RNS Number : 4797Y
Taylor Wimpey PLC
31 July 2024

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Taylor Wimpey plc
Half year results for the period ended 30 June 2024

Good first half operating performance, positioned for growth from 2025

Jennie Daly, Chief Executive, commented:

"We have delivered a good financial and operational performance in the first half, against a relatively stable market backdrop, reporting a good sales rate while continuing to protect value. While interest rates and mortgage rates remain high, our teams continue to work extremely hard on the ground to support our customers through the homebuying process, and I would like to thank them for their ongoing commitment. Looking to the second half, our performance to date means we now expect to deliver 2024 full year UK completions towards the upper end of our previous guidance range of 9,500 to 10,000 and Group operating profit in line with current market expectations.[1]

Though it is early days for the new Government, we welcome their recognition that planning is a major barrier to economic growth, of which housebuilding is a significant component, and we look forward to working constructively with them to deliver much needed new homes across the UK.

Taylor Wimpey is a strong and agile business with a sharp operational focus. With the benefit of our high-quality landbank and strong financial position, we are well positioned for growth from 2025, assuming supportive market conditions."

Group financial highlights:

	H1 2024	H1 2023	Change	FY 2023
Revenue £m	1,517.7	1,637.1	(7.3)%	3,514.5
Operating profit* £m	182.3	235.6	(22.6)%	470.2
Operating profit margin*†	12.0%	14.4%	(2.4)ppt	13.4%
Profit before tax and exceptional items £m	187.7	237.7	(21.0)%	473.8
Profit before tax £m	99.7	237.7	(58.1)%	473.8
Basic earnings per share pence	2.1	5.0	(58.0)%	9.9
Adjusted basic earnings per share pence††	3.8	5.0	(24.0)%	9.9
Tangible net assets per share pence†	124.5	126.7	(1.7)%	127.1
Net cash £m ‡	584.0	654.9	(10.8)%	677.9
Return on net operating assets**	10.9%	19.7%	(8.8)ppt	12.6%

[1]As published on 29 July 2024, the Company compiled consensus expectation for full year 2024 Group operating profit including joint ventures and excluding exceptional items is £416 million

Key highlights:

- Group completions (incl. JVs) of 4,728 homes (H1 2023: 5,120)
- Group operating profit of £182.3 million which includes £18.6 million of profit generated from land sales (H1 2023: Group operating profit of £235.6 million with £2.7 million of profit generated from land sales)
- Announced 2024 interim dividend of 4.80 pence per share (H1 2023: 4.79 pence per share) amounting to c.£170 million (H1 2023: £169 million), in line with our stated Ordinary Dividend Policy to return 7.5% of net assets annually
- Increased cladding fire safety provision by £88.0 million, owing largely to cost inflation on new tenders received and increased project delivery administration costs
- Full year UK completions excluding JVs anticipated to be towards the upper end of our previous guidance range of 9,500 to 10,000, with full year Group operating profit including JVs expected to be in line with current market expectations[1]
- Ended the period with net cash of £584.0 million (H1 2023: £654.9 million)

First half UK operational highlights:

- H1 net private sales rate of 0.75 (H1 2023: 0.71), 0.69 excluding bulk deals (H1 2023: 0.62 excluding bulk deals)
- Total order book representing 7,451 homes, excluding joint ventures, with a value of £2,012 million as at 30 June 2024 (2 July 2023: 7,866 homes with a value of £2,147 million)
- Total UK average selling price on completions decreased by 0.9% to £317k (H1 2023: £320k) due to both

underlying price deflation and mix
- Operated from an average 224 outlets during the period (H1 2023: 244) and ended the period with 214 outlets (2 July 2023: 235)
- Active in the land market with greater than anticipated land approvals of c.5k plots (H1 2023: c.1k plots)
- Short term landbank as at 30 June 2024 of c.79k plots (31 December 2023: c.80k plots) in high-quality locations where customers want to live
- Strategic land pipeline as at 30 June 2024 of c.140k potential plots (31 December 2023: c.142k potential plots)
- Maintained high quality with improved average Construction Quality Review score of 4.92 (H1 2023: 4.90)
- Taylor Wimpey Manufacturing, our new timber frame facility in Peterborough, successfully delivered its first timber frame kits and the facility received ISO:9001 accreditation

Sustainable, responsible business:

- Five-star builder with improved customer service score of 96% according to the Home Builders Federation (HBF) 8-week customer satisfaction survey (H1 2023: 90%)
- Major contributor to the regions in which we operate investing £142 million in local communities via planning obligations (H1 2023: £210 million) and generating economic growth
- Continued focus on health and safety with rolling 12 months[†***] Injury Incidence Rate (per 100,000 employees and contractors) of 164 (H1 2023: 136), below the HBF Home Builder average
- Nature and the environment remain key areas of focus as we drive towards net zero by 2045. We were once again included in the S&P Sustainability Yearbook and achieved Route to Net Zero Advancing Level, remain a constituent of the FTSE4Good Index Series and have signed up to the Future Homes Hub Homes for Nature commitment
- Highly experienced build teams with 62 of our Site Managers winning NHBC Pride in the Job Quality Awards (2023: 51)

Driving operational performance

There was an encouraging start to the year with good demand in the traditionally strong Spring selling season and conditions remained relatively stable in the second quarter. However, it is clear the delay in interest rate cuts and comparatively high mortgage rates continue to have some impact on market transactions. Our highly experienced sales teams continue to work hard to support customers through their homebuying journey, utilising all of the tools available including customised incentives, and are supported by our customer relationship management system (CRM).

Our focus remains on delivering high-quality homes for our customers and we are extremely proud of our Site Managers who, in June, collected 62 NHBC Pride in the Job Quality Awards (2023: 51), which demonstrates the continuing quality and dedication of our teams. We also delivered a strong increase in our 8-week customer satisfaction score to 96% (H1 2023: 90%), which is testament to our concerted efforts to improve our responsiveness to customers.

We continue to drive operational efficiencies to maximise value whilst at the same time investing in areas crucial to the long term efficiency and sustainability of the business, including in our people, IT, timber frame and zero carbon ready homes.

We look forward to working constructively with the new Government to deliver much needed new homes across the UK. It is very early stages, but we welcome recognition from the new administration that planning is a major barrier to economic growth, of which housebuilding is a significant component. The announcement of a new consultation on proposed changes to the National Planning Policy Framework (NPPF) is an important early step by Government to address the negative impact successive changes to the Framework in recent years have had on the delivery of much needed homes. We look forward to continuing positive engagement with Government throughout the consultation period. Though we expect changes to take some time to impact, we see the planning reforms outlined by the new Government as key to unlocking future years land supply and the investment in skills and resources necessary to support future housing need.

UK current trading and outlook

The four weeks ended 28 July 2024, mark the start of the seasonally quieter summer holiday period and our net private sales rate was 0.64 per outlet per week (2023 equivalent period: 0.47), with neither period containing bulk deals. The cancellation rate for the same period was 19% (2023 equivalent period: 24%).

As at the week ended 28 July 2024, our total order book value was £2,102 million (2023 equivalent period: £2,175 million), excluding joint ventures, representing 7,667 homes (2023 equivalent period: 7,900 homes), of which 74% are exchanged (2023 equivalent period: 77%).

Whilst we have seen some benefit from market stability, mortgage costs remain at higher levels than in recent years which continues to impact affordability for some of our customers, particularly first time buyers. However, mortgage availability remains good, with high loan to value products now returning to the levels seen prior to the 2022 mini budget. Overall, we continue to see good levels of interest and stable reservation levels considering the seasonally quieter summer holiday period. Pricing has remained resilient, and the level of down valuations remains low.

Increased borrowing costs and regulatory pressures are negatively impacting the ability of Housing Associations to commit to affordable housing deals as part of Section 106 agreements.

While this is not expected to impact our 2024 outcome, lack of funding for Housing Associations has the potential to impact sector order books and the overall delivery of affordable housing in coming years.

As previously guided and in line with expectations, underlying margin for the first half was lower, given residual build cost inflation in the order book and weaker pricing, however this was partly offset by higher profit from land sales. Prevailing build costs on new tenders are flat, with our self-help value improvement measures leading to slight cost deflation.

The H2 income statement will see the influence of residual build cost inflation and weaker pricing reduce and the recovery of fixed costs improve as volumes increase. This, together with value improvement initiatives and efficiencies, means that excluding the benefit from land sales, we expect to see an improvement in underlying operating profit margin in H2.

As we look ahead, we continue to focus on building our order book to optimise value and to position us for growth from 2025, assuming a supportive market. We have excellent visibility in terms of sites for 2025 and own and control all land for 2025 completions, almost all of it with detailed planning.

We are well positioned for the medium term and have been actively preparing for planning changes and focused on developing high-quality planning applications from the strategic pipeline. We have c.30k applications in the planning process and additional applications ready to go if we see the proposed grey belt changes come through.

We expect full year UK completions excluding JVs to be towards the upper end of the previous guidance range of

9,500 to 10,000, and to deliver full year Group operating profit including joint ventures, in line with current market expectations[1]. Our 2024 year end net cash balance is anticipated to be c.£550 million, depending on land spend in the remainder of the year.

We have operated the business through this cycle to protect value and best position us to capture future market opportunities. Assuming supportive market conditions and based on our strong visibility of next year's consented land, we have positioned the business for growth from 2025, with a strong balance sheet, land pipeline and with all areas of the business facing into this potential.

- Ends -

A presentation to investors and analysts will be hosted by Chief Executive Jennie Daly and Group Finance Director Chris Carney at 9:00am on Wednesday 31 July 2024. This presentation will be webcast live on our website: www.taylorwimpey.co.uk/corporate

An on-demand version of the webcast will be available on our website in the afternoon of 31 July 2024. For further information please contact:

Taylor Wimpey plc Tel: +44 (0) 1494 885656

Jennie Daly, Chief Executive
Chris Carney, Group Finance Director
Debbie Archibald, Investor Relations
Andrew McGeary, Investor Relations

FGS Global TaylorWimpey@fgsglobal.com

Faeth Birch
Anjali Unnikrishnan
James Gray

Notes to editors:

Taylor Wimpey plc is a customer-focused homebuilder, operating at a local level from 22 regional businesses across the UK. We also have operations in Spain.

For further information please visit the Group's website: www.taylorwimpey.co.uk

Follow our company page on LinkedIn, Taylor Wimpey plc

Overview: Driving performance and positioning for growth

We continue to successfully navigate the market, driven by a consistent long term strategy to build a stronger more resilient business and deliver superior returns, managing the business through the cycle to the benefit of all stakeholders.

The way we operate our business is to protect value and to allow us to pivot into growth at the appropriate stage by pulling the levers available to us.

