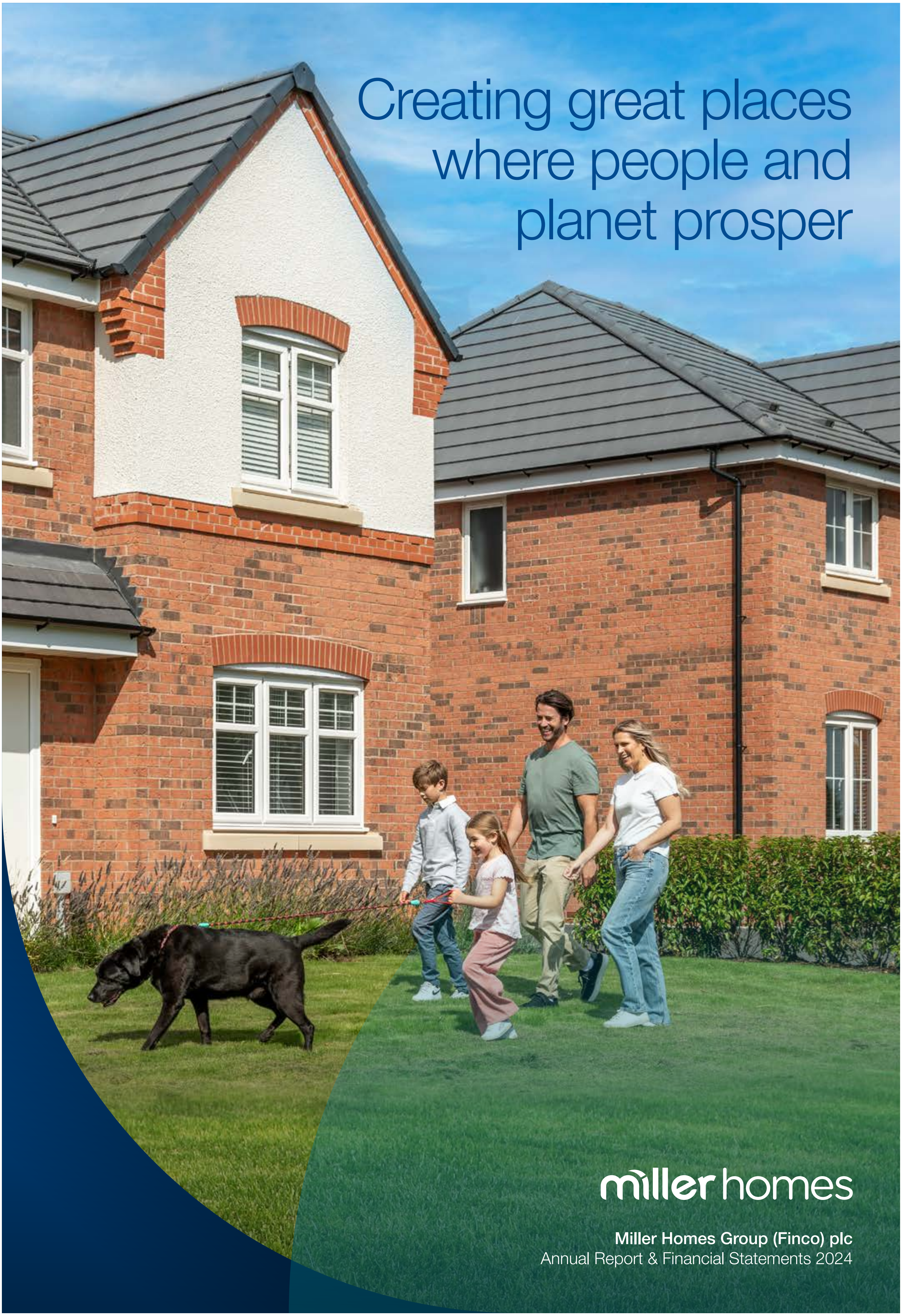
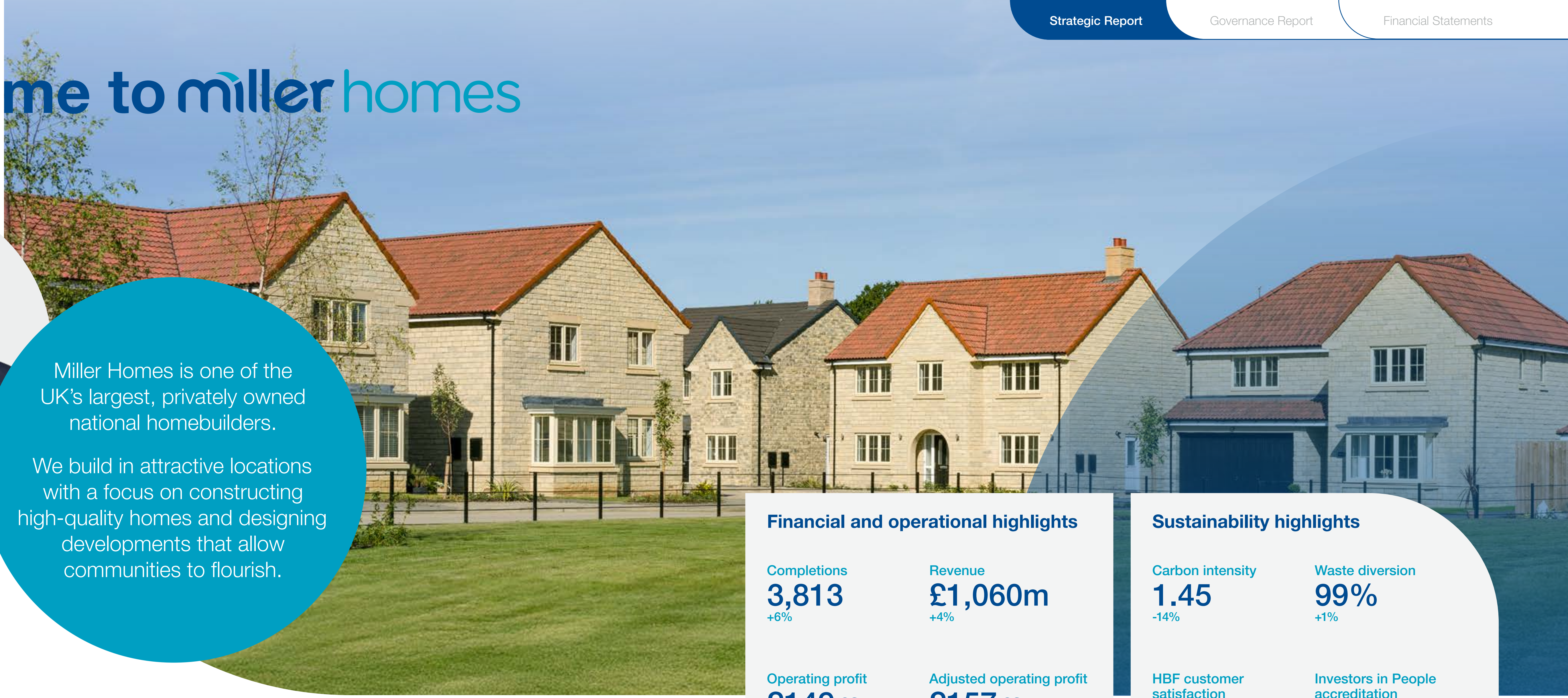
Creating great places where people and planet prosper



miller homes

Miller Homes Group (Finco) plc
Annual Report & Financial Statements 2024

Welcome to miller homes



Stewart Lynes
Chief Executive Officer

Miller Homes is one of the UK's largest, privately owned national homebuilders.

We build in attractive locations with a focus on constructing high-quality homes and designing developments that allow communities to flourish.

Pictured: Bridgewood Green, Collingham, Yorkshire

Financial and operational highlights

Completions **3,813** +6%	Revenue **£1,060m** +4%
Operating profit **£149m** +2%	Adjusted operating profit **£157m** unchanged
Free cashflow **£137m** +47%	Return on capital employed **22.9%** -1.1%

Sustainability highlights

Carbon intensity **1.45** -14%	Waste diversion **99%** +1%
HBF customer satisfaction **5 star** Unchanged	Investors in People accreditation **Platinum** Unchanged
Reduction in accident incident rate (AIR) **229** -25%	NHBC construction quality review compliance **94%** +2%

Contents

View our Corporate website
millerhomes.co.uk/corporate

Accreditations

NHBC Pride in the Job Awards 2024

5 STAR HOME BUILDER CUSTOMER SATISFACTION HBF 2024

INVESTORS IN PEOPLE We invest in people Platinum

Trustpilot Excellent

Our purpose is to create great places where people and planet prosper

This starts with an exceptional workplace where our people can succeed. We build responsibly and create places where our customers thrive.

As well as desirable homes, our customers enjoy a personalised experience, both digitally and in person. That is part of the reason we are recognised with a 5-star rating in the HBF National New Homes Customer Satisfaction Survey.

We understand that strong partnerships help us achieve our goals. Together, we are working towards a sustainable future for our business, people and customers. We are proud of the reputation we have built since we were established in 1934.

Over the last **90 years** we have invested in high quality land to deliver over 130,000 homes over **9 decades...**

90 years strong

World War II
James Miller & Partners supported government construction as World War II paused private housebuilding. Postwar, the company built homes for returning heroes under housing drives.

Post-war
With post-war building controls lifted, James Miller & Partners resumed private housebuilding, leveraging its pre-war land holdings.

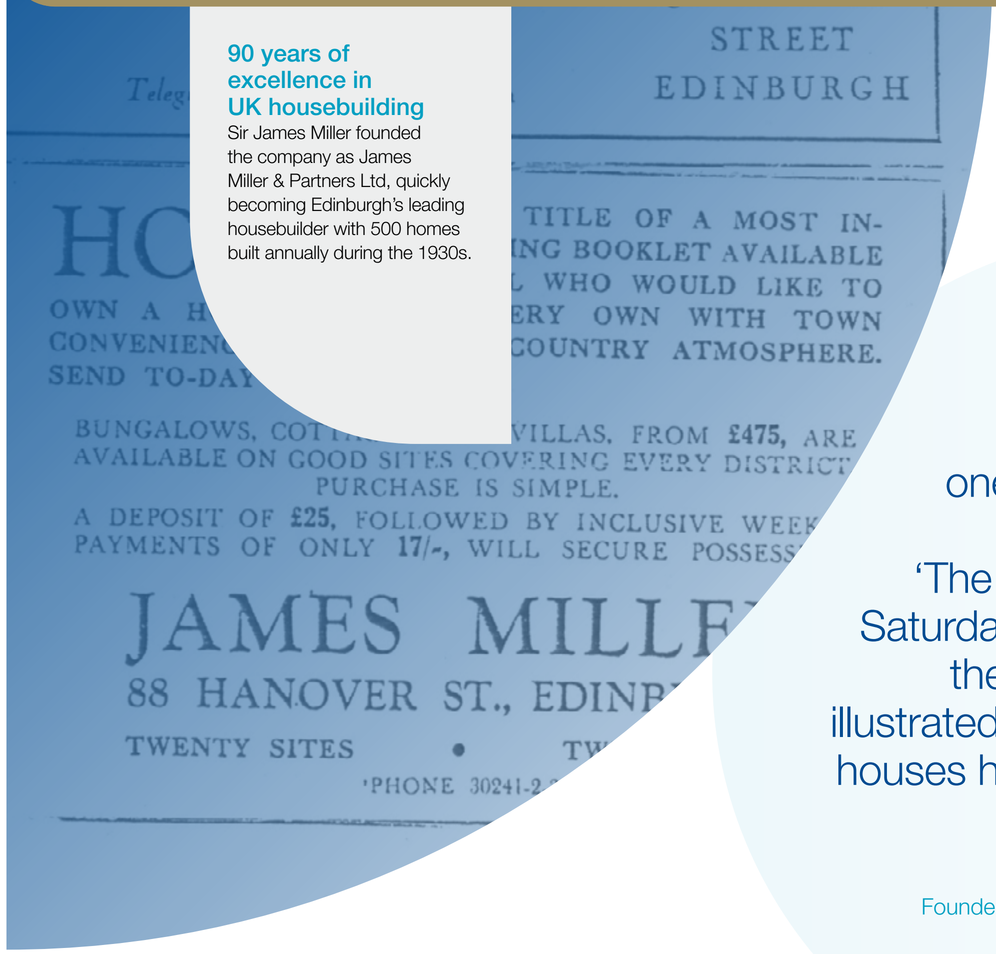
Pictured: Sonnet Gate, Prescot, North West

“The thing that has differentiated Miller Homes from many of its competitors is its ability to innovate, change and embrace technology in a way that others have not.”

Keith Miller
Former CEO, 1994-2011

A new name
James Miller and Partners Limited officially changed its trading name to The Miller Group Limited. To coincide with the new name, a new brand identity was introduced.

1934 · 1940s · 1950s · 1970s · 1980s



90 years of excellence in UK housebuilding
Sir James Miller founded the company as James Miller & Partners Ltd, quickly becoming Edinburgh’s leading housebuilder with 500 homes built annually during the 1930s.

“I sold practically all the houses in one day. I had put an advertisement in ‘The Scotsman’ on the Saturday. It was, I believe, the first time such an illustrated advertisement for houses had been carried in that newspaper.”

Sir James Miller
Founder, speaking of the first homes sold

New territory
The 1970s saw new locations for the business with the establishment of Miller Homes Northern at the start of the decade as part of wider expansion plans into the north of England.

Pictured: Roman Croft, Telford, West Midlands

Maintained a customer focused business, with a 5-star rating in the HBF Customer Satisfaction Survey **for 13 of the last 14 years...**

Valued people, actively building a better place for our colleagues…

Pictured: Bonnington Grange, Gedling, East Midlands

"There are many things that drive a business but the thing that underpins it the most is the people… it really does drive the Miller Homes business, it drives our success."

Chris Endsor
Former CEO & Chair, 2011-2024

1990s

Growing business

Miller Homes expanded in the North East when the business bought Cussins Homes, and in Southern England through the launch of a new region. This set the stage for more growth in the decade that followed with acquisitions in the East Midlands and Yorkshire.

2000s

Forward thinking development

The Miller Zero project saw homes built to six different technical standards to trial the efficiency of new technology to reduce carbon.

2010s

Enhanced digital experience

Miller Homes began promoting and selling homes online and developed a digital offering which would pave the way for more innovations. These included an options visualiser and the My Miller Home app, and the business becoming the first housebuilder to offer online reservations.

2020s

Accelerated growth

The business has accelerated growth, maintained a 5-star customer satisfaction rating, and set ambitious targets to achieve net-zero emissions by 2045, validated by the Science-Based Targets initiative.

"I believe Miller Homes' future will be similar to what we've seen over the last 90 years. It will be maintaining people and customers at the heart of everything we do."

Stewart Lynes
CEO, 2022-present

Pictured: The Calders, Burnley, North West

Scan the QR code to see more on Celebrating 90 years of Miller Homes

View more information on net zero and our SBTi targets to 2045 at: **www.millerhomes.co.uk/corporate/a-better-place/building-responsibly.aspx**

2024

90 years strong

90th anniversary

Miller Homes celebrates decades of innovation, resilience, and progress, and 90 years as one of the UK's leading private housebuilders.

Continued our sustainable growth, ensuring Miller Homes is a business for the long-term.

Chair's statement

As the incoming Chair, it is a privilege to introduce the Miller Homes' Annual Report for 2024. Miller Homes is a company which has demonstrated resilience in navigating the challenging market conditions of recent years.

Richard Akers
Chair

Pictured: Portside Village, Eston, Teesside

It is evident from our results in recent years, that Miller Homes distinguishes itself from some of its peers by making astute decisions regarding land acquisition while maintaining robust margins in comparison to others in the industry.

I would like to extend my thanks to my predecessor, Chris Endsor, for his exceptional leadership, which has left the company in such a strong position. I recognise and appreciate the significance of this legacy. Additionally, I am grateful for the warm welcome and thorough handover he provided. Chris dedicated 25 years to Miller Homes, and his stewardship and contributions over that time have been invaluable.

A people-centric organisation

Since my appointment, I have had the opportunity to visit some developments and offices, and I have been impressed by the high quality of homes we deliver, and the overall customer experience provided. Such levels of excellence can be attributed to the dedication and expertise of our employees, many of whom I have had the pleasure of meeting during my first couple of months with the business. I look forward to visiting additional regions throughout 2025 and engaging further with the Miller Homes team.

I would like to express my gratitude to all employees, for their hard work, resilience, and dedication over recent years. Challenging market conditions require a collective effort, and the Miller Homes team has clearly risen to the occasion. As we position ourselves for future growth, we have further strengthened the senior management team by introducing new Group directors for the Partnerships business and a Development director role, both of which are critical additions to the future growth of the company.

Market overview

The housing market exhibited greater stability in 2024, without the volatility in mortgage rates experienced in the preceding two years. This stability was reflected in our sales rates and pricing, both of which remained resilient. I welcome the approach of the new UK government, prioritising housing as a key component of its growth agenda, with an ambitious target of delivering 1.5 million homes over the current parliamentary term. The introduction of a revised planning framework is a positive development, though its full impact will take time to materialise. Forecast interest rate reductions in 2025 could further support affordability for prospective homebuyers.

Strategy

The strategic focus remains on long-term, sustainable growth. Prudent financial management, not just in 2024 but in previous years, has enabled us to make significant strategic investments in land as well as for our customers and people. We have enhanced the customer experience through increased resources and digital transformation, invested in employee development—particularly in leadership and early talent programmes—and maintained a disciplined approach to cash conservation.

As part of our ongoing growth strategy, in late 2024 we concluded a deal to acquire St. Modwen Homes. The transaction completed on 31 January 2025. The total purchase price is approximately £190 million, with potential additional overage payments of up to £20 million, contingent upon securing planning consents for specific strategic sites. The initial consideration of £65 million was paid on completion, with the remaining £125 million due in July 2027. The overage component will be paid as and when planning-related conditions are met, with a final deadline of January 2031. Financial prudence has allowed us to acquire St. Modwen Homes without the need for additional external financing.

Through this acquisition, Miller Homes has secured a landbank of around 10,300 plots, including 3,541 owned plots, with the remainder strategic land. The purchase enhances our presence in the Midlands and southern England, and enabling the immediate set up of a new office in the South West. With an additional 600 to 700 homes per year anticipated, this will play a pivotal role in our medium-term objective of delivering 6,000 homes annually. St. Modwen Homes will be integrated into Miller Homes throughout 2025, with the intention to retain the St. Modwen brand. This dual-brand approach will allow us to cater to a broader customer base and enhance output per site.

Operational performance

In 2024 we sold 3,813 homes, representing a 6% year-on-year increase, despite operating with fewer sales outlets. The private sales rate increased by 20% to 0.65 homes per site per week which was in line with the average over the past decade. The Partnerships growth strategy also yielded significant results, with volume from this tenure more than doubling to 875 homes. Cost inflation was effectively managed and was reduced to zero in 2024, a significant reduction from the 3% inflation rate recorded the previous year and considerably lower than that reported by our key competitors.

There were substantial investments in land, and a record 5,500 plots were acquired in 2024. With 3,813 completions, we replenished our consumed land at a ratio of 1.4:1, providing a platform for future growth. As a result, the owned landbank increased to 12,217 plots (2023: 10,483), representing 3.3 times our annual output (2023: 3.0 times). This has been increased further in 2025 through the St. Modwen acquisition.

Sustainability initiatives

In 2024, we launched our comprehensive Sustainability Strategy, further refining our broader ESG framework, A Better Place. This initiative outlines our commitments over the next three years in three key environmental areas: climate, waste and resource management, and biodiversity. Our strategy aims to ensure responsible homebuilding practices while supporting our customers in living more sustainably.

In September, our carbon reduction targets received validation from the Science-Based Targets initiative, and we are now actively developing implementation plans. Additionally, we introduced a waste incentive scheme to promote best practices in waste management at our sites. Early results indicate significant reductions in waste generation and increased reuse of key materials such as pallets and hardcore. More details on these achievements are on pages 16 and 50 of this report.

Fire safety

We remain committed to addressing fire safety issues and have signed the Joint Plan to Accelerate Remediation with MHCLG. In Scotland, where discussions with the government are ongoing, we have proactively progressed remediation efforts. We have expanded our dedicated cladding remediation team and strengthened relationships with suppliers and contractors to navigate the challenges posed by supply chain constraints.

Outlook

Strong underlying demand for housing in those regional markets where we operate, together with government policy initiatives, and planning reforms, provide an optimistic outlook for the housebuilding sector. For Miller Homes, confidence in our future growth is reinforced by our significant investment in land, both organic and through the acquisition of St. Modwen Homes.

We began 2025 with 70 sales outlets, and with continued land investment, and in conjunction with the St. Modwen acquisition, we anticipate expanding this to over 100 by year-end. This expansion will be instrumental in achieving our medium-term goal of delivering 6,000 homes annually.

Richard Akers
Chair

Date: 27 March 2025

Our Group at a glance

Where we operate

We are strategically positioned across three divisions of Scotland, North, and Midlands and South.

Within these divisions are 11 regions, with five in Midlands and South, four in North, and the remaining two in Scotland.

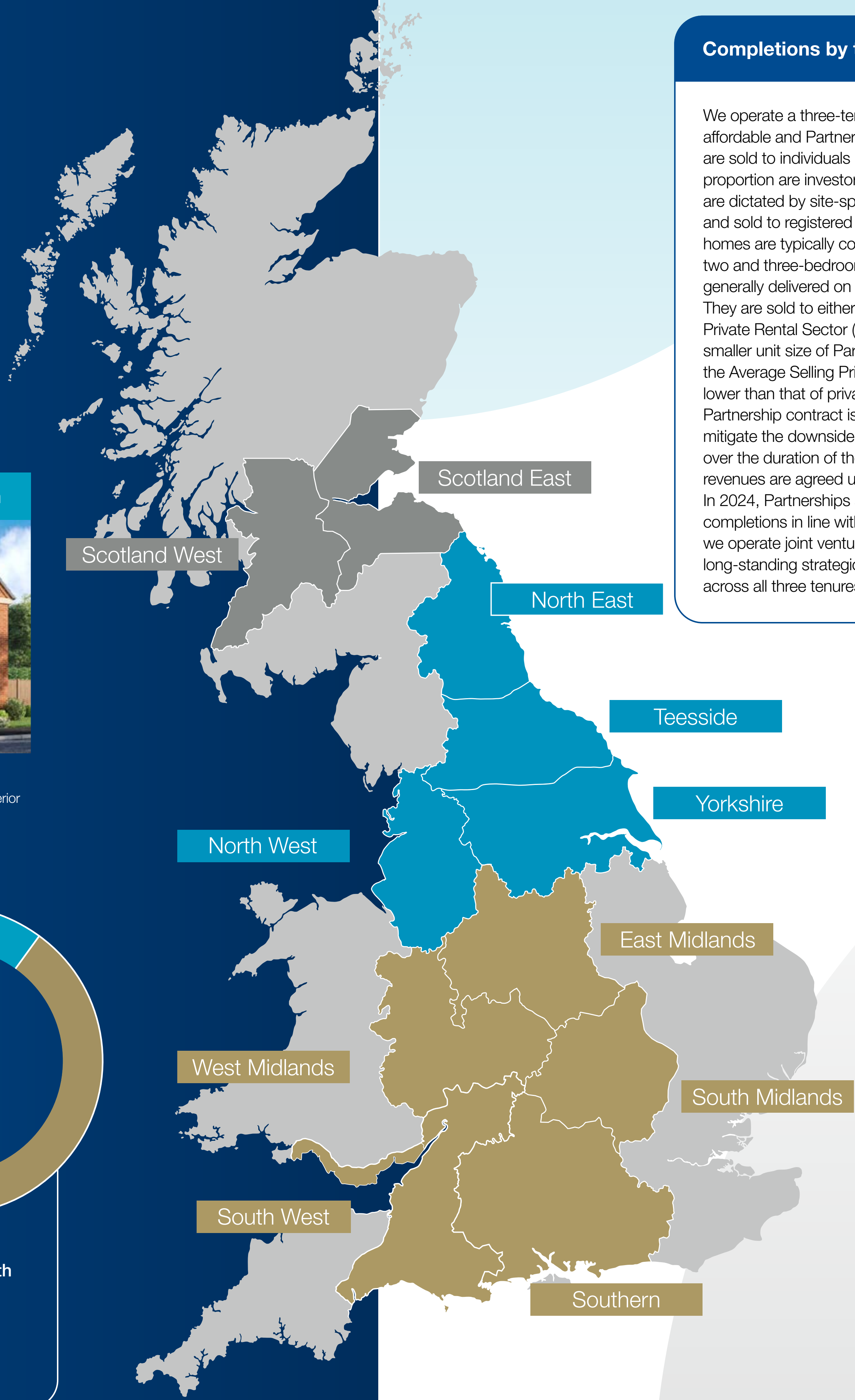
We focus in suburban and edge-of-urban locations to meet the demands for new homes in these regional markets. We have a strong presence in sought-after locations in areas of high employment, good state schools and which are accessible to major transport links. Our regional locations benefit from desirable local amenities and remain affordable when compared to London and the South-East.

