reviewed regularly.  Collaborate with Supply Chain Partners in development of supply continuity strategies.  Group Monthly Product Development meetings to identify and monitor changes in the regulatory environment.  Tracking of construction cost movements.	<ul style="list-style-type: none"> <li>Material and trade shortages</li> <li>Material and trade price increases</li> <li>Advance payment applications</li> <li>Reluctance to tender for new business</li> </ul>
 <b>THRIVING COMMUNITIES</b>   <b>BUILDING RESPONSIBLY</b>   <b>VALUING PEOPLE</b>	<b>PLANNING AND REGULATORY ENVIRONMENT</b> The inability to adapt to changes within the planning and regulatory environment could adversely impact on our ability to comply with regulatory requirements.	Group Communities Director, Group Human Resources Director, Group Company Secretary and Managing Director (Harrow Estates)	Lobby and communicate with local authorities to facilitate early collaboration to shape developments including where a National Model Design Code (NMDC) is required.  Close management and monitoring of planning expiry dates and CIL.  Well prepared planning submissions addressing local concern and deploying good design.  Careful monitoring of the regulatory environment and regular communication of proposed changes across the Group through the Executive Management Team.  Proactive approach to managing data protection with multi-functional team meeting regularly.  Effective engagement with local authorities to understand the extent of their policies relating to climate change.	<ul style="list-style-type: none"> <li>Government consultations</li> <li>Planning approval statistics</li> <li>Proposed government legislation</li> </ul>
 <b>BUILDING RESPONSIBLY</b>	<b>AVAILABILITY AND AFFORDABILITY OF MORTGAGE FINANCE</b> Availability and affordability of mortgage finance is a key factor facilitating liquidity in the housing market.	Group Finance Director	Proactively engage with the government, Lenders and Insurers to support the housing market.  Expert New Build Mortgage Specialists provide updates on and monitoring of regulatory change.	<ul style="list-style-type: none"> <li>Loan to value metrics</li> <li>Number of mortgage products readily available</li> </ul>

STRATEGIC OBJECTIVE	RISK	RISK OWNERS	KEY CONTROLS AND MITIGATING STRATEGIES	EXAMPLE KEY RISK INDICATORS
 <b>THRIVING COMMUNITIES</b>  <b>BUILDING RESPONSIBLY</b>	<p><b>SUSTAINABILITY</b></p> <p>Risks associated with failure to embed sustainable development principles.</p>	<p>Group Communities Director</p>	<p>Preparation and planning underway for Future Homes standard.</p> <p>Preparation for future Environmental Bill through implementation of our Nature for People Strategy.</p> <p>Close monitoring of government strategy and guidance.</p> <p>Regular benchmarking against peers.</p> <p>ESG scorecard.</p> <p>Risks and opportunities assessment aligned to TCFD framework.</p> <p>Training for divisional teams.</p> <p>Appointment of a Group Sustainability Director.</p>	<ul style="list-style-type: none"> <li>• Group GHG emissions Scope 1 &amp; 2</li> <li>• % of timber certified</li> <li>• Average SAP rating</li> <li>• Tonnes of construction waste per 100m<sup>2</sup> build</li> <li>• % of materials suppliers and manufacturers who have actively confirmed compliance with the Modern Slavery legislation and Redrow Code of Conduct</li> </ul>
 <b>THRIVING COMMUNITIES</b>  <b>VALUING PEOPLE</b>	<p><b>CUSTOMER SERVICE</b></p> <p>Failure of our customer service could lead to relative under performance of our business.</p>	<p>Group Customer &amp; Marketing Director</p>	<p>Customer and Quality Director.</p> <p>My Redrow website to support our customers purchasing their new home. Increased use of digital and virtual communication tools.</p> <p>Online systems provide a full audit trail of the sales process.</p> <p>Full training on New Homes Ombudsmen requirements.</p> <p>Annual review of adherence to NHQB Quality Code procedures compliance signed by divisional Managing Director.</p> <p>Attention to customer feedback supported by a process at nine months post occupation to address root cause of customer fatigue and dissatisfaction.</p> <p>Bespoke digitisation of complaints management system for improved visibility and efficiency.</p> <p>Regular review of our marketing and communications policy at both Group and divisional level.</p>	<ul style="list-style-type: none"> <li>• Customer satisfaction metrics</li> <li>• NHBC Construction Quality Review scores and Reportable Items</li> </ul>
