Penlands Grange,
Haywards Heath,
Redrow

Capital Markets Update

12 February 2025

Barratt Redrow

Agenda

1 **Introducing Barratt Redrow**

2 **Our brands**

3 **Partner of choice**

4 **Current market and land**

5 **Growth plans**

6 **Capital allocation**

Barratt Redrow

Introducing Barratt Redrow

David Thomas

Pinewood Park,
Formby,
Barratt

Key takeaways

Strong fundamentals	Customer Focus	Partner of choice	Positioned for growth	Financial strength
Positioned to capitalise on underlying demand	Unrivalled quality, service and sustainability	Strong relationships giving us insight and flexibility	Possess the scale to capture opportunity	Underpins sustainable, growing shareholder returns

Market fundamentals

Demand significantly outstrips supply

Need for homes across all tenures

Government targeting increased delivery

Planning reform set to unlock growth

Affordability remains a key constraint

Barratt Redrow at a glance

>620k
homes built since 1958

67 yrs
heritage

8k
employees across England, Scotland and Wales

22k
capacity to deliver 22,000 homes a year across all tenures

c.94k
high quality land bank plots and access to multiple land channels

3
distinct brands covering all home types and customers

BARRATT HOMES

DAVID WILSON HOMES
WHERE QUALITY LIVES

REDROW

First time buyers and families

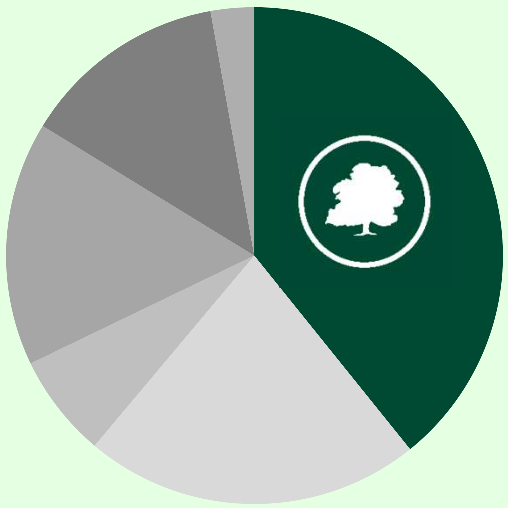
Mover-uppers and growing families

Premium purchasers and downsizers

Industry leading credentials in quality, service and sustainability

Quality

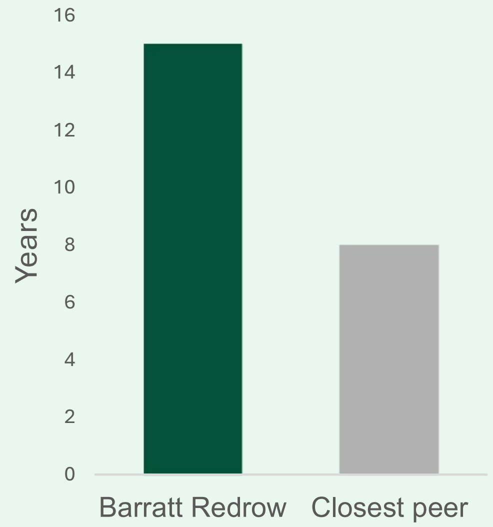
2024 NHBC Pride in the Job awards compared to large peers



Service

5 STAR HOME BUILDER CUSTOMER SATISFACTION HBF 2024

15 consecutive years as 5 star homebuilder



Sustainability

Highest scoring national homebuilder for 11 years and only Global A list CDP homebuilder

