



Capital Markets Event

Strategy to 2030

23 May 2024


GallifordTry

Strategy to 2030



Agenda

Welcome and overview



Bill
Hocking

Affordable Homes



Dr Angela
Brockbank

Environment



Mark
Shadrick

Specialist Services



Bill
Hocking

Digital



David
Lowery

People



Vikki
Skene

Financial overview



Andrew
Duxbury

Summary, Q&A and reception

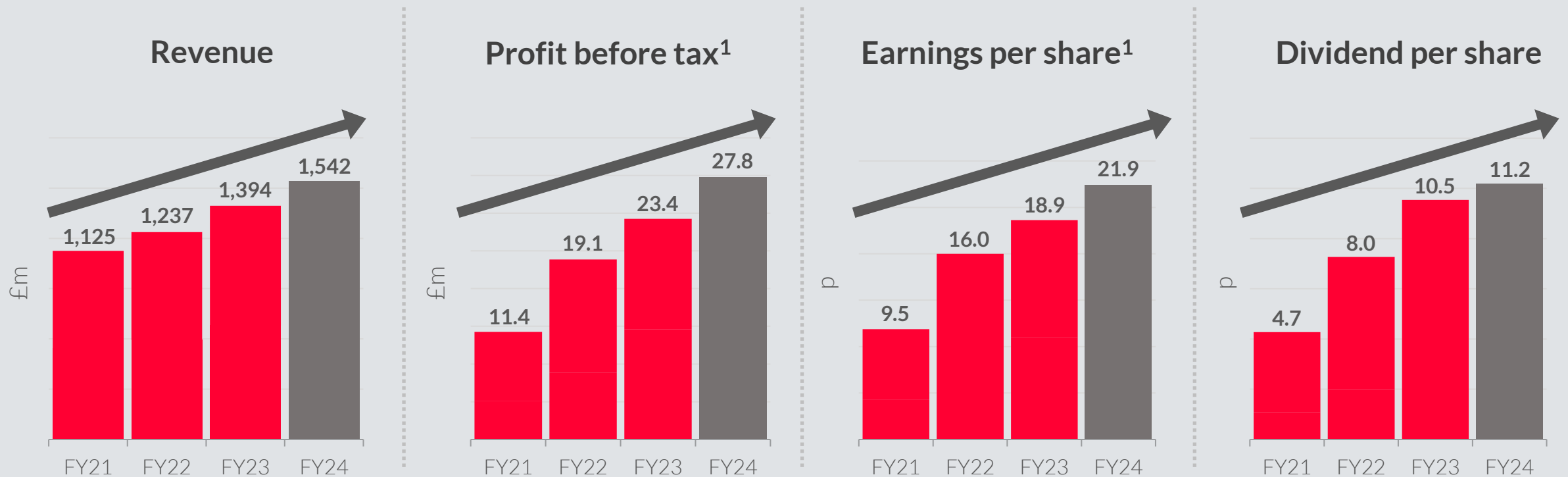


Our engine for Sustainable Growth



Positive earnings momentum

Consistent and profitable growth



Key ■ Full year ■ Consensus (company compiled as at 1 May 2024)

¹ Pre-exceptional items and FY23 stated before one-off contract settlement of £2.8m announced on 8 June 2023.

What you'll hear from us today

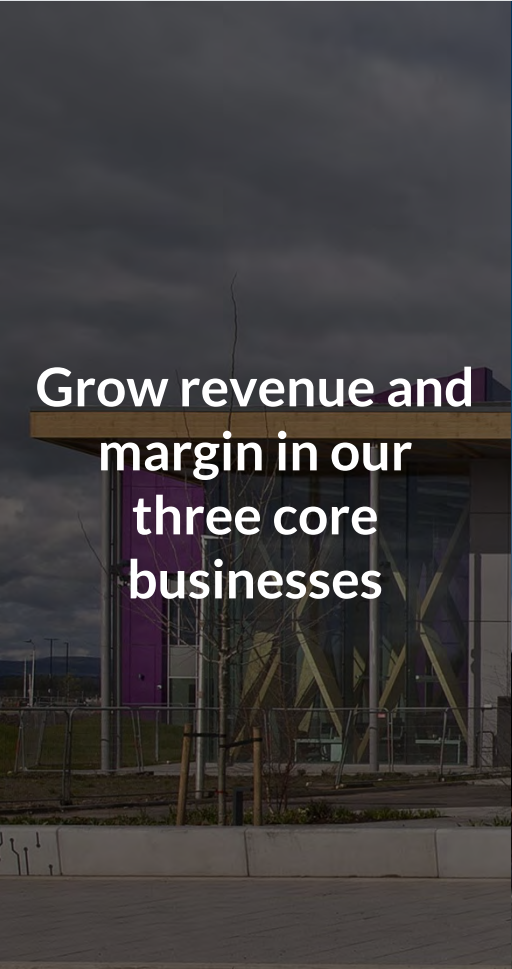
Strategy to 2030



**Grow revenue and margin in our three
core businesses**

What you'll hear from us today

Strategy to 2030

A photograph of a modern building with a glass facade and a prominent purple vertical element. The building is set against a cloudy sky.


Grow revenue and
margin in our
three core
businesses

A photograph of a large, cylindrical industrial storage tank, likely for oil or gas, situated in an industrial area. The tank is made of metal panels and has a ladder on top. In the background, there are other industrial structures and a clear blue sky.

Grow our specialist businesses
in higher margin, adjacent markets

What you'll hear from us today

Strategy to 2030



Grow revenue and
margin in our
three core
businesses




Grow our
specialist
businesses
in higher margin,
adjacent markets



Re-enter the Affordable
Homes market

What you'll hear from us today

Strategy to 2030



Grow revenue and margin in our three core businesses



Grow our specialist businesses in higher margin, adjacent markets




Re-enter the Affordable Homes market



Leverage our geographical and client footprint across the UK

What you'll hear from us today

Strategy to 2030



Grow revenue and margin in our three core businesses




Grow our specialist businesses in higher margin, adjacent markets



Re-enter the Affordable Homes market



Leverage our geographical and client footprint across the UK

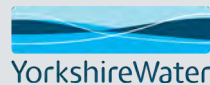


Continue to generate growing shareholder returns

Building	Specialist Services	Highways	Environment (Water)
<ul style="list-style-type: none">EducationHealthDefenceCustodialCommercialPrivate Rented SectorAffordable Homes	<ul style="list-style-type: none">InvestmentsDigital servicesFacilities ManagementFaçade remediation and fire protectionAsset security <div><div></div><div></div><div></div></div>	<ul style="list-style-type: none">RoadsBridgesPublic realm	<ul style="list-style-type: none">Asset CreationDesign servicesCapital maintenanceWater Technologies <div><div></div><div></div><div></div></div>
£1.9bn	£0.4bn	£0.5bn	£0.9bn

¹ As at 31 December 2023.

Our clients

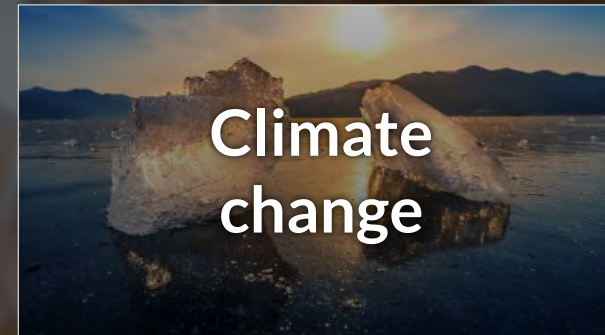




What we do animation

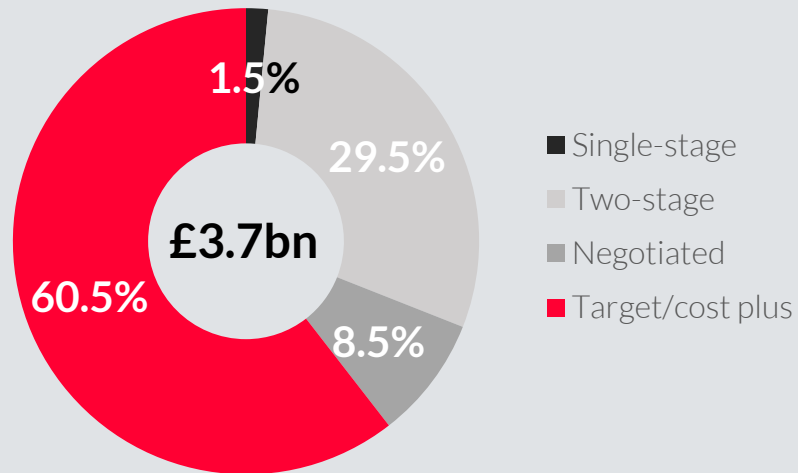


Drivers of revenue growth



High-quality, strong market opportunity

Order book procurement route



88%

Repeat clients
for HY24

83%

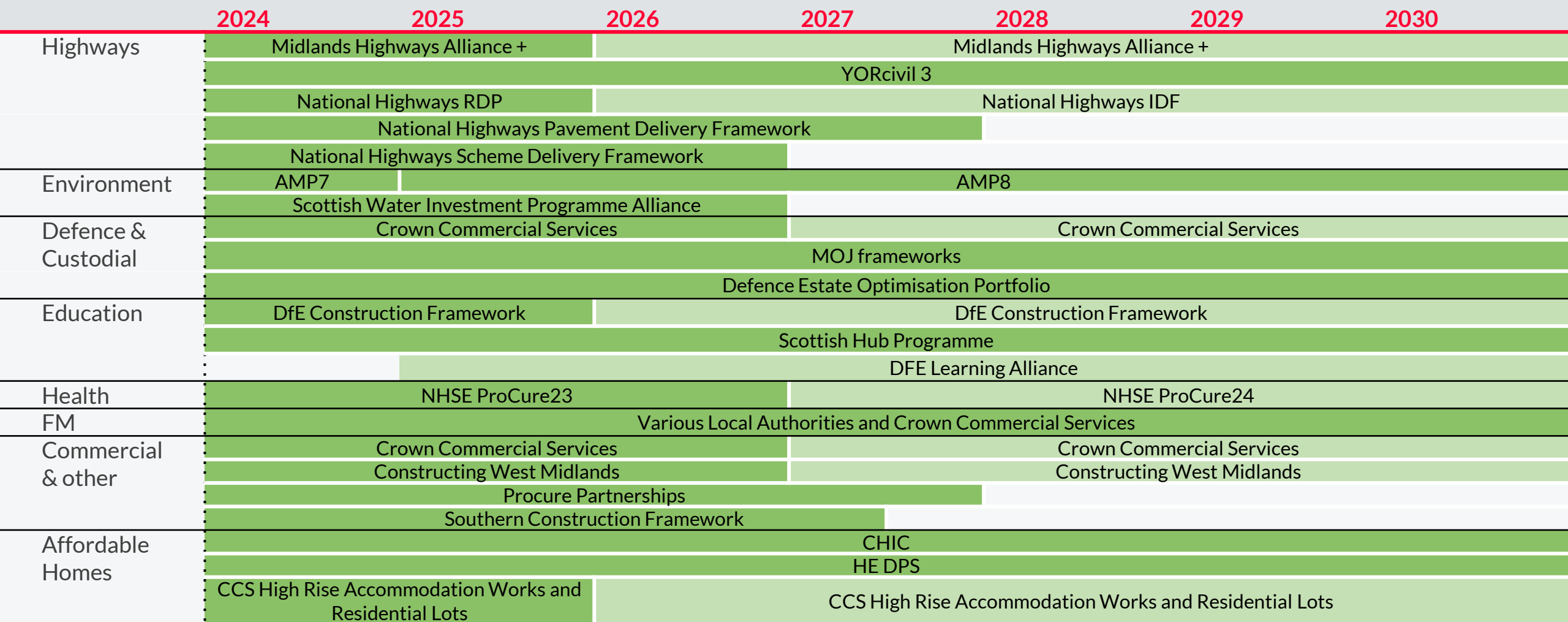
Work secured for FY25 as at
31 December 2023

