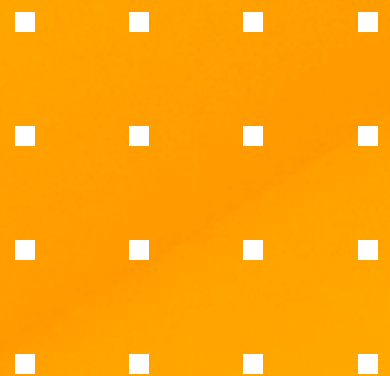




ANNUAL REPORT AND ACCOUNTS 2023

# Helping people thrive through places and spaces



# Helping people thrive through places and spaces

Places and spaces are more than land or bricks and mortar. They're where people create new ideas, build memories and plan futures.

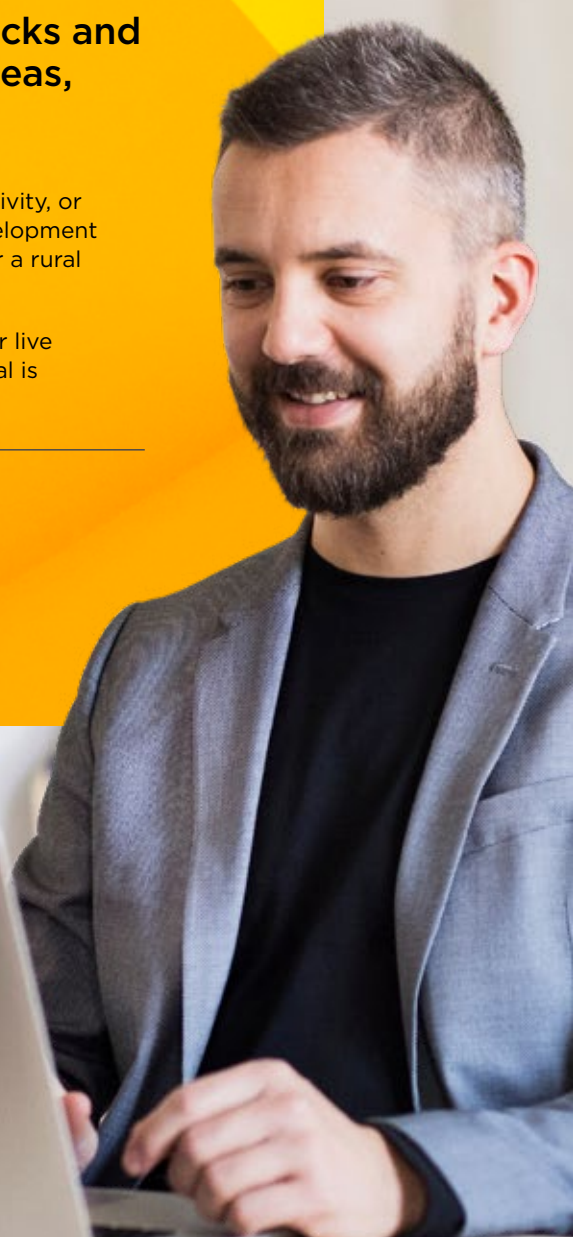


**Mark Ridley**  
CEO

It could be a sustainable office that sparks creativity, or a home that gives a family room to grow; a development focused on the needs of the local community, or a rural estate consciously managed for biodiversity.

Whether you are an investor, client, colleague, or live in the communities in which we operate, our goal is simple: to help our stakeholders thrive through places and spaces.

→ SEE OUR BUSINESS MODEL ON PAGES 10 AND 11



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## GROUP HIGHLIGHTS

The Group produced a resilient performance in 2023 in the face of sharply increased interest rates and the consequent dramatic reductions in transaction volumes globally.

### Revenue

**£2,238.0m**

(2022: £2,298.3m)



### Reported profit after tax

**£39.5m**

(2022: £119.8m)



### Underlying profit\*\*

**£94.8m**

(2022: £164.6m)



### Balance (non-transactional)\*

**65%**

(2022: 60%)



### Reported earnings per share

**30.0p**

(2022: 87.0p)



### Underlying earnings per share\*\*

**55.1p**

(2022: 94.9p)







During 2023, global real estate markets have faced the obvious challenges associated with inflation and the related steep rise in interest rates. Different regions have varied in the pace of their adjustment to current conditions and all have experienced a material decline in trading volumes during that adjustment process. The Group's performance is in line with our expectations following this prolonged recalibration of markets."

**Mark Ridley**  
CEO

→ SEE PAGES 20 TO 26

#### Underlying profit margin\*\*

# 4.2%

(2022: 7.2%)



#### Operating cash generation

# £18.8m

(2022: £164.0m)



#### Property under management (sq ft.)

# 2.6bn

(2022: 2.5bn)



#### Reported pre-tax profit margin\*\*\*

# 2.5%

(2022: 6.7%)



#### Assets under management ('AUM')

# £22.1bn\*\*\*\*

(2022: £22.1bn)



#### Geographical spread (% non-UK)

# 58%

(2022: 58%)



\* Defined as the % of Group revenue derived from non-transactional revenue streams. See Non-Financial Key Performance Indicators on page 19 for further information.

\*\* Underlying profit is an alternative performance measure used to assess the performance of the Group. Underlying profit is calculated by adjusting reported pre-tax profit for profit/loss on disposals, share-based payment adjustments, amortisation and impairment of intangible assets arising from business combinations, impairment of goodwill, significant restructuring costs, transaction-related costs and other items that are considered significant in size or non-operational in nature. Underlying EPS is also an alternative performance measure used to assess the performance of the Group. Underlying EPS is calculated using the underlying profit after tax measure, with the weighted average number of shares remaining the same as the GAAP measure. Refer to Note 2.3 and Note 8 to the financial statements for further explanation of underlying profit measures.

\*\*\* Reported pre-tax profit margin is an alternative performance measure calculated by dividing profit before income tax by revenue.

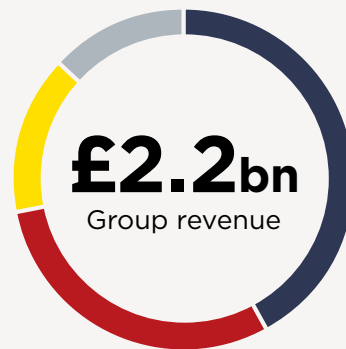
\*\*\*\* Estimated position as at 31 December 2023, 2022 comparative as reported in the 2022 Report and Accounts.

WHAT WE DO

We provide best-in-class insights and advice to help individuals, businesses and investors make better property decisions.

**680+**  
Offices and associates

**42,000+**  
Staff



- United Kingdom **42%**
- Continental Europe and the Middle East **15%**
- Asia Pacific **30%**
- North America **13%**

## SAVILLS AT A GLANCE

# Demonstrating geographic and business diversity

**Our vision is to be the real estate advisor of choice in the markets we serve. We do not wish to be the biggest, just the best.**



## UNITED KINGDOM

## £941.5m

Revenue  
(2022: £956.3m)

### 131

Offices  
(2022: 130)

### 9,454

Employees  
(2022: 9,036)

## CONTINENTAL EUROPE AND THE MIDDLE EAST

## £342.4m

Revenue  
(2022: £335.0m)

### 63

Offices  
(2022: 57)

### 3,220

Employees  
(2022: 2,888)

## ASIA PACIFIC

## £659.0m

Revenue  
(2022: £669.7m)

### 57

Offices  
(2022: 57)

### 28,412

Employees  
(2022: 27,462)

## NORTH AMERICA

## £295.1m

Revenue  
(2022: £337.3m)

### 43

Offices  
(2022: 43)

### 994

Employees  
(2022: 945)

### Our global size and strength

We have an international network of over 680 offices and associates and over 42,000 staff throughout the UK, Asia Pacific, the Americas, Continental Europe, Africa and the Middle East, offering a broad range of specialist advisory, management and transactional services to clients all over the world.

### Where our expertise lies

For nearly 170 years, we have been helping people thrive through “places and spaces”. At the forefront of the real estate industry and with over 42,000 professionals working collaboratively across our global and local networks, we offer a huge range of services and specialist expertise to ensure our clients achieve the best outcomes.

#### TRANSACTION ADVISORY

The Transaction Advisory business stream comprises commercial, residential, leisure and agricultural leasing, tenant representation and investment advice on purchases and sales.

→ SEE PAGES 22 AND 23

#### PROPERTY AND FACILITIES MANAGEMENT

Management of commercial, residential, leisure and agricultural property for owners. Provision of a comprehensive range of services to occupiers of property, ranging from strategic advice through to project management and all services relating to a property.

→ SEE PAGE 24

#### INVESTMENT MANAGEMENT

Investment management of commercial and residential property portfolios for institutional, corporate or private investors, on a pooled or segregated account basis.

→ SEE PAGE 26

#### CONSULTANCY

Provision of a wide range of professional property services including valuation, project management and housing consultancy, environmental consultancy, landlord and tenant, rating, development, planning, strategic projects, corporate services and research.

→ SEE PAGE 25

# Chair's statement



**Stacey  
Cartwright**  
Chair



Resilient performance in challenging markets driven by the Group's less transactional service lines."

## Results overview

Savills strength across its less transactional service lines continued to provide a resilient earnings stream, underpinning Savills overall performance in a global real estate market challenged by significantly reduced transactional activity. The Group's revenue decreased by 3% to £2.2bn (2022: £2.3bn), 2% down on a constant currency basis. Although not immune to market volatility (particularly in respect of some Consultancy service lines), the strength of our less transactional businesses underpinned Savills performance overall, growing revenue by 7% to £1.5bn. Prime drivers of performance were Consultancy and Property Management, which performed well, growing revenue by 4% and 11% respectively.

The Group's Transactional business experienced a 17% drop in revenue during the year as global market conditions remained extremely subdued for longer than anticipated at the start of 2023. This was the primary cause of the 42% reduction in the Group's underlying profit of £94.8m (2022: £164.6m), representing an underlying profit margin of 4.2% (2022: 7.2%).

Our Investment Management business traded in line with our expectations, although deployment of capital was inevitably reduced given lack of price transparency in most of its target markets.



At the year end, Savills Investment Management had significant investment 'dry powder' for both real estate equity and debt opportunities, including Samsung Life having committed its first \$1bn to support a number of products.

As a result of the challenging market conditions during 2023, the real estate services industry as a whole undertook a number of rounds of cost reduction and reorganisation actions. In line with our strategy during the global financial crisis of 2008, as well as more recently through the pandemic, and supported by our strong financial position; Savills continued to maintain its core bench-strength around the world, ensuring we provided the highest level of service to our clients throughout the year and remain well positioned for market recovery.

We did, however, review the global business for locations or service lines where the anticipated time frames for market recovery remain protracted. This resulted in selective restructuring of certain transactional and related support teams and resulted in one-off costs of £13.9m being incurred.

The costs of this restructuring led Group's reported profit before tax to decrease by 64% to £55.4m (2022: £153.9m), representing a pre-tax profit margin of 2.5% (2022: 6.7%).

The Group continued to maintain a positive liquidity position with net cash (cash and cash equivalents net of borrowings and overdrafts in the notional pooling arrangements) of £157.3m at year end (2022: £307.4m).

Currency movements in the year decreased revenue by £14.4m, underlying profit by £0.7m and reported profit before taxation by £1.1m.

## Market conditions

Throughout the year, real estate markets across the globe were challenged by significantly increased interest rates, geopolitical events and, on a more asset specific level, uncertainties over the future role of offices and the valuation of existing stock in the era of sustainability. These factors, together with certain location-specific issues, significantly reduced capital transaction volumes in global markets to their lowest levels for a decade. In addition, economic uncertainty led to delays in corporate occupiers committing to new leasing activity in many markets.

The value recalibration process took time to catalyse market liquidity, with the majority of lending banks continuing to extend existing loan terms. The consequence of this was that global market conditions remained extremely subdued for longer than originally anticipated at the start of 2023.

However, in Q4 2023 we began to see lenders start to exercise their security rights. This began to have a positive effect on market activity towards the year end and should be a catalyst for improved volumes in 2024.

The rate at which individual investment markets are recalibrating varies around the globe; however, it appears that the UK prime Commercial market has re-priced to a point where it represents value, particularly for assets with strong sustainability credentials, for which there is significant occupier demand. In addition, our Prime residential business has performed well, particularly in central London. As anticipated a year ago, residential markets outside London were more subdued as volumes reverted to more normal levels of activity after the abnormally large volumes transacted post-pandemic.

In Europe, investment transaction volumes reached their lowest levels since the eurozone debt crisis. The slowing of investment activity quarter-by-quarter was a widespread trend across all European countries and the major asset classes, with the office sector continuing to face the most significant reduction in volume.

In the Asia Pacific region, property investment volumes overall fell by 33% in 2023. China experienced increasing debt-related difficulties amongst the major domestic developers in addition to the macro trends affecting manufactured supply to international markets. Other markets in the region were affected by the sharply higher cost of borrowing, with significant volume declines in the mature markets of Australia and South Korea. Hong Kong was one of two markets which recorded only a single digit decline, however this was off an already very low base with volumes still 70% below their previous peak in 2018.

In North America, the office market remained sluggish as economic uncertainty, questions over the return to offices, particularly in the major metropolitan markets of the East and West Coast, and slowing employment growth caused corporates to delay major leasing decisions, pending greater clarity.

## 2023 HIGHLIGHTS

- Group revenue down 3% to £2.2bn (2022: £2.3bn)
- Underlying profit before tax decreased 42% to £94.8m (2022: £164.6m)
- Reported profit before tax, including exceptional costs, decreased 64% to £55.4m (2022: £153.9m)
- Underlying basic EPS down 42% to 55.1p (2022: 94.9p); reported basic EPS down 66% to 30.0p (2022: 87.0p)
- Aggregate proposed final and supplementary interim dividends of 15.9p (2022: 29.0p), giving a total distribution for the year of 22.8p (2022: 35.6p)
- Net cash of £157.3m (2022: £307.4m)

## CHAIR'S STATEMENT *continued*

### Business development

Savills has continued to focus on the strategic development of the business and improving our service offering to clients; this has been enabled by the Group's strong balance sheet. In the first half of the year, we progressed our strategy of expanding our Global Prime Residential services with the acquisition of agencies in Italy (BeLiving Srl) and Portugal (Predibisa, Sociedade de Mediação Imobiliária, Lda). The Group also acquired Automotive Property Consultancy Holdings Limited, a specialist property consultancy dedicated to the franchised motor retail sector in the UK.

In the second half of the year, the Group acquired Site 8 Pty Limited, expanding our retail property management business in Australia. The UK business recently completed the acquisition of Nash Bond Limited, a leading UK prime retail agency and lease consultancy business, enhancing our position in this recovering market. Finally, DRC Savills Investment Management established the Group's first position in the US real estate debt market through a joint venture with QCP LLC, a real estate debt manager based in Atlanta.

Supported by our strong balance sheet we continue to review opportunities to enhance our client offering across geographies and service lines.

### Focus on technology

Technology continues to be an important focus for the Group, and we are well on the way through implementation of significant platform upgrades across the globe including both operating and finance systems and service-specific digital transformation programmes.

We continue to investigate and experiment with new and emerging technologies through our innovation and data teams globally. Recently there has been an increased focus on the opportunities presented by the latest developments in the broad area of artificial intelligence ('AI'), or 'Machine Learning', which we use as a driver of efficiency in many of our bespoke data and service line platforms across the Group. One example of this is BrickByte in Germany, which was acquired by the Group in 2022. It is a technology-enabled method of workspace planning, driven by Machine Learning, to save time and optimise the use of space, and which has significantly increased its revenues year-on-year.

Our other digital businesses continue to perform well. Cureosity, our wholly-owned platform that connects occupiers, landlords and their managing agents continued to grow Annual Recurring Revenue ('ARR') significantly year-on-year and has begun to expand into markets outside the UK. Our market-leading UK on-line auction business continues to take market share, and despite increasingly challenging markets, sold over £570m of property during the period, an increase of 25% year-on-year.

Through our wholly owned technology businesses and investments, we are experimenting with the latest advances in generative design particularly to test project feasibility at an earlier stage in the design process. For example, VU.CITY (in which the Group has an investment) uses its

## SUSTAINABILITY IN REAL ESTATE

**Climate:** Through our advice to clients and the work we do directly, we always seek to add value through initiatives that help both people and our environment to thrive. In 2023, our absolute Scope 1 and 2 'market-based' Greenhouse Gas ('GHG') emissions totalled to 5,947 tonnes CO<sub>2</sub>e, which is a 26.9% (2,187 tonnes CO<sub>2</sub>e) reduction against our 2019 base year. When assessed on an annual basis, we have seen a 11% reduction in the Group's Scope 1 and 2 emissions, associated with a 6% decrease in electricity consumption and an increase in uptake of green tariffs. To drive our de-carbonisation journey, in 2023, we increased the usage of efficient LED lighting, for example, in Continental Europe and the Middle East, where 80% of occupied floor area now has LED. As a result of our strategy in respect of office lease renewals, by year end 87% of total office space occupied by Savills in North America is now situated in accredited, energy efficient buildings.

**Culture:** We actively foster an inclusive workplace – aiming to attract diverse talent, develop and support our people, and always lead by example. In 2023, Savills UK won EDI (Equality, Diversity, and Inclusion) Programme of the Year at Inspiring Women in Property Awards hosted by Property Week. Similarly, Bisnow's UK Rise Initiative recognised Savills UK as one of the companies leading the way to improve diversity in real estate. Savills North America has placed 21st in the Newsweek Excellence 1000 Index, identified as an example of corporate success and responsibility. Meanwhile, Savills was awarded UK Apprenticeship Employer of the Year at the Personnel Today Awards and was 1st in The Times Rate My Placement for Apprentices and listed Top 100 Apprenticeship Employers of 2022 – 2023.

**Community:** People are at the heart of our business. We aim to create a lasting positive social impact on the local communities which we impact through the way we engage with them, the work we do and the charitable initiatives we run to support them. During 2023, 24,300 hours were given by our people for volunteering, an increase from 16,700 in 2022. In addition, £2.1m was donated by the Group and combined Regional Businesses; with £4.7m Social and Local Economic Value delivered by Savills UK.

SiteSolve technology combined with complete digital city models at 'planning grade' levels of accuracy, to generate instant development options, taking into account environmental and other extant planning constraints.

We maintain our policy of continuing to support technology initiatives across the Group, striking the balance between locally led innovation and broader centralised initiatives.

## Board

On 1 January 2024, I became Chair on the retirement of Nicholas Ferguson. Since he was appointed in May 2016, Savills has both delivered commendable growth and successfully navigated the challenges of both COVID and the market corrections of the last two years. I would like to thank him for his enormous contribution to the business.

On 13 December 2023, John Waters was appointed as an additional Independent Non-Executive Director and replaced me as Chair of the Savills Audit Committee with effect from 1 January 2024. We are delighted that John has joined the Board and look forward to benefitting from his extensive experience to support our future growth.

## Dividends

An interim dividend of 6.9p per share (2022: 6.6p), amounting to £9.4m was paid on 2 October 2023, and a final ordinary dividend of 13.9p per share (2022: 13.4p) is recommended, making the ordinary dividend 20.8p per share for the year (2022: 20.0p). A supplemental interim dividend of 2.0p per share (2022: 15.6p) is declared, taking into account the significantly reduced underlying performance of our Global Transaction Advisory business. Taken together, the ordinary and supplemental interim dividends comprise an aggregate distribution for the year of 22.8p per share, representing a decrease of 36% on the 2022 aggregate ordinary and supplemental dividend of 35.6p.

Subject to Shareholder approval of the proposed final dividend at the AGM on 15 May 2024, the aggregate final and supplementary interim dividends of 15.9p will be paid on 23 May 2024 to Shareholders on the register at 12 April 2024.

## People

On behalf of the Board, I wish to express my thanks to all our people worldwide for their hard work, commitment, collaborative approach and continued focus on client service, which enabled the Group to deliver results in line with our expectations in such challenging times.

## Summary and outlook

Savills resilient performance in 2023 highlights the diversity and strength of our global business. In the context of extremely challenging real estate markets, which saw the lowest levels of transaction volumes for a decade, our less transactional businesses have provided a solid platform for the Group with a resilient and growing earnings stream.

With increased expectation of a reduction in the cost of capital being likely during 2024, we expect re-financing driven activity and the sustainability agenda to be positive for transaction volumes, and therefore improving price transparency, in a number of markets. There also remain, for the near term at least, questions over office utilisation in certain locations, perhaps most keenly felt in the North American metropolitan markets of the eastern and western seaboard.

# £2,238.0m

Revenue  
(2022: £2,298.3m)

# £94.8m

Underlying profit  
(2022: £164.6m)

# 4.2%

Underlying profit margin  
(2022: 7.2%)

# £39.5m

Reported profit after tax  
(2022: £119.8m)

Current economic and geopolitical conditions remain uncertain and although we expect this to continue for some time, most markets appear to be past the moment of peak uncertainty. There are some early signs of underlying market improvements, which should set the course for a broader recovery during the second half of the year and into 2025.

Our policy of retaining our core bench-strength, enabled by our strong balance sheet, positions the Group well for the future.

**Stacey Cartwright**  
Chair

13 March 2024

## OUR BUSINESS MODEL

The model below illustrates in simple terms how we create Shareholder value through improving the strength of our premium brand, and through the delivery of profits and dividends to Shareholders. We treat every client as an individual and take time to understand what they need and how we can best service them.

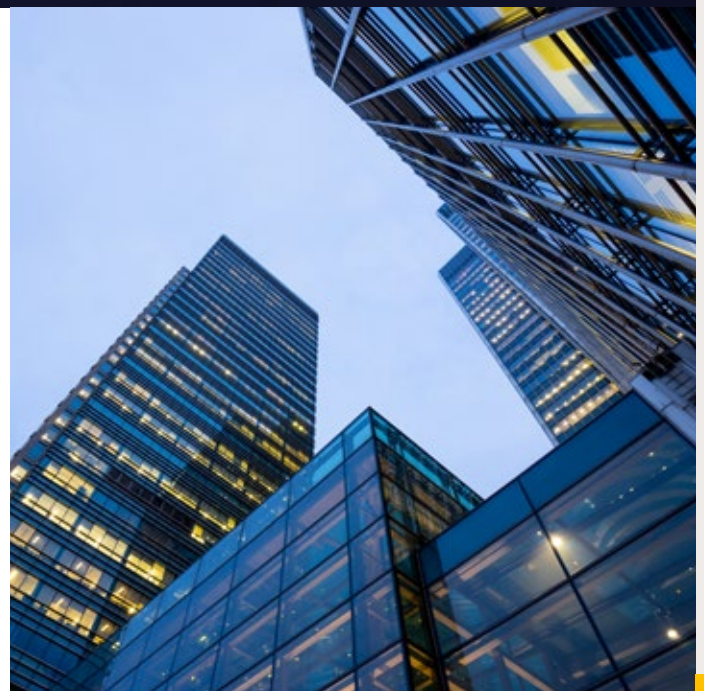
For over 160 years, we have been helping people thrive through places and spaces. With more than 42,000 professionals dedicated to commercial and prime residential real estate across 70 countries, we have the expertise to bring a client's vision to life.

We firmly believe that our people are key to delivering excellent service to our clients and achieving our objectives; they give us a unique perspective of the markets in which we operate and connect our clients with real estate opportunities and market intelligence.

The culture ingrained in our business is what sets us apart, guiding the way our people behave to bring our clients the best possible service.

We have built our brand and reputation on the quality of our people, relationships, resources and processes. Savills has a strong and well-embedded culture, founded on an entrepreneurial approach and on our values and operational standards. All that we do is underpinned by strong governance, a disciplined approach to risk management and high standards of responsibility, which supports the sustainable development of our business. More detail of our governance structure, policies and practices can be found later in this Annual Report on pages 81 to 155.

We are committed to delivering the highest levels of client service and creating long-term relationships with our clients. We are committed to adding value while always honouring our responsibility to protect the environment, support local communities and foster an inclusive culture. Whether our client is a corporate business looking to expand, an investor seeking to sustainably optimise their portfolio or a family trying to find a new home, we bring a truly personal approach to every project, delivering best-in-class insights and advice to help our clients make better property decisions.

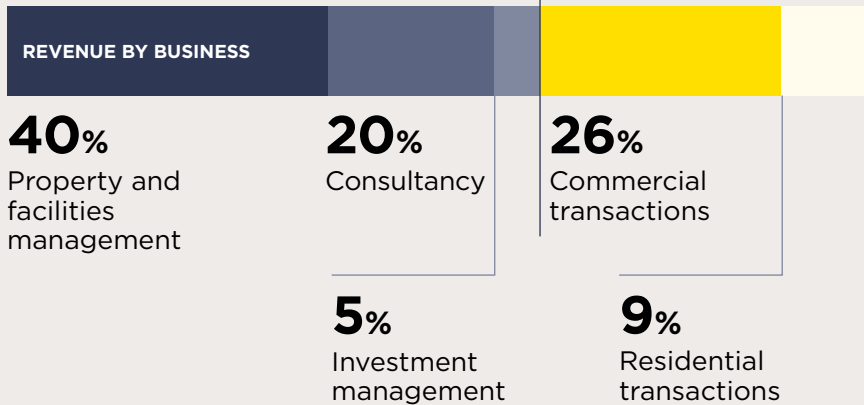




## 2 Our business model

### DEFENSIVE, SCALE BUSINESS

### CYCLICAL HIGH-MARGIN BUSINESSES



## 3 Underpinned by

### OUR GLOBAL VALUES

- **We listen** – We put our clients at the heart of everything we do. We listen to our clients’ unique needs and take time to understand their aspirations, responding with bespoke solutions to help them achieve their goals
- **We empower** – Our experts pioneer new approaches, bringing fresh ideas and informed insights to the table
- **We challenge** – We are always open and honest in our views, constructively challenging our clients and each other in the pursuit of the best results
- **We collaborate** – We collaborate with our clients to build personal, lasting relationships, uniting diverse perspectives and expertise across our global and local networks

### GOVERNANCE

- Strong Board and management
- High standards of governance

### DISCIPLINED APPROACH TO RISK

- Risk mitigation to limit exposure to any one market or economy

## 4 Value-creation

### SHAREHOLDERS

**22.8p**

Dividends

**£39.5m**

Reported profit after tax

**£94.8m**

Underlying profit

**30.0p**

Reported earnings per share

**55.1p**

Underlying earnings per share

### PEOPLE

- Develop talent
- Employee engagement
- Diversity and inclusion

### CLIENTS

- High-quality service – Client relationship
- Client care – Client relationship management team

### COMMUNITY

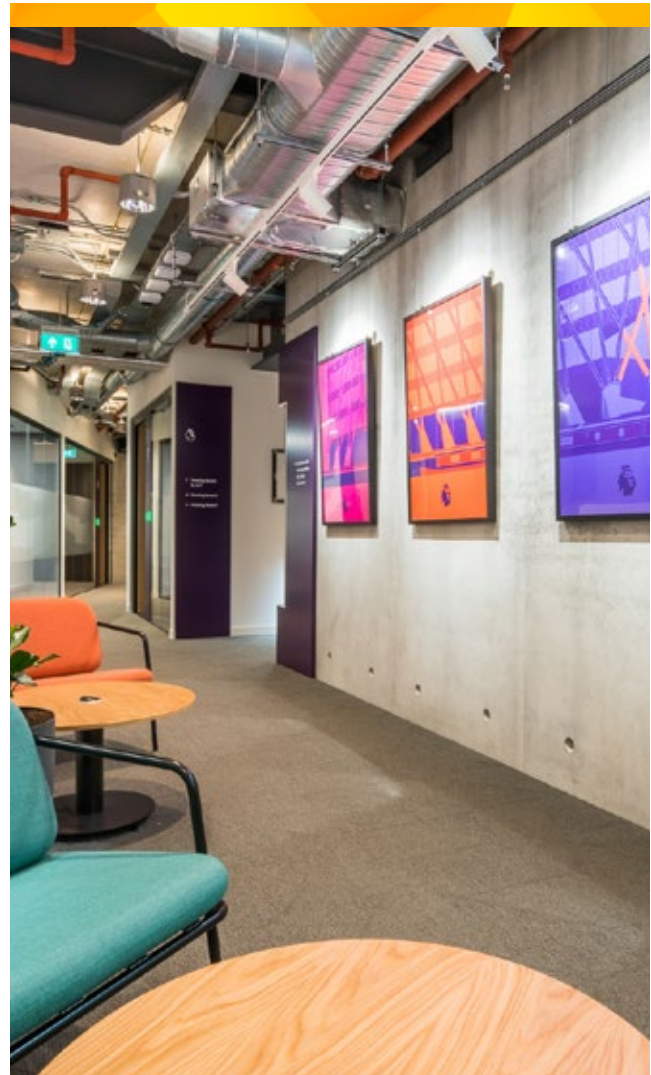
- Reduce environmental impact – Carbon emission reduction
- Community investment – Community engagement programmes

# UK Commercial

**While the second half of 2023 saw the UK Central Bank base rate stabilise, this did not feed through into a notable pick-up in commercial property investment activity in the UK. Furthermore, the impact of high debt and operating costs and wider economic and political uncertainty slowed down decision-making in most occupational markets.**

Just over £39bn of commercial property investments were transacted in the UK in 2023, which is 41% lower than the previous year and 38% down on the five-year average. Every commercial property sector experienced lower investment volumes in 2023 than 2022, with the largest fall being in offices (47%) and the smallest being retail (12%).

Economic uncertainty continued to slow occupational decision-making, and this caused a reduction in take-up across all the main commercial property sectors in most markets. One exception to this trend was the City of London office market where take-up was 12% higher in 2023 than 2022. However, at a national level, office leasing activity outside London was 12% down year-on-year and large logistics take-up was down 40% year-on-year.



## **Premier League HQ, Brunel Building, Paddington, London**

The London office project management team, part of building and project consultancy ('BPC'), has completed the fit-out of circa 40,000 sq ft. at the Premier League's new HQ in the Brunel Building, Paddington, W2. Initially instructed on 33,000 sq ft. in 2019, following this success, the team was appointed as project manager on a further 7,000 sq ft. for the organisational body.

# UK Residential

**2023 proved a more challenging year for the UK housing market, as successive interest rate rises put pressure on prices and constrained transaction levels. Across the market as a whole transactions levels fell by -19% on the back of a -23% fall in mortgage approvals; with activity becoming more weighted to cash and equity-rich buyers.**

The prime housing markets were not immune to these pressures with prices falling by an average of 1.1% in London and 4.8% across the rest of the country, as post-pandemic drivers of activity also dissipated.

A weaker housing market coincided with the ending of the 'help-to-buy' scheme and significant planning uncertainty, meaning housebuilders faced numerous headwinds. That fed through into a softer development land market. Correspondingly, values of greenfield development land ended the year -8.7% below their peak of September 2022.

Though activity levels remained relatively buoyant, we also saw a progressive slowing in rental growth at the top end of the UK housing market. Rents rose by around 4.5%, as the acute demand-supply imbalance eased over the course of 2023 and the Renter's Reform Bill made slow progress through parliament.



## The Water House, Highgate

**Guide price: £17m**

**Completed: December 2023**

**Property received multiple bids, selling to a UK-based buyer.**

The Water House is a dramatic contemporary house sitting in glorious half-acre grounds and offering countryside living in the heart of London. The property is discreetly situated down a quiet heath side lane and offers a level of privacy and seclusion rarely found anywhere in London.

The family accommodation is imaginatively arranged over two floors around the stunning double volume, galleried family room and kitchen. Further exceptional features include a long indoor pool-room, and a detached studio annex in the rear garden. The house is set on the plot to make the best of the south-west-facing garden and pond. There is also ample secure parking and a private pathway leading to Fitzroy Park.

# North America

## Entering 2024, the US is still carefully navigating a Federal Reserve-engineered ‘soft landing’ designed to temper inflation without tipping the economy into a recession.

The US unemployment rate increased slightly over the past year, from 3.4% at the start of 2023 to 3.7% by December. Throughout 2023, employers added 2.7 million jobs, a significant decrease from the 4.8 million jobs gained in 2022, yet a larger increase than in the years preceding the pandemic. The labour market remains robust but is cooling to more sustainable levels, with wage-growth generally moderating. Inflation, as measured by the Consumer Price Index (‘CPI’), remains above target at 3.1%, down from 6.5% the previous year. The Federal Reserve has revised its forecast, anticipating three rate cuts totalling 75 basis points (0.75%) in 2024.

The office market remains sluggish as economic uncertainty and slowing employment growth cause a reduction in overall demand. However, there is a bifurcation in the office sector that partly exhibits signs of both cautious recovery and resilience due to a high demand for Class A space that is centrally located and well-amenitised to “earn the commute” of employees. In contrast, older and outdated office space continues to struggle, prompting an increase in conversions to reposition these buildings – a strategy that could eventually lower the availability rate and ultimately bring the overall office market closer to equilibrium. While sublease space has contributed to the oversupply, the rate of new sublease offerings has slowed, and supply has even begun to decline in some markets. Currently, leasing activity is largely driven by lease expirations, but an improving economy could prompt tenants who have paused leasing decisions over the past year to proceed with transactions.

In the US industrial market, tenants are gaining leverage as normalised demand meets increased supply. This rise in supply is leading to higher vacancy rates, exerting some downward pressure on rental rates. However, these rates are still significantly higher than they were two years ago. Despite record amounts of speculative development, higher interest rates have led to a slowdown in construction, which will help mitigate further increases in vacancies as supply tightens again. The primary demand-driver, consumer spending, has remained resilient despite challenges, with third-party logistics providers and manufacturers continuing to be very active. Investors are increasingly attracted to this property type due to its solid long-term fundamentals and relatively low levels of distress.



### Chedraui, USA

Savills represented multi-national grocery retailer, Chedraui USA, on its acquisition of a 1.4m sq ft. industrial property in the Inland Empire outside Los Angeles, where it will develop a state-of-the-art distribution centre including a 500,000 sq ft. cooler and 25,000 sq ft. office facility for employees. The transaction resulted in the largest industrial fee in Savills North America history.



# Europe

**2023 will be remembered for what was record eurozone inflation, record eurozone interest rates and a year of elevated investor caution, as European investment transactions recorded the lowest levels since the aftermath of the eurozone debt crisis.**

Drags on investment activity accumulated throughout the year: the sluggish economic growth; the unavailability of debt and its high cost; the mismatch between buyers and sellers' expectations and the narrowing spread between long-term interest rates and real-estate yields. Hence, investment activity kept slowing quarter after quarter.

Based on preliminary Q4 estimations, we anticipate that European investment volumes totalled approximately €140bn last year, slightly more than half the volume transacted in 2022 and 56% down on the past five-year average. This declining activity was widespread across all European countries, with the exception of Greece, thanks to one large portfolio deal. It was also widespread across various asset classes, with the office sector continuing to face the most significant downturn. Nevertheless, certain sectors showed greater resilience than others, notably senior housing, hotels and retail.

Investors' attention is now focused on the timing of the first interest-rate cut. Capital Economics predicts a first 25-bps cut in Q2 2024, with rates to fall from 4.00% to 2.75% by the end of 2024. This will heighten real estate's investment appeal. As the gap in buyer and seller price expectations begins to close, we expect a gradual improvement in investment activity starting in H2 2024. This revival of activity is anticipated to be most pronounced in areas where prices experienced significant corrections. 'Beds and Sheds' will retain their status as preferred asset classes, benefitting from a persistent structural imbalance between supply and demand.



## Barcelona World Trade Centre

Savills signed a five-year integral property management agreement for World Trade Centre Barcelona, which comprises 48,000 sq m. in three buildings of mixed use (offices, 5\*hotel, retail and parking) in Barcelona Port.

# Investment Management

## Interest rates remained the single biggest factor influencing real estate investment in 2023.

Expectations in early 2023 that the second half of the year could mark a turning point for real estate investment markets proved wide of the mark as central banks raised interest rates further and for longer than many expected. As a result, real estate valuations remained under significant pressure as yields moved out. At the same time, the relative attraction of returns for alternative asset classes, and in numerous instances, ongoing allocation constraints towards real estate because of the so-called 'denominator effect', were significant headwinds for capital-raising initiatives and transaction volumes.

The amount of capital raised for European real estate Core, Core plus, value-add and opportunistic strategies fell for the second consecutive year, with 2023 recording the lowest level of capital raised since 2013, when the region was starting to recover from the sovereign debt crisis, Preqin data shows. Combined with high costs of debt, the result was a halving of investment transactions across Europe last year compared to 2022, and the worst year for deals since 2012, MSCI data shows. Investment activity in Asia-Pacific was also down sharply in 2023, albeit the 20% year-on-year decline points to deal-making holding up better than in Europe.

Notwithstanding a number of high profile cases, the market didn't see the levels of distressed sales that some anticipated, given sharply higher debt financing costs and the level of refinancing that was estimated to be required in 2023. As interest rates start to come down, lower borrowing costs will ease some refinancing pressures. Nonetheless, credit conditions will likely remain tight and higher loan-to-value ratios will challenge some transactions, particularly assets that require significant capital expenditure to improve the energy efficiency and sustainability.

A retreat from traditional bank lenders continued to open up opportunities for debt funds. With debt investors more protected against declines in real-estate values, the sector is rising in appeal amongst investors.

The interest rate environment looks set to dominate the performance of the sector again in 2024. But while investment-market conditions are likely to remain challenging in the early part of 2024, with real-estate values having already corrected significantly, lower interest rates could start to open up new opportunities for both equity and debt investors. But in a world characterised by higher interest rates, investors will need to think and act differently, focusing on sectors where long-term demand-drivers and supply constraints support rental growth and income.



## Valencia

As part of its growing commitment to the European Living sector, Savills IM acquired two newly built residential properties in Valencia, comprising 209 units. The assets were developed in November 2022 as part of four residential towers that make up "SkyHomes", a highly sustainable, modern residential asset located in the Malilla neighbourhood of the city. In addition to securing an EPC A rating, a great achievement as Spain has one of the most restrictive EPC rating systems for multi-family housing in Europe, other sustainable characteristics include aerothermal heat pumps in each unit. Electric vehicle chargers soon to be installed along with bicycle racks in the underground parking garage. The project aims to achieve "BREEAM Excellent - In Use" certification. The development also offers comprehensive amenities, including a swimming pool, coworking space and playgrounds.

# Asia Pacific

**In the face of persistent interest-rate hikes, China's economic slowdown and elevated global economic uncertainties, investors became more cautious and slowed decision-making commitments in 2023. Asia Pacific property investment volumes fell by -33.2% year-on-year in 2023 to US\$126.4 billion\* but still outperformed the Americas (-55.5% year-on-year) and CEME (-51.4% year-on-year).**



## Gwanghwamun Building, South Korea

A partial sale (B1) of a mixed-use office and retail property located in the core CBD across prominent buildings including the Seoul Finance Center and Four Seasons Hotel.

China was the most active market in terms of investment volume across the region in 2023, with investment volumes contracting by 26.6% year-on-year to US\$33.8 billion, notwithstanding a debt crisis, a property market downturn and an elevated risk of deflation. Investment activity was supported by recent fiscal measures, an increasing number of asset disposals by developers, and a recent proliferation of auction sales. Buyers were mainly domestic end-users with insurance companies interested in good-quality commercial stock in Tier 1 cities, while the participation of foreign investors was limited.

Benefitting from an ultra-loose monetary policy and a weak currency, Japan remained in the spotlight for global investors in 2023 with a 20% year-on-year decline in investment volumes to US\$31.4 billion. Thanks to robust inbound tourism, more investors were not only interested in prime logistics warehouses, but also favoured retail and hotel assets, which recorded increases in transaction volumes of 34.2% and 16% YoY respectively.

Other mature markets were affected by the higher cost of borrowing, and investment volumes saw a decline in 2023, particularly in Australia (-57.4% year-on-year) and South Korea (-49.4% year-on-year). Singapore also saw a decline of 6.6% year-on-year in 2023, in a market supported by several large retail deals. Hong Kong was one of two markets which recorded only a single digit decline (-1.9% year-on-year), but volumes are still 70% below their previous peak in 2018.

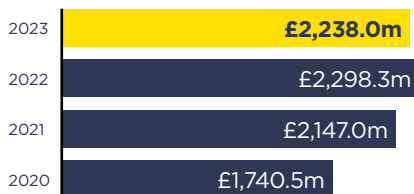
\* Notes: Office, retail, industrial, apartment, hotel, and senior housing & care transactions included. Entity level deals included. Development sites excluded. Based on independent reports of properties and portfolios \$10 million and greater. Data believed to be accurate but not guaranteed. Source: MSCI Real Capital Analytics, as of 10th January 2024.

## KEY PERFORMANCE INDICATORS

# Financial

### Revenue

**£2,238.0m**



#### The measure

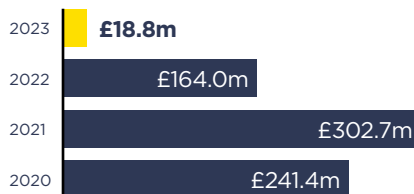
Revenue growth is the increase in revenue year-on-year.

#### The target

To deliver growth in revenue from expansion both geographically and by business segment.

### Cash generation

**£18.8m**



#### The measure

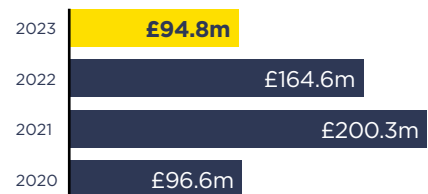
The amount of cash the business has generated from operating activities.

#### The target

To maintain strong cash generation to fund working capital requirements, Shareholder dividends and strategic initiatives of the Group.

### Underlying profit

**£94.8m**



#### The measure

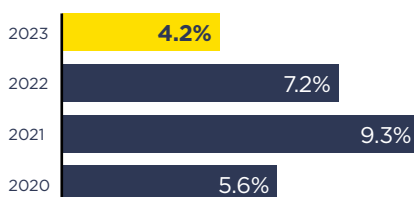
Underlying profit growth is the increase/decrease in underlying profit year-on-year.

#### The target

To deliver sustainable growth in underlying profit.

### Underlying profit margin

**4.2%**



#### The measure

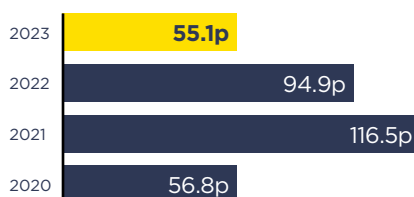
Profitability after all operating costs but before the impact of significant non-operational costs and taxation.

#### The target

To deliver growth in operating margin by improving the efficiency with which services are offered.

### Underlying earnings per share

**55.1p**



#### The measure

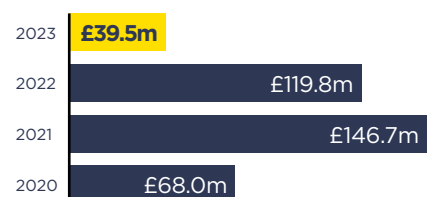
Earnings per share ('EPS') is the measure of profit generation. Underlying EPS is calculated by dividing underlying profit by the weighted average number of shares in issue.

#### The target

To deliver progressive, sustainable growth in underlying EPS to enhance Shareholder value.

### Reported profit after tax

**£39.5m**



#### The measure

Reported profit after tax growth is the increase/decrease in reported profit after tax year-on-year and over a longer term.

#### The target

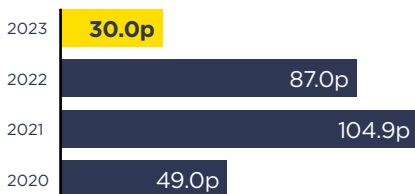
To deliver sustainable long-term growth in reported profit after tax.



# Non-Financial

## Reported earnings per share

# 30.0p



### The measure

Reported EPS is the measure of reported profit generation and is calculated by dividing reported profit after tax by the weighted average number of shares in issue.

### The target

To deliver long-term growth in reported EPS to enhance Shareholder value.

## Balance

# 65.5%

(% non-transactional income)



### The measure

Revenue by type of business.

### The target

To maintain a healthy balance of transactional and less or non-transactional business revenues.

## Geographical spread

# 57.9%

(% non-UK)



### The measure

Geographical diversity is measured by the spread of revenues by region.

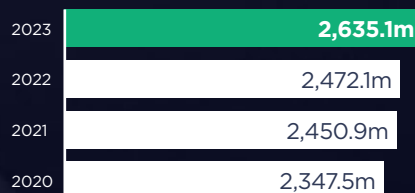
### The target

To progressively balance the Group's geographical exposure through expansion in our chosen geographic markets.

## Property under management

# 2,635.1m

(million sq ft.)



### The measure

Total square footage property under management.

### The target

To progressively increase the global square footage under management.

## Assets under management

# £22.1bn



### The measure

Growth in assets under management of our investment management business, Savills Investment Management.

### The target

To increase the value of investment portfolios through portfolio management, new mandates and the launch of new funds.

# Chief Executive's review



**Mark Ridley**  
Group Chief  
Executive



Our vision is to be the real estate advisor of choice in the markets we serve. This is underpinned, especially in difficult market conditions, by retaining our core bench-strength to provide best-in-class insights and advice to help individuals, businesses and investors make better property decisions.”

The key components of our business strategy to support this vision are as follows:

- Business diversification
- Geographical diversification
- Commitment to clients to deliver the highest standards of client service
- Strength in all real estate sectors
- Maintenance of our financial strength

#### KEY OPERATING HIGHLIGHTS

- Robust performance of the less transactional businesses, representing 65% of Group revenue, which grew 7%, underpinning overall Group performance
- Savills Investment Management revenue decreased 6%. Assets under management was stable at £22.1bn (2022: £22.1bn). \$1bn commitment from Samsung Life largely awaiting deployment
- Global Transactional Advisory revenues, in aggregate 35% of Group revenue, decreased 17%, reflecting significantly reduced capital and leasing market volumes globally
- Global Residential revenues declined 19% as markets normalised, following high levels of post pandemic activity, and adapted to higher interest rates

## Our performance

Savills geographic and business diversity were key to achieving the year's results. Our performance analysed by region was as follows:

	Revenue £m			Underlying profit/(loss) £m		
	2023	2022	% change	2023	2022	% change
UK	<b>941.5</b>	956.3	(2)	<b>98.3</b>	118.1	(17)
Asia Pacific	<b>659.0</b>	669.7	(2)	<b>23.4</b>	41.4	(43)
CEME	<b>342.4</b>	335.0	2	<b>(9.8)</b>	17.3	n/a
North America	<b>295.1</b>	337.3	(13)	<b>(8.4)</b>	4.1	n/a
Unallocated	-	-	n/a	<b>(8.7)</b>	(16.3)	n/a
<b>Total</b>	<b>2,238.0</b>	2,298.3	(3)	<b>94.8</b>	164.6	(42)

On a constant currency\* basis Group revenue decreased by 2% to £2,252.4m, underlying profit decreased 42% to £95.5m (and reported profit before tax decreased by 63% to £56.5m). Our Asia Pacific business represented 30% of Group revenue (2022: 29%) and our overseas businesses as a whole represented 58% of Group revenue (2022: 58%). Our performance by service line is set out below:

	Revenue £m			Underlying profit/(loss) £m		
	2023	2022**	% change	2023	2022**	% growth
Transaction Advisory	<b>772.9</b>	930.1	(17)	<b>4.3</b>	71.9	(94)
Property and Facilities Management	<b>899.5</b>	813.9	11	<b>48.8</b>	46.5	5
Consultancy	<b>459.8</b>	441.5	4	<b>35.6</b>	41.3	(14)
Investment Management	<b>105.8</b>	112.8	(6)	<b>14.8</b>	21.2	(30)
Unallocated	-	-	n/a	<b>(8.7)</b>	(16.3)	n/a
<b>Total</b>	<b>2,238.0</b>	2,298.3	(3)	<b>94.8</b>	164.6	(42)

Overall, our Commercial and Residential Transaction Advisory business revenue represented 35% of Group revenue (2022: 40%) and was the service line most directly affected by the challenging market conditions during the year. Of this, Residential Transaction Advisory represented 9% of Group revenue (2022: 10%). Our Property and Facilities Management businesses continued to perform well, growing year-on-year and representing 40% of Group revenue (2022: 35%). Our Consultancy businesses increased revenue by 4% and represented 20% of revenue (2022: 19%), albeit that the performance of some of the service lines, such as security valuations, were affected by reduced market volumes. Finally, Investment Management again represented 5% of Group revenue (2022: 5%).

Unallocated costs reduced year-on-year as a result of central interest income and the reduction in profit-related remuneration payable to the Group's senior management.

## People

Over the past year Savills has continued to invest in the business, employing the best people, diversifying by geography and strengthening our offer in all major real estate sectors.

The UK business retained both its number one spot in the Top 100 Apprenticeship Employers of 2023-2024 (Rate My Apprenticeship Awards) for its second year and its standing as The Times Property Graduate Employer of Choice for the 17th consecutive year. It was also named by the Financial Times as one of the UK's leading management consultants for the second year running.

In our CEME business, Savills Abu Dhabi and Sharjah won two awards at the Property Finder Awards and Savills Poland was honoured in the ESG Strategy category in the Prime Property Prize 2023 awards.

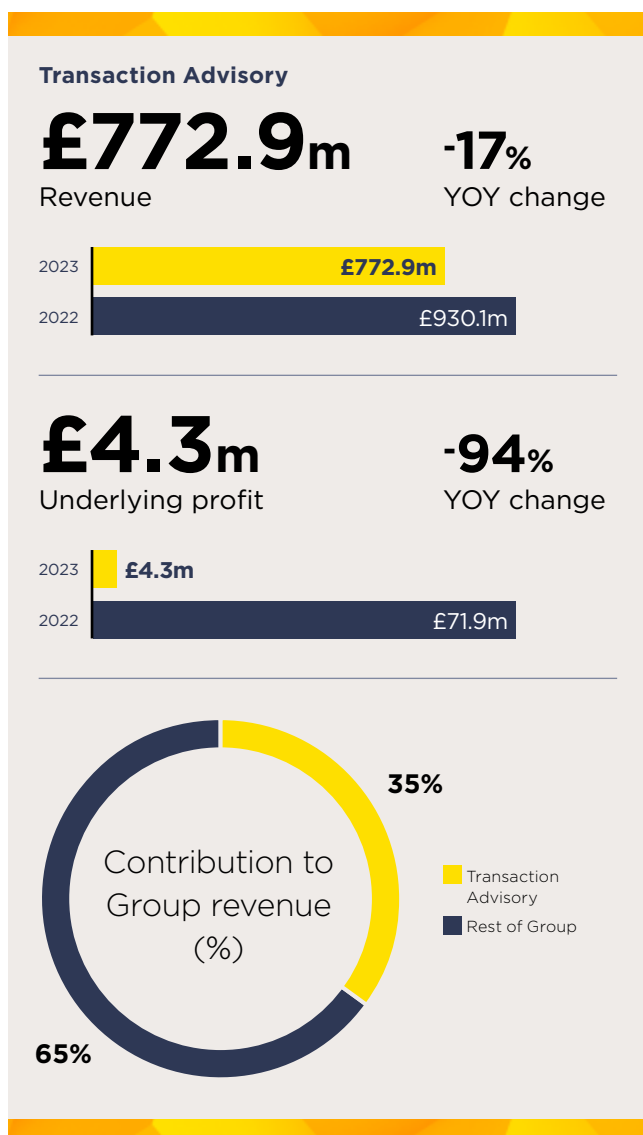
In Asia Pacific, the Savills Hong Kong business won the Property Management Team of the Year award from RICS and the Savills Singapore business won the Facilities Management Team of the Year award at the RICS Southeast Asia Awards 2023.

These awards are a testament to the strength of our people and their approach to client service and I thank them for their continued commitment, loyalty and hard work.

\* Constant currency is an alternative performance measure used to assess the performance of the Group. Revenue and underlying profit for the year are translated at the prior year exchange rates to provide a constant currency comparison. Refer to the appendices to the financial statements for further explanation of this measure.

\*\* Refer to Note 6 for details of change to the prior year comparatives for Property and Facilities Management and Consultancy.

**The Savills Group advises on commercial, residential, rural and leisure property. We also provide corporate finance advice, investment management and a range of property-related financial services. Operations are conducted internationally through four business streams**



**Transaction Advisory**

Overall, our Transaction Advisory revenue decreased by 17% (16% on constant currency basis) to £772.9m (2022: £930.1m). Globally our commercial capital transaction business revenue decreased by 30% and our leasing and occupier-focused transactional revenues by 9%. Our Global Residential business revenue reduced by 19% against a strong comparative in 2022.

Underlying profits fell to £4.3m (2022: £71.9m), reflecting the impact of sharply reduced volumes transacted worldwide and the Group's policy of retaining core bench-strength during market corrections to maintain client service and enable the Group to benefit from future market recovery.

**Asia Pacific Commercial**

Revenue from the Asia Pacific Commercial Transactional business decreased by 30% to £102.1m (2022: £145.3m), a decrease of 27% in constant currency.

There were significant revenue reductions across the region as markets began to recalibrate in the face of interest rate rises and other challenges. In China, we did not see the broad return of transaction volumes which was anticipated after the end of COVID-related lockdowns in Q1 2023. Instead, transactional revenues declined by approximately 15% in China and 6% in Hong Kong in comparison with a low base in 2022. However, the recently recruited logistics teams performed well and enabled the mainland Chinese transaction business largely to mitigate the effect of the revenue fall on profits. The other principal countries showing revenue and profit reduction year-on-year were Australia, which was one of the last markets to begin recalibration, Singapore, South Korea and Japan, albeit the latter came off a record performance in 2022 and continued to trade profitably during 2023.

Overall the Asia Pacific Commercial Transactional business recorded underlying losses of £2.9m (2022: £13.4m underlying profit).

**UK Commercial**

UK Commercial Transactional revenue fell by 15% to £100.6m (2022: £118.9m), reflecting fewer transactions in investment markets and more subdued leasing activity.

Just over £39bn of commercial property investments were traded in the UK in 2023, which is 41% lower than the previous year and 38% down on the five-year average. All commercial property sectors experienced lower investment volumes in 2023 than 2022, with the largest fall being in offices (-47%) and the smallest being in retail (-12%).

While the second half of 2023 saw the Bank of England base rate stabilise, this did not quickly feed through into a notable pick-up in commercial property investment activity in the UK. Rather, Savills increased its share of available market activity, for instance in prime Grade A sustainable office transactions. Indeed, Savills advised on 11 of the 16 largest transactions to occur in the year.



Economic uncertainty continued to delay corporate decision-making which resulted in a reduction in take-up across all the main commercial property sectors in most markets. One exception to this trend was the drive for sustainability which saw take-up in the City of London office market (Grade A with high sustainability rating) increase by 12% year-on-year. However, at a national level, office leasing activity outside London was 12% down on 2022 and large logistics take-up was down 40% year-on-year.

As a result, despite market share gains, underlying profits fell by 31% to £14.0m (2022: £20.4m) with a reduced margin of 13.9% (2022: 17.2%).

### North America

Revenue from the North America Transactional business decreased to £266.7m (2022: £303.5m), a 12% decrease at both prevailing and constant currency rates.

The overwhelming majority of North American revenue relates to occupier leasing transactions across the office sector, which were considerably affected by the understandable tendency for corporate occupiers to delay transactions in the face of uncertain market conditions. We saw growth in Southern California, Washington DC, Chicago and in the US segment of the recently launched Global Occupier Services business, which more than doubled revenue, albeit off a low base. These partially mitigated reductions in activity elsewhere. In the major metropolitan markets such as New York and San Francisco where the continuation of homeworking in the face of return-to-work strategies, in the financial services and technology sectors particularly, restricted demand for offices for much of the year. There were signs of improved activity emerging in Q4 2023, which should support improved performance in 2024. Capital markets revenues reduced by 48% to £12.4m (2022: £23.7m) as investors came to terms with both reduced occupier demand for metropolitan office space and the rising cost of debt.

Profits were significantly impacted by the effect of market conditions on revenue. During the year a focused restructuring exercise was carried out to improve profitability in the future, as well as continuing investment in growth of the newly established Occupier Services platform. The business recognised an overall underlying loss of £7.4m (2022: £2.3m underlying profit).

### Continental Europe and the Middle East

In CEME, transaction fee income decreased by 12% to £114.6m (2022: £129.8m); 10% in constant currency.

The primary market-related themes were similar to those experienced elsewhere, however the extent of their impact alongside other more local issues, particularly in Germany, continental Europe's largest real estate market, was significant to the extent that our transactional business there made a material loss. Germany is one of the slowest global markets to recalibrate and market conditions in France were not dissimilar.

In contrast, our businesses in the Middle East, Italy, Czech Republic and Portugal saw transactional revenue growth as a consequence of both organic investment and recent acquisition activity. Spain and Ireland showed considerable resilience in their transactional performances too, maintaining strong market share. We continued to grow market share in many countries but could not mitigate the effect of volume reductions in most markets.

Profitability was impacted primarily by the significant downturn in activity causing losses in both the major markets of France and Germany and also in the Netherlands and Belgium. This together with increased interest costs on CEME net borrowings resulted in an underlying loss for the year of £20.3m (2022: £2.7m underlying loss).

### UK Residential

UK Residential Transactional revenue decreased by 18% to £171.0m (2022: £208.3m), reflecting the decrease in market volumes with successive interest rate rises and the consequent fall in mortgage approvals dampening demand.

Second hand sales revenue declined by 23% with a reduction in the number of exchanges of 23% to 4,735 (2022: 6,124). This was exacerbated by a decrease in the average sales value by 4% to £1.61m (2022: £1.68m). In London the average lot size transacted by Savills was down 3% to £2.23m and by 8% to £1.27m in the regions. Volumes in both the regional UK market and central London declined significantly, but consistent with our expectations.

Revenue from the sale of new homes reduced 24% year-on-year, reflecting a decrease of 27% in the number of exchanges, much of which occurred in the regional markets with London more resilient, which was also manifested by an 8% increase in average value transacted.

Underlying profit reduced by 45% to £19.4m (2022: £35.1m), reflecting the effect of the revenue reduction year-on-year. This performance represented an underlying profit margin of 11.4% (2022: 16.9%).

### Asia Pacific Residential

Revenue from the Asia Pacific Residential Transaction business decreased by 26% to £17.9m (2022: £24.3m), a fall of 24% in constant currency.

86% of the regional revenue was generated in Greater China, where debt costs drove falls in revenue of between 22% and 25% in mainland China and Hong Kong, although profits from those regions only fell by £0.7m in aggregate. Elsewhere revenues reduced by between 20% and 50%, the latter in Singapore where market conditions, including the impact of stamp duty for non-residents, were also reflected in a temporarily reduced share of profit from our associate, Huttons. The effect of these reductions were partially mitigated by small increases in profitability in our businesses in Thailand and Vietnam, however overall underlying profits fell to £1.5m (2022: £3.4m).

## CHIEF EXECUTIVE'S REVIEW continued

### Property and Facilities Management

Our Property and Facilities Management businesses continued to perform well, with revenues growing by 11% to £899.5m (2022: £813.9m); 11% in constant currency. Savills total area under management increased by 7% to 2.63bn sq ft (2022: 2.47bn sq ft). Underlying profit increased by 5% to £48.8m (2022: £46.5m), 6% in constant currency.

#### Asia Pacific

In Asia Pacific, Property Management revenue was £447.1m, an increase of 10% year-on-year (2022: £404.9m); 12% increase in constant currency.

Revenue grew across the region with improved performances in Singapore, South Korea and Vietnam. Hong Kong experienced revenue growth of 1% overall, however much of this was in lower margin Facilities Management, which did not mitigate the effect of a reduced contribution from a long-standing joint venture in Macau as the leisure industry there saw much reduced throughput-related demand. In mainland China, revenue growth of 2% was offset by growth in staff costs, including temporary staff filling vacancies caused in part by migration. Meanwhile in Singapore, revenue and profitability were significantly enhanced through a much improved performance by Absolute Maintenance Services Pte Limited and Solute Pte Limited ('AMS'), both acquired the previous year.

The Asia Pacific region's underlying profits increased by 6% year-on-year to £22.2m (2022: £21.0m) reflecting a slightly reduced margin of 5.0% (2022: 5.2%).

#### UK

The UK Property Management business grew revenues by 9% to £355.7m (2022: £327.4m) with square footage under management increasing by 4% (31 December 2023: 600.1m sq ft, 31 December 2022: 577.0m sq ft). During the year we continued to diversify our Facilities Management business into new service lines, such as car park consultancy, as well as securing significant new mandates.

Our Residential Lettings business had another successful year with revenues and profit increasing by 6%. This was primarily driven by the London market which was characterised by strong tenant demand, albeit with reduced supply.

Finally, our rural management business also performed well with revenue growth of 5% and significant profit improvement.

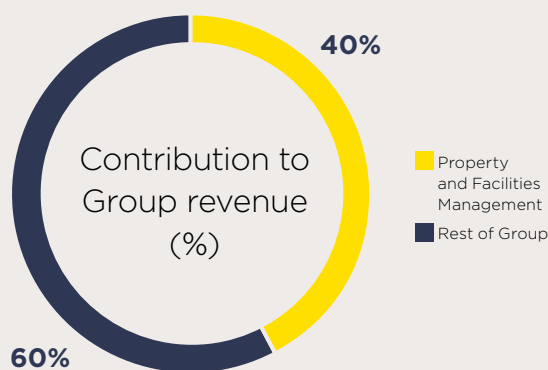
Overall, the UK Property Management business increased underlying profit by 17% to £30.4m (2022: £25.9m).

### Property and Facilities Management

**£899.5m** Revenue **+11%** YOY change



**£48.8m** Underlying profit **+5%** YOY change



### Continental Europe and the Middle East

CEME Property Management revenues increased by 19% to £96.7m (2022: £81.6m); the same on a constant currency basis. Over half of this increase was in respect of pass-through costs for outsourced services in Germany, which had no effect on profits.

Revenues grew in all regions, reflecting significant contract wins in the Middle East, Spain, Ireland and Poland.

Area under management at 31 December 2023 was 294.8m sq ft., up 11% on last year (31 December 2022: 265.4m sq ft.).

Profitability and margins in the CEME businesses were significantly affected by initial scale up costs on new contract wins, inflationary cost pressures, reduced levels of profitable ad hoc consultancy work in the prevailing economic environment and a higher interest cost on debt balances associated with recent acquisitions. As a result, the CEME business recognised an underlying loss of £3.8m (2022: £0.4m loss).

### Consultancy

Global Consultancy revenue increased by 4% to £459.8m (2022: £441.5m), 5% at constant currency rates. Much of the revenue growth derived from lower margin service lines, whilst some of the higher margin services were materially affected by either reduced market volumes (e.g. security valuations) or the impact of market sentiment on client willingness to commit to longer-term projects (e.g. Development Consultancy/Planning). In addition, the cost base was affected by salary inflation in respect of professional consultants. These factors were most marked during the first half of the year. Thereafter, we experienced improved activity particularly in Q4, improving on our H1 2023 underlying profit decline of 55% to end the year with underlying profit decreasing by only 14% to £35.6m (2022: £41.3m); 13% on a constant currency basis.

#### UK

The UK Consultancy businesses, comprising a broad range of advisory activities, increased revenue by 9% to £271.0m (2022: £248.4m).

Revenue growth came from most main service lines with the exception of Development Consultancy, as developers delayed projects in the prevailing economic climate. Project Management Consultancy continued to grow well with increasing numbers of Green “retro-fit” assignments. Housing Consultancy also performed well and, whilst Planning Consultancy revenue grew somewhat, it was largely derived from smaller project work, rather than master planning and major schemes, with a consequent reduction in profitability.

The above factors in addition to professional staff cost increases, resulted in underlying profit increasing by 6% to £29.7m (2022: £28.0m).

#### Asia Pacific

In the Asia Pacific Consultancy segment, revenues decreased by 4% to £84.1m (2022: £87.4m); 1% on a constant currency basis. The overwhelming majority of revenues are earned in Australia, mainland China and Hong Kong. All of these were affected by reductions in valuation, development and research consultancy which linked to the impact of reduced transaction volumes on sentiment and in particular in China, the effect of economic conditions and debt on development activity.

Project management and green fit-out assignments in particular, improved performance in Singapore and selective markets in South East Asia.

The above factors resulted in underlying profit decreasing by 34% to £1.9m (2022: £2.9m), 31% in constant currency.

#### Continental Europe and the Middle East

Revenue increased by 6% (as reported and in constant currency) to £76.3m (2022: £71.9m).

Revenue growth was driven primarily by the Middle East, Portugal and Italy. Reduced revenue in Germany and Netherlands reflected substantially reduced valuation business as a result of reduced transactional activity in those markets. The cost base was further impacted by investment in new residential and workplace strategy recruitment in Germany and France respectively and increased interest costs on prior acquisitions.

### Consultancy

**£459.8m**

Revenue

**+4%**

YOY change

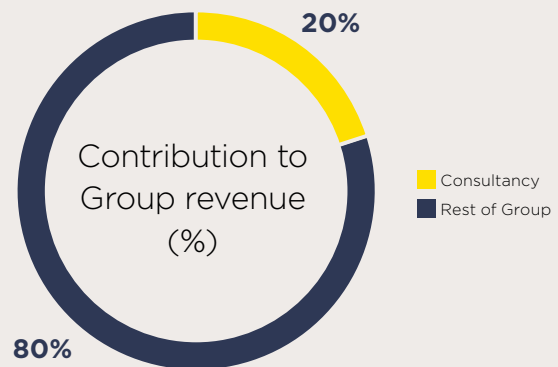


**£35.6m**

Underlying profit

**-14%**

YOY change



Underlying profit fell by 42% to £5.0m (2022: £8.6m); 41% in constant currency.

#### North America

This segment primarily comprises complex project management through Macro Consultants LLC (“Macro”), a national project management consultancy business and T3 Advisors, a workplace solutions advisory firm specialising in the life sciences and technology sectors.

Revenue decreased by 16% to £28.4m (2022: £33.8m), as reported and in constant currency. This was primarily as a result of two factors. First, in Project Management, a major media business client put on indefinite hold a number of significant projects for the year, for which staff had already been allocated. Secondly, the T3 business was affected by retrenchment in the technology sector. Both businesses significantly refocused to replace their work in progress pipelines but suffered losses during the year, which could only be partially mitigated by improvements in other consultancy services such as workplace and incentives consultancy.

The impact of these factors resulted in an underlying loss of £1.0m (2022: £1.8m underlying profit).

## CHIEF EXECUTIVE'S REVIEW continued

### Investment Management

Despite the prolonged challenging macro environment, Savills Investment Management delivered a resilient result with revenue down 6% to £105.8m (2022: £112.8m), 7% down on a constant currency basis.

The decrease was primarily due to a 35% reduction in transaction fees in line with the reduced activity in the overall market. Base management fees declined marginally to £84.0m (2022: £85.7m) and represented 79% of gross revenues (2022: 76%). The decline was consistent with expectations as several existing products came to their natural end-of-life whilst new strategies were initiated during the year and will take time to build scale.

AUM, including undrawn commitments, remained stable at £22.1bn (2022: £22.1bn). Successful new product launches and new mandates, as well as improved capital raising of £2.0bn (2022: £1.6bn) despite the difficult market conditions were offset by disposal activity and valuation reductions during the period. The relationship with Samsung Life continued well, with Samsung having committed its contracted \$1bn to various products, much of which is yet to be deployed and is included in the approximately £1.7bn of investable funds carried over to 2024. At the most recent measurement date prior to this report, 79% of funds (by AUM) continued to exceed their respective fund target or benchmark returns on a five-year rolling basis.

Successes during the year include significant new mandates won in Spain and Italy and growth of the Living platform in the UK and continental Europe. DRC Savills Investment Management expanded into new territories, launching the DRC SIM Australia Real Estate Debt Fund and establishing its first position in the US real estate debt market through a joint venture with QCP LLC, an Atlanta based real estate debt manager.

Underlying profits for Investment Management decreased by 30% to £14.8m (2022: £21.2m), 31% on a constant currency basis. In addition to the fall in revenue noted above, the year was also impacted by salary inflation in the sector and the cost of further platform growth for new product strategies, in advance of material revenues as capital is deployed.

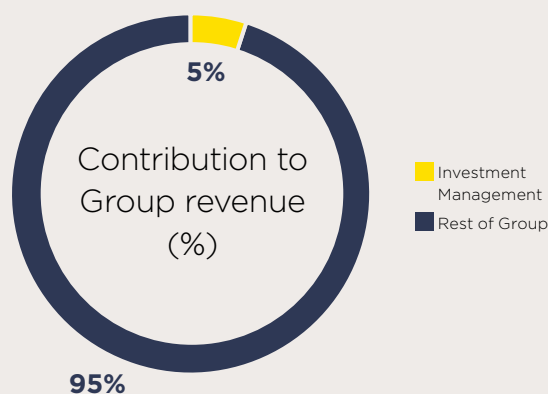
**Mark Ridley**  
Group Chief Executive

#### Investment Management

**£105.8m** Revenue **-6%** YOY change



**£14.8m** Underlying profit **-30%** YOY change





# Chief Financial Officer's review



**Simon  
Shaw**

Group Chief  
Financial  
Officer



The Group's strength across our less transactional service lines continued to provide a resilient earnings stream and maintain our strong financial position. Our full-year performance for 2023 was in line with our expectations, given the significant challenges faced by global real estate markets in the year."

## Profit margin

Underlying profit margin decreased to 4.2% (2022: 7.2%), see Note 2.3 and Note 8 for further explanation of underlying profit measures. From a trading perspective, this reflected the mix of business in the face of significant market-related revenue decreases substantially reducing profits in higher margin Transactional and Investment Management businesses, with revenue falling 17% and 6% respectively. It also reflected Group policy to retain core bench-strength through market downturns in order to maintain client service and benefit from market recovery in due course.

Reported pre-tax profit margin decreased to 2.5% (2022: 6.7%).

## Taxation

The tax charge for the year decreased to £15.9m (2022: £34.1m), representing an effective tax rate on reported profit before tax of 28.7% (2022: 22.2%). The Group's effective reported tax rate is higher than the UK effective rate of tax of 23.5% as a result of disallowable expenses largely arising from transaction-related costs.

The underlying effective tax rate increased to 22.3% (2022: 20.5%).

### Transaction-related costs

During the year the Group recognised a total of £14.6m in transaction-related costs (2022: £15.5m). These costs primarily represent liabilities for future consideration payments which are contingent on the continuity of recipients' employment at the time of payment (2023: £12.7m, 2022: £14.8m). The largest individual component of this charge related to the acquisition during 2021 of the 75% partnership interests in DRC Capital LLP, which the Group did not already then own.

These charges have been excluded from the calculation of underlying profit on a consistent basis in line with the Group's policy.

### Restructuring costs

In response to the challenging market conditions, during the year, management conducted a focussed review of the Group's businesses, where market recovery was not anticipated to be significant in the short or medium term. As described in the CEO's review, this resulted in non-recurring restructuring costs of £13.9m in aggregate.

Accordingly, these charges have been excluded from the calculation of underlying profit on a consistent basis in line with the Group's policy.

### Earnings per share

Basic earnings per share decreased 66% to 30.0p (2022: 87.0p), reflecting a 67% decrease in reported profit after tax. Adjusted on a consistent basis for significant restructuring, transaction-related costs, profits and losses on disposals, certain share-based payment adjustments, amortisation of intangible assets arising from business combinations, impairments of goodwill and significant transaction-related fair value gains, underlying basic earnings per share decreased 42% to 55.1p (2022: 94.9p).

Fully diluted earnings per share decreased by 65% to 28.8p (2022: 82.2p). The underlying fully diluted earnings per share decreased 41% to 52.9p (2022: 89.8p).

### Cash resources, borrowings and liquidity

Cash and cash equivalents, net of overdrafts in notional pooling arrangements, at year end decreased 33% to £314.5m (2022: £467.1m). This decrease reflected the Group's reduced profitability in the year and the related increase in net working capital.

Gross borrowings at year end decreased to £157.2m (2022: £159.7m). These principally comprise £150.0m (2022: £150.0m) of 7, 10 and 12 year fixed rate notes which were issued in June 2018. The Group's £360.0m UK revolving credit facility ('RCF') was undrawn at the end of the year (2022: undrawn), part of a total of £422.0m (2022: £426.2m) of undrawn borrowing facilities available to the Group. At the year end, cash and cash equivalents net of borrowings was £157.3m (2022: £307.4m).

Cash is typically retained in a number of the Group's subsidiaries in order to meet the requirements of commercial contracts or capital adequacy. In addition, cash in certain territories is retained to meet future growth requirements.

The Group's net inflow of cash is typically greater in the second half of the year. This is as a result of seasonality in trading and the major cash outflows associated with dividends, profit related remuneration payments and related payroll taxes in the first half. The Group cash inflow for the year from operating activities was £18.8m (2022: £164.0m). As previously mentioned, this reduction was due to reduced profits year-on-year and the related short-term increase in net working capital.

With a significant proportion of the Group's revenue typically being transactional in nature, the Board's strategy is to maintain low levels of gearing, but retain sufficient credit facilities to enable it to meet cash requirements during the year and finance the majority of business development opportunities as they arise.

### Capital and Shareholders' interests

During the year 4,322 (2022: 68,739) new ordinary shares were issued on the exercise of options by participants of the Group's SAYE schemes and 32,549 (2022: 81,098) of new ordinary shares were issued to participants of the Group's PSP schemes. The total number of ordinary shares in issue (before the impact of shares held by the Savills plc 1992 Employee Benefit Trust and the Savills Rabbi Trust) at 31 December 2023 was 144,389,919 (2022: 144,353,048).

### Savills Pension Scheme

The funding level of the defined benefit Savills Pension Scheme in the UK, which is closed to future service-based accrual, worsened during the year, with lower asset returns reducing the value of the Scheme's assets and a rise in the yield on AA-rated corporate bonds increasing the Scheme's liabilities. The plan was in a deficit position of £0.7m at the year-end (2022: £22.3m surplus).

### Net assets

Net assets as at 31 December 2023 were £752.8m (2022: £805.3m). This movement reflects primarily the Group's profit for the year offset by currency translation losses, reflecting the strengthening of sterling during the year, purchases of treasury shares, dividend payments and actuarial losses recognised on the Group's defined benefit pension schemes.

### Key performance indicators ('KPIs')

The Group uses a number of KPIs to measure its performance and review the impact of management strategies. These KPIs are detailed under the Key Performance Indicators section on pages 18 and 19. The Group continues to review the mix of KPIs to ensure that these best measure its performance against its strategic objectives, in both financial and non-financial areas.

### Financial policies and risk management

The Group has financial risk management policies which cover financial risks considered material to the Group's operations and results. These policies are subject to continuous review in light of developing regulation, accounting standards and practice. Compliance with these policies is mandatory for all Group companies and is reviewed regularly by the Board. Refer to Note 3 to the financial statements for further information on financial risk management.

### Treasury policies and objectives

The Group Treasury policy is designed to reduce the financial risks faced by the Group, which primarily relate to funding and liquidity, interest rate exposure and currency rate exposures. The Group does not engage in trades of a speculative nature and only uses derivative financial instruments to hedge certain risk exposures. The Group's financial instruments comprise borrowings, cash and liquid resources and various other items such as trade receivables and trade payables that arise directly from its operations. Surplus cash balances are generally held with A rated banks or better.

### Interest rate risk

The Group finances its operations through a mixture of retained profits and borrowings, at both fixed and floating interest rates. Borrowings issued at variable rates expose the Group cash flow to interest rate risk, which is partially offset by cash held at variable rates. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. Group policy is to maintain at least 70% of its borrowings in fixed rate instruments.

### Liquidity risk

The Group prepares an annual funding plan which is approved by the Board and sets out the Group's expected financing requirements for the next 12 months. These requirements are ordinarily expected to be met through existing cash balances, loan facilities and expected cash flows for the year.

# £157.3m

Cash and cash equivalents, net of borrowings  
(2022: £307.4m)

# 30.0p

Reported earnings per share  
(2022: 87.0p)

# 55.1p

Underlying earnings per share  
(2022: 94.9p)

### Foreign currency

The Group operates internationally and is exposed to foreign exchange risks. As both revenue and costs in each location are generally denominated in the same currency, transaction-related risks are relatively low and generally associated with intra Group activities. Consequently, the overriding foreign currency risk relates to the translation of overseas profits and losses into sterling on consolidation. The Group does not actively seek to hedge risks arising from foreign currency translations due to their non-cash nature.

The net impact of foreign exchange rate movements during the year represented a £14.4m decrease in revenue and a £0.7m decrease in underlying profit. Refer to Note 3.2 to the financial statements and the appendices for further information on foreign exchange risk and movements during the year.

### Simon Shaw

Group Chief Financial Officer

# A robust framework for identifying and managing risk

## Identifying and managing our risks

The Board determines the Group's appetite for risk in pursuit of strategic objectives, and the level of risk that can be taken by the Group and its operating companies. Savills businesses worldwide are responsible for executing their activities in accordance with the risk appetite set by the Board, complemented by the Savills Code of Conduct, Group policies and delegated authority limits.

Risk is assessed across the Group using a systematic risk-management model covering both external and internal factors and the potential impact, timing of impact, and likelihood of those risks occurring. Conclusions from risk assessments are incorporated into Risk Registers at Principal Business and Group-level, which evolve to reflect changes in identified principal risks and the emergence of new risks and uncertainties. Where it is considered that a risk can be mitigated further, responsibilities are assigned and action plans are agreed. Principal risks are those to which the Board and senior management pay particular attention and which could cause the delivery of the Group's strategy, results, financial condition or prospects to differ materially from expectations. Emerging risks are those which have unknown components, the impact of which could crystallise over a longer period of time.

We aim to continuously strengthen our risk management, with more dynamic risk detection, visibility of the linkage between risks across the Group.

The Group Director of Risk & Assurance facilitates the risk assessment and evaluation process with Group and Principal/business unit management, and challenges risk findings and the internal control framework to ensure that these are effective. Risk owners periodically attend the Group Risk and Audit Committees to present their in-depth analysis of risks to ensure they are aligned with an accepted risk tolerance.

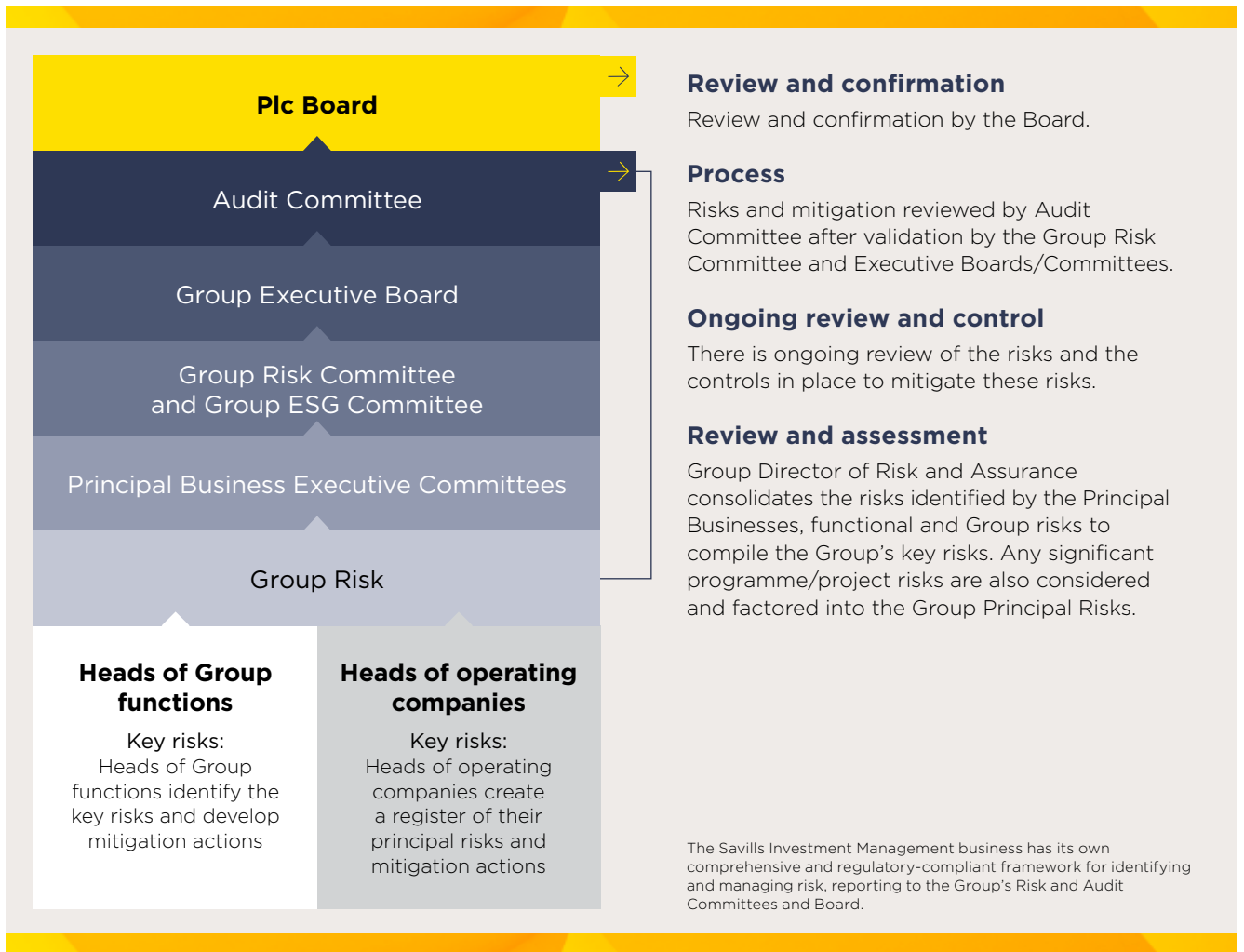
Group policies and delegated authority levels set by the Board provide the basis against which potential risks are reviewed and escalated to the appropriate level within the Group, up to and including the Board, for review and confirmation.

We have a clear framework for identifying and managing risk, both at a financial, operational and strategic level. Our risk identification and mitigation processes have been designed to be appropriate to the ever-changing environments in which we operate.



The Board is responsible for the Group's system of risk management and internal control. Risk management is recognised as an integral part of the Group's activities.”





**Roles and responsibilities**

The Board continuously reviews the Group's principal risks and is supported in the discharge of this responsibility by various committees, and in particular the Audit Committee, the Group Risk Committee and the Group Executive Board.

The risk management roles and responsibilities of the Board, its Committees, and business management are set out below, and all of these responsibilities have been discharged during the year.

**1. Board**

**Responsibilities**

- Approves the Group's strategy
- Determines Group risk appetite in the context of the Group achieving its strategic objectives
- Establishes and monitors the Group's systems of risk management and internal control.

The Audit Committee supports the Board by monitoring risk and reviewing the effectiveness of internal controls, including systems to identify, assess, manage and monitor risks.

**Actions**

- Receives regular reports on Internal and External Audit and other assurance activities
- Receives regular risk updates from the Principal Businesses
- Determines the nature and extent of the principal Group risks and assesses the effectiveness of mitigating actions
- Annually reviews the effectiveness of risk management and internal control systems
- Approves the Group risk management policy.

## PRINCIPAL & EMERGING RISKS & UNCERTAINTIES FACING THE BUSINESS continued

### 2. Group Executive Board

#### Responsibilities

- Strategic leadership of the Group's operations
- Ensures that the Group's risk management and other policies are implemented and embedded
- Monitors that appropriate actions are taken to manage material strategic risks and key risks arising within the risk appetite set by the Board
- Considers emerging risks in the context of the Group's strategic objectives and the global macro-economic and socio-political environment
- Approves Group policies
- Monthly/quarterly finance and performance reviews
- Receives updates from Group Risk Committee
- Monitors the application of risk appetite and the effectiveness of risk management processes. The Group Risk Committee and Board also consider the Group's overall risk appetite in the context of the negative impact that the Group can sustain before the Group's business model, future performance, solvency or liquidity are threatened.

#### Actions

- Review of risk management and assurance activities and processes.

### PRINCIPAL AND EMERGING RISKS

The Directors have carried out a robust assessment of the principal risks facing the Company - including those that would threaten its business model, future performance, solvency, liquidity and/or pose a material reputational risk. Our consideration of these key risks and uncertainties relating to the Group's operations, along with their potential impact and the mitigations in place, is set out on pages 30 to 36. There may be risks and uncertainties other than those listed which may also adversely affect the Group and its performance. More detail can be found in the Audit Committee Report on pages 118 to 126.

We also conduct a formal exercise twice yearly to identify and assess emerging risks. While assessing potential emerging risks we have considered our risk exposure across a number of themes, e.g. finance and economics, geopolitical and security, social, technological, climate and sustainability. Emerging risk and horizon scanning are integrated as part of regular risk discussions and reported at both regional and Group level.

### 3. Principal Business Executive Committees

#### Responsibilities

- Responsible for risk management and internal control systems within the relevant regions/businesses
- Monitor the discharge of responsibilities by business units within the relevant regions/businesses.

#### Actions

- Review key risks and mitigation plans
- Review results of assurance activities
- Escalate key risks to Group Management and Group Executive Board and the Plc Board.

### 4. Heads of the Group functions and operating companies

#### Responsibilities

- Maintain an effective system of risk management and internal control within their function/business unit.

#### Actions

- Regularly review operational, project, functional and strategic risks as well as emerging risks
- Review mitigating controls, whether financial, operational or compliance and mitigation plans to address control gaps
- Plan, execute and report on assurance activities as required by Regional or Group Management.

The Group's overall risk management framework is further enhanced by the contributions of specialist groups, for example, the Group Information Security Committee. As appropriate, certain businesses also have their own risk committees.

