



## FULL YEAR RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

### Strong growth; strong platform for further growth

Persimmon Plc today announces its full year results for the year ended 31 December 2025.

#### Dean Finch, Group Chief Executive, said:

“Persimmon delivered a strong performance for 2025, with completions growing 12% and underlying profit before tax increasing 13%. This reflects our sustained investment in the business and our commitment to self-help, enabling us to grow in a challenging market. I want to thank all my colleagues for their dedication and expertise in delivering this result; I am proud to work alongside them.

“Sales in the opening weeks of the year have been strong and the build to rent market is recovering from the slowdown around November’s Budget. Whilst we have good visibility of both our costs for 2026 and our demand from registered providers and BTR, the impact of the Iran conflict on customer sentiment remains to be seen. Assuming the conflict with Iran and its impact is short, Persimmon is set to grow again in 2026.

“Our three distinctive brands all grew last year, diversifying our market reach. Our strengthened brands, strategic land bank, on-going investment and operational improvements, supported by our balance sheet and unique vertically integrated model, position Persimmon well to grow into the medium term.”

#### Financial highlights

	2025	2024	Change
New home completions	<b>11,905</b>	10,664	+12%
New home average sales price	<b>£278,203</b>	£268,499	+4%
New housing revenue	<b>£3.31bn</b>	£2.86bn	+16%
Underlying operating profit <sup>1</sup>	<b>£472.1m</b>	£405.2m	+17%
Underlying operating margin <sup>1</sup>	<b>14.3%</b>	14.1%	+20bps
Underlying profit before tax <sup>1</sup>	<b>£445.6m</b>	£395.1m	+13%
Underlying return on average capital employed <sup>2</sup>	<b>11.7%</b>	11.1%	+60bps
Dividend per share	<b>60p</b>	60p	-
Cash at 31 December	<b>£117.0m</b>	£258.6m	£(141.6)m

#### Statutory measures

Total Group revenue	<b>£3.75bn</b>	£3.20bn	+17%
Profit before tax	<b>£397.3m</b>	£359.1m	+11%

#### Operational highlights

Land holdings at 31 Dec – plots owned and under control	<b>84,879</b>	82,084	+3%
Number of sales outlets at 31 December	<b>277</b>	270	+3%
Current private forward sales position <sup>3</sup>	<b>£1.25bn</b>	£1.15bn	+9%

- 12% increase in completions to 11,905 new homes with growth across all three brands.
- 17% increase in underlying operating profit<sup>1</sup>, driven by increased volume and on-going operational excellence; 20bps improvement in underlying operating margin<sup>1</sup>.
- Net private sales rate per week excluding bulk in the period up 4% at 0.59 (2024: 0.57). Total net private sales rate of 0.70 per outlet per week (2024: 0.70) affected by slower bulk sales in Q4 2025.
- Continue to track at five-star HBF rating and ‘Excellent’ Trustpilot score.
- 3% growth in outlets to 277 at 31 December as we progress towards our target of at least 300 outlets, with average outlets in the year up 4% to 271 (2024: 261).
- 12,815 plots achieved detailed planning in the period, equivalent to 108% of completions, continuing to benefit from our enhanced planning approach.
- Continuing to invest in growth, with £541m net spend on land (2024: £437m); strong strategic land pipeline, up 10% to over 77,000 potential plots, and investment in strategic capabilities.
- Underlying return on average capital employed<sup>2</sup> including land creditors up 60bps to 11.7% (2024: 11.1%).
- Further building safety progress: c.90% of known developments either fully tendered, on site or completed.

## Current trading and outlook

Market conditions have been supportive – including greater mortgage availability and real wage growth – which, when combined with our increasing outlet base, has underpinned growth. We welcome the beneficial changes to the planning environment that the Government has introduced, which should support further outlet growth over time. Our diversified value-positioned brands and strong platform position us well to meet increasing demand, supported by our sustained investment in land, continued success in planning, vertical integration and commitment to quality and customer service.

In the first nine weeks of this year our net private sales rate per outlet per week was 0.73, up 9% compared to the same period last year (2025: 0.67). The private average selling price in the order book is up 6%, which combined with increased reservations has resulted in a 9% increase in our private forward sales position to £1.25bn as at 1 March compared with a year ago (2025: £1.15bn). Total forward sales as at 1 March have increased by 6% to £1.80bn (2025: £1.69bn).

With stable build cost inflation and our unique vertical integration, we are managing ongoing cost pressures effectively while investing in further capacity and innovation. This, together with our investment in land and plans to open more than 100 outlets in 2026, positions us well. We are monitoring the impact the conflict with Iran could have on our markets in 2026, including on customer sentiment, build cost inflation and interest rates. Assuming the conflict and its impact is short, we expect to deliver between 12,000 and 12,500 completions in the year, with underlying operating profit towards the upper end of current consensus<sup>4</sup>. Our investment for growth at this point in the cycle, will result in increased finance costs and therefore underlying profit before tax is expected to be in line with current consensus<sup>4</sup>.

The enduring aspiration for home ownership remains strong and provides the opportunity for growth into the medium term. Continued strategic investment in the business and our self-help strategy over recent years has positioned us well for future expansion. This investment, along with capital allocation choices as we progress our building safety remediation work, will enable us to convert market opportunities into sustainable growth in support of our medium-term ambitions to deliver an underlying operating margin and ROCE of 20% and increased returns for our shareholders.

### Footnotes

- 1 Underlying measures are stated before net exceptional charge of £44.9m (2024: £34.4m), and goodwill impairment (2025: £3.4m; 2024: £1.6m). Margin based on new housing revenue (2025: £3.31bn; 2024: £2.86bn).
- 2 12 month rolling average calculated on operating profit before net exceptional charge and goodwill impairment and total capital employed. Capital employed being the Group's net assets less cash and cash equivalents plus land creditors
- 3 As at 1 March 2026; comparative figure as at 2 March 2025.
- 4 Company compiled full year 2026 consensus as at 6 March of 12,136 homes, an underlying operating profit range of £486m to £517m and underlying profit before tax mean of £470m.

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There will be an analyst and investor presentation at 09.00 today, hosted by Dean Finch, Group Chief Executive and Andrew Duxbury, Chief Financial Officer.

Analysts unable to attend in person may listen live via webcast using the link below. All participants **must pre-register** to join the webcast. Once registered, an email will be sent with important details for this event, as well as a unique Registrant ID. This ID is to be kept confidential and not shared with other participants.

Live webcast: <https://edge.media-server.com/mmc/p/cudgg43d/>

An archived webcast of today's analyst presentation will be available from this afternoon on [www.persimmonhomes.com/corporate](http://www.persimmonhomes.com/corporate).

## Appendices

Forward sales	1 March 2026		2 March 2025		Change	
	Value	Homes	Value	Homes	Value	Homes
Private	£1.25bn	4,110	£1.15bn	3,971	+9%	+4%
Housing Association	£0.55bn	3,383	£0.54bn	3,406	+0%	(1)%
<b>Total</b>	<b>£1.80bn</b>	<b>7,493</b>	<b>£1.69bn</b>	<b>7,377</b>	<b>+6%</b>	<b>+2%</b>

# Chairman's statement

## Building momentum from a strong platform

### Introduction

I am delighted to report another year of positive progress in 2025, achieving meaningful growth of 12% in completions in a challenging market environment.

The progress that we have made over recent years – expanding our outlet base, enhancing our planning capability, developing our brands, investing in our people and strengthening our vertically integrated model – continues to differentiate our operational platform from others and support our long-term strategy.

We remain true to our three core principles of high standards of build quality, a strong balance sheet, and excellent operational efficiency enhanced by vertical integration.

We were delighted to be awarded five-star status by the Home Builders Federation ('HBF') for a fourth year in a row, with customer excellence firmly embedded within the Group's strategic ambitions.

Our strong balance sheet has enabled us to make disciplined investments at the appropriate point in the cycle, expanding our land bank to support future growth, guided by clear principles that ensure our long-term ambitions remain firmly on track. In line with our focus on core competencies and disciplined capital allocation, we completed the sale of FibreNest, the broadband provider business in August 2025, enabling us to reinvest proceeds into areas that best support Persimmon's long-term growth ambitions and operational excellence.

Our three distinct brands – the core Persimmon product, a revitalised Charles Church range, and Westbury Partnerships focused on housing for our institutional and registered provider customers – have all contributed to deliver strong results for the year. This diversified portfolio enables us to address a broad spectrum of customers.

Our vertically integrated model helps secure our supply chain and support our capacity to consistently deliver high-quality, affordable homes with industry-leading margins. I have been delighted to see the progress made, particularly at Space4 following the installation of a new robotic line during the year.

Persimmon is in an excellent position to continue growing, with a focused strategy and differentiated platform to deliver strong financial results and value for its shareholders.

### Industry leadership

The UK's housing need is well documented, and the Government is committed to an ambitious housebuilding target. Persimmon is positively engaged with Government, and we welcome the beneficial changes to the planning environment that the Government has introduced, which should improve over time.

We remain dedicated to our building safety remediation programme. In line with this, we were the first housebuilder to sign the Scottish Government's developer remediation contract in December, demonstrating our commitment to dealing with the programme diligently and swiftly. Thanks to our proactive efforts, we have begun or finished work on 77% of identified developments. We remain on track to complete most of the required works over the course of the next two years, and further progress on our remediation work will allow us the opportunity to update our future capital allocation priorities.

### Shareholder returns

Our Capital Allocation Policy balances returns to shareholders with investment for future growth. For 2025, the Board proposes a final dividend of 40p per share, payable on 10 July 2026 to shareholders on the register at 19 June 2026, following shareholder approval at the AGM. This dividend, combined with the interim dividend of 20p per share paid in November 2025, totals 60p per share for the 2025 financial year.

### Board changes

As previously announced, Anand Aithal formally joined the Board on 1 January 2025, and we are already seeing the benefit from his wealth of experience across many sectors.

Nigel Mills retired from the Board in May 2025 after nine years of service. On behalf of the Board, I would like to extend my sincere thanks to Nigel for his contribution during his time as a member of the Board and wish him all the best for the future.

### Duncan Davidson

I wish to pay heartfelt tribute to our esteemed founder, Duncan Davidson, whose passing in October 2025 marks the loss of a visionary leader and the guiding force behind Persimmon. Duncan was instrumental to my appointment as Chairman and was always available to provide help and guidance. Since establishing the Company in 1972, Duncan's unwavering dedication, integrity, and principled leadership shaped our values and left an enduring legacy – not only within our business but also in the communities we serve across the UK. His memory will forever inspire our commitment to excellence and our belief in building thriving communities, reflecting the spirit and standards Duncan championed throughout his remarkable life. I am delighted that we are establishing an Apprenticeship Programme in his honour funded by the Persimmon Charitable Foundation.

10 March 2026

## **In conclusion**

I would like to thank all our colleagues, partners and stakeholders for their unwavering support and commitment during what has been a period of challenge and achievement.

Although we operate within a challenging geopolitical, economic and policy environment, our focus remains on what we can control, executing on our strategy and building our business. As we look ahead, I am confident that Persimmon's strong foundations, clear strategic direction and dedicated team will ensure we continue to deliver growing value for customers and shareholders alike.

**Roger Devlin**

***Chairman***

*9 March 2026*

## Group Chief Executive's statement

### Delivering a strong performance through strategic investment and self help

Persimmon's performance exceeded expectations in 2025, with earnings growth underpinned by our sustained investment in the business and focus on self-help over the past few years. Our strategy is focused on choosing where we build, what we build and how we build. This strategic focus drove 12% growth in completions and 13% increase in underlying profit before tax<sup>1</sup>, supporting cash generation and improvements in margin and ROCE. Our three strong, well-positioned and distinct brands all grew and remain a key differentiator: the core Persimmon brand is well placed for today's market, Charles Church grew strongly as we invested in our premium offering, and Westbury continues to drive growth in the partnerships and Build to Rent ('BTR') markets.

We increased the number of outlets we operated from, against industry trends. We sold more homes, with ex-bulk sales rates up 4% to 0.59 per outlet per week and we successfully launched innovative products like New Build Boost and Rezone to help address affordability challenges for customers. Our current forward order book is up 6% year on year. Our investment in our vertical integration benefited delivery in 2025 and will continue to do so for years to come. Enhanced house type ranges are meeting customer needs while also improving build efficiency. The addition of new sites to our already strong strategic land bank provides us with an expanding platform for future growth.

Our strategy enables us to build more routes to more markets to deliver more homes and growing returns. Our plans for further investment, innovation and self-help all support our medium-term growth ambitions, driving further margin improvement and enhanced returns. As an already growing company at this point of the cycle, we are well positioned to secure further expansion when market conditions improve and the Government's welcome planning reforms take effect.

During the year, we also made further progress in building safety remediation and expect the programme of works to be largely completed in the next two years. As proudly the first major housebuilder to protect leaseholders from the cost of building safety remediation, we have always recognised this action is the right thing to do as a responsible business. The works' completion alongside the continued delivery of our broader growth strategy paves the way for improved shareholder returns.

Our achievements are only possible thanks to our exceptional people. I would like to sincerely thank every member of the Persimmon team for their dedication, expertise and commitment. I am proud to work alongside so many industry-leading experts and committed colleagues. Their efforts and passion are fundamental to our success, delivering value for shareholders and helping to build thriving communities across the UK.

#### Trading performance

Our 2025 results demonstrate the success of the strategy to position the business for growth, despite a challenging market backdrop. We delivered 11,905 new homes in the year (2024: 10,664) and grew our net sales rate excluding bulk by 4% year on year to 0.59 per outlet per week (2024: 0.57). We achieved a further 0.11 per outlet per week contribution from bulk sales (2024: 0.13), lower than the prior year reflecting the November Budget's widely documented effect on the broader BTR market. Our continued investment in sales and marketing helped to drive increased customer enquiries and overall sales figures, with both ahead of the prior year. Private average selling prices on reservations remained robust, with incentives controlled at c.4.6% per gross reservation (2024: c.4.5%).

