6 MARCH 2024

**GALLIFORD TRY HOLDINGS PLC**

**HALF YEAR REPORT FOR THE SIX MONTHS ENDED 31 DECEMBER 2023**

# STRONG MOMENTUM AND CONTINUING GROWTH

## Strategy and Outlook

- **Secure outlook with £3.7bn** (H1 2023: £3.5bn) high quality and focused order book.
- **Excellent visibility over future revenue** with 98% and 83% of projected FY24 and FY25 revenue secured.
- **Sustainable Growth Strategy** on track to achieve our targets ahead of plan.
- **Capital Markets Event on 23 May 2024 to update strategy to 2030**.

## Financial and Operational Highlights

- **21% increase in revenue to £819m** (H1 2023: £679m), with growth in both Building and Infrastructure.
- **2.5% divisional operating margin** (H1 2023: 2.3%), with margin improvements in both Building and Infrastructure, showing good progress against our strategic target.
- **33% increase in profit before tax to £15.6m** (H1 2023: £11.7m) before exceptional costs[1].
- **33% increase in interim dividend to 4.0p per share** (H1 2023: 3.0p).
- **Strong balance sheet** with operating cash inflow in the period, average month-end cash for the period of £150m (H1 2023: £154m) and a PPP asset portfolio of £43.5m (June 2023: £44.6m).
- **Building business is making progress in Private Rented and Affordable Housing**, recently appointed to the £3.2bn Communities & Housing Investment Consortium (CHIC) Newbuild Development Framework for affordable homes.
- **Environment business continues to develop its capabilities** including the acquisition of mechanical and electrical engineering specialists AVRS Systems.
- **Highways business appointed** to the Generation 5 Civil Engineering, Highways and Transportation Collaborative Framework 2024-2028.

| | H1 2024 | H1 2023 | Change |
|---|---|---|---|
| Revenue | **£819m** | **£679m** | +£140m |
| Operating profit before amortisation[1] | **£14.1m** | **£10.8m** | +£3.3m |
| Divisional operating margin[2] | **2.5%** | **2.3%** | +0.2ppt |
| Profit before tax[1] | **£15.6m** | **£11.7m** | +£3.9m |
| Statutory profit before tax | **£13.0m** | **£7.2m** | +£5.8m |
| Earnings per share[1] | **13.2p** | **8.8p** | +4.4p |
| Statutory earnings per share | **11.3p** | **5.5p** | +5.8p |
| Interim dividend per share | **4.0p** | **3.0p** | +33% |
| Average month end cash | **£150m** | **£154m** | £(4)m |
| Order book | **£3.7bn** | **£3.5bn** | +£0.2bn |

1. Stated before exceptional items. Exceptional items of £2.6m relate only to our investment in cloud-based computer software (H1 2023: £4.5m).
2. Divisional operating margin is defined as pre-exceptional operating profit before amortisation as a percentage of revenue. It is stated for the combined Building and Infrastructure divisions.

***Bill Hocking, Chief Executive, commented:***

"I am very pleased with the Group's performance in the first half of the financial year. There is strong momentum in the business and our continued excellent performance is a reflection of our disciplined strategy, committed people and long established relationships with our supply chain and clients.

The Group has delivered increased revenue and divisional operating margin, as we make accelerated progress towards our strategic objectives, and we will continue to provide long-term sustainable value for our stakeholders.

Our strong and high quality order book, predominantly in long term frameworks, provides visibility and security of future workloads and continued growth prospects well beyond the current financial year. Our performance, over the last three years, together with our excellent people and our strong balance sheet, gives us confidence to announce our updated strategy to 2030 at a Capital Markets Event on 23 May 2024."

**Enquiries to:**

| | | |
|---|---|---|
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This announcement contains inside information. The person responsible for making this announcement on behalf of Galliford Try is Kevin Corbett, General Counsel & Company Secretary.

Galliford Try will hold a Capital Markets Event on 23 May 2024 and its next Trading Update is scheduled for 11 July 2024.

**Presentations**

A conference call for analysts and institutional investors will be held at 09:30am GMT today, Wednesday 6 March 2024. To register for this event please follow this link:

Conference call registration

Should you wish to ask a question, please dial-in on +44 (0) 33 0551 0200 quoting 'Galliford Try' when prompted by an operator, as it will not be possible to submit a question via the webcast link.

An open presentation and Q&A session for retail investors will be held on Friday 8 March 2024 at 09:00am GMT. Investors can register for the event via this link: https://www.investormeetcompany.com/galliford-try-holdings-plc/register-investor

## SUSTAINABLE GROWTH STRATEGY

The Group's strategic priorities are a progressive culture, socially responsible delivery, focus on quality and innovation, and sustainable financial returns.

Our Sustainable Growth Strategy balances financial targets with wider commitments and aspirations to create long term value for all our stakeholders. Announced in September 2021, we are making strong progress against our 2026 financial targets:

| Objective | KPI | Target (2026) |
|---|---|---|
| **Earning a sustainable return on the value we deliver.** | Focus on bottom line margin growth | Divisional operating margin growth to **3.0%** |
| | Disciplined contract selection and sustainable revenue growth | Revenue growth towards **£1.6bn** |
| | Maintain strong balance sheet | Operating cash generation |
| | Sustainable dividends | Dividend cover of **1.8x earnings** |

Given the successful performance against our current strategy the Group intends to update its strategy to 2030 at a Capital Markets Event on 23 May 2024.

## RISK MANAGEMENT AND ORDER BOOK

The Group's strategy is founded on commercial discipline and robust risk management. Our confidence in the Group's future performance is based on our high quality order book, underpinned by management's discipline and focus, and our robust long term pipeline of opportunities. Our sector focus means 81% of contracts are delivered through frameworks providing a reliable stream of long term future work built on relationships with clients on known terms, conditions and risk profile.

At 31 December 2023 the Group's order book was £3.7bn (H1 2023: £3.5bn) of which 87% is in the public and regulated sectors and 13% is in the private sector. 98% of projected revenue for the current financial year is secured, and 83% is already secured for the next financial year (H1 2023: 95% and 79% respectively).

## OUTLOOK

The Group has a strong and consistent track record and a predominant focus on the public and regulated sectors. The UK's planned, and required, investment in economic and social infrastructure continues to support growth in our chosen markets. Our recent acquisition of AVRS Systems together with the acquired specialist businesses, MCS Control Systems and Ham Baker, further enhance our Environment business's client offering in the key areas of off-site build and asset optimisation.

Our future outlook is supported by recent framework and project wins as well as the robust and resilient pipeline of opportunities we see across our chosen sectors.

The Group enters the second half of the year with strong momentum and confidence for the financial year to 30 June 2024 and the longer term.

## DIVIDEND AND CAPITAL ALLOCATION

The directors have reviewed the Group's results and outlook for the current financial year and have declared an interim dividend of 4.0p per share which will be paid on 12 April 2024 to shareholders on the register at the close of business on 15 March 2024.

The Group's capital allocation priorities are:

- Strong balance sheet to support operations

  A strong balance sheet is an important element in delivering the Group's Sustainable Growth Strategy, as it provides a competitive advantage in the market, supports the Group's disciplined approach, and provides confidence to our clients and supply chain. The current outlook across our markets is encouraging and supports our strategy. However, the Group also ensures that it is prepared for any adverse change in market conditions that may arise. Our strong balance sheet is particularly important for the Group to continue to operate its disciplined approach to contract selection and focus on operating margin, irrespective of any short term economic concerns. The management of past inflationary pressures demonstrates the value and importance of the Group's risk management framework and focus.

- Invest in the business

  We are able to allocate capital to assist the development of our adjacent markets, as demonstrated by our acquisition of AVRS Systems. Our strong cash balance enables the Group to react quickly to strategic opportunities, including bolt-on acquisitions that enhance our capabilities and increase value, and to continue to invest in enablers of growth such as digital capabilities.

- Paying sustainable dividends to shareholders

  The Board understands the importance of dividends to shareholders and in setting its dividend considers the Group's profitability, its strong balance sheet, high-quality order book and longer term prospects. Consistent with this approach the Group expects dividend per share to increase in line with earnings as the business grows.

  The Board's confidence in the outlook led to an improved dividend policy, announced in September 2023, of earnings covering the dividend by 1.8 times. Alongside dividend growth from our operational performance, this improvement reflects the low-risk nature of the PPP asset portfolio and its annuity interest income and provides a sustainable increase in dividend to shareholders while retaining capital to invest in growing the business.

- Returning excess cash

  We continue to assess the cash requirements of the business to ensure the Group remains well positioned to deliver on its Sustainable Growth Strategy and has sufficient funds to invest in the business. In September 2022, having reviewed the Group's strong cash performance and ongoing capital requirements the Group launched a share buyback programme of up to a maximum of £15m. On 17 November 2023 we announced the completion of the share buyback programme with a total of 8,404,148 shares repurchased and subsequently cancelled, representing approximately 7.5% of issued share capital. In addition to this, the Group paid a special dividend of 12.0 pence per share (amounting to £12.5m) on 27 October 2023 as announced on 8 June 2023. As previously announced, where average month-end cash and PPP assets increase above the level required, the Board will consider making additional returns to shareholders.

**FINANCIAL REVIEW**

During the first half of the year, the Group delivered a strong performance resulting in a significant increase in revenue and profit before tax, as well as improved divisional operating margin. Our operating performance, strong financial position and high quality order book provide confidence in our future performance.

Revenue for the half year to 31 December 2023 increased 21% to £819.1m (H1 2023: £679.2m). This reflects revenue increases in both Building and Infrastructure. The procurement delays experienced by our Building business in 2022 have ended and the contracts awarded in 2023 are now on site, resulting in increased revenue in Building. Our Environment business continues to benefit from high levels of AMP7 spending by our water sector clients.

