



FULL YEAR RESULTS

To 30 June 2018

12 September 2018

Peter Truscott
Chief Executive

Graham Prothero
Finance Director

Riverside Mills, Boroughbridge

Peter Truscott

CHIEF EXECUTIVE





AGENDA

Full year results to 30 June 2018



GallifordTry



- Group highlights
- Financial review
- Strategic and operating review
- Outlook
- Q&A
- Appendices

GROUP HIGHLIGHTS

Full year results to 30 June 2018

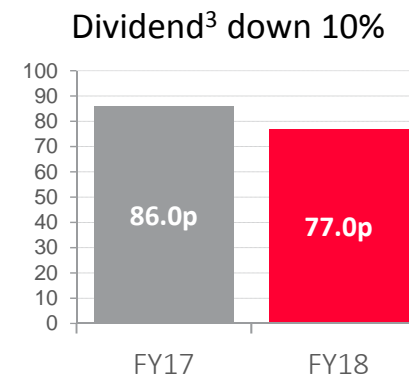
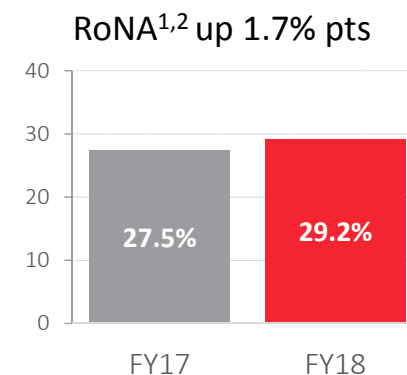
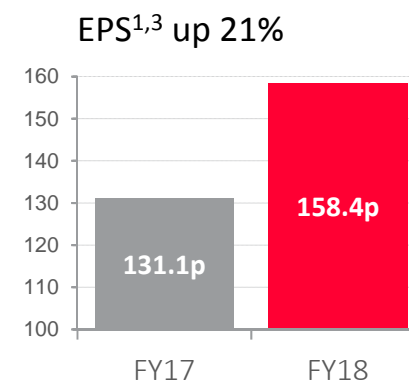
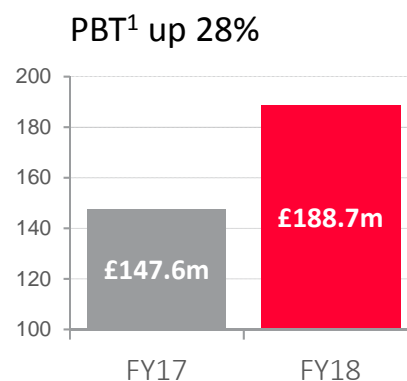


Great Eastern Quays Phase 1, East London

GROUP HIGHLIGHTS

Strong underlying performance across the Group

- Strong progress against strategic objectives
- Total homes built up 13% to 6,193 (FY17: 5,490)
- Record pre-exceptional profit of £188.7m, up by 28% and increased operating margins across all three businesses:
 - Linden Homes margin up to 19.5% (FY17: 18.2%)
 - Partnerships & Regeneration margin up to 5.0% (FY17: 4.5%)
 - Construction margin up to 0.9% (FY17: 0.0%)
- Full year dividend of 77.0p, covered 2.0x by pre-exceptional profits
- Successful 1 for 3 rights issue in April 2018 resulting in net proceeds of £150m



¹ Pre-exceptional

² Group pre-exceptional Return on Net Assets (RoNA) is calculated as pre-exceptional EBITA divided by average pre-exceptional net assets including goodwill

³ FY17 EPS and dividend restated to reflect the shares issued in the rights issue in April 2018

Graham Prothero

FINANCE DIRECTOR



FINANCIAL REVIEW



FINANCIAL REVIEW

Group financial highlights

£m	2018	2017	%
Revenue ¹	3,132.3	2,820.2	+11
Profit from operations before exceptional items ²	213.1	171.2	+24
Profit before exceptional items and tax	188.7	147.6	+28
Exceptional items	(45.0)	(88.9)	-49
Profit before tax	143.7	58.7	+145
Earnings per share:			
Pre-exceptional ³	158.4	131.1	+21
Post-exceptional ³	121.1	53.1	+128
Dividend per share ³	77.0p	86.0p	-10

¹ Includes share of joint ventures

² Profit from operations stated before finance costs, amortisation, joint ventures' interest and tax

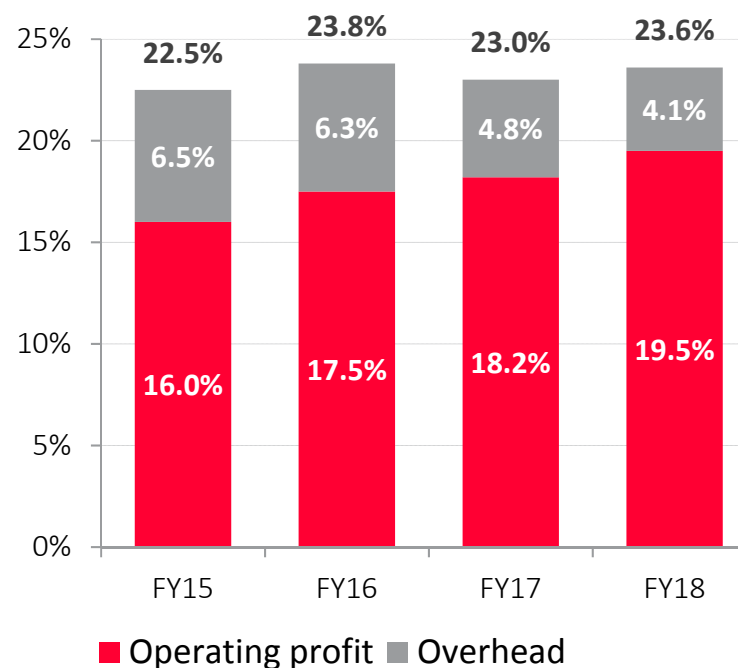
³ FY17 EPS and DPS restated to reflect the shares issued in the rights issue in April 2018

FINANCIAL REVIEW

Linden Homes

REVENUE/OPERATING PROFIT		profit up 8%
Revenue:	£947m	(FY17: £937m)
Operating profit:	£184.4m	(FY17: £170.3m)
SALES MIX (UNITS)		total up 4%
Units:	3,442	(FY17: 3,296)
Private:	2,587	(FY17: 2,537)
Affordable:	855	(FY17: 759)
AVERAGE SALES PRICE ¹		up 4%
ASP	£367k	(FY17: £354k)
RETURN		up 2.5%pts
Return on net assets:	30.5%	(FY17: 28.0%)
SALES IN HAND ²		down 6%
Sales in hand:	£510m	(FY17: £545m)

Linden Homes gross margin



¹ Excludes affordable

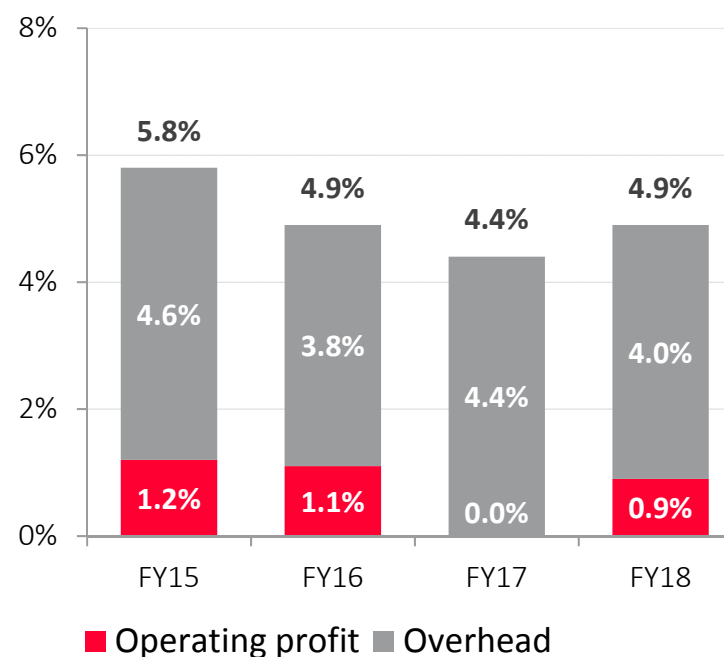
² Current at 10 September 2018

FINANCIAL REVIEW

Construction

REVENUE & OPERATING PROFIT/(LOSS)¹		profit up £16.8m
Revenue:	£1,687m	(FY17: £1,527m)
Operating profit/(loss):	£15.9m	(FY17: £(0.9)m)
(DEBT)/CASH		down £163.4m
(Debt)/cash:	£(26.0)m	(FY17: £137.4m)
ORDER BOOK²		down 8%
Order book:	£3.3bn	(FY17: £3.6bn)
WORK SECURED²		level
Work secured:	89% (for FY19)	(89% for FY18)

