Barratt Redrow plc Half Year Results 2025

David Thomas

Chief Executive Officer

Hi, good morning everyone. Thank you, John. Welcome to all of you. As John said, we're going to be here for the morning, so buckle in. As normal, I'm going to start off with an overview of the half year, then have a look at current trading, and then have a look at our short-term priorities looking forward.

Mike is then going to follow with the financials. As you know, it would normally be Steven that would follow me but by popular demand, Mike is going to follow with the financials and is going to really get into explaining some of the complications around the Redrow combination, looking at how we've dealt with purchase price allocation, and the related fair value exercise. Then, Steven's going to talk through our operational performance, looking to really focus on the comparable performance. I think you can see that there's quite a lot to cover. As John said, we're going to cover it in an hour, so after Steven, we'll go straight into Q&A.

Overview – HY25 performance

- Good operational performance
- Adjusted PBT reflected lower completion volumes and purchase price accounting fair value impacts (£50.4m)
- ROCE impacted by decline in profitability
- Solid net cash position after £170.5m dividend payment and £46.5m legacy property remediation spend
- Redrow plc acquisition completed in August, with CMA clearance in October, integration in full flight and progressing well

	Barratt Redrow **HY25**	Barratt reported **HY24**	**Change**
Total home completions (inc JVs)	**6,846**	6,171	**10.9%** ↑
Adjusted PBT	**£167.1m**	£157.1m	**6.4%** ↑
Adjusted PBT excluding PPA	**£217.5m**	£157.1m	**38.4%** ↑
ROCE	**8.1%**	12.8%	**470 bps** ↓
Net cash	**£458.9m**	£753.4m	**39.1%** ↓
Dividend per share	**5.5p**	4.4p	**25.0%** ↑
Net tangible assets per share	**438p**	451p	**2.9%** ↓

Just looking at the first half and overview, we've had a really good operational performance. It's definitely been a more steady market, but we're really pleased with the way that the business has performed and what we've delivered over the six-month period.

As ever, I just like to acknowledge the really hard work from all of our employees, but also from our subcontractors and our supply chain partners. I think we recognise that it is a real team effort to be able to deliver the results that we deliver over a six-month or a 12-month period.

Total home completions are at 6,846, 10.9% ahead of Barratt on a reported basis last year. Adjusted pre-tax profit was 6.4% ahead of Barratt, reported at £167.1 million. This included £50.4 million of purchase price allocation impacts. More to follow from Mike on that. Then excluding these, our adjusted profit before tax would've been £217.5 million, up some 38% on the Barratt reported in HY24. ROCE at 8.1% was primarily impacted by the decline in profitability in the year.

We retain a strong net cash position at almost £459 million, and that's been maintained notwithstanding £171 million of dividends paid, and £46.5 million spent on the remediation of legacy buildings. I'm also pleased to announce an increase in our interim dividend, which has moved ahead by 25% to 5.5p. We're really delighted to have completed our combination with Redrow, which legally completed in August, and we obtained CMA clearance in October. Our integration is really in full flight and progressing well.

Overview – Current trading

Barratt Redrow

- Private reservation rate reflects continuation of more stable market conditions
- Sales outlet growth expected from Q4 onwards
- 82% forward sold for FY25 private completions, in line with the prior year
- Expect to deliver between **16,800 and 17,200 total home completions**[4] **in FY25**
- FY25 adjusted PBT (excluding PPA) expected to be towards upper end of current market consensus range[5]

	Barratt Redrow **2HY25 to date**	Barratt & Redrow Aggregated **2HY24 to date**	**Change**
Net private reservation rate[1]	0.60	*0.60*	-
- of which PRS and Other MUS	-	*0.03*	*n/m*
Average active sales outlets	414	*436*	5.0% ↓
Net private reservations per week	248	*261*	5.0% ↓
Total forward sales[2, 3]	10,903	*11,460*	4.9% ↓
Private sold position for full year[2]	82%	*83%*	100 bps ↓

1. Net private reservation rate per active outlet per week
2. As at 2 February 2025 and 4 February 2024
3. Including JVs
4. Including c.600 JV completions
5. Bloomberg consensus FY25 adjusted profit before tax (excluding PPA) on 11 February 2025 was £542m with a range of £506m to £588m

Just on current trading, in brief, since 30 December, we've seen a continuation of what is really solid reservation trends. This is really great news for us as a business, that we've seen this stabilisation certainly over the last nine months. That's just reflected again in current trading. It was 0.6 for the period from the beginning of the second half through to 2 February, in line with the combined trading performance over the same period last year.

While the reservation rate is identical, this year we had no PRS or bulk sales, whereas last year we did. On a net basis, we're around 5% improved year-on-year. Our average active outlet position is 414. That's very much in line with our September standalone guidance, and that remains unchanged, where we expect to see about a 9% decline now including Redrow for the year. Then, we're 82% forward sold with respect to FY25 private completions. Again, very much in line with what we would expect and in line with the prior year.

Looking to full year position in terms of completions, we're narrowing the guidance range from our AGM update in October, guiding now at 16,800 to 17,200 total home completions and moving the lower end up by 200 homes. I'm also very pleased to announce that we expect adjusted PBT, excluding the PPA adjustments which Mike will come on to, will be towards the upper end of the current consensus range.

Barratt Redrow – priorities through H2 FY25

- Sales rate recovery in the half year, reflecting more stable market conditions and improved mortgage availability and affordability
- Customer demand remains sensitive to the wider economy
- We are now focused on delivering the benefits of Barratt Redrow through:
  - **Delivering upgraded cost synergies of £100m** over the period to HY28
  - Optimising our brands to **unlock 45 incremental sales** outlets over the period to FY28
  - Maintaining our industry leadership around build quality, customer service and sustainability
  - Operating with the financial discipline and balance sheet strength our shareholders expect.

Then lastly for me, just moving on to what we describe as short-term priorities. We are very, very focused in terms of delivering the benefits from the combination of Barratt and Redrow, in terms of cost synergies, also in terms of the revenue synergies, and in terms of the overall integration of the businesses; both on an operational and a systems basis.

Therefore, immediate focus on cost synergies, we're very pleased to have upgraded our guidance on cost synergies this morning from the original £90 million to £100 million. Secondly, really focusing on putting in place the plans to deliver the revenue synergies through the 45 sites that we've identified. They will come through to provide contribution over the next two or three years.

Also, looking at how we can buy land with our one, two, three brand strategy. We believe it gives us a lot of flexibility in the market in terms of how we can approach the land market, and particularly as we flagged previously, the ability to buy significantly larger sites than either business would've bought in their independent positions.

Then thirdly and always a focus, we recognise and look to improve our industry leadership, industry leadership around build quality, customer service and sustainability. I think these are absolutely the hallmarks of how we deliver on our promises to our customers.

Then fourthly, we want to ensure that we continue to operate with strong financial disciplines and balance sheet strength. This is something that we want, it's something that we know that our shareholders and our wider stakeholders want, and it is a key strength of our business. Thank you everyone. As I said, I will now hand over to Mike and will be back for Q&A. Thank you.

Mike Scott

Chief Financial Officer

Mike Scott
Chief Financial Officer

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Thanks David. Good morning everybody. I'm under no illusions, I'm not here by popular demand, but here it goes anyway. I'm going to start with our reported results for the half, and as you know, there's many moving parts there. What we'll then do is move on to strip out some of the noise and look at the underlying trading position.

