



Sustainable Growth

Full year results to 30 June 2021
16 September 2021


GallifordTry

Agenda

Full year results to 30 June 2021

Highlights

Financial review

Strategy update: Sustainable Growth

Q&A

A52 improvements, Derby

Bill
Hocking

Chief Executive

Highlights

Established our platform for growth.

- Excellent culture; aligned teams.
- Strong foundations of risk management and contract discipline.

Performance ahead of target.

- Returned to profitability and reinstated dividend.
- Strong financial foundation for future.

Confident in delivering sustainable growth.

- Strategy update: Sustainable Growth.
- Strong demand in our chosen markets.

£11.4m

Profit before tax
(FY20: pre-exceptional loss £59.7m)

2.0%

Divisional operating margin
(FY20: pre-exceptional loss 5.0%)

2.0x¹

Dividend cover
4.7 pence per share
(FY20: nil)

¹ Covered by earnings from continuing operations.

Financial review

Andrew
Duxbury

Finance Director

FY21 ahead of expectations

- Strong performance.
- Improved profitability; ahead of expectations.
- Good progress on divisional operating margin.
- Cash generative.
- Excellent start to FY22 and positive outlook.
- Full year dividend at 2.0x¹ cover.

¹ Covered by earnings from continuing operations.

£1,125m

Revenue
(FY20: pre-exceptional
£1,090m)

2.0%

Divisional operating margin
(FY20: pre-exceptional loss
5.0%)

£11.4m

Profit before tax
(FY20: pre-exceptional loss
£59.7m)

9.5p

Earnings per share
(FY20: pre-exceptional loss
47.7p)

£164m

Average month-end cash
(FY20: £141m)

4.7p

Dividend per share
(FY20: nil)

Segmental analysis

Improved profit performance

- Revenue largely unaffected by Covid-19.
- Some delay in new infrastructure revenue, as expected.
- Progress in both Building and Infrastructure margin.
- Central costs in line with guidance.

	FY21	FY20 ¹	Var
Revenue (£m)	1,124.8	1,089.6	+3%
Building	789.2	719.9	+10%
Infrastructure	329.2	357.1	(8)%
PPP Investments	6.4	8.2	n/a

	FY21	FY20 ¹	Var
Operating profit/(loss)²(£m)	10.1	(62.2)	+72.3
Building	15.9	(51.9)	+67.8
Infrastructure	6.0	(1.8)	+7.8
PPP Investments	(1.8)	(0.3)	(1.5)
Central	(10.0)	(8.2)	(1.8)

Operating margin (%)			
Building	2.0%	(7.2)%	+9.2ppt
Infrastructure	1.8%	(0.5)%	+2.3ppt
Combined divisional	2.0%	(5.0)%	+7.0ppt

¹ Pre-exceptional.

² Excluding amortisation of intangibles.

Strong balance sheet

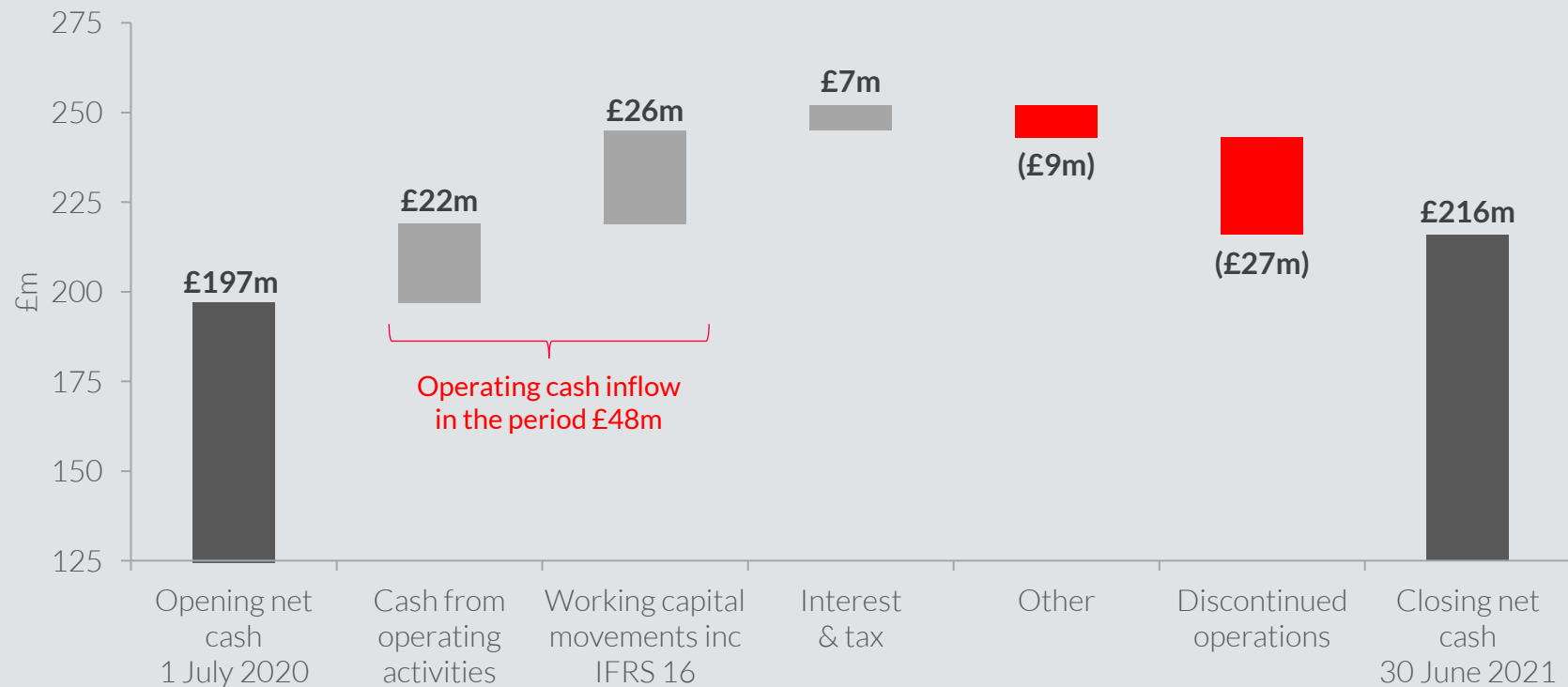
- Well-capitalised, with continued balance sheet strength driven by growth in net cash and expansion in PPP asset valuations.
- Robust cash position.
 - Average month-end cash £164m.
 - No debt.
 - No pension liability.
- PPP portfolio valued at £49.1m.
 - Generated interest income of £3.9m.

