



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

## TRADING UPDATE FOR THE YEAR ENDED 31 DECEMBER 2024

Henry Boot, a company engaged in land promotion, property investment and development, and construction, is today issuing a trading update for the year ended 31 December 2024 ahead of the announcement of its full year results on 25 March 2025.

### **Tim Roberts, Chief Executive Officer commented:**

“Throughout 2024, we saw a gradual improvement in market conditions which translated into a steady increase in demand across our key sectors. This, coupled with our focus on high quality land, prime property development and premium homes means we expect year end profits to be in line with market expectations.

Late last year we agreed two transactions which we see as being important steps in achieving our medium term growth and return objectives. First is our phased acquisition to take full ownership of premium housebuilder, Stonebridge Homes, and secondly the industrial & logistics joint venture with Feldberg Capital, which allows us to accelerate our development pipeline and recycle capital more efficiently.

Looking forward, we have started 2025 with a bit more optimism, albeit while the reduction in interest rates provided a welcome boost to the economy, the trend downwards is now anticipated to be at a slightly slower pace than previously expected. The improvements to the planning system we have already seen under the new government also give us confidence, and we therefore intend to ramp up our planning applications, with a further 10,000 plots expected to be made in 2025.”

### **Trading update for the year ended 31 December 2024**

As 2024 progressed we saw a gradual improvement in the economy which translated into a steady increase in demand in our key markets and, as anticipated, a stronger second half performance for Henry Boot.

According to Nationwide, house prices across the UK increased by 4.7% over the year while industrial property continues to see the strongest rental growth of all our sectors at 5.0%. However, transactions of all kinds remain slow to complete. Against this backdrop, our focus on high quality land, prime property development and premium homes saw the group perform relatively well and we expect profit before tax for the year ended 31 December 2024 to be in line with market expectations\*.

We have continued to make good progress toward our medium-term targets while investing in our long term future. Last month the group announced a transaction that will see it take full ownership of premium regional housebuilder Stonebridge Homes (SH) through the acquisition of the 50% it does not already own in the business from its joint venture (JV) partner. The acquisition will be undertaken in three tranches over five years, with the first having completed this month Henry Boot is now the majority shareholder. This transaction further increases our investment in housebuilding and forms a significant part of our growth plans.

As anticipated, by completing sales of major strategic sites and development land the group reduced net debt throughout H2 24 to c.£63m as at 31 December 2024 (30 June 2024: £103.9m), resulting in gearing remaining well within the stated optimal range of 10–20%.

Hallam Land (“Hallam”) completed 2,661 residential plot sales in 2024 (2023: 1,944 plots). Although this was below the target of 3,000 plots for the year, Hallam still hit its full year financial target following the employment land sale in Coventry. Demand from major housebuilders for Hallam’s prime deliverable sites has improved. In H2 24, at Pickford Gate, Coventry, a total of 491 plots were sold to David Wilson Homes, whilst 632 plots were sold to Vistry Group. Additionally, 52 acres of employment land were sold to Royal London, resulting in total land sales at the scheme of £102m (Hallam share: £36m).

Hallam also grew its land bank to 104,787 plots in 2024 (2023: 100,972 plots), securing 10 new sites which have the potential to deliver c.6,500 plots. The Government's proposed revisions to the National Planning Policy Framework (NPPF), have already shown early signs of improvement to the planning system. We believe this momentum will continue to unlock the delivery of new homes. In total Hallam secured consents on 2,982 plots (2023: 1,014 plots), of which 2,186 were achieved between September and December of last year, bringing the total number of plots with planning consents to 8,822 (June 2024: 7,990). A further 13,146 plots are currently in the planning system awaiting determination.

As a result of the changes to the NPPF, Hallam has identified 10,000 plots, which are expected to be submitted for planning over the next 12 months. This positions the group strongly to meet its medium-term strategic target of selling 3,500 plots pa.

In 2024, HBD completed schemes with a total gross development value (GDV) of £331m (HBD share: £188m GDV), up from £126m last year (2023: HBD share: £112m GDV), of which 72% have been pre-let or pre-sold. This includes Island, (HBD Share: £33m GDV), a Net Zero Carbon (NZC) office building in Manchester city centre in a JV with Greater Manchester Pension Fund, which was completed in November on time and on budget. In October, a pre-let was secured for 50% of the space across the top five floors on a 10 year lease to Virgin Media O2, achieving a record office rent in Manchester. The remaining space is attracting strong occupier interest. Setl, (HBD share: £32m GDV), a 102 premium apartment building in Birmingham, was completed at the end of May last year. As of 20 January 2025, 64% of the units have been sold/reserved at target selling prices, achieving an average reservation rate of 1.0 unit per week. This includes c.£15m of sales that have either been completed or unconditionally exchanged.

