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Vistry Group PLC
10 July 2025

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H1 2025 Trading Update

Vistry Group PLC (Vistry or the Group) is providing an update on trading in the period from 1 January 2025 to 30 June 2025 ("the period").

Greg Fitzgerald, Chief Executive commented:
"I am pleased to report that the Group has delivered first half profits in line with expectations which underpin the Board's confidence in its full-year outlook.

We have also made good progress with our target of reducing debt levels in 2025, with net debt as at 30 June of c. £295m, significantly better than expectations. The Group has also successfully completed its refinancing, with facilities extended out to April 2028 and no changes to either the lending group or the terms of the facilities.

The Government's recently announced £39 billion Affordable Homes Programme is hugely welcome, and this unprecedented funding, together with a 10-year rent settlement and the expected reintroduction of rent convergence measures, will drive the delivery of the high-quality affordable homes the country so badly needs. Vistry's Partnerships strategy is firmly aligned with the Government's plans and we are looking forward to playing a key role in the delivery of this new Affordable Homes Programme and, in doing so, supporting the Board's long-term value creation strategy.

The Group has a strong forward order book totalling £4.3bn, excluding any benefit from the new Affordable Homes Programme funding, which will start to have a positive impact in the second half. Working with our partners, we have good momentum and a strong deal pipeline which support our second half delivery and medium-term targets."

Highlights

- Group H1 profits in line with expectations, with adjusted operating profit expected to be c. £125m (H1 24: £161.8m[1]), and adjusted profit before tax c. £80m (H1 24: £120.7m[1])
- Net debt as at 30 June 2025 is significantly better than expectations at c. £295m and lower than last year (30 June 2024: £322.0m) despite a £92m higher opening balance as at 31 December 2024
- Successfully extended our £500m Revolving Credit Facility and £400m Term Loan to April 2028, with full support from our existing eight lenders and on unchanged terms
- Awarded 31 NHBC Pride in the Job Quality Awards, demonstrating continued excellence in site management and build quality
- The Group remains on track to deliver a year-on-year increase in profits in FY25, supported by a forward order book totalling £4.3bn and a strong pipeline of development opportunities, with affordable homes funding expected to underpin a step-up in volumes with our affordable housing partners in H2 2025

[1]Adjusted operating profit and adjusted profit before tax for H1 2024 have been restated by £(65.5)m to correct the prior year error that arose due to cost forecasting issues in the South Division

H1 Performance
During the first half, the Group delivered c. 6,800 completions (H1 24: 7,792), with c. 73% (H1 24: 76%) Partner Funded and c. 27% (H1 24: 24%) Open Market. The Group's sales rate averaged 1.02[2] (H1 24: 1.21) with average selling prices remaining firm. The Group operated from an average of 350 (H1 24: 364) build outlets in the period which included 186 (H1 24: 210) active sales outlets. Group revenue in the first half is expected to be c. £1.8bn (H1 24: £2.0bn).

As expected, Partner Funded demand from our affordable housing partners remained at lower levels in the first half due to uncertainty ahead of the June Spending Review and transitional funding constraints. Our partners have invested their funding selectively during this period and we have benefitted from our established relationships, securing new opportunities and maintaining momentum. Demand from Private Rented Sector (PRS) providers remained resilient, supported by new market entrants and increased investment activity. Whilst we have seen some periods of improvement in Open Market demand, affordability challenges, particularly for first-time buyers, have persisted with expected interest rate cuts being pushed further out.

We continue to manage build cost inflation effectively through proactive engagement with our subcontractors and suppliers and continue to expect low single digit build cost inflation for FY25.

The Group secured attractive land and development opportunities in the period totalling 3,113 (2024: 8,225) plots, across 14 (2024: 32) developments. Whilst we expect the rate of land acquisition to increase in the second half, we are targeting a reduction in the length of our owned landbank in the medium term in line with our capital light Partnerships strategy.

The divisional structure put in place at the start of the year, led by a highly experienced Partnerships management team with a flatter reporting structure, is operating well. We have continued to make good progress with embedding standardised processes and systems across the business, supported by increased investment in controls and assurance activities.

