Vistry Group

5 September 2024
Vistry Group PLC
Half year results for the period ended 30 June 2024

Strong half year performance, further £130m share buyback announced

Greg Fitzgerald, Chief Executive commented:

"The Group has delivered a strong half year performance with Vistry's Partnerships model significantly outperforming the traditional housebuilding market. The Group's growth strategy and greater delivery of affordable housing is well aligned to the new Government's ambitions to address the country's housing crisis, and uniquely positions Vistry to play a key role in delivering the Government's new housing targets.

"We have traded well over the summer months, and with positive momentum across the business are on track to deliver more than 18,000 completions in FY24, and a year-on-year increase in profits.

"We remain confident on delivering our medium-term targets of a 40% ROCE and £800m of adjusted operating profit. In addition, since the strategy update 12 months ago, I'm pleased that the Group has now announced or returned £285m of the targeted £1bn capital return to shareholders over three years."

£m unless otherwise stated	H1 24	H1 23	Change
Adjusted basis[1]			
Total completions (number)	7,792	7,143	9.1%
Revenue	1,974.5	1,777.1	11.1%
Operating profit	227.3	206.7	10.0%
Operating profit margin	11.5%	11.6%	(0.1 ppts)
Profit before tax	186.2	174.0	7.0%
Basic earnings per share	38.8p	38.3p	1.3%
Return on capital employed[2]	17.8%	17.5%	0.3 ppts
Reported basis			
Revenue	1,723.5	1,575.3	9.4%
Operating profit	167.2	121.2	38.0%
Profit before tax	156.7	114.2	37.2%
Basic earnings per share	33.9p	24.1p	40.7%
Net debt	(322.0)	(328.6)	6.6

Highlights

- Total completions increased by 9% in the first half to 7,792 (H1 23: 7,143) units, driven by good demand across our Partner Funded markets
- Adjusted operating profit increased by 10% to £227.3m (H1 23: £206.7m) in the period, with an adjusted operating margin of 11.5% (H1 23: 11.6%)
- New land development opportunities were secured in-line with the Group's high growth strategy, with a total of 8,225 (H1 23: 6,866) mixed tenure plots across 32 developments secured in the first half
- The Group continues to invest in its future capability including land, people, skilled labour and timber frame manufacturing, as well as drive build and cost efficiency across the business, maximising the benefits from its scale and certainty of revenues
- Group net debt position of £322.0m as at 30 June 2024 (30 June 2023: £328.6m), lower than prior year despite the year end 31 December 2023 net debt position being £207m higher than the prior year

[1] Adjusted measures are defined and reconciled to the nearest statutory measure in note 14 of the half year results
[2] ROCE calculated on a 6-month only basis, refer to note 14. FY23 ROCE: 21.3%

Uniquely positioned to play key role in housing delivery

- Addressing the country's acute housing crisis is at the centre of the new Government's plans, with the re-introduction of housing targets that would see affordable housing supply more than double
- We are encouraged by the direction of the Government's policy changes and anticipate that the Autumn Statement will include further initiatives, particularly around funding
- Vistry's unrivalled capability and track record in partnerships housing delivery, uniquely positions us to play a key role in delivering the Government's targets
- The Group has the existing capacity, capability and momentum to deliver strong growth in mixed tenure housing in the near term

Current trading and outlook

- Encouraging sales performance through typically quieter summer months
- On track to deliver strong growth in total completions in FY24 to in excess of 18,000 (FY23: 16,118) units, and full year profits ahead of last year
- This is underpinned by the Group's strong forward sales position totalling £5.1bn (2023: £4.3bn), up 19% on the prior year, with the Group 91% forward sold for FY24
- The Group continues to target a year end net cash position as at 31 December 2024

Capital allocation

- The Group remains committed to returning £1bn of capital to shareholders within three years through a combination of ordinary and special distributions
- In line with the Group's capital allocation policy of a two times adjusted earnings distribution cover, the Group announces a further ordinary distribution via share buyback of £55m in respect of the H1 24 adjusted earnings
- Reflecting the progress made with our strategy to date and further progress expected in the remainder of the year, we are additionally announcing a first special distribution of £75m, also via share buyback
- The combined share buyback of £130m will commence this month and is expected to be completed by our AGM in May 2025
- Since the strategy update 12 months ago, the Group has returned or announced distributions totalling £285m of the targeted £1bn capital return to shareholders

There will be an investor and analyst presentation at 8:30am today at Deutsche Numis, 45 Gresham St, London EC2V 7BF. There will also be a live webcast of this event available on our corporate website at www.vistrygroup.co.uk or via the following link https://brrmedia.news/VTY_HY24

A playback facility will be available shortly afterwards.

For further information please contact:

Vistry Group PLC
Tim Lawlor, Chief Financial Officer 01732 494716
Susie Bell, Group Investor Relations Director
FTI Consulting
Richard Mountain / Susanne Yule 020 3727 1340

Certain statements in this press release are, or may be deemed to be, forward looking statements. Forward looking statements involve evaluating a number of risks, uncertainties or assumptions, many of which are beyond the Group's control, that could cause actual results to differ materially from those expressed or implied by those statements. Forward looking statements regarding past trends, results or activities should not be taken as representation that such trends, results or activities will continue in the future. Undue reliance should not be placed on forward looking statements. Forward looking statements speak only as at the date of this document and the Group and its directors and officers expressly disclaim any obligation or undertaking to release any update of, or revisions to, any forward looking statement herein.

Chief Executive Review

In the first half of the year, Vistry has consolidated its position as the country's leading Partnerships business and delivered a strong financial performance, demonstrating the resilience of the partnerships model. We would like to thank all our employees and our partners for their hard work and commitment which has been paramount to the Group's success.

Our Partnerships model

Our purpose as a responsible developer is to work in partnership to deliver sustainable homes, communities, and social value, leaving a lasting legacy of places people love.

Our business is built upon a strong track record of delivering mixed tenure developments and its long-established relationships with partners across the sector. We work with partners on every site with a minimum of 50% and up to 100% of the units, on every development presold to our partners – our Partner Funded sales.

Our partners are Registered Providers (RPs), Local Authorities (LAs) and Private Rented Sector Providers (PRS), and we deliver multiple tenures including S106 affordable housing as required by planning consent, additional affordable housing including tenures such as shared ownership and discounted homes, and PRS units. The Group has a greater weighting towards affordable housing delivery than traditional housebuilders.

We sell to private buyers on the open market and, across our portfolio of developments, we are targeting c. 35% of units to be open market sales. We have three leading consumer facing brands: Bovis Homes, Linden Homes and Countryside Homes with each having a differentiated target customer and product range to maximise the open market sales opportunity.

Uniquely positioned to work alongside the Government to deliver housing targets

Addressing the country's acute housing crisis is at the centre of the new Government's plans, with the re-introduction of housing targets that would see a more than doubling of the supply of new affordable housing.

We are excited about the future for housing and are encouraged by the direction of the Government's policy changes. We anticipate that the Autumn Statement will include further initiatives, particularly around unlocking the funding for new affordable housing supply.

As the leader in Partnerships housing, and with Vistry's unrivalled capability and track record, we are uniquely positioned to play a key role in supporting the Government to deliver its plans. Operationally, we have the capacity to step-up output, and as we progress our own growth strategy, we have positive momentum across the business today to deliver strong growth in mixed tenure housing in the near term.

Strong demand

The Group's strong growth in total completions in the period, up 9% to c. 7,792 (H1 23: 7,143), demonstrated the resilience of the Partnerships model and represents a significant outperformance compared to the traditional housebuilding market. The Group's sales rate in the period averaged 1.21[3] (H1 23: 0.86) units, with the year on year increase reflecting both stronger demand and the transition of our business to our 100% Partnerships model.

We saw a good level of demand from our Partners with 76% of total completions being Partner Funded. In the period we entered into new agreements with 45 different partners. These included agreements with RPs such as Places for People, LiveWest, BHPA, SNG and Together, and PRS providers such as Sigma and Citra. As expected, we saw a step up in demand from PRS with PRS sales representing 22% of total units up from 13% in FY23.

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[3] Sales rate includes Partner Funded sales (excluding S106 units and 100% Partner Funded developments) and open market sales, as a proportion of the number of sales outlets across the Group on an average weekly basis

In May, we announced a further agreement with Leaf Living, a leading provider of PRS housing, for the sale of a portfolio of c. 1,750 homes across 36 Vistry developments totalling a gross development value of c. £580m. The portfolio largely consists of plots from our former Housebuilding landbank and the majority of homes are expected to complete within the next two years.

As previously noted, there have been near-term demand pressures amongst some traditional RPs as they invest in the maintenance and remediation of existing housing stock. This has particularly constrained some of the traditional RP capacity in London. We are maintaining delivery by continuing to work closely with our partners and ensuring Vistry remains their partner of choice for their new housing investment. RPs and LAs continued to secure good levels of additional affordable and S106 affordable housing, with affordable housing in total representing 54% of our completions, the same percentage as FY23.

Overall, the open market was relatively constrained in the period, reflecting macro and political uncertainty and the higher interest rate environment. Pricing remained relatively flat with the Group using incentives of up to c. 5% of open market price to support open market sales. Open market completions represented 24% of total completions in H1 24, down from 33% in FY23.

Over the summer, we have seen some positive momentum in open market demand reflecting both the Bank of England base rate cut and decreased consumer inertia following the General Election. The Group continues to use incentives with a focus on helping affordability. The Home Stepper shared ownership product continues to be popular, and we have taken c. 350 reservations in the year to date using it.

