

# FULL YEAR RESULTS TO 30 JUNE 2017

13 September 2017

Peter Truscott, Chief Executive

Graham Prothero, Finance Director

# Peter Truscott

CHIEF EXECUTIVE



# AGENDA

Full year results to 30 June 2017



- Highlights
- Operating Review
- Financial Review
- Outlook
- Appendices

# HIGHLIGHTS

Full year results to 30 June 2017



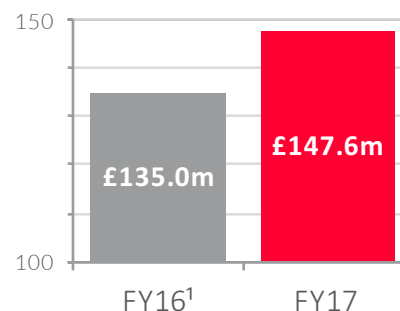
Great Eastern Quays, East London

# GROUP FINANCIAL HIGHLIGHTS

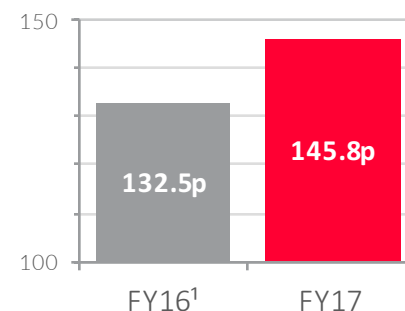
Strong underlying performance across the Group

- Pre-exceptional profit before tax up 9% to £147.6m
- Linden Homes operating profit up 16% to £170.3m; Partnerships & Regeneration up 27% to £14.9m; and Construction at 0.0%
- Profit impact of the one-off charge of £98.3m announced in May unchanged, of which £87.9m is exceptional
- Full year profit of £58.7m
- Full year dividend up 17% to 96.0p per share
- Pre-exceptional return on net assets increased to 27.5%

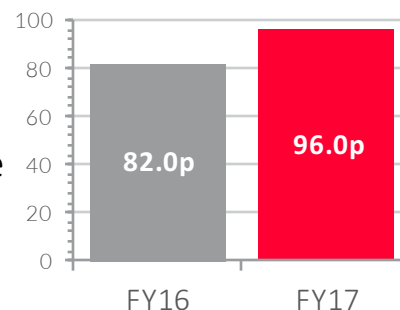
PBT<sup>1</sup> up 9%



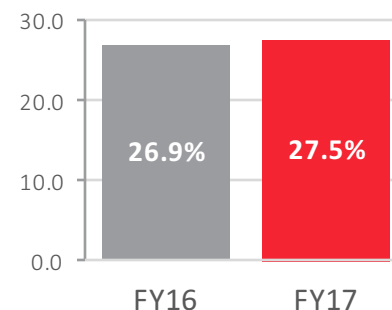
EPS<sup>1</sup> up 10%



Dividend up 17%



RoNA<sup>1 2</sup> up 0.6% pts



<sup>1</sup> Pre-exceptional (no exceptional charge in FY16)

<sup>2</sup> Group pre-exceptional return on net assets (RoNA) is calculated as pre-exceptional EBITA divided by average pre-exceptional net assets including goodwill

# STRATEGY TO 2021 PROGRESS

Delivering sustainable growth and strong returns



Strengthening our foundations to support further growth

- Operate sustainably
- Drive operating efficiencies
- Maintain capital discipline



Volume and margin growth



Geographical growth



Underlying business performed well

Improving margins

Sustainable profit growth

Strong returns

# LINDEN HOMES

Operating review



Heathlands, Surrey

# LINDEN HOMES

## Operating review

### Overview

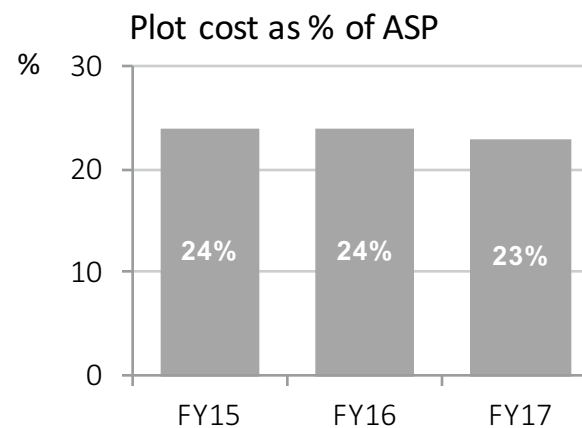
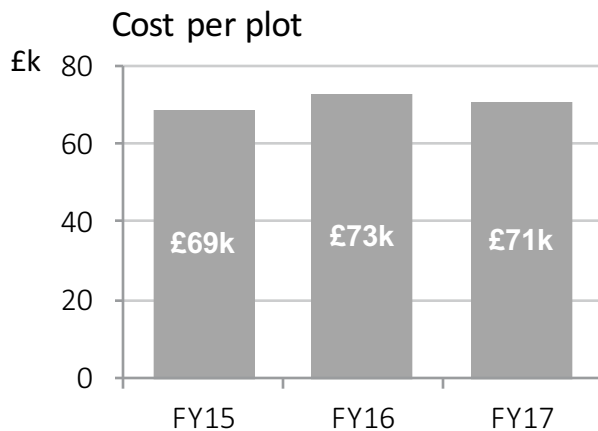
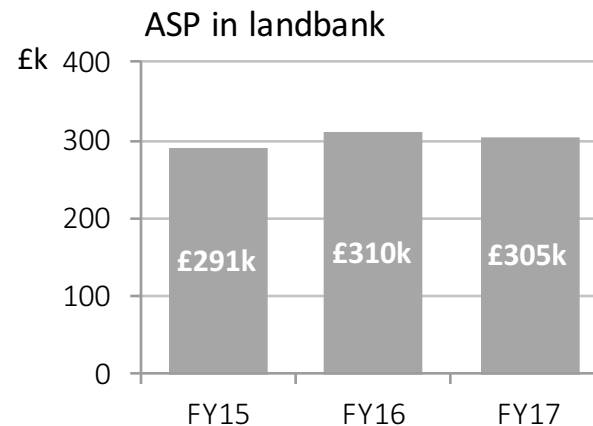
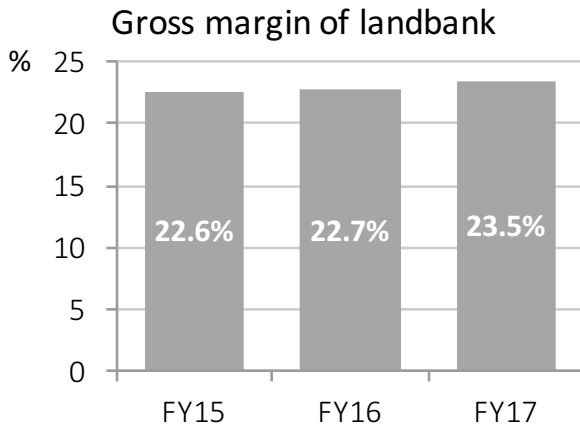
- Strong performance, driven by solid growth in volumes
- Revenue up 11% to £937m (FY16: £841m)
- Operating margin increased to 18.2% (FY16: 17.5%)
- 3,296 completions in the period, up 7% (FY16: 3,078)
- Strong in-hand position of £545m, up 7% (FY16: £510m)
- Average outlets at 77 (FY16: 80); sales per outlet per week stable at 0.62 (FY16: 0.62)
- Landbank positioned in line with our 3.5 year land strategy with 11,250 plots (FY16: 11,700) with GDV of £3.4bn
- Strategic land increased by 35% to 2,396 acres and by 25% to 11,875 plots



# LINDEN HOMES

## Operating review

### Landbank analysis<sup>1</sup>



<sup>1</sup> Includes affordable

# PARTNERSHIPS & REGENERATION

Operating review



Upton Village, East London

# PARTNERSHIPS & REGENERATION

Operating review

## Overview

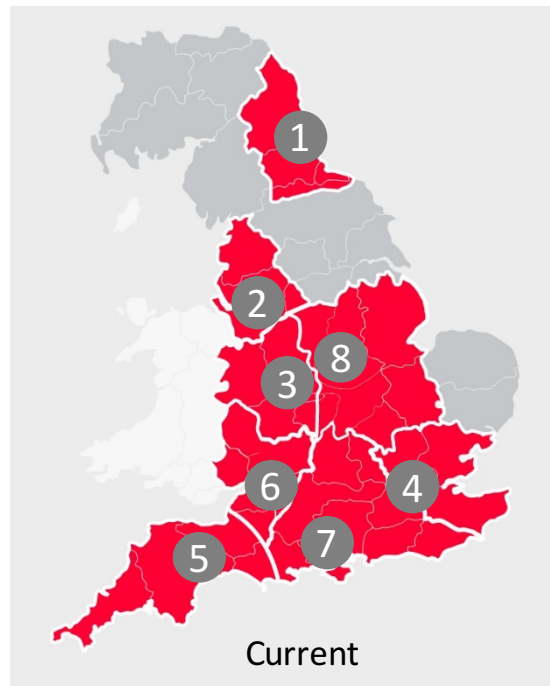
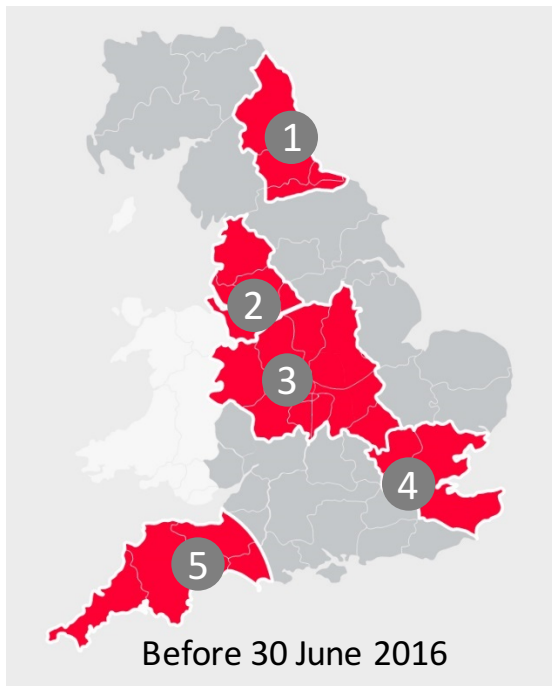
- Revenue up 10% to £330m
- Margin improved to 4.5% (FY16: 3.9%), reflecting growth in mixed-tenure
- Strong landbank of 2,700 plots (FY16: 2,800) with GDV of £690m; equivalent to circa 4.5 years in FY17
- Good quality order book of more than £1bn (FY16: £865m)
- Mixed-tenure sales in hand of £93m (FY16: £73m)

# PARTNERSHIPS & REGENERATION

Operating review

## Geographical growth

- Acquisition of Drew Smith accelerating growth in Southern region
- Growth in operations in Bristol, Midlands and London



### Key

- 1 Newcastle
- 2 Warrington
- 3 Wolvey
- 4 Chelmsford/London
- 5 Newton Abbot/Exeter
- 6 Bristol
- 7 Southampton
- 8 Leicester

