

Results Presentation



**Year ended
31 July 2024**



Agenda



1. Introduction
2. Finance review
3. Commercial review
4. Operating review
5. Q&A
6. Appendices



Unless otherwise stated, all numbers throughout this presentation exclude the Group's share of its joint ventures.

Introduction



Jason Honeyman
Chief Executive



Strong platform for a return to growth



Well-positioned for multi-year growth

£1.4bn at 31 July 2024	Strong forward order book.
95,292 plots ¹ at 31 July 2024	High quality land bank.
245 average outlets	Platform to deliver further outlet growth.
£2.1bn at 31 July 2024	Healthy site WIP position.
20 trading divisions	Capacity within divisional structure.
£530m committed facilities	Low gearing and balance sheet strength to invest.

Improving market backdrop

	Reducing cost inflation.
	Improved affordability.
	New government with agenda to increase housing supply.

¹ Includes Bellway's share of land owned and controlled by joint ventures.

Finance review



Keith Adey
Finance Director



Housing revenue



For the year ended 31 July

	2024			2023		
	Revenue	Units	ASP	Revenue	Units	ASP
Private	£2,002.3m	5,758	£347.7k	£2,931.3m	8,166	£359.0k
Social	£354.4m	1,896	£186.9k	£465.0m	2,779	£167.3k
Bellway completions	£2,356.7m	7,654	£307.9k	£3,396.3m	10,945	£310.3k
Share of JVs	£9.1m	29	£315.1k	£9.5m	27	£352.2k
Total completions	£2,365.8m	7,683	£307.9k	£3,405.8m	10,972	£310.4k

Resilient FY24 performance

Revenue reduction in line with expectations and driven by weaker trading conditions.


Social housing delivery accelerated in FY23 to aid cash collection.

Consistent use of incentives throughout FY24.

FY25 guidance

Total volume output of at least 8,500 homes.

Social completions of around 1,900 homes.

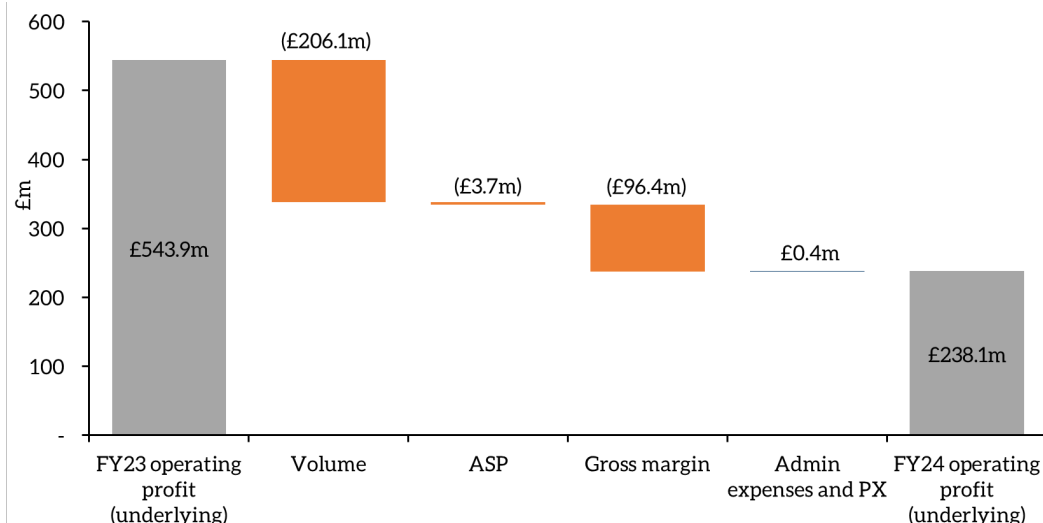
 used in c.10% of completions.

Overall ASP of c.£310k.

Underlying operating performance will begin to recover



For the year ended 31 July



Underlying operating margin in FY24

Gross margin decline due to:

Targeted use of incentives.

Higher site-based overheads.

Build cost inflation embedded in site valuations.

Admin expenses of £141.8m, held flat due to strong cost control and workforce planning exercise.

Underlying operating margin of 10.0%.

Underlying FY25 operating margin guidance

Gradual recovery in gross margin due to cost control and more robust pricing environment.

Admin expenses will increase by up to 10%, as we invest for growth, but with better recovery.

Underlying operating margin will approach 11%.

Underlying earnings



For the year ended 31 July

	Underlying		
	2024	2023	Change
Operating profit	£238.1m	£543.9m	(£305.8m)
Net finance expenses	(£9.7m)	(£9.9m)	£0.2m
Share of result of JVs	(£2.3m)	(£1.4m)	(£0.9m)
Analysed as:			
Profit before JV loan interest	£2.2m	£0.8m	£1.4m
JV loan interest	(£4.5m)	(£2.2m)	(£2.3m)
Profit before taxation	£226.1m	£532.6m	(£306.5m)
Taxation	(£65.5m)	(£130.4m)	£64.9m
Effective tax rate	29.0%	24.5%	450bps
Profit after taxation	£160.6m	£402.2m	(£241.6m)
Underlying earnings per share	135.2p	328.1p	(192.9p)

FY25 guidance
Modest share of loss from JVs of c.£1m.
Underlying net finance expense of c.£16m.
Effective tax rate to remain at c.29%.

Strong commitment to building safety



	H1 FY24	H2 FY24	2024	2023
Adjusting items				
SRT – (expense)/credit	(£8.0m)	£1.9m	(£6.1m)	(£58.1m)
SRT – recoveries	-	£0.3m	£0.3m	£50.0m
SRT – net cost of sales	(£8.0m)	£2.2m	(£5.8m)	(£8.1m)
Structural defects – credit/(expense)	£0.6m	(£14.7m)	(£14.1m)	(£30.5m)
Net cost of sales	(£7.4m)	(£12.5m)	(£19.9m)	(£38.6m)
Adjusting finance expense	(£9.4m)	(£7.7m)	(£17.1m)	(£11.0m)
Net legacy building safety expense	(£16.8m)	(£20.2m)	(£37.0m)	(£49.6m)

Accelerating pace of remediation

Spent £146.3m on legacy building safety since start of remediation programme.

Commenced or completed works on 137 buildings.

Experienced and well-resourced team to make further strong progress in FY25.

Total remaining provision

£509.2m at 31 July 2024.

A strong balance sheet



As at 31 July

		2024	2023	Change
Assets	Fixed assets	£30.2m	£31.7m	(£1.5m)
	Investments in joint arrangements	£57.5m	£43.5m	£14.0m
	Inventory	£4,714.8m	£4,575.6m	£139.2m
	Land	£2,431.4m	£2,578.8m	(£147.4m)
	Work-in-progress	£2,283.4m	£1,996.8m	£286.6m
	Debtors	£77.7m	£101.3m	(£23.6m)
	Net cash	-	£232.0m	(£232.0m)
	Total assets	£4,880.2m	£4,984.1m	(£103.9m)
Liabilities	Creditors	(£669.8m)	(£645.5m)	(£24.3m)
	Land creditors	(£225.3m)	(£368.8m)	£143.5m
	Legacy building safety provision	(£509.2m)	(£508.2m)	(£1.0m)
	Net debt	(£10.5m)	-	(£10.5m)
	Total liabilities	(£1,414.8m)	(£1,522.5m)	£107.7m
NAV	Net assets	£3,465.4m	£3,461.6m	£3.8m
	NAV per share	2,913p	2,871p	1.5%

Well-capitalised and asset-backed balance sheet.

Strong land bank.

Healthy WIP position.

Low gearing.

Low land creditors.