Balance sheet £m	30 June 2021	30 June 2020
Intangible assets & goodwill	82.9	85.0
PPP & other investments	49.1	40.7
Other non-current assets	38.4	32.1
Working capital		
Working capital	(242.1)	(211.3)
IFRS 16	(19.2)	(22.3)
Total	(261.3)	(233.6)
Net cash	216.2	197.2
Other	8.8	(0.9)
Total net assets	134.1	120.5
Average month end cash	164.0	140.8 ¹

¹ January to June 2020.

Cash generative

Average month-end cash £164m; operating cash inflow £48m



£164m

Average cash

c£100m

Minimum daily cash

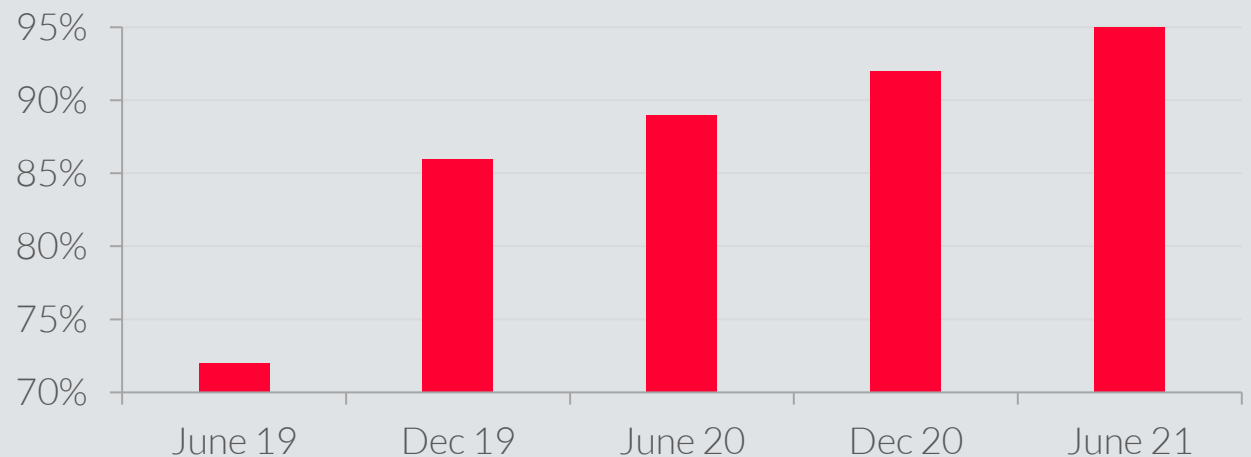
Prioritising supply chain relationships

- Advantage through Alignment makes us a partner of choice; 59% spend with aligned suppliers.
- Further improvement in payment performance – now at 95%.
- Proactive engagement with supply chain has mitigated against materials and labour shortages and inflation.

<u>6 months to 30 June 2021</u>	<u>Average days to pay</u>	<u>Invoices not paid to terms</u>	<u>Invoices paid within 60 days</u>
Galliford Try ¹	36	11%	95%
<i>Compared to 30 June 2020</i>	39	17%	89%

¹ Legal entities required to report :Galliford Try Construction Ltd, Galliford Try Infrastructure Ltd, Galliford Try Services Ltd.

Ongoing improvement



Sustainable dividends

- Capital allocation.
 - Support sustainable growth and strategic opportunities.
 - Maintain strong balance sheet.
 - Pay sustainable dividends.
- Final dividend declared.
 - Excellent financial performance.
 - FY21 furlough monies repaid.
 - Strong balance sheet, supported by cash and PPP assets.
 - No pension liability to fund.
 - High quality order book.
 - Encouraging outlook.

4.7p

Dividend per share (FY20: nil)

2.0x¹

Dividend cover (FY20: n/a)

2.0 - 2.5x

Dividend cover policy

¹ Covered by earnings from continuing operations.




Strategy update: Sustainable Growth

Bill
Hocking



Chief Executive

Sustainable Growth

A people-orientated, progressive culture driven by our values.

-  Health and safety
-  Our people

Protect the environment and create greater social value for communities.


-  Environment and climate change
-  Communities



Progressive culture


Strategy

Deliver high-quality buildings and infrastructure in a socially responsible way and provide a sustainable return for our shareholders



Quality and innovation

Deliver excellence for our clients.

