PRESS RELEASE **19 JUNE 2024**

YEAR END RESULTS ANNOUNCEMENT

STRONG PERFORMANCE IN CONTINUED CHALLENGING OPERATING CONDITIONS AND READY TO INCREASE INVESTMENT ONCE THE CONDITIONS FOR GROWTH ARE RE-ESTABLISHED

£283 MILLION ANNUAL SHAREHOLDER RETURN TO BE COMPLETED BY 33 PENCE PER SHARE ORDINARY DIVIDEND IN JULY AND 174 PENCE PER SHARE SPECIAL DIVIDEND TO BE PAID IN SEPTEMBER AND ACCOMPANIED BY A SHARE CONSOLIDATION

FY25 GUIDANCE INCREASED BY 5% TO £525 MILLION

87% OF HOMES DELIVERED BY BERKELEY IN FY24 WERE ON BROWNFIELD LAND WITH SOME £370 MILLION INVESTMENT IN SOCIO-ECONOMIC BENEFITS

BERKELEY IS ESTABLISHING ITS OWN BUILD TO RENT PLATFORM, ALONGSIDE ITS CORE TRADING BUSINESS, ADOPTING A STRATEGIC APPROACH TO MAXIMISING RETURNS FROM ITS LONG-TERM REGENERATION SITES

The Berkeley Group Holdings plc ("Berkeley") today announces its audited results for the year ended 30 April 2024.

Rob Perrins, Chief Executive, said:

"Berkeley has delivered pre-tax profits of £557 million in line with the guidance provided at the start of the year and increased its net cash position to over £500 million. This is a strong performance in a challenging and volatile operating environment, demonstrating the resilience of Berkeley's business model with its focus on the country's most undersupplied markets.

We continue to see good levels of enquiry for well-located homes built to a high standard of design and quality but recognise that the current lack of urgency in the market is likely to remain until the long-anticipated reduction in interest rates commences. Berkeley continues to benefit from a strong order book and has already secured 80% of its sales for next year, underpinning today's 5% increase in guidance for FY25's pre-tax profit to £525 million, with guidance for FY26 re-affirmed at £450 million.

In the year, we have delivered 3,500 new private and affordable homes, of which 87% are on regenerated brownfield land, and provided over £370 million in subsidies to deliver affordable housing and commitments to wider community and infrastructure benefits.

Recognising the strong occupational and institutional investment demand for high quality, well-managed rental homes in London and the South East, Berkeley is establishing its own Build to Rent ("BTR") platform to maximise returns in today's market conditions.

Berkeley has identified some 4,000 homes across 17 of its sustainable and well-connected brownfield regeneration sites as an initial portfolio for this platform.

Developed over the next ten years, and broadly representing a 10% increase in delivery, the portfolio will be financed by a combination of internally generated funds (over and above annual scheduled shareholder returns), debt secured against rental properties once income generating, and the introduction of third-party capital at the appropriate time, thereby fully supporting Berkeley's long-term corporate 15% pre-tax ROE target.

Berkeley's passion and purpose is to build quality homes, strengthen communities and make a positive difference to people's lives. We stand out as the only large-scale UK homebuilder focussed on brownfield regeneration, which is a vital driver for growth and a powerful force for good in our towns and cities.

We are heartened by the strong political consensus behind increasing the delivery of new homes across the country and the recognition that regenerating brownfield land is the most sustainable and popular way to deliver this vital goal. The next step is to ensure that brownfield sites can come forward at real scale and pace.

For this to happen, planning policy and public funding needs to prioritise the provision of affordable homes over the other significant financial demands placed upon the development industry through the planning, taxation and regulatory regimes. The industry has absorbed many regulatory changes over recent years and, while all well-intended, when taken together they have stifled investment, housing delivery and growth. In terms of corporation tax alone, the industry's rate has increased by 10% (from 19% to 29%) over the last two years, including the 4% RPDT.

We are supportive of the initiatives being discussed to provide customers with greater access to higher loan to value mortgages and to reduce stamp duty. We believe that all surcharges on stamp duty should be removed as, ultimately, these constrain supply.

I would like to thank all of Berkeley's people for their hard work, resilience and steadfast focus on our customers and communities to achieve the best possible outcomes for all stakeholders in this exceptionally challenging environment."

SUMMARY OF FINANCIAL POSITION, EARNINGS AND SHAREHOLDER RETURNS

Financial Position	As at 30-Apr-24	As at 30-Apr-23	Change absolute
Net cash	£532m	£410m	+£122m
Net asset value per share [(1)]	£33.63	£31.01	+£2.62
Cash due on forward sales [(1)]	£1,701m	£2,136m	-£435m
Land holdings - future gross margin [(1)]	£6,929m	£7,629m	-£700m
Pipeline sites / (plots (approx.))	13 (13,500)	14 (14,000)	-1 (-500)

Earnings	FY to 30-Apr-24	FY to 30-Apr-23	Change %
Operating margin	19.5%	20.3%	N/a
Profit before tax	£557.3m	£604.0m	-7.7%
Earnings per share – basic	373.9p	426.8p	-12.4%
Pre-tax return on equity [(1)]	16.2%	18.7%	N/a

Shareholder Returns	FY to 30-Apr-24	FY to 30-Apr-23
Share buy-backs undertaken	£72.3m	£155.4m
Dividends paid	£98.1m	£98.5m
Shareholder returns	£170.4m	£253.9m
Share buy-backs – volume	1.8m	4.0m
Average price paid for share buy-backs	£39.62	£38.25
Dividends per share	£0.92	£0.91

[(1)] See Note 8 of the Condensed Consolidated Financial Information for a reconciliation of alternative performance measures

- The value of net reservations has been consistent through the year at levels around one third lower than the prior year, reflecting the ongoing elevated political and macro volatility.
- Sales pricing is firm and above business plan levels, with build cost inflation across most trades at negligible levels.
- Operating margin is stable at 19.5%, with net operating costs reduced by £14 million to £165 million.
- Net cash increased to £532 million, with £1.2 billion of borrowing capacity providing total liquidity of £1.7 billion.

- Net asset value per share has increased to £33.63 and reflects historic cost.
- Pre-tax earnings guidance met for FY24 and increased by 5% for FY25 to £525 million, with FY26 unchanged. Berkeley is therefore targeting to deliver at least £975 million of pre-tax profit in the next two years combined.
- On target to deliver £283 million (£2.67 per share) of Shareholder Returns by 30 September 2024.
- Unrivalled land holdings with £6.9 billion of future gross margin – two sites added in the period, including one transfer from the pipeline.

CAPITAL ALLOCATION

- Underpinned by balance sheet strength, our capital allocation policy provides the flexibility to pursue attractive opportunities as market conditions evolve, as demonstrated by intention to establish our own BTR platform.
- No change to previously announced annual scheduled shareholder returns programme.
- We remain ready to invest in new opportunities once the conditions for growth are re-established.

DELIVERING FOR ALL STAKEHOLDERS

- 3,521 homes delivered, plus 406 in joint ventures (2023: 4,043, plus 594), 87% of which are on regenerated brownfield land.
- Approximately £370 million of subsidies provided to deliver affordable housing and committed to wider community and infrastructure benefits in the year.
- Berkeley is delivering some 10% of London's new private and affordable homes – supporting an average of approximately 26,000 UK jobs per annum directly and indirectly through its supply chain over the last five years.
- Industry leading Net Promoter Score (+80.2) and customer satisfaction ratings maintained.
- Since 2017/18 all new planning applications have committed to biodiversity net gain ahead of it becoming mandatory in February 2024. In total 56 developments are now committed, which together will create more than 580 acres of new or measurably improved natural habitats.
- Awarded a place on CDP's "A List" for climate transparency and performance. 48 embodied carbon studies completed as we progress our Climate Action programme. Awarded CDP's Supplier Engagement Award for our work with our supply chain to reduce carbon impacts.
- Gold membership of The 5% Club, with 9.5% of direct employees in 'earn and learn' positions as graduates, apprentices or sponsored students within the year.

Investor and Analyst Presentation:

A pre-recorded presentation by the Directors of Berkeley on the results will be made available on the Company's website at 11:00 today - https://www.berkeleygroup.co.uk/investors/results-and-announcements.

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CHIEF EXECUTIVE'S REVIEW

Purpose, Long-term Strategy and Capital Allocation

Berkeley's purpose is to build quality homes, strengthen communities and make a positive difference to people's lives, using our sustained commercial success to make valuable and enduring contributions to society, the economy and natural world.

