

9 June 2026



Trading update

Bellway p.l.c. is today issuing a trading update in respect of the period from 1 February to 29 May 2026.

Jason Honeyman, Chief Executive, commented:

“Bellway continues to perform robustly in an increasingly challenging market, with customer demand having moderated in recent weeks, after a positive start to the spring selling season. Notwithstanding this, and supported by our forward order book, we are on track to deliver FY26 underlying operating profit within the previously guided range of £320m - £330m¹.

The outlook beyond the current financial year remains uncertain, reflecting ongoing geopolitical tensions in the Middle East and a less predictable domestic political environment. Against this backdrop our clear focus on self-help and drive for capital efficiency provides resilience while supporting our strategy to increase cash generation and shareholder returns.”

Market and trading

Trading in the early part of the spring selling season showed a marked improvement compared to autumn 2025, however we have seen a moderation in customer demand in April and May in response to the recent rise in mortgage rates. Current reservation rates generally remain above the levels in the first half of the financial year, with incentive usage averaging around 5%.

There is renewed upward pressure on building material costs stemming from higher fuel and energy input costs, and we are seeing increased prices and the introduction of surcharges by certain supply chain partners. Together with the benefits of our scale, we are actively managing cost pressures through a combination of disciplined procurement, the introduction of new standard house types, and close control of site production and overheads. We will have better visibility on overall build cost inflation for FY27 when we report later in the year.

Due to the planned timing of outlet closures and openings, the Group traded from an average of 233 outlets in the period (2025 – 242), and we continue to expect to operate from an average of around 240 outlets for the full financial year (31 July 2025 – 246). We remain on track to open over 40 new outlets in the second half of the financial year, with a further strong programme of openings in FY27.

The private reservation rate decreased by 6.2% to an average of 151 per week (2025 – 161). In line with our strategy, there was a good contribution from bulk sales and the private reservation rate per outlet per week was 0.65 (2025 – 0.67). The private reservation rate excluding bulk sales was 0.58 (2025 – 0.61). The overall reservation rate, including social homes, was 5.1% lower at 186 per week (2025 – 196) and the cancellation rate remains low at 10% (2025 – 11%).

The forward order book comprised 5,345 homes at 29 May 2026 (1 June 2025 – 5,759 homes) with a value of £1,570m² (1 June 2025 – £1,650m).

Land investment

Land investment has remained disciplined and highly selective, and we are prioritising opportunities in locations supported by relatively resilient underlying customer demand. Underpinned by the strength and depth of our existing land bank, the Group has contracted to purchase 6,744 plots since 1 August 2025 (1 August 2024 to 1 June 2025 – 6,759 plots) across 24 sites (1 August 2024 to 1 June 2025 – 42 sites) with a total contract value of £363m (1 August 2024 to 1 June 2025 – £495m). As previously announced, this included a large site comprising around 1,900 plots converted from our strategic land bank in the Dunfermline Strategic Development Area, which will act as an anchor site to support growth for both our Scotland West and Scotland East divisions.

In addition, our strategic land bank has been further strengthened to support our longer-term growth ambitions, with the Group entering into option agreements to buy 16 sites since the start of the financial year (1 August 2024 to 1 June 2025 – 17 sites). Our strategic land bank comprises around 47,000 plots, over half of which have a positive planning status, and we remain focused on delivering a growing proportion of our volume output from strategically sourced land, with a target of over 20% in the medium term.

Capital allocation and financial position

Our capital allocation framework is based on maintaining balance sheet strength and low gearing, while driving capital efficiencies to increase cash generation. It is underpinned by a flexible approach to deliver value creation for shareholders through optimising the balance between investment in growth and returns to shareholders.

The Group has a well-capitalised balance sheet with net debt of £236m³ at 29 May 2026 (2025 – £73m), in line with our expectations. Given the profile of completions and associated cash generation through the remainder of FY26, and after regular dividend payments and share buyback activity, we expect to end the current financial year maintaining a low level of adjusted gearing in the range of 5-10%⁴ (31 July 2025 – 8.3%).

In addition to our disciplined land investment in the period to drive future growth, the £150m share buyback launched on 14 October 2025 is progressing well, and the Group intends to continue with the return of excess capital in future years.

As announced at the Interim Results on 24 March 2026, the interim dividend was increased to 23.0p per share (2025 – 21.0p) and will be paid on 1 July 2026. The Board continues to expect underlying dividend cover for the full financial year will be around 2.5 times⁵.

Outlook

We are reiterating our guidance for FY26 volume output of between 9,300 and 9,500 homes, and we remain on track to deliver FY26 underlying operating profit within the previously guided range of £320m - £330m¹.

Our industry continues to face challenging headwinds, increasing the risk of a more prolonged period of softer customer demand alongside renewed inflationary pressure on build costs. In response, we are maintaining a sharp focus on the monetisation of our well-invested land bank and work-in-progress position through FY26 and beyond to support improvements in asset turn and cash generation.

This continued emphasis on self-help and capital efficiency will help mitigate these external pressures and underpin our strategy to deliver enhanced shareholder returns over the medium term.

The Group's next scheduled trading update, covering the financial year ending 31 July 2026, is on 11 August 2026.

Notes and definitions

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

For further information, please contact:

Analyst and investor enquiries

Gavin Jago, Group Investor Relations Director
investor.relations@bellway.co.uk
0191 217 0717

Media enquiries

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

Sodali & Co (Financial PR)

Justin Griffiths
Victoria Heslop
Madeleine Gordon-Foxwell
bellway@sodali.com
0207 100 6451

Note on forward-looking statements

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