We are pleased to have achieved an underlying operating margin<sup>1</sup> of 14.3% (2024: 14.1%). Our vertical integration and operational efficiencies enabled us to mitigate the substantial impact of embedded build cost inflation coming into the year. These unique capabilities have helped underpin the margin performance and will help drive further growth.

#### High-quality land bank and growing outlets

Our land acquisition strategy is founded on disciplined, targeted assessments to ensure control over our development pipeline. We carefully select sites aligned with our growth ambitions, market demand and margin potential. In 2025 we increased our investment, with net land spend of £541m, up from £437m in the previous year. Our improved reputation, including our enhanced placemaking approach, helped us access more opportunities, with more promoters and agents working with us. We had some excellent land opportunities in 2025 and as a result secured 16,309 new plots at strong embedded margins, achieving a replacement rate of 137%. This underpins our confidence in our medium-term targets, as this land comes into production and older land acquired before the spike in build cost inflation begins to unwind. Overall, our total land holdings increased to 84,879 plots giving us good visibility over our future pipeline (2024: 82,084).

Our proactive approach to planning is removing barriers to consent and securing more approvals, converting our sustained land investment into a growing number of active sites. We opened 103 new outlets in the year (2024: 103 outlets) and finished the year with 277 outlets, up 3%, while the sector reduced outlet numbers by c.2%<sup>2</sup>.

We obtained detailed or reserved matters planning for 12,815 plots in 2025, 108% of our completions for the year. Examples include at Madgwick Lane, Chichester and Hull Road, York, where we combined enhanced placemaking with proactive engagement to navigate local planning and stakeholder challenges to secure approvals and outlet openings. These successes are helping to develop a strong pipeline, with plans for more than 100 outlet openings in 2026. We expect to see net growth in outlets this year and remain on track to meet our target of at least 300 outlets.

Our strategic land portfolio is already a strong asset for our business, making an important contribution to our current growth. Over one third of the plots we secured detailed planning approval for in 2025 came from our strategic land bank. It is also an important asset to support our medium-term growth ambitions and we have therefore invested to strengthen our strategic land portfolio further. During the year, we acquired the Midlands-based land promoter Lone Star Land and have already identified

significant new opportunities amongst their portfolio. We have also invested in our in-house strategic land teams across Persimmon, broadening our reach and influence in the market. Overall, we added c.10,000 potential plots to our strategic land bank in 2025 and ended the period with over 77,000 potential plots up from c.70,000 potential plots, equivalent to 10% growth. Our ability to choose the right locations and navigate the planning process is central to our growth strategy.

The Planning and Infrastructure Act passed in December was a positive step. While it will take time for planning reforms to take effect, we are proactively shaping our pipeline, identifying 68 sites for accelerated planning of which 25 planning applications are expected to be submitted by the end of the first quarter. This will include 300 plots at Dudley, West Midlands and 200 plots at Keynsham, Severn Valley. These sites combined represent about 13,000 plots to support medium-term delivery. Following extensive discussions with Government, we were delighted to see the launch of 'Phase 2' of its 'New Homes Accelerator Programme'. The accelerator is now more focused on speed, unblocking stalled sites that can deliver in the short term. We immediately submitted sites and have identified a longer list of additional opportunities. We look forward to working closely with Government to accelerate the opening of new outlets.

### **Three strong brands providing diversification**

Our three-brand strategy – Persimmon Homes, Charles Church, and Westbury Partnerships – allows us to target diverse and distinct market segments. This approach delivered robust growth in 2025, with each brand delivering more homes than the previous year. Across all three brands we have invested to enhance the customer proposition, the quality of the homes we offer and the efficiency in which we build them. By strengthening each brand and sharpening their distinct positions in the market, we have built a platform that not only supports current performance but also positions us for sustained progress towards our medium-term ambitions.

Core Persimmon remains our largest brand and the cornerstone of the Group. In 2025, our outlet network and sales and marketing initiatives led to a 7% increase in core Persimmon completions. We continued to invest in the core Persimmon brand, refining our approach to placemaking, creating standout developments with quality street scenes and landscaping. We streamlined our core product range making them more efficient to build and harnessing in-house manufacturing capabilities. By utilising our own bricks, tiles, and timber frames, we not only enhance supply chain security and accelerate delivery times but support our margins with estimated savings of up to £6,000 per plot.

We also invested further in our sales and marketing to drive customer interest. Core Persimmon is well placed in the market with private selling prices around 19% below the market average<sup>3</sup>. We augmented this market positioning by offering innovative shared equity products to proactively address our customers' affordability challenges and make homeownership more accessible to more people. Alongside our broader sales and marketing campaigns and disciplined use of tailored incentives that meet individual customer needs, we have driven increased interest in our homes. We saw a 21% rise in website visitors, with good interest observed across all regions in 2025. We will build further on this progress in 2026, with a new customer website and marketing platform launched in the first half of the year. Persimmon is well placed for continued growth.

The relaunch of Charles Church, our premium brand, has generated real momentum, with completions up 16% in 2025. Customers have embraced our new house types and enhanced specifications, supporting the premium pricing Charles Church achieves and demonstrating the opportunity to drive further growth in this market segment. Indeed, we closed the year with 64 Charles Church outlets, up from 48, including 41 dual-branded sites. We achieved both these extra completions and outlet expansion using our existing teams and structure, demonstrating the efficiency benefits.

With clear brand distinction, we are expanding into new regions, actively pursuing both standalone and dual-branded opportunities. Charles Church is allowing us to secure land opportunities in new markets we are unlikely to have otherwise accessed. As well as serving distinct markets, a dual-branded presence can generate additional sales for each brand as customers explore the breadth of homes on offer. Our medium-term target remains to double Charles Church's contribution to the Group and its first bespoke marketing strategy is helping drive increased interest and enquiries. So far in 2026, enquiries are up 48% and website visitors are up 127%. With Charles Church also launching its own new and enhanced customer website in the coming months, alongside the marketing platform mentioned above, we are confident it will continue to drive growth and enhance returns for the Group.

Our Westbury Partnerships brand is becoming a trusted partner for institutional investors and registered providers. Our flexible model lets us match each site to local demand, whether private homes, affordable housing or BTR. We have invested in both the homes we are building, to ensure they efficiently meet the requirements of these customers, and the relationships to open up and sustain new market opportunities.

The BTR market continues to offer good opportunities for capital-efficient sales to our institutional customers. We increased the number of partners we worked with in 2025 and introduced new BTR house types – drawing on our knowledge of investors' requirements – to meet their needs efficiently. This improved offering and expanded partner network, led to a 21% increase to 1,758 in the homes we delivered for our partners (2024: 1,456). Despite some partners pausing investment decisions ahead of the Budget, all planned deals completed in 2025. This budget-related pause is reflected in our current forward order book. Investor interest remains high, however, and we are working closely with a number of partners to complete deals shortly. Persimmon's national footprint and single-family housing expertise position us well to capitalise on this market, particularly where we have larger sites that offer the opportunity of mixed-tenure development, enabling us to maximise value and returns.

Completions to housing associations rebounded strongly in the second half and in total we delivered 2,075 homes for our partners, up 31% on the prior year (2024: 1,589). Delivery was particularly strong in the fourth quarter of 2025 and consequently we do not anticipate this level of growth to be replicated in 2026. Our relationships across the housing association market remain strong and we are focused to ensure we meet partner requirements, especially for the forthcoming Social and Affordable Homes Programme to maximise future opportunities.

With three distinct brands serving unique customer segments and market channels, we have built a dynamic platform to drive our medium-term ambitions. Alongside our growing outlets we are building more routes to more markets to deliver more homes and growing returns.

### **Build quality and customer service**

At Persimmon, our commitment to build quality and customer service is central to our business operations. During 2025, we delivered a step change in growth, without compromising on the consistently high standards we have achieved in recent years. This provides a strong platform to meet our medium-term targets. By combining strong growth with a reputation for consistent build quality and service excellence we will meet customers' aspirations, increase the number investors, landowners and suppliers who want to partner with us and further enhance our attractiveness as an employer of choice.

Our combined quality and service HBF score ended the survey year at 4.30<sup>4</sup> and continues to track at five-star homebuilder status, reflecting our ongoing focus on the quality of our customers' experience. We are delighted to have maintained our five-star HBF rating, awarded to us for the fourth year running in March 2025. Delivering this while growing the business demonstrates the embedded culture of consistently delivering high-quality homes. This is further reflected in our Trustpilot scores, which remain at their 'Excellent' rating with 4.6 stars for both Persimmon Homes and Charles Church (December 2024: Persimmon 4.5 star; Charles Church 4.4 star).

We also sustained our improvements in build quality, with reportable items continuing to track at low levels at 0.29 (2024: 0.26). Our increased investment in site work in progress alongside more accurate and efficient build programmes has meant we built 22% more homes on average per week than in the prior year. Our improved build programmes also ensure a more rigorous alignment to our key stage inspections process, providing build quality checks and reducing the need for and costs of rework. This has been further strengthened by investment in more Independent Quality Control officers and more training for our people. These initiatives led to a 310bps improvement in our NHBC Construction Quality Review scores to 92.6% (2024: 89.5%), which is a great achievement.

We are continuing to invest in our people, systems and processes, to drive further progress. The continued roll out of digitised systems is helping to drive further efficiency and quality benefits. A materials management system that will help automate call-offs in line with build programmes, will help manage cash flow and reduce lost, stolen and damaged costs. Granular analysis of our build programme progress, measuring site-level labour rates and plot-level progress, is allowing a greater focus on areas for improvement and best practice sharing to secure further improvements in our efficiency. Tools, platforms and processes such as these are crucial to us driving the growth necessary to meet our medium-term targets efficiently.

### **Innovation and vertical integration**

Our vertically integrated model has continued to benefit the business, with increased production at Brickworks, Tileworks and Space4 to meet the demands of our expanding business. Further investment across all three facilities will also play a pivotal role in supporting our growth ambitions. Our in-house materials are now the preferred choice throughout the business. This approach delivers significant advantages in cost, efficiency and quality, ensuring reliable supply and consistent high standards, allowing us to deliver affordable high-quality homes for our customers.

To meet the increasing demand for our next-generation brick during the year, we implemented a third shift at the Brickworks facility. Brickworks delivered c.60 million bricks, 23% more than in 2024, to 258 sites during 2025. With the factory now operating, 24 hours a day and seven days a week, plans are in place to further expand capacity in 2026 by introducing an additional production line, opening in 2027.

Our own tile is now our preferred option for every region, except where local planning rules require an alternative product. Demand again grew in 2025, with c.12 million tiles, 54% more than in 2024, delivered to 282 sites. We anticipate adding a third shift this year, further enhancing cost efficiency.

The new state-of-the-art automated timber frame line at our Space4 factory became fully operational in the second half of 2025 and has improved both the efficiency of the factory as well as the consistent quality of the product being delivered to site. We are also the first developer to install an automated roof truss line. This truss line gained certification in November 2025 and began delivery to site in January 2026. The investment made in the factory reflects the significant growth in demand for the product. Space4 supplied 3,666 timber frame products as well as 964 room-in-roof kits, a 36% increase in delivery during 2025. By the end of 2026 all of our regions outside of Scotland (where we use third-party suppliers), will be taking product from our Space4 factory. We continue to see the use of timber frame as key to delivering future growth and to improving on-site efficiency, by not only shortening build times but also reducing demand for scarce labour.

We are looking to innovate and further increase our use of AI, including seeking out new opportunities to leverage advanced tools for compliance, site management, and land assessment. By exploring AI-powered insights, we aim to strengthen decision making and enhance operational efficiency across our core business areas. To support this, we have launched a pilot Persimmon Data & AI Academy to build practical, immediately usable data and AI capability across the organisation. The first cohort of colleagues will begin their training in March.

### **Current trading and outlook**

Market conditions have been supportive – including greater mortgage availability and real wage growth – which when combined with our increasing outlet base, has underpinned our growth. We welcome the beneficial changes to the planning environment that the Government has introduced, which should support further outlet growth over time. Our diversified value-positioned brands and strong platform position us well to meet increasing demand supported by our sustained investment in land, continued success in planning, vertical integration and commitment to quality and customer service.

10 March 2026

In the first nine weeks of this year our net private sales rate per outlet per week was 0.73, up 9% compared to the same period last year (2025: 0.67). The private average selling price in the order book is up 6%, which combined with increased reservations has resulted in a 9% increase in our private forward sales position to £1.25bn as at 1 March compared with a year ago (2025: £1.15bn). Total forward sales as at 1 March have increased by 6% to £1.80bn (2025: £1.69bn).

With stable build cost inflation and our unique vertical integration, we are managing ongoing cost pressures effectively while investing in further capacity and innovation. This, together with our investment in land and plans to open more than 100 outlets in 2026, positions us well. We are monitoring the impact the conflict with Iran could have on our markets in 2026. Within private sales, we have not assumed mortgage rate reductions or the introduction of any government demand stimulus, with the most important short-term factor being any changes to customer sentiment in response to increased uncertainty. However, sales in the opening weeks of the year have been strong and our BTR and partnerships customers have funds mostly in place for our planned delivery this year. The potential impact of the current uncertainty on build cost inflation is not yet known, but we would anticipate limited impact on the current year due to our existing agreements with key suppliers and our accelerated production levels coming into 2026. More widely, our increased banking facilities provide additional balance sheet strength.

Assuming the conflict with Iran and its impact is short, we expect to deliver between 12,000 and 12,500 completions in 2026, with underlying operating profit towards the upper end of current consensus<sup>5</sup>. Our investment for growth at this point in the cycle will result in increased finance costs and therefore underlying profit before tax is expected to be in line with current consensus<sup>5</sup>.

The enduring aspiration for home ownership remains strong and provides the opportunity for growth into the medium term. Continued strategic investment in the business and our self-help strategy over recent years has positioned us well for future expansion. This investment, along with capital allocation choices as we progress our building safety remediation work, will enable us to convert market opportunities into sustainable growth in support of our medium-term ambitions to deliver an underlying operating margin and ROCE of 20% and increased returns for our shareholders.

