

# HALF YEAR RESULTS TO 31 DECEMBER 2017

14 February 2018

Peter Truscott, Chief Executive

Graham Prothero, Finance Director

# Peter Truscott

CHIEF EXECUTIVE



# AGENDA

Half year results to 31 December 2017



- Group highlights
- Impact of Carillion
- Financial review
- Strategic and operating review
- Outlook
- Q&A
- Appendices



# GROUP HIGHLIGHTS

Half year results to 31 December 2017



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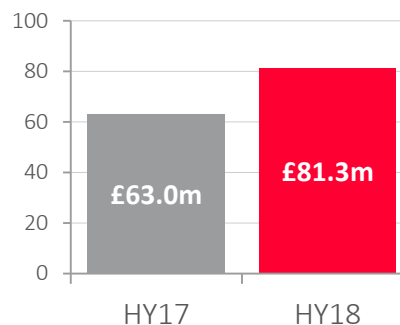
Great Eastern Quays, East London

# GROUP HIGHLIGHTS

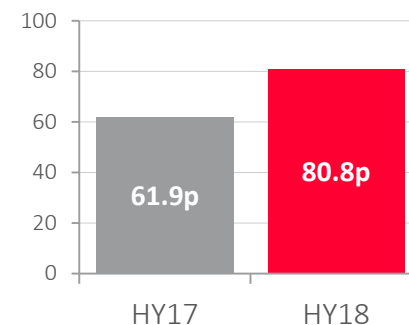
Strong first half performance

- Excellent progress against strategic objectives in all three businesses
- Linden Homes margin up from 18.2% to 18.5%, Partnerships & Regeneration margin up from 3.4% to 4.8%, and pre-exceptional Construction margin up from 0.4% to 0.9%
- Half year pre-exceptional profit before tax of £81.3m, up by 29%
- Half year dividend of 28.0p
- Pre-exceptional Return on Net Assets of 30.7%

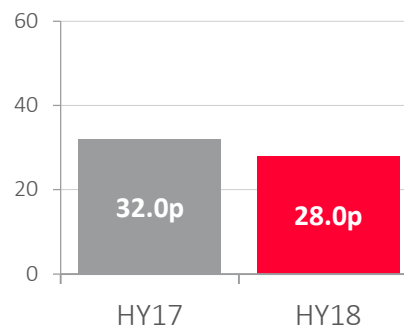
PBT<sup>1</sup> up 29%



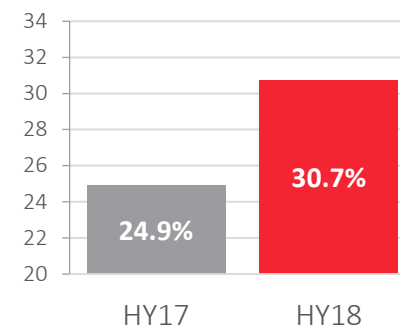
EPS<sup>1</sup> up 31%



Dividend



RoNA<sup>1,2</sup> up 5.8% pts



<sup>1</sup> Pre-exceptional (no exceptional charge in HY17)

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

# IMPACT OF CARILLION

- Group continues to operate well within its financial covenants
- Aberdeen Western Peripheral Route (AWPR) over-run costs, compounded by the compulsory liquidation of Carillion, have increased the Group's total cash commitments on the project by in excess of £150m
- This continuing cost burden will impair ability to realise the significant growth opportunities of Linden Homes and Partnerships & Regeneration

# RESPONSE

## Equity capital raise

- Fully underwritten standby equity capital raise of £150m

## Dividend

- Planned increase in dividend cover to 2.0x pre-exceptional earnings brought forward and effective immediately

### Use of proceeds

1

Ensure the Group has access to the appropriate capital to maintain strong growth trajectory

2

Demonstrate continued financial strength to shareholders, customers, suppliers and other stakeholders

# Graham Prothero

FINANCE DIRECTOR





# FINANCIAL REVIEW



Camomile Lawn, Totnes

# FINANCIAL REVIEW

## Group financial highlights

<b>£m</b>	<b>HY18</b>	<b>HY17</b>	<b>Var</b>	<b>FY to 30 June 2017</b>
Revenue <sup>1</sup>	1,495.0	1,307.6	+14%	2,820.2
Profit from operations before exceptional items <sup>2</sup>	94.7	74.7	+27%	171.2
Profit before exceptional items and tax	81.3	63.0	+29%	147.6
Profit before tax	56.3	63.0	-11%	58.7
Earnings per share				
Pre-exceptional	80.8p	61.9p	+31%	145.8p
Post-exceptional	56.3p	61.9p	-9%	59.1p
Dividend per share	28.0p	32.0p	-13%	96.0p
Group pre-exceptional RoNA <sup>3</sup>	30.7%	24.9%	+5.8% pts	27.5%

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

<sup>2</sup> Profit from operations stated before finance costs, amortisation, joint ventures' interest and tax

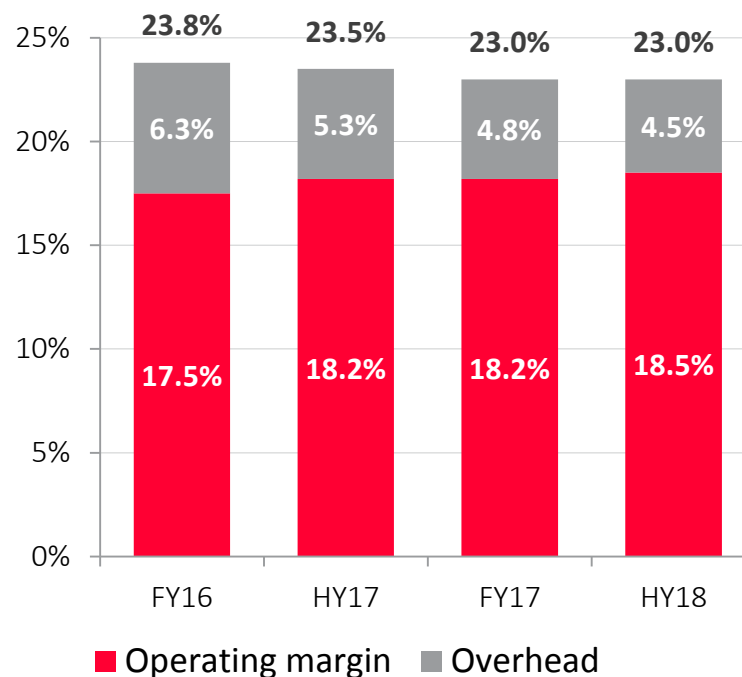
<sup>3</sup> Group pre-exceptional Return on Net Assets (RoNA) is calculated as pre-exceptional EBITA divided by average pre-exceptional net assets including goodwill

# FINANCIAL REVIEW

## Linden Homes

REVENUE/OPERATING PROFIT		Profit up 9%
<b>Units:</b>	<b>1,587</b>	(HY17: 1,491)
<b>Revenue:</b>	<b>£436.8m</b>	(HY17: £407.6m)
<b>Operating profit:</b>	<b>£80.9m</b>	(HY17: £74.3m)
SALES MIX (UNITS)		Units up 6%
<b>Private:</b>	<b>1,170</b>	(HY17: 1,155)
<b>Affordable:</b>	<b>417</b>	(HY17: 336)
AVERAGE SALES PRICE <sup>1</sup>		Up 9%
<b>Total:</b>	<b>£370k</b>	(HY17: £338k)
RETURN		Up 4.4% pts
<b>RoNA:</b>	<b>36.2%</b>	(HY17: 31.8%)
SALES IN HAND <sup>2</sup>		Up 3%
<b>Total:</b>	<b>£879m</b>	(HY17: £857m)

### Linden Homes margin



<sup>1</sup> Excludes affordable

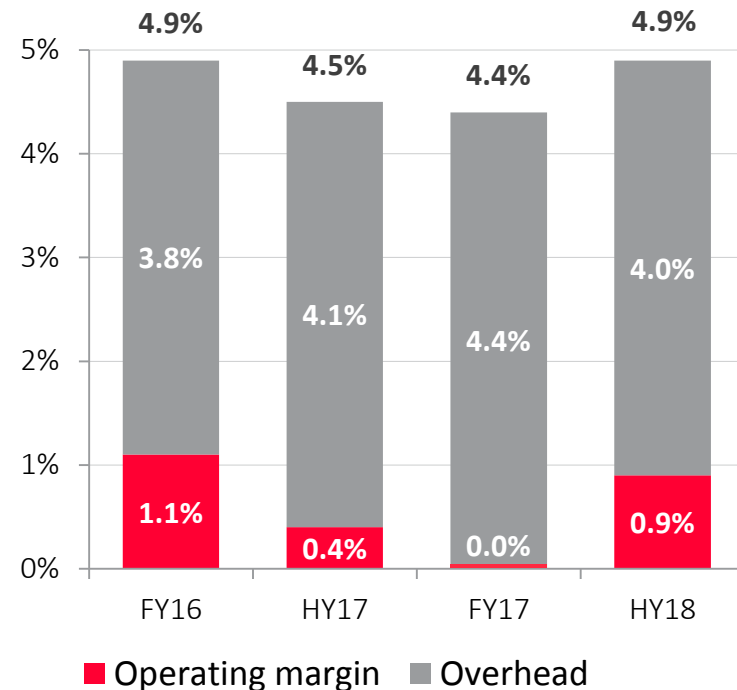
<sup>2</sup> Current at 12 February 2018

