BELLWAY P.L.C. ('BELLWAY' OR THE 'GROUP'), THE NATIONAL HOUSEBUILDER, ANNOUNCES TODAY, TUESDAY 14 OCTOBER 2025, ITS FULL YEAR RESULTS FOR THE YEAR ENDED 31 JULY 2025.

Summary

- **Good performance in FY25.**
- **Strongly positioned to deliver sustained growth in returns.**
- **Refreshed capital allocation framework and initial £150m share buyback.**

	Year ended 31 July 2025	Year ended 31 July 2024	Movement
Housing completions	8,749	7,654	+14.3%
Revenue	£2,782.8m	£2,380.2m	+16.9%
Underlying performance measures:			
Gross profit (underlying)	£456.8m[2,3]	£381.1m[2,3]	+19.9%
Gross margin (underlying)	16.4%[2,3]	16.0%[2,3]	+40 bps
Operating profit (underlying)	£303.5m[2,3]	£238.1m[2,3]	+27.5%
Operating margin (underlying)	10.9%[2,3]	10.0%[2,3]	+90 bps
Profit before taxation (underlying)	£289.1m[2,3]	£226.1m[2,3]	+27.9%
Earnings per share (underlying)	176.7p[2,3]	135.2p[2,3]	+30.7%
RoCE (underlying)	8.7%[2,3]	7.1%[2,3,6]	+160 bps
Pre-tax RoE (underlying)	8.2%[2,3]	6.5%[2,3]	+170 bps
Statutory and other performance measures:			
Adjusting items (pre-tax)	£67.2m	£42.4m	+58.5%
Profit before taxation	£221.9m	£183.7m	+20.8%
Earnings per share	132.8p	109.8p	+20.9%
Proposed total dividend per share	70.0p	54.0p	+29.6%
Net asset value per share	2,989p[2]	2,913p[2]	+2.6%
Net cash/(debt)	£41.8m[2]	(£10.5m)[2]	+498.1%
Land bank (plots)	95,704[4]	95,292[4]	+0.4%

Jason Honeyman, Chief Executive, commented:

"Bellway has delivered a good performance in FY25 with double-digit growth in volume output and profits, and our sharper focus on balance sheet efficiency is reflected by the £150m share buyback programme announced today.

While we face some near-term market challenges, we have a high-quality land bank, strong balance sheet and the operational capacity to capitalise on the positive long-term fundamentals of our industry. Combined with our refreshed and disciplined approach to capital allocation, I am confident that we can drive increased volume output, cash generation and shareholder returns in FY26 and beyond.

Bellway remains very well-positioned to continue delivering much needed high-quality new homes in the years ahead. However, supportive Government policy is essential for the industry to drive a meaningful and sustained increase in housing output. The Government must demonstrate its commitment to accelerating housebuilding by driving through planning reform and addressing the affordability constraints facing first-time buyers across the country."

Financial highlights

- Growth in total housing completions of 14.3% to 8,749 homes (2024 – 7,654) at an average selling price of £316,412 (2024 – £307,909).
- Underlying operating profit increased by 27.5% to £303.5m (2024 – £238.1m) and the underlying operating margin was in line with expectations at 10.9%[2,3] (2024 – 10.0%).
- The private reservation rate per outlet per week, including bulk sales, of 0.57 was 11.8% higher than the prior year (2024 – 0.51). The private reservation rate excluding bulk sales increased by 6.1% to 0.52 (2024 – 0.49).
- While the private reservation rate improved in the second half of the financial year to 0.62 compared to 0.51 in the first half, a solid period of demand through the spring was followed by softer trading in the final quarter.
- Growth in underlying profit before taxation of 27.9% to £289.1m[2,3] (2024 – £226.1m).

- Significant increase in adjusted operating cashflow to £638.9m[2,3] (2024 – £425.2m).
- Adjusting items relating to legacy building safety included £37.4m (2024 – £19.9m) for the net increase in overall cost estimates. The adjusting finance expense of £14.4m (2024 – £17.1m) was in line with previous guidance, and the overall net legacy building safety adjusting expense, before taxation, was £51.8m (2024 – £37.0m).
- The costs and voluntary payment associated with the Competition and Markets Authority ('CMA') investigation totalled £15.4m (2024 – £nil) and have been treated as an adjusting item.
- Reported profit before taxation was £221.9m (2024 – £183.7m).
- Driven by an improvement in asset turn and the underlying operating margin, underlying pre-tax RoE was 170 bps higher at 8.2%[2,3] (2024 – 6.5%) and underlying RoCE increased by 160 bps to 8.7%[2,3] (2024 – 7.1%[6]).

Operational highlights

- We have maintained a strong land bank which at 31 July comprised a total of 95,704 plots[4] (2024 – 95,292 plots) and included 47,144 owned and controlled plots (2024 – 48,887 plots), providing good visibility on outlet openings.
- Reflecting the strength of our land bank and drive for capital efficiency, we have continued with a disciplined approach to land acquisition and contracted to purchase 8,120 plots (2024 – 4,621 plots) during the year.
- The Group traded from an average of 246 outlets (2024 – 245), in line with our expectations, with a closing position of 249 outlets at 31 July 2025 (2024 – 250).
- Further expansion of our strategic land bank, which rose to 47,800 plots (2024 – 45,500 plots) and underpins our longer-term growth ambitions for a relatively low initial capital outlay.
- The Group's new timber frame facility, 'Bellway Home Space', is progressing to plan. Increased usage of timber frame construction will deliver a range of operational, financial and environmental benefits, and we are on track to begin supplying our divisions with frames in early 2026.
- Our ongoing focus on providing high-quality homes and service for our customers has resulted in Bellway retaining its position as a five-star[5] homebuilder for the ninth consecutive year.

Recent trading and outlook

- Since the start of the new financial year there has been a continuation of weak consumer sentiment which has carried from late spring. Customer demand has been affected by ongoing affordability constraints and uncertainties about potential taxation changes in the Government's Budget in November 2025.
- In the ten weeks since 1 August, the private reservation rate per outlet per week excluding bulk sales was 0.48 (1 August to 6 October 2024 – 0.49). The private reservation rate including bulk sales was 0.51 (1 August to 6 October 2024 – 0.60).
- The forward order book at 5 October 2025 comprised 5,285 homes (6 October 2024 – 5,164 homes) with a value of £1,526.9m[2] (6 October 2024 – £1,449.0m).
- Notwithstanding the near-term market challenges, we have a strong land bank and outlet opening programme, which together with our healthy order book and work-in-progress position supports our plans for growth in volume output to around 9,200 homes in FY26 (2025 – 8,749 homes).
- We expect the FY26 average selling price to be around £320,000 (2025 – £316,412) and the underlying operating margin to be similar to FY25 at around 11.0%[2,3] (2025 – 10.9%).

Driving capital efficiency to deliver enhanced returns

- The Group has a strong and well-capitalised balance sheet with year-end net cash of £41.8m[2] (2024 – net debt of £10.5m) and low adjusted gearing, inclusive of land creditors, of only 8.3%[2] (2024 – 6.8%).
- During the year we have refined our capital allocation framework, which is based on our key value creation principles. These are to maintain a strong balance sheet, drive capital efficiencies to increase cash generation, and optimise the balance between investment in growth and returns to shareholders.
- We are strongly positioned to deliver multi-year growth in volume output and returns, assuming a stable market backdrop, and by FY28 we are targeting volume output of around 10,000 homes (2025 – 8,749) and a significant increase in underlying pre-tax RoE (2025 – 8.2%).
- As part of our capital efficiency drive, management incentives are to be aligned with increasing cash generation and returns. A new LTIP, proposed for shareholder approval at this year's AGM, includes a challenging FY28 underlying pre-tax RoE stretch target of 14%[2,3], which would require exceptional delivery and more supportive market conditions.

- We will leverage our strong land bank and work-in-progress ('WIP') position to drive material improvements in adjusted operating cashflow conversion and support the return of excess capital to shareholders.
- Today we are initiating a share buyback programme which will return £150m over the next twelve months, and the Group intends to continue with the return of excess capital in future years.
- The proposed total ordinary dividend per share has increased by 29.6% to 70.0p (2024 – 54.0p), which reflects the increase in underlying earnings.
- Our ordinary dividend policy will be maintained with underlying dividend cover of 2.5 times[2,3], and our focus on delivering sustained growth in earnings will support a commensurate increase in future dividend payments.

1 All figures relating to completions, order book, reservations, cancellations and average selling price exclude the Group's share of its joint ventures unless otherwise stated.
2 Bellway uses a range of statutory performance measures and alternatives performance measures when reviewing the performance of the Group against its strategy. Definitions of the alternative performance measures, and a reconciliation to statutory performance measures, are included in note 14.
3 Underlying refers to any statutory performance measure or alternative performance measure before net legacy building safety expense and other exceptional items (note 3).
4 Includes the Group's share of land owned and controlled through joint venture partners comprising 760 plots (2024 – 905 plots).
5 As measured by the Home Builders' Federation using the eight-week NHBC Customer Satisfaction survey.
6 The definition of capital employed has been updated to deduct net cash. The comparative figures for capital employed and RoCE have therefore been restated to reflect this change (note 14).
7 Comparatives are for the year ended 31 July 2024 or as at 31 July 2024 ('2024') unless otherwise stated.

Analyst presentation, webcast and conference call

There will be an analyst presentation held at the offices of Deutsche Numis at 9.00am today. The presentation will be hosted by Jason Honeyman, Chief Executive and Shane Doherty, Chief Financial Officer.

A listen-only webcast and conference call will accompany the presentation. To join the webcast, go to the Bellway p.l.c. corporate website, www.bellwayplc.co.uk/investor-centre.

To join via the conference call, participants should dial +44 (0)33 0551 0200 and quote 'Bellway Full Year Results' when prompted by the operator.

A playback facility will be available on our corporate website shortly after the presentation has finished.

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Chair's Statement

Introduction

Bellway has returned to growth in FY25 and, despite ongoing challenges for our industry, the Group has delivered higher volume output and margins and a strong 30.7% increase in underlying earnings per share to 176.7p[2,3] (2024 – 135.2p).

On behalf of the Board, I would like to thank our colleagues, subcontractors and supply chain partners, who are key to driving our long-term success, and have shown continued commitment to providing high-quality homes and service for our customers.

Shareholder returns

During the year we have refined our capital allocation framework, which is based on maintaining a strong balance sheet, driving capital efficiencies to increase cash generation, and optimising the balance between investment in growth and returns to shareholders.

As part of this process, we have identified opportunities to drive significant improvements in adjusted operating cashflow conversion to support the return of excess capital to shareholders. Reflecting this, we have initiated a share buyback programme which will return £150m over the next twelve months, and the Group intends to continue with the return of excess capital in future years.

Within Bellway's capital allocation framework, our ordinary dividend policy is maintained with underlying dividend cover of 2.5 times[2,3], and for FY25 the Board has recommended a final dividend of 49.0p per share (2024 – 38.0p). This brings the proposed total dividend to 70.0p per share (2024 – 54.0p); an increase of 29.6%, which reflects both the increase in underlying earnings and the Board's confidence in Bellway's future growth prospects.

Strategic priorities

The Group has a clear focus on maintaining financial and operational strength, and the successful delivery against our strategic priorities will ensure the Group continues to generate long-term value for shareholders. Further details of these priorities are set out below:

- Deliver long-term volume growth;
- Drive a long-term improvement in underlying pre-tax RoE; and
- Operate responsibly and sustainably through our 'Better with Bellway' strategy.

Long-term volume growth

Bellway has a high-quality land bank, a strong balance sheet and operational capacity across the Group to support our plans to deliver long-term volume growth.

In the years ahead, our industry should benefit from the Government's planning reforms, although we continue to experience delays to planning decisions as local authorities are taking time to adopt new local plans and implement the updated National Planning Policy Framework. Furthermore, the availability of mortgage products and affordability remains relatively constrained for customers requiring higher loan-to-value mortgages. To complement the supply-side measures and to meet its ambitious housing targets, the Government also needs to address the demand-side pressures, and particularly those facing first-time buyers.

Notwithstanding the current industry headwinds, we have excellent visibility on planned outlet openings for the current financial year, and the Board is confident that with a stable housing market, Bellway is in a strong position to build on its proven track record of organic volume growth in FY26 and into the longer term.

Long-term improvement in RoE

The Group is focused on driving both profitable growth and a long-term improvement in RoE, given the positive compounding effect on shareholder value that this can create. We have made good early progress in FY25, with a higher asset turn and underlying operating margin leading to growth in underlying pre-tax RoE to 8.2%[2,3] (2024 – 6.5%).

To support a sustained increase in RoE, we expect to deliver a growing proportion of volume output from our strategic land bank, which will underpin our long-term volume growth aspirations and, in turn, help to improve asset turn and margin.

We are also increasing the use of timber frame construction across the Group, which will improve build efficiencies and asset turn, as well as reducing carbon emissions in the supply chain. Our timber frame production facility, 'Bellway Home Space', is on track to begin supplying our divisions with frames in early 2026 and we are aiming to grow timber frame construction to around 30% of housing output by 2030.

These measures, together with our focus on volume growth and a refreshed approach to capital efficiency, provide a strong platform from which to drive a continued recovery in RoE.