# CONSTRUCTION

Operating review



East Midlands Airport, Derby

# CONSTRUCTION

## Operating review

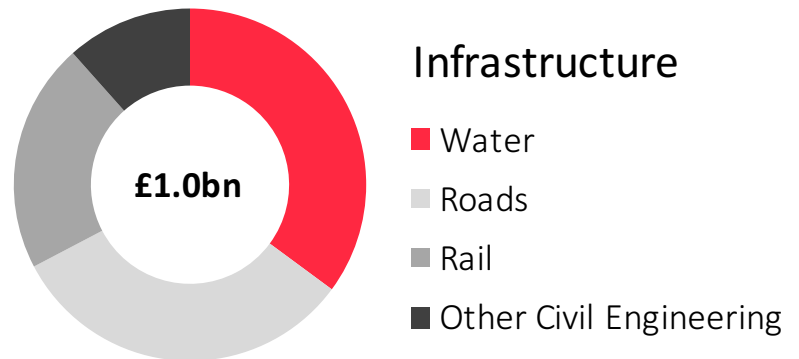
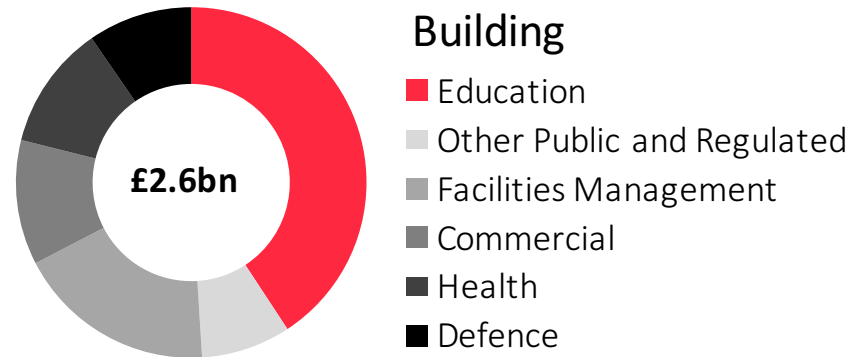
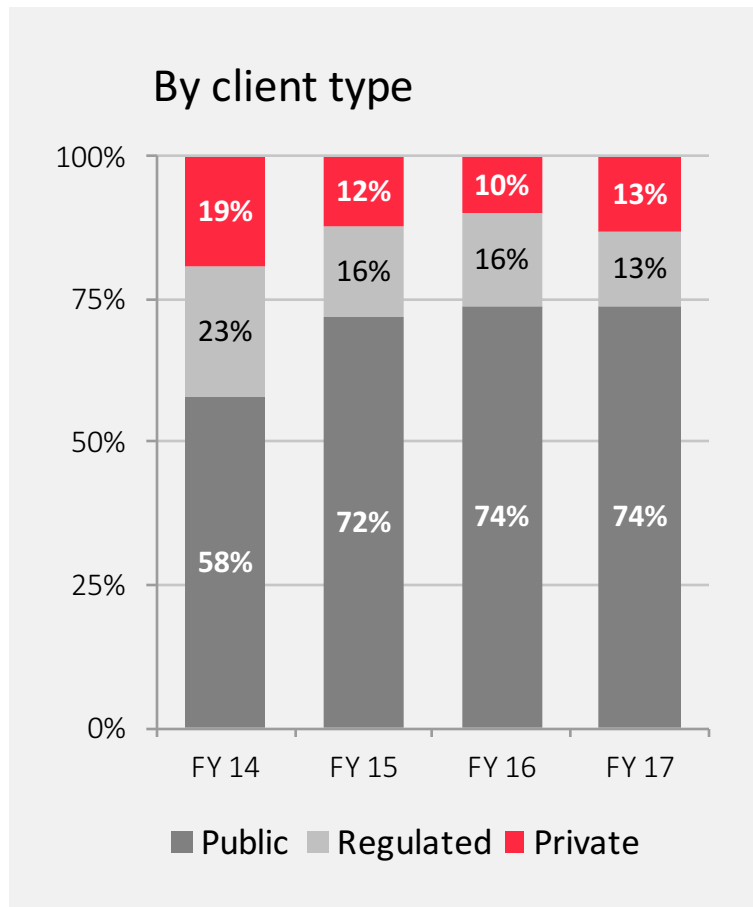
### Overview

- Underlying portfolio of newer contracts continues to perform well
- Excellent progress in defence, rail, highways and airports sectors, increasing our presence in areas with high barriers to entry
- Cash position decreased to £137m (FY16: £161m)
- Improved risk management and project selection processes
- Revenue stable at £1.5bn; remain focused on public and regulated sector work
- 89% of work secured for FY18 (85% for FY17); £3.6bn order book (FY16: £3.5bn)

# CONSTRUCTION

Operating review

## Order book<sup>1</sup>



<sup>1</sup> Current at 11 September 2017

# Graham Prothero

FINANCE DIRECTOR





# FINANCIAL REVIEW

Full year results to 30 June 2017



# FINANCIAL REVIEW

Full year results 30 June 2017

## Summary income statement: Full year to 30 June

£m	2017	2016	%
Revenue <sup>1</sup>	2,820.2	2,670.4	5.6
Profit from operations before exceptional items	171.2	157.5	8.7
Profit before exceptional items and tax	147.6	135.0	9.3
Profit before tax	58.7	135.0	(56.5)
Earnings per share:			
Pre-exceptional	145.8p	132.5p	10.0
Post-exceptional	59.1p	132.5p	(55.4)
Dividend per share	96.0p	82.0p	17.1

<sup>1</sup> Includes share of joint ventures

# FINANCIAL REVIEW

Full year results 30 June 2017

## Exceptional items

£m	Exceptional cost	Pre-exceptional cost of sales
One-off cost announced 3 May	79.3	19.0
Exceptional contract costs pre 3 May	5.0	
Exceptional contract costs post 3 May	3.6	
Abortive bid costs	1.0	
Exceptional charge	88.9	

Diagram illustrating the breakdown of the one-off cost announced 3 May:

- Total one-off cost: 98.3
- Exceptional cost: 79.3
- Pre-exceptional cost of sales: 19.0

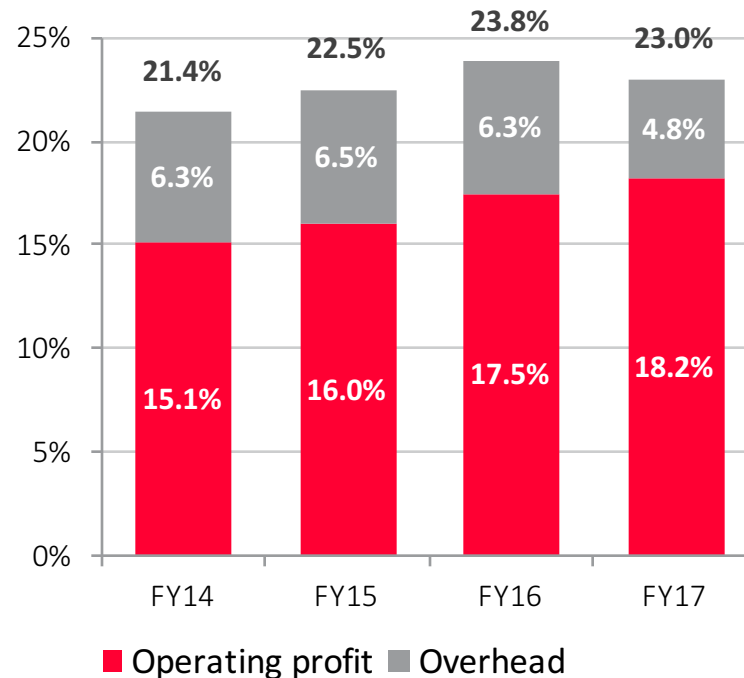
# FINANCIAL REVIEW

Full year results 30 June 2017

## Linden Homes

REVENUE/OPERATING PROFIT		profit up 16%
Units:	<b>3,296</b>	(FY16: 3,078)
Revenue:	<b>£937m</b>	(FY16: £841m)
Operating profit:	<b>£170.3m</b>	(FY16: £147.2m)
SALES MIX (UNITS)		units up 7%
Private:	<b>2,537</b>	(FY16: 2,487)
Affordable:	<b>759</b>	(FY16: 591)
AVERAGE SALES PRICE <sup>1</sup>		up 6%
	<b>£354k</b>	(FY16: £335k)
RETURN		up 5.4% pts
Return on net assets:	<b>37.1%</b>	(FY16: 31.7%)
SALES IN HAND <sup>2</sup>		up 7%
	<b>£545m</b>	(FY16: £510m)

## Linden Homes gross margin



<sup>1</sup> Excludes affordable

<sup>2</sup> Current at 11 September 2017

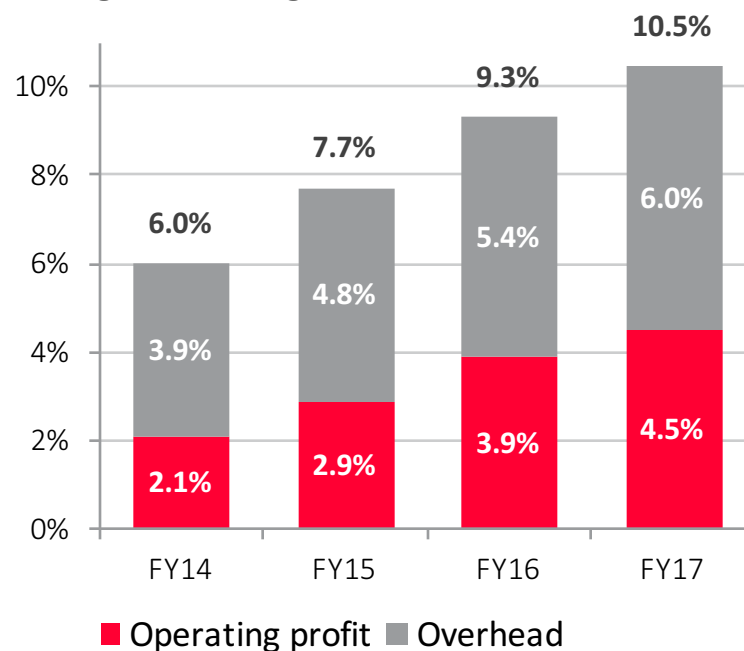
# FINANCIAL REVIEW

Full year results 30 June 2017

## Partnerships & Regeneration

REVENUE/OPERATING PROFIT		profit up 27%
Contracting:	£248.0m	(FY16: £233.9m)
Mixed-tenure:	£82.2m	(FY16: £66.7m)
Operating profit:	£14.9m	(FY16: £11.7m)
UNITS DELIVERED		ASP up 12%
ASP:	£186k	(FY16: £166k)
Mixed-tenure:	594	(FY16: 526)
Equivalent contracting units:	2,000	(FY16: 1,600)
RETURN		down 1.6% pts
Return on net assets:	40.7%	(FY16: 42.3%)
ORDER BOOK/SALES IN HAND <sup>1</sup>		up 21%/27%
Contracting:	£1,050m	(FY16: £865m)
Mixed-tenure:	£93m	(FY16: £73m)

## Partnerships & Regeneration gross margin



<sup>1</sup> Current at 11 September 2017

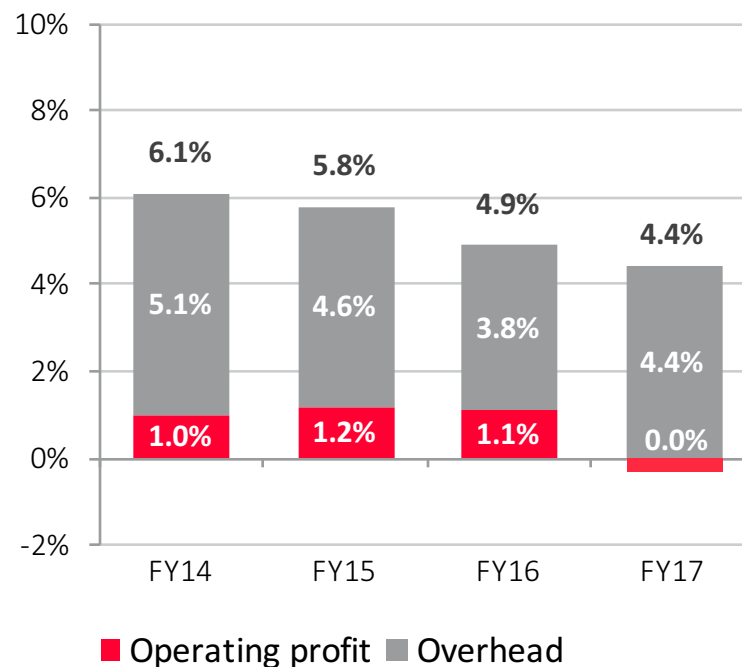
# FINANCIAL REVIEW

Full year results 30 June 2017

## Construction

REVENUE/OPERATING PROFIT <sup>1</sup>		revenue up £23.5m
Revenue:	<b>£1,526.9m</b>	(FY16: £1,503.4m)
Operating profit:	<b>£(0.9)m</b>	(FY16: £15.8m)
CASH		down £23.7m
	<b>£137.4m</b>	(FY16: £161.1m)
ORDER BOOK <sup>2</sup>		up 3%
	<b>£3.6bn</b>	(FY16: £3.5bn)
WORK SECURED <sup>2</sup>		up 4% pts
	<b>89% (for FY18)</b>	(85% for FY17)

