
THE BERKELEY GROUP HOLDINGS PLC

Full Year Results Presentation

Year Ended 30 April 2024

19 June 2024

Rob Perrins

Chief Executive Officer

White City Living



**Results in line with expectations;
achieved in challenging conditions**

- Geopolitical uncertainty
- Domestic political uncertainty
- High interest rates following super-inflation
- Increasingly isolationist policies
- Low economic growth
- Overly complicated planning system
- Continual, major regulatory change

Bow Green

Computer generated image

**Collapse in house-building: 2026 heading for just over 100,000
new home starts unless there is focussed policy intervention**



FY24 for Berkeley

- No investment in new sites
- Ready and able to invest when conditions for growth return
- Run efficiently with operating costs 8% lower
- Maintained operating margin at top end of range (19.5%)
- On target to achieve £283 million shareholder return for year ending 30 September 2024
- Protected long-term value in land holdings; five new consents and over 30 revisions
- Maintained financial strength, matching supply to demand



- Market leading Our Vision 2030 outcomes:
 - Customer Care
 - Nature; and
 - Skills and Training
- Awarded a place on CDP's "A" list for climate transparency and performance



'A' rated

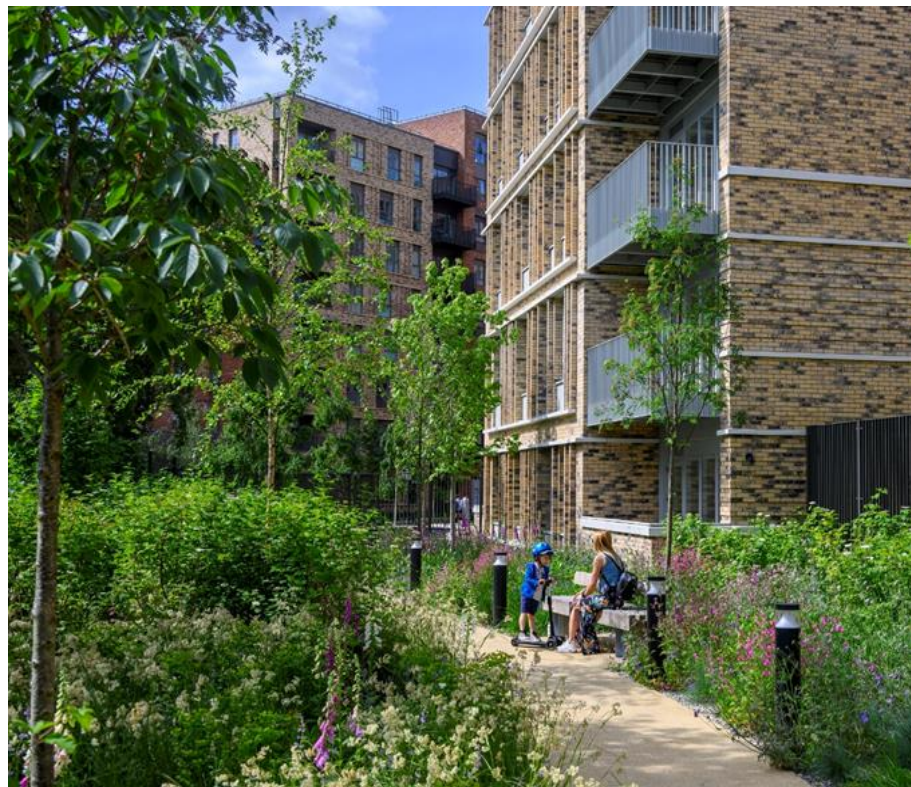
1. Sales volumes stable, but a third lower than FY23, with firm pricing
2. Build costs stable with good availability of labour
3. Planning is a huge challenge and failing to deliver **implementable** consents
4. Planning tariffs continue to increase; undeliverable in current economic climate
5. Working with Building Safety Regulator to minimise delays to production

**The Green Quarter,
Ealing**



6. Focus on optimising sites and maintaining operating margin (17.5% - 19.5%)
7. Return on capital employed will decrease – speed of planning system and subdued rate of sale. Berkeley will match supply to demand
8. Establishing a Berkeley rental platform to accelerate delivery and maximise value from regeneration sites
9. Rental platform will not inhibit acquiring new sites or previously announced shareholder returns programme

Clarendon, Haringey



Guidance and Medium-term Baseline

Guidance:

(FY25 & FY26)

- Deliver at least £975 million of pre-tax profit across FY25 and FY26; with FY25 increased by 5% to £525 million and FY26 re-affirmed at £450 million
- Operating margins in the historic range (17.5% to 19.5%), with overheads held at a stable level
- Net cash to be maintained around £400 million
- Forward sales to moderate from £1.7 billion with higher completed stock levels
- Land holdings future gross margin targeted above £6 billion at 30 April 2026 in the absence of material new land investment
- Dividends announced to complete £283 million annual return to 30 September 2024, with existing programme committed to September 2025

Medium-term baseline:

(FY27, FY28 & FY29)

- First Build to Rent completions in FY27
- Difficult to provide medium-term guidance until after election and new trading environment emerges
- Pre-tax profitability likely to remain around FY26 level (£450 million)