NEXT GENERATION GOLD

Climate CDP A List 2024

[1]89 awards for Barratt and 22 awards for Redrow

Leading customer proposition

Customer appeal

Best choice of locations

Widest choice of homes through our 3 distinct leading brands

Trustpilot

Barratt, David Wilson and Redrow rated "excellent" on Trustpilot

Buying

PART EXCHANGE

Wide choice of buying initiatives

BUY WITH OUR KEY WORKER DEPOSIT CONTRIBUTION SCHEME

Key worker and Armed Forces schemes

5 STAR HOME BUILDER CUSTOMER SATISFACTION HBF 2024

Exceptional 5 star customer service for 15 consecutive years

Living

Our multi branded developments add variety and attract diverse communities

REDROW

Redrow's unique lifestyle products are ideal for downsizers

Up to 65% more energy-efficient than an older home

Barratt Redrow

Our leading, differentiated brands

Matthew Pratt

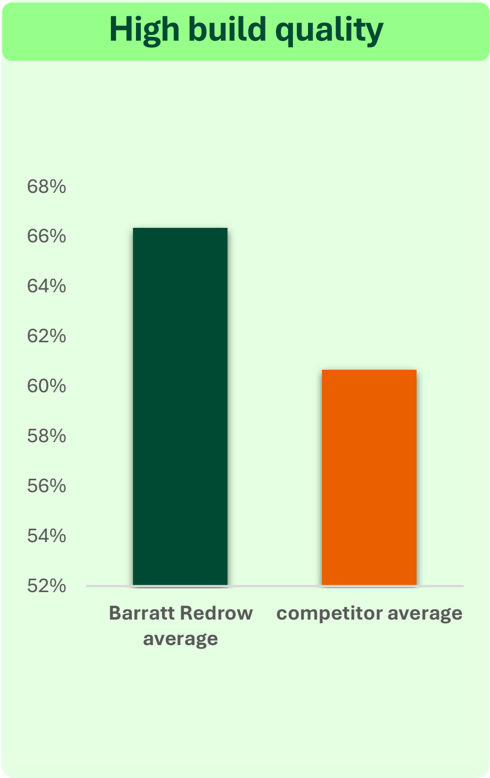
Elysian Fields, Leeds, David Wilson

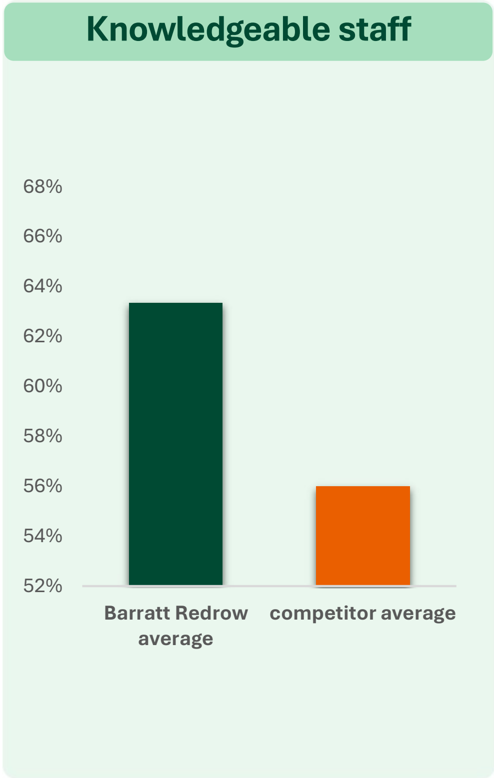
Our leading national brands

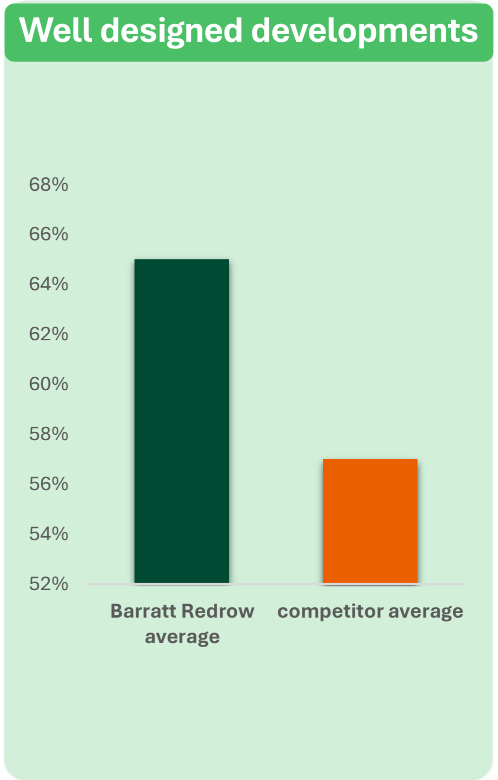
First time buyers and young families	Mover-uppers and growing families	Premium purchasers and downsizers

