Full year results

For the year ended 30 June 2019

11 September 2019

GallifordTry plc

Graham Prothero

Chief Executive,
Galliford Try plc

Agenda

Full year results to 30 June 2019

Proposed transaction

As announced 10 September 2019

- Exciting opportunity to strengthen and advance all three businesses.
- Combination of housebuilding operations creates a stronger platform for both businesses.
- Construction remains a well-capitalised, standalone, construction facing business.
- Significant work still to be completed.
- Generates significant benefit for shareholders and wider stakeholders.

	Transaction details
Proceeds	£1.075bn
Financing	£675m paper
	£300m cash
	£100m debt transfer

Group performance

Full year results
for the year ended
30 June 2019

Meadow View in Cholsey, Oxfordshire

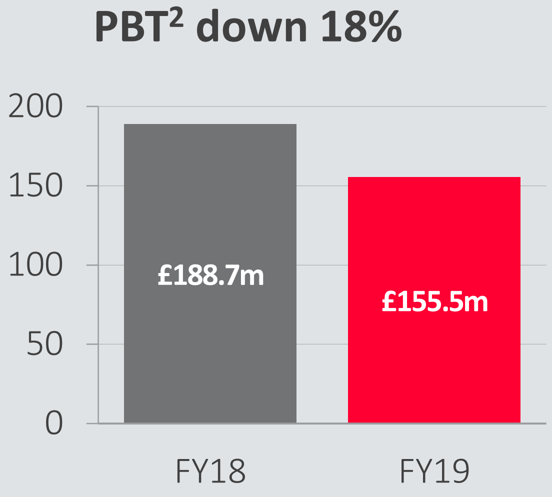
Group performance

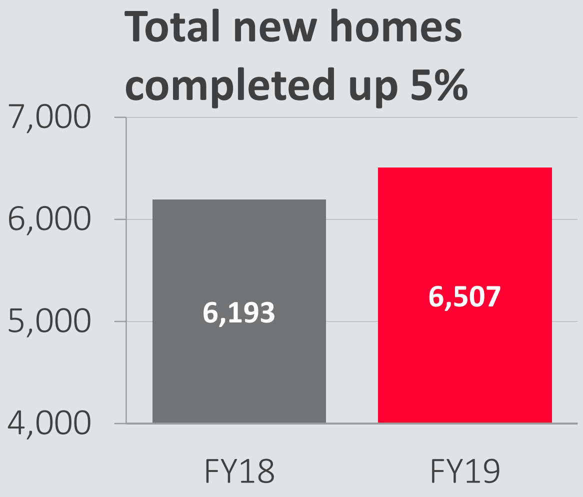
- Performance in line with guidance.
- Strong succession planning facilitated transition, stability and leadership.
- Leadership refocused in all three businesses.
- Further progress in transforming Linden; operational improvements continued, delivering margin improvement in tougher conditions.
- Continuing strong growth in Partnerships, increasing geographic spread, revenues and margins.
- Construction reorganised to exploit key skills and strengths.

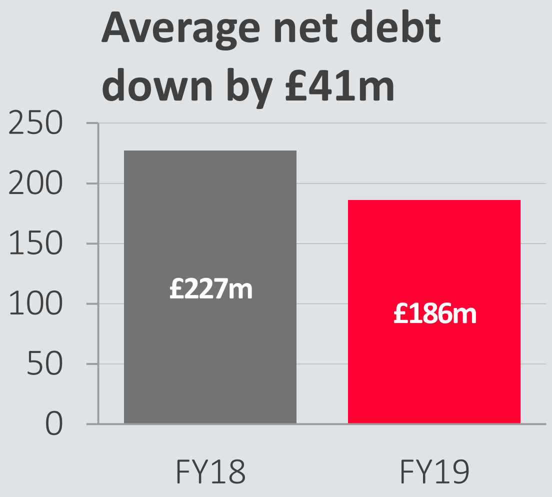

St Lawrence, Bodmin, Cornwall

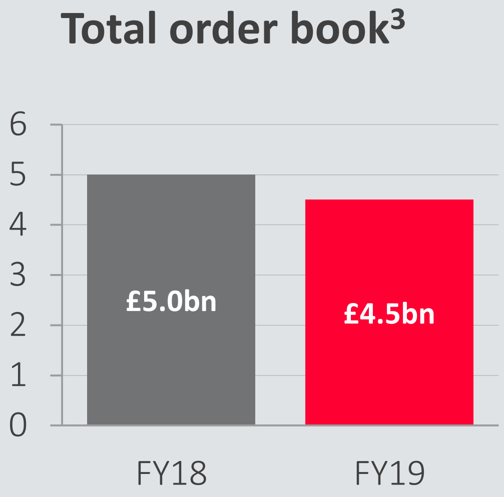
Group performance

- Revenue[1] of £2.9bn (2018: £3.1bn).
- Pre-exceptional profit before tax in line with expectations at £155.5m (2018: £188.7m).
- Total new homes completed up by 5% to 6,507 (2018: 6,193).
- Total order book[3] of £4.5bn (2018: £5.0bn).
- Average net debt of £186.0m as guided (2018: £227.0m).
- Final dividend of 35.0p, making a full year dividend of 58.0p, which is covered by 2x pre-exceptional earnings.









[1] Includes share of joint ventures and excludes sales from part-exchange.
[2] Pre-exceptional.
[3] Current at 9 September 2019.

Andrew
Duxbury

Finance Director,
Galliford Try plc

Financial review

Financial review

Group financial performance

- Solid financial performance.
  - Strong margins in Linden.
  - Impressive growth in Partnerships.
  - Underlying Construction performance encouraging.
- Pre-exceptional profit before tax of £155.5m includes £33.0m of previously announced write-downs.
- Exceptional items of £50.8m.
- Dividend per share 58.0p, covered by 2x pre-exceptional earnings.
- Pre-exceptional RoNA remains robust at 22.1%.

£m	FY19	FY18	Var
Revenue[1]	**2,862.5**	3,132.3	(9)%
Profit from operations before exceptional items[2]	**177.8**	213.1	(17)%
Profit before exceptional items and tax	**155.5**	188.7	(18)%
Profit before tax	**104.7**	143.7	(27)%
Earnings per share			
Pre-exceptional	**115.7p**	158.4p	(27)%
Post-exceptional	**78.5p**	121.1p	(35)%
Dividend per share	**58.0p**	77.0p	(25)%
Group pre-exceptional RoNA[3]	**22.1%**	29.2%	(7.1)pts

[1] Pre-exceptional and includes share of joint ventures. Excludes sales from part-exchange.
[2] Profit from operations stated before finance costs, amortisation, joint ventures' interest and tax.
[3] Group pre-exceptional Return on Net Assets (RoNA) is calculated as pre-exceptional EBITA divided by average pre-exceptional net assets including goodwill.

Financial review

Segmental analysis

- Linden Homes maintained strong margin at 19.6%.
  - Revenue reduction includes planned lower ASP.
  - Profit from operations of £160.5m.
- Partnerships & Regeneration delivered rapid growth in contracting and higher-margin mixed-tenure revenues.
  - Revenue growth of 31%, including 55% growth in mixed-tenure.
  - Profit from operations up 47%, reflecting gross margin growth and improved overhead leverage.
  - Margin expansion to 5.6%.
- Construction's performance impacted by previously announced one-off charge.
  - Underlying business performing well, with margins that reflect the lower risk profile.
  - Revenue reduced to £1.4bn as guided.

