

Investor Presentation

2020 Interim Results

August 2020

Henry Boot

GROUP OF COMPANIES



Agenda

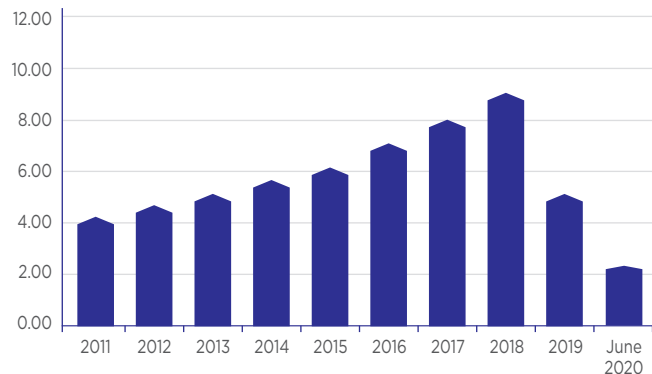
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Investment Proposition

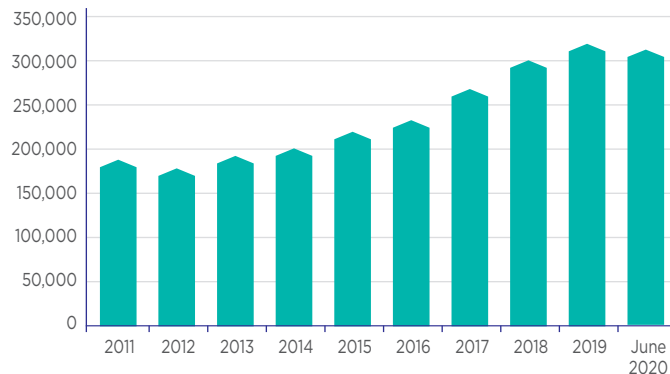
- Total shareholder return over 20 years, up to H1 2020, is 14% p.a. vs an average 4% p.a. for the 'All Share Index'.
- Efficient capital structure with robust return on capital employed with a target of 12–15% p.a. (2019 13.9%).
- History of managing gearing, and the balance sheet, effectively through the cycle.
- Progressive dividend policy and NAV growth all driven by retained earnings.
- 15,456 acres of strategic land holdings, with a strong record of converting to planning and then generating significant sales.
- £296m committed development, 95% pre-sold, let or under offer. Further £1.4bn of development opportunities with 74% in industrial and logistics.
- Cash generative construction business with proven record of selecting and identifying profitable work.



Full Year Dividend



Net Assets



TSR



Operational Update

15,456

Strategic Land acres

2,000

Strategic Land plots sold

£296m

Committed Gross Development Value Pipeline (GDV) Schemes

24

Number of plots sold by Stonebridge Homes

£1.4bn

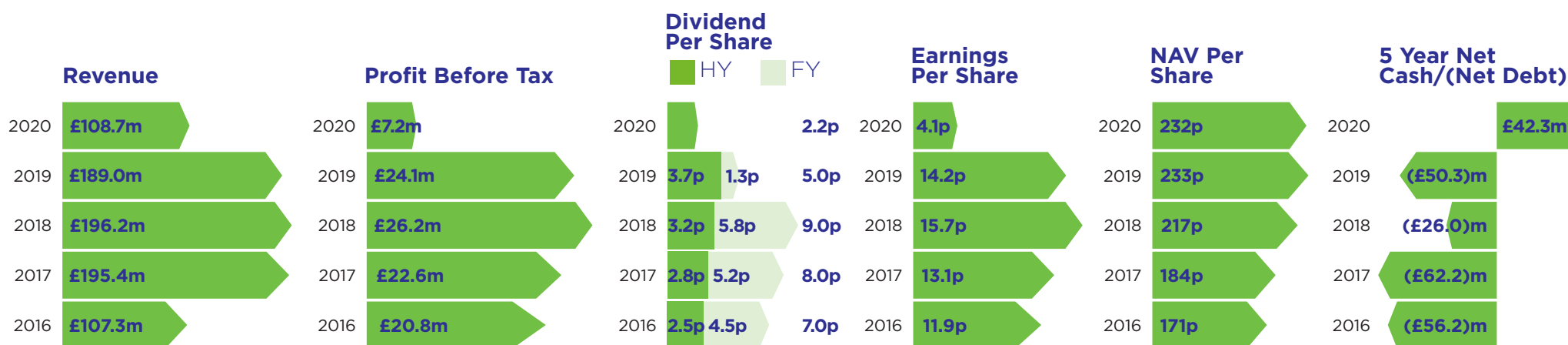
Gross Development Value (GDV) Pipeline

£7.1m

Average construction contract size won

- CV-19 has materially impacted our performance, but activity is recovering.
- Strategic Land sold 2,000 plots across 9 sites and increased the land portfolio to 15,456 acres.
- Completed on £42m of industrial developments, all pre-sold/let.
- Committed to £296m of developments, 95% pre-sold/let.
- Development pipeline grown to £1.4bn with Manchester acquisition. 74% of the pipeline is in industrial and logistics.
- Stonebridge Homes achieved 24 completions, plus a further 61 secured reservations.
- Construction activity at around 90% of pre-CV-19 activity levels.
- Focused on public sector work and successfully tendered for a £40m BTR scheme in the city of Sheffield.
- Aim to withdraw from CJRS by end of August.

Financial Update

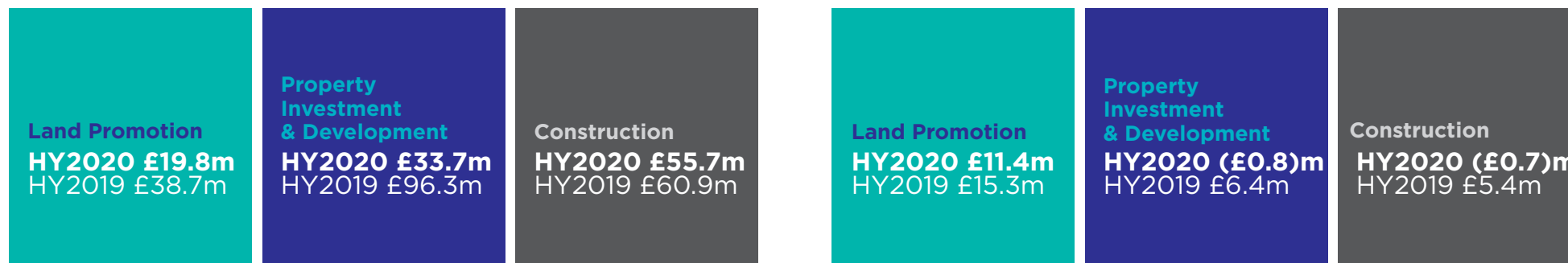


- Revenue reduced to £108.7m, prior year benefiting from final stage of Aberdeen project but all operations impacted by UK lockdown.
- Profit before tax at £7.2m reflects a creditable result in the current circumstances.

