



20 May 2021

HENRY BOOT PLC
(‘Henry Boot’ or ‘the Group’)

AGM TRADING UPDATE

Henry Boot has had a positive start to the year as it continues to see its markets recover and is trading in line with the Board’s expectations. In the year to date, the Group’s performance has been supported by nine strategic land sales and the completion of developments with a total Gross Development Value (GDV) of £29.0m. The third lockdown had a minimal impact on Henry Boot’s activities, which has allowed the Group to continue to make strategic investments in its three long-term markets. In particular, a further 582 acres of strategic land have been secured through a mixture of freehold purchases and promotion agreements, combined with the acquisition of a prime 2.6 acre site in Birmingham City Centre for potential residential-led redevelopment. Additionally, the Group has acquired two industrial estates in Manchester and Skelmersdale, for a total of £10.5m, which will be retained in the investment portfolio. After investing in these and other new opportunities, the Group remains in a strong financial position with net debt of £4.0m and a robust balance sheet.

Hallam Land Management (HLM) had a solid start to the year, selling 2,088 plots and securing sales on 493 plots, either unconditionally exchanged or exchanged subject to reserved matters approval, which are expected to complete later in the year. Demand for strategic land remains strong, with housebuilders increasing the pace of land acquisition. New opportunities have been secured resulting in our portfolio increasing to 17,289 acres. HLM’s trading outlook remains positive and we continue to receive a good level of bids for our sites at pre-COVID-19 levels.

HBD has also made a good start to the year, experiencing strong demand in the industrial & logistics and urban residential sectors. Following the development of a 297,018 sq ft unit for Aver at its industrial and logistics scheme at Markham Vale, the business is now committed to a total of £336.0m GDV (HBD share £87.5m), 89% of which is pre-sold or pre-let. This includes a site pre-sold for a 2m sq ft unit at Wakefield Hub, which successfully secured planning consent in April 2021 and a 260,000 sq ft unit pre-let to a German pharmaceutical company which, subject to planning, should commence on site in H2 2021. A further £110.0m GDV has been added to the Group’s £1.4bn development pipeline after acquiring a former Sytner dealership in Birmingham City Centre, which has the potential to be developed into over 400 build-to-rent residential units. Progress has also been made at Walsall, Phoenix 10, a £114.0m GDV industrial and logistics scheme with potential to deliver 620,000 sq ft, which gained planning approval in April and is set to begin grant-funded remediation works in H2 2021.

As of May 2021, the Group’s investment portfolio has increased to £91.8m, after the acquisition of two industrial estates: the Allied Business Centre, Skelmersdale for £4.7m and City Court, Ancoats, Manchester for £5.8m, generating a combined initial yield of 4.9%. Rent collection for the whole investment portfolio in the first two quarters of 2021 stands at 90% and when factoring in deferrals and expected monthly rents, the figure is 94%.

Stonebridge Homes (SH) has now secured 66% of its 2021 delivery target and has achieved a sales rate of 0.75 units per site per week. The housing market has remained resilient this year, however we have continued to experience delays which has impacted sites gaining planning permission.

Notwithstanding this, the business expects to obtain detailed planning on a further 255 units in the year and is actively pursuing sites in Yorkshire and the North East, in line with its ambitions to expand the business. This leaves SH well placed to deliver its annual target and to secure the pipeline of new sites required to meet its medium-term growth aspirations.

After a positive start to the year, Henry Boot Construction (HBC) is trading ahead of expectations with an orderbook for 2021 that is already full and has seen productivity increase to approximately 98% of

planned activity across all site operations. In general, the construction sector is rebounding following the initial lockdown last year, which coupled with continued investment by the public sector, is contributing to an increase in opportunities. The Glassworks, a £130.0m urban development project in Barnsley, is progressing on time and budget, with the scheme set to be handed over later this year. Work has also commenced on major urban development projects, The Kangaroo Works (£40.0m) and Heart of the City, Sheffield, Block H (£42.5m). HBC remain optimistic about the immediate outlook and having already secured a significant amount of its 2022 orderbook, the business is well placed for the future.

Banner Plant has seen a rise in demand for its services, with activity levels returning to that of pre-COVID-19 and is now ahead of budget for the year. Road Link (A69) continues to see an increase in traffic levels and is performing broadly in line with management's expectations.

Outlook

Henry Boot has been encouraged by current performance levels and the growing signs of recovery. The Group will therefore continue to use its strong financial position to increase investments in its three key markets: industrial & logistics, residential and urban development. This leaves Henry Boot confident that the business is very much on track to deliver its 2021 targets as well as taking early steps towards the medium-term targets recently set out in the preliminary statement.

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About Henry Boot PLC

Henry Boot PLC (BOOT.L) was established 135 years ago and is one of the UK's leading and longest standing land promotion, property investment and development, and construction groups of companies. Based in Sheffield, the Group comprises the following three segments:

Land Promotion:

[Hallam Land Management Limited](#)

Property Investment & Development:

[Henry Boot Developments Limited \(HBD\)](#), [Stonebridge Homes Limited](#)

Construction:

[Henry Boot Construction Limited](#), [Banner Plant Limited](#), [Road Link \(A69\) Limited](#)

The Group possesses a high-quality strategic land portfolio, an enviable reputation in the property development market backed by a substantial investment property portfolio and an expanding, jointly owned, housebuilding business. It has a construction specialism in both the public and private sectors, a plant hire business, and generates strong cash flows from its PFI contract, Road Link (A69) Limited.

www.henryboot.co.uk