



**PRESS RELEASE**

**8 DECEMBER 2023**

**INTERIM RESULTS ANNOUNCEMENT**

**STRONG PERFORMANCE WITH PROFIT GUIDANCE EXTENDED AND SHAREHOLDER RETURNS MAINTAINED  
IN CHALLENGING OPERATING ENVIRONMENT**

**87% OF HOMES DELIVERED ON BROWNFIELD LAND WITH OVER £250 MILLION INVESTMENT IN  
SOCIO-ECONOMIC BENEFITS**

**FOCUS ON FINANCIAL STRENGTH AND EXISTING SITES – NOT CURRENTLY INVESTING IN NEW  
DEVELOPMENTS DUE TO THE PLANNING AND REGULATORY ENVIRONMENT**

The Berkeley Group Holdings plc (“Berkeley”) today announces its unaudited interim results for the six months ended 31 October 2023.

**Rob Perrins, Chief Executive, said:**

“Berkeley has demonstrated the resilience of its uniquely long-term business model with today’s strong results and is extending its guidance a further year to cover the period to 30 April 2026. Over the current and the next two financial years, Berkeley is targeting the delivery of at least £1.5 billion of pre-tax profit and the maintenance of net cash above £400 million.

Berkeley is a purpose-driven business, building quality homes, strengthening communities and making a positive difference to people’s lives through our development activities, underpinned by our industry-leading Vision 2030 strategy. Berkeley stands out as the only large-scale UK homebuilder focussed on brownfield regeneration, which is a vital driver for economic growth and a powerful force for good in our towns and cities.

In the six months, we have delivered 1,785 new private and affordable homes, of which 87% are on brownfield land, and provided over £250 million in subsidies to deliver affordable housing and commitments to wider community and infrastructure benefits, more than 100% of the post-tax profit generated in the period.

Despite urban regeneration being a clear national priority, it has become increasingly difficult to progress this form of development as changes to planning, tax and regulatory regimes have created an increasingly uncertain, unpredictable and burdensome environment. This is driving investment away from urban areas, restricting growth and preventing homes and other tangible benefits being delivered. It will lead to lower productivity, fewer jobs being created and net zero being harder to achieve, as the efficient re-use of land in urban settings to deliver, well-connected, nature-rich new communities, near existing infrastructure is the most sustainable form of development.

In today’s environment, Berkeley will intensify its disciplined approach to operating cost control and work in progress investment, while continually looking to identify the best development solution on each of its sites for the benefit of all its stakeholders. We are ready and able to deploy capital into new opportunities once the market and regulatory cycles inflect and returns can be earned commensurate with the level of upfront investment and operational risk we undertake.

While the need is clear, the challenges to new development are complex, but we are encouraged by the level of engagement that Berkeley and other urban regeneration specialists are now receiving to address the specific barriers to brownfield development. We also fully support the Mayor’s ambition for good and fair outcomes for Londoners, including high levels of affordable housing. This requires an increase in density, higher levels of grant funding and a reduction in other tariffs, such as the Community Infrastructure Levy, if it is to translate into a sustainable increase in delivery.

I would like to thank all Berkeley’s people for their contribution to these results and their unerring focus on the customer and the fantastic places we create in this exceptionally challenging operating environment in which Berkeley’s core values of attention to detail, creativity and resilience really come to the fore.”

## THE BERKELEY GROUP HOLDINGS PLC

INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 OCTOBER 2023

### SUMMARY OF FINANCIAL POSITION, EARNINGS AND SHAREHOLDER RETURNS

<b>Financial Position</b>	As at 31-Oct-23	As at 30-Apr-23	Change absolute
Net cash	£422m	£410m	+£12m
Net asset value per share	£32.19	£31.01	+£1.18
Cash due on forward sales <sup>(1)</sup>	£1,964m	£2,136m	-£172m
Land holdings - future gross margin	£7,245m	£7,629m	-£384m
Pipeline sites / (plots (approx.))	13 (13,500)	14 (14,000)	-1 (-500)
<b>Earnings</b>	<b>HY to 31-Oct-23</b>	<b>HY to 31-Oct-22</b>	<b>Change %</b>
Operating margin	19.5%	19.5%	-
Profit before tax	£298.0m	£284.8m	+4.6%
Earnings per share – basic	198.3p	200.4p	-1.0%
Pre-tax return on equity	17.7%	18.0%	-0.3%
<b>Shareholder Returns</b>	<b>HY to 31-Oct-23</b>	<b>HY to 31-Oct-22</b>	
Share buy-backs undertaken	£64.5m	£110.5m	
Dividends paid	£63.1m	£23.3m	
Shareholder returns	£127.6m	£133.8m	
Share buy-backs – volume	1.7m	2.9m	
Average price paid for share buy-backs	£39.01	£37.61	
Dividends per share	£0.59	£0.21	

<sup>(1)</sup> Cash due on private exchanged forward sales completing within the next three years

See Note 8 of the Condensed Consolidated Financial Information for a reconciliation of alternative performance measures

- The value of net reservations during the period is one third lower than the comparative financial year, reflecting the sharp increase in interest rates and the ongoing elevated political and macro volatility.
- Sales pricing is firm and above business plan levels, with build cost inflation across most trades at negligible levels.
- Operating margin stable at 19.5%, with net operating costs reduced by £10 million to £79.7 million.
- Net cash increased to £422 million, with £1.2 billion of borrowing capacity providing total liquidity of £1.6 billion.
- Net asset value per share has increased to £32.19 and reflects historic cost.
- Earnings guidance extended by a year to cover the three years ending 30 April 2026, over which period Berkeley is targeting to deliver at least £1.5 billion of pre-tax profit (previously £1.05 billion in two years to 30 April 2025).
- On target to deliver next £283 million (£2.67 per share) of Shareholder Returns by 30 September 2024.
- Unrivalled land holdings with £7.2 billion of future gross margin – two sites added in the period, including one transfer from the pipeline.

## THE BERKELEY GROUP HOLDINGS PLC

INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 OCTOBER 2023

### CAPITAL ALLOCATION

- Agile and ready to switch capital allocation emphasis to new investment should the conditions for growth present themselves.
- If Berkeley does not recommence deployment of capital into new investment opportunities by 30 April 2027, we anticipate returning around 100% of the profit after tax earned over this period to shareholders, while maintaining financial strength and ensuring we can deliver our cross-cycle 15% pre-tax ROE target.

### DELIVERING FOR ALL STAKEHOLDERS

- 1,785 homes delivered, plus 204 in joint ventures (2022: 2,080, plus 251) – 87% of which are on brownfield land.
- Approximately £254 million of subsidies provided to deliver affordable housing and committed to wider community and infrastructure benefits in the six month period.
- Berkeley is delivering some 10% of London's new private and affordable homes – supporting an average of approximately 27,000 UK jobs per annum directly and indirectly through its supply chain over the last five years.
- Industry leading Net Promoter Score (+79.9) and customer satisfaction ratings maintained.
- Since 2017/18 all new planning applications have committed to biodiversity net gain, in total 54 developments which together will create more than 550 acres of new or measurably improved natural habitats.
- 23 embodied carbon studies completed and more than 20 underway as we progress our Climate Action programme.
- Rated “A-” by CDP for climate action and transparency and AAA rated in the MSCI global ESG index.
- Gold membership of The 5% Club maintained, with 9% of direct employees in ‘earn and learn’ positions as graduates, apprentices or sponsored students within the six month period.

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#### Investor and Analyst Presentation:

A pre-recorded presentation by the Directors of Berkeley on the results will be made available on the Company's website at 11:00 today - <https://www.berkeleygroup.co.uk/investors/results-and-announcements>.

