BELLWAY P.L.C. ('BELLWAY' OR THE 'GROUP'), THE NATIONAL HOUSEBUILDER, ANNOUNCES TODAY, TUESDAY 25 MARCH 2025, ITS INTERIM RESULTS FOR THE HALF YEAR ENDED 31 JANUARY 2025.

Summary

Strong first half performance and well-positioned for multi-year growth

	Half year ended 31 January 2025	**Half year ended 31 January 2024**	**Movement**
Housing completions	4,577	4,092	+11.9%
Revenue	£1,429.4m	£1,273.1m	+12.3%
Underlying performance measures:			
Gross profit (underlying)	£233.8m[2,3]	£210.5m[2,3]	+11.1%
Gross margin (underlying)	16.4%[2,3]	16.5%[2,3]	(10 bps)
Operating profit (underlying)	£156.6m[2,3]	£139.9m[2,3]	+11.9%
Operating margin (underlying)	11.0%[2,3]	11.0%[2,3]	-
Profit before taxation (underlying)	£150.2m[2,3]	£134.2m[2,3]	+11.9%
Earnings per share (underlying)	90.3p[2,3]	80.6p[2,3]	+12.0%
RoCE (underlying)	8.9%[2,3]	8.1%[2,3]	+80 bps
Statutory performance measures:			
Adjusting items (pre-tax)	£9.4m	£16.8m	(44.0%)
Profit before taxation	£140.8m	£117.4m	+19.9%
Earnings per share	84.6p	70.6p	+19.8%
Interim dividend per share	21.0p	16.0p	+31.3%
Net asset value per share	2,960p[2]	2,888p[2]	+2.5%
Net (debt)/cash	(£8.0m)[2]	£76.6m[2]	(110.4%)
Land bank (total plots)	95,506[4]	94,492[4]	+1.1%

Jason Honeyman, Group Chief Executive, commented:

"Bellway has delivered a strong first half performance with good growth in volume output and profits. Underlying demand for our homes is healthy and we have been encouraged by the improvement in customer enquiries and reservations since the start of the new calendar year.

The Group remains on track to deliver volume output of at least 8,500 homes (31 July 2024 – 7,654) in the full financial year and we currently expect to build the order book through the second half to support further growth in financial year 2026.

I am confident that, given our operational strengths and land bank depth, we remain very well-positioned to capitalise on the positive long-term fundamentals of the UK housebuilding industry, and Bellway will continue delivering the high-quality new homes the country needs."

First half performance in line with our expectations

- Growth in total housing completions of 11.9% to 4,577 homes (2024 – 4,092) at an average selling price of £310,581 (2024 – £309,278).
- Underlying operating profit increased by 11.9% to £156.6m[2,3] (2024 – £139.9m) and the underlying operating margin was in line with our expectations at 11.0%[2,3] (2024 – 11.0%).
- The private reservation rate per outlet per week increased by 18.6% to 0.51 (2024 – 0.43), including a contribution from bulk sales of 0.06 (2024 – 0.03).
- The interim dividend has increased to 21.0p per share (2024 – 16.0p) and underlying dividend cover for the full financial year is expected to be 2.5 times[2,3].
- We provided £9.4m (2024 – £16.8m) as an adjusting item for legacy building safety. This mainly comprises an adjusting finance expense, in line with previous guidance, of £7.3m (2024 – £9.4m).

High-quality land bank and strong balance sheet to support multi-year growth plans

- Bellway's land bank comprised a total of 95,506 plots[4] (2024 – 94,492 plots) and includes 48,533 owned and controlled plots (2024 – 49,365 plots), providing good visibility on outlet openings.
- We contracted to purchase 5,246 owned and controlled plots (2024 – 1,237 plots) across 32 sites (2024 – 9 sites) during the period.
- The Group traded from an average of 248 outlets (2024 – 243), an increase of 2.1% driven by our strong land bank and achieved despite the challenges in the planning system.
- Further expansion of our strategic land bank, which rose to 46,100 plots (2024 – 44,200 plots) and underpins our longer-term growth prospects for a relatively low initial capital outlay.
- The Group has a well-capitalised balance sheet with modest net debt of £8.0m[2] (2024 – net cash of £76.6m) and low adjusted gearing, inclusive of land creditors, of only 8.5%[2] (2024 – 4.7%).

Encouraging recent trading and order book underpin FY25 targets

- In the seven weeks since 1 February, the private reservation rate per outlet per week was 0.76 (1 February to 17 March 2024 – 0.67).
- The forward order book at 16 March 2025 comprised 5,582 homes (17 March 2024 – 5,063 homes) with a value of £1,581.0m[2] (17 March 2024 – £1,344.1m).
- The Group remains on track to deliver full year volume output of at least 8,500 homes (31 July 2024 – 7,654 homes) with output weighted towards the first half.
- We continue to expect the full year average selling price to be around £310,000 (31 July 2024 – £307,909) and the underlying operating margin to approach 11.0%[2,3] (31 July 2024 – 10.0%).

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 exceptional items (note 2).
4 Includes the Group's share of land owned and controlled through joint venture partners comprising 873 plots (2024 – 927 plots).
5 As measured by the Home Builders' Federation using the eight-week NHBC Customer Satisfaction survey.
6 Comparatives are for the half year ended 31 January 2024 or as at 31 January 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, Group 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 Interim 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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Chief Executive's Market and Operational Review

Market

Trading through the first half was ahead of the comparative period, driven by lower mortgage interest rates and an improvement in consumer confidence. While we did not experience a typical seasonal step-up in reservations during the autumn, trading was stable and followed by a notable increase in January 2025. Customer demand was further supported by good availability of mortgage finance, although affordability remains relatively constrained for those customers requiring higher loan-to-value mortgages.

The private reservation rate increased by 21.0% to 127 per week (2024 – 105), with this set against a weaker comparator period and partly driven by an increase in outlet numbers. The private reservation rate per outlet per week increased by 18.6% to 0.51 (2024 – 0.43), including a contribution of 0.06 from bulk sales (2024 – 0.03). The overall reservation rate, including social homes, rose by 14.3% to 160 per week (2024 – 140) and the cancellation rate reduced to a more normalised level of 14% (2024 – 16%).

The Group traded from an average of 248 outlets in the period (2024 – 243), in line with our expectations, with a closing position of 245 outlets at 31 January 2025 (2024 – 246). The 2.1% increase in average outlets was driven by our strong land bank and achieved despite challenges in the planning system. The Group's Ashberry brand is currently used on around 14% of our active outlets, and typically on larger sites alongside our core Bellway brand. Ashberry offers customers a choice of layouts and elevational treatments, from our standard house type range, and the use of dual branding on sites drives both enhanced sales rates and an improvement in RoCE.

Overall, headline pricing across our regions has remained firm, and our sales teams continue to use a range of targeted incentives to encourage further customer interest and secure reservations. The use of selling incentives has generally remained stable during the period, although there has been more limited use in regions where affordability remains good in the context of the local market and in areas with healthy employment levels.

High-quality land bank to support outlet opening programme and volume growth ambitions

Bellway has a high-quality land bank, with strength and depth to support our growth plans, and our experienced land teams have continued with a disciplined and targeted approach to land acquisition during the period.

The table below analyses the Group's land holdings:

	31 January 2025	**31 January 2024**
DPP: plots with implementable detailed planning permission	**31,133**	29,765
Pipeline: plots pending an implementable DPP	**17,400**	19,600
Bellway owned and controlled plots	**48,533**	49,365
Bellway share of land owned and controlled by joint ventures	**873**	927
Total owned and controlled plots[4]	**49,406**	50,292
Strategic land holdings	**46,100**	44,200
Total land bank[4]	**95,506**	94,492

The Group's owned and controlled land bank comprises 48,533 plots (2024 – 49,365 plots), including 31,133 plots (2024 – 29,765 plots) with an implementable detailed planning permission ('DPP') and 17,400 pipeline plots (2024 – 19,600 plots). This represents a land bank length of 6.0 years (2024 – 5.3 years) based on the last 12 months' legal completions.