As outlined at the start of the year, we will continue our focus on driving increased operating efficiency, cost savings and value improvement, while investing in areas that are key to the long term sustainability of the business and ensuring the business is positioned for growth from 2025, assuming a supportive market.

Our first half performance benefited from relatively stable conditions in the housing market. However, the delay in interest rate cuts and comparatively high mortgage rates continue to mean demand remains below the levels of prior years.

We have maintained strong operational discipline delivering a resilient first half performance with Group completions (excl. JVs) in line with our expectations at 4,654 (H1 2023: 5,082), and total Group revenue of £1,517.7 million (H1 2023: £1,637.1 million). Group operating profit was £182.3 million (H1 2023: £235.6 million) which included £18.6 million (H1 2023: £2.7 million) of profit generated from land sales. As previously flagged, Group operating profit margin of 12.0% (H1 2023: 14.4%) reflected reduced overhead recovery given lower completion levels in the period, the impact of build cost inflation embedded in work in progress and underlying price deflation.

We ended the period with net cash of £584.0 million (H1 2023: £654.9 million), after returning £169.5 million in cash to investors via the payment of the 2023 final ordinary dividend.

We have increased our provision related to cladding fire safety by £88.0 million, due to a reassessment of remediation costs based on tenders received in the first half. This is a complex multi-year project and the increase in projected costs predominantly relates to cost inflation based on recent tenders received and increased administrative and legal costs, with the remainder due to a small number of additional buildings added in the first half. We have a dedicated team in place to manage this workstream, and during the first half we continued to progress work with building owners, management companies and leaseholders and we remain committed to addressing remediation as soon as practicable for leaseholders. We have 211 buildings within the scope of our provision, all of which have been assessed by our specialist team.

We continue our drive to further standardisation and simplification leveraging Taylor Wimpey Logistics (TWL) and we successfully delivered our first kits from our timber frame facility in the first half which was in line with our plans.

Housing delivery has a vital role to play in our society and in unlocking economic growth across the UK through investment, not just into much needed energy-efficient new homes, but in the associated investment in community infrastructure such as schools and amenities, and local transport infrastructure. A decade-long problem of under-resourcing in the planning system and lack of ambition at all political levels has driven a rapid decline in both new housing development and planning consents across the country, and so we welcome the new Government's focus on the reform of planning policy and look forward to working closely with them to enable the delivery of critical new housing.

At a sector level, there are measures aimed at addressing the near term issues and longer term reforms to the planning regime. These changes will take time to translate into an easing of the planning system and new planning regime. These changes will take time to translate into an easing of the planning system and new opportunities in the land market. We remain well positioned with a strong landbank and mature strategic land pipeline and have an important role to play in addressing the shortfall in UK housing.

Land market conditions remain competitive, and we have been active and opportunistic in reviewing land opportunities. Where opportunities open up, our strong balance sheet and relationships enable us to take advantage. During the first half of 2024, we acted to take advantage of value accretive opportunities in some regions and approved c.5k plots (H1 2023: c.1k plots). We remain in a strong land position and our landbuying will remain opportunity led and complement the potential of our mature strategic land pipeline.

Land sales are a feature of business as usual as we optimise the benefit of our landbank. In the first half we concluded a significant sale of a land parcel identified for employment purposes in our strategic land pipeline.

Outlet openings of 26 (H1 2023: 13) were in line with our expectations for the period. We operated from an average of 224 outlets during the period (H1 2023: 244), ending the period with 214 outlets (2 July 2023: 235). Our focus remains on getting outlets open as quickly as possible and we continue to expect further progress in outlet openings in the second half. Our teams also remain focused on getting land through the planning system, submitting high-quality applications and working closely with local authorities. As we look forward, we have excellent visibility of next year's land supply for 2025 and own and control all land for 2025 completions, almost all of it with detailed planning.

We continue to prioritise building the order book for 2025. We are focused on ensuring readiness in all areas of the business for volume growth from 2025 assuming a supportive market backdrop.

We continue to operate our business to create and protect long term value from our strong landbank and to develop the sustainable homes of the future for the benefit of all our stakeholders.

Four cornerstones of strategy

Our purpose, to build great homes and create thriving communities, drives our strategy. As previously stated, our strategy is built on four strategic cornerstones ensuring an agile response to market conditions and investment in the long term sustainability of the business:

1. Optimising value from our high-quality owned and controlled landbank and strategic land pipeline
2. Driving operational excellence through our business to improve efficiency, protect value and ensure Taylor Wimpey is fit for the future
3. Embedding sustainability across the Group for the benefit of all our stakeholders
4. Delivering reliable investor returns with a clear and disciplined framework, balancing investment for future value creation with returning value to shareholders

Returns to shareholders

We have an established, differentiated Ordinary Dividend Policy aimed at providing investors with visibility of the income stream they can expect throughout the cycle including during a normal downturn, via an ordinary cash dividend. Our Ordinary Dividend Policy is to pay out 7.5% of net assets or at least £250 million annually throughout the cycle. In line with our Ordinary Dividend Policy, we today announce a 2024 interim dividend of 4.80 pence per share payable in November.

Board committee change

Scilla Grimble, an independent Non Executive Director of the Company and a current member of the Audit Committee, will be appointed as Chair of the Audit Committee with effect from 1 September 2024. Scilla will succeed Humphrey Singer, who has chaired the Audit Committee since February 2018 and is approaching nine years as a Non Executive Director of the Company.

Operational review

Our operational review is for the UK only as the majority of metrics do not apply to our Spanish business. A short summary of the Spanish business follows in the Group financial review. The financial analysis is presented at Group level, which includes Spain, unless otherwise indicated.

Joint ventures are excluded from the operational review and Group financial review, unless stated otherwise.

Our key performance indicators (KPIs)

UK	H1 2024	H1 2023	Change	FY 2023
Land				
Land cost as % of ASP on approvals	15.6%	12.9%	2.7ppt	15.2%
Landbank years	c.7.8	c.7.0	11.4%	c.7.7
% of completions from strategically sourced land	41%	46%	(5)ppt	45%
Operational excellence				
Construction Quality Review (average score / 6)	4.92	4.90	0.4%	4.89
Average reportable items per inspection	0.18	0.28	(35.7)%	0.28
Health and Safety Injury Incidence Rate (per 100,000 employees and contractors) rolling 12 months	164	136	20.6%	151
Employee engagement (annual survey)	-	-	-	93%
Sustainability				
Customer satisfaction 8-week score 'Would you recommend?'	96%	90%	6ppt	92%
Customer satisfaction 9-month score 'Would you recommend?'	77%	79%	(2)ppt	77%

'Would you recommend?'	[illegible]	[illegible]	[illegible]	[illegible]
Reduction in operational carbon emissions intensity (measured at end of year)	-	-	-	5%

N.B. The 8-week 'would you recommend' score for H1 2024 relates to customers who legally completed between October 2023 and March 2024 with the comparator relating to the same period 12 months prior. The 9-month 'would you recommend' score for H1 2024 relates to customers who legally completed between October 2022 and March 2023, with the comparator relating to the same period 12 months prior.

Resilient first half sales

UK home completions (excluding joint ventures) were 4,512 (H1 2023: 4,854). This included 1,004 affordable homes (H1 2023: 1,111), equating to 22.3% of total completions (H1 2023: 22.9%).

We have delivered a good net private sales rate of 0.75 (H1 2023: 0.71) which continues to reflect our focus on customers, high-quality locations and the hard work of our teams. Excluding bulk deals, our net private sales rate for the first half was 0.69 (H1 2023: 0.62). Our strategy on bulk deals remains consistent, we prioritise a planned approach for larger multi-phase, multi-year sites where such deals improve the metrics of development schemes.

The first half cancellation rate remained at a normalised level of 14% (H1 2023: 16%).

Average selling prices on private completions was £356k (H1 2023: £366k), reflecting both price and mix impacts. Our total average selling price decreased by 0.9% to £317k (H1 2023: £320k).

We have a wide range of products from one-bedroom apartments to five-bedroom homes. First time buyers accounted for 40% of total private reservations in the first half of 2024 (H1 2023: 35%). Investor sales continued to be at a low level at 3% (H1 2023: 3%).

As at H1 2024, our order book represented 7,451 homes (H1 2023: 7,866 homes) with an order book value of £2,012 million (H1 2023: £2,147 million), excluding joint ventures. Our affordable order book stood at 4,038 homes at H1 2024 (H1 2023: 4,190 homes).

During the first half of 2024 we opened 26 new outlets (H1 2023: 13), in line with our expectations.

A strong and differentiated landbank

We have an excellent short term landbank and benefit from a mature strategic land pipeline.

As at 30 June 2024, our short term landbank stood at c.79k plots (31 December 2023: c.80k plots). The average cost of land as a proportion of average selling price within the short term owned landbank remains low at 13.7% (H1 2023: 13.3%). The estimated average selling price in the short term owned landbank in H1 2024 was £330k (H1 2023: £343k).

Our mature strategic land pipeline is a major competitive advantage and a source of future growth potential that lessens reliance on the short term land market.

Our strategic pipeline stood at c.140k potential plots as at 30 June 2024 (31 December 2023: c.142k potential plots). During the first six months of 2024 we converted c.2k plots from the strategic pipeline to the short term landbank (H1 2023: c.6k plots). In the period, 41% of our completions were sourced from the strategic pipeline (H1 2023: 46%).

Land cost as a percentage of average selling price on approvals increased to 15.6% in the period (H1 2023: 12.9%).

As stated, the new Government has outlined a number of mostly supply side reforms aimed at unlocking future years land supply and enabling the investment in skills and resources necessary to support future housing need. We look forward to working constructively with the new Government to deliver much needed new homes across the UK. Whilst it is likely to take time for reform to impact the land market, we are well placed, with c.30k plots in the planning system, when improvements in planning take effect. We have a track record of delivering the right developments in the right locations for our customers and have further potential given the optionality provided by our mature strategic land pipeline.

Customers

We have been recognised as a five-star builder in the 8-week customer satisfaction survey by the HBF in March 2024. A key focus has been to improve our overall customer service and we are pleased we have raised our 8-week recommend score to 96% at the half year compared to 90% for H1 2023. Our responsiveness to customer issues has been a key focus for our teams over the last year, and it is pleasing to see this reflected in our customer score. We encourage customers to leave reviews on Trustpilot and have maintained our 4 out of 5-star status on Trustpilot with a TrustScore of 3.9 out of 5 as at 30 June 2024.

Leveraging our CRM, we are revisiting our processes to increase the amount of customer contact points with our sales teams, aligning these with key build stages, to improve customer experience throughout their homebuying journey. We have also continued to evolve our Sales Academy to ensure our teams are equipped with the right skills needed, particularly in light of the market conditions and as we prepare for growth.