Pre-exceptional operating profit before amortisation increased by 31% to £14.1m (H1 2023: £10.8m). The combined divisional operating margin was 2.5% (H1 2023: 2.3%), with improvement in both Building and Infrastructure as we make further progress towards our 3.0% target. Building generated a profit of £10.6m (H1 2023: £9.3m), representing an operating margin of 2.4% (H1 2023: 2.3%). Infrastructure generated a profit of £9.3m (H1 2023: £6.5m), representing an operating margin of 2.6% (H1 2023: 2.3%).

There was a £5.8m pre-exceptional operating cost in aggregate across Investments and Central Costs (H1 2023: £(5.0)m). Investments includes initial development fees from its first co-development Private Rental Scheme reaching financial close, while the comparative period included a £3.6m one-off profit on the disposal of an interest in a joint venture entity. Central Costs were slightly lower at £6.1m (H1 2023: £6.5m). Net interest income was £2.7m (H1 2023: £2.4m), with the increase largely a result of improved interest rates partly offset by increased IFRS16 lease interest charges.

Pre-exceptional profit before tax was £15.6m (H1 2023: £11.7m). Exceptional items of £2.6m (H1 2023: £4.5m) have been incurred in the period, enhancing our digital and data capabilities, in relation to our investment in cloud-based digital finance and commercial systems. The new systems successfully went into operation in September 2023. Full details are set out in note 6 to the financial information. Post-exceptional profit before tax was £13.0m (H1 2023: £7.2m).

The pre-exceptional taxation charge of £2.3m reflects a forecast effective tax rate of 19.7% (H1 2023: 19.6%) for the year to 30 June 2024, after allowing for prior year tax adjustments, which compares to the standard effective tax rate of 25.0%.

Based on pre-exceptional earnings per share of 13.2p (H1 2023: 8.8p), and the outlook for the remainder of the financial year, the Board has declared an interim dividend of 4.0p per share (H1 2023: 3.0p).

The Group is well capitalised, maintaining its focus on disciplined cash management in line with the Board's key capital allocation objectives. The Group operates with daily net cash, no debt facilities, and no defined benefit pension liabilities. Average month end cash balances for the first half year were strong at £150m and the Board anticipates that average cash for the full year to 30 June 2024 will be at a similar level.

The Group also benefits from a PPP asset portfolio of £43.5m, reflecting a blended 7.3% discount rate and generating interest income.

The Group is able to adopt appropriate discipline and risk management when sourcing new work supported by our strong balance sheet which is also important in providing confidence to our clients, staff and supply chain. We are committed to pursuing a collaborative and open approach with our supply chain. Our performance under the Prompt Payment Code continues to remain strong, with 97% of invoices paid within 60 days in the period (H1 2023: 98%) and average payment being made in 24 days (H1 2023: 26 days).

**OPERATIONAL REVIEW**

***Building***

The Group's Building business operates through regional offices, serving a range of public and commercial clients across the UK, with a focus on our core and proven strengths in the Education, Defence and Custodial, Health and Commercial sectors. Building has a substantial presence in Scotland operating as Morrison Construction. Our Facilities Management business complements these operations by providing building maintenance services and we continue to grow the capabilities of this operation, with a specific focus on decarbonising existing buildings through retrofit and other enhancements.

| | **H1 2024** | H1 2023 | **Change** |
|---|---|---|---|
| Revenue (£m) | **446.0** | 399.7 | 12% |
| Operating profit before amortisation (£m) | **10.6** | 9.3 | 14% |
| Operating margin (%) | **2.4** | 2.3 | 0.1ppt |
| Order book (£bn) | **2.2** | 2.1 | 5% |

Building's revenue was up 12% to £446.0m (H1 2023: £399.7m) with operating profit before amortisation of £10.6m (H1 2023: £9.3m), resulting in an improved operating margin of 2.4% (H1 2023: 2.3%). Revenue has grown, as expected, as we now benefit from the volume of new work that was delayed by inflation and public sector procurement challenges in 2022. We continue to target margin progression, with the improvement in the period reflecting the performance of projects across the business and our strategy of focusing on bottom line growth.

Building has won a place on the £2.5bn Lot 2 of the eight-year framework, for new build projects worth more than £10m, and the £650m Lot 3, for regeneration projects, on behalf of the Communities & Housing Investment Consortium (CHIC). Galliford Try anticipates accessing the framework to build low and medium rise affordable apartments, building on its existing capabilities in the build to rent market.

Building currently has an order book of £2.2bn (H1 2023: £2.1bn), including 27% in Education, 31% in Defence and Custodial, 15% in Facilities Management and 4% in Health.

***Infrastructure***

Our Infrastructure businesses, primarily Highways and Environment (incorporating principally our activities in water and wastewater), carry out critical engineering projects across the UK. This business has established long-term relationships with customers where we have a strong track record on delivery, focusing on public and regulated sector work and bids with early contractor involvement.

| | **H1 2024** | H1 2023 | **Change** |
|---|---|---|---|
| Revenue (£m) | **362.0** | 276.6 | 31% |
| Operating profit before amortisation (£m) | **9.3** | 6.5 | 43% |
| Operating margin (%) | **2.6** | 2.3 | 0.3pt |
| Order book (£bn) | **1.5** | 1.4 | 7% |

Infrastructure revenue was up 31% to £362.0m (H1 2023: £276.6m) with operating profit before amortisation and exceptional items of £9.3m (H1 2023: £6.5m), resulting in an improved operating margin of 2.6% (H1 2023: 2.3%).

Our growing Environment business, including the acquisition of AVRS Systems in the period, provides enhanced and specialist service delivery across UK operations including water, engineering, off-site build and asset optimisation, and asset security. This enhanced capability puts the Environment business in a strong position to support our clients accelerate the use of digital technologies as well as improve efficiencies across the lifecycle of the UK's water and wastewater infrastructure. The increase in revenue reflects the particularly high level of activity across our Environment business, as we continue to deliver on our AMP7 frameworks.

Our growing Highways business delivers vital infrastructure across the strategic road network, helping connect communities through a range of integrated transport solutions. The Highways business has secured a place on Lot 4 of the new £500m Generation 5 (Gen5) Civil Engineering, Highways and Transportation Collaborative Framework 2024-2028, managed by Hampshire County Council. The four-year framework, for projects worth from £20-£175m, comprises civil engineering, transportation and infrastructure development-related construction.

Infrastructure currently has an order book of £1.5bn (H1 2023: £1.4bn) comprising £562m in Highways and £894m in Environment.

***Investments***

Investments delivers major building and infrastructure projects through public private partnerships and the co-development of Private Rented Sector (PRS) projects, generating work for the wider Group in the process. The business reached financial close, and has commenced construction, on its first PRS scheme in Cardiff during the period.

| | **H1 2024** | H1 2023 | **Change** |
|---|---|---|---|
| Revenue (£m) | **11.1** | 2.9 | 283% |
| Operating profit (£m) | **0.3** | 1.5 | £(1.2)m |
| Asset valuation (£m) | **43.5** | 46.1 | £(2.6)m |
| Net interest income (£m) | **1.9** | 2.0 | (5)% |

For the first half of the financial year, revenue was £11.1m (H1 2023: £2.9m) with an operating profit of £0.3m (H1 2023: £1.5m). This includes the recognition of initial development fees related to the financial close of the PRS scheme referred to above as well as the ongoing project management fees associated with the construction of the scheme itself. In H1 2023, operating profit included £3.6m relating to the profit on disposal of our interest in a joint venture arrangement.

At 31 December 2023 the Group directors' valuation of our PPP portfolio was £43.5m (H1 2023: £46.1m), reflecting a blended 7.3% discount rate (H1 2023: 7.1%). These assets contribute to our balance sheet strength and generated interest income in the period of £1.9m (H1 2023: £2.0m).

**Environment, Social and Governance (ESG)**

Sustainability underpins our long-term success as it helps us to win work, engages our employees, benefits communities and the environment, and makes us more efficient. This is why our sustainability commitments are an integral part of delivering our growth strategy. We monitor progress against the six pillars of our sustainability strategy, which are mapped to the UN Sustainable Development Goals, as set out below:

*Health and Safety*

The health, safety and wellbeing of our staff, subcontractors, suppliers, clients and the public remains the Group's top priority.

We continue to focus on our pursuit of 'no harm' through our Back to Basics approach of Right Person, Right Planning, Right Tools and Equipment and Right Workplace. Pleasingly, our accident frequency rate fell in the period.

Our behavioural safety programme, Challenging Beliefs, Affecting Behaviour (CBAB), based on awareness, training, coaching and visible leadership, forms the backbone of our approach. This year, we launched our latest CBAB update module which focuses on the correlation between quality and health and safety and the parallels between both. We also continued our quarterly CBAB Coach Forums on site, which cover the role of the Coach and what tools we can utilise to continue pushing the message with regard to driving a positive safety culture.

We were delighted that our 'Choose the Safe Path' training programme, aligned to CBAB, which involves employees determining the outcome of site-based scenarios to prevent incidents using immersive virtual reality technology won the prestigious Princess Royal Training Award delivered by City and Guilds Foundation.

*People*

In line with our retain and gain people strategy and as part of our aim to become a destination employer, we recently launched our, Grow Together People Pledge, (our Employee Value Proposition), which encapsulates a promise to our people, both existing and potential employees, to support our journey to be a progressive and people orientated employer.

We continue to place a focus on the future of the construction industry, and we are proud to be one of only 20 employers to have been awarded the new Platinum membership of The 5% Club which recognises the business's commitment to inclusion and social mobility, future growth of 'earn as you learn' opportunities and the quality of training and development. We have also been voted the best Construction and Civil Engineering company for Graduates, and number two for Apprentices, by The Job Crowd.

Equity, Diversity, and Inclusion (ED&I) continues to be a key focus and our ED&I team continues to work in conjunction with The Clear Assured Company, a global diversity and inclusion specialist to ensure we continuously embed the most inclusive practices across our organisation. Key developments in this area have been the design and commencement of Inclusive Leadership Training modules and a commitment to support the construction industry to achieve a more equal gender by taking steps to understand the potential barriers to the employment and progression of women in our industry and take action on these.