During the first half the Group contracted to purchase 5,246 owned and controlled plots (2024 – 1,237 plots) across 32 sites (2024 – 9 sites) with a total contract value of £378.2m (2024 – £103.4m). We also have a healthy future pipeline of potential acquisitions, with Heads of Terms agreed on around 8,000 plots at 16 March 2025 and we expect overall plots contracted in financial year 2025 to be similar to volume output.

The Group was operating from 245 outlets as at 31 January 2025, having opened 17 new sales outlets in the period and as noted earlier, traded from an average of 248 (2024 – 243). We remain on track to open over 30 new outlets in the second half of the financial year and continue to expect to operate from an average of around 245 outlets for the full financial year (31 July 2024 – 245).

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. In the first half we entered into option agreements to buy 11 sites (2024 – 10 sites), building upon our increased activity in the strategic land market in recent years. Bellway's strategic land portfolio now comprises 46,100 plots (2024 – 44,200 plots), and we expect to deliver a growing proportion of volume output from our strategically sourced land bank over the medium term.

We welcome the Government's longer-term approach to increase the supply of new housing, including the reintroduction of mandatory housing targets and much-needed reforms to the planning system. While the full intended benefits of these reforms will take time to be realised, planning delays are beginning to ease, providing a supportive backdrop for our plans for multi-year volume growth.

Production and cost control

Overall build cost inflation was running in the low single digits through the first half. Given the industry-wide decline in construction activity since 2022 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 protection. 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 is expected to increase to around 80% of housing output (excluding apartments) in the current financial year (31 July 2024 – 70%).

We previously announced that, to support our volume growth ambitions and carbon reduction goals, the Group is targeting an increase in timber frame use to around 30% of housing output by 2030 (31 July 2024 – 12%). The planned growth in timber frame output will be achieved primarily by investing in our own proprietary timber frame manufacturing facility, 'Bellway Home Space'.

During the first half Bellway signed a long-term lease agreement for a 134,000 square foot industrial unit for 'Bellway Home Space' near Mansfield, Nottinghamshire. Fit out of the unit has recently commenced and delivery of computer driven robotic machinery for the facility is scheduled for summer 2025. A management team for our timber frame operations is in place, led by an experienced Managing Director and we expect to begin supplying our divisions with frames from the facility 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 RoCE, and help meet the targets set out in our 'Better with Bellway' sustainability strategy.

Recent trading

The improvement in trading in the first half combined with our robust outlet numbers, led to a strong increase in the forward order book compared to the prior year period. This comprised 4,726 homes (2024 – 3,970 homes) and increased in value by 29.5% to £1,311.5m[2] (2024 – £1,012.5m) at 31 January 2025.

Since the start of the new calendar year there has been sustained improvement in trading compared to autumn 2024, supported by robust underlying customer demand and a seasonal uplift. In the seven weeks since 1 February, the private reservation rate was 184 per week (1 February to 17 March 2024 – 163). This represented a private reservation rate per outlet per week of 0.76 (1 February to 17 March 2024 – 0.67), including a contribution from bulk sales of 0.10 (2024 – 0.01). The overall reservation rate rose by 10.2% to 227 per week (1 February to 17 March 2024 – 206).

Reflecting recent trading and volume output, the order book has risen from the level at 31 January 2025. The forward order book at 16 March 2025 comprised 5,582 homes (17 March 2024 – 5,063 homes) with a value of £1,581.0m[2] (17 March 2024 – £1,344.1m).

Outlook

Bellway's healthy forward order book and work-in-progress position leaves the Group firmly on track to deliver full year volume output of at least 8,500 homes (31 July 2024 – 7,654 homes) with output weighted towards the first half.

We have been encouraged by a pick-up in customer enquiries and reservation rates in the spring selling season. While we remain mindful of the sensitivity of customer demand to mortgage affordability and the evolving economic backdrop, we currently expect to build the order book through the second half. This will serve as a platform to drive further increases in output and, if market conditions remain stable, Bellway can deliver cumulative volume growth of 20% in the two years to 31 July 2026.

Given the Group's operational strengths and land bank depth, Bellway remains very well-positioned to capitalise on the positive long-term fundamentals of the UK housebuilding industry, and deliver ongoing value creation for shareholders.

Jason Honeyman
Group Chief Executive
24 March 2025

Financial review

Trading performance

The Group has delivered growth in housing revenue of 12.3% to £1,421.6m (2024 – £1,265.6m), which was supported by a strengthened order book at the start of the financial year. Other revenue was £7.8m (2024 – £7.5m) and comprises ancillary items including land and commercial sales, and management fee income earned on our joint venture schemes. Total revenue was 12.3% higher at £1,429.4m (2024 – £1,273.1m).

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

	2025		2024		Variance (%)	
	Homes	ASP (£000)	Homes	ASP (£000)	Homes	ASP
Private	**3,617**	**345.9**	3,078	349.6	17.5%	(1.1%)
Social	**960**	**177.6**	1,014	186.9	(5.3%)	(5.0%)
Total	**4,577**	**310.6**	4,092	309.3	11.9%	0.4%

Total housing completions increased by 11.9% to 4,577 homes (2024 – 4,092 homes) and overall private output rose by 17.5% to 3,617 homes (2024 – 3,078 homes). There was a modest 5.3% decline in social housing output to 960 homes (2024 – 1,014 homes) which resulted in the proportion of social completions decreasing to more normalised level of 21.0% of the total (2024 – 24.8%). We have good visibility on our near-term build programmes, and we expect a similar number of social housing completions in the second half of the current financial year.

The overall average selling price was in line with our expectations at £310,581 (2024 – £309,278). While there were some geographic and mix changes, underlying pricing and the level of incentives remained firm through the period, and we continue to expect the full year average selling price to be around £310,000 (31 July 2024 – £307,909).

Underlying operating performance

Overall, underlying cost pressures have eased, although the effects of residual cost inflation, extended site durations and the use of customer incentives continue to be realised through the income statement. The Group's commercial disciplines and proactive management of site-based overheads helped to alleviate some of the margin pressures faced during the period and the underlying gross margin reduced slightly to 16.4%[2,3] (2024 – 16.5%). Driven by higher revenues in the period, underlying gross profit increased by 11.1% to £233.8m[2,3] (2024 – £210.5m).

Other operating income and expenses, which net to a modest expense of £0.3m (2024 – £0.9m), relate to the running of our part-exchange programme. Part-exchange activity remained disciplined and was used for only 3.1% (2024 – 2.8%) of completions with a balance sheet investment at 31 January 2025 of £15.6m (2024 – £20.1m). 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 administrative expense rose by 10.3% to £76.9m (2024 – £69.7m). 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 new proprietary timber frame manufacturing operations. We continue to expect full year underlying administrative expenses[2,3] to rise by around 10% over the prior year (31 July 2024 – £141.8m).

The underlying operating margin for the half year was 11.0%[2,3] (2024 – 11.0%). We currently expect there to be a modest reduction in the second half of the financial year, primarily due to reduced overhead absorption, given the weighting of housing revenues to the first half. For the full year and in line with previous guidance, we continue to anticipate the underlying operating margin to approach 11.0%[2,3] (31 July 2024 – 10.0%).

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

Adjusting item: Net legacy building safety expense

Bellway has allocated and committed significant resource and funding to remediate its legacy apartments. As a result the Group is making good progress on addressing building safety issues.

