# Results Presentation

Bellway


**Year ended**

31 July 2025

# Today's agenda

1. Introduction
2. Finance review
3. Capital allocation framework
4. Operating review and outlook
5. Q&A
6. Appendices

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

# 1. Introduction

**Jason Honeyman**

Chief Executive

# Good performance in FY25

Bellway

| Completions (homes) | Underlying operating margin | Net private sales rate per outlet per week | Order book at 31 July (homes) |
|---|---|---|---|
| 8,749 | 10.9% | 0.57 | 5,307 |
| (2024 – 7,654) | (2024 – 10.0%) | (2024 – 0.51) | (2024 – 5,144) |

| Underlying ROE[1] | Average outlets | Land bank[2] (plots) | 5* homebuilder |
|---|---|---|---|
| 8.2% | 246 | 95,704 |  |
| (2024 – 6.5%) | (2024 – 245) | (2024 – 95,292) | |



[1] Pre-tax.
[2] Includes the Group's share of joint ventures.

# 2. Finance review

**Shane Doherty**

Chief Financial Officer

# Good financial performance

Bellway

| | 2025 | 2024 | Mvt |
|---|---|---|---|
| Private completions | 6,924 | 5,758 | 20.3% |
| Social completions | 1,825 | 1,896 | (3.7%) |
| Total completions | 8,749 | 7,654 | 14.3% |
| Average selling price | £316,412 | £307,909 | 2.8% |
| Housing revenue | £2,768.3m | £2,356.7m | 17.5% |
| Total revenue | £2,782.8m | £2,380.2m | 16.9% |
| Gross profit (underlying) | £456.8m | £381.1m | 19.9% |
| Gross margin (underlying) | 16.4% | 16.0% | 40bps |
| Operating profit (underlying) | £303.5m | £238.1m | 27.5% |
| Operating margin (underlying) | 10.9% | 10.0% | 90bps |
| Profit before taxation (underlying) | £289.1m | £226.1m | 27.9% |
| Proposed total dividend per share | 70.0p | 54.0p | 29.6% |

**Full year highlights**

Strong growth in volume output to 8,749 homes.

ASP of £316.4k with overall pricing remaining firm.

Underlying operating margin of 10.9%.

Proposed total dividend per share increased by 29.6% to 70.0p.

# A strong balance sheet

Bellway

| | 2025 | 2024 | Mvt |
|---|---|---|---|
| Fixed assets | **£45.5m** | £30.2m | £15.3m |
| Investments in joint arrangements | **£54.1m** | £57.5m | (£3.4m) |
| Inventory | **£4,838.1m** | £4,714.8m | £123.3m |
| Land | **£2,502.9m** | £2,431.4m | £71.5m |
| Work-in-progress | **£2,335.2m** | £2,283.4m | £51.8m |
| Debtors | **£85.0m** | £77.7m | £7.3m |
| Net cash | **£41.8m** | - | £41.8m |
| **Total assets** | **£5,064.5m** | **£4,880.2m** | **£184.3m** |
| Creditors | **(£654.3m)** | (£669.8m) | £15.5m |
| Land creditors | **(£337.6m)** | (£225.3m) | (£112.3m) |
| Legacy building safety provision | **(£516.4m)** | (£509.2m) | (£7.2m) |
| Net debt | **-** | (£10.5m) | £10.5m |
| **Total liabilities** | **(£1,508.3m)** | **(£1,414.8m)** | **(£93.5m)** |
| **Net assets** | **£3,556.2m** | **£3,465.4m** | **£90.8m** |
| **NAV per share** | **2,989p** | **2,913p** | **76p** |
| **Adjusted gearing** | **8.3%** | **6.8%** | **150bps** |

## Financial strength

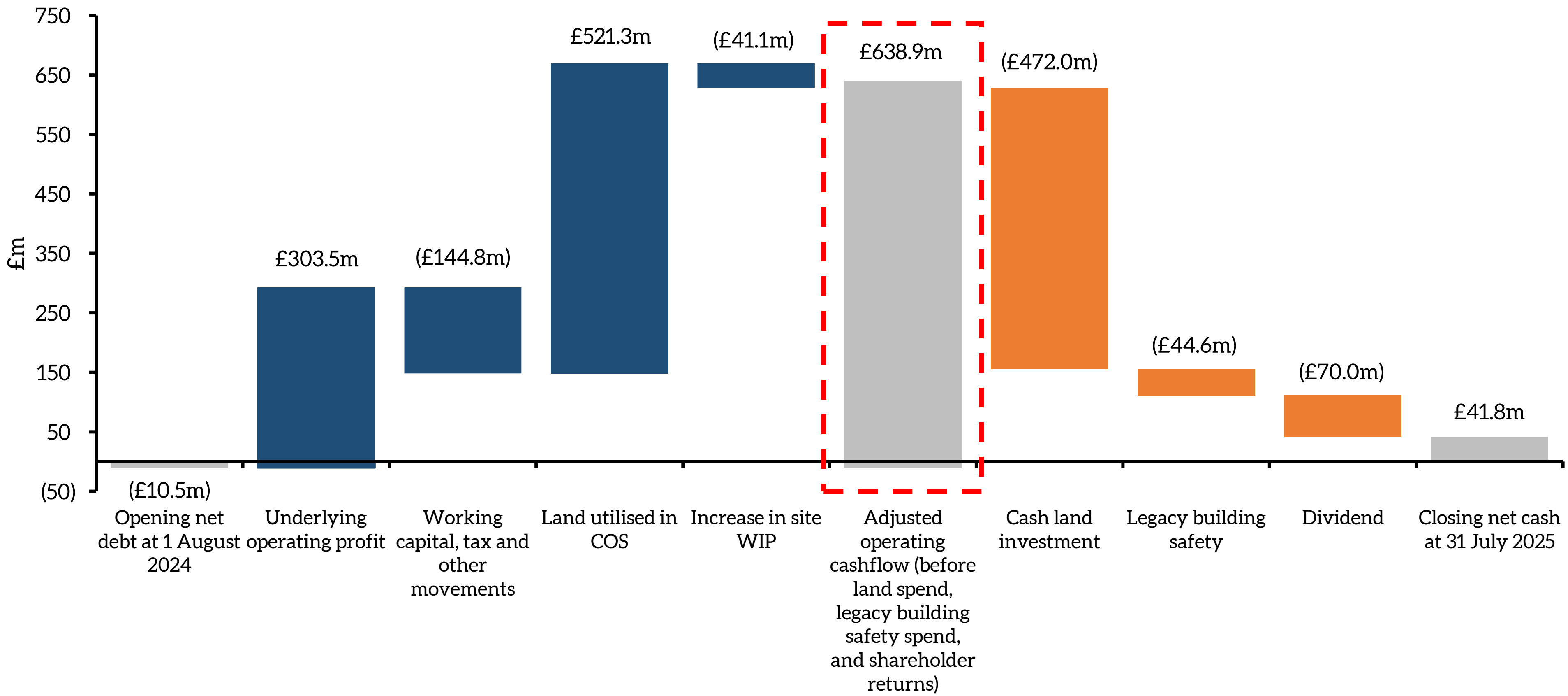
Well-capitalised and asset-backed balance sheet.

