

25 March 2025

HENRY BOOT PLC

(‘Henry Boot’, the ‘company’ or the ‘group’)

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

Unaudited results for the year ended 31 December 2024

Resilient 2024 performance; Well positioned for market recovery; 5% dividend increase

Henry Boot PLC, a company engaged in land promotion, property investment and development, and construction, announces its unaudited results for the year ended 31 December 2024.

Tim Roberts, Chief Executive Officer, commented:

“As anticipated, after a challenging start to the year we delivered a strong second half which allowed us to report results in line with expectations. In particular, demand for our high quality land, prime development and premium homes has remained resilient. This led to us successfully completing almost £350 million in land and property sales and continuing to lease up space, including setting a record office rent in Manchester at our Island development. Our investment portfolio also recorded another period of outperformance, with a total return of almost 10% for the year, meaning it has returned more than double the index over the last five years.

We also continued to shape the business, with the agreed buyout of Stonebridge Homes, where we are now the majority owner. We will take full ownership of this premium housebuilder in the coming years, continuing to scale the business up, and delivering synergies as we integrate it into Henry Boot. At Hallam Land, we’ve been quick off the mark in strengthening our team, so we are well prepared to capitalise on the positive changes to the NPPF, by increasing our planning applications fourfold to 10,000 plots over the next 12 months. At HBD, we’ve formed the Origin JV which we believe will help us to accelerate the delivery of our institutional quality industrial development pipeline.

All of this, along with our rock-solid balance sheet, the prospect of recovering markets, and an easier planning environment, means we are well placed for the future.”

Financial highlights

- Total land and property sales of £347m, our share at £224m (2023: £249m), highlights the continued demand for our high quality land, prime property development and premium homes
- Revenue marginally lower at £328.4m (2023: £359.4m) due to reduced turnover in our construction segment, offset by higher sales from Hallam Land (Hallam)
- Profit before tax in line with market expectations at £30.7m (2023: £37.3m), with an underlying profit¹ of £29.4m (2023: £36.7m), supported by our focus on high quality projects in prime locations
- Capital employed increased by 5.4% to £439m (2023: £417m), continuing our stated growth strategy and progressing towards our medium term target of £500m
- Return on capital employed (ROCE²) was 8.0% (2023: 9.9%). We remain confident of achieving returns within the Company’s target of 10-15% in the medium term
- The group’s Net Asset Value (NAV³) per share increased by 3.6% to 317p (2023: 306p) or 312p (2023: 300p), excluding the defined benefit pension scheme surplus
- Net debt⁴ decreased to £62.7m (2023: £77.8m) after the completion of major strategic land and property development sales. Gearing at 14.7% (December 2023: 19.0%), in the middle of our optimal range of 10–20%
- 5% increase in proposed final dividend of 4.62p (2023: 4.40p), in line with our progressive dividend policy and bringing the total dividend for the year to 7.70p (2023: 7.33p)

Operational highlights

- Post period end in January 2025, we increased our ownership of premium regional housebuilder Stonebridge Homes (SH) to 62.5%, having exchanged contracts in December 2024 to acquire the 50% that the group does not already own in three tranches over the next five years
- Land promotion
 - Hallam exceeded its 2024 financial performance expectations with 2,661 plots being sold (2023: 1,944) plus a significant employment land sale in Coventry
 - Hallam successfully secured 10 new sites with the potential to deliver c.6,500 plots and, therefore, the total land bank has grown by 4% to 104,787 plots (2023: 100,972 plots)
 - During the year consents were secured on 2,982 plots (2023: 1,104) increasing the total plots with planning permission to 8,822 (2023: 8,501), all held at cost. A further 13,146 plots await planning determination (2023: 13,468)
 - Changes to the National Planning Policy Framework (NPPF) are positive and, in response, the group intends to materially increase new applications to c.10,000 plots over the next 12 months (2024: 2,660 plots)
- Property investment & development
 - Gross development value (GDV) of HBD completed schemes amounted to £331m (HBD share: £188m GDV), of which 72% have been pre-let or pre-sold
 - Launched the Origin JV with Feldberg Capital, to accelerate HBD's development pipeline, with the aim to deliver c.£1bn of high quality industrial and logistics (I&L) schemes over the next seven years
 - £1.4bn development pipeline (HB share: £1.2bn GDV), 54% of which is I&L and a committed development programme of £124m GDV (HBD share: £33m)
 - Investment portfolio (IP) total property return⁵ of 9.9%, well ahead of the CBRE UK Monthly Index (7.7%), with the market value including our share of JVs and assets held for sale now £107.4m (2023: £112.9m) after £10.4m of accretive sales
 - SH continued to grow in 2024, despite a subdued market, with completions up 8% to 270 homes (2023: 251 homes) and the total land bank up to 1,726 plots (2023: 1,513 plots) as the business continues scaling up in line with our strategy
- Construction
 - The construction segment generated turnover of £80.5m (2023: £99.5m) with an operating profit of £4.9m (2023: £6.5m)
 - A new management team in place in Henry Boot Construction (HBC) focused on growing and diversifying the order book by developing a balanced portfolio of private sector projects to complement the existing public sector work. There are early signs of the pipeline improving
- Responsible business
 - The group has made good strategic progress towards our medium term targets, which we intend to refresh in 2026

NOTES:

¹ Underlying profit is an alternative performance measure (APM) and is defined as profit before tax excluding revaluation movements on completed investment properties. Revaluation movement on completed investment properties includes gains of £1.2m (2023: £0.5m) on wholly owned completed investment property and a gain of £0.1m (2023: £0.1m) on completed investment property held in joint ventures. This APM is used as it provides the users with a measure that excludes specific external factors beyond management's controls and reflects the group's underlying results. This measure is used in the business in appraising senior management performance.

² Return on Capital Employed is an APM and is defined as operating profit/capital employed where capital employed is the average of total assets less current liabilities and pension asset/obligation at the opening and closing balance sheet dates.

³ Net Asset Value (NAV) per share is an APM and is defined using the statutory measures net assets/ordinary share capital.

⁴ Net debt is an APM and is reconciled to statutory measures in note 7.

⁵ Total property return is a metric that combines capital and income returns for the investment portfolio. It is calculated as the percentage value change plus net income accrual, relative to the capital employed and is calculated on a monthly basis and then indexed in line with the benchmark.

⁶ Total Accounting Return is an APM and is defined as the growth in NAV per share plus dividends paid, expressed as a percentage of NAV per share at the beginning of the period.

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A webcast for analysts and investors will be held at 9.30am today and presentation slides will be available to download via www.henryboot.co.uk. Details for the live dial-in facility and webcast are as follows:

Participants (UK): Tel: 44 (0) 33 0551 0200

Confirmation code: Quote "Henry Boot FY24"

Webcast link: <https://stream.brrmedia.co.uk/broadcast/67b461aa118fdd71342d27aa>

About Henry Boot PLC

Henry Boot is one of the UK's leading land, property development, home building and construction businesses – and we've been transforming land and spaces since 1886. Listed on the London Stock Exchange since 1919, we're renowned for quality, expertise, delivery and a partnership approach across the group, which comprises, Hallam Land, HBD, Stonebridge, Henry Boot Construction, Banner Plant and Road Link.

Operating across the UK, and employing over 500 people, we focus on three key markets: industrial and logistics, residential and urban development. Hallam Land has facilitated 52,000 new homes since 1990, managing one of the top five largest land portfolios in the country, with the potential to facilitate over 100,000 homes. HBD manages a development pipeline of £1.2bn, the equivalent of 6m sq ft of developments across our key markets, while maintaining a £107m investment portfolio, of which 72% of the properties have an EPC rating of 'C' or higher. Stonebridge, our majority owned premium home building business, manages a land portfolio capable of delivering 1,700 homes, with an ambition to deliver up to 600 new homes a year.

Henry Boot Construction has extensive experience in both the public and private sectors, including major projects such as the £200m regeneration of Barnsley town centre, and The Cocoa Works, a £57m residential development in York. For over 65 years, Banner Plant has supplied construction products and services, operating from seven regional depots in the North of England.

We have also developed an ambitious Responsible Business Strategy to help us meet our aim of being Net Zero Carbon by 2030, and to deliver, by 2025, charitable, community and education work valued at £1m.

From land promotion, property development and investment to home building, construction and plant hire, Henry Boot is where great places start.

Chair's introduction

Henry Boot performed well in 2024, delivering a strong performance in the second half of last year as expected. Our high quality portfolio benefited from a gradual improvement in the economy, which translated into a steady increase in demand in our three key markets: I&L, residential and urban development. Against this backdrop, our focus on high quality land, prime property development and premium homes saw the group achieve a profit before tax (PBT) of £30.7m (December 2023: £37.3m), or on an underlying profit basis £29.4m (December 2023: £36.7m) excluding revaluation movements on completed investment property.

The group's NAV per share increased by 3.6% to 317p (December 2023: 306p) primarily due to retained earnings or to 312p (December 2023: 300p) excluding the defined benefit pension scheme surplus. Net debt reduced to £62.7m as at 31 December 2024 (December 2023: £77.8m) after the completion of major strategic land and property development sales. This resulted in gearing falling to 14.7%, which is comfortably within our stated optimal range of 10–20%.

