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THE BERKELEY GROUP HOLDINGS PLC

# Full Year Results Presentation

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Year Ended 30<sup>th</sup> April 2021



**Grand Union, Brent**



**Green Quarter, Southall**



**White City**

23<sup>rd</sup> June 2021

**Rob Perrins**  
Chief Executive

**INTRODUCTION**

**Richard Stearn**  
Chief Financial Officer

**FINANCE REVIEW**

**Rob Perrins**  
Chief Executive

**STRATEGIC REVIEW**

## **INTRODUCTION**

- 1** Agile response to Covid-19 enabled production to be sustained and commitments to customers and communities met, underpinning strong financial results.
- 2** Our Vision 2030: Transforming Tomorrow  
Links our purpose, values and sustainable business model
- 3** Financial strength and unrivalled land holdings provide fantastic platform from which to serve the country's most under-supplied housing markets
- 4** First £228 million of surplus capital to be returned as part of a £450 million capital reduction in September 2021, subject to approval by shareholders
- 5** In setting the strategy, we are always mindful of the cyclical and regulatory risk of the operating environment



**Richard Stearn**  
Chief Financial Officer

**Chelsea Creek**

<b>1. SUMMARY OF PERFORMANCE</b>	<b>6. ABRIDGED BALANCE SHEET</b>
<b>2. SUMMARY OF FINANCIAL POSITION</b>	<b>7. INVENTORIES</b>
<b>3. HOMES COMPLETED AND AVERAGE SELLING PRICE</b>	<b>8. CREDITORS</b>
<b>4. INCOME STATEMENT</b>	<b>9. FINANCING</b>
<b>5. ABRIDGED CASH FLOW</b>	<b>10. LAND HOLDINGS</b>

## Summary of Performance

PROFIT BEFORE TAX		CHANGE / CHANGE %
30 April 2021	30 April 2020	
<b>£518.1m</b>	<b>£503.7m</b>	<b>+£14.4m</b> (+2.9%)
EPS - BASIC		CHANGE / CHANGE %
30 April 2021	30 April 2020	
<b>339.4p</b>	<b>324.9p</b>	<b>+14.5p</b> (+4.5%)
EPS - DILUTED		CHANGE / CHANGE %
30 April 2021	30 April 2020	
<b>332.5p</b>	<b>313.4p</b>	<b>+19.1p</b> (+6.1%)

OPERATING MARGIN	
30 April 2021	30 April 2020
<b>22.8%</b>	<b>24.5%</b>

PRE-TAX RETURN ON EQUITY*	
30 April 2021	30 April 2020
<b>16.5%</b>	<b>16.6%</b>

(\* Return on equity is calculated as profit before tax divided by the average of opening and closing net assets.

All results are for the year ended 30 April 2021 and the comparative period

## Summary of Financial Position – Balance Sheet

### SHAREHOLDERS' FUNDS

30 April 2021

**£3,175.4m**

30 April 2020

**£3,101.6m**

### CHANGE / CHANGE %

**+£73.8m**  
(+2.4%)

### CLOSING NET CASH

30 April 2021

**£1,128.2m**

30 April 2020

**£1,138.9m**

### CHANGE / CHANGE %

**-£10.7m**  
(-0.9%)

### CAPITAL EMPLOYED

30 April 2021

**£2,047.2m**

30 April 2020

**£1,962.7m**

### CHANGE / CHANGE %

**+£84.5m**  
(+4.3%)

### NET ASSET VALUE PER SHARE

30 April 2021

**2,612p**

30 April 2020

**2,472p**

### CHANGE / CHANGE %

**+140p**  
(+5.7%)

### TOTAL SHARES IN ISSUE – EXCLUDING TREASURY & EBT SHARES

30 April 2021

**121.6m**

30 April 2020

**125.5m**

### CHANGE / CHANGE %



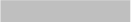



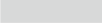
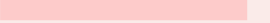
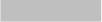



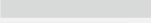
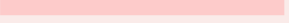

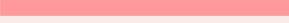


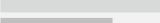
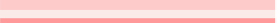


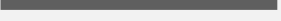





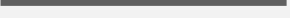

**-3.9m**  
(-3.1%)



## Summary of Financial Position – Forward Sales and Land Holdings

FORWARD SALES		CHANGE / CHANGE %
CASH DUE ON FORWARD SALES		
30 April 2021	30 April 2020	
<b>£1,712.2m</b>	<b>£1,857.7m</b>	<b>-£145.5m</b> (-7.8%)
LAND HOLDINGS		CHANGE / CHANGE %
PLOTS		
30 April 2021	30 April 2020	
<b>63,270</b>	<b>58,413</b>	<b>+4,857</b> (+8.3%)
GROSS MARGIN		CHANGE / CHANGE %
30 April 2021	30 April 2020	
<b>£6,883.6m</b>	<b>£6,417.4m</b>	<b>+£466.2m</b> (+7.3%)