Strong land bank and WIP position to support growth plans.

Low adjusted gearing of 8.3%.

Growth in NAV per share of 2.6% to 2,989p.

# Improving cash generation



# Building safety

| | 2025 | 2024 |
|---|---|---|
| SRT – expense | **(£50.9m)** | (£6.1m) |
| SRT – recoveries | **£0.2m** | £0.3m |
| **SRT – net cost of sales** | **(£50.7m)** | **(£5.8m)** |
| Structural defects – credit/(expense) | **£13.3m** | (£14.1m) |
| **Net cost of sales** | **(£37.4m)** | **(£19.9m)** |
| Finance expenses | **(£14.4m)** | (£17.1m) |
| **Net legacy building safety expense** | **(£51.8m)** | **(£37.0m)** |

| | 2025 | 2024 | Mvt |
|---|---|---|---|
| SRT | **(£482.9m)** | (£463.6m) | (£19.3m) |
| Structural defects | **(£33.5m)** | (£45.6m) | £12.1m |
| **Legacy building safety provision** | **(£516.4m)** | (£509.2m) | (£7.2m) |

**Accelerating pace of remediation**

Spend of £191.1m on legacy building safety since start of remediation programme.

Commenced or completed works on 168 buildings.

Expect to make further strong progress in the current financial year and beyond.

# Guidance

| | FY26 guidance |
|---|---|
| **Volume output** | Target of around 9,200 completions. |
| **Volume mix** | Social completions expected to represent c.20% of volume output. |
| **Overall ASP** | Around £320k. |
| **Administrative expenses**[1] | Expected to be around £170m. |
| **Operating margin**[1] | Around 11%. |

[1] Underlying.

# 3. Capital allocation framework

**Shane Doherty**

Chief Financial Officer

# Clear priorities for capital allocation

**Capital allocation framework balances investment for growth with shareholder returns**

### Strong balance sheet

- Efficient capital structure while maintaining low gearing.
- Appropriate increase in land creditor usage in line with historical norms.
- Ample funding for legacy building safety spend commitments.

### Investment for growth

- Strong land bank supports land replacement strategy to achieve medium term volume growth.
- Disciplined investment and monetisation of WIP, with focus on material increase in WIP turn.
- Ongoing investment in key strategic initiatives (e.g. timber frame) to drive further efficiencies.

### Shareholder returns

- Maintain ordinary dividend cover of 2.5x underlying earnings.
- Ordinary dividend to grow over time with profits.
- Capital efficiency drive provides capacity for multi-year share buyback.

# Efficient capital structure

## Maintaining a strong balance sheet while driving efficiencies

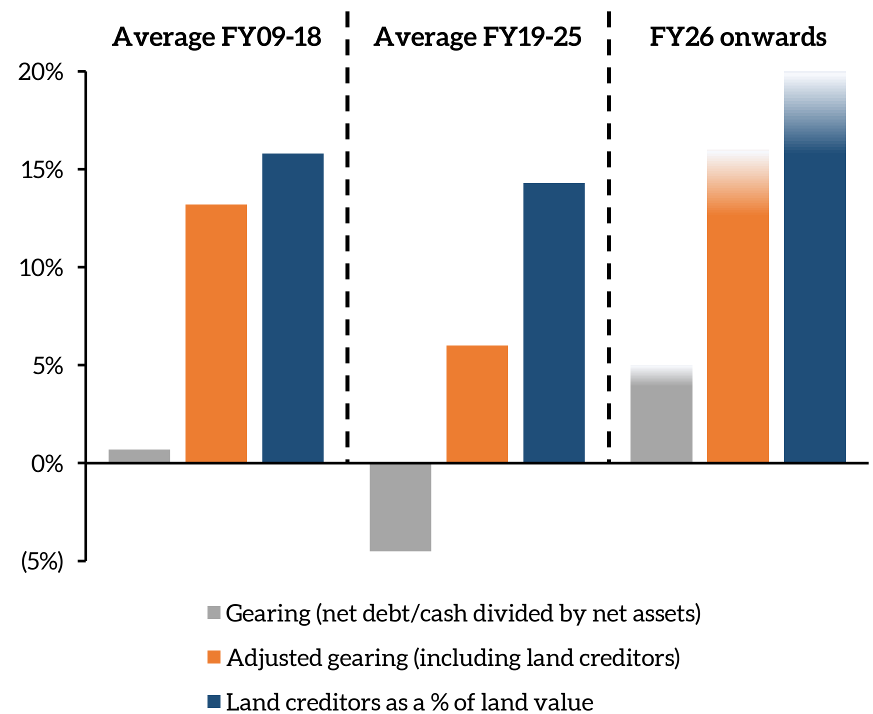
Well capitalised balance sheet with total debt facilities of £530m (£130m fully drawn USPP plus £400m bank facilities).

Expect modest average net debt, with low year end gearing of up to c.5%.

Land creditor usage to normalise – up to c.15-20% of land value (FY25 – 13.5%).

Adjusted gearing (including land creditors) will rise modestly into mid-teens (FY25 – 8.3%).