Throughout 2024, we continued to make good strategic progress toward our medium-term targets while investing in our long term future. I am pleased to update you as follows:

- The group exchanged contracts (initial completion in 2025) to take full ownership of premium regional housebuilder SH through the acquisition of the 50% it does not already own, across three tranches over the next five years. HBD formed a JV with Feldberg Capital, with the intention to deliver c.£1bn of high quality I&L schemes with strong ESG credentials over the next seven years.
- Following a strategic workforce plan reviewing Hallam's resources, we are increasing headcount and in house specialisms to support our ambition to submit more planning applications and to grow our sales.
- We launched a refreshed group brand in June 2024 to reinforce our values, optimise customer experiences, and be clearly recognised as a modern, progressive and successful business. Simply stated, Henry Boot is 'Where great places start'.
- The annual group Employee Engagement Survey, which informs our aim to continually improve Henry Boot as a place to work, achieved an employee Net Promoter Score (eNPS) of 30 (December 2023: 30), +22 ahead of our peer group average. This very good eNPS score is a testament to our people's commitment to Henry Boot.
- We entered into a new £125m, three year credit facility with existing lenders Barclays, HSBC and NatWest, with the option to extend for a further two years to May 2029. The margin payable is 160bps above SONIA. In addition, the facility includes a £60m accordion.

Our confidence in the business means the Board proposes to pay a final dividend of 4.62p per share, which together with the 3.08p interim dividend, gives a total of 7.70p (December 2023: 7.33p), an increase of 5.0% for the year. Subject to approval at the AGM on 22 May 2025, this will be paid on 30 May 2025 to shareholders on the register at the close of business on 2 May 2025.

Finally, Joanne Lake and Gerald Jennings completed their tenures as Senior Independent Director and Non-executive Director respectively, at the end of September 2024. I would like to express my appreciation for their significant contributions over the past nine years and wish them both success in the future. In anticipation of their departures, Talita Ferreira joined the Board in January 2024. We have also recently announced the appointment of Earl Sibley, the former COO of Vistry Group, the FTSE 250 housebuilder, as an additional Non-executive Director. Earl will join the Board in April 2025.

On behalf of the Board, I would also like to thank everyone at Henry Boot for their dedication and hard work. Their skill and expertise continues to deliver value to all our stakeholders and bring in new opportunities for the future.

Peter Mawson
Chair

CEO's review

As a result of soft market conditions, a subdued economic environment for 2024 and the expected timings of key transactions, at the beginning of the year, we anticipated that the full year performance would be second half weighted. In line with that, we saw a strong second half performance and I am pleased to say we have delivered numbers consistent with market expectations. Demand for our high-quality land, property development and premium homes remained resilient. Total sales of land, commercial property and houses for the year were £347m, with our share at £224m (December 2023: £249m).

The significantly stronger second half was supported by gradual improvements across our three key markets, although this was not helped by the uncertainty caused by the Autumn budget and the consequential rise in long term interest rates. However, the main factor was the timing of a number of significant transactions. Notably, in the final quarter, we completed on £175m of sales (our share £101m) of strategic and development land. Against this backdrop, including the general rising cost of doing business, PBT of £30.7m, an increased NAV of £425m (December 2023: £410m) on a statutory basis, plus a TAR⁶ of 6.1%, is a positive result.

Our portfolio is made up of Hallam's 104,787 plot land bank, and HBD's £1.2bn development pipeline, which holds considerable latent value, and is conservatively held on our balance sheet at the lower of cost or net realisable value. This, together with SH's landbank of 1,726 plots, positions us strongly to realise our growth ambitions. In line with our growth strategy, our capital employed has also risen to £439m (December 2023: £417m). While return on capital employed at 8.0% is outside our range, as our markets recover and we execute on our stated growth strategy, we expect it to be back within our target range of 10-15%. In terms of strategy, we have taken some big steps forward, which will contribute to the group's future growth:

- In January 2025, the group increased its ownership in SH to 62.5% and will take full control of the business over the next five years. The consideration is performance linked, and the phased structure is designed to generate strong returns while maintaining gearing within our optimum range of 10-20%. This is an opportunity to increase our investment in both a high growth business and a residential market, benefiting from supportive structural and political tailwinds.
- We formed an I&L JV with Feldberg called Origin. It has been immediately seeded with three sites from our pipeline offering a combined GDV of c.£100m. The JV will allow the group to accelerate industrial development from its £1.2bn pipeline and will also pay HBD a development manager fee and promote over agreed hurdle rates. In January 2025, the JV successfully secured a £54m development loan from BGO to help fund the development of the seeded assets.
- Having assessed the changes to the NPPF that were finalised just before the end of 2024 and concluded they should materially ease planning policy, we responded quickly by completing a strategic workforce plan within Hallam. This has involved drawing up and investing in new systems and processes and adding more resources. In particular, we are well underway in recruiting an extra ten heads to add to the planners and specialists we already employ. This will support Hallam in ramping up planning applications by a further 10,000 plots over the next 12 months with more to come in 2026, and to ultimately grow plot sales.

Turning to our markets, UK greenfield land values were broadly unchanged in 2024 according to Savills, and volumes over the year were around 20% below the five year average. Our customers, primarily national housebuilders, were selective in their acquisitions. Demand for our prime strategic sites remained resilient, with Hallam selling 2,661 plots, well above the 1,944 in 2023 and in line with the five year average of 2,696 plots. Total gross sales £183m (Hallam share £78m) were ahead of our expectations, benefiting from the sale of £36m (Hallam share £9m) of employment land in Coventry. With the spectre of the proposed changes to the NPPF overhanging Local Planning Authorities, we also managed an increase in consents secured to 2,982 plots (December 2023: 1,014). Hallam is in a good position to achieve more consents and sell more sites over the next three years, putting us on track to meet our medium term yearly target of 3,500 plots sold.

The commercial property market has stabilised with capital values increasing by 1.8% and total returns at 7.7% (CBRE UK Monthly Index). Industrial has been the best performing commercial property sector over the last five years by some margin, having delivered a total return more than two and a half times that of all property, and remains the place in which to invest. During 2024 industrial values were up 4.5%, driven by rental growth at 5.0%. The majority of our completed, committed developments and pipeline are within the industrial sector. Whilst commercial markets have stabilised, investment volumes and occupier take up is generally running below long term averages. I&L take up was up 6% year on year (yoy) in 2024 and is back in line with the 10 year average - albeit down by around 30% from the average during the exceptional, Covid demand led period between 2020-22. Overall investment volumes were up 24% yoy in 2024 but were still 11% below the 10 year average as transactions are taking time to complete. Despite this, HBD had a very active year, completing on £331m (HBD share £188m) of development, 72% of which has been sold or let.

The key letting during the period was a 50% pre-let to Virgin Media O2, at Island in Manchester city centre, one of the few Net Zero Carbon (NZC) office buildings to have practically completed (PC) in the North. We achieved a record office rent for Manchester, and there is strong interest in the remaining space.

At Setl, our 102 premium apartment building in the centre of Birmingham, which PC'd in May of last year, we have now secured sales on 69% of the units at the target selling price, achieving an average reservation rate of 1.0 unit per week. At Momentum, in Rainham, a 380,000 sq ft NZC I&L scheme held in a 20:80 JV with Barings, the contractor went into administration during the year, which delayed PC until August, although the building works completed within budget. We are currently marketing the space to occupiers, with the construction delay putting back HBD's original letting plan. Our aim is to have made significant letting progress over the year on this high quality project.

Last year was not the time to be expanding our committed development programme, so we have rightly managed it down to £124m (HBD share £33m) – nearly all of it in I&L. We are, however, encouraged by the pickup in enquiry levels and, therefore, we expect to increase our committed programme during 2025, with an emphasis on occupier led and investor funded schemes.

The group's IP has outperformed again, with a total return of 9.9%. Over the last five years, the total return has averaged 7.1% p.a., compared with the Index of 3.1% p.a. Our structural weighting, which we have purposefully built up in industrial, drove this performance. While like for like portfolio valuations showed an increase, as a result of sales the IP ended the year at £107.4m (December 2023: £112.9m). We will, as always, be patient in growing the portfolio to the medium-term target of £150m. This approach has been key to us successfully delivering performance, notably during the market correction of 2022/23, and means that, going forward, there is plenty of opportunity for growth.

It has been a mixed year for the residential market, with the volume of new homes completed in 2024 down 7% on 2023 according to the National House Building Council (NHBC), but with house prices stabilising and, according to Nationwide, growing by 4.7%. In this market, SH performed well, continuing to grow with sales increasing 8% to 270 homes (December 2023: 251 homes). Despite the subdued market, we were in fact only marginally below our target due to a number of protracted chains, which resulted in these sales rolling over into 2025. Our aim is to continue to grow by expanding in the North East region where this year we will have five sites open, and then into the Midlands, where we have bought our first site in Bracebridge, Lincoln (281 plots).

As interest rates continue to fall, demand will receive a boost. While supply responds more slowly, we expect the market to improve noting that, over the medium term, Savills forecast that house prices will increase by 23% over the next five years, with the regions in the North and the Midlands where SH operates, set to outperform. We recognise the subdued market has continued into 2025 but remain confident in the outlook and so expect an increase of sales in 2025 of c.10%.

Although unsurprising, as sourcing land is a fundamental strength of Henry Boot, I am particularly pleased that we have increased the land bank to 1,726 plots (December 2023: 1,513 plots), which is obviously key to helping us meet our medium term target of 600 homes sold a year. We are confident that we can scale SH up and, as over time, we fully integrate the business into the group, we have the opportunity to realise synergies and cost savings. In the medium term, we expect it to be accretive to group ROCE.

In a challenging market, the group's construction segment was yet again profitable, but was below our expectations. HBC delivered a turnover of £49.7m (December 2023: £70.1m), and Banner Plant (BP) performed resiliently. Road Link traded in line with budget. Under a new management team appointed in July 2024, with a renewed focus on winning work, HBC starts the new year in a better position. At the start of 2025, 55% of its order book was contracted, and a further 16% was secured. This compares well with last year (49% secured), and also with our target of identifying 65% of our order book at the beginning of each year.

Strategy

The group set a medium-term strategy in 2021 to grow the size of the business by increasing capital employed from £365m to £500m, focusing on its three key markets: I&L, residential and urban development, while maintaining ROCE within a 10–15% range. Last year, we continued to grow capital employed to £439m (December 2023: £417m) and we remain on course to realise our medium term target of £500m.

