

**9 November 2021**

**Vistry Group PLC  
Trading update**

Vistry Group PLC (the “Group”) is issuing a scheduled trading update ahead of its Capital Markets Day to be held later today for the period from 1 July to 8 November 2021 (“the Period”).

**Highlights**

- Strong demand continues with the average weekly private sales rate for the year to date increasing to 0.77
- Fully sold for FY21 and strengthened forward sales position for FY22
- Continued investment in land with addition of 9,101 new plots in the year to date
- Firmly on track to deliver full year profit before tax<sup>1</sup> for FY21 of c. £345m and target of c. £225m net cash at year end
- Positive outlook for FY22 with the Group making good progress towards its medium term targets

***Greg Fitzgerald, Chief Executive said:***

“We are making great progress towards our targets in both Housebuilding and Partnerships, with a firm focus on maximising the strengths and opportunities from our unique combination.

We continue to see strong demand across all our business areas and working in close partnership with our supply chain, we are actively mitigating any supply chain pressures. As a result, we are firmly on track to deliver a significant improvement in profits this year.

The outlook is positive, and we are confident we will see a further step up in performance in FY22 as we drive towards achieving our medium term targets. Delivering high quality, sustainable homes and communities, providing excellent customer service and investing in our people are all at the core of how we operate and are key to our ongoing success.”

**Trading**

We continue to see strong demand across all business areas with our average weekly private sales rate increasing to 0.77 for the year to date, slightly ahead of the 0.76 reported in the first half. With this strong demand, pricing has continued to move forward across all areas, although more modestly in the period.

The Group’s forward sales position has strengthened to £3bn and we are fully sold for FY21. Housebuilding forward sales total £1.6bn, Partnerships’ mixed tenure forward sales total £511m and the Partner Delivery forward order book totals £855m.

Customer satisfaction remains a key priority and our HBF Customer Satisfaction score for the year from 1 October 2020 continues to trend above 90%. We remain confident of achieving the maximum 5-star HBF customer satisfaction rating for 2021.

We continue to see some pressure across the building materials supply chain resulting in extended lead times and inflationary price increases on certain products, although there are now some signs of improvement. Working in close partnership with our suppliers we are actively managing this and have full visibility on our material requirements for FY21 completions. We expect construction output in the first half of 2022 to be similar to that achieved in the first half of 2021. The supply

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<sup>1</sup> Adjusted profit before tax is stated excluding exceptional items and amortisation of acquired intangibles

agreements entered into on the formation of Vistry Group are delivering an enhanced service and have provided some protection in respect of cost inflation. We currently expect our build cost inflation to run at c. 4-5% for the next 12 months with materials pressure reducing and labour inflation continuing. Overall, we have seen the benefit from sales price increases more than offset cost inflation.

## **Land**

We continue to see a good supply of high-quality land opportunities that at least meet our minimum hurdle rates. Housebuilding has secured 2,230 plots across 11 developments in the period resulting in a total of 6,373 plots across 31 development secured in the year to date. Housebuilding has excellent visibility with 100% of land required for FY22 completions secured and 81% of land for forecast FY23 completions secured.

Partnerships is acquiring land to support its strong growth in mixed tenure completions with 1,229 mixed tenure plots across six developments acquired in the period resulting in a total of 2,728 plots across 14 developments acquired in the year to date. Partnerships is well positioned to deliver on its planned growth with 100% of land required for forecast FY22 mixed tenure completions secured, and 73% of land for forecast FY23 completions secured.

## **Sustainability**

In September, we announced our formal commitment through the Science Based Targets initiative that our carbon reduction targets will be aligned with action that is required to limit global warming to 1.5°C. Further to that announcement, we have now formally committed to the Business Ambition for 1.5°C campaign, joining the Race to Zero. A key enabler for us to achieve our sustainability ambitions is to ensure our people have the relevant sustainability skills. Vistry Group is now a corporate partner and approved training centre of the Institute of Environmental Management and Assessment (IEMA). As a registered training centre Vistry can provide high standards of quality assurance along with training on environmental management and sustainability. Our people will benefit as we commit to environmental best practice by being the first in the industry to establish this corporate partnership.

## **Outlook**

The Group is firmly on track to deliver management's expectations of full year adjusted profit before tax<sup>(1)</sup> for FY21 of c. £345m. Our expectations for FY21 month-end net debt of less than £125m and year-end net cash of c. £225m also remain on track.

Looking to FY22, our Housebuilding business is in great shape to deliver increased returns driven by controlled volume growth and a further improvement in gross margin to c. 23%.

Vistry Partnerships is making excellent progress with its strategy of rapidly growing higher margin mixed tenure revenues and fully expects to deliver on its FY22 targets of at least £1bn revenue, a 10% plus operating margin, and a return on capital employed in excess of 40%. Over the medium term, the business sees a clear trajectory to deliver revenues of c. £1.6bn and an operating margin in excess of 12%.

With regard to capital allocation, the Board is committed to prioritising investment in the business to support the Group's growth strategy, pursuing a sustainable two times dividend cover policy, and to returning any excess capital generated in the future to shareholders via either a share buyback or special dividend.

## Capital Markets Day

Vistry Group is holding a Capital Markets Day at its development at North Whiteley near Southampton today for financial analysts and institutional investors. There will be no further new disclosures on current trading. Copies of the presentation materials will be available on Vistry's corporate website [www.vistrygroup.co.uk](http://www.vistrygroup.co.uk) following the event.

<b>Forward sales (£m)</b>	<b>8 Nov 2021</b>	<b>3 Sept 2021</b>
Housebuilding		
- Private	790	713
- Private JVs (100%)	295	276
- Affordable	452	456
- Affordable JVs (100%)	105	106
<b>Total Housebuilding</b>	<b>1,642</b>	<b>1,551</b>
Partnerships		
- Mixed tenure	216	221
- Mixed tenure JVs (100%)	295	306
<b>Total Mixed tenure</b>	<b>511</b>	<b>527</b>
<b>Total Development</b>	<b>2,153</b>	<b>2,078</b>
<b>Total Partner delivery</b>	<b>855</b>	<b>890</b>
<b>Total Group</b>	<b>3,008</b>	<b>2,968</b>

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