[2]Sales rate includes Partner Funded sales (excluding S106 units and 100% Partner funded developments) and open market sales as a proportion of the number of sales outlets across the Group on an average weekly basis

Affordable Homes Programme
In the June 2025 Spending Review, the Government announced an unprecedented £39 billion new Affordable Homes Programme over a 10-year period. This transformative, long-term programme compares to the previous £11.5 billion programme in place from 2021 to 2026 and provides a significant step-up in funding and long-term commitment to the affordable housing sector. We expect the details of the new 2026 Affordable Homes Programme to become available during the autumn, with allocations of funding under the new programme made in H1 2026.

The £2 billion of 'top-up' funding announced in March forms part of this £39 billion and is being distributed in H2 2025 under the existing Affordable Homes Programme to expedite allocation and build, with starts on site required by March 2027 and completions required by March 2029.

In addition, the Government also announced a 10-year social rent settlement (CPI +1% from 2026) and a consultation on social rent convergence. The greater certainty on rental income that this gives to affordable housing providers enables greater access to funding for investment in new affordable homes and will be a key driver of increased demand from H2

2025.

We have worked closely with our partners, identifying a strong pipeline of development opportunities, and expect the funding and other important initiatives to support a significant step up in new contracts with our affordable housing partners in H2 2025, with strong momentum going into 2026.

Vistry uniquely positioned to deliver
As the country's leading Partnerships business and largest housebuilder, Vistry is uniquely aligned with the Government's housing ambitions, and we expect to play a major role in the delivery of the new Affordable Housing Programme. The 10-year funding commitment aligns with Vistry's long term business model which is focused on strategic partnerships, regeneration and urban renewal schemes, strategic land opportunities, and driving sustainability and efficiency through build manufacturing innovation.

As a strategic partner of Homes England, and with a strong track record of delivery, Vistry's direct allocation of grant funding under the Affordable Homes Programme will enhance our delivery capability and flexibility. In London, we benefit from long-standing partnerships with the Greater London Authority, local authorities and housing associations, which support our delivery of important residential-led regeneration across the capital.

Balance sheet
Cash generation in the period improved with the Group's net debt as at 30 June at c. £295m (30 June 2024: £322.0m), c. £27m lower than the prior year level, despite a £92m higher opening net debt position as at 31 December 2024.

With our renewed emphasis on cash management, we have seen a trend of a steadily improving daily net debt position versus the prior year. Although the average daily net debt in the first half of the year of £695m was higher than prior year (H1 24: £659m) due to the higher opening position, the average daily net debt in Q2 25 was lower than in Q2 24. The Group's share buyback programme continues, and to date we have completed £57m of the £130m current programme.

The Group completed the refinancing of its £500m Revolving Credit Facility and £400m Term Loan on 1 July 2025. Both the Revolving Credit Facility and the Term Loan, which were due to expire in December 2026 and September 2026 respectively, have been extended out to 30 April 2028. The facilities are provided through a pool of eight lenders and have been extended on existing terms, with all eight retaining existing hold levels. This refinancing, which was a key objective for 2025, provides the Group with a strong financial underpin and reflects the excellent relationships we have with our lending group.

Competition and Market Authority
The Group has engaged proactively with the UK Competition and Market Authority ("CMA") throughout its housebuilding investigation. In a separate statement released yesterday, the Group confirmed its voluntary commitments offered in response to the potential concerns raised by the CMA; and that Vistry will contribute £12.8m of the overall £100m contribution to support the construction of affordable homes across the United Kingdom offered by Vistry and the six other UK housebuilders.

Outlook
The Group's forward order book totals £4.3bn (30 June 2024: £5.1bn), with the Group 79% forward sold for FY25. Of this, 83% of the Partner Funded sales are secured, with more than 100% of the balance of Partner Funded units for the full year covered in our deal pipeline. We are hopeful that further rate cuts will provide additional stimulus to Open Market sales in the second half.

A first half performance in line with expectations, together with the recent landmark Government support for affordable housing, reinforces the Board's conviction in Vistry's Partnerships model and long-term prospects. In the near term, the Group remains focused on executing the strategic and cash generation initiatives laid out in March and is on track to deliver a year-on-year increase in profits in FY25.

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