#### For further information please contact:

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## THE BERKELEY GROUP HOLDINGS PLC

INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 OCTOBER 2023

### CHIEF EXECUTIVE'S REVIEW

#### **Purpose, Long-term Strategy and Capital Allocation**

Berkeley's purpose is to build quality homes, strengthen communities and improve lives, using our sustained commercial success to make valuable and enduring contributions to society, the economy and natural world.

Berkeley is the only large UK homebuilder to align with Government on prioritising brownfield land, as we progress 32 of the country's most challenging regeneration projects, 26 of which are in delivery. Each of these neighbourhoods is uniquely designed in partnership with local councils and communities and includes valuable public amenities alongside tenure-blind private and affordable homes.

Berkeley is a unique asset-focussed development business that seeks to manage risk and generate value through market cycles, with its inherent latent value rooted in its unrivalled land holdings. We seek to find the optimum development solution for each site in terms of both the social, natural and economic value for all stakeholders, and the returns we deliver to our shareholders. We firmly believe these two are mutually compatible and reinforcing. The pace at which we deliver homes from our land holdings is determined by the prevailing operating environment and we will always adopt a long-term approach, prioritising financial strength above annual profit targets.

Our capital allocation policy is clear: first, ensure financial strength reflects the cyclical nature and complexity of brownfield development and is appropriate for the prevailing operating environment; second, invest in the business (land and work-in-progress) at the right time; and third, make returns to shareholders through dividends and share buy-backs.

#### **Strategy positioning for today's environment and outlook**

Berkeley responded to the softening sales market conditions through 2022, which accelerated from the end of September 2022, by focussing on delivering our forward sales, matching production on existing sites to demand and limiting new investment in land.

This enabled Berkeley to deliver pre-tax profit for FY23 in line with pre-existing guidance and we are on track to meet our FY24 and FY25 aggregated guidance (at least £1.05 billion of pre-tax profit), while maintaining operating margins and our financial strength. At the end of October 2023, we have net cash in excess of £400 million, cash due on forward sales of £2 billion and land holdings future gross margin of £7.2 billion across a large portfolio of fantastic long-term brownfield regeneration sites in and around London.

During the last six months, macro volatility has increased, domestically and abroad, with the prospect of UK interest rates remaining higher for longer and weak economic growth projections. Against this backdrop, the sales market lacks urgency and Berkeley's net reservations for the six months to 31 October 2023 have been around a third lower than the average rate throughout FY23. We anticipate the sales market will remain subdued before inflecting in its normal cyclical manner once there is greater confidence in a downward trajectory for interest rates and economic stability returns.

On the supply side, the sharp build cost rises of recent years have now responded to the prevailing conditions and, for Berkeley, cost inflation across the majority of trades has receded to negligible levels in line with our expectations. The greater supply chain risk is now that of contractor insolvency as the inflation cycle reverses and demand for construction services reduces.

Most significantly for future housing delivery, the planning and regulatory environment continues to evolve and remains highly complex, uncertain and unpredictable.

At a national level, this includes: the changes to the National Planning Policy Framework ('NPPF'), and their impact on the efficacy of local plans; the Levelling Up and Regeneration Act; the requirements for second staircases in tall buildings, which are still not finalised; recent updates to building regulations on energy efficiency, ventilation and overheating; the requirements of the Future Homes Standard; the introduction of the 4% RPDT (with further levies being consulted upon); the Self-Remediation Terms and Contract; and the introduction of the new Building Safety Regulator and associated new regulation.

At a local level in London, this includes: policies and guidance around building standards and energy performance, layering additional requirements on those set centrally; and the design and space standards in the recently published London Design Guidance.

## THE BERKELEY GROUP HOLDINGS PLC

INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 OCTOBER 2023

We are wholly aligned with the ambition to build more quality affordable and private homes where they are most needed, and to play our full part in meeting the country's net zero target. However, the burden of achieving this, at a time when the economy is adjusting to more normal conditions following a decade of zero interest rates, must be recognised and priorities set, as housing cannot continue to cross-subsidise at these levels, without increased public funding. In addition to this, the industry is currently the subject of a Competition and Markets Authority study with which we are fully and openly participating.

The longer the status quo continues, the more the adverse impact on current and future supply is compounded and capacity within the industry is reduced, with SMEs particularly affected, as the number of new homes being started, already well below the recognised need, will continue to decline.

Consequently, during the last six months, Berkeley has taken further steps to de-risk and reposition the business plan to reflect the current operating environment. Despite this challenging backdrop, Berkeley's business model continues to be resilient with good forward visibility:

Near-term (FY24, FY25 and FY26)

- Berkeley is targeting at least £1.5 billion of pre-tax profit across the three years combined, based upon current market conditions; extending guidance by 12 months.
- Operating margins are expected to be within the long-term historical range (17.5% to 19%).
- While the sales market remains subdued, cash due on forward sales will moderate from the current position of £2 billion and Berkeley will carry higher completed stock levels than in recent years.
- Berkeley will continue to review the development solution on all its sites to achieve the optimum outcome for all stakeholders, including accommodating our best current assessment of the impact of evolving regulations, such as the requirements surrounding second staircases in buildings over 18 metres.
- In the absence of material new land investment, the land holdings future gross margin will be targeted at around £6 billion at the end of this period.
- Pre-tax ROE will be above 15% for the period as a whole, but is likely to fall slightly below this for FY26.

Medium-term (FY27, FY28 and FY29)

- Until the planning and regulatory environments unlock, alongside an inflection in the sales market, pre-tax profitability is anticipated to remain around the level to be delivered in FY26.
- The focus will be on maintaining operating margin through our added-value approach to each site's development solution and ensuring our operating costs are aligned to the size of the business.

Capital allocation flexibility

- We are on track to continue with the current shareholder returns programme into the future but remain agile and ready to switch our capital allocation emphasis to new investment should market conditions and the operating environment present a compelling opportunity.
- If Berkeley does not recommence deployment of capital into new investment opportunities by 30 April 2027, we anticipate returning around 100% of the profit after tax earned over this period (from the start of the current financial year) to shareholders, while maintaining financial strength and ensuring we can deliver our cross-cycle 15% pre-tax ROE target.

This strategic positioning draws on the Company's experience of operating across the market cycle and represents a responsible approach to ongoing elevated uncertainty and volatility, but also ensures Berkeley retains maximum flexibility for the prevailing conditions.

## THE BERKELEY GROUP HOLDINGS PLC

INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 OCTOBER 2023

### Shareholder Returns

The current shareholder return framework is based upon an annual return of £283 million through to September 2025, which can be made through either dividends or share buy-backs, subject to a dividend underpin of 66 pence per share (approximately £70 million).

If the scheduled £283 million annual shareholder return has not been delivered by the dividend underpin or share buy-backs, the balance will be returned in September each year and will be accompanied by a share consolidation, unless the balance is deemed de minimis for these purposes. This will be effective from now and includes the return due to be made by 30 September 2024. It reflects the strategy set out above and is consistent with the approach taken to the 2021 B-share return of capital, which was also accompanied by a share consolidation.

Shareholder returns during the six months ended 31 October 2023 totalled £127.6 million:

<b>Six months to 31 October</b>	<b>2023</b>	<b>2022</b>
	<b>£'m</b>	<b>£'m</b>
Dividends paid	63.1	23.3
Share buy-backs made	64.5	110.5
Shareholder return for the period	127.6	133.8

The dividend of £63.1 million was paid in September (59.30 pence per share) which completed the £283 million return for the year to 30 September 2023.

