

**Henry Boot**

**Respect**  
**Integrity**  
**Loyalty**  
**Delivery**  
**Adaptability**  
**Collaboration**

**Annual General Meeting**  
**30 June 2020**



# Strong position for the future

- Henry Boot remains in a relatively strong position.
- We have an agile plan to respond to COVID-19.
- 2019 was a good year with strategic progress made.
- Early signs of recovery.
- The Group is a long-term business in three key sustainable markets:
  - Residential
  - Industrial and logistics
  - Urban development

# Our Plan to COVID-19 is agile and responsive

Our response has been driven by three main priorities:

## Safety and Welfare

- The office network remains closed with most people working effectively remotely.
- Planning to open two offices to employees unable to work from home by early July with strict precautions.

## Our Operations

- All Group sites and plant sale centres are now open – activity increasing gradually.
- Furloughed a minority of employees in April – bringing back teams as activity increases.
- Hallam Land and HBD work remotely - although at a reduced capacity.

## Financial Stability

- Robust balance sheet - at 29 June net cash position of £45m.
- The Group has reduced discretionary expenditure and revised departmental budgets. Including:
  - 50% reduction of all employees' 2019 bonuses and a 20% reduction in Board salary and fees
  - A reduction in full year dividend to 5.0p

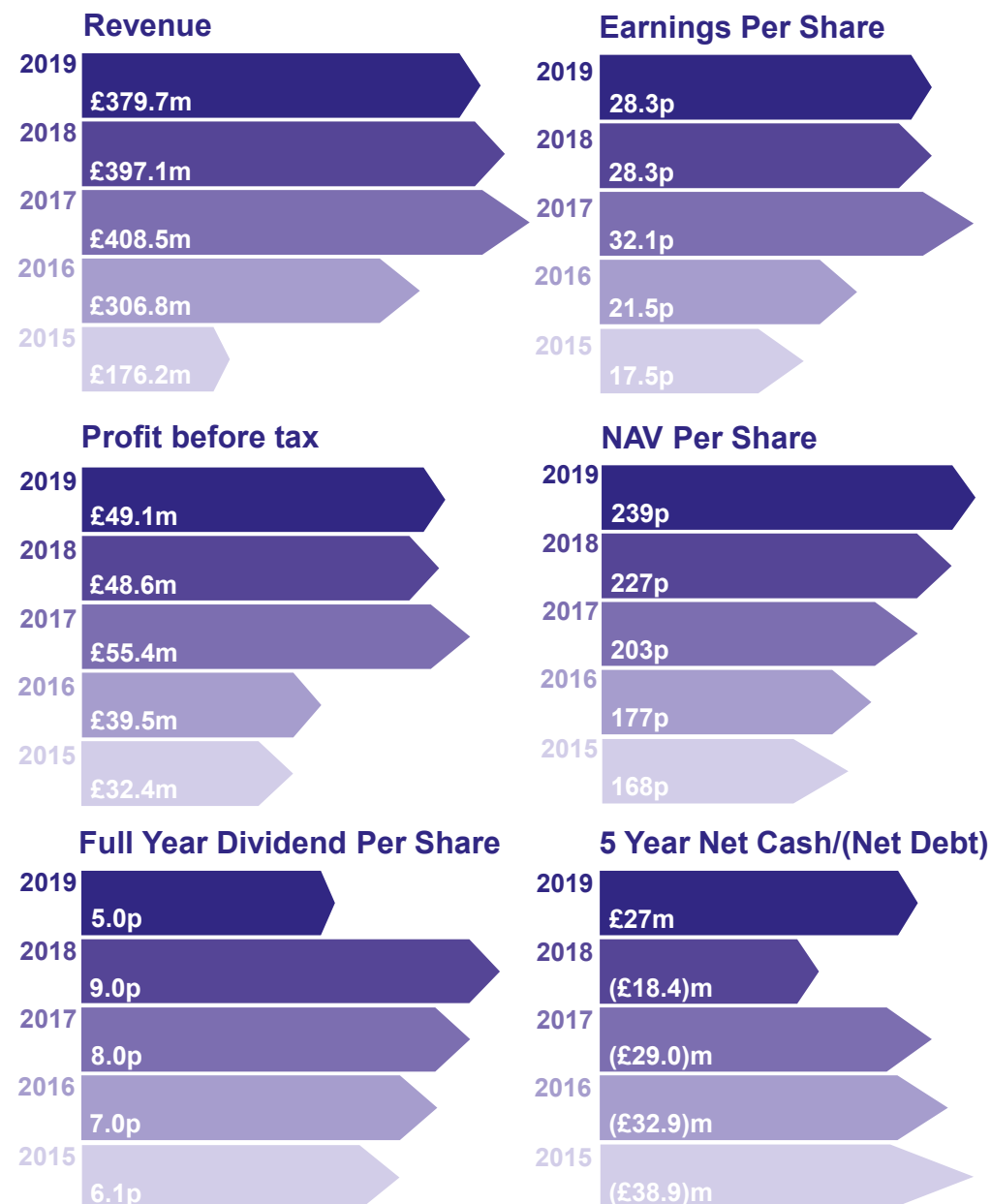
# Operational Highlights 2019 - Another Strong Year