Scotland

North

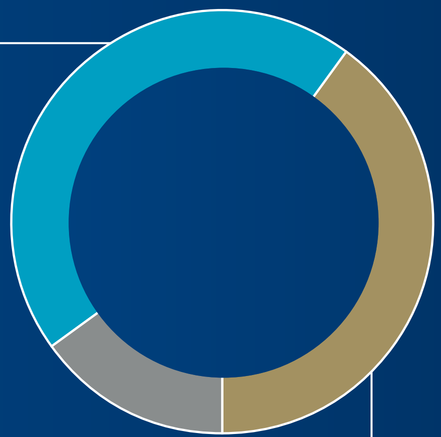
Midlands and South

Our standard house types, including this 4-bedroom Blackwood home, are adapted to regional markets by incorporating finishes that reflect the local character. While the core design remains consistent for efficiency and cost-effectiveness, exterior materials and details are tailored to suit the area's architectural style and heritage. L-R: Jackton Gardens, East Kilbride, Scotland West; Hartside View, Hartlepool, Teesside; Bonington Grange, Nottingham, East Midlands.



Completions by division

Around 85% of our completions are in England, relatively evenly split across the North and Midlands & South divisions, with the remaining balance from our Scotland division. In 2024, we completed a total of 3,813 homes, an increase of 6% driven by a planned increase in Partnership volumes which offset the impact of reduced sales outlets and lower private volumes. The additional Partnership volumes benefited our two English divisions where investor demand has been strong in contrast to Scotland which has seen limited investor appetite following the imposition of rent controls in 2022.

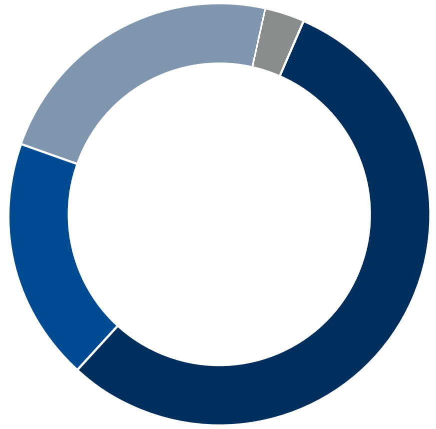


- North: **1,725** completions (2023: 1,495)
- Scotland: **573** completions (2023: 706)
- Midlands and South: **1,515** completions (2023: 1,384)

Completions by tenure

We operate a three-tenure sales model of private, affordable and Partnership homes. Private homes are sold to individuals of which a very small proportion are investor sales. Affordable homes are dictated by site-specific planning policy and sold to registered providers. Partnership homes are typically comprised of our smaller two and three-bedroom housetypes and are generally delivered on our larger developments. They are sold to either registered providers or Private Rental Sector (PRS) institutions. The smaller unit size of Partnership homes means the Average Selling Price (ASP) is significantly lower than that of private homes. Our average Partnership contract is 70 units which helps to mitigate the downside impact of cost inflation over the duration of the contract given that revenues are agreed upfront and hence fixed. In 2024, Partnerships accounted for 24% of completions in line with our target of 25%. Lastly, we operate joint ventures with a small number of long-standing strategic partners, delivering sales across all three tenures.

- Partnerships: **875** completions (2023: 397)
- Joint ventures: **115** completions (2023: 110)

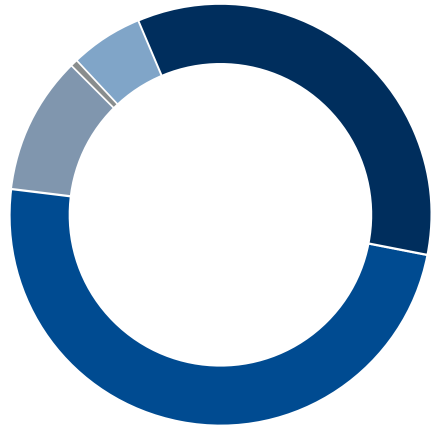


- Affordable: **711** completions (2023: 646)
- Private: **2,112** completions (2023: 2,432)

Private completions by house type

We build and sell one bed apartments through to five-bedroom executive homes. Just over 80% of the homes we sell are three and four-bed family homes. This helps cover the spectrum of purchasers from first-time buyers (32% of all private completions) to cash buyers (16% of all private completions).

- Apartments: **14** completions (2023: 81)
- 2-bedroom houses: **120** completions (2023: 157)
- 3-bedroom houses: **723** completions (2023: 914)
- 5-bedroom houses: **220** completions (2023: 268)
- 4-bedroom houses: **1,035** completions (2023: 1.012)



Pictured: Roman Croft, Telford, West Midlands

Our integrated Group strategy

Our strategy is focused on ensuring long-term sustainable value generation for all our stakeholders.

Pictured: Rectory Gardens, Sutton Coldfield, West Midlands

At the heart of our integrated strategy is a focus on land, quality housebuilding, people and great customer service, all reinforced by the components of our sustainability strategy – A Better Place.

We understand the importance of our culture, actions, behaviours and forward-thinking mind-set to ensure success in achieving our strategic goals.

On the following pages we provide an overview of each of the four pillars of our strategy:

- Invest in high-quality land
- Customer-focused business
- People and society
- A business for the long-term

We outline our performance, reference specific KPIs and describe our planned activities for the period ahead.

Read about our A Better Place Strategy on page 46

Our integrated Group strategy continued

Invest in high-quality land

Description

Acquiring sufficient land at the appropriate margins and on the right payment terms is vitally important to support the Group's aspirations for profitable growth. A key component of the Group's wider strategy is strategic land, which provides the opportunity of acquiring land at higher margins via option agreements without being obliged to purchase.

Performance

We acquired 29 sites in 2024, our highest number since 2019. This resulted in a record 5,500 plots being added to the owned landbank with all sites being acquired at or above our desired hurdle rates. Furthermore, 45% of these plots originated from our higher-margin strategic landbank. This resulted in the owned landbank increasing to 12,219 plots (2023: 10,483 plots) and our landbank years improving to 3.3 times (2023: 3.0 times), within our previous guidance of 3.0 – 3.5 times. In addition, a new joint venture with Present Made at Houghton Conquest in Bedfordshire resulted in our joint venture landbank increasing to 759 plots (2023: 122 plots).

We continued to invest in longer term opportunities through new strategic land options and replenished those units acquired, leading to our strategic landbank remaining broadly in line with last year at 43,317 plots (2023: 43,293 plots). In 2024 the strategic land team secured 11 planning consents and submitted six applications. There remained a total of nine applications with local planning authorities waiting for determination at the end of the year.

Link to KPI

1 3 4 5 6 8 9 10 11

Looking ahead

The acquisition of St. Modwen Homes in January 2025 added another 3,541 plots to the owned landbank and 6,763 plots to the strategic landbank. We ended 2024 with 90 sites (2023: 82 sites) in the owned landbank which, together with the post year-end acquisition of St. Modwen Homes, should facilitate growth in sales outlets from 71 at the start of 2025 to over 100 by the end of the year. Accordingly, the land investment undertaken both organically and through M&A positions the Group for significant volume growth, subject to market conditions.

We plan to take advantage of the improving planning landscape by accelerating a number of planning applications for our strategic sites which will mean applications lodged for 20 sites, a significant increase on 2024.

Customer-focused business

Description

The Group is focused on providing high-quality homes that can be personalised by our customers to meet their needs, within sustainable and enduring communities. At the same time, we interact with customers in a variety of ways to suit their needs in an increasingly digital world.

Performance

There was an improvement in independently assessed quality metrics through National House Building Council (NHBC) Construction Quality Reviews (CQR) and Home Builders Federation (HBF) Customer Satisfaction scores. The CQR score increased to 4.7 (2023: 4.6) and the 8-week Customer Satisfaction score improved to 95% (2023: 92%). We have also seen a significant improvement in the 9-month Customer Satisfaction score which is at 84% currently and compares to 73% last year. However, we recognise there is further work to be done to improve the 9-month score.

We continued to invest in our digital systems including a new Customer Service App which provides our Customer Support Managers with real time information on the status of each home plot. We launched a dynamic email journey enabling customers to receive information relevant to their requirements more quickly. In the 3 months since launch, over 29,000 emails have been sent achieving an 8% click through rate, 10% higher than our standard CRM emails and resulting in 300 reservations thus far.

We have established a new role of Customer Service Manager where each customer has an allocated Miller contact for pre and post purchase.

Our ability to allow customers to select their home online continues to be well received, with 51% (2023: 56%) of our 2024 reservations initially made online.

Link to KPI

1 2 6 7 8 11

Looking ahead

In 2025, we aim to improve the customer experience both pre and post-purchase. We will launch a new customer website, which includes 3D interactive sitemaps and the ability to walk through each home, furnished as if it was a showhome. Our development sales centres will also be redesigned to incorporate large touch screens where customers can explore 3D interactive visuals and use digital tools to experiment with optional extras for their new home. Our post-completion customer journey will be enhanced to provide customers with regular updates designed to help them make the most of the first 12 months in their new home.

In addition, with the acquisition of St. Modwen Homes, we will be able to appeal to customers with a dual offering on our larger developments.

People and society

Description

We are focused on creating a better place for all our people by offering attractive health and wellbeing initiatives, putting safety first, being open and inclusive, and by helping people realise their full potential through training and development opportunities.

Performance

We established an Early Talent initiative and recruited 26 graduates and trainees across various functions. One of the key aims of this initiative is for participant numbers to exceed 5% of the overall workforce.

A new HR system was launched in 2024, enabling real-time access to holidays and training records, with improved onboarding. Our employee engagement survey achieved an 80% engagement score, and helped us to identify areas for improvement.

Having doubled the number of qualified mental health first aiders, we now have 90 staff members who are trained. We have built on partnerships with construction industry charity, The Lighthouse Club, and with Andy's Man Club, and held 25 mental health support workshops attended by around 100 employees.

Increased resource and focus on training and development for all our people resulted in the number of training days improving to 4.1 days per person (2023: 3.1).

Link to KPI

10 12

Looking ahead

We are looking to further improve our employees' experience at all stages of employment. At the start of employment - for those on our Early Talent programme, we have added additional modules on Mental Health and Financial Planning. And for those further on in their careers, we have a Pension's Awareness workshop.

We will continue to expand our Leadership and Management Development programmes – again ensuring that there are programmes to support our employees regardless of what stage of career they are at – from 'Stepping into Management' for those preparing for their first management role – to 'Inspirational Leadership' with more focus on building strategic leadership capability amongst our senior leadership population.

We are aiming to retain our Investors in People accreditation at Platinum level to ensure all our employee processes are relevant and fit for purpose. Having launched our new HR System in 2024, we are aiming to expand on the self-serve options available to our employees to include Total Reward statements and access to benefits information.

A business for the long-term

Description

The land investment cycle typically spans a three-to-five year horizon, and so it is important to plan for changes to macroeconomic conditions and industry-specific legislation that could occur over this period.

Our strategy is to operate in mid-market regional locations, which are generally less susceptible to significant market movements. St. Modwen Homes operates in similar markets and thus is complementary to our existing strategy.

We aim to grow the business in a considered way, such that organic growth can be supported by the free cashflow generated, with targeted free cashflow of 50% of EBITDA over the medium term. The structure of the St. Modwen acquisition is such that the initial payment can be met from existing cash resources. The deferred consideration is due in July 2027 and capable of being funded from cash generated from the related St. Modwen assets as these are traded out over the 30 month post-acquisition period.

Performance

The planned expansion of our Partnerships model resulted in this tenure increasing to 24% (2023: 11%) of core volumes and with a 20% increase in private sales rate to 0.65 (2023: 0.52), provided both the cash and confidence to invest significantly in new higher margin land in the year.

Free cash of £137m (2023: £93m) was generated, representing 85% (2023: 58%) of EBITDA, notwithstanding the increase in net land spend to £174m (2023: £142m) in the year. This resulted in a year-end cash balance of £234m, enabling the initial payment in January 2025 for the St. Modwen Homes acquisition of £65m to be funded from existing cash resources.

Link to KPI

3 4 5 6 7 9 10 11 12

Looking ahead

During 2025 we plan to integrate the St Modwen business into our existing platforms and systems, ensuring that everyone is working to the same high standards. We will explore opportunities to dual brand on selected Miller and St Modwen sites to increase output over the short to medium term.

We have already prepared for the implementation of the Future Homes Standards which will come into force in 2025 albeit with a delayed implementation. We are confident with our preparation that we will meet timelines.

We are still seeing opportunities that will enable us to maintain the Partnerships model at around 25% of volumes which helps protect the business against market headwinds.

Key to KPIs

1 Revenue
2 Average selling price
3 Adjusted gross margin
4 Adjusted operating margin
5 Return on capital employed
6 Free cash flow
7 Forward sales
8 Private sales rate
9 Consented landbank
10 Strategic landbank
11 Customer satisfaction
12 Health and safety

Our integrated Group strategy continued

Invest in high-quality land

Case study

A proactive and collaborative approach to land promotion

When acquiring land that does not have planning permission, we use a long-term and forward-thinking methodology to mitigate risks and maximise potential. This involves in-depth due diligence, including assessments of the site's suitability for development, its alignment with local development plans, and market appeal to customers.

Greenway Chase in Leckhampton, West Midlands, is an exceptionally well-located site with wide customer appeal, being close to outstanding state schools, several large employers and excellent local amenities.

The site was controlled through an option agreement and needed extensive promotion through planning, from 2013. After a planning refusal in 2016, a second refusal in 2022 was called in for decision by the Secretary of State, and we eventually obtained planning consent in 2024.

We are deploying a three-tenure approach to sales, with 110 private homes, 140 affordable homes and 100 Partnership homes for the rental sector across the 350-unit development.

Not only will this improve access to much-needed new homes in the area, it will also accelerate production, with the development likely to complete in four years compared to a more typical six years for a site of this size.

Over 1,500 potential customers had registered their interest when the site launched in January 2025, a record for our business.

Greenway Chase will contribute to the wider Leckhampton area through the Community Infrastructure Levy

£5.3 million

Link to A Better Place

Pictured: Greenway Chase, Leckhampton, West Midlands

Customer-focused business

Case study

Refreshing our digital offering with a new consumer website

Our sales and marketing strategy is to consistently improve customer experience and engagement. We aim to increase the conversion from website visits to generating leads, attracting visitors to our developments and, ultimately, acquiring new customers. We optimise this by not just listing homes, but by making our website an interactive selling tool that allows customers to engage with us at every step of their journey.

Over 2 million people visit the website every year, and our advanced digital offering keeps us at the forefront of selling online in the industry, with 51% of our sales initially reserved online. In 2024, we designed and developed a new consumer website, which we believe leads the industry and will achieve enhanced conversion rates.

Recognising that it can be difficult for customers to envision their home and the wider development at the early stage of construction, we have developed 3D interactive sitemaps and walkthroughs. These allow customers to explore new developments, using a detailed visualisation of where new homes are positioned and how they will look when complete.

3D virtual tours of different housetypes enable customers to decide which best suits their lifestyle. Then our interactive options visualiser allows them to experiment with different fixtures and fittings, both before or after they reserve their home. A personalised search function allows users to be more specific when searching, while an improved customer portal keeps buyers informed about the progress of their new home.

In addition, our new Inspiration Hub is packed with informative buyer guides, useful tools such as mortgage and stamp duty calculators, and inspiring lifestyle content to encourage potential customers to start their homebuying journey with us.

Average customer spend on optional extras to personalise their home

£8,900

Link to A Better Place

Pictured: Our website's 3D interactive development sitemap

Our integrated Group strategy continued

People and society

Case study

Our commitment to net zero through validated, science-based targets

Over the past two years, we have set ambitious but pragmatic net zero targets. In 2024, we announced our commitment to becoming a net zero business.

Our overarching goal is to reach net zero greenhouse gas (GHG) emissions across our entire value chain by 2045. This means net zero emissions in our business, our supply chain, and in the homes we build.

This overall target is accompanied by near and long-term targets which provide a pathway to meeting our ambitious goals, and to being accountable for these targets.

Our near-term target will see our absolute Scope 1 and 2 GHG emissions reduce 54% by 2032. We plan to reduce Scope 3 GHG emissions by 58% per square metre within the same period. Longer term, our target is to reduce absolute Scope 1 and 2 GHG emissions by 90% by 2045, and Scope 3 GHG emissions by 97% per square metre by the same year. After a thorough audit of our emissions, we set 2022 as the baseline for tracking our progress.

In 2024, our near-term targets were validated by the Science Based Targets initiative, making Miller Homes the first privately owned homebuilder in the UK to have its targets validated through this globally recognised initiative.

We also published an Environmental Sustainability Strategy, which outlines our net zero roadmap for the next three years, covering themes of climate change, waste and resources, and nature and biodiversity.

Achieving these ambitious targets will be a team effort and means every employee and department will have to adapt, innovate and commit to improving our environmental sustainability.

Reduction in carbon emissions near-term target by 2032

54%

Link to A Better Place

Pictured: Kinglass Meadows, Bo'ness, Scotland East

A business for the long-term

Case study

Strengthening our sustainable growth through acquisition

We reached an agreement to acquire St. Modwen Homes in December 2024, and completed in January 2025. The acquisition price is an estimated £190m with £65m paid on completion from existing cash resources and the remaining £125m deferred until July 2027, which we will pay from free cashflow generated from the St. Modwen assets. We believe the strategic rationale for this acquisition to be compelling.

Operationally, acquiring St. Modwen will act as a powerful catalyst for growth towards our aspiration of delivering 6,000 homes a year, by adding 600 to 700 homes a year over the next four years. We will be able to achieve this by utilising the overheads of our existing regional network, which will optimise output in our existing East and West Midlands regions. We will also create a new South-West region, based in Bristol.

Financially, we have appraised this acquisition in a similar manner to any normal land acquisition. This means the 20 sites in the 3,541 unit owned landbank should achieve margins at, or above, our standard hurdle rates. The significant non-interest bearing deferred element of the consideration means we require no external debt financing, and favourable IRR.

In addition, as the St. Modwen brand is highly regarded by customers, retaining its name and product will ensure we can dual-brand our larger Miller Homes and St. Modwen sites to increase output per site.

Estimated number of homes in 2025

600-700

Link to A Better Place

Pictured: St. Modwen Homes' Hendrefoilan Park, Swansea

Market review

The housing market has remained resilient given a backdrop of affordability challenges countered by a lack of supply.

Pictured: Longridge Farm, Bedlington, North East

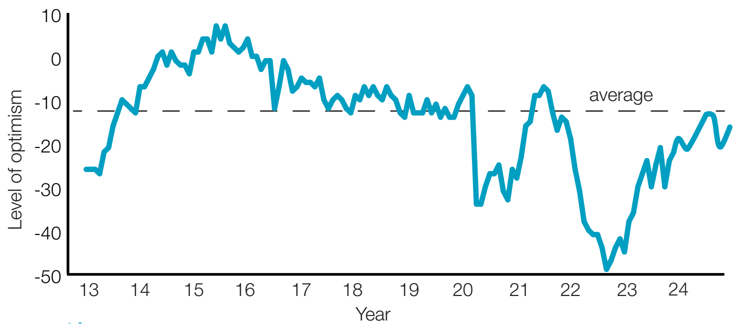
The UK housing market continued to show improvements following the more challenging period in 2022 and early 2023, as demonstrated by a 7%[1] year on year increase in housing transactions during 2024 combined with modest house prices rises.

The combination of a continued shortfall in housing availability, low unemployment, the anticipation of mortgage rate reductions, and improving consumer confidence should maintain positive market momentum in 2025.

Consumer confidence

Whilst continuing to be negative, there was a general improvement in consumer confidence which fluctuated less in 2024 than in recent years. The average monthly confidence score in 2024 was -18 compared to the long-run average of -11. Concern about the UK's economy caused consumer confidence to dip in the last quarter of the year, reaching -17 in December, however, confidence remained much higher than the low of -45 recorded in January 2023.

GfK consumer confidence index 2013 to 2024



Source: GfK

Potential impact

Consumer confidence and economic stability are important cornerstones of a fully functioning housing market, both in relation to transaction volumes and also prices.

Opportunities

Due to pent-up demand, a period of either stability or modest improvement in consumer confidence should result in increased demand for new homes in 2025.

Our response

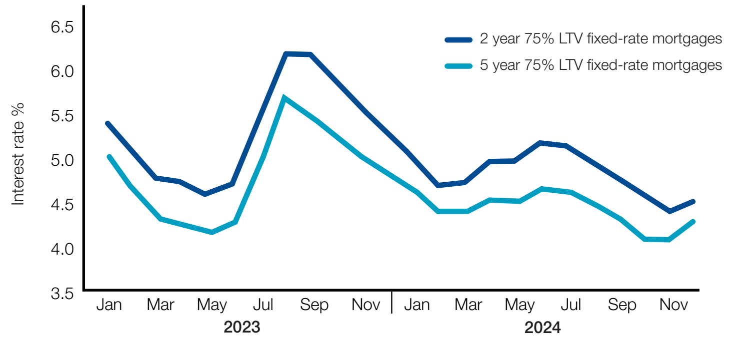
Through national marketing and advertising campaigns, we encourage customers to explore their options to move with our help and assistance. Free mortgage affordability and stamp duty calculators are available on our website to assist customers in assessing the cost of purchasing their desired home. Our forward selling strategy makes it possible for customers to reserve their home and then potentially not move for another 12 months, allowing time to save and prepare.