**Dean Finch**

**Group Chief Executive**

*9 March 2026*

Footnotes:

1. Stated before net exceptional charge (2025: £44.9m; 2024: £34.4m), and goodwill impairment (2025: £3.4m; 2024: £1.6m). Margin based on new housing revenue (2025: £3.31bn; 2024: £2.86bn).
2. HBF industry data based on 12 months to 31 December 2025.
3. Based on the Persimmon Homes private average selling price of £286,145 for the year to 31 December 2025 compared with the national average selling price for newly built homes sourced from the UK House Price Index as calculated by the Office for National Statistics from data provided by HM Land Registry.
4. The Group participates in the House Building Federation (HBF)'s Five Star Scheme. The HBF star ratings are based on results from the National New Homes Customer Satisfaction Surveys run by the NHBC. From the 2024/2025 survey year the HBF has moved to a combined mean score (not percentage satisfied) for build quality and service after score based on the 8-week and 9-month survey responses. In the first year, a score of greater than 4.15 is equivalent to five-star status.
5. Company compiled full year 2026 consensus of 12,136 homes, an underlying operating profit range of £486m to £517m and underlying profit before tax mean of £470m.

## Financial review

### Disciplined investment driving growth

The Group generated total revenue<sup>1</sup> of £3.75bn (2024: £3.20bn), with new housing revenue up 16% at £3.31bn (2024: £2.86bn).

In total, the Group delivered 11,905 new homes in 2025, up 12% on the prior year (2024: 10,664), at a blended average selling price up 4% at £278,203 (2024: £268,499).

Of these, 9,830 homes were delivered to private customers, an increase of 8% on last year (2024: 9,075) and representing 83% of total completions (2024: 85%). The private average selling price of £301,392 was up 5% on the prior year (2024: £287,162) reflecting an increase in delivery from Charles Church and the strength of the market in some of our regions, partially offset by an increase in the number of plots sold to investors. During the year, we completed the sale of 1,758 homes to investors, up 21% from the 1,456 delivered last year. Our ongoing focus on strengthening strategic partnerships has contributed to growth in this key market segment. As some of our partners delayed investment decisions ahead of the November Budget, our forward BTR order book was reduced coming into 2026. We remain confident that investor sales will continue to be an important market for Persimmon.

The Group delivered 2,075 new homes to housing associations, up 31% on the prior year with particularly strong delivery in the fourth quarter (2024: 1,589). As a result, we would expect a similar number of homes to be delivered in 2026 with over 80% of 2026 delivery already secured. The average selling price of £168,347, was 4% higher than the prior year (2024: £161,916), reflecting the geographic mix and size of properties.

The Group's performance continues to be supported by our high-quality land portfolio, with land cost recoveries<sup>2</sup> of 11.5% of new housing revenue for the year (2024: 11.9%). This decrease in the year reflects the mix of completions.

The Group's underlying gross profit<sup>3</sup> for the year increased by 13% to £656.3m (2024: £582.4m). The Group's reported gross profit for the year is £616.5m (2024: £580.4m) after exceptional items, as described below. Our underlying gross margin<sup>3</sup> reduced to 19.8% (2024: 20.3%), partly reflecting the higher proportion of BTR and housing association completions within the year and the impact of embedded build cost inflation.

The Group has maintained its focus on cost control and with the benefit of greater volume delivery has been able to increase its operating margin in the year. Underlying operating profit<sup>4</sup> for the Group increased 17% to £472.1m (2024: £405.2m), generating an underlying operating margin<sup>4</sup> of 14.3% (2024: 14.1%). On a reported basis, operating profit increased 15% to £423.8m (2024: £369.2m) including the net exceptional charge described below.

In August we sold FibreNest, our non-core broadband service, to BUUK Infrastructure. This allowed us to use the proceeds to invest further in our growth strategy as set out in March 2025 and eliminates the requirement for further investment in FibreNest. Under BUUK's ownership, FibreNest will offer improved choice for customers, with access to up to 18 internet service providers.

The Group has reported a net exceptional charge of £44.9m (2024: £34.4m). This comprises a net exceptional charge within gross profit of £39.8m (2024: £2.0m), relating to anticipated costs for the removal of combustible cladding and other building safety remediation works (see below). Additionally, a further exceptional charge of £5.1m has been recognised within operating profit, reflecting Persimmon's £15.2m voluntary contribution to the Government's affordable homes programme following the closure of the CMA investigation (see below) and associated fees of £1.0m, partially offset by the £11.1m profit realised from the disposal of FibreNest. These items are classified as exceptional due to their non-recurring nature. Further details can be found in note 4 to the financial statements.

Net finance cost for the year was £26.5m (2024: £10.1m) being a result of lower average cash balances, increased utilisation of our £700m Revolving Credit Facility, £12.0m of imputed interest payable on land creditors (2024: £3.8m) and £7.0m of imputed interest payable on the legacy buildings provision (2024: £7.4m).

The Group generated an underlying profit before tax<sup>4</sup> of £445.6m (2024: £395.1m), and a reported profit before tax of £397.3m (2024: £359.1m).

The Group has an overall tax charge of £111.6m for the year (2024: £92.0m) and an effective tax rate of 28.1% (2024: 25.6%), marginally lower than the standard rate of 29% (including both corporation tax and the Residential Property Developers Tax) (2024: 29.0%).

Underlying basic earnings per share<sup>4</sup> for the year was 100.7p, 9% higher than the prior year (2024: 92.1p). Reported basic earnings per share was 7% higher than last year at 89.3p (2024: 83.6p).

Underlying return on average capital employed ('ROCE') including land creditors was 11.7%<sup>5</sup>, 60bps higher than the prior year (2024: 11.1%), reflecting the increase in underlying operating profit<sup>4</sup> in the year. ROCE excluding land creditors was 13.1%<sup>5</sup> compared with 12.2% at 31 December 2024. On a statutory basis, ROCE including land creditors was 10.5%<sup>5</sup> (2024: 10.1%).

### Building safety

The Group has committed to make progress on its building safety remediation programme, as well as investing in future building quality. Our proactive work has been recognised through our status as a Building a Safer Future Charter Champion.

Across our Legacy Building Programme, we continue our proactive approach of working with management companies, factors (in Scotland) and their agents to carry out necessary remediation as soon as possible.

Of the total of 87 developments in our programme, 43 (49%) have already had any necessary works completed. Of the remaining 44 developments, 24 currently have work on site and 20 are at varying stages of pre-tender, live tender, progressing to contract or agreed contract and works starting very soon. As we actively progress the programme, the number of developments at or before the tender stage has reduced to 8. With over 90% of developments fully tendered, this gives some reassurance over our future cost estimates. The number of developments on site or completed has increased 10% to 67. For further information please see note 12.

During the year, the provision has been increased by £39.8m, following a review of the projected costs to complete rectification work, along with the identification of four additional developments requiring remediation, offset by works assumed by, or recoveries secured from, historical subcontractors. We continue to pursue cost recoveries from third parties. Due to the non-recurring nature of these changes, they have been disclosed as exceptional items to support the understanding of financial performance and improve the comparability between reporting periods.

We utilised £56.1m of the provision in the year, with total aggregate expenditure now over £175m, whilst a further £7.0m of imputed interest was charged to the Income Statement through finance costs. The remaining provision at 31 December 2025 was £226.0m, a £9.3m reduction on the position as at 31 December 2024. The next 18 to 24 months are projected to be the peak period of cash expenditure on this programme.

### **Competition and Markets Authority ('CMA')**

On 9 July 2025, the CMA announced its intention to close its investigation on whether Persimmon, along with six other UK housebuilders, had exchanged competitively sensitive information, accepting voluntary commitments from all parties. The CMA has not made any findings that Persimmon Plc and its group companies has infringed UK competition law and the voluntary commitments offered do not constitute an admission of any wrongdoing. As part of these commitments, Persimmon made an ex-gratia financial contribution of £15.2m to the Government's Affordable Homes Programme in January 2026. This has been accounted for in the period as an exceptional cost.

### **Balance sheet**

Total equity increased by £0.1bn to £3.61bn at 31 December 2025 (2024: £3.51bn). This is after returning £192.1m of capital to shareholders through a final dividend of 40p per share in respect of the 2024 financial year and an interim dividend of 20p per share for the 2025 financial year. Retained earnings increased to £3.04bn (2024: £2.94bn). Reported net assets per share of 1,127p represents a 3% increase from 1,096p at 31 December 2024.

### **Land holdings**

A core strength of the business remains its disciplined approach to land replacement. Over the last three years we have maintained our selective land purchase strategy, positioning us well for the future as we look to grow our outlet position. At 31 December 2025, we had 277 outlets, 3% higher than 31 December 2024, and remain on track to increase outlets in 2026 as we position the business for further growth.

At 31 December 2025, the carrying value of the Group's land assets increased by 14% to £2.59bn (2024: £2.27bn), reflecting continued investment in the Group's future and our ongoing focus on converting owned land with outline planning permissions to implementable consents. The Group's land cost recoveries for the year of 11.5%<sup>2</sup> of new housing revenue is 40bps lower than the prior year, reflecting the mix of completions in the year, and remains an excellent position.

During the year, the Group brought 16,309 plots into its owned and under control land holdings across 71 locations throughout the country, equivalent to a replacement rate of 137%. 1,639 plots were converted from our strategic land portfolio, which continues to be a strength for the business. In August 2025, we bought a Midlands-based land promoter, Lone Star Land, further strengthening our strategic land capabilities. Further detail is provided in note 8.

At the end of the year, the Group had owned and under control land holdings of 84,879 (2024: 82,084) representing approximately seven years of forward supply at 2025 volumes. Owned plots totalled 70,236 (2024: 69,189) of which 40,215 have a detailed implementable planning consent, providing excellent visibility (2024: 40,430). The Group's owned land holdings represent approximately six years of forward supply at 2025 volumes, with an overall pro-forma site gross margin<sup>6</sup> of c.28% (2024: c.29%), slightly lower year on year, partly due to fewer conversions from high-margin strategic land in the period. The land cost to revenue ratio within the owned land bank of 12.8%<sup>7</sup> (2024: 11.9%) reflects both the lower conversion from strategic land, the purchase of more serviced land in the period, where infrastructure costs (reflected in build costs) are expected to be lower and weighting towards land purchases in the south.

We have made some excellent additions to our owned land bank during the period, and together with our controlled and strategic land pipeline, we remain confident in our ability to deliver our medium-term growth targets.

In addition to its owned plots, the Group controls 14,643 plots (2024: 12,895) through exchanged contracts. These contracts to acquire the site will be completed once all outstanding unfulfilled planning conditions have been satisfied. Cash invested in these under control plots is limited to deposits paid on the exchange of contracts and fees associated with progressing the sites through the planning system. During the year, the Group secured detailed or reserved matters planning for 12,815 plots (2024: 13,064).

The Group incurred net land spend of £541.3m during 2025 (2024: £437.0m), including £211.2m of payments in satisfaction of deferred land commitments (2024: £210.6m).

In 2025, the Group acquired interests in a further c.10,000 potential plots of strategic land opportunities resulting in a total of over 77,000 plots at 31 December 2025 (2024: c.70,000 plots). This will provide a long-term supply of forward plots for future development by the Group.

### **Work in progress**

At 31 December 2025, the Group had work in progress of 4,114 equivalent units of new homes under construction, 12% higher than the position we entered the year with (2024: 3,684) as we position the business for further growth in 2026. On average, overall weekly build rates tracked 22% higher in the year, with an average of 245 equivalent units of build per week, compared to 201 per week in 2024.

Our work in progress investment at 31 December 2025 of £1.63bn was up 15% on the prior year (2024: £1.43bn). This reflects the anticipated growth in completions and investment in expanding our outlet base in 2026, along with accelerating our build programmes to drive continued high standards of quality and customer service.

As at 31 December 2025, we owned 894 part exchange properties (2024: 739 properties) at a value of £198.8m (2024: £154.4m). Part exchange continues to be a key sales incentive for our customers, and we are progressing sales of part exchange properties promptly at around expected values.

### **Cash generation and liquidity**

During the year, we continued our targeted investment into the business to enhance quality, efficiency and returns as we build a more sustainable business and position for further growth. Our long-standing financial discipline will continue to maintain our robust balance sheet.

At 31 December 2025, the Group had a cash balance of £117.0m (2024: £258.6m) with land creditors of £623.4m (2024: £423.2m), of which c.£355m are expected to be settled during 2026. This increase in land creditors is in line with our strategy to increase our outlet base as we continue to target reaching over 300 outlets.

The Group generated £487.9m of cash from operating activities in the year (2024: £419.6m), before investing £349.4m in working capital (including a £590.1m increase in inventories offset by a £321.4m increase in trade and other payables), the net receipt of £68.1m in relation to the disposal of FibreNest and returning £192.1m of capital to shareholders through dividend payments (2024: £191.8m).

The Group's shared equity loans have generated £4.0m of cash in the year (2024: £4.6m). The carrying value of these outstanding shared equity loans, reported as 'shared equity loan receivables', is £25.7m at 31 December 2025 (2024: £29.0m).

On 26 January 2026, the Group agreed an increase to its secured funding arrangements with the syndicate of partnership banks. The Group's existing syndicated facility of £700m committed to July 2030 was expanded to £750m and an additional fixed term facility of £250m was agreed to 31 January 2028, giving an increased total secured funding level of £1bn, supporting the continued investment programme over the coming years. The extra facilities will allow the Group to prudently manage growth at this stage of the cycle, while maintaining ample headroom.

The Group's defined benefit pension asset is in line with last year at £130.7m at 31 December 2025 (2024: £130.7m).

### **Capital allocation**

The Group is creating value by investing in growth. The Group's Capital Allocation Policy is to invest in future growth through disciplined expansion of our land portfolio while maintaining a strong balance sheet and delivering sustainable returns to shareholders.

For 2025, the Board proposes a final dividend of 40p per share to be paid on 10 July 2026 to shareholders on the register on 19 June 2026, following shareholder approval at the AGM. This dividend is in addition to the interim dividend of 20p per share paid on 7 November 2025 to shareholders on the register on 17 October 2025 to give a total dividend of 60p per share in respect of the financial year 2025 (2024: 60p).