## Construction gross margin<sup>1</sup>



<sup>1</sup> Pre-exceptional

<sup>2</sup> Current at 11 September 2017

# FINANCIAL REVIEW

Full year results 30 June 2017

## Segmental analysis: Full year to 30 June

£m	2017		
	Revenue <sup>1</sup>	Profit/(Loss) from Operations <sup>2 3</sup>	Operating Margin <sup>2</sup>
Linden Homes	937.4	170.3	18.2%
Partnerships & Regeneration	330.2	14.9	4.5%
Construction	1,526.9	(0.9)	0.0%
PPP Investments	25.0	2.4	N/A
Group	0.7	(15.5)	N/A
<b>TOTAL</b>	<b>2,820.2</b>	<b>171.2</b>	<b>6.1%</b>

£m	2016		
	Revenue <sup>1</sup>	Profit/(Loss) from Operations <sup>2 3</sup>	Operating Margin <sup>2</sup>
Linden Homes	840.8	147.2	17.5%
Partnerships & Regeneration	300.6	11.7	3.9%
Construction	1,503.4	15.8	1.1%
PPP Investments	25.0	(1.4)	N/A
Group	0.6	(15.8)	N/A
<b>TOTAL</b>	<b>2,670.4</b>	<b>157.5</b>	<b>5.9%</b>

<sup>1</sup> Revenue includes share of joint ventures and excluding exceptional items

<sup>2</sup> Pre-exceptional

<sup>3</sup> Profit from operations stated before finance costs, amortisation, exceptional items, joint ventures' interest and tax

# FINANCIAL REVIEW

Full year results 30 June 2017

## Group cash management

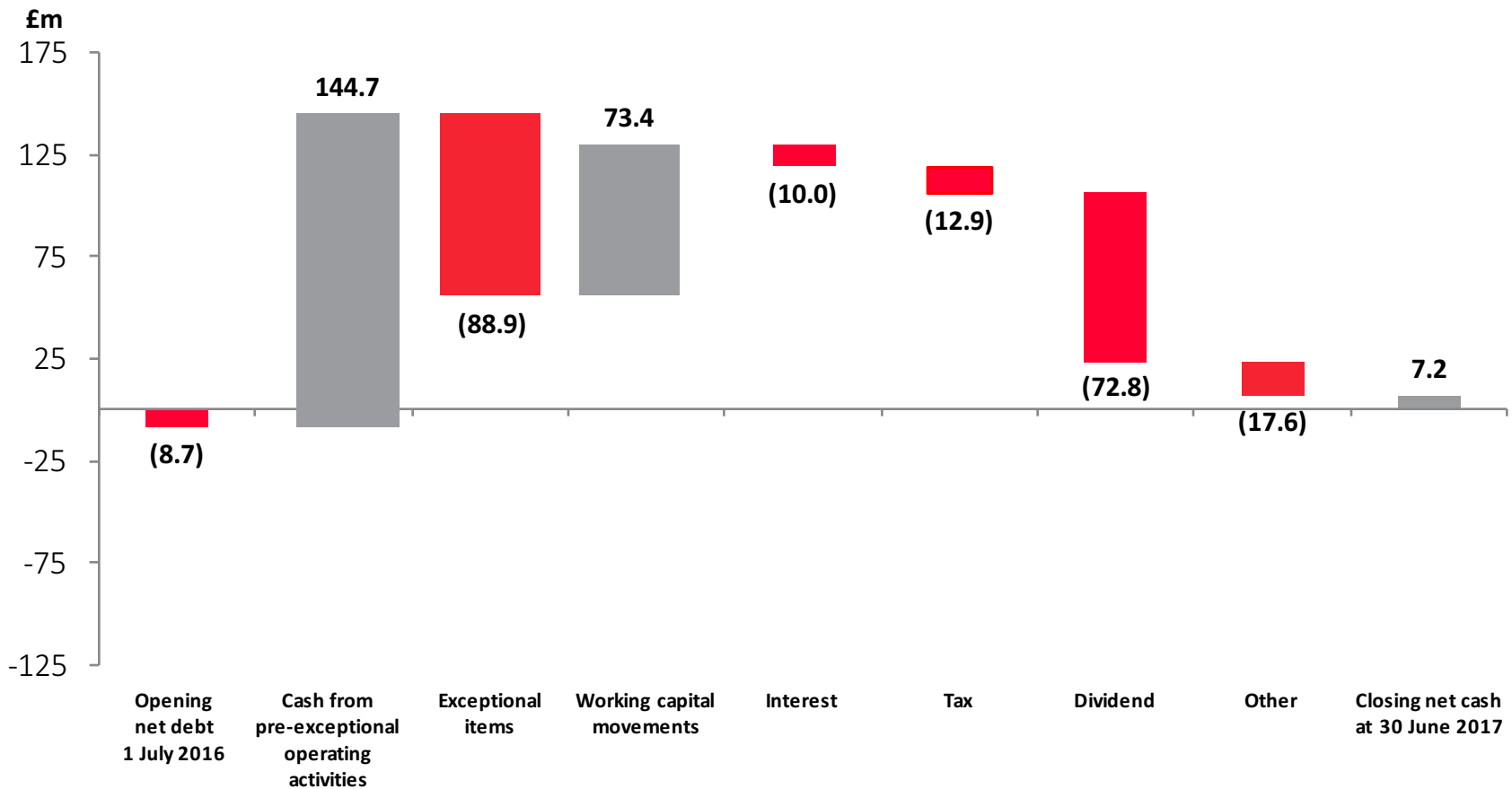
- Strengthened balance sheet while maintaining ongoing focus on working capital management
- Debt facilities enhanced to provide flexibility and resilience
  - Bank facility extended to 2022 on same terms
  - Debt private placement of £100m fixed-rate 10-year notes
- Average net debt of £240m
- Year-end net cash of £7.2m, well below our target maximum gearing of 30%
- Continue to benefit from deferred land payments, with £145m land creditors (FY16: £203m)



# FINANCIAL REVIEW

Full year results 30 June 2017

## Cash flow



# FINANCIAL REVIEW

Full year results 30 June 2017

## Balance sheet highlights

<b>£m</b>	<b>2017</b>	<b>2016</b>
Net assets	<b>575.5</b>	600.0
Tangible net assets	<b>396.4</b>	447.8
Net cash/(debt)	<b>7.2</b>	(8.7)
Gearing %	-	1%

# FINANCIAL REVIEW

Full year results 30 June 2017

## Segmental balance sheet

Net assets £m	Linden Homes	Partnerships & Regeneration	Construction	PPP Investments	Central	Total
<b>30 June 2017</b>						
Goodwill & intangible assets	52.5	35.8	83.8	-	7.0	179.1
Working capital employed	619.9	44.9	(143.5)	20.6	(152.7)	389.2
Net (debt)/cash	(500.8)	(39.3)	137.4	(11.8)	421.7	7.2
<b>Net assets</b>	171.6	41.4	77.7	8.8	276.0	575.5
<b>30 June 2016</b>						
Net assets	130.1	31.9	90.4	7.6	340.0	600.0

# FINANCIAL REVIEW

Full year results 30 June 2017

## Calculation of dividend

In line with guidance before 3 May trading statement

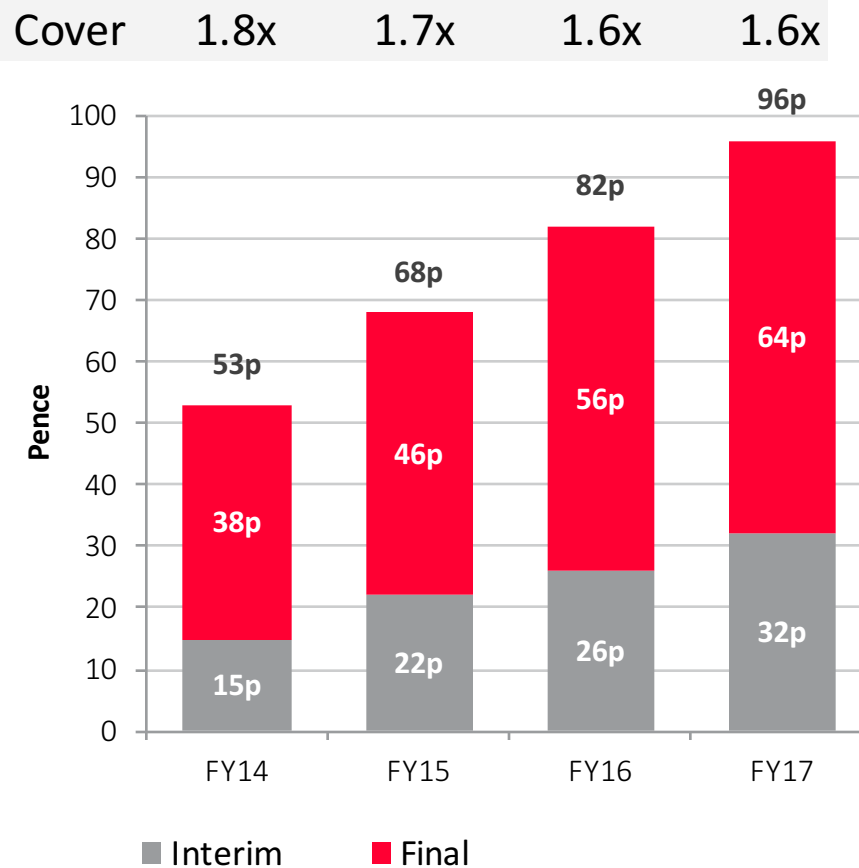
	£m
Profit before tax	58.7
One-off charge	98.3
Notional profit before one-off charge	157.0
Implied notional EPS	154p
Dividend at 1.6x cover	96.0p

# FINANCIAL REVIEW

Full year results 30 June 2017

## Dividend

- Full year dividend up 17%
- Increasing dividend cover to 2.0x while maintaining absolute payment
- 5-year target CAGR of 5%