We continue to recognise the importance of positive health and wellbeing, and have recently launched the next evolution of our 'Be Well' wellbeing programme to ensure it continues to be up to date, is accessible to all, including our supply chain, and the approach is truly embedded within the business.

*Environment and Climate Change*

We recognise the importance of the climate change agenda and the role we have to play in decarbonising the economy for a greener, more sustainable future.

Our near-term carbon reduction targets have been validated by the Science Based Targets Initiative (SBTi) and we are determined to be aligned with a 1.5°C trajectory, the most ambitious designation available through the SBTi process. Our near-term SBTs support our ambition to achieve net zero carbon across our own operations (Scope 1 and 2) by 2030 and across all activities (Scope 1, 2 and 3) by 2045 at the latest.

We continue to participate in the Carbon Disclosure Project (CDP), a global disclosure system for organisations to manage their environmental impacts and in 2023, we achieved an improved score of B 'Management level', (2022 score: C 'Awareness level'), recognising the progress we are making in embedding climate action into our governance, strategy and operations.

We are on target to achieve PAS 2080 Carbon Management in Buildings and Infrastructure certification by 2025 and continue to embed carbon management into our management and operational processes.

We recognise that managing our environmental impact goes beyond reducing carbon emissions and we have established cross-business working groups on issues including biodiversity, waste and green site set up. All our businesses are developing environmental strategies tailored to the nature of their operations, which will include objectives, baselines and targets for areas such as waste, energy use and water consumption.

We have also reviewed and updated our biodiversity strategy, which now includes the ambition to deliver a biodiversity net gain of 10% across the business.

*Communities*

Delivering a legacy of positive social value outcomes is the right thing to do as a responsible business and remains an important priority for our clients. Since we began reporting social value in 2022, we have delivered over £650m in social and local economic value through a combination of providing work for the local supply chain, providing opportunities for training and apprenticeships and job creation.

Last year, we took part in 'Unlocking Construction', which is developed by New Futures Network – part of HM Prisons and Probation Service, to promote careers and opportunities within the industry to prison leavers, aimed at helping sectors like construction fill skills gaps, while promoting positive change to prisoners, reducing the likelihood of repeat offending and benefiting wider society. We have now appointed an Outreach Partner who is building relationships with prisons to increase our engagement, delivering employability workshops and Release on Temporary Licence work placements.

Working in partnership with the Department for Work and Pensions, we have developed the Mentoring the Next Generation programme which aims to encourage more females to explore a career in construction through face-to-face presentations, mentoring, careers awareness and skill-building over the course of a structured three-year programme. At the end of the programme, we offer interviews for roles at Galliford Try.

We continue to take part in the Considerate Constructors Scheme (CCS), which assesses sites on criteria including being considerate of local neighbourhoods and the public and we achieved an average CCS audit score of 42.7 in the six months to December 2023, which remained above the industry average of 40.4.

*Clients*

Providing excellent service for our clients includes the ability to unlock new and innovative methods to deliver high quality, low carbon, value for money projects. Our approach is reflected by the fact that 88% of our order book is repeat business (H1 2023: 92%).

A key aspect of our drive for excellence is how we embrace modern methods of construction, use resources more efficiently and analyse sustainable alternatives. Our Morrison Construction business is using lower carbon Electric Arc Furnace steel, reducing the embodied carbon of projects. Electric Arc Furnace steel significantly reduces the quantity of fossil fuels by using electrical processes and higher percentages of recycled content. The process creates a 77% carbon saving compared to traditional alternatives. The first scheme to feature this steel is our Easthouses Primary School project for Midlothian Council.

Our Infrastructure business has trialled a concrete monitoring system on our A303 project for National Highways. The sensors placed in the concrete pour provide real time monitoring for anyone involved in the project. The system demonstrates when the concrete reaches the correct strength, helping to accelerate the construction programme, improve quality and reduce costs.

Our focus on providing excellent service for our clients has seen our business named Contractor of the Year for the third time at the Education Estates Awards. The award recognises the success of the business, and the progress we have made in producing Net Zero Carbon in Operation schools for the Department for Education.

*Supply Chain*

As a signatory of the Prompt Payment Code, we are committed to paying 95% of supply chain invoices within 60 days. We continue to outperform this target, with 97% of invoices paid within 60 days in the latest six months to 31 December 2023 (January to June 2023: 98%) and the average days to pay now 24 days (January to June 2023: 26 days), maintaining our position in the top 10 contractors in Build UK's league table. The implementation of a new ERP system during H1 2024 has had a short-term negative impact on performance against the target of paying 95% of invoices from suppliers with fewer than 50 employees within 30 days, with 81% paid within 30 days (January to June 2023: 87%), however we expect this metric to improve again over the next financial year.

We continue to enhance our procedures to minimise the risk of modern slavery within our operations and supply chain and use the UK Government Modern Slavery Assessment tool to assess our performance and identify opportunities for improvement. As part of this ongoing improvement, we will be commencing an audit of our preferred supplier labour agencies to assess their compliance, financial stability, and ethical practices.

We continue to retain Gold status from the Supply Chain Sustainability School, an award-winning collaboration designed to upskill its members through free training and resources covering sustainability, off-site manufacturing, Building Information Modelling (BIM), Lean and Management.

## PRINCIPAL RISKS AND UNCERTAINTIES

The directors consider that the principal risks and uncertainties which may have a material impact on the Group’s performance in the second half of the financial year remain primarily the same as those outlined on pages 53 to 56 of the Group’s annual report and financial statements for the year ended 30 June 2023. Those risks the Group considers to be of particular importance and highlighted as the principal risks in focus within the 30 June 2023 annual report are; work winning, project delivery, resources and regulatory compliance.

## BOARD

As previously announced Andrew Duxbury, Group Finance Director, will leave the Group during the year.  The Group is making good progress on securing Andrew’s replacement and we expect to provide an update shortly.  As previously announced, Marisa Cassoni, Non-executive Director and Chair of the Audit Committee, was appointed Senior Independent Director with effect from 1 November 2023.  Also, as previously announced, Kevin Boyd joined the Board as a Non-executive director on 1 March 2024.  On appointment Kevin became a member of the audit, remuneration and nomination committees.

**Condensed consolidated income statement**
for the half year ended 31 December 2023 (unaudited)

| | | **Half year to 31 December 2023** | | | Half year to 31 December 2022 | | | Year to 30 June 2023 (audited) | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Notes | **Pre-exceptional items £m** | **Exceptional items (note 6) £m** | **Total £m** | Pre-exceptional items £m | Exceptional items (note 6) £m | Total £m | Pre-exceptional items £m | Exceptional items (note 6) £m | Total £m |
| Revenue | 4 | **819.1** | **–** | **819.1** | 679.2 | – | 679.2 | 1,393.7 | – | 1,393.7 |
| Cost of sales | | **(758.4)** | **–** | **(758.4)** | (634.0) | – | (634.0) | (1,292.3) | – | (1,292.3) |
| **Gross profit** | | **60.7** | **–** | **60.7** | 45.2 | – | 45.2 | 101.4 | – | 101.4 |
| Other income | 5 | **–** | **–** | **–** | 3.6 | – | 3.6 | 3.6 | – | 3.6 |
| Administrative expenses | | **(47.8)** | **(2.6)** | **(50.4)** | (39.5) | (4.5) | (44.0) | (86.1) | (10.5) | (96.6) |
| Impairment of financial assets | 13 | **–** | **–** | **–** | – | – | – | (2.8) | – | (2.8) |
| **Operating profit/(loss)** | | **12.9** | **(2.6)** | **10.3** | 9.3 | (4.5) | 4.8 | 16.1 | (10.5) | 5.6 |
| Finance income | 7 | **4.3** | **–** | **4.3** | 3.2 | – | 3.2 | 6.3 | – | 6.3 |
| Finance costs | 7 | **(1.6)** | **–** | **(1.6)** | (0.8) | – | (0.8) | (1.8) | – | (1.8) |
| **Profit/(loss) before income tax** | | **15.6** | **(2.6)** | **13.0** | 11.7 | (4.5) | 7.2 | 20.6 | (10.5) | 10.1 |
| Income tax (expense)/credit | 8 | **(2.3)** | **0.6** | **(1.7)** | (2.3) | 1.0 | (1.3) | (3.1) | 2.1 | (1.0) |
| **Profit/(loss) for the period from continuing operations** | | **13.3** | **(2.0)** | **11.3** | 9.4 | (3.5) | 5.9 | 17.5 | (8.4) | 9.1 |
| **Earnings per share** | | | | | | | | | | |
| Basic<br>- Profit from continuing operations attributable to ordinary shareholders | 10 | **13.2p** | | **11.3p** | 8.8p | | 5.5p | 16.6p | | 8.7p |
| Diluted<br>- Profit from continuing operations attributable to ordinary shareholders | 10 | **12.7p** | | **10.8p** | 8.2p | | 5.1p | 15.6p | | 8.1p |

The notes are an integral part of the condensed consolidated financial statements.

**Condensed consolidated statement of comprehensive income**
for the half year ended 31 December 2023 (unaudited)

| | Notes | **Half year to 31 December 2023 £m** | Half year to 31 December 2022 £m | Year to 30 June 2023 (audited) £m |
|---|---|---|---|---|
| **Profit for the period** | | **11.3** | 5.9 | 9.1 |
| **Other comprehensive expense:** | | | | |
| *Items that may be reclassified subsequently to profit or loss* | | | | |
| Movement in fair value of PPP and other investments – continuing operations | 12 | **(0.4)** | (1.0) | (2.4) |
| **Other comprehensive expense for the period net of tax** | | **(0.4)** | (1.0) | (2.4) |
| **Total comprehensive income for the period** | | **10.9** | 4.9 | 6.7 |

The notes are an integral part of the condensed consolidated financial statements.