We are the only large UK homebuilder to prioritise brownfield land, as we progress 32 of the country's most complex regeneration projects, 27 of which are in delivery. Each of these neighbourhoods is uniquely designed in partnership with local councils and communities and includes valuable public amenities alongside tenure-blind private and affordable homes.

Berkeley is a unique asset-focussed development business that seeks to manage risk and generate value through market cycles, with its inherent latent value rooted in its unrivalled land holdings. The pace at which we deliver homes from our land holdings is determined by the prevailing operating environment and we will always adopt a long-term approach, prioritising financial strength above annual profit targets.

We seek to find the optimum development solution for each site in terms of the social, environmental and economic value for all stakeholders, and the returns we deliver to our shareholders. We firmly believe these objectives are mutually compatible and reinforcing. Examples include Grand Union where our St George team is working in partnership with the London Borough of Brent to transform a derelict 22-acre industrial estate into a popular and productive part of Alperton with private and affordable homes, 10 acres of public open space, a community centre, shops, cafes, offices and an innovative multi-storey industrial workspace. And at Poplar Riverside our Berkeley Capital team is partnering with the London Borough of Tower Hamlets to turn a disused 20-acre gasworks into a sustainable riverside neighbourhood with private and affordable homes, parks, play-space, a secondary school, shops, cafes and flexible commercial and leisure space.

Our capital allocation policy is clear: first, ensure financial strength reflects the cyclical nature and complexity of brownfield development and is appropriate for the prevailing operating environment; second, invest in the business (land and work-in-progress) at the right time; and third, make returns to shareholders through dividends and share buy-backs.

Planning and Regulatory Environment

The operating environment has become increasingly uncertain over recent years as a high number of well-intended regulatory and policy changes came into effect. This contributed to a marked decrease in private and affordable homebuilding activity, with SME developers and housing associations particularly impacted.

This significant decline in housing delivery has been acknowledged by policymakers at all levels and triggered a renewed focus on addressing barriers within the regulatory and planning system. This positive response has carried through to the General Election campaign and we are greatly encouraged by the tone and substance of manifesto commitments in support of homebuilding and urban regeneration.

Berkeley continues to work alongside industry partners, including other leading urban regeneration specialists and housing associations, to make the case for a stable and efficient regulatory environment which enables all parts of the market to invest with confidence.

Our core asks for the next Government include:

- refraining from a further round of major reforms in favour of a focussed effort to resolve a number of relatively small operational challenges within the planning and regulatory system to make it faster and more predictable;
- greater resources for severely overstretched local authorities and statutory bodies so they can operate the system more effectively;
- stronger policy support for well-designed, high density neighbourhoods on sustainable brownfield sites close to transport and employment hubs;
- replacing fixed CIL tariffs (which fund off-site infrastructure) with locally negotiated S106 agreements which prioritise on-site affordable housing and public amenities;
- refinancing under pressure housing associations so they can get back into the market and perform their key role in driving housing delivery; and
- simplify the complex Government grant funding regimes so they can become faster and more flexible.

Strategy Positioning and Establishment of Rental Fund

Core Business Strategy

In December, Berkeley set out a medium-term plan to respond to the extended period of volatility in the housing market, that began with the sharp increase in interest rates in September 2022, which also reflects the wider challenges presented by the planning and regulatory environment. Despite this challenging backdrop, Berkeley's long-term business model continues to be resilient with good forward visibility:

Near-term (FY25 and FY26)

- Having met its guidance for FY24, Berkeley is targeting at least £975 million of pre-tax profit across the next two years with the guidance for FY25 increased by 5% to £525 million.
- Operating margins are expected to be within the long-term historical range (17.5% to 19%) following a 7.7% reduction in operating costs in FY24 and targeting no increase in FY25.
- While the sales market remains subdued, cash due on private forward sales remains strong at £1.7 billion but will continue to moderate until transaction volumes recover. Consequently, Berkeley will carry higher completed stock levels than in recent years over this period.
- Berkeley will continue to review the development solution on all its sites to achieve the optimum outcome for all stakeholders, including accommodating our best current assessment of the impact of evolving regulations, such as the requirements surrounding second staircases in buildings over 18 metres.
- In the absence of material new land investment, the land holdings future gross margin will be targeted at around £6 billion at the end of this period.
- Pre-tax ROE will be above 15% for the period as a whole but is likely to fall slightly below this for FY26.

Medium-term (FY27, FY28 and FY29)

- Until the planning and regulatory environments unlock, alongside an inflection in the sales market, pre-tax profitability is anticipated to remain around the level to be delivered in FY26.
- The focus will be on maintaining operating margin through our added-value approach to each site's development solution and ensuring our operating costs are aligned to the size of the business.

Capital allocation flexibility

- We are on track to continue with the current shareholder returns programme into the future but remain agile and are ready to switch our capital allocation emphasis to invest in value accretive opportunities should these present themselves.
- Berkeley's position has always been that, if it cannot deploy capital to deliver appropriate risk-adjusted returns, it will return surplus capital to shareholders. With the creation of the BTR platform, the surplus capital that we indicated in December would be available to make additional returns from 2027, should no new investment opportunities arise, will now be allocated to the development of the rental portfolio.
- Berkeley sees this as an attractive opportunity to accelerate delivery of its existing assets by building a best-in-class London and South-East focused BTR residential portfolio and platform that will enable us to maximise value on our brownfield regeneration sites from this growing market segment to the benefit of both society and shareholders.

Establishment of Berkeley Build to Rent ("BTR") Platform

Recognising the severe shortage of high-quality rental accommodation, Berkeley is today announcing a natural extension of its strategy that will see the establishment of its own BTR platform, which will be developed over the next ten years, comprising some 4,000 new homes across 17 of the Group's well-connected, nature-rich, low-carbon brownfield urban regeneration developments.

This will represent additional delivery of around 10% of much needed new homes, when compared to the plan set out in December with the Company's interim results, along with the acceleration of place-making and affordable homes on these sites.

There is strong, unsatisfied demand for quality residential rental property built at scale in and around London, the country's most under-supplied market, from institutional capital which is attracted to its inflation-correlated attributes. Having sold over 1,000 homes across five sites in the last three years to institutional investors on a forward commitment basis, we now believe that adopting a more strategic route to this market will drive best value for these assets by creating a portfolio of scale, professionally managed, with proven income levels stabilised prior to disposal.

With strong demand and a systemic under-supply of high-quality homes to rent in and around London, upward pressure on rents is forecast to remain. We will be locking in build costs early in the investment cycle and with yields linked to long-term interest rates, there is strong potential to drive value accretion over the next ten years, as well as incremental income while the properties in the portfolio remain owned by Berkeley.

Drawing on our experience in 2011-2014 when we developed and managed a portfolio of 900 homes, and utilising our ongoing site presence, we will create our own operating and management platform to provide tenants with the high levels of customer service experienced by our purchasers.

The establishment of the portfolio will be financed by a combination of internally generated funds (over and above annual scheduled shareholder returns), debt secured against rental properties once income generating, and the introduction of third-party capital at the appropriate time, thereby enhancing the efficiency of Berkeley's balance sheet and fully supporting the long-term 15% pre-tax ROE target. It will not inhibit new land investment in the core business when appropriate opportunities arise.

The platform being established is flexible, ensuring Berkeley is able to dispose of the properties individually or in stand-alone blocks at any time should this become the more compelling exit route for any reason over the course of the next ten years.

Shareholder Returns

The current shareholder returns framework is based upon an annual return of £283 million through to September 2025 (as the shareholder returns year runs from 1 October to 30 September each year), which can be made through either dividends or share buy-backs, subject to a dividend underpin of 66 pence per share (approximately £70 million).

Shareholder returns during the financial year totalled £170.4 million:

Shareholder Returns for the year ending 30 April:	**2024** £'m	**2023** £'m
Dividends paid	98.1	98.5
Share buy-backs undertaken	72.3	155.4
Shareholder return in the financial year	170.4	253.9

Dividends paid during the financial year of £98.1 million comprised:

- A £63.1 million dividend in September 2023 (59.30 pence per share) which completed the return of £283 million for the year ended 30 September 2023; and
- A £35.0 million dividend in March 2024 (33.00 pence per share) representing half of the dividend underpin in respect of the scheduled return of £283 million for the year ending 30 September 2024.

The total amount returned via share buy-backs in the financial year was £72.3 million across 1.8 million shares at an average price of £39.62 per share.

This includes £29.2 million in respect of the year annual return to 30 September 2024. When combined with the £35.0 million dividend paid in March, there is currently £218.9 million still due for return by 30 September 2024. This will be completed by:

- A further £34.9 million (33.00 pence per share) interim dividend to be paid on 26 July 2024 to shareholders on the Company's register of members at close of business on 27 June 2024. The ex-dividend date is 28 June 2024; and

- A special dividend of £184.0 million (174 pence per share) to be paid in September 2024 accompanied by a share consolidation, subject to approval by shareholders at the September AGM.