## Homes Completed and Average Selling Price (ASP) – Group

		Homes		ASP
2020/2021	H1	 1,104	H1	 £799k
	H2	 1,721	H2	 £751k
	FY	 <b>2,825</b>	FY	 <b>£770k</b>
2019/2020	H1	 1,389	H1	 £644k
	H2	 1,334	H2	 £711k
	FY	 <b>2,723</b>	FY	 <b>£677k</b>
2018/2019	H1	 2,027	H1	 £740k
	H2	 1,698	H2	 £757k
	FY	 <b>3,678</b>	FY	 <b>£748k</b>
2017/2018	H1	 2,190	H1	 £721k
	H2	 1,488	H2	 £731k
	FY	 <b>3,678</b>	FY	 <b>£725k</b>
2016/2017	H1	 2,058	H1	 £630k
	H2	 1,744	H2	 £713k
	FY	 <b>3,802</b>	FY	 <b>£668k</b>



## Homes Completed and ASP – Joint Ventures (St Edward & St William)

		Homes	ASP	
<b>St Edward &amp; St William</b>	2020/2021	H1	145	£782k
		H2	284	£628k
		FY	<b>429</b>	<b>£680k</b>
	2019/2020	H1	212	£805k
		H2	223	£645k
		FY	<b>435</b>	<b>£723k</b>
2018/2019	H1	57	£863k	
	H2	204	£366k	
	FY	<b>261</b>	<b>£475k</b>	
<b>St Edward</b>	2017/2018	H1	164	£962k
		H2	208	£2,225k
		FY	<b>372</b>	<b>£1,669k</b>
	2016/2017	H1	67	£1,037k
		H2	191	£1,436k
		FY	<b>258</b>	<b>£1,333k</b>

## Income Statement

YEAR ENDED	30 April 2021 £'m		30 April 2020 £'m		CHANGE £'m	CHANGE %
Revenue	2,202.2		1,920.4		+281.8	+14.7%
Gross profit	635.3	28.8%	637.4	33.2%	-2.1	-0.3%
Operating expenses	(133.0)	6.0%	(167.7)	8.7%	+34.7	+20.7%
Operating profit	502.3	22.8%	469.7	24.5%	+32.6	+6.9%
Net finance (costs)/income	(6.6)		0.7		-7.3	
Share of joint ventures	22.4		33.3		-10.9	
Profit before tax	518.1		503.7		+14.4	+2.9%
Tax	(95.4)	18.4%	(93.6)	18.6%	-1.8	
Profit after tax	422.7		410.1		+12.6	+3.1%
EPS - Basic	339.4p		324.9p		+14.5p	+4.5%
Pre-tax ROE	16.5%		16.6%		-0.1%	

**Abridged Cash Flow**

YEAR ENDED	30 April 2021 £'m	30 April 2020 £'m
Profit before tax	518.1	503.7
Increase in inventory	(97.6)	(440.2)
Increase in customer deposits	7.1	97.4
Other working capital movements	13.3	267.7
Net increase in working capital	(77.2)	(75.1)
Net (investment in) / receipts from joint ventures	(19.9)	112.9
Tax paid	(90.1)	(89.8)
Other movements	(7.5)	(7.5)
Cash inflow before share buy-backs and dividends	323.4	444.2
Shareholder returns – share buy-backs	(188.6)	(130.5)
Shareholder returns – dividends	(145.5)	(149.8)
(Decrease) / increase in net cash	(10.7)	163.9
Opening net cash	1,138.9	975.0
Closing net cash	1,128.2	1,138.9

**Abridged Balance Sheet**

AS AT	30 April 2021 £'m	CHANGE £'m	30 APRIL 2020 £'m
Non-current assets			
- Intangible assets	17.2	-	17.2
- Investment in joint ventures	281.7	+19.9	261.8
- Deferred tax assets	40.1	-13.5	53.6
- Right-of-use assets	3.2	+0.7	2.5
- Property, plant and equipment	46.0	-2.5	48.5
Total non-current assets	388.2	+4.6	383.6
Inventories	3,652.5	+97.6	3,554.9
Debtors	83.3	+9.9	73.4
Creditors and provisions	(2,076.8)	-27.6	(2,049.2)
Capital employed	2,047.2	+84.5	1,962.7
Net cash	1,128.2	-10.7	1,138.9
Net assets	3,175.4	+73.8	3,101.6
Net asset value per share	2,612p	+140p	2,472p

**Inventories**

AS AT	30 April 2021 £'m	CHANGE £'m	30 APRIL 2020 £'m
Land not under development	331.4	-188.3	519.7
Work in progress: Land cost	1,134.7	+226.8	907.9
Total land	1,466.1	+38.5	1,427.6
Work in progress: Build cost	2,081.0	+93.2	1,987.8
Completed units	105.4	-34.1	139.5
Total inventories	3,652.5	+97.6	3,554.9

**Creditors**

AS AT	30 April 2021 £'m	CHANGE £'m	30 APRIL 2020 £'m
Trade creditors and accruals	766.7	-8.9	775.6
Provisions for liabilities	128.1	+13.2	114.9
Deposits and on account receipts	790.6	+7.1	783.5
Land creditors	388.2	+15.5	372.7
Lease liabilities	3.2	+0.7	2.5
<b>Total liabilities before borrowings</b>	<b>2,076.8</b>	<b>+27.6</b>	<b>2,049.2</b>
Borrowings	300.0	-200.0	500.0
<b>Total liabilities</b>	<b>2,376.8</b>	<b>-172.4</b>	<b>2,549.2</b>
<b>Land Creditors</b>			
Land creditors < 12 months	57.3	-51.7	109.0
Land creditors > 12 months	330.9	+67.2	263.7
<b>Total</b>	<b>388.2</b>	<b>+15.5</b>	<b>372.7</b>