'Better with Bellway'

'Better with Bellway' is our approach to acting responsibly and delivering sustainable homes. The strategy reflects our commitment to putting people and the environment first, is central to the underlying operations of the Group and includes targets in respect of our three flagship areas of Customers and Communities, Employer of Choice, and Carbon Reduction.

Customer satisfaction remains a core focus, and I am very proud that the hard work and dedication of our teams has been recognised through Bellway being awarded five-star[5] homebuilder status by the HBF for the ninth consecutive year.

There has also been an excellent response to our most recent employee engagement survey, and 91% of colleagues (2024 – 87%) said they would recommend Bellway as 'a great place to work'. During the year, Cecily Davis was appointed as the Non-Executive Director of Workforce Engagement, and she chairs our National Employee Listening Group which is instrumental in surfacing ideas and feedback that help Bellway further improve culture and ways of working.

We have ambitious carbon reduction targets and have seen a reduction across all scopes since our base year of 2019. Notably, our scope 1 and scope 2 carbon emissions have reduced by 48% since our base year of 2019, meeting our goal of a 46% reduction by 2030 significantly ahead of target. Supported by several research projects underway across the business, we are advancing our award-winning Carbon Reduction strategy, updating our targets, and aiming for Net Zero by 2045.

In addition to the flagship priority areas, the 'Better with Bellway' strategy includes targets in respect of nature, resource efficiency, charitable engagement, sustainability throughout the supply chain and building quality homes safely. More details are set out later in this report and are also available on our website at www.bellwayplc.co.uk/sustainability.

Board changes

Shane Doherty joined the Board as Chief Financial Officer in December 2024, with an impressive track record of delivering financial and operational growth across a number of industries in a range of financial and commercial disciplines. Shane is already making a significant contribution to Bellway and has been instrumental in refreshing our approach to capital efficiency and embedding it across the Group.

We were delighted to welcome Gill Barr to the Board in September 2025 as an independent Non-Executive Director. Gill has also been appointed as a member of the Audit, Nomination, and Remuneration Committees and will become Chair of the Remuneration Committee in April 2026 when Jill Caseberry steps down from this role before retiring from the Board later in the year.

Gill's significant experience and expertise as an executive combined with over twenty years in non-executive roles, including in the construction sector, will be invaluable to the Board and we look forward to working with her.

The future

Bellway has an experienced leadership team with operational strength-in-depth across the organisation, and I believe that we are very well-positioned for the future. Combined with our strong land bank and balance sheet, and disciplined approach to capital allocation, we have an excellent platform from which to navigate near-term market challenges and deliver sustainable growth and an improvement in returns in the years ahead.

We remain committed to building lasting communities, delivering against our strategic priorities and enhancing shareholder value, and I am confident that Bellway will continue creating a positive outcome for our stakeholders over the long term.

John Tutte
Chair
13 October 2025

Chief Executive's Market and Operational Review

Market

Customer demand was supported by generally good availability of mortgage finance and relative stability in mortgage interest rates during the year. Overall, headline pricing and the level of targeted incentives was stable across our regions, although there has been more limited use of incentives in areas with healthy affordability and good levels of employment.

The private reservation rate increased to an average of 139 per week (2024 – 124), with trading enhanced by a modest increase in bulk sales. Reflecting our robust outlet position, the private reservation rate per outlet per week increased by 11.8% to 0.57 (2024 – 0.51) and included a contribution of 0.05 from bulk sales (2024 – 0.02). While the private reservation rate improved in the second half of the financial year to 0.62 compared to 0.51 in the first half, a solid period of demand through the spring was followed by softer trading in the final quarter.

The private reservation rate per outlet per week, excluding bulk sales, of 0.52 was 6.1% higher than the prior year (2024 – 0.49). The overall reservation rate, including social homes, rose by 6.2% to 171 per week (2024 – 161) and the cancellation rate remained low at 13% (2024 – 14%).

High-quality land bank

The strength and depth of the Group's land bank support our growth plans and largely replacement only land strategy. We have continued with our disciplined approach to land acquisition, and the table below shows the Group's land holdings:

	2025 Plots	2024 Plots
DPP: plots with implementable detailed planning permission	**30,544**	30,787
Pipeline: plots pending an implementable DPP	**16,600**	18,100
Bellway owned and controlled plots	**47,144**	48,887
Bellway share of land owned and controlled by joint ventures	**760**	905
Total owned and controlled plots	**47,904**	49,792
Strategic land holdings	**47,800**	45,500
Total land bank[4]	**95,704**	95,292

The Group's owned and controlled land bank comprises 47,144 plots (2024 – 48,887 plots), including 30,544 plots (2024 – 30,787 plots) with an implementable detailed planning permission ('DPP') and 16,600 pipeline plots (2024 – 18,100 plots). This represents a healthy land bank length of 5.4 years (2024 – 6.4 years) based on the last 12 months' legal completions.

During the year land approval activity normalised, and the Group contracted to purchase 8,120 plots (2024 – 4,621 plots) across 51 sites (2024 – 27 sites) with a total contract value of £566.8m (2024 – £344.8m). We also have a good future pipeline of potential acquisitions, with Heads of Terms agreed on around 4,400 plots at 5 October 2025 and, reflecting our largely replacement only land strategy, we expect overall plots contracted in FY26 to be similar to volume output.

The Group traded from an average of 246 outlets (2024 – 245), having opened 56 new sales outlets and with a closing position of 249 outlets as at 31 July 2025. We have good visibility on outlet openings and remain on track to open a similar number of new outlets to FY25 in the year ahead. In line with previous guidance, we expect to operate from an average of around 245 outlets in FY26.

Our investment in strategic land has continued, which has enhanced our overall land supply for a relatively low initial capital outlay, while also supporting our longer-term growth ambitions. We entered into option agreements to buy 30 sites in FY25 (2024 – 35 sites), building upon our increased activity in the strategic land market in recent years. Bellway's strategic land portfolio has increased by over 75% in the last five years and now comprises 47,800 plots (2024 – 45,500 plots). We expect to deliver a growing proportion of volume output from our strategically sourced land bank, with a target of 15-20% over the medium term.

Production and cost control

Overall build cost inflation was running in the low single digits through the year and there are presently good levels of product availability across the Group and modest overall material cost inflation on new tenders. Bellway's experienced procurement teams continue to work closely with our wide range of supply chain partners to ensure we are prepared for our targeted increase in volume output in the current financial year and beyond.

The Group's outlet opening programme has provided good visibility on pipeline work for subcontractors and remains beneficial when negotiating new labour contracts and pricing. Requests for subcontract price increases remain low for most trades and typical minimum fixed price periods of 12 months are being secured.

Bellway has robust cost controls and a consistent focus on margin recovery. Furthermore, as the industry works towards building to the requirements of the Future Homes Standard, our Artisan Collection of standard house-types and centralised approach to design, procurement and site layout reviews will continue to help the Group maintain efficiency and mitigate cost pressures. The proportion of Artisan homes increased to 80% of housing output (excluding apartments) in FY25 (2024 – 70%).

As part of our long-term growth strategy, we are increasing the use of sustainably sourced timber frame construction and as previously announced, the Group is targeting an increase in timber frame use to around 30% of housing output by 2030 (2025 – 14.0%). The planned growth in timber frame output will deliver a range of operational, financial and environmental benefits and will be achieved primarily by investing in our own proprietary timber frame manufacturing facility, 'Bellway Home Space'.

During the year we entered into a long-term lease for a 134,000 square foot industrial unit for 'Bellway Home Space' near Mansfield, Nottinghamshire. The facility is progressing to plan, with fit out substantially complete, installation of computer driven robotic machinery underway and being commissioned, and we are on track to begin supplying our divisions with frames in early 2026.

We are confident that our investment in timber frame in the years ahead will underpin the delivery of our strategic priorities, to drive long-term volume growth and an improvement in RoE, and help meet the targets set out in our 'Better with Bellway' sustainability strategy.

Recent trading

Since the start of the new financial year there has been a continuation of weak consumer sentiment which has carried from late spring. Customer demand has been affected by ongoing affordability constraints and uncertainties about potential taxation changes in the Government's Budget in November 2025.

In the ten weeks since 1 August, the private reservation rate per outlet per week excluding bulk sales was 0.48 (1 August to 6 October 2024 – 0.49). The private reservation rate including bulk sales was 0.51 (1 August to 6 October 2024 – 0.60).

Reflecting recent trading and volume output, the order book at 5 October 2025 comprised 5,285 homes (6 October 2024 – 5,164 homes) with a value of £1,526.9m[2] (6 October 2024 – £1,449.0m).

Outlook

Bellway has a healthy forward order book and work-in-progress position and despite the softer market conditions in recent months, we remain on track for further growth in FY26. If market conditions remain stable, based on a private reservation rate per site per week similar to the 0.57 achieved in FY25, we are well-positioned to deliver volume output of around 9,200 homes (2025 – 8,749 homes). By FY28 we are targeting an increase in volume output to around 10,000 homes, and this growth together with our sharp focus on capital efficiency will drive an increase in cash generation for shareholder returns.

For the industry to drive a meaningful and sustained increase in housing output, supportive Government policy is also essential. The Government must demonstrate its commitment to accelerating housebuilding by driving through planning reform and addressing the affordability constraints facing first-time buyers across the country.

Notwithstanding the current industry headwinds, Bellway's operational strengths and land bank depth provide a strong platform to capitalise on the positive long-term fundamentals of the UK housebuilding industry. Given the significant capacity in our divisional structure, we remain very well-positioned to deliver sustained volume growth in the years ahead.

Jason Honeyman
Chief Executive
13 October 2025

Chief Financial Officer's Review

Trading performance

The Group has delivered growth in housing revenue of 17.5% to £2,768.3m (2024 – £2,356.7m), which was driven by a strengthened order book at the start of the financial year and the higher level of private reservations. Other revenue was £14.5m (2024 – £23.5m) and comprises ancillary items including land and commercial sales, and management fee income earned on our joint venture schemes. Total revenue was 16.9% higher at £2,782.8m (2024 – £2,380.2m).

The table below shows the number and average selling price of homes completed in the year, analysed between private and social homes, and against the prior year comparative:

	2025		2024		Variance (%)	
	Homes	ASP (£000)	Homes	ASP (£000)	Homes	ASP
Private	**6,924**	**350.4**	5,758	347.7	20.3%	0.8%
Social	**1,825**	**187.3**	1,896	186.9	(3.7%)	0.2%
Total	**8,749**	**316.4**	7,654	307.9	14.3%	2.8%

Total housing completions increased by 14.3% to 8,749 homes (2024 – 7,654 homes) and overall private output rose by 20.3% to 6,924 homes (2024 – 5,758 homes). There was a modest 3.7% decline in social housing output to 1,825 homes (2024 – 1,896 homes) which resulted in the proportion of social completions decreasing to a more normalised level of 20.9% of the total (2024 – 24.8%). We have good visibility on our near-term build programmes, and we expect social housing completions to be a similar proportion of the total in FY26.

The overall average selling price was in line with our expectations at £316,412 (2024 – £307,909). While there were some geographic and mix changes, underlying pricing and the level of incentives remained broadly stable through the year, and we currently expect the average selling price in FY26 to be around £320,000.

Underlying operating performance

The Group's strong commercial disciplines and proactive management of site-based overheads helped to alleviate some of the margin pressures faced during the year. Notwithstanding this, margins face ongoing pressures from the effects of residual cost inflation and extended site durations, and the absence of underlying house price inflation. As a result, the underlying gross margin increased only slightly to 16.4%[2,3] (2024 – 16.0%). Driven by this and the higher revenues in the year, underlying gross profit increased by 19.9% to £456.8m[2,3] (2024 – £381.1m).

Other operating income and expenses, which net to a modest expense of £1.3m (2024 – £1.2m), relate to the running of our part-exchange programme. Part-exchange activity remained disciplined and was used for only 3.8% (2024 – 2.8%) of completions with a balance sheet investment at 31 July 2025 of £25.3m (2024 – £14.5m). The Group has strong controls around the use of part-exchange homes as a selling tool, and we have the financial capacity to increase its use, in a controlled manner, if market conditions require it.

The underlying administrative expense rose by 7.2% to £152.0m[2,3] (2024 – £141.8m). The increase, which was in line with previous guidance, follows two years of broadly flat overheads and reflects the requirement to continue offering competitive reward packages to attract and retain talent to support our growth plans. It also includes the initial, pre-operational costs of our 'Bellway Home Space' timber frame facility.

The underlying operating margin increased to 10.9%[2,3] (2024 – 10.0%) and we currently expect it to be at a similar level at around 11.0%[2,3] in FY26.

The Group will continue with a disciplined approach to land investment and cost management, and with the support of stable conditions in the housing market, the Board is confident that an underlying operating margin in the mid-teens[2,3] is sustainable over the longer term.

Adjusting item: Net legacy building safety expense

The Group has allocated and committed significant resource and funding to remediate its legacy apartments, and we continue to make good progress on addressing building safety issues.

During the year, following a period of industry-wide delays in obtaining building access licences, developers and the Government committed to working together through a 'Joint Plan' to accelerate developer-led remediation.