Any further share buy-backs undertaken in the intervening period will therefore count towards the £283 million return for the year to 30 September 2025, which currently equates to £2.67 per share and compares to the initial £2.00 per share initiated in 2016.

Housing Market and Operations

Sales

Throughout the year, the value of underlying private reservations has been consistently around a third lower than FY23, reflecting the ongoing macroeconomic and geopolitical uncertainty and, in particular, the prolonged period of elevated interest rates. Sales prices have been largely stable across our sites and above business plan levels, with cancellation levels in the normal range.

Our core markets are underpinned by the systemic under-supply of new homes, the related strong rental growth of recent years and a supportive mortgage market. Enquiry levels remain robust, with the slow-moving nature of the second-hand market impacting transaction timescales for sale-dependent owner-occupiers. We anticipate sales reservations will remain around current levels until we see the first reduction in interest rates and customers have confidence in the trajectory for rates and the wider economy.

We continue to benefit from a strong order book. Cash due on exchanged private forward sales stands at £1.70 billion, down from £2.14 billion at the start of the year, with 80% of private sales for FY25 already secured. This level will moderate over the course of the coming year while the prevailing sales rates continue. Equally, and as anticipated, Berkeley's completed stock has increased in this environment, providing readily available homes for those currently in the zone to move and for when the market conditions normalise.

Positively, inflation is now abating, and the market expectation is for measured interest rate reductions over the near term against a backdrop of full employment levels and resilient wage growth which has improved affordability in real terms. Nonetheless, Berkeley is mindful of the ongoing uncertainty on a number of macro fronts which weighs on market sentiment. Berkeley is therefore positioned for sales rates to remain subdued for the near-term but is alert to the prospect of these responding decisively to evolving market conditions.

More fundamentally, Berkeley's core markets in London and the South East are under-supplied. Focussing on the capital, the latest DLUHC data is new-build starts for the 12 months to December 2023 of just under 17,000 (including private, PRS and affordable homes) below both the current London Plan target of 52,000 per annum and Government's identified local housing need of 94,000 per annum.

Land and planning

Following extended planning processes and timescales, Berkeley has secured five new consents during the year:

- 199 homes in Spring Hill, Maidenhead;
- 470 homes in Guildford, Surrey (St Edward);
- 550 homes adjacent to West End Gate, Marylebone;
- 970 homes in Chalk Gardens, Sutton; and
- 2,150 homes at Syon Lane, Brentford (St Edward).

The sites in Maidenhead and Guildford have been added to the land holdings during the year, with the former a strategic land site and the latter transferred from the pipeline. While consent was secured in December 2023 for the large-scale regeneration development in Brentford, the site will remain in the pipeline while

Berkeley re-plans the development to reflect building regulation changes, notably to accommodate second staircases, that have arisen since the application was called-in by central Government in late 2021. In addition, Berkeley has obtained some 30 amendments to planning consents on existing sites.

At 30 April 2024, Berkeley's land holdings comprise 54,081 plots across 70 developments (30 April 2023: 58,045 plots across 73 developments), including those in the St Edward joint venture.

The plots in the land holdings have an estimated future gross profit of £6.93 billion (30 April 2023: £7.63 billion), which includes the Group's 50% share of the anticipated profit on St Edward's joint venture developments. The net reduction in future gross profit of £0.70 billion principally arises through the gross profit taken through the Income Statement, with the two new sites added partly mitigating the impact of market movements and regulatory changes on the anticipated future gross profit in the land holdings. Consequently, the estimated future gross margin is 25.1% (30 April 2023: 26.2%).

The estimated future gross margin represents Management's risk-adjusted assessment of the potential gross profit for each site, taking account of a wide range of factors, including current sales and input prices; the political and economic backdrop; the planning regime; and other market forces; all of which could have a significant effect on the eventual outcome.

The pipeline comprises approximately 13,500 plots across 13 sites at 30 April 2024 (30 April 2023: 14,000 plots on 14 sites) following the transfer of the Guildford site to the land holdings.

Construction

For Berkeley, build cost inflation in today's market is at negligible levels apart from some isolated trades where demand is high, reflecting a combination of reduced energy prices, the reversal of the very high materials inflation of recent years and reduction in new homes starts and construction output more broadly. For the early trades and those most impacted by the decline in orders we are already seeing some reductions in current tender pricing. We expect these market-led dynamics to continue placing downward pressure on build costs, but this will continue to be balanced by the costs associated with ongoing regulatory change. These include the impacts of evolving building regulations, the introduction of the new building safety regime and the requirements for second staircases in buildings above 18 metres.

We continue to work with and support our established supply chain partners to ensure sustainability of the supply chain and delivery on our development sites as the market continues to adjust to these changing dynamics.

CMA investigation

Berkeley notes the outcome of the Competition and Markets Authority ("CMA") market study into house-building, which concluded on 26 February 2024 with the CMA's decision not to launch a market investigation at this time. As one of the eight large housebuilders covered by the CMA's subsequent investigation into possible anti-competitive sharing of information in the housebuilding industry, we continue to cooperate with the CMA and their enquiries.

Self-Remediation Terms and Contract

On 13 March 2023 Berkeley entered into the Self-Remediation Terms and Contract with DLUHC, under which developers have responsibility for any life critical fire safety defects in buildings they have developed in the 30 year period to April 2022.

For the 820 relevant buildings Berkeley has developed over this period, we have third party assessments on over 95%. All of the remaining buildings are where Berkeley is not the freeholder and has not yet been provided access. There are 40 buildings where works are still to be completed, 12 of which are buildings where Berkeley is reimbursing Government for the works under the Developer Remediation contract. Where works are required and yet to commence, Berkeley intends to begin works as soon as reasonably possible, subject to access being provided by the freeholder.

It is Berkeley's preference to take full responsibility for all its relevant buildings and to complete any required works itself as this will speed up the overall process of remediation. We are seeking recoveries from the supply chain and insurers where appropriate.

Looking forward, Berkeley is ensuring its procedures are compliant with new legislation and is working closely with the new Building Safety Regulator which, together with the actions taken to date, should restore trust and confidence to the housing market, enabling it to operate efficiently, effectively and fairly for all.

Outlook

The last 12 months has seen a continuation of the volatile and uncertain operating environment for Berkeley. However, while interest rates have stayed at elevated levels for longer than the market had anticipated, there are signs that the outlook is improving with inflation greatly reduced, the first interest rate cut expected later this year and a return to growth.

Housing is a central issue in the upcoming General Election and we are optimistic that the next Government will prioritise increasing housing supply of all tenures to deliver the homes the country badly needs where they are needed most. This is not straight-forward due to the multiple demands on development and the impact of policy and regulatory changes of recent years. However, we look forward to working with all levels of Government to unlock development on brownfield sites which have a vital role to play in tackling the housing crisis and re-energising our towns and cities to meet the challenges of tomorrow.

Berkeley enters the coming year in a robust position with over £0.5 billion of net cash, £1.7 billion of cash due on exchanged private sales and £6.9 billion of future gross margin in our land holdings.

We have in place a clear strategy for capital allocation, maintaining our previously announced scheduled annual shareholder returns programme and investing surplus capital to increase delivery by around 10% to develop our own BTR platform to deliver much needed quality homes for the rental market on our well-connected, nature-rich regeneration sites.

Our focus for the next twelve months is to find the best development solution for each of our sites, adding value to maintain operating margins in the long-term historic range of 17.5% to 19.5%. The challenge in the near-term is maintaining pre-tax return on equity above our 15% hurdle rate given the subdued sales market and the time required to achieve satisfactory planning consents in the current planning and regulatory environment.

We are delighted that over the last year our advocacy has helped the development of brownfield land to be recognised as the most sustainable way of solving the UK's housing crisis, and we will continue to fulfil our purpose and transform the most challenging sites into exceptional places with a real sense of community, yielding a long-term positive impact for society, the UK economy and natural world.