- Interim dividend of 2.2p, being 44% of the 5.0p paid for FY19.
- Earnings per share provide 1.86x dividend cover.
- NAV per share robust at 232p.
- Net cash increased to £42.3m.

Financial

Segmental Revenue & PBT



Segmental Revenue

- Land Promotion revenues down due to a higher proportion of promotion agreement sales and lower sales of owned land.
- Property Investment and Development revenue down as TECA concluded in prior year and Stonebridge house sales delayed in Q2.
- Construction activity was underpinned by the continuing delivery of the Phase 2 Barnsley town centre urban development project, despite disruption.

Segmental PBT

- Land Promotion decreased despite disposing of 2,000 plots, but at a lower blended gross profit per plot sold due to increased level of promotion agreement sales.
- Property Investment and Development down as prior year benefited from TECA but also affected by Investment property revaluation deficit and delayed commencement of scheme's in Q2.
- Construction returns impacted by UK lockdown with pause on all sites/depots but now recovering productivity.

Financial

Balance Sheet

	2020 Half Year (£m)	2019 Full Year (£m)
Cash and cash equivalents	58.9	42.3
Borrowings	(13.0)	(10.7)
Lease liabilities	(3.4)	(4.6)
Net Cash/(Debt) Total	42.3	27.0
Completed investment property	59.2	61.8
Investment property under construction	11.0	8.2
Investment Properties Total	70.2	70.0
Developments in progress	29.5	31.7
House builder land and work in progress	36.2	36.3
Land held for development or sale	55.2	50.7
Options to purchase land	14.2	14.9
Planning promotion agreements	38.7	36.1
Inventories Total	173.8	169.7

	2020 Half Year (£m)	2019 Full Year (£m)
Intangible assets	5.0	6.8
Property, Plant and Equipment	21.6	22.0
Right-of-use assets	4.8	6.1
Investment Properties	70.2	70.0
Investment in joint ventures	6.5	6.6
Trade and other receivables	19.2	17.3
Deferred tax assets	7.5	4.5
Fixed Assets	134.8	133.3
Inventories	173.8	169.7
Contract assets	10.9	19.1
Trade and other receivables	74.2	90.8
Cash and cash equivalents	58.9	42.3
Current Assets	317.8	321.9
Borrowings	(13.0)	(10.7)
Lease liabilities	(3.4)	(4.6)
Retirement benefit obligations	(36.2)	(23.0)
Other liabilities	(90.7)	(103.0)
Total Liabilities	(143.3)	(136.7)
Shareholder equity	308.0	315.5
Minority interests	2.2	3.0
Total Equity	309.3	318.5
Gearing (net debt/equity)	nil%	nil%
NAV per share	232p	239p

Financial

Cash Generation & Movement in Net Debt

- Non-cash adjustment for depreciation of plant, amortisation of Road Link investment and goodwill impairment **£4.8m**.
- Inventories increased reflecting further investment in strategic land, and most notably, owned land.
- Receivables decreased following collection of land sale debtors from a number of disposals in prior years.
- **Nil** net interest expense reflects low interest rates and average net cash of **£43.5m**.
- Tax paid of **£4.4m**.
- Dividends **£1.2m** to minority interests, final ordinary dividend for 2019 delayed to July 2020 due to CV-19.
- Net Capital outflow **£1.6m** as we start to reinvest in assets under construction.
- Resulting in net cash inflow of **£15.4m** ending the period with **£42.3m** net cash.



Land Promotion

- Profit **£11.4m** (HY19: £15.3m), having opened the year in a strong position.
- **9** deals completed and **2,000** units sold (HY19: 2,148) at an average **£7k** per plot (HY19: £7k).
- Strategic land holdings increased to **15,456** acres (FY19: 14,898) with investment totalling *circa* **£108m** (FY19: £102m).
- **82%** of company land interests in South or Midlands.
- Sites with planning permission for **12,939** units (FY19: 14,713).
- Planning consent won in the period for **226** units (HY19: 1,086).
- Planning submitted and in progress on **23** schemes, *circa* **10,511** units.
- Continuing to acquire new schemes to replenish land bank. Board approval granted for **10** new sites in the period, over **3,800** plots and **313** net acres.

Strategic Land Progress

Pagham West Sussex

45.5 acres of agricultural land located 6 miles south of Chichester secured by HLM under a Planning Promotion Agreement in July 2015.

The site was allocated for 300 new homes and an 80 bed Care Home in the Adopted Local Plan July 2018.

The Sale Contract was conditionally exchanged with Bellway on 26 May 2020.



Bridport

163 acres of agricultural land located to the south west of the town secured by HLM under a PPA in April 2009.

The site was allocated for 760 new homes, 4 hectares of employment, a local centre, care home and a new primary school.

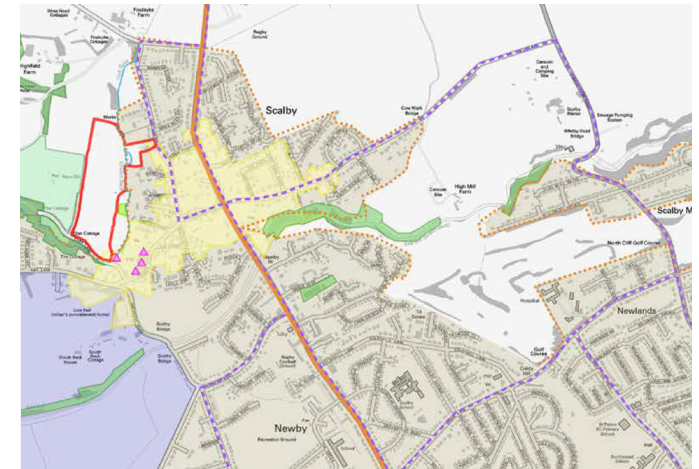
Planning permission was granted in May 2019 and marketing of the site has since commenced, with sale of the residential anticipated in 2021.