-  Clients
-  Supply chain



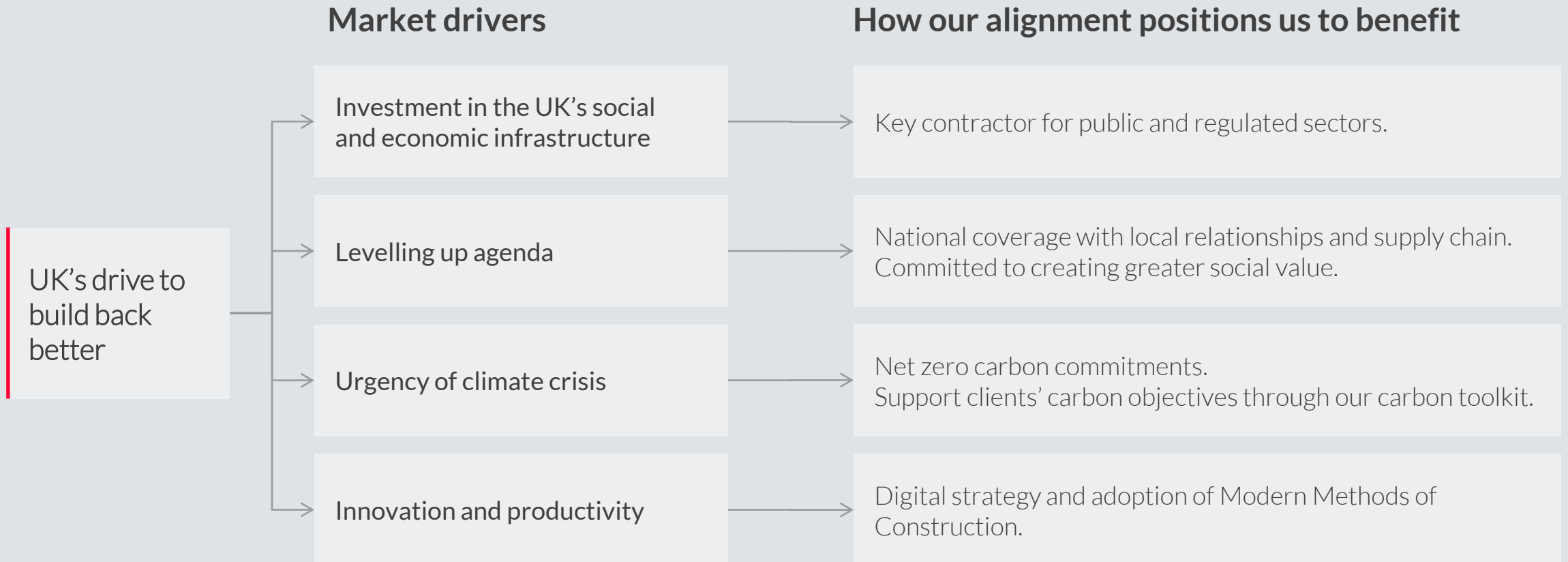
Socially responsible delivery



Sustainable financial returns

Earn a sustainable return on the value we deliver.

Drivers of market growth



Focused risk management

Assessing and managing risks and uncertainties is the central element of our process and business strategy



Delivering Sustainable Growth

- Disciplined growth in existing markets.
- Develop complementary adjacent market opportunities.
- Maintain focus on risk management and commercial discipline.

- Continue to invest in our capabilities



Progressive culture - People

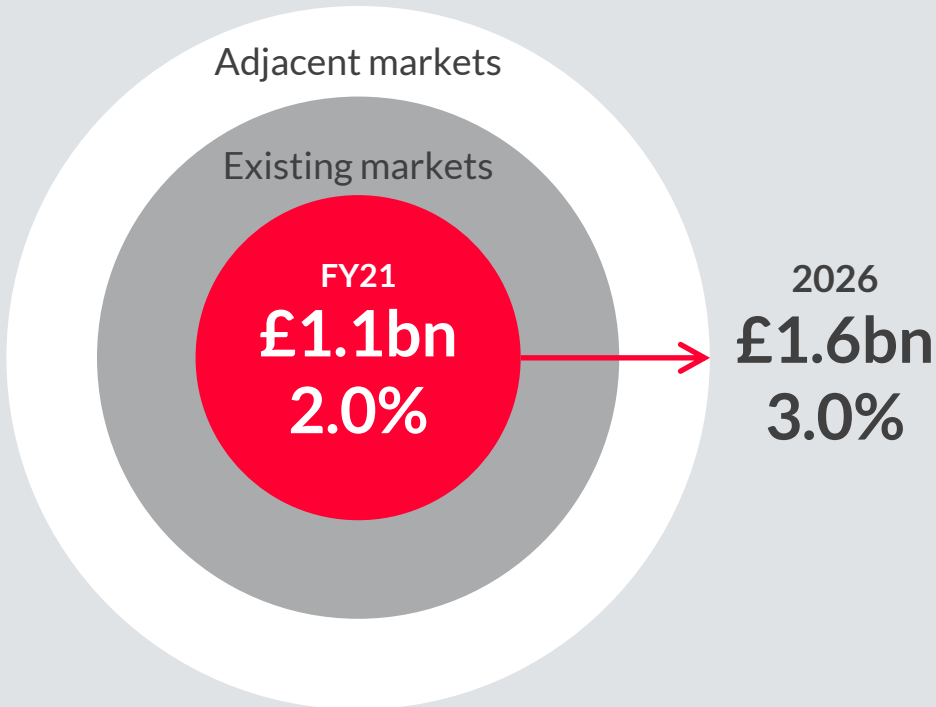


Quality and innovation - Digital



Socially responsible delivery - Low carbon etc

Sustainable Growth



Resulting in sustainable financial performance

Objective

2026 target

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.

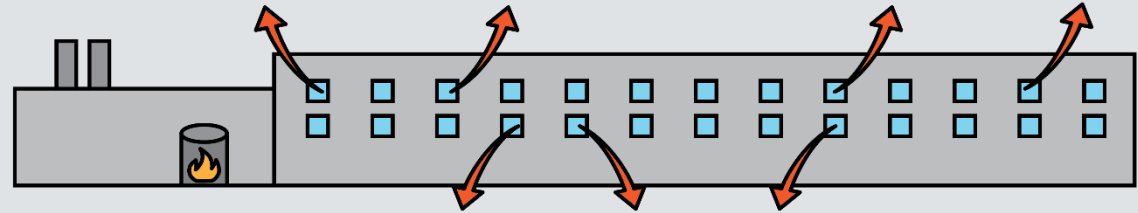
Dividend cover of 2.0-2.5x.