Rob Perrins
Chief Executive

THE BERKELEY GROUP HOLDINGS PLC

RESULTS FOR THE YEAR ENDED 30 APRIL 2024

TRADING AND FINANCIAL REVIEW

Trading performance

Berkeley has delivered pre-tax profits of £557.3 million for the year:

Year ended 30 April	2024 £'m	2023 £'m	Change £'m	Change %
Revenue	2,464.3	2,550.2	-85.9	-3.4%
Gross profit	644.5	696.8	-52.3	-7.5%
Operating expenses	(164.8)	(178.5)	+13.7	-7.7%
Operating profit	479.7	518.3	-38.6	-7.4%
Net finance income / (costs)	12.0	(10.6)	+22.6	
Share of joint ventures	65.6	96.3	-30.7	
Profit before tax	557.3	604.0	-46.7	-7.7%
Pre-tax return on equity	16.2%	18.7%	-2.5%	
Earnings per share – basic	373.9p	426.8p	-52.9p	-12.4%

Revenue of £2,464.3 million in the year (2023: £2,550.2 million) arose primarily from the sale of new homes in London and the South East. This included £2,395.7 million of residential revenue (2023: £2,508.3 million), £21.4 million of land sales (2023: £nil) and £47.2 million of commercial revenue (2023: £41.9 million).

3,521 new homes (2023: 4,043) were sold across London and the South East at an average selling price of £664,000 (2023: £608,000) reflecting the mix of properties sold in the year.

The gross margin percentage is 26.2% (2023: 27.3%), reflecting the mix of developments on which homes were completed in the year. Overheads of £164.8 million (2023: £178.5 million) have decreased by £13.7 million (7.7%). The operating margin is 19.5% (2023: 20.3%).

Berkeley's share of the results of joint ventures is a profit of £65.6 million (2023: £96.3 million), with St Edward's profits arising predominately from completions at Royal Warwick Square and Millbank.

The cost of borrowings, amortisation of associated fees and imputed non-cash interest on land creditors is outweighed by interest earned from gross cash holdings, resulting in net finance income of £12.0 million for the year (2023: net finance cost of £10.6 million).

The taxation charge for the year is £159.7 million (2023: £138.3 million) at an effective tax rate of 28.7% (2023: 22.9%), which incorporates the additional 4% RPDT and Corporation Tax of 25%, following the increase from 19% from April 2023.

Pre-tax return on equity for the year is 16.2% (2023: 18.7%).

Basic earnings per share has decreased by 12.4% from 426.8 pence to 373.9 pence, which takes account of the buy-back of 1.8 million shares at a cost of £72.3 million under the Shareholder Returns Programme.

Financial Position

The Group's net assets increased by £228.2 million during the year to £3,560.5 million (2023: £3,332.3 million):

Summarised Balance Sheet as at 30 April	**2024** **£'m**	**2023** **£'m**	**Change** **£'m**
Non-current assets	393.4	394.9	-1.5
Inventories	5,283.9	5,302.1	-18.2
Debtors	127.0	92.3	+34.7
Creditors	(2,775.8)	(2,867.4)	+91.6
Capital employed	3,028.5	2,921.9	+106.6
Net cash	532.0	410.4	+121.6
Net assets	3,560.5	3,332.3	+228.2
Shares, net of treasury and EBT	105.9m	107.5m	-1.6m
Net asset value per share	3,363p	3,101p	+262p

Inventory

Inventories of £5,283.9 million include £725.8 million of land not under development (2023: £927.1 million), £4,347.7 million of work in progress (2023: £4,249.2 million) and £210.4 million of completed stock (2023: £125.8 million).

During the year, three sites moved from land not under development into work in progress: Broadway East in Bethnal Green, Bow Green and Winterbrook Meadows in Wallingford.

Creditors

Total creditors of £2,775.8 million include £907.7 million of on-account receipts from customers (2023: £921.3 million) and land creditors of £881.7 million (2023: £900.7 million). Of the total £881.7 million land creditor balance, £198.1 million is short-term, with a further £227.9 million due to settlement in the financial year ending 30 April 2026 and the residual £455.7 million is spread over the following seven years.

Creditors include provisions of £209.8 million (30 April 2023: £193.6 million) which represents post-completion development obligations, including those related to building fire-safety matters, and other provisions.

Net cash

The Group ended the year with net cash of £532.0 million (30 April 2023: £410.4 million), an increase of £121.6 million:

Abridged Cash Flow for year ended 30 April	**2024** **£'m**	**2023** **£'m**
Profit before taxation	557.3	604.0
Taxation paid	(170.5)	(133.7)
Net investment in working capital	(105.9)	(50.1)
Net investment in joint ventures	(3.7)	(33.0)
Other movements	14.8	8.2
Shareholder returns	(170.4)	(253.9)
Increase in net cash	121.6	141.5
Opening net cash	410.4	268.9
Closing net cash	532.0	410.4

The net cash of £532.0 million comprises gross cash holdings of £1,192.0 million and long-term borrowings of £660.0 million.

Net assets and NAVPS

Net assets increased over the year by £228.2 million, or 6.8% to £3,560.5 million (2023: £3,332.3 million) primarily due to the profit after tax for the year of £397.6 million outweighing the shareholder returns of £170.4 million and other movements in reserves of £1.0 million.

The shares in issue, net of treasury and EBT shares, closed at 105.9 million compared to 107.5 million at the start of the year. The net reduction of 1.6 million shares comprises two movements:

- The 1.8 million share buy-backs undertaken during the year for £72.3 million (£39.62 per share);
- The issue of 0.2 million shares under the 2011 LTIP.

Consequently, the net asset value per share is 3,363 pence at 30 April 2024, up 8.4% from the 3,101 pence a year ago.

Funding

The Group's borrowing capacity of £1,200 million was unchanged during the year and comprises:

- £400 million unsecured 10-year Green Bonds which mature in August 2031 at a fixed coupon of 2.5% per annum; and
- £800 million bank facility, including a £260 million Green Term loan and a £540 million undrawn revolving credit facility ("RCF").

In February 2024, Berkeley exercised the second of two one-year extensions on its £800 million bank facility, which extended the term to February 2029.

Berkeley has allocated the proceeds of the Green Bonds and Green Term Loan to its ongoing development activities in accordance with its Green Financing Framework (available on its website).

With borrowings of £660 million, the Group's gross cash holdings of over £1 billion throughout the year have been placed on deposit with its six relationship banks.

In February 2024, Berkeley entered a borrowing facility with Homes England whereby it may apply amounts borrowed towards financing or re-financing certain infrastructure type costs incurred on three of its developments. The facility totals £125.6 million, is unsecured, has floating interest rates linked to UK base rate and requires 33.33% of any outstanding loans to be repaid by 31 December 2031, 50% by 31 December 2032 and 100% by 31 December 2033. There are no loans outstanding as at 30 April 2024.

Joint Ventures

Included within non-current assets are investments in joint ventures accounted for using the equity method which are at £227.0 million at 30 April 2023 (2023: £223.4 million). The net £3.6 million increase in the year arises from Berkeley's 50% share of three movements:

- Profits earned in joint ventures of £65.6 million;
- Dividend distribution from St Edward of £74.9 million; and
- Cash contributions (loans) to site specific joint ventures of £12.9 million.

In St Edward, 406 homes were completed in the year at an average selling price of £788,000 (2023: 594 homes at £885,000). The completions occurred at Royal Warwick Square and Millbank in London, Hartland Village in Fleet, Green Park Village in Reading and Highcroft in Wallingford.

In total, 2,502 plots (30 April 2023: 2,435 plots) in Berkeley's land holdings relate to five St Edward developments, one in London (Westminster) and four outside the capital (Reading, Fleet, Wallingford and Guildford).

Our Vision 2030: Transforming Tomorrow

Our Vision 2030 is Berkeley's ambitious long-term strategy, which sets 10 strategic priorities for the business over the current decade. It is designed to drive our performance, spur innovation and reinforce our position as the country's most sustainable developer through maximising our positive impacts on society, the economy and the natural world.

Delivering for our customers

From delivering exceptional service with a personal touch to a focus on the quality of our homes, we aim to delight our customers. Our independently verified Net Promoter Score (NPS) of +80.2 significantly outperforms the industry average of 44 (HBF, March 2024) and 97.7% of our customers would 'recommend us to a friend'. 63% of our homes had zero defects, as reported by our customers, compared to only 5% of homes on average across the industry (HBF, March 2024). This year we celebrated 10 consecutive years of 'Outstanding Achievement' from In-House Research, an independent third party which undertakes our customer surveys.

Delivering enduring contributions through brownfield regeneration

Reviving neglected sites in our towns and cities is the most sustainable place to build new homes and enables Berkeley to deliver valuable contributions to society. Over the last five years we have built 19,608 homes, supported 26,000 jobs and contributed £2.0 billion in affordable housing subsidies and wider community and infrastructure benefits. Our developments are creating more than 500 public facilities alongside public open spaces and upgrades to transport and infrastructure.

An increasing number of our sites have a bespoke community plan to bring together new and existing communities and engages residents in the long-term stewardship of their neighbourhood. They are underpinned by research into local priorities and needs, our learnings to date and are augmented by strong local partnerships.