Scalby

20.6 acres of garden and agricultural land located to the north-west of Scalby, in Scarborough District

HLM secured a PPA on the land in May 2018 and then subsequently purchased the land in July 2020.

Land continuing to be promoted for a residential allocation of c.200 units in the emerging Local Plan.



Property Investment & Development

- Loss £0.8m (2019: profit £6.4m), impacted by £2.1m fall in valuation of investment properties.
- Investment portfolio fell by 3.0% compared to industry average of 6.9%. H1 80% rent collection expected by end of current quarter.
- Completed GDV of £42m (377,878 sq ft), all pre-sold/let. Committed schemes a total GDV of £296m, 95% pre-sold, pre-let or under offer.
- £1.4bn development pipeline made up of 74% industrial and the rest in urban residential or office development.
- Acquired income producing building in central Manchester for £10m with potential for 170,000 sq ft redevelopment in Q3.
- Stonebridge Homes completed on 24 sales, 11 secured in lockdown. Further 61 sales so on track to hit full year target of 112.
- c.£30m land identified subject to planning, growing land bank to 1,060 plots.



Project Delivery

Property Development Analysis 2020

Completed Schemes

Scheme	GDV (£m)	HBD Share of GDV (£m)	Commercial Size (sq ft)	Residential Size (Units)	Status at 30 June
<i>Industrial</i>					
Southend, IPECO	13	13	121,815	-	Sold under forward funding contract
Sunderland, Faltec	12	12	124,441	-	Sold under forward funding contract
Sunderland, CESAM	17	17	131,622	-	Sold under forward funding contract
	42	42	377,878		
Total	42	42	377,878	-	
% sold or pre-let	100.00%	100.00%	100.00%		

Committed Schemes

<i>Industrial</i>					
Enfield	16	8	55,530	-	A speculative 50/50 joint venture development, with Enfield Borough council
Pool, MKM	4	4	15,000	-	Pre-let
Luton, Eden Foods	10	10	73,528	-	Pre-let
Markham Vale, Aver	23	23	297,018	-	Conditional contract to forward fund
Wakefield	7	4	65,000	-	Conditional contract to forward fund
	60	49	506,076	-	
<i>Residential</i>					
Manchester, Kampus	216	11	44,000	533	Sold under forward funding contract
Skipton, Bellway	14	14	-	184	Sold under conditional contract
	230	25	44,000	717	
<i>Retail</i>					
Huyton, Aldi	6	3	18,750	-	Pre-let
Total for year	296	77	568,826	717	
% sold or pre-let	94.59%	89.61%	90.24%		

Industrial Land Capability

Henry Boot have control over 900 acres of manufacturing, commercial and industrial land capable of delivering more than 20 million sq ft.

JV with Local authorities with potential to provide 4 million sq ft of advanced manufacturing space. Infrastructure works commenced 2018 with Phase 1 and capable of 1.6 million sq ft. Delivered two units c.255,000 sq ft both forward funded. PC delivered Q2 20.



International Advanced Manufacturing Park (IAMP), Tyne & Wear

JV with local developer to provide 2 million sq ft of logistics. Contracts exchanged and committed to 65,000 sq ft distribution space. Strong occupier interest for large units.



Wakefield Hub



Butterfield Business Park, Luton

JV with landowners with potential to provide 650,000 sq ft of high quality light manufacturing and distribution. Recently completed 83,000 sq ft, and commenced with 73,000 sq ft design and build. Next phase of 80,000 sq ft is a 5 unit scheme waiting to start speculatively.



ABPS, Southend

JV with Local authority with potential to deliver 1 million sq ft of commercial and industrial space. First occupier, IPECO secured for 122,000 sq ft HQ and manufacturing unit. Delivered Q2 20. Majority of site infrastructure planned to be finished end 2020.

Urban Development Capability

Kampus

Manchester City Centre

- £216m forward sold 533 build to rent apartments, two new public squares and 40,000 sq ft of F & B. PC Q1 2021.
- Henry Boot to retain 5% equity stake and PM role.

Cornwall House

Birmingham City Centre

- Existing site and office building. Plan to develop 95 high quality build to sell apartments. Planning to be submitted Q3 2020.
- Potential GDV £31m.

St Johns

Manchester City Centre

- Acquired a £10m building in a key city centre location. Subject to planning, the site could have capacity to develop up to 170,000 sq ft
- The income producing building gives optionality for either refurbishment or redevelopment.



Construction

- CV-19 has had a material effect on Construction division: loss in the period of £0.7m (HY19: profit £5.4m).
- Recent Starfish acquisition has been materially impacted by CV-19.
- Productivity on construction sites is nearly 90% of pre-CV-19 planned activity levels.
- After reopening depots, Banner Plant sales are now at 82% of those achieved in the previous year.
- Following restructuring, the Group will withdraw from CJRS by end of August.
- Road Link (A69) performance has been marginally affected by reduced traffic, but cash will not be impacted until 2021.
- Focused on public sector work and secured a £40m BTR scheme in Sheffield commencing in spring 2021.