The £64.5 million share buy-backs were across 1.7 million shares (average price: £39.01 per share). Of this, £43.1 million pertained to the £283 million return for the year to 30 September 2023 and £21.4 million pertains to the current £283 million return due by 30 September 2024.

The annual return of £283 million for the year to 30 September 2024 currently equates to £2.67 per share.

### Housing Market and Operating Environment

#### **Sales**

For Berkeley, the value of underlying private sales reservations for the first half is running around one third lower than the levels secured throughout the 2022/23 financial year, reflecting the sharp increase in interest rates from September last year and the ongoing elevated political and macro volatility. Pricing has been above our business plan levels, reflecting the systemic under-supply in our core markets, and cancellation rates have been in the normal range.

Berkeley's cash due from underlying private forward sales remains strong at £1.96 billion at 31 October 2023, compared to £2.14 billion at the start of the financial year. This will moderate during the second half of the year unless sales rates return to FY23 levels. With customers more attracted to immediately available homes in this market, Berkeley expects to carry higher levels of completed stock relative to recent years, as it maintains build programs on existing phases.

Current supply in our core markets is historically low. Focussing on London, the latest DLUHC data demonstrates this with new starts for the 12 months to June 2023 of 20,500 including private, PRS and affordable homes, substantially below both the current London Plan target of 52,000 per annum and Government's identified local housing need of 94,000 per annum.

## THE BERKELEY GROUP HOLDINGS PLC

INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 OCTOBER 2023

### ***Land and planning***

Berkeley has added two new sites outside London to its land holdings during the period, one of which is in the St Edward joint venture and has been transferred from the pipeline:

- 199 homes in Maidenhead, Berkshire following receipt of a planning consent, and
- 470 homes in Guildford, Surrey where a resolution to grant consent was obtained in October 2023 (St Edward).

In addition to these two successes, Berkeley received a planning consent on its land parcel adjacent to West End Gate, Marylebone for 550 homes following a Mayoral Hearing in March 2023 pursuant to the GLA's call-in of the application in November 2021, and has obtained some 20 amendments to planning consents on existing sites.

While these are positive outcomes, Berkeley continues to experience significant delays in advancing its development proposals through the planning system.

At 31 October 2023, Berkeley's land holdings comprise 56,107 plots across 71 developments (30 April 2023: 58,045 plots across 73 developments), including those in the St Edward joint venture.

The plots in the land holdings have an estimated future gross profit of £7.25 billion (30 April 2023: £7.63 billion), which includes the Group's 50% share of the anticipated profit on St Edward's joint venture developments. The net reduction in gross profit of £0.38 billion principally arises through the gross profit taken through the Income Statement, with the two new sites added partly mitigating the impact of market movements and regulatory changes on the anticipated future gross profit in the land holdings. Consequently, the estimated future gross margin is 25.4% (30 April 2023: 26.2%).

The estimated future gross margin represents management's risk-adjusted assessment of the potential gross profit for each site, taking account of a wide range of factors, including current sales and input prices; the political and economic backdrop; the planning regime; and other market forces; all of which could have a significant effect on the eventual outcome.

The pipeline comprises approximately 13,500 plots across 13 sites at 31 October 2023 (30 April 2023: 14,000 plots on 14 sites) following the transfer of Guildford to the land holdings.

### ***Construction***

Against a backdrop of reducing new homes supply and falling construction output, build cost inflation for Berkeley in today's market is at negligible levels apart from some isolated trades where demand is high. For the early trades and those most impacted by the decline in orders we are already seeing some reductions in current tender pricing. We expect these market-led dynamics to continue placing downward pressure on build costs, but this is balanced by the costs associated with ongoing regulatory change.

Given the elevated macro uncertainty, Berkeley continues to work with and support our established supply chain partners to ensure sustainability of the supply chain and delivery on our development sites.

### ***Self-Remediation Terms and Contract***

On 13 March 2023 Berkeley entered into the Self-Remediation Terms and Contract with DLUHC. Under these terms developers have responsibility for any life critical fire safety defects in buildings they have developed in the last 30 years. For the 815 relevant buildings Berkeley has developed over this period, it has third party assessments on over 90%. The majority of the remaining buildings are where Berkeley is not the freeholder. There are 34 buildings where works remain to be completed, 15 of which are buildings where Berkeley is reimbursing Government for the works under the Developer Remediation contract. Where works are required and yet to commence, Berkeley intends to begin works as soon as reasonably possible, subject to access being provided by the freeholder. It is Berkeley's preference to take full responsibility for all its relevant buildings and to complete any required works itself as this will speed up the overall process of remediation. We are seeking recoveries from the supply chain and insurers where appropriate.

Looking forward, Berkeley is ensuring its procedures are compliant with new legislation and is working closely with the new Building Safety Regulator which, together with the actions taken to date, should restore trust and confidence to the housing market, enabling it to operate efficiently, effectively and fairly for all.

## **THE BERKELEY GROUP HOLDINGS PLC**

INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 OCTOBER 2023

### **Outlook**

While trading conditions and the operating environment remain volatile and unsupportive of investment, Berkeley has focused on its existing sites, as opposed to new investment, and has maintained the strong position with which it entered the year. Currently this is:

- £422 million of net cash (FY23: £410 million)
- £2.0 billion of cash due on forward sales (FY23: £2.1 billion)
- £7.2 billion of future gross margin in its unrivalled land holdings (FY23: £7.6 billion)

This means we are well placed to respond quickly as the operating environment unfolds, providing strategic optionality over capital allocation to maximise returns to shareholders over the long-term.

Irrespective of our strategic positioning at any point in time, we will continue to fulfil our purpose and transform the most challenging sites into exceptional places, yielding a long-term positive impact for society, the UK economy and natural world. We will continue to advocate brownfield regeneration as the most sustainable way of solving the UK's housing crisis, through which years of patient investment and placemaking has established popular mixed use neighbourhoods and a strong sense of community.

**Rob Perrins**  
**Chief Executive**



## THE BERKELEY GROUP HOLDINGS PLC

INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 OCTOBER 2023

### TRADING AND FINANCIAL REVIEW

#### Trading performance

Berkeley has delivered pre-tax profit of £298.0 million for the six month period:

Six months ended 31 October	2023 £'m	2022 £'m	£'m	Change %
Revenue	1,191.9	1,200.7	-8.8	-0.7%
Gross profit	311.6	323.8	-12.2	-3.8%
Operating expenses	(79.7)	(89.9)	+10.2	-11.3%
Operating profit	231.9	233.9	-2.0	-0.9%
Net finance income/(costs)	5.1	(10.6)	+15.7	
Share of joint ventures	61.0	61.5	-0.5	
Profit before tax	298.0	284.8	+13.2	+4.6%
Pre-tax return on equity	17.7%	18.0%	-0.3%	
Earnings per share – basic	198.3p	200.4p	-2.1p	-1.0%

Revenue of £1,191.9 million in the period (2022: £1,200.7 million) arose primarily from the sale of new homes in London and the South East. This included £1,153.0 million of residential revenue (2022: £1,185.8 million) and £38.9 million of commercial revenue (2022: £14.9 million).

1,785 new homes (2022: 2,080) were sold across London and the South East at an average selling price of £624,000 (2022: £560,000) reflecting the mix of properties sold in the period.

The gross margin percentage is 26.1% (2022: 27.0%), reflecting the mix of developments on which homes were completed in the period. Overheads of £79.7 million (2022: £89.9 million) have decreased £10.2 million. The operating margin is 19.5% (2022: 19.5%), which is within the historic range.

Berkeley's share of the results of joint ventures is a profit of £61.0 million (2022: £61.5 million), with St Edward's profits arising predominately from completions at Royal Warwick Square and Millbank.

