

## PRESENTATION



### David Thomas - Chief Executive Officer

Good morning, everyone, and welcome to the first full year Barratt Redrow presentation. As John said, Mike and I are going to take you through our FY25 performance and current trading, as well as updates on sales outlets and also building safety. We'll conclude by looking at the market and the underlying fundamentals and why Barratt Redrow is best placed to perform across the cycle.

### Key takeaways



**Resilient performance**  
in challenging market

**Integration & synergies**  
progressing well

**Financially robust,**  
strong balance sheet

**Three high quality brands,**  
positioned well for the future

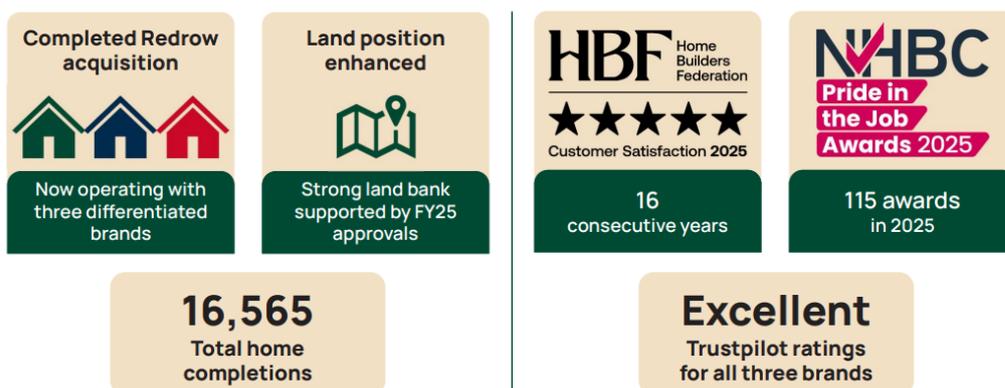
First of all, I'd like to just take you through some of our key messages for today. In FY25, the market clearly remained challenging, affordability was a constraint for many, and consumer confidence remained low, with political and economic uncertainty persisting. Despite this, the business has

produced a very resilient performance, both operationally and financially, alongside completing the majority of the Redrow integration, whilst delivering cost synergies well ahead of target.

The business remains financially robust, underpinned by our strong balance sheet. Now, through our acquisition of Redrow, we have three distinct brands that position us well for future growth. So, looking in a little more detail at the operational highlights from last year. Bringing the Redrow brand into the business was, of course, a particular highlight, allowing us to reach most of the market as well as capitalise on synergy opportunities.

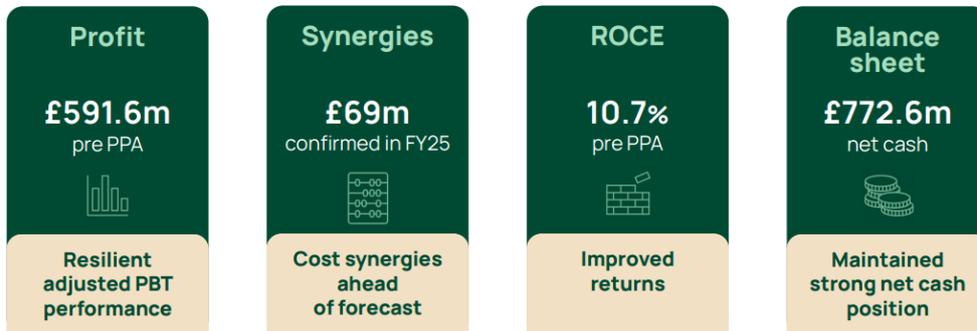
We received CMA clearance in October 2024 and, as mentioned, have already completed the bulk of the integration. This allows us to concentrate on maximising the benefits of the combination and driving the total business forward. In the year, we remained active in the land market, enhancing our land position through strong approval levels, utilising our numerous land channels. We delivered 16,500 homes, which is a significant achievement in what is a challenging market.

## FY25 operational highlights



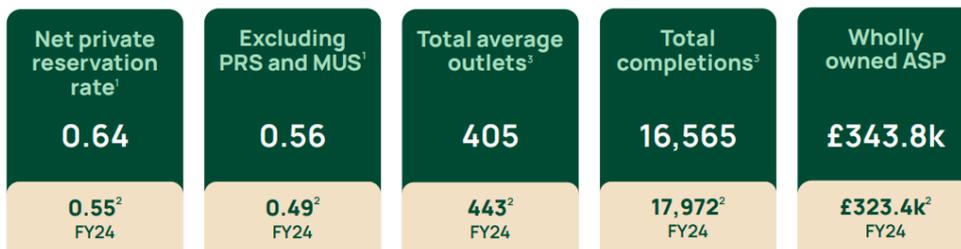
I would also like to take a moment to highlight some of our externally accredited achievements over the past year. Our repeated success in the HBF ratings and the NHBC Pride in the Job Awards are testament to the dedication of our teams across the business as well as the quality of the training and the customer-first culture we maintain across the Group. This quality is also reflected in our Trustpilot scores given by our customers, which award all three brands with the highest rating of excellent.

## FY25 financial highlights



Mike will cover the financials in much more detail, but just to pull out a few highlights. Whilst our completions came in modestly below guidance, our adjusted profit before tax and PPA was in line with market expectations. This reflected our rapid progress on cost synergy delivery, with £69 million confirmed in the year, and £20 million crystallised at FY25, double our previous forecast. Our return on capital employed, excluding PPA, improved to 10.7% from 9.5%. We finished the year with a strong net cash position, supporting our growth and capital allocation plans.

## FY25 sales and completions performance



1. Net private reservation rate per active outlet per week  
2. Barratt with Redrow included from 24 August 2023  
3. Including JVs

Now looking at reservations, our growing portfolio of PRS partners helped to increase our overall reservation rate to 0.64. Additionally, some improvement in mortgage competition and availability provided a boost to our net private reservation rate, excluding PRS and other multi-unit sales. However, the improvement in the rate was offset by the reduced number of sales outlets and our opening order book.

Turning now to completions, our total completions were down 8% compared to the aggregated figure for FY24. This was due to a reduction in affordable completions, reflecting the nature and timing of these types of deals. However, we were pleased that our underlying private completions in the year were up around 3.5%.

Our average selling prices saw price inflation of around 1%, with customers remaining very sensitive to both increases in headline prices and reductions in incentive levels. Other increases in underlying private ASP were largely due to increased delivery of larger homes outside of London. For more detail on reservation rates, completions, and ASPs, please see the information in the appendices.



## Land bank



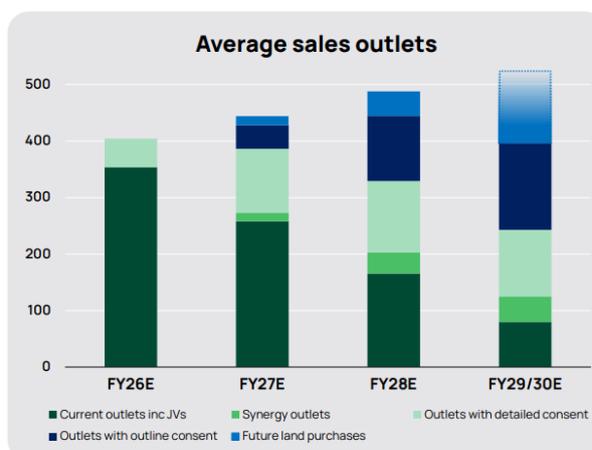
Our land bank supports our medium-term growth ambitions. Our multiple land pipelines allow us to source high quality land throughout the cycle. While planning remains a slow process, we are very optimistic about the reforms and the positive changes we will see once the legislation is passed.

Gladman remains an important part of our business and will also benefit from the planning reforms. Being the partner of choice continues to benefit us in the land market as well. In the year, we announced the MADE Partnership alongside Homes England and Lloyds Banking Group, and also the West London Partnership with Places for London, giving us access to further high quality land opportunities.