Taking a leading role in regreening cities

Having pioneered the successful implementation of Biodiversity Net Gain (BNG) on new developments since 2017, we welcomed the national milestone of mandatory BNG in February 2024 and were delighted to have been cited as a best practice case study by government and public bodies. We now have BNG strategies on 56 developments covering an area of 580 hectares.

Building on our collaboration with Natural England and the Local Government Association last year to co-host the industry's Biodiversity Conference, this year we partnered with Natural England to run a series of sessions to upskill local authorities and SMEs.

We are expanding our approach from measurable improvements in nature to delivering a more valuable and holistic contribution to the environment. Having successfully completed an award-winning trial of water neutrality with Thames Water at Royal Exchange in Kingston, we have now identified a suite of metrics to demonstrate net gain across other topics, such as air and soil quality.

Playing our part in climate action

We are delighted to be recognised by CDP as a climate leader, being listed on the prestigious 'A List'. Since 2021 we have completed 48 embodied carbon assessments, which better informs our design, specification and sourcing choices and enables us to engage with manufacturers of high impact materials. For example, this year we have focussed on aluminium manufacturers, providing our operating businesses with information on low carbon products.

We are updating our energy efficiency standards for construction sites to reflect results from energy modelling on topics such as out of hours consumption, together with learnings from third party audits undertaken by the Carbon Trust. We also continue to transition from traditional diesel to low carbon biodiesel; this year 17 sites operated diesel free and 96% of directly purchased diesel was biodiesel HVO.

Carbon emissions from homes are regulated and in March we responded to government's consultation on the Future Homes and Buildings Standard. We adopt a holistic approach, with our focus on creating nature-rich landscapes also establishing resilience to future climate change impacts.

Maintaining industry-leading standards of health and safety

We have an established and robust approach to Health & Safety; our Annual Injury Incidence Rate for the year is 52 per 100,000 people, compared to an industry average of 296 (HSE, October 2023). We were proud to have once again won RoSPA's Construction, Housebuilding and Property Development sector award for safety in 2024. Alongside our Working at Height campaign, this year we have launched an intervention app to bolster a culture of raising potential issues whereby our teams can anonymously log an issue on site using a phone or tablet by scanning a QR code on posters.

Our CITB approved training academy runs training for employees across a range of topics, from health and safety to building quality and sustainability. Within the year we developed training on the new Principal Contractor duty-holder role under the Building Safety Act; this course has now been published as a training standard by CITB, helping to guide the industry.

Fostering a fair, inclusive and respectful workplace

Our employee survey this year has provided insight into how our colleagues feel about working life at Berkeley, informing areas of focus for each of our operating businesses. We have also launched our approach to equity, diversity and inclusion which encompasses five aspects: setting the right tone at leadership level; external partnerships to support action; awareness, allyship and celebration; attracting and recruiting the best talent; and using analytics to drive change. Our operating businesses are taking action and we have also brought colleagues together at Group-wide events such as the London Pride Parade and International Women's Day.

Investing in the talent of the future

We retain our Gold membership of The 5% Club, with 9.5% of our employees in 'earn and learn' positions. This includes more than 150 apprentices, 50 graduates and 55 sponsored students studying towards an accredited external qualification. Our emerging talent programmes support our commitment to social mobility and diversity, helping us to provide a selection of routes into the company and attract a broad range of people from different backgrounds.

This year we ran almost 200 careers events with schools, colleges and universities, together with more than 50 work experience placements to give people an opportunity to experience working life in the sector.

Supporting the work of the Berkeley Foundation

Berkeley established the Berkeley Foundation in 2011. It has become regarded as a market-leading corporate foundation with its long-term commitments and innovative approach to charitable giving and partnerships. The Foundation is now deeply embedded at Berkeley and our employees give their time and expertise to support its strategic and community partners. More than half of our workforce chose to get involved in the Foundation's work over the last 12 months, including 1,990 volunteering hours and raising £940,000 of the £3.6 million invested in to the Foundation this year. We have offered work placements and job opportunities, held careers days and shared our expertise to help young people about to start their journey into employment.

The Foundation has also focussed on building the resilience of a voluntary sector that is under pressure. This year saw the second year of the Resilience Fund get underway, with a cohort of ten charities working to support the mental health of young people from global majority communities embarking on projects to increase their organisational resilience. Alongside this, the Foundation met the immediate needs of its charity partners through the cost of living crisis with a programme of targeted grants totalling £262,000.

- End -

Principal risks and uncertainties

Financial risk

The financial risks to which Berkeley is exposed include:

- Liquidity risk - The risk that the funding required for the Group to pursue its activities may not be available.

- Market credit risk - The risk that counterparties (mainly customers) will default on their contractual obligations, resulting in a loss to the Group. The Group's exposure to credit risk is comprised of cash and cash equivalents, loans to joint ventures and trade and other receivables.

- Market interest rate risk - The risk that Group financing activities are affected by fluctuations in market interest rates.

- Other financial risks - Berkeley contracts all sales and the vast majority of its purchases in sterling, and so has no significant exposure to currency risk, but does recognise that its credit risk includes receivables from customers in a range of jurisdictions who are themselves exposed to currency risk in contracting in sterling.

Management of financial risks

Berkeley adopts a prudent approach to managing these financial risks.

- Treasury policy and central overview - The Board approves treasury policy and senior management control day-to-day operations. Relationships with banks and cash management are co-ordinated centrally as a Group function. The treasury policy is intended to maintain an appropriate capital structure to manage the financial risks identified and provide the right platform for the business to manage its operating risks.

- Low gearing - The Group is currently financing its operations through shareholder equity, supported by £532 million of net cash on the Balance Sheet and debt facilities. This in turn has mitigated its current exposure to interest rate risk.

- Headroom provided by bank facilities - The Group has £800 million of committed credit facilities maturing in February 2029. This comprises a green term loan of £260 million and the revolving credit facility of £540 million. In addition, the Group has listed debt in the form of Green Bonds to the value of £400 million maturing in August 2031.

  Berkeley has a strong working partnership with the six banks that provide the facilities and this is key to Berkeley's approach to mitigating liquidity risk.

- Forward sales - Berkeley's approach to forward selling new homes to customers provides good visibility over future cash flows, as expressed in cash due on forward sales which stands at £1.7 billion at 30 April 2024. It also helps mitigate market credit risk by virtue of customers' deposits held from the point of unconditional exchange of contracts with customers.

- Land holdings - By investing in land at the right point in the cycle, holding a clear development pipeline in our land holdings and continually optimising our existing holdings, we are not under pressure to buy new land when it would be wrong for the long-term returns for the business.

- Detailed appraisal of spending commitments - A culture which prioritises an understanding of the impact of all decisions on the Group's spending commitments and hence its Balance Sheet, alongside weekly and monthly reviews of cash flow forecasts at operating company, divisional and Group levels, recognises that cash flow management is central to the continued success of Berkeley.

Risk Description and Impact	Approach to Mitigating Risk
Economic Outlook	
As a property developer, Berkeley's business is sensitive to wider economic factors such as changes in interest rates, employment levels and general consumer confidence. Some customers are also sensitive to changes in the sterling exchange rate in terms of their buying decisions or ability to meet their obligations under contracts. Changes to economic conditions in the UK, Europe and worldwide may lead to a reduction in demand for housing which could impact on the Group's ability to deliver its corporate strategy.	Recognition that Berkeley operates in a cyclical market is central to our strategy and maintaining a strong financial position is fundamental to our business model and protects us against adverse changes in economic conditions. Land investment in all market conditions is carefully targeted and underpinned by demand fundamentals and a solid viability case. Levels of committed expenditure are carefully monitored against forward sales secured, cash levels and headroom against our available bank facilities, with the objective of keeping financial risk low to mitigate the operating risks of delivery in uncertain markets. Production programmes are continually assessed, depending upon market conditions. The business is committed to operating at an optimal size, with a strong Balance Sheet, through autonomous businesses to maintain the flexibility to react swiftly, when necessary, to changes in market conditions.
Political Outlook	
Significant political events in the UK and overseas, may impact Berkeley's business through, for example, supply chain disruption or the reluctance of customers to make purchase decisions due to political uncertainty and, subsequently, policies and regulation may be introduced that directly impact our business model.	Whilst we cannot directly influence political events, the risks are taken into account when setting our business strategy and operating model. In addition, we actively engage in the debate on policy decisions.
Regulation	
Adverse changes to Government policy on areas such as taxation, design requirements and the environment could restrict the ability of the Group to deliver its strategy. Failure to comply with laws and regulations could expose the Group to penalties and reputational damage.	Berkeley is primarily focused geographically on London, Birmingham and the South East of England, which limits our risk when understanding and determining the impact of new regulation across multiple locations and jurisdictions. The effects of changes to Government policies at all levels are closely monitored by operating businesses and the Board, and representations made to policy-setters where appropriate. Berkeley's experienced teams are well placed to interpret and implement new regulations at the appropriate time through direct lines of communication across the Group, with support from internal and external legal advisors.