As we deliver on our medium-term growth ambitions, coupled with further progress on our Building Safety Remediation Programme, we anticipate increasing our returns to shareholders.

### **2026 outlook**

The strong desire for home ownership, together with our strategic investments, positions us well to deliver sustainable growth and shareholder returns.

Our current private forward sales position stands at £1.25bn, a 9% increase year on year (2024: £1.15bn). With this progress in our forward order book, we are targeting 12,000-12,500 completions for 2026 assuming stable market conditions. We are conscious of geo-political uncertainty and are monitoring the impact this could have on our markets. Benefiting from our improved operational capabilities and disciplined investment in our land holdings, we aim to achieve further growth in profit and returns. We expect underlying operating profit to be towards the upper end of the current market consensus range<sup>8</sup> and, with increased financing costs reflecting our investment for growth, underlying profit before tax is expected to be in line with current market expectations<sup>8</sup>.

10 March 2026

The next two years are expected to see peak expenditure on our building safety remediation programme, with approximately £100m anticipated to be spent in 2026. Our net cash position at the end of 2026 is currently forecast to be between £100m net debt and £100m net cash, reflecting our ongoing investment for growth.

**Andrew Duxbury**  
**Chief Financial Officer**  
9 March 2026

1. The Group's total revenues include the fair value of consideration received or receivable on the sale of part exchange properties, planning promotion contracts and income from the provision of broadband internet services. New housing revenues are the revenues generated on the sale of newly built residential properties only.
2. Land cost value for the plot divided by the revenue of the new home sold.
3. Underlying gross profit stated before a net exceptional charge of £39.8m (2024: £2.0m) and margin based on new housing revenue (2025: £3.31bn; 2024: £2.86bn).
4. Underlying measures stated before a net exceptional charge of £44.9m (2024: £34.4m), and goodwill impairment (2025: £3.4m; 2024: £1.6m) and margin based on new housing revenue (2025: £3.31bn; 2024: £2.86bn).
5. 12-month rolling ROCE calculated on underlying operating profit and total capital employed. Capital employed being the Group's net assets less cash and cash equivalents plus land creditors. ROCE excluding land creditors is calculated on capital employed being the Group's net assets less cash and cash equivalents excluding land creditors. Statutory ROCE including land creditors is calculated on reported operating profit and capital employed with capital employed being the Group's net assets less cash and cash equivalents plus land creditors.
6. Estimated weighted average site gross margin based on assumed revenues and costs at 31 December 2025 and normalised output levels.
7. Land cost value for the plot divided by the anticipated future revenue of the new home sold.
8. Company compiled full year 2026 consensus of 12,136 homes, an underlying operating profit range of £486m to £517m and underlying profit before tax mean of £470m.

**PERSIMMON PLC**  
**Consolidated Statement of Comprehensive Income**  
For the year ended 31 December 2025

	Note	2025 Total £m	2024 Total £m
Revenue	3	3,751.3	3,200.7
Cost of sales		(3,134.8)	(2,620.3)
<b>Gross profit</b>		<b>616.5</b>	580.4
Analysed as:			
Underlying gross profit		656.3	582.4
Exceptional items	4	(39.8)	(2.0)
Other operating income		21.4	9.8
Operating expenses		(225.2)	(196.0)
Exceptional item – Profit on disposal of a business	4	11.1	-
Exceptional item - Impairment of a financial asset	4	-	(25.0)
<b>Profit from operations</b>		<b>423.8</b>	369.2
Analysed as:			
Underlying operating profit		472.1	405.2
Exceptional items	4	(44.9)	(34.4)
Impairment of intangible assets		(3.4)	(1.6)
Finance income		11.4	11.1
Finance costs		(37.9)	(21.2)
<b>Profit before tax</b>		<b>397.3</b>	359.1
Analysed as:			
Underlying profit before tax		445.6	395.1
Exceptional items	4	(44.9)	(34.4)
Impairment of intangible assets		(3.4)	(1.6)
Tax	5	(111.6)	(92.0)
<b>Profit after tax</b> (all attributable to equity holders of the parent)		<b>285.7</b>	267.1
<b>Other comprehensive expense</b>			
Items that will not be reclassified to profit:			
Remeasurement loss on defined benefit pension schemes	15	(6.7)	(1.5)
Tax	5	1.9	0.4
<b>Other comprehensive expense for the year, net of tax</b>		<b>(4.8)</b>	(1.1)
<b>Total recognised income for the year</b>		<b>280.9</b>	266.0
<b>Earnings per share</b>			
Basic	6	89.3p	83.6p
Diluted	6	88.2p	82.7p

**PERSIMMON PLC**  
**Consolidated Balance Sheet**  
*As at 31 December 2025*

	Note	2025 £m	2024 £m
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	8	182.5	164.6
Property, plant and equipment		115.4	154.6
Investments accounted for using the equity method		0.3	0.3
Shared equity loan receivables	10	23.6	25.7
Trade and other receivables		1.9	-
Deferred tax assets		-	9.2
Retirement benefit assets	15	130.7	130.7
		<b>454.4</b>	<b>485.1</b>
<b>Current assets</b>			
Inventories	9	4,492.3	3,902.8
Shared equity loan receivables	10	2.1	3.3
Trade and other receivables		249.9	167.8
Current tax assets		2.5	15.8
Cash and cash equivalents	14	117.0	258.6
		<b>4,863.8</b>	<b>4,348.3</b>
<b>Total assets</b>		<b>5,318.2</b>	<b>4,833.4</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Trade and other payables	11	(283.1)	(196.2)
Deferred tax liabilities		(54.4)	(73.1)
Partnership liability		(5.8)	(10.3)
Legacy buildings provision	12	(142.8)	(123.9)
		<b>(486.1)</b>	<b>(403.5)</b>
<b>Current liabilities</b>			
Trade and other payables	11	(1,123.8)	(806.3)
Partnership liability		(11.0)	(5.6)
Legacy buildings provision	12	(83.2)	(111.4)
		<b>(1,218.0)</b>	<b>(923.3)</b>
<b>Total liabilities</b>		<b>(1,704.1)</b>	<b>(1,326.8)</b>
<b>Net assets</b>		<b>3,614.1</b>	<b>3,506.6</b>
<b>Equity</b>			
Ordinary share capital issued		32.1	32.0
Share premium		28.0	25.6
Capital redemption reserve		236.5	236.5
Other non-distributable reserve		276.8	276.8
Retained earnings		3,040.7	2,935.7
<b>Total equity</b>		<b>3,614.1</b>	<b>3,506.6</b>

**PERSIMMON PLC****Consolidated Statement of Changes in Shareholders' Equity***For the year ended 31 December 2025*

	Share capital	Share premium	Capital redemption reserve	Other non- distributable reserve	Retained earnings	Total
	£m	£m	£m	£m	£m	£m
<b>Balance at 1 January 2024</b>	<b>31.9</b>	<b>25.6</b>	<b>236.5</b>	<b>276.8</b>	<b>2,847.7</b>	<b>3,418.5</b>
Profit for the year	-	-	-	-	267.1	267.1
Other comprehensive expense	-	-	-	-	(1.1)	(1.1)
<b>Transactions with owners:</b>						
Dividends on equity shares	-	-	-	-	(191.8)	(191.8)
Issues of new shares	0.1	-	-	-	-	0.1
Own shares purchased	-	-	-	-	(0.2)	(0.2)
Share-based payments	-	-	-	-	14.0	14.0
<b>Balance at 31 December 2024</b>	<b>32.0</b>	<b>25.6</b>	<b>236.5</b>	<b>276.8</b>	<b>2,935.7</b>	<b>3,506.6</b>
Profit for the year	-	-	-	-	285.7	285.7
Other comprehensive expense	-	-	-	-	(4.8)	(4.8)
<b>Transactions with owners:</b>						
Dividends on equity shares	-	-	-	-	(192.1)	(192.1)
Issues of new shares	0.1	2.4	-	-	-	2.5
Own shares purchased	-	-	-	-	(2.3)	(2.3)
Share-based payments	-	-	-	-	18.5	18.5
<b>Balance at 31 December 2025</b>	<b>32.1</b>	<b>28.0</b>	<b>236.5</b>	<b>276.8</b>	<b>3,040.7</b>	<b>3,614.1</b>

**PERSIMMON PLC**  
**Consolidated Cash Flow Statement**  
*For the year ended 31 December 2025*

	Note	2025 £m	2024 £m
<b>Cash flows from operating activities:</b>			
Profit for the year		285.7	267.1
Tax charge	5	111.6	92.0
Finance income		(11.4)	(11.1)
Finance costs		37.9	21.2
Depreciation charge		21.1	20.1
Amortisation of intangible assets		0.1	-
Impairment of intangible assets		3.4	1.6
Exceptional items (non-cash)	4	55.0	27.0
Profit on disposal of a business	4	(11.1)	-
Profit on disposal of fixed assets		(1.5)	(2.5)
Share-based payment charge		16.1	14.7
Net imputed interest expense		(18.3)	(10.0)
Other non-cash items		(0.7)	(0.5)
<b>Cash inflow from operating activities</b>		<b>487.9</b>	<b>419.6</b>
Movements in working capital:			
Increase in inventories		(590.1)	(200.4)
(Increase)/decrease in trade and other receivables		(84.7)	12.7
Increase/(decrease) in trade and other payables		321.4	(49.6)
Decrease in shared equity loan receivables		4.0	4.6
<b>Cash generated from operations</b>		<b>138.5</b>	<b>186.9</b>
Interest paid		(16.7)	(9.3)
Interest received		3.8	5.1
Tax paid		(96.1)	(97.8)
<b>Net cash inflow from operating activities</b>		<b>29.5</b>	<b>84.9</b>
<b>Cash flows from investing activities:</b>			
Acquisition of a subsidiary	8	(3.5)	-
Disposal of a business	4	68.1	-
Acquisition of loan notes		-	(17.5)
Purchase of property, plant, equipment and software		(40.6)	(32.3)
Proceeds from sale of property, plant and equipment		2.8	4.8
<b>Net cash inflow/(outflow) from investing activities</b>		<b>26.8</b>	<b>(45.0)</b>
<b>Cash flows from financing activities:</b>			
Lease capital payments		(5.1)	(4.0)
Payment of Partnership liability		-	(4.6)
Bank fees paid		(0.9)	(0.9)
Own shares purchased		(2.3)	(0.2)
Share options consideration		2.5	0.1
Dividends paid		(192.1)	(191.8)
<b>Net cash outflow from financing activities</b>		<b>(197.9)</b>	<b>(201.4)</b>
<b>Decrease in net cash and cash equivalents</b>	14	<b>(141.6)</b>	<b>(161.5)</b>
Cash and cash equivalents at the beginning of the year		258.6	420.1
<b>Cash and cash equivalents at the end of the year</b>	14	<b>117.0</b>	<b>258.6</b>

## Notes

### 1. Basis of preparation

The results for the year have been prepared on a basis consistent with the accounting policies set out in the Persimmon Plc Annual Report for the year ended 31 December 2025.

The preparation of the financial statements in conformity with the Group's accounting policies requires the Directors to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenue and expenses during the reported period. Whilst these estimates and assumptions are based on the Directors' best knowledge of the amount, events or actions, actual results may differ from those estimates.

The financial information set out above does not constitute the Group's statutory accounts for the years ended 31 December 2025 or 2024 but is derived from those accounts. Statutory accounts for 2024 have been delivered to the Registrar of Companies, and those for 2025 will be delivered in due course. The auditor has reported on those accounts; their reports were (i) unqualified, (ii) did not include reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report and (iii) did not contain statements under Section 498(2) or (3) of the Companies Act 2006.

Whilst the financial information included in this announcement has been computed using the recognition and measurement requirements of UK adopted International Accounting Standards (IAS), this announcement does not itself contain sufficient information to comply with IAS. The Company expects to send its Annual Report 2025 to shareholders on 23 March 2026. A copy of the Annual Report 2025 will be submitted to the National Storage Mechanism and will be available for inspection at: <https://data.fca.org.uk/#/nsm/nationalstoragemechanism>.

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report in the Annual Report and the financial statements and notes. The Directors believe that the Group is well placed to manage its business risks successfully. The principal risks that may impact the Group's performance and their mitigation are outlined in note 17. After making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to fund its operations for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the annual financial statements.

Adoption of new and revised International Financial Reporting Standards (IFRSs) and Interpretations (IFRICs). The following relevant UK endorsed new amendments to standards are mandatory for the first time for the financial year beginning 1 January 2025:

- Amendments to IAS 21 Lack of Exchangeability

The above amendment has no effect on the Group's financial statements.

The Group has not applied the following new amendments and improvements to standards which are not yet effective:

- Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7), effective 1 January 2026
- Amendments to IFRS 9 and IFRS 7 Amendments to the Classification and Measurement of Financial Instruments, effective 1 January 2026
- Annual Improvements to IFRS Accounting Standards – Volume 11, effective 1 January 2026
- IFRS 18 Presentation and Disclosure in Financial Statements, effective 1 January 2027

The Group is currently considering the implication of these amendments and improvements with the expected impact upon the Group being limited to disclosures if applicable.

### Going concern

Our disciplined and strategic financial investment in the business has resulted in the Group operating from a strong balance sheet position, delivering an improved financial performance and growth in volume of new homes delivered. Persimmon's long-term strategy, which recognises the risks associated with the housing cycle by maintaining operational flexibility, investing in high quality land, minimising financial risk and deploying capital at the right time in the cycle, has equipped the business with strong liquidity and a robust balance sheet.

The Group completed the sale of 11,905 new homes (2024: 10,664), generating a profit before tax of £397.3m (2024: £359.1m). At 31 December 2025, the Group's strong financial position included £117.0m of cash (2024: £258.6m), high quality land holdings, and land creditors of £623.4m (2024: £423.2m). During the year the Group extended by one year to July 2030 its £700m Revolving Credit Facility (RCF). The facility was undrawn at the year end. During January 2026 the Group increased the £700m RCF by £50m to £750m. In addition the Group agreed with its banking partners a £250m two-year term loan with the ability to extend for an additional year.