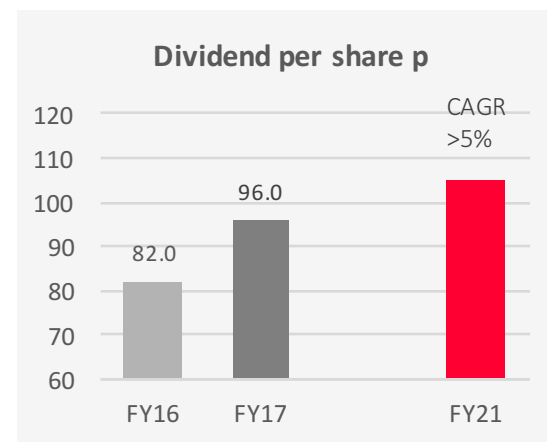
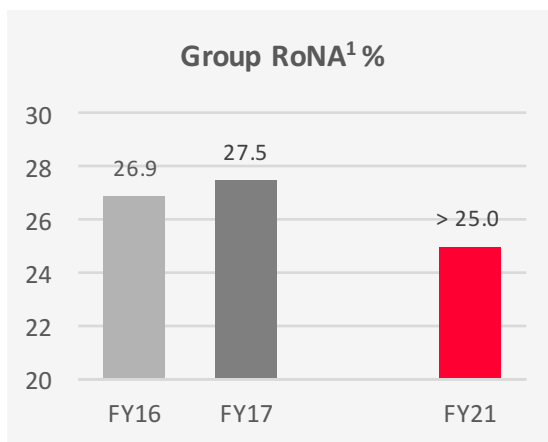
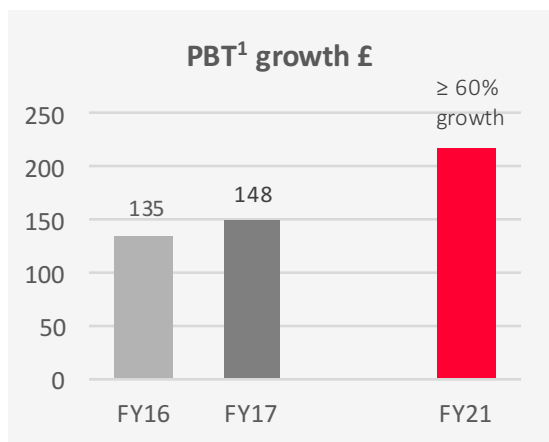
# STRATEGY TO 2021

## Group targets

Improving margins

Sustainable profit growth

Strong returns



<sup>1</sup> FY17 figures based on pre-exceptional profits

# Peter Truscott

CHIEF EXECUTIVE



# CASE STUDY

Full year results to 30 June 2017



Park View Student Village, Newcastle University



# CASE STUDY

## Modern Methods of Construction (MMC)

Project	<ul style="list-style-type: none"><li>▪ Park View Student Village, Newcastle University</li></ul>
Location	<ul style="list-style-type: none"><li>▪ Newcastle</li></ul>
Background	<ul style="list-style-type: none"><li>▪ Producing 1,277 cluster bedrooms / 37,293m<sup>2</sup> area</li></ul>
Contract value	<ul style="list-style-type: none"><li>▪ £68m</li></ul>
MMC	<ul style="list-style-type: none"><li>▪ Working with CIMC to construct modules with traditional cores and masonry/cladding facades</li><li>▪ 3D printing, virtual reality and augmented reality used in the design development process</li></ul>
Benefits	<ul style="list-style-type: none"><li>▪ Short asset turn at just 104 weeks, saving 6-9 months over traditional methods</li><li>▪ Predicted workforce reduced from 500 operatives to 250 operatives</li><li>▪ Factory build quality</li></ul>



# OUTLOOK

Full year results to 30 June 2017



Arena Central, Birmingham

# OUTLOOK

## Linden Homes

- Land market continues to provide good opportunities
- Targeting sustainable volume growth
- Ongoing operating margin improvement
- 100% land secured for FY18 and 90% for FY19
- 2,396 acres in strategic land
- Some inflationary pressure in the supply chain but availability of subcontractors remains stable

# OUTLOOK

## Partnerships & Regeneration

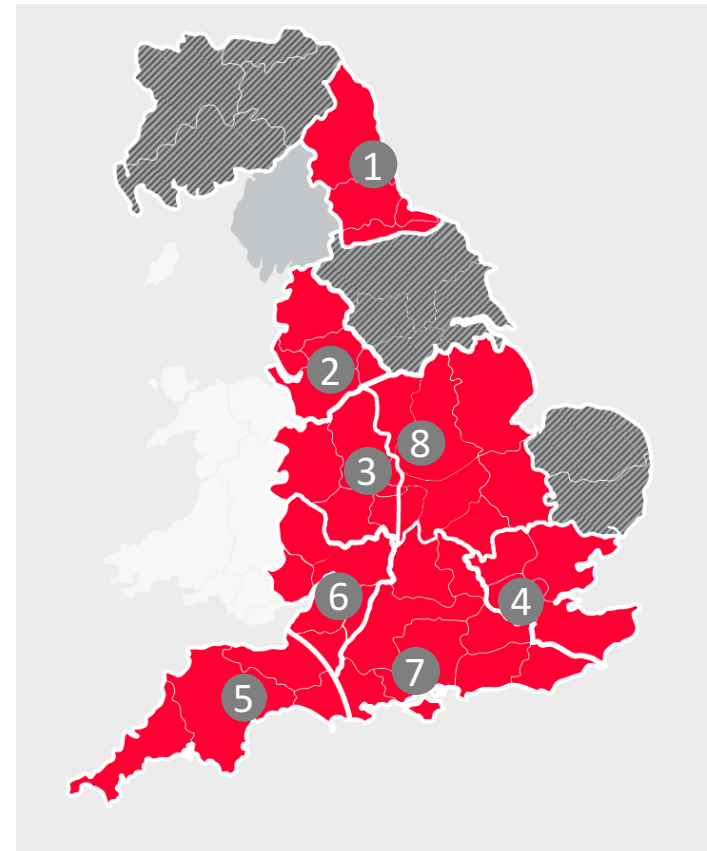
- Sustained demand from housing associations and local authorities
- Client relationships supporting geographical expansion
- Both elements of low capital model achieving growth
  - Strengthened contracting order book at record levels
  - Increased joint venture and mixed-tenure delivery
- Further opportunities for geographical growth

### Key

- |                       |                       |
|-----------------------|-----------------------|
| ① Newcastle           | ⑤ Exeter <sup>2</sup> |
| ② Warrington          | ⑥ Bristol             |
| ③ Wolvey              | ⑦ Southampton         |
| ④ London <sup>1</sup> | ⑧ Leicester           |

<sup>1</sup>Formerly Chelmsford

<sup>2</sup>Formerly Newton Abbot



■ Potential future areas of operation

# OUTLOOK

## Construction

- Concentrating on public and regulated sectors; exited from large, fixed-price all risk infrastructure projects
- High quality order book with good visibility provides confidence
- Rigorous project selection, prioritising margin over volume
- Focus on quality, minimising defects
- Deploying off-site production as appropriate, to enhance speed of delivery, quality and productivity
- Ongoing operational improvements driving margin improvement over time
- Extended excellent framework presence

# OUTLOOK

Group

- Linden Homes expected to deliver further volume growth and improved operating margins
- Partnerships & Regeneration well placed to benefit from demand for affordable housing
- Construction's margin expected to increase as legacy contracts complete
- Remain cautious regarding current political uncertainty and medium-term outlook for the macro economy
- Confident in outlook for all three businesses
- Strong underlying performance and earnings growth
- Maintained a strong dividend, up 17% to 96.0p
- Group order book of £5.3bn
- Overall well positioned to deliver against 2021 targets

# APPENDICES

Full year results to 30 June 2017



St Mary's at Kings Field, Bedfordshire

# APPENDICES

Full year results to 30 June 2017

## 1. Group

- 1.1 Return on net assets
- 1.2 Cash flow summary
- 1.3 Net finance costs
- 1.4 Pension liability
- 1.5 Investment in Linden Homes and Partnerships & Regeneration
- 1.6 Forecast land creditors' payment profile
- 1.7 Completed housing units (FY17 and FY16)
- 1.8 Business targets

## 2. Linden Homes

- 2.1 Revenue analysis regional
- 2.2 Analysis of sales reserved, contracted and completed
- 2.3 Sales, completions by buyer type
- 2.4 Trading overview
- 2.5 Private sales, analysis of incentives on reservations
- 2.6 Strategic use of joint ventures (FY17 and FY16)
- 2.7 Landbank valuation

- 2.8 Landbank analysis
- 2.9 Movement in landbank
- 2.10 Forecast outlets and revenue
- 2.11 Areas of operation

## 3. Partnerships & Regeneration

- 3.1 Units delivered
- 3.2 Contract awards
- 3.3 Market opportunity
- 3.4 Tenure types

## 4. Construction

- 4.1 Segmental analysis
- 4.2 Order book
- 4.3 Contract awards
- 4.4 Building
- 4.5 Infrastructure

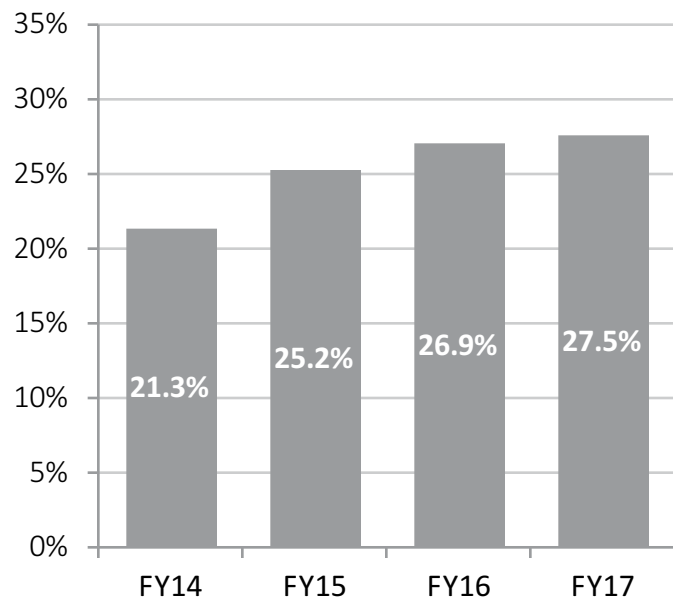


# APPENDICES

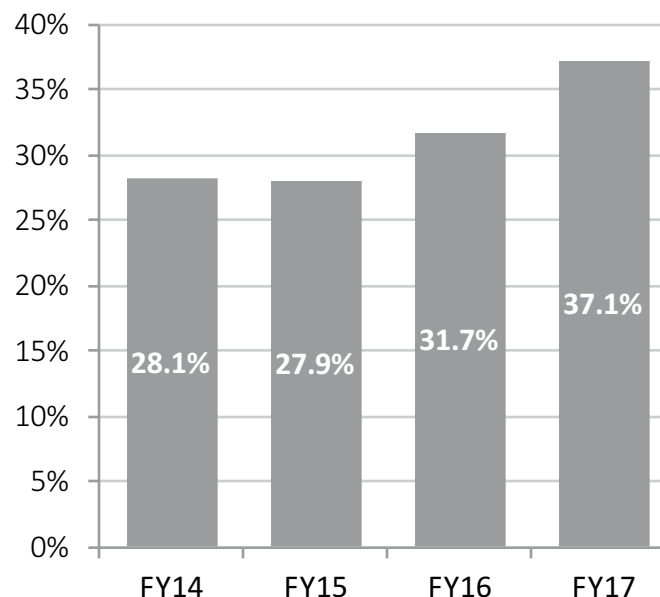
Full year results to 30 June 2017

## 1.1 Return on net assets

Group<sup>1</sup>



Linden Homes<sup>2</sup>



<sup>1</sup> Pre-exceptional RoNA is calculated as pre-exceptional EBITDA divided by average pre-exceptional net assets including goodwill

<sup>2</sup> Linden Homes RoNA is calculated as Linden Homes EBITA divided by average of the aggregate of Linden Homes and pre-exceptional central net assets applied in all years; definition updated following presentation of segmental balance sheet

# APPENDICES

Full year results to 30 June 2017

## 1.2 Cash flow summary – Full year to 30 June 2017

£m	2017	2016
Cash from pre-exceptional operating activities	144.7	124.9
Exceptional items	(88.9)	-
Cash from operating activities	55.8	124.9
Working capital movements	73.4	(15.2)
Net cash generated from operations	129.2	109.7
Interest, tax and dividends	(95.7)	(91.6)
Acquisition (including net debt acquired)	(15.6)	-
Other	(2.0)	(9.5)
Net cash inflow	15.9	8.6
Opening net debt	(8.7)	(17.3)
Closing net cash/debt	7.2	(8.7)
<b>Net cash analysis - £m</b>	<b>2017</b>	<b>2016</b>
Linden Homes (includes loans to JVs)	(500.8)	(525.0)
Partnerships & Regeneration	(39.3)	(12.1)
Construction	137.4	161.1
Group and others	409.9	367.3
<b>TOTAL</b>	<b>7.2</b>	<b>(8.7)</b>