## Sales outlet evolution

- Organic outlet growth plus revenue synergy outlets from FY27
- Limited reliance on the planning system in FY27 and FY28
- Excellent visibility on outlets in medium-term



Moving on to outlets, the proposed planning reforms, as I've said, are extremely positive. However, they have taken longer to come into law than we expected. Therefore, as announced in our July trading update, we expect outlet numbers in FY26 to be largely flat.

From FY27, we will start to see organic outlet growth plus the benefit of our revenue synergy outlets. As seen on this graph, the vast majority of our FY27 outlets are already open or have detailed planning consent.

In FY28, there is still a relatively low proportion of forecast outlets that rely on future planning approvals. This provides us with excellent visibility over the next few years, and gives us confidence in our growth forecasts.



## Current trading

- Housing market remains subdued, but solid start to FY26
- Underlying private reservation rate up 3.8%
- Completions YTD 12% ahead with 133 more homes delivered
- Forward sales position in line with last year

	Barratt Redrow FY26 to date	Aggregated (unaudited) FY25 to date	Change
Net private reservation rate <sup>1</sup>	0.55	0.56	1.8% ↓
- excluding PRS and Other MUS	0.55	0.53	3.8% ↑
Year to date total completions <sup>2, 3</sup>	1,235	1,102	12.1% ↑
Total forward sales <sup>2, 3</sup>	10,350	10,398	0.5% ↓

1. Net private reservation rate per active outlet per week excluding JVs  
 2. Including JVs  
 3. As at 24 August 2025 and 25 August 2024

On current trading, in July and August, we saw our net private reservation rate, excluding PRS, increase slightly compared to the same period in FY25. However, we recognise that the market remains subdued, and after speculation about stamp duty, some customers are going to wait to see the impact of the budget in late November. Meanwhile, the lack of PRS reservations in the period simply reflects the timing of deals.

Our year-to-date completions are marginally ahead of last year's, and our forward sold position is in line, so we are very pleased with the solid start to the financial year. I'm now going to hand over to Mike, who will take you through our FY24 performance and financials.

### Mike Scott - Chief Financial Officer

Thanks, David. Morning, everyone. As David said, I'll take you through our FY25 performance, and also spend a few minutes this morning on building safety. This slide shows FY25 performance against the reported position for FY24, which obviously excludes any impact of the Redrow acquisition.

## Overview – FY25 performance

	Barratt Redrow FY25	Barratt reported FY24	Change
Total home completions (inc JVs)	16,565	14,004	18.3% ↑
Adjusted PBT excluding PPA	£591.6m	£385.0m	53.7% ↑
Adjusted PBT	£488.3m	£385.0m	26.8% ↑
ROCE excluding PPA	10.7%	9.5%	120 bps ↑
ROCE	9.0%	9.5%	50 bps ↓
Net cash	£772.6m	£868.5m	11.0% ↓
Net tangible assets per share	437p	452p	3.3% ↓

I'll touch on the P&L metric shortly, but you can see here our total home completions of 16,565 homes and strong closing that cash position of £773 million after the payment of £249 million of dividends, £50 million spent on the share buyback, and just over £100 million spent on building safety remediation.

## Understanding our results

- Table summarises underlying performance
  - Both periods exclude PPA
  - FY24 includes Redrow from 24 August 2023 to 30 June 2024
- Stabilised gross margin position with
  - Modest sales price inflation
  - Minimal build cost inflation
- Operating margin benefitted from
  - Cost discipline
  - Redrow cost synergies

£m (unless otherwise stated)	Barratt Redrow FY25	Aggregated FY24 (unaudited)	Change
Total home completions (homes)	16,565	17,972	7.8% ↓
Revenue	5,578.3	5,689.9	2.0% ↓
Adjusted gross profit	970.3	973.2	0.3% ↓
Adjusted gross margin %	17.4%	17.1%	30 bps ↑
Adjusted operating profit	595.4	578.8	2.9% ↑
Adjusted operating margin %	10.7%	10.2%	50 bps ↑
Adjusted PBT	591.6	585.7	1.0% ↑
Adjusted earnings per share (pence)	30.8		
Dividend per share (pence) <sup>1</sup>	17.6	16.2	8.6% ↑

FY25: Stated before the impact of purchase price allocation adjustments. Purchase price allocation adjustments reflect the unwinding through the income statement of accounting adjustments made to the opening balance sheet of Redrow acquired on 22 August 2024. These adjustments would have reduced adjusted operating profit by £95.3m, adjusted operating margin by 170 bps and adjusted PBT by £103.3m.  
FY24: Includes the results of Redrow plc from 24 August 2023 to 30 June 2024 to achieve a 'like for like' comparison.  
1. Dividend per share in FY24 is that paid by Barratt Developments PLC.

If I move on now to a more meaningful comparison of performance as Barratt Redrow. As we did at the half year, we're focusing on the FY25 performance stripping out the impact of deal purchase price allocation adjustments, which I'll touch on later. These are non-cash accounting adjustments, which largely fall away from FY26 onwards. We think this is the best view of underlying trading in the business during the year.

In the comparative for FY24, we're including Redrow here from 24 August 2023, but without any adjustment for accounting policies. We've put a more detailed slide in the appendices, if anyone has the appetite, which shows the reconciliation of all of these amounts to ensure you've got full transparency.

So, several points to highlight. First of all, total home completions, as David said, were down 7.8% as a result of lower outlet numbers during the year. Despite the lower volume, adjusted gross profit was broadly flat at £970.3 million, and gross margin improved by 30 basis points to 17.4%, which mainly reflected modest sales price inflation and the positive mix effect of more recently acquired land coming into production.

Adjusted operating profit was up 2.9% at £595.4 million, with margin up 50 basis points at 10.7%, reflecting the benefit of cost synergy delivery during the year. Adjusted profit before tax was £591.6 million, slightly ahead of guidance in July, and adjusted EPS was £0.308, which delivers a full-year dividend up 8.6% to £0.176.

So, overall, we're pleased with the performance the combined Group delivered in the year, despite the reduced total home completions, and particularly positive to see both gross and operating margins moving in the right direction.

## Redrow acquisition accounting



- Key fair value adjustments relate to inventory valuation and provisions
- Inventories:
  - £120.4m land and WIP uplift reflects value added to sites in progress
  - £71.3m recognition of land options normally held at cost; and
  - £60.5m reduction in land value reflecting current market
- Building safety provisions increased to reflect additional Redrow reinforced concrete frame issues
- Other items has increased to recognise tax recoverable on additional Redrow charges
- Final goodwill recognised at £321.9m
- Profit before tax impact £103.3m charge in FY25

£m (unless otherwise stated)	Fair value adjustment
<b>Inventories</b>	
Land and work in progress in development	120.4
Land options	71.3
Land not in development	(60.5)
<b>Inventories - total</b>	<b>131.2</b>
<b>Provisions</b>	
Building safety provisions	(144.5)
Completed development provisions	(17.2)
Other items including tax liabilities and other creditors	35.5
Deferred tax	(93.7)
<b>Intangible assets</b>	
Customer order book	4.1
Brand	231.8
Goodwill	321.9
<b>Total</b>	<b>469.1</b>

This slide updates on the accounting fair value adjustments that have been finalised since our provisional position at the half-year, and four changes to draw out here. First of all, the uplift on land and work in progress is now £120.4 million. That's up from £93 million at the half-year, and that reflects the final valuation of sites in the opening balance sheet.

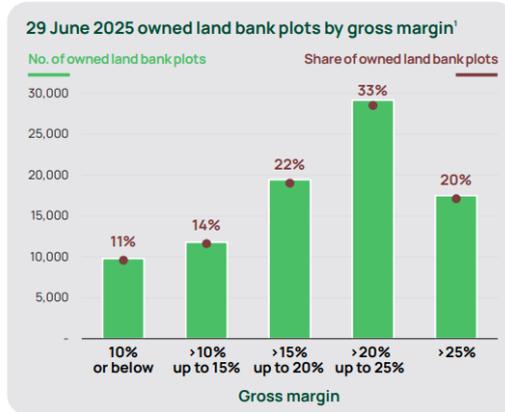
Secondly, as I mentioned back in February, the recognition threshold for building safety liabilities is lower than normal for Redrow because we were required to bring contingent liabilities onto the balance sheet by the accounting rules.