Examples of funding streams

Road Investment Strategy 3 c£20bn	City Regional Sustainable Transport Settlements £14bn	AMP8 c£96bn SR21 c£5.8bn	Learning Estate Investment Programme £2bn
Network North Funding £36bn	DfE Rebuilding Programme £4.6bn	Ministry of Defence Investment Programme £24bn	GLA Homes for Londoners £4bn Homes England Affordable Homes Programme £11.5bn
			NHS Capital Programme £12.8bn Mental Health Services £2.9bn

Frameworks provide opportunity

Good forward visibility

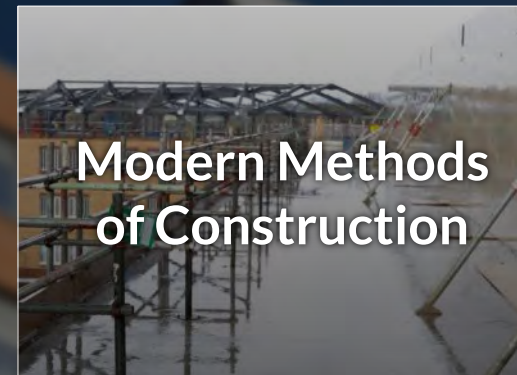
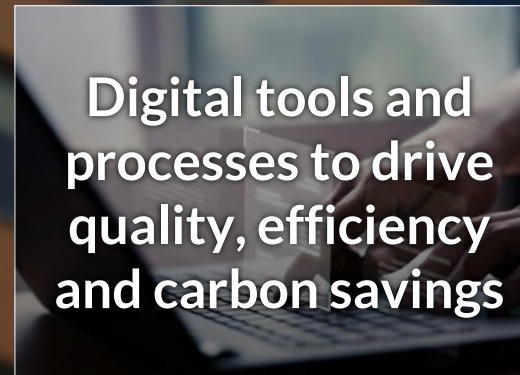


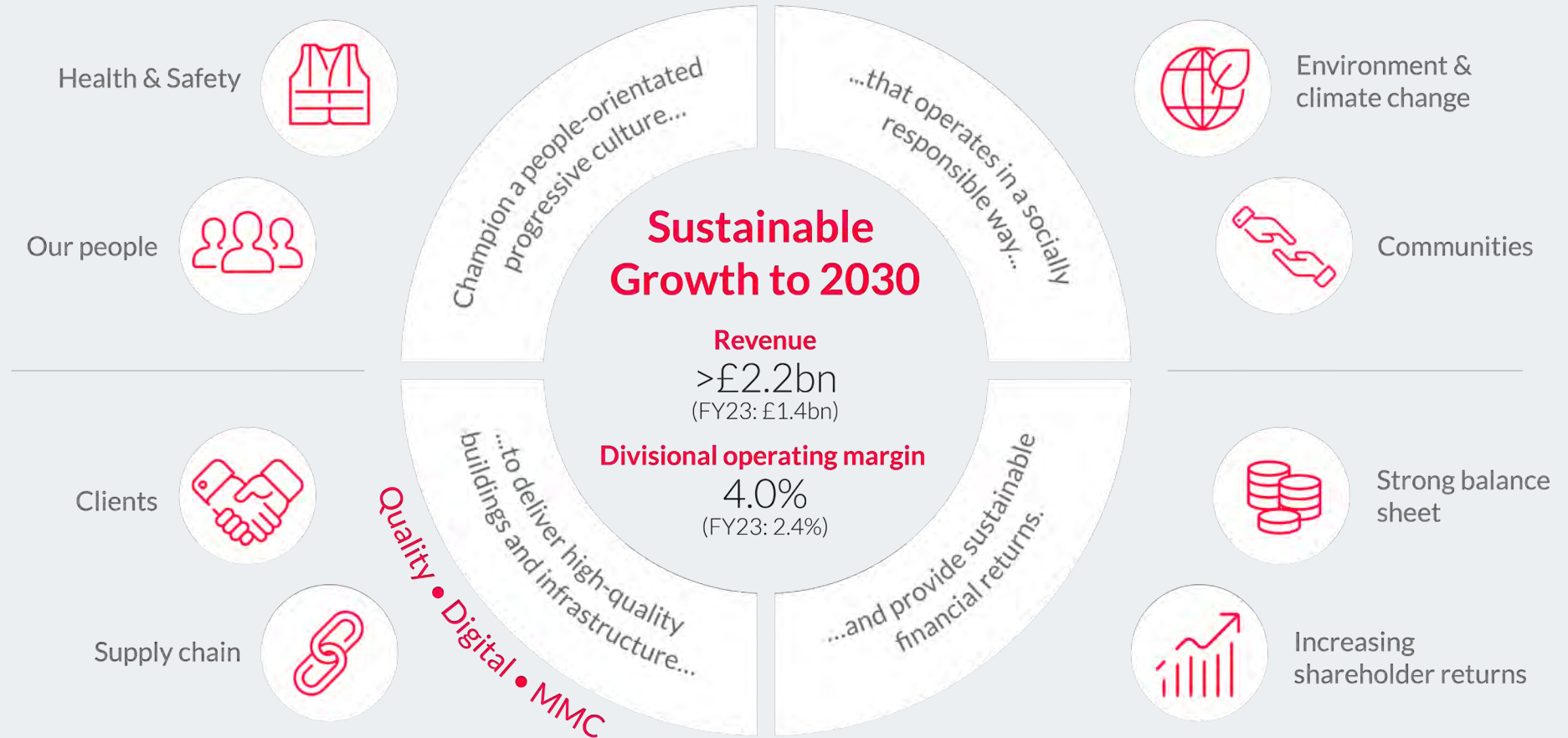


Funding streams



Drivers of margin growth





Growth via core markets

Building
Highways
Environment

Growth via adjacent markets

Private Rented Sector | Capital maintenance and asset
optimisation within existing Environment sector |
Green retrofit | Affordable homes | Specialist Services

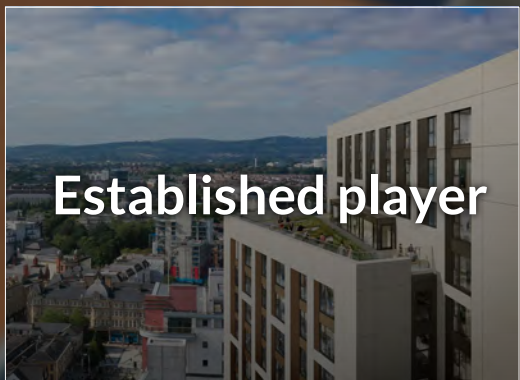
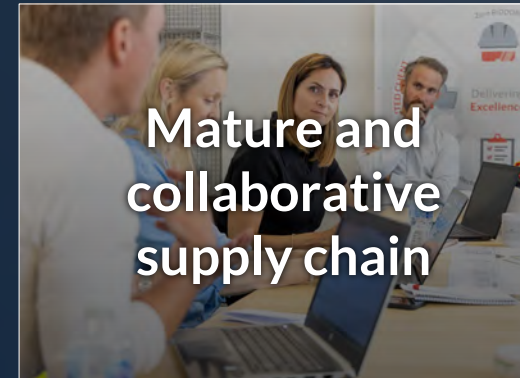
Affordable Homes

Dr Angela Brockbank

Affordable Homes Sector Director



Why we will succeed



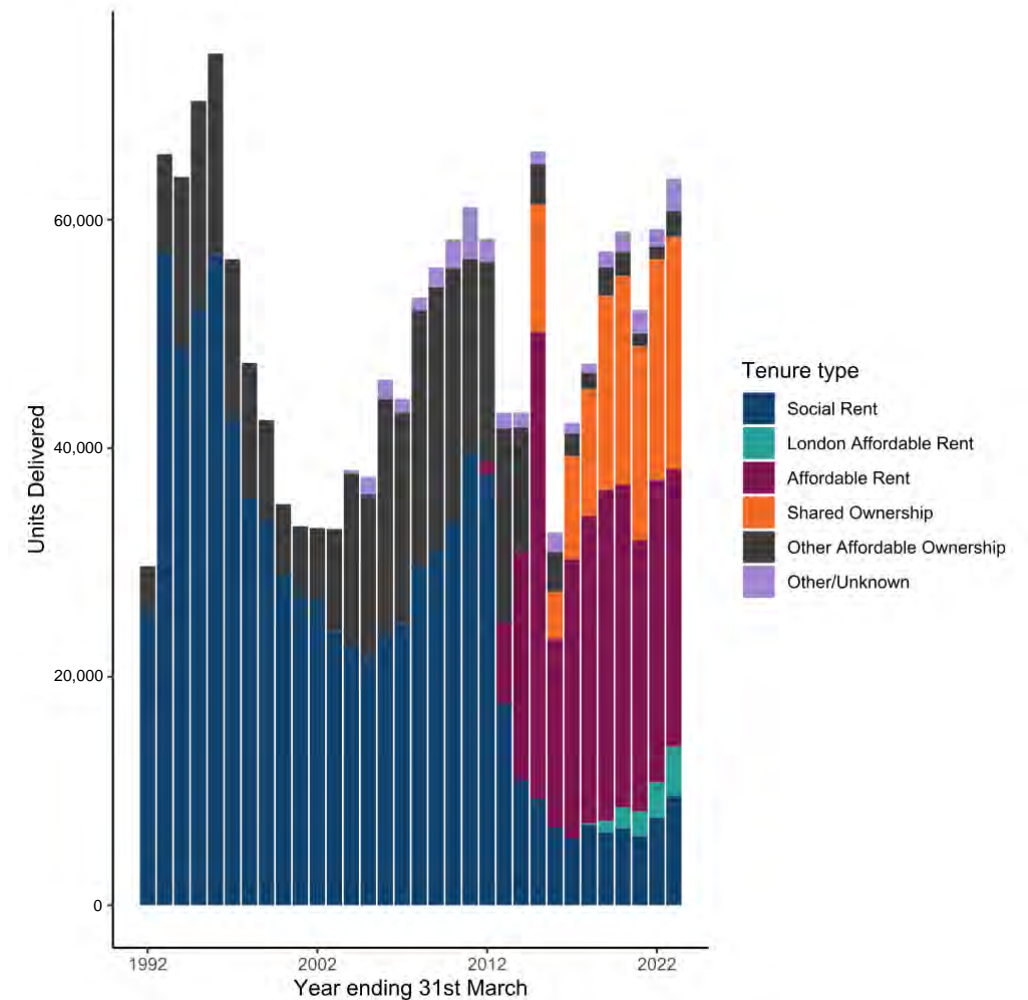
Affordable Homes

Affordable housing includes homes for sale or rent and is for people whose needs are not met by the private market.

