

Chair's Statement

Establishing the foundations for growth



Introduction

This year has been an important and exciting one in our history. In August 2024 we acquired Redrow plc and received CMA clearance in October 2024, allowing us to begin the integration process. For colleagues across both businesses this brought opportunities and some understandable uncertainty as we have worked to combine the two businesses. I have been impressed by the adaptability and resilience shown by our people in navigating the changes to the business created by the combination, whilst ensuring that we continue to deliver the quality and service our customers expect, alongside driving a solid financial performance. At our capital markets event in February, we brought together Barratt Redrow's management team, sell-side analysts and other key stakeholders to set out what differentiates us from our competitors, our key strengths as a combined business and our ambitions for the medium term.

In FY25 we also saw a new Government elected with a specific focus on driving economic growth through reform of the planning system and tackling the UK's housing crisis. Whilst the Government's supply-side policy changes have been broadly positive, they will take time to make a practical difference. The overall business environment has not seen the stability or support needed to underpin investment and growth, and

consumer confidence and home buying demand have remained subdued, hampering the industry's ability to increase volumes. In addition, there are increasing regulatory and procedural burdens that too often cause delays and increase costs. Nonetheless, we will continue to do what we can to work with the Government to improve conditions for homebuyers and home builders so that we can build the homes the country needs and drive increased economic growth.

Our performance

Despite being a year of much change, combined with a continued challenging market backdrop, we have once again produced a solid financial performance and our teams have ensured that we continue to lead the industry on build quality, customer service and sustainability, as demonstrated by accreditation from our customers and independent third parties.

Over the past 12 months:

- We were awarded the Home Builders Federation (HBF) 5-star status for the 16th year in a row, the only national housebuilder to have achieved this record;
- Our site managers secured 115 NHBC Pride in the Job awards, again more than any other housebuilder, for a record 21st year; and
- We retained our position as the only UK housebuilder on the CDP Climate Change A List for Leadership.

The operational side of our business continues to deliver industry-leading performance reflecting management's focus on getting things right for our customers, partners, employees and stakeholders. This is not restricted to current customers but also governs our approach to legacy issues, where our Building Safety Unit is dedicated to identifying safety-related remediation that is needed at historic developments and then designing and delivering solutions for residents and leaseholders. While it will take some time to complete our work in this area, at Barratt Redrow doing the right thing is non-negotiable and we remain committed to our building safety obligations.

Redrow integration

Combining two large businesses is not without its challenges, but colleagues across Barratt Redrow have engaged positively in the process, resulting in significant progress on the integration of Redrow and in unlocking the synergies we had identified

To position the business for further profitable growth, we had to make some difficult decisions around our divisional structure. As planned when the deal was announced, six divisional offices have been closed and three are in the process of closing and our Group support functions are now being combined. I would like to thank all our colleagues for their continued professionalism through this period and for their continued support over the coming 12-18 months.

As well as divisional office closures and restructuring of our Group support functions, procurement savings and de-duplication of overheads have also contributed to confirmed cost synergies of £69m at the end of the financial year, well on the way to our ultimate cost synergies target which we increased from £90m to at least £100m at the time of our half-year results.

Good progress is also being made on revenue synergies, with 16 planning applications submitted in respect of the 45 identified incremental sales outlets and five approvals received as at the 29 June 2025.

Positioned for growth

The combination of our financial strength, land portfolio and brand offering differentiates Barratt Redrow and puts us in a strong position to deliver future growth. We held net cash of £772.6m at our financial year end, we secure attractive land opportunities through our market leading position across diversified land channels, and we build and sell our homes through three high-quality, differentiated brands covering the majority of the market. This sits alongside our newly formed divisional network. Collectively this places Barratt Redrow in a very strong position to grow towards our medium-term target of 22,000 total home completions a year.



Chair's Statement continued

UK Competition and Markets Authority (CMA) investigation

In July 2025 we announced that we, along with six other UK housebuilders, have offered voluntary commitments to the CMA as part of its ongoing investigation into the housebuilding sector, with a view to resolving the investigation expeditiously.

The offer of voluntary commitments does not constitute an admission of any wrongdoing by us and nothing in the commitments may be construed as implying that we agree with any concerns expressed by the CMA during its investigation.

The proposed commitments include the seven housebuilders making a collective payment of £100m to the Government to be disbursed to the affordable homes programmes in England, Scotland, Wales and Northern Ireland. Our share of the payment (which is for both Barratt and Redrow businesses combined as Barratt Redrow plc) is expected to be £29m.

We welcomed the CMA's consultation on the voluntary commitments, which concluded at the end of July 2025, and will continue to work constructively with the CMA throughout the process.