In December 2024, following a period of industry-wide delays in obtaining building access licences, developers and the Government committed to working together to accelerate developer-led remediation. Our experienced site remediation teams remain focused on completing works as promptly and efficiently as possible.

In the first half, the Group has recognised a net adjusting charge of £9.4m (2024 – £16.8m) in relation to legacy building safety. The total adjusting expense includes a net adjusting expense of £2.1m through cost of sales, which relates to the refinement of overall cost estimates in relation to the SRT and associated review provision.

The adjusting finance expense in the period was £7.3m (2024 – £9.4m) 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 January 2025 forward looking discount rate, we currently anticipate an adjusting finance expense of around £7m in the second half of financial year 2025.

The total amount Bellway has set aside for legacy buildings in England, Scotland and Wales since 2017 is £665.1m. Demonstrating our ongoing commitment to deliver appropriate solutions for legacy buildings, the Group has spent £163.0m since the start of the remediation programme, with a remaining provision of £502.1m at 31 January 2025.

The Group's established and dedicated Building Safety division is being enlarged to ensure every effort is being made to accelerate progress with assessment and remediation. As at 31 January 2025, and including those buildings that have been awarded an application by the Building Safety Fund or ACM Funds, Bellway had a total of 159 buildings where work is complete or underway.

Bellway 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.

Net underlying finance expense

The modest rise in the net underlying finance expense to £5.8m[2,3] (2024 – £4.3m) was primarily due to the higher interest rates charged on the increased land creditor balance in the period. This resulted in a higher non-cash interest charge on land acquired on deferred terms of £7.1m (2024 – £5.3m). The total underlying non-cash related net finance expense in the first half was £7.5m[2,3] (2024 – £5.4m), and cash related net finance income was £1.7m (2024 – £1.1m).

Based on prevailing interest rates and in line with previous guidance, the net underlying interest expense[2,3] in financial year 2025 is anticipated to be around £15m (31 July 2024 – £9.7m).

Profit for the period

Including our share of loss from joint ventures of £0.6m (2024 – £1.4m), which reflects upfront financing costs on a long-term scheme, underlying profit before taxation increased by 11.9% to £150.2m[2,3] (2024 – £134.2m). Reported profit before taxation was £140.8m (2024 – £117.4m).

The income tax expense was £40.4m (2024 – £33.4m), reflecting an effective tax rate of 28.7% (2024 – 28.4%). 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 period rose by 11.7% to £107.1m[2,3] (2024 – £95.9m) and underlying earnings per share was 90.3p[2,3] (2024 – 80.6p). After considering the adjusting items, reported profit for the period was £100.4m (2024 – £84.0m). Basic earnings per share was 84.6p (2024 – 70.6p).

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 £4,764.3m (2024 – £4,542.4m), the carrying value of land was £2,538.2m (2024 – £2,438.2m), with the modest increase due to a normalisation of land buying activity and several pipeline sites receiving an implementable DPP during the period. While our work-in-progress also increased modestly to £2,064.2m (2024 – £1,953.8m), the balance was lower than the position of £2,123.9m at 31 July 2024. This movement since the start of the financial year reflects the increase in volume output together with our ongoing disciplined investment in site infrastructure and programme of outlet openings.

We have maintained financial resilience, and net debt at 31 January 2025 was low and in line with expectations at £8.0m[2] (2024 – net cash of £76.6m). During the first half, expenditure on land, including payment of land creditors, was £302m (2024 – £257m), primarily comprising cash payments on contracts approved in previous financial years. Committed land obligations were £289.7m (2024 – £238.5m) and adjusted gearing, inclusive of land creditors, remains low at 8.5%[2] (2024 – 4.7%). We remain focused on preserving Bellway's balance sheet strength and expect to end the current financial year maintaining a low level of adjusted gearing[2].

Delivering value for shareholders

Net assets increased in the half year to £3,522.4m (31 July 2024 – £3,465.4m), with the improvement in profitability partly offset by cash dividend payments made in the period totalling £45.1m. As a result, NAV per share increased to 2,960p[2] (31 July 2024 – 2,913p). Underlying post-tax return on equity was 6.1%[2,3] (2024 – 5.6%) and underlying RoCE was 8.9%[2,3] (2024 – 8.1%).

The Board remains confident that, with supportive market conditions, Bellway is in an excellent position to capitalise on future growth opportunities. Combined 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.

Shane Doherty
Chief Financial Officer
24 March 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 encompasses issues around people and the environment, 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 Carbon Reduction, Customers and Communities, and becoming an Employer of Choice are included below:

Carbon Reduction

To achieve a lower carbon footprint at Bellway, we have committed to a significant reduction in scope 1 to 3 greenhouse gas emissions by 2030. 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’).

Our flagship research project is at the University of Salford where a Bellway ‘Future Home’ has been constructed in the ‘Energy House 2.0’ environmental chamber. In this controlled environment, a variety of innovative technologies are being tested, and the project is producing valuable data on the performance of these technologies and the fabric of the ‘Future Home’. This is helping to inform how Bellway will build homes in the years ahead and achieve the requirements of the Future Homes Standard.

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.

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. This is awarded by the HBF using the NHBC's 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 also been reflected by 45 of our site managers winning NHBC Pride in the Job Awards during the year. This is the NHBC’s flagship competition for build quality across the UK, with ten of our winners also receiving a Seal of Excellence Award; three of which went on to win Pride in the Job Regional Awards.

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.

Bellway is a fully accredited Living Wage Employer, which covers both directly employed and subcontracted staff, 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.

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 Preliminary Results in October 2025.

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

Jason Honeyman
Group Chief Executive
24 March 2025

Condensed Group Income Statement

	Note	**Half year ended 31 January 2025 £m**	Half year ended 31 January 2024 £m	Year ended 31 July 2024 £m
Revenue	1	**1,429.4**	1,273.1	2,380.2
Cost of sales		**(1,197.7)**	(1,070.0)	(2,019.0)
Analysed as:				
Underlying cost of sales		**(1,195.6)**	(1,062.6)	(1,999.1)
Adjusting item: net legacy building safety expense	2	**(2.1)**	(7.4)	(19.9)
Gross profit		**231.7**	203.1	361.2
Other operating income		**31.5**	22.7	50.6
Other operating expenses		**(31.8)**	(23.6)	(51.8)
Administrative expenses		**(76.9)**	(69.7)	(147.2)
Analysed as:				
Underlying administrative expenses		**(76.9)**	(69.7)	(141.8)
Adjusting item: aborted transaction costs	2	**-**	-	(5.4)
Operating profit		**154.5**	132.5	212.8
Finance income	8	**5.0**	4.7	9.5
Finance expenses	8	**(18.1)**	(18.4)	(36.3)
Analysed as:				
Underlying finance expenses		**(10.8)**	(9.0)	(19.2)
Adjusting item: net legacy building safety expense	2,8	**(7.3)**	(9.4)	(17.1)
Share of result of joint ventures		**(0.6)**	(1.4)	(2.3)
Profit before taxation		**140.8**	117.4	183.7
Income tax expense	4	**(40.4)**	(33.4)	(53.2)
Profit for the period *		**100.4**	84.0	130.5
Earnings per ordinary share – Basic	3	**84.6p**	70.6p	109.8p
Earnings per ordinary share – Diluted	3	**84.0p**	70.1p	109.0p
Dividend per ordinary share	11	**21.0p**	16.0p	54.0p

* All attributable to equity holders of the parent.