Richard Stearn

Chief Financial Officer

Prince of Wales Drive,
Battersea



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

Summary of Performance

PROFIT BEFORE TAX		CHANGE / CHANGE %
30 April 2024	30 April 2023	
£557.3m	£604.0m	-£46.7m (-7.7%)
EPS - BASIC		CHANGE / CHANGE %
30 April 2024	30 April 2023	
373.9p	426.8p	-52.9p (-12.4%)
EPS - DILUTED		CHANGE / CHANGE %
30 April 2024	30 April 2023	
371.1p	422.4p	-51.3p (-12.1%)

OPERATING MARGIN

30 April 2024	30 April 2023
19.5%	20.3%

PRE-TAX RETURN ON EQUITY*

30 April 2024	30 April 2023
16.2%	18.7%

(*) 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 2024 and the comparative period

Summary of Financial Position – Balance Sheet

SHAREHOLDERS' FUNDS

30 April 2024

£3,560.5m

30 April 2023

£3,332.3m

CHANGE / CHANGE %

+£228.2m
(+6.8%)

CLOSING NET CASH

30 April 2024

£532.0m

30 April 2023

£410.4m

CHANGE / CHANGE %

+£121.6m
(+29.6%)

CAPITAL EMPLOYED

30 April 2024

£3,028.5m

30 April 2023

£2,921.9m

CHANGE / CHANGE %

+£106.6m
(+3.6%)

NET ASSET VALUE PER SHARE

30 April 2024

3,363p

30 April 2023

3,101p

CHANGE / CHANGE %

+262p
(+8.4%)

TOTAL SHARES IN ISSUE – EXCLUDING TREASURY & EBT SHARES

30 April 2024

105.9m

30 April 2023

107.5m

CHANGE / CHANGE %

-1.6m
(-1.5%)

Summary of Financial Position – Forward Sales and Land Holdings

FORWARD SALES

CASH DUE ON FORWARD SALES

30 April 2024

£1,701.0m

30 April 2023

£2,135.7m

CHANGE / CHANGE %

-£434.7m
(-20.4%)

LAND HOLDINGS

PLOTS

30 April 2024

54,081

30 April 2023

58,045

CHANGE / CHANGE %

-3,964
(-6.8%)