Shareholder returns

The Board declared an interim dividend for FY25 of 5.5 pence per share (FY24: interim dividend of 4.4 pence per share) and is pleased to recommend a final FY25 dividend of 12.1 pence per share (FY24: final dividend of 11.8 pence per share) in line with our dividend policy of 1.75 times adjusted earnings per share. Subject to shareholder approval, the final dividend will be paid on 14 November 2025 to shareholders on the register at the close of business on 10 October 2025. The total proposed dividend for FY25, including the interim dividend, is 17.6 pence per share (FY24: 16.2 pence per share).

The Board regularly reviews its approach to capital allocation. As such, in February we announced a change to our shareholder returns policy, introducing a share buyback programme with the intention of buying back at least £100m of shares annually from FY26. As part of that programme, an initial £50m tranche was executed in the second half of FY25. In addition, our dividend policy will move from 1.75 times to 2.0 times adjusted earnings per share dividend cover (calculated before purchase price allocation accounting charges). The Board believes this capital allocation policy will deliver an attractive dividend and allow the Group to balance investment in sustaining and growing the Group with enhancing future shareholder returns through a predictable but also scalable buyback programme, dependent on market conditions and opportunities.

The Board believes that the combined dividend and share buyback commitment represents the right balance of shareholder returns.

Sustainability

We remain the UK's leading national sustainable homebuilder, and we are committed to finding new and innovative ways to improve our developments for nature, communities and our customers. Both the legacy Barratt and Redrow businesses have a strong track record of delivering sustainability initiatives and, separately, each had committed to the Science Based Targets initiative approved targets to achieve net zero. We are working on a revised combined transition plan to ensure that we continue to lead the industry on the journey to net zero.

Board changes

Over the year, we have announced several changes to the composition of the Board and our committees.

We welcomed Nicky Dulieu and Geeta Nanda to the Barratt Redrow Board in October 2024 as Non-Executive Directors, having previously been on the Board of Redrow plc.

In March 2025, we announced that after 47 years of dedicated service, our Chief Operating Officer and Deputy Group Chief Executive Steven Boyes would step down from the Board on 6 September 2025. Steven has made a huge contribution to the business throughout his tenure, is highly respected within the business and across the industry and everyone at Barratt Redrow wishes Steven a long and happy retirement.

After a successful career with Redrow, Matthew Pratt stepped down as Redrow Chief Executive and as a Director of Barratt Redrow with effect from the close of business on 30 June 2025, we wish him well for the future.

With effect from 1 August 2025, we refreshed the composition of the SHE Committee with Nigel Webb taking over from Chris Weston as its Chair and elevated the Sustainability Committee to a Board Committee, appointing Geeta Nanda as its Chair.

After nine years' service, Jock Lennox will be stepping down from the Board on 5 November 2025. Jock has been instrumental in reshaping our approach to risk management, internal controls and assurance, and in steering the Audit and Risk Committee and as Senior Independent Director (SID), the Board through many strategic decisions, most recently the acquisition of Redrow plc. Jasi Halai will take over from Jock as Chair of the Audit and Risk Committee and Nicky Dulieu will become our SID.

Looking ahead

As we move into FY26, affordability, uncertainty in the macroeconomic environment and weak consumer confidence remain challenges. While we have seen some welcome reductions in mortgage rates over the course of the year, the cost of living remains high and affordability remains a key constraint, particularly for first-time buyers. We continue to invest in self-help measures, such as our part-exchange offer and incentives for key workers, to support customers seeking to buy our homes.

We welcomed the Government's Spending Review announcement of a 10-year £39bn new Affordable Homes Programme. This provides a significant step-up in funding and a long-term commitment to the affordable housing sector, which should support improving demand from affordable housing providers for the affordable homes we build throughout the country. However, to drive rapid and sustained private development growth across the housebuilding industry, Government should consider demand-side support for first-time buyers, a feature of the housing market for many decades.

Looking to the future, the absence of first-time buyer support risks the acceleration of ever-increasing inter-generational and social inequality, where parental savings and financial support will increasingly dictate the ability of so many to access the stability and security of home ownership.

On the supply-side, the Government's welcome reforms of the planning system will take time to feed through into practical improvements on the ground. In the meantime, it is vital that Government remains committed to tackling our housing crisis, supporting the industry to build the homes the country needs and focused on creating an environment which encourages the sustained investment in the land, people and materials to do so.

FY25 marked the start of a new chapter in our long history. As Barratt Redrow we are well positioned and ready to focus on what we can control and capitalise on improving market conditions. Our three complementary brands cover a large proportion of the market and will enable us to drive the delivery of increased volumes. The talent in our Company is second to none and I look forward to meeting even more of our colleagues this coming year.

Finally, the Board and I would like to take this opportunity to thank all our colleagues, subcontractors and supply chain partners for their ongoing support and partnership.

Caroline Silver

Chair

16 September 2025