



Cohesive Consistent Confident

Henry Boot PLC
Interim Results Presentation
August 2017

Highlights

- Strong first half, full year guidance upgraded 10% at AGM in May 2017. Good operational progress across the Group.
- York Chocolate factory scheme ahead of plan. Main factory block sales completed.
- £333m Aberdeen scheme progressing well.
- GDV of current development schemes in delivery pipeline over £700m.
- Estimated value of opportunity pipeline c.£500m+.
- Strategic land portfolio now circa 12,130 acres, 18,000 units permissioned, 9,700 in process, 7,000 likely to be applied for in next 18 months – unprecedented levels. 169 schemes with an additional 30 with board approval.
- Developments and strategic land deals exchanged for completion in 2017/18 further underpin confidence in short-medium term.

PBT
↑ 9% to
£22.6m

EPS
↑ 10% to
13.1p

**Interim
Dividend**
↑ 12% to 2.8p

NAV per share
↑ 8% to
184p

Financial Highlights

Half Year

	2017	2016	2015	2014
Turnover	£195.4m	£107.3m	£79.2m	£65.8m
Trading Profit	£24.6m	£21.6m	£11.8m	£11.9m
Revaluation (Deficit)/Surplus	(£2.0m)	(£1.1m)	£1.1m	£1.8m
Profit on sale of IP	£0.2m	£0.6m	£0.4m	£0.3m
Profit before tax	£22.6m	£20.8m	£14.0m	£13.4m
EPS	13.1p	11.9p	7.8p	7.4p
Interim Dividend	2.8p	2.5p	2.3p	2.1p

- Turnover higher due to all business activities, notably developments at York and Aberdeen.
- Profit ahead of 2016 and helped by York residential unit sales ahead of plan.
- PBT: 8.7% higher at £22.6m.
- EPS: 13.1p, ahead 10.1%.
- Revaluation deficit arising from prudent stance on two development sites.
- Confidence in trading, supporting a 12.0% increase in interim dividend to 2.8p.

Financials - Segmental Results

Segmental Revenue (£m)	HY 2017	HY 2016	Variance
Property Investment and Development	112.6	39.4	186%
Land promotion	40.2	30.0	34%
Construction	42.6	37.9	12%
Total	195.4	107.3	82%

Segmental PBT (£m)	HY 2017	HY 2016	Variance
Property Investment and Development	10.9	2.9	276%
Land Promotion	8.2	12.9	(36%)
Construction	4.9	4.9	-
Group overheads and eliminations	(1.4)	0.1	-
Total	22.6	20.8	8.6%

- Property investment and development results boosted by Aberdeen, York and Markham Vale.
- Land promotion revenue up as sale concluded from owned land. 2016 benefitted from Marston Moretaine land sale in period. 2017 Marston Moretaine sale in second half.
- Construction revenue increased, overall margins tighter.