**Condensed consolidated balance sheet**
at 31 December 2023 (unaudited)

| | Notes | **31 December 2023** £m | 31 December 2022 £m | 30 June 2023 (audited) £m |
|---|---|---|---|---|
| **Assets** | | | | |
| **Non–current assets** | | | | |
| Intangible assets | 19 | **5.3** | 7.6 | 5.6 |
| Goodwill | 11 | **93.5** | 92.9 | 92.7 |
| Property, plant and equipment | | **5.6** | 7.0 | 7.2 |
| Right of use assets | | **41.0** | 27.6 | 38.6 |
| Investments in joint ventures | | **–** | 0.1 | – |
| PPP and other investments | 12 | **43.5** | 46.1 | 44.6 |
| Deferred income tax assets | | **15.3** | 13.4 | 15.5 |
| Total non–current assets | | **204.2** | 194.7 | 204.2 |
| **Current assets** | | | | |
| Trade and other receivables | 13 | **325.9** | 264.3 | 286.5 |
| Current income tax assets | | **2.0** | 3.1 | 1.8 |
| Cash and cash equivalents | | **209.2** | 195.8 | 220.2 |
| Total current assets | | **537.1** | 463.2 | 508.5 |
| **Total assets** | | **741.3** | 657.9 | 712.7 |
| **Liabilities** | | | | |
| **Current liabilities** | | | | |
| Trade and other payables | 14 | **(567.5)** | (476.1) | (525.1) |
| Lease liabilities | | **(16.4)** | (11.2) | (14.9) |
| Provisions for other liabilities and charges | 15 | **(28.8)** | (26.6) | (29.9) |
| Total current liabilities | | **(612.7)** | (513.9) | (569.9) |
| **Non–current liabilities** | | | | |
| Lease liabilities | | **(26.3)** | (16.7) | (24.2) |
| Total non–current liabilities | | **(26.3)** | (16.7) | (24.2) |
| **Total liabilities** | | **(639.0)** | (530.6) | (594.1) |
| **Net assets** | | **102.3** | 127.3 | 118.6 |
| **Equity** | | | | |
| Ordinary share capital | | **51.3** | 54.3 | 52.4 |
| Other reserves | | **136.4** | 133.4 | 135.3 |
| Retained earnings | | **(85.4)** | (60.4) | (69.1) |
| **Total shareholders' equity** | | **102.3** | 127.3 | 118.6 |

The notes are an integral part of the condensed consolidated financial statements.

These condensed consolidated financial statements were approved by the Board of Directors on 6 March 2024.

**Condensed consolidated statement of changes in equity**
for the half year ended 31 December 2023 (unaudited)

| | Notes | Ordinary share capital £m | Other reserves £m | Retained earnings £m | Total shareholders' equity £m |
|---|---|---|---|---|---|
| **As at 31 December 2023** | | | | | |
| At 30 June 2023 | | **52.4** | **135.3** | **(69.1)** | **118.6** |
| Profit for the period | | **–** | **–** | **11.3** | **11.3** |
| Other comprehensive expense | | **–** | **–** | **(0.4)** | **(0.4)** |
| Total comprehensive expense for the period | | **–** | **–** | **10.9** | **10.9** |
| **Transactions with owners:** | | | | | |
| Dividends | 9 | **–** | **–** | **(20.2)** | **(20.2)** |
| Share–based payments | | **–** | **–** | **0.5** | **0.5** |
| Tax relating to share-based payments | | | | **1.5** | **1.5** |
| Purchase of own shares | 10 | **–** | **–** | **(9.0)** | **(9.0)** |
| Cancellation of shares | 10 | **(1.1)** | **1.1** | **–** | **–** |
| **At 31 December 2023** | | **51.3** | **136.4** | **(85.4)** | **102.3** |
| **As at 31 December 2022** | | | | | |
| At 30 June 2022 | | 55.5 | 132.2 | (55.6) | 132.1 |
| Profit for the period | | – | – | 5.9 | 5.9 |
| Other comprehensive expense | | – | – | (1.0) | (1.0) |
| Total comprehensive income for the period | | – | – | 4.9 | 4.9 |
| **Transactions with owners:** | | | | | |
| Dividends | 9 | – | – | (6.4) | (6.4) |
| Share–based payments | | – | – | 1.8 | 1.8 |
| Purchase of own shares | 10 | – | – | (5.1) | (5.1) |
| Cancellation of shares | 10 | (1.2) | 1.2 | – | – |
| At 31 December 2022 | | 54.3 | 133.4 | (60.4) | 127.3 |
| **As at 30 June 2023 (audited)** | | | | | |
| At 30 June 2022 | | 55.5 | 132.2 | (55.6) | 132.1 |
| Profit for the year | | – | – | 9.1 | 9.1 |
| Other comprehensive expense | | – | – | (2.4) | (2.4) |
| Total comprehensive income for the year | | – | – | 6.7 | 6.7 |
| **Transactions with owners:** | | | | | |
| Dividends | 9 | – | – | (9.6) | (9.6) |
| Share–based payments | | – | – | 3.4 | 3.4 |
| Purchase of shares | 10 | – | – | (14.0) | (14.0) |
| Cancellation of shares | 10 | (3.1) | 3.1 | – | – |
| **At 30 June 2023** | | 52.4 | 135.3 | (69.1) | 118.6 |

The notes are an integral part of the condensed consolidated financial statements.

**Condensed consolidated statement of cash flows**
for the half year ended 31 December 2023 (unaudited)

| | Notes | **Half year to 31 December 2023 £m** | Half year to 31 December 2022 £m | Year to 30 June 2023 (audited) £m |
|---|---|---|---|---|
| **Cash flows from operating activities** | | | | |
| Profit for the period | | **11.3** | 5.9 | 9.1 |
| Adjustments for: | | | | |
| Income tax expense | | **1.7** | 1.3 | 1.0 |
| Net finance income | | **(2.7)** | (2.4) | (4.5) |
| Depreciation and amortisation | | **9.6** | 8.1 | 17.1 |
| Profit on disposal of joint venture | | **–** | (3.6) | (3.6) |
| Share-based payments | | **0.5** | 1.8 | 3.4 |
| Impairment of financial asset | | **–** | – | 2.8 |
| Other non-cash movements | | **(0.5)** | – | (0.2) |
| **Net cash generated from operations before changes in working capital** | | **19.9** | 11.1 | 25.1 |
| (Increase)/decrease in trade and other receivables | | **(36.7)** | (16.0) | (43.3) |
| Increase/(decrease) in trade and other payables | | **42.8** | (1.7) | 47.7 |
| (Decrease)/increase in provisions | | **(1.1)** | (0.8) | 2.5 |
| **Net cash (used in)/generated from operations** | | **24.9** | (7.4) | 32.0 |
| Interest received | | **3.0** | 3.2 | 6.3 |
| Interest paid | | **(1.6)** | (0.8) | (1.8) |
| Corporation tax paid | | **(0.2)** | (0.5) | (1.0) |
| **Net cash generated/(used in) from operating activities** | | **26.1** | (5.5) | 35.5 |
| **Cash flows from investing activities** | | | | |
| Dividends received from joint ventures and associates | | **–** | – | 0.3 |
| Increase in amounts due from joint ventures | | **(2.0)** | (1.8) | – |
| Decrease in amounts due from joint ventures | | **–** | – | 0.2 |
| Proceeds from disposal of joint venture | | **–** | 3.6 | 3.6 |
| PPP loan repayments | | **0.7** | 0.4 | 0.5 |
| Acquisition of business combination, net of cash/borrowings | 19 | **(3.7)** | (1.0) | (1.0) |
| Proceeds from disposal of subsidiary, net of cash | 21 | **1.8** | – | – |
| Acquisition of property, plant and equipment | | **(0.6)** | (1.1) | (2.2) |
| **Net cash generated from investing activities** | | **(3.8)** | 0.1 | 1.4 |
| **Cash flows from financing activities** | | | | |
| Repayment of lease liabilities | | **(7.6)** | (6.2) | (12.0) |
| Purchase of own shares | | **(5.5)** | (5.1) | (14.0) |
| Dividends paid to Company shareholders | | **(20.2)** | (6.4) | (9.6) |
| **Net cash used in financing activities** | | **(33.3)** | (17.7) | (35.6) |
| **Net (decrease)/increase in cash and cash equivalents** | | **(11.0)** | (23.1) | 1.3 |
| Cash and cash equivalents at beginning of period | | **220.2** | 218.9 | 218.9 |
| **Cash and cash equivalents at end of period** | | **209.2** | 195.8 | 220.2 |

The notes are an integral part of the condensed consolidated financial statements.

## 1 Basis of preparation

Galliford Try Holdings plc is a public limited company incorporated in England and Wales and domiciled in the UK. The address of its registered office is Blake House, 3 Frayswater Place, Cowley, Uxbridge, Middlesex, UB8 2AD. The Company has its listing on the London Stock Exchange. This condensed consolidated half year financial information was approved for issue on 6 March 2024.

This condensed consolidated half year financial information does not comprise statutory financial statements within the meaning of Section 434 of the Companies Act 2006. Statutory financial statements for the year ended 30 June 2023 were approved by the board of directors on 20 September 2023 and delivered to the Registrar of Companies. The report of the auditors on those financial statements was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under Section 498 of the Companies Act 2006. This condensed consolidated half year financial information has been reviewed, not audited. The auditors' review opinion is included in this report.

This condensed consolidated half year financial information for the half year ended 31 December 2023 has been prepared in accordance with the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority and with UK adopted International Accounting Standard 34, "Interim financial reporting". The condensed consolidated half year financial information should be read in conjunction with the annual financial statements for the year ended 30 June 2023, which have been prepared in accordance with UK adopted International Accounting Standards.

