

# CHAIR'S STATEMENT



PETER MAWSON  
CHAIR

“

I am pleased to report that we remain in a strong financial position and have continued to make good progress against our medium term objectives”.

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## £359.4m

REVENUE  
(2022: £341.4M)

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## £37.3m

PROFIT BEFORE TAX  
(2022: £45.6M)

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Henry Boot has performed resiliently in 2023, delivering a profit before tax (PBT) of £37.3m (2022: £45.6m) or on an underlying profit basis £36.7m (2022: £56.1m), after excluding revaluation movements on completed investment property. Throughout last year, the Group traded in a slowing economy, facing stubbornly high inflation and rising interest rates. Despite these conditions, our focus on high quality land and development in prime locations has meant the Group delivered an increase in overall sales, growing revenue to £359.4m (2022: £341.4m).

As previously reported, we expect a lag in performance for 2024 due to the time it takes for projects and sales to complete, and we remain cautious of the near-term trading environment. Whilst believing that it is crucial that any new government deals with a reform of the planning system, the outlook for both inflation and interest rates are improving, supported by recent reductions in mortgage rates. With this in mind, it feels as though the UK economy has turned a corner, leaving us with continued conviction in achieving our medium term growth and return targets.

The Group remains in a strong financial position, with a robust balance sheet and NAV per share increasing by 3.7% to 306p (2022: 295p) or by 3.4% to 300p (2022: 290p), excluding the defined benefit pension scheme surplus. Net debt increased to £77.8m (2022: £48.6m) as we maintained our focus on investing in our prime land portfolio, building out our high quality committed development programme and continuing to grow our premium housebuilder. Additionally, there was

continued investment to support our long term ambitions, including the relocation of our head office as well as investment in our people, marketing and technology. This resulted in our gearing moving to 19.0%, which remains within our optimum stated range of 10-20%.

On other strategic objectives that support our long term ambitions of the business, I am pleased to report:

- After launching our Responsible Business Strategy in 2022, we continue to make great progress against our targets. In 2023, we launched our Health and Wellbeing Strategy which includes resources and guidance on a range of key topics, such as neurodiversity and mental health.





- In regard to reducing our total direct greenhouse gas emissions (Scopes 1 and 2), at the end of 2023 there was a 14% reduction against the 2019 baseline, and we are on track to hit net zero carbon (NZC) by 2030.
- In November 2023, we relocated our head office to the Isaacs Building in Sheffield city centre. Our new HQ supports the aim to reduce our carbon footprint and the goal of achieving NZC by 2030, with an expected emission reduction of 79% compared with the former head office. On top of this, it offers a far superior working environment which not only encourages greater collaboration and cohesiveness across our teams but also helps us retain and attract talent.



- The results of our annual Group Employee Engagement Survey were positive, achieving an employee Net Promoter Score of 30 (2022:39). This allows us to gain feedback from our people so we can continually improve our employee experience, and despite a slight decrease in our eNPS, the score is considered very good and 46 points higher than construction and heavy industry averages, while continuing to show very high levels of advocacy, pride and loyalty in Henry Boot.
- Finally, during 2023, we began to assess our brand value proposition by completing a series of internal and external workshops. As a result, I am pleased to say that in early summer we will be launching our refreshed brand, which focuses on improving customer experience and giving greater clarity to our business model.

 Read more about [The relocation of our Head Office](#) on page 19:

**NOTES:**

**This report contains the following alternative performance measures (APM): Underlying profit. Return on Capital Employed. Net Asset Value (NAV) per share. Net (debt)/cash. Total Property Return. Total Accounting Return.**

**More details can be found on page 47.**

The Board proposes to pay a final dividend of 4.40p per share which, together with the 2.93p interim dividend, gives a total of 7.33p (2022: 6.66p), an increase of 10.0% for the year. Subject to approval at the AGM, this will be paid on 31 May 2024 to shareholders on the register at the close of business on 3 May 2024.

On behalf of the Board, I would like to thank everyone at Henry Boot for their dedication and hard work. Once again, their expertise and high levels of engagement have been instrumental in the business producing, against a challenging backdrop, resilient results.

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**PETER MAWSON**  
CHAIR