As we detailed in the July trading statement, we've increased Redrow's building safety provisions to take into account concrete frame issues in London, and this has increased this adjustment to the £144.5 million shown here. The final changes relate to the tax effect of the fair value adjustments, resulting in a £94 million adjustment to deferred tax.

So, goodwill recognised on the Redrow transaction is therefore £321.9 million, and that's up from the provisional estimate of £259 million. Again, just to note that most of these fair value impacts have actually already unwound in FY25, with a reduction of £103.3 million in adjusted profit before tax. We're expecting a further £20 million charge in FY26 before this becomes immaterial to future years.

## Our land bank and estimated gross margin

- Blended land bank gross margin estimated at c. 19.2%
- Increase of 90 bps since Dec 2024:
  - +30 bps from trade through at 16.3% gross margin
  - +60 bps from additions at 23% gross margin

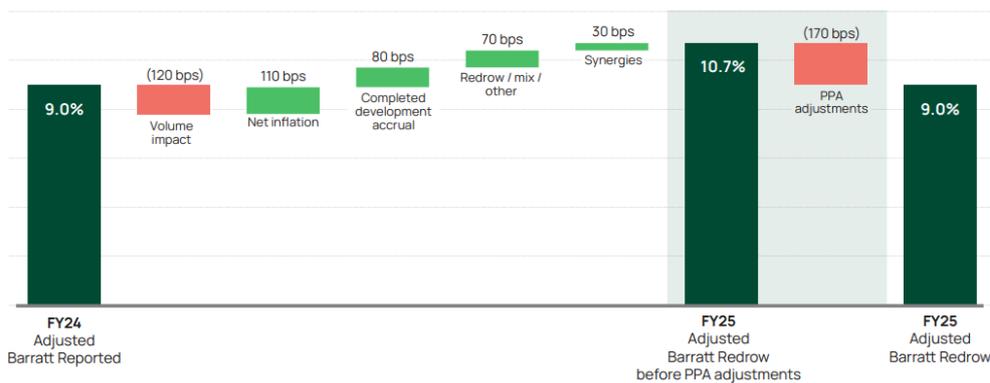


1. Weighted gross margin based on projected revenues and costs at 29 June 2025 and normalised trading conditions with Redrow land incorporated at policy aligned cost adjusted for PPA

Moving on to land, and this is the updated position on embedded gross margin in the land bank. Pleasingly, the land bank margin continues to improve, up 90 basis points since half-year to 19.2% at the end of June. So, with little net inflation impact, roughly a third of the improvement came from the utilisation of land in the half, and the remaining two-thirds from the new sites that we've added to the land bank.

As you know, we remain focused on improving this position over the medium term to our current gross margin hurdle rate of 23% by optimising price, managing build cost inflation effectively, and bringing new land into production.

## Adjusted operating margin bridge



Moving on to look at adjusted operating margin in FY25, and from last year's Barratt-only operating margin, we saw a reduction of 120 basis points from reduced volume. That was almost all offset by improved pricing across the year. As we've said previously, build cost inflation was broadly flat in FY25.

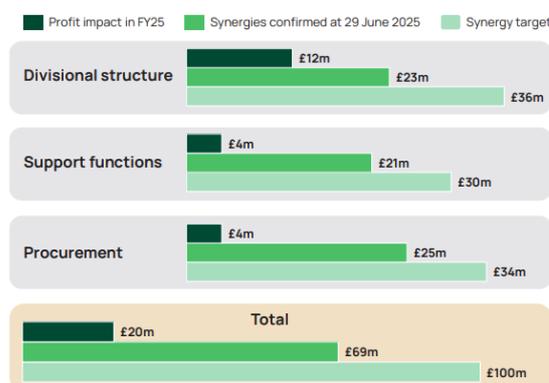
Looking at our same site same house type measure of inflation, which covers around a third of our volume, like-for-like sales price inflation was around 1.4% in the year. Last year, we saw a step up in completed development costs, but these have normalised this year, resulting in a positive margin benefit of 80 basis points. The impact of other mix effects, including Redrow coming into the Group, contributed 70 basis points, together with a further 30 basis points from the cost synergies we realised during the year.

Our adjusted operating margin before the impact of fair value PPA adjustments was therefore 10.7%, and you can see the impact of those PPA adjustments, which take margin to 9% flat on the Barratt-only margin from last year.

## Cost synergies



- Good progress made on realising synergies
- Key actions completed:
  - Nine divisional closures confirmed
  - Head office rationalisation under way
  - Operational leadership aligned on 1 July 2025
- IT integration is in progress, to complete in FY26
- £45m incremental synergies in FY26
- Reconfirming cost synergy target of £100m



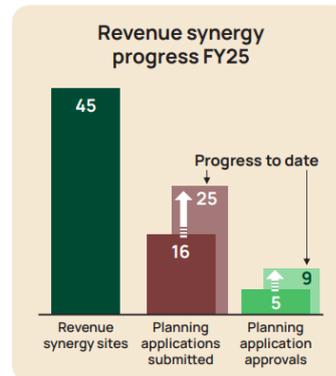
Now, just to update on cost synergies, we're making really good progress on realising the cost synergies target of at least £100 million, with £20 million included in the income statement in FY25. With nine office closures confirmed, six were completed by year end, and three are in the final stages of closing at the end of June, with £23 million of savings confirmed.

The head office rationalisation is also underway, and will complete shortly, with £21 million confirmed at 29 June. On procurement, we're making good progress in aligning pricing and terms across key materials categories, with £25 million confirmed at 29 June.

As we said, our operational leadership was aligned and effective from 1 July 2025, and the IT integration is in progress, with the migration of six remaining divisions expected to complete in FY26. Having crystallised £20 million of cost synergies in FY25, we're well on track to deliver an incremental £45 million in FY26.

## Revenue synergies

- The 45 sites to deliver revenue synergies are identified
- Remainder to be submitted during FY26
- Expect first sites ready for opening at start of FY27



In revenue synergies, just to give you the latest numbers to date, we've now submitted 25 planning applications at the end of August, and we've already received planning permission on nine of those sites. We expect to submit the remaining applications during the course of FY26, and we're very much on track to see the first incremental outlets ready to open at the start of FY27.

## Our approach to building safety

- Our first priority is the safety of our buildings and the people that live in them
- Committed to funding and undertaking remediation as quickly as possible
- First to create a dedicated Building Safety Unit
- Rigorous policies and processes to get things right first time
- Continue to pursue others with accountability within our supply chain



Now I'd like to spend a few minutes just updating on building safety. As you know, our approach from the start of this issue has been to focus on the safety of the buildings we've built and the people who live in them. We've been very engaged with Government, and we were the first housebuilder to create a unit dedicated to remediation, and we commit significant time and resources to support it in delivering our programme.

We apply a rigorous process in assessing buildings within the scope of our obligations. That includes using reputable fire engineers, and seeking peer reviews of all fire risk assessments undertaken on our buildings. We're also making some progress with recoveries from the supply chain, where we have a robust case to pursue them for substandard workmanship or design.

## Building safety provisions

- Redrow provision acquired at fair value of £184m, no changes post acquisition
- Increase in Barratt legacy provision of £109m, comprising:
  - £76m for four buildings in our Southern Region
  - £17m incremental costs at an existing remediation project in London
  - £16m cost increases in the overall portfolio

£m	Building safety
<b>At 30 June 2024</b>	<b>628.1</b>
Amounts reclassified	33.6
Fair value of provisions assumed in the acquisition of Redrow	184.3
Net additions / (releases)	108.9
Revaluation	(1.9)
Imputed interest - discount unwind	26.9
Utilisation	(93.5)
<b>At 29 June 2025</b>	<b>886.4</b>

Looking at our building safety provisions, we currently have £886 million on the balance sheet relating to fire and external wall system issues. During the year, we brought the Redrow provision of £184 million onto our balance sheet.