Sustainable Growth

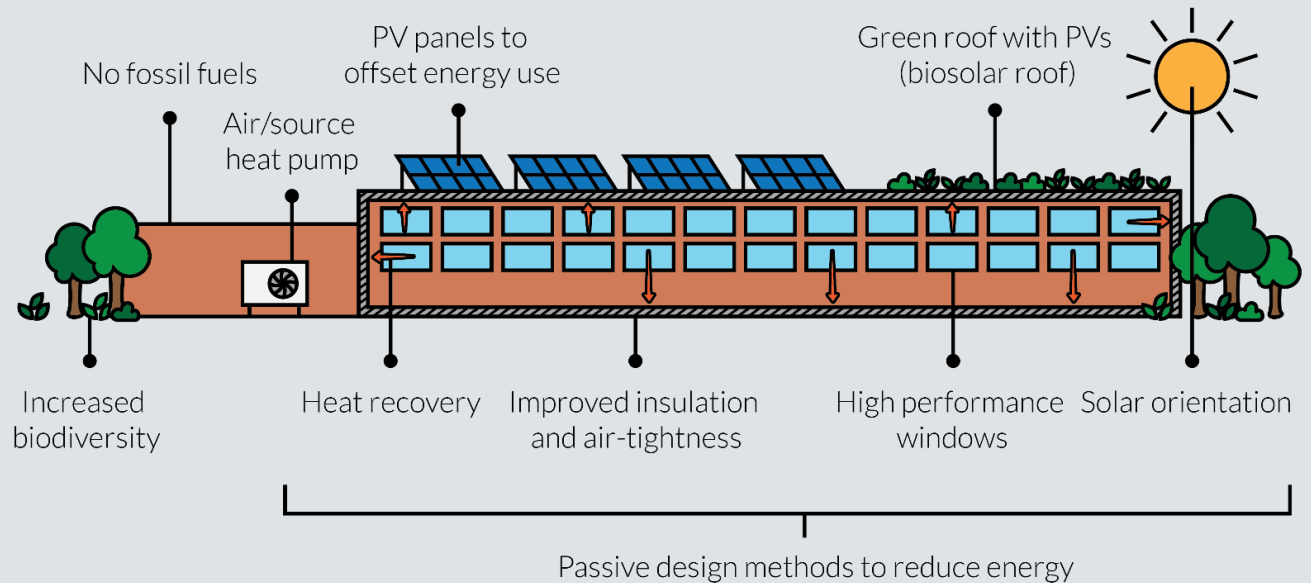
Innovation & socially responsible delivery

Balancing client ambition and commercial objectives

Traditional build



Net zero carbon









Sustainable Growth

ElectroRoads - at the cutting-edge of the UK's transport decarbonisation plan

- Study on behalf of Department of Transport into innovative dynamic charging system.
- Considers how best to deploy Honda's side conductive power technology in the UK, allowing vehicles to charge on the move.
- Follows Galliford Try's project investigating implications for Connected and Autonomous Vehicles on UK motorway network.



Our sustainability commitments

Strategic priorities	Sustainability pillars		Ambition	FY21
Progressive culture	 Health and safety	Accident Frequency Rate	No harm	0.08
		Lost Time Incident Rate	No harm	0.26
	 Our people	Early careers as a % of total employees	YoY increase	7.2%
		Women as a % of total employees	YoY increase	23.0%
		Employee advocacy	YoY increase	New measure
Socially responsible delivery	 Environment and climate change	Scope 1 and 2 carbon emissions (CO ₂ e tonnes)	Net zero by 2030	8,881
		Scope 3 carbon emissions (CO ₂ e tonnes)	Net zero by 2045	New measure
		Waste intensity (tn/£100k revenue)	YoY reduction	7.6
	 Communities	Social value as a % of turnover	YoY increase	New measure
		CCS performance	>38 and above industry ave	40.6 (industry ave. 38.0)
Quality and innovation	 Clients	% of repeat business in order book	>80%	92%
		% of full year planned revenue secured at start of the financial year	>85%	90%
	 Supply chain	% of business unit core trades spend with Aligned subcontractors	70%-80%	59%
		Prompt payment – % of invoices paid within 60 days	>95%	93%



- FTSE4Good member.
- Customer satisfaction 8.15/10 and NPS of 78.
- Above industry average Considerate Constructors Score.
- 8 RoSPA awards.
- Net zero carbon commitments.
- Refreshed behavioural safety programme.

Our chosen markets

- Government spending plans mobilised.
- Excellent position across our 52 national and regional frameworks.
- Sectors closely aligned to market drivers.