Risk Description and Impact	Approach to Mitigating Risk
Land Availability	
An inability to source suitable land to maintain the Group's land holdings at appropriate margins in a highly competitive market could impact on the Group's ability to deliver its corporate strategy.	Understanding the markets in which we operate is central to Berkeley's strategy and, consequently, land acquisition is primarily focused on Berkeley's core markets of London, Birmingham and the South East of England, markets in which it believes the demand fundamentals are strong. Berkeley has experienced land teams with strong market knowledge in their areas of focus, which gives us the confidence to buy land without an implementable planning consent and, with an understanding of local stakeholders' needs, positions Berkeley with the best chance of securing a viable planning consent. Berkeley's land holdings mean that it has the land in place for its business plan requirements and can therefore always acquire land at the right time in the cycle.
Planning Process	
Delays or refusals in obtaining commercially viable planning permissions could result in the Group being unable to develop its land holdings. The current complex and evolving nature of planning policies amplifies the risk. This could have a direct impact on the Group's ability to deliver its product and on its profitability.	The Group's strategic geographical focus and expertise place it in the best position to conceive and deliver the right consents for the land acquired. Full detailed planning and risk assessments are performed and monitored for each site without planning permission, both before and after purchase. The planning status of all sites is also reviewed at both monthly divisional Board meetings and main Board meetings. The Group works closely with local communities in respect of planning proposals and maintains strong relationships with local authorities and planning officers. Berkeley has planning consents in place for its immediate business plan needs.
Retaining People	
An inability to attract, develop, motivate and retain talented employees could have an impact on the Group's ability to deliver its strategic priorities. Failure to consider the retention and succession of key management could result in a loss of knowledge and competitive advantage.	Two strategic priorities within Our Vision 2030 are designed to help recruit and retain a high calibre work force. The first is 'Employee Experience' which places a specific focus on areas including employee experience and diversity and inclusion, and the second focuses on 'Future Skills' looking at how we can create tangible long-term change within the industry. Succession planning is regularly reviewed at both divisional and main Board level. Close relationships and dialogue are maintained with key personnel. Remuneration packages are constantly benchmarked against the industry to ensure they remain competitive.

Risk Description and Impact	Approach to Mitigating Risk
Securing Sales	
An inability to match supply to demand in terms of product, location and price could result in missed sales targets and/or high levels of completed stock which in turn could impact on the Group's ability to deliver its corporate strategy.	The Group has experienced sales teams both in the UK and within our overseas sales offices, supplemented by market-leading agents. Detailed market demand assessments of each site are undertaken before acquisition and regularly during delivery of each scheme to ensure that supply is matched to demand in each location. Design, product type and product quality are all assessed on a site-by-site basis to ensure that they meet the target market and customer aspirations in that location. The Group's ability to forward sell reduces the risk of the development cycle where possible, thereby justifying and underpinning the financial investment in each of he Group's sites. Completed stock levels are reviewed regularly.
Liquidity	
Reduced availability of the external financing required by the Group to pursue its activities and meet its liabilities. Failure to manage working capital may constrain the growth of the business and ability to execute the business plan.	The Board approves treasury policy and senior management control day-to-day operations. Relationships with banks and cash management are co-ordinated centrally as a Group function. The treasury policy is intended to maintain an appropriate capital structure to manage the Group's financial risks and provide the right platform for the business to manage its operating risks. Cash flow management is central to the continued success of Berkeley. There is a culture which prioritises an understanding of the impact of all decisions on the Group's spending commitments and hence its Balance Sheet, alongside weekly and monthly reviews of cash flow forecasts at operating company, divisional and Group levels.
Mortgages	
An inability of customers to secure sufficient mortgage finance now or in the future could have a direct impact on the Group's transaction levels.	Berkeley has a broad product mix and customer base which reduces the reliance on mortgage availability across its portfolio. Deposits are taken on all sales to mitigate the financial impact on the Group in the event that sales do not complete due to a lack of mortgage availability.

Risk Description and Impact	**Approach to Mitigating Risk**
Climate Change	
The effects of climate change could impact Berkeley in different ways. Climate Scenario Analysis has been undertaken to evaluate climate related risks and opportunities. Identified risks and opportunities relating to the transition to a lower carbon economy include: carbon pricing and emissions offsets; evolving planning and design requirements; skills shortage impacting ability to install low carbon technology; technology evolution; increasing raw material cost; and demand supply imbalance. Risks relating to the physical impacts of climate change include: heat stress, drought stress, subsidence, windstorm and flood.	Climate action is a strategic priority within our business strategy, Our Vision 2030, and we have set ambitious science-based targets (SBTs) to mitigate our impact, alongside continuing to incorporate adaptation measures within our developments to make them more resilient to the expected future impacts of climate change. We have energy efficiency standards in place that cover the activities of our sites, offices and sales suites and encourage the identification and investment in measures to take action under our scopes 1 and 2 greenhouse gas (GHG) emissions reduction target. In addition, our scope 3 SBT commits us to working with our supply chain to reduce the embodied carbon within the materials and services we procure, and building more efficient homes. To build resilience into our homes and developments, we consider climate change risks and incorporate measures to reduce these through minimum Sustainability Standards. These cover areas such as energy efficiency, water efficiency, rainwater harvesting, sustainable drainage systems (SuDS) and leaving space for nature.
Sustainability	
Berkeley is aware of the environmental and social impact of the homes and places that it builds, both throughout the development process and during occupation and use by customers and the wider community. Failure to address sustainability issues could affect the Group’s ability to acquire land, gain planning permission, manage sites effectively and respond to increasing customer demands for sustainable homes and communities, with access to green spaces and nature.	The strategic direction for sustainability is set at a Group level within a dedicated Sustainability Strategy. Three areas of the Sustainability Strategy have been identified as being of material importance and integrated within our business strategy, Our Vision 2030; communities, climate action and nature. We have specific commitments to enhance environmental and social value in the operation of our business and the delivery of our homes and places. Dedicated sustainability teams are in place at Group’s Head Office and within each division of the business, identifying risks, providing advice, driving improvement and monitoring performance. Sustainability Standards set out the minimum Berkeley requirements for new developments and the operation of our construction sites, divisional offices and sales suites. These are supported by more detailed procedures within our Sustainability management System, including a requirement for environmental risk registers for each site and the completion of at least quarterly site sustainability assessments by our internal sustainability professionals. Our ambition on every development is to strengthen the local community, improve people’s quality of life and have a positive and lasting social impact that is felt beyond our site boundary.

Risk Description and Impact	Approach to Mitigating Risk
Health and Safety	
Berkeley's operations have a direct impact on the health and safety of its people, contractors and members of the public. A lack of adequate procedures and systems to reduce the dangers inherent in the construction process increases the risk of accidents or site related catastrophes, including fire and flood, which could result in serious injury or loss of life leading to reputational damage, financial penalties and disruption to operations.	Berkeley considers this to be an area of critical importance. Berkeley's health and safety strategy is set by the Board. Dedicated health and safety teams are in place in each division and at Head Office. Procedures, training and reporting are all regularly reviewed to ensure that high standards are maintained and comprehensive accident investigation procedures are in place. Insurance is held to cover the risks inherent in large-scale construction projects. The Group continues to implement initiatives to improve health and safety standards on site.
Product Quality and Customers	
Berkeley has a reputation for high standards of quality in its product. If the Group fails to deliver against these standards and its wider development obligations, it could be exposed to reputational damage, as well as reduced sales and increased cost.	Detailed reviews are undertaken of the product on each scheme both during the acquisition of the site and throughout the build process to ensure that product quality is maintained. The Group has detailed quality assurance procedures in place surrounding both design and build to ensure the adequacy of build at each key stage of construction. Customer satisfaction surveys are undertaken on the handover of our homes, and feedback incorporated into the specification and design of subsequent schemes.
Build Cost and Programme	
Build costs are affected by the availability of skilled labour and the price and availability of materials, suppliers and contractors. Declines in the availability of a skilled workforce, and changes to these prices could impact on our build programmes and the profitability of our schemes.	A procurement and programming strategy for each development is agreed by the divisional Board before site acquisition, whilst a further assessment of procurement and programming is undertaken and agreed by the divisional Board prior to the commencement of construction. Build cost reconciliations and build programme dates are presented and reviewed in detail at divisional cost review meetings each month. Our Vision 2030 strategy includes ongoing commitments to training and support across both our employees and our indirect workforce.