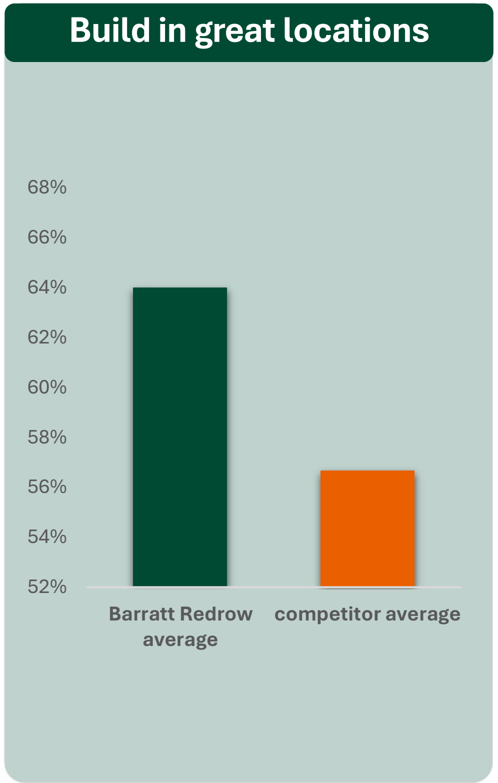
Unrivalled brand offering

Consumers score our brands ahead of peers on key metrics









Barratt, David Wilson and Redrow's average score versus average of three closest peers. 1,486 consumers surveyed by Savanta.

The benefits of multi branding

Access to a wider customer base

Time on site greatly reduced

Viability of larger sites unlocked

- Enhanced asset turn
- Accelerated cash generation
- Improved ROCE

Barratt Redrow

Partner of choice

David Thomas

Morton Meadows,
Thornbury,
David Wilson

Strong relationships throughout value chain

Providing flexibility and resilience

Land supply

Acquisition of **Gladman** in 2022

With **Lloyds Banking Group** and **Homes England**

JVs with a range of organisations

Supply chain

Acquisition of **Oregon** in 2019

With the **University of Salford** plus over 40 supply chain partners

Redrow has a 40-year relationship with **Ibstock**

People

Highest **Glassdoor** scores in sector[1]

Degree programmes with **Sheffield Hallam**

Barratt **80%**
Redrow **78%**
Employee engagement index score

Customers

Expanded our brand portfolio with **Redrow** in 2024

Successful PRS partnership **Lloyds Living**

Metropolitan Thames Valley - West Hendon

[1]c. 37% higher recommend score when compared to the average of the other major UK housebuilders

MADE Partnership

Master developer, creating large scale communities with thousands of homes

Benefits for Barratt Redrow

- Access to large regeneration and garden village sites
- Long-term land pipeline of serviced plots
- Strategic partnerships with local authorities

Benefits for communities

- Strong placemaking standards
- Mixed tenure, diverse communities
- Investment in community infrastructure
- Long-term stewardship

University of Salford

Unique projects testing innovative new technology and customer experience

Benefits for Barratt Redrow

- Working with 40 supply chain partners to understand future technologies
- Data collection to understand benefits and best practice
- Stay ahead of regulation, meet customer expectations

Benefits for our customers

- Energy efficient and sustainable, future-proofed homes
- Effective tech which has been tested through all conditions
- Customer experience front and centre of research

ENERGY HOUSE 2.0

University of Salford MANCHESTER

ZED HOUSE PROJECT

Ibstock

A relationship with Redrow spanning over 40 years

Benefits for Barratt Redrow

- Longstanding relationship with major brickmaker
- Meets our design and customer needs
- Collaborative design and innovation

Benefits for our suppliers

- Visibility of future demand
- New product development piloting
- Sharing technical and regulatory insights