Construction gross margin¹



¹ Pre-exceptional

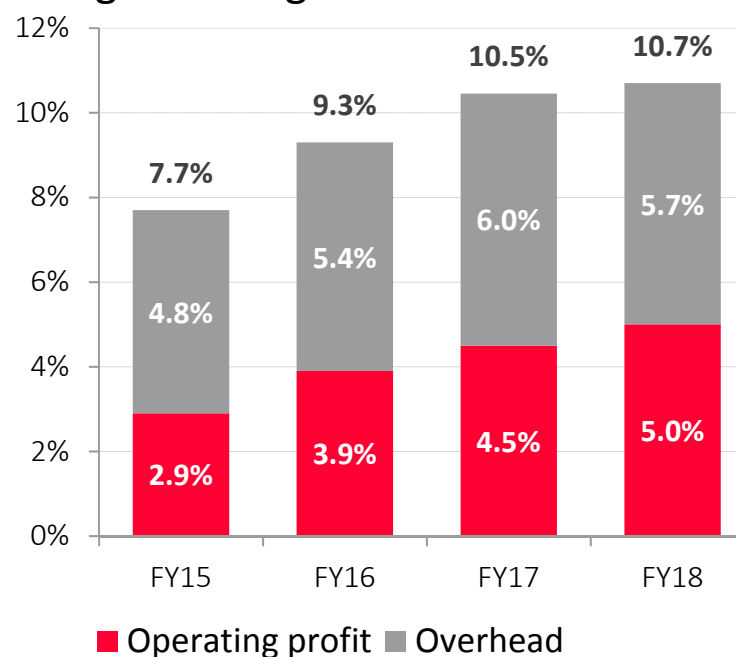
² Current at 10 September 2018

FINANCIAL REVIEW

Partnerships & Regeneration

REVENUE/OPERATING PROFIT		profit up 58%
Contracting:	£351m	(FY17: £248m)
Mixed-tenure:	£124m	(FY17: £82m)
Operating profit:	£23.6m	(FY17: £14.9m)
UNITS DELIVERED		ASP up 18%
ASP:	£220k	(FY17: £186k)
Mixed-tenure:	751	(FY17: 594)
Equivalent contracting units:	2,000	(FY17: 1,600)
RETURN		up 7.5% pts
Return on net assets:	48.2%	(FY17: 40.7%)
ORDER BOOK/SALES IN HAND ¹		up 14%/102%
Contracting:	£1,200m	(FY17: £1,050m)
Mixed-tenure:	£188m	(FY17: £93m)

Partnerships & Regeneration gross margin



¹ Current at 10 September 2018

FINANCIAL REVIEW

Segmental analysis

£m	2018		
	Revenue ¹	Profit/(Loss) from Operations ^{2,3}	Operating Margin ²
Linden Homes	947.3	184.4	19.5%
Partnerships & Regeneration	475.2	23.6	5.0%
Construction	1,687.4	15.9	0.9%
PPP Investments	21.7	6.8	n/a
Group	0.7	(17.6)	n/a
TOTAL	3,132.3	213.1	6.8%

£m	2017		
	Revenue ¹	Profit/(Loss) from Operations ^{2,3}	Operating Margin ²
Linden Homes	937.4	170.3	18.2%
Partnerships & Regeneration	330.2	14.9	4.5%
Construction	1,526.9	(0.9)	0.0%
PPP Investments	25.0	2.4	n/a
Group	0.7	(15.5)	n/a
TOTAL	2,820.2	171.2	6.1%

¹ Revenue includes share of joint ventures

² Pre-exceptional

³ Profit from operations stated before finance costs, amortisation, exceptional items, joint ventures' interest and tax

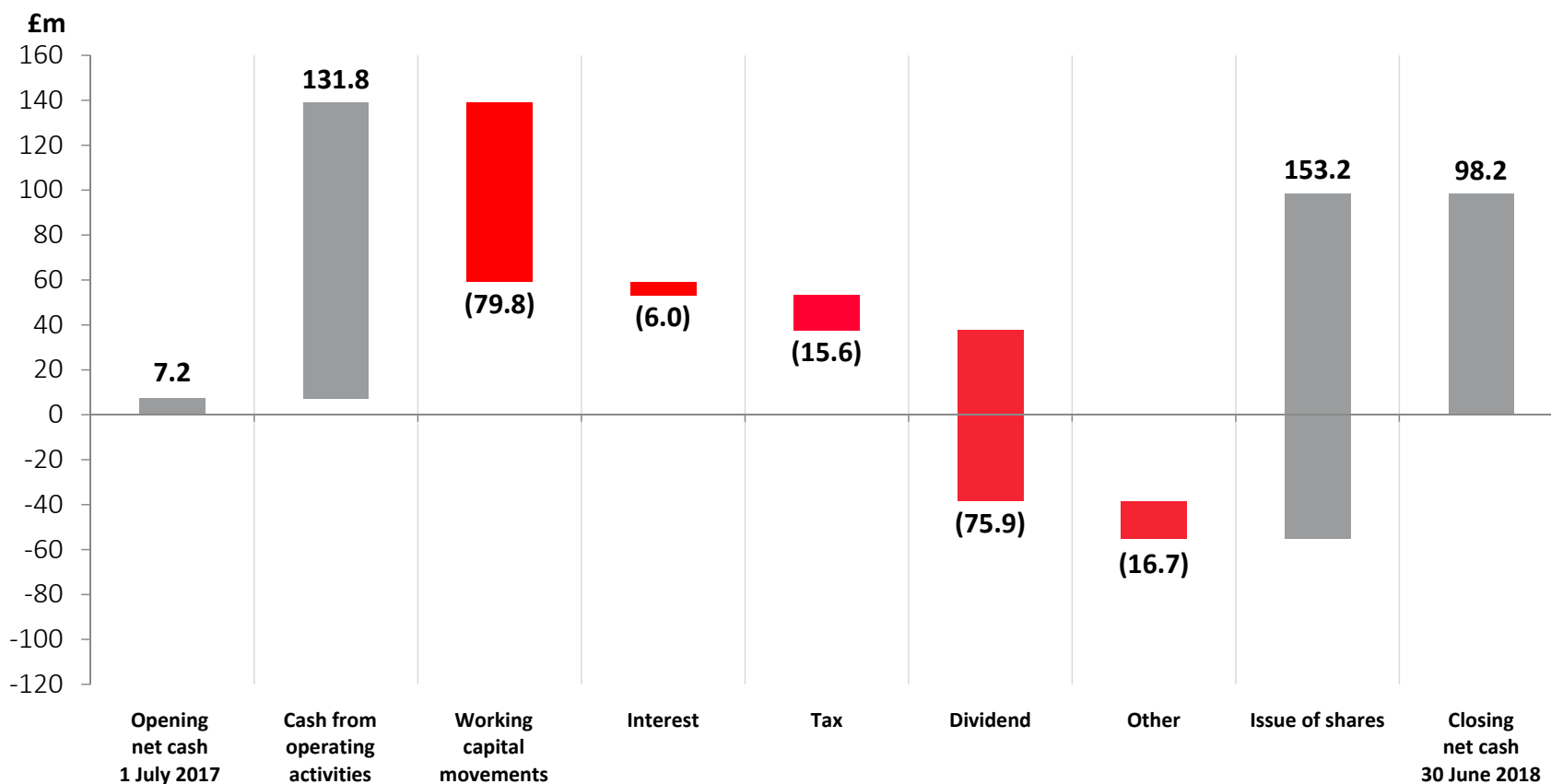
FINANCIAL REVIEW

Cash management

- Rights issue generated £150m of net cash
- Net cash at 30 June 2018 of £98.2m (FY17: £7.2m)
- Gearing at 30 June 2018 of nil, well below our target maximum of 30%
- Average net debt of £227m, excluding the net cash received from the rights issue, (FY17: £240m), below previous guidance of circa £240m
- Continue to benefit from deferred land payments, with land creditors at £144m (FY17: £145m)

FINANCIAL REVIEW

Cash management



FINANCIAL REVIEW

Balance sheet highlights

£m	2018	2017
Net assets	776.5	575.5
Tangible net assets	601.6	396.4
Net cash	98.2	7.2
Gearing %	-	-
Net pension surplus/(deficit)	7.0	(3.2)

FINANCIAL REVIEW

Segmental balance sheet

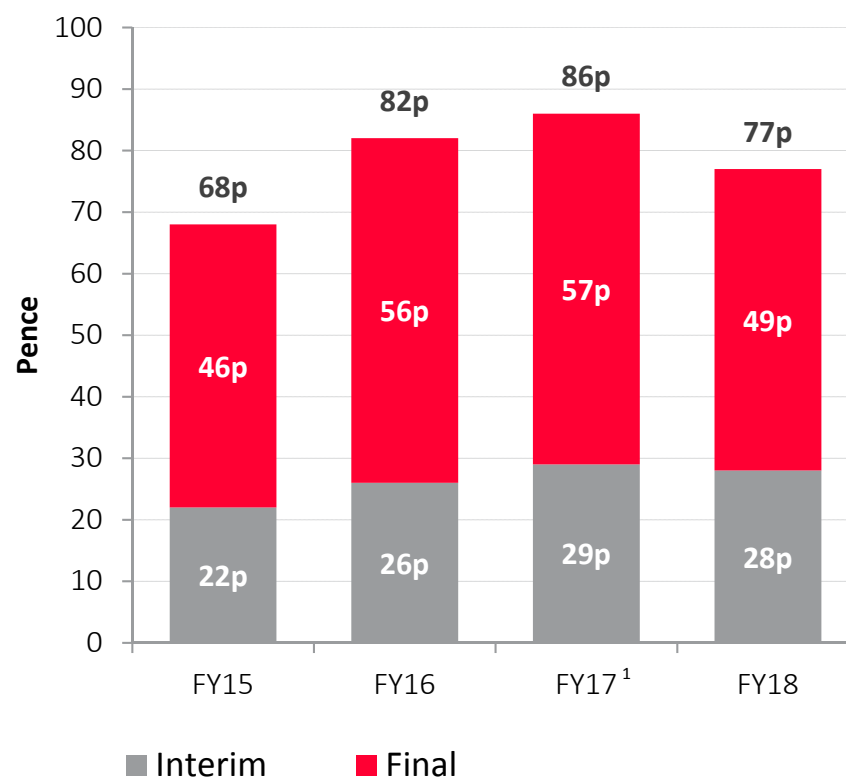
Net assets £m	Linden Homes	Partnerships & Regeneration	Construction	PPP Investments	Central	Total
30 June 2018						
Goodwill & intangible assets	52.5	33.7	82.8	-	5.9	174.9
Working capital employed	623.1	64.7	36.7	26.0	(247.1)	503.4
Net (debt)/cash	(463.1)	(41.8)	(26.0)	(11.2)	640.3	98.2
Net assets	212.5	56.6	93.5	14.8	399.1	776.5
30 June 2017						
Net assets	171.6	41.4	77.7	8.8	276.0	575.5