The Group's forward order book at 1 January 2026 includes 2,318 new homes sold forward into the private owner occupier market (1 January 2025: 2,360 new homes forward sold) with an average selling price of c.£293,400. In addition, the cumulative average private sales, excluding bulk, reservation rate for the first nine weeks of 2026 is c.3% stronger than for the same period last year.

The Directors have carried out a robust assessment of the principal risks facing the Group, as described in note 17 of this announcement. The Group has considered the impact of these risks on the going concern of the business by performing a range of sensitivity analyses to the latest base case forecast, covering the period to 30 June 2027, including severe but plausible scenarios materialising together with the likely effectiveness of mitigating actions that would be executed by the Directors. For further detail regarding the approach and process the Directors follow in assessing the long-term viability of the business, please see the Viability Statement in note 17.

The scenarios emphasise the potential impact of severe market disruption, including for example the effect of economic disruption from a cost-of-living crisis or a war, on short to medium-term demand for new homes. The scenarios' emphasis on the impact on the cash inflows of the Group through reduced new home sales is designed to allow the examination of the extreme cash flow consequences of such circumstances occurring. The Group's cash flows are less sensitive to supply side disruption given the Group's sustainable business model, flexible operations, agile management team and off-site manufacturing facilities.

The first scenario modelled is a severe but plausible downside scenario that models a fall in housing revenue, when compared to full year 2025, of c.53% for full year 2026 followed by gradual recovery. The housing revenue modelled factors in changes in both volumes and average selling prices. The assumption used in this scenario reflects the experience management gained during the Global Financial Crisis from 2007 to 2010, it being the worst recession seen in the housing market since World War Two.

A second, even more extreme, scenario assumes the same significant downturn in 2026 followed by a period of enduring depression of the UK economy and housing market during 2027, assuming that neither volumes nor revenue recover.

In each of these scenarios, cash flows were assumed to be managed consistently, ensuring all relevant land, work in progress and operational investments were made in the business at the appropriate time to deliver the projected new home legal completions. Each scenario fully reflects the current estimate of cash outflows, value and timing, associated with the legacy buildings provision. In each of these scenarios, the Group is able to operate within its facilities.

The Directors have also considered a 'Reverse Stress Test' to demonstrate the point at which the Group runs out of liquid funds or breaches covenants but note the likelihood of this is less than remote.

In addition, the Group has been increasingly assessing climate related risks and opportunities that may present to the Group. During the period assessed for going concern no significant risk has been identified that would materially impact the Group's ability to generate sufficient cash and continue as a going concern.

Having considered the inherent strength of the UK housing market, the resilience of the Group's average selling prices and the Group's scenario analysis as detailed above, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing these financial statements.

## **Goodwill and brand intangibles**

The key sources of estimation uncertainty in respect of goodwill and brand intangibles are disclosed in note 15 of the Group's annual financial statements for the year ended 31 December 2025, other than set out below no trigger events have been identified.

The goodwill allocated to the Group's acquired strategic land holdings is further tested by reference to the proportion of legally completed plots in the period compared to the total plots which are expected to receive satisfactory planning permission in the remaining strategic land holdings, taking account of historic experience and market conditions. This review resulted in an underlying impairment charge of £3.4m recognised during the period. This impairment charge reflects ongoing consumption of the acquired strategic land holdings and is consistent with prior years.

## **2. Segmental analysis**

The Group has only one reportable operating segment, being housebuilding within the UK, under the control of the Executive Board. The Executive Board has been identified as the Chief Operating Decision Maker as defined under IFRS 8 Operating Segments.

**3. Revenue**

	<b>2025</b>	2024
	<b>£m</b>	£m
Revenue from the sale of new housing - private	<b>2,962.7</b>	2,606.0
Revenue from the sale of new housing - housing association	<b>349.3</b>	257.3
Revenue from the sale of new housing - total	<b>3,312.0</b>	2,863.3
Revenue from the sale of part exchange properties	<b>426.7</b>	322.6
Revenue from the provision of internet services	<b>10.7</b>	14.8
Revenue from planning promotion contracts	<b>1.9</b>	-
<b>Revenue from the sale of goods and services as reported in the statement of comprehensive income</b>	<b>3,751.3</b>	3,200.7

**4. Exceptional Items**

	<b>2025</b>	2024
	<b>£m</b>	£m
Legacy buildings provision (through Cost of Sales)	<b>39.8</b>	2.0
Profit on disposal of a business	<b>(11.1)</b>	-
Impairment of a financial asset	-	25.0
Affordable Homes Programme contribution (through Operating expenses)	<b>15.2</b>	-
Project fees (through Operating expenses)	<b>1.0</b>	7.4
<b>Exceptional items net charge</b>	<b>44.9</b>	34.4

During 2025 the Group recognised a net exceptional charge of £39.8m in relation to the increase in the anticipated costs of the Group's commitments to support leaseholders in buildings we had developed with the cost of removal of combustible cladding and other fire related remediation works. This reflected the identification of further developments for which we are now responsible and a greater understanding of remediation costs. Further details on this matter is provided in note 12.

On 5 August 2025 the assets of £65.9m, primarily Property, plant and equipment of £59.2m, and liabilities of £8.9m, mainly deferred tax liabilities of £8.7m, associated with the Group's FibreNest operation were sold to BUUK Infrastructure No2 Limited. Net proceeds received on the sale were £68.1m generating a profit on sale of £11.1m.

On 26 February 2024, the CMA launched an investigation under Chapter I of the Competition Act 1998 into suspected breaches of competition law by eight housebuilders (following the Barratt/Redrow mergers, seven housebuilders), including Persimmon, relating to concerns that they may have exchanged competitively sensitive information. On 10 January 2025, the CMA extended the timeline for the initial investigation by five months to May 2025.

On 9 July 2025, the CMA announced that it proposed to accept commitments and close its investigation, without making any findings that Persimmon Plc and its group companies had infringed UK competition law. Persimmon's decision to offer voluntary commitments does not constitute an admission of any wrongdoing nor does it imply that Persimmon agrees with the concerns expressed by the CMA in the investigation. The commitments include an ex-gratia financial contribution from all seven housebuilders to the Government's Affordable Housing Programme totalling £100m. Persimmon's proportionate contribution was £15.2m.

On 30 October 2025, the CMA officially closed its investigation accepting binding commitments from the seven housebuilders. The £15.2m ex-gratia contribution due from Persimmon was paid on 30 January 2026 and is reported within Trade and other payables at 31 December 2025.

In total there was a net exceptional charge of £44.9m (2024: £34.4m) in the year, of which £55.0m (2024: £27.0m) is non-cash related.

Given the non-recurring nature and scale, the net increase in the legacy buildings provision, the profit generated from the sale of FibreNest, the Affordable Housing Programme contribution and the associated fees (£1.0m) have been reported as exceptional to aid the understanding of the financial performance of the Group and to assist in the comparability of financial performance between accounting periods.

## 5. Tax

### Analysis of the tax charge for the year

	2025 £m	2024 £m
Tax charge comprises:		
UK corporation tax in respect of the current year	95.8	78.8
RPDT in respect of the current year	13.7	12.3
Adjustments in respect of prior years	(0.7)	(9.1)
	<b>108.8</b>	<b>82.0</b>
Deferred tax relating to origination and reversal of temporary differences	5.8	13.7
Adjustments recognised in the current year in respect of prior years deferred tax	(3.0)	(3.7)
	<b>2.8</b>	<b>10.0</b>
<b>Tax charge for the year recognised in statement of comprehensive income</b>	<b>111.6</b>	<b>92.0</b>

The tax charge for the year of £111.6m includes a credit of £11.5m relating to the exceptional items detailed in note 4. The Group has agreed to waive the tax deductibility of the £15.2m contribution to the Affordable Homes Programme. In addition, the profit on disposal of the FibreNest business is not subject to corporation tax due to the availability of reliefs.

The tax charge for the year can be reconciled to the accounting profit as follows:

	2025 £m	2024 £m
<b>Profit from continuing operations</b>	<b>397.3</b>	<b>359.1</b>
Tax calculated at UK standard corporation tax rate of 29.0% (inclusive of RPDT) (2024: 29.0%)	115.3	104.1
Goodwill impairment losses that are not deductible	1.0	0.5
Expenditure not allowable for tax purposes	2.2	2.1
Items not deductible for RPDT	(1.6)	(0.3)
Enhanced tax reliefs	(1.6)	(1.6)
Adjustments in respect of prior years	(3.7)	(12.8)
<b>Tax charge for the year recognised in statement of comprehensive income</b>	<b>111.6</b>	<b>92.0</b>

The tax charge for the year includes both current and deferred tax. The tax charge is based upon the expected tax rate for the full year, which is applied to taxable profits for the year, together with any charge or credit in respect of prior years and the tax impact of one-off/non-recurring items arising in the same year. Current tax includes both UK corporation tax and the Residential Property Developer Tax (RPDT).

Deferred Tax is calculated as the tax payable or recoverable in future accounting periods in respect of temporary differences which may be taxable or allowed as deductible. Temporary differences represent the difference between the carrying amount of an asset or liability in the financial statements and the relevant tax base.

The effective rate of tax for the period was 28.1% which was higher than in the prior year (2024: 25.6%) primarily as a result of deductions arising in the 2024 calculations from the finalisation of prior year tax returns, including one-off items in respect to the treatment of building safety remediation provisions.

### Deferred tax recognised in other comprehensive expense

	2025 £m	2024 £m
Recognised on remeasurement loss on pension schemes	(1.9)	(0.4)

### Tax recognised directly in equity

	2025 £m	2024 £m
<b>Arising on transactions with equity participants</b>		
Current tax related to equity settled transactions	0.6	(0.1)
Deferred tax related to equity settled transactions	(3.1)	0.9
	<b>(2.5)</b>	<b>0.8</b>

UK adoption of OECD Pillar 2: There is no impact from the implementation of the UK's domestic top-up tax, as the Group does not have any profits arising in any entities which are located in a non-UK jurisdiction, and which are taxed below the minimum rate of tax of 15%.

## 6. Earnings per share

Basic earnings per share is calculated by dividing the profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the year, excluding those held in the employee benefit trusts and any treasury shares, all of which are treated as cancelled, which were 320.1m (2024: 319.6m).

Diluted earnings per share is calculated by dividing the profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares in issue adjusted to assume conversion of all potentially dilutive ordinary shares from the start of the year, giving a figure of 323.8m shares (2024: 323.1m).

Underlying earnings per share excludes the net exceptional charge and goodwill impairment. The earnings per share from continuing operations were as follows:

	<b>2025</b>	2024
Basic earnings per share	<b>89.3p</b>	83.6p
Underlying basic earnings per share	<b>100.7p</b>	92.1p
Diluted earnings per share	<b>88.2p</b>	82.7p
Underlying diluted earnings per share	<b>99.6p</b>	91.1p

The calculation of the basic and diluted earnings per share is based upon the following data:

	<b>2025</b>	2024
	<b>£m</b>	£m
Underlying earnings attributable to shareholders	<b>322.5</b>	294.2
Net exceptional charge (net of tax)	<b>(33.4)</b>	(25.5)
Goodwill impairment	<b>(3.4)</b>	(1.6)
<b>Earnings attributable to shareholders</b>	<b>285.7</b>	267.1

At 31 December 2025 the issued share capital of the Company was 320,681,126 ordinary shares (2024: 319,914,868 ordinary shares).

## 7. Dividends/Return of capital

	<b>2025</b>	2024
	<b>£m</b>	£m
Amounts recognised as distributions to capital holders in the period:		
2023 final dividend to all shareholders of 40p per share paid 2024		127.9
2024 interim dividend to all shareholders of 20p per share paid 2024	-	63.9
2024 final dividend to all shareholders of 40p per share paid 2025	<b>128.1</b>	-
2025 interim dividend to all shareholders of 20p per share paid 2025	<b>64.0</b>	-
<b>Total capital return to shareholders</b>	<b>192.1</b>	191.8

The Directors propose a 40p final dividend in respect of the financial year 31 December 2025 to shareholders for each ordinary share held on the register on 19 June 2026 with payment made on 10 July 2026. The total anticipated distributions to shareholders is 60p per share (2024: 60p per share) in respect of the financial year ended 31 December 2025.

## 8. Group acquisition of subsidiary undertaking

On 20 August, the Group acquired 100% of the share capital of Lone Star Land Limited (Lone Star), a land promoter that operates principally in the Midlands. Details of the purchase consideration, net identifiable assets acquired and the resulting provisional goodwill are as follows:

<b>Purchase consideration</b>		<b>£m</b>
Cash paid on acquisition date		3.4
Contingent consideration at fair value		12.0
<b>Total purchase consideration</b>		<b>15.4</b>
<b>Net assets and liabilities recognised as a result of the acquisition</b>		<b>£m</b>
Intangible assets		7.9
Property, plant and equipment		0.1
Inventories		4.1
Trade and other receivables		0.6
Deferred tax liability		(1.4)
Trade and other payables		(6.4)
Net overdraft		(0.1)
<b>Net identifiable assets acquired at provisional fair value</b>		<b>4.8</b>
Provisional goodwill		10.6
<b>Net assets acquired at provisional fair value</b>		<b>15.4</b>

The assets and liabilities acquired have been recognised at their acquisition date provisional fair value, which may be amended during the 12 months following acquisition. The fair value of trade and other receivables is equal to the gross contractual amounts receivable.

Goodwill represents the value of intangible assets such as the expertise of the retained employees of Lone Star and the geographical area and land contacts they have that do not qualify for separate recognition under accounting standards. For tax purposes, none of the goodwill arising will be deemed deductible.

Revenue of £1.9m and a profit contribution of £0.7m are recognised in the Consolidated Income Statement in respect of Lone Star.

