

**THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION
FOR IMMEDIATE RELEASE**

8 July 2026



Trading Update

Vistry Group (the “Group”) is providing an update on trading from 1 January 2026 to 30 June 2026 (the “period”)

Adam Daniels, Chief Executive commented:

“In the three months I have been in the role I am encouraged by the progress we have made, and continue to make, on re-focusing the business. We are taking the necessary decisions to position Vistry for future success and to ensure that we can take advantage of the significant opportunities that our differentiated business model offers. The management team believes that the long-term success of the business must be at the core of our decision making, and as such we are treating 2026 as a transition year to reposition the business to operate with significantly and sustainably lower financial leverage and healthy profitability.

“Our recent initiatives have included pricing actions on slower-moving stock, reducing our exposure to higher ASPs, reducing the amount of private WIP, and targeted reductions in our landbank, all of which have had a sizeable adverse impact on the profit recorded in the first half of the year. These initiatives are well progressed, which positions the business to achieve a significant improvement in profitability in H2, as well as a materially stronger balance sheet position. We continue to expect to deliver a substantial reduction in average net debt levels in the second half of 2026 and continue to forecast a net cash position in excess of £100m at the end of 2026.

“Throughout this challenging period for the industry the core quality of our business has been maintained, with extremely strong customer service scores, continually positive partner feedback through our partner survey, the maintaining of our industry leading relationships, improved payments timescales to our suppliers and subcontractors, an excellent H&S safety control and performance and the continued retention of our talented people and teams.

“We have previously announced that I am leading a thorough review of our strategy and execution. I remain absolutely committed to our differentiated partnerships strategy and I believe there is a significant opportunity to develop a more focused Vistry with improved profitability, a stronger balance sheet, higher returns on capital, and more consistent delivery. This can be achieved as we continue to deliver quality homes for our partners at pace. We have already begun to action some organisational changes and I look forward to sharing the full results of the review in September, including our initial thoughts on target financial metrics for 2027 and beyond.”

Trading

During the first half of the year the Group completed c.6,100 (H1 25: 6,889) homes across all tenures, with over half of these being for affordable housing, demonstrating the continued scale of our development activity across the country.

Our sales rate for H1 was 1.03, similar to last year's 1.01 and the average level of discounting from book price on private sales was 7.1% (H1 25: 1.4%).

The Group expects to deliver a modest profit before taxation in H1 of c.£20m excluding the impact of specific cash generation actions taken to reduce debt levels and early actions related to the ongoing CEO Review. The profit in H1 was significantly impacted by lower volumes of partner deals due to the hiatus between funding programmes and was also impacted by the timing of land sales and higher finance costs.

Cash generation actions, such as enhanced pricing discounts, accelerated asset sales, changes in site mix and changes in build rates resulted in an impact of c.£(50)m in H1, including one-off impairments on low or nil margin sites.

The CEO Review process is expected to lead to further one-off profit impacts, but the overall scale is not yet determined and nor is the timing (first or second half impact) or the extent to which these will be classified as exceptional. Full details will be presented with the half year results presentation in September.

Therefore, including the impact of the cash generation actions, but before the impact of any actions relating to the CEO Review, the Group expects to deliver a loss before tax in H1 of approximately £30m.

We are operating with greater financial and operating discipline, which means that we will not favour short-term performance at the expense of the company's long-term financial health. As such, we have renegotiated several deals with partners that did not meet our commercial requirements, resulting in a delay to completion of these deals. A number of those deals concluded in the first few days of July, and the balance of those deals are now expected to complete on improved terms during Q3. In addition, the decision was taken not to proceed with certain transactions due to their cash profile, with a number being reshaped to suit our requirements. The benefit from these is expected in H2.

Cash and Financing

Significant progress has been achieved in executing on the initiatives to drive cash generation with the negative impact on profitability of these actions taken in H1. The majority of the cash benefits from the actions being taken will fall in H2 due to the lag between action and cash realisation:

- An average period of 15 weeks between reservation and completion for private sales creating a lag between profit impact of the enhanced discounting and cash receipt
- An average of six to eight weeks between WIP controls being introduced and a lower run-rate of cash payments
- Decisions made in Q2 to reduce land acquisitions will reduce land expenditure in H2

As expected, indebtedness was higher than the prior year period due to a pay down of land creditors, improved payment timescales to our suppliers and subcontractors and a lower volume of partner transactions. The Group's net debt at 30 June 2026 was £470m and average daily net debt in H1 was £799m, in line with expectations. Land creditors is expected to have reduced by over £150m during the half year.

New land acquisition continued in Q1 but was significantly scaled back in Q2, with only limited deals on a selected number of schemes that were of high quality and in strategically important locations. We will continue to very selectively buy sites in H2 where the individual site opportunity and location is compelling, as part of our strategic plan to optimise the land bank.

In addition, we are reducing levels of work in progress by tightly controlling site starts and pace of build of private units on certain sites to more closely align our WIP investment to our sales rates. We opened the year with c.£600m of unsold private homes in build (wholly owned or held jointly with JV partners) and reducing this work in progress has been a key focus in the first half of the year. During H1 we have reduced this unsold figure by more than half to under £300m, with £190m of the reduction to be received upon completion of the sales during H2. We believe that to achieve a more normalised position we would want to deliver a further £100m reduction in unsold private WIP, the benefit of which will also flow through during H2.

