

Annual General Meeting

Tim Roberts Presentation

14 May 2021

Henry Boot

GROUP OF COMPANIES



Our Values | Respect | Integrity | Loyalty | Delivery | Adaptability | Collaboration

Operational performance remained robust



LAND PROMOTION

- Sold 2,000 plots and a significant JV site
- Land bank of c.16,600 acres comprising 88,070 plots with c.60% SE/Midlands
- Planning consents on 2,708 plots (2019: 1,651) in the year

OPERATING PROFIT

£14.2m

2019: **£31.0m**



PROPERTY INVESTMENT & DEVELOPMENT

- Completed £58m of developments with 100% let/pre-sold
- Committed development of £312m including 567,000 sq ft of I&L development
- Stonebridge maintained a strong sales rate

OPERATING PROFIT

£4.9m

2019: **£17.8m**



CONSTRUCTION

- Output 95% of planned activity - 86% in public sector
- Order book full with BTR and mixed use schemes in Sheffield secured
- Lower activity impacted Banner Plant & Road Link

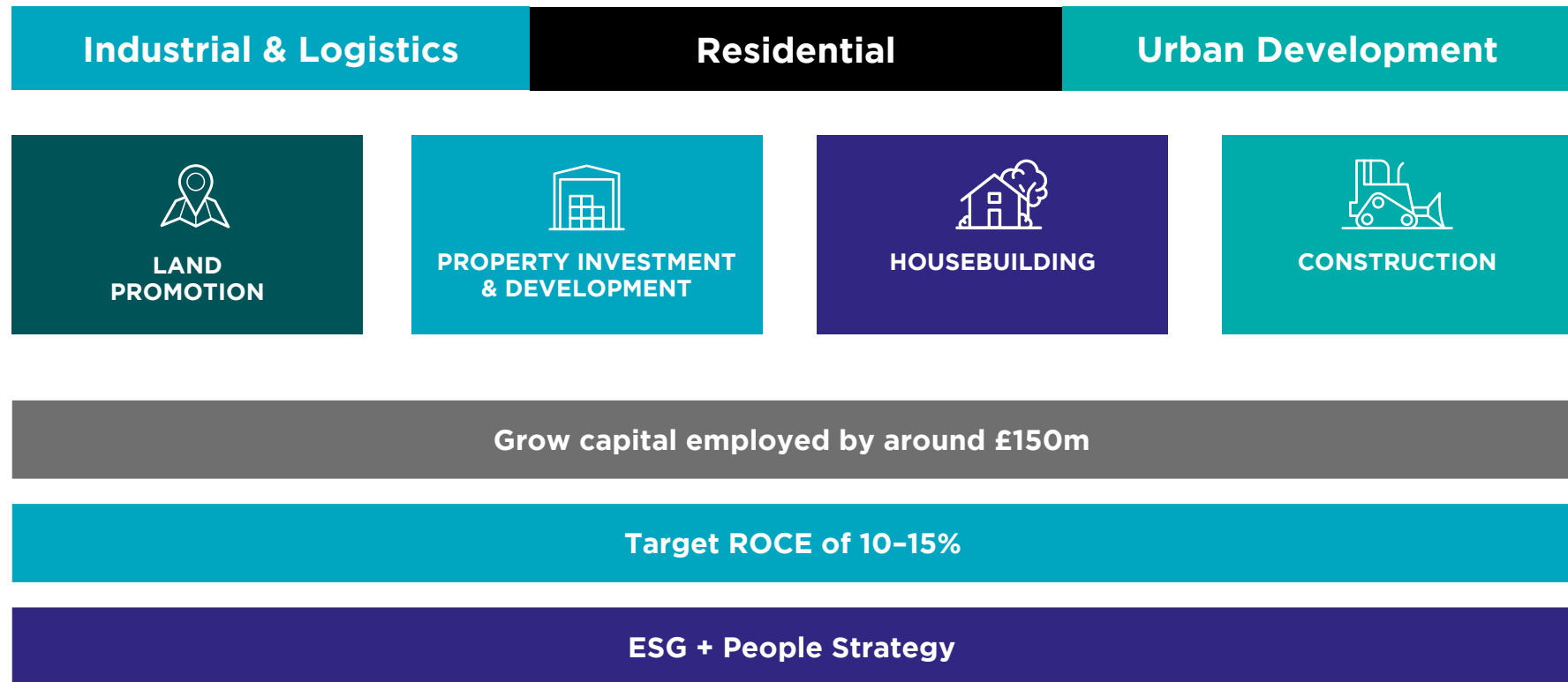
OPERATING PROFIT

£6.5m

2019: **£9.0m**

Our strategy

Focused on three long-term markets



Opportunities for growth

Significant embedded value across the business



Land Promotion



16,600 acres or c.88,000 plots of strategic land



Property Development & Investment



c.£1.4bn development pipeline (HBD share £1.1bn)



