

2019 Highlights

What we achieved in 2019

Once again we delivered another strong set of results. Despite the political uncertainty during the year we increased profit before tax, grew net assets and finished the year in a cash positive position.

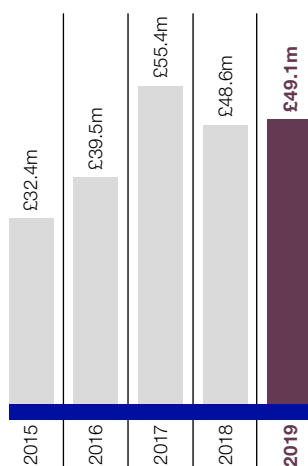
Darren Littlewood
Group Finance Director

Read the **Financial Review** on page 34

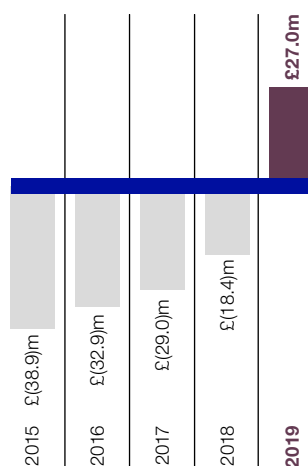
Read the **Segmental Reviews** on page 28 to 33

Financial highlights

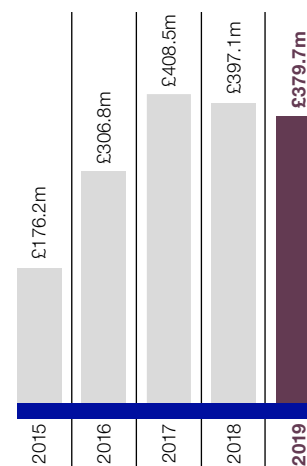
Profit before tax
£49.1m



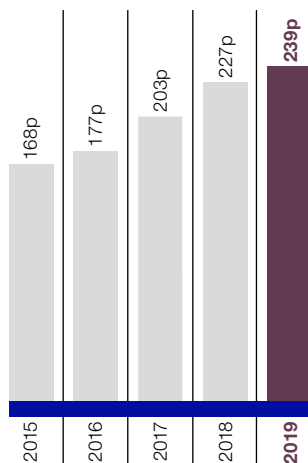
Net cash (debt)
£27.0m



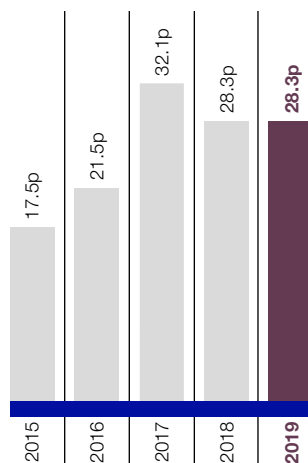
Group revenue
£379.7m



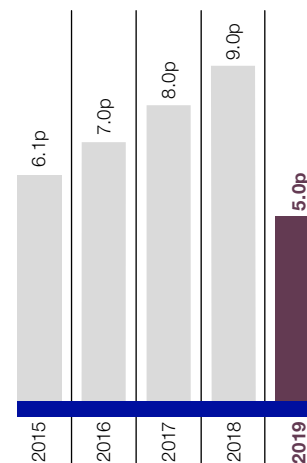
Net asset value per ordinary share
239p



Earnings per ordinary share
28.3p



Dividends per ordinary share
5.0p



Operational highlights

- The Group performed well against the uncertain political backdrop
- Successfully delivered the £333m TECA scheme, in Aberdeen, on time and on budget
- Strategic land increased its profit to £31.8m, by successfully selling 3,427 plots
- Successfully implemented a strategic rationalisation of our investment property portfolio, disposing of approximately £67m primarily with a retail focus
- Our jointly owned house builder Stonebridge Homes achieved 159 sales
- Henry Boot Construction completed Phase 1 of the £44m Glass Works in Barnsley Town centre and has now begun on Phase 2 which is an £88m retail and leisure regeneration scheme

Investment Case

KEY GROWTH DRIVERS

Good financial track record over the long term

- Providing **reliable earnings** through cyclical markets with good visibility from the opportunities under control.
- **Prudent debt levels** and a disciplined approach to risk management
- **Trading profit** produced within our three business segments: Land Promotion, Property Investment and Development, and Construction

Delivering residential communities

- Just under **15,000 acres of strategic land** on 188 sites throughout the UK
- Our strategic land business has the scope to deliver **60,000 to 70,000 housing units** over the next 10 to 20 years, with **14,713 secured planning permission** plots
- Given the well-documented housing shortages and the Government's desire for more housing delivery, **our land portfolio is well positioned** to help deliver these much needed houses

Shareholder returns

- Our long-term strategic aim is to **create shareholder value** through land promotion, property development and construction
- **Strong organic growth drivers** and capital allocation across our three business segments
- Great track record of total shareholder return (TSR). In the past twenty years the company has a compound annual growth rate (CAGR) of 15% Vs. an average 5% of the All Share Index

A long-established and efficient capital structure

- Reinvestment of cash generated in the construction segment into strategic land and commercial development assets to **enhance returns to shareholders**
- We aim to **provide dividend growth** while maintaining at least three times dividend cover to allow for investment in future opportunities, without diluting existing shareholders by raising new equity capital

Delivering commercial opportunity

- A commercial **development pipeline of £1.3bn plus** of Gross Development Value, in addition to over £300m to be delivered over the next three years
- A small but quickly growing jointly owned housebuilder with a **land portfolio of over 1,000 units** and a medium-term planned output of 250 unit sales

10 year TSR performance