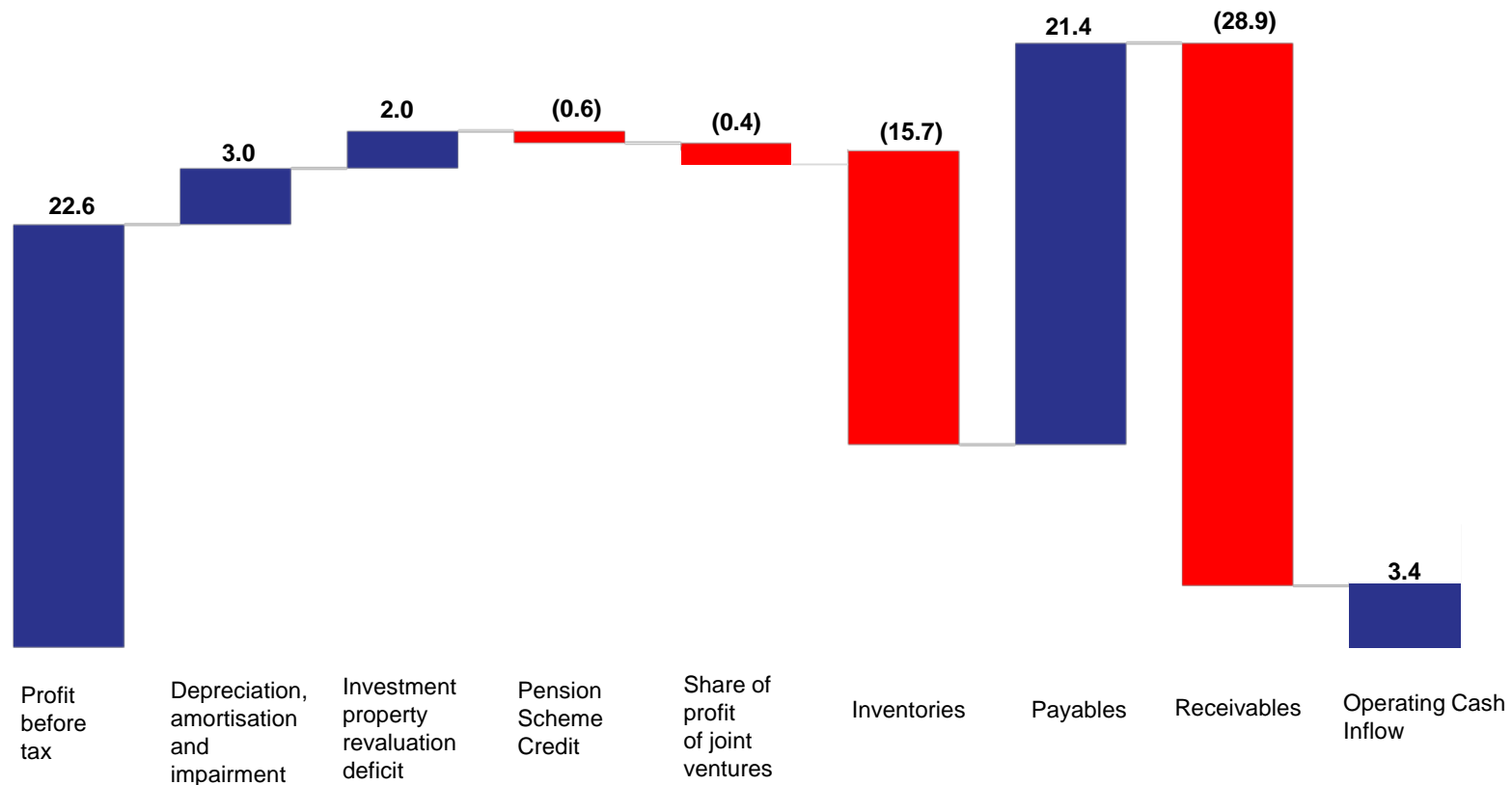
Financials – Balance Sheet

	2017 Half year (£m)	2016 Full Year (£m)		2017 Half Year (£m)	2016 Full Year (£m)
Intangible assets	5.4	4.9	Property, Plant & Equipment		
Property, Plant & Equipment	25.3	22.0	Group occupied (Investment) property	6.5	6.5
Investment properties	131.9	123.7	Equipment held for hire	14.6	11.5
Investment in joint ventures	5.6	5.1	Vehicles & Office Equipment	4.2	4.0
Trade and other receivables	2.6	5.6	Total	25.3	22.0
Deferred tax assets	5.5	5.2			
Fixed assets	176.3	166.5	Investment properties		
Inventories	153.6	137.9	Completed investment property	124.9	101.0
Trade and other receivables	99.7	67.0	Investment property under construction	7.0	22.7
Cash and Cash equivalents	2.2	7.4	Total	131.9	123.7
Assets classified as held for sale	6.3	1.0			
Current assets	261.8	213.3	Inventories		
Borrowings	(64.4)	(40.3)	Developments in progress	26.6	17.0
Retirement benefit obligations	(27.6)	(26.4)	House builder land and work in progress	20.6	13.0
Other liabilities	(103.4)	(79.5)	Land held for development or sale	65.2	70.1
Total liabilities	(195.4)	(146.2)	Options to purchase land	10.8	10.7
Shareholders' Equity	241.5	231.7	Planning promotion agreements	30.4	27.1
Minority interests	1.2	1.9	Total	153.6	137.9
Total Equity	242.7	233.6			
Net debt	(62.2)	(32.9)			
Gearing (debt/equity)	26%	14%			
NAV per share	184p	177p			

- Debt includes £7m of HCA loans repayable on house sales in Exeter
- Investment property acquisitions at Manchester and Nottingham
- Gearing levels increased due to investment property acquisitions, expected to fall in H2 2017 on land disposals