FINANCIAL REVIEW

Dividend

- Planned increase in cover to 2.0x now effective from current year
- Full year dividend based on pre-exceptional earnings
- Prior year restated for effect of rights issue

Cover	1.7x	1.6x	1.6x	2.0x
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¹ 2017 dividend per share restated to reflect the shares issued in the rights issue in April 2018

Peter Truscott

CHIEF EXECUTIVE



LINDEN HOMES

Strategic and operating review



The Orchards, Gloucestershire

LINDEN HOMES

Strategic and operating review

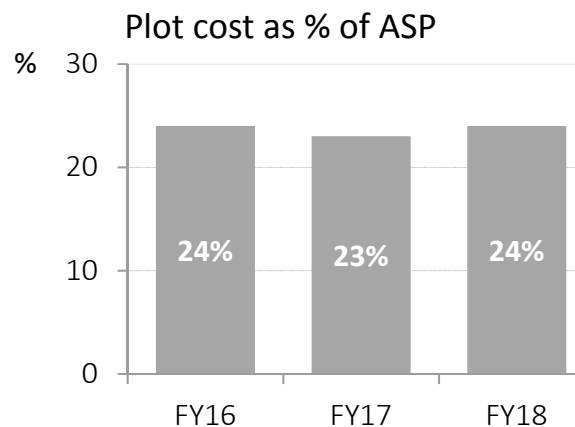
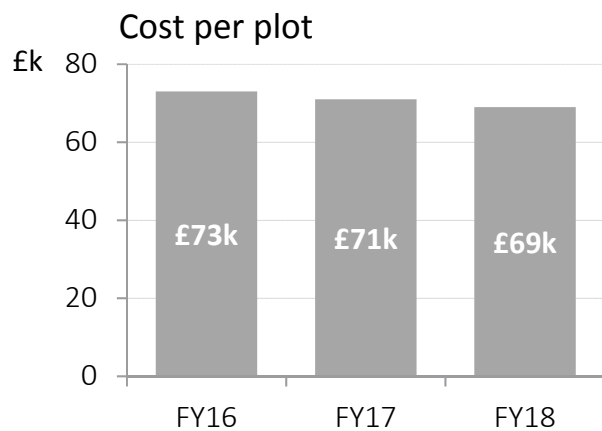
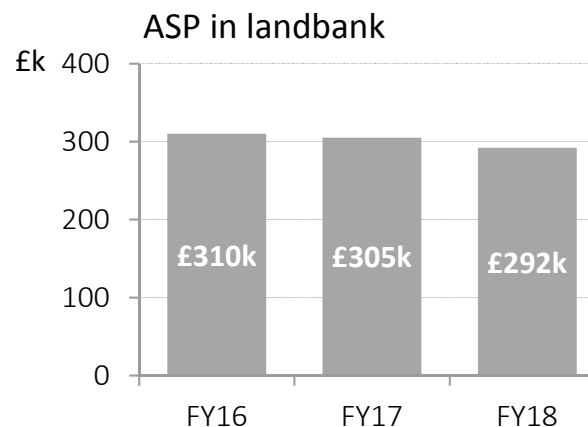
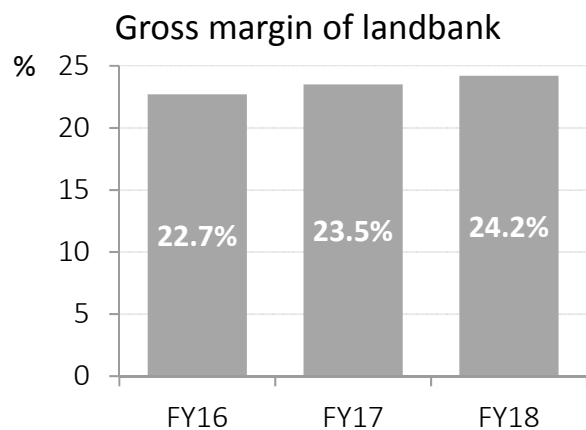
- Strategic objectives driving very strong performance, with efficiencies delivering increased volumes and improved margins
- Operating margin up 1.3% pts to 19.5% (FY17: 18.2%)
 - Introduction of the third-generation standard layouts
 - Rationalisation of processes has reduced overheads and increased productivity
 - Land sales into JVs of £8.6m (FY17: £24.3m)
- Land market continues to allow for acquisitions at attractive hurdle rates
 - Landbank of 11,830¹ plots (FY17: 11,250), in line with 3.5-year land strategy with GDV of £3.4bn
 - Strategic land increased by 14% to 2,730 acres, and by 12% to 13,270 plots (FY17: 2,396 acres and 11,875 plots)
- Average outlets increased to 85 (FY17: 77); sales per outlet per week 0.59 (FY17: 0.62)

¹Current at 10 September 2018

LINDEN HOMES

Strategic and operating review

Landbank analysis¹



¹ Includes affordable

LINDEN HOMES

Outlook

- Homebuyer confidence remains encouraging despite political uncertainty
- Pricing stable across housing sites below £600k
- Conditions remain manageable for both labour and materials, with cost inflation around 3%
- Well positioned to improve operating margin further
- Land market remains positive; 100% of land secured for FY19 and 83% for FY20, with 3.5-year landbank at 11,830¹
- 2,730 acres in strategic land in line with plan to achieve approximately 20%-25% 'pull through' in 2021
- Letwin review largely positive for the sector

¹Current at 10 September 2018

CONSTRUCTION

Strategic and operating review



RNAS Yeovilton, Somerset

CONSTRUCTION

Strategic and operating review

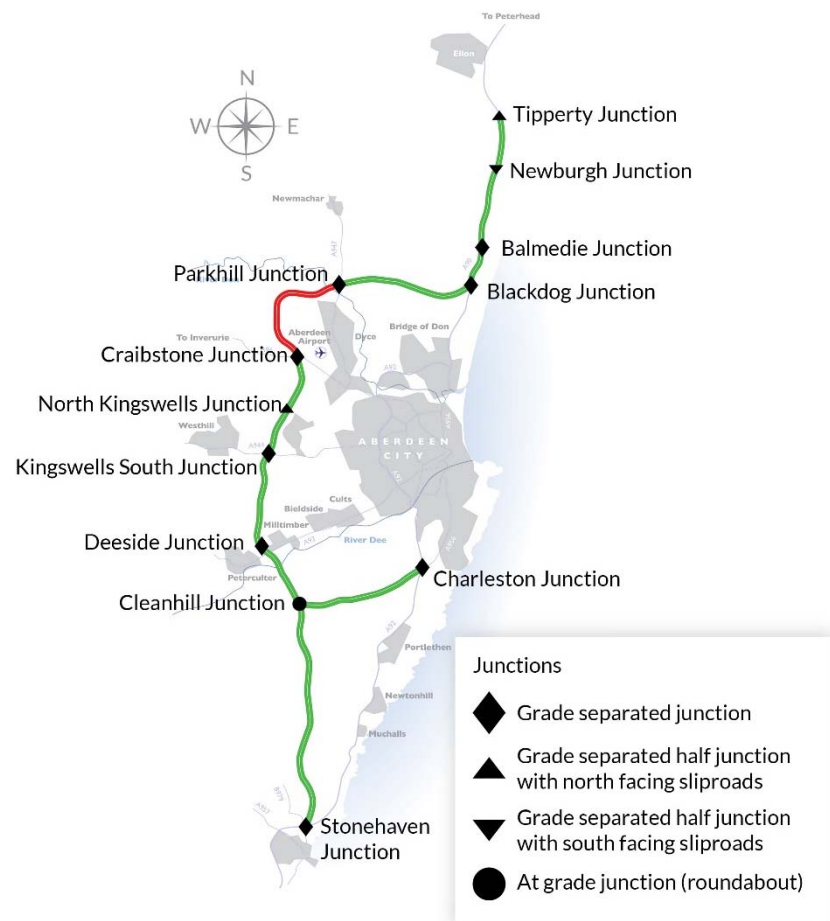
- Strong underlying performance, with the pre-exceptional margin increasing to 0.9% (FY17: 0.0%), and encouraging performances on new contracts
- Good progress on resolution of legacy contracts
- High-quality order book of £3.3bn¹ (FY17: £3.6bn), focused on the public and regulated sector and frameworks
- Underlying business benefiting from progress against strategic objectives:
 - Rigorous project selection
 - No fixed-price, all-risk major projects
 - Focus on margin enhancement over turnover growth

¹ Current at 10 September 2018

CONSTRUCTION

Aberdeen Western Peripheral Route (AWPR) status

- Significant sections open to the public
- Outstanding section due to be completed in Autumn
- 2018 exceptional item of £45.0m, including the share of costs from the Carillion insolvency
- Constructive ongoing dialogue to resolve outstanding claims