Improving longer term customer service has been a key focus for Taylor Wimpey for some time. While the latest 9-month score was flat in comparison to the 2023 year end we have seen some encouraging improvement in the year to date score. This has been supported by our subcontractor portal 'My tasks', launched last year, which has been key in improving responsiveness and accountability for customer issues, such as snagging. The portal enables us to more efficiently monitor and measure delivery and responsiveness to key customer issues.

In the first half of 2024, we relaunched our online customer service portal, Touchpoint. In addition to direct contact with our customer service teams, Touchpoint allows customers to keep up to date on all areas of their homebuying journey, from reservation through to completion and aftersales and is future-proofed to allow us to easily add new features to enable it to evolve to new requirements over time. The upgraded version looks and feels like a natural extension of the website and has been designed as 'mobile first' to reflect the use profile of our customers. The portal allows users to add photos, includes CGI images of each build stage and is fully linked to our CRM, pulling in real time data, making processes faster and enabling an improved customer journey.

Delivering a consistently high build quality remains key to customer satisfaction and we are pleased to have again improved our average CQR score to 4.92 (H1 2023: 4.90). This is the result of our continued focus on quality throughout the business and is underpinned by our reduction in average reportable items per inspection to 0.18 (H1 2023: 0.28).

Our site teams have continued to perform strongly against a challenging backdrop in recent years and we are proud

Our site teams have continued to perform strongly against a challenging backdrop in recent years and we are proud that in June 2024, 62 of our Site Managers won NHBC Pride in the Job Quality Awards (2023: 51).

Cladding fire safety

The safety of our customers is of paramount importance, and we have always been guided by this principle. It is our long held view that leaseholders should not have to pay for the cost of fire safety remediation and our priority has always been to ensure that customers in Taylor Wimpey buildings have a solution to cladding remediation. We took early and proactive action, committing significant funding and resources to address fire safety and cladding issues on all affected Taylor Wimpey apartment buildings since 1992.

In 2022, we signed up to the Government's Building Safety Pledge for Developers and the Welsh Government Building Safety Developer Remediation Pact which reaffirmed our commitment that leaseholders should not have to pay for fire safety remediation. In the first half of 2023 we also signed the Scottish Safer Buildings Accord.

Prior to signing these, we had already begun working on affected Taylor Wimpey buildings and since 2022 we have held a provision for fire safety remediation works of £245 million. We have reassessed the remediation costs based on tenders received in the first half; based on this updated information and enhanced cost appraisal, the expected fire safety remediation cost has increased by £88 million, taking the total provision to date to £333 million. The increase is due to escalation of costs based on recent tenders, increased project delivery administration costs, including the funding of the Building Safety Fund pre-tender costs and a small number of new buildings being added.

During the first half we continued to progress work with building owners, management companies and leaseholders and we remain committed to resolving these issues as soon as practicable for our leaseholders. We have 211 buildings within the scope of our provision, all of which have been assessed by our specialist team.

Employees

The health and safety of individuals on our sites will always be our number one priority. Our Injury Incidence Rate (IIR) for reportable injuries per 100,000 employees and contractors to 30 June 2024 on a rolling 12 month basis increased to 164 (2023 equivalent period: 136) which was a small underlying increase on a strong comparator, but remains below the HBF Home Builder Average IIR of 186. During 2024, we rolled out additional Health and Safety training to all regional businesses. The updated training had a focus on environmental, temporary works, and fire training.

Our highly engaged and talented employees are key to driving our business forward. We have an excellent culture at Taylor Wimpey and it is our aim to maintain this and to evolve our workplace to ensure it is future fit so we remain the destination of choice for current and future talent. Our industry is facing a skills shortage so attracting and retaining high calibre people is a strategic imperative.

While we have focused on cost discipline in the weaker market, which is reflected in lower recruitment activity, the skills and development of our workforce have remained a major focus. All of our employees receive a quarterly performance review with their line manager to ensure they are being appropriately supported to reach their potential and that appropriate training and development needs are being catered for.

We are strengthening our in-house development through the launch of our Technical Academy and upcoming changes to our Sales Academy. Our Technical Academy has been designed to support and develop our current technical employees and new starters by providing development and career pathways for each role within the technical functions (technical, design and engineering). The Academy allows our employees to demonstrate their technical competency, which is an emerging legislative requirement, and addresses feedback from our recent employee survey, which highlighted the need for clear career progression pathways.

We continue to work closely with our partners, peer companies, industry associations and educational organisations to identify and address skills gaps, upskill our workforce, and also share best practice within the industry. In 2023, we led a collaboration with five other major housebuilders to identify tangible ways in which we could address the skills shortage facing our sector, leading to the creation of a Sector Skills Plan. As previously flagged, we are stepping up our efforts in early entry recruitment with our schools outreach programme and our ex-armed forces Trainee Assistant Site Manager fast track programme.

The majority of trades on our sites are performed by our subcontractors and Taylor Wimpey has been instrumental in developing a support model with the CITB to provide free support to our subcontractors to enable them to recruit, train, manage and claim grant funding for their apprentices.

Following the release of our second Equality, Diversity and Inclusion (ED&I) report in March, we conducted our sixth annual ED&I conference in May, which was again held virtually to allow all employees to attend. The conference was well attended across the business and we launched the 'enAble' employee network founded to support staff who are disabled, have a long term health condition or are neurodivergent.

We have a number of other projects underway to continue our focus on ED&I, including our reverse mentoring programme and attaining better data to inform our decision making, with our new HR system being a key enabler of this. We continue also to explore the role that AI can play in supporting better understanding of our hiring and promotion data.

Sustainability

Creating thriving communities

Our purpose is to build great homes and create thriving communities. Achieving our purpose means building homes and places that enhance people's quality of life, foster local community relationships and which bring economic growth and skilled employment. The housebuilding sector is a key creator of jobs and economic activity throughout the country. We make a major contribution to the regions in which we operate directly through the employment created on our sites and indirectly through the economic benefit our activities generate for the wider supply chain such as shops, leisure facilities, places of employment and other industries that benefit from our operations.

We prioritise engaging with local communities as part of the planning and construction process and strive to make a positive impact in the wider community. In the first half of 2024, through our planning obligations, we contributed £142 million to the local communities in which we build (H1 2023: £210 million) which provides vital local infrastructure, affordable homes, public transport and education facilities. In H1 2024, we donated and fundraised over £0.6 million for charities and local community causes (H1 2023: £0.6 million).

Nature and the environment

Nature and the environment remain key focus areas for us as we drive toward net zero by 2045, five years ahead of the Government target. We were once again included in the S&P Sustainability Yearbook and Achieved Route to Net Zero Advancing Level. We remain a constituent of the FTSE4Good Index Series and have signed up to the Future

Homes Hub Homes for Nature commitment.

The Homes for Nature initiative formalises many of the practices already adopted on Taylor Wimpey sites and for every new home built, a bird nesting brick or box will be installed, hedgehog highways will be created as standard. As an industry wide initiative running until at least 2030, annual reporting will enable the initiative to track results and establish further ways of supporting wildlife on housing developments.

As we press forward, we are constantly evolving our approach to the environment, testing new approaches and concepts such as the Circular Economy. We are pleased that we were awarded two Reconomy 'Think Circular' Awards in May that recognise sustainability practices that advance the circular economy.

Timber frame

Our strategy includes scaling up our in-house timber frame production from our facility in Peterborough and this will be a component of our capacity for growth in the medium term. After launching the facility last year, we delivered our first kits as planned in the first half of this year. The factory has been awarded ISO:9001 by the British Standards Institute (BSi) on top of being awarded the Structural Timber Association (STA) Gold Assure Accreditation, demonstrating the robust nature of our Quality Systems. It remains our intention to scale production up to capacity of 3,000 units in coming years, which, in combination with our external suppliers, will support our goal of increasing timber frame usage to 30% of our production by 2030.

<u>Group financial review</u>

Income statement

Group revenue was £1,517.7 million in the first half of 2024 (H1 2023: £1,637.1 million), with Group completions, excluding JVs, being 8.4% lower at 4,654 (H1 2023: 5,082). The UK average selling price on private completions decreased by 2.7% to £356k (H1 2023: £366k), due to both underlying price deflation and mix. The decrease in the total UK average selling price was 0.9% to £317k (H1 2023: £320k), a smaller reduction compared to the private completions, due to an increase in the UK average selling price on affordable housing to £179k (H1 2023: £166k) and a slightly lower proportion of affordable housing in H1 2024 (22%) than the prior period (H1 2023: 23%).

Group gross profit decreased to £292.2 million (H1 2023: £353.9 million), with build cost inflation and house price deflation partially offset by a higher profit generated from land sales in the period, resulting in a gross margin of 19.3% (H1 2023: 21.6%).

Net operating expenses were £198.7 million (H1 2023: £118.0 million), which includes £88.0 million of exceptional costs relating to the cladding fire safety provision as described in the previous section, with no such amount in the prior period.

Excluding exceptional costs, the net operating expenses were £110.7 million (H1 2023: £118.0 million), which was predominantly made up of administrative costs of £116.7 million (H1 2023: £116.5 million). This resulted in a profit on ordinary activities before financing of £93.5 million (H1 2023: £235.9 million), £181.5 million (H1 2023: £235.9 million) excluding exceptional items.

Completions from joint ventures in the period were 74 (H1 2023: 38). The increase in joint venture completions resulted in the share of joint ventures' profit in the period increasing to £0.8 million (H1 2023: £0.3 million loss). When including this in the profit on ordinary activities before financing, the resulting operating profit was £182.3 million (H1 2023: £235.6 million), delivering an operating profit margin of 12.0% (H1 2023: 14.4%). The total order book value of joint ventures as at 30 June 2024 increased to £32 million (31 December 2023: £6 million), representing 131 homes (31 December 2023: nine).

The net finance income of £5.4 million (H1 2023: £2.1 million) reflects that interest earned on deposits continued to more than offset the imputed interest on land acquired on deferred terms, bank interest and interest on the pension scheme.

Profit on ordinary activities before tax decreased to £99.7 million (H1 2023: £237.7 million). The total tax charge for the period was £26.7 million (H1 2023: £62.0 million), a rate of 26.8% (H1 2023: 26.1%); the current period includes a credit of £25.0 million in respect of the exceptional charge recognised. The pre-exceptional tax charge was £51.7 million (H1 2023: £62.0 million), representing an underlying tax rate of 27.5% (H1 2023: 26.1%).

As a result, profit for the period was £73.0 million (H1 2023: £175.7 million).

Basic earnings per share was 2.1 pence (H1 2023: 5.0 pence). The adjusted basic earnings per share was 3.8 pence (H1 2023: 5.0 pence).