Public sector strategic programme spend



Education

£4.8bn



Highways

£28.8bn



Defence and custodial

£12.1bn



Environment

£15.0bn



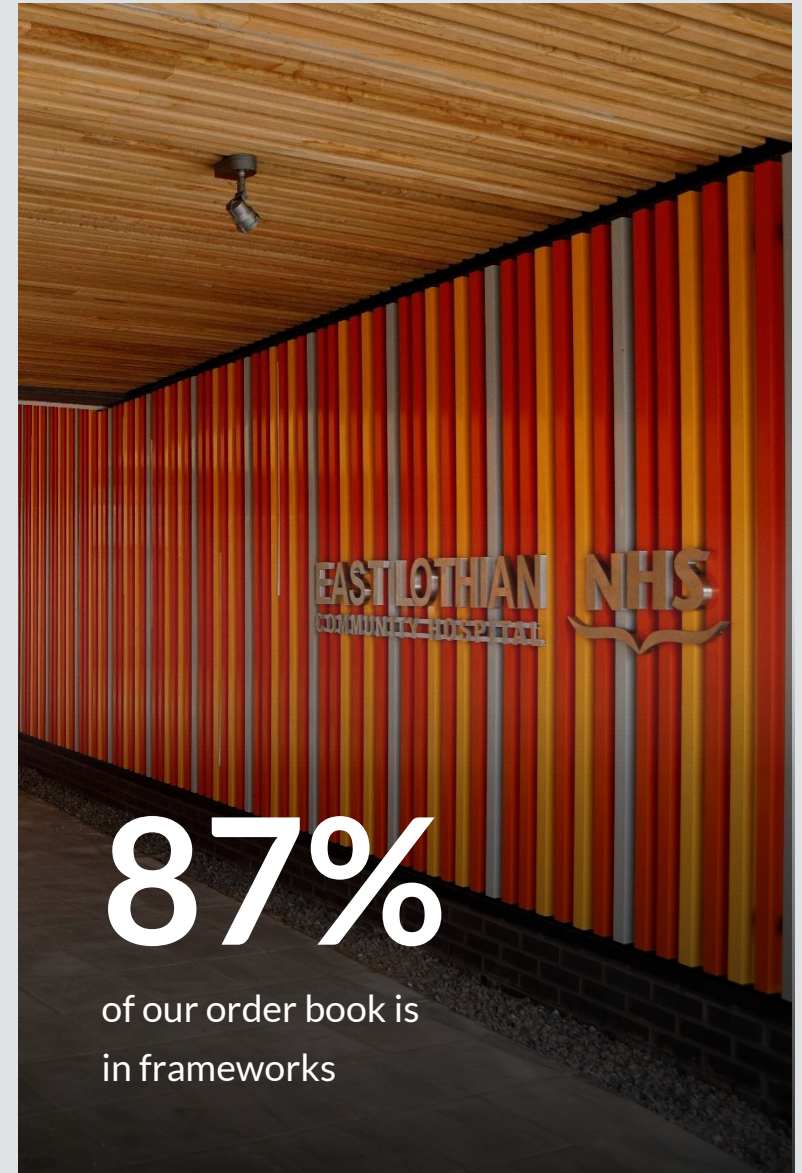
Health

£11.7bn

Case study

Benefits of working in frameworks

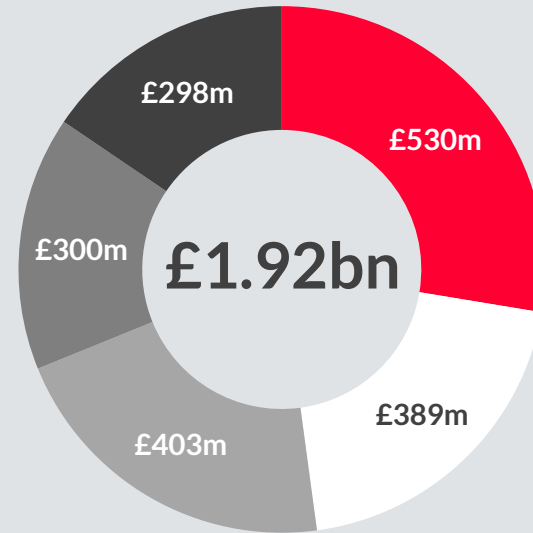
- Offer repeat business with clients who we know and on established and well-understood terms and conditions – a mutual benefit.
- Greater certainty in tendering and typically reduced cost of tenders.
- Improved risk allocation.
- Improved ability to plan for retention of our project teams.
- Early involvement leads to greater influence over value-adding and social outcomes and allows for deeper collaboration.



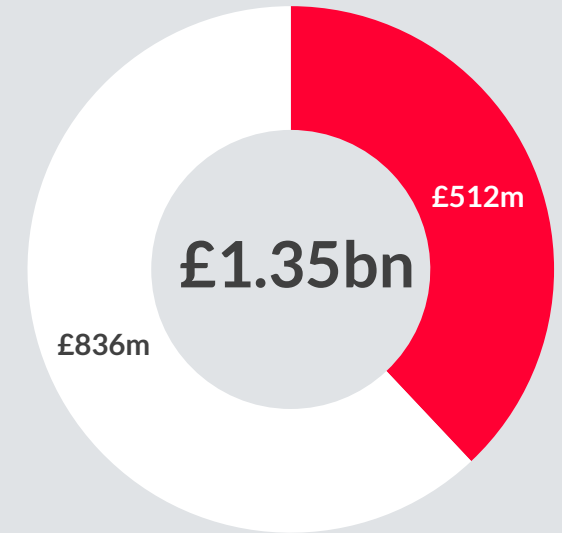
Robust order book

By sector

- £3.3bn order book, with increase in Infrastructure driven by AMP7 success.



Building order book	£m
■ Education	530
■ Defence and custodial	389
■ FM	403
■ Health	300
■ Commercial	298



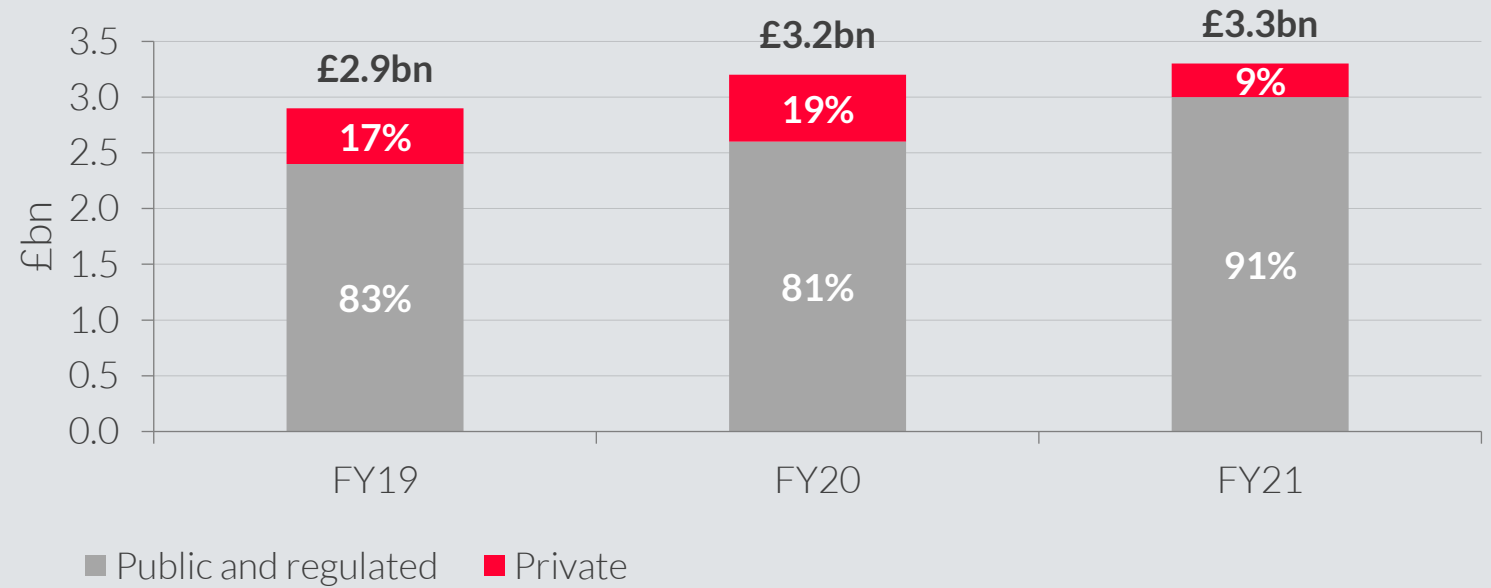
Infrastructure order book	£m
■ Highways	512
■ Environment	836