# FINANCIAL REVIEW

## Construction

REVENUE/OPERATING PROFIT		Profit up 167%
Revenue:	<b>£823.6m</b>	(HY17: £742.0m)
Pre-exceptional operating profit:	<b>£7.2m</b>	(HY17: £2.7m)
Exceptional charge:	<b>£25.0m</b>	(HY17: £Nil)
CASH		Down £66.3m
Total:	<b>£44.5m</b>	(HY17: £110.8m)
ORDER BOOK <sup>1</sup>		Up £0.1bn
Total:	<b>£3.5bn</b>	(HY17: £3.4bn)
WORK SECURED <sup>1</sup>		Down 1%pt
Total:	<b>61% (for FY19)</b>	(HY17: 62%)

### Construction margin



<sup>1</sup> Current at 12 February 2018

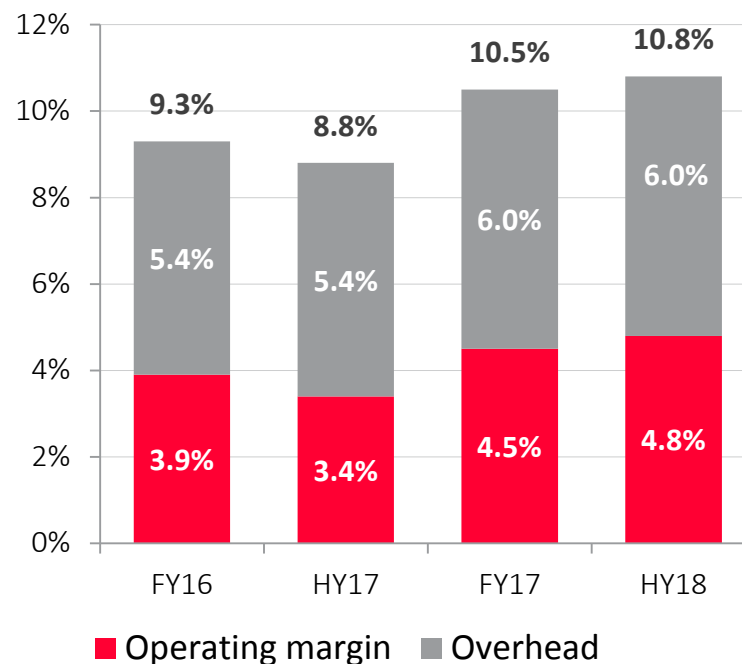


# FINANCIAL REVIEW

## Partnerships & Regeneration

REVENUE/OPERATING PROFIT		Mixed-tenure up 61%
<b>Contracting:</b>	<b>£167.9m</b>	(HY17: £109.7m)
<b>Mixed-tenure:</b>	<b>£55.6m</b>	(HY17: £34.6m)
<b>Operating profit:</b>	<b>£10.8m</b>	(HY17: £4.9m)
UNITS DELIVERED		ASP up 17%
<b>ASP:</b>	<b>£220k</b>	(HY17: £188k)
<b>Mixed-tenure:</b>	<b>331</b>	(HY17: 257)
<b>Equivalent contracting units:</b>	<b>1,343</b>	(HY17: 730)
RETURN		Up 19.0% pts
<b>RoNA:</b>	<b>48.4%</b>	(HY17: 29.4%)
ORDER BOOK/SALES IN HAND <sup>1</sup>		Up 41%/40%
<b>Contracting:</b>	<b>£1.3bn</b>	(HY17: £925m)
<b>Mixed-tenure:</b>	<b>£129m</b>	(HY17: £92m)

### Partnerships & Regeneration margin



<sup>1</sup> Current at 12 February 2018

# FINANCIAL REVIEW

## Segmental analysis

£m	HY18		
	Revenue <sup>1</sup>	Profit/(Loss) from Operations <sup>2,3</sup>	Operating Margin <sup>2</sup>
Linden Homes	436.8	80.9	18.5%
Partnerships & Regeneration	223.5	10.8	4.8%
Construction	823.6	7.2	0.9%
PPP Investments	10.7	2.1	NA
Group	0.4	(6.3)	NA
<b>TOTAL</b>	<b>1,495.0</b>	<b>94.7</b>	<b>6.3%</b>

<sup>1</sup> Revenue includes share of joint ventures  
<sup>2</sup> Pre-exceptional  
<sup>3</sup> Profit/loss from operations stated before finance costs, amortisation, exceptional items, joint ventures' interest and tax

£m	HY17		
	Revenue <sup>1</sup>	Profit/(Loss) from Operations <sup>3</sup>	Operating Margin
Linden Homes	407.6	74.3	18.2%
Partnerships & Regeneration	144.3	4.9	3.4%
Construction	742.0	2.7	0.4%
PPP Investments	12.8	(0.2)	NA
Group	0.9	(7.0)	NA
<b>TOTAL</b>	<b>1,307.6</b>	<b>74.7</b>	<b>5.7%</b>