Government definition



Chart 1: Affordable housing completions by tenure, England, 1991-92 to 2022-23





Market challenge

Significant housing deficit

1.6m

Households on social
housing waiting lists¹

145,000

New affordable homes required
per annum¹

63,605

Affordable homes delivered in
England in 2022/23²

¹National Housing Federation estimates. ²Gov.uk.

2030 objectives

1,200+

Affordable homes delivered per annum by Galliford Try by 2030

£250m+

Anticipated turnover per annum by 2030 for Galliford Try



Delivery model

CURRENT

DIRECT CONTRACTING APPROACH



Residential contracting frameworks.



Contracting role in partnership with a Housing Association/Local Authority.



Existing regional delivery capability.

FUTURE

Affordable partnership development models

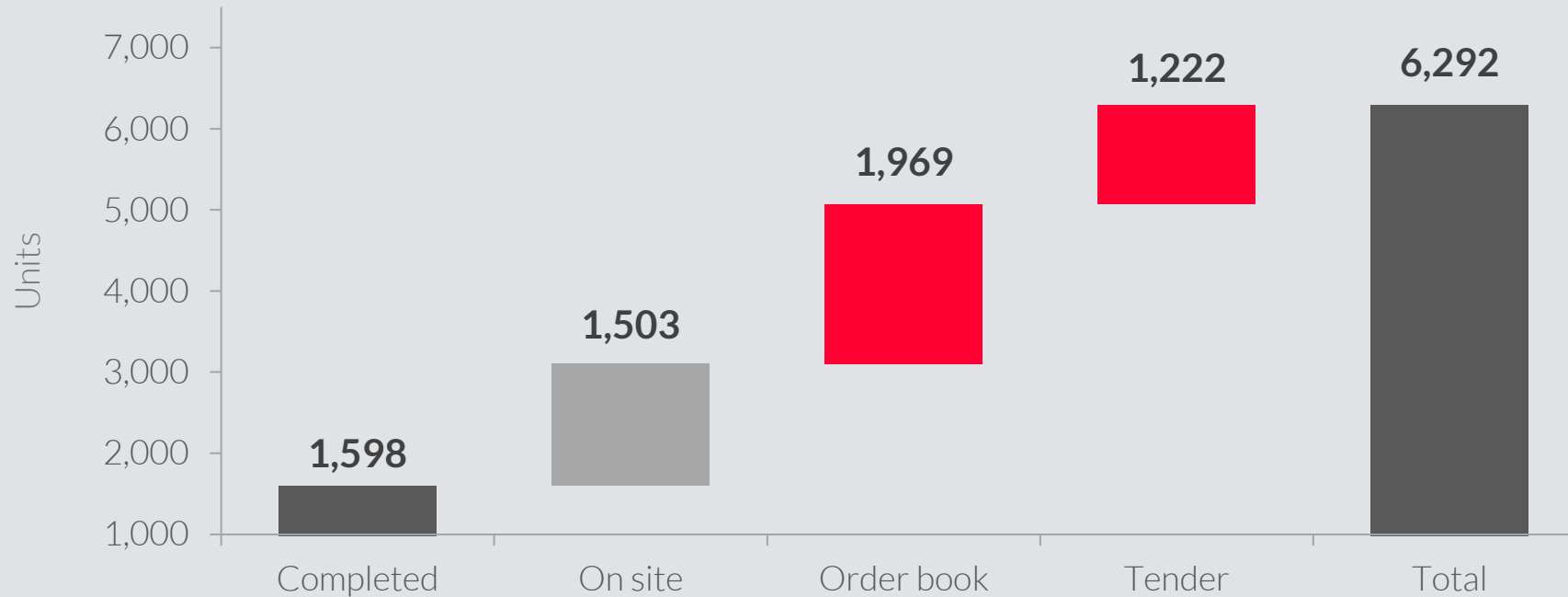
Bid for land in partnership with a Housing Association.

Land and build 'Package Deal' with a partner with a 'back-to-back' or 'Golden Brick' land transfer.

Joint Venture partnership
with risk and reward share.

Upfront agreed exit route across all approaches ensures significantly de-risked model.

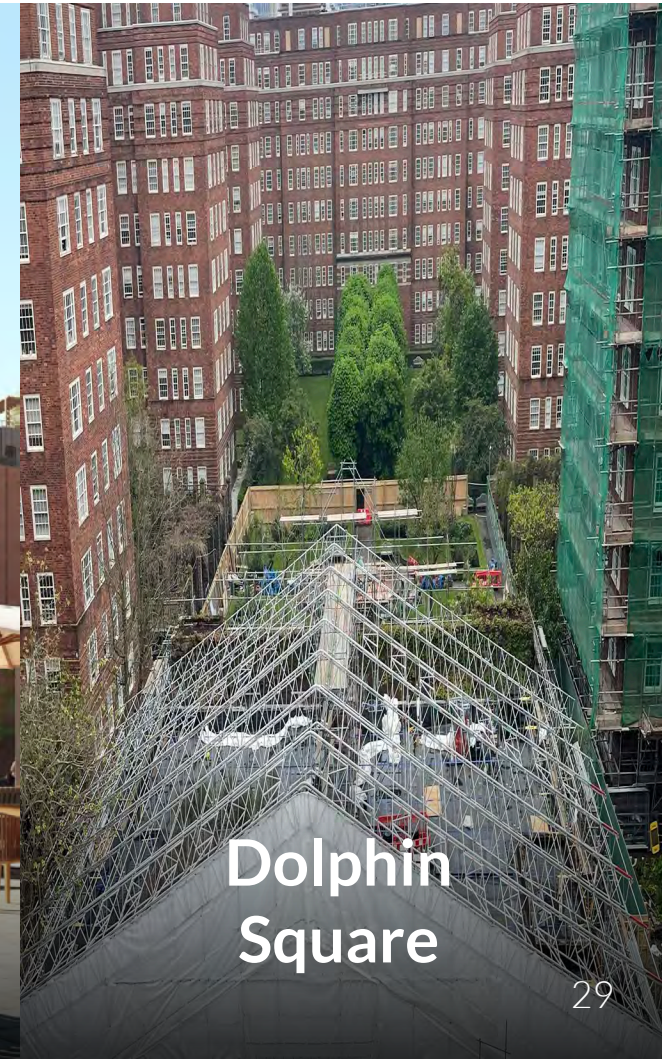
Residential delivery



Homes
England

Number of residential units constructed/in progress since demerger in 2020, stated as at April 2024.

Residential delivery since 2020





Monk Bridge



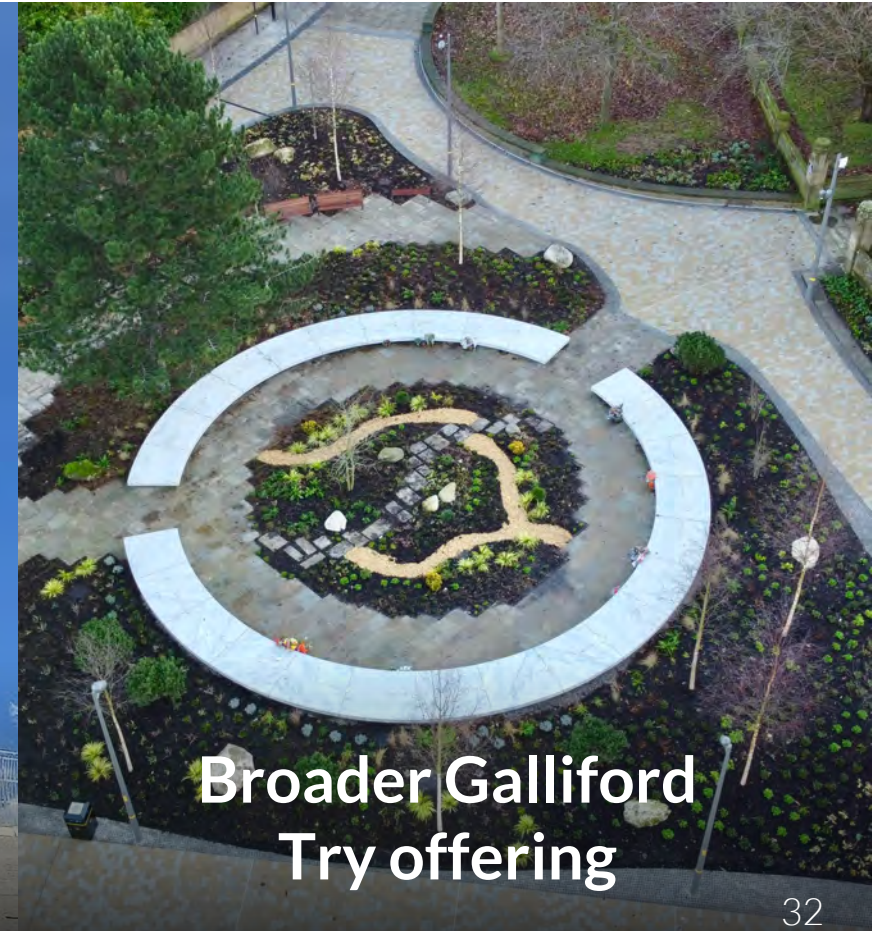
Delivery



Carbon capabilities



Modern Methods of Construction



Broader Galliford Try offering



Affordable Homes



Summary

A strong position

- Significant long-term demand for high-quality mid-rise affordable homes.
- Well positioned to benefit from re-entry in the Affordable Homes market.
- Well received by the sector as a new delivery partner.
- Proven expertise, strong balance sheet and mature supply chain.
- Credible and achievable target contributes to higher margin and turnover towards our strategy to 2030.



Environment

Mark Shadrick

Managing Director



An aerial photograph of the Galmlton Sewage Treatment Works. The facility includes several large circular aeration tanks, rectangular clarifiers, and various industrial buildings. A yellow crane is visible on the right side of the site. The treatment works is situated in a green field, with a residential village in the background under a clear sky.

