

2023 Interim Results Announcement

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SEPTEMBER 19, 2023

19 September 2023

HENRY BOOT PLC

(‘Henry Boot’, the ‘Company’ or the ‘Group’)

Ticker: BOOT.L: Main market premium listing: FTSE: Real Estate Investment and Services.

UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2023

A resilient operational performance driven by land promotion disposals and property development completions, despite economic headwinds

Henry Boot PLC, a Company engaged in land promotion, property investment and development, and construction, announces its unaudited interim results for the

six months ended 30 June 2023.

Tim Roberts, Chief Executive Officer, commented:

"The first half of the year has seen our markets slow as interest rates have continued to rise, but, as these results show, our focus on prime strategic sites, high quality development and premium homes has provided us with a degree of resilience. This has helped us to report a very respectable underlying profit before tax of £23.3m, an increase in NAV of 3%, plus the confidence to grow our interim dividend by 10%.

Whilst uncertainty in our markets has increased, we believe we have enough momentum to carry us through the year, although the outlook for 2024 for the time being is not so clear. However, we have conviction in our three markets which are driven by structural trends and I am pleased to report that we remain on track to hit our strategic growth and return targets over the medium term."

Financial highlights

- 5% increase in revenue to £179.8m (June 2022: £144.4m) driven by land disposals and housing completions
- Underlying profit before tax¹ of £23.3m (June 2022: £37.8m) or £25.0m (June 2022: £38.8m) on a statutory basis, supported by the resilient performance of residential land sales and industrial development activity
- ROCE² of 6.3% (June 2022: 10.1%), expected to be around the lower end of our medium-term target of 10%–15% by the year-end
- NAV³ per share is up by 2.6% to 303p (December 2022: 295p), due to robust operational performance. Excluding the defined benefit pension scheme surplus, the NAV per share showed an underlying increase of 2.9% to 298p (December 2022: 291p)
- Strong balance sheet, with net debt⁴ of £70.8m (December 2022: £48.6m) reflecting continued investment in committed developments and a decision to limit further acquisitions. Gearing remains within our optimal stated range of 10%-20% at 17.5% (December 2022: 12.3%)
- EPS of 14.0p (June 2022: 24.1p); Interim dividend of 2.93p declared (June 2022: 2.66p), an increase of 10%, reflecting the Group's resilient operational performance and progressive dividend policy

Operational highlights

- £129.3m of property sales led by our land promotion, development and housebuilding businesses, despite weakening markets. Only £3.9m of

acquisitions. £22.1m of investment in our high quality committed development programme where costs are 98% fixed

- Land promotion
 - 1,900 plots sold (June 2022: 3,447), increased profit per plot to £11,400 (December 2022: £6,066) due to significant sale at Tonbridge, offsetting the volume reduction
 - The total land bank has grown to 97,095 plots (December 2022: 95,704 plots)
 - 8,335 plots with planning permission (December 2022: 9,431), all held at cost
- Property investment & development
 - High quality committed development programme of £186m, with 52% pre-sold or pre-let
 - c.700,000 sq ft of Industrial & Logistics development underway (HB share: £96m GDV)
 - £1.5bn development pipeline (HB share £1.26bn GDV), 62% of which is focused on Industrial & Logistics markets, where occupier demand remains robust
 - The investment portfolio value increased to £112m (December 2022: £106m). Total return of 3.3% continues to be ahead of the CBRE index for the six months to June 2023
 - £11.1m post H1 23 investment sales, including Banner Cross Hall our Head Office, at a combined 19% above book value
 - Stonebridge Homes during H1 sold 99 units (30 June 2022: 39 units) and at the end of August has secured 97% of its annual sales target of 250 units for 2023, with a total owned and controlled land bank at 997 plots (December 2022: 1,094 plots) keeping us on track to scale up this business
- Construction
 - The construction segment achieved turnover of £56.2m (June 2022: £66.5m) in a challenging market
 - Henry Boot Construction remains focused on delivering its current projects with 72% of its 2023 target order book secured following delays in bringing activity to site as customers proceed cautiously
- Responsible Business

- Making good progress against our Responsible Business Strategy targets set in January 2022, with the launch of our Health and Wellbeing programme and continued progress in achieving our GHG emissions target to support reaching NZC by 2030

[Click here to view the full 2023 Interim Results Announcement.](#)

NOTES:

- ¹ Underlying profit before tax is an alternative performance measure (APM) and is defined as profit before tax excluding revaluation movements on completed investment properties. Revaluation movement on completed investment properties includes gains of £1.4m (2022: £1.0m gain) on wholly owned completed investment property and gains of £0.3m (2022: £0.6m gains) on completed investment property held in joint ventures. This APM provides the users with a measure that excludes specific external factors beyond management's controls and reflects the Group's underlying results. This measure is used in the business in appraising senior management performance
- ² Return on Capital Employed (ROCE) is an APM and is defined as operating profit/ average of total assets less current liabilities (excluding DB pension surplus) at the opening and closing balance sheet dates
- ³ Net Asset Value (NAV) per share is an APM and is defined using the statutory measures net assets/ordinary share capital
- ⁴ Net (debt)/cash is an APM and is reconciled to statutory measures in note 14

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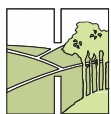
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