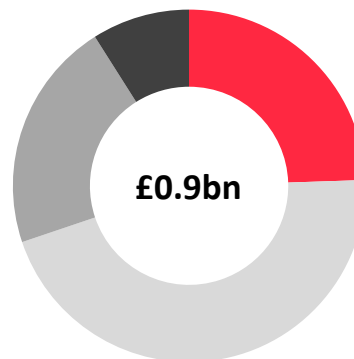
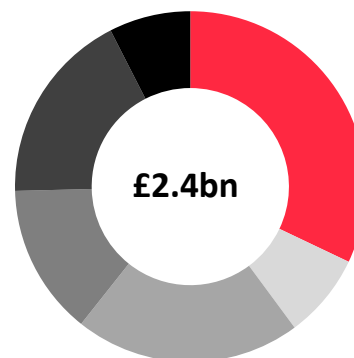
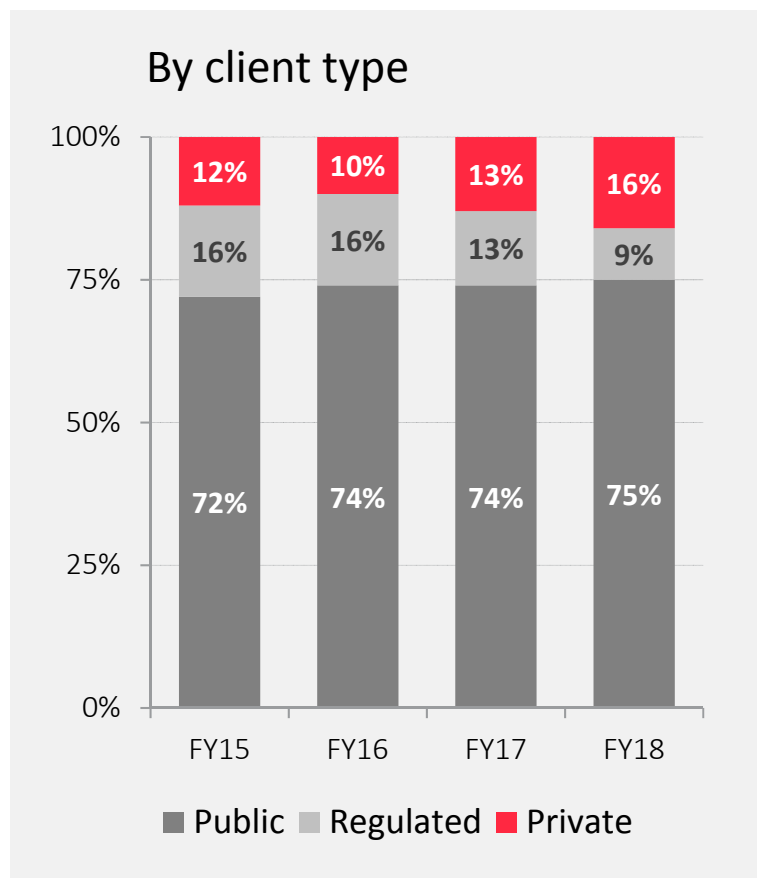




CONSTRUCTION

Strategic and operating review

Order book¹



¹ Current at 10 September 2018

CONSTRUCTION

Outlook

- Underlying performance continues to improve through focus on risk management and careful contract selection
- Conditions in the supply chain have improved generally, with more capacity available
- Continuing rigorous focus on core sectors and risk management in bidding
- 89%¹ of revenue secured for FY19 and 51%¹ secured for FY20 (FY17: 89% and 46% respectively)

¹Current at 10 September 2018

PARTNERSHIPS & REGENERATION

Strategic and operating review

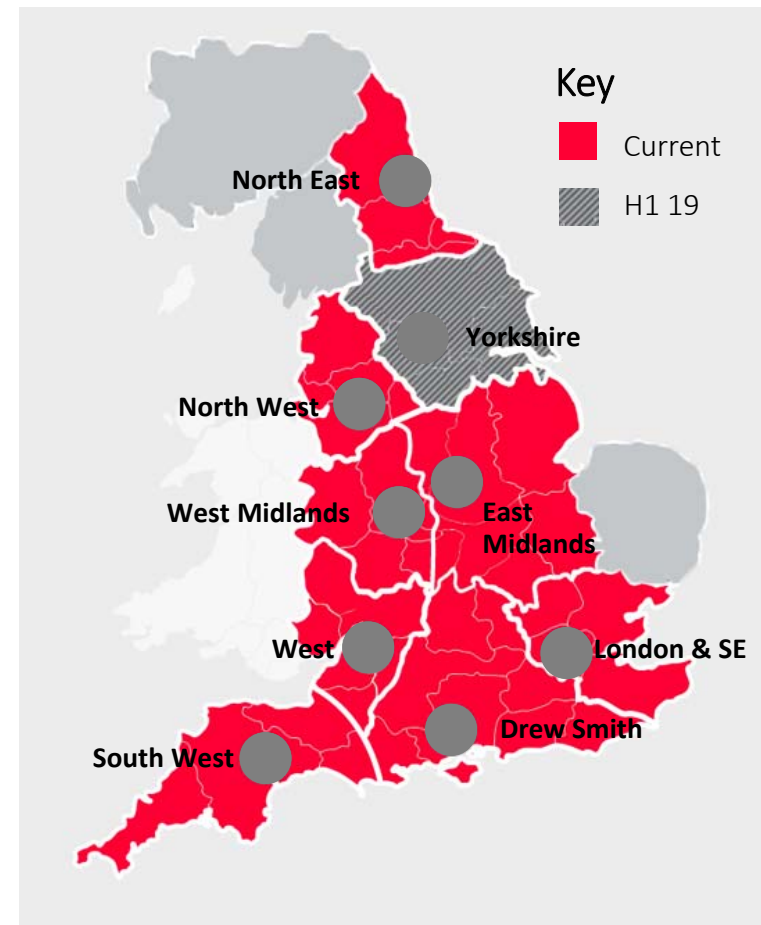


Brunel Street Works, East London

PARTNERSHIPS & REGENERATION

Strategic and operating review

- Excellent performance against strategic targets driven by further geographic expansion and increased client investment
- Growth in mixed-tenure driving operating margin
- Secured major project wins in all regions
- Reappointed to key public sector procurement panels
- Strengthening of landbank to 3,760 plots (FY17: 2,700) with GDV of £840m
- High-quality contracting order book at a record level of £1.2bn up 14%, with mixed-tenure sales in hand up 102% to £188m



PARTNERSHIPS & REGENERATION

Outlook

- Positive market conditions
 - Growing demand and opportunities in both contracting and mixed-tenure
- Strong visibility of future work
 - Robust pipeline of projects at preferred bidder stage
 - On track to open a new office in Yorkshire by end of H1 19
- Further strengthening of management to sustain growth beyond strategy period



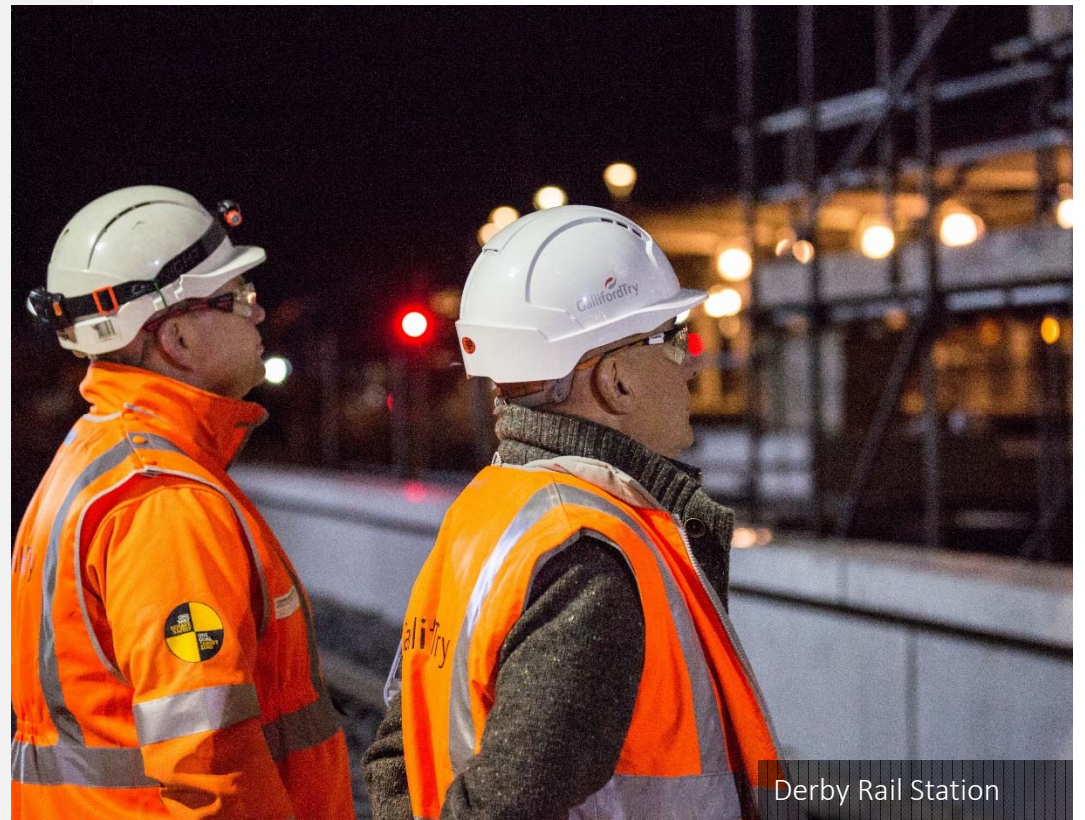
Galliford Try Partnerships Skills Academy

OPERATING SUSTAINABLY

Key achievements




- Continued to attract graduates, apprentices and trainees who make up 7.6% of our workforce
- Continued to develop our best-in-class behavioural safety programme, 'Challenging Beliefs, Affecting Behaviour'
- Launched the award-winning 'Be Well' programme focused on the physical and mental well-being of our people
- Signed up as a business champion to the mental health charity for the construction industry, Mates in Mind
- Launched agile working, helping to attract and retain talent and increase productivity
- Ranked in top third of FTSE4Good Index

OUTLOOK



Derby Rail Station

BUSINESS TARGETS

Business	Metric	FY18		FY21
	Units	3,442	▶	4,200 - 4,500
	Revenue	£947m	▶	£1.25bn
	Operating margin	19.5%	▶	20%
	Units	2,751	▶	4,200 - 4,400
	Revenue	£475m	▶	£700m - £750m
	Operating margin	5.0%	▶	6% - 7%
	RoNA	48.2%	▶	>50%
	Revenue	£1.7bn	▶	£1.8bn
	Operating margin ¹	0.9%	▶	>2%
	(Debt)/cash	£(26.0)m	▶	£200m