Link to risk 1 10

Mortgage rates and affordability

The Bank of England base rate started the year at 5.25%, with a reduction to 5.0% in August, and a further reduction to 4.75% in November. Following the general election, mortgage rates further decreased in the second half of the year, reaching their lowest rate in October, before starting to rise moderately again in November. Overall, there was more stability without the peaks and troughs seen in 2022 and 2023.

Bank of England quoted 75% LTV mortgage rates 2023/2024



Source: Bank of England

Potential impact

Affordability continued to remain a key concern for many households when considering the purchase of a new home. Modest mortgage rate reductions, lower inflation and rising real wages eased affordability constraints that had restricted market activity in 2023, leading to annual growth in lending for house purchases in 2024.

Opportunities

The Bank of England has indicated that it anticipates a gradual approach to interest rate reductions in 2025. There remains a concern that inflation persists in excess of the 2% target set by the Bank of England and that this may impact both the number and timing of rate reductions in 2025. Some mortgage lenders have eased affordability assessments which will assist buyers.

Our response

We continue to prioritise mid-market regional locations, which are generally less susceptible to significant market movements and where, year on year, UK house price growth was strongest in 2024. We actively participate in innovative schemes for customers, such as Own New, a rate reducing mortgage product. We also offer customers introductions to independent new-home mortgage brokers for advice and support in obtaining the right mortgage for their circumstances.

Link to risk 1 10

Key to risks

1. Economic conditions, mortgage supply and rates
2. Land availability
3. Availability and cost of materials and subcontractors
4. Government regulation
5. Fire safety
6. Safety, health and environment (SHE)
7. Reputation
8. Attract and retain employees
9. IT
10. Availability of finance
11. Fraud
12. Pensions

[1] Based on provisional data for January to December from HM Revenue & Customs

Market review continued

Housing supply

In 2024, the number of new home completions in the UK continued to decline, with a 7% year on year decrease in England (for year ending March 2024) and a 17% year on year decrease in Scotland (for period ending June 2024).

In England, this was compounded by data on planning permissions, with 231,000 units granted in the year to June 2024, down from 270,000 units in the year to June 2023, and significantly lower than the UK Government's target of 370,000 units per year.

Potential impact

The continued disparity between supply and demand has a significant social and economic impact. It is now 20 years since the seminal Barker Review of Housing Supply and only 11 of the 36 recommendations have been adopted. Most indicators are worse today than when the report was published in 2004.

Opportunities

We are ready to play an active and positive role in helping to meet housing needs across the UK, by delivering both market and affordable housing, and through the development of sustainable sites. Our developments deliver social and economic benefits above and beyond the delivery of housing, through the provision of infrastructure and publicly accessible green spaces, employment opportunities and apprenticeships.

Our response

We have a stated target to deliver 6,000 homes annually which is more than 50% higher than the 3,813 homes achieved in 2024. The St. Modwen Homes acquisition will enable this target to be delivered more quickly and our dual-brand strategy on our larger sites will increase output on a per site basis.

Link to risk 2 3 4 8

Government regulations and housebuilding policies

The new UK Government has put housing and planning reform firmly at the top of their agenda for growth. The King's Speech promised policies and legislation to "get Britain building" and this was in turn followed up by long-awaited changes to the National Planning Policy Framework (NPPF) announced in December 2024.

Potential impact

The changes to the NPPF bring the return to mandatory local housing targets and provide for underperforming Green Belt sites (Grey Belt) to be considered positively for housing. We welcome these changes and believe that we should begin to see a positive impact to housing supply from 2026 onwards.

Opportunities

The pro-growth, pro-housing agenda is a step in the right direction. However, until the NPPF embedded into local authority policy and funding is made available to local authorities, which is anticipated to take up to 18 months, there remains a significant degree of uncertainty.

Our response

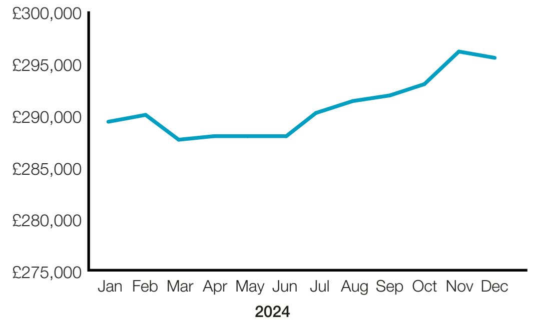
As a business with a strategic landbank in excess of 50,000 plots post the St. Modwen Homes acquisition, we are well-placed to take advantage of an improved planning environment and are actively looking at opportunities to promote certain developments more quickly, particularly given the new grey belt definition and the increase in housing numbers.

Link to risk 2 4

Housing prices

In 2024, there was a modest increase in our selling prices of less than 1% after taking account of incentives with all main indices also showing improvements.

Average UK house price



Source: Halifax House Price Index

Potential impact

Despite the modest improvement in selling prices, the impact of cost inflation experienced in 2023 led to a slight deterioration in gross margins in 2024. Nonetheless, our gross margins remained at healthy levels, and together with a more favourable outlook, provided the confidence to invest significantly in new land opportunities as well as the St. Modwen Homes acquisition during the year.

Opportunities

We have been encouraged by the resilience in mid-market regional locations in recent years which we believe provides demand-side support for our growth strategy towards 6,000 homes per annum.

Our response

We agreed to purchase St. Modwen Homes at the end of 2024, allowing us to expand our geographical coverage into new areas with the opening of a new office in the South-West and leading to approximately 600 to 700 further home completions per annum over the next few years.

Link to risk 1 2 10

Skills and labour

Our approach to managing our skills needs is based on a combination of training and developing our own people while also utilising a robust and loyal network of subcontractors. The regional focus of our business means we have been less reliant on EU labour than businesses that operate in London and the South-East.

Potential impact

We recognise that there are skills shortages in the sector. We are committed to developing and retaining our people, building robust relationships with subcontractors, and providing opportunities for young people to take the first steps in their construction careers.

Opportunities

By operating a supportive business culture while delivering high levels of performance, we believe that we can attract and retain high performing individuals who are excited by the challenge to deliver our ambitious growth targets and improve our existing high-levels of customer satisfaction.

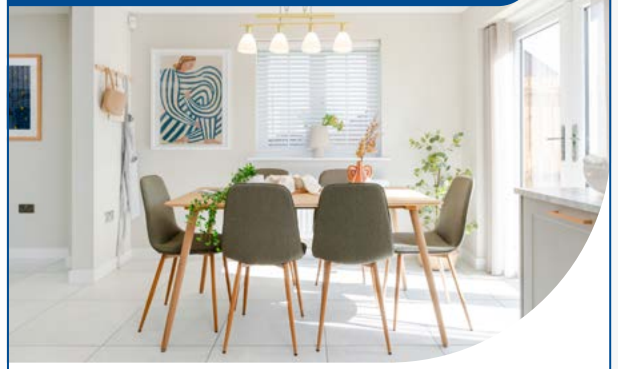
Our response

In 2024, we launched our Early Talent scheme, designed to attract and nurture the next generation of talented individuals who are in the early stages of their careers. We recruited 55 trainees across a variety of areas within the business, including site management, technical, commercial and land teams and have a target that trainees should be at least 5% of the overall workforce.

Link to risk 3 8

Market review continued

Renting versus buying



Average UK private rents increased by 9% in the 12 months to December 2024. Changes to legislation and tax have progressively made private landlords less likely to invest and/or sell existing rental properties, reducing availability and driving up rental values.

Potential impact

As mortgage rates have eased and rents increased, it continues to be financially more attractive to buy than to rent. In May 2024, the average UK monthly rent was £93 per month (8%) more expensive than the average monthly mortgage repayment for a first-time buyer[1]. If interest rates remain at 4% or lower, then there is no reason to believe this dynamic will change.

Opportunities

We can offer customers assistance with their deposit to allow them to purchase their home and, in turn, benefit from the monthly cost saving when compared to renting.

The Partnerships model allows us to participate in a market where there is strong institutional demand for high-quality energy rental properties.

[1] Zoopla: Where is it cheaper to buy than rent? May 2024.

Our response

We welcome any support from lenders which encourages home ownership for customers in the rental sector. Skipton Building Society has led the market with their Track Record mortgage, offering 100% loans to customers who have a consistent rental history for 12 months or more.

Link to risk 1 4 10

Energy-efficient homes

Elevated energy costs have been a major factor for the increased cost of living in the UK in recent years. As new-build homes are cheaper to run than older housing stock, it has increased their customer appeal. In England, from June 2023, all homes had to be built to comply with building regulations that make them 31% more carbon efficient to run. The changes planned through Future Homes Standards, which are forecast to come into full effect in 2027, are likely to result in a 75% reduction in carbon emissions when compared with homes built before June 2023.

Potential impact

These new regulations increase the cost associated with building our homes. With advanced knowledge of new regulations, we can factor these costs in when assessing and valuing new land opportunities, ensuring we protect our margins.

Future new build regulations provide opportunity to further improve home insulation and increase the running cost differential when compared to second-hand homes. These new regulations, which target carbon reduction and energy efficiency, increase the cost associated with building our homes. Working closely with the Future Homes Hub (an independent organisation established to facilitate collaboration within the construction industry to meet the UK Government's net zero and environmental targets) we have advanced knowledge of these new regulations, so we can factor these costs in when assessing and valuing new land opportunities, ensuring we protect our margins.

Opportunities

There is increasing divergence between the running costs of new and second-hand homes. In November 2024, the Home Builders Federation's Watt a Save report stated the average new build energy bill could be more than £1,560 per year cheaper, based on all property types when excluding apartments.

Our response

We will continue to assess the most effective solutions to meet with emerging standards and ensure that our house-type ranges are updated and available to our teams to deliver on site. The team that manages our house-type range has already supported delivery of many of the technologies associated with the Future Homes Standard on selected sites.

Link to risk 4

Case study

Making home ownership more accessible

As interest rates increased in 2022, and have remained higher than in the previous decade or so, affordability and meeting lenders' affordability criteria has become a greater consideration for customers.

19% of core completions in 2024 were affordable homes as prescribed by planning conditions, and 24% were Partnership homes sold primarily for the rental market. The remaining 57% of homes were sold directly to private customers. To meet their needs, we make available a range of incentives designed to make home ownership more attainable. These include financial assistance, such as a deposit or a cash contribution which customers can put towards paying a mortgage, as well as practical solutions like part-exchange and access to low-deposit mortgage products.

Offering a varied selection of incentives means we can meet the diverse needs of buyers and provide opportunities to step onto, or further up, the property ladder.

First time buyers accounted for 32% of our sales in 2024, compared with 30% in 2023, despite the additional challenges to affordability in 2024.

In our Southern region, at The Paddock, Eastergate, George and Jade took advantage of our Deposit Match incentive.

Having previously rented, George and Jade received the help they needed to buy their first home and become owners. The couple had saved a deposit of 5% percent of the value of the home, which we matched to bring their deposit up to 10%. This allowed them to access additional mortgage products from lenders, with a lower loan-to-value ratio and more-favourable rates.

Percentage of our customers who bought for the first time

32%

Link to strategy

Link to A Better Place

Pictured: George and Jade at The Paddock, Eastergate, Southern

Our business model

Within the following four pages we articulate how our business model generates value for our stakeholders and what makes us different as an organisation within our marketplace.

Inputs and key resources

People
To achieve our strategic objectives, the support of committed employees alongside skilled, loyal subcontractors is essential. Our business supports around 3,750 people daily, through a combination of c1,250 directly employed staff and c2,500 subcontractors.

Expertise, know-how and track record
Miller Homes has been building homes for 90 years and has an established record of satisfying our customers and creating enduring communities. We have inherent knowledge and expertise in the best techniques and materials to create desirable, high-quality homes. With an emphasis on placemaking, and an understanding of our customers' needs, we design homes and developments that meet and exceed expectations. Technology helps us make informed operational choices and take a consistent approach across our regional businesses. We have an award-winning personalised customer-service experience.

Multi-tenure sales channels
We have historically sold private and affordable homes. More recently, we have developed relationships with many registered providers and PRS institutions, to create an additional tenure beyond private and affordable homes. This tenure (Partnerships) is particularly valuable on larger sites, generally defined as sites in excess of 200 units, which consume more cash. Partnership sale contracts provide both accelerated volumes and certainty of revenue.

Landbank
We have two principal land sources: land acquired on the open market, and strategic land that we secure initially through an option agreement and promote through the planning system. Around 65% of our owned landbank is land sourced from the open market, with the 35% balance being former strategic land we have purchased following the receipt of planning. We acquire land with a minimum of outline planning consent, and 84% of our owned landbank has an implementable planning consent, with the remainder having an outline planning consent.

Relationships
We work with a variety of stakeholders, including local communities, local authorities, landowners, joint venture partners, suppliers, investors, subcontractors, employees and, ultimately, our customers. Therefore, we work hard to establish, maintain and nurture effective relationships with all stakeholders to ensure we understand their needs and concerns, and build strong and lasting relationships. Our policies, processes and procedures are regularly reviewed to meet our stakeholders' needs and construct high-quality new homes.

What we do

1 Land

What we do
We identify opportunities in popular locations suitable primarily for family homes. When acquiring land, we have both gross margin and ROCE targets. Site location is important in ensuring there will be sufficient customer demand in our delivery of sustainable communities to achieve our required selling prices, sales rate and financial returns.

How we add value
We add value to land both before and after purchase using innovative layouts. Margins are enhanced through our strategic landbank, which provides us with security of land supply allowing a more selective approach to purchasing land on the open market.

2 Planning, design and innovation

What we do
We work with local communities to design high-quality homes in sustainable developments resulting in successful planning outcomes. We use standard house types across the Group, tailored externally to suit each location. Our in-house design team develop these house types, which in 2024 accounted for 93% of private completions.

How we add value
Our developments create direct and indirect jobs, provide affordable homes, make improvements to local road networks, and create or contribute towards new education and community facilities. Our portfolio of house types provides flexible layouts that can be adapted to our customers' needs.

3 Procurement

What we do
Our central procurement team sources the vast majority of our housebuilding materials from national suppliers, ensuring consistency, quality and cost efficiency.

How we add value
Centralised purchasing ensures optimum prices and product standardisation while also helping our suppliers manage quality and delivery times effectively.

4 Production

What we do
Suitably qualified employees manage our construction sites, with construction activities typically outsourced to local contractors. We adopt a partnership approach with our subcontractors, many of whom have worked with us for several years. The use of standard house types not only provides cost certainty but also increases building familiarity for our construction teams.

How we add value
We have a well-defined quality assurance process, which is further supported through NHBC CQRs undertaken for all the key building stages of every home constructed and providing our warranties. Our build quality is also measured by the HBF Customer Satisfaction Survey.

5 Sales

What we do
Our sales managers focus on securing reservations and exchanging contracts before private homes are completed. Increased use of digital marketing has allowed a more analytical and targeted approach to sales and also enables customers to reserve their homes and select optional upgrades online.

How we add value
We regularly adapt our sales platforms and customer journey to ensure we remain relevant and satisfy the demands of our customers. We were the first major homebuilder to create a digital platform to facilitate the reservation of home purchases online and the selection and purchase of optional upgrades. In 2024, 51% of customers initially reserved online and 71% of customers purchased optional upgrades at an average value of £8,900.

6 Customer service

What we do
We have customer service teams which include a dedicated customer relationship manager who is assigned to each customer prior to the home being handed over, and who carries on as the contact with various check-ins with the customer once they have moved in. This helps build trust between us, our customers and our site teams. It also improves communication and helps to ensure customers' needs are met.

How we add value
We believe excellent levels of customer service enhance our brand value, sales rates and selling prices. The significant investment in customer service in recent years has led to an increase in customer satisfaction.

Our business model continued

What differentiates us

Consistent business process

Aided by our digital systems, there is a high degree of consistency in how we operate and manage our regional businesses.

- **Land:** A bespoke land appraisal system, with all acquisitions approved by the CEO, CFO and General Counsel.
- **Planning:** A standard house type portfolio provides design and cost certainty as well as build familiarity.
- **Procurement:** Centralised purchasing ensures brand consistency, product quality, and optimum prices.
- **Production:** A well-defined quality assurance process supported by NHBC reviews.
- **Sales:** A digital CRM system to record all aspects of the customer journey and ensure a consistent approach to leads.
- **Customer service:** A consistent process across all regions, with dashboards monitoring compliance with the NHQB Code of Conduct.

Agility

We recognise that there can be housing cycles and we have a number of levers that allow us to adapt to changes in market conditions.

- **Land purchases:** Strategic land agreements provide flexibility with security of supply but without the obligation to purchase, and at a value to be agreed at the point of purchase, rather than when entering the option agreement itself.
- **Outsourced subcontractor model:** Our in-house production team manages our developments using regional subcontractors, ensuring a low-fixed-cost base with labour able to be flexed to meet demand.
- **Sales incentivisation:** We can offer a tailored package of incentives, such as part exchange and stamp duty contributions, to enhance sales rates if required, in contrast to the second-hand market.

Diversification

Our regional network provides a platform for creating 6,000 homes a year, subject to market conditions, demand and continued land investment over the medium term. Diversification helps us achieve this target.

- **Regional diversification:** Each regional business is capable of building around 600 homes a year, which represents around 10% of the Group target.
- **Tenure diversification:** We have expanded our Partnership model with the aim that it will continue to deliver around 25% of overall Group volumes over the medium term. This will reduce reliance on private homes, which are expected to fall to around 60% with affordable homes making up the balance. We believe this strikes the right risk/reward balance through a typical housing cycle.
- **Customer diversification:** We offer a broad range of house types on our developments, typically from two to five bedrooms, supplemented with a small proportion of apartments. Three and four-bedroom homes account for around 80% of our private completions. This helps cover the spectrum of purchasers from first-time buyers (32% of all private completions) to cash buyers (16% of all private completions).

Pictured: Holmebank Gardens, Honley, Yorkshire

How we do business

ESG

We are a purpose-led organisation focused on long-term success – creating better places where people and planet prosper.

Our sustainability strategy, A Better Place, facilitates a culture across Miller Homes that encourages working towards a sustainable future (E), for the benefit of everyone (S), done the right way (G).

We are focused on doing the right things and making the right choices across the whole organisation. There are ongoing initiatives minimising the environmental impact of our operations and supporting the supply chain to act responsibly and take action to reduce their impacts. We are developing more energy-efficient homes for our customers, and improving the habitats, biodiversity and local environments of our developments.

This approach to the way we conduct ourselves further builds our brand and our reputation and provides us with an additional competitive advantage.

a better place

A Better Place is our ESG Strategy. It's how we create better places, where people and planet prosper.

A sustainable future (E) on page 48

For the benefit of everyone (S) on page 51

Done the right way (G) on page 54

The value we create

Society

We go beyond simply building homes. We help create communities with the infrastructure that will support local needs for years to come, including good access to open spaces, amenities, transport connections, schools and workplaces. We contribute to government finances both indirectly and directly through tax contributions.

£104m Contribution to government finances

Shareholders

We provide investors with timely and relevant information through quarterly result updates, to allow speedy and informed decision making. We seek to achieve regular, stable and predictable returns for our investors.

£137m Free cash generated

Supply chain

We support our subcontractors and supply chain partners, so they too have sustainable businesses, adopt safe working practices and invest for the future. Our visible order book and significant land pipeline help plan capacity. We collaborate on continuous improvement initiatives and pay promptly.

£660m Payments made to supply chain

Customers

We hand our customers the keys to homes built to the highest standards, customised to their needs, in the area they want to live. Our various house types provide homes at price points accessible to first-time buyers and families with a need for more space.

95% HBF 5* rating for customer satisfaction

Employees

Our employees receive fair pay, benefits, professional development opportunities and a clear career path. We aim for a positive work environment, with equal opportunities throughout the organisation. Recognising and acknowledging employees' achievements, both big and small, reinforces a positive culture of appreciation.

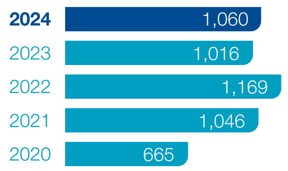
30,846 Hours of training completed

Key performance indicators

The Group consistently reports against a suite of financial and non-financial metrics.

1 Revenue (£m) F

£1,060m
+4%



Definition
This represents revenue that is predominantly generated through the sale of new private, affordable and Partnership homes; and to a lesser extent, revenue from the sale of land, where it is capital-efficient to sell a portion of larger sites; and revenue from external sales generated by Walker Timber.

Performance
Revenue increased by 4% in 2024. This was mainly due to a 6% rise in core completions offset by a 2% reduction in ASP, both of which were driven by the planned rise in Partnership homes which increased to 24% (2023: 11%) of core volumes.

Link to Group strategy

2 Average selling price (ASP) (£000) F

£282,900
-2%

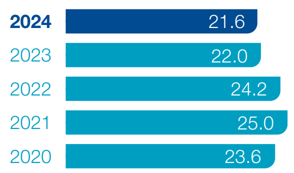
Definition
This represents revenue from new home sales, divided by the total number of core completions. In line with standard accounting practice, this excludes revenue from homes sold through joint ventures, the profit on which is shown within "share of result in joint ventures". It measures movements in revenue per home completion caused by house-price inflation, location or mix changes.

Performance
ASP fell by 2% to £282,900 (2023: £287,700) which reflected a reduction in the proportion of higher-value private-home completions falling to 57% (2023: 70%) with Partnership homes increasing to 24% (2023: 11%). Private ASP was 2% ahead at £346,500 (2023: £341,300). This compared to increases of 7% and 29% in the ASPs of affordable homes and Partnership homes to £169,200 (2023: £157,700) and £221,600 (2023: £171,400) respectively.

Link to Group strategy

3 Adjusted gross margin (%) F

21.6%
-0.4%



Definition
This represents gross profit, excluding exceptional items, divided by revenue. It measures the Group's underlying profitability before administrative expenses.

Performance
The reduction in 2024 was mainly because of the impact of cost inflation in 2023 which was incurred progressively during that year. This meant margins started at 23.1% in Quarter 1 and fell to 21.0% in Quarter 4, and averaged 22.0% for the year as a whole. In contrast, 2024 has witnessed a flat and stable cost environment which has led to relatively consistent margins during the year.

Link to Group strategy

4 Adjusted operating margin (%) F

14.8%
-0.7%

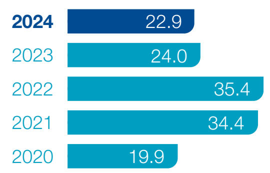
Definition
This represents operating profit, excluding exceptional items, divided by revenue. It measures the Group's underlying profitability after administrative expenses.

Performance
The reduction in 2024 principally reflects lower gross margins as explained previously, and lower recoveries of administrative expenses which as a percentage of revenue increased to 7.1% (2023: 6.8%).

Link to Group strategy

5 Return on capital employed (%) F

22.9%
-1.1%



Definition
This represents operating profit excluding exceptional items, expressed as a percentage of average tangible capital employed, which is the average of the opening and closing balances of tangible capital employed for each financial year.

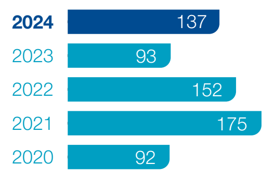
Tangible capital employed of £690.1m (2023: £678.7m) represents net assets of £627.8m (2023: £585.8m) excluding loans and borrowings of £787.4m (2023: £798.3m), cash of £234.3m (2023: £194.2m), lease liabilities of £8.4m (2023: £7.6m), a foreign-exchange swap liability of £9.5m (2023: asset of £10.1m), intangible assets of £551.7m (2023: £551.7m) and deferred tax on intangible assets of £43.0m (2023: £43.0m).