The Group's cash outflow in respect of the acquisition is as follows:

	<b>£m</b>
Cash paid on acquisition date	3.4
Net overdraft acquired	0.1
<b>Net outflow of cash</b>	<b>3.5</b>

As part of the acquisition £14.3m of the consideration is contingent and payable on satisfaction of obligations by the previous shareholders. The amounts payable are fixed amounts per the acquisition contract. Management currently assesses the likelihood of all obligations being satisfied as high and that all of the contingent consideration will be payable. The fair value of the contingent consideration, after discounting, is reported within other payables at the 31 December 2025.

There were no acquisitions in the year ended 31 December 2024.

## 9. Inventories

	<b>2025</b>	<b>2024</b>
	<b>£m</b>	<b>£m</b>
Land	<b>2,592.0</b>	2,265.6
Work in progress	<b>1,634.0</b>	1,426.3
Part exchange properties	<b>198.8</b>	154.4
Showhouses	<b>67.5</b>	56.5
<b>Inventories</b>	<b>4,492.3</b>	3,902.8

The Group has conducted a further review of the net realisable value of its land and work in progress portfolio at 31 December 2025. Our approach to this review has been consistent with that conducted at 31 December 2024 and was fully disclosed in the financial statements for the year ended on that date. This review gave rise to a reversal of £4.0m (2024: £nil) of provision of land that were written down in a previous accounting period and an impairment of land of £3.1m (2024: £nil). The key judgements and estimates in determining the future net realisable value of the Group's land and work in progress portfolio are future sales prices, house types and costs to complete the developments. Sales prices and costs to complete were estimated on a site by site basis. If the UK housing market were to improve or deteriorate in the future, then further adjustments to the carrying value of land and work in progress may be required.

Net realisable value provisions held against inventories at 31 December 2025 were £15.7m (2024: £16.8m). Following the review, £37.0m of inventories are valued at net realisable value rather than historical cost (2024: £26.4m).

#### 10. Shared equity loan receivables

	2025 £m	2024 £m
Shared equity loan receivables at 1 January	29.0	32.1
Settlements	(4.0)	(4.6)
Net gains	0.7	1.5
<b>Shared equity loan receivables at 31 December</b>	<b>25.7</b>	<b>29.0</b>

All gains/losses have been recognised in the statement of comprehensive income. Of the gains recognised in finance income for the period £nil (2024: £nil) was unrealised.

#### 11. Trade and other payables

	2025 £m	2024 £m
<b>Non-current liabilities</b>		
Land payables	269.8	183.3
Other payables	13.3	12.9
<b>Total</b>	<b>283.1</b>	<b>196.2</b>
<b>Current liabilities</b>		
Trade payables	475.4	277.7
Land payables	353.6	239.9
Other payables	81.0	65.9
Accrued expenses	213.8	222.8
<b>Total</b>	<b>1,123.8</b>	<b>806.3</b>

Land payables are reduced for imputed interest, which is charged to the Statement of Comprehensive Income over the credit period of the purchase contract.

#### 12. Legacy buildings provision

	2025 £m	2024 £m
Legacy buildings provision at 1 January	235.3	283.2
Additions to provision in the year	39.8	25.0
Imputed interest on provision in the year	7.0	7.4
Provision released in the year	-	(23.0)
Provision utilised in the year	(56.1)	(57.3)
<b>Legacy buildings provision at 31 December</b>	<b>226.0</b>	<b>235.3</b>

In 2020 the Group made an initial commitment that no leaseholder living in a building we had developed should have to cover the cost of removal of combustible cladding. During 2022 we signed the Building Safety Pledge (England) and worked constructively with the Government to agree the 'Long-Form Contract' that turned the pledge into a legal agreement. The Self Remediation Contract was signed on 13 March 2023. In December 2025 we were the first housebuilder to sign the Scottish Government's developer remediation contract.

In the year we have been informed by management companies of further potential liabilities for fire remediation costs, and we have added four developments to the total number of developments. The number of developments we are now responsible for stands at 87, of which 43 have now either secured EWS1 certificates or concluded any necessary works. It is assumed the majority of the work will be completed over the next two years and the amount provided for has been discounted accordingly.

<b>Identified developments</b>	<b>As of 31 Dec 2025</b>	<b>As of 31 Dec 2024</b>
Recently made aware and under investigation	1	1
Pre-tender preparation ongoing	4	9
Live tender process	3	-
<b>Sub-total: progressing through tender</b>	<b>8</b>	<b>10</b>
Progressing to contract	8	8
Contracted but works yet to start	4	4
<b>Sub-total: pre-works starting</b>	<b>20</b>	<b>22</b>
Currently on site	24	21
<b>Sub-total: to complete</b>	<b>44</b>	<b>43</b>
Completed developments	43	40
<b>Total identified developments</b>	<b>87</b>	<b>83</b>

During the year £56.1m of the provision has been utilised for works undertaken whilst £7.0m of imputed interest has been charged to the statement of comprehensive income through finance costs. During the year £39.8m has been charged, following a review of the projected costs to complete rectification work. This includes estimation of the costs of rectification of the four additional developments requiring remediation and additional complications and works identified once site works commenced and facades stripped, offset by works assumed by, and recoveries secured from, historic subcontractors. Due to the non-recurring nature of these charges they have been disclosed as exceptional items to support the understanding of the financial performance and improve the comparability between reporting periods.

Based on current cashflow forecasts management forecast that £83.2m of the provision will be utilised within the next 12 months and as a result has been reported as a current liability in the 31 December 2025 balance sheet.

The assessment of the provision remains a highly complex area with judgments and estimates in respect of the cost of the remedial works, with investigative surveys on-going to determine the full extent of those required works. Where remediation works have not yet been fully tendered, we have estimated the likely scope and costs of such works based on experience of other similar sites. Whilst we have exercised our best judgement of these matters, there remains the potential for variations to this estimate from multiple factors such as material, energy and labour cost inflation, limited qualified contractor availability and abnormal works identified on intrusive surveys. Should a 20% variation in the costs of untendered projects occur then the overall provision would vary by +/- £17.2m.

The financial statements have been prepared on the latest available information; however, there remains the possibility that, despite management's endeavours to identify all such properties, including those constructed by acquired entities well before acquisition, further developments requiring remediation may emerge.

### 13. Financial instruments

In aggregate, the fair value of financial assets and liabilities are not materially different from their carrying value.

Financial assets and liabilities carried at fair value are categorised within the hierarchical classification of IFRS 7 Revised (as defined within the standard) as follows:

	<b>2025 £m</b>	<b>2024 £m</b>
	<b>Level 3</b>	<b>Level 3</b>
Shared equity loan receivables	<b>25.7</b>	29.0
Other payables	<b>(12.0)</b>	-

#### Shared equity loan receivables

Shared equity loan receivables represent loans advanced to customers and secured by way of a second charge on their new home. They are carried at fair value. The fair value is determined by reference to the rates at which they could be exchanged by knowledgeable and willing parties. Fair value is determined by discounting forecast cash flows for the residual period of the contract by a risk adjusted rate.

There exists an element of uncertainty over the precise final valuation and timing of cash flows arising from these loans. As a result the Group has applied inputs based on current market conditions and the Group's historical experience of actual cash flows resulting from such arrangements. These inputs are by nature estimates and as such the fair value has been classified as Level 3 under the fair value hierarchy laid out in IFRS 13 Fair Value Measurement.

Significant unobservable inputs into the fair value measurement calculation include regional house price movements based on the Group's actual experience of regional house pricing and management forecasts of future movements, weighted average duration of the loans from inception to settlement of ten years (2024: ten years) and discount rate 7.5% (2024: 8.8%) based on current observed market interest rates offered to private individuals on secured second loans.

The discounted forecast cash flow calculation is dependent upon the estimated future value of the properties on which the shared equity loans are secured. Adjustments to this input, which might result from a change in the wider property market, would have a proportional impact upon the fair value of the loan. Furthermore, whilst not easily accessible in advance, the resulting change in security value may affect the credit risk associated with the counterparty, influencing fair value further.

### Other payables

As part of the acquisition of Lone Star Land Limited, £14.3m of the consideration is contingent and payable on satisfaction of obligations by the previous shareholders. The amounts payable are fixed amounts per the acquisition contract. Given the nature of the obligations the previous shareholders face there exists an element of uncertainty over the actual consideration that will be paid. Management currently assesses the likelihood of all obligations being satisfied as high and that all of the contingent consideration will be payable. Since management's assessment of likelihood is an estimate, the fair value has been classed as Level 3 under the fair value hierarchy laid out in IFRS 13 Fair Value Measurement. A discount rate of 9.0% based on the Group's weighted average cost of capital has been applied. The fair value of the contingent consideration, after discounting, is reported within Other payables at 31 December 2025.

### 14. Reconciliation of net cash flow to net cash and analysis of net cash

	2025 £m	2024 £m
Cash and cash equivalents at 1 January	258.6	420.1
Decrease in net cash and cash equivalents in cash flow	(141.6)	(161.5)
Cash and cash equivalents at 31 December	117.0	258.6
IFRS 16 lease liability	(14.7)	(14.5)
<b>Net cash at 31 December</b>	<b>102.3</b>	<b>244.1</b>

Net cash is defined as cash and cash equivalents, bank overdrafts and interest bearing borrowings.

On 26 January 2026 the Group's Revolving Credit Facility was amended, increasing the loan facility from £700m to £750m with a term to 5 July 2030, and securing a further £250m fixed term facility to 31 January 2028, giving an increased total secured funding of £1,000m. The facility was undrawn at 31 December 2025.

### 15. Retirement benefit assets

As at 31 December 2025 the Group operated four employee pension schemes, being two Group personal pension schemes and two defined benefit pension schemes. Remeasurement gains and losses in the defined benefit schemes are recognised in full as other comprehensive income within the statement of comprehensive income. All other pension scheme costs are reported in profit or loss.

The amounts recognised in the Consolidated Statement of Comprehensive Income are as follows:

	2025 £m	2024 £m
Current service cost	-	0.2
Administrative expense	0.5	0.4
Curtailment cost	-	0.1
Pension cost recognised as operating expense	0.5	0.7
Interest cost	20.0	18.6
Return on assets recorded as interest	(27.2)	(24.3)
Pension cost recognised as net finance credit	(7.2)	(5.7)
Total defined benefit pension credit recognised in profit or loss	(6.7)	(5.0)
Remeasurement loss recognised in other comprehensive income	6.7	1.5
<b>Total defined benefit scheme gain recognised</b>	<b>-</b>	<b>(3.5)</b>

The amounts included in the balance sheet arising from the Group's obligations in respect of the Pension Scheme are as follows:

	2025 £m	2024 £m
Fair value of Pension Scheme assets	502.0	504.3
Present value of funded obligations	(371.3)	(373.6)
<b>Net pension asset</b>	<b>130.7</b>	<b>130.7</b>

**16. Contingent Assets & Liabilities**

As disclosed in note 12 the Group has undertaken a review of all its legacy buildings that used cladding on their facades. The financial statements have been prepared on the latest available information; however, there remains the possibility that, despite management's, endeavours to identify all such properties, including those constructed by acquired entities well before acquisition, further developments requiring remediation may emerge. There is also the possibility that estimates based on preliminary assessments regarding the scale of remediation works relating to buildings yet to be fully surveyed may prove incorrect. The cost of remedial works will remain under review and be updated as works progress.

**17. Principal Risks and Viability Statement**

Key priorities:	
1.	Build quality and safety
2.	Customers at the heart of our business
3.	Disciplined growth: high-quality land investment
4.	Industry-leading financial performance
5.	Supporting sustainable communities

**External Risks**

**1. UK economic and market conditions**

Risk rating	Very high
Risk trend	No change
Risk appetite	Averse Within tolerance
Risk owners	Executive Committee and Regional Chairs
Link to strategic priorities	3 and 4

**Risk description**

Failure to anticipate, respond or adapt to changes in the UK macroeconomic environment, including any significant events or trends affecting employment levels, inflation, and mortgage availability or affordability could impact on overall consumer confidence, reducing demand and pricing for new homes. This could reduce revenues, margins, profits and cash flows and potentially result in the impairment of asset values. Changes in economic and market conditions could also drive competitors to make different strategic choices or take actions that could pose a threat to our overall strategy and business model, such as increased consolidation within the sector.

**Key mitigations**

- Highly disciplined approach to investments in land and work in progress, factoring in both current and anticipated levels of demand.
- Continuous focus on pricing structures to align with local market conditions. Our UK-wide network (with no significant presence in London) and product range (including our premium Charles Church product) provides some insulation against the effects of regional economic fluctuations.
- The Board’s annual strategic review assesses anticipated changes in external conditions to determine appropriate strategic responses. Sales prices and incentives to support sales are kept under constant review.
- Introduction of innovative products, including our New Build Boost and Rezone shared equity products, to support affordability.
- Economic and market risks are subject to designated material controls within our internal control framework.

**Risk Monitoring measures**

- The Board, Executive Committee and Management Risk Committee closely monitor UK economic trends, using both internal and external sources, with regular market and economic briefings from expert advisors.
- Sales rates and pricing patterns are reviewed on a weekly basis.
- The Board considers the effectiveness of the Group’s risk management and internal control framework, including controls over economic and market risks as part of its annual review process.

## 2. Government policy and political risk

Risk rating	Very high
Risk trend	No change
Risk appetite	Averse Within tolerance
Risk owners	Group Director of Strategic Partnerships and External Affairs Group Planning Director Regional Chairs
Link to strategic priorities	1 and 5

### Risk description

Failure to anticipate, respond or adapt to changes in Government policy could materially affect the delivery of our strategy. The housebuilding industry is becoming increasingly regulated, and can be heavily impacted by political decisions at both national and local level. The delivery of our strategy can be materially affected by political decisions in areas such as planning, regulatory costs, support schemes or specific industry taxation. These have the potential to adversely affect our revenues, margins, tax charges and asset values, and impact on the viability of future land investments.