Spain

Our Spanish business primarily sells second homes to European and other international customers, with a small proportion of sales being primary homes for Spanish occupiers. The business completed 142 homes (H1 2023: 228) with the average selling price increasing to €509k (H1 2023: €374k), due to regional mix. The total order book as at 30 June 2024 increased to 657 homes (31 December 2023: 490 homes).

Gross margin decreased to 27.6% (H1 2023: 29.8%), with fixed costs being absorbed across fewer completions, which was partially offset by an improved average selling price; this flowed through to an operating profit of £14.4 million (H1 2023: £19.7 million) and an operating profit margin of 23.4% (H1 2023: 26.6%).

The total plots in the landbank stood at 3,518 (31 December 2023: 2,755), with net operating assets** of £110.6 million (31 December 2023: £94.0 million).

Balance sheet

Net assets at 30 June 2024 decreased to £4,430.5 million (31 December 2023: £4,523.4 million), with net operating assets decreasing marginally by £21.1 million, 0.6%, to £3,802.6 million (31 December 2023: £3,823.7 million). Return on net operating assets** decreased to 10.9% (2 July 2023: 19.7%) due to the reduction in Group operating profit in the preceding twelve month period, and to a lesser extent by the increase in average net operating assets. Group net operating asset turn†* was 0.89 times (2 July 2023: 1.07), reflecting the decreased revenue in the preceding twelve month period.

Land

Land as at 30 June 2024 decreased by £17.5 million in the period to £3,252.0 million, with land creditors decreasing to £494.4 million (31 December 2023: £516.1 million). Included within the gross land creditor balance is £40.9 million of UK land overage commitments (31 December 2023: £44.9 million). £263.9 million of the land creditors is expected to be paid within 12 months and £230.5 million thereafter (31 December 2023: £301.2 million and £214.9 million) to be paid within 12 months and £[illegible] million thereafter (31 December 2023: £[illegible] million and £[illegible] million).

As at 30 June 2024, the UK short term landbank comprised 78,678 plots (31 December 2023: 80,323), with a net book value of £2.7 billion (31 December 2023: £2.8 billion). Short term owned land had a net book value of £2.7 billion (31 December 2023: £2.7 billion), representing 59,477 plots (31 December 2023: 61,190). The controlled short term landbank represented 19,201 plots (31 December 2023: 19,133).

The value of strategic owned land decreased to £230 million (31 December 2023: £242 million), representing 33,527 plots (31 December 2023: 34,319), with a further total controlled strategic pipeline of 106,102 plots (31 December 2023: 107,676). Total potential revenue in the owned and controlled landbank was £60 billion (31 December 2023: £61 billion).

Work in progress (WIP)

Total WIP investment, excluding part exchange and other, increased to £1,969.2 million (31 December 2023: £1,871.0 million), reflecting the weighting of completions to the second half of the year. Average WIP per UK outlet also increased as a result to £8.8 million (31 December 2023: £7.6 million).

Provisions and deferred tax

Provisions increased to £353.7 million (31 December 2023: £286.7 million) due to the £88.0 million increase in the cladding fire safety provision noted in the previous section, partly offset by utilisation of that provision (£13.6 million) as works have been carried out, as well as utilisation in other provisions which largely relate to remedial works on a limited number of sites around the Group.

The net deferred tax asset of £28.8 million (31 December 2023: £23.4 million) relates to the pension deficit and UK and Spanish provisions that are tax deductible when the expenditure is incurred.

Pensions

During 2023, the Group engaged with the Trustee of the Taylor Wimpey Pension Scheme (TWPS) on the triennial valuation of the Scheme with a reference date of 31 December 2022. The valuation was concluded in March 2024 and showed that the TWPS had a surplus of £55 million on its Technical Provisions funding basis and a funding level of 103%. As a result, no deficit contributions were required to be paid to the TWPS or to the escrow account established following the 2019 valuation. The escrow account will remain in place until 30 June 2028, at which point a funding test will be conducted and funds will either be paid to TWPS or returned to the Group.

In March 2024, the Group also reached agreement with the Trustee to restructure the Group's Pension Funding Partnership (PFP). The restructure retained the existing contributions payable until 2029 but replaced the payment of up to £100 million that may have been due in 2029, with seven annual payments of up to £12.5 million each from 2029 to 2035. These are only payable if the TWPS has a deficit on its Technical Provisions funding basis at the prior 31 December.

The Group continues to provide a contribution for Scheme expenses (£2.0 million per year) and also makes contributions via the Pension Funding Partnership (£5.1 million per year). Total Scheme contributions and expenses in the period were £6.1 million (H1 2023: £6.1 million) with no further amounts paid into the escrow account (H1 2023: nil). At 30 June 2024, the IAS 19 valuation of the Scheme was a surplus of £126.9 million (31 December 2023: £76.7 million). Due to the rules of the TWPS, any surplus cannot be recovered by the Group and therefore a deficit has been recognised on the balance sheet under IFRIC 14. The deficit is equal to the present value of the remaining committed payments and any forecasted distributions from the Pension Funding Partnership.

Retirement benefit obligations of £21.8 million at 30 June 2024 (31 December 2023: £26.5 million) comprise a defined benefit pension liability of £21.5 million (31 December 2023: £26.3 million) and a post-retirement healthcare liability of £0.3 million (31 December 2023: £0.2 million).

The Group continues to work closely with the Trustee in managing pension risks, including management of interest rate, inflation and longevity risks.

Net cash and financing position

Net cash decreased to £584.0 million at 30 June 2024 from £677.9 million at 31 December 2023, due to investment in WIP with completions being weighted to the second half of the year. Average net cash for the period was £582.4 million (2 July 2023: £633.4 million, 31 December 2023: £606.6 million).

Despite the decrease in completions in the period, management of land and WIP spend has resulted in a cash conversion[‡‡] of 90.3% of operating profit for the 12 months ending 30 June 2024 (12 months to 2 July 2023: 70.1%).

Net cash, combined with land creditors, resulted in an adjusted gearing[‡‡‡] of (2.0)% (31 December 2023: (3.6)%).

At 30 June 2024, our committed borrowing facilities were £685 million, of which the £600 million revolving credit facility was undrawn throughout the period. The weighted average maturity of the committed borrowing facilities at 30 June 2024 was 5.1 years (31 December 2023: 4.8 years), which has increased following the exercise of the option to extend the revolving credit facility by one year to 2029. The revolving credit facility includes three sustainability-linked performance measures to be assessed and verified annually, which can have a minor impact on the margin. The three performance measures are: reductions in scope 1 and 2 GHG emissions; reductions in waste; and reductions in carbon emissions of the homes we build. These measures align with our environment strategy to build a better world.

Dividends

On 10 May 2024, we returned £169.5 million to shareholders by way of a 2023 final ordinary dividend of 4.79 pence per share. The Board has declared that a 2024 interim dividend of 4.80 pence per share is to be paid on 15 November 2024 to shareholders on the register at the close of business on 11 October 2024. The dividend will be paid as a cash dividend, and shareholders have the option to reinvest all of their dividend under the Dividend Re-Investment Plan (DRIP), details of which are available on our website www.taylorwimpey.co.uk/corporate.

Going concern

The Directors remain of the view that the Group's financing arrangements and balance sheet strength provide both the necessary liquidity and covenant headroom to enable the Group to conduct its business for at least the next 12 months. Accordingly, the financial statements are prepared on a going concern basis. See note 1 of the financial statements for further details of the assessment performed.

Principal risks and uncertainties

As with any business, Taylor Wimpey's operational performance and ability to achieve its strategic objectives are subject to several potential risks and uncertainties. The Board takes a proactive approach to the management of these and regularly reviews both internal and external factors to identify and assess their impact on the business. These risks and uncertainties are then managed through effective mitigating controls and the development of action plans, with the continual monitoring of progress against agreed KPIs as an integral part of the business process and core activities.

The Board assesses and monitors the Principal Risks of the business regularly. Set out in the Group's Annual Report and Accounts for the year ended 31 December 2023 are details of the Principal Risks and uncertainties for the Group and the key mitigating activities used to address them at that time.

Principal Risks

Whilst market uncertainty and affordability challenges have continued, we note some market stability, supported by good mortgage availability and sustained customer confidence. The housing commitments recently made by the new Government have the potential to create a positive future impact on the sector and on our Principal Risks, and we will closely monitor this over the coming period. Since the year end, we have determined that there has been a small increase in the inherent and residual risk profiles of our 'Mortgage Availability and Housing Demand' Principal Risk, driven by the identified risk on available funding within affordable housing providers, which is linked to this Principal Risk. As part of our risk management process, we continually monitor all relevant factors, to ensure the Principal Risks remain appropriate and to ensure that we implement any additional mitigations deemed necessary in order to effectively manage them within our risk tolerance levels.

Except as referenced above, no other changes have been made to the Group's Principal Risks as reported at 31 December 2023. Further details of the Principal Risks and the mitigations in place are outlined on pages 74 to 77 of the 2023 Annual Report and Accounts, published in March 2024.

Emerging Risks

The Group faces a number of emerging risks which have the potential to be significant to the achievement of our strategy. Due to their nature, their impact cannot be fully understood but where possible we have put in place or are planning to put in place mitigations to reduce the level of potential risk. Emerging risks are considered as part of our established risk management process and reviewed and approved by the Board on a regular basis.

Cautionary note concerning forward looking statements

This announcement includes statements that are, or may be deemed to be, 'forward-looking statements'. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms 'believes', 'estimates', 'plans', 'projects', 'anticipates' or 'expects'. Such statements are based on current expectations and assumptions and are subject to a number of risks and uncertainties that could cause actual events or results to differ materially from any expected future events or results expressed or implied in these forward-looking statements.

Accordingly, there are or will be important factors that could cause Taylor Wimpey plc's actual results to differ materially from those indicated in these statements. Persons receiving this announcement should not place reliance on forward-looking statements. Forward-looking statements speak only as of the date they are made and, except as required by applicable law or regulation, Taylor Wimpey plc undertakes no obligation to update these forward-looking statements. Nothing in this statement should be construed as a profit forecast.

Definitions

* Operating profit is defined as profit on ordinary activities before financing, exceptional items and tax, after share of results of joint ventures.

*† Operating profit margin is defined as operating profit divided by revenue.

** Return on net operating assets (RONOA) is defined as rolling 12 months' operating profit divided by the average of the opening and closing net operating assets of the 12-month period, which is defined as net assets less net cash, excluding net taxation balances and accrued dividends.

† Tangible net assets per share is defined as net assets before any accrued dividends excluding intangible assets divided by the number of ordinary shares in issue at the end of the period.

†† Adjusted basic earnings per share represents earnings attributed to the shareholders of the parent, excluding exceptional items and tax on exceptional items, divided by the weighted average number of shares in issue during the period.