↓ **9%**
Turnover

Return on Sales in 2020

-9%

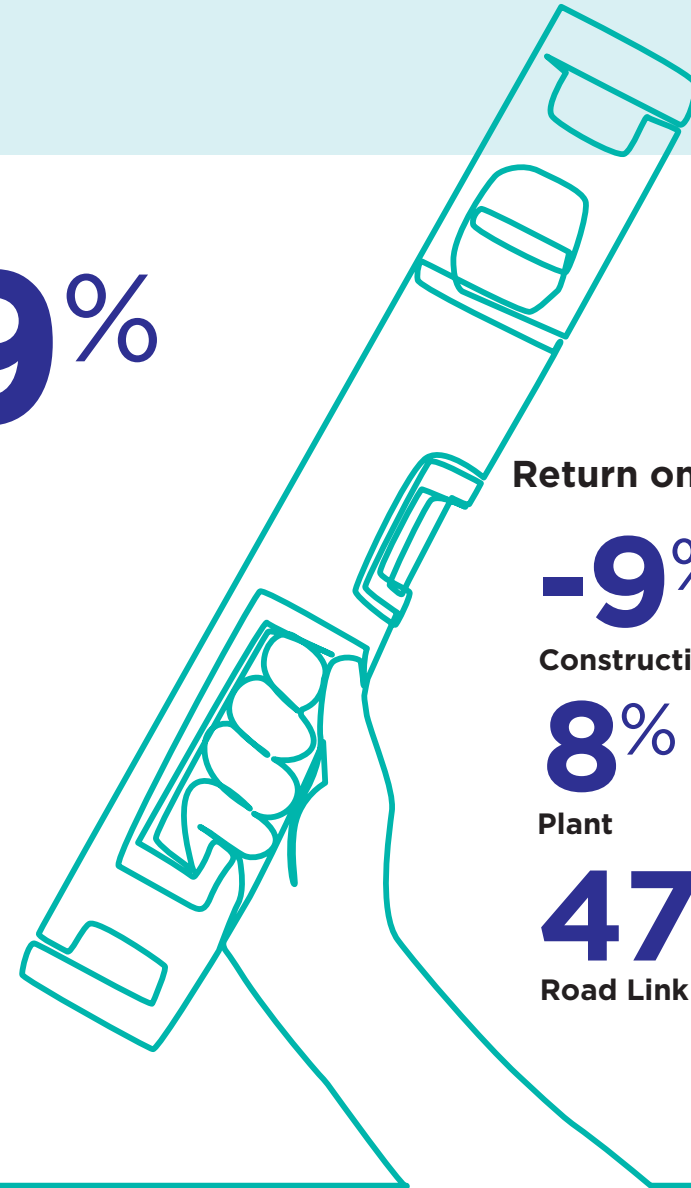
Construction

8%

Plant

47%

Road Link



Royce Discovery Centre

Construction Completed Site

- Henry Boot Construction completed on the new £11m state-of-the-art materials science research laboratory, Royce Discovery Centre, for the University of Sheffield in July 2020.
- The new 3,000 sq m facility was built on Sheffield University's City Campus on Orange Street and will focus on early-stage research into engineering materials discovery and processing.
- The Discovery Centre is a four-storey research building, including a mezzanine area which contains a double-height workshop and plant room. The building also includes a lobby, showcase/exhibition area, workshops and meeting rooms, six laboratories, a laser room and offices.



Summary

- Priority remains the welfare of our stakeholders, liquidity and maintaining our strong financial position.
- Robust balance sheet, net cash of £42.3m, plus £7.2m profit in H1 is a creditable performance.
- Enabled us to make selective investments in our key markets.
- 15,456 acres of strategic land leaves us well positioned to convert plots through planning.
- Development pipeline of c£1.4bn with 74% in industrial and logistics.
- Stonebridge Homes has potential to grow into a multi-regional premium housebuilder.
- Recovering and reshaped Construction division with encouraging order book and public sector bias.
- Focused on sustainable markets: residential, industrial and logistics, and urban development.



Appendices

- **Group Structure** – Segment Composition
- **Group Structure** – Board of Directors
- **Group Structure** – Senior Management
- Investing for the Future
- Corporate Social Responsibility
- Land Promotion Inventory
- Shareholding as at 1 August 2020
- Five-year Track Record of Strong Growth
- Henry Boot PLC Share Price vs Benchmark Indices
- The Henry Boot Way



Group Structure

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

Land Promotion

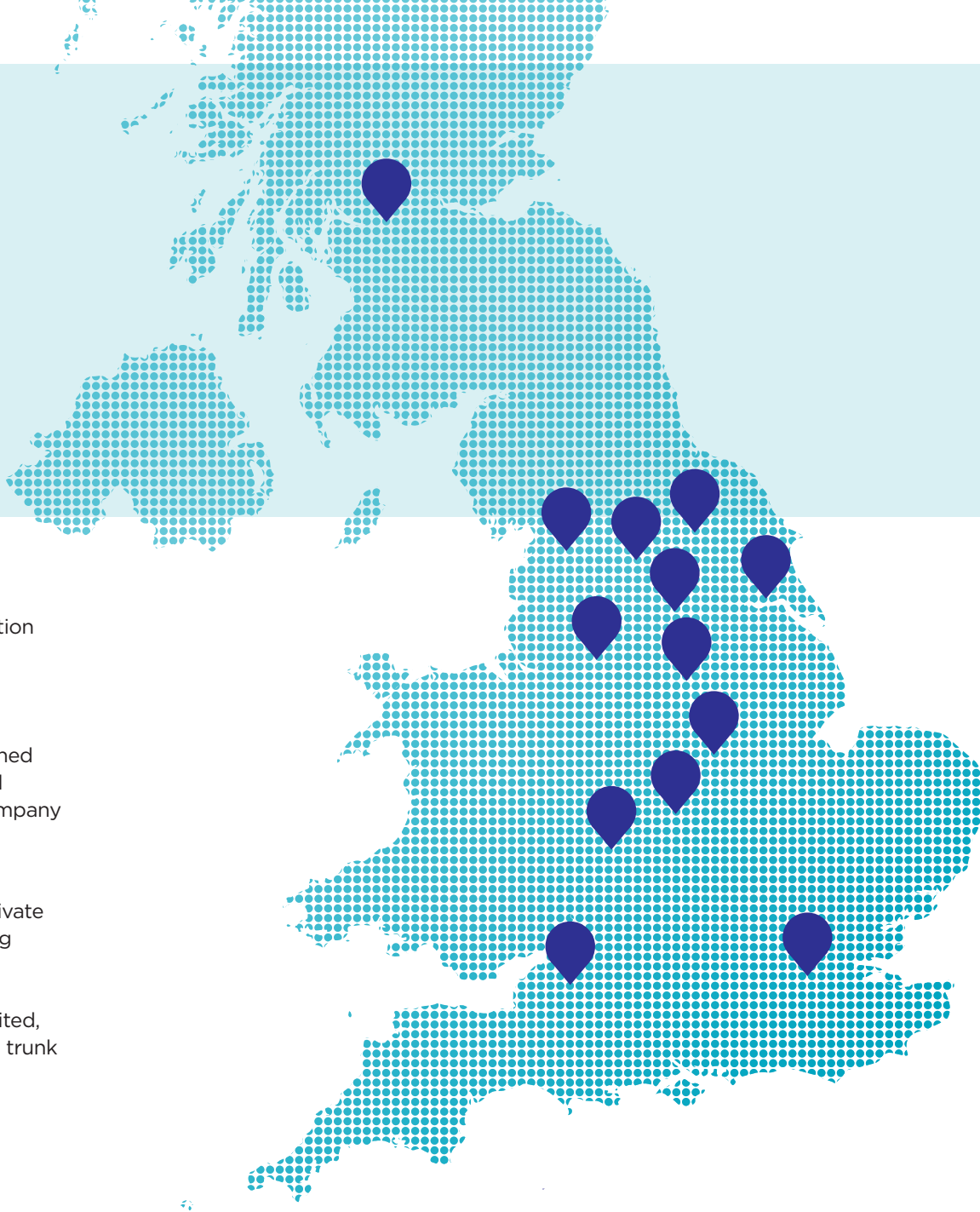
Hallam Land Management Limited is the strategic land and planning promotion arm of the Henry Boot Group. The company has been acquiring, promoting, developing and trading in land since 1990.