## Group

- **£750 million** total borrowing facilities
- Fully drawn term loan **£300 million**
- RCF **£450 million** (£200 million drawn to March 2020 repaid in September 2020)
- Maturity **November 2023**

## St William

- **£360 million** RCF
- Maturity **March 2024** with an option to extend by a further year

**£750m**

Group facilities

**£360m**

St William facilities



Handelsbanken





## Land Holdings

AS AT	30 APRIL 2021	CHANGE	30 APRIL 2020
Owned	52,080	+1,522	50,558
Contract	11,190	+3,335	7,855
Plots	63,270	+4,857	58,413
Sales value	£25.5bn	+£1.8bn	£23.7bn
Average selling price (ASP)*	£472k	-£1k	£473k
Average plot cost	£42k	-£3k	£45k
Land cost %	10.5%	-0.5%	11.0%
Gross margin	£6,884m	+£467m	£6,417m
Gross margin %	27.0%	-0.1%	27.1%

(\*) ASP reflects joint venture revenue at 100%

# Rob Perrins

Chief Executive

Woodberry Down, Finsbury

<b>1. BERKELEY'S UNIQUE LONG-TERM OPERATING MODEL</b>	<b>5a. SALES PERFORMANCE AND MARKET</b>
<b>2. LONG-TERM REGENERATION</b>	<b>5b. LAND AND PLANNING</b>
<b>3. STRONG SET OF RESULTS DURING THE PANDEMIC</b>	<b>5c. CONSTRUCTION</b>
<b>4. OUR VISION 2030: TRANSFORMING TOMORROW</b>	<b>6. SITES – DELIVERY AND LAND STATUS</b>
<b>4a. CLIMATE ACTION</b>	<b>7. JOINT VENTURES</b>
<b>4b. NATURE RECOVERY</b>	<b>8. SHAREHOLDER RETURNS - SUPPLUS CAPITAL</b>
<b>5. HOUSING MARKET AND OPERATING ENVIRONMENT</b>	<b>9. GUIDANCE</b>



### Complex Brownfield Land



### Land-led, Value Added

- Focus on transforming large scale brownfield sites into unique, welcoming and sustainable places with a mix of homes and amenities for all
- Prioritise the optimal development solution for all our stakeholders on each site.
- Unlock challenging and complex sites over the long term, through housing market cycles
- Financial strength to execute these highly capital intensive programmes
- Unique planning and development expertise and experience to overcome the complex site issues
- Berkeley is the only UK developer focussed on the regeneration of these brownfield sites at scale



**LARGE SCALE BROWNFIELD REGENERATION SITE**

## Complexities of Brownfield

- Tends to be in built-up areas
- Multiple land ownerships and land assembly challenges
- Sensitive neighbours (existing homes, schools, businesses or railway lines)
- Extensive demolition, land remediation and restoration of historic buildings
- Complex ground conditions (existing foundations and services)
- Larger sites need new infrastructure and enabling works (bridges, stations, new power and utility networks)
- Planning and regulatory process can be more complex, slow and uncertain with a greater number of stakeholders and statutory consultees
- Berkeley can invest up to £200 million in a major brownfield scheme before delivery of the first home

**Before**



**Today / Future**



Regenerating the failing post war 270-acre Ferrier Estate

5,268 mixed-tenure homes

86 acres of biodiverse parkland + open space | natural children's playspace

Wetland habitats, swales and wildflower meadows | 500+ new trees

Kidbrooke Construction Skills Centre | new village centre



**Before**



**Today / Future**



11-acre former warehousing and logistics site

2,350 mixed-tenure homes | 100,000 sqft shops, cafes, restaurants and community space

50% public open space, including 5-acre park | 430 new trees | native planting | public squares

Bridge and pedestrian decks built over the Central Line

Pedestrian access routes created through railway arches

Energy efficient building fabric | community heat and power network



## Long-term Regeneration: The Green Quarter, Southall

### Before



### Today / Future



88-acre former gasworks and Heathrow parking site

3,750 mixed tenure homes adjacent to forthcoming Crossrail station (Elizabeth Line)

42 acres of green open space, including 13 acres of biodiverse parks and wetlands

Community hub | nursery | primary school | health centre | leisure and retail facilities

New road bridge, relief road and connection to A-road network

New footbridge to neighbouring 90 acre Minet Country Park

**Before**



**Today / Future**



22-acre derelict industrial site

3,350 mixed-tenure homes | 200,000sqft flexible working hub  
35% public open space, including waterside piazza and gardens

850m of rejuvenated canal and riverside walkway

Rooftop photovoltaic panels | green and brown roofs | combined heat and power  
rainwater harvesting | sustainable urban drainage systems