We expect Partner Funded sales to represent a similar proportion of total completions in FY24 as in the half year, reflecting the strong relative demand of our Partner Funded markets this year. As open market demand recovers, we expect the business to rebalance this mix towards our target c. 65% Partner Funded over the medium term.

Securing high quality Partnership opportunities
The Group continues to secure a strong pipeline of attractive Partnership opportunities that support our growth strategy and meet our requirements for a minimum of 50% of units to be Partner Funded, a 40% return on capital employed and over 12% adjusted operating margin, with the Group's scale and cost efficiency a key competitive advantage. In the first half we secured new land and development opportunities totalling 8,225 (H1 23: 6,866) mixed tenure homes across 32 sites.

The Group is well positioned to secure land through both public procurement and the purchase of private land. In the period, 35% of the land plots secured were from public land sources and 65% from the private market. Strategic land is an important source of development opportunities and in the period the Group added 4,871 plots to its strategic land bank. The Group has all of the land secured for our FY24 targeted completions, and over 80% of the land secured for our FY25 targeted completions.

Driving cost efficiency
Vistry's business model and scale give the Group significant opportunity to improve build and cost efficiency. With a minimum of 50% of our units presold to our Partners and a targeted average across our portfolio of c. 65%, we have certainty of revenues on a large proportion of each our developments. In contrast to the open market and the traditional housebuilding model, the build out of our Partner Funded sales is not constrained by an open market sales rate. We will look to develop and deliver our Partner Funded units as efficiently as possible, with our partners, in general, prioritising timely delivery when entering into a development agreement.

Excellent site management is critical and our site management teams at Vistry are highly valued. Successful delivery of a partnerships site requires a differentiated expertise to traditional housebuilding and we are focused on investing in the development of our site management capability as we grow the business.

In addition to faster speed of build, the high level of visibility on our forward sales and build programme enables us to work closely with our materials supply chain and subcontractors to secure beneficial terms. We secure c. 90% of our materials centrally with a 12 to 24 months contract.

The Group has benefitted from lower year on year building material costs in the first half reflecting our ongoing engagement with our supply chain and these cost benefits are expected to continue into the second half.

Vistry Works

Timber frame construction is at the core of Vistry's operational and sustainability strategy and the Group is targeting in excess of 30% of our total units in FY25 to use timber frame construction. In addition, Vistry Works manufactures floor cassettes, roof trusses and joists. Compared to traditional brick and block construction, timber frame enables a c. 6 weeks faster build time and is shown to reduce embodied carbon by c. 30% over a 60-year timeframe. The increased use of timber frame will also reduce the Group's dependency on labour over the medium term.

In line with our overall growth strategy, we are investing in our manufacturing capacity for the medium term. New product lines are coming online in our Warrington and East Midlands factories in 2025, which will increase the Group's total capacity to 12,000 timber frame units for FY26.

In driving standardisation, efficiency and the increased use of timber frame manufacturing, the Group is streamlining its housing range with a new singular Vistry Collection to be used across all markets and brands. The collection will consist of c. 49 house types drawn from our existing housing ranges. It will be a timber first approach and will address Future Homes Standards.

High quality housing

Vistry is committed to delivering high quality homes and excellent customer service. The Group was awarded a 5-star HBF Customer Satisfaction rating for the fifth consecutive year and for the year to date, our HBF 8-week Customer Satisfaction score is 95.4%. We were pleased to have been awarded a total of 45 quality awards including 38 NHBC Pride in the Job Quality Awards, four Premier Guarantee Quality Recognition Awards and three LABC Bricks Awards. The Group's Construction Quality Review score averaged 4.51 (H1 23: 4.50) in the period with the Average Reportable Items per inspection at 0.2 (H1 23: 0.2).

Our People

The Group's People Strategy is focused on continuing to attract, develop and retain the best people. We are pleased that for the second year running we have maintained our Top Employer certification through the Top Employer Institute and have increased our overall score by 7% to 91.5% (January 2023: 84.5%). In March 2024, we secured 5th place in the Top 50 Inspiring Workplaces in UK and Ireland and 2nd place in the large business category. We are delighted to have been recognised for our creative thinking about outreach and recruitment by being awarded Best for Talent Attraction and Outreach in 2024 WM Top Employer Awards.

We are pleased to report an increase in the Group's June employee engagement score to 8.1 (November 2023: 7.6) as measured by the Peakon employee engagement survey, with the Group's score 0.4 above the Peakon benchmark. We also saw a positive increase in our overall participation rate to 80% (November 2023: 69%). We highly value our employees' feedback and, in addition to the bi-annual Peakon employee survey, we have launched employee engagement forums to work with our colleagues to improve the overall employee experience.

Voluntary employee turnover has declined slightly from 16.2% in July 2023 to 15.8% in June 2024 (12 month rolling period). Our stability index (employees with over 1 year service) has increased from 77.3% in July 2023 to 78.5% in June 2024.

A skilled labour force is key to delivering growth in line with our medium-term targets and supporting the Government's plans to address the country's housing crisis. The Group has invested in its Skills Academies since 2017 with a focus on upskilling local people through practical and classroom training based on a live Vistry development. For each house we build, we allocate a proportion of funding to our Skills Academies and since 2017 have launched 24 Skills Academies with a further 3 to launch by the end of this year.

The Group has a successful graduate training programme and other trainee opportunities and plans to significantly increase the numbers recruited to these programmes over the coming years.

We continue to develop our people through our Leadership Development Programmes and a further c. 170 employees have completed or are currently undertaking the programme since January 2024. A further 29 females across two cohorts have completed our externally run Vistry's Women in Leadership Programme that includes three sessions with an external coach and access to an internal mentor. To mark 2024 International Women's Day, our People Development team together with Vistry's Women Network held four in-person 'Develop-Her Day' events across the country. These were open to women across the business to help to empower them to progress in their career, build confidence and network with other women across the business.

We continue to strengthen our partnerships with third party organisations and are pleased to have commenced a new partnership with the Black Professionals into Construction Network (BPIC). BPIC work with their industry partners to promote inclusive best practices from facilitating careers, to advancing careers of black and ethnic minority professionals, which are fundamental in tackling the lack of diversity within the construction industry. These partnerships continue to support our ongoing commitment to building a more diverse and inclusive culture.

Sustainability

In 2024, we launched our updated sustainability strategy that was based on the output of an extensive materiality assessment. Priority sustainability targets are linked to the Board's KPIs, our revolving credit facility, the long-term incentive plan (LTIP) as well as executive bonuses. This supports our net zero carbon pathway and reflects the importance of sustainability to our business, being core to the Group's purpose.

We are investing in our sustainability team across the country and Sustainability and Social Value leaders in every business unit. Sustainability training has been mandated for all employees and is included in new starter inductions. In the first half we introduced sustainability throughout our 'life of site' procedures ensuring a golden thread through our operations and a consistent approach across our 26 business units whilst simplifying decision making.

The organisations that make up our supply chain are important partners in achieving the Group's sustainability ambitions and we are delighted to have their support. We have developed a Group Sustainable Procurement Policy and onboarding process for subcontractors to ensure that we are aligned on our journey to net zero. In the first half we introduced an automated system to collect carbon waste data from our suppliers, reducing the burden and improving the accuracy and speed of data collection.

The Vistry Innovation Centre (VIC) continues to be well-received by its visitors since its launch on 1 February 2024, attracting increased interest from partners, policymakers, local authorities, and shareholders. It has allowed us to showcase to our partners our ability to tackle climate change, accelerate construction, and enhance customer value through smart home convenience. We have developed a strategy to integrate new innovative products into our specifications, giving partners the ability to trial technologies, and our open market sales teams options to assess customer extras.

Health and safety

In July 2023 we changed the way we measure Safety, Health and Environmental (SHE) performance across our premises and sites. The objective was to improve the behavioural culture and drive continued improvement to reduce work related injuries. The metrics used to score performance became more stringent and gave us better trend analysis. Together with an educational approach that ensures our people have the best skills to identify and manage risk, the metrics show that SHE performance has improved by 11% in the first half of this year.

Our Accident Incident Rate (AIR) has also improved and at the end of the first half, our construction related AIR was 165, falling well below HSE industry average (341).

Damages to services (service strikes) continues to be a challenge for the industry and we are disappointed to report that our service strike incident rate (SSIR) has seen a slight increase during the first half of this year. It currently stands at 371 compared to 349 at the end of last year (12 month rolling average). We remain committed to working with our people and our peers to adopt better and safer practices leading to a reduction in the second half of the year.

Fire safety and other matters

Vistry Group is committed to playing its part in delivering a lasting industry solution to fire safety, and on 13 March 2023 signed the Department for Levelling Up, Housing and Communities' Developer Remediation Contract.

As at 30 June 2024, the Group's fire safety provision totalled £280.7m. The remediation work is managed by our dedicated team and is expected to be phased relatively evenly over the next three to four years.

The Group continues to contribute approximately 4% of relevant profits through the Residential Property Developer Tax (RPDT) since its introduction on 1 April 2022, with a total of c. £20.4m paid to date.

The Competition and Markets Authority (CMA) announced an investigation into eight housebuilders under the Competition Act 1998 regarding the sharing of information in February this year. The Group is fully co-operating with the CMA in this investigation.

Capital allocation

The Board believes that investing in our Partnerships business to deliver sustainable growth in line with our medium-term targets is the most attractive use of capital, with the business continuing to invest in high quality development opportunities which replenish the Partnerships land bank.

Maintaining a strong balance sheet is a key priority, and the Group is targeting a year end net cash position as at 31 December 2024.

The Group is committed to returning £1bn of capital to shareholders within three years through a combination of ordinary and special distributions.