Adjusting items

	Note	**Half year ended 31 January 2025 £m**	Half year ended 31 January 2024 £m	Year ended 31 July 2024 £m
Gross profit				
Gross profit per the Condensed Group Income Statement		**231.7**	203.1	361.2
Adjusting item: net legacy building safety expense	2	**2.1**	7.4	19.9
Underlying gross profit		**233.8**	210.5	381.1
Operating profit				
Operating profit per the Condensed Group Income Statement		**154.5**	132.5	212.8
Adjusting item: net legacy building safety expense	2	**2.1**	7.4	19.9
Adjusting item: aborted transaction costs	2	**-**	-	5.4
Underlying operating profit		**156.6**	139.9	238.1
Profit before taxation				
Profit before taxation per the Condensed Group Income Statement		**140.8**	117.4	183.7
Adjusting item: net legacy building safety expense	2	**9.4**	16.8	37.0
Adjusting item: aborted transaction costs	2	**-**	-	5.4
Underlying profit before taxation		**150.2**	134.2	226.1
Profit for the period				
Profit for the period per the Condensed Group Income Statement		**100.4**	84.0	130.5
Adjusting item: net legacy building safety expense	2	**9.4**	16.8	37.0
Adjusting item: aborted transaction costs	2	**-**	-	5.4
Adjusting item: income tax on exceptional items	2	**(2.7)**	(4.9)	(12.3)
Underlying profit for the period		**107.1**	95.9	160.6

Condensed Group Statement of Comprehensive Income

	Note	**Half year ended 31 January 2025 £m**	Half year ended 31 January 2024 £m	Year ended 31 July 2024 £m
Profit for the period		**100.4**	84.0	130.5
Other comprehensive expense				
Items that will not be recycled to the income statement:				
Remeasurement losses on defined benefit pension plans		**(0.4)**	(1.1)	(1.6)
Income tax on other comprehensive expense	4	**0.1**	0.3	0.5
Other comprehensive expense for the period, net of income tax		**(0.3)**	(0.8)	(1.1)
Total comprehensive income for the period *		**100.1**	83.2	129.4

* All attributable to equity holders of the parent.

Condensed Group Statement of Changes in Equity

	Note	Issued capital £m	Share premium £m	Capital redemption reserve £m	Other reserves £m	Retained earnings £m	Total equity £m
Half year ended 31 January 2025							
Balance at 1 August 2024		14.8	183.2	20.6	1.5	3,245.3	3,465.4
Total comprehensive income for the period							
Profit for the period		-	-	-	-	100.4	100.4
Other comprehensive expense *		-	-	-	-	(0.3)	(0.3)
Total comprehensive income for the period		-	-	-	-	100.1	100.1
Transactions with shareholders recorded directly in equity:							
Dividends on equity shares	11	-	-	-	-	(45.1)	(45.1)
Credit in relation to share options and tax thereon	4	-	-	-	-	2.0	2.0
Total contributions by and distributions to shareholders		-	-	-	-	(43.1)	(43.1)
Balance at 31 January 2025		**14.8**	**183.2**	**20.6**	**1.5**	**3,302.3**	**3,522.4**
Half year ended 31 January 2024							
Balance at 1 August 2023		15.0	182.0	20.4	1.5	3,242.7	3,461.6
Total comprehensive income for the period							
Profit for the period		-	-	-	-	84.0	84.0
Other comprehensive expense *		-	-	-	-	(0.8)	(0.8)
Total comprehensive income for the period		-	-	-	-	83.2	83.2
Transactions with shareholders recorded directly in equity:							
Dividends on equity shares	11	-	-	-	-	(112.7)	(112.7)
Credit in relation to share options and tax thereon	4	-	-	-	-	2.5	2.5
Share buyback programme and cancellation of shares	10	(0.2)	-	0.2	-	(0.4)	(0.4)
Total contributions by and distributions to shareholders		(0.2)	-	0.2	-	(110.6)	(110.6)
Balance at 31 January 2024		14.8	182.0	20.6	1.5	3,215.3	3,434.2
Year ended 31 July 2024							
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	11	-	-	-	-	(131.7)	(131.7)
Shares issued		-	1.2	-	-	-	1.2
Credit in relation to share options and tax thereon	4	-	-	-	-	5.3	5.3
Share buyback programme and cancellation of shares	10	(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

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

Condensed Group Balance Sheet

	Note	**At 31 January 2025 £m**	At 31 January 2024 £m	At 31 July 2024 £m
ASSETS				
Non-current assets				
Property, plant and equipment		**41.7**	30.1	30.2
Financial assets		**49.8**	47.6	47.7
Equity accounted joint arrangements		**9.3**	3.5	9.8
Deferred tax assets	4	**0.8**	-	-
Retirement benefit assets		**0.6**	1.4	0.9
		102.2	82.6	88.6
Current assets				
Inventories	5	**4,764.3**	4,542.4	4,714.8
Trade and other receivables		**87.7**	66.6	76.8
Cash and cash equivalents	7	**122.0**	206.6	119.5
		4,974.0	4,815.6	4,911.1
Total assets		**5,076.2**	4,898.2	4,999.7
LIABILITIES				
Non-current liabilities				
Interest-bearing loans and borrowings	7	**(130.0)**	(130.0)	(130.0)
Trade and other payables		**(100.2)**	(97.0)	(93.6)
Deferred tax liabilities	4	**-**	(2.4)	(0.7)
Provisions	6	**(358.1)**	(401.5)	(376.5)
		(588.3)	(630.9)	(600.8)
Current liabilities				
Corporation tax payable	4	**(9.1)**	(11.1)	(7.9)
Trade and other payables		**(812.4)**	(713.4)	(792.9)
Provisions	6	**(144.0)**	(108.6)	(132.7)
		(965.5)	(833.1)	(933.5)
Total liabilities		**(1,553.8)**	(1,464.0)	(1,534.3)
Net assets		**3,522.4**	3,434.2	3,465.4
EQUITY				
Issued capital	10	**14.8**	14.8	14.8
Share premium		**183.2**	182.0	183.2
Capital redemption reserve	10	**20.6**	20.6	20.6
Other reserves		**1.5**	1.5	1.5
Retained earnings		**3,302.3**	3,215.3	3,245.3
Total equity		**3,522.4**	3,434.2	3,465.4

Condensed Group Cash Flow Statement

	Note	**Half year ended 31 January 2025 £m**	Half year ended 31 January 2024 £m	Year ended 31 July 2024 £m
Cash flows from operating activities				
Profit for the period		**100.4**	84.0	130.5
Depreciation charge		**2.7**	2.6	5.1
Loss on the sale of property, plant and equipment		**0.1**	-	-
Finance income	8	**(5.0)**	(4.7)	(9.5)
Finance expenses	8	**18.1**	18.4	36.3
Share-based payment expense		**2.4**	2.3	4.5
Share of post tax result of joint ventures		**0.6**	1.4	2.3
Income tax expense	4	**40.4**	33.4	53.2
(Increase)/decrease in inventories		**(49.5)**	33.2	(139.2)
(Increase)/decrease in trade and other receivables		**(11.5)**	21.6	11.5
Increase/(decrease) in trade and other payables		**11.0**	(167.3)	(98.8)
Decrease in provisions	6	**(14.4)**	(7.5)	(16.1)
Cash from/(utilised in) operations		**95.3**	17.4	(20.2)
Interest paid		**(3.3)**	(3.3)	(6.8)
Income tax paid		**(40.3)**	(15.1)	(38.5)
Net cash inflow/(outflow) from operating activities		**51.7**	(1.0)	(65.5)
Cash flows from investing activities				
Acquisition of property, plant and equipment		**(6.0)**	(0.9)	(1.4)
Increase in loans to joint ventures		**(0.6)**	(7.0)	(13.9)
Dividends from joint ventures		**1.0**	-	2.0
Interest received		**2.4**	2.9	5.3
Net cash outflow from investing activities		**(3.2)**	(5.0)	(8.0)
Cash flows from financing activities				
Payment of lease liabilities		**(0.9)**	(1.8)	(3.6)
Proceeds from the issue of share capital on exercise of share options		**-**	-	1.2
Share buyback programme	10	**-**	(34.9)	(34.9)
Dividends paid	11	**(45.1)**	(112.7)	(131.7)
Net cash outflow from financing activities		**(46.0)**	(149.4)	(169.0)
Net increase/(decrease) in cash and cash equivalents		**2.5**	(155.4)	(242.5)
Cash and cash equivalents at beginning of period		**119.5**	362.0	362.0
Cash and cash equivalents at end of period	7	**122.0**	206.6	119.5

Notes

Basis of preparation

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

These condensed consolidated interim financial statements, prepared to 31 January 2025, include the results of the Company, its subsidiaries and the Group’s interest in joint arrangements (together referred to as the ‘Group’).