### Key mitigations

- Alignment of our mission and strategy to the UK Government's objective of accelerating the delivery of new homes over the course of the current Parliament.
- We have expertise in managing and responding to relevant areas subject to Government involvement at both local and national level, including through our Group Land, Planning, Technical and External Affairs departments, and through engagement with industry bodies.
- A focused and methodical approach has been established to build relationships with councils and support alignment of development with local priorities.
- We also engage and participate in industry groups, including the HBF.
- Government policy and political risks are subject to designated material controls within our internal control framework.

### Risk monitoring measures

- The Executive Committee and Board are routinely apprised of likely evolutions in Government housing policy through the close monitoring of our External Affairs, Technical and Land and Planning departments.
- Planning refusal rates are monitored closely to ensure our approach can be adjusted where necessary.
- Routine principal risk reporting to the Board includes updates on political evolutions at national and local levels.

## 3. Climate change and sustainability

Risk rating	Medium
Risk trend	No change
Risk appetite	Averse Within tolerance
Risk owners	Group Strategy & Regulatory Director Group Sustainability Director
Link to strategic priorities	2 and 5

### Risk description

Failure to respond effectively to the UK's transition to a lower-carbon and more sustainability-focused economy, including evolving legal and regulatory requirements and changes in customer perceptions and priorities could adversely affect planning decisions, our cost base and access to key materials and skills. Increased physical risks are also developing from climate change, with greater frequency of extreme weather events such as storms and flooding having the potential to cause increased disruption to construction activities.

### Key mitigations

- We consider sustainability issues and the potential impacts of climate change routinely in key business decisions, from land acquisition through to planning and build processes.
- Development of a decarbonisation pathway to 2045.
- Land appraisals reflect cost impacts from regulatory changes (e.g. Future Homes Standard).
- Our UK-wide network of sites minimises the potential impact of localised extreme weather events.
- Climate and sustainability risks are subject to designated material controls within our internal control framework.

**Risk monitoring measures**

- The Sustainability Committee meets regularly to review progress on our climate and sustainability-related initiatives.
- Management reporting includes key climate and sustainability indicators such as CO<sub>2</sub> emissions, diesel usage and waste generation.
- Our Scope 1, Scope 2, Scope 3 category 1 (purchased goods and services) and Scope 3 category 11 (use of sold products) emissions are subject to external review.
- The Board considers the effectiveness of the Group's risk management and internal control framework, including controls around climate and sustainability risks as part of its annual review process.

**Health, safety and environment (HS&E) risks**

**4. HS&E event**

Risk rating	Medium
Risk trend	Decrease
Risk appetite	Averse Within tolerance
Risk owners	Group HS&E Committee Group HS&E Director Group Construction Director Group Special Projects Director
Link to strategic priorities	1

**Risk description**

Failure to safeguard our sites, or to fully adhere to the Group's robust framework of HS&E management system could result in serious injury or loss of life, or damage to the natural environment. In addition to the human impacts of any health, safety or environmental breach or incident, there is potential for reputational damage, construction delays and financial penalties.

**Key mitigations**

- Comprehensive HS&E management system, certified to the ISO45001 standard, to support safe working practices.
- Training programmes to embed our policies effectively.
- Award-winning Target Zero initiative to drive awareness of workplace safety and reduce the volume of safety-related incidents in our operations.
- Inspection regime led by our Group HS&E department.
- Engagement with industry forums and best practice groups.
- HS&E risks are subject to designated material controls within our internal control framework.

**Risk monitoring measures**

- The Group HS&E Director provides regular narrative and KPI reporting to the Board on HS&E matters.
- Data from inspections by the Group HS&E department feeds into management reports at all levels of the Group.
- Health & Safety Committees are in place for the Group as a whole, and at operating company level, to monitor HS&E performance and trends.
- Assurance provided through Group Risk & Internal Audit department programme of HS&E audits, with results and follow-up of actions reported to both Executive management and the Audit & Risk Committee.
- The Board considers the effectiveness of the Group's risk management and internal control framework, including HS&E controls as part of its annual review process.

**5. Building safety and legacy buildings**

Risk rating	High
Risk trend	No change
Risk appetite	Averse Within tolerance
Risk owners	Group Construction Director Group Head of Building Safety Group Special Projects Director
Link to strategic priorities	1 and 2

**Risk description**

Failure to execute construction activities in line with applicable legal and regulatory requirements could result in building safety defects, which could pose potential risk to resident safety, reputational damage, and remediation costs. Good progress has been made on legacy building safety remediation, with many developments resolved and interim measures established to ensure resident safety for those awaiting remediation. Risks remain if remediation is subject to delay or disruption due to the complex nature of the works, lack of availability of skilled contractors or evolutions in regulation or should further buildings requiring remediation be identified. These could expose us to additional costs and reputational damage.

**Key mitigations**

- The Group Construction department, including the specialist Building Safety function, provides oversight to ensure continued alignment to good practice in building safety over the lifecycle of the homes we build.
- For legacy buildings, our dedicated Special Projects team provides oversight on the assessment of any remediation required, the contracting, inspection and completion of works.
- Independent Quality Controllers, reporting centrally, provide assurance on the quality and status of remediation works.
- Assumptions on the estimated financial costs associated with the legacy remediation works have been subject to comprehensive challenge and are regularly reassessed.

**Risk monitoring measures**

- The Board receives routine reporting on the progress of the works on legacy buildings.
- The Finance team monitors costs incurred and provides assurance on the utilisation and ongoing appropriateness of our provision.
- The Group Risk & Internal Audit department conducts routine audit engagements on construction activities and their alignment to internal procedures and regulatory requirements.

**Operational risks**

**6. Land and planning**

Risk rating	High
Risk trend	No change
Risk appetite	Cautious Within tolerance
Risk owners	Group Planning Director Group Director of Land Operations Group Director of Transformation and Land Strategy Group Strategic Land Director Regional Chairs
Link to strategic priorities	3

**Risk description**

Failure to maintain an adequate supply of high-quality land, due to delays in planning approval, or inability to identify and procure land at appropriate levels of return, could affect our ability to grow our outlet position, impacting future sales, margins and profits, jeopardising the delivery of our strategic objectives.

**Key mitigations**

- Robust scrutiny for all potential land transactions through comprehensive viability assessments, with Land Committee process to approve transactions which demonstrate both appropriate returns and alignment with our overall strategy.
- Established processes to build relationships with councils, land agents and promoters, supporting alignment of potential development with local priorities.
- Strengthened processes for development of strategic land, including investments in our in-house teams and the acquisition of Lone Star Land.
- Land and planning risks are supported by designated material controls within our internal control framework.

**Risk monitoring measures**

- The Group’s Land Committee meets regularly to review our current land holdings and future needs, and to assess potential land transactions.
- Volume of planning permissions obtained is monitored and reported on routinely, including tracking against legal completions via principal risk reporting.
- Outlet numbers are tracked routinely by management and subject to detailed reporting.
- The Board considers the effectiveness of our land and planning controls as part of its annual review process.

## 7. Supply chain

Risk rating	Medium
Risk trend	No change
Risk appetite	Cautious Within tolerance
Risk owners	Chief Commercial Officer Group Commercial Director Group Procurement Director
Link to strategic priorities	1 and 4

### Risk description

Failure to secure reliable access to materials and skilled subcontract labour at an appropriate cost could adversely affect build programmes, construction quality and margins. This risk may become more acute as the UK strives to deliver a greater volume of new build homes, heightening demand for materials and labour. Similarly, disruption to our vertical integration model could constrain supply, causing cost inflation and disruption to build programmes.

### Key mitigations

- We benefit from vertical integration, with security of supply on some key materials through our Brickworks, Tileworks and Space4 facilities.
- Long-term relationships exist with key suppliers and subcontractors at both Group-wide and operating company levels.
- Strategic approach to procurement, led by our Group Procurement team, with supply chain engagement, established processes for appointing suppliers and ongoing performance monitoring.
- Detailed forecasting and planning of material requirements to inform supplier negotiations, driving value and ensuring availability to align with build programmes.
- Group Commercial oversight and monitoring of operating company controls, including robust processes to monitor material purchases and stock holdings to minimise potential for loss or damage during construction.

### Risk monitoring measures

- The Group Procurement department provides routine monitoring of trends and supplier performance.
- Site budgets and performance, including availability and pricing of materials, are assessed through the bi-monthly valuation process.
- The Chief Commercial Officer attends the Management Risk Committee and provides updates on key supply chain issues.
- The Board reviews the effectiveness of the Group's risk management and internal control framework, including supply chain controls, as part of its annual review process.

## 8. Finance and liquidity

Risk rating	Low
Risk trend	No change
Risk appetite	Cautious Within tolerance
Risk owners	Group CFO Group Financial Controller Senior Group Accountant
Link to strategic priorities	3 and 4

### Risk description

The Group's strategy relies upon access to significant working capital to fund investments in land and work in progress. This includes periods when we will be required to draw upon our Revolving Credit Facility (RCF). Failure to manage and optimise cash requirements effectively could lead to unnecessarily high borrowing costs, breaches of loan covenants, or an inability to take advantage of land or other investment opportunities that could benefit the Group.

### Key mitigations

- We closely monitor our cash position and forecast cash utilisation to ensure these are sufficient to support land investments, fund work in progress and meet other requirements identified through annual budgets and business planning processes.
- Established governance processes are in place to scrutinise land investment decisions through the Land Committee, and work in progress through the bi-monthly valuations.
- The Group's RCF is considered sufficient to meet all our projected funding requirements in the short to medium term. The RCF is in place to July 2030.
- Liquidity and financing risks are supported by material controls within our internal control framework.

**Risk monitoring measures**

- Utilisation of the RCF and optimisation of cash deposits are monitored daily by the Group Finance team.
- Covenants on the RCF are monitored and subject to periodic certification.
- The Board is provided with routine reporting on our actual and forecast cash positions.
- The Board considers the effectiveness of the Group's risk management and internal control framework as part of its annual review process, including controls relating to liquidity and treasury management.

**9. Skilled workforce, retention and succession**

Risk rating	Medium
Risk trend	No change
Risk appetite	Cautious Within tolerance
Risk owners	Chief HR Officer Director of Talent & Diversity
Link to strategic priorities	1

**Risk description**

Failure to attract, retain and develop a suitably skilled workforce, supported by effective leadership and succession planning, could adversely impact upon delivery of our strategy. An ageing workforce and continued competition for skilled labour in our sector risks exacerbating labour shortages and potential for increased costs, operational disruption and delays to build programmes.

**Key mitigations**

- Attraction of high-quality workforce through the development of a compelling employee value proposition.
- Development of talent through comprehensive training programmes including apprenticeships, Graduate Scheme and the Persimmon Pathways in core disciplines.
- Succession planning programmes to support career development and retain talent.
- Competitive remuneration packages to attract and retain talent at all levels, including our Real Living Wage commitment, Sharesave and other employee benefits.
- Employee engagement monitoring through surveys and our Employee Engagement Panel.

**Risk monitoring measures**

- The Group HR department provides reporting, including metrics such as training hours, to management at all levels of the Group.
- The Chief HR Officer is a member of the Group Executive Committee, and provides additional periodic reports and updates to the Board on employment trends.
- Feedback from the Employee Engagement Panel and annual Employee Engagement Survey is reviewed by the Board and shared with operational management.
- Routine principal risk reports to the Audit & Risk Committee include staff turnover data and commentary from the Group HR department.

**10. Business resilience**

Risk rating	High
Risk trend	Increase
Risk appetite	Averse Within tolerance
Risk owners	Management Risk Committee Chief Information Officer Chief Information Security Officer Group Risk Manager
Link to strategic priorities	2, 4 and 5

**Risk description**

Failure to prevent, detect or respond effectively to a cyber attack or other material event causing the failure or disruption of core systems, data loss, or supply chain interruption could adversely affect operational activities, resulting in significant financial costs and reputational damage.

**Key mitigations**

- Oversight and challenge from the Management Risk Committee.
- Disaster recovery protocols and supporting fallback options for key operational processes and systems under Business Continuity Planning (BCP) measures.
- Robust IT security measures aligned to Cyber Essentials Plus, subject to continuous improvement through programmes of investment including our initial Cyber Security Infrastructure Improvement Programme (CSIIP) in the first half of 2025 and the subsequent and ongoing Cyber Risk Reduction (CRR) programme.
- Routine in-house training and communications to promote awareness of cyber security and data protection issues, including threats evolving from the increased use of Artificial Intelligence.
- Regular reviews by external partners, including penetration testing, audit engagements and scenario planning, to provide assurance on the effectiveness of our cyber control environment.
- Business resilience, including cyber risk, are subject to material controls within our internal control framework.

**Risk monitoring measures**

- Regular Board updates provided by the CIO, with periodic presentations by the CIO and CISO to the Audit & Risk Committee on evolutions in our cyber posture.
- Routine CIO reporting to the Group Executive Committee, ensuring IT and cyber risks are actively considered in all key business decision making.
- The CIO attends the Management Risk Committee and provides updates on key cyber issues, supported by reporting and presentations from the Group CISO.
- The Management Risk Committee monitors the implementation of actions arising from BCP tests, with updates provided to the Executive Committee.

**Reputational and regulatory risks**

**11. Reputation**

Risk rating	Medium
Risk trend	No change
Risk appetite	Cautious Within tolerance
Risk owners	Group Director of Strategic Partnerships and External Affairs Group Investor Relations Director Group Construction Director Chief Customer Experience Officer Regional Chairs
Link to strategic priorities	1, 2, 4 and 5

**Risk description**

Failure to deliver and maintain high standards across areas such as build quality, customer experience and health and safety, could damage our relationships with key stakeholders such as landowners, local authorities, customers, the supply chain, regulatory bodies and investors. This could affect our ability to deliver our strategic objectives.

**Key mitigations**

- Board and Executive Committee-level commitment to a culture of excellence, with particular emphasis on high-quality in construction, health and safety and customer care.
- Significant and ongoing investments in operational capabilities to deliver high-quality new homes and customer experience.
- Processes to build positive relationships with all our stakeholders, including local authorities and the communities in which we build, through addressing housing need, supporting local employment and making valuable contributions to local infrastructure and community causes.
- Reputational risk considerations are subject to material controls within our internal control framework.