Work-in-progress will support volume recovery



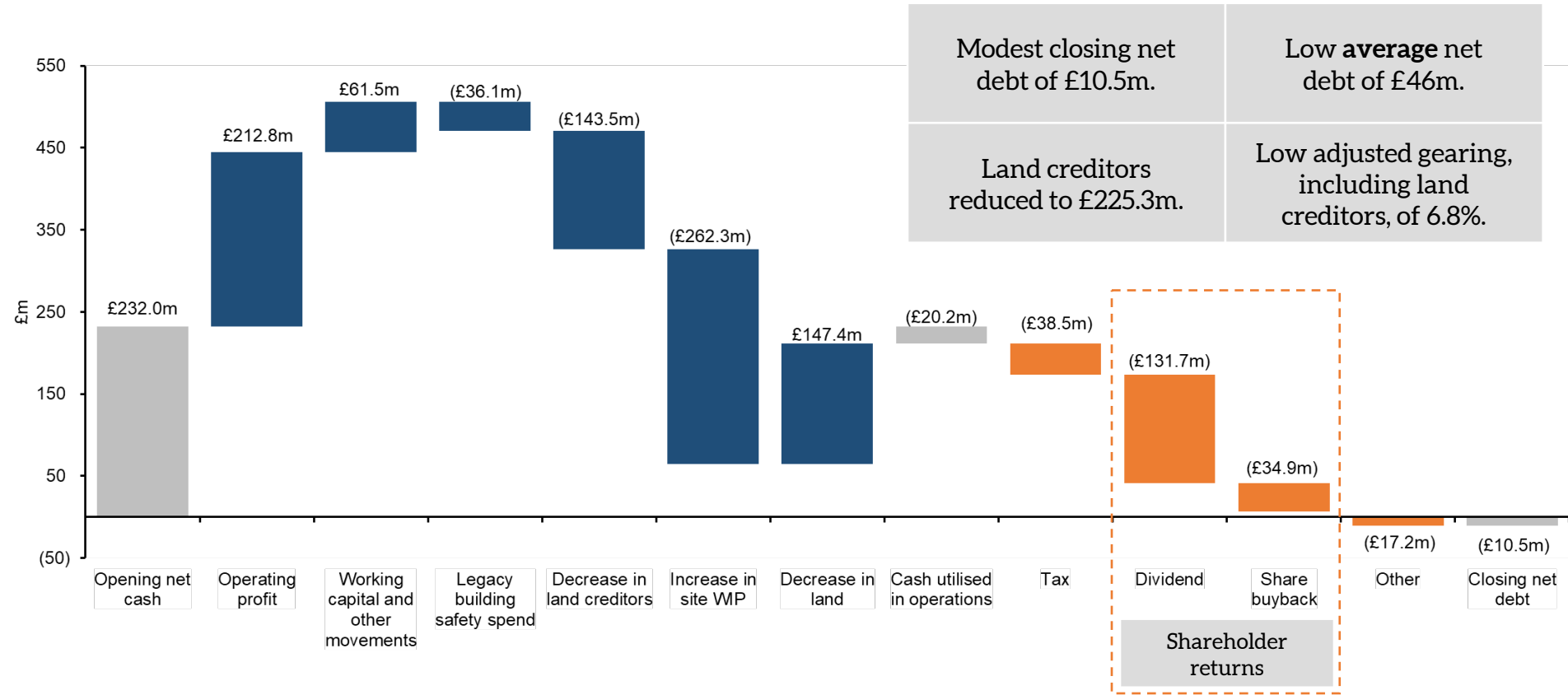
As at 31 July

	2024	2023	Change	Controlled investment in WIP to support volume recovery
Site WIP	£2,123.9m	£1,861.6m	£262.3m	Progressed ambitious site opening programme.
Showhomes	£145.0m	£117.2m	£27.8m	Completed foundations in advance of 2023 building regulations simplifies build for site teams.
Part-exchange stock	£14.5m	£18.0m	(£3.5m)	WIP turn reduced due to lower output and slower sales rate.
Total WIP	£2,283.4m	£1,996.8m	£286.6m	Part-exchange usage remains tightly controlled and was used for only 2.8% of completions.

Capital structure provides resilience and capacity to invest



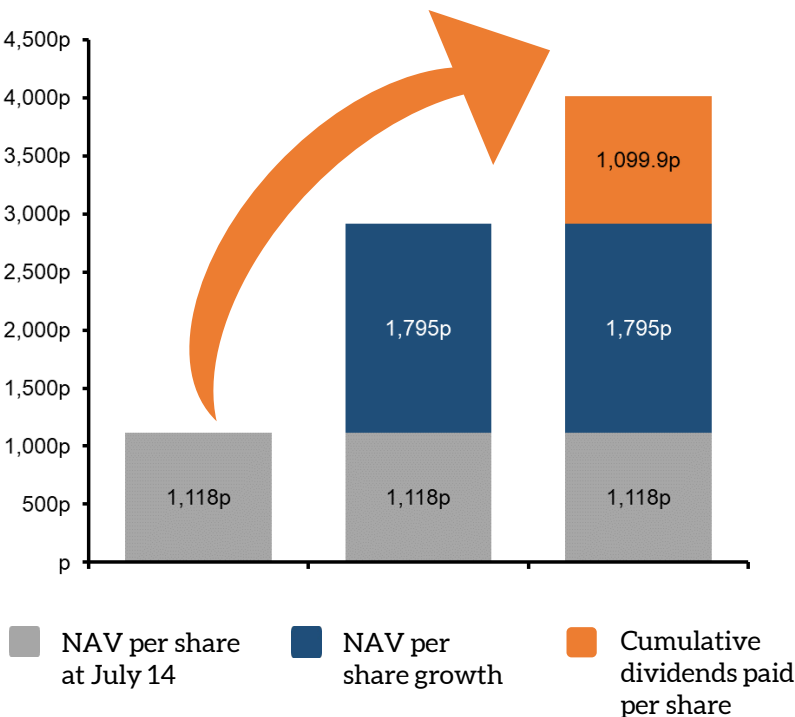
For the year ended 31 July



Delivering long-term shareholder value



13.6% p.a. return over 10 years.



Annualised compound return of 13.6% driven by successful organic growth strategy.

Returns measured over an unusually disruptive period.

Underlying RoCE	Underlying RoCE (inc. land creditors)	Underlying RoE	NAV per share
6.9% (2023 -15.8%) (890bps)	6.4% (2023 - 14.3%) (790bps)	4.7% (2023 - 11.7%) (700bps)	2,913p (2023 - 2,871p) +1.5%

Creating future value for shareholders



For the year ended 31 July

Strategic priorities	
Delivering ambitious volume growth	Driven by strong land, outlet and WIP position.
	Supported by inherent structural capacity.
Improving RoCE	Improved asset turn due to volume recovery.
	Margin improvement initiatives.
Regular annual dividend return	Prioritise growth.
	Dividend cover of 2.5x underlying earnings.

Shareholder returns		
Proposed final dividend	Proposed total dividend	FY25 guidance
38.0p (2023 – 95.0p)	54.0p (2023 – 140.0p)	Dividend cover of <u>around 2.5x</u> underlying earnings.
Capital allocation policy designed to prioritise growth		
Protect balance sheet.		
Invest in high return land.		
Maintain dividend cover of 2.5x underlying earnings.		
Return excess cash to shareholders.		

'Better with Bellway' is making a difference



For the year ended 31 July

8 **priority areas** underpin commitment to operating a responsible and sustainable business.

Charitable engagement



Carbon reduction



Resource efficiency

Site waste reduced by 17% in year.

Biodiversity



Customers & communities



Employer of Choice



Building quality homes, safely



Sustainable supply chain



Working with Next Generation to help explain our commitments.

See website at www.bellwayplc.co.uk/sustainability

Carbon emissions - scope 1 and 2

	2024	2023	Change
Total carbon emissions	14,227 t	16,562 t	(14.1%)

Carbon emissions have reduced by 44.7% since the base year of 2019.

On target to meet goal of 46% reduction by 2030 ahead of target.

Carbon emissions - scope 3

	2024	2023	Change
Tonnes of carbon per m ²	1.40	1.52	(7.9%)

Reduction primarily due to expected decarbonisation of the UK power grid.

Expect further meaningful reduction through the Future Homes Standard.

Recovery in the year ahead



	FY25 guidance
Volume output	Target of at least 8,500 completions, including c. 1,900 social homes.
Overall ASP	Around £310k.
Administrative expenses	Increase of up to 10% from £142m.
Underlying operating margin	Approaching 11%.
Dividend cover	Around 2.5x underlying earnings.
Long-term growth	Focused approach set to deliver improving returns for shareholders.