Savills continuously reviews and enhances its risk management process and seeks advice from independent advisors where applicable.

**In summary, the Group's principal existing and emerging risks (not in order of priority) are:**

- 1** Market conditions, macro-economic and geopolitical issues.
- 2** Achieving the right market positioning to meet the needs of our clients.
- 3** Recruitment and retention of high-calibre employees.
- 4** Reputational and brand risk.
- 5** Legal risk.
- 6** Failure or significant interruption to IT systems causing disruption to client service.
- 7** Operational resilience/business continuity.
- 8** Business conduct.
- 9** Changes in the regulatory environment/regulatory breaches.
- 10** Acquisition/integration risk.
- 11** Environment and sustainability.

Risk	Description	Mitigations	Change from 2022
<b>1 MARKET CONDITIONS, MACRO-ECONOMIC AND GEOPOLITICAL ISSUES</b>			
<p><b>Strategic objective:</b> Geographic diversification/ Financial strength</p>	<p>Global markets have seen increased volatility, with geopolitical and macro-economic risk, particularly in relation to inflation and resultant interest rate increases, with the consequent impact of increased interest rates on real estate values, resulting in uncertainty in many sectors.</p> <p>This macro-economic uncertainty could lead to a material contraction in real estate transactional activity.</p> <p>Political change could bring changes in policy focus and economic outlook with a consequential impact on real estate transaction markets.</p> <p>Inflation and consequential increases in interest rates have impacted market sentiment and investor confidence, with the speed at which individual investment/transactional markets will recalibrate to the current/anticipated cost of debt uncertain.</p> <p>Group earnings and our financial condition could be adversely affected by these and other macro-economic uncertainties. Savills operates in a number of countries where transactional business is the largest component, increasing the level of risk in relation to earnings.</p> <p>There is a currency risk from operating in a large number of countries.</p>	<p>As this is in an externally driven risk, the risk landscape is fluctuating with wider economic interventions and geopolitical challenges.</p> <p>Savills has a relatively resilient business model with a strong brand and focus on excellence in client service.</p> <p>Our strategy of diversifying our service offering and geographic spread mitigates the impact on the Group of macro-economic downturns and weak transactional market conditions in specific geographies, but this strategy cannot entirely mitigate the overall risk to earnings. To manage these risks further, we maintain a continuous focus on our cost-base and seek to improve operational efficiencies.</p> <p>Contingency plans are in place to enable us to respond quickly to market information, economic trends and adverse events.</p> <p>Continual monitoring of market conditions, market changes and other events, against our Group strategy, supported by the reforecasting and reporting in all of our businesses, are key to our ability to respond on a timely basis to changes in our operating environment.</p> <p>Our exposure to countries with economies which are currently weak is balanced by our business in stronger markets. When considering new market entry we undertake due diligence including the impact assessment of political and economic issues in that particular country.</p> <p>We manage currency risk in local operations through natural hedging and matching revenue and costs in the same currency.</p>	<p>↑</p>
<b>2 ACHIEVING THE RIGHT MARKET POSITIONING IN RESPONSE TO THE NEEDS OF OUR CLIENTS</b>			
<p><b>Strategic objective:</b> Business diversification/ Strength in Residential and Commercial markets/ Geographical diversification/ Commitment to clients</p>	<p>The markets in which we operate are highly competitive. Competition could lead to a reduction in market share resulting in a decline in revenue. Failure to respond to changing service requirements from clients, to innovate or execute on transformational activities could impact profitability and market share. Our focus is on retaining existing clients as well as engaging with new clients. Our service offering continuously evolves and improves to meet the changing needs of our clients and this will continue as changes to our clients' real estate requirements change, as a result of, for example, climate change.</p>	<p>To remain competitive in all markets and deliver return to investors, we continue to promote and differentiate our strengths while focusing on providing the quality of service that our clients require.</p> <p>We continue to invest in the development of client relationships, our businesses and people and associated systems/digital technology to support, enhance and extend our client service offering.</p>	<p>→</p>

Change from 2022:    ↑ Up    ↓ Down    → Unchanged

# PRINCIPAL & EMERGING RISKS & UNCERTAINTIES FACING THE BUSINESS continued

Risk	Description	Mitigations	Change from 2022
<b>3 RECRUITMENT AND RETENTION OF HIGH-CALIBRE STAFF</b>			
<b>Strategic objective:</b> Financial strength/ Commitment to clients	We recognise that the future success of our business is dependent on attracting, developing, motivating and retaining people of the highest quality.	We continue to invest in the development of our people and our learning and development programmes across the business. Reflecting the change to working patterns, Savills has maintained its flexible approach to office working while ensuring that client service remains at the highest level. We focus on fostering a diverse and inclusive culture across all our businesses which allows all our people to bring their true whole selves to work and be best they can be.  Our partnership-style culture and profit-sharing approach to remuneration are combined with selective use of share-based and other rewards to incentivise and retain our best people for the long-term benefit of the Group. We continuously review our markets to ensure that reward packages remain competitive.  We aim to develop talent and promote from within. Our Diversity and Inclusion strategy, health and wellbeing programmes and encouragement of charitable activities and participation in the communities in which our businesses operate, all combine to ensure that our businesses have an inclusive culture, provide our employees with the ability to be the best they can be and maintain their 'employer of choice' status.	
<b>4 REPUTATIONAL AND BRAND RISK</b>			
<b>Strategic objective:</b> Strength in Residential and Commercial markets/ Commitment to clients	Savills is a strong, well-recognised and valued brand with an excellent reputation in the markets in which it operates. The Group's reputation could be damaged due to an action or event that results in negative media/social media coverage.  We recognise the need to maintain this reputation by ensuring the quality of the service we provide and as described below, requiring our people to operate to the highest ethical standards.	We recognise that our brand strength is vital to maintaining market share in established and new markets. A brand management programme is in place to ensure the brand's positioning and identity is clearly and consistently promoted.  Our social media policy is supported by guidance and training as well as ongoing monitoring. All external statements have to be appropriately approved.  We recognise that the quality of the service we offer is vital to maintaining the brand. We have in place policies, controls and processes to monitor the quality of our client service to support our programme of continuous improvement.  The Group has well established Environmental, Social and Governance ('ESG') programmes as set out in Responsible Business on pages 38 to 73 to support our brand values.	
<b>5 LEGAL RISK</b>			
<b>Strategic objective:</b> Financial strength/ Commitment to clients	Failure to fulfil our legal or contractual obligations to clients could subject the Group to action and/or claims from clients. The adverse outcome of such actions/claims could negatively impact our reputation, financial condition and/or the results of our businesses.  For example: <ul style="list-style-type: none"> <li>▪ In accepting client engagements, Group companies are generally subject to client duty of care obligations. Failure to satisfy these obligations could result in claims being made against the relevant operating company.</li> <li>▪ In our Property and Project Management businesses, we may be responsible for appointing or overseeing third-party contractors that provide construction and engineering services. In addition in our Property Management business we may be responsible for health and safety at site-level. Failure to discharge these responsibilities in accordance with our obligations could result in brand damage and/or claims being made against the operating companies.</li> <li>▪ In our valuation consultancy businesses, we can be subject to claims, alleging, in particular the over-valuation of properties.</li> </ul>	The Group has a range of policies in place including client acceptance, legal and regulatory compliance, data protection, health and safety, procurement, contractor management and valuation to mitigate contractual risk.  In particular we have Best Practice groups, policies, procedures and training which are designed to deliver the relevant contractual obligations and thereby mitigate against the risk of such actions/claims being made and where such claims occur, to limit liability, particularly in relation to health and safety and consultancy services such as valuations. Such policies are regularly reviewed.  The Group maintains professional indemnity insurance to respond to and mitigate the Group's financial exposure to any claims. As described below, our strong emphasis on appropriate business conduct by all our employees, contractors and associates further mitigates this risk.	



Risk	Description	Mitigations	Change from 2022
<b>6 FAILURE OR SIGNIFICANT INTERRUPTION TO OUR IT SYSTEMS CAUSING DISRUPTION TO CLIENT SERVICE</b>			
<b>Strategic objective:</b> Financial strength/ Commitment to clients	<p>Major failures in our IT systems may result in client service being interrupted or data being lost/corrupted causing damage to our reputation and consequential client and/or revenue loss.</p> <p>There is a risk that a third-party cyber attack on our infrastructure by a malicious individual or group could be successful and impact the availability of critical systems.</p>	<p>Specific back-up and resilience requirements are built into our systems.</p> <p>Our critical infrastructure is set up so far as is reasonably practical to prevent unauthorised access and reduce the likelihood and impact of a successful cyber attack.</p> <p>Our data centres are accredited to international information security standards. Our IT strategy is to diversify our services utilising the cloud and hosting, in order to avoid a single point of failure.</p> <p>Penetration testing and vulnerability testing is carried out regularly.</p> <p>Business continuity and disaster recovery plans are in place to cover the residual risks that cannot be mitigated.</p> <p>We continuously review our resilience to cyber attacks, implementing new systems and procedures to address continuously evolving and ongoing cyber threats.</p> <p>Cyber insurance cover is in place.</p>	→
<b>7 OPERATIONAL RESILIENCE/BUSINESS CONTINUITY</b>			
<b>Strategic objective:</b> Financial strength/ Commitment to clients	<p>Significant non-IT events may affect continuity of service to clients, consequential revenue loss and reputational damage.</p>	<p>Business continuity plans are in place across our businesses worldwide to enable us to respond to external incidents which threaten the continuity of our operations.</p> <p>Continuity plans encompass a range of events that could impact on our people or buildings such as pandemics, terrorist events and natural disasters.</p> <p>As with most other large international businesses, remote working capabilities are robust. We have teams and processes dedicated to disaster recovery and the implementation of business continuity plans that ensure that these can be activated across key teams at short notice if so required.</p>	→
<b>8 BUSINESS CONDUCT</b>			
<b>Strategic objective:</b> Business diversification/ Geographical diversification/ Commitment to clients	<p>Significant non-IT events may affect business continuity. We operate in international markets that may present business conduct-related risks involving, for example, fraud, bribery or corruption.</p> <p>Failure by the Group and its employees to observe the highest standards of integrity and conduct in dealing with clients, suppliers and other stakeholders could result in civil and/or criminal penalties, regulatory sanction, debarring and/or reputational damage.</p>	<p>We have programmes to promote compliance with our Code of Conduct, particularly in areas of higher risk such as procurement.</p> <p>We have a zero-tolerance approach to breaches of our Code of Conduct.</p>	→

Change from 2022:  Up  Down  Unchanged

## PRINCIPAL & EMERGING RISKS & UNCERTAINTIES FACING THE BUSINESS continued

Risk	Description	Mitigations	Change from 2022
<b>9 CHANGES IN THE REGULATORY ENVIRONMENT/REGULATORY BREACHES</b>			
<b>Strategic objective:</b> Commitment to clients	<p>We are required to meet a broad range of regulatory compliance requirements in each of the markets in which we operate.</p> <p>For example:</p> <p>Some of our operations have regulatory licences: In the UK, Savills Capital Advisors Limited and Savills Investment Management LLP are authorised and regulated by the Financial Conduct Authority ('FCA') in respect of activities conducted pursuant to the Markets in Financial Instruments Directive ('MIFID') and Alternative Investment Fund Managers Directive ('AIFMD').</p> <p>Savills Investment Management entities are also variously authorised by the Bank of Italy, MAS in Singapore, BaFin in Germany, JFSC in Jersey, CSSF in Luxembourg and ASIC in Australia. Savills Group companies also hold financial services advisory licences in Japan. Our entities across the Group employ resources and maintain a framework of controls aimed at preventing our business being used to facilitate financial crime, and to comply with complex financial sanctions regimes which are continually changing in response to global events.</p> <p>In addition, some of our service businesses are regulated by The Royal Institution of Chartered Surveyors ('RICS'), for example, Savills (UK) Limited.</p> <p>Failure to satisfy regulatory compliance requirements may result in fines being imposed, adverse publicity, brand/reputation damage and ultimately the withdrawal of regulatory approvals. We also have a number of key statutory obligations including the protection of the health, safety and welfare of our staff and others affected by our activities.</p>	<p>Our Group Policy Framework, which sets out our standards for professional, regulatory, statutory compliance and business conduct, is reviewed regularly.</p> <p>To support this framework each business has its own regulatory compliance resources which monitor regulatory developments and maintain the internal processes and controls required to fulfil our compliance obligations.</p> <p>Our compliance environment, at all levels, is subject to regular review by internal audit and external assurance providers.</p>	→
<b>10 ACQUISITION/INTEGRATION RISK</b>			
<b>Strategic objective:</b> Business diversification/ Geographical diversification/ Strength in Residential and Commercial markets/ Financial strength	<p>The structuring and integration of acquisitions is critical to realising the benefits targeted. People, systems and processes are key components.</p>	<p>We apply the Group Acquisitions Policy and procedures and use professional advisors in the due diligence process, and allocate responsibility and accountability to individuals for integration. Post-acquisition reporting ensures the Board is aware of progress against plan.</p>	↓
<b>11 ENVIRONMENT AND SUSTAINABILITY</b>			
<b>Strategic objective:</b> Commitment to clients/Financial strength	<p>Environment and sustainability matters are a significant consideration for clients, employees and investors.</p> <p>Savills offers its clients expert advice on a growing range of environmental and sustainability matters.</p> <p>Savills, like all listed companies, has commitments and targets to meet in accordance with the legislation of the relevant jurisdictions.</p>	<p>We apply the Group's Sustainability Policy and employ appropriately qualified and skilled teams. We are continuously enhancing our services in this area to ensure that we can provide clients, employees and investors with the best advice and information.</p> <p>Savills has committed to net zero targets: Scope 1 and 2 net zero by 2030; and Scope 3 (for controlled assets) by 2040.</p> <p>We collect data and report in accordance with the relevant legislation and regulatory framework, including TCFD (Responsible Business pages 74 to 80).</p>	→

Change from 2022:  Up  Down  Unchanged

## VIABILITY STATEMENT

The longer-term viability of the Group is assessed for a period longer than for the going concern analysis. In accordance with Provision 31 of the UK Corporate Governance Code, the longer-term viability assessment was conducted for a period of three years, ending on 31 December 2026, taking account of the Group's current position and prospects, the Group's strategic plan, and the Group's principal risks and the management of those risks, as detailed in the Strategic Report on pages 6 to 80. The Group's emerging risks are also disclosed in the Strategic Report. This longer-term assessment supports the Board's statements on both viability, as set out below, and going concern as set out on page 151.

### Period for assessment

The Directors have determined that a three-year period would be an appropriate time frame for this assessment being consistent with the period covered by the Group's strategic plan and the cyclical nature of property markets. The strategy and associated principal risks which underpin the Group's three-year plan are reviewed by the Directors at least annually. The Directors also satisfied themselves that they have the evidence necessary to support the statement in terms of the effectiveness of the internal control environment in place to mitigate risk.

### Viability assessment and key assumptions

Sensitivity analysis was undertaken on the three-year plan, including financing projections, to flex the financial forecasts under a variety of severe downside scenarios, which involved applying different assumptions to the underlying forecast both individually and in aggregate. These scenarios assess the potential impact from several macro-economic risks, including a severe global economic downturn analogous to that experienced during the Global Financial Crisis in 2008/09. The results of this sensitivity analysis showed that the Group would maintain significant available facility and covenant headroom to be able to withstand the impact of such scenarios over the period of the financial forecast, as a result of the resilience and diversity of the Group, underpinned by a strong balance sheet.

Performance against the three-year plan is monitored on an ongoing basis, including regular Board briefings provided by the Heads of the Principal Businesses on the progress made by those businesses. These reviews consider both the market opportunity and the associated risks. These risks are considered within the Board's risk appetite framework. The Directors continue to monitor the principal risks facing the Group, including those that would threaten the execution of its strategy, its business model, future performance, solvency and liquidity. These principal risks and the consequent impact these might have on the Group are detailed on pages 30 to 36.

### Viability statement

The Audit Committee reviews the output of the viability assessment in advance of final evaluation by the Board. Based on the Group's strong net cash position and undrawn £360m Revolving Credit Facility at the year end, as described in the Chief Financial Officer's review, combined with the assessment explained above and in accordance with the UK Corporate Governance Code, the Directors confirm that they have a reasonable expectation that the Group will be able to continue to operate and meet its liabilities as they fall due, over the three-year period ending 31 December 2026.

The Directors also considered it appropriate to prepare the financial statements on the going concern basis as explained in Note 2.2 to the accounts.

# Helping both people and our environment to thrive



## Sustainability and Environment

- Sustainability
- Environment
- Savills Earth



Read more on page 40

## Social

- Our clients
- Our people
- Community



Read more on page 46

## Governance

- Human Rights
- Modern Slavery
- Speak-up
- TCFD



Read more on page 64

We focus on those key areas where we believe we can make a difference and endeavour to manage our impact in a responsible and sustainable manner. To fulfil this aim we actively embrace a range of policies and practices that foster a positive approach towards people and the environment as an integral part of our day-to-day activities.

**Group ESG Committee**

- Responsible (with the Group Risk Committee) for overseeing climate-risk assessment and other aspects of the Group’s ESG agenda
- Tracks and monitors the delivery of the Group-wide ESG targets which are aligned to the nine UN Sustainable Development Goals
- Chair: Group Legal Director & Company Secretary
- Lead: Group Sustainability Director.

**TCFD workstream runs throughout**

**Our Group ESG Committee**












Our ESG Committee, comprising senior representatives from our Principal Businesses and central teams, co-ordinates our ESG strategy.

**ESG Strategy**

The ESG strategy is set at the Group level and is then implemented at the regional and country level. The ESG strategy aligns to the nine UN Sustainable development Goals where we believe we can make the most difference.

**ESG Our Strategic Goals**

The Group’s ESG strategy is focused where we believe we can make the most difference. It is developed and recommended by management and endorsed at Board level and is then implemented at regional and country level.

Commitment to 9 UN Sustainable Development Goals	Climate Change	People	
 <p><b>Good Health and Well-Being</b></p>	<p>Throughout 2023 Savills plc remained committed to achieving net zero for its operations (Scope 1 and 2) in 2030 and for its value chain (Scope 3) greenhouse gas (‘GHG’) emissions by 2040. Savills also worked with the Science-Based Targets initiative (‘SBTi’) to verify near-term decarbonisation targets with as part of this, Savills being recognised by the Race to Zero and Business Ambition for 1.5°C campaigns.</p> <p>Subsequent to year end, in February 2024, Savills had near-term science-based carbon reduction targets validated by Science-Based Targets initiative (SBTi) as follows:</p> <ul style="list-style-type: none"> <li>■ Savills plc commits to reduce absolute Scope 1 and 2 GHG emissions 72% by 2030 from a 2019 base year.</li> <li>■ Savills plc also commits to reduce Scope 3 GHG emissions from purchased goods and services 51.6% per million GBP of value added by 2030 from a 2022 base year.</li> <li>■ Savills plc further commits to reduce Scope 3 GHG emissions from investments 51.6% per square meter within the same timeframe.</li> </ul> <p>Savills have a supplier commitment to influence stakeholders to work towards carbon neutrality.</p> <p>In addition, Savills have comprehensive services offering Sustainability Consultancy.</p>	<div style="background-color: #1a3d54; color: white; padding: 10px; text-align: center;"> <p><b>Developing Talent</b></p>  </div>	
 <p><b>Quality Education</b></p>			<div style="background-color: #1a3d54; color: white; padding: 10px; text-align: center;"> <p><b>Diversity &amp; Inclusion</b></p>  </div>
 <p><b>Gender Equality</b></p>			<div style="background-color: #1a3d54; color: white; padding: 10px; text-align: center;"> <p><b>Promoting Health &amp; Wellbeing</b></p>  </div>
 <p><b>Affordable and Clean Energy</b></p>			
 <p><b>Decent Work and Economic Growth</b></p>			
 <p><b>Sustainable Cities and Communities</b></p>			
 <p><b>Responsible Consumption and Production</b></p>			
 <p><b>Climate Action</b></p>			
 <p><b>Life on Land</b></p>			



# Sustainability and Environment



Savills recognises the need for urgent action by real estate owners and occupiers to help address the climate crisis and support the transition to a greener, more resilient economy.

## 2023 Highlights

- Savills UK win Gold for Sustainability at 2023 International CSR Excellence Awards
- Savills IM win “Most Responsible Investment Firm” at CSR Excellence Awards
- Savills IM wins Property Week’s Property Fund Manager of the Year award, demonstrating how sustainability is embedded into its investment management approach
- Savills Earth wins CIBSE Building Simulation Award 2023 and is a CIBSE Building Simulation Young Modeller Award 2023 finalist
- Savills Poland wins ESG Strategy category at Property Prize Awards
- Savills Italy recognised for commitment to all-round sustainability in the Real Estate category at the LC Sustainability Awards
- Increased renewable energy tariffs across global office portfolio, for example, in the UK green electricity now accounts for 88% of our usage
- Increased use of efficient LED lighting, for example, in Continental Europe and the Middle East 80% of occupied floor area now uses LED lighting
- 87% of total office space occupied by Savills North America is now located in accredited, energy-efficient buildings
- Savills Earth advised clients on the planting of 2,816,950 trees
- Savills has near-term 1.5°C-aligned carbon reduction targets validated by Science Based Targets initiative (SBTi)
- FTSE4Good rating to 3.5/5 and a Carbon Disclosure Project (CDP), B rating from 2023 surveys.

## Environment – Our Strategy in Action

The Board is responsible overall for managing ESG and climate-related risks and realising opportunities, as detailed in the Governance section of the TCFD Disclosures on page 74.

A summary of our ESG strategy, which is founded on the UN Sustainable Development Goals framework, and our Sustainability Policy can be found here (<https://www.savills.com/why-savills/environmental-social-and-governance.aspx>)

Across the Group we continue to implement practical initiatives to improve the environmental performance of the workspaces that we occupy, including in the design of new offices, retro-fitting existing ones, and the ongoing active management of both. Initiatives underway across our office locations globally include:

- Ensuring each Principal Business has costed actions in place sufficient to meet wider Group Net Zero transition plans, aligned to our decarbonisation targets for 2030 and 2040
- Replacement of standard electricity tariffs with certified renewable 'green' energy tariffs, where available
- Ensuring that all future office fit-outs follow sustainability fit-out guidelines or industry equivalents e.g., BREEAM refurbishment
- Ensuring that all new leases where possible, are consistent with requirements of the Savills Green Lease Guide
- Transitioning all company and leased cars away from petrol and diesel to low emission vehicles prior to 2028.

## Our Net Zero Targets

Throughout 2023 Savills plc remained committed to achieving net zero for its operations (Scope 1 and 2) in 2030 and for its value chain (Scope 3) greenhouse gas ('GHG') emissions by 2040. Savills also worked with the Science Based Targets initiative ('SBTi') to verify interim decarbonisation targets with as part of this, Savills being recognised by the Race to Zero and Business Ambition for 1.5°C campaigns.

Subsequent to year end, in February 2024, Savills had near-term science-based carbon reduction targets validated by Science Based Targets initiative ('SBTi') as follows:

Savills plc commits to reduce absolute Scope 1 and 2 GHG emissions 72% by 2030 from a 2019 base year. Savills plc also commits to reduce Scope 3 GHG emissions from purchased goods and services 51.6% per million GBP of value added by 2030 from a 2022 base year. Savills plc further commits to reduce scope 3 GHG emissions from investments 51.6% per square meter within the same timeframe.

Separately from our SBTi approved targets, Savills Group has a long-term target to achieve net zero for its operations (Scope 1 and 2) in 2030 and for its value chain (Scope 3) greenhouse gas (GHG) emissions by 2040.



## Sustainability and Environment continued

During the year we made progress on obtaining certified renewable energy tariffs. For the UK, renewable electricity tariffs now account for 88% of the total requirement (2022: 83%) with green gas tariffs now covering 91% of the UK leased office spaces. In CEME, 12 of 38 offices now have green tariffs, an additional 2 from 2022. In North America, our Chicago office started a green energy pilot in October and plans are in place for the New York HQ to be 100% green energy backed by RECs in 2024, with 25% already being sourced from green energy. Savills IM has also increased green tariffs with renewable energy now a source to some extent at Paris, Frankfurt (Main), Hamburg, Munich, Milan, Warsaw and Stockholm offices. There is still much more work to do on this agenda and we will continue to seek further improvement.

Savills has continued to focus on improving the energy efficiency of our office locations globally. For example, in 2023 in the UK, 41 new Automatic Meter Reading

(‘AMR’) meters were installed across c.40% of the office portfolio. Savills CEME has also worked to increase coverage of more efficient LED lighting. 22 of 38 Savills CEME offices now have full LED solutions, equating to 80% of occupied floor area, increased from 17 offices in 2022. Meanwhile, Savills Asia Pacific has offices in 9 out of 12 countries which are now close to 100% LED lighting. Others are well on the way to a managed transition, replacing with LED as old lighting requires replacement, for example, Savills Malaysia and Savills are replacing fluorescent light tubes with LED. For North America 87% of total office space occupied by Savills is now located in accredited, energy-efficient buildings.

In CEME, our teams continue the transition away from carbon fuel using vehicles, with the proportion of Electric Vehicles (‘EV’) now 10% and hybrid at 30%. The total CEME fleet continues to grow slightly at 4% compared to 2022, but with a decrease in fuel vehicles of 13% the transition is progressing.





We know that the infrastructure in parts of CEME is not as accessible as others, so the move to EV may be slower than desirable in some locations, however, our management teams are agreed upon the need for this important transition. Changing-out gas heating systems in offices which are landlord-controlled remains challenging. However, we continue to review where we can remove gas from the leased portfolio via office moves and equipment upgrades as relevant. The UK also launched a new Business Travel Policy which has been integrated within Savills UK sustainability targets. China has a green travel guidance in place focused on using high-speed train instead of planes, where appropriate.

### Responsible resource use and wider green building certifications

Significant progress has been made regarding the take-up of green building certifications for our occupied office spaces. For CEME, 10 of 38 offices hold green building certifications and four other offices are in the process of securing these. In Australia all buildings which are occupied are NABERS-rated, while in China several offices now have LEED and WELL accreditations. In Hong Kong, preparations for BEC Climate Ready certification are in hand, while other buildings have obtained BEAM Plus Existing Building Platinum Rating. Similarly, Savills Japan has relocated its office to a CASBEE Smart Wellness Office building, with Savills Malaysia also relocating its Kuala Lumpur office to a Green office building. Savills Korea, Savills Thailand, Savills Taipei and Savills Vietnam all now have some LEED certified office space and Savills Singapore has obtained BCA Green Mark and BCA Green Mark Healthier Workplace certifications. Savills headquarters in London holds a BREEAM certification, while Savills IM offices have BREEAM In-use for Milan, a BREEAM Construction for Warsaw, a LEED (Core & Shell) for Madrid, a Sweden Green Building Council ('SKA') in Stockholm and a WELL enabled office space in London.

In CEME paper consumption has seen a 7% increase compared to 2022; however, this represents a 54% reduction compared with 2019 for paper use per FTE. Savills UK maintains a recycling target of 75% and is currently achieving 49%. Office sustainability targets are in place covering printing, recycling, energy consumption and awards to incentivise improvements. A further decrease in printing has been measured in the UK, with an approximate reduction of 70% in total printing figures since 2019, with some Savills UK divisions now working towards paperless working. We continue to work towards a wider collection of accurate water consumption data for our leased occupied office spaces.

### Environmental Social and Governance ('ESG') training programmes

Savills CEME rolled out further ESG learning programmes to 10 countries in 2022 and then to the remaining countries in the first half of 2023, achieving full coverage. The combined completion rate for Savills CEME stands at over 80%. In 2023, Savills UK also launched a sustainability learning hub, containing three modules and a learning pathway including podcasts, articles and videos. For Savills Asia Pacific ESG learning is made available and the region is now working to develop further ESG learning and development programmes. For Savills North America, employee ESG training will be a key focus for 2024; in the meantime the region has sponsored specific employees to attend the CoreNet ESG programmes. Savills IM continues to utilise ESG Learning and Development to upskill its teams on ESG, with a learning approach which is broken down into three different areas: legislative learning, role-based learning and strategic ESG development opportunities.



# Savills Earth and wider Sustainability Consultancy Services



A partner of Global Real Estate Sustainability Benchmark ('GRESB'), Savills has supported GRESB submissions totalling assets under management of over £10 billion for 16 portfolios across 7 sectors.

**NEW SOCIAL VALUE TEAM CREATED AND SAVILLS ADVISED ON:**



**62**  
social projects

**38**  
clients



**10**

Waste management plans and

**21**

Waste management audits completed in Ireland

**ADVISED ON:**

**+100,000**  **acres**

of land for natural capital and nature restoration projects



30 BREEAM, 14 BREEAM In-use, 21 LEED and 9 WELL certifications. In addition to 12 BREEAM In-use aligned climate resilience reports.



During 2023 our Savills Earth teams in the UK worked on client projects which aim to provide 2.3 GW of energy storage including 0.7 GW of hydrogen, and advised on 19.3 GW of in-development and operational renewable energy generation projects. They also assisted clients with 0.78 GW of demand connections including EV charging.

**CLIENT SUSTAINABILITY STRATEGIES CREATED:**

**26**

and acted as sustainability advisor on

**22**

further projects



**ADVISED CLIENTS ON THE PLANTING OF:**

**2,816,950**

trees across England and Scotland





**AWARD WINNING:**

CIBSE Building Simulation Award 2023 Winner, CIBSE Building Simulation Young Modeller Award 2023 finalist.



New Savills ESG Client-facing services in Europe, providing ESG Due diligence pre-acquisition, a GRI-aligned report, 4 CRREM analysis reports, 12 energy strategy/efficiency projects and 38 energy-consulting services.

**223**

ISO 14001 audits undertaken

**10**

Independent ISO 14001 Certifications established

**ADVOCACY PARTICIPATION:**



UK Net Zero Carbon Buildings Standard, UKGBC Retrofit Offices Group, CIBSE Building Simulation Group, LPDF's Sustainability Working Group, Sutton Council's Housing and Regeneration team Group.

**SUSTAINABLE DESIGN CONSULTANCY SERVICES PROVIDED:**

**25** planning applications

**5** pre-planning projects



Major retail real estate sustainability study for leading luxury brand in Asia and a decarbonisation pathway for Singapore-listed REIT, in addition to holding 5 workshops with Hong Kong-listed developer.



Advisory roles on the Social Value UK Advisory Board (Chair), Creative Estuary Board, Land Aid Grants Committee and GLA High Streets for All Advisory Board.

**FIRST SET OF SAVILLS ENVIRONMENTAL EXCHANGE BIODIVERSITY NET GAIN CREDITS SOLD TO:**

**3** residential developers covering a total area of **50,398** hectares



**11** graduates and

**1** apprentice supported in 2023



Contributed to 49 press pieces in 23 different national, regional and trade publications on ESG and sustainability-related topics. Produced 43 blog pieces and a five-episode Savills Earth podcast series that has been downloaded over 17,000 times.

**NEW SERVICE LINES:**

Climate risk and resilience, Savills GreenFit, Savills Environmental Exchange, Grid Consultancy (Grid IQ), Sustainable Master-planning



**+180**

Carbon audits completed on natural capital in the food and farming sector



# Social



Be Extraordinary,  
together.”

**A company is nothing without a strong culture. We actively foster an inclusive workplace - aiming to attract diverse talent, develop and support our people, and always lead by example.**

## 2023 Highlights

- 24,300 volunteering hours were given by our people this year; an increase from 16,700 in 2022
- £2,090,000 donated by the Group to charitable causes
- £4,705,925 social and local economic value was delivered for Savills UK
- Over 580 pro bono hours given
- Savills UK wins EDI (Equality, Diversity and Inclusion) Programme of the Year at Inspiring Women in Property Awards hosted by Property Week
- Savills North America has placed 21st in the Newsweek Excellence 1000 Index, identified as an example of corporate success and responsibility
- Savills Earth UK teams worked on client projects which aim to provide 2.3 GW of energy storage including 0.7 GW of hydrogen and advised on 19.3 GW of renewable energy projects. They also assisted clients 0.78 GW of demand connections including EV charging
- Savills advised clients on planting 2,816,950 trees and 108 carbon audits completed on natural capital in the food and farming sector
- Bisnow's UK Rise Initiative recognised Savills UK as one of the companies leading the charge to improve diversity in real estate
- Savills France nominated for Innovation in management (Nuits de l'Immobilier) for creating a community engagement role
- Savills UK named as exemplar in EG's 2022 LGBTQ+ Attitudes & Actions
- UK Apprenticeship Employer of the Year at the Personnel Today Awards
- Savills UK 1st in the Times Rate My Placement for Apprentices (up from 8th in 2022) and listed Top 100 Apprenticeship Employers of 2022 - 2023
- Savills UK awarded the Times Graduate Employer of Choice for the seventeenth consecutive year.



## Our cultural framework

### Our Purpose

# Helping people thrive through places and spaces

### Our Vision

To be the real estate advisor of choice in the markets we serve. The growth of the Group is underpinned by providing best-in-class insights and advice to help individuals, businesses and investors make better real estate decisions.

### Our Values



## Our People

Helping our people to be the best they can be to fulfill their potential we:

- Encourage an open, inclusive and supportive culture in which every individual is respected
- Help our people to excel through appropriate learning and development
- Share success and reward achievement
- Recognise that our people's diverse strengths combined with good teamwork produce the best results
- Believe that a rewarding workplace inspires and motivates
- Strive to provide an environment in which our people can be their whole selves and can flourish and thrive - this allows us to recruit, motivate and retain talented people and build on our status as an employer of choice
- Engage with our people to communicate our vision and strategy through well-established internal channels.

### Employee engagement

We believe that in order to deliver our strategy, it is essential that our people are fully engaged and motivated. Our employees' wellbeing is fundamental to this and, we continue to build on our wellbeing programmes and activities globally. We continue to listen to and support the needs of our people, ensuring honest, open lines of communication to enable our employees to stay positive, connected and productive, while feeling valued and supported.

We use multiple channels to communicate and engage with employees, including regular town hall and other meetings, all-employee emails, our intranet, and our digital platform which allows direct employee communication (in local languages) with Non-Executive Directors (including the Chair) to allow employee feedback to flow to the Board direct. We also have an independently facilitated 'Speak-up', (whistleblowing) hotline to allow colleagues to raise concerns in confidence if they wish about the conduct of our business.



We gather feedback regularly from our employees to assess their levels of engagement. For example, in 2023 we undertook an employee survey in the UK which had a 63% response rate and a 91% engagement index score. Using questions provided by the independent survey facilitator, questions ranged from how proud employees felt to work at Savills to how seriously they believed Savills takes Diversity and inclusion.

### Developing our people

We firmly believe in the value of developing future talent from within the Group and we want people to grow their careers at Savills. We work hard to help nurture the entrepreneurs and leaders of the future and aim to foster a culture which enables our talented and diverse people to thrive.

We invest heavily in our people's development and encourage everyone to pursue opportunities for growth. We support our employees to develop and grow their careers. Our learning programmes are designed to respond to the specific development needs of employees identified through their annual performance appraisals and we encourage all our employees to attend conferences, internal events, and participate in projects to supplement their Continuous Professional Development ('CPD'). We also deliver learning programmes to reinforce and support the development of our values and behaviours; for example, in relation to financial crime risk, Our Code of Conduct and data security and data management programmes. We continue to deliver learning and development in all areas including management and leadership, client and business skills and professional and technical skills.

**How the Board engages with employees – See pages 101 and 102.**





## Diversity and inclusion



Savills will strive to be a truly inclusive employer within the real estate sector by having the right inclusive policies, learning and development, leadership and recruitment principles in place to ensure all employees and clients are treated fairly and are able to be their true, whole selves.”

### We aim to do this by working to:

- attract the most diverse talent at all stages of their careers from all backgrounds
- develop our diverse talent, ensuring clear career paths with no glass ceilings
- lead by example with our most senior leaders setting an inclusive culture.



Our strategy is to embrace diversity and provide a platform and a supportive environment in which all our employees can be the best they can be. Diversity and inclusion remains a key priority for the Board. Inclusion is at the heart of our culture, which is founded in mutual respect and non-discrimination in respect of age, disability, gender, race, religion, sexual orientation or socio-economic background. With oversight from the Board, we have continued to implement our Diversity and Inclusion strategy. We work hard to ensure those skills, experiences and perspectives are nurtured and encouraged.



We continue to work to evolve our activities to educate our people, take decisive action, generate engagement and help implement our inclusion and diversity initiatives.

We look to nurture an inclusive culture in which difference is accepted and valued. We believe that diversity of thought, experience and background at all levels gives us a competitive advantage and underpins the success of our business by giving us the ability to




select people of the highest quality from the widest available pool of talent; this makes Savills a better business. We are committed to recruiting, developing and retaining diverse talent which reflects the communities in which we live and work. We work together to bring out the best in each other and to sustain the strong working relationship ethic that has nurtured our 'can do' attitude.


As an organisation committed to diversity in its workforce, we will continue to strengthen our policies, processes and practices to develop our diversity and inclusion plans across the Group's markets and geographies, consistent with our corporate goals. There are many ways in which we are working to further build diversity: leadership, learning and awareness, employee listening, recruitment and our approach to talent management.

The Group has six key diversity and inclusion pillars covering: gender, social mobility, ethnicity, LGBTQ+, disability and age. Our objectives and the progress we have made across all six pillars can be found below:

Area of focus	Objectives	Implementation	What we do
<b>Age</b> 	<b>We aim to support all our colleagues through every age and stage of their career with relevant development, policies, support and benefits</b>	<ul style="list-style-type: none"> <li>Flexible working</li> <li>Improving internal communication of existing and new policies</li> <li>Promoting mentoring and rewarding loyalty</li> <li>Ensuring that policies and support are offered for working carers</li> <li>Menopause awareness training.</li> </ul>	<ul style="list-style-type: none"> <li>We support a significant number of people to work flexibly for different reasons to accommodate personal and professional requirements</li> <li>We are committed to our UK 'Making your Mentoring programme relevant for the modern workplace', a scheme that has been in place for many years and which allows both mentor and mentee to benefit from their involvement</li> <li>Launched a carers' network to support those who have caring responsibilities. We continue to work with Carers UK and Employers for Carers to provide support to those with caring responsibilities</li> <li>Celebrated Intergenerational Working week by holding a panel celebrating the different strengths a multi-generational workforce brings.</li> </ul>
<b>Disability</b> 	<b>Our goal is to create an accessible and inclusive business where people of all abilities can work for us or with us without barrier</b>	<ul style="list-style-type: none"> <li>Raising awareness through supporting internal and external events</li> <li>Implementing compulsory diversity and equality awareness training across the business</li> <li>Engaging with a number of professional bodies and diversity groups to obtain their assistance and expertise</li> <li>Removing the stigma - promoting awareness of mental health issues.</li> </ul>	<ul style="list-style-type: none"> <li>We are committed to being a 'Valuable 500' business, which is a pledge to encourage 500 companies across the globe to sign up and agree to be more inclusive in terms of disability</li> <li>CEME held workshops on apparent and hidden disabilities during 2023 similarly the UK held an event to raise money for charity partners and to hear from inspirational speakers on their disabilities and abilities</li> <li>In Asia, Savills Singapore, had a focus this year on hiring and supporting individuals with disabilities, while Savills China focused several of their social outreach efforts to support the disabled</li> <li>UK launched a Disability 'EnAble' network to support those in the business who have a disability or long-term health condition</li> <li>We hold a certification as a Disability Confident Committed Employer (Level 2) in the UK.</li> </ul>

# Diversity and inclusion *continued*

Area of focus	Objectives	Implementation	What we do
<b>Ethnicity</b> 	<p><b>We ensure that all cultural, religious and ethnic diversity is celebrated and should never be a barrier to being your true self at work</b></p>	<ul style="list-style-type: none"> <li>Ensuring zero tolerance of harassment and bullying</li> <li>Making equality in the workplace the responsibility of all leaders and managers</li> <li>Taking action that supports ethnic minority career progression.</li> </ul>	<ul style="list-style-type: none"> <li>Savills globally supports Black History Month with educational programmes highlighting key black role models</li> <li>Our US Building Inclusivity and Diversity Group regularly hosts speaker and panel-discussion events for our employees and clients to encourage awareness and constructive dialogue regarding diversity and inclusion</li> <li>In North America, our Employee Resource Group 'Black Excellence United' focuses on recruiting, retention, collaboration and advancement of diverse communities</li> <li>Savills US Junior Development programme over the last four years 84% of participants were from groups classed as diverse</li> <li>BeU's Black History Month webinar created a 'Book of Bios' and ran a back-to-school drive supporting over 4,400 students</li> <li>Savills UK has signed up to the Race at Work Charter, a UK initiative designed to improve outcomes for Black, Asian and Minority Ethnic ('BAME') employees in the UK.</li> </ul>
<b>Gender</b> 	<p><b>Working towards ensuring the same access to opportunity and experience for everyone at Savills, no matter their gender</b></p>	<ul style="list-style-type: none"> <li>Continue to ensure that our learning and development programmes fully support our approach to diversity and inclusion</li> <li>Relaunched our gender equality and unconscious bias training, to further raise awareness of diversity</li> <li>Launched a Communication Skills programme for women focused on public speaking and participating in panel events.</li> </ul>	<ul style="list-style-type: none"> <li>Our 'Women in Leadership positions', determined in accordance with FTSE Women Leaders Review criteria, was 37.1% as at 31 October 2023 (31 October 2022: 36.5%). We continue to remain focused into the medium term on further improving gender diversity</li> <li>We will continue to evolve our approach to meet the needs of our clients and people</li> <li>In Asia, Savills India have had a focus on supporting women in the workforce, while in North America our Women's Initiative Network WIN organised a virtual International Women's Day, with monthly internal communications and hosted 3 insightful webinars.</li> </ul>
<b>LGBTQ+</b> 	<p><b>Embrace diversity and provide a platform and a supportive environment for everyone to be the best they can be. Improve LGBTQ+ inclusion in the work place</b></p>	<ul style="list-style-type: none"> <li>Raising awareness</li> <li>Recruiting and retaining best people.</li> </ul>	<ul style="list-style-type: none"> <li>Hosted a significant Pride celebration in London in 2023 with a focus on raising money for the Albert Kennedy Trust</li> <li>As part of LGBTQ+ History Month Savills highlighted one inspirational LGBTQ+ figure each week</li> <li>Savills North America's Pride+ group organised an LGBT+ roundtable and a Pride month session on allyship and inclusivity in the workplace</li> <li>In CEME, D&amp;I was further promoted through 28 wider D&amp;I country initiatives, including participation in Pride month.</li> </ul>

Area of focus	Objectives	Implementation	What we do
<p><b>Socio economic</b></p> 	<p><b>We aim to educate and remove any barriers due to social backgrounds by supporting initiatives which drive social mobility, in both our organisation and the communities we operate within</b></p>	<ul style="list-style-type: none"> <li>▪ Creating a workplace that provides an equal and fair platform for everyone to be the best they can be regardless of their background</li> <li>▪ Increasing diversity of talent pool</li> <li>▪ Inspiring the next generation to consider property for their career.</li> </ul>	<ul style="list-style-type: none"> <li>▪ We are a founding sponsor of Rethink Food, providing vertical farming towers in primary schools in the UK</li> <li>▪ Donated our Chelsea Flower Show garden to a children’s home where it was re-purposed to a playground and to support the children growing their own food</li> <li>▪ During 2023 Savills Vietnam’s ‘Savills Cares’ programme aimed to improve the futures of underprivileged children in Vietnam through education. Savills Vietnam’s teams worked with charity partners Blue Dragon Children’s Foundation and Saigon (Ho Chi Minh) Children’s Charity to deliver scholarships, with the equivalent value of US \$20,000 per year. Since 2017, Savills Vietnam has supported 59 underprivileged students to stay in tertiary education</li> <li>▪ Our UK apprentice scheme has gone from strength to strength – Savills now has 228 apprentices in the UK</li> <li>▪ Working with Career Ready, a social mobility charity, to offer 15 work placements a year for three years</li> <li>▪ In Savills Vietnam, there has been a strong emphasis on building a diverse team representing different generations, genders, academic backgrounds and nationalities.</li> </ul>

**Gender balance**

In accordance with Companies Act 2006, as at 31 December 2023 our total global workforce of 40,503 colleagues comprised 21,668 males (53%) and 18,835 females (47%). Of these, 196 were senior executives (157 (80%) males, 40 (20%) females) comprising members of the Group Executive Board and Board members of the corporate entities whose financial information is incorporated in the Group’s 2023 consolidated accounts in this Annual Report.

During the year, the Company’s Board of Directors comprised 9 members – 6 males and 3 female.

In accordance with the Equality Act 2010, Savills UK, as an employer with 250 or more UK employees publishes an annual gender pay report (calculated in accordance with the published requirements) on the Savills UK’s website. (calculated in accordance with the published requirements) on the Savills UK’s website.



## Diversity and inclusion continued

### Wellbeing and mental health

The wellbeing of our people is fundamental to our high-performing and supportive culture.

We have established wellbeing programmes, and provide a range of benefits, services and support while encouraging everyone to take a proactive role in their own wellbeing.

We want our workplaces to have a culture of openness and help eradicate the stigma of mental health through educational events, skill building and awareness raising.



## In 2023 we continued to focus on initiatives to raise awareness around mental health and wellbeing

- Savills UK has increased its number of Mental Health Champions in 2023 to 340 which is 5% of UK employees. Awareness was further raised by marking both World Suicide Prevention Day in September and World Mental Health Day in October.
- In Savills CEME, 12 countries have formal mental health support from an external provider, while other countries have held events and focused on raising awareness of mental health and wider wellbeing.
- Building on the Savills Asia Pacific regional event in 2022, the majority of the Savills business in Asia Pacific have hosted their own country-specific mental wellness-related events, including health talks.
- For Savills North America, 'Headspace' is the dedicated external mental health partner, which regularly hosts wellness workshops. These sessions cover topics like enhancing sleep quality, achieving work-life balance, and practicing mindfulness. Employees have ongoing access to educational resources and videos addressing mental health topics through further learning programmes. In 2023 Savills North America launched a Step Challenge to promote regular physical activity.
- Savills Investment Management's mental health partner MYND UP hosted a series of webinars available to all and the business also undertook MarchOn!, where employees were encouraged to walk 100 miles throughout the month and reconnect with nature and promote positive behaviours. Savills Investment Management similarly undertook PrideOn! in June, substituting walking for cycling as part of this challenge to promote better fitness and sustainable transport.

**We continue to develop and make available to all our people wellbeing initiatives and benefits to raise awareness of health and lifestyle issues affecting mental health and wellbeing.**



# Our Clients

In our pursuit of making a positive impact for our clients, we continue to take a long-term approach to our client relationships, ensuring we gain a deep understanding of our clients' evolving needs, challenges, and priorities and balancing these against the backdrop of changing market conditions. Making a positive impact for our clients is at the heart of our purpose. We believe in creating and nurturing strong enduring relationships, continually listening to our clients, and working in partnership. If it matters to our clients, it matters to us.

## Client care excellence

As part of our Client Relationship Management ('CRM') programme we have client advocates in place who maintain continuous dialogue with our clients and share updates relating to their strategy and evolving needs with the wider Savills client teams. This strategy ensures we implement a proactive approach to client engagement; that our clients receive the best quality advice at the right time; and that they experience a joined-up, consistent and personal service.

## Client listening

Our commitment to excellent client care is reflected in our client listening programme. We commission independent client reviews to ensure that we gather feedback on how we are managing client relationships, areas for improvement and opportunities for added value. We assess service satisfaction levels, and we also carry out post-bid feedback to incorporate learnings into future commercial pursuits. This investment into better understanding our existing and prospective clients puts us in a stronger position to both retain mandates and win new projects.

Our overall approach to client listening provides deeper insight into our clients' priorities and preferences so we can refine the Savills client experience. This may affect how we assemble the right client team or the development of our service offering. A key example includes the bolstering of ESG services across markets – a significant and growing strategic priority for our clients. In 2023 we saw the strengthening of this service offering, with the addition of the Social Value team, reflecting both our own and our clients' commitment to positively contribute to the communities we serve.

## Collaboration

We believe that our clients will get the best result when we work as one, and we therefore foster a collaborative and inclusive culture which embeds a good understanding of the breadth of Savills expertise across all our teams. We run various initiatives to ensure our people are continually upskilling and learning about our broad and evolving service offering as well as partnering internally.

This enables us to bring in the right expertise to our clients from across the organisation and therefore ensures our clients can be empowered with best-in-class advice at the right time to make smarter property decisions. An example of this includes our extensive 'lunch and learn' programme as well as our expanding on-demand learning resources. We have also rolled out several initiatives to promote an inclusive culture and in 2023 we engaged with clients through our diversity and inclusion networks to ensure our work in this area is not only contributing to our internal culture but is a shared experience which adds value to our clients' diversity and inclusion goals.

Nurturing and supporting our people to ensure they have the right skills and competencies is essential to the success of our client programme. As well as the upskilling on the breadth of services highlighted above, we also provide tailored training and coaching aimed specifically at supporting our people in client leadership roles. To embed our relationship ethos across the organisation we also ensure colleagues at all levels receive the appropriate learning opportunities to evolve their client relationships. In 2023 we expanded our 'Next Generation' client engagement programme, and partnering with our excellent research teams we not only provided our junior team members with a platform to learn and grow their client relationships, also benefitting our clients. This forward-thinking initiative aligns with our commitment to staying ahead of industry trends, ensuring we provide innovative solutions that align with our clients' future needs.

## Client insights technology

To augment our client care efforts, we continually invest in cutting-edge technology. In 2023 we completed the roll-out of our relationship intelligence portal across UK & CEME, which has enabled visibility of our vast network of clients and prospects across the region and further supports the delivery of a seamless client experience across teams and borders. Our goal is to ensure greater visibility of client intelligence and increase efficiencies and collaboration between client relationship teams across the UK and CEME; we will continue to further embed our integrated client insights platform and analytics capability across markets.

Our overall approach to client care is underpinned by our commitment to making a positive impact for our clients, which sits at the heart of our purpose. We will continue to strive for client excellence, and refine our approach as well as invest in the appropriate skills and technologies to evolve our strategy in line with our clients' future needs. Being unified in both our purpose and our values will continue to drive the best-in-class client experience we strive for.

# Community



People are at the heart of our business. We aim to create a lasting positive social impact on the local communities which we impact through the way we engage with them, the work we do and the charitable initiatives we undertake to support them.”

**Each year, a range of social and community-focused initiatives are undertaken by Savills worldwide.**

- In 2023, 24,300 volunteering hours were given by our people, a significant increase from 16,700 in 2022
- The Group and combined Regional Businesses also donated £2,090,000, with £4,705,925 Social and Local Economic Value delivered for Savills UK and over 580 pro bono hours given.

**Here are just some of the initiatives we are very proud to have been part of in 2023:**





## Savills Vietnam

Savills Vietnam's 'Savills Cares' programme works to improve the futures of underprivileged children in Vietnam through education. With its charity partners Blue Dragon Children's Foundation and Saigon (Ho Chi Minh) Children's Charity, Savills Vietnam delivers scholarships of US\$20,000 per year. Since 2017, Savills Vietnam has supported 59 underprivileged students to stay in tertiary education. Some of the students supported come from ethnic minorities including Hmong, Thai, Tay, and Dao. The 'Students for a Better Future' programme supports disadvantaged children and young adults in Vietnam to reach their full potential through quality education, training, and job opportunities. In 2023, Savills Cares supported 39 students; of the six graduates, four have now gained successful employment. Savills Vietnam also donated 25 computer monitors and 105 laptops to this cause.



## Savills Poland

In June, World Environment Day ('WED') was celebrated by businesses worldwide and marked by many Savills offices globally. To mark WED this year, our teams in Poland organised a special workshop for 15 teenagers from a nearby school at its offices. The purpose was to raise awareness and knowledge about sustainable development, climate change and the challenges facing the younger generations. Following the success of the Warsaw event, where six of our employees volunteered, the team in Poland are working to ensure this idea can be scaled so other young people can benefit from it.



## Community continued



### Savills China

During 2023 China's teams focused their social outreach efforts to support the disabled and elderly as well as working with autism charities within the locations within which Savills operates. Over 300 Savills team members participated in various events across China which celebrated the release of a new book written by autistic children, in partnership with the charity Light of Rainbow.







### Savills North America

This summer, Savills Black Excellence United ('BeU') Philanthropy Committee, initiated a 'Back-to-School Drive', inspiring the charitable spirit and generosity of Savills employees in eight offices across the US; they promoted the initiative through collection containers that could be filled with vital supplies for underserved students in communities across regions. Eight schools were supported, serving over 4,400 students, equating to nearly five students for every member of the Savills North America team.

Every year, the New York real estate community comes together for the Mid-Atlantic Juvenile Diabetes Research Foundation ('JDRF') Real Estate Games. Its 34th annual Olympic-style competition continued its mission of raising funds for Type 1 diabetes research for the JDRF. Savills North America, as the Founding Partner, has consistently championed this cause in DC, New York and Chicago since the games began. In 2023, the DC Games yielded significant results, breaking records while raising an impressive \$825,000.



# Community continued



## Savills UK

Savills UK is a founding partner of LandAid's pro bono programme and continues to support this charity network by providing free-of-charge advisory and consultancy services. In 2023 our UK staff donated over 580 hours to pro bono projects across the UK, aiming to positively support communities using Savills specific industry skills and expertise. 2023 pro bono projects included:

- Pre-acquisition survey used for move-on accommodation for young people who had been homeless
- Identifying and securing new premises for a charity requiring a location with a 15-mile radius of Buckingham
- Condition survey and carbon assessments undertaken on six properties owned by a charity which works with young people who are homeless and leaving care
- PR support to a charity which provides help to families experiencing poverty.







## Savills Investment Management (Savills IM)

Throughout 2023, Savills Investment Management organised a number of internal events to raise money for its partner charity, The Cycle, which is dedicated to addressing gender equality by providing safe water, sanitation, hygiene services, and menstrual education programmes to deprived primary schools in India. The Cycle's remarkable efforts have already supported over 75,000 people, ensuring daily access to safe sanitation. Notably, six of Savills IM's global offices, approximately 100 employees, collaboratively organised a 'Big Buffet' event in December to support The Cycle. The initiative was sponsored by Savills Investment Management's Gender Group and generated a warm and festive atmosphere for colleagues to share the seasonal spirit through an assortment of home-baked goods. The event also served as a platform for individuals to bring in dishes from their cultural backgrounds, highlighting the richness of our offices' diversity. The funds raised through donations to 'fill a plate' were then donated to The Cycle, making a lasting impact on the communities they serve. Over £5,300 was raised for The Cycle during 2023.



# Environmental Case studies 2023



## Savills Investment Management (Savills IM)

In 2019, a Savills Investment Management fund acquired the Cathedral Hill estate, a 94,000ft<sup>2</sup> industrial site Guildford, Surrey, envisioning a net-zero carbon retrofit. Instead of a complete rebuild, the focus was on utilising the existing structure to reduce overall carbon emissions and create a leading industrial investment. Key goals included elevating EPC ratings, obtaining a BREEAM Excellent certification, transitioning to renewable energy, and modernising travel facilities.

Savills UK Building and Project Consultancy teams managed the project. The transformed Cathedral Hill boasts occupant-focused upgrades, including increased natural light, enhanced air quality and improved office facilities. Renewable energy integration, through individual Photovoltaic ('PV') panels and Tesla batteries, replaced the previous gas-powered system, with some occupiers now able to sell surplus energy back to the grid. It is estimated that across the 13 units over 440,000 kWh will be generated, saving 100 tonnes of CO<sub>2</sub>e per year. Additionally, the project addressed biodiversity with the introduction of bird and bat boxes, native trees and wildflower meadows. The result is a site with net zero operational emissions, which has transformed an outdated, inefficient site into one of the best industrial assets in the area. The finished product is unrecognisable from the estate originally purchased, a significant regeneration story on every measure.







### Savills Spain

In Spain, to support Climate Change Day, Savills teams organised tree-planting, with the objective of regenerating a native forest in an area of grassland. 53 volunteers, including Spain's CEO & COO collaborated to plant 200 native trees and shrubs. The species used, in addition to being appropriate to the environmental conditions of the space, once grown, will provide new shelter and edible fruits or nectar for bees and other insects.



### United Arab Emirates

Savills Dubai were thrilled to participate in a mangrove planting event in October in Ajman. This initiative was part of the 'Today for Tomorrow - Mangrove Project', a United Arab Emirates Government project, designed by Companies for Good and activated by Quest for Adventure UAE. Savills was part of a larger group which together planted 42 mangroves while volunteering.



# Governance



“

Our commitment to acting honestly, with integrity, and always with clients' best interests at heart, is fundamental to everything we do.”

Our reputation has been built on our people and we believe that employees whose behaviours reflect our business philosophy deliver the excellent client service that we strive to provide. Our business philosophy also captures our commitment to ethical, professional and responsible conduct and our entrepreneurial, value-enhancing approach.

Savills has a zero tolerance approach to bribery and all other forms of corruption. Our Code of Conduct sets out our commitment to operate responsibly wherever we work in the world, to work professionally, fairly and with integrity and to engage with our stakeholders to manage the social, environmental and ethical impact of our activities in the different markets in which we operate. We empower and support our employees to always make the right decisions consistent with this policy. Our corporate conduct is based on our commitment to act responsibly at all times. We will uphold laws relevant to countering bribery and corruption in all the jurisdictions in which we operate.

To facilitate the Savills Board's assessment and monitoring of culture, the Board adopted KPIs, set out on page 95 of the Governance Report.

### Our approach to human rights

Savills is committed to conducting its business ethically and in line with all relevant legislation including human rights laws. We fully support the principles of UN Global Compact, the UN Declaration of Human Rights and the International Labour Organization's ('ILO') Core Conventions. Any breaches of our Code of Conduct may be reported in accordance with the Group's Speak-up procedure.

### Modern slavery

We believe the risk of slavery or human trafficking in the recruitment and engagement of our employees is low. To ensure it remains low, we have provided training on modern slavery and taken steps to make sure our staff and supply chain partners are aware of the Act and its requirements. We published our latest Modern Slavery and Human Trafficking Statement which can be found at <https://www.savills.co.uk/footer/slavery-and-human-trafficking-statement.aspx> setting out the steps we have taken in the past year to ensure our suppliers and their supply chains adopt similar standards to Savills to prevent slavery and human trafficking taking place in our supply chain.

### Speak-up

Savills Group is committed to maintaining the highest ethical standards and a culture of openness, integrity and accountability in all its business dealings and practices. Savills takes any malpractice (i.e. fraud, bribery, illegal or unethical conduct or wrongdoing) very seriously. Our people should be encouraged to raise any concerns they may have about the conduct of others in the business or the way the business is run at an early stage and in an appropriate way. Our Speak-up policy, in relation to which we now have third-party-managed confidential reporting facilities in all markets, enables employees to raise any matters of concern, anonymously if they so wish, and is embedded into our business; it applies to employees and supply chain partners of the Group's businesses worldwide.





# Our Chosen SDGs

The Group's ESG strategy aims to achieve a positive impact on the environment and society, while maintaining robust governance measures and is aligned with nine of the 17 UN Sustainable Development Goals ('SDGs').

We adopted these nine SDGs as these are most relevant to the real estate sector and our business and have agreed the underlying objectives to support our delivery against these in our Principal Businesses. Here are specific examples of initiatives in place across our businesses during 2023 in relation to each of the nine SDGs.



## AFFORDABLE & CLEAN ENERGY

We aim to maximise energy efficiency, and switch to using renewable energy across our workspaces.

### What we did in 2023

**Savills UK:** Some key actions our UK teams have taken to reduce Scope 1 and 2 carbon emissions in 2023 included:

- Roll-out of smart meters across our rented office portfolio, to allow more accurate monitoring of energy consumption, installing 41 half-hourly Automatic Meter Read ('AMR') meters
- All offices were benchmarked based on energy consumption and energy audits were carried out at the six highest consuming sites
- Continuing to transition to a more energy-efficient computer set-up of laptops and one screen, replacing two screens and increasing the set-point temperature in server rooms to 21°C
- Continued to reuse as much equipment and furniture as possible in office fit-outs, donating office furniture to charity as part of the fit-out process, including around £12,000 of furniture donated to schools.



## GOOD HEALTH & WELL-BEING

Our goal is to provide healthy workplaces, encourage healthy lifestyles and raise awareness of mental health and wellbeing.

### What we did in 2023

**Savills Germany:** To raise awareness on mental health and mindfulness issues, Savills Germany ran a month-long campaign this year. This kicked off with a newsletter explaining the initiative, followed by two workshops run for our teams in Germany during work hours. Additional information and exercises to use remotely had a good uptake and, following positive feedback, the local teams are now looking into doing a similar event, annually.



## DECENT WORK AND ECONOMIC GROWTH

We are committed to operating responsibly and providing fair, safe and diverse workplaces.

### What we did in 2023

**Savills Group:** This year Savills efforts towards providing fair, safe and diverse workplaces were recognised by a host of external awards:

- Savills UK win EDI (Equality, Diversity, and Inclusion) Programme of the Year at Inspiring Women in Property Awards hosted by Property Week
- Bisnow's UK Rise Initiative recognised Savills UK as one of the companies leading the charge to improve diversity in real estate
- Savills North America placed 21st in Newsweek Excellence1000 Index, identified as an example of corporate success and responsibility
- UK win Apprenticeship Employer of the Year at the Personnel Today Awards, came 1st place in the Times Rate My Placement for Apprentices up from 8th place and listed in the Top 100 Apprenticeship Employers of 2022 - 2023.



## CLIMATE ACTION

We aim to minimise carbon emissions and work continuously towards net zero carbon targets globally.

### What we did in 2023

**Savills Group:** Savills have worked to increase their coverage of more efficient LED lighting within our occupied leased offices locations this year. Greater coverage of CEME offices now have full LED equating to 80% of occupied floor area, increased from 2022.

Meanwhile, Hong Kong has offices in 9 out of 12 countries which are now close to 100% LED lighting. Others are on the way to a managed transition, replacing with LED as old lighting requires replacement for example, Malaysia and Thailand have had a focus on replacing old fluorescent light tubes with LED as they wear out. Meanwhile for North America 87% of total office space occupied by Savills is now located in accredited, energy efficient buildings.





#### QUALITY EDUCATION

We aim to create opportunities for growth and development for our people and within the communities that we impact.

##### What we did in 2023

**Savills Vietnam:** Since 2017, Savills Vietnam has supported 59 underprivileged students to stay in tertiary education. The 'Students for a Better Future' programme supports disadvantaged children and young adults in Vietnam to reach their full potential through quality education, training, and job opportunities. In 2023, Savills supported 39 students; of the six graduates, four have now gained successful employment. Savills Vietnam also donated 25 computer monitors and 105 laptops to this cause.



#### SUSTAINABLE CITIES AND COMMUNITIES

We work with government, national and local communities to create sustainable places.

##### What we did in 2023

**Savills Investment Management UK:** In 2019, Savills Investment Management acquired the Cathedral Hill estate, a 94,000ft<sup>2</sup> industrial site. Instead of a complete rebuild, the focus was on utilising the existing structure to reduce overall carbon emissions and create a leading industrial investment. Key goals included elevating EPC ratings, obtaining a BREEAM Excellent certification, transitioning to renewable energy, and modernising travel facilities. Situated in Guildford, Surrey, the transformed Cathedral Hill now boasts occupant-focused upgrades, including increased natural light, enhanced air quality and improved office facilities. Renewable energy integration, through individual Photovoltaic ('PV') panels and Tesla batteries, replaced the previous gas-powered system, with some occupiers now able to sell surplus energy back to the grid. It is estimated that over 440,000 kWh will be generated, saving 100 tonnes of CO<sub>2</sub>e per year. Additionally, the project addressed biodiversity with the introduction of bird and bat boxes, native trees and wildflower meadows.



#### LIFE ON LAND

We expect our suppliers to operate responsibly and seek to protect biodiversity and ecosystems.

##### What we did in 2023

**Savills Spain:** To support Climate Change Day,



#### GENDER EQUALITY

We actively promote gender equality and aim to create a diverse and inclusive environment for all.

##### What we did in 2023

**Savills Investment Management:** This year, Savills IM's Gender Committee sponsored partner charity, The Cycle, who are dedicated to addressing gender equality by providing safe water, sanitation, hygiene services, and menstrual education programmes to deprived primary schools in India. The Cycle's remarkable efforts have already supported over 75,000 people. In December over 100 employees, collaboratively organised a 'Big Buffet' event to support The Cycle. The event generated a warm and festive atmosphere for colleagues to share the Christmas spirit through an assortment of home-baked goods. The event also served as a platform for individuals to bring in dishes from their cultural backgrounds, highlighting the richness of our office's diversity. Over £5,300 was raised through donations to 'fill a plate'.

#### RESPONSIBLE CONSUMPTION AND PRODUCTION



We seek to reduce our environmental impacts through active operational management and responsible procurement.

##### What we did in 2023

**Savills Group:** Progress on obtaining certified renewable energy tariffs has been made within 2023. For the UK offices green tariffs now account for 88%, increased from 83% in 2022, with green gas tariffs covering 91%. In CEME, 12 of 38 offices now have green tariffs, an additional two over 2022. For North America, our Chicago office started a green energy pilot and plans are in place for the New York HQ to be 100% green energy backed by RECs in 2024, with 25% already being sourced from green energy. The Savills IM business has also increased renewable energy use, which is now a source to some extent at the Paris, Frankfurt, Hamburg, Munich, Milan, Warsaw and Stockholm offices. There is still much work to do on this agenda in Asia, where green tariffs are generally unavailable across those markets. Some green tariffs are being used in Australia and we are working with the landlord to allow the recognition of these.

Savills teams in Spain organised a tree-planting activity with the objective of regenerating the native forest. 53 volunteers collaborated to plant 200 native trees and shrubs. The species used, in addition to being appropriate to the environmental conditions of the space, will provide new shelter and edible fruits or nectar for bees and other insects.

# Our Disclosures

## Greenhouse gas emissions

Our greenhouse gas ('GHG') emissions statement includes all emission sources required under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013 and the Companies (Directors' Report) Regulations 2018 for the financial year to 31 December 2023.

## Reporting methodology

We report our GHG emissions using the revised edition of the GHG Protocol Corporate Accounting and Reporting Standard, the GHG Protocol Scope 2 Guidance, the GHG Protocol Corporate Value Chain (Scope 3) Standard and the UK Government Guidance on Streamlined Energy and Carbon Reporting ('SECR'). Our reporting boundary is based on an operational control approach and includes emissions from Savills plc and Group subsidiaries with a majority shareholding.

Where actual data becomes available or there are better proxy data available for more accurate estimation, we restate individual data point of the previous year at a threshold of 20% difference, i.e. we shall not restate previously reported data if the difference between reported data and actual data is less than 20%. We will also restate the emissions if the cumulative effect of the differences is more than 5% difference to the Scope affected. We might also restate data as a result of acquisition or disposal of sites/subsidiaries during the reporting year, subject to the specific condition of the acquisition or disposal. Where an acquisition or divestment is material, with the inclusion or removal of the entity's data results in a variation that exceeds  $\pm 5\%$  of the original, historical data will be restated where attainable.

## Scope 1 and 2 emissions

Reported Scope 1 emissions includes emissions from fuel consumption by the Group's owned and leased vehicles and the combustion of fuels within our offices. Scope 2 emissions are reported using both 'market-based' and 'location-based' methodologies and relate to the consumption of purchased electricity, heat, steam and cooling in Savills offices where Savills has operational control. Savills has a network of representatives and associates in over 700 locations globally. Out of the 700 locations, 281 fall under the reporting Scope as Savills has operational control i.e. authority to introduce and implement our operating policies. The majority of other offices, over 400, are associates that are not consolidated into the Group accounts and are outside the organisational boundary. Some remaining offices are serviced offices and therefore outside the operational boundary.

Scope 1 and Scope 2 'location-based' emissions were calculated using regional or national emission factors published by the United Nations Statistics Division, the UK Government GHG Conversion Factors for Company Reporting, the US Environmental Protection Agency, the Australian Department of the Environment & Energy and other national agencies and internationally recognised guidelines for each reporting period. Under the Scope 2 'market-based' method, no emissions were accounted for electricity supplies backed with local Renewable Energy Certificates ('RECs'), such as Renewable Energy Guarantees of Origin ('REGO') in the UK and the EU. This GHG accounting principle follows the Scope 2 Quality Criteria set out by the GHG Protocol Scope 2 Guidance. Scope 2 'market-based' emissions from energy use with no RECs in place were calculated using regional or national residual mix emission factors.

To coordinate the collection of GHG emissions data across our global operations, a network of Environmental Reporting Officers ('EROs') and data entry users has been established within Savills, reporting datasets to the Group Sustainability Reporting Manager on a biannual basis. A third-party environmental reporting tool was used to facilitate data collection, aggregation and the data quality review. GHG emissions data was collated using actual activity data wherever possible. In some instances, where actual activity data was not readily available, we calculated our operational emissions using a range of standard carbon accounting methods in an estimation hierarchy. 21% of reported emissions were based on estimates using this method. For sites where there is partial data for the time period, the data is extrapolated based on the time period with no data. For sites where there is no current data, historic data from the previous year is used to extrapolate the relevant time period. If sites have no current or historic actual data we use benchmarks based on energy consumption per square metre of floor area relative to the rest of the region. Historically, for North America, it was challenging to collect actual data, therefore we used benchmarks based on energy spend per square metre of floor area (sourced from the Building Owners and Managers Association) which were then converted to energy consumption. In 2023 we have successfully collected actual data from most sites in North America and only use this method for the remaining few.

In addition to absolute GHG emissions metrics, we report two standardised intensity metrics that enable comparisons of our regional performance and year-on-year results. These are Scope 1 and 2 'market-based' emissions per £ million of revenue and Scope 1 and 2 'location-based' emissions intensity of our offices per square metre floor area. The floor area GHG intensity ratio excludes emissions from fuel consumption of our business fleet to enable direct comparison of operational energy efficiency of our premises.

### Scope 3 emissions

In 2023, we undertook our third assessment of the Group's Scope 3 emissions. The first year assessment adopted a staged approach reflecting the scale of the project. This assessment first analysed the upstream emissions associated with our operations in the United Kingdom and North America, and was then scaled-up to provide an estimate of the Scope 3 emissions for all regions in which we operate. In 2022, we expanded the scope of the data collection process to cover all regions in which we operate and Savills IM's discretionary Assets Under Management. This year we have followed the same methodology as in 2022, which now provides a dataset that is comparable to the previous year.

Reported Scope 3 upstream emissions include purchased goods and services, capital goods, waste generated in operations, water consumption, business travel in vehicles not owned, leased or controlled by the Group, employee commuting and fuel and energy-related emissions that are not captured in Scopes 1 and 2. Purchased goods and services include all expenditure on services (for example cleaning, insurance, IT, professional services) and consumable products or goods (for example food and stationery). Capital expenditure includes all expenditure on durable products or goods that were acquired within the Group's 2023 financial year (for example office furniture). The methodology used to estimate the supply-chain emissions from purchased goods and services and capital goods is based on the Exiobase<sup>1</sup> environmentally extended input-output ('EEIO') dataset. EEIO combines economic information about the trade between industrial sectors with environmental information and the emissions arising directly from those sectors.

Financial expenditure data was collected across all regions. In some cases, where data only covers 10 months of the year, estimates were used to extrapolate this to 12 months. Business travel data quality and availability varies across the business. Business travel emissions were calculated based on actual activity data, where possible. Where activity data was not available, expenditure data was used and business travel emissions were calculated using the Exiobase model.

During 2022, we rolled out surveys to assess employee commuting activity across all countries where Savills has operations. We had responses from over 5,000 employees and calculated commuting emissions using the UK Government GHG Conversion Factors for Company Reporting and US EPA emissions factors. This data has been combined with current employee numbers and emissions factors to update the results for 2023. We plan to repeat the commuting survey every few years, to see if travel habits have materially changed. Waste, water, fuel and energy-related emissions are collected using the same data collection process that is used for Scopes 1 and 2, as described above.

Reported Scope 3 downstream emissions relate to Savills IM Assets under Management ('AUM') and cover all funds and mandates where Savills IM exercises discretionary control<sup>2</sup> and had sufficient information to calculate this. While Savills IM has discretionary control, it is important to note that a significant number of the asset leases are of a 'full repairing and insuring' nature, which presents a challenge when it comes to data collection and opportunities for energy reduction interventions. Savills IM emissions for both 2022 and 2023 were estimated based on the actual energy use data for the previous year (2021 and 2022 respectively) where feasible. Where data was found to be incomplete for a specific utility for a particular building area (e.g. landlord-controlled or tenant-controlled areas), the actual data was extrapolated to provide full coverage. For assets where no actual consumption data was available, energy use and the associated GHG emissions were estimated based on industry benchmarks<sup>3</sup>. For assets where there was insufficient information to enable benchmarking, a strategy has been implemented to ensure that benchmarking is possible for the next reporting year. Savills IM has set an objective of collecting 75% of actual data from AUM by 2025 and is working with property and asset managers, tenants and ESG consultants to achieve this data coverage.

Going forward, we plan to further refine our Scope 3 analysis by implementing a strategy to improve data collection processes across our global operations. This will be focused on providing activity data particularly for business travel, improving the efficiency of data-collection processes through systemisation and reducing the need for extrapolation where possible.

1. EXIOBASE3 is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License. It is attributed to the EXIOBASE Consortium and can be found at [www.exiobase.eu](http://www.exiobase.eu).

2. Discretionary fund is defined as one where Savills IM holds decision-making and fiduciary responsibilities regarding which assets to buy and sell, in addition to asset management activities such as development, fit-out, refurbishment and leasehold transactions. In some jurisdictions a Discretionary Fund is a fund where Savills IM has launched the fund and has control over the fund strategy. This definition extends to a small number of segregated mandates where the client maintains discretion over their portfolio strategy. For more information on scope please refer to Savills IM's Responsible Investment Policy.

3. Benchmarks used include the Chartered Institution of Building Services Engineers ('CIBSE')'s Energy Benchmarking Tool for the UK, the EU Buildings Database, comprehensive IP benchmark database of our consultant, EVORA, and theGRESB Real Estate Assessment.

## Our Disclosures continued

### Performance and trends

In 2023, our absolute Scope 1 and 2 'market-based' emissions totalled 5,947 tonnes CO<sub>2</sub>e, which is a 26.9% (2,187 tonnes CO<sub>2</sub>e) reduction against our 2019 base year. When assessed on an annual basis, we have seen an 11% reduction in the Group's Scope 1 and 2 emissions, associated with a 6% decrease in electricity consumption and an increase in uptake of green tariffs. The Group used 23,861 MWh of energy, a 1% decrease on last year, comprised of a 12% increase in fuel use and the 6% decrease in electricity consumption.

There has been a 20% increase in Scope 1 emissions associated with business travel from Company-owned and leased vehicles. This is mainly driven by increased travel in Europe and improved data capture. To reduce these emissions, the Group will continue to switch Company-owned and leased cars to electric vehicles or hybrid alternatives.

On an intensity basis, our Scope 1 and 2 'location-based' GHG emissions per office floor space has reduced by 13.8% year-on-year and 29.0% since 2019. Our GHG financial intensity metric, expressed as GHG emissions per £million revenue, has seen a reduction of 8.6% and 37.5% respectively. These metrics reflect continual improvement in managing our environmental impacts and associated carbon emissions through office retrofits, fleet upgrades, behavioural changes, and procurement of renewable electricity.

Key measures implemented and underway to reduce our Scope 1 and 2 GHG emissions include: LED lighting replacements, energy audits, promoting behavioural changes to eliminate energy wastage, procurement of renewable electricity and replacement of our owned and leased vehicles with zero or low-emission alternatives. For specific examples of this go to 'Our Net Zero Targets' section (page 41). In 2023, we also worked to formalise costed Net Zero Transition Plans for each of the Principal Businesses to guide efforts towards long-term decarbonisation.

In 2023, as in 2022, actual or estimated Scope 1 and 2 emissions data was reported for all offices where we have operational control. Reported energy and GHG emissions data include estimates where actual data was unavailable. Due to a significant effort this year to engage with landlords to collect actual data, the proportion of estimated data has decreased by 14% when compared to 2022, it remains a key priority to strive for improved data accuracy.

The 2023 Scope 3 emissions totalled 238,083 tonnes CO<sub>2</sub>e, including our upstream emissions from business operations and the downstream AUM emissions where Savills IM exercises discretionary control. These AUM emissions were 133,421 tonnes CO<sub>2</sub>e which contributed 56% of Scope 3 emissions reflecting an increase of 12.5% on 2022. The increase is principally attributed to significant growth in this discretionary AUM reflecting asset acquisitions.

Our upstream Scope 3 emissions totalled to 104,662 tonnes CO<sub>2</sub>e, an uplift of 6.3% since 2022 reflecting the significant improvement in data collection and the accuracy of the determining Scope 3 emissions in 2023. The increase in upstream emissions is mainly related to business travel emissions across the UK and CEME businesses. The factors affecting this are a combination of improved travel data collection and increases in journeys for business purposes.



Corporate GHG Emissions, tonnes CO <sub>2</sub> e	2023	2022	2021	2020	2019	change vs 2019
Scope 1 (Direct)	1,907 <sup>^</sup>	1,691	1,869	1,794	1,775	7.4% ▲
Scope 2 (Indirect, market-based)	4,040 <sup>^</sup>	4,989	4,783	5,386	6,358	-36.5% ▼
<b>Total Scope 1 and 2<sup>1</sup></b>	<b>5,947</b>	<b>6,679</b>	<b>6,652</b>	<b>7,180</b>	<b>8,133</b>	<b>-26.9%</b> ▼
Scope 2 (Indirect, location-based)	5,055 <sup>^</sup>	5,462	5,280	5,847	6,719	-24.8% ▼
GHG financial intensity ratio (tonnes CO <sub>2</sub> e / £ million revenue)	2.66	2.91	3.10	4.13	4.25	-37.5% ▼
GHG intensity ratio of our offices (tonnes CO <sub>2</sub> e / sq m.) <sup>2</sup>	0.034	0.039	0.040	0.042	0.048	29.0% ▼
	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>change vs 2022</b>
Scope 3 upstream, estimate <sup>3</sup>	104,662	98,469 <sup>4</sup>	55,223	nr	nr	6.3% ▲
Scope 3 downstream, estimate <sup>3</sup>	133,421	118,544	nr	nr	nr	12.5% ▲
<b>Total Scope 3</b>	<b>238,083</b>	<b>217,013</b>	<b>55,223</b>	<b>nr</b>	<b>nr</b>	<b>9.7%</b> ▲
<b>Grand Total</b>	<b>244,030</b>	<b>223,692</b>	<b>61,875</b>	<b>nr</b>	<b>nr</b>	<b>9.1%</b> ▲
	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>change vs 2019</b>
Corporate Energy Use, MWh						
Total energy use	23,861 <sup>^</sup>	24,006	22,864	24,568	25,938	-8.0% ▼
Data coverage (offices reporting data)	281	276	279	285	282	
	(100%)	(100%)	(100%)	(100%)	(92%)	nr

## Notes:

- Total Scope 1 and 2 emissions and GHG financial intensity ratio are calculated using the market-based Scope 2 emissions.
  - GHG intensity ratio of our offices is calculated using the location-based Scope 2 emissions.
  - This disclosure is partial; as we continue to work to improve our understanding of our Scope 3, our final figures are expected to be higher. With exception of Savills IM AUM, downstream emissions covering carbon relating to client services are excluded.
  - The Scope 3 upstream emissions from 2022 have been restated according to the restatement policy. Reviewing the methodology used resulted in improvements to the procurement data and the addition of WTT emissions for commuting.
- <sup>^</sup> We engaged Grant Thornton UK LLP to provide independent limited assurance over selected data highlighted in the above table with a ^ symbol using the assurance standards ISAE 3000 (Revised) and ISAE 3410. Grant Thornton has issued an unqualified opinion over the selected data and the full assurance report can be found on our website here (<https://www.savills.com/why-savills/grant-thornton-limited-assurance-report-2023.pdf>).

## Our Disclosures *continued*

### Scope 3 2023 Performance by category<sup>5</sup>

GHG Emissions Category	tonnes CO <sub>2</sub> e	%
Purchased goods and services	51,918	22%
Capital goods	3,932	2%
Fuel and energy related activities (not included in Scope 1 & 2)	2,181	1%
Waste generated in operations	386	0%
Business travel	10,127	4%
Employee commuting	36,118	15%
Savills IM Assets Under Management	133,421	56%
<b>Total</b>	<b>238,083<sup>5</sup></b>	<b>100%</b>

5. This disclosure is partial, as we continue to work to improve our understanding of our Scope 3, our final figures are expected to be higher. With exception of Savills IM AUM, downstream emissions covering carbon relating to client services are excluded.

### 2023 Performance by Region

Region	Energy use		GHG emissions Scope 1 and 2			GHG emissions Scope 3	
	MWh	%	Intensity ratio, tonnes CO <sub>2</sub> e / m <sup>2</sup>	tonnes CO <sub>2</sub> e	%	tonnes CO <sub>2</sub> e	%
Asia Pacific	4,463	19%	0.035	2,020	34%	45,889	19%
Europe, the Middle East & Africa	8,184	34%	0.036	2,093	35%	16,836	7%
North America	3,244	14%	0.034	1,045	17%	6,881	3%
United Kingdom	6,664	28%	0.029	630	11%	32,415	14%
Savills IM	1,306	5%	0.060	159	3%	136,062	57%
<b>Total</b>	<b>23,861</b>	<b>100%</b>	<b>0.034</b>	<b>5,947</b>	<b>100%</b>	<b>238,083</b>	<b>100%</b>

## Non-financial and sustainability information statement 2023

The table below sets out where stakeholders can find information in our Strategic report that relates to non-financial matters detailed under section 414CB of the Companies Act 2006.

Reporting requirement	Relevant Policies and standards	Read more about our impact, including the principal risks relating to these matters	Page
<b>Environmental matters</b>	Environmental Policy	GHG Emissions	68 to 72
		TCFD reporting	73 to 80
		Principal and emerging risks and uncertainties facing the business	30 to 36
<b>Employees</b>	Health and Safety Policy	Group Chief Executive Review – People	20 to 26
	Equality and Diversity Policy	Business Model	10 and 11
	Code of Conduct	‘People’ section of Responsible Business	48 to 54
	Whistleblowing Policy	‘Culture’ section of Responsible Business	65
		‘People and culture’ Principal Risk in the Principal and Emerging Risks and Uncertainties	30 to 36
		s.172 (1) Companies Act statement – People	99
<b>Human rights</b>	Code of Conduct	‘Culture’ section of Responsible Business	65
	Modern Slavery Statement		
<b>Social matters</b>	Code of Conduct	Responsible Business	38 to 73
	Modern Slavery Statement		
	Tax Strategy		
<b>Financial crime (anti-money laundering, anti-bribery and corruption and compliance with financial sanctions)</b>	Code of Conduct	Culture section of Responsible Business	65
	Whistleblowing Policy	Corporate Governance Report	81 to 126
	Anti-Bribery and Corruption Policy		
<b>Outcome of non-financial policies and standards</b>	Carbon emissions reporting	Responsible Business	68 to 72
	Gender Diversity reporting in accordance with the Corporate Governance Code 2018	Corporate Governance Report	114
<b>Principal Risks</b>		Principal and emerging risks and uncertainties facing the business	30 to 36
<b>Business model</b>		‘Our business model’ section of the Strategic Report	10 and 11
<b>Due diligence processes in place in pursuance of promoting non-financial policies and standards</b>	All employees required to read and adhere to the Code of Conduct		65
	Whistleblowing reports reviewed by the Board		
	Anti-corruption, anti-bribery and anti-financial sanctions training and monitoring		

## TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES ('TCFD')

# Focusing on climate-related risks to deliver a more sustainable future

Real estate and associated infrastructure are responsible for close to 40% of global carbon dioxide emissions and the global building floor area is expected to double by 2060. Savills is focused on climate-related risks and working with its clients, suppliers and the local communities on which its operations impact, to deliver a more sustainable future. Savills recognises the need for urgent action by real estate owners and occupiers to address the climate crisis and rapidly transition to a greener, more resilient economy. This TCFD Disclosure outlines the climate-related risks and opportunities that Savills has identified and the associated actions and budgets in place to address these.

In this section we provide climate-related financial disclosures consistent with TCFD guidance. By this we mean the four TCFD recommendations and the 11 recommended disclosures set out in Figure 4 of Section C of the report entitled 'Recommendations of the Task Force on Climate-related Financial Disclosures' published in June 2017 by the TCFD. We have also referenced the recommendations in "Task Force on Climate-related Financial Disclosures, Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures, October 2021". A longer TCFD document, which goes beyond the formal annual disclosures, has also been provided (<https://www.savills.com/why-savills/tcdf-report-2023.pdf>), which includes supplementary detail and a table outlining the TCFD consistency and improvement points within our 2023 Report.

### Governance

The Board is responsible overall for managing climate-related risks and realising opportunities, as detailed in the Governance section (page 81). The Board is supported in this respect by the Group Executive Board ('GEB'), which is responsible for implementing climate-related risk management plans, addressing climate-related threats to Savills business model and for identifying and realising opportunities. In addition, the Group Risk Committee and Group Environmental Social & Governance ('ESG') Committee are responsible for overseeing climate risk assessment and other aspects of Savills corporate sustainability and ESG agenda and reporting into the GEB. The Board and GEB both meet at least quarterly. The Group ESG Committee meets at least bi-annually and the Savills TCFD Working Group meets at least annually. The Board is updated on progress against goals and targets regularly, and at least annually considers the progress made against our goals.