†* Net operating asset turn is defined as 12 months' rolling total revenue divided by the average of opening and closing net operating assets of the 12-month period.

†*** The Injury Incidence Rate (IIR) is defined as the number of incidents per 100,000 employees and contractors, calculated on a rolling 12-month basis, where the number of employees and contractors is calculated using a monthly average over the same period.

‡ Net cash is defined as total cash less total borrowings.

‡‡ Cash conversion is defined as operating cash flow divided by operating profit or loss on a rolling 12-month basis, with operating cash flow defined as cash generated from operations (which is before income taxes paid, interest paid and payments related to exceptional charges).

‡‡‡ Adjusted gearing is defined as adjusted net debt divided by net assets. Adjusted net debt is defined as net cash less land creditors.

A reconciliation of alternative performance measures to statutory measures is disclosed in note 16 of the financial statements.

Taylor Wimpey plc
Condensed consolidated income statement

For the half year ended 30 June 2024

		(Reviewed)			(Reviewed)			(Audited)	
	Half year ended 30 June	Half year ended 30 June	Half year ended 30 June	Half year ended 2 July	Half year ended 2 July	Half year ended 2 July	Year ended 31 December	Year ended 31 December 2023	Year ended 31 December

£ million	Note	30 June 2024 Before exceptional items	30 June 2024 Exceptional items	30 June 2024 Total	2 July 2023 Before exceptional items	2 July 2023 Exceptional items	2 July 2023 Total	December 2023 Before exceptional items	December 2023 Exceptional items	December 2023 Total
Continuing operations										
Revenue	2	**1,517.7**	**-**	**1,517.7**	1,637.1	-	1,637.1	3,514.5	-	3,514.5
Cost of sales		**(1,225.5)**	**-**	**(1,225.5)**	(1,283.2)	-	(1,283.2)	(2,798.0)	-	(2,798.0)
Gross profit		**292.2**	**-**	**292.2**	353.9	-	353.9	716.5	-	716.5
Net operating expenses	4	**(110.7)**	**(88.0)**	**(198.7)**	(118.0)	-	(118.0)	(248.7)	-	(248.7)
Profit/(loss) on ordinary activities before financing		**181.5**	**(88.0)**	**93.5**	235.9	-	235.9	467.8	-	467.8
Finance income	5	**17.7**	**-**	**17.7**	13.2	-	13.2	29.5	-	29.5
Finance costs	5	**(12.3)**	**-**	**(12.3)**	(11.1)	-	(11.1)	(25.9)	-	(25.9)
Share of results of joint ventures		**0.8**	**-**	**0.8**	(0.3)	-	(0.3)	2.4	-	2.4
Profit/(loss) before taxation		**187.7**	**(88.0)**	**99.7**	237.7	-	237.7	473.8	-	473.8
Taxation (charge)/credit	6	**(51.7)**	**25.0**	**(26.7)**	(62.0)	-	(62.0)	(124.8)	-	(124.8)
Profit/(loss) for the period		**136.0**	**(63.0)**	**73.0**	175.7	-	175.7	349.0	-	349.0
Basic earnings per share	7			**2.1p**			5.0p			9.9p
Diluted earnings per share	7			**2.1p**			5.0p			9.9p
Adjusted basic earnings per share	7			**3.8p**			5.0p			9.9p
Adjusted diluted earnings per share	7			**3.8p**			5.0p			9.9p

All of the profit for the period is attributable to the equity holders of the parent company.

Taylor Wimpey plc
Condensed consolidated statement of comprehensive income

For the half year ended 30 June 2024

£ million	Half year ended 30 June 2024 (Reviewed)	Half year ended 2 July 2023 (Reviewed)	Year ended 31 December 2023 (Audited)
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations	**(4.2)**	(5.0)	(2.4)
Movement in fair value of hedging instruments	**1.8**	2.4	1.2
Items that will not be reclassified subsequently to profit or loss:			
Actuarial gain on defined benefit pension schemes	**0.9**	0.8	0.8
Tax charge on items taken directly to other comprehensive income	**(0.3)**	(0.2)	(0.2)
Other comprehensive expense for the period	**(1.8)**	(2.0)	(0.6)
Profit for the period	**73.0**	175.7	349.0
Total comprehensive income for the period	**71.2**	173.7	348.4

All of the comprehensive income for the period is attributable to the equity holders of the parent company.

Taylor Wimpey plc
Condensed consolidated balance sheet

As at 30 June 2024

£ million	Note	30 June 2024 (Reviewed)	2 July 2023 (Reviewed)	31 December 2023 (Audited)
Non-current assets				
Intangible assets		**2.0**	3.2	2.6
Property, plant and equipment		**22.5**	16.6	22.0
Right-of-use assets		**35.7**	26.8	37.8
Interests in joint ventures		**72.4**	73.1	70.5
Trade and other receivables		**19.2**	12.7	28.1
Other financial assets	9	**10.6**	10.1	10.3
Deferred tax assets		**28.8**	22.6	23.4
		191.2	165.1	194.7
Current assets				
Inventories		**5,253.5**	5,288.1	5,169.6
Trade and other receivables		**147.9**	164.4	124.4
Tax receivables		**19.1**	-	-
Cash and cash equivalents	8	**668.7**	740.4	764.9
		6,089.2	6,192.9	6,058.9
Total assets		**6,280.4**	6,358.0	6,253.6
Current liabilities				

Current liabilities				
Trade and other payables		**(1,040.1)**	(1,083.5)	(992.8)
Lease liabilities		**(9.8)**	(8.4)	(8.8)
Tax payables		**(4.0)**	(11.0)	(1.6)
Provisions	11	**(143.9)**	(125.3)	(124.9)
		(1,197.8)	(1,228.2)	(1,128.1)
Net current assets		**4,891.4**	4,964.7	4,930.8
Non-current liabilities				
Trade and other payables		**(306.9)**	(327.7)	(295.8)
Lease liabilities		**(28.9)**	(19.4)	(31.0)
Bank and other loans	8	**(84.7)**	(85.5)	(87.0)
Retirement benefit obligations	9	**(21.8)**	(25.3)	(26.5)
Provisions	11	**(209.8)**	(162.7)	(161.8)
		(652.1)	(620.6)	(602.1)
Total liabilities		**(1,849.9)**	(1,848.8)	(1,730.2)
Net assets		**4,430.5**	4,509.2	4,523.4
Equity				
Share capital		**291.3**	291.3	291.3
Share premium		**777.9**	777.9	777.9
Own shares		**(23.8)**	(35.3)	(29.7)
Other reserves		**542.0**	543.0	544.4
Retained earnings		**2,843.1**	2,932.3	2,939.5
Total equity		**4,430.5**	4,509.2	4,523.4

Taylor Wimpey plc
Condensed consolidated statement of changes in equity
For the half year ended 30 June 2024

Reviewed half year ended 30 June 2024 £ million	Note	Share capital	Share premium	Own shares	Other reserves	Retained earnings	Total
Balance as at 1 January 2024		291.3	777.9	(29.7)	544.4	2,939.5	4,523.4
Other comprehensive (expense)/income for the period		-	-	-	(2.4)	0.6	(1.8)
Profit for the period		-	-	-	-	73.0	73.0
Total comprehensive (expense)/income for the period		-	-	-	(2.4)	73.6	71.2
Utilisation of own shares		-	-	5.9	-	-	5.9
Cash cost of satisfying share options		-	-	-	-	(4.7)	(4.7)
Share-based payment credit	14	-	-	-	-	4.4	4.4
Tax charge on items taken directly to statement of changes in equity		-	-	-	-	(0.2)	(0.2)
Dividends approved and paid	13	-	-	-	-	(169.5)	(169.5)
Total equity at 30 June 2024		**291.3**	**777.9**	**(23.8)**	**542.0**	**2,843.1**	**4,430.5**

Reviewed half year ended 2 July 2023 £ million	Note	Share capital	Share premium	Own shares	Other reserves	Retained earnings	Total
Balance as at 1 January 2023		291.3	777.9	(43.1)	545.6	2,930.4	4,502.1
Other comprehensive (expense)/income for the period		-	-	-	(2.6)	0.6	(2.0)
Profit for the period		-	-	-	-	175.7	175.7
Total comprehensive (expense)/income for the period		-	-	-	(2.6)	176.3	173.7
Utilisation of own shares		-	-	7.8	-	-	7.8
Cash cost of satisfying share options		-	-	-	-	(10.0)	(10.0)
Share-based payment credit	14	-	-	-	-	4.4	4.4
Dividends approved and paid	13	-	-	-	-	(168.8)	(168.8)
Total equity at 2 July 2023		291.3	777.9	(35.3)	543.0	2,932.3	4,509.2

Audited year ended 31 December 2023 £ million	Note	Share capital	Share premium	Own shares	Other reserves	Retained earnings	Total
Balance as at 1 January 2023		291.3	777.9	(43.1)	545.6	2,930.4	4,502.1
Other comprehensive (expense)/income for the year		-	-	-	(1.2)	0.6	(0.6)
Profit for the year		-	-	-	-	349.0	349.0
Total comprehensive (expense)/income for the year		-	-	-	(1.2)	349.6	348.4
Utilisation of own shares		-	-	13.4	-	-	13.4
Cash cost of satisfying share options		-	-	-	-	(12.6)	(12.6)
Share-based payment credit	14	-	-	-	-	8.9	8.9
Tax credit on items taken directly to statement of changes in equity		-	-	-	-	1.1	1.1
Dividends approved and paid	13	-	-	-	-	(337.9)	(337.9)
Total equity at 31 December 2023		291.3	777.9	(29.7)	544.4	2,939.5	4,523.4

Taylor Wimpey plc
Condensed consolidated cash flow statement
For the half year ended 30 June 2024

£ million	Note	Half year ended 30 June 2024 (Reviewed)	Half year ended 2 July 2023 (Reviewed)	Year ended 31 December 2023 (Audited)
Operating activities:				
Profit on ordinary activities before financing		**93.5**	235.9	467.8
Adjustments for:				
Depreciation and amortisation		**7.5**	6.0	12.7

