

23 May 2024

**HENRY BOOT PLC**  
(‘Henry Boot’ or ‘the Group’)

## **AGM TRADING UPDATE**

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

**Tim Roberts, Chief Executive Officer, commented:** “We have begun the year well, trading in line with market expectations\* and continuing to crystallise profits from both land sales and delivering prime development and premium homes. We have started to see signs that the economy has turned a corner, with inflation falling and interest rates likely to fall, which has improved sentiment in our three key markets. Whilst we expect our performance to be heavily weighted to H2 24, as flagged at our results in March, our focus on high quality land and development in prime locations, along with a renewed banking facility, leaves the Group in a position to deliver full year performance as expected.”

### Trading update

Hallam Land has begun the year well, completing the sale of 776 plots across four sites and exchanging on a further 792 for completion during 2024-2026, with another 1,626 under offer. Whilst activity has not recovered to the heights of 2022, land prices have remained stable in Q1 24, with housebuilders showing encouraging levels of bidding for sites in Hallam’s prime portfolio. A good example of this is at Pickford Gate, our significant 2,400 plot site in Coventry, where having disposed of 250 plots to Vistry last year, Hallam now has a further 491 plots under offer to another major housebuilder. The sale is expected to exchange in H1 24 and complete in H2 24, at which point, with all our land held at cost, we will convert the value our team has created into profit.

At 101,251 plots, Hallam’s total land bank has remained stable of which 7,452 plots have planning permission and a further 13,490 plots are awaiting planning determination. With the UK planning system experiencing ongoing delays, Hallam continues to use its expertise in unlocking the planning system and is currently working up several applications and appeals to increase the number of consented sites.

HBD remains focused on delivering its committed programme of high quality developments, which currently has a £154m Gross Development Value (GDV). At Airport Business Park, Southend, a 27,600 sq ft I&L unit has been successfully completed (£5m GDV) for CAMA Asset Store. Set1 (£32m GDV), the 102 premium apartment building in Birmingham, completion launch is on course for the end of May and already 36% of the units are presold in line with target selling prices. HBD has secured planning for a 72-home retirement scheme at The Chocolate Works, York, on a site which it has agreed a conditional sale to McCarthy Stone and are now working to discharge the final remaining contractual condition, which is anticipated to complete in Q4 24. This will be the final phase of HBD’s award-winning 27 acre development.

At other key projects, marketing has now commenced resulting in several enquiries for our NZC schemes Momentum, Rainham (80:20 JV with Barings), a £24m GDV (our share) I&L development and Island, Manchester (50:50 JV with GMPF), a £33m GDV (our share) prime office building. Both schemes remain on course for completion in Q2 24 and Q4 24 respectively.

Within HBD’s £1.3bn development pipeline, there are c.£200m near-term, occupier led schemes which have the potential to be added to the committed programme within the next twelve months. This includes Spark, Walsall (£110m GDV), where extensive remediation works are set to be completed in Q3 24. A planning application has been submitted for the first three units totalling 464,000 sq ft with the aim to begin construction on the first unit in Q4 24 (c.£40m GDV) for occupation by mid 2025. Any commitment to develop will be occupier led.

The commercial property market remains broadly stable, with values decreasing by 0.4% during the first four months of 2024 according to the CBRE UK Monthly Index. Industrial property, which represents c.70% of HBD’s investment portfolio, continues to outperform with capital values up 0.4%.

Stonebridge Homes (SH) has already secured reservations for 66% of its 2024 delivery target of 275 homes. In April 2024, SH grew its private sales rate to 0.59 houses per active outlet per week (April 2023: 0.46), operating from 9 sales outlets. The housing market in Yorkshire and the Northeast continues to show some early signs of improvement, supported by improved mortgage availability as well as improving affordability and sentiment.

Henry Boot Construction continues to experience challenging trading conditions but remains focused on building up its order book. This is now 60% secured for 2024, after being appointed by Rotherham Council on a £36m contract for the redevelopment of the town centre outdoor market. Banner Plant and Road Link (A69) are both trading in line with management expectations.

In order to support the continued growth of the business, the Group has agreed terms with existing lenders comprising Barclays, HSBC and NatWest for a new £125m, three year facility, with the option to extend for a further two years to May 2029. The margin payable under the new facility is 1.6% above SONIA. In addition, the facility includes a £60m accordion. This replaces a £105m committed facility which had a scheduled maturity in January 2025.

Finally, the Group published its annual Responsible Business Strategy update earlier this year, reporting on the good progress made against its objectives, including reducing the business's direct greenhouse gas emissions by 14% lower than the set 2019 baseline. In addition, next month the Group will launch a refreshed brand value proposition, which focuses on an improved brand identity and customer experience and will introduce a new employer value proposition, which enhances the business's offering to our people alongside remuneration.

### Outlook

Henry Boot is making good progress on a number of key transactions in both land promotion and development, and the business continues to expect full year results to be heavily H2 24 weighted.

Looking ahead, despite remaining cautious on the current trading environment, the Group remains well placed, supported by a solid balance sheet and a store of high quality opportunities in prime locations across all three of our key markets. This puts the business in a strong position to deliver a full year performance in line with market expectations\* and to achieve our medium term strategic objectives.

\*Market expectations being the average of current analyst consensus of £30.7m profit before tax, comprising three forecasts from Deutsche Numis, Peel Hunt and Panmure Gordon.

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### **About Henry Boot PLC**

Henry Boot PLC (BOOT.L) was established over 135 years ago and is one of the UK's leading and long-standing property investment and development, land promotion and construction companies. Based in Sheffield, the Group is comprised of the following three segments:

Land Promotion:

[Hallam Land Management Limited](#)

Property Investment and Development:

[HBD](#) (Henry Boot Developments Limited), [Stonebridge Homes Limited](#)

Construction:

[Henry Boot Construction Limited](#), [Banner Plant Limited](#), [Road Link \(A69\) Limited](#)

The Group possess a high-quality strategic land portfolio, an enviable reputation in the property development market backed by a substantial investment property portfolio and an expanding, jointly owned, housebuilding business. It has a construction specialism in both the public and private sectors, a long-standing plant hire business, and generates strong cash flows from its PFI contract through Road Link (A69) Limited.

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