**Risk monitoring measures**

- Reporting to the Executive Committee and Board on key operational performance measures covering build quality and customer experience.
- The Board also oversees stakeholder engagement, including monitoring feedback from shareholders, and the results of our Employee Engagement Surveys and the Employee Engagement Panel.
- Routine principal risk reports issued to the Audit & Risk Committee include a range of internal and external indicators on reputation, such as NHBC survey data, Trustpilot scores and management of customer complaints.

## 12. Regulatory compliance

Risk rating	Medium
Risk trend	No change
Risk appetite	Averse Within tolerance
Risk owners	Chief Customer Experience Officer Group Construction Director Group Director of Legal Services Company Secretary Group Strategy & Regulatory Director
Link to strategic priorities	1, 2 and 5

### Risk description

Failure to comply with any of the increasingly complex regulations we face, whether specific to our housebuilding operations or those applicable to other large UK listed businesses, could result in reputational damage, operational disruption and the imposition of financial penalties.

### Key mitigations

- Comprehensive management systems to ensure regulatory and legal compliance, including policies, procedures and internal training for key areas of regulation.
- Oversight from specialists within Group-level functions to ensure compliance with key regulations.
- Second-line inspection regimes (e.g. from IQCs and HS&E Advisors) supported by internal audits and external reviews to support regulatory compliance.

### Risk monitoring measures

- The Board and Audit & Risk Committee are provided with regular updates on core areas of regulatory compliance and preparation for upcoming regulatory change.
- Compliance monitoring activities are subject to regular review and independent assurance.
- The Board considers the effectiveness of the Group's risk management and internal control framework as part of its annual review process, including controls to support regulatory compliance.

## Viability Statement

### Persimmon's prospects and viability

The long-term prospects and viability of the business are a consistent focus of the Board when determining and monitoring the Group's strategy. The identification and mitigation of the principal risks facing the business, which have been updated to reflect current UK economic conditions and uncertainties, also form part of the Board's assessment of long-term prospects and viability\*.

### Assessing Persimmon's long-term prospects

Persimmon has built a strong position in the UK's housebuilding market over many years, recognising the potential for long-term growth across regional housing markets. The Board recognises that the long-term demographic fundamentals of continued positive population growth and new household formation, together with the requirement to replace and improve the quality of the country's housing stock, provide a long-term supportive backdrop for the industry. However, the Board and the Group's strategy recognises the inherently cyclical nature of the UK housing market. The Group has therefore been able to maintain a position of strength with high-quality land holdings and a strong balance sheet throughout the disruption caused by the cost of living crisis and ongoing geopolitical uncertainty. The future impacts of these disruptions in creating uncertainty within the UK economy and subsequent effect on the Group's sales and construction programmes remain uncertain. The Board has considered these potential impacts in depth when assessing the long-term prospects of the Group.

Whilst this uncertainty remains, Persimmon possesses the sound fundamentals required to realise the Group's purpose and ambitions and deliver sustainable success:

- talented teams focused on consistently delivering good quality new homes for our customers;
- high-quality land holdings that allow us to create attractive places in areas where people wish to live and work;
- strong customer and local community relationships;
- continued investment in the training and development of our teams;

- market knowledge, expertise and industry know-how;
- long-term healthy supplier engagement; and
- vertical integration ensuring internalised supply of key materials.

By continuing to build on these solid foundations through, for example, The Persimmon Way and our ongoing investments in the customer experience, its land, development sites and in its supply chain, the Group aims to create enduring value for the communities we serve and our wider stakeholders. This is reflected within the Group's materiality assessment, which ensures a thorough review of stakeholder interests is incorporated within the assessment of the Group's long-term prospects.

The Group adopts a disciplined annual business planning regime, which is consistently applied and involves the management teams of the Group's housebuilding businesses and senior management, with input and oversight by the Board. The Group combines detailed five-year business plans generated by each housebuilding business from the 'bottom up', with projections constructed from the 'top down' to properly inform the Group's business planning over these longer-term horizons. Zero-based 12-month budgets are established for each business annually.

This planning process provides a valuable platform, which facilitates the Board's assessment of the Group's short and long-term prospects. Consideration of the Group's purpose, current market position, its five key priorities and overall business model, and the risks that may challenge them are all included in the Board's assessment of the prospects of the Group.

### **Key factors in assessing the long-term prospects of the Group:**

#### **1. The Group's current market positioning**

- Sales network of active developments across the UK providing geographic diversification of revenue generation.
- Three distinct brands providing diversified products and pricing deliver further diversification of sales.
- Imaginative and comprehensive master planning of development schemes with high amenity value to support sustainable, inclusive neighbourhoods which generate long-term value to the community.
- Disciplined land replacement reflecting the extent and location of housing needs across the UK provides a high-quality land bank in the most sustainable locations supporting future operations.
- Long-term supplier and subcontractor relationships providing healthy and sustainable supply chains.
- Sustained investment to support higher levels of construction quality and customer service through the implementation of initiatives such as The Persimmon Way.
- Strong financial position year end net cash and a £700m working capital credit facility that has during the year been extended to July 2030.
- During January 2026 the existing £700m credit facility was increased by £50m to £750m. In addition a £250m term loan was agreed with each of our banking partners. The loan term is two years through to January 2028 with the ability to extend for a further year.

#### **2. Strategy and business model**

- Strategy focuses on the risks associated with the housing cycle and on minimising financial risk and maintaining financial flexibility.
- Focusing on constructing new homes for our customers to the high-quality standards that they expect and helping to create attractive neighbourhoods.
- Strategy recognises the Group's ability to generate surplus capital beyond the reinvestment needs of the business.
- Substantial investment in staff engagement, training and support to sustain operations over the long-term.
- Disciplined land replacement reflecting the extent and location of housing needs across the UK provides a high-quality land bank in the most sustainable locations supporting future operations.
- Long-term supplier and subcontractor relationships providing healthy and sustainable supply chains.
- Approach to land investment and development activity provides the opportunity to successfully deliver much-needed new housing supply and create value over the long-term.
- Differentiation through vertical integration, achieving security of supply of key materials and complementary modern methods of construction to support sustainable growth.
- Simple capital structure maintained with no structural gearing.

### 3. Principal risks associated with the Group's strategy and business model include

- Disruption to the UK economy and housing market conditions adversely affecting demand for and pricing of new homes, availability and pricing of land, or contributing to inflationary pressures.
- Changes in Government policy affecting the housebuilding sector, such as those relating to taxation, planning conditions or market support.
- Climate change risk, comprising both transition (legal and regulatory changes affecting the housebuilding sector) and physical (operational disruption through more frequent and prolonged adverse weather) elements.
- Failure to safeguard our sites, our people, our customers or the environment we work in could impact our reputation or result in financial penalties.
- Reputational damage and increased costs resulting from disruption or delays to scheduled remediation works to ensure resident safety.
- Failure to maintain an adequate supply of high-quality land due to planning constraints or inability to procure land at appropriate levels of return.
- Disruption to supply chains, affecting the availability of key construction materials.
- Ability of the Group to access significant working capital to fund investments in land and work in progress.
- Adverse market competition and construction workforce trends, resulting in an inability to attract and retain high-quality workers and an appropriately experienced management team.
- Cyber and data risk, including potential for significant or prolonged operational disruption arising from cyber-attack or failure of critical IT systems.
- Requirement to maintain a reputation for high standards of business conduct across all aspects of operations whilst working within an increasingly complex regulatory landscape.

See above for the full list of principal risks together with detailed descriptions.

#### **Disciplined strategic planning process**

The prospects for the Group are principally assessed through the annual strategic planning review process conducted towards the end of each year. The management team from each of the Group's housebuilding businesses produce a five-year business plan with specific objectives and actions in line with the Group's strategy and business model. These detailed plans reflect the development skill base of the local teams, the region's housing market, strategic and on-market land holdings and investments required to support their objectives. Special attention is paid to construction programmes and capital management through the period to ensure the appropriate level of investment is made at the appropriate time to support delivery of the plan. Emerging risks and opportunities in their markets are also assessed at this local level.

Senior Group management review these plans and balances the competing requirements of each of the Group's businesses, allocating capital with the aim of achieving the long-term objectives of the Group including our five key priorities. The five-year plans provide the context for setting the annual budgets for each business for the start of the new financial year in January, which are consolidated to provide the Group's detailed budgets. The Board reviews and agrees both the long-term plans and the shorter-term budgets for the Group.

The outputs from the business planning process are used to support development construction planning, impairment reviews, funding projections, reviews of the Group's liquidity and capital structure, and for the identification of surplus capital available for return to shareholders via the Group's Capital Allocation Policy.

#### **Assessing Persimmon's viability**

The Directors have assessed the viability of the Group over a five-year period, taking into account the Group's current position and the potential impact of the principal risks facing the Group.

The Directors consider the use of a five-year period as the most appropriate time horizon for the purpose of assessing the viability of the Group, as it reflects the business model of the Group, with new land investments generally taking at least five years to build and sell through, and for the development infrastructure to be adopted by local authorities.

A key feature of the Group's strategy, as documented in the Strategic Report and set out in the Group's capital allocation priorities, is the Group's commitment to maintain capital discipline over the long-term through the housing cycle.

The key principles of the capital allocation policy are:

- maintain a strong balance sheet and low leverage through the housing cycle, while prioritising our building safety remediation works;
- invest in the long-term performance and growth of Persimmon through continuing our disciplined approach to land acquisition and investment into enhancing the Group's operational capabilities;
- pay ordinary dividends at a sustainable level that is well covered by post-tax profits through the housing cycle, thereby balancing capital retained for investment in the business with those dividends; and
- return any excess capital to shareholders from time to time, through a share buyback or special dividend as considered to be appropriate at the time.

On 11 March 2025, in line with the Capital Allocation Policy, the Directors declared a final dividend of 40p per share in respect of the financial year ended 31 December 2024. This final dividend approved at the 2025 Annual General Meeting and was paid to shareholders on 11 July 2025.

On 13 August 2025, the Directors announced their intention to pay 20p per share as an interim cash dividend in respect of the financial year to 31 December 2025. This interim dividend was paid to shareholders on 7 November 2025.

On 10 March 2026, the Directors declared a final dividend of 40p per share in respect of financial year ended 31 December 2025.

On an annual basis, the Directors review financial forecasts used for this Viability Statement as explained in the disciplined strategic planning processes outlined earlier. These forecasts incorporate assumptions on issues such as the timing of legal completions of new homes sold, average selling prices achieved, profitability, working capital requirements and cash flows.

The Directors have also carried out a robust assessment of the principal and emerging risks facing the Group, and how the Group manages those risks, including those risks that would threaten its strategy, business model, future operational and financial performance, solvency and liquidity. This risk assessment was also informed by the performance of the Group's materiality assessment, incorporating views from the Group's key stakeholders, and through a comprehensive survey to incorporate input from the Board and senior management from across the Group. The Directors have considered the impact of these risks on the viability of the business by performing a range of sensitivity analyses when compared to base position being the actual performance for full year 2025, including severe but plausible scenarios materialising together with the likely effectiveness of mitigating actions that would be executed by the Directors.

The scenarios emphasise the potential impact of severe market disruption including, for example, the effect of economic disruption from a cost of living crisis or a war on the short to medium-term demand for new homes. The scenarios' emphasis on the impact on the cash inflows of the Group through reduced new home sales is designed to allow the examination of the extreme cash flow consequences of such circumstances occurring. The Group's cash flows are less sensitive to supply side disruption given the Group's sustainable business model, flexible operations, agile management team and off-site manufacturing facilities.

The first scenario modelled is a severe but plausible downside scenario that models a fall in housing revenue, when compared to full year 2025, of c.53% for full year 2026 followed by a gradual recovery. The housing revenue modelled factors in changes in both volumes and average selling prices. The assumption used in this scenario reflects the experience management gained during the global financial crisis from 2007 to 2010, it being the worst recession seen in the housing market since World War Two.

A second, even more extreme, scenario assumes the same significant downturn in 2026 followed by a period of enduring depression of the UK economy and housing market through to 2030, assuming that neither volumes nor revenue recover, but that mitigations within management's control are exercised.

In each of these scenarios, cash flows were assumed to be managed consistently, ensuring all relevant land, work in progress and operational investments were made in the business at the appropriate time to deliver the projected new home legal completions. Each scenario fully reflects the current estimate of cash outflows, value and timing associated with the legacy buildings provision. The Directors assumed they would continue to make well-judged decisions in respect of capital allocation payments, ensuring that they maintained financial flexibility throughout.

Based on this assessment, the Directors confirm that they have reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period to the end of 31 December 2030.

\* The Directors have assessed the longer-term prospects of the Group in accordance with provision 31 of the UK Corporate Governance Code 2024.

### **Statement of Directors' Responsibilities**

The Statement of Directors' Responsibilities is made in respect of the full Annual Report and the Financial Statements not the extracts from the financial statements required to be set out in the Announcement.

10 March 2026

The 2025 Annual Report and Accounts comply with the United Kingdom's Financial Conduct Authority Disclosure Guidance and Transparency Rules in respect of the requirement to produce an annual financial report.

We confirm that to the best of our knowledge:

- the Group and Parent Company financial statements, contained in the 2025 Annual Report and Accounts, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and
- the Strategic Report includes a fair review of the development and performance of the business and the position of the issuer and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

We consider the Annual Report and Accounts taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

The Directors of Persimmon Plc and their function are listed below:

Roger Devlin	Chairman
Dean Finch	Group Chief Executive
Andrew Duxbury	Chief Financial Officer
Annemarie Durbin	Senior Independent Director
Andrew Wyllie	Non-Executive Director
Alexandra Depledge	Non-Executive Director
Colette O'Shea	Non-Executive Director
Paula Bell	Non-Executive Director
Anand Aithal	Non-Executive Director

By order of the Board

**Dean Finch**

Group Chief Executive  
9 March 2026

**Andrew Duxbury**

Chief Financial Officer

The Group's Annual financial reports, half year reports and trading updates are available from the Group's website at [www.persimmonhomes.com/corporate](http://www.persimmonhomes.com/corporate).

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