¹ FY18 excludes exceptional items

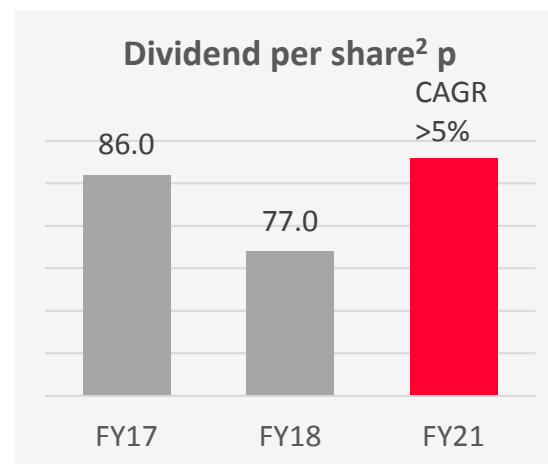
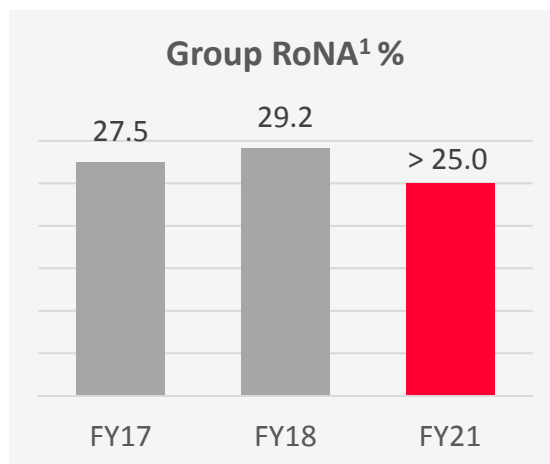
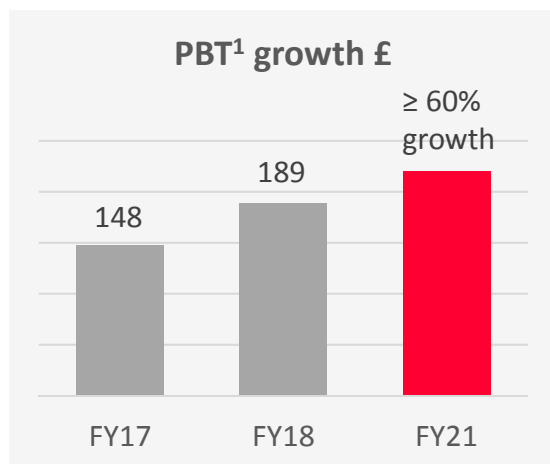
Full year results to 30 June 2018

GROUP FINANCIAL TARGETS

Improving margins

Sustainable profit growth

Strong returns



¹ FY17 and FY18 figures based on pre-exceptional profits

² FY17 restated as a result of the rights issue

SUMMARY

Outlook

- Remain cautious around current political uncertainty, macro-economic conditions and resulting consumer confidence but take confidence from our focused strategy, strong order book and disciplined approach
- Continued commitment from the Government through Help to Buy, coupled with good mortgage availability and low interest rates
- Price inflation around materials and labour remains manageable
- Remain confident in the outlook for all three businesses (Group order book of £5.2bn¹) and are on track to deliver strategy to 2021

¹ Current at 10 September 2018

CAPITAL MARKETS DAY

Focus on housebuilding

- Thursday 11 October 2018 at Great Eastern Quays, (Partnerships & Regeneration site in East London)
- To register your interest, please email gallifordtry@tulchangroup.com



Great Eastern Quays Phase 1, East London

Q&A

Full year results



APPENDICES



APPENDICES

1. Group

- 1.1 Investment case
- 1.2 Investment in Linden Homes and Partnerships & Regeneration
- 1.3 Cash flow summary
- 1.4 Net finance costs
- 1.5 Completed housing units
- 1.6 Forecast land creditors' payment profile
- 1.7 AWPR charges
- 1.8 Number of shares
- 1.9 Dividend
- 1.10 Financial calendar

2. Linden Homes

- 2.1 Revenue analysis regional
- 2.2 Analysis of sales reserved, contracted and completed
- 2.3 Sales, completions by buyer type
- 2.4 Trading overview

- 2.5 Private sales, analysis of incentives on reservations
- 2.6 Strategic use of joint ventures (FY18 and FY17)
- 2.7 Landbank valuation
- 2.8 Landbank analysis
- 2.9 Movement in landbank
- 2.10 Forecast outlets and revenue

3. Construction

- 3.1 Segmental analysis
- 3.2 Order book
- 3.3 Contract awards

4. Partnerships & Regeneration

- 4.1 Units delivered
- 4.2 Background
- 4.3 Market opportunity
- 4.4 Business model

APPENDICES

1.1 Investment case

Breadth of capabilities provides a unique and exciting proposition for investment

Significant growth opportunities

- Structural undersupply of housing in the UK
- Reliance on private sector to deliver housing ambition
- Commitment to invest in and maintain UK's infrastructure

Improving margins

- Benefiting from efficiency through standardisation
- Growing portion of higher margin mixed-tenure work
- Prioritising selective bidding and enhanced margin over turnover

Solid order book

- Landbank of 3.5 years
- High-quality order book
- Strong visibility of future work and earnings

Underpinned by

Strong balance sheet

- Rights issue net proceeds of £150m
- Cash generative business
- Prudent debt management
- Complementary cash profiles

Long-standing relationships

- Collaborative relationships with partners and clients
- Excellent framework positions

Robust platform

- National coverage with local teams and expertise
- Leading positions in key markets
- Experienced and effective leadership team in each business with talented teams

APPENDICES

1.2 Investment in Linden Homes and Partnerships & Regeneration

£m	2018	2017
Amounts invested in joint ventures	311.2	248.6
Land	465.8	456.6
Work in progress	259.1	266.0
Total invested in housebuilding developments and joint ventures	1,036.1	971.2
Land creditors	(144.4)	(144.5)
Net investment in developments and joint ventures ¹	891.7	826.7
Linden Homes	752.5	733.8
Partnerships & Regeneration	139.2	92.9
TOTAL	891.7	826.7

¹ Stated before other net working capital balances

APPENDICES

1.3 Cash flow summary

£m	2018	2017
Cash from pre-exceptional operating activities	176.8	144.7
Exceptional items	(45.0)	(88.9)
Cash from operating activities	131.8	55.8
Working capital movements	(79.8)	65.3
Net cash generated from operations	52.0	121.1
Interest, tax and dividends	(97.5)	(95.7)
Acquisition (including net debt acquired)	(13.7)	(15.6)
Issue of shares	153.2	0.1
Other	(3.0)	6.0
Net cash inflow	91.0	15.9
Opening net cash/(debt)	7.2	(8.7)
Closing net cash	98.2	7.2

Net cash analysis - £m	2018	2017
Linden Homes (includes loans to joint ventures)	(463.1)	(500.8)
Partnerships & Regeneration	(41.8)	(39.3)
Construction	(26.0)	137.4
Group and others	629.1	409.9
TOTAL	98.2	7.2

APPENDICES

1.4 Net finance costs

£m	2018	2017
Net interest payable on borrowings	(17.2)	(16.2)
Interest receivable from joint ventures	10.1	4.9
Unwind of discount on payables	(0.4)	(0.7)
Other	-	0.1
TOTAL	(7.5)	(11.9)