Market opportunity

£96bn

Total AMP8 spend in England and Wales (AMP7: £51bn)

£57bn

Total addressable market opportunity (AMP7 & SR15 £23bn)

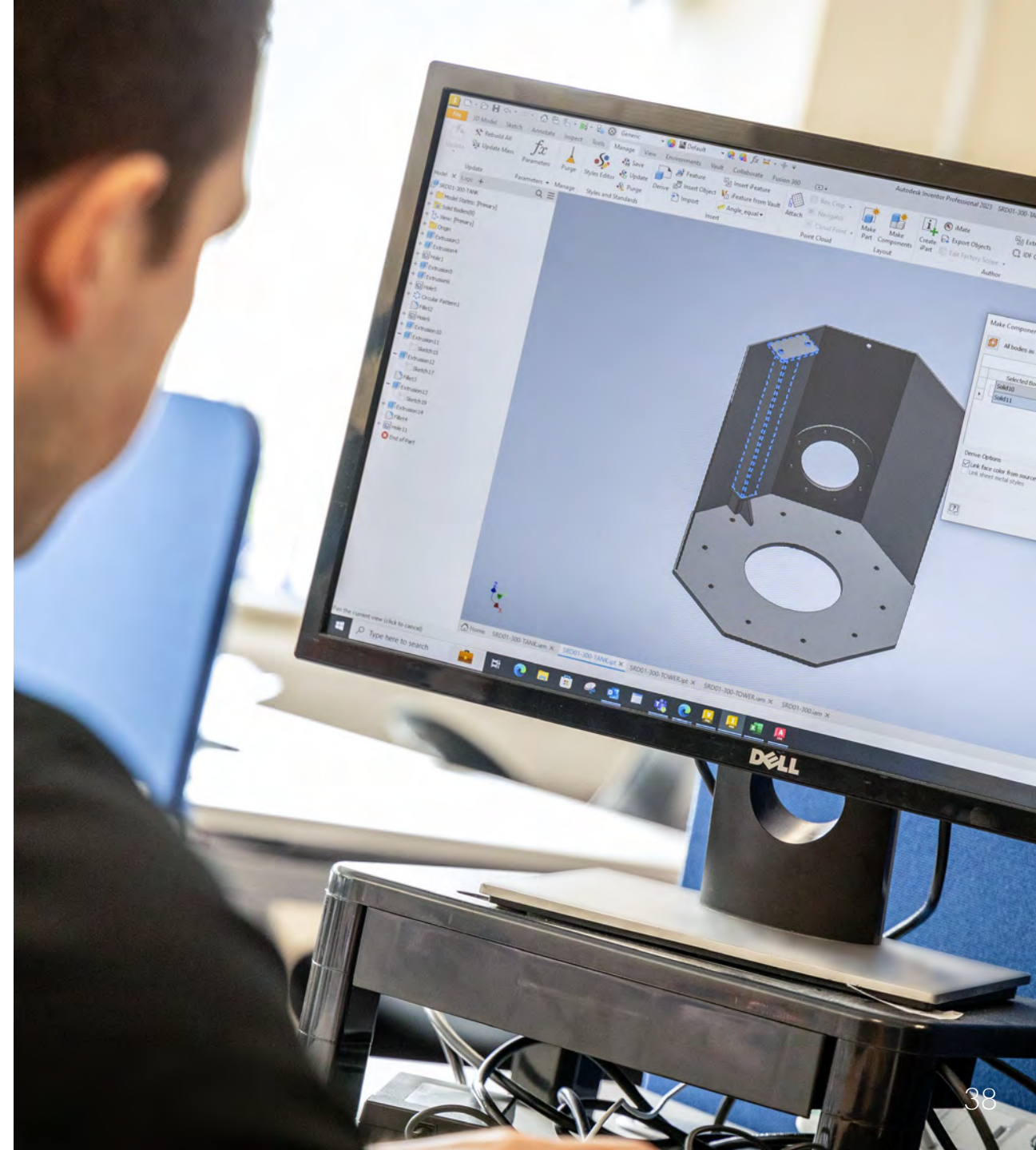
£5.8bn

SR21 spend in Scotland (SR15: £3.2bn)

Growth strategy

Controlled revenue growth with accelerating profitability

- Manage supply chain capacity to increase margins in large asset creation frameworks.
- Accelerate growth in our Asset Management businesses, which offer higher margin.
- Resulting in controlled revenue growth with blended margins growing significantly to 2030.



Progress

Growing higher margin capabilities

- Reshaped our business and made strategic acquisitions in areas where there will be increased expenditure.
 - nmcn.
 - Lintott and MCS Control Systems (now merged into Lintott).
 - Ham Baker Engineering.
 - AVRS.

Environment

Asset Creation

Delivery of our traditional large volume design & build frameworks.

Asset Management

Planned and reactive maintenance including the replacement of mechanical and electrical assets that have reached the end of their operational lifecycle.

Water Technologies

Asset optimisation and advanced equipment manufacturing that yields higher profit margins and incorporates cutting-edge technology.

Engineering



National presence

- We are now one of the biggest players in the sector.
- 59 frameworks covering 13 water and sewerage clients.
- We have developed and structured our business to support our clients' challenges, which underpins our margin growth:
 - Delivering the UK's water needs.
 - Improved resilience of client assets.
 - Increased efficiency and optimisation of client assets.
 - Achieving their net zero carbon targets.

Key frameworks



Market drivers

Driver

Tightening
regulatory
environment

- The Environment Act: reduction in spills by 300%; phosphate reduction by 80%; 25% reduction in embedded carbon; real-time river water monitoring; consumer perception.
- Net positive gain bio-diversity.

Climate
change and
ageing asset
base

- Last major Mechanical and Electrical asset replacement was 25 years ago; assets are time expired and in need of major refurbishment or replacement.
- Focus has been on new assets rather than the maintenance of existing assets over the last 15 years.
- Resilience to manage effects of increased storm events and severe weather diminished by poor asset condition.

Operation
&
maintenance

- Full-service offering (design, build, operation and maintenance) sought by clients.
- Increasing regulatory focus on asset optimisation to extend the operational lifespan of existing facilities.
- Digitalisation of asset base recognised as a means to manage and optimise performance.

Solution

Asset Creation



Capital Maintenance



Water Technologies



Higher margin Asset Management



Engineering services

- Optimise delivery of high margin consultancy resources.

Responds to ageing asset base, operation and maintenance



Water Technologies

- Use existing asset creation and capital maintenance frameworks to promote Water Technologies businesses.
- Embed off-site solutions across D&B frameworks.

Responds to tightening regulatory environment, ageing asset base



Capital maintenance

- Organic growth from existing frameworks and opportunity for new frameworks.
- Bolt-on acquisition opportunities; AVRS.

Responds to ageing asset base

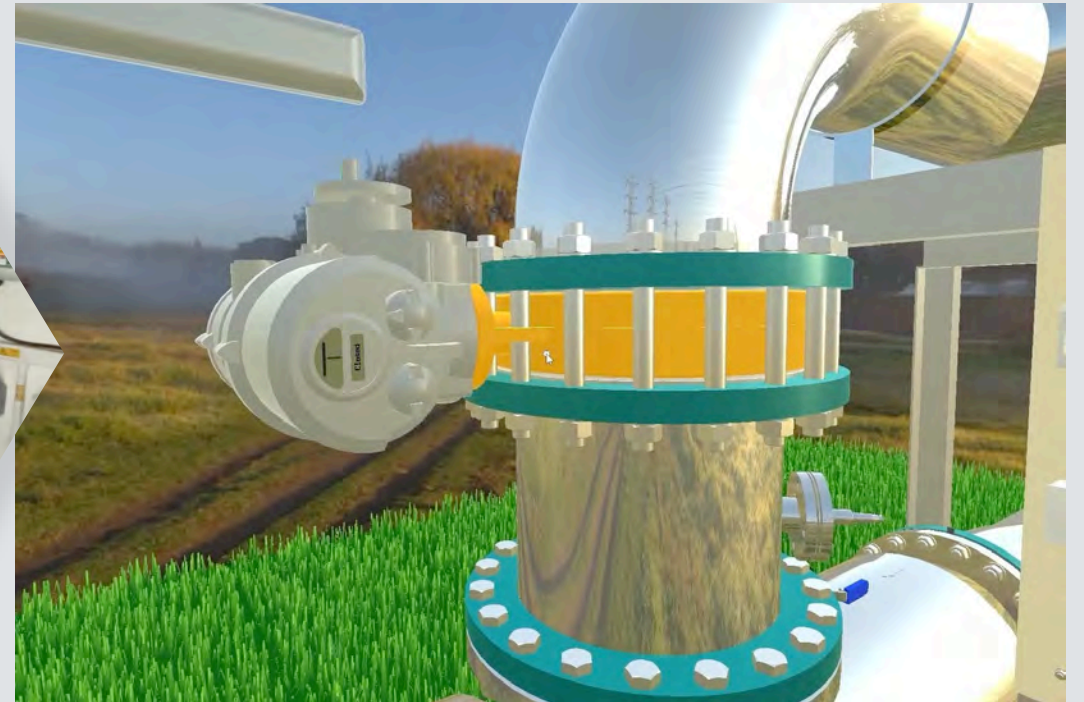


Asset optimisation

- Development of Lintott products and services.
- Develop other partnerships and upskill existing teams.
- Catchment management and river water monitoring.

Responds to ageing asset base, operation and maintenance

Digital Twins





Digital scanning



Summary

- Huge sector opportunity with £57bn addressable market spend.
- Significant challenges facing our clients.
- Galliford Try is part of the solution. We have a leading position with:
 - The right capabilities.
 - National footprint.
 - Excellent client and supply chain relationships.
 - Underpinned by high-quality people, digital and low carbon capabilities.



David Owen, MD of Lintott, with Ofwat Chair Iain Coucher and Ofwat Chief Executive David Black

Specialist Services



Overview

Specialist Services

FM

National coverage providing lifecycle and hard FM services, largely within the Education and Health markets.



Digital Infrastructure

Property access and installation of telecoms infrastructure for the Radio Access Network market. Expanding into sectors such as Defence and Private 5G Networks.



Asset Intelligence

Technologically advanced security solutions for Critical National Infrastructure assets.



Oak Specialist Services

Fire-protection and fire door survey and remediation alongside façade remediation and new build façade installation.



Oak Specialist Services

Passive fire protection, survey and remediation

- Current market is £3.1bn and estimated to grow.
- Highly fragmented regional players.

Fire door inspections, maintenance, repair and replacement

- Current market £2.9bn and estimated to grow.
- Long term annuity-like activity.

Façade installation and remediation

- Market estimated to be £19bn.
- Housing Associations report 11,000+ buildings over 11m, and 4,000+ over 18m.
- Huge backlog of remediation work.