FY to 30 June 17
Operating Margin
18.2%
4.5%
0.0%
NA
NA
6.1%

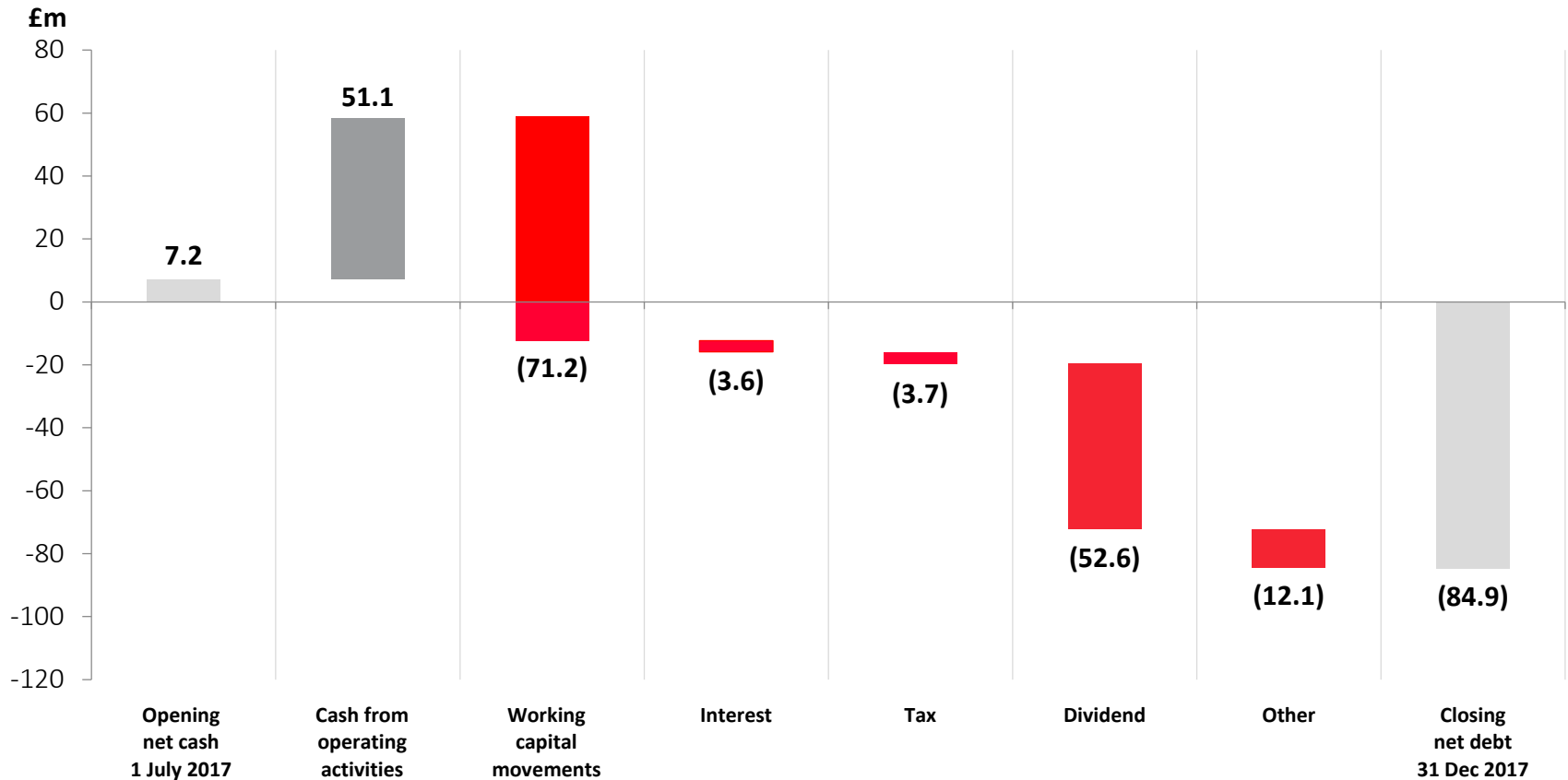
# FINANCIAL REVIEW

## Cash management

- Bank facilities of £450m secure out to 2022; debt private placement of £100m to 2027
- Continue to operate well within banking covenants
- Net debt at 31 December 2017 of £85m (HY17: £114m, FY17: net cash of £7m)
- Gearing at 31 December of 15%, well below our target maximum of 30%
- Average net debt for the six months of £203m (HY17: £231m), below previous guidance
- Continue to benefit from deferred land payments, with land creditors at £188.8m (HY17: £193.3m)

# FINANCIAL REVIEW

## Cash management





# FINANCIAL REVIEW

## Balance sheet highlights

£m	December 2017	June 2017	December 2016
Net asset value	567.0	575.5	598.1
Tangible net assets	389.6	396.4	447.5
Net (debt)/cash	(84.9)	7.2	(113.8)
Gearing %	15%	-	19%
Net pension deficit	2.7	3.2	10.6

# FINANCIAL REVIEW

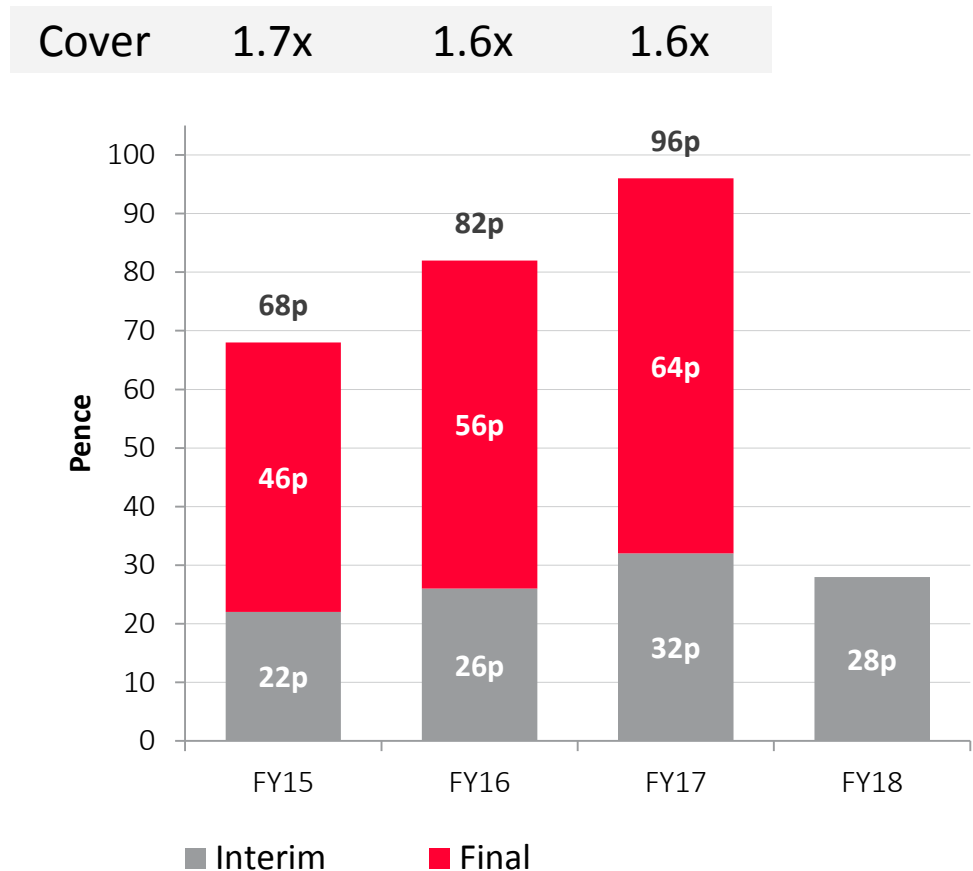
## Segmental balance sheet

Net assets £m	Linden Homes	Partnerships & Regeneration	Construction	PPP Investments	Central	Total
<b>31 December 2017</b>						
Goodwill & intangible assets	52.5	35.1	83.3	-	6.5	177.4
Working capital employed	660.2	70.0	(66.2)	23.7	(213.2)	474.5
Net cash/(debt)	(560.6)	(57.2)	44.5	(13.7)	502.1	(84.9)
<b>Net assets</b>	<b>152.1</b>	<b>47.9</b>	<b>61.6</b>	<b>10.0</b>	<b>295.4</b>	<b>567.0</b>
<b>31 December 2016</b>						
Net assets	114.4	34.8	92.1	7.1	349.7	598.1
<b>30 June 2017</b>						
Net assets	171.6	41.4	77.7	8.8	276.0	575.5

# FINANCIAL REVIEW

## Dividend

- Planned increase in cover to 2.0x now effective from current year
- Full year dividend expected to be based on pre-exceptional earnings
- Interim dividend declared of 28.0p per share



# Peter Truscott

CHIEF EXECUTIVE





# LINDEN HOMES

Strategic and operating review



Meadow Gardens, Essex

# LINDEN HOMES

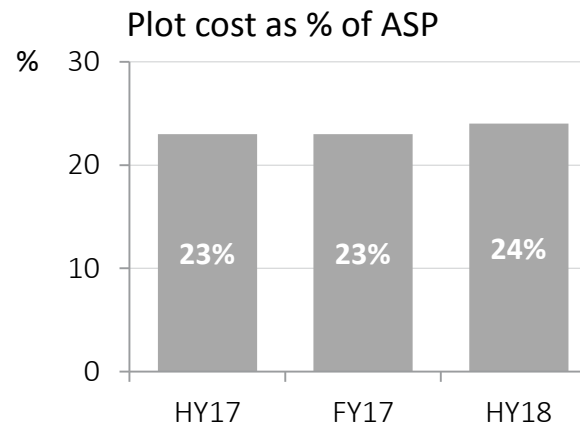
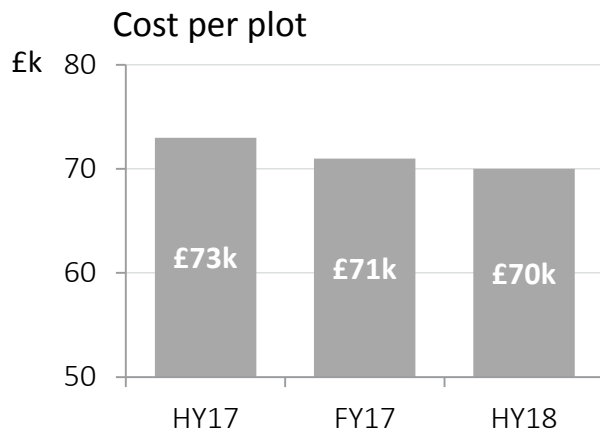
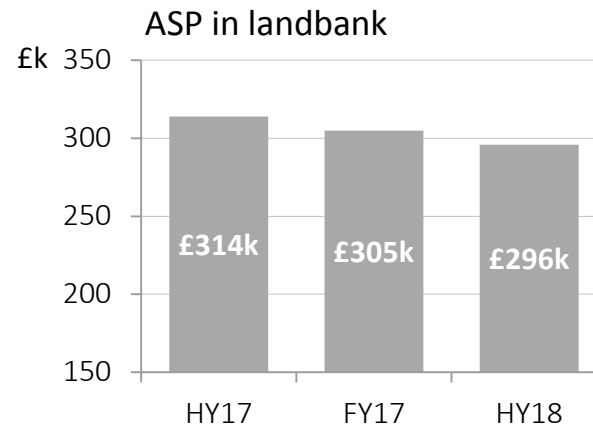
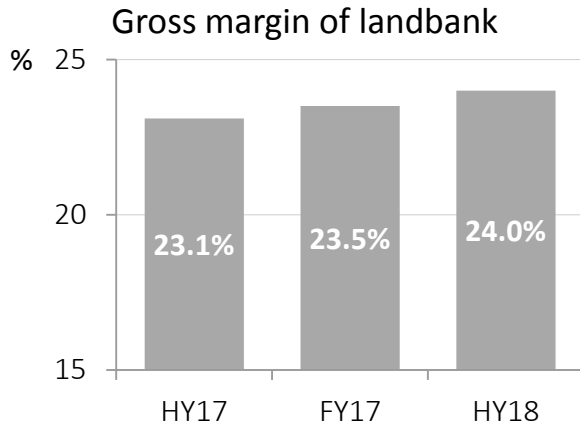
## Strategic and operating review

