



Bellway p.l.c. today announces its full year results for the year ended 31 July 2026.

Robust performance, strong cash generation and enhanced shareholder returns

Jason Honeyman, Chief Executive, commented:

“Bellway has delivered a robust performance, growing both volume output and profits despite ongoing challenges across the housing market. Our continued focus on operational improvement and capital efficiency has enhanced resilience, driven a significant 36% increase in adjusted operating cashflow and supported higher shareholder returns.

Against a backdrop of near-term economic uncertainty, our priorities remain clear: allocating capital with discipline, maintaining a strong balance sheet with low gearing and investing selectively in land to support future growth. The £150m FY27 share buyback programme announced today is expected to take total dividends and share buybacks across FY26 and FY27 to c.£450m, reflecting our financial strength, cash generation and commitment to delivering long-term shareholder value.

The UK continues to face a substantial shortage of new homes, while affordability remains a major barrier for many prospective buyers. We therefore welcome the Government’s proposed Your First Home scheme, which has the potential to provide significant support for first-time buyers. We look forward to further detail on the scheme and to engaging with Government on its design and implementation. Bellway has the financial strength, operational capability and land bank to respond as market conditions improve and increase the delivery of much-needed new homes over the medium term.”

Financial highlights

- Total housing completions increased by 10.8% to 9,695 homes (2025: 8,749) at an average selling price of £324,404 (2025: £316,412). Total revenue increased by 13.6% to £3,162.2m (2025: £2,782.8m).
- Underlying operating profit increased by 5.6% to £320.6m^{1,2} (2025: £303.5m) and the underlying operating margin reduced to 10.1%^{1,2} (2025: 10.9%).
- Net adjusting expense relating to legacy building safety, before taxation, totalled £35.2m (2025: £51.8m). This comprised an adjusting finance expense in line with previous guidance, of £13.2m (2025: £14.4m), £32.0m (2025: £37.6m) for the net increase in overall cost estimates, and recoveries of £10.0m (2025: £0.2m).
- Growth in underlying profit before taxation of 5.7% to £305.7m^{1,2} (2025: £289.1m). Reported profit before taxation was £270.2m (2025: £221.9m).
- Adjusted operating cashflow increased by 36.0% to £868.6m^{1,2} (2025: £638.9m), driven by our disciplined management of work-in-progress and our focus on capital efficiency.
- The proposed total dividend has increased by 7.1% to 75.0p per share (2025: 70.0p).
- In addition to the ordinary dividend, the Board intends to return £150m to shareholders through a share buyback programme during FY27, with the first tranche of £50m launched in September 2026 and today increased to £75m.
- Bellway has a strong balance sheet with year end net cash of £157.7m¹ (2025: £41.8m) and low adjusted gearing, including land creditors, of 3.0%¹ (2025: 8.3%).

Operational highlights and management actions

- The private reservation rate per outlet per week, including bulk sales, was 0.55 (2025: 0.57). The private reservation rate excluding bulk sales was 0.49 (2025: 0.52).
- The Group traded from an average of 238 outlets in FY26 (2025: 246), in line with our expectations, with a closing position of 253 outlets as at 31 July 2026 (2025: 249).
- We have a strong land bank which at 31 July 2026 comprised a total of 94,666 plots³ (2025: 95,704 plots) and included 45,992 Bellway owned and controlled plots (2025: 47,144 plots).

- We have continued with a disciplined approach to land acquisition and contracted to purchase 8,578 owned and controlled plots (2025: 8,120 plots) during the year.
- Our strategic land bank has been maintained at 48,000 plots (2025: 47,800), providing a valuable pipeline of future development opportunities secured with a relatively low initial capital outlay.
- We successfully opened our new timber frame facility, Bellway Home Space, in January and began supplying our divisions with frames for housing completions from the second half of FY26.
- Management actions are underway to strengthen cost control and operational efficiency, including greater Group-wide standardisation, more flexible procurement agreements with suppliers, and a broader review of overheads.
- Our ongoing focus on providing high-quality homes and service for our customers has resulted in Bellway retaining its position as a five-star⁴ homebuilder for the tenth consecutive year.

Recent trading and outlook

- Customer demand remains constrained by economic uncertainty and affordability pressures, with mortgage interest rates above prior-year levels.
- In the nine weeks since 1 August, the private reservation rate per outlet per week, including bulk sales, was 0.50 (1 August to 5 October 2025: 0.51). The private reservation rate excluding bulk sales was 0.45 (2025: 0.48).
- The forward order book at 2 October 2026 comprised 4,981 homes (5 October 2025: 5,285 homes) with a value of £1,437.6m¹ (5 October 2025: £1,526.9m).
- Given the lower opening order book and ongoing pressures on customer demand, the Group is targeting total completions of between 9,000 and 9,400 in FY27 (2026: 9,695). This will include an increased contribution from bulk sales (2026: 615 homes), to support volume delivery and cash generation, while maintaining financial discipline.
- We currently expect the overall average selling price for FY27 to be similar to the FY26 level at around £325,000.
- The underlying operating margin^{1,2} is expected to reduce further in FY27, as lower completions, ongoing build cost inflation, elevated sales incentives and a higher proportion of bulk sale completions outweigh the benefits from the evolution of the land bank and cost efficiencies.
- Our selective land investment, improved capital efficiency and accelerated trade-out of lower-margin sites provide a strong platform for margin and returns improvement beyond FY27. Supported by our nationwide divisional presence and financial strength, Bellway is well-positioned to deliver volume growth and higher profits when market conditions improve.

Notes and definitions

All notes and definitions apply throughout this document unless otherwise stated.

- 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 year ended 31 July 2025 or as at 31 July 2025 ('2025') unless otherwise stated.
- 1 Bellway uses a range of statutory performance measures and alternative 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 15.
- 2 Underlying refers to any statutory performance measure or alternative performance measure before net legacy building safety expense and other exceptional items (note 3).
- 3 Includes the Group's share of land owned and controlled through joint venture partners comprising 674 plots (2025: 760 plots).
- 4 As measured by the Home Builders' Federation using the eight-week NHBC Customer Satisfaction survey.
- 5 A positive planning status for strategic land is defined as plots allocated in a local plan, a planning application having been submitted, or both.

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, Chief Executive and Shane Doherty, Chief Financial Officer. The presentation will also be available through a listen-only webcast and conference call. Details for joining the webcast are available on the Bellway 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' 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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Chair's Statement

Introduction

Bellway delivered a resilient performance in a year marked by continued challenges for our industry. A strong opening order book helped to mitigate the impact of market uncertainty, supporting higher volume output and profit, and a 6.3% increase in underlying earnings per share ('EPS') to 187.8p (2025: 176.7p).

These results reflect the strength of the Group, the quality of our operations and the commitment of our colleagues, subcontractors and supply chain partners. On behalf of the Board, I would like to thank all those whose dedication and hard work made this performance possible.

Shareholder returns

Our capital allocation framework supports long-term value creation by balancing investment for growth, financial strength and the return of surplus capital to shareholders.

Improved capital efficiency contributed to significant growth in adjusted operating cashflow during FY26 and supported selective investment in attractive land opportunities, alongside the £150m share buyback programme announced in October 2025. This completed in August 2026, and a further £150m programme is underway for execution during FY27. Since 2022 we have reduced the issued share capital of the Group by 8.5%, driving underlying improvements in both our net asset value ('NAV') per share and EPS. Subject to market conditions and the Group's capital requirements, the Board intends to continue returning surplus capital to shareholders in future years.

The ordinary dividend remains a core component of shareholder returns, with the Group maintaining its policy of underlying dividend cover of 2.5 times^{1,2}. For FY26, the Board has recommended a final dividend of 52.0p per share (2025: 49.0p), bringing the total dividend for the year to 75.0p per share (2025: 70.0p), an increase of 7.1%.

Together, dividends and share buybacks are expected to return around £450m to shareholders across FY26 and FY27, reflecting the Board's confidence in Bellway's financial strength and cash-generation capabilities and its commitment to delivering long-term shareholder value.

Board changes

Gill Barr joined the Board in September 2025 as an independent Non-Executive Director and as a member of the Audit, Nomination and Remuneration Committees. In April 2026, she succeeded Jill Caseberry as Chair of the Remuneration Committee, ahead of Jill's retirement from the Board in September 2026.

Gill brings significant executive leadership experience and more than 20 years' experience in non-executive roles, including within the construction sector. Her extensive knowledge and expertise are already proving valuable to the Board.

Philip Harrison joined the Board on 1 July 2026 as an independent Non-Executive Director and as a member of the Audit, Nomination and Remuneration Committees. He will succeed Ian McHoul as Chair of the Audit Committee when Ian retires from the Board at the AGM in November 2026.

Philip brings extensive financial leadership and strategic experience across several sectors, including construction. His breadth of experience and financial expertise within listed companies will be of great benefit to Bellway, and we are delighted to welcome him to the Board.

On behalf of the Board, I would also like to thank Jill and Ian for their considerable contributions to Bellway. Jill has provided valuable insight and counsel during her tenure and has led the Remuneration Committee with diligence and sound judgement. Ian has served Bellway with dedication throughout his nine-year tenure and made a significant contribution as Chair of the Audit Committee. We wish them both well for the future.