# APPENDICES

Full year results to 30 June 2017

## 1.3 Net finance costs – Full year to 30 June 2017

£m	2017	2016
Net interest payable on borrowings	(16.2)	(15.4)
Interest receivable from joint ventures	4.9	7.0
Unwind of discount on payables	(0.7)	(0.8)
Other	0.1	0.4
<b>TOTAL</b>	<b>(11.9)</b>	<b>(8.8)</b>

# APPENDICES

Full year results to 30 June 2017

## 1.4 Pension liability <sup>1</sup>

	£m
Defined benefit pension liability 1 July 2016	(4.3)
Return on plan assets, excluding interest income	8.9
Experience gains	3.9
Actuarial losses	(17.8)
Employer contributions	6.4
Expenses	(0.3)
Defined benefit pension liability 30 June 2017	(3.2)

<sup>1</sup> All defined benefit pension schemes are closed to new members and to future accrual

# APPENDICES

Full year results to 30 June 2017

## 1.5 Investment in Linden Homes and Partnerships & Regeneration

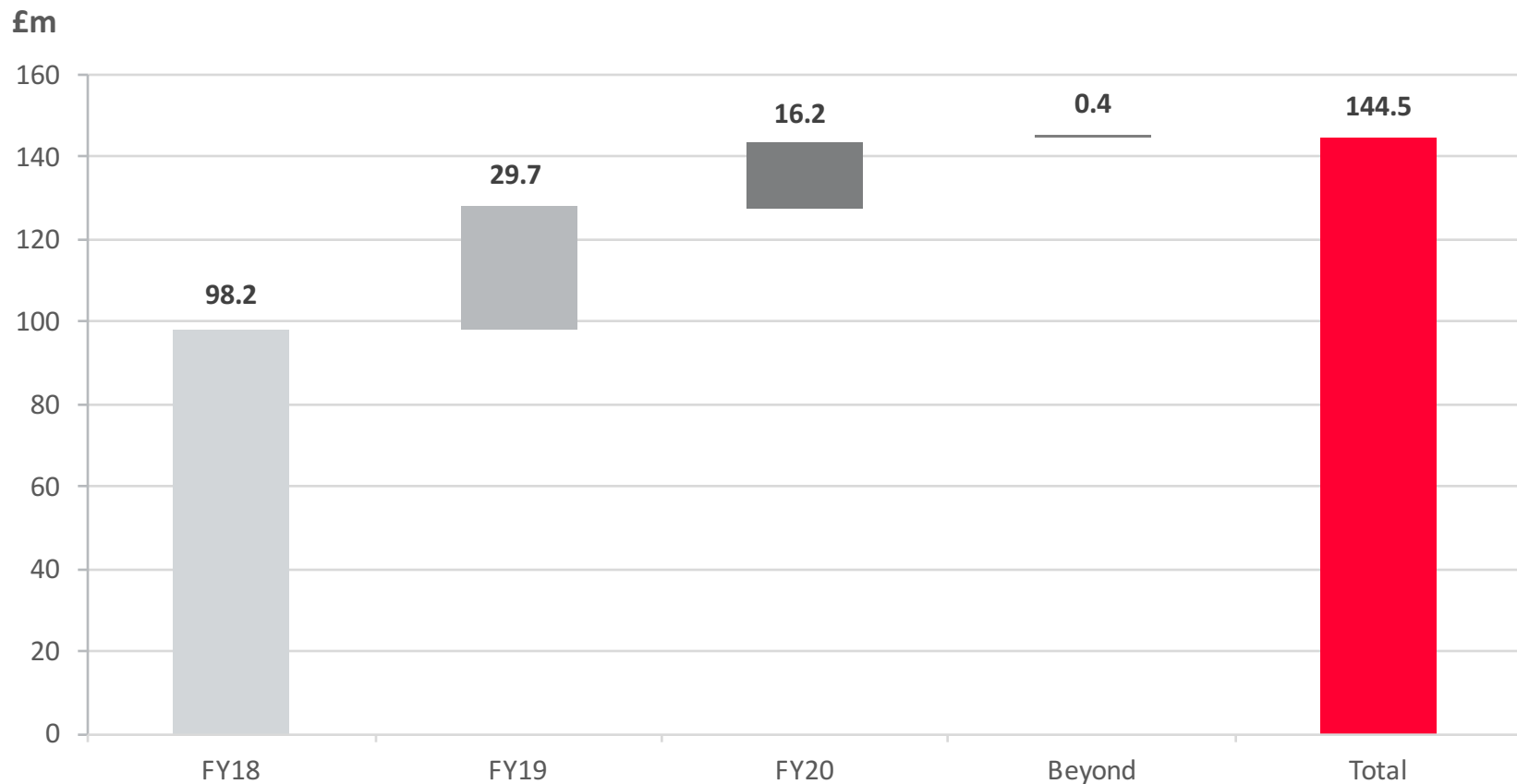
<b>£m</b>	<b>2017</b>	<b>2016</b>
Amounts invested in joint ventures	<b>248.6</b>	198.0
Land	<b>456.6</b>	538.7
Work in progress	<b>266.0</b>	282.1
Total invested in housebuilding developments & JVs	<b>971.2</b>	1,018.8
Land creditors	<b>(144.5)</b>	(202.8)
Net investment in developments and joint ventures <sup>1</sup>	<b>826.7</b>	816.0
Linden Homes	733.8	749.8
Partnerships & Regeneration	92.9	66.2
<b>TOTAL</b>	<b>826.7</b>	816.0

<sup>1</sup> Stated before other net working capital balances

# APPENDICES

Full year results to 30 June 2017

## 1.6 Forecast land creditors' payment profile



# APPENDICES

Full year results to 30 June 2017

## 1.7 Completed housing units - FY17

Units	Linden Homes	Linden Homes	Partnerships & Regeneration	Partnerships & Regeneration	TOTAL	TOTAL
	Incl. JVs	net of partner share	Incl. JVs	net of partner share	Incl. JVs	net of partner share
Private	2,537	2,222	373	260	2,910	2,482
Affordable	759	654	221	184	980	838
<b>TOTAL</b>	<b>3,296</b>	<b>2,876</b>	<b>594</b>	<b>444</b>	<b>3,890</b>	<b>3,320</b>
Contracting (equivalent units)	-	-	2,000	2,000	2,000	2,000
<b>TOTAL</b>	<b>3,296</b>	<b>2,876</b>	<b>2,594</b>	<b>2,444</b>	<b>5,890</b>	<b>5,320</b>

# APPENDICES

Full year results to 30 June 2017

## 1.7 Completed housing units - FY16




Units	Linden Homes	Linden Homes	Partnerships & Regeneration	Partnerships & Regeneration	TOTAL	TOTAL
	Incl. JVs	net of partner share	Incl. JVs	net of partner share	Incl. JVs	net of partner share
Private	2,487	2,156	247	182	2,734	2,338
Affordable	591	535	279	212	870	747
<b>TOTAL</b>	<b>3,078</b>	<b>2,691</b>	<b>526</b>	<b>394</b>	<b>3,604</b>	<b>3,085</b>
Contracting (equivalent units)	-	-	1,600	1,600	1,600	1,600
<b>TOTAL</b>	<b>3,078</b>	<b>2,691</b>	<b>2,126</b>	<b>1,994</b>	<b>5,204</b>	<b>4,685</b>



# APPENDICES

Full year results to 30 June 2017

## 1.8 Business targets

Business	Metric	FY16	FY17	FY21
	Units	3,078	3,296	4,750 - 5,000 p.a.
	Revenue	£0.8bn	£0.9bn	£1.25bn - £1.35bn
	Operating margin	17.5%	18.2%	19% - 20%
	Units	2,126	2,594	4,200
	Revenue	£301m	£330m	£650m
	Operating margin	3.9%	4.5%	6% - 7%
	RONA <sup>1</sup>	35.7%	40.7%	>50%
	Revenue	£1.5bn	£1.5bn	£1.8bn
	Operating margin <sup>2</sup>	1.1%	0.0%	>2%
	Cash	£161m	£137.4	£200m

<sup>1</sup> Return on net assets (RONA) is calculated as pre-exceptional EBITA divided by average net assets including goodwill

<sup>2</sup> Pre-exceptional

# APPENDICES

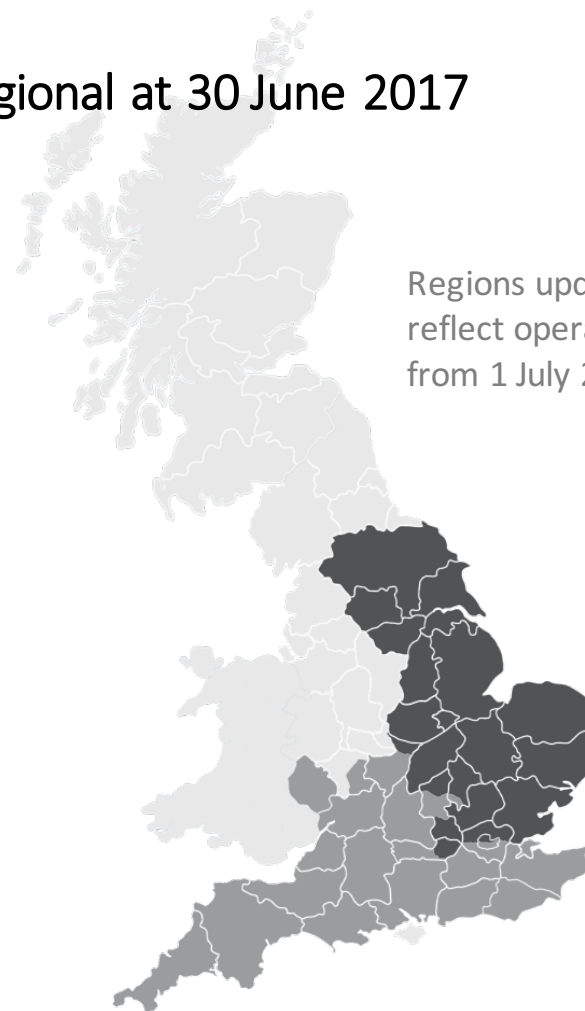
Full year results to 30 June 2017

## 2.1 Linden Homes – revenue analysis, regional at 30 June 2017

TOTAL	
Units	3,296
Revenue	£937.4m

EAST DIVISION		
Units	1,473	(45%)
Revenue	£433.1m	(46%)

WEST DIVISION		
Units	1,823	(55%)
Revenue	£504.3m	(54%)