Barratt Redrow

Summarised performance

£m (unless otherwise stated)	Barratt Redrow HY25	Barratt Reported HY24	Change
Revenue	**2,280.8**	**1,850.8**	**23.2%** ↑
Adjusted gross profit	**338.7**	**295.9**	**14.5%** ↑
Adjusted gross margin %	*14.9%*	*16.0%*	*110 bps* ↓
Gross profit	338.7	238.5	42.0% ↑
Gross margin %	*14.9%*	*12.9%*	*200 bps* ↑
Adjusted operating profit	**163.9**	**155.2**	**5.6%** ↑
Adjusted operating margin %	*7.2%*	*8.4%*	*120 bps* ↓
Operating profit	114.0	97.8	16.6% ↑
Operating margin %	*5.0%*	*5.3%*	*30 bps* ↓
Adjusted PBT	**167.1**	**157.1**	**6.4%** ↑
PBT	117.2	95.2	23.1% ↑
Adjusted earnings per share (pence)	**9.3**	**11.8**	**21.2%** ↓
Earnings per share (pence)	5.8	7.1	18.3% ↓
Dividend per share (pence)	**5.5**	**4.4**	**25.0%** ↑
Net assets	7,881.6	5,439.6	44.9% ↑
Net cash	**458.9**	**753.4**	**39.1%** ↓
ROCE %	8.1%	12.8%	470 bps ↓

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If I start then on a reported basis with our numbers on this slide, this includes Redrow’s trading performance from acquisition on 21 August through to 29 December. As David said earlier, adjusted profit before tax for that period for the half was £167.1 million. That's 6.4% ahead of our reported position last year.

Adjusted earnings per share at 9.3p was 21.2% lower, and based on dividend policy at the current cover of 1.75 times adjusted earnings, we'll pay an interim dividend of 5.5p, which is up 25% on last year's 4.4p. We ended the half with £459 million of net cash, slightly ahead of our forecast, which was really due to the timing of some land payments around the half year end.

Understanding our trading performance

Barratt Redrow

- Table summarises underlying performance
  - Both periods exclude purchase price adjustments
  - HY24 includes Redrow from 24 August 2023 to 31 December 2023
  - HY25 includes £14.3m impact of accounting policy alignment at adjusted gross and adjusted operating profit
- Stabilised gross margin position
- Operating margin impacted by lower volume

£m (unless otherwise stated)	Barratt Redrow excluding PPA HY25	Barratt & Redrow Aggregated excluding PPA & accounting policy alignment HY24	Change
Total home completions (homes)	**6,846**	**7,777**	**12.0%** ↓
Revenue	**2,280.8**	**2,492.5**	**8.5%** ↓
Adjusted gross profit	**386.6**	**423.1**	**8.6%** ↓
Adjusted gross margin %	*17.0%*	*17.0%*	-
Adjusted operating profit	**211.8**	**248.4**	**14.7%** ↓
Adjusted operating margin %	*9.3%*	*10.0%*	*70 bps* ↓
Adjusted PBT	**217.5**	**248.8**	**12.6%** ↓
Adjusted earnings per share (pence)[1]	**12.0**	**13.7**	**12.4%** ↓
Dividend per share (pence)[2]	**5.5**	**4.4**	**25.0%** ↑

1. HY24 EPS based on HY25 share count of 1,305.3m shares
2. Dividend per share in HY24 is that paid by Barratt Developments PLC

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Moving on then to our underlying trading performance. On this slide, half year '25's results exclude the impact of the purchase price accounting adjustments, which are really just accounting timing differences and almost all non-cash items, and also includes an accounting policy alignment impact of £14 million in the current period. We've put a more detailed slide in the appendices that helps you reconcile those numbers through.

In the half year '24 comparative period, we've included Redrow's trading performance from 24 August 2023 to 31 December, but we haven't aligned accounting policies for that period. What you can see here then is total home completions were down 12% on the prior year. That was in line with expectations as a result of lower outlet numbers during that period.

Adjusted gross profit was down 8.6% at £386.6 million, but the adjusted gross margin was flat at 17%. That reflects a mixture of site mix, the moderation of build cost inflation, and the positive mix effect of newer land coming into production. I'll touch on that again in a few minutes.

In half year '25, the accounting policy adjustments reduced this margin by 60 basis points, and adjusted operating profit was £37 million lower, at £211.8 million. Really, that's mainly the volume impact of operational gearing coming through.

After interest and tax charges, adjusted EPS was 12p on this basis, and that's used to calculate the interim dividend for the half. That's slightly lower than the 13.7p on a comparable basis.

Overall, we're pleased with the performance of the Group through the first half, as David said, despite the reduced volume. We're particularly positive to see gross margins stabilising.

Redrow purchase price allocation

Barratt Redrow

- Two key fair value adjustments plus recognition of intangible assets
- Inventories:
  - £93m land and WIP uplift reflecting value added to sites in progress;
  - £72m recognition of land options normally held at cost; and
  - £61m reduction in land value reflecting current market
- Building safety provisions increased to bring contingent liabilities onto the balance sheet
- Strength of Redrow brand recognised in £232m intangible asset
- Amounts remain provisional until August 2025
- Profit before tax impact expected to be:
  - £85m to £95m charge for FY25;
  - £15m to £25m charge for FY26
  - Immaterial thereafter

£m (unless otherwise stated)	**Fair value adjustment**
Inventories	
Land and work in progress in development	93.0
Land options	71.8
Land not in development	(60.5)
Inventories - total	**104.3**
Provisions	
Building safety provisions	(39.3)
Completed development provisions	(7.2)
Other items including tax liabilities and other creditors	5.5
Deferred tax	(89.1)
Intangible assets	
Customer order book	4.1
Brand	231.8
Goodwill	259.0
Total	**469.1**

Moving on then to the purchase price accounting adjustments. This slide explains in some detail the fair value adjustments that we made to the balance sheet that we acquired. Really, there are two fair value adjustments that we should dwell on. The first is on inventories, which on a net basis increased the value of inventories acquired by £104.3 million. There are three elements to that adjustment.

First of all, under the accounting standards, we have to market value land options, which we would normally carry on the balance sheet at cost. That resulted in an uplift of £72 million to their value. This adjustment reflects the options planning prospects and proximity to exercise.

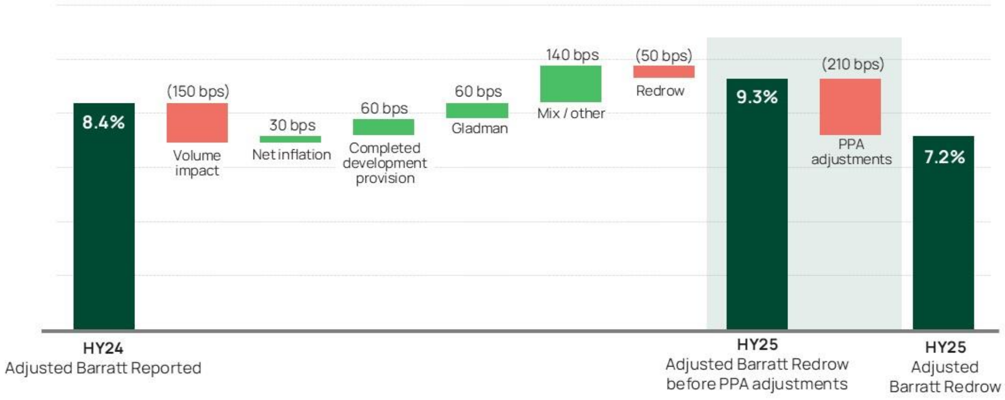
Secondly, we wrote down undeveloped land by £60.5 million, and that's reflecting reductions in land prices over the past few years since that land was acquired by Redrow.