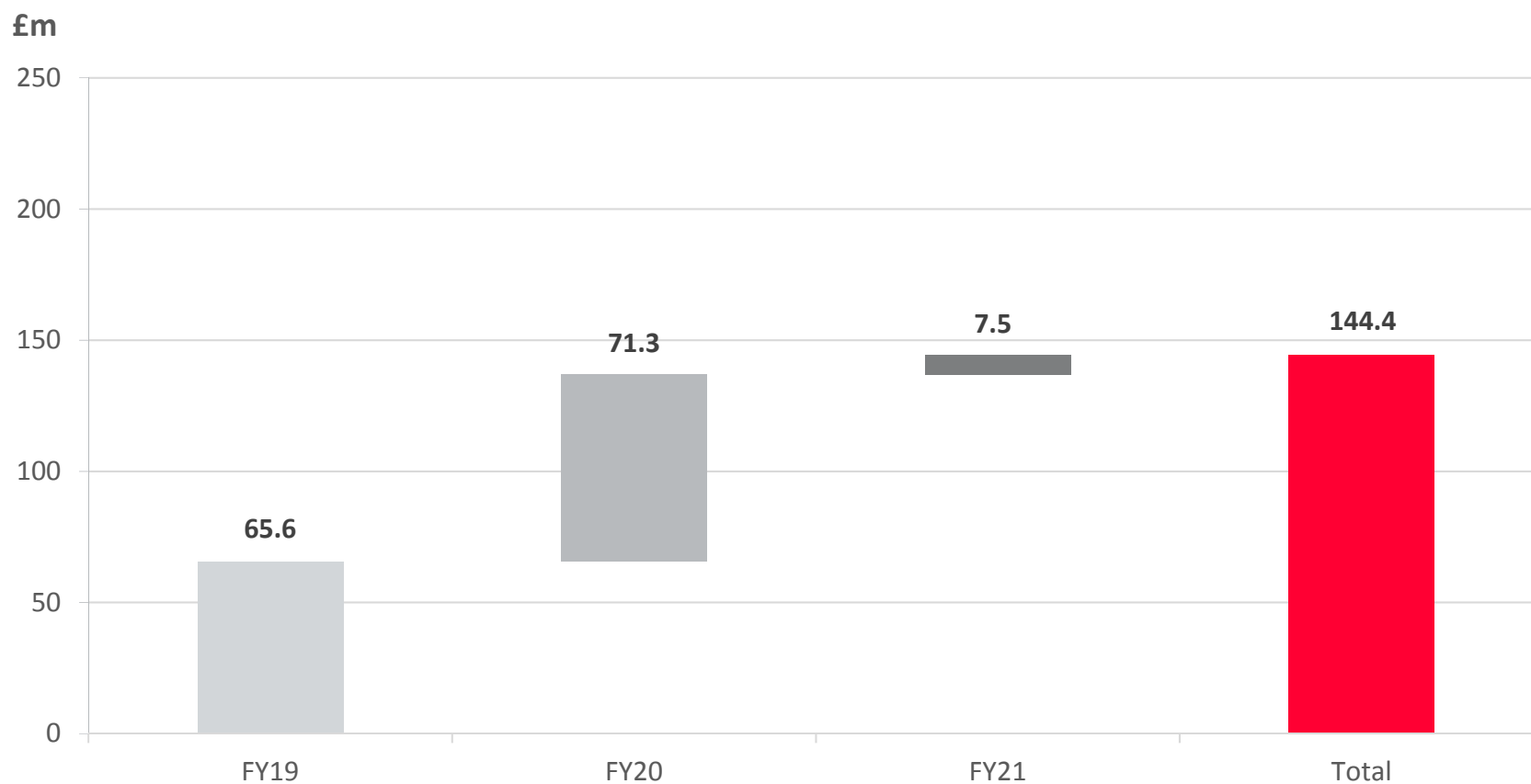
APPENDICES

1.5 Completed housing units

Units	Linden Homes	Linden Homes	Partnerships & Regeneration	Partnerships & Regeneration	TOTAL	TOTAL
	Incl. JVs	Net of partner share	Incl. JVs	Net of partner share	Incl. JVs	Net of partner share
Private	2,587	2,191	551	409	3,138	2,600
Affordable	855	712	200	155	1,055	867
TOTAL	3,442	2,903	751	564	4,193	3,467
Contracting (equivalent units)	-	-	2,000	2,000	2,000	2,000
TOTAL	3,442	2,903	2,751	2,564	6,193	5,467

APPENDICES

1.6 Forecast land creditors' payment profile



APPENDICES

1.7 AWPR charges

£(m)	Exceptional charge	Pre-exceptional charge	Total
2016	-	3.0	3.0
2017	75.0	-	75.0
2018	45.0	-	45.0
TOTAL	120.0	3.0	123.0

APPENDICES

1.8 Number of shares

Millions	Year end number of shares allotted	Weighted average number of shares (exc shares in EST ³)
30 June 2017 (as originally stated)	83	82
Application of TERP factor as required by IAS 33 ^{1,2}	n/a	10
30 June 2017 (as restated for rights issue)	83	92
Allotted under rights issue	28	6
30 June 2018	111	98

¹ Rights issues necessitate an adjustment and restatement of the prior year EPS calculation. This is because rights issues involve an element of bonus shares where the exercise price is set below the market price. The effect of bonus shares in the EPS calculation must be cancelled by inflating the number of weighted average shares by the number of bonus shares in the period in which the rights issue takes place and as well as for any prior period comparatives presented without any time apportionment.

² TERP factor of 0.11147

³ Employee Share Trust (EST)

APPENDICES

1.9 Dividend

	2018
Pre-exceptional earnings	£154.7m
Dividend cover	2.0 x
Dividend payable	£77.7m
Less: interim dividend paid	£(23.3)m
Final dividend payable	£54.4m
Number of shares	111.0 million
Final dividend per share payable	49.0p
Interim dividend per share paid	28.0p
Full year dividend per share payable	77.0p

APPENDICES

1.10 Financial calendar

DATE	EVENT
11 October 2018	Capital Markets Day
8 November 2018	2018 Final Dividend ex-dividend date
9 November 2018	2018 Final Dividend record date
9 November 2018	Annual General Meeting
5 December 2018	2018 Final Dividend payment date
13 February 2019	Half Year Results
11 September 2019	Full Year Results

APPENDICES

2.1 Linden Homes – revenue analysis, regional at 30 June 2018

TOTAL	
Units	3,442
Revenue	£947.3m

EAST DIVISION		
Units	1,657	(48%)
Revenue	£471.0m	(50%)

WEST DIVISION		
Units	1,785	(52%)
Revenue	£476.3m	(50%)



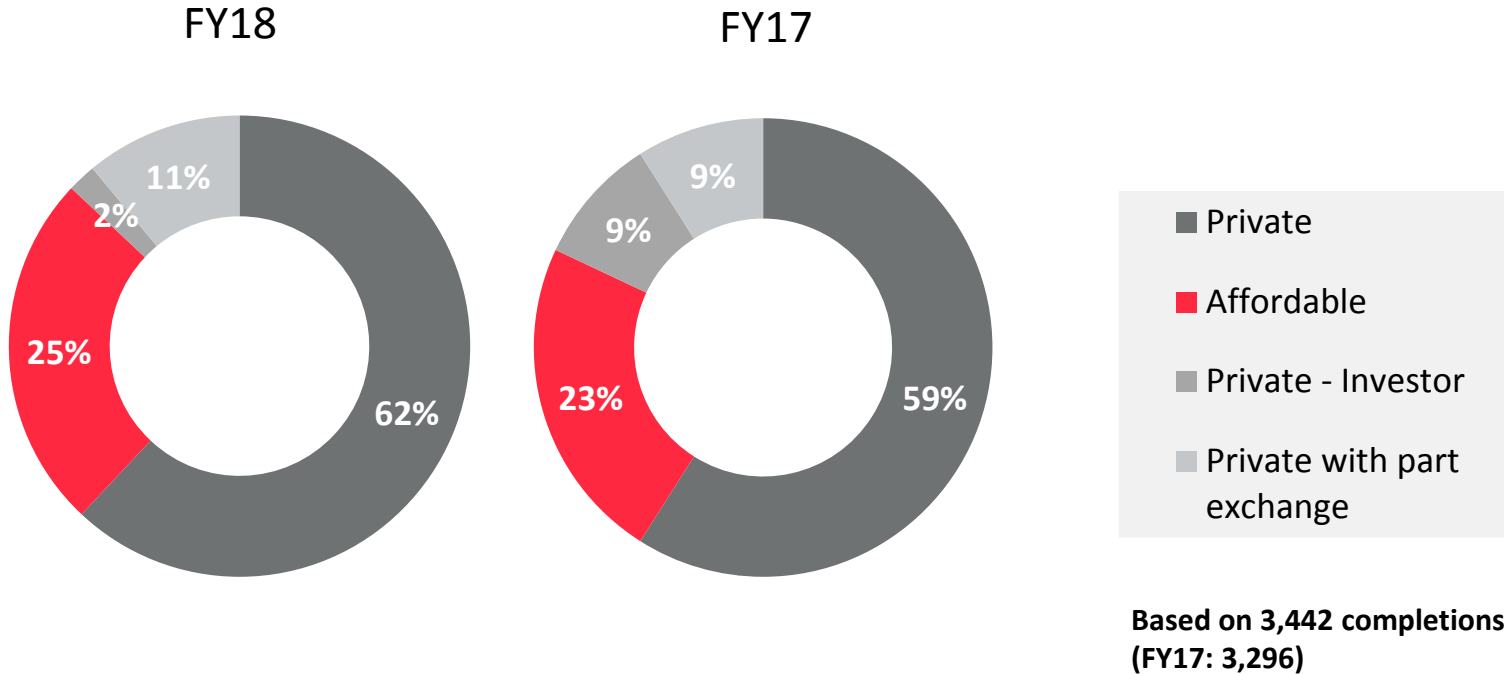
APPENDICES

2.2 Linden Homes – analysis of sales reserved, contracted, and completed

£m	Sept 18	June 18	Sept 17
Private	330	206	376
Affordable	180	160	169
TOTAL	510	366	545
For completion in FY19	412	285	437
For completion post FY19	98	81	108
TOTAL	510	366	545
Units			
Private	1,023	657	1,017
Affordable	1,385	1,245	1,358
TOTAL	2,408	1,902	2,375

APPENDICES

2.3 Linden Homes – sales, completions by buyer type



APPENDICES

2.4 Linden Homes – trading overview

	FY18	FY17
Revenue (£m)	947	937
Land cost	23.7%	23.9%
Build cost	52.7%	53.1%
Gross margin	23.6%	23.0%
Overheads	4.1%	4.8%
Operating margin	19.5%	18.2%

APPENDICES

2.5 Linden Homes – private sales, analysis of incentives on reservations

Proportion of units	FY18	FY17
No incentives	40%	33%
Incentives		
Part exchange	15%	13%
Assisted move	2%	2%
Help to Buy	40%	47%
Investor sales	3%	5%
TOTAL	100%	100%

APPENDICES

2.6 Linden Homes – strategic use of Joint Ventures (JVs) (FY18)

	Completions (units)		Revenue (Linden Homes only)	ASP ³
	Gross	Net of JV partner	£m	£000
Direct - private	1,794	1,794	646	360
- affordable	569	569	72	127
Other income, including land sales			45	-
JOs ¹ - private	74	37	6	168
	2,437	2,400	769	
JVs ² - private	719	360	152	422
- affordable	286	143	24	167
Other income, including land sales			2	
TOTAL	3,442	2,903	947	310

¹ Joint Operations (JOs) proportionally consolidated within Linden Homes under IFRS11