Pension contributions in excess of charge to the income statement		**(4.5)**	(4.4)	(3.8)
Share-based payment charge		**4.4**	4.4	8.9
Loss on disposal of property, plant and equipment		**-**	0.3	0.3
Net increase in provisions excluding exceptional payments		**83.3**	5.9	17.3
Operating cash flows before movements in working capital		**184.2**	248.1	503.2
Increase in inventories		**(98.6)**	(232.9)	(148.7)
(Increase)/decrease in receivables		**(16.8)**	23.7	40.2
Increase/(decrease) in payables		**34.2**	(23.3)	(105.8)
Cash generated from operations		**103.0**	15.6	288.9
Payments relating to exceptional charges		**(16.1)**	(8.0)	(20.8)
Income taxes paid		**(49.6)**	(55.2)	(126.5)
Interest paid		**(5.5)**	(2.7)	(12.0)
Net cash generated from/(used in) operating activities		**31.8**	(50.3)	129.6
Investing activities:				
Interest received		**17.2**	12.4	26.4
Dividends received from joint ventures		**-**	8.2	11.7
Purchase of property, plant and equipment		**(2.0)**	(0.3)	(6.8)
Purchase of software		**-**	-	(0.1)
Amounts received from/(invested in) joint ventures		**31.4**	(6.6)	(3.8)
Net cash generated from investing activities		**46.6**	13.7	27.4
Financing activities:				
Lease capital repayments		**(4.4)**	(3.9)	(7.9)
Cash received on exercise of share options		**1.2**	0.1	3.0
Repayment of borrowings		**-**	(87.0)	(87.0)
Proceeds from borrowings		**-**	87.0	87.0
Dividends paid		**(169.5)**	(168.8)	(337.9)
Net cash used in financing activities		**(172.7)**	(172.6)	(342.8)
Net decrease in cash and cash equivalents		**(94.3)**	(209.2)	(185.8)
Cash and cash equivalents at beginning of period		**764.9**	952.3	952.3
Effect of foreign exchange rate changes		**(1.9)**	(2.7)	(1.6)
Cash and cash equivalents at end of period	8	**668.7**	740.4	764.9

Taylor Wimpey plc

Notes to the condensed consolidated interim financial statements

For the half year ended 30 June 2024

1. Material accounting policies

Basis of preparation

The condensed set of consolidated interim financial statements has been prepared in accordance with IAS 34 'Interim Financial Reporting', as adopted by the United Kingdom, and the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority. These should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2023, which have been prepared in accordance with applicable IFRSs.

The information contained in this report does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. The condensed consolidated interim financial statements are unaudited but have been reviewed by the Group's auditor PricewaterhouseCoopers LLP. A copy of the statutory accounts for year ended 31 December 2023 has been delivered to the Registrar of Companies. The auditor reported on those accounts, their report was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under sections 498 (2) or (3) of the Companies Act 2006.

The accounting policies and method of computations adopted in the preparation of these condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2023.

Going concern

Group forecasts have been prepared that have considered the Group's current financial position and current market circumstances. The forecasts were subject to sensitivity analysis including severe but plausible scenarios together with the likely effectiveness of mitigating actions.

The assessment considered sensitivity analysis based on a number of realistically possible, but severe and prolonged, changes to principal assumptions. In determining these, the Group included macro-economic and industry wide projections, as well as matters specific to the Group. To arrive at the sensitivity analysis, the Group has also drawn on experience gained managing the business through previous economic downturns and stress tested the business against a number of scenarios, which included a scenario that reflected:

- Volume - a decline in total volumes of 10% from 2023 levels
- Price - a reduction to current selling prices of 10% for un-reserved homes
- Costs - a one-off exceptional charge and cash cost of £150 million for an unanticipated event, change in Government regulations or financial penalty has been included in 2025

Mitigations to this sensitivity analysis include a reduction in land investment, a reduction in the level of production and work in progress held and optimising the overhead base to ensure it is aligned with the scale of the operations through the cycle. If this scenario were to occur, we also have a range of additional options to maintain our financial strength, including: a more severe reduction in land spend and work in progress, the sale of assets, reducing the dividend, and or raising debt.

At 30 June 2024, the Group had a cash balance of £669 million and had access to £600 million from a fully undrawn revolving credit facility, together totalling £1,269 million. The combination of both of these is sufficient to absorb the financial impact of each of the risks modelled in the stress and sensitivity analysis, individually and in aggregate.

Based on these forecasts, it is considered that there are sufficient resources available for the Group to conduct its business, and meet its liabilities as they fall due, for at least the next 12 months from the date of these condensed consolidated interim financial statements. Consequently the condensed consolidated interim financial statements have been prepared on a going concern basis.

1. Material accounting policies (continued)

Estimates and judgements

The preparation of a condensed set of consolidated interim financial statements requires management to make significant judgements and estimates. Management have considered whether there are any such sources of estimation or accounting judgements in preparing the condensed consolidated interim financial statements. In identifying these areas management have considered the size of the associated balance and the potential likelihood of changes due to macro-economic factors.

In preparing these condensed consolidated interim financial statements, the critical judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were principally the same as those applied to the Group's consolidated financial statements for the year ended 31 December 2023. For each reporting period-end management reassess the basis of the significant estimates and judgements to take into account new information, developments in the period or experience gained. In the current period the provision in respect of cladding fire safety has increased by £88.0 million, see Note 4.

2. Revenue

An analysis of the Group's revenue is as follows:

£ million	**Half year ended 30 June 2024**	Half year ended 2 July 2023	Year ended 31 December 2023
Private sales	**1,311.8**	1,443.0	3,103.5
Partnership housing	**179.6**	184.3	395.6
Land and other	**26.3**	9.8	15.4
Total revenue	**1,517.7**	1,637.1	3,514.5

Taylor Wimpey plc
Notes to the condensed consolidated interim financial statements (continued)
For the half year ended 30 June 2024

3. Operating segments

The Group operates in two countries, being the United Kingdom and Spain.

The United Kingdom is split into five geographical operating segments, each managed by a Divisional Chair who sits on the Group Management Team; there are also central operations covering the corporate functions and Strategic Land. All the UK operating segments share similar economic characteristics. In making this assessment the Group has considered the key metrics that are used to monitor the performance of the segments; these have been considered over a long term period and have included historic and forecast results. The metrics focus on profitability, return on capital and other asset related measures. In addition each Division builds and delivers residential homes, uses consistent methods of construction, sells homes to both private customers and local housing associations, follows a single UK sales process and operating framework, is subject to the same macro-economic factors including mortgage availability and has the same cost of capital arising from the utilisation of central banking and debt facilities. As a result, the disclosure reflects the two reportable segments of the UK and Spain. Revenue in Spain arises entirely on private sales.

	Half year ended 30 June 2024			Half year ended 2 July 2023			Year ended 31 December 2023		
£ million	**UK**	**Spain**	**Total**	UK	Spain	Total	UK	Spain	Total
Revenue									
External sales	**1,456.2**	**61.5**	**1,517.7**	1,563.0	74.1	1,637.1	3,371.7	142.8	3,514.5
Result									
Profit before joint ventures, finance income/(costs) and exceptional items	**167.1**	**14.4**	**181.5**	216.2	19.7	235.9	432.5	35.3	467.8
Share of results of joint ventures	**0.8**	**-**	**0.8**	(0.3)	-	(0.3)	2.4	-	2.4
Operating profit (Note 16)	**167.9**	**14.4**	**182.3**	215.9	19.7	235.6	434.9	35.3	470.2
Exceptional items (Note 4)	**(88.0)**	**-**	**(88.0)**	-	-	-	-	-	-
Profit before net finance income	**79.9**	**14.4**	**94.3**	215.9	19.7	235.6	434.9	35.3	470.2

Net finance income (Note 5)	**5.4**	2.1	3.6
Profit before taxation	**99.7**	237.7	473.8
Taxation charge (Note 6)	**(26.7)**	(62.0)	(124.8)
Profit for the period	**73.0**	175.7	349.0

	30 June 2024			2 July 2023			31 December 2023		
£ million	**UK**	**Spain**	**Total**	UK	Spain	Total	UK	Spain	Total
Assets and liabilities									
Segment operating assets	**5,207.4**	**284.0**	**5,491.4**	5,319.3	202.6	5,521.9	5,153.2	241.6	5,394.8
Joint ventures	**72.4**	**-**	**72.4**	73.1	-	73.1	70.5	-	70.5
Segment operating liabilities	**(1,587.8)**	**(173.4)**	**(1,761.2)**	(1,630.4)	(121.9)	(1,752.3)	(1,494.0)	(147.6)	(1,641.6)
Net operating assets	**3,692.0**	**110.6**	**3,802.6**	3,762.0	80.7	3,842.7	3,729.7	94.0	3,823.7
Net current taxation			**15.1**			(11.0)			(1.6)
Net deferred taxation			**28.8**			22.6			23.4
Net cash (Note 8)			**584.0**			654.9			677.9
Net assets			**4,430.5**			4,509.2			4,523.4

4. Net operating expenses and profit on ordinary activities before financing

Profit on ordinary activities before financing has been arrived at after charging/(crediting):

£ million	**Half year ended 30 June 2024**	Half year ended 2 July 2023	Year ended 31 December 2023
Administration expenses	**116.7**	116.5	232.7
Other expenses	**46.0**	37.5	101.7
Other income	**(52.0)**	(36.0)	(85.7)
Exceptional items	**88.0**	-	-
Net operating expenses	**198.7**	118.0	248.7

The majority of the other income and other expenses shown above relates to the income and associated costs arising on the sale of part exchange properties. Also included in other income and other expenses are profit/loss on the sale of property, plant and equipment, the revaluation of certain shared equity mortgage receivables and abortive land acquisition costs.

Exceptional items: £ million	**Half year ended 30 June 2024**	Half year ended 2 July 2023	Year ended 31 December 2023
Provision in relation to cladding fire safety	**88.0**	-	-
	88.0	-	-
Tax credit	**(25.0)**	-	-
Net exceptional items charged to the income statement	**63.0**	-	-

Cladding fire safety

In 2018 the Group established an exceptional provision for the cost of replacing ACM on a small number of legacy developments. The provision was increased subsequently to reflect guidance issued as well as the Group signing, in 2022, the Government's Building Safety Pledge for Developers which extended the period covered to all buildings constructed by the Group since 1992. The Group has reassessed the remediation costs based on tenders received in the current period; based on this updated information and enhanced cost appraisal, the expected costs have increased by £88.0 million. The increase is due to escalation of costs based on recent tenders, a small number of new buildings being added and increased project delivery administration costs, including the funding of BSF pre-tender costs. Given the detailed assessment performed based on this information becoming available, the estimation uncertainty has reduced. The increase in the provision has been recognised as an exceptional expense.