Robust order book

By client type

- Predominantly public and regulated sector work providing stability and maturity of procurement.
- Key sectors which align to our risk appetite.
- High-quality order book based on disciplined risk management.

Order book by client type



90%

Work secured for FY22 (FY20: 90%).

87%

Work in frameworks (FY20: 90%).

<£20m

Median contract size in Building.

Summary

Confident in our Sustainable Growth strategy

- Excellent financial position.
- High quality order book.
- Great pipeline of opportunities.
- Embedded risk management culture.
- Well positioned to address target growth markets.
- Confident of achieving 2026 targets.



Questions & answers





Appendices

1. Our business

1.1 Sustainable Growth strategy

1.2 Management team

1.3 Geography

2. Financial analysis

2.1 PPP Investments valuation

3. Order book

3.1 Forward order book

3.2 Contract types

3.3 Key framework positions

Appendices

1.1 Sustainable Growth strategy

A people-orientated, progressive culture driven by our values.



Health and safety: Prioritising health, safety and wellbeing and ensuring no harm to anyone linked with our operations.



Our people: Creating an inclusive environment and progressive culture that enables all individuals to reach their potential.

Protect the environment and create greater social value for communities.



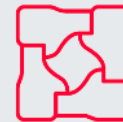
Environment and climate change: Adopting sustainable resourcing and consumption practices and taking measures to mitigate carbon production and climate change to protect our environment and biodiversity.



Communities: Making a positive impact in communities where we operate by delivering greater social value and improving lives.



Progressive culture



Quality and innovation

Strategy

Deliver high-quality buildings and infrastructure in a socially responsible way and provide a sustainable return for our shareholders



Socially responsible delivery



Sustainable financial returns

Deliver excellence for our clients.



Clients: Delivering lower carbon, superior buildings and infrastructure with a better social footprint for clients in our chosen markets through a focus on innovation, digitalisation and quality.



Supply chain: Aligning our supply chain with our culture and creating collaborative relationships that deliver best practice, innovation and sustainable outcomes for clients, communities and the environment.

Earn a sustainable return on the value we deliver.

- Taking a disciplined approach to selecting the work we take on and carefully managing risk at every stage of the project.
- Delivering strong, predictable cash flows and margin improvement.
- Generating increasing shareholder returns.

Appendices

1.2 Management team

A highly-experienced Executive Board

- More than 150 years' construction sector experience.
- Supported by a strong plc Board.

Bill Hocking
Chief Executive



Andrew Duxbury
Finance Director



Kevin Corbett
General Counsel &
Company Secretary



Vikki Skene
HR Director



Ian Jubb
Managing Director,
Building



Mark Baxter
Managing Director,
Investments and
Specialist Services



Appendices

1.3 Geography

*National strength,
local delivery*

Building

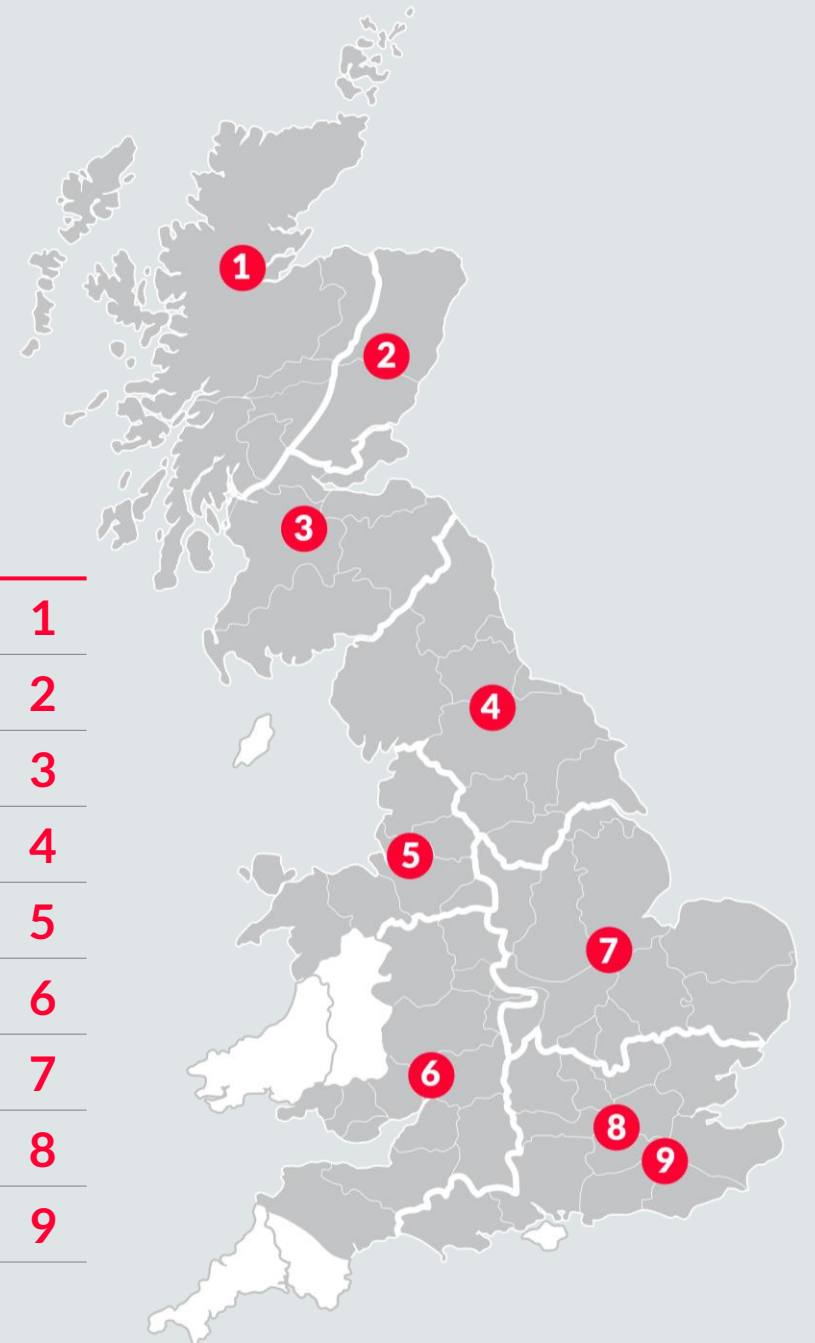
- National coverage through nine regions.
- Sector-specific support.