Woodford Garden Village, Stockport, Redrow

REDROW Ibstock Plc

Land & planning

Steven Boyes

Kingsbourne,
Nantwich,
Redrow

Barratt Redrow land bank

Current land bank

83,636
Owned

10,586
Controlled

4,359
JV – owned and controlled

98,581
Total current land bank

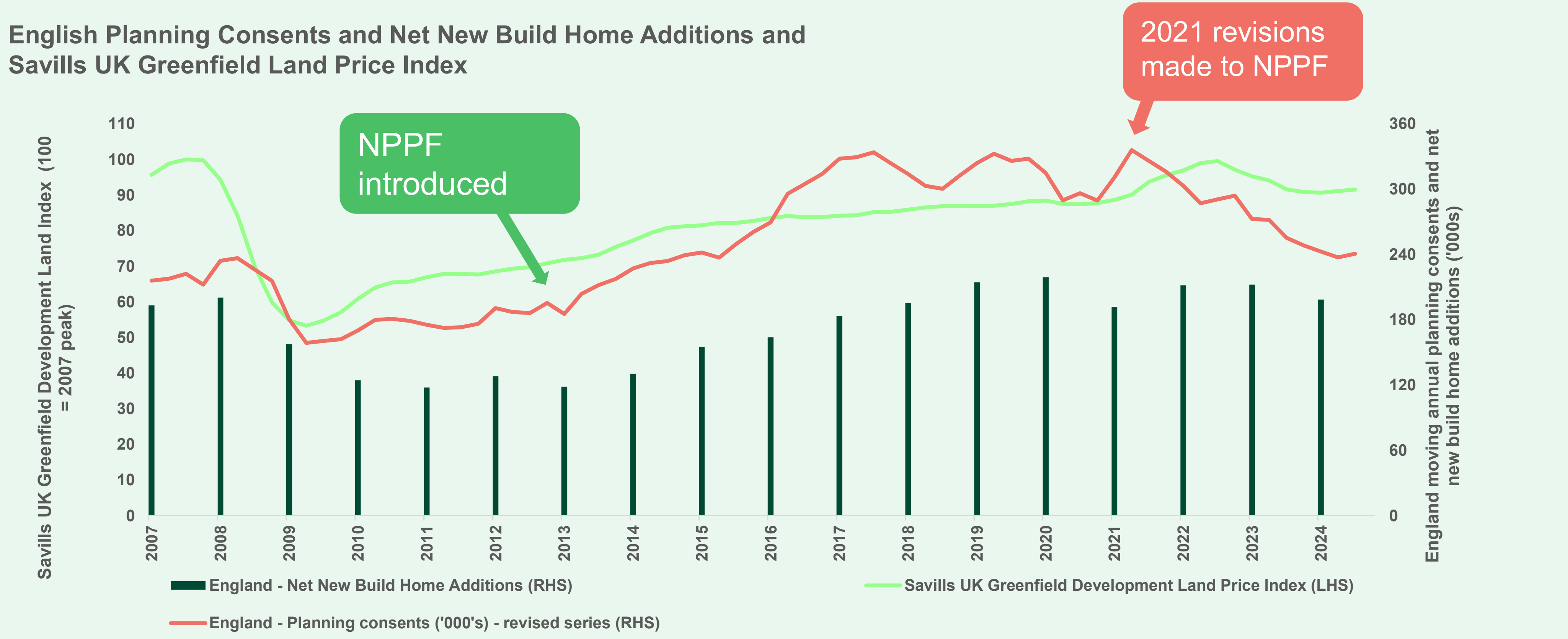
Strategic land pipeline

148,000
Plots

GLADMAN

105,000
Promotional land plots

Shifting planning landscape



Strategic land opportunity

Positive planning backdrop

Scale and strength of strategic land enhanced by Redrow

2x strategic land pull through forecast in FY25 and FY26

c.3ppt enhanced margin compared to instant land

Continuing land investment discipline

Disciplined land bank strategy

3.5 yrs

Targeted owned land pipeline

23% ➡ 24%

Gross margin
Minimum land buying hurdle rate

25%

Development ROCE hurdle

Barratt Redrow

Target: 3.5 years owned
Currently: 5.0 years owned

GLADMAN

Leading land promotion business acquired in 2022

MADE Partnership

In partnership with Homes England and Lloyds Banking Group

The strength of our land bank

Cost synergies unlocking throughout existing land bank

Revenue synergies making our land work harder

Diversified land pipeline, giving optionality across the cycle

Flexibility on branding and tenure mix to optimise capital efficiency

Current land bank

Future land bank

Ready to capitalise on land bank

Increasing our use of timber frame

- Expansion of existing timber frame factory
- Second timber frame factory opened in 2023
- Timber frame now standard on new Barratt house type designs
- c. 40% faster to progress from foundation to build completion
- Reduces dependency on materials and skills
- Improves speed of build while ensuring quality
- Greater certainty on cost