Financials - Cash Generation

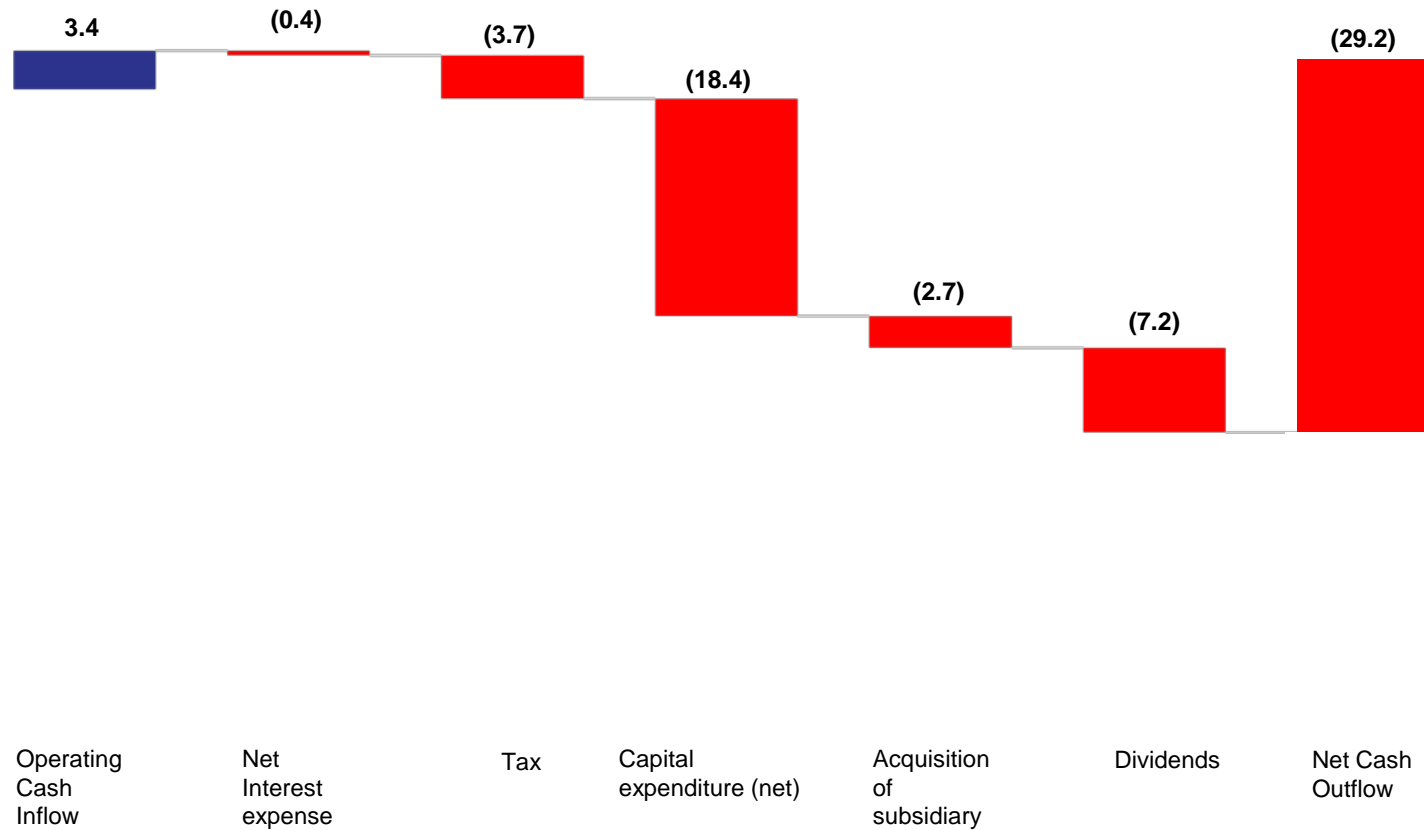
(£m)



- Inventories increased as we further invested in our house building operations and property developments.
- Both payables and receivables increased as a result of the levels of forward funded pre-sold property development mainly at Aberdeen, Markham Vale and Manchester.

Financials – Movement in Net Debt

(£m)



Financials – 2017 Guidance

- Revenue – increase on 2016 from continued high levels of property development. (York, Aberdeen).
- Previously upgraded outlook at the AGM 2017.
- Significant cash outflows in the period from new Investment property acquisitions (Nottingham and Manchester).
- Successful plant depot acquisition adding net asset value of £1.8m.
- Net finance cost, similar to 2016 subject to timing of investment property acquisitions and disposals.
- Share of JV profits, similar to 2016 (Manchester PRS).
- Tax – standard rate subject to + revaluation deficit – revaluation surplus.
- Continued investment in house builder, WIP circa £25m. (2016 half year: £13.0m)

Financials - Pensions

- Triennial valuation at 1 January 2016 settled, deficit £20m.
- Recovery contributions reduced from £3.75m to £2.5m per annum.
- IAS 19 deficit £27.6m at 30.6.17 = 17p of NAV – half year asset performance +4%. Discount rate 2.6% (31.12.16: 2.8%). Scheme breakeven return now 3.9%.
- Long term investment returns over last ten years 6.5%, well ahead of long term Scheme breakeven return.
- Mismatch between use of UK bonds and gilts for discount rate when Scheme invested globally in return seeking assets. Managers targeting a weighted average return of circa 6%, as some risk taken off the portfolio given lower breakeven return.
- Likely to change Scheme inflation measure to CPI. On a like for like basis, this should reduce triennial valuation deficit by circa £7.5m.