UNIVERSITY OF
BIRMINGHAM



Berkeley
Group

GREYSTAR™

AnsteyHorne



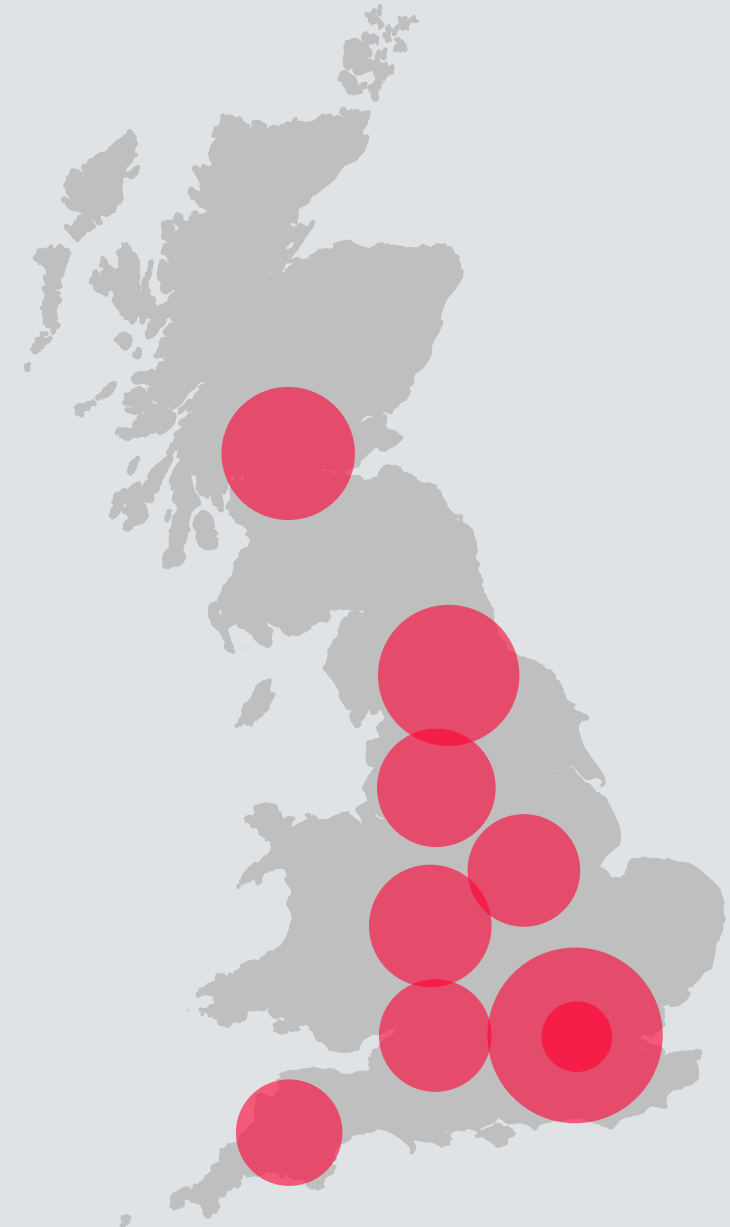
benningtongreen.



WILLMOTT DIXON

Growth plan

- Oak is currently London centric with over 90% of revenues coming from London and the South East.
- Plan to grow our geographical presence utilising the current UK- wide Galliford Try office footprint.
- Expand workload with existing clients.
- Cross-sell services to broader customer base.
- Offer national integrated services across fragmented marketplace.





Fire protection



Market opportunity

Geographic growth using current GT office footprint and client base

Cross-sell more services internally

ASSET INTELLIGENCE



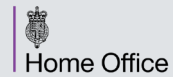
Digital Infrastructure



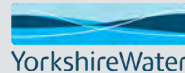
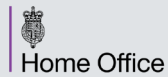
GallifordTry Facilities Management



Strong client base



New client base



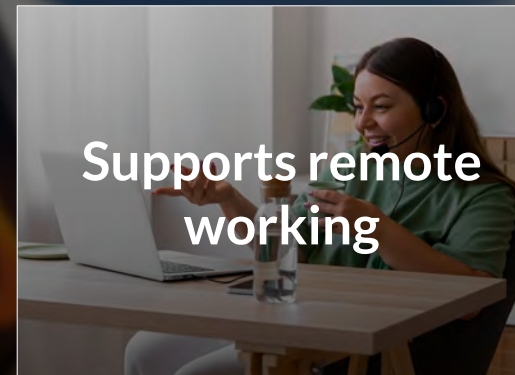
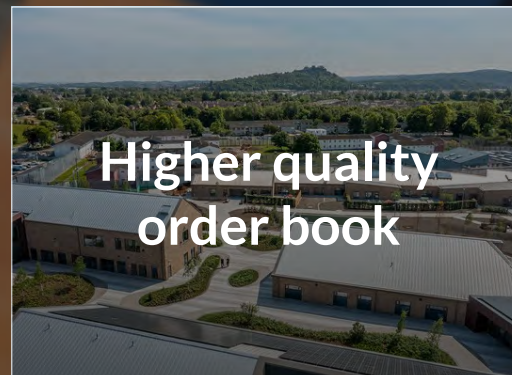
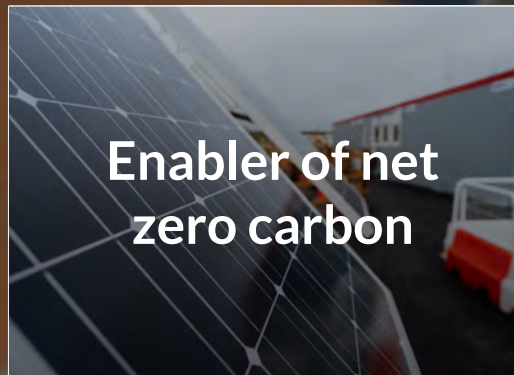
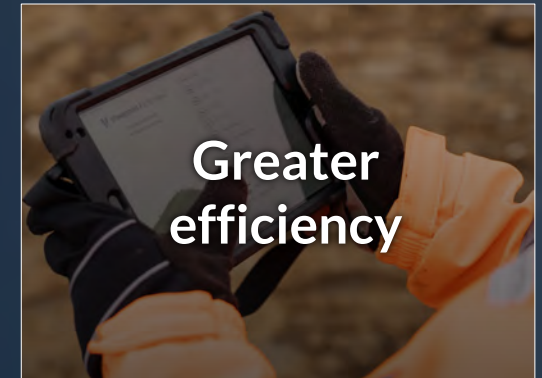
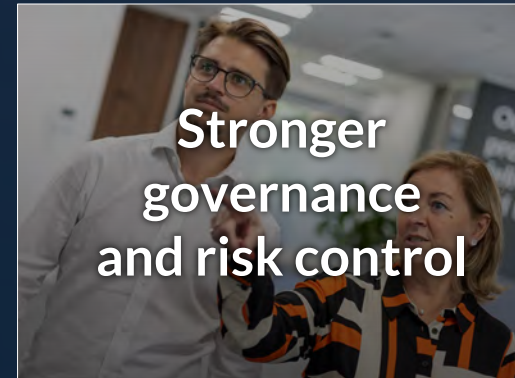
Digital

David Lowery

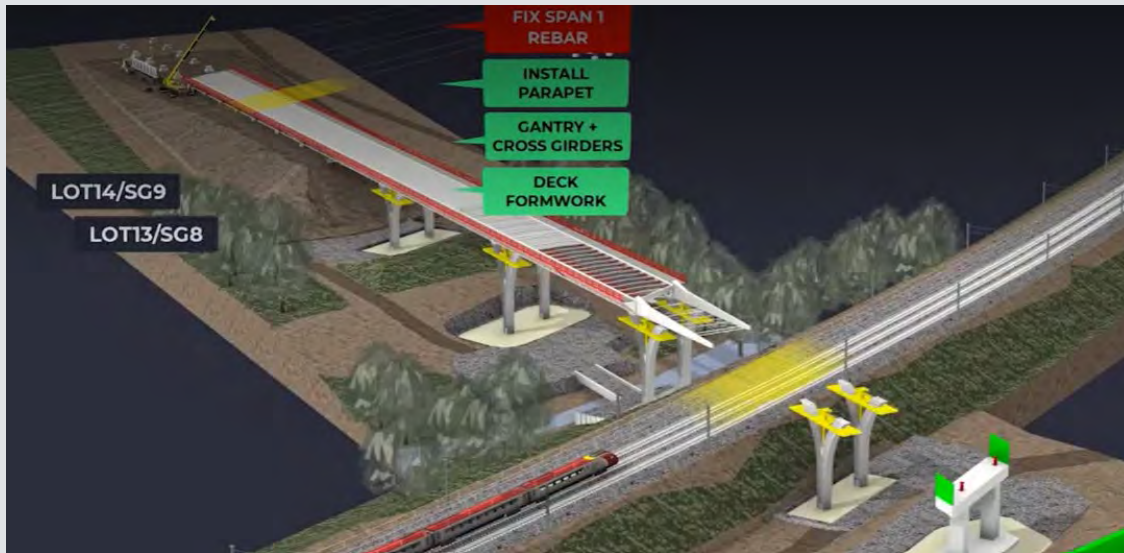
Divisional Managing Director, Infrastructure



Digital as driver of margin growth

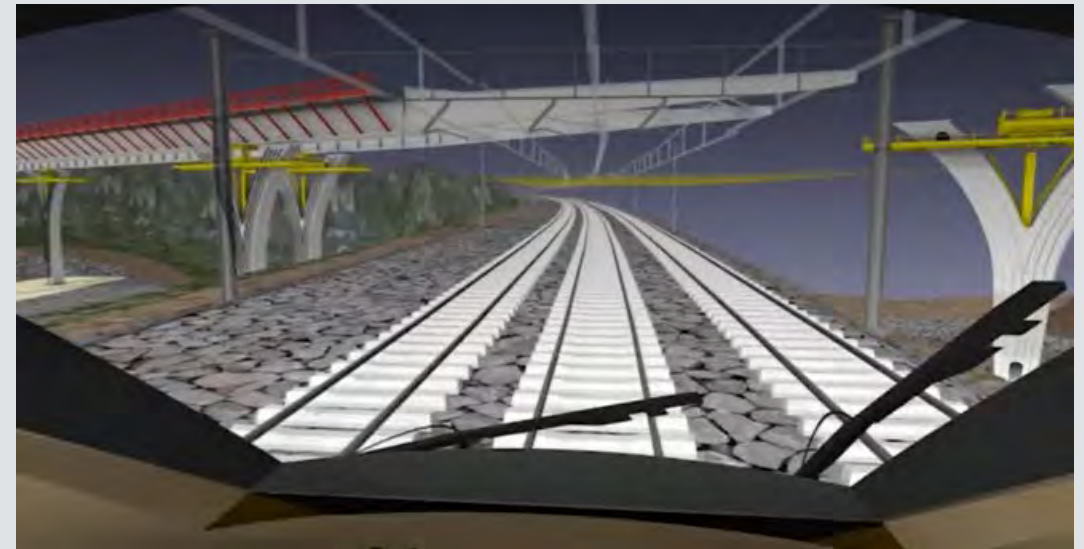
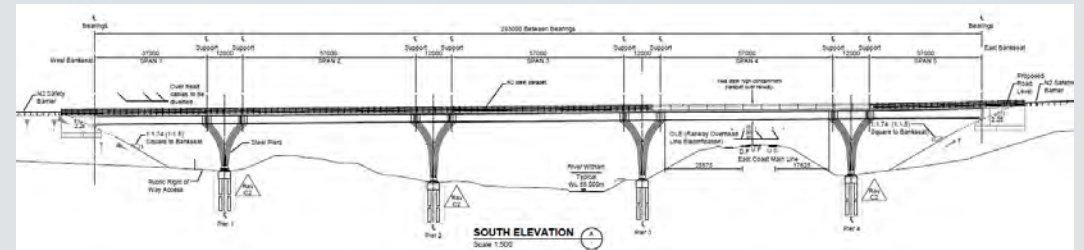


4D digital rehearsals



Grantham Southern Relief Road Phase 3

Digital rehearsal to enable detailed visual planning for the operation to launch a five span bridge deck over the River Witham and East Coast Mainline. Includes “driver’s eye view” for launch of span over railway line.