See below for the progress made in 2024 against our stated medium term targets:

Measure	Medium-term target	FY 24 Performance	Progress
Capital employed	To over £500m	£439m as at 31 December 2024	On track to grow capital employed to over £500m
Return on average capital employed	10-15% per annum	8.0% in FY 24	We maintain our aim to be within the target range of 10-15% through the cycle
Land promotion plot sales	c.3,500 per annum	2,661 plots in FY 24	FY 24 plot sales in line with five year average of 2,696
Development completions	Our share c.£200m per annum	Our share: £188m in FY 24	We significantly grew our development completions close to the target
Grow investment portfolio	To around £150m	£107.4m as at 31 December 2024	Total value reduced after accretive sales in the year. As previously stated, we will remain disciplined in building up the portfolio
Stonebridge Homes sales	Up to 600 units per annum	270 homes completed in FY 24	A 125% increase since 2021, with output expected to rise to 298 homes in 2025
Construction order book secured	Minimum of 65% for the following year	As at Jan 55% contracted, with 16% secured	New senior team hired to drive order book with 70% secured as at 3 March

Responsible business

We launched our Responsible Business Strategy (RBS) in January 2022, with our primary aim to be NZC by 2030 with respect to Scopes 1 and 2 greenhouse gas (GHG) emissions. I am pleased with the progress we have made so far against our 2025 objectives and targets. Our strategy is guided by three principal objectives:

- To further embed ESG factors into commercial decision making so that the business adapts, ensuring long term sustainability and value creation for the group's stakeholders
- To empower and engage our people to deliver long term meaningful change and impact for the communities and environments Henry Boot works in

- To focus on issues deemed to be most significant and material to the business and hold ourselves accountable by reporting regularly on progress

3 year performance against our 2025 targets

As we approach the final year of our 2025 Responsible Business targets, the table below highlights the significant progress we have made. We are pleased that we are on track to achieve the majority of our goals before we refresh our RBS in 2026.

Our people	Performance	Our places	Performance
<u>Develop and deliver a group-wide Health and Wellbeing Strategy</u>	Delivery is underway, including the launch of a financial wellbeing programme with Finwell and establishing a network of Mental Health First Aiders	<u>Contribute £1,000,000 of financial (and equivalent) value to our charitable partners</u>	We have contributed (financial and equivalent value of) over £770,000 to our charitable and community partners
<u>Increase gender representation in the business, aiming for 30% of our team and line managers being female</u>	Female representation across our workforce has increased to 29% (2023: 28%). Management gender diversity is 25% (2023: 28%)	<u>Contribute 7,500 volunteering hours to a range of community, charity, and education projects</u>	More than 8,000 volunteering hours have been delivered, meaning we have already exceeded our goal
Our planet	Performance	Our partners	Performance
<u>Reduce Scope 1 and 2 GHG emissions by over 20% to support reaching NZC by 2030</u>	Total direct GHG emissions (Scopes 1 and 2) in 2024 were 2,989 tonnes (2023: 2,833 tonnes), which equates to a 10% reduction from the 2019 baseline	<u>Engage key partners to create a more diverse and inclusive built environment sector and form business-led partnerships to improve EDI</u>	EDI Working group has engaged with organisations including the CBI and BITC to collaborate with business and supplier partners to review initiatives to improve diversity
<u>Reduce consumption of avoidable plastic by 50%</u>	Waste Management Plan due for implementation to enable baselining and reduction in avoidable plastic	<u>Collaborate with all our partners to reduce our environmental impact</u>	We continue to engage with membership organisations and our supply chain to share knowledge and best practice

Outlook

We continue to make good strategic progress in positioning our business across our three key conviction markets for the future. These markets benefit from long term structural trends where demand is likely to outstrip supply and where, even during this period of high rates and sluggish growth, demand for our quality projects has remained resilient.

We have a clear focus on growing the group through increasing activity within Hallam, HBD and SH. Our aim is to create synergies and simplify our investment case by concentrating on these three core businesses. At Hallam, we are significantly accelerating planning applications, supported by our Workforce Plan where we have been strengthening the team so we are best placed to capitalise on the favourable changes to the planning system. Encouragingly, we have seen a welcome change in the Inspectorate's and Local Planning Authorities' approach following recent amendments to the NPPF, which has already resulted in us winning planning for nearly 3,000 plots over the last six months, far exceeding our typical run rate.

HBD is looking to grow its committed development programme by drawing on our pipeline, and through the Origin JV, where we can accelerate delivery while earning fees as development manager including the potential for performance fees over agreed hurdle rates. At SH, we agreed a route to taking full ownership alongside a well-defined strategy to materially grow the business. We expect the residential market to rebound, supported by the NPPF amendments and Planning Bill reforms which will provide a positive tailwind to our growth plans. At Road Link we are approaching the conclusion of a 30-year PFI contract and will be handing back responsibility to operate and maintain the A69 to National Highways in the next 12 months.

After recent cuts in interest rates, we have seen improved market sentiment, and with expectations of a continued downward trajectory throughout this year, we anticipate that lower rates will stimulate demand within both the residential and commercial markets, particularly in the industrial sector. While this is positive for the group, there will be a lag between increased activity and the timing of key transactions and, as a result, we expect 2025 results will again be heavily second half weighted.

In the meantime, we remain very active and well positioned for recovery, supported by a rock solid balance sheet and a portfolio rich with opportunity. We continue to make good progress towards hitting our medium term growth and return targets.

Tim Roberts
Chief Executive Officer

Business review

Land promotion

Hallam performed well in 2024, achieving an operating profit of £24.3m (December 2023: £21.4m) from selling 2,661 plots (December 2023: 1,944 plots). Although this was below the target of 3,000 plots for the year, Hallam exceeded its full year financial target following the employment land sale in Coventry. The average gross profit per plot was £10,155 (December 2023: £15,480), which is ahead of the five year average of £9,200.

UK greenfield land values increased by 1.2% in 2024, according to Savills Research. While there was an overall improvement in confidence and increase in activity during the year, land sales were around 20% below the five-year average in 2024, as deals continue to take longer to progress than in the post Covid bounce back period. The announcement of changes to the NPPF will increase applications; though, this has not yet been reflected in national approvals with 25% fewer homes granted planning consent in 2024, compared with the previous peak in 2021, according to the HBF. Demand for prime deliverable sites has therefore remained robust.

Against this backdrop, Hallam saw improved demand from housebuilders for its prime deliverable sites last year, including completing sales on:

- 1,123 residential plots (491 plots to Barratt and 632 plots to Vistry) at Pickford Gate Coventry and an additional 52 acres of employment land to Royal London, resulting in total sales at the scheme of £102m (Hallam share: £36m). Hallam secured a planning promotion agreement (PPA) in 2015 before submitting a planning application in 2018. An outline consent was secured in 2021 for a total of 2,400 homes, of which 25% are affordable. The project also involved delivering a new junction on the A45 dual carriageway, for which Hallam secured funding through the Homes England HIF process. Works on the junction were successfully completed in April 2024. Hallam retains 1,027 plots for future sale.
- 393 residential plots (phase one) in Swindon to Vistry. Hallam secured an option to purchase the site over 20 years ago and since then it has been promoting the land through the planning process. In August 2021, in collaboration with adjoining landowners, outline planning consent was secured for a total of 2,380 residential plots across a 400 acre site, of which 1,063 plots relate to Hallam's site. The scheme will also bring several additional community benefits, including a new primary school, community and sport buildings, significant woodland planting and green infrastructure. The sale of the first phase completed (393 plots) in July 2024, and the second phase (366 plots), which exchanged simultaneously, will complete either later in 2025 or in early 2026. Hallam retains 304 plots for future sale.
- 500 residential plots in Chatteris, Cambridgeshire, to Barratt. Hallam secured a PPA to promote the site on behalf of British Steel Pension Fund in 2005. Hallam successfully secured outline planning consent for 1,000 residential plots in 2020 (including c.160 affordable homes). Hallam retains 500 plots for future sale.

Residential land plots

	With permission				In planning	Future	Total
	b/f	granted	sold	c/f			
2024	8,501	2,982	(2,661)	8,822	13,146	82,819	104,787
2023	9,431	1,014	(1,944)	8,501	13,468	79,003	100,972
2022	12,865	435	(3,869)	9,431	12,297	73,976	95,704
2021	15,421	452	(3,008)	12,865	11,259	68,543	92,667
2020	14,713	2,708	(2,000)	15,421	8,312	64,337	88,070

Hallam grew its total land bank by 4% during the year to 104,787 plots as at 31 December 2024 (December 2023: 100,972 plots), securing 10 new sites which have the potential to deliver c.6,500 plots. The Government's revisions to the

NPPF have shown early signs of improvement to the planning system, and it is believed this momentum will continue to unlock the delivery of new homes. In total, Hallam secured consents on 2,982 plots (December 2023: 1,014 plots), of which 2,186 were achieved between September and December 2024. Last year, plots with planning permission (or a Resolution to Grant, subject to S106) increased to 8,822 (December 2023: 8,501). A further 13,146 plots are currently in the planning system awaiting determination, and as a result of the changes to the NPPF, Hallam has identified an additional 10,000 plots (2024: 2,660 plots) for expected submission over the next 12 months.

There is significant latent value in the group's strategic land portfolio, which is held as inventory at the lower of cost or net realisable value. As such, no uplift in value is recognised in the balance sheet relating to any of the 8,822 plots with planning, and any gain will only be recognised on disposal.

Hallam has begun the year completing on 665 plots and exchanging on a further 612 plots for completion during 2025, as well as having an additional 748 plots under offer. Planning permission has also been achieved for a further 867 plots across 4 sites.