GROSS MARGIN

30 April 2024

£6,928.7m

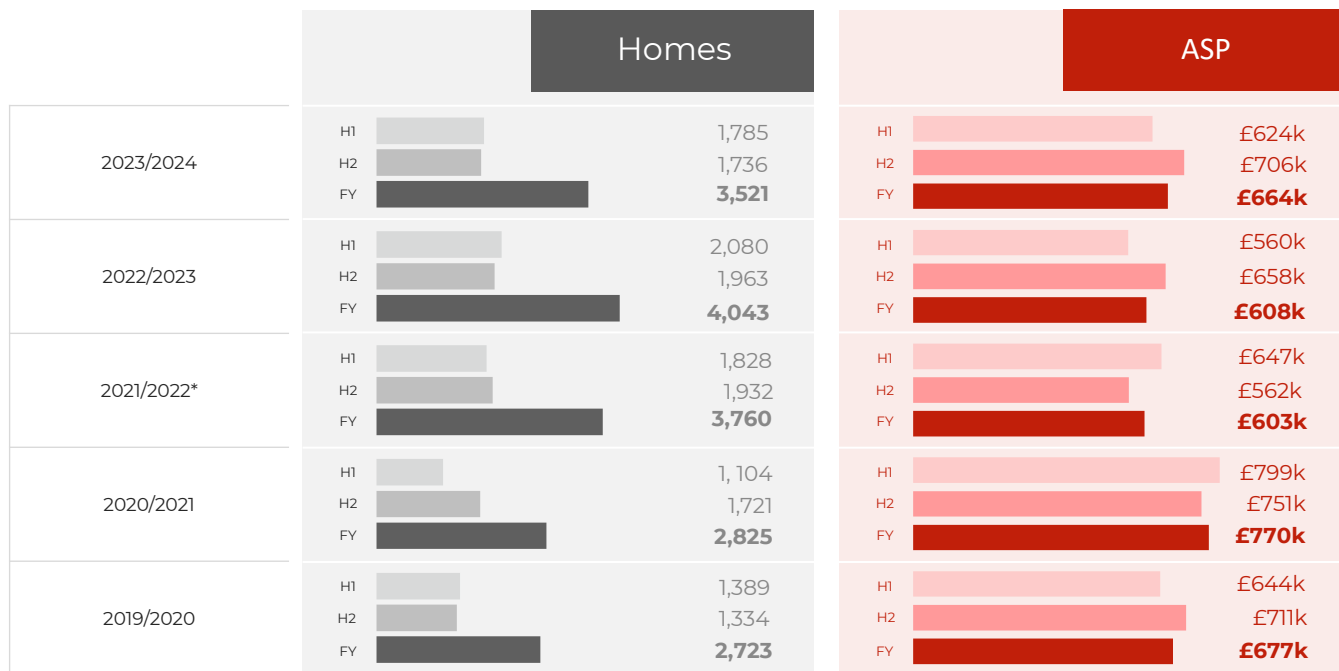
30 April 2023

£7,628.6m

CHANGE / CHANGE %

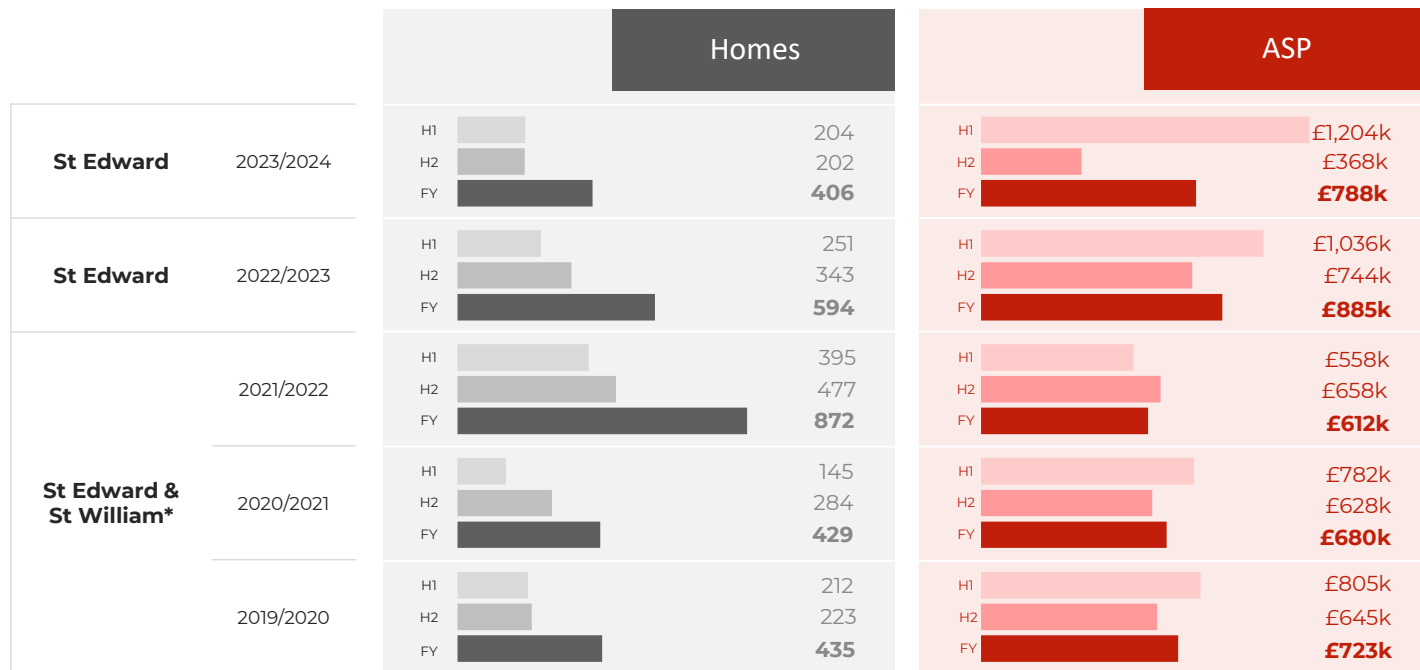
-£699.9m
(-9.2%)

Homes Completed and Average Selling Price (ASP) – Group



(*) Includes St William completions post Asset Acquisition

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



(*) Includes completions prior to St William Asset Acquisition

Income Statement

YEAR ENDED	30 April 2024 £'m		30 April 2023 £'m		CHANGE £'m	CHANGE %
Revenue	2,464.3		2,550.2		-85.9	-3.4%
Gross profit	644.5	26.2%	696.8	27.3%	-52.3	-7.5%
Operating expenses	(164.8)	6.7%	(178.5)	7.0%	+13.7	-7.7%
Operating profit	479.7	19.5%	518.3	20.3%	-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%
Tax	(159.7)	28.7%	(138.3)	22.9%	-21.4	
Profit after tax	397.6		465.7		-68.1	-14.6%
EPS - Basic	373.9p		426.8p		-52.9p	-12.4%
Pre-tax ROE	16.2%		18.7%			-2.5%

Abridged Cash Flow

YEAR ENDED	30 April 2024 £'m	30 April 2023 £'m
Profit before tax	557.3	604.0
(Increase)/Decrease in inventory	18.2	(168.1)
Increase/(Decrease) in customer deposits	(13.6)	(10.1)
Other working capital movements	(110.5)	128.1
Net increase in working capital	(105.9)	(50.1)
Net receipts from joint ventures	(3.7)	(33.0)
Tax paid	(170.5)	(133.7)
Other movements	14.8	8.2
Cash inflow before share buy-backs and dividends	292.0	395.4
Shareholder returns – share buy-backs	(72.3)	(155.4)
Shareholder returns – dividends	(98.1)	(98.5)
Increase in net cash	121.6	141.5
Opening net cash	410.4	268.9
Closing net cash	532.0	410.4

