Bellway p.l.c.

Trading Update

Tuesday 10 February 2026

Bellway p.l.c. ('Bellway' or the 'Group') is today issuing a Trading Update for the six months ended 31 January 2026 ahead of its Interim Results announcement on Tuesday 24 March 2026.

Highlights

- Growth in total housing completions to 4,702 homes (2025 – 4,577) at an average selling price of around £322,000 (2025 – £310,581).
- The private reservation rate per outlet per week, including bulk sales, was 0.47 (2025 – 0.51). The private reservation rate excluding bulk sales was 0.46 (2025 – 0.45).
- The forward order book at 31 January 2026 comprised 4,442 homes (2025 – 4,726), with a value of £1,241.6m[1] (2025 – £1,311.5m).
- In line with previous guidance, the Group is on track to deliver full year volume output of around 9,200 homes (31 July 2025 – 8,749).
- Reflecting the strength of our land bank and drive for enhanced capital efficiency, we have continued with a disciplined approach to land acquisition and contracted to purchase 4,721 owned and controlled plots during the period (2025 – 5,246).
- The £150m share buyback launched on 14 October 2025 is progressing well, with 1.76m shares purchased at a cost of around £48m during the period.
- Bellway has a well-capitalised balance sheet with modest period-end net debt of £72m[2] (2025 – net debt of £8.0m) and adjusted gearing, including land creditors, remains low at around 10%[3] (2025 – 8.5%). This is in-line with our approach to utilise an efficient capital structure, as outlined at our FY25 results.

Jason Honeyman, Chief Executive, commented:

"Bellway has delivered a robust first half performance in a challenging market. Notwithstanding the current industry headwinds, our forward order book and strong outlet opening programme leave us well-placed to meet our targeted growth in volume output for the full year, and I remain confident that we can drive increased cash generation and shareholder returns in FY26 and beyond.

We welcome the Government's reforms to the planning system, however, to make meaningful headway against its ambitious housing targets, the Government must also make an early commitment to ease demand-side pressures by introducing essential financial support for first-time buyers."

Results and trading

The Group entered FY26 with a strong forward order book and, despite subdued trading through the autumn, delivered a robust performance with 2.7% growth in total housing completions to 4,702 homes (2025 – 4,577). The proportion of private completions was 79% of the total (2025 – 79%), and the overall average selling price rose to around £322,000 (2025 – £310,581). The increase in the average selling price was driven by geographic and mix changes, with incentive levels remaining broadly stable at between 4-5%. Housing revenue increased by over 6% to £1.51bn (2025 – £1,421.6m).

Similar to the prior financial year, customer demand throughout the autumn was impacted by uncertainty ahead of the Government's Budget. The private reservation rate in the first half was 10.2% lower at an average of 114 per week (2025 – 127), with the reduction primarily driven by a lower number of bulk sales. The Group has a good pipeline of bulk sale opportunities, and we expect a higher level of conversion in the second half of the financial year.

The private reservation rate per outlet per week, including bulk sales, was 0.47 (2025 – 0.51). The private reservation rate excluding bulk sales increased slightly to 0.46 (2025 – 0.45). The overall reservation rate, including social homes, was 7.5% lower at 148 per week (2025 – 160) and the cancellation rate remains low at 13% (2025 – 14%).

The Group traded from an average of 244 outlets during the period (2025 – 248), in line with our expectations, with a closing position of 238 outlets as at 31 January 2026. We remain on track to open over 40 new outlets in the second half of the financial year and continue to expect to operate from an average of around 245 in FY26.

The forward order book at 31 January 2026 comprised 4,442 homes (2025 – 4,726), with a value of £1,241.6m[1] (2025 – £1,311.5m).

Land investment

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 contracted to purchase 4,721 owned and controlled plots in the first half (2025 – 5,246) across 15 sites (2025 – 32 sites) with a total contract value of £227m (2025 – £378.2m). This included a large site comprising around 1,900 plots converted from our strategic land bank in the Dunfermline Strategic Development Area, which will act as an anchor site to support growth for both our Scotland West and Scotland East divisions.

During the first half our strategic land bank has been further strengthened to support our longer-term growth ambitions, with the Group entering into option agreements to buy 11 sites (2025 – 11 sites), and our strategic land team also submitted planning applications for 29 sites comprising around 3,900 plots. We are expecting to submit a further 30 sites for planning, comprising around 6,500 plots, from the strategic land bank by the end of July 2026.

Financial position and capital allocation

The Group has a well-capitalised balance sheet with modest period-end net debt of £72m[2] (2025 – net debt of £8.0m), in line with the Board's expectations. We remain focused on maintaining a strong and efficient balance sheet, and our adjusted gearing, inclusive of land creditors, remains low at around 10%[3] (2025 – 8.5%).

We have a sustainable ordinary dividend policy, and the Board expects to maintain underlying dividend cover for the full financial year at around 2.5 times[4].

The £150m share buyback launched on 14 October 2025 is also progressing well, with 1.76m shares purchased at a cost of around £48m during the period, and the Group intends to continue with the return of excess capital in future years.

Outlook

There are clear signs of improving customer demand in the early weeks of the current spring selling season compared to the subdued trading environment through the autumn. While we remain mindful of the sensitivity of customer demand to mortgage affordability and the evolving economic backdrop, we have been encouraged by a pick-up in both reservation rates and leads for our sales teams.

Supported by our order book and strong outlet opening programme, the Group remains on track to deliver full year volume output of around 9,200 homes (31 July 2025 – 8,749). We continue to expect the full year average selling price to be around £320,000 (31 July 2025 – £316,412) and the underlying operating margin to be around 11.0%[5] (31 July 2025 – 10.9%).

We have a high-quality land bank and the operational capacity across the Group to support our plans for long-term growth, and the Board remains confident that our drive for greater cash generation and capital efficiency will deliver a recovery in returns and ongoing value creation for our shareholders.

Notes and definitions:

– All figures relating to completions, order book, reservations, cancellations, and average selling price exclude the Group's share of its joint ventures.
– Comparatives are for the half-year ended 31 January 2025 or as at 31 January 2025 ('2025') unless otherwise stated.
1 Forward order book is the total expected sales value of current reservations that have not legally completed.
2 Net debt is cash plus cash equivalents, less debt financing.
3 Adjusted gearing is the total of net debt and land creditors divided by total equity.
4 Underlying dividend cover is underlying profit for the year per ordinary share divided by the dividend per ordinary share relating to that period.
5 Underlying operating margin is operating profit before net legacy building safety expense and other exceptional items divided by total revenue.

For further information, please contact:

Bellway p.l.c.
Shane Doherty, Chief Financial Officer
Gavin Jago, Group Investor Relations Director
0191 217 0717

Media enquiries
Paul Lawler, Group Head of Communications
paul.lawler@bellway.co.uk
07813 392 669

Sodali & Co (Financial PR)
Justin Griffiths
Victoria Heslop
bellway@sodali.com
0207 100 6451

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