Property Investment and Development

Henry Boot Developments Limited (now trading as HBD) is a major established leading force in the UK with its considerable experience and reputation in all sectors of property development. Stonebridge Homes is a jointly owned company engaged in residential development and serviced office space.

Construction

Henry Boot Construction Limited specialises in servicing both public and private clients in all construction and civil engineering sectors with strong partnering relationships in education, healthcare and custodial services, delivering new build and refurbishment works. Banner Plant Limited offers a wide range of construction equipment and services for sale and hire. Road Link (A69) Limited, a 30-year contract with Highways England to operate and maintain the A69 trunk road between Carlisle and Newcastle upon Tyne, with six years remaining.



Group Structure

Board of Directors



Back row, left to right

Tim Roberts
Chief Executive Officer

Amy Stanbridge
Company Secretary

Gerald Jennings
Non-executive Director
and Chairman of the
Remuneration Committee

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

Front row, left to right

Darren Littlewood
Group Finance Director

Joanne Lake
Non-executive Director,
Deputy Chairman and
Chairman of the Audit and
Risk Committee

Jamie Boot
Chairman

James Sykes
Non-executive Director

Group Structure

Senior Management

Land Promotion



Property Investment & Development



Construction



Nick Duckworth
Hallam Land Management Limited



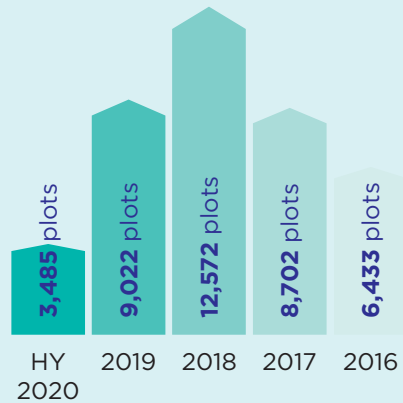
Edward Hutchinson **Darren Stubbs**
Henry Boot Developments Limited (now trading as HBD) Stonebridge Homes Limited



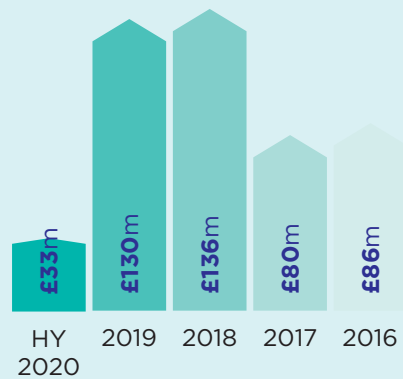
Simon Carr **Giles Boot** **Trevor Walker**
Henry Boot Construction Limited Banner Plant Limited Road Link (A69) Limited

Investing for the Future

Strategic Land

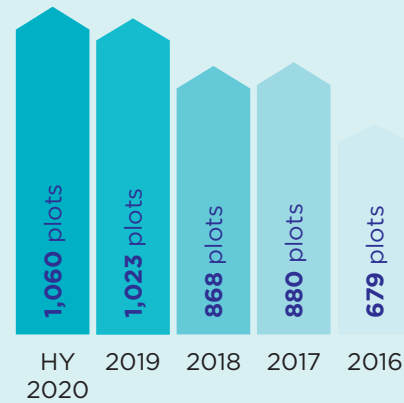


New Site Board approvals



Appraised returns of approvals

Property

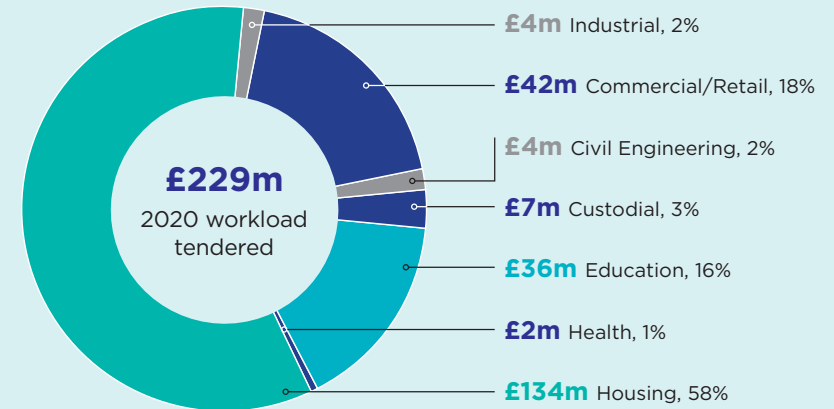


Stonebridge Homes Residential Land Portfolio

Recent HBD Board approvals working towards planning

- St Johns, Manchester: acquisition of building for 170,000 sq ft office redevelopment.
- Butterfields Business Park, Luton: 82,000 sq ft Speculative Development.
- Montagu Industrial Estate, Enfield: 55,530 sq ft Speculative Development.

Construction



Corporate Social Responsibility

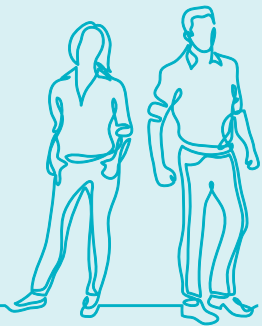
People

Our people are vital to the delivery of our strategic priorities.

