

Wednesday 13 September 2023

REDROW plc

FINAL RESULTS FOR THE 52 WEEKS TO 2 JULY 2023

STRONG UNDERLYING PERFORMANCE IN UNCERTAIN MARKET

Financial Results

	Unaudited 2023	2022	Var	Var %
Legal Completions	5,436	5,715	(279)	(5)
Revenue	£2.13bn	£2.14bn	£(0.01bn)	-
Underlying profit before tax ¹	£395m	£410m	£(15m)	(4)
Statutory profit before tax	£395m	£246m	£149m	61
Underlying EPS ¹	91.2p	96.0p	(4.8p)	(5)
Statutory EPS	91.2p	57.7p	33.5	58
Final dividend per share (DPS)	20.0p	22.0p	(2.0p)	(9)
Underlying ROCE ¹	23.1%	24.5%	(1.4ppts)	(6)
Total order book ¹	£0.85bn	£1.44bn	£(0.59bn)	(41)

Highlights

- Revenue in line with the prior year at £2.13bn (2022: £2.14bn)
- Underlying profit before tax of £395m (2022: £410m)
- Statutory profit before tax of £395m (2022: £246m)
- Strong operating cash generation with year end net cash of £235m (2022: £288m) after dividend and £100m share buyback
- Underlying Return on Capital Employed of 23.1% (2022: 24.5%)
- Final dividend of 20.0p making 30.0p for the year (2022: 32.0p)
- Founding signatory to the New Homes Code of Practice
- Continue to be a 5 star builder and rated excellent on Trustpilot
- Air source heat pumps and ground floor underfloor heating as standard in detached homes on new developments

2024 Guidance update

The company is re-introducing its 2024 guidance based on a sales rate in line with FY 2023 of 0.46 per outlet per week:

Revenue	£1.65bn - £1.7bn
PBT	£180m - £200m
EPS	c41p
DPS	c14p
Average outlets	117

Footnote:

¹ Redrow uses a variety of statutory performance measures and alternative performance measures when reviewing the performance of the Group. Underlying is defined as any statutory or alternative performance measure pre exceptional items. See note 10 for an explanation and reconciliation of these alternative performance measures.

Commenting on the results Matthew Pratt, CEO of Redrow, said:

“Despite continuing political and economic headwinds, I’m pleased to report that the Group has delivered another strong set of results. During the year under review, we have taken several important strategic decisions to maximise sustainable value for our stakeholders, while delivering 5,436 homes (2022: 5,715).

Cost of living and mortgage affordability continue to have a negative impact on the market. Where appropriate, we’ve used targeted sales incentives to convert buyer interest into reservations. Following several consecutive Bank of England base rate increases, we remain hopeful that, as inflation eases, we will see some stability in mortgage rates. The reduction in mortgage volatility will enable potential customers to progress the purchase of their home with financial certainty. Reflecting the macro-economic picture and the tougher sales market, our average private reservation rate per week for the year was 0.46 compared to 0.68 in 2022.

As expected, the sales market over the summer has been challenging. This has resulted in sales per outlet per week for the first 10 weeks of the new financial year of 0.34 (2023: 0.61).

Despite these difficult market conditions our strategy remains the right one, and this was clearly demonstrated during the financial year under review. Our Heritage Collection serves different parts of the market: from downsizers who want character with energy efficiency, to aspirational home movers who desire quality and space.”

Enquiries:

Redrow plc

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A webcast and slide presentation of our results will be available at 7.00 am on www.redrowplc.co.uk.

There will be an analyst Q&A meeting with management at 9.30 am at The London Stock Exchange, 10 Paternoster Square, London, EC4M 7LS. Coffee will be served from 9.00 am.

A live audio webcast of this event will be available at 9.30 am on www.redrowplc.co.uk.

Participants can also dial in to the Q&A live at 9.30 am on +44 (0) 33 0551 0200 or UK Toll Free 0808 109 0700; Password: Redrow.

A recording will be available on www.redrowplc.co.uk shortly after the event.

LEI Number:

2138008WJZBBA7EYEL28

Announcement Classification:

1.1: Annual financial and audit report