



16 April 2020

Barratt Developments PLC

COVID-19 Update

Barratt Developments PLC (the 'Group'), Britain's largest housebuilder, provides the following update on the evolving impact of COVID-19 and further mitigating actions taken by the business. Barratt Developments PLC has a year end of 30 June.

Our first priority continues to be the safety of our employees, sub-contractors and customers

As previously announced, in line with our commitment to health and safety we took the decision to temporarily close all of our sales centres, construction sites and offices due to the COVID-19 pandemic. All locations were closed safely and securely by 27 March 2020. To help our customers, some home completions were delivered after closure using an updated process in line with Public Health England guidance on social distancing to protect both our employees and customers.

Trading update and financial guidance

Between 23 March 2020 and 12 April 2020, the Group delivered 1,349 home completions (including JVs). The Group has therefore completed 11,713 homes (2019: 10,954 homes) in the period to 12 April 2020 (including JVs). Our total forward sales are 12,376 homes at a value of £2,891.9m (including JVs). Whilst our sales centres and construction sites remain closed, we expect any further home completions and reservations to be very limited.

The Board announced on 25 March 2020 that it had suspended all forward guidance until such time that the overall impact of COVID-19 on the Group becomes clearer. Given the ongoing uncertainty, particularly in the duration of the closure of our sales centres and construction sites, we reiterate that all existing financial guidance is suspended.

Further mitigating actions

As reported on 25 March 2020, the Board acted rapidly in response to COVID-19, taking a number of immediate measures to manage the Group's cost base and cash flows to ensure resilience. These actions have included:

- Suspending all land buying activity
- Ceasing all recruitment activity
- Postponing all non-essential capital expenditure
- Actively managing cash flows whilst ensuring that we are paying our suppliers and sub-contractors on time
- Cancelling the interim dividend of 9.8 pence per share (c. £100m)¹, which was due to be paid on 11 May 2020

In addition to the actions previously announced, we are in the process of furloughing around 85% of our employees. We will pay furloughed employees their normal pay while they are furloughed until at least the end of May 2020.

To reflect the ongoing focus on preserving cash within the business, as agreed with the Remuneration Committee, all Executive Directors, the wider Executive and Regional Managing Director team, the Chairman and the Non-Executive Directors have agreed to a voluntary 20% reduction in base salary

and fees, effective from April 2020, until such time as the Group is able to restart work on site. In addition, they have also agreed to waive any salary or fee increase for FY21.

More generally, we will continue to assess further cost-saving opportunities available to us as the situation develops, whilst balancing the long-term requirements of our business.

Funding and liquidity

The Group continues to be financially strong, with a well-capitalised balance sheet and a robust cash and liquidity position. As at 14 April 2020 the Group had c. £450m of cash². The Group has total committed facilities and private placement notes of £900m, comprising a £700m undrawn revolving credit facility³ and fully drawn £200m US private placement notes⁴. The Group continues to explore other Government funding initiatives and will provide updates where appropriate.

Looking ahead

Our experienced Board remains focused on taking the right actions and planning for the future, so that when appropriate to do so, we can re-start our sales centres, construction sites and offices safely and are well-placed to continue to deliver the high quality homes the country needs.

Notes

Unless otherwise stated, all numbers quoted exclude Joint Ventures (JVs) throughout this statement

- 1 Based on 31 December 2019 share capital of 1,014,746,539 shares for proposed payments
- 2 Cash comprises cash and cash equivalents
- 3 The revolving credit facility has an expiry date of November 2024
- 4 The US private placement notes have an expiry date of August 2027

Appendix

	Private		Affordable		Wholly Owned		JVs		Total	
Forward sales	Homes	£m	Homes	£m	Homes	£m	Homes	£m	Homes	£m
2 February 2020	4,984	1,593.7	7,127	1,118.7	12,111	2,712.4	932	314.7	13,043	3,027.1
22 March 2020	5,904	1,894.2	7,063	1,109.4	12,967	3,003.6	869	294.6	13,836	3,298.2
12 April 2020	4,786	1,552.8	6,773	1,068.5	11,559	2,621.3	817	270.6	12,376	2,891.9

Further information

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This trading update contains certain forward-looking statements about the future outlook for the Group. Although the Directors believe that these statements are based upon reasonable assumptions, any such statements should be treated with caution as future outlook may be influenced by factors that could cause actual outcomes and results to be materially different.

Financial reporting calendar

The Group's next scheduled announcement of financial information is the trading update on 8 July 2020.