The Group intends to sustain the capital allocation policy of a two times adjusted earnings ordinary distribution cover in respect of a full financial year. The ordinary distributions are to be made either through share buybacks or dividends, with the method to be determined by the Board considering all relevant factors at the time. In line with this capital allocation policy the Group announces an ordinary distribution via share buyback of £55m in respect of the H1 24 adjusted earnings.

As previously outlined, any surplus capital, following investment in the business to support the Partnership's growth strategy and the ordinary distribution, is expected to be returned to the Group's shareholders via a special distribution. Reflecting the progress made with our strategy to date and further progress expected in the remainder of the year, we are announcing a first special distribution of £75m, also via a share buyback.

The combined share buyback of £130m will commence this month and is expected to be completed by our AGM in May 2025.

Since the strategy update 12 months ago, the Group has returned or announced distributions totalling £285m of the targeted £1bn capital return to shareholders.

Board Changes

Greg Fitzgerald took up the new role of Executive Chair and CEO with effect from the close of the Annual General Meeting (AGM) on 16 May 2024. Ralph Findlay stepped down as Chair and non-executive director on close of the AGM. Rob Woodward was appointed as Senior Independent Director with effect from 16 May

2024. In his position as Senior Independent Director, Rob has an enhanced role providing additional oversight on governance matters, as well as a high level of engagement with investors and other stakeholders. Further, Rob is appointed as Chair of the Nomination Committee, leading on the recruitment of new Non-Executive Directors and, in conjunction with the Executive Chair and CEO, will oversee the succession planning of executive management. He also serves on the Audit Committee and Remuneration Committee.

In addition, Alice Woodwark was appointed as a Non-Executive Director and a member of the Nomination, Audit and Remuneration Committees with effect from the close of the AGM. To ensure continuity on the Board and allow more time to recruit a second Non-Executive Director, Chris Browne has agreed to stay on as a Non-Executive Director for up to one more year, having served on the Board since September 2014. She will continue to serve on the Nomination, Remuneration and Audit Committees.

Current trading and outlook

We are encouraged by our sales performance through the typically quieter summer months and are on track to deliver a strong growth in total completions in FY24 to in excess of 18,000 (FY23: 16,118) units, and full year profits ahead of last year.

This is underpinned by the Group's strong forward sales position totalling £5.1bn (2023: £4.3bn), up 19% on the prior year, with the Group 91% forward sold for FY24. The Group continues to target a year end net cash position as at 31 December 2024.

The Group remains confident of achieving a 40% ROCE and £800m of adjusted operating profit in the medium term.

Finance review

Group performance

The Group continued to demonstrate the resilience of its Partnerships model, outperforming the broader housebuilding sector and delivering strong growth in revenue, completions and profit.

Adjusted revenue in the period increased 11% to £1,974.5m (H1 23: £1,777.1m) whilst reported revenue increased 9% to £1,723.5m (H1 23: £1,575.3m). The number of completed homes delivered increased by 9% to 7,792 (H1 23: 7,143), with an average selling price of £273k, in line with H1 23.

We continued to see a good level of demand from our Partners in the period, with the proportion of Partner Funded completions increasing to 76% of total completions (H1 23: 65%). The average selling price of Partner Funded homes increased to £241k (H1 23: £214k) as Private Rented Sector (PRS) homes, which tend to be larger or higher value than affordable tenures, made up a higher proportion of the units sold.

The average selling price of Open Market homes was £376k (H1 23: £389k), with the small decrease attributable to a change in the site and geographic mix. Overall, the market remained relatively constrained during H1 reflecting ongoing macro and political uncertainty and the higher interest rate environment.

We continue to engage with our supply chain and the high level of visibility on forward sales and build programme within our Partnerships model enables us to work closely with our subcontractors to secure beneficial terms. As a result, the Group continued to benefit from a stable cost base in the first half and we expect this to continue into the second half.

The restructuring and simplification of the Group's operating structures, that was completed during 2023, led to a reduction in administrative expenses as there are now fewer regions and lower headcount in the first half of this year.

As anticipated, our adjusted operating margin of 11.5% was lower than the H1 23 margin of 11.6%, reflecting the higher proportion of partner funded completions. The Group's adjusted operating profit for the period increased by 10% to £227.3m (H1 23: £206.7m). The increase in reported operating profit to £167.2m (H1 23: £121.2m) was greater due to lower exceptional operating costs in H1 24 compared to H1 23. Exceptional costs of £5.2m were incurred in relation to restructuring, integration and other items (H1 23: £16.0m). In addition, an exceptional cost of £12.2m was incurred in H1 23 relating to fire safety.

Adjusted net finance costs increased due to higher average borrowings (average month-end net debt of £489.3m in H1 24, £360.1m in H1 23) and higher interest rates during the period. After adjusted net finance costs of £41.1m (H1 23: £32.7m), adjusted profit before tax increased by 7% to £186.2m (H1 23: £174.0m). On a reported basis, profit before tax was £156.7m (H1 23: £114.2m).

The adjusted effective tax rate increased to 28.8% (FY 23: 27.2%) due to the rise in the statutory corporation tax rate in April 2023. As a result, adjusted profit after tax and adjusted earnings per share were broadly in line with the prior year at £132.6m (H1 23: £132.1m) and 38.8p (H1 23: 38.3p) respectively. On a reported basis, profit after tax was £115.9m (H1 23: £83.2m) and earnings per share was 33.9p (H1 23: 24.1p).

The Group's closing net debt position at 30 June 2024 of £322.0m was lower than the prior half year period end (H1 23: £328.6m), despite starting the period £207.0m adverse, with opening net debt of £88.8m in 2024 compared to net cash of £118.2m at the beginning of 2023. The Group continued to invest in work in progress and joint ventures as build activity increased across our sites as well as reducing land creditors by £56.8m. Despite this, the cash outflow was substantially less than in the same period in 2023 as the Group benefitted from the increase in more capital-efficient Partner Funded deals.

The Group's Return on Capital Employed (ROCE) for the half year period improved by 30ppts to 17.8% (H1 23: 17.5%). This ROCE calculation is based on the six-month period only, rather than a rolling twelve month period to provide comparability due to the timing of the Countryside combination in November 2022. First half ROCE is traditionally lower due to the impact of seasonality, with the Group's profits weighted to the second half, and capital employed typically higher at half year as a result of higher levels of work in progress ahead of H2 delivery. We expect ROCE for FY24 to trend to a similar level to the FY23 ROCE of 21.3% and we remain confident of increasing ROCE to 40% in the medium term.

The £55m share buyback that commenced in December 2023 was completed on 23 February, with 5.1m shares purchased during the period for a total cost of £49.8m. A further share buyback of £100m of ordinary shares commenced on 18 April, with 4.0m shares purchased during the period at a total cost of £50.5m. In total, 8.8m shares were cancelled during the period.

Exceptional items

The Group incurred exceptional costs totalling £9.1m during the period (H1 23: £35.6m) principally relating to incremental restructuring costs associated with office closures and other exceptional professional fees.

As required by accounting standards, the fire safety provision is discounted to current values, with the discount unwound over time as a finance cost. The cost in the period was £3.9m (H1 23: £7.4m).

£m	H1 24	H1 23
Restructuring, integration and other costs	(5.2)	(16.0)
Cost of sales relating to fire safety	-	(12.1)
Discount unwind on the fire safety provision	(3.9)	(7.5)
Total exceptional items	**(9.1)**	**(35.6)**

Adjusted net finance cost

The increase in adjusted net finance costs was principally due to net bank interest payable, which increased due to higher average month-end borrowings and an increase in the weighted average rate payable.

£m	H1 24	H1 23
Net bank interest and commitment fees	(27.3)	(17.2)
Issue cost amortisation	(1.0)	(1.3)
Net bank interest payable	(28.3)	(18.5)
Unwind of discount on land creditors	(7.6)	(5.2)
Interest on finance leases	(2.7)	(2.5)
Net interest on defined benefit pension schemes	0.9	0.8
Other finance costs	(9.4)	(6.9)
Interest receivable from JVs	9.0	5.1
Share of JV interest payable	(12.4)	(12.4)
Net JV interest	(3.4)	(7.3)
Total adjusted net finance cost	**(41.1)**	**(32.7)**

Taxation

The forecast full year adjusted effective tax rate was 28.8% (FY 23: 27.2%). This rate gives rise to an adjusted tax charge of £53.6m (H1 23: £41.9m). The increase in the adjusted rates was driven by the increase in the statutory rate of Corporation Tax from 19% to 25% from April 2023. In addition, the Group is subject to Residential Property Developer Tax (RPDT) of approximately 4% of profit before tax.

On a reported basis, the Group recognised a tax charge of £40.8m at an effective tax rate of 26.0% (HY 23: £31.0m, effective rate of 27.2%). The reduction in rate was due to adjustments in respect of prior periods.

Net assets and capital employed

£m	H1 24	FY 23	Change
Work in progress	1,366.4	1,219.0	
Land	1,845.6	1,881.7	
Land creditors	(605.4)	(662.2)	
Net investment in inventories	2,606.6	2,438.5	+168.1
Investment in joint ventures	612.2	562.7	
Other net working capital	(486.8)	(558.0)	
Current and deferred tax	(40.8)	(18.0)	
Capital employed	2,691.2	2,425.2	+266.0
Fire safety provision	(280.7)	(289.0)	
Retirement benefit asset	34.7	34.2	
Tangible net assets	2,445.2	2,170.4	+274.8
Goodwill	827.6	827.6	
Intangible assets	389.8	409.3	
Net (debt)/cash	(322.0)	(88.8)	
Net assets	**3,340.6**	**3,318.5**	**+22.1**

Capital employed increased by 11% to £2,691.2 compared to the prior year end (FY 23: £2,425.2m), the majority of which related to investment in inventories and joint ventures. This increase was driven by greater levels of construction activity across the Group's sites (including its joint ventures), particularly in relation to upfront infrastructure spend on new sites and large mixed tenure sites and the usual seasonal build-up of work in progress at the half year to support delivery of open market homes in the second half. The sales rates for Open Market homes remained lower than anticipated during the first half, which also contributed to higher levels of work in progress on some sites. In addition, land creditors reduced by £56.8m as a result of payments on existing sites exceeding new land creditors arising on land purchased in the period.