In relation to legacy building safety, the net adjusting expense includes £37.4m through cost of sales (2024 – £19.9m), which relates to the movement in overall cost estimates for both the SRT and associated review and structural defects provisions. It also includes an adjusting finance expense for the year of £14.4m (2024 – £17.1m), which was in line with previous guidance. In total for FY25, a net pre-tax expense of £51.8m (2024 – £37.0m) has been recognised in relation to legacy building safety.

The following table shows the primary components of the net adjusting expense relating to legacy building safety, split by half year:

	H1 25 £m	H2 25 £m	FY25 £m	FY24 £m
SRT and associated review – cost of sales expense	3.2	47.7	50.9	6.1
SRT and associated review – cost of sales recoveries	(0.2)	-	(0.2)	(0.3)
Structural defects – cost of sales (credit)/expense	(0.9)	(12.4)	(13.3)	14.1
Net cost of sales expense	2.1	35.3	37.4	19.9
SRT and associated review – finance expense	6.4	6.2	12.6	15.9
Structural defects – finance expense	0.9	0.9	1.8	1.2
Total net legacy building safety expense	9.4	42.4	51.8	37.0

In relation to the SRT and associated review and as required by the Joint Plan, Bellway has now made determinations of which developments require works for all its legacy buildings in England and Wales. Following this accelerated and extensive survey programme, a higher proportion of legacy buildings were found to require works, both externally and internally, than was previously assumed, which has led to an increase in the SRT and associated review provision. This amounts to a net adjusting expense of £50.7m through cost of sales, which comprises £50.9m in relation to the increase in overall cost estimates, and a modest £0.2m of recoveries.

With regards to structural defects, a remediation strategy has now been finalised for an issue relating to a reinforced concrete frame identified at a high-rise apartment scheme in Greenwich, London in FY23. This strategy is less invasive than the remediation design applied in the previous year and has led to a reduction in the cost estimate for the Greenwich scheme of £19.3m.

During the year a mid-rise building was identified with a similar issue to the Greenwich building and has led to an expense recognised in cost of sales of £6.0m. This building was not included in the previous review undertaken by the Group as it was less than 18 metres in height and at the time of that review the Government required buildings to be classified into two groups by reference to height. The Group has carried out a further review in the year of all buildings over 11 metres in height constructed by, or on behalf of Bellway, where the same third parties responsible for the design of the frame at these two developments have been involved. To date, no other similar design issues with reinforced concrete frames have been identified. Overall in FY25 a net credit through cost of sales of £13.3m has been recognised in relation to historical structural defects.

The adjusting finance expense was £14.4m (2024 – £17.1m) and related to the unwinding of the discount on both the SRT and associated review provision and the structural defects provision. This is a technical interest unwind, which was in line with previous guidance. The adjusting finance expense is subject to a range of assumptions, and based on the 31 July 2025 forward looking discount rate, we currently anticipate an adjusting finance expense of around £15m in FY26.

The total amount Bellway has set aside for legacy buildings in England, Scotland and Wales since 2017 is £707.5m. Demonstrating our ongoing commitment to deliver appropriate solutions for legacy buildings, the Group has spent £191.1m since the start of the remediation programme, with a remaining provision of £516.4m at 31 July 2025.

During FY25, we have delivered against our requirements of the Joint Plan, with a particular focus on accelerating building surveys and procuring works. As at 31 July 2025, and including those buildings that have been awarded an application by the Building Safety Fund or ACM Funds, Bellway had a total of 168 buildings where work is complete or underway.

Looking ahead, our experienced site remediation teams remain focused on completing works as promptly and efficiently as possible. The Group has the operational and financial resources to meet its commitments for legacy building safety and we expect to make further strong progress in the current financial year and beyond.

Adjusting item: Competition and Markets Authority investigation

On 9 July 2025, the Competition and Markets Authority (‘CMA’) announced its intention to close its investigation into Bellway and six other UK housebuilders, accepting voluntary commitments from all parties.

Under the terms of the offered commitments, Bellway will contribute £13.5m to a total payment of £100m to be paid by the seven UK housebuilders in aggregate to Government programmes that fund and support the construction of affordable housing across the UK.

Bellway’s offer of commitments does not constitute an admission of any wrongdoing, and the CMA has made no determination as to the existence of any infringement of competition law. We will continue to work constructively with the CMA as the process concludes.

Bellway's voluntary contribution together with associated legal expenses, totalled £15.4m, and these have been recognised as an adjusting item through administrative expenses.

Net underlying finance expense

The rise in the net underlying finance expense to £12.9m[2,3] (2024 – £9.7m) was primarily due to the higher interest rates charged on the increased land creditor balance in the year. This resulted in a higher non-cash interest charge on land acquired on deferred terms of £14.9m (2024 – £11.1m). The total underlying non-cash related net finance expense in the year was £15.7m[2,3] (2024 – £11.5m), and cash related net finance income was £2.8m (2024 – £1.8m).

Based on prevailing interest rates the net underlying interest expense in FY26 is anticipated to be around £15m[2,3].

Profit for the year

Including our share of loss from joint ventures of £1.5m (2024 – £2.3m), which reflects upfront financing costs on a long-term scheme, underlying profit before taxation increased by 27.9% to £289.1m[2,3] (2024 – £226.1m). Reported profit before taxation was £221.9m (2024 – £183.7m).

The income tax expense was £64.4m (2024 – £53.2m), reflecting an effective tax rate of 29.0% (2024 – 29.0%). The effective tax rate reflects the standard rate of UK corporation tax of 25% and also includes the Residential Property Developer Tax ('RPDT'), which is charged at a rate of 4% of relevant taxable profits.

The underlying profit for the year rose by 30.6% to £209.7m[2,3] (2024 – £160.6m) and underlying earnings per share was 176.7p[2,3] (2024 – 135.2p). After considering the adjusting items, reported profit was £157.5m (2024 – £130.5m) and basic earnings per share was 132.8p (2024 – 109.8p).

Strong balance sheet and financial position

Bellway's well-capitalised balance sheet principally comprises amounts invested in land and work-in-progress. Within total inventories of £4,838.1m (2024 – £4,714.8m), the carrying value of land was £2,502.9m (2024 – £2,431.4m). The work-in-progress balance rose modestly to £2,165.0m (2024 – £2,123.9m).

We have maintained a strong balance sheet with net cash at 31 July 2025 of £41.8m[2] (2024 – net debt of £10.5m), and average net debt was £49.2m[2] (2024 – £45.8m). During the year, expenditure on land, including payment of land creditors, was £472m (2024 – £465m), primarily comprising cash payments on contracts approved in previous financial years.

Committed land obligations increased to £337.6m (2024 – £225.3m), with the movement reflecting a normalisation of land buying activity. The increase in committed land obligations and focus on better discipline around WIP investment has had a positive impact on cash from operations which increased to £222.0m (2024 – cash utilised in operations of £20.2m). Adjusted gearing, inclusive of land creditors, remains low at 8.3%[2] (2024 – 6.8%).

Capital allocation framework

During the year we have refreshed our approach to capital efficiency and embedded it across the Group. Our refined capital allocation framework is based on maintaining balance sheet strength and low gearing, driving capital efficiencies to increase cash generation, and optimising the balance between investment in growth and returns to shareholders.

At the core of our framework, we will run the business through the cycle with a strong and efficient balance sheet. As part of this, and as land investment has started to normalise, we expect a modest increase in the use of land creditors in the medium term to between 15% and 20% of land value (2025 – 13.5%).

The strength of our balance sheet will enable the Group to continue investing in attractive land opportunities to deliver long-term volume growth. Given the ongoing sluggish planning environment, we currently expect broadly flat average outlet numbers of around 245 in FY26, with potential for modest growth in FY27 and FY28. Notwithstanding these near-term planning constraints, with a stable market backdrop, we are well-positioned to increase volumes, and we are targeting volume output of around 10,000 homes by FY28, which equates to annual growth of between 4% and 5%.

Over this period, we expect to maintain our overall land bank at around current levels, with an increased contribution from our higher margin strategic land holdings. The targeted volume growth, coupled with the largely replacement only land strategy and focus on monetising our well-invested WIP position, will support healthy improvements in asset turn and WIP turn over the next three years.

In FY25 we delivered a significant increase in adjusted operating cashflow to £638.9m[2,3] (2024 – £425.2m). Looking ahead, we will leverage our strong land bank and WIP position to drive material improvements in adjusted operating cashflow conversion and support the return of excess capital to shareholders.

Today, we are initiating a share buyback programme which will return £150m over the next twelve months, and the Group intends to continue with the return of excess capital in future years.

Bellway also has a sustainable ordinary dividend policy. The proposed total ordinary dividend per share has risen by 29.6% to 70.0p for FY25 (2024 – 54.0p), which reflects the increase in underlying earnings.

Our ordinary dividend policy will be maintained with underlying dividend cover of 2.5 times[2,3], and our focus on delivering sustained growth in earnings will support a commensurate increase in future dividend payments.

Bellway remains focused on driving growth and an improvement in returns, and we are targeting a significant increase in underlying RoE in the years ahead. As part of our capital efficiency drive, management incentives are to be aligned with increasing cash generation and returns. A new long-term incentive plan, proposed for shareholder approval at this year's AGM, includes a challenging FY28 underlying pre-tax RoE stretch target of 14%[2,3], which would require exceptional delivery and more supportive market conditions.

Overall, our framework reflects our disciplined approach to capital allocation, and I am confident of delivering increased cash generation to meet the investment needs of the business, regular dividend payments and additional returns to shareholders.

Delivering value for shareholders

Net assets increased in the year to £3,556.2m (2024 – £3,465.4m), with the improvement in underlying profitability partly offset by cash dividend payments and adjusting items. As a result, NAV per share increased to 2,989p[2] (2024 – 2,913p).

Driven by an improvement in both asset turn and the underlying operating margin, our underlying pre-tax RoE was 170 bps higher at 8.2%[2,3] (2024 – 6.5%) and underlying RoCE increased by 160 bps to 8.7%[2,3] (2024 – 7.1%[6]).

The Board remains confident that, with supportive market conditions, Bellway is in an excellent position to capitalise on future growth opportunities. Together with our drive for greater cash generation and capital efficiency, we are well-placed to deliver multi-year growth in both asset turn and margin to deliver a sustained recovery in returns and ongoing value creation for our shareholders.

Shane Doherty
Chief Financial Officer
13 October 2025

‘Better with Bellway’

Our responsible and sustainable approach to business

‘Better with Bellway’ is our approach to acting responsibly and delivering sustainable homes. The strategy reflects our commitment to putting people and the environment first, is central to the underlying operations of the Group and includes ambitious targets for eight priority areas. Some recent highlights from our three flagship priority areas of Customers and Communities, Employer of Choice, and Carbon Reduction are included below.

Customers and Communities

Bellway aims to provide a consistently high service and quality homes to all our customers, and the efforts under our Customer First programme have resulted in the Group retaining its position as a five-star[5] homebuilder for the ninth consecutive year. This was awarded with an improved score of 95.4% (2024 – 91.6%) in the HBF’s most recent Customer Satisfaction survey, which asks customers whether they would recommend Bellway to a friend, when surveyed eight weeks after their moving date.

Bellway’s overall drive to deliver high-quality homes has been reflected by 47 of our site managers winning NHBC Pride in the Job Awards during the year (2024 – 45). This is the NHBC’s flagship competition for build quality across the UK and, from a field of over 8,000 site managers entering, only around 5% receive these awards.

We are also proud to report further improvement in our NHBC Construction Quality Review score, a measure of underlying construction quality. Our score has risen to 92.9% at 31 July 2025 (2024 – 89.9%), a record high for the Group.

Employer of Choice

Bellway is an ‘Employer of Choice’ in the industry by providing a safe, diverse and inclusive environment that our colleagues can thrive in, and we are very proud that this priority area of our ‘Better with Bellway’ strategy won the ‘Best Staff Development Award’ at the 2024 Housebuilder Awards.

There has also been an excellent response to our most recent employee engagement survey and despite the ongoing challenges in the market during the year, 91% of colleagues (2024 – 87%) said they would recommend Bellway as ‘a great place to work’.

Bellway is a fully accredited Living Wage Employer, which covers both directly employed and subcontracted labour, and we have an ongoing programme of structured apprenticeships and graduate training to help address the current skills gap in the UK construction industry. Overall, these measures will help to achieve our aim of increasing the proportion of employees in ‘earn and learn’ positions and support the ongoing success of the business.

Carbon Reduction

We have several research projects underway across the business to drive best practice for carbon reduction, and we have continued to make strong progress to meet our targets, which have been validated by the Science Based Targets initiative (‘SBTi’).

As a result of our initiatives, the Group’s scope 1 and scope 2 carbon emissions have reduced by 48% since our base year of 2019, and we have met our goal of a 46% reduction significantly ahead of the 2030 target.

The efforts of our colleagues and the work being carried across the research projects have been recognised through several industry awards, including ‘Best Carbon Reduction Innovation or Practice’ for the second year running at the 2024 Building Innovation Awards.

Looking ahead, to continue lowering our carbon footprint at Bellway, we are advancing our carbon reduction strategy, updating our targets, and aiming for Net Zero by 2045.

Further progress

The Group continues to make good headway towards the targets and KPIs set for the other priority areas within ‘Better with Bellway’, and we look forward to reporting further progress on our sustainability strategy with our Interim Results in March 2026.