	FY19		
£m	Revenue[1,2]	Profit/(loss) from operations[2,3]	Operating margin[2]
Linden Homes	820.4	160.5	19.6%
Partnerships & Regen	623.2	34.8	5.6%
Construction	1,386.8	(15.0)	(1.1)%
PPP Investments	31.5	4.5	n/a
Group	0.6	(7.0)	n/a
TOTAL	**2,862.5**	**177.8**	**6.2%**

	FY18		
£m	Revenue[1]	Profit/(loss) from operations[2,3]	Operating margin[2]
Linden Homes	947.3	184.4	19.5%
Partnerships & Regen	475.2	23.6	5.0%
Construction	1,687.4	15.9	0.9%
PPP Investments	21.7	6.8	n/a
Group	0.7	(17.6)	n/a
TOTAL	3,132.3	213.1	6.8%

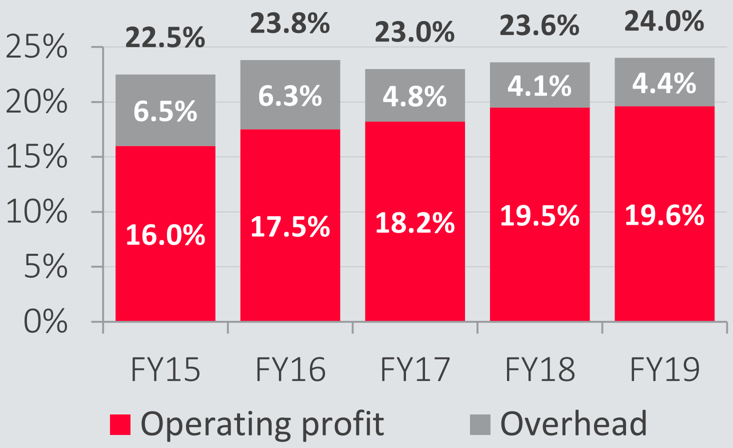
[1] Revenue includes share of joint ventures and excludes part-exchange.
[2] Pre-exceptional.
[3] Profit/loss from operations stated before finance costs, amortisation, exceptional items, joint ventures' interest and tax.

Financial review

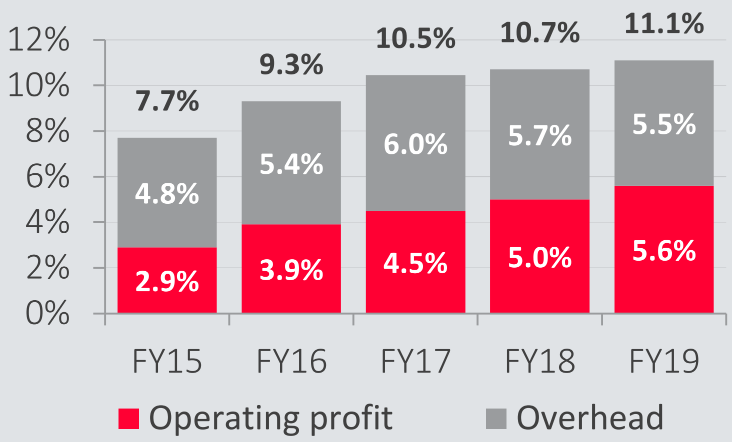
Gross margin by business

- Linden gross margin showing continued progression, benefiting from standardisation strategy.
- Partnerships delivered rising margin, with increasing proportion of mixed-tenure revenue.
- Construction margin includes impact of contract write-downs.

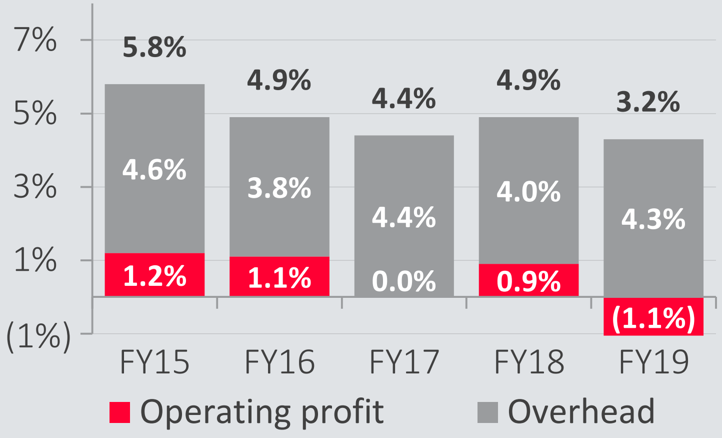
Linden Homes gross margin



Partnerships & Regen gross margin



Construction gross margin[1]



[1] Pre-exceptional.

Financial review

New accounting standards and exceptional items

- IFRS 15 'Revenue from Contracts with Customers'.
  - Timing impact only – no effect on profitability of individual contracts or cash flows.
  - Higher hurdle for third-party (downstream) recoveries on an IAS 37 basis.
  - Resulting opening reserves adjustment and additional exceptional charge related to AWPR.
  - Sales from part-exchange properties now included in revenue (no impact on net assets).
- IFRS 9 'Financial Instruments'.
  - 'Expected credit loss' adjustment to opening reserves.
  - Small increase in value of PPP and other investments.
- IFRS 16 'Leasing' applicable from 31 December 2019.
- Exceptional items of £50.8m.

Accounting policy change

£m	At 1 July 2018	**Year to 30 June 2019**
	Opening reserves	**Exceptional items**
IFRS 9	(11.2)	**(2.8)**
IFRS 15	(35.4)	**(6.3)**

Note: stated before tax and deferred tax.

Exceptional items	£m
AWPR	26.0
Queensferry Crossing	6.7
Pensions	4.4
Restructuring	4.6
Previously announced	**41.7**
IFRS 15/IFRS 9	9.1
TOTAL	**50.8**

Financial review

Balance sheet highlights

- Maintained a strong balance sheet.
- Working capital increased to £636.9m (2018: £503.4m), including £99.7m increase in net investment in housebuilding to £991.4m (2018: £891.7m).
- Net debt £56.6m (2018: net cash £98.2m) and average net debt £186m (2018: £227m).
- Total committed debt facilities of £550m.

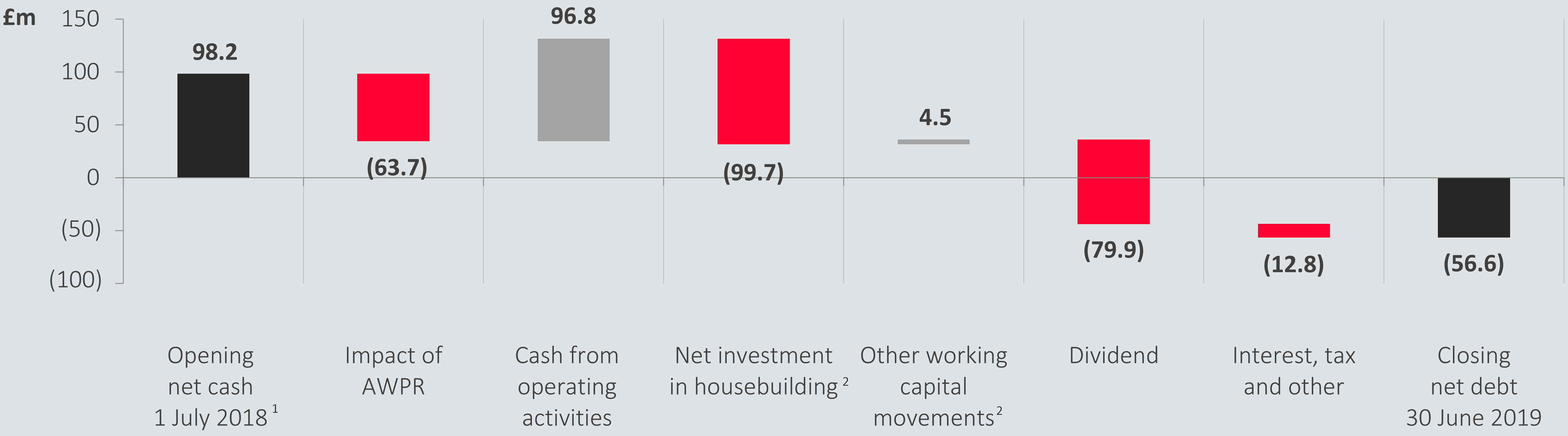
£m	2019	2018[1]
Net assets	**751.7**	776.5
Tangible net assets	**580.3**	601.6
Net (debt)/cash	**(56.6)**	98.2
Gearing %	**8%**	-
Net pension surplus	**7.0**	7.0

Working capital	2019	2018
Land and developments net of land creditors	**659.8**	580.5
Investments in joint ventures	**331.6**	311.2
Net investment in housebuilding	**991.4**	891.7
Other working capital	**(354.5)**	(388.3)
Total working capital	**636.9**	503.4

[1] Stated before total net £32.3m opening reserves adjustment (or IFRS 9 and IFRS 15) transition adjustments on adoption of IFRS 9 and IFRS 15 on 1 July 2018.

Financial review

Cash management remains priority



[1] Includes £150m rights issue net proceeds in 2018.
[2] Includes movements in working capital in respect of our joint ventures and PPP and other investments.

Operating review

By business

M49 Avonmouth

Our Executive Board

Leadership restructured in each of the businesses.