Property investment and development

Property investment and development, which includes HBD and SH, delivered a combined operating profit of £16.7m (December 2023: £22.2m).

According to the CBRE UK Monthly Index, commercial property values increased by 1.8% in 2024. Industrial property delivered the strongest capital growth with values up 4.5% during the year ahead of retail up 3.9%, while office values declined by 2.9%. This however reflects the polarisation between old office stock and the in demand newly developed space with strong environmental credentials. Rental value growth also remains strongest for the industrial sector with growth of 5.0% in 2024, with yields broadly unchanged over the period. While I&L take up has slowed from record levels during the pandemic, occupier demand improved during 2024, with take up marginally ahead of the 2023 outturn. Manufacturers have driven the recent improvement in demand, with many looking to de-risk supply chains through nearshoring operations.

In 2024, HBD completed schemes with a total GDV of £331m (HBD share: £188m GDV), a significant increase from £126m last year (December 2023: HBD share: £112m GDV), of which 72% have been pre-let or pre-sold. This includes the following:

- Island, (HBD Share: £33m GDV), a Net Zero Carbon (NZC) office building in Manchester city centre in a JV with Greater Manchester Pension Fund, was completed in November, on time and on budget. In October, a pre-let was secured for 50% of the space across the top five floors on a 10 year lease to Virgin Media O2, achieving a record office rent in Manchester. The remaining space is attracting strong occupier interest.
- Setl, (HBD share: £32m GDV), a 102 unit premium apartment building in Birmingham, was completed at the end of May last year. As of 3 March 2025, 69% of the units have been sold/reserved at target selling prices, achieving an average reservation rate of 1.0 unit per week. This includes c.£17m of sales that have either been completed or unconditionally exchanged.
- With regard to the I&L sector, HBD completed a total of c.540,000 sq ft, including Rainham, (HBD share: £24m GDV), a four unit NZC development serving Greater London in a JV with Barings and two units (HBD share: £20m GDV) at Airport Business Park, Southend. At SPARK Walsall, specialist remediation works (HBD share: £37m GDV) also completed, allowing the first phase of this 620,000 sq ft prime development to begin.
- HBD also completed the sale of seven development sites (HBD share: £32m GDV), which included 8 acres to NewCold and 6 acres to Aeroservices at Wakefield Hub as well as 4 acres at Skipton. In addition, a 29,000 sq ft TMS car dealership at Melton Road, Leicester (HBD share: £10m GDV), was completed.

2024 Completed schemes

Scheme	GDV (£m)	HBD share of GDV (£m)	Commercial ('000 sq ft)	Residential size (Units)	Status
<i>Industrial & logistics</i>					
Rainham, Momentum	120	24	380	–	Speculative
Southend, Ipeco2 and Cama,	20	20	156	–	Pre-sold
Walsall, SPARK Remediation	37	37	–	–	Forward funded
	177	81	536	–	
<i>Urban residential & commercial</i>					
Birmingham, Setl	32	32	–	102	Speculative – 69% reserved
Manchester, Island	66	33	91	–	Speculative – 50% let
	98	65	91	102	
<i>Land & other</i>					
Aberdeen, Cloverhill	2	2	–	–	Pre-sold and DM fee
Leicester, TMS	10	10	29	–	Pre-sold
Sunderland IAMP	1	1	–	–	Pre-sold
Manchester, St Ann's	3	3	19	–	Pre-sold
Pool, South Crofty	2	2	45	–	Pre-sold
Skipton	10	10	25	–	Pre-sold
Wakefield Hub, 4C & 7C	28	14	50	–	Pre-sold
	56	42	168	–	
Total for the year	331	188	795	102	

In December 2024, HBD formed an I&L JV with Feldberg Capital, known as Origin. The venture is seeded with an initial portfolio of three sites from HBD's pipeline with a combined GDV of c.£100m (HBD share: £25m). Work has now commenced at all three sites for delivery from H2 2025 and comprise:

- Spark, Walsall (phase one), a 13 acre development site just off the M6, which has full planning consent for two units totalling 270,000 sq ft (Total GDV: £52m).
- Inter, Welwyn Garden City, a three acre development site on Tewin Road near Junction 4 of the A1(M). The site has detailed planning consent for a 71,000 sq ft I&L scheme (Total GDV: £28m).
- Ark, Markham Vale, a six acre development site with planning for four units totalling 107,000 sq ft (Total GDV: £20m). This marks the next phase of HBD's 200 acre flagship I&L scheme at Markham Vale.

Going forward the intention, subject to market conditions, is to deliver c.£1bn of high quality and sustainable I&L schemes across the UK over the next seven years. In January 2025, the JV secured a £54m development loan from BGO to fund the acquisition and development of the seed assets.

The group's committed development programme now totals a GDV of £124m (HBD share: £33m GDV) and is currently 25% pre-let, pre-sold or under offer, with 98% of development costs fixed.

2025 Committed programme

Scheme	GDV (£m)	HBD share of GDV (£m)	Commercial ('000 sq ft)	Residential size (Units)	Status	Completion
<i>Industrial</i>						
Origin, Markham, Ark	20	5	107	–	Speculative	Q4 25
Origin, Welwyn, Inter	28	7	71	–	Speculative	Q3 25
Origin, Walsall SPARK	52	13	271	–	Speculative	Q4 25
Preston, Roman Way	10	5	150	–	Pre-sold	Q4 25
	110	30	599	–		
<i>Urban Residential</i>						
Aberdeen, Bridge of Don	12	1	–	420	Pre-sold	Q3 25
<i>Land & other</i>						
Leicester, Melton Road	2	2	20	–	Pre-sold	Q2 25
Total for the year	124	33	619	420		
% sold or pre-let	19%	25%				

Following the completion of three significant schemes during 2024, combined with a more prudent approach to commencing new projects, the committed development programme has been reduced. Notwithstanding this, HBD also has optionality on a significant near-term pipeline which includes:

- The flagship £1bn innovation and technology project known as Golden Valley (HBD share of phase one: £117m GDV), which is located adjacent to GCHQ in Cheltenham, HBD is working towards receiving two outline planning consents in H1 25. The consents relate to c.1m sq ft of commercial space and c.1,000 residential units. Construction is planned to commence in late 2025.
- Neighbourhood, Birmingham (HBD share: £128m GDV) – after securing planning in March 2023 for a 414-unit BtR development, HBD is seeking forward funding for the scheme.
- Humber Goole Freeport South, (HBD share: £130m GDV), in partnership with St Johns College Cambridge, an outline planning consent has been submitted to develop a 5.5m sq ft high quality, sustainable industrial and manufacturing park, with buildings ranging from 40,000 sq ft to 1m sq ft. HBD is working towards receiving an outline planning consent in H1 25.
- Within the future development pipeline there are several I&L projects which benefit from planning permissions totalling c.3.8m sq ft at various flagship schemes, including Walsall, Southend, Luton and Preston.

HBD's future total development pipeline stands at £1.4bn GDV (HBD share: £1.2bn GDV). All these opportunities sit within the Company's three key markets of I&L (54%), Urban Commercial (23%) and Urban Residential (23%).

Investment portfolio - key stats

	Dec 2024	Dec 2023
Market values - inc. share of JV's	£107.4m	£112.9m
Total area – '000 sq ft	767	795
'Topped-up' net initial yield	5.5%	5.8%
Reversionary yield	6.7%	6.5%

WAULT to expiry ¹	9.7 years	10.8 years
Occupancy ²	94%	93%

¹Weighted average unexpired lease term (WAULT) on commercial properties

²As a percentage of completed property portfolio estimated rental value (ERV)

As a result of the successful sales undertaken during the year, the total value of the IP (including the share of properties held in JVs and assets held for sale) ended the year at £107.4m (December 2023: £112.9m). On a like-for-like basis capital values increased by 4.7%, with rental value growth of 8.4% for the I&L assets which represent 73% of the total portfolio by value. The total property return of 9.9% was ahead of the total return from the CBRE UK Monthly Index (7.7%). During the period, occupancy marginally increased to 94% (December 2023: 93%) with the weighted average unexpired lease term now 9.7 years (7.8 years to first break).

Currently, 72% of the IP (based on floor area) has an EPC rating of 'C' or higher, with 42% being rated 'A' or 'B'. The 28% of the portfolio, which does not have an EPC within the target range is allocated for either redevelopment or sale in the short to medium term.

Stonebridge Homes

The UK housing market remained relatively subdued during 2024 as homebuyer demand continued to be impacted by higher mortgage rates. According to Nationwide, UK house prices increased by 4.7% during 2024, with prices still just below the all-time high recorded in summer 2022. Northern England continues to outperform southern England, with prices up 4.9% year-on-year. According to NHBC statistics, which covers 70%+ of all new homes built in the UK, the number of new homes completed last year was 7% lower than in 2023, with a decline of 18% from the 2022 peak.

SH completed 270 homes (195 private/75 affordable) (December 2023: 251 homes), increasing its output by 8% in a relatively subdued market. Despite completions for the year being marginally below our target of 275 homes, due to protracted chains, five homes have continued to progress and have now been transferred to the sales target for 2025.

The average selling price (ASP) for private units was £402,000 (December 2023: £461,000) as the business expanded its sales outlets into the North East. Net private reservations per active outlet per week averaged 0.45 (December 2023: 0.45).

Supply chain availability and cost pressures continued to improve, with build cost inflation moderating at 3% (December 2023: 4%). SH completed a detailed specification and house type review that has identified further improvements, which will help to mitigate any future build cost pressures while maintaining our premium standard of home.

SH total owned and controlled land bank has increased to 1,726 plots (December 2023: 1,513 plots). Last year, SH added a total of 499 plots to its land bank, including Simpson Park, Nottinghamshire (218 plots) and in line with its ambitious growth plans, our first site in the Midlands at Bracebridge Heath, Lincoln (281 plots). After a number of successful planning applications, the plots with detailed or outline planning now stand at 1,220 plots (December 2023: 923 plots). Land supply, defined as total owned and controlled land bank plots divided by completions over the last 12 months, now equates to a healthy 6.4 years.