All our targets and KPIs, together with further background information, are published on our website at www.bellwayplc.co.uk/sustainability.

Jason Honeyman
Chief Executive
13 October 2025

Group Income Statement
for the year ended 31 July 2025

	Note	2025 £m	2024 £m
Revenue	2	**2,782.8**	2,380.2
Cost of sales		**(2,363.4)**	(2,019.0)
Analysed as:			
Underlying cost of sales		**(2,326.0)**	(1,999.1)
Adjusting item: net legacy building safety expense	3	**(37.4)**	(19.9)
Gross profit		**419.4**	361.2
Other operating income		**69.3**	50.6
Other operating expenses		**(70.6)**	(51.8)
Administrative expenses		**(167.4)**	(147.2)
Analysed as:			
Underlying administrative expenses		**(152.0)**	(141.8)
Adjusting item: other exceptional items	3	**(15.4)**	(5.4)
Operating profit		**250.7**	212.8
Finance income	9	**9.6**	9.5
Finance expenses	9	**(36.9)**	(36.3)
Analysed as:			
Underlying finance expenses		**(22.5)**	(19.2)
Adjusting item: net legacy building safety expense	3, 9	**(14.4)**	(17.1)
Share of result of joint ventures		**(1.5)**	(2.3)
Profit before taxation		**221.9**	183.7
Income tax expense	5	**(64.4)**	(53.2)
Profit for the year *		**157.5**	130.5
Earnings per ordinary share – Basic	4	**132.8p**	109.8p
Earnings per ordinary share – Diluted	4	**131.8p**	109.0p

* All attributable to equity holders of the parent.

Adjusting items

	Note	2025 £m	2024 £m
Gross profit			
Gross profit per the Group Income Statement		**419.4**	361.2
Adjusting item: net legacy building safety expense	3	**37.4**	19.9
Underlying gross profit		**456.8**	381.1
Operating profit			
Operating profit per the Group Income Statement		**250.7**	212.8
Adjusting item: net legacy building safety expense	3	**37.4**	19.9
Adjusting item: other exceptional items	3	**15.4**	5.4
Underlying operating profit		**303.5**	238.1
Profit before taxation			
Profit before taxation per the Group Income Statement		**221.9**	183.7
Adjusting item: net legacy building safety expense	3	**51.8**	37.0
Adjusting item: other exceptional items	3	**15.4**	5.4
Underlying profit before taxation		**289.1**	226.1
Profit for the year			
Profit for the year per the Group Income Statement		**157.5**	130.5
Adjusting item: net legacy building safety expense	3	**51.8**	37.0
Adjusting item: other exceptional items	3	**15.4**	5.4
Adjusting item: income tax on exceptional items	3	**(15.0)**	(12.3)
Underlying profit for the year		**209.7**	160.6

Group Statement of Comprehensive Income
for the year ended 31 July 2025

	Note	2025 £m	2024 £m
Profit for the year		**157.5**	130.5
Other comprehensive expense			
Items that will not be recycled to the income statement:			
Remeasurement losses on defined benefit pension plans		**-**	(1.6)
Income tax on other comprehensive expense	5	**-**	0.5
Other comprehensive expense for the year, net of income tax		**-**	(1.1)
Total comprehensive income for the year *		**157.5**	129.4

* All attributable to equity holders of the parent.

Group Statement of Changes in Equity
at 31 July 2025

	Note	Issued capital	Share premium	Capital redemption reserve	Other reserves	Retained earnings	Total equity
		£m	£m	£m	£m	£m	£m
Balance at 1 August 2023		15.0	182.0	20.4	1.5	3,242.7	3,461.6
Total comprehensive income for the year							
Profit for the year		-	-	-	-	130.5	130.5
Other comprehensive expense *		-	-	-	-	(1.1)	(1.1)
Total comprehensive income for the year		-	-	-	-	129.4	129.4
Transactions with shareholders recorded directly in equity:							
Dividends on equity shares	12	-	-	-	-	(131.7)	(131.7)
Shares issued		-	1.2	-	-	-	1.2
Credit in relation to share options and tax thereon	5	-	-	-	-	5.3	5.3
Share buyback programme and cancellation of shares	11	(0.2)	-	0.2	-	(0.4)	(0.4)
Total contributions by and distributions to shareholders		(0.2)	1.2	0.2	-	(126.8)	(125.6)
Balance at 31 July 2024		14.8	183.2	20.6	1.5	3,245.3	3,465.4
Total comprehensive income for the year							
Profit for the year		-	-	-	-	157.5	157.5
Other comprehensive expense *		-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	-	157.5	157.5
Transactions with shareholders recorded directly in equity:							
Dividends on equity shares	12	-	-	-	-	(70.0)	(70.0)
Purchase of own shares		-	-	-	-	(1.0)	(1.0)
Shares issued		-	0.3	-	-	-	0.3
Credit in relation to share options and tax thereon	5	-	-	-	-	4.0	4.0
Total contributions by and distributions to shareholders		-	0.3	-	-	(67.0)	(66.7)
Balance at 31 July 2025		**14.8**	**183.5**	**20.6**	**1.5**	**3,335.8**	**3,556.2**

* An additional breakdown is provided in the Group Statement of Comprehensive Income.

Group Balance Sheet
at 31 July 2025

	Note	2025 £m	2024 £m
ASSETS			
Non-current assets			
Property, plant and equipment		**45.5**	30.2
Financial assets		**54.0**	47.7
Equity accounted joint arrangements		**0.1**	9.8
Deferred tax assets	5	**2.7**	-
Retirement benefit assets		**0.9**	0.9
		103.2	88.6
Current assets			
Inventories	6	**4,838.1**	4,714.8
Trade and other receivables		**81.0**	76.8
Corporation tax receivable		**0.4**	-
Cash and cash equivalents	8	**171.8**	119.5
		5,091.3	4,911.1
Total assets		**5,194.5**	4,999.7
LIABILITIES			
Non-current liabilities			
Interest-bearing loans and borrowings	8	**130.0**	130.0
Trade and other payables		**90.5**	93.6
Deferred tax liabilities	5	**-**	0.7
Provisions	7	**350.5**	376.5
		571.0	600.8
Current liabilities			
Corporation tax payable		**-**	7.9
Trade and other payables		**901.4**	792.9
Provisions	7	**165.9**	132.7
		1,067.3	933.5
Total liabilities		**1,638.3**	1,534.3
Net assets		**3,556.2**	3,465.4
EQUITY			
Issued capital		**14.8**	14.8
Share premium	11	**183.5**	183.2
Capital redemption reserve	11	**20.6**	20.6
Other reserves		**1.5**	1.5
Retained earnings	11	**3,335.8**	3,245.3
Total equity		**3,556.2**	3,465.4

Group Cash Flow Statement
for the year ended 31 July 2025

	Note	2025	2024
		£m	£m
Cash flows from operating activities			
Profit for the year		**157.5**	130.5
Depreciation charge		**5.5**	5.1
Finance income	9	**(9.6)**	(9.5)
Finance expenses	9	**36.9**	36.3
Share-based payment expense		**4.6**	4.5
Share of post tax result of joint ventures		**1.5**	2.3
Income tax expense	5	**64.4**	53.2
Increase in inventories	6	**(101.9)**	(139.2)
(Increase)/decrease in trade and other receivables		**(4.4)**	11.5
Increase/(decrease) in trade and other payables		**74.7**	(98.8)
Decrease in provisions	7	**(7.2)**	(16.1)
Cash from/(utilised in) operations		**222.0**	(20.2)
Interest paid		**(6.7)**	(6.8)
Income tax paid		**(76.1)**	(38.5)
Net cash inflow/(outflow) from operating activities		**139.2**	(65.5)
Cash flows from investing activities			
Acquisition of subsidiary, net of cash acquired		**(4.6)**	-
Acquisition of property, plant and equipment		**(11.9)**	(1.4)
Increase in loans to joint ventures		**(6.5)**	(13.9)
Repayment of loans by joint ventures		**3.3**	-
Dividends from joint ventures		**3.1**	2.0
Interest received		**3.7**	5.3
Net cash outflow from investing activities		**(12.9)**	(8.0)
Cash flows from financing activities			
Payment of lease liabilities		**(3.3)**	(3.6)
Proceeds from the issue of share capital on exercise of share options		**0.3**	1.2
Purchase of own shares		**(1.0)**	-
Share buyback programme		**-**	(34.9)
Dividends paid	12	**(70.0)**	(131.7)
Net cash outflow from financing activities		**(74.0)**	(169.0)
Net increase/(decrease) in cash and cash equivalents		**52.3**	(242.5)
Cash and cash equivalents at beginning of year		**119.5**	362.0
Cash and cash equivalents at end of year	8	**171.8**	119.5

Notes

1. Basis of preparation and accounting policies

a) Basis of consolidation

Bellway p.l.c. (the 'Company') is a company incorporated in England and Wales.

The financial information set out above does not constitute the Group's statutory financial statements for the years ended 31 July 2025 or 2024, but is derived from those financial statements. Statutory financial statements for 2024 have been delivered to the registrar of companies, and those for 2025 will be delivered in due course. The auditor, Ernst & Young LLP, has reported on those financial statements; their reports were (i) unqualified, (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

Whilst the financial information included in this announcement has been prepared in accordance with Adopted IFRSs, this announcement does not itself contain sufficient information to comply with Adopted IFRSs. The Group expects to send its 2025 Annual Report and Accounts to shareholders on 27 October 2025.

b) Other financial statement considerations

In preparing the Group financial statements, management has considered the impact of climate change, and the possible impact of climate-related and other emerging business risks. A rigorous assessment of the impact of climate-related risks has been performed, and disclosed in the Strategic Report, in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures. This included an assessment of inventories and how they could be affected by measures taken to address global warming. No issues were identified that would materially impact the carrying values of either the Group's assets or liabilities, or have any other material impact on the financial statements.

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The accounting policies set out within the notes to the financial statements have been applied consistently to all periods presented in these consolidated financial statements.

c) Going concern

The Group's activities are financed principally by a combination of ordinary shares and cash in hand less debt. At 31 July 2025, Bellway had net cash of £41.8m[2] (note 8), having generated cash of £52.3m (note 8) during the year, including £222.0m of cash generated from operations.

The Group has operated within all its debt covenants throughout the year, and covenant compliance was considered as part of the going concern assessment. In addition, the Group had bank facilities of £400.0m at 31 July 2025, expiring in tranches up to December 2029. Furthermore, in February 2021 the Group entered into a contractual arrangement to issue a sterling US Private Placement ('USPP') for a total amount of £130.0m, as part of its ordinary course of business financing arrangements, which has maturity dates in 2028 and 2031. In aggregate, the Group had committed debt lines of £530.0m at 31 July 2025.

Including committed debt lines and cash, Bellway had access to total funds of £571.8m, along with net current assets (excluding cash) of £3,852.2m at 31 July 2025, providing the Group with appropriate liquidity to meet its current liabilities as they fall due.

The Group's internal forecasts have been regularly updated, incorporating our actual experience along with our expected future outturn. The latest available base forecast has been sensitised, setting out the Group's resilience to the principal risks and uncertainties in the most severe but plausible scenario. The sensitivity includes a recession due to economic uncertainty and a deterioration in customer confidence. This could lead to a reduction in both the total number of legal completions and private average selling price, with overheads, land spend and construction spend reducing accordingly.

Notes (continued)

1. Basis of preparation and accounting policies (continued)

This sensitivity includes the following principal assumptions:

- Private completions in H1 FY26 are supported by the forward order book. In the 12 months to 31 January 2027, private completions reduce by around 50% compared to the 12 month pre-stress peak achieved in FY22. This is followed by a gradual recovery based on the lower base position.

- Private average selling price in H1 FY26 remains in line with internal forecasts due to the forward order book position. In the 12 months to 31 January 2027, the private average selling price reduces by 10% compared to the latest achieved pricing. This is followed by a gradual recovery based on the lower base position.

- These assumptions reflect the Group's experience in the 2008-09 Global Financial Crisis.

A number of prudent mitigating actions within the Directors' control were incorporated into the plausible but severe downside scenario, including:

- Plots in the land bank only being replaced at the same rate that they are utilised.

- Construction spend reducing in line with housing revenue.

- Dividends reducing in line with earnings.

The sensitivity analysis was modelled over the period to 31 July 2027 for the going concern assessment, but extended to 31 July 2029 for the Directors' long-term viability assessment. In addition to the above, several additional mitigating measures remain available to management that were not included in the scenario. These include withholding discretionary land spend and instead trading out of the substantial existing land holdings.

In the scenario, the Group had significant headroom in both its financial debt covenants and existing debt facilities and met its liabilities as they fall due. In relation to climate risks, and in particular the requirement of the Group to reduce carbon emissions, the going concern assessment is not considered to be materially affected by the Future Homes Standard.

The Directors consider that the Group is well placed to manage business and financial risks in the current economic environment. Consequently, the Directors are confident that the Group and Company will have sufficient funds to continue to meet its liabilities as they fall due for the period to 31 July 2027, aligning with the first year end after the minimum 12 month assessment period, and have therefore prepared the financial statements on a going concern basis.

d) Accounting policies

Effect of new standards and amendments effective for the first time

The Group adopted and applied the following amendments in the year, none of which had a material effect on the financial statements:

- Classification of Liabilities as Current or Non-current and Non-current liabilities with covenants – Amendments to IAS 1 'Presentation of Financial Statements';

- Lease Liability in Sale and Leaseback – amendments to IFRS 16 'Leases'; and

- Supplier Finance Arrangements – amendments to IAS 7 'Statement of Cash Flows' and IFRS 7 'Financial Instruments Disclosure'.