Engagement with our employees and employee satisfaction are crucial to continued improvement and success across all our businesses.

We have established policies for recruitment, learning and the development of our employees.

As our businesses continue to develop and grow, we understand that by retaining and inspiring effective and committed employees, we can continue to deliver excellence to all.



Community

We continue to contribute social and economic impacts to the communities in which we operate.

We offer support to a wide range of charities and organisations of all sizes, by working to provide them with donations that are of most benefit to them.

We support an annual Charity of the Year which is elected by our employees. In 2019 our Charity of the Year was Mind UK and a total of over £28,000 was donated.



Health & Safety

Henry Boot PLC continues to focus on health and safety as our primary business priority.

We remain committed to providing a safe and healthy working environment for our employees, stakeholders and contractors.

We operate all our business activities on the principle that good management of health and safety is fundamental in creating a safe and healthy working environment and contributes to improving our business performance.

Our Accident Frequency Rate performance remains strong with an overall score (including subcontractors) of 0.09 per 100,000 hours.



Environment

We recognise that we have a responsibility and an obligation to reduce the direct impact of all our business operations on the natural environment, both now and in the future.

Reducing our emissions is one way in which we hope to achieve this.

Our aim is to create more sustainable ways of undertaking our business operations to conserve energy, save money and deliver efficiency.



Land Promotion Inventory

	Plots	Of Which Permissioned	Plots Sold in Period	Gross Profit per Plot Sold £000s	Profit Before Tax
Jun20	23,450	12,939	2,000	£6.5	£11.4m
Dec19	25,378	14,713	3,427	£10.0	£31.8m
Dec18	28,418	16,489	3,573	£9.4	£28.5m
Dec17	26,511	18,529	2,169	£13.0	£23.1m
Dec16	26,869	16,417	1,609	£14.7	£17.7m

Land Portfolio

	Owned Acres	Agency/Optioned Acres	Total
Jun20	1,683	13,773	15,456
Dec19	1,718	13,180	14,898
Dec18	1,562	12,763	14,325
Dec17	1,608	11,665	13,273
Dec16	1,749	10,139	11,888

Average cost per acre

Owned £33k	Agency/Optioned £4k	Total £7k
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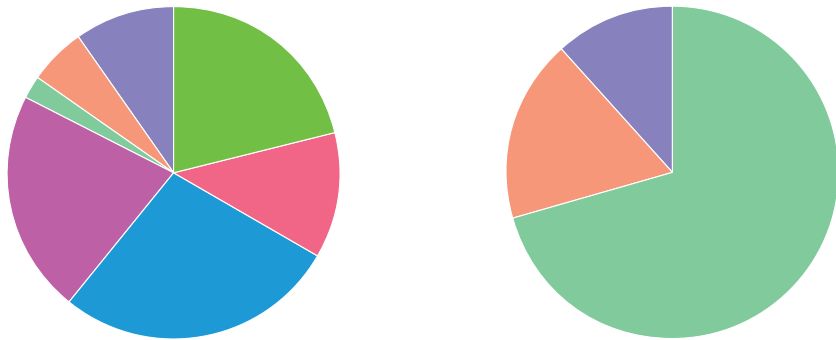
Gross profit of **£133m** from 12,778 plots over 4.5 years at an average of **£10.4k** per plot.

Land Promotion

Inventory

Average Returns

June 2020 Half Year



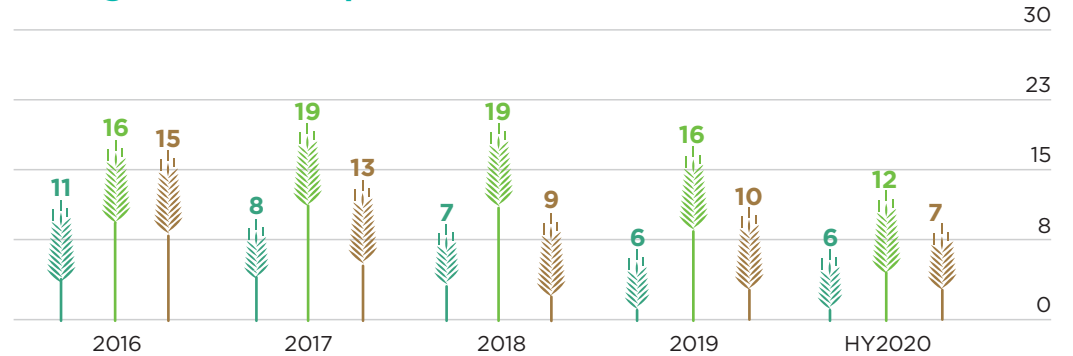
Company Land Interests (Acres)

South West	3,235
South East	1,839
South Midlands	4,199
North Midlands	3,438
North West	325
North East	902
Scotland	1,518
Total	15,456

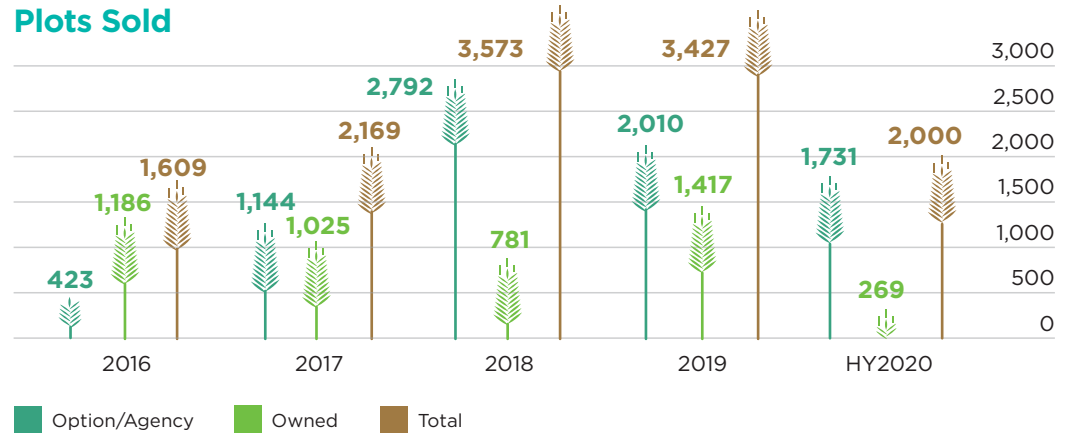
Company Land Control (Acres)