SH's annual sales target for this year will increase to 298 homes, in line with the strategic objective of growing the business to achieve 600 completions per annum over the medium term which remains on track.

The group exchanged contracts (initial completion in 2025) to take full ownership of premium regional housebuilder SH through the acquisition of the 50% it does not already own, across three tranches over the next five years. The total purchase price is linked to the performance of SH over this period and is in line with the group's strategy to focus on high quality land, prime property development and premium homes.

The transaction is expected to create significant shareholder value for the following reasons:

1. Opportunity to increase exposure in the UK residential market, which benefits from strong structural trends
2. Compelling opportunity to increase ownership of what is a high growth business
3. Accretive financial returns, with full benefit of operational gearing as the business grows

The first tranche of the transaction completed in January 2025, resulting in Henry Boot becoming the majority shareholder with 62.5%.

Construction

The group's construction segment, which includes HBC, BP and Road Link (A69), achieved an operating profit of £4.9m (December 2023: £6.5m). The businesses within the construction segment have the lowest capital employed of any subsidiaries of the group, limiting the risk on Henry Boot's broader strategic growth plans.

The UK construction market remained challenging during 2024 with the volume of new work contracting since mid-2023 according to ONS data. Monthly construction output for new work, on a seasonally adjusted basis, in December 2024, was estimated to be 8.6% below the February 2020 pre-Covid level.

HBC was behind schedule for winning work, which resulted in the business trading below expectations, delivering a turnover of £49.7m (December 2023: £70.1m). Two significant contracts were completed last year, the Heart of the City, Sheffield, Block H, a £44m urban mixed use scheme and the Cocoa Works in York, a £56m urban residential project. HBC secured a £38m contract to redevelop Rotherham Markets and an adjacent new library. Work is scheduled for completion in 2027.

A new management team has been recruited, including a new Managing Director, Lee Powell, who has joined from GMI Construction. The team's immediate focus will be on growing and diversifying the order book by developing a balanced portfolio of private sector projects to complement the existing public sector work.

HBC has started 2025 in a better position, with 55% of its order book contracted and a further 16% secured at the time of the group trading update on 28 January. This includes the company being awarded a £16m contract in Sheffield with the National Centre for Child Health Technology to deliver a new world-class research and technology centre for children and young people. The 2025 order book has continued to progress, with 70% secured as at 3 March.

BP traded below budget, in line with a challenging market for plant hire businesses, and in response has adjusted its strategy by focusing on costs and efficiencies.

As HBC and BP review and explore all the options to deal with the current commercial challenges, the difficult decision has been made to make operational changes which has resulted in a restructuring within both businesses. While this is regrettable, it is being carried out to protect the long term future of HBC and BP.

Road Link (A69) has traded in line with expectations as it enters the final 12 months of the PFI contract.

Financial review

Summary of financial performance

	2024 £'m	2023 £'m	Change %
Total revenue			
Property investment and development	169.9	191.9	-11
Land promotion	78.0	68.0	+15
Construction	80.5	99.5	-19
	328.4	359.4	-9
Operating profit/(loss)			
Property investment and development	16.7	22.2	-5
Land promotion	24.3	21.4	3
Construction	4.9	6.5	-2
Group overheads	(11.7)	(9.9)	-2
	34.2	40.2	-5
Net finance cost and other	(3.5)	(2.9)	-1
Profit before tax	30.7	37.3	-7

The group performed as expected in 2024 with gradual improvements in the economy translating to a stronger second half performance. Group profit before tax of £30.7m (2023: £37.3m) or £29.4m on an underlying profit basis¹ (2023: £36.7m) remains a credible result in the current economic environment. Our focus on high quality land and development opportunities in prime locations across our three key markets continues to support this resilience.

Our land promotion business Hallam Land traded well in the year disposing of 2,661 residential plots (2023: 1,944) at an average gross profit per plot of £10.2k (2023: £15.5k), ahead of the five year average of £9.2k, generating an operating profit of £24.3m (2023: £21.4m) as demand for well located premium sites continued.

Property investment and development performed well in the year despite challenging market conditions. HBD completed schemes with a total GDV of £331m (HBD share: £188m GDV) and in December formed an I&L JV with Feldberg Capital, known as Origin, which generated £5.5m initial profit in the year in HBD. Meanwhile, SH increased its output by 8%, completing 270 homes (2023: 251) in line with its medium term growth target of delivering 600 units per annum. Together this resulted in an operating profit of £16.7m (2023: £22.2m) from the property investment and development segment.

The construction segment achieved turnover of £80.4m (2023: £99.5m) and continued to make a positive contribution to the overall group operating profit.

Consolidated Statement of Comprehensive Income

Revenue decreased 9% to £328.4m (2023: £359.4m), as the land promotion business completed large transactions at Swindon and Coventry increasing the segments revenue 15% to £78.0m (2023: £68.0m) and the ongoing growth of SH (8% increase in output) resulted in a 4% increase in revenue to £100.7m (2023: £97.2m), offset by reduced construction contract revenue in construction and property development of £51.4m (2023: £35.9m) as we experienced delays in securing new work in challenging markets.

Gross profit of the group was broadly consistent with the prior year at £74.5m (2023: £76.8m), a gross profit margin of 23% (2023: 21%), and reflects healthy returns across all our operating segments. Administrative expenses increased by £2.5m (2023: £3.9m) as we continued to invest in our people and processes to support future growth.

Property revaluation gains amounted to £4.6m (2023: £0.4m), incorporating £4.5m revaluation gains (2023: £0.3m) on wholly owned investment property and £0.1m revaluation gains (2023: £0.1m) on our share of investment property held in joint ventures.

	2024	2023
	£'m	£'m
Property revaluation gains/(losses)		
Wholly owned investment property:		
- Completed investment property	1.2	0.5
- Investment property in the course of construction	3.3	(0.2)
	4.5	0.3
Joint ventures and associates:		
- Completed investment property	0.1	0.1
- Investment property in the course of construction	—	—
	0.1	0.1
	4.6	0.4

Profit on sale of investment properties of £0.1m (2023: £0.7m), relates to the disposal of legacy housing stock and ground rents.

Share of profit of joint ventures and associates of £2.4m (2023: £0.4m) includes the sale of two industrial units in Wakefield by the property investment and development segment. Joint ventures continue to be a key part of our operating model, however the timing of returns will vary.

Overall, operating profits decreased by 14.9% to £34.2m (2023: £40.2m) and, after adjusting for net finance costs, we delivered a profit before tax of £30.7m (2023: £37.3m).

The segmental results analysis shows that:

- Property investment and development operating profit decreased to £16.7m (2023: £22.2m) as development activity slowed, offset by an increase in Stonebridge housing unit disposals to 270 (2023: 251), and a valuation gain on wholly owned investment property of £4.5m (2023: £0.3m).

- Land promotion operating profit increased to £24.3m (2023: £21.4m) as we completed on disposals at eleven sites (2023: seven), average gross profit per plot in the year normalised to £10.2k (2023: £15.5k) having disposed of a high margin site in Tonbridge during the prior year.
- Construction segment operating profits decreased to £4.9m (2023: £6.5m) as our construction business experienced delays in securing new work. Plant hire and our PFI concession continued to generate healthy contributions to the segment.

We maintain a significant pipeline of property development and consented residential plots; the variable timing of the completion of deals in these areas does give rise to financial results, which can vary depending upon when contracts are ultimately concluded. We mitigate this through the mix of businesses within the group and our business model, which, over the longer term, will ultimately see the blended growth of the group delivered.

Tax

The tax charge for the year was £7.0m (effective rate of tax: 22.9%) (2023: £8.8m; effective tax rate: 23.5%) and is lower than (2023: in line with) the standard rate of tax due to prior year adjustments in respect of capital taxes and allowances and profits from joint ventures and associates reported net of tax. Current taxation on profit for the year was £5.4m (2023: £6.7m), deferred tax was a charge of £1.6m (2023: £2.1m).

Earnings per share and dividends

Basic earnings per share decreased 11.7% to 17.4p (2023: 19.7p) in line with the fall in profits attributable to owners of the Parent Company. Total dividend for the year increased 5% to 7.70p (2023: 7.33p), with the proposed final dividend increasing to 4.62p (2023: 4.40p), payable on 30 May 2025 to shareholders on the register as at 2 May 2025. The ex-dividend date is 1 May 2025.

Return on capital employed² ('ROCE')

ROCE² decreased in the year to 8.0% (2023: 9.9%). Given the current challenges in our markets, this is expectedly below the group's target range of 10–15%, which we believe remains appropriate for our current operating model and the markets in which we operate.

Finance and gearing

Net finance costs increased to £3.5m (2023: £2.9m) reflecting the increase in UK interest rates and higher levels of borrowing during the year.

Interest cover, expressed as the ratio of operating profit (excluding the valuation movement on investment properties, disposal of investment properties and joint venture profits) to net interest (excluding interest received on other loans and receivables), was 4 times (2023: 9 times). No interest incurred in either year has been capitalised into the cost of assets.

The group's banking facilities were renewed on 21 May 2024 at £125.0m. The facility with Barclays Bank PLC, HSBC UK Bank plc and National Westminster Bank Plc runs for three years and includes two one-year extensions. The facility includes an accordion to increase the facility by up to £60.0m, increasing the overall facility to £185m of which £15m was called and agreed with lenders on 21 March 2025. The group had drawn £72.5m of the facility at 31 December 2024 (2023: £83.5m).