Graham Prothero
Chief Executive,
Galliford Try plc

Andrew Duxbury
Finance Director,
Galliford Try plc

Kevin Corbett
General Counsel &
Company Secretary,
Galliford Try plc

Andrew Hammond
Chief Executive,
Linden Homes

Stephen Teagle
Chief Executive,
Partnerships &
Regeneration

Bill Hocking
Chief Executive,
Construction &
Investments

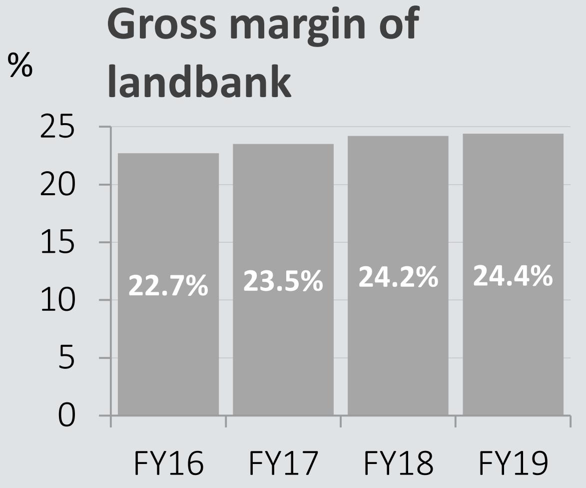
Linden Homes

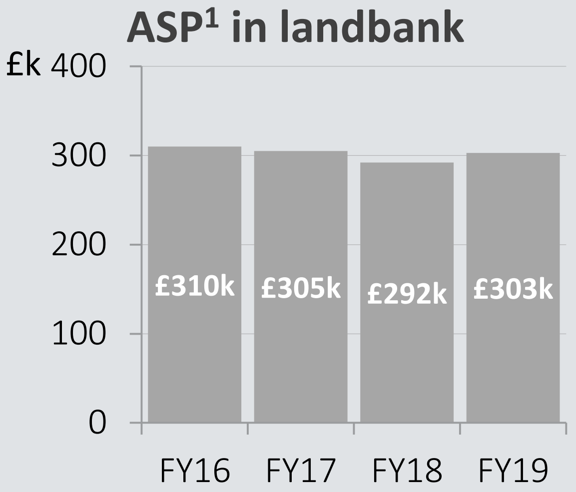
Operating review

	FY19	FY18
Units	**3,229**	3,442
Revenue	**£820m**	£947m
Operating profit	**£160.5m**	£184.4m
Operating margin	**19.6%**	19.5%
Sales mix:		
Private	**2,227**	2,587
Affordable	**1,002**	855
Average sales price[1]	**£351k**	£367k
RoNA	**26.4%**	30.5%
Sales in hand[2] – value	**£474m**	£510m
Sales in hand[2] – units	**2,410**	2,408

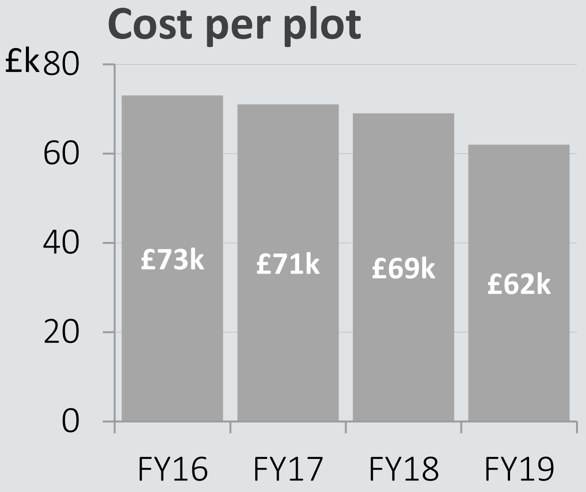
[1] Excludes affordable.
[2] Current at 9 September 2019.

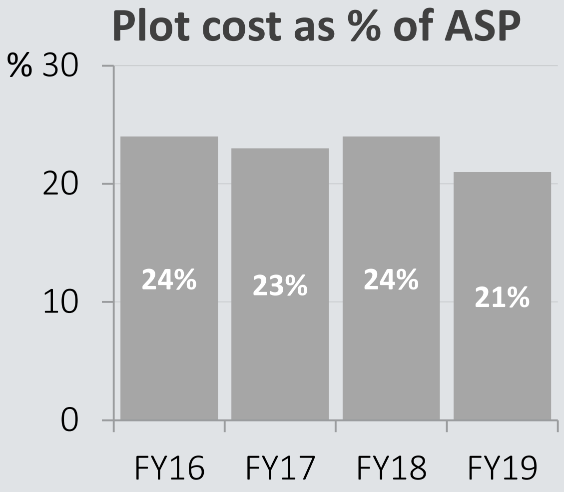
- Revenues lower, principally reflecting lower outlet numbers (FY19: 80, FY18: 85).
- Private ASP reflects continued repositioning.
- Continued to enhance operational performance and deliver on strategic objectives, resulting in improved margin.
- Linden Collection enables reduction in build times and increased quality of build.
- Four-star housebuilder, with strengthened underlying scores.





[1] Includes affordable.





Linden Homes

Operating review

- Land market conditions favourable with attractive hurdle rates.
- Landbank of 12,600 plots (2018: 11,830) representing targeted 3.5 years supply.
- Gross margin in landbank remains robust.
- Average plot cost fully in line with plan.
- Strategic land increased to 2,850 acres and 13,240 plots (FY18: 2,730 acres and 13,270 plots).

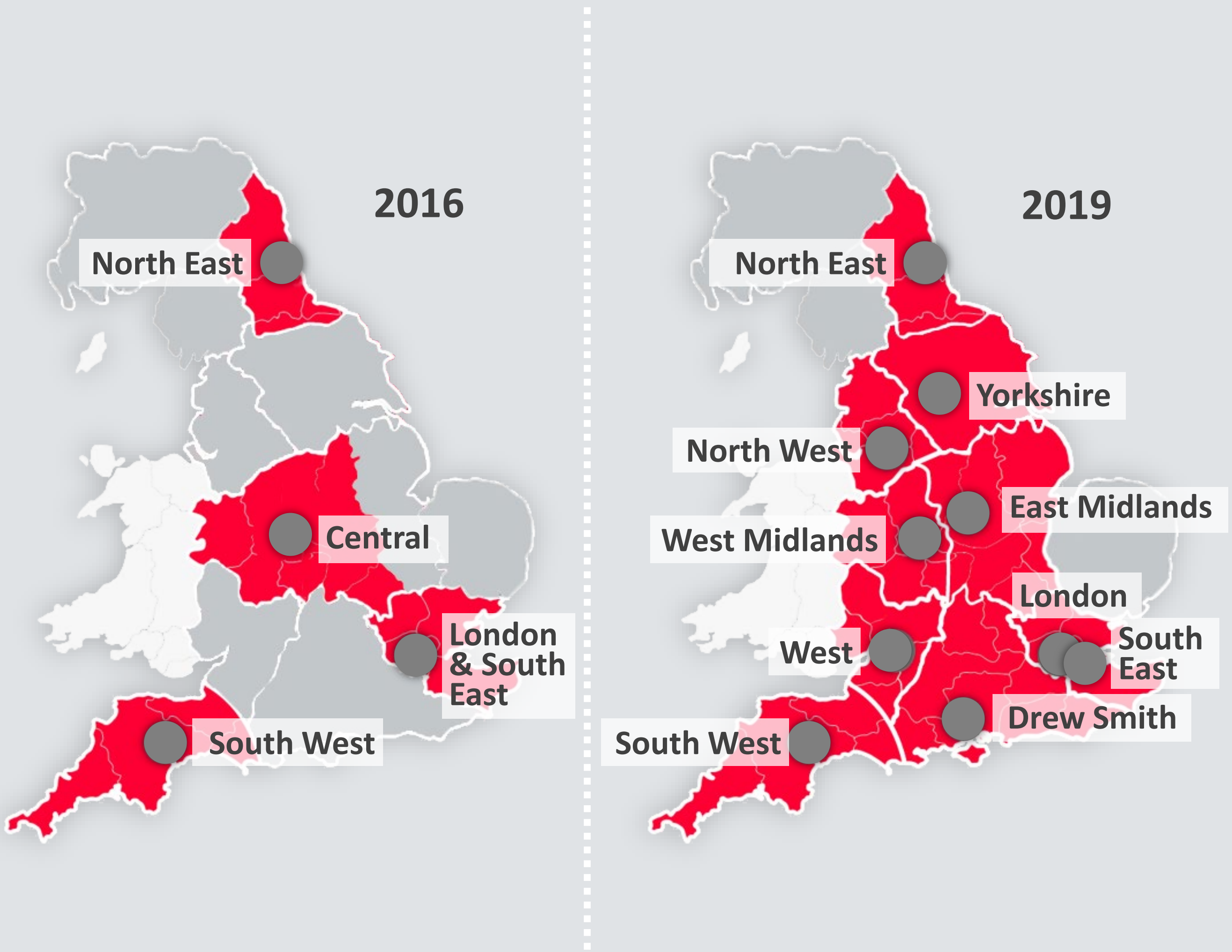
Partnerships & Regeneration

Operating review

	FY19	FY18
Revenue:		
Contracting	**£431m**	£351m
Mixed-tenure	**£192m**	£124m
Operating profit	**£34.8m**	£23.6m
Operating margin	**5.6%**	5.0%
Units delivered:		
Mixed-tenure	**1,178**	751
Equivalent contracting	**2,100**	2,000
Average sales price	**£217k**	£220k
RoNA	**51.0%**	48.2%
Sales in hand[1]:		
Contracting	**£1,000m**	£1,200m
Mixed-tenure	**£203m**	£188m

[1] Current at 9 September 2019.