Commercial review



Simon Scougall
Chief Commercial
Officer



Strong land bank to support growth



As at 31 July

	2024	2023
Land with DPP	30,787	32,229
Pipeline	18,100	21,400
Bellway owned & controlled plots	48,887	53,629
Bellway share of land owned & controlled by joint ventures	905	935
Total owned and controlled plots	49,792	54,564
Strategic land holdings	45,500	43,600
Overall land bank plots¹	95,292	98,164

	2024	2023	Mvt
Land with DPP	£1,861.4m	£1,913.3m	(£51.9m)
Pipeline and strategic	£570.0m	£665.5m	(£95.5m)
Total land value	£2,431.4m	£2,578.8m	(£147.4m)

Contracted to purchase 4,621 plots across 27 sites.

Healthy Bellway owned and controlled land bank length of 6.4 years, based on FY24 completions.

High-quality land bank with depth in all tiers.

Further increase in strategic land holdings supports long-term growth ambitions.

¹ See appendix 15 for definitions.

Land market, planning and outlets

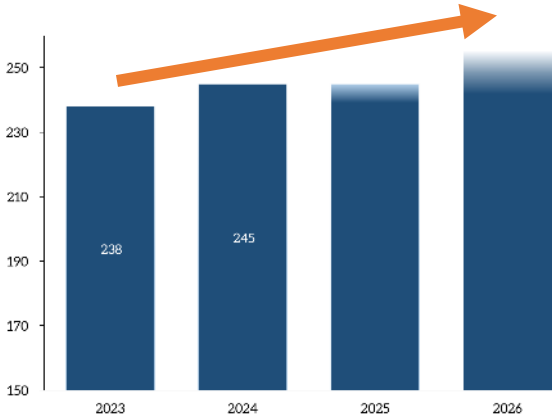


Land market and planning
Increasing opportunities to buy land.
Heads of Terms agreed on c.8,100 plots at 29 September 2024.
Encouraging outlook with clear plan from the new Government to reform the planning system.



Outlets
Opened 80 outlets in FY24.
Around 50 forecast outlet openings in FY25.
Average outlets in FY25 to be similar to FY24 average.

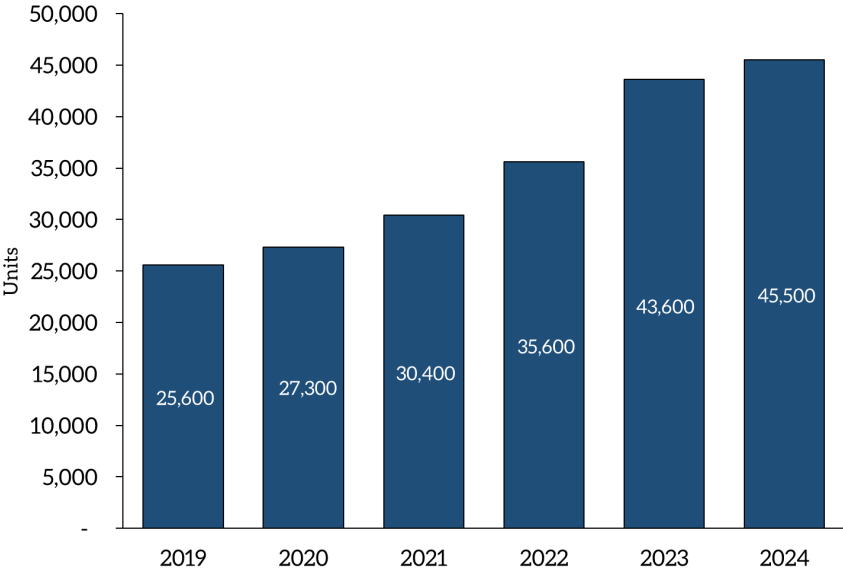
Average number of outlets



Strategic land



Strategic land holdings



Entered 35 option agreements during the year.

Strategic land bank has grown by c.78% in 5 years.

Foundation for medium-term outlet growth.

'Bellway Home Space'



Opening a proprietary timber frame manufacturing facility in Nottinghamshire.

Utilising robotic machinery to drive efficiencies.

Expect to deliver first homes from the facility in mid-2026.

Capacity for up to 3,000 homes p.a.



External wall line



External wall insulation



External wall nail bridge



Increased use of timber frame construction



Targeting timber frame use of around 30% of **housing** output by 2030.

Operational, financial and environmental benefits include:-

Higher WIP turn.

Improved build quality.

Reduced waste.

Lower carbon emissions.

Increased use of timber frame will underpin the delivery of our long-term strategic growth and sustainability priorities.

Operating review



Jason Honeyman
Chief Executive



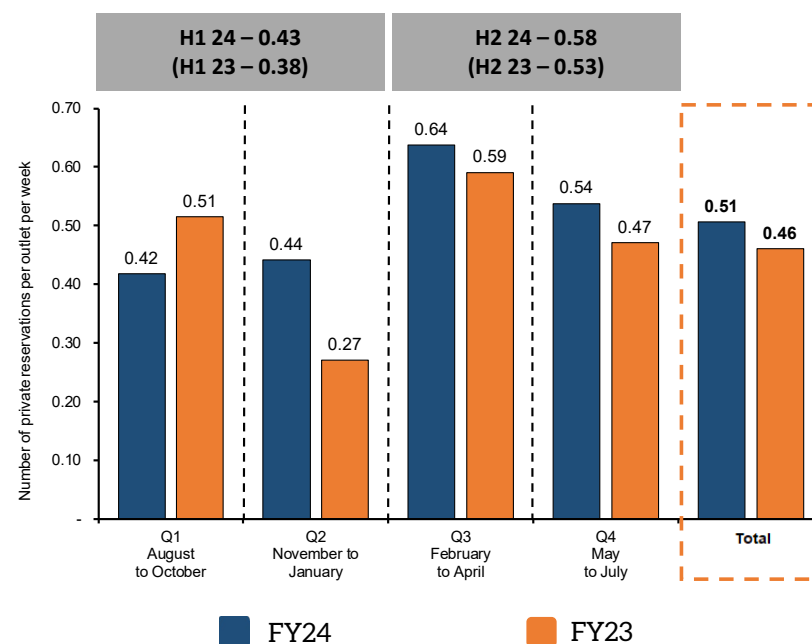
FY24 Trading review



Weekly reservation and cancellation rates ~

	2024	2023	Change
Private	124	109	13.8%
Social	37	47	(21.3%)
Total	161	156	3.2%
Private rate per outlet	0.51	0.46	10.9%
Social rate per outlet	0.15	0.20	(25.0%)
Total rate per outlet	0.66	0.66	-
Average outlets	245	238	2.9%
Cancellation rate	14%	18%	(400bps)

Weekly private reservation rate per outlet

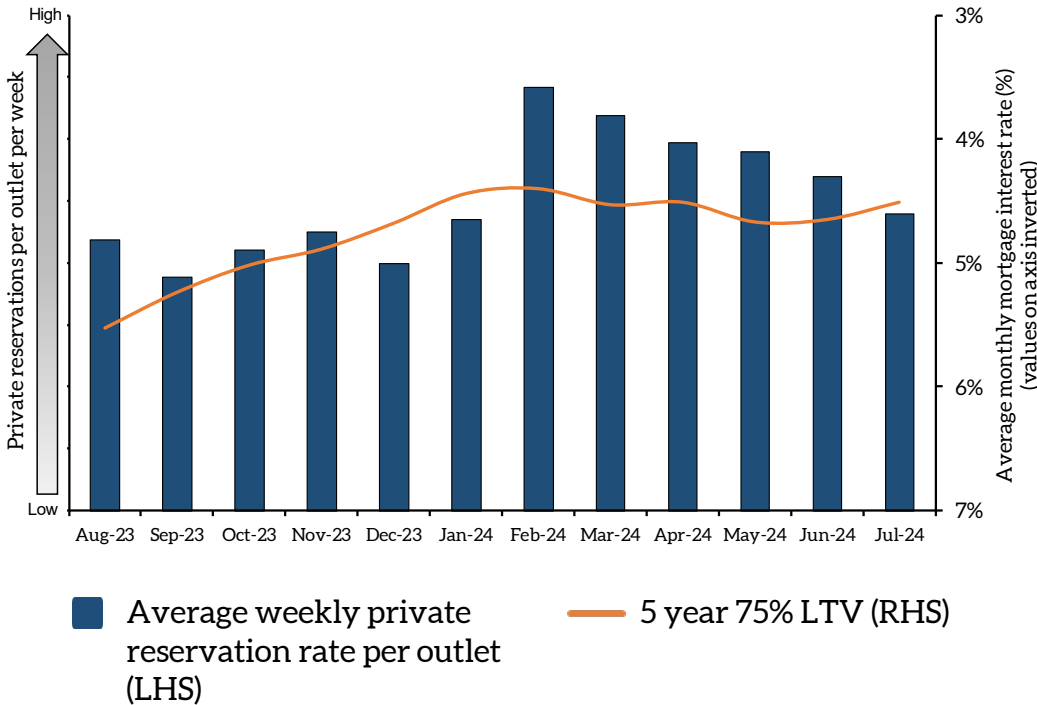


~ Weekly reservation rates and average outlets are rounded to the nearest integer.