Risk Description and Impact	Approach to Mitigating Risk
Cyber and Data Risk	
The Group acknowledges that it places significant reliance upon the availability, accuracy and confidentiality of all of its information systems and the data contained therein. The Group could suffer significant financial and reputational damage because of the corruption, loss or theft of data, whether inadvertent or via a deliberate, targeted cyber-attack.	Berkeley's systems and control procedures are designed to ensure that confidentiality, availability and integrity are not compromised. Our Information Security Programme focuses primarily on the detection and prevention of security incidents and potential data breaches. An IT Security Committee meets monthly to address all cyber security matters. The Group operates multiple physical data centres supported by cloud based services thereby reducing centralised risk exposure. An IT disaster recovery plan is regularly assessed. The Group has cyber insurance in place to reduce any potential financial impact.

THE BERKELEY GROUP HOLDINGS PLC

RESULTS FOR THE YEAR ENDED 30 APRIL 2024

Condensed Consolidated Income Statement

For the year ended 30 April	Notes	2024 £m	2023 £m
Revenue		**2,464.3**	2,550.2
Cost of sales		**(1,819.8)**	(1,853.4)
Gross profit		**644.5**	696.8
Net operating expenses		**(164.8)**	(178.5)
Operating profit		**479.7**	518.3
Finance income	3	**53.9**	23.1
Finance costs	3	**(41.9)**	(33.7)
Share of results of joint ventures using the equity method		**65.6**	96.3
Profit before taxation for the year		**557.3**	604.0
Income tax expense	4	**(159.7)**	(138.3)
Profit after taxation for the year		**397.6**	465.7
Earnings per share (pence):			
Basic	5	**373.9**	426.8
Diluted	5	**371.1**	422.4

Condensed Consolidated Statement of Comprehensive Income

For the year ended 30 April	2024 £m	2023 £m
Profit after taxation for the year	**397.6**	465.7
Other comprehensive expense		
Items that will not be reclassified to profit or loss		
Actuarial loss recognised in the pension scheme	**(0.7)**	(1.3)
Total items that will not be reclassified to profit or loss	**(0.7)**	(1.3)
Other comprehensive expense for the year	**(0.7)**	(1.3)
Total comprehensive income for the year	**396.9**	464.4

THE BERKELEY GROUP HOLDINGS PLC

RESULTS FOR THE YEAR ENDED 30 APRIL 2024

Condensed Consolidated Statement of Financial Position

As at 30 April	Notes	**2024 £m**	2023 £m
Assets			
Non-current assets			
Intangible assets		**17.2**	17.2
Property, plant and equipment		**28.0**	34.6
Right-of-use assets		**4.3**	5.2
Investments accounted for using the equity method		**227.0**	223.4
Deferred tax assets		**116.9**	114.5
		393.4	394.9
Current assets			
Inventories	6	**5,283.9**	5,302.1
Trade and other receivables		**119.8**	92.3
Current tax assets		**7.2**	-
Cash and cash equivalents	7	**1,192.0**	1,070.4
		6,602.9	6,464.8
Total assets		**6,996.3**	6,859.7
Liabilities			
Non-current liabilities			
Borrowings	7	**(660.0)**	(660.0)
Trade and other payables		**(683.6)**	(863.4)
Lease liability		**(2.3)**	(2.9)
Provisions for other liabilities and charges		**(140.7)**	(115.1)
		(1,486.6)	(1,641.4)
Current liabilities			
Trade and other payables		**(1,878.0)**	(1,801.6)
Current tax liabilities		-	(3.7)
Lease liability		**(2.1)**	(2.2)
Provisions for other liabilities and charges		**(69.1)**	(78.5)
		(1,949.2)	(1,886.0)
Total liabilities		**(3,435.8)**	(3,527.4)
Total net assets		**3,560.5**	3,332.3
Equity			
Shareholders' equity			
Share capital		**6.2**	6.3
Share premium		**49.8**	49.8
Capital redemption reserve		**25.3**	25.2
Other reserve		**(961.3)**	(961.3)
Retained earnings		**4,440.5**	4,212.3
Total equity		**3,560.5**	3,332.3

Condensed Consolidated Statement of Changes in Equity

	Share capital £m	Share premium £m	Capital redemption reserve £m	Other reserve £m	Retained earnings £m	Total equity £m
At 1 May 2023	6.3	49.8	25.2	(961.3)	4,212.3	3,332.3
Profit after taxation for the year	**-**	**-**	**-**	**-**	**397.6**	**397.6**
Other comprehensive expense for the year	**-**	**-**	**-**	**-**	**(0.7)**	**(0.7)**
Purchase of own shares	**(0.1)**	**-**	**0.1**	**-**	**(72.3)**	**(72.3)**
Transactions with shareholders:						
- Charge in respect of employee share schemes	**-**	**-**	**-**	**-**	**(0.8)**	**(0.8)**
- Deferred tax in respect of employee share schemes	**-**	**-**	**-**	**-**	**2.5**	**2.5**
- Dividends to equity holders of the Company	**-**	**-**	**-**	**-**	**(98.1)**	**(98.1)**
At 30 April 2024	**6.2**	**49.8**	**25.3**	**(961.3)**	**4,440.5**	**3,560.5**
At 1 May 2022	6.5	49.8	25.0	(961.3)	4,016.1	3,136.1
Profit after taxation for the year	-	-	-	-	465.7	465.7
Other comprehensive expense for the year	-	-	-	-	(1.3)	(1.3)
Purchase of own shares	(0.2)	-	0.2	-	(155.4)	(155.4)
Transactions with shareholders:						
- Charge in respect of employee share schemes	-	-	-	-	(4.5)	(4.5)
- Deferred tax in respect of employee share schemes	-	-	-	-	(9.8)	(9.8)
- Dividends to equity holders of the Company	-	-	-	-	(98.5)	(98.5)
At 30 April 2023	6.3	49.8	25.2	(961.3)	4,212.3	3,332.3

Condensed Consolidated Cash Flow Statement

For the year ended 30 April	Notes	**2024** **£m**	2023 £m
Cash flows from operating activities			
Cash generated from operations	7	**383.0**	472.5
Interest received		**50.4**	18.2
Interest paid		**(29.5)**	(21.4)
Income tax paid		**(170.5)**	(133.7)
Net cash flow from operating activities		**233.4**	335.6
Cash flows from investing activities			
Purchase of property, plant and equipment		**(1.4)**	(2.0)
Proceeds on disposal of property, plant and equipment		**0.3**	0.8
Dividends from joint ventures		**74.9**	74.9
Movements in loans with joint ventures		**(12.9)**	(11.6)
Net cash flow from investing activities		**60.9**	62.1
Cash flows from financing activities			
Lease capital repayments		**(2.3)**	(2.3)
Purchase of own shares		**(72.3)**	(155.4)
Dividends paid to Company's shareholders		**(98.1)**	(98.5)
Net cash flow from financing activities		**(172.7)**	(256.2)
Net increase in cash and cash equivalents		**121.6**	141.5
Cash and cash equivalents at the start of the financial year		**1,070.4**	928.9
Cash and cash equivalents at the end of the financial year		**1,192.0**	1,070.4

Notes to the Condensed Consolidated Financial Information

1 General information

The Berkeley Group Holdings plc (the "Company") is a public limited company incorporated and domiciled in the United Kingdom. The address of its registered office is Berkeley House, 19 Portsmouth Road, Cobham, Surrey, KT11 1JG. The Company and its subsidiaries (together the "Group") are engaged in residential led, mixed use property development.

2 Basis of preparation

2.1 Introduction

These results do not constitute the Group's statutory accounts for the year ended 30 April 2024 but are derived from those accounts. Statutory accounts for 2023 have been delivered to the Registrar of Companies and those for 2024 will be delivered following the Company's Annual General Meeting. The external auditor has reported on those accounts; its report was unqualified, did not contain an emphasis of matter paragraph and did not contain any statements under section 498 of the Companies Act 2006.

The Consolidated Financial Statements have been prepared in accordance with the requirements of the Companies Act 2006 and with UK-adopted International Accounting Standards. The statutory accounts have been prepared based on the accounting policies and method of computations consistent with those followed in the preparation of the Group's annual financial statements for the year ended 30 April 2023.