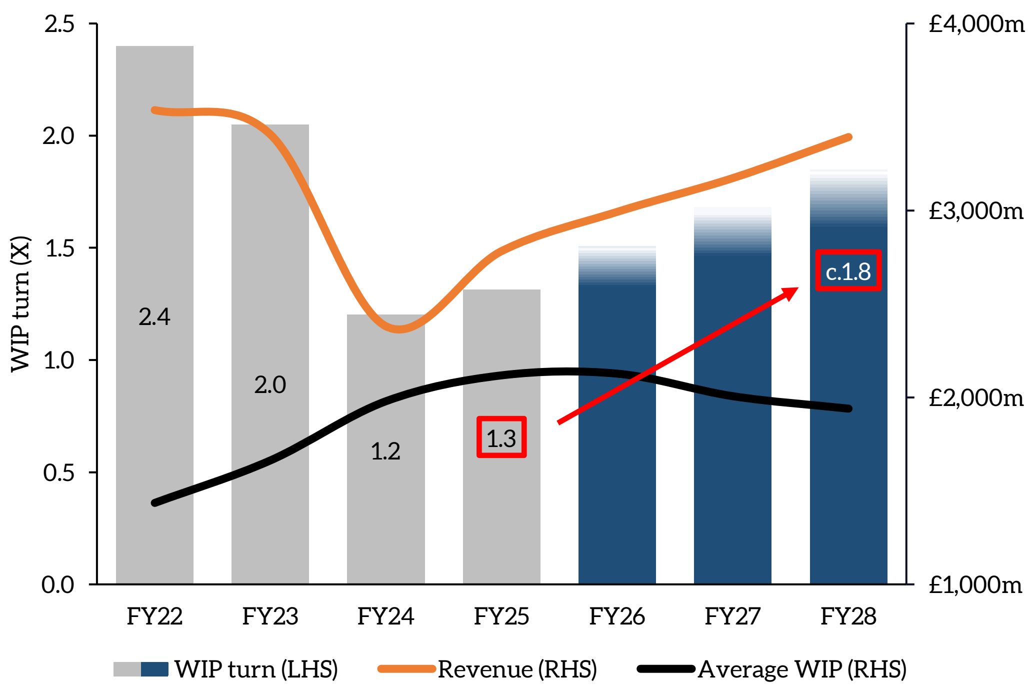
### Maintaining low gearing



# Driving improvements in WIP turn

Bellway

## Greater WIP efficiency




| Driving higher cash generation |
|---|
| Well-positioned to deliver sustained volume growth and higher revenues. |
| Sharp focus on monetising our well-invested WIP position to support increased cash generation. |
| Targeting a reduction in the average WIP balance by FY28. |
| Compound benefit of initiatives to support targeted increase in WIP turn to c.1.8x by FY28. |

# Capital efficiency and cash generation

Bellway

## Driving enhanced cash generation for shareholder returns

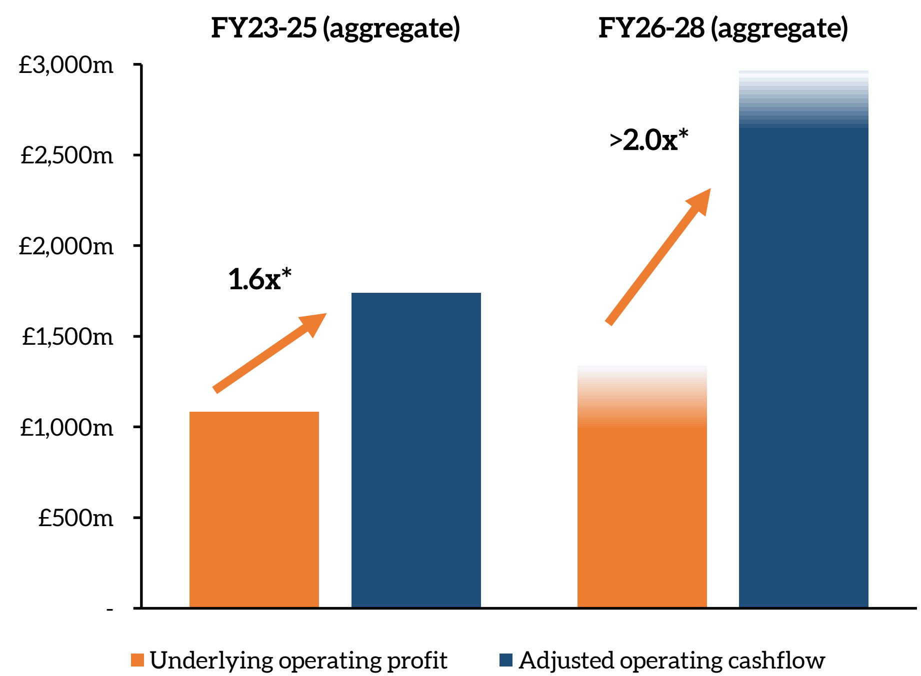
Volume growth and focus on capital efficiency to drive higher asset turn.

Increased focus on bulk sales where appropriate to drive capital efficiency.

Replacement only land strategy, approving plots broadly in line with those utilised in the year.

Targeting material increase in adjusted operating cashflow conversion.

### Adjusted operating cashflow conversion*




* Adjusted operating cashflow conversion = adjusted operating cashflow (before land spend, legacy building safety spend, and shareholder returns) divided by underlying operating profit

# Value creation for shareholders

**Targeting strong volume growth and a significant increase in pre-tax ROE by FY28**

## Capital efficiency

- Clear focus on increasing asset turn and WIP turn to drive higher adjusted operating cashflow conversion, whilst investing for growth.
- Efficient capital structure while maintaining low gearing.

## Shareholder returns

- Maintain ordinary dividend cover of 2.5x underlying earnings.
- Share buyback of £150m launched in FY26, with a clear intention of ongoing return of excess capital in future years.

## Remuneration alignment

- Management incentives to be aligned with increasing cash generation and ROE.
- Proposed new LTIP includes an underlying pre-tax ROE stretch target of 14% in FY28.

