

Wednesday 10 February 2021

Redrow plc**Interim results for the six months to 27 December 2020****STRONG FIRST HALF PERFORMANCE AND
DIVIDENDS REINSTATED****Financial Results**

	H1 2021	H1 2020	% Change
Revenue	£1,041m	£870m	20
Legal Completions	3,065	2,554	20
Profit Before Tax	£174m	£157m	11
EPS	41.0p	37.2p	10
Net Cash	£238m	£14m	N/A
Interim Dividend per share	6.0p	-	N/A
Total Order Book	£1.3bn	£1.2bn	8

Operational Summary

- Record first half revenue and legal completions which were both up 20% due to strong opening order book and resilient demand
- Reservations for the ongoing business* up 6% at £819m (2020: £772m)
- Over 95% forward sold for the current financial year
- Once again, we retain our Five star customer service rating, which is now further enhanced by the launch of our new Homeowner Support portal.

Financial Summary

- Group revenue of £1,041m (2020: £870m) up 20%
- First half pre-tax profit up 11% at £174m (2020: £157m)
- Earnings per share (EPS) up 10% to 41.0p (2020: 37.2p)
- Dividends reinstated with interim dividend of 6.0p per share (2020: Nil)
- Net cash of £238m (Dec 2019: £14m)

* Ongoing business is the regional business plus Colindale

Matthew Pratt, Group Chief Executive of Redrow, said

“The Group delivered a strong first-half performance whilst continuing to operate under strict COVID-secure procedures. During a period of intensive activity to rebuild output, it is pleasing to report we have maintained high levels of customer satisfaction and I am grateful to our teams for their ongoing hard work and commitment during these challenging times.

We have seen a strong sales market during the first half driven by a combination of pent-up demand from the first national lockdown, the introduction of the Stamp Duty holiday and the impending end of the Help to Buy scheme for existing home owners.

At the end of December 2020, the Group had net cash of £238m compared to net debt of £126m at the end of June 2020 as we converted our high level of brought forward work in progress into completions. Given the Group’s cash position and order book, the Board has resumed dividend payments with an interim dividend of 6p (2020: 0p).

The changing trends in home ownership, accelerated by COVID-19, align with Redrow’s Heritage product and ‘Better Way to Live’ philosophy. Our differentiated strategy taps into customers’ changed priorities that balance work, home and the local community into a more sustainable lifestyle.

Despite a 20% increase in revenue in the first half, we have continued to maintain a very strong order book. At the end of the first half, we had a record December total order book of £1.3bn (2020: £1.2bn) of which 72% is contracted. We are now over 95% forward sold for the current financial year.

The acceleration of changing buyer trends, which are completely aligned to Redrow’s strategy, point to a positive outlook for the business. Our private forward sold position of £750m beyond the end of both the original Help to Buy scheme and the Stamp Duty holiday, demonstrates the resilience of our target market and the desirability of our product and the places we create. These fundamentals mean we can look confidently to the future and fulfilling our ambitions to rebuild and grow the business.”

Enquiries:

Redrow plc

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

Instinctif Partners

Mark Garraway	07771 860938
Rosie Driscoll	07891 564641

A webcast and slide presentation of our results will be available at 7.00 am on <http://investors.redrowplc.co.uk/>.

Participants can also dial in to hear the presentation at 7.00 am on +44 (0)20 3936 2999 or UK Toll Free on 0800 640 6441 participant access code 684012.

Playback will be available by phone from 8.00am for the next 7 days +44 (0)20 3936 3001 followed by Access Code 413463.

There will also be an analyst Q&A conference call with management at 9.00 am and an audiocast of this call will be available on <http://investors.redrowplc.co.uk/reports-and-presentations> this afternoon.

LEI Number:
2138008WJZBBA7EYEL28

Announcement Classification:
1.2: Half yearly financial report and audit reports/limited reviews