- Further excellent progress against strategic targets.
- Contracting revenues up 23% and mixed-tenure up 55%.
- Strong improvement in customer service score.
- Significant public land wins with Homes England and Local Authorities.
- Working with over 60 strategic Housing Association and Local Authority partners.



Partnerships & Regeneration

Operating review

- Business restructured into three regions, and 10 local business units across England.
- Completed acquisition of Strategic Team Group, providing strong Yorkshire presence ahead of plan.
- Continuing strong pipeline of opportunities across all tenures and across all regions.

Construction

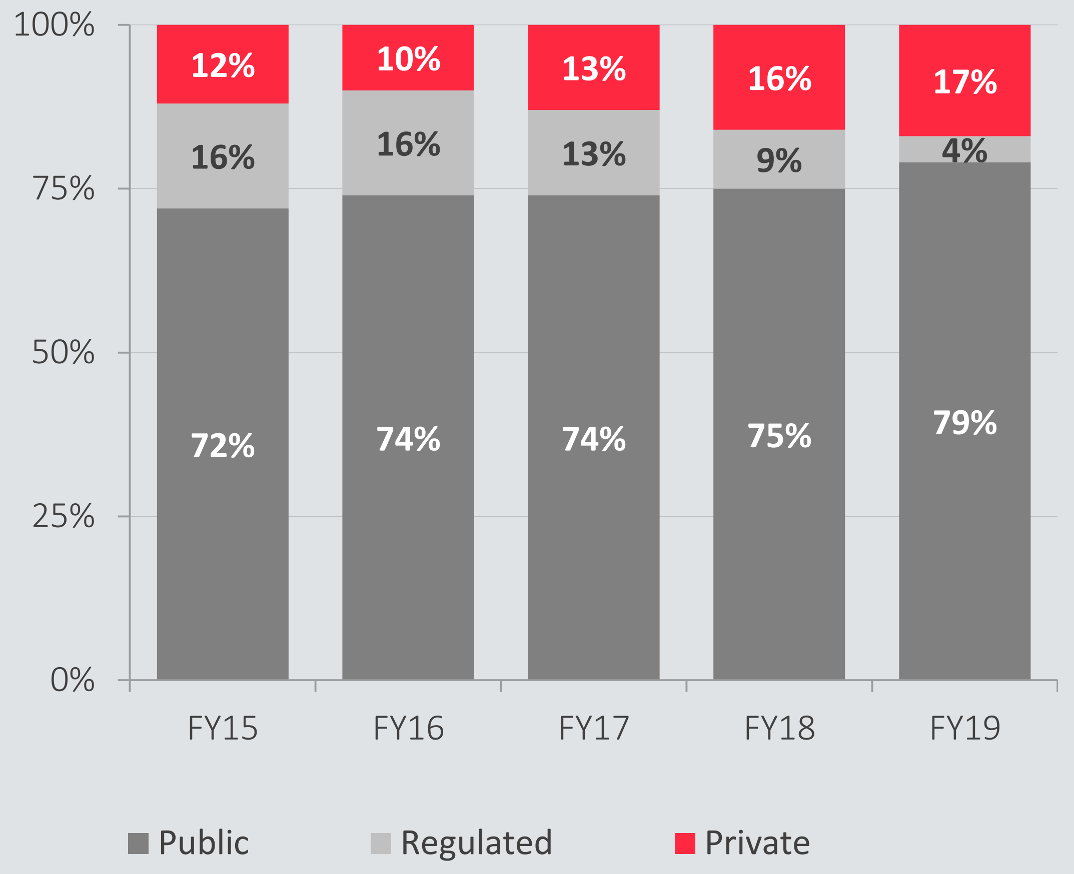
Operating review

	FY19	FY18
Revenue[1]	**£1,387m**	£1,687m
Operating (loss)/profit[1]	**£(15.0)m**	£15.9m
Net debt	**£(15.8)m**	£(26.0)m
Order book[2]	**£2.9bn**	£3.3bn
Work secured[2]	**89% (for FY20)**	89% (for FY19)

[1] Pre-exceptional.
[2] Current at 9 September 2019.

- Operating loss includes £33m in respect of previously announced contract write-downs following strategic review.
- Underlying business showing good progress on margins and cash.
- Several legacy projects closed out in the period.
- Recovery of claims on AWPR and three contracts remain outstanding.
- £2.9bn order book at year end gives visibility of 89% planned revenue for 2020.

Order book by client type



Construction

Operating review

- Order book strong across all sectors and businesses, despite visible Brexit uncertainty.
- Restructure implemented to right-size the business and strengthen the management structure.
- Underlying strong business provides platform for future delivery.
- Focus on sectors with appropriate profit, cash and growth profile, including regional Building, Water and Highways.

Outlook

Full year results
for the year ended
30 June 2019

Export Building, East India Dock, East London

Outlook

- Housing market continues at a robust level of activity, supported by Help to Buy and a very strong mortgage market.
- Linden seeing an improving sales rate following the typically quieter summer weeks.
- Partnerships experiencing strong demand from Registered Providers and Local Authorities, as well as good levels of private sales.
- Construction reorganisation settling, and business enjoying steady level of demand, in particular from Government and regulated sectors.
- All three businesses well placed to take advantage of strong opportunities.

Questions & answers

Appendices

Appendices

1.1 Our businesses

Linden HOMES

- Top 10 UK housebuilder.
- High-quality homes for first-time buyers and families.
- Private and affordable housing.

Galliford Try

Morrison Construction

- Top 10 UK contractor.
- National coverage, local delivery.
- Strong order book, mainly in public and regulated sectors. Excellent framework positions.

Galliford Try Partnerships

- Leading regeneration specialist.
- National scale with local delivery.
- Unique and powerful platform combining contracting, regeneration and mixed-tenure development.

Appendices

1.2 Creating value – over the past five years

27,000+

homes delivered by Linden Homes and Partnerships & Regeneration.

£85m+

committed to communities through planning obligations.

£4.8bn

of contracts undertaken for public and regulated sector clients.

£275m+

of corporation tax and other taxes paid, contributing to the UK’s public finances.

67,129

training days provided for our people.

£321.7m

of dividends paid to shareholders.

£2.1m+

of time, money and materials donated to charities.

Appendices

1.3 Operating sustainably

- FTSE4Good: 3.2 out of 5.
- Further recognition for award-winning Challenging Beliefs, Affecting Behaviour and Be Well programmes.
- Awarded ‘Top Graduate Employer’ and ‘Top Apprentice Employer’.
- 25 awards from Considerate Constructors Scheme.
- Gold status from Supply Chain Sustainability School.
- Refreshed Code of Conduct programme.

Our People

Health & Safety

Environment & Climate Change

Communities

Customers

Supply Chain

Appendices

1.4 Investment in Linden Homes and Partnerships & Regeneration

£m	2019	2018
Amounts invested in joint ventures	331.6	311.2
Land	552.9	465.8
Work in progress	323.8	259.1
Total invested in housebuilding developments and joint ventures	1,208.3	1,036.1
Land creditors	(216.9)	(144.4)
Net investment in developments and joint ventures[1]	991.4	891.7

Linden Homes	828.4	752.5
Partnerships & Regeneration	163.0	139.2
TOTAL	991.4	891.7

[1] Stated before other net working capital balances.