The future

Bellway's strong balance sheet, high-quality land bank and operational capacity provide a solid platform for long-term value creation. Our strategic priorities remain focused on delivering sustainable volume growth over time, improving return on equity and managing our business responsibly through a disciplined focus on quality, safety and our people.

The near-term outlook remains uncertain, with economic challenges, mortgage affordability and delays in planning continuing to constrain housing delivery. Against this backdrop, the Government's proposed Your First Home scheme is a welcome development and has the potential to provide significant support for first-time buyers. We look forward to further detail on its design and implementation. Alongside continued progress on planning reform, Your First Home could help more people access home ownership and accelerate the delivery of much-needed new homes.

Bellway benefits from an experienced leadership team and deep operational expertise across the organisation. We remain committed to building high-quality homes and sustainable communities, delivering against our strategic priorities and creating long-term value for shareholders and our wider stakeholders.

John Tutte

Chair

12 October 2026

Chief Executive's Market and Operational Review

Market

Customer demand during the autumn of 2025 was affected by uncertainty ahead of the Government's Budget, consistent with the pattern experienced in the prior financial year. Trading improved during the early part of the spring selling season but moderated from April as increased economic uncertainty and the conflict in the Middle East drove further inflationary pressures and higher mortgage rates, which weighed on consumer confidence and affordability.

To support affordability and maintain sales momentum in a more challenging market, the use of targeted incentives increased to average around 5% (2025: 4.1%), resulting in some moderation in underlying selling prices. These pressures are more pronounced in the South of England, where higher house prices and mortgage requirements increase customer sensitivity to borrowing costs.

The private reservation rate decreased by 5.8% to an average of 131 per week (2025: 139). In line with our strategy, bulk sales made a good contribution during the year, with the private reservation rate per outlet per week at 0.55 (2025: 0.57). The private reservation rate excluding bulk sales was 0.49 (2025: 0.52). The overall reservation rate, including social homes, was 3.5% lower at 165 per week (2025: 171) and the cancellation rate remained low at 12% (2025: 13%).

The availability of competitively priced mortgage products provided some support to customer demand during the year, although interest rate volatility affected buyer confidence and affordability remained constrained, particularly for customers requiring higher loan-to-value mortgages. Against this backdrop, we welcome the Government's proposed Your First Home scheme, which has the potential to provide substantial support for first-time buyers and help address the deposit and affordability constraints faced by many prospective homeowners. We look forward to further detail on the scope, design and timing of its introduction.

Land bank

The strength and depth of the Group's land bank support our long-term growth plans and enable us to maintain a broadly replacement-only approach to land acquisition. The table below shows the Group's land holdings:

	31 July 2026 Plots	31 July 2025 Plots
DPP: plots with implementable detailed planning permission	27,092	30,544
Pipeline: plots pending an implementable DPP	18,900	16,600
Bellway owned and controlled plots	45,992	47,144
Bellway share of land owned and controlled by joint ventures	674	760
Total owned and controlled plots³	46,666	47,904
Strategic land holdings	48,000	47,800
Total land bank³	94,666	95,704

Bellway's owned and controlled land bank comprises 45,992 plots (2025: 47,144 plots), including 27,092 plots (2025: 30,544 plots) with an implementable detailed planning permission ('DPP') and 18,900 pipeline plots (2025: 16,600 plots). This represents a land bank length of 4.7 years (2025: 5.4 years) based on the last 12 months' legal completions.

Land investment has remained controlled and highly selective, with capital directed towards opportunities offering the most attractive returns and supported by resilient underlying customer demand. In FY26, 78% (2025: 66%) of the plots contracted were located in our Northern divisions, reflecting the strength of opportunities identified across those markets.

During the year, the Group contracted to purchase 8,578 owned and controlled plots (2025: 8,120 plots) across 35 sites (2025: 51 sites) with a total contract value of £505.1m (2025: £566.8m). 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 our two Scotland divisions. Our owned and controlled land bank remains well diversified across the UK, with 56% located in the North and 44% in the South, supporting future delivery across a broad range of markets.

The Group traded from an average of 238 outlets (2025: 246), in line with our expectations, with a closing position of 253 outlets at 31 July 2026 (2025: 249). While we have good visibility on around 40 new outlet openings in FY27, the timing of

these openings, together with the planned completion of existing sites and continued delays in planning, means that we expect to operate from an average of around 230 outlets during the year.

Our strategic land bank provides a valuable pipeline of future development opportunities secured with a relatively low initial capital outlay. During the year, we continued to invest selectively, entering into option agreements to buy 24 sites (2025: 30 sites). The strategic land bank comprises 48,000 plots, over half of which have a positive planning status. Increasing the proportion of completions delivered from strategically sourced land to more than 20% over the medium term (2026: 15%) remains an important part of our plans to improve margins and returns.

Production and cost control

Build cost inflation was at low single-digit levels during the first half of the financial year but increased in the second half, principally reflecting greater pressure on material and energy costs amid heightened geopolitical and supply chain uncertainty. The Group has received price increase requests from suppliers and subcontractors but has continued to negotiate robustly, limiting the impact on agreed rates. Product availability across the Group is currently good, and our procurement arrangements retain flexibility to benefit from any reduction in input costs.

Looking ahead, ongoing volatility in global energy prices and the risk of supply chain disruption could lead to further cost increases. While the extent of any impact remains uncertain, we currently anticipate overall build cost inflation of around 3% to 4% in FY27.

We are strengthening cost control and operational efficiency through greater Group-wide standardisation. During the year, we finalised the Bellway Collection, our new portfolio of standard house types, which accommodates both traditional and timber-frame construction methods and provides the flexibility to meet the requirements of the Future Homes Standard. Supported by centralised design, procurement and site layout reviews, the Bellway Collection will improve consistency, simplify delivery and help mitigate build cost pressures.

As part of our long-term growth strategy, we are increasing the use of sustainably sourced timber frame construction. The Group is targeting an increase in timber frame use to around 30% of housing output by 2030 (2026: 20%). This will deliver operational, financial and environmental benefits through shorter build times, improved work-in-progress ('WIP') efficiency and lower supply chain carbon emissions.

Bellway Home Space, our proprietary timber frame manufacturing facility, opened in January 2026 and began supplying frames to our divisions for housing completions from the second half of FY26. The planned increase in timber frame output will be delivered primarily through this facility. We are confident that this investment will support sustainable volume growth, improve capital efficiency and contribute to a higher underlying return on equity ('RoE').

Refresh of the Bellway brand

Our consistent focus on providing high-quality homes and service for our customers has resulted in Bellway retaining its position as a five-star⁴ homebuilder for the tenth consecutive year. Positive customer recognition is key to our ongoing success and, as reflected by the investment in our new range of house types, we are improving the design of our homes to meet the changing needs and expectations of our customers.

To support our strategic priorities of driving growth and efficiencies across the business, we have also refreshed the Bellway brand. The redesigned brand has been successfully launched with a new digital-first approach to simplify the customer journey, attract a broader range of buyers to our outlets and enhance revenue opportunities, including customer options and upgrades.

As part of the brand refresh process, and following a detailed review, we decided to phase out the Ashberry brand. Following the introduction of our refreshed Bellway brand, new Bellway Collection house types and enhanced digital customer experience, maintaining an additional brand representing a relatively small proportion of Group output is no longer the most efficient use of resources. We do not anticipate any impact on our plans for outlet growth over the medium term, with the transition to be phased over the next three to four years as existing and new outlets gradually become part of the main Bellway brand.

Recent trading and outlook

Since the start of the new financial year, the subdued trading conditions experienced from late spring have continued. Customer demand remains constrained by affordability pressures, with mortgage interest rates above prior-year levels,

while wider economic uncertainty continues to affect homebuyer decision-making. While the Government's proposed Your First Home scheme has the potential to provide meaningful support for first-time buyer demand, the period ahead of its launch may influence the timing of purchasing decisions among some prospective customers.

In the nine weeks since 1 August, the private reservation rate per outlet per week, including bulk sales, was 0.50 (1 August to 5 October 2025: 0.51). The private reservation rate excluding bulk sales was 0.45 (2025: 0.48).

Reflecting recent trading and completions in the period, the forward order book at 2 October 2026 comprised 4,981 homes (5 October 2025: 5,285 homes) with a value of £1,437.6m¹ (5 October 2025: £1,526.9m).

Given the lower opening order book and continued affordability pressures, volume output is expected to reduce in FY27, and the Group is targeting total completions of between 9,000 and 9,400 homes (2026: 9,695). This will include an increased contribution from bulk sales (2026: 615 homes) to support volume delivery and cash generation, while maintaining financial discipline.

Build cost inflation, elevated sales incentives and a higher proportion of bulk sale completions are expected to result in a further reduction in the underlying operating margin in FY27. Management actions are underway to further strengthen cost control and operational efficiency, although these will not fully offset the near-term margin pressures.

Notwithstanding current industry headwinds, Bellway's strong balance sheet, high-quality land bank and operational capabilities provide the resilience to navigate near-term uncertainty. Our focus on disciplined cost control and operational efficiency will help mitigate current pressures, while selective land investment and the accelerated trade-out of lower-margin sites provide a strong platform for improving margins and returns beyond FY27. With a nationwide divisional presence and significant operational capacity, the Group is well-positioned to increase volume output and deliver higher profits over the medium term as market conditions improve.