These condensed consolidated interim financial statements are unaudited and were authorised for issue by the Board on 24 March 2025.

a) Basis of preparation

This set of condensed consolidated interim financial statements has been prepared in accordance with IAS 34 ‘Interim Financial Reporting’ as adopted by the UK.

The comparative figures for the financial year ended 31 July 2024 are not the Group's statutory financial statements for that financial year as defined in section 434 of the Companies Act 2006. Those financial statements have been reported on by the Group's auditor and delivered to the Registrar of Companies. The report of the auditor was (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.

The annual financial statements of the Group for financial year ending 31 July 2025 will be prepared in accordance with UK adopted International Accounting Standards (‘IAS’). As required by the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority, these condensed consolidated interim financial statements have been prepared applying the accounting policies and presentation that were applied in the preparation of the Group's published consolidated financial statements for the year ended 31 July 2024.

b) Going concern

The Group’s activities are financed principally by a combination of ordinary shares and cash in hand less debt. At 31 January 2025, Bellway had net debt of £8.0 million[2] (note 7), having cash inflows of £2.5 million (note 7) during the period, including £95.3 million of cash generated from operations.

The Group has operated within all its debt covenants throughout the period, and covenant compliance was considered as part of the going concern assessment. In addition, the Group had bank facilities of £400.0 million at 31 January 2025, expiring in tranches up to December 2028. Furthermore, in February 2021 the Group drew down a sterling US Private Placement (‘USPP’) for a total amount of £130.0 million, 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 £530.0 million at 31 January 2025.

Including committed debt lines and cash, Bellway had access to total funds of £522.0 million, along with net current assets (excluding cash) of £3,886.5 million at 31 January 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 the private average selling price, with overheads, land spend and construction spend reducing accordingly.

This sensitivity includes the following principal assumptions:

- Private completions in H2 FY25 are supported by the forward order book. In the 12 months to 31 July 2026, private completions reduce by around 50% compared to the 12-month pre-stress peak in FY22. This is followed by a gradual recovery based on the lower base position.

Notes (continued)

Basis of preparation (continued)

b) Going concern (continued)

- Private average selling price in H2 FY25 remains in line with internal forecasts due to the order book position. In the 12 months to 31 July 2026, 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 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 is reduced in line with housing revenue.

- Dividends were reduced in line with earnings.

The sensitivity analysis was modelled over the period to 31 July 2026 for the going concern assessment. In addition to the scenario, 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 will have sufficient funds to continue to meet its liabilities as they fall due for the period to 31 July 2026, aligning with the first year end after the minimum 12 month assessment period, and have therefore prepared the condensed consolidated interim financial statements on a going concern basis.

c) Accounting policies

Effect of new accounting standards and amendments

The adoption of the new accounting standards and amendments effective for the first time in these condensed consolidated interim financial statements have not had a material effect on the Groups’ equity or profit for the period.

d) Accounting estimates and judgements

While preparing these condensed consolidated interim 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 condensed consolidated interim 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 Annual Report and Accounts for the year ended 31 July 2024.

e) Seasonality

In common with the rest of the UK housebuilding industry, activity occurs throughout the year, but is subject to the two main house selling seasons of spring and autumn. As these seasons fall in separate half years, the Group's financial results are not usually subject to significant seasonal variations.

Notes (continued)

Performance for the period

1. Revenue

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 assess 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 Financial 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		
	Half year ended 31 January 2025 Number	Half year ended 31 January 2024 Number	Year ended 31 July 2024 Number	**Half year ended 31 January 2025 £m**	Half year ended 31 January 2024 £m	Year ended 31 July 2024 £m
Housing - private	**3,617**	3,078	5,758	**1,251.1**	1,076.0	2,002.3
Housing - social	**960**	1,014	1,896	**170.5**	189.6	354.4
Total housing	**4,577**	4,092	7,654	**1,421.6**	1,265.6	2,356.7
Non-housing revenue	**-**	-	-	**7.8**	7.5	23.5
Total	**4,577**	4,092	7,654	**1,429.4**	1,273.1	2,380.2

Notes (continued)

2. Net legacy building safety expense and exceptional items

Profit before taxation has been arrived at after recognising the following items in the income statement:

	Half year ended 31 January 2025			Half year ended 31 January 2024		
	SRT and associated review	**Structural defects**	**Total net legacy building safety expense**	SRT and associated review	Structural defects	Total net legacy building safety expense
	£m	**£m**	**£m**	£m	£m	£m
Provisions (note 6)	**3.2**	**(0.9)**	**2.3**	8.0	(0.6)	7.4
Reimbursement assets	**(0.2)**	**-**	**(0.2)**	-	-	-
Net cost of sales (note 6)	**3.0**	**(0.9)**	**2.1**	8.0	(0.6)	7.4
Finance expenses (notes 6, 8)	**6.4**	**0.9**	**7.3**	8.8	0.6	9.4
Total net legacy building safety expense	**9.4**	**-**	**9.4**	16.8	-	16.8

	Year ended 31 July 2024				
	SRT and associated review	Structural defects	Total net legacy building safety expense	Aborted transaction costs	Total adjusting items
	£m	£m	£m	£m	£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 8)	15.9	1.2	17.1	-	17.1
Total net legacy building safety expense and exceptional items	21.7	15.3	37.0	5.4	42.4

The income tax rate applied to the total net legacy building safety expense and adjusting items in the income statement is the Group's standard rate of income tax, including both corporation tax and Residential Property Developer Tax ('RPDT'), of 29.0% (31 January 2024 – 29.0%, 31 July 2024 – 29.0%).

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 MHCLG. 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 construction ('FRAEW'). 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').

Notes (continued)

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

In total, for the half year ended 31 January 2025 Bellway set aside a net exceptional pre-tax expense of £9.4 million (2024 – £16.8 million), in relation to the SRT and associated review. Of this expense, a net £3.0 million (2024 – £8.0 million) is recognised in cost of sales and an adjusting finance expense of £6.4 million (2024 – £8.8 million) 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 £10.6 million (2024 – £10.3 million) relating to cost estimate increases, offset by £2.1 million (2024 – £7.8 million expense) following an increase (2024 – decrease) in discount rates during the period (note 6), provision releases of £5.3 million (2024 – £10.1 million), and one-off cost recoveries of £0.2 million (2024 – £nil).

The total amount Bellway has set aside in relation to the SRT and associated review since 2017 is £619.3 million (31 July 2024 – £609.7 million). 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.

The provision has been calculated using cost estimates based on our extensive experience to date, using analysis of previously tendered works and prudent, professional estimates based on knowledge of known issues. In addition, on developments where full investigations have not yet been undertaken or cost reports obtained, costs to date on similar developments have been used to estimate the likely cost. We have also made assumptions with regards to the likely cost of resolving potential issues, that we have not yet been made aware of, on blocks constructed since 1992.

Cost estimates have been reviewed and updated in the period based on the latest scopes following surveys undertaken, tendered works and progress with remediation.