Infrastructure

- National coverage across Highways and Environment.

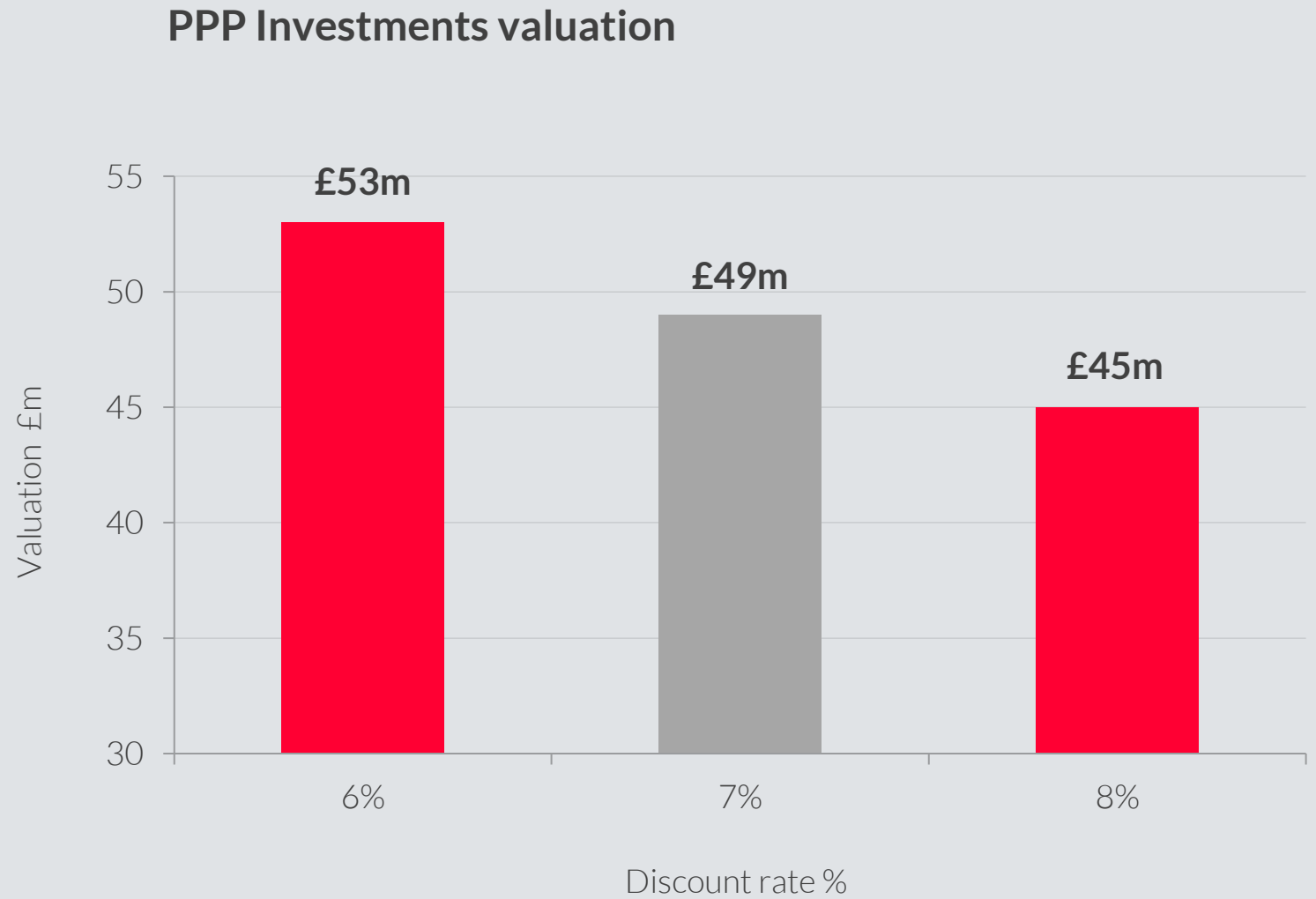
Key

Morrison Construction Highland	1
Morrison Construction North East	2
Morrison Construction Central	3
Building North East & Yorkshire	4
Building North West	5
Building West Midlands & South West	6
Building East Midlands	7
Building London & South East Commercial	8
Building Southern (public sector)	9