As we announced in July, within the Barratt legacy portfolio, we've provided £109 million across three areas; firstly, £76 million in relation to a development in our southern region, which related to a specific build typology we don't think is repeated anywhere else in the Group.

We've also seen £17 million of incremental costs at an existing remediation project in London. But other than that, the underlying position was relatively stable, with a net £16 million movement of costs, which was offset elsewhere in the income statement by supply chain recovery.

## Reinforced concrete frames

- No changes to the Barratt RCF portfolio – existing works proceeding in line with our expectations
- After a post-acquisition review, up to four Redrow developments may require remediation
- Additional provision of £105m recognised in the opening balance sheet
- No further buildings anticipated to come into scope

£m	Reinforced concrete frames
<b>At 30 June 2024</b>	<b>102.2</b>
Amounts reclassified	(18.8)
Fair value of provisions assumed in the acquisition of Redrow	105.2
Net additions / (releases)	-
Revaluation	(0.8)
Imputed interest - discount unwind	6.7
Utilisation	(71)
<b>At 29 June 2025</b>	<b>187.4</b>

Moving on to look at the provision for concrete frame issues, we carry a provision of £187 million at the end of June. During the year, no new buildings came into scope in the Barratt portfolio.

As we updated in July, we identified concrete frame issues similar to those identified on legacy Barratt developments, and up to four Redrow developments. We booked £105 million to the opening balance sheet provision for these issues. Now, based on the reviews we've carried out to date, we don't expect any further buildings to come into scope for these frame-related issues going forward.



## Balance sheet

£m	Barratt Redrow 29 June 2025	Barratt Reported 30 June 2024	Change
<b>Goodwill and intangible assets</b>	1,583.2	1,037.4	545.8
<b>Investment in jointly controlled entities</b>	193.2	158.5	34.7
<i>Gross land bank</i>	5,104.9	3,233.6	1,871.3
<i>Land creditors</i>	(809.4)	(472.8)	(336.6)
<b>Net land bank</b>	<b>4,295.5</b>	<b>2,760.8</b>	<b>1,534.7</b>
<i>Land creditor %</i>	15.9%	14.6%	130 bps
<b>WIP</b>	<b>2,979.0</b>	<b>1,829.4</b>	<b>1,149.6</b>
Gladman land promotion WIP	112.4	111.5	0.9
<b>Net cash</b>	<b>772.6</b>	<b>868.5</b>	<b>(95.9)</b>
Trade payables	(507.6)	(252.7)	(254.9)
Other working capital	(599.7)	(434.5)	(165.2)
Part-exchange properties and other inventories	144.3	103.7	40.6
Provisions in relation to legacy properties	(1,073.8)	(730.3)	(343.5)
Other net assets / liabilities	(26.1)	(13.2)	(12.9)
<b>Net assets</b>	<b>7,873.0</b>	<b>5,439.1</b>	<b>2,433.9</b>

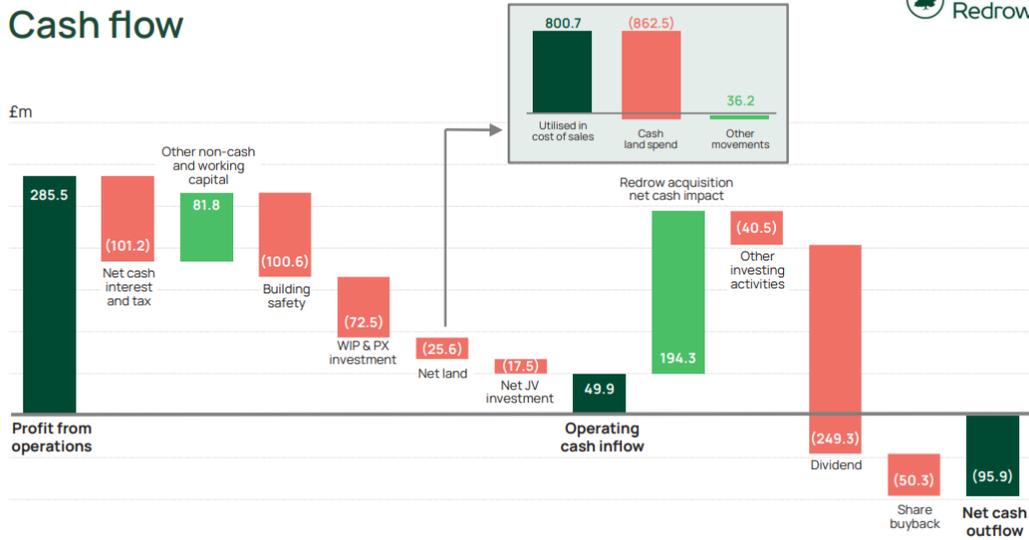
On to the balance sheet, and here's our usual balance sheet breakouts. In the appendices, we've included a slide which reflects the impact of the consolidation of Redrow at fair value and also the movements from underlying trading.

So, two points to highlight here. First of all, the ongoing organic investment in land, and as well as bringing Redrow's land into the balance sheet, we invested an incremental £181 million across FY25. The significant increase in land creditors, so an additional £167 million added over and above Redrow's consolidation.

So, land creditors remain below the target range of 20% to 25%, but moved up to 15.9% this year, and we're looking to ensure that we add land on deferred terms to take us into that 20% to 25% range.

Part exchange has increased by £39 million, which is a reflection of its importance as a selling tool in a tough market. But more than two-thirds of the 549 homes in our portfolio had already been sold by 29 June. As you know, we keep tight control of part exchange stock.

## Cash flow



Barratt Redrow plc Full Year 2025 Results

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Here's the cash flow bridge for Barratt Redrow from reported operating profit on the left, to the net cash outflow on the right, and really just a couple of things to point out from this slide. Firstly, a step up in tax payments was the prime driver of the £101 million outflow in interest and tax. As I've already noted, building safety spend totalled £101 million.

Our operating cash inflow was £50 million, and we brought Redrow's cash onto the balance sheet, and also made some further investment into additional timber frame facilities at our Oregon factory in Scotland. With dividends paid and the share buyback of £50 million, the net cash outflow for the year was £96 million.

## Unchanged capital allocation priorities



- Strong balance sheet
  - Benefit of scale
  - Strong net cash position
  - £700m undrawn committed facilities
- Investment in business
  - Growing outlet numbers
  - Experienced in integration – Oregon, Gladman, Redrow
  - Continue to invest in innovation
- Rebalanced shareholder returns
  - Ordinary dividend at 2.0x cover (based on adjusted earnings before PPA)
  - £50m share buyback completed in H2 FY25
  - £100m annual share buyback programme from FY26

Strong  
balance sheet

Investment in  
the business

Shareholder  
returns

Barratt Redrow plc Full Year 2025 Results

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So, just to update on capital allocation, and just reiterating our unchanged capital allocation priorities here. Clearly, our enhanced scale and balance sheet strength, with net cash of £772 million and committed lending facilities of £700 million, put us in a very strong financial position looking forward. We're focused on investing in our business to drive our future growth.

David detailed our sales outlet profile, and we're focused on delivering land to accelerate development using our three brands. We remain committed to innovation and development, and will continue to invest in opportunities like the timber frame facilities and also our sustainability initiatives.

Finally, we have a clear approach on shareholder returns, including our ordinary dividend at two times cover, and the ongoing share buyback programme of at least £100 million per annum.



## Guidance for FY26

Completions	c. 17,200 – 17,800 total home completions, including c. 600 JV completions Affordable mix expected to be c. 20%
Average sales outlet movement (inc.JV)	Broadly flat on FY25
Build cost inflation	1% - 2% including estimated procurement-based synergies
Adjusted administrative expenses	c. £400m (including amortisation of intangible assets of c. £10m and incremental synergies of c. £30m)
Synergy savings	Incremental c. £45m within adjusted profit before tax (£65m cumulative)
Interest cost	c. £50m interest charge for the year (c. £5m cash credit, c. £55m non-cash charges)
PPA impacts on adjusted profit before tax	c. £20m charge
Land approvals	Expect to replace plots utilised in the year
Land cash spend	c. £0.8bn – £0.9bn
Land creditors	15% - 16%
Building Safety Spend	c. £250m
Year end net cash	c. £0.4bn – £0.5bn
Taxation	Tax rate on adjusted earnings anticipated at 29% reflecting current 25% corporation tax rate and 4% RPDT
Ordinary dividend cover	2.0x ordinary dividend cover based on adjusted EPS and excluding PPA fair value adjustments

Barratt Redrow plc Full Year 2025 Results

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Turning now to guidance, most of these points have been covered but, just to highlight, we expect our adjusted administrative costs to be around £400 million. This reflects the additional period of Redrow's overhead base, which will impact FY26, underlying cost inflation, and the benefit of incremental synergies of approximately £30 million.