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 January 2025, and including those buildings that have been awarded an application by the Building Safety Fund or ACM Funds, Bellway had a total of 159 buildings where work is complete or underway.

Total recoveries recognised since 2017 are £80.5 million (31 July 2024 – £80.3 million). Reimbursement assets of £0.1 million (2024 – £nil) remained outstanding at the period end.

Structural defects

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. The current provision for the cost of the remediation work is £45.4 million (31 July 2024 – £45.6 million). This cost estimate is based on an expert third-party report and reflects management's expected scope of works.

In total, for the half year ended 31 January 2025 Bellway set aside an exceptional pre-tax expense of £nil (2024 – £nil), in relation to the structural defects. Of this, £0.9 million of net income (2024 – £0.6 million) is recognised in cost of sales which is offset by an adjusting finance expense of £0.9 million (2024 – £0.6 million) relating to the unwinding of the discount of the provision to present value. The amount recognised in cost of sales includes a credit of £0.8 million (2024 – £0.9 million) relating to provisions releases and £0.1 million (2024 – £0.3 million expense) following an increase (2024 – decrease) in discount rates during the period (note 6).

Notes (continued)

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

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.

The Group has carried out a review of other buildings constructed by, or on behalf of Bellway, where the same third parties responsible for the design of the frame in the Greenwich development have been involved. To date, no other similar design issues with reinforced concrete frames have been identified.

We are actively seeking recoveries in relation to the structural defect 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.

Aborted transaction costs

During the previous financial 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 (31 January 2024 – £nil, 31 July 2024 – £5.4 million) of costs associated with this aborted transaction as exceptional.

3. Earnings per ordinary share

Basic earnings per ordinary share is calculated by dividing profit for the period by the weighted average number of ordinary shares in issue during the six month period (excluding the weighted average number of ordinary shares held by the Bellway Employee Share Trust (1992) which are treated as cancelled).

Diluted earnings per ordinary share uses the same profit for the period 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 earnings by the diluted weighted average number of ordinary shares.

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

	Profit for the period 2025 £m	**Weighted average number of ordinary shares 2025 Number**	**Earnings per share 2025 p**	Profit for the period 2024 £m	Weighted average number of ordinary shares 2024 Number	Earnings per share 2024 p
For basic earnings per ordinary share	**100.4**	**118,656,710**	**84.6**	84.0	119,014,789	70.6
Dilutive effect of options and awards		**898,347**	**(0.6)**		764,651	(0.5)
For diluted earnings per ordinary share	**100.4**	**119,555,057**	**84.0**	84.0	119,779,440	70.1

Notes (continued)

3. Earnings per ordinary share (continued)

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 period 2025 £m	**Weighted average number of ordinary shares 2025 Number**	**Underlying earnings per share 2025 p**	Underlying profit for the period 2024 £m	Weighted average number of ordinary shares 2024 Number	Underlying earnings per share 2024 p
For basic underlying earnings per ordinary share	**107.1**	**118,656,710**	**90.3**	95.9	119,014,789	80.6
Dilutive effect of options and awards		**898,347**	**(0.7)**		764,651	(0.5)
For diluted underlying earnings per ordinary share	**107.1**	**119,555,057**	**89.6**	95.9	119,779,440	80.1

Taxation

4. Taxation

The income tax expense includes both corporation tax and RPDT. This is calculated by applying the best estimate of the expected annual corporation tax rate and RPDT rate to the profit before taxation adjusted for non-taxable items and enhanced deductions.

The effective rate of taxation, including RPDT, for the period is 28.7% (31 January 2024 – 28.4%, 31 July 2024 – 29.0%).

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%, it is expected the introduction of this tax will not affect Bellway. The Multinational Top-up Tax is not expected to 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.

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) of the Group at 31 January 2025 were valued at the substantively enacted corporation tax and RPDT rates of 29.0% (31 January 2024 – 29.0%, 31 July 2024 – 29.0%). At 31 January 2025 the Group recognised a deferred tax asset of £0.8 million (31 January 2024 – deferred tax liability of £2.4 million, 31 July 2024 – deferred tax liability of £0.7 million).

Working capital

5. Inventories

	Half year ended 31 January 2025 £m	Half year ended 31 January 2024 £m	Year ended 31 July 2024 £m
Land	**2,538.2**	2,438.2	2,431.4
Work-in-progress	**2,064.2**	1,953.8	2,123.9
Showhomes	**146.3**	130.3	145.0
Part-exchange properties	**15.6**	20.1	14.5
Total	**4,764.3**	4,542.4	4,714.8

Notes (continued)

5. Inventories (continued)

In the ordinary course of business, inventories have been written back by a net £2.8 million in the period (31 January 2024 – written down by £4.6 million, 31 July 2024 – written down by £8.2 million).

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.

6. 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 2)	(3.2)	0.2	(3.0)	0.9	-	0.9	(2.3)	0.2	(2.1)
Analysed as:									
Additions	(10.6)	0.2	(10.4)	-	-	-	(10.6)	0.2	(10.4)
Released	5.3	-	5.3	0.8	-	0.8	6.1	-	6.1
Change in discount rate	2.1	-	2.1	0.1	-	0.1	2.2	-	2.2
Utilised/(received)	16.5	(0.2)	16.3	0.2	-	0.2	16.7	(0.2)	16.5
Unwinding of discount (notes 2,8)	(6.4)	-	(6.4)	(0.9)	-	(0.9)	(7.3)	-	(7.3)
At 31 January 2025	**(456.7)**	**0.1**	**(456.6)**	**(45.4)**	**-**	**(45.4)**	**(502.1)**	**0.1**	**(502.0)**

Provisions are classified as follows:

	SRT and associated review	Structural defects	Total legacy building safety improvements
	£m	£m	£m
Current	(142.5)	(1.5)	(144.0)
Non-current	(314.2)	(43.9)	(358.1)
Total	**(456.7)**	**(45.4)**	**(502.1)**

The Group has established a provision for the cost of performing fire remedial works on a number of legacy developments and a structural defect relating to a historical high rise apartment scheme (note 2).

<u>**Financing**</u>

7. Analysis of net debt

	At 1 August 2024	Cash flows	**At 31 January 2025**
	£m	£m	**£m**
Cash and cash equivalents	119.5	2.5	**122.0**
Fixed rate sterling USPP notes	(130.0)	-	**(130.0)**
Net debt	(10.5)	2.5	**(8.0)**

Notes (continued)

8. Finance income and expenses

	Half year ended 31 January 2025 £m	Half year ended 31 January 2024 £m	Year ended 31 July 2024 £m
Interest receivable on short-term bank deposits	**1.8**	2.3	3.8
Net interest receivable on defined benefit asset	**-**	0.1	-
Other interest receivable	**3.2**	2.3	5.7
Finance income	**5.0**	4.7	9.5
Interest payable on bank loans	**1.6**	1.8	3.8
Interest payable on fixed rate sterling USPP notes	**1.7**	1.7	3.4
Interest on deferred term land payables	**7.1**	5.3	11.1
Unwinding of the discount on the legacy building safety improvements provision (notes 2, 6)	**7.3**	9.4	17.1
Interest payable on leases	**0.4**	0.2	0.4
Other interest payable	**-**	-	0.5
Finance expenses	**18.1**	18.4	36.3

The unwinding of the discount on the legacy building safety improvements provision is an adjusting item (note 2).

9. Financial instruments - fair value disclosures

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

The carrying values of the majority of financial assets and liabilities reasonably approximate their fair values.

The fair value of derivative financial instruments at fair value through profit or loss (‘FVTPL’) held by the Group is determined using a discounted cash flow valuation technique at forward exchange rates and therefore can be considered as a level 2 fair value as defined within IFRS 13 ‘Fair Value Measurement’.