- Strategic land portfolio of **14,898 acres**, 14,713 units permissioned, **10,665 units** in planning process.
- Completed **£407m** GDV, 99% sold or let, and committed to another £315m, 100% pre-sold or pre-let.
- Development pipeline of £1.3bn – 70% in industrial and logistics.
- Our jointly owned house builder, Stonebridge Homes achieved **159 sales**.
- Henry Boot Construction had a good year, with profits ahead of expectations and securing 88% of work for 2020.
- Banner Plant competed competitively and Road Link (A69) performed in line with expectations.



# Financial Highlights

- Revenue remains strong at £379.7m.
- Profit before tax at £49.1m reflects another good year.
- Full year dividend of 5.0p, being 56% of the 9.0p paid for FY2018, recommended final dividend of 1.3p.
- Earnings per share provide 5.6x dividend cover.
- 5% growth in NAV per share.
- Net cash £27.0m, nil gearing, at year end. As at June 29 net cash is £45m.



# Land Promotion

- A very good 2019 with 22 deals completed and 3,427 plots sold in the period.
- Strategic land holdings under 15,000 acres.
- Continue to work from home effectively.
- Planning is still progressing, albeit at a reduced capacity.
- Activity in the land market:
  - Land sales completed
  - Option agreements entered into
  - Bids received on land
- Continuing to acquire new schemes to replenish land bank. Board approval granted for 30 new sites in the year, over 9,000 plots and 800 net acres.



# Property Investment & Development

- Completed £407m GDV (1.15m sq ft) across six schemes – 99% of space pre-sold, pre-let or under offer.
- Remain active on £315m (inc JVs) committed schemes – all of which pre-sold or pre-let.
- Marginal effects on productivity, all 12 live development sites open, including sites with infrastructure works.
- Largest scheme 533 unit PRS Kampus scheme, Manchester which has been pre-sold, set to complete early 2021.
- Strong pipeline c £1.3bn GDV with c70% in industrial or logistics space, rest dominated by urban office and residential development.
- Stonebridge has all housing sites open and we have 55 reservations secured to date, within budgeted sale pricing.
- Successfully sold £67m of primarily retail investments.



# Construction

- All sites and depot sale centres are now active.
- 88% of 2020 construction activity secured 20% secured for 2021.
- We have seen an increase on construction productivity since resuming and are now on site at 85% of planned activity.
- Banner Plant's recent weekly sales have been at 80% of that achieved in 2019.
- Road Link A69 has continued to perform as expected.
- Bias towards public sector work concentrating on health, education, urban regeneration and affordable housing.





# Summary

- Strong position to deal with the disruption caused by COVID-19.
- Almost 15,000 acres of land leaves us well positioned to convert plots through the planning system.
- Development pipeline of c £1.3bn with 70% in manufacturing and logistics, the rest in urban office and residential.
- Stonebridge has potential to grow into multi-regional premium house builder with land bank of 1,023 units.
- Construction business has 88% order book for 2020, with potential to grow public sector work.
- Focused on sustainable markets: residential, industrial and logistics, and urban development.



# Thank You

- Thank you to all the team at Henry Boot and the Board for their hard work in 2019.
- Farewell and special thanks to John Sutcliffe, who left the Board at the end of May having spent 14 years on the Board.