Jason Honeyman

Chief Executive
12 October 2026

Chief Financial Officer's Review

Summary of key performance measures

	Year ended 31 July 2026	Year ended 31 July 2025	Movement
Housing completions	9,695	8,749	+10.8%
Revenue	£3,162.2m	£2,782.8m	+13.6%
Underlying performance measures^{1,2}:			
Underlying gross profit	£497.8m	£456.8m	+9.0%
Underlying gross margin	15.7%	16.4%	(70bps)
Underlying operating profit	£320.6m	£303.5m	+5.6%
Underlying operating margin	10.1%	10.9%	(80bps)
Underlying profit before taxation	£305.7m	£289.1m	+5.7%
Underlying basic earnings per share	187.8p	176.7p	+6.3%
Adjusted operating cashflow	£868.6m	£638.9m	+36.0%
Underlying RoCE	9.2%	8.7%	+50bps
Underlying pre-tax RoE	8.7%	8.2%	+50bps
Statutory and other performance measures¹:			
Gross profit	£476.6m	£419.4m	+13.6%
Operating profit	£299.1m	£250.7m	+19.3%
Profit before taxation	£270.2m	£221.9m	+21.8%
Basic earnings per share	166.1p	132.8p	+25.1%
Proposed total dividend per share	75.0p	70.0p	+7.1%
Net asset value per share	3,116p	2,989p	+4.2%
Net cash	£157.7m	£41.8m	+277.3%
Land bank (plots)	94,666 ³	95,704 ³	(1.1%)

Trading performance

The Group delivered growth in housing revenue of 13.6% to £3,145.1m (2025: £2,768.3m), which was supported by a strengthened order book at the start of the financial year. Other revenue was £17.1m (2025: £14.5m) and comprises ancillary items including land and commercial sales, and management fee income earned on our joint venture schemes. Total revenue was 13.6% higher at £3,162.2m (2025: £2,782.8m).

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

	2026		2025		Movement (%)	
	Homes	ASP (£000)	Homes	ASP (£000)	Homes	ASP
Private	7,631	358.2	6,924	350.4	10.2%	2.2%
Social	2,064	199.6	1,825	187.3	13.1%	6.6%
Total	9,695	324.4	8,749	316.4	10.8%	2.5%

Total housing completions increased by 10.8% to 9,695 homes (2025: 8,749). Private completions rose by 10.2% to 7,631 homes (2025: 6,924), including an increased contribution from bulk sales to 615 homes (2025: 308). There was a 13.1% increase in social housing output to 2,064 homes (2025: 1,825), and the proportion of social completions was broadly in line with the prior year at 21.3% of the total (2025: 20.9%). We have good visibility on our near-term build programmes, and we expect social housing completions to be a similar proportion of the total in FY27.

The overall average selling price increased to £324,404 (2025: £316,412), in line with our expectations. The movement principally reflected changes in geographic and product mix, with no underlying house price inflation. Incentive usage increased to average around 5% (2025: 4.1%) given ongoing affordability pressures and more subdued customer demand. We currently expect the overall average selling price for FY27 to be similar to the FY26 level at around £325,000.

Underlying operating performance

The Group's strong commercial disciplines and proactive management of site-based overheads helped mitigate pressure on profitability. However, the effects of residual build cost inflation, extended site durations and the absence of underlying house price inflation resulted in a 70bps reduction in underlying gross margin to 15.7%^{1,2} (2025: 16.4%). Higher revenue more than offset the margin movement, resulting in a 9.0% increase in underlying gross profit to £497.8m^{1,2} (2025: £456.8m).

Other operating income and expenses, which net to an expense of £4.4m (2025: £1.3m), relate to the running of our part-exchange programme. Part-exchange is an important selling tool in a slower housing market, although its use remains selective and tightly controlled. It supported 8.4% of private completions during the year (2025: 4.8%), with a balance sheet investment of £57.6m at 31 July 2026 (2025: £25.3m). The Group has the financial capacity to increase its use further, selectively and within established controls, if required by market conditions.

The underlying administrative expense rose to £172.8m^{1,2} (2025: £152.0m), in line with previous guidance, and reflected investment to strengthen the Group's operations and support long-term efficiency. This included Bellway Home Space, our new timber frame manufacturing facility, together with enhancements to IT, and our commercial and finance capabilities. It also included the cost of maintaining competitive reward packages to attract and retain high-quality people. Together, these investments have strengthened the organisational capacity required to deliver our strategic priorities.

Given sustained sector headwinds and the challenging near-term outlook, cost control remains a key priority. Management actions are already underway, including procurement savings, efficiencies from the Bellway Collection, a broader review of overheads and operational efficiency, and an assessment of how emerging technologies, including AI, can support further productivity gains across the business. While these measures will help mitigate cost pressures, they will not fully offset the near-term effects of build cost inflation, elevated sales incentives and a higher proportion of bulk sale completions.

The underlying operating margin reduced to 10.1%^{1,2} (2025: 10.9%), primarily reflecting the lower underlying gross margin, and is expected to reduce further in FY27. The improving mix of the land bank, supported by selective investment and the accelerated trade-out of lower-margin sites, provides a platform for margin improvement over the medium term.

Over time, volume growth, improved overhead recovery and a greater contribution from higher-margin strategic land should support a progressive recovery in margin. With stable housing market conditions, the Board is confident that both an underlying operating margin and underlying pre-tax RoE in the mid-teens^{1,2} are achievable and 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 apartment buildings, and we continue to make good progress on addressing legacy building safety issues. We have completed assessments for all relevant buildings in England and Wales in accordance with the Joint Plan, developed remediation designs and progressed the appointment of subcontractors.

During the year, the Group recognised a net adjusting expense of £35.2m (2025: £51.8m) in relation to legacy building safety. This included a net charge of £21.2m (2025: £37.4m) through cost of sales, comprising a £31.2m increase in overall cost estimates (2025: £37.6m), partly offset by recoveries of £10.0m (2025: £0.2m) across several sites. An exceptional SRT expense of £0.8m (2025: £nil) has also been included in the Group's share of result of joint ventures in relation to a provision recognised in a joint venture during the year.

The adjusting finance expense in the year was £13.2m (2025: £14.4m) and related to the unwinding of the discount on both the SRT and associated review provision and the structural defects provision. This is a non-cash 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 July 2026 forward-looking discount rate, we currently anticipate an adjusting finance expense of around £17m in FY27.

The total amount Bellway has set aside for legacy buildings in England, Scotland and Wales since 2017 is £751.9m. Demonstrating our ongoing commitment to deliver appropriate solutions for legacy buildings, the Group has spent £232.0m since the start of the remediation programme, with a remaining provision of £519.9m at 31 July 2026.

Our experienced site remediation teams remain focused on completing works as promptly and efficiently as possible. As at 31 July 2026 and including those buildings that have been granted funding approval by the Building Safety Fund or ACM Funds, 59% of Bellway's legacy buildings (2025: 33%) have work either complete or underway.

Net underlying finance expense

The net underlying finance expense was £15.1m^{1,2} (2025: £12.9m). This included a non-cash interest expense of £13.4m (2025: £14.9m) on land acquired on deferred terms, with the decrease reflecting lower land creditors.

Other net underlying finance expense, including net bank interest, was £1.7m (2025: income of £2.0m), reflecting lower cash balances and modestly higher borrowings during the year. The Group remains well capitalised, with low average net debt in FY26 of £95.5m¹ (2025: £49.2m).

We will continue to maintain an efficient capital structure, with the flexibility to operate with a modest¹ level of average net debt while retaining low year end adjusted gearing¹ (2026: 3.0%). Based on prevailing interest rates, the net underlying finance expense for FY27 is expected to be around £20m^{1,2}.

Profit for the year

Including our share of underlying net profit from joint ventures of £0.2m^{1,2} (2025: loss of £1.5m), underlying profit before taxation increased to £305.7m^{1,2} (2025: £289.1m). Reported profit before taxation was £270.2m (2025: £221.9m).

The income tax expense was £76.8m (2025: £64.4m), reflecting an effective tax rate of 28.4% (2025: 29.0%). 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 year was £218.7m^{1,2} (2025: £209.7m) and basic underlying EPS was 187.8p^{1,2} (2025: 176.7p). After considering the adjusting items, reported profit for the year was £193.4m (2025: £157.5m) and basic EPS was 166.1p (2025: 132.8p).

Strong balance sheet and financial position

In line with our strategy, Bellway has made strong progress in reducing the capital invested in land and WIP, supporting improved cash generation and capital efficiency. Total inventories reduced by £224.1m to £4,614.0m (2025: £4,838.1m), with the combined value of land and WIP decreasing by £254.8m.

The carrying value of land reduced by 6.1% to £2,350.6m (2025: £2,502.9m), reflecting our disciplined approach to land investment, while WIP decreased by 4.7% to £2,062.5m (2025: £2,165.0m). With the number of sales outlets broadly stable, the value of show homes was similar to the prior year at £143.3m (2025: £144.9m). The value of part-exchange properties rose to £57.6m (2025: £25.3m), reflecting the greater use of part-exchange as a controlled selling tool in a slower housing market.

The Group ended the year with net cash of £157.7m¹ (2025: £41.8m), after dividends and share buyback cash expenditure totalling £223.7m (2025: £70.0m). Land expenditure, including payment of land creditors, was £496m (2025: £472m), and principally related to contracts approved in previous financial years. Committed land obligations reduced to £265.0m (2025: £337.6m) and adjusted gearing, including land creditors, remained low at 3.0%¹ (2025: 8.3%).