Mortgage market and affordability



Private reservations and mortgage interest rates



Trading backdrop

Relative stability in mortgage rates since January 2024 led to an improvement in private reservations.

Good overall availability of mortgage finance.

Affordability remains relatively constrained for those customers requiring higher LTV mortgages.

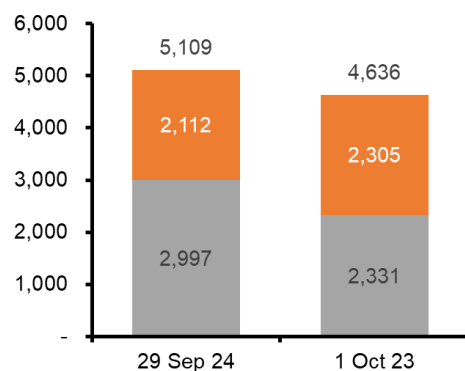
Source: Bank of England monthly average quoted fixed mortgage interest rates.

Current trading and order book



Order book at 29 September (2023: 1 October)

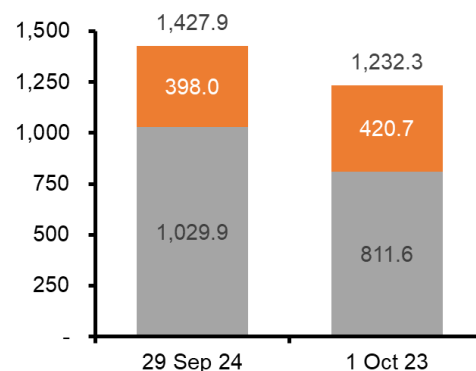
Order book units (number)



Private

Social

Order book value (£m)



Over 65% forward sold for FY25 including completions to date.

First nine weeks since 1 August

The private reservation rate per outlet per week increased by 43.9% to 0.59 (2023 – 0.41).

Private sales rate includes contribution of 0.10 (2023 – 0.03) from bulk investor sales.

Headline pricing has remained firm, with modest price increases on certain sites.

Healthy order book to support strong FY25 volume growth, with a weighting of output to H1.

Well-positioned for strong multi-year volume growth



Growth over the next two financial years

Capability to deliver greater than 20% cumulative volume growth over the next two years.

Strong land bank, outlet opening programme and WIP.

Growth beyond FY26 supported by

New trading divisions.

Further land investment to grow outlet numbers.

Delivery of strategic land sites.

Bellway is well positioned for strong multi-year organic growth.

Ongoing growth supported by:

Outlet growth



New divisions



WIP investment



Strategic sites

Productivity and costs



Materials and labour backdrop

Overall build cost inflation moderated to low single digits in H2 of FY24.

Good level of material and labour availability.

Clear focus on cost control and margin improvement.

Artisan house types being updated



THE
ARTISAN
COLLECTION



New timber frame design

Delivering high quality homes



Achievements in FY24

45 'Pride in the Job' Awards.

Five-star homebuilder for 8th consecutive year.

Record Construction Quality Review score of 89.9%.



Driving further improvements

'House to Home' demonstrates quality of our new homes.

'Field View' will drive efficiencies and on-site quality improvements.



Outlook



Volume	Targeting output of at least 8,500 homes in FY25.
Platform for growth	Well-positioned to deliver strong multi-year growth.
Improving returns	Ongoing focus on improving margin and RoCE.
Resilience	Financial and operational strength to support land investment.



Driving long-term value creation.

Q&A



Roman Gate Melton Mowbray



Appendices

1. Income statement
2. Net finance expenses
3. Housing revenue
4. ASP per square foot
5. Geographic split
6. Product analysis
7. Buyer analysis (completions)
8. Buyer analysis (reservations)
9. Order book at 31 July
10. Mortgages and affordability
11. Land with DPP
12. Land supply
13. Strategic land
14. Land creditors
15. Land bank glossary



Appendix 1 – Income statement



For the year ended 31 July

	2024			2023			Underlying change
	Underlying	Adjusting items	Total	Underlying	Adjusting items	Total	
Homes sold	7,654	-	7,654	10,945	-	10,945	(30.1%)
Average selling price	£307,909	-	£307,909	£310,306	-	£310,306	(0.8%)
Housing revenue	£2,356.7m	-	£2,356.7m	£3,396.3m	-	£3,396.3m	(30.6%)
Other revenue	£23.5m	-	£23.5m	£10.3m	-	£10.3m	128.2%
Total revenue	£2,380.2m	-	£2,380.2m	£3,406.6m	-	£3,406.6m	(30.1%)
Gross profit	£381.1m	16.0%	(£19.9m)	£361.2m	20.2%	(£38.6m)	(44.6%)
Net PX trading loss	(£1.2m)	-	(£1.2m)	(£1.2m)	-	(£1.2m)	-
Administrative expenses	(£141.8m)	(6.0%)	(£5.4m)	(£142.2m)	(4.2%)	(£142.2m)	(0.3%)
Operating profit	£238.1m	10.0%	(£25.3m)	£543.9m	16.0%	(£38.6m)	(56.2%)
Net finance expenses	(£9.7m)		(£17.1m)	(£9.9m)		(£11.0m)	(2.0%)
Share of JV result	(£2.3m)	-	(£2.3m)	(£1.4m)	-	(£1.4m)	64.3%
Profit before taxation	£226.1m		(£42.4m)	£532.6m		(£49.6m)	(57.5%)
Taxation expense	(£65.5m)		£12.3m	(£130.4m)		£12.4m	(49.8%)
Profit for the year	£160.6m		(£30.1m)	£402.2m		(£37.2m)	(60.1%)
Earnings per share	135.2p		(25.4p)	328.1p		(30.4p)	(58.8%)

Appendix 2 – Net finance expenses



For the year ended 31 July

	2024	2023	Change
Net bank interest receivable including fees	-	£4.4m	(100.0%)
Fixed rate sterling USPP notes	(£3.4m)	(£3.4m)	-
Other interest:	(£6.3m)	(£10.9m)	42.2%
Made up of:-			
Land creditors - IFRS 9	(£11.1m)	(£13.1m)	15.3%
JV loan interest	£4.5m	£2.2m	104.5%
Other interest receivable	£0.3m	-	100.0%
Underlying net finance expenses	(£9.7m)	(£9.9m)	2.0%
Unwinding of the discount on the legacy building safety improvements provision	(£17.1m)	(£11.0m)	(55.5%)
Total net finance expenses	(£26.8m)	(£20.9m)	(28.2%)