- Strong first half reflecting volume growth and ongoing operating efficiencies
- Strong improvement in operating margin, up 0.3% pts to 18.5% (HY17: 18.2%)
  - No land sales in the period
  - Further progress in standardisation towards target of 80% by 2021
  - Improved operational productivity
- Land market continues to allow for acquisitions at attractive hurdle rates
  - Landbank of 11,540<sup>1</sup> plots (HY17: 11,500), in line with 3.5 year land strategy with GDV of £3.4bn
  - Strategic land increased by 10% to 2,624 acres, and by 10% to 13,015 plots
- Average outlets increased to 81 (HY17: 75); sales per outlet per week 0.53 (HY17: 0.56)

<sup>1</sup>Current at 12 February 2018

# LINDEN HOMES

## Strategic and operating review



# LINDEN HOMES

## Outlook

- Consumer confidence broadly positive despite political uncertainty
- Pricing stable across core traditional housing sites
- Modest material and subcontractor price pressures
- Well positioned to deliver and improve operating margin through:
  - Continued operating and product efficiencies/standardisation
  - Better margins on new land acquisitions, including strategic
- Land market remains positive; 97% of land secured for FY19 and 68% for FY20, with 3.5-year landbank at 11,540<sup>1</sup>
- 2,624 acres in strategic land in line with plan to achieve in excess of 20% 'pull through' in 2021

<sup>1</sup>Current at 12 February 2018



# CONSTRUCTION

Strategic and operating review



East Midlands Airport

# CONSTRUCTION

## Strategic and operating review

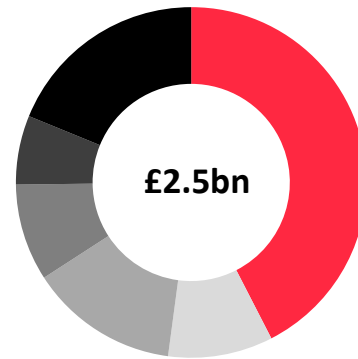
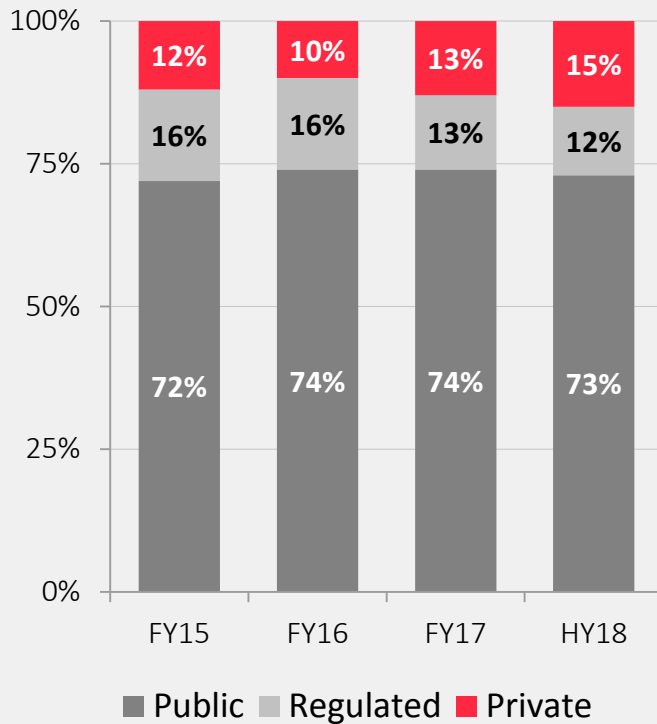
- Underlying business benefiting from progress against strategic objectives:
  - Rigorous project selection
  - No fixed-price, all-risk major projects
- Order book continues to be focused on public and regulated sector and frameworks
- AWPR:
  - Key Carillion people transferred
  - Practical completion expected summer 2018

# CONSTRUCTION

Strategic and operating review

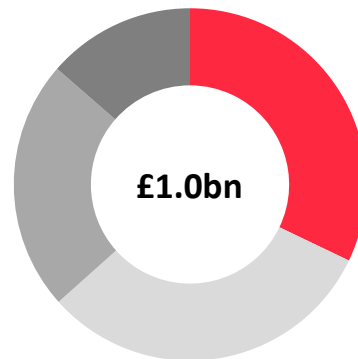
## Order book

By client type



### Building

- Education
- Health
- Commercial
- Other Public Sector
- Defence
- Facilities Management



### Infrastructure

- Water
- Roads
- Rail & Aviation
- Other Civil Engineering

# CONSTRUCTION

## Outlook

- Underlying performance continues to improve through focus on risk management and careful contract selection
- Benefiting from participation on multiple frameworks and high quality £3.5bn order book
- 99% of revenue secured for FY 2018 and 61% secured for FY 2019 (H1 2017: 94% and 62% respectively)
- Stable market conditions
- Remain encouraged by margin performance of newer won projects which support strategic objectives to 2021

# PARTNERSHIPS & REGENERATION

Strategic and operating review

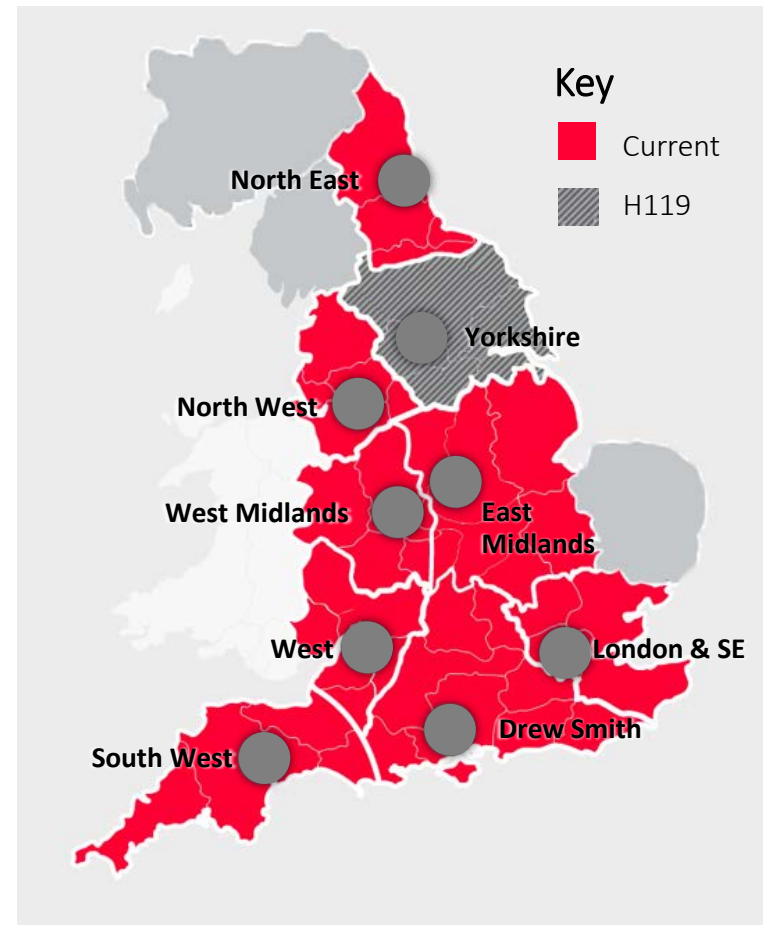


Brunswick Regeneration, Greater Manchester

# PARTNERSHIPS & REGENERATION

## Strategic and operating review

- Very strong first half performance with accelerated growth and margin improvement
- Continue to grow proportion of mixed-tenure revenue
- Expansion of operating platforms
- Successful integration of Drew Smith
- Strengthening of landbank to 2,850 plots (HY17: 2,750) with GDV of £750m
- High quality contracting order book at a record level of £1.3bn up 41%, with mixed-tenure sales in hand up 40% to £129m