Abridged Balance Sheet

AS AT	30 April 2024 £'m	CHANGE £'m	30 April 2023 £'m
Non-current assets			
- Intangible assets	17.2	-	17.2
- Investment in joint ventures	227.0	+3.6	223.4
- Deferred tax assets	116.9	+2.4	114.5
- Right-of-use assets	4.3	-0.9	5.2
- Property, plant and equipment	28.0	-6.6	34.6
Total non-current assets	393.4	-1.5	394.9
Inventories	5,283.9	-18.2	5,302.1
Debtors	127.0	+34.7	92.3
Creditors and provisions	(2,775.8)	+91.6	(2,867.4)
Capital employed	3,028.5	+106.6	2,921.9
Net cash	532.0	+121.6	410.4
Net assets	3,560.5	+228.2	3,332.3
Net asset value per share	3,363p	+262p	3,101p

Inventories

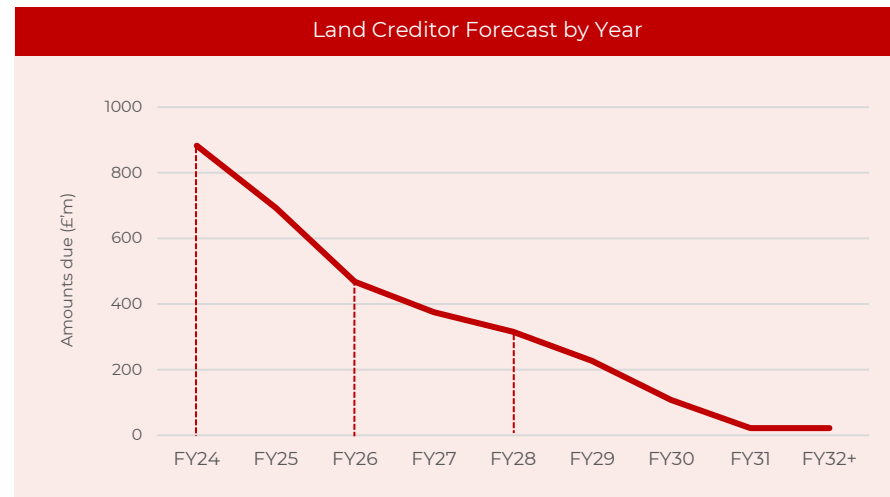
AS AT	30 April 2024 £'m	CHANGE £'m	30 April 2023 £'m
Land not under development	725.8	-201.3	927.1
Work in progress: Land cost	1,715.3	-13.9	1,729.2
Total land	2,441.1	-215.2	2,656.3
Work in progress: Build cost	2,632.4	+112.4	2,520.0
Completed units	210.4	+84.6	125.8
Total inventories	5,283.9	-18.2	5,302.1

Creditors

AS AT	30 April 2024 £'m	CHANGE £'m	30 April 2023 £'m
Trade creditors and accruals	772.2	-74.5	846.7
Provisions for liabilities	209.8	+16.2	193.6
Deposits and on account receipts	907.7	-13.6	921.3
Land creditors	881.7	-19.0	900.7
Lease liabilities	4.4	-0.7	5.1
Total liabilities before borrowings	2,775.8	-91.6	2,867.4
Borrowings	660.0	-	660.0
Total liabilities	3,435.8	-91.6	3,527.4

Land Creditors

Land creditors < 12 months	198.1	+160.8	37.3
Land creditors > 12 months	683.6	-179.8	863.4
Total	881.7	-19.0	900.7



Forecast unwind assumes no new land creditors.

The majority of payments are fixed in nature, but where this is not the case the graph takes into account the current estimate of likely payment date.

Group

- **£400 million** Green Bonds in issue (until August 2031)
- **£800 million** total borrowing facilities
 - Term loan **£260 million**
 - Undrawn RCF **£540 million** (undrawn)
- Maturity **February 2029** following exercise of one year extension option
- **£1,200 million** total borrowing capacity
- Entered into **£126 million** borrowing facility with **Homes England** (undrawn)

HSBC  LLOYDS BANK   BARCLAYS  NatWest

Handelsbanken  Santander

£400m

Green Bonds (2031)

2.50% coupon

**Investment Grade
Credit Rating**

BBB-
(stable outlook) (Fitch)

£800m

Group facilities

AS AT	30 April 2024	CHANGE	30 April 2023
Owned *	53,600	-4,445	58,045
Contracted	481	+481	-
Plots	54,081	-3,964	58,045
Sales value	£27.6bn	-£1.6bn	£29.2bn
Average selling price **	£516k	+£8k	£508k
Average plot cost **	£49k	-£1k	£50k
Land cost %	9.4%	-0.4%	9.8%
Gross margin	£6,929m	-£700m	£7,629m
Gross margin %	25.1%	-1.1%	26.2%

* Includes one St William site which is unconditionally contracted for acquisition.