We're anticipating total synergies of £45 million, with the balance of £15 million crystallised in cost of sales, a finance charge of approximately £50 million, which is dominated by non-cash charges in relation to land creditors and legacy property provisions, as well as modest cash interest income on our reducing cash balance.

In relation to land, we expect to operate at broadly replacement levels, and spend between £800 million and £900 million on land and land creditors in FY26. On building safety spend, we estimate spend will be around £250 million for FY26, and within this, I'm assuming that around half of our building safety fund costs will be paid during the year, so that's around £70 million. Looking at net cash at the end of June 2026, we expect to be between £400 million and £500 million.

## Summary

- Delivered solid financial performance for the year
  - Adjusted PBT ahead of expectations
  - Strong net cash position
  - Cost synergy delivery ahead of schedule
- Remain financially robust in a tough market
- Good progress on revenue synergies and wider integration
- Land bank and strong balance sheet support growth
- Clear capital allocation and shareholder return position



Finally, to summarise, we believe we’ve delivered a solid financial performance in FY25 in what was a tough market. Adjusted profit before tax was delivered slightly ahead of expectations for the year and, notwithstanding the tough market backdrop, our balance sheet remains strong.

We’ve delivered cost synergies ahead of schedule whilst also making good progress on revenue synergies and the wider integration programme. Our land bank and strong balance sheet give us a great platform to grow the business. Finally, we’ve put in place both clear capital allocation plans with an updated dividend policy alongside the annual £100 million buyback programme. With that, I’ll hand back to David.

## David Thomas - Chief Executive Officer

## The market

### Sector fundamentals

<p><b>Need for homes across all tenures</b></p> 	<p><b>Government targeting increased delivery</b></p> 
<p><b>Demand significantly outstrips supply</b></p> 	<p><b>Planning reform set to unlock growth</b></p> 

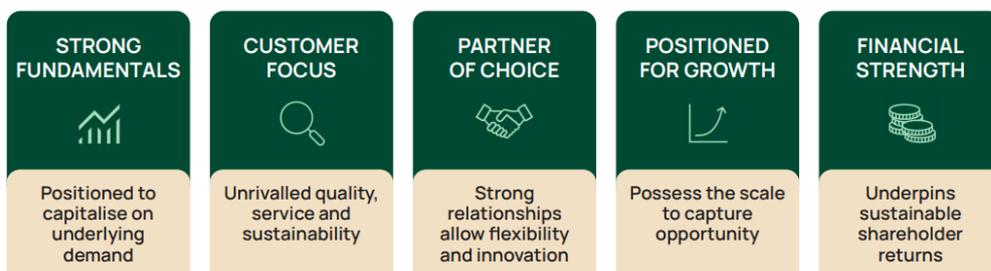
### Current market

<p><b>Affordability</b></p> <ul style="list-style-type: none"> <li>• Remains a constraint, particularly for first time buyers</li> <li>• Mortgage availability and competition improved but rates still high</li> </ul>
<p><b>Consumer confidence</b></p> <ul style="list-style-type: none"> <li>• Remains subdued, exacerbated by budget uncertainty</li> <li>• London market remains particularly challenging</li> </ul>
<p><b>Planning</b></p> <ul style="list-style-type: none"> <li>• Reforms taking time to materialise at a local level</li> <li>• Building Safety Regulator - specific challenges in London</li> </ul>

Thanks very much, Mike. Now, just turning to look at the market, so I think, whilst I've covered earlier that the current market clearly has its challenges, I think we need to bear in mind that the fundamentals of our industry remain very strong.

Housing is clearly a top priority for Government, and the demand for home ownership remains steadfast. When consumer confidence returns, the policy environment becomes clear, and the planning reforms kick in, we can expect to see a strong uptick in planning approvals, outlet growth, and opportunities to increase sales and volumes through our three leading brands.

## Barratt Redrow is best placed through the cycle



We remain confident that Barratt Redrow is best placed to navigate the market at all points of the cycle. Fundamental to Barratt Redrow are our three high quality differentiated brands, and we have the skills and experience to deploy them effectively. These brands allow us to operate in a variety of locations and local markets with the optimal divisional infrastructure to match.

Our customer focus is clearly demonstrated and recognised by our numerous third-party credentials. We have demonstrated that we are a reliable partner, allowing us to be flexible and innovative. Our reorganised divisional structure and brand portfolio positions us well for growth over the medium term. Finally, we remain financially strong, with a solid balance sheet, a robust net cash position, and cost synergies which will increasingly drive higher profit margins.

## Summary



- We remain confident in medium-term targets
- Clear line of sight to deliver 22,000 homes a year
- Redrow acquisition is transformative; synergies progressing well and integration largely complete
- Three leading brands and strong land position enhances future growth potential
- Financially robust with a strong balance sheet providing platform to invest

	FY25	Medium term
Outlets	405	475 - 525
Total home completions	16,565	c. 22,000
Adjusted operating margin <sup>1</sup>	10.7%	c. 15%
Land creditors	15.9%	20% - 25%
ROCE <sup>1</sup>	10.7%	>20%

1. Pre PPA adjustments. Adjusted operating margin 9.0% post PPA in FY25, ROCE 9.0% post PPA in FY25

Barratt Redrow plc Full Year 2025 Results

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In summary, we remain confident in the medium-term guidance that we gave in February. Outlet growth, on which we have good visibility, will allow us to reach our outlets goal, which will flow through to 22,000 total home completions. Our progress on cost synergies has enabled us to deliver on profit expectations, and we will continue to benefit the business financially as we move forward.

Savings through synergies as well as greater efficiency of our fixed cost base will help us to drive our operating margin back to 15%. We will be increasing our use of line creditors, which will aid our return on capital employed recovering back to 20%. Also helping us to improve return on capital employed will be the effective multi-branding of developments using our three high quality and differentiated brands.

Finally, as we've touched on, we remain financially robust, and that gives us confidence in our growth aspirations and also providing stable shareholder returns. Thank you very much. Mike and I will be happy to take questions, which John is going to host. Thank you.

## Q&A SESSION

### John Messenger

Thank you, David. We're going to open up for Q&A. Just when – you'll find microphones in the sides there. If you could use those, please, and you have to press and hold. Could I ask the usual gig? Could you please give your name and your organisation as well? We'll start in the front row with Will, if you could, please.

### Will Jones - Rothschild & Co Redburn

Thanks. Will Jones at Rothschild & Co Redburn. Try three, please, if I can. The first, just referencing, I think, in the statement, you talked about additional risk given the obvious and understandable around the budget in November and, I think, the need for a normal autumn. Could you just expand on what a normal autumn might look like, and perhaps just remind us of roughly the full-year sales rate you're assuming?

The second one was actually back to building safety; two parts to it. To what extent is there still risk around the building count with respect to inactive buildings maybe coming into scope? Perhaps you can expand on the other side the recovery process. I think you talked about some steady progress there, but what's the potential for that over time?

Then the last was maybe just around build costs. I think you've reiterated your guidance for the current year, and you've got good visibility, but just wondering what – how you think things might shape up for the conversations that start to take place at the end of year, start of calendar '26, with suppliers, a subdued market for you guys. Will it be, I guess, subdued for them in terms of what they end up achieving? Thanks.

### David Thomas

Will, first of all, good morning. Will. Good to see you in the front row. Mike will pick up in terms of building safety and also on build costs. If I just touch in terms of the budget, I mean, I think really kind of two points to make. One is, look, we're pleased with what we've seen through July and August, so that's the first thing. We've obviously provided that information in terms of reservations through July and August.