Capital allocation and delivering value for shareholders

Our capital allocation framework is centred on maintaining balance sheet strength and low gearing, while improving capital efficiency to enhance cash generation. This provides the flexibility to balance the investment requirements of the business with sustainable returns to shareholders.

Our refreshed approach to capital efficiency has been embedded across the Group and is delivering positive results, with adjusted operating cashflow increasing by 36.0% to £868.6m^{1,2} (2025: £638.9m). We will continue to drive efficiencies for strong cash generation, enabling the Group to meet its operational requirements and legacy building safety obligations while funding regular dividends and additional shareholder returns.

The £150m share buyback launched on 14 October 2025 completed in August 2026. The Board intends to return a further £150m to shareholders through a share buyback programme during FY27, the first tranche of which was launched on 1

September 2026. The Board has today increased the size of the first tranche from £50m to £75m (subject to the same terms and otherwise on the same basis and for the same purpose as set out in Bellway's announcement on 1 September 2026). The remaining £75m of the £150m FY27 programme is expected to be executed in one or more further tranches, which will be announced in due course. The ordinary dividend also remains a core component of shareholder returns. The proposed total dividend has increased to 75.0p per share (2025: 70.0p) reflecting underlying dividend cover of 2.5 times^{1,2}.

Net assets reduced slightly to £3,520.8m (2025: £3,556.2m), with the key drivers being profitability in the year offset by dividend payments of £83.9m, and accounting for the £150.9m irrevocable share buyback programme announced in October 2025. The positive effect of the share buybacks undertaken during the year supported a 4.2% increase in NAV per share to 3,116p¹ (2025: 2,989p). Improved asset turn drove further progress in returns, with underlying RoCE increasing to 9.2%^{1,2} (2025: 8.7%), despite the lower underlying operating margin. Underlying pre-tax RoE also increased by 50bps to 8.7%^{1,2} (2025: 8.2%).

Our focus remains on disciplined capital allocation, strengthening cash generation and driving further improvements in operational and capital efficiency. Together with our strong balance sheet, these priorities provide the resilience and flexibility to navigate near-term market challenges, while supporting shareholder returns through the cycle and a recovery in RoE as market conditions improve.

Shane Doherty

Chief Financial Officer

12 October 2026

Responsible Business

Operating responsibly is fundamental to Bellway's long-term success. Our Responsible Business framework brings together the priorities most important to the resilience and sustainable growth of the business, including build quality, customer satisfaction, our people, environmental performance and strong governance. By focusing on these areas, we strengthen operational performance, manage risk effectively and create long-term value for our stakeholders.

Recent progress across our key Responsible Business priorities is outlined below.

Creating Communities

Delivering high-quality homes and excellent customer service is central to our operating model. Strong customer outcomes support our reputation, help maintain demand for our homes and reduce operational and commercial risk.

Bellway retained its position as a five-star⁴ homebuilder for the tenth consecutive year in the HBF Customer Satisfaction Survey. Our focus on construction quality was reflected in a further improvement in our NHBC Construction Quality Review score of 93.6% (2025: 92.9%), while 47 site managers received NHBC Pride in the Job Awards.

Our contribution to the communities in which we operate remained an important priority. During the year, our colleagues achieved our target of 4,000 volunteering hours, Bellway's fundraising for Cancer Research UK surpassed £5m and we launched a new national partnership with Variety to support children's mobility and inclusion.

Building Sustainable Homes

Reducing the environmental impact of our operations and homes supports operational efficiency, helps manage evolving regulatory requirements and ensures our products remain aligned with customer expectations.

Good progress was made against our carbon reduction targets, which have been validated by the Science Based Targets initiative ('SBTi'). Scope 1 and scope 2 carbon emissions have reduced by 49.2% since our 2019 base year, tracking ahead of our target of a 46% reduction by 2030. During the year, we also published our first Climate Transition Plan, setting out the actions required to achieve our ambition of reaching net zero by 2045.

This progress was recognised externally, with Bellway ranked as the leading national housebuilder in the NextGeneration sustainability benchmark and receiving a Gold award. Bellway also qualified for the London Stock Exchange's Green Economy Mark for the first time.

Valuing People

Attracting, developing and retaining talented employees is critical to maintaining operational excellence and supporting long-term growth. Our priorities include employee engagement, skills development, health and safety and fostering an inclusive workplace culture.

Employee engagement remained strong, with 91% of colleagues (2025: 91%) stating that they would recommend Bellway as 'a great place to work'. As a fully accredited Living Wage Employer, covering both directly employed and subcontracted labour, Bellway invests in apprenticeships and graduate development programmes to strengthen our talent pipeline and help address skills shortages across the construction industry. Maintaining a skilled, engaged and motivated workforce is critical to operational performance, customer outcomes and the sustainable growth of the Group.

Further information on our Responsible Business priorities, performance and stakeholder engagement is available on our website.

Jason Honeyman
Chief Executive
12 October 2026

Group Income Statement for the year ended 31 July 2026

	Note	2026 £m	2025 £m
Revenue	2	3,162.2	2,782.8
Cost of sales		(2,685.6)	(2,363.4)
Analysed as:			
Underlying cost of sales		(2,664.4)	(2,326.0)
Adjusting item: net legacy building safety expense	3	(21.2)	(37.4)
Gross profit		476.6	419.4
Other operating income		126.3	69.3
Other operating expenses		(130.7)	(70.6)
Administrative expenses		(173.1)	(167.4)
Analysed as:			
Underlying administrative expenses		(172.8)	(152.0)
Adjusting item: other exceptional items	3	(0.3)	(15.4)
Operating profit		299.1	250.7
Finance income	9	8.4	9.6
Finance expenses	9	(36.7)	(36.9)
Analysed as:			
Underlying finance expenses		(23.5)	(22.5)
Adjusting item: net legacy building safety expense	3, 9	(13.2)	(14.4)
Share of result of joint ventures		(0.6)	(1.5)
Analysed as:			
Underlying share of result of joint ventures		0.2	(1.5)
Adjusting item: share of joint venture net legacy building safety expense	3	(0.8)	-
Profit before taxation		270.2	221.9
Income tax expense	5	(76.8)	(64.4)
Profit for the year *		193.4	157.5
Earnings per ordinary share – Basic	4	166.1p	132.8p
Earnings per ordinary share – Diluted	4	164.6p	131.8p

* All attributable to equity holders of the parent.

Adjusting items

	Note	2026 £m	2025 £m
Gross profit			
Gross profit per the Group Income Statement		476.6	419.4
Adjusting item: net legacy building safety expense	3	21.2	37.4
Underlying gross profit		497.8	456.8
Operating profit			
Operating profit per the Group Income Statement		299.1	250.7
Adjusting item: net legacy building safety expense	3	21.2	37.4
Adjusting item: other exceptional items	3	0.3	15.4
Underlying operating profit		320.6	303.5
Profit before taxation			
Profit before taxation per the Group Income Statement		270.2	221.9
Adjusting item: net legacy building safety expense	3	35.2	51.8
Adjusting item: other exceptional items	3	0.3	15.4
Underlying profit before taxation		305.7	289.1
Profit for the year			
Profit for the year per the Group Income Statement		193.4	157.5
Adjusting item: net legacy building safety expense	3	35.2	51.8
Adjusting item: other exceptional items	3	0.3	15.4
Adjusting item: income tax on exceptional items	3	(10.2)	(15.0)
Underlying profit for the year		218.7	209.7

Group Statement of Comprehensive Income
for the year ended 31 July 2026

	Note	2026 £m	2025 £m
Profit for the year		193.4	157.5
Other comprehensive income			
Items that will not be recycled to the income statement:			
Remeasurement gains on defined benefit pension plans		1.5	-
Income tax on other comprehensive income	5	(0.4)	-
Other comprehensive income for the year, net of income tax		1.1	-
Total comprehensive income for the year *		194.5	157.5

* All attributable to equity holders of the parent.