** Reflects joint venture sites at 100%.

Questions

Rob Perrins

Chief Executive

Richard Stearn

Chief Financial Officer

Hartland Village, Fleet



Appendices

- Summary of Results
- Market Fundamentals
- BTR – Market Opportunity
- BTR – Unique and Strong Value Proposition
- Sites – Delivery and Land Status
- Sites in London (map)
- Sites out of London (map)
- 20-year financial track record

Huntley Wharf, Reading



Strong Results in a Challenging Environment

Financial

- Pre-tax profits of £557 million, in line with guidance provided at start of the year
- Operating margin of 19.5%
- Net cash maintained above £400 million
- Shareholder returns maintained

**Brownfield regeneration:
valuable mix of social, environmental
and economic value**



- 87% of 3,900 homes delivered on brownfield land
- £370 million subsidies for affordable housing and committed to infrastructure
- Supporting 26,000 jobs and £2.5 billion contributed to UK economy
- Our Vision 2030:
 - Net promoter score +80.2
 - 56 sites committed to Net Biodiversity Gain
 - Over 40 embodied carbon assessments
 - 9.5% of employees are graduates, apprentices or sponsored students



'A' rated



Sustainalytics

'Low risk' rating

Market Fundamentals – Compounding Under-Supply

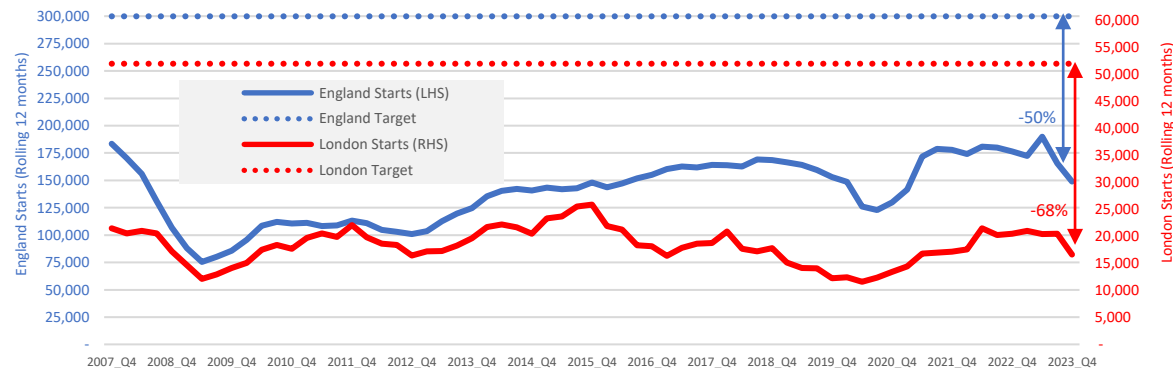
National

- The Government's long-term annual delivery target is 300,000 new homes a year.
- During 2023, there were c.149,000 new starts reported in England (c.50% below the target), suggesting the acute shortfall in delivery is set to continue.

London

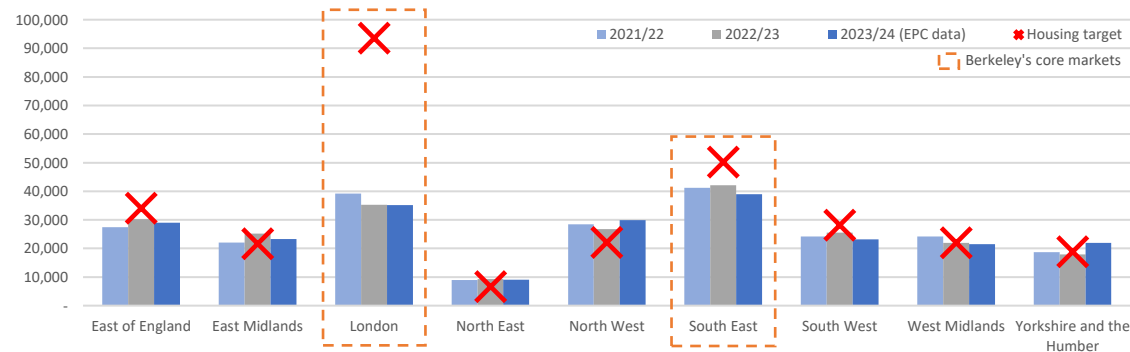
- The 2021 London Plan targets 52,000 homes a year over the next ten years.
- Starts reported in London in 2023 were just under 17,000 (c. 68% below the London Plan target).
- Other Government annual housing need data estimates a much higher requirement, of 94,000 (DLUHC's Indicative Local Housing Need, December 2020).
- The current level of starts is over 80% below this Government identified requirement.
- Starts have remained materially below official housing targets for a number of years, further compounding the supply issue.
- Total completions in London have been more than 50,000 lower than this need in each of the last three years.
- This under-supply on a regional basis is most acute in London and the South East, currently being 63% and 20% below identified need respectively.

Figure 1: Construction Starts



Source: DLUHC Quarterly Starts (Live Tables 213 and 253a); Government Target; London Plan 2021

Figure 2: Government Regional Identified Need vs Completion Delivery (New Build & Conversions)



Source: DLUHC Net Additional Dwellings (Live Table 118); DLUHC Indicative Local Housing Need (December 2020)

The Build to Rent (“BtR”) Market Opportunity

Severe shortage of high-quality, professionally managed rental homes fuelling demand, rental growth and high occupancy rates

- c. 5 million people living in private rented sector (“PRS”) in the UK (including 31% in London)
- Strong household formation growth forecast to continue
- Rental property demand increasing due to sustained undersupply
- Cost of home ownership and age of first-time buyers increasing
- Smaller Buy-to-Let landlords exiting rental market due to fiscal drag
- Only 100,000 completed BtR homes in the last 13 years.