The costs of borrowings and amortisation of associated fees and imputed interest on land creditors is outweighed by interest earned from gross cash holdings, resulting in net finance income of £5.1 million for the period (2022: cost £10.6 million).

The taxation charge for the period is £86.5 million (2022: £63.1 million) at an effective tax rate of 29.0% (2022: 22.2%), which incorporates the additional 4% RPDT and Corporation Tax of 25%, following the increase from 19% from 1 April 2023.

Pre-tax return on equity for the period is 17.7% (2022: 18.0%).

Basic earnings per share has decreased by 1.0% from 200.4 pence to 198.3 pence, which takes account of the buy-back of 1.7 million shares at a cost of £64.5 million under the Shareholder Returns Programme.

## THE BERKELEY GROUP HOLDINGS PLC

INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 OCTOBER 2023

### Financial Position

The Group's net assets increased by £81.5 million over the six month period to £3,413.8 million (30 April 2023: £3,332.3 million):

<b>Summarised Balance Sheet as at</b>	<b>31-Oct- 23</b>	<b>30-Apr- 23</b>	<b>Change</b>
	<b>£'m</b>	<b>£'m</b>	<b>£'m</b>
Non-current assets	384.4	394.9	-10.5
Inventories	5,370.3	5,302.1	+68.2
Debtors	93.1	92.3	+0.8
Creditors	(2,855.6)	(2,867.4)	+11.8
Capital employed	2,992.2	2,921.9	+70.3
Net cash	421.6	410.4	+11.2
<b>Net assets</b>	<b>3,413.8</b>	<b>3,332.3</b>	<b>+81.5</b>
Shares, net of treasury and EBT	106.0m	107.5m	-1.5m
Net asset value per share	3,219p	3,101p	+118p

#### *Inventory*

Inventories of £5,370.3 million include £912.0 million of land not under development (30 April 2023: £927.1 million), £4,310.6 million of work in progress (30 April 2023: £4,249.2 million) and £147.7 million of completed stock (30 April 2023: £125.8 million).

During the period, Broadway East in Bethnal Green has been moved from land not under development into work in progress.

#### *Creditors*

Total creditors of £2,855.6 million include £973.1 million of on-account receipts from customers (30 April 2023: £921.3 million) and land creditors of £893.3 million (30 April 2023: £900.7 million). Of the total £893.3 million land creditor balance, £25.3 million is short-term and £868.0 million is spread over the following eight years.

Creditors also include provisions of £208.2 million (30 April 2023: £193.6 million) which represents post-completion development obligations, including those related to building fire-safety matters, and other provisions.

#### *Net cash*

The Group ended the period with net cash of £421.6 million (30 April 2023: £410.4 million), an increase of £11.2 million during the period:

<b>Abridged Cash Flow for the period ended</b>	<b>31-Oct-23</b>
	<b>£'m</b>
Profit before taxation	298.0
Taxation paid	(87.6)
Net investment in working capital	(73.1)
Net receipt from joint ventures	5.8
Other movements	(4.3)
Shareholder returns	(127.6)
Increase in net cash	11.2
Opening net cash	410.4
Closing net cash	421.6

The net cash of £421.6 million comprises gross cash holdings of £1,081.6 million and long-term borrowings of £660.0 million.

## THE BERKELEY GROUP HOLDINGS PLC

INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 OCTOBER 2023

### *Net assets and NAVPS*

Net assets increased over the six month period by £81.5 million, or 2.4% to £3,413.8 million (30 April 2023: £3,332.3 million) due to the profit after tax for the period of £211.5 million outweighing the shareholder returns of £127.6 million and other movements in reserves of £2.4 million.

The shares in issue, net of treasury and EBT shares, closed at 106.0 million compared to 107.5 million at the start of the period. The net reduction of 1.5 million shares comprises two movements:

- The 1.7 million share buy-backs undertaken during the period for £64.5 million (£39.01 per share);
- The issue of 0.2 million shares under the 2011 LTIP.

Consequently, the net asset value per share is 3,219 pence, up 3.8% from the 3,101 pence at 30 April 2023.

### **Funding**

The Group's borrowing capacity of £1,200 million is unchanged during the period and comprises:

- £400 million unsecured 10-year Green Bonds which mature in August 2031 at a fixed coupon of 2.5% per annum; and
- £800 million bank facility, including a £260 million Green Term loan and a £540 million undrawn revolving credit facility ('RCF'). This facility matures in February 2028, with one remaining one-year extension option available.

Berkeley has allocated the proceeds of the Green Bonds and Green Term Loan to its ongoing brownfield development activities in accordance with its Green Financing Framework (available on its website).

With total borrowings of £660 million throughout the half year period, the Group's gross cash holdings of over £1 billion are placed on deposit with its six relationship banks.

### **Joint Ventures**

Included within non-current assets are investments in joint ventures accounted for using the equity method which are at £217.6 million at 31 October 2023 (30 April 2023: £223.4 million). The net £5.8 million decrease in the six month period arises from Berkeley's 50% share of three movements:

- Profits earned in joint ventures of £61.0 million;
- Dividend distribution from St Edward of £74.9 million; and
- Cash contributions (loans) to site specific joint ventures of £8.1 million.

In St Edward, 204 homes were completed in the period at an average selling price of £1,204,000 (2022: 251 homes at £1,036,000). The completions occurred at Royal Warwick Square and Millbank in London, Hartland Village in Fleet, Green Park Village in Reading and Highcroft in Wallingford.

In total, 2,718 plots (30 April 2023: 2,435 plots) in Berkeley's land holdings relate to five St Edward developments, one in London (Westminster) and four outside the capital (Reading, Fleet, Wallingford and Guildford).

### **Our Vision 2030: Transforming Tomorrow**

Our Vision 2030 is Berkeley's ambitious long-term strategy, which sets ten strategic priorities for the business over the current decade. We are delighted to have received recognition during the period for our action, including the Long-Term Business Success Award at the Management Today Business Leadership Awards and named Housebuilder of the Year at the Building Awards for the third time in a row. We have an 'A-' Leadership level rating for CDP Climate Action and Transparency, are AAA rated in the MSCI global ESG index, 'low risk' rated by Sustainalytics and continue to be listed on the FTSE4Good Index.

Our independently verified Net Promoter Score (NPS) of 79.9 outperforms the industry and many leading consumer brands. This reflects our detailed handover checks, underpinned by our build quality assurance arrangements, with robust training and audit programmes in place. We continue to strengthen existing

## THE BERKELEY GROUP HOLDINGS PLC

INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 OCTOBER 2023

arrangements in response to the new Building Safety Act regime which came into force on 1 October 2023, with updated policy, standards and new training rolled out to all production employees in the period.

Following detailed research, we have been undertaking embodied carbon studies on our developments since summer 2022 with 23 assessments completed and more than 20 underway. We are working with our consultants and supply chain partners to reduce emissions through specification and sourcing choices to meet our ambitious science-based targets. On our construction sites, we now have 17 diesel free sites, and have saved 2,000 tonnes of carbon in the period through the use of biodiesel HVO purchased both directly and through our trade contractors. We continue to prepare for the changes under the Future Homes Standard.

The climate challenge cannot be seen in isolation, and we ensure that reversing nature decline is fundamental to our development approach. We have committed to biodiversity net gain on 54 sites, which together will create more than 550 acres of new or measurably improved natural habitat. Following the success of the Biodiversity Conference we co-hosted with Natural England and the Local Government Association earlier this year, we are working with Natural England to run local sessions in the spring as part of the roll out of new mandatory legislation across the industry.