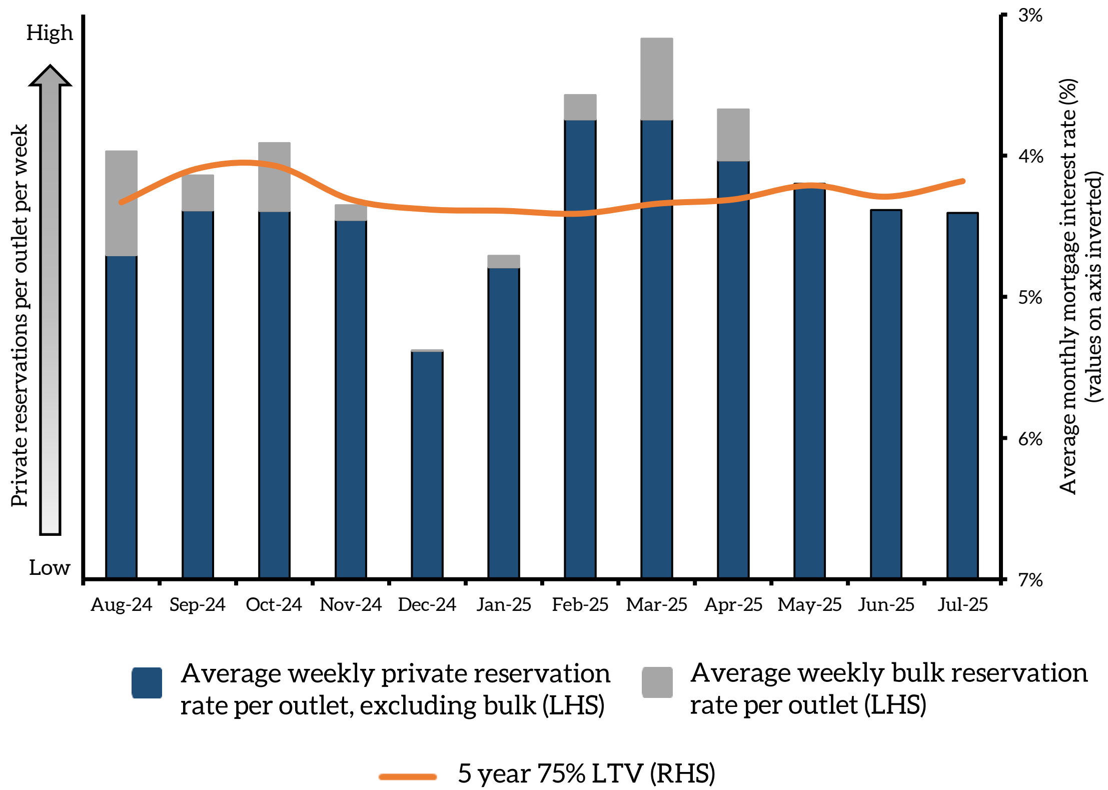
# 4. Operating review and outlook

**Jason Honeyman**

Chief Executive

# Trading review and mortgage market

### Private reservations and mortgage interest rates




| Market backdrop |
|---|
| Private reservation rate of 0.57 (2024 – 0.51) including 0.05 (2024 – 0.02) from bulk sales. |
| Private reservation rate improved in the second half to 0.62 compared to 0.51 in the first half. |
| Solid period of demand through the spring was followed by softer trading in the final quarter. |
| Good availability of mortgage finance and relative stability in mortgage interest rates. |

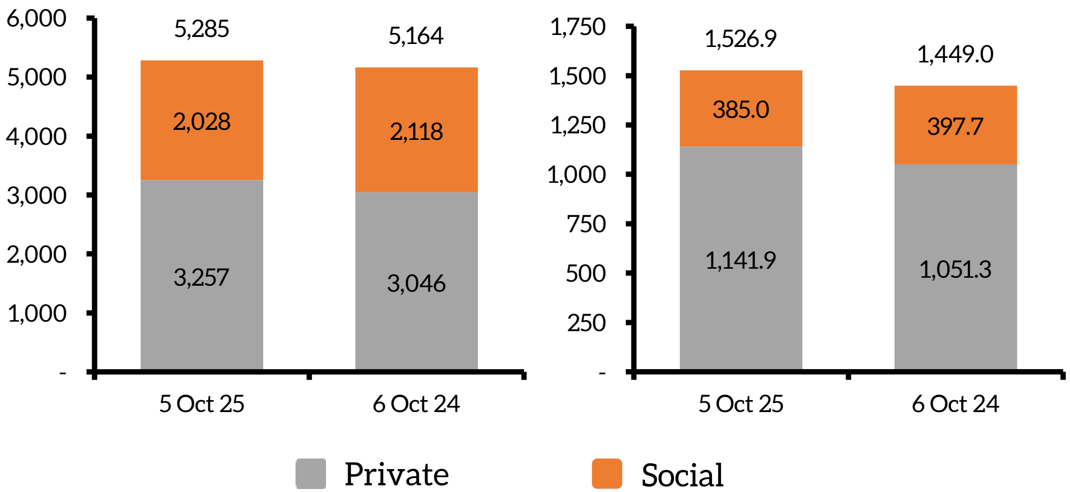
*Source: Bank of England monthly average quoted fixed mortgage interest rates.*

# Current trading and order book

Bellway

## Order book at 5 October (2024: 6 October)

**Order book units (number)** | **Order book value (£m)**




Over 64% sold for FY26 including completions to date.

### Ten weeks since 1 August

Private reservation rate per outlet per week of 0.51 (2024 – 0.60).

Ongoing selective use of bulk sales, which contributed 0.03 to the private reservation rate (2024 – 0.11).

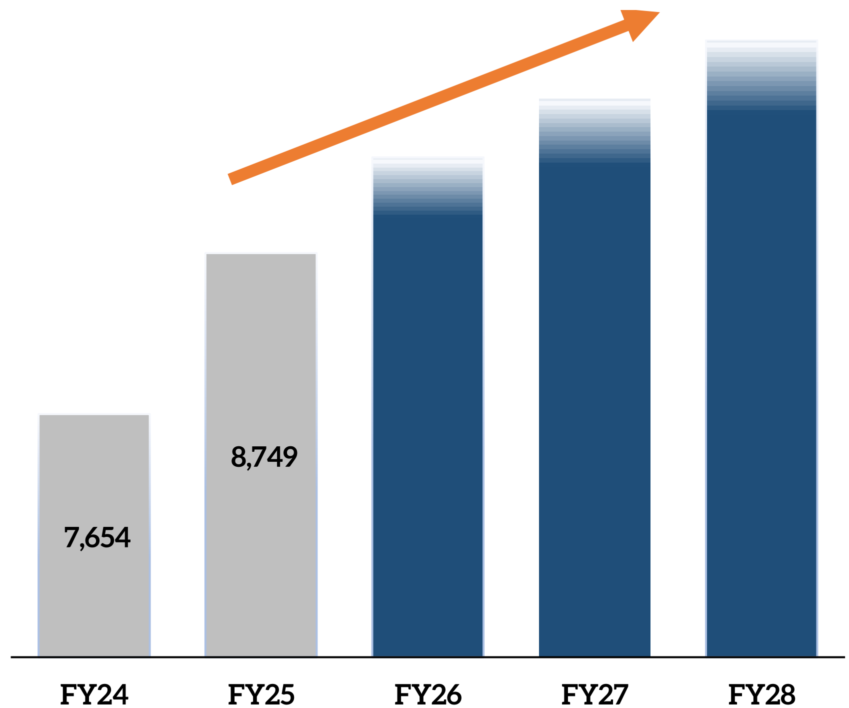
Overall pricing and incentives remain firm.

Order book remains healthy and will support further growth in volume output in FY26.

# Multi-year volume growth

| Strong platform to deliver growth |
|---|
| Targeting volume of c.9,200 homes in FY26, with further growth to c.10,000 homes in FY28. |
| Growth can be delivered with a stable market and ongoing disciplined use of bulk sales. |
| Modest outlet expansion over the medium term, supported by strategic land pull through. |
| Private order book carry forward to normalise to c.40%. |
| Significant capacity to deliver in excess of 10,000 homes p.a. when market conditions improve. |

## Driving volume growth



# Strong land bank to support growth

| | 2025 | 2024 |
|---|---|---|
| Land with DPP | **30,544** | 30,787 |
| Pipeline | **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[2]** | **47,904** | **49,792** |
| Strategic land holdings | **47,800** | 45,500 |
| **Overall land bank plots[1,2]** | **95,704** | **95,292** |

| | 2025 | 2024 | Mvt |
|---|---|---|---|
| Land with DPP | **£1,893.2m** | £1,861.4m | £31.8m |
| Pipeline | **£534.1m** | £502.8m | £31.3m |
| Strategic | **£75.6m** | £67.2m | £8.4m |
| **Total land value** | **£2,502.9m** | £2,431.4m | £71.5m |

Depth in all tiers of land bank to support growth plans.

Contracted to purchase 8,120 owned and controlled plots across 51 sites in FY25.

Targeting replacement only land approvals over the medium term.

Expecting an increased proportion of completions from strategic land over the medium term.

