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FOR IMMEDIATE RELEASE

14 July 2022

## **REDROW plc LAUNCH OF SHARE BUYBACK PROGRAMME**

Redrow plc (the "**Company**") today announces that it will commence a share buyback programme to purchase ordinary shares of 10.5 pence each in the Company ("**Ordinary Shares**") for up to a maximum consideration of £100 million (the "**Buyback**").

As previously reported, the primary capital allocation policy of the Company is to grow the business. Second to that is to pay a regular dividend with a dividend pay-out ratio of 33% of earnings. Subject to the above, any material amount of surplus cash beyond those needs is intended to be returned to the Company's shareholders. In 2019 the Company returned £111 million to its shareholders in the form of a B share scheme. Since the resumption of activity following the first lockdown in 2020, the Company has returned to growth and continued to generate cash. As a result, the Company had a net cash inflow of £128 million in the financial year ended 3 July 2022, with a net cash balance at that date of £288 million. Having recently reviewed the cash needs of the business to achieve its growth plans, the Board has concluded that the Company has sufficient funds to enter into a capital return programme of up to £100 million. Given the current share price, the Company has decided to execute this cash return in the form of a share buyback programme.

The Buyback is structured in two tranches. In respect of the first tranche of the Buyback, the Company has entered into a non-discretionary agreement with Peel Hunt LLP ("**Peel Hunt**") in relation to the purchase by Peel Hunt, acting as "riskless" or "matched" principal, of Ordinary Shares. Under this agreement, the Company has instructed Peel Hunt to purchase shares up to a maximum consideration of £50 million pursuant to the Buyback. The second tranche of the Buyback will be undertaken by Barclays Bank PLC ("**Barclays**"). The Company has entered into an agreement with Barclays in relation to the purchase by Barclays, acting as principal, of Ordinary Shares. Under this agreement, the Company has instructed Barclays to purchase shares up to a maximum consideration of £50 million pursuant to the Buyback.

The primary purpose of the Buyback is to reduce the share capital of the Company. The majority of the Ordinary Shares purchased under the Buyback will be cancelled and a portion of the Ordinary Shares will be held in Treasury.

The directors of the Company consider the Buyback to be in the best interests of the Company and of its shareholders generally, with the implementation of the Buyback expected to enhance earnings per share. Purchases of the Company's Ordinary Shares pursuant to the first tranche of the Buyback will commence immediately and will end no later than 18 February 2023, the second tranche will begin as soon as the first tranche is complete and end no later than 31 July 2023.

Any purchase of Ordinary Shares under the Buyback will be carried out on the London Stock Exchange and/or other trading venues and will be effected within certain pre-set parameters.

Any purchases under the Buyback shall take place in accordance with (and subject to the limits prescribed by) the Company's general authority to repurchase Ordinary Shares granted by its shareholders at the annual general meeting on 12 November 2021 (the "2021 Authority") and any subsequent authority, Chapter 12 of the Financial Conduct Authority's Listing Rules, the Market Abuse Regulation (EU) No 596/2014 (as in force in the UK and as amended by the Market Abuse (Amendment) (EU Exit) Regulations 2019) and the Commission Delegated Regulation (EU) No 2016/1052 (as in force in the UK



and as amended by the FCA's Technical Standards (Market Abuse Regulation) (EU Exit) Instrument 2019). The Buyback will be discontinued in the event the Company ceases to have the necessary general authority to repurchase Ordinary Shares.

The details of the 2021 Authority can be found on the Company's website at <https://investors.redrowplc.co.uk/shareholder-information/agm>. The maximum number of Ordinary Shares that the Company is authorised to purchase under the 2021 Authority is 35,219,042.

The Company will make further regulatory announcements to shareholders in respect of purchases of Ordinary Shares under the Buyback no later than 7.30 a.m. on the business day following the calendar day on which the purchase occurred.

The person responsible for arranging the release of this announcement on behalf of the Company is Graham Cope, the Group Company Secretary.

**Enquiries:**

**Redrow plc**

Matthew Pratt, Group Chief Executive 01244 527411  
Barbara Richmond, Group Finance Director 01244 527411

**Instinctif Partners**

Tim McCall, Head of Capital Markets 0207 457 2020  
Bryn Woodward, Associate Partner 07753 561862  
07500 027181

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