I think it's understandable that we would flag that speculation relating to the budget can affect customer sentiment, and we recognise that that can be both positive and negative. What we've got to do is we've just got to concentrate on trading our business, making sure that we're putting attractive offers in front of our customers, and we feel that we're doing that effectively, given the market conditions. In terms of rates of sale, we would normally see some tick-up as we move into the autumn, so we've clearly provided rates of sale through July and August.

I think the tick-up in the autumn or the tick-up in the spring has probably been less substantial than it used to be, primarily, I think, because we've just seen strong trading through, say, January, February, or strong trading through July and August, which we haven't necessarily seen previously. Over all time, I think we said earlier in the year that somewhere around about 0.6 is the kind of rate of sale that we're looking at as a Group. Mike?

### Mike Scott

If I pick up building safety first, so, firstly, on the portfolio that's provided, I think we've got increasingly good visibility on costs and progress there. So, about 90% of that portfolio has now been

through some kind of tender process on costing, or we're actually actively remediating it. So, I think the visibility we've got on that is really good.

On inactive buildings, they have been through a process, albeit largely desktop, in terms of documentation around the status of risk assessments, the build typology, the external wall systems, and so on. So, there's been an element of process there already, and that's why we don't believe that there's work to do, and they're not in the active bucket.

Then if you look at the flow through of buildings from that sort of inactive group into the provision over time, actually, it's very, very low, in the second half of the year, literally, just a couple of buildings that moved across.

So, I think, as we move through time, we are increasingly confident of the position.

The problem with it is you can't say that nothing will come out, as we get into buildings, and time passes. But I think our visibility and confidence is increasing.

On the recovery process, we're engaged in a number of conversations. Obviously we can't talk too much about them, for commercial reasons, obviously. But I think we are engaged in that process. We recovered £60 million from the supply chain during the year, and we're actively engaged in a programme to do that as we go forward.

Moving on to build costs then, so I think we're still comfortable with the 1% to 2% guidance range for the year, from everything that we've seen. As we said previously, a little bit more pressure on labour and the subcontractor side than on materials. I think some of that's now the flow through of the National Insurance increases and the other labour cost increases coming through. Again, it's the early stage trades, it's the ground workers and so on that we're seeing a little bit more pressure on.

But we obviously also have the benefit of the cost synergies through our procurement programme. Again, we've had really good engagement with the supply chain on that. We're able to give very good forward visibility of the growth of the business, which is helpful. So, overall, we're comfortable at 1% to 2% for this year.

## John Messenger

Aynsley, front row?

## Aynsley Lammin - Investec

Thanks. Morning. Aynsley Lammin from Investec. Just two for me, please. One, just if you could just provide a bit more colour on incentives and pricing and what you're doing going into the autumn selling season in relation to that? Then, secondly, just on the planning, obviously slow to come through at the local level, could you just remind us of the timeline of what happens from here when you expect that to actually start to impact positively at the local level when the legislation comes in, et cetera? Thanks.

## David Thomas

Aynsley, hi, good morning. First of all, in terms of incentives, the short answer is, no real change in relation to incentives or incentive levels. I think when you look at our incentives, I mean, I won't run through them all, but if I just highlight two or three of those incentives. For example, for first-time buyers, we will offer a deposit match. So, if the first-time buyer has a 5% deposit, we will effectively match that deposit. It allows the first-time buyer to get onto a 90% loan to value, and that is an attractive proposition.

Secondly, we have, for a period of time, accelerated post-Covid, run a key worker discount, primarily aimed at Blue Light workers, but a broader range has been brought in of key workers. I don't think

analysts are in that range, but we can expand it. That is a really attractive proposition. So, we're typically offering a 5% discount, subject to a ceiling. So, it probably blends at about 3.5%, 4%.

Then the third offer is part exchange. Part exchange is probably our most expensive offer. We don't look to make a profit on the part exchange offer, but it is a very attractive offer for consumers. If you're a second- or third-time buyer then, clearly, taking all of the pain out of the move process is attractive.

I think we tend to see that when the second-hand market, the existing home market is a bit slower, then part exchange becomes much more attractive. But we're still seeing overall incentive levels, as we've set out, sort of 6-plus% in terms of overall incentive levels, and quite a bit of that is driven by part exchange.

In terms of planning and infrastructure, we've said very consistently that the Government coming in in July '24 have really tried to take a transformational approach to planning. We have to remember that if you go back to March, April '24, we were going backwards very, very rapidly from a planning point of view.

I think the Government have set out what I see as being a very bold and ambitious agenda in terms of planning not just for residential development but for commercial development, for infrastructure, and so on. Most of that is contained within the Planning and Infrastructure Bill.

I think it has taken a bit longer than we would've thought back in July, August '24. Our understanding of the timelines presently is it's going through the review within the House of Lords, and we'd expect that perhaps November, December, it will come into legislation, and then all local authorities will need to comply with the requirements of the Planning and Infrastructure Bill. So, we should start to see that taking effect during 2026.

## John Messenger

Chris?

## Chris Millington - Deutsche Bank

Chris Millington, Deutsche. First one, I just want to gauge your steel behind the outlet opening profile. Obviously, we had a delay last time. They're still obviously subject to third parties moving in line. Just how front- or backend-loaded in those periods do those outlets come through? So, that's just the first one.

Second one is looking more at the longer term shape of the balance sheet. There's obviously quite a lot of demands on your cash over the next few years. Where would you start getting uncomfortable with regard to adjusted leverage? It does look like the net cash balance is probably going to be eliminated in the next couple of years.

The next, the last one, I thought a really helpful slide on the land bank margin, you know, really good to help us build it up. Perhaps you can give us some sort of guide as to the evolution of that; maybe something like, you know, when do the sub-15% gross margin categories get eliminated by – or something to that effect. Thank you.

## David Thomas

Thanks very much, Chris. If I pick up on outlets, and then Mike will pick up in terms of the shape of the balance sheet and cash and land bank margin. I think, in terms of outlets, we recognise that we had a revision of guidance for outlets for FY26, which we updated the market with that in July.

I think our confidence regarding outlet delivery is twofold. One, we're putting it up on a slide, we've broken it down in detail, and I'm presenting the slide, so I think that demonstrates a strong level of confidence. We wouldn't normally give that level of detail.

I think the second point I would say is that this is unusual. I've been here 16 years, and I think at any point over the last 16 years, if we had put up an outlet profile, we would've had much less with detailed consent, or much less with planning submitted. That's just a by-product of two things. One is that, since we've gone back into the land market post-2022, we have acquired sites that can be single-, dual-, or triple-branded. So, that gives us good outlet delivery.

Secondly, through the combination with Redrow, we've identified that 45 sites can be delivered. Now, obviously, we see that there are more than 45 potential, so we take a reasonably conservative view and say we can deliver 45. That's also entirely in our control, and Redrow are already on those sites or Barratt are already on those sites, and we're effectively either doing a plot substitution or we're doing a replan. So, we have a high level of confidence regarding delivery.

As I touched on a moment ago, I think everyone in the industry is very positive about the Government's approach in relation to planning. I mean, why would you not be? But I think it has been more protracted than anyone would've expected, because we're now 14 months later, and we still don't have the legislation. But we are where we are, the legislation will come, and it should be effective from the beginning of '26.

## Mike Scott

So, if I just pick up on the balance sheet first then, I guess, the first point to make is we're starting from a really strong place, you know, £770 million of cash at the end of last year. We flagged in February that there would be a couple of years of investment in WIP and infrastructure to get the new outlets open and get us up to the 500 outlet target in a few years' time.

So, we do expect to be in that phase, we expect to use that net cash over the next couple of years, but then we start to generate cash at the end of the plan, as those outlets come into production and we stabilise outlet numbers. I think, when you step back from it, the shape of the balance sheet over the last three or four years has probably been the outlier, in a sense, with the level of net cash that we've been holding.