Performance
The small reduction in the year reflects an increase in capital employed as a result of higher land investment.

Link to Group strategy

6 Free cashflow (£m) F

£137m
+47%



Definition
This represents cash generated in the year of £40.1m excluding cash flows from financing activities of £3.1m, investing activities (other than movement in loans to/dividends from joint ventures) of £2.8m, corporation tax paid of £22.7m and interest paid of £68.3m.

Performance
Free cash generated in the year equated to an EBITDA conversion ratio of 85%, which is higher than the Group's medium-term target of 50% which benefitted from improved deferred terms on land acquisitions, tight control of working capital and increased Partnership activity.

Link to Group strategy

Key to strategic priorities

Invest in high-quality land

Customer-focused business

People and society

A business for the long term

Key to KPI type

F Financial

NF Non-financial

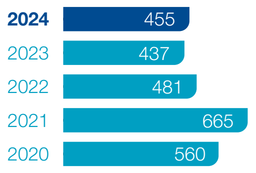
[1] 2022 figures are based on 12-month proforma results as opposed to 9 month statutory results to aid comparability. A reconciliation of the proforma Income Statement is provided on page 33 of the 2023 financial statements.

[2] Figures for 2020-2021 are for Miller Homes Group Limited which was acquired by the Group in March 2022.

Key performance indicators continued

7 Forward sales (£m) F

£455m
+4%



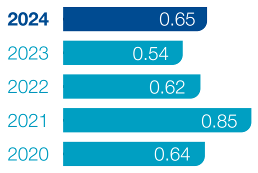
Definition
This represents the value of new home reservations and contracts exchanged at each financial year end for all three tenures, which are anticipated to result in core and joint venture completions in the following 12-month period.

Performance
Forward sales increased by 4% to £455m (2023: £437m) and reflected a 17% increase in private home reservations as a result of more favourable market conditions in the second half of 2024 in contrast to the comparable prior year period.

Link to Group strategy

8 Private sales rate (per site per week) NF

0.65
+20%



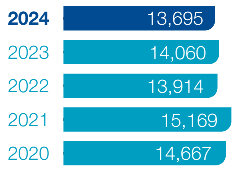
Definition
This represents the number of reservations (net of cancellations) for private homes (including those sold via joint ventures), divided by the average number of sales outlets and further divided by the number of weeks in each financial year.

Performance
The private sales rate increased by 20% in 2024 to 0.65 which is in line with the average sales rate for the previous decade.

Link to Group strategy

9 Consented landbank (plots) NF

13,695
-3%



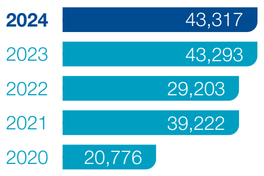
Definition
This represents land from the Group's owned and controlled landbanks. All land in the consented landbank benefits from at least an outline planning consent, or a resolution to grant planning consent.

Performance
The owned landbank rose by 17% to 12,219 plots (2023: 10,483 plots) following the purchase of 29 sites which led to 5,500 plots being added to the landbank. The controlled landbank fell to 1,476 plots (2023: 3,577 plots) as 7 former strategic sites (2,450 plots) and 3 formerly contracted sites (579 plots) were acquired in the year. This resulted in an overall consented landbank of 13,695 plots (2023: 14,060 plots).

Link to Group strategy

10 Strategic landbank (plots) NF

43,317
unchanged



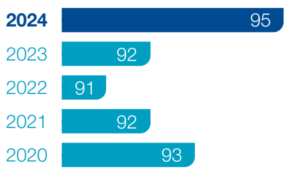
Definition
This represents land the Group has secured via either an option to purchase at a future date or a promotion agreement triggered on receipt of an implementable planning consent. The land currently does not benefit from a planning consent, although it may have been allocated for residential development in the relevant local plan.

Performance
The strategic landbank increased slightly to 43,317 plots (2023: 43,293 plots) as the Group sought to maintain the landbank at prior year levels, underpinning its medium-term growth aspirations. The increase largely reflected the impact of new option agreements entered into during the year offset by site acquisitions, which resulted in the associated plots being transferred to the owned landbank.

Link to Group strategy

11 Customer satisfaction (%) NF

95%
+3%



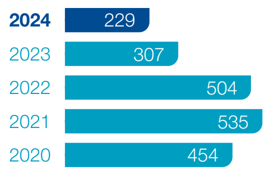
Definition
This represents an external assessment performed by the National House Building Council (NHBC) on behalf of the Home Builders Federation (HBF), and measures our customers' overall satisfaction with both the quality of their new home and the service provided.

Performance
In March 2025, the Group was awarded the HBF five-star rating for customer satisfaction for the 13th time in the last 14 years.

Link to Group strategy

12 Health and safety (AIR) NF

229
-25%



Definition
This represents the total number of accidents reportable (AIR) under RIDDOR as expressed by 100,000 employees and subcontractors.

Performance
There was a 25% improvement in the AIR score in the year as a direct result of a fall in the number of reportable accidents.

Link to Group strategy

Key to strategic priorities

Invest in high-quality land

Customer-focused business

People and society

A business for the long term

Key to KPI type

F Financial

NF Non-financial

[1] 2022 figures are based on 12-month proforma results as opposed to 9 month statutory results to aid comparability. A reconciliation of the proforma Income Statement is provided on page 33 of the 2023 financial statements.

[2] Figures for 2020-2021 are for Miller Homes Group Limited which was acquired by the Group in March 2022.

Chief Executive's statement

"Overall, the market in 2024 has been more stable than in recent years, and alongside our careful management of the business, has provided the confidence to invest in the future."

Stewart Lynes
Chief Executive Officer

Pictured: Norwood Quarter, Harpole, South Midlands

ASP	Adjusted Gross margin	Forward sales	Owned landbank
£282,900	21.6%	£455m	12,219 plots

Operational highlights

- 2024 was a year of investment, in land, our people and our customers, while at the same time maintaining high quality earnings.
- It was a record year of land investment, with 5,500 plots acquired at or above our hurdle rates. Combined with the post year end St. Modwen acquisition, we are positioned for growth in both outlet numbers and expansion in gross margin.
- We delivered key people strategy objectives with the launch of a structured Early Talent programme, increased training per person by 33% to 4.1 days a year and saw a 25% fall in our accident rates.
- There was significant improvement in our customer satisfaction scores underpinned by the focus on customers and the investment made in recent years.

Annual overview

The market has demonstrated greater stability in 2024 compared to recent years. This, combined with prudent business management, has underpinned confidence in our long-term investment strategy. We are committed to not only investing in land, but also investing in our workforce as well as in technology. A significant milestone in our growth strategy was the acquisition of St. Modwen Homes, contracted in December 2024 and completing in January 2025. Other investment in land during 2024 was substantial, with the acquisition of 5,500 plots, increasing our owned landbank by 17% to 12,219 plots. This was further bolstered by the purchase of St. Modwen Homes, adding an additional 3,541 plots to the owned landbank and 6,763 plots to the strategic landbank.

Mortgage rates declined slightly in 2024; while they remain higher when compared to the last decade or so, the market has been less volatile than in previous years. This relative stability has facilitated a more straightforward purchasing process for customers, which in turn has had a positive impact on delivery within our operations. Our private sales rate increased by 20%, reaching 0.65 sales per site per week. At the same time, selling prices remained robust, demonstrating a slight growth.

With the change in the UK government, we anticipate further regulatory reforms in planning and increased funding for affordable housing. We are encouraged by the UK government's commitment to expanding the availability of new homes of all tenures and we will play our part in contributing to this national objective.

Our continued investment in enhancing customer experience—through additional resources and advanced technology—has yielded tangible improvements in our externally assessed customer satisfaction metrics, with our scores benchmarking favourably against industry peers. Our industry leading website has been refreshed over the course of 2024 and will be launched in 2025.

A year of reflection

Miller Homes celebrated its 90th year in business last year and reaching such a milestone represents a remarkable achievement for any company. We took the opportunity to reflect on our history, hosting a commemorative event attended by the two preceding Chief Executive Officers. This included my predecessor, Chris Endsor, who served as CEO before transitioning to Chairman in 2022, a role he held until his retirement at the end of 2024. I would like to formally record my gratitude to Chris for his dedicated leadership and commitment over his 25 years at Miller Homes, and I wish him a well-earned retirement.

Whilst Miller Homes has evolved significantly over the past 90 years, one constant remains: our unwavering focus on the critical role our employees play in driving our success. The resilience demonstrated by our people during recent challenging periods underscores both their dedication and adaptability. I am incredibly proud of our people and acknowledge the work and effort in 2024 which allowed us to deliver excellent results for all our stakeholders but particularly our customers.

Summary of performance

Our volumes increased in 2024 to 3,813 homes (2023: 3,585), including 115 joint venture completions (2023: 110). Part of this increase results from our strategic focus on the Partnership tenure, resulting in Partnership-led volumes more than doubling to 875 homes (2023: 397). Private and affordable housing completions were 2,112 (2023: 2,432) and 711 (2023: 646), respectively. The decline in private home completions was a direct consequence of our strategic pause in land investment during 2022 and 2023, which led to a reduction in sales outlets in 2024.

Despite maintaining zero cost inflation and robust sales prices, our adjusted gross margin declined to 21.6% (2023: 22.0%). This reduction was largely attributable to the carry over effect of cost inflation from the previous year, which resulted in margins shifting from 23% at the start of the year to 21% by its conclusion. Adjusted operating profit amounted to £156.6 million (2023: £157.1 million), with higher volumes offset by lower gross margins.

Throughout the year, there was considerable investment in land, acquiring 29 new sites which added 5,500 plots to our owned landbank, often on preferential deferred terms. Strong cash generation resulted in a year-end cash balance of £234.3 million (2023: £194.2 million), providing the financial resources to support the initial £65m tranche of the St. Modwen Homes acquisition in January 2025.

Chief Executive's statement continued

Strategic direction

Our strategy remains firmly anchored in four core pillars: investment in high-quality land, an unwavering customer focus, prioritisation of our people, and a commitment to long-term sustainable growth. Our overarching environmental, social, and governance (ESG) strategy, "A Better Place," informs all aspects of our business operations.

The acquisition of St. Modwen Homes exemplifies these strategic principles, given the strength of its landbank, its upper-quartile customer satisfaction scores, and its established corporate culture. This acquisition further supports our medium-term objective of increasing our annual housing output to 6,000 homes.

Invest in high-quality land

During 2022 and 2023, our approach to land acquisition was cautious, reflecting broader market uncertainty. However, we remained active in identifying strategic opportunities and in 2024, which was a more stable market environment, we capitalised on these opportunities, committing to substantial land investment.

At the beginning of 2024, our owned landbank was less than 10,500 plots which would have been insufficient to support our ambition of growth. With a focus on land investment, we acquired 5,500 plots during the year, a record addition that expanded our owned landbank to 12,219 plots. This expansion was achieved while maintaining disciplined financial oversight, ensuring all acquisitions exceeded our standard margin and return on capital employed (ROCE) benchmarks.

The land we acquire originates from three primary sources, each contributing approximately one-third to our portfolio. These comprise: our strategic landbank, which is land controlled via option agreements – we actively promote these sites through the planning system, purchasing once planning is secured; limited tender process - where our reputation allows us to secure land in cases when certainty is as important as cost for landowners; open market-through competitive open market bidding.

Consented landbank

All land within our consented landbank has at least an outline planning consent, meaning the principle of residential development and the number of units is known. The consented landbank stood at 13,695 plots (2023: 14,060), with the owned element of the landbanks growing to 12,219 plots (2023: 10,483). The remaining 1,476 plots (2023: 3,577) are under our control through exchanged contracts or option agreements. Our preference remains to acquire land with detailed planning permission, with 84% (2023: 84%) of the year-end owned landbank having this status. The average selling price (ASP) of the owned landbank increased to £314,500 (2023: £301,000), while the average plot cost rose slightly to £46,300 (2023: £44,100), while at the same time falling to 14.7% (2023: 14.9%) of ASP.

Strategic landbank

Our strategic landbank is land held via option or promotion agreements. We actively promote these sites through the planning system, acquiring them at an average 16% discount to market value, contingent upon obtaining planning consent. These sites are then transferred into our owned landbank. We have an excellent track record of converting strategic options with 37% (2023: 29%) of our owned landbank originating from strategic land. We have deliberately invested in growing our strategic land capability through M&A activity and nurturing the talent in the strategic land team. The total strategic landbank is 43,317 plots (2023: 43,293) and is one of the largest in the sector relative to our annual volumes. The acquisition of St. Modwen Homes will expand this further to over 50,000 plots. The year-end balance sheet valuation of £26.6 million reflects only the initial agreement costs and planning promotion expenses and is therefore relatively low compared to the potential market value of these sites once they are acquired.

Planning environment

In early 2024, the Competition and Markets Authority (CMA) published findings from its housebuilding market study. One of those findings confirmed that the planning system in the UK adversely impacts new housing delivery. This aligns with our own view, particularly in light of the amendments to the National Planning Policy Framework (NPPF) introduced in 2023. Encouragingly, the subsequent UK Government has acknowledged industry concerns around the planning system and has pledged reform as well as reinstating mandatory housing targets and five-year land supply requirements. We welcome these changes but do not expect them to take effect until at least 2026.

Pictured: Leven Mill, Glenrothes, Scotland East

Customer focused business

We have been early adopters of technology and invested for many years in our digital capability, with a particular focus on interactions with customers. Our customers tell us that this is their preferred means of communication. We have an interactive website, digital sales process and regular customer engagement and satisfaction assessments. However, we understand that there is still the need to ensure we have a well-trained and skilled sales team to promote and enhance our strong customer-centric culture which permeates further into all areas of our business beyond sales and production.

With a focus on quality and timely delivery, and initiatives driving our quality scores, there were improvements across key customer satisfaction and build-quality metrics. We have maintained our five-star customer satisfaction rating for the 13th time in 14 years, improved our Trustpilot rating to 4.7 (2023: 4.5), and enhanced our NHBC CQR build-quality score to 4.7 (2023: 4.6).

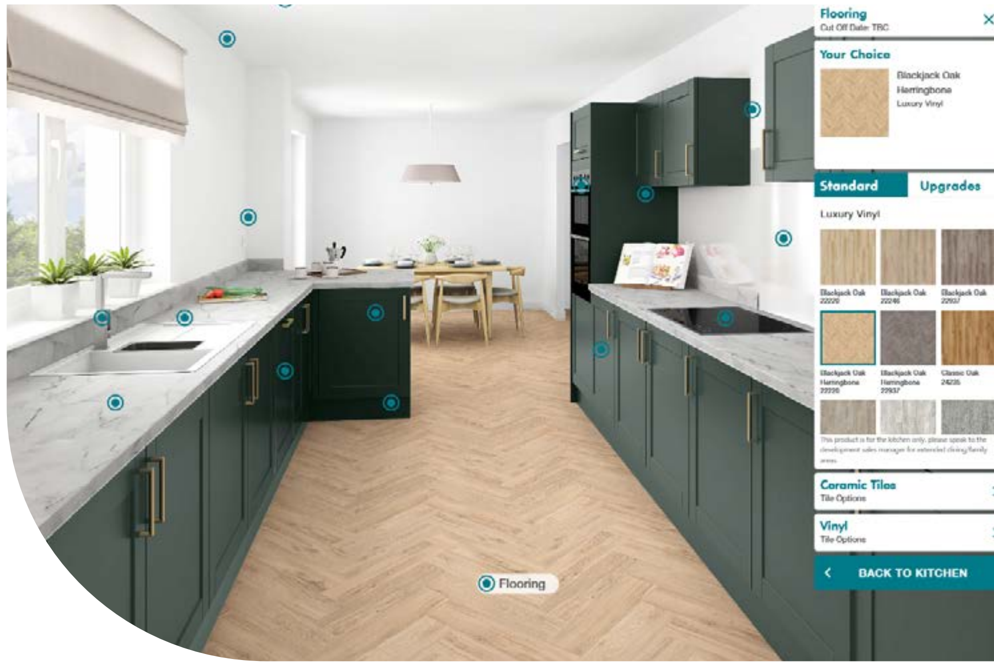
Customer satisfaction

To support customers post-purchase, we have introduced a new role to the business of Customer Relations Manager, providing a direct and named point of contact for our customers during the initial months of homeownership. Initial feedback has been overwhelmingly positive, and we plan to expand this initiative in the coming year.

Our eight-week HBF satisfaction score increased to 95% (2023: 92%), with notable year on year improvements across sub-categories such as Service Before, Build Quality, and Service After. We have also made progress in our nine-month HBF survey scores, currently standing at 84% (2023: 73%), though we recognise there are opportunities for further enhancement.

Digital first

Our digital platforms allow customers to start their home reservations online, with 51% (2023: 56%) of private reservations made by this method. Recognising the importance of home personalisation, we have developed systems that enable buyers to customise their property features and finishes on-line. In 2023, 71% (2023: 78%) of customers opted for personalisation, with an average additional spend of £8,900 (2023: £10,700).



Pictured: Our website's interactive options visualiser

New initiatives were introduced in 2024 to enhance the customer experience. A 'dynamic email journey' provides tailored information promptly, resulting in an 8% click-through rate—10% higher than our standard CRM emails—and contributing to 300 reservations within three months of launch. Additionally, our new customer service app offers real-time plot information, facilitating efficient issue resolution.

Looking ahead to 2025, we plan to launch an upgraded website to streamline the homebuying process further. Enhanced visualisation tools will offer customers a realistic perspective of completed developments, including the wider site amenities.

Quality homes with broad customer appeal

To maintain competitiveness, we continuously refine our product range to appeal to a broad customer base while optimising land use and construction efficiency. The acquisition of St. Modwen Homes introduces a second brand, enabling us to expand our market reach. On larger sites (200+ units), we intend to implement a dual-brand strategy, increasing overall site output while maintaining a mid-market focus.

We put great emphasis on place-making, to ensure we are creating environments where people want to live. In our 2024 house-type range, for the first time, we include place-making design, featuring everything from open spaces to ponds, sustainability, landscaping - even down to the bird boxes. We approached our customers to ask what was important to them and having access to good quality outside space was paramount and we wanted to ensure a consistent approach across all of our developments. We have been instrumental in the delivery of the new homes sector's Measures for Nature, highlighting the vital role that housebuilders can play in creating sustainable nature friendly spaces.

Chief Executive's statement continued

Pictured: Community Fund grant recipients,
Christ Church C of E Primary School, East Midlands

People and society

Our annual employee engagement survey yielded a commendable score of 80%, with qualitative feedback emphasising a people-focused, customer-centric, and positive workplace culture. We continue to invest in talent development, with 275 new hires, 26 of whom were recruited through our Early Talent programme.

Safety, health and environment (SHE)

Ensuring the safety of our employees, subcontractors, and the public remains our foremost priority. We have refined our procedures so that the senior management team spends dedicated time with regular meetings on SHE and we have implemented a plan over the course of the last 12 months to raise awareness of responsibility for health and safety matters. I am pleased to report that these efforts have had a positive impact, with reportable accidents declining in 2024, resulting in an Accident Incident Rate of 229 (2023: 307). Our SHE culture now focuses on proactive success rather than reactive compliance.

In 2024, we successfully renewed accreditation for our SHE management system to LRQA 45001/14001 standards, ensuring consistent, high-level safety and environmental practices across the Group. We are one of very few housebuilders to hold such accreditation. Our SHE management system also ensures a consistent Group-wide approach, together with helping to continuously improve, address new risks, and integrate better practices.

Training and development

A particular focus during the year was on employee development, especially at senior management level, ensuring the leaders of our business have the right training. The initiative that is close to my heart is the Early Talent programme we started this year, aiming to recruit young people into the industry straight from school or further education - in effect to develop and grow our own talent. We are targeting 40 new recruits each year. By providing young people with hands-on learning, mentoring and tailored development opportunities, we aim to accelerate their growth and prepare them for future managerial roles within Miller Homes.

We also rolled out an Inspirational Leadership Programme, focusing on senior managers and directors identified as part of our succession planning process. 20 individuals have taken part in the initial two-year course, with a new cohort planned for 2025. This was an externally delivered management development programme, supplemented by functional masterclasses in commerce, finance and land.

Charitable giving

In 2024, the Group established a charity sub-committee to report into the ESG committee whose remit is to oversee the charitable activity of the Group including the Community Fund. During the year, following consultation, we selected Groundwork as our chosen national charity partner. Groundwork takes practical action to support local communities to create a fair and green future in which people, places and nature thrive, and we believe their work aligns with our values and approach through A Better Place. As well as financial support, we are looking forward to working with Groundwork on volunteering opportunities.

Overall the Group raised an impressive £351,000 for charities and good causes in 2024. Part of this amount was given via our Community Fund which provides donations to local groups and organisations specifically in the areas of education, sport and wellbeing. The Community Fund supported 131 organisations in the communities where we build, having awarded funds of £120,000 last year.

In addition, our regional offices chose a local charity each year to support. Last year we raised an impressive £231,000 for regional charities by participating in numerous activities, including our annual event, Active April, running marathons and climbing mountains. I am grateful to everyone in the Miller team who has participated in raising these funds.

A business for the long-term

Over its 90-year history, Miller Homes has demonstrated resilience in navigating wars, economic downturns, and market fluctuations. Our sustained success is attributed to a well-defined strategy executed by a dedicated team. Growth remains a priority, but we are committed to pursuing it responsibly, ensuring long-term sustainability.

Partnerships

A key element of our strategy for sustainable growth is our Partnership model, providing us with more security through any market cycles. The Partnership model opens up more land opportunities by widening the criteria for new sites we are willing to consider, which has undoubtedly been a factor in achieving a record year of land investment. We have significantly enhanced our stakeholder engagement within the Partnership market, expanding our contact base and working with more partners than in previous years. At the same time, we have garnered an excellent reputation for consistently creating high-quality homes for the rental sector.

Supply chain

Our relationships with our supply chain are also vital to our long-term success. We maintain loyal and strong ties during the tougher times, knowing this will benefit us when markets are more buoyant and subcontractors have multiple opportunities. Our Group Procurement team maintains close relationships with around 60 suppliers with whom we have Group agreements, while our regional teams engage with the subcontractor network, which is more localised. In all cases, we provide our supply chain with a detailed overview of our future plans, ensuring they feel part of our team, and assisting them with their business planning.

A Better Place – our ESG strategy

In the previous year, we had published our long-term ESG strategy. This year, our main achievement was establishing science based targets which were validated by SBTi, the first private housebuilder to do so. We have made excellent progress on reducing our site waste this year. In addition, we have undertaken further work to better understand our supply chain and are increasingly better placed to assess the sustainability of our procurement decisions.

Outlook

In 2024, we engaged with our workforce through roadshows and celebrated our 90th anniversary with company-wide events. These occasions reinforced our commitment to growth and the ambitious plans we have for the future.

Having made prudent strategic decisions during challenging market conditions, we are well positioned to benefit from improving market dynamics. Our investment decisions, including the acquisition of St. Modwen Homes, have strengthened our market position, providing a solid foundation for sustainable and profitable growth. We remain confident in our ability to deliver long-term value to all stakeholders.