The Group does not hold any financial assets or liabilities whose fair value would be considered as a level 1 or 3 fair value as defined within IFRS 13.

Notes (continued)

Shareholder capital

10. Reserves

Issued capital

	Half year ended 31 January 2025		Half year ended 31 January 2024		Year ended 31 July 2024	
	Number 000	**£m**	Number 000	£m	Number 000	£m
Allotted, called up and fully paid 12.5p ordinary shares						
At start of the period	**118,980**	**14.8**	120,559	15.0	120,559	15.0
Issued on exercise of options	**2**	**-**	1	-	52	-
Buyback and cancellation of shares	**-**	**-**	(1,631)	(0.2)	(1,631)	(0.2)
At end of period	**118,982**	**14.8**	118,929	14.8	118,980	14.8

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

During the half year ended 31 January 2024, the Company purchased 1,631,263 of its ordinary shares for a total consideration of £34.9 million, including transaction costs of £0.4 million. All shares purchased were for cancellation, as part of the £100.0 million share buyback programme entered into on 28 March 2023 and completed on 27 October 2023.

Own shares held

The Group 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.

	Half year ended 31 January 2025 Number	Half year ended 31 January 2024 Number	Year ended 31 July 2024 Number
Allotted, called up and fully paid 12.5p ordinary shares			
At start of the period	**326,114**	327,202	327,202
Transferred to employees or Directors	**(1,000)**	(1,000)	(1,088)
At end of period	**325,114**	326,202	326,114

	Half year ended 31 January 2025 £m	Half year ended 31 January 2024 £m	Year ended 31 July 2024 £m
Cost of shares held in Trust	**8.8**	8.8	8.8
Market value of shares held in Trust	**8.5**	9.0	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 £20.0 million, 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 the Group purchased 4,560,057 of its own shares which it cancelled. On cancellation of the shares, the aggregate nominal value of £0.6 million was transferred from issued capital to the capital redemption reserve.

This reserve is not distributable.

Notes (continued)

11. Dividends on equity shares

Amounts recognised as distributions to equity holders in the period:

	Half year ended 31 January 2025 £m	Half year ended 31 January 2024 £m	Year ended 31 July 2024 £m
Final dividend for the year ended 31 July 2024 of 38.0p per share (2023 – 95.0p)	**45.1**	112.7	112.7
Interim dividend for the year ended 31 July 2024 of 16.0p per share (2023 – 45.0p)	**-**	-	19.0
	45.1	112.7	131.7
Interim dividend for the year ending 31 July 2025 of 21.0p per share (2024 – 16.0p)	**24.9**	19.0	19.0

The interim dividend was approved by the Board on 24 March 2025 and, in accordance with IAS 10 'Events after the Reporting Period', has not been included as a liability in these condensed consolidated interim financial statements. The interim dividend will be paid on Tuesday 1 July 2025 to all ordinary shareholders on the Register of Members on Friday 23 May 2025. The ex-dividend date is Thursday 22 May 2025.

Contingencies and related parties

12. 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 2, 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.

Market investigation by the Competition and Markets Authority

The UK Competition and Markets Authority (‘CMA’) launched a market study into the housebuilding sector in England, Scotland and Wales in February 2023, the results of which were published in the CMA’s final report on 26 February 2024.

During the study, the CMA stated that it also found evidence which indicated some housebuilders may be sharing commercially sensitive information with competitors, which could be influencing the build-out rate of sites and the prices of new homes. While the CMA does not consider such sharing of information to be one of the main factors in the persistent under delivery of homes, the CMA is concerned that it may weaken competition in the market. As a result, the CMA launched an investigation under the Competition Act 1998 into eight housebuilders, including Bellway. The CMA has not yet reached any conclusions, and Bellway will continue to engage positively and co-operate fully with the CMA during the investigation.

13. Related party transactions

There have been no related party transactions in the first six months of the current financial year which have materially affected the financial position or performance of the Group.

The related parties are consistent with those disclosed in the Group's Annual Report and Accounts for the year ended 31 July 2024, other than the following changes:

- the dissolution of DFE TW Residential Limited, a 50% owned joint arrangement;
- the dissolution of MI New Home Insurance PCC Limited and HBF Insurance PCC Limited;
- the incorporation of Bellway Joint Ventures Limited, a 100% owned subsidiary;
- Artex Insurance (Guernsey) PCC Limited has changed its company name to Artex Axcell (Guernsey) PCC Limited; and
- the changes in Directors as set out in the Statement of Directors' Responsibilities.

Notes (continued)

Other information

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 exceptional items, and are reconciled to total gross profit and total operating profit on the face of the Condensed Group Income Statement. The Directors consider that the removal of the net legacy building safety expense and 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 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 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 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 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 exceptional items. The Directors consider this to be an important indicator of the profitability of the Group before taxation.

- **Underlying profit for the period** – This is the profit for the period before net legacy building safety expense and 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 period divided by the weighted average number of ordinary shares in issue during the period (excluding the weighted average number of ordinary shares held by the Group or Trust which are treated as cancelled).

- **Underlying dividend cover** – This is calculated as underlying profit for the period 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 approved 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.

Notes (continued)

14. Alternative performance measures (continued)

- **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 approved 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.

- **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 important indicator of the net investment by the Group in the period to achieve future growth.

	31 January 2025			31 January 2024		
Per balance sheet	**31 January 2025 £m**	**31 July 2024 £m**	**Movement £m**	31 January 2024 £m	31 July 2023 £m	Movement £m
Land	**2,538.2**	**2,431.4**	**106.8**	2,438.2	2,578.8	(140.6)
Work-in-progress	**2,064.2**	**2,123.9**	**(59.7)**	1,953.8	1,861.6	92.2
Increase/(decrease) in capital invested in land and work-in-progress in the period			**47.1**			(48.4)
Land creditors	**(289.7)**	**(225.3)**	**(64.4)**	(238.5)	(368.8)	130.3
(Decrease)/increase in capital invested in land, net of land creditors, and work-in-progress in the period			**(17.3)**			81.9

- **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 and net debt. Equity is not adjusted where the Group has net cash. The Directors consider this to be an important indicator of the operating efficiency and performance of the Group.

- **Underlying return on capital employed ('underlying RoCE')** – This is calculated as operating profit before net legacy building safety expense and exceptional items divided by the average capital employed. Average capital employed is calculated based on opening and half year 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.

	31 January 2025			31 January 2024		
	Capital employed £m	**Land creditors £m**	**Capital employed including land creditors £m**	Capital employed £m	Land creditors £m	Capital employed including land creditors £m
Underlying operating profit	**156.6**		**156.6**	139.9		139.9
Capital employed/land creditors:						
Opening	**3,475.9**	**225.3**	**3,701.2**	3,461.6	368.8	3,830.4
Half year	**3,530.4**	**289.7**	**3,820.1**	3,434.2	238.5	3,672.7
Average	**3,503.2**	**257.5**	**3,760.7**	3,447.9	303.7	3,751.6
Annualised underlying return on capital employed	**8.9%**		**8.3%**	8.1%		7.5%

Notes (continued)

14. Alternative performance measures (continued)

- **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 and half year 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.