Group Statement of Changes in Equity at 31 July 2026

	Note	Issued capital £m	Share premium £m	Capital redemption reserve £m	Other reserves £m	Retained earnings £m	Total equity £m
Balance at 1 August 2024		14.8	183.2	20.6	1.5	3,245.3	3,465.4
Total comprehensive income for the year							
Profit for the year		-	-	-	-	157.5	157.5
Other comprehensive income *		-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	-	157.5	157.5
Transactions with shareholders recorded directly in equity:							
Dividends on equity shares	13	-	-	-	-	(70.0)	(70.0)
Purchase of own shares		-	-	-	-	(1.0)	(1.0)
Shares issued		-	0.3	-	-	-	0.3
Credit in relation to share options and tax thereon	5	-	-	-	-	4.0	4.0
Total contributions by and distributions to shareholders		-	0.3	-	-	(67.0)	(66.7)
Balance at 31 July 2025		14.8	183.5	20.6	1.5	3,335.8	3,556.2
Total comprehensive income for the year							
Profit for the year		-	-	-	-	193.4	193.4
Other comprehensive income *		-	-	-	-	1.1	1.1
Total comprehensive income for the year		-	-	-	-	194.5	194.5
Transactions with shareholders recorded directly in equity:							
Dividends on equity shares	13	-	-	-	-	(83.9)	(83.9)
Purchase of own shares		-	-	-	-	(5.7)	(5.7)
Shares issued		-	4.9	-	-	-	4.9
Credit in relation to share options and tax thereon	5	-	-	-	-	5.7	5.7
Share buyback programme and cancellation of shares	11	(0.8)	-	0.8	-	(150.9)	(150.9)
Total contributions by and distributions to shareholders		(0.8)	4.9	0.8	-	(234.8)	(229.9)
Balance at 31 July 2026		14.0	188.4	21.4	1.5	3,295.5	3,520.8

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

Group Balance Sheet at 31 July 2026

	Note	2026 £m	2025 £m
ASSETS			
Non-current assets			
Property, plant and equipment		48.7	45.5
Financial assets		49.3	54.0
Equity accounted joint arrangements		-	0.1
Deferred tax assets	5	1.2	2.7
Retirement benefit assets		2.5	0.9
		101.7	103.2
Current assets			
Inventories	6	4,614.0	4,838.1
Trade and other receivables		80.1	81.0
Corporation tax receivable		10.6	0.4
Cash and cash equivalents	8	287.7	171.8
		4,992.4	5,091.3
Total assets		5,094.1	5,194.5
LIABILITIES			
Non-current liabilities			
Interest-bearing loans and borrowings	8	130.0	130.0
Trade and other payables		79.0	90.5
Provisions	7	381.1	350.5
		590.1	571.0
Current liabilities			
Trade and other payables		844.4	901.4
Provisions	7	138.8	165.9
		983.2	1,067.3
Total liabilities		1,573.3	1,638.3
Net assets		3,520.8	3,556.2
EQUITY			
Issued capital	11	14.0	14.8
Share premium	12	188.4	183.5
Capital redemption reserve	12	21.4	20.6
Other reserves		1.5	1.5
Retained earnings	12	3,295.5	3,335.8
Total equity		3,520.8	3,556.2

Group Cash Flow Statement for the year ended 31 July 2026

	Note	2026 £m	2025 £m
Cash flows from operating activities			
Profit for the year		193.4	157.5
Depreciation charge		5.9	5.5
Finance income	9	(8.4)	(9.6)
Finance expenses	9	36.7	36.9
Share-based payment expense		5.7	4.6
Share of post tax result of joint ventures		0.6	1.5
Income tax expense	5	76.8	64.4
Decrease/(increase) in inventories	6	224.1	(101.9)
Decrease/(increase) in trade and other receivables		3.0	(4.4)
(Decrease)/increase in trade and other payables		(94.8)	74.7
Decrease in provisions	7	(9.7)	(7.2)
Cash from operations		433.3	222.0
Interest paid		(10.9)	(6.7)
Income tax paid		(85.3)	(76.1)
Net cash inflow from operating activities		337.1	139.2
Cash flows from investing activities			
Acquisition of subsidiary, net of cash acquired		-	(4.6)
Acquisition of property, plant and equipment		(6.3)	(11.9)
Proceeds from sale of property, plant and equipment		0.1	-
Increase in loans to joint ventures		(1.0)	(6.5)
Repayment of loans by joint ventures		11.1	3.3
Dividends from joint ventures		-	3.1
Interest received		3.2	3.7
Net cash inflow/(outflow) from investing activities		7.1	(12.9)
Cash flows from financing activities			
Payment of lease liabilities		(3.8)	(3.3)
Proceeds from the issue of share capital on exercise of share options		4.9	0.3
Purchase of own shares		(5.7)	(1.0)
Share buyback programme		(139.8)	-
Dividends paid	13	(83.9)	(70.0)
Net cash outflow from financing activities		(228.3)	(74.0)
Net increase in cash and cash equivalents		115.9	52.3
Cash and cash equivalents at beginning of year		171.8	119.5
Cash and cash equivalents at end of year	8	287.7	171.8

Notes

1. Basis of preparation and accounting policies

a) Basis of consolidation

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

The financial information set out above does not constitute the Group's statutory financial statements for the years ended 31 July 2026 or 2025, but is derived from those financial statements. Statutory financial statements for 2025 have been delivered to the registrar of companies, and those for 2026 will be delivered in due course. The auditor, Ernst & Young LLP, has reported on those financial statements; their reports were (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.

Whilst the financial information included in this announcement has been prepared in accordance with UK adopted International Accounting Standards ('IAS'), this announcement does not itself contain sufficient information to comply with UK adopted IAS. The Group expects to send its 2026 Annual Report and Accounts to shareholders on 26 October 2026.

b) Other financial statement considerations

In preparing the Group financial statements, management has considered the impact of climate change, and the possible impact of climate-related and other emerging business risks. A rigorous assessment of the impact of climate-related risks has been performed, and disclosed in the Strategic Report, in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures. This included an assessment of inventories and how they could be affected by measures taken to address global warming. No issues were identified that would materially impact the carrying values of either the Group's assets or liabilities, or have any other material impact on the financial statements.

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The accounting policies set out within the notes to the financial statements have been applied consistently to all periods presented in these consolidated financial statements.

c) Going concern

The Group's activities are financed principally by a combination of ordinary shares and cash in hand less debt. At 31 July 2026, Bellway had net cash of £157.7 million¹ (note 8), having generated a net increase in cash and cash equivalents of £115.9 million (note 8) during the year, including £433.3 million of cash from operations.

The Group had bank facilities of £400 million at 31 July 2026, which expire in December 2030. Furthermore, in February 2021 the Group issued 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 million at 31 July 2026, of which £400 million are undrawn. The Group has operated within all its debt covenants throughout the year, and covenant compliance was considered as part of the going concern assessment period to 31 July 2028.

Including committed debt lines and cash, Bellway had access to total funds of £687.7 million, along with net current assets (excluding cash) of £3,721.5 million at 31 July 2026, providing the Group with appropriate liquidity to meet its current liabilities as they fall due.

Notes (continued)

1. Basis of preparation and accounting policies (continued)

The Group's internal forecasts have been regularly updated, incorporating our actual experience along with our expected future outturn including announced returns to shareholders. 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 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.

This sensitivity includes the following principal assumptions:

- Private completions in H1 FY27 are supported by the forward order book. In the 12 months to 31 January 2028, private completions reduce by around 50% compared to the 12 month pre-stress peak. For this scenario, we have used the peak volumes achieved in FY22. This is followed by a gradual recovery based on the lower base position.
- Private average selling price in H1 FY27 remains in line with internal forecasts due to the forward order book position. In the 12 months to 31 January 2028, 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 within the Directors' control 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 reducing in line with housing revenue.
- Dividends reducing in line with earnings.

The sensitivity analysis was modelled over the period to 31 July 2028 for the going concern assessment, but extended to 31 July 2030 for the Directors' long-term viability assessment. In the severe but plausible 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 addition to the above, 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.

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 and Company will have sufficient funds to continue to meet its liabilities as they fall due for the period to 31 July 2028, aligning with the first year end after the minimum 12 month assessment period, and have therefore prepared the financial statements on a going concern basis.

Notes (continued)

1. Basis of preparation and accounting policies (continued)

d) Accounting policies

Effect of new standards and amendments effective for the first time

The Group adopted and applied the following amendment in the year, which did not have a material effect on the financial statements:

- IAS 21 'The Effects of Changes in Foreign Exchange Rates' (amendments) – lack of exchangeability.

Standards and amendments in issue but not yet effective

At the date of authorisation of these financial statements there were a number of standards and amendments which were in issue but not yet effective. These have not been applied in these financial statements and are not expected to have a material effect when adopted.

In April 2024, the IASB issued IFRS 18 'Presentation and Disclosure in Financial Statements', which is effective for reporting periods beginning on or after 1 January 2027. The standard sets out new requirements for:

- Classification: Categorising income and expenses into operating, investing, financing, income taxes, and discontinued operations.
- Management-Defined Performance Measures (MPMs): Requiring specific disclosures for certain non-GAAP measures presented outside the financial statements.
- Aggregation and Disaggregation: Enhanced principles for grouping information in both the primary statements and the notes.

The Group has performed an initial impact assessment of IFRS 18. Given the Group's existing presentation structure and KPIs, the initial application of the standard is not expected to have a material quantitative impact on the consolidated financial statements. The primary impacts will be qualitative, resulting in reclassifications within the Statement of Profit or Loss to meet the new mandatory subtotal requirements and additional narrative disclosures within the notes.

e) Accounting estimates and judgements

While preparing these 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 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 2025 Annual Report and Accounts.

Notes (continued)

2. 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 assesses 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 Chief Financial Officer's 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	
	2026 Number	2025 Number	2026 £m	2025 £m
Housing - private	7,631	6,924	2,733.2	2,426.4
Housing - social	2,064	1,825	411.9	341.9
Total housing	9,695	8,749	3,145.1	2,768.3
Non-housing revenue	-	-	17.1	14.5
Total	9,695	8,749	3,162.2	2,782.8

Included within Group revenue is £123.0 million (2025: £10.7 million) of revenue from construction contracts where revenue is recognised over time. Where revenue is recognised over time, the related completion numbers are stated on an equivalent-unit basis, reflecting the proportion of total contract revenue recognised in the year.