PIER 1

PIER 2

PIER 3

1/12/23

4D digital rehearsals

PIER 4

PIER 5

PIER 6



PIER 1

PIER 2

PIER 3

11/12/23

PIER 4

PIER 5

PIER 6

EAST ABUTMENT

Reality



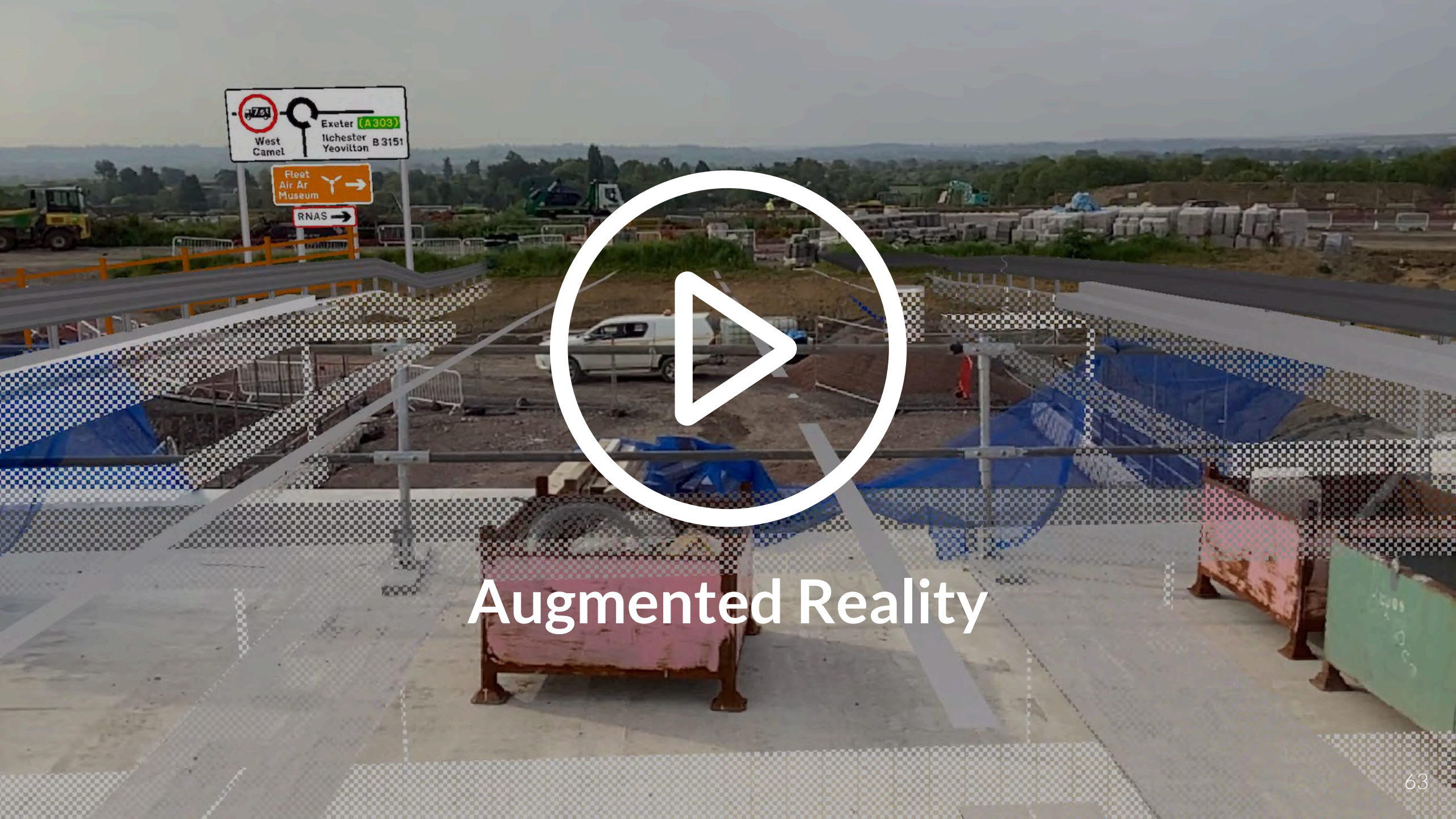
Augmented Reality



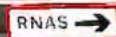
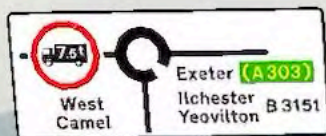
A303 Sparkford to Ilchester

Augmented Reality using Dalux – to overlay the 3D design model on top of the image viewed through a tablet camera while out on site; can also be used for walkthroughs and navigation around the 3D model in the office.

Useful for clash detection, and task briefings with supervisors/operatives on site, at the work location as well as visualisation of work locations, pedestrian routes and people plant separation.



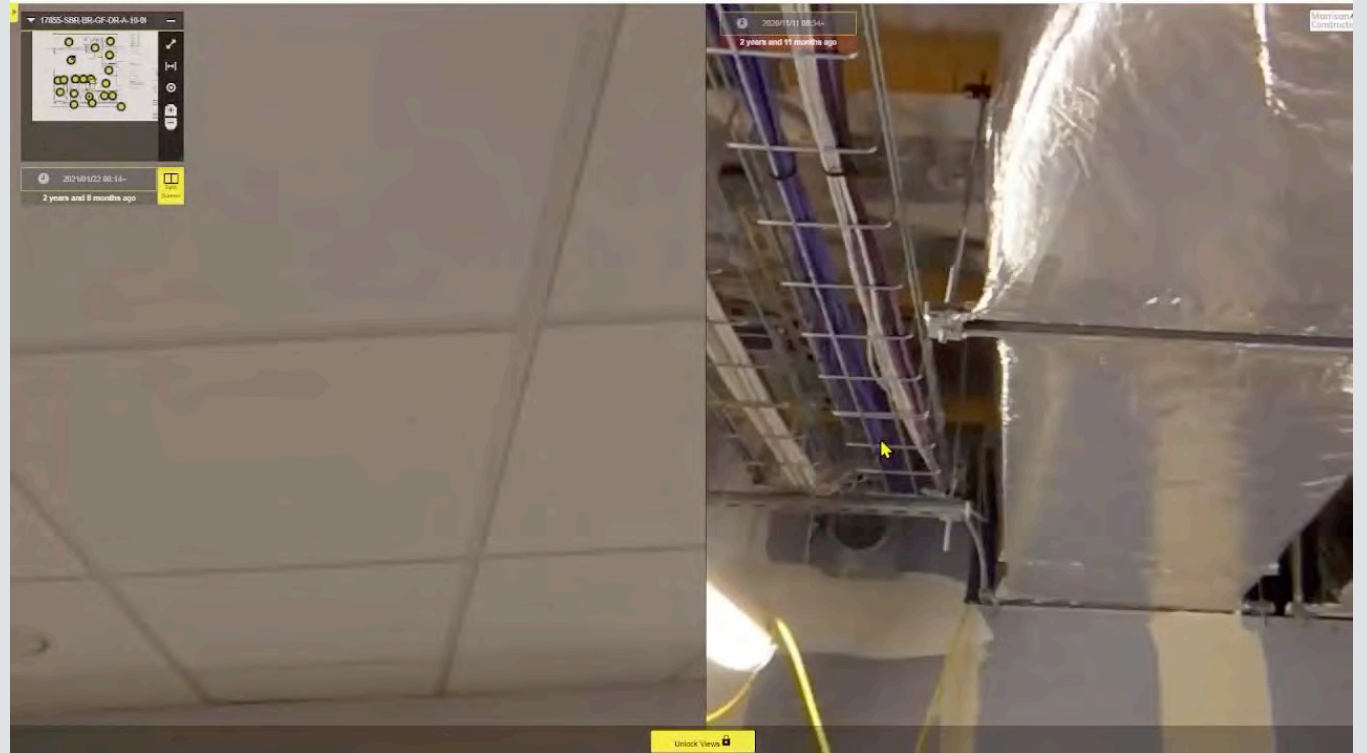
Augmented Reality



Quality management

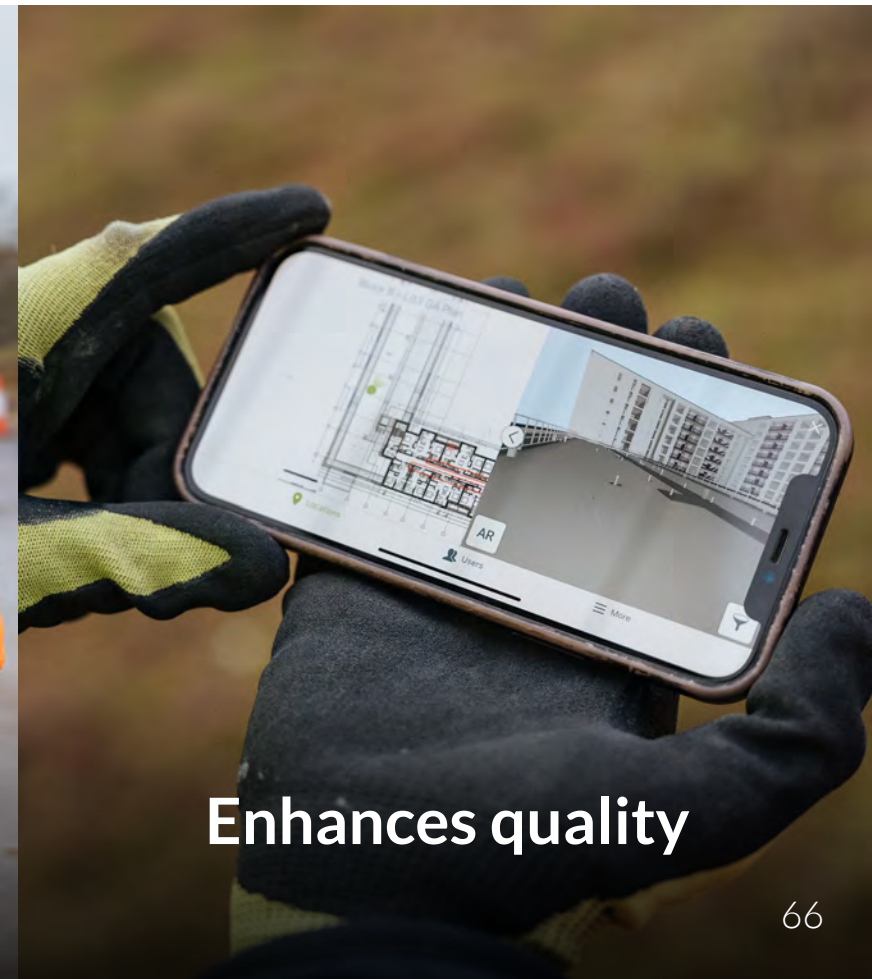
Data capture

- 360°, 3D images taken weekly to track construction progress; available as an archive at the end of the project.
- Software enables us to split the screen to compare construction records at any two selected stages of construction.
- This example allows review of construction quality and above ceiling install for the location remotely, without having to attend the school and de-mount ceilings.