Our approach to 'environmental net gain' is focused on the four areas where the pressures on the environment are greatest and where we can have most impact: Climate, Pollution, Ecology and Water. We were delighted to have been recognised for our work in this area, through a Water Conservation Award at the National Sustainability Awards for the joint project with Thames Water at Royal Exchange in Kingston-Upon-Thames for being the first site at scale to achieve water neutrality.

We continue to upskill our employees and provide pathways into the business for a diverse range of people. 9% of our employees are in 'earn and learn' positions, including graduates and apprentices and those working towards professional qualifications, helping us to maintain our Gold rating with The 5% Club. In the period we pledged £100,000 of our unallocated Apprenticeship Levy to enable London's small construction businesses to take on more apprentices. The contribution is part of a new partnership with Workwhile, a not-for-profit initiative which aims to create good work and ensure disadvantaged people can access high-quality training.

Very conscious of the fragility of the supply chain in the current market conditions, we held our first Supply Chain Conference in November, bringing together more than 170 trade contractors, suppliers and manufacturers to ensure we work collaboratively and strengthen relationships. This was an opportunity to reinforce our priorities on topics such as quality, climate action and combatting modern slavery, together with raising awareness about our new strategy to target zero avoidable waste.

The Berkeley Foundation published its latest summary of its work within its Annual Review 2023 Driving Positive Change. In the period we have supported the successful completion of the first cohort of green leaders through the Foundation's partnership with Groundwork London. A new three-year partnership has also been set up with Camden-based charity New Horizon Youth Centre to support young Londoners experiencing homelessness to move into safe and sustainable housing.

### **Principal risks and uncertainties**

The Board is conscious of the ongoing elevated volatility in the operating environment and the Group's business model and risk management approach ensures we are agile and responsive to evolving market conditions. As such, our risk appetite remains dynamic and is respectful of the cyclical nature of our industry and the risks and opportunities this presents.

The principal business risks and uncertainties facing Berkeley for the next six months are the same as those set out on pages 87 to 99 of The Berkeley Group Holdings plc Annual Report for the year ended 30 April 2023. These comprise the economic and political outlook, the impact of regulation on the business and the wider industry, the availability of land, the planning process, retention of our people, securing sales, liquidity and working capital management, mortgage availability, climate change and sustainability considerations, health and safety on the Group's developments, product quality and customers, control of build costs and maintaining programmes, and cyber and data risk. In preparing this interim report, full account has been taken of this risk profile and the future outlook for the Group's developments as embraced within the Group's strategy and outlook.

- End -

## **THE BERKELEY GROUP HOLDINGS PLC**

INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 OCTOBER 2023

### **Statement of Directors' Responsibilities**

This statement, which should be read in conjunction with the independent review of the auditors set out at the end of these Condensed Consolidated Financial Statements (the "Interim Financial Statements"), is made to enable shareholders to distinguish the respective responsibilities of the Directors and the auditors in relation to the Interim Financial Statements which the Directors confirm have been presented on a going concern basis. The Directors consider that the Group has used appropriate accounting policies, consistently applied and supported by reasonable and appropriate judgements and estimates.

A copy of the Interim Financial Statements of the Group is placed on the website of The Berkeley Group Holdings plc: [www.berkeleygroup.co.uk](http://www.berkeleygroup.co.uk). The Directors are responsible for the maintenance and integrity of the information on the website. Information published on the internet is accessible in many countries with different legal requirements. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

The Directors confirm that this set of Interim Financial Statements has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", as adopted by the United Kingdom and that the interim management report includes a fair review of the information required by DTR 4.2.7R and DTR 4.2.8R, namely:

- an indication of important events that have occurred during the first six months and their impact on the set of Interim 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 Directors of The Berkeley Group Holdings plc are listed in the Annual Report of The Berkeley Group Holdings plc for the year ended 30 April 2023. A list of current Directors is maintained on The Berkeley Group Holdings plc's website.

On behalf of the Board

#### **R C Perrins**

Chief Executive  
8 December 2023

#### **R J Stearn**

Finance Director  
8 December 2023

## THE BERKELEY GROUP HOLDINGS PLC

INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 OCTOBER 2023

### Condensed Consolidated Income Statement

		<b>Six months ended 31 October 2023 Unaudited £m</b>	Six months ended 31 October 2022 Unaudited £m	Year ended 30 April 2023 Audited £m
	Notes			
Revenue		<b>1,191.9</b>	1,200.7	2,550.2
Cost of sales		<b>(880.3)</b>	(876.9)	(1,853.4)
<b>Gross profit</b>		<b>311.6</b>	323.8	696.8
Net operating expenses		<b>(79.7)</b>	(89.9)	(178.5)
<b>Operating profit</b>		<b>231.9</b>	233.9	518.3
Finance income	3	<b>25.9</b>	6.0	23.1
Finance costs	3	<b>(20.8)</b>	(16.6)	(33.7)
Share of results of joint ventures using the equity method		<b>61.0</b>	61.5	96.3
<b>Profit before taxation for the period</b>		<b>298.0</b>	284.8	604.0
Income tax expense	4	<b>(86.5)</b>	(63.1)	(138.3)
<b>Profit after taxation for the period</b>		<b>211.5</b>	221.7	465.7
<b>Earnings per share (pence):</b>				
Basic	5	<b>198.3</b>	200.4	426.8
Diluted	5	<b>196.7</b>	197.9	422.4

### Condensed Consolidated Statement of Comprehensive Income

		<b>Six months ended 31 October 2023 Unaudited £m</b>	Six months ended 31 October 2022 Unaudited £m	Year ended 30 April 2023 Audited £m
<b>Profit after taxation for the period</b>		<b>211.5</b>	221.7	465.7
Other comprehensive expense				
<i>Items that will not be reclassified to profit or loss</i>				
Actuarial loss recognised in the pension scheme		<b>(1.0)</b>	(1.7)	(1.3)
<b>Total items that will not be reclassified to profit or loss</b>		<b>(1.0)</b>	(1.7)	(1.3)
<b>Other comprehensive expense for the period</b>		<b>(1.0)</b>	(1.7)	(1.3)
<b>Total comprehensive income for the period</b>		<b>210.5</b>	220.0	464.4

# THE BERKELEY GROUP HOLDINGS PLC

INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 OCTOBER 2023

## Condensed Consolidated Statement of Financial Position

		31 October 2023	31 October 2022	30 April 2023
		Unaudited	Unaudited	Audited
	Notes	£m	£m	£m
<b>Assets</b>				
<b>Non-current assets</b>				
Intangible assets		17.2	17.2	17.2
Property, plant and equipment		33.8	40.4	34.6
Right-of-use assets		5.0	5.0	5.2
Investments accounted for using the equity method		217.6	184.2	223.4
Deferred tax assets		110.8	116.4	114.5
		<b>384.4</b>	<b>363.2</b>	<b>394.9</b>
<b>Current assets</b>				
Inventories	6	5,370.3	5,298.2	5,302.1
Trade and other receivables		89.3	78.2	92.3
Current tax assets		3.8	4.6	-
Cash and cash equivalents	7	1,081.6	1,002.6	1,070.4
		<b>6,545.0</b>	<b>6,383.6</b>	<b>6,464.8</b>
<b>Total assets</b>		<b>6,929.4</b>	<b>6,746.8</b>	<b>6,859.7</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Borrowings	7	(660.0)	(660.0)	(660.0)
Trade and other payables		(868.0)	(859.3)	(863.4)
Lease liability		(3.0)	(3.1)	(2.9)
Provisions for other liabilities and charges		(153.2)	(117.2)	(115.1)
		<b>(1,684.2)</b>	<b>(1,639.6)</b>	<b>(1,641.4)</b>
<b>Current liabilities</b>				
Trade and other payables		(1,774.2)	(1,837.3)	(1,801.6)
Current tax liabilities		-	-	(3.7)
Lease liability		(2.2)	(2.2)	(2.2)
Provisions for other liabilities and charges		(55.0)	(58.1)	(78.5)
		<b>(1,831.4)</b>	<b>(1,897.6)</b>	<b>(1,886.0)</b>
<b>Total liabilities</b>		<b>(3,515.6)</b>	<b>(3,537.2)</b>	<b>(3,527.4)</b>
<b>Total net assets</b>		<b>3,413.8</b>	<b>3,209.6</b>	<b>3,332.3</b>
<b>Equity</b>				
<b>Shareholders' equity</b>				
Share capital		6.2	6.3	6.3
Share premium		49.8	49.8	49.8
Capital redemption reserve		25.3	25.2	25.2
Other reserve		(961.3)	(961.3)	(961.3)
Retained earnings		4,293.8	4,089.6	4,212.3
<b>Total equity</b>		<b>3,413.8</b>	<b>3,209.6</b>	<b>3,332.3</b>