 <b>THRIVING COMMUNITIES</b>  <b>BUILDING RESPONSIBLY</b>  <b>VALUING PEOPLE</b>	<p><b>HEALTH, SAFETY AND ENVIRONMENT</b></p> <p>Non-compliance with Health &amp; Safety standards and Environmental regulations could put our people and the environment at risk.</p>	<p>Group Health, Safety and Environmental Director</p>	<p>Dedicated in-house team operating across the Group to ensure compliance of appropriate Health and Safety standards supported by external professional expertise.</p> <p>HS&amp;E Assurance Audits.</p> <p>Monthly Divisional HS&amp;E Leadership meetings.</p> <p>Group and Regional HS&amp;E Leadership meetings.</p> <p>Internal and external training provided to all employees.</p> <p>ISO 14001 environmental management system covering all business operations.</p> <p>Divisional Construction (Design and Management) Regulation (CDM) inspections carried out to assess our compliance with our client duties under CDM.</p> <p>Health and Safety discussion at both Group and divisional level board meetings supported by performance information.</p> <p>CDM competency accreditation requirement as a minimum for contractor selection process.</p> <p>Regular monitoring and reporting on environmental performance.</p>	<ul style="list-style-type: none"> <li>• Annual Injury Incidence Rate (AIIR)</li> <li>• HS&amp;E Assurance Audits outcomes</li> <li>• 'Near Miss' statistics</li> </ul>

STRATEGIC OBJECTIVE	RISK	RISK OWNERS	KEY CONTROLS AND MITIGATING STRATEGIES	EXAMPLE KEY RISK INDICATORS
 <b>BUILDING RESPONSIBLY</b>	<p><b>CYBER SECURITY</b></p> <p>Failure of the Group's IT systems and the security of our internal systems, data and our websites can have significant impact to our business.</p>	<p>Chief Information Officer</p>	<p>Cyber Awareness campaigns.</p> <p>Communication of IT policy and procedures to all employees.</p> <p>Regular systems back up and storage of data offsite.</p> <p>Web access allowed list.</p> <p>Internal IT security specialists.</p> <p>New Security Operation Centre.</p> <p>Use of third party entity to test the Group's cyber security systems and other proactive approach for cyber security including Cyber Essentials Plus accreditation.</p> <p>Compulsory GDPR and IT security online training to all employees within our business.</p> <p>Cyber Insurance.</p>	<ul style="list-style-type: none"> <li>• Level of instances reported in the media</li> <li>• Penetration test results</li> </ul>
 <b>THRIVING COMMUNITIES</b>   <b>BUILDING RESPONSIBLY</b>	<p><b>LAND PROCUREMENT</b></p> <p>The ability to purchase land suitable for our products and the timing of future land purchases are fundamental to the Group's future performance.</p>	<p>Managing Director (Harrow Estates)</p>	<p>Proactive monitoring of the market conditions to implement a clear defined strategy at both Group and divisional level.</p> <p>Experienced and knowledgeable personnel in our land, planning and technical teams.</p> <p>Appropriate investment in strategic land programme supported by specialist Group team.</p> <p>Effective use of our Land Bank Management system to support the land acquisition process.</p> <p>Close monitoring of progress of relevant Local Plans.</p> <p>Peer review by Legal Directors and use of third party legal resources for larger site acquisitions to reduce risk.</p> <p>Monitoring of emerging legislation to inform land assessments and purchase terms.</p>	<ul style="list-style-type: none"> <li>• Forward land pull through</li> <li>• Owned land holding years</li> <li>• Land offer statistics</li> </ul>
 <b>BUILDING RESPONSIBLY</b>	<p><b>FRAUD/UNINSURED LOSS</b></p> <p>A significant fraud or uninsured loss could damage the financial performance of our business.</p>	<p>Group Finance Director</p>	<p>Systems, policies and procedures in place which are designed to segregate duties and minimise any opportunity for fraud.</p> <p>Regular Business Process Reviews undertaken to ensure compliance with procedure and policies followed by formal action plans.</p> <p>Timely management reporting.</p> <p>Insurance strategy driven by business risks including Cyber Insurance.</p> <p>Fraud awareness training.</p>	<ul style="list-style-type: none"> <li>• Business Process Review outcomes</li> <li>• Insurance Review outcomes</li> </ul>