Margin growth enabler

Enabler for 2030 strategy



People

Vikki Skene
HR Director



Our vision

To be a people-orientated, progressive business, driven by our values to deliver for our stakeholders and the communities we work in.

Our values



Excellence



Passion



Integrity



Collaboration



A destination employer



4,200

Employees in our business

86%

of our employees would recommend a career with us (sector: 77%)

No1

Construction & civil engineering employer for Grads and No2 for Apprentices

10.8%

Churn (sector: 20%)



Retain

Internal mobility programme Explore

Supports upskilling, development, succession planning, employee satisfaction and retention.

Succession planning

Develops leaders from within; creates talent pipelines.

Learning and development

70:20:10 model, bespoke Career Paths, structured training, Leading the GT Way, online GT Academy, mentors and coaching.

Gain

Early Careers

Dedicated programme to build talent pipeline.

Mentoring the Next Generation

Industry perception and providing routes into our business; pilot with Department for Work and Pensions.

Hiring for potential

Seeking out candidates who demonstrate the ability to excel.

Marketing

Data insight led social media campaigns, targeted talent pools and employer brand.

Grow Together

Our people strategy

Culture

Health, safety and wellbeing, inclusive leadership, output-focused performance, agile employer, digitalisation, employee voice.

Rewards and benefits

Wide-ranging, competitive benefits package that reflects our progressive and people-orientated approach.



Our Graduate Programme



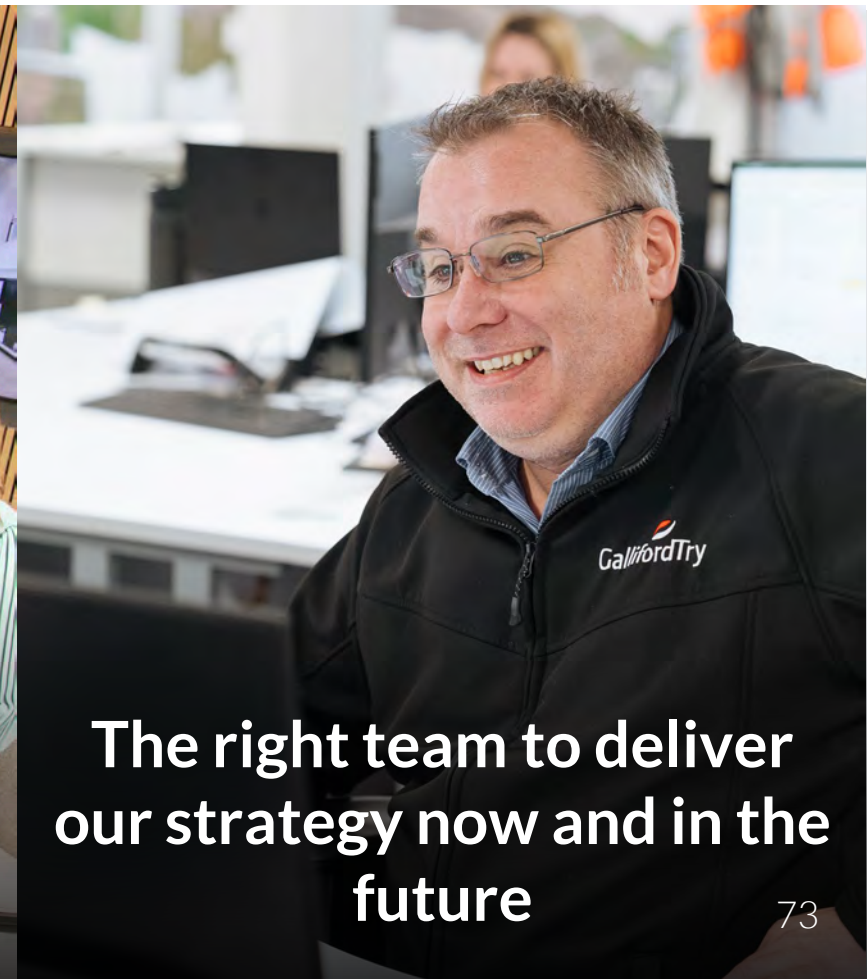
Summary



High-calibre, engaged workforce



Attracting quality new talent



The right team to deliver our strategy now and in the future

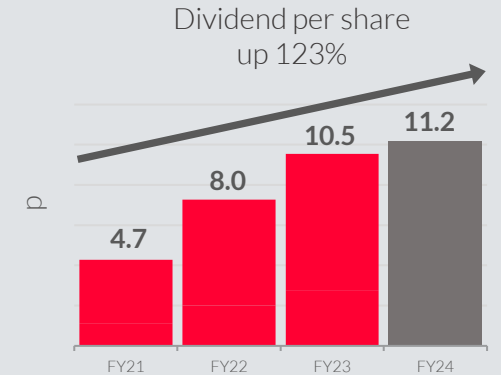
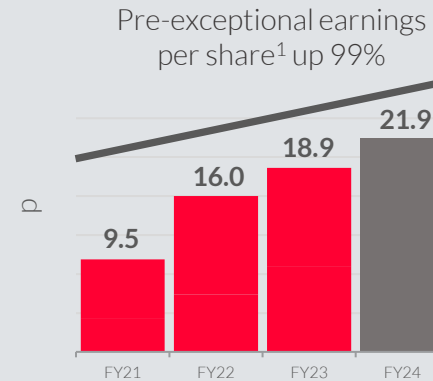
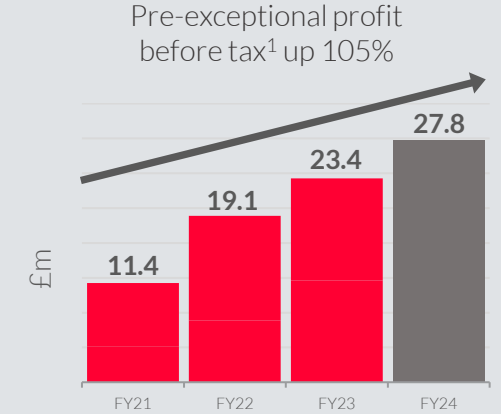
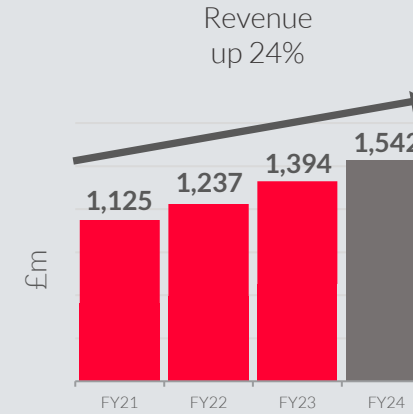
Financial overview

Andrew Duxbury, Group Finance Director



Consistent profitable growth

- Consistent revenue and margin progression, delivered in line with our plan.
- Demonstrated value of our disciplined approach.
- Successfully navigated external macro-challenges.
- TSR 1 July 2020 to 1 May 2024: 147%.
- £56m cash returned to shareholders since 1 July 2020.



Key ■ Full year ■ Consensus (company compiled as at 1 May 2024)

¹ Pre-exceptional items and FY23 stated before one-off contract settlement of £2.8m announced on 8 June 2023.

TSR 147%

From 1 July 2020 to 1 May 2024

Financial performance

Based on a strong balance sheet

- Continued prioritisation of a strong balance sheet.
- Average month-end cash 1 July 2020 to 31 December 2023 at £156m.
- No debt or pension liability.
- Strong support from surety markets.
- Business growth has generated additional shareholder returns.
- Capital allocation framework remains unchanged.

How we allocate capital

Prioritising a strong balance sheet

Strong balance sheet to support operations

- Competitive advantage.
- Gives confidence to clients and supply chain.
- Supports disciplined approach to project selection.
- Mitigates against any adverse market conditions.

Average month-end cash £156m

Reinvest in the business

- Ability to invest in technology and training to drive quality and efficiency.
- Accelerates adjacent market opportunities.
- Enables strategic and bolt-on acquisitions to enhance capabilities.

Four acquisitions since 2021

Sustainable dividend policy

- Dividend will increase with earnings growth.
- Delivering sustainable returns to shareholders.

Dividend cover policy set at 1.8x

Return excess cash

- Consider cash requirements for future growth.
- Return excess cash to shareholders when appropriate.

£27m additional returns since 2022

M&A provides further opportunity

- Track record of successful bolt-on acquisitions, bringing new capabilities and accelerating growth.
- Capital allocation framework allows for investment in M&A.
- 2030 strategic targets do not assume any further acquisitions.
- Potential opportunities are assessed in accordance with our strategic priorities.

October 2021



July 2022



November 2022



November 2023



Medium-term financial guidance

- Revenue growing to >£2.2bn – double 2021's revenue.
- Divisional operating margin target 4.0% - double 2021's margin.
- Increased operational leverage of central costs.
- EBITA margin rising to c3.5%.
- Dividend cover established at 1.8x.
- Strong operational cash generation.
- Delivery of financial targets is supported by embedded ESG targets.