Thirdly, we uplifted land and work in progress on in-flight developments by £93 million. There, we're recognising the value that had been added through the build process to the stage of completion at the point that we acquired the Redrow business, so a net £104.3 million uplift.

The second key fair value adjustment is an increase in the Redrow building safety provision of £39 million. That's not recognising any change in the risk profile of the portfolio, but under the accounting rules, we have to bring contingent liabilities onto the balance sheet. As you know, normally, they don't meet the threshold for recognition. After recognising the Redrow brand value at £231.8 million, the residual goodwill was £259 million.

In terms of forward guidance, we expect these fair value adjustments to unwind to the income statement reasonably quickly over the next two years, and there will be impacts to adjusted profit before tax this year of between £85 million and £95 million, and next year of £15 million to £25 million.

Adjusted operating margin bridge



Moving on then to the adjusted operating margin bridge. Here, we've separated the main moving parts and starting with some numbers on the Barratt operations. First of all, as I said, the impact of lower completion volumes was a margin reduction of 150 basis points relative to half year ‘24. Positively, we saw a small benefit from the net inflation position with flat build costs and underlying sales prices slightly ahead year-on-year across the Barratt operations.

A focus on our completed developments in the year resulted in lower charges on a year-on-year basis, and that contributed a further 60 basis points to margin in the half. Then, Gladman also had a better year-on-year performance as obviously the land market is beginning to pick up.

Other changes to the sales mix are the impact of administrative expenses making up the final 140 basis point improvement year-on-year, taking the Barratt's adjusted operating margin to 9.8%. Then, we had a net 50 basis point impact from Redrow in the first half. That was driven by a combination of reduced completion volumes in the Redrow business, changes to the sales mix, and also that accounting policy alignment to Barratt accounting policies that I mentioned earlier.

This resulted in adjusted operating margin before purchase price adjustments of 9.3%, and then taking into account the purchase price adjustments, a 210 basis point reduction to the 7.2% that we reported this morning.

Administrative expenses and adjusted items

Barratt Redrow

- Adjusted administrative expense increase included:
  - Average annual salary increase of c. 3%
  - Reduced IT development costs
  - Redrow administrative expenses included from 22 August 2024
- Adjusted items totalled £49.9m with:
  - Redrow transaction costs, including taxes, £35.5m
  - Cost synergies restructuring related costs, £14.4m
- Guidance to c. £400m of adjusted administrative expenses including amortisation of intangible assets of c. £10 and c. £10m of cost synergies

£m	Barratt Redrow HY25	Barratt Reported HY24
Sundry income	(7.4)	(9.3)
Employee performance pay	32.7	29.6
Other administrative costs	150.4	120.6
Adjusted administrative expenses	**175.7**	**140.9**
Costs incurred in respect of the acquisition of Redrow plc	35.5	-
Reorganisation and restructuring costs	14.4	-
Administrative expenses per income statement	**225.6**	**140.9**
Net part-exchange income	(0.9)	(0.2)
Net administrative expenses	**224.7**	**140.7**

Moving on now to look at adjusted administrative expenses and adjusted items. Adjusted admin expenses were up by 24.7% in the half to £175.7 million. That was driven all by the first-time recognition of the Redrow administrative expenses.

Our expenses here included a salary increase of around 3%, but also a further reduction in sundry income. We offset these costs through lower IT development spend, we moved into the deployment phase of our new CRM platform for example, and also our continuing recruitment freeze.

We had two adjusting items in the half; first, the Redrow transaction costs of £35.5 million, and that took our total deal costs to around £60 million. Then secondly, reorganisation and restructuring costs of £14.4 million, which relates to the initial divisional office closure program that we previously announced.

Overall, we still expect costs relating to the delivery of the deal synergies to remain around the £78 million mark that we announced back in February 2024. Looking forward to the full year, expect adjusted administrative expenses of around £400 million. That will include the initial £10 million of cost synergy benefits that we expect to realise.

Building safety provisions

- No new provisions across the Barratt portfolio
- Acquisition of Redrow resulted in recognition of £184.3m of provisions, including fair value uplift
- Portfolio under review at 29 December 2024 totalled 291 buildings:
  - 263 buildings in the Barratt legacy property portfolio (30 June 2024: 262)
  - 28 buildings in the Redrow portfolio (27 at acquisition)
- 66% of the combined building portfolio are at either tender, site mobilisation or remediation stages
- £46.5m remediation expenditure incurred in HY25

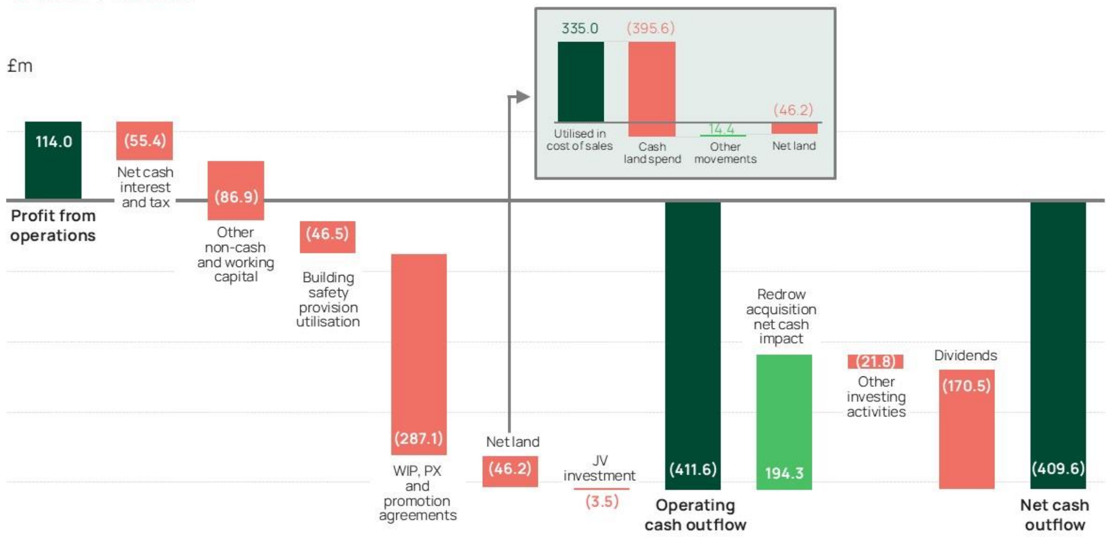
£m	External wall systems	Reinforced concrete frames	Total
At 30 June 2024	**628.1**	**102.2**	**730.3**
Redrow provision at fair value	184.3	-	184.3
Imputed interest - discount unwind	15.0	2.1	17.1
Utilisation	(29.3)	(17.2)	(46.5)
At 29 December 2024	**798.1**	**87.1**	**885.2**

Moving on to building safety. With no additional charges for building safety across our portfolio in the period, the main movement here is the recognition of the Redrow portfolio within our numbers. Across the combined portfolio, 28 buildings were added from Redrow, with our portfolio in the Barratt business being 263 buildings.

I'm pleased to be able to highlight further progress in dealing with the portfolio, with 193 or two-thirds of these buildings now either at the tender, mobilisation, or active remediation stage. Our experience and visibility of potential future costs continues to improve.