Land Promotion - 2017



- Profit £8.2m (2016: £12.9m), eight deals completed and 960 units sold in period.
- Strategic land holdings increased to over 12,000 acres. Investment totalling circa £107m.
- Continue to be very busy in planning terms. Sites with planning permission for nearly 18,000 units.
- Planning consent won for 2,680 units in period (FY2016: 5,900, FY2015: 2,300, FY2014: 2,200).
- Detailed planning submitted and in progress on circa 30 schemes, circa 10,200 units.
- Continuing to acquire new schemes to replenish land bank. Further planning applications expected to go forward in 2017 on circa 12 sites, circa 7,000 units.
- Planning process remains complex and time consuming. As does the selling process with house builders looking to achieve detailed consent before buying land. Sale exchange and completion could be many months apart.

Land Promotion - Inventory



Land Bank

	Jun 17 acres	Dec 16 acres	Dec 15 acres	Dec 14 acres	Dec 13 acres
Owned	1,766	1,749	1,804	1,819	1,791
Agency/Optioned	10,365	10,139	9,257	8,166	7,932
Total	12,131	11,888	11,061	9,985	9,732

Investment in Land Holdings

	Jun 17		Dec 16		Dec 15		Dec 14		Dec 13	
	£m	Per acre/ £'000	£m	Per acre/ £'000	£m	Per acre/ £'000	£m	Per acre/ £'000	£m	Per acre/ £'000
Owned	65.0	37	70.1	40	73.9	41	72.9	40	63.3	35
Agency/Optioned	41.5	4	37.8	4	32.9	4	26.7	3	20.6	3
Total	106.5	9	107.9	9	106.8	10	99.6	10	83.9	9

Sites in Planning Process

Sites	80	79	72	65	65
Plots	27,693	26,869	26,811	22,193	19,925
Of which permissioned	17,987	16,417	12,043	11,547	10,438
Plots sold in period	960	1,609	1,763	1,107	1,177
Gross profit per plot sold £'000	£11.6	£14.7	£15.0	£17.9	£13.4

Land Promotion – Current Sites



Biddenham, Bedfordshire

- Hallam has had an interest in this jointly owned site of approximately 180 acres since the late 1990s. In March 2014 we secured an outline planning permission for 700 plots, 500 plots on land owned by Hallam.
- Site put to market in June 2014 and a sale agreed with a national developer.
- The conclusion of the third phase of this three phase sale will take place in September this year. Profit circa £15.5m across the three years.



Marston Moretaine

- Site acquired 2007/8 with 50% overage back to landowner.
- Initial phase sold three years ago. Re planned initial industrial consent to housing.
- Sold in June 2016 in two parts (second due in September 2017). Profit circa £15m across the two years.



Land Promotion – Current Sites



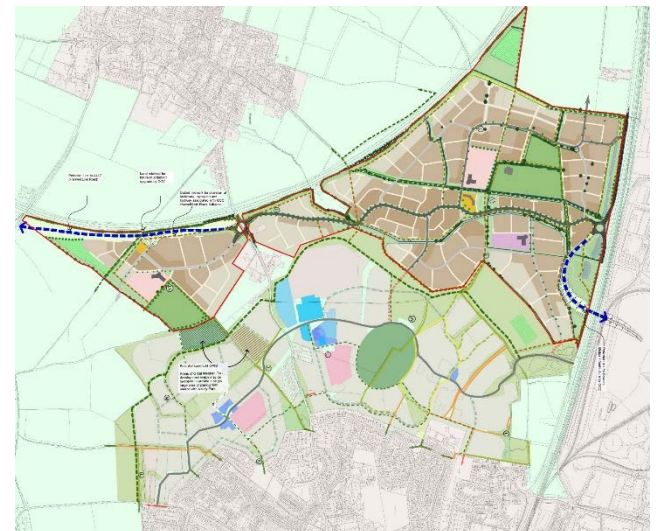
Bridgwater, Somerset

- Wm Morrison Supermarkets plc Regional Distribution and 2,000 homes.
- House sales gone well, expect further land sales through to 2020.
- 130 plots sold to national developer in January 2017 for circa £1.8m profit.
- Commercial use likely to be delivered by Henry Boot Developments.
- Nearby site possible Hinkley Point key worker location.