The increase in other net working capital included an amount owed by an RP partner of c. £40m in relation to an agreement which completed towards the end of the half year. Nearly all of this receivable was settled in August.

Fire safety

The Group is committed to playing its part in delivering a lasting industry solution to fire safety and on 13 March 2023 signed the Department for Levelling Up, Housing and Communities' Developer Remediation Contract.

The Group spent £29.0m (before recoveries of £16.8m) during the year and is continuing to make good progress with the remediation works. During the period, works have been completed on 24 buildings and we are currently on site on a further 34. Where we are not yet on site we are significantly engaged in the triage and remediation process for a further 179 buildings with the majority being in the pre-construction phase where we are completing the design, tendering process and agreeing the scope of works before we commence on site.

After a discount unwind of £3.9m, the closing provision as at 30 June 2024 was £280.7m.

£m	H1 24
Opening at 1 January	289.0
Utilised in the period	(12.2)
Discount unwind	3.9
Closing at 30 June	**280.7**

Cash flow, net debt and financing

The Group started 2024 with net debt of £88.8m compared to net cash of £118.2m at the beginning of 2023. After shareholder distributions of £101.0m, the total outflow for the period was £233.2m. This was substantially lower than in H1 23 (£446.8m outflow), resulting in closing net debt of £322.0m (H1 23: net debt £328.6m). The constituent elements of the half year cash flow are shown below.

£m	H1 24	H1 23
Opening	(88.8)	118.2
Adjusted profit before tax	186.2	174.0
Investment in land and work in progress	(111.3)	(377.5)
Movement in land creditors	(56.8)	26.1
Investment in other working capital	(74.7)	(48.7)
Investment in joint ventures	(40.3)	(49.2)
Exceptional fire safety spend	(12.2)	(10.9)
Other exceptional costs	(7.1)	(33.9)
Taxation	(16.0)	(16.3)
Shareholder distributions	(101.0)	(110.4)
Net outflow	(233.2)	(446.8)
Closing	**(322.0)**	**(328.6)**

The total available facilities as at 30 June 2024 were £1,015.7m, against which the Group had drawn £645.7m (FY 23: £506.7m, H1 23: £541.4m). These facilities are used to fund intra-period working capital movements and land investments.

£m unless otherwise stated	Available facility	Facility maturity	H1 24	H1 23	FY 23
Revolving credit facility	500.0	2026	(140.0)	(35.0)	-
Term loan	400.0	2026	(400.0)	(400.0)	(400.0)
USPP loan	100.0	2027	(104.1)	(105.1)	(104.6)
Prepaid facility fee	n/a	n/a	4.6	4.9	4.2
Homes England development loan	10.7	2029	(5.7)	(6.4)	(6.7)
Overdraft facility	5.0	2025	-	-	-
Total borrowings	(1,015.7)		(645.2)	(541.6)	(507.1)
Cash			323.2	213.0	418.3
Net debt			**(322.0)**	**(328.6)**	**(88.8)**

Shareholder distributions

The share buyback of £55m, which commenced in December 2023, was completed on 24 February 2024.

The Group commenced a further ordinary share buyback programme of £100m on 18 April in lieu of a final dividend payment for the financial year ended 31 December 2023. This was completed on 4 September 2024 with a total of 7.7m ordinary shares (4.0m during the period) acquired at an average price per share of 1,299p. Of the ordinary shares repurchased, 7.5m shares (3.8m during the period) were cancelled.

In line with the Group's capital allocation policy the Board is announcing an interim ordinary distribution of £55m in respect of the H1 2024 adjusted earnings and a special distribution of £75m. The combined distribution of £130m will be in the form of a share buybacks and is expected to commence in September 2024.

The Board will continue to monitor the progress of capital release during the year and will consider additional buybacks in the context of the cash position and investment opportunities.

Forward order book

The forward order book as at 30 June increased 15% to £5,149.4m (FY 23: £4,466.1m). This was primarily driven by the increase in deals secured with partners.

£m	H1 24	FY 23
Open Market	475.0	297.6
Partner Funded	4,674.4	4,168.5
Total	**5,149.4**	**4,466.1**

Land bank

The Group increased its activity in the land market during the period, adding 6,895 plots to the land bank. After deducting the plots utilised in the year, the total land bank reduced by 1,121 plots. The Group also secured 1,330 plots in relation to 100% Partner Funded developments.

	H1 24	FY 23
Owned	53,481	55,707
- of which relates to JVs (at 100%)	*15,896*	*14,935*
Controlled	21,832	20,727
- of which relates to JVs (at 100%)	*10,979*	*10,268*
Total plots in land bank (including JVs)	**75,313**	**76,434**

Strategic land

Strategic land refers to land which does not yet have planning consent and which the Group is or will progress through planning and promotional processes before development. Strategic land continues to be an important source of supply and a further 4,871 plots were secured during the period. The net increase was 4,226 after 295 plots were transferred to the land bank with the remaining movement driven by planning adjustments. Strategic land remains well positioned to deliver high quality developments in the near to medium term with good progress on a number of significant projects.

	Total sites	Total plots
0 – 150 plots	58	4,605
150 – 300 plots	51	10,430
300 – 500 plots	31	10,799
500 – 1,000 plots	21	14,125
1,000+ plots	21	35,047
As at 30 June 2024	**182**	**75,006**
Planning agreed	18	5,644
Planning application	21	9,106
Ongoing application	143	60,256
As at 30 June 2024	**182**	**75,006**
As at 31 December 2023	185	70,780

Principal risks and uncertainties

The Group is subject to a number of risks and uncertainties as part of its activities as described in Risk Management and Our Principal Risks on page 60 to 67 of the Group's 2023 Annual Report and Accounts. The Board regularly considers these and seeks to ensure that appropriate processes are in place to manage, monitor and mitigate these risks.

Risks relating to sustainability are becoming increasingly important in the medium term, especially with the emerging transitional risks which are becoming enshrined in regulation.

Group statement of profit and loss and other comprehensive income

£m	Note	**Six months ended 30 June 2024** Reported measures	Adjusting items (note 14)	Adjusted measures	Six months ended 30 June 2023 Reported measures	Adjusting items (note 14)	Adjusted measures
Revenue	2	1,723.5	251.0	1,974.5	1,575.3	201.8	1,777.1
Cost of sales		(1,488.8)			(1,338.0)		
Gross profit		**234.7**			237.3		
Administrative expenses		(102.2)			(130.8)		
Amortisation of acquired intangible assets		(19.4)			(23.1)		
Other operating income		54.1			37.8		
Operating profit		**167.2**	**60.1**	**227.3**	121.2	85.5	206.7
Finance income		14.7			8.4		
Finance expenses		(47.3)			(36.2)		
Net financing expenses		**(32.6)**	**(8.5)**	**(41.1)**	(27.7)	(5.0)	(32.7)
Share of profit after tax from joint ventures	7	22.1			20.8		
Profit before tax		**156.7**	**29.5**	**186.2**	114.2	59.8	174.0
Income tax expense	4	(40.8)			(31.0)		
Profit for the period		**115.9**	**16.7**	**132.6**	83.2	48.9	132.1
Other comprehensive expense							
Remeasurement of retirement benefit assets		(0.4)			(0.7)		
Total other comprehensive expense		**(0.4)**			**(0.7)**		
Total comprehensive income for the period		**115.5**			**82.5**		

Earnings per share

	Note	**Six months ended 30 June 2024** Reported measures	Adjusted measures	Six months ended 30 June 2023 Reported measures	Adjusted measures
Basic	5	33.9p		24.1p	
Diluted	5	33.2p		24.1p	
Adjusted Basic	5		38.8p		38.3p

Group statement of financial position

£m	Note	**As at 30 June 2024**	As at 30 June 2023 (restated)	As at 31 December 2023
Assets				
Goodwill		827.6	827.6	827.6
Intangible assets		389.8	433.3	409.3
Property, plant and equipment		20.6	21.2	20.1
Right-of-use assets		78.5	87.7	82.9
Investments	7	612.2	560.7*	562.7
Trade and other receivables		-	0.8	-
Deferred tax assets		-	0.7	-
Retirement benefit assets		34.7	34.2	34.2
Total non-current assets		**1,963.4**	1,966.2	1,936.8
Inventories		3,212.0	3,192.1	3,100.7
Trade and other receivables		765.6	627.4*	626.4
Cash and cash equivalents	8	323.2	213.0	418.3
Current tax assets		-	6.4	3.2
Total current assets		**4,300.8**	4,038.9	4,148.6
Total assets		**6,264.2**	6,005.1	6,085.4
Liabilities				
Trade and other payables		1,490.8	1,491.0	1,481.9
Lease liabilities		26.0	20.1	24.6
Provisions	9	102.0	93.1	105.0
Current tax liabilities		12.3	-	-
Total current liabilities		**1,631.1**	1,604.2	1,611.5
Borrowings	8	645.2	541.6^	507.1
Trade and other payables		348.4	302.0	341.0
Lease liabilities		68.8	78.4	73.7
Provisions	9	201.6	254.4	212.4
Deferred tax liabilities	4	28.5	-	21.2
Total non-current liabilities		**1,292.5**	1,176.4	1,155.4
Total liabilities		**2,923.6**	2,780.6	2,766.9
Net assets		**3,340.6**	3,224.5	3,318.5
Equity				
Issued capital		169.0	173.6	173.4
Share premium		361.2	360.9	361.0
Capital redemption reserve		5.9	1.3	1.5
Merger reserve		1,597.8	1,597.8	1,597.8
Retained earnings		1,206.7	1,090.9	1,184.8
Total equity attributable to equity holders		**3,340.6**	3,224.5	3,318.5

*Reported investments and trade and other receivables as at 30 June 2023 have been restated to reclassify receivables of £64.4m from joint arrangements which are short term in nature, as described in note 1.7.