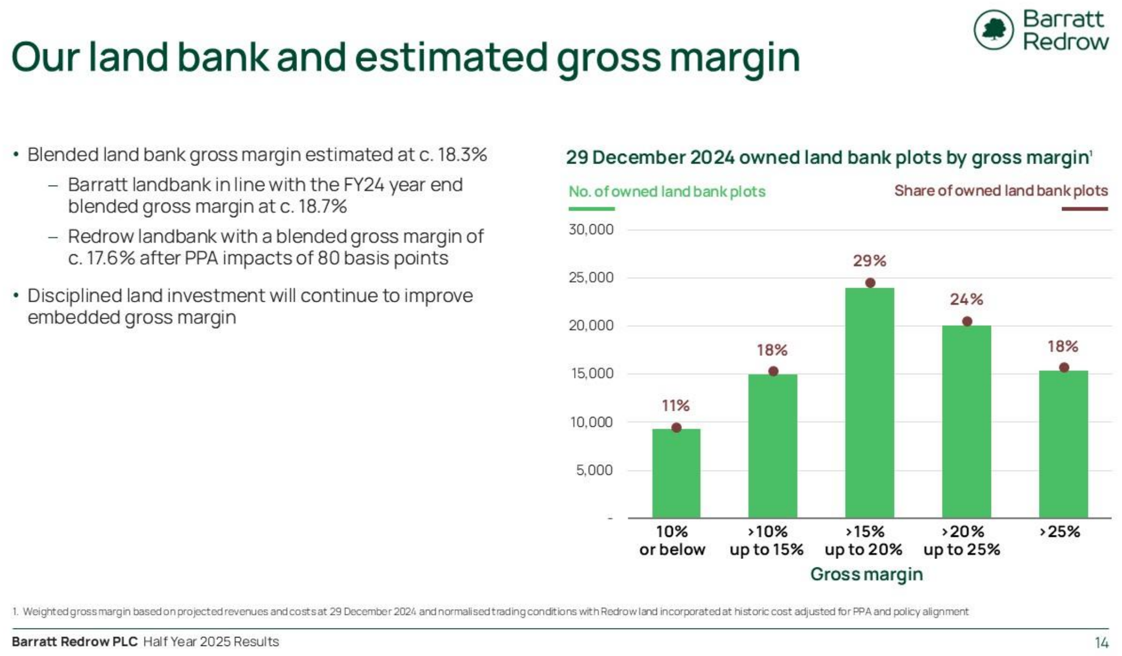
In relation to Scotland, as has been the case for a while, still no conclusion to the ongoing discussions there on the required scope of remediation, and so we're still providing for the Scottish buildings on the same basis as England and Wales.

Cash flow



Moving on now to look at cash flow in the period. The key movement here really is the significant amount of cash spent on land and work in progress, as we begin to invest ahead of opening the new sales outlets that we're planning over the next few months. That really underpins the next phase of growth that we'll talk about later this morning.

I've already touched on our progress on building safety, with £46.5 million spent in the half. We expect another £100 million to be spent in the second half of the year, although the timing of payments that we expect to make to the building safety fund remain uncertain. After including the cash acquired from Redrow and the payment of the final dividend for the last financial year, the net outflow in the period was £410 million.



I would like to update on the position of the combined Group's land bank. This chart includes the gross margin on Redrow's land within our land bank at its fair value. As usual, the margin here is based on our current view of sales prices and build costs, so we're making no assumptions here about future inflation or improved sales rates in these numbers.

The total land bank now has an estimated gross margin of 18.3%, with the Barratt portfolio at 18.7%, slightly up on June, and Redrow at 17.6%. Before the impact of fair value, the Redrow portfolio would've been at 18.4%, so very similar to Barratt.

42% of the land bank plots have an estimated gross margin of more than 20%, and that's broadly consistent with the position we outlined at the end of the last financial year. Over the coming year or two, as we flagged back in September, it remains likely that margin recovery will be gradual, so we're not currently seeing any material benefit from sales prices. Although build costs have stabilised, clearly they aren't reducing.

We are therefore focused on opening more sales outlets and optimising our brand strategy and our house type range to drive completion growth, which will improve operational gearing and give us better fixed cost coverage to improve our margins overall.

Guidance for FY25

Barratt Redrow

Completions	**c. 16,800 – 17,200 total home completions, including c. 600 JV completions** Affordable mix expected to be in the high teens
Average sales outlet movement (inc JV)	**c. 9% lower**
Build cost inflation	**Broadly flat**
PPA impacts on adjusted profit from operations	**c. £80m - £90m charge**
Accounting policy alignment impact on adjusted profit from operations	**c. £25m - £30m charge**
Adjusted administrative expenses	**c. £400m** (including amortisation of intangible assets of c. £10m and synergies of c. £10m)
Synergy savings	**c. £10m** within adjusted administrative expenses
Interest cost	**c. £20m** (c. £25m cash credit, c. £45m non-cash charge including c. £5m PPA charge impact)
Land approvals	**Return to normal land approval activity during the year**
Land cash spend	**c. £0.9bn - £1.0bn**
Year end net cash	**c. £0.5bn - £0.6bn**
Taxation	**Tax rate on adjusted earnings anticipated at 29%** reflecting current 25% corporation tax rate and 4% RPDT.
Ordinary dividend cover	**1.75x** ordinary dividend cover based on adjusted EPS and excluding PPA fair value adjustments

Before I finish, let me update on some key pieces of guidance for the full year. As David mentioned, we've narrowed the range this morning on our full year completions to 16,800 to 17,200. With confidence in the outlook, we're also upgrading expectations for profit before tax towards the upper end of the consensus range.

Then to highlight some additional points, we expect our fair value adjustments to reduce operating profits by between £80 million and £90 million for the full year, and add approximately £5 million to our interest costs, which really relates to the discounting impact on building safety provisions.

The accounting policy alignments will further reduce operating profits by between £25 million and £30 million, and all of these items really are non-cash in nature. Then, we expect our land activity to continue at pace spending between £0.9 billion and £1 billion for the full year FY25. Finally, we expect to report net cash at the end of the year of between £500 million and £600 million.

Summary

- Good performance in the first half and increasingly confident in full year delivery
- Underpinned by robust demand and stabilised inflation
- Focused on delivering cost synergies and increasing outlet numbers
- Confidence in delivery underlined:
  - Increased expectations for FY25 adjusted profit before tax
  - Interim dividend increased by 25% to 5.5 pence
  - Commencement of share buyback programme

To summarise, I think we're feeling confident in the outlook for the combined Group. Trading remains robust and the inflation position looks reasonably stable in the short-term. We're focused on delivering cost synergies and growth from the combined Group, and we'll touch on that later this morning.

Finally, we're able to demonstrate our confidence in delivering on these plans by narrowing the range of completion guidance, increasing our profit expectations, and also commencing a share buyback program shortly. With that, let me hand over to Steven who's now going to take you through our operational performance.

Steven Boyes

Chief Operating Officer

Steven Boyes
Chief Operating Officer

Thank you Mike, and good morning everyone. Today, I'll take you through the operational numbers around our first half performance. I'll be comparing our figures as Barratt Redrow with the aggregated Barratt and Redrow performance of the equivalent timeframes in the previous half year period.