Appendices

1.5 IFRS 16 Leases

BACKGROUND

- On 1 July 2019, the Group will transition from IAS 17 Leases to IFRS 16 Leases.
- This requires all assets previously classified as operating leases to be capitalised alongside an associated liability equal to the present value of the lease commitment.
- The operating lease rental expense currently charged to operating profit will be replaced by an amortisation charge for the 'right of use' assets recognised in operating profit and an interest charge on the lease liabilities recognised in the licence costs.

TRANSITION

- The Group is adopting the modified retrospective approach which does not require restating comparative years.
- On adoption of IFRS 16, the Group expects to recognise a £2m reduction in reserves represented by £44m of additional right of use assets and £46m of corresponding lease liabilities.

Appendices

1.6 Cash flow summary – year to 30 June 2019

£m	FY19	FY18
Cash from pre-exceptional operating activities[1]	**144.8**	176.8
Exceptional items	**(50.8)**	(45.0)
Working capital movements[1]	**(156.1)**	(79.8)
Net cash used in operations	**(62.1)**	52.0
Interest, tax and dividends	**(92.6)**	(97.5)
Other (inc proceeds of rights issue in FY18)	**(0.1)**	136.5
Net cash (outflow)/inflow	**(154.8)**	91.0
Opening net cash/(debt)	**98.2**	7.2
Closing net (debt)/cash	**(56.6)**	98.2

Net (debt)/cash analysis - £m	FY19	FY18
Linden Homes (includes loans to joint ventures)	**(567.1)**	(463.1)
Partnerships & Regeneration	**(9.3)**	(41.8)
Construction	**(15.8)**	(26.0)
Group and others	**535.6**	629.1
TOTAL	**(56.6)**	98.2

[1] Derived from published cash flow statement. Includes movements in working capital due from joint ventures and PPP and other investments.

Appendices

1.7 Working capital analysis

	2019					2018
£m	Linden Homes	Partnerships & Regen	Construction & Investments	Central	TOTAL	TOTAL
Land	472.4	80.5	n/a	n/a	552.9	465.8
Work in progress (developments)	272.3	51.5	n/a	n/a	323.8	259.1
Amount due from joint ventures	265.4	66.2	n/a	n/a	331.6	311.2
Development land payables	(182.9)	(34.0)	n/a	n/a	(216.9)	(144.4)
Contract assets	9.2	59.1	344.5	-	412.8	-
Contract liabilities	(49.7)	(77.9)	(127.0)	-	(254.6)	-
Other	(27.5)	(88.4)	(177.5)	(207.9)	(501.3)	(388.3)
Working capital employed	**759.2**	**57.0**	**40.0**	**(207.9)**	**648.3**	**503.4**

Appendices

1.8 Net finance costs

£m	2019	2018
Net interest payable on borrowings	(16.4)	(17.3)
Interest receivable from joint ventures	12.7	10.1
Unwind of discount on payables	(0.5)	(0.4)
Other	(1.7)	0.1
TOTAL	(5.9)	(7.5)

Appendices

1.9 Joint venture impact on interest and tax

	FY19 £m			FY18 £m		
	Statutory[1]	JV int & tax	Adjusted	Statutory[1]	JV int & tax	Adjusted
Profit from operations	161.4	12.9	174.3	196.2	13.4	209.6
Net finance costs	(5.9)	(12.4)	(18.3)	(7.5)	(12.3)	(19.8)
Profit before tax	**155.5**	**0.5**	**156.0**	**188.7**	**1.1**	**189.8**
Tax	(27.4)	(0.5)	(27.9)	(34.0)	(1.1)	(35.1)
ETR	*17.6%*	*n/a*	*17.9%*	*18.0%*	*n/a*	*18.6%*
Profit after tax	**128.1**	**-**	**128.1**	**154.7**	**-**	**154.7**

[1] Pre-exceptional.

Appendices

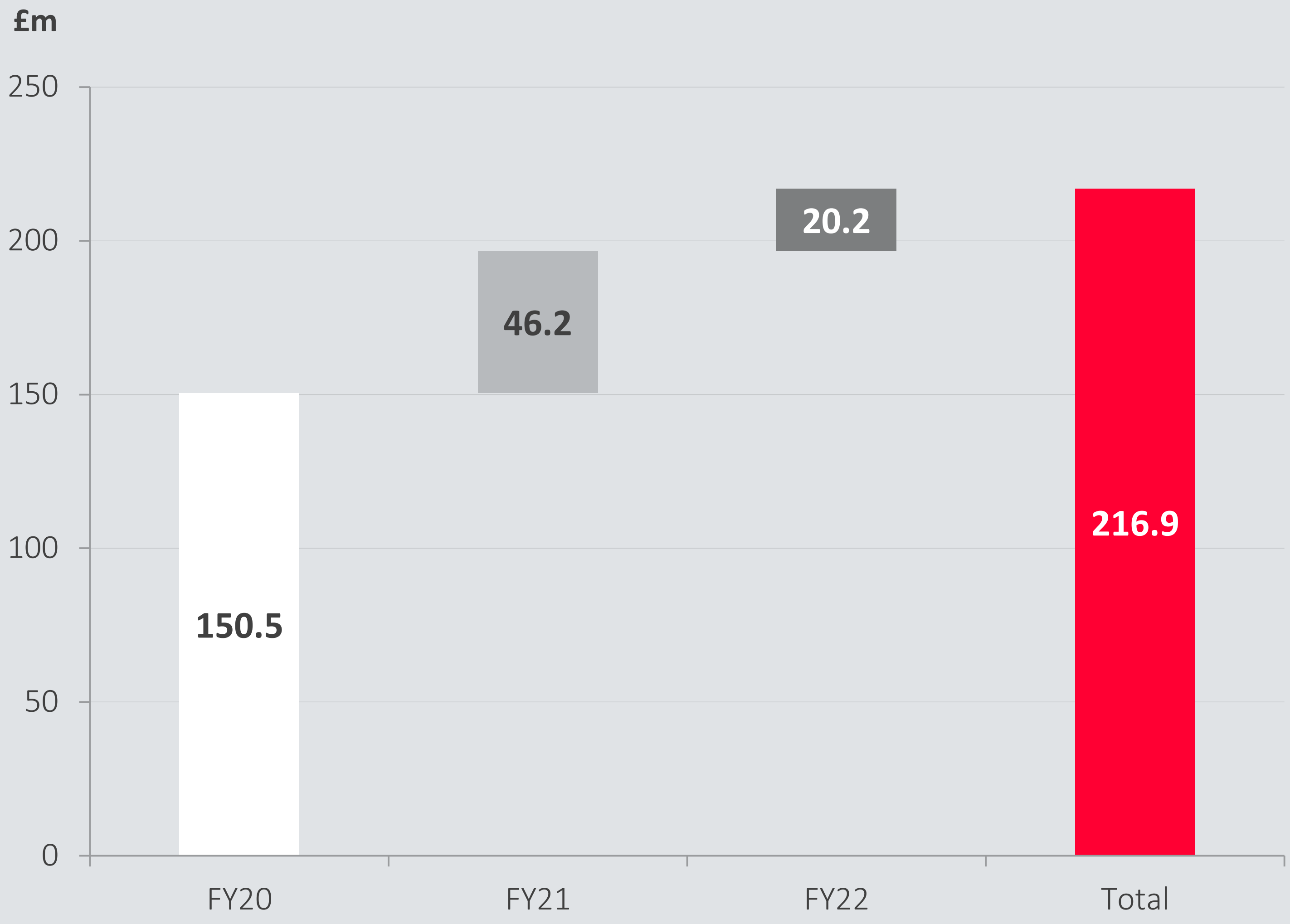
1.10 Completed housing units

Units	Linden Homes Incl JVs	Linden Homes Net of partner share	Partnerships & Regen Incl JVs	Partnerships & Regen Net of partner share	TOTAL Incl JVs	TOTAL Net of partner share
Private	2,227	1,913	646	514	2,873	2,427
Affordable	1,002	868	532	323	1,534	1,191
TOTAL	**3,229**	**2,781**	**1,178**	**837**	**4,407**	**3,618**
Contracting (equivalent units)	-	-	2,100	2,100	2,100	2,100
TOTAL FY19	**3,229**	**2,781**	**3,278**	**2,937**	**6,507**	**5,718**
TOTAL FY18	3,442	2,903	2,751	2,564	6,193	5,467

Appendices

1.11 Forecast land creditors' payment profile

£m	FY19	FY18
Linden Homes	182.9	136.9
Partnerships & Regen	34.0	7.5
TOTAL	**216.9**	**144.4**



Appendices

1.12 Exceptional charges

£(m)	AWPR charge	Queensferry Crossing charge	Other[1]	TOTAL
FY17	75.0	12.9	1.0	88.9
FY18	45.0	-	-	45.0
FY19	32.3	6.7	11.8	50.8
TOTAL	**152.3**	**19.6**	**12.8**	**184.7**

[1] Aborted Bovis merger professional fees (FY17) and Construction restructuring costs/GMP pension costs/buyout costs (FY19).

