

18 May 2022

Vistry Group

Vistry Group PLC - Trading Update

Group expects to deliver 2022 profits at the top end of market forecasts

Vistry Group PLC (the "Group") is providing an update on trading in the period from 1 January 2022 to date, ahead of its Annual General Meeting ("AGM") which is being held at 12:00pm today.

- Continue to see strong demand across all areas of the business with an average weekly private sales rate of 0.86 (2021: 0.75) for the year to date, an increase of 15% on what was a good start to the prior year
- On-going positive momentum on pricing across all areas, with price increases continuing to more than offset build cost inflation
- Our sites are operating well with good visibility on material supplies and levels of on-site labour
- Continue to acquire high quality land opportunities to deliver on our medium and longer term targets, with 4,416 (2021: 4,407) plots secured in the year to date
- Very strong forward sales position with total Housebuilding and Partnerships' mixed tenure forward sales up to £2,498m (14 May 2021: £1,938m) and 83% of total forecast units for 2022 secured
- Given the positive trading in the year to date and in particular the strong price increases, we expect margins in both Housebuilding and Partnerships in 2022 to be ahead of our previous 2022 targets
- Month-end average net debt for 2022 expected to be lower than previous target of c. £100m
- Whilst we are mindful of the wider market uncertainties, we remain positive on our outlook. Our expectation for profit in the first half has moved forward, and for 2022 we expect adjusted profit before tax to be at the top end of market forecasts¹

Greg Fitzgerald, Chief Executive commented:

"Despite the macro uncertainties, Vistry's very strong start to the year has continued. Our sales rate is at 0.86, up 15% on prior year, with positive momentum on pricing and all our sites operating well. Materials supply issues have eased and whilst we continue to see build cost inflation in line with previous assumptions, this is being more than offset by price increases.

"As a result, we are trading ahead of expectations and expect our margins for both Housebuilding and Partnerships in 2022 to exceed our previous targets.

"We have always believed strongly that the cost of remediation of fire safety issues should not be borne by leaseholders. We were therefore pleased to sign the Department for Levelling Up, Housing and Communities Developer Pledge in April and continue to expect that the implied further remediation costs will be in the range of £35m to £50m, in addition to the Group's existing fire safety provision of £25.2m.

"Ian Tyler will today step down as Chairman and I would like to thank him for his significant support and contribution in turning around Bovis Homes and through the successful acquisition and

¹ Bloomberg (17/05/2022) – Adjusted profit before tax: High - £415.0m, Mean - £396.3m

integration of Linden Homes and Partnerships to create the Vistry Group. I very much look forward to continuing to work with Ralph Findlay in his new role as Chairman of the Board.

“Whilst we are mindful of the wider market uncertainties, we remain positive on the outlook and expect the Group to deliver profits at the top end of market expectations for 2022⁽¹⁾.”

Strong demand

We have continued to see consistently strong demand across all areas of the business in the year to date, with our private sales rate per site per week increasing to 0.86 (2021: 0.75), up 15% on prior year. Mortgage availability remains good, and we have seen no significant impact from the recent Bank Rate rises. This strong demand has been accompanied by price increases of 5% to 8% on our private units in the year to date. We are carefully managing the strong demand with our build programme, with our focus on delivering improved margins.

The Group’s forward sales position has further strengthened with total Housebuilding and Partnerships’ mixed tenure forward sales up 29% to £2,498m (14 May 2021: £1,938m), and 83% of total forecast 2022 revenue secured. The partner delivery forward order book is up 6% to £860m (14 May 2021: £808m) with 96% of forecast 2022 revenue secured.

Operations

Delivering high quality new homes and excellent customer satisfaction remain our key priority and we were very pleased to have been awarded the maximum 5-star HBF customer satisfaction rating in the most recent annual review for the third consecutive year. We remain focused on improving our score for the HBF customer satisfaction survey which is sent out nine months after completion, a metric which is included in the Group’s annual bonus criteria and targets.

Our sites are operating well with good on-site labour and improvements in the supply of materials, reflecting increased stock levels for most products and the strong partnerships we have developed across our supply chain. Higher than anticipated energy costs within the supply chain are resulting in higher costs for certain materials. Overall, we continue to expect to see build cost inflation for 2022 in the region of 6%.

High quality land acquisition

We continue to secure high quality land opportunities to deliver on our medium and longer term targets. In the year to date, Housebuilding has secured 2,750 (2021: 3,230) plots across 13 (2021: 13) developments and now has 95% of the land required for 2023 completions secured. Partnerships continues to invest in its owned land bank to support its rapid growth in mixed tenure completions and in the year to date has secured 1,666 (2021: 1,177) plots on 8 (2021:5) sites for mixed tenure developments. It is also well positioned with 87% of the land required for 2023 mixed tenure completions secured.

With our strong strategic land capability, we remain focused on strategically sourced land and are targeting 30% of total completions to be delivered from higher margin strategic land in the medium term. In the year to date we have pulled through 1,852 strategic land plots across 5 sites into the owned land bank.

Cladding

Vistry Group has always strongly believed that the cost of remediation of fire safety issues should not be borne by leaseholders and has supported the Government’s ambition to deliver a lasting industry solution.