Taylor Wimpey plc

Notes to the condensed consolidated interim financial statements (continued)

For the half year ended 30 June 2024

5. Finance income and finance costs

Finance income:

£ million	**Half year ended 30 June 2024**	Half year ended 2 July 2023	Year ended 31 December 2023
Interest receivable	**17.7**	13.2	29.5
	17.7	13.2	29.5

Finance costs:

£ million	**Half year ended 30 June 2024**	Half year ended 2 July 2023	Year ended 31 December 2023
Interest on bank and other loans	**(4.0)**	(2.7)	(8.3)
Foreign exchange movements	**(0.1)**	(0.3)	(0.5)

	(4.1)	(3.0)	(8.8)
Unwinding of discount on land creditors and other items	**(6.9)**	(7.1)	(14.8)
Interest on lease liabilities	**(0.7)**	(0.3)	(1.0)
Net interest on pension liability	**(0.6)**	(0.7)	(1.3)
	(12.3)	(11.1)	(25.9)

6. Taxation

Tax charged in the income statement is analysed as follows:

£ million		**Half year ended 30 June 2024**	Half year ended 2 July 2023	Year ended 31 December 2023
Current tax:				
UK:	Current year	**(26.6)**	(56.1)	(116.6)
	Adjustment in respect of prior years	**(2.8)**	0.3	1.8
Overseas:	Current year	**(3.5)**	(3.6)	(6.7)
	Adjustment in respect of prior years	**0.1**	0.4	0.1
		(32.8)	(59.0)	(121.4)
Deferred tax:				
UK:	Current year	**3.5**	(1.6)	(2.5)
	Adjustment in respect of prior years	**2.8**	(0.1)	(0.2)
Overseas:	Current year	**(0.2)**	(1.3)	(0.7)
	Adjustment in respect of prior years	**-**	-	-
		6.1	(3.0)	(3.4)
		(26.7)	(62.0)	(124.8)

The effective tax rate for the period is 26.8% (2 July 2023 effective tax rate: 26.1%).

Closing deferred tax on temporary differences has been calculated at the tax rates that are expected to apply for the period when the asset is realised or liability is settled. Accordingly deferred tax on UK temporary differences has been calculated at 29% (2 July 2023: 29%). Deferred tax on Spanish temporary differences has been calculated at 25% (2 July 2023: 25%).

The primary components of the deferred tax asset at 30 June 2024 are in relation to retirement benefit obligations, UK provisions that are tax deductible when the expenditure is incurred, and the temporary differences of our Spanish business.

Taylor Wimpey plc
Notes to the condensed consolidated interim financial statements (continued)
For the half year ended 30 June 2024

7. Earnings per share

	Half year ended 30 June 2024	Half year ended 2 July 2023	Year ended 31 December 2023
Basic earnings per share	**2.1p**	5.0p	9.9p
Diluted earnings per share	**2.1p**	5.0p	9.9p
Adjusted basic earnings per share	**3.8p**	5.0p	9.9p
Adjusted diluted earnings per share	**3.8p**	5.0p	9.9p
Weighted average number of shares for basic earnings per share - million	**3,537.8**	3,528.8	3,530.4
Weighted average number of shares for diluted earnings per share - million	**3,548.1**	3,536.8	3,537.5

Adjusted basic and adjusted diluted earnings per share, which exclude the impact of exceptional items and the associated net tax charges, are shown to provide clarity on the underlying performance of the Group.

A reconciliation from profit from operations attributable to equity shareholders used for basic and diluted earnings per share to that used for adjusted earnings per share is shown below:

£ million	**Half year ended 30 June 2024**	Half year ended 2 July 2023	Year ended 31 December 2023
Earnings for basic and diluted earnings per share	**73.0**	175.7	349.0
Adjust for exceptional items	**88.0**	-	-
Adjust for tax on exceptional items	**(25.0)**	-	-
Earnings for adjusted basic and adjusted diluted earnings per share	**136.0**	175.7	349.0

Taylor Wimpey plc
Notes to the condensed consolidated interim financial statements (continued)
For the half year ended 30 June 2024

8. Notes to the cash flow statement

Cash and cash equivalents comprise cash at bank and other short term highly liquid investments with an original maturity of three months or less.

Movement in net cash:

£ million	Cash and cash equivalents	Bank and other loans	Total net cash
At 1 January 2024	764.9	(87.0)	677.9
Net cash flow	(94.3)	-	(94.3)
Foreign exchange	(1.9)	2.3	0.4
At 30 June 2024	**668.7**	**(84.7)**	**584.0**

£ million	Cash and cash equivalents	Bank and other loans	Total net cash
At 1 January 2023	952.3	(88.5)	863.8
Net cash flow	(209.2)	-	(209.2)
Foreign exchange	(2.7)	3.0	0.3
At 2 July 2023	740.4	(85.5)	654.9

£ million	Cash and cash equivalents	Bank and other loans	Total net cash
At 1 January 2023	952.3	(88.5)	863.8
Net cash flow	(185.8)	-	(185.8)
Foreign exchange	(1.6)	1.5	(0.1)
At 31 December 2023	764.9	(87.0)	677.9

The committed borrowing facilities at period end were £684.7 million (31 December 2023: £687.0 million) with a weighted average maturity of 5.1 years (31 December 2023: 4.8 years). The Group's financing facilities contain the usual financial covenants of minimum tangible net worth, minimum interest cover and maximum gearing. The Group met these requirements throughout the period and up to the date of the approval of these condensed consolidated interim financial statements.

9. Pensions

During 2023, the Group engaged with the Trustee of the Taylor Wimpey Pension Scheme (TWPS) on the triennial valuation of the Scheme with a reference date of 31 December 2022. The valuation was concluded in March 2024 and showed that the TWPS had a surplus of £55 million on its Technical Provisions funding basis and a funding level of 103%. As a result, no deficit contributions were required to be paid to the TWPS or to the escrow account established following the 2019 valuation. The escrow account will remain in place until 30 June 2028, at which point a funding test will be conducted and funds will either be paid to TWPS or returned to the Group.

In March 2024, the Group also reached agreement with the Trustee to restructure the Group's Pension Funding Partnership (PFP). The restructure retained the existing contributions payable until 2029 but replaced the payment of up to £100 million that may have been due in 2029, with seven annual payments of up to £12.5 million each from 2029 to 2035. These are only payable if the TWPS has a deficit on its Technical Provisions funding basis at the prior 31 December.

At 30 June 2024 the IAS19 surplus was £126.9 million (31 December 2023: £76.7 million). An IFRIC 14 deficit has been recognised at 30 June 2024, which represents the present value of future committed contributions together with any forecasted distributions from the Pension Funding Partnership. This results in an IFRIC 14 deficit recognised on the balance sheet of £21.5 million (31 December 2023: £26.3 million). In addition, there is as a post-retirement healthcare liability of £0.3 million (31 December 2023: £0.2 million).

Amounts in other financial assets are held in an escrow account for the benefit of the TWPS and the Trustee of the TWPS holds a charge over the escrow account. Transfers out of the escrow account (either to the TWPS or the Group) are subject to the 2019 triennial funding arrangement entered into between the Group and the Trustee and as such the funds are restricted from use by the Group for other purposes and are therefore not classified as cash or cash equivalents. At 30 June 2024 there was £10.6 million held in the escrow account (31 December 2023: £10.3 million) with interest earned by the escrow account being retained within the escrow account.

10. Financial assets and liabilities

		Carrying amount			Fair value		
£ million		**30 June 2024**	2 July 2023	31 December 2023	**30 June 2024**	2 July 2023	31 December 2023
Financial assets							
Cash and cash equivalents	a	**668.7**	740.4	764.9	**668.7**	740.4	764.9
Land receivables	a	**1.4**	14.7	2.8	**1.4**	14.7	2.8
Other financial assets	a	**10.6**	10.1	10.3	**10.6**	10.1	10.3
Trade and other receivables	a	**107.8**	112.9	100.1	**107.8**	112.9	100.1
Mortgage receivables	b	**5.8**	8.1	6.3	**5.8**	8.1	6.3
Financial liabilities							
Bank and other loans	c	**84.7**	85.5	87.0	**83.1**	82.6	84.6
Land creditors	a	**494.4**	588.0	516.1	**494.4**	588.0	516.1
Trade and other payables	a	**672.1**	643.0	608.4	**672.1**	643.0	608.4
Lease liabilities	a	**38.7**	27.8	39.8	**38.7**	27.8	39.8

(a) The Directors consider the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the condensed consolidated interim financial statements approximate their fair values.

(b) Mortgage receivables relate to sales incentives including shared equity loans and are measured at fair value through profit or loss. The fair value is established based on a publicly available national house price index, being significant other observable inputs (level 2).

(c) The fair value of the €100 million fixed rate loan notes has been determined by reference to external interest rates and the Directors' assessment of the margin for credit risk (level 2).

Land receivables, mortgage receivables and trade and other receivables are included in the balance sheet as trade and other receivables for current and non-current amounts and include £52.1 million (31 December 2023: £43.3 million) of non-financial assets.

Land creditors and trade and other payables are included in the balance sheet as trade and other payables for current and non-current amounts and include £180.5 million (31 December 2023: £164.1 million) of non-financial liabilities.

The Group has designated a financial liability in the sum of €100.0 million (31 December 2023: €79.0 million) as a net investment hedge, equating to £84.7 million (31 December 2023: £68.7 million). The Group had no financial instruments with fair values that are determined by reference to significant unobservable inputs (level 3), nor have there been any transfers of assets or liabilities between levels of the fair value hierarchy. There are no non-recurring fair value measurements.

Taylor Wimpey plc

Notes to the condensed consolidated interim financial statements (continued)

For the half year ended 30 June 2024

11. Provisions

£ million	Cladding fire safety	Leasehold	Other	Total
At 31 December 2023	191.9	19.5	75.3	286.7
Additions in the period	88.0	-	3.8	91.8
Released	-	-	(1.9)	(1.9)
Utilised	(13.6)	(2.5)	(6.7)	(22.8)
Foreign exchange	-	-	(0.1)	(0.1)
At 30 June 2024	**266.3**	**17.0**	**70.4**	**353.7**

£ million	**30 June 2024**	2 July 2023	31 December 2023
Current	**143.9**	125.3	124.9
Non-current	**209.8**	162.7	161.8
	353.7	288.0	286.7

In 2018 the Company established an exceptional provision for the cost of replacing ACM on a small number of legacy developments, which has been increased since then to reflect the latest estimates of costs to complete the planned works as well as the requirements of the Government's Building Safety Pledge for Developers (see Note 4). It is expected that around a third of the remaining provision will be utilised over the next 12 months.

In 2017 the Group launched an assistance scheme to help certain customers restructure their ground rent agreements with their freeholder and established an associated provision of £130.0 million to fund this. Following the agreement of voluntary undertakings with the CMA the Group expects that the majority of the remaining provision will be utilised within the next 12 months.

Other provisions consist of a remedial work provision covering various obligations on a limited number of sites across the Group. Other provisions also includes amounts for legal claims and other contract-related costs associated with various matters arising across the Group, the majority of which are anticipated to be settled within a three year period; however, there is some uncertainty regarding the timing of these outflows due to the nature of the claims and the length of time it can take to reach settlement.

