

CHAIRMAN'S STATEMENT



THE GROUP IS IN A STRONG POSITION

JAMIE BOOT
CHAIRMAN

HENRY BOOT HAS PERFORMED STRONGLY THROUGHOUT 2021, ACHIEVING A PROFIT BEFORE TAX (PBT) OF £35.1M.

Henry Boot has performed strongly throughout 2021, achieving a profit before tax (PBT) of £35.1m. Two key profit drivers have been, firstly, the significant growth in industrial and logistics capital values resulting from continued occupier demand, increasing rents and the weight of investment capital targeting the sector and, secondly, an increase in plot sales from our strategic land business. We have made good progress towards our refocused strategy, with activity levels continuing to recover ahead of our expectations, alongside all three of our key markets – Industrial & Logistics, Residential and Urban Development. Current market trends reinforce the confidence we have in our strategy, leaving the Group well placed to meet its medium-term targets.

£35.1m

PROFIT BEFORE TAX
(2020: £17.1M)

267p

NET ASSET VALUE PER SHARE
(2020: 235P)

The Group's financial position remains strong with NAV per share increasing by 13.6% to 267p and our low net gearing of 12.2% and a debt position of £43.5m, meaning we are well positioned to continue scaling up activity across all operations. We also have 12,865 strategic land plots, which already benefit from planning permission and are held at cost with no increase in value created from securing planning permission over these assets recognised until disposal. Plus, with a committed development programme of £277m GDV to be delivered largely over the next 18 months, both of these provide a significant store for future value creation.

On the basis of the Group's strong commercial and financial performance, the Board proposes to pay a final dividend of 3.63p, which together with the 2.42p interim dividend, gives a total of 6.05p (2020: 5.50p), an increase of 10% for the year.

After over 40 years of service to Henry Boot, I have taken the decision to retire as Chairman and from the Board on 26 May 2022. I am delighted that current Non-executive Director, Peter Mawson, will be taking over the reins as Chair and I am confident that he will continue to provide commercial experience, strategic expertise and governance to support the executive team in growing the business, while maintaining the highest standards. As a consequence of Peter's changing role, the Senior Independent Director position will be assumed by Joanne Lake.

On behalf of the Board, I would like to thank everyone at Henry Boot for their dedication and hard work. Their high levels of engagement have once again been instrumental to the business in producing a strong set of results. I look forward to following Henry Boot's next chapter closely. With the Group in such a strong position, I leave confident that the business will continue to be successful for many years to come and I look forward to remaining a committed long-term shareholder.

JAMIE BOOT
CHAIRMAN

This report contains the following alternative performance measures (APM): Return on Capital Employed. Net Asset Value (NAV) per share. Net (debt)/cash. Total Accounting Return. More details can be found on page 40.