Appendices

1.13 Financial calendar

Date	Event
7 November 2019	2019 Final Dividend ex-dividend date
8 November 2019	2019 Final Dividend record date
12 November 2019	Annual General Meeting
4 December 2019	2019 Final Dividend payment date
12 February 2020	Half Year Results
16 September 2020	Full Year Results

Appendices

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

£m	Sept 19	June 19	Sept 18	June 18
Private	**273**	187	330	206
Affordable	**201**	188	180	160
TOTAL	**474**	375	510	366
For completion in FY20	**295**	245	412	285
For completion post FY20	**179**	130	98	81
TOTAL	**474**	375	510	366

Units				
Private	**877**	623	1,023	657
Affordable	**1,533**	1,403	1,385	1,245
TOTAL	**2,410**	2,026	2,408	1,902

Appendices

2.2 Linden Homes – trading overview

	FY19	FY18
Revenue (£m)	820	947
Land cost	**24.9%**	23.7%
Build cost	**51.1%**	52.7%
Gross margin	**24.0%**	23.6%
Overheads	**4.4%**	4.1%
Operating margin	**19.6%**	19.5%

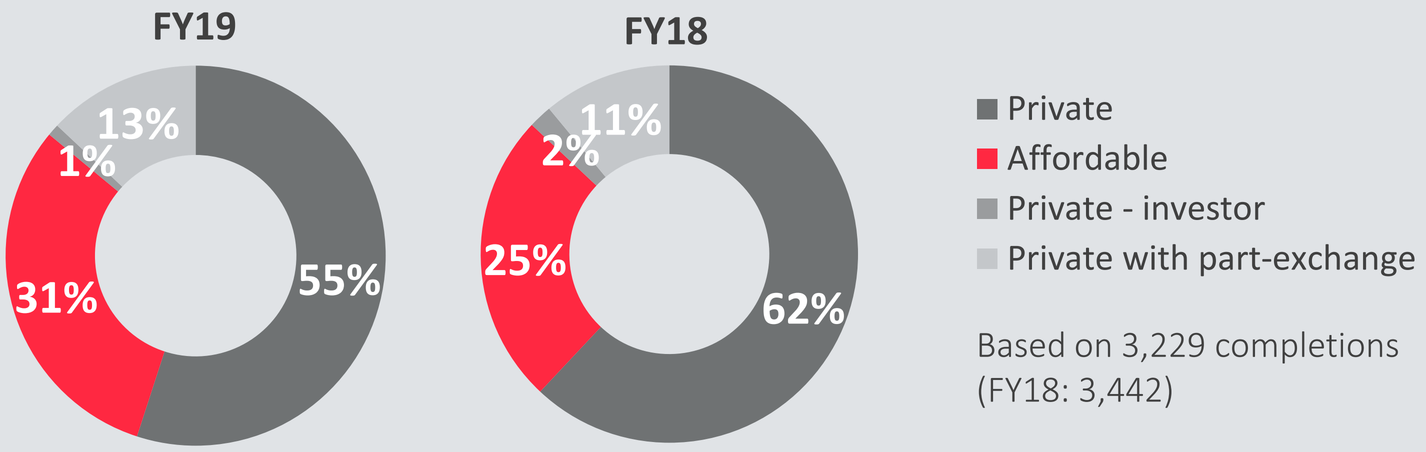
Appendices

2.3 Linden Homes – analysis of reservations and analysis of completions

ANALYSIS OF RESERVATIONS:

Proportion of units	FY19	FY18
No incentives	46%	40%
Incentives		
Part-exchange	19%	15%
Assisted move	3%	2%
Help to Buy	29%	40%
Investor sales	3%	3%
TOTAL	100%	100%

COMPLETIONS BY BUYER TYPE:



Based on 3,229 completions (FY18: 3,442)

Appendices

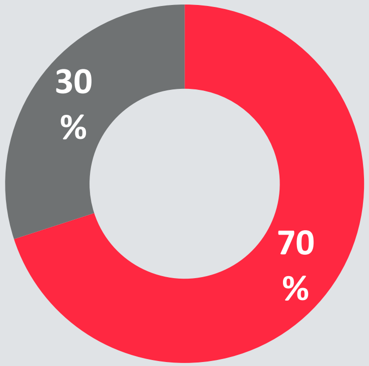
2.4 Linden Homes – strategic use of Joint Ventures (JVs)

		Completions (units)		Revenue [4] (Linden Homes only)	ASP[3]
		Gross	Net of JV partner	£m	£000
Direct	- private	1,598	1,598	544	340
	- affordable	735	735	95	130
JOs[1]	- private	48	24	4	167
		2,381	2,357	643	n/a
JVs[2]	- private	581	291	126	433
	- affordable	267	133	24	181
		848	424	150	n/a
Other income, including land sales		-	-	27	n/a
TOTAL		3,229	2,781	820	284

[1] Joint Operations (JOs) proportionally consolidated within Linden Homes under IFRS 11.
[2] JVs equity accounted under IFRS 11.
[3] Private ASP £351k; affordable ASP £134k.
[4] Excludes part-exchange.

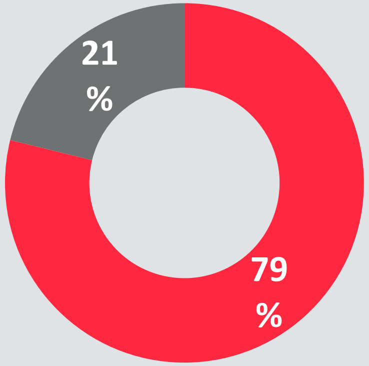
Appendices

2.5 Landbank analysis[1]



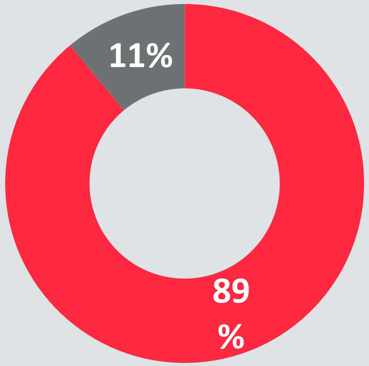
By business

Linden Homes	12,600
Partnerships	5,400
	18,000



By sector

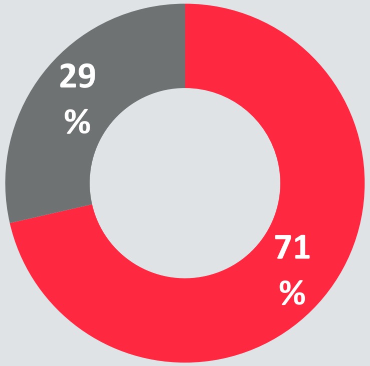
Private	14,190
Affordable	3,810
	18,000



Product mix[2]

Houses	9,200
Apartments	1,140
	10,340

Linden HOMES



Product mix[2]

Houses	2,750
Apartments	1,100
	3,850

GallifordTry Partnerships

[1] Current at 9 September 2019.
[2] Excludes affordable.