Barratt Redrow

Our medium-term plan for growth

Mike Scott

Elwick Gardens,
Hartlepool,
Barratt

Medium-term financial priorities

1
Synergy delivery

2
Sustainable growth

3
Margin improvement

Strong balance sheet

Good progress on cost synergies

February 2024		February 2025	
£34m	**Procurement**-related savings (primarily direct materials) and other efficiencies in build cost overheads	• Positive supply chain engagement	£34m
£33m	Optimisation of the **divisional office structure**	• 6 divisional offices closed • Consultation on 3 more announced	£36m
£23m	Consolidation of **central/support functions**, including: Board, senior management, PLC and other third-party costs	• Board rationalisation complete • PLC and other third-party costs unlocked	£30m

£90m → **£100m**

Original target → Updated target

Progress made on revenue synergies

45

Incremental outlets identified:

- H1 FY27 build start date
- H2 FY27 first completions

REDROW

Reintroducing Redrow to Scotland

Sustainable growth towards 22,000 homes

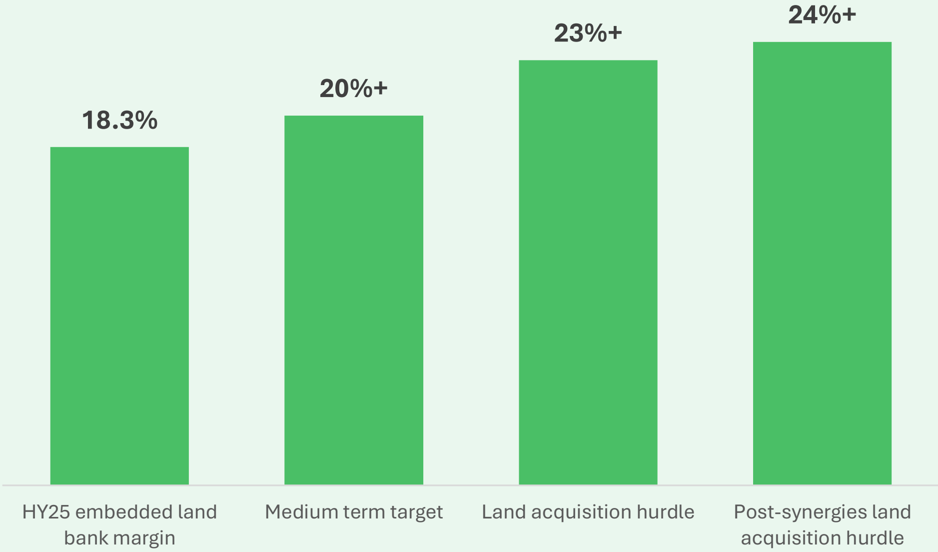
- 32 divisions will support medium-term target of 22k homes p.a.
- Revenue synergies delivering 45 outlets producing 900-1,000 incremental homes p.a. from FY28
- Average sales outlets grow to 475-525
- Good visibility on planning
- Operational experience gives confidence in delivery
- Controlled volume growth of up to c.5-10% p.a.

Whittle Gardens, Gloucester, Barratt

Steps to improve gross margin

- Embedded gross margin impacted by:
  - Increased sales incentives;
  - Higher build costs; and
  - Less efficient overhead recovery
- Build cost inflation moderating
- Disciplined land acquisition
- Synergies to be unlocked
- Driving volume will improve overhead recovery
- Expect gross margin progression to 20%+ in medium-term as land bank resets

Expected gross margin progression



Medium-term ROCE evolution

Profit Margin	×	Asset Turn	=	ROCE >20%
• Growth drivers • Cost initiatives • Synergies		• More efficient use of land bank through multi branding • Increased PRS delivery • Return to normal land creditor levels		• Adjusted operating profit divided by TNAV[1]

