

Tuesday 2 September 2014

Redrow plc

Final results for the year to 30 June 2014

REDROW DELIVERS RECORD RESULTS

Financial Results

	2014	2013	Change
Revenue	£864.5m	£604.8m	+43%
Operating Profit	£137.5m	£73.2m	+88%
Profit before tax	£132.6m	£69.4m	+91%
EPS (adjusted)	28.6p	15.6p	+83%
ROCE	18.0%	12.2%	+48%
Final Dividend	2p	1p	+100%

Financial highlights

- Group revenue rose 43% to a record £864.5m driven by a 27% increase in legal completions and a 13% increase in Average Selling Price to £239,500
- Gross margins rose to 21.7% from 18.8% at June 2013
- Record pre-tax profit of £132.6m, up 91%
- Adjusted earnings per share up 83% to 28.6p
- Value of private reservations up 53% from £668m to £1,021m
- Help to Buy represented 35% of private completions
- Return on Capital Employed of 18% (2013: 12.2%)
- Net debt increased to £172.6m vs £91m in 2013, due to ongoing investment in land and work in progress
- On the basis of these strong results, the Board is proposing a final dividend of 2p per share, double that of the dividend paid in 2013

Operational highlights

- Legal completions rose 27% to 3,597 (2013: 2,827) spurred by Help to Buy
- Number of employees up 21% to 1,346 to meet growing demand
- Number of apprentices increased 14% to 84
- London Division contributed £124m of turnover from 293 legal completions
- Order Book up 85% at £482m
- Outlets increased 12% from 92 to 103
- The owned and contracted land bank at the end of June 2014 was 16,724 plots (June 2013: 14,162 plots)

Steve Morgan, Chairman of Redrow, said:

“November 2014 marks the 40th anniversary since I founded Redrow, therefore it is quite fitting that I am able to report a significant increase in turnover and pre-tax profits, both of which are a record for the Group.

The number of homes we built has increased by 27% and as a consequence of this ongoing growth, the number of people we employ has risen by 21%. Whilst this is clear evidence of the success of our strategy it also shows the positive impact of the Government’s Help to Buy Scheme.

Market conditions have returned to a more seasonal pattern of activity. We have substantially increased our land bank, which should see a good growth in the number of outlets during the year. This, combined with our strong order book, leaves me confident that the Group will see another year of significant progress.”

Enquiries:

Redrow plc

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There will be an analyst and investor meeting at 9.00 am at The London Stock Exchange, 10 Paternoster Square, London, EC4M 7LS. Coffee will be served from 8.45 am.

A live audio webcast and slide presentation of this event will be available at 9.00 am on www.redrowplc.co.uk. Participants can also dial in to hear the presentation live at 9.00 am on +44 (0) 20 3003 2666 or UK Toll Free on 0808 109 0700; password is Redrow.

Playback will be available by phone until 30 September on +44 (0) 20 8196 1998 followed by Access Pin 9210944.