



FOR IMMEDIATE RELEASE

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REDROW plc TRADING UPDATE

Redrow plc (the 'Group') is today issuing a trading update for the financial year ended 27 June 2021 ahead of publication of its annual results in September.

Since the Group announced its interim results on 10 February 2021, the sales market remains strong. The reservations per outlet per week for the financial year amounted to 0.70 (2020: 0.67, 2019: 0.63) and the revenue per outlet per week was £288k (2020: £259k, 2019: £246k), all excluding private rented sector (PRS) reservations. This high sales rate has been achieved despite the reduction in the use of Help to Buy which only accounted for 13% of private reservations in the second half of 2021 (2020: 50%).

The continuing strong sales market combined with the tapering of the stamp duty holiday at the end of June has resulted in Homes turnover in the regional businesses being ahead of expectations. In addition, in June the Group completed the final phase of a PRS sector scheme in London ahead of schedule adding £43m to turnover in the 2021 Financial Year.

Also in June, the Group has sold the final two London sites it decided not to build out, albeit one of those disposals was at the start of the 2022 Financial Year. The proceeds of these disposals will be reinvested in the Group's regional businesses, including the new Southern division, which is expected to contribute to turnover in the 2023 Financial Year.

As a result, the Group now expects turnover for 2021 to be c£1.94bn (2020: £1.34bn, 2019: £2.11bn) on legal completions of 5,620 (2020: 4,032, 2019: 6,443).

The Group also expects an operating margin in excess of 15.5% (2020: 11.1%, 2019: 19.5%).

At the end of the financial year the Total Order Book stood at £1.43bn, in line with June 2020.

The business has ended the financial year with a net cash balance of £160m (June 2020 net debt of £126m). The average monthly cash balance was £142m (2020: £2m).

The Group has entered the 2022 Financial Year with a very strong Order Book and the sales market remains robust. As a result, despite the earlier completion of the PRS block referred to above, the Group expects 2022 turnover to be above £2bn. The operating margin is expected to improve to c18%.

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