# THE BERKELEY GROUP HOLDINGS PLC

INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 OCTOBER 2023

## Condensed Consolidated Statement of Changes in Equity

	Share capital £m	Share premium £m	Capital redemption reserve £m	Other reserve £m	Retained earnings £m	Total equity £m
<b>Unaudited</b>						
At 1 May 2023	6.3	49.8	25.2	(961.3)	4,212.3	3,332.3
Profit after taxation for the period	-	-	-	-	211.5	211.5
Other comprehensive expense for the period	-	-	-	-	(1.0)	(1.0)
Purchase of own shares	(0.1)	-	0.1	-	(64.5)	(64.5)
Transactions with shareholders:						
- Charge in respect of employee share schemes	-	-	-	-	(4.2)	(4.2)
- Deferred tax in respect of employee share schemes	-	-	-	-	2.8	2.8
- Dividends to equity holders of the Company	-	-	-	-	(63.1)	(63.1)
<b>At 31 October 2023</b>	<b>6.2</b>	<b>49.8</b>	<b>25.3</b>	<b>(961.3)</b>	<b>4,293.8</b>	<b>3,413.8</b>
<b>Unaudited</b>						
At 1 May 2022	6.5	49.8	25.0	(961.3)	4,016.1	3,136.1
Profit after taxation for the period	-	-	-	-	221.7	221.7
Other comprehensive expense for the period	-	-	-	-	(1.7)	(1.7)
Purchase of own shares	(0.2)	-	0.2	-	(110.5)	(110.5)
Transactions with shareholders:						
- Charge in respect of employee share schemes	-	-	-	-	(4.3)	(4.3)
- Deferred tax in respect of employee share schemes	-	-	-	-	(8.4)	(8.4)
- Dividends to equity holders of the Company	-	-	-	-	(23.3)	(23.3)
At 31 October 2022	6.3	49.8	25.2	(961.3)	4,089.6	3,209.6
<b>Audited</b>						
At 1 May 2022	6.5	49.8	25.0	(961.3)	4,016.1	3,136.1
Profit after taxation for the year	-	-	-	-	465.7	465.7
Other comprehensive expense for the year	-	-	-	-	(1.3)	(1.3)
Purchase of own shares	(0.2)	-	0.2	-	(155.4)	(155.4)
Transactions with shareholders:						
- Charge in respect of employee share schemes	-	-	-	-	(4.5)	(4.5)
- Deferred tax in respect of employee share schemes	-	-	-	-	(9.8)	(9.8)
- Dividends to equity holders of the Company	-	-	-	-	(98.5)	(98.5)
At 30 April 2023	6.3	49.8	25.2	(961.3)	4,212.3	3,332.3



## THE BERKELEY GROUP HOLDINGS PLC

INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 OCTOBER 2023

### Condensed Consolidated Cash Flow Statement

		<b>Six months ended 31 October 2023 Unaudited £m</b>	Six months ended 31 October 2022 Unaudited £m	Year ended 30 April 2023 Audited £m
	Notes			
<b>Cash flows from operating activities</b>				
Cash generated from operations	7	157.1	218.8	472.5
Interest received		22.6	4.3	18.2
Interest paid		(18.4)	(13.0)	(21.4)
Income tax paid		(87.6)	(67.3)	(133.7)
Net cash flow from operating activities		73.7	142.8	335.6
<b>Cash flows from investing activities</b>				
Purchase of property, plant and equipment		(0.9)	(1.7)	(2.0)
Proceeds on disposal of property, plant and equipment		0.4	-	0.8
Dividends from joint ventures		74.9	74.9	74.9
Movements in loans with joint ventures		(8.1)	(7.2)	(11.6)
Net cash flow from investing activities		66.3	66.0	62.1
<b>Cash flows from financing activities</b>				
Lease capital repayments		(1.2)	(1.3)	(2.3)
Purchase of own shares		(64.5)	(110.5)	(155.4)
Dividends to Company's shareholders		(63.1)	(23.3)	(98.5)
Net cash flow from financing activities		(128.8)	(135.1)	(256.2)
Net increase in cash and cash equivalents		11.2	73.7	141.5
Cash and cash equivalents at the start of the financial period		1,070.4	928.9	928.9
Cash and cash equivalents at the end of the financial period		1,081.6	1,002.6	1,070.4

# THE BERKELEY GROUP HOLDINGS PLC

INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 OCTOBER 2023

## Notes to the Condensed Consolidated Financial Information

### 1 General information

The Berkeley Group Holdings plc (the Company) is a public limited company incorporated and domiciled in the United Kingdom. The address of its registered office is Berkeley House, 19 Portsmouth Road, Cobham, Surrey, KT11 1JG. The Company and its subsidiaries (together the Group) are engaged in residential led, mixed use property development.

This Condensed Consolidated Financial Information was approved for issue on 8 December 2023. It does not comprise statutory accounts within the meaning of Section 434(3) of the Companies Act 2006. Statutory accounts for the year ended 30 April 2023 were approved by the Board of Directors on 21 June 2023 and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified, did not include reference to any matters to which the auditor drew attention by way of emphasis without qualifying their audit report, and did not contain a statement under Section 498 (2) or (3) of the Companies Act 2006. The Interim Financial Statements have been reviewed, not audited.

### 2 Basis of preparation

#### 2.1 Introduction

This Condensed Consolidated Financial Information for the six months ended 31 October 2023 has been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted for use in the UK and the Disclosure Guidance and Transparency Rules of the UK's Financial Conduct Authority.

The comparative figures for the year ended 30 April 2023 do not constitute statutory accounts as defined in Section 434(3) of the Companies Act 2006 and have been extracted from the statutory accounts, which were prepared in accordance with International Accounting Standards (IAS) in conformity with the requirements of the Companies Act 2006 and UK-adopted International Financial Reporting Standards (IFRS) and were delivered to the Registrar of Companies.

The accounting policies, presentation and method of computations adopted in the preparation of the 31 October 2023 Interim Financial Statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 30 April 2023 except in respect of taxation which is based on the expected effective tax rate for the year ending 30 April 2024.

The following amendments to standards and interpretations are applicable to the Group and are mandatory for the first time for the financial year beginning 1 May 2023:

- Amendments to IAS 1 Presentation of Financial Statements;
- Amendments to IFRS 17 Insurance Contracts;
- Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors; and
- Amendments to IAS 12 Income Taxes.