Notes (continued)

1. Basis of preparation and accounting policies (continued)

Standards and amendments in issue but not yet effective

At the date of authorisation of these financial statements there were a number of standards and amendments which were in issue but not yet effective. These have not been applied in these financial statements and are not expected to have a material effect when adopted.

e) Accounting estimates and judgements

While preparing these financial statements, the Directors are required to make significant estimates and judgements that could have a significant effect on these financial statements when applying the Group's accounting policies.

When preparing these financial statements, the major judgements in applying the Group's accounting policies and the major sources of estimation uncertainty were those applied in the Group's 2024 Annual Report and Accounts.

2. Segmental analysis

The Executive Board (the Chief Operating Decision Maker as defined in IFRS 8 'Operating Segments') regularly reviews the Group's performance and balance sheet position at both a consolidated and divisional level. Each division is an operating segment as defined by IFRS 8 in that the Executive Board assesses performance and allocates resources at this level. All of the divisions have been aggregated in to one reporting segment on the basis that they share similar economic characteristics including:

- National supply agreements are in place for key inputs including materials.
- Debt is raised centrally and the cost of capital is the same at each division.
- Sales demand at each division is subject to the same macroeconomic factors, such as mortgage availability and Government policy.

Additional information on average selling prices and the unit sales split between private and social has been included in the Chief Financial Officer's Review. The Board does not, however, consider these categories to be separate reportable segments as they review the entire operations at a consolidated and divisional level when assessing performance and making decisions about the allocation of resources.

Revenue from contracts with customers

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

	Housing completions		**Revenue**	
	2025 Number	2024 Number	**2025 £m**	2024 £m
Housing - private	**6,924**	5,758	**2,426.4**	2,002.3
Housing - social	**1,825**	1,896	**341.9**	354.4
Total housing	**8,749**	7,654	**2,768.3**	2,356.7
Non-housing revenue	**-**	-	**14.5**	23.5
Total	**8,749**	7,654	**2,782.8**	2,380.2

3. Net legacy building safety expense and other exceptional items

Profit before taxation for the years ended 31 July 2025 and 31 July 2024 has been arrived at after recognising the following items in the income statement:

	SRT and associated review £m	Structural defects £m	**2025 Total net legacy building safety expense £m**	Other exceptional items £m	**Total adjusting items £m**
Provisions (note 7)	50.9	(13.3)	**37.6**	-	**37.6**
Reimbursement assets (note 7)	(0.2)	-	**(0.2)**	-	**(0.2)**
Net cost of sales	50.7	(13.3)	**37.4**	-	**37.4**
Administrative expenses	-	-	**-**	15.4	**15.4**
Finance expenses (notes 7, 9)	12.6	1.8	**14.4**	-	**14.4**
Total net legacy building safety expense and other exceptional items	**63.3**	**(11.5)**	**51.8**	**15.4**	**67.2**

	SRT and associated review £m	Structural defects £m	2024 Total net legacy building safety expense £m	Other exceptional items £m	Total adjusting items £m
Provisions	6.1	14.1	20.2	-	20.2
Reimbursement assets	(0.3)	-	(0.3)	-	(0.3)
Net cost of sales	5.8	14.1	19.9	-	19.9
Administrative expenses	-	-	-	5.4	5.4
Finance expenses (note 9)	15.9	1.2	17.1	-	17.1
Total net legacy building safety expense and other exceptional items	21.7	15.3	37.0	5.4	42.4

The income tax rate applied to the exceptional items in the income statement is the Group's standard rate of 29.0% (2024 – 29.0%), inclusive of corporation tax and Residential Property Developer Tax ('RPDT'), adjusted for the impact of non-deductible items.

SRT and associated review

Bellway continues to act responsibly with regards to building and resident safety, and this is reflected by the significant resource and funding the Group has committed to remediate its legacy apartments.

In March 2023 the Group signed the SRT with DLUHC. Under the terms of the SRT, developers have agreed to identify and remediate, life-critical fire safety defects in residential buildings over 11 metres in height that they have developed or refurbished since April 1992. The Group contractually committed to remediate its legacy buildings in both Wales and Scotland by signing the Pact with The Welsh Ministers (the 'Pact') in May 2023 and the Scottish Safer Buildings Accord in July 2023.

Signing the SRT has led to improved clarity on the standards required for internal and external remediation, including Publicly Available Specification ('PAS') 9980:2022, which is the code of practice for Fire Risk Appraisals of External Wall ('FRAEW') construction. Buildings are deemed to be assessed under the requirements of the SRT when a qualifying assessment has been approved by the MHCLG. This requires the completion of both a FRAEW and a Fire Safety Assessment ('FSA').

In total, for the year ended 31 July 2025 Bellway set aside a net exceptional pre-tax expense of £63.3m (2024 – £21.7m), in relation to the SRT and associated review. Of this expense, a net £50.7m (2024 – £5.8m) is recognised in cost of sales and an adjusting finance expense of £12.6m (2024 – £15.9m) in relation to the unwinding of the discount of the provision to present value. The net expense recognised in cost of sales includes an expense of £81.6m (2024 – £32.7m) relating to cost estimate increases, and a further expense of £0.2m (2024 – £6.7m) following a decrease (2024 – decrease) in discount rates during the period (note 7), which are offset by provision releases of £30.9m (2024 – £33.3m).

Notes (continued)

3. Net legacy building safety expense and other exceptional items (continued)

The net exceptional cost of sales expense includes one-off cost recoveries of £0.2m (2024 – £0.3m),across several sites, which have been pursued for several years.

The total amount Bellway has set aside in relation to the SRT and associated review since 2017 is £673.2m (2024 – £609.7m). Costs have been provided regardless of whether Bellway still retains ownership of the freehold interest in the building or whether warranty providers have a responsibility to carry out remedial works.

We have undertaken an extensive survey program in the year as required by the Joint Plan, such that we have now made determinations of which buildings require works for all buildings in England and Wales. A higher proportion of buildings were found to require works, both externally and internally, than was previously assumed which has led to an increase in the provision.

Cost estimates have been reviewed and updated in the year based on the latest scopes following surveys undertaken, tendered works and progress with remediation. These cost estimates are based on our extensive experience to date, using analysis of previously tendered works, costs to date on similar developments and prudent, professional estimates based on knowledge of known issues.

The provision calculation uses the expected timings of cash outflows which are adjusted for future estimated cost inflation in accordance with the Build Cost Information Service ('BCIS') index, a leading provider of cost and price information to the construction industry. The provision is discounted back to a present value using UK gilt rates with maturities which reflect the expected timing of cash outflows. The unwinding of this discount is charged through the income statement as an adjusting finance expense. The majority of the cash outflow is expected to be over the next five years, although there will be some residual expenditure beyond this. The anticipated timing reflects the complex issues around remediation including identifying the works required, design and planning obligations, interpretation of the PAS 9980:2022, liaison and negotiations with building owners, appointment of contractors and time taken to obtain access licences.

As at 31 July 2025, and including those buildings that have been awarded an application by the Building Safety Fund or ACM Funds, Bellway had a total of 168 buildings where work is complete or underway.

Total recoveries recognised since 2017 are £80.5m (2024 – £80.3m). Reimbursement assets of £0.1m (2024 – £0.1m) remained outstanding at the year end.

A recovery of £4.7m was awarded during the year under adjudication with one subcontractor; however, as this recovery is not virtually certain, it has not been recognised in the financial statements.

Structural defects

The Building Safety Act 2022 introduced an amendment to the limitation period applicable to claims under the Defective Premises Act 1972, retrospectively increasing the liability period for structural defects in all dwellings built prior to 28 June 2022 from 6 years to 30 years.

Due to the change in legislation establishing a retrospective legal obligation for structural defects in dwellings, this is seen as a highly unusual event and is the primary reason the structural defects provision is treated as an adjusting item.

During the year ended 31 July 2023 a structural defect relating to the reinforced concrete frame was identified at a historical high-rise apartment scheme in Greenwich, London.

During the current year, following a further review of historical buildings, the Group was notified of the same structural defect at a mid-rise apartment scheme in Slough, which completed in 2006. This building also has a reinforced concrete frame and was designed by the same structural engineer. This building was not included in the previous review undertaken by the Group as it was less than 18 metres in height and at the time of that review the government required buildings to be classified into two groups by reference to height. The taller group, considered to be the higher risk buildings were classified as above 18 metres in height, and this formed the basis of the initial review. The definition of a higher risk building was widened as part of the Building Safety Act 2022 to include buildings with seven or more storeys, with the Slough site meeting this wider definition.

Notes (continued)

3. Net legacy building safety expense and other exceptional items (continued)

The increase in the limitation period means Bellway has a legal obligation for undertaking the remedial works at both the Greenwich and Slough sites.

The Group has carried out a further review in the year of all buildings over 11 metres in height constructed by, or on behalf of Bellway, where the same third parties responsible for the design of the reinforced concrete frame at these two developments have been involved. To date, no other similar design issues with reinforced concrete frames have been identified.

The current provision for the cost of the remediation work across both buildings is £33.5m (2024 – £45.6m).

During the year, the remediation strategy has been finalised for the Greenwich scheme. This strategy is less invasive than the remediation design applied in the previous year which has led to a reduction in the cost estimate. This cost estimate is based on an expert third-party report and reflects management's expected scope of works.

In total, for the year ended 31 July 2025 Bellway recognised an exceptional pre-tax credit of £11.5m (2024 – expense of £15.3m), in relation to the structural defects. Of this, a credit of £13.3m (2024 – expense of £14.1m) is recognised in cost of sales.

The net credit recognised in cost of sales includes an expense of £6.0m (2024 – £13.8m) relating to the cost estimate for the additional building identified, and a further expense of £0.2m (2024 – £0.3m) following a decrease (2024 – decrease) in discount rates during the year (note 7), which are offset by provision releases of £19.5m (2024 – nil).

The provision calculation uses the expected timings of cash outflows which are adjusted for future estimated cost inflation in accordance with the BCIS index. The provision is discounted back to a present value using UK gilt rates with maturities which reflect the expected timing of cash outflows. The unwinding of this discount is charged through the income statement as an adjusting finance expense.

We are actively seeking recoveries in relation to the structural defects identified, but as these are not virtually certain at the balance sheet date, no reimbursement assets have been recognised.

The cash outflow is expected to be over the next three years.

Other exceptional items

During the prior year, the Group announced that it made an all-share offer to acquire Crest Nicholson Holdings plc. On 13 August 2024, the Board decided not to progress with this acquisition and recognised £nil (2024 – £5.4m) of costs associated with this aborted transaction as exceptional.

In the current year, there is an expense of £15.4m (2024 – £nil) for costs incurred relating to the CMA market investigation, including a voluntary commitment to the CMA. These non-recurring costs have been classified as exceptional given their size and nature. The voluntary commitment is included in accruals and is expected to be paid within three months from the CMA accepting the commitments.

Bellway has engaged proactively with the CMA throughout its investigation, including by voluntarily offering binding commitments, alongside the six other housebuilders, in response to the potential concerns investigated by the CMA, and with a view to resolving expeditiously the investigation. Under the terms of the offered commitments, Bellway will contribute £13.5m to a total payment of £100m to be paid by the seven UK housebuilders in aggregate to government programmes that fund and support the construction of affordable housing across the UK. Bellway's offer of commitments does not constitute an admission of any wrongdoing, and the CMA has made no determination as to the existence of any infringement of competition law. Bellway welcomes the CMA's consultation on the voluntary commitments and will continue to work constructively with the CMA throughout the process.

Notes (continued)

4. Earnings per ordinary share

Basic earnings per ordinary share is calculated by dividing profit for the year by the weighted average number of ordinary shares in issue during the year (excluding the weighted average number of ordinary shares held by the Company or Trust which are treated as cancelled).

Diluted earnings per ordinary share uses the same profit for the year figure as the basic calculation. The weighted average number of shares has been adjusted to reflect the dilutive effect of outstanding share options allocated under employee share schemes where the market value exceeds the option price. Diluted earnings per ordinary share is calculated by dividing profit for the year by the diluted weighted average number of ordinary shares.