[1] See appendix 12 for definitions.

[2] Includes the Group's share of joint ventures.

# Outlets and planning

| Good visibility on outlet openings |
|---|
| Opened 56 outlets in FY25. |
| Good visibility on outlets for FY26 and FY27, with limited planning risk. |
| 100% of plots owned with DPP for FY26 and c.85% for FY27. |

| Planning backdrop |
|---|
| Housebuilding should benefit from Government's planning reforms in the years ahead. |
| Planning delays ongoing as local authorities are taking time to adopt new local plans. |
| Bellway's well-invested land bank should support modest outlet growth in the medium term. |
| 7,926 plots achieved detailed planning in the year (2024 – 6,311 plots). |

# Production and cost control

| Focus on margin recovery and efficiency |
|---|
| Build cost inflation running in low single digits. |
| Robust cost controls. |
| Driving procurement savings through increased standardisation. |
| ‘Bellway Home Space’ timber frame manufacturing facility progressing as planned. |
| On track to begin supplying our divisions with timber frames in early 2026 |

# Outlook

| Well-positioned to drive multi-year growth in volume and returns | |
|---|---|
| **FY26 volume** | Target of around 9,200 homes. |
| **FY28 volume** | Targeting further growth to around 10,000 homes. |
| **Driving efficiencies** | Rigorous focus on improving returns and increasing cash generation. |
| **Increasing returns** | Refreshed capital allocation framework to drive increasing shareholder returns. |

# 5. Q&A

**Ridley's Orchard**

Suffolk

# 6. Appendices



# Appendix 1 – Income statement

| | 2025 | | | | 2024 | | | | Mvt |
|---|---|---|---|---|---|---|---|---|---|
| | Underlying | | Adjusting items | Total | Underlying | | Adjusting items | Total | |
| Homes sold | 8,749 | | - | 8,749 | 7,654 | | - | 7,654 | 14.3% |
| Average selling price | £316,412 | | - | £316,412 | £307,909 | | - | £307,909 | 2.8% |
| Housing revenue | £2,768.3m | | - | £2,768.3m | £2,356.7m | | - | £2,356.7m | 17.5% |
| Other revenue | £14.5m | | - | £14.5m | £23.5m | | - | £23.5m | (38.3%) |
| **Total revenue** | **£2,782.8m** | | **-** | **£2,782.8m** | **£2,380.2m** | | **-** | **£2,380.2m** | **16.9%** |
| **Gross profit** | **£456.8m** | *16.4%* | **(£37.4m)** | **£419.4m** | **£381.1m** | *16.0%* | **(£19.9m)** | **£361.2m** | **19.9%[1]** |
| Net PX trading loss | (£1.3m) | - | - | (£1.3m) | (£1.2m) | - | - | (£1.2m) | 8.3% |
| Administrative expenses | (£152.0m) | *(5.5%)* | (£15.4m) | (£167.4m) | (£141.8m) | *(6.0%)* | (£5.4m) | (£147.2m) | 7.2%[1] |
| **Operating profit** | **£303.5m** | *10.9%* | **(£52.8m)** | **£250.7m** | **£238.1m** | *10.0%* | **(£25.3m)** | **£212.8m** | **27.5%[1]** |
| Net finance expenses | (£12.9m) | | (£14.4m) | (£27.3m) | (£9.7m) | | (£17.1m) | (£26.8m) | 33.0%[1] |
| Share of JV result | (£1.5m) | | - | (£1.5m) | (£2.3m) | | - | (£2.3m) | (34.8%) |
| **Profit before taxation** | **£289.1m** | | **(£67.2m)** | **£221.9m** | **£226.1m** | | **(£42.4m)** | **£183.7m** | **27.9%[1]** |
| Taxation expense | (£79.4m) | | £15.0m | (£64.4m) | (£65.5m) | | £12.3m | (£53.2m) | 21.2%[1] |
| **Profit after taxation** | **£209.7m** | | **(£52.2m)** | **£157.5m** | **£160.6m** | | **(£30.1m)** | **£130.5m** | **30.6%[1]** |
| **Earnings per share** | **176.7p** | | **(43.9p)** | **132.8p** | **135.2p** | | **(25.4p)** | **109.8p** | **30.7%[1]** |

[1] Underlying

# Appendix 2 – Net finance expenses

| | 2025 | 2024 | Mvt |
|---|---|---|---|
| Net bank interest receivable | £0.4m | - | 100.0% |
| Fixed rate sterling USPP notes | (£3.4m) | (£3.4m) | - |
| Other interest: | (£9.9m) | (£6.3m) | 57.1% |
| **Made up of:-** | | | |
| Land creditors – IFRS 9 | (£14.9m) | (£11.1m) | 34.2% |
| Lease liabilities – IFRS 16 | (£0.8m) | (£0.4m) | 100.0% |
| Other interest receivable | £5.8m | £5.2m | 11.5% |
| **Underlying net finance expenses** | **(£12.9m)** | **(£9.7m)** | **33.0%** |
| Unwinding of the discount on the legacy building safety improvements provision | (£14.4m) | (£17.1m) | (15.8%) |
| **Total net finance expenses** | **(£27.3m)** | **(£26.8m)** | **1.9%** |

# Appendix 3 – Housing revenue

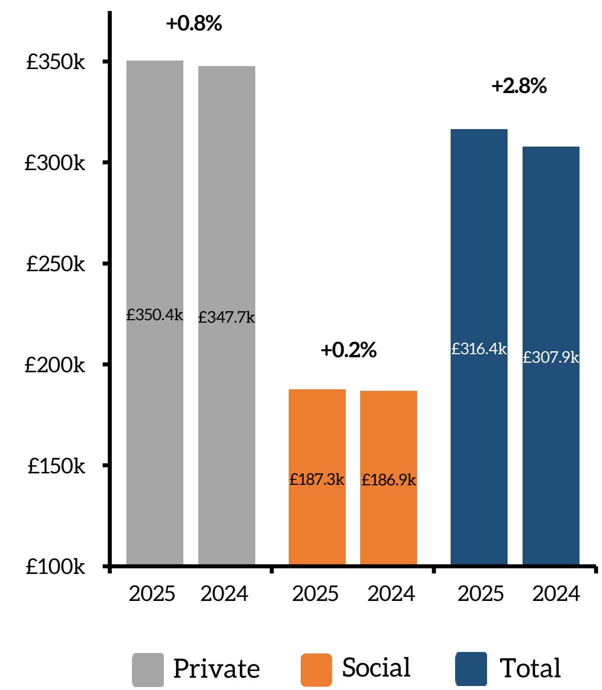
### Homes sold (number)

| | 2025 | | | 2024 | | | Mvt | | |
|---|---|---|---|---|---|---|---|---|---|
| | Private | Social | Total | Private | Social | Total | Private | Social | Total |
| Group | 6,924 | 1,825 | 8,749 | 5,758 | 1,896 | 7,654 | 20.3% | (3.7%) | 14.3% |