Sales performance

Barratt Redrow

- Sales rate recovery in the half year, reflecting more stable market conditions and improved mortgage availability and affordability
- Customer demand remains sensitive to the wider economy
- Sales outlet reduction in line with full year guidance with recovery expected in 2HY
- Significant sales outlet growth in 4Q FY25 and FY26 will support average outlets in FY26 ahead of FY24 levels
- Private order book improved in the half, partly due to completion delivery timing

	Barratt Redrow[1] HY25	Barratt Redrow Aggregated[2] HY24	Change	Barratt Reported[3] HY24
Average net private reservations per active outlet per week				
Wholly owned	**0.60**	**0.45**	**33.3%** ↑	**0.48**
- Of which PRS and Other MUS	*0.06*	*0.05*	20.0% ↑	*0.06*
JV	*0.80*	0.78	2.6% ↑	0.78
Total	**0.61**	**0.46**	**32.6%** ↑	**0.49**
Average active sales outlets				
Wholly owned	**387**	**440**	**12.0%** ↓	**358**
JV	10	9	**11.1%** ↑	9
Total	**397**	**449**	**11.6%** ↓	**367**
Private forward sales roll (homes)				
30 June	**3,386**	**3,884**	**12.8%** ↓	**3,884**
Reservations	1,152	1,139	1.1% ↑	1,139
Completions	(568)	(572)	0.7% ↓	(572)
21 / 23 August	**3,970**	**4,451**	**10.8%** ↓	**4,451**
Redrow acquired order book	1,358	1,384	1.9% ↓	
Reservations	4,909	4,145	18.4 ↑	3,363
Completions	(4,941)	(5,303)	6.8% ↓	(4,208)
29/31 December	**5,296**	**4,677**	**13.2%** ↑	**3,606**

1. Barratt Redrow including Redrow trading from 22 August 2024
2. Barratt and Redrow included from 24 August 2023
3. Barratt as reported in prior year

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Our sales performance is detailed here on slide 18. Our wholly owned private reservation rate at 0.6 combining Barratt throughout the half and Redrow from 22 of August, was one-third ahead of the 0.45 delivered in the comparable period in HY24. The more stable economic and political backdrop certainly helped, as did the less volatile mortgage lending environment.

Customer demand is still highly sensitive to mortgage rates, but customers have benefited from relative mortgage rate stability, sharply in contrast with the rising rate backdrop of July and August 2023.

Our sales through alternative channels around both PRS and other multi-unit sales generated 0.06 of the HY25 reservation rate. We operated from an average of 397 sales outlets in the half, and this was 11.6% lower than the comparable period, but very much in line with our guidance back in September when we flagged a 9% decline for Barratt on a standalone basis.

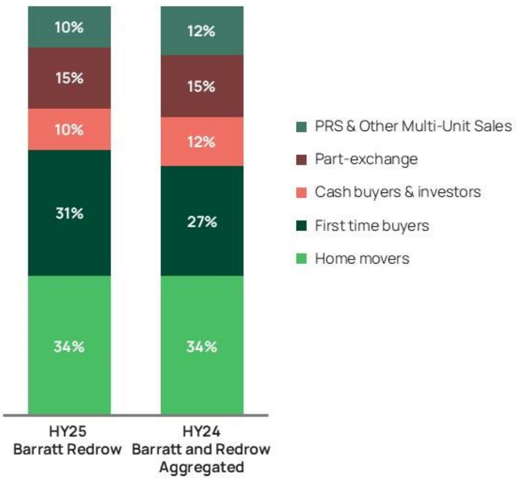
We opened 42 outlets in the half, and we were selling from 426 sales outlets at the end of December. We expect average sales outlets will be approximately 9% lower across FY25 when compared with the 443 aggregated position across FY24.

Looking to our outlet position in FY26, we expect outlet growth, particularly in the fourth quarter of FY25 and through FY26. This will support planned average sales outlets for Barratt Redrow ahead of FY24 levels in FY26.

Finally on the slide, we've detailed the absolute movements in our private order book in HY25, both prior to and following the acquisition of Redrow as well as the comparatives. Our private order book at 5,296 homes at the half year end was 13.2% ahead, but partly a function of completion timings. Most pleasing though, our private reservations across Barratt Redrow saw a circa 1% year-on-year improvement in underlying pricing across the half.

Private reservation analysis

- We continue to grow and diversify our portfolio of PRS partners
- Part-exchange reduction from Barratt reported HY24 reflects limited use within Redrow, PX stock management remains carefully controlled
- First time buyer activity continues to show recovery, although still significantly below levels seen with Help to Buy support
- 79% of reservations relied on a mortgage in HY25 (HY24: 72% Barratt standalone, 74% aggregated)



Here in slide 19, we've detailed the private reservation mix and there's just a couple of points to highlight, firstly around the private rental sector and other multi-unit sales. This channel represented 10% of private reservations slightly down on the 12% share in HY24, with activity in unit terms essentially flat, and reservations very much deal time independent.

Secondly, you can see the continuing recovering demand from the first-time buyers. They accounted for 31% of reservations in HY25 up from 27% in HY24, with most of this gain coming through in the Barratt branded reservations.

Completions and pricing performance

- Home completion volumes reflected:
  - Recovery in sales rates, offset by lower order book position and reduced sales outlets
  - Reduced delivery from PRS and Other MUS due to timing
  - Lower affordable due to fewer new sites and Housing Association funding backdrop
- Underlying private ASP decline included:
  - Stability in underlying prices
  - Lower proportion of London completions
  - Site mix
- Mix changes lifted PRS and other MUS ASP's

	Barratt Redrow[1] HY25	Barratt Redrow Aggregated[2] HY24	Change	Barratt Reported[3] HY24
Home completions (units)				
Underlying Private	5,090	5,103	0.3% ↓	4,008
PRS	272	481	43.5% ↓	481
Other MUS	147	291	49.5% ↓	291
Total Private	**5,509**	**5,875**	**6.2%** ↓	**4,780**
Affordable	1,065	1,712	**37.8%** ↓	1,201
Wholly owned	**6,574**	**7,587**	**13.4%** ↓	**5,981**
% Affordable	*16.2%*	*22.6%*	**640 bps** ↓	*20.1%*
JV	272	190	**43.2%** ↑	190
Total (inc JVs)	**6,846**	**7,777**	**12.0%** ↓	**6,171**
ASP (£'000)				
Underlying Private	378.3	383.9	1.5% ↓	357.8
PRS	282.4	273.2	3.4% ↑	273.2
Other MUS	286.9	278.1	3.2% ↑	278.1
Total Private	**371.1**	**369.6**	**0.4%** ↑	**344.4**
Affordable	178.4	179.0	0.3% ↓	160.8
Wholly owned	**339.9**	**326.6**	**4.1%** ↑	**307.6**
JV	353.9	353.9	-	353.9

1. Barratt Redrow including Redrow trading from 22 August 2024 and based on Barratt Redrow accounting policies
2. Barratt and Redrow included from 24 August 2023 based on individual accounting policies of Barratt and Redrow
3. Barratt as reported in prior year

Turning to home completions on slide 20, and again comparing with the aggregated comparatives. We delivered 6,846 total completions in HY25, 12% lower than HY24. Completions from alternative channels, PRS, and multi-unit sales delivered 419 units or 6% of our wholly owned home completions, compared with 10% the last half year. This reduction is more around timing, and we anticipate close to 10% of completions will come from PRS and other multiunit sales for the full year.

On pricing, here we've given you the various moving parts to help you with your modelling, but I'd just highlight, applying our analysis of like-for-like, matching house types and size, we estimate underlying pricing was essentially flat in the period.

House price movements were relatively tightly banded across the country, with our West London and Scottish divisions seeing slightly better house price movements, but with Central and East both slightly weaker.

In terms of bridging from flat to the reported, 1.5% decline in the underlying private sales price excluding PRS and multi-unit sales, this reflects lower completions from London this year and changes in site mix. The increase in the average selling price from our PRS and multi-unit sales reflect both geographic and product mix of home completions. The Group's overall wholly owned average selling price increased by 4.1%.