Stewart Lynes
Chief Executive Officer

Date: 27 March 2025

Pictured: Pearwood Gardens,
Stockton-on-tees, Teesside

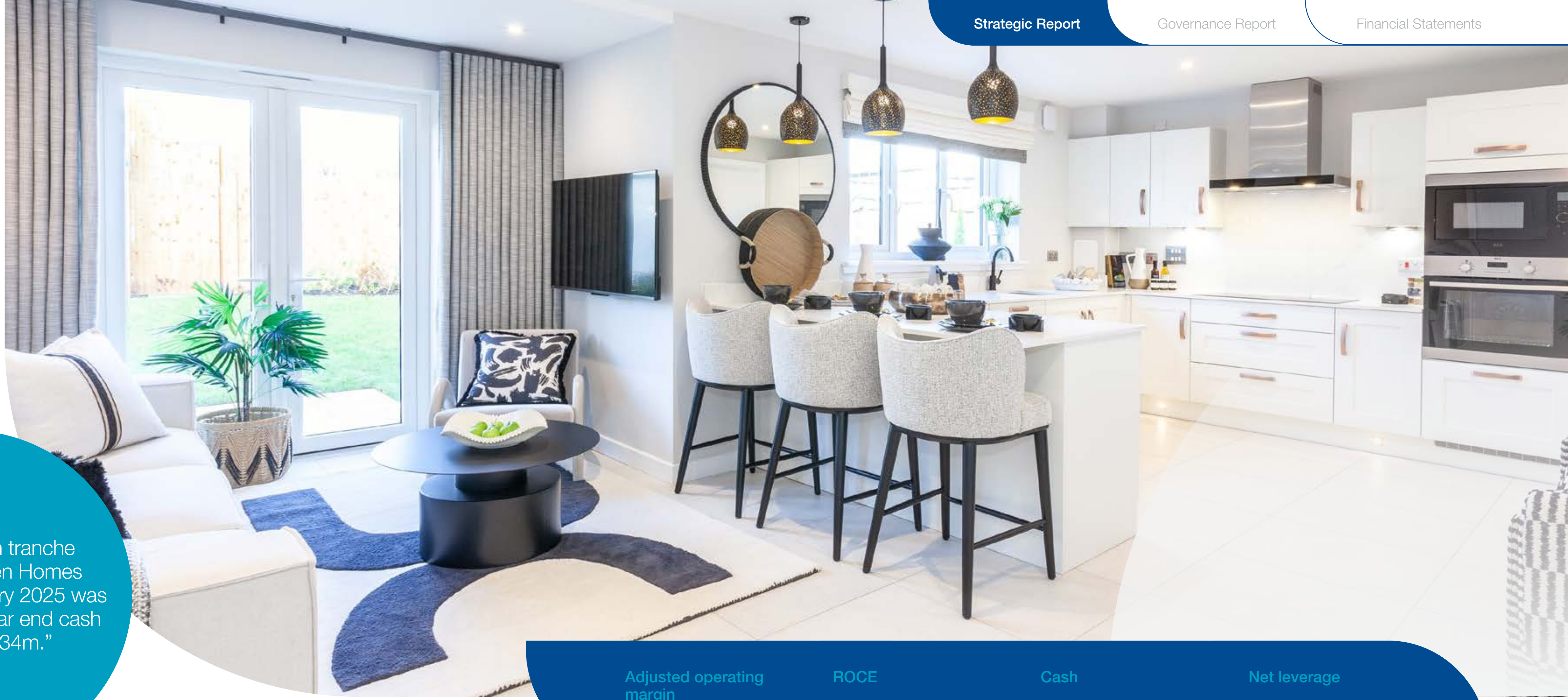
Chief Financial Officer's review

"The initial £65m tranche of the St. Modwen Homes acquisition in January 2025 was funded from the year end cash balance of £234m."

Ian Murdoch
Chief Financial Officer

Financial highlights

- It was reassuring to have maintained gross margins at or around prior year levels in the absence of house price inflation and while increasing our Partnership homes to 24% of core volumes. Among other things, this demonstrates our strong cost management controls.
- We generated £137m of free cashflow which represented 85% of EBITDA and was exceptional by historical standards. This reflected an improvement in private sales rates, increased Partnership activity and improved land payment terms.
- Land payables increased to £169.6m (2023: £88.3m) due to record land investment and favourable deferred terms.



Pictured: Thornly Park, Paisley, Scotland West

Adjusted operating margin	ROCE	Cash	Net leverage
14.8%	22.9%	£234m	3.7x

Financial performance

Revenue was 4% higher at £1,060.2m (2023: £1,015.9m). New home revenue increased to £1,046.2m (2023: £1,000.0m) with other revenue falling to £14.0m (2023: £15.9m). The increase in revenue from new home sales reflected a 6% increase in core completions to 3,698 homes (2023: 3,475), offset by a 2% decline in ASP. Private completions fell by 13% to 2,112 (2023: 2,432) which was more than compensated by increased completions in both affordable homes to 711 (2023: 646) and Partnership homes to 875 (2023: 397). The reduction in other revenue reflected declining external revenue from Walker Timber of £6.1m (2023: £9.7m) as internal supplies increased, offset by a modest increase in land-sale revenue to £7.9m (2023: £6.2m).

Completions and ASP	2024 Units No.	ASP £000	2023 Units No.	ASP £000
Private	2,112	347	2,432	341
Affordable	711	169	646	158
Partnership	875	222	397	171
Core	3,698	283	3,475	288
JV	115	348	110	278
Total	3,813	285	3,585	287

Core ASP declined by 2% to £282,900 (2023: £287,700) due largely to a reduction in the proportion of private home completions to 57% (2023: 70%) and a corresponding increase in Partnership homes to 24% (2023: 11%) with the increase in lower value Partnership homes adversely impacting the overall weighted ASP. The reduction in ASP was despite an increase in ASP across all three tenures, with the 2% increase in private ASP being driven by a similar increase in average unit size to 1,187 sqft (2023: 1,155 sqft).

Gross profit adjusted for exceptional items increased by 2% to £228.6m (2023: £223.5m), representing an adjusted gross margin of 21.6% (2023: 22.0%). The margin reduction was mainly due to cost inflation in 2023 being incurred progressively during that year. This led to margins starting at 23.1% in Quarter 1 and falling to 21.0% in Quarter 4, resulting in the 22.0% average for the year as a whole. In contrast, the cost environment in 2024 has been stable which has led to relatively consistent margins during the year, starting from the 21% base at the end of last year. Accordingly, gross profit per core unit completion declined to £61,800 (2023: £64,300). Gross profit, including exceptional items, was £224.7m (2023: £212.2m). The current year's exceptional charge of £3.9m (2023: £11.3m) relates to increased costs associated with fire-safety remedial works.

Other operating income reflected management fee income earned on joint ventures and, to a lesser extent, the net profit on the resale of part exchange properties, which remained unchanged at £1.4m (2023: £1.4m). Administrative expenses increased to £78.9m (2023: £69.0m), which included an exceptional item for transaction costs associated with the St. Modwen Homes acquisition of £3.5m. The remaining, non-exceptional increase largely reflected an increase in staff costs. As a percentage of revenue, administrative expenses excluding exceptional items have increased to 7.1% (2023: 6.8%). The Group's share of joint-venture profit increased to £2.0m (2023: £1.2m), driven by an increase in completions to 115 units (2023: 110 units).

Operating profit adjusted for exceptional items decreased marginally to £156.6m (2023: £157.1m), representing an adjusted operating margin of 14.8% (2023: 15.5%). Operating profit including exceptional items increased to £149.2m (2023: £145.8m).

Chief Financial Officer's review continued

Pictured: Norwood Quarter, Harpole, South Midlands

Finance cost

The net finance cost increased by £5.4m to £85.5m (2023: £80.1m) which is largely explained by the following items:

- a £2.3m increased charge on the senior secured notes (inclusive of amortised deferred financing costs and non-utilisation fees) to £82.5m (2023: £80.2m), due to higher interest rates
- a £2.5m increase in imputed interest on land payables to £7.2m (2023: £4.7m) with increased land investment leading to higher land payables
- a £1.2m increase in the foreign exchange loss to £2.0m (2023: £0.8m) on the swap contract which hedges our currency risk on the Euribor floating rate notes

offset by:

- a £1.3m increase in bank interest receivable reflecting higher rates on cash on deposit to £7.1m (2023: £5.8m)
- a £0.4m increase in interest on the pension scheme surplus to £0.7m (2023: £0.3m)

Taxation

The tax charge in the year was £21.2m (2023: £21.1m), which comprised £18.5m (2023: £15.9m) of corporation tax (including £4.5m (2023: £4.5m) of Residential Property Development Tax) and a £2.7m charge (2023: £5.2m) for deferred tax. The Group has a deferred tax liability at the year-end of £42.2m (2023: £41.7m) comprising £43.0m (2023: £43.0m) in respect of the intangible brand asset and £3.2m (2023: £5.2m) in respect of the retirement benefit surplus, offset by a £4.0m (2023: £6.5m) asset in respect of other temporary differences. The fall in that portion of the liability related to the retirement benefit surplus reflected the lower pension surplus combined with a reduction in the applicable tax rate to 25% (2023: 35%).

The total contribution to the UK and Scottish Government's finances in 2024, directly through taxes borne by the Group itself and indirectly by payroll and other taxes we collect on behalf of both Governments, was £104.4m (2023: £95.7m).

The total amount of tax is significantly greater than the tax charge shown in our accounts and is an indication of our wider financial contribution to the UK economy. The Group is committed to maintaining its status with HMRC as a low-risk business. The Group's tax strategy can be found on our website and is based on an open and collaborative approach with HMRC, with a low tolerance towards tax risk and undertaking not to engage in artificial tax arrangements.

Cashflow and debt

The Group continued to generate significant levels of free cash. Free cashflow in the year was £137.0m (2023: £92.5m) which equated to a cash conversion from EBITDA ratio of 85% (2023: 58%). This is higher than the medium-term average of 71%, due to a combination of favourable deferred terms on land purchases, tight control of work in progress and increased Partnership activity.

The Group's cash balance at year-end was £234.3m (2023: £194.2m) with net indebtedness of £571.0m (2023: £601.6m), the components of which are set out below.

- £425.0m (2023: £425.0m) 7.0% senior secured notes due 2029
- €465.0m (2023: €465.0m) Euribor plus 5.25% senior secured floating rate notes due 2028 converted at a year-end closing rate of €1.20 to a sterling equivalent of £385.9m (2023: £403.5m)
- lease liabilities of £8.4m (2023: £7.6m)
- a swap contract liability of £9.5m (2023: £10.1m asset)

offset by:

- a cash balance of £234.3m (2023: £194.2m)
- deferred financing costs of £23.5m (2023: £30.2m) from the 2022 refinancing

In addition, the Group continues to have access to a £194.0m (2023: £194.0m) revolving credit facility (RCF). There are no financial covenants in relation to either the senior secured notes or the RCF. The drawn balance on the RCF is limited to 50% of net inventory.

The Group's net leverage as measured by net indebtedness (excluding deferred financing costs) of £594.5m (2023: £631.8m) divided by adjusted EBITDA of £160.7m (2023: £160.8m) fell to 3.7x (2023: 3.9x).

Balance sheet

A high-quality landbank substantially underpins the Group's balance sheet. The Group's net assets increased to £627.8m (2023: £585.8m). Tangible capital employed increased by £11.4m to £690.1m (2023: £678.7m).

Net inventory represents inventory net of land payables and increased to £817.0m (2023: £808.1m). This reflected an increase in inventory to £986.6m (2023: £896.4m) offset by an increase in land payables to £169.6m (2023: £88.3m).

The year-end land inventory balance increased by 19% to £593.4m (2023: £500.5m), which is due primarily to a 17% increase in the owned and unconditional landbank to 12,219 plots (2023: 10,483 plots) and a marginal increase in the average plot cost to £46,300 (2023: £44,800). As a percentage of ASP, the plot cost is slightly lower than last year at 14.7% (2023: 14.9%). Work in progress has reduced by 3% to £373.8m (2023: £386.7m) which reflected tight control of development spend and improved WIP recoveries from the increased partnership activity in the year. Part-exchange inventory has increased to £19.4m (2023: £9.2m), which reflected an increase in the use of part exchange as an incentive to 10% (2023: 6%) of private reservations.

Land payables represent creditors due in respect of land acquired on deferred terms, and occasionally where contracts have been exchanged and the conditions have been satisfied, and have increased to £169.6m (2023: £88.3m). The amount payable in the next 12 months has similarly increased to £117.3m (2023: £49.3m). Land contracts that have been exchanged, and where the conditions have yet to be satisfied, represent off-balance sheet contractual obligations to make certain payments if the conditions were satisfied. The estimated value of these contracts is £26.9m (2023: £30.1m), of which £20.7m is likely to be paid in the next 12 months.

Shared equity loan receivables represent the Group's investment in shared equity loans issued from 2008 to 2013. Redemptions in the year resulted in the investment in these assets falling to £1.9m (2023: £2.8m). The Group carries its shared equity assets at fair value with a provision of £6.5m (2023: £6.5m) being held against the initial carrying value of £8.4m (2023: £9.3m).

Pensions

The defined benefit scheme was closed to new entrants in 1997 and to future accrual in 2010. The scheme's surplus decreased to £12.8m (2023: £14.8m), which reflected a remeasurement loss of £2.7m offset by interest income of £0.7m. The remeasurement loss was due to lower asset returns, which were only partly offset by an increase in the discount rate applied to the scheme's liabilities.

In order to preserve the current favourable funding position, the scheme maintained an interest-rate hedge of 95% during the year. No further contributions are payable while the scheme remains in surplus on the technical provisions basis, assuming a discount rate of gilts plus 0.25%.

We now provide pension arrangements for the Group's employees through a defined contribution scheme, with the annual cost reflected in the income statement amounting to £4.6m (2023: £4.4m).

Risk management

The Board maintains a risk register to identify and manage key business risks. Under IFRS 9, the Group is required to disclose the main risks associated with its financial instruments, namely credit risk, liquidity risk and market risk. These are set out in note 23 of the financial statements. In addition to the adequacy of financial resources, the key financial risks are the valuation of inventory, retirement benefit obligations, provisions and intangible assets, as set out in note 27.

Ian Murdoch,
Chief Financial Officer

Date: 27 March 2025

Stakeholder engagement

We regularly and proactively engage with our stakeholders.

Employees

How we engaged

- Continued engagement on issues employees care about, such as health and wellbeing, and charities, through working groups and committees inviting feedback.
- We asked all employees to take part in a survey in 2024 to help us better understand work life at Miller Homes and have developed robust actions to address highlighted areas.
- Involving employee groups in honing our employee strategies, including Health & Wellbeing Champions who have helped shape our ESG projects.
- Regional Board people-planning sessions continue to inform our People and HR strategy.
- Piloting employee initiatives and incorporate feedback into activities including pensions and career development workshops, and a mental health module designed for our Early Talent employees.
- Annual regional roadshows provide updates on performance, strategy and outlook and feature Q&A sessions.
- Health and safety strategy planning sessions improve accountability and engagement.

What that means

- We have the most up to date information on the employee experience at Miller Homes.
- Earlier engagement in the development or testing of new initiatives means better, more robust solutions, speedier uptake and smoother implementation.
- Employees appreciate being involved in business plans.
- New initiatives are more likely to be appropriate, having had employee input.
- Continually evolving employee training and awareness programmes means our communication and training agenda stays current. The flexibility of our more blended approach better suits the needs of our teams.

Customers

How we engaged

- We have introduced more ways for customers to visualise new developments on our website through street views, 3D site plans and virtual tours for all our standard house types.
- A mixture of customer and wider homebuyer research was conducted during the year. We used the findings to change the focus of our sales incentives and to inform our brand communications in 2025.
- Regular customer events took place across our regional developments, including VIP pre-launch events and events to introduce customers to experienced, independent legal or mortgage advisers.
- We learnt from existing customer feedback and adapted our new customer journey to enhance the experience.

What that means

- Customers can make a more informed decision about the home that they are purchasing, even when reserving at an early stage.
- We have processes or communications that are in place to assist customers before and during their purchase which are based on tried-and-tested feedback from existing customers.
- Customers can be reassured they have unbiased information about the home they are buying from independent experts.
- The enhanced customer journey is more efficient and streamlines our customer engagement processes.

Regulators and Government

How we engaged

- Meeting with UK Government departments, including Homes England and the Ministry of Housing, Communities and Local Government.
- Our advisory position on fire safety matters with the Scottish Government.
- Membership of the New Homes Quality Council.

What that means

- We maintain good working relationships with governments, participating in industry working groups to help shape and ensure our awareness of new and emerging legislation.
- Through participation in the New Homes Quality Council, we can advise on the impact of new regulation.

Communities

How we engaged

- Supporting local and national charities through fundraising activity across our regions and matching fundraising.
- Supporting local community organisations that promote education, sport, wellbeing or the environment by providing grants through our employee-led Community Fund scheme.
- Communicating with residents near our developments through public consultations.
- Providing schools with valuable learning opportunities, fostering strong community relationships and promoting engagement.
- Regular discussion with local authorities, environmental regulators and NGOs.

What that means

- Our public consultation websites streamline the planning process and enhance direct engagement between communities and site teams.
- In 2024, we raised £231,000 for charities.
- Our Community Fund successfully delivered two rounds of funding in 2024 and provided £120,000 of grants to 131 groups situated in our communities, giving opportunities to connect and promote Miller Homes.

Supply chain

How we engaged

- Maintaining successful, long-term, collaborative relationships.
- Gathering feedback from suppliers, including through national supplier performance ratings, regional subcontractor ratings, and Best Regional Contractor of the Year award.
- Meetings with contractors ahead of work starting on a site.
- Enabling efficient planning of resources by fully communicating our building activity.
- Introducing a national tender platform for subcontractors.

What that means

- Our partners understand how we operate, ensuring continuity of supply and best practice.
- Regular engagement provides our supply chain with the information needed to meet our production requirements and the performance standards we expect.
- Our Scanmarket tender platform provides consistency of information and format across the business for subcontractors.

Shareholders

How we engaged

- Executive Directors meet with shareholders at formal board meetings in person four times each year and at regular committee meetings.
- Executives, non-executive directors and shareholders join weekly virtual meetings and monthly operational meetings.
- Shareholders receive presentations from other members of the senior team.
- Shareholders are provided with weekly operational dashboards.

What that means

- During the year, we cemented our communication channels with investor shareholders and non-executive directors.
- Formal board meetings have been reduced in favour of weekly virtual meetings between shareholders and the Executive team.
- Shareholders have real-time information to allow speedy, informed decision making.

Banks and funders

How we engaged

- Quarterly results published on our website.
- Quarterly result calls with the CEO, CFO and bondholders.
- Regular contact between the CFO and key relationship banks.

What that means

- Maintaining transparent dialogue with bondholders allows us to be aware of any issues and build investor relationships.
- Awareness of mortgage products coming to the market and ability to participate early. We joined the Own New scheme at the start of 2024.
- Established relationships with PRS funders.

Stakeholder Engagement continued

Illustrating our engagement

“Apprenticeships are so advantageous because they give you real work experience and help you build connections within the industry. Not only do you come out of it with qualifications, but also experience and professionalism that sets you apart from others.”

Mia Ullmer
Technical Trainee, North West

“This kind donation from Miller Homes will help us to provide cold weather clothing and accessories to keep our team warm and dry during the winter months. Thank you, Miller Homes, for choosing our farm and our people to support.”

Sarah Lunt
Charity Fundraiser at Living Potential Care Farming,Yorkshire, on receiving a Community Fund Grant

“It’s heartening to now see the commitment from so many major developers towards installing integral bricks, which will last the lifetime of the building and provide our Swifts and other cavity nesting birds with long-term habitat.”

Becky Ingham
Chief Executive of Action for Swifts, on the Homes for Nature commitment

“When we saw our new home, we totally fell in love with it. Ollie put us in touch with Ross at Sphere Financial Services and thanks to the Rate Reducer scheme, we were able to afford our new four-bedroom home.”

Arran Jacobs
Buyer, Oakley Grange, Southern

Read about our Stakeholder Engagement **on page** 42

Case study

Driving community engagement to provide lasting legacy

When Miller Homes acquired land in Halewood, Liverpool, for our Wilbury Park development, we were aware it featured the grave of Blackie, a horse which served the 275th Brigade Royal Field Artillery ‘A’ Battery - 55th West Lancashire Division during the First World War.

Blackie’s master, Leonard Comer Wall, was a wartime poet who tragically lost his life at Ypres while riding Blackie in 1917 at the age of 20. Before his death, he wished for his horse to be buried with his medals if he did not survive the war. Blackie, who died in 1942 at 35, was buried with his master’s medals on the site.

The grave had fallen into poor condition prior to Miller Homes becoming involved in the land. We knew the significance of this special memorial site, and were aware of local residents’ wishes for the grave to be recognised.

As part of our development, we worked with the local community to preserve and enhance the grave and commissioned a 2 metre high sculpture of Blackie. The wooden carved statue, created by sculptor Simon O’Rourke, now stands as a poignant tribute at Blackie’s grave.

The sculpture is open to public view, offering a place for reflection and remembrance. An enhanced pathway to Blackie’s grave is surrounded by wildflower meadows, native shrubs and trees, creating a lasting tribute to the bravery of service animals.

The unveiling ceremony took place in July 2024 when we were joined by guests including the Mayor and Mayoress of Knowsley.

Grants awarded through our Community Fund to date

389

Link to strategy

Link to A Better Place

Pictured: Mayor and Mayoress of Knowsley with North West Development Sales Manager, Debbie

a better place

Our ESG strategy

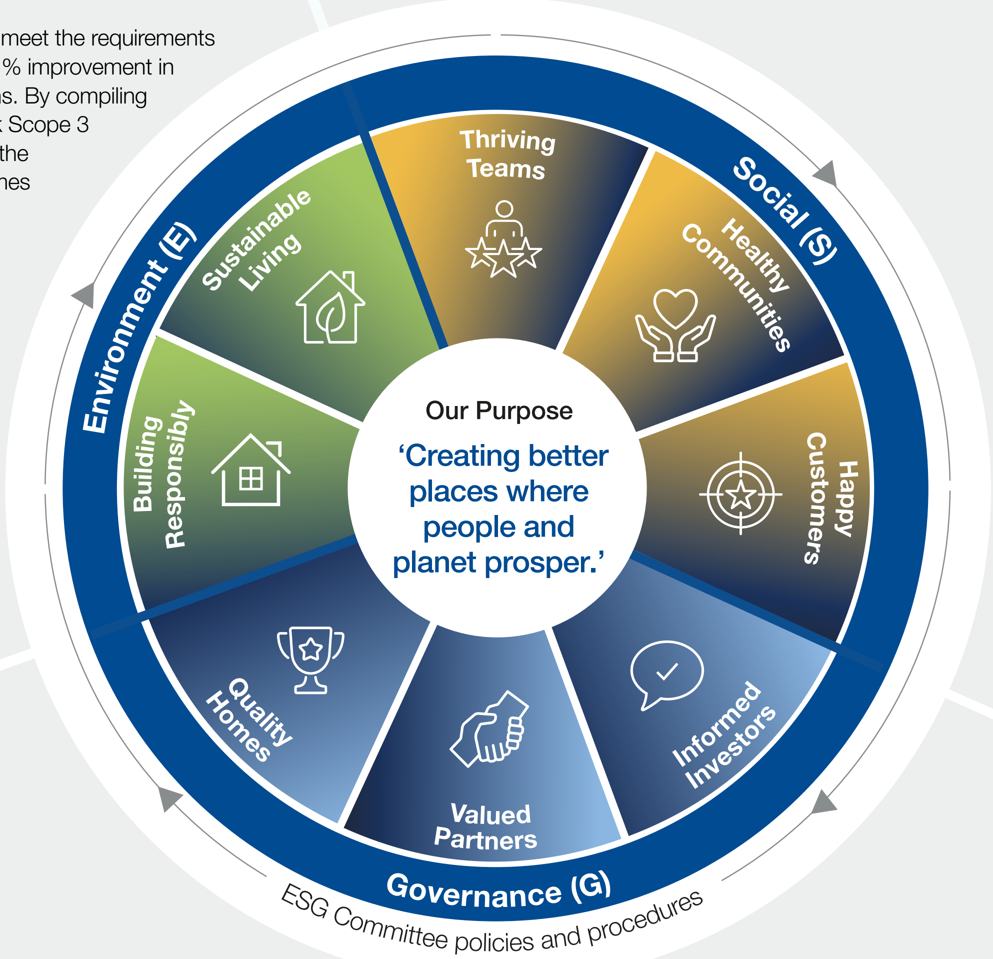
We create better places, where people and planet prosper. This comes to life through our environmental initiatives, the investments we make and support we provide for the communities where we operate, and a strong commitment to investing in our people.