Appendix 3 – Housing revenue

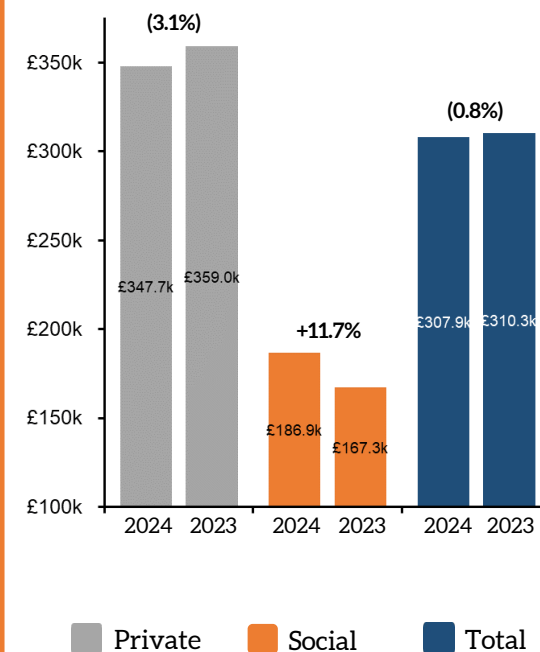


For the year ended 31 July

	2024			Homes sold (No.) 2023			Change		
	Private	Social	Total	Private	Social	Total	Private	Social	Total
North	3,090	524	3,614	4,453	1,020	5,473	(30.6%)	(48.6%)	(34.0%)
South	2,668	1,372	4,040	3,713	1,759	5,472	(28.1%)	(22.0%)	(26.2%)
Group	5,758	1,896	7,654	8,166	2,779	10,945	(29.5%)	(31.8%)	(30.1%)

	2024			2023			Change		
	Private	Social	Total	Private	Social	Total	Private	Social	Total
North	316.2	142.3	291.0	331.1	131.7	293.9	(4.5%)	8.0%	(1.0%)
South	384.3	204.0	323.1	392.4	188.0	326.7	(2.1%)	8.5%	(1.1%)
Group	347.7	186.9	307.9	359.0	167.3	310.3	(3.1%)	11.7%	(0.8%)

Average selling price ('ASP')



Appendix 4 – ASP per square foot (£)



For the year ended 31 July

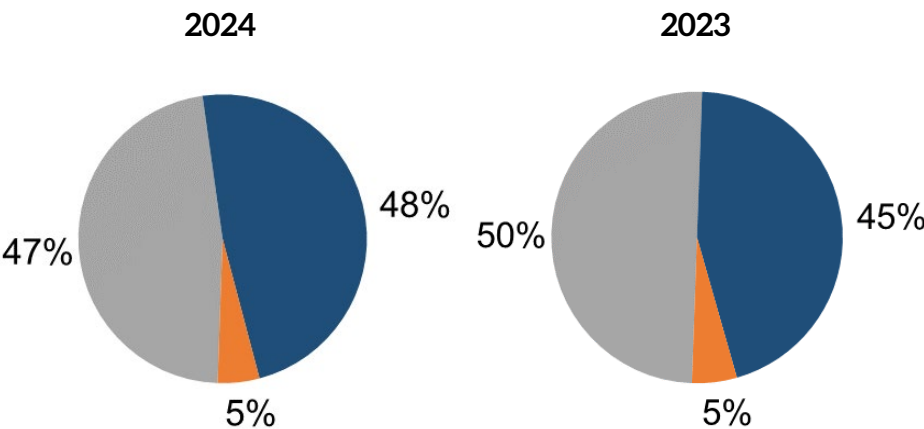
	2024			2023			Change		
	Private	Social	Total	Private	Social	Total	Private	Social	Total
North	282	183	271	289	173	273	(2.4%)	5.8%	(0.7%)
South - made up of:-	384	249	344	402	232	354	(4.5%)	7.3%	(2.8%)
London	458	314	383	503	287	463	(8.9%)	9.4%	(17.3%)
Non-London	380	239	341	392	229	345	(3.1%)	4.4%	(1.2%)
Group average	326	231	307	336	211	311	(3.0%)	9.5%	(1.3%)

Appendix 5 – Geographic split

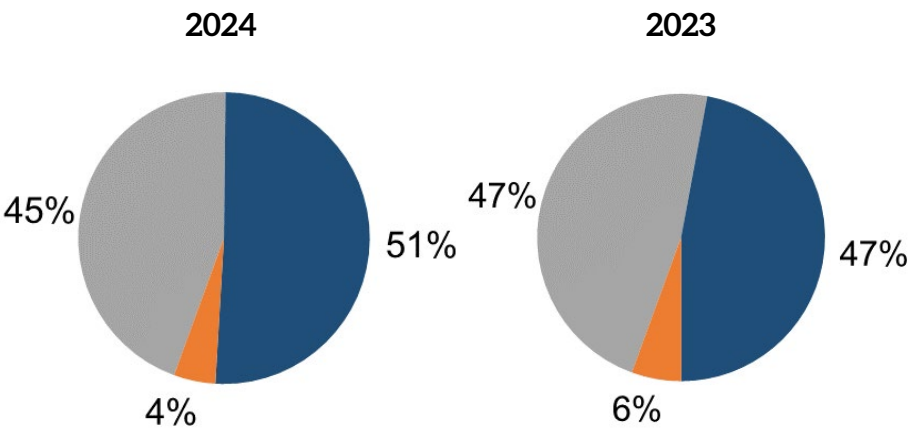


For the year ended 31 July

Completion analysis (homes sold)