## Regeneration at Scale: Sites in the Land Holdings

● **In production**

- 1 250 City Road, Islington
- 2 Beaufort Park, Hendon
- 3 Camden Goods Yard
- 4 Chelsea Creek
- 5 Clarendon, Haringey
- 6 Grand Union Place, Brent
- 7 Green Park Village, Reading
- 8 Hartland Village, Fleet
- 9 Horlicks, Slough
- 10 Kidbrooke Village
- 11 King's Road Park, Fulham
- 12 London Dock, Wapping
- 13 Oval Village
- 14 Poplar
- 15 Prince of Wales Drive, Wandsworth
- 16 Royal Arsenal Riverside, Woolwich
- 17 Silk Park, Barnet
- 18 South Quay Plaza, Docklands
- 19 The Green Quarter, Southall
- 20 TwelveTrees Park, Newham
- 21 West End Gate, Paddington
- 22 White City Living
- 23 Woodberry Down, Finsbury Park

● **Future sites**

- 1 Borough Triangle\*
- 2 Malt Street, Southwark
- 3 Plumstead, West Thamesmead\*
- 4 Sutton\*
- 5 Syon Lane, Brentford
- 6 The Eight Gardens, Watford



\* New sites in the year

Berkeley  
is  
delivering

29

of the largest  
regeneration  
schemes in  
London and  
the South  
East

## Berkeley's Resilient Performance during the Pandemic



### Delivering for our Stakeholders

- Sustained our production throughout the pandemic
- Prioritised the health, safety and wellbeing of our people and our stakeholders
- Financial strength meant we could make the right decisions at the beginning of the pandemic
  - Not furloughing employees
  - Not applying for or drawing on Government loans
- Delivered pre-tax profits over the last two years in line with guidance at the start of the period, set prior to the pandemic
- Maintained our shareholders returns programme at the long-term pre-pandemic level (£281 million per annum)
- Added 10 new sites to land holdings with capacity to deliver 6,650 homes



## Our Vision 2030: Transforming Tomorrow



“ Our vision is to be a world-class business, trusted to transform the most challenging sites into exceptional places and to maximise our positive impact on society, the economy and the natural world ”

## Our Vision 2030: Climate Action



- First climate change policy in 2007
- Reduced direct emissions by 73% between 2016 and 2019, the base year for SBT's
- Included procuring 100% renewable energy
- Carbon neutral direct operations since 2018
- Ambitious science based targets



## Our Vision 2030: Nature Recovery



In December 2020, Cator Park at Kidbrooke Village, Berkeley's flagship net biodiversity gain project in the Royal Borough of Greenwich, was awarded the prestigious **'Sir David Attenborough Award for Enhancing Biodiversity'** and the **'Overall President's Award'** at the Landscape Institute Awards.

- In 2016, Berkeley was the first to commit to measurably increasing biodiversity
- Now have over 40 sites committed to net biodiversity gain
- Creating 480 acres of new or improved natural habitats – roughly the same size as Hyde Park
- Enhancing community health and wellbeing





## Sales Performance

- Berkeley's sales have been resilient and at levels which support the business plan.
- Good demand outside London aided by Government's support (economy and housing market)
- Inside London, Berkeley has been selective in approaching the market given the restrictions in place.
- Enquiries remain strong for Berkeley product.
- Overall, our sales for the year are around 20% lower than 2019/20 levels.
  - Pricing remains firm above business plan levels
  - Sales continue to be split broadly evenly between owner occupiers and investors
- Cash due on forward sales is at £1.71 billion, compared to £1.86 billion at last year end.

**£1.71bn**

cash due on forward sales

### Forward Sales

- Represents cash still due to Berkeley in the next three years, excluding its joint ventures, under exchanged private sales
- It excludes deposits already received (held on the balance sheet) and forward sales to housing associations

## Post Covid Dynamic

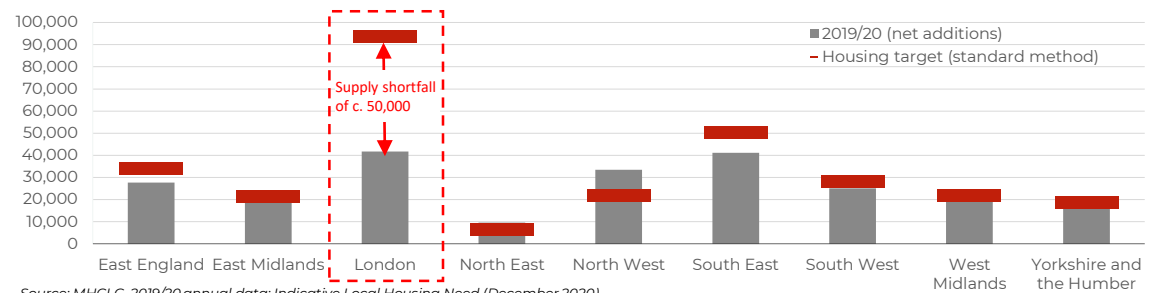
- Significant conjecture and debate around the future of cities and offices.
- Berkeley does not believe this represents a permanent structural shift with capacity to either:
  - Reverse urbanisation; or
  - Detract from the attractions of a global city such as London
- Berkeley's long-term regeneration approach with focus on community, nature, connectivity and overall quality of place will continue to resonate with customers post pandemic
- London and South East are deeply under-supplied markets.
- Our belief in London and our development approach is resolute and we remain committed to our core markets

## Market Fundamentals – London & South East under-supply

### London market

- The 2021 London Plan targets 52,000 homes per annum over next ten years.
- Annual need estimates between 66,000 and over 90,000 annually.
- MHCLG data reporting under 15,000 construction starts in 2020, over 50% lower than 2015 peak volume.
- Molior suggests construction starts in London at around 18,000 per annum, slightly higher than MHCLG’s data.
- Nevertheless, the reported trends and stark magnitude of the undersupply issue are consistent.