On 27 June 2024, the group extended a £25.0m receivables purchase agreement with HSBC Invoice Finance UK Limited (HSBC) that allows it to sell deferred income receivables to the bank. The risk and rewards of ownership are deemed to fully transfer to HSBC and, therefore, this agreement is recorded off balance sheet. The group had sold £15.9m of receivables under the agreement at 31 December 2024 (2023: £14.7m).

The 2024 year-end net debt⁴ was £62.7m (2023: £77.8m) resulting in gearing of 14.7% (2023: 19.0%) and within our targeted range of 10-20%. Despite challenging market conditions, we continue to invest in our prime land portfolio, growing our premium housebuilder and delivering our high quality committed development programme.

All bank borrowings continue to be from facilities linked to floating rates or short-term fixed commitments. Throughout the year, we operated within the facility covenants and continue to do so.

Cash flow summary

	2024	2023
	£'m	£'m
Operating profit	34.2	40.2
Depreciation and other non-cash items	0.4	(1.1)

Net movement on equipment held for hire	(2.6)	(2.1)
Movement in working capital	10.5	(31.2)
Cash generated from operations	42.5	5.8
Net capital investments	(4.9)	(16.4)
Net interest and tax	(13.3)	(7.4)
Dividends paid	(12.1)	(12.8)
Dividends received from joint ventures	2.9	0.9
Other	—	0.7
Change in net debt	15.1	(29.2)
Net debt brought forward	(77.8)	(48.6)
Net debt carried forward	(62.7)	(77.8)

During 2024, the cash inflow from operations amounted to £42.5m (2023: £5.8m) after net investment in equipment held for hire of £2.6m (2023: £2.1m), and cash inflows from a net decrease in working capital of £10.5m (2023: £31.2m outflow). Working capital increased significantly in 2023 from additional investment in housebuilder inventories and strategic land sales on deferred terms which has now partially reversed in 2024.

Net capital investment of £4.9m (2023: £16.4m) arose primarily from advances to joint ventures and associates of £4.0m (2023: £13.5m) and purchase of property, plant and equipment of £1.4m (2023: £4.1m).

Net dividends, totalled £9.2m (2023: £11.9m), with those paid to equity shareholders increasing by 7.5% to £10.0m (2023: £9.3m) and dividends to non-controlling interests of £2.1m (2023: £3.5m), offset by dividends received from joint ventures during the year of £2.9m (2023: £0.9m).

After net interest and tax of £13.3m (2023: £7.4m), there was an overall inflow in net cash of £15.1m (2023: £29.2m outflow), resulting in net debt of £62.7m (2023: £77.8m).

Statement of financial position summary

	2024	2023
	£'m	£'m
Investment properties and assets classified as held for sale	105.6	100.6
Intangible assets	0.6	2.2
Property, plant and equipment, including right-of-use assets	32.8	33.2
Investment in joint ventures and associates	13.3	10.5
	152.3	146.5
Inventories	332.9	297.6
Receivables	111.6	129.3
Payables	(111.5)	(88.1)
Other	(7.3)	(5.2)
Net operating assets	478.0	480.2
Net debt	(62.7)	(77.8)
Retirement benefit asset	9.9	7.7
Net assets	425.2	410.1
Less: Non-current liabilities and pension asset	13.9	6.6
Capital employed	439.1	416.7

Wholly owned investment properties, of which over 70% are industrial and logistic assets, increased to £105.6m (2023: £100.6m) driven by property valuation gains of £4.5m (2023: £0.3m). At the year end, two properties are held for sale with a book value of £9.3m.

Intangible assets reflect the group's investment in Road Link (A69) of £0.6m (2023: £1.2m). The treatment of the Road Link investment as an intangible asset is a requirement of IFRIC 12 and arises because the underlying road asset reverts to National Highways at the end of the concession period in March 2026. Goodwill in the prior year relating to Road Link (A69) of £0.1m and Banner Plant depots £0.9m have now been fully written down.

Property, plant and equipment comprises group occupied buildings valued at £3.6m (2023: £4.7m), leasehold improvements of £2.1m (2023: £2.4m), and plant, equipment and vehicles with a net book value of £27.1m (2023: £26.1m), including £4.0m (2023: £1.0m) of right-of-use assets under IFRS 16. Property, plant and equipment, along with right-of-use assets, have remained broadly consistent as new additions of £5.9m (2023: £8.7m), largely related to the groups plant hire fleet, are offset by disposals and the depreciation charge for the year.

Investments in joint ventures and associates increased £2.8m to £13.3m (2023: £10.5m). This comprised the group's share of profits of £2.4m (2023: £0.4m) (including fair value increases of £0.1m), additional investment of £3.0m (2023: £1.0m), less distributions of £2.9m (2023: £0.9m) and other movements of £0.3m (2023: £nil). We continue to undertake property development projects with other parties where mutually beneficial.

Inventories were £332.9m (2023: £297.6m). We increased our housebuilder land and work in progress to £111.6m (2023: £96.2m) as we expand regionally into the North East and increase annual plot disposals. In our strategic land business, we continue to invest in owned land and land interests under promotion agreements at a lower capital cost with total additions amounting to £97.3m (2023: £42.2m). This was offset by our property and development inventory, which decreased to £66.6m (2023: £77.4m) as the group recycled cash from our build to sell scheme Setl in Birmingham, and transferred two developments into our newly formed JV, Origin, with Feldberg. Inventories are held at the lower of cost or net realisable value, in accordance with our accounting policy and, as such, no uplift in value created from securing planning permission is recognised within our accounts until disposal.

Receivables, including contract assets, decreased £11.3m to £111.6m (2023: £122.9m) due to the timing of completions and level of deferred payments. Deferred payment receivables remain a function of the number and size of strategic land development schemes sold, and levels of construction contract activity undertaken.

Payables increased to £111.5m (2023: £88.1m) with trade and other payables increasing to £101.9m (2023: £75.9m) due to two individually significant deferred land payments, provisions decreasing to £1.9m (2023: £4.4m) as strategic land provisions unwind and we near the end of our PFI concession arrangement. Contract liabilities increased to £4.9m (2023: £1.1m), due to the timing of invoicing on large construction schemes and current tax liabilities reduced to £2.9m (2023: £6.7m).

Net debt included cash and cash equivalents of £16.8m (2023: £13.0m), borrowings of £75.5m (2023: £86.5m), including £3.0m other loans (2023: £3.0m) arising from sale and lease back, and lease liabilities of £3.9m (2023: £4.3m). In total, net debt was £62.7m (2023: £77.8m).

At 31 December 2024, the IAS 19 pension valuation was a surplus of £9.9m (2023: £7.7m surplus), as a result of interest on the existing surplus and rise in corporate bond yields, which has increased the discount rate assumption and placed a lower value on liabilities. The pension scheme's assets continue to be invested globally, with high-quality asset managers, in a broad range of assets. The pension scheme Trustees regularly consider the merits of both the managers and asset allocations and, along with the company, review the returns achieved by the asset portfolio against the manager benchmarks. They then make changes, as the Trustee considers appropriate, in conjunction with investment advice received.

Overall, the net assets of the group increased by 3.7% to £425.1m (2023: £410.1m), arising from retained profits less distributions to shareholders with NAV per share³ increasing 3.6% to 317p (2023: 306p).

Darren Littlewood
Chief Financial Officer

NOTES:

¹ Underlying profit is an alternative performance measure (APM) and is defined as profit before tax excluding revaluation movements on completed investment properties. Revaluation movement on completed investment properties includes gains of £1.2m (2023: £0.5m) on wholly owned completed investment property and gain of £0.1m (2023: £0.1m) on completed investment property held in joint ventures. This APM is used as it provides the users with a measure that excludes specific external factors beyond management's controls and reflects the group's underlying results. This measure is used in the business in appraising senior management performance.

² Return on Capital Employed is an APM and is defined as operating profit/capital employed, where capital employed is the average of total assets less current liabilities and pension asset/obligation at the opening and closing balance sheet dates.

³ Net Asset Value (NAV) per share is an APM and is defined using the statutory measures net assets/ordinary share capital.

⁴ Net debt is an APM and is reconciled to statutory measures in note 7.

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2024

	2024 £'000	2023 £'000
Revenue	328,379	359,399
Cost of sales	(253,836)	(282,634)
Gross profit	74,543	76,765
Other income	—	4,800
Administrative expenses	(47,317)	(44,342)
	27,226	37,223
Increase in fair value of investment properties	4,464	307
Profit on sale of investment properties	102	733
Profit on sale of assets held for sale	—	1,571
Share of profit of joint ventures and associates	2,431	371
Operating profit	34,223	40,205
Finance income	5,115	3,357
Finance costs	(8,678)	(6,260)
Profit before tax	30,660	37,302
Tax	(7,030)	(8,759)
Profit for the year from continuing operations	23,630	28,543

Other comprehensive income/(expense) not being reclassified to profit or loss in subsequent years:

Revaluation of group occupied property	64	(228)
Deferred tax on property revaluations	(67)	279
Actuarial gain/(loss) on defined benefit pension scheme	2,196	(3,066)
Deferred tax on actuarial gain/(loss)	(549)	767

Total other comprehensive income/(expense) not being reclassified to profit or loss in subsequent years

	1,644	(2,248)
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Total comprehensive income for the year

	25,274	26,295
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Profit for the year attributable to:

Owners of the Parent Company	23,333	26,299
Non-controlling interests	297	2,244
	23,630	28,543

Total comprehensive income attributable to:

Owners of the Parent Company	24,977	24,051
Non-controlling interests	297	2,244
	25,274	26,295

Basic earnings per ordinary share for the profit attributable to owners of the Parent Company during the year

	17.4p	19.7p
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Diluted earnings per ordinary share for the profit attributable to owners of the Parent Company during the year