Housing revenue analysis



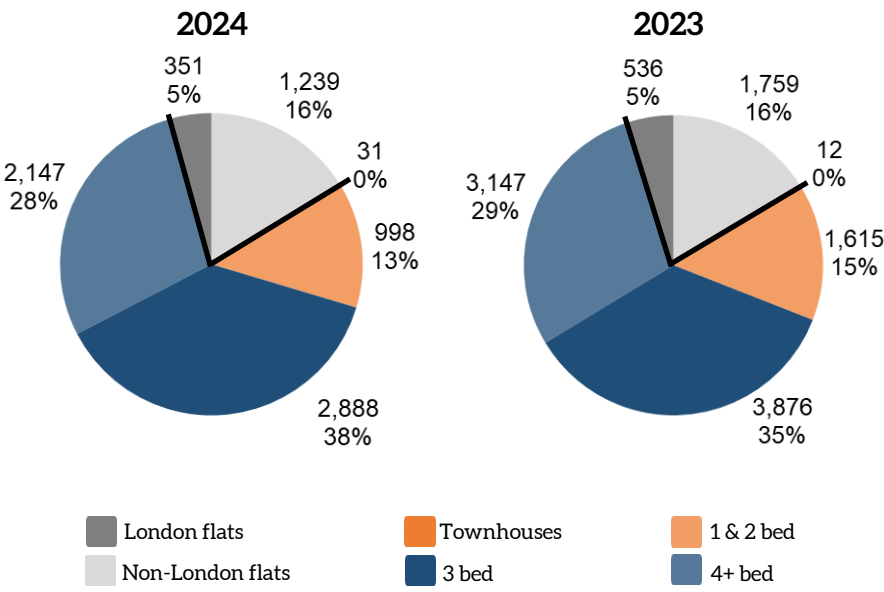
North South (excl. London) London

Appendix 6 – Product analysis

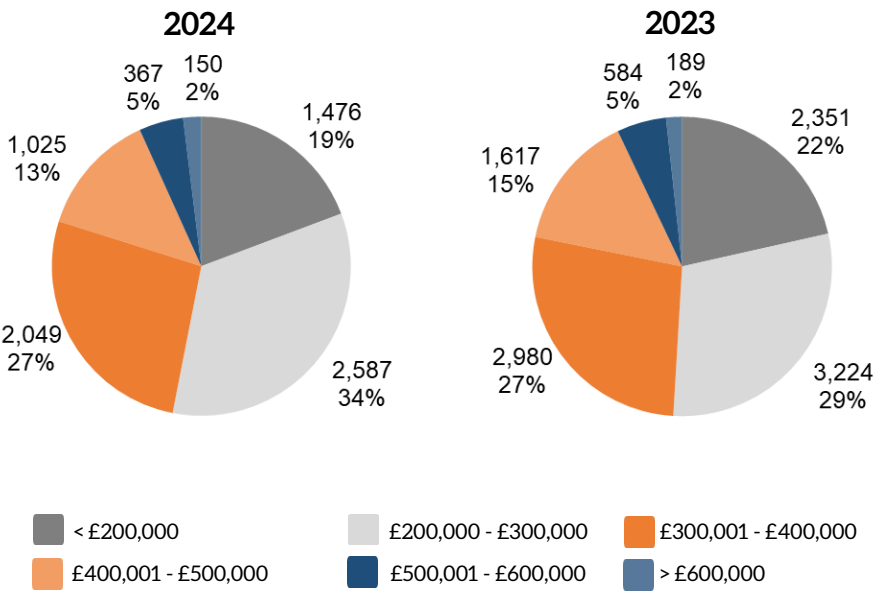


For the year ended 31 July

Product mix analysis



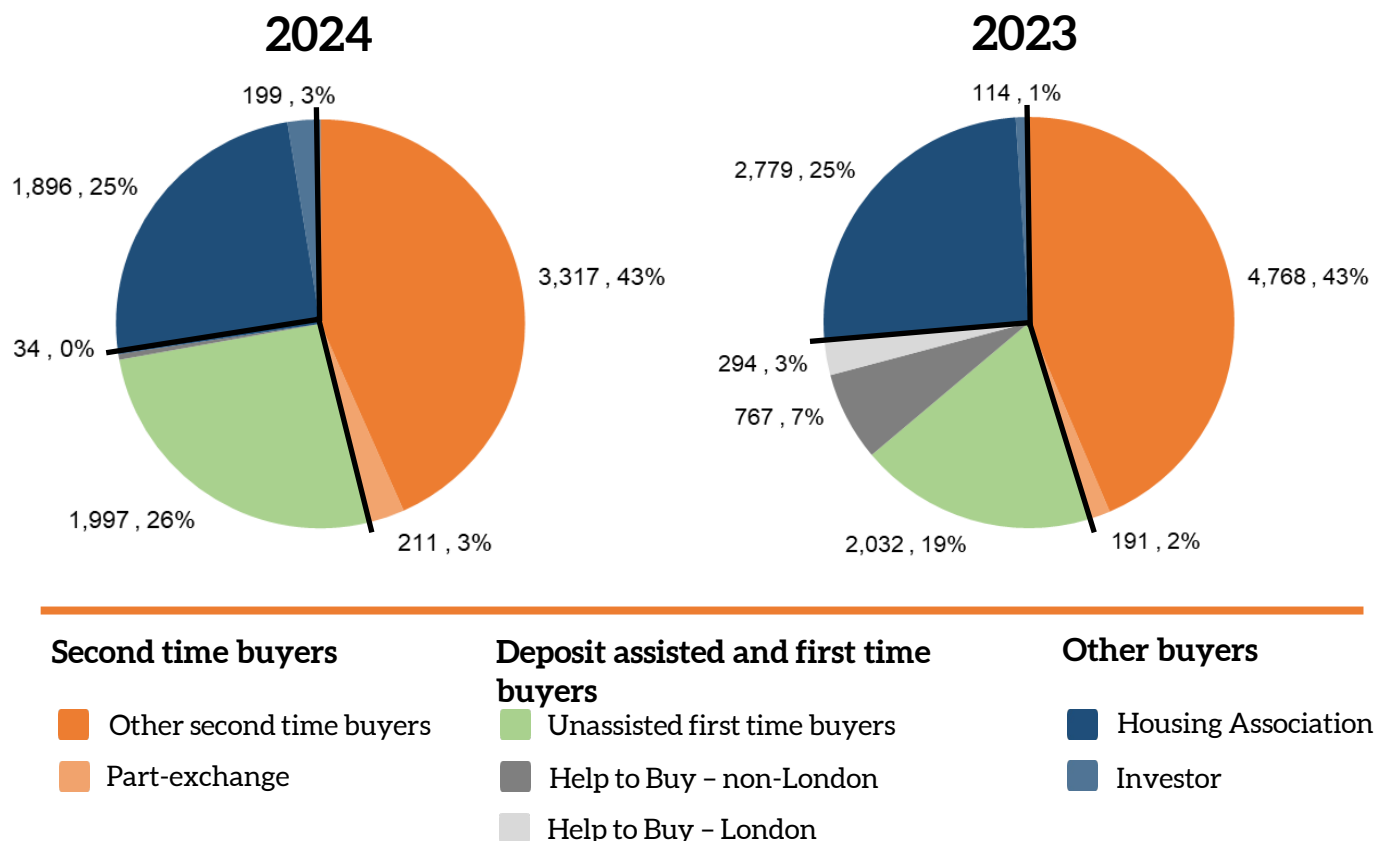
Selling price analysis



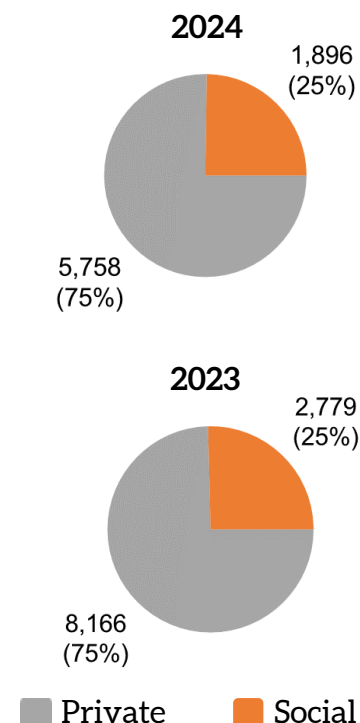
Appendix 7 – Buyer analysis: completions



For the year ended 31 July



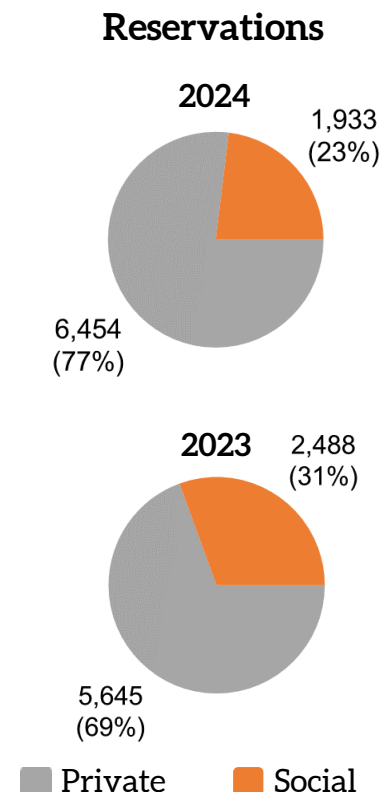
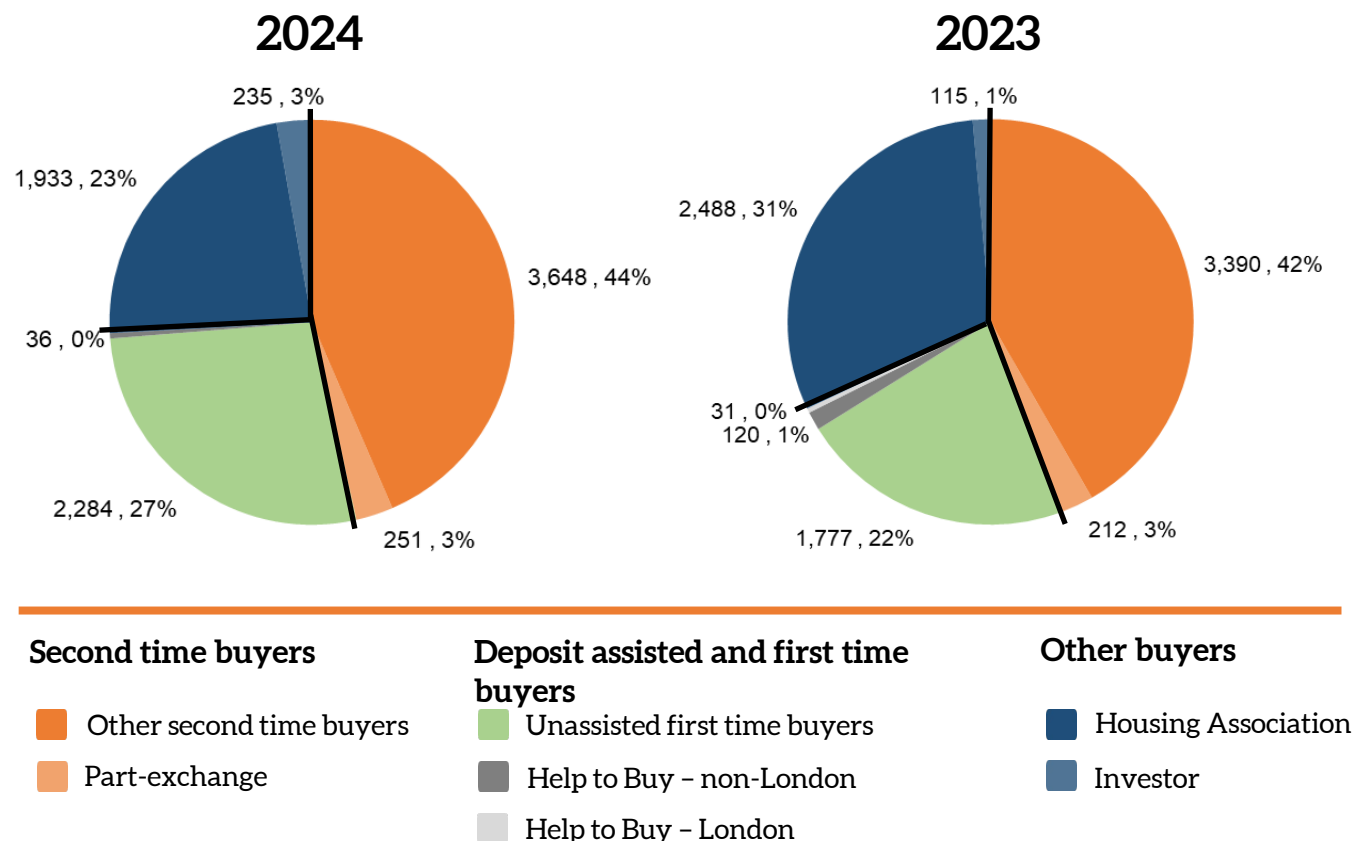
Homes sold