	31 January 2025			31 January 2024		
	Capital employed	**Land creditors**	**Capital employed including land creditors**	Capital employed	Land creditors	Capital employed including land creditors
	£m	**£m**	**£m**	£m	£m	£m
Operating profit	**154.5**		**154.5**	132.5		132.5
Capital employed/land creditors:						
Opening	**3,475.9**	**225.3**	**3,701.2**	3,461.6	368.8	3,830.4
Half year	**3,530.4**	**289.7**	**3,820.1**	3,434.2	238.5	3,672.7
Average	**3,503.2**	**257.5**	**3,760.7**	3,447.9	303.7	3,751.6
Annualised return on capital employed	**8.8%**		**8.2%**	7.7%		7.1%

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

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

	31 January 2025 £m	31 January 2024 £m
Underlying profit for the period	**107.1**	95.9
Net assets:		
Opening	**3,465.4**	3,461.6
Half year	**3,522.4**	3,434.2
Average	**3,493.9**	3,447.9
Annualised underlying post-tax return on equity	**6.1%**	5.6%

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

	31 January 2025 £m	31 January 2024 £m
Profit for the period	**100.4**	84.0
Net assets:		
Opening	**3,465.4**	3,461.6
Half year	**3,522.4**	3,434.2
Average	**3,493.9**	3,447.9
Annualised post-tax return on equity	**5.7%**	4.9%

Notes (continued)

14. Alternative performance measures (continued)

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

Net asset value per ordinary share:		
At 31 January 2025	2,960p	
At 31 January 2022	2,779p	
Net asset value growth per ordinary share		181p
Dividend paid per ordinary share:		
12 months to 31 January 2025	54.0p	
12 months to 31 January 2024	140.0p	
12 months to 31 January 2023	140.0p	
Cumulative dividends paid per ordinary share		334.0p
Total growth in value per ordinary share		515.0p

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

Net asset value growth per ordinary share	181p
Dividend paid per ordinary share	334.0p
Total growth in value per ordinary share	515.0p
Net asset value per ordinary share at 31 January 2022	2,779p
Total value per ordinary share	3,294.0p
Annualised accounting return = (3,294.0/2,779)^(1/3)-1	5.8%

Notes (continued)

14. Alternative performance measures (continued)

- **Annualised accounting return in NAV and dividends paid since 31 January 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 January 2015 divided by the net asset value per ordinary share at 31 January 2015. The Directors use this as a proxy for the increase in shareholder value since 31 January 2015.

Net asset value per ordinary share:		
At 31 January 2025	2,960p	
At 31 January 2015	1,181p	
Net asset value growth per ordinary share		1,779p
Dividend paid per ordinary share:		
12 months to 31 January 2025	54.0p	
12 months to 31 January 2024	140.0p	
12 months to 31 January 2023	140.0p	
12 months to 31 January 2022	117.5p	
12 months to 31 January 2021	50.0p	
12 months to 31 January 2020	150.4p	
12 months to 31 January 2019	143.0p	
12 months to 31 January 2018	122.0p	
12 months to 31 January 2017	108.0p	
12 months to 31 January 2016	77.0p	
Cumulative dividends paid per ordinary share		1,101.9p
Total growth in value per ordinary share		2,880.9p
Net asset value per ordinary share at 31 January 2015		1,181p
Total value per ordinary share		4,061.9p
Annualised accounting return = (4,061.9/1,181)^(1/10)-1		13.1%

- **Underlying capital growth in the 12 month period** – This is calculated as capital growth in the 12 month period before net legacy building safety expense and exceptional items per share.

Capital growth in the 12 month period	126.0p
Net legacy building safety expense and exceptional items per share	20.9p
Underlying capital growth in the period	146.9p
Net asset value at 31 January 2024	2,888p
Underlying capital growth (146.9p/2,888p)	5.1%

Notes (continued)

14. Alternative performance measures (continued)

- **Capital growth in the 12 month period** – This is calculated as the increase in NAV in the 12 month period combined with the ordinary dividend paid in the period.

Net asset value per ordinary share:		
At 31 January 2025	2,960p	
At 31 January 2024	2,888p	
Net asset value growth per ordinary share		72p
Dividend paid per ordinary share:		
12 months to 31 January 2025		54.0p
Capital growth in the 12 month period		126.0p

- **Net (debt)/cash** – This is the cash and cash equivalents less bank debt and fixed rate sterling USPP notes. Net (debt)/cash 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 7.

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

- **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.

	31 January 2025 £m	31 January 2024 £m
Cash from operations	**95.3**	17.4
Add: (decrease)/increase in capital invested in land, net of land creditors, and work-in-progress in the period (as described above)	**(17.3)**	81.9
Cash generated from operations before investment in land, net of land creditors, and work-in-progress	**78.0**	99.3

- **Adjusted gearing** – This is calculated as the total of net (debt)/cash 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.

- **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.

- **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.

- **Underlying non-cash related finance income and expenses** – Underlying non-cash related finance income and expenses consists of net interest on the defined benefit asset, interest payable on land creditors and interest payable on leases. The Directors consider this to be an important measure when assessing whether the Group is using the most cost effective source of finance.

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 including 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.

We have identified the following principal risks to our business:

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 in construction, 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.
Environment and climate change 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 social/market expectations could lead to financial penalties and reputational damage. ▪ The physical impacts of climate change (such as extreme weather) 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.	▪ Continual monitoring of new and evolving requirements as part of our legal and regulatory compliance framework, including TCFD, the Future Homes Standard and the Environment Act. ▪ Climate change and carbon reduction is a key priority under the Group's 'Better with Bellway' sustainability strategy. ▪ Dedicated biodiversity, sustainability and innovations resource in place to assess risks relating to climate change, monitor performance and drive improvement. ▪ Consultation with specialist external advisors and subject matter experts (e.g. sustainability consultants). ▪ Regular review of the design and features of new homes, along with construction methods and the sustainability of materials, to increase energy efficiency and reduce waste. ▪ Investment in energy-saving measures for offices and sites, including transition to REGO certified electricity. Development and monitoring of science-based carbon reduction targets.
Economy and market Changes in the external environment (including, but not limited to, house price inflation, interest rates, mortgage availability, unemployment, Government housing policy and post-Brexit trade agreements) reduce the affordability of new homes.	▪ 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.	▪ 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 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 whilst 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 rate. ▪ 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 turnover. ▪ Number of graduates, trainees, and apprentices. ▪ Employees who have worked for the Group for 10 years or more. ▪ Training days per employee. ▪ Senior management gender split. ▪ Percentage of staff in earning and learning roles. ▪ Employee engagement survey response rate.	▪ Continued development of our Group HR function and implementation of our people strategy. ▪ Established human resources programme for apprentices, graduates, and site management. ▪ Monitoring of staff turnover and analysis of 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. ▪ EPS. ▪ Gross margin. ▪ Customer satisfaction score.	▪ Continued investment in infrastructure and security measures. ▪ 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. ▪ 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.	▪ 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 advisors 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 national or global 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 teams. ▪ Continued investment in systems and infrastructure to enable robust agile working. ▪ Risk assessments in place and safe working practices implemented across offices and sites. ▪ Monitoring of Government guidelines (including the Construction Leadership Council). ▪ Regular communications with subcontractors and suppliers to understand their position and any potential issues with their own 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, 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 price of homes sold 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 period, excluding the weighted average number of ordinary shares held by the Group 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 for Housing, Communities and Local Government formerly 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 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 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.

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 and Wales 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 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.

Statement of Directors' Responsibilities

We confirm that to the best of our knowledge:

- the condensed consolidated interim financial statements have been prepared in accordance with UK adopted IAS 34 'Interim Financial Reporting';

- the Half Year Report 2025 includes a fair review of the information required by:

  a) DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed consolidated interim financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and

  b) DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the Group during that period; and any changes in the related party transactions described in the last annual report that could do so.

The directors of Bellway p.l.c. are listed in the Annual Report and Accounts for the year ended 31 July 2024. Shane Doherty was appointed to the Board as an executive director on 2 December 2024 and Keith Adey retired from the Board as an executive director on 21 March 2025.

For and on behalf of the Board

Jason Honeyman
Group Chief Executive

Registered number 1372603
24 March 2025

Note on forward-looking statements

Certain statements in this presentation 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.