	17.0p	19.3p
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UNAUDITED STATEMENT OF FINANCIAL POSITION

as at 31 December 2024

	2024 £'000	2023 £'000
ASSETS		
Non-current assets		
Intangible assets	617	2,179
Property, plant and equipment	29,293	29,218
Right-of-use assets	3,460	3,986
Investment properties	96,275	100,602
Investment in joint ventures and associates	13,280	10,484
Retirement benefit asset	9,930	7,725

Trade and other receivables	8,458	39,263
Deferred tax assets	219	213
	161,532	193,670
Current assets		
Inventories	332,871	297,618
Contract assets	12,693	13,659
Trade and other receivables	90,467	76,416
Cash	16,764	13,034
Assets held for sale	9,315	—
	462,110	400,727
LIABILITIES		
Current liabilities		
Trade and other payables	89,820	73,477
Contract liabilities	4,882	1,060
Current tax liabilities	2,909	6,677
Borrowings	74,443	84,819
Lease liabilities	895	728
Provisions	1,723	3,221
	174,672	169,982
NET CURRENT ASSETS	287,438	230,745
Non-current liabilities		
Trade and other payables	11,991	2,501
Borrowings	1,092	1,699
Lease liabilities	3,017	3,547
Deferred tax liabilities	7,568	5,372
Provisions	154	1,178
	23,822	14,297
NET ASSETS	425,148	410,118
EQUITY		
Share capital	13,801	13,799
Property revaluation reserve	1,008	1,011
Retained earnings	399,791	383,219
Other reserves	8,293	8,248
Cost of shares held by ESOP trust	(645)	(875)
Equity attributable to owners of the Parent Company	422,248	405,402
Non-controlling interests	2,900	4,716
TOTAL EQUITY	425,148	410,118

UNAUDITED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2024

Group	Attributable to owners of the Parent Company							Total equity £'000
	Share capital £'000	Property revaluation reserve £'000	Retained earnings £'000	Other reserves £'000	Cost of shares held by ESOP trust £'000	Total £'000	Non-controlling interests £'000	
At 1 January 2023	13,763	2,352	365,692	7,482	(967)	388,322	5,967	394,289
Profit for the year	—	—	26,299	—	—	26,299	2,244	28,543
Other comprehensive income	—	51	(2,299)	—	—	(2,248)	—	(2,248)
Total comprehensive income	—	51	24,000	—	—	24,051	2,244	26,295
Transfer between reserves ¹	—	(1,392)	1,392	—	—	—	—	—
Equity dividends	—	—	(9,274)	—	—	(9,274)	(3,495)	(12,769)
Purchase of treasury shares	—	—	—	—	(98)	(98)	—	(98)
Proceeds from shares issued	36	—	—	766	—	802	—	802
Share-based payments	—	—	1,409	—	190	1,599	—	1,599
	36	(1,392)	(6,473)	766	92	(6,971)	(3,495)	(10,466)

At 31 December 2023	13,799	1,011	383,219	8,248	(875)	405,402	4,716	410,118
Profit for the year	—	—	23,333	—	—	23,333	297	23,630
Other comprehensive income	—	(3)	1,647	—	—	1,644	—	1,644
Total comprehensive income	—	(3)	24,980	—	—	24,977	297	25,274
Equity dividends	—	—	(10,019)	—	—	(10,019)	(2,113)	(12,132)
Proceeds from shares issued	2	—	—	45	—	47	—	47
Share-based payments	—	—	1,611	—	230	1,841	—	1,841
	2	—	(8,408)	45	230	(8,131)	(2,113)	(10,244)
At 31 December 2024	13,801	1,008	399,791	8,293	(645)	422,248	2,900	425,148

¹ Transfer of realised profits on disposal of revalued property

UNAUDITED STATEMENT OF CASH FLOWS

for the year ended 31 December 2024

	2024 £'000	2023 £'000
Cash flows from operating activities		
Cash generated from operations	42,573	5,871
Interest paid	(7,772)	(5,475)
Tax paid	(9,235)	(3,797)
Net cash flows from operating activities	25,566	(3,401)
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,391)	(4,074)
Purchase of investment property	(96)	(8,017)
Proceeds on disposal of property, plant and equipment (excluding equipment held for hire)	272	432
Proceeds on disposal of assets held for sale	—	4,713
Proceeds on disposal of investment properties	625	7,764
Advances of loans to joint ventures and associates	(17,410)	(24,321)
Repayment of loans from joint ventures and associates	13,456	10,868
Interest received	3,695	1,830
Dividends received from joint ventures	2,850	900
Net cash flows from investing activities	2,001	(9,905)
Cash flows from financing activities		
Proceeds from shares issued	47	802
Purchase of treasury shares	—	(98)
Advances from joint ventures and associates	—	12
Repayment to joint ventures and associates	(75)	—
Repayment of borrowings	(56,117)	(36,510)
Proceeds from borrowings	45,134	58,028
Principal elements of lease payments	(694)	(526)
Dividends paid – ordinary shares	(9,998)	(9,253)
– non-controlling interests	(2,113)	(3,495)
– preference shares	(21)	(21)
Net cash flows from financing activities	(23,837)	8,939
Net increase/(decrease) in cash and cash equivalents	3,730	(4,367)
Net cash and cash equivalents at beginning of year	13,034	17,401
Net cash and cash equivalents at end of year	16,764	13,034

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024

1. Basis of preparation

These results for the year ended 31 December 2024 are unaudited. The financial information set out in this announcement does not constitute the group's statutory accounts for the years ended 31 December 2024 or 31 December 2023, as defined by Section 434 of the Companies Act 2006.

The results have been prepared in accordance with UK adopted international accounting standards. They have been prepared on the historic cost basis, except for financial instruments, investment properties and group occupied land and buildings, which are measured at fair value.

The financial information for the year ended 31 December 2023 is derived from the statutory accounts for that year, which have been delivered to the Registrar of Companies. The current auditor, Ernst & Young LLP, reported on those accounts and their report was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under Section 498 (2) or (3) of the Companies Act 2006.

The statutory accounts for the year ended 31 December 2024 will be finalised on the basis of the financial information presented by the Directors in these results and will be delivered to the Registrar of Companies following the AGM of Henry Boot PLC. The same accounting policies and methods of computation are followed as in the latest published audited accounts for the year ended 31 December 2023, which are available on the group's website at www.henryboot.co.uk.

The following standards, amendments and interpretations to existing standards are effective or mandatory for the first time for the accounting year ended 31 December 2024:

		Effective from
IAS 1 (amended 2020)	'Classification of Liabilities as Current or Non-Current'	1 January 2024
IAS 1 (amended 2022)	'Non-current liabilities with covenants'	1 January 2024
IFRS 16 (amended 2022)	'Lease Liability in a Sale and Leaseback'	1 January 2024
IAS 7 and IFRS 7 (amended 2023)	'Supplier Finance Arrangements'	1 January 2024

These standards did not have a material impact on the group's results.

The group did not early adopt any standard or interpretation not yet mandatory.

Going concern

In undertaking their going concern review, which covers the period to December 2026, the Directors considered the group's principal risk areas that they consider material to the assessment of going concern.

As the UK economy continues to prove challenging, the Directors have assessed the groups ability to operate in a more uncertain environment in modelling a base case scenario. They have also modelled what they consider to be a severe downside scenario, including further curtailment in activities.

The downside assumes that for 2025:

- 1) Construction and Development activity only takes place where contracted;
- 2) Hallam land has no sales unless well progressed or already contracted;
- 3) Stonebridge Homes has a 10% decline in house prices along with a 25% reduction in the number of plots sold; and
- 4) Banner Plant revenue declines by 19%.

The downside assumes that 2026 results will recover.

This downside model assumes that acquisition and development spend is restricted other than that already committed. This is consistent with previous experience in recessionary environments, allowing the group to retain and even improve the cash position in the event of a severe downside scenario, the impact on the profit and loss account would, however, be unavoidable.

The group meets its day-to-day working capital requirements through a secured loan facility. The facility with Barclays Bank PLC, HSBC UK Bank plc and National Westminster Bank Plc runs for three years and includes two one-year extensions. The facility of £125m in place at 31 December 2024 includes an accordion to increase the facility by up to £60m, increasing the overall facility to £185m. The group has extended the facility on 21 March 2025 to £140m which increases the headroom over the going concern period.

None of the modelling undertaken by the Directors gives rise to any breach of bank facility covenants. The most sensitive covenant in our facilities relates to the ratio of EBIT (Earnings Before Interest and Tax) on a 12-month rolling basis to senior facility finance costs. Our downside modelling, which reflects a 26% reduction in revenue and a 63% reduction in operating profit from our base case for 2025, demonstrates headroom over this covenant throughout the forecast period to the end of December 2026.

The Directors have also performed a break case scenario which sees the EBIT cover covenant breached. This scenario is considered to be remote.

The Directors expect that the Company and the group will have adequate resources, liquidity and available bank facilities to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis of accounting in preparing the Financial Statements.

2. Segment information

For the purpose of the Board making strategic decisions, the group is currently organised into three operating segments: Property Investment and Development; Land Promotion; and Construction. Group overheads are not a reportable segment; however, information about them is considered by the Board in conjunction with the reportable segments.

Operations are carried out entirely within the United Kingdom.

Inter-segment sales are charged at prevailing market prices.

The accounting policies of the reportable segments are the same as the group's Accounting Policies.

Segment profit represents the profit earned by each segment before tax and is consistent with the measure reported to the group's Board for the purpose of resource allocation and assessment of segment performance.