The Board and Board committees are informed about climate-related issues, including both climate risks and opportunities, via written reports and oral updates along with formal presentations from the Group Legal Director & Company Secretary and the Group Sustainability Director.

Both the Group Legal Director & Company Secretary and the Group Sustainability Director have climate-related actions within their KPIs, as do GEB members, including the Group CEO. Climate-related issues, including associated risks and opportunities, are also considered when the Board is reviewing strategy, budgets, major plans of action, proposed investments, capital expenditure and acquisitions. Climate issues are considered as part of and new and existing office space lease agreements and Savills are working to incorporate this into the acquisitions process. An example of how this is embedded in decision-making is that sustainability and ESG, specifically climate risks and opportunities, are discussed within Board meetings and as part of the wider risk review process by Group Risk Committee, from which management decisions are often determined.

The Savills TCFD Working Group and Group ESG Committee report into the GEB and through it to the Board and, as part of this reporting, highlight climate related items and associated actions (page 31). The process by which Group management is informed about climate-related issues is through the ESG Committees in each Principal Business, which either have TCFD as a key agenda item or which have their own TCFD working groups. ESG Groups in the Group's Principal Businesses (in UK, CEME, Asia Pacific, North America Savills Investment Management ('Savills IM')) were established to develop and manage programmes in those businesses within the Group's overall TCFD framework. The process employed by each Principal Business to manage physical and transition risk is typically for the management teams within the relevant business to oversee any corresponding action or agenda points made within the relevant ESG Committee or via designated TCFD action trackers. Key climate-related actions and risks are monitored and managed through these ESG Committees which respectively report to the Group ESG Committee and the Savills TCFD Working Group, with key messages then further disseminated to management across the Group as appropriate. The Heads of the Principal Businesses have overall climate-related responsibilities for their businesses; with progress by Principal Business against agreed targets monitored and overseen by the Group ESG Committee, which reports via the Group Legal Director & Company Secretary, to the GEB and the Board.

Savills TCFD Working Group was supported by Willis Towers Watson ('WTW'), who assisted each Principal Business to effectively assess climate-related risk during 2021, following which each Principal Business was able to develop further its action plans to address climate risks and realise opportunities specific to it.



## Strategy and Risk Management

### Interface between climate-related risks and overall risk management

For each Principal Business, climate-risk management plans have been developed to establish mitigation and adaptation measures to manage the most material climate-related risks. Savills Group processes for managing climate-related risks are outlined in the Governance section above, and are also aligned to Savills wider risk management approach and enterprise risk management system ('ERM') (page 30). For more information on the Group's material existing and emerging risks see Principal and emerging risks section (page 33).

The materiality assessment was based on an integrated view of the impact and likelihood of occurrence for each risk and opportunity. Climate-related risks continue to be evaluated as part of the Savills Group six-monthly risk identification, review and assessment process for emerging and principal risks conducted by the Group Risk Committee (page 30). The TCFD materiality process is also integrated within the wider risk management processes; the Group's Risk Register has a high-level summary risk covering 'Environment and Sustainability' with further details on climate-related issues managed within specific TCFD risk documentation. Climate-related risks and opportunities are integrated into current decision-making and strategy formulation, for example, in creating and reviewing strategies for lower-carbon, more energy-efficient operations. Further examples of Savills initiatives to improve the energy efficiency of our operations are in 'Environment – Our Strategy in Action' section (page 41).

The Savills TCFD Working Group, responsible for overseeing the climate scenario risk assessment, includes the Group Risk Director and the Group Sustainability Director within its membership. The climate risk assessment adopts other elements used in the broader Savills risk assessment categories including:

- description of the risk and time horizon (identification)
- impact-likelihood rating (the evaluation enabling prioritisation)
- mitigating actions and controls (mitigation)
- future action plans & risk owner (monitoring).

As part of this process, each risk is given an inherent and residual risk score and a 'go-forward mitigation plan' is developed, which is then cascaded down and managed accordingly by the relevant business or teams. The results are integrated into ERM reporting and ongoing identification, assessment and management of climate-related risks.

As the 2021 assessment considered future scenarios with long timescales, the intention is for a full review, similar to this, to be undertaken every three years. In the intervening period the risks and opportunities identified are considered each year by the Savills TCFD Working Group, with any required updates included in the latest annual TCFD report. In relation to 2023, the Savills TCFD Working Group concluded that no significant

updates were required to the overarching Group risks and opportunities, however, the actions relating to each of the items identified and relative progress made against these was reviewed. A bottom-up comprehensive assessment of the existing climate-related risks and opportunities identified will be undertaken via workshops with the Principal Businesses in 2024.

### Scenario analysis

In order to explore the business risks and opportunities, in 2021, Savills, with the support of WTW, undertook climate scenario analysis against two scenarios. The two scenarios have average temperature rises of 2°C and 4°C respectively, and identified physical and transition risks together with the time horizon in which they are most likely to occur and the potential financial impact on Savills strategy. The time horizons selected defined 'short-term' as the next one to five years, 'medium-term' as five to ten years and 'long-term' as ten years or more. The timelines were chosen to reflect Savills business planning. Group materiality incorporates a combined view of the considered impacts across the Principal Businesses.

#### Below 2°C scenario (< 2°C)

The scenario is based on The Paris Agreement to which more than 190 countries committed, to limit global warming to well below 2°C above pre-industrial temperatures and to pursue efforts to limit it to no more than 1.5°C. The scenario assumes climate policies are introduced early and become gradually more stringent across the globe. There is an increase in public and private investment into green technologies and the share of renewables by 2030 in global electricity supply increases to approximately 50%<sup>1</sup> shifting economies from being fossil fuel dependent to renewable energy driven. More stringent government policies such as stricter energy efficiency building codes and carbon taxes help advanced economies achieve net zero by 2050 and the world by 2070<sup>2</sup>. The scenario assumes low growth in material consumption and increasing consumer pressure on businesses to drive sustainability. Those companies which fail to transition their businesses to a low-carbon model will be adversely impacted.

#### High Emissions Pathway (> 4°C)

This scenario is aligned with RCP8.5, where due to high emissions in the atmosphere, temperature is likely to increase by more than 4°C compared to pre-industrial times by the year 2100. This scenario builds on the Fossil-fuelled Development scenario of the Shared Socio-economic Pathways. There's an expectation that competitive markets and developing and developed societies continue to grow rapidly. There is an increasing adoption of resource and energy intensive lifestyles around the world and the push for economic and social development is coupled with the exploitation of abundant fossil fuels. As a result of the failure to transition, the physical impacts of climate change become increasingly severe. The increase in frequency and severity of flooding, higher sea level rise and other physical hazards put additional stress on the built environment.

1. World Energy Outlook 2020, IEA, 2020.

2. Sustainable Development Scenario, IEA, 2020.

## TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES ('TCFD') continued

### Summary of Risks and Opportunities identified




Materiality scoring for Savills TCFD risks and opportunities utilised the below scoring criteria:




- Event will probably occur in most circumstances, >70% - Likely
- Event should occur at some time, 20 - 70% - Possible
- Event could occur at some time, but exceptional, 0 - 20% - Unlikely

The following financial scales have been used to determine the materiality of the identified climate risks and opportunities, which are in line with our ERM process. Potential to impact % proportion of financial profit:

- Low - Up to 5%
- Moderate - 5 - 10%
- Severe - Over 10%

When the risks and opportunities were identified in 2021 by each region in which the Group operates, we found commonalities between them all, therefore, Group materiality incorporates a combined view of the considered impacts across the Principal Businesses. Assessment outcomes were then discussed within the Savills TCFD Working Group and at a Principal Business level in order that climate-related risks or opportunities with a higher relevant risk could be prioritised via action management.

Risk type	Risk description	Time frame of impact	Potential financial impact	Materiality assessment	
				2025	2030
<b>Physical - Assessed under the High Emissions Scenario (&gt; 4°C)</b>				<b>2025</b>	<b>2030</b>
Acute catastrophic events 	Increased frequency and severity of extreme weather events, such as cyclones, hurricanes, heat waves, wildfires and floods	<b>Long-term</b>	<b>Risk Impact:</b> Potential for increased property damage from catastrophic events deemed minimal. Climate modelling which considers RCP8.5, conducted by WTW shows minimal exposure across short, medium and long terms. In relation to assets under the management of Savills IM, some exposure, however, Savills IM is developing strategies to mitigate the impact of these risks in relation to assets in funds under its management.	Low	Low
			<b>Opportunity Impact:</b> As cities become increasingly concerned about the impacts of severe physical risk events, there is potential for Savills to support resilient city strategic planning, which could generate additional revenue for the business.		
Chronic gradual changes in weather patterns 	Longer-term shifts in weather patterns, which may cause increasing frequency of heavy rain and wind, rising sea levels and average temperatures	<b>Long-term</b>	<b>Risk Impact:</b> Potential for increased operational and maintenance costs, which are passed on from landlords to Savills as tenant, relevant cost deemed minimal. Some of the assets in funds managed by Savills IM have some exposure, however, Savills IM is developing strategies to mitigate the impact of these risks in relation to assets in funds under its management.	Low	Low
<b>Transition - Assessed under the Below 2°C scenario (&lt; 2°C)</b>					
Policy and regulation 	Enhanced climate risk disclosures  Introduction of emissions caps, carbon pricing and offsets	<b>Short-term</b>	<b>Risk Impact</b> The financial cost of compliance and disclosures is considered to be limited.	Low	Low
		<b>Long-term</b>	<b>Risk Impact</b> Savills is predominantly a service provider, its overall emissions are low in relative terms, and it intends to further reduce its emissions through Principal Business targets.	Low	Low
			<b>Opportunity Impact</b> Given higher carbon taxes, there will likely be increased demand for sustainable design and performance advice for offices, providing revenue opportunity.		
	Changes in building standards; new requirements for property transactions, development and operations	<b>Short to medium-term</b>	<b>Risk Impact</b> Because Savills is already implementing actions to track, and monitor changing regulatory standards, conduct retrofits to increase efficiency of properties and increase ESG knowledge across the Savills business, the risk is assessed as 'low'. In relation to assets held in funds managed by Savills IM, ensuring that fund assets meet future minimum standards may result in additional asset management costs at fund level, however overall risks deemed low.	Low	Low
			<b>Opportunity Impact</b> Significant opportunity for Savills Principal Businesses to increase revenue by becoming a leading provider of ESG consultancy and investment services to clients which will increasingly demand it.		

Risk type	Risk description	Time frame of impact	Potential financial impact	Materiality assessment	
Reputation 	Increased stakeholder concern or negative stakeholder feedback	<b>Short-term</b>	<p><b>Risk Impact</b> Risk is assessed as low, when reflecting the mitigation plans in place, a moderate opportunity exists.</p> <p><b>Opportunity Impact</b> A proactive approach to sustainability and commitment to responsible business, such as Savills Group and Savills IM's net zero targets and the concentration of ESG services into Savills Earth, should help to attract the next generation of talent who are increasingly concerned with sustainability issues. There is significant opportunity to become a leading provider of ESG services to clients, if Savills can continue to develop employee skill sets and knowledge to build its client facing service offering.</p>	Moderate	Low
Market Changes 	Shifts in client preferences for real estate services incorporating climate considerations	<b>Short-term</b>	<p><b>Risk Impact</b> Greater level of focus on climate related risks. If Savills fails to respond to these shifts in client focus it could see reduced income and market share, arising from lower relevance in the market. However, mitigation in place for this.</p> <p><b>Opportunity Impact</b> Savills could increase its market share and revenues if it becomes a leading provider of sustainability consultancy services. Likely increase in demand for consultancy advice.</p>	Moderate	Low
	Markets vulnerable to climate change becoming less desirable over time	<b>Long-term</b>	<p><b>Risk Impact</b> Due to the inherent diversification of Savills business this was assessed as being likely to have minimal impact.</p> <p><b>Opportunity Impact</b> Potential to share expertise across Savills Regional Businesses to meet new client requirements. Consequently, this could generate additional revenue.</p>	Low	Low
	Specialist skills shortages	<b>Short-term</b>	<p><b>Risk Impact</b> As Savills is proactively investing in expanding sustainability recruitment and training across its business, this risk is assessed as being low.</p> <p><b>Opportunity Impact</b> If Savills can attract the next generation of talent to build on its existing resource base, it could generate a competitive advantage and lead to increased revenue generation.</p>	Low	Low
Technology Development 	Substitution of existing products or services with lower emissions options	<b>Short to medium-term</b>	<p><b>Risk Impact</b> Savills will continue to incur development and capital investment costs in relation to client-facing real-estate technology. However, relative costs deemed low.</p> <p><b>Opportunity Impact</b> Developments in data collection technology could present Savills a moderate opportunity to increase revenue by further strengthening the Group's consultancy and advisory service offering on emissions reporting and benchmarking. There is also an opportunity for Savills to occupy more efficient buildings, with smarter more efficient technology, which could lead to cost reductions on Savills own electricity spend.</p>	Moderate	Low

## Evaluation of resilience

### 2 Degrees – Risks and opportunities

Under the well below 2°C scenario, Savills Group strategy is assessed as being resilient to the impacts of the transition to a low-carbon economy, with most risks assessed as 'low'. In particular, Savills assessed that the opportunities presented in terms of new revenue streams derived, for example, from the expansion of sustainability consultancy services and efficiency gains from technologies, outweighed the transition risks that the Group is exposed to. The most material transition risks and opportunities under this scenario are assessed as being 'moderate' in 2025 with exposure reducing to 'low' by 2030 and are as follows:

1. Reputation: Increased stakeholder concern or negative stakeholder feedback with the consequent brand impact;
2. Market: Shifts in client preferences for real estate services incorporating climate considerations and a requirement for service providers to have the necessary expertise; and
3. Technology: Substitution of existing products or services with lower emissions options.

In terms of the below 2°C scenario for physical risks, there was modelled to be relatively minimal risk, therefore, exposure was found to be broadly consistent with today.

### 4 Degrees – Risks and opportunities

Strategies would be reviewed, along with the associated risks and opportunities should the likely climate forecasts change to go beyond the 2°C scenario. Under the High Emissions Pathway (>4°C) scenario, whilst extreme weather events are forecast to increase, the physical risk impact to Savills Group businesses is expected to be relatively low, due to the advisory nature of business activities, which only use leased space that can be relocated. Savills also assessed the potential for additional revenue opportunities under this scenario. The higher physical risk will likely lead to climate-change-related migration in the long-term and increased volume of movement provides opportunities to increase revenue in Savills consultancy and transaction advisory businesses. In relation to Savills IM, assets held on behalf of investors in its managed funds have some exposure to high flood risk and moderate storm risk, and these risks are projected to increase in the long term. To ensure strategy resilience, Savills IM intends to invest in detailed assessments of higher-risk assets currently held within its managed funds, and to engage as appropriate with flood and coastal risk management agencies to plan future protection and consider divestment if adaptation measures are deemed inadequate.

Savills has identified that it will further reduce its exposure to these risks and exploit potential opportunities through the following actions:

- Remaining committed to our Group goals of net zero for our Scope 1 and 2 carbon emissions by 2030 and for our Scope 3 emissions by 2040. Savills are currently working with Science-Based Targets initiative ('SBTi') to validate proposed interim decarbonisation targets, with the aim of being consistent with a no-greater-than 1.5°C temperature increase;
- Savills will continue to invest further in the development of the Group's client sustainability offering across its regional businesses, in particular by building out the 'Savills Earth' offering, our energy and sustainability combined services, complemented by appropriate learning and development programmes to ensure that knowledge of climate-related risks is embedded in all relevant teams to support them to meet client requirements; and
- Savills will also continue to invest in technology solutions and strategic partnerships with firms offering climate-change related services and solutions both to better serve its clients changing demands and to reduce its own carbon footprint. Sometimes this will be achieved by the acquisition of such firms.

### TCFD Risk mitigation and adaptation budgets

The Savills TCFD Working Group used the workshop findings summarised above to analyse the resilience of Savills business model and strategy to climate change, taking into consideration different climate-related scenarios. In addition, consolidating the estimates provided by the ESG Groups in the Principal Businesses, the TCFD Working Group developed financial costing in relation to risk mitigation for TCFD, which are outlined below (for the avoidance of doubt excluding costs in relation to assets managed by Savills IM under the terms of its investment management appointments). The assumptions applied in developing these current costings estimates are in particular highly sensitive to changes in regulation, energy costs, offset costs etc.

TCFD is integrated into Savills wider financial planning processes. Any factors underpinning the risks or opportunities which are interdependent, and could impact on Savills Group's ability to create value over time and deliver its growth plans, are noted and addressed accordingly, following the processes outlined in the TCFD Governance section above. During 2023, several actions relating to TCFD within each of the Principal Businesses have been undertaken, for example, actions relating to net zero plans and ESG learning and development programmes for employees.



The below figures represent an estimated forecast costing of risk mitigation and adaptation plans included within financial and business plans, set against estimated total Savills Group cost projections, over the 'medium-term' (i.e. the period from 1 January 2024 to 31 December 2029). As the mitigation and adaptation actions include both physical and transition risk the costs are based on a combined view considering both scenarios outlined above:

Regional area / business	TCFD-related costs for risk mitigation covering period from start of 2024 up to end 2029. Presented as % of total cost base over the 'medium term'	TCFD-related costs for risk mitigation covering period from start of 2023 up to end 2029. Presented as % of total cost base over the 'medium term'	Explanation of TCFD mitigation and adaptation budgets.
	2023	2022	
UK	0.08%	0.08%	Example actions budgeted for include: <ul style="list-style-type: none"> <li>▪ Annual increase in insurance premium, attributed to climate change</li> <li>▪ Increased M&amp;E to ensure climate control within offices</li> <li>▪ Numerous actions relating to regional net zero plans, to negate need of carbon offsetting</li> <li>▪ ESG training to staff</li> <li>▪ Transitioning company cars to EVs</li> <li>▪ Regional monitoring of emerging regulations.</li> <li>▪ Implementation of Internal and external communication strategy</li> <li>▪ Support individual office initiatives</li> <li>▪ Development of in-house talent</li> </ul>
APAC	0.05%	0.04%	
N America	0.02%	0.00%	
CEME	0.26%	0.23%	
Savills IM	0.18%	0.48%****	
Group Total	0.1%**	0.1%	

\* For comparison purposes, total Group operating costs (inc. profit-related bonus & interest) was estimated covering a six-year period based on total 2023 Group operating costs, business plan forecasts and, from 2026 onwards, assuming 5% growth year-on-year.

\*\* Underlying budget figures were rounded and are estimated for a six-year period, therefore, subject to change over time.

\*\*\* A shadow internal price on carbon is under consideration by the Group. In the interim, for the purposes of this report the assumed cost of carbon offsets at 2030 was £150 per tonne of CO<sub>2</sub>e.

\*\*\*\* Savills IM figures have been restated, changing from 0.77% to 0.48%; this was due to an error made during the previous year's reporting.

Estimates have also been developed for potential value of climate-related opportunities over the 'medium term'. The financial figures relating to the climate-market changes and associated opportunities over the 'medium term' are subject to continuous review, and are, in particular, highly sensitive to market developments and are commercially sensitive. They have therefore not been reported in detail. However, these provide significant additional revenue opportunities, with the value of the opportunity estimated to significantly outweigh the total costs of mitigating climate change-related risks.

## Metrics and Targets

The methodology for target setting and progress tracking, including the metrics which are outline below, is that targets are proposed and then progress discussed within both the Group ESG Committee and the TCFD Working Group, with the outcomes from this being put forward for GEB and Board sign off, and then managed, as required. As outlined above, the process to manage physical and transition risk is typically for the teams within each Principal Business to project manage any corresponding action or agenda points made within the relevant ESG Committees or through designated TCFD action trackers.

Metrics used by Savills Group to assess climate-related risks and opportunities, in line with Group strategy and the Group risk management process, include Green House Gas ('GHG') emissions for absolute Scope 1, Scope 2 and Scope 3. The GHG metrics are summarised within the GHG reporting section of this report (pages 68 to 72). The GHG metrics are measured to check exposure to GHG emissions and, therefore, future carbon prices, along with the link to success against Savills Group's net zero targets.

A further metric used is the estimated expenditure and investment deployed toward climate-related risks and opportunities; additional details are outlined above. Monitoring TCFD-related expenditure gives an indication of the extent to which risk mitigation has been budgeted for and how long-term value might be affected. Savills have improved upon this metric during the year by adding a comparison of 2023 budgets with budgets from the prior year.

## TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES ('TCFD') continued

Savills has undertaken Group Net Zero Transition Plan and costing exercises, as part of its TCFD review, with changes in carbon price monitored globally to assist predicting future cost implications. Savills is currently working with Science Based Targets initiative ('SBTi') to have proposed interim decarbonisation targets validated. Once this process has been completed, Savills intend to disclose these targets and report against them. In addition, Savills remains committed to achieving net zero for Scopes 1 and 2 by 2030, and Scope 3 by 2040. This is an established target which we disclosed in our 2021 and 2022 TCFD reports.

Regional targets set to align with the UN's Sustainable Development Goals ('SDGs') will also assist with some actions relating to the TCFD regional working groups, for example ESG training programmes. The 9 SDGs which Savills is aligned to and the corresponding objectives can be found here: (<https://www.savills.com/why-savills/environmental-social-and-governance.aspx>). Aligned with the Group SDG framework, each Principal Business has developed its own detailed SDG roadmap which has SMART targets relating to topics such as energy efficiency, waste management and recycling and ESG awareness days, as examples. These are managed by their relevant ESG Committees and are monitored twice a year at the Group ESG Committee. Likewise each Principal Business has a costed net zero plan which is aligned with the framework mapped out within the wider Group Net Zero Transition Plan.

Performance on material climate-related issues are linked into remuneration considerations, forming part of the KPIs which are reviewed at annual employee appraisals and, therefore, linked to bonus allocation. This covers key staff responsible for climate related issues, including, but not limited to, the Group Chief Executive Officer, Group Chief Financial Officer, Group Legal Director & Company Secretary and the Group Sustainability Director.

This Strategic report, as set out on pages 6 to 80, has been approved by the Board and signed on its behalf by

**Mark Ridley,**  
Group CEO

13 March 2024

## GOVERNANCE OVERVIEW

# Applying the Principles of the 2018 UK Corporate Governance Code

### Compliance with the UK Corporate Governance Code

The Company reported against the 2018 UK Corporate Governance Code (the 'Code') and the Companies (Miscellaneous Reporting) Regulations 2018. Our Governance Report reflects these requirements as they apply to Savills and includes cross references to relevant sections of the Strategic Report, the Directors' Remuneration Report and other related disclosures. A copy of the Code is available from the Financial Reporting Council's website at [www.frc.org.uk](http://www.frc.org.uk). It is the Board's view that for the financial year ended 31 December 2023 Savills was fully compliant with all of the Principles and Provisions set out in the Code.

The table below details where key content on the compliance with the Code can be found in this report.

			Page
<b>1 Board leadership and Company purpose</b>	This provides an overview of the Board activities during the year	Board of Directors	86 to 88
		Group Executive Board	89 to 91
		Effective Board	92
		Board attendance	93
		Culture	95
		Employee engagement	102
		Stakeholder engagement	96
		Section 172 Statement	99 to 101
<b>2 Division of responsibilities</b>	Explains the roles of the Board and its Directors	Corporate Governance Structure	104 and 105
		Roles on the Board	106
<b>3 Composition, succession and evaluation</b>	This includes the Nomination & Governance Committee Report	Board activities in 2023	108 and 109
		Board composition	107
		Nomination & Governance Committee Report	110 to 116
		Appointments and succession planning	112 and 113
		Diversity	114
		Evaluation	115
<b>4 Audit, Risks and Internal Controls</b>	This includes the Audit Committee Report	Risk management and internal control	117
		Audit Committee Report	118 to 126
		Internal Controls and risk management	126
		External Auditor	124 and 125
		Principal risks and uncertainties	30 to 36
<b>5 Remuneration</b>		Directors' Remuneration Report	127 to 150
<b>6 Directors' Report</b>			151 to 154

# Chair's Introduction



**Stacey Cartwright**  
Chair



On behalf of the Board, I am delighted to present our Corporate Governance Report for the year ended 31 December 2023. It is my first report as Chair and summarises how the Board and our governance has provided leadership over the year, in support of the long-term sustainable success of the Company, enabled by highly engaged and motivated employees and a collaborative, values-based and inclusive culture. In this year's report we describe the Group's compliance with the 2018 UK Corporate Governance Code (the 'Code') and explain how the Board and its Committees have operated in 2023."

The Board's focus throughout 2023 has been to continue to progress and deliver the Group's strategic objectives, whilst remaining agile and responsive to significant macro-economic headwinds and opportunities.

The Board remains focused on utilising the Company's corporate governance framework to promote the long-term sustainable success of the Group, embedding stakeholder needs and consideration of broader environmental and social matters as integral components within the decision-making process. The Company's corporate governance framework remains critical to the Group's successfully meeting our net zero targets and the delivery of our ESG strategy, which aims to achieve a positive impact on the environment and society, while maintaining robust governance measures.

The Board is committed to maintaining the highest standards of corporate governance, which are fundamental to the discharge of our responsibilities. Our robust and effective corporate governance practices enable the Group to deliver its strategy and create long-term Shareholder value. Further information on our strategy and business model can be found on pages 6 to 80.

Ensuring that we do the right thing in the right way requires the right leadership and as custodian of Savills culture the Board demands openness and transparency to maintain an environment in which honesty, integrity and fairness are valued and practised by our people every day.



The Board's behaviour and the values it displays set the tone to guide our people's behaviour, and ensure that they live by and demonstrate the right values, which in turn enable entrepreneurial and prudent management to deliver long-term success for the Group and its stakeholders. All of the Non-Executive Directors are considered by the Board to be independent, meaning that at least half of the Board members throughout the year were Independent Non-Executive Directors (excluding Nicholas Ferguson, as Chair during 2023). Over the last few years we have brought several new Directors onto the Board, taking steps to refresh the Board and prepare for further succession. The Board, together with the Nomination & Governance Committee, has continued to monitor the composition and skills matrix of the Board and at senior management levels across the Group. On, 1 January 2024 I became Chair on the retirement of Nicholas Ferguson. Since he was appointed in May 2016, Savills has both delivered commendable growth and successfully navigated the challenges of both COVID and the market corrections of the last two years. I would like to thank him for his enormous contribution to the business.

I am pleased to report that, following an extensive search process, supported by an independent specialist search firm, on 13 December 2023, John Waters was appointed to the Board as an additional Independent Non-Executive Director. John replaced me as Chair of the Savills Audit Committee with effect from 1 January 2024. John's extensive experience will complement and further enhance the wide-ranging skills and experience of the Board and its Committees and I am delighted to welcome him to the Board (see Nomination & Governance Committee Report on pages 110 to 116). One further change to Board responsibilities is the appointment of Richard Orders to replace me as Senior Independent Director, also with effect from 1 January 2024.

We remain firmly committed to having a Board that is diverse in all respects. With support from the Nomination and Governance Committee, we continue to monitor requirements. The FCA's Listing Rules now sets a board diversity target stating that at least 40% of a board are women, at least one of the roles of CEO, CFO, Chair and SID is held by a woman, and at least one director is from a minority ethnic background. The Company has met all of the above targets, except the target to have 40% of Board membership represented by women, which we expect to comply with in 2024. We have also met the Parker Review target to have at least one Director from a minority ethnic background.

We test Board effectiveness and performance annually through a formal evaluation. This year was conducted in-house, led by myself and facilitated by the Group Legal Director & Company Secretary. The process, key conclusions and areas of focus for 2024 are set out on page 115. I am pleased to report the findings show there is clear consensus that the Board is operating well with effective leadership and in an environment where open discussion and input from all members is encouraged.

Positive feedback was also received on the composition of the Board and the conduct of meetings and materials provided. Some areas for focus were identified and we will look to progress these during the year ahead. Following this review, I am satisfied that the Board continues to perform effectively and in particular I am confident that the Board has the right balance of skills, experience and diversity of personality to continue to encourage open, transparent debate and challenge.

The details of Directors, skills and experience are set out on pages 86 to 88. The governance framework and the roles of the various Board Committees, principal management committee and other key committees are set out on pages 104 and 105.

Risk management remains a fundamental element of the Board and Audit Committee's agendas and our governance efforts across the Group as a whole. The Audit Committee's Report on pages 118 to 126 sets out in more detail the systems of risk management and internal control. Details of our principal existing and emerging risks and uncertainties can be found on pages 30 to 36.

We believe that engaging with our Shareholders and encouraging an open, meaningful dialogue between Shareholders and the Company is vital to ensuring mutual understanding. We are in regular contact with our major Shareholders and potential Shareholders and in 2023 continued our scheduled programme of meetings through in-person meetings and by way of video conference as part of our continuing commitment to this open and transparent dialogue. You can read more about Shareholder engagement on pages 101 and 102.

Included within this Report is our Annual Implementation Report on Directors' Remuneration, which will be presented to Shareholders for approval at the 2024 AGM.

We will continue to challenge ourselves and the business and to consider and to learn from our decisions to ensure that we build upon the existing strength of our governance structure.

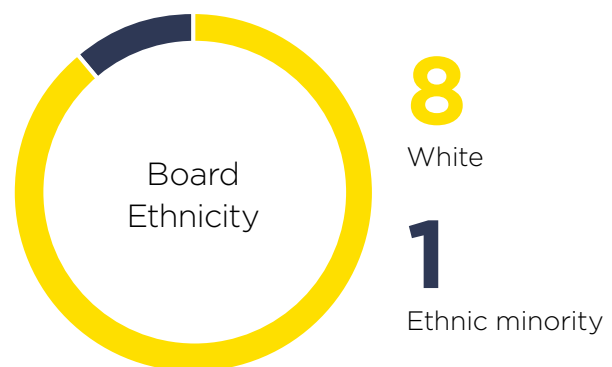
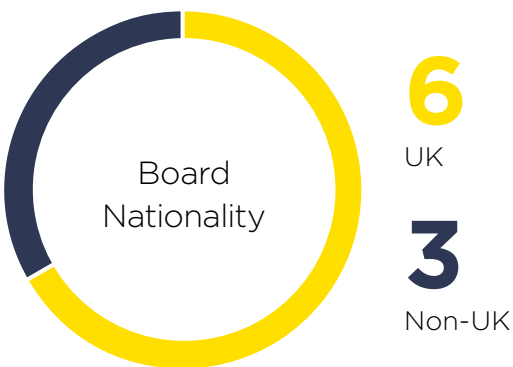
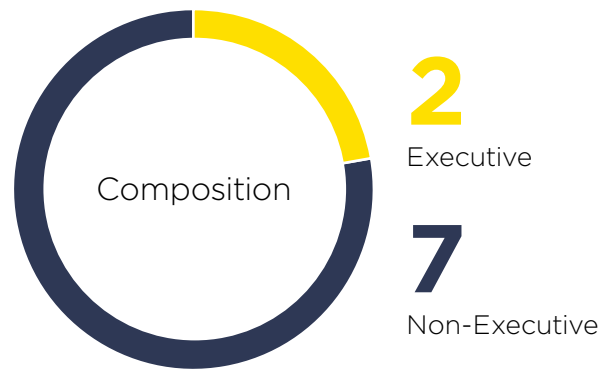
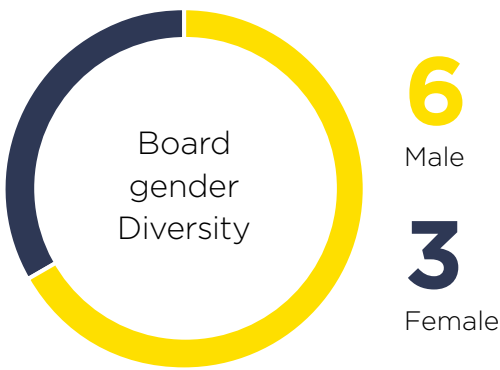
### **Stacey Cartwright** Chair

13 March 2024

# Governance at a Glance



The Board remains satisfied that it has the appropriate balance of skills, experience, independence and knowledge.”



## 2023 HIGHLIGHTS

### Board composition and changes

- 33% female representation on the Board
- John Waters joined the Board on 13 December 2023 as an additional Independent Non-Executive Director and replaced Stacey Cartwright as Chair of the Savills Audit Committee with effect from 1 January 2024
- Stacey Cartwright became Chair on the retirement of Nicholas Ferguson on 1 January 2024
- Richard Orders replaced Stacey Cartwright as the Senior Independent Director with effect from 1 January 2024.

### Board attendance

- In 2023 there were eight scheduled meetings of the Board which Directors attended either in-person or remotely, using video conference facilities
- Directors' attendance record at the scheduled Board and Board Committee meetings, is set out in the table on page 93
- Attendance is expressed as the number of scheduled meetings attended, out of the number that each Director was eligible or invited to attend.

### Annual General Meeting

- The 2023 AGM was held on 17 May 2023 at 33 Margaret Street, London W1G 0JD
- All Directors attended the AGM either in person or remotely
- During the AGM, the Company provided an update on trading up to the AGM, following which the Chair Nicholas Ferguson took questions from Shareholders which were responded to by the Chair and other Directors
- Voting was carried out by way of a poll as authorised by the Articles of Association
- All resolutions contained in the Notice of Meeting were passed.



The Board is committed to maintaining the highest standards of corporate governance.”

### LR9.8.6R(10) as at the date of the Annual Report

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management**	Percentage of executive management
Men	6	67%	3*	8	100%
Women	3	33%	1#	0	0
Other categories	-	-	-	-	-
Not specified/prefer not to say	-	-	-	-	-

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management**	Percentage of executive management**
White British or other White (including minority-white groups)	8	89%	4	7	86%
Mixed/Multiple ethnic groups	0	0	0	0	0
Asian/Asian British	1	11%	0	1	14%
Black/African/Caribbean/Black British	0	0	0	0	0
Other ethnic group, including Arab	-	-	-	-	-
Not specified/ prefer not to say	-	-	-	-	-

\* Mark Ridley (CEO), Simon Shaw (CFO), Richard Orders (SID)

# Stacey Cartwright (Chair)

\*\* Defined as the Group Executive Board

# Board of Directors



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## Stacey Cartwright

Chair of Savills plc and Chair of the Nomination & Governance Committee

### Appointment to the Board

Stacey was appointed to the Board as a Non-Executive Director on 1 October 2018 and became Chair in January 2024.

### Background and relevant experience

Stacey most recently served as Chief Executive and then Deputy Chair of Harvey Nichols Group until 2018, and prior to that was EVP and CFO of Burberry Group plc. She previously served as CFO of Egg plc and spent her early career in a number of finance roles at Granada Group PLC. She was a Non-Executive Director at GlaxoSmithKline PLC from 2011 to 2016 and the Senior Independent Non-Executive Director of the English Football Association from 2018 to 2020. She qualified as a Chartered Accountant with Price Waterhouse.

### Other appointments

Non-Executive Director of AerCap Holdings N.V, Genpact Ltd, Gymshark and Majid al Futtaim ('MAF') Entertainment. She is also the Chair of MAF Lifestyle Advisory Committee.



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## Mark Ridley

Group Chief Executive Officer

### Appointment to the Board

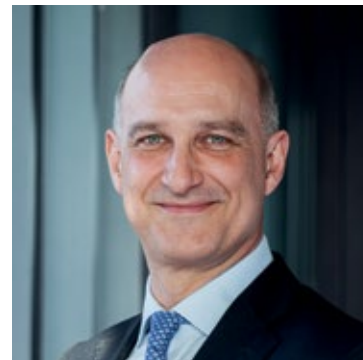
Mark joined Savills in 1996 and was appointed to the Board on 1 May 2018.

### Background and relevant experience

Mark is a Fellow of the Royal Institution of Chartered Surveyors. He was Chair of Savills Commercial from May 2008, then Chief Executive Officer of Savills UK from 2013, and additionally of Savills Europe from 2014, until he was appointed as Deputy Group Chief Executive on 1 May 2018. As of 1 January 2019, Mark was appointed as Group Chief Executive Officer.

### Other appointments

Trustee of Reading Real Estate Foundation. Member of the British Property Federation's Leadership Forum.



## Simon Shaw

Group Chief Financial Officer

### Appointment to the Board

Simon joined Savills as Group Chief Financial Officer in March 2009.

### Background and relevant experience

Simon is a Chartered Accountant. He was formerly Chief Financial Officer of Gyrus Group PLC, a position he held for five years until its sale to the Olympus Corporation. Simon was Chief Operating Officer of Profile Therapeutics plc for five years and also worked as a corporate financier, latterly at Hambros Bank Limited.

### Other appointments

Non-Executive Chair of Synairgen plc.





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**Florence Tondou-Mélique**



Independent Non-Executive Director

**Appointment to the Board**

Florence was appointed to the Board as a Non-Executive Director on 1 October 2018.

**Background and relevant experience**

Florence is currently Chief Executive Officer of Willis Towers Watson France & Luxembourg, having joined from Zurich Insurance where she was Chief Executive Officer France. Florence was previously Chief Operating Officer of Hiscox Europe, prior to which she held senior executive roles at AXA Real Estate and AXA Investment Managers. She spent her early career at McKinsey & Company.

**Other appointments**

Non-Executive Director of Grant Thornton International Limited.

Non-Executive Director of Auchan Retail International.



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**Dana Roffman**



Independent Non-Executive Director

**Appointment to the Board**

Dana was appointed to the Board as a Non-Executive Director on 1 November 2019.

**Background and relevant experience**

Dana was most recently a partner and founding member of the Real Estate Private Equity group at Angelo Gordon, a privately held alternative investment firm. During her 25-year tenure, ending in December 2019, she served as a manager and leader of investment teams across all major US markets, and served as a Member of the Investment Committees for the firm's US Opportunistic, Core Plus and Value Real Estate Funds. She spent her early career in real estate valuation and advisory at Arthur Andersen LLP in Washington, DC.

**Other appointments**

Independent Director Cohen & Steers Income Opportunities REIT, Inc ('CNSREIT') and Advisory Board of NYU Schack Institute of Real Estate.



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**Philip Lee**



Independent Non-Executive Director

**Appointment to the Board**

Philip was appointed to the Board as a Non-Executive Director on 1 January 2021.

**Background and relevant experience**

Philip Lee is currently Vice Chair of Global Banking, HSBC Bank and is a member of the Global Banking Vice Chair and Banking Leadership Forums. Philip was previously with Deutsche Bank (2013-2018) as Vice Chair of South East Asia and Chief Country Officer for the Bank in Singapore. Prior to 2013, Philip was with JP Morgan (1995-2013), where he was CEO South East Asia Investment Banking and Senior Country Officer, Singapore, after having worked in senior positions for various other banks in the region before then. Since 2006, he has also held roles on various advisory bodies and Statutory Boards established by the Singapore government.

**Other appointments**

Non Executive Director of Heliconia Capital Management, an investment firm owned by Temasek focused on growth-oriented Singapore companies, and SPH Media Holdings, the Singapore media company owned by the Singapore Government. He is also Chair of the Singapore Government's Health Promotion Board.

## Board of Directors *continued*



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### Richard Orders



Senior Independent Non-Executive Director and Chair of the Remuneration Committee

#### Appointment to the Board

Richard was appointed to the Board as a Non-Executive Director on 1 January 2021.

#### Background and relevant experience

Richard Orders is currently Managing Director at Moelis & Company, a leading global independent investment bank, heading the firm's Hong Kong office, having founded its predecessor firm, Asia Pacific Advisors, in 2009. Prior to this, Richard was with ABN AMRO (1996-2008), latterly from 2004-8 as Vice Chair and Head of Global Clients Asia, having previously been Executive Chair and CEO of ABN AMRO Asia Corporate Finance. Previously, Richard held various roles in Barings Bank, which he joined in 1976, latterly as Head of Barings Investment Banking business in Asia, ex-Australia and Japan (1994-96) and Director of Barings Corporate Finance London (1996).

#### Other appointments

None.



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### Marcus Sperber



Independent Non-Executive Director

#### Appointment to the Board

Marcus was appointed to the Board as a Non-Executive Director on 15 December 2022.

#### Background and relevant experience

From 2002 until 2019, Marcus Sperber held various roles with BlackRock, acting first as the portfolio manager of BlackRock's UK property fund, before being appointed as Head of EMEA real estate and then ultimately holding the role of Global Head of Real Estate. Prior to 2002, Marcus held various positions with Ashtenne (2001-2002), Enterprise (1992-2001) and Roger Tym & Partners (1990-92), having started his career with the British Rail Property Board (1987-89).

#### Other appointments

Founder of NorthCroft Capital, a Real Estate Investment and advisory business and a Non-Executive Director of Cadillac Fairview Property Trust and Fiera Real Estate Investment Limited and Trustee of Jewish Care, a not-for-profit charity.



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### John Waters



Independent Non-Executive Director and Chair of the Audit Committee

#### Appointment to the Board

John was appointed to the Board as a Non-Executive Director on 13 December 2023.

#### Background and relevant experience

John was with PwC for 36 years, of which 24 were as a partner. John was the lead partner from 2016 until 2020 as part of the Savills audit by PwC. He was largely based in London but had spells working for the firm in both Hong Kong and Rome. During his career he served as audit partner to a wide range of clients, including a number of significant property businesses based both in London and Hong Kong.

#### Other appointments

None.

# Group Executive Board



## Mark Ridley

Group Chief  
Executive Officer  
(effective  
1 January 2019)



**Deputy Group Chief Executive (from 1 May 2018 to 31 December 2018)**

→ (SEE BOARD OF DIRECTORS ON PAGES 86 TO 88 FOR FULL BIOGRAPHY)



## Simon Shaw

Group Chief  
Financial Officer



→ (SEE BOARD OF DIRECTORS ON PAGES 86 TO 88 FOR FULL BIOGRAPHY)



## Alex Jeffrey

Chief Executive  
Officer – Savills  
Investment  
Management



### Appointment to the Group Executive Board:

Alex was appointed to the Group Executive Board on 1 November 2019.

### Background and relevant experience

Alex became Global CEO of Savills Investment Management on 1 November 2019 and was appointed to Savills Group Executive Board at that time. Alex was previously Head of Asia Pacific for M&G Investments based in Singapore, with responsibility for the development and leadership of that company's business across all investment sectors in Asia Pacific. Prior to this, he was Chief Executive of M&G Real Estate, based in London. Before that he was Chief Investment Officer and CEO Europe of MGPA Limited.

### Other appointments

None.

## Group Executive Board continued



**Chris Lee**

Group Legal  
Director &  
Company  
Secretary

### Appointment to the Group Executive Board

Chris joined Savills in June 2008 and was appointed to the Group Executive Board in August 2008. He has responsibility for legal and compliance issues globally.

### Background and relevant experience

He held equivalent roles with Alfred McAlpine plc, Courts plc and Scholl plc between 1997 and 2008, prior to which he was deputy group secretary of Delta plc from 1990 to 1997.

### Other appointments

None.



**Raymond Lee**

Chief Executive –  
Hong Kong, Macau  
and Greater China

### Appointment to the Group Executive Board

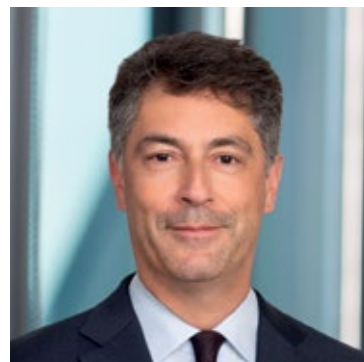
Raymond was appointed to the Group Executive Board in January 2011.

### Background and relevant experience

He joined Savills in 1989. In 2003, Raymond became the Managing Director in Hong Kong and Macau and in 2010 was appointed CEO of Greater China. Raymond is a Fellow member of the Hong Kong Institute of Directors and holds an honorary fellowship at the Guangxi Academy of Social Science. Raymond is also an Honorary Doctor of Management at Lincoln University and holds a Fellowship at the Asian College of Knowledge Management ('ACKM'). He became a fellow member of the Royal Institute of Chartered Surveyors (RICS) in 2016.

### Other appointments

None.



**David Lipson**

Chief Executive  
Officer – Savills  
North America

### Appointment to the Group Executive Board:

David was appointed to the Group Executive Board on 1 January 2024.

### Background and relevant experience

David Lipson is CEO of Savills North America. He previously served as President, North America from 2021 through 2023. As CEO, his responsibilities include oversight of all Savills business lines and locations in North America, as well as mergers and acquisitions and strategic business development pursuits. David has dedicated more than 33 years of service to Savills and is one of the firm's most tenured and respected leaders. He co-managed the Mid-Atlantic region for almost 15 years and has served on the firm's Board and executive committee since 2004 and 2014, respectively.

### Other appointments

David currently serves as Chair of the Board for the British Schools and Universities Foundation. He is a member of the Board of Benefactors at Christ Church, Oxford.





### Christian Mancini

Chief Executive Officer - Asia Pacific (ex Greater China)



#### Appointment to the Group Executive Board:

Christian was appointed to the Group Executive Board on 1 July 2016.

#### Background and relevant experience

Christian was made CEO of Savills Japan in 2007 and appointed CEO of Savills Northeast Asia in 2012.

#### Other appointments

Christian also serves as Non-Executive Director in Savills Asset Advisory, the wholly-owned asset management subsidiary of Savills Japan Co, Ltd created in May 2012.



### James Sparrow

Chief Executive Officer, UK & CEME



#### Appointment to the Group Executive Board:

James was appointed to the Group Executive Board on 1 May 2018.

#### Background and relevant experience

James is a Fellow of the Royal Institution of Chartered Surveyors. He became Chief Executive of Savills UK & CEME in September 2018, having previously been Chief Executive of Savills UK since 1 May 2018. Prior to this James held the position of Head of Professional Services, Savills UK and was a member of the Savills UK Executive Board since 2013 when it was established. Before that James was a member of the Executive Board of Savills Commercial, having joined Savills in 1988.

#### Other appointments

None.

# Board Leadership and Company Purpose

## Effective Board

Having the appropriate mix of experience, expertise, diversity and independence is essential for the Savills Board. Our Board comprises highly skilled professionals who bring a range of skills, perspectives and corporate experience to our Boardroom (see pages 86 to 88). To ensure sufficient time for discussion, the Board utilises its principal committees to effectively manage its time (see pages 104 and 105 for Governance Framework). At each Board meeting, the agenda ensures sufficient time for the Committee Chairs to report on the contents of discussions at Committee meetings, any recommendations to the Board which require approval and the actions taken.

## Governance arrangements and Board resources

Our governance arrangements support the development and delivery of strategy by:

- ensuring accountability and responsibility;
- facilitating the sharing of information to inform decisions;
- establishing engagement programmes with key stakeholders (see pages 101 and 102);
- maintaining a robust system of risk oversight, management and effective internal controls (see page 126); and
- providing independent insight and knowledge from the Non-Executive Directors.

The Board has formally adopted a schedule of matters reserved to it for decision. These matters include decisions relating to the Group's strategy, financing, any major acquisition or disposal, the risk appetite of the Group and the authorisation of capital expenditure above the delegated authority limits. The schedule was most recently reviewed in March 2024 and is available along with the Terms of Reference of the Board's principal Committees on the Company's website at <http://ir.savills.com>.

Board and Committee meetings are structured to allow open discussion. To enable the Board to discharge its duties, each Director receives appropriate and timely information. Board papers are circulated electronically via a secure portal, giving Directors sufficient time to consider and digest their contents. The Chair of the Board and the Chairs of the Committees set the agendas for upcoming meetings with support from the Group Legal Director & Company Secretary.

The Chair, together with the Group Legal Director & Company Secretary, ensures that the Directors receive management information, including financial, operating and strategic reports, in advance of Board meetings. We aim to ensure that the information shared with our Board is of sufficient depth to facilitate debate and to allow Board members to fully understand the content. The Board will, as appropriate, invite the preparer of the report to attend meetings so the Board can gain a better understanding and question management directly. The Heads of Principal Businesses also periodically attend Board meetings to discuss the progress made by the Principal Businesses against their strategic plans.

In order to fulfil their duties, procedures are in place for Directors to seek both independent advice and the advice of the Group Legal Director & Company Secretary who is responsible for advising the Board on all governance matters.

At its meetings during the year, the Board discharged its responsibilities and received updates on the Group's financial performance, key management changes, material new projects, financial plans, and ESG, legal and regulatory updates.

# Board Attendance in 2023

Attendance at all Board and Committee meetings by Directors is as shown in the table below:

	Board 8 scheduled meetings (including the Strategy Day)	Audit Committee 5 scheduled meetings	Nomination & Governance Committee 3 scheduled meetings	Remuneration Committee 4 scheduled meetings
<b>Non-Executive Directors</b>				
Nicholas Ferguson <sup>1, 2, 3</sup>	8	3	3	4
Stacey Cartwright	8	5	2	4
Florence Tondu-Mélique	8	5	3	-
Dana Roffman	7	-	3	4
Philip Lee	8	5	3	-
Richard Orders	8	-	3	4
Marcus Sperber	7	4	3	-
John Waters <sup>4</sup>	1	-	-	-
<b>Executive Directors</b>				
Mark Ridley <sup>5, 6</sup>	8	2	3	3
Simon Shaw <sup>5, 7</sup>	8	5	-	1

1. The Chair attended three Audit Committee meetings by invitation.

2. The Chair attended four Remuneration Committee meetings.

3. Nicholas Ferguson retired from the Board on 31 December.

4. John became a member of the Audit Committee on 1 January 2024.

5. Members of the Group Executive Board.

6. The Group Chief Executive attended two Audit Committee meetings by invitation.

7. The Group Chief Financial Officer attended five Audit Committee meetings by invitation.

#### Notes to table and graphics

1. The information above is stated as at 13 March 2024.

2. The FCA's Listing Rules now set board diversity targets for listed companies requiring that (i) at least 40% of Board members are women; (ii) at least one of the roles of CEO, CFO, Chair and SID is held by a woman; and (iii) at least one director is from a minority ethnic background. Savills has met the targets for (ii) and (iii) but does not yet meet the target of 40% of the Board being women. The Company fully expects to comply with this target in 2024.

## Our cultural framework

### Our Purpose

# Helping people thrive through places and spaces

### Our vision

To be the real estate advisor of choice in the markets we serve. The growth of the Group is underpinned by providing best-in-class insights and advice to help individuals, businesses and investors make better real-estate decisions.

### Our values

**We Listen**

**We Empower**

**We Collaborate**

**We Challenge**

→ READ MORE ABOUT **OUR VALUES ON PAGE 11**

The Board is responsible for instilling throughout the Company a strong and well embedded inclusive culture; founded on an entrepreneurial approach, one of integrity and openness, and one that values diversity and is responsive to the views of its Shareholders and wider stakeholders. This is underpinned by our values and operational and ethical standards. We have built our brand and reputation on the quality of our people, relationships, resources and processes.

The Savills Code of Conduct helps aid the understanding and embodiment of behaviours that align employees with the culture set by the Board, and underpins our social, ethical and environmental commitments. A confidential and anonymous independently hosted 'Speak-up' facility is in place which enables employees to report any concerns related to unethical conduct in any areas of the business. All disclosures are investigated promptly, overseen by the Group Legal Director & Company Secretary and escalated to the Board as appropriate, with follow-up action being taken as soon as practicable thereafter.



Internal audit

**Action taken**

Received and considered updates on the risk and internal control environments within the Group's Asia Pacific, North American, CEME and UK businesses and Savills Investment Management

**Link to culture**

Provides the Board with a direct view to ensure that behaviours are at the desired standard and provides details of any the corrective action being taken

Health & safety information

**Action taken**

The Board receives health and safety management data from across the Group

**Link to culture**

Enables the Directors to assess the effectiveness of safety practices and behaviours

Modern slavery

**Action taken**

Reviewed and approved the Group's Modern Slavery Statement

**Link to culture**

This provides the Board with a broad understanding of practices and behaviours across the Group, and how these align with our values

Provides oversight of steps taken to prevent modern slavery and human trafficking within the Group and its supply chain

**How the Board monitored culture in 2023**

Employee management information

**Action taken**

Received feedback on the employee surveys across the business

**Link to culture**

Analysis of Employee Survey data enables the Board to understand the employee experience. This provides the Board with insights into working environments, employee behaviours and attitudes and enables the Board to assess how working practices and behaviours align with the purpose, values and strategy of the Group

Direct Management

**Action taken**

The Board receive presentations from senior management across the Group together with regular reports

**Link to culture**

This provides the Board with direct insights into behaviours and practices, and the practical application of policies and standards

Whistleblowing

**Action taken**

The Board receives reports received via the Group's whistleblowing ('Safe Call') system and received the progress of related investigations

**Link to culture**

Speak-up reports provide the Board with a view of the nature of employee concerns and trends in behaviours

**Staff turnover, retention and absenteeism rates**

**Training & development (programme overview and outputs)**

**Whistleblowing, grievance and 'Speak-up' data**

**Promptness of payments to suppliers**

**Our people-related KPIs**

**Employee wellbeing**

**Exit interviews**

**Employee surveys**

**Recruitment, reward and promotion decisions (overview)**

# Stakeholder Engagement

Savills is a geographically and culturally diverse business providing services in more than 70 countries. As a result, it has a global and diverse community of stakeholders, each with their own interests in, and expectations of the Company.

Making a positive impact is at the heart of our relationships. From the way we advise our clients, to the work we do directly, we are committed to adding commercial value while always honouring our responsibility to protect the environment, support local communities and foster an inclusive culture. The development of strong and positive relationships between Savills and its external stakeholders is an intrinsic part of our purpose and culture. Our stakeholders include not only clients, our Shareholders and our people, but also suppliers and the wider communities in which we operate. As noted in the Company’s statement on Section 172 of the Companies Act 2006 set out on page 99, in making their decisions and in discharging their duties to promote the success of the Company, the Directors must have regard to the interests of its stakeholders.

We have summarised below why our stakeholders are important to us, what we believe their principal interests are and how the Board and Company seeks to engage and respond.

The collective role of the Directors is to act as effective and responsible stewards of the Company. In so doing, the Board ensures that the Company is well positioned to achieve long-term sustainable success and deliver value for its stakeholders.

The Board engages directly with stakeholders (receiving presentations and reports from the Executive Directors, and in relation to business for which they have responsibility, senior management from across the Group), but there is also significant engagement at all levels across the Group, particularly in relation to people, clients and suppliers, with the Board receiving regular updates on stakeholder views. The Board maintains oversight of this engagement and receives reports and updates on such engagement from the Executive Directors and senior management and is given the opportunity to challenge these findings at Board and Committee meetings. This information is used to inform discussion and decision-making.



We are focused on driving long-term sustainable performance for the benefit of our clients, Shareholders and wider stakeholder groups. We aim to maintain an open and positive dialogue with all our stakeholders, considering their key interests and communicating with them on a regular basis.

The Board remains committed to strengthening its engagement with employees and the Company's wider stakeholder group and considers the views of key stakeholders in its decision-making, recognising that they are central to the long-term prospects of the Company.

Stakeholder group and why we engage	How we engaged them in 2023	Further links
<p><b>Our Clients</b></p> <p>Our clients are key to the success of our business.</p>	<p>We are in continuous contact with our clients, to understand their requirements, to listen to their feedback on our service levels and to understand their expectations in terms of the development of our service offering.</p> <p>We invest in our people and systems to ensure they have the right skills, competencies and tools to effectively nurture and grow client relationships.</p> <p>Our investment in this programme, our internal collaboration and the introduction of technology has supported our client relationship management approach, resulting in us being able to better meet our clients' expectations and adapt more quickly to evolving market conditions.</p> <p>The quality of our service performance continues to be regularly assessed by independent reviewers. This helps us better understand how we are managing relationships and what we need to change to deliver the service and added value our clients expect. We regularly ask our clients for feedback on our service offering so we can continue to provide best-in-class services and advice.</p>	<p>Client engagement page 55</p>
<p><b>Our People</b></p> <p>People are at the core of our business.</p> <p>We aim to build a trusting, respectful and inclusive culture where people feel engaged and fulfilled.</p> <p>We want our people to be treated with dignity at work and to have their human rights respected.</p>	<p>We firmly believe that our people are key to delivering excellent service to our clients and achieving our objectives. We believe that in order to deliver our strategy, it is essential that our people are fully engaged and motivated. Wellbeing is fundamental to this and, over the last few years, we have continued to build on our wellbeing programmes and activities.</p> <p>We have continued to focus on employee engagement through a number of areas, including supporting the health and wellbeing of our employees. We gather feedback regularly from our employees to assess their levels of engagement. We treat all our people with dignity and respect, with support against cost-of-living increases targeted to more junior employees and maintaining our core bench-strength through challenging markets. During the year we continued to utilise valuable multiple channels to communicate and engage with employees, including regular town hall and other meetings, all-employee emails and our intranet.</p> <p>As part of our commitment to helping all our people to understand the Group's growth strategy and to raise other questions about the Group, our digital platform allows direct employee communication (in local languages) with Non-Executive Directors (including the Chair) to allow employee views to flow to the Board direct.</p> <p>During 2024 we will review this facility to ensure that this remains an effective mechanism for facilitating two way communication with employees direct with the Board member.</p> <p>Our Principal Businesses have employee-led groups in place covering areas such as diversity and inclusion, innovation, and social events. Feedback received from these working groups is given to the ESG Committee, and ultimately the Board.</p>	<p>Employee feedback page 48</p> <p>Diversity and Inclusion pages 50 to 54</p> <p>Engaging with our people page 102</p>

# Stakeholder Engagement *continued*

Stakeholder group and why we engage	How we engaged them in 2023	Further links
<p><b>Our Community</b></p> <p>We believe that the community engagement programmes that we have developed have a positive impact on the areas where our people live and ensure that Savills is firmly engaged with the communities we serve.</p>	<p>To help us successfully engage with local communities, we have adopted a range of approaches, e.g. charitable giving, volunteering events, pro bono work, and work experience opportunities to facilitate and participate in community interaction and cohesion. This approach means we can establish and maintain effective connections, deliver real benefit and remain proactive to the current issues that communities may be facing. In 2023, 24,300 volunteering hours were given by our people, an increase from 16,700 in 2022. In addition, over 580 pro bono hours were given.</p> <p>Our Group's ESG strategy is aligned with nine of the 17 UN Sustainable Development Goals ('SDGs') to help us achieve our Sustainability objectives.</p> <p>Read more about our community initiatives on pages 56 to 63.</p>	<p>Charity and Community involvement – case studies on pages 56 to 63</p>
<p><b>Our Environment</b></p> <p>We are committed to improving the impacts our operations have on the environment, managing climate-related risks and working together with our clients, suppliers and local communities towards delivering a more sustainable future.</p>	<p>Whether it's the way we advise clients or the work we do directly, we always seek to add value through initiatives that help both people and our environment to thrive.</p> <p>Savills plc is committed to achieving net zero for its operations (Scope 1 and 2) in 2030 and for its value chain (Scope 3) green-house gas ('GHG') emissions by 2040. Savills is currently working to verify interim decarbonisation targets with the Science Based Targets initiative ('SBTi') as part of this, Savills would be recognised by the Race to Zero and Business Ambition for 1.5°C campaigns.</p> <p>Read more about our ESG strategy including carbon efficiency improvements, GHG Emissions and TCFD reporting on pages 68 to 80.</p>	<p>Responsible Business, our ESG strategy pages 30 to 80</p>
<p><b>Our Shareholders</b></p> <p>We believe that engaging with our Shareholders and encouraging an open, meaningful dialogue between Shareholders and the Company is vital to ensuring mutual understanding.</p>	<p>The Group Chief Executive and Group Chief Financial Officer have primary responsibility for investor relations and lead a regular programme of meetings and presentations with analysts and investors.</p> <p>We build relationships with our Shareholders through our investor relations programme which includes regular investor roadshows. These engagements generated insightful feedback which was shared with the Board and the Company's Committees with due regard being given to these views. In addition, the Board also normally receives feedback twice each year from its corporate brokers on investors' and the market's perceptions of the Company.</p> <p>The AGM provides the Board with an opportunity to engage with our Shareholders.</p> <p>The Chair and the Senior Independent Director, Richard Orders, are also available to meet Shareholders at all times when so required.</p>	<p>KPIs pages 18 and 19</p> <p>Shareholder engagement pages 101 and 102</p> <p>Annual General Meeting page 102</p>
<p><b>Our Suppliers</b></p> <p>Our businesses have regular engagement with their key suppliers, who are required to operate with high service levels and the ethical standards that are set out in our Code of Conduct. We regularly monitor the relationship and engagement approach with our third-party suppliers.</p>	<p>We work with a broad range of supply-chain partners, particularly in our property management businesses and work hard to ensure that we can deliver the best service for our clients by building close and collaborative relationships with key suppliers. Our Tiering framework ensures that the vast majority of the expenditure is placed with service partners who sign up to our PM+ Core Principles and regular 360° assessment is undertaken.</p> <p>All suppliers are required to operate with high service levels and the ethical standards that are set out in Savills Code of Conduct and our Modern Slavery and Anti-Trafficking Statement.</p> <p>We regularly monitor the relationship and engagement approach with our third-party suppliers including communications received via the Company's Speak-up policy.</p>	<p>Code of Conduct page 65</p> <p>Speak-up policy page 65</p> <p>Modern Slavery statement page 65</p>



## Section 172(1) statement

The Board of Directors of Savills plc consider, both individually and together, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole. In doing this, the Directors have had regard to stakeholders, and amongst other matters, to those set out in s.172(1) (a-f) of the Act in the decisions taken during the year ended 31 December 2023.

In the context of the Board's activities during 2023, the table below sets out some examples of how the Directors have had regard to the matters set out in Section 172(a-f) when discharging their Section 172 duties and decision-making.

Section 172 matters	How the Board had regard to these matters during 2023	Read more about our approach to s.172(1) matters
<b>(a) likely consequences of any decisions in the long term</b>	<p>The Board remains mindful that its strategic decisions can have both short-and long-term implications for the Group and its stakeholders and these implications are considered carefully.</p> <p>We consider our stakeholders when developing and executing our strategy which is reviewed on an annual basis. During the year the Board:</p> <ul style="list-style-type: none"> <li>▪ considered regular reports from Senior Management and the Heads of the Principal Businesses on business performance, financing and the implementation of strategy throughout the year;</li> <li>▪ at a Strategy Review in November reconfirmed the Group's strategy and medium-term plan, including updates on progress made in relation to strategic initiatives from across the business and discussion of priorities in the short, medium and longer terms, including the Group's ESG strategy and net zero carbon objectives; and</li> <li>▪ approved material transactions, specifically the acquisitions of BeLiving; Nash Bond and Predibisa.</li> </ul>	<p>Our business model pages 10 and 11</p> <p>Chair's statement pages 82 and 83</p> <p>Our strategy pages 6 to 80</p> <p>Board focus in 2023 pages 108 and 109</p> <p>Board principal decisions pages 108 and 109</p> <p>Our purpose page 94</p> <p>Risk management page 117</p>
<b>(b) interests of employees</b>	<ul style="list-style-type: none"> <li>▪ We believe that in order to deliver our strategy, it is important that our people are fully engaged and motivated</li> <li>▪ We continue to listen to and support the needs of our people, ensuring honest, open lines of communication to enable our employees to stay positive, connected and productive, while feeling valued and supported</li> <li>▪ Our employee engagement programme maintains its focus on key areas, including in particular through third-party-led support programmes with specific emphasis on health and wellbeing. During the year we gathered feedback from our employees to assess their levels of engagement through employee surveys.</li> </ul>	<p>Our people pages 48 to 54</p> <p>Diversity and Inclusion pages 50 to 54</p> <p>Our culture page 65</p> <p>Speak-up policy page 65</p> <p>Leadership and Company purpose page 92</p> <p>Engaging with our people page 102</p>
<b>(c) fostering the Company's business relationships with suppliers, clients and others</b>	<p>The Board reviewed the 2024-2026 Business Plan which included the importance of maintaining the highest levels of client service, which is fundamental to the delivery of the Group's strategic goals. We tested our performance in this critical area and how we need to further enhance our client service offering by seeking feedback from a representative sample of clients across the globe.</p>	<ul style="list-style-type: none"> <li>▪ Our business model pages 10 and 11</li> <li>▪ Our clients page 55</li> <li>▪ Speak-up policy page 65</li> <li>▪ Human rights and modern slavery page 65</li> <li>▪ Leadership and Company purpose page 92</li> <li>▪ Board principal decisions pages 108 and 109</li> </ul>

## Section 172(1) statement *continued*

Section 172 matters	How the Board had regard to these matters during 2023	Read more about our approach to s.172(1) matters
<p><b>(d) impact of the Company's operations on the community and the environment</b></p>	<p>The Board is responsible overall for managing ESG and climate-related risks and realising opportunities. We recognise the need for urgent action by real estate owners and occupiers to address the climate crisis and rapidly transition to a greener more resilient economy and target our initiatives accordingly.</p> <p>TCFD allows us to better understand climate-related risk in our own operations. The Board supports management's approach to Environmental, Social and Governance matters and we are committed to strengthening our understanding of climate-related risks to our own operations as well as helping our clients to improve the resilience of their portfolios.</p> <p>In 2023 we have continued to target improvements based on delivering against our ESG objectives, as we progress towards our nine Sustainable Development Goals globally. These SDGs are those where we feel we can make the largest impact and which are most relevant to our business. Specific examples of where we continue to improve can be found in the Responsible Business report on pages 38 to 80.</p>	<p>Environment pages 40 to 43</p> <p>Community pages 56 to 63</p> <p>GHG and energy data pages 68 to 72</p> <p>TCFD disclosures pages 73 to 80</p>
<p><b>(e) maintaining a reputation for high standards of business conduct</b></p>	<p>Our Code of Conduct sets out our commitment to operate responsibly wherever we work in the world, to work professionally, fairly and with integrity and to engage with our stakeholders to manage the social, environmental and ethical impact of our activities in the different markets in which we operate.</p> <p>We have policies in place requiring that we uphold laws relevant to countering financial crime (including bribery and corruption) in all the jurisdictions in which we operate.</p> <p>To facilitate the Savills Board's assessment and monitoring of culture, the Board adopted a number of KPIs.</p> <p>We are committed to ensuring that we take all appropriate steps to prevent Modern Slavery from occurring in our business or supply chain and continue to publish our annual Modern Slavery statement, on our website and which sets out Savills zero tolerance approach to Modern Slavery in our organisation and supply chain. Our current statement, approved by the Board in March 2023, sets out actions taken to address risks of Modern Slavery within our business and supply chain during the financial year from 1 January 2023 to 31 December 2023.</p> <p>The Board is committed to ensuring that its composition provides the necessary balance of diversity, skills, experience, independence and knowledge to ensure we continue to run the business effectively and deliver sustainable growth. In 2023 the Board:</p> <ul style="list-style-type: none"> <li>▪ considered the composition and effectiveness of the Board;</li> <li>▪ reviewed and approved corporate statements;</li> <li>▪ undertook annual review of the principal and emerging risks of the Group;</li> <li>▪ reviewed and validated the effectiveness of the Group's systems of internal controls and risk management framework;</li> <li>▪ considered reports on specific risk areas across the business; and</li> <li>▪ reviewed and approved the Group's full-year and half-year results, as well as the regulatory announcements and the Group's Viability Statement and Going Concern status.</li> </ul>	<p>Chair's statement on pages 82 to 84</p> <p>Our culture page 65</p> <p>Modern slavery statement page 65</p> <p>Speak-up page 65</p> <p>Leadership and purpose page 92</p> <p>Internal controls page 117</p>

Section 172 matters	How the Board had regard to these matters during 2023	Read more about our approach to s.172(1) matters
<p><b>(f) acting fairly as between members of the Company</b></p>	<p>The Directors understand their duty to act fairly between different Shareholders as required by UK company law and the Company's regulatory obligations, pursuant to its UK listing.</p> <p>We are in regular contact with our major Shareholders and potential Shareholders.</p> <p>Our active engagement programme with our Shareholders involves a regular, scheduled programme of meetings as part of our continuing commitment to open and transparent dialogue.</p> <p>During the year the Group Chief Executive and Group Chief Financial Officer undertook their regular programme of engagement with Shareholders which included: the financial reporting cycle comprising full-year and half-year financial results; and one-to-one investor meetings (virtual) and calls.</p> <p>During the year the Board reviewed and approved the following activities and documents, and in doing so considered that they were acting fairly between members:</p> <ul style="list-style-type: none"> <li>▪ AGM Trading Update</li> <li>▪ Half-year financial results</li> <li>▪ Notice including resolutions for the Annual General Meeting</li> <li>▪ Full-year results for the year ending 31 December 2022</li> <li>▪ Annual Report and Accounts 2023</li> <li>▪ 2022 Supplemental and Final and 2023 Interim Dividend approval.</li> </ul>	<p>Engaging with stakeholders pages 101 and 102</p>

## Engaging with our Investors

The Board is committed to maintaining an open dialogue with investors which is achieved through a programme of structured engagement. We regularly engage with our institutional Shareholders through an active investor relations programme. The Group Chief Executive and Group Chief Financial Officer have primary responsibility for investor relations and lead a regular programme of meetings and presentations with analysts and investors. This includes presentations following the publication of the Company's full and half-year results. This programme maintains a continuous two-way dialogue between the Company and Shareholders, and helps to ensure that the Board is aware of Shareholders' views on a timely basis. These engagements generate insightful feedback which is then shared with other Board members and Committees with due regard being given to these views. In addition, the Board also normally receives feedback twice each year from its corporate brokers on investors' and the market's perceptions of the Company. The Chair and Richard Orders as the Senior Independent Director are also available to meet Shareholders at all times as required.

## Engaging with our people

People are at the core of our business. The Board routinely invites members of the management team to join meetings to present on the matters being discussed. In order to reach all employees, the Board utilises a combination of formal and informal engagement methods which are detailed below.

In accordance with the Code, the Board continues to review the mechanisms that it uses to engage with its workforce. Having considered the three mechanisms set out in the Code the Board is satisfied that reflecting the Group's geographic spread it was beneficial for all of the Non-Executive Directors to be engaged in the workforce engagement programme, with each therefore to be 'designated' for workforce engagement purposes (rather than nominating a single Non-Executive Director). The Board believes this enhances each of the Director's engagement with, and understanding of, workforce views, leverages cultural awareness and is more efficient (in that it does not require a single designated Non-Executive Director to engage across all of the Group's diverse geographic markets).

## Ask the Board

In December 2018, we introduced a digital platform to allow direct employee communication with Non-Executive Directors (including the Chair) in areas of focus (such as strategy, training & development opportunities; measurement of staff performance and promotion criteria; diversity; and flexible working). During 2024 we will review this facility to ensure that this remains an effective mechanism for facilitating two way communication with employees direct with the Board member.

## Section 172(1) statement *continued*

### Employee Surveys

We gather feedback regularly from our employees to assess their levels of engagement.

### Speak-up

We operate independently hosted confidential and anonymous Speak-up services which enable employees to report any concerns related to unethical conduct in any areas of the business. All disclosures are investigated promptly overseen by the Group Legal Director & Company Secretary and escalated to the Board as appropriate, with follow-up action being taken as soon as practicable thereafter.

### Access to Non-Executive Directors

Our digital platform which allows direct employee communication (in local languages) with Non-Executive Directors (including the Chair) in areas of focus (such as strategy, training and development opportunities; measurement of staff performance and promotion criteria; diversity; and flexible working).

## How we engage with employees

### Working Groups

Our principal businesses have employee-led groups in place covering areas such as diversity and inclusion, innovation, and social events. Feedback received from these working groups are given to the ESG Committee, and ultimately the Board.

Our Diversity and Inclusion Groups – pages 51 and 52.

### Social Media

A variety of Social media channels is utilised to enhance engagement and the exchange of information on the Company's activities to all stakeholders. These channels include, X (formerly Twitter), Instagram and our intranet. In particular our intranet is used as a platform for employees to access our policies and to receive information on wellbeing, health and safety, and training.

### Town Hall/Employee briefings

We hold town hall meetings within our Principal Businesses, and other events, in particular focusing on wellbeing and mental health issues, supported by webinars provided by external providers.

The Board will continue to assess the effectiveness of its engagement with the workforce and how ultimately this informs the decisions that it takes, including the options provided for in the Code.

How the Board factored employee engagement into its decisions in 2023 – page 99.

More detail about our commitment to our people is set out in the Responsible Business section of this Annual Report and Accounts in the Strategic Report on pages 37 to 80.

### Our approach to Shareholder engagement

#### AGM

The Annual General Meeting ('AGM') provides the Board with an opportunity to communicate with, and answer questions from, private and institutional Shareholders. All resolutions were passed at the 2023 meeting in line with the Board's recommendations. The Chair of each of the Committees is available at the AGM to answer questions. Directors are available before and during the meeting to answer questions from Shareholders and to meet with Shareholders following the conclusion of the formal part of the meeting.

The level and manner of voting of proxies lodged on each resolution at the AGM is declared at the meeting and published on the Company's website. The notice of the AGM is sent out at least 20 working days before the meeting and at least 15 working days' notice would be given before other general meetings.

In accordance with the Company's Articles of Association, electronic and paper proxy appointments and voting instructions must be received not later than 48 hours before a general meeting. Details of the resolutions to be proposed at the Annual General Meeting on 15 May 2024 can be found in the Notice of Meeting which accompanies this Report and Accounts.

#### Corporate website

The Company's website <http://www.ir.savills.com> has a section dedicated to investors where a range of valuable information can be found including:

- A financial calendar of events
- Published annual results and results announcements
- Details of the Company's corporate governance arrangements
- Board and Committee profiles
- The Group's ESG strategy
- Regulatory announcements.

The Company has taken advantage of the provisions within the Companies Act 2006 which allow communications with Shareholders to be made electronically, where Shareholders have not requested hard-copy documentation. Details of the information available to Shareholders can be found on page 267.



## DIVISION OF RESPONSIBILITIES

# A robust governance framework

The Board is committed to the highest standards of corporate governance and risk management which is demonstrated in its established corporate governance framework as illustrated on pages 104 and 105.

The Board leads the Group's Governance Structure.

### OVERVIEW OF THE BOARD'S RESPONSIBILITIES

- Has primary responsibility for providing entrepreneurial leadership for the Group
- Oversees the overall strategic development of the Group and approves the strategy to achieve the Group's strategic aims
- Sets the Group's values and standards
- Ensures effective governance and risk management and that the Group's businesses act ethically and that obligations to Shareholders are understood and met
- Delegates the management of the day-to-day operation of the business to the Group Chief Executive, supported by the Group Executive Board subject to appropriate risk parameters.

The Board has adopted a formal schedule of matters specifically reserved to it for decision-making. A full schedule of matters reserved for the Board's decision along with the Terms of Reference of the Board's principal Committees can be found on the Company's website at <http://ir.savills.com>

### Board Committees

The Board has established three principal Committees to which it has delegated certain of its responsibilities, as set out below. The roles, membership and activities of these Committees can be found in the pages which follow.

### Group Executive Board ('GEB')

The Group Chief Executive is supported by the GEB. The GEB is the key management committee of the Group. It is chaired by the Group Chief Executive and comprises the Group Chief Financial Officer, the Heads of the Principal Businesses and the Group Legal Director & Company Secretary. The GEB meets regularly and under the leadership of the Group Chief Executive, the GEB is responsible for the day-to-day management of the Group including overseeing the development and implementation of strategy, capital expenditure, and investment budgets, for the ongoing review and control of the Group's principal existing and emerging risks and uncertainties as detailed on pages 30 to 36 and reporting on these areas to the Board for approval, implementing Group policy, monitoring financial and operational performance of the Group and other specific matters delegated to it by the Board. The Group Chief Executive is also supported by Regional Service Line Strategy Groups which are tasked with the continuous development of service line offerings, client relationship management and the development and sharing of best practice in each region, in particular to ensure that the Group's offering across its key service lines continues to evolve to meet new client requirements and to ensure a consistent approach across the Group. An explanation of how the Group creates and preserves value, and the strategy for delivering its objectives is included in the Strategic Report on pages 6 to 80.

## Division of the Responsibilities

**Board** (during 2023: Chair, two Executive Directors and six Non-Executive Directors (seven from 13 December 2023); with effect from 1 January 2024: Chair, two Executive Directors and six Non-Executive Directors).

Audit Committee	Remuneration Committee	Nomination & Governance Committee
<ul style="list-style-type: none"> <li>■ Responsible for assisting the Board in fulfilling its financial and risk responsibilities, and in particular for ensuring that the financial statements are fair, balanced and understandable</li> <li>■ Oversees external financial reporting, internal control, risk management and reviews the work of the Internal and External Auditors</li> <li>■ Advises the Board on the appointment of the External Auditors.</li> </ul> <p><b>Chair:</b> John Waters</p> <p><b>Number of meetings in the year:</b> 5</p> <p>For more information see pages 118 to 126</p>	<ul style="list-style-type: none"> <li>■ Responsible for the broad policy governing senior staff pay and remuneration</li> <li>■ Sets the actual levels of all elements of the remuneration of the Executive Directors, and Group Executive Board members.</li> </ul> <p><b>Chair:</b> Richard Orders</p> <p><b>Number of meetings in the year:</b> 4</p> <p>For more information see pages 127 to 150</p>	<ul style="list-style-type: none"> <li>■ Responsible for size, structure and composition of the Board</li> <li>■ Reviewing and progressing appointments to the Board</li> <li>■ Responsible for succession planning at Board and senior management-level to ensure that (i) the Board is refreshed progressively such that the balance of skills and experience available to the Board remains appropriate to the needs of the business; and that (ii) the Group has the necessary talent bench-strength to ensure seamless succession at senior management-level</li> <li>■ Makes recommendations to the Board on the membership of the principal Committees of the Board</li> <li>■ Monitoring of the Company's compliance with applicable codes and other requirements of Corporate Governance.</li> </ul> <p><b>Chair:</b> Stacey Cartwright</p> <p><b>Number of meetings in the year:</b> 3</p> <p>For more information see pages 110 to 115</p>

### Principal Business Executive Committees

- Lead each Principal Business
- Responsible for the day-to-day management of the relevant Principal Business
- Oversee the development and implementation of strategy, capital expenditure, and investment budgets for the ongoing review and control of Group risks, reporting on these areas to the Group Executive Board and, as necessary, the Board for approval
- Implement Group policy
- Monitor financial and operational performance of the relevant Principal Business and other specific matters delegated to them by the Group Executive Board.

## Plc Board

### Group Chief Executive

- Responsible for the day-to-day management of the Group.

### Group Executive Board

- Key executive management committee of the Group
- Responsible for the day-to-day management of the Group
- Oversees the development and implementation of strategy, capital expenditure, and investment budgets, for the ongoing review and control of Group risks, reporting on these areas to the Board for approval
- Implements Group policy
- Monitors financial and operational performance of the Group and other specific matters delegated to it by the Board.

**Chair:** Group Chief Executive

**Composition:** Group Chief Financial Officer, the Heads of the Principal Businesses, and the Group Legal Director & Company Secretary

## Group ESG Committee

### Group ESG Committee

- Responsible (with the Group Risk Committee) for overseeing climate risk assessment and other aspects of the Group's ESG agenda
- Tracks and monitors the delivery of the Group-wide ESG targets which are aligned to the nine UN Sustainable Development Goals.

**Chair:** Group Legal Director & Company Secretary

### Group Risk Committee

- Identifies and evaluates Group-level risks
- Reviews and challenges risks reported by subsidiaries
- Champions the ongoing Group-wide development of risk management and the internal controls framework
- Monitors Internal Audit and other sources of assurance on the effectiveness of internal controls
- Reviews ESG risk, including but not limited to TCFD-related items and these are escalated as appropriate.

## Division of the Responsibilities continued

### Roles on the Board

The Board comprises Executive and Non-Executive Directors, such that no one individual or small group of individuals dominates the Board's decision-making. The Non-Executive Directors are all deemed to be independent. To help ensure a proper dialogue with all Directors, the Chair meets periodically with the Directors individually and the Non-Executive Directors as a group (and without the Executive Directors). The division of responsibilities between the various roles of the Board members is detailed below, demonstrating a clear division between the role of the Board and executive management. The role descriptions of the Chair, Group CEO and Senior Independent Director are reviewed annually by the Board and are updated as necessary to reflect changes in legislation or best practice.

Roles and Responsibilities of the Directors:

<b>Non-Executive Chair</b>	Nicholas Ferguson (until 31 December 2023; Stacey Cartwright with effect from 1 January 2024)	<p>The roles of Chair and Group Chief Executive are distinct and separate and their roles and responsibilities are clearly established.</p> <p>The Chair is responsible for:</p> <ul style="list-style-type: none"> <li>▪ leading the Board and its overall effectiveness;</li> <li>▪ demonstrating objective judgement;</li> <li>▪ promoting a culture of openness and constructive challenge and debate between all Directors;</li> <li>▪ facilitating constructive Board relations and the effective contribution of all Non-Executive Directors; and</li> <li>▪ ensuring Directors receive accurate, clear and timely information.</li> </ul> <p>To help ensure a proper dialogue with all Directors, the Chair meets periodically with the Directors individually and the Non-Executive Directors as a group (and without the Executive Directors).</p>
<b>Group Chief Executive Officer</b>	Mark Ridley	<p>The Group Chief Executive has responsibility for all Group businesses and acts in accordance with the authority delegated by the Board. There are a number of areas where the Board has delegated specific responsibility to management, including responsibility for the operational management of the Group's businesses as well as reviewing strategic issues and risk matters in advance of these being considered by the Board and/or its Committees.</p>
<b>Group Chief Financial Officer</b>	Simon Shaw	<p>The Group Chief Financial Officer supports the Chief Executive in developing and implementing the Group's strategy.</p> <ul style="list-style-type: none"> <li>▪ leads the global finance function and develops key finance talent;</li> <li>▪ ensures effective financial reporting, processes and controls are in place;</li> <li>▪ recommends the annual budget and long-term strategic and financial plan; and</li> <li>▪ chairs the Group's PropTech investment 'fund', Grosvenor Hill Ventures.</li> </ul>
<b>Independent Non-Executive Directors</b>	Philip Lee Richard Orders Dana Roffman Marcus Sperber Florence Tondumélisque John Waters	<ul style="list-style-type: none"> <li>▪ Monitor and challenge the performance of management;</li> <li>▪ assist in approval and review of strategy;</li> <li>▪ review Group financial information and provide advice to management;</li> <li>▪ engage with stakeholders and provide insight as to their views, including in relation to employees and the culture of the Group; and</li> <li>▪ as part of the Nomination &amp; Governance Committee, review the succession plans for the Board and key members of senior management.</li> </ul>
<b>Senior Independent Non-Executive Director</b>	Stacey Cartwright to 31 December 2023; with effect from 1 January 2024 Richard Orders	<p>Provides a sounding board for the Chair and acts as a trusted intermediary for the Directors as required; and is available to respond to Shareholder concerns when contact through the normal channels is inappropriate.</p>
<b>Group Legal Director &amp; Company Secretary</b>	Chris Lee	<p>The Group Legal Director &amp; Company Secretary, whose appointment is a matter reserved for the Board, is responsible for advising and supporting the Chair and the Board on company law and corporate governance matters and for ensuring that Board procedures are followed, as well as ensuring that there is a smooth flow of information to enable effective decision-making.</p> <p>The Group Legal Director &amp; Company Secretary is further responsible for ensuring that the Directors receive regular updates on developments in legal and regulatory matters. All the Directors have access to the advice and services of the Group Legal Director &amp; Company Secretary and through him have access, if required, to independent professional advice in respect of their duties at the Company's expense.</p>



## Board composition

In line with the requirements of the Code, the Board comprises a majority of Independent Non-Executive Directors. The Nomination & Governance Committee considers the independence of the Non-Executive Directors annually, having regard to the independence criteria set out in the Code. As part of this process, the Board keeps under review the length of tenure of all Directors, which can affect independence. We believe the Board's composition gives us the necessary balance of diversity, skills, experience, independence and knowledge to ensure we continue to run the business effectively and deliver sustainable growth. Further details regarding diversity are on page 114 and our Diversity and Inclusion strategy can be found on pages 50 to 54.

The biographical details of the Directors can be found on pages 86 to 88 which show the breadth of their skills and experience, why their contribution is important to the Company's long-term sustainable success, and their membership of the Board's various Committees.

## Independence of Non-Executive Directors

The Chair is committed to ensuring the Board comprises a majority of Independent Non-Executive Directors who objectively challenge management, balanced against the need to ensure continuity on the Board. On an annual basis, the Board reviews the independence of its Non-Executive Directors. Non-Executive Directors ('NEDs') are expected to exercise independent judgement and to be free from any business or other relationship that could materially interfere with it. This independence is crucial in bringing constructive challenge to the Group CEO and management at Board meetings, while providing support and guidance to promote meaningful discussion and, ultimately, informed and effective decision-making. Directors are required to provide sufficient information to allow the Board to evaluate their independence prior to and following their appointment. The Board considers that all of the Non-Executive Directors bring considerable expertise, strong independent oversight and are Independent Non-Executive Directors, being independent of management and having no business or other relationship which could interfere materially with the exercise of their judgement.

## Outside interests and conflicts

The Board has adopted guidelines for dealing with conflicts of interests. All potential new Directors are asked to disclose their other significant commitments. The Nomination & Governance Committee takes this into account when considering proposed appointments to ensure that Directors can discharge their responsibilities to the Group effectively. This means not only attending and preparing for formal Board and Committee meetings, but also making time to understand the business, and to undertake training.

The time commitment is agreed with each Non-Executive Director on an individual basis. In addition, all Directors must seek approval before accepting any significant new commitment. The Board is satisfied that the Chair and each of the Non-Executive Directors committed sufficient time during the year to enable them to meet their Board responsibilities and fulfil their duties as Directors of the Company.