Didcot

- Hallam began promotion of land (200 acre our share) west of Didcot, Oxfordshire, in 2013.
- Planning application for 4,240 plots (2,170 plots our share) and secured a resolution to permit in April 2016. Permission includes two primary schools; a Special Education Needs school; two Local Centres; and associated community sports and recreational facilities.
- In 2017 Hallam is in the final stages of negotiating the Section 106 legal agreement with the District and County Council, which will secure an infrastructure package to deliver the scheme in coming years.
- First sale anticipated in 2019.



Property Investment and Development – 2017



- Investment property portfolio of circa £130m, rent passing £8.2m. Also, circa 30 development sites with potential or in progress.
- We look to achieve developer's return based on prudent appraisal yields, pre-lets and conservative construction costs. Target hurdle rate of 12%-15%. Lower returns when pre-let and pre-funded, higher value where we take more risk.
- Gross Development Value of schemes in progress over £700m, over 90% pre-let, pre-sold and pre-funded. In addition, potentially over £500m of opportunities progressing.
- On site in 2017-2020:
 - Aberdeen £360m - Conference centre and hotels
 - Markham £50m+ - Industrial
 - Epsom £47m - Offices
 - York £60m - Residential
 - Manchester £230m - PRS
- So far little impact on commercial property development from Brexit negotiations, however, we continue to monitor the situation.

Property Investment and Development – Current Schemes



Markham Vale, Derbyshire

- 200 acre business park, in partnership with Derbyshire County Council, to create 5,000 sustainable new jobs.
- The East Midlands most active development site.
- 490,000 sq ft distribution warehouse pre-let to Great Bear Distribution Limited forward sold to M&G.
- Bilstein 220,000 sq ft on site late 2016. Sold to the occupier.
- Further 750,000 sq ft for delivery in 2017 across five units including another 490,000 sq ft unit.



AECC, Aberdeen

- Appointed in 2014.
- Full planning in place for 130 acre site and 50 acre redevelopment site of former AECC.
- Funding agreements signed with Aberdeen.
- Construction agreements signed and on site.
- Completion 2019.
- 400,000 sq ft business park and current exhibition site to bring forward after 2019.

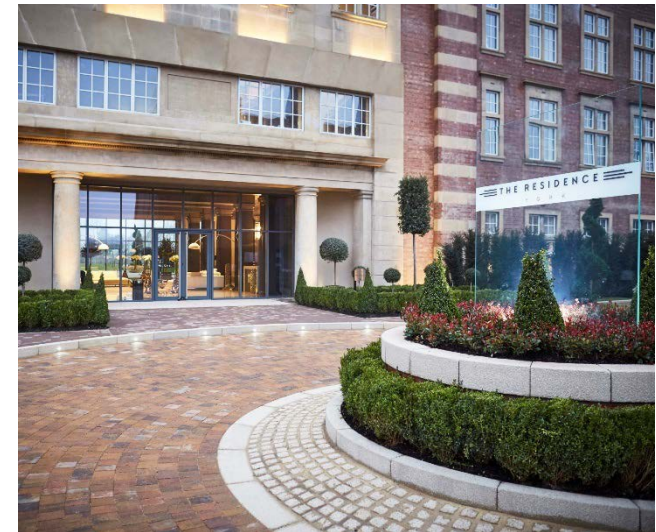


Property Investment and Development – Current Schemes



The Chocolate Works, York

- Acquired the 27 acre site, in 2013.
- Planning consent which secures a variety of uses across the site.
- David Wilson Homes purchased 13.5 acres with plans for a 270 unit high quality residential scheme.
- JV exchanged with P J Livesey to undertake the residential conversion, 160 units. Circa 80 sales in H2 2016.
- Sale completed in December 2015 with healthcare provider for HQ building.
- Circa six acres of additional residential land to sell.



Headingley, Leeds

- Our jointly owned house builder, Stonebridge Projects, has purchased this historic site of 5.97 acres in a popular area of North Leeds. We have recently achieved planning permission for 101 new homes to be built with works starting August 2015. Sales now being taken, site selling well.
- The Victoria Gardens development will see a mix of townhouses and apartments blending new build and sympathetic renovation, in an established woodland area only two miles from the city centre.