[1]excluding net cash, pension/tax/derivative and legacy property provisions

Our medium-term guidance

	Current	Medium-term
Outlets	c.400	475-525
Total home completions	16,800 – 17,200	c.22,000
Adjusted operating margin[1]	7.5%	c.15%
Land creditors	12.2%	20-25%
ROCE[1]	8.1%	>20%

[1]Post purchase price accounting adjustments

Barratt Redrow

Capital allocation framework

Mike Scott

Fleckney Fields,
Leicester,
David Wilson

Our capital allocation priorities

A Strong balance sheet

- Foundation of our ability to invest, grow and generate returns
- Target net average cash throughout the year
- Increase land creditor usage
- Cover for building safety spend commitments

B Investment in the business

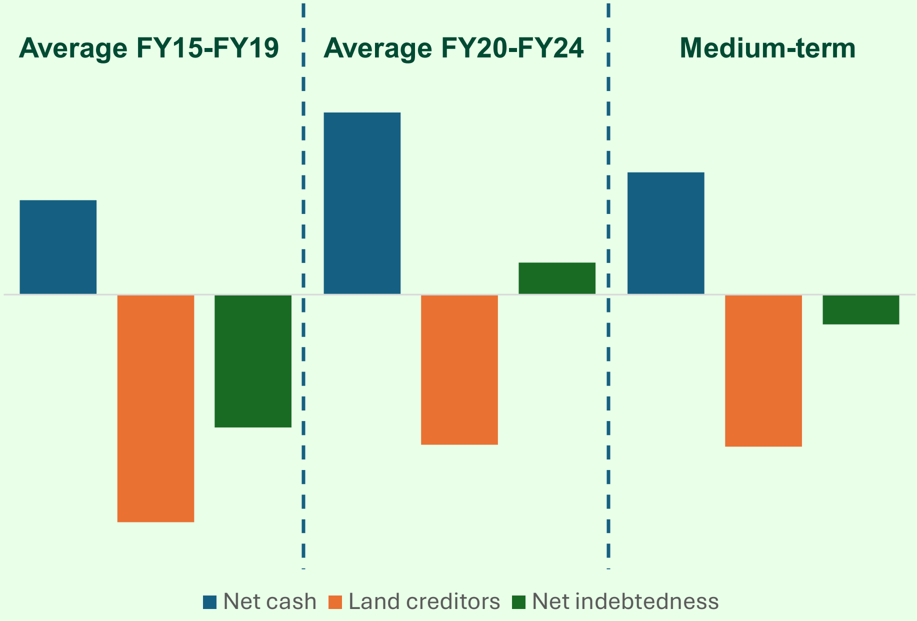
- Capital deployed first to grow the business
- Enhanced scale presents more land opportunities
- Continued investment in land: c.£1-1.3bn spend p.a.
- Possible other initiatives, e.g. supply chain / innovation

C Shareholder returns

- Unchanged commitment to maximising shareholder returns
- Rebalancing shareholder payouts from FY26:
  - Dividend policy revised to 2.0x adjusted earnings before PPA charges
  - At least £100m of buybacks annually

Maintaining balance sheet strength

- Post-pandemic balance sheet was conservative
- Reverting to more normal balance sheet structure
- Modest average net cash plus £700m RCF and £200m USPP
- Balance sheet remains strong



Investment in growth remains the priority

Three acquisitions: Redrow, Gladman and Oregon

Investment in infrastructure opening a second timber frame factory

Continued investment in high quality land at £1-1.3bn of annual spend plus work in progress

Clear path to returning cash sustainably

- Ordinary dividend remains a priority
- Dividend cover set at 2x adjusted earnings (before PPA charges) from FY26
- Entering a new phase of cash generation from the enlarged group
- At least £100m buyback annually
- Framework maintains our disciplined approach to capital allocation


Kings Gate,
Abingdon,
David Wilson

Barratt Redrow

Q&A

Eagle Gate,
Amington,
Redrow

Barratt Redrow

Key takeaways

David Thomas

Fernwood Village, Newark, Barratt

Thanks & reminder of key takeaways

Strong fundamentals	Customer Focus	Partner of choice	Positioned for growth	Financial strength
Positioned to capitalise on underlying demand	Unrivalled quality, service and sustainability	Strong relationships giving us insight and flexibility	Possess the scale to capture opportunity	Underpins sustainable, growing shareholder returns