Appendices

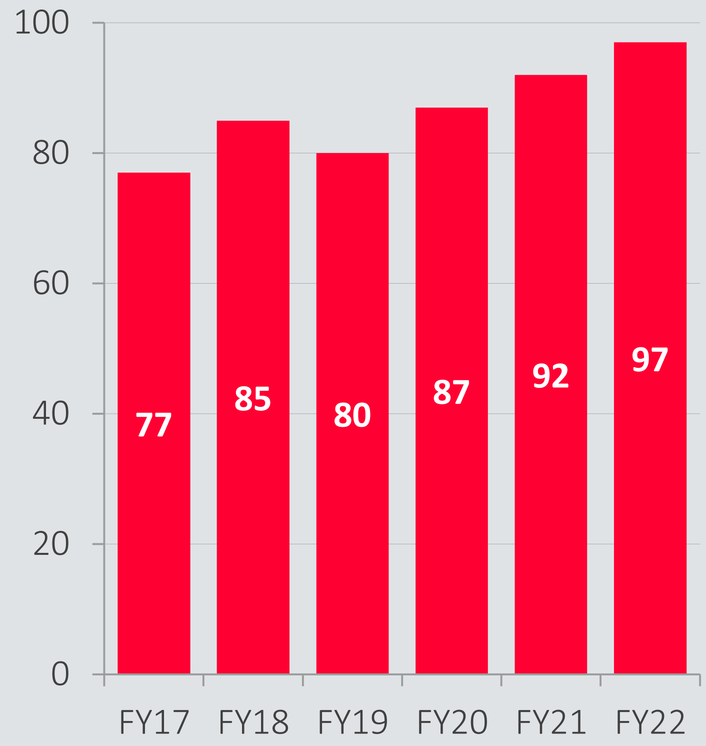
2.6 Linden Homes - movement in landbank

	Total landbank	Owned	Controlled
At 30 June 2018	11,400	9,612	1,788
Legal completions	(2,781)	(2,781)	-
Land acquired	3,778	3,487	291
Land now in JVs	(379)	(379)	-
Transfers	-	1,353	(1,353)
Aborted	(150)	-	(150)
Planning changes and other	32	32	-
At 30 June 2019	11,900	11,324	576
At 9 September 2019	12,600	12,132	468

Appendices

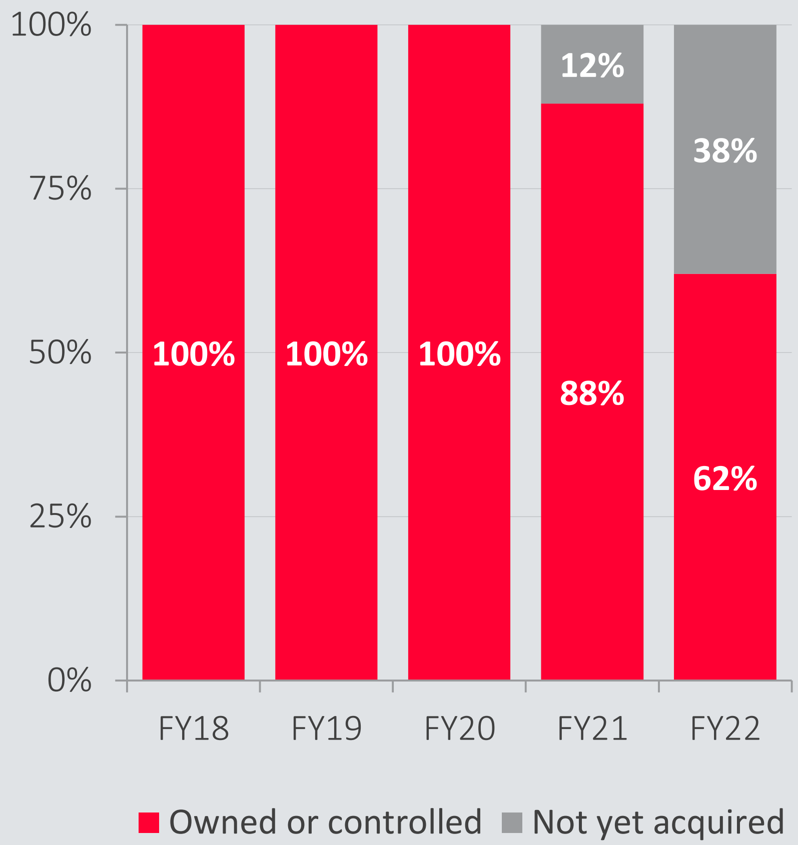
2.7 Linden Homes - forecast outlets and revenue

Number of sales outlets[1]



[1] Average for the year.

Units by period %



Appendices

3.1 Construction – segmental analysis

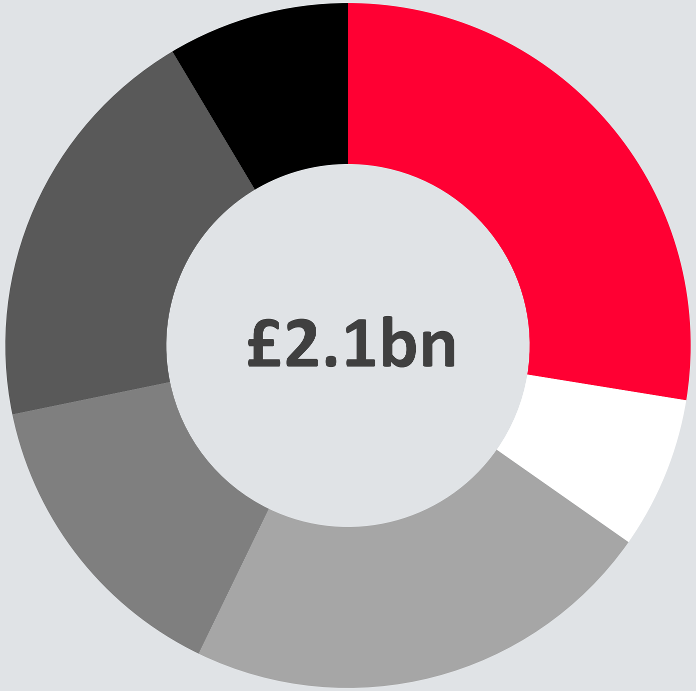
£m	Revenue[1,2]	(Loss)/profit from operations[2]	Margin[2]
	June 2019		
Building	859.8	(9.5)	(1.1)
Infrastructure	527.0	(5.5)	(1.0)
TOTAL	1,386.8	(15.0)	(1.1)

£m	Revenue[1]	Profit/(loss) from operations[2]	Margin[2]
	June 2018		
Building	1,038.0	11.6	1.1
Infrastructure	649.4	4.3	0.7
TOTAL	1,687.4	15.9	0.9

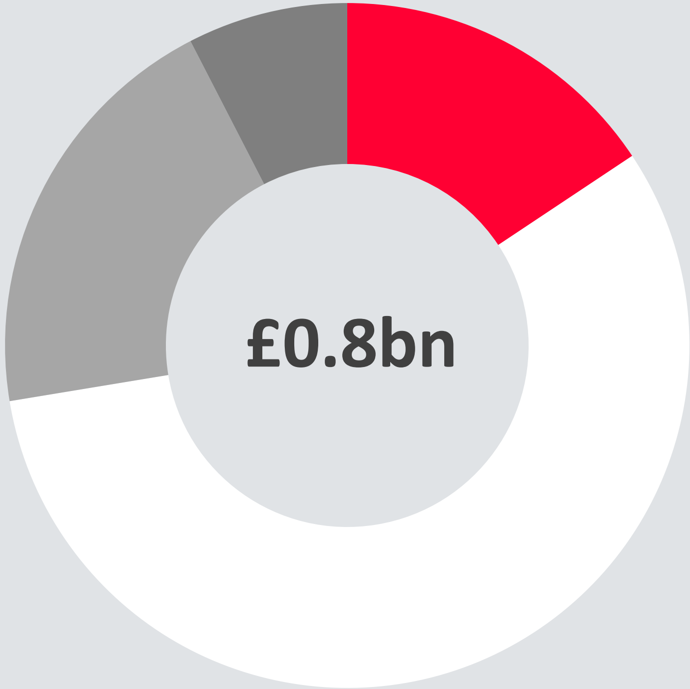
[1] Including share of joint ventures.
[2] Pre-exceptional.

Appendices

3.2 Construction - order book[1]



Building		£m
Education		576
Other Public Sector		150
Facilities Management		469
Commercial		305
Health		411
Defence		179



Infrastructure		£m
Water		122
Roads		442
Rail & Aviation		156
Other Civil Engineering		59

[1] Current at 9 September 2019.