Agency	11,190
Optioned	2,583
Purchased	1,683
Total	15,456

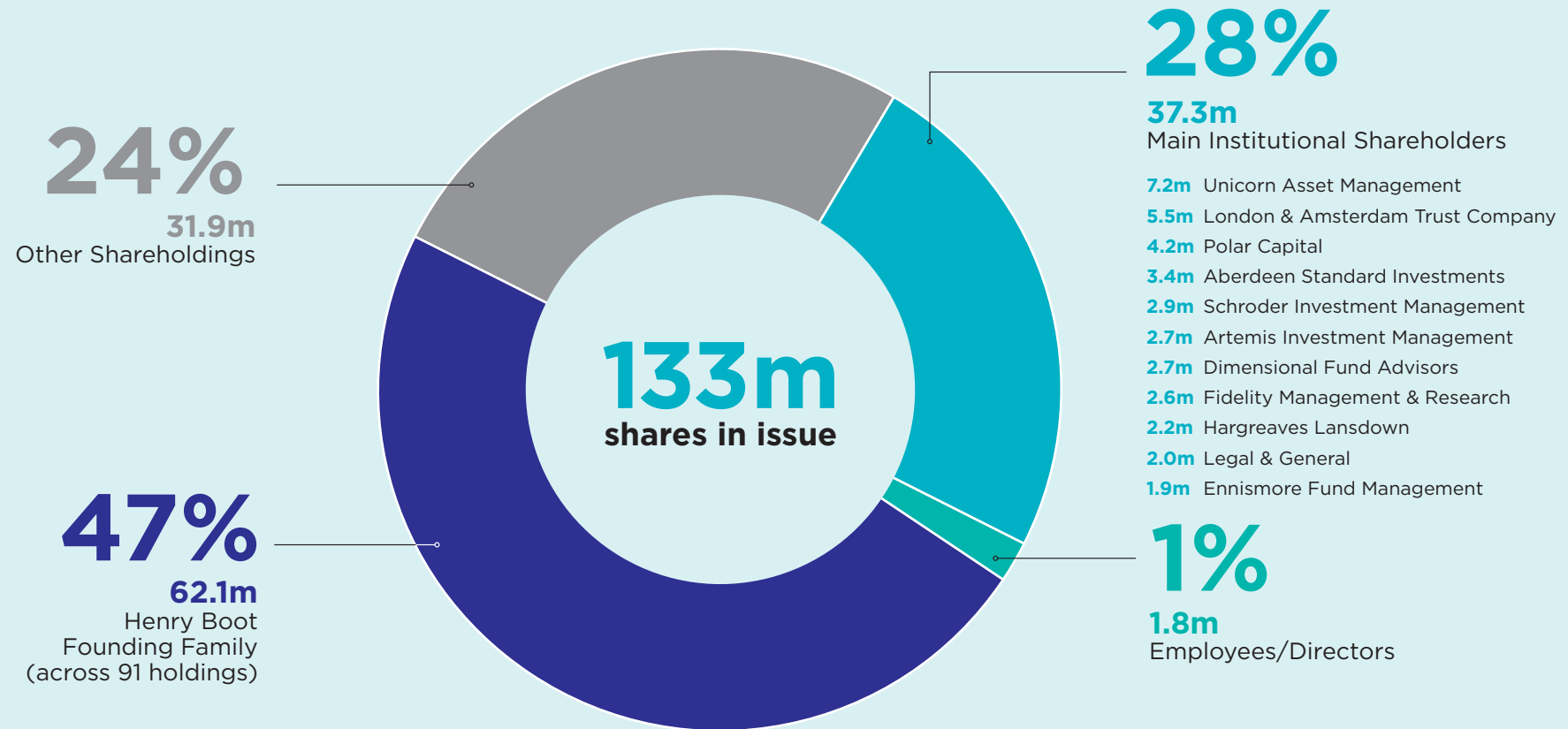
Average Gross Profit per Plot £000



Plots Sold



Shareholders



Strong Growth

Five-year Track Record
2015-2019



Turnover

2019	£379.7m
2018	£397.1m
2017	£408.5m
2016	£306.8m
2015	£176.2m

Profit Before Tax

2019	£49.1m
2018	£48.6m
2017	£55.4m
2016	£39.5m
2015	£32.4m

Dividends per Ordinary Share

2019	5.0p
2018	9.0p
2017	8.0p
2016	7.0p
2015	6.1p

Net Assets

2019	£318.5m
2018	£302.3m
2017	£270.0m
2016	£233.6m
2015	£221.5m

Net Asset Value per Share

2019	239p
2018	227p
2017	203p
2016	177p
2015	168p

ROCE

2019	13.9%
2018	14.9%
2017	18.6%
2016	14.4%
2015	12.2%

Net Cash (Debt)

2019	£27.0m
2018	(£18.4)m
2017	(£29.0)m
2016	(£32.9)m
2015	(£38.9)m

Financial

Pensions

- Triennial valuation at 1 January 2019 concluded showing a deficit of **£19.8m**.
- Recovery contributions agreed at **£3.25m** rising by £0.1m per annum.
- IAS 19 deficit **£36.2m** at 30/06/20, asset performance **1.6%**, Discount rate **1.5%** (31/12/19 **2.0%**). Scheme break-even remains at **3.3%**.
- Long-term investment returns since 31/03/10 **7.4%**, well ahead of long-term scheme break-even return.
- Mismatch between use of UK bonds and gilts for discount rate when Scheme invested globally in return seeking assets.