	2024					
	Property Investment and Development £'000	Land Promotion £'000	Construction £'000	Group overheads £'000	Eliminations £'000	Total £'000
Revenue						
External sales	169,939	78,036	80,404	—	—	328,379
Inter-segment sales	387	—	777	150	(1,314)	—
Total revenue	170,326	78,036	81,181	150	(1,314)	328,379
Gross profit/(loss)	26,978	33,747	13,823	4	(9)	74,543
Administrative expenses and pension	(17,199)	(9,456)	(8,935)	(11,736)	9	(47,317)
Other operating income	6,997	—	—	—	—	6,997
Operating profit/(loss)	16,776	24,291	4,888	(11,732)	—	34,223
Finance income	5,531	1,784	486	36,183	(38,869)	5,115
Finance costs	(85)	(1,517)	(506)	(6,891)	321	(8,678)
Profit/(loss) before tax	22,222	24,558	4,868	17,560	(38,548)	30,660
Tax	(2,658)	(6,482)	(1,479)	3,589	—	(7,030)
Profit/(loss) for the year	19,564	18,076	3,389	21,149	(38,548)	23,630

	2023					
	Property Investment and Development £'000	Land Promotion £'000	Construction £'000	Group overheads £'000	Eliminations £'000	Total £'000
Revenue						
External sales	191,884	67,992	99,523	—	—	359,399
Inter-segment sales	258	—	1,050	271	(1,579)	—
Total revenue	192,142	67,992	100,573	271	(1,579)	359,399
Gross profit/(loss)	31,554	29,815	15,177	238	(19)	76,765
Other income	4,800	—	—	—	—	4,800
Administrative expenses and pension	(17,172)	(8,371)	(8,682)	(10,136)	19	(44,342)
Other operating income/(expense)	2,989	(7)	—	—	—	2,982
Operating profit/(loss)	22,171	21,437	6,495	(9,898)	—	40,205
Finance income	3,273	1,197	458	25,813	(27,384)	3,357
Finance costs	(11,596)	(615)	(480)	(5,437)	11,868	(6,260)
Profit/(loss) before tax	13,848	22,019	6,473	10,478	(15,516)	37,302
Tax	(5,741)	(4,470)	(1,686)	3,138	—	(8,759)
Profit/(loss) for the year	8,107	17,549	4,787	13,616	(15,516)	28,543

	2024 £'000	2023 £'000
Segment assets		
Property Investment and Development	367,662	362,737
Land Promotion	183,539	160,690
Construction	37,896	41,635
Group overheads	7,632	8,363
	596,729	573,425
Unallocated assets		
Deferred tax assets	219	213
Retirement benefit asset	9,930	7,725
Cash and cash equivalents	16,764	13,034
Total assets	623,642	594,397
Segment liabilities		
Property Investment and Development	46,818	38,101
Land Promotion	38,767	15,635
Construction	18,082	22,797
Group overheads	4,903	4,904
	108,570	81,437
Unallocated liabilities		
Current tax liabilities	2,909	6,677
Deferred tax liabilities	7,568	5,372
Current lease liabilities	895	728
Current borrowings	74,443	84,819
Non-current lease liabilities	3,017	3,547
Non-current borrowings	1,092	1,699
Total liabilities	198,494	184,279
Total net assets	425,148	410,118

3. Tax

	2024 £'000	2023 £'000
Current tax:		
UK corporation tax on profits for the year	6,207	6,745
Adjustment in respect of earlier years	(751)	(39)
Total current tax	5,456	6,706
Deferred tax:		
Origination and reversal of temporary differences	1,574	2,053
Total deferred tax	1,574	2,053
Total tax	7,030	8,759

4. Dividends

	2024 £'000	2023 £'000
Amounts recognised as distributions to equity holders in the year:		
Preference dividend on cumulative preference shares	21	21
Final dividend for the year ended 31 December 2023 of 4.40p per share (2022: 4.00p)	5,879	5,336
Interim dividend for the year ended 31 December 2024 of 3.08p per share (2023: 2.93p)	4,119	3,917
	10,019	9,274

The proposed final dividend for the year ended 31 December 2024 of 4.62p per share (2023: 4.40p) makes a total dividend for the year of 7.70p (2023: 7.33p).

The proposed final dividend is subject to approval by shareholders at the AGM and has not been included as a liability in these Financial Statements. The total estimated dividend to be paid is £6,200,000.

Notice has been received from Moore Street Securities Limited waiving its right as corporate trustee for the Employee Share Ownership Plan ('ESOP') to receive all dividends in respect of this and the previous financial year.

5. Investment properties

Fair value measurements recognised in the Statement of Financial Position

The following table provides an analysis of the fair values of investment properties recognised in the Statement of Financial Position by the degree to which the fair value is observable:

	Level 1 £'000	Level 2 £'000	Level 3 £'000	2024 £'000	2023 £'000	Increase/ (decrease) in year
Completed investment property						
Industrial	—	—	70,692	70,692	73,820	(3,128)
Leisure	—	—	5,585	5,585	5,096	489
Residential	—	—	3,783	3,783	4,359	(576)
Office	—	—	2,418	2,418	3,139	(721)
Retail	—	—	13,797	13,797	14,188	(391)
	—	—	96,275	96,275	100,602	(4,327)
Investment property under construction						
Industrial	—	—	—	—	—	—
	—	—	—	—	—	—
Total carrying value	—	—	96,275	96,275	100,602	(4,327)

The group's policy is to recognise transfers into and out of fair value hierarchy levels as of the date of the event or change in circumstances that causes the transfer. The Directors determine the applicable hierarchy that a property falls into by assessing the level of comparable evidence in the market, that the asset falls into and the inherent level of activity. As at the reporting date, and throughout the year, all property was determined to fall into Level 3, so there were no transfers between hierarchies.

Explanation of the fair value hierarchy:

- Level 1 – fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 – fair value measurements are those derived from the use of a model with inputs (other than quoted prices included in Level 1) that are observable from directly or indirectly observable market data; and
- Level 3 – fair value measurements are those derived from use of a model with inputs that are not based on observable market data.

Investment properties have been split into different classes to show the composition of the investment property portfolio of the group as at the reporting date. Management has determined that aggregation of the results would be most appropriate based on the type of use that each property falls into, which is described below:

Class

Industrial	Includes manufacturing and warehousing, which are usually similar in dimensions and construction method.
Leisure	Includes restaurants and gymnasiums or properties in which the main activity is the provision of entertainment and leisure facilities to the public.
Residential	Includes dwellings under assured tenancies.
Office	Includes buildings occupied for business activities not involving storage or processing of physical goods.
Retail	Includes any property involved in the sale of goods.
Land	Includes land held for future capital appreciation as an investment.

Investment properties under construction are categorised based on the future anticipated highest and best use of the property.

6. Share capital

	Authorised, allotted, issued and fully paid	
	2024 £'000	2023 £'000
400,000 5.25% cumulative preference shares of £1 each (2023: 400,000)	400	400
134,010,541 ordinary shares of 10p each (2023: 133,985,763)	13,401	13,399
	13,801	13,799

7. Cash generated from operations

	2024 £'000	2023 £'000
Profit before tax	30,660	37,302
Adjustments for:		
Amortisation of PFI asset	522	551
Goodwill impairment	1,040	203
Depreciation of property, plant and equipment	4,063	4,462
Depreciation of right-of-use assets	857	779
Revaluation increase in investment properties	(4,464)	(307)
Amortisation of capitalised letting fees	34	54
Share-based payment expense	1,841	1,601
Pension scheme debit/(credit)	338	(4,197)
(Profit)/loss on disposal of property, plant and equipment	(151)	(341)
Profit on disposal of equipment held for hire	(1,156)	(1,185)
Gain on disposal of investment properties	(102)	(733)
Profit on disposal of assets held for sale	—	(1,571)
Finance income	(5,115)	(3,357)
Finance costs	8,678	6,260
Share of profit of joint ventures and associates	(2,431)	(371)
Operating cash flows before movements in equipment held for hire	34,614	39,150
Purchase of equipment held for hire	(4,183)	(3,497)
Proceeds on disposal of equipment held for hire	1,550	1,423
Operating cash flows before movements in working capital	31,981	37,076
Increase in inventories	(35,253)	(9,129)
Decrease in receivables	18,791	1,503
Decrease in contract assets	966	5,598
Increase/(decrease) in payables and provisions	22,266	(26,231)
Increase/(decrease) in contract liabilities	3,822	(2,946)
Cash flows from operations	42,573	5,871

	2024 £'000	2023 £'000
Analysis of net debt:		
Cash and cash equivalents	16,764	13,034
Bank overdrafts	—	—
Net cash and cash equivalents	16,764	13,034
Bank loans	(72,500)	(83,500)
Other loans	(3,015)	(3,018)
Lease liabilities	(3,912)	(4,275)
Net debt	(62,683)	(77,759)

8. Events after the balance sheet date

Since the balance sheet date the group has proposed a final dividend for 2024. Further information can be found in note 4.

In December 2024, terms were agreed to take full ownership of Stonebridge Homes Group Limited, having exchanged contracts to acquire the 50% share the group does not already own. The transaction is structured to complete in three tranches over the next five years. The consideration is performance linked, and the phased structure is designed to generate strong returns while maintaining group gearing within our optimum range of 10-20%. This is an opportunity to increase our investment in both a high growth business, and in a residential market, benefiting from supportive structural and political tailwinds. The first tranche of the transaction completed in January 2025, resulting in Henry Boot becoming the majority shareholder.

There were no other significant events since the balance sheet date that may have a material effect on the financial position or performance of the group.

9. These results were approved by the Board of Directors and authorised for issue on 25 March 2025.

10. The 2024 Annual Report and Financial Statements is to be published on the Company's website at www.henryboot.co.uk and sent out to those shareholders who have elected to continue to receive paper communications by no later than 17 April 2025. Copies will be available from The Company Secretary, Henry Boot PLC, Isaacs Building, 4 Charles Street, Sheffield S1 2HS.

11. The AGM of the Company is to be held at Double Tree by Hilton Sheffield City, Bramall Lane Sheffield, Sheffield S2 4SU on Thursday 22 May 2025, commencing at 12.30pm.