Appendices

2.1 PPP Investments valuation

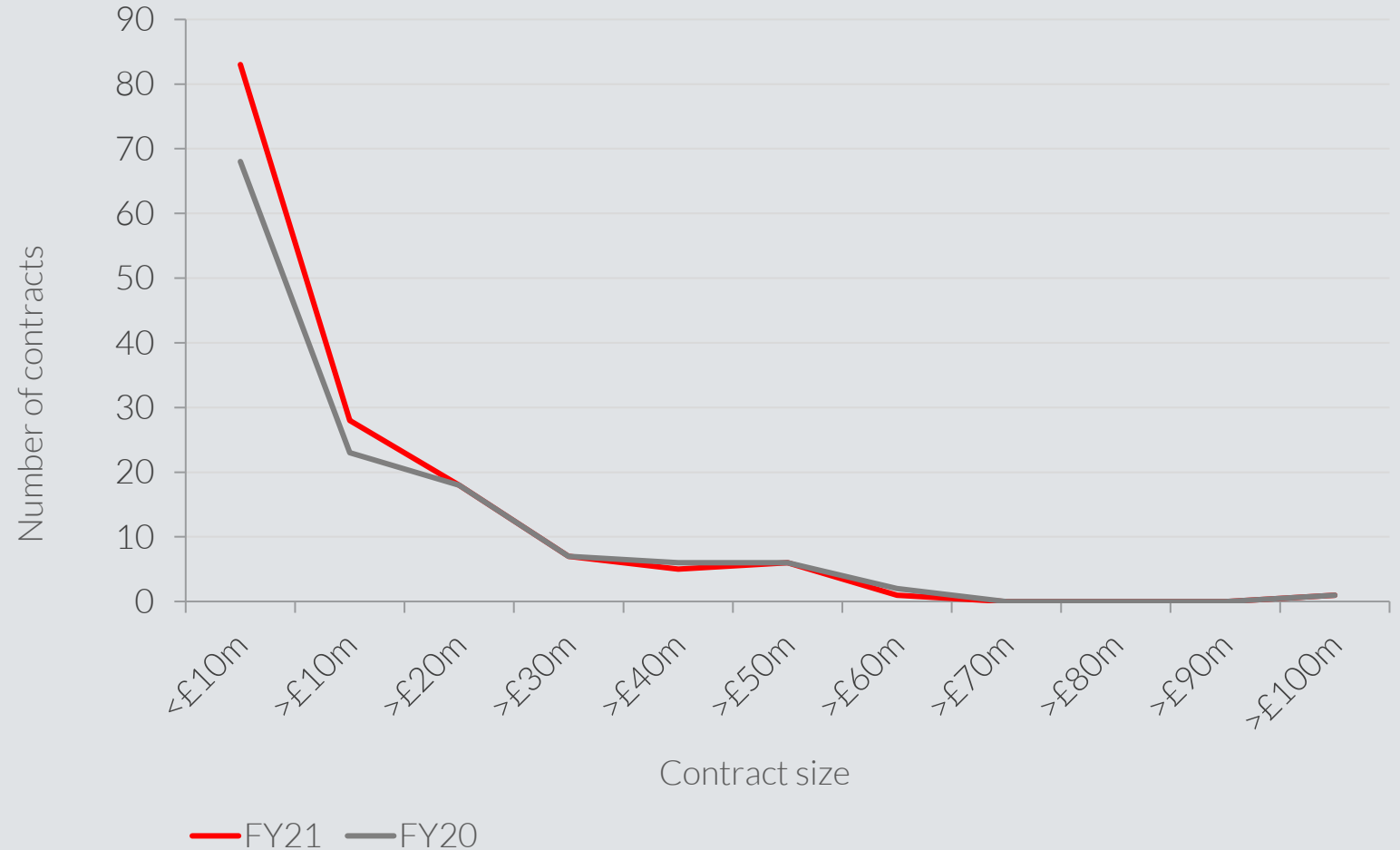


Appendices

3.1 Forward order book

- <£20m average contract size.

Forward order book distribution – Building (excluding FM)



Appendices

3.2 Contract types

Cost reimbursable

Where an overall target contract value is agreed with the client, including margin, risk and inflation contingencies, and the actual cost of the work plus agreed fee is paid by the client. Any cost savings or overspends against the target are shared between the client and contractor.

Fixed-price

Where the final price and programme is negotiated on a sole basis following early involvement, resulting in a fixed-price for a defined scope at point of final contract award.

Appendices

3.3 Key framework positions

A framework is a collaborative agreement between clients and contractors to deliver a programme of works through a stable, long-term partnership, allowing strategic planning, continuous improvement and excellent project outcomes.

- Department for Education's Construction Framework.
- LHC Schools and Community Buildings Framework.
- Crown Commercial Service (CCS) Construction Works Framework.
- Ministry of Justice Strategic Alliance Framework.
- ProCure22 Department of Health and Social Care framework.
- NHS SBS Public Sector Construction Framework.
- hub North Scotland, hub South East Scotland, hub South West Scotland and hub West Scotland.
- Constructing West Midlands CWM2.
- London Construction Programme.
- University of Birmingham's Main Contractor Construction Framework.
- Manchester City Council Highways and Infrastructure Framework.
- NEUPC Universities Framework.
- Scottish Procurement Alliance.
- Southern Construction Framework.
- North West Construction Hub.
- YORBuild2/YORCivil2.
- University of Strathclyde.
- Procure Partnerships.
- Highways England Delivery Integration Partnership.
- AMP7 – Yorkshire Water, Northumbrian Water, Southern Water and Thames Water.
- Scottish Water – S&P21 and DV2.
- North East Procurement Organisation.
- Smart Motorways Programme.
- Midlands Highways Alliance.

Generate repeat clients

87%
of June 2021 order book is in frameworks



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