Notes (continued)

3. Net legacy building safety expense and other exceptional items

Profit before taxation for the years ended 31 July 2026 and 31 July 2025 has been arrived at after recognising the following items in the income statement:

	SRT and associated review	Structural defects	2026 Total net legacy building safety expense £m	Other exceptional items	Total adjusting items
	£m	£m	£m	£m	£m
Provisions (note 7)	37.4	(6.2)	31.2	-	31.2
Reimbursement assets (note 7)	(10.0)	-	(10.0)	-	(10.0)
Net cost of sales	27.4	(6.2)	21.2	-	21.2
Administrative expenses	-	-	-	0.3	0.3
Finance expenses (notes 7, 9)	12.0	1.2	13.2	-	13.2
Share of joint venture net legacy building safety expense	0.8	-	0.8	-	0.8
Total net legacy building safety expense and other exceptional items	40.2	(5.0)	35.2	0.3	35.5

	SRT and associated review	Structural defects	2025 Total net legacy building safety expense £m	Other exceptional items	Total adjusting items
	£m	£m	£m	£m	£m
Provisions	50.9	(13.3)	37.6	-	37.6
Reimbursement assets	(0.2)	-	(0.2)	-	(0.2)
Net cost of sales	50.7	(13.3)	37.4	-	37.4
Administrative expenses	-	-	-	15.4	15.4
Finance expenses (note 9)	12.6	1.8	14.4	-	14.4
Total net legacy building safety expense and other exceptional items	63.3	(11.5)	51.8	15.4	67.2

The income tax rate applied to the exceptional items in the income statement is the Group's standard rate of 29.0% (2025: 29.0%), inclusive of corporation tax and Residential Property Developer Tax ('RPDT'), adjusted for the impact of non-deductible items.

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)

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

In total, for the year ended 31 July 2026 Bellway set aside a net exceptional pre-tax expense of £40.2 million (2025: £63.3 million), in relation to the SRT and associated review. Of this expense, a net £27.4 million (2025: £50.7 million) is recognised in cost of sales, £0.8 million (2025: nil) is recognised in the share of result of joint ventures and an adjusting finance expense of £12.0 million (2025: £12.6 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 £83.4 million (2025: £81.6 million) relating to cost estimate increases, which is offset by provision releases of £39.8 million (2025: £30.9 million) and £6.2 million credit (2025: £0.2 million expense) following an increase (2025: decrease) in discount rates during the year (note 7). The net exceptional cost of sales expense includes cost recoveries of £10.0 million (2025: £0.2 million), across several sites, which have been pursued for several years.

The total amount Bellway has set aside in relation to the SRT and associated review since 2017 is £722.6 million (2025: £673.2 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.

Cost estimates have been reviewed and updated in the year based on the latest scopes following surveys undertaken, tendered works and progress with remediation. These cost estimates are based on our extensive experience to date, using analysis of previously tendered works, costs to date on similar developments and prudent, professional estimates based on knowledge of known issues.

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 July 2026, and including those buildings that have been awarded an application by the Building Safety Fund or ACM Funds, 59% of Bellway's legacy buildings (2025: 33%) have work either completed or underway.

Total recoveries recognised since 2017 are £90.5 million (2025: £80.5 million). Reimbursement assets of £2.2 million (2025: £0.1 million) remained outstanding at the year end.

Structural defects

The Building Safety Act 2022 introduced an amendment to the limitation period applicable to claims under the Defective Premises Act 1972 retrospectively increasing the liability period for structural defects in all dwellings built prior to 28 June 2022 from 6 years to 30 years.

Due to the change in legislation establishing a retrospective legal obligation for structural defects in dwellings, this is seen as a highly unusual event and is the primary reason the structural defects provision should be treated as an adjusting item.

As previously reported, the Group has identified a structural defect relating to the reinforced concrete frame at an historical high-rise apartment scheme in Greenwich, London and a mid-rise apartment scheme in Slough.

The increase in the limitation period means Bellway has a legal obligation for undertaking the remedial works at both the Greenwich and Slough sites.

During the year, an independent design was received for the Slough scheme. The design included modelling which indicated that the structural defect is limited to a single area of the building. As a result, the remediation strategy is now expected to be significantly less invasive than previously anticipated, leading to a reduction in the estimated cost. The revised cost estimate is based on a third-party tender and reflects management's expected scope of works.

Notes (continued)

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

In total, for the year ended 31 July 2026 Bellway recognised an exceptional pre-tax credit of £5.0 million (2025: £11.5 million), in relation to the structural defects. Of this, a credit of £6.2 million (2025: £13.3 million) is recognised in cost of sales and an adjusting finance expense of £1.2 million (2025: £1.8 million) in relation to the unwinding of the discount of the provision to present value. The amount recognised in cost of sales includes a credit of £5.8 million (2025: £19.5 million) relating to provisions releases and £0.4 million (2025: £0.2 million expense) following an increase (2025: decrease) in discount rates during the year (note 7).

Cost estimates are based on expert third-party reports and reflects management's expected scope of works.

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.

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

Other exceptional items

In the current year, there is an expense of £0.3 million (2025: £15.4 million) for the final costs incurred relating to the CMA market investigation. These costs have been classified as exceptional given their size and nature and for consistency of presentation with costs in the prior year. The amount recognised in the year ended 31 July 2025 included a voluntary commitment to the CMA which was paid during the year ended 31 July 2026.

Notes (continued)

4. Earnings per ordinary share

Basic earnings per ordinary share is calculated by dividing profit for the year by the weighted average number of ordinary shares in issue during the year (excluding the weighted average number of ordinary shares held by the Company or Trust which are treated as cancelled).

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

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

	Profit for the year	Weighted average number of ordinary shares	Earnings per share	Profit for the year	Weighted average number of ordinary shares	Earnings per share
	2026 £m	2026 Number	2026 p	2025 £m	2025 Number	2025 p
For basic earnings per ordinary share	193.4	116,447,219	166.1	157.5	118,644,063	132.8
Dilutive effect of options and awards		1,054,191	(1.5)		889,652	(1.0)
For diluted earnings per ordinary share	193.4	117,501,410	164.6	157.5	119,533,715	131.8

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 year	Weighted average number of ordinary shares	Underlying earnings per share	Underlying profit for the year	Weighted average number of ordinary shares	Underlying earnings per share
	2026 £m	2026 Number	2026 p	2025 £m	2025 Number	2025 p
For basic underlying earnings per ordinary share	218.7	116,447,219	187.8	209.7	118,644,063	176.7
Dilutive effect of options and awards		1,054,191	(1.7)		889,652	(1.3)
For diluted underlying earnings per ordinary share	218.7	117,501,410	186.1	209.7	119,533,715	175.4

Notes (continued)

5. Taxation

The effective tax expense is 28.4% of profit before taxation (2025: 29.0%). Both the standard tax rate and effective tax rate include RPDT.

It is currently expected that the Group's standard rate of tax, including RPDT, for the year ending 31 July 2027 will be 29%.

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) held by the Group are valued at the substantively enacted corporation tax and RPDT rates totalling 29% that will be effective when they are expected to be realised.

6. Inventories

	2026 £m	2025 £m
Land	2,350.6	2,502.9
Work-in-progress	2,062.5	2,165.0
Showhomes	143.3	144.9
Part-exchange properties	57.6	25.3
Total	4,614.0	4,838.1

In the ordinary course of business, inventories have been written down by a net £6.6 million in the year (2025: £1.2 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.

Notes (continued)

7. 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 2025	(482.9)	0.1	(482.8)	(33.5)	-	(33.5)	(516.4)	0.1	(516.3)
Adjusting item – cost of sales (note 3)	(37.4)	10.0	(27.4)	6.2	-	6.2	(31.2)	10.0	(21.2)
Analysed as:									
Additions	(83.4)	10.0	(73.4)	-	-	-	(83.4)	10.0	(73.4)
Released	39.8	-	39.8	5.8	-	5.8	45.6	-	45.6
Change in discount rate	6.2	-	6.2	0.4	-	0.4	6.6	-	6.6
Utilised/(received)	40.4	(7.9)	32.5	0.5	-	0.5	40.9	(7.9)	33.0
Unwinding of discount (notes 3, 9)	(12.0)	-	(12.0)	(1.2)	-	(1.2)	(13.2)	-	(13.2)
At 31 July 2026	(491.9)	2.2	(489.7)	(28.0)	-	(28.0)	(519.9)	2.2	(517.7)

The provision is classified as follows:

	SRT and associated review	Structural defects	Total legacy building safety improvements
	£m	£m	£m
Current	(138.1)	(0.7)	(138.8)
Non-current	(353.8)	(27.3)	(381.1)
Total	(491.9)	(28.0)	(519.9)

The Group has established a provision for the cost of performing fire remedial works on a number of legacy developments and structural defects relating to historical apartment schemes (note 3).

8. Analysis of net cash/(debt)

	At 1 August 2025 £m	Cash flows £m	At 31 July 2026 £m
Cash and cash equivalents	171.8	115.9	287.7
Fixed rate sterling USPP notes	(130.0)	-	(130.0)
Net cash	41.8	115.9	157.7

Notes (continued)

9. Finance income and expenses

	2026 £m	2025 £m
Interest receivable on short-term bank deposits	3.2	3.8
Net interest on retirement benefit assets	0.1	-
Other interest receivable	5.1	5.8
Finance income	8.4	9.6
	2026 £m	2025 £m
Interest payable on bank loans	5.8	3.4
Interest payable on fixed rate sterling USPP notes	3.4	3.4
Interest on deferred term land payables	13.4	14.9
Unwinding of the discount on the legacy building safety improvements provision (notes 3, 7)	13.2	14.4
Interest payable on leases	0.9	0.8
Finance expenses	36.7	36.9

The unwinding of the discount on the legacy building safety improvements provision is an adjusting item (note 3).