Reconciliations of the profit for the year and weighted average number of shares used in the calculations are outlined below:

	Profit for the year 2025 £m	**Weighted average number of ordinary shares 2025 Number**	**Earnings per share 2025 p**	Profit for the year 2024 £m	Weighted average number of ordinary shares 2024 Number	Earnings per share 2024 p
For basic earnings per ordinary share	**157.5**	**118,644,063**	**132.8**	130.5	118,830,821	109.8
Dilutive effect of options and awards		**889,652**	**(1.0)**		846,522	(0.8)
For diluted earnings per ordinary share	**157.5**	**119,533,715**	**131.8**	130.5	119,677,343	109.0

Underlying basic and underlying diluted earnings per share exclude the effect of adjusting items and any associated net tax amounts. Reconciliations of these are outlined below:

	Underlying profit for the year 2025 £m	**Weighted average number of ordinary shares 2025 Number**	**Underlying earnings per share 2025 p**	Underlying profit for the year 2024 £m	Weighted average number of ordinary shares 2024 Number	Underlying earnings per share 2024 p
For basic underlying earnings per ordinary share	**209.7**	**118,644,063**	**176.7**	160.6	118,830,821	135.2
Dilutive effect of options and awards		**889,652**	**(1.3)**		846,522	(1.0)
For diluted underlying earnings per ordinary share	**209.7**	**119,533,715**	**175.4**	160.6	119,677,343	134.2

Notes (continued)

5. Taxation

The effective tax expense is 29.0% of profit before taxation (2024 – 29.0%). Both the standard tax rate and effective tax rate include RPDT.

As part of the UK adoption of the Organisation for Economic Cooperation and Development ('OECD') Pillar Two rules, the UK government announced two new taxes, the Multinational Top-up Tax and the Domestic Top-up Tax which are designed to ensure corporations pay tax at a rate of at least 15%. The Domestic Top-up Tax applied to the Group from 1 August 2024. As the Group's current effective tax rate is in excess of 15%, the introduction of this has not affected Bellway and no additional tax is expected to be due. The Multinational Top-up Tax does not affect Bellway. The Group applies the exception to recognising and disclosing information about deferred tax assets and liabilities relating to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023.

It is currently expected that the Group's standard rate of tax, including RPDT, for the year ending 31 July 2026 will be 29%.

The carrying amount of the gross deferred tax assets are reviewed at each balance sheet date and are recognised to the extent that there will be sufficient taxable profits to allow the asset to be recovered.

The deferred tax assets/(liabilities) held by the Group are valued at the substantively enacted corporation tax and RPDT rates totalling 29% that will be effective when they are expected to be realised.

6. Inventories

	2025 £m	2024 £m
Land	**2,502.9**	2,431.4
Work-in-progress	**2,165.0**	2,123.9
Showhomes	**144.9**	145.0
Part-exchange properties	**25.3**	14.5
Total	**4,838.1**	4,714.8

In the ordinary course of business, inventories have been written down by a net £1.2m in the year (2024 – £8.2m).

The Directors consider all inventories to be essentially current in nature although the Group's operational cycle is such that a proportion of inventories will not be realised within 12 months. It is not possible to determine with accuracy when specific inventory will be realised as this is subject to a number of factors including consumer demand and planning permission delays.

Notes (continued)

7. Provisions and reimbursement assets

	SRT and associated review			Structural defects			Total legacy building safety improvements		
	Provision	Reimbursement assets	Total	Provision	Reimbursement assets	Total	Provision	Reimbursement assets	Total
	£m	£m	£m	£m	£m	£m	£m	£m	£m
At 1 August 2024	(463.6)	0.1	(463.5)	(45.6)	-	(45.6)	(509.2)	0.1	(509.1)
Adjusting item – cost of sales (note 3)	(50.9)	0.2	(50.7)	13.3	-	13.3	(37.6)	0.2	(37.4)
Analysed as:									
Additions	(81.6)	0.2	(81.4)	(6.0)	-	(6.0)	(87.6)	0.2	(87.4)
Released	30.9	-	30.9	19.5	-	19.5	50.4	-	50.4
Change in discount rate	(0.2)	-	(0.2)	(0.2)	-	(0.2)	(0.4)	-	(0.4)
Utilised/(received)	44.2	(0.2)	44.0	0.6	-	0.6	44.8	(0.2)	44.6
Unwinding of discount (notes 3, 9)	(12.6)	-	(12.6)	(1.8)	-	(1.8)	(14.4)	-	(14.4)
At 31 July 2025	**(482.9)**	**0.1**	**(482.8)**	**(33.5)**	**-**	**(33.5)**	**(516.4)**	**0.1**	**(516.3)**

The provision is classified as follows:

	SRT and associated review	Structural defects	Total legacy building safety improvements
	£m	£m	£m
Current	(164.8)	(1.1)	(165.9)
Non-current	(318.1)	(32.4)	(350.5)
Total	**(482.9)**	**(33.5)**	**(516.4)**

The Group has established a provision for the cost of performing fire remedial works on a number of legacy developments and structural defects relating to historical apartment schemes (note 3).

8. Analysis of net cash/(debt)

	At 1 August 2024	Cash flows	**At 31 July 2025**
	£m	£m	**£m**
Cash and cash equivalents	119.5	52.3	**171.8**
Fixed rate sterling USPP notes	(130.0)	-	**(130.0)**
Net (debt)/cash	(10.5)	52.3	**41.8**

Notes (continued)

9. Finance income and expenses

	2025 £m	2024 £m
Interest receivable on short-term bank deposits	**3.8**	3.8
Other interest receivable	**5.8**	5.7
Finance income	**9.6**	9.5

	2025 £m	2024 £m
Interest payable on bank loans	**3.4**	3.8
Interest payable on fixed rate sterling USPP notes	**3.4**	3.4
Interest on deferred term land payables	**14.9**	11.1
Unwinding of the discount on the legacy building safety improvements provision (notes 3, 7)	**14.4**	17.1
Interest payable on leases	**0.8**	0.4
Other interest payable	**-**	0.5
Finance expenses	**36.9**	36.3

The unwinding of the discount on the legacy building safety improvements provision is an adjusting item (note 3).

10. Financial instruments - fair value disclosures

The fair value of financial assets and liabilities are determined based on discounted cash flow analysis using prevailing market rates for similar instruments.

The carrying values of financial assets and liabilities reasonably approximate the fair value of the instruments.

11. Reserves

Share premium

This reserve is not distributable.

Own shares held

Bellway p.l.c. holds shares within the Bellway Employee Share Trust (1992) (the 'Trust'), on which dividends have been waived, for participants of certain share-based payment schemes. The cost of these is charged to retained earnings.

	2025 Number	2024 Number
At start of year	**326,114**	327,202
Transferred to employees or Directors	**(1,000)**	(1,088)
Shares purchased	**44,983**	-
At end of year	**370,097**	326,114

	2025 £m	2024 £m
Cost of shares held in the Trust	**9.8**	8.8
Market value of shares held in the Trust	**9.2**	9.3

Capital redemption reserve

On 7 April 2014 the Group redeemed 20,000,000 £1 preference shares, being all of the preference shares in issue. An amount of £20.0m, equivalent to the nominal value of the shares redeemed, was transferred to a capital redemption reserve on the same date.

Over the course of the calendar year 2023 Bellway p.l.c. purchased 4,560,057 of its own shares which it cancelled. On cancellation of the shares, the aggregate nominal value of £0.6m was transferred from issued capital to the capital redemption reserve. This reserve is not distributable.

11. Reserves (continued)

	2025 £m	2024 £m
At start of year	**20.6**	20.4
Amounts transferred in respect of own shares purchased and cancelled during the year	**-**	0.2
At end of year	**20.6**	20.6

12. Dividends on equity shares

	2025 £m	2024 £m
Amounts recognised as distributions to equity holders in the year:		
Final dividend for the year ended 31 July 2024 of 38.0p per share (2023 – 95.0p)	**45.1**	112.7
Interim dividend for the year ended 31 July 2025 of 21.0p per share (2024 – 16.0p)	**24.9**	19.0
	70.0	131.7
Proposed final dividend for the year ended 31 July 2025 of 49.0p per share (2024 – 38.0p)	**58.1**	45.1

The 2025 proposed final dividend is subject to approval by shareholders at the Annual General Meeting on 27 November 2025 and, in accordance with IAS 10 'Events after the Reporting Period', has not been included as a liability in these financial statements. The proposed final dividend, subject to shareholder approval, will be paid on 14 January 2026 to all ordinary shareholders on the Register of Members on 5 December 2025. The ex-dividend date is 4 December 2025. At the record date for the final dividend for the year ended 31 July 2024, shares were held by the Trust on which dividends had been waived (see note 11).

The level of distributable reserves are sufficient in comparison to the proposed dividend.

13. Contingent liabilities

SRT and associated review

We continue to take a proactive approach to nationwide concerns with regards to fire safety in high-rise buildings across the UK. Bellway recognises its responsibilities in its legacy apartment portfolio and continues to review combustion risks, in external wall systems, on past high-rise developments.

As detailed in note 3, Bellway has identified a number of developments, which obtained building regulation approval at the time of construction, where the building materials used may not fully comply with the most recent government guidance or where remedial works may need to be performed in line with the SRT, Welsh Pact or Scottish Safer Buildings Accord. For these developments we have established that the cost of the remedial works satisfies the accounting requirements of a provision at the balance sheet date. While a prudent approach has been taken, the extent of the provision could increase or reduce in line with normal accounting practice, if new issues are identified or if estimates change, as Bellway and building owners continue to undertake investigative works on these and other schemes within the legacy portfolio.

Notes (continued)

14. Alternative performance measures

Bellway uses a variety of alternative performance measures ('APMs') which, although financial measures of either historical or future performance, financial position or cash flows, are not defined or specified by IFRSs. The Directors use a combination of APMs and IFRS measures when reviewing the performance, position and cash of the Group.

The APMs used by the Group are defined below:

- **Underlying gross profit and underlying operating profit** – Both of these measures are stated before net legacy building safety expense and other exceptional items, and are reconciled to total gross profit and total operating profit on the face of the Group income statement. The Directors consider that the removal of the net legacy building safety expense and other exceptional items provides a better understanding of the underlying performance of the Group.

- **Underlying gross margin** – This is gross profit before net legacy building safety expense and other exceptional items, divided by total revenue. The Directors consider this to be an important indicator of the underlying trading performance of the Group.

- **Underlying administrative expenses as a percentage of revenue** – This is calculated as the administrative expenses before any directly attributable administrative expenses relating to the net legacy building safety expense and other exceptional items divided by total revenue. The Directors consider this to be an important indicator of how efficiently the Group is managing its administrative overhead base.

- **Administrative expenses as a percentage of revenue** – This is calculated as the total administrative expenses divided by total revenue. The Directors consider this to be an important indicator of how efficiently the Group is managing its administrative overhead base.

- **Underlying operating margin** – This is operating profit before net legacy building safety expense and other exceptional items divided by total revenue. The Directors consider this to be an important indicator of the operating performance of the Group.

- **Net underlying finance expense** – This is the net finance expense before any directly attributable finance expense or finance income relating to the net legacy building safety expense and other exceptional items. The Directors consider this to be an important measure when assessing whether the Group is using the most cost effective source of finance.

- **Net finance expense** – This is finance expenses less finance income. The Directors consider this to be an important measure when assessing whether the Group is using the most cost effective source of finance.

- **Underlying profit before taxation** – This is the profit before taxation before net legacy building safety expense and other exceptional items. The Directors consider this to be an important indicator of the profitability of the Group before taxation.

- **Underlying profit for the year** – This is the profit for the year before net legacy building safety expense and other exceptional items. The Directors consider this to be an important indicator of the profitability of the Group.

- **Underlying earnings per share** – This is calculated as underlying profit for the year divided by the weighted average number of ordinary shares in issue during the year (excluding the weighted average number of ordinary shares held by the Company or Trust which are treated as cancelled). This is calculated in note 4.

- **Underlying dividend cover** – This is calculated as underlying profit for the year per ordinary share divided by the dividend per ordinary share relating to that period. At the half year the dividend per ordinary share is the proposed interim ordinary dividend, and for the full year it is the interim dividend paid plus the proposed final dividend. The Directors consider this an important indicator of the proportion of underlying earnings paid to shareholders and reinvested in the business.

- **Dividend cover** – This is calculated as earnings per ordinary share for the period divided by the dividend per ordinary share relating to that period. At the half year the dividend per ordinary share is the proposed interim ordinary dividend, and for the full year it is the interim dividend paid plus the proposed final dividend. The Directors consider this an important indicator of the proportion of earnings paid to shareholders and reinvested in the business.

Notes (continued)

14. Alternative performance measures (continued)

- **Capital invested in land, net of land creditors, and work-in-progress** – This is calculated as shown in the table below. The Directors consider this as an indicator of the net investment by the Group in the period to achieve future growth.

Per balance sheet	**2025 £m**	**2024 £m**	**Mvt £m**	2024 £m	2023 £m	Mvt £m
Land	**2,502.9**	**2,431.4**	**71.5**	2,431.4	2,578.8	(147.4)
Work-in-progress	**2,165.0**	**2,123.9**	**41.1**	2,123.9	1,861.6	262.3
Increase in capital invested in land and work-in-progress in the year			**112.6**			114.9
Land creditors	**(337.6)**	**(225.3)**	**(112.3)**	(225.3)	(368.8)	143.5
Increase in capital invested in land, net of land creditors, and work-in-progress in the year			**0.3**			258.4

- **Net asset value per ordinary share ('NAV')** – This is calculated as total net assets divided by the number of ordinary shares in issue at the end of each period. The Directors consider this to be a proxy when reviewing whether value, on a share by share basis, has increased or decreased in the period.

- **Capital employed** – Capital employed is defined as the total of equity plus net debt or less net cash. The Directors consider this to be an important indicator of the operating efficiency and performance of the Group. The definition has been updated in the year as explained below in the calculation for underlying return on capital employed.