# PARTNERSHIPS & REGENERATION

## Outlook

- Good visibility of future work and increased opportunities in all areas
- Secured regeneration opportunities contributing to plan - London, Manchester, Southampton, Gateshead and Bristol
- Renewed demand in market for Extra Care and retirement villages
- Political imperative driving sustained demand for contracting and land-led opportunities
- Progressive margin enhancement and maintenance of low capital model
- Further expansion delivering planned growth trajectory
- Structure and management in place to deliver accelerated growth



# OUTLOOK



Royal Birmingham Conservatoire

# SUMMARY

## Outlook

- Government commitment to the housing market, good mortgage availability and low interest rates
- Linden Homes well positioned following strong first half performance, and expect further margin improvement in line with strategy
- Partnerships & Regeneration delivering and strongly positioned to benefit from demand for affordable housing
- Construction maintains an encouraging pipeline of opportunities with newer work delivering attractive margins
- Remain cautious around current political uncertainty and macro-economic conditions but take confidence from our focused strategy, strong order book and disciplined approach
- Group order book of £5.8bn
- On track to deliver strategy to 2021

# Q&A

Half year results



# APPENDICES



M49 Avonmouth Junction



# APPENDICES

## 1. Group

- 1.1 Investment in Linden Homes and Partnerships & Regeneration
- 1.2 Cash flow summary
- 1.3 Net finance costs
- 1.4 Completed housing units
- 1.5 Forecast land creditors' payment profile

## 2. Linden Homes

- 2.1 Revenue analysis regional
- 2.2 Analysis of sales reserved, contracted and completed
- 2.3 Sales, completions by buyer type
- 2.4 Trading overview
- 2.5 Private sales, analysis of incentives on reservations

2.6 Strategic use of joint ventures (HY18 and HY17)

2.7 Landbank valuation

2.8 Landbank analysis

2.9 Movement in landbank

2.10 Forecast outlets and revenue

## 3. Construction

3.1 Segmental analysis

3.2 Order book

3.3 Contract awards

## 4. Partnerships & Regeneration

4.1 Units delivered

4.2 Business model

4.3 Contract awards

# APPENDICES

## 1.1 Investment in Linden Homes and Partnerships & Regeneration

£m	December 2017	June 2017	December 2016
Amounts invested in joint ventures	258.9	248.6	232.4
Land	510.6	456.6	553.6
Work in progress	287.2	266.0	293.7
Total invested in housebuilding developments & joint ventures	1,056.7	971.2	1,079.7
Land creditors	(188.8)	(144.5)	(193.3)
<b>TOTAL</b>	<b>867.9</b>	<b>826.7</b>	<b>886.4</b>
Linden Homes	753.1	733.8	808.7
Partnerships & Regeneration	114.8	92.9	77.7
<b>TOTAL</b>	<b>867.9</b>	<b>826.7</b>	<b>886.4</b>

# APPENDICES

## 1.2 Cash flow summary – half year to 31 December 2017

£m	HY18	HY17
Cash from operating activities	51.1	65.6
Working capital movements	(71.2)	(104.1)
Net cash used in operations	(20.1)	(38.5)
Interest, tax and dividends	(59.9)	(59.0)
Other	(12.1)	(7.6)
Net cash outflow	(92.1)	(105.1)
Opening net cash/(debt)	7.2	(8.7)
Closing net debt	(84.9)	(113.8)

Cash Analysis - £m	HY18	HY17
Linden Homes (includes loans to joint ventures)	(560.6)	(620.4)
Partnerships & Regeneration	(57.2)	(26.9)
Construction	44.5	110.8
Group and others	488.4	422.7
<b>TOTAL</b>	<b>(84.9)</b>	<b>(113.8)</b>



# APPENDICES

## 1.3 Net finance costs – half year to 31 December 2017

£m	HY18	HY17
Net interest payable on borrowings	(8.9)	(7.8)
Interest receivable from joint ventures	4.7	1.7
Unwind of discount on payables	(0.3)	(0.5)
Other	0.1	0.1
<b>TOTAL</b>	<b>(4.4)</b>	<b>(6.5)</b>

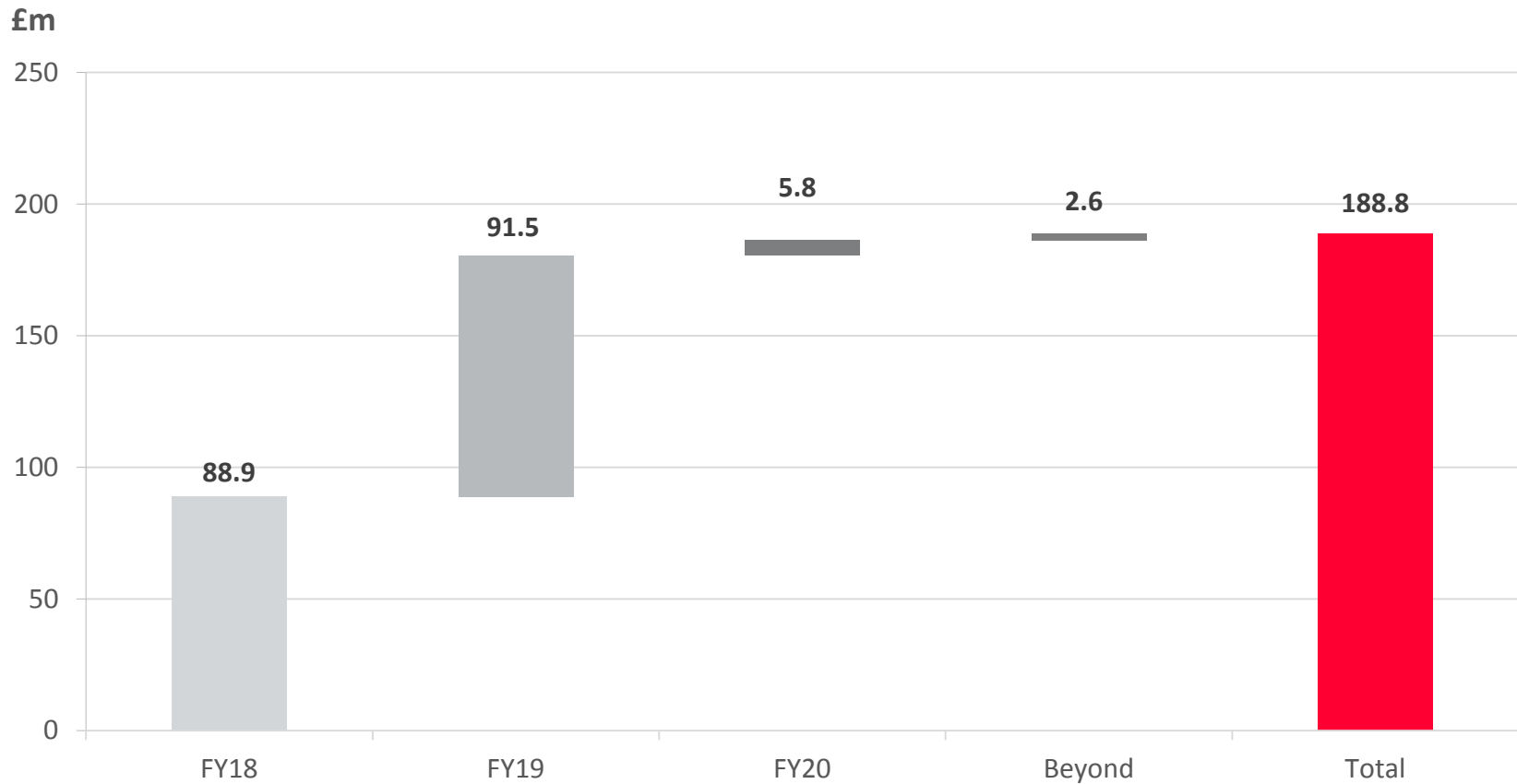
# APPENDICES

## 1.4 Completed housing units

	Linden Homes	Linden Homes	Partnerships & Regen	Partnerships & Regen	TOTAL	TOTAL
Units	Incl JVs	net of partner share	Incl JVs	net of partner share	Incl JVs	net of partner share
Private	1,170	996	239	174	1,409	1,170
Affordable	417	350	92	78	509	428
<b>TOTAL</b>	<b>1,587</b>	<b>1,346</b>	<b>331</b>	<b>252</b>	<b>1,918</b>	<b>1,598</b>
Contracting (equivalent units)	-	-	1,343	1,343	1,343	1,343
<b>TOTAL HY18</b>	<b>1,587</b>	<b>1,346</b>	<b>1,674</b>	<b>1,595</b>	<b>3,261</b>	<b>2,941</b>