Unique Opportunity to Berkeley to establish a Best-in-Class BTR Platform

- Berkeley London and South East portfolio
 - 4,000 homes across 17 brownfield urban sites
 - Sites well-suited to rental market – excellent connectivity and nature-rich, low carbon homes
 - Dedicated and purpose specified buildings with BTR amenities
 - Potential to command rental premium from Berkeley quality
 - First completions FY27 and completed by FY34
- Berkeley operating platform (rental and asset management)
- Ongoing presence on long-term regeneration sites offers added-value

Data provided by Savills

BTR - Unique and Strong Value Proposition

Significant appetite from global institutional investors seeking diversification and competitive returns

- 3% of UK PRS owned by institutions (US: 40%; Germany: 37%)
- BtR increasingly important - £4.5 billion deployed in 2023
- UK yields attractive compared to mature global markets
- Risk-free rate forecast to fall to sub 3%, suggesting future yield compression
- BtR investment supports ESG strategies

Favourable rental growth dynamics

- Supply and demand imbalance underpinning growth prospects

Growth %	2024	2025	2026	2027	2028	2024-28
UK	5.8%	4.1%	3.6%	3.2%	3.0%	21.4%
London	5.5%	3.9%	3.6%	3.3%	3.4%	21.3%

Average of the Savills, CBRE, JLL and Knight Frank forecasts

Unique and Strong Value Proposition

- Strong rental growth and cost efficiency from synergistic benefit of on-site presence and asset management
- Maximise value from disposal of stabilised assets
- Third party capital to be introduced at appropriate time
- Efficient balance sheet supportive of long-term 15% ROE target
- Will not inhibit new land acquisitions in core business
- Additional 10% delivery of much needed new homes
- Risk Management
 - Market risk managed through diversification
 - Build cost exposure locked in early in investment cycle
 - Flexible exit route(s) to maximise returns – portfolio / buildings / homes

Sites - Delivery and Land Status

AS AT 30 APRIL 2024	LARGE REGENERATION SITES		OTHER SITES		TOTAL LAND HOLDINGS		LONG-TERM PIPELINE (approximately)	
Delivery of Developments:								
In construction	27	90%	24	60%	51	73%	-	-
Not yet in construction – owned	3	10%	15	38%	18	26%	10	77%
Not yet in construction – contracted	-	-	1	2%	1	1%	3	23%
Total developments	30	100%	40	100%	70	100%	13	100%
Land status								
Plots – owned	38,836		14,764		53,600		9,800	73%
Plots – contracted	-		481		481		3,700	27%
Plots – total	38,836	72%	15,245	28%	54,081	100%	13,500	100%
Proportion with outline planning (plots)	96%		87%		93%		-	
Proportion brownfield (plots)	100%		47%		85%		100%	

Maps of Berkeley's 70 land holdings sites included on the following two slides

Sites in London

● UNDER CONSTRUCTION

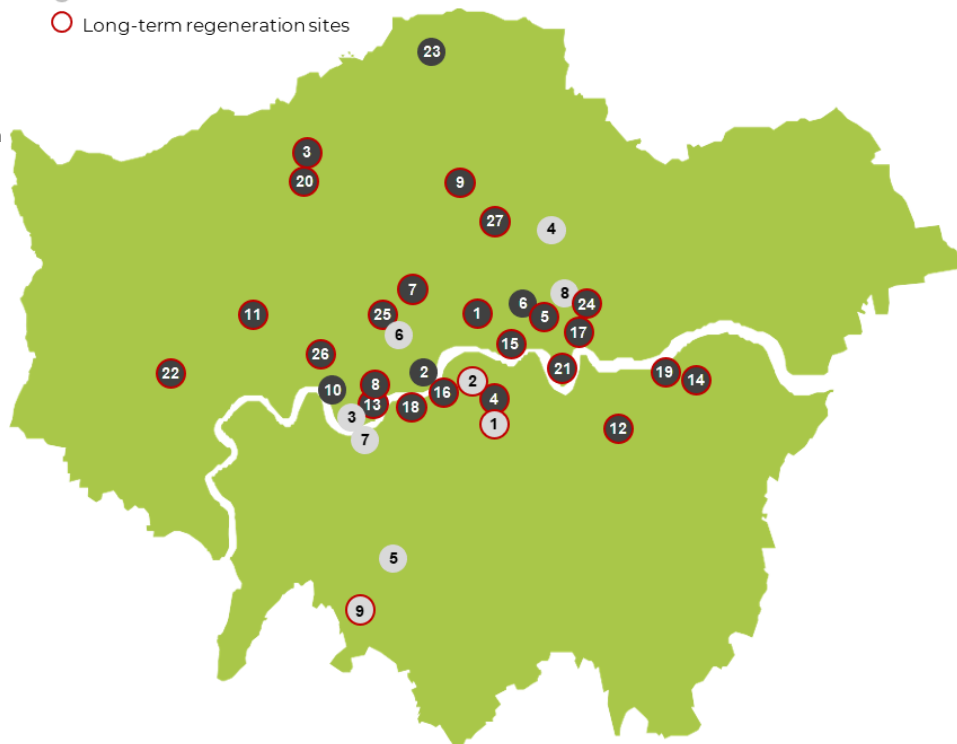
- 1 250 City Road, Islington
- 2 9 Millbank, Westminster
- 3 Beaufort Park, Hendon
- 4 Bermondsey Place, Southwark
- 5 Bow Green
- 6 Broadway East, Bethnal Green
- 7 Camden Goods Yard
- 8 Chelsea Creek
- 9 Clarendon, Haringey
- 10 Fulham Reach
- 11 Grand Union Place, Brent
- 12 Kidbrooke Village
- 13 King's Road Park, Fulham
- 14 Lombard Square, Plumstead
- 15 London Dock, Wapping
- 16 Oval Village
- 17 Poplar Riverside
- 18 Prince of Wales Drive, Wandsworth
- 19 Royal Arsenal Riverside, Woolwich
- 20 Silkstream, Barnet
- 21 South Quay Plaza, Docklands
- 22 The Green Quarter, Ealing
- 23 Trent Park, Enfield
- 24 TwelveTrees Park, Newham
- 25 West End Gate, Paddington
- 26 White City Living
- 27 Woodberry Down, Finsbury Park