### Average selling price (£000)

| | 2025 | | | 2024 | | | Mvt | | |
|---|---|---|---|---|---|---|---|---|---|
| | Private | Social | Total | Private | Social | Total | Private | Social | Total |
| Group | 350.4 | 187.3 | 316.4 | 347.7 | 186.9 | 307.9 | 0.8% | 0.2% | 2.8% |

### Average selling price ('ASP')

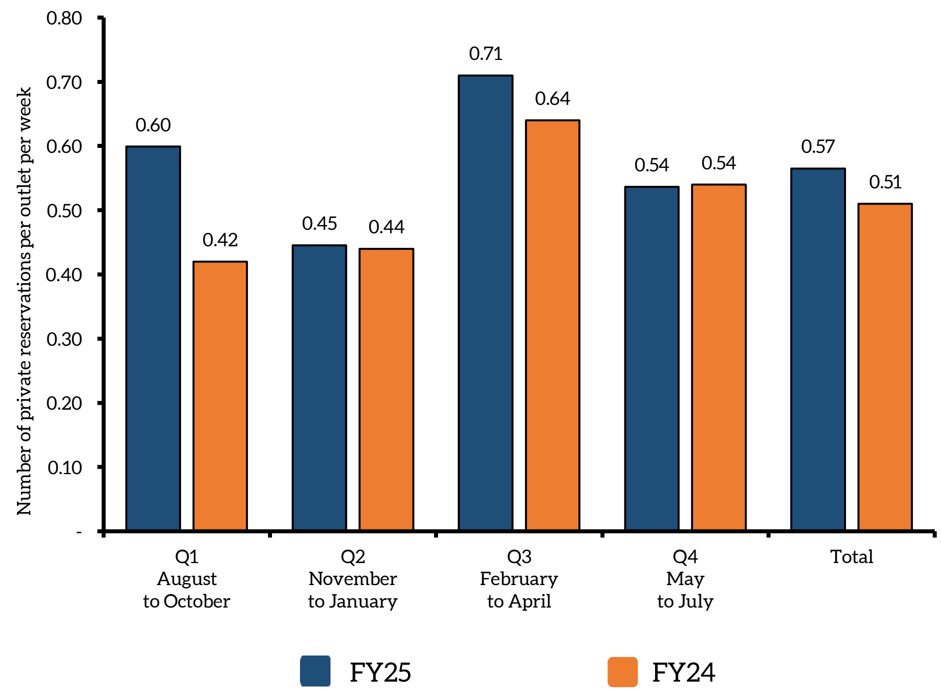


# Appendix 4 – Reservations

### Weekly reservation and cancellation rates [1]

| | 2025 | 2024 | Mvt |
|---|---|---|---|
| Private | 139 | 124 | 12.1% |
| Social | 32 | 37 | (13.5%) |
| **Total** | **171** | **161** | **6.2%** |
| Private rate per outlet | 0.57 | 0.51 | 11.8% |
| Social rate per outlet | 0.13 | 0.15 | (13.3%) |
| **Total rate per outlet** | **0.70** | **0.66** | **6.1%** |
| Average outlets | **246** | 245 | 0.4% |
| Cancellation rate | **13%** | 14% | (1 ppt) |

### Weekly private reservation rate per outlet

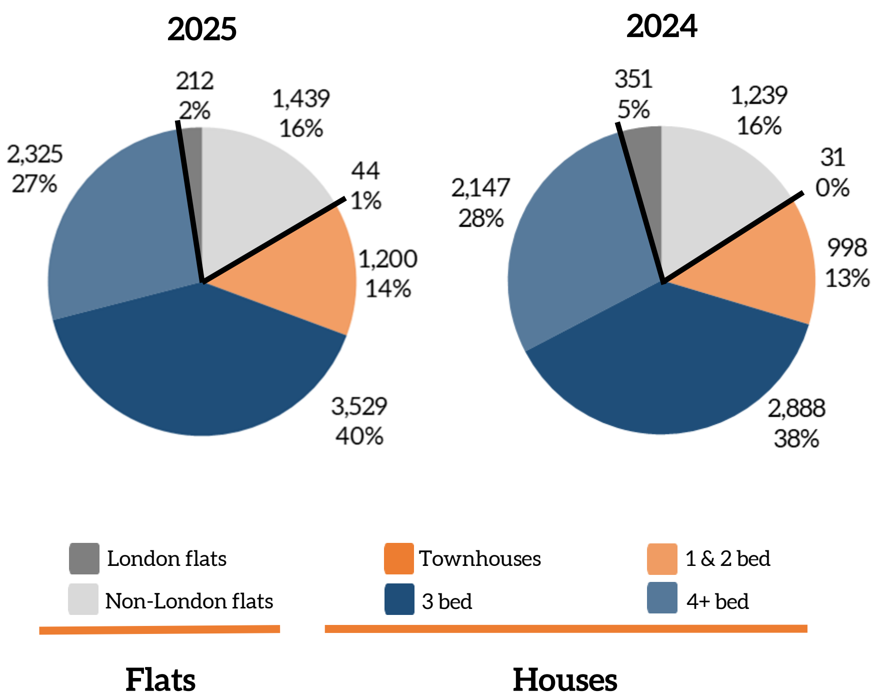



[1] Weekly reservation rates and average outlets are rounded to the nearest integer.