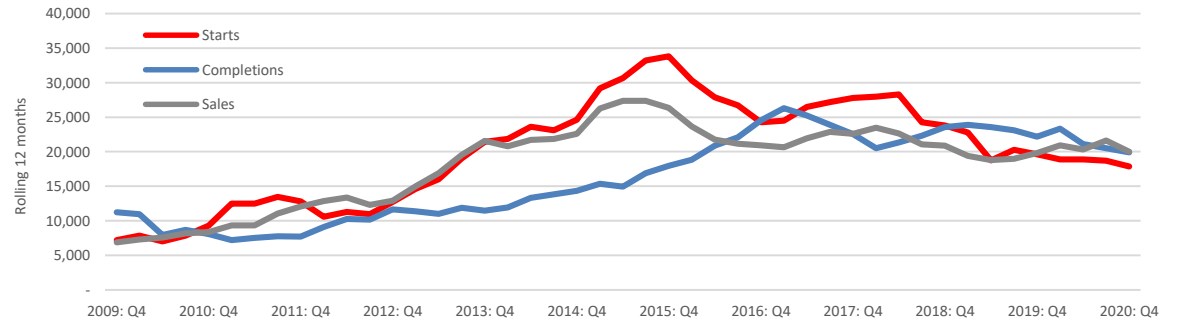
### Regional Housing Needs vs Completions Delivery (including new build and conversions)



## Fundamentals

- Acute **under-supply set to continue in Berkeley’s core markets**
- Mortgage availability is good with a sharp recovery in 90% LTV since Covid-19 (supported by Government stimulus)
- In the current low interest rate environment, affordability is accessible for those with a deposit

### London delivery



## Land

- 10 new developments added to the land holdings (over 6,650 homes).
- Seven sites in London:
  - Unconditional sites at Borough Triangle in Southwark, Sutton and Paddington (adjacent to West End Gate)
  - Conditional site in Plumstead for 1,750 homes
  - Further 3 in St William for 1,600 homes
- Three sites outside London
  - Conditional site in Wallingford, Oxfordshire – a previous long-term option site
  - Unconditional site in Redhill, Surrey
  - Further St William site in Bracknell
- Focus on investing in joint ventures and owned land holdings to bring existing sites forward for delivery including 7,000 plots in the near term pipeline
- Further new land to be added selectively.

## Planning

- Six new planning consents, including four major consents on regeneration schemes:
  - Old Kent Road in Southwark (1,350 homes)
  - Silk Park in Barnet (1,300 homes)
  - Eight Gardens in Watford (1,200 homes)
  - Plumstead (1,750 homes)
- Two new consents outside London:
  - Stratford-Upon-Avon
  - Hildenborough in Kent.
- Planning Reform Bill
  - CIL should be abolished for large sites with Section 106 obligations focused on delivering benefits for the local community
  - Concern that introduction of design codes will not take into account constraints of complex regeneration sites.



**Berkeley Modular Production Facility**

## Construction Activity

- Build cost rises are running at around 4% pa. during 2021 to date
- Rising construction activity is driving demand at a time supply chains are adjusting to
  - UK's exit from the EU, and
  - Covid-19
- Cost increase being driven by materials with labour costs unchanged
- General tightening in material availability with lead times increasing for certain products.
- Berkeley is working with its supply chain to manage supply constraints
- No impacts on production to date and over 11,000 people on our sites, more than before the pandemic
- Mindful of immigration changes and potential effect on future labour availability
- Continued progress at modular production facility with production of our first prototypes targeted for later this year
- Berkeley is supportive of Government's determination to ensure buildings are safe for the people who live in them
- Continue to engage with MHCLG and other stakeholders to identify a stable and comprehensive long-term process to allow the safety of buildings to be assessed upon science and risk assessment.

## Sites - Delivery and Land Status

AS AT 30 APRIL 2021	REGENERATION SITES		OTHER SITES		TOTAL LAND HOLDINGS		LONDON SITES		OUT OF LONDON SITES	
<b>Delivery of Developments:</b>										
In construction	23	78%	41	62%	64	66%	32	70%	32	64%
Not yet in construction – owned	3	11%	13	19%	16	17%	5	11%	11	22%
Not yet in construction – contracted	3	11%	13	19%	16	17%	9	19%	7	14%
Total developments	29	100%	67	100%	96	100%	46	100%	50	100%
Proportion with planning (by sites)	93%		81%		83%		85%		84%	
<b>Land status</b>										
Plots – Owned	40,240		11,840		52,080		39,209		12,871	
Plots – Contracted	5,066		6,124		11,190		7,647		3,543	
Plots – Total	45,306	72%	17,964	28%	63,270	100%	46,856	74%	16,414	26%
Proportion with outline planning (by plots)	96%		74%		89%		91%		85%	