Regions updated to reflect operating structure from 1 July 2016

# APPENDICES

Full year results to 30 June 2017

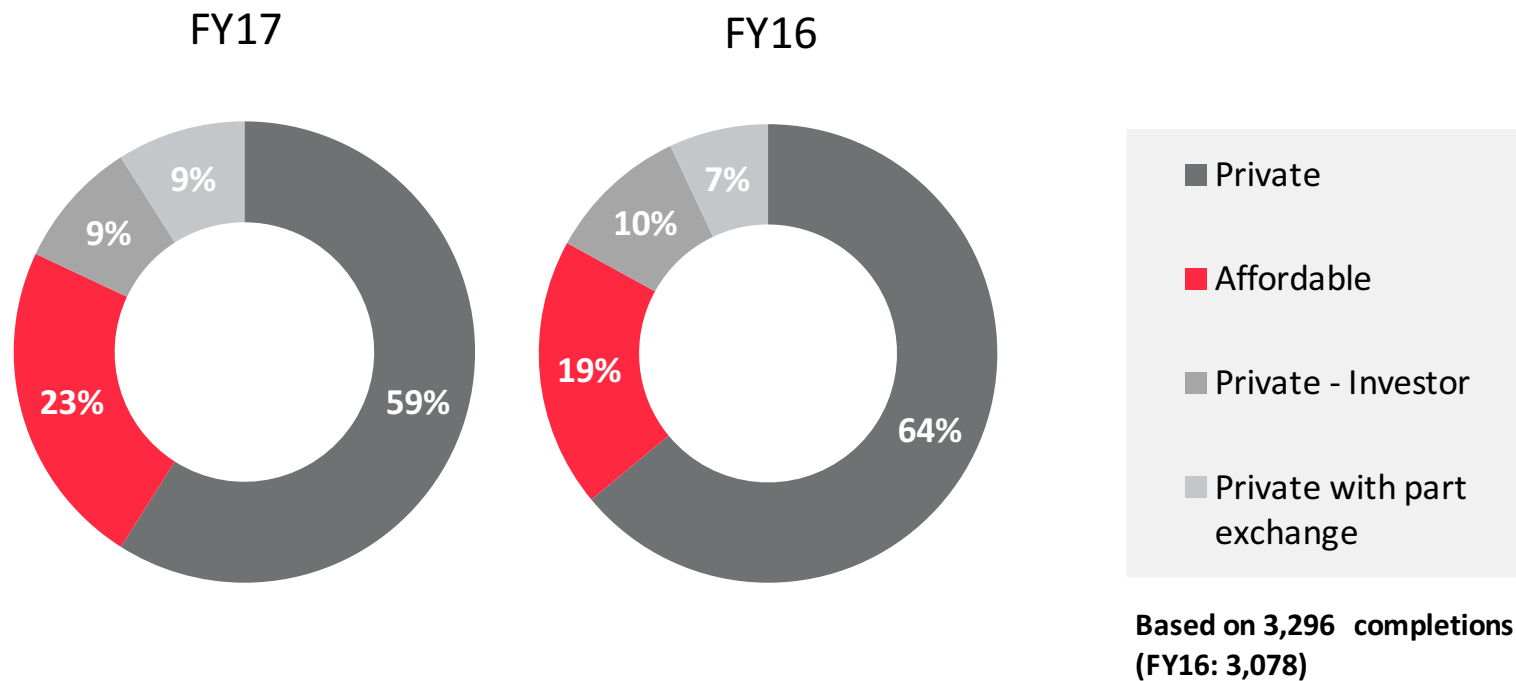
## 2.2 Linden Homes – analysis of sales reserved, contracted, and completed

<b>£m</b>	<b>Sept 17</b>	<b>June 17</b>	<b>Sept 16</b>
Private	376	233	365
Affordable	169	140	145
<b>TOTAL</b>	<b>545</b>	<b>373</b>	<b>510</b>
For completion in FY18	437	295	412
For completion post FY18	108	78	98
<b>TOTAL</b>	<b>545</b>	<b>373</b>	<b>510</b>
<b>Units</b>			
Private	1,017	652	1,107
Affordable	1,358	1,138	1,258
<b>TOTAL</b>	<b>2,375</b>	<b>1,790</b>	<b>2,365</b>

# APPENDICES

Full year results to 30 June 2017

## 2.3 Linden Homes – sales, completions by buyer type



# APPENDICES

Full year results to 30 June 2017

## 2.4 Linden Homes – trading overview

	FY17	FY16
Revenue (£m)	937	841
Land cost	23.9%	26.8%
Build cost	53.1%	49.4%
Gross margin	23.0%	23.8%
Overheads	4.8%	6.3%
Operating margin	18.2%	17.5%

# APPENDICES

Full year results to 30 June 2017

## 2.5 Linden Homes – private sales, analysis of incentives on reservations

Proportion of units	FY17	FY16
No incentives	33%	40%
Incentives		
Part exchange	13%	8%
Assisted move	2%	3%
Help to Buy	47%	38%
Investor sales	5%	11%
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>

# APPENDICES

Full year results to 30 June 2017

## 2.6 Linden Homes – strategic use of joint ventures - FY17

	Completions (Units)		Revenue (Linden Homes only)	ASP <sup>3</sup>
	Gross	Net of JV partner	£m	£000
Direct - private	1,907	1,907	652	342
- affordable	548	548	61	111
Other income, including land sales			68	-
JOs <sup>1</sup> - private	181	91	23	257
- affordable	-	-	-	-
	<b>2,636</b>	<b>2,546</b>	<b>804</b>	
JVs <sup>2</sup> - private	449	224	112	500
- affordable	211	106	18	170
Other income, including land sales			3	
<b>TOTAL</b>	<b>3,296</b>	<b>2,876</b>	<b>937</b>	<b>301</b>

<sup>1</sup> Joint Operations (JOs) proportionally consolidated within Linden Homes under IFRS11

<sup>2</sup> Joint ventures equity accounted under IFRS11

<sup>3</sup> Private ASP £354k; affordable ASP £121k

# APPENDICES

Full year results to 30 June 2017

## 2.6 Linden Homes – strategic use of joint ventures - FY16

	Completions (Units)		Revenue (Linden Homes only)	ASP <sup>3</sup>
	Gross	Net of JV partner	£m	£000
Direct - private	1,824	1,824	578	317
- affordable	481	481	52	109
Other income, including land sales			49	-
JOs <sup>1</sup> - private	242	121	29	238
- affordable	18	9	1	108
	<b>2,565</b>	<b>2,435</b>	<b>709</b>	
JVs <sup>2</sup> - private	421	210	117	557
- affordable	92	46	7	156
Other income, including land sales			8	
<b>TOTAL</b>	<b>3,078</b>	<b>2,691</b>	<b>841</b>	<b>291</b>

<sup>1</sup> Joint Operations (JOs) proportionally consolidated within Linden Homes under IFRS11

<sup>2</sup> Joint ventures equity accounted under IFRS11

<sup>3</sup> Private ASP £335k; affordable ASP £113k



# APPENDICES

Full year results to 30 June 2017

## 2.7 Linden Homes - landbank valuation<sup>1</sup>

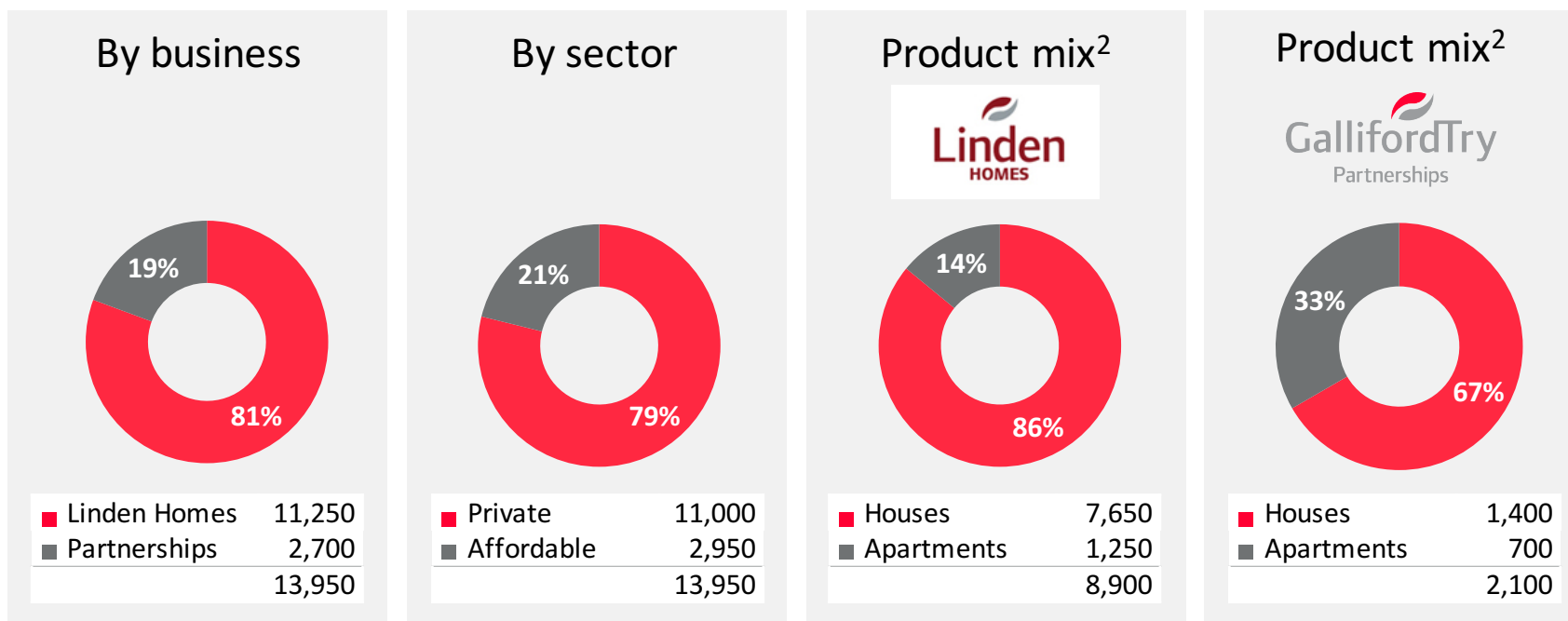
Cost per plot £000	June 2017		June 2016		June 2015	
	East Division	West Division	East Division	West Division	East Division	West Division
Opening landbank	79	69	76	65	66	59
Closing landbank	78	66	79	69	76	65
Weighted ASP in landbank	309	302	301	317	285	295
Plot cost as % of weighted ASP	25%	22%	26%	22%	27%	22%

<sup>1</sup> Excluding strategic landbank of 11,875 plots

# APPENDICES

Full year results to 30 June 2017

## 2.8 Landbank analysis<sup>1</sup>



<sup>1</sup> Current at 11 September 2017

<sup>2</sup> Excludes affordable

# APPENDICES

Full year results to 30 June 2017

## 2.9 Linden Homes: movement in landbank

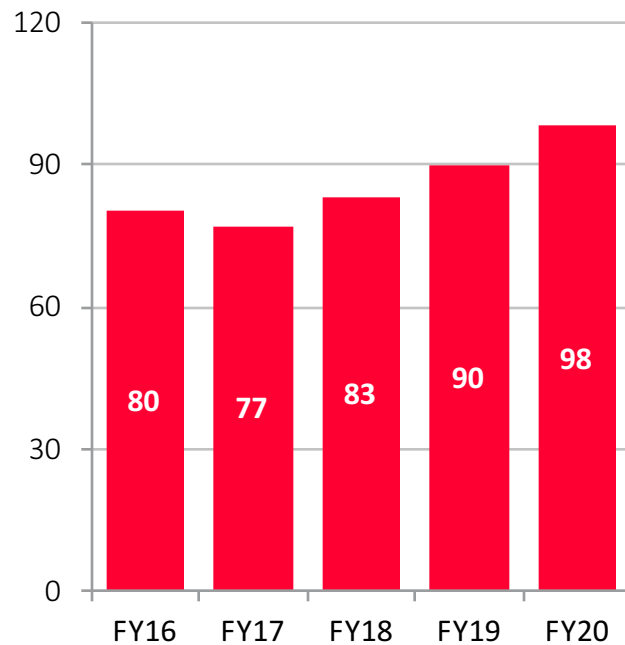
	Total Landbank	Owned	Controlled
At 30 June 2016	11,500	9,648	1,852
Legal completions	(2,876)	(2,876)	-
Land acquired	3,038	1,897	1,141
Land sales and transfers into JV	(711)	(711)	-
Transfers	-	870	(870)
Aborted	(274)	-	(274)
Planning changes & other	(27)	(37)	10
At 30 June 2017	10,650	8,791	1,859
At 11 September 2017	11,250	9,264	1,986