^Reported non-current borrowings as at 30 June 2023 have been restated to reclassify borrowings of £33.3m from current to non-current liabilities as the Group has the right to roll over these obligations for at least twelve months after the reporting period under an existing borrowings facility, as described in note 1.7.

Group statement of changes in equity

£m	Note	Own shares held	Other retained earnings	**Total retained earnings**	Issued capital	Share premium	Capital Redemption reserve	Merger reserve	**Total**
Balance as at 1 January 2024		**(14.7)**	**1,199.5**	**1,184.8**	**173.4**	**361.0**	**1.5**	**1,597.8**	**3,318.5**
Profit for the period		-	115.9	115.9	-	-	-	-	115.9
Total other comprehensive expense		-	(0.4)	(0.4)	-	-	-	-	(0.4)
Total comprehensive income		**-**	**115.5**	**115.5**	**-**	**-**	**-**	**-**	**115.5**
Issue of share capital		-	-	-	-	0.2	-	-	0.2
Purchase of own shares	6	(2.9)	(97.8)	(100.7)	(4.4)	-	4.4	-	(100.7)
LTIP shares exercised		7.7	(5.3)	2.4	-	-	-	-	2.4
Share-based payments		-	2.8	2.8	-	-	-	-	2.8
Deferred tax on share-based payments		-	1.9	1.9	-	-	-	-	1.9
Total transactions with owners		**4.8**	**(98.4)**	**(93.6)**	**(4.4)**	**0.2**	**4.4**	**-**	**(93.4)**
Balance as at 30 June 2024		**(9.9)**	**1,216.6**	**1,206.7**	**169.0**	**361.2**	**5.9**	**1,597.8**	**3,340.6**
Balance as at 1 January 2023		**(17.4)**	**1,133.6**	**1,116.2**	**173.6**	**360.8**	**1.3**	**1,597.8**	**3,249.7**
Profit for the period		-	83.2	83.2	-	-	-	-	**83.2**
Total other comprehensive expense		-	(0.7)	(0.7)	-	-	-	-	**(0.7)**
Total comprehensive income		**-**	**82.5**	**82.5**	**-**	**-**	**-**	**-**	**82.5**
Issue of share capital		-	-	-	-	0.1	-	-	**0.1**
LTIP shares exercised		0.3	(0.3)	-	-	-	-	-	**-**
Share-based payments		-	2.6	2.6	-	-	-	-	**2.6**
Dividends paid	6	-	(110.4)	(110.4)	-	-	-	-	**(110.4)**
Total transactions with owners		**0.3**	**(108.1)**	**(107.8)**	**-**	**0.1**	**-**	**-**	**(107.7)**
Balance as at 30 June 2023		**(17.1)**	**1,108.0**	**1,090.9**	**173.6**	**360.9**	**1.3**	**1,597.8**	**3,224.5**
Balance as at 1 January 2023		**(17.4)**	**1,133.6**	**1,116.2**	**173.6**	**360.8**	**1.3**	**1,597.8**	**3,249.7**
Profit for the year		-	223.4	223.4	-	-	-	-	223.4
Total other comprehensive expense		-	(1.7)	(1.7)	-	-	-	-	(1.7)
Total comprehensive income		**-**	**221.7**	**221.7**	**-**	**-**	**-**	**-**	**221.7**
Issue of share capital		-	-	-	-	0.2	-	-	0.2
Purchase of own shares	6	(2.0)	(53.4)	(55.4)	(0.2)	-	0.2	-	(55.4)
LTIP shares exercised		4.7	(3.3)	1.4	-	-	-	-	1.4
Share-based payments		-	8.0	8.0	-	-	-	-	8.0
Dividend paid	6	-	(110.4)	(110.4)	-	-	-	-	(110.4)
Deferred tax on share-based payments		-	3.3	3.3	-	-	-	-	3.3
Total transactions with owners		**2.7**	**(155.8)**	**(153.1)**	**(0.2)**	**0.2**	**0.2**	**-**	**(152.9)**
Balance as at 31 December 2023		**(14.7)**	**1,199.5**	**1,184.8**	**173.4**	**361.0**	**1.5**	**1,597.8**	**3,318.5**

Group statement of cash flows

£m	Note	Six months ended 30 June 2024	Six months ended 30 June 2023 (restated)
Cash flows from operating activities			
Operating profit for the period		**167.2**	121.2
Exceptional expenses included in operating profit	3	**5.2**	28.1
Depreciation and amortisation		**34.4**	36.8
Other non-cash items		**(0.7)**	-
Equity-settled share-based payment expense		**2.8**	2.6
Operating cash inflow before exceptional cash flows and movements in working capital		**208.9**	188.7
Exceptional cash flows relating to the restructuring, integration and other exceptional expenses		**(7.1)**	(33.8)
Exceptional cash flows relating to fire safety		**(12.2)**	(10.9)
Exceptional cash outflows		**(19.3)**	(44.7)
Defined benefit pension contributions		**(0.1)**	(0.1)
Increase in trade and other receivables		**(139.2)**	(85.1)^
Increase in inventories		**(111.3)**	(377.5)
Increase in trade and other payables		**8.6**	15.3^
Decrease in provisions		**(3.2)**	(0.4)
Movements in working capital		**(245.2)**	(447.8)
Net cash outflow from operations		**(55.6)**	(303.8)
Income taxes paid		**(16.0)**	(16.3)
Net cash outflow from operating activities		**(71.6)**	(320.1)
Cash flows from investing activities			
Bank interest received		**1.8**	0.9
Purchase of property, plant and equipment		**(2.5)**	(3.3)
Loans advanced to joint ventures	7	**(113.2)**	(76.9)^
Loans repaid by joint ventures	7	**85.1**	71.3^
Interest received on loans to joint ventures	7	**1.0**	3.7
Dividends received from joint ventures	7	**8.6**	17.5
Net cash (outflow)/inflow from investing activities		**(19.2)**	13.2
Cash flows from financing activities			
Distributions paid – dividend	6	**-**	(110.4)
Distributions paid – share buyback	6	**(101.0)**	-
Lease principal payments		**(11.3)**	(8.7)
Lease interest payments		**(2.7)**	(2.5)*
Interest paid on borrowings		**(31.0)**	(19.4)*
Proceeds from share issues		**2.6**	0.1
Repayment of bank loans		**(0.9)**	(51.0)
Drawdown of bank loans		**140.0**	35.0
Net cash outflow from financing activities		**(4.3)**	(156.9)
Net decrease in cash and cash equivalents		**(95.1)**	(463.8)
Opening cash and cash equivalents		**418.3**	676.8
Closing cash and cash equivalents		**323.2**	213.0

*2023 reported numbers have been restated to reflect the reclassification of interest paid on borrowings and lease interest payments from cash flows from operating activities to cash flows from financing activities, as described in note 1.7.

^2023 loans advanced to joint ventures, loan repaid by joint ventures, increase in trade and other receivables and increase in trade and other payables have been restated to reclassify short-term trading cash flows from investing to operating activities, as described in note 1.7.

1 Basis of preparation

1.1 General Information

Vistry Group PLC (the 'Company') is a public company, limited by shares, domiciled and incorporated in England, United Kingdom. The shares are listed on the London Stock Exchange. The registered office is 11 Tower View, Kings Hill, West Malling, Kent, ME19 4UY.

These condensed consolidated interim financial statements were approved for issue on 4 September 2024.

These condensed consolidated interim financial statements do not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. Statutory accounts for the year ended 31 December 2023 were approved by the board of directors on 14 March 2024 and delivered to the Registrar of Companies. The report of the auditor on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under section 498 of the Companies Act 2006.

The condensed consolidated interim financial statements are unaudited but have been reviewed by the Group's auditor, PricewaterhouseCoopers LLP.

1.2 Basis of preparation

These condensed consolidated interim financial statements for the six-month reporting period ended 30 June 2024 have been prepared in accordance with the UK-adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

The condensed consolidated interim financial statements do not include all of the notes of the type normally included in an annual report and accounts. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2023, which has been prepared in accordance with UK-adopted international accounting standards and the requirements of the Companies Act 2006, and any public announcements made by Vistry Group PLC during the interim reporting period.

The condensed consolidated interim financial statements include the financial statements of the Company and all its subsidiary undertakings. Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The financial statements are prepared on the historical cost convention unless otherwise stated. The functional and presentational currency of the Company and Group is Pounds Sterling (GBP). All financial information, unless otherwise stated has been rounded to the nearest £0.1m.

1.3 Accounting policies

The condensed consolidated financial statements have been prepared by applying the accounting policies and presentation that were applied in the preparation of the Group's published consolidated financial statements for the year ended 31 December 2023. There are two exceptions to this in relation to tax, which is calculated based on the estimated average effective tax rate for the year ending 31 December 2024 and new accounting standards and amendments which have been adopted by the Group with an effective date of 1 January 2024.