# APPENDICES

## 1.5 Forecast land creditors' payment profile



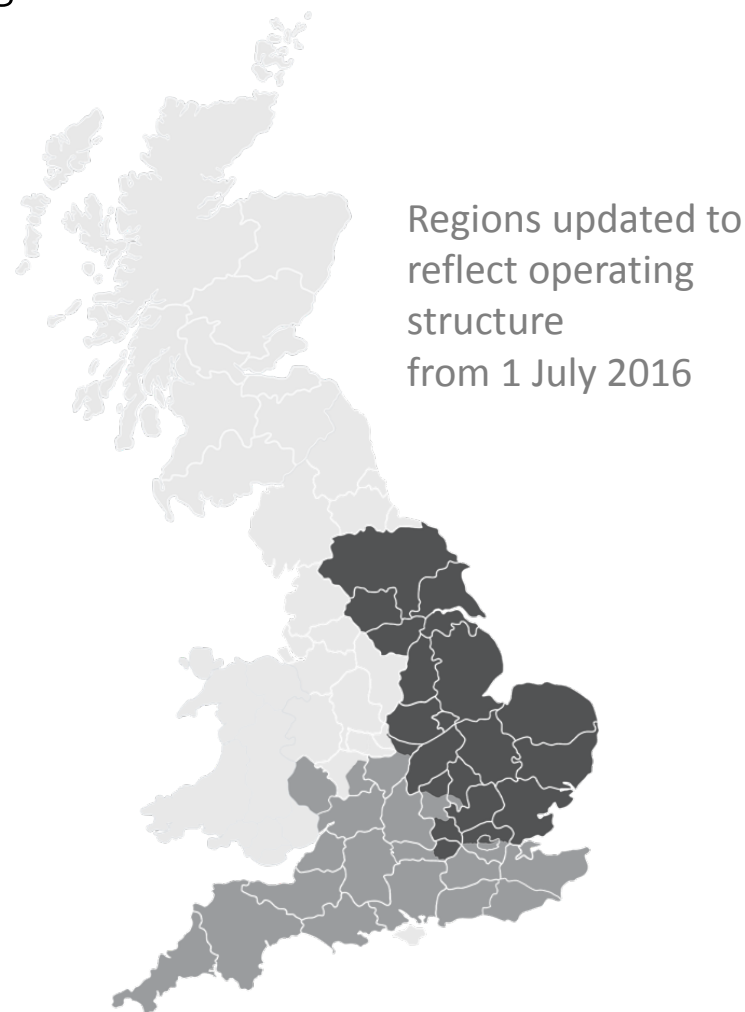
# APPENDICES

## 2.1 Linden Homes – revenue analysis, regional at 31 December 2017

TOTAL	
<b>Units</b>	1,587
Revenue	£436.8m

EAST DIVISION		
<b>Units</b>	717	(45%)
Revenue	£211.7m	(48%)

WEST DIVISION		
<b>Units</b>	870	(55%)
Revenue	£225.1m	(52%)



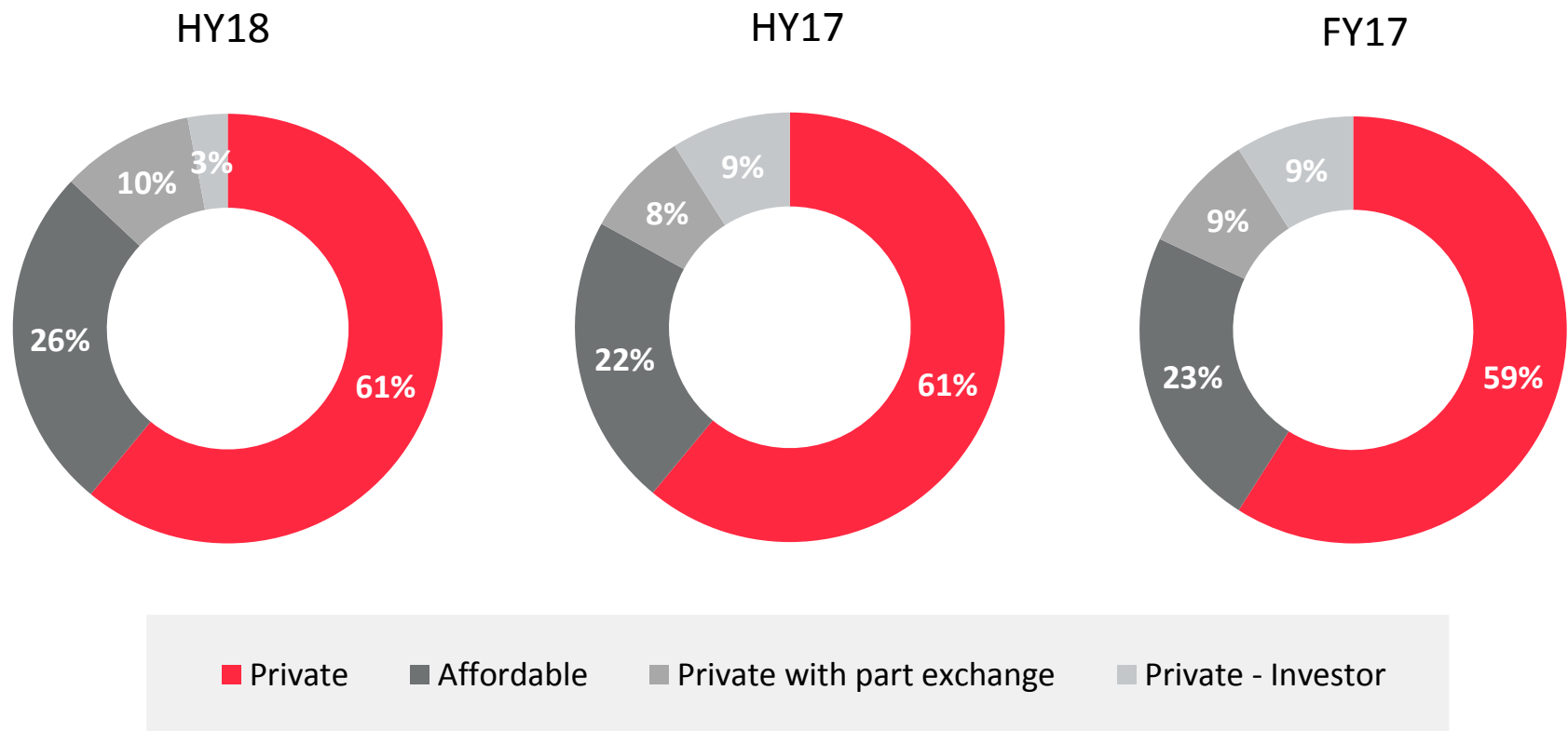
# APPENDICES

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

£m	Feb 18	Dec 17	Feb 17
Private	684.2	576.6	684.1
Affordable	194.9	185.2	163.0
Land sales	-	-	10.3
<b>TOTAL</b>	<b>879.1</b>	<b>761.8</b>	<b>857.4</b>
For completion in FY18	740.3	634.2	699.4
For completion post FY18	138.8	127.6	158.0
<b>TOTAL</b>	<b>879.1</b>	<b>761.8</b>	<b>857.4</b>
<b>Units</b>			
Private	1,845	1,580	1,996
Affordable	1,556	1,492	1,389
<b>TOTAL</b>	<b>3,401</b>	<b>3,072</b>	<b>3,385</b>

# APPENDICES

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



Based on 1,587 completions (FY17: 1,491)

# APPENDICES

## 2.4 Linden Homes – trading overview

	HY18	HY17	FY17
Revenue (£m)	437	408	937
Land cost	25.2%	23.4%	23.9%
Build cost	51.8%	53.1%	53.1%
Gross margin	23.0%	23.5%	23.0%
Overheads	4.5%	5.3%	4.8%
Operating margin	18.5%	18.2%	18.2%



# APPENDICES

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

Proportion of units	H118	H217	H117
No incentives	33%	32%	33%
Incentives			
Part exchange	14%	13%	13%
Assisted move	3%	2%	3%
Help to Buy	46%	50%	44%
Investor sales	4%	3%	7%
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

# APPENDICES

## 2.6 Linden Homes – strategic use of Joint Ventures (JVs) (HY18)

	Completions (Units)		Revenue (Linden Homes only)	ASP
	Gross	Net of JV partner	£m	£000
Direct - private	821	821	298	362
- affordable	283	283	35	123
Other income, including land sales			21	-
JOs <sup>1</sup> - private	36	18	4	175
- affordable	-	-	-	-
	<b>1,140</b>	<b>1,122</b>	<b>357</b>	
JVs <sup>2</sup> - private	313	157	68	436
- affordable	134	67	12	174
<b>TOTAL</b>	<b>1,587</b>	<b>1,346</b>	<b>437</b>	<b>309</b>