For the year ended 31 December 2023 and as at the date of publication of this Annual Report, the Board is satisfied that none of the Directors is over-committed and that each of the Directors allocates sufficient time to his or her role in order to discharge their responsibilities effectively.

## Indemnification of Directors

In accordance with the Company's Articles of Association, and to the extent permitted by law, the Directors and the Group Legal Director & Company Secretary are granted an indemnity, in respect of any liabilities incurred as a result of their holding office. Such indemnities were in force during the financial year to 31 December 2023 and up to the date of this Report. The Company also maintains appropriate insurance cover in respect of legal action against its Directors and Officers.

## Conflicts of interest procedure

The Companies Act 2006 places a duty on each Director to avoid a situation in which he or she has or can have a direct or indirect interest which conflicts or may conflict with the interests of the Company. A Director will not be in breach of that duty if the relevant matter has been authorised by the other Directors in accordance with the Company's Articles of Association. Procedures are in place for the disclosure by Directors of any interest that conflicts, or possibly may conflict, with the Company's interests and for the appropriate authorisation to be sought if a conflict arises. The Board, or the Nomination & Governance Committee on its behalf, reviews actual and situational conflicts of interest at least annually and as necessary if and when a new potential situational conflict is identified or a potential conflict situation materialises. During 2023, the actual and situational conflicts of interest that were identified by each Director were reviewed and authorised by the Board, subject to appropriate conditions in accordance with the guiding principles. The procedures adopted to deal with conflicts of interest continue to operate effectively and the Board's authorisation powers continue to be exercised properly in accordance with the Company's Articles of Association.

## COMPOSITION, SUCCESSION AND EVALUATION

# What the Board did in 2023

The Board met eight times during the year to consider the items noted below.

The Board's principal actions during 2023 were to consider and reconfirm the Group's growth plans and those of the Principal Businesses; to approve material transactions, specifically the acquisitions of BeLiving; Nash Bond and Predibisa; and strategic recruitments across the Group; and to confirm the Group's net carbon zero targets. One of the Board's meetings during the year was specifically devoted to the review of the Group's strategy. The key areas of Board activity during the year are set out as follows:

Area of Focus	Board Activity
<b>Leadership and People</b>	Reviewed the composition and performance of the Board and its Committees
<b>Strategy</b>	<p>Monitored the performance and growth of the Group's Principal Businesses</p> <p>Held the annual strategy review to consider in depth and reconfirm the Group's strategy</p> <p>Considered and approved the following growth initiatives consistent with the Group's strategic plan</p>
<b>Internal Control and Risk Management</b>	<p>Reviewed and confirmed the principal existing and emerging risks and uncertainties facing the Group which are described in detail on pages 30 to 36</p> <p>Reviewed the Group's risk register and the effectiveness of the systems of internal control and risk management</p> <p>Received updates on the risk and internal control environments within the Group's Asia Pacific, North American, CEME and UK businesses and Savills Investment Management</p>
<b>Governance</b>	<p>Received updates on regulatory and governance developments</p> <p>Received regular reports in relation to material legal matters</p> <p>Reviewed and discussed the evaluation of the performance of the Board, its Committees and individual Directors to ensure that they continued to be effective in support of Group strategy, policy and practice</p> <p>Considered and approved situational, and if they arose, actual conflicts of interest</p> <p>Considered issues raised through the Group's confidential reporting ('Speak-up') channels</p> <p>Reviewed and approved the Company's 2023 Modern Slavery Statement</p>
<b>Financial Management</b>	<p>Reviewed the 2024-2026 Group Business Strategy and approved the 2024 Plan</p> <p>Reviewed business, profit and cash management performance, and in each case, assessed performance in these areas against the Group's strategy, objectives and business plans to ensure that the financial returns generated by the Group's businesses were applied to the creation of additional value, costs were controlled and that resources could be made available at the appropriate time to realise business opportunities</p> <p>Considered and approved the 2023 Going Concern and Viability Statements</p> <p>Reviewed and approved the Company's 2024 Tax Strategy</p> <p>Approved the 2023 annual and half-year results and trading updates, and accounting policies so as to ensure that communication with the Group's Shareholders was fair, balanced and understandable; and, subject to Shareholder approval, the appointment and the remuneration of the External Auditor</p>
<b>Stakeholder Engagement</b>	<p>Received and considered investor feedback collated by the Company's corporate brokers from road-shows, presentations and meetings between investors and the Group Chief Executive and/or Group Chief Financial Officer</p> <p>Received updates on workforce engagement during the year</p> <p>Received regular client feedback from the Group Chief Executive</p>

	<b>Board and Committee meetings</b>	<b>Key announcements</b>
<b>January</b>	Main Board Remuneration Committee Group Executive Board	
<b>February</b>		
<b>March</b>	Main Board Audit Committee Remuneration Committee Nomination & Governance Committee	Results for year ended 31 December 2023
<b>April</b>	Group Executive Board	Annual Report 2023 and Notice of AGM
<b>May</b>	Main Board AGM	Trading Statement Published results of 2024 AGM Recommended 2022 final dividend
<b>June</b>	Main Board Audit Committee	
<b>July</b>	Group Executive Board	
<b>August</b>	Main Board Audit Committee Nomination & Governance Committee	Half-year results & 2023 interim dividend Announced that Stacey Cartwright would become Chair effective 1 January 2024 on the retirement of Nicholas Ferguson from the Board
<b>October</b>	Group Executive Board Audit Committee	
<b>November</b>	Main Board Main Board strategy day Nomination & Governance Committee	
<b>December</b>	Main Board Audit Committee Remuneration Committee Group Executive Board	Appointment of NED and with effect from 1 January 2024 Audit Chair John Waters

# Nomination & Governance Committee Report



**Stacey Cartwright**  
Chair



The Nomination & Governance Committee ('Committee') has a key role to play in ensuring that the Board and its principal Committees have the right mix of skills, experience and diversity to deliver Group strategy and to create value. The Committee keeps under review and evaluates the composition of the Board and its Committees to maintain the appropriate balance of skills, knowledge and independence to be able to function effectively."

## Dear Shareholder

On behalf of the Board, I am pleased to present the Nomination & Governance Committee's Report for the financial year ended 31 December 2023. The Committee's principal role is to lead a formal, rigorous and transparent process for Board appointments and ensure that plans are in place for orderly succession at Board and senior management level. It keeps the leadership needs of the organisation under review, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace.

The Committee has continued to focus on succession planning, and within this further seeking to facilitate greater diversity and inclusion at Board and senior levels with specific focus below this level. In this regard Board membership is compliant with the FTSE Women Leaders and Parker guidelines, and the proportion of women in senior leadership positions (as defined by FTSE Women Leaders) as at October 2023 was 37.1% (2022: 36.5%).

The Committee will continue to ensure the Board has in place an effective leadership with the skills, experience and diversity to match our strategic aims and ambition.

**Stacey Cartwright**  
Chair of the Nomination & Governance Committee

13 March 2024

## COMMITTEE MEMBERS

Nicholas Ferguson (Chair\* until his retirement on 31 December 2023)

Stacey Cartwright (Chair\* with effect from 1 January 2024)

Philip Lee

Richard Orders

Mark Ridley (Executive Director)

Dana Roffman

Marcus Sperber

Florence Tondou-Mélique

John Waters (with effect from 13 December 2023)



## KEY OBJECTIVES

The primary objectives of the Committee are:

- to review the size and composition of the Board and its key Committees and to plan for the Board's progressive refreshing, with regard to balance and structure
- to monitor the Company's compliance with applicable codes and other requirements of corporate governance including the Code.

## MAIN RESPONSIBILITIES

- Responsible for size, structure and composition of the Board
- Reviewing and progressing appointments to the Board
- Responsible for succession planning at Board and senior management level to ensure that (i) the Board is refreshed progressively such that the balance of skills and experience available to the Board remains appropriate to the needs of the business; and that (ii) the Group has the necessary bench-strength of talent to ensure seamless succession at senior management level
- Makes recommendations to the Board on the membership of the principal Committees of the Board
- Monitoring of the Company's compliance with applicable codes and other requirements of corporate governance.

More detailed information on the role and responsibilities of the Committee can be found in the Committee's Terms of Reference which can be accessed on the Company's website at <http://ir.savills.com>

## PRINCIPAL ACTIVITIES DURING THE YEAR

The Committee has standing items that it considers regularly under its Terms of Reference; for example, the Committee reviewed its own Terms of Reference (which are reviewed at least annually or as required, eg to reflect changes to the Code or as a result of changes in regulations or best practice).

Specifically during the year, the Committee:

- Considered the proposed reappointment of the Non-Executive Directors, before making a recommendation to the Board that each Non-Executive Director be proposed to Shareholders for re-election at the 2024 AGM
- Led the process to appoint a new Chair which resulted in Stacey Cartwright being appointed as Chair of the Company from 1 January 2024 on the retirement of Nicholas Ferguson from the Board
- Led the process which resulted in the appointment of John Waters to the Board.

\* Save in circumstances where the Chair's succession is considered.

# Nomination & Governance Committee Report

*continued*

The Committee met three times during 2023. Individual attendance by Directors at this meeting is shown in the table on page 93. Members of the Committee also normally attend the Company's AGM at which there is an opportunity to meet with Shareholders. Any other Director, the Group Legal Director & Company Secretary or an external advisor may be invited by the Committee to attend the meetings from time to time, as appropriate.

## Changes to the Board and Committees

During the year to 31 December 2023, there were the following changes to the Board:

- Stacey Cartwright was appointed Chair with effect from the date of the retirement of Nicholas Ferguson on 1 January 2024
- John Waters was appointed as an additional Independent Non-Executive Director on 13 December 2023, and replaced Stacey Cartwright as Chair of the Audit Committee with effect from 1 January 2024
- Richard Orders replaced Stacey Cartwright as the Senior Independent Director with effect from 1 January 2024.

## Succession planning

The Board and Committee remain focused on talent planning, and the development of a diverse succession pipeline and Board succession is a key topic at Committee meetings. Board and senior management succession plans, which are based on merit and are assessed against objective criteria, are reviewed annually by the Committee. The Committee monitors the length of tenure and the skills and experience of the Non-Executive Directors to assist in succession planning. The Committee continues to keep the Board's composition under review and considers how that composition might be enhanced to ensure that the Board continues to best meet the needs of the Company and its Shareholders. The biographies of the Board members appear on pages 86 to 88.

The Committee will continue to monitor the needs of the Board and its Committees in the context of the delivery of the Group's strategy, with the aim of ensuring that the Group's succession planning policy evolves such that there is an identifiable supply of talent and experience available to the Board and its Committees from which to select successors.

No Director is involved in decisions regarding his or her own succession. The Committee also monitors the development of the executive team below the Board to ensure that there is a diverse supply of senior executives and potential future Board members with the appropriate skills and experience.

## Recruitment and election procedures

### Chair Succession

Following the announcement in March 2023 that Nicholas Ferguson would be retiring as Chair at the end of the year, the Company commenced a rigorous search to find a successor. On 10 August 2023, the Company announced the appointment of Stacey Cartwright as Chair with effect from 1 January 2024. In accordance with its Terms of Reference, the Nomination & Governance Committee led the process.

Heidrick & Struggles were appointed to conduct a candidate search, based on a clear brief and the search entailed creating a longlist of potential candidates from which a shortlist was developed. This was further reduced and the extensive evaluation process included detailed interviews on a one-to-one basis with both Richard Orders, NED and Mark Ridley Group CEO to understand clearly what each candidate could bring to the role as Chair, their approach to challenges that the business may face in the future, as well as how they would see the relationship working between Chair and Group CEO. Following this process, the Committee was unanimous in its recommendation to the Board that Stacey Cartwright be appointed as Chair of the Group with effect from 1 January 2024. Heidrick & Struggles has no other connection with the Group and is a signatory to the Voluntary Code of Conduct of Executive Search Firms.

### Search for an additional NED

The Board recognises the benefit of progressively refreshing its membership and therefore commenced the search for an additional Independent Non-Executive Director in September 2023. Before making this appointment, the Committee assessed the balance of skills, knowledge, independence, experience and diversity of the Board and, in view of this assessment, drew up a description of the role and competencies needed, which included the necessary financial experience to chair the Audit Committee with effect from 1 January 2024, with a view to appointing the best-placed individual for the role. In making a recommendation to the Board on a Non-Executive Director appointment, the Committee specifically considered the expected time commitment of the proposed Non-Executive Director and other commitments they might already have.

The Committee led the process which resulted in the appointment of John Waters to the Board. The Committee assessed the balance of skills, knowledge, independence, experience and diversity of the Board and, in view of this assessment, a description of the role and competencies needed was agreed, with a view to appointing the best qualified individual for the role. Heidrick & Struggles was selected to lead the search due to its specialist knowledge of recruiting at Board-level.

Recruitment Consultants Heidrick & Struggles provided a longlist of potential candidates and first-stage interviews were led by the Chair of the Committee. In making the recommendation to the Board on the proposed appointment, the Nomination & Governance Committee specifically considered the expected time commitment of the proposed Non-Executive Director and the other commitments that they already had. A final shortlist of candidates was selected for final-stage interviews with the Chair, Group Chief Executive Officer and Senior Independent Director. The Committee was unanimous in their recommendation to the Board that John Waters be appointed as additional Independent Non-Executive Director, and was delighted to welcome John to the Board on 13 December 2023. John was also appointed Chair of the Audit Committee with effect from the date of Stacey Cartwright's appointment as Chair effective 1 January 2024.

Details of the different stages of the appointment process that the Committee followed in relation to the appointment process of Stacey and John is set out below:

Step 1	Step 2	Step 3	Step 4	Step 5
Engaged with Heidrick & Struggles and provided them with a search specification	Shortlisting of candidates by the Committee	Interview process with Committee Members	Recommendation to the Board of the chosen candidate	Appointment terms drafted and agreed

### Stacey Cartwright's biography

See page 86.

### John Waters' biography

See page 88.

# Nomination & Governance Committee Report

*continued*

## Director reappointment

All Non-Executive Directors undertake a fixed term of three years subject to annual re-election by Shareholders. The fixed term can be extended, and consistent with best practice, would not go beyond nine years unless exceptional circumstances were deemed to exist.

The current length of tenure for the Chair and each of the Non-Executive Directors as at 31 December 2023 is set out on pages 86 to 88.

In accordance with the 2018 UK Corporate Governance Code (the 'Code'), all of the Directors will stand for election/re-election as appropriate at the 2024 AGM on 15 May 2024. The Board reviews Non-Executive Director independence on an annual basis and takes into account the individual's experience, their behaviour at Board meetings and their contribution to unbiased and independent debate. The Board considers that all of the Non-Executive Directors bring considerable management expertise and strong independent oversight.

## Diversity

### Board and Group Diversity

At Board level, the approach to appointing new Directors reflects the Committee's objective of ensuring that there is always an appropriate balance of experience and backgrounds on the Board. Great emphasis is placed on ensuring that Board membership embodies diversity in its broadest sense. For this reason, members of the Board are drawn from a wide range of disciplines, industries and cultures. As an international business, we benefit from our Non-Executive Directors' knowledge of and involvement with other businesses across Asia, Europe and the UK and North America.

As reported on page 85, the FCA's Listing Rules now set board diversity targets that at least 40% of the board are women, at least one of the roles of CEO, CFO, Chair and SID is held by a woman, and at least one director is from a minority ethnic background. The Company has met all of the above targets, except the target to have 40% of Board membership represented by women. As at the date of this report women represented 33% of the Board's membership. The Company expects to comply with this requirement by the end of 2024.

The benefits of diversity, in terms of age, ethnicity, skills, experience and socio-economic background are an active consideration in all recruitment decisions, as well as in our talent development programme.

The Committee is responsible for overseeing the development of a diverse pipeline for succession to senior management. The Board has a longstanding commitment to prioritise diversity and supports the FTSE Women Leaders Review on gender diversity and the Parker review on ethnic diversity. From a gender perspective, we are pleased to have seen the positive benefits of this approach, with women representing 33% of the Board's membership in 2023.

For the purposes of complying with the requirements of the Code Provision 23, Senior Management is defined as the Group Executive Board ('GEB'). As at 31 December 2023 the GEB members and their direct reports totalled 196 of which 40 were female, 157 were male. Accordingly, our Group Women in Leadership percentage (determined in accordance with the FTSE Women Leaders Review criteria) was 37.1% as at 31 October 2023. Our previous year Group Women in Leadership percentage as reported by the FTSE Women Leaders Review was 36.5% (as at 30 October 2022).

In respect of ethnic diversity, the Board's composition is in accordance with the Parker Review recommendation that at least one Director is from an ethnic minority background by 31 December 2024.

The Committee noted considerable progress being made to increase gender diversity, and the structured and broad approach and actions being taken, which varied based on geography and culture.

The Committee supports the initiatives taking place across the Group's businesses to improve diversity, including work to further strengthen the pipeline of women through a managed career path and improved access to opportunities. More details on the Group's diversity and inclusion initiatives can be found on pages 50 to 54. Information on Board and Executive Committee gender and ethnicity can be found on page 85.



# Board and Committee Evaluation

## 2021 Internal Board Evaluation

## 2022 External Board Evaluation

## 2023 Internal Board Evaluation

In line with best practice, the performance and effectiveness of the Board and its Committees is assessed annually through a formal performance evaluation process. In accordance with the Code requirements, the Board believes that an external independent evaluation of Board effectiveness and performance, and that of its principal Committees, at least every three years brings further insight into its performance. As well as looking to continually improve the Board's processes, the evaluation process is used to reflect on areas that the Board would like to see more focus on.

### Board and Committee evaluation

The Board recognises that it continually needs to monitor and improve its performance. In line with the effective governance requirements of the Code, the Board reviews its own performance and that of the Directors and of its Committees annually.

### 2023 process

This year's evaluation was conducted in-house, led by Stacey Cartwright and facilitated by the Group Legal Director & Company Secretary. The evaluation undertaken involved each Board member completing a questionnaire which was then used as the basis of a confidential interview. The matters covered by the evaluation included Board structure, Board effectiveness, working practices, relationships with Shareholders and interaction between Board members and management. The output of the evaluation was presented to the Board in March 2024 and the Directors discussed the points raised by the review.

### Conclusion from the 2023 evaluation

The conclusion from this year's evaluation was that the Board and its Committees continued to operate to a high standard and continued to provide effective leadership and exert the required levels of governance and control.

In particular, Board members considered that the Board was now stronger in terms of diversity of gender, experience, geography and background and continued to contribute strongly to the development and implementation of the Group's strategy. Board members also agreed that the Board was an open and constructive forum and was focussed on the right issues, striking a good balance between future thinking and assurance. The Board's Committees were also considered to be continuing to work well, and were well-chaired and supported.

### Areas of focus for 2024

Reflecting the output from the 2023 Board Evaluation, the additional areas for Board focus, which would be added to the Board's 2024 workplan, were agreed as follows:

- a. Ensuring that the Board had good exposure to the wider stakeholder group, particularly to those people below senior management to ensure that the non-executive directors had visibility of the issues across the business
- b. Ensuring that the Board continued to meet with the Company's external brokers at least once a year to ensure undertaking of market and Shareholder views
- c. Strengthening the links between the Board and the business by expanding the exposure to the Group's next level of management
- d. Further broadening the experience of the Board through the appointment of an additional independent NED with a strong technology background

## Board and Committee Evaluation *continued*

As a result of the evaluation, the Board considers the performance of each Director to be effective and concluded that both the Board and its Committees continue to provide effective leadership and exert the required levels of governance and control. Shareholders would therefore be recommended to re-elect Board Members at the AGM in May.

Following this review, we are satisfied that the Board continues to perform effectively and in particular are confident that the Board has the right balance of skills, experience and diversity of personality to continue to encourage open, transparent debate and challenge.

### **Board induction, training and development**

Following appointment, all Directors receive a comprehensive and tailored induction programme. Induction programmes are facilitated by the Chair and the Group Legal Director & Company Secretary and tailored to the Director's individual roles and needs. The induction process is designed to develop the Director's knowledge and understanding of the Group covering key areas including the Group's purpose, values, culture and strategy, its corporate governance, risks and internal controls and the markets in which it operates. New Directors are also provided with information on relevant share dealing policies, Directors' duties, Company policies and governance.

The induction also includes one-to-one briefings from the Heads of the Principal Businesses and an introduction to each Group business's development strategy with the content of meetings varying depending on the Director being inducted and their background and individual experience.

Our induction programme for new Directors is delivered through:

- meetings with the Chair, wider Board, Group Legal Director & Company Secretary and relevant Committee Chairs;
- a structured programme of meetings with the Group Executive Board members and senior management to provide a deeper understanding of risks and opportunities and stakeholder interests;
- meetings with advisors, including the External Auditor, to provide a valuable external perspective; and
- training as appropriate on key policies, statutory duties and legal and governance requirements.

To enable the Board to discharge its duties, all Directors receive appropriate and timely information, including briefing papers distributed in advance of Board meetings. The Board strongly supports the ongoing development of its members and any Director can request further information to support the fulfilment of their individual duties or collective Board role and throughout the year.

### **Governance**

The Committee reviewed the Company's compliance with the Code and was satisfied that the Company complied with the Code. The Committee will continue to receive updates on corporate governance developments and will consider the impact of those developments on the Company.

### **Stacey Cartwright**

Chair of the Nomination & Governance Committee

13 March 2024

## AUDIT, RISKS AND INTERNAL CONTROLS

# Review of the effectiveness of the risk management and internal control systems

The principal existing and emerging risks and uncertainties faced by the Group and the associated mitigating actions for these are set out on pages 30 to 36.

The Board, assisted by the Audit Committee, is responsible for reviewing the operation and effectiveness of the Group's internal controls. The internal control system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Board is also responsible for ensuring that appropriate systems are in place to enable it to identify, assess and manage key risks. This responsibility includes the determination of the nature and extent of the principal risks the Board is willing to take to achieve its strategic objectives and for ensuring that an appropriate culture has been embedded throughout the organisation. The Board's attitude and appetite to risk is communicated to the Group's businesses through the strategy planning processes.

The Board is supported by the Audit Committee in discharging its oversight duties with regard to internal control and risk management. During the year, the Audit Committee on behalf of the Board, reviewed the effectiveness of the risk management systems and internal control systems, including financial, operational and compliance controls. The Board did not identify any significant failings or weaknesses in the year. Taking into account the principal existing and emerging risks and uncertainties set out on pages 30 to 36, and the ongoing work of the Audit Committee in monitoring the risk management and internal control systems on behalf of the Board, the Board remains satisfied that the review of internal controls did not reveal any significant weaknesses and they continue to operate effectively.

# Audit Committee Report



**John Waters**

Chair of the Audit Committee



I am pleased to present the Audit Committee's report for the financial year ended 31 December 2023."

On 13 December last year I became a Non-Executive Director and became Chair of the Audit Committee on Stacey Cartwright's appointment as Chair on 1 January 2024. On behalf of the Audit Committee, I would like to record the Committee's thanks to Stacey for her work for, and guidance of the Committee during her time as Chair.

This report seeks to provide insight into the Committee's activities in the year and sets out how it has performed against its key objectives and how the Committee has met the disclosure requirements as set out in the Code. In particular this report provides an overview of the Committee's major considerations and work during the year in ensuring that the Company's governance processes and reporting procedures remain appropriate, robust, of a high standard and are rigorously applied. The key matters considered in the year are set out on page 122.

The Audit Committee has discharged its responsibilities over the year by providing effective independent oversight, with the support of management and the External Auditor. During the year, the Committee continued to play a key role in assisting the Board in its oversight of financial reporting and auditing matters, including reviewing and monitoring the integrity of the Group's Financial Statements, the Group's systems of internal control and risk management, and the internal and external audit processes. The Committee, and its individual members, seek to act in a way to promote the success of the Company for the benefit of its members as a whole, including Shareholders, in accordance with s.172 of the Companies Act 2006.

## COMMITTEE MEMBERS

Stacey Cartwright  
(Chair and member until 31 December 2023)

Philip Lee

Florence Tondou-Mélique

Marcus Sperber

John Waters

This ensures that the interests of the Group's Shareholders, and broader stakeholders, are properly considered and reflected in the Committee's decision-making processes.

As outlined on page 121, the Committee met five times during the year. The detail of attendance is found on page 121.

In 2023, the Committee considered the effectiveness of the Group's internal controls and reviewed the Group's principal risks and uncertainties, to ensure the alignment of these with the Company's strategic objectives and risk appetite. It monitored the effectiveness of the control environment through the review of reports from Internal Audit, management and the External Auditor and ensured the quality of the Company's financial reporting by reviewing the 2023 Half-Year Financial Statements and the year's Annual Report and Accounts.

One of the Committee's key responsibilities is to confirm to the Board that it is satisfied that the Annual Report and Accounts are fair, balanced and understandable taken as a whole, and to provide the information necessary for Shareholders to assess the Company's position, performance, business model and strategy. In doing so, the Committee considers whether management's disclosures reflect the supporting detail, or challenge management to explain and justify their interpretation and, if necessary, re-present the information. The External Auditor supports this process in the course of its statutory audit by auditing the Group's accounting records against agreed accounting practices, relevant laws and regulation. The External Auditor's report can be found on pages 156 to 165. Following this review and challenge process, the Committee was pleased to advise the Board that the 2023 Annual Report and Accounts is fair, balanced and understandable and that the Directors have provided the necessary information for Shareholders to assess the Group's position, prospects, business model and strategy. This review and challenge process is described in further detail on pages 123 and 124.

The Committee also considered the viability and going concern statements and their underlying assumptions. Following consideration, the Committee agreed with management's proposal that the Company's long-term Viability Statement should continue to cover a three-year period (see page 37), that management had conducted robust viability and going concern assessments and recommended the approval of the Viability and Going Concern Statements to the Board. The Committee will continue to monitor changes in regulation and focus on the audit, assurance and risk processes within the Principal Businesses. The Committee considered its compliance with the Code and the FRC Guidance on Audit Committees. The Committee believes that it has addressed both their spirit and requirements.

The performance of the Audit Committee was again evaluated this year and I am pleased to note that feedback from Directors indicated strong satisfaction with the Committee's performance.

The Committee remains committed to continuing to discharge its duties effectively and diligently in 2024.

**John Waters**  
Chair of the Audit Committee



# Audit Committee Report continued

## How the Committee operates

### Membership

The Committee is a fundamental element of the Company's governance framework. The Committee is chaired by John Waters. Stacey Cartwright, Philip Lee, Florence Tondu-Mélique and Marcus Sperber, all of whom are Independent Non-Executive Directors, were members of the Committee during the year. John Waters, who was appointed to the Board and Committee as an additional Independent Non-Executive Director on 13 December 2023, became Chair of the Audit Committee from 1 January 2024 when Stacey Cartwright became Chair of the Company. Members of the Committee are appointed by the Board following recommendations by the Nomination & Governance Committee and membership is reviewed annually by the Nomination & Governance Committee as part of the annual Board performance evaluation. As at 31 December 2023 and up to the date of this report, the Committee comprised entirely Independent Non-Executive Directors. The members of the Audit Committee have been selected to provide the wide range of financial and commercial experience needed to undertake its duties and each member of the Audit Committee brings an appropriate balance of financial and commercial experience, combined with a sound understanding of the Company's business, and is therefore considered by the Board to be competent in the Company's sector. The expertise and experience of the members of the Audit Committee are summarised on pages 86 to 88.

The Board considers that each member of the Committee is independent within the definition set out in the Code and is capable of assessing the work of management and the assurances provided by the Internal and External Audit functions. The Board also considers that John Waters, as Chair of the Committee, possesses significant, recent and relevant financial experience and that all Committee members have relevant financial experience as required by the Code.

All members of the Committee receive an appropriate induction, which includes an overview of the business, its financial dynamics and risks, and meetings with senior management. Committee members are expected to have an understanding of the principles of, and recent developments in, financial reporting, including the applicable accounting standards and statements of recommended practice, key aspects of the Company's policies, financing, internal control mechanisms, and matters that require the use of judgement in the presentation of accounts and key figures as well as the role of Internal Audit and the External Auditor.

### Objective

The objective of the Committee is the provision of effective governance over the appropriateness of financial reporting of the Group, including the adequacy of related disclosures, the performance of both the Internal Audit function and the External Auditor and oversight of the Group's systems of internal control, business risks and related compliance activities.

## MAIN RESPONSIBILITIES

- Responsibility for assisting the Board in fulfilling its financial and risk responsibilities
- Advising the Board on various statements made in the Annual Report including those on Viability, Going Concern, risks and controls and in particular for ensuring that the Financial Statements are fair, balanced and understandable
- Overseeing external financial reporting, internal controls, risk management and reviews the work of the Internal and External Auditors
- Advising the Board on the appointment of the External Auditor
- Considering significant judgements, assumptions and estimates made by management in the financial statements.

## ROLE OF COMMITTEE

The Committee is authorised to investigate any matter within its Terms of Reference (a copy of which can be found in the governance section of the Company's website at <http://ir.savills.com> and which are reviewed at least annually or as required).

The Committee has access to the services of the Group Legal Director & Company Secretary and, where necessary, the authority to obtain external legal or other independent professional advice to fulfil its duties.

The Committee's key role is to assist the Board in discharging its duties and responsibilities for financial reporting, internal control, the effectiveness of the risk management process and in making recommendations to the Board on the appointment of the External Auditor.

The Committee is responsible for the scope and results of the external audit work, the related fees and cost effectiveness and for ensuring the independence and objectivity of the External Auditor including the approval of the level of provision of non-audit services.

The remuneration of the members of the Committee and the policy with regard to the remuneration of the Non-Executive Directors are set out on pages 127 to 150.

## Meetings held

The Committee meets at least five times per year and has an agenda planner linked to events in the Company's financial calendar and other matters that arise throughout the year, which fall for consideration by the Committee under its remit. The Committee Chair agrees the meetings and agendas for each meeting.

There were five scheduled Committee meetings held during the year (with two of these meetings focused on matters relating to the half-year and full-year reporting). The Committee reports to the Board after each Committee meeting. Attendance at meetings during 2023 is shown in the table below:

Committee member	Member since	Meetings attended	Meetings eligible to attend
Stacey Cartwright*	October 2018	5	5
Philip Lee	January 2021	5	5
Florence Tondou-Mélique	October 2018	5	5
Marcus Sperber	December 2022	4	5
John Waters**	January 2024	-	-

\* Member until 31 December 2023.

\*\* Member since 1 January 2024.

## How the Committee keeps up to date

The Committee is kept up to date with changes to Accounting Standards and relevant developments in financial reporting, company law and the various regulatory frameworks through presentations from the Group's External Auditor, Group Chief Financial Officer, and Group Legal Director & Company Secretary. The Committee also receives tailored briefings from management and the Group's External Auditor from time to time. The Terms of Reference of the Audit Committee include all the matters required under the Code and are reviewed at least annually by the Committee. The Chair of the Committee meets informally and is in regular contact with key individuals involved with the Company's governance, including the Group Chief Financial Officer, Group Director of Risk & Assurance, the Head of Internal Audit of Savills Investment Management ('SIM') and the Group Legal Director & Company Secretary and prior to each Committee meeting, meets with each of them and senior members of the external audit team individually.

In addition to its members, a standing invitation has been extended by the Committee to the Chair and Group Chief Executive Officer to attend the Committee's meetings. The Group Chief Financial Officer, Group Financial Controller, the Group Director of Risk & Assurance, the Head of Internal Audit of SIM, Group Legal Director & Company Secretary and the External Auditor attend each of the Committee's meetings. Other senior executives from across the Group are invited periodically to present reports to assist the Committee in discharging its duties.

At least once a year, the Committee meets with the External Auditor and the Group Director of Risk & Assurance without management being present. The Chair of the Committee also normally attends the AGM to respond to Shareholder questions on its activities.

## Activities of the Committee during the year

The Committee has a substantial agenda of items formulated to discharge its responsibilities, while maintaining sufficient time for discussion of ad hoc matters that arise throughout the year. The Committee relies on information and support from management across the business, receiving reports and presentations from business management, the Heads of Key Group functions, Internal Audit and the External Auditor, which it challenges as appropriate. Following each meeting, the Chair of the Committee reports on the main discussion points and any actions arising from these to the Board.

The Committee provides advice to the Board on the form and basis of conclusions underlying the Viability Statement as set out on page 37 and the going concern assessment.

## AUDIT, RISKS AND INTERNAL CONTROLS continued

# Audit Committee Report continued

What the Committee did during the financial year ended 31 December 2023:

Responsibilities	How the Committee discharged its responsibilities	Mar	June	Aug	Oct	Dec
<b>Financial Reporting</b>	Reviewed and discussed the key accounting considerations and estimates and judgements reflected in the Group's results for the half-year			■		
	Reviewed and discussed the key accounting considerations and judgements reflected in the Group's results	■				
	Reviewed the assessment supporting the going concern basis of accounting	■		■		
	Reviewed the Viability Statement and considered the processes supporting the assessment of the longer-term solvency and liquidity	■				■
<b>External Audit</b>	Agreed the External Audit strategy and scope		■		■	
	Considered and, where appropriate, approved the instruction of the Group's External Auditor's provision of non-audit services	■		■		
	Reviewed and considered reporting from the External Auditor, including the External Auditor's observations on the Group's internal control environment	■				
	Discussed the performance of EY ('EY') who were the relevant External Auditor for the 2023 year-end audit, assessed according to the Code	■				
	Met with the External Auditor without management present to discuss their remit and any concerns	■		■		
	Discussed and agreed remuneration in respect of external audit services provided	■				
	Assessed the External Auditor's independence, including the potential impact of non-audit services	■		■		
<b>Internal Audit</b>	Considered and approved the remit of the Internal Audit function and the Internal Audit plan					■
	Received and considered reports from the Group's Internal Audit team covering various aspects of the Group's operations, controls and processes and monitored the progress made by management in addressing recommendations arising out of these reports		■			■
	Monitored and reviewed the effectiveness of the Group's Internal Audit function in the context of the Group's overall risk management arrangements					■
	Met with the Group Director of Risk & Assurance privately to discuss his remit and any concerns	■				
<b>Internal Controls and Risk Management Systems</b>	Reviewed the effectiveness of the Group's risk management system and internal controls in place to manage the Group's material existing and emerging risks					■
	Reviewed and considered the Group's risk register		■			■
	Reviewed the risk management environment for each of the Group's regional businesses by receiving presentations from the Chief Operating/Financial Officers of the Principal Businesses		■		■	■
	Reviewed the Committee's own performance, composition and Terms of Reference, and recommended any changes the Committee considers necessary for Board approval	■				
	Reviewed the reports provided by the Group's Legal Director & Company Secretary on significant legal matters	■		■		

During the year, in addition to its established review processes, the Committee considered and reviewed a number of other areas. These included updates on the risk and internal control environments within the Group's UK, North American, Asia Pacific, Investment Management and CEME businesses. In addition, the Committee examined the IT systems strategy including the Group's global approach to cyber security. The Committee specifically considered the processes and assessment of the Group's prospects and viability made by management to support the Viability Statement which can be found on page 37. The Committee's review included consideration of the time period adopted, the processes supporting the assessment of the Group's longer-term solvency and liquidity which support the Viability Statement disclosure and assumptions.

The Committee considered and provided input into the determination of which of the Group's principal risks might have an impact on the Group's longer-term solvency and liquidity. It also reviewed the results of management's scenario modelling, including severe downside modelling, and the stress testing of those financial models supporting the viability analysis and challenged management on the appropriateness of the assumptions made.

Following discussions with management and the External Auditor, the Committee approved the disclosures of these accounting policies and practices which are set out in Note 2 to the Financial Statements on pages 172 to 184.

### Financial reporting

The Committee's primary responsibility in relation to the Group's financial reporting is to review, with management and the External Auditor, the appropriateness of the half-year and annual Financial Statements.

The Committee focuses on:

- the quality and acceptability of accounting policies and practices;
- material areas in which significant judgements have been applied or where significant issues have been discussed with the External Auditor;
- an assessment of whether the Annual Report & Accounts, taken as a whole, is fair, balanced and understandable;
- the clarity of the disclosures and compliance with financial reporting standards and relevant financial and governance reporting requirements;
- providing advice to the Board on the form and basis underlying the long-term Viability Statement; and
- any correspondence from regulators in relation to the Group's financial reporting.

# Audit Committee Report *continued*

## Significant financial reporting estimates and judgements

As part of its monitoring of the integrity of the Financial Statements, the Committee considers the appropriateness of the accounting policies proposed for adoption and whether management has made appropriate estimates and judgements. To support its decision-making, the Committee seeks support and the views of the External Auditor in these areas.

In accordance with Code provision 26, the following sets out the significant issues reviewed by the Committee throughout the year, being those requiring management to exercise the highest level of judgement or estimation. The Committee assesses these judgements to determine if they are reasonable and appropriate. This section outlines the main areas of judgement that have been considered by the Committee and ensure that appropriate rigour has been applied. The key reporting estimates and judgements considered by the Committee and discussed with the External Auditor during the year were:

<b>Matter considered</b>	<b>Action</b>
<b>Revenue recognition</b>	<p>The Committee considered the presumed risk of fraud and management override defined by the International Accounting Standards.</p> <p>The Committee discussed and challenged management's conclusions in respect of revenue recognition policies, satisfying itself that the approach applied to determine revenue recognised in FY23 was appropriate, and in line with the Group's accounting policies.</p> <p>The Committee also received and discussed a report from the External Auditor setting out their work, testing and conclusions in this area. The Committee, having challenged and considered both management's judgements and the External Auditor's conclusions, agreed that there were no material unadjusted issues in this area and that the approach taken was appropriate.</p>
<b>Carrying value of goodwill</b>	<p>The Committee considered management's approach in relation to the carrying value of the Group's businesses, and in particular goodwill. The Committee reviewed and considered the detailed analysis of the key inputs to the valuations prepared and the process by which they were drawn up. The Committee considered the appropriateness of the assumptions used and reviewed the impact of sensitivity analysis.</p> <p>The Committee also considered if there were any reasonably possible changes in assumptions that would result in a material impairment and therefore require further disclosure in the financial statements. These are set out in Note (15) to the financial statements.</p> <p>The Committee also considered a report from the External auditor setting out its analysis and conclusions in this area.</p> <p>Overall, the Committee was satisfied with the assumptions made and judgements applied by management.</p>

## External Auditor

The current External Auditor, Ernst & Young LLP ("EY") was appointed following a comprehensive audit tender process in 2019, and approval at the Company's 2021 AGM. EY's reappointment was approved at the 2023 AGM. Christabel Cowling is the audit partner and has held the role since 2022.

The Audit Committee advises the Board on the appointment of the External Auditor, negotiates and agrees its remuneration for audit and non-audit work, reviews its effectiveness, independence and objectivity and discusses the nature, scope and results of the audit with the External Auditor. The Committee holds private meetings with the External Auditor at the March and August Committee meetings to provide additional opportunity for open dialogue and feedback to/from the Committee and the External Auditor without management being present. The Chair of the Committee also meets with the external lead audit partner outside the formal Committee process throughout the year.



## Effectiveness

The Committee assess the effectiveness of the External Auditor and the appropriateness of the audit plan on an annual basis, in addition to the level of the External Auditor's fees. The review covered a broad range of matters including amongst other matters, the quality of staff, its expertise, resources and the independence of the audit. The Committee considered the External Audit plan for the year and assessed how the External Auditor had performed including consideration of the robustness of their challenge and findings on areas which required judgement, the strength and depth of the lead partners and feedback from the Group's management. As part of the review of the effectiveness of the external audit, a formal evaluation incorporating views from the Committee and relevant members of management is considered by the Committee. Feedback from the review was provided to EY as part of the annual planning meeting.

The Committee considers that the External Auditor relationship is appropriate and the Committee is satisfied with EY's overall effectiveness.

## Independence

An important aspect of managing the External Auditor relationship, and of the annual effectiveness review, is ensuring that there are adequate safeguards to protect auditor objectivity and independence. The Committee regards independence of the External Auditor as absolutely crucial in safeguarding the integrity of the audit process and takes responsibility for ensuring the three-way relationship between the Committee, the External Auditor and management remains appropriate. In conducting its annual assessment, the Committee reviews the External Auditor's own policies and procedures for safeguarding its objectivity and independence. As one of the ways in which it seeks to protect the independence and objectivity of the External Auditor, the Committee has a policy governing the engagement of the External Auditor to provide non-audit services and its assessment of EY's independence is underpinned by this policy. In accordance with the FRC's Ethical Standard and the Group's policy in place to 31 December 2023, the Committee approved only those non-audit services which were permissible in the FRC's Ethical Standard.

## Audit and non-audit fees

To further safeguard the independence of the Company's External Auditor and the integrity of the audit process, recruitment of senior employees from the External Auditor is not allowed for an appropriate period after they cease to provide services to the Company.

	2023 £m	2022 £m	2021 £m
Audit fees	4.2	4.1	3.3
Non-audit fees	0.4	0.3	0.3

Details of the fees paid to the External Auditor can be found in Note 7.2 to the Financial Statements on page 198. The Company maintains a policy governing the provision of non-audit services to the Group. During the financial year ended 31 December 2023 contracts for non-audit services in excess of £0.1m required Committee approval and the Chair of the Audit Committee approved new instructions for the delivery of non-audit services below this level.

The Committee was satisfied that in view of their knowledge and experience of the Company, that when EY was used, it was best placed to provide such non-audit services and that their objectivity and independence had not been impaired by reason of this further work. In line with the Company's policy on the provision of non-audit work, the Committee reviewed the provision of non-audit work provided by the External Auditor for the financial year ended 31 December 2023 on a case-by-case basis.

The Directors confirm that, insofar as they are each aware, there is no relevant audit information of which EY is unaware and each Director has taken the steps that ought to have been taken as a Director to be aware of any relevant audit information and to establish that EY is aware of that information.

### The Audit and Risk Committee's role in ensuring the financial statements taken as a whole are fair, balanced and understandable

As part of the Committee's assessment as to whether the annual Financial Statements are 'fair, balanced and understandable', taken as a whole the Committee has oversight of and reviews the effectiveness of key processes implemented by management.

In addition to the above, the Committee also undertakes a review to determine if the entire Financial Statements are representative of the Group's performance in the year and challenges management on the overall balance of the Report and Accounts prior to recommending approval of the Financial Statements to the Board. This includes the financial reporting responsibilities of the Directors under Section 172 of the Companies Act 2006.

# Audit Committee Report

 continued

## Regulatory Reporting

The Financial Reporting Council ('FRC') publishes thematic reviews and other guidance to help companies improve the quality of corporate reporting through the provision of guidance and reviews of the quality of reporting across public companies.

## Internal control and risk management

### Internal audit

The Committee has the primary responsibility for the oversight of the Group's system of internal control, including the risk management framework, the compliance framework, and the work of the Group's internal audit functions.

The internal audit function provides independent assurance as to the adequacy and effectiveness of the Company's internal controls and risk management systems. During 2023, Internal Audit services were delivered by the Group's Director of Risk and Assurance with delivery support from two audit firms – RSM LLP ("RSM") and Grant Thornton LLP. Savills IM has its own Head of Internal Audit who has responsibility for Internal Audit planning and delivery within Savills IM with support from RSM, and who reports to the Group Risk Committee and the Audit Committee on findings and actions arising from internal audits within Savills IM. The Group Risk Committee and Audit Committee approve the SIM annual Internal Audit Plan.

The Board's responsibility for internal control and risk is detailed on page 108 and is incorporated into this report by reference.

The Group's Director of Risk and Assurance attended all five scheduled Audit Committee meetings, and the SIM Head of Internal Audit attended by invitation two meetings and provided a range of presentations and papers to the Committee, through which the Committee monitored the effectiveness of all of the Group's material internal controls, including financial, operational and compliance controls on behalf of the Board.

The Committee approved the internal audit plan and the SIM Internal Audit plan at the December Committee meeting and received progress against those plans during the year, while the effectiveness, workload of the internal audit functions and the adequacy of available resources were monitored throughout the year. The Committee ensures that Internal Audit was appropriately resourced with the skills and experience relevant to the operations of the Group and that information was made available to it to enable it to fulfil its mandate to the appropriate professional standards.

The Committee reviews Internal Audit reports from both Group and SIM on a regular basis and monitors the status of all Internal Audit recommendations and management's responsiveness to their implementation, and challenges both Internal Audit and management where appropriate to provide assurance that the control environment is robust and effective.

In assessing the performance of Internal Audit, the Committee considered and monitored its effectiveness in the context of the Company's risk management system and took into account management's assessment of and responsiveness to the Internal Auditor's findings and recommendations and reports from the External Auditor on issues identified during the course of their work.

### Assessment of Group's system of internal control, including the risk management framework

The Committee, on behalf of the Board, undertook a robust review of the effectiveness of the system of risk management and internal control.

In performing its review of effectiveness, the Committee reviewed and assessed the following reports and activities:

- Internal Audit reports on the review of the controls across the Group and its monitoring of management actions arising from these reviews;
- management's own assessment of risk and the performance of the system of risk management and internal control during 2023;
- reports from the Group Director of Risk & Assurance including reports on Group-wide risk assessment activity and annual self-assessment findings;
- reports from the SIM Head of Risk & Compliance and the SIM Head of Internal Audit; and
- reports from the External Auditor on any issues identified during the course of their work.

The Committee and the Board considered that the information received was sufficient to enable a review of the effectiveness of the Group's internal controls in accordance with the FRC's Guidance on Risk Management, Internal Control and Related Financial and Business Reporting.

## DIRECTORS' REMUNERATION REPORT

# Annual statement



### Richard Orders

Chair of the Remuneration Committee

#### COMMITTEE MEMBERS

Richard Orders  
Stacey Cartwright  
Nicholas Ferguson  
Dana Roffman

## Governance

This Report has been prepared on behalf of the Board by the Remuneration Committee (the 'Committee') in accordance with the requirements of the Companies Act 2006 and the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2008 (as amended) ('Regulations') and the auditable disclosures referred to in the External Auditor's Report on pages 156 to 165 as specified by the UK Listing Authority and the Regulations.

### Dear Shareholder

On behalf of the Board, I am pleased to introduce our 2023 Directors' Remuneration Report (the 'Report'). Included within this Report are a summary of the Directors' Remuneration Policy (the 'Policy') which was approved by Shareholders at our 2022 AGM and details of how we implemented the Policy in 2023.

### Our remuneration philosophy

As set out in previous reports, our long-standing focus and business philosophy is founded on the premise that staff in our sector are motivated through performance-based incentives (variable remuneration) consistent with our partnership culture. We firmly believe that this approach best aligns Shareholders' and management's interests and incentivises superior performance and the creation of long-term Shareholder value. This approach also ensures that our reward arrangements are consistent with, and sensitive to, the cyclical nature of real estate markets.

The Policy is designed to deliver these objectives and to provide the reward potential necessary for the Company to attract, retain and motivate the high-calibre individuals on whom its continued growth and development depend. Reflecting this philosophy, the salaries for the Executive Directors, Group Executive Board members and senior fee-earners are set significantly below market medians for similar businesses, with a greater emphasis on the performance-related elements of profit share and/or, outside the UK, commission in the total reward package.

# Annual statement *continued*

## 2019–2023 Overview\*

**-34%**

Underlying Profit

**-27%**

Dividend Payments to Shareholders\*\*

**+11%**

Executive Director Remuneration\*\*\*

**+59%**

Total Shareholder Return

The Committee is mindful of its responsibility to reward appropriately, but not excessively. As such, it places great emphasis on the calibration of Executive Director remuneration and structure against internal relativities and wider market conditions, while also rigorously assessing external competitive positioning in setting remuneration. Finally, it determines targets to ensure that reward properly reflects performance, that it supports the delivery of our strategic and operational objectives and that it is fair to management and Shareholders alike. Overall, we continue to target staff employment costs over the cycle to be in the range of 65%–70% of revenues which the Committee regards as the key metric from a Shareholder's perspective.

The Committee is comfortable that our remuneration philosophy remains appropriate and continues to align to the best interests of our stakeholders, demonstrated by the high levels of Shareholder support for our Directors' Remuneration Policy at our 2022 AGM.

## 2023 performance and remuneration outcomes

Savills strength across our less transactional service lines continued to provide a resilient earnings stream, underpinning Savills overall performance in a global real estate market challenged by significantly reduced transactional activity. The Group's revenue decreased by 3% to £2.2bn (2022: £2.3bn), down 2% on a constant currency basis. Although not immune to market volatility (particularly in respect of some Consultancy service lines), the strength of our less transactional businesses underpinned Savills performance overall, growing revenue by 7% to £1.5bn. Prime drivers of performance were Consultancy and Property Management which performed well, growing revenue by 4% and 11% respectively. The Group's Transactional business experienced a 17% drop in revenue during the year as global market conditions remained extremely subdued for longer than originally anticipated at the start of 2023. This was the primary cause of the 42% reduction in the Group's underlying profit of £94.8m (2022: £164.6m), representing an underlying profit margin of 4.2% (2022: 7.2%).

As a result of the challenging market conditions during 2023, the real estate services industry as a whole undertook a number of rounds of cost reduction and reorganisation actions. In line with our strategy during the global financial crisis of 2008, as well as more recently through the pandemic, and supported by our strong financial position, Savills continued to maintain its core bench-strength around the world, ensuring we provided the highest level of service to our clients throughout the year and remain well positioned for market recovery. We did, however, review the global business for locations or service lines where the anticipated time frames for market recovery remain protracted. This resulted in selective restructuring of certain transactional and related support teams.

\* The KPIs are calculated as the change in the KPI over the period 1 January 2019 – 31 December 2023.

\*\* The dividend cost for 2023 comprises the cost of the final dividend recommended by the Board (amounting to £19.0m) alongside the supplemental interim dividend (amounting to £2.7m), payment of which is subject to Shareholder approval at the Company's Annual General Meeting ("AGM") scheduled to be held on 15 May 2024 and payable to Shareholders on the Register of Members as at 12 April 2024 and the interim dividend (£9.5m) paid on 2 October 2023.

\*\*\* Executive Director remuneration reflects the change in the total ("Single Figure") remuneration paid to the Group Chief Executive Officer and Group Chief Financial Officer role holders over the period 1 January 2019 – 31 December 2023.

Against the backdrop of these very challenging market conditions, the Group continued to maintain a positive liquidity position with net cash (cash and cash equivalents net of borrowings and overdrafts in the notional pooling arrangements) of £157.3m at year end (2022: £307.4m).

### Annual performance-related profit share

Given the above market context, having had regard to the Company's financial plans for the year, the Committee set a broad range of financial targets within the annual performance-related profit share with a view to striking an appropriate balance between the stretching nature of the targets and potential reward outcomes.

Reflecting on the factors set out above, profit performance was towards the lower end of the financial range of targets. The 2023 underlying profit targets ran from £80m at the threshold performance level through to £180m for maximum performance reflecting the uncertainty in the real estate market. Our actual performance was £94.8m and so we achieved 36% of the maximum target under the profit element of the bonus.

With regard to performance against non-financial targets, we achieved strong performance in the areas of growing our Global Residential, Global Prime Retail, Global Occupier Services and Savills Earth offerings. Also as a result of prevailing market conditions during 2023, whilst maintaining our core bench-strength to ensure that we could provide the highest level of service to our clients throughout the year and remain well positioned for market recovery, we reviewed certain markets and sectors where the anticipated time frames for market recovery remain protracted. This resulted in selective restructuring in certain transactional and support teams. Alongside this, we continued to acquire businesses and recruit high quality talent in markets which have become much more conducive to reasonably-priced business development. This strong strategic progress, many aspects of which were included in the non-financial targets set at the start of the year, resulted in a total of 80% of the maximum being earned under this element of the bonus (2022: 90%).

Overall bonuses were earned at 47% of the maximum. When considering the appropriateness of the bonuses earned, the wider factors considered by the Committee included the following performance highlights from 2023:

- Revenue of £2.2bn achieved (2022: £2.3bn) against a backdrop of extremely subdued global real estate markets as a result of significantly increased interest rates, geo-political events, and, on a more asset specific level, uncertainties over the future role of offices and the valuation of existing stock in the era of sustainability
- Group underlying profit at £94.8m (2022: £164.6m), with the year-on-year reduction primarily reflecting the 17% drop in revenue generated by the Group's Transactional business during the year, as a result of the significantly reduced transactional activity in global transaction markets
- Revenue in the Group's less transactional businesses of Consultancy and Property Management grew by 4% and 11% respectively as these businesses, although not immune to market volatility (particularly in respect of some Consultancy service lines), performed well, with their strength helping to underpin Group performance overall
- Strong liquidity position maintained with net cash (cash and cash equivalents net of borrowings and overdrafts in the notional pooling arrangements) of £157.3m at year end (2022: £307.4m)
- The wider stakeholder experience over the year which included delivering an 18% total shareholder return (inclusive of a 15% increase in share price) in the very challenging market context detailed above. In recognition of the performance delivered through the year, bonuses awarded to the Executive Directors were consistent with those awarded to the Group Executive Board members and wider senior fee earners with the overall total payments reduced proportionately against 2023 in light of the overall lower level of profitability, reflecting our pay model, but recognising the strong financial and strategic progress delivered in the wider market context. Reflecting the emphasis on reward for performance, total employment costs remained within the targeted 65-70% of Group revenue, with profit-related pay reducing consistent with the year-on-year reduction in underlying profit.

In light of the above, the Committee considered the annual performance profit share outcomes for the Executive Directors to be appropriate and reflect the financial and non-financial performance of the business and the experience of stakeholders.

Full details of the annual performance-related profit share awards approved by the Committee for the Executive Directors are included along with the other elements of remuneration in the total remuneration table on page 136 of this Report.

### Performance Share Plan

The end of the 2023 financial year was also the end of the three-year performance period for our Performance Share Plan ('PSP') awards made in November 2021. In this regard:

- one-third was based on TSR performance measured against the FTSE Mid 250 Index (excluding investment trusts); based on the Company's performance compared to the FTSE 250 Index (ex-Investment Trusts) over the 2021-23 (inclusive) performance period, 0% of this element of the awards vested;
- notwithstanding our positive EPS growth over the period 2021 to 2023 (inclusive) of 1.4%, we were below the threshold target set in 2021 and so this resulted in 0% of this element of the award vesting; and
- one-third based on Return on Capital Employed ('ROCE') performance; average ROCE over 2021-2023 (inclusive) was 16.6%, resulting in 37% of this element of the award vesting.

The above resulted in a formulaic outcome of 12.36% of maximum.



# Annual statement continued

As with the annual performance-related profit share, the Committee considered the performance-linked outcome of the 2021 PSP awards in the context of the Company's performance and the wider stakeholder experience over the past three years and concluded the formulaic outcome was appropriate.

Further details regarding performance targets are set out on page 137 of this Report.

In line with the Policy, awards for Executives which have satisfied the performance conditions attaching to them remain subject to a two-year holding period, during which time Executives will be incentivised to maintain the strong performance delivered over recent years.

Overall, the Committee is satisfied the Policy operated as intended for 2023 and that outcomes reflect the financial and non-financial performance delivered during the period.

### Workforce and governance developments

During the year the Committee received updates on workforce remuneration, mindful of the cost-of-living pressures employees in some markets are facing. Reflecting the generally increased cost of living across the globe, various initiatives were implemented to support, in particular, lower paid employees. For example, in the UK, 'My Rewards' promotions were extended to allow employees to access discounts on goods and services and Royal London, the provider of Savills UK's Group Personal Pension Plan, supported by Savills UK's Employee Assistance Programme, provided a financial wellbeing service. In the US, two new programmes were launched; discounted gym membership and a free financial wellness service.

With regard to engagement with employees on pay, this continues to be facilitated through the Savills workforce engagement programme, which allows the Non-Executive Directors to directly receive feedback across a wide spectrum of topics, including how executive remuneration aligns with wider employee remuneration and supports the Group's strategy.

### 2024 remuneration

As referenced in the 'Our remuneration philosophy' section above, Savills has a long-standing and established approach of offering low base salaries for senior staff relative to market medians (which approach applies to the Executive Directors, Group Executive Board Members ('GEB Members') and other senior fee earners) consistent with our performance-based approach to incentivisation and reward.

For 2024, the salaries of both Executive Directors will remain unchanged. Salaries across the wider workforce will increase by c.3% overall, but within this overall increase, higher increases will be awarded to more junior employees, and more senior employees who enjoy higher performance-related pay, being awarded lower increases.

The UK workforce aligned pension contributions of 8% for both Executive Directors will also remain unchanged.

For 2024, the maximum opportunity under the annual performance-related profit share will remain unchanged at £3.25m and £2.5m for the Group Chief Executive Officer and the Group Chief Financial Officer respectively. Awards will continue to be based on Group underlying profit performance (75%) and on the achievement of pre-set personal strategic and operational objectives (25%). The underlying profit performance targets are commercially sensitive and will therefore be fully disclosed retrospectively in next year's report.

Like the annual performance-related profit share, for 2024 the PSP will remain consistent with the approach taken in previous years. This will include an award of performance shares with a value of 200% of base salary for the Group Chief Executive Officer and the Group Chief Financial Officer. The performance metrics will also remain unchanged from the 2023 award being EPS growth, relative total Shareholder return and ROCE with an equal weighting applying to each metric. In line with Policy, where at least threshold performance has been achieved over the three-year performance period, awards will be subject to a further two-year holding period. Further details regarding the performance measures and associated targets can be found on page 148. However, in light of the current market context the Committee remains in the process of finalising the specific targets to apply to the 2024 PSP awards. The targets will be included in the market announcement of the awards at the time of grant.

### Chair succession

As announced in August 2023, Stacey Cartwright succeeded Nicholas Ferguson as Chair of the Board upon his retirement from the Board effective 31 December 2023. In line with the Policy, Stacey will receive an all-encompassing fee aligned to the market. The fee, set at £240,000, reflected the current size and complexity of Savills which have continued to grow as a result of our successful business diversification and the expected future time commitment of the role.

### Conclusion

As a Committee, we continue to monitor best practice developments in executive remuneration and consider whether any amendments to the Policy are appropriate.

I hope you will support this Report at our AGM to be held on 15 May 2024. I welcome any comments or feedback you may have on the decisions made by the Committee.

**Richard Orders**  
Chair of the  
Remuneration Committee

# Annual Report on Remuneration

## Role of the Committee

The principal role of the Committee is to support the Group to achieve its strategic objectives by designing a Remuneration Policy consistent with the Group's business model and values, such that we have the ability to attract, recruit, retain and motivate the high-calibre individuals needed to deliver the Group's strategy and promote the long-term interests of the Company. The Committee also considers the broader implications of the Policy in the context of environmental, social and governance ('ESG') considerations and how the Policy best supports the Group's delivery of its objectives in these areas. The Committee is responsible for the broad policy governing senior employee remuneration. It sets the actual levels of all elements of the remuneration of the Executive Directors, the Chair of the Company and the GEB members. The Committee also considers workforce remuneration and related policies and the alignment of incentives and rewards with culture, risk management and the Group's ESG objectives and when setting the policy for Executive Director remuneration takes those matters into account. The Policy remains under periodic review to ensure that it remains consistent with the Company's scale and scope of operations, supports business strategy, its environmental, social and governance strategy and its growth plans and helps drive the creation of Shareholder value. The Committee also oversees the operation of Savills employee share schemes.

## Committee members and attendees

As shown in the table below, during the year the Committee comprised the following Independent Non-Executive Directors, with the following attendees:

Committee member	Position	Status
Richard Orders	Chair of the Committee	Independent
Stacey Cartwright	Member of the Committee	Independent
Nicholas Ferguson <sup>1</sup>	Member of the Committee	Independent
Dana Roffman	Member of the Committee	Independent

<sup>1</sup> Nicholas Ferguson stood down from the Committee upon his retirement from the Board 31 December 2023.

Committee attendee	Position	Status
Mark Ridley	Group Chief Executive Officer	Attended by invitation (except when his own remuneration was discussed)
Chris Lee	Group Legal Director & Company Secretary	Provided advice and support (except when his own remuneration was discussed) as well as acting as Secretary to the Committee

Simon Shaw, Group Chief Financial Officer, was invited to attend meetings to provide an overview of market conditions and the Group's financial performance.

## 2023 Attendance

Committee member	Meetings Attended	Meetings eligible to attend
Richard Orders	4	4
Stacey Cartwright	4	4
Nicholas Ferguson	4	4
Dana Roffman	4	4

As at 31 December 2023 and up to the date of this Report, the Committee wholly comprised Independent Non-Executive Directors. Biographies of each of the Committee members can be found on pages 86 to 88.

# Annual Report on Remuneration

 continued

The Committee met four times during 2023. The principal agenda items considered by the Committee during the year were as follows:

- reviewing the voting outcome and associated Shareholder feedback relating to the Directors' Remuneration Report at the 2023 AGM;
- determining 2022 performance-based profit share and 2020 LTIP outcomes;
- considered developments in workforce remuneration;
- agreeing performance targets for both the 2023 annual performance-related profit share and Performance Share Plan awards, mindful of uncertain market conditions;
- preparing an Annual Directors' Remuneration Report consistent with the legislation relating to executive remuneration;
- agreeing the remuneration packages of the Executive Directors and GEB members; and
- approving the grant of Performance Share Plan awards.

## **Advisors to the Committee**

The Committee receives independent external advice on executive remuneration from Korn Ferry who was appointed as Remuneration Advisors in 2021. Korn Ferry's fees for advising the Remuneration Committee during 2023 were £37,938.

The Committee is satisfied that the advice received from Korn Ferry during the year was entirely objective and independent. The Committee will continue to keep these arrangements under review to ensure that they remain appropriate to the needs of the Committee in developing remuneration policy to support the delivery of Group strategy.

The Committee is also advised by the Group Legal Director & Company Secretary (save in relation to matters concerning his own remuneration).

Given the fundamental role that remuneration plays in the success of the Group, in terms of the recruitment, incentivisation and retention of high-quality employees, the Group Chief Executive Officer attends meetings by invitation and is consulted on the remuneration package of the Group Chief Financial Officer and other GEB members.

## **Terms of Reference**

The Committee's Terms of Reference, which are reviewed annually, or by exception to take account of regulatory changes or best practice, are available from the Group Legal Director & Company Secretary upon request or can be viewed on the Company's website ([www.savills.com](http://www.savills.com)).

# Remuneration Policy

The Policy was approved by Shareholders at the Company's AGM held on 11 May 2022 and documented in the Report and Accounts for the year ended 31 December 2021 available at <https://ir.savills.com/>.

The Group's remuneration arrangements for the Executive Directors, GEB members and senior fee-earners are structured to provide a competitive mix of variable performance-related (i.e. annual performance profit share and longer-term incentives) and fixed remuneration (principally base salary) to reflect individual and corporate performance. The objective is to set targets which provide an appropriate balance between being achievable and stretching.

In determining the remuneration of the Executive Directors and reviewing that of the GEB members, the Committee reviews the role and responsibilities of the individual, their performance, the arrangements applying across the wider workforce and internal pay relativities. It also considers sector and broader market practice in the context of the prevailing economic conditions and corporate performance on environmental, social and governance issues.

## Overview of the Policy

A summary of the Policy for Executive Directors and how it will be applied for 2024 is set out below.

Element	Summary of approach	Application of Policy for 2024
Base salary	Base salaries are set significantly below market median levels, in line with the Group's philosophy of placing the emphasis on variable, performance-related remuneration.	<p>The Committee has determined that there will be no increase to base salaries for Executive Directors in respect of 2024.</p> <p>Salaries from March 2024 will therefore be as follows:</p> <ul style="list-style-type: none"> <li>Group Chief Executive Officer: £311,000.</li> <li>Group Chief Financial Officer: £238,000.</li> </ul>
Pension	<p>Pension benefits are provided through a Group personal pension plan, as a non-pensionable salary supplement or as a contribution to a personal pension arrangement.</p> <p>The Group Chief Executive Officer will be entitled to a pension from the legacy defined benefit pension plan but no longer accrues benefits under the plan.</p>	<p>Since 1 January 2023 pension contributions/salary supplements have been aligned with the UK workforce contribution rate of 8% of salary for both Executive Directors:</p> <ul style="list-style-type: none"> <li>Group Chief Executive Officer: 8% of salary.</li> <li>Group Chief Financial Officer: 8% of salary.</li> </ul>
Benefits	<p>Benefits include:</p> <ul style="list-style-type: none"> <li>medical insurance benefits;</li> <li>annual car/car allowance (up to £9,000);</li> <li>permanent health insurance;</li> <li>life insurance; and</li> <li>relocation expenses.</li> </ul>	Benefits in line with Policy.
Annual performance-related profit share	<p>Reflects the Group's annual profit performance and personal performance against pre-set objectives and overall contribution.</p> <p>In line with the Group's philosophy that there is greater emphasis (than is the norm for listed companies) on variable performance-related pay. Consequently, 50% of any award payable above an amount equal to base salary is deferred into shares for three years.</p> <p>Malus and clawback provisions apply.</p>	<p>The maximum potential annual profit share awards for 2024 are:</p> <ul style="list-style-type: none"> <li>Group Chief Executive Officer: £3.25m.</li> <li>Group Chief Financial Officer: £2.5m.</li> </ul> <p>For 2024 profit share awards, 75% will be based on the Group's annual profit performance and 25% will be based on the delivery of strategic and operational performance goals. The Committee reserves its ability to vary these proportions or apply different/additional measures in future years.</p>

## Remuneration Policy

 continued

Element	Summary of approach	Application of Policy for 2024
Performance Share Plan	<p>Awards of shares are made subject to a three-year performance period. Any awards which satisfy the three-year performance conditions attaching to them will then be subject to an additional two-year holding period before vesting.</p> <p>The maximum award potential remains at 200% of base salary, subject to an overall annual maximum of shares with a value of £1m on award per participant.</p> <p>Malus and clawback provisions apply.</p>	<p>The awards for 2024 will be up to 200% of base salary.</p> <p>For 2024 Performance Share Plan awards, one-third of the award will vest subject to absolute Earnings Per Share performance, one-third will vest subject to relative TSR performance against the FTSE 250 Index (excluding investment trusts) and one-third will vest subject to ROCE performance.</p> <p>Performance will be measured over the three-year period starting on 1 January 2024.</p>
Share Ownership Guidelines	<p>Achieved through share purchase and/or retention of any after-tax shares which vest pursuant to the Group's share plans until the guideline is met.</p>	<p>700% of base salary for the Group Chief Executive Officer and Group Chief Financial Officer while in post.</p> <p>250% of salary applying for two years post-cessation.</p>

Non-Executive Director fees, which are set consistent with the median for the FTSE 250, are subject to annual review, with any increase capped at RPI. Additional fees, again set consistent with the median for the FTSE 250, are payable to the Senior Independent Director and Committee Chairs to recognise their additional responsibilities; these fees will also not be increased in 2024.

The Board Chair's fee, which again is set at levels consistent with the median for the FTSE 250 Index is subject to annual review, capped at RPI. The Chair's fee will not increase in 2024.

The Committee has ensured that the Directors' Remuneration Policy and practices are consistent with the six factors set out in Provision 40 of the Corporate Governance Code:

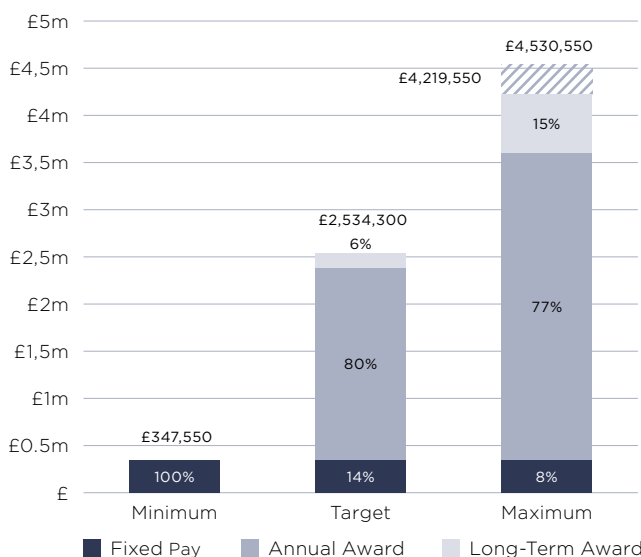
Factor	How this has been addressed
Clarity	Our Directors' Remuneration Policy is well understood by our senior executive team and has been clearly articulated to our Shareholders and representative bodies (both on an ongoing basis and during consultation when changes are being made).
Simplicity	The Committee is mindful of the need to avoid overly complex remuneration structures which can be misunderstood and deliver unintended outcomes. Therefore, a key objective of the Committee is to ensure that our Directors' Remuneration Policy and practices are straightforward to communicate and operate.
Risk	Our Directors' Remuneration Policy has been designed to ensure that inappropriate risk-taking is discouraged and will not be rewarded via (i) the balanced use of both annual incentives and long-term incentives which employ a blend of financial, non-financial and Shareholder return targets, (ii) the significant role played by shares in our incentive plans including the deferral under the annual performance-related profit share (together with in-employment and post-cessation shareholding guidelines) and (iii) malus/clawback provisions within all our incentive plans.
Predictability	Our incentive plans are subject to individual caps, with our share plans also subject to market standard dilution limits. The use of shares within our incentive plans means that actual pay outcomes are highly aligned to the experience of our Shareholders.
Proportionality	There is a clear link between individual awards, delivery of strategy and our long-term performance. In addition, the significant role played by incentive/'at-risk' pay, together with the structure of the Executive Directors' service contracts, ensures that poor performance is not rewarded.
Alignment to culture	Our executive pay policies are fully aligned to the Company's culture through the use of metrics in both the annual performance-related profit share and PSP that measure how we perform against key aspects of our strategy, which has the objective of delivering sustainable growth in profit and ROCE. A similar structure operates across the Group.



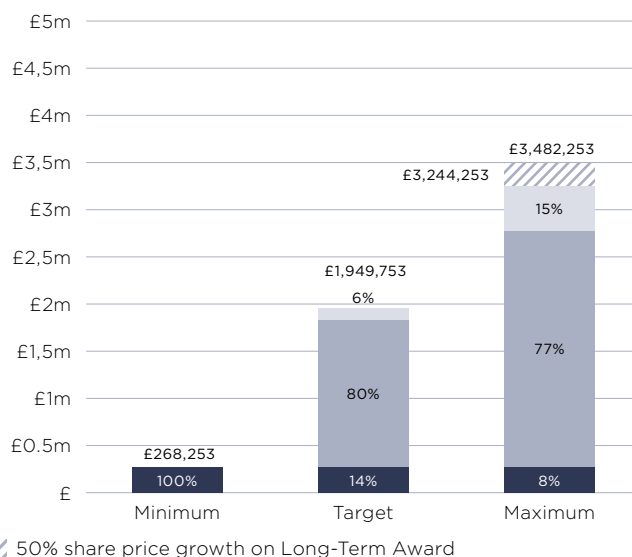
### Illustrations of application of the Policy

The charts below illustrate how much the current Executive Directors could earn under four different performance scenarios for 2024: 'Minimum', 'On-target performance', 'Maximum' and 'Maximum with share price growth' - based on the assumptions below.

#### Group Chief Executive Officer



#### Group Chief Financial Officer



Element in the chart above	Component	Minimum	Target	Maximum
<b>Fixed pay</b>	<b>Base salary</b>		2024 base salary	
	<b>Pension</b>		8% of salary for CEO 8% of salary for CFO	
	<b>Benefits</b>		2023 'single figure' amount	
<b>Annual award</b>	<b>Annual performance-related profit share</b>	0% of maximum award	62.5% of maximum award	CEO - £3.25m CFO - £2.5m
<b>Long-term award</b>	<b>PSP</b>	0% of maximum award	25% of maximum award	CEO - 200% of salary CFO - 200% of salary
<b>Other assumptions</b>	<ul style="list-style-type: none"> <li>'Maximum with share price growth' is as 'Maximum' including assumed 50% share price growth</li> <li>Excludes additional shares representing the value of dividends declared during the vesting period which may attach to the deferred element of any annual performance-related profit share award or PSP award at vesting</li> <li>Assumes that no awards are made under tax advantaged all-employee share plans</li> <li>The proposed new policy does not include an on-target level for the annual performance-related profit share so 62.5% of maximum award has been used for illustrative purposes.</li> </ul>			

# Annual Report on Remuneration

## Total remuneration for 2023 (audited)

Set out below are details of Executive Director remuneration for 2023.

Executive Directors' 'single figure' for the financial year ended 31 December 2023 and as a comparison for the financial year ended 31 December 2022.

	Mark Ridley		Simon Shaw	
	2023 £	2022 £	2023 £	2022 £
Salary paid	<b>311,000</b>	308,333	<b>238,000</b>	235,917
Benefits <sup>1</sup>	<b>11,670</b>	11,529	<b>11,216</b>	11,216
Pension	<b>24,880</b>	43,167	<b>19,040</b>	42,465
<b>Total fixed remuneration</b>	<b>347,550</b>	363,029	<b>268,256</b>	289,598
Annual profit share – cash	<b>920,000</b>	1,348,500	<b>707,000</b>	1,036,500
Annual profit share – deferred shares	<b>610,000</b>	1,037,500	<b>470,000</b>	798,500
<b>Gain on long-term share-based awards</b>				
Performance Share Plan – performance element <sup>2</sup> (notional)	<b>72,911</b>	63,991	<b>55,731</b>	48,914
Performance Share Plan – share appreciation element <sup>2</sup> (notional)	<b>(28,838)</b>	1,911	<b>(22,043)</b>	1,461
Long-term share-based reward (non-cash – notional) <sup>2</sup>	<b>44,073</b>	65,902	<b>33,688</b>	50,375
<b>Total variable remuneration</b>	<b>1,574,073</b>	2,451,902	<b>1,210,688</b>	1,885,375
<b>Total ie 'single figure' (part notional)</b>	<b>1,921,623</b>	2,814,931	<b>1,478,944</b>	2,174,973

Notes:

1. Benefits comprise private medical insurance and car allowance.
2. For 2023 the notional value of the PSP award with a performance period which ended on 31 December 2023 (i.e. where the award will vest in November 2026) has been valued based on the number of shares that will vest and the three-month average share price for the period to 31 December 2023 (850.5p per share). For 2022 the notional value of the PSP award with a performance period which ended on 31 December 2022 (i.e. where the award will vest in June 2025) has been valued based on the number of shares that will vest and the three-month average share price for the period to 31 December 2022 (857.9p) per share. The actual value has been split between the relevant value on the date of the original award of the relevant shares (the PSP – performance element) and subsequent increase in value (PSP – share price appreciation). Note that the long-term share-based reward (non-cash – notional) valuations for 2023 would be £49,851 and £38,105 respectively for Mark Ridley and Simon Shaw valued based on the share price as at 11 March 2024 (962p per share).

## Performance-related remuneration for 2023 (audited)

### Annual performance-related profit share

The following short-term performance measures applied to the 2023 annual performance-related profit share arrangements with the target ranges purposefully calibrated as a broad sliding scale that took into account the challenging and uncertain market conditions that included recent year high interest rates and price inflation. In this context, the range of targets were set symmetrically as a broad range which the Committee considered realistic at the lower end of the target range and aspirationally stretching at the top end of the range in light of market conditions and the overall incentive quantum and Savills tailored remuneration structure:

75% of the award was based on profit performance, defined as underlying profit performance. The target range and Savills performance were as follows:

Minimum (25% of element)	Target (62.5% of element)	Maximum target (100% of element)	Savills underlying profit performance	Bonus award (% of element)
£80m	£130m	£180m	£95m	36%

There was straight-line vesting between performance points.

As referenced in the Chairman's letter mindful of challenging and uncertain market conditions, the Group performed resiliently reflecting Savills strength across its less transactional service lines, with the Group's Consultancy and Property Management businesses performing well, underpinning Savills overall performance. The Committee approved awards of 36% of maximum in respect of the underlying profit performance-related element (2022: 67.5%).

The remaining 25% of annual performance-related profit share awards was based on individual performance against key strategic and operational objectives. The Executive Directors, based on performance against the targets set at the start of the year, were each awarded 80% of this 25%.

The Committee set strategic and operational objectives for the Executive Directors consistent with the Group's strategic growth focus and with ensuring that the Group remained its strong financial position through the period, core bench-strength and client service levels were maintained, and which were aligned with longer-term value creation for Savills.

The tables overleaf set out the strategic and operational targets set for the Executive Directors and their actual performance against the targets:

# Annual Report on Remuneration *continued*

**Mark Ridley:**

Target	Achievement
1. Deliver an acceleration of the linkage and growth in Portfolio Solutions, pivoting away from Tenant Rep brokerage towards mandated MSA and panel mandates and ensure that there is sufficient infrastructure to support this initiative at a global level	North America Portfolio Solutions launched, concentrating and co-ordinating the delivery of US occupier services offerings into a national delivery platform with a year-on-year doubling of revenue, New US Portfolio Solutions were embedded into the Global Occupier Services offering, led by a Global Strategy Board comprising the Regional Occupier Service leads
2. Reset the US Board structure including setting up Divisional Boards for Portfolio Solutions, Brokerage and Consultancy Services, to provide greater focus and linkage into the broad network	North America leadership and management restructured, including the introduction of Divisional Leadership Boards for Portfolio Solutions, Brokerage and Consultancy Services to lead those business lines
3. Develop the Savills Earth Consultancy business, in particular, focusing on 'brown to green' initiatives and retro-fitting of obsolescent building stock and ensure global linkage and best practice across the entire platform	Savills Earth Consultancy business further developed, with geographic and service line extension, which now includes Strategy, Certification, Reporting, Net Zero Transition, Climate Resilience & Risk, and Savills Green Fit launched, including turnkey solutions on asset repositioning and project management services and all well received by clients
4. Continue the growth of our Residential activities in line with the global Residential strategy plan, focusing on UK, CEME and selected markets across APAC and the Caribbean. Global Residential Strategy plan. Accelerated the plan including prioritisation of strategic targets including Italy, Portugal, Singapore and Spain, with further ongoing discussions covering Australia; strengthening the Middle East and evaluating options in Paris	Residential platform growth delivered ahead of Board plan, including the successful expansion of the Group's CEME Residential Network through acquisition across Switzerland (Verbier Lettings); Portugal (Predibisa); and Italy (BeLiving); and recruitment in Spain (Barcelona); and the UAE
5. Ensure that the Group continues to make progress to deliver net zero targets set in 2022, in particular in 2023 by agreeing carbon-zero pathways with SBTi	SBTi dialog opened in June 2023, with, after full review, near-term Scope 1, 2 and 3 targets validated by SBTi in February 2024. Scope 1 and 2 emissions further reduced in 2023, seeing a 26.9% reduction below the 2019 baseline
6. Launch of the global Mobility Programme	Global Mobility programme launched June 2023 to support the development of potential future leaders and enhance client service
7. Enhance the global Diversity & Inclusion programme	<p>During the year, the Group's commitment to further improving diversity and inclusion was recognised through:</p> <ul style="list-style-type: none"> <li>▪ being awarded the UK EDI (Equality, Diversity and Inclusion) Programme of the Year at Inspiring Women in Property Awards hosted by Property Week;</li> <li>▪ recognition through Bisnow's UK Rise Initiative of Savills UK as one of the companies leading the charge to improve diversity in real estate;</li> <li>▪ Savills UK being named as exemplar in EG's 2022 LGBTQ+ Attitudes &amp; Actions;</li> <li>▪ Savills UK being awarded the Times Graduate Employer of Choice for the seventeenth consecutive year and ranked 1st in the Times Rate My Placement for Apprentices for the second year;</li> <li>▪ Savills North America being a finalist for the Crain's New York Business Diversity Champion recognition at the annual Excellence in Diversity and Inclusion Awards;</li> <li>▪ Savills North America being awarded Bisnow's Rise Initiative for dedication to advanced diversity; and</li> <li>▪ FTSE Women Leaders 2023 ratio 37.4% (2022 : 36.3%) Savills (from 16.6% in 2017).</li> </ul>
8. Confirm succession plans across all Regions and refresh leadership training to ensure that this supports the agreed succession plans	Strong progress on succession plans across all Principal Businesses with work ongoing at year end

**Mark Ridley continued:**

Target	Achievement
9. Ensure a continued focus on appropriate cost-savings and efficiencies, particularly within EMEA and North America, as well as efficiency modelling across our global office network	<p>Whilst maintaining core bench-strength; targeted restructuring, secured operational efficiencies and significant annualised savings implemented in 2023 ahead of Board planning, including:</p> <ul style="list-style-type: none"> <li>▪ North America restructuring of platform support;</li> <li>▪ In CEME reset of Germany capital markets and French leasing teams and changes of leadership in Italy and Poland;</li> <li>▪ In mainland China: second tier city leasing offering rationalised;</li> <li>▪ In the UK: residential development sales offering restructured; and</li> <li>▪ In Savills IM: Germany, UK and APAC platforms rationalised to drive operational efficiency.</li> </ul>
10. Consider merger and acquisition opportunities in light of market conditions, with particular focus on diversification in North America and increased scale in CEME, as well as scoping the requirement for Facilities Management services as Portfolio Solutions develops	<p>Growth strategies progressed ahead of the Board's plans, with in particular in 2023 the acquisition of (a) the residential businesses of BeLiving Srl (Italy) and Predibisa (Portugal) and recruitment of a team to head Savills new Barcelona residential office; (b) the Site 8 retail property management business in Australia; (c) focused retail automotive consultancy and agency business APC Holdings in the UK; (d) Prime Retail agency and consultancy business Nash Bond in the UK; (e) the recruitment of a Life Sciences team in the key San Diego life sciences market in the US; and in relation to Savills IM the formation of a US real estate debt management JV with Quadrant Real Estate</p>

Achievement was 8 out of 10 with ongoing work at year end in relation to succession plans and growth opportunities which were impacted by market conditions.

**Simon Shaw:**

Target	Achievement
1. Consider merger and acquisition opportunities in light of market conditions, with particular focus on diversification in North America and increased scale in EMEA, as well as scoping the requirement for Facilities Management services as Portfolio Solutions develops	<p>Growth strategies progressed ahead of the Board's plans, with in particular in 2023 the acquisition of (a) the residential businesses of BeLiving Srl (Italy) and Predibisa (Portugal) and recruitment of a team to head Savills new Barcelona residential office; (b) the Site 8 retail property management business in Australia; (c) focused retail automotive consultancy and agency business APC Holdings in the UK; (d) Prime Retail agency and consultancy business Nash Bond in the UK; (e) the recruitment of a life sciences team in the key San Diego life sciences market in the US; and in relation to Savills IM the formation of a US real estate debt management JV with Quadrant Real Estate</p>
2. Oversight of Savills Investment Management and specifically: <ul style="list-style-type: none"> <li>▪ work with the SIM CEO to manage the high-level Samsung relationship</li> <li>▪ oversight of any proposed material Savills IM corporate transactions and market mapping</li> <li>▪ promote launch of Natural Capital fund</li> <li>▪ ensure that appropriate succession plans are in place and that smooth transfer of scheduled leaver responsibilities occurs</li> </ul>	<p>The progression of the Samsung relationship which has provided in excess of US\$1bn of seed capital to agreed Savills IM strategies since Samsung took a minority interest in Savills IM in December 2021</p> <p>Entry into the North American debt management market achieved through the agreement of a JV with US real estate debt manager, Quadrant Real Estate</p> <p>Natural Capital product developed and marketing underway with prospective investors and consultants with a view to first close being achieved at the end of H1 2024</p> <p>Succession plans successfully implemented with Savills IM leadership further strengthened with, in particular, the appointment of a new UK/CEME Head of Equity; and Global Head of Strategy &amp; Capital Raising Business</p>
3. US: position the business for improved performance as markets recover including diversification of services	<p>North America leadership and management restructured, including the introduction of Divisional Leadership Boards for Portfolio Solutions, Brokerage and Consultancy Services to lead those business lines. Operational platform regeared to drive efficiency and position it to support future growth</p>
4. Assist in implementation of ESG strategy with particular reference to sustainability Consultancy	<p>Savills Earth Consultancy business developed in line with the Board's plans which included extending to include Strategy, Certification, Reporting, Net Zero Transition, Climate Resilience &amp; Risk</p> <p>Savills 'Green Fit' launched, including turnkey solutions on asset repositioning &amp; Project Management services, and all well received by clients</p>



# Annual Report on Remuneration *continued*

**Simon Shaw continued:**

Target	Achievement
5. Subject to the effect of overall market conditions ensure focus on margin improvement persists for each Regional Business including identifying and sponsoring cost and operating efficiency improvements (including through adoption of technology)	<p>Significant operational efficiencies and annualised savings delivered ahead of the 2023 Board plan including:</p> <ul style="list-style-type: none"> <li>▪ North America restructuring of platform support;</li> <li>▪ In CEME, reset of Germany capital markets and French leasing teams and changes of leadership in Italy and Poland;</li> <li>▪ In mainland China: second-tier city leasing offering rationalised;</li> <li>▪ In the UK: residential development sales offering restructured; and</li> <li>▪ In Savills IM: Germany, UK and APAC platforms rationalised to drive operational efficiency.</li> </ul>
6. Manage the Group's cash resources including investment and Shareholder distribution policy	Exceeded the Board's 2023 cash target, to end year with net cash of £157.3m following management action to, in particular, limit discretionary spend given challenging market conditions
7. Oversee and sponsor the Group's multi-year technology initiatives, to maximise cross-fertilisation of initiatives including: <ul style="list-style-type: none"> <li>▪ UK Valuations Digitisation programme continued roll-out</li> <li>▪ Advance phase II Athena property database progressive roll-out and integration of unique data (eg I cans)</li> </ul>	<p>Continued roll-out across Valuation disciplines of proprietary digital platform providing an end-to-end for managing the workflow across valuers and mitigating risk, now used by all valuers in the UK ahead of plan for 2023</p> <p>Successfully integrated new tenant risk, relationship and asset ownership datasets into commercial property database. Delivered new roadmap features. Active users grown significantly, now over 80% of the target user group across the UK</p>
8. Continue the progressive harmonisation of accounting systems across the Group based on AX Dynamics implementations where economically viable including upgrading UK to D365	Continued delivery of ongoing Dynamics F&O (formerly AX) finance system implementation, launching in four markets which was ahead of the 2023 target
9. Sponsor well-governanced project to implement Dynamics AX and HR system in North America (three-year programme)	Delivery of multi-year North America finance and HR system on track with launch scheduled during 2024
10. Ensure Group Cyber Security Committee ('GISC') meets its objectives to minimise cyber risk as far as practicable	<p>GISC met quarterly to consider security enhancement in the light of emerging market practice and the Group's experience. In 2023 the GISC monitored the progress made by the Principal Businesses to further improve security and in this respect considered the results of Qualys vulnerability testing and incident causes and responses and the progress made in retiring end-of-life servers (eight remaining in CEME at end 2023; 75 servers to be retired in APAC in January 2024, with the remainder targeted for retirement by end Q1, 2024) each quarter and agreed further actions. Employee phishing responses continue to decline.</p> <p>ISO27001 certification achieved in the UK in October 2023</p>

Achievement was 8 out of 10 with ongoing work at year end in relation to implementation of a multi-year North America finance and HR system and growth opportunities which were impacted by market conditions.