Construction - 2017



- Division consists of Construction, Plant Hire and Road Link (A69).
- External turnover up 12% at £42.6m. Trading profit stable at circa £4.9m. Workloads good but pricing very competitive at Construction.
- Segment has very low levels of capital employed, helps fund more cash/equity intensive development.
- Plant performing well in H1 2017, an 11% return on sales (H1 2016 11%). Acquired small plant hire business in period with circa £3m pa turnover. Integration going well.
- Road Link performed to expectations. Cash generation strong. Eight years remain on franchise. Very solid underpin of segment returns.

Construction – Completed Schemes



Fox Valley, Stocksbridge

- A new development to transform 15 acre former industrial site.
- The scheme has created retail, leisure and office space and will deliver 114 houses through our JV, Stonebridge Projects. Sales now in progress and going well.
- The scheme has created a new commercial heart of the town bringing 900 new jobs to the area.
- The commercial development was successfully completed in 2016.



Outlook Summary

- Continued higher capital allocation to land and property development.
- Strong development pipeline, strategic land performing well, construction segment stable.
- Group currently trading more actively than ever, but mindful of continued global political and economic uncertainty.
- Group trading well, and in line with Board's revised expectations for full year 2017.
- Board's expectations for 2018 remain unchanged.

Appendices

- Group structure – segment composition
- Group structure – Board of Directors
- Group structure – Senior Management
- Top 10 Institutional Shareholders as at 4 August 2017
- Five year track record of strong growth
- Henry Boot PLC share price vs Benchmark Indices

Group Structure – Segment Composition

Henry Boot PLC, established over 130 years ago, is one of the UK's leading and long-standing property investment and development, land promotion and construction companies. Based in Sheffield, with regional offices throughout the UK, the Group is comprised of the following three divisions:

- **Land Promotion**

Hallam Land Management Limited is the strategic land and planning promotion arm of the Henry Boot Group. The company has been acquiring, promoting, developing and trading in land since 1990.

- **Property Investment & Development**

Henry Boot Developments Limited is a major established leading force in the UK with its considerable experience and reputation in all sectors of property development.

Stonebridge Projects is a jointly owned company engaged in residential development and serviced office space.

- **Construction**

Henry Boot Construction Limited specialises in serving both public and private clients in all construction and civil engineering sectors with strong partnering relationships in the education, healthcare and custodial sectors, delivering new build and refurbishment works.

Banner Plant Limited offers a wide range of construction equipment and services for sale and hire.

Road Link (A69) Limited, a 30 year contract with Highways England to operate and maintain the A69 trunk road between Carlisle and Newcastle upon Tyne, with eight years remaining.

Group Structure – Board of Directors



Jamie Boot
Chairman



John Sutcliffe
Chief Executive Officer



Darren Littlewood
Group Finance Director



Joanne Lake
Non-executive Director, Deputy
Chairman & Chairman of the
Remuneration Committee



James Sykes
Non-executive Director &
Chairman of the Audit
Committee



Peter Mawson
Senior Independent Non-
executive Director & Chairman
of the Nomination Committee