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

<sup>2</sup> JVs equity accounted under IFRS11

# APPENDICES

## 2.6 Linden Homes – strategic use of Joint Ventures (JVs) (HY17)

	Completions (Units)		Revenue (Linden Homes only)	ASP
	Gross	Net of JV partner	£m	£000
Direct - private	881	881	285	323
- affordable	265	265	29	111
Other income, including land sales			29	-
JOs <sup>1</sup> - private	88	44	12	269
- affordable	-	-	-	-
	<b>1,234</b>	<b>1,190</b>	<b>355</b>	
JVs <sup>2</sup> - private	186	93	48	514
- affordable	71	36	5	139
<b>TOTAL</b>	<b>1,491</b>	<b>1,319</b>	<b>408</b>	<b>287</b>

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

<sup>2</sup> JVs equity accounted under IFRS11

# APPENDICES

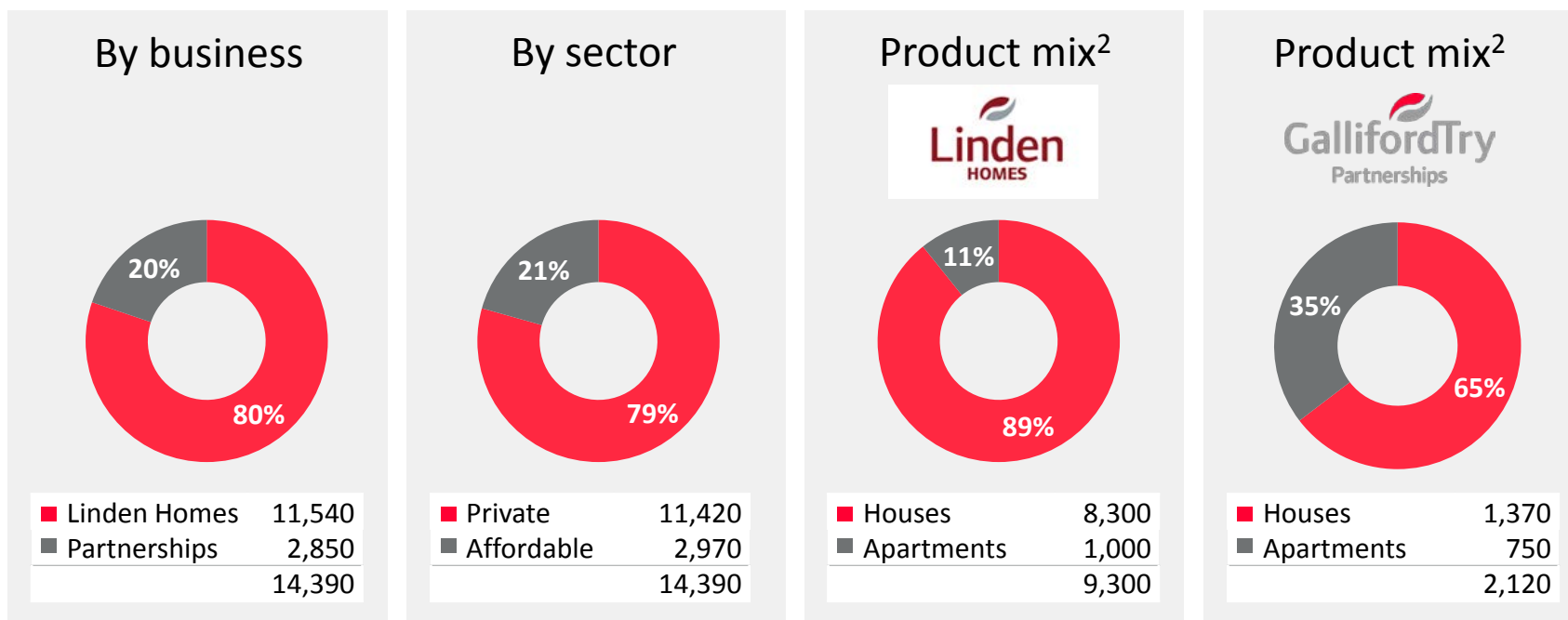
## 2.7 Linden Homes - landbank valuation<sup>1</sup>

Cost per plot £k	December 2017		December 2016		June 2017	
	East Division	West Division	East Division	West Division	East Division	West Division
Opening landbank	78	66	79	69	79	69
Closing landbank	74	66	80	68	78	66
Weighted ASP in landbank	291	301	305	322	309	302
Plot cost as % of weighted ASP	25%	22%	26%	21%	25%	22%

<sup>1</sup> Excluding strategic landbank of 12,446 plots

# APPENDICES

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



<sup>1</sup> Current at 12 February 2018

<sup>2</sup> Excludes affordable

# APPENDICES

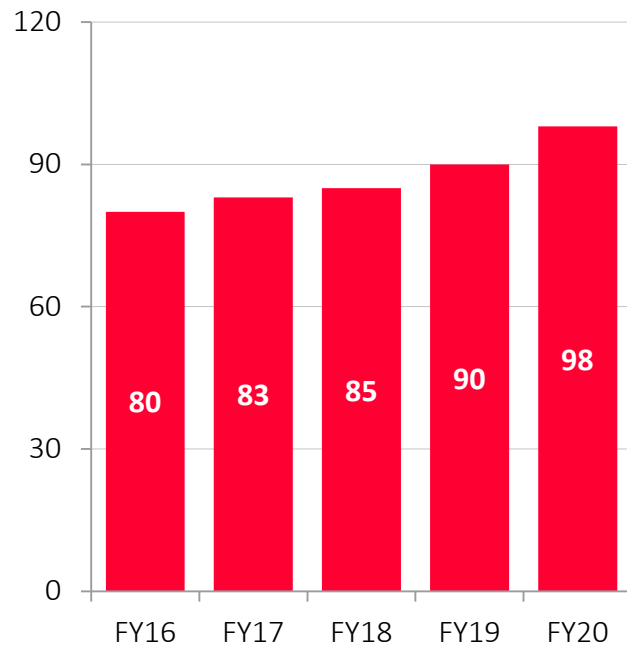
## 2.9 Linden Homes - movement in landbank

	Total Landbank	Owned	Controlled
At 30 June 2017	10,650	8,791	1,859
Legal completions	(1,346)	(1,346)	-
Land acquired	2,523	1,892	631
Transfers	-	801	(801)
Aborted	(195)	-	(195)
Transferred to Partnerships & Regeneration	(109)	-	(109)
Planning changes & other	1	1	-
At 31 December 2017	11,524	10,139	1,385
At 12 February 2018	11,540	10,125	1,415

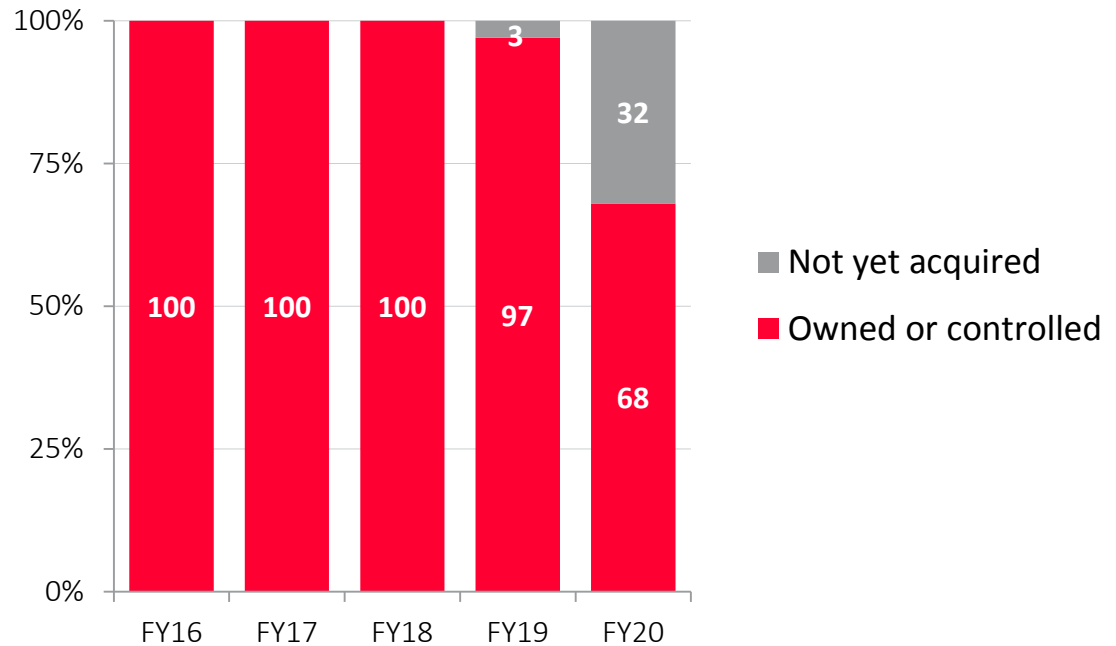
# APPENDICES

## 2.10 Linden Homes - forecast outlets and revenue

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



### Revenue by period %



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



# APPENDICES

## 3.1 Construction – segmental analysis

£m	HY18			FY17
	Revenue <sup>1</sup>	Profit from Operations <sup>2</sup>	Margin <sup>2</sup>	Margin <sup>2</sup>
Building	504.1	3.0	0.6%	(1.2)%
Infrastructure	319.5	4.2	1.3%	2.0%
<b>TOTAL</b>	<b>823.6</b>	<b>7.2</b>	<b>0.9%</b>	<b>0.0%</b>