These amendments are not expected to have a significant impact on the results of the Group.

## THE BERKELEY GROUP HOLDINGS PLC

INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 OCTOBER 2023

### Notes to the Condensed Consolidated Financial Information (continued)

#### 2 Basis of preparation (continued)

##### 2.2 Going concern

The Directors have assessed the business plan and funding requirements of the Group over the medium-term and compared these with the level of committed debt facilities and existing cash resources. As at 31 October 2023, the Group had net cash of £421.6 million and total liquidity of £1,621.6 million when this net cash is combined with banking facilities of £800 million (committed to February 2028), of which £540 million is undrawn, and £400 million listed bonds (which mature in August 2031). Furthermore, the Group has cash due on forward sales of £1.96 billion, a significant proportion of which covers delivery for the next 18 months.

In making this assessment, consideration has been given to the uncertainty inherent in future financial forecasts and where applicable, severe but plausible sensitivities have been applied to the key factors affecting the financial performance of the Group. The Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for not less than 12 months from the date of approval of these Interim Financial Statements. For this reason, it continues to adopt the going concern basis of accounting in preparing its Interim Financial Statements.

#### 3 Net finance income/(costs)

	Six months ended 31 October 2023 Unaudited £m	Six months ended 31 October 2022 Unaudited £m	Year ended 30 April 2023 Audited £m
<b>Finance income</b>	<b>25.9</b>	6.0	23.1
<b>Finance costs</b>			
Interest payable on borrowings and non-utilisation fees	(14.6)	(10.5)	(21.9)
Amortisation of fees incurred on borrowings	(1.0)	(0.8)	(1.7)
Other finance costs	(5.2)	(5.3)	(10.1)
	<b>(20.8)</b>	(16.6)	(33.7)
<b>Net finance income/(costs)</b>	<b>5.1</b>	(10.6)	(10.6)

Finance income predominantly represents interest earned on cash deposits.

Other finance costs represent imputed interest on land purchased on deferred settlement terms and lease interest.

## THE BERKELEY GROUP HOLDINGS PLC

INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 OCTOBER 2023

### Notes to the Condensed Consolidated Financial Information (continued)

#### 4 Income tax expense

	Six months ended 31 October 2023 Unaudited £m	Six months ended 31 October 2022 Unaudited £m	Year ended 30 April 2023 Audited £m
<b>Current tax including RPDT</b>			
UK current tax payable	(80.9)	(67.4)	(140.5)
Adjustments in respect of previous years	0.7	(1.9)	(1.4)
	<b>(80.2)</b>	<b>(69.3)</b>	<b>(141.9)</b>
<b>Deferred tax including RPDT</b>			
Deferred tax movements	(5.6)	4.3	2.5
Adjustments in respect of previous years	(0.7)	1.9	1.1
	<b>(6.3)</b>	<b>6.2</b>	<b>3.6</b>
	<b>(86.5)</b>	<b>(63.1)</b>	<b>(138.3)</b>

#### 5 Earnings per share

Basic earnings per share are calculated as the profit for the financial period attributable to shareholders of the Group divided by the weighted average number of shares in issue during the period.

	Six months ended 31 October 2023 Unaudited	Six months ended 31 October 2022 Unaudited	Year ended 30 April 2023 Audited
Profit attributable to shareholders (£m)	211.5	221.7	465.7
Weighted average no. of shares (m)	106.7	110.6	109.1
Basic earnings per share (p)	<b>198.3</b>	<b>200.4</b>	<b>426.8</b>

For diluted earnings per ordinary share, the weighted average number of shares in issue is adjusted to assume the conversion of all potentially dilutive ordinary shares.

At 31 October 2023, the Group had one (2022: one) category of potentially dilutive ordinary shares: 0.7 million (2022: 1.2 million) share options under the 2011 LTIP.

A calculation is undertaken to determine the number of shares that could have been acquired at fair value based on the aggregate of the exercise price of each share option and the fair value of future services to be supplied to the Group, which is the unamortised share-based payments charge. The difference between the number of shares that could have been acquired at fair value and the total number of options is used in the diluted earnings per share calculation.

**THE BERKELEY GROUP HOLDINGS PLC**

INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 OCTOBER 2023

**Notes to the Condensed Consolidated Financial Information (continued)**

**5 Earnings per share (continued)**

	<b>Six months ended 31 October 2023 Unaudited</b>	Six months ended 31 October 2022 Unaudited	Year ended 30 April 2023 Audited
Profit used to determine diluted EPS (£m)	<b>211.5</b>	221.7	465.7
Weighted average no. of shares (m)	<b>106.7</b>	110.6	109.1
Adjustments for:			
Share options - 2011 LTIP	<b>0.9</b>	1.4	1.1
Shares used to determine diluted EPS (m)	<b>107.6</b>	112.0	110.2
Diluted earnings per share (p)	<b>196.7</b>	197.9	422.4

**6 Inventories**

	<b>Six months ended 31 October 2023 Unaudited £m</b>	Six months ended 31 October 2022 Unaudited £m	Year ended 30 April 2023 Audited £m
Land not under development	<b>912.0</b>	919.7	927.1
Work in progress: Land cost	<b>1,649.5</b>	1,897.5	1,729.2
Total land	<b>2,561.5</b>	2,817.2	2,656.3
Work in progress: Build cost	<b>2,661.1</b>	2,362.1	2,520.0
Completed units	<b>147.7</b>	118.9	125.8
<b>Total inventories</b>	<b>5,370.3</b>	5,298.2	5,302.1

## THE BERKELEY GROUP HOLDINGS PLC

INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 OCTOBER 2023

### Notes to the Condensed Consolidated Financial Information (continued)

#### 7 Notes to the Condensed Consolidated Cash Flow Statement

	Six months ended 31 October 2023 Unaudited £m	Six months ended 31 October 2022 Unaudited £m	Year ended 30 April 2023 Audited £m
<b>Net cash flows from operating activities</b>			
Profit for the financial period	211.5	221.7	465.7
Adjustments for:			
Taxation	86.5	63.1	138.3
Depreciation	2.5	2.9	5.1
Loss on sale of PPE	-	-	3.7
Finance income	(25.9)	(6.0)	(23.1)
Finance costs	20.8	16.6	33.7
Share of results of joint ventures after tax	(61.0)	(61.5)	(96.3)
Non-cash charge in respect of share awards	(4.2)	(4.3)	(4.5)
Changes in working capital:			
Increase in inventories	(68.2)	(164.3)	(168.1)
Decrease in trade and other receivables	5.9	67.9	57.5
(Decrease)/increase in trade and other payables	(10.8)	82.7	60.5
Cash generated from operations	157.1	218.8	472.5
<b>Reconciliation of net cash flow to net cash</b>			
Net increase in net cash and cash equivalents, including bank overdraft	11.2	73.7	141.5
Movement in borrowings	-	-	-
Movement in net cash in the financial period	11.2	73.7	141.5
Opening net cash	410.4	268.9	268.9
Closing net cash	421.6	342.6	410.4
<b>Net cash</b>			
Cash and cash equivalents	1,081.6	1,002.6	1,070.4
Non-current borrowings	(660.0)	(660.0)	(660.0)
Net cash	421.6	342.6	410.4

#### 8 Alternative performance measures

Berkeley uses a number of alternative performance measures (APMs) which are not defined by IFRS. The Directors consider these measures useful to assess the underlying performance of the Group alongside the relevant IFRS financial information. They are referred to as Financial KPIs throughout the results. The information below provides a definition of APMs and reconciliation to the relevant IFRS information, where required:

##### Net cash

Net cash is defined as cash and cash equivalents, less total borrowings. This is reconciled in note 7.