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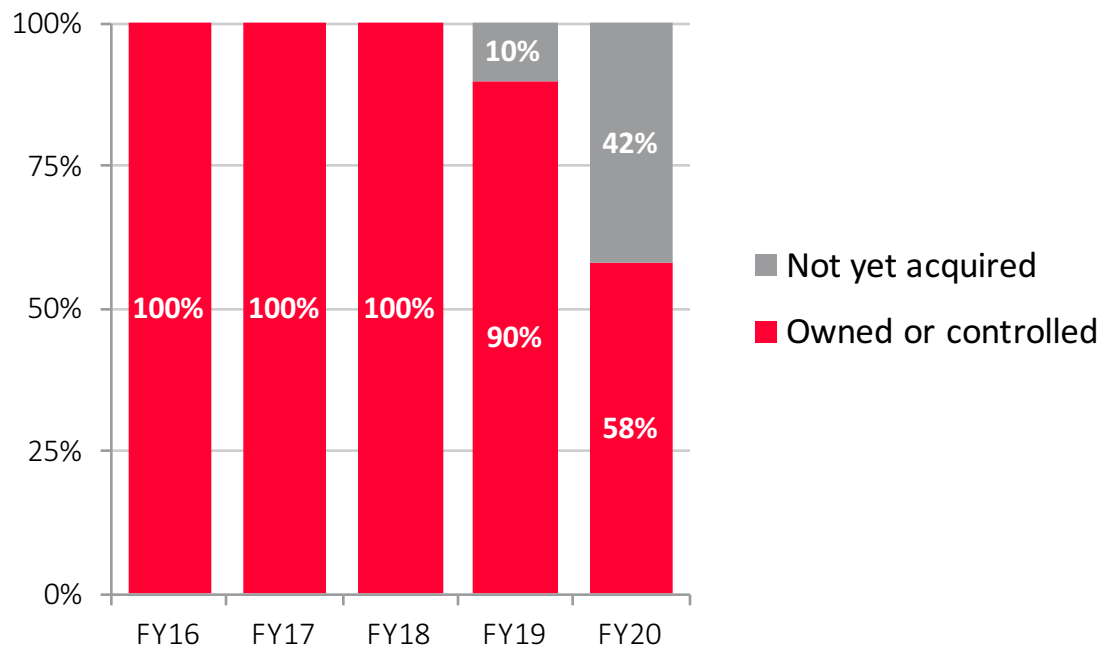
Full year results to 30 June 2017

## 2.10 Linden Homes - forecast outlets and revenue

Number of sales outlets<sup>1</sup>



Revenue by period %

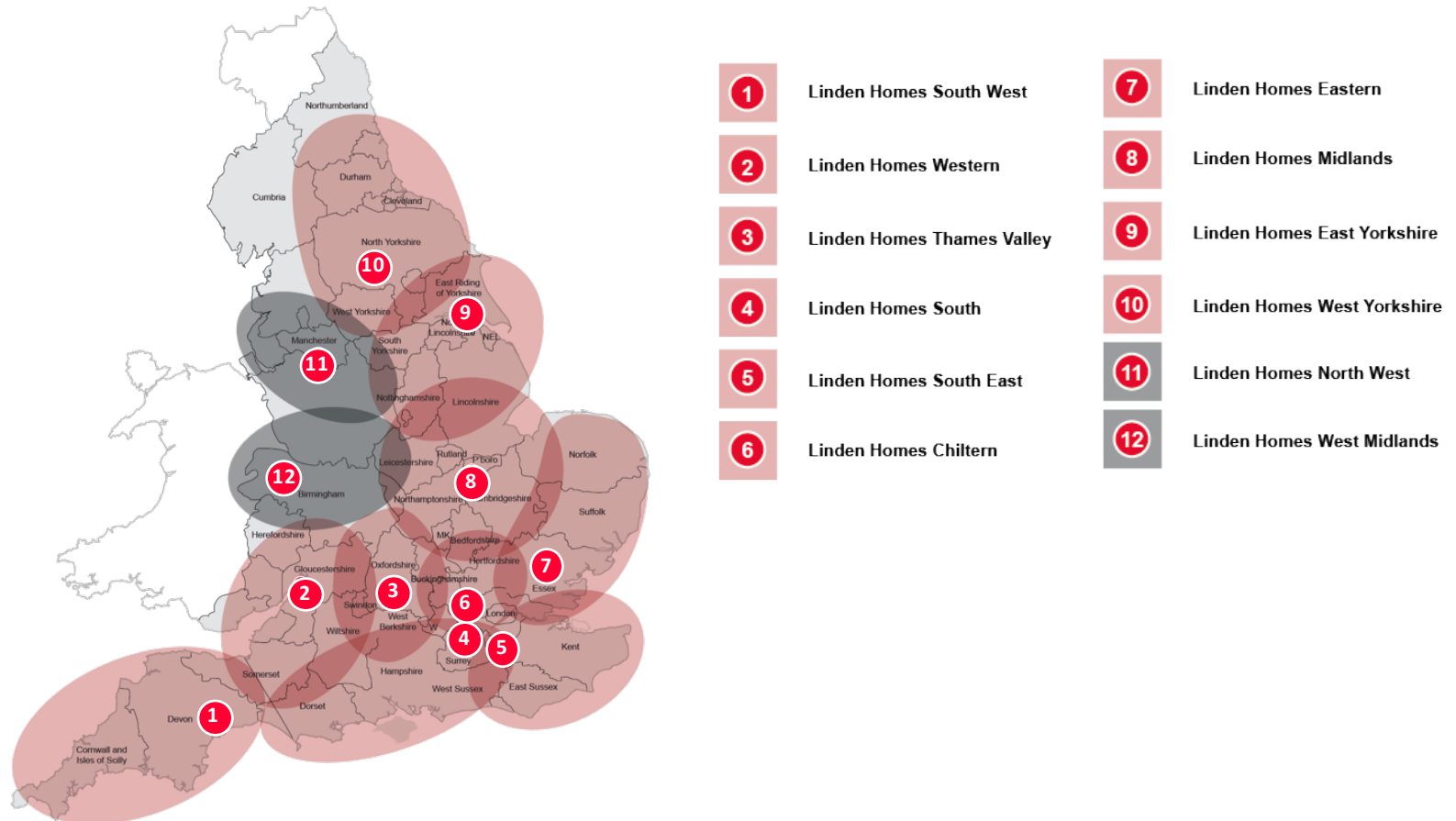


<sup>1</sup> Average for the year

# APPENDICES

Full year results to 30 June 2017

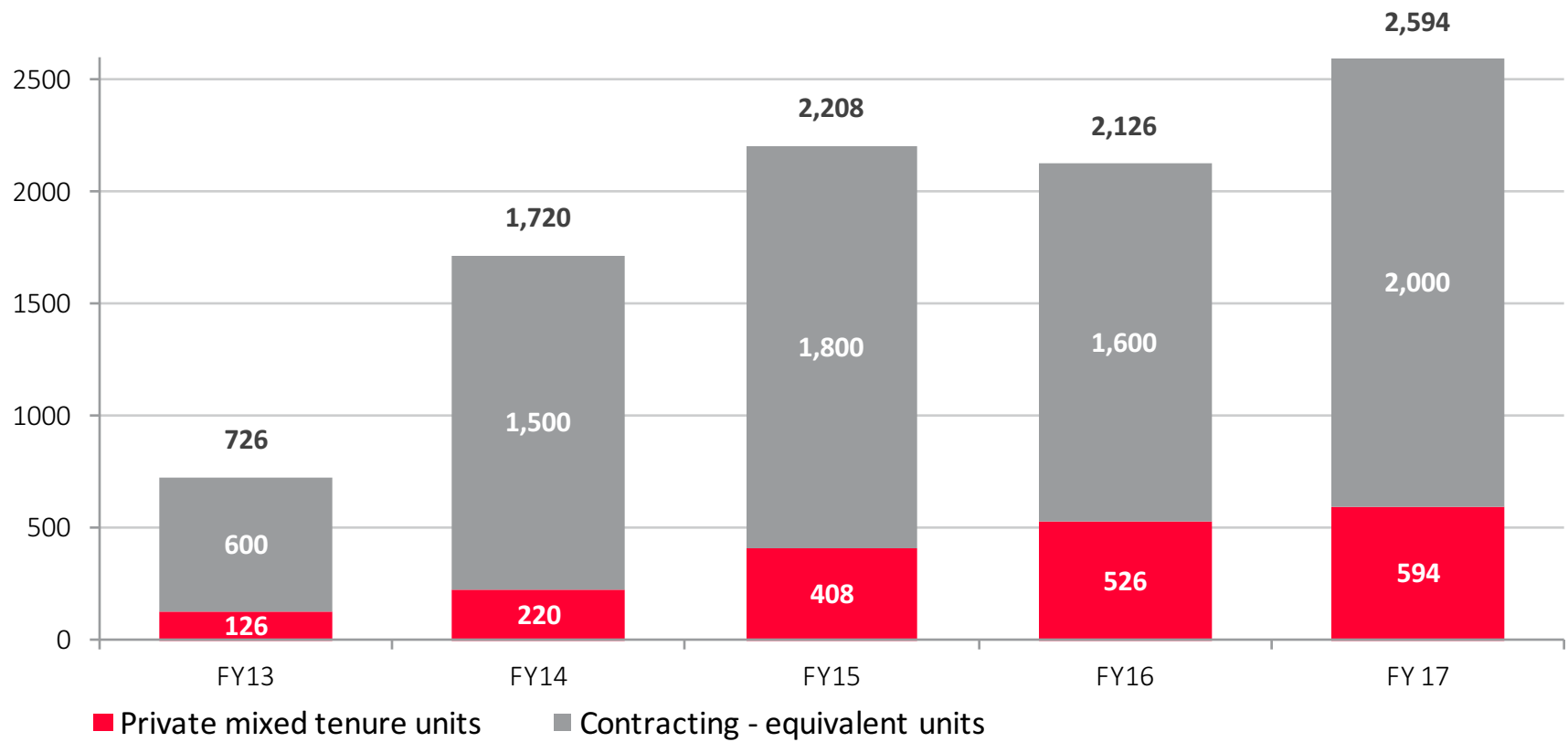
## 2.11 Linden Homes – areas of operation



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## 3.1 Partnerships & Regeneration - units delivered



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Full year results to 30 June 2017