12. Related party transactions

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed within the financial statements or related notes. Except for a short term cash transfer to the Group from a joint venture, there have been no material changes in the nature of transactions with joint ventures, which are also related parties, since the last annual financial statements as at, and for the year ended, 31 December 2023. The cash transfer that occurred in the period from a joint venture arose due to that joint venture having a short term excess of cash beyond that required for its immediate operational purposes, and is returnable to the joint venture on demand. No interest is due on the transfer and at the end of the period amounted to £31.4 million, included in trade and other payables.

Taylor Wimpey plc

Notes to the condensed consolidated interim financial statements (continued)

For the half year ended 30 June 2024

13. Dividends

£ million	**Half year ended 30 June 2024**	Half year ended 2 July 2023	Year ended 31 December 2023
Approved and paid	**169.5**	168.8	337.9
Approved and accrued	**-**	-	-
Approved	**169.9**	169.0	-
Proposed	**-**	-	169.4

The Directors have assessed the Company's performance in the current period and approved an interim dividend of 4.80 pence per share in line with the Group's dividend policy. The dividend will be paid on 15 November 2024 to all shareholders registered at the close of business on 11 October 2024. This is expected to result in a payment of c.£169.9 million.

In accordance with IAS 10 'Events after the Reporting Period' the approved interim dividend has not been accrued in the 30 June 2024 balance sheet.

14. Share based payments

The Group recognised a share based payment expense of £5.9 million to 30 June 2024 (2 July 2023: £5.5 million), which was composed of £4.4 million in relation to equity settled schemes and £1.5 million in relation to cash settled elements (2 July 2023: £4.4 million and £1.1 million).

15. Seasonality

Weekly sales rates in some of the Group's key markets historically experience significant seasonal variation, with the highest levels of reservations usually occurring in the spring and autumn in the UK. As such, economic weakness which affects these peak selling seasons can have a disproportionate impact on the results for the year.

This pattern of reservations tends to result in higher levels of home completions towards the end of the financial year. As a result, the Group's work in progress and debt profile exhibits peaks and troughs over the course of the financial year.

16. Alternative performance measures

The Group uses a number of Alternative Performance Measures (APMs) which are not defined within IFRS. The Directors use these measures in order to assess the underlying operational performance of the Group and, as such, these measures should be considered alongside the IFRS measures. The following APMs are referred to throughout the half year results.

Profit before taxation and exceptional items and profit for the period before exceptional items

The Directors consider the removal of exceptional items from the reported results provides more clarity on the performance of the Group. They are reconciled to profit before taxation and profit for the period respectively, on the face of the condensed consolidated income statement.

16. Alternative performance measures (continued)

Operating profit and operating profit margin

Throughout the report operating profit is used as one of the main measures of performance. Operating profit is defined as profit on ordinary activities before financing, exceptional items and tax, after share of results of joint ventures. The Directors consider this to be an important measure of underlying performance of the Group. Operating profit margin is calculated as operating profit divided by total revenue.

	Half year ended 30 June 2024	Half year ended 2 July 2023	Year ended 31 December 2023
Profit on ordinary activities before financing (£m)	93.5	235.9	467.8
Adjusted for:			
Share of results of joint ventures (£m)	0.8	(0.3)	2.4
Exceptional items (£m) (Note 4)	88.0	-	-
Operating profit (£m)	**182.3**	**235.6**	**470.2**
Revenue (£m) (Note 2)	1,517.7	1,637.1	3,514.5
Operating profit margin	**12.0%**	**14.4%**	**13.4%**
Rolling 12-month operating profit* (£m)	**416.9**	**734.4**	**470.2**

* Operating profit for the 6-month period ended 31 December 2022: Profit before interest and tax: £492.9m; Share of results of joint ventures: £5.9m; Exceptional items: nil.

Net operating assets

Net operating assets is defined as basic net assets less net cash, excluding net taxation balances and accrued dividends. Average net operating assets is the average of the opening and closing net operating assets of the 12-month period. With return on net operating assets, the Directors consider this to be an important measure of the underlying operating efficiency and performance of the Group.

£million	**30 June 2024**	2 July 2023	31 December 2023	31 December 2022	3 July 2022
Basic net assets (£m)	**4,430.5**	**4,509.2**	**4,523.4**	**4,502.1**	**4,274.6**
Adjusted for:					
Cash (£m)	(668.7)	(740.4)	(764.9)	(952.3)	(729.4)
Borrowings (£m)	84.7	85.5	87.0	88.5	87.0
Net taxation (£m)	(43.9)	(11.6)	(21.8)	(18.8)	(35.4)
Accrued dividends (£m)	-	-	-	-	-
Net operating assets (£m)	**3,802.6**	**3,842.7**	**3,823.7**	**3,619.5**	**3,596.8**
Average basic net assets (£m)	**4,469.9**	**4,391.9**	**4,512.8**		
Average net operating assets (£m)	**3,822.7**	**3,719.8**	**3,721.6**		

Return on net operating assets

Return on net operating assets is defined as rolling 12-month operating profit divided by average net operating assets. The Directors consider this to be an important measure of the underlying operating efficiency and performance of the Group.

	30 June 2024	2 July 2023	31 December 2023
Rolling 12-month operating profit (£m)	416.9	734.4	470.2
Average net operating assets (£m)	3,822.7	3,719.8	3,721.6
Return on net operating assets	**10.9%**	**19.7%**	**12.6%**

16. Alternative performance measures (continued)

Net operating asset turn

This is defined as total revenue divided by the average of opening and closing net operating assets, based on a rolling 12-month period. The Directors consider this to be good indicator of how efficiently the Group is utilising its assets to generate value for the shareholders.

	30 June 2024	2 July 2023	31 December 2023
Rolling 12-month revenue* (£m) (Note 2)	3,395.1	3,980.2	3,514.5
Average net operating assets (£m)	3,822.7	3,719.8	3,721.6
Net operating asset turn	**0.89**	**1.07**	**0.94**

* Revenue for the 6-month period ended 31 December 2022: £2,343.1 million

Tangible net assets per share

This is calculated as net assets before any accrued dividends excluding goodwill and intangible assets divided by the number of ordinary shares in issue at the end of the period. The Directors consider this to be a good measure of the value intrinsic within each ordinary share.

	30 June 2024	2 July 2023	31 December 2023
Basic net assets (£m)	4,430.5	4,509.2	4,523.4
Adjusted for:			
Intangible assets (£m)	(2.0)	(3.2)	(2.6)
Tangible net assets (£m)	**4,428.5**	**4,506.0**	**4,520.8**
Ordinary shares in issue (millions)	3,557.0	3,557.0	3,557.0
Tangible net assets per share (pence)	**124.5**	**126.7**	**127.1**

Net cash

Net cash is defined as total cash less total borrowings. This is considered by the Directors to be the best indicator of the financing position of the Group and is reconciled in Note 8.

Cash conversion

This is defined as cash generated by operations divided by operating profit, based on a rolling 12-month period. The Directors consider this measure to be a good indication of how efficiently the Group is turning profit into cash.

	30 June 2024	2 July 2023	31 December 2023
Rolling 12-month cash generated from operations* (£m)	376.3	514.9	288.9
Rolling 12-month operating profit (£m)	416.9	734.4	470.2
Cash conversion	**90.3%**	**70.1%**	**61.4%**

* Cash generated by operations for the 6-month period ended 31 December 2022: £499.3m.

Adjusted gearing

This is defined as adjusted net debt divided by basic net assets. The Directors consider this to be a more representative measure of the Group's gearing levels. Adjusted net debt is defined as net cash less land creditors.

	30 June 2024	2 July 2023	31 December 2023
Cash (£m)	668.7	740.4	764.9
Loans (£m)	(84.7)	(85.5)	(87.0)
Net cash (£m)	**584.0**	**654.9**	**677.9**
Land creditors (£m)	(494.4)	(588.0)	(516.1)
Adjusted net debt (£m)	**89.6**	**66.9**	**161.8**
Basic net assets (£m)	4,430.5	4,509.2	4,523.4
Adjusted gearing	**(2.0)%**	**(1.5)%**	**(3.6)%**

Taylor Wimpey plc
Notes to the condensed consolidated interim financial statements (continued)

For the half year ended 30 June 2024

16. Alternative performance measures (continued)

Adjusted basic earnings per share

This is calculated as earnings attributed to the shareholders, excluding exceptional items and tax on exceptional items, divided by the weighted average number of shares. The Directors consider this provides an important measure of the underlying earnings capacity of the Group. Note 7 shows a reconciliation from basic earnings per share to adjusted basic earnings per share.

17. Post balance sheet events

There were no material subsequent events affecting the Group between 30 June 2024 and the date of this announcement.

Taylor Wimpey plc
Statement of Directors' responsibility

For the half year ended 30 June 2024

The Directors confirm that these condensed consolidated interim financial statements have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and that the half year results include a fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely:

- an indication of important events that have occurred during the first six months and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- material related-party transactions in the first six months and any material changes in the related-party transactions described in the last annual report.

By order of the Board

Robert Noel, Chair
Jennie Daly, Chief Executive
30 July 2024

Independent review report to Taylor Wimpey plc
Report on the Condensed consolidated interim financial statements

Our conclusion

We have reviewed Taylor Wimpey plc's Condensed consolidated interim financial statements (the "interim financial statements") in the Half Year Results of Taylor Wimpey plc for the 6 month period ended 30 June 2024 (the "period").

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

The interim financial statements comprise:

- the Condensed consolidated balance sheet as at 30 June 2024;
- the Condensed consolidated income statement and the Condensed consolidated statement of comprehensive income for the period then ended;
- the Condensed consolidated cash flow statement for the period then ended;
- the Condensed consolidated statement of changes in equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the Half Year Results of Taylor Wimpey plc have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Financial Reporting Council for use in the United Kingdom ("ISRE (UK) 2410"). A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the Half Year Results and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention to suggest that the Directors have inappropriately adopted the going concern basis of accounting or that the Directors have identified material uncertainties relating to going concern that are not appropriately disclosed. This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410. However, future events or conditions may cause the Group to cease to continue as a going concern.

Independent review report to Taylor Wimpey plc
Report on the Condensed consolidated interim financial statements (continued)

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the Directors

The Half Year Results, including the interim financial statements, is the responsibility of, and has been approved by the Directors. The Directors are responsible for preparing the Half Year Results in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority. In preparing the Half Year Results, including the interim financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Our responsibility is to express a conclusion on the interim financial statements in the Half Year Results based on our review. Our conclusion, including our Conclusions relating to going concern, is based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion paragraph of this report. This report, including the conclusion, has been prepared for and only for the Company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers LLP
Chartered Accountants
London
30 July 2024

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