2.2 Going concern

The Directors have assessed the business plan and funding requirements of the Group over the medium-term and compared these with the level of committed debt facilities and existing cash resources. As at 30 April 2024, the Group had net cash of £532 million and total liquidity of £1,732 million when this net cash is combined with banking facilities of £800 million (committed to February 2029) and £400 million listed bonds (which mature in August 2031). Furthermore, the Group has cash due on forward sales of £1,701 million, a significant proportion of which covers delivery for the next 18 months.

In making this assessment, consideration has been given to the uncertainty inherent in future financial forecasts and where applicable, severe but plausible sensitivities have been applied to the key factors affecting the financial performance of the Group. The Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for not less than 12 months from the date of approval of these Consolidated Financial Statements. For this reason, it continues to adopt the going concern basis of accounting in preparing its Consolidated Financial Statements.

Notes to the Condensed Consolidated Financial Information (continued)

3 Net finance costs

For the year ended 30 April	**2024 £m**	2023 £m
Finance income	**53.9**	23.1
Finance costs		
Interest payable on borrowings and non-utilisation fees	**(29.2)**	(21.9)
Amortisation of fees incurred on borrowings	**(2.0)**	(1.7)
Other finance costs	**(10.7)**	(10.1)
	(41.9)	(33.7)
Net finance income/(costs)	**12.0**	(10.6)

Finance income predominantly represents interest earned on cash deposits.

Other finance costs represent imputed interest on land purchased on deferred settlement terms and lease interest.

4 Income tax expense

For the year ended 30 April	**2024 £m**	2023 £m
Current tax including RPDT		
UK current tax payable	**(166.0)**	(140.5)
Adjustments in respect of previous years	**6.4**	(1.4)
	(159.6)	(141.9)
Deferred tax including RPDT		
Deferred tax movements	**2.8**	2.5
Adjustments in respect of previous years	**(2.9)**	1.1
	(0.1)	3.6
	(159.7)	(138.3)

The effective tax rate for the year is 28.7% (2023: 22.9%) and includes a £2.9 million credit arising from the re-measurement, in part, of the Group’s UK deferred tax assets. Corporation tax is calculated at the rate of 25% (2023: 19.5%) and residential property developer tax (RPDT) at 4% (2023: 4%) on profits arising from residential property development activities.

5 Earnings per share

Basic earnings per share are calculated as the profit for the financial year attributable to shareholders of the Group divided by the weighted average number of shares in issue during the year.

For the year ended 30 April	**2024**	2023
Profit attributable to shareholders (£m)	**397.6**	465.7
Weighted average no. of shares (m)	**106.3**	109.1
Basic earnings per share (p)	**373.9**	426.8

For diluted earnings per ordinary share, the weighted average number of shares in issue is adjusted to assume the conversion of all potentially dilutive ordinary shares.

At 30 April 2024, the Group had two (2023: one) categories of potentially dilutive ordinary shares: 0.7 million (2023: 1.0 million) share options under the 2011 LTIP and 0.1 million (2023: nil) under the Restrictive Share Plan.

A calculation is undertaken to determine the number of shares that could have been acquired at fair value based on the aggregate of the exercise price of each share option and the fair value of future services to be supplied to the Group, which is the unamortised share-based payments charge. The difference between the number of shares that could have been acquired at fair value and the total number of options is used in the diluted earnings per share calculation.

For the year ended 30 April	**2024**	2023
Profit used to determine diluted EPS (£m)	**397.6**	465.7
Weighted average no. of shares (m)	**106.3**	109.1
Adjustments for:		
Share options – 2011 LTIP	**0.7**	1.1
Share options – Restrictive Share Plan	**0.1**	-
Shares used to determine diluted EPS (m)	**107.1**	110.2
Diluted earnings per share (p)	**371.1**	422.4

6 Inventories

Year ended 30 April	**2024** **£m**	2023 £m
Land not under development	**725.8**	927.1
Work in progress: Land cost	**1,715.3**	1,729.2
Total land	**2,441.1**	2,656.3
Work in progress: Build cost	**2,632.4**	2,520.0
Completed units	**210.4**	125.8
Total inventories	**5,283.9**	5,302.1

Notes to the Condensed Consolidated Financial Information (continued)

7 Notes to the Condensed Consolidated Cash Flow Statement

For the year ended 30 April	**2024 £m**	2023 £m
Net cash flows from operating activities		
Profit for the financial year	**397.6**	465.7
Adjustments for:		
Taxation	**159.7**	138.3
Depreciation	**4.8**	5.1
Loss on sale of PPE	**5.2**	3.7
Finance income	**(53.9)**	(23.1)
Finance costs	**41.9**	33.7
Share of results of joint ventures after tax	**(65.6)**	(96.3)
Non-cash charge in respect of share awards	**(0.8)**	(4.5)
Changes in working capital:		
Decrease/(Increase) in inventories	**18.2**	(168.1)
(Increase)/Decrease in trade and other receivables	**(24.4)**	57.5
(Decrease)/Increase in trade and other payables	**(99.7)**	60.5
Cash generated from operations	**383.0**	472.5

Reconciliation of net cash flow to net cash		
Net increase in net cash and cash equivalents, including bank overdraft	**121.6**	141.5
Movement in borrowings	**-**	-
Movement in net cash in the financial year	**121.6**	141.5
Opening net cash	**410.4**	268.9
Closing net cash	**532.0**	410.4

Net cash		
Cash and cash equivalents	**1,192.0**	1,070.4
Non-current borrowings	**(660.0)**	(660.0)
Net cash	**532.0**	410.4

8 Alternative performance measures

Berkeley uses a number of alternative performance measures ("APMs") which are not defined by IFRS. The Directors consider these measures useful to assess the underlying performance of the Group alongside the relevant IFRS financial information. They are referred to as Financial KPIs throughout the results. The information below provides a definition of APMs and reconciliation to the relevant IFRS information, where required:

Net cash

Net cash is defined as cash and cash equivalents, less total borrowings. This is reconciled in note 7.

Notes to the Condensed Consolidated Financial Information (continued)

8 Alternative performance measures (continued)

Net assets per share attributable to shareholders (NAVPS)

This is defined as net assets attributable to shareholders divided by the number of shares in issue, excluding shares held in treasury and shares held by the employee benefit trust.

As at 30 April	**2024**	2023
Net assets (£m)	**3,560.5**	3,332.3
Total shares in issue (million)	**114.7**	116.5
Less:		
Treasury shares held (million)	**(8.7)**	(8.9)
Employee benefit trust shares held (million)	**(0.1)**	(0.1)
Net shares used to determine NAVPS (million)	**105.9**	107.5
Net asset per share attributable to shareholders (pence)	**3,363**	3,101

Return on capital employed (ROCE)

This measures the profitability and efficiency of capital being used by the Group and is calculated as profit before interest and taxation (including joint venture profit before tax) divided by the average net assets adjusted for debt/(cash).

As at 30 April	**2024**	2023
Operating profit	**479.7**	518.3
Share of joint ventures using equity method	**65.6**	96.3
Profit used to determine ROCE	**545.3**	614.6
Opening capital employed:		
Net assets	3,332.3	3,136.1
Net cash	(410.4)	(268.9)
Opening capital employed	2,921.9	2,867.2
Closing capital employed:		
Net assets	**3,560.5**	3,332.3
Net cash	**(532.0)**	(410.4)
	3,028.5	2,921.9
Average capital employed	**2,975.2**	2,894.5
Return on capital employed (%)	**18.3%**	21.2%

Notes to the Condensed Consolidated Financial Information (continued)

8 Alternative performance measures (continued)

Return on equity (ROE) before tax

This measures the efficiency of returns generated from shareholder equity before taxation and is calculated as profit before taxation attributable to shareholders as a percentage of the average of opening and closing shareholders' funds.

As at 30 April	**2024**	2023
Opening shareholders equity	**3,332.3**	3,136.1
Closing shareholders equity	**3,560.5**	3,332.3
Average shareholders' equity	**3,446.4**	3,234.2
Return on equity before tax:		
Profit before tax	**557.3**	604.0
Return on equity before tax (%)	**16.2%**	18.7%

Cash due on forward sales

This measures cash still due from customers, with a risk adjustment, at the relevant Balance Sheet date during the next three years under unconditional contracts for sale. It excludes forward sales of affordable housing, commercial properties and institutional sales as well as forward sales within the Group's joint ventures.

Future gross margin in land holdings

This represents management's risk-adjusted assessment of the potential gross profit for each of the Group's sites, including the proportionate share of its joint ventures, taking account of a wide range of factors, including: current sales and input prices; the economic and political backdrop; the planning and regulatory regimes; and other market factors; all of which could have a significant effect on the eventual outcome.