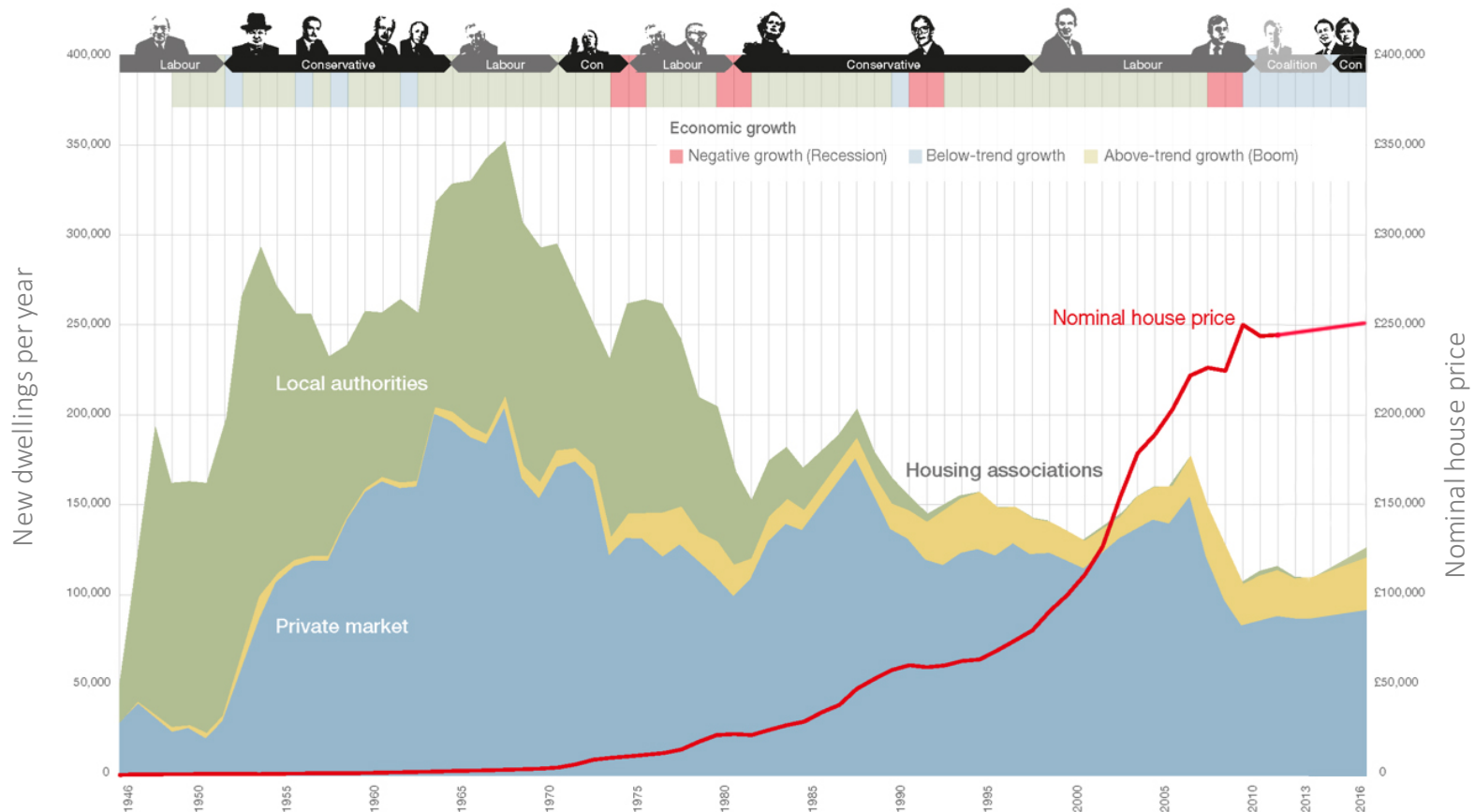
## 3.2 Partnerships & Regeneration – contract awards

- Great Eastern Quays, Phase 2, Royal Docks, London - £128m
- Stoke Gifford retirement village, Bristol - £44m
- Wixams retirement village, Bedfordshire - £44m
- Lyons Place, Maida Vale, London - £35m
- RAF Brampton regeneration scheme, Cambridgeshire - £23.5m
- Affordable Homes Programme, Home and Communities Agency - £18.8m
- Arden Court, Stratford-upon-Avon, Warwickshire - £26m

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## 3.3 Partnerships & Regeneration – market opportunity

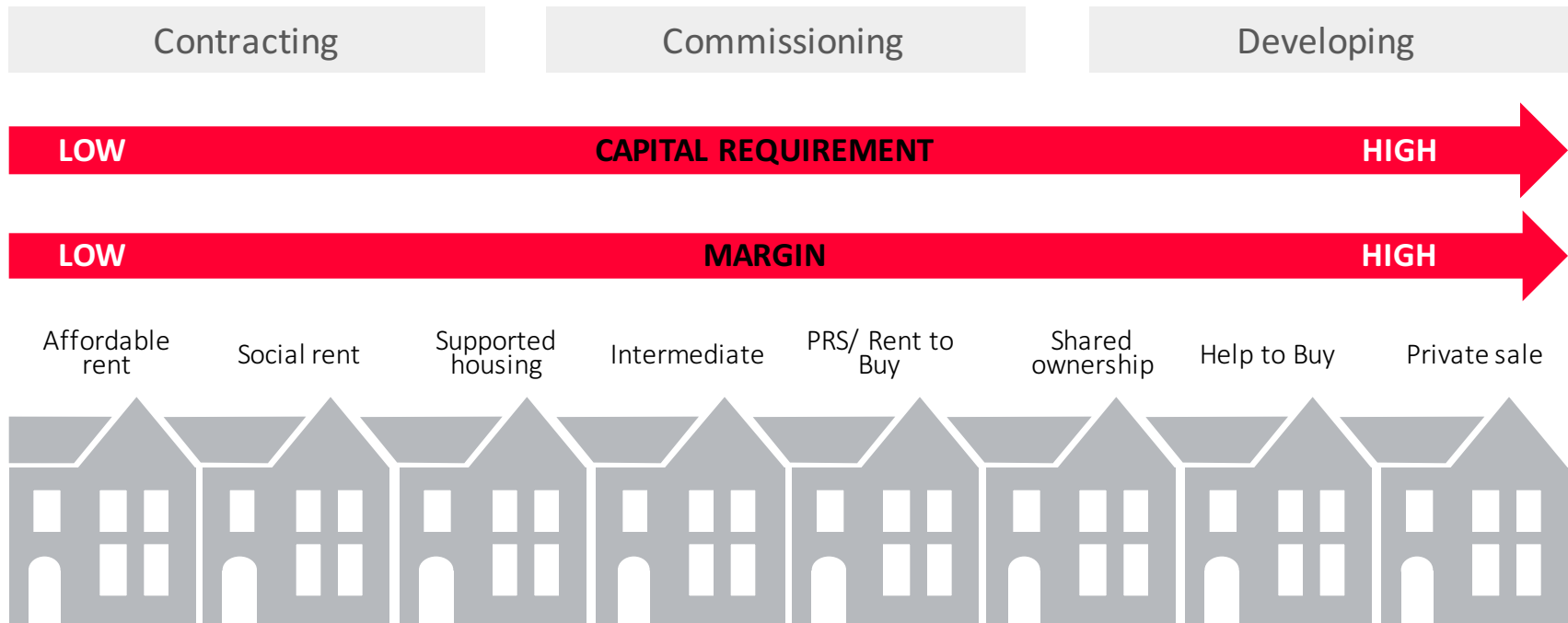




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Full year results to 30 June 2017

## 3.4 Partnerships & Regeneration – tenure types



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Full year results to 30 June 2017

## 4.1 Construction – segmental analysis

£m	June 2017		
	Revenue <sup>1 2</sup>	Profit/(loss) from Operations <sup>2</sup>	Margin <sup>2</sup>
Building	1,014.1	(12.0)	(1.2)%
Infrastructure	555.2	11.1	2.0%
<b>TOTAL</b>	<b>1,569.3</b>	<b>(0.9)</b>	<b>0.0%</b>

£m	June 2016		
	Revenue <sup>1</sup>	Profit from Operations <sup>2</sup>	Margin <sup>2</sup>
Building	1,013.8	9.0	0.9%
Infrastructure	489.6	6.8	1.4%
<b>TOTAL</b>	<b>1,503.4</b>	<b>15.8</b>	<b>1.1%</b>

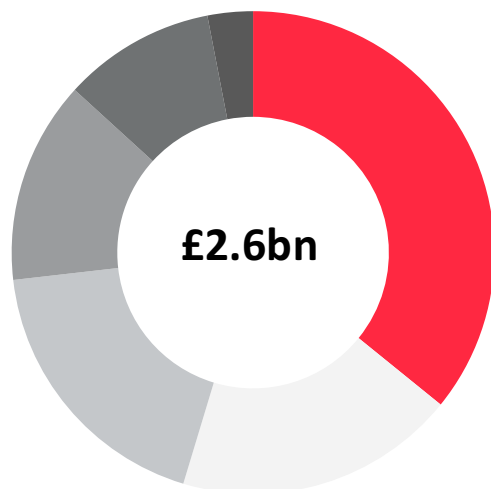
<sup>1</sup> Including share of joint ventures

<sup>2</sup> Pre-exceptional

# APPENDICES

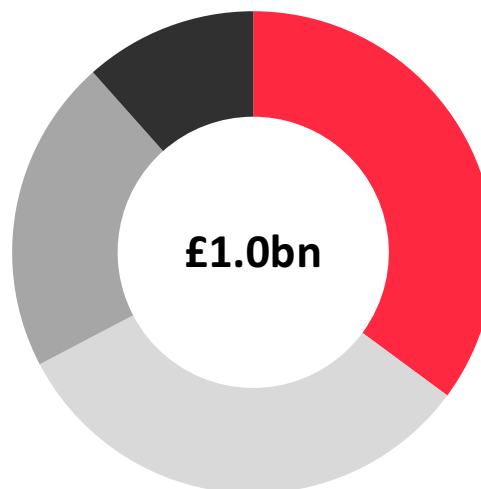
Full year results to 30 June 2017

## 4.2 Construction - order book<sup>1</sup>



### Building

	£m
■ Education	1051
■ Other Public Sector	213
■ Facilities Management	474
■ Commercial	297
■ Health	296
■ Defence	248



### Infrastructure

	£m
■ Water	361
■ Roads	331
■ Rail & Aviation	217
■ Other Civil Engineering	119

<sup>1</sup> Current at 11 September 2017

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Full year results to 30 June 2017

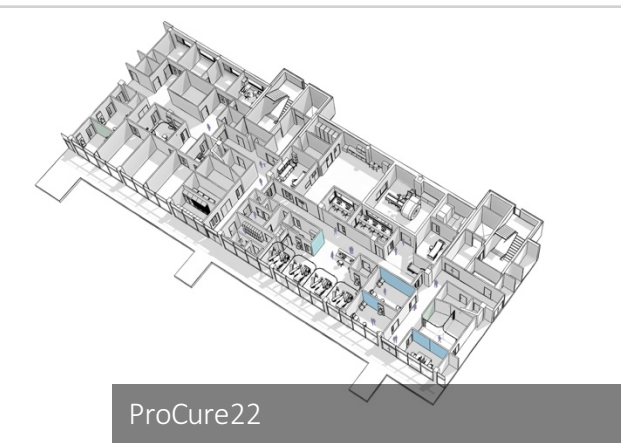
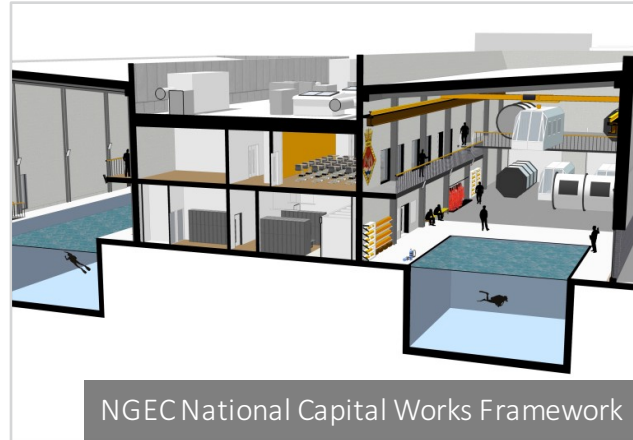
## 4.3 Construction- contract awards

- ProCure 22 Framework, Department of Health – £4bn (total value)
- East Lothian Community Hospital, Haddington, Scotland - £72m
- Park View Student Village, Newcastle University - £68m
- 50-60 Station Road, Cambridge - £47m
- Arena Central, Birmingham - £40m
- Gatwick Airport Capital Delivery Framework - £300m (total value)
- M1 Smart Motorways in JV - £96m (total value)
- Tier 1 alliance partner, Capital Investment Programme, Scottish Water - £50m
- Lot 1 National Resources Wales Framework – £70m (total value)

# APPENDICES

Full year results to 30 June 2017

## 4.4 Building projects



# APPENDICES

Full year results to 30 June 2017

## 4.5 Infrastructure projects



Smart Motorways Framework



Urban Vision Partnership, Salford



Manchester Airports Group  
Capital Delivery Framework



Skipton FAS



Highways England Capital  
Delivery Framework



Tollbar End Improvement Scheme

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