

22 May 2025



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

AGM TRADING UPDATE

Henry Boot, a company engaged in land promotion, property investment and development, and construction, provides a trading update in advance of its AGM, which will take place at 12:30pm today.

Tim Roberts, Chief Executive Officer commented:

“Henry Boot has had an encouraging start to the year. Demand has been resilient for our prime property, and in particular, is strong for our quality residential land. We already have 4,067 plots completed, exchanged or under offer, which will deliver meaningful profit over the next two years. There are also clear signs, following changes to the National Planning Policy Framework, that the planning system has improved, and our early move to resource Hallam to allow a fourfold increase in plot applications this year is already paying off.

We have seen so far little evidence that the recent global economic uncertainty has shaken our key markets. Recent cuts in, and the outlook for, interest rates are expected to stimulate demand. We therefore remain on track, although as already stated, due to the timing of key transactions, we expect the year again to be H2 weighted.”

Trading update

Hallam Land (Hallam) has started the year well, and we expect our annual plot sales to be close to our medium term target of 3,500 plots, reflecting both the continued stability in the residential land market in Q1 2025 and the strong demand from housebuilders for our prime deliverable sites. We have already completed the sale of 665 plots this year and have exchanged on a further 912, which are scheduled to complete during 2025 and 2026, while a further 2,490 plots are under offer. We have also secured five new sites with the potential to deliver 915 plots, which has marginally increased the total land bank to 105,087 plots.

Since the government's revisions to the National Planning Policy Framework, we have seen positive changes and an increase in activity throughout the planning system. In the past six months, Hallam has achieved planning approval for c.2,000 plots, with 1,007 plots granted permission this year. This brings the total number of plots with planning permission to 9,164. There are also a further 14,344 plots currently awaiting determination.

As the Inspectorate and Local Planning Authorities change their approach, we have successfully won appeals on 647 plots across three sites, including in Sutton-in-Ashfield, Nottinghamshire (300 plots) and Yalding, Kent (112 plots). Currently, we have active appeals on six sites, totalling around 2,600 plots. Having anticipated changes to the planning system and increased resources within Hallam accordingly, we are accelerating numerous applications with the target of submitting 10,000 plots this year to deliver much-needed homes across the country. So far this year, 2,555 plots have been submitted for planning, with progress being made on additional applications, putting us on track to achieve that ambition.

The majority of HBD's committed development programme (£124m GDV: HBD share £33m) sits within industrial and logistics (I&L), including three schemes within Origin, our joint venture (JV) with Feldberg. All sites within the JV are on schedule and within budget, and we are seeing encouraging levels of occupier interest, particularly at Spark, Walsall. Take-up for I&L space in Q1 2025 remained robust, up 7% on the same period a year ago, as companies upgrade the quality of their space and new-build availability continues to fall.

At recently completed projects, Setl (HBD share: £32m GDV), a 102-unit premium apartment building in Birmingham, 67% of the units have been sold or reserved at the targeted selling prices. This includes c.£20m of sales that have either been completed or unconditionally exchanged. At Island, (HBD Share: £33m GDV), the Net Zero Carbon office in Manchester city centre we have developed in a JV with Greater

Manchester Pension Fund, we achieved a record-breaking office rent last October when we leased 50% of the space comprising the top five floors to Virgin Media O2. The fit-out is progressing well, with a target move in date of Q4 2025. The remaining space is generating strong interest from a broad range of potential occupiers.

HBD has optionality on c.3.8m sq. ft of I&L schemes with planning permission, from which we will grow the committed programme over the next year. Additionally, the £1bn Golden Valley innovation and technology development, located adjacent to GCHQ in Cheltenham (HBD's phase one share: £117m GDV), has two planning applications set for determination this summer, the first being in July. These applications are for c.1m sq ft of commercial space and c.1,000 residential units, with construction expected to begin in late 2025. The project has secured £20m of support from the UK government and has now begun to utilise this funding; aligned with this, Cheltenham Borough Council has agreed a forward funding package totalling £104m for the first phase.

Within the investment portfolio, HBD has exchanged or completed on three sales this year, for a total of £13.4m at an average 11% premium to December 2024 book values. This includes TWO45, Skelmersdale, where we have secured planning for a new 245,000 sq ft building, representing a 66% increase on the present building.

The integration of Stonebridge Homes (SH), our premium housebuilder, is progressing well. Following a slow start in sales at the beginning of the year, there has been a steady improvement, with an increase in site visitors. SH has secured reservations for 136 units, with the private net reservation rate improving during the Spring selling season to 0.55 for the 8 weeks to 19 May 2025. The private net reservation rate was 0.44 per outlet per week for the year to 19 May 2025, with the cancellation rate at 20%.

Whilst we remain on track to grow SH completions, due to the relatively slow start to the year, 2025 completions are likely to be marginally below our initial expectations. However, we remain confident in the strategy with positive support from improved mortgage availability alongside recent cuts in interest rates. We also continue to build up our landbank and have secured 486 plots at Wynyard, County Durham, and Whitby, North Yorkshire. A further 534 plots are currently in negotiation.

Henry Boot Construction (HBC) has made further progress in securing work for both 2025 and 2026 under the new management team appointed at the start of this year. HBC's order book is now 73% secured for 2025, with a further 23% in Pre-Construction Service Agreements. Banner Plant and Road Link (A69) are both trading in line with management expectations.

Outlook

We remain on target in progressing a number of key transactions in both land promotion and property development, and delivering further growth in SH.

The recent changes in government planning policy have been positive, allowing us to secure a significant number of housing consents. Simultaneously, we have seen strong demand for our prime residential sites from housebuilders and with affordability improving alongside recent cuts in interest rates, we anticipate a pick up in housing demand.

The group is supported by a rock-solid balance sheet with relatively low levels of debt. The markets in which we operate are driven by long-term structural trends, and with a store of high quality opportunities within our portfolio, the business is well positioned to deliver a full year performance in-line with market expectations and to achieve our strategic objectives over the medium term.

ENDS

Notes to editors

Henry Boot is one of the UK's leading land, property development, home building and construction businesses - and we've been transforming land and spaces since 1886. Listed on the London Stock Exchange since 1919, we're renowned for quality, expertise, delivery and a partnership approach across the group - which comprises, Hallam Land, HBD, Stonebridge, Henry Boot Construction, Banner Plant and Road Link.

Operating across the UK, and employing over 500 people, we focus on three key markets: urban development, industrial and logistics and residential. Hallam Land has facilitated 52,000 new homes since 1990, managing one of the top five largest land portfolios in the country, with the potential to facilitate over 105,000 homes. HBD manages a development pipeline of £1.2bn, the equivalent of 7m sq ft of developments across our key markets, while maintaining a £107m investment portfolio, of which 72% of the properties have an EPC rating of 'C' or higher. Stonebridge, our jointly owned home building business, manages a land portfolio capable of delivering 1,700 homes, with an ambition to deliver up to 600 new homes a year.

Henry Boot Construction has extensive experience in both the public and private sectors, including major projects such as the £200m regeneration of Barnsley town centre, and The Cocoa Works, a £57m residential development in York. For over 65 years, Banner Plant has supplied construction products and services, operating from seven regional depots in the North of England.

We have also developed an ambitious Responsible Business Strategy to help us meet our aim of being Net Zero Carbon by 2030, and to deliver, by 2025, charitable, community and education work valued at £1m.

From land promotion, property development and investment to home building, construction and plant hire, Henry Boot is where great places start.

henryboot.co.uk

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