10. Financial instruments - fair value disclosures

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

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

11. Issued capital

	2026 Number 000	2026 £m	2025 Number 000	2025 £m
Allotted, called up and fully paid				
12.5p ordinary shares				
At start of year	118,992	14.8	118,980	14.8
Issued on exercise of options	316	-	12	-
Buyback and cancellation of shares	(6,334)	(0.8)	-	-
At end of year	112,974	14.0	118,992	14.8

During the year, the Group purchased 6,334,139 of its own ordinary shares for a total consideration of £139.8 million, including transaction costs of £0.9 million, as part of the initial £150.0 million share buyback programme entered into on 14 October 2025 and completed on 28 August 2026. During the year, 6,334,139 shares were cancelled and nil were held in treasury by the Company. As the programme was irrevocable at 31 July 2026, £11.1 million of the total remaining consideration was recognised as a financial liability.

Notes (continued)

12. Reserves

Share premium

This reserve is not distributable.

Own shares held

Bellway p.l.c. 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.

	2026 Number	2025 Number
At start of year	370,097	326,114
Transferred to employees or Directors	(124,993)	(1,000)
Shares purchased	218,893	44,983
At end of year	463,997	370,097
	2026 £m	2025 £m
Cost of shares held in the Trust	12.0	9.8
Market value of shares held in the Trust	9.2	9.2

Capital redemption reserve

On 7 April 2014 Bellway p.l.c. 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.

During FY26, the Company purchased 6,334,139 of its own shares as part of the initial share buyback programme, which were cancelled. On cancellation of the shares, the aggregate nominal value of £0.8 million was transferred from issued capital to the capital redemption reserve.

This reserve is not distributable.

	2026 £m	2025 £m
At start of year	20.6	20.6
Amounts transferred in respect of own shares purchased and cancelled during the year	0.8	-
At end of year	21.4	20.6

Notes (continued)

13. Dividends on equity shares

	2026 £m	2025 £m
Amounts recognised as distributions to equity holders in the year:		
Final dividend for the year ended 31 July 2025 of 49.0p per share (2024: 38.0p)	57.6	45.1
Interim dividend for the year ended 31 July 2026 of 23.0p per share (2025: 21.0p)	26.3	24.9
	83.9	70.0
Proposed final dividend for the year ended 31 July 2026 of 52.0p per share (2025: 49.0p)	58.5	58.1

The 2026 proposed final dividend is subject to approval by shareholders at the Annual General Meeting on 26 November 2026 and, in accordance with IAS 10 'Events after the Reporting Period', has not been included as a liability in these financial statements. In relation to shares held by the Bellway Employee Share Trust (1992) (the 'Trust') dividends have been waived (see note 12).

The level of distributable reserves are sufficient in comparison to the proposed dividend.

14. Contingent liabilities

On 30 October 2025 the Competition and Markets Authority ('CMA') made a decision to close its investigation into information sharing practices in the sector following binding commitments from certain housebuilders and a requirement for the housebuilders to work with industry bodies to develop and publish industry-wide UK competition law guidance for the wider sector. The CMA did not find that the Competition Act 1998 had been infringed, and the acceptance of commitments did not involve any admission of wrongdoing by the housebuilders.

An application to commence a proposed collective class action was filed in the Competition Appeal Tribunal on 24 June 2026 against seven major housebuilders, including Bellway. The application alleges that exchanges of competitively sensitive information breached competition law, affected competition and resulted in higher prices for certain purchasers of new-build homes. The application states it is informed by the CMA decision referred to above. The proposed collective action remains at a very early stage and, as a result, it is not yet possible to assess the likely outcome. Accordingly, no provision has been recognised in respect of the proposed action.

15. 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. They may not be directly comparable with other companies' alternative performance measures, and are not intended to be a substitute for any IFRS measures of performance, but are considered to be key measures used for assessing the performance of the business. The Directors use a combination of APMs and IFRS measures when reviewing the performance, position and cash of the Group.

Certain APMs previously presented by the Group have been removed as they are no longer used by the Directors when reviewing the performance of the Group. The APMs that have not been continued are: Capital invested in land, net of land creditors, and work-in-progress; Total growth in value per ordinary share (over 3 years); Annualised accounting return in NAV and dividends paid since 31 July 2022 (3-year return); Annualised accounting return in NAV and dividends paid since 31 July 2015 (10-year return); Underlying capital growth in the period; Capital growth in the period; and, Cash generated from operations before investment in land, net of land creditors, and work-in-progress.

The APMs used by the Group are defined below:

- **Underlying** – Underlying refers to any performance measure before net legacy building safety expense and other exceptional items. The Directors consider that the removal of the net legacy building safety expense and other exceptional items provides a useful understanding of the underlying performance of the Group when reviewed alongside statutory measures.

Notes (continued)

15. Alternative performance measures (continued)

- **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.
- **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.
- **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 proposed 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.
- **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.
- **Return on capital employed ('RoCE')** – This is calculated as operating profit divided by the average capital employed. Capital employed is defined as the total of equity plus net debt or less net cash. Average capital employed is calculated based on opening, half year and closing capital employed. RoCE is also calculated using capital employed including land creditors. 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. 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.

	2026 Capital employed	2026 Land creditors	2026 Capital employed including land creditors	2025 Capital employed	2025 Land creditors	2025 Capital employed including land creditors
	£m	£m	£m	£m	£m	£m
Underlying operating profit	320.6		320.6	303.5		303.5
Operating profit	299.1		299.1	250.7		250.7
Capital employed/land creditors:						
Opening	3,514.4	337.6	3,852.0	3,475.9	225.3	3,701.2
Half year	3,594.9	289.6	3,884.5	3,530.4	289.7	3,820.1
Closing	3,363.1	265.0	3,628.1	3,514.4	337.6	3,852.0
Average	3,490.8	297.4	3,788.2	3,506.9	284.2	3,791.1
Underlying return on capital employed	9.2%		8.5%	8.7%		8.0%
Return on capital employed	8.6%		7.9%	7.1%		6.6%

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

	2026	2025
Revenue (£m)	3,162.2	2,782.8
Average capital employed (£m)	3,490.8	3,506.9
Asset turn	0.91	0.79

Notes (continued)

15. Alternative performance measures (continued)

- **Pre-tax return on equity ('RoE')** – This is calculated as profit before taxation divided by the average of the opening, half year and closing net assets. The Directors consider this to be a good indicator of the operating efficiency of the Group.

	2026 £m	2025 £m
Underlying profit before taxation	305.7	289.1
Profit before taxation	270.2	221.9
Net assets:		
Opening	3,556.2	3,465.4
Half year	3,522.9	3,522.4
Closing	3,520.8	3,556.2
Average	3,533.3	3,514.7
Underlying pre-tax return on equity	8.7%	8.2%
Pre-tax return on equity	7.6%	6.3%

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

	2026 £m	2025 £m
Underlying profit for the year	218.7	209.7
Profit for the year	193.4	157.5
Net assets:		
Opening	3,556.2	3,465.4
Half year	3,522.9	3,522.4
Closing	3,520.8	3,556.2
Average	3,533.3	3,514.7
Underlying post-tax return on equity	6.2%	6.0%
Post-tax return on equity	5.5%	4.5%

- **Net cash/(debt)** – This is the cash and cash equivalents less bank debt and fixed rate sterling USPP notes. Net cash/(debt) 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 8.
- **Average net cash/(debt)** – This is calculated by averaging the net cash/(debt) position at 1 August and each month end during the year. The Directors consider this to be a good indicator of the financing position of the Group throughout the year.

Notes (continued)

15. Alternative performance measures (continued)

- **Adjusted operating cashflow (before land spend, legacy building safety spend, shareholder returns and changes in debt borrowings)** – This is calculated as the net change in cash and cash equivalents, adding back cashflows relating to land spend, the utilisation of the legacy building safety provision, net of reimbursement asset, shareholder returns and changes in debt borrowings. Land spend is cashflows related to the acquisition of land in the period. Shareholder returns include payments to shareholders through dividends and share buyback programmes. The Directors consider this as an indicator of how effective the Group is at generating cash to invest in future growth and drive long term value creation for shareholders.

	2026 £m	2025 £m
Net increase in cash and cash equivalents	115.9	52.3
Add back:		
Land spend	496.0	472.0
Utilisation of total legacy building safety improvements provision, net of reimbursement asset	33.0	44.6
Dividends paid	83.9	70.0
Share buyback programme	139.8	-
Adjusted operating cashflow (before land spend, legacy building safety spend, shareholder returns and changes in debt borrowings)	868.6	638.9

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

	2026 £m	2025 £m
Net cash	157.7	41.8
Land creditors	(265.0)	(337.6)
	(107.3)	(295.8)
Total equity	(3,520.8)	(3,556.2)
Adjusted gearing	3.0%	8.3%

- **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.

	2026 £m	2025 £m
Net cash	157.7	41.8
Total equity	(3,520.8)	(3,556.2)
Gearing	-	-

- **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.