Housebuilding



Multi-regional premium house builder with 1,119 plot land bank



Construction



Full order book with focus on public sector work

Our targets

Clear medium-term operational targets

Measure	Medium term target	Current
Land Promotion plot sales	c.3,500 per annum	2,000 in 2020
HBD development completions	HBD share c.£200m per annum	HBD share £85m in 2021
Grow investment portfolio	To around £150m	£83m as at 31 Dec 2020
Stonebridge homes sales	Up to 600 units per annum	115 units in 2020
Construction order book secured	Minimum of 65%	100% for 2021

Target ROCE of 10-15%

Embedded Value + Collaboration + Synergies + Efficiencies

Financial highlights

Robust performance against the challenging backdrop of 2020

- Revenue decreased 41% as all segments saw delays in activity caused by the global pandemic
- Operating profit of £17.5m, benefitted from a £7.4m profit on disposal of JVs and subsidiaries
- Following a rebasing in 2019 the total dividend for the year increased by 10% to 5.5p
- Dividend cover reduced to 1.6
- Lower operating profit reduced ROCE to 4.9%

	2020	2019	Change
Revenue	£222.4m	£379.7m	-41%
Operating profit	£17.5m	£50.3m	-65%
Profit for the year	£17.1m	£49.1m	-65%
Earnings per share	9.0p	28.3p	-68%
Dividend per share	5.5p	5.0p	+10%
Dividend cover	1.6x	5.6x	-
ROCE	4.9%	14.8%	-



Land promotion

UK greenfield land values remained relatively stable

- Continued to trade well, with 2,000 plots sold in the period bids at pre-CV-19 prices
- 9 deals completed, including key disposals at Wellingborough (600 plots) & Lubbethorpe (258 plots)
- Disposed of a significant interest in a joint venture site in the Midlands
- Planning consent won over the year for 2,708 plots (2019: 1,651 plots)
- Sites with planning permission increased to 15,421 plots (2019: 14,713 plots)
- Planning submitted on 8,312 plots (2019: 10,665 plots)
- Enter 2021 with 1,744 plots exchanged



Property investment & development

Continued focus on the industrial and logistics sector



- Industrial sector delivered positive capital growth with investors after high demand in the market
- Completed developments with a GDV of £58m (HBD share £55m), 90% in industrial and logistics
- Committed pipeline of £312m (HBD share £85m), 88% is pre-sold or pre-let
- 567,000 sq ft of industrial, with 206,000 sq ft of speculative development
- Exchanged on new projects in Walsall and Wakefield and acquired medium term opportunities in Leeds and Manchester
- Modest committed development, but significant pipeline with optionality focussed on industrial and logistics
- SH maintained a strong sales rate & made key investments into their land bank
- Total land bank of 1,119 plots of which 59% has either detailed or outline planning consents (657 plots)

**OPERATING
PROFIT**

£4.9m

2019: **£17.8m**

**DEVELOPMENT
PIPELINE**

£1.4bn

2019: **£1.1bn**

**INVESTMENT
PORTFOLIO**

£82.7m

2019: **£70.0m**

**STONEBRIDGE
COMPLETIONS**

115

2019: **159**

Construction

Robust performance despite lower activity levels



- Division consists of Construction, Plant Hire and Road Link (A69)
- Construction currently running at 95% of planned output
- Secured £40m BTR scheme and £42.5 mixed use urban development project
- 100% orderbook secured for 2021
- Banner Plant restored activity levels to 95%
- Road Link impacted by low traffic levels but remained profitable, 5 years remain on concession
- 86% of completed construction orderbook in public sector
- Well positioned long-term with a bias towards public sector work

OPERATING PROFIT

£6.5m

2019: **£9.0m**

EXTERNAL TURNOVER

£115.9m

2019: **£114.2m**

RETURN ON SALES

2% Construction
12% Plant Hire
42% Road Link

2021 ORDERBOOK

£80m

2020: **£85m**

Outlook

- Strong financial and operating position allowed us to continue to invest
- Recovery in our markets with strong forward sales and very healthy order book
- Recovery in land market has continued with 2,309 plots exchanged
- Committed developments of £312m are already 88% presold or let
- Stonebridge ahead, with 57% of 2021 sales secured
- Construction order book 100% for 2021
- Focused on growth in three long term markets, with clear objectives driven by long term trends



**Thank you all for listening and if
you require any further information
on the AMG please go to the Henry
Boot website**