The Group's activities, together with the factors likely to affect the future development, performance and position of the business are set out in this half year report. The annual financial statements for the year ended 30 June 2023 included the Group's objectives, policies and processes for managing capital, its financial risk management objectives, details of its financial instruments and hedging activities and its exposure to credit risk and liquidity risk.

After making enquiries, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for at least twelve months from the date of signing the condensed consolidated half year information, and accordingly continue to adopt the going concern basis of preparation.

## 2 Accounting policies

The accounting policies applied are consistent with those of the annual financial statements for the year ended 30 June 2023. There are no new standards effective for the first time in the period beginning 1 July 2023 which have a material impact on the Group's reported results.

### Critical accounting estimates and judgements

The Group's principal judgements and key sources of estimation uncertainty remain unchanged since the year-ended 30 June 2023. The principal judgements and key sources of estimation uncertainty are set out in note 1 on pages 136 – 137 of the annual financial statements for the year ended 30 June 2023.

The Group's five largest unagreed variations and claims positions as at 31 December 2023 are summarised in aggregate below.

| | £m |
|---|---|
| Overall contract value (including total estimated end of contract variations and claims after IFRS 15 constraints) | 533.8 |
| Revenue in the period | 58.9 |
| Total estimated end of contract variations and claims before IFRS 15 constraints | 104.8 |
| Total estimated end of contract variations and claims after IFRS 15 constraints | 34.9 |

These five positions represent the most significant estimates of revenue. The total estimated end of contract variations and claims after IFRS 15 constraints of the subsequent five largest positions is £15.0m.

## 3 Segmental reporting

Segmental reporting is presented in the condensed consolidated half year financial statements in respect of the Group's business segments, which are the primary basis of segmental reporting. The business segmental reporting reflects the Group's management and internal reporting structure. Segmental results include items directly attributable to the segment as well as those that can be allocated on a reasonable basis. As the Group has no material activities outside the UK, segmental reporting is not required by geographical region.

The chief operating decision–makers ("CODM") have been identified as the Group's Chief Executive and Finance Director. The CODM review the Group's internal reporting in order to assess performance and allocate resources. Management has determined the reportable segments of the Group to be Building, Infrastructure, Investments and Central (primarily representing central overheads).

The CODM assess the performance of the operating segments based on a measure of adjusted earnings before finance costs, amortisation, exceptional items and taxation. This measurement basis excludes the effects of non–recurring expenditure from the operating segments, such as restructuring costs and impairments when the impairment is the result of an isolated, non–recurring event. Interest income and expenditure are included in the result for each operating segment that is reviewed by the CODM. Other information provided to them is measured in a manner consistent with that in the financial statements.

| **Half year to 31 December 2023** | Building £m | Infrastructure £m | Investments £m | Central £m | Total £m |
|---|---|---|---|---|---|
| Revenue | **446.0** | **362.0** | **11.1** | **–** | **819.1** |
| Pre–exceptional operating profit/(loss) before amortisation of intangibles | **10.6** | **9.3** | **0.3** | **(6.1)** | **14.1** |
| Finance income | **–** | **0.1** | **1.9** | **2.3** | **4.3** |
| Finance costs | **(0.6)** | **(0.7)** | **–** | **(0.3)** | **(1.6)** |
| Pre–exceptional profit/(loss) before amortisation and taxation | **10.0** | **8.7** | **2.2** | **(4.1)** | **16.8** |
| Amortisation of intangible assets | **(0.5)** | **(0.5)** | **–** | **(0.2)** | **(1.2)** |
| Pre–exceptional profit/(loss) before taxation | **9.5** | **8.2** | **2.2** | **(4.3)** | **15.6** |
| Exceptional items | **–** | **–** | **–** | **(2.6)** | **(2.6)** |
| Profit/(loss) before taxation | **9.5** | **8.2** | **2.2** | **(6.9)** | **13.0** |
| Income tax charge | | | | | **(1.7)** |
| Profit for the period | | | | | **11.3** |

| **Half year to 31 December 2022** | Building £m | Infrastructure £m | Investments £m | Central £m | Total £m |
|---|---|---|---|---|---|
| Revenue | 399.7 | 276.6 | 2.9 | – | 679.2 |
| Pre–exceptional operating profit/(loss) before amortisation of intangibles[1] | 9.3 | 6.5 | 1.5 | (6.5) | 10.8 |
| Finance income | – | 0.3 | 2.0 | 0.9 | 3.2 |
| Finance costs | (0.3) | (0.3) | – | (0.2) | (0.8) |
| Pre–exceptional profit/(loss) before amortisation and taxation | 9.0 | 6.5 | 3.5 | (5.8) | 13.2 |
| Amortisation of intangible assets | (0.5) | (0.5) | – | (0.5) | (1.5) |
| Pre–exceptional profit/(loss) before taxation | 8.5 | 6.0 | 3.5 | (6.3) | 11.7 |
| Exceptional items | – | – | – | (4.5) | (4.5) |
| Profit/(loss) before taxation | 8.5 | 6.0 | 3.5 | (10.8) | 7.2 |
| Income tax charge | | | | | (1.3) |
| Profit for the period | | | | | 5.9 |

[1] Investments includes other income as detailed in note 5.

| **Year ended 30 June 2023 (audited)** | Building £m | Infrastructure £m | Investments £m | Central £m | Total £m |
|---|---|---|---|---|---|
| Revenue | 797.1 | 590.8 | 5.8 | – | 1,393.7 |
| Pre–exceptional operating profit/(loss) before amortisation and impairment of financial assets | 18.5 | 14.5 | 1.4 | (12.5) | 21.9 |
| Finance income | – | 0.3 | 3.9 | 2.1 | 6.3 |
| Finance costs | (0.7) | (0.7) | (0.1) | (0.3) | (1.8) |
| Pre–exceptional profit/(loss) before amortisation, taxation and impairment of financial assets | 17.8 | 14.1 | 5.2 | (10.7) | 26.4 |
| Amortisation of intangible assets | (1.0) | (0.9) | – | (1.1) | (3.0) |
| Pre–exceptional profit/(loss) before taxation and impairment of financial assets | 16.8 | 13.2 | 5.2 | (11.8) | 23.4 |
| Impairment of financial assets | – | (2.8) | – | – | (2.8) |
| Exceptional items | – | – | – | (10.5) | (10.5) |
| Profit/(loss) before taxation | 16.8 | 10.4 | 5.2 | (22.3) | 10.1 |
| Income tax charge | | | | | (1.0) |
| Profit for the year | | | | | 9.1 |

Inter–segment revenue, which is priced on an arm's length basis, is eliminated from revenue above. In the half year to 31 December 2023 this amounted to £41.7m (31 December 2022: £26.7m; 30 June 2023: £61.0m), of which £0.2m (31 December 2022: £0.1m; 30 June 2023: £nil) was in Building, £27.1m (31 December 2022: £16.2m; 30 June 2023: £40.1m) was in Infrastructure, £4.7m (31 December 2022: £nil; 30 June 2023: £nil) was in Investments, and £9.7m (31 December 2022: £10.4m; 30 June 2023: £20.9m) was in Central.

### 3 Segmental reporting (continued)

| Half year to 31 December 2023 | Building £m | Infrastructure £m | Investments £m | Central £m | Total £m |
|---|---|---|---|---|---|
| **Balance Sheet** | | | | | |
| Goodwill and intangible assets | **40.5** | **58.3** | **–** | **–** | **98.8** |
| Working capital employed | **(43.4)** | **(174.3)** | **45.2** | **(33.2)** | **(205.7)** |
| Net cash | **130.5** | **45.0** | **(9.0)** | **42.7** | **209.2** |
| Net assets/(liabilities) | **127.6** | **(71.0)** | **36.2** | **9.5** | **102.3** |
| Total Group liabilities | | | | | **(639.0)** |
| Total Group assets | | | | | **741.3** |

| Half year to 31 December 2022 | Building £m | Infrastructure £m | Investments £m | Central £m | Total £m |
|---|---|---|---|---|---|
| **Balance Sheet** | | | | | |
| Goodwill and intangible assets | 41.5 | 57.8 | – | 1.2 | 100.5 |
| Working capital employed | (57.2) | (160.4) | 43.0 | 5.6 | (169.0) |
| Net cash | 127.1 | 20.0 | (8.8) | 57.5 | 195.8 |
| Net assets/(liabilities) | 111.4 | (82.6) | 34.2 | 64.3 | 127.3 |
| Total Group liabilities | | | | | (530.6) |
| Total Group assets | | | | | 657.9 |

| Year ended 30 June 2023 (audited) | Building £m | Infrastructure £m | Investments £m | Central £m | Total £m |
|---|---|---|---|---|---|
| **Balance Sheet** | | | | | |
| Goodwill and intangible assets | 41.0 | 57.1 | – | 0.2 | 98.3 |
| Working capital employed | (60.9) | (178.2) | 43.3 | (4.1) | (199.9) |
| Net cash | 139.0 | 42.7 | (8.6) | 47.1 | 220.2 |
| Net assets/(liabilities) | 119.1 | (78.4) | 34.7 | 43.2 | 118.6 |
| Total Group liabilities | | | | | (594.1) |
| Total Group assets | | | | | 712.7 |

### 4 Revenue

**Nature of revenue streams**

*(i)* ***Building & Infrastructure segments***
Our Construction business operates nationwide, working with clients predominantly in the public and regulated sectors. Projects include the construction of assets (with services including design and build, construction only and refurbishment) in addition to the maintenance, renewal, upgrading and managing of services across utility and infrastructure assets.