 <b>THRIVING COMMUNITIES</b>   <b>BUILDING RESPONSIBLY</b>	<p><b>APPROPRIATENESS OF PRODUCT</b></p> <p>The failure to design and build a desirable product for our customers at the appropriate price may undermine our ability to fulfil our business objectives.</p>	<p>Group Design and Technical Director</p>	<p>Regular review and product updates in response to the demand in the market and assessment of our customer needs.</p> <p>Design focused on high quality build and flexibility to planning changes.</p> <p>Regular site visits and implementation of product changes to respond to demands.</p> <p>Focus on award winning Heritage Collection.</p> <p>Manufacturers providing specific training to subcontractors re new technologies installation.</p> <p>Regular design and technical seminars.</p> <p>Monitor government emerging legislation.</p>	<ul style="list-style-type: none"> <li>• Customer satisfaction metrics</li> <li>• Focus Group feedback</li> <li>• Emerging planning regulation</li> </ul>

STRATEGIC OBJECTIVE	RISK	RISK OWNERS	KEY CONTROLS AND MITIGATING STRATEGIES	EXAMPLE KEY RISK INDICATORS
 <b>VALUING PEOPLE</b>	<b>ATTRACTING AND RETAINING STAFF</b> The loss of key staff and/or our failure to attract high quality employees will inhibit our ability to achieve our business objectives.	Group Human Resources Director	In-house training offering blended learning to all employees.  Suite of development programmes for identified talent from first line manager to Director.  Move to agile working practices embracing use of remote working.  Graduate training, Undergraduate placements and Apprentice training programmes to aid succession planning.  Bespoke housebuilding degree course in conjunction with Liverpool John Moores University and Coleg Cambria.  Remuneration strategy in order to attract and retain talent within the business is reviewed regularly and benchmarked.  Engagement Team and continued refinement of internal communications platform in addition to annual employee survey to create framework for strong, two-way communication.  Flexible Working Policy.	<ul style="list-style-type: none"> <li>Employee turnover levels</li> <li>Employee engagement score</li> </ul>
 <b>BUILDING RESPONSIBLY</b>	<b>LIQUIDITY AND FUNDING</b> The Group requires appropriate facilities for its short-term liquidity and long-term funding.	Group Finance Director	Medium term committed banking facilities sufficient for a major market breakdown.  Regular communication with our investors and relationship banks, including visits to developments as appropriate.  Regular review of our banking covenants appropriateness and design and capital structure.  Ensuring our future cash flow is sustainable through detailed budgeting process and reviews and scenario modelling.  Strong forecasting and budgeting process.  Monitor requirements for future bonds in emerging planning agreements.	<ul style="list-style-type: none"> <li>Cash conversion</li> <li>Forecast undrawn committed facilities</li> </ul>
 <b>THRIVING COMMUNITIES</b>   <b>BUILDING RESPONSIBLY</b>   <b>VALUING PEOPLE</b>	<b>CLIMATE CHANGE</b> Risks associated with the potential physical effects of climate change and the regulatory and mandatory reporting environment around climate change.	Group Communities Director	Risks and opportunities assessment aligned with TCFD framework and Climate-Related Financial Disclosures.  Ensure appropriate consideration is given to product design and placemaking to mitigate potential climate change impacts.  Identify new products, processes and services aimed at improved energy performance and reducing Green House Gas emissions.  Undertake climate-related scenario analysis.  Commitment made to the Business Ambition for 1.5°C and to reach Science-based net zero carbon emissions no later than 2050 with near-term targets verified.	<ul style="list-style-type: none"> <li>Group GHG emissions</li> <li>Scope 1, 2 &amp; 3</li> <li>Average SAP rating</li> </ul>

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