Land bank

Barratt Redrow

- Approvals ahead of replacement level in HY25
- Our land bank remains strong at 5.6 years of supply
- 69% of owned land bank carries detailed planning consent
- 1,904 plots converted from the strategic land bank into the current land bank in the half
- Strategic and promotional land banks well positioned with sharp acceleration in planning applications to date in FY25 and planned in FY26

	Barratt Redrow 29 Dec 2024	Barratt Redrow Aggregated 30 Jun 2024	Barratt Reported 30 Jun 2024
Land bank plots			
With detailed planning consent	**57,653**	**58,724**	**40,030**
With outline planning consent	18,040	18,378	15,239
With resolution to grant and other	7,943	5,791	2,363
Owned	**83,636**	**82,893**	**57,632**
Controlled	10,586	11,347	8,607
Total	**94,222**	**94,240**	**66,239**
Owned land bank years *(exc JVs)*	***5.0***	***4.7***	***4.3***
Controlled land bank years *(exc JVs)*	***0.6***	***0.6***	***0.6***
Detailed consented plot / sales outlet ratio	*139*	*135*	*127*
JV – Owned and controlled	4,359	4,631	4,631
Total including JV	**98,581**	**98,871**	**70,870**
Strategic land (plots)	148,157	145,016	106,516
Gladman promotional land (plots)	105,344	105,359	105,359

Barratt Redrow PLC Half Year 2025 Results 21

Turning now to our land bank on slide 21. We delivered a solid level of land approvals during the half, approving 7,727 plots across 45 sites and more than replacing the wholly owned completions at 6,574. Reflecting lower completions as well as the time taken for approvals to feed through to land purchase, the duration of our owned and controlled land bank has grown to 5.6 years of supply. Importantly, more than 69% of our combined owned land bank had detailed planning consent at the year end.

We also made good progress driving conversions from our strategic land bank in the half, with 1,904 plots converted into our owned and controlled land bank. With the very positive changes to planning policy as well as government's clear commitment to build more homes across the country, we have a huge opportunity to unlock consented plots from our strategic land bank that encompasses more than 148,000 plots. As such, our planning teams are incredibly active as we look to submit planning applications and unlock land, which will deliver both growth and future margin opportunities.

In summary, we've delivered a good operating performance in HY25 across the combined Barratt Redrow operations. As Mike mentioned earlier, adjusting for the fair value accounting requirements, we actually delivered a gross margin of 17% flat on the aggregated performance of Barratt Redrow over the same period in HY24.

Whilst we didn't include a slide on build costs, I can reiterate, as you would've spotted on Mike's guidance slide, we continue to expect build costs will be broadly flat for FY25. We are active, but we remain both selective and disciplined in our approach to land.

With that, we're now going to move to the front table and take your questions on the half year results before we move to the atrium for coffee. We've also built-in significant time for questions around our future strategy, growth, and capital allocation, which will be covered in more detail in the capital markets update starting at 10:00am. With that, it'd be great to have your questions on the first half.

Q&A Session

Gregor Kuglitsch (UBS)

Thank you, Gregor Kuglitsch from UBS. A few questions, and I'll try not to go into the longer-term piece too much. We'll cover that later. On the cost piece, I appreciate your guidance for this year, but this year is almost done. The question is, where are you seeing current tenders, and I suppose a little bit of an early view into the second half of this calendar year and FY26 on your cost piece, please?

The second question, and I appreciate you may cover that later, but I look on slide 21, your land bank is still 84,000 plots. I think if I look at your medium-term targets, it implies an absolute decline, if I do the math, on three and a half years. Is that what you're saying? Do you think that can be achieved quite quickly, or is it actually now you fill the hopper with the strategic, which you flagged, and then it comes down in due course? A sequencing question there. I'll leave it there. Thank you.

David Thomas

Gregor, thank you very much. If I start on costs, then I'll pass over to Steven who can just go into a little bit more detail in terms of what we're seeing, then if I start on land, then I'll pass over to Mike. I thought you were actually going to answer the question as well, Gregor.

Look, just in terms of what we're seeing in relation to cost, I would say that as Steven said, we're very confident with costs through to June ‘25. We've been very consistent in our guidance around costs. There isn't anything to alter in the position to June ’25, firstly.

Secondly, we're obviously having wholesale discussions with the supply chain as a result of the combination with Redrow. Thirdly, and we're not seeking to be large for the sake of being large, but the reality is, we are a big home building business and therefore our relationship with the supply chain is very, very important. I'll pass over to Steven in a minute and he'll expand on that, and then Mike will pick up in terms of land bank.

I think the short answer on the land bank would be yes. We're saying that we're guiding to 22,000 completions in the medium term, we want to be a depth of land bank of around three and a half years, but inevitably it's not going to be exactly linear. Therefore, we've got land that will be coming into the business. Mike can touch on that a little bit more. Steven, just in terms of cost?

Steven Boyes

Good morning, Gregor. If you look at the backdrop we're coming from, we've probably got the most stable material price period than we've added in the last four or five years even. We've had a pretty torrid time in ‘22, ‘23, ‘24. As we guided in September, we guided to flat pricing over the year, and that's what we are competent we will deliver.

We've had pressures, but the leverage with the combination is certainly helping in those pressures; we’re clearly a substantial builder, substantially large in the market. Our materials for the current year generally are fixed. Most of the materials are fixed price. We've got some movement expected around end of Quarter 3 on timber, but we expect to negotiate that backwards beyond our year.

We're also seeing longer fixed price periods coming from our suppliers. As we've said in previous years, we've struggled to get three-month, even six-month pricing, certainly. That's a trend that we're starting to see; longer term fixed price materials coming through, which is helpful. As a major player, we're pretty confident we'll hold the prices for the current year. There is some pressure into ‘26, but at the moment, we're not having any requests which are pushing that out at the moment. We're pretty, pretty low, if any.

Mike Scott

I think on land, Gregor, we said back this time last year, that land would be one of the strengths of the combined Group. In terms of the number of different routes we've got to source land, the relationships with agents and so on across the country, we've got a really good strategic land portfolio, and then we can leverage Gladman as well. Obviously, the planning changes that government are proposing will make that, really, really good.

We're still planning to buy land through the period. We will expect the land bank to reduce from five years to around three and a half as we go through the next few years; we'll touch on that later this morning. Equally, we expect to be spending £1 billion to £1.3 billion on land on an annual basis over the next few years. Both things will be happening; we'll be replenishing the land bank, we'll be bringing strategic land through the pipe as the planning rules ease, and we'll get to three and a half years in the medium term.

Clyde Lewis (Peel Hunt)

Thank you. Clyde Lewis at Peel Hunt; three, if I may. One, I suppose staying on land, it'd be fascinating to hear your take on what's happening around land prices. Then the second one linked to that is, your drive to find bigger sites, how is that going? Is that looking better or tougher?

The third one was really around that reservation improvement figure, the 0.6 against the 0.57 that we've seen since the start of this year, if we strip out the bulk. What would you pin that down to? Is it a little bit of a surge for first-time buyers trying to get in before the stamp and duty window shuts, or is it a more general improvement, or is there some other regional or product mix that's particularly driving that?

David Thomas

Thanks, Clyde. If I start off in terms of land, then I'll pass over to Steven, and Mike will pick up in terms of reservation rates and what we're seeing. I think first of all, in terms of land, we've really flagged that during calendar ’24, we've been very clear in terms of our intake numbers. I think in calendar ’24, we had a really good 12 months period on land intake.

We came from a standing start, and quite a lot of the industry came from a standing start, and we've been really pleased with what we've seen in terms of intake. The availability of larger sites is very real. There's lots of reasons why local authorities would favour larger sites.