² JVs equity accounted under IFRS11

³ Private ASP £367k; affordable ASP £134k

APPENDICES

2.6 Linden Homes – strategic use of Joint Ventures (JVs) (FY17)

	Completions (units)		Revenue	ASP ³
	Gross	Net of JV partner	(Linden Homes only)	
			£m	£000
Direct - private	1,907	1,907	652	342
- affordable	548	548	61	111
Other income, including land sales			68	-
JOs ¹ - private	181	91	23	257
	2,636	2,546	804	
JVs ² - private	449	224	112	500
- affordable	211	106	18	170
Other income, including land sales			3	
TOTAL	3,296	2,876	937	301

¹ Joint Operations (JOs) proportionally consolidated within Linden Homes under IFRS11

² JVs equity accounted under IFRS11

³ Private ASP £354k; affordable ASP £121k

APPENDICES

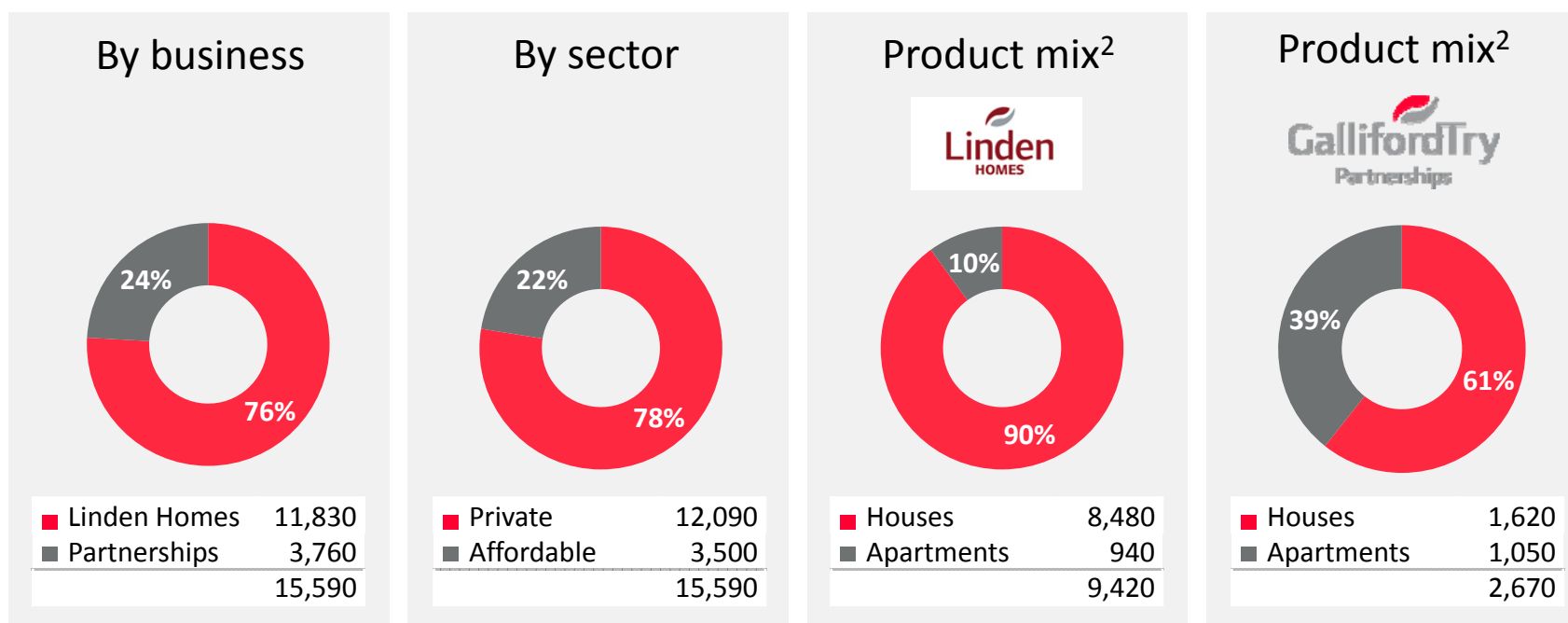
2.7 Linden Homes - landbank valuation¹

Cost per plot £000	June 2018		June 2017		June 2016	
	East Division	West Division	East Division	West Division	East Division	West Division
Opening landbank	78	66	79	69	76	65
Closing landbank	75	64	78	66	79	69
Weighted ASP in landbank	289	295	309	302	301	317
Plot cost as % of weighted ASP	26%	22%	25%	22%	26%	22%

¹ Excluding strategic landbank of 13,270 plots

APPENDICES

2.8 Landbank analysis¹



¹ Current at 10 September 2018

² Excludes affordable

APPENDICES

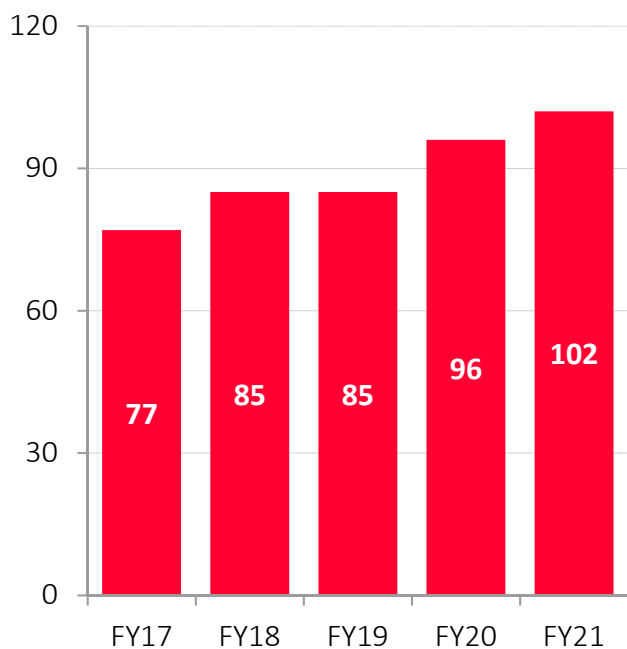
2.9 Linden Homes - movement in landbank

	Total Landbank	Owned	Controlled
At 30 June 2017	10,650	8,791	1,859
Legal completions	(2,903)	(2,903)	-
Land acquired	4,013	3,244	769
Transfers to Partnerships & Regeneration	(109)	-	(109)
Transfers	-	826	(826)
Aborted	(290)	-	(290)
Planning changes and other	39	39	-
At 30 June 2018	11,400	9,997	1,403
At 10 September 2018	11,830	10,277	1,553

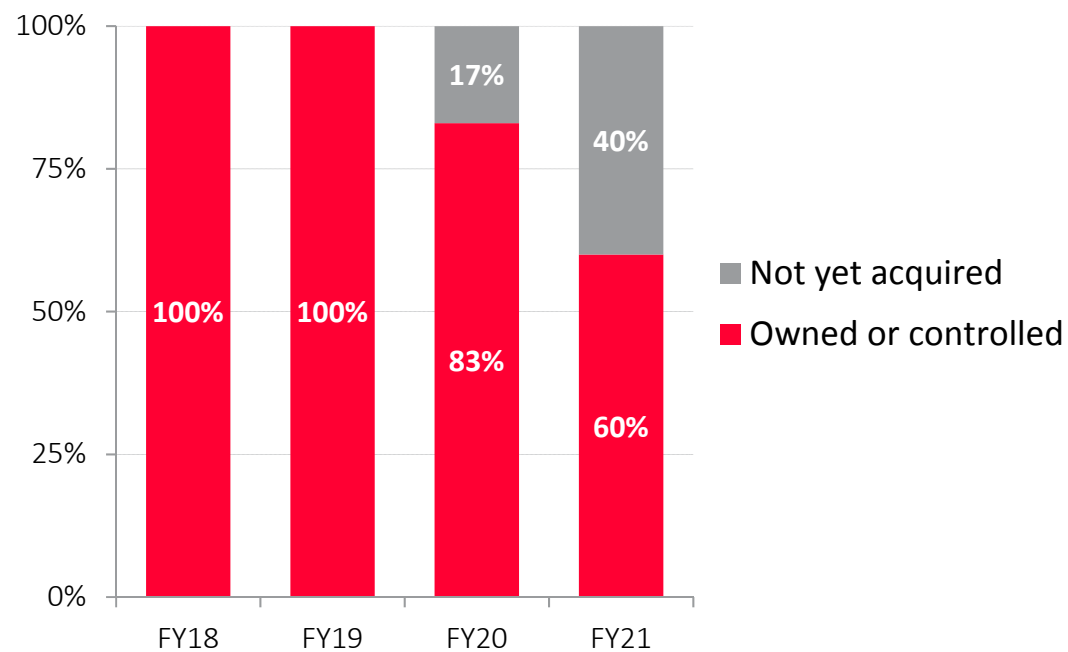
APPENDICES

2.10 Linden Homes - forecast outlets and revenue

Number of sales outlets¹



Units by period %



¹ Average for the year

APPENDICES

3.1 Construction – segmental analysis

£m	June 2018		
	Revenue ^{1,2}	Profit/(loss) from Operations ²	Margin ²
Building	1,038.0	11.6	1.1
Infrastructure	649.4	4.3	0.7
TOTAL	1,687.4	15.9	0.9

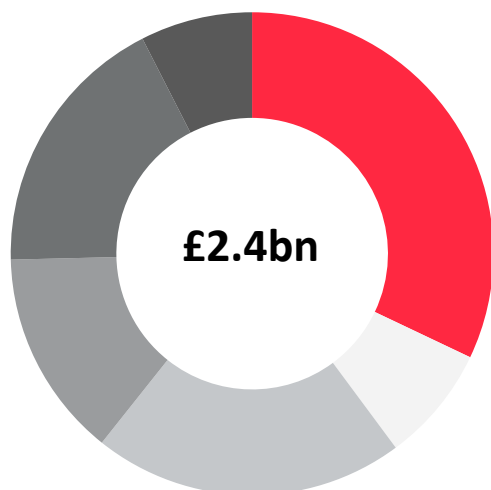
£m	June 2017		
	Revenue ^{1,2}	Profit/(loss) from Operations ²	Margin ²
Building	1,014.1	(12.0)	(1.2)%
Infrastructure	512.5	11.1	2.0%
TOTAL	1,526.1	(0.9)	0.0%