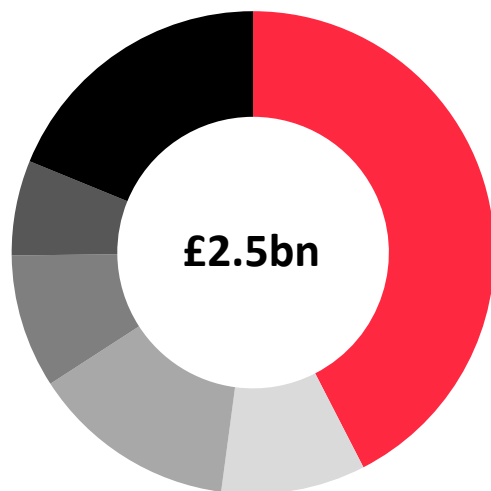
£m	HY17		
	Revenue <sup>1</sup>	Profit from Operations	Margin
Building	492.2	1.5	0.3%
Infrastructure	249.8	1.2	0.5%
<b>TOTAL</b>	<b>742.0</b>	<b>2.7</b>	<b>0.4%</b>

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

<sup>2</sup> Pre-exceptional

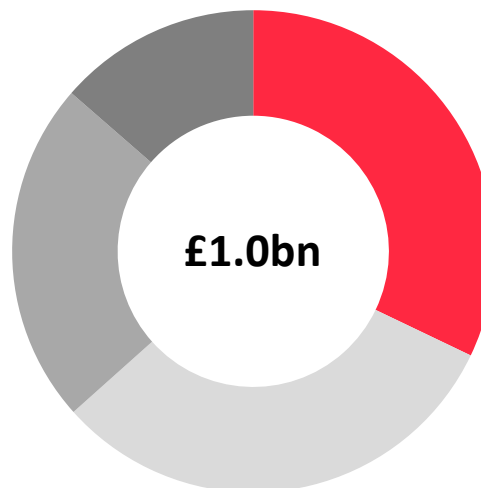
# APPENDICES

## 3.2 Construction - order book



### Building

	£m
■ Education	1,053
■ Health	240
■ Commercial	341
■ Other Public Sector	222
■ Defence	158
■ Facilities Management	467



### Infrastructure

	£m
■ Water	314
■ Roads	306
■ Rail & Aviation	225
■ Other Civil Engineering	133

# APPENDICES

## 3.3 Construction - contract awards

### Building

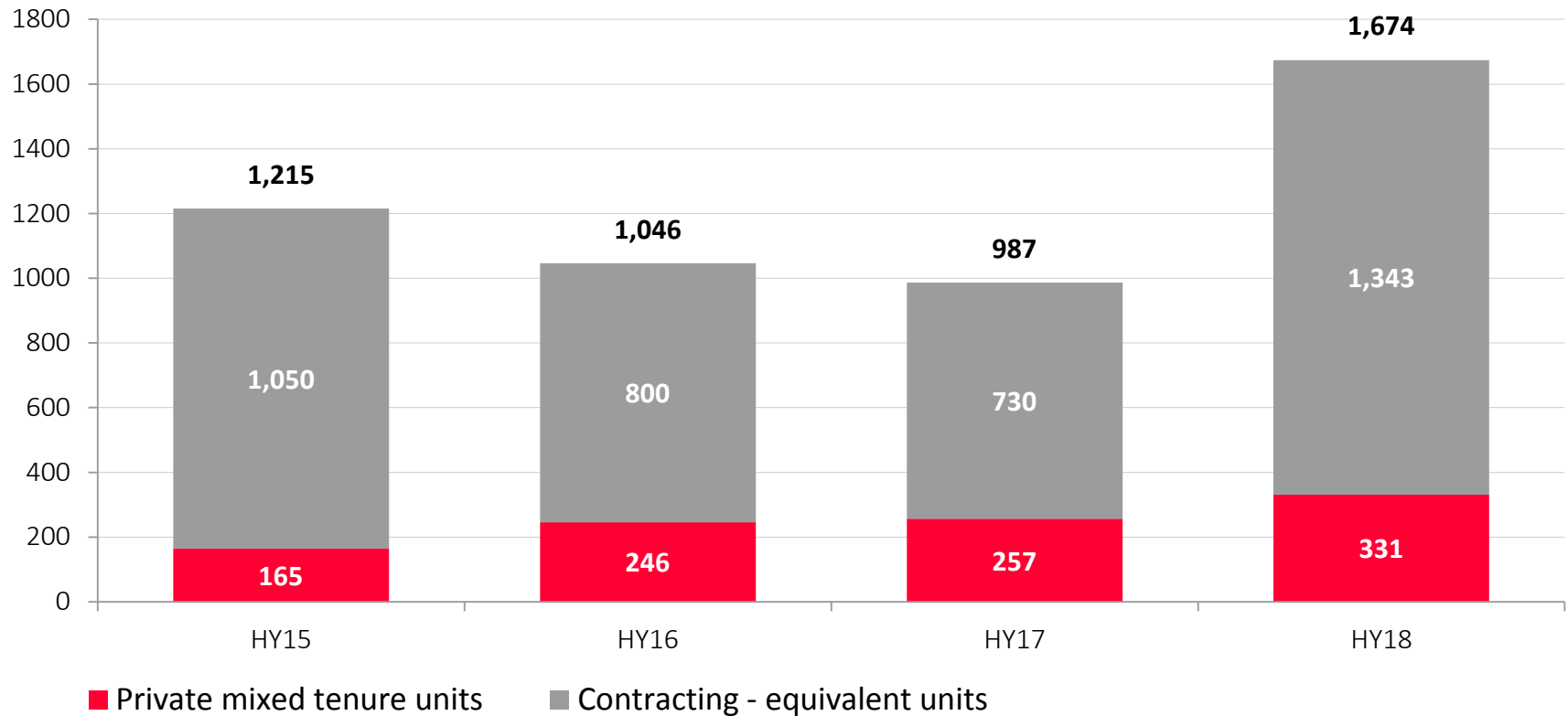
- Won contracts and positions on frameworks worth over £400m including being appointed to:
  - All six lots of the business bid on the new Education and Skills Funding Agency's school building framework, worth up to £3.1bn
  - £750m North Eastern Universities Purchasing Consortium major capital projects framework

### Infrastructure

- Won contracts and positions on frameworks worth over £290m, including places on:
  - Four lots of the £1bn YORCivil2 framework
  - The new Highways & Infrastructure Construction Works framework (led by Manchester City Council) worth a potential £200m

# APPENDICES

## 4.1 Partnerships & Regeneration – units delivered



# APPENDICES

## 4.2 Partnerships & Regeneration – business model

- Contractor/developer hybrid perfectly aligned to market
- Attractive financial characteristics with strong blended margin and returns
  - Good margin and strong cash generation in contracting
  - Further investment in mixed-tenure development sites
  - Strong cash management and return on capital
- Mixed-tenure value enhanced through use of Linden Homes brand
- Visible growth in Extra Care and Build to Rent sectors

# APPENDICES

## 4.3 Partnerships & Regeneration - contract awards

- New joint venture with Registered Provider Trafford Housing Trust to deliver a £100m 600-home regeneration scheme in Partington, Greater Manchester
- Extension of three sites to its existing joint venture with Gateshead council
- Development partner for Ealing Council for an estimated £275m regeneration scheme to create 471 new homes and new council headquarters
- Delivering a £120m 440-home Buy-to-Rent scheme in Walthamstow for Legal & General
- Appointed by a joint venture between Genesis Housing Association and Queens Park Rangers Football Club to construct a £155m scheme for 605 new homes in West London

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An aerial photograph of an industrial and residential area. A multi-lane highway interchange is prominent, curving through the scene. The surrounding area is filled with various industrial buildings, parking lots, and some green spaces. The overall image has a dark, semi-transparent overlay.

  
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