We clearly have capacity and capability to take on larger sites; let's say 600 plots and upwards, whereas historically, we might have had a second look at that type of site and maybe thought about bringing in another partner. Redrow would definitely have had a second look at that type of site and thought about bringing in another partner. We are seeing good opportunities in terms of larger sites. I think once you go beyond 1,000 plots, there's very few participants who are in the market at that level. We do see that we are advantaged in that situation.

In terms of the other point, before I pass to Steven on it, I would say that we've always talked about and monitored very carefully offers made to offers accepted. I'd say we're not seeing anything unusual there. Typically, we'd maybe run at a ratio of around four offers made to one accepted. Clearly, you don't want to be one in one and you don't want to be one in 10, so staying somewhere in that range tells us that we're about in the right place from a pricing point of view. Steven, do you want to [inaudible]?

Steven Boyes

We’re having a very good run on land. You have to bear in mind, I think prior 18 months from middle of last year, there was very, very few people in the market, so a lot of the land was held back. It's been coming through in the last 12 months, so we've seen a good flow of land. In particular, we are actually seeing a lot of large sites; the 450, 500, 600, 700 sites, which is ideal for triple branding in high quality locations.

The other thing to mention there is, we've got a lot of strategic land which we're taking the opportunity in the current environment to make a lot of plan applications. We've got something like, crikey, thinking of this year, we'll have towards 100 applications running for strategic land; to take advantage of the wind of opportunity the government are providing for land to come through. A lot of those sites are pretty large sites, ranging 400, 500, 600 units, again, so a lot of potential to pull through land.

We find ourselves very, very competitive in that larger 250, 300-unit type site, which a lot of competitors don't enter that market. The small to medium enterprises tend to be in the 100, 150, category up to that size. Whereas over 300, it certainly reduces the level of competition and is ideally suited to our model.

Mike Scott

Then just picking up reservations, Clyde, it's been pretty solid trading since Christmas. It's been a good week-to-week performance. As Steven said, we have seen more activity from first-time buyers across the first half, but in terms of the stamp duty change, that had been flagged for quite a long time. Actually, since Christmas, we wouldn't really have had any stock to sell for the end of March anyway; we're selling out beyond March.

I don't think that's having much of an impact on current trading. I think that is underlying demand improving. Interest rates are more stable, and I think customers have probably got a bit more confidence in the interest rate outlook. It's underpinned by general demand, I would say.

Aynsley Lammin (Investec)

Thanks very much. Aynsley Lammin from Investec. I think I've just got three quick ones as well. First of all, any guidance, I may have missed this, but on land creditors for the year end?

Secondly, been increased chatter around potential help to buy or demand stimulus in the market. You’re generally quite well plugged into these things, anything you can add; your expectations or thoughts on that? Then thirdly, just on incentives and pricing, obviously reservations are holding up as you say, but just interested where incentives are trending at.

David Thomas

Thanks, Aynsley. Mike will pick up in terms of land creditors and incentives. It’s really good chairing that, because if you don't fancy them, you can just give them away. Just on help to buy, it is very clear that there is no demand side stimulus in the market. If you looked back over the last 30 years, the market has essentially operated with demand side stimulus. We've said that we still see affordability as being a challenge. I think that the government would recognise that affordability is a challenge, particularly in certain geographies.

I think from our perspective; we are planning on the basis that the government will not implement any demand side stimulus. Therefore, I think it's two things; how can we best present our portfolio of brands? How can we attract the most interest? What offers can we put in place for the customer?

Some of that's about self-help; the extent to which we are prepared to fund incentive levels, the extent to which we are prepared to develop products that will offer more for the consumer. I think it's very much for ourselves and the industry at this point, about self-help, but recognising that there are affordability challenges at a national level.

Mike Scott

On land creditors, Aynsley, no explicit guidance. I think it'll be slightly a higher level than we've seen at the half year; if you think about it, it’s £600 million-ish. I think the reason we haven't given explicit guidance at this stage, as Steven said is, there's a lot of land coming through in the second half, a lot of moving parts in those deals. That number may move around a little bit depending on the deals. We'll touch later this morning on how I'm thinking about that in the medium term in a bit more detail.

Then in terms of incentives, really, I think pretty flat in terms of use of incentives. Customers are still quite deal driven, so no real change to the position there. We're obviously in a stronger market. We'll be looking at that very carefully as we go through the next few months, but no real changes to be honest, in the last few months.

Cedar Ekblom (Morgan Stanley)

Thanks very much. Cedar Ekblom from Morgan Stanley. I just wanted to go back to the point on self-help, and then take that back to the strategic land. Do you believe that in your strategic land you have the right profile of plots to support a volume recovery in the absence of demand stimulus, taking into account the fact that you need to potentially play to more affordable homes and delivering into government's agenda? Just talk a little bit about the strategic land and whether that's aligned with potentially a different type of house volume recovery versus what we've seen in previous cycles.

Then the second question, can you just talk to developments in PRS? I think you guys decided to go into PRS yourselves, and I know it's a medium-term program, but just give us an update on where we are with the PRS efforts for your business. Thank you.

David Thomas

Thanks Cedar. I'll talk about the strategic land and Mike will pick up in terms of PRS. I would say in terms of the strategic land, really two points. One is, broadly, I would say that the strategic land is aligned with the existing businesses, whether it be Barratt, David Wilson, Redrow. Therefore, the profile and locations of land will be aligned with the existing business, firstly.

Secondly, in general, the strategic land sites are larger. I would say that the Barratt portfolio roughly on a per site basis is probably 50% to 75% larger than the average operational site, as the second point.

Then thirdly, I think that addressing the market conditions isn't necessarily all about addressing affordability. We recognise that affordability is very important, but I think there are other opportunities in terms of second time movers where you could see that the market has been a bit more stable for second time movers and also downsizers.

I think this is the key thing about being able to appeal to the whole consumer base, is that when there's really challenges of affordability with a first-time buyer, it's quite difficult to have products that bring the first-time buyer into the market. As we've touched on this morning, the first-time buyer position has improved a little, but it's still running well below where it was say two years ago.

Mike Scott

If I pick up on PRS, as you know, we've got two or three key partners on PRS that we've been developing with over the last few years. We still see it as being a core part of our mix going forward, but not to any extreme levels. We'll talk about the medium-term plans for that later on. I'd expect to do about 1,000 units of PRS this year, which is broadly in line with where we expect it to guide.

The reason we like it is because, as part of our return on capital improvement journey, adding PRS to a site, even if it's only 50 or 100 units, can really improve the asset turn and help us to build it through faster. It does have a role to play for us going forward, but it's only ever going to be a minor part of the tenure mix overall for us. Really, we want to stick to most of the relationships being through a few key partners where we can build really deep and long-lasting relationships.

Chris Millington (Deutsche Bank)

Morning everyone. Chris Millington at Deutsche. I just wanted to ask for a bit more detail on what the planning environment's been like for you most recently. Steven, you mentioned you put a lot of applications in, I'm just wondering if you're starting to see some evidence of the government's actions taking an impact.

Next one I wanted to ask is really your thoughts around the building safety levy, and whether or not you've had much more engagement with the government with regard to timing and how it's going to configure. The final one's just about the share buyback. Why £50 million? Why now? Is this a part of an ongoing program? Can you just talk around your thought process there?

David Thomas

Mike will pick up on the share buyback, and if I talk generally about planning and pass to Steven, and I'll give you a few comments in terms of the building safety levy. Just on planning, I think if we took ourselves back 12 months ago, we are just in a fundamentally improved position from a planning perspective.