### London / Regeneration Focus

- The 29 long-term regeneration sites account for 72% of the group's future plots
- London sites account for 74% of the Group's future plots

### Low Planning Risk

- 96% of the 45,306 regeneration site plots have a backstop planning position
- 89% of the Group's land holdings have a backstop planning position

### Construction Momentum

- 64 (or 66%) of the Group's sites are in construction
- Of the 16 sites owned but not yet in construction:
  - Ten have a consent which is not yet implementable.
  - Six sites are owned on the balance sheet without planning (low financial risk)

# Strategic Review

## Sites in London

### ● Under construction

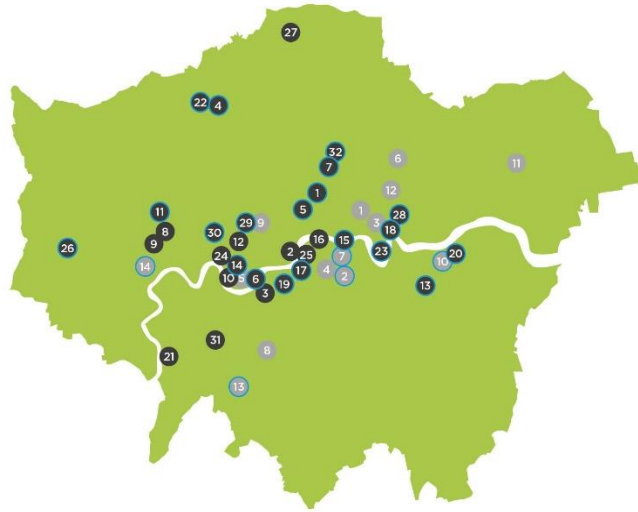
- 1 250 City Road, Islington
- 2 9 Millbank, Westminster
- 3 Battersea Reach
- 4 Beaufort Park, Hendon
- 5 Camden Goods Yard
- 6 Chelsea Creek
- 7 Clarendon, Haringey
- 8 Dickens Yard, Ealing
- 9 Filmworks, Ealing
- 10 Fulham Reach
- 11 Grand Union Place, Brent
- 12 Kensington Row and Royal Warwick Square
- 13 Kidbrooke Village
- 14 King's Road Park, Fulham
- 15 London Dock, Wapping
- 16 One Blackfriars, Southwark
- 17 Oval Village
- 18 Poplar
- 19 Prince of Wales Drive, Wandsworth
- 20 Royal Arsenal Riverside, Woolwich
- 21 Royal Exchange, Kingston
- 22 Silk Park, Barnet
- 23 South Quay Plaza, Docklands
- 24 Sovereign Court, Hammersmith
- 25 The Dumont, Albert Embankment
- 26 The Green Quarter, Southall
- 27 Trent Park, Enfield
- 28 TwelveTrees Park, Newham
- 29 West End Gate, Paddington
- 30 White City Living
- 31 Wimbledon Hill Park
- 32 Woodberry Down, Finsbury Park

### ● Future sites

- 1 Bethnal Green
- 2 Borough Triangle\*
- 3 Bow Common
- 4 Chambers Wharf, Southwark
- 5 Fulham
- 6 Lea Bridge
- 7 Malt Street, Southwark
- 8 Mitcham\*
- 9 Paddington Green\*
- 10 Plumstead, West Thamesmead\*
- 11 Romford\*
- 12 Stratford Gasworks\*
- 13 Sutton\*
- 14 Syon Lane, Brentford

### Key

- Under construction
- Future sites
- Long term regeneration sites



Berkeley  
is  
delivering

46

sites in  
London.