Environment
A sustainable future

Sustainable living
In 2024, an increasing proportion of homes were built to meet the requirements of the new part L Building Regulations which deliver a 31% improvement in carbon-emissions compared with the previous regulations. By compiling plot level emissions data for all homes built, we can track Scope 3 carbon emissions for all homes being built in England to the current Part L Building Regulation requirements. Our homes also achieve A or B energy performance certificate (EPC) ratings as standard.

Building responsibly
In 2024 we secured approval from the Science Based Targets initiative (SBTi) for our new science based carbon reduction goals, which were published in 2024 in our Environmental Sustainability Strategy. We also reduced production waste by 1 tonne per home with the support of our site teams and waste partners.

Our Homes for Nature commitment was launched in 2024 and will see a significant uplift in measures delivered on site for key species such as swifts and hedgehogs. Our commitment is to include nest bricks at a ratio of one per plot and hedgehog routes on all developments, along with native and pollinator planting and wildlife friendly SuDs.

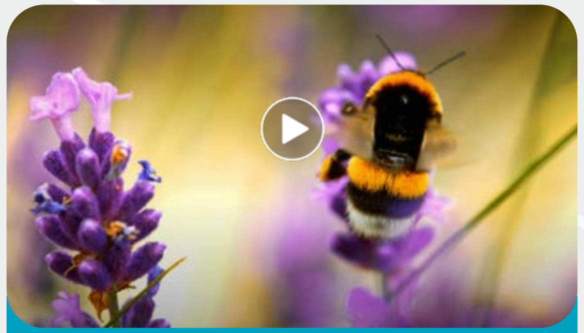


Social
For the benefit of everyone

Thriving teams
We foster a positive culture where our teams can thrive, providing training and development opportunities that help them realise their full potential. On average, each of our employees received 4.1 days of training in 2024 which was an increase of 33% on 2023.

Healthy communities
Our Community Fund, now in its third year, received applications during two funding rounds in 2024, with grants totalling £120,000 being shared among 131 charities and community groups near our developments. We also raised over £231,000 for the 11 charities our regional teams selected to raise funds for in 2024, as well as other charities which are important to our employees.

Happy customers
We actively engaged with the New Homes Quality Board to help raise standards in the industry and we are the only developer to sit on the New Homes Quality Board Code Council, where we are represented by senior members of our Legal team. A new role of Customer Relationship Manager has been put in place, a dedicated resource to customer relations, which has been positively received and is being rolled out more widely across the business.



View more information on **net zero and our SBTi targets to 2045** at: **www.millerhomes.co.uk/corporate/a-better-place building-responsibly.aspx**

Governance
Done the right way

Quality homes
We launched our 'Plotting a Better Place' initiative which emphasises the creation of communities that balance placemaking with operational efficiency. This streamlined our housing portfolio to improve efficiency in design and construction, while maintaining a focus on quality and customer satisfaction and the overall appearance of our developments, creating places where people want to live.

Valued partners
Contractors play a major part in helping us to deliver quality homes. In 2024, our quarterly, regional Contractor Performance Awards recognised and celebrated the efforts of our contractor partners in striving for improved standards across our sites.

Informed investors
Our ESG Committee maintained its focus on driving progress across our A Better Place strategy, while ensuring transparent reporting to our Board, funders and investors, and enhancing the systems we have in place for effective and robust governance.

Our 2024 achievements

Total funds raised for charities **£351,000** Linked to	Electricity supplies from renewable sources **96%** Linked to
Contributions to improve education facilities for our communities **£15.2m** Linked to	Plots on which we have committed to provide more Homes for Nature **100%** Linked to
Employees joining our Early Talent programme **26** Linked to	Training days per employee **4.1 days** Linked to
Homes provided as affordable homes **43%** Linked to	Female employees in our workforce **30%** Linked to
Recycling rate **86%** Linked to	Reduction in waste **14%** Linked to
Diversion from landfill rate **99%** Linked to	Hours of training completed **30,846** Linked to

Environment (E)

A sustainable future

Reducing carbon emissions in line with science-based targets on our journey to net zero.

Pictured: Minerva Heights, Chichester, Southern

Our strategy for sustainability

In 2024 we published our new Environmental Sustainability strategy which focuses on three highly material core pillars of climate change, waste and resources, and nature. During 2024 we hosted a briefing for each of our regional management teams on our strategy which provided an opportunity to discuss the challenges we face, and the roles of our various functions in delivering the strategy at an operational level.

A sustainable future

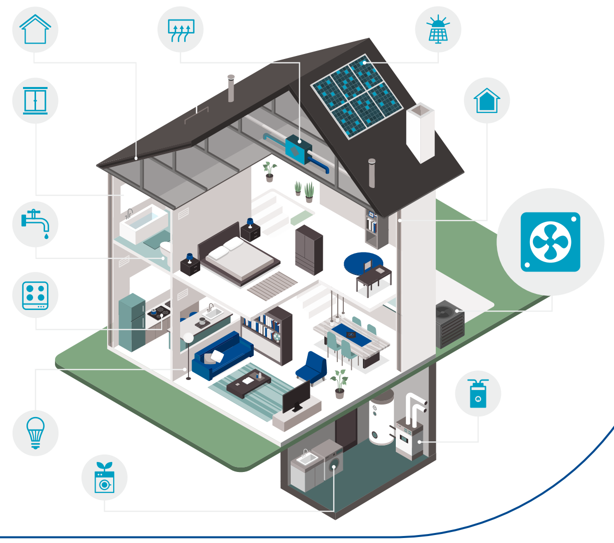
Following significant engagement within the business, we were delighted to have both a near term and a net zero target approved by the Science Based Targets initiative, setting us on a clear path to a sustainable future. These new targets, to reduce our emissions by 50% by 2032 against a baseline year of 2022, and to reach net zero by 2045, replace our previous targets and extend the scope of our ambition to include Scope 3 emissions.

We have begun to put in place action plans to reduce emissions and will publish a Transition Plan in 2025.

In 2025 we will begin developing a detailed strategy for tackling embodied carbon.

Reducing the in-house emissions of our homes

Our homes are designed to the latest building regulations and in England our England 2024 Portfolio to the latest requirements of Part L. These Part L compliant house types achieve a 31% improvement in carbon-emission targets compared with 2013 regulations, while also achieving A or B energy performance certificates (EPC) ratings as standard. In 2024, we have also delivered homes that use alternative heating systems, such as air source heat pumps (ASHP). This is in advance of the likely changes to be included within the Future Homes Standards which will require all new homes to be built with low-carbon heating systems.



Reduction in carbon emissions in new build compared to older homes	Carbon emission improvement achieved by our Part L house types	Diversion from landfill rate
65%	31%	99%

Case study

Our commitment to make more Homes for Nature

In 2024 we signed up to the Homes for Nature commitment, a major new initiative to support wildlife developed by the industry-led On Site Nature Measures Working Group, convened by the Future Homes Hub.

The commitment will see a bird-nesting brick or box installed for every new home built, as well as hedgehog highways created as standard on every new development taken through planning from September 2024.

The industry working group, which is chaired by Miller Homes' Associate Director of Environmental Sustainability, brought together 28 homebuilders who build more than 100,000 homes a year to sign up to the voluntary commitment.

The move represents a major step towards providing the minimum of 300,000 nesting bricks and boxes thought to be required to support swift populations and many more bird species across the country.

In addition to integrated nest bricks, boxes and hedgehog highways, the commitment encourages homebuilders to incorporate additional features, such as bat roosts, insect bricks and hibernacula. Nature-led Sustainable Urban Drainage systems and pollinator-friendly landscaping are recommended to help to make even more homes for nature on new developments.

The commitment is in addition to recently implemented Biodiversity Net Gain regulations, which require all new developments to achieve 10% more wildlife.

The scheme came into effect in September 2024 for all new planning applications and will run until at least 2030, with annual reporting to track progress and to identify further suitable measures that could be introduced to support other wildlife.

Many homebuilders already have commitments to deliver measures for nature on new developments, however this initiative aims to support a consistent, industry-wide approach. Support for the initiative is reflected by the range of large and SME homebuilders who have made the commitment.

Homebuilder's plots where measures for nature will be installed each year

100,000

Link to strategy

Link to A Better Place

Pictured: Cleve Wood, Thornbury, West Midlands

Environment (E)

A sustainable future (continued)

In England, we trialled a pre-cut flooring product and we changed plasterboard size to reduce cutting and waste production on site. We will be pursuing these projects further in 2025. In Scotland site waste audits highlighted opportunities to reduce timber waste with pre-cut materials and reuse of timber frame packaging.

We also achieved a recycling rate of 86% and a diversion-from-landfill rate of 99%.

Travel

We are committed to reducing our carbon emissions. Travelling more sustainably, including the use of electric vehicles in our fleet, is a key tool in helping us meet this target.

We enhanced our expenses system in order to capture better quality data on use of electric vehicles for work journeys, travel by train and other passenger transport and to capture journey distances for all types of travel. This will help us refine our carbon data set for travel.

Measures for nature

Months of hard work and collaboration resulted in the launch in June 2024 of the Future Homes Hub Homes for Nature scheme. With commitments from 28 homebuilders and support from the RSPB, Hedgehog Street, Action for Swifts and the Bat Conservation Trust, the scheme will see hedgehog routes on all new developments achieving planning permission after September 2024, along with swift bricks installed at a ratio of one per plot. Planting for pollinators, native hedging, and Sustainable Drainage Systems (SuDS) enhanced for nature will provide habitat and food for different species.

In 2025, building the installation of ecology measures into our development design and production processes will help ensure we can track progress of installations under both planning and Homes for Nature requirements.

Energy-efficient homes

We build homes in accordance with the latest amendments to Parts L, F and O building regulations that provide significant benefits for our customers. Our Part L house types achieve a 31% improvement in carbon-emission targets compared with 2013 regulations, while also achieving A or B energy performance certificates (EPC) ratings as standard. On average, new build homes could save owners more than £64 a month on their heating, hot water and lighting bills, compared with older properties (HBF's Watt a Save data, January 2025). This saving rises to £82 per month when comparing the energy performance of houses, rather than flats or bungalows. On average, new build properties emit 65% less carbon than older homes, cutting annual emissions by 2.3 tonnes per property. We are working with the Future Homes Hub to innovate our house types further, to meet the emerging standards for zero-carbon-ready homes that will be built to comply with the forthcoming Future Homes Standards.

In 2024, we approved plans for our first development to be heated by a district heating scheme. Shawfair, in Scotland East, will take heat from a nearby waste to energy plant to avoid the use of natural gas in heating homes on site.

HVO trials and energy monitoring

During 2024, we trialled use of a small volume of Hydrotreated Vegetable Oil (HVO) fuel in two of our regions to test both supply and delivery arrangements. In 2025 we will extend the use of HVO into all of our regions in line with our carbon reduction targets allowing us to deliver significant Scope 1 carbon reductions.

Use of HVO fuel must be coupled with careful energy management. With the support of our Teesside region, we installed a live energy monitoring system to identify opportunities for improving energy management on site. Based on the results of that survey, we expect to launch a revised standard for energy efficiency for site accommodation in 2025 which will help ensure energy use is better controlled.

Reducing waste

In February 2024, we launched our Waste reduction scheme across the business. An impressive one tonne per plot reduction in construction waste has been delivered reducing waste per EUB from 6.9 tonnes in 2023 to 5.9 tonnes per EUB (5.5 tonnes per100m2) in 2024. New guidance, toolbox talks and a new waste dashboard have all been deployed to help deliver change on waste.

Social (S)

For the benefit of everyone

Creating sustainable communities for our people and customers to thrive.

Pictured: Community Fund grant recipients, Food Train, Livingston, Scotland East

Employee engagement

To better understand employee sentiment and drive a more positive workplace culture, we conducted our 'Every Voice Matters' employee engagement survey in 2024. This initiative aimed to gather valuable insights, helping us to identify areas for improvement and to build on existing strengths.

The results demonstrated a strong level of engagement, with an 80% engagement score, reflecting a motivated and committed workforce. Key strengths across our business were highlighted, including high levels of confidence in our people's skills and experience, and clarity on individuals' roles contributing to Miller Homes achieving its goals.

The survey results also highlighted strong positive feedback on our wellbeing initiatives, with employees expressing appreciation for programmes supporting their mental and physical health. Areas highlighted for improvement included our Performance and Development Review process and career progression.

We analysed feedback at both a Group and regional level and, as a result, company-wide and targeted regional action plans have been developed to address key areas for improvement. This strategic approach enables us to drive meaningful change, strengthen employee engagement, and create a more supportive and inclusive work environment across all of our people.

Employee experience

In 2024, we launched our new HR system, People Connect. This new platform provides a more streamlined, integrated and intuitive experience for our people. The decision to transition to a new HR system came from our commitment to improving employee experience and ensure that all HR processes are as smooth as possible. The new system brings together various processes which had previously been carried out on different platforms, including booking holidays, updating personal details and accessing training logs.

Regional charities

Each year, our regions and business units select a charity to support and, through our combined efforts in 2024, we have raised £231,000 for 11 charities and other charities which are important to our employees.

Our annual Active April initiative, which saw widespread employee participation, contributed to our overall fundraising total. Over a four-week period, employees were encouraged to walk or run, with every mile translating into a £1 donation to charity.

By the end of the month, employees had covered over 80,000 miles, which was a new record for the annual challenge.

Beyond this initiative, additional fundraising takes place at a local level throughout the year. Teams organise various challenges, fostering collaboration while raising funds for the charities they care about most.

Community Fund

The Community Fund is making an impact on the lives of people in the communities where we operate by giving charities and groups the chance to apply for a grant towards improving their community.

Groups can apply for grants ranging between £250 and £2,000. We ask that they tell us how they will use the grant to support the community through education, promoting wellbeing, promoting the environment, or encouraging participation in sport.

Each application is considered by a regional team of employees who decide where their annual grant budget of £10,000 should be donated. This gives our employees an active role in helping groups and creates lasting connections between Miller Homes and our communities.

Employee survey engagement rate	Vacancies filled by internal promotions	Employees engaged in charity fundraising activities
80%	31%	55%

Case study

Nurturing the next generation of skilled professionals

Ensuring a steady pipeline of talent is a critical part of maintaining a skilled workforce and supporting the long-term success of our business.

In common with the wider homebuilding sector, we face the ongoing challenges of skills shortages and an ageing workforce, making it essential to cultivate new talent. By investing in training and development, we are not only nurturing the next generation of skilled employees, but also ensuring we have a workforce well-versed in the latest technologies, sustainable building practices and professional standards.

Offering trainee programmes, apprenticeships and new entrant graduate roles enables us to foster loyalty while developing a pipeline of qualified people who we trust will be able to progress to more senior roles.

Our Early Talent programme was launched in 2024 to attract talented recruits who are at the early stages of their careers. In its first year, we hired 26 promising individuals with a mixture of technical and academic qualifications for roles across our business, including in Site Management, Technical, Commercial and Land teams.

Our Early Talent recruits are offered the chance to work on real projects, gaining practical skills and insights into their chosen field. They also benefit from mentoring and the support of experienced employees who provide guidance and support.

Personalised training and development plans have been developed for each of our trainees and apprentices, providing them with a comprehensive programme to fast-track their growth, often incorporating a professional qualification.

Trainees, apprentices and graduates in roles across our business

55

Link to strategy

Link to A Better Place

Pictured: Sofija, Commercial Apprentice, Scotland West

Social (S)

A sustainable future (continued)

Since it was launched in September 2022, grants totalling almost £300,000 have been awarded to groups and charities across the UK.

Volunteering days

Each year, every employee can take one day off work to volunteer to help out a charity. This could be one the charities we are supporting for the year, or another charity providing benefits for the communities where we build and the people living in them.

Not only do these days offer a boost to charitable organisations but they provide significant advantages for our people through improved interpersonal relationships, collaboration and communication.

In 2024, employees used their volunteering days to support charities, including helping a local nature reserve to remove an invasive, non-native plant species, assisting an Alzheimer charity to raise funds during a nationwide fundraising appeal, and lending a hand working to support those impacted by breast cancer.

Training and development

We strive to foster a positive culture where our teams can thrive, providing robust training and development opportunities that help them realise their full potential. On average, each of our employees received 4.1 days of training in 2024.

In 2023, we launched a new 'Inspirational Leadership Programme', identifying individuals through our succession planning process who could move into more senior roles and supporting the development of existing senior leaders over a two year programme. A new cohort will be identified in 2025. We also launched a new Early Talent scheme in 2024, designed to attract and nurture the next generation of talented individuals in the early stages of their careers. The scheme proved extremely popular, with 26 new apprentices and trainees taking up roles across the business, including in Site Management, Technical, Commercial and Land teams.

Diversity and inclusion

We believe that diversity brings strength, innovation and long-term progress to our business. To reinforce this, we have focused on embedding inclusive leadership behaviours and practices throughout our business.

We celebrated Women in Construction Week by highlighting the pivotal role that women play in our business. Our female colleagues shared their career journeys, reflected on how they see the sector changing, and revealed what more they think could be done to promote gender equality across the construction industry.

Activities during Carers Week acknowledged our employees who have caring responsibilities beyond their job, highlighted the challenges carers face when balancing a job with caring, and signposted the in-house advice and support available.

We also launched a new e-learning course, It's Just Banter, which was completed by 600 employees, providing a greater understanding of issues arising from banter, including the important differences between banter, bullying and harassment.

Mental health and wellbeing

We continued expanding our provision of resources on mental health, pensions and financial planning, while improving communication about existing support.

A series of webinars, which were open to all employees, highlighted some of the important areas when it comes to managing mental health. We continued to offer our Employee Assistance Programme and the services and support it gives employees and their families. This service was endorsed during Mental Health Awareness Week in a video made by an employee who had accessed assistance.

Tailored mental health training now forms part of our Early Talent pathway. We also continued to partner with Andy's Man Club to promote mental health awareness and support initiatives across our sites and began welcoming them to meet office-based employees.

We encouraged employees to prioritise their financial wellbeing by offering webinars on our pension arrangements. 115 employees joined these to understand more about taking control of financial security and focusing on retirement goals.

Our health and wellbeing activity in 2024 was driven forward by the Health and Wellbeing Champions across our business who volunteer their time to help create a culture that encourages openness about subjects our employees care about.

Pictured: Employees volunteering at The House of Hope, Edinburgh, Scotland East

Governance (G)

Done the right way

We understand that the culture and tone of the senior management team informs the way we work.

Supplier code of conduct

We have a new supply chain code of conduct for Group and regional suppliers, contractors and installers. The Code sets out our expectations on key environmental, social and governance issues, such as environmental protection, health and safety, protecting human rights and building quality homes.

The code, which is available on our corporate website, has been distributed to our supply chain and supports our purpose of creating better places where people and planet prosper.

During 2024, we developed an app where our teams can rate our supply chain and subcontractors' performance, which is used to inform and reward on a transparent basis.

Health and safety strategy

We wanted to elevate the culture of accountability for Safety, Health and the Environment (SHE) across all disciplines, and to ensure that safety is everyone's priority. A monthly SHE committee has been established which is attended by the senior executive team and the Production and SHE Directors, where the entire agenda is solely focused on SHE matters. This dedicates time to strategy, issues and improvements and makes safety visible to the most senior people in the business.

Regional SHE strategies have evolved during the year with a continued focus on driving ownership across the business to make sure everyone understands that SHE is a priority. All regional meetings now begin with SHE as the first item on the agenda.

A programme of awareness of health and safety communications has been rolled out which is based on proactive engagement, reactive communications and toolbox talks.

Other initiatives supporting the regional strategy include enhancements to the SHE app, with real-time reporting and dashboards for reporting efficiency and completing actions. The new functionality has improved internal communications, and visibility of our standards and efforts to continually progress.

Our National SHE Awards are now in their 13th year and their recognition continues to grow. All sites are continually assessed to the Miller Standard and its nine associated KPIs, including site organisation, security, emergency planning, health and wellbeing management and work activities safety.

Regional winners are initially identified and further reviewed by Divisional Managing Directors, Group SHE Director and CEO, to determine the divisional and national winners.

Data protection and cyber

The increasing use of digital technology provides benefits for running our business, but we also need to increase our data protection processes and enhance our cyber security. Data protection breaches and cyber-attacks can have significant effects on a business including regulatory issues, reputational damage and financial losses.

We have reviewed our Data Retention Policies and are implementing a Group wide data cleanse, while balancing the needs of the business. We regularly review access to digital files and reset permissions on a six monthly basis. We have enhanced our cyber security during 2024, with new external security provision, cyber insurance and regular awareness communication to employees.

Construction Quality Review (CQR) score
4.7

CQR scores in the 'excellent' category
62%

Reduction in accident incident rate (AIR)
25%

Case study

Enhancing quality and customer experience through system investments

Delivering high-quality homes and exceptional customer experiences remains a priority for our long-term success. Through strategic investment in IT infrastructure and advanced business management tools, we continue to enhance both the quality of our homes and overall customer satisfaction.

In 2024, we upgraded our Customer Relationship Management (CRM) system to streamline operations, improve performance monitoring and elevate the customer experience. This system plays a vital role in tracking interactions throughout the build and sales process, enabling us to manage inquiries efficiently, handle service requests promptly, and address customer concerns effectively. These enhancements also allow us to engage more proactively with new homeowners, reducing delays and improving service delivery.

By closely monitoring customer engagement and feedback, we make data-driven decisions to enhance service quality. Having access to immediate real time data allows the management team to act swiftly and make changes to drive improvements.