If you look over a longer period of time, we'd normally have targeted a very small level of net cash at year ends, and that's probably where we'll end up getting back to, Chris. But I think we're starting from a very strong place, we've got a good line of sight to those investments in work in progress and infrastructure to get the new outlets open, and we've said many times that the strength of the balance sheet is a real priority for us and the Board as we go forward.

On the land bank margin, it's difficult to predict exactly when those sites will roll off. But average site length's sort of three and a half years, so you'd think, over the next two or three years, you'll see those lower site margins roll off. We've given the medium-term target of getting to the hurdle rate of gross margin of 23, and then 24 when the procurement synergies have kicked in.

So, you'd expect to see that evolution continue over the next few years, you know, 90 basis points up in the year this year with the land that we've added. We're carrying on adding land at hurdle rates that will blend up over time. So, again, it will take a few years to get there, but we're confident that that's the direction of travel.

## John Messenger

Ami.

## Ami Galla - Citi

Thanks. Ami Galla from Citi. A couple of questions from me. One was on the gross margin in the land bank. Can I clarify, is the synergies on top of that, the procurement synergies associated with the gross margin will be – will that be on top of that or is that included in the land bank gross margin that we see?

The second question was really on the WIP investments linked to outlets. You've talked about this previously, but can you remind us, how should we think about that investment profile over the medium term?

The last one was on the ASP in the land bank. That's also marginally higher, and I presume that's mixed as well. Can you give us some colour as to how is the shape of that mix adjustment over the next three years?

## Mike Scott

That sounds like three for me. Gross margin in the land bank does include procurement synergies, so that's fairly straightforward. On work in progress, I think we're guiding this year that we'll have £200 million to £250 million of incremental WIP investment as we go through this year. Again, that's investing in outlet openings that we'll see coming through, both at the end of this year and into FY27. Then we're not guiding for '27, but we've been at that level of £200 million to £250 million for the last couple of years.

On ASPs in the land bank, it is largely reflective of mix and, clearly, in the land bank now, we're reporting Redrow as well, which operates at a slightly higher ASP than Barratt and David Wilson did previously.

We're not seeing any particular sales price inflation at the moment, you know, sort of like-for-like measures are broadly flat on selling prices. So, the increase in ASPs that you're seeing is coming through the mix of sites rather than inflation.

## John Messenger

Clyde?

## Clyde Lewis - Peel Hunt

Thank you. Clyde Lewis at Peel Hunt. Three, if I may, as well. Firstly, on the desire to grow the deferred terms around the land buying, how easy do you think that's going to be, and do you think that's going to limit your choice in any way in terms of what you can buy? The second one was around the bulk sales mix. In terms of the volume guidance this year, what sort of contribution are you expecting to see from bulk sales?

The third one probably was going back to your comment on it, David, about being at the Company for 16 years. Pretty much in every one of those years, you will have seen some sort of demand incentive from the Government, whether it's stamp duty holidays or specific first-time buyer help.

Do you think this Government actually understands that it's probably going to need some of that to try and get the overall housing market back to where it wants to be, despite all the extra money they've put into the affordable housing sector?

## David Thomas

Clyde, thank you. I think, if I just pick up on the deferred terms, and Mike will pick up in terms of multi-unit bulk sales, and then we'll just talk about – I'll talk about the demand side. So, I think on deferred terms, I think that it obviously depends on the position of the landowner, but I would say, as

a generalisation, we are buying sites that are larger than average, and the ability to secure deferred terms is greater.

So, I don't see anything that will change that, because we see that when we're bidding maybe on a site that might be 150 to 200 plots, there can be a huge amount of interest in those sites. Whereas if we're looking at sites that are maybe 750 plots and above, there's just a limited number of buyers, you know, are probably ourselves, Vistry, maybe a couple of the other majors might be in that market.

So, I think there is an ability to structure deals, which is, you know, it's got to work for both sides, but securing deferred terms for us has always been important, and we're just going to place a little bit more emphasis on it going forward. So, that's the kind of deferred terms.

Looking on the demand side, and you've seen everything unfold in terms of the way that the market's evolved, so all of the 16 years I've been here, apart from the last two years, there has been a Government-backed programme in the market, so since 2009, without interruption.

The programmes have changed in their nature and, as you know, in the early days, the housebuilders either participated by providing 50% of the shared equity loan, or the housebuilders paid to access the scheme. With Help to Buy, the housebuilders were not asked to pay to access the scheme. We've said at Barratt Redrow – and I know many other housebuilders have said – that we would happily pay to access a scheme.

We see that when you look at affordability in areas such as London or London and the South East, affordability for first-time buyers is at record levels of challenge. We've not seen the kind of metrics on affordability previously. Therefore, you can see that, particularly in London – now, as you know, London for us is a relatively small part – 5% to 7% of our completions in London.

But the reality is that affordability challenges in London are acute, and you can see that coming through in terms of the numbers. So, our message to Government has been, the housebuilders are happy to contribute towards a scheme, it should be targeted at first-time buyers, and there should be particular focus on areas of acute affordability.

## Mike Scott

Then just on multi-unit sales and so on, I think on the affordable side, we are seeing slightly more appetite from the registered providers to do additionality again. That was probably, you know, backed off a little bit over the last 12 or 18 months. We're seeing good levels of grant funding come through into some of those deals that we're doing. So, I think that they'll definitely be a feature for us this year.

Then on PRS, as you know, we focus on two or three key relationships on PRS, the most significant of which is Lloyd's Living. We've talked about the framework we've got in place with them; want to do about 1,000 units a year over time. In general, as we grow the business to 22,000 homes per year, we think PRS will be about 2,000 of that 22,000.

So, I think, for this year, we'd probably expect multi-unit sales in PRS to be just over 1,000 units in the completion mix again. But we're saying, you know, we're still engaged in good conversations with the PRS providers. I think that there are still deals there at pricing that we're comfortable to do the deal, and it will just be part of our mix going forward, I think.

## John Messenger

Charlie, if we just swing across.

## Charlie Campbell - Stifel

Hi. Charlie Campbell at Stifel. Just a couple of questions, please, just firstly on mortgages, some changes in stress tests and loan to income. I just wonder if that's had any impact yet, and whether we should expect that to have some impact going forward. Then, secondly, on section 106 and HAs, Affordable Housing, has that appetite returned back to normal after the hiatus, or do we need to wait for things like other prospectus to come out for the Affordable Homes Programme? Thank you.

## David Thomas

Charlie, if I pick up both of them, first of all, I think that everyone is conscious of the fact that there was very substantial tightening of the mortgage lending rules post the financial crisis. I think we recognise that there are some concerns about a rapid relaxation of those rules. But we would welcome the relaxation that has taken place, and we think that there's scope for further relaxation, particularly around multiples of, you know, joint income multiples.

So, I think it's very difficult to disaggregate that from, well, exactly what is the impact but, clearly, it is a positive impact in terms of allowing more lending to take place in the market, and there has been quite a lot of documentation published around the way in which it improves affordability, so that that has to be a positive.

In terms of the section 106, look, at a headline level, post the announcement by Government, I would say at June '25, we found the closure of section 106 agreements in aggregate to be much easier than at June '24. I'm not saying it was easy, but it was much easier. I think, beyond that, it is an assessment on an HA-by-HA basis.

I think where housing associations have got challenges regarding cladding and cladding remediation, and the Government have done something to alleviate that by allowing the housing associations to access the Building Safety Fund, and also where housing associations have got particular challenges around the remediation of existing housing stock, i.e., it needs to be brought up to standard under Awaab's Law, I think the reality is that housing associations have got some cash and funding challenges.

So, I think it is very housing association-specific. The industry is very definitely flagging that it is not a resolved issue for Government. There's a consultation in terms of, effectively, the equalisation of rentals, but that consultation is not closed. So, the equalisation of rentals is another very important thing for the HAs in terms of the financial impact it has on the HAs.

## John Messenger

Allison?

## Allison Sun - Bank of America

Morning. Allison from Bank of America. Three questions from my side. The first one, on the ASP for next year, I don't know what your expectation is overall. Do you think it's going to still be positive, stable, or you're just still a lot of uncertainties there, given the budget impact, number one.