Based on the above, the overall outcome was 80% of maximum for each of the Executive Directors.

As described in the Chair's letter earlier in this report, the Committee considered the formulaic outcome of 47% of maximum and deemed it to be appropriate and that it reflected the financial and non-financial performance of the business and the experience of stakeholders. This represented the following values:

- Chief Executive Officer – £1,530,000
- Chief Financial Officer – £1,177,000

In line with the Policy, 50% of the overall awards, above an amount equal to their respective base salaries, will be deferred for a further three-year period in the form of shares.

### Long-term incentives (audited)

The PSP award granted in 2021 was subject to performance in the three years to 31 December 2023. Following an assessment of Savills performance against targets set at grant, the Committee determined that 12.3% of the award had met the performance criteria and will be released at the end of the two-year holding period in November 2026.

The targets and Savills performance were as follows:

	Weighting	Threshold target (25% vesting)	Maximum target (100% vesting)	Savills performance	Vesting (% of maximum)
Relative TSR versus FTSE Mid 250 index (excluding investment trusts)	1/3	Equal to index	Outperform index by 8% p.a.	3.98% versus the Index performance of 5.76%	0%
% EPS growth	1/3	RPI plus 6% p.a. compounded	RPI plus 12% p.a. compounded	0% p.a.	0%
Return on capital employed	1/3	15%	25%	17%	37%

As described in the Chair's letter earlier in this report, the Committee considered this outcome to be appropriate, mindful of the potential for windfall gains, and reflects the financial and non-financial performance of the business and the experience of stakeholders.

### Non-Executive Directors fees (audited)

The Non-Executive Director fees for 2023 were as follows:

	Nicholas Ferguson (Chair)	Stacey Cartwright	Philip Lee	Richard Orders	Dana Roffman	Marcus Sperber	Florence Tondue- Mélis	John Waters
Basic fee	<b>£226,600</b>	<b>£57,650</b>	<b>£57,650</b>	<b>£57,650</b>	<b>£57,650</b>	<b>£57,650</b>	<b>£57,650</b>	<b>£2,974</b>
Additional fees:								
Senior Independent Director		<b>£8,000</b>						
Remuneration Committee Chair				<b>£10,000</b>				
Audit Committee Chair		<b>£15,000</b>						
2023 Total	<b>£226,600</b>	<b>£80,650</b>	<b>£57,650</b>	<b>£67,650</b>	<b>£57,650</b>	<b>£57,650</b>	<b>£57,650</b>	<b>£2,974</b>
2022 Total	£220,800	£79,175	£56,175	£66,175	£56,175	£2,620	£56,175	-

Notes:

Marcus Sperber joined the Board effective 15 December 2022.

John Waters joined the Board effective 13 December 2023.

Nicholas Ferguson retired from the Board effective 31 December 2023.

The fees payable to the Non-Executive Directors are determined by the Non-Executive Chair and the Executive Directors after considering external market data and individual roles and responsibilities. The fee for the Board Chair is determined by the Remuneration Committee.

The fee payable to Nicholas Ferguson as Chair during 2023 was £226,600 p.a. (2022: £220,800 p.a.). The base fee for the Non-Executive Directors for 2023 was £57,650 p.a. (increased from £54,700 effective 1 July 2022 in line with RPI), with additional fees payable to the Senior Independent Director (£8,000 p.a.), the Audit Committee Chair (£15,000 p.a.) and the Remuneration Committee Chair (£10,000 p.a.).

The Non-Executive Directors do not participate in incentive arrangements or share schemes.

# Annual Report on Remuneration

 continued

## **Operation of Policy in 2024**

### **Chair Fee**

The Chair fee effective 1 January 2024 is £240,000 p.a. The fee level was set having regard to the size and complexity of Savills, which continue to increase through successful business diversification, and the expected future time commitment of the role. The fee will be reviewed, although not necessarily increased, effective 1 July 2025.

### **Base salary**

The base salaries of the Executive Directors will be unchanged from March 2024 as follows:

- Group Chief Executive Officer: £311,000; and
- Group Chief Financial Officer: £238,000.

In line with our Policy, the base salaries for the Executive Directors continue to be positioned significantly below market median against the FTSE 250 Index.

### **Variable remuneration**

#### **Annual performance-related profit share**

The maximum annual performance-related profit share opportunity for 2024 will remain unchanged and will be:

- £3.25m for the Group Chief Executive Officer; and
- £2.5m for the Group Chief Financial Officer.

For the 2024 performance-related profit share, 75% of award potential will reflect the Group's underlying profit performance and 25% of award potential will reflect delivery against a mix of personal, strategic and operational objectives.

The Committee considers prospective disclosure of individual objectives to be commercially sensitive and disclosure will therefore be on a retrospective basis. The targets are similarly challenging to those set in 2023 having had regard to current internal plans, external expectations for our future performance and current market conditions.

The Committee retains a general discretion to adjust the formulaic outcome to reflect exceptional events over the performance period.

#### **Performance Share Plan**

The remuneration policy is for maximum awards of 200% of base salary. The PSP awards for 2024 will be 200% of base salary for both Executive Directors.

Awards will vest subject to the satisfaction of absolute EPS growth targets for one-third of the award, TSR performance for one-third of the award and Return on Capital Employed for the remaining one-third of the award.

The Committee is still in the process of agreeing the precise targets and full details of these will be set out in the RNS announcement issued immediately after the PSP award is granted.

The awards made to Executive Directors will also be subject to a holding period so that any PSP awards for which the performance vesting conditions are satisfied will not normally be released for a further two years from the third anniversary of the original award date. Dividend accrual for PSP awards will continue until the end of the holding period.

As detailed in the Chair's Introductory Statement, the Committee is in the process of finalising the specific targets to apply to the 2024 PSP awards given current market conditions and will include the targets in the market announcement of the awards.

## Relative spend on pay

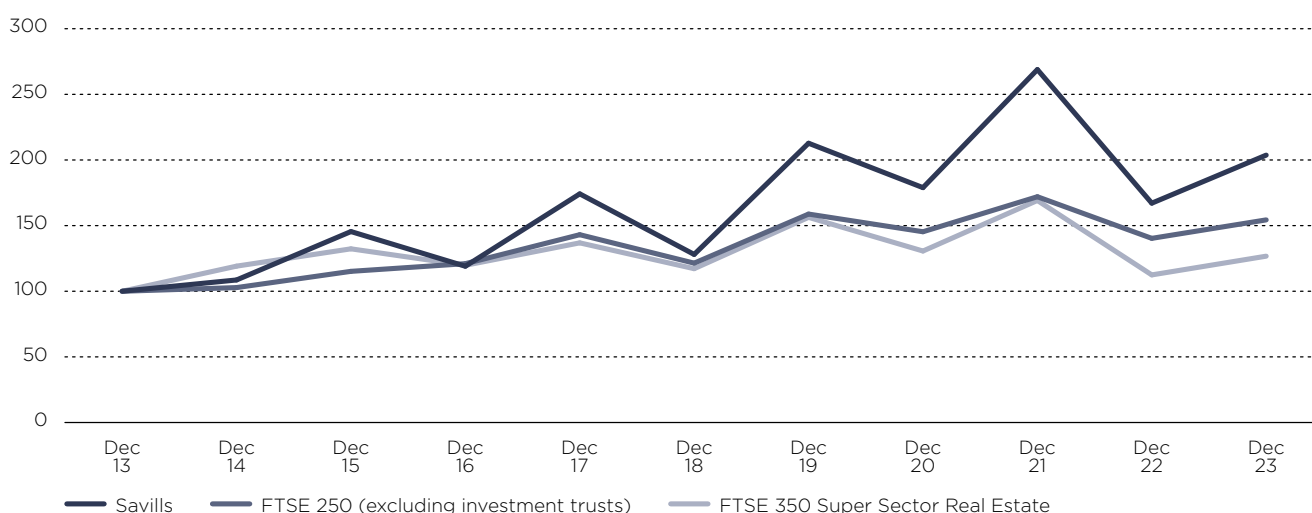
To provide context and outline how remuneration for Executive Directors compares with other disbursements, such as dividends and general employment costs the table below illustrates general employment costs, Executive Director reward, tax charges and dividend payments to Shareholders in 2023 and 2022.

	2023 £m	2022 £m	% Movement
Movement			
Employment costs	<b>1,496.3</b>	1,509.8	-1
Underlying profit before tax	<b>94.8</b>	164.6	-42
Dividend payment to Shareholders	<b>31.2</b>	49.0	-36
Executive Director remuneration	<b>3.8</b>	4.8	-21
Tax	<b>138.3</b>	150.4	-8

- Employment costs (excluding arrangements for Executive Directors) comprise basic salaries, profit share and commissions, social security costs, other pension costs and share-based payments
- Tax comprises corporation tax, employers' social security and business rates and equivalent payments
- The dividend cost for 2023 comprises the cost of the final dividend recommended by the Board (amounting to £19.0m) alongside the supplemental interim dividend (amounting to £2.7m), payment is subject to Shareholder approval at the Company's AGM scheduled to be held on 15 May 2024 (payable to Shareholders on the Register of Members as at 12 April 2024) and the interim dividend (£9.5m) paid on 2 October 2023
- Executive Director remuneration is the remuneration paid to the Group Chief Executive Officer and Group Chief Financial Officer role holders and comprises basic salaries, profit share, social security costs, pension costs and share-based payments.

## Total Shareholder return and Group Chief Executive Officer remuneration

The Total Shareholder Return delivered by the Company over the last ten years is shown in the chart below.



The Board believes that the FTSE 250 Index (excluding investment trusts) remains the most appropriate index against which to compare TSR over the medium term as it is an index of companies of similar size to Savills. Savills TSR relative to that of the FTSE 350 Super Sector Real Estate Index is also shown, as this index better reflects conditions in real estate markets over recent years.

# Annual Report on Remuneration *continued*

## Pay for performance

Year	Chief Executive Officer	Total single figure remuneration £'000	Underlying profit £m	Underlying profit annual % change	Annual variable element: performance-related profit share - annual award against maximum potential %	Long-term incentive to vest (maximum potential of award) %
2023	Mark Ridley	1,922	94.8	-42	36	12
2022	Mark Ridley	2,815	164.6	-17.8	67.5	11
2021	Mark Ridley	3,504	200.3	107.3	100	100
2020	Mark Ridley	1,294	96.6	-32.6	38	23
2019	Mark Ridley	2,377	143.4	-0.2	84	50
2018	Jeremy Helsby	2,196	143.7	+2.3	82	41
2017	Jeremy Helsby	2,507	140.5	+3.5	80	84
2016	Jeremy Helsby	2,595	135.8	+12	98	50
2015	Jeremy Helsby	2,298	121.4	+21	100	N/A
2014	Jeremy Helsby	3,279	100.5	+34	100	100

Total remuneration includes, as required, the notional value of PSP awards and executive share options which vested (but were not exercised) in those years (note that no PSP awards were made in 2013 with the consequent effect on Total Single Figure Remuneration in 2015 compared to the other years).

## Annual percentage change in remuneration of Directors and employees

The table below shows a comparison of the annual change of each individual Director's pay to the annual change in average employee pay. Average employee pay is based on a Full Time Equivalent ('FTE') calculation.

	Percentage change in remuneration from 31/12/2022 to 31/12/2023			Percentage change in remuneration from 31/12/2021 to 31/12/2022		
	Percentage change in base salary / fee %	Percentage change in benefits %	Percentage change in profit share award %	Percentage change in base salary / fee %	Percentage change in benefits %	Percentage change in profit share award %
Mark Ridley <sup>1</sup>	<b>0.9</b>	<b>1.2</b>	<b>-31</b>	4.5	-59.9	5.2
Simon Shaw	<b>0.9</b>	<b>0</b>	<b>-31</b>	4.6	0	7.9
Nicholas Ferguson	<b>2.6</b>	<b>n/a</b>	<b>n/a</b>	2.7	n/a	n/a
Stacey Cartwright <sup>2</sup>	<b>2.6</b>	<b>n/a</b>	<b>n/a</b>	1.9	n/a	n/a
Philip Lee <sup>3</sup>	<b>2.6</b>	<b>n/a</b>	<b>n/a</b>	2.7	n/a	n/a
Richard Orders <sup>3</sup>	<b>2.6</b>	<b>n/a</b>	<b>n/a</b>	5	n/a	n/a
Dana Roffman	<b>2.6</b>	<b>n/a</b>	<b>n/a</b>	2.7	n/a	n/a
Marcus Sperber <sup>4</sup>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	n/a	n/a	n/a
Florence Tondou-Mélique	<b>2.6</b>	<b>n/a</b>	<b>n/a</b>	2.7	n/a	n/a
John Waters <sup>5</sup>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	n/a	n/a	n/a
All UK employees <sup>6</sup>	<b>3.9</b>	<b>5.4</b>	<b>-14.7</b>	8.5	3.5	-13.5



	Percentage change in remuneration from 31/12/2020 to 31/12/2021			Percentage change in remuneration from 31/12/2019 to 31/12/2020		
	Percentage change in base salary / fee %	Percentage change in benefits %	Percentage change in profit share award %	Percentage change in base salary / fee %	Percentage change in benefits %	Percentage change in profit share award %
Mark Ridley <sup>1</sup>	0	159	165	2	1	-52.5
Simon Shaw	0	0	165	2	-28	-52.5
Nicholas Ferguson	0	n/a	n/a	0	n/a	n/a
Stacey Cartwright <sup>2</sup>	12	n/a	n/a	9	n/a	n/a
Philip Lee <sup>3</sup>	n/a	n/a	n/a	n/a	n/a	n/a
Richard Orders <sup>3</sup>	n/a	n/a	n/a	n/a	n/a	n/a
Dana Roffman	0	n/a	n/a	n/a	n/a	n/a
Marcus Sperber <sup>4</sup>	n/a	n/a	n/a	n/a	n/a	n/a
Florence Tondou-Mélique	0	n/a	n/a	1	n/a	n/a
John Waters <sup>5</sup>	n/a	n/a	n/a	n/a	n/a	n/a
All UK employees <sup>6</sup>	-3.9	-1.1	34.3	-2.4	2.8	-7.3

## Notes:

1. Mark Ridley's 2021 benefits include £17,539 cash equivalent of additional holiday entitlement accruing under the Company's loyalty holiday reward scheme (and reflecting Mark Ridley's 25th year of service).
2. Appointed Senior Independent Director 1 January 2021.
3. Appointed 1 January 2021.
4. Appointed 15 December 2022.
5. Appointed 13 December 2023.
6. Salary, benefits and bonus is compared against full-time equivalent UK employees.

## CEO to employee pay ratio

The table below shows how the CEO's single figure remuneration (as taken from the single figure remuneration table on page 136) compares to the equivalent single figure remuneration for full-time equivalent UK employees, ranked at the 25th, 50th and 75th percentile.

Year	Method	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
2023	Option A	76 : 1	54 : 1	30 : 1
2022	Option A	129 : 1	86 : 1	47 : 1
2021	Option A	144 : 1	102 : 1	56 : 1
2020	Option A	64 : 1	40 : 1	22 : 1

### Notes to the CEO to employee pay ratio:

The regulations provide three options which may be used to calculate the pay for the employees at the 25th percentile, median and 75th percentile. We have used Option A, following guidance that this is the preferred approach of some proxy Advisors and institutional Shareholders. Option A captures all relevant pay and benefits for all employees in line with the single figure for remuneration calculated for Executive Directors.

The ratios shown are representative of the FTE 25th percentile, median and 75th percentile pay for UK employees within the Group as measured on 31 December 2023.

The pay for part-time employees has been grossed-up to one FTE.

The Committee has reviewed the employee data and believes the median pay ratio to be consistent with the pay, reward and progression policies for the Company's UK employees over the period. The decrease in the ratio for 2023 compared to 2022 reflects our pay for performance philosophy and focus on the pay of more junior employees to continue to help mitigate the increase in the cost of living which particularly impacts at this level. As a result, the continuing challenging business environment in 2023 resulted in a relative decrease in total remuneration for the CEO compared to the wider workforce.

# Annual Report on Remuneration *continued*

The CEO's pay is based on the 'single figure' of remuneration set out on page 136 of this report. Because a large portion of the CEO's pay is variable, the pay ratio is heavily dependent on the outcomes of variable pay plans and, in the case of long-term share-based awards, also share price movements.

Casual employees and those on zero-hours contracts have their pay annualised based on their hourly rate, using 37.5 hours per week x 52 weeks per year.

The total pay and benefits and the salary component of total pay and benefits for the employees at each of the 25th percentile, the median and the 75th percentile are shown below:

Year	Salary			Total pay and benefits		
	25th percentile	Median	75th percentile	25th percentile	Median	75th percentile
2023	<b>£22,459</b>	<b>£29,565</b>	<b>£46,438</b>	<b>£25,147</b>	<b>£35,881</b>	<b>£63,726</b>

Notes to the calculations:

1. For Savills IM, Partnership members within the Affordable and DRC businesses are excluded from this report.

## Pensions disclosure (audited)

During 2023 Company pension allowances for the Group Chief Executive Officer and the Group Chief Financial Officer were 8% of base salaries, consistent with the pension contributions for the wider UK workforce.

Mark Ridley no longer accrues a pension benefit under the Company's legacy defined benefit pension plan. The value of the legacy benefit is shown below.

Executive Director	Defined benefit pension accrued at 31 December 2023	Defined benefit pension accrued at 31 December 2022	Defined benefit pension accrued at 31 December 2021	Defined benefit pension accrued at 31 December 2020
Mark Ridley	<b>42,339</b>	39,501	36,468	35,763

Mark Ridley's accrued pension ceased to be linked to salary from 29 February 2016, at which point the accrued pension was £31,875 p.a. The pension now increases in line with the standard revaluation provisions of the Plan that apply to all deferred pensioners. The amounts shown include revaluation to 31 December 2020, 31 December 2021, 31 December 2022 and 31 December 2023 respectively. No additional benefit is due in the event of early retirement.

## Share interests

Details of shares in the Company which the Directors beneficially held or had a beneficial interest in as at 31 December 2023 are shown below.

Where the performance conditions attaching to any PSP award have been satisfied and the award is due to vest in the future, the PSP award shares (discounted for anticipated tax liabilities) will count towards the shareholding requirements:

Executive Directors	Number of shares (including beneficially held under the SIP)	Unvested shares with performance conditions attaching satisfied (discounted for anticipated tax liabilities) (PSP)	Total share interests that count towards the shareholding requirement	Unvested shares subject to performance conditions (PSP)	Deferred share bonus plan awards (vesting not subject to performance conditions) (DSBP)	Shareholding requirement <sup>1</sup>	Extent to which shareholding guideline met
Mark Ridley	231,854	37,461	269,315	201,533	222,952	224,665	120%
Simon Shaw	182,579	28,646	211,225	154,097	168,951	171,930	123%

<sup>1</sup> Shareholding requirement of 700% of salary for both Executive Directors.

The Company currently applies shareholding requirements that the Group Chief Executive Officer and Group Chief Financial Officer hold shares to the value of seven times their respective base salaries. New Executive Directors will be expected to build holdings to this level over time, principally through the retention of shares released to them (after settling any tax due) following the vesting of share awards.

	At 31 December 2023
Nicholas Ferguson	39,286
Stacey Cartwright	4,983
Philip Lee	-
Richard Orders	-
Dana Roffman	-
Marcus Sperber	-
Florence Tondu-Mélique	-
John Waters	-

As at 13 March 2024, no Director had bought or sold shares since 31 December 2023.

### The Savills Sharesave Scheme (audited)

Directors	At 31 December 2022	Granted during year	Exercised during year	Lapsed during year	At 31 December 2023	Market value at date of exercise	Exercise price per share	Exercisable within six months from
Mark Ridley	2,371	-	-	-	2,371	-	759p	01.11.25
Simon Shaw	2,371	-	-	-	2,371	-	759p	01.11.25

### Scheme interests granted in 2023 (audited)

2023 PSP awards were made on 21 April 2023. As set out in the RNS announcement the terms of the award are as follows:

The following table sets out details of awards made to Executive Directors under the PSP in 2023. The Remuneration Committee has full discretion to ensure that the final outturns reflect all relevant factors, including consideration of any windfall gains.

	Type of award	Basis of award (face value) 200% base salary	Performance period	% vesting for threshold performance	% vesting for maximum performance	Performance criteria
Mark Ridley	Nil-cost options	£622,000				- One-third of award: Earnings per share growth
Simon Shaw	Nil-cost options	£476,000	1 January 2023 to 31 December 2025	25%	100%	- One-third of award: Relative Total Shareholder Return against the FTSE 250 (excluding investment trusts)  - One-third of award: Return on Capital Employed

# Annual Report on Remuneration *continued*

Awards will vest subject to the satisfaction of EPS targets for one-third of the award as follows:

- 25% (ie threshold) of the element to vest if the Company's EPS growth is 4% p.a. compounded;
- 100% (ie the maximum) of the element to vest if the Company's EPS growth is 10% p.a. compounded or more; and with straight-line vesting between the two points.

A further one-third of the award will vest subject to the satisfaction of relative TSR performance versus the FTSE Mid 250 Index (excluding investment trusts) ('the Index') as follows:

- 25% (ie threshold) of the element to vest if the Group's TSR performance equals that of the Index;
- 100% (ie the maximum) of the element to vest if the Group's TSR performance outperforms the Index by 8% p.a.; and with straight-line vesting between the two points.

A further one-third of the award will vest subject to the satisfaction of Return on Capital Employed targets as follows:

- 25% (ie threshold) of the element to vest if the Company's ROCE is 12%;
- 100% (ie the maximum) of the element to vest if the Company's ROCE is 22% or more; and with straight-line vesting between the two points. ROCE is defined as:

$$\frac{\text{Underlying profit before tax plus JV tax and net interest cost (excluding finance lease interest)}}{(\text{Opening total debt plus Shareholders' funds}) \text{ plus } (\text{closing total debt plus Shareholders' funds}) / 2}$$

The range of targets set for both EPS and ROCE were set with reference to both internal planning and external expectations for our future performance. The targets were set to be realistic at the lower end of the performance range and stretching at the top end of the range. Overall, the targets were considered similarly challenging to those targets set in prior years.

The awards made to Executive Directors will also be subject to a holding period so that any PSP awards for which the performance vesting conditions are satisfied will not normally vest for a further two years from the third anniversary of the original award date. Dividend accrual for PSP awards will continue until the end of the holding period.

Awards were also made during the year under the Deferred Share Bonus Plan. Details of awards under this plan are set out on the following page.

## The Performance Share Plan ('PSP')

### Number of shares

Directors	At 31 December 2022	Awarded during year	Vested during year	Lapsed during year	At 31 December 2023	Date of grant	Closing mid-market price of a share the day before grant	Market value at date of vesting	First vesting date
Mark Ridley	9,892	-	9,892	-	-	16.04.18	976.5p	976.6p	16.04.23
	62,997	-	-	-	62,997	15.04.19	917.5p	-	15.04.24
	70,828	-	-	63,146	7,682	30.06.20	833.0p	-	30.06.25
	41,933	-	-	-	41,933	25.11.21	1,407p	-	25.11.26
	56,803	-	-	-	56,803	20.04.22	1,095p	-	20.04.27
	-	65,336	-	-	65,336	21.04.23	952.0p	-	21.04.28
Simon Shaw	10,410	-	10,410	-	-	16.04.18	976.5p	976.6p	16.04.23
	48,174	-	-	-	48,174	15.04.19	917.5p	-	15.04.24
	54,141	-	-	48,269	5,872	30.06.20	833.0p	-	30.06.25
	32,054	-	-	-	32,054	25.11.21	1,407p	-	25.11.26
	43,397	-	-	-	43,397	20.04.22	1,095p	-	20.04.27
	-	50,000	-	-	50,000	21.04.23	952.0p	-	21.04.28

The PSP award granted in 2020 was subject to performance in the three years to 31 December 2022. Following the assessment of Savills performance against targets set at grant, the Committee determined that 10.9% of the award had met the performance criteria and will vest at the end of the two-year holding period in June 2024. The remainder of the award lapsed during the year.

Awards over 20,302 shares, together with a further 2,629 shares in lieu of dividends, vested under the PSP to Executive Directors during the year. A subscription cost of 2.5p nominal value per share is payable on actual receipt of shares. The total pre-tax gain on awards vested during the year under the PSP was £223,371.

## The Deferred Share Bonus Plan ('DSBP')

### Number of conditional share awards

Directors	At 31 December 2022	Awarded during year	Vested during year	At 31 December 2023	Date of grant	Closing mid- market price of a share the day before grant	Market value at date of vesting	First vesting date
Mark Ridley	85,446	-	85,446	-	27.04.20	884.5p	945.2p	27.04.23
	23,926	-	-	23,926	17.06.21	1,174p	-	17.06.24
	90,045	-	-	90,045	20.04.22	1,095p	-	20.04.25
	-	108,981	-	108,981	21.04.23	952.0p	-	21.04.26
Simon Shaw	63,821	-	63,821	-	27.04.20	884.5p	945.2p	27.04.23
	17,747	-	-	17,747	17.06.21	1,174p	-	17.06.24
	67,328	-	-	67,328	20.04.22	1,095p	-	20.04.25
	-	83,876	-	83,876	21.04.23	952.0p	-	21.04.26

Awards granted under the DSBP to Executive Directors during the year were based on 50% of the 2022 annual performance-related profit share above an amount equal to their respective base salaries in line with the Policy. Under the DSBP awards over 149,267, shares and 11,166 shares in lieu of dividends vested to Executive Directors during the year. Mark Ridley and Simon Shaw also received cash in lieu of Dividend Shares due under DSBP vestings of £14,526 and £10,850 respectively. The total pre-tax gain on DSBP awards vested during the year was £1,516,363. No DSBP awards lapsed.

During the year, the aggregate gain on the exercise of share options and shares vested was £1,739,734. The mid-market closing price of the shares at 29 December 2023, the last business day of the year, was 969p and the range during the year was 763.5p to 1,055p.

### Payments to past Directors

No payments to past Directors were made during the year that are required to be reported under the Companies (Directors' Remuneration Policy and Directors' Remuneration Report) Regulations 2019.

### Payments for loss of office

No payments for loss of office were made during the year.

### External directorships

Savills recognises that its Executive Directors may be invited to become non-executive directors of other companies. Such non-executive duties can broaden experience and knowledge which can benefit Savills. Subject to approval by the Board and any conditions which it might impose, the Executive Directors and Group Executive Board members are allowed to accept external non-executive directorships and retain the fees received, provided that these appointments are not likely to lead to conflicts of interest. For non-executive directorships which are considered to arise by virtue of an Executive Director's or Group Executive Board member's position within Savills, the fees are paid directly to Savills.

During 2023, Simon Shaw received a fee of £80,000 in relation to his continuing appointment as Non-Executive Chair of Synairgen plc which he was permitted to keep (as this appointment is not linked to his role within the Company).



# Annual Report on Remuneration

 continued

## Service contracts

The Executive Directors have rolling service contracts which are terminable on 12 months' notice by either the Company or the Executive Director.

Directors	Contract date
Mark Ridley	1 May 2018
Simon Shaw	16 March 2009

The Non-Executive Directors and the Chair have letters of appointment. In line with the UK Corporate Governance Code, all Directors are subject to annual re-election at the AGM. The Chairman's letter of engagement allows for six months' notice. Appointment of other Non-Executive Directors may be terminated by either party with three months' notice.

Director	Date appointed to Board	End date of current letter of appointment
Stacey Cartwright	1 October 2018	31 December 2026
Nicholas Ferguson*	26 January 2016	26 January 2025
Philip Lee	1 January 2021	31 December 2026
Richard Orders	1 January 2021	31 December 2026
Dana Roffman	1 November 2019	31 October 2025
Marcus Sperber	15 December 2022	14 December 2025
Florence Tondou-Mélique	1 October 2018	31 December 2024
John Waters	13 December 2023	12 December 2026

\* Mr N E H Ferguson retired from the Board effective 31 December 2023.

The Directors' service contracts and letters of appointment are available for inspection at the Company's City of London office, 15 Finsbury Circus, London EC2M 7EB.

## Shareholder votes on remuneration matters

The table below shows the voting outcomes for the 2022 Annual Remuneration Report at the AGM held on 17 May 2023 and the Directors' Remuneration Policy approved at the AGM held on 11 May 2022.

	Number of votes 'For' and discretionary	% of votes cast	Number of votes 'Against'	% of votes cast	Total number of votes cast	Number of votes 'Withheld**
2022 Annual Directors' Remuneration Report	104,780,580	88.99%	12,967,742	11.01%	117,748,322	662,899
Directors' Remuneration Policy	96,748,672	84.71%	17,464,743	15.29%	114,213,415	429,995

\* A vote withheld is not a vote in law.

## DIRECTORS' REPORT

In accordance with the UK Financial Conduct Authority's Listing Rules (LR 9.8.4C), the information to be included in the Annual Report and Accounts, where applicable, under LR 9.8.4, is set out in this Directors' Report.

Other information incorporated into this Report by reference can be found at:

	Page/Note
Strategic Report	6
Principal developments	22
Material existing and emerging risks and uncertainties	30
Statement of Directors' responsibilities	155
Corporate Governance Statement	99
Engagement with UK employees	48
Greenhouse gas emissions	68
Engagement with suppliers, customers and others in a business relationship	96
Financial Risk Management	184

### UK Corporate Governance Code

The Company has complied throughout the year with all relevant provisions of the 2018 UK Corporate Governance Code (the 'Code'). A copy of the Code is available from the Financial Reporting Council's website at [www.frc.org.uk](http://www.frc.org.uk).

### Operations

The Company and its subsidiaries (together the 'Group') operate through a network of offices and associates throughout the Americas, the UK, Continental Europe, Asia Pacific, Africa and the Middle East.

### Results and dividends

The results for the Group are set out in the consolidated income statement on page 166 which shows a reported profit for the financial year attributable to the Shareholders of the Company of £40.8m (2022: £119.4m).

An interim dividend of 6.9p per ordinary share amounting to £9.5m was paid on 2 October 2023. It is recommended that a final dividend of 13.9p per ordinary share (amounting to £19.0m) is declared by the Company at the AGM on 15 May 2024 and, subject to Shareholder approval, paid on 23 May 2024 to Shareholders on the register of members as at the close of business on 12 April 2024 together with a supplemental interim dividend of 2p per ordinary share (amounting to £2.7m). More details of the proposed dividend and the Company's performance can be found in the Chair's Statement on pages 6 to 9.

### Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report. The financial position of the Group, its cash flows and liquidity position are described in the Chief Financial Officer's Review, with details of the Group's treasury activities and exposure to financial risk included in Note 3 to the Consolidated Financial Statements.

The Group has prepared its going concern assessment for the period to the end of June 2025. As in prior years, the Board undertook a strategic business review in the current year taking account of the Group's current position and prospects, the Group's strategic plan, and the Group's principal risks and the management of those risks, as detailed in the Annual Report and the Board's risk appetite as detailed in the Strategic Report. Sensitivity analysis was also undertaken, including financing projections, to flex the financial forecasts under several severe downside scenarios, which involved applying different assumptions to the underlying forecasted revenues, costs and underlying profits both individually and in aggregate. These scenarios assess the potential impact from several macro-economic risks, including a severe global economic downturn analogous to that experienced during the Global Financial Crisis in 2008/09. The results of this sensitivity analysis showed that the Group would retain liquidity and maintain significant available facility and covenant headroom to be able to withstand the impact of such scenarios over the period of the financial forecast, as a result of the resilience and diversity of the Group, underpinned by a strong balance sheet.

Based on the Group's positive net cash position of £157.3m (cash and cash equivalents less overdrafts in notional pooling arrangements and borrowings) and undrawn £360.0m revolving credit facility at the year-end, as described in the Chief Financial Officer's review, combined with the assessment explained above, the Directors have formed the judgement at the time of approving the financial statements, that there is a reasonable expectation that the Group has adequate resources to continue as a going concern for a period of at least 12 months from the date of the approval of the financial statements until at least June 2025. For this reason, they continue to adopt the going concern basis of accounting in preparing the Consolidated Financial Statements.

### Events after the reporting period

There have been no material events affecting the Group or the Company since 31 December 2023.

### Directors

Biographical details of the current Directors are shown on pages 86 to 88. All the Board members served throughout the year, save for John Waters who was appointed on 13 December 2023. Nicholas Ferguson retired from the Board effective 31 December 2023. As at 31 December 2023 the Board comprised the Non-Executive Chair, two Executive Directors and six Non-Executive Directors.

Interests in the issued share capital of the Company held at the end of the period under review and up to the date of this Report by the Directors or their families are set out on pages 146 and 147 of the Remuneration Report. Details of share options held by the Directors pursuant to the Company's share option schemes are provided in the Remuneration Report on pages 147 to 149. It is the Board's policy that the Group Chief Executive and Group Chief Financial Officer hold shares in the Company to the value of seven times their respective base salaries (£2,177,000 and £1,666,000 respectively).

### Directors' interests in significant contracts

No Directors were materially interested in any contract of significance.

### Indemnification of Directors

In accordance with the Company's Articles of Association, and to the extent permitted by law, the Directors and the Group Legal Director & Company Secretary are granted an indemnity, in respect of any liabilities incurred as a result of their holding office. Such indemnities were in force during the financial year to 31 December 2023 and up to the date of this Report. The Company also maintains appropriate insurance cover in respect of legal action against its Directors and Officers.

### Management Report

This Directors' Report, on pages 151 to 154, together with the Strategic Report on pages 6 to 80, form the Management Report for the purposes of DTR 4.1.5R.

### Additional Information Disclosure

Pursuant to regulations made under the Companies Act 2006 the Company is required to disclose certain additional information. Those disclosures not covered elsewhere within this Annual Report are as follows:

### Share capital and major shareholdings

The issued share capital of the Company as at 31 December 2023 comprised 144,389,919 2.5p ordinary shares, details of which may be found on page 239.

The Company has only one class of share capital formed of ordinary shares. All shares forming part of the ordinary share capital have the same rights and each carries one vote. The Directors have authority to allot and issue ordinary shares and to disapply statutory pre-emption rights. The powers are exercised under authority of resolutions of the Company passed at the AGM.

Votes may be exercised at general meetings of the Company, by members in person, by proxy or by corporate representatives (in relation to corporate members). The Articles provide a deadline for the submission of proxy forms (electronically or by paper) of not less than 48 hours before the time appointed for the holding of the general meeting or the adjourned meeting (as the case may be). A Shareholder can lose their entitlement to vote at a general meeting where that Shareholder has failed to provide the Company with information concerning interests in their shares or a call or other sum payable by the Shareholder to the Company in respect of such shares remains unpaid.

There are no unusual restrictions on the transfer of ordinary shares. The Directors may refuse to register a transfer of a certificated share unless the instrument of transfer is: (i) lodged at the registered office of the Company or any other place as the Board may decide accompanied by the certificate for the shares to be transferred and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer; or (ii) in respect of only one class of shares.

The Directors may also refuse to register a transfer of a share (whether certificated or uncertificated), whether fully paid or not, in favour of more than four persons jointly.

As at 31 December 2023 the Company had been notified of the following interests in the Company's ordinary share capital in accordance with DTR 5. It should be noted that these holdings are likely to have changed since notified to the Company. However, notification of any change is not required until an applicable threshold is crossed.

Shareholders <sup>1</sup>	Number of shares <sup>1</sup>	% <sup>1</sup>
Liontrust Investment Partners LLP	7,210,255	5.04
Global Alpha Capital Management Ltd.	7,194,238	5.03
BlackRock, Inc	Not disclosed	<5.00
Heronbridge Investment Management LLP	7,131,812	4.99
Jupiter Fund Management Plc	7,113,311	4.97

1. The names of Shareholders and percentages of issued share capital are stated as per the notifications received and have not been subject to independent verification by the Company or any other person. As such, the above table should not be assumed to be a full and accurate record of all the interests that are required to be notified to the Company under the DTRs.

No changes to the above have been disclosed to the Company in accordance with DTR 5, between 31 December 2023 and 13 March 2024.

As at 31 December 2023, the Savills plc 1992 Employee Benefit Trust (the 'EBT') held 7,615,420 ordinary shares and the Savills Rabbi Trust held 1,502,155 ordinary shares. Any voting or other similar decisions relating to these shares held in trust are taken by the trustees, who may take account of any recommendation of the Company. The EBT waives its right to receive Savills plc dividends. For further details of the trusts please refer to Note 2.23 to the financial statements.

### Purchase of own shares

In accordance with the Listing Rules, at the AGM on 17 May 2023 Shareholders gave authority for a limited purchase of Savills shares of up to 10% of the issued share capital of the Company. During the year, no shares were purchased under the authority.

The Board proposes to seek Shareholder approval at the AGM on 15 May 2024 to renew the Company's authority to make market purchases of its own ordinary shares of 2.5p each for cancellation, to be held in treasury, sold for cash or (provided Listing Rule requirements are met) transferred for the purposes of or pursuant to an employee share scheme. Details of the proposed resolution are included in the Notice of AGM circulated to Shareholders with this Annual Report and Accounts (the 'AGM Notice').

### Change of control

There are no significant agreements which take effect, alter or terminate in the event of change of control of the Company except that under its banking arrangements, a change of control may trigger an early repayment obligation.

### Articles of Association

The Company's Articles are governed by relevant statutes and may be amended by special resolution of the Shareholders in a general meeting.

Subject to the Articles, UK legislation and any directions given by resolution in general meeting, the business of the Company is managed by the Directors.

The Company's rules about the appointment and replacement of its Directors are contained in the Articles. Unless determined by ordinary resolution of the Company, the number of Directors shall be not less than three and not more than 18. A Director is not required to hold any shares in the Company by way of qualification. However, as more fully described on page 146, in accordance with Board policy, the Executive Directors are expected to build-up and maintain a shareholding in the Company. The Board may appoint any person to be a Director and such Director shall hold office only until the next AGM when he or she shall then be eligible for reappointment by the Shareholders. The Articles provide that each Director shall retire from office at the third AGM after the AGM at which he or she was last elected. A retiring Director shall be eligible for re-election. However, in accordance with the UK Corporate Governance Code, all Directors of the Company are subject to annual re-election.

### Annual General Meeting

The AGM is to be held at 33 Margaret Street, London W1G 0JD at 12 noon on 15 May 2024; details are contained in the AGM Notice circulated to Shareholders with this Annual Report and Accounts.

### Half-Year Report

Like many other listed public companies, we no longer circulate printed Half Year Reports to Shareholders. Instead, half-year results statements are published on the Company's website. This is consistent with our target to reduce printing and distribution costs.

### Political contributions

The Company made no political contributions during the year (2022: £nil).

### Employees' policies and involvement

The Directors recognise that the quality, commitment and motivation of Savills staff is a key element to the success of the Group; see page 48 for more information as to employee engagement.

The Group provides regular updates covering performance, developments and progress to employees through regular newsletters, video addresses, the Group's intranet, social media and through formal and informal briefings. These arrangements also aim at ensuring that all of our staff understand our strategy and to build knowledge on the part of employees of matters affecting the performance of the Group. The Group also consults with employees so as to ascertain their views in relation to decisions which are likely to affect their interests.

Employees are able to share in the Group's success through performance-related profit share schemes (see page 240 for more details) and for UK employees (including Executive Directors), share plans which include a Sharesave Scheme and a Share Incentive Plan ('SIP'). The Sharesave Scheme is an HMRC-approved save-as-you-earn share option scheme which allows participants to purchase shares out of the proceeds of a linked savings contract at a price set at the time of the option grant. Participants may elect to save up to £500 per month and options may normally be exercised in the six months following the maturity of the linked three-year savings contract. The potential for extending the Sharesave Scheme internationally remains under consideration. The SIP is also HMRC-approved and through which participants may make regular purchases of shares (up to the current statutory limit of £1,800 per year equating to £150 per month) from pre-tax income. Shares under the SIP normally vest after five years and are free from income tax and national insurance contributions.

### Human rights and equal opportunities

We support the principles of the UN Universal Declaration of Human Rights and the Core Principles of the International Labour Organization.

It is Group policy to provide employment on an equal basis irrespective of gender, sexual orientation, marital or civil partner status, gender reassignment, race, colour, nationality, ethnic or national origin, religion or belief, disability or age. In particular, the Group gives full consideration to applications for employment from disabled persons. Where existing employees become disabled, it is the Group's policy wherever practicable to provide continuing employment and to provide training and career development and promotion to disabled employees.

### Whistleblowing

The Group encourages staff to report any concerns which they feel need to be brought to the attention of management. Whistleblowing procedures, which are published on the Group's intranet site, are available to staff who are concerned about possible impropriety, financial or otherwise, and who may wish to ensure that action is taken without fear of victimisation or reprisal.

### Independent auditors

In accordance with section 489 of the Companies Act 2006, a resolution for the reappointment of Ernst & Young LLP as Auditors of the Company will be proposed at the forthcoming AGM.

### Disclosure of information to the auditor

Each Director confirms that, so far as he/she is aware, there is no relevant audit information of which the Company's auditor is unaware and that each of the Directors has taken all the steps that he/she ought to have taken as a Director to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information. This confirmation is given pursuant to section 418 of the Companies Act 2006 and should be interpreted in accordance with and subject to that section.

### Engagement with UK employees

In accordance with Section 172 of the Companies Act 2006 our statement on engagement with UK employees is on page 48.

### Engagement with suppliers, customers and others in a business relationship with the Company

In accordance with Section 172 of the Companies Act 2006 our statement on engagement with suppliers, customers and others in a business relationship with the Company is on pages 96 to 98.

By order of the Board

**Chris Lee**

Group Legal Director & Company Secretary

13 March 2024  
Savills plc  
Registered in England No. 2122174



## STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Group and parent Company financial statements in accordance with UK-adopted international accounting standards ('IFRSs'). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and parent Company and of the profit or loss of the Group and parent Company for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group and Company financial position and financial performance;
- in respect of the Group and parent Company financial statements, state whether UK-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and parent Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and parent Company and enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006.

The Directors are also responsible for safeguarding the assets of the Group and parent Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that comply with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Directors consider that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for Shareholders to assess the Group and parent Company's performance, business model and strategy.

Each of the Directors, whose names and functions are listed in pages 86 to 88, confirm to the best of their knowledge:

- that the consolidated financial statements, prepared in accordance with UK-adopted international accounting standards give a true and fair view of the assets, liabilities, financial position and profit of the parent Company and undertakings included in the consolidation taken as a whole; and
- that the Annual Report, including the Strategic Report, includes a fair review of the development and performance of the business and the position of the Company and undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

In the case of each Director in office at the date the Directors' Report is approved:

- so far as the Director is aware, there is no relevant audit information of which the Group and parent Company's auditor is unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Group and parent Company's auditor is aware of that information.

On behalf of the Board

**Mark Ridley**  
Group Chief Executive

**Chris Lee**  
Group Legal Director & Company Secretary

### Forward-looking statements

Forward-looking statements have been made by the Directors in good faith using information up until the date on which they approved the Annual Report and Accounts. Forward-looking statements should be regarded with caution due to uncertainties in economic trends and business risks.

13 March 2024

# INDEPENDENT AUDITOR'S REPORT

to the members of Savills plc

## Opinion

In our opinion:

- Savills plc's group financial statements and parent company financial statements (the "financial statements") give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2023 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with UK adopted international accounting standards as applied in accordance with section 408 of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Savills plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2023 which comprise:

Group	Parent company
Consolidated statement of financial position as at 31 December 2023	Statement of financial position as at 31 December 2023
Consolidated income statement for the year then ended	Statement of changes in equity for the year then ended
Consolidated statement of comprehensive income for the year then ended	Statement of cash flows for the year then ended
Consolidated statement of changes in equity for the year then ended	Related notes 1 to 35 to the financial statements including a summary of significant accounting policies
Consolidated statement of cash flows for the year then ended	
Related notes 1 to 35 to the financial statements, including a summary of significant accounting policies	

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards and as regards the parent company financial statements, as applied in accordance with section 408 of the Companies Act 2006.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Independence

We are independent of the group and parent in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the group or the parent company and we remain independent of the group and the parent company in conducting the audit.

## Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group and parent company's ability to continue to adopt the going concern basis of accounting included the following:

- We obtained Management's going concern assessment and understood the process undertaken by Management to evaluate the operational and economic impacts of the ongoing macro-economic uncertainty and other downside scenarios on the group and to reflect these in the group's forecasts.
- We tested the clerical accuracy of the going concern cash flow models and evaluated the appropriateness of the methods used to calculate the cashflow forecasts, this included Management's considerations related to forecast cash flows for climate change impacts, concluding these not be material in the going concern period.

- We assessed the appropriateness of the forecasts used in the going concern model by comparing these to the latest Board approved forecast.
- We obtained the cash forecast and covenant calculation for the going concern period which covers 18 months from the balance sheet date to 30 June 2025. We have tested the assumptions that are most sensitive in each modelled scenario, being revenues, costs and underlying profits, and tested compliance with the covenants which focus on adjusted EBITDA. In particular, we compared the main assumptions to historical trends, including the performance of the business through the 2008-2010 Global Financial Crisis and 2020-2022 COVID-19 pandemic.
- We challenged the appropriateness of each of the key assumptions through agreeing them to supporting evidence and searching for contradictory evidence, using our understanding of the group's business, evidence gained during the audit and our industry knowledge, including principal and emerging risks that could impact the group.
- We assessed Management's stress test on both covenant compliance and liquidity where a severe global economic downturn analogous to that experienced during the Global Financial Crisis in 2008-2010 was modelled. We performed our own reverse stress test applying further sensitivities to Management's stress scenario to identify the point at which the covenants would be breached.
- We agreed the cash balances to third party confirmations and key terms in the financing arrangements such as available facility, loan maturity dates and covenants to the underlying agreements.
- We read the Board minutes to identify any matters that may impact the going concern assessment.
- We read the going concern disclosures included in the Annual Report in order to assess whether they are appropriate and in conformity with the reporting standards.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent company's ability to continue as a going concern for a period to 30 June 2025.

In relation to the group and parent company's reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's ability to continue as a going concern.

## Overview of our audit approach

Audit scope	<ul style="list-style-type: none"> <li>■ We performed an audit of the complete financial information of eight components and audit procedures on specific balances for a further five components.</li> <li>■ The components where we performed full or specific audit procedures accounted for 92% of absolute profit before tax*, 92% of revenue and 90% of total assets.</li> </ul> <p>* absolute profit before tax is calculated as the amalgamation of the absolute values of profits and losses across for each component in the group after removing intercompany transactions.</p>
Key audit matters	<ul style="list-style-type: none"> <li>■ Revenue recognition, specifically;               <ul style="list-style-type: none"> <li>- The risk of fraud in revenue recognition in relation to cut-off in the transactional advisory business; and</li> <li>- The risk of management override of controls in relation to revenue recognition.</li> </ul> </li> <li>■ Goodwill impairment</li> </ul>
Materiality	<ul style="list-style-type: none"> <li>■ Overall group materiality of £4.1m which represents 5% of profit before tax adjusted for non-recurring items.</li> </ul>

## INDEPENDENT AUDITOR'S REPORT continued

to the members of Savills plc

### **An overview of the scope of the parent company and group audits**

#### **Tailoring the scope**

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for each company within the group. Taken together, this enables us to form an opinion on the consolidated financial statements. We take into account size, risk profile, the organisation of the group and effectiveness of group-wide controls, changes in the business environment, the potential impact of climate change and other factors such as recent internal audit results when assessing the level of work to be performed at each company.

In assessing the risk of material misstatement to the group financial statements, and to ensure we had adequate quantitative coverage of significant accounts in the financial statements, we selected 13 components as full or specific scope, which represent the principal business units within the group.

Of the 13 components selected, we performed an audit of the complete financial information of eight components ("full scope components") which were selected based on their size or risk characteristics. For the remaining five components ("specific scope components"), we performed audit procedures on specific accounts within that component that we considered had the potential for the greatest impact on the significant accounts in the financial statements either because of the size of these accounts or their risk profile.

The reporting components where we performed audit procedures accounted for 92% (2022: 84%) of the group's absolute profit before tax, 92% (2022: 92%) of the group's revenue and 90% (2022: 90%) of the group's total assets. For the current year, the full scope components contributed 80% (2022: 74%) of the group's absolute profit before tax, 82% (2022: 83%) of the group's revenue and 82% (2022: 81%) of the group's total assets. The specific scope components contributed 12% (2022: 10%) of the group's absolute profit before tax, 10% (2022: 10%) of the group's revenue and 8% (2022: 8%) of the group's total assets. The audit scope of these components may not have included testing of all significant accounts of the component but will have contributed to the coverage of significant accounts tested for the group. A further 6% of the group's absolute profit before tax, 7% of the group's revenue and 7% of the group's total assets were the subject of specified audit procedures, including obtaining additional cash confirmations.

Of the remaining components that together represent 2% of the group's absolute profit before tax, none are individually greater than 1% of the group's absolute profit before tax. For these components, we performed other procedures, including analytical review, testing of consolidation journals, intercompany eliminations and foreign currency translation recalculations to respond to any potential risks of material misstatement to the group financial statements.

#### **Involvement with component teams**

In establishing our overall approach to the group audit, we determined the type of work that needed to be undertaken at each of the components by us, as the primary audit engagement team, or by component auditors from other EY global network firms operating under our instruction. Of the eight full scope components, audit procedures were performed on one of these directly by the group audit team. The audit procedures performed on the other seven full scope components and the five specific scope components were performed by component audit teams. Where the work was performed by component auditors, we determined the appropriate level of involvement to enable us to determine that sufficient audit evidence had been obtained as a basis for our opinion on the group as a whole.

The group audit team continued to follow a programme of planned visits that has been designed to ensure that the Senior Statutory Auditor visits key locations. During the current year's audit cycle, visits were undertaken by the primary audit team to six component teams in the group (Germany, Spain, Ireland, Hong Kong, Singapore, USA), whereas for all other locations, outside of the UK (five components), our visits were performed virtually. We supplemented these visits with further interactions with the component teams through the use of video or teleconferencing facilities, including virtual meetings with local Management. We held virtual planning meetings before the year end and weekly video conference calls were held with each of our component teams from the beginning of February through to the full-year results announcement in March 2024. The review of relevant audit workpapers was facilitated by the EY electronic audit platform and screen sharing of work. This allowed appropriate discussions with the component teams on audit strategy, risk identification and the results of audit procedures performed. The primary team interacted regularly with the component teams where appropriate during various stages of the audit, reviewed relevant working papers and were responsible for the scope and direction of the audit process. This, together with the additional procedures performed at group level, gave us appropriate evidence for our opinion on the group financial statements.

## Climate change

Stakeholders are increasingly interested in how climate change will impact Savills. The group has determined that the most significant future impacts from climate change on their operations will be from shifts in client preferences for real estate services incorporating climate considerations and the substitution of existing products or services with lower emissions options. These are explained on pages 74 to 80 in the required Task Force On Climate Related Financial Disclosures and on pages 30 to 36 in the principal risks and uncertainties.

Climate commitments are explained on page 41. All of these disclosures form part of the “Other information,” rather than the audited financial statements. Our procedures on these unaudited disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated, in line with our responsibilities on “Other information”.

In planning and performing our audit we assessed the potential impacts of climate change on the group’s business and any consequential material impact on its financial statements.

The group has explained in note 2.1 how they have reflected the impact of climate change in their financial statements, including how this aligns with their commitment to achieve net zero emissions by 2030. There are no significant judgements or estimates relating to climate change in the notes to the financial statements as the group own few properties and therefore have limited exposure in terms of changes in environmental requirements. The group have also assessed that transition costs to a low carbon economy will be outweighed by alternative business opportunities.

Our audit effort in considering climate change was focused on the adequacy of the group’s disclosures in the financial statements and their conclusion that no issues were identified that would materially impact the carrying values of intangible assets or have any other material impact on the financial statements. We also challenged the directors’ considerations of climate change in their assessment of going concern and viability and associated disclosures. As part of this evaluation, we performed our own risk assessment, supported by our climate change internal specialists, to determine the risks of material misstatement in the financial statements from climate change which needed to be considered in our audit.

We also challenged the directors’ considerations of climate change risks in their assessment of going concern and viability and associated disclosures. Where considerations of climate change were relevant to our assessment of going concern, these are described above.

Based on our work we have not identified the impact of climate change on the financial statements to be a key audit matter or to impact a key audit matter.

## Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.



## INDEPENDENT AUDITOR'S REPORT continued

to the members of Savills plc

Risk	Our response to the risk	Key observations communicated to the Audit Committee
<p><b>Revenue Recognition</b></p> <p>Revenue for the year ended 31 December 2023 is £2,238.0m (2022: £2,298.3m).</p> <p>There is a risk of fraud in revenue recognition in relation to cut-off in the transactional advisory business. Transactional advisory revenue for the year ended 31 December 2023 is £772.9m (2022: £930.1m).</p> <p>Considering the relatively high proportion of the transactional revenue recognised close to the year end, the risk of misstatement may occur through recognition in the incorrect period, whether due to management override, or error, due to conditions attached to the transactional advisory revenue. We have identified this as a significant risk.</p> <p>There is also a risk that revenue may be misstated through management override by incorrectly recognising revenue in order to increase profits to meet bonus targets, or to smooth financial results.</p> <p>Refer to the Audit Committee Report (page 124); Accounting policies (page 181); and Note 5 of the Consolidated Financial Statements (page 194).</p>	<p>We obtained an understanding of the group's revenue process and identified key controls but did not test or rely on controls.</p> <p>For a sample of transactional advisory revenue transactions recognised close to the year end (both pre and post year end), we obtained the underlying contract with the customer. We read the contracts to identify the performance obligations. For most transactions, we determined that it was appropriate to recognise revenue on unconditional exchange of contracts (lease agreements or sale agreements). Where there were performance obligations existing after exchange of contracts and these were not satisfied at the year-end, but cash was received, we checked that revenue was appropriately deferred by confirming that a liability was recorded in the Statement of Financial Position.</p> <p>For the same sample, we agreed the revenue to cash receipts, checking that a receivable or accrued income was recognised where cash was not received prior to the year end.</p> <p>On a sample basis, we obtained credit notes issued in January to determine if they related to revenue that had been recognised in December. Where this was the case, we gained an understanding of why the credit note was issued and obtained reissued invoices to prove that revenue was not overstated in 2023.</p> <p>We tested all material consolidation adjustments, topside adjustments and manual journal entries impacting revenue by obtaining supporting documentation to corroborate the amounts recorded in the current period.</p> <p>We performed full and specific scope audit procedures over the cut-off risk in transactional advisory revenue and the risk of management override of controls in 8 components, which covered 92% of revenue.</p>	<p>We did not identify any material cut off issues relating to transactional advisory revenue or any instances of management override relating to revenue recognition in the year.</p>
<p><b>Goodwill impairment</b></p> <p>At 31 December 2023 the carrying value of goodwill is £443.6m (2022: £449.4m). The impairment charge recognised during the year is £3.9m (2022: nil).</p> <p>Goodwill is tested annually for impairment at the Cash Generating Unit (CGU) level. The recoverable amount of each CGU is determined through a value in use calculation.</p>	<p>We understood the methodology applied in Management's impairment reviews for each of the material CGUs and identified the controls over the process but did not test or rely on controls.</p> <p>For all material CGUs, we performed the following procedures:</p> <ul style="list-style-type: none"> <li>■ We validated the carrying amounts of the net assets subject to impairment testing to the underlying accounting records, checking consistency between the assets and liabilities included in the carrying value and the related cashflows.</li> <li>■ We tested the integrity and mathematical accuracy of the value in use models prepared by Management to support the recoverable values, and that the models are appropriate for this purpose.</li> </ul>	<p>Based on our procedures, we conclude that the recoverable value of the goodwill is less than the carrying value for the Indonesian CGU and that Management's impairment of £3.9m is appropriate.</p>

Risk	Our response to the risk	Key observations communicated to the Audit Committee
<p><b>Goodwill impairment</b> continued</p> <p>The value in use calculation is based on Management's estimate of the future cash flows of each underlying CGUs and is most sensitive to the assumptions around revenue growth rates, operating profit margin and discount rate.</p> <p>Refer to the Audit Committee Report (page 124); Accounting policies (page 176); and Note 15 of the Consolidated Financial Statements (page 210).</p>	<ul style="list-style-type: none"> <li>■ We agreed forecast cash flows to Board approved budgets and strategic plans.</li> <li>■ We have performed sensitivity analysis over key assumptions to understand the impact of reasonably possible changes in assumptions on the impairment models and conclusions.</li> </ul> <p>We identified the CGUs presenting a higher risk of impairment based on the materiality of the allocated goodwill, historical and actual trading performance, the level of headroom estimated by Management and its sensitivity to changes in key assumptions. For these CGUs, we performed additional audit procedures, in particular:</p> <ul style="list-style-type: none"> <li>■ We tested the key assumptions supporting Management's forecasted cash flows for each CGU, including revenue growth, operating profit margin and discount rate. We compared Management's forecasts to relevant economic and property industry forecasts and to the historical performance of the CGUs. We also engaged our internal valuation specialists to assist with the evaluation of the discount rates applied in Management's value in use models.</li> <li>■ We performed our own sensitivity analysis to understand the impact of changes to key assumptions, in particular revenue growth, operating profit margin and discount rate, on the value in use assessment and stress tested the assessment to conclude on possible impairment.</li> <li>■ For CGUs where the recoverability of the goodwill was sensitive to reasonably possible changes in key assumptions, we verified that appropriate disclosures have been included in the group's financial statements.</li> </ul> <p>Our work on the carrying value of goodwill was performed by the group audit team with assistance from a number of component teams. Our procedures covered 99% of the goodwill carrying value at the balance sheet date.</p>	<p>The recoverable value of all other CGUs exceeds their carrying value and we conclude that there is no impairment of these assets in the year.</p> <p>The disclosures prepared by Management comply with IAS 36 and appropriately reflect the CGUs where a reasonable change in assumption could result in an impairment charge.</p> <p>Management have appropriately highlighted that a reasonably possible change in certain key assumptions in particular revenue and operating profit margin forecasts could lead to material impairment charges in the US and Australia. Changes to revenue forecasts in Indonesia could lead to additional impairment charges.</p> <p>We concluded appropriate disclosures had been included in the financial statements for the above assumptions.</p>

In the prior year, our auditor's report included a key audit matter in relation to provision for professional indemnity litigation and claims. This is no longer considered to be a key audit matter due to the reduction in the number of claims as well as a significant reduction in the group's provision for these claims, after considering any receivables from insurers.

## INDEPENDENT AUDITOR'S REPORT *continued*

to the members of Savills plc

### Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

#### Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the group to be £4.1 million (2022: £8.2 million), which is 5% (2022: 5%) of profit before tax adjusted for non-recurring items. We believe that profit before tax adjusted for non-recurring items provides us with the most relevant performance measure to the stakeholders of the entity and therefore have determined materiality based on this number.

We determined materiality for the Parent Company to be £11.4 million (2022: £11.6 million), which is 3% (2022: 3%) of total assets.

<b>Starting basis</b>	<b>IFRS profit before tax: £55.4 million</b>
<b>Adjustment for non-recurring items</b>	Add back: <ul style="list-style-type: none"><li>■ Material acquisition costs £10.1 million</li><li>■ Restructuring costs £13.9 million</li><li>■ Impairment charge £3.9 million</li></ul> Less: <ul style="list-style-type: none"><li>■ Fair value gain on call option £1.4 million</li><li>■ Profit on disposal of joint ventures £0.4 million</li></ul>
<b>Materiality</b>	IFRS profit before tax adjusted for non-recurring items of £81.5 million Materiality of £4.1 million (5% of materiality basis)

During the course of our audit, we reassessed materiality which resulted in a small increase from our initial materiality of £3.9m to the final materiality of £4.1m. We have audited using the lower materiality of £3.9m.

### Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the group's overall control environment, our judgement was that performance materiality was 50% (2022: 50%) of our planning materiality, namely £2.0m (2022: £4.1m). We have set performance materiality at this percentage due to the risk of material misstatements occurring within the financial statements, including our understanding of the control environment and history of past errors identified.

Audit work at component locations for the purpose of obtaining audit coverage over significant financial statement accounts is undertaken based on a percentage of total performance materiality. The performance materiality set for each component is based on the relative scale and risk of the component to the group as a whole and our assessment of the risk of misstatement at that component. In the current year, the range of performance materiality allocated to components was £0.4m to £1.4m (2022: £0.8m to £3.5m).

### Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of £0.2m (2022: £0.4m), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

## Other information

The other information comprises the information included in the annual report including Strategic Report, Governance, Shareholder information and the Appendices set out on pages 265 and 266, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

## Opinions on other matters prescribed by the Companies Act 2006

In our opinion, the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

## Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

## Corporate Governance Statement

We have reviewed the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the group and company's compliance with the provisions of the UK Corporate Governance Code specified for our review by the Listing Rules.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:

- Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 151;
- Directors' explanation as to its assessment of the company's prospects, the period this assessment covers and why the period is appropriate set out on page 151;
- Director's statement on whether it has a reasonable expectation that the group will be able to continue in operation and meets its liabilities set out on page 151;
- Directors' statement on fair, balanced and understandable set out on page 155;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 32;
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 126; and
- The section describing the work of the audit committee set out on pages 118 to 126.

## **INDEPENDENT AUDITOR'S REPORT** continued

to the members of Savills plc

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 155, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

### **Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the company and Management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and determined that the most significant are those relevant to the reporting framework (UK adopted international accounting standards, the Companies Act 2006 and UK Corporate Governance Code) and the relevant international tax laws and regulations. In addition, we concluded that there are certain significant laws and regulations which may have an effect on the determination of the amounts and disclosures in the financial statements being the Listing Rules of the UK Listing Authority, UK financial services legislation, those laws and regulations relating to employee matters and pensions legislation, and data protection requirements in the jurisdictions in which the group operates.
- We understood how Savills plc is complying with those frameworks through enquiry with Management, internal audit, those responsible for legal and compliance procedures and the company secretary. We corroborated our enquiries through our review of Board minutes and papers provided to the Board and the Audit Committee, including internal audit reports, and our attendance at the meetings of the Audit Committee, as well as consideration of the results of our audit procedures across the group.
- We assessed the susceptibility of the group's financial statements to material misstatement, including how fraud might occur by meeting with Management from various parts of the business to understand where it considered there was susceptibility to fraud. We also considered performance targets impacting bonus arrangements, and the risk of management override of controls. We engaged our forensics specialists in assisting our assessment of the susceptibility of the group's financial statements to fraud and designed specific responses to the risk which were carried out by our full and specific scope locations. We considered the programmes and controls that the group has established to prevent, deter and detect fraud, and how senior Management monitors those programmes and controls. The risk in revenue for cut off in the transactional advisory business and management override of controls in all revenue streams was considered to be higher and we performed audit procedures to address these fraud risks. These procedures were designed to provide reasonable assurance that the financial statements were free from material fraud or error.



- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved:
  - Enquiry of group Management, divisional Management, internal audit, those charged with governance and legal counsel regarding their knowledge and any non-compliance or potential non-compliance with laws and regulations of fraud that could affect the financial statements;
  - Reading minutes of meetings of those charged with governance;
  - Assessment of matters reported to the Audit Committee and the results of Management's investigation of such matters, involving the use of specialists where necessary; and
  - Journal entry testing, with a focus on manual revenue journals and journals indicating large or unusual transactions close to the year end based on our understanding of the business.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### **Other matters we are required to address**

- Following the recommendation from the audit committee, we were appointed by the company on 19 May 2021 to audit the financial statements for the year ending 31 December 2021 and subsequent financial periods.  
The period of total uninterrupted engagement including previous renewals and reappointments is 3 years, covering the years ending 2021 to 2023.
- The audit opinion is consistent with the additional report to the audit committee.

### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Christabel Cowling (Senior statutory auditor)**

for and on behalf of Ernst & Young LLP,  
Statutory Auditor  
London

13 March 2024

## CONSOLIDATED INCOME STATEMENT

for the year ended 31 December 2023

	Notes	2023 £m	2022 £m
<b>Revenue</b>	5 and 6	<b>2,238.0</b>	2,298.3
Employee benefits expense	9.1	<b>(1,496.3)</b>	(1,509.8)
Depreciation	16 and 17	<b>(69.6)</b>	(65.8)
Amortisation of intangible assets	15	<b>(15.8)</b>	(16.9)
Impairment of goodwill	15	<b>(3.9)</b>	-
Other operating expenses	7.1	<b>(619.5)</b>	(562.1)
(Increase)/decrease in provision for expected credit loss		<b>(1.8)</b>	2.1
Other net gains	7.1	<b>2.0</b>	0.3
Share of post-tax profit from joint ventures and associates	18.1	<b>10.2</b>	12.1
<b>Operating profit</b>	7.1	<b>43.3</b>	158.2
Finance income	11	<b>50.6</b>	13.7
Finance costs	11	<b>(38.5)</b>	(18.0)
<b>Net finance income/(cost)</b>	11	<b>12.1</b>	(4.3)
<b>Profit before income tax</b>		<b>55.4</b>	153.9
Income tax expense	12	<b>(15.9)</b>	(34.1)
<b>Profit for the year</b>		<b>39.5</b>	119.8
<b>Attributable to:</b>			
Owners of the parent		<b>40.8</b>	119.4
Non-controlling interests		<b>(1.3)</b>	0.4
		<b>39.5</b>	119.8
<b>Earnings per share</b>			
Basic earnings per share	14.1	<b>30.0p</b>	87.0p
Diluted earnings per share	14.1	<b>28.8p</b>	82.2p

### Supplementary income statement information

<b>Reconciliation to underlying profit before income tax</b>			
<b>Profit before income tax</b>		<b>55.4</b>	153.9
- restructuring and transaction-related costs	8	<b>28.5</b>	15.6
- other underlying adjustments	8	<b>10.9</b>	(4.9)
<b>Underlying profit before income tax</b>	6 and 8	<b>94.8</b>	164.6

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2023

	Notes	2023 £m	2022 £m
Profit for the year		<b>39.5</b>	119.8
<b>Other comprehensive (loss)/income</b>			
<i>Items that will not be reclassified to profit or loss:</i>			
Remeasurement of defined benefit pension scheme and employee benefit obligations		<b>(24.7)</b>	6.6
Changes in fair value of financial assets held at FVOCI		<b>0.6</b>	(10.9)
Tax on other items that will not be reclassified	12	<b>8.4</b>	(3.9)
<b>Total items that will not be reclassified to profit or loss</b>		<b>(15.7)</b>	(8.2)
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Currency translation differences		<b>(27.3)</b>	48.1
<b>Total items that may be reclassified subsequently to profit or loss</b>		<b>(27.3)</b>	48.1
<b>Other comprehensive (loss)/income for the year</b>		<b>(43.0)</b>	39.9
<b>Total comprehensive (loss)/income for the year</b>		<b>(3.5)</b>	159.7
<b>Total comprehensive (loss)/income attributable to:</b>			
Owners of the parent		<b>(1.4)</b>	158.4
Non-controlling interests		<b>(2.1)</b>	1.3
		<b>(3.5)</b>	159.7

# CONSOLIDATED AND COMPANY STATEMENTS OF FINANCIAL POSITION

as at 31 December 2023

	Notes	Group		Company	
		2023 £m	2022 restated* £m	2023 £m	2022 £m
<b>Assets: Non-current assets</b>					
Property, plant and equipment	16	68.1	77.0	2.9	3.4
Right-of-use assets	17	198.3	223.8	41.8	40.0
Goodwill*	15	443.6	449.6	-	-
Intangible assets	15	55.8	66.3	1.3	1.8
Investments in subsidiaries	18.4	-	-	182.4	176.4
Investments in joint ventures and associates	18.1	38.9	37.0	-	-
Deferred income tax assets	19	57.2	38.6	2.6	1.9
Financial assets at fair value through other comprehensive income ('FVOCI')	18.2	5.0	5.7	-	-
Financial assets at fair value through profit and loss ('FVPL')	18.3	38.5	36.8	-	-
Defined benefit pension surplus	10.2	3.2	25.5	-	1.2
Contract related assets	5.1	1.8	2.4	-	-
Trade and other receivables	20.3	69.3	37.5	6.9	7.1
		<b>979.7</b>	<b>1,000.2</b>	<b>237.9</b>	<b>231.8</b>
<b>Assets: Current assets</b>					
Contract assets	5.1	12.6	7.4	-	-
Trade and other receivables	20.1	656.4	643.1	75.1	81.4
Income tax receivable		4.7	2.4	0.7	-
Derivative financial instruments		1.0	0.3	-	-
Cash and cash equivalents**	21	506.8	669.1	118.9	93.6
		<b>1,181.5</b>	<b>1,322.3</b>	<b>194.7</b>	<b>175.0</b>
<b>Liabilities: Current liabilities</b>					
Borrowings	24	7.9	10.6	-	-
Overdrafts in notional pooling arrangement**	22	192.3	202.0	-	-
Lease liabilities	25	52.9	53.2	6.0	5.2
Derivative financial instruments		2.5	1.0	-	-
Contract liabilities	5.1	11.9	14.0	-	-
Trade and other payables*	23.1	682.1	744.5	14.6	14.9
Income tax liabilities		6.9	15.5	-	2.4
Employee benefit obligations	26.2	18.5	17.7	0.2	0.2
Provisions	26.1	17.2	9.2	-	-
		<b>992.2</b>	<b>1,067.7</b>	<b>20.8</b>	<b>22.7</b>
<b>Net current assets</b>		<b>189.3</b>	<b>254.6</b>	<b>173.9</b>	<b>152.3</b>
<b>Total assets less current liabilities</b>		<b>1,169.0</b>	<b>1,254.8</b>	<b>411.8</b>	<b>384.1</b>
<b>Liabilities: Non-current liabilities</b>					
Borrowings	24	149.3	149.1	-	-
Lease liabilities	25	201.3	224.4	54.2	53.6
Derivative financial instruments		3.2	6.7	-	-
Other payables	23.2	10.4	21.9	-	-
Retirement and employee benefit obligations	26.2, 10.2	26.2	25.2	-	-
Provisions	26.1	23.9	20.6	2.5	2.4
Deferred income tax liabilities	19	1.9	1.6	-	-
		<b>416.2</b>	<b>449.5</b>	<b>56.7</b>	<b>56.0</b>
<b>Net assets</b>		<b>752.8</b>	<b>805.3</b>	<b>355.1</b>	<b>328.1</b>
<b>Equity:</b>					
Share capital	27	3.6	3.6	3.6	3.6
Share premium	27	104.9	104.9	104.9	104.9
Other reserves	29	94.5	112.8	38.2	38.2
Retained earnings	29	514.9	546.8	208.4	181.4
<b>Equity attributable to owners of the parent</b>		<b>717.9</b>	<b>768.1</b>	<b>355.1</b>	<b>328.1</b>
<b>Non-controlling interests</b>	18.5	<b>34.9</b>	<b>37.2</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>		<b>752.8</b>	<b>805.3</b>	<b>355.1</b>	<b>328.1</b>

\* See Note 18.6 for details of prior period restatement.

\*\* Included within cash and cash equivalents are cash balances of £193.3m (31 December 2022: £205.0m) that are operated within a notional cash pooling arrangement together with overdraft balances of £192.3m (31 December 2022: £202.0m) presented above in current liabilities. See Note 22 for further details.

The profit after income tax of the Company for the year was £66.1m (2022: £78.8m).

The consolidated and Company financial statements on pages 166 to 171 were authorised for issue by the Board of Directors on 13 March 2024 and were signed on its behalf by:

**J J M Ridley**

**S J B Shaw**

Savills plc

Registered in England No. 2122174

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2023

	Attributable to owners of the parent						Non-controlling interests £m	Total equity £m
	Share capital £m	Share premium £m	Other reserves* £m	Retained earnings** £m	Total £m			
<b>Balance at 1 January 2023</b>	<b>3.6</b>	<b>104.9</b>	<b>112.8</b>	<b>546.8</b>	<b>768.1</b>	<b>37.2</b>	<b>805.3</b>	
Profit for the year	-	-	-	40.8	40.8	(1.3)	39.5	
Other comprehensive income/(loss):								
Remeasurement of defined benefit pension scheme and employee benefit obligations	-	-	-	(24.6)	(24.6)	(0.1)	(24.7)	
Changes in fair value of financial assets at FVOCI	-	-	0.6	-	0.6	-	0.6	
Tax on items taken to other comprehensive income/(loss)	12	-	-	8.4	8.4	-	8.4	
Currency translation differences	-	-	(26.6)	-	(26.6)	(0.7)	(27.3)	
<b>Total comprehensive (loss)/income for the year</b>	<b>-</b>	<b>-</b>	<b>(26.0)</b>	<b>24.6</b>	<b>(1.4)</b>	<b>(2.1)</b>	<b>(3.5)</b>	
Employee share option scheme:								
- Value of services provided	28	-	-	28.8	28.8	-	28.8	
- Tax on employee share option schemes	12	-	-	0.5	0.5	-	0.5	
Tax on other items taken to reserves	12	-	-	(0.4)	(0.4)	-	(0.4)	
Purchase of treasury shares	-	-	-	(26.3)	(26.3)	-	(26.3)	
Dividends	13	-	-	(48.8)	(48.8)	(2.2)	(51.0)	
Transfer between reserves	-	-	7.7	(9.7)	(2.0)	2.0	-	
Fair value of derivative financial instrument	-	-	-	(0.6)	(0.6)	-	(0.6)	
<b>Balance at 31 December 2023</b>	<b>3.6</b>	<b>104.9</b>	<b>94.5</b>	<b>514.9</b>	<b>717.9</b>	<b>34.9</b>	<b>752.8</b>	

	Attributable to owners of the parent						Non-controlling interests £m	Total equity £m
	Share capital £m	Share premium £m	Other reserves* £m	Retained earnings** £m	Total £m			
<b>Balance at 1 January 2022</b>	<b>3.6</b>	<b>104.4</b>	<b>76.2</b>	<b>540.0</b>	<b>724.2</b>	<b>29.2</b>	<b>753.4</b>	
Profit for the year	-	-	-	119.4	119.4	0.4	119.8	
Other comprehensive income/(loss):								
Remeasurement of defined benefit pension scheme and employee benefit obligations	-	-	-	6.1	6.1	0.5	6.6	
Changes in fair value of financial assets at FVOCI	-	-	(10.9)	-	(10.9)	-	(10.9)	
Tax on items taken to other comprehensive income/(loss)	12	-	-	(3.7)	(3.7)	(0.2)	(3.9)	
Currency translation differences	-	-	47.5	-	47.5	0.6	48.1	
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>36.6</b>	<b>121.8</b>	<b>158.4</b>	<b>1.3</b>	<b>159.7</b>	
Employee share option scheme:								
- Value of services provided	28	-	-	29.6	29.6	0.8	30.4	
- Tax on employee share option schemes	12	-	-	(2.6)	(2.6)	-	(2.6)	
Issue of share capital	-	0.5	-	-	0.5	-	0.5	
Tax on other items taken to reserves	12	-	-	0.3	0.3	-	0.3	
Purchase of treasury shares	-	-	-	(49.0)	(49.0)	-	(49.0)	
Dividends	13	-	-	(85.5)	(85.5)	(0.4)	(85.9)	
Transfer between reserves	-	-	0.4	(4.0)	(3.6)	3.6	-	
Fair value of derivative financial instrument	3.8	-	-	(4.5)	(4.5)	-	(4.5)	
Transactions with non-controlling interests	-	-	(0.4)	0.7	0.3	-	0.3	
Additions through business combinations	18.6	-	-	-	-	2.7	2.7	
<b>Balance at 31 December 2022</b>	<b>3.6</b>	<b>104.9</b>	<b>112.8</b>	<b>546.8</b>	<b>768.1</b>	<b>37.2</b>	<b>805.3</b>	

\* Included within other reserves on the face of the statement of financial position are the capital redemption reserve, merger relief reserve, foreign exchange reserve and revaluation reserve as disclosed in Note 29.

\*\* Included within retained earnings on the face of the statement of financial position are treasury shares, share-based payments reserve and the profit and loss account as disclosed in Note 29.



## COMPANY STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2023

		Attributable to owners of the Company							
Notes	Share capital £m	Share premium £m	Capital redemption reserve* £m	Merger relief reserve* £m	Other reserves* £m	Share-based payments reserve** £m	Retained earnings** £m	Total equity £m	
<b>Balance at 1 January 2023</b>	<b>3.6</b>	<b>104.9</b>	<b>0.3</b>	<b>34.9</b>	<b>3.0</b>	<b>52.5</b>	<b>128.9</b>	<b>328.1</b>	
Profit for the year	-	-	-	-	-	-	<b>66.1</b>	<b>66.1</b>	
Other comprehensive income/(loss):									
Remeasurement of defined benefit pension scheme	10.2	-	-	-	-	-	<b>(1.3)</b>	<b>(1.3)</b>	
Tax on items taken to other comprehensive income		-	-	-	-	-	<b>0.4</b>	<b>0.4</b>	
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>65.2</b>	<b>65.2</b>	
Employee share option scheme:									
- Value of services provided	28	-	-	-	-	<b>28.8</b>	-	<b>28.8</b>	
- Exercise of share options		-	-	-	-	<b>(21.3)</b>	<b>3.6</b>	<b>(17.7)</b>	
- Tax on employee share option schemes	12	-	-	-	-	<b>0.2</b>	-	<b>0.2</b>	
- Exercise of share options: tax on employee share option schemes		-	-	-	-	<b>(0.1)</b>	-	<b>(0.1)</b>	
Transfer between reserves		-	-	<b>3.0</b>	<b>(3.0)</b>	-	-	-	
Dividends	13	-	-	-	-	-	<b>(49.4)</b>	<b>(49.4)</b>	
<b>Balance at 31 December 2023</b>	<b>3.6</b>	<b>104.9</b>	<b>0.3</b>	<b>37.9</b>	<b>-</b>	<b>60.1</b>	<b>148.3</b>	<b>355.1</b>	

		Attributable to owners of the Company							
Notes	Share capital £m	Share premium £m	Capital redemption reserve* £m	Merger relief reserve* £m	Other reserves* £m	Share-based payments reserve** £m	Retained earnings** £m	Total equity £m	
<b>Balance at 1 January 2022</b>	<b>3.6</b>	<b>104.4</b>	<b>0.3</b>	<b>34.9</b>	<b>3.0</b>	<b>44.1</b>	<b>132.7</b>	<b>323.0</b>	
Profit for the year	-	-	-	-	-	-	<b>78.8</b>	<b>78.8</b>	
Other comprehensive income/(loss):									
Remeasurement of defined benefit pension scheme	10.2	-	-	-	-	-	<b>0.2</b>	<b>0.2</b>	
Tax on items taken to other comprehensive income		-	-	-	-	-	<b>(0.1)</b>	<b>(0.1)</b>	
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>78.9</b>	<b>78.9</b>	
Employee share option scheme:									
- Value of services provided	28	-	-	-	-	<b>30.4</b>	-	<b>30.4</b>	
- Exercise of share options		-	-	-	-	<b>(21.0)</b>	<b>3.4</b>	<b>(17.6)</b>	
- Tax on employee share option schemes	12	-	-	-	-	<b>(0.6)</b>	-	<b>(0.6)</b>	
- Exercise of share options: tax on employee share option schemes		-	-	-	-	<b>(0.4)</b>	<b>0.4</b>	-	
Issue of share capital		-	<b>0.5</b>	-	-	-	-	<b>0.5</b>	
Dividends	13	-	-	-	-	-	<b>(86.5)</b>	<b>(86.5)</b>	
<b>Balance at 31 December 2022</b>	<b>3.6</b>	<b>104.9</b>	<b>0.3</b>	<b>34.9</b>	<b>3.0</b>	<b>52.5</b>	<b>128.9</b>	<b>328.1</b>	

\* Included within other reserves on the face of the statement of financial position are the capital redemption reserve, the merger relief reserve and other reserves as disclosed above.

\*\* Included within retained earnings on the face of the statement of financial position are share-based payments reserve and retained earnings as disclosed above.

## CONSOLIDATED AND COMPANY STATEMENTS OF CASH FLOWS

for the year ended 31 December 2023

	Notes	Group		Company	
		2023 £m	2022 £m	2023 £m	2022 £m
<b>Cash flows from operating activities</b>					
Cash generated from/(used in) operations	31	<b>49.2</b>	210.9	<b>(22.0)</b>	(6.8)
Interest received		<b>40.6</b>	13.3	<b>6.8</b>	2.0
Interest paid		<b>(33.3)</b>	(16.9)	<b>(2.1)</b>	(2.1)
Income tax (paid)/received		<b>(37.7)</b>	(43.3)	<b>(0.7)</b>	4.6
<b>Net cash generated from/(used in) operating activities</b>		<b>18.8</b>	164.0	<b>(18.0)</b>	(2.3)
<b>Cash flows from investing activities</b>					
Proceeds from sale of property, plant and equipment		<b>5.3</b>	0.2	<b>0.2</b>	-
Proceeds from sale of financial assets held at FVOCI and FVPL		<b>4.8</b>	1.6	-	-
Proceeds from sale of interests in joint ventures		<b>0.3</b>	0.1	-	-
Dividends received from joint ventures	18.1	<b>8.6</b>	7.1	-	-
Dividends received from associates	18.1	<b>1.4</b>	4.2	-	-
Dividends received from subsidiary		-	-	<b>75.0</b>	79.0
Dividends received from other parties		<b>0.2</b>	0.2	-	-
Repayment of loans by joint ventures		<b>0.1</b>	0.1	-	-
Repayment of loans by associates		<b>0.2</b>	0.4	-	-
Repayment of loans by subsidiaries		-	-	<b>226.3</b>	40.7
Repayment of loans by other parties		-	0.7	-	-
Loans to joint ventures		-	(0.1)	-	-
Loans to associates		-	(0.4)	-	-
Loans to subsidiaries		-	-	<b>(204.0)</b>	(25.0)
Loans to other parties		<b>(2.5)</b>	(1.7)	-	-
Acquisition of subsidiaries, net of cash and overdrafts acquired	18.6	<b>(8.7)</b>	(14.9)	-	-
Deferred consideration paid in relation to prior year acquisitions	23.3	<b>(1.9)</b>	(3.3)	-	-
Sublease income		<b>0.7</b>	-	<b>0.2</b>	-
Purchase of property, plant and equipment	16	<b>(17.4)</b>	(19.8)	<b>(1.1)</b>	(1.5)
Purchase of intangible assets	15	<b>(5.5)</b>	(7.0)	-	-
Purchase of financial assets held at FVOCI and FVPL		<b>(6.7)</b>	(8.8)	-	-
Purchase of investment in joint ventures	18.1	<b>(0.5)</b>	(0.4)	-	-
Investment in Employee Benefit Trust	18.4	-	-	<b>(23.6)</b>	(37.3)
Return of capital investment from subsidiaries in relation to Employee Benefit Trust funding		-	-	<b>25.8</b>	29.5
<b>Net cash (used in)/generated from investing activities</b>		<b>(21.6)</b>	(41.8)	<b>98.8</b>	85.4
<b>Cash flows from financing activities</b>					
Proceeds from issue of share capital		-	0.5	-	0.5
Proceeds from transaction with non-controlling interest		-	7.9	-	-
Transaction costs incurred on transaction with non-controlling interest		-	(0.2)	-	-
Proceeds from borrowings	24	<b>105.7</b>	9.6	-	-
Repayments of borrowings	24	<b>(109.9)</b>	(5.6)	-	-
Financing fees paid	32	-	(0.4)	-	-
Principal elements of lease payments	32	<b>(54.7)</b>	(51.4)	<b>(6.1)</b>	(5.7)
Purchase of treasury shares		<b>(26.3)</b>	(49.0)	-	-
Dividends paid	13	<b>(51.0)</b>	(85.9)	<b>(49.4)</b>	(86.5)
<b>Net cash used in financing activities</b>		<b>(136.2)</b>	(174.5)	<b>(55.5)</b>	(91.7)
<b>Net (decrease)/increase in cash, cash equivalents and bank overdrafts</b>					
Cash, cash equivalents and bank overdrafts at beginning of year		<b>464.3</b>	490.0	<b>93.6</b>	102.2
Effect of exchange rate fluctuations on cash and cash equivalents held		<b>(15.0)</b>	26.6	-	-
<b>Cash, cash equivalents and bank overdrafts at end of year</b>	22	<b>310.3</b>	464.3	<b>118.9</b>	93.6

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

## 1. General information

Savills plc (the 'Company') and its subsidiaries (together the 'Group') is a global real estate services group. The Group operates through a network of offices in the UK, Europe, Asia Pacific, North America, Africa and the Middle East. Savills plc is listed on the London Stock Exchange and employed a monthly average of 42,080 staff worldwide during 2023.