Appendices

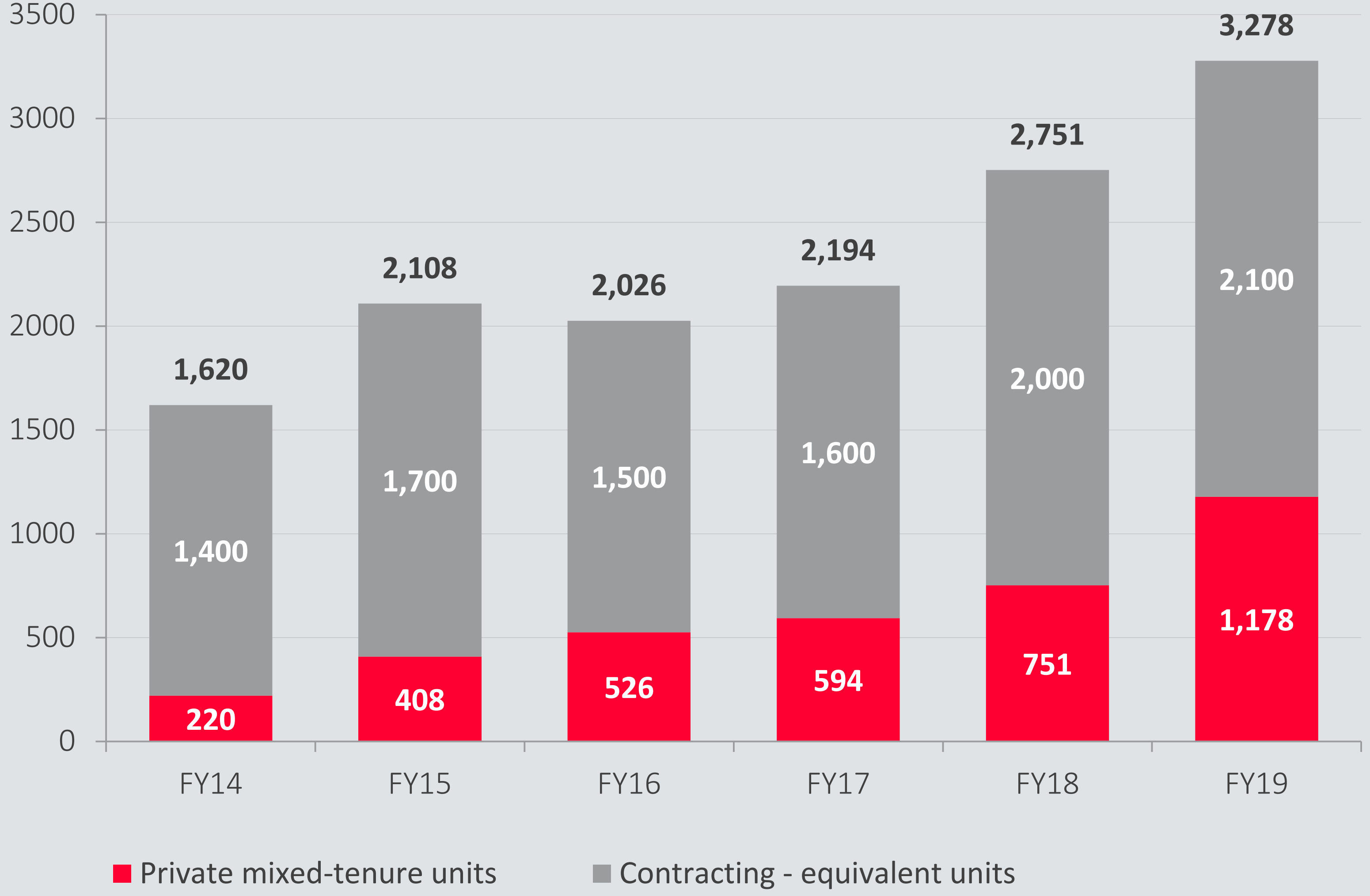
3.3 Construction – key framework positions

KEY FRAMEWORK POSITIONS

- Education and Skills Funding Agency's school building framework (six lots).
- Next Generation Estate Contracts (NGEC) Regional Capital Works Framework with Defence Infrastructure Organisation (DIO) and Crown Commercial Service (CCS) Capital Works Frameworks.
- ProCure22 NHS procurement framework.
- hub North Scotland, hub South East Scotland, hub South West Scotland and hub West Scotland.
- Scottish Procurement Alliance.
- Southern Construction Framework (South West, South East and London), North West Construction Hub and YORbuild.
- University of Strathclyde major building works framework.
- Highways England Collaborative Delivery Framework.
- Manchester Airports Group Capital Delivery Framework.
- Gatwick Airport's Capital Delivery Framework.
- Environment Agency's Water and Environmental Management Framework and Natural Resources Wales.
- AMP6 – Yorkshire Water, Scottish Water and Southern Water.
- North East Procurement Organisation.
- Smart Motorways Programme.
- Highways England pavements framework.
- Midlands Highways Alliance.
- Network Rail Control Period 5.
- Urban Vision.
- South Tyneside Council highways programme.

Appendices

4.1 Partnerships & Regeneration – units delivered



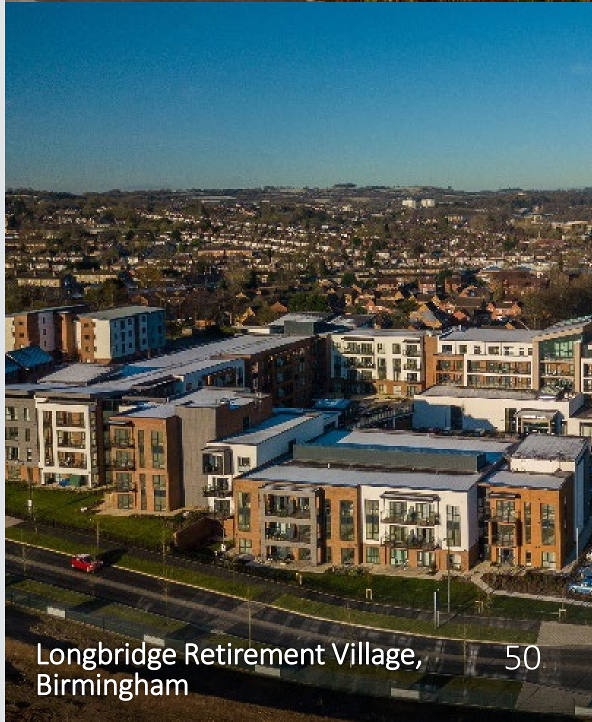
Appendices

4.2 Partnerships & Regeneration – background

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

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


Carnaval Gardens, Southampton

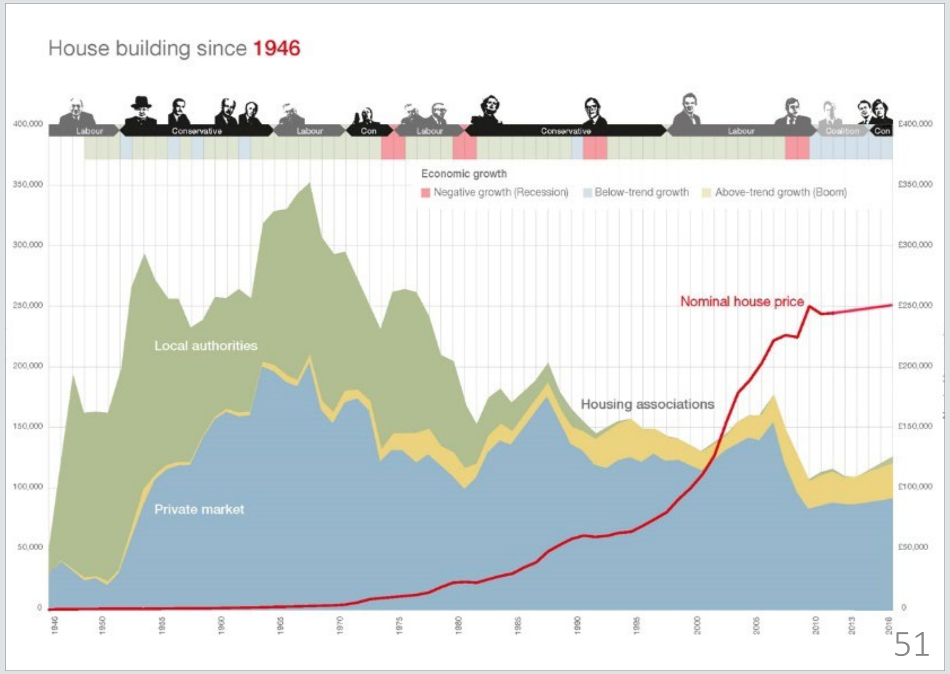

Longbridge Retirement Village, Birmingham

Appendices

4.3 Partnerships & Regeneration – market opportunity

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


Great Eastern Quays, East London



Appendices

4.4 Partnerships & Regeneration – business model

Galliford Try
Partnerships

A leading brand

Contracting margins: 2-4%	Commissioning margins: 4-6%	Developing and JVs margins: 12-18%

Affordable rent	Social rent	Supported housing	Intermediate	PRS/Rent to Buy	Shared ownership	Help to Buy	Private sale

Housing Associations	Local Authorities	Institutional investors

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