Except for the amendments to IAS 1 – *Classification of Liabilities as Current or Non-current* as discussed in note 1.7, there are no new standards or amendments that have a material impact on the Group's reported results.

1 Basis of preparation (continued)

1.4 Going concern

The Group has prepared a cash flow forecast to confirm the appropriateness of the going concern assumption in these accounts. The forecast was prepared using a likely base case and a number of severe but plausible downside sensitivity scenarios. In the downside scenarios the Group has assumed decreased demand for housing and falling house prices, increased build costs and greater working capital requirements. In both the base case and the individual downside sensitivity scenarios, the forecasts indicated that there was sufficient headroom and liquidity for the business to continue based on the committed facilities available to the Group as shown in note 8.

The Group was also forecast to comply with the required covenants on the aforementioned borrowing facilities. Mitigating actions were only required in an extreme situation whereby all downsides occurred simultaneously. Consequently, the Directors have not identified any material uncertainties to the Group's ability to continue as a going concern over a period of at least twelve months from the date of the approval of the financial statements and have concluded that using the going concern basis for the preparation of the financial statements is appropriate.

In the downside sensitivity scenario, the following assumptions have been applied (individually and in aggregate):

- A 10% reduction in sales volumes with a corresponding slowdown in build rates and associated overheads
- A 10% reduction in private sales prices
- A 5% increase in build costs
- A 1% increase in work in progress
- A rise in interest cost of 200bps

In a severe downside where all of the above scenarios arise concurrently, the following mitigating actions have been modelled:

- Reduction in uncommitted land spend
- Further reduction in the cost base
- Reduction in shareholder distributions

1.5 Segment Reporting

All revenue and profits disclosed relate to continuing activities of the Group and are derived from activities performed in the United Kingdom. Operating segments are identified in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM"). The CODM has been determined as the Board of Directors as they are responsible for allocating resources and regularly review and assess the performance and financial position of the Group.

On 11 September 2023, the Board of Directors announced a change in strategy, resulting in an internal restructure of the Groups' operations. As a result of the restructure, the Group reassessed the number of operating segments and concluded that there is only one operating segment. The single operating segment aligns to the internal reporting presented on a regular basis to the CODM.

1.6 Critical accounting judgements and key sources of estimation uncertainty

The Group's principal judgements and key sources of estimation uncertainty remain unchanged since the year-end and are set out in Note 1.7 on pages 165 to 166 of the Annual Report and Accounts 2023.

1 Basis of preparation (continued)

1.7 Changes to comparative information

Reclassification of borrowings (change in accounting policies)

The Group has historically presented the amounts drawn on the revolving credit facility (‘RCF’) within current borrowings given it was expected that the amount drawn would be repaid within the next twelve months. Following the amendments to IAS 1 *Classification of Liabilities as Current or Non-current,* as the Group has the right, at the end of the reporting period, to roll over any drawn amounts for at least twelve months after the reporting period under the existing RCF, the RCF should be disclosed as a non-current liability. As this amendment is required to be applied retrospectively the comparative information as at 30 June 2023 has been restated which has resulted in a decrease in current borrowings of £33.3m and a corresponding increase in non-current borrowings on the face of the Group statement of financial position and in note 8.

Reclassification of assets (prior year restatement)

The Group historically presented all amounts outstanding from joint arrangements in Investments within non-current assets. In December 2023, the Group reclassified the amounts due which were trading in nature to Trade and other receivables to reflect the short-term nature of the receivables. As a result, the comparative information as at 30 June 2023 has also been restated which has resulted in a decrease in investments of £64.4m and a corresponding increase in trade and other receivables on the face of the Group statement of financial position.

Reclassification of cash flow items (prior year restatement)

The Group has represented the Group statement of cash flows to provide enhanced disclosures in relation to exceptional cash flows from operating activities. In addition to this enhanced disclosure, the Group has reclassified lease interest payments and interest paid on borrowings from operating activities to financing activities. Given the increased size of the business and prominence of lease interest it is viewed by the Directors that such interest is better presented as part of financing cash flows to be consistent with the underlying lease repayments. As interest paid on borrowings is a cost of obtaining financial resources, this has also been classified as a financing cash flow to be consistent with the drawdown/repayment of bank loans. As a result, the HY 23 reported net cash outflow from operating activities has decreased by £21.8m and net cash outflow from financing activities has increased.

In addition to the above, short-term cash inflows and outflows from transactions with joint arrangements have been reclassified between investing and operating cash flows given they are trading/operational in nature. As a result:

- Cash outflows associated with the increase in trade and other receivables has decreased by £28.4m
- Cash inflows associated with the increase in trade and other payables has decreased by £70.8m
- Cash outflows associated with loans advanced to joint ventures has decreased by £44.6m
- Cash inflows associated with loan repaid by joint ventures has decreased by £2.2m

1.8 Seasonality

In common with the rest of the UK housebuilding industry, activity occurs year-round, however the pattern of reservations usually results in the Group’s completions being more heavily weighted towards the second half of the year.

2 Revenue

Revenue by type	**Six months ended 30 June 2024 £m**	Six months ended 30 June 2023 £m
Open Market sales	**611.9**	723.0
Partner Funded sales	**1,111.6**	852.3
Revenue	**1,723.5**	1,575.3

3 Exceptional expenses

Exceptional items are those which, in the opinion of the Board, are material by size and irregular in nature and therefore require separate disclosure within the statement of profit and loss in order to assist the users of the financial statements in understanding the underlying business performance of the Group. Restructuring expenses are those expenses such as termination of third-party distributor agreements, severance and other non-recurring items directly related to restructuring and integration activities that do not reflect the business's trading performance. The fire safety provision has previously been disclosed as an exceptional expense and, accordingly, the related unwind of discounting on the provision has also been disclosed as an exceptional expense.

	Six months ended 30 June 2024 £m	Six months ended 30 June 2023 £m
Restructuring, integration and other costs	**5.2**	16.0
Cost of sales relating to fire safety	**-**	12.1
Unwind of discounting on the fire safety provision	**3.9**	7.5
Exceptional expenses	**9.1**	35.6

4 Income tax expense

The tax charge presented for the six months ended 30 June 2024 is the best estimate of the weighted average annual income tax rate expected for the full financial year applied to the profit before tax for the six month period. The effective tax rate comprises corporation tax, residential property developer tax ('RPDT') and deferred tax totalling 26.0% (30 June 2023: 27.2%; 31 December 2023: 26.7%). The effective tax rate is higher than the statutory rate of 25% due to RPDT offset by the impact of adjustments in respect of prior periods.

As at 30 June 2024 the Group recognised a net deferred tax liability of £28.5m (30 June 2023: £0.7m asset; 31 December 2023: £21.2m liability).

5 Earnings per share

Profit attributable to ordinary shareholders	Note	Six months ended 30 June 2024 £m	Six months ended 30 June 2023 £m
Profit for the period attributable to equity holders of the Company		**115.9**	83.2
Adjusted earnings attributable to equity holders of the Company	14	**132.6**	132.1

Earnings per share	Six months ended 30 June 2024	Six months ended 30 June 2023
Basic earnings per share	**33.9p**	24.1p
Diluted earnings per share	**33.2p**	24.1p
Adjusted basic earnings per share	**38.8p**	38.3p

Weighted average number of shares used as the denominator	Basic m	Diluted m
Weighted average number of ordinary shares for the six months ended 30 June 2024	**341.6**	**349.4**
Weighted average number of ordinary shares for the six months ended 30 June 2023	345.1	345.6

The basic weighted average number of ordinary shares is calculated by time-weighting the ordinary shares in issue during the period based on new issues and share buybacks. This figure excludes treasury shares and shares held in the Employee Stock Ownership Plan (ESOP) Trust but includes any outstanding vested nil-cost options in relation to equity-settled share-based payment arrangements.

The diluted weighted average number of ordinary shares is calculated as the basic weighted average number, plus any other potentially outstanding shares in relation to the equity-settled share-based payment arrangements. The potential dilutive effect of ordinary shares issuable under equity-settled share-based payment arrangements is 7.8m (30 June 2023: 0.5m).

6 Distributions

Dividends

No dividends were declared or paid in the six months ended 30 June 2024. On 1 June 2023 the Group paid a final dividend in respect of 2022 of £110.4m (32p per share).

Share buyback

The Group commenced a share buyback programme of £55m of ordinary shares on 11 December 2023. This was completed on 23 February 2024 with a total of 5.8m ordinary shares (5.1m during the period) acquired at an average price per share of 955p.

On 18 April 2024, the Group commenced a further ordinary share buyback programme of £100m of ordinary shares. This was completed on 4 September 2024 with a total of 7.7m ordinary shares (4.0m during the period) acquired at an average price per share of 1,299p. Of the ordinary shares repurchased, 7.5m shares (3.8m during the period) were cancelled.

In line with the Group's capital allocation policy the Board is announcing an interim ordinary distribution of £55m in respect of the H1 2024 adjusted earnings and a special distribution of £75m. The combined distribution of £130m will be in the form of a share buyback and is expected to commence in September 2024.