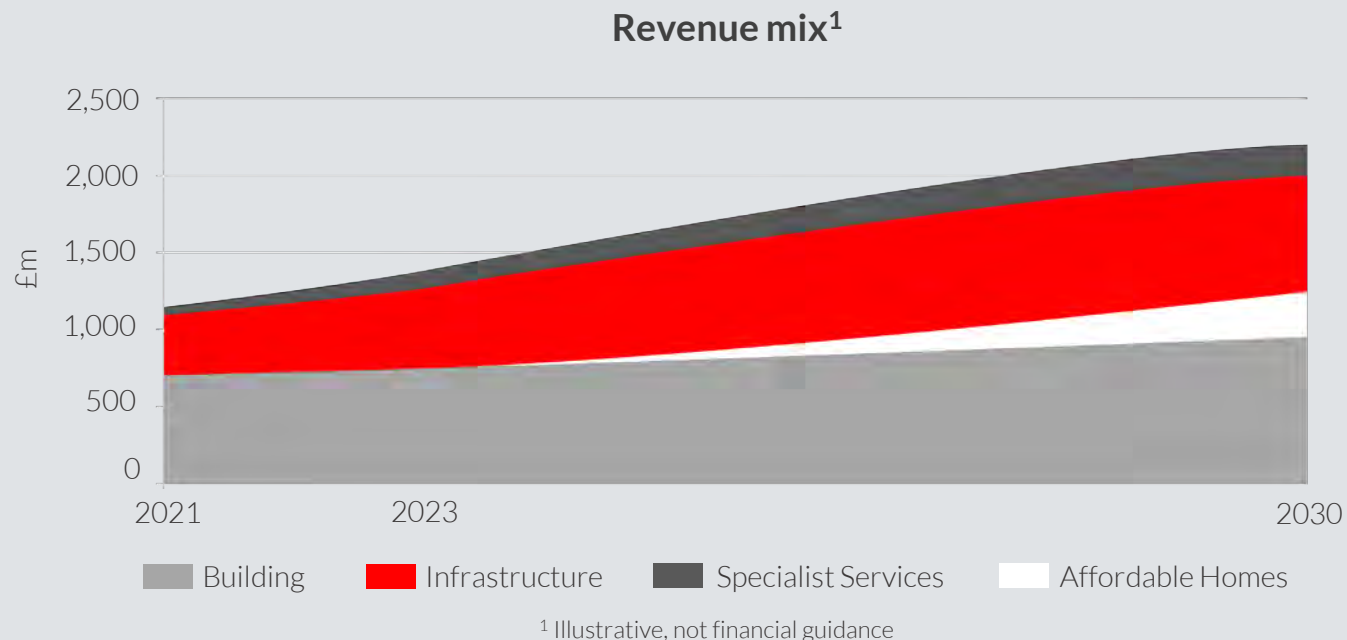
Targets to 2030

Revenue	>£2.2bn
Divisional operating margin ¹	4.0%
Cash	Operating cash generation
Dividend	1.8x covered by earnings

¹Divisional operating margin is defined as pre-exceptional operating profit before amortisation, stated for the combined operating divisions of Building and Infrastructure.

Growth of higher margin businesses

- All parts of the Group have growth potential.
- Strategy is focused on continued margin improvement, including contract selectivity, operational delivery and overhead efficiency; increasing barriers to entry support our approach to the market.
- Growth biased towards higher-margin adjacent markets and specialist businesses.
- Capital requirements remain low, with strong operational cash generation.

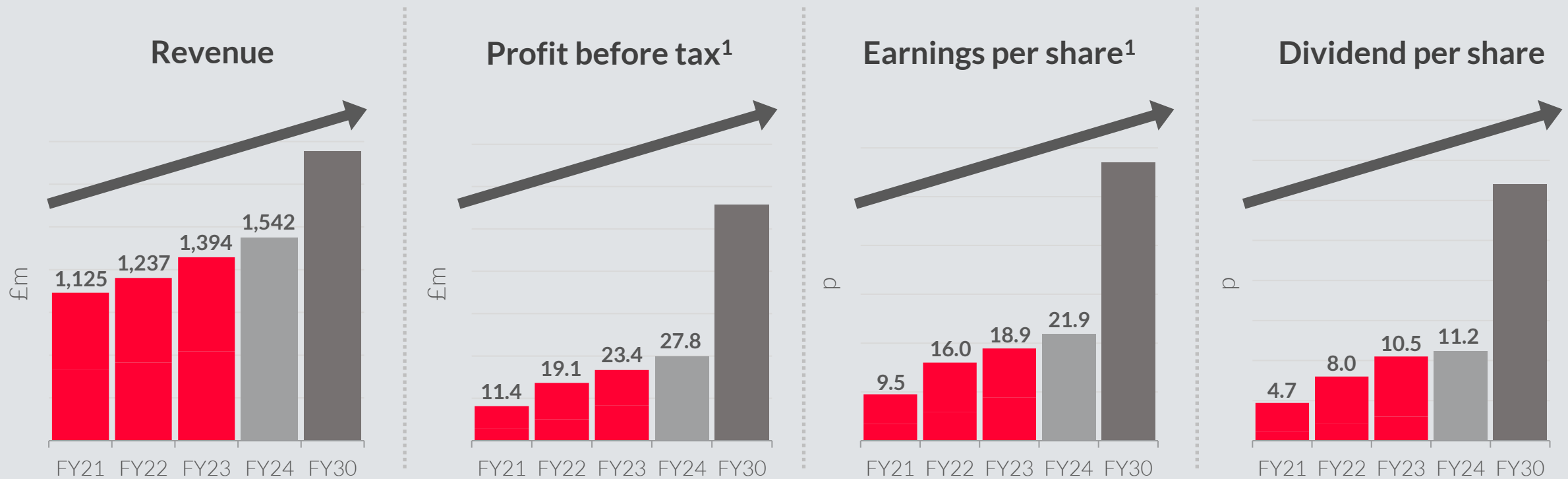


	Growth to 2030			
	FY23	Core businesses	Adjacent markets	2030
Revenue	£1.4bn	+c£0.2bn	+c£0.6bn	>£2.2bn
Divisional operating margin ¹	2.4%	c3.3%	c6.0%	4.0%

¹ Divisional operating margin is defined on previous slide.

Positive earnings momentum

Consistent and profitable growth



Key ■ Full year ■ Consensus (company compiled as at 1 May 2024) ■ Illustrative, not financial guidance

¹ Pre-exceptional items and FY23 stated before one-off contract settlement of £2.8m announced on 8 June 2023.

Creating further shareholder value

- Significant further profitable growth to be delivered through to 2030.
- Dividend per share to triple over strategy period.

A compelling investment case

High-quality business operating in robust markets
generating growing returns

Robust market opportunity

Excellent position in chosen sectors.

Non-cyclical demand driven by ageing infrastructure, growing population and climate change.

Strategy for growth in adjacent markets with higher margins.

Increasing barriers to entry.

Rigorous risk management

Embedded culture of assessing and managing risk.

Rigorous contract selection and delivery.

High-quality, well bid order book; robust pipeline.

Broad, risk managed portfolio.

A progressive culture

Retain, gain and develop employees who share our vision, values and purpose.

Focus on quality and innovation, using digitalisation.

Embedded ESG strategy.

Strong financial position

Track record of financial delivery.

Strong balance sheet; no debt or pension liabilities.

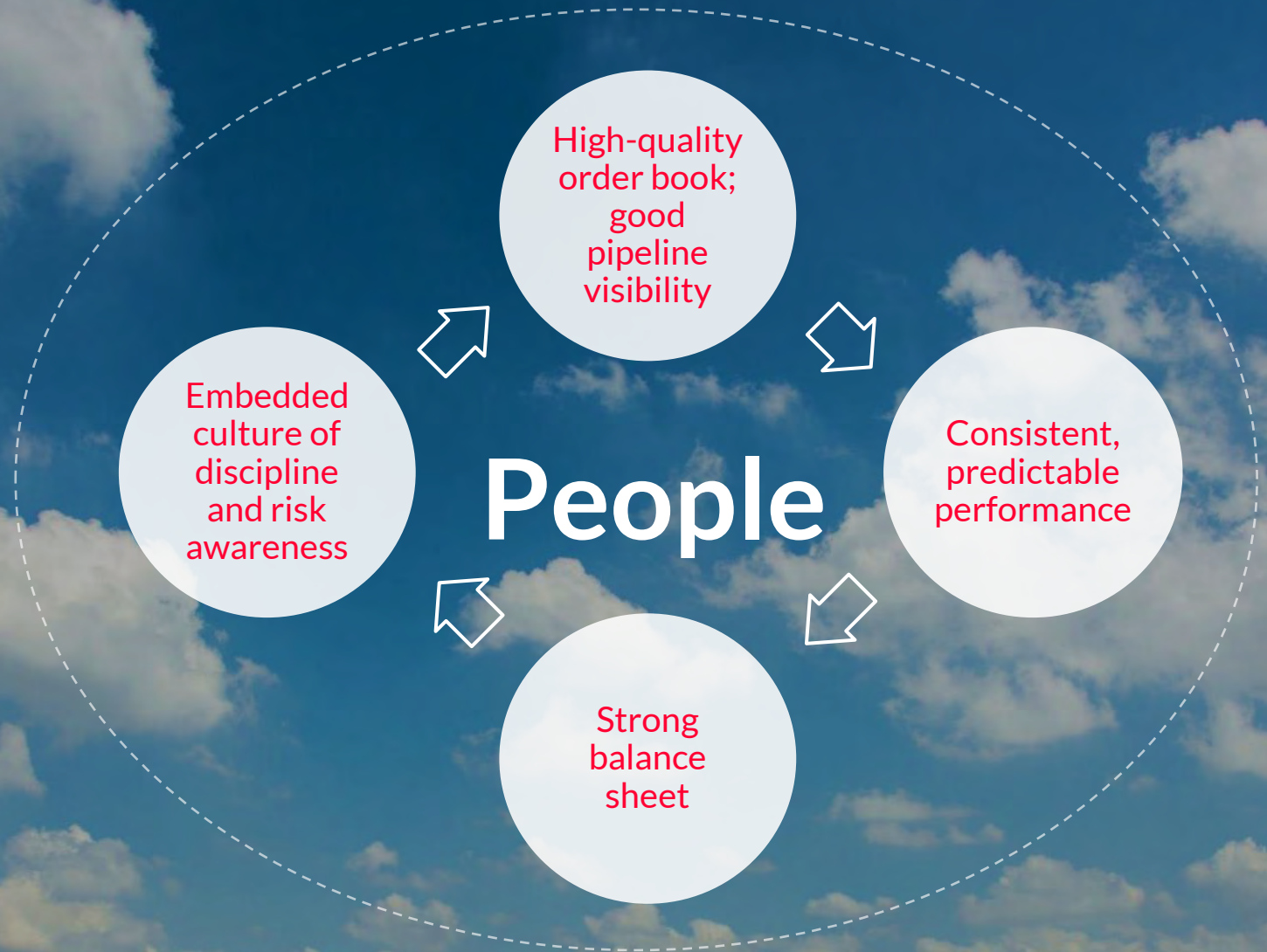
Margin growth.

Increasing shareholder returns.

Summary



Our engine for Sustainable Growth



Meet the team

Speakers



Bill Hocking
Chief Executive



Dr Angela Brockbank
Affordable Homes
Sector Director



Mark Shadrick
Managing Director,
Environment



David Lowery
Divisional Managing
Director, Infrastructure



Andrew Duxbury
Group Finance
Director



Vikki Skene
HR Director

Attendees



Ian Jubb
Divisional Managing
Director, Building



Kevin Corbett
General Counsel
& CoSec



Chris Vladar
MD, Oak Specialist
Services



Phil Harris
MD, Galliford Try
Investments



Phil Drewett
Group Financial
Controller



Martin Cooper
Finance Director



Sean Blackmore
Technical Services
Director



Poppy Parsons
Head of Low Carbon



Andrew Spencer
Group Supply Chain &
Procurement Director



Guy Cotton
Head of Integrated
Solutions



Babita Pawar
Communications
Director



Ben Kunicki
Head of External
Communications

Key:  Executive Board