Appendix 8 – Buyer analysis: reservations



For the year ended 31 July



Appendix 9 – Order book at 31 July

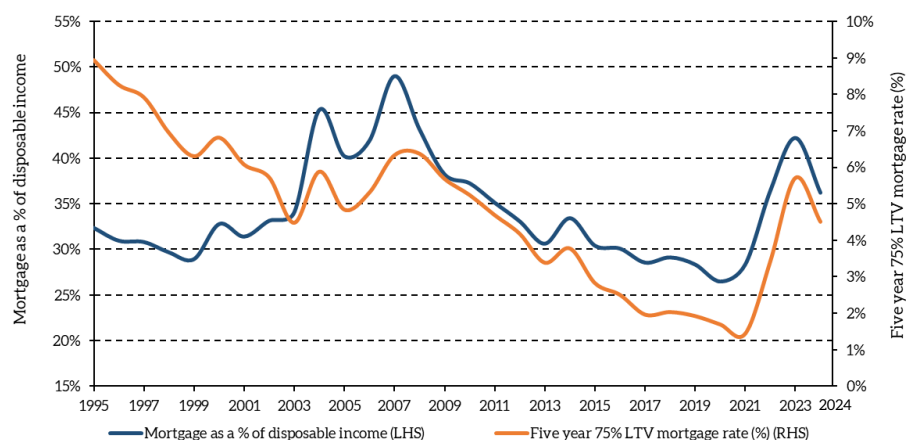


	2024			2023			Change		
	Private	Social	Total	Private	Social	Total	Private	Social	Total
At 1 August	2,191	2,220	4,411	4,712	2,511	7,223	(53.5%)	(11.6%)	(38.9%)
Reservations	6,454	1,933	8,387	5,645	2,488	8,133	14.3%	(22.3%)	3.1%
Completions	(5,758)	(1,896)	(7,654)	(8,166)	(2,779)	(10,945)	(29.5%)	(31.8%)	(30.1%)
At 31 July	2,887	2,257	5,144	2,191	2,220	4,411	31.8%	1.7%	16.6%

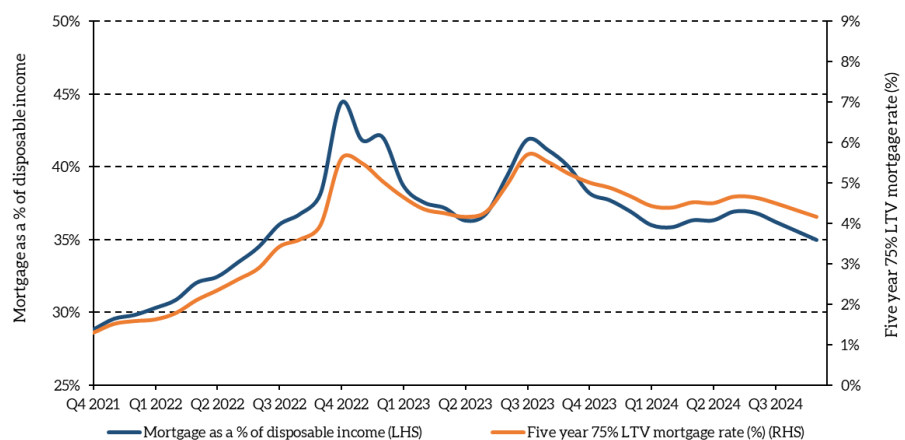
Appendix 10 – Mortgages and affordability



Mortgage costs as a proportion of disposable income
(1995 – 2024, annual data)



Mortgage costs as a proportion of disposable income
(Q4 2021 – Q3 2024, monthly data)



— Mortgage as a % of disposable income (LHS)

— Five-year 75% LTV mortgage rate (%) (RHS)

Mortgage costs as a proportion of UK average household disposable income. Based on Bellway private ASP in FY24 and linked to historical Nationwide house price index. Interest rates from Bank of England monthly average quoted mortgage rates. Household disposable income data from the ONS. Mortgage costs based on 25-year capital and interest repayment mortgage. All figures in real terms in 2024 prices and adjusted using RPI from the ONS.

Sources: Bank of England, Nationwide Building Society, Office for National Statistics.

Appendix 11 - Land with DPP¹



As at 31 July

	2024			2023		
	Plots	Cost	Average plot cost	Plots	Cost	Average plot cost
At 1 August	32,229	£1,913.3m	£59.4k	32,344	£1,812.3m	£56.0k
Net purchases	6,212	£380.0m	£61.2k	10,830	£742.2m	£68.5k
Sold	(7,654)	(£431.9m)	£56.4k	(10,945)	(£641.2m)	£58.6k
At 31 July	30,787	£1,861.4m	£60.5k	32,229	£1,913.3m	£59.4k

Land bank

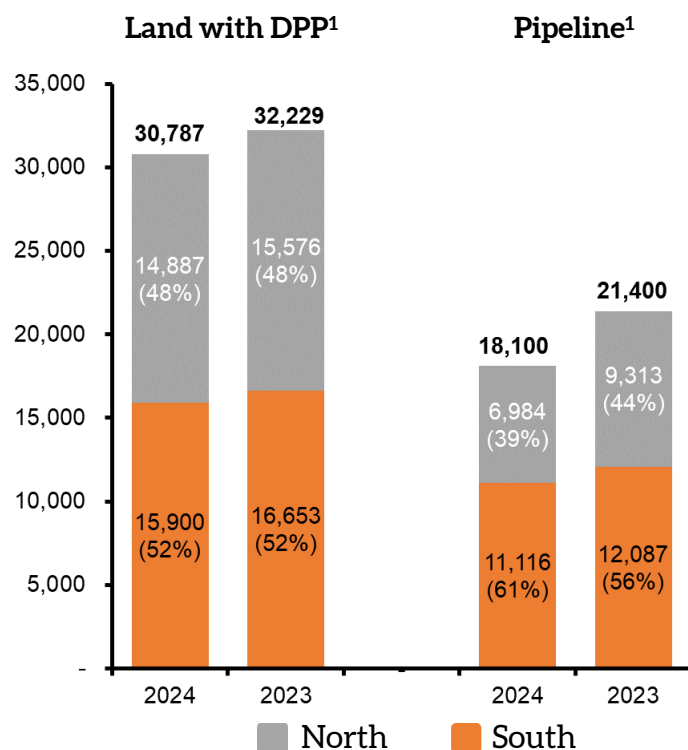
Good visibility with regards to outlet openings.