We remain confident of achieving net cash in excess of £100m at year end and we are targeting average daily debt of below £650m in H2 (versus £771m in H2 2025) to bring our full year average daily debt below last year, despite the higher average daily debt levels in H1.

Market conditions, current trading and outlook

After a positive start to the year, Open Market conditions deteriorated in the second quarter, reflecting increased uncertainty and lower customer confidence triggered by the Middle East conflict. Although we would welcome some demand-side stimulus we are not anticipating a significant change in Open Market conditions in H2, or in early 2027.

While the outcomes of SAHP for individual RPs have remained uncertain in H1 the demand levels have remained constrained, although we have continued to complete a number of transactions across the country where the terms meet our commercial requirements.

The near-term prospects for the partner market remain very attractive and Registered Providers demand should be stimulated by the completion of the grant allocation process under the Strategic Affordable Housing Programme (SAHP) which we continue to expect in September.

We have a strong forward book of £3.9bn, with the Group 80% forward sold for FY26.

Build cost inflation is stabilising at around 3-4% having seen some upward movement in H1 as a result of political and economic uncertainty.

We expect a materially improved H2 profit performance due to:-

- Higher weighting of volumes in H2 in both Open Market and Partner Funded, as seen in prior years
- The benefit of confirmation of the SAHP allocations improving Partner Funded transaction activity
- The conclusion of certain transactions delayed from H1 to H2
- A reduction in the profit headwinds in H1 related to the cash generation actions
- A reduction in overhead costs
- Profit driven from land sales as we reshape the landbank
- Improved margins from site mix and new sites, with reduced dilution from low margin sites, including those in the South that were written down as a result of the 2024 cost issues and

which largely complete this year

Although we continue to operate in a challenging trading and uncertain political environment, we expect the decisive cash actions being taken to result in a materially improved H2 2026 cash and profit performance.

As a result, the Board expects that adjusted profit before tax for FY 2026 will be in line with the current market consensus (Company compiled analyst consensus for 2026 is adjusted PBT of £200m). This forecast excludes any impact from the ongoing CEO Review, the findings of which will be detailed on 24 September 2026 in the Half Year results.

CEO Review

We previously announced that Adam Daniels, our new CEO, has initiated a review of the execution of our strategy, supported by external consultants. Whilst we intend to provide a full update in September, we have come to the following initial conclusions that will support the delivery of sustainable growth, profitability and Return on Capital, underpinned by a strong balance sheet:

Operational delivery

- Historical performance indicates a significant variance in profitability and return on capital by region. There is a significant opportunity to develop a more focused **regional footprint** to optimise profitability and improve operational execution, ensuring that future development activity is focused on specific sites and relationships that are best suited to our business model
- As a result of the Voluntary Exit Scheme, alongside a focus on implementing the right recruitment controls in the right areas, we expect to achieve annual **overhead savings** of c.£25m. In addition, we expect to identify and achieve further efficiencies as we conclude the balance of the CEO Review and organise the business in the right structure to achieve our future goals. The cost savings that are implemented this year will generate a full year benefit in 2027

Commercial refinement

- We are looking to optimise the **mix** of business to optimise profit and capital returns while reducing risk with:
 - smaller, more affordable private houses
 - greater flexibility on mix of private houses on site, where appropriate; and
 - flexing the regional mix to ensure we are buying sites in the right location for our model
- In recent years we have made great progress working with our affordable and PRS partners in an effective way, and we continue to focus on improving these relationships. We are currently negotiating new framework agreements with 10 of our key partners to provide commitment between both parties and smooth the delivery of new mixed-tenure homes

Capital Efficiency

- We will focus on reshaping and reducing the **land bank** to better align our land ownership with our differentiated partnerships model, which will allow us to generate significant cash opportunities and improve margins by developing more of the mixed-tenure focused sites that we do best

- We will substantially lower our **WIP** on each site through improved site planning and matching with demand, allowing us to operate with substantially lower debt requirements going forwards. We opened the year with c.£600m of unsold private homes in build (wholly owned, or held jointly with JV partners) and reducing this work in progress has been a key focus in the first half of the year. During H1 we reduced this figure by more than half to under £300m and expect to decrease further this level of unsold stock moving forwards
- Over the last few years, we have continued to trade in **Part Exchange** with our customers, which has tied up an average of £50m of debt during that time period. Through Q2 we have focused on reducing our Part Exchange exposure and we completed a transaction in early July to substantially exit our Part Exchange position. We will no longer operate a Part Exchange offering, thereby improving our average debt position and reducing our invested capital by offering alternative sales products that do not consume capital, but ensure our sales rate can be maintained

We look forward to sharing the full results of the review in September.

Conference call

A 30 minute conference call for analysts will be held at 8.00am (BST) today. If you wish to attend the call, please contact vistryconferencecall@fticonsulting.com for registration details.

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