The Company is a public limited company incorporated and domiciled in England, United Kingdom. The address of its registered office is 33 Margaret Street, London W1G 0JD. The Company's registered number is 2122174.

These consolidated financial statements were approved for issue by the Board of Directors on 13 March 2024. The Board of Directors have the power to amend the financial statements after issue.

## 2. Accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated, and are also applicable to the parent Company.

### 2.1 Basis of preparation

These financial statements have been prepared in accordance with UK adopted international accounting standards ('IFRS') and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006. The financial statements are prepared on a going concern basis and under the historical cost convention as modified by the revaluation of loans receivable, equity investments held at FVOCI, financial assets held at FVPL and derivative financial instruments held at fair value.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates and for management to exercise judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

In preparing the financial statements management has considered the impact of climate change, taking into account the relevant disclosures in the Strategic Report, including those made in accordance with the recommendations of the Taskforce on Climate-related Financial Disclosure. These considerations included the limited exposure in terms of tangible assets, including in our investment management business where we do not own the properties, as well as our current assessment that the transition costs to a low carbon economy will be outweighed by alternative business opportunities, therefore not impacting the recoverability of our intangible assets. On this basis, we concluded that climate change did not have a material impact on the financial reporting judgements and estimates, consistent with the assessment that this is not expected to have a significant impact on the Group's going concern or viability assessment.

As permitted by Section 408 of the Companies Act 2006, the income statement and statement of comprehensive income of the Company are not presented as part of these financial statements. The Company has produced its own income statement and statement of comprehensive income for approval by its Board. The Company receives dividends from subsidiaries and charges subsidiaries for the provision of Group-related services.

### 2.2 Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report. The financial position of the Group, its cash flows and liquidity position are described in the Chief Financial Officer's Review, with details of the Group's treasury activities and exposure to financial risk included in Note 3 to the Consolidated Financial Statements.

The Group has prepared its going concern assessment for the period to the end of June 2025. As in prior years, the Board undertook a strategic business review in the current year, taking account of the Group's current position and prospects, the Group's strategic plan, and the Group's principal risks and the management of those risks, as detailed in the Annual Report and the Board's risk appetite as detailed in the Strategic Report. Sensitivity analysis was also undertaken, including financing projections, to flex the financial forecasts under several severe downside scenarios, which involved applying different assumptions to the underlying forecasted revenues, costs and underlying profits both individually and in aggregate. These scenarios assess the potential impact from several macro-economic risks, including a severe global economic downturn analogous to that experienced during the Global Financial Crisis in 2008/09. The results of this sensitivity analysis showed that the Group would retain liquidity and maintain significant available facility and covenant headroom to be able to withstand the impact of such scenarios over the period of the financial forecast, as a result of the resilience and diversity of the Group, underpinned by a strong balance sheet.

Based on the Group's positive net cash position of £157.3m (cash and cash equivalents less overdrafts in notional pooling arrangements and borrowings) and undrawn £360.0m revolving credit facility at the year end, as described in the Chief Financial Officer's review, combined with the assessment explained above, the Directors have formed the judgement at the time of approving the financial statements, that there is a reasonable expectation that the Group has adequate resources to continue as a going concern for a period of at least 12 months from the date of the approval of the financial statements until at least June 2025. For this reason, they continue to adopt the going concern basis of accounting in preparing the Consolidated Financial Statements.

### 2.3 Use of non-GAAP measures

The Group believes that the consistent presentation of underlying profit before tax, underlying effective tax rate, underlying basic earnings per share and underlying diluted earnings per share provides additional useful information to Shareholders on the underlying trends and comparable performance of the Group over time by excluding significant non-operational costs/income from the GAAP measures. The 'underlying' measures are also used by the Group for internal performance analysis and incentive compensation arrangements for employees.

These terms are not defined terms under IFRS and may therefore not be comparable with similarly-titled profit measures reported by other companies. They are not intended to be a substitute for, or superior to, GAAP measures. The non-GAAP measures may be materially higher or lower than GAAP measures and should not be regarded as a complete picture of the Group's financial performance. In particular, underlying profit before tax may be materially higher or lower than reported profit before tax as a result of the adjustments.

The term 'underlying' refers to the relevant measure of profit, earnings or taxation being reported mainly excluding the impact (pre and post-tax where applicable) of the following items:

- the difference between IFRS 2 charges related to outstanding bonus-related deferred share awards and the estimated value of the current year bonus pool expected to be allocated to deferred share awards;
- amortisation of intangible assets arising from business combinations (this excludes software or other pre-existing intangible assets of the acquiree);
- items that are considered significant in size and non-operational in nature including restructuring costs, impairments of goodwill and intangible assets arising from business combinations and profits or losses arising on disposals of subsidiaries and other investments; and
- significant transaction-related costs associated with business combinations.

The majority of adjustments made to the GAAP measures to arrive at 'underlying' measures relate to charges arising as a result of business combinations. The nature of the Group's business and the businesses that the Group acquires (being 'asset light' people businesses) require the Group to structure business acquisitions such that often payment of deferred consideration is linked to recipients' continuing and active engagement in the business at the date of the deferred payment, with these payments required to be expensed to the income statement under IFRS 3. For internal performance analysis and incentive compensation arrangements, these charges are considered part of the initial cost of acquiring a business, instead of an ongoing operational cost, and are therefore excluded from the Group's 'underlying' measures. The same rationale is applied to the exclusion of amortisation of intangible assets arising from business combinations (excluding software or other pre-existing intangible assets of the acquiree), any impairments of goodwill and the aforementioned intangible assets, significant transaction-related costs associated with business combinations and significant restructuring costs. These items are not considered to reflect the business's trading performance and so are adjusted to ensure consistency between periods.

The adjustment for share-based payments relates to the impact of the accounting standard for share-based compensation. The annual bonus is paid in a mixture of cash and deferred shares and the proportions can vary from one year to another. Under IFRS, the deferred share element is amortised to the income statement over the vesting period whilst the cash element is expensed in the year. The adjustment above addresses this by adding to or deducting from profit the difference between the IFRS 2 charge in relation to outstanding bonus-related share awards and the estimated value of the current year bonus pool to be awarded in deferred shares. This adjustment is made to align the underlying staff cost in the year with the revenue recognised in the same period, providing additional information on the Group's performance over time with respect to profitability.

The underlying effective tax rate represents the underlying income tax expense expressed as a percentage of underlying profit before tax. The underlying income tax expense is the income tax expense excluding the tax effect of the adjustments made to arrive at underlying profit before tax and other tax effects related to these adjustments.

## NOTES TO THE FINANCIAL STATEMENTS *continued*

Year ended 31 December 2023

### 2. Accounting policies *continued*

#### 2.3 Use of non-GAAP measures *continued*

Underlying basic earnings per share and underlying diluted earnings per share both utilise the underlying profit after tax measure instead of GAAP earnings. The weighted average number of shares remain the same as the GAAP measure.

The Group also refers to revenue and underlying profit on a constant currency basis which are both non-GAAP measures. Constant currency results are calculated by translating the current year revenue and underlying profit using the prior year exchange rates. This measure allows the Group to assess the results of the current year compared to the prior year, excluding the impact of foreign currency movements.

A reconciliation between GAAP and underlying measures are set out in Note 8 (underlying profit before tax) and Note 14.2 (underlying basic earnings per share and underlying diluted earnings per share).

#### 2.4 Consolidation

The consolidated financial statements include those of the Company and its subsidiary undertakings, together with the Group's share of results of its associates and joint ventures.

##### (a) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group.

Intercompany transactions, balances and unrealised gains and losses on transactions between Group companies are eliminated. Profits and losses resulting from intercompany transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Investments in subsidiaries held by the Company are held at cost, less any provision for impairment.

##### (b) Acquisition of subsidiaries

The Group applies the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's identifiable net assets.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Contingent consideration only applies to situations where contingent payments are not dependent on future employment of vendors. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity. Payments dependent on future employment are expensed to the income statement over the relevant period of employment as required by IFRS 3 (revised).

Acquisition-related costs are expensed as incurred.

##### (c) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions, that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

##### (d) Disposal of subsidiaries

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Profit or loss on disposal of subsidiaries is recognised in profit or loss as other gains/(losses).



### **(e) Associates and joint ventures**

Investments in associates and joint ventures are accounted for using the equity method of accounting.

Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition (see Note 18.1).

The Group's share of its associates' and joint ventures' post-acquisition profits or losses is recognised in the income statement with a corresponding adjustment to the carrying amount of the investment. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment. When the Group's share of losses in an associate or joint venture equals or exceeds its interest in the associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture) the Group does not recognise further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in the associate or joint venture. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates and joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of associates and joint ventures is tested for impairment in accordance with the policy described in Note 2.10.

Profit or loss on disposal of associates and joint ventures is recognised in profit or loss as other gains/(losses).

### **(f) Investment management funds**

The Investment Management business enters into strategic partnerships and mandates to provide asset management or investment advisory services to external clients, and in certain instances also has an interest in the fund general partner or in co-investment schemes (the Savills Investment Management funds). In its role as fund manager, the Investment Management business is considered by management to be acting as an agent which does not have control under IFRS 10 and therefore the Savills Investment Management funds are not consolidated as part of the Group.

## **2.5 Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Group Executive Board ('GEB').

A business segment is a Group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that is subject to risks and returns that are different from those of segments operating in other economic environments.

The GEB primarily manages the business based on the geographic location in which the Group operates, with the Investment Management business being managed separately. As the Group is strongly affected by both differences in the types of services it provides and the geographical areas in which it operates, the matrix approach of disclosing both the business and geographical segments format is used.

Revenues and expenses are allocated to segments on the basis that they are directly attributable or the relevant portion can be allocated on a reasonable basis.

## **2.6 Foreign currency translation**

### **(a) Functional and presentation currency**

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in sterling, which is also the Company's functional and presentation currency.

## NOTES TO THE FINANCIAL STATEMENTS continued

Year ended 31 December 2023

### 2. Accounting policies continued

#### 2.6 Foreign currency translation continued

##### (b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in other comprehensive income as qualifying cash flow hedges.

Translation differences on non-monetary financial assets and liabilities are reported as part of the fair value gain or loss and are recognised in the income statement, except for financial assets held at FVOCI, which are recognised in other comprehensive income. Non-monetary items carried at historical cost are reported using the exchange rate at the date of the transaction.

##### (c) Group entities

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to the Group's presentational currency at foreign exchange rates ruling at the reporting date. Exchange differences arising from this translation of foreign operations are recognised in other comprehensive income and taken to the foreign exchange reserve. When a foreign operation is disposed of, in part or in full, the relevant amount in the foreign exchange reserve is transferred to the income statement.

The income and expenses of foreign operations are translated at an average rate for the year where this rate approximates to the foreign exchange rates ruling at the dates of the transactions.

#### 2.7 Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure directly attributable to acquisition.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Provision for depreciation is made at rates calculated on a straight-line basis to write off the assets over their estimated useful lives as follows:

Freehold property	50 years
Short leasehold property (less than 50 years)	Lower of estimated useful life and unexpired term of lease
Equipment and motor vehicles	3-10 years

Residual values and useful lives are reviewed and adjusted if appropriate at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

#### 2.8 Goodwill

Goodwill represents the excess of the cost of acquisition of a subsidiary or associate over the Group's share of the fair value of identifiable net assets acquired.

Goodwill is carried at cost less accumulated impairment losses. Separately recognised goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate potential impairment. An impairment loss is recognised for the amount by which the carrying value exceeds the recoverable amount. The recoverable amount is the higher of value-in-use and fair value less costs of disposal. Impairment losses on goodwill are not reversed.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or Groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The Group allocates goodwill to each business segment in the geographical region in which it operates (Note 15).

Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

In respect of associates and joint ventures, goodwill is included in the carrying value of the investment and is not tested for impairment separately.

## 2.9 Intangible assets other than goodwill

Intangible assets arising from business combinations and incremental contract costs are valued at fair value on acquisition and amortised over the useful life. Fair value on acquisition is determined by third party valuation where the acquisition is significant.

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with maintaining computer software programmes are recognised as an expense as incurred.

Measurement subsequent to initial recognition is at cost less accumulated amortisation and impairment.

Amortisation charges are spread on a straight-line basis over the period of the assets' estimated useful lives as follows:

Customer relationships	3-15 years
Order backlogs	2-4 years
Contracts - investment, property management and other existing business contracts	2-20 years
Brands	10 years
Computer software	3-7 years

Acquired investment management contracts relating to open-ended funds have been attributed indefinite useful lives, reflecting the open-ended nature of the funds, the Group's intention to continue with the management of the funds and the expectation that these contracts are expected to generate net cash inflows for the Group.

## 2.10 Impairment of other non-financial assets

Assets that have indefinite useful lives are not subject to amortisation or depreciation and are tested annually for impairment or whenever an indicator of impairment exists. Assets that are subject to amortisation or depreciation are reviewed for impairment whenever an indicator of impairment exists. An impairment loss is recognised to the extent that the carrying value exceeds the higher of the asset's fair value less cost to sell and its value-in-use. Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

Value-in-use is determined using the discounted cash flow method, with an appropriate discount rate to reflect market rates and specific risks associated with the asset.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

## 2.11 Financial instruments

Financial assets and liabilities are recognised on the Group's statement of financial position at fair value or amortised cost when the Group becomes party to the contractual provisions of the instrument. Subsequent measurement depends on the classification (see Notes 2.12-2.18).

## 2.12 Financial assets held at FVOCI

The Group has made an irrevocable election at initial recognition for equity investments to be classified as FVOCI (fair value through other comprehensive income). Changes in fair value are recognised through other comprehensive income rather than profit or loss. Dividends from these investments are recognised in profit or loss as other operating income. When such investments are disposed or become impaired, the accumulated gains and losses, recognised in other comprehensive income, are reclassified to retained earnings and will not be recycled to the income statement.

## 2.13 Financial assets held at FVPL

The Group holds loans and other debt like financial instruments at fair value with changes in fair value recognised through profit or loss. Any gains or losses that arise when such instruments are disposed are recognised in operating profit/(loss) within the income statement.

## NOTES TO THE FINANCIAL STATEMENTS *continued*

Year ended 31 December 2023

### 2. Accounting policies *continued*

#### 2.14 Trade and other receivables

Trade receivables are recognised initially at their transaction price and subsequently measured at amortised cost less provision for impairment. Receivables are discounted where the time value of money is material.

The Group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables and contract assets. These estimates are based on historic credit loss experience, adjusted for forward-looking factors specific to the debtors and macro-economic and specific country-risk considerations with higher default rates applied to older balances.

In addition, if specific circumstances exist which would indicate that the receivable is irrecoverable a specific provision is made. A provision is made against trade receivables and contract assets until such time as the Group believes there to be no reasonable expectation of recovery, after which the trade receivable or contract asset balance is written off.

#### 2.15 Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held on call with banks, together with other short-term highly liquid investments with original maturities of three months or less, that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Cash and cash equivalents include cash balances that are operated within a notional cash pooling arrangement, together with overdraft balances, which are presented separately in current liabilities in the statement of financial position when IAS 32 offsetting requirements are not met. Bank overdrafts are included under borrowings in the statement of financial position.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents, as defined above, is net of overdraft balances within the notional cash pooling arrangement and outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

#### 2.16 Interest-bearing debt

Interest-bearing bank loans, loan notes and overdrafts are initially measured at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest rate method.

#### 2.17 Trade payables

Trade payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest rate method. Trade payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

#### 2.18 Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at fair value. Changes in the fair value of the Group's derivative instruments are recognised immediately in the income statement.

#### 2.19 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. When share capital is repurchased, the amount of consideration paid, including directly attributable costs, is recognised as a charge to equity. Repurchased shares which are not cancelled, or shares purchased for the Employee Benefit Trust and the Savills Rabbi Trust, are classified as treasury shares and presented as a deduction from total equity.

## 2.20 Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the year end date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the year end date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, joint ventures and associates except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. In respect of deductible temporary differences associated with investments in subsidiaries, joint ventures and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income tax levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

## 2.21 Pension obligations

The Group operates both defined benefit and defined contribution plans. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors, such as age, years of service and compensation.

The asset or liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligations at the reporting date less the fair value of plan assets. The defined benefit obligations are calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligations are determined by discounting the estimated future cash outflows.

The defined benefit scheme charge consists of net interest costs, past service costs and the impact of any settlements or curtailments and is charged as an expense as they fall due.

All actuarial gains and losses are recognised immediately in other comprehensive income in the period in which they arise.

The net defined benefit cost is allocated amongst participating Group subsidiaries on the basis of pensionable salaries.

The Group also operates a defined contribution Group Personal Pension Plan for new entrants and a number of defined contribution individual pension plans. Contributions in respect of defined contribution pension schemes are charged to the income statement when they are payable. The Group has no further payment obligations once the contributions have been paid. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.



## NOTES TO THE FINANCIAL STATEMENTS *continued*

Year ended 31 December 2023

### 2. Accounting policies *continued*

#### 2.22 Share-based payments

The Group operates equity-settled share-based compensation plans. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense.

All equity-settled share-based payments are measured at fair value at the date of grant. Fair value is predominantly measured by use of the Actuarial Binomial option pricing model. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period. Market performance conditions are reflected within the grant date fair value. Service and non-market performance conditions are included in assumptions about the number of options that are expected to vest. At the end of each reporting period, the Group revises its estimate of the number of options that are expected to vest based on the service and non-market performance conditions. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

Any cash proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

The Company recognises the share-based payment charge relating to its employees in the income statement with the share-based payment recharge relating to employees of the Group's subsidiaries recognised as an increase to the Company's investment in subsidiary non-current asset on the Statement of Financial Position, with a corresponding entry to the Company's share-based payment reserve. When contributions from the Group's subsidiaries are received, these are recognised against the carrying value of the investment in subsidiary non-current asset to the extent that they relate to the IFRS 2 charge.

#### 2.23 Employee Benefit Trust and Savills Rabbi Trust

The Company has established the Savills plc 1992 Employee Benefit Trust (the 'EBT') and the Savills Rabbi Trust (the 'Rabbi Trust'), the purposes of which are to grant awards to employees, to acquire shares in the Company pursuant to the Savills Deferred Share Bonus Plan and the Savills Deferred Share Plan and to hold shares in the Company for subsequent transfer to employees on the vesting of the awards granted under the schemes. The assets and liabilities of the EBT and Rabbi Trust are included in the Group statement of financial position. Investments in the Group's own shares are shown as a deduction from equity.

From a Company perspective, cash contributions to the EBT are recognised as an investment in subsidiary non-current asset. When treasury shares are transferred out of the EBT upon vesting, the related cost of investment in subsidiary non-current asset is derecognised.

#### 2.24 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that the Group will be required to settle that obligation and the amount has been reliably estimated. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material, with the unwinding of the discount included in finance costs.

##### (a) Professional indemnity claims

Provisions on professional indemnity claims are recognised when it is probable that the Group will be required to settle claims against it as a result of a past event and the amount of the obligation can be reliably estimated. The Group recognises a provision based on the expected settlement amount for the claim. A separate receivable from insurers in relation to professional indemnity claims is recognised to the extent it is virtually certain of being received. This receivable is recognised within other receivables.

##### (b) Dilapidation provisions

The Group is required to perform dilapidation repairs and restore properties to agreed specifications on leased properties prior to the properties being vacated at the end of their lease term. Provision for such cost is made where a legal obligation is identified and the liability can be reasonably quantified. The provisions are reviewed on an annual basis for changes in cost estimates.

##### (c) Restructuring provisions

A provision is recognised when there is a present constructive obligation to meet the costs of restructure. This arises when there is a detailed formal plan for the restructuring, identifying at least the business or part of the business concerned, principal locations affected and the location, function and approximate number of employees to be compensated for terminating their services and when the plan has been communicated to those affected by it, raising an expectation that the plan will be carried out.

## 2.25 Revenue

The Group recognises revenue from the following major sources:

- Residential property transactions
- Commercial property transactions
- Property consultancy services
- Property and facilities management services
- Investment management services

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer.

### (a) Residential property transactions

Generally, revenue is recognised at a point in time, when unconditional contracts are exchanged. Fees are a fixed consideration or a fixed percentage of the transaction value and are invoiced to the client upon completion.

For new home developments revenue is recognised following the terms of the contract. In some instances revenue is recognised on a staged basis, reflecting the Group's obligations to find a buyer and to further support the client after exchange of contracts through to completion of the build and contract, which can be a number of years later. For these developments, revenue recognition commences when the underlying contracts are exchanged, with total revenue from the contract recognised by the date of completion in accordance with contractual terms. Fees are a fixed consideration or a fixed percentage of the transaction value and are invoiced to the client at each contractual milestone, in line with the recognition of revenue. In other instances, the revenue will be recognised when contracts are exchanged and the transaction is unconditional. In these instances no further support is provided to the client after this point.

### (b) Commercial property transactions

Generally, revenue is recognised at a point in time on the date of completion or when unconditional contracts have been exchanged. Fees are a fixed consideration or a fixed percentage of the transaction value and are invoiced to the client upon completion.

### (c) Property consultancy services

The Group primarily provides a wide range of professional property services including valuation, building and housing consultancy, environmental consultancy, development, planning, research, corporate services, landlord and tenant services and strategic projects.

Generally, revenue is recognised over a period of time as services are rendered in accordance with the contract terms. Fee arrangements include fixed fee arrangements and fee for service arrangements ('time and materials').

For fixed-price contracts, revenue is recognised based on the stage of completion with reference to the actual services provided to the end of the reporting period as a proportion of the total services to be provided under the contract. This is determined on a contract by contract basis with reference to actual costs incurred in relation to the best estimate of total costs expected for completion of the contract or using a milestone based approach, depending on the contract terms.

For fee-for-service contracts, revenue is recognised up to the amount of fees that the Group is entitled to invoice for services performed to date based on contracted rates.

Payment arrangements vary between contracts, ranging from monthly retainers, monthly invoicing, quarterly invoicing, invoicing upon reaching certain milestones in the contract or payment upon completion of the final performance obligation in the contract. As a result, services rendered under a contract will often exceed consideration received from a customer and a contract asset will be recognised. If payments exceed services rendered, a contract liability will be recognised.

In some instances, revenue will be recognised at a point in time upon delivery of the final report to the client. This is often the case for standalone valuation reports where the performance obligation is the provision of a property valuation report to the client. The Group is entitled to invoice the customer when the final report has been issued, at which point payment will be due.

## NOTES TO THE FINANCIAL STATEMENTS continued

Year ended 31 December 2023

### 2. Accounting policies continued

#### 2.25 Revenue continued

##### (d) Property and facilities management services

The Group primarily manages commercial, industrial, residential, leisure and agricultural property for owners.

The primary performance obligation relates to the ongoing management of a property where revenue is recognised over a period of time as services are rendered in accordance with the contract terms. Revenue is recognised over the life of a contract on a straight-line basis, which is in line with the satisfaction of the performance obligation.

Payment arrangements vary between contracts. The majority of customers are invoiced monthly or quarterly in advance, with consideration payable upon the issue of an invoice. Where invoicing is in advance a contract liability will be recognised.

In some property management arrangements, the Group is required to evaluate whether it is the principal (report revenues on a gross basis) or agent (report revenues on a net basis). Where the primary performance obligation of the contract relates to the arrangement of services for a customer rather than the responsibility to provide the services, the Group is considered the agent and the mark-up for the sub-contracted services will be recognised as revenue (revenues reported on a net basis).

For leasing fees and management fees on repairs or other ad hoc property management services outside of the standard contract terms, revenue is recognised at a point in time upon completion of the performance obligation.

In these instances, the invoice would be raised to the customer upon completion of the performance obligation and payment due at this time.

##### (e) Investment management services

Base management fees are received for the provision of fund and asset management services. Fund management fees are typically either fixed or calculated as a fixed percentage of the net asset value or gross asset value of the underlying portfolio of investments on a quarterly basis. Asset management fees are typically calculated as a fixed percentage of gross rental income or passing rents on a quarterly basis. Fees are estimated based on the previous quarter's actual values and variances to these estimates are recognised in the following quarter. Revenue is recognised over a period of time as services are rendered in accordance with the contract terms. Revenue is recognised over the life of a contract on a straight-line basis, which is in line with the satisfaction of the performance obligation. Customers are generally invoiced quarterly in advance with consideration payable upon the issue of an invoice, as a result a contract liability will be recognised as the payments received will exceed services rendered.

Transaction fees are received for the coordination and management of the due diligence in connection with acquisitions and sales of assets for customers. Transaction fees are calculated as a fixed percentage on the purchase or sales price and are recognised at a point in time upon unconditional exchange of contracts.

Performance fees are received when a fund's performance exceeds a designated return hurdle rate or pre-defined benchmark or when the sale of individual assets exceeds a designated return hurdle rate. The Group estimates fees for this variable fee arrangement using a most likely amount approach on a contract by contract basis. Variable consideration is included in revenue only to the extent that it is highly probable that the amount will not be subject to significant reversal when the uncertainty is resolved.

##### (f) Financing components

For contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year, the transaction price is adjusted for the time value money. The financing component is recognised within finance costs or finance income in the income statement.

##### (g) Costs of obtaining a contract

In the Investment Management business the Group pays placement fees to third parties for sourcing new investors (the customer) and equity for a fund. These costs are capitalised and amortised on a straight-line basis over the life of the fund, consistent with the pattern of transfer of service to which the asset relates. The amortisation of these costs are recognised in the income statement, within other operating expenses.

Incremental costs of obtaining a contract are recognised in the income statement, within other operating expenses, when incurred when the amortisation period of the asset that would otherwise have been recognised is less than a year.

## 2.26 Leases

The Group enters into lease agreements for the use of buildings, equipment and motor vehicles. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Leases are recognised as a right-of-use asset and a corresponding lease liability for future lease payables at the date at which the leased asset is available for use by the Group. Depreciation of the right-of-use asset will be recognised in the income statement on a straight-line basis, with interest recognised on the lease liability.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and interest cost. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in the income statement. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

Extension and termination options are included in a number of property and equipment leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

## 2.27 Dividends

Dividend distributions are recognised as a liability in the Group's financial statements in the period in which they are approved by the Company's Shareholders.

## NOTES TO THE FINANCIAL STATEMENTS continued

Year ended 31 December 2023

### 2. Accounting policies continued

#### 2.28 Adoption of standards, amendments and interpretations to standards

Standards, amendments and interpretations endorsed by the UK and mandatorily effective for the first time for the financial year beginning 1 January 2023 are not relevant or considered to have a significant impact on the Group and its financial statements.

Finance (No 2) Bill 2023, that includes Pillar Two legislation, was substantively enacted in the UK on 20 June 2023, to apply for periods commencing 1 January 2024. Pillar Two Model Rules (Amendments to IAS 12) as issued in May 2023, was adopted as from that date. The amendments to IAS 12 introduce a temporary mandatory relief from accounting for deferred tax that arise from legislation implementing OECD Pillar Two. As required by the amendments to IAS 12 the Group has applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

Under the legislation, the Group is liable to pay a top-up tax for the difference between its GloBE effective tax rate per jurisdiction and the 15% minimum rate. Since Pillar Two legislation was not effective at the reporting date, the Group has no related current tax exposure. Management's assessment of the Group's potential exposure to additional top-up tax based on current forecasts has identified some entities within the Group that may have an effective tax rate below 15% however operations in these entities are not significant and the value of the additional top-up tax would not be material for the Group. Due to the complexities in applying the legislation and calculating GloBE income, the quantitative impact of the enacted or substantively enacted legislation is not yet reasonably estimable. Therefore, even for those entities with an accounting effective tax rate above 15%, there might still be Pillar Two tax implications. The Group is currently engaged with tax specialists to assist it with applying the legislation.

There are no standards, amendments and interpretations to standards that are not yet effective that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions with the exception of the amendments to IFRS 7: Financial Instruments Disclosures and IAS 7 Statement of Cash Flows with respect to supplier finance arrangements, which is effective for reporting periods commencing 1 January 2024. These amendments require additional disclosures with respect to supplier finance arrangements that exist within the Group, including the terms and conditions of the arrangements, the value of such liabilities presented in trade and other payables and ranges of payment due dates. The Group has commenced a review of its arrangements to ensure the required disclosure information can be made as at 31 December 2024.

### 3. Financial risk management

#### 3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks. The Group has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the Group. The Group and the Company use financial instruments to manage material foreign currency risk.

The treasury function is responsible for implementing risk management policies applied by the Group and the Company. The treasury function has a policy and procedures manual that sets out specific guidelines on financial risks and the use of financial instruments to manage these.

#### 3.2 Foreign exchange risk

##### Group

The Group operates internationally and is exposed to foreign exchange risks primarily with respect to the euro, Hong Kong dollar and US dollar. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. When there is a material committed foreign currency exposure the foreign exchange risk will be hedged. The Group may finance some overseas investments through the use of foreign currency borrowings. The Group does not actively seek to hedge risks arising from foreign currency translations due to their non-cash nature and the high costs associated with such hedging.

The sensitivity analysis has been prepared for the major currencies to which the Group is exposed. Recent historical movements in these currencies have been considered and it has been concluded that a 5-10% movement in rates is a reasonable benchmark.



For the years ended 31 December, if the average currency conversion rates against sterling for the year had changed with all other variables held constant, the Group post-tax profit for the year would have increased or decreased as shown below:

£m	Movement of currency against sterling			
	-10.0%	-5.0%	+5.0%	+10.0%
<b>2023</b>				
Estimated impact on post-tax profit				
Euro	<b>0.6</b>	<b>0.3</b>	<b>(0.4)</b>	<b>(0.7)</b>
Hong Kong dollar	<b>(0.3)</b>	<b>(0.2)</b>	<b>0.2</b>	<b>0.4</b>
US dollar	<b>0.8</b>	<b>0.4</b>	<b>(0.5)</b>	<b>(1.0)</b>
Chinese renminbi	<b>(0.5)</b>	<b>(0.3)</b>	<b>0.3</b>	<b>0.6</b>
Estimated impact on components of equity				
Euro	<b>0.9</b>	<b>0.5</b>	<b>(0.5)</b>	<b>(1.1)</b>
Hong Kong dollar	<b>(7.8)</b>	<b>(4.1)</b>	<b>4.5</b>	<b>9.6</b>
US dollar	<b>(17.3)</b>	<b>(9.1)</b>	<b>10.0</b>	<b>21.1</b>
Chinese renminbi	<b>(4.4)</b>	<b>(2.3)</b>	<b>2.5</b>	<b>5.4</b>
<b>2022</b>				
Estimated impact on post-tax profit				
Euro	(1.4)	(0.7)	0.8	1.7
Hong Kong dollar	(0.8)	(0.4)	0.4	0.9
US dollar	(0.8)	(0.4)	0.4	0.9
Chinese renminbi	(0.6)	(0.3)	0.3	0.7
Estimated impact on components of equity				
Euro	(0.9)	(0.5)	0.5	1.2
Hong Kong dollar	(8.8)	(4.6)	5.1	10.7
US dollar	(18.7)	(9.8)	10.8	22.9
Chinese renminbi	(4.8)	(2.5)	2.8	5.9

### Company

The Company recharges some of the Group's international subsidiaries with respect to their allocation of central corporate costs and in some instances receives recharged costs from its international subsidiaries with respect to the cost of global initiatives incurred by those subsidiaries. The Company endeavours to invoice its subsidiaries in sterling to minimise the risk of exposure to foreign currency movements. Similar to the Group, when there is a material committed foreign currency exposure the foreign exchange risk will be hedged however the Company does not actively seek to hedge risks arising from foreign current transactions due to the high costs associated with such hedging. The impact of foreign exchange risk is considered minimal for the Company.

## NOTES TO THE FINANCIAL STATEMENTS continued

Year ended 31 December 2023

### 3. Financial risk management continued

#### 3.3 Interest rate risk

##### Group

The Group has both interest-bearing assets and liabilities. The Group finances its operations through a mixture of retained profits and bank borrowings, at both fixed and floating interest rates. Borrowings issued at variable rates expose the Group cash flow to interest rate risk, which is partially offset by cash held at variable rates. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. Group policy is to maintain at least 70% of its borrowings in fixed rate instruments.

For the year ended 31 December 2023, if the average interest rate for the year had changed with all other variables held constant, the Group's post-tax profit for the year and equity would have increased or decreased as shown below:

£m	Increase in interest rates			
	+0.5%	+1.0%	+1.5%	+2.0%
<b>2023</b>				
Estimated impact on post-tax profit and equity	<b>1.1</b>	<b>2.1</b>	<b>3.2</b>	<b>4.2</b>
<b>2022</b>				
Estimated impact on post-tax profit and equity	1.0	2.6	4.3	5.9

£m	Decrease in interest rates			
	-0.5%	-1.0%	-1.5%	-2.0%
<b>2023</b>				
Estimated impact on post-tax profit and equity	<b>(1.1)</b>	<b>(2.1)</b>	<b>(3.2)</b>	<b>(4.2)</b>
<b>2022</b>				
Estimated impact on post-tax profit and equity	(2.3)	(3.7)	(3.7)	(3.6)

The rationale behind the 2.0% sensitivity analysis is based upon historic trends in interest rate movements and the short-term expectation that any increase or decrease greater than 2.0% is unlikely to occur.

##### Company

The Company has interest-bearing assets in the form of cash and cash equivalents and short-term interest bearing loans issued to the Group's subsidiaries. The impact of interest rate changes is not considered material for the Company, with the value of interest income recognised in the period having a greater dependency on the level of cash and cash equivalents and intercompany loans maintained by the Company. The value of interest-bearing assets that the Company holds in any given period is primarily determined by the management of the UK Group's cash pooling arrangement and the timing and value of dividends paid up by the Company's subsidiary.

### 3.4 Credit risk

#### Group

Credit risk arises from cash and cash equivalents, equity investments, loans receivables, debt like financial instruments and derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to clients, including outstanding receivables and committed transactions.

The Group has policies that require appropriate credit checks on potential customers before engaging with them. A risk control framework is used to assess the credit quality of clients, taking into account financial position, past experience and other factors. There were no material individual trade receivable balances as at 31 December 2023. Refer to Note 20 for information on the credit quality of trade and other receivables and the maximum exposure to credit risk arising on outstanding receivables from clients.

Individual risk limits for banks and financial institutions are set based on external ratings and in accordance with limits set by the Board. The utilisation of credit limits is regularly monitored. As at the reporting date, no significant credit risk existed in relation to banking counterparties. No credit limits were exceeded during the reporting year, and management does not expect any losses from non-performance by these counterparties.

The table below shows the Group's cash and cash equivalents, overdrafts in notional pooling arrangements and bank overdrafts, as per the Statement of Cash Flows, split by counterparty ratings at the reporting date:

Counterparty rating (provided by S&P)	2023 £m	2022 £m
AAAm	-	1.0
AA-	37.2	36.2
A+	152.2	148.9
A	45.1	195.1
A-	29.3	31.9
BBB+	13.7	18.2
BBB or below	32.8	33.0
Total	310.3	464.3

#### Company

The Company's credit risk arises from cash and cash equivalents, as well as outstanding receivables primarily due from the Group's subsidiaries.

As at 31 December 2023, the Company's cash was held with Barclays Bank PLC (2022: £92.6m), which is an A+ rated bank. As at 31 December 2022, £1.0m of the Company's cash was held in BlackRock Institutional Liquidity Funds, which had an AAAm rating.

Significant individual intercompany receivable balances include £27.9m (2022: £18.6m) due from Savills (UK) Limited, £30.4m due from Savills Holding Company Limited (2022: £0.0m), the majority of which relates to a loan (£30.0m), and £1.4m (2023: £52.8m) due from Savills (Overseas Holdings) Limited. There are no other significant individual receivable balances as at 31 December 2023 and 31 December 2022.

### 3.5 Liquidity risk

#### Group

The Group maintains appropriate committed facilities to ensure the Group has sufficient funds available for operations and expansion. The Group prepares an annual funding plan approved by the Board which sets out the Group's expected financing requirements for the next 12 months.

Management monitors rolling forecasts of the Group's liquidity reserve comprising undrawn borrowing facilities (Note 24) and cash and cash equivalents (Note 21 and Note 22) on the basis of expected cash flow. This is carried out at local level in the operating companies of the Group in accordance with Group practice as well as on a Group consolidated basis.

## NOTES TO THE FINANCIAL STATEMENTS continued

Year ended 31 December 2023

### 3. Financial risk management continued

#### 3.5 Liquidity risk continued

##### Group continued

The table below analyses the Group's financial liabilities and net-settled derivative financial liabilities into relevant maturity Groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows, unless otherwise stated.

£m	Less than a year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual undiscounted cash flows	Carrying values
<b>2023</b>						
Borrowings	12.6	34.4	70.3	62.7	180.0	157.2
Overdrafts in notional pooling arrangement	192.3	-	-	-	192.3	192.3
Lease liabilities	61.2	65.0	111.1	58.5	295.8	254.2
Derivative financial instruments	2.5	-	3.2	-	5.7	5.7
Trade and other payables	613.2	5.3	5.7	1.0	625.2	623.6
	<b>881.8</b>	<b>104.7</b>	<b>190.3</b>	<b>122.2</b>	<b>1,299.0</b>	<b>1,233.0</b>
<b>2022 restated*</b>						
Borrowings	15.3	4.6	41.5	125.6	187.0	159.7
Overdrafts in notional pooling arrangement	202.0	-	-	-	202.0	202.0
Lease liabilities	61.4	77.9	110.6	70.7	320.6	277.6
Derivative financial instruments	1.0	3.9	2.8	-	7.7	7.7
Trade and other payables	676.8	19.4	3.4	0.1	699.7	698.7
	956.5	105.8	158.3	196.4	1,417.1	1,345.7

\* See Note 18.6 for details of prior period restatement.

##### Company

The Company is part of the UK Group's cash pooling arrangement, which is managed by the Group Treasury function and provides the Company access to the Group's revolving credit facility and other centrally managed sources of financing. Management monitors rolling forecasts of the UK Group's cash and cash equivalents on the basis of expected cash flows.

The table below analyses the Company's financial liabilities into relevant maturity Groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows, unless otherwise stated.

£m	Less than a year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual undiscounted cash flows	Carrying values
<b>2023</b>						
Lease liabilities	7.9	7.9	23.8	29.7	69.3	60.2
Trade and other payables	13.3	-	-	-	13.3	13.3
	<b>21.2</b>	<b>7.9</b>	<b>23.8</b>	<b>29.7</b>	<b>82.6</b>	<b>73.5</b>
<b>2022</b>						
Lease liabilities	7.1	7.1	21.2	33.5	68.9	58.8
Trade and other payables	13.7	-	-	-	13.7	13.7
	20.8	7.1	21.2	33.5	82.6	72.5

### 3.6 Capital risk management

The Group's and Company's objectives when managing capital are:

- to safeguard the Group's ability to provide returns for Shareholders and benefits for other stakeholders; and
- to maintain an optimal capital structure to reduce the cost of capital.

The Group's overall strategy remains unchanged from 2022. This strategy applies to the Company.

Savills plc is not subject to any externally-imposed capital requirements, with the exception of its regulated entities within the Savills Investment Management Group and its FCA (Financial Conduct Authority) regulated entity, Savills Capital Advisors Limited, in the UK. All regulated entities complied with the relevant capital requirements for the year ended 31 December 2023. The Savills Investment Management Group has regulated entities in the UK, Jersey, Luxembourg, Germany, Italy, Japan, Singapore and Australia. For more information on Savills Investment Management Group's regulated entities and regulatory requirements, please visit [www.savillsim.com](http://www.savillsim.com).

In order to maintain an optimal capital structure, the Group may adjust the amount of dividends paid to Shareholders, return capital to Shareholders, issue new shares or sell assets to reduce debt.

The Board has put in place a distribution policy which takes into account the degree of maintainability of the Group's different profit streams and the Group's overall exposure to cyclical Transaction Advisory profits, as well as the requirement to maintain a certain level of cash resources for working capital and corporate development purposes.

The Board will recommend an ordinary dividend broadly reflecting the profits derived from the Group's less volatile businesses. In addition, when profits from the cyclical Transaction Advisory business are strong, the Board will consider and, if appropriate, recommend the payment of a supplemental dividend alongside the final ordinary dividend. The value of any such supplemental dividend will vary depending on the performance of the Group's Transaction Advisory business and the Group's anticipated working capital and corporate development requirements through the cycle. It is intended that, in normal circumstances, the combined value of the ordinary and supplemental dividends declared in respect of any year are covered at least 1.5 times by retained earnings and/or at least 2.0 times by underlying profits after taxation. The Group complied with this policy throughout the year.

The Group's policy is to borrow centrally, if required, to meet anticipated funding requirements. These borrowings, together with cash generated from operations, are then on-lent or contributed as equity to certain subsidiaries. The Board of Directors monitors a number of debt measures on a rolling forward 12-month basis including: gross cash by location; gross debt by location; cash subject to restrictions; total debt servicing cost to operating profit; gross borrowings as a percentage of EBITDA (earnings before interest, tax, depreciation and amortisation); and forecast headroom against available facilities. These internal measures indicate the levels of debt that the Group has and are closely monitored to ensure compliance with banking covenants and to confirm that the Group has sufficient unused facilities. The Group complied with all banking covenants throughout the year and met all internal counterparty exposure limits set by the Board.

The capital structure is as follows:

£m	Group		Company	
	2023	2022	2023	2022
<b>Equity</b>	<b>752.8</b>	805.3	<b>355.1</b>	328.1
Cash and cash equivalents	<b>506.8</b>	669.1	<b>118.9</b>	93.6
Overdrafts in notional pooling arrangement	<b>(192.3)</b>	(202.0)	-	-
Bank overdrafts	<b>(4.2)</b>	(2.8)	-	-
Borrowings (gross of transaction costs)	<b>(153.8)</b>	(158.3)	-	-
<b>Cash and cash equivalents net of gross borrowings</b>	<b>156.5</b>	306.0	<b>118.9</b>	93.6



## NOTES TO THE FINANCIAL STATEMENTS continued

Year ended 31 December 2023

### 3. Financial risk management continued

#### 3.7 Categories of financial instruments

Group £m	Financial assets at FVPL 2023	Financial assets at FVOCI 2023	Financial assets at amortised cost 2023	Total carrying amount 2023	Financial assets at FVPL 2022	Financial assets at FVOCI 2022	Financial assets at amortised cost 2022	Total carrying amount 2022
<b>Financial assets:</b>								
Financial assets at FVOCI	-	5.0	-	5.0	-	5.7	-	5.7
Financial assets at FVPL	38.5	-	-	38.5	36.8	-	-	36.8
Trade and other receivables	-	-	606.2	606.2	-	-	549.5	549.5
Derivative financial instruments	1.0	-	-	1.0	0.3	-	-	0.3
Cash and cash equivalents	-	-	506.8	506.8	-	-	669.1	669.1
<b>Total financial assets</b>	<b>39.5</b>	<b>5.0</b>	<b>1,113.0</b>	<b>1,157.5</b>	<b>37.1</b>	<b>5.7</b>	<b>1,218.6</b>	<b>1,261.4</b>

Group £m	Financial liabilities at FVPL 2023	Financial liabilities at amortised cost 2023	Total carrying amount 2023	Financial liabilities at FVPL 2022	Financial liabilities at amortised cost 2022	Total carrying amount 2022
<b>Financial liabilities:</b>						
Borrowings	-	157.2	157.2	-	159.7	159.7
Overdrafts in notional pooling arrangements	-	192.3	192.3	-	202.0	202.0
Lease liabilities	-	254.2	254.2	-	277.6	277.6
Trade and other payables	-	623.6	623.6	-	698.5	698.5
Derivative financial instruments	5.7	-	5.7	7.7	-	7.7
<b>Total financial liabilities</b>	<b>5.7</b>	<b>1,227.3</b>	<b>1,233.0</b>	<b>7.7</b>	<b>1,337.8</b>	<b>1,345.5</b>

Company £m	Financial assets at amortised cost 2023	Total carrying amount 2023	Financial assets at amortised cost 2022	Total carrying amount 2022
<b>Financial assets:</b>				
Trade and other receivables	75.0	75.0	84.8	84.8
Cash and cash equivalents	118.9	118.9	93.6	93.6
<b>Total financial assets</b>	<b>193.9</b>	<b>193.9</b>	<b>178.4</b>	<b>178.4</b>

Company £m	Financial liabilities at amortised cost 2023	Total carrying amount 2023	Financial liabilities at amortised cost 2022	Total carrying amount 2022
<b>Financial liabilities:</b>				
Lease liabilities	60.2	60.2	58.8	58.8
Trade and other payables	13.1	13.1	13.7	13.7
<b>Total financial liabilities</b>	<b>73.3</b>	<b>73.3</b>	<b>72.5</b>	<b>72.5</b>

### 3.8 Fair value estimation

The following table presents the Group's assets and liabilities that are measured at fair value at 31 December 2023:

£m	Level 2	Level 3	Total
<b>2023</b>			
<b>Assets</b>			
Financial assets at FVOCI			
- Unlisted equity investments	-	5.0	5.0
Financial assets at FVPL	-	38.5	38.5
Derivative financial instruments	1.0	-	1.0
<b>Total assets</b>	<b>1.0</b>	<b>43.5</b>	<b>44.5</b>
<b>Liabilities</b>			
Derivative financial instruments	-	5.7	5.7
<b>Total liabilities</b>	<b>-</b>	<b>5.7</b>	<b>5.7</b>

The following table presents the Group's assets and liabilities that are measured at fair value at 31 December 2022:

£m	Level 1	Level 2	Level 3	Total
<b>2022</b>				
<b>Assets</b>				
Financial assets at FVOCI				
- Listed equity investments	0.8	-	-	0.8
- Unlisted equity investments	-	-	4.9	4.9
Financial assets at FVPL	-	-	36.8	36.8
Derivative financial instruments	-	0.3	-	0.3
<b>Total assets</b>	<b>0.8</b>	<b>0.3</b>	<b>41.7</b>	<b>42.8</b>
<b>Liabilities</b>				
Derivative financial instruments	-	1.0	6.7	7.7
<b>Total liabilities</b>	<b>-</b>	<b>1.0</b>	<b>6.7</b>	<b>7.7</b>

#### Level 1

Level 1 instruments are those whose fair values are based on quoted market prices.

#### Level 2

The fair value of derivative financial instruments relating to forward foreign exchange contracts are determined by using valuation techniques using observable market data. The fair value of derivative financial instruments is based on the market value of similar instruments with similar maturities.

The gross notional principal amounts of the outstanding forward foreign exchange contracts at 31 December 2023 were £107.9m (2022: £70.8m). All contracts mature within one year and are classed as current.

Gains and losses on forward foreign exchange contracts are recognised in net foreign exchange gains and losses in the income statement.

## NOTES TO THE FINANCIAL STATEMENTS continued

Year ended 31 December 2023

### 3. Financial risk management continued

#### 3.8 Fair value estimation continued

##### Level 3

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

Financial assets held at FVOCI (unlisted equity investments) included in Level 3 fall under two categories. The first, where cost has been determined as the best approximation of fair value. Cost is considered the best approximation of fair value in these instances either due to insufficient more recent information being available and/or there being a wide range of possible fair value measurements due to the nature of the investments and cost is considered the best estimate of fair value within the range. The second, where management have determined the fair value of the unlisted equity security based upon the latest trading performance of the investments, cash flow forecasts of the investments and applying these to a discounted cash flow valuation and/or considering evidence from recent fundraising initiatives undertaken.

Financial assets held at FVPL included in Level 3 fall under two categories. The first, where the fair value of investment funds is based on underlying asset values determined by the Fund Manager's quarterly financial statements. The second, where management have determined the fair value of convertible loans based upon the latest trading performance of the equity investments and cash flow forecasts of the investments and applying these to a discounted cash flow valuation. See Note 18.3 for the terms of these loans.

Deferred consideration held at fair value relates to contingent deferred consideration. The fair value of contingent deferred consideration classified as Level 3 is derived from management's best estimate of future revenue/profits of the relevant acquired business, in accordance with the contractually agreed earn-out targets.

The derivative financial liabilities classified as Level 3 relate to put and call options, the fair value of which is derived from management's best estimate of the average EBITDA forecast of the relevant businesses. These include a call option on the Savills IM Holdings Limited group. Under this agreement Samsung Life has the option to increase its interest by up to 10% over the four years following the initial transaction in December 2021, depending upon the quantum and timing of the provision of capital to Savills Investment Management's investment products, the maximum being achievable if at least US\$2bn of capital is committed. This option is classed as non-current. Gains and losses are recognised in operating profits in the income statement. Derivative financial liabilities also include a put and call option on the remaining 40% of the Absolute Maintenance Services Pte Limited and Solute Pte Limited businesses. Under the agreement made in 2022, after 2 years the Group has the option to purchase and the non-controlling interest holder has the option to request the Group to purchase an additional 20%, with the remaining 20% after 5 years. The fair value of this option is split between current and non-current accordingly. The loss upon recognition has been recognised in reserves.

The following table presents the changes in Level 3 items for the period ended 31 December 2023:

£m	Derivative financial instruments	Financial assets at FVOCI	Financial assets at FVPL
<b>Opening balance 1 January 2023</b>	<b>(6.7)</b>	<b>4.9</b>	<b>36.8</b>
Additions	<b>(0.6)</b>	<b>2.2</b>	<b>4.6</b>
Disposals	-	<b>(2.3)</b>	<b>(1.2)</b>
Transfer to investment in associate	-	<b>(1.5)</b>	-
Conversion of loan	-	<b>1.8</b>	-
Transfer to financial assets at FVPL	-	<b>(0.1)</b>	<b>0.1</b>
Settlement	<b>0.2</b>	-	-
Remeasurement	<b>1.3</b>	<b>0.1</b>	<b>(1.0)</b>
Exchange movement	<b>0.1</b>	<b>(0.1)</b>	<b>(0.8)</b>
<b>Closing balance 31 December 2023</b>	<b>(5.7)</b>	<b>5.0</b>	<b>38.5</b>

## 4. Critical accounting estimates and management judgements

### 4.1 Accounting estimates

Estimates are continually evaluated and are based on historical experience, current market conditions and other factors including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. Changes in accounting estimates may be necessary if there are changes in circumstances on which the estimate was based, or as a result of new information or more experience. The estimates that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

#### (a) Defined benefit pensions

Determining the value of the future defined benefit obligation requires estimation in respect of the assumptions used to calculate present values. These include future mortality, discount rate and inflation. Management determines these assumptions in consultation with an independent actuary. Details of the estimates made in calculating the defined benefit obligation are disclosed in Note 10.2.

#### (b) Goodwill

The Group tests goodwill for impairment on an annual basis by comparing the carrying value of these assets with the value-in-use calculations of the relevant cash-generating unit ('CGU'). Within this process, the Group makes a number of key assumptions including discount rates, terminal growth rates and forecast cash flows. The assumptions impact the recoverability of goodwill and the requirement for impairment charges in the income statement. Additional information is disclosed in Note 15, which highlights the critical estimates applied in the value-in-use calculations for those CGUs that are considered most sensitive to changes in key assumptions and the sensitivity of these critical estimates.

#### (c) Debtor recoverability

As described in Note 20, provisions for impairment of trade receivables have been made. In reviewing the appropriateness of these provisions, consideration has been given to the ageing of the debt and the potential likelihood of default, taking into account current and future economic conditions. Impairment analysis is performed by local management using a provision matrix to measure the expected credit losses, which is based on historical credit loss experience adjusted for forward-looking factors specific to the debtors and economic environment.

### 4.2 Management judgements

The following are critical judgements, apart from those involving estimations (which are dealt with separately above), that the Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

#### (a) Non-underlying items

The Group presents underlying profit, earnings and taxation as part of its non-GAAP measures explained in Note 2.3. These measures involve the exclusion of items that, in the judgement of the Directors, need to be disclosed separately in order to provide additional information with respect to the Group's operational performance. The items that are excluded are considered significant and non-operational in nature and meet the Group's criteria for exclusion as described in Note 2.3. Further details of these items disclosed by the Directors in the reconciliation to underlying profit are detailed in Note 8.

#### (b) Critical judgements in determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The judgements made impact the value of the right-of-use assets and lease liabilities recognised in the statement of financial position upon initial recognition of a lease.

The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

## NOTES TO THE FINANCIAL STATEMENTS continued

Year ended 31 December 2023

### 5. Revenue from contracts with customers

Revenue of £2,238.0m (2022: £2,298.3m) in the income statement relates solely to revenue arising from contracts with customers.

The Group derives revenue from the transfer of services over time and at a point in time in the major product lines and geographical regions as highlighted in the Group's segment analysis (Note 6).

#### 5.1 Contract-related assets and liabilities

The Group recognised the following revenue contract-related assets and liabilities:

	2023 £m	2022 £m
Asset recognised for costs incurred to obtain a contract - investment management contracts	1.8	2.4
Contract assets - consulting contracts	12.6	7.4
Accrued income (Note 20.1)	53.8	60.7
<b>Total contract-related assets</b>	<b>68.2</b>	70.5
Current	66.4	68.1
Non-current	1.8	2.4
	68.2	70.5
Deferred revenue	11.9	14.0
<b>Total contract liabilities - current</b>	<b>11.9</b>	14.0

No material impairment loss on contract assets has been recognised in the current or prior year.

Amortisation on investment management contract costs recognised in the income statement amounted to £0.7m (2022: £0.2m).

All material consulting contracts are for periods of one year or less. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

The movement in accrued income and deferred income year-on-year is a result of normal trading fluctuations and is not materially impacted by subsidiary acquisitions, foreign exchange fluctuations or changes in assumptions.

#### 5.2 Revenue recognised in relation to contract liabilities

Revenue recognised in the year that was included in the contract liability balance at the beginning of the period totalled £13.7m (2022: £12.9m).

Revenue recognised in the year from performance obligations satisfied in previous years was not material.



## 6. Segment analysis

Operating segments reflect internal management reporting to the Group's chief operating decision-maker, defined as the Group Executive Board ('GEB'). The GEB primarily manages the business based on the geographic location in which the Group operates, with the Investment Management business being managed separately.

The operating segments are identified as the following regions: the UK, Continental Europe and the Middle East ('CEME'), Asia Pacific and North America. The Savills Investment Management business is also considered a separate operating segment. The reportable operating segments derive their revenue primarily from property-related services. Within the UK and Asia Pacific, both commercial and residential services are provided. Other segments are largely commercial-based.

Refer to the Group overview on page 5 and the segmental reviews on pages 22 to 26 for further information on revenue sources. The GEB also reviews the business with reference to the nature of the services in each region. Therefore, the Group has presented its segment analysis below in a matrix with the primary operating segments based on regions in which the Group operates.

The GEB assesses the performance of operating segments based on a measure of underlying profit before tax which adjusts reported pre-tax profit by profit/(loss) on disposals, share-based payment adjustment, significant restructuring costs, significant transaction-related costs, amortisation and impairment of intangible assets arising from business combinations, impairment of goodwill and other items that are considered non-operational and material (fair value gain on a transaction-related call option in the current and prior year). Segmental assets and liabilities are not measured or reported to the GEB, but non-current assets are disclosed geographically on page 197.

The segment information provided to the GEB for revenue and underlying profit/(loss) before tax for the year ended 31 December 2023 is as follows:

	Transaction Advisory £m	Consultancy £m	Property and Facilities Management £m	Investment Management £m	Unallocated £m	Total £m
<b>2023</b>						
<b>Revenue</b>						
United Kingdom – commercial	100.6	227.8	304.5	43.2	-	676.1
United Kingdom – residential	171.0	43.2	51.2	-	-	265.4
Total United Kingdom	271.6	271.0	355.7	43.2	-	941.5
CEME	114.6	76.3	96.7	54.8	-	342.4
Asia Pacific – commercial	102.1	84.1	447.1	7.8	-	641.1
Asia Pacific – residential	17.9	-	-	-	-	17.9
Total Asia Pacific*	120.0	84.1	447.1	7.8	-	659.0
North America**	266.7	28.4	-	-	-	295.1
<b>Revenue</b>	<b>772.9</b>	<b>459.8</b>	<b>899.5</b>	<b>105.8</b>	<b>-</b>	<b>2,238.0</b>
<b>Underlying profit/(loss) before tax</b>						
United Kingdom – commercial	14.0	25.4	24.5	4.8	(8.7)	60.0
United Kingdom – residential	19.4	4.3	5.9	-	-	29.6
Total United Kingdom	33.4	29.7	30.4	4.8	(8.7)	89.6
CEME	(20.3)	5.0	(3.8)	9.3	-	(9.8)
Asia Pacific – commercial	(2.9)	1.9	22.2	0.7	-	21.9
Asia Pacific – residential	1.5	-	-	-	-	1.5
Total Asia Pacific	(1.4)	1.9	22.2	0.7	-	23.4
North America	(7.4)	(1.0)	-	-	-	(8.4)
<b>Underlying profit/(loss) before tax***</b>	<b>4.3</b>	<b>35.6</b>	<b>48.8</b>	<b>14.8</b>	<b>(8.7)</b>	<b>94.8</b>

## NOTES TO THE FINANCIAL STATEMENTS continued

Year ended 31 December 2023

### 6. Segment analysis continued

The segment information provided to the GEB for revenue and underlying profit/(loss) for the year ended 31 December 2022 is as follows:

2022	Transaction Advisory £m	Consultancy £m	Property and Facilities Management £m	Investment Management £m	Unallocated £m	Total £m
<b>Revenue</b>						
United Kingdom - commercial	118.9	202.0	278.7	53.3	-	652.9
United Kingdom - residential	208.3	46.4	48.7	-	-	303.4
Total United Kingdom	327.2	248.4	327.4	53.3	-	956.3
CEME****	129.8	71.9	81.6	51.7	-	335.0
Asia Pacific - commercial	145.3	87.4	404.9	7.8	-	645.4
Asia Pacific - residential	24.3	-	-	-	-	24.3
Total Asia Pacific*	169.6	87.4	404.9	7.8	-	669.7
North America**	303.5	33.8	-	-	-	337.3
<b>Revenue</b>	<b>930.1</b>	<b>441.5</b>	<b>813.9</b>	<b>112.8</b>	<b>-</b>	<b>2,298.3</b>
<b>Underlying profit/(loss) before tax</b>						
United Kingdom - commercial	20.4	21.8	21.2	8.7	(16.3)	55.8
United Kingdom - residential	35.1	6.2	4.7	-	-	46.0
Total United Kingdom	55.5	28.0	25.9	8.7	(16.3)	101.8
CEME****	(2.7)	8.6	(0.4)	11.8	-	17.3
Asia Pacific - commercial	13.4	2.9	21.0	0.7	-	38.0
Asia Pacific - residential	3.4	-	-	-	-	3.4
Total Asia Pacific	16.8	2.9	21.0	0.7	-	41.4
North America	2.3	1.8	-	-	-	4.1
<b>Underlying profit/(loss) before tax***</b>	<b>71.9</b>	<b>41.3</b>	<b>46.5</b>	<b>21.2</b>	<b>(16.3)</b>	<b>164.6</b>

\* Revenues of £287.9m (2022: £291.8m) are attributable to the Hong Kong and Macau region.

\*\* Revenues of £288.3m (2022: £329.2m) are attributable to the US.

\*\*\* Transaction Advisory underlying profit before tax includes depreciation of £34.5m (2022: £31.8m), software amortisation of £2.7m (2022: £2.2m) and share of post-tax profit from joint ventures and associates of £2.5m (2022: £3.2m). Consultancy underlying profit before tax includes depreciation of £7.6m (2022: £9.4m), software amortisation of £0.7m (2022: £0.7m) and share of post-tax profit from joint ventures and associates of £0.1m (2022: £0.3m). Property and Facilities Management underlying profit before tax includes depreciation of £18.1m (2022: £16.1m), software amortisation of £1.6m (2022: £1.5m) and share of post-tax profit from joint ventures and associates of £7.6m (2022: £8.6m). Investment Management underlying profit before tax includes depreciation of £2.6m (2022: £2.1m) and software amortisation of £0.5m (2022: £0.5m). Included in Other underlying loss is depreciation of £6.8m (2022: £6.4m) and software amortisation of £0.5m (2022: £2.0m).

\*\*\*\* Revenue (£27.6m) and underlying profit (£3.7m) attributable to the project management consultancy business in CEME has been reclassified from Property and Facilities Management to Consultancy to ensure consistent presentation of this business stream with the rest of the Group.

The Unallocated segment includes costs and other expenses at holding company and subsidiary levels, which are not directly attributable to the operating activities of the Group's business segments.

A reconciliation of underlying profit before tax to profit before tax is provided in Note 8.

Inter-segmental revenue is not material. No single customer contributed 10% or more to the Group's revenue for both 2023 and 2022.

Non-current assets by geography are set out below:

	2023 £m	2022 £m
<b>Non-current assets</b>		
United Kingdom	<b>281.4</b>	287.1
CEME	<b>147.8</b>	145.7
Asia Pacific	<b>144.9</b>	156.9
North America*	<b>288.5</b>	294.6
<b>Total non-current assets</b>	<b>862.6</b>	884.3

\* Total non-current assets of £284.6m (2022: £291.8m) are attributable to the US.

Non-current assets include goodwill and intangible assets, plant, property and equipment, right-of-use assets, contract-related assets, non-current non-financial assets, and investments in joint ventures and associates. Defined benefit pension surplus, non-current financial assets and deferred tax assets are not included.

## 7. Operating profit

### 7.1 Operating profit

Operating profit is stated after charging/(crediting):

	Group	
	2023 £m	2022 £m
<b>In employee benefit expense</b>		
- Restructuring costs	<b>12.8</b>	0.1
- Transaction-related costs	<b>12.8</b>	15.4
<b>In depreciation</b>		
- Depreciation of right-of-use assets - leasehold properties	<b>47.6</b>	47.2
- Depreciation of right-of-use assets - equipment and motor vehicles	<b>3.4</b>	2.0
<b>In other operating expenses</b>		
- Net foreign exchange losses/(gains) (including net losses/(gains) on forward foreign exchange contracts)	<b>0.7</b>	(0.7)
- Restructuring costs	<b>1.1</b>	-
- Transaction-related costs: deferred consideration revisions	<b>-</b>	(1.6)
- Transaction-related costs: other	<b>1.5</b>	1.4
- Impairment of fixed assets	<b>-</b>	0.8
- Impairment of goodwill	<b>3.9</b>	-
- Expense relating to short-term leases	<b>0.8</b>	1.0
- Expense relating to variable lease payments not included in lease liabilities	<b>0.4</b>	1.3
- Gain on disposal of leases (including sub-lets)	<b>(4.3)</b>	-
<b>In other net gains</b>		
- Dividends from financial assets held at FVOCI		
<i>Related to investments held at the end of the reporting period</i>	<b>-</b>	(0.1)
- Dividends from financial assets held at FVPL	<b>(0.2)</b>	(0.1)
- Profit on disposal of joint ventures	<b>(0.4)</b>	-
- Fair value gain on derivative financial instrument	<b>(1.4)</b>	(0.1)

Other operating expenses includes £253.8m of contract costs in relation to property and facilities management contracts (2022: £225.8m). There are no other cost categories within other operating expenses that are individually materially significant.

## NOTES TO THE FINANCIAL STATEMENTS continued

Year ended 31 December 2023

### 7. Operating profit continued

#### 7.2 Fees payable to the Company's auditors, Ernst & Young LLP, and its associates

	Group	
	2023 £m	2022 £m
<b>Audit services</b>		
Fees payable to the Company's auditors for the audit of the parent Company	<b>0.9</b>	0.8
Fees payable to the Company's auditors and its associates for the audit of the Company's subsidiaries	<b>3.3</b>	3.3
	<b>4.2</b>	4.1
Audit-related assurance services	<b>0.4</b>	0.3
<b>Total</b>	<b>4.6</b>	4.4

Audit-related assurance services relate to the work performed in connection with the Group's interim financial statements and regulatory audits.

### 8. Underlying profit before tax

	2023 £m	2022 £m
<b>Reported profit before tax</b>	<b>55.4</b>	153.9
Adjustments:		
Amortisation of intangible assets arising from business combinations	<b>9.9</b>	9.9
Impairment of goodwill	<b>3.9</b>	-
Share-based payment adjustment (see Note 2.3 for explanation)	<b>(1.1)</b>	(14.7)
Profit on disposal of joint ventures	<b>(0.4)</b>	-
Restructuring costs	<b>13.9</b>	0.1
Transaction-related costs	<b>14.6</b>	15.5
Fair value gain on transaction-related call option	<b>(1.4)</b>	(0.1)
<b>Underlying profit before tax</b>	<b>94.8</b>	164.6

Impairment of goodwill in the year relates to the Indonesia cash generating unit. See Note 15 for further details.

Profit on disposal recognised is primarily in relation to disposal of holdings in joint ventures in China.

Restructuring costs in the current year includes the pay-out of settlement costs and the cost of a restructuring programme, which was focused principally on a small number of areas of the global business where management anticipates that market recovery will take longer to emerge. In the prior year, restructuring costs related to the ongoing IFRS 2 'Share-based Payment' charge for deferred shares, with a five-year vesting period, issued in relation to the restructuring upon acquisition of Aguirre Newman SA ('Aguirre Newman') in 2017.

Transaction-related costs includes a £12.7m charge for future consideration payments which are contingent on the continuity of recipients' employment in the future (2022: £14.8m). In the current and prior year, a significant portion of the charge related to the acquisition of DRC Capital LLP ('DRC') in 2021. Transaction-related costs also consist of £1.5m of professional advisory transaction fees (2022: £1.4m) and £0.3m of interest on deferred consideration and non-current future payments in relation to business acquisitions that are linked to employment (2022: £0.3m). In addition, transaction-related costs included a £0.1m (2022: £0.6m) charge relating to prepaid amounts issued as part of business acquisitions that are linked to continued active engagement in the business. Of these items, prepaid amounts that are linked to active engagement in the business are recorded as employee benefits expenses in the income statement, unwinding of interest is recorded as a finance cost in the income statement and all other charges/(credits) are recorded within other operating expenses. In the prior year, transaction-related costs also consist of a £1.6m credit (2023: £nil) for fair value changes to contingent deferred consideration not related to continuity of employment.

In the current year, a fair value gain of £1.4m was recognised on the fair value measurement of the Samsung Life call option, which gives Samsung Life the right to purchase up to an additional 10% shareholding in the Savills Investment Management group subject to the quantum of capital it has invested in SIM products during the initial five-year term (2022: fair value gain of £0.1m).

## 9. Employees

### 9.1 Employee benefits expense

	Group		Company	
	2023 £m	2022 £m	2023 £m	2022 £m
Basic salaries and wages	<b>853.3</b>	780.1	<b>13.0</b>	11.4
Profit share and commissions	<b>464.8</b>	557.3	<b>7.4</b>	7.9
Wages and salaries	<b>1,318.1</b>	1,337.4	<b>20.4</b>	19.3
Social security costs	<b>109.3</b>	103.9	<b>3.0</b>	2.5
Other pension costs	<b>40.1</b>	38.1	<b>0.7</b>	0.6
Share-based payments	<b>28.8</b>	30.4	<b>2.5</b>	2.9
	<b>1,496.3</b>	1,509.8	<b>26.6</b>	25.3

### 9.2 Staff numbers

The monthly average number of employees (including Directors) for the year was:

	Group		Company	
	2023	2022	2023	2022
United Kingdom	<b>9,454</b>	9,036	<b>194</b>	178
CEME	<b>3,220</b>	2,888	-	-
Asia Pacific	<b>28,412</b>	27,462	-	-
North America	<b>994</b>	945	-	-
	<b>42,080</b>	40,331	<b>194</b>	178

The average number of UK employees (including Directors) during the year included 128 employed under fixed-term and temporary contracts (2022: 116).

### 9.3 Key management compensation

	Group		Company	
	2023 £m	2022 £m	2023 £m	2022 £m
Key management				
- Short-term employee benefits	<b>15.1</b>	17.4	<b>3.9</b>	4.3
- Post-employment benefits	<b>0.1</b>	0.1	<b>0.1</b>	0.1
- Share-based payments	<b>4.2</b>	4.9	<b>1.8</b>	2.1
	<b>19.4</b>	22.4	<b>5.8</b>	6.5

The key management of the Group for the year ended 31 December 2023 comprised the Board of Directors and the GEB members. The key management of the Company for the year ended 31 December 2022 comprised the Board of Directors and the GEB members. Directors' remuneration is contained in the Remuneration Report on pages 127 to 150.

During the year, seven (2022: six) GEB members made aggregate gains totalling £4.1m (2022: £3.3m) on the exercise of options under PSP, DSBP and DSP schemes (2022: PSP, DSBP and DSP schemes). For the Company, three (2022: three) members of key management made aggregate gains totalling £1.9m (2022: £1.9m) on the exercise of options under PSP and DSBP schemes (2022: PSP and DSBP schemes).

Retirement benefits under the defined benefit scheme are accruing for two (2022: two) GEB members and benefits are accruing under a defined contribution scheme in Hong Kong for two (2022: two) GEB members. For the Company, retirement benefits under the defined benefit scheme are accruing for one (2022: one) Executive Director.



## NOTES TO THE FINANCIAL STATEMENTS continued

Year ended 31 December 2023

### 10. Pension schemes

#### 10.1 Defined contribution plans

The Group operates the Savills UK Group Personal Pension Plan, a defined contribution scheme, a number of defined contribution individual pension plans and a Mandatory Provident Fund Scheme in Hong Kong, to which it contributes. The total pension charges in respect of these plans were £40.1m (2022: £38.1m). The amount outstanding as at 31 December 2023 in relation to defined contribution schemes within current trade and other payables is £3.4m (2022: £2.9m).

#### 10.2 Defined benefit plans

The Group operates two defined benefit plans. The Pension Plan of Savills (the 'UK Plan') is a UK-based plan which provided final salary pension benefits to some employees, but was closed with regard to future service-based benefit accrual with effect from 31 March 2010. From 1 April 2010, pension benefits for former employees of the UK Plan are provided through the Group's defined contribution Personal Pension Plan.

The UK Plan is administered by a separate Trust that is legally separated from the Company. The Board of the pension fund is composed of six trustees. The Board of the pension fund is required by law and by its Article of Association to act in the interest of the fund and of all relevant stakeholders in the scheme. The Board of the pension fund is responsible for the investment policy with regard to the assets of the fund. The contributions are determined by an independent qualified actuary on the basis of triennial valuations.

A full actuarial valuation of the UK Plan was carried out as at 31 March 2022 and has been updated to 31 December 2023 by a qualified independent actuary.

In June 2023, the High Court handed down a decision (*Virgin Media Limited v NTL Pension Trustees II Limited and others*) which potentially has implications for the validity of amendments made by schemes, including the UK Plan, which were contracted-out on a salary-related basis between 6 April 1997 and the abolition of contracting-out in 2016. This decision has been appealed and is due to be reconsidered by the Court of Appeal in June 2024. The impact will therefore be uncertain for some time to come. Given this uncertainty, the updated valuation as at 31 December 2023 does not reflect the High Court ruling as it is currently unclear as to whether any additional liabilities might arise, and if they were to arise, how they would be reliably measured. The case is subject to appeal in 2024 and following the outcome of the appeal, management will conclude whether any subsequent actions or amendments to IAS 19 liabilities are required.

The Savills Fund Management GMBH Plan (the 'SFM Plan') is a Germany-based plan which provides final salary benefits to six active employees and 107 former employees. The plan is closed to future service-based benefit accrual.

The SFM Plan is administered by an external Trust that is legally separated from the Company. The Trust Agreement requires the trustee to maintain the plan assets in the interest of the beneficiaries of the plan and to fulfil their pension entitlements in the event of insolvency to the extent of the plan assets held. The Investment Committee of the fund, advised by expert investment managers, is responsible for the investment policy with regards to the assets of the fund. The contributions are determined based on the annual valuations of an independent qualified actuary.

A full actuarial valuation of the SFM Plan was carried out as at 31 December 2023 by a qualified independent actuary.

The table below outlines the Group's and Company's defined benefit pension amounts in relation to the UK Plan:

	Group		Company	
	2023 £m	2022 £m	2023 £m	2022 £m
(Liability)/asset in the statement of financial position	<b>(0.7)</b>	22.3	-	1.2
Net interest income included in finance income	<b>1.0</b>	0.4	<b>0.1</b>	-
Actuarial (loss)/gain included in other comprehensive income	<b>(24.0)</b>	4.5	<b>(1.3)</b>	0.2

Rule 23 of the governing Trust Deed and Rules of the UK Plan covers the rights upon termination of the UK Plan, which is triggered when there are no beneficiaries surviving in accordance with Rule 19. Management interprets these rules that in the event of the UK Plan winding up with no members, any surplus assets would be returned to the Company. Based on these rights, any net surplus in the scheme is recognised in full.

The amounts recognised in the statement of financial position in relation to the UK Plan are as follows:

	Group		Company	
	2023 £m	2022 £m	2023 £m	2022 £m
Present value of funded obligations	<b>(195.1)</b>	(186.7)	<b>(10.8)</b>	(10.3)
Fair value of plan assets	<b>194.4</b>	209.0	<b>10.8</b>	11.5
<b>(Liability)/asset in the statement of financial position</b>	<b>(0.7)</b>	22.3	<b>-</b>	1.2

The movement in the defined benefit asset for the UK Plan over the year is as follows:

	Group			Company		
	Present value of obligation £m	Fair value of plan assets £m	Total £m	Present value of obligation £m	Fair value of plan assets £m	Total £m
<b>At 1 January 2023</b>	<b>(186.7)</b>	<b>209.0</b>	<b>22.3</b>	<b>(10.3)</b>	<b>11.5</b>	<b>1.2</b>
Interest (expense)/income	<b>(8.9)</b>	<b>9.9</b>	<b>1.0</b>	<b>(0.5)</b>	<b>0.6</b>	<b>0.1</b>
Remeasurements:						
- Loss on plan assets, excluding amounts included in interest income	-	<b>(18.4)</b>	<b>(18.4)</b>	-	<b>(1.0)</b>	<b>(1.0)</b>
- Loss from change in financial assumptions	<b>(5.7)</b>	-	<b>(5.7)</b>	<b>(0.3)</b>	-	<b>(0.3)</b>
- Gain from change in demographic assumptions	<b>1.7</b>	-	<b>1.7</b>	<b>0.1</b>	-	<b>0.1</b>
- Experience losses	<b>(1.6)</b>	-	<b>(1.6)</b>	<b>(0.1)</b>	-	<b>(0.1)</b>
Benefit payments	<b>6.1</b>	<b>(6.1)</b>	-	<b>0.3</b>	<b>(0.3)</b>	-
<b>At 31 December 2023</b>	<b>(195.1)</b>	<b>194.4</b>	<b>(0.7)</b>	<b>(10.8)</b>	<b>10.8</b>	<b>-</b>

	Group			Company		
	Present value of obligation £m	Fair value of plan assets £m	Total £m	Present value of obligation £m	Fair value of plan assets £m	Total £m
<b>At 1 January 2022</b>	(301.7)	319.1	17.4	(16.6)	17.6	1.0
Interest (expense)/income	(6.0)	6.4	0.4	(0.3)	0.3	-
Remeasurements:						
- Loss on plan assets, excluding amounts included in interest income	-	(108.7)	(108.7)	-	(6.0)	(6.0)
- Gain from change in financial assumptions	115.9	-	115.9	6.4	-	6.4
- Gain from change in demographic assumptions	9.0	-	9.0	0.5	-	0.5
- Experience losses	(11.7)	-	(11.7)	(0.7)	-	(0.7)
Benefit payments	7.8	(7.8)	-	0.4	(0.4)	-
<b>At 31 December 2022</b>	<b>(186.7)</b>	<b>209.0</b>	<b>22.3</b>	<b>(10.3)</b>	<b>11.5</b>	<b>1.2</b>

## NOTES TO THE FINANCIAL STATEMENTS continued

Year ended 31 December 2023

### 10. Pension schemes continued

#### 10.2 Defined benefit plan continued

The table below outlines the Group's defined benefit pension amounts in relation to the SFM Plan:

	SFM Plan	
	2023 £m	2022 £m
Asset in the statement of financial position	<b>3.2</b>	3.2
Net interest income included in finance income	<b>0.1</b>	-
Actuarial (losses)/gains included in other comprehensive income	<b>(0.5)</b>	2.0

Section 5.2 of the SFM Plan Trust Deed provides the Trustor (Savills Fund Management GmbH, Savills Fund Management Holding AG, and Savills Investment Management (Germany) GmbH respectively) with an unconditional right to a refund of surplus assets assuming the full settlement of plan liabilities in the event of a plan wind-up. Furthermore, in the ordinary course of business neither Trustor nor Trustee have any rights to unilaterally wind up, or otherwise augment the benefits due to members of the scheme. Based on these rights, any net surplus in the scheme is recognised in full.

The amounts recognised in the statement of financial position in relation to the SFM Plan are as follows:

	SFM Plan	
	2023 £m	2022 £m
Present value of funded obligations	<b>(10.8)</b>	(9.9)
Fair value of plan assets	<b>14.0</b>	13.1
<b>Asset in the statement of financial position</b>	<b>3.2</b>	3.2

The movement in the defined benefit asset for the SFM Plan over the year is as follows:

	SFM Plan		
	Present value of obligation £m	Fair value of plan assets £m	Total £m
<b>At 1 January 2023</b>	<b>(9.9)</b>	<b>13.1</b>	<b>3.2</b>
Interest (expense)/income	<b>(0.4)</b>	<b>0.5</b>	<b>0.1</b>
Remeasurements:			
- Gain on plan assets, excluding amounts included in interest income	-	<b>0.6</b>	<b>0.6</b>
- Loss from change in financial assumptions	<b>(0.9)</b>	-	<b>(0.9)</b>
- Experience losses	<b>(0.2)</b>	-	<b>(0.2)</b>
Employer contributions	-	<b>0.4</b>	<b>0.4</b>
Benefit payments	<b>0.4</b>	<b>(0.4)</b>	-
Exchange movement	<b>0.2</b>	<b>(0.2)</b>	-
<b>At 31 December 2023</b>	<b>(10.8)</b>	<b>14.0</b>	<b>3.2</b>

	SFM Plan		Total £m
	Present value of obligation £m	Fair value of plan assets £m	
<b>At 1 January 2022</b>	(13.5)	14.2	0.7
Interest (expense)/income	(0.2)	0.2	-
Remeasurements:			
- Loss on plan assets, excluding amounts included in interest income	-	(2.1)	(2.1)
- Gain from change in demographic assumptions	4.4	-	4.4
- Experience losses	(0.3)	-	(0.3)
Employer contributions	-	0.5	0.5
Benefit payments	0.4	(0.4)	-
Exchange movement	(0.7)	0.7	-
<b>At 31 December 2022</b>	(9.9)	13.1	3.2

The significant actuarial assumptions were as follows:

As at 31 December	UK Plan		SFM Plan	
	2023	2022	2023	2022
Expected rate of salary increases	<b>3.25%</b>	3.25%	<b>2.50%</b>	2.50%
Projection of social security contribution ceiling	-	-	<b>2.25%</b>	2.25%
Rate of increase to pensions in payment				
- pension promise before 1 January 1986	-	-	<b>2.20%</b>	2.20%
- pension promise after 1 January 1986	-	-	<b>2.20%</b>	2.20%
- accrued before 6 April 1997	<b>3.00%</b>	3.00%	-	-
- accrued after 5 April 1997	<b>2.80%</b>	3.00%	-	-
- accrued after 5 April 2005	<b>2.00%</b>	2.00%	-	-
Rate of increase to pensions in deferment				
- accrued before 6 April 2001	<b>5.00%</b>	5.00%	-	-
- accrued after 5 April 2001	<b>2.50%</b>	2.60%	-	-
- accrued after 5 April 2009	<b>2.50%</b>	2.50%	-	-
Discount rate	<b>4.50%</b>	4.80%	<b>3.55%</b>	4.24%
Inflation assumption	<b>3.00%</b>	3.20%	<b>2.20%</b>	2.20%

Assumptions regarding future mortality are set based on actuarial advice in accordance with published statistics and experience. These assumptions translate into an average life expectancy in years for a pensioner retiring at age 60:

		UK Plan		SFM Plan	
		2023	2022	2023	2022
Retiring at the end of the reporting year	- Male	<b>87.9</b>	88.1	<b>85.8</b>	85.6
	- Female	<b>89.7</b>	89.8	<b>89.2</b>	89.0
Retiring 20 years after the end of the reporting year	- Male	<b>89.7</b>	89.8	<b>88.5</b>	88.4
	- Female	<b>91.4</b>	91.5	<b>91.4</b>	91.3

## NOTES TO THE FINANCIAL STATEMENTS continued

Year ended 31 December 2023

### 10. Pension schemes continued

#### 10.2 Defined benefit plan continued

The sensitivity of the defined benefit obligations to changes in the principal assumptions is:

	Impact on present value of scheme obligations	
	UK Plan £m	SFM Plan £m
1% increase in discount rates	<b>(25.1)</b>	<b>(1.4)</b>
1% increase in inflation rate	<b>12.2</b>	<b>1.0</b>
1% increase in salary increase rate	<b>0.9</b>	<b>0.1</b>
1 year increase in life expectancy	<b>6.3</b>	<b>0.4</b>

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligations has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligations liability recognised in the statement of financial position.

Plan assets are comprised as follows:

	UK Plan							
	2023				2022			
	Quoted £m	Unquoted £m	Total £m	%	Quoted £m	Unquoted £m	Total £m	%
- Government bonds	<b>63.2</b>	-	<b>63.2</b>	<b>33%</b>	44.1	-	44.1	22%
- Corporate bonds (investment grade)	<b>2.7</b>	-	<b>2.7</b>	<b>1%</b>	2.7	-	2.7	1%
- Cash and cash equivalents	<b>15.4</b>	-	<b>15.4</b>	<b>8%</b>	32.0	-	32.0	15%
<b>Liability-driven investment ('LDI')*</b>	<b>81.3</b>	-	<b>81.3</b>	<b>42%</b>	78.8	-	78.8	38%
<b>Investment funds</b>	-	<b>34.6</b>	<b>34.6</b>	<b>18%</b>	-	35.5	35.5	17%
<b>Bonds</b>	<b>24.7</b>	<b>40.8</b>	<b>65.5</b>	<b>34%</b>	23.4	35.7	59.1	28%
<b>Cash and cash equivalents</b>	<b>2.7</b>	-	<b>2.7</b>	<b>1%</b>	17.1	-	17.1	8%
<b>Asset-backed securities**</b>	<b>10.3</b>	-	<b>10.3</b>	<b>5%</b>	18.5	-	18.5	9%
<b>Total</b>	<b>119.0</b>	<b>75.4</b>	<b>194.4</b>	<b>100%</b>	137.8	71.2	209.0	100%

\* A portfolio of gilt and swap contracts, backed by investment grade credit instruments and LIBOR generating assets, that is designed to hedge the majority of the interest rate and inflation risks associated with the scheme's obligations. Government bonds includes fixed and index-linked gilts, less repo cash.

\*\* A portfolio of primarily mortgage-backed securities and loans.

The sensitivity of the above Plan assets is as follows:

	UK Plan Impact on value of Plan assets £m
1% increase in discount rates*	<b>(22.0)</b>
1% increase in inflation rate	<b>12.0</b>

\* Sensitivity to a change in government bond yields with unchanged credit spreads.

	SFM Plan			
	2023		2022	
	Unquoted £m	%	Unquoted £m	%
<b>Investment funds</b>	<b>14.0</b>	<b>100%</b>	13.2	100%
<b>Total</b>	<b>14.0</b>	<b>100%</b>	13.2	100%

No Plan assets are the Group's own financial instruments or property occupied or used by the Group. The fair values of the above equity and debt instruments are provided by the fund managers. The fund managers use best-practice techniques to value their holdings in investment funds, with valuations validated by an independent appraisal firm. Where available, fair values are determined based on quoted market prices in active markets.

Although the UK Plan does not invest directly in the Group's financial instruments, it does invest in passive equity funds, so will have some exposure to FTSE All-Share Index, hence indirectly to the Savills plc share price.

Through the defined benefit plans, the Group is exposed to a number of risks, the most significant of which are detailed below:

#### (a) Asset volatility

The Plan liabilities are calculated using a discount rate set with reference to corporate bond yields; if Plan assets underperform this yield, this will create a deficit. The Plan holds a significant proportion of equities and funds, which are expected to outperform corporate bonds in the long term while providing volatility and risk in the short term.

#### (b) Changes in bond yields

A decrease in corporate bond yields will increase the Plan's liabilities, although this will be partially offset by an increase in the value of the Plan's bond holdings.

#### (c) Inflation risk

Higher inflation will lead to higher liabilities. The majority of the Plan's assets are either unaffected by or are loosely correlated with inflation, meaning that an increase in inflation will also increase the deficit.

#### (d) Life expectancy

The majority of the Plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the Plan's liabilities.

Expected contributions to post-employment benefit plans for the year ending 31 December 2024 are £0.5m. The Company expects to contribute £nil.

The weighted average duration of the defined benefit obligations is 15 years for the UK Plan and 16 years for the SFM Plan.