¹ Including share of joint ventures

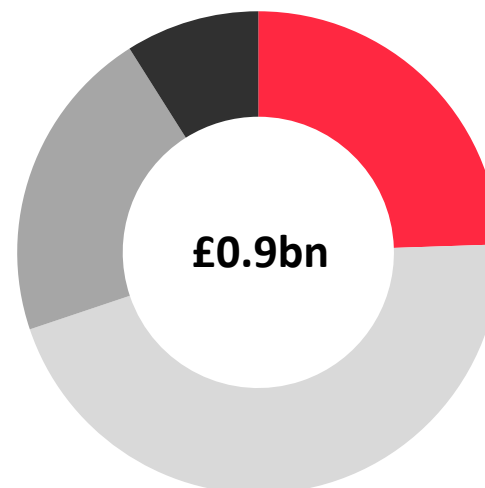
² Pre-exceptional

APPENDICES

3.2 Construction - order book



Building	£m
■ Education	760
■ Other Public Sector	185
■ Facilities Management	494
■ Commercial	330
■ Health	424
■ Defence	178



Infrastructure	£m
■ Water	232
■ Roads	430
■ Rail & Aviation	201
■ Other Civil Engineering	85

¹ Current at 10 September 2018

APPENDICES

3.3 Construction - contract awards

Building

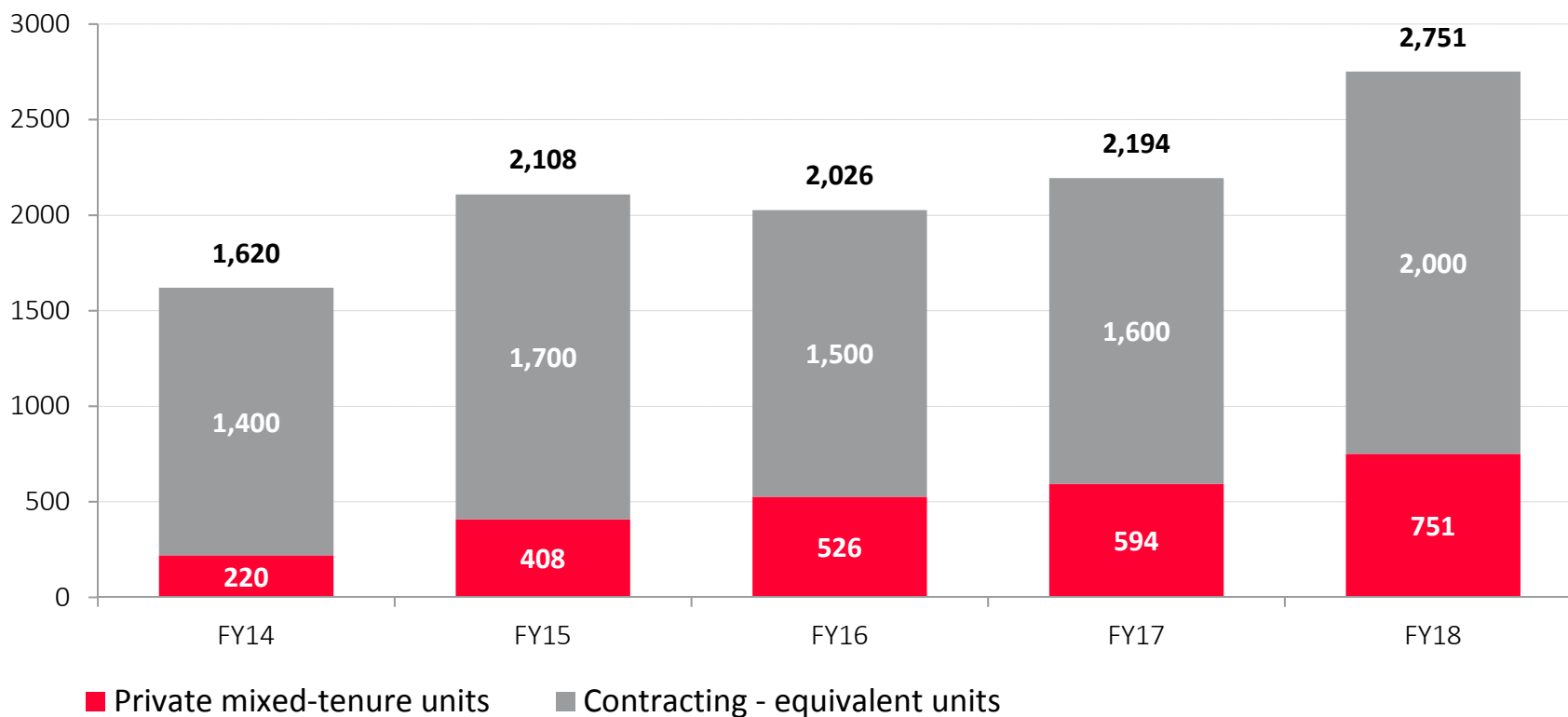
- Won contracts and positions on frameworks worth over £400m including being appointed to:
 - All six lots of the business bid on the new Education and Skills Funding Agency's school building framework, worth up to £3.1bn
 - £750m North Eastern Universities Purchasing Consortium major capital projects framework

Infrastructure

- Won contracts and positions on frameworks worth over £290m, including places on:
 - Four lots of the £1bn YORCivil2 framework
 - The new Highways & Infrastructure Construction Works framework (led by Manchester City Council) worth a potential £200m

APPENDICES

4.1 Partnerships & Regeneration – units delivered



APPENDICES

4.2 Partnerships & Regeneration – background

- We are a regeneration business
- We identify land, invest, develop, contract, build and sell properties, creating homes for people to live in, and places where communities thrive
- We do this in partnership with our clients:
 - Housing Associations (HAs)
 - Regulated owners and managers of social housing and investors in homes for sale
 - Local Authorities (LAs)
 - Owners and managers of social housing and commissioners of neighbourhood regeneration
 - Government agencies
 - Provide capital subsidy to support delivery and sell public land
 - Institutions, funds and private companies
 - Seek yields from investment in the private rented sector and in some affordable tenures

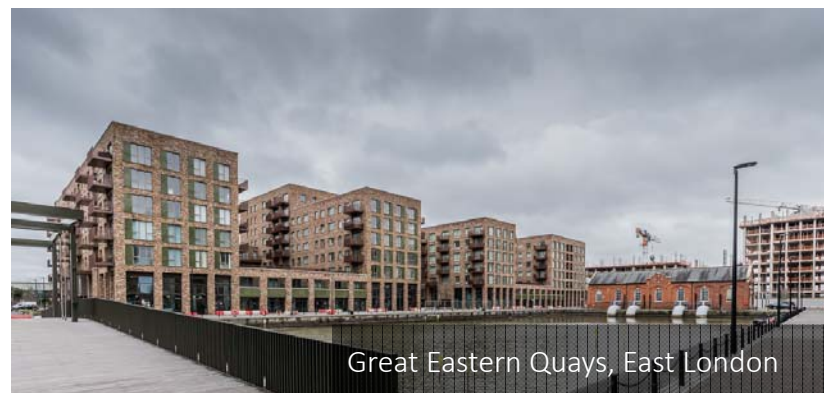
These clients own and manage low-cost rented homes, retirement housing and private rented accommodation and invest in homes for sale



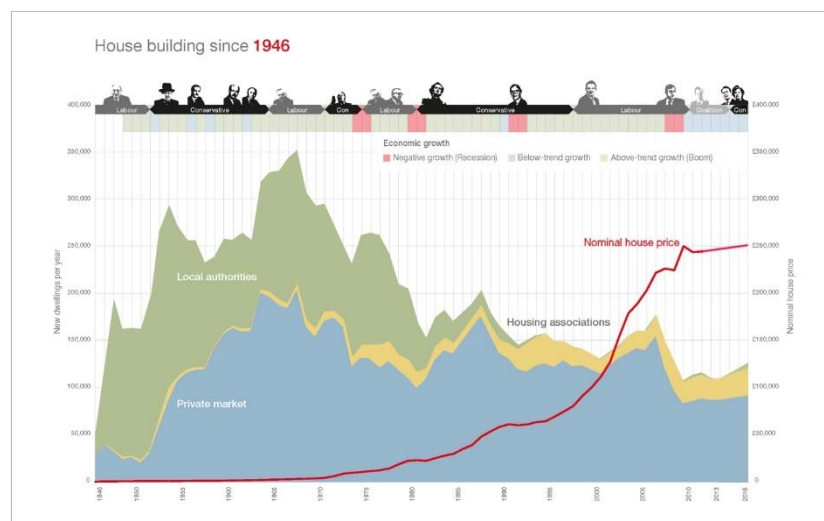
APPENDICES

4.3 Partnerships & Regeneration – market opportunity

- Supply deficit of circa 130k homes per annum
- High house prices exclude entry into the marketplace
- Demand for subsidised social housing across the UK
- Government's ambition is to build 300,000 homes per annum of all tenures
- Funding budget of £44bn supporting delivery to 2021
- Market has a financially robust purchasing sector of HAs and LAs
- Savills Research suggests 100,000 households are in need of low-cost housing per annum



Great Eastern Quays, East London



APPENDICES

4.4 Partnerships & Regeneration – business model



A leading brand

Contracting
Margins: 2-4%

Commissioning
Margins: 4-6%

Developing & JVs
Margins: 12-18%



Housing Associations

Local Authorities

Institutional Investors

Strategy to 2021

- £700m - £750m turnover
- 6% - 7% operating margin
- 4,200 - 4,400 homes per annum
- 10 operating businesses



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