Share Price

Henry Boot PLC Share Price vs Benchmark Indices

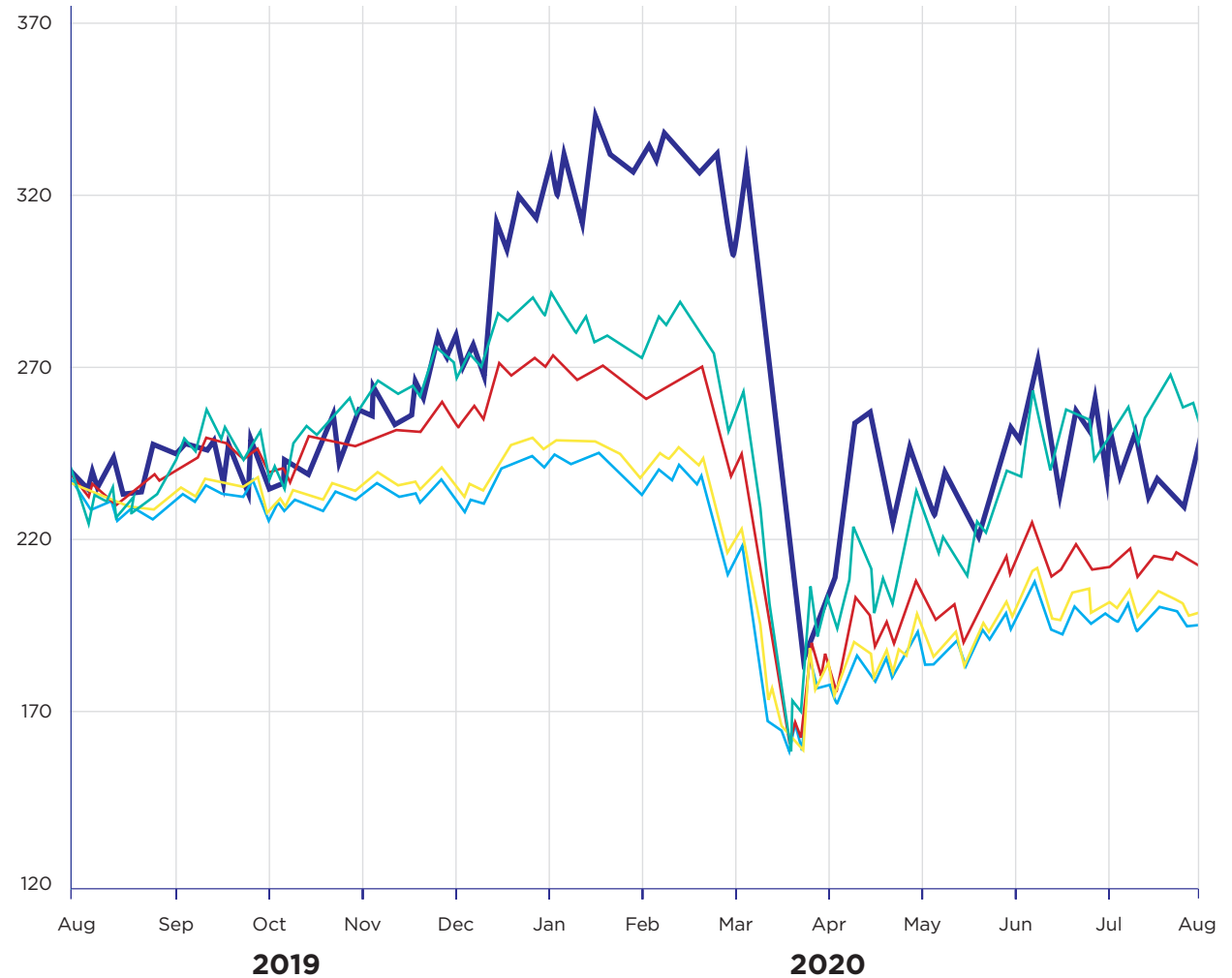
Henry Boot PLC

FTSE 250

FTSE 100

FTSE All Shares

FTSE All Share/Construction & Materials - SEC



The Henry Boot Way

Purpose, Vision and Values

Henry Boot PLC has been in business for over 130 years and our financial results and performance have always been, and will continue to be, dependent on our people. We often use the phrase **'The Henry Boot Way'** to explain how we work and to describe what's expected of us and others.

Our Purpose

To empower and develop our people to create long-term value and sustainable growth for our stakeholders.*

Our Vision

Our people, partners and communities continue to trust our reputation, respect our expertise and value us for our forward-thinking approach.



*Our stakeholders are our shareholders, employees, pensioners, customers and suppliers. More broadly, we recognise our duties to the environment and the communities in which we operate.

Our Values

Respect

We treat everyone in the way they wish to be treated.
We strive to always meet our commitments and obligations.

Integrity

We operate with the utmost professionalism.
We champion ethical working.

Loyalty

We are committed to giving back to our communities.
We value the longevity of our relationships with our people and our partners.

Delivery

We are relentless in delivering for our customer.
We deliver our best quality work for everyone, no matter what.

Adaptability

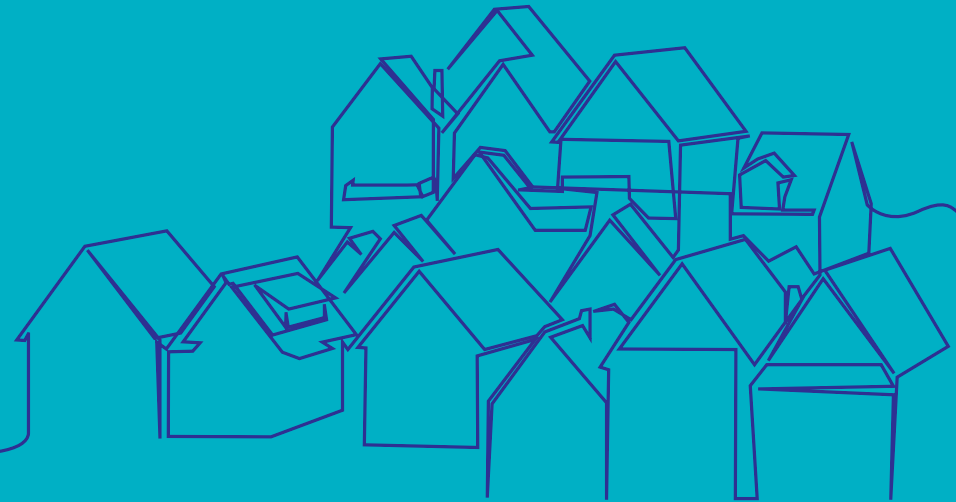
We are open to opportunities to do things differently.
We are resilient, have staying power.

Collaboration

We set clear mutual expectations and strive to achieve them.
We work in partnership to make things happen.

Henry Boot

GROUP OF COMPANIES



This presentation contains forward-looking statements.

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

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