Expected maturity analysis of the undiscounted pension benefits:

	Less than a year £m	Between 1-2 years £m	Between 2-5 years £m	Over 5 years £m	Total £m
<b>At 31 December 2023</b>					
Pension benefit payments					
- UK Plan	<b>6.3</b>	<b>15.7</b>	<b>27.2</b>	<b>421.9</b>	<b>471.1</b>
- SFM Plan	<b>0.5</b>	<b>0.5</b>	<b>1.7</b>	<b>15.9</b>	<b>18.6</b>



## NOTES TO THE FINANCIAL STATEMENTS continued

Year ended 31 December 2023

### 11. Finance income and costs

	Group	
	2023 £m	2022 £m
Bank interest receivable	49.5	13.3
Net interest on defined benefit pension assets	1.1	0.4
Finance income	50.6	13.7
Bank interest payable	(28.9)	(8.5)
Unwinding of discounts on liabilities	(0.4)	(0.5)
Finance charges on lease liabilities	(9.2)	(9.0)
Finance costs	(38.5)	(18.0)
<b>Net finance income/(cost)</b>	<b>12.1</b>	<b>(4.3)</b>

### 12. Income tax expense

Analysis of tax expense for the year:

	Group	
	2023 £m	2022 £m
<b>Current tax</b>		
United Kingdom:		
Corporation tax on profits for the year	13.2	15.9
Adjustment in respect of prior years	0.7	2.8
	13.9	18.7
Overseas tax	14.3	22.2
Adjustment in respect of prior years	(0.5)	0.9
Total current tax	27.7	41.8
<b>Deferred tax</b>		
Representing:		
United Kingdom	1.2	4.0
Effect of change in UK tax rate on deferred tax	(0.2)	(2.1)
Overseas tax	(9.1)	(6.1)
Adjustment in respect of prior years	(3.7)	(3.5)
Total deferred tax (Note 19)	(11.8)	(7.7)
<b>Income tax expense</b>	<b>15.9</b>	<b>34.1</b>

The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the UK weighted average tax rate of 23.5% (2022: 19%) applicable to profits of the consolidated entities as follows:

	Group	
	2023 £m	2022 £m
Profit before income tax	55.4	153.9
Tax on profit at 23.5% (2022: 19%)	13.0	29.3
Effects of:		
Adjustment in respect of prior years	(3.5)	0.2
Difference in overseas tax rates	(0.3)	3.6
Utilisation of previously unprovided tax losses	(0.7)	(0.8)
Expenses and other charges not deductible for tax purposes	10.2	7.1
Non-assessable income	(0.6)	(0.6)
Tax on joint ventures and associates	(2.0)	(2.6)
Effect of change in tax rates on deferred tax	(0.2)	(2.1)
<b>Income tax expense</b>	<b>15.9</b>	<b>34.1</b>

The effective tax rate of the Group for the year ended 31 December 2023 is 28.7% (2022: 22.2%), which is higher (2022: higher) than the UK weighted average applicable rate.

Detailed analysis of the impact from the application of OECD's Pillar Two Model Rules on both historical performance and forward-looking projections is underway. As the Group does not generally operate in low tax jurisdictions, the impact is not expected to be material.

Deferred tax has been determined using the applicable effective future tax rate that will apply in the expected period of utilisation of the deferred tax asset or liability.

The tax credited/(charged) to other comprehensive income is as follows:

	Group		Company	
	2023 £m	2022 £m	2023 £m	2022 £m
<b>Tax on items that will not be reclassified to profit or loss</b>				
Deferred tax on remeasurement of defined benefit pension scheme	5.8	(1.5)	0.3	-
Deferred tax on pension - effect of tax rate change	2.6	(2.4)	0.1	(0.1)
	8.4	(3.9)	0.4	(0.1)
<b>Tax on items relating to components of other comprehensive income</b>	<b>8.4</b>	<b>(3.9)</b>	<b>0.4</b>	<b>(0.1)</b>

## NOTES TO THE FINANCIAL STATEMENTS continued

Year ended 31 December 2023

### 12. Income tax expense continued

The tax credited/(charged) to reserves is as follows:

	Group		Company	
	2023 £m	2022 £m	2023 £m	2022 £m
Current tax on share-based payment arrangements	0.2	0.4	-	0.1
Deferred tax on share-based payment arrangements	0.3	(3.0)	0.1	(0.7)
Current tax on IFRS 16 lease recognition release	0.2	0.2	0.1	0.1
Deferred tax on IFRS 16 recognition release	(0.2)	(0.2)	(0.1)	(0.1)
Deferred tax on revaluation of FVOCI investments	(0.2)	-	-	-
Current tax on foreign exchange reserve movements	(0.2)	0.3	-	-
<b>Tax on items recognised directly in reserves</b>	<b>0.1</b>	<b>(2.3)</b>	<b>0.1</b>	<b>(0.6)</b>

### 13. Dividends – Group and Company

	Group		Company	
	2023 £m	2022 £m	2023 £m	2022 £m
Amounts recognised as distribution to equity holders in the year:				
<b>In respect of the previous year</b>				
Ordinary final dividend of 13.4p per share (2021: 12.75p)	18.2	17.6	18.4	17.8
Supplemental interim dividend of 15.6p per share (2021: 15.6p)	21.2	21.6	21.5	21.8
Special dividend of £nil per share (2021: 27.05p)	-	37.4	-	37.8
<b>In respect of the current year</b>				
Interim dividend of 6.9p per share (2022: 6.6p)	9.4	8.9	9.5	9.1
	<b>48.8</b>	<b>85.5</b>	<b>49.4</b>	<b>86.5</b>

The Group paid £2.2m (2022: £0.4m) of dividends to non-controlling interests.

Under the terms of the Savills plc 1992 Employee Benefit Trust (the 'EBT'), the Trustees have waived their dividend entitlement for all shares held by the Trust. The dividends paid to the Rabbi Trust are eliminated upon Group consolidation, as a result the dividends paid by the Group and the Company are not equal.

The Board recommends a final dividend of 13.9p per ordinary share (amounting to £19.0m), alongside the supplemental interim dividend of 2.0p per ordinary share (amounting to £2.7m), to be paid on 23 May 2024 to Shareholders on the register at 12 April 2024. These financial statements do not reflect this dividend payable.

The total paid and recommended ordinary and supplemental dividend for the 2023 financial year comprises an aggregate distribution of 22.8p per ordinary share (2022: 35.6p per ordinary share).

## 14. Earnings per share

### 14.1 Basic and diluted earnings per share

Basic earnings per share ('EPS') are based on the profit attributable to owners of the Company and the weighted average number of ordinary shares in issue during the year, excluding the weighted average number of ordinary shares held by the EBT (2023 closing: 7,615,420 shares, 2022 closing: 6,780,308 shares) and the Rabbi Trust (2023 closing: 1,502,155 shares, 2022 closing: 1,914,869 shares).

For diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of dilutive potential ordinary shares, being the share options granted to employees where the exercise price is less than the average market price of the Company's ordinary shares during the year and where performance conditions have been met.

The earnings and the shares used in the calculations are as follows:

	2023 Earnings £m	2023 Shares million	2023 EPS pence	2022 Earnings £m	2022 Shares million	2022 EPS pence
Basic earnings per share	<b>40.8</b>	<b>135.9</b>	<b>30.0</b>	119.4	137.3	87.0
Effect of additional shares issuable under option	-	<b>5.8</b>	<b>(1.2)</b>	-	7.9	(4.8)
Diluted earnings per share	<b>40.8</b>	<b>141.7</b>	<b>28.8</b>	119.4	145.2	82.2

### 14.2 Underlying basic and diluted earnings per share

	2023 Earnings £m	2023 Shares million	2023 EPS pence	2022 Earnings £m	2022 Shares million	2022 EPS pence
Basic earnings per share	<b>40.8</b>	<b>135.9</b>	<b>30.0</b>	119.4	137.3	87.0
Amortisation of intangible assets arising from business combinations after tax	<b>7.6</b>	-	<b>5.6</b>	7.6	-	5.5
Impairment of goodwill after tax	<b>4.0</b>	-	<b>2.9</b>			
Share-based payment adjustment after tax	<b>(0.6)</b>	-	<b>(0.4)</b>	(11.9)	-	(8.7)
Profit on disposal of joint ventures after tax	<b>(0.4)</b>	-	<b>(0.3)</b>	-	-	-
Restructuring costs after tax	<b>10.6</b>	-	<b>7.8</b>	0.1	-	0.1
Transaction-related costs after tax	<b>14.3</b>	-	<b>10.5</b>	15.3	-	11.1
Fair value gain on transaction-related call option	<b>(1.4)</b>	-	<b>(1.0)</b>	(0.1)	-	(0.1)
Underlying basic earnings per share	<b>74.9</b>	<b>135.9</b>	<b>55.1</b>	130.4	137.3	94.9
Effect of additional shares issuable under option	-	<b>5.8</b>	<b>(2.2)</b>	-	7.9	(5.1)
Underlying diluted earnings per share	<b>74.9</b>	<b>141.7</b>	<b>52.9</b>	130.4	145.2	89.8

Refer to Note 8 for the gross amounts of the above adjustments and a reconciliation between reported profit before tax and underlying profit before tax, alongside further details on each of the adjustments.

## NOTES TO THE FINANCIAL STATEMENTS continued

Year ended 31 December 2023

### 15. Goodwill and intangible assets

	Group							Company Total £m
	Goodwill £m	Customer/ business relationships £m	Investment and property management contracts £m	Order backlogs £m	Brands £m	Computer software £m	Total £m	
<b>Cost</b>								
At 1 January 2023 restated*	<b>505.0</b>	<b>44.4</b>	<b>59.4</b>	<b>3.8</b>	<b>4.7</b>	<b>45.2</b>	<b>662.5</b>	<b>10.0</b>
Additions through business combinations (Note 18.6)	<b>10.4</b>	-	<b>0.5</b>	-	-	-	<b>10.9</b>	-
Other additions	-	-	-	-	-	<b>5.5</b>	<b>5.5</b>	-
Disposals	-	-	-	-	-	<b>(4.4)</b>	<b>(4.4)</b>	<b>(5.2)</b>
Exchange movement	<b>(14.2)</b>	<b>(0.8)</b>	<b>(0.7)</b>	<b>(0.2)</b>	<b>(0.1)</b>	<b>(0.9)</b>	<b>(16.9)</b>	-
At 31 December 2023	<b>501.2</b>	<b>43.6</b>	<b>59.2</b>	<b>3.6</b>	<b>4.6</b>	<b>45.4</b>	<b>657.6</b>	<b>4.8</b>
<b>Accumulated amortisation and impairment</b>								
At 1 January 2023	<b>55.4</b>	<b>26.0</b>	<b>31.8</b>	<b>2.9</b>	<b>2.3</b>	<b>28.2</b>	<b>146.6</b>	<b>8.2</b>
Amortisation charge for the year	-	<b>3.3</b>	<b>5.7</b>	<b>0.5</b>	<b>0.3</b>	<b>6.0</b>	<b>15.8</b>	<b>0.5</b>
Impairment in the year	<b>3.9</b>	-	-	-	-	-	<b>3.9</b>	-
Disposals	-	-	-	-	-	<b>(4.5)</b>	<b>(4.5)</b>	<b>(5.2)</b>
Exchange movement	<b>(1.7)</b>	<b>(0.4)</b>	<b>(0.6)</b>	<b>(0.1)</b>	<b>(0.1)</b>	<b>(0.7)</b>	<b>(3.6)</b>	-
At 31 December 2023	<b>57.6</b>	<b>28.9</b>	<b>36.9</b>	<b>3.3</b>	<b>2.5</b>	<b>29.0</b>	<b>158.2</b>	<b>3.5</b>
<b>Net book value</b>								
At 31 December 2023	<b>443.6</b>	<b>14.7</b>	<b>22.3</b>	<b>0.3</b>	<b>2.1</b>	<b>16.4</b>	<b>499.4</b>	<b>1.3</b>

\* See Note 18.6 for details of prior period restatement.

During the year, goodwill and intangible assets were tested for impairment in accordance with IAS 36. An impairment charge of £3.9m was recognised against the Indonesia CGU as a result of the impact of current economic conditions on the short-term outlook of the business (2022: no impairments recognised). The impairment charge has been allocated against the Transaction Advisory (£3.5m) and Consultancy (£0.4m) segments. The remaining carrying value of goodwill in relation to the Indonesia CGU as at 31 December 2023 is £2.0m.

The carrying amount of intangible assets with indefinite useful lives totals £2.0m as at 31 December 2023 (2022: £2.0m), which consists of investment management contracts in relation to open-ended funds.

Investment and property management contracts includes the investment management contract asset identified on the acquisition of DRC in May 2021. This intangible asset is amortised over six years, with the amortisation period ending in May 2027. The carrying value of this intangible asset as at 31 December 2023 totals £10.0m (2022: £13.0m).

All intangible amortisation charges in the year are disclosed on the face of the income statement.

The Company's intangible assets consist of computer software only.

	Group							Company Total £m
	Goodwill restated* £m	Customer/ business relationships £m	Investment and property management contracts £m	Order backlogs £m	Brands £m	Computer software £m	Total £m	
<b>Cost</b>								
At 1 January 2022	463.8	40.8	58.7	3.5	4.6	38.4	609.8	10.0
Additions through business combinations restated*	13.6	1.9	1.1	-	-	0.5	17.1	-
Other additions	-	-	-	-	-	7.0	7.0	-
Disposals	-	-	(1.1)	-	-	(1.9)	(3.0)	-
Exchange movement	27.6	1.7	0.7	0.3	0.1	1.2	31.6	-
At 31 December 2022 restated*	505.0	44.4	59.4	3.8	4.7	45.2	662.5	10.0
<b>Accumulated amortisation and impairment</b>								
At 1 January 2022	52.2	22.0	26.6	2.1	1.8	20.9	125.6	6.2
Amortisation charge for the year	-	3.3	5.6	0.6	0.4	7.0	16.9	2.0
Disposals	-	-	(1.1)	-	-	(0.6)	(1.7)	-
Exchange movement	3.2	0.7	0.7	0.2	0.1	0.9	5.8	-
At 31 December 2022	55.4	26.0	31.8	2.9	2.3	28.2	146.6	8.2
<b>Net book value</b>								
<b>At 31 December 2022 restated*</b>	449.6	18.4	27.6	0.9	2.4	17.0	515.9	1.8

\* See Note 18.6 for details of prior period restatement.



## NOTES TO THE FINANCIAL STATEMENTS continued

Year ended 31 December 2023

### 15. Goodwill and intangible assets continued

Goodwill and indefinite life intangible assets are allocated to the Group's cash-generating units ('CGUs') identified according to country of operation and business segment. In most cases, the CGU is an individual subsidiary or operation. Where there are multiple CGUs in a country, these CGUs have been grouped to an extent which represent the lowest level at which goodwill is internally monitored and tested for impairment annually. A segment-level summary of the allocation of goodwill and indefinite useful life intangible assets is presented below:

	Transaction Advisory £m	Consultancy £m	Property and Facilities Management £m	Investment Management £m	Total £m	Goodwill £m	Indefinite life intangible assets* £m
<b>2023</b>							
United Kingdom	<b>34.3</b>	<b>13.6</b>	<b>30.9</b>	<b>32.2</b>	<b>111.0</b>	<b>109.0</b>	<b>2.0</b>
CEME	<b>62.3</b>	<b>19.3</b>	<b>20.8</b>	<b>4.7</b>	<b>107.1</b>	<b>107.1</b>	-
Asia Pacific	<b>16.3</b>	<b>5.2</b>	<b>38.6</b>	<b>1.4</b>	<b>61.5</b>	<b>61.5</b>	-
North America	<b>156.3</b>	<b>9.7</b>	-	-	<b>166.0</b>	<b>166.0</b>	-
Total goodwill and indefinite life intangible assets	<b>269.2</b>	<b>47.8</b>	<b>90.3</b>	<b>38.3</b>	<b>445.6</b>	<b>443.6</b>	<b>2.0</b>

	Transaction Advisory £m	Consultancy £m	Property and Facilities Management £m	Investment Management £m	Total £m	Goodwill £m	Indefinite life intangible assets* £m
<b>2022 restated**</b>							
United Kingdom	29.3	12.9	30.9	32.2	105.3	103.3	2.0
CEME	60.2	19.6	21.1	4.8	105.7	105.7	-
Asia Pacific	20.6	5.9	38.0	1.4	65.9	65.9	-
North America	164.5	10.2	-	-	174.7	174.7	-
Total goodwill and indefinite life intangible assets	274.6	48.6	90.0	38.4	451.6	449.6	2.0

\* Indefinite life intangible assets relate to investment management contracts.

\*\* See Note 18.6 for details of prior period restatement.

#### 15.1 Method of impairment testing

Goodwill values have been tested for impairment by comparing them against the 'value-in-use' in perpetuity of the relevant CGU group. The value-in-use calculations were based on projected cash flows, derived from latest financial budgets and strategic plans covering a five-year period, prepared by management and approved by the Board. Cash flows beyond this are extrapolated using perpetuity growth rates. These projected cash flows were discounted at CGU specific, risk adjusted, discount rates to calculate their net present value.

#### 15.2 Key assumptions

The calculation of value-in-use is most sensitive to the following assumptions:

##### (a) CGU specific operating assumptions

CGU specific operating assumptions are applicable to the forecasted cash flows for the years 2024 to 2028 and relate to revenue forecasts and underlying profit margins in each of the operating CGUs. The value ascribed to each assumption will vary between CGUs as the forecasts are built up from the underlying business units within each CGU group.

**(b) Discount rate**

Future cash flows are discounted using a pre-tax discount rate that reflects current market assessments of the time value of money. The discount rate used in each CGU is adjusted for the risk specific to the asset, including the countries in which cash flow will be generated, for which the future cash flow estimates have not been adjusted. The pre-tax discount rates have been derived using a post-tax weighted average cost of capital ('WACC') methodology. Key inputs to the WACC calculation are the risk-free rate, the equity market risk premium, beta, the average borrowing rate (cost of debt) and the country risk specific risk premium.

The risk-adjusted discount range of rates used in each region for impairment testing are as follows:

	2023 Discount rate range	2022 Discount rate range
United Kingdom	<b>12.4%</b>	12.0%
Continental Europe	<b>10.6% - 14.7%</b>	11.3% - 16.0%
Asia Pacific	<b>10.4% - 15.1%</b>	10.9% - 16.5%
North America	<b>11.7% - 12.1%</b>	12.3% - 12.5%
Middle East	<b>14.0%</b>	14.6%

**(c) Perpetuity growth rates**

To forecast beyond the five years covered by detailed forecasts, a terminal value was calculated, using perpetuity growth rates. The rates are based on management's estimate of long-term growth rates in the countries in which the Group operates. The perpetuity growth rates used in each region for impairment testing are as follows:

	2023 Long-term growth rate range	2022 Long-term growth rate range
United Kingdom	<b>1.5%</b>	1.7%
Continental Europe	<b>0.9% - 3.1%</b>	1.1% - 3.3%
Asia Pacific	<b>0.4% - 6.8%</b>	0.8% - 6.8%
North America	<b>1.7% - 2.1%</b>	1.7% - 1.9%
Middle East	<b>4.3%</b>	2.9%

**15.3 Sensitivity to changes in assumptions**

The Indonesia CGU was impaired during the year and therefore the remaining carrying value of goodwill of £2.0m is considered at risk of further impairment if there are changes in key assumptions in the value-in-use model. The key assumption applied to the Indonesia CGU relates to the average revenue growth (15.7%) over the five-year forecast period. Goodwill would be fully impaired if the average revenue growth decreased to 11.5% (assuming variable costs changed in proportion to the change in revenue).

Management have determined that there has been no impairment to the other CGUs within the Group. This assessment is a reflection of best estimates in arriving at value-in-use, future growth rates and the discount rate applied to cash flow projections.

The US and Australia CGUs were identified as the material CGUs that are considered to be sensitive to changes in key assumptions, but for which no impairment charge was considered to be required at 31 December 2023.

The key assumption applied to the US CGU relates to the average underlying profit margin of 5.7% and average revenue growth of 13.0% over the five-year forecast period. The headroom in the value-in-use model for this CGU of £171.2m (66%) would be reduced to nil if the average underlying profit margin decreased to 2.8% (assuming no change in revenue assumptions) or the average revenue growth decreased to 8.7% (assuming variable costs changed in proportion to the change in revenue). In the Australian CGU the key assumptions relate to the average underlying profit margin of 4.2% and average revenue growth of 3.7% over the five-year forecast period. The headroom in the value-in-use model for this CGU of £10.1m (36%) would be reduced to nil if the average underlying profit margin decreased to 2.9% (assuming no change in revenue assumptions) or the average revenue growth decreased to 2.9% (assuming variable costs changed in proportion to the change in revenue).

## NOTES TO THE FINANCIAL STATEMENTS continued

Year ended 31 December 2023

### 16. Property, plant and equipment

Group	Freehold property £m	Leasehold improvements £m	Equipment and motor vehicles £m	Total £m
<b>Cost</b>				
At 1 January 2023	0.1	104.8	86.7	191.6
Additions through business combinations (Note 18.6)	-	0.1	0.2	0.3
Additions	-	8.9	8.5	17.4
Reclassification to equipment and motor vehicles	-	(1.2)	1.2	-
Reclassification to right-of-use-assets	-	-	(0.3)	(0.3)
Disposals	(0.1)	(6.0)	(10.6)	(16.7)
Exchange movement	-	(2.3)	(2.8)	(5.1)
At 31 December 2023	-	104.3	82.9	187.2
<b>Accumulated depreciation and impairment</b>				
At 1 January 2023	-	58.0	56.6	114.6
Charge for the year	-	9.0	9.6	18.6
Disposals	-	(2.4)	(8.9)	(11.3)
Exchange movement	-	(1.0)	(1.8)	(2.8)
At 31 December 2023	-	63.6	55.5	119.1
<b>Net book value</b>				
At 31 December 2023	-	40.7	27.4	68.1

Group	Freehold property £m	Leasehold improvements £m	Equipment and motor vehicles £m	Total £m
<b>Cost</b>				
At 1 January 2022	0.1	91.9	71.2	163.2
Additions	-	6.1	13.7	19.8
Additions through business combinations	-	3.4	2.0	5.4
Reclassification to equipment and motor vehicles	-	(0.7)	0.7	-
Disposals	-	(0.2)	(4.9)	(5.1)
Exchange movement	-	4.3	4.0	8.3
At 31 December 2022	0.1	104.8	86.7	191.6
<b>Accumulated depreciation and impairment</b>				
At 1 January 2022	-	47.4	49.5	96.9
Charge for the year	-	7.8	8.8	16.6
Impairment	-	0.8	-	0.8
Disposals	-	-	(4.7)	(4.7)
Exchange movement	-	2.0	3.0	5.0
At 31 December 2022	-	58.0	56.6	114.6
<b>Net book value</b>				
At 31 December 2022	0.1	46.8	30.1	77.0

Company	Freehold property £m	Equipment £m	Total £m
<b>Cost</b>			
At 1 January 2023	0.1	10.4	10.5
Additions	-	1.1	1.1
Disposals	(0.1)	(0.4)	(0.5)
At 31 December 2023	-	11.1	11.1
<b>Accumulated depreciation and impairment</b>			
At 1 January 2023	-	7.1	7.1
Charge for the year	-	1.5	1.5
Disposals	-	(0.4)	(0.4)
At 31 December 2023	-	8.2	8.2
<b>Net book value</b>			
At 31 December 2023	-	2.9	2.9

Company	Freehold property £m	Equipment £m	Total £m
<b>Cost</b>			
At 1 January 2022	0.1	8.9	9.0
Additions	-	1.5	1.5
At 31 December 2022	0.1	10.4	10.5
<b>Accumulated depreciation and impairment</b>			
At 1 January 2022	-	5.7	5.7
Charge for the year	-	1.4	1.4
At 31 December 2022	-	7.1	7.1
<b>Net book value</b>			
At 31 December 2022	0.1	3.3	3.4

## NOTES TO THE FINANCIAL STATEMENTS continued

Year ended 31 December 2023

### 17. Right-of-use assets

The statement of financial position shows the following amounts relating to right-of-use assets:

Group	Leasehold properties £m	Equipment and motor vehicles £m	Total right-of-use assets £m
<b>Cost</b>			
At 1 January 2023	368.6	8.5	377.1
Additions	28.0	4.2	32.2
Additions through business combinations (Note 18.6)	0.5	-	0.5
Lease modifications	8.5	-	8.5
Transfers	(3.6)	3.9	0.3
Disposals (including disposals relating to sub-lets*)	(25.1)	(1.7)	(26.8)
Exchange movement	(10.3)	(0.2)	(10.5)
At 31 December 2023	366.6	14.7	381.3
<b>Accumulated depreciation and impairment</b>			
At 1 January 2023	148.4	4.9	153.3
Charge for the year	47.6	3.4	51.0
Disposals (including disposals relating to sub-lets*)	(14.6)	(1.8)	(16.4)
Transfers	(1.0)	1.0	-
Exchange movement	(4.7)	(0.2)	(4.9)
At 31 December 2023	175.7	7.3	183.0
<b>Net book value</b>			
At 31 December 2023	190.9	7.4	198.3

\* Upon de-recognition of the right-of-use asset in relation to sub-let space, a net investment in a sublease has been recognised as an asset on the Group Statement of Financial Position (£12.3m). The difference between this net investment, the carrying value of the right-of-use asset disposed of (£8.3m), has been recognised as a £4.0m gain on disposal in the Group's profit and loss in the year ended 31 December 2023. The lease liability in relation to the head lease is retained in the Group's Statement of Financial Position.

Group	Leasehold properties £m	Equipment and motor vehicles £m	Total right-of-use assets £m
<b>Cost</b>			
At 1 January 2022	338.4	10.0	348.4
Additions	29.2	1.7	30.9
Additions through business combinations	2.7	-	2.7
Disposals/lease modifications	(18.6)	(3.6)	(22.2)
Exchange movement	16.9	0.4	17.3
At 31 December 2022	368.6	8.5	377.1
<b>Accumulated depreciation and impairment</b>			
At 1 January 2022	110.4	5.4	115.8
Charge for the year	47.2	2.0	49.2
Disposals/lease modifications	(15.4)	(2.8)	(18.2)
Exchange movement	6.2	0.3	6.5
At 31 December 2022	148.4	4.9	153.3
<b>Net book value</b>			
At 31 December 2022	220.2	3.6	223.8

Company	Right-of-use assets - Leasehold Properties £m
<b>Cost</b>	
At 1 January 2023	55.8
Additions	7.5
Disposals	(1.1)
At 31 December 2023	62.2
<b>Accumulated depreciation and impairment</b>	
At 1 January 2023	15.8
Charge for the year	4.7
Disposals	(0.1)
At 31 December 2023	20.4
<b>Net book value</b>	
At 31 December 2023	41.8

Company	Right-of-use assets - Leasehold Properties £m
<b>Cost</b>	
At 1 January 2022	64.9
Additions	0.7
Disposal relating to sub-let*	(9.8)
At 31 December 2022	55.8
<b>Accumulated depreciation and impairment</b>	
At 1 January 2022	15.5
Charge for the year	5.0
Disposal relating to sub-let*	(4.7)
At 31 December 2022	15.8
<b>Net book value</b>	
At 31 December 2022	40.0

\* Upon de-recognition of the right-of-use asset in relation to the sub-let space, a net investment in a sublease has been recognised as an asset on the Company Statement of Financial Position (£8.1m). The difference between this net investment and the carrying value of the right-of-use asset disposed of (£5.1m) has been recognised as a £3.0m gain on disposal in the Company's profit and loss in the year ended 31 December 2022. The lease liability in relation to the head lease is retained in the Company's Statement of Financial Position.

Refer to Note 25 for further information on the Group's leases.



## NOTES TO THE FINANCIAL STATEMENTS continued

Year ended 31 December 2023

### 18. Investments and transactions

#### 18.1 Group – Investments in joint ventures and associates

	Joint ventures	Associates		
	Investment £m	Investment (including loans) £m	Goodwill £m	Total £m
<b>Cost or valuation</b>				
At 1 January 2023	11.0	2.5	0.4	2.9
Additions	0.5	-	3.2	3.2
Disposals	(0.3)	-	-	-
Exchange movement	(0.6)	-	-	-
At 31 December 2023	10.6	2.5	3.6	6.1
<b>Share of profit</b>				
At 1 January 2023	18.5	4.6	-	4.6
Group's share of profit from continuing operations	7.7	2.5	-	2.5
Dividends received	(8.6)	(1.4)	-	(1.4)
Exchange movement	(0.9)	(0.2)	-	(0.2)
At 31 December 2023	16.7	5.5	-	5.5
<b>Total</b>				
At 31 December 2023	27.3	8.0	3.6	11.6

	Joint ventures	Associates		
	Investment £m	Investment £m	Goodwill £m	Total £m
<b>Cost or valuation</b>				
At 1 January 2022	9.7	2.3	0.4	2.7
Additions	0.4	-	-	-
Disposals	(0.1)	-	-	-
Exchange movement	1.0	0.2	-	0.2
At 31 December 2022	11.0	2.5	0.4	2.9
<b>Share of profit</b>				
At 1 January 2022	15.5	4.9	-	4.9
Group's share of profit from continuing operations	8.8	3.3	-	3.3
Dividends received	(7.1)	(4.2)	-	(4.2)
Exchange movement	1.3	0.6	-	0.6
At 31 December 2022	18.5	4.6	-	4.6
<b>Total</b>				
At 31 December 2022	29.5	7.1	0.4	7.5

On 31 December 2023, the Group converted loans to additional equity in Vucity Limited. This investment was previously classified as a FVOCI investment (see Note 18.2). Following the loan conversion, the Group's equity investment in Vucity Limited increased to 30.39% resulting in the treatment of this investment as an associate, with £3.2m recognised as an addition in the year.

In the opinion of the Directors, the Group does not have any joint ventures or associates that are individually material to the results of the Group.

The Group has one joint venture and two associates with net liabilities as at 31 December 2023 (2022: one associate), restricting the ability of these entities to transfer funds to its Shareholders in the form of dividends. The joint ventures and associates have no significant liabilities to which the Group is exposed, nor has the Group any significant contingent liabilities or capital commitments in relation to its interests in the joint ventures and associates.

## 18.2 Group – Financial assets at fair value through other comprehensive income ('FVOCI')

Financial assets at FVOCI comprise the following individual equity investments:

	2023 £m	2022 £m
<i>Listed securities</i>		
OnTheMarket plc	-	0.8
<i>Unlisted securities</i>		
Vucity Limited	-	1.8
Andor Holdco Limited	<b>1.7</b>	-
Income Analytics Limited	<b>1.2</b>	0.7
YOPA Property Limited	-	-
Daishin GK Canal	-	0.7
Thirdfort Limited	<b>0.3</b>	0.3
Home Click Pte Limited	<b>0.2</b>	0.2
Other smaller investments	<b>1.6</b>	1.2
	<b>5.0</b>	5.7

During the year, the Group disposed of its investments in YOPA Property Limited, Daishin GK Canal and OnTheMarket plc. Upon disposal, amounts in the revaluation reserve relating to these investments have been recycled to retained earnings. The Group acquired shareholdings in Andor Holdco Limited (the parent company of YOPA Property Limited) and increased its shareholding in Vucity Limited, with this investment subsequently being treated as an associate (refer to Note 18.1).

In the prior year, the Group revalued its investments in YOPA Property Limited and Vucity Limited in light of current trading performance, and economic conditions, reducing the carrying values by £7.5m and £2.9m respectively. All changes in fair value have been recognised through other comprehensive income.

Equity investments at FVOCI are denominated in the following currencies:

	2023 £m	2022 £m
Sterling	<b>3.4</b>	3.8
Japanese yen	<b>0.6</b>	1.0
Other	<b>1.0</b>	0.9
	<b>5.0</b>	5.7

Refer to Note 3.8 for information about methods and assumptions used in determining fair value.

## NOTES TO THE FINANCIAL STATEMENTS continued

Year ended 31 December 2023

### 18. Investments and transactions continued

#### 18.3 Group – Financial assets at fair value through profit and loss ('FVPL')

	2023 £m	2022 £m
Convertible loans	15.1	15.9
Instruments held in investment funds	23.4	20.9
	<b>38.5</b>	36.8

Convertible loans relate to compulsory convertible cumulative preference shares ('CCPS') and compulsory convertible debentures ('CCD') issued by Savills Property Services (India) Private Limited. These loans are held at FVPL (see Note 3.8 for further details on fair value measurement). The CCPS issued in 2019 carries interest of 0.01%, these will be mandatorily converted in to Class A equity shares if certain EBITDA and revenue levels are met within the first 3 years, between 3 and 5 years the Group holds the right to convert and at the end of 10 years the loans are mandatorily convertible. The CCD issued in 2020 and 2021 carries interest of 7.2% per annum, they convert in to Class B equity shares at the expiry of 7 years or earlier if certain EBITDA and revenue targets are met and at 10 years the loans are mandatorily convertible.

Refer to Note 3.8 for movement analysis of financial assets at FVPL.

At 31 December 2023 the Group held conditional commitments to co-invest in a number of Savills IM funds totalling £13.1m (2022: £13.5m). This includes £1.0m in the Asia Pacific Income and Growth Fund FCP-RAIF within the next year (2022: £3.7m), £2.3m in Savills IM UK Value Boxes Fund FCP-RAIF over the next two years (2022: £1.8m), £1.2m in DRC ERED Fund IV over the next two years (2022: £2.0m), £2.9m in Vestas European Strategic Allocation Logistics Fund II within the next year (2022: £3.2m), £1.7m in the Savills IM UK Build to Rent Fund FCP-RAIF over the next three years (2022: £2.8m), £2.8m in the Savills IM European Urban Logistics & Industrial Fund FCP-RAIF over the next three years (2022: £nil) and £1.2m in the Savills IM Savills IM European Living Fund FCP-RAIF over the next three years (2022: £nil).

#### 18.4 Company – Investments in subsidiaries

	Direct investments in subsidiaries £m	Investments in subsidiaries indirectly owned – share-based payment contribution £m	Investments in EBT £m	Total £m
At 1 January 2022	81.5	69.9	23.6	175.0
Increase due to IFRS 2 share-based payment contribution to subsidiaries	-	27.5	-	27.5
Increase due to capital contribution to EBT	-	-	37.3	37.3
Decrease due to EBT contributions from subsidiaries	-	(45.9)	-	(45.9)
Decrease due to write-off of investment in EBT upon exercise of options	-	-	(17.5)	(17.5)
<b>At 31 December 2022</b>	81.5	51.5	43.4	176.4
Increase due to IFRS 2 share-based payment contribution to subsidiaries	-	26.4	-	26.4
Increase due to capital contribution to EBT	-	-	23.6	23.6
Decrease due to EBT contributions from subsidiaries	-	(26.1)	-	(26.1)
Decrease due to write-off of investment in EBT upon exercise of options	-	-	(17.9)	(17.9)
<b>At 31 December 2023</b>	<b>81.5</b>	<b>51.8</b>	<b>49.1</b>	<b>182.4</b>

Refer to Note 35 for a full list of the Group's subsidiaries. The Company directly owns Savills Holding Company Limited, all other subsidiaries in the Group are indirectly owned. The carrying value of the investment in the Company's subsidiary is assessed for impairment by comparing the carrying value of the investment to the underlying net assets of the subsidiary. No impairment was identified during the year.

## 18.5 Non-controlling interests

### Material non-controlling interests

The total non-controlling interest at the end of the year is £34.9m (2022: £37.2m). The majority of non-controlling interests in respect of the Group's subsidiaries where the Group does not own a holding of 100% are not considered to be individually material, with the exception of the 25% non-controlling interest held by Samsung Life in the Savills IM Group (31 December 2023: £33.5m, 31 December 2022: £33.7m). The loss after tax allocated to the non-controlling interest of the Savills IM Group for the year ended 31 December 2023 was £1.9m (31 December 2022: £0.2m profit after tax).

	31 December 2023 £m	31 December 2022 £m
<b>Savills IM Group</b>		
Non-current assets	<b>106.8</b>	110.0
Current assets	<b>113.7</b>	105.3
Current liabilities	<b>(69.6)</b>	(47.0)
Non-current liabilities	<b>(16.8)</b>	(33.5)
<b>Net assets</b>	<b>134.1</b>	134.8
Revenue	<b>105.8</b>	112.7
(Loss)/profit after tax	<b>(7.4)</b>	1.1

A reconciliation of non-controlling interest is as follows:

	Savills IM Group net assets £m	Non- controlling interest in Savills IM Group £m	Other non- controlling interests £m	Total non- controlling Interests £m
Balance at 1 January 2023	<b>134.8</b>	<b>33.7</b>	3.5	37.2
(Loss)/income for the year	<b>(7.4)</b>	<b>(1.9)</b>	0.6	(1.3)
<i>Other comprehensive loss:</i>				
Remeasurement of defined benefit pension scheme	<b>(0.5)</b>	<b>(0.1)</b>	-	(0.1)
Tax on items taken to other comprehensive income	<b>0.1</b>	-	-	-
Currency translation differences	<b>(1.5)</b>	<b>(0.4)</b>	(0.3)	(0.7)
Total comprehensive (loss)/income for the year	<b>(9.3)</b>	<b>(2.4)</b>	0.3	(2.1)
Employee share option scheme: value of services provided	<b>1.7</b>	<b>0.4</b>	-	0.4
Dividends	-	-	(2.2)	(2.2)
<i>Transfer between reserves:</i>				
- Issue of deferred shares	<b>10.1</b>	<b>2.6</b>	-	2.6
- EBT contributions to Savills plc	<b>(3.2)</b>	<b>(0.8)</b>	-	(0.8)
- Other, including employee share option scheme	-	-	(0.2)	(0.2)
<b>Balance at 31 December 2023</b>	<b>134.1</b>	<b>33.5</b>	1.4	34.9

## NOTES TO THE FINANCIAL STATEMENTS *continued*

Year ended 31 December 2023

### 18. Investments and transactions *continued*

#### 18.5 Non-controlling interests *continued*

##### Material non-controlling interests *continued*

	Savills IM Group net assets £m	Non- controlling interest in Savills IM Group £m	Other non- controlling interests £m	Total non- controlling interests £m
Balance at 1 January 2022	<b>112.7</b>	<b>28.2</b>	1.0	29.2
Profit for the year	<b>1.1</b>	<b>0.2</b>	0.2	0.4
<i>Other comprehensive income/(loss):</i>				
Remeasurement of defined benefit pension scheme	<b>2.1</b>	<b>0.5</b>	-	0.5
Tax on items taken to other comprehensive income	<b>(0.6)</b>	<b>(0.2)</b>		
Currency translation differences	<b>2.3</b>	<b>0.6</b>	-	0.6
Total comprehensive income for the year	<b>4.9</b>	<b>1.1</b>	0.2	1.3
Employee share option scheme: value of services provided	<b>3.0</b>	<b>0.8</b>	-	0.8
Dividends	-	-	(0.4)	(0.4)
<i>Transfer between reserves:</i>				
- Issue of deferred shares	<b>16.0</b>	<b>4.0</b>	-	4.0
- EBT contributions to Savills plc	<b>(1.8)</b>	<b>(0.4)</b>	-	(0.4)
Additions through business combinations	-	-	2.7	2.7
<b>Balance at 31 December 2022</b>	<b>134.8</b>	<b>33.7</b>	3.5	37.2

##### Transactions in the previous year

In the prior year, the Group acquired 60% of the equity interest in PT CB Advisory, 70% of the equity interest in PT Cakrawala Baswara Cemerlang and 60% of the equity interest in PT Cakrawala Baswara Indonesia. The Group also acquired 60% of the equity interest in Absolute Maintenance Services Pte Limited and Solute Pte Limited and Simply Affordable Homes LLP.

In 2021, the Group disposed of 25% of the shares in the Savills IM Group. In 2022, a further £0.7m of profit in relation to this transaction was recognised in retained earnings following finalisation of costs and recycling of foreign exchange reserves to retained earnings. The Group also received the remaining £7.9m of consideration receivable with respect to this transaction and paid a further £0.2m in costs.

## 18.6 Acquisitions of subsidiaries

The fair values of the assets acquired and liabilities assumed as part of the Group's acquisitions in the year are provisional and will be finalised within 12 months of the acquisition date. These are summarised below:

		Provisional fair value to the Group		
		Nash Bond £m	Others £m	Total £m
Non-current assets:	Property, plant and equipment	0.1	0.2	<b>0.3</b>
	Right-of-use asset	-	0.5	<b>0.5</b>
	Intangible assets	-	0.5	<b>0.5</b>
	Trade and other receivables	-	0.1	<b>0.1</b>
Current assets:	Contract assets	-	0.3	<b>0.3</b>
	Trade and other receivables	0.5	0.7	<b>1.2</b>
	Income tax receivable	0.1	-	<b>0.1</b>
	Cash and cash equivalents	2.3	2.5	<b>4.8</b>
Current liabilities:	Lease liabilities	-	(0.1)	<b>(0.1)</b>
	Trade and other payables	(1.0)	(1.5)	<b>(2.5)</b>
	Income tax liabilities	-	(0.1)	<b>(0.1)</b>
	Employee benefit obligations	-	(0.1)	<b>(0.1)</b>
Non-current liabilities:	Lease liabilities	-	(0.3)	<b>(0.3)</b>
	Deferred tax liabilities	-	(0.2)	<b>(0.2)</b>
<b>Net assets acquired</b>		2.0	2.5	<b>4.5</b>
Goodwill (provisional)		5.0	5.4	<b>10.4</b>
<b>Purchase consideration</b>		7.0	7.9	<b>14.9</b>
<b>Consideration satisfied by:</b>				
Cash paid		7.0	6.5	<b>13.5</b>
Deferred consideration < 1 year		-	0.5	<b>0.5</b>
Deferred consideration > 1 year		-	0.9	<b>0.9</b>
		7.0	7.9	<b>14.9</b>

### Nash Bond Limited ('Nash Bond')

On 27 November 2023, the Group acquired 100% of the equity interest in Nash Bond, a leading retail agency and lease consultancy business based in the UK. The acquisition enhances the strength of the Central London retail business to take advantage of the recovering retail market.

Total acquisition consideration is provisionally determined at £7.0m, all of which was settled on completion.

Acquisition-related costs of £0.5m have been expensed as incurred to the income statement and classified within other operating expenses.

Goodwill of £5.0m has been determined. Goodwill is attributable to the experience and expertise of key staff members and is not expected to be deductible for tax purposes.

The acquired business contributed revenue of £0.1m and profit of £0.1m to the Group for the period from the date of acquisition to 31 December 2023. Had the acquisition been made at the beginning of the financial year, revenue would have been £4.7m and a profit of £0.5m would have been recognised.

The fair value of trade and other receivables is £0.5m, £0.4m of which relates to trade receivables. The gross contractual amount for trade receivables is £0.4m, all of which is expected to be collectible.



## NOTES TO THE FINANCIAL STATEMENTS continued

Year ended 31 December 2023

### 18. Investments and transactions continued

#### 18.6 Acquisitions of subsidiaries continued

##### Other acquisitions

On 6 January 2023, the Group acquired 100% of the equity interest in Automotive Property Consultancy Holdings Limited, a specialist property consultancy company dedicated to the franchised motor retail sector in the United Kingdom. On 31 March 2023, the Group acquired 51% of the equity interest in BeLiving SRL (subsequently renamed Savills Residential Italy SRL), a real estate company specialising in residential sales and rentals in Italy. On 31 May 2023, the Group also acquired 100% of the equity of Predibisa, Sociedade de Mediação Imobiliária, Lda., a residential and commercial real estate company based in Porto, Portugal. In addition, on 1 August 2023, the Group acquired a 55% equity interest in Site 8 Pty Limited, a retail property agency in Australia (subsequently renamed Savills Retail Management Pty Limited).

Cash consideration for these transactions amounted to £6.5m. The remainder of the acquisition consideration relates to deferred consideration of £1.4m payable, of which £0.5m is payable within one year of the reporting date.

Goodwill of £5.4m has been provisionally determined. Goodwill is attributable to the experience and expertise of key staff and strong industry reputation and is not expected to be deductible for tax purposes.

Acquisition-related costs of £0.6m have been expensed as incurred to the income statement and classified within other operating expenses.

The acquired businesses contributed revenue of £5.7m and a profit of £0.4m to the Group for the period from acquisition to 31 December 2023. Had the acquisitions been made at the beginning of the financial year, revenue would have been £7.7m and the profit would have been £0.5m. The impact on the Group's overall revenue and profits is not material.

The fair value of trade and other receivables acquired is £0.7m, £0.6m of which relates to trade receivables. The gross contractual amount for trade receivables is £0.6m, all of which is expected to be collectible.

##### 2022 acquisitions and prior year restatement

In the year ended 31 December 2022 the Group acquired a 60% equity interest in Absolute Maintenance Services Pte Limited and Solute Pte Limited ('AMS'), 100% equity interest in Pitmore 1 Limited, a 60% equity interest in Simply Affordable Homes LLP, 100% of the equity interest in BrickByte GmbH, 100% of SRS Lease Administration LLC, a 60% equity interest in PT CB Advisory, 70% of the equity interest in PT Cakrawala Baswara Cemerlang and a 60% equity interest in PT Cakrawala Baswara Indonesia. The Group also acquired the trade and assets of Cureoscity Limited, James A Baker and the trade and assets of a property management company based in Poland.

During the current year, provisional fair values relating to the acquisition of AMS were finalised, resulting in an increase to goodwill of £0.2m and a corresponding increase in deferred consideration payable. This adjustment is considered a measurement period adjustment in accordance with IFRS 3 and as a result the 31 December 2022 comparatives have been restated.

## 19. Deferred income tax

The deferred income tax assets and liabilities at 31 December are as follows:

The movement on the deferred tax account is shown below:

	Group		Company	
	2023 £m	2022 £m	2023 £m	2022 £m
Deferred tax assets				
- Deferred tax asset to be recovered after more than 12 months	<b>45.8</b>	37.6	<b>2.1</b>	2.3
- Deferred tax asset to be recovered within 12 months	<b>20.3</b>	20.6	<b>0.7</b>	0.5
	<b>66.1</b>	58.2	<b>2.8</b>	2.8
Deferred tax liabilities				
- Deferred tax liability to be recovered after more than 12 months	<b>(9.0)</b>	(18.3)	<b>(0.1)</b>	(0.7)
- Deferred tax liability to be recovered within 12 months	<b>(1.8)</b>	(2.9)	<b>(0.1)</b>	(0.2)
	<b>(10.8)</b>	(21.2)	<b>(0.2)</b>	(0.9)
<b>Deferred tax asset - net</b>	<b>55.3</b>	37.0	<b>2.6</b>	1.9

	Group		Company	
	2023 £m	2022 £m	2023 £m	2022 £m
At 1 January - net asset	<b>37.0</b>	34.9	<b>1.9</b>	3.3
Amount credited/(charged) to the income statement (Note 12)	<b>11.6</b>	5.6	<b>0.3</b>	(0.5)
Effect of tax rate change within the income statement (Note 12)	<b>0.2</b>	2.1	-	-
Tax credited/(charged) to other comprehensive income				
- Defined benefit pension scheme - actuarial losses/(gains)	<b>5.8</b>	(1.5)	<b>0.3</b>	-
- Defined benefit pension scheme - effect of UK tax rate change	<b>2.6</b>	(2.4)	<b>0.1</b>	(0.1)
Tax credited/(charged) to reserves				
- Employee benefits	<b>0.3</b>	(3.0)	<b>0.1</b>	-
- Revaluation of FVOCI investments	<b>(0.2)</b>	-	-	-
- IFRS 16 initial lease recognition released to reserves	<b>(0.2)</b>	(0.2)	<b>(0.1)</b>	(0.8)
Additions through business combinations (Note 18.6)	<b>(0.1)</b>	(0.4)	-	-
Exchange movement	<b>(1.7)</b>	1.9	-	-
<b>At 31 December - net asset</b>	<b>55.3</b>	37.0	<b>2.6</b>	1.9

Deferred income tax assets have been recognised for tax loss carry-forwards and other temporary differences to the extent that the realisation of the related tax benefit through future taxable profits is probable.

As at the reporting date the Group did not recognise deferred income tax assets of £3.7m (2022: £3.3m) in respect of losses amounting to £17.3m, which can be carried forward indefinitely against future taxable income (2022: £15.5m, which can be carried forward indefinitely against future taxable income).

## NOTES TO THE FINANCIAL STATEMENTS continued

Year ended 31 December 2023

### 19. Deferred income tax continued

Deferred tax assets - Group	Accelerated capital allowances £m	Provisions and other* £m	Other employee benefit obligations** £m	Tax losses £m	Retirement benefits £m	Revaluations £m	Share-based payments £m	Total £m
Balance at 1 January 2022	3.2	12.8	15.4	4.6	2.3	0.2	11.5	50.0
Reclassifications from/(to) deferred tax liabilities	0.3	2.4	(1.3)	-	-	-	-	1.4
Amount (charged)/credited to the income statement (Note 12)	(1.4)	0.9	3.9	2.4	(0.1)	-	0.8	6.5
Effect of tax rate change within the income statement (Note 12)	1.0	0.2	0.9	-	-	-	-	2.1
Amount credited to other comprehensive income (Note 12)	-	-	-	-	(0.7)	-	-	(0.7)
Amount charged to reserves (Note 12)	-	(0.2)	-	-	-	-	(3.0)	(3.2)
Exchange movement	-	0.7	1.1	0.3	-	-	-	2.1
<b>At 31 December 2022</b>	<b>3.1</b>	<b>16.8</b>	<b>20.0</b>	<b>7.3</b>	<b>1.5</b>	<b>0.2</b>	<b>9.3</b>	<b>58.2</b>
Reclassifications from/(to) deferred tax liabilities	-	-	-	-	(7.7)	-	-	(7.7)
Amount credited/(charged) to the income statement (Note 12)	1.7	0.4	(1.7)	7.7	(0.6)	-	1.7	9.2
Effect of tax rate change within the income statement (Note 12)	-	0.1	0.1	-	-	-	-	0.2
Amount credited to other comprehensive income (Note 12)	-	-	-	-	5.8	-	-	5.8
Effect of tax rate change within other comprehensive income (Note 12)	-	-	-	-	2.6	-	-	2.6
Amount charged to reserves (Note 12)	-	(0.2)	-	-	-	(0.2)	0.3	(0.1)
Additions through business combinations (Note 18.6)	-	(0.1)	-	-	-	-	-	(0.1)
Exchange movement	(0.1)	(0.6)	(1.1)	(0.2)	-	-	-	(2.0)
<b>At 31 December 2023</b>	<b>4.7</b>	<b>16.4</b>	<b>17.3</b>	<b>14.8</b>	<b>1.6</b>	<b>-</b>	<b>11.3</b>	<b>66.1</b>
Set-off of deferred tax liabilities pursuant to set-off provisions								(8.9)
<b>Deferred tax asset at 31 December 2023 in the Statement of Financial Position</b>								<b>57.2</b>
Deferred tax asset at 31 December 2022 in the Statement of Financial Position (net of £19.6m set-off)								38.6

	Accelerated capital allowances £m	Provisions and other* £m	Retirement Benefits £m	Intangible assets £m	Total £m
<b>Deferred tax liabilities - Group</b>					
At 1 January 2022	(0.2)	(0.6)	(4.3)	(10.0)	(15.1)
Reclassifications from/(to) deferred tax assets	-	-	-	(1.4)	(1.4)
Tax (charged)/credited to the income statement (Note 12)	(1.0)	(0.1)	(0.2)	0.4	(0.9)
Tax charged to other comprehensive income (Note 12)	-	-	(0.8)	-	(0.8)
Effect of tax rate change within other comprehensive income (Note 12)	-	-	(2.4)	-	(2.4)
Additions through business combinations	-	-	-	(0.3)	(0.3)
Exchange movement	-	(0.1)	-	(0.2)	(0.3)
<b>At 31 December 2022</b>	<b>(1.2)</b>	<b>(0.8)</b>	<b>(7.7)</b>	<b>(11.5)</b>	<b>(21.2)</b>
Transfers	-	<b>(0.2)</b>	-	<b>0.2</b>	-
Reclassifications from/(to) deferred tax assets	-	-	<b>7.7</b>	-	<b>7.7</b>
Tax credited/(charged) to the income statement (Note 12)	<b>0.4</b>	<b>(0.7)</b>	-	<b>2.7</b>	<b>2.4</b>
Exchange movement	-	<b>0.1</b>	-	<b>0.2</b>	<b>0.3</b>
<b>At 31 December 2023</b>	<b>(0.8)</b>	<b>(1.6)</b>	<b>-</b>	<b>(8.4)</b>	<b>10.8</b>
Set-off of deferred tax liabilities pursuant to set-off provisions					<b>8.9</b>
<b>Deferred tax liabilities at 31 December 2023 in the Statement of Financial Position</b>					<b>(1.9)</b>

Deferred tax liabilities at 31 December 2022 in the Statement of Financial Position (net of £19.6m set-off) (1.6)

### Net deferred tax asset

<b>At 31 December 2023</b>	<b>55.3</b>
At 31 December 2022	37.0

\* Provisions and Other primarily includes deferred tax assets relating to accruals and provisions for expenses not deductible until paid.

\*\* Other Employee Benefit Obligations includes deferred tax assets relating to unpaid bonus accruals, holiday pay provisions, long service leave provisions and other deferred compensation accruals.

## NOTES TO THE FINANCIAL STATEMENTS continued

Year ended 31 December 2023

### 19. Deferred income tax continued

	Provisions and other* £m	Retirement benefits £m	Share-based payments £m	Total £m
<b>Deferred tax assets - Company</b>				
Balance at 1 January 2022	1.3	-	2.4	3.7
Amount credited/(charged) to the income statement (Note 12)	0.1	-	(0.2)	(0.1)
Tax charged to reserves (Note 12)	(0.1)	-	(0.7)	(0.8)
<b>At 31 December 2022</b>	<b>1.3</b>	<b>-</b>	<b>1.5</b>	<b>2.8</b>
Reclassifications to deferred tax liabilities	-	(0.4)	-	(0.4)
Tax charged to other comprehensive income (Note 12)	-	0.3	-	0.3
Effect of tax rate change within other comprehensive income (Note 12)	-	0.1	-	0.1
Tax charged to reserves (Note 12)	(0.1)	-	0.1	-
<b>At 31 December 2023</b>	<b>1.2</b>	<b>-</b>	<b>1.6</b>	<b>2.8</b>
Set-off of deferred tax liabilities pursuant to set-off provisions				(0.2)
<b>Deferred tax asset at 31 December 2023 in the Statement of Financial Position</b>				<b>2.6</b>
Deferred tax asset at 31 December 2022 in the Statement of Financial Position (net of £0.9m set-off)				1.9

	Accelerated capital allowances £m	Retirement Benefits £m	Total £m
<b>Deferred tax liabilities - Company</b>			
Balance at 1 January 2022	(0.1)	(0.3)	(0.4)
Tax charged to the income statement	(0.4)	(0.1)	(0.5)
<b>At 31 December 2022</b>	<b>(0.5)</b>	<b>(0.4)</b>	<b>(0.9)</b>
Tax charged to the income statement	0.3	-	0.3
Reclassifications from deferred tax assets	-	0.4	0.4
<b>At 31 December 2023</b>	<b>(0.2)</b>	<b>-</b>	<b>(0.2)</b>
Set-off of deferred tax liabilities pursuant to set-off provisions			0.2
<b>Deferred tax liabilities at 31 December 2023 in the Statement of Financial Position</b>			<b>-</b>
Deferred tax liabilities at 31 December 2022 in the Statement of Financial Position (net of £0.9m set-off)			-

#### Net deferred tax asset

<b>At 31 December 2023</b>	<b>2.6</b>
At 31 December 2022	1.9

\* Provisions and Other primarily includes deferred tax assets relating to accruals and provisions for expenses not deductible until paid.

## 20. Trade and other receivables

### 20.1 Trade and other receivables – current

	Group		Company	
	2023 £m	2022 £m	2023 £m	2022 £m
Trade receivables	<b>495.7</b>	502.5	-	-
Less: loss allowance/impairment of receivables provision	<b>(19.6)</b>	(24.1)	-	-
Trade receivables – net	<b>476.1</b>	478.4	-	-
Amounts owed by subsidiary undertakings	-	-	<b>65.7</b>	76.2
Other receivables	<b>72.0</b>	57.8	<b>2.4</b>	1.5
Prepayments	<b>54.5</b>	46.2	<b>7.0</b>	3.7
Accrued income	<b>53.8</b>	60.7	-	-
	<b>656.4</b>	643.1	<b>75.1</b>	81.4

The carrying value of trade and other receivables is approximate to their fair value.

#### Group

There is no concentration of credit risk with respect to trade and other receivables as the Group has a large number of clients internationally dispersed with no individual client owing a significant amount. The credit quality of receivables is managed at a local subsidiary level on a regular basis. The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables mentioned above. The Group does not hold any collateral as security.

Other receivables relate primarily to employee loans, rental deposits, accrued interest income, client funds and loans due from other parties. Loans due from other parties include loans of £0.1m receivable from joint ventures (2022: £0.2m) and loans of £0.6m receivable from associates (2022: £1.7m). In the prior year, loans due from other parties also included loans of £0.9m issued to entities that the Group recognise as equity investments held at FVOCI.

Accrued income is expected to be settled within 12 months of the year end date.

The carrying amounts of the Group's gross trade receivables are denominated in the following currencies:

	Group	
	2023 £m	2022 £m
Sterling	<b>212.6</b>	194.8
Euro	<b>82.2</b>	89.2
Hong Kong dollar	<b>40.6</b>	49.5
US dollar	<b>55.5</b>	59.8
Australian dollar	<b>24.2</b>	24.1
Chinese renminbi	<b>34.1</b>	44.2
Other*	<b>46.5</b>	40.9
	<b>495.7</b>	502.5

\* Other currencies include Czech koruna, United Arab Emirates dirham, Bahraini dinar, Egyptian pound, Omani rial, Saudi riyal, South Korean won, Singapore dollar, Japanese yen, New Zealand dollar, Indonesian rupiah, Philippine peso, Malaysian ringgit, Macau pataca, New Taiwan dollar, Thailand baht, Polish zloty, Swedish krona, Indian rupee, New Zealand dollar, Vietnamese dong and Canadian dollar.

#### Company

Amounts owed by subsidiary undertakings to the Company include £30.0m of intercompany loans (2022: £52.3m). With the exception of intercompany loans, amounts owed by subsidiary undertakings to the Company are unsecured, interest-free and generally cleared within the month. Intercompany loans are unsecured and repayable on demand. The intercompany loan balance as at 31 December 2023 attracts an arms-length rate of interest, charged at a market rate determined by the aggregation of average daily SONIA, 12-month IBOR reform published credit adjustment spread and 1%. The loans are classified as current as repayment is expected within 12 months of the reporting date. Amounts owed by subsidiary undertakings do not contain material allowances for impairment.



## NOTES TO THE FINANCIAL STATEMENTS continued

Year ended 31 December 2023

### 20. Trade and other receivables continued

#### 20.2 Impairment of trade and other receivables

##### Group

With the exception of trade receivables, the other classes within trade and other receivables do not contain material allowances for impairment. Accrued income and contract assets are measured net of lifetime expected credit losses using a provision matrix similar to trade receivables.

With respect to trade receivables, an allowance for impairment is made based on historical credit loss experience adjusted for forward-looking factors specific to the debtors and economic environment, as evidence of a likely reduction in the recoverability of the cash flows. Local management have assessed the expected credit losses for trade receivables in the current geopolitical and economic environment and the expected loss rates have been reviewed based on their judgement as to the impact on their trade receivables portfolio. In addition, certain customers have been identified as having a significantly elevated risk and have been provided for on a specific basis. Overall, the expected loss rate on trade receivables has decreased to 4.0% (31 December 2022: 4.8%) reflecting improvements in the ageing profile of the Group's trade receivables.

The loss allowance provision for trade receivables as at 31 December 2023 and 31 December 2022 was determined as follows:

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	More than 180 days past due	Total
<b>31 December 2023</b>						
Expected loss rate	<b>0.3%</b>	<b>0.5%</b>	<b>2.1%</b>	<b>6.4%</b>	<b>45.9%</b>	<b>4.0%</b>
Gross carrying amount (£m)	<b>364.5</b>	<b>43.6</b>	<b>24.3</b>	<b>28.2</b>	<b>35.1</b>	<b>495.7</b>
Loss allowance provision (£m)	<b>(1.0)</b>	<b>(0.2)</b>	<b>(0.5)</b>	<b>(1.8)</b>	<b>(16.1)</b>	<b>(19.6)</b>
	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	More than 180 days past due	Total
<b>31 December 2022</b>						
Expected loss rate	0.2%	0.2%	1.0%	4.6%	46.9%	4.8%
Gross carrying amount (£m)	346.2	49.3	30.3	30.4	46.3	502.5
Loss allowance provision (£m)	(0.6)	(0.1)	(0.3)	(1.4)	(21.7)	(24.1)

The loss allowance provision for trade receivables as at 31 December reconciles to the opening loss allowance provision as follows:

	2023 £m	2022 £m
At 1 January	<b>(24.1)</b>	(30.3)
Decrease/(increase) in loss allowance recognised in the income statement during the period	<b>(0.7)</b>	2.1
Receivables written off during the year as uncollectible	<b>3.9</b>	4.3
Transfers	-	1.2
Foreign exchange	<b>1.3</b>	(1.4)
<b>At 31 December</b>	<b>(19.6)</b>	(24.1)

A 1% increase in the expected loss rate in each ageing category would increase the loss allowance provision by £5.0m.

##### Company

Trade and other receivables do not contain material allowances for impairment.

### 20.3 Trade and other receivables - non-current

	Group		Company	
	2023 £m	2022 £m	2023 £m	2022 £m
Trade receivables	<b>10.4</b>	6.5	-	-
Other receivables	<b>9.8</b>	6.3	-	-
Other assets	<b>38.8</b>	24.3	-	-
Net investment in sub lease (Note 20.4)	<b>10.3</b>	0.4	<b>6.9</b>	7.1
	<b>69.3</b>	37.5	<b>6.9</b>	7.1

The carrying value of the above receivables are approximate to their fair value.

#### Group

Other assets relate to signing-on bonuses that are amortised to the income statement over the relevant contractual clawback period.

Other receivables include loans of £1.3m receivable from associates (2022: £nil), £1.4m of loans issued to entities that the Group recognises as financial assets held at FVOCI (2022: £1.8m) and insurance receivable assets of £7.0m (2022: £3.7m).

### 20.4 Net investment in subleases

The Group subleases office space. Sublease receivables (net investment in sub lease) amount to £12.3m as at 31 December 2023 (31 December 2022: £0.6m), split between non-current of £10.3m and current of £2.0m (31 December 2022: non-current £0.4m, current £0.2m). The current balance is included in other receivables.

The Company subleases office space to a subsidiary of the Group. Sublease receivables (net investment in sublease) amount to £7.9m as at 31 December 2023 (31 December 2022: £8.0m), split between non-current of £6.9m and current of £1.0m (31 December 2022: non-current £7.1m, current £0.9m). The current balance is included in other receivables.

The future lease payments receivable are as follows:

	Group		Company	
	2023 £m	2022 £m	2023 £m	2022 £m
Less than a year	<b>2.0</b>	0.2	<b>1.0</b>	0.9
Between 1 and 2 years	<b>1.8</b>	0.2	<b>1.0</b>	0.9
Between 2 and 3 years	<b>1.6</b>	0.2	<b>1.0</b>	0.9
Between 3 and 4 years	<b>1.6</b>	-	<b>1.0</b>	0.9
Between 4 and 5 years	<b>1.6</b>	-	<b>1.0</b>	0.9
Over 5 years	<b>4.6</b>	-	<b>4.1</b>	4.7
<b>Total undiscounted cash flows</b>	<b>13.2</b>	0.6	<b>9.1</b>	9.2
Discounting	<b>(0.9)</b>	-	<b>(1.2)</b>	(1.2)
<b>Carrying value of net investment in sublease</b>	<b>12.3</b>	0.6	<b>7.9</b>	8.0

## NOTES TO THE FINANCIAL STATEMENTS continued

Year ended 31 December 2023

### 21. Cash and cash equivalents

	Group		Company	
	2023 £m	2022 £m	2023 £m	2022 £m
Cash at bank and in hand	<b>416.5</b>	556.7	<b>118.9</b>	93.6
Short-term bank deposits	<b>90.3</b>	112.4	-	-
	<b>506.8</b>	669.1	<b>118.9</b>	93.6

The carrying value of cash and cash equivalents approximates their fair value.

The effective interest rate on short-term bank deposits as at 31 December 2023 was 4.86% (2022: 3.97%); these deposits have an average maturity of 29 days (2022: 25 days).

Cash subject to restrictions in Asia Pacific amounts to £34.3m (2022: £25.6m) which is cash pledged to banks in relation to property management contracts and cash remittance restrictions in certain countries. These amounts are accessible by the Group and are consolidated within the Group's cash and cash equivalents.

Cash and cash equivalents are denominated in the following currencies:

	Group		Company	
	2023 £m	2022 £m	2023 £m	2022 £m
Sterling	<b>224.0</b>	331.3	<b>118.7</b>	93.5
Hong Kong dollar	<b>96.4</b>	112.3	-	-
Euro	<b>55.6</b>	80.2	<b>0.1</b>	0.1
Chinese renminbi	<b>40.0</b>	36.9	-	-
US dollar	<b>11.0</b>	13.8	-	-
Japanese yen	<b>12.9</b>	22.9	-	-
Australian dollar	<b>7.7</b>	10.6	<b>0.1</b>	-
South Korean won	<b>9.1</b>	11.1	-	-
Singapore dollar	<b>11.3</b>	13.4	-	-
Other currencies*	<b>38.8</b>	36.6	-	-
	<b>506.8</b>	669.1	<b>118.9</b>	93.6

\* Other currencies include United Arab Emirates dirham, Omani rial, Egyptian pound, Saudi riyal, Bahrain dinar, Canadian dollar, Czech koruna, New Taiwan dollar, Macau pataca, Thai baht, Vietnamese dong, New Zealand dollar, Indonesian rupiah, Philippine peso, Danish krone, Polish zloty, Swiss franc and Swedish krona.

### 22. Notional pooling arrangement - Group

For internal cash management purposes, the Group maintains a notional cash pooling arrangement with Barclays Bank PLC, whereby credit and debit cash balances for the participating bank accounts are notionally offset. There is no overdraft cost or charge associated with any pooled overdraft that is fully offset by pooled credit cash balances. As at 31 December 2023, the notional cash pooling arrangement included cash balances of £193.3m presented in cash and cash equivalents (December 2022: £205.0m) and overdrafts of £192.3m (31 December 2022: £202.0m) presented in current liabilities. This represents as at 31 December 2023 surplus pooled credit cash balances of £1.0m (31 December 2022: surplus pooled credit cash £3.0m).

For the purpose of the Statement of Cash Flows, cash and cash equivalents net of overdrafts comprise the following:

	31 December 2023 £m	31 December 2022 £m
Cash and cash equivalents (see Note 21)	<b>506.8</b>	669.1
Overdrafts in notional pooling arrangement	<b>(192.3)</b>	(202.0)
Bank overdrafts (see Note 24)	<b>(4.2)</b>	(2.8)
	<b>310.3</b>	464.3

## 23. Trade and other payables

### 23.1 Trade and other payables – current

	Group		Company	
	2023 £m	2022 restated* £m	2023 £m	2022 £m
Deferred consideration (Note 23.3)	1.1	2.5	-	-
Trade payables	107.4	108.9	1.1	1.1
Amounts owed to subsidiary undertakings	-	-	0.2	-
Other taxation and social security	65.5	64.8	1.3	1.2
Other payables	57.2	67.1	-	-
Accruals	450.9	501.2	12.0	12.6
	<b>682.1</b>	744.5	<b>14.6</b>	14.9

\* See Note 18.6 for details on the prior period restatement.

The carrying value of trade and other payables is approximate to their fair value.

#### Group

The Group's accruals include bonus and commission accruals of £275.9m (2022: £337.9m) and accruals relating to deferred and contingent business acquisition payments that are linked to employment conditions of £27.5m (2022: £5.1m). The Group's other payables include amounts owed to employees with respect to commissions of £18.5m (2022: £28.4m), amounts owed to clients with respect to cash held on their behalf of £24.1m (2022: £26.3m) and loans payable to associates of £0.2m (2022: £nil).

#### Company

Amounts due to subsidiary undertakings are unsecured, interest-free and repayable on demand.

The Company's accruals include bonus and commission accruals of £9.1m (2022: £9.8m).

### 23.2 Other payables – non-current

	2023 £m	2022 £m
Deferred consideration (Note 23.4)	1.4	0.8
Accruals – relating to deferred and contingent business acquisition payments linked to employment conditions	3.6	18.0
Other payables	5.4	3.1
	<b>10.4</b>	21.9

The carrying value of the above payables are approximate to their fair value.

## NOTES TO THE FINANCIAL STATEMENTS continued

Year ended 31 December 2023

### 23. Trade and other payables continued

#### 23.3 Deferred consideration – current

	2023		2022		
	Non-contingent £m	Total £m	Contingent £m	Non-contingent restated* £m	Total restated* £m
At 1 January	<b>2.5</b>	<b>2.5</b>	-	3.4	3.4
Reclassification from non-current deferred consideration (Note 23.4)	<b>0.3</b>	<b>0.3</b>	1.7	0.2	1.9
Additions through business combinations (Note 18.6)	<b>0.5</b>	<b>0.5</b>	-	2.0	2.0
Interest unwind	-	-	-	0.1	0.1
Deferred consideration paid	<b>(2.1)</b>	<b>(2.1)</b>	-	(3.3)	(3.3)
Released to the income statement	-	-	(1.6)	-	(1.6)
Exchange movement	<b>(0.1)</b>	<b>(0.1)</b>	(0.1)	0.1	-
At 31 December	<b>1.1</b>	<b>1.1</b>	-	2.5	2.5

\* See Note 18.6 for details on the prior period restatement.

Deferred consideration relates to deferred business acquisition payments not linked to continuing employment.

#### 23.4 Deferred consideration – non-current

	2023			2022		
	Contingent £m	Non-contingent £m	Total £m	Contingent £m	Non-contingent £m	Total £m
At 1 January	-	<b>0.8</b>	<b>0.8</b>	1.5	0.9	2.4
Reclassification to current deferred consideration (Note 23.3)	-	<b>(0.3)</b>	<b>(0.3)</b>	(1.7)	(0.2)	(1.9)
Additions through business combinations (Note 18.6)	<b>0.7</b>	<b>0.2</b>	<b>0.9</b>	-	-	-
Interest unwind	-	<b>0.1</b>	<b>0.1</b>	-	-	-
Exchange movement	-	<b>(0.1)</b>	<b>(0.1)</b>	0.2	0.1	0.3
At 31 December	<b>0.7</b>	<b>0.7</b>	<b>1.4</b>	-	0.8	0.8

Deferred consideration relates to deferred business acquisition payments not linked to continuing employment.

## 24. Borrowings

	2023 £m	2022 £m
<b>Current</b>		
Bank overdrafts	4.2	2.8
Unsecured bank loans due within one year or on demand	3.0	4.0
Loan notes due within one year or on demand	0.7	3.8
	<b>7.9</b>	10.6
<b>Non-current</b>		
Unsecured bank loans	0.1	0.5
Loan notes	150.0	150.0
Transaction costs (issuance of loan notes and RCF arrangement fees)	(0.8)	(1.4)
	<b>149.3</b>	149.1
	<b>157.2</b>	159.7

The Company does not have any borrowings as at 31 December 2023 and 31 December 2022.

The Group holds a £360.0m multi-currency revolving credit facility ('RCF'), which includes an additional £90.0m accordion facility, expiring in June 2026. As at 31 December 2023 none (2022: none) of the RCF was drawn.

The unsecured bank loans reflect a £0.9m working capital loan in Thailand, which is repayable on demand and denominated in Thailand baht (2022: £0.9m), a £1.4m working capital loan in Indonesia which is repayable on demand and denominated in Indonesian rupiah (2022: £0.3m) and £0.8m of loans in Singapore, denominated in Singapore dollar (2022: £3.3m). The loans in Singapore include a £0.1m bank loan maturing within one year, a £0.3m factoring facility maturing within one year and a £0.4m bridging loan, £0.3m expiring within one year and the remainder expiring in 2025.

The loan notes due within one year or on demand reflect working capital loans in Singapore, which are repayable within one year or on demand and denominated in Singapore dollars. These loans are payable to a non-controlling interest holder in one of the Group's subsidiaries.

Non-current loan notes reflect the £150.0m of long-term debt held by the Group through the issuance of 7, 10 and 12 year fixed-rate private note placements in the US institutional market, which were issued in June 2018.

Movements in borrowings are analysed as follows:

	Group	
	2023 £m	2022 £m
Opening amount as at 1 January	159.7	150.5
Additional borrowings, net of transaction costs paid (including overdraft movement)*	107.2	10.8
Repayments of borrowings	(109.9)	(5.6)
Addition through business combination	-	3.2
Amortisation of transaction costs	0.6	0.6
Foreign exchange	(0.4)	0.2
<b>Closing amount as at 31 December</b>	<b>157.2</b>	159.7

\* 2023 includes a £1.5m increase in overdraft balances within additional borrowings. 2022 includes £1.5m increase in overdraft balances and £0.3m of transaction costs paid within additional borrowings.



## NOTES TO THE FINANCIAL STATEMENTS continued

Year ended 31 December 2023

### 24. Borrowings continued

The carrying value of the Group's borrowings exposed to interest rate changes at the reporting date is:

	Group	
	2023 £m	2022 £m
Less than 1 year	<b>6.9</b>	7.7
	<b>6.9</b>	7.7

The Group's remaining borrowings are fixed rate instruments and therefore excluded from the above analysis.

The effective interest rates at the reporting date were as follows:

	Group	
	2023 %	2022 %
Bank overdrafts	<b>5.96</b>	4.38
Bank loans	<b>6.95</b>	3.72
Loan notes	<b>3.15</b>	3.16

The carrying amounts of borrowings are materially approximate to their fair value, with the exception of the Group's long-term fixed rate private note placements. The fair value of these loan notes as at 31 December 2023 is £135.6m (31 December 2022: £131.5m). The difference between the fair value and the book value is not recognised in the reported results for the year. The fair value has been calculated based upon a discounted cash flow valuation utilising observable market rates of borrowing that are comparable to the remaining length of the loan notes. The valuation technique falls within Level 2 of the fair value hierarchy in IFRS 13.

The carrying amounts of the Group's borrowings are denominated in the following currencies:

	Group	
	2023 £m	2022 £m
Sterling	<b>153.4</b>	151.2
Indonesian rupiah	<b>1.4</b>	-
Singapore dollar	<b>1.5</b>	7.1
Other	<b>0.9</b>	1.4
	<b>157.2</b>	159.7

The Group has the following undrawn borrowing facilities:

	Group					
	2023			2022		
	Fixed £m	Floating £m	Total £m	Fixed £m	Floating £m	Total £m
Expiring within 1 year or on demand	<b>3.0</b>	<b>58.8</b>	<b>61.8</b>	1.1	64.9	66.0
Expiring between 1 and 5 years	<b>0.2</b>	<b>360.0</b>	<b>360.2</b>	0.2	360.0	360.2
	<b>3.2</b>	<b>418.8</b>	<b>422.0</b>	1.3	424.9	426.2

## 25. Lease liabilities

The statement of financial position shows the following amount relating to lease liabilities:

	Group		Company	
	2023 £m	2022 £m	2023 £m	2022 £m
At 1 January	<b>277.6</b>	285.0	<b>58.8</b>	64.5
Additions	<b>32.2</b>	31.7	<b>7.5</b>	-
Lease modifications	<b>8.5</b>	-	-	-
Additions through business combinations (Note 18.6)	<b>0.4</b>	2.7	-	-
Transfers from accruals	<b>0.3</b>	-	-	-
Disposal of leases	<b>(2.6)</b>	(4.4)	-	-
Repayments of lease liabilities	<b>(63.9)</b>	(60.5)	<b>(8.2)</b>	(7.7)
Unwinding of discount	<b>9.2</b>	9.0	<b>2.1</b>	2.0
Exchange movement	<b>(7.5)</b>	14.1	-	-
Closing amount as at 31 December	<b>254.2</b>	277.6	<b>60.2</b>	58.8
Current	<b>52.9</b>	53.2	<b>6.0</b>	5.2
Non-current	<b>201.3</b>	224.4	<b>54.2</b>	53.6

For the Group, cash outflows with respect to leases, which includes short-term, low-value and variable lease payments, totalled £65.1m (2022: £62.8m). Refer to Note 7.1 for information on the amount charged to the income statement with respect to short-term, low-value and variable lease payments.

For the Company, cash outflows with respect to leases, which includes short-term lease payments, totalled £8.6m (2022: £8.0m).

## 26. Provisions

### 26.1 Provisions

	Professional indemnity claims £m	Dilapidation provisions £m	Restructuring provision £m	Other provisions £m	Group total £m	Company £m
<b>At 1 January 2023</b>	<b>12.5</b>	<b>10.9</b>	<b>0.3</b>	<b>6.1</b>	<b>29.8</b>	<b>2.4</b>
Provided during the year	<b>8.7</b>	<b>2.3</b>	<b>13.5</b>	<b>4.3</b>	<b>28.8</b>	<b>0.1</b>
Transfer from accruals	-	<b>0.2</b>	-	-	<b>0.2</b>	-
Utilised during the year	<b>(6.8)</b>	-	<b>(4.5)</b>	<b>(1.1)</b>	<b>(12.4)</b>	-
Released during the year	<b>(1.7)</b>	<b>(0.2)</b>	<b>(0.3)</b>	<b>(2.7)</b>	<b>(4.9)</b>	-
Exchange movement	<b>(0.1)</b>	<b>(0.2)</b>	-	<b>(0.1)</b>	<b>(0.4)</b>	-
<b>Closing amount as at 31 December 2023</b>	<b>12.6</b>	<b>13.0</b>	<b>9.0</b>	<b>6.5</b>	<b>41.1</b>	<b>2.5</b>
Current	<b>1.6</b>	<b>1.7</b>	<b>9.0</b>	<b>4.9</b>	<b>17.2</b>	-
Non-current	<b>11.0</b>	<b>11.3</b>	-	<b>1.6</b>	<b>23.9</b>	<b>2.5</b>

	Professional indemnity claims £m	Dilapidation provisions £m	Restructuring provision £m	Other provisions £m	Group total £m	Company £m
<b>2022</b>						
Current	1.6	2.6	0.3	4.7	9.2	-
Non-current	10.9	8.3	-	1.4	20.6	2.4
Total	12.5	10.9	0.3	6.1	29.8	2.4

## NOTES TO THE FINANCIAL STATEMENTS continued

Year ended 31 December 2023

### 26. Provisions continued

#### 26.1 Provisions continued

##### (a) Professional indemnity claims

These arise from various legal actions, proceedings and other claims that are pending against the Group and are based on management's best estimates of the most likely outcome, taking into account the opinions of legal counsel. The nature of the amounts provided in respect of legal actions, proceedings and other claims is such that the extent and timing of cash flows can be difficult to estimate and the ultimate liability may vary from the amounts provided. The non-current portion of these provisions is expected to be utilised within the next two to five years.

A separate receivable from insurers in relation to professional indemnity claims is recognised to the extent it is virtually certain of being received. The provision and insurance asset are presented in the accounts as follows:

Group	2023 £m	2022 £m
Provisions - current	1.6	1.6
Provisions - non-current	11.0	10.9
Trade and other receivables - non-current	(7.0)	(3.7)
	5.6	8.8

##### (b) Dilapidation provisions

The Group is required to perform dilapidation repairs and in certain instances restore properties to agreed specifications prior to the properties being vacated at the end of their lease term. These amounts are based on management's best estimates of repair and restoration costs at a future date and therefore a degree of uncertainty exists over the value of future cash outflows, given that these are subject to repair and restoration cost price fluctuations and the extent of repairs to be completed at the end of the lease term. The majority of the non-current portion of these provisions is expected to be utilised within the next two to 14 years.

##### (c) Restructuring provision

This provision comprises primarily termination payments to employees affected by restructuring.

##### (d) Other provisions

Other provisions includes obligations relating to sales tax payable and other claims against the Group (not related to professional indemnity claims). These amounts are based on reasonable estimates, taking into account the opinions of subject matter experts and legal counsel. Other provisions also includes provisions for loss-making contracts in Singapore, with the provision based on management's estimated losses over the length of the contract. The non-current portion of these provisions is expected to be utilised within the next two to five years.

### 26.2 Employee benefit obligations

In addition to the defined benefit obligations pension scheme disclosed in Note 10.2, the following are included in employee benefit obligations:

Group	Total £m
At 1 January 2023	42.9
Provided during the year	9.0
Additions through business combinations (Note 18.6)	0.1
Actuarial movement on employee benefit schemes	0.1
Utilised during the year	(6.2)
Exchange movement	(1.9)
<b>At 31 December 2023</b>	<b>44.0</b>

The above provisions relate to holiday pay and long service leave in the UK, Asia Pacific, Continental Europe and the Middle East. Profit shares are included within accruals (Note 23).

The Company had £0.2m of employee benefit obligations as at 31 December 2023 (2022: £0.2m), relating to holiday pay and long service leave.

The above employee benefit obligations have been analysed between current and non-current as follows:

	Group	
	2023 £m	2022 £m
Current	18.5	17.7
Non-current	25.5	25.2
	<b>44.0</b>	42.9

## 27. Share capital and premium - Group and Company

Authorised and allotted	2023 Number of shares*	2022 Number of shares*	2023 £m	2022 £m
Ordinary shares of 2.5p each:				
Authorised	<b>202,000,000</b>	202,000,000	<b>5.1</b>	5.1
Issued, called up and fully paid	<b>144,389,919</b>	144,353,048	<b>3.6</b>	3.6

Movement in issued, called-up and fully paid share capital:

	2023			2022		
	Number of shares*	Share capital £m	Share premium £m	Number of shares*	Share capital £m	Share premium £m
At 1 January	<b>144,353,048</b>	<b>3.6</b>	<b>104.9</b>	144,203,211	3.6	104.4
Issued to direct participants on exercise of options under the Sharesave Scheme	<b>4,322</b>	-	-	68,739	-	0.5
Issued to direct participants under the Performance Share Plan	<b>32,549</b>	-	-	81,098	-	-
At 31 December	<b>144,389,919</b>	<b>3.6</b>	<b>104.9</b>	144,353,048	3.6	104.9

\* Number of shares are stated before the impact of the shares held by the EBT and Rabbi Trust.

Each issued, called-up and fully paid ordinary share of 2.5p is a voting share in the capital of the Company, is entitled to participate in the profits of the Company and on winding-up is entitled to participate in the assets of the Company.

At the Annual General Meeting ('AGM') held on 17 May 2023, the Shareholders gave the Company authority, subject to stated conditions, to purchase for cancellation up to 14,435,333 of its own ordinary shares (AGM held on 12 May 2022: 14,423,136). Such authority remains valid until the conclusion of the next AGM or 16 August 2024, whichever is the earlier.

As at 31 December 2023, the EBT held 7,615,420 shares (2022: 6,780,308 shares) and the Rabbi Trust held 1,502,155 shares (2022: 1,914,869). These shares are held by the Group as 'treasury shares'. Any voting or other similar decisions relating to these shares are taken by the trustees of the EBT and the Rabbi Trust, who may take account of any recommendation of the Company. The EBT waives all of its dividend entitlement. For further details of the EBT and the Rabbi Trust refer to Note 2.22. A reconciliation of the movement in treasury shares for the year ended 31 December is shown below:

Number of treasury shares	31 December 2023	31 December 2022
At 1 January	<b>8,695,177</b>	6,084,503
Shares acquired	<b>2,844,065</b>	4,894,511
Shares reissued	<b>(2,421,667)</b>	(2,283,837)
<b>At 31 December</b>	<b>9,117,575</b>	8,695,177

## NOTES TO THE FINANCIAL STATEMENTS continued

Year ended 31 December 2023

### 28. Share-based payment

The Group operates four equity-settled share-based payment arrangements, namely the Sharesave Scheme, the Performance Share Plan ('PSP'), the Deferred Share Plan ('DSP') and the Deferred Share Bonus Plan ('DSBP'). The Group recognised total expenses relating to equity-settled share-based payment transactions of £28.8m in 2023 (2022: £30.4m). Of the total share-based payments charge, £1.3m (2022: £0.2m) relates to the Sharesave Scheme, £10.3m (2022: £11.1m) relates to the DSP, £16.9m (2022: £18.5m) relates to the DSBP and £0.3m (2022: £0.6m) relates to the PSP.

The Company recognised total expenses relating to equity-settled share-based payment transactions of £2.4m in 2023 (2022: £2.9m). Of the total share-based payments charge, £2.0m (2022: £2.3m) relates to the DSBP, £0.1m relates to the Sharesave Scheme and £0.3m (2022: £0.6m) relates to the PSP.

Refer to the Remuneration Report for details of the PSP, pages 147 to 149. Refer to the Directors' Report for details of the Sharesave Scheme, page 154. The DSBP has been established to provide employees with an element of the annual performance-related profit share which is deferred and awarded as shares in Savills plc. DSBP awards have a deferral period of between three and five years. The DSP provides certain employees with an award over Savills plc shares for purposes including recruitment and retention. Current awards under the DSP have a deferral period of between one and seven years. In addition to continued employment, DSP awards may be granted with performance conditions attaching, primarily relating to financial targets.