● FUTURE SITES

- 1 Aylesham Centre, Peckham
- 2 Borough Triangle
- 3 Fulham
- 4 Lea Bridge
- 5 Mitcham
- 6 Paddington Green
- 7 Wandsworth Mills
- 8 Stratford
- 9 Sutton

Key

- Under construction
- Future sites
- Long-term regeneration sites



Berkeley
is
delivering

36

sites in
London.

27 of these
are currently
in production

Sites outside of London

● UNDER CONSTRUCTION

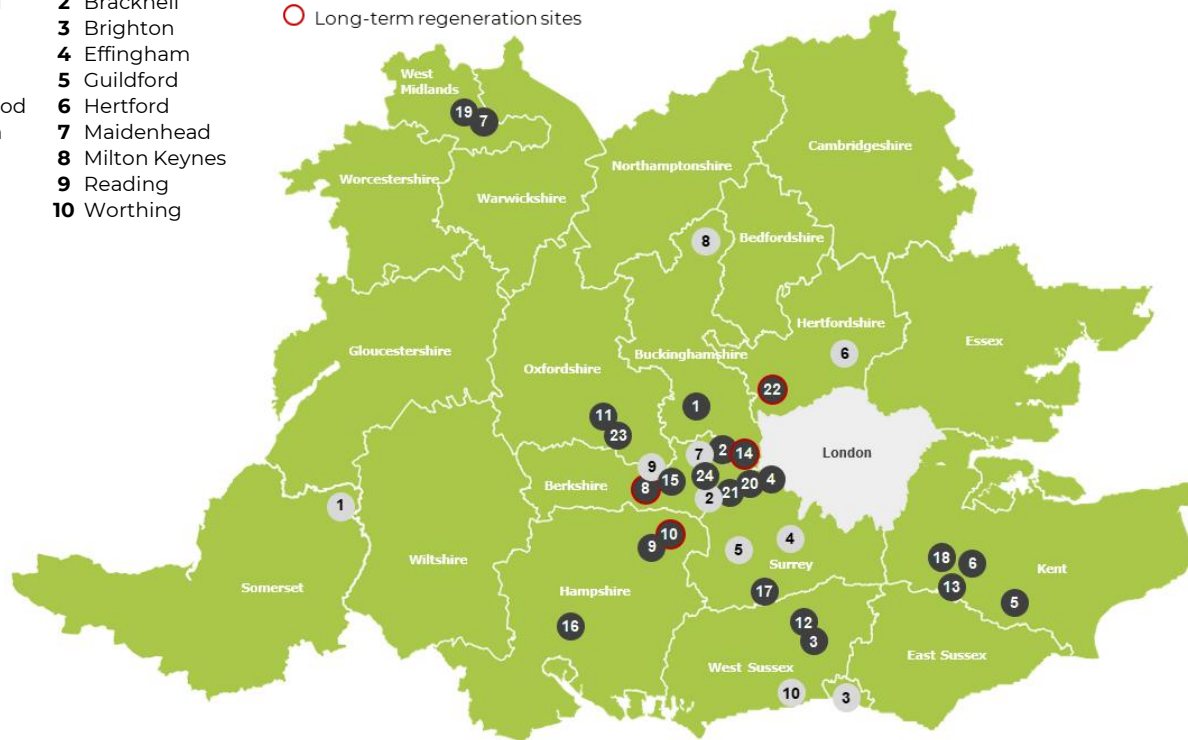
- 1 Abbey Barn Park, High Wycombe
- 2 Berkeley Place, Farnham Royal
- 3 Broadacres, Southwater
- 4 Eden Grove, Staines
- 5 Farmstead, Cranbrook
- 6 Foal Hurst Green, Paddock Wood
- 7 Glasswater Locks, Birmingham
- 8 Green Park Village, Reading
- 9 Hareshill, Fleet
- 10 Hartland Village, Fleet
- 11 Highcroft, Wallingford
- 12 Highwood Village, Horsham
- 13 Hollyfields, Hawkenbury
- 14 Horlicks Quarter, Slough
- 15 Huntley Wharf, Reading
- 16 Knights Quarter, Winchester
- 17 Leighwood Fields, Cranleigh
- 18 Oakhill, Hildenborough
- 19 Snow Hill Wharf, Birmingham
- 20 Sunningdale Park
- 21 Sunninghill Square, Ascot
- 22 The Eight Gardens, Watford
- 23 Winterbrook Meadows, Wallingford
- 24 Woodhurst Park, Warfield