7 Investments

The Group's investments are set out in the table below:

	As at 30 June 2024 **£m**	As at 30 June 2023 (restated) £m	As at 31 December 2023 £m
Interest in joint ventures – equity	**213.0**	200.0	199.6
Interest in joint ventures – loans	**399.1**	360.6	363.0
Investments in joint ventures	**612.1**	560.6	562.6
Other investments	**0.1**	0.1	0.1
Investments	**612.2**	560.7	562.7

The movement in investments during the period/year is as follows:

	As at 30 June 2024 **£m**	As at 30 June 2023 (restated) £m	As at 31 December 2023 £m
As at the beginning of the period/year	**562.7**	645.1	552.4
Reclassification of opening balance to trade and other receivables	**-**	(92.7)*	-
Acquired with Countryside Partnerships PLC	**-**	(2.5)	(2.5)
Loans advanced	**113.2**	76.9	194.4
Loans repaid	**(85.1)**	(71.3)	(197.8)
Share of net profit for the period/year	**22.1**	20.8	56.0
Dividends received from joint ventures	**(8.6)**	(17.5)	(42.3)
Interest accrued on loans to joint ventures	**8.9**	5.6	15.1
Interest received on loans to joint ventures	**(1.0)**	(3.7)	(6.4)
Other movements	**-**	-	(6.2)
As at the end of the period/year	**612.2**	560.7	562.7

**As described in note 1.7, Investments have been restated in order to reclassify amounts due from joint arrangements which are short term in nature from Investments to Trade and other receivables. The reclassified amount in the roll-forward table above of £92.7m represents the amounts due from joint arrangements as at 31 December 2022.*

8 Cash and cash equivalents and borrowings

	As at 30 June 2024 **£m**	As at 30 June 2023 £m	As at 31 December 2023 £m
Cash and cash equivalents	**323.2**	213.0	418.3
Borrowings*	**(645.2)**	(541.6)	(507.1)
Net debt	**(322.0)**	(328.6)	(88.8)

**As described in note 1.7, all borrowings are now presented as a non-current liability as the Group has the right to defer settlement for at least 12 months including the £140m (30 June 2023: £33.3m, 31 December 2023: £nil) drawn on the RCF which has historically been presented as current. The Group expects to fully repay the amount drawn on the RCF by 31 December 2024.*

The total borrowing facilities available to the Group as at 30 June 2024 were £1,015.7m, maturing between 2025 and 2029 (30 June 2023: £1,015.7m; 31 December 2023: £1,015.7m). These facilities include the £100m USPP loan (maturing in 2027), £400m term loan (maturing in 2026) and £500m revolving credit facility (maturing in 2026). Further details regarding these facilities are disclosed on page 187 of the Annual Report and Accounts 2023.

9 Provisions

	Fire safety £m	Restructuring £m	Other £m	Total £m
As at 1 January 2024	289.0	9.9	18.5	317.4
Additional provisions	-	1.5	6.4	7.9
Utilised in the year	(12.2)	(6.4)	(4.4)	(23.0)
Unwind of discounting	3.9	-	-	3.9
Releases	-	-	(2.6)	(2.6)
As at 30 June 2024	**280.7**	**5.0**	**17.9**	**303.6**

Of the total provisions detailed above £102.0m is expected to be utilised within the next year (30 June 2023: £93.1m; 31 December 2023: £105.0m).

Fire safety provision

The Group's fire safety provision is reflective of the Group's commitment to the signed Developer Remediation Contract with the Department for Levelling Up, Housing and Communities. Where known obligations exist on legacy properties, they have been evaluated for the likely cost to complete and an appropriate provision has been recognised.

At 30 June 2024, the Group holds a £280.7m provision for future obligations on remedial works and additional costs pertaining to 213 buildings (30 June 2023: 242; 31 December 2023: 228).

10 Financial instruments

	As at 30 June 2024 Carrying amount £m	As at 30 June 2023 Carrying amount £m	As at 31 Dec 2023 Carrying amount £m
Non-derivative financial assets			
Trade and other receivables *	429.1	470.4	441.3
Cash and cash equivalents	323.2	213.0	418.3
Non-derivative financial liabilities			
Borrowings	(645.2)	(541.6)	(507.1)
Trade and other payables **	(1,674.7)	(1,684.5)	(1,642.7)
Lease liabilities	(94.8)	(98.5)	(98.3)
Net financial liabilities	**(1,662.4)**	**(1,641.2)**	**(1,388.5)**

** Trade and other receivables excluding prepayments and contract assets which are not financial instruments.*
*** Trade and other payables excluding deferred income including contract liabilities which are not financial instruments.*

For the above financial instruments (excluding land purchased on extended payment terms included within trade and other payables), the fair values are not materially different from their carrying amounts, since they are either interest bearing at rates close to the current market rates, or the instruments are short-term in nature.

Following a period of rising discount rates, the fair value of the land purchased on extended payment terms is lower than the carrying value at £573.4m (30 June 2023: £632.5m, 31 December 2023: £662.1m).

11 Contingent liabilities

The Group is subject to various claims, audits and investigations that have arisen in the ordinary course of business. These matters include but are not limited to employment and commercial matters. The outcome of all these matters is subject to future resolution, including the uncertainties of litigation. Based on information currently known to the Group and after consultation with external lawyers, the Directors believe that the ultimate resolution of these matters, individually and in aggregate, will not have a material adverse impact on the Group's financial condition. Where necessary, applicable costs are included within the cost to complete estimates for individual developments or are otherwise accrued in the statement of financial position.

As Government legislation, regulation and guidance further evolves in relation to fire safety and required remediation works, this may result in additional liabilities for the Group that cannot currently be reliably estimated. There may also be changes concerning the use of materials currently undergoing fire safety tests instructed by product manufacturers.

If such materials are no longer considered safe, this could result in an increase in the number of buildings requiring remediation works as well as an increase in the estimated cost to remediate the buildings currently provided for. We may however expect further Government intervention if such circumstances arise.

In respect of the remediation costs outlined above, the Directors believe that the Group may be able to recover some of these costs via insurance or, in the case of defective workmanship, from subcontractors or other third parties. However, any such recoveries are not deemed to be virtually certain and therefore no contingent assets have been recognised during the year.

No formal claims have been received by the Group relating to the Defective Premises Act (DPA). The Group cannot reliably estimate the expected liabilities stemming from the DPA and as such no provision has been recognised as at 30 June 2024. The Group maintains a register of buildings constructed over the last 30 years; if the Group is formally notified of potentially defective works through communications from building owners, leaseholders or managing agents on these buildings and the unfit for habitation test has been established, an appropriate provision would be recognised.

12 Related party transactions

Transactions between fellow subsidiaries, which are related parties, have been eliminated on consolidation, as have transactions between the Company and its subsidiaries during the period.

Transactions between the Group, Company and key management personnel in the six months ended 30 June 2024 were limited to those relating to remuneration.

Mr. Greg Fitzgerald, the Group Chief Executive and Chairman, is non-executive Chairman of Ardent Hire Solutions Limited ("Ardent"). The Group hires forklift trucks from Ardent.

Mr. Stephen Teagle, CEO Countryside Partnerships, is the Chair of The Housing Forum. The Group paid for a subscription to The Housing Forum during the period.

Ms. Katherine Innes Ker, former non-executive Director who resigned in May 2023, was also non-executive Director of Forterra PLC. The Group incurred costs with Forterra PLC in relation to the supply of bricks during the term that Katherine was a non-executive Director in 2023 which is presented in the table below. Any transactions with Forterra PLC in the period after Katherine's departure from the Board are excluded from the table below.

12 Related party transactions (continued)

The total net value of transactions with related parties excluding joint ventures has been made at arm's length and were as follows:

	Expenses paid to related parties		Amounts payable to related parties			Amounts owed by related parties		
	Six months ended 30 June 2024	Six months ended 30 June 2023	**As at 30 June 2024**	As at 30 June 2023	As at 31 December 2023	**As at 30 June 2024**	As at 30 June 2023	As at 31 December 2023
	£000	£000	**£000**	£000	£000	**£000**	£000	£000
Trading transactions								
Ardent	**4,119**	3,749	**1,346**	767	380	**426**	-	159
The Housing Forum	**26**	15	**-**	-	-	**-**	-	-
Forterra PLC	**-**	13	**-**	2	-	**-**	-	-

Transactions between the Group and its joint ventures are disclosed as follows:

	Sales to related parties		Interest income and dividend income from related parties	
	Six months ended 30 June 2024	Six months ended 30 June 2023	**Six months ended 30 June 2024**	Six months ended 30 June 2023
	£m	£m	**£m**	£m
Trading transactions	**63.8**	47.6	**-**	-
Non-trading transactions	**-**	-	**23.6**	27.8

	Amounts owed by related parties			Amounts owed to related parties		
	As at 30 June 2024	As at 30 June 2023	As at 31 December 2023	**As at 30 June 2024**	As at 30 June 2023	As at 31 December 2023
	£m	£m	£m	**£m**	£m	£m
Balances with joint ventures	**493.6**	372.0	433.7	**119.8**	68.7	85.8

Sales to related parties including joint ventures are based on normal commercial payment terms available to unrelated third parties, without security. The loans made to joint ventures bear interest at rates of between 0.0% and 9.25% and are all repayable at the end of the contract term; all balances with related parties will be settled in cash.

As at 30 June 2024, two (30 June 2023: three; 31 December 2023: two) of the Group's employees have a close family member on the Executive Committee. These individuals were recruited through the normal interview process and are employed at salaries commensurate with their experience and roles. The combined annual salary and benefits of these individuals is less than £0.3m (30 June 2023: £0.3m; 31 December 2023: £0.3m).

There have been no other related party transactions in the financial period which have materially affected the financial performance or position of the Group, and which have not been disclosed.

13 Events after the reporting period

In the period from 1 July 2024 to 4 September 2024, the Group purchased a further 3.8m ordinary shares, which were also subsequently cancelled, for a total consideration of £50.3m (including stamp duty and fees) and therefore completing the share buyback announced in March 2024.

In line with the Group's capital allocation policy the Board is announcing an interim ordinary distribution of £55m in respect of the H1 2024 adjusted earnings and a special distribution of £75m. The combined distribution of £130m will be in the form of a share buyback and is expected to commence in September 2024.