¹ See appendix 15 for definitions.

Appendix 12 – Land supply

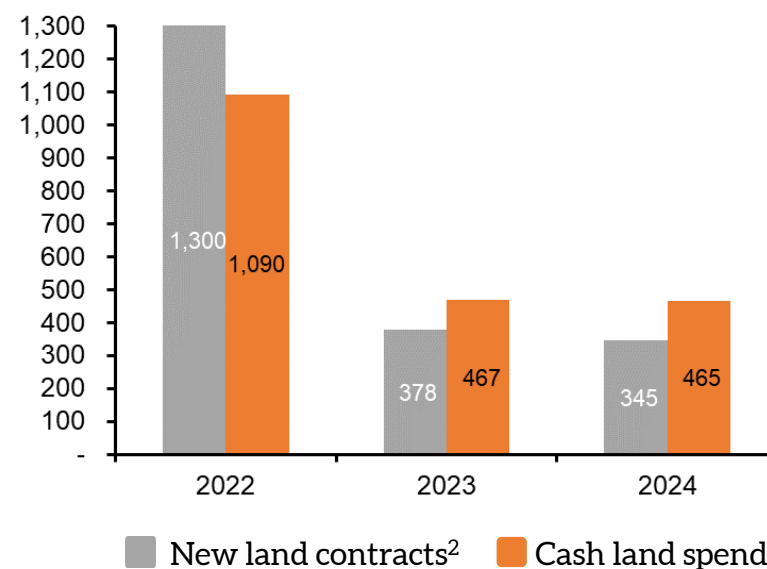


Bellway owned and controlled land (plots)



¹ See appendix 15 for definitions.

Cash land spend and value of new land contracts (£m)

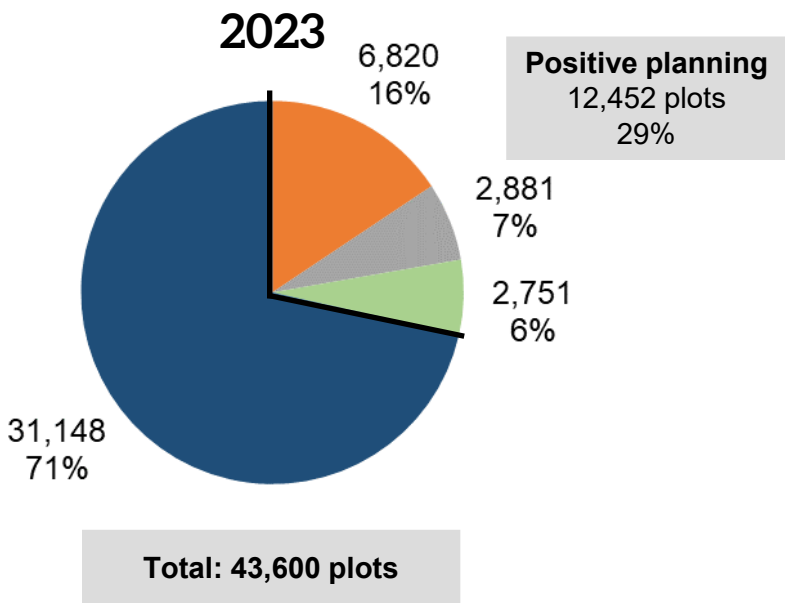
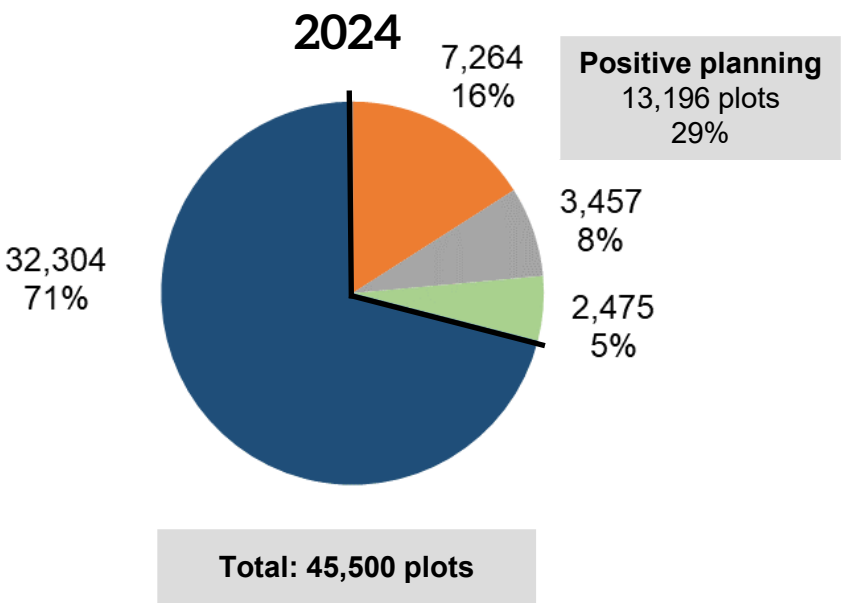


² Includes the Group's share of land contracted through joint venture partners with a contract value of nil (2023: nil, 2022: £12.7m).

Appendix 13 – Strategic land



As at 31 July



Positive planning status

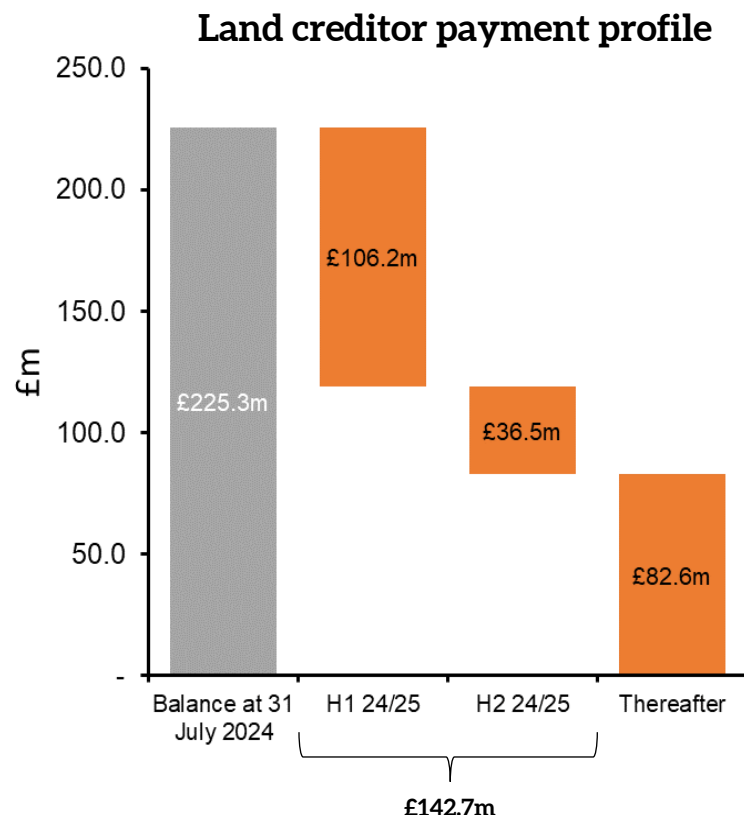
- Allocated
- Application
- Both

Longer-term interests

- Longer-term interests

Appendix 14 – Land creditors

As at 31 July



- Land creditors have reduced from £368.8m at 31 July 2023.
- Seek to defer payments where it is cost effective to do so.
- £142.7m due for payment in the next 12 months.

Owned and controlled plots

- **Land with DPP:** Plots owned or unconditionally contracted by the Group where there is an implementable **detailed planning permission**.
- **Pipeline:** Plots which are either owned or controlled by the Group, pending an implementable detailed planning permission, with development generally expected to commence within the next three years.

Strategic land holdings

- **Strategic land holdings:** Longer-term plots which are typically held under option or through a promotional agreement.

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The Bellway logo is centered at the bottom of the image. It consists of the word "Bellway" in a white, sans-serif font. A small, orange, curved line is positioned beneath the "ay" portion of the word, resembling a stylized smile or a swoosh.

Bellway