With regard to the industrial and logistic sector (I&L), HBD completed a total of c.540,000 sq ft, including Rainham, (HBD share: £24m GDV), a four unit NZC development serving Greater London in a JV with Barings and two units (HBD share: £20m GDV) at Airport Business Park, Southend. At SPARK Walsall, specialist remediation works (HBD share: £37m GDV) also completed, allowing the first phase of this 620,000 sq ft prime development to begin.

Last month, HBD formed a UK focused I&L JV with Feldberg Capital, known as Origin. It has been seeded with three sites from our pipeline with a combined GDV of c.£100m. The JV intends to deliver c.£1bn of high quality I&L schemes over the next seven years. Earlier this month the JV secured a £54m development loan from BGO to fund the acquisition and development of the seed assets.

Following the completion of three significant schemes, combined with a more prudent approach to commencing new projects, HBD's committed development programme now has a total GDV of £124m (HBD share: £33m GDV) compared to £299m at the end of 2023 (HBD share: £159m GDV). The committed schemes are currently 25% pre-let or pre-sold with 98% of development costs fixed. HBD also has optionality on a significant near-term pipeline, which includes various I&L schemes and Neighbourhood, Birmingham (£123m GDV) a 414-unit BtR development where HBD is pursuing institutional interest in forward funding the scheme.

As a result of the successful sales undertaken during the year, the total value of the investment portfolio (including share of JVs and assets held for sale) ended the year at c.£107m (2023: £113m). However, on a like-for-like basis, property values increased and the portfolio delivered a total return ahead of the CBRE UK Monthly Index total return of 7.7%. In H2 2024, an industrial estate was sold in Enfield for £19.6m (£9.8m our share), at a slight premium to December 2023 book value.

SH continued to grow its output completing 270 homes (2023: 251) in a relatively subdued market. In the period net private reservations per active outlet per week averaged 0.45 (2023: 0.45). Despite completions for the year being marginally below our target of 275 homes, due to protracted chains, five units continue to progress and have now been transferred to the sales target for 2025. SH's total owned and controlled land bank stands at 1,726 plots (December 2023: 1,513), of which 1,220 plots (December 2023: 923) have planning permission. In line with our ambitious growth plans a further 499 plots have been added to the landbank, including Bracebridge Heath, Lincoln (281 plots) our first site in the Midlands.

Henry Boot Construction (HBC) remained behind schedule for winning work and turnover was lower than targeted. HBC starts 2025 in a better position, with 55% of its order book secured and a further 16% at

the preferred bidder stage or in legal. Under HBC's new management team, the focus for 2025 will be on growing and diversifying the order book by developing a balanced portfolio of private sector projects, to complement the existing public sector work.

Banner Plant traded slightly below budget in 2024 and in response has adjusted its sales strategy. Road Link has traded in line with expectations.

## Outlook

Looking ahead, while interest rates are anticipated to remain on a downward trajectory, this is now likely to be at a slower than previously expected pace. Following a gradual pick up in demand over the last 12 months we still anticipate that our markets will continue to steadily improve during 2025. Similarly, even though there are early signs of an improving planning system, we expect there will be a lag before the benefits are realised through increased plot sales.

As a result, we anticipate slower growth in volumes across the group, and accordingly, we now expect profit for the year to be similar to the 2024 outturn and once again H2 weighted. We remain confident that SH will build on its track record of sequential growth in homes completed, but due to further investment in the SH landbank and the increase in planning applications within Hallam, gearing will be towards the upper end of our optimum range of 10-20% through 2025.

Henry Boot remains well placed to achieve its medium term growth and return objectives, having made good strategic progress during 2024, and future growth will be supported by a solid balance sheet and a significant number of high quality opportunities in prime locations within our portfolio.

*\*Company compiled market consensus for 2024 profit before tax is £30.7m, comprising the average of three forecasts from Deutsche Numis, Peel Hunt and Panmure Liberum.*

*Certain information contained in this announcement would have constituted inside information (as defined by Article 7 of Regulation (EU) No 596/2014), as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018) ("MAR") prior to its release as part of this announcement and is disclosed in accordance with the Company's obligations under Article 17 of those Regulations.*

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 100,000 homes. HBD manages a development pipeline of £1.3bn, the equivalent of 7m sq ft of developments across our key markets, while maintaining a £107m investment portfolio, of which 73% 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](http://henryboot.co.uk)

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