● FUTURE SITES

- 1 Bath
- 2 Bracknell
- 3 Brighton
- 4 Effingham
- 5 Guildford
- 6 Hertford
- 7 Maidenhead
- 8 Milton Keynes
- 9 Reading
- 10 Worthing

Key

- Under construction
- Future sites
- Long-term regeneration sites



Berkeley
is
delivering

34

sites outside
London.

24 of these
are currently
in production

Berkeley's 20-Year Track Record – through the market cycle

AS AT	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Income Statement*																				
Units Sold	3,521u	4,043u	3,760u	2,825u	2,723u	3,698u	3,678u	3,802u	3,776u	3,355u	3,742u	3,712u	3,565u	2,544u	2,201u	1,501u	3,167u	2,852u	3,001u	2,292u
ASP	£664k	£608k	£603k	£770k	£677k	£748k	£725k	£668k	£515k	£575k	£423k	£354k	£280k	£271k	£263k	£395k	£295k	£285k	£293k	£309k
Revenue	2,464	2,550	2,348	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	795
Operating profit	480	519	508	502	470	768	817	737	502	524	375	280	226	136	106	125	206	177	161	153
Share of JV profit	65	96	56	22	33	9	163	63	37	28	12	(1)	(2)	2	-	(1)	(2)	7	12	10
Net finance income (costs)	12	(11)	(13)	(7)	1	(2)	(3)	(8)	(8)	(13)	(7)	(8)	(9)	(2)	4	(4)	(9)	4	(7)	(8)
Profit before tax	557	604	552	518	504	775	977	793	531	540	380	271	215	136	110	120	194	188	165	155
Operating margin	19.5%	20.3%	21.6%	22.8%	24.5%	26.0%	28.8%	28.1%	24.5%	24.7%	23.1%	20.4%	18.8%	18.3%	17.3%	17.8%	20.8%	19.3%	17.5%	19.3%
Pre-tax ROE	16.2%	18.7%	17.5%	16.5%	16.6%	27.9%	41.9%	41.3%	30.8%	35.1%	27.5%	22.4%	21.2%	15.3%	13.3%	11.6%	18.8%	16.7%	16.6%	15.9%
Shareholder Returns																				
Dividend / B-Share**	98	99	452	146	150	53	147	255	260	244	195	20	-	-	-	-	242	242	-	622
Share buy-backs	72	155	64	189	131	199	140	65	5	-	-	-	-	30	13	19	-	-	-	21
Total return	170	254	515	334	280	252	287	319	264	244	195	20	-	30	13	19	242	242	-	643
Balance Sheet																				
Capital employed	3,029	2,922	2,867	2,047	1,963	1,988	1,904	1,789	1,705	1,207	1,312	1,278	1,158	892	545	517	686	701	617	877
Net cash/(debt)	532	410	269	1,128	1,139	975	687	286	107	431	129	45	(58)	42	317	285	(5)	81	221	(255)
Net assets	3,561	3,332	3,136	3,175	3,102	2,963	2,591	2,075	1,813	1,638	1,441	1,322	1,100	934	862	801	682	782	837	621
Closing shares	105.9m	107.5m	111.3m	121.6m	125.5m	128.6m	133.7m	140.2m	137.9m	136.6m	135.3m	131.0m	131.0m	131.0m	134.9m	130.2m	120.8m	120.5m	120.2m	119.9m
NAVPS	£33.63	£31.01	£28.18	£26.12	£24.72	£23.04	£19.38	£14.80	£13.14	£11.99	£10.65	£10.09	£8.39	£7.10	£6.36	£6.15	£5.64	£6.49	£6.97	£5.18
Land Holdings																				
Plots	54,081	58,045	66,163	63,270	58,413	54,955	46,867	46,351	42,858	37,473	35,963	25,684	26,021	27,026	28,099	30,044	31,365	30,128	23,819	23,123
Estimated GM	6,929	7,629	8,258	6,884	6,417	6,247	6,003	6,378	6,146	5,272	4,514	2,852	2,580	2,304	2,038	2,014	2,728	2,234	1,672	1,671
Forward sales																				
Cash due ***	1,701	2,136	2,171	1,712	1,858	1,831	2,193	2,743	3,259	2,959	2,274	1,453	1,056	814	648	620	1,210	936	582	948

*Excluding Joint Ventures.

** The £452 million in 2022 was made via a B-Share payment.

*** Cash due from private customers during the next three financial years under unconditional contracts for sale.