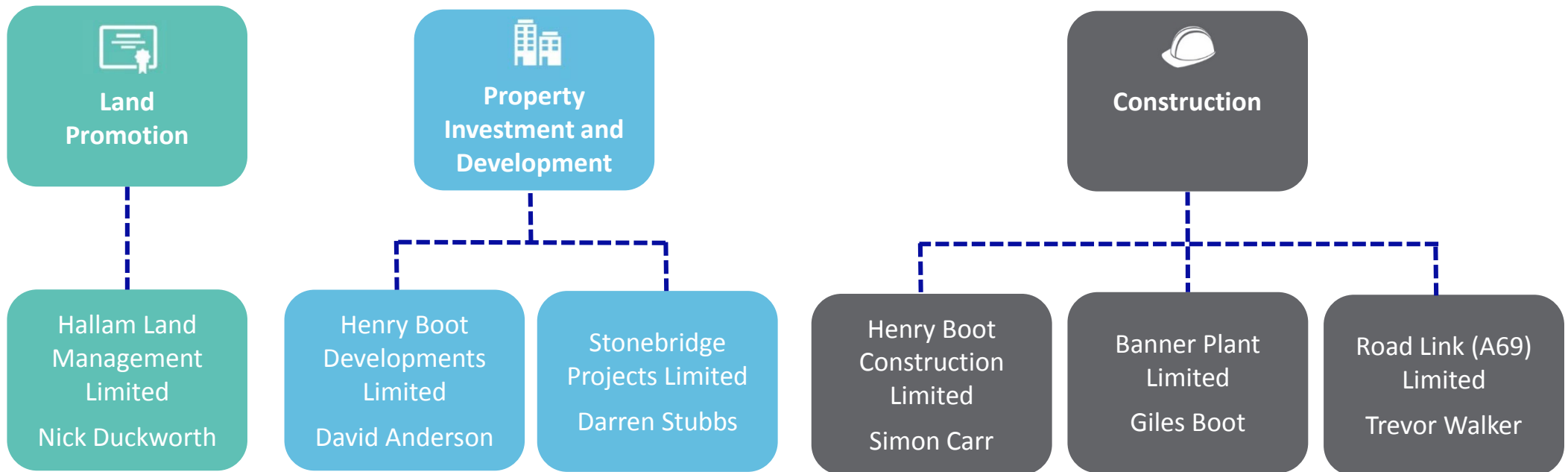


Gerald Jennings
Non-executive Director



Russell Deards
Head of PLC Operations, GC
and Company Secretary

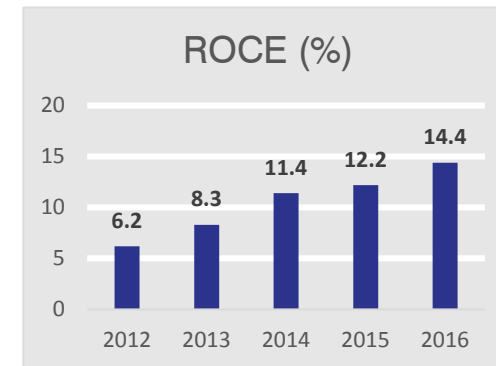
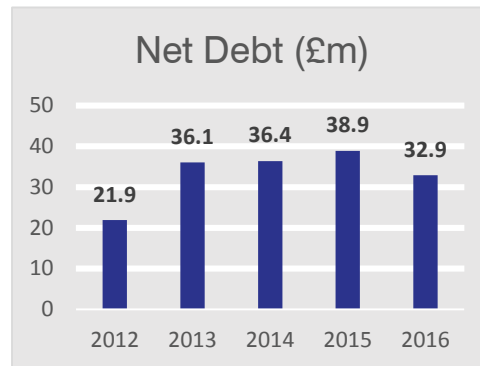
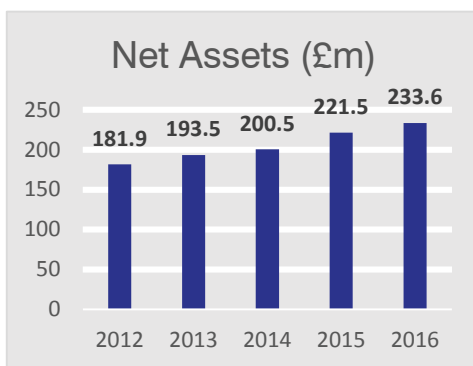
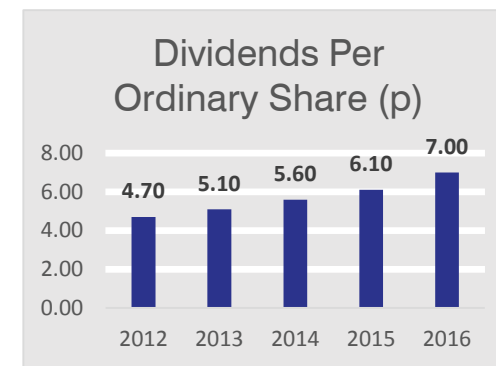
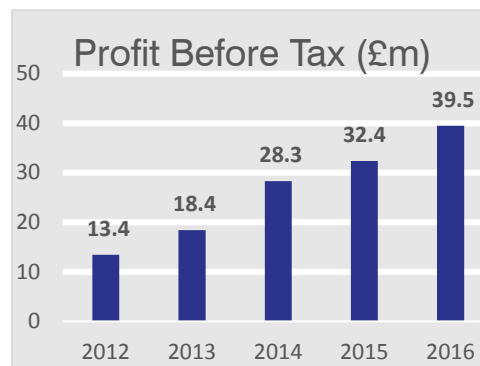
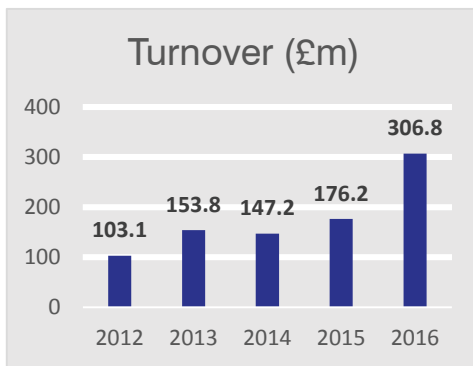
Group Structure – Senior Management