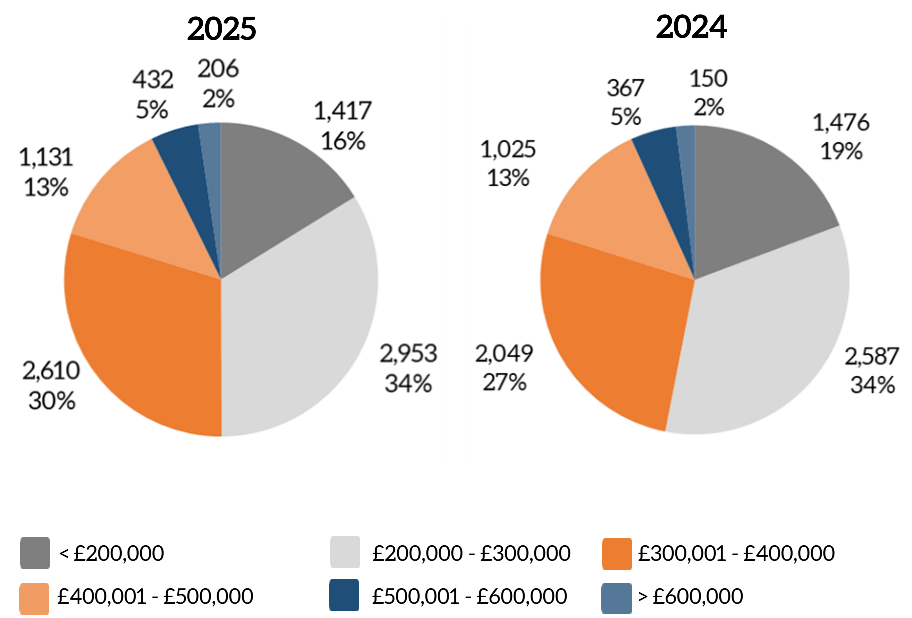
# Appendix 5 – Product analysis

Bellway

## Product mix analysis

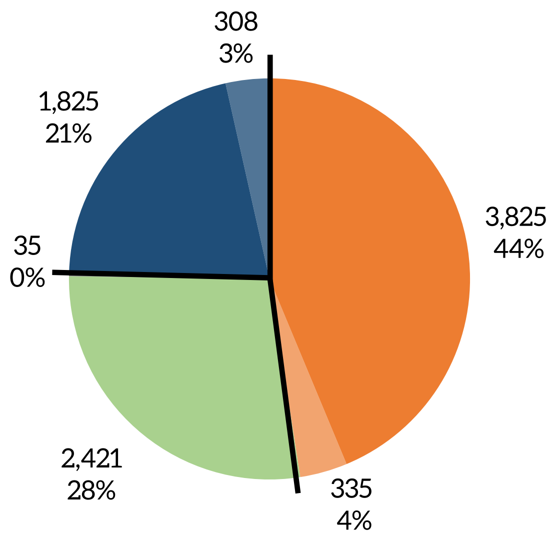



## Selling price analysis

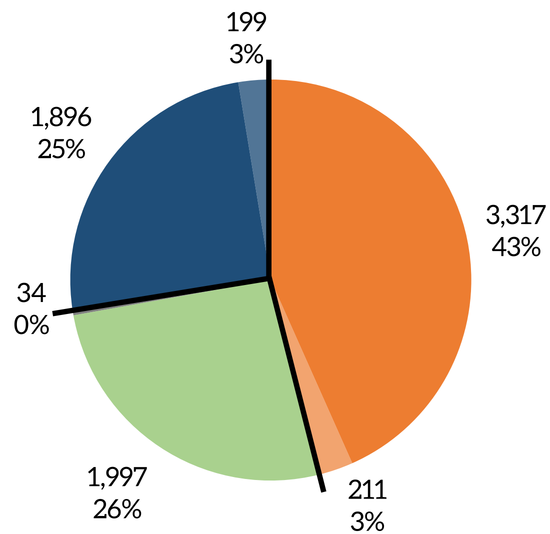


# Appendix 6 – Completions

## 2025




## 2024




**Second time buyers**

- Other second time buyers
- Part-exchange

**Deposit assisted and first time buyers**

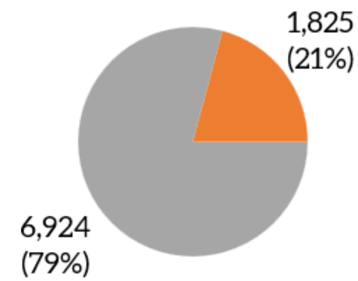
- Unassisted first time buyers
- Help to Buy – non-London

**Other buyers**

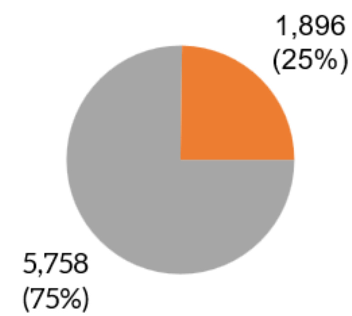
- Housing Association
- Investor

## Homes sold

### 2025




### 2024




Private Social

# Appendix 7 – Order book at 31 July

| | 2025 | | | 2024 | | | Mvt | | |
|---|---|---|---|---|---|---|---|---|---|
| | Private | Social | Total | Private | Social | Total | Private | Social | Total |
| At 1 August | 2,887 | 2,257 | 5,144 | 2,191 | 2,220 | 4,411 | 31.8% | 1.7% | 16.6% |
| Reservations | 7,228 | 1,684 | 8,912 | 6,454 | 1,933 | 8,387 | 12.0% | (12.9%) | 6.3% |
| Completions | (6,924) | (1,825) | (8,749) | (5,758) | (1,896) | (7,654) | 20.3% | (3.7%) | 14.3% |
| **At 31 July** | **3,191** | **2,116** | **5,307** | **2,887** | **2,257** | **5,144** | **10.5%** | **(6.2%)** | **3.2%** |

# Appendix 8 - Land with DPP[1]

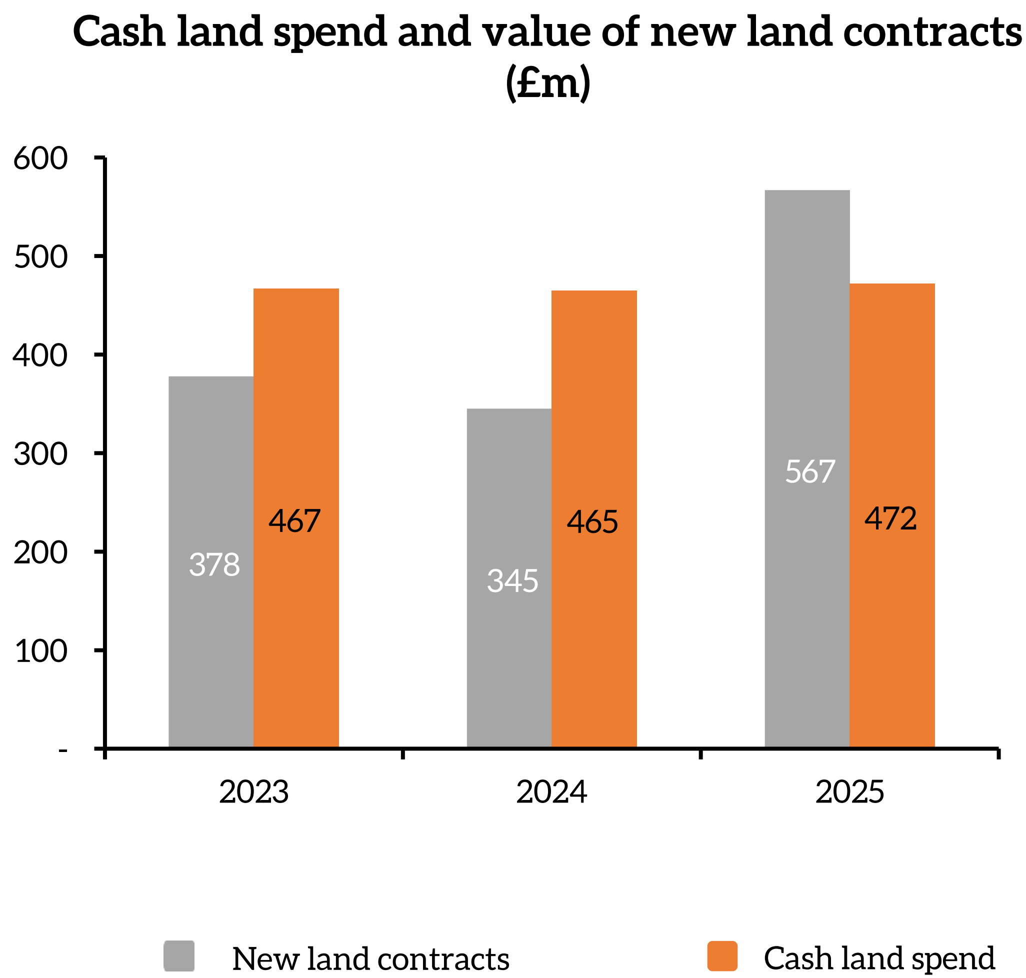
| | 2025 | | | 2024 | | |
|---|---|---|---|---|---|---|
| | Plots | Cost | Average plot cost | Plots | Cost | Average plot cost |
| At 1 August | 30,787 | £1,861.4m | £60.5k | 32,229 | £1,913.3m | £59.4k |
| Net purchases | 8,506 | £553.1m | £65.0k | 6,212 | £380.0m | £61.2k |
| Sold | (8,749) | (£521.3m) | £59.6k | (7,654) | (£431.9m) | £56.4k |
| **At 31 July** | **30,544** | **£1,893.2m** | **£62.0k** | **30,787** | **£1,861.4m** | **£60.5k** |