We had a situation 12 months ago where essentially planning was being rolled back and had been rolled back over a period of time, so that it was becoming less and less effective. I think we're in the complete reverse of that position now, but with further accelerations in terms of the changes that are proposed.

In terms of the changes to the national planning policy framework, we would see that as being universally positive. A very, very clear message has been delivered to the local authorities, but it will take time for that to filter through in terms of planning outcomes. We always said that, from the election, that you can't be looking for significant changes pre the middle of ‘25. It's not going to flow through until then. Steven will touch a bit on what we're seeing.

Then before I pass to Steven, just in terms of the building safety levy, we don't agree with the building safety levy. We've been very clear about that position. I think the industry has been very clear about that position. The industry has been asked to contribute in at least three different ways and we see it as being disproportionate, but all we can do is make our views on it clear.

The building safety levy clearly has not yet been implemented. They're still looking at exactly how it will be implemented. It's gone from something that was expected originally to be apartments only, to now something that is on an industrywide basis. We'll just need to see how it plays out in terms of the actual implementation.

The only positive is that it is being implemented at an above the line level, so that it should become part of the land value mechanism in that it is clearly a direct cost of build as opposed to say the corporation tax charge that we received, where there's no prospect of recovery from that position in terms of the economic model. Steven, just in terms of planning?

Steven Boyes

In terms of planning, there's not a lot of improvement we've seen at the moment, as you'd expect. In terms of policy backdrop, it's the best it's probably been in a generation. We're very, very positive about the planning, and decisions are starting to come through which reflect that.

The government have made it clear about what the policies expect, and we're starting to see local authorities are now starting to reflect positive decisions, bearing in mind that they will know that if it goes to appeal, it'll get approved, or they're better off calling forward the application, dealing with it, rather than losing control and ending up with something they don't particularly want. There's a lot more cooperation with the local authority, if we're starting to see that.

I think there's a lot of talk about the number of planners that are going to be recruited into the system, but I think the biggest thing from our point of view is the Planning Reform Bill, where they're going to take a lot of the administrative day-to-day incidental stuff away from the planning officers, and allow the planning officers to concentrate on the major applications, which will expedite them without any doubt.

I think the only final thing to say is that the planning appeal system currently is being very effective. We've got a lot of appeals going through and we are having a high degree of success. Our current success rate is probably somewhere between 75% and 80%, which is higher than it's been for some time. Planning backdrop, very positive, and we expect some big improvements to come through going forward.

Mike Scott

Then on the buyback, Chris, it's a minimum of £100 million per annum, so the £50 million is only because we're looking at the second half of this year. I'd see that as being a sign of the confidence that we've got in delivering the plan for the combined Group, and obviously we'll talk more about that later this morning.

We're looking at the cash generation over the medium term, and we've deliberately framed it as a minimum of £100 million so that we have some flexibility in that program over time. We'll look at that as we go through the next few years. Really, from our perspective as we sit here today, it means we can invest in growing the business through land, it means we can take advantage of tactical opportunities, and we still think there's the opportunity to return some cash on top of that as well.

Glynis Johnson (Jefferies)

Glynis Johnson, Jefferies, and I think I can be relatively brief. The Gladman mix in the margins, how should we think about that going forward? Can that continue to add to the margin or is Gladman now making the margin, would you expect? I'm assuming there's a lumpiness there, so any guide.

The 100 sites that I think you said are in planning, strategic land, what would that historically have been at? What proportion of sites do you have in strategic land? Any context for how that 100 sits?

Then just in terms of the strategic land, I just want to check, given [inaudible], Harrow, is that included in strategic land, has that been added into Gladman, does that sit separately; just in terms of the numbers to make sure we've got the full amount of strat land.

David Thomas

I think that Mike will pick up in terms of the Gladman margin. I would say that any sites in Harrow that are strategic will be included in the strategic land numbers for the Group; i.e., not Gladman, but the Group's strategic land numbers. Steven, do you want to just talk about the comparables?

Steven Boyes

In terms of comparables, Glynis, I mentioned currently we've got something like 44 plan applications submitted on strategic sites, and we've got 52, 53 actually in preparation. We'll have the thick end of 100 plan applications in for strategic land. Clearly, we've got a lot of other plan applications in for our instant land, so this is just our strategic land portfolio.

If you put that into context, in a good year, historically we'd be making somewhere in the region of 15 to 20 plan applications for strategic sites. There's a fantastic window of opportunity and clearly we're taking advantage of that sentiment.

Mike Scott

Gladman’s had a tough couple of years, as you would imagine, given the land backdrop. Vicky actually the CEO of Gladman's here today, so you can grab her for coffee in the atrium. Just given her PDR, I would expect a bit more margin improvement to come from Gladman over the next couple of years.

Seriously, it’s been a tough couple of years for that business. It's delivered what we expected in terms of plots coming through to Barratt from Gladman that we expected at the time of acquisition, so I think it's performed really well actually through that tough market period. Clearly, as we look at the next year or two, given the planning backdrop, given the uptick in land activity from the other house builders as well as ourselves, then Gladman is really well positioned to play into that. We're pleased with how it's performing and we're very confident about its delivery.

Will Jones (Redburn Atlantic)

Thank you. Will Jones, Redburn Atlantic. Three quick ones please. I appreciate we're short on time. The first, just the fourth quarter outlet openings, the visibility you've got over those and the quantum, because I think it's quite a big number that's due.

Second, private ASP in the order book I think is 400 up from 375 last year. Just some understanding of that, please, with prices flat. The last one was just your experience on affordable housing in the Section 106 side, just given the struggles of HAs. Thanks.

David Thomas

Will, thank you. If I pick up in terms of affordable housing, I think it's well documented, the challenges that the housing associations have in terms of the squeeze on building safety costs, the cash impact of that, the remediation of their properties, the rental settlement and the challenges they have around the rental settlement.

I think that it's not a good position, but we’re not seeing it really impacting us in terms of current year. The reality is that we won't have as many HAs bidding, and therefore pricing on affordable housing may not be so good. The key thing for us is, have we got a buyer for the affordable housing and can we continue to build and complete on the development?

We are very hopeful that the settlement that is offered to the HAs in the current year from government will be a much-improved settlement. Therefore, this blockage in relation to 106 will be eliminated on a go forward basis. Mike, do you want to pick up on outlets in private ASP?

Mike Scott

In terms of outlets, we've said that outlets begin to open from this point, so we've got quite a big program coming through. I'd expect something like 50 to open in the second half of the financial year. Really, the guidance we've given going out slightly further is that FY26 outlets will be slightly ahead of FY24. On a pro forma basis, I think the average was 443 outlets for FY24. That will give you a sense of the direction of travel.

Then ASP, we've disclosed the ASP numbers. I think that there's been a little bit of underlying house price inflation on a like-for-like basis as we've seen, and then some mix effects coming through. At the moment, we'd expect those trends to continue from here.

John Messenger

A couple of things to flag, over in the atrium, we will have Jodie, who's a sales representative from Redrow, Claire from David Wilson, and Kinder from Barratt. For anyone who wants to understand a little bit more in terms of just a bit about the brands and the differentials, please do go and chat to them over coffee.

We've also in the room got key members of the team in terms of specialists. In the world of land, Vicky's been mentioned already. Victoria's here, Phil Barnes and Julian Larkin. In terms of the lending market, Adrian MacDiarmid is here with us, Oliver, who many of you met in the world of innovation and Stephen Kinsella is also here, who is in charge of our MADE Partnership business. Please do grab them during coffee, but also we'll all be here at the end of the CMD as well. Thank you.

[End]