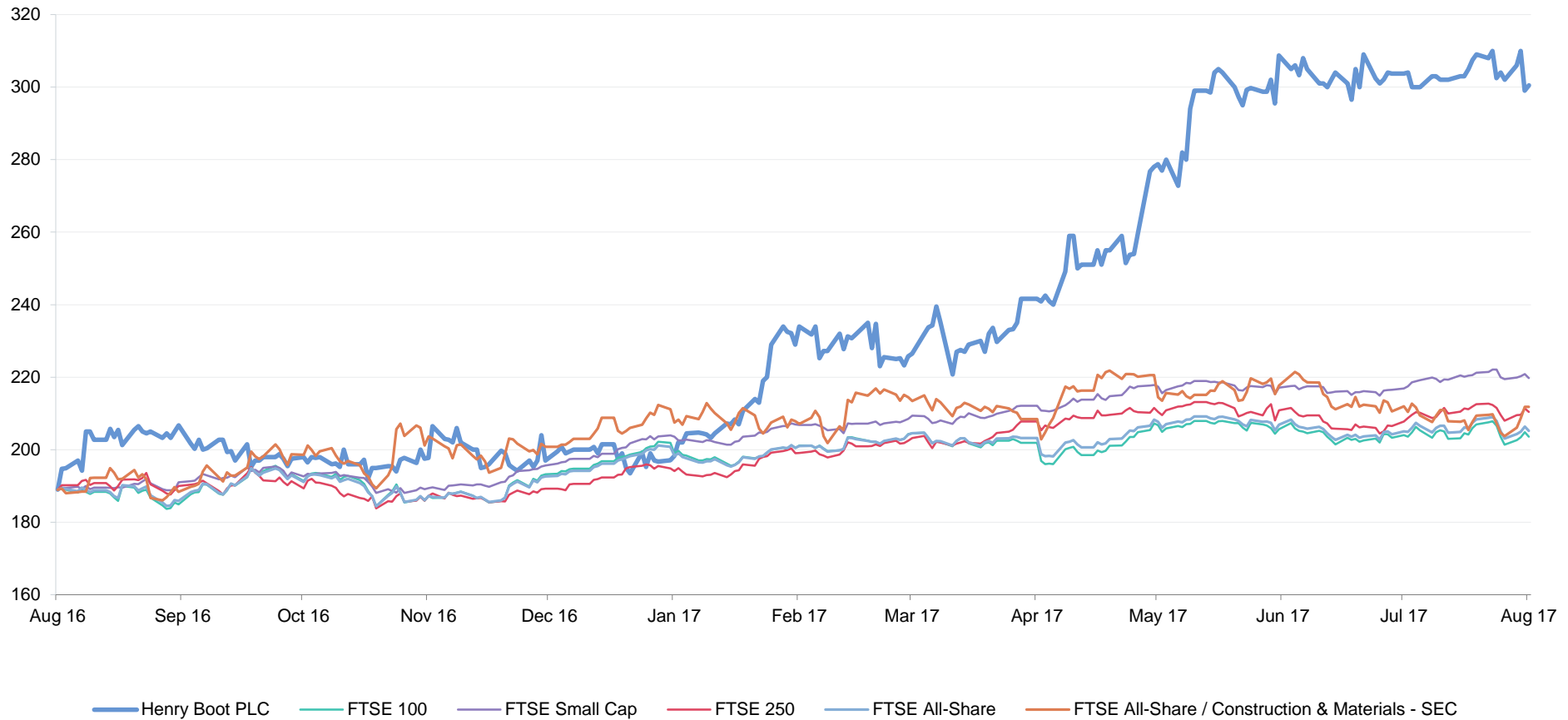
Top 10 Institutional Shareholders as at 4 August 2017

	Shareholding
Hargreave Hale Ltd Stockbrokers	8,862,328
Fidelity Management & Research	5,005,800
BlackRock Investment Management	3,549,296
Schroder Investment Management	2,796,355
Ennismore Fund Management	2,717,365
Dimensional Fund Advisors	2,397,352
Legal & General Group	2,382,140
Hargreaves Lansdown PLC	2,215,286
City of Bradford Metropolitan District Council	2,008,931
Miton Asset Management	2,000,000

Five Year Track Record of Strong Growth



Henry Boot PLC Share Price vs Benchmark Indices



This presentation contains forward looking statements. Although the Group believes that the estimates and assumptions on which such statements are based are reasonable, they are inherently uncertain and involve a number of risks and uncertainties that are beyond the Group's control. The Group does not make any representation or warranty that the results anticipated by such forward looking statements will be achieved and this presentation should not be relied upon as a guide to future performance.