Number two is on the PRS, because we also saw the news, like, the Government might impose some landlord tax or the National Insurance on the investors. Do you see it's going to be a negative impact for the future investment demand for the PRS?

Thirdly is on this Future Homes Standard, which I understand we still haven't got the full details yet. I heard there are some builders saying, if there's a mandatory requirement on the solar panel installation, there could potentially be a negative or the downside risk to the earnings for that particular builder. But I wonder if you heard anything on the regulation, and what's the progress for the Barratt portfolio? Thank you.

## David Thomas

Certainly. Mike, can you take the ASP one? So, if I just pick up on PRS, initially, I think this just falls into a category of the sort of budget speculation. Clearly, we don't know whether there is any intention to put National Insurance on rental income, so we just have to wait and see.

I would think that if you're an institutional investor, then you're going to want to look at that fairly carefully, I would assume. But we'll find out in November about directionally where that is going to go.

In terms of the Future Homes Standards, I chair the Future Homes Hub, so I'm very close to the Future Homes Standard and what's happening with the Future Homes Standard. I think the first thing is that the Future Homes Standard has been delayed. It depends on at what point you're measuring. But the Future Homes Standard is probably 12 months to 18 months behind where it was originally anticipated to be, and that is giving all participants in the industry more time to adjust.

When the Standard comes into effect – we expect the Standard to be published prior to Christmas – there will be a transition plan, and that transition plan will run through certainly '26, '27, '28. But the transition plan will be published.

Then thirdly, there is sub-consultation about the number of, the amount of solar panels that will be required on properties. Certainly, from the Future Homes Hub point of view, we've just effectively said that there has to be a balance to that.

We shouldn't be in a situation that we're mandating very large quantities of solar panels, because the Standards can be achieved in different ways, not simply through the provision of solar panels. But when the Standard is published in December, we will see the outcome for that. But, again, I would emphasise it will be over quite a long transition period.

## Mike Scott

Then on ESP, so on pricing generally, we said that using our like-for-like measure last year, pricing was up 1.4%. So, that's the sort of underlying pricing position. Year-to-date, that's been flat so, clearly, the pricing position has been more challenging in recent months. So, looking forward into FY26, we're not expecting any benefit from sales price inflation in the numbers.

There will be a small increase in ASPs just coming through the mix effect, we'll be blending in Redrow, and that will be slightly offset by a higher proportion of affordable housing in the year. But I'd expect it to be very slightly ahead year-on-year. I don't think there'll be significant movements in the ASPs.

## John Messenger

Alastair?

## Alastair Stewart - Progressive Equity Research

Alastair Stewart from Progressive Equity Research. A bit of a niche series of questions, all based in Scotland. No vested interest there, of course.

## David Thomas

We're both well-equipped.

## Alastair Stewart - Progressive Equity Research

Just a bit of colour on Scotland, first of all, you did a couple of deals with Springfield. Any further organic opportunities north of the border? Also, the Scottish Government seem to have changed tack

quite a lot on especially build-to-rent, but just generally seem to be a bit more pragmatic, let's say. Any colour on that? I suppose it's a question for you, David.

### David Thomas

I feel well qualified to answer. Look, we have a big business in Scotland, so we're based in Glasgow, Edinburgh, and Aberdeen. We've had a big business in Scotland over a long period of time. I think that the Springfield deal that you touch on is reflecting two things. One is, we have a very positive view of the market in Scotland. It is a market that operates under different regulations and different policy from England.

So, for example, Scotland never had a Government-support programme, not in the same way, and policies in Scotland have probably been a little more slanted towards affordable housing generally. But we see it as being a positive environment and, therefore, we acquired the sites from Springfield, and they've obviously gone through a restructure of their activities, to be more focused in terms of the north of Scotland. So, we're positive about that opportunity.

Again, I would say that the rent controls in Scotland adversely impacted the buy-to-rent market, and the institutional investor, I think, was less enthusiastic. But that position seems to be altering and, therefore, we should see the opportunity for more private rental, particularly for Edinburgh.

I think Edinburgh is a very, very strong market or very strong potential in terms of private rental. Then the other area which, Mike, maybe just touch on is just on building safety because, again, I think that – do you want to just touch on building safety?

### Mike Scott

I guess it's been an open conversation for a while in terms of where the standard for remediation would end up, compared to the standard in England and Wales. I think that has moved during the – this year it's moved towards the England and Wales position, which, clearly for us, is positive because that's the basis that we've approached building safety on in Scotland. It's still not concluded, but I think closer to conclusion and in a more positive sort of state.

### John Messenger

Marcus.

### Marcus Cole - UBS

Hi. Marcus Cole from UBS. Just one question on timber frame. Obviously, you all went up to the factory earlier this year. I'm just thinking about how that's progressing. Any learnings you have there, and how do you think about more about vertical integration on the back of those learnings?

### David Thomas

We're very positive about timber frame. If you – just to go back to Scotland very briefly – when I came into the business, we were almost entirely brick and block in Scotland. We're now almost entirely timber frame, so 95-plus% in terms of what we're doing in Scotland is timber frame. It would only really be on higher apartments where we would move away from that.

So, I think that the use of timber frame is going to become more and more prevalent in England, and you can see that through the majors that most people have either got agreed sourcing arrangements or they have their own factories, and that's the reality. It's very much the direction of travel, so we are very positive about it.

The factory, the new factory in Derby is progressing well, and we see volumes rising and, ultimately, we see capacity between the two factories are at up to 9,000 frames. But I think the opportunity

goes beyond that in terms of being able to do more and more within the factories, so having closed panels, being able to put services into the panels, whether it's windows, doors, plumbing, et cetera.

There's a there's a lot of stuff that can be done within the factory. So, we see that what we have in Scotland and what we have in Derby is very much a platform for us to grow from over the next few years.

In terms of vertical integration, I would say our starting position is that we would prefer not to vertically integrate. You'll find that many of the products that we buy, we are a relatively small part of the manufacturer's business. What we don't really want to be doing is running a business where, because of the economics of the business, we're having to provide a lot of product to other companies.

We want to be able to, like with timber frame, bring something into our portfolio where it can provide exclusively to Barratt Redrow. Therefore, when you look at the sort of volumes that are involved in certain production areas, that just wouldn't be possible. You wouldn't be able to run the sort of economies on our volumes alone.

So, I think we're very, very selective about what we would vertically integrate on, but where we see an opportunity, like our acquisition of Oregon or, for example, we run our own in-house wardrobe factory, then we're certainly happy to further integrate those types of businesses.

### John Messenger

Any more questions? Have we exhausted everyone? Thank you everyone. Oh, one more.

### David Thomas

Yes, of course.

### John Messenger

Chris.

### Chris Millington - Deutsche Bank

Sorry, Chris Millington at Deutsche. It's just about what your thinking is about the proportion of affordable going forward. Do you think it can keep pace with the private growth within the business on volumes, or is there an assumption it will lag slightly because of the funding issues we've seen historically?

### David Thomas

I think if you look at it at a policy level, then I think you would expect the proportion of affordable to increase slightly going forward on the basis that for greenfield sites under the Planning and Infrastructure Bill that there will be a higher assumption in terms of affordable, for example. So, I think you would say that the general trend would be an upward trend on affordable.

I think the funding question is, you know, we've touched on that, that's a kind of separate question, and the funding challenges are real. The Government obviously announced a huge funding programme over a 10-year period, but short term, the funding challenge is real.

I think the final point, and this has been well documented in London, is that 35% or 40% or 50% of nothing isn't benefiting anyone. I think we've consistently seen this over 20 or 30 years is that, as there is an attempt to take more value from the land, the landowners have an opportunity to say, actually, we won't participate, or sites get bogged down in viability arguments. That clearly is what's playing out in London presently.

## John Messenger

Thank you, everyone, for coming along. If there are any follow-up questions, don't hesitate to get in touch with myself. But thank you, and we'll close proceedings. Thanks again.

## David Thomas

Thank you very much. Thanks everyone.

[End]