32 of these  
are currently  
in production

\* New sites in the year

## Sites outside of London

● **Under construction**

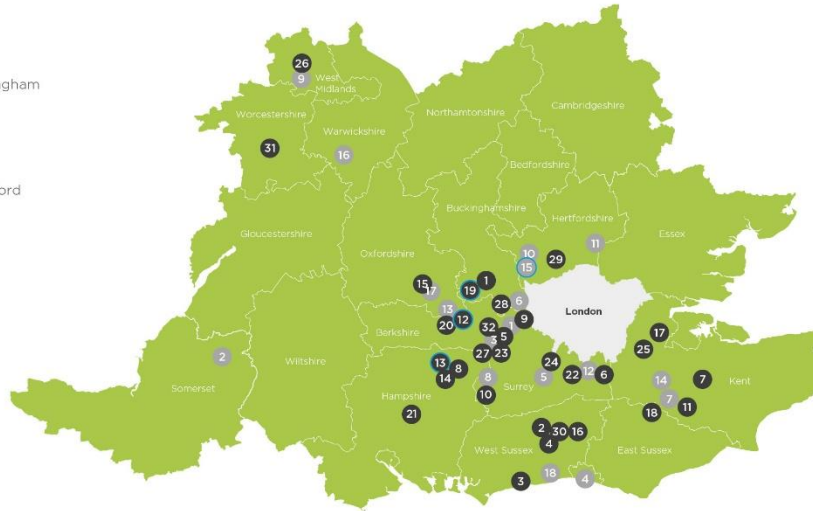
- 1 Abbey Barn Park, High Wycombe
- 2 Barleycroft, Rudgwick
- 3 Bersted Park
- 4 Broadacres, Southwater
- 5 Brompton Gardens, Ascot
- 6 Courtyard Gardens, Oxted
- 7 Cranbrook
- 8 Edenbrook Village, Fleet
- 9 Eden Grove, Staines
- 10 Farnham
- 11 Foal Hurst Green, Paddock Wood
- 12 Green Park Village, Reading
- 13 Hartland Village, Fleet
- 14 Hareshill, Fleet
- 15 Highcroft, Wallingford
- 16 Highwood Village, Horsham
- 17 Holborough Lakes
- 18 Hollyfields, Hawkenbury
- 19 Horlicks, Slough
- 20 Huntley Wharf, Reading
- 21 Knights Quarter, Winchester
- 22 Leighwood Fields, Cranleigh
- 23 Lumina, Camberley
- 24 Princes Chase, Leatherhead
- 25 Quinton Court, Sevenoaks
- 26 Snow Hill Wharf, Birmingham
- 27 Sunningdale Park
- 28 Taplow Riverside
- 29 The Arches, Watford
- 30 The Paperyard, Horsham
- 31 The Waterside, Royal Worcester
- 32 Woodhurst Park, Warfield

● **Future sites**

- 1 Ascot
- 2 Bath
- 3 Bracknell\*
- 4 Brighton Gas Works
- 5 Effingham
- 6 Farnham Royal
- 7 Fidelity, Oakhill House
- 8 Frimley Green
- 9 Glasswater Locks, Birmingham
- 10 Hemel Hempstead
- 11 Hertford
- 12 Hillsbrow, Redhill\*
- 13 Reading
- 14 Sevenoaks
- 15 The Eight Gardens, Watford
- 16 Swan's Landing, Stratford-Upon-Avon
- 17 Wallingford\*
- 18 Worthing Gas Works

**Key**

- Under construction
- Future sites
- Long term regeneration sites



Berkeley  
is  
delivering

**50**

sites outside  
London.

32 of these  
are currently  
in production

\* New sites in the year



**St Edward**  
Millbank

  
**9 MILLBANK**  
WESTMINSTER SW1

**MILLBANK  
RESIDENCES**

**Joint venture**  
with M&G



Land holdings  
of **5,139 homes**  
across six sites

**Five sites** in  
production

**One site** in  
planning  
(with  
resolution)



**St William**  
Poplar Riverside

**Joint venture**  
with National  
Grid  
**nationalgrid**

Land holdings  
of **13,056**  
**homes**

**Poplar** moved  
into  
production in  
the period

Bank  
facilities of  
**£360 million**

## Financial Strength & Visibility

- Balance Sheet

**Net Cash**  
**£1,128m**

**NAVPS**  
**£26.12**

- Unrivalled Land Holdings

**Plots**  
**63,270**

**Gross Margin**  
**£6,884m**

- Near-term Pipeline / Land Holdings Target <sup>A</sup>

**Plots**  
**7,000**

**Gross Margin**  
**£7,500m <sup>A</sup>**

<sup>A</sup> Estimated gross margin to grow to £7.5 billion over the six year period 1 May 2019 to 30 April 2025.

## Surplus Capital

- Berkeley has acquired or identified the land that will meet its 2025 target of £7.5 billion of land holdings gross margin.
- Berkeley anticipates investing around an additional £700 million into the balance sheet over the next three years (reflecting selective new land acquisition, the identified new land and work in progress)
- Visibility to commit to making the first half of the £455 million surplus capital return (£228 million)
- Propose to be combined with the remaining portion of the 2021/22 ongoing return (£222 million) into a £450 million shareholder payment by 30 September 2021 (approximately £3.70 per share).
- Proposed as a B share scheme, followed by a share consolidation, subject to approval by shareholders.
- Next scheduled return will be the £141 million for the six months to 30 September 2022.
- Large part of the second half of the surplus capital return will be allocated to land expenditure.

Proposed, subject to shareholder approval	£'m
2021/22 scheduled shareholder return	281
Already delivered via buy-backs ahead of schedule	(59)
First half of surplus capital (£455 million)	228
B-share capital reduction (September 2021)	450
Payment per share (approximately)	£3.70

## Guidance

### Profit Guidance:

- Berkeley will always prioritise its financial strength ahead of the income statement, when appropriate
- Targeting a 15% cumulative pre-tax ROE for six years ending 30 April 2025
- Equivalent to average annual pre-tax profit of approximately £500 million (£3.0 billion over the six year period)
- For next two financial years expect profits to be at a similar level to 2020/21

### Balance Sheet and Cash Position:

- Berkeley is in an investment phase as it brings forward its portfolio of regeneration sites
- This investment will see a continued rise in work in progress that will absorb the free cash flow generated over the next three years.
- Underpins the anticipated 50% increase in the delivery of new homes by the end of the business plan period in 2024/25 (around 4,000 homes delivered in 2018/19, including joint ventures).