**4 Revenue (continued)**

| Revenue stream | Nature, timing of satisfaction of performance obligations and significant payment terms |
|---|---|
| Fixed price | A number of projects within these segments are undertaken using fixed–price contracts.<br><br>Contracts are typically accounted for as a single performance obligation; even when a contract (or multiple combined contracts) includes both design and build elements, they are considered to form a single performance obligation as the two elements are not distinct in the context of the contract given that each is highly interdependent on the other.<br><br>The Group typically receives payments from the customer based on a contractual schedule of value that reflects the timing and performance of service delivery. Revenue is therefore recognised over time (the period of construction) based on an input model (reference to costs incurred to date). Un–invoiced amounts are presented as contract assets.<br><br>No significant financing component typically exists in these contracts. |
| Cost–reimbursable | A number of projects within these segments are undertaken using open–book/cost–plus/target-price (possibly with a pain/gain share mechanism) contracts.<br><br>These projects are often delivered under frameworks, however individual performance obligations under the framework are normally determined at a project level where multiple services are supplied. The Group constrains revenue and calculates any pain/gain mechanism at the framework level where appropriate.<br><br>The Group typically receives payments from the customer based on actual costs incurred. Revenue is therefore recognised over time (the period of construction) based on an input model (reference to costs incurred to date). Un-invoiced amounts are presented as contract assets.<br><br>No significant financing component typically exists in these contracts. |
| Facilities management | Contracts undertaken within the Building segment that provide full life-cycle solutions to clients, are accounted for as a single performance obligation, with revenue recognised over time and typically on a straight-line basis. |

*(ii)* ***Investments segment***
Through public private partnerships, the business leads bid consortia and arranges finance, makes debt and equity investments (which are recycled) and manages construction through to operations.

| Revenue stream | Nature, timing of satisfaction of performance obligations and significant payment terms |
|---|---|
| Investments | The Group has investments in a number of PPP Special Purpose Vehicles (SPVs), delivering major building and infrastructure projects.<br><br>Development fees and land sales on co-development private rental schemes represent a performance obligation that is recognised at a point in time when control is deemed to pass to the customer (on financial close).<br><br>The business additionally provides management services and project manages developments under Management Service Agreements (MSA) or separate development arrangements. Revenue for these services is typically recognised over time as and when the service is delivered to the customer.<br><br>Any variable consideration is constrained in accordance with IFRS 15. |

**Disaggregation of revenue**
The Group considers the split of revenue by operating segment to be the most appropriate disaggregation.

With the exception of £7.3m (31 December 2022: £nil, 30 June 2023: £nil) relating to the financial close fees of our PRS development schemes as outlined in the Groups strategy in the 30 June 2023 annual report, all revenue has been derived from performance obligations settled over time.

**5 Other income**

In the prior year, the Group disposed of its 60% interest in Community Ventures Partnerships Limited on 11 November 2022, recognising a gain on disposal of £3.6m.

**6 Exceptional items**

| | **Half year to 31 December 2023 £m** | Half year to 31 December 2022 £m | Year to 30 June 2023 (audited) £m |
|---|---|---|---|
| Exceptional items[1] | **2.6** | 4.5 | 10.5 |

An associated tax credit of £0.6m (31 December 2022: £1.0m, 30 June 2023 £2.1m) has been recognised.

[1] The Group incurred customisation and configuration costs associated with the move to a cloud-based computing arrangement during the period. Taking into account the IFRIC Agenda Decision issued by the IFRS IC in March 2021, the Group has analysed the costs and concluded that these costs should be expensed in the period. In accordance with the Group's existing accounting policy, management considers that the costs should be separately disclosed as exceptional because they are significant and irregular. The new system went live during the interim period.

**Notes to the condensed consolidated half year financial statements**
for the half year ended 31 December 2023 (unaudited)

## 7 Net finance income

| Group | **Half year to 31 December 2023 £m** | Half year to 31 December 2022 £m | Year to 30 June 2023 (audited) £m |
|---|---|---|---|
| Interest receivable on bank deposits | **2.4** | 0.9 | 2.4 |
| Interest receivable from PPP investments and joint ventures | **1.9** | 2.0 | 3.9 |
| Other | | 0.3 | – |
| Finance income | **4.3** | 3.2 | 6.3 |
| Other (including interest on lease liabilities) | **(1.6)** | (0.8) | (1.8) |
| Finance costs | **(1.6)** | (0.8) | (1.8) |
| **Net finance income** | **2.7** | 2.4 | 4.5 |

## 8 Income tax expenses

The effective tax rate on profit for pre-exceptional operations for the period is 15.0% (31 December 2022: 19.6%, 30 June 2023: 15.1%). The expected pre-exceptional effective tax rate for the year to 30 June 2024 is 19.7%. This is higher than the effective tax rate applicable to the period to 31 December 2023, largely because of the timing of the recognition of prior year tax adjustments. The expected full year effective tax rate excluding the impact of the prior year tax adjustments is in line with the statutory tax rate.

The Group has approximately £53m (31 December 2022: £53m, 30 June 2023: £53m) of unrecognised trading losses that arose from a historical contract. The availability of the losses is subject to agreement with HMRC and therefore no deferred tax asset has been recognised.

## 9 Dividends

The following dividends were paid and recognised by the Company in each accounting period presented:

| | **Half year to 31 December 2023** | | Half year to 31 December 2022 | | Year to 30 June 2023 (audited) | |
|---|---|---|---|---|---|---|
| | **£m** | **pence per share** | £m | pence per share | £m | pence per share |
| Previous year net final | **7.7** | **7.5** | 6.4 | 5.8 | 6.4 | 5.8 |
| Special | **12.5** | **12.0** | | | | |
| Current period interim | **–** | **–** | – | – | 3.2 | 3.0 |
| **Dividend recognised in the year** | **20.2** | **19.5** | 6.4 | 5.8 | 9.6 | 8.8 |

The following dividends were declared by the Company in respect of each accounting period presented:

| | **Half year to 31 December 2023** | | Half year to 31 December 2022 | | Year to 30 June 2023 (audited) | |
|---|---|---|---|---|---|---|
| | **£m** | **pence per share** | £m | pence per share | £m | pence per share |
| Interim | **4.1** | **4.0** | 3.2 | 3.0 | 3.2 | 3.0 |
| Special | **–** | **–** | – | – | 12.6 | 12.0 |
| Final | **–** | **–** | – | – | 7.9 | 7.5 |
| **Dividend relating to the year** | **4.1** | **4.0** | 3.2 | 3.0 | 23.7 | 22.5 |

The interim dividend for 2024 of 4.0p per share was approved by the board on 6 March 2024 and has not been included as a liability as at 31 December 2023. This interim dividend will be paid on 12 April 2024 to shareholders who are on the register at the close of business on 15 March 2024.

## 10 Earnings per share

### Basic and diluted earnings per share

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year, excluding those held by the Employee Share Trust, which are treated as cancelled.

The average number of shares is diluted by reference to the average number of potential ordinary shares held under option in the period. The dilutive effects amount to the number of ordinary shares which would be purchased using the aggregate difference in value between the market value of shares and the share option price. Only shares that have met their cumulative performance criteria are included in the dilution calculation. The Group has two classes of potentially dilutive ordinary shares: those share options granted to employees where the exercise price is less than the average market price of the Company's ordinary shares during the year and the contingently issuable shares under the Group's long term incentive plans. A loss per share cannot be reduced through dilution, hence this dilution is only applied where the Group has reported a profit.

The purchase of own shares represents shares purchased by the Galliford Try Employee Share Trust for £1.1m (31 December 2022: £1.4m, 30 June 2023: £3.4m) and other share related transactions of £3.5m (31 December 2022: £nil, 30 June 2023: £1.5m), in addition to £4.4m (31 December 2022: £3.7m, 30 June 2023: £10.6m) purchased by the Company as part of the share buyback announced in September 2022. The buyback programme has now completed as announced on 17 November 2023.

The earnings and weighted average number of shares used in the calculations are set put below.

| | **Half year to 31 December 2023** | | | Half year to 31 December 2022 | | | Year to 30 June 2023 (audited) | | |
|---|---|---|---|---|---|---|---|---|---|
| **Total operations** | **Earnings £m** | **Weighted average number of shares** | **Per share amount pence** | Earnings £m | Weighted average number of shares | Per share amount pence | Earnings £m | Weighted average number of shares | Per share amount pence |
| **Basic EPS – pre–exceptional** Pre–exceptional earnings attributable to ordinary shareholders | **13.3** | **100,358,176** | **13.2** | 9.4 | 107,218,581 | 8.8 | 17.5 | 105,180,316 | 16.6 |
| **Basic EPS** Earnings attributable to ordinary shareholders post exceptional items | **11.3** | **100,358,176** | **11.3** | 5.9 | 107,218,581 | 5.5 | 9.1 | 105,180,316 | 8.7 |
| **Effect of dilutive securities:** | | | | | | | | | |
| Options | **n/a** | **4,497,594** | **n/a** | n/a | 8,070,133 | n/a | n/a | 7,286,375 | n/a |
| **Diluted EPS – pre–exceptional** | **13.3** | **104,805,770** | **12.7** | 9.4 | 115,288,713 | 8.2 | 17.5 | 112,466,691 | 15.6 |
| **Diluted EPS** | **11.3** | **104,805,770** | **10.8** | 5.9 | 115,288,713 | 5.1 | 9.1 | 112,466,691 | 8.1 |

## 11 Goodwill

Goodwill is allocated to the Group's cash–generating units (CGUs) identified according to business segment. The goodwill is attributable to the following business segments:

| | **31 December 2023 £m** | 31 December 2022 £m | 30 June 2023 (audited) £m |
|---|---|---|---|
| Building | **40.0** | 40.0 | 40.0 |
| Infrastructure | **53.5** | 52.9 | 52.7 |
| | **93.5** | 92.9 | 92.7 |

As stated in the annual financial statements for the year ended 30 June 2023, detailed impairment reviews were carried out for all business segments. Consideration has been given as to whether any events have occurred since the year ended 30 June 2023 which could give rise to an impairment trigger. No impairments have been identified from these reviews.