In April, we were pleased to sign the Department for Levelling Up, Housing and Communities Developer Pledge which set out our commitment to address life-critical fire-safety issues on all buildings of 11 metres and above in England developed by the Group in the 30 years prior to 5 April

2022. As part of the Pledge, the Group agreed to not claim any funds from the Government's Building Safety Fund and to reimburse any amounts already disbursed by the Fund.

We continue to expect that the implied further remediation costs will be in the range of £35m to £50m, in addition to the Group's existing fire safety provision of £25.2m as at 31 December 2021. We have increased our dedicated resource to effectively manage these remediation works and expect this to result in an increase to Group administrative expenses of c. £1.5m to £3.0m p.a.

Board updates

As previously announced, Ian Tyler will step down as Chairman of the Company at today's Annual General Meeting after eight and a half years in the role and will not seek re-election as a Director. Ralph Findlay is to be appointed as Chairman of the Company with effect from the conclusion of today's Annual General Meeting.

Ralph Findlay has served as Non-Executive Director of the Company since April 2015 and until today, has been Chair of the Audit Committee and Senior Independent Director. Ralph has longstanding experience of FTSE businesses, having been the Chief Executive Officer of Marston's PLC since 2001 until his retirement in October 2021. He joined the board of C&C Group plc, the Dublin based vertically integrated premium drinks company, in March 2022 and will take up the role of Chairman in July 2022. His appointment as Chairman of Vistry follows a thorough and comprehensive succession planning process and will enable an effective transition of the leadership of the Board.

In line with UK Corporate Governance Code recommendations, Ralph will today step down as Chair of the Audit Committee and retire as a member of the Audit Committee and Remuneration Committee. We are very pleased to announce that Ashley Steel who joined the Board in June 2021 has been appointed Senior Independent Director.

The Board is pleased to announce that Rowan Baker has been appointed a non-executive director of the Company with effect from today. Rowan will become Chair of the Audit Committee and also be a member of the Nomination Committee and the Remuneration Committee. Rowan is a highly experienced Chief Financial Officer in construction and development. She is currently the Group Chief Financial Officer of Laing O'Rourke, and from 2017 to 2020, was the Chief Financial Officer of McCarthy Stone. Her financial expertise and sector experience will further strengthen the Board as the Company delivers its growth strategy².

Outlook

The strong start to the year has continued with our private sales rate increasing by 15% to 0.86 (2021: 0.75) for the year to date, accompanied by on-going positive momentum on pricing.

Our sites are operating well, and we are on track to deliver construction output in the first half of the year at a similar level to that achieved in H1 21. We have clear visibility on material supplies and good levels of on-site labour, and whilst we continue to see build cost inflation, this is being more than offset by price increases.

We have further strengthened our forward sales position with total Housebuilding and Partnerships' mixed tenure forward sales of £2,498m as at 13 May, and 83% of units for 2022 now secured. The partner delivery forward order book has also increased and totals £860m, with 96% of 2022 revenues secured.

Given the positive trading in the year to date and in particular the strong price increases, we expect margins in both Housebuilding and Partnerships in 2022 to be ahead of our previous 2022 targets.

² There is no other information to be disclosed pursuant to LR 9.6.13R in respect of Rowan Baker. As at the date of this announcement, Rowan has no beneficial interests in the ordinary shares of the Company.

Whilst we are mindful of the wider market uncertainties, we remain positive on our outlook. Our expectation for profit in the first half has moved forward, and for 2022 we expect adjusted profit before tax to be at the top end of market forecasts⁽¹⁾.

Greg Fitzgerald, Graham Prothero and Earl Sibley will host a call for analysts today at 8:30am. To join the call please dial: UK-Wide: +44 (0) 33 0551 0200, UK Toll Free: 0808 109 0700, Quote VISTRY when prompted by the operator

Forward sales (£m)	14 May 2021	25 Feb 2022	13 May 2022
Housebuilding			
- Private	734	720	904
- Private JVs (100%)	229	267	301
- Affordable	467	424	446
- Affordable JVs (100%)	117	123	125
Total Housebuilding	1,547	1,534	1,776
Partnerships			
- Mixed tenure	167	335	380
- Mixed tenure JVs (100%)	224	286	342
Total mixed tenure	391	621	722
Total development	1,938	2,156	2,498
Total partner delivery	808	860	860
Total Group	2,746	3,016	3,358

This announcement includes inside information as defined in Article 7 of the Market Abuse Regulation No. 596/2014 and is being released on behalf of Vistry Group PLC by Earl Sibley, Chief Financial Officer.

Certain statements in this press release are forward looking statements. Forward looking statements involve evaluating a number of risks, uncertainties or assumptions that could cause actual results to differ materially from those expressed or implied by those statements. Forward looking statements regarding past trends, results or activities should not be taken as representation that such trends, results, or activities will continue in the future. Undue reliance should not be placed on forward looking statements.

For further information please contact:

Vistry Group PLC

Earl Sibley, Chief Financial Officer

01675 437160

Susie Bell, Head of Investor Relations

Powerscourt

Justin Griffiths, Nick Dibden, Victoria Heslop

020 7250 1446

vistry@powerscourt-group.com