#### 28.1 Movements in share schemes

2023 number of awards ('000)	Sharesave awards	PSP awards	DSP awards	DSBP awards
Outstanding at 1 January	2,290	543	3,682	5,520
Granted	-	141	1,366	2,399
Exercised	(4)	(33)	(1,171)	(1,058)
Cancelled	(92)	-	-	-
Forfeited/lapsed	(103)	(10)	(107)	(200)
<b>Outstanding at 31 December</b>	<b>2,091</b>	<b>641</b>	<b>3,770</b>	<b>6,661</b>
Exercisable at 31 December				
Weighted average exercise price for awards outstanding at the beginning of the year, exercised in the year and forfeited/lapsed in the year (pence)	757.0	-	-	-
Weighted average exercise price for awards granted and outstanding at end of the year (pence)	757.0	-	-	-
Weighted average remaining contractual life (years)	1.8	2.4	1.9	1.9
Weighted average share price at the date of exercise for awards exercised in the year (pence)	890.8	976.6	927.7	962.6

2022 number of awards ('000)	Sharesave awards	PSP awards	DSP awards	DSBP awards
Outstanding at 1 January	102	635	3,304	3,926
Granted	2,304	122	1,606	2,714
Exercised	(69)	(71)	(1,107)	(1,034)
Cancelled	(12)	-	-	-
Forfeited/lapsed	(35)	(143)	(121)	(86)
Outstanding at 31 December	2,290	543	3,682	5,520
Exercisable at 31 December				
Weighted average exercise price for awards outstanding at the beginning of the year, exercised in the year and forfeited/lapsed in the year (pence)	640.0	-	-	-
Weighted average exercise price for awards granted and outstanding at end of the year (pence)	757.0	-	-	-
Weighted average remaining contractual life (years)	2.8	2.7	1.7	2.0
Weighted average share price at the date of exercise for awards exercised in the year (pence)	1,214.0	1,095.3	1,053.0	1,082.0

## 28.2 Fair value of options

For all the DSP and DSBP schemes the fair value of awards is the closing share price before award date. The Actuarial Binomial model of actuaries Lane Clark & Peacock LLP is used to fair value awards granted under the PSP and Sharesave schemes.

The key inputs to determine the fair value of the awards granted under the PSP scheme during 2023 are shown below.

Performance Share Plan: Awards in the year ended 31 December 2023	21 April 2023
Share price at grant date (pence)	<b>980.0</b>
Risk-free rate	<b>3.7%</b>
Volatility of Savills plc share price	<b>33% per annum</b>
Employee turnover	<b>Zero</b>

The expected volatility is measured over the three years prior to the date of grant to match the vesting period of the award. The risk-free rate is the yield on a zero coupon UK government bond at each grant date, with term based on the expected life of the option or award.

The fair values of options granted in the period are shown below.

Grant	Grant date	Deferred period	Fair value pence
DSBP 2023	21 April 2023	3 - 4 years	952.0
DSBP 2023	31 May 2023	4 years	907.5
DSP 2023	21 April 2023	1 - 5 years	952.0
DSP 2023	18 September 2023	3 - 4 years	929.0
DSP 2023	31 May 2023	1 - 7 years	907.5
DSP 2023	30 September	1 - 5 years	865.6
DSP 2023	6 November 2023	1 - 5 years	835.5
PSP 2023 (EPS/ROCE)	21 April 2023	5 years	977.5
PSP 2023 (TSR)	21 April 2023	5 years	580.1



## NOTES TO THE FINANCIAL STATEMENTS continued

Year ended 31 December 2023

### 29. Share premium, retained earnings and other reserves

The share premium account represents the premium on shares issued. This reserve is non-distributable.

The share-based payments reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration. Refer to Note 28 for further details of these plans.

Treasury shares represents the cost of shares in Savills plc purchased in the market and held in trust to satisfy the exercise of share options.

The capital reserve includes mandatory minimum required capital reserves for certain regulated entities within the Investment Management business. These reserves are restricted with respect to dividend payments and distributions and are required to be treated separately to regular retained earnings.

The capital redemption reserve includes the nominal value of shares bought back by the Company. This reserve is non-distributable.

The merger relief reserve arose from the acquisition of Studley Inc (2014 acquisition) and records the premium value of the shares issued as part of the consideration for the acquisition of this business. This reserve is non-distributable.

The foreign exchange reserve primarily records exchange differences arising from the translation of the balance sheets of foreign currency denominated subsidiaries.

The revaluation reserve primarily records fair value movements on the Group's equity investments held at FVOCI (see Note 18.2). This reserve is non-distributable.

	Attributable to owners of the parent								
	Share-based payments reserve £m	Treasury shares £m	Profit and loss account* £m	Total retained earnings* £m	Capital redemption and capital reserve £m	Merger relief reserve £m	Foreign exchange reserve £m	Revaluation reserve £m	Total other reserves £m
<b>Balance at 1 January 2023</b>	<b>51.7</b>	<b>(91.9)</b>	<b>587.0</b>	<b>546.8</b>	<b>2.2</b>	<b>34.9</b>	<b>98.5</b>	<b>(22.8)</b>	<b>112.8</b>
Profit attributable to owners of the Company	-	-	40.8	40.8	-	-	-	-	-
Other comprehensive (loss)/income	-	-	(16.2)	(16.2)	-	-	(26.6)	0.6	(26.0)
Employee share option scheme:									
- Value of services provided	28.8	-	-	28.8	-	-	-	-	-
- Tax on employee share option schemes	0.5	-	-	0.5	-	-	-	-	-
- Exercise of options	(21.2)	25.6	(4.4)	-	-	-	-	-	-
- Exercise of options: tax on employee share option schemes	(0.2)	-	0.2	-	-	-	-	-	-
Tax on items taken to reserves	-	-	(0.4)	(0.4)	-	-	-	-	-
Purchase of treasury shares	-	(26.3)	-	(26.3)	-	-	-	-	-
Dividends	-	-	(48.8)	(48.8)	-	-	-	-	-
Transfer between reserves	0.7	-	(10.4)	(9.7)	(3.0)	3.0	-	7.7	7.7
Fair value of derivative financial instrument	-	-	(0.6)	(0.6)	-	-	-	-	-
<b>Balance at 31 December 2023</b>	<b>60.3</b>	<b>(92.6)</b>	<b>547.8</b>	<b>515.5</b>	<b>(0.8)</b>	<b>37.9</b>	<b>71.9</b>	<b>(14.5)</b>	<b>94.5</b>

\* Included within profit and loss account is tax on items taken directly to equity (Note 12) as disclosed above.

	Attributable to owners of the parent								
	Share-based payments reserve £m	Treasury shares £m	Profit and loss account* £m	Total retained earnings* £m	Capital redemption and capital reserve £m	Merger relief reserve £m	Foreign exchange reserve £m	Revaluation reserve £m	Total Other reserves £m
Balance at 1 January 2022	48.3	(68.8)	560.5	540.0	2.0	34.9	51.6	(12.3)	76.2
Profit attributable to owners of the Company	-	-	119.4	119.4	-	-	-	-	-
Other comprehensive income/(loss)	-	-	2.4	2.4	0.2	-	47.3	(10.9)	36.6
Employee share option scheme:									
- Value of services provided	29.6	-	-	29.6	-	-	-	-	-
- Tax on employee share option schemes	(2.6)	-	-	(2.6)	-	-	-	-	-
- Exercise of options	(21.0)	25.9	(4.9)	-	-	-	-	-	-
- Exercise of options: tax on employee share option schemes	(2.6)	-	2.6	-	-	-	-	-	-
Tax on items taken to reserves	-	-	0.3	0.3	-	-	-	-	-
Purchase of treasury shares	-	(49.0)	-	(49.0)	-	-	-	-	-
Dividends	-	-	(85.5)	(85.5)	-	-	-	-	-
Transfer between reserves	-	-	(4.0)	(4.0)	-	-	-	0.4	0.4
Fair value of derivative financial instrument	-	-	(4.5)	(4.5)	-	-	-	-	-
Transactions with non-controlling interests	-	-	0.7	0.7	-	-	(0.4)	-	(0.4)
Balance at 31 December 2022	51.7	(91.9)	587.0	546.8	2.2	34.9	98.5	(22.8)	112.8

\* Included within profit and loss account is tax on items taken directly to equity (Note 12) as disclosed above.

### 30. Contingent liabilities

The Group is involved in a number of disputes in the ordinary course of business. Provision is made in the financial statements for all claims where costs can be estimated reliably and settlement is probable, refer to Note 26 for further details.

## NOTES TO THE FINANCIAL STATEMENTS continued

Year ended 31 December 2023

### 31. Cash generated from operations

	Group		Company	
	2023 £m	2022 £m	2023 £m	2022 £m
Profit for the year	<b>39.5</b>	119.8	<b>66.1</b>	78.8
Adjustments for:				
Income tax (Note 12)	<b>15.9</b>	34.1	<b>(2.7)</b>	(2.3)
Depreciation (Note 16 and 17)	<b>69.6</b>	65.8	<b>6.2</b>	6.4
Amortisation of intangible assets (Note 15)	<b>15.8</b>	16.9	<b>0.5</b>	2.0
Fair value gain on derivative financial instrument and FVPL investments	<b>(2.1)</b>	(0.1)	-	-
(Gain)/loss on disposal of property, plant and equipment, intangible assets and leases	<b>(4.0)</b>	1.1	<b>0.3</b>	(3.0)
Impairment of property, plant and equipment and goodwill	<b>3.9</b>	0.8	-	-
Net finance (income)/cost (Note 11)	<b>(12.1)</b>	4.3	<b>(5.2)</b>	-
Share of post-tax profit from joint ventures and associates (Note 18.1)	<b>(10.2)</b>	(12.1)	-	-
Dividends from other parties	<b>(0.2)</b>	(0.2)	-	-
Increase/(decrease) in employee and retirement obligations	<b>2.5</b>	2.6	-	(0.1)
Exchange movement and fair value movements on financial instruments in operating activities	<b>0.5</b>	0.6	-	-
Increase/(decrease) in provisions	<b>11.2</b>	(4.7)	-	-
Increase in insurance reimbursement asset	<b>(3.4)</b>	-	-	-
Dividend income from subsidiary	-	-	<b>(75.0)</b>	(79.5)
Non-operational income - excess distribution from subsidiary with respect to share-based payment funding	-	-	-	(9.8)
Charge for share-based compensation (Note 28)	<b>28.8</b>	30.4	<b>2.4</b>	2.9
Operating cash flows before movements in working capital	<b>155.7</b>	259.3	<b>(7.4)</b>	(4.6)
(Increase)/decrease in trade and other receivables and contract assets	<b>(45.5)</b>	(7.3)	<b>(14.3)</b>	6.1
Decrease in trade and other payables and contract liabilities	<b>(61.0)</b>	(41.1)	<b>(0.3)</b>	(8.3)
<b>Cash generated from/(used in) operations</b>	<b>49.2</b>	210.9	<b>(22.0)</b>	(6.8)

Foreign exchange movements resulted in a £20.1m decrease in current and non-current trade and other receivables (2022: £37.3m increase) and a £21.3m decrease in current and non-current trade and other payables (2022: £43.8m increase).

### 32. Analysis of liabilities arising from financing activities

Group 2023	At 1 January £m	Cash flows £m	Non-cash movements recognised in the Income Statement £m	Other non-cash movements £m	Movements through business combinations and disposals £m	Exchange movement £m	At 31 December £m
Bank loans	(4.5)	1.0	-	-	-	0.4	(3.1)
Loan notes	(153.8)	3.2	-	-	-	(0.1)	(150.7)
Transaction costs	1.4	-	(0.6)	-	-	-	0.8
Lease liabilities	(277.6)	63.9	(9.2)	(38.4)	(0.5)	7.5	(254.3)
<b>Liabilities arising from financing activities</b>	<b>(434.5)</b>	<b>68.1</b>	<b>(9.8)</b>	<b>(38.4)</b>	<b>(0.5)</b>	<b>7.8</b>	<b>(407.3)</b>

Group 2022	At 1 January £m	Cash flows £m	Non-cash movements recognised in the Income Statement £m	Other non-cash movements £m	Movements through business combinations and disposals £m	Exchange movement £m	At 31 December £m
Bank loans	(0.9)	(0.3)	-	-	(3.2)	(0.1)	(4.5)
Loan notes	(150.0)	(3.8)	-	-	-	-	(153.8)
Transaction costs	1.6	0.4	(0.6)	-	-	-	1.4
Lease liabilities	(285.0)	60.5	(9.0)	(27.3)	(2.7)	(14.1)	(277.6)
<b>Liabilities arising from financing activities</b>	<b>(434.3)</b>	<b>56.8</b>	<b>(9.6)</b>	<b>(27.3)</b>	<b>(5.9)</b>	<b>(14.2)</b>	<b>(434.5)</b>

Non-cash movements recognised in the income statement represent amortisation of transaction costs and unwinding of discount on lease liabilities. Other non-cash movements to lease liabilities represent new leases and disposal of leases.

The part of the lease payment that represents cash payments for the principal portion of the lease liability is presented as a cash flow resulting from financing activities (2023: £54.7m, 2022: £51.4m). The part of the lease payment that represents the interest portion of the lease liability is presented as an operating cash flow, consistent with the presentation of the Group's loan and bank interest payments (2023: £9.2m, 2022: £9.0m).

Company 2023	At 1 January £m	Cash flows £m	Non-cash movements recognised in the income statement £m	Other non-cash movements £m	At 31 December £m
Lease liabilities	(58.8)	8.2	(2.1)	(7.5)	(60.2)
<b>Liabilities arising from financing activities</b>	<b>(58.8)</b>	<b>8.2</b>	<b>(2.1)</b>	<b>(7.5)</b>	<b>(60.2)</b>

Company 2022	At 1 January £m	Cash flows £m	Non-cash movements recognised in the income statement £m	At 31 December £m
Lease liabilities	(64.5)	7.7	(2.0)	(58.8)
<b>Liabilities arising from financing activities</b>	<b>(64.5)</b>	<b>7.7</b>	<b>(2.0)</b>	<b>(58.8)</b>

## NOTES TO THE FINANCIAL STATEMENTS continued

Year ended 31 December 2023

### 32. Analysis of liabilities arising from financing activities continued

Non-cash movements recognised in the income statement represent amortisation of transaction costs and unwinding of discount on lease liabilities.

The part of the lease payment that represents cash payments for the principal portion of the lease liability is presented as a cash flow resulting from financing activities (2023: £6.1m, 2022: £5.7m). The part of the lease payment that represents the interest portion of the lease liability is presented as an operating cash flow, consistent with the presentation of the Group's loan and bank interest payments (2023: £2.1m, 2022: £2.0m).

The Company does not have any borrowings as at 31 December 2023 and 31 December 2022.

### 33. Related party transactions

Other than disclosed below and the information provided within the Remuneration Report and Note 9.3 (Key management compensation), there were no significant related-party transactions during the year.

#### (a) Loans to related parties

Refer to Note 20.1 for details of loans made to joint ventures and associates.

#### (b) Transactions with associates and joint ventures

There were no material transactions with associates and joint ventures in the year (2022: no material transactions), with the exception of transactions and balances disclosed in Notes 20.1 and 23.1.

#### (c) Company related-party transactions

The Company provided corporate function services to its subsidiaries at an arm's length value of £32.6m (2022: £31.0m).

Dividends of £75.0m from subsidiaries were recognised during the year (2022: £79.5m). Interest income of £2.5m from subsidiaries on loans was recognised during the year (2022: £1.0m), with £0.1m of accrued intercompany interest income at the end of the year (2022: £nil). In the prior year, the Company received distributions from its subsidiaries with respect to the funding of the EBT in excess of the contribution made by the Company to date with respect to the IFRS 2 share based payment contribution to subsidiaries, this excess of £9.8m was recognised within profit and loss during the prior year (2023: £nil).

Amounts outstanding to and from subsidiaries as at 31 December 2023 are disclosed in Notes 20 and 23.

### 34. Post-balance sheet events

In February 2024, Samsung Life served notice on the call option to purchase a further 4% in the Savills IM Holdings Limited group, which will increase their total shareholding to 29%. This transaction is expected to complete towards the end of March 2024, with the Group due to receive £11.3m of proceeds.

There have been no other events that require adjustment to the Financial Statements or are considered to have a material impact on the understanding of the Group's and Company's current financial position.

### 35. Group - Investments

In accordance with Section 409 of the Companies Act 2006 a full list of subsidiaries, partnerships, associates and joint ventures, the registered office and the effective percentage of equity owned by the Group, as at 31 December 2023, are disclosed below. Unless otherwise stated, all subsidiary undertakings are consolidated into the Group financial statements and share capital wholly comprises ordinary shares which are indirectly held by the Company.

Fully owned subsidiary	Country of incorporation	Registered office
Incoll Group Pty Limited	Australia	Level 25, 1 Farrer Place, Sydney, NSW 2000
Incoll Management Pty Limited	Australia	Level 25, 1 Farrer Place, Sydney, NSW 2000
Moore's Cost Consulting Pty Limited	Australia	Level 25, 1 Farrer Place, Sydney, NSW 2000
Savills (ACT) Pty Limited	Australia	Level 25, 1 Farrer Place, Sydney, NSW 2000
Savills (Aust) Holdings Pty Limited (ii)	Australia	Level 25, 1 Farrer Place, Sydney, NSW 2000
Savills (Aust) Pty Limited	Australia	Level 25, 1 Farrer Place, Sydney, NSW 2000
Savills (NSW) Pty Limited	Australia	Level 25, 1 Farrer Place, Sydney, NSW 2000
Savills (QLD) Pty Limited	Australia	Level 25, 1 Farrer Place, Sydney, NSW 2000
Savills (SA) Pty Limited	Australia	Level 25, 1 Farrer Place, Sydney, NSW 2000
Savills (TAS) Pty Limited	Australia	Level 25, 1 Farrer Place, Sydney, NSW 2000
Savills (VIC) Pty Limited	Australia	Level 25, 1 Farrer Place, Sydney, NSW 2000
Savills (WA) Pty Limited	Australia	Level 25, 1 Farrer Place, Sydney, NSW 2000
Savills Capital Advisory Pty Limited	Australia	Level 25, 1 Farrer Place, Sydney, NSW 2000
Savills Occupier Services Pty Limited	Australia	Level 25, 1 Farrer Place, Sydney, NSW 2000
Savills Project Management Pty Limited	Australia	Level 25, 1 Farrer Place, Sydney, NSW 2000
Savills Project Services (SA) Pty Limited	Australia	Level 25, 1 Farrer Place, Sydney, NSW 2000
Savills Valuations Pty Limited	Australia	Level 25, 1 Farrer Place, Sydney, NSW 2000
Savills Sales W.L.L.	Bahrain	Flat/shop: 2802, Building: 2504, Road: 2832, Block: 428, Area: Al Seef, Manama
Savills Middle East Co. W.L.L.	Bahrain	Flat/shop: 2804, Building: 2504, Road: 2832, Block: 428, Area: Al Seef, Manama
Savills Canada, Inc	Canada	181 Bay Street – Suite 200, Toronto, ON M5J 2T3
Savills Inc	Canada	181 Bay Street – Suite 200, Toronto, ON M5J 2T3
Savills Services Inc	Canada	181 Bay Street – Suite 200, Toronto, ON M5J 2T3
Guardian Property Services (Shanghai) Company Limited	China	Room 220, Block 1, No.100 Jinyu Road, Pu Dong, Shanghai
Savills Business Information Technology (Shenzhen) Limited	China	Unit 201, A Tower, No. 1 QianWan Yi Road, Qianhai Shengnan Cooperation District, Shenzhen
Savills Property Services (Beijing) Company Limited	China	2101 East Tower, Twin Towers, B-12 Jianguomenwai Avenue, Chaoyang District, Beijing 100022
Savills Property Services (Chengdu) Company Limited	China	Room 2106, Yanlord Landmark, No. 1 Section 2, Renmin South Road, Chengdu 610016
Savills Property Services (Chongqing) Company Limited	China	Room 1601, 16th floor, GuoHua Financial Center, No. 9 JuXianYan Square, JiangBeiZui, Chongqing
Savills Property Services (Guangzhou) Company Limited	China	Room 1301, R&F Center, No.10 Hua Xia Road, Zhujiang New Town, Guangzhou 510623
Savills Property Services (Hainan) Limited	China	Room 9A, Baifang Building, Baifang Square, No. 105 Binhai Avenue, Longhua District, Haikou



## NOTES TO THE FINANCIAL STATEMENTS continued

Year ended 31 December 2023

### 35. Group – Investments continued

Fully owned subsidiary	Country of incorporation	Registered office
Savills Property Services (Hengqin) Limited	China	Room 105-19233, No. 6 Baohua Road, Hengqin new area, Zhuhai
Savills Property Services (Shanghai) Company Limited	China	Unit D, Room 62, Block 3, No.227, Ru Shan Road, Shanghai
Savills Property Services (Tianjin) Company Limited	China	Unit 4607, Tianjin World Financial Center, No. 2 Dagu North Road, Xiaobailou Street, Heping District, Tianjin
Savills Property Services (Wuhan) Company Limited	China	Unit 08-10, 27th Floor, CITIC PACIFIC Mansion, No.1627 Zhongshan Avenue, Jiang'an District
Savills Property Services (Zhuhai) Company Limited	China	Room 2204, 22/F, Tower B, China Overseas Building, Midtown, No. 2021 Jiuzhou West Avenue, Zhuhai
Savills Corporate Appraisal & Advisory Limited	China	Unit 01, 21/F, East Tower, Twin Towers, B-12 Jianguomenwai Avenue, Chaoyang District, Beijing 100022
Savills Real Estate Valuation (Guangzhou) Company Limited	China	Room 2105, R&F Center, No.10 Hua Xia Road, Zhujiang New Town, Guangzhou 510623
Savills Technology Innovation Services (Shanghai) Company Limited	China	Room 205, floor 2 west, No. 707 zhangyang road, China (Shanghai) Pilot Free Trade Zone
Savills Valuation and Professional Services (BJ) Limited	China	Unit 07, 21/F, East Tower, Twin Towers, B-12 Jianguomenwai Avenue, Chaoyang District, Beijing 100022
Savills Valuation and Professional Services (GZ) Limited	China	Room 2105, R&F Centre, No.10 Hua Xia Road, Zhujiang New Town, Guangzhou
Shenzhen Guardian Property Management Limited	China	Unit 03, 9/F, China Resources Tower, No.2666, Keyuan South Road, Nanshan District, Shenzhen, 518000
Swan Property Services (Beijing) Company Limited	China	2101 East Tower, Twin Towers, B-12 Jianguomenwai Avenue, Chaoyang District, Beijing 100022
Savills Engineering Consulting Shanghai Company Limited	China	Room 205, floor 2 west, No. 707 Zhangyang Road, China (Shanghai) Pilot Free Trade Zone
Savills CZ s.r.o.	Czech Republic	Florentinum, Building C, Na Florenci 2116/15, Prague 1, 110 00
Cluttons Egypt Consulting JSC	Egypt	Building 17, Street 210, Al Maadi, Cairo
Savills Egypt Consulting JSC	Egypt	Building 17, Street 210, Maadi, Cairo
Savills Valuation SAS	France	21 Boulevard Haussmann 75009, Paris
BRICKBYTE GmbH	Germany	Rosental 4, 80331 München
Savills Advisory Services GmbH	Germany	Taunusanlage 18, 60325 Frankfurt am Main
Savills Immobilien Beratungs GmbH	Germany	Taunusanlage 18, 60325 Frankfurt am Main
Savills Immobilien Beteiligungs – GmbH	Germany	Taunusanlage 18, 60325 Frankfurt am Main
Savills Immobilien Management GmbH	Germany	Taunusanlage 18, 60325 Frankfurt am Main
Savills Property Management Deutschland GmbH	Germany	Bonner Straße 209, 50968 Köln
Savills Facility Management Deutschland GmbH	Germany	Bonner Straße 209, 50968 Köln

Fully owned subsidiary	Country of incorporation	Registered office
Martel Maides Limited	Guernsey	Royal Terrace, Gategny Esplanade, St Peter Port, GY1 2HN
Parkes & Associates Limited	Guernsey	First Floor, Harbour Court, Les Amballes, St Peter Port, GY1 1WU
Savills Channel Islands Limited	Guernsey	Royal Terrace, Gategny Esplanade, St Peter Port, GY1 2HN
Absolute Result Limited	Hong Kong	23/F, Two Exchange Square, 8 Connaught Place, Central
Bridgewater Management Limited	Hong Kong	7/F, 1111 King's Road, Taikoo Shing
BTHK Property Management Limited	Hong Kong	Rooms 805-813, 8/F, 1111 King's Road, Taikoo Shing
Champion Insurance and Computer Services Limited	Hong Kong	7/F, 1111 King's Road, Taikoo Shing
Dominion Office Centre Limited	Hong Kong	7/F, 1111 King's Road, Taikoo Shing
Savills IT Solutions Limited	Hong Kong	7/F, 1111 King's Road, Taikoo Shing
Express Engineering Limited	Hong Kong	7/F, 1111 King's Road, Taikoo Shing
Express Maintenance Services Limited	Hong Kong	7/F, 1111 King's Road, Taikoo Shing
Gateway Contractors Limited	Hong Kong	7/F, 1111 King's Road, Taikoo Shing
Greenscape Limited	Hong Kong	7/F, 1111 King's Road, Taikoo Shing
GRVM Limited	Hong Kong	7/F, 1111 King's Road, Taikoo Shing
Guard Able Limited	Hong Kong	7/F, 1111 King's Road, Taikoo Shing
Guardian Care Limited	Hong Kong	7/F, 1111 King's Road, Taikoo Shing
Guardian Management Services Limited	Hong Kong	7/F, 1111 King's Road, Taikoo Shing
Guardian Mandarin Management Limited	Hong Kong	7/F, 1111 King's Road, Taikoo Shing
Guardian Partners Limited	Hong Kong	7/F, 1111 King's Road, Taikoo Shing
Guardian Property Agencies Limited	Hong Kong	7/F, 1111 King's Road, Taikoo Shing
Guardian Property Management Limited	Hong Kong	7/F, 1111 King's Road, Taikoo Shing
Guardian Integrated Management Services Limited	Hong Kong	7/F, 1111 King's Road, Taikoo Shing
Guardian ProTech Facilities Management Limited	Hong Kong	7/F, 1111 King's Road, Taikoo Shing
Guardian Quality Management Limited	Hong Kong	7/F, 1111 King's Road, Taikoo Shing
Hip Kwan Property Management Limited	Hong Kong	7/F, 1111 King's Road, Taikoo Shing
Kenda Services Limited	Hong Kong	7/F, 1111 King's Road, Taikoo Shing
Kwik Park Limited	Hong Kong	7/F, 1111 King's Road, Taikoo Shing
Mount Link Services Limited	Hong Kong	7/F, 1111 King's Road, Taikoo Shing
Quartey Properties Limited	Hong Kong	7/F, 1111 King's Road, Taikoo Shing
Savills (China) Limited	Hong Kong	23/F, Two Exchange Square, 8 Connaught Place, Central
Savills (Hong Kong) Limited	Hong Kong	23/F, Two Exchange Square, 8 Connaught Place, Central
Savills Asia Pacific Limited	Hong Kong	23/F, Two Exchange Square, 8 Connaught Place, Central

## NOTES TO THE FINANCIAL STATEMENTS continued

Year ended 31 December 2023

### 35. Group – Investments continued

Fully owned subsidiary	Country of incorporation	Registered office
Savills Building Services Limited	Hong Kong	Rooms 805-813, 8/F, 1111 King's Road, Taikoo Shing
Savills Design Limited	Hong Kong	Rooms 805-813, 8/F, 1111 King's Road, Taikoo Shing
Savills Engineering Limited	Hong Kong	Rooms 805-813, 8/F, 1111 King's Road, Taikoo Shing
Savills Guardian (Holdings) Limited	Hong Kong	7/F, 1111 King's Road, Taikoo Shing
Savills India Holding Limited	Hong Kong	23/F, Two Exchange Square, 8 Connaught Place, Central
Savills Indonesia Holding Limited	Hong Kong	23/F, Two Exchange Square, 8 Connaught Place, Central
Savills Management Services Limited	Hong Kong	23/F, Two Exchange Square, 8 Connaught Place, Central
Savills Philippines Holding Limited	Hong Kong	23/F, Two Exchange Square, 8 Connaught Place, Central
Savills Project Consultancy Limited	Hong Kong	Rooms 805-813, 8/F, 1111 King's Road, Taikoo Shing
Savills Property Management Holdings Limited	Hong Kong	Rooms 805-813, 8/F, 1111 King's Road, Taikoo Shing
Savills Property Management Limited	Hong Kong	Rooms 805-813, 8/F, 1111 King's Road, Taikoo Shing
Savills Realty Limited	Hong Kong	23/F, Two Exchange Square, 8 Connaught Place, Central
Savills Regional Services Limited	Hong Kong	23/F, Two Exchange Square, 8 Connaught Place, Central
Savills Property Services Limited	Hong Kong	Rooms 805-813, 8/F, 1111 King's Road, Taikoo Shing
Savills Valuation and Professional Services Limited	Hong Kong	Room 1208, 1111 King's Road, Taikoo Shing
Savills Valuation and Professional Services (China) Limited	Hong Kong	Room 1208, 1111 King's Road, Taikoo Shing
Security and Safety Limited	Hong Kong	7/F, 1111 King's Road, Taikoo Shing
Swan Hygiene Services Limited	Hong Kong	7/F, 1111 King's Road, Taikoo Shing
Swan Pest Control Services Limited	Hong Kong	7/F, 1111 King's Road, Taikoo Shing
Tarrayon Limited	Hong Kong	7/F, 1111 King's Road, Taikoo Shing
The Peninsular Centre Retailers Association Limited	Hong Kong	7/F, 1111 King's Road, Taikoo Shing
Savills Prestige Limited	Hong Kong	7/F, 1111 King's Road, Taikoo Shing
Savills Smart Management Limited	Hong Kong	7/F, 1111 King's Road, Taikoo Shing
Savills Smart Parking Limited	Hong Kong	7/F, 1111 King's Road, Taikoo Shing
Savills-One Management Services Limited	Hong Kong	7/F, 1111 King's Road, Taikoo Shing
PT Property Connection Indonesia	Indonesia	Panin Tower – Senayan City, 16/F, Jl.Asia Afrika Lot.19, Jakarta 10270
PT Savills Consultants Indonesia	Indonesia	Panin Tower – Senayan City, 16/F, Jl.Asia Afrika Lot.19, Jakarta 10270
Actium	(ii) Ireland	33 Molesworth Street, Dublin 2

Fully owned subsidiary		Country of incorporation	Registered office
Anateo Limited	(ii)	Ireland	33 Molesworth Street, Dublin 2
Savills Advisory Services (Ireland) Limited		Ireland	33 Molesworth Street, Dublin 2
Savills Commercial (Ireland) Limited	(ii)	Ireland	33 Molesworth Street, Dublin 2
Savills Management Resource Ireland Limited		Ireland	33 Molesworth Street, Dublin 2
Savills Residential (Ireland) Limited		Ireland	33 Molesworth Street, Dublin 2
Savills Italia SRL		Italy	Via Manzoni, 37 - 20121 Milano
Savills Italy SRL (EUR)		Italy	Via Manzoni, 37 - 20121 Milano
Savills Asset Advisory Company Limited		Japan	TOHO Hibiya Promenade Building 8F, 1-5-2 Yurakucho, Chiyoda-ku, Tokyo 100-0006
Savills Japan Company Limited		Japan	TOHO Hibiya Promenade Building 8F, 1-5-2 Yurakucho, Chiyoda-ku, Tokyo 100-0006
Savills Japan Valuation GK		Japan	TOHO Hibiya Promenade Building 8F, 1-5-2 Yurakucho, Chiyoda-ku, Tokyo 100-0006
Savills plc 1992 Employee Benefit Trust	(vi)	Jersey	Third Floor Cambridge House, Le Truchot, St Peter Port, GY1 1WD
1992 EBT Holdings Limited	(vi)	Jersey	50 La Colomberie, St. Helier, JE2 4QB
Savills (Jersey) Limited		Jersey	19 Halkett Place, St Helier, JE2 4WG
Savills (Macau) Limited		Macau	Suite 1309-1310, 13/F Macau Landmark, 555 Avenida da Amizade
Savills Project Consultancy (Macau) Limited		Macau	Suite 1309-1310, 13/F Macau Landmark, 555 Avenida da Amizade
Savills Property Management (Macau) Limited		Macau	Suite 1309-1310, 13/F Macau Landmark, 555 Avenida da Amizade
Savills (Myanmar) Limited		Myanmar	No. 8, Unit 8-A, Centerpoint Towers, No. 65, Corner of Sule Pagoda Road & Merchant Street, Kyauktada Township, Yangon
Savills Asset and Property Management BV		Netherlands	Viñoly Building, Claude Debussylaan 48, Amsterdam 1082 MD
Savills Agency BV		Netherlands	Viñoly Building, Claude Debussylaan 48, Amsterdam 1082 MD
Savills BV		Netherlands	Viñoly Building, Claude Debussylaan 48, Amsterdam 1082 MD
Savills Building & Project Consultancy BV		Netherlands	Viñoly Building, Claude Debussylaan 48, Amsterdam 1082 MD
Savills Consultancy BV		Netherlands	Viñoly Building, Claude Debussylaan 48, Amsterdam 1082 MD
Savills Holdings BV		Netherlands	Viñoly Building, Claude Debussylaan 48, Amsterdam 1082 MD
Savills Investments BV		Netherlands	Viñoly Building, Claude Debussylaan 48, Amsterdam 1082 MD
Savills Nederland Holdings BV		Netherlands	Viñoly Building, Claude Debussylaan 48, Amsterdam 1082 MD
Savills Retail BV		Netherlands	Viñoly Building, Claude Debussylaan 48, Amsterdam 1082 MD
Savills (NZ) Limited		New Zealand	Level 6, 41 Shortland Street, Auckland Central, Auckland, 1010

## NOTES TO THE FINANCIAL STATEMENTS continued

Year ended 31 December 2023

### 35. Group – Investments continued

Fully owned subsidiary	Country of incorporation	Registered office
FPD Management Services Philippines Inc	Philippines	12/F., Times Plaza Building, United Nations Avenue corner Taft Avenue, Ermita, Manila 1000
Savills Sp Z o.o.	Poland	Al. Jana Pawła II 22, Warszawa
Savills Portugal – Consultoria, Lda.	Portugal	Avenida Miguel Bombarda 4, 1000-208 Lisboa
Savills Portugal – Mediação Imobiliária Lda	Portugal	Avenida Miguel Bombarda 4, 1000-208 Lisboa
Predibisa – Sociedade de Mediação Imobiliária Lda	Portugal	R. José Gomes Ferreira 117
Savills for Business Services SPC	Saudi Arabia	PO Box 17, Riyadh, Post Code: 11411
iProcurePro Pte Limited	Singapore	30 Cecil Street #20-03 Prudential Tower, 049712
Savills (SEA) Pte Limited	(ii) Singapore	30 Cecil Street #20-03 Prudential Tower, 049712
Savills (Singapore) Pte Limited	Singapore	30 Cecil Street #20-03 Prudential Tower, 049712
Savills Property Management Pte Limited	Singapore	20 Martin Road #03-01/02 Seng Kee Building, 239070
Savills Residential Pte Limited	Singapore	30 Cecil Street #20-03 Prudential Tower, 049712
Savills Valuation & Professional Services (S) Pte Limited	Singapore	30 Cecil Street #20-03 Prudential Tower, 049712
Savills Korea Advisors Realty Company Limited	South Korea	13/F Seoul Finance Center, 136 Sejong-daero Jung-gu, Seoul
Savills Korea Company Limited	South Korea	13/F Seoul Finance Center, 136 Sejong-daero Jung-gu, Seoul
Savills Diseno y Construccion Barcelona SAU	Spain	Avda. Diagonal 609-615, Barcelona
Savills Arquitectura SAU	Spain	Paseo de la Castellana, 81 28046 Madrid
Savills Barcelona SAU	Spain	Avda. Diagonal 609-615, Barcelona
Savills Consultores Real Estate SAU	Spain	Paseo de la Castellana, 81 28046 Madrid
Savills Corporate Finance SAU	Spain	Paseo de la Castellana, 81 28046 Madrid
Savills RE Spain SAU	Spain	Paseo de la Castellana, 81 28046 Madrid
Savills Valoraciones y Tasaciones SA	Spain	Paseo de la Castellana, 81 28046 Madrid
Savills Consultores Inmobiliarios SA	Spain	Paseo de la Castellana, 81 28046 Madrid
Loudden Bygg-och Fastighetsservice AB	Sweden	Box 6317, 102 35 Stockholm
Savills Förvaltning AB	Sweden	Sergels Torg 12 111 57 Stockholm
Savills Sweden AB	Sweden	Sergels Torg 12 111 57 Stockholm
Savills Sweden Investment AB	Sweden	Sergels Torg 12, 111 57 Stockholm
Savills (Taiwan) Limited	Taipei	21/F, No. 68, Sec. 5, Zhong-Xiao East Road, 110
Savills Residential Services (Taiwan) Limited	Taipei	21/F, No. 68, Sec. 5, Zhong-Xiao East Road, 110
Savills Valuation & Professional Services (Taiwan)	(iii) Taipei	21/F, No. 68, Sec. 5, Zhong-Xiao East Road, 110
Savills (Thailand) Limited	Thailand	990 Abdulrahim Place Building, 26/F, Rama IV Road, Silom Subdistrict, Bang Rak District, Bangkok
Savills Services (Thailand) Limited	Thailand	990 Abdulrahim Place Building, 26/F, Rama IV Road, Silom Subdistrict, Bang Rak District, Bangkok

Fully owned subsidiary	Country of incorporation	Registered office
Savills Real Estate LLC (Dubai)	(iv) United Arab Emirates	22nd Floor, Arenco Tower, Sheikh Zayed Road, PO Box 3087 Dubai
Savills Real Estate LLC (Sharjah)	(iv) United Arab Emirates	2702C, Al Marzouqi Towers, King Faisal Street
Automotive Property Consultancy Holdings Limited	United Kingdom	33 Margaret Street, London, W1G 0JD
Automotive Property Consultancy Limited	United Kingdom	33 Margaret Street, London, W1G 0JD
B Bids Limited	United Kingdom	33 Margaret Street, London, W1G 0JD
Buckleys Estate Agents Limited	United Kingdom	33 Margaret Street, London, W1G 0JD
Chesterfield & Co (Rentals) Limited	United Kingdom	33 Margaret Street, London, W1G 0JD
Cordea Savills Investments Limited	United Kingdom	33 Margaret Street, London, W1G 0JD
Cureoscity Technologies Limited	United Kingdom	33 Margaret Street, London, W1G 0JD
Currell Commercial Limited	United Kingdom	9 Bonhill Street, London, EC2A 4DJ
Currell Residential Limited	United Kingdom	9 Bonhill Street, London, EC2A 4DJ
Grosvenor Hill Ventures Limited	United Kingdom	33 Margaret Street, London, W1G 0JD
Hepher Dixon Limited	United Kingdom	33 Margaret Street, London, W1G 0JD
Holden Matthews Estate Agents Limited	United Kingdom	33 Margaret Street, London, W1G 0JD
Humphriss & Ryde Limited	United Kingdom	33 Margaret Street, London, W1G 0JD
Jago Dean PR Limited	United Kingdom	33 Margaret Street, London, W1G 0JD
JP Case & Co Property Services Limited	United Kingdom	33 Margaret Street, London, W1G 0JD
LIBRA Housing Advisory Services Limited	United Kingdom	33 Margaret Street, London, W1G 0JD
Liverpool ONE Management Services Limited	United Kingdom	33 Margaret Street, London, W1G 0JD
Mansfield Elstob Main Limited	United Kingdom	33 Margaret Street, London, W1G 0JD
Moor House Management Services Limited	United Kingdom	33 Margaret Street, London, W1G 0JD
Nash Bond Limited	United Kingdom	33 Margaret Street, London, W1G 0JD
PCA Holdings Limited	United Kingdom	33 Margaret Street, London, W1G 0JD
PCA Management Consultants Limited	United Kingdom	33 Margaret Street, London, W1G 0JD
Portnalls Limited	United Kingdom	33 Margaret Street, London, W1G 0JD
Prime Purchase Limited	United Kingdom	33 Margaret Street, London, W1G 0JD
Rickitt Grant & Company Limited	United Kingdom	33 Margaret Street, London, W1G 0JD
S F Securities Limited	United Kingdom	33 Margaret Street, London, W1G 0JD
Savills (Europe) Limited	United Kingdom	33 Margaret Street, London, W1G 0JD
Savills (L&P) Limited	United Kingdom	33 Margaret Street, London, W1G 0JD
Savills (NI) Limited	United Kingdom	2nd Floor, Longbridge House, 16-24 Waring Street, Belfast, BT1 2DX
Savills (Overseas Holdings) Limited	United Kingdom	33 Margaret Street, London, W1G 0JD
Savills (UK) Limited	United Kingdom	33 Margaret Street, London, W1G 0JD
Savills Advisory Services (L&P) Limited	United Kingdom	33 Margaret Street, London, W1G 0JD
Savills Advisory Services Limited	United Kingdom	33 Margaret Street, London, W1G 0JD
Savills Asia Pacific Holding Limited	United Kingdom	33 Margaret Street, London, W1G 0JD



## NOTES TO THE FINANCIAL STATEMENTS continued

Year ended 31 December 2023

### 35. Group – Investments continued

Fully owned subsidiary	Country of incorporation	Registered office
Savills Asset Warehouse 1 Limited	United Kingdom	33 Margaret Street, London, W1G 0JD
Savills Co-Investment Holdings Limited	United Kingdom	33 Margaret Street, London, W1G 0JD
Savills Capital Advisors Limited	United Kingdom	33 Margaret Street, London, W1G 0JD
Savills Commercial (Leeds) Limited	United Kingdom	33 Margaret Street, London, W1G 0JD
Savills Commercial Limited	United Kingdom	33 Margaret Street, London, W1G 0JD
Savills Finance Holdings plc	United Kingdom	33 Margaret Street, London, W1G 0JD
Savills Financial Services Limited	United Kingdom	33 Margaret Street, London, W1G 0JD
Savills Holding Company Limited (i)	United Kingdom	33 Margaret Street, London, W1G 0JD
Savills India Limited	United Kingdom	33 Margaret Street, London, W1G 0JD
Savills Italy Holding Limited	United Kingdom	33 Margaret Street, London, W1G 0JD
Savills KSA Limited	United Kingdom	33 Margaret Street, London, W1G 0JD
Savills Lending Solutions Limited	United Kingdom	33 Margaret Street, London, W1G 0JD
Savills Management Resources Limited	United Kingdom	33 Margaret Street, London, W1G 0JD
Savills Management Resources Northern Ireland Limited	United Kingdom	2nd Floor, Longbridge House, 16-24 Waring Street, Belfast, BT1 2DX
Savills ME Limited	United Kingdom	33 Margaret Street, London, W1G 0JD
Savills Middle East Holdings Limited	United Kingdom	33 Margaret Street, London, W1G 0JD
Savills Telecom Limited	United Kingdom	33 Margaret Street, London, W1G 0JD
Savills Trust Company Limited	United Kingdom	33 Margaret Street, London, W1G 0JD
Smith Woolley Limited	United Kingdom	33 Margaret Street, London, W1G 0JD
Smiths Gore Limited	United Kingdom	33 Margaret Street, London, W1G 0JD
The Currell Group Limited	United Kingdom	9 Bonhill Street, London, EC2A 4DJ
The London Planning Practice Limited	United Kingdom	33 Margaret Street, London, W1G 0JD
Wellington Holdings Limited	United Kingdom	33 Margaret Street, London, W1G 0JD
BTR Capital Advisors I, LLC	United States	399 Park Avenue – 11th FL, New York, NY 10022
BTR Capital Advisors II, Inc	United States	399 Park Avenue – 11th FL, New York, NY 10022
BTR Capital Advisors III, Inc	United States	399 Park Avenue – 11th FL, New York, NY 10022
Gravitas Lease Audit Services LLC	United States	399 Park Avenue – 11th FL, New York, NY 10022
Gravitas Real Estate Solutions LLC	United States	399 Park Avenue – 11th FL, New York, NY 10022
Kelly, Legan & Gerard Inc	United States	398 Park Avenue – 11th FL, New York, NY 10022
Savills Dallas Lease Administration LLC	United States	15660 N Dallas Pkway, Ste 1200 Dallas, TX 75248
Macro Consultants LLC	United States	399 Park Avenue – 11th FL, New York, NY 10022
Savills (L&P) Inc	United States	Unex House, 132-134 Hills Road, Cambridge CB2 8PA
Savills (ME) LLC	United States	399 Park Avenue – 11th FL, New York, NY 10022
Savills America Limited	United States	399 Park Avenue – 11/F, New York, NY 10022
Savills Capital Markets LLC	United States	399 Park Avenue – 11th FL, New York, NY 10022
Savills Gravitas Real Estate Solutions LLC	United States	399 Park Avenue – 11th FL, New York, NY 10022
Savills Inc	United States	399 Park Avenue – 11th FL, New York, NY 10022

<b>Fully owned subsidiary</b>		<b>Country of incorporation</b>	<b>Registered office</b>	
Savills Rabbi Trust	(vi)	United States	570 Lexington Ave, New York, NY 10022	
Savills Occupier Services Inc		United States	399 Park Avenue - 11th FL, New York, NY 10022	
SSOC, LLC		United States	399 Park Avenue - 11th FL, New York, NY 10022	
Studley International, Inc		United States	399 Park Avenue - 11th FL, New York, NY 10022	
Studley Advisors, Inc		United States	399 Park Avenue - 11th FL, New York, NY 10022	
SVS (GA) Inc		United States	399 Park Avenue - 11th FL, New York, NY 10022	
SVS Stone LLC		United States	399 Park Avenue - 11th FL, New York, NY 10022	
T3 Realty Advisors West Corp		United States	399 Park Avenue - 11th FL, New York, NY 10022	
T3 Realty Advisors, LLC		United States	399 Park Avenue - 11th FL, New York, NY 10022	
The Great Studley Stamp Company		United States	399 Park Avenue - 11th FL, New York, NY 10022	
Savills Vietnam Company Limited		Vietnam	21/F, Tòa Tây- Lotte Center Hanoi, 54 Lieu Giai Street, Cong Vi Ward, Ba Dinh District, Hanoi City	
SVVN Price Valuation Limited Liability Company		Vietnam	17 Fl., Vincom Centre Building, 72 Le Thanh Ton Str., Ben Nghe Ward, Dist 1, Ho Chi Minh City	
<b>Subsidiaries of which the Group owns less than 100%</b>		<b>% owned</b>	<b>Country of incorporation</b>	<b>Registered office</b>
Savills Investment Management (Australia) Pty Limited		75	Australia	Level 36, Gateway, 1 Macquarie Place, Sydney NSW 2000
Savills Retail Management Pty Limited	(vii)	55	Australia	Level 25, 1 Farrer Place, Sydney, NSW 2000
Savills Belux Group SA		99.9	Belgium	Avenue Louise 81, 1050 Brussels, Belgium
DRC UK Whole Loan Fund (Feeder) (GP) Limited		75	Cayman Islands	94 Solaris Avenue, Camana Bay, PO Box 1348, Grand Cayman, KY1-1108
DRC UK Whole Loan Fund (GP) Limited		75	Cayman Islands	94 Solaris Avenue, Camana Bay, PO Box 1348, Grand Cayman, KY1-1108
European Real Estate Debt Fund II (GP) Limited		75	Cayman Islands	94 Solaris Avenue, Camana Bay, PO Box 1348, Grand Cayman, KY1-1108
European Real Estate Senior Debt (GP 1) Limited		75	Cayman Islands	94 Solaris Avenue, Camana Bay, PO Box 1348, Grand Cayman, KY1-1108
European Real Estate Senior Debt (GP 2) Limited		75	Cayman Islands	94 Solaris Avenue, Camana Bay, PO Box 1348, Grand Cayman, KY1-1108
European Real Estate Senior Debt (GP 3) Limited		75	Cayman Islands	94 Solaris Avenue, Camana Bay, PO Box 1348, Grand Cayman, KY1-1108
Savills IM Japan Residential Fund II Feeder GP Limited		75	Cayman Islands	c/o Walkers Corporate Limited, Cayman Corporate Centre, 27 Hospital Road, George Town, Grand Cayman KY1-9008
Savills Property Services (Shenzhen) Company Limited		85	China	Unit 02, 9/F, China Resources Tower, No.2666, Keyuan South Road, Nanshan District, Shenzhen, 518000,
Savills Egypt		55	Egypt	Building 17, Street 210, Maadi, Cairo
Savills Investment Management SAS		75	France	54-56 Avenue Hoche, 75008 Paris
Savills SA		99.97	France	21 Boulevard Haussmann 75009, Paris
Savills Fund Management GmbH		70.5	Germany	Rotfeder-Ring 7, D-60327 Frankfurt am Main

## NOTES TO THE FINANCIAL STATEMENTS continued

Year ended 31 December 2023

### 35. Group – Investments continued

Subsidiaries of which the Group owns less than 100%	% owned	Country of incorporation	Registered office
Savills Fund Management Holding AG	75	Germany	Rotfeder-Ring 7, D-60327 Frankfurt am Main
Savills IM Berlin Südkreuz GmbH & Co. KG	75	Germany	Rotfeder-Ring 7, 60327 Frankfurt am Main
Savills IM Beteiligungs GmbH	75	Germany	Rotfeder-Ring 7, 60327 Frankfurt am Main
Savills Investment Management (Germany) GmbH	75	Germany	Sonnenstrasse 19, Munich
Savills Investment Management (KVG) GmbH	67.43	Germany	Rotfeder-Ring 7, D-60327 Frankfurt am Main
Jiayi Savills Property Services Limited	51	Hong Kong	23/F, Two Exchange Square, 8 Connaught Place, Central
Merx HK Limited	60	Hong Kong	Rooms 1202-04, 12/F, 1111 King's Road, Taikoo Shing
Savills Billion Property Management Limited	80	Hong Kong	Rooms 805-813, 8/F, 1111 King's Road, Taikoo Shing
Savills Investment Management Asia Limited	75	Hong Kong	Level 54, Hopewell Centre, 183 Queen's Road East
The Aurora Management Services Limited	80	Hong Kong	Rooms 805-813, 8/F, 1111 King's Road, Taikoo Shing
Savills Vignature Property Management Limited	70	Hong Kong	Rooms 805-813, 8/F, 1111 King's Road, Taikoo Shing
Savills The Vision Property Management Limited	60	Hong Kong	Rooms 805-813, 8/F, 1111 King's Road, Taikoo Shing
PT Savills Advisory Services	70	Indonesia	Panin Tower – Senayan City, 16/F, Jl.Asia Afrika Lot.19, Jakarta 10270
PT Savills Management Services	60	Indonesia	Panin Tower – Senayan City, 16/F, Jl.Asia Afrika Lot.19, Jakarta 10270
PT CB Advisory	60	Indonesia	Panin Tower – Senayan City, 16/F, Jl.Asia Afrika Lot.19, Jakarta 10270
Savills Investment Management SGR SpA	75	Italy	Via San Paolo 7, 20121 Milan
Savills Residential Italy SRL	(vii) 51	Italy	Via di Montoro, 8 – 00186 Roma (RM)
JVF GP GK	68.16	Japan	c/o Akasaka International Accounting Office 2-10-5 Akasaka, Minato-ku, Tokyo, Japan
Savills Investment Architecture Design GK	75	Japan	3F BPR Place Kamiyacho, 1-11-9 Azabudai, 1 Chome-11 Azabudai, Minato-ku, Tokyo 106-0041
SIM Real Estate GK	75	Japan	3F BPR Place Kamiyacho, 1-11-9 Azabudai, 1 Chome-11 Azabudai, Minato-ku, Tokyo 106-0041
DRC European Real Estate Debt Fund III (GP) Limited	75	Jersey	The Forum, 4 Grenville Street, St Helier, JE2 4UF
DRC European Real Estate Debt Fund III (SLI GP) Limited	75	Jersey	The Forum, 4 Grenville Street, St Helier, JE2 4UF
DRC European Real Estate Debt Fund IV (GP) Limited	75	Jersey	The Forum, 4 Grenville Street, St Helier, JE2 4UF
DRC European Real Estate Debt Fund IV (SLI) LP	75	Jersey	4th Floor, Ensign House, 29 Seaton Place, St. Helier, JE2 3QL

Subsidiaries of which the Group owns less than 100%	% owned	Country of incorporation	Registered office
DRC Evergreen Whole Loan (GP) Limited	75	Jersey	The Forum, 4 Grenville Street, St Helier, JE2 4UF
DRC UK Whole Loan Fund II (GP) Limited	75	Jersey	The Forum, 4 Grenville Street, St Helier, JE2 4UF
European Real Estate Senior Debt 4 (GP) Limited	75	Jersey	The Forum, 4 Grenville Street, St Helier, JE2 4UF
European Real Estate Senior Debt Fund (GP 7) Limited	75	Jersey	IFC 5, St Helier, JE1 1ST
Prime London Residential Development Jersey GP Limited	75	Jersey	3rd Floor Walker House, 28-34 Hill Street, St Helier, JE4 8PN
Prime London Residential Development Jersey II GP Limited	75	Jersey	3rd Floor Walker House, 28-34 Hill Street, St Helier, JE4 8PN
Savills IM Single Asset Vehicle Fund ICC	75	Jersey	3rd Floor, Liberation House, Castle Street, St Helier, Channel Islands JE1 2LH
Savills Investment Management (Jersey) Limited	75	Jersey	3rd Floor, Walker House, 28-34 Hill St, St Helier, JE4 8PN
DRC European Real Estate Debt Fund IV (GP II) Sarl	75	Luxembourg	6H Route de Treves, Senningerberg L-2633
DRC SIM Australia Real Estate Debt Fund I (GP) Sarl	75	Luxembourg	10, rue C.M. Spoo
European Real Estate Senior Debt 5 (GP) Sarl	75	Luxembourg	Airport Center Luxembourg 5, Heienhaff, L-1736 Senningerberg
European Real Estate Senior Debt 6 (GP) Sarl	75	Luxembourg	Airport Center Luxembourg 5, Heienhaff, L-1736 Senningerberg
European Real Estate Senior Debt 8 Sarl	75	Luxembourg	6H Route de Treves, Senningerberg L-2633
Savills IM European Fund V GP Sarl	75	Luxembourg	10, rue C.M. Spoo
Savills IM Japan Residential Evergreen Feeder Fund A (GP) Sarl	75	Luxembourg	10, rue C.M. Spoo
Savills Investment Management (Luxembourg) Sarl	67.43	Luxembourg	10, rue C.M. Spoo
Merx Macau Limited	60	Macau	Avenida da Praia Grande, nº 665, Edifício Great Will, 16º andar, Unidade A, em Macau
Merx Malaysia Sdn. Bhd.	60	Malaysia	Unit 1336, Suite-A, Lobby 7, Block A, Damansara Intan No 1, Jalan SS20/27, 47400 Petaling Jaya, Selangor, Malaysia
Savills Investment Management BV	75	Netherlands	Vida Building, Kabelweg 57, 1014 BA Amsterdam
Savills & Partners LLC	65	Oman	Hatat Complex Suite 30-36, Ground Floor, P O Box 1475, Ruwi
Savills Investment Management Sp Z o.o.	75	Poland	Gdanski Business Center - building B (3rd floor), Inflancka 4 st., 00-189 Warsaw
Absolute Maintenance Services Pte Limited	60	Singapore	13 Kaki Bukit Place Absolute Maintenance Building S416191
Merx Holdings (SG) Pte Limited	60	Singapore	168 Robinson Road, #12 Capital Tower, 068912
Merx Construction Management (MCM) Pte Limited	60	Singapore	168 Robinson Road, #12 Capital Tower, 068912

## NOTES TO THE FINANCIAL STATEMENTS continued

Year ended 31 December 2023

### 35. Group – Investments continued

Subsidiaries of which the Group owns less than 100%	% owned	Country of incorporation	Registered office
Savills Investment Management Pte. Limited	75	Singapore	83 Amoy Street, 01-01, 069960
Savills IM Japan Value Fund II GP Pte Limited	75	Singapore	61 Robinson Road, #16-02, Robinson Centre, 068893
Savills IM Japan Residential Fund II GP Pte Limited	75	Singapore	61 Robinson Road, #16-02, Robinson Centre, 068893
Solute Pte Limited	60	Singapore	13 Kaki Bukit Place, Absolute Maintenance Building, S416191
Savills Investment Management SLU	75	Spain	Paseo de la Castellana, 81 28046 Madrid
Savills Investment Management AB	75	Sweden	Regeringsgatan 48, 5th Floor, 111 56 Stockholm
Cordea Savills SLP GP Limited	75	United Kingdom	Wemyss House, 8 Wemyss Place, Edinburgh, EH3 6DH
Cordea Savills SLP II LP	75	United Kingdom	50 Lothian Road, Festival Square, Edinburgh, EH3 9WJ
Cordea Savills SLP LP	75	United Kingdom	Wemyss House, 3 Wemyss Place, Edinburgh, EH3 6DH
DRC Savills Investment Management LLP	75	United Kingdom	4th Floor, 6 Duke Street St James's, London, SW1Y 6BN
Liverpool ONE Management Company Limited	50	United Kingdom	33 Margaret Street, London, W1G 0JD
Savills IM Residential UK Limited	75	United Kingdom	33 Margaret Street, London, W1G 0JD
Prime London Residential Development Co-Investment GP LLP	75	United Kingdom	50 Lothian Road, Festival Square, Edinburgh, EH3 9WJ
Prime London Residential Development Co-Investment II GP LLP	75	United Kingdom	50 Lothian Road, Festival Square, Edinburgh, EH3 9WJ
Prime London Residential Development Co-Investment II LP	75	United Kingdom	50 Lothian Road, Festival Square, Edinburgh, EH3 9WJ
Prime London Residential Development Co-Investment LP	75	United Kingdom	50 Lothian Road, Festival Square, Edinburgh, EH3 9WJ
Prime London Residential Development GP LLP	75	United Kingdom	33 Margaret Street, London, UK, W1G 0JD
Prime London Residential Development II GP LLP	75	United Kingdom	33 Margaret Street, London, UK, W1G 0JD
SAH Investments Holdings Limited	45	United Kingdom	33 Margaret Street, London, UK, W1G 0JD
Simply Affordable Homes 2 LP	45	United Kingdom	33 Margaret Street, London, UK, W1G 0JD
Savills IM SLP II GP LLP	75	United Kingdom	50 Lothian Road, Festival Square, Edinburgh, EH3 9WJ
Savills IM Dawn GP Limited	75	United Kingdom	33 Margaret Street, London, UK, W1G 0JD
Savills IM Euro V Co-Investment GP LLP	75	United Kingdom	50 Lothian Road, Festival Square, Edinburgh, Scotland, EH3 9WJ
Savills IM Euro V Co-Investment LP	75	United Kingdom	50 Lothian Road, Festival Square, Edinburgh, Scotland, EH3 9WJ

Subsidiaries of which the Group owns less than 100%	% owned	Country of incorporation	Registered office
Savills IM Holdings Limited	75	United Kingdom	33 Margaret Street, London, UK, W1G 0JD
Savills IM Investco Limited	75	United Kingdom	33 Margaret Street, London, UK, W1G 0JD
Savills IM Investments Limited	75	United Kingdom	33 Margaret Street, London, UK, W1G 0JD
Savills IM JVF II Co-Investment GP LLP	75	United Kingdom	50 Lothian Road, Festival Square, Edinburgh, Scotland, EH3 9WJ
Savills IM JVF II Co-Investment LP	75	United Kingdom	50 Lothian Road, Festival Square, Edinburgh, Scotland, EH3 9WJ
Savills IM SLP General Partner LLP	75	United Kingdom	Wemyss House, 8 Wemyss Place, Edinburgh, United Kingdom, EH3 6DH
Savills IM SLP III GP LLP	75	United Kingdom	Citypoint, 65 Haymarket Terrace, Edinburgh, Scotland, EH12 5HD
Savills IM SLP III LP	75	United Kingdom	Citypoint, 65 Haymarket Terrace, Edinburgh, Scotland, EH12 5HD
Savills IM UK One Limited	75	United Kingdom	33 Margaret Street, London, UK, W1G 0JD
Savills IM UK Property Ventures No.1 GP Limited	75	United Kingdom	33 Margaret Street, London, UK, W1G 0JD
Savills IM UK Two Limited	75	United Kingdom	33 Margaret Street, London, UK, W1G 0JD
Savills Investment Management (UK) Limited	75	United Kingdom	33 Margaret Street, London, UK, W1G 0JD
Savills Investment Management LLP	75	United Kingdom	33 Margaret Street, London, UK, W1G 0JD
Savills Investment Management Overseas Holdings Limited	75	United Kingdom	33 Margaret Street, London, UK, W1G 0JD
Simply Affordable Homes 1 GP Limited	45	United Kingdom	33 Margaret Street, London, UK, W1G 0JD
Simply Affordable Homes 1 LP	45	United Kingdom	33 Margaret Street, London, UK, W1G 0JD
Simply Affordable Homes 2 GP Limited	45	United Kingdom	33 Margaret Street, London, UK, W1G 0JD
Simply Affordable Homes GP LLP	45	United Kingdom	33 Margaret Street, London, UK, W1G 0JD
Simply Affordable Homes LLP	45	United Kingdom	33 Margaret Street, London, UK, W1G 0JD
Simply Affordable Homes RP Limited	45	United Kingdom	33 Margaret Street, London, UK, W1G 0JD
Stratland Management Limited	75	United Kingdom	33 Margaret Street, London, UK, W1G 0JD
DRC SIM US Holdings LLC	75	United States	Corporation Service Company, 251 Little Falls Drives, Wilmington, Delaware
SGDN Limited	51	United Kingdom	Stuart House, City Road, Peterborough, PE1 1QF
Savills Investment Management Inc	75	United States	251 Little Falls Drive, Wilmington, Delaware



## NOTES TO THE FINANCIAL STATEMENTS continued

Year ended 31 December 2023

### 35. Group – Investments continued

Joint Ventures	% owned	Country of incorporation	Registered office
Shanghai No.1 and FPD Savills Property Management Company Limited	51	China	Building No1, 3rd Floor, No.400, Fangchun Road, Pudong District, Shanghai
Zhuhai Hengqin Savills Assets Operation Management Company Limited	51	China	Room 105-1460, No. 6 Baohua Road, Hengqin New Area, Zhuhai
Chuangtuo Savills Property Management (Shanghai) Company Limited	50	China	Room 408, No.481 Zhengli Road, Yangpu District, Shanghai
Beijing Baiwang Savills Real Estate Company Limited	49	China	Room 501, 5F, Block 2, No. 2 South Yongjie Road, Haidian District, Beijing
Foshan Meizhi & Savills Property Management Company Limited	40	China	Unit 2404, Building No. 4, Midea Fortune Plaza, 1 Chende Road, Shunde District, Foshan
Gohigh Savills (Shanghai) Property Management Company Limited	49	China	Room 203D, 2/F, No. 21, Lane 596, Middle Yanan Road, Jingan District, Shanghai
Guangzhou Nansi & Savills Property Management Company Limited	49	China	Room 1304, Feng Ze Dong Road No.106, Nan Sha Area, Guang Zhou
Shanghai Qihui Savills Property Services Company Limited	49	China	Rm 548, 9F, No. 583 Lingmu Road, Xuhui District, Shanghai
Beijing Haizhi Savills Property Management Company Limited	30	China	Zone B, 6/F, Tower B, No.18 Zhong Guan Cun Avenue, Haidian District, Beijing
Beijing Hongyuan Savills Property Management Company Limited	40	China	Unit 104, F1, Building 4, No.2 Jinsui Avenue, Shunyi District, Beijing
Savills BM Property Services Company Limited	40	China	Room 115, No.53, Lane 749, Middle Tianmu Road, Zhabei District, Shanghai
Shenzhen Qianhai Savills Property Services Company Limited	40	China	Unit 201,A Tower, No.1, QianWan Road, Qianhai Shengan Cooperation District, Shenzhen
Shanghai Kuntin Savills Property Management Company Limited	40	China	Room 252, 2F, No. 309 Meilong Road, Xuhui District, Shanghai
Shanghai Dobe Savills Property Management Company Limited	35	China	Room 111, 1F, Building 11, No. 2447 Jiaotong Road, Putuo District, Shanghai
Daisy Savills Property Management (Beijing) Company Limited	35	China	Unit 702, Tower 2, Office Building, 7/F, No. 18 Jianguomennei Avenue, Chaoyang District, Beijing
Suzhou Industrial Park Hengtai Savills Property Management Company Limited	35	China	Unit 303-304, Moon Bay International Business Center, 9 Cuiwei Avenue, Suzhou Industrial Park, Suzhou
Suzhou Jiarun Savills Property Management Company Limited	34	China	Unit 1211, 12th Floor, Room 101, Building 1, Xinneng Business Plaza, No. 99 Si'an Street, Suzhou Industrial Park
Beijing Yintai Savills Property Management Company Limited	33	China	Unit 402C, 401, 4/F, Building 3, No. 2 Jianguomenwai Avenue, Chaoyang District, Beijing
Beijing BHG Savills Retail & Property Management Company Limited	24.5	China	Room 107, Block 1, No 208, Lane 4, North Xiangyun Road, Daxing District, Beijing

Joint Ventures	% owned	Country of incorporation	Registered office
Beijing Oriental Savills Asset Management Company Limited	30	China	Unit 303, 3/F No. 9 West Street Wangfujing, Dongcheng District, Beijing
Chengdu Shu Du Savills Property Services Company Limited	65	China	Unit 212, 2/F, No.1 Building, No.333 Jiqingsan Rd, Chengdu High-tech District, Chengdu
Nanjing Smart Science Technology Park & Savills Property Management Company Limited	30	China	Room 468, Floor 4, Building 9, Xingzhahui Business Garden, No. 19, Xinghuo Road, Jiangbei New District, Nanjing, 210008
Shanghai South Hongqiao & Savills Property Management Company Limited	49	China	No.5 Building, No. 277 Huqingping Highway, Minhang District, Shanghai
Savills Raycom Property Management (Beijing) Company Limited	30	China	Unit B1-08, No.2 South Road Ke Xue Yan, Haidian District, Beijing
Shanghai Landsea Savills Property Management Company Limited	49	China	9F, No. 583 Lingling Road, Xuhui District, Shanghai
Shanghai Poly Savills Property Management Company Limited	30	China	Unit 01, 20/F, South Tower, No.528 South Pu Dong Road, Pu Dong, Shanghai
Shanxi Zhidi Savills Property Services Company Limited	30	China	4/F, Block 3, No.42 Xing Shan Temple, Xi'an
Anlian Savills Property Management (Shenzhen) Limited	25.5	China	Unit B02(b), 19/F, Anlian Plaza, No.4018, Jintian Road, Futian District, Shenzhen
COSCO Savills Property Development Company Limited	25	China	Unit M, 7th Floor, No.720 Pudong Avenue, Pudong District, Shanghai
Beijing Financial Street Savills Property Management Company Limited	20	China	B1/F, Tong Tai Building, 33 Financial Street, West District, Beijing
Beijing Zhong Bao Savills Property Management Company Limited	10	China	603 China Life Tower, 16 Chao Wai Street, Chaoyang District, Beijing
Tianjin TEDA Savills Property Services Company Limited	10	China	B2/F, Zone A1, Teda MSD, No.56 Second Avenue, Economy & Technology Development Zone, Tianjin
Xi'an Qujiang Savills Property Services Company Limited	30	China	Room 1109-1, 11th Floor, No.2 Building of Huashang Culture & Media Center, No. 3001 Yanxiang Road, Xujiang New District, Xi'an
Beijing Hualian Fashion Savills Property Management Company Limited	24.5	China	Rm.304, Block1, Land 4, No.208 North Xiangyun Road, Daxing District, Beijing
Heng Fu Savills Property Management (Shanghai) Company Limited	49	China	Building A1, No. 57 Fuxing West Road, Xuhui District, Shanghai
Jintai Savills Property Management (Shanghai) Company Limited	35	China	Rm 702, 6F, No.938 Jinshajiang Road, Putuo District, Shanghai
Shanghai Construction Savills Property Management Company Limited	49	China	Rm 1023, 10F, No. 390-408 East Beijing Road, HuangPu District, Shanghai
Suzhou Caohu Science and Technology Industry Services Company Limited	34	China	Rm.2201, Floor 22, Caohu Building, No.1 Qianjing Road, Caohu Street, Suzhou

## NOTES TO THE FINANCIAL STATEMENTS continued

Year ended 31 December 2023

### 35. Group – Investments continued

Joint Ventures	% owned	Country of incorporation	Registered office
Lippo-Savills Property Management Limited	50	Hong Kong	Room 2301, 23/F, Tower One, Lippo Centre, 89 Queensway
Guardian Management (Hong Kong) Limited	50	Hong Kong	7/F, 1111 King's Road, Taikoo Shing
Greenmile Ventures Limited	50	Hong Kong	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands
Greenwalls Gateway Limited	50	Hong Kong	7/F, 1111 King's Road, Taikoo Shing
Skywise Technology & Innovation Company Limited	50	Hong Kong	7/F, 1111 King's Road, Taikoo Shing
QF Savills Property Management Limited	50	Hong Kong	Rooms 805-813, 8/F, 1111 King's Road, Taikoo Shing
G.E.S. Holdings Limited	50	Macau	Alameda Dr. Carlos D'Assumpcao, No. 181 – 187, Edf. Kong Fai Com. 7/F, K – P
G.E.S. Limited	50	Macau	Alameda Dr. Carlos D'Assumpcao, No. 181 – 187, Edf. Kong Fai Com. 7/F, K – P
Crescendo Environmental Services Limited	50	Macau	Alameda Dr. Carlos D'Assumpcao, No. 181 – 187, Edf. Kong Fai Com. 7/F, K – P
Crescendo Property Services Limited	50	Macau	Alameda Dr. Carlos D'Assumpcao, No. 181 – 187, Edf. Kong Fai Com. 7/F, K – P
East Sun Cleaning Services Limited	50	Macau	Alameda Dr. Carlos D'Assumpcao, No. 181 – 187, Edf. Kong Fai Com. 7/F, K – P
Express Engineering (Macau) Limited	50	Macau	Alameda Dr. Carlos D'Assumpcao, No. 181 – 187, Edf. Kong Fai Com. 7/F, K – P
Jade Forist Limited	50	Macau	Alameda Dr. Carlos D'Assumpcao, No. 181 – 187, Edf. Kong Fai Com. 7/F, K – P
Winnerway Security Guards Company Limited	50	Macau	Alameda Dr. Carlos D'Assumpcao, No. 181 – 187, Edf. Kong Fai Com. 7/F, K – P
Savills (Johor) Sdn Bhd	(ii) 49	Malaysia	Upper Penthouse, Wisma RKT, No. 2 Jalan Raja Abdullah, Off Jalan Sultan Ismail, 50300 Kuala Lumpur
Savills (KL) Sdn Bhd	(ii) 49	Malaysia	Upper Penthouse, Wisma RKT, No. 2 Jalan Raja Abdullah, Off Jalan Sultan Ismail, 50300 Kuala Lumpur
Savills (Malaysia) Sdn Bhd	(ii) 49	Malaysia	Upper Penthouse, Wisma RKT, No. 2 Jalan Raja Abdullah, Off Jalan Sultan Ismail, 50300 Kuala Lumpur
Savills (Penang) Sdn Bhd	(ii) 49	Malaysia	Upper Penthouse, Wisma RKT, No. 2 Jalan Raja Abdullah, Off Jalan Sultan Ismail, 50300 Kuala Lumpur
Savills (Project Management) Sdn Bhd	(ii) 49	Malaysia	Upper Penthouse, Wisma RKT, No. 2 Jalan Raja Abdullah, Off Jalan Sultan Ismail, 50300 Kuala Lumpur

Associates	% owned	Country of incorporation	Registered office
SAS - Riviera Estates	51	France	11 Avenue Jean Medecin, 06000, Nice
Savills Germany Residential GmbH	40	Germany	Friedrichstrabe 95, 10117 Berlin
KSH Guardian Property Management Limited	50	Hong Kong	7/F, 1111 King's Road, Taikoo Shing
Yuen Sang Property Management Company Limited	50	Hong Kong	Room 2501, 25/F, Alexandra House, 18 Chater Road, Central
Savills Taiping Property Management Limited	45	Hong Kong	Rooms 805-813, 8/F, 1111 King's Road, Taikoo Shing
Guardian Home Limited	40	Hong Kong	Shop No. 301, 3rd Floor, Chun Shek Shopping Centre, Chun Shek Estate, 1 Shing Tin Street, Shatin, New Territories
Hengli Savills Property Management Limited	49	Hong Kong	Unit 1806-08, Tower Two, Lippo Centre, 89 Queensway
Glory Crest Limited	40	Hong Kong	Shop No. 301, 3rd Floor, Chun Shek Shopping Centre, Chun Shek Estate, 1 Shing Tin Street, Shatin, New Territories
Guardian Home (Chun Shek) Limited	40	Hong Kong	Shop No. 301, 3rd Floor, Chun Shek Shopping Centre, Chun Shek Estate, 1 Shing Tin Street, Shatin, New Territories
Cordea Nichani India Advisers Private Limited	18.75	India	Ground Floor Front, 19 Kumarakrupa Road, Bangalore 560001
LCA Core Sdn Bhd	40	Malaysia	18-2, Jalan PJU 5/4, Dataran Sunway, Kota Damansara, 47810 Petaling Jaya, Selangor
Lucia Sdn Bhd	40	Malaysia	18-2, Jalan PJU 5/4, Dataran Sunway, Kota Damansara, 47810 Petaling Jaya, Selangor
Rootcorp Ranganatha Limited	18.75	Mauritius	4th Floor, Raffles Tower, 19 Cybercity, Ebene
Monaco Real Estates SARL	51	Monaco	10 Ter Boulevard Princesse Charlotte
Really Pte Limited	(ii) 32.7	Singapore	70 Shenton Way #09-12 EON Shenton S 079118
H Investment Pte Limited	40.5	Singapore	3 Bishan Place #05-01 CPF Bishan Building S 579838
Huttons Asia Pte Limited	40.5	Singapore	3 Bishan Place #05-01 CPF Bishan Building S 579838
Huttons Capital Pte Limited	40.5	Singapore	3 Bishan Place #05-01 CPF Bishan Building S 579838
Huttons International Pte Limited	40.5	Singapore	3 Bishan Place #05-01 CPF Bishan Building S 579838
Huttons Pte Limited	33.8	Singapore	3 Bishan Place #05-01 CPF Bishan Building S 579838
DRCSIM US LLC	38.25	United States	Corporation Service Company, 251 Little Falls Drives, Wilmington, Delaware
Vucity Limited	30.39	United Kingdom	10 Orange Street, Haymarket, London, WC2H 7DQ
Realplus Joint Stock Company	30	Vietnam	House SH11-12, Floor 2, Q2 Thao Dien Residence, No. 21 Vo Truong Toan Street, Thao Dien Ward, Thu Duc City, Ho Chi Minh City

## NOTES TO THE FINANCIAL STATEMENTS continued

Year ended 31 December 2023

### 35. Group – Investments continued

Fully owned entity		Country of incorporation	Registered office
Liffey Valley Management Limited	(v)	Ireland	33 Molesworth Street, Dublin 2
Mahon Point Management Limited	(v)	Ireland	33 Molesworth Street, Dublin 2
White Water (Newbridge) Limited	(v)	Ireland	33 Molesworth Street, Dublin 2
White Water Management Limited	(v)	Ireland	33 Molesworth Street, Dublin 2
White Water Residential DAC (Designated Activity Company)	(v)	Ireland	33 Molesworth Street, Dublin 2
2GCSSO Limited	(v)	Ireland	33 Molesworth Street, Dublin 2

- (i) Directly owned by Savills plc.
- (ii) Both ordinary and redeemable shares owned by the Group.
- (iii) Partnership interest.
- (iv) Economic interest/part economic interest.
- (v) The Group does not control these entities (as defined by IFRS 10) and they are not consolidated in to the Group's financial statements.
- (vi) The Group does not have a shareholding in these employee benefit trusts, however, these trusts are specifically designed to serve the purposes of the sponsoring group entity and to ensure that there will be minimal risk of any conflict arising between the duties of the trustees and the interest of the group entity. Accordingly, these trusts are under the de facto control of the group entity. IFRS 10 control assessment also supports that these trusts are under control of the group entity and are consolidated into the Group's financial statements on that basis.
- (vii) Listed as a non-wholly owned subsidiary as equity ownership is less than 100% however due to the Group having a present ownership interest in the remaining equity shares subject to put options, it has been determined that there is no non-controlling interest present and the entity is accounted for as a wholly owned subsidiary.

The Group holds a number of investments in associates and joint ventures where it holds more than 50% of the shareholding in these entities. Similarly, the Group holds a number of joint ventures where the shareholding is less than 50% and some associates and one subsidiary where the shareholding is 50%. In all these instances management has determined the appropriate classification of these shareholdings based on the contractual arrangements and agreements in place, in particular focusing on the parties who have the ability to direct/control the relevant activities of the investment taking into account representation on the Board of Directors, ability to participate/direct policy making processes and the rights to variable returns from the investee.

## APPENDICES

### Constant currency

The Group generates revenues and profits in various territories and currencies because of its international footprint. Those results are translated on consolidation at the foreign exchange rates prevailing at the time. These exchange rates vary from year to year, so the Group presents some of its results on a constant currency basis. This means that the current year results are retranslated using the prior year exchange rates. This eliminates the effect of exchange from the year-on-year comparison of results.

The constant currency effect on revenue, reported profit and underlying profit is summarised below:

	2023 £m	2023 Constant currency effect £m	2023 at Constant currency £m
Revenue	2,238.0	(14.4)	2,252.4
Profit before tax	55.4	(1.1)	56.5
Underlying profit before tax	94.8	(0.7)	95.5

The Group's segmental results for the current year are presented below in constant currency:

2023 at Constant Currency	Transaction Advisory £m	Consultancy £m	Property and Facilities Management £m	Investment Management £m	Unallocated £m	Total £m
<b>Revenue</b>						
United Kingdom – commercial	100.6	227.8	304.5	43.2	-	676.1
United Kingdom – residential	171.0	43.2	51.2	-	-	265.4
Total United Kingdom	271.6	271.0	355.7	43.2	-	941.5
CEME	116.2	76.1	97.0	54.1	-	343.4
Asia Pacific – commercial	106.2	86.6	452.0	8.1	-	652.9
Asia Pacific – residential	18.5	-	-	-	-	18.5
Total Asia Pacific	124.7	86.6	452.0	8.1	-	671.4
North America	267.7	28.4	-	-	-	296.1
<b>Revenue</b>	<b>780.2</b>	<b>462.1</b>	<b>904.7</b>	<b>105.4</b>	<b>-</b>	<b>2,252.4</b>
<b>Underlying profit/(loss) before tax</b>						
United Kingdom – commercial	14.0	25.4	24.5	4.8	(8.7)	60.0
United Kingdom – residential	19.4	4.3	5.9	-	-	29.6
Total United Kingdom	33.4	29.7	30.4	4.8	(8.7)	89.6
CEME	(20.2)	5.1	(3.9)	9.2	-	(9.8)
Asia Pacific – commercial	(2.9)	2.0	22.7	0.7	-	22.5
Asia Pacific – residential	1.6	-	-	-	-	1.6
Total Asia Pacific	(1.3)	2.0	22.7	0.7	-	24.1
North America	(7.4)	(1.0)	-	-	-	(8.4)
<b>Underlying profit/(loss) before tax</b>	<b>4.5</b>	<b>35.8</b>	<b>49.2</b>	<b>14.7</b>	<b>(8.7)</b>	<b>95.5</b>



## APPENDICES continued

The constant currency effect on the Group's segmental results for the current year is presented below:

2023 - Constant Currency Effect	Transaction Advisory £m	Consultancy £m	Property and Facilities Management £m	Investment Management £m	Unallocated £m	Total £m
<b>Revenue</b>						
United Kingdom - commercial	-	-	-	-	-	-
United Kingdom - residential	-	-	-	-	-	-
Total United Kingdom	-	-	-	-	-	-
CEME	(1.6)	0.2	(0.3)	0.7	-	(1.0)
Asia Pacific - commercial	(4.1)	(2.5)	(4.9)	(0.3)	-	(11.8)
Asia Pacific - residential	(0.6)	-	-	-	-	(0.6)
Total Asia Pacific	(4.7)	(2.5)	(4.9)	(0.3)	-	(12.4)
North America	(1.0)	-	-	-	-	(1.0)
<b>Revenue</b>	<b>(7.3)</b>	<b>(2.3)</b>	<b>(5.2)</b>	<b>0.4</b>	<b>-</b>	<b>(14.4)</b>
<b>Underlying profit/(loss) before tax</b>						
United Kingdom - commercial	-	-	-	-	-	-
United Kingdom - residential	-	-	-	-	-	-
Total United Kingdom	-	-	-	-	-	-
CEME	(0.1)	(0.1)	0.1	0.1	-	-
Asia Pacific - commercial	-	(0.1)	(0.5)	-	-	(0.6)
Asia Pacific - residential	(0.1)	-	-	-	-	(0.1)
Total Asia Pacific	(0.1)	(0.1)	(0.5)	-	-	(0.7)
North America	-	-	-	-	-	-
<b>Underlying profit/(loss) before tax</b>	<b>(0.2)</b>	<b>(0.2)</b>	<b>(0.4)</b>	<b>0.1</b>	<b>-</b>	<b>(0.7)</b>

## SHAREHOLDER INFORMATION

### Key dates for 2024

Annual General Meeting	15 May 2024
Financial half-year end	30 June 2024
Announcement of half-year results	8 August 2024

### Website

Visit our investor relations website [www.savills.com](http://www.savills.com) for full up-to-date investor relations information, including the latest share price, recent Annual and Half-Year Reports, results presentations and financial news.

### Shareholder enquiries

For Shareholder enquiries please contact our Registrar, Equiniti (see below). For general enquiries please call our Shareholder Services helpline on: 0371 384 2018 (overseas holders need to call +44 (0) 371 384 2018. Lines are open from 8.30am to 5.30pm, Monday to Friday, excluding bank holidays). For further administrative queries in respect of your shareholding, please access our Registrar's website at [www.shareview.co.uk](http://www.shareview.co.uk).

### Electronic communications

If you would prefer to receive Shareholder communications electronically in future, including your Annual and Half-Year Reports and notices of meetings, please visit our Registrar's website, [www.shareview.co.uk](http://www.shareview.co.uk) and follow the link to 'Register for e-communications' under the Shareholder Services section.

### Half-Year Report

Like many other listed public companies, we no longer circulate printed Half-Year Reports to Shareholders. Rather, half-year results' statements are published on the Company's website. We believe that this is of benefit to those Shareholders who do not wish to be burdened with such paper documents, and to the Company, as it is consistent with our target of saving printing and distribution costs.

### Professional advisors and service providers

#### Solicitors

##### CMS Cameron McKenna Nabarro Olswang LLP

Cannon Place  
78 Cannon Street  
London EC4N 6AF

#### Registrar

##### Equiniti

Aspect House  
Spencer Road  
Lancing  
West Sussex BN99 6DA

#### Statutory auditor

##### Ernst & Young LLP

1 More London Place  
London SE1 2AF

#### Joint Stockbrokers

##### UBS Investment Bank

5 Broadgate  
London EC2M 2QS

##### Numis Securities Limited

45 Gresham Street  
London EC2V 7BF

#### Principal Bankers

##### Barclays Bank PLC

1 Churchill Place  
London E14 5HP

### Cautionary note regarding forward-looking statements

Certain statements included in this Annual Report are forward-looking and are therefore subject to risks, assumptions and uncertainties that could cause actual results to differ materially from those expressed or implied because they relate to future events. These forward-looking statements include, but are not limited to, statements relating to the Company's expectations. Forward-looking statements can be identified by the use of relevant terminology including the words: 'believes', 'estimates', 'anticipates', 'expects', 'intends', 'forecasts', 'plans', 'goal', 'target', 'aim', 'may', 'will', 'would', 'could' or 'should' or, in each case, their negative or other variations or comparable terminology and include all matters that are not historical facts. They appear in a number of places throughout this Annual Report and include statements regarding our intentions, beliefs or current expectations and those of our Officers, Directors and employees concerning, amongst other things, our results of operations, financial condition, liquidity, prospects, growth, strategies and the businesses we operate.

Other factors that could cause actual results to differ materially from those estimated by the forward-looking statements include, but are not limited to:

- global economic business conditions;
- monetary and interest rate policies;
- foreign currency exchange rates;
- equity and property prices;
- the impact of competition, inflation;
- changes to regulations, taxes;
- changes to consumer saving and spending habits; and
- our success in managing the above factors.

Consequently, our actual future financial condition, performance and results could differ materially from the plans, goals and expectations set out in our forward-looking statements. Accordingly, no assurance can be given that any particular expectation will be met and readers are cautioned not to place undue reliance on forward-looking statements which speak only at their respective dates.

The Company undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise.



The Savills logo consists of the word "savills" in a lowercase, sans-serif font. The letters are a dark red or maroon color. The logo is positioned within a white square that is part of a larger graphic design of overlapping yellow and orange geometric shapes.

**Savills plc**

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No. 2122174

# SAVILLS PLC ANNUAL REPORT AND ACCOUNTS 2023