### Land Holdings:

- Near-term pipeline of 7,000 plots expected to come into the land holdings over the business plan period.
- Further new sites to be added selectively.
- Estimated future gross margin to grow to £7.5 billion over the six year period from 1 May 2019 to 30 April 2025.

### Ongoing Shareholder Returns:

- Annual shareholder returns of £281 million re-affirmed to September 2025, via dividends or buy-backs.
- Currently equivalent to £2.31 per share. Following the proposed reduction in capital in September 2021 it will be approximately £2.50 per share.
- £59 million towards 2021/22 return (12 months to 31 March 2022) already made. Remaining £222 million to be returned ahead of schedule as part of a £450 million shareholder payment in September 2021.
- Next scheduled shareholder return to be the £141 million in respect of the six months ending 30 September 2022.



# Appendix



**Leighwood Fields Show Home, Cranleigh**

## Berkeley's Track Record – through market cycles

AS AT	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Units (excl. JV's)	2,825	2,723	3,698	3,678	3,802	3,776	3,355	3,742	3,712	3,565	2,544	2,201	1,501	3,167	2,852	3,001
Ave. Selling Price	£770k	£677k	£748k	£725k	£668k	£515k	£575k	£423k	£354k	£280k	£271k	£263k	£395k	£295k	£291k	£293k
Revenue (€m)	2,202	1,920	2,957	2,841	2,627	2,048	2,120	1,621	1,373	1,041	743	615	702	992	918	918
<b>Profit before tax</b>	<b>518</b>	<b>504</b>	<b>775</b>	<b>977</b>	<b>793</b>	<b>480<sup>A</sup></b>	<b>455<sup>A</sup></b>	<b>380</b>	<b>271</b>	<b>215</b>	<b>136</b>	<b>110</b>	<b>120</b>	<b>194</b>	<b>188</b>	<b>165</b>
Operating margin	22.8%	24.5%	26.0%	28.8%	28.1%	22.6%	21.7%	23.1%	20.4%	18.8%	18.3%	17.3%	17.8%	20.8%	19.5%	17.5%
Capital employed	2,047	1,963	1,988	1,904	1,789	1,705	1,207	1,312	1,278	1,158	892	545	516	686	701	617
Net cash / (debt)	1,128	1,139	975	687	286	107	431	129	45	(58)	42	317	285	(5)	81	221
<b>Net assets</b>	<b>3,175</b>	<b>3,102</b>	<b>2,963</b>	<b>2,591</b>	<b>2,075</b>	<b>1,813</b>	<b>1,638</b>	<b>1,441</b>	<b>1,322</b>	<b>1,100</b>	<b>934</b>	<b>862</b>	<b>801</b>	<b>681</b>	<b>782</b>	<b>837</b>
ROCE <sup>B</sup>	26.2%	25.5%	39.9%	53.1%	46.4%	37.0%	43.9%	24.1%	22.9%	21.9%	19.2%	20.1%	20.6%	29.3%	28.1%	24.0%
Pre-tax ROE <sup>C</sup>	16.5%	16.6%	27.9%	41.9%	41.3%	30.8%	35.1%	27.5%	22.4%	21.2%	15.3%	13.3%	16.2%	26.6%	23.2%	22.6%

### Financial Strength Creates Opportunity and Resilience

- Coming out of the GFC, Berkeley's financial strength enabled it to acquire a portfolio of prime central London sites.
- These were brought forward in a favourable planning environment and forward sold in strong markets.
- ASP and profits have risen in recent years as these developments have been delivered. However, during this period the land holdings have been transitioning towards the long-term regeneration sites.
- Berkeley's unique operating model and financial strength has meant it has delivered pre-tax profits in 2021 and 2020 in line with guidance at the start of the two year period, set before the pandemic.

A Excludes £51m and £85m respectively, of profit on ground rent asset disposals.

B ROCE : profit before interest and tax divided by average capital employed.

C Pre-tax ROE : profit before tax divided by average net assets.

## Berkeley's Awards and Accreditations



For the fifth consecutive year, **every Berkeley Group operating company** has achieved both an '**Outstanding Achievement Award**' and a '**Gold Award**' following an independent benchmarking assessment by customer satisfaction experts at In-house Research.



In September 2020, The Royal Society for the Prevention of Accidents (RoSPA) presented Berkeley Group with the prestigious **Diamond Award** in recognition for an "**outstanding corporate contribution to raising safety standards** across the residential building sector".



CLIMATE

In February 2021, Berkeley was awarded a place on **CDP's prestigious Climate Change 'A List'**, which recognises global companies "**leading the way to a more sustainable future**". Berkeley is the only UK homebuilder to be awarded an A rating for Climate Action and Transparency, which is the highest score possible.



In December 2020, Berkeley Group was named **Sustainable Housebuilder of the Year** for the second consecutive year at the Housebuilder Awards 2020.



For the last five years Berkeley has held a **rating of AAA** (on a scale of AAA-CCC) in the MSCI ESG Ratings global assessment



In December 2020, Cator Park at Kidbrooke Village, Berkeley's flagship net biodiversity gain project in the Royal Borough of Greenwich, was awarded the prestigious '**Sir David Attenborough Award for Enhancing Biodiversity**' and the '**Overall President's Award**' at the Landscape Institute Awards.