Bellway p.l.c.

Trading Update

Tuesday 12 August 2025

Bellway p.l.c. ('Bellway' or the 'Group') is today issuing a Trading Update for the year ended 31 July 2025 ahead of its Full Year Results announcement on Tuesday 14 October 2025.

Highlights

- Total housing completions increased by 14.3% to 8,749 homes (2024 – 7,654) at an overall average selling price of around £316,000 (2024 – £307,909), both slightly ahead of previous guidance.
- Housing revenue rose by 17% to over £2.76bn (2024 – £2,356.7m) and the underlying operating margin is expected to approach 11%[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).
- Driven by the higher level of private reservations during the year, the forward order book at 31 July 2025 increased to 5,307 homes (2024 – 5,144 homes), with a value of £1,519.4m[4] (2024 – £1,412.9m).
- 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 during the year (2024 – 4,621 plots).
- Bellway has a well-capitalised balance sheet with year-end net cash of £42m[5], in line with the Board's expectations (2024 – net debt of £10.5m).
- The Group has a strong land bank and outlet opening programme, which together with our healthy order book and work-in-progress position supports our plans for further growth in volume output to around 9,200 homes in FY26.
- Bellway remains focused on increasing return on capital employed and running a more efficient balance sheet to drive higher cash generation and shareholder returns. A detailed update on our capital allocation framework and targets will be provided as part of our FY25 results announcement on 14 October 2025.

Jason Honeyman, Group Chief Executive, commented:

"Bellway has delivered a solid performance despite ongoing headwinds for our industry. There was good growth in volume output and an improvement in underlying margin which are set to drive a strong increase in profits for FY25. We have entered the new financial year with a healthy forward order book and outlet opening programme and, if market conditions remain stable, we are well-positioned to deliver further growth in FY26.

We have a high-quality land bank and the operational capacity across the Group to support our plans to deliver long-term volume growth. During the year we have made excellent progress with refreshing our approach to capital efficiency across all our divisions, and I remain confident that we can drive increased cash generation and shareholder returns in the years ahead."

Market and trading

Customer demand was supported by good availability of mortgage finance and relative stability in mortgage interest rates during the year and overall, headline pricing and the level of targeted incentives have remained stable across our regions. Build cost inflation was in the low single digits throughout the year and there are presently good levels of building materials and subcontractor availability across the Group.

The private reservation rate increased by 12.1% 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.

This 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 remains low at 13% (2024 – 14%).

The Group traded from an average of 246 outlets during the year (2024 – 245), in line with our expectations, with a closing position of 249 outlets at 31 July 2025 (2024 – 250), and we expect to maintain the average number at around 245 in FY26. Driven by the higher level of private reservations during the year, the forward order book at 31 July 2025 increased to 5,307 homes (2024 – 5,144 homes) with a value of £1,519.4m[4] (2024 – £1,412.9m).

Results

The Group entered FY25 with a strengthened forward order book and combined with the improvement in trading during the year, this supported a 14.3% increase in total housing completions to 8,749 homes (2024 – 7,654). The increase was driven entirely by growth in private output and the proportion of private completions rose to a more normalised level of 79% of the total (2024 – 75%).

The overall average selling price was ahead of the prior year at around £316,000 (2024 – £307,909), with the increase due to the higher proportion of private completions together with some geographic and mix changes.

Housing revenue rose by 17% to over £2.76bn (2024 – £2,356.7m) and, in line with previous guidance, the underlying operating margin is expected to approach 11%[3] (2024 – 10.0%).

The strong growth in housing completions and revenue has been delivered whilst maintaining our sharp focus on providing high-quality homes and service for our customers, and this has been reflected by Bellway retaining its status as a five-star[6] homebuilder for the ninth consecutive year. In addition, 47 of our site managers won NHBC Pride in the Job Awards during the year (2024 – 45), with our winners ranked among the top five per cent of over 8,000 entrants.

Land investment

The strength and depth of the Group's land bank has enabled an ongoing disciplined approach to land acquisition. The Group contracted to purchase 8,120 plots during the year (2024 – 4,621 plots) across 51 sites (2024 – 27 sites) with a total contract value of £567m (2024 – £345m).

Our strategic land bank has also been further strengthened to support our longer-term growth ambitions, with the Group entering into option agreements to buy 30 sites (2024 – 35 sites).

Financial position and dividend

The Group has a well-capitalised balance sheet with year-end net cash of £42m[5], in line with the Board's expectations (2024 – net debt of £10.5m). We remain focused on preserving balance sheet strength, and our adjusted gearing[7], inclusive of land creditors, remains low at around 10% (2024 – 6.8%).

The Board continues to expect underlying dividend cover for the full financial year will be around 2.5 times[8], and the strong growth in earnings will drive a commensurate increase in dividend payments.

Capital allocation

As outlined in our previous announcements this year, Bellway is focused on increasing return on capital employed and running a more efficient balance sheet. With a stable market backdrop, we are confident that our strong work-in-progress position and land bank will enable us to deliver multi-year growth in volume output and returns.

During the year we have refreshed our approach to capital efficiency and embedded it across the Group, and we have identified opportunities to increase cash generation and make significant improvements in operating cashflow conversion in the medium term.

The Group is now finalising details of a refined capital allocation framework which will be anchored to operating cashflow and will support our plans to optimise the balance between investment in growth and returns to shareholders via both dividends and share buybacks.

We look forward to setting out our detailed capital allocation framework, including targets for cash generation and returns to shareholders, as part of our FY25 results announcement on 14 October 2025.

Outlook

Bellway has delivered a solid performance in FY25 and despite the softer market conditions in recent months, we have entered the new financial year with a healthy order book. For FY26, we expect to maintain broadly flat average outlet numbers and based on a private reservation rate per site per week similar to the 0.57 achieved in FY25, we are well-positioned to deliver further growth in volume output to around 9,200 homes and increase cash generation for shareholder returns.

In the years ahead, our industry should benefit from the Government's recent planning reforms, although we continue to experience delays to planning decisions as local authorities are taking time to adopt new local plans and the updated National Planning Policy Framework. To complement these supply-side measures and to meet its ambitious housing targets, the Government also needs to address the demand-side constraints facing first-time buyers.

Notwithstanding the current industry headwinds, the Board is confident that, given the strength of the Group's land bank and balance sheet, Bellway is in a strong position to deliver continued volume growth into the longer term. Our reaffirmed approach to driving greater cash generation and capital efficiency, alongside growing volume, leaves us well-placed to deliver multi-year growth in both asset turn and margin to drive a sustained recovery in returns and ongoing value creation for our shareholders.

Notes:

1 All figures relating to completions, order book, reservations, cancellations, and average selling price exclude the Group's share of its joint ventures.
2 Comparatives are for the year ended 31 July 2024 or as at 31 July 2024 ('2024') unless otherwise stated.
3 Underlying operating margin is operating profit before net legacy building safety expense and exceptional items divided by total revenue.
4 Order book is the total expected sales value of current reservations that have not legally completed.
5 Net cash/(debt) is cash plus cash equivalents, less debt financing.
6 As measured by the Home Builders Federation using the eight week NHBC Customer Satisfaction survey.
7 Adjusted gearing is the total of net cash/(debt) and land creditors divided by total equity.
8 Underlying dividend cover is underlying profit for the year per ordinary share divided by the dividend per ordinary share relating to that period.

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