- **Underlying return on capital employed ('underlying RoCE')** – This is calculated as operating profit before net legacy building safety expense and other exceptional items divided by the average capital employed. Average capital employed is calculated based on opening, half year and closing capital employed. The calculation is shown in the table below. The Directors consider this to be an important indicator of whether the Group is achieving a sufficient return on its investments.

	2025 Capital employed £m	**2025 Land creditors £m**	**2025 Capital employed including land creditors £m**	*Restated 2024 Capital employed £m	2024 Land creditors £m	*Restated 2024 Capital employed including land creditors £m
Underlying operating profit	**303.5**		**303.5**	238.1		238.1
Capital employed/land creditors:						
Opening	**3,475.9**	**225.3**	**3,701.2**	3,229.6	368.8	3,598.4
Half year	**3,530.4**	**289.7**	**3,820.1**	3,357.6	238.5	3,596.1
Closing	**3,514.4**	**337.6**	**3,852.0**	3,475.9	225.3	3,701.2
Average	**3,506.9**	**284.2**	**3,791.1**	3,354.4	277.5	3,631.9
Underlying return on capital employed	**8.7%**		**8.0%**	7.1%		6.6%

*The definition of capital employed has been updated to deduct net cash. The comparative figures have therefore been restated to reflect this change. This was done to ensure consistency in the calculation of the performance measure with other companies in the housebuilding sector to allow for more meaningful comparison.

- **Return on capital employed ('RoCE')** – This is calculated as operating profit divided by the average capital employed. Average capital employed is calculated based on opening, half year and closing capital employed. The calculation is shown in the table below. The Directors consider this to be an important indicator of whether the Group is achieving a sufficient return on its investments.

Notes (continued)

14. Alternative performance measures (continued)

	2025 Capital employed £m	**2025 Land creditors £m**	**2025 Capital employed including land creditors £m**	*Restated 2024 Capital employed £m	2024 Land creditors £m	*Restated 2024 Capital employed including land creditors £m
Operating profit	**250.7**		**250.7**	212.8		212.8
Capital employed/land creditors:						
Opening	**3,475.9**	**225.3**	**3,701.2**	3,229.6	368.8	3,598.4
Half year	**3,530.4**	**289.7**	**3,820.1**	3,357.6	238.5	3,596.1
Closing	**3,514.4**	**337.6**	**3,852.0**	3,475.9	225.3	3,701.2
Average	**3,506.9**	**284.2**	**3,791.1**	3,354.4	277.5	3,631.9
Return on capital employed	**7.1%**		**6.6%**	6.3%		5.9%

*The definition of capital employed has been updated to deduct net cash. The comparative figures have therefore been restated to reflect this change. This was done to ensure consistency in the calculation of the performance measure with other companies in the housebuilding sector to allow for more meaningful comparison.

- **Asset turn** – Asset turn is calculated as revenue divided by the average capital employed. Average capital employed is calculated based on opening, half year and closing capital employed. The Directors consider this to be an important indicator of how efficiently the Group is using its assets to generate revenue

- **Underlying pre-tax return on equity ('underlying RoE')** – This is calculated as profit before taxation before net legacy building safety expense and other exceptional items, divided by the average of the opening, half year and closing net assets. The Directors consider this to be a good indicator of the operating efficiency of the Group.

	2025 £m	2024 £m
Underlying profit before taxation	**289.1**	226.1
Net assets:		
Opening	**3,465.4**	3,461.6
Half year	**3,522.4**	3,434.2
Closing	**3,556.2**	3,465.4
Average	**3,514.7**	3,453.7
Underlying pre-tax return on equity	**8.2%**	6.5%

- **Pre-tax return on equity ('RoE')** – This is calculated as profit before taxation divided by the average of the opening, half year and closing net assets. The Directors consider this to be a good indicator of the operating efficiency of the Group.

	2025 £m	2024 £m
Profit before taxation	**221.9**	183.7
Net assets:		
Opening	**3,465.4**	3,461.6
Half year	**3,522.4**	3,434.2
Closing	**3,556.2**	3,465.4
Average	**3,514.7**	3,453.7
Pre-tax return on equity	**6.3%**	5.3%

14. Alternative performance measures (continued)

- **Underlying post tax return on equity** – This is calculated as profit for the year before net legacy building safety expense and other exceptional items, divided by the average of the opening, half year and closing net assets. The Directors consider this to be a good indicator of the operating efficiency of the Group.

	2025 £m	2024 £m
Underlying profit for the year	**209.7**	160.6
Net assets:		
Opening	**3,465.4**	3,461.6
Half year	**3,522.4**	3,434.2
Closing	**3,556.2**	3,465.4
Average	**3,514.7**	3,453.7
Underlying post tax return on equity	**6.0%**	4.7%

- **Post tax return on equity** – This is calculated as profit for the year divided by the average of the opening, half year and closing net assets. The Directors consider this to be a good indicator of the operating efficiency of the Group.

	2025 £m	2024 £m
Profit for the year	**157.5**	130.5
Net assets:		
Opening	**3,465.4**	3,461.6
Half year	**3,522.4**	3,434.2
Closing	**3,556.2**	3,465.4
Average	**3,514.7**	3,453.7
Post tax return on equity	**4.5%**	3.8%

- **Total growth in value per ordinary share** – The Directors use this as a proxy for the increase in shareholder value since 31 July 2022. A period of 3 years is used to reflect medium-term growth.

Net asset value per ordinary share:		
At 31 July 2025	2,989p	
At 31 July 2022	2,727p	
Net asset value growth per ordinary share		262p
Dividend paid per ordinary share:		
Year ended 31 July 2025	59.0p	
Year ended 31 July 2024	111.0p	
Year ended 31 July 2023	140.0p	
Cumulative dividends paid per ordinary share		310.0p
Total growth in value per ordinary share		572.0p

Notes (continued)

14. Alternative performance measures (continued)

- **Annualised accounting return in NAV and dividends paid since 31 July 2022** – This is calculated as the annualised increase in net asset value per ordinary share plus cumulative ordinary dividends paid per ordinary share since 31 July 2022 (as detailed above) divided by the net asset value per ordinary share at 31 July 2022. The Directors use this as a proxy for the increase in shareholder value since 31 July 2022.

Net asset value growth per ordinary share	262p
Cumulative dividends paid per ordinary share	310.0p
Total growth in value per ordinary share	572.0p
Net asset value per ordinary share at 31 July 2022	2,727p
Total value per ordinary share	3,299.0p
Annualised accounting return $= \left(\frac{3,299.0}{2,727}\right)^{\wedge(1/3)} - 1$	6.6%

- **Annualised accounting return in NAV and dividends paid since 31 July 2015** – This is calculated as the annualised increase in net asset value per ordinary share plus cumulative ordinary dividends paid per ordinary share since 31 July 2015 divided by the net asset value per ordinary share at 31 July 2015. The Directors use this as a proxy for the increase in shareholder value since 31 July 2015.

Net asset value per ordinary share:		
At 31 July 2025	2,989p	
At 31 July 2015	1,286p	
Net asset value growth per ordinary share		1,703p
Dividend paid per ordinary share:		
Year ended 31 July 2025	59.0p	
Year ended 31 July 2024	111.0p	
Year ended 31 July 2023	140.0p	
Year ended 31 July 2022	127.5p	
Year ended 31 July 2021	85.0p	
Year ended 31 July 2020	100.0p	
Year ended 31 July 2019	145.4p	
Year ended 31 July 2018	132.5p	
Year ended 31 July 2017	111.5p	
Year ended 31 July 2016	86.0p	
Cumulative dividends paid per ordinary share		1,097.9p
Total growth in value per ordinary share		2,800.9p
Net asset value per ordinary share at 31 July 2015		1,286p
Total value per ordinary share		4,086.9
Annualised accounting return = $\left(\frac{4,086.9}{1,286}\right)^{\wedge(1/10)}$ -1		12.3%

- **Underlying capital growth in the period** – This is calculated as capital growth in the period before net legacy building safety expense and other exceptional items per share.

Capital growth in the period	135.0p
Net legacy building safety expense and other exceptional items per share	43.9p
Underlying capital growth in the period	178.9p
Net asset value at 31 July 2024	2,913p
Underlying capital growth (178.9p/2,913p)	6.1%

14. Alternative performance measures (continued)

- **Capital growth in the period** – This is calculated as the increase in NAV in the period combined with the ordinary dividend paid in the year.

Net asset value per ordinary share:		
At 31 July 2025	2,989p	
At 31 July 2024	2,913p	
Net asset value growth per ordinary share		76p
Dividend paid per ordinary share:		
Year ended 31 July 2025		59.0p
Capital growth in the period		135.0p

- **Net cash/(debt)** – This is the cash and cash equivalents less bank debt and fixed rate sterling USPP notes. Net cash/(debt) does not include lease liabilities, which are reported within trade and other payables on the balance sheet. The Directors consider this to be a good indicator of the financing position of the Group. This is reconciled in note 8.

- **Average net cash/(debt)** – This is calculated by averaging the net cash/(debt) position at 1 August and each month end during the year. The Directors consider this to be a good indicator of the financing position of the Group throughout the year.

- **Cash generated from operations before investment in land, net of land creditors, and work-in-progress** – This is calculated as shown in the table below. The Directors consider this as an indicator of whether the Group is generating cash before investing in land and work-in-progress to achieve future growth.

	2025 £m	2024 £m
Cash from/(utilised in) operations	**222.0**	(20.2)
Add: increase in capital invested in land, net of land creditors, and work-in-progress (as described above)	**0.3**	258.4
Cash generated from operations before investment in land, net of land creditors, and work-in-progress	**222.3**	238.2

- **Adjusted operating cashflow (before land spend, legacy building safety spend, and shareholder returns)** – This is calculated as the net change in cash and cash equivalents, adding back cashflows relating to land spend, the utilisation of the legacy building safety provision and shareholder returns. Land spend is cashflows related to the acquisition of land. Shareholder returns include payments to shareholders through dividends and share buyback programmes. The Directors consider this as an indicator of how effective the Group is at generating cash to invest in future growth and drive long term value creation for shareholders.

	2025 £m	2024 £m
Net increase/(decrease) in cash and cash equivalents	**52.3**	(242.5)
Add back:		
Land spend	**472.0**	465.0
Utilisation of total legacy building safety improvements provision, net of reimbursement assets	**44.6**	36.1
Dividends paid	**70.0**	131.7
Share buyback programme	**-**	34.9
Adjusted operated cashflow (before land spend, legacy building safety spend and shareholder returns)	**638.9**	425.2

Notes (continued)

14. Alternative performance measures (continued)

- **Adjusted gearing** – This is calculated as the total of net cash/(debt) and land creditors divided by total equity. The Directors believe that land creditors are a source of long-term finance so this provides an alternative indicator of the financial stability of the Group.

	2025 £m	2024 £m
Net cash/(debt)	**41.8**	(10.5)
Land creditors	**(337.6)**	(225.3)
	(295.8)	(235.8)
Total equity	**(3,556.2)**	(3,465.4)
Adjusted gearing	**8.3%**	6.8%

- **Gearing –** This is calculated as net debt divided by total equity. The Directors consider this to be a good indicator of the financial stability of the Group.

	2025 £m	2024 £m
Net cash/(debt)	**41.8**	(10.5)
Total equity	**(3,556.2)**	(3,465.4)
Gearing	**-**	0.3%

- **Order book** – This is calculated as the total expected sales value of current reservations that have not legally completed. The Directors consider this to be an important indicator of the likely future operating performance of the Group.

15. Post balance sheet events

Share buyback

The Board has approved a return of £150m surplus capital to shareholders, through a share buyback programme, with contract terms agreed on Monday 13 October 2025. The buyback programme will consist of two tranches. The first £75m tranche is irrevocable, and it was recognised as a liability, on 13 October 2025. The second £75m tranche is not yet contracted; it can therefore be revoked and, as such, it is not yet recognised as a liability.

Principal risks and uncertainties

A risk register is maintained detailing all potential risks and our risk management processes ensure that all aspects of the Group are considered, from strategy through to operational execution which includes any specialist business areas.

The risk register is reviewed as part of our management reporting processes, resulting in the regular assessment of risk, severity and any required mitigating actions. The severity of risk is determined based on a defined scoring system assessing risk impact and likelihood.

A summary of risks is reported to management, the Audit Committee and the Board, which is mainly, but not exclusively, comprised of risks considered to be outside of our risk appetite after mitigation. This summary is reviewed throughout the year, with the Board systematically considering the risks and any changes that have occurred.

Once a year, via the Audit Committee, the Board determines whether the risk management framework is appropriately designed and operating effectively. The Directors confirm that they have conducted a robust assessment of the principal risks facing the Group.