The increase in goodwill relates to acquisitions made during the period. The increase in goodwill since 30 June 2023 relates to the acquisition of AVRS Systems Limited (note 19). There was no goodwill associated with the disposal of Rock & Alluvium Limited.

### 12 PPP and other investments

| | 31 December 2023 £m | 31 December 2022 £m | 30 June 2023 (audited) £m |
|---|---|---|---|
| At 1 July | **44.6** | 47.5 | 47.5 |
| Disposals and subordinated loan repayments | **(0.7)** | (0.4) | (0.5) |
| Movement in fair value | **(0.4)** | (1.0) | (2.4) |
| **At 31 December and 30 June** | **43.5** | 46.1 | 44.6 |

The portfolio reflects a blended discount rate of 7.3% (31 December 2022: 7.1%; 30 June 2023: 7.3%), with the discount rates applied ranging from 6.3% to 8.0% (31 December 2022: 6.0% to 7.8%; 30 June 2023: 6.3% to 8.0%). An increase/reduction of 0.5% (which is considered an appropriate range given the relatively low risk associated with the portfolio) would result in a corresponding decrease/increase in the fair value of approximately £1.6m (31 December 2022: £1.7m; 30 June 2023: £1.6m).

### 13 Trade and other receivables

| | 31 December 2023 £m | 31 December 2022 £m | 30 June 2023 (audited) £m |
|---|---|---|---|
| Amounts falling due within one year: | | | |
| Trade receivables | **66.1** | 42.3 | 52.0 |
| Less: Provision for impairment of receivables | **(0.1)** | (0.1) | (0.1) |
| Trade receivables – net | **66.0** | 42.2 | 51.9 |
| Contract assets | **227.0** | 193.8 | 204.9 |
| Amounts due from joint venture undertakings | **2.9** | 2.9 | 0.9 |
| Research and development expenditure credits | **5.3** | 4.3 | 5.8 |
| Prepayments and other receivables | **24.7** | 21.1 | 23.0 |
| | **325.9** | 264.3 | 286.5 |

The Group announced on 8 June 2023 that it had agreed settlement terms in respect of its long-standing dispute concerning three contracts with entities owned by a major infrastructure fund. The settlement brought to a conclusion a complex and challenging multi-contract dispute. Taking into account the requirements of IFRS 15, the Group had constrained the revenue recognised in prior periods to the extent that it was highly probable not to result in a significant reversal in the future and had also previously assessed any expected credit loss provision in accordance with IFRS 9. As a result of the settlement a further one-off expected credit loss of £2.8m was recognised in the financial year to 30 June 2023.

### 14 Trade and other payables

| | 31 December 2023 £m | 31 December 2022 £m | 30 June 2023 (audited) £m |
|---|---|---|---|
| Trade payables | **107.9** | 106.8 | 136.6 |
| Contract liabilities | **115.4** | 116.7 | 106.6 |
| Other taxation and social security payable | **66.7** | 43.3 | 53.4 |
| Accruals and other payables | **277.5** | 209.3 | 228.5 |
| | **567.5** | 476.1 | 525.1 |

### 15 Provisions for other liabilities and charges

| Group | Onerous contracts | Rectification | Total £m |
|---|---|---|---|
| At 1 July 2023 | **(2.0)** | **(27.9)** | **(29.9)** |
| Utilised | **1.7** | **2.0** | **3.7** |
| Additions | **(1.1)** | **(1.5)** | **(2.6)** |
| **At 31 December 2023** | **(1.4)** | **(27.4)** | **(28.8)** |

| Group | Onerous contracts | Rectification | Total £m |
|---|---|---|---|
| At 1 July 2022 | **(4.6)** | **(22.8)** | **(27.4)** |
| Utilised | **2.2** | **1.7** | **3.9** |
| Additions | **(2.2)** | **(0.9)** | **(3.1)** |
| **At 31 December 2022** | **(4.6)** | **(22.0)** | **(26.6)** |

| Group | Onerous contracts | Rectification | Total £m |
|---|---|---|---|
| At 1 July 2022 | **(4.6)** | **(22.8)** | **(27.4)** |
| Utilised | **6.8** | **3.5** | **10.3** |
| Additions | **(4.2)** | **(8.6)** | **(12.8)** |
| **At 30 June 2023** | **(2.0)** | **(27.9)** | **(29.9)** |

Onerous contract provisions are made on loss-making contracts the Group is obliged to complete.

Rectification provisions are made for potential claims and defects for remedial works against work completed by the Group and includes provisions for dilapidations on premises the Group occupies.

Due to the nature of the provisions, the timing of any potential future outflows is uncertain, however they are expected to be utilised within the Group's normal operating cycle, and accordingly are classified as current liabilities. The impact of discounting is not material.

### 16 Financial instruments

The Group's activities expose it to a variety of financial risks. The condensed consolidated half year financial statements do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the Group's financial statements for the year ended 30 June 2023.

There have been no significant changes in the risk management policies since the year end.

**Fair value estimation**

Specific valuation techniques used to value financial instruments are defined as:

i. Level 1 – Quoted market prices or dealer quotes in active markets for similar instruments.
ii. Level 2 – The fair value of equity securities and interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
iii. Level 3 – Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

**16 Financial instruments (continued)**

The following table presents the Group's assets that are measured at fair value:

| | 31 December 2023 | | 31 December 2022 | | 30 June 2023 (audited) | |
|---|---|---|---|---|---|---|
| | **Level 3 £m** | **Total £m** | Level 3 £m | Total £m | Level 3 £m | Total £m |
| **Assets** | | | | | | |
| Other investments | | | | | | |
| - PPP and other investments | **43.5** | **43.5** | 46.1 | 46.1 | 44.6 | 44.6 |
| **Total** | **43.5** | **43.5** | 46.1 | 46.1 | 44.6 | 44.6 |

There were no transfers between levels during the period. The valuation techniques used to derive level 3 fair values are consistent with those set out in the 30 June 2023 financial statements. Level 3 fair values are determined using valuation techniques that include inputs not based on observable market data. For all other financial instruments, the fair value is materially in line with the carrying value. The key assumptions used in Level 3 valuations include the expected timing of receipts, credit risk and discount rates. The typical repayment period is 10-15 years and the timing of receipts is based on historical data.

During the period, government gilts have decreased, while the base rate has increased. The underlying assets remain low risk and insulated from short term changes to the macro-economic environment. The fair value of the portfolio reflects a blended discount rate of 7.3% (31 December 2022: 7.1%; 30 June 2023: 7.3%) and is based on current market conditions. The sensitivity to discount rates is set out in note 12. If receipts were to occur earlier than expected, the fair value could increase.

**17 Guarantees and contingent liabilities**

Galliford Try Holdings plc has entered into financial guarantees and counter indemnities in respect of bank and performance bonds issued in the normal course of business on behalf of Group undertakings, including joint arrangements, amounting to £167.4m (31 December 2022: £148.5m; 30 June 2023 £165.5m).

Disputes arise in the normal course of business, some of which lead to litigation or arbitration procedures. While the outcome of disputes and arbitration is never certain, the directors believe that the resolution of all existing actions will not have a material net adverse effect on the Group’s financial position. The continuing evolution of Government legislation and guidance, such as the Building Safety Act and its implications for cladding solutions used on historical contracts, also creates ongoing uncertainty that the Group manages.

Where the Group has received such claims, the directors have made provision in the financial statements when they believe it is probable a liability exists and it can be reliably estimated, but no provision has been made where the Group’s liability is considered only possible or remote. This is based on the best estimates of future costs to be incurred after assessing all relevant information and taking legal advice where appropriate. The Group’s assessment of liability and estimates of future costs could change in the future. Although the Group has appropriate insurance arrangements in place that should mitigate any significant exposure, the recognition thresholds under IAS 37 would mean a liability could be recognised before a corresponding asset.

As Government legislation and guidance changes in the future, the Group will reassess the estimates made accordingly.

**18 Related party transactions**

Since the last Group annual financial statements for the year ended 30 June 2023, there have been no significant changes to the nature of related party transactions.

**19 Business combinations**

On 8 November 2023, the Group acquired 100% of the share capital of AVRS Systems Limited (“AVRS”), a leading mechanical and electrical engineering specialist for £4.5m settled in cash. The addition of AVRS’s capabilities is complementary to the operations of Galliford Try’s expanding Environment asset optimisation and capital maintenance business in line with the Groups strategy. In particular, AVRS provides additional competencies that complement those acquired over the past two years with nmcn’s Water business, Lintott Control Systems Limited, MCS Control Systems Limited and the capital maintenance business of Ham Baker.

The goodwill of £0.8m arising from the acquisition is significantly attributable to the acquired workforce and their technical expertise and the opportunity to leverage this expertise across the Group to enhance the asset optimisation and capital maintenance strategy.

The following table summarises the consideration paid and the provisional fair value of the assets acquired and liabilities assumed.

| | £m |
|---|---|
| **Recognised amounts of identifiable assets acquired and liabilities assumed** | |
| Property plant and equipment (including right of use assets) | 1.2 |
| Intangible assets | 0.9 |
| Trade and other receivables | 3.1 |
| Cash and cash equivalents | 0.8 |
| Trade and other payables | (1.3) |
| Corporation tax liability | (0.3) |
| Lease liabilities | (0.4) |
| Deferred tax liability | (0.3) |
| **Total identifiable net liabilities** | **3.7** |
| Goodwill | 0.8 |
| **Total** | **4.5** |
| | |
| **Consideration** | |
| Cash | **4.5** |
| **Total** | **4.5** |

As part of the conditions of the sale and in addition to the initial consideration of £4.5m, an earn out arrangement is in place, whereby the sellers are entitled up to additional £2.5m. Due to the nature of the earn out, this will be treated as remuneration as it requires the sellers to remain in employment during the earn out period of two years.