**Land bank**

Good visibility with regards to construction and outlet openings.

[1] See appendix 12 for definitions.

# Appendix 9 – Land investment



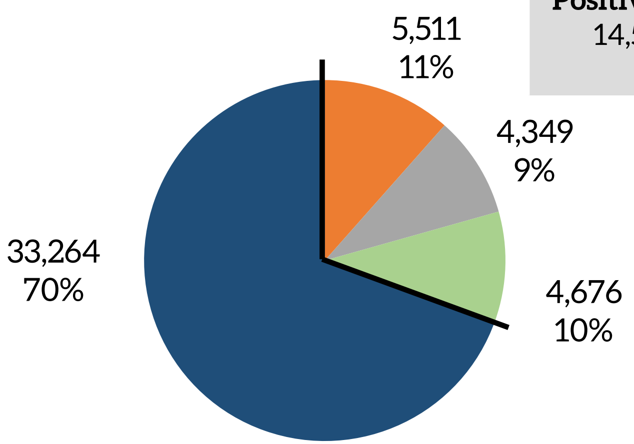

**New land contracts**

Contracted to purchase 8,120 owned and controlled plots across 51 sites.

# Appendix 10 – Strategic land

## 2025

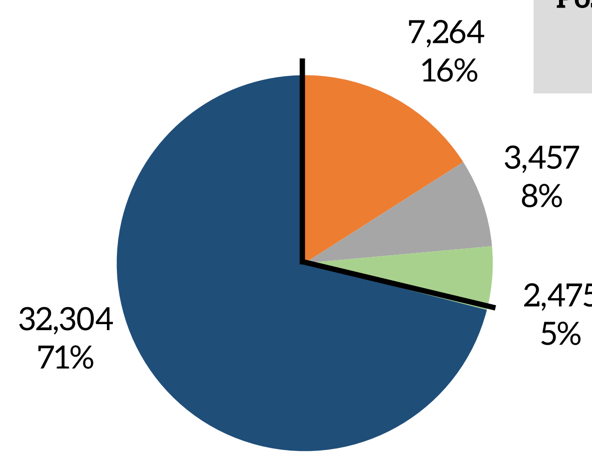
**Positive planning**
14,536 plots
30%




**Total: 47,800 plots**

## 2024

**Positive planning**
13,196 plots
29%

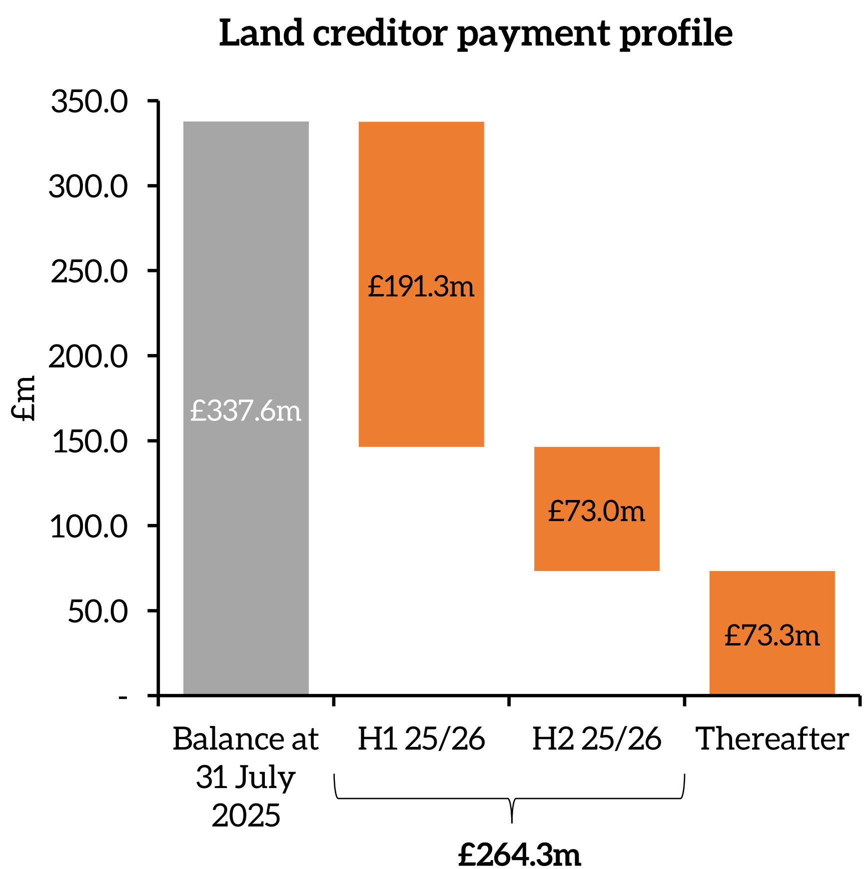



**Total: 45,500 plots**

**Positive planning status**
- Allocated
- Application
- Both

**Longer-term interests**
- Longer-term interests

# Appendix 11 – Land creditors




- Often able to secure a discount on land deals in return for making upfront payments.
- Seek to defer payments where it is cost effective to do so.
- £264.3m due for payment in the next 12 months.

# Appendix 12 – Land bank glossary

## Owned and controlled plots

- **Land with DPP:** Plots owned or unconditionally contracted by the Group where there is an implementable **detailed planning permission**.

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

## Strategic land holdings

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

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