The Board has completed its assessment of the Group's emerging and principal risks. The following nine principal risks to our business have been identified:

Risk and description	Strategic relevance	KPIs	Mitigation
Construction resources Shortages of building materials and appropriately skilled subcontractors at competitive prices.	▪ Failure to secure the required quantity and quality of resources causes delays, impacting the ability to deliver volume growth targets. ▪ Pricing pressures / increased costs impact returns.	▪ Number of homes sold. ▪ Operating profit. ▪ Operating margin. ▪ EPS. ▪ Gross margin. ▪ Customer satisfaction score.	▪ Robust forecasting and forward planning of labour and materials requirements. ▪ Processes are in place to select, appoint, manage, and build long-term relationships with subcontractors and suppliers.
Climate change and the environment Failure to evolve sustainable business practices and operations in response to climate change, including physical environmental impacts and transition risks associated with new regulation, reporting requirements, and increased social/market expectations.	▪ There is an increased focus on the actions taken by businesses in response to climate change and the disclosures made. Failure to improve policies, reporting and performance in line with new government regulations and heightened expectations could lead to financial penalties and reputational damage. ▪ The physical impacts of climate change could lead to disruptions within the supply chain and build programmes.	▪ Tonnes of carbon emissions per legal completion. ▪ Percentage of renewable electricity. ▪ Tonnes of waste per home built. ▪ Percentage of waste diverted from landfill.	▪ Consultation with specialist external advisers and subject matter experts (e.g. sustainability consultants). ▪ Continual monitoring of new and evolving requirements as part of our legal and regulatory compliance framework. ▪ Carbon reduction is a key priority under the Group's 'Better with Bellway' sustainability strategy. ▪ Dedicated sustainability, innovations and biodiversity resources in place to assess risks, monitor performance and drive improvement. ▪ Regular review of the design and features of new homes, along with construction methods and the sustainability of materials.
Economy and market Changes in the external environment (including, but not limited to, house price inflation, interest rates, mortgage availability, unemployment, government policy) reduce the affordability of new homes, resulting in reduced sales rates.	▪ Reduced affordability has a negative impact on customer demand for new homes and consequently our ability to generate sales at good returns.	▪ Number of homes sold. ▪ Operating profit. ▪ Operating margin. ▪ RoCE. ▪ EPS. ▪ Gross margin. ▪ Customer satisfaction score. ▪ Reservation rate. ▪ Order book value. ▪ Average selling price.	▪ Board level monitoring of the housing market and economic environment alongside key business metrics, leading to development of action plans as necessary. ▪ Disciplined operating framework, strong balance sheet and low financial gearing. ▪ Product range and pricing strategy based on regional market conditions. ▪ Regular engagement with industry peers, representative bodies, and new build mortgage lenders. ▪ Use of sales incentives such as part-exchange, and government-backed schemes to encourage the selling process. ▪ Quarterly site valuations and monthly budget reviews based on latest market data.

Health and safety A serious health and safety or environmental breach and/or incident occurs.	▪ Failure to maintain safe working conditions would impact employee wellbeing and the creation of a positive working environment. ▪ Injury to an individual while at one of our business locations could delay construction and result in criminal prosecution, civil litigation, and reputational damage.	▪ Number of RIDDOR seven-day reportable incidents per 100,000 site operatives. ▪ Health and safety incident rates. ▪ Number of near-miss incidents reported. ▪ Number of NHBC Pride in the Job awards.	▪ Health and Safety Policy and procedures in place, supported by Group-wide training. ▪ Regular visits to sites by both our Group Health and Safety function (independent of divisions) and external specialist consultants to monitor standards and performance against health and safety policies and legislation. ▪ The Board considers health and safety matters at each meeting.
Human resources Inability to attract, recruit and retain high-quality people.	▪ Failure to attract and retain people with appropriate skills would affect our ability to perform and deliver our strategy and volume growth targets.	▪ Employee voluntary turnover rate. ▪ Number of graduates, trainees, and apprentices. ▪ Employees who have worked for the Group for over ten years or more. ▪ Training days per employee. ▪ Senior management gender split. ▪ Percentage of staff in earn and learn roles. ▪ Employee Engagement Survey response rate. ▪ Percentage of staff who would describe Bellway as a 'great place to work'.	▪ Continued development of our Group HR function and implementation of our people strategy. ▪ Established human resources programme for apprentices, graduates, and site management. ▪ Monitoring staff turnover, absence data and feedback from exit interviews. ▪ Competitive salary and benefits packages which are regularly reviewed and benchmarked. ▪ Employee engagement activities undertaken, including an annual survey, with results communicated to the Board. ▪ Succession plans in place and key person dependencies identified and mitigated. ▪ Robust programme of training provided to employees which is regularly updated and refreshed. ▪ Development programmes for senior leaders and middle managers in place.
IT and security Failure to have suitable IT systems in place that are appropriately supported and secured.	▪ Poor performance of our systems would disrupt operational activity and impact the delivery of our strategy. ▪ An IT security breach could result in the loss of data, with significant potential fines and reputational damage.	▪ Operating profit. ▪ Operating margin. ▪ RoCE. ▪ RoE. ▪ EPS. ▪ Gross margin. ▪ Customer satisfaction score.	▪ Continued investment in infrastructure and systems. ▪ Group-wide systems in operation which are centrally controlled by an in-house IT function, supported by a specialist outsourced provider. ▪ IT security policy and procedures in place with regular Group-wide training. ▪ Regular review and testing of our IT security measures, contingency plans and policies. ▪ Security Committee in place.
Land and planning Inability to source suitable land at appropriate gross margins and return on capital employed. Delays and complexity in the planning process.	▪ Insufficient land at appropriate margins, onerous planning conditions or a failure to obtain planning approval within appropriate timescales would exacerbate the challenge of developing new homes, restrict our ability to deliver volume growth targets and impact future returns.	▪ Number of homes sold. ▪ Operating profit. ▪ Operating margin. ▪ RoCE. ▪ EPS. ▪ Gross margin. ▪ Number of plots in owned and controlled land bank with DPP. ▪ RoE. ▪ Number of plots in 'pipeline'. ▪ Number of plots in strategic land bank – positive planning status. ▪ Number of plots in strategic land bank – longer-term interests. ▪ Number of plots acquired with DPP. ▪ Number of plots converted from medium-term 'pipeline'.	▪ Continued development of our Group Strategic Land function and implementation of our land strategy. ▪ Increased investment in land and more sites with DPP. ▪ Regular review by Group and divisions of the quantity, location, and planning status of land against growth targets to ensure our land bank supports immediate, medium-term, and strategic requirements. ▪ Formal land acquisition process in place for the appraisal and approval of all land purchases, including pre-purchase due diligence and Group level challenge of viability assumptions. ▪ Group and divisional planning specialists in place to support the securing of implementable planning permissions.
Legal and regulatory compliance Failure to comply with legislation and regulatory requirements, including the Self Remediation Terms.	▪ Lack of an appropriate compliance framework and/or compliance breaches could incur fines, delay business operations and lead to re-work across sites, which will impact our reputation and profitability.	▪ Number of homes sold. ▪ Operating profit. ▪ Operating margin. ▪ RoCE. ▪ EPS. ▪ Gross margin.	▪ In-house expertise from Group functions such as Company Secretariat, Legal, Health and Safety and Technical/Design, who advise and support divisions on legal compliance and regulatory matters. ▪ Consultation with government agencies, specialist external legal advisers and subject matter experts, (e.g. fire safety engineers). ▪ Strengthened Group-wide policies, guidance, and training in place supported by externally facilitated whistleblowing and reporting procedures. ▪ Continual monitoring and review of changes to legislation and regulation, including government guidance, advice notes and sector specific updates. ▪ Regular liaison with industry peers and the HBF on compliance requirements and matters.

Unforeseen significant event An unforeseen significant national or global event occurs.	▪ The economic uncertainty brought about by an unforeseen significant event could materially impact the Group's operations and liquidity. ▪ Damage to reputation if the Group is not perceived to be following government guidelines and acting responsibly.	▪ NAV. ▪ Operating profit. ▪ Operating margin. ▪ RoCE. ▪ EPS. ▪ Total dividend per ordinary share. ▪ Gross margin. ▪ Reservation rate. ▪ Order book value. ▪ Employee turnover.	▪ Strong balance sheet, low financial gearing, committed bank loan facilities and USPP debt which would help ensure resilience during a recession. ▪ Maintenance of business resilience and continuity plans covering offices, sites, and IT. ▪ Experienced and well-established senior management team. ▪ Continued investment in systems and infrastructure to enable robust agile working. ▪ Monitoring of government guidelines (including the Construction Leadership Council). ▪ Regular communications with subcontractors and suppliers to understand any potential issues as a result of the event on their own business and supply chain.

The Group also considers any emerging risks that have the potential to impact the achievement of our strategy, but which cannot yet be fully defined and assessed. These uncertainties are reviewed as part of our established risk management framework, discussed regularly by management, the Audit Committee and the Board of Directors, and elevated to principal risks (either as new risks or an extension of existing risks) when warranted.

Glossary

Affordable Housing

Social rented and intermediate housing provided to specified eligible households whose needs are not met by the market, at a cost low enough for them to afford, determined with regard to local incomes and local house prices. It is generally provided by councils and not-for-profit organisations such as housing associations.

Average Selling Price

Calculated by dividing the total housing revenue by the number of homes sold.

Biodiversity Net Gain ('BNG')

Is an approach to development and land management, that aims to leave the natural environment in a measurably better state than it was beforehand.

Cancellation Rate

The rate at which customers withdraw from a house purchase after paying the reservation fee, but before contracts are exchanged, usually due to difficulties in obtaining mortgage finance. Reservation fees are refunded in accordance with the New Homes Quality Code.

Earnings per Share ('EPS')

Profit attributable to ordinary equity shareholders divided by the weighted average number of ordinary shares in issue during the financial year, excluding the weighted average number of ordinary shares held by the Company or Trust which are treated as cancelled.

Executive Board

The Executive Board is made up of the Executive Directors of Bellway p.l.c.

Home Builders' Federation ('HBF')

The HBF is an industry body representing the homebuilding industry in England and Wales. It represents member interests on a national and regional level to create the best possible environment in which to deliver new homes.

Land Bank

The land bank is comprised of three tiers: i) owned or unconditionally contracted land with an implementable detailed planning permission ('DPP'); ii) medium-term 'pipeline' land owned or controlled by the Group, pending an implementable DPP; iii) strategic long-term plots which are typically held under option or through a promotion agreement.

Land with DPP

Plots owned or unconditionally contracted by the Group where there is an implementable detailed planning permission.

Legacy Building Safety Improvements Provision

Included within this provision, there are two components (i) SRT and associated review, and (ii) Structural defects provision.

MHCLG

Ministry of Housing, Communities and Local Government formally called Department for Levelling Up, Housing and Communities ('DLUHC').

National House Building Council ('NHBC')

The NHBC is the leading warranty insurance provider and body responsible for setting standards of construction for UK housebuilding for new and newly converted homes.

Net Legacy Building Safety Expense

This contains the income statement movements in relation to the legacy building safety improvements provision and any associated reimbursement assets.

New Homes Quality Board ('NHQB')

An independent not-for-profit body which was established for the purpose of developing a new framework to oversee reforms in the build quality of new homes and the customer service provided by developers.

New Homes Quality Code ('NHQC')

An industry code of practice that lays out a mandatory set of requirements which must be adopted and observed by all registered developers.

Pipeline

Plots owned or contracted by the Group, pending an implementable detailed planning permission, with development generally expected to commence within the next three years.

Planning Permission

Usually granted by the local planning authority, this permission allows a plot of land to be built on, change its use or for an existing building to be redeveloped or altered.

Permission is either 'outline' when detailed plans are still to be approved, or 'detailed' when detailed plans have been approved.

REGO

Renewable Energy Guarantees of Origin.

Residential Property Developer Tax ('RPDT')

RPDT is a tax, introduced in April 2022, which is charged at a rate of 4% on certain profits of companies carrying out residential property development.

Science Based Target initiative ('SBTi')

Science-based targets provide companies and financial institutions with a clearly defined pathway to future-proof growth by specifying how much and how quickly they need to reduce their greenhouse gas emissions.

Self-Remediation Terms ('SRT')

Is a commitment to remediate buildings over 11 metres in height with identified life critical fire safety issues, which were constructed in England since 5 April 1992.

Site/Phase

A site is a concise area of land on which homes are being constructed. Larger sites may be divided into a number of phases which are developed at different times.

Social Housing

Housing that is let at low rents and on a secure basis to people in housing need. It is generally provided by councils and not-for-profit organisations such as housing associations.

Strategic Land Holdings

These are plots which are typically held under option or through a promotion agreement.

The 5% Club

Members of The 5% Club aspire to achieve 5% of their workforce in 'earn and learn' positions (including apprentices, sponsored students and graduates on formalised training schemes) within 5 years of joining.

Underlying

Underlying refers to any statutory performance measure or alternative performance measure which is before net legacy building safety expense and other exceptional items. The Group believes that underlying metrics are useful for investors as these measures are closely monitored by the Directors in assessing Bellway's operating performance, thereby allowing investors to understand and evaluate performance on the same basis as management.

Certain statements in this announcement are forward-looking statements which are based on Bellway p.l.c.'s expectations, intentions and projections regarding its future performance, anticipated events or trends and other matters that are not historical facts. Such forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements sometimes use words such as "aim", "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", "may", "could", "should" or other words of similar meaning. These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements including, but not limited to, those risks set out in the "Principal Risks" section in our most recently published annual report and accounts. Given these risks and uncertainties, no assurance can be given that any particular expectation will be met and reliance should not be placed on any forward-looking statement. Forward-looking statements speak only as of the date of such statements and, except as required by applicable law or regulation, Bellway p.l.c. undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.