The acquisition contributed £1.8m of revenue and a profit before tax of £0.2m in the period to 31 December 2023. If the acquisition had taken place at the start of the interim period, it would have contributed £6.4m of revenue and a profit before tax of £0.7m.

During the previous year, the Group acquired 100% of the share capital of MCS Control Systems Limited and certain contracts and assets of Ham Baker Limited (in administration) which is detailed in the annual report and financial statements for the year ended 30 June 2023.

## 20 Alternative performance measures

Throughout the Interim statement, the Group has presented financial performance measures which are used to manage the Group's performance. These financial performance measures are chosen to provide a balanced view of the Group's operations and are considered useful to investors as they provide relevant information on the Group's performance. They are also aligned to measures used internally to assess business performance in the Group's budgeting process and when determining compensation. An explanation of the Group's financial performance measures and appropriate reconciliations to its statutory measures are provided below.

**Measuring the Group's performance**
The following measures are referred to in this report:

***Statutory measures***
Statutory measures are derived from the Group's reported financial statements, which are prepared in accordance with UK adopted International Accounting Standards and in line with the Group's accounting policies. The Group's statutory measures take into account all of the factors, including exceptional items which do not reflect the ongoing underlying performance of the Group.

***Alternative performance measures***
In assessing its performance, the Group has adopted certain non–statutory measures that more appropriately reflect the underlying performance of the Group. These typically cannot be directly extracted from its financial statements but are reconciled to statutory measures below:

*a) Pre–exceptional performance*

The Group adjusts for certain material one-off exceptional items and other items which the Board believes assist in understanding the performance achieved by the Group as this better reflects the underlying and ongoing performance of the business. A reconciliation of the statutory measure to the pre-exceptional measure is shown in the following tables. In the financial year ending 30 June 2023, the Group has also presented pre-exceptional performance excluding a one off contract settlement as announced on 8 June 2023 (disclosed in the consolidated income statement as an impairment of financial assets of £2.8m).

*b) Operating profit/(loss) before amortisation and operating margin*

The Group adjusts operating profit to exclude the amortisation of intangible assets as this better reflects the ongoing performance of the business. Operating margin reflects the ratio of pre-exceptional operating profit before amortisation of intangible assets and revenue. In the financial year to 30 June 2023, operating margin also excludes the one off contract settlement as announced on 8 June 2023. This differs from the statutory measure of operating profit which includes the amortisation of intangible assets. Divisional operating margin is the combined operating margin of Building and Infrastructure.

## 20 Alternative performance measures (continued)

A reconciliation of the statutory measure to the Group's performance measure is shown below, based on continuing operations:

| | Building £m | Infrastructure £m | Investments £m | Central £m | Total £m |
|---|---|---|---|---|---|
| **Half year ended 31 December 2023** | | | | | |
| Statutory operating profit/(loss) | **10.1** | **8.8** | **0.3** | **(8.9)** | **10.3** |
| Exclude: amortisation of intangible assets | **0.5** | **0.5** | **–** | **0.2** | **1.2** |
| Exclude: exceptional items (note 6) | **–** | **–** | **–** | **2.6** | **2.6** |
| **Pre-exceptional operating profit/(loss) before amortisation** | **10.6** | **9.3** | **0.3** | **(6.1)** | **14.1** |
| **Revenue** | **446.0** | **362.0** | **11.1** | **–** | **819.1** |
| **Pre-exceptional operating margin** | **2.4%** | **2.6%** | **n/a** | **n/a** | **1.7%** |
| **Half year ended 31 December 2022** | | | | | |
| Statutory operating profit/(loss) | 8.8 | 6.0 | 1.5 | (11.5) | 4.8 |
| Exclude: amortisation of intangible assets | 0.5 | 0.5 | – | 0.5 | 1.5 |
| Exclude: exceptional items (note 6) | – | – | – | 4.5 | 4.5 |
| **Pre–exceptional operating profit/(loss) before amortisation** | 9.3 | 6.5 | 1.5 | (6.5) | 10.8 |
| **Revenue** | 399.7 | 276.6 | 2.9 | – | 679.2 |
| **Pre-exceptional operating margin** | 2.3% | 2.3% | n/a | n/a | 1.6% |
| **Year ended 30 June 2023 (audited)** | | | | | |
| Statutory operating profit/(loss) | 17.5 | 10.8 | 1.4 | (24.1) | 5.6 |
| Exclude: amortisation of intangible assets | 1.0 | 0.9 | – | 1.1 | 3.0 |
| Exclude: exceptional items (note 6) | – | – | – | 10.5 | 10.5 |
| **Pre–exceptional operating profit/(loss) before amortisation** | 18.5 | 11.7 | 1.4 | (12.5) | 19.1 |
| Exclude: impairment of financial assets | – | 2.8 | – | – | 2.8 |
| **Pre–exceptional operating profit/(loss) before amortisation excluding the impairment of financial assets** | 18.5 | 14.5 | 1.4 | (12.5) | 21.9 |
| **Revenue** | 797.1 | 590.8 | 5.8 | – | 1,393.7 |
| **Pre-exceptional operating margin excluding the impairment of financial assets** | 2.3% | 2.5% | n/a | n/a | 1.6% |

### 20 Alternative performance measures (continued)

*c) Pre–exceptional profit before tax*
The Group uses a profit before tax measure which excludes exceptional items as noted above, whereas the statutory measure includes exceptional items.

A reconciliation of the statutory measure to the Group's performance measure is shown below, based on continuing operations:

| | **Half year to 31 December 2023** | Half year to 31 December 2022 | Year to 30 June 2023 (audited) |
|---|---|---|---|
| | **£m** | £m | £m |
| Statutory profit before tax | **13.0** | 7.2 | 10.1 |
| Exclude: exceptional items (note 6) | **2.6** | 4.5 | 10.5 |
| **Pre–exceptional profit before tax** | **15.6** | 11.7 | 20.6 |

*d) Pre–exceptional earnings per share*
In line with the Group's measurement of pre–exceptional performance, the Group also presents its earnings per share on a pre–exceptional basis. This differs from the statutory measure of earnings per share which includes exceptional items.

A reconciliation of the statutory measure to the Group's performance measure is shown below, based on continuing operations:

| | **Half year to 31 December 2023** | | |
|---|---|---|---|
| | **Earnings £m** | **Ave number of shares** | **EPS pence** |
| Statutory results | **11.3** | **100,358,176** | **11.3** |
| Exclude: exceptional loss (note 6) | **2.0** | **n/a** | **n/a** |
| **Pre-exceptional earnings per share** | **13.3** | **100,358,176** | **13.2** |

| | Half year to 31 December 2022 | | |
|---|---|---|---|
| | Earnings £m | Ave number of shares | EPS pence |
| Statutory results | 5.9 | 107,218,581 | 5.5 |
| Exclude: exceptional earnings (note 6) | 3.5 | n/a | n/a |
| **Pre–exceptional earnings per share** | 9.4 | 107,218,581 | 8.8 |

| | Year ended 30 June 2023 (audited) | | |
|---|---|---|---|
| | Earnings £m | Ave number of shares | EPS pence |
| Statutory results | 9.1 | 105,180,316 | 8.7 |
| Exclude: exceptional earnings (note 6) | 8.4 | n/a | n/a |
| **Pre–exceptional earnings per share** | 17.5 | 105,180,316 | 16.6 |

### 21 Disposal of subsidiary

On 30 November 2023, the Group disposed of 100% of the share capital of Rock & Alluvium Limited for consideration of £3.9m, of which £1.8m was satisfied on completion of the disposal, with a further £2.1m due on 30 November 2024, which generated £nil gain on disposal.

**Forward looking statements**

Certain statements in this half year report are forward looking. Such statements should be treated with caution as they are based on current information and expectations and are subject to a number of risks and uncertainties that could cause actual events or outcomes to differ materially from expectations.

**Directors' responsibilities**

The half–yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half–yearly financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

The condensed set of financial statements has been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting' as adopted by the UK.

The directors confirm that these condensed consolidated half year financial statements have been prepared in accordance with IAS 34 as adopted by the UK; and that the interim management report herein includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8 namely:

- an indication of important events that have occurred during the six months and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and

- material related party transactions in the first six months and any material changes in the related party transactions described in the last annual report.

The directors of Galliford Try Holdings plc are:

| | |
|---|---|
| Alison Wood | Non–executive Chair |
| Bill Hocking | Chief Executive |
| Andrew Duxbury | Finance Director |
| Marisa Cassoni | Non–executive Director and Senior Independent Director |
| Sally Boyle | Non–executive Director |
| Michael Topham | Non–executive Director |
| Kevin Boyd | Non-executive Director |

Signed on behalf of the Board.

**Bill Hocking**
Chief Executive

**Andrew Duxbury**
Finance Director

6 March 2024

**Independent review report to Galliford Try Holdings plc**

**Report on the condensed consolidated interim financial statements**

**Conclusion**
Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 31 December 2023 is not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34 and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 31 December 2023 which comprises the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated balance sheet, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows.

**Basis for conclusion**
We conducted our review in accordance with Revised International Standard on Review Engagements (UK) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" ("ISRE (UK) 2410 (Revised)"). A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in note 1, the annual financial statements of the group are prepared in accordance with UK adopted international accounting standards. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with UK adopted International Accounting Standard 34, "Interim Financial Reporting.

**Conclusions relating to going concern**
Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410 (Revised), however future events or conditions may cause the group to cease to continue as a going concern.

**Responsibilities of directors**
The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

In preparing the half-yearly financial report, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the review of the financial information**
In reviewing the half-yearly report, we are responsible for expressing to the Company a conclusion on the condensed set of financial statement in the half-yearly financial report. Our conclusion, including our Conclusions Relating to Going Concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

**Use of our report**
Our report has been prepared in accordance with the terms of our engagement to assist the Company in meeting the requirements of the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of our terms of engagement or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

BDO LLP
Chartered Accountants
London, UK
6 March 2024

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).