## THE BERKELEY GROUP HOLDINGS PLC

INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 OCTOBER 2023

### Notes to the Condensed Consolidated Financial Information (continued)

#### 8 Alternative performance measures (continued)

##### Net assets per share attributable to shareholders (NAVPS)

This is defined as net assets attributable to shareholders divided by the number of shares in issue, excluding shares held in treasury and shares held by the employee benefit trust.

	<b>Six months ended 31 October 2023 Unaudited</b>	Six months ended 31 October 2022 Unaudited	Year ended 30 April 2023 Audited
Net assets (£m)	<b>3,413.8</b>	3,209.6	3,332.3
Total shares in issue (million)	<b>114.9</b>	117.7	116.5
Less:			
Treasury shares held (million)	<b>(8.8)</b>	(9.0)	(8.9)
Employee benefit trust shares held (million)	<b>(0.1)</b>	(0.1)	(0.1)
Net shares used to determine NAVPS (million)	<b>106.0</b>	108.6	107.5
<b>Net asset per share attributable to shareholders (pence)</b>	<b>3,219.2</b>	2,955.7	3,100.5

##### Return on capital employed (ROCE)

This measures the profitability and efficiency of capital being used by the Group and is calculated as profit before interest and taxation (including joint venture profit before tax) divided by the average net assets adjusted for (debt)/cash.

	<b>Six months ended 31 October 2023 Unaudited</b>	Six months ended 31 October 2022 Unaudited	Year ended 30 April 2023 Audited
Operating profit (£m)	<b>231.9</b>	233.9	518.3
Share of joint ventures using the equity method (£m)	<b>61.0</b>	61.5	96.3
Profit used to determine ROCE (£m)	<b>292.9</b>	295.4	614.6
Opening capital employed:			
Net assets (£m)	3,332.3	3,136.1	3,136.1
Net cash (£m)	(410.4)	(268.9)	(268.9)
Opening capital employed (£m)	2,921.9	2,867.2	2,867.2
Closing capital employed:			
Net assets (£m)	<b>3,413.8</b>	3,209.6	3,332.3
Net cash (£m)	<b>(421.6)</b>	(342.6)	(410.4)
Closing capital employed (£m)	<b>2,992.2</b>	2,867.0	2,921.9
Average capital employed (£m)	<b>2,957.1</b>	2,867.1	2,894.5
<b>Return on capital employed (%)</b>	<b>19.8%</b>	20.6%	21.2%

## THE BERKELEY GROUP HOLDINGS PLC

INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 OCTOBER 2023

### Notes to the Condensed Consolidated Financial Information (continued)

#### 8 Alternative performance measures (continued)

##### Return on equity (ROE) before tax

This measures the efficiency of returns generated from shareholder equity before taxation and is calculated as profit before taxation attributable to shareholders as a percentage of the average of opening and closing shareholders' funds.

	Six months ended 31 October 2023 Unaudited	Six months ended 31 October 2022 Unaudited	Year ended 30 April 2023 Audited
Opening shareholders equity (£m)	3,332.3	3,136.1	3,136.1
Closing shareholders equity (£m)	3,413.8	3,209.6	3,332.3
Average shareholders' equity (£m)	3,373.1	3,172.8	3,234.2
Return on equity before tax:			
Profit before tax (£m)	298.0	284.8	604.0
<b>Return on equity before tax (%)</b>	<b>17.7%</b>	18.0%	18.7%

##### Cash due on forward sales

This measures cash still due from customers, with a risk adjustment, at the relevant Balance Sheet date during the next three years under unconditional contracts for sale. It excludes forward sales of affordable housing, commercial properties and institutional sales as well as forward sales within the Group's joint ventures.

##### Future gross margin in land holdings

This represents management's risk-adjusted assessment of the potential gross profit for each of the Group's sites, including the proportionate share of its joint ventures, taking account of a wide range of factors, including: current sales and input prices; the economic and political backdrop; the planning and regulatory regimes; and other market factors; all of which could have a significant effect on the eventual outcome.

#### 9 Related party transactions

The Group has entered into the following related party transactions:

##### Transactions with Directors

During the period, Mr R C Perrins paid £87,123 (2022: £35,698) and Mr P M Vallone paid £5,831 (2022: £nil) to the Group in connection with works carried out at their respective homes at commercial rates in accordance with the relevant policies of the Group. There were no balances outstanding at the period end (2022: £nil).

##### Transactions with Joint Ventures

During the period, the joint ventures paid management fees and other recharges to the Group of £7.0 million (2022: £9.0 million). Other transactions in the period include the movements in loans of £8.1 million (2022: £7.2 million) and the receipt of dividends of £74.9 million (2022: £74.9 million).

The outstanding loan balances with joint ventures at 31 October 2023 total £49.1 million (30 April 2023: £40.9 million).



## **THE BERKELEY GROUP HOLDINGS PLC**

INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 OCTOBER 2023

### **INDEPENDENT REVIEW REPORT TO THE BERKELEY GROUP HOLDINGS PLC**

#### **Conclusion**

We have been engaged by the Company to review the Condensed Consolidated set of Financial Statements in the half-yearly financial report for the six months ended 31 October 2023 which comprises the Condensed Consolidated Income Statement, the Condensed Consolidated Statement of Comprehensive Income, the Condensed Consolidated Statement of Financial Position, the Condensed Consolidated Statement of Changes in Equity, the Condensed Consolidated Cash Flow Statement and the related explanatory notes.

Based on our review, nothing has come to our attention that causes us to believe that the Condensed Consolidated set of Financial Statements in the half-yearly financial report for the six months ended 31 October 2023 is not prepared, in all material respects, in accordance with IAS 34 Interim Financial Reporting as adopted for use in the UK and the Disclosure Guidance and Transparency Rules (the DTR) of the UK's Financial Conduct Authority (the UK FCA).

#### **Basis for conclusion**

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410 Review of Financial Information Performed by the Independent Auditor of the Entity (ISRE (UK) 2410) issued for use in the UK. A review of financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. We read the other information contained in the half-yearly financial report and consider whether it contains any apparent misstatements or material inconsistencies with the information in the Condensed Consolidated set of Financial Statements.

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.

#### **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 that causes us to believe 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 have not been 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, and the above conclusions are not a guarantee that the Group will continue in operation.

#### **Directors' responsibilities**

The half-yearly financial report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the half-yearly financial report in accordance with the DTR of the UK FCA.

The annual financial statements of the Group are prepared in accordance with UK-adopted international accounting standards.

The Directors are responsible for preparing the Condensed Consolidated set of Financial Statements included in the half-yearly financial report in accordance with IAS 34 as adopted for use in the UK.

In preparing the Condensed Consolidated set of 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.

## **THE BERKELEY GROUP HOLDINGS PLC**

INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 OCTOBER 2023

### **INDEPENDENT REVIEW REPORT TO THE BERKELEY GROUP HOLDINGS PLC (continued)**

#### **Our responsibility**

Our responsibility is to express to the company a conclusion on the Condensed Consolidated set of Financial Statements in the half-yearly financial report based on our review. Our conclusion, including our conclusions relating to going concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion section of this report.

#### **The purpose of our review work and to whom we owe our responsibilities**

This report is made solely to the company in accordance with the terms of our engagement to assist the company in meeting the requirements of the DTR of the UK FCA. Our review has been undertaken so that we might state to the company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company for our review work, for this report, or for the conclusions we have reached.

**Anna Jones**  
**for and on behalf of KPMG LLP**  
*Chartered Accountants*  
15 Canada Square  
London  
E14 5GL

8 December 2023