Since enhancing our CRM system in 2024, we have seen a notable increase across key customer satisfaction metrics. 92% of our customers said they were satisfied with service provided during the buying process (2023: 86%). 92% were satisfied with service provided after they moved in (2023: 87%). 95% would recommend us to a friend (2023: 92%). These results reflect our commitment to continuous improvement and delivering an outstanding customer experience.

Customers who would recommend Miller Homes
95%

Link to strategy

Link to A Better Place

Pictured: Sales centre options for personalising a new home

A Better Place
Key performance indicators

We are committed to publishing our ESG targets and our progress on an annual basis. In the table below you will find outlined our ESG commitments, the targets we have put in place, the timescales we are working to, and our progress to date.

Environment (E)

Target	By when	2023 progress	2024 progress	Progress
Building Responsibly				
An 80% reduction in Scope 1 and Scope 2 emissions (vs 2019)	By 2031 – ongoing	17% reduction[1]	8% reduction[1]	Positive
To assess Scope 3 emissions and set a net zero target	Net zero target to be set during 2023	Net zero targets agreed and sent to Science Based Targets initiative (SBTi) for approval	SBTs approved by the SBTi in 2024. Will replace Scope 1 and 2 target above	Positive
Diversion of waste from landfill of 98%	By 2025	Achieved 98%	Achieved 99%	Positive
Diversion of waste from landfill of 100%	By 2030	Achieved 98%	Achieved 99%	Positive
Recycling rate of 75%	By 2025	Achieved 83%	Achieved 86%	Positive
Recycling rate of 85%	By 2030	Achieved 83%	Achieved 86%	Positive
Reduction in waste – tonnes per EBU	End 2023	6.9	5.9	Positive
Sustainable Living				
100% of our electricity supplies from renewable sources	By 2024	Achieved 90%[2]	Achieved 96%[2]	Positive
100% timber obtained from sustainable sources	Annual	100% of Group's timber suppliers hold PEFC[3] or Forest Stewardship Council (FSC) certification	100% of Group's timber suppliers hold PEFC[3] or Forest Stewardship Council (FSC) certification	No change

Social (S)

Target	By when	2023 progress	2024 progress	Progress
Healthy Communities				
To increase engagement in local communities through enhanced charity funding and employee interest	By 2023	Over 40% of employees engaged in activities	Over 55% of employees engaged in activities	Positive
Target of annual donations of £200,000 per annum	By 2023	Donated £240,000	Donated £231,000	Positive
To increase year on year the number of homes that are affordable to the customers in their markets	Annual	30%	43%	Positive
Enhanced measures for nature	By 2023	Commitment to one extra measure per plot	Ongoing	No change

1 Figures do not include Walker Timber emissions and are reported on a market basis. Absolute emissions are shown without normalisation for production variance
2 Percentage shown is for directly contracted energy supplies and includes Walker Timber
3 Programme for the Endorsement of Forest Certification

Key to progress

Positive | No change | Negative

Social (S)

Target	By when	2023 progress	2024 progress	Progress
Happy Customers				
Achieve higher than 90% in HBF Customer Satisfaction Survey	Annual	92%	95%	Positive
Thriving Teams				
Safety first / Reduction in AIR	Annual	307	229	Positive
ISO 45001 and ISO 14001 accreditation	Annual	On track for renewal in 2024	2024 LRQA ISO 45001 and ISO 14001 certification renewed	Positive
Improve health and wellbeing of all staff over a 5-year period	Annual	Ongoing	Refreshed the strategy during 2024	No change
Wholesale review of employee benefits	By 2025	Ongoing	Not achieved	Negative
Number of skills training days to increase to four days per employee	By 2024	3.1 days	4.1 days	Positive
Attain IIP Platinum status	By end of 2023	Full employee engagement survey in 2024	Achieved	Positive
Increase the percentage of female employees	By 2023	31%	30%	Negative

Governance (G)

Target	By when	2023 progress	2024 progress	Progress
Quality Homes				
To achieve an annual Construction Quality Rate of 4.2	Annual	4.6	4.7	Positive
Informed Investors				
Commitment to publish annual ESG targets and progress against targets	Annual	Achieved	Achieved	No change
Valued Partners				
Responsible supplier and subcontractor policies	By 2023	Policies published	Ongoing	No change

Pictured: EV charger, Rectory Gardens, Sutton Coldfield, West Midlands

Task Force on Climate-Related Financial Disclosures (TCFD)

Task force on climate-related financial disclosures (TCFD)

Our response to the TCFD recommendations

Climate change is a global and urgent challenge. The potential effects of climate change on our business are diverse in type, timeframe and size of impact. They therefore require tailored mitigation approaches so that our business, as well as the environments and communities in which we operate, can continue to thrive. We are committed to identifying, monitoring and transparently reporting our material climate-related risks and opportunities to mitigate our impact on climate change and continue to provide our stakeholders with clear information. Responding to climate change is a core pillar of our 2024 Environmental Sustainability Strategy which we launched in October 2024. Our strategy sets out how we plan to reduce the climate impact of the homes we build and reduce carbon emissions from our operations.

This statement has been prepared in accordance with the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022 and the TCFD recommendations. Our progress against the TCFD recommendations can be seen below.

TCFD pillar	TCFD recommendation	Our response	Future focus
Governance	Describe the Board's oversight of climate-related risks and opportunities	The Main Board has ultimate responsibility for the oversight of climate change issues and our Executive Board (the 'Board') reviewed and approved our list of climate-related risks and opportunities in both 2023 and 2024.	The Board will continue to conduct at least an annual review of climate-related risks and opportunities and will determine any updates to our processes for reviewing progress toward climate-related targets.
	Describe management's role in assessing and managing climate-related risks and opportunities	The ESG committee was established in January 2022. The committee meets every 2 months and has responsibility for managing ESG issues (including climate issues), discussing and reviewing our TCFD report and developing our validated Science Based Targets initiative (SBTi) targets.	Climate change related matters, including relevant risks and opportunities, will continue to be reviewed as a standing agenda item for the ESG committee. Topics as required are escalated to the Board.
Risk management	Describe the organisation's processes for identifying and assessing climate-related risks	A workshop to discuss our relevant climate-related risks and opportunities was conducted in the year. The ESG committee and the Board also discussed and approved the risks identified. The likelihood and potential impact of each risk was rated in line with our overall risk assessment process.	We will continue to identify and assess climate-related risks and opportunities at least annually.
	Describe the organisation's processes for managing climate-related risks	Responsibility for the management and monitoring of the relevant risks and opportunities lies with the ESG committee. The Audit committee continues to review climate-related risks.	We will develop risk management plans in line with risk mitigation objectives and key risk indicators.
	Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management	We have a climate risk register, which is reviewed at least annually by the ESG committee. We have our enterprise risk register in place which also includes relevant climate-related risks such as new and emerging housing regulations.	Through ongoing monitoring, we will be able to identify risks that may have financial impacts above a certain threshold, which can then be integrated into the enterprise risk register.
Strategy	Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long-term	A review of climate-related risks and opportunities was performed in the financial year with any updates included in our reporting. There are no changes to our time horizons used in our analysis.	We will continue to review our climate-related risks and opportunities at least annually.
Strategy	Describe the impact of climate-related risks and opportunities on the organisation's business, strategy, and financial planning	Scenario analysis was reviewed in 2024 to understand the likelihood and impact of material risks on our business. There have been no material changes to our evaluation. In the year, we conducted a desktop study on the transition plans of our core suppliers.	We will be building on our desktop study, working towards developing our strategy to tackle embodied carbon in our supply chain and sector in 2025.
	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	We assessed the resilience of our business strategy and model in two different scenarios, based on the likelihood and potential impacts of material climate risks. There have been no material changes to our assessment.	We will continue to monitor the climate risks and opportunities identified and will factor them into business strategy and financial planning, where appropriate.
Metrics and targets	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	Metrics relating to net zero, waste and biodiversity have been developed in 2024. These metrics are in alignment with our SBTi validated target.	We will continue to develop a suite of metrics to address material climate-related risks and opportunities as appropriate and in line with our 2024 Environmental Sustainability Strategy. These will include tracking our transition to increased use of Hydrotreated Vegetable Oil (HVO) delivery and the resulting impacts on our carbon footprint.
	Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks	Scope 1 and 2 emissions are disclosed in the SECR disclosure. Scope 3 emissions are collated and reported internally as part of our SBTi target development and ongoing monitoring of progress.	Modelling work continues on driving efficiencies for collating data and calculating our Scope 3 emissions in line with monitoring progress against our SBTi target. Our new model for climate emissions will allow us to report on all three scopes in 2025 in line with SBTi requirements.
	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	We have developed a comprehensive set of targets in 2024 as part of our Environmental Sustainability Strategy. These targets are included in the Strategy, which will enable us to reach zero emissions by 2045.	We will continue to monitor our progress against our targets and incorporate any new ones as appropriate.

Task Force on Climate-Related Financial Disclosures (TCFD) continued

Governance

a. A description of the company's/LLP's governance arrangements in relation to assessing and managing climate-related risks and opportunities

Board Oversight

The highest level of governance (the 'Main Board') is made up of executive and non-executive directors who have ultimate responsibility for oversight of climate change issues and Miller Homes' performance against key sustainability metrics and targets. At an operational level, the Executive Board (the 'Board') has responsibility to ensure the performance of the business against key sustainability metrics and targets. The Main Board and the Board have reviewed and approved the assessment of climate-related risks and opportunities in this statement.

The General Counsel and Company Secretary is the Board member responsible for Environmental, Social and Governance (ESG), including climate change, our 2024 Environmental Sustainability Strategy and is the Chair of the ESG committee. Climate change is discussed at least annually by the Board, and other ESG matters are on the agenda for all Board meetings. Climate-related risks and opportunities were discussed, reviewed, and approved by both the ESG committee and the Board in 2024. Additionally, climate-related issues have been discussed by the Main Board where strategic topics in CEO reports incorporate climate change themes. Examples of these issues include updates to building regulations and our process of developing our Science Based Targets initiative (SBTi) validated targets.

The Main Board delegates responsibility to the three board committees – Land, Audit, and Remuneration – which are responsible for various climate-related initiatives.

The Audit committee reviews the risk registers and the impact of climate risk on financial reporting for risks that are deemed material to current and short-term operations. Climate risk register is reviewed by the ESG committee at least annually, who provide updates as required to the Audit committee.

The Remuneration committee reviews executive pay. They will oversee work towards achieving Miller Homes' ESG strategy targets and long-term developments to link executive remuneration to ESG targets.

The Land committee has environmental issues within agenda items for meetings, including changing environmental regulation, biodiversity, water, and air quality.

The Board approves and reviews all ESG metrics and progress towards targets. The Board includes the Chief Executive Officer, the General Counsel and Company Secretary, as well as the Chief Financial Officer. As they are also company directors, they take an active role in the leadership of the Group and are responsible for the development of Miller Homes' overall strategy. Moreover, the ESG committee also plays an important role with regards to the sustainability related matters. The SBTi targets and metrics were developed by the ESG committee, which were approved by the Board.

Role of Management

The ESG committee was established in 2022, to which the Board has delegated the responsibility of considering and managing climate-related issues and opportunities. The committee meets every two months with topics discussed on rotation. The committee reviews the progress against targets in their meetings, such as for the targets on waste and carbon reduction.

In 2024, our Environmental Sustainability Strategy was launched, with the Associate Environmental Sustainability Director conducting briefings and training sessions across all regions to ensure effective implementation. These sessions contributed to an increased awareness of and engagement with climate-related risks and opportunities within our business.

Information is regularly shared between the Land committee and the ESG committee. The ESG committee comprises operational Directors who identify interlinkages between land planning permissions and our Sustainability strategy. Decisions made by the ESG committee are ratified by the Board. Operational initiatives arising from ESG committee decisions (for example, the transition of our car fleet) are actioned by smaller working groups. Regional Boards also implement climate-related initiatives and policies and share best practice. They raise issues directly with management, which are escalated accordingly through regular management meetings.

See page 61 for a diagram outlining the governance structure of ESG and climate-related matters, including flow of information and support.

Risk management

b. a description of how the company or LLP identifies, assesses, and manages climate-related risks and opportunities

c. a description of how processes for identifying, assessing, and managing climate-related risks are integrated into the company's/LLP's overall risk management process

Identification and prioritisation

We recognise that effective risk identification, assessment and management is essential to allowing us to deliver on our strategic goals. We continue to review the relevant climate-related risks and opportunities for our business. For the purpose, we continued to engage third party ESG and sustainability consultants (RSM) to support us to assess the relevant risks and opportunities that could affect organisations in the home builders' industry. The list of relevant risks and opportunities was developed in consideration of (but not limited to) the following:

- Direct operations, purchases within the supply chain, customers, and sales.
- Existing and emerging climate regulatory requirements, such as government building regulations (existing) and carbon pricing (emerging).
- Potential climate outcomes, such as changes to precipitation and heat stress, resulting from varying levels of global warming based on latest available Intergovernmental Panel on Climate Change (IPCC) data.

A workshop to discuss the relevant risks and opportunities was conducted by the third party ESG consultants. The relevant risks and opportunities were also then discussed and approved by the ESG committee and the Board. Financial, operational and strategic impacts of each risk and opportunity were discussed to determine the significance of each one to our business. The likelihood and potential impact of each risk was rated in line with our overall risk assessment process.

We are committed to conducting a formal review of risks and opportunities annually, but also acknowledge that climate change is an ongoing issue, and the associated risks and opportunities are evolving. As such, the ESG committee will continue to identify and assess these on an ongoing basis. Any additional material risks or opportunities that may arise throughout the year (e.g., due to changes in legislation) will be reported to the Board for review.

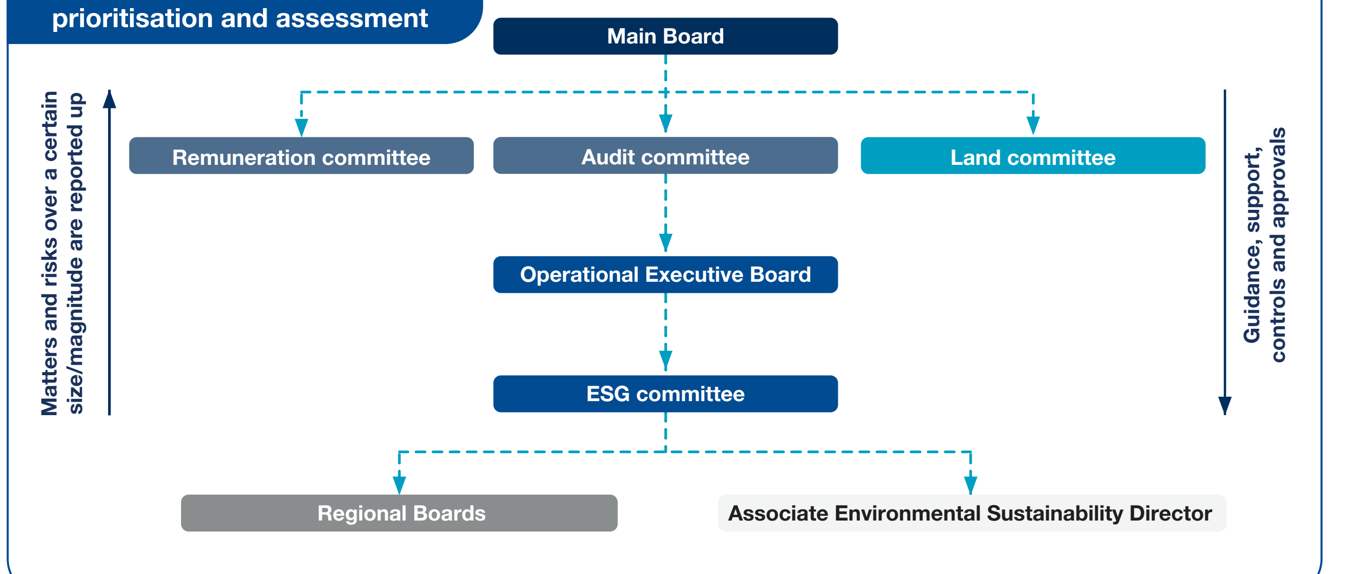
The diagram below outlines our risk identification, prioritisation and assessment process.

Management and integration

The management and integration of our material risks and opportunities will help us to not only safeguard business value, but also to create it. Responsibility for the management of the relevant risks and opportunities lies with the ESG committee. This management includes ongoing monitoring of their potential impacts, and integration of climate risks into the enterprise risk register where they a) have a potential financial impact above a certain threshold, and b) have an impact timeframe that is within the enterprise risk register timeframe.

The ESG committee has also developed the Environmental Sustainability Strategy in 2024, which was approved by the Main Board. This document covers how we are planning to tackle the environmental sustainability issues for our business and outlines our purpose. It focuses on our strategic activity up to 2027 and will evolve as we progress against our commitments. A focus in 2025, will be developing a strategy to reduce embodied carbon, working with suppliers to reduce Scope 3 emissions per square metre, in line with our validated SBTi target.

Climate risk identification, prioritisation and assessment



Task Force on Climate-Related Financial Disclosures (TCFD) continued

Strategy

d. a description of: (i) the principal climate-related risks and opportunities arising in connection with the company's operations, and (ii) the time periods by reference to which those risks and opportunities are assessed

e. a description of the actual and potential impacts of the principal climate-related risks and opportunities on the company's/LLP's business model and strategy

f. an analysis of the resilience of the company's/LLP's business model and strategy, taking into account consideration of different climate-related scenarios

By understanding the impacts of the principal physical and transition climate risks and opportunities on our business, we are better able to increase our resilience to the impacts of climate change. Physical risks refer to the adverse physical consequences of climate change, such as flooding or wildfires. Transition risks refer to policy, legal, market, and technological changes that occur as part of the transition to a low carbon economy. We used the following timeframes to assess climate risks and opportunities:

Time frame	Years	Reason
Short-term	3 years **2027**	Aligns with the time horizon used for the Corporate Business and Environmental strategy.
Medium-term	6 years **2030**	Our SBTi interim target is for 2032. For the purposes of scenario analysis, we continue to classify our medium-term time horizon as 2030 as there is no material difference to understand our exposure to risks and opportunities over this time frame. Additionally, this aligns to the data sets used in our analysis.
Long-term	26 years **2050**	Aligns with both the Paris Agreement and England and Wales net zero target of 2050. Scotland, where we are headquartered, has a net zero target of 2045, which aligns to our net zero target. However, 2050 remains an appropriate long-term target for scenario analysis due to data availability and the fact there are no material differences when analysing our risks and opportunities over this time frame.

Scenario analysis: methodology

In collaboration with third party ESG and sustainability consultants, we conducted further analysis on our material climate risks through scenario analysis in 2024, which allowed us to assess their potential financial and operational impacts on our business across the short, medium and long-term.

Various climate scenarios were used that depict contrasting climate change pathways to understand the associated likelihood and impacts of physical and transition risks (refer to the table below). Risks were assessed both quantitatively and qualitatively. Physical risks manifest over a longer period of time under scenario modelling, while transition risks are anticipated to occur in a relatively shorter timeframe. Transition risks were therefore analysed across the short, medium, and long-term, while detailed scenario analysis for physical risks was only performed across the medium and long-term.

Physical risk analysis was conducted by assessing a range of climate outcomes across UK regions. We do not know what our future land bank is going to be, but will be able to use this regional dataset in future planning based on the climate pathway that we find ourselves in.

A limitation to our physical risk analysis was that location data for Scotland was limited, and the analysis did not highlight variances in risk between the different areas of Scotland. Another limitation was that supply chain data was only analysed for direct (Tier 1) UK suppliers' sites. Where these suppliers rely on overseas suppliers, the associated climate risks were not analysed.

In 2024, we reviewed the scenario analysis to assess and identify any material variances in comparison to the outcomes of the scenario analysis for 2023. There have been no major changes in our business model, key locations, operations or on the data sets on which the analysis was conducted.

Consequently, there have not been any significant difference in the outcomes of the scenario analysis for 2024.

As part of our risk and opportunities review in 2024, our third party consultants held a workshop to discuss any additional risks or opportunities that may be relevant to Miller Homes, as well as discussing and ensuring our potential risk and impact ratings remain appropriate. Refer to the Scenario analysis: results section for details of the outcomes of the workshops and any changes to our assessment. The outcomes of the workshop was reviewed and approved by the Board.

Scenario used	Temperature rise post 2050	Description	Risks observed
Intergovernmental Panel on Climate Change (IPCC) Representative Concentration Pathway (RCP) 2.6	Below 2°C	A significant reduction in emissions, aiming to limit global warming to below 2°C by 2100. This is achieved through stringent environmental legislation, and increased use of sustainable energy source.	Physical risks
IPCC RCP8.5	Above 4°C	The continuation of current emissions trends without significant mitigation efforts is a future with very high greenhouse gas emissions, leading to severe global warming.	Physical risks
Bank of England's Climate Biennial Exploratory Scenario (CBES) - Early Action	1.8°C	Early, ambitious climate policy with gradual intensification of carbon taxes and other policies over time.	Transition risks
CBES – Late Action	1.8°C	Introduction of climate change policies to reach net zero after a significant delay, resulting in the need for more drastic and disorderly policies measures.	Transition risks
CBES – No Additional Action	3.3°C	Maintenance of current effort levels to address climate change, resulting in continued increases in global temperature levels and chronic changes in climate outcomes.	Transition risks

Pictured: Norwood Quarter, Harpole, South Midlands

Task Force on Climate-Related Financial Disclosures (TCFD) continued

Strategy

Scenario analysis: results

Physical risks

The table below provides qualitative assessments of our material physical risks under two scenarios to support our understanding of the potential impacts of various climate outcomes on Miller Homes. Each risk has been assigned a risk rating by the Executive team, based on their knowledge of our business operations and strategy. Risks have also been assigned impact ratings across the scenarios, which are based on the likelihood of each risk occurring in the scenario, and the potential size of impact. It is to be noted that in our assessment in 2024, there were no changes to the outcomes of the scenario analysis for the physical risks faced by Miller Homes.

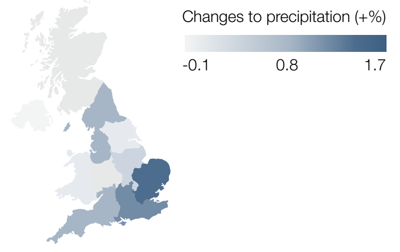
Physical risks

Risk	Risk rating	Risk description	Below 2°C	Above 4°C	Our response
Subsidence **Impact time frame:** Long-term	Medium	Changes in temperature and rainfall impact soil volume due to moisture changes in the ground, leading to subsidence.	There is some increased risk of subsidence in South East England. Stringent regulations largely keep the impact of physical risks that contribute to subsidence at manageable levels. **Low impact**	Higher risk of subsidence in South East England in the medium-term, which shifts to North West England in the long-term due to increased precipitation in this region. **Medium impact**	We have a diversified portfolio across the UK, with operations in Scotland (which is at lower risk of subsidence due to its soil type) and minimal operations in South East England. We are conducting ongoing monitoring and research across our English sites. We continue to explore piling requirements and enhanced foundations at applicable developments. The associated financial impacts of these additional works continues to be minimal.
Supply chain resilience **Impact time frame:** Long-term	Medium	Disruption to supply chain due to physical climate change impacts globally and potential for damage to resources.	UK supplier sites face some exposure to adverse weather events, but impacts remain at a manageable level and manufacturing and logistics are able to continue without much disruption. **Low impact**	Suppliers will be exposed to increased precipitation, air temperature and heat stress in the long run, which could affect productivity and cause some supply chain disruptions. **Medium impact**	We have an agile supply chain and can switch suppliers and sourcing regions. We have identified particularly vulnerable raw materials and manufactured elements for key products, such as solar PVs, as they are sourced almost entirely from specific geographies. While the primary focus on our supply chain lies in the transition risks associated with decarbonisation, physical risks from an increasingly global supply chain will be considered in subsequent reviews. Refer to transition risks for further details.