Notes (continued)

16. Post balance sheet events

Share buyback

The Board has approved a return of £75 million surplus capital to shareholders, through the initial tranche of the Second Share Buyback Programme, with contract terms agreed on 1 September 2026 and amended solely to increase the size from £50 million to £75 million, on 12 October 2026. As set out in the Chair's Statement, the full value of the Second Share Buyback Programme, which will cover FY27, is £150 million.

Acquisition of Llanmoor Development Co. Limited

The Group acquired 100% of both the ordinary and preference share capital of Llanmoor Development Co. Limited on 30 September 2026 for consideration of £40.4 million, payable over 3 years. As this transaction was very recent the acquisition accounting has not yet been completed. In line with IFRS 3 'Business Combinations', the acquisition accounting will be finalised within 12 months of the acquisition date.

Principal risks and uncertainties

A strategic 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, which includes any specialist business areas.

Risks, severity and any required mitigating actions are regularly reviewed. The severity of risk is determined based on a defined scoring system assessing risk impact and likelihood.

A summary of risks is reported to the Executive Committee, Audit Committee and Board, which is mainly, but not exclusively, comprised of risks considered to have a residually high severity and therefore outside of our risk appetite. 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.

The Board has completed its assessment of the Group's emerging and principal risks. The following nine principal risks to our business have been identified:

Risk and description	KPIs	Mitigation
Climate change and sustainability Failure to respond appropriately to the physical impacts of climate change, such as extreme weather events, and the challenges associated with transitioning to a lower carbon, more sustainable economy could result in disruption to construction programmes, misalignment with consumer demands and planning difficulties, limiting our ability to attract investment. Risk appetite: Averse Residual risk rating: Medium Risk movement: ↓	- Tonnes of carbon emissions per legal completion. - Percentage of renewable electricity. - Tonnes of waste per home built. - Percentage of waste diverted from landfill. - Biodiversity net gains.	- Board approval and monitoring of the Group's Responsible Business Strategy. - Dedicated sustainability, innovations and biodiversity resources in place to assess risks, monitor performance and drive improvement. - Use of specialist external advisers and subject matter experts (e.g. sustainability consultants). - Carbon reduction is a key priority, with verified science-based targets in place. - Regular review of the design and features of new homes, along with construction methods and the sustainability of materials. - ISO14001 accreditation and CDP A- score for climate change.
Construction quality and innovation Failure to build homes to a high standard or to develop and successfully implement new, innovative construction methods, could lead to quality issues, increased rectification costs and reputational damage, reducing future sales and returns. Risk appetite: Cautious Residual risk rating: Medium Risk movement: ↔	- Number of homes sold. - Operating profit. - Operating margin. - RoCE. - EPS. - Gross margin. - Reservation rate. - Order book value. - Average selling price. - National new homes customer satisfaction survey results. - HBF star rating scheme.	- Robust quality assurance processes and sign-offs are built into construction programmes. - Standard 'customer first' journey operates Group-wide with key metrics regularly monitored and reported. - Regular review of the design and features of new homes, along with construction methods and the sustainability of materials.
Economic and political outlook Changes in the external environment (such as inflation, interest rates, mortgage availability, unemployment, governments, government policy or unforeseen significant events) could impact the affordability of new homes, resulting in reduced sales rates and returns. Risk appetite: Averse Residual risk rating: High Risk movement: ↑	- Number of homes sold. - Operating profit. - Operating margin. - RoCE. - EPS. - Gross margin. - Reservation rate. - Order book value. - Average selling price.	- Board-level monitoring of the housing market, wider economy and political environment, alongside key business metrics, leading to development of action plans as necessary. - Experienced and well-established Senior Management team. - Disciplined operating framework, strong balance sheet and low financial gearing. - Financial stress testing and sensitivity analysis performed. - Product range and pricing strategy based on market conditions. - Regular engagement with industry peers, representative bodies, and new-build mortgage lenders. - Use of sales incentives to encourage the selling process. - Quarterly site valuations and monthly budget reviews based on latest market data. - Business continuity and crisis management protocols in place and regularly tested.

Health, safety and environment (HSE) Failure to build in a safe and responsible way could lead to serious injury, loss of life or environmental damage, resulting in operational delays, financial penalties and negative reputational impacts. Risk appetite: Averse Residual risk rating: Medium/Low Risk movement: ↔	▪ Number of RIDDOR seven-day reportable incidents per 100,000 site operatives. ▪ Health and safety incident rates. ▪ Number of near-miss incidents reported. ▪ Number of NHBC Pride in the Job Awards. ▪ HSE audit outcomes.	▪ Clearly defined roles and responsibilities for HSE. ▪ Group HSE Policy and procedures in place, supported by targeted 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. ▪ Monthly dashboard reporting containing key compliance themes and good practice. ▪ The Board considers HSE matters at each meeting. ▪ Employers' liability and public liability insurance policies in place.
IT resilience and security Poor performance of our IT systems or a material security breach, such as a cyber-attack, could result in disruption to operational activity, data leakage, financial losses, regulatory fines and reputational damage. Risk appetite: Averse Residual risk rating: High Risk movement: ↑	▪ Operating profit. ▪ Operating margin. ▪ RoCE. ▪ RoE. ▪ EPS. ▪ Underlying gross margin.	▪ Continued investment in our Group IT function, infrastructure and systems. ▪ Systems are centrally controlled with support from 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, including penetration testing and phishing simulations. ▪ Cyber KPIs reported at each meeting of the Executive Committee and Board. ▪ IT incidents and near-misses reviewed quarterly by Security Committee. ▪ Cyber insurance policy in place.
Land and planning Insufficient land at suitable margins and RoCE, 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. Risk appetite: Open Residual risk rating: Medium Risk movement: ↔	▪ Number of homes sold. ▪ Operating profit. ▪ Operating margin. ▪ RoCE. ▪ EPS. ▪ Gross margin. ▪ Number of plots in owned and controlled land bank with DPP. ▪ Underlying RoE. ▪ Number of plots in the pipeline. ▪ Number of plots in the strategic land bank.	▪ Continued development of our Group Strategic Land function and implementation of our land strategy. ▪ Balanced 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. ▪ Strong working relationships with local authorities, land agents and promoters.
Legal compliance and building safety Lack of an appropriate framework to drive compliance with legal and regulatory requirements, including the Self Remediation Terms, could result in breaches, which incur fines, delay business operations and lead to re-work across sites, increasing costs and impacting our reputation. Risk appetite: Averse Residual risk rating: Medium Risk movement: ↓	▪ Number of homes sold. ▪ Operating profit. ▪ Operating margin. ▪ RoCE. ▪ EPS. ▪ Gross margin. ▪ Compliance training rates.	▪ Mandatory Group-wide compliance policies and training in place supported by externally facilitated whistleblowing and reporting procedures. ▪ In-house expertise within Group functions who undertake compliance monitoring and provide support to divisions. ▪ Remediation works undertaken by a dedicated Building Safety division. ▪ Use of specialist external advisers and subject matter experts (e.g. fire safety engineers). ▪ Regular liaison with government, industry peers and the HBF on compliance requirements and matters.
Supply chain resilience Failure to secure the required quantity and quality of materials and labour at competitive prices, or the failure of a key supplier, could lead to construction delays and increased costs, impacting the delivery of strategic targets around volume growth, margin and RoCE. Risk appetite: Cautious Residual risk rating: Medium Risk movement: ↔	▪ Number of homes sold. ▪ Operating profit. ▪ Operating margin. ▪ Gross margin. ▪ Customer satisfaction score.	▪ Robust forecasting and forward planning of materials and labour requirements. ▪ Centralised procurement of building materials. ▪ Vertical integration of timber frame through the launch of Bellway Home Space. ▪ Commercial policies and controls for the selection, appointment and performance monitoring of suppliers and subcontractors. ▪ Investment in relationships, both new and longstanding, with regular engagement to understand live supply issues.

		Health checks and contingency plans for key supplier failure.
Talent management Failure to attract, develop and retain employees with appropriate skills could lead to a loss of business knowledge and competitive advantage, impacting the delivery of strategic objectives. Risk appetite: Open Residual risk rating: Medium Risk movement: ↔	- Employee voluntary turnover rate. - Number of graduates, trainees and apprentices. - Employees who have worked for the Group for ten years or more. - Training days per employee. - Senior management gender split. % of staff in earn and learn roles. - Employee Engagement Survey response rate. % of staff who would describe Bellway as a 'great place to work'.	- Continued investment in our Group HR function and implementation of our people strategy including relaunch of Company values. - Established HR programme for apprentices, graduates, and site management. - Monitoring of staff turnover, absence data and 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 and actions determined. - 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.

The Group also considers emerging risks (and associated opportunities) that have the potential to impact the achievement of our strategy in future, but which cannot yet be fully defined and assessed given the uncertainty of a number of variables which could change the nature of the risk over time. These are reviewed as part of our established risk management framework, discussed regularly by the Executive Committee, Audit Committee and Board, and elevated to principal risks (either as new risks or an extension to existing risks) at the appropriate time. Use of Artificial Intelligence (AI) is considered an emerging risk to the Group and is being specifically monitored, with potential impacts under regular review.

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 housing revenue 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.

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 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.

Underlying

Underlying refers to any performance measure before net legacy building safety expense and other 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.

Certain statements in this announcement 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.