

26 May 2022

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

AGM TRADING UPDATE - STRONG START TO THE YEAR

Tim Roberts, Chief Executive Officer, commented:

“Henry Boot has enjoyed a very busy and successful start to the year, fuelled by robust demand across our three key markets: Industrial & Logistics, Residential and Urban Development. While the challenges of ongoing supply constraints, cost inflation and increasing economic uncertainty cannot be ignored, we believe we remain well placed for the rest of the year, with strong forward sales across all our business lines, a continued pipeline of opportunities for us to meet our strategic growth ambitions and, as ever, a robust financial position”.

Henry Boot has made a strong start to the year and continue to trade in line with market expectations*. To date, the Group’s performance has been supported by land disposals and property development completions, with all three key markets, Industrial & Logistics (I & L), Residential and Urban Development performing well. In addition, the Group continues to make good strategic progress towards the medium-term targets previously identified, leaving the business well placed to achieve its growth aspirations.

Hallam Land Management (HLM) has had a strong start to the year selling 3,477 plots, after continuing buoyant demand and competitive bidding for sites from housebuilders. The total plot sales will be higher this year due to a major disposal at Didcot of 2,170 plots to national housebuilders Taylor Wimpey and Persimmon Homes. HLM has replenished its land bank and despite achieving high sales, the number of plots has remained stable at 92,569 plots (2021: 92,667). HLM’s trading outlook is positive, and it not only expects to achieve its annual target for plot sales this year but is on track to deliver against its strategic objective of an average of 3,500 plots sales per annum over the medium term.

HBD has also made a good start to the year. The committed programme remains on budget and on time and is currently 73% pre-let or pre-sold with continued high demand from industrial occupiers. In particular, two land sales have completed, comprising a 184-unit housing scheme in Skipton, which was pre-sold to Bellway, as well as a land sale in Aberdeen to the city council for the construction of 536 council houses. HBD is looking to bring forward further schemes from the development pipeline, managing risk by a high level of pre-let or pre-funding. In this regard, at Wakefield Hub, a planning consent has recently been secured, subject to signing the S106 Agreement, for a 400,000 sq ft unit and HBD will look to pre-fund the scheme before adding it to the committed programme in H2 2022. Looking ahead, HBD are close to signing the development agreement to deliver Cheltenham Borough Council’s Golden Valley regeneration scheme and will continue to seek out selective opportunities to replenish the development pipeline.

Within the £126 million investment portfolio, a number of properties have been identified for potential sale. While these might reduce the size of the portfolio in the short term if they are progressed, there are a number of opportunities to replenish and grow the level of standing assets by retaining completed developments which meet the Group’s investment criteria.

Stonebridge Homes (SH) has now secured 93% of its 2022 delivery target of 200 units. The housing market continues to experience high demand, which has resulted in sales values offsetting cost inflation. Planning has been obtained at Ashtree Park (Barnard Castle), for 97 units and at Masham for 49 units. Both sites are to be acquired this month. Works are

expected to begin in June 2022 at Barnard Castle, which will be SH's first site opened in the North East region, and in July 2022 at Masham.

Henry Boot Construction is trading in line with expectations and remains focused on delivering its fully secured order book for 2022 and securing contracts for 2023's order book. Work on the £40 million Build to Rent residential scheme Kangaroo Works in Sheffield is on track to be completed in Spring 2023. Good progress has also been made on the £47 million urban residential development, Cocoa Works, in York, with the seven storey 279 apartment scheme due for completion at the end of 2023.

Both Banner Plant and Road Link (A69) are now trading ahead of budget.

Outlook

Henry Boot's three key markets remain characterised by buoyant demand. The Group continues to manage build cost inflation and supply constraints, achieving sale prices that are offsetting those pressures and allowing good margin levels to be maintained.

Due to a number of significant transactions, 2022 performance is expected to be weighted to the first half of the year and it is anticipated that whilst levels of activity will be high in the second half, this will primarily be contributing to the Group's performance for 2023 and beyond.

**Market expectations being the average of current analyst consensus of £47.8m profit before tax, comprising three forecasts from Numis, Peel Hunt and Panmure Gordon*

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About Henry Boot PLC

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

Land Promotion:

[Hallam Land Management Limited](#)

Property Investment and Development:

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

Construction:

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

The Group possess 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 long-standing plant hire business, and generates strong cash flows from its PFI contract through Road Link (A69) Limited.

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