There were no other material events after the reporting period.

14 Adjusted performance measures

In addition to the reported measures disclosed, the Group uses certain adjusted measures and other metrics to assess its operational performance. Definitions and reconciliations to IFRS measures (where relevant) are provided below.

Alternative performance measure:	**Calculated as:**
Adjusted revenue	Statutory revenue plus the Group's share of joint ventures' revenue.
Adjusted operating profit	Statutory operating profit excluding exceptional items and amortisation of acquired intangible assets plus the Group's share of joint ventures' operating profit.
Adjusted operating margin	Adjusted operating profit divided by adjusted revenue.
Adjusted net financing expenses	Statutory net financing expenses excluding exceptional items plus the Group's share of joint ventures' net financing expenses.
Adjusted profit before tax	Statutory profit before tax excluding exceptional items, amortisation of acquired intangibles and the Group's share of joint ventures' tax.
Adjusted income tax expense	Statutory income tax expense excluding the tax effect of exceptional expenses and amortisation of acquired intangible assets, tax on joint ventures included in profit before tax and the adjustments in respect of prior periods.
Adjusted effective tax rate (ETR)	Adjusted income tax expense divided by adjusted profit before tax
Adjusted basic earnings per share (EPS)	Calculated as statutory profit after tax excluding post-tax exceptional items and amortisation of acquired intangibles, divided by the weighted average number of ordinary shares for the period.
Net (debt)/cash	Cash and cash equivalents less total borrowings excluding lease liabilities.
Capital employed	Statutory net assets less goodwill, intangible assets, net (debt)/cash, retirement benefit asset and fire safety provision.
Tangible net asset value (TNAV)	TNAV is calculated as statutory net assets less goodwill, intangible assets and net (debt)/cash.
Return on capital employed (ROCE)	For the half year ROCE is calculated as the adjusted operating profit in the period divided by the pro-rated 6-month average capital employed in the period. For the full-year ROCE is calculated as the adjusted operating profit in the year divided by average capital employed in the year.

14 Adjusted performance measures (continued)

Reconciliation of adjusted measures to reported measures
Adjusted revenue, operating profit, net financing expenses and profit before tax:

	Six months ended 30 June 2024				Six months ended 30 June 2023			
	Revenue £m	**Operating profit £m**	**Net financing expenses £m**	**Profit before tax £m**	Revenue £m	Operating profit £m	Net financing expense £m	Profit before tax £m
Reported measures	**1,723.5**	**167.2**	**(32.6)**	**156.7**	1,575.3	121.2	(27.7)	114.2
Adjusting items:								
Share of joint ventures[1]	251.0	35.5	(12.4)	1.0	201.8	34.3	(2.5)	1.1
Exceptional expenses[2]	-	5.2	3.9	9.1	-	28.1	7.5	35.6
Amortisation of acquired intangibles[3]	-	19.4	-	19.4	-	23.1	-	23.1
Total adjusting items	251.0	60.1	(8.5)	29.5	201.8	85.5	(5.0)	59.8
Adjusted measures	**1,974.5**	**227.3**	**(41.1)**	**186.2**	1,777.1	206.7	(32.7)	174.0

1. The Group undertakes a significant portion of its activities through joint ventures with its partners. In accordance with IFRS, the Group's statement of profit and loss and other comprehensive income includes its share of the post-tax results of joint ventures within a single line item. The directors believe that showing the Group's share of revenue, operating profit and net financing expenses from joint ventures within the respective adjusted measures better reflects the full scale of the Group's operations and performance.

2. Exceptional expenses are those which the Directors consider to be material by size and/or irregular in nature. The adjusted measures exclude these items in order to more clearly show the underlying business performance of the Group. Details of the exceptional expenses are shown in note 3.

3. The amortisation charge relates to intangible assets which arose on the acquisitions of Linden Homes and Partnerships from Galliford Try PLC and of Countryside Partnerships PLC. The charge is non-cash and was set at the time of the acquisition. The Directors consider that this needs to be adjusted in the adjusted measure to show the underlying business performance of the Group more clearly.

Adjusted basic earnings per share (EPS)

	Six months ended 30 June 2024 £m	Six months ended 30 June 2023 £m
Adjusted profit before tax (£m)	**186.2**	174.0
Reported income tax expense	**(40.8)**	(31.0)
Tax impact of adjusting items	**(12.8)**	(10.9)
Adjusted income tax expense	**(53.6)**	(41.9)
Adjusted earnings (£m)	**132.6**	132.1
Weighted average number of ordinary shares (m)	**341.6**	345.1
Adjusted basic earnings per share (p)	**38.8**	38.3

14 Adjusted performance measures (continued)

Tangible net asset value (TNAV) and capital employed

TNAV measures the intrinsic value of the tangible assets held by the Group to shareholders. Capital employed is a key input for determining ROCE and represents the capital used to generate adjusted operating profit.

	As at 30 June 2024 £m	As at 30 June 2023 £m	As at 31 December 2023 £m
Net assets	**3,340.6**	3,224.5	3,318.5
Goodwill	**(827.6)**	(827.6)	(827.6)
Intangible assets	**(389.8)**	(433.3)	(409.3)
Net debt	**322.0**	328.6	88.8
Tangible net assets	**2,445.2**	2,292.2	2,170.4
Retirement benefit asset	**(34.7)**	(34.2)	(34.2)
Fire safety provision	**280.7**	311.8	289.0
Capital employed	**2,691.2**	2,569.8	2,425.2

	Period ended 30 June 2024 £m	Period ended 30 June 2023 £m	Year ended 31 December 2023 £m
Opening capital employed	**2,425.2**	2,145.7	2,145.7
Closing capital employed	**2,691.2**	2,569.8	2,425.2
Pro-rated average capital employed*	**1,279.1**	1,178.9	2,285.5

**Pro-rated capital employed for H1 24 and H1 23 is calculated as the average capital employed for the period pro-rated for 6-months (i.e. average capital employed for the period divided by two).*

Return on capital employed (ROCE)

This measures the profitability and efficiency of capital being used by the Group and is calculated as shown below.

	Period ended 30 June 2024	Period ended 30 June 2023 (restated)	Year ended 31 December 2023
Adjusted operating profit (£m)	**227.3**	206.7	487.9
Pro-rated average capital employed (£m)	**1,279.1**	1,178.9	2,285.5
ROCE (%)	**17.8**	17.5^	21.3

^H1 23 ROCE has been restated to align to the H1 24 calculation methodology, as discussed on page 27, to ensure a like for like comparison can be made between the current and prior periods without being skewed due to the combination with Countryside in November 2022.

Forward order book

The Group's forward order book comprises the unexecuted element on contracts that have been secured including those which are reported within its joint ventures. The Directors believe that showing the Group's share of joint venture orders better reflects the full scale of the Group's pipeline. Additionally, reservations made on open market sales have been included given they are a commitment made by a customer against a specific plot.

	As at 30 June 2024 £m	As at 30 June 2023 £m	As at 31 December 2023 £m
Transaction price allocated to unsatisfied performance obligations on contracts	**4,270.3**	3,205.7	3,722.9
Add: Share of forward orders included within the Group's	**586.1**	604.1	558.2
Add: Open market reservations	**293.0**	379.8	185.0
Forward order book	**5,149.4**	4,189.6	4,466.1

Statement of directors' responsibilities

The directors confirm that these condensed consolidated interim financial statements have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and that the interim management report 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 first six months and their impact on the condensed consolidated 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 maintenance and integrity of the Vistry Group PLC website is the responsibility of the directors; the work carried out by the authors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that might have occurred to the interim financial statements since they were initially presented on the website.

The directors of Vistry Group PLC are listed in the Vistry Group PLC annual report for 31 December 2023, with the exception of the following changes in the period:

- Mr Jeffrey Ubben resigned from the board on 11 January 2024, and
- Mr Usman Shamshad Nabi was appointed on 12 January 2024, and
- Mr Robert Stanley Lawrence Woodward was appointed on 16 May 2024, and
- Ms Alice Elizabeth Woodwark was appointed on 16 May 2024, and
- Mr Ralph Graham Findlay resigned from the board on 16 May 2024

A list of the current directors is maintained on the Vistry Group PLC website: www.vistrygroup.co.uk

By order of the board

Greg Fitzgerald
Chief Executive Officer & Chairman

Tim Lawlor
Chief Financial Officer

4 September 2024

Independent review report to Vistry Group PLC

Report on the condensed consolidated interim financial statements

Our conclusion

We have reviewed Vistry Group PLC's condensed consolidated interim financial statements (the "interim financial statements") in the Half year results of Vistry Group PLC for the 6 month period ended 30 June 2024 (the "period").

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

The interim financial statements comprise:

- the Group statement of financial position as at 30 June 2024;
- the Group statement of profit and loss and other comprehensive income for the period then ended;
- the Group statement of cash flows for the period then ended;
- the Group statement of changes in equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the Half year results of Vistry Group PLC have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Financial Reporting Council for use in the United Kingdom ("ISRE (UK) 2410"). 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.

We have read the other information contained in the Half year results and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

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. However, future events or conditions may cause the group to cease to continue as a going concern.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors

The Half year results, including the interim financial statements, is the responsibility of, and has been approved by the directors. The directors are responsible for preparing the Half year results in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority. In preparing the Half year results, including the interim financial statements, the directors are responsible for assessing the group'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 group or to cease operations, or have no realistic alternative but to do so.

Our responsibility is to express a conclusion on the interim financial statements in the Half year results based on our review. Our conclusion, including our Conclusions relating to going concern, is based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion paragraph of this report. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers LLP
Chartered Accountants
London
4 September 2024