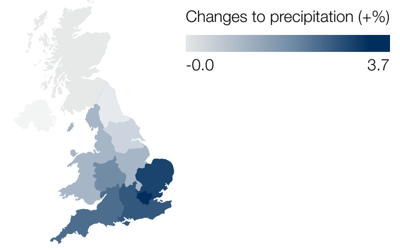
Scenario analysis was performed to assess the likelihood of increased adverse weather in the United Kingdom under the two different scenarios. The weather events assessed were mean air temperature, heat stress, precipitation, flood risk and wildfire risk. On page 65 are the analysis results of two weather events, which support our assessment of physical risks provided on page 65. The analysis showed that, overall, physical risk likelihood is low across the UK in both scenarios. Additionally, increased physical risks will largely occur in the South East of England, and the majority of Miller Homes' current business operations are not in this region. Physical risks have therefore been deemed immaterial to our operations at this stage. It is noted that the longer-term impact of physical risks has been considered and graded with a low impact due to strong mitigation practices we have in place. Additionally, there have been no adverse physical risk events that have impacted our on-site operations or caused any disruption in 2024. Furthermore, data sets used for the scenario analysis have also not changed significantly, and hence, we are of the opinion that no significant changes will occur in our medium to long-term assessments.

Precipitation

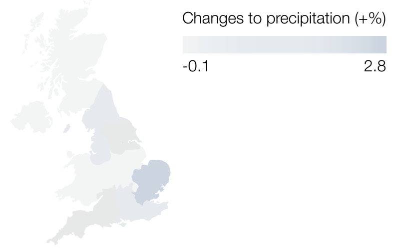
Precipitation: below 2°C (2030)



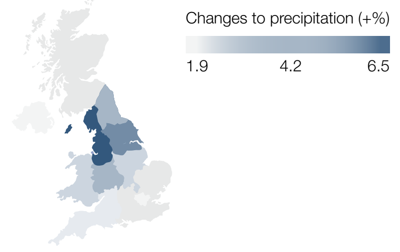
Precipitation: below 2°C (2050)



Precipitation: above 4°C (2030)



Precipitation: above 4°C (2050)



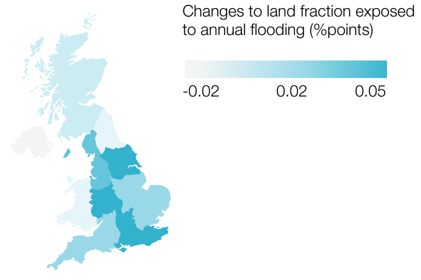
Risk rating: Low

Precipitation changes are expressed as a percentage change in precipitation from the average precipitation on a particular day between 1986-2000.

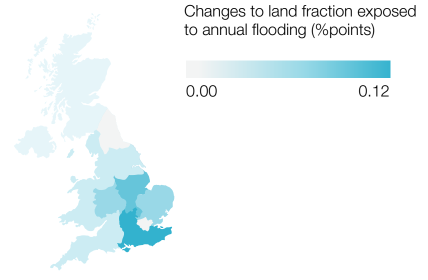
Out of all physical risks analysed, precipitation risks are the most severe. In the below 2°C scenario, the highest precipitation increases are observed in South East England, which will see up to a 3.7% increase. This could pose a risk of increased subsidence, as this region will also face increased mean air temperatures, and both increased rainfall and higher temperatures are major contributing factors to increased risk of subsidence in clay soils. In the above 4°C scenario, it is the North West of England that is most impacted, with up to 6.5% increase in precipitation.

Flood risk

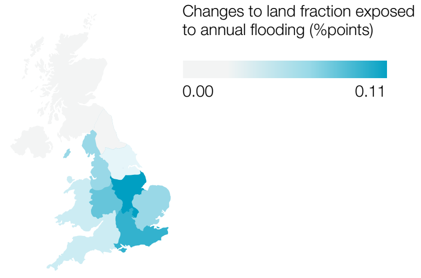
Fluvial flood risk: below 2°C (2030)



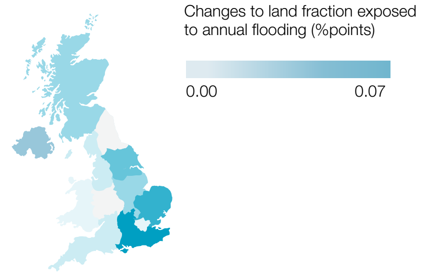
Fluvial flood risk: below 2°C (2050)



Fluvial flood risk: above 4°C (2030)



Fluvial flood risk: above 4°C (2050)



Risk rating: Low

Fluvial flood risk (risk from waterways overflowing, such as rivers or streams) is expressed as the land fraction (i.e., area of land) exposed to annual flooding in each region, in percentage points.

These changes are very low, with the highest being a 0.12% increase in flood risk in South East England by 2040 in a below 2°C scenario. Flood risk is therefore deemed immaterial to our operations and is incorporated within existing land acquisition processes.

Task Force on Climate-Related Financial Disclosures (TCFD) continued

Strategy

Transition risks

The table below provides qualitative assessments of our material transition risks under three scenarios, with the associated risk and impact ratings. We have conducted quantitative analysis to assess the risk of carbon pricing to our business model and operations, which has informed the below analysis. It is to be noted that in line with our near-term validated SBTi target we will be working towards developing strategy for embodied carbon in 2025, which will help us to define our supply chain strategy going forward. This analysis also supported us to identify materials in our supply chain which will expose us most to carbon pricing, and we can use the results to inform supply chain carbon reductions in future. It is to be noted that in our assessment in 2024, there were no changes to the outcomes of the scenario analysis for the transition risks faced by Miller Homes.

Transition risks

Risk	Risk rating	Risk description	Below 2°C Early action	Below 2°C Late action	Above 4°C No additional action	Our response
Unforeseen regulatory or policy change **Impact time frame:** Short to long-term	High	Rapid emergence of new regulatory position which cannot be adequately planned for.	Rapid implementation of regulations may require uplift costs in the short-term to comply. Continued efforts to meet government net zero by 2050 targets will result in financial impacts across all timeframes. **Medium impact**	The disorderly introduction of regulations will result in sudden changes to the business being required, such as upskilling workers or sourcing sustainable technologies for homes. **High impact**	As physical risks become greater in the medium and long-term, local planning requirements may be introduced to address issues such as home overheating. **Medium impact**	Housing regulations are built into our early-stage financial modelling for sites and purchasing decisions, and we have experience in delivering changes in response to housing regulations. We conduct ongoing reviews of emerging issues and potential changes in legislation.
Carbon pricing **Impact time frame:** Short to long-term	High	Policy on carbon price designed to reduce emissions	Gradual increasing of carbon pricing will gradually increase the cost of raw materials if our sourcing mix of materials remains similar to the current mix, leading to high financial impacts in the long-term. **High impact**	The delayed carbon tax would result in sharp increased costs in the medium-term (when the tax is introduced) and a higher overall cost to the business in the long-term than in an early action scenario. **High impact**	No action on carbon pricing results in low financial impacts to the business, as operating costs and costs of raw materials would remain similar. **Low impact**	We have an agile supply chain and can engage with suppliers to understand any potential impacts on supply of carbon intensive materials. However, this is an emerging risk as regulation and changes to the UK emissions trading scheme come into effect. A focus in 2025 will be developing a strategy to reduce embodied carbon, working with suppliers to reduce Scope 3 emissions per square metre, in line with our validated SBTi target.

Additional risks

Additional risks were identified but assessed as non-material to Miller Homes. The table below lists these risks alongside a rationale for their non-material classification.

Risk	Description	Rationale for assessment as non-significant
Reduction of available land **Risk type:** Transition / Physical **Risk rating:** Low **Impact time frame:** Long-term	Physical impacts from climate change may result in land becoming unsuitable for building, for example, new flood plains developing.	It is expected that governmental planning policy and frameworks will continue to allocate adequate land for housebuilding.
Housing regulation changes **Risk type:** Transition **Risk rating:** Low **Impact time frame:** Short to long-term	Future Homes Standard and other requirements affect house design across the UK.	We already have strong processes in place to monitor regulatory changes including the Future Homes Standard, and expected regulation is built into early-stage modelling for sites. Any incoming regulation has a transition period which allows for adaptation of design and infrastructure. Financial impacts can be managed through this transition period. For example, overheating adaptations that may become regulation are already being included in designs.
Reputational damage **Risk type:** Transition **Risk rating:** Low **Impact time frame:** Medium to long-term	Failure to respond adequately to climate change results in litigation, failure to achieve planning approvals or adverse media reaction.	We have strong governance and risk management processes in place that we believe will allow us to respond to future impacts of climate change, including regulation, changes in planning permission or a single event that could cause an adverse media reaction.
Supply chain technologies – transitioning to new technologies **Risk type:** Transition **Risk rating:** Low **Impact time frame:** Medium-term	Implementation of new technologies in homes and modern methods of construction, which can require a high capital investment and upskilling of labour, as well as risk of supply chain shortages.	We have already begun to implement low carbon technology into some of our homes and have an adaptable workforce with skills to understand implementation of this technology. When sourcing this technology, we assess suppliers to understand lead times and their business continuity plans to ensure continuation of supply. Additionally, we anticipate that the transition periods for any regulatory implementation of technology will provide adequate time frames to allow trades to adjust to new technology demands.

The below potential risks were discussed as part of our risks and opportunities review for 2024, however, they were determined not to be a risk for Miller Homes at this point in time. We will continue to monitor them and address them accordingly.

- **Planning requirements:** Increasing planning requirements and approval conditions imposed by government and local authorities could potentially result in increased costs of compliance which may result in decreased feasibility of development projects in particular regions. At Miller Homes, we have strong risk management processes in place that we believe will allow us to respond to potential future impacts of changes in planning permissions. Expected regulatory requirements are built into our early-stage modelling for sites, and the financial cost of these are taken into consideration when agreeing the land purchase price.
- **Increasing demand and decarbonisation of the national electricity grid:** Decarbonisation of our business relies on decarbonisation of electricity supplies in the UK and elsewhere. The UK Government has targets to decarbonise the electricity grid which may not be achieved. Increasing demand on the grid poses a risk of increased cost and delays in availability of electricity for new homes, due to insufficient power availability in the grid and inadequate infrastructure for transmission. Our planning processes ensure that forecasts address these risks as far as possible, however we are not able to influence the speed of grid decarbonisation or the availability of new infrastructure.
- **Reputation – stakeholder and investment risk:** Increasing expectations on sustainability from both our stakeholders and investors increases the risk of loss of revenue for us. This might for example be through potential reduction in access to investment capital, if we fail to achieve climate targets or are associated with unsustainable practices. Miller Homes has a robust process to review emerging requirements and an agile response to changes which enable us to keep up to date with stakeholder expectations.

Task Force on Climate-Related Financial Disclosures (TCFD) continued

Strategy

Opportunities

Relevant climate-related opportunities for Miller Homes were reviewed in 2024. Following our risk and opportunities workshop, we have made small changes to our opportunities. This includes a downgrade of our green finance opportunity to low in 2024 as compared to medium in 2023. Sustainability linked loans and green mortgages are offered by lenders, however their uptake is low. Decisions relating to availability and award of these financing mechanisms remain with the finance providers and so financial benefit to Miller Homes is unclear. We continue to monitor developments in this area on an ongoing basis.

Miller Homes recognises that emerging regulations and consumer expectations are making sustainable homes an industry norm, rather than a differentiator. Nonetheless, Miller Homes is committed to maintaining and further building our reputation as a sustainable housebuilder to support positive stakeholder relationships, despite factors such as location and price remaining as the primary drivers in our industry. Therefore, we have removed the opportunity pertaining to 'Increased reputation for pioneering sustainable housing and green developments' in 2024, to streamline the climate reporting and prioritise more impactful opportunities related to climate change.

Relevant climate-related opportunities to Miller Homes are presented below alongside our responding activities to capitalise on these.

As part of the process, we also identified relevant climate-related opportunities, which are presented below.

Opportunity	Description	Our response
Consumer demand for energy-efficient and low-running-cost homes Opportunity rating: Medium	Energy efficiency and sustainable technology, such as renewable energy technology and EV charging points, are now key considerations for many house buyers.	All our homes are built in line with modern building regulations and achieve at least a B EPC rating.
Resource efficiency Opportunity rating: Low	Resource efficiency such as waste reduction, fuel use optimisation and energy efficiency in compounds could deliver both a reduction in carbon emissions and cost savings.	Owing to the success of our waste reduction projects in 2023 and 2024, we will continue the waste reduction project into 2025. Compound efficiency measures under the ESOS scheme are also being explored. We have identified diesel fuel as a significant source of emissions and are currently exploring hybrid solutions for diesel reduction, and telemetry systems for fuel use monitoring.
Skills base for Modern Methods of Construction Opportunity rating: Low	Modern Methods of Construction presents a new opportunity for homes to align with the latest in sustainable construction methods and with changing consumer preferences for sustainable homes.	Timber frame construction is a well-established element of Modern Methods of Construction. We are well positioned to utilise timber frame given our timber frame factory in Scotland, and use of timber frame construction in our Scottish regions. The skills we have in this part of the business can be leveraged to train others across other locations.
Green finance Opportunity rating: Low	Sustainability linked loans for businesses, and green mortgages for more energy efficient homes, are increasingly common.	Sustainability linked loans and green mortgages are increasingly offered by the lenders. However, their uptake is low, as of now. Moreover, decisions relating to availability of these financing mechanisms remain with the finance providers.

Strategic impact and resilience

Impact on strategy if warming is kept below 2°C

In this scenario, transition risks will be the predominant risks facing our business model and strategy, specifically the increased cost of raw materials due to stringent carbon pricing. We will be working towards developing a strategy for embodied carbon in 2025. This will also include conducting a full life cycle assessment on materials used during the construction process. This will enable us to formally explore alternative options to carbon intensive materials, such as exploring the use of recycled concrete blocks to reduce the need for virgin materials that pose high risk for financial impacts due to carbon pricing including carbon taxation. However, finding low-carbon alternatives for all of these materials will prove challenging, particularly in an Early Action or Late Action scenario where demand for these materials would be very high and supply may not match demand. There may therefore be some residual exposure, and increased spend on materials may need to be incorporated into our own product and service costing. Moreover, we have conducted a desktop study on the transition plans of our core suppliers in 2024 to understand how our key suppliers are planning to decarbonise their businesses.

Housing regulations continue to be built into early-stage financial modelling for our sites. Our in-house teams work with planning authorities and conduct ongoing reviews to understand and integrate regulatory requirements, re-configuring our standard house types accordingly.

Impact on strategy if warming reaches 3.3°C and higher

The most significant risks in this scenario will be physical risks in the long-term. However, scenario analysis continues to show that physical risk impacts will largely be low across the UK other than risk of precipitation, which has the potential to be disruptive in some regions. Our diversified portfolio across the UK means that our business model will not be severely impacted by these risks. We will monitor the risk of precipitation and can adapt our landbank accordingly.

Physical risks could also affect our suppliers. We have supplier assessment processes through which we assess supplier lead times and business continuity plans, which can help us understand our exposure to supply chain disruption resulting from unforeseen regulatory or physical climate risks. Our supply chain will be exposed to physical risks through Tier 2 suppliers who are not based in the UK and while the focus for 2025 is understanding the transition risks of our supply chains, such as increased legislation imposing carbon taxes and a focus on using lower carbon materials, we will continue to monitor any potential impact of Global physical supply chain risks.

Pictured: Southcrest Rise, Kenilworth, West Midlands

Task Force on Climate-Related Financial Disclosures (TCFD) continued

Metrics and targets

g. a description of the targets used by the company/LLP to manage climate-related risks and to realise climate-related opportunities and of performance against those targets; and

h. the key performance indicators used to assess progress against targets used to manage climate-related risks and realise climate-related opportunities and a description of the calculations on which those key performance indicators are based

We have developed a comprehensive set of targets and metrics in 2024 as part of our Environmental Sustainability Strategy development. These targets and metrics are included in the Strategy, which will enable us to reach zero emissions by 2045. Our targets for reaching net zero greenhouse gas emissions were developed by the ESG committee and approved by the Board. See page 56 for an update on our progress towards reducing our Scope 1 and 2 carbon emissions.

Our targets were also validated by the Science Based Targets initiative (SBTi) in the year. Working towards these targets will increase our business resilience to risks across all timeframes. In line with SBTi requirements, we are developing processes to report progress on all three scopes of emissions in our 2025 annual report.

To help reduce carbon emissions, we have set a renewable energy target of sourcing 100% directly contracted electricity from REGO (Renewable Energy Guarantees of Origin) backed supplies by end of 2032. We have gradually transitioned our directly contracted supplies to REGO backed contracts and expect all of those supplies to be renewable in 2025. Moreover, we have also developed a target of year on year reduction of waste per 100m^2 of homes built.

In 2022, we developed new designs to comply with the requirements of Part L of the building regulations. These new designs deliver Dwelling Emissions Rate (DER) reductions of around 31% in new build homes. All of our completed homes currently achieve at least a B EPC rating. This mitigates the risk of "unforeseen regulatory or policy change" as well as taking advantage of the opportunity to provide our customers with energy efficient and low running cost homes. Moreover, we will be transitioning away from gas boilers towards deploying further solar water heating systems in our developments in Scotland as part of the requirements pertaining to Part L of the building regulations.

To mitigate physical risks, we conduct extensive research before land purchase to inform our buying process, including research into sustainability issues. Sites in England that are exposed to higher precipitation risk will be monitored and assessed ongoingly. Most of our Tier 1 suppliers are in the UK, which means that we can also maintain visibility of how climate change is affecting their sites and plan accordingly. We have conducted a desktop study on the transition plans of our core suppliers in 2024 to understand how our key suppliers are planning to decarbonise their businesses. We have a process for assessing our suppliers' climate-related activities, including requesting details of renewable energy use and carbon reduction targets from our group suppliers.

We have been developing our procurement strategy for Hydrotreated Vegetable Oil (HVO) use. We are gradually increasing the use of HVO in our business, on a transitional basis to cut emissions from our telehandlers, as we await the development of technologies that can fully meet our decarbonisation needs. In 2025, we will implement a target-led transition to HVO fuels and measure the impacts on our carbon emissions.

In 2024 we developed new science based targets as set out in the table below.

Emissions

Targets	Metrics
50.4% reduction in our Scope 1 and 2 carbon emissions by 2032 vs 2022	Total Scope 1 and 2 emissions from our business measured as tonnes of carbon equivalent (TCO_2e)
58.2% reduction in our Scope 3 emissions intensity by 2032 vs 2022	TCO_2e from homes, supply chain, waste, and business travel per 100 m^2 homes Built
100% directly contracted electricity from REGO (Renewable Energy Guarantees of Origin) backed supplies by end of 2032	% of directly contracted supplies with REGO certification

Greenhouse gas emissions

Streamlined Energy and Carbon Reporting (SECR)

Location-based Carbon Emissions (TCO_2e) (MH only)	Emissions (TCO_2e) 2024	2023	2022
Scope 1	5,234	5,640	6,989
Scope 2	1,415	1,021	1,093
Total	**6,649**	**6,661**	**8,082**
Miller Homes Intensity Measure (TCO_2e per 100sqm)	1.78	1.86	1.85

Market-based Carbon Emissions (TCO_2e)	Emissions (TCO_2e) 2024	2023	2022
Scope 1	5,234	5,640	6,989
Scope 2	143	199	381
Total	**5,377**	**5,839**	**7,370**
Miller Homes Intensity Measure (TCO_2e per 100sqm)	1.45	1.63	1.67

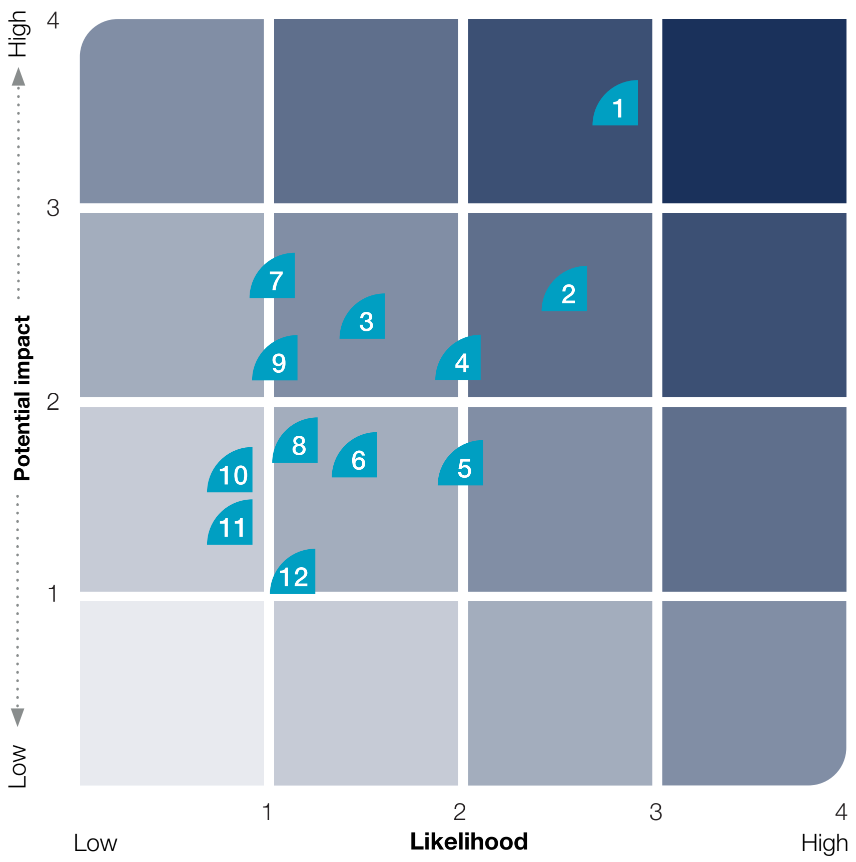
Group Intensity Measure (Miller Homes & Walker Timber)	2024	2023	2022
Location-based reporting (TCO_2e per £100k revenue)	0.70	0.70	0.69
Market-based reporting (TCO_2e per £100k revenue)	0.56	0.60	0.63

Street lighting is not included in our SECR report

Principal risks and uncertainties

The Board identifies, evaluates and manages the principal risks, to enable the Group to achieve its strategic objectives.

Pictured: Jackton Gardens, East Kilbride, Scotland West



Key to risks

1. Economic conditions, mortgage supply and rates
2. Land availability
3. Availability and cost of materials and subcontractors
4. Government regulation
5. Fire safety
6. Safety, health and environment (SHE)
7. Reputation
8. Attract and retain employees
9. IT
10. Availability of finance
11. Fraud
12. Pensions

Approach to identifying and managing risk

There is a defined approach to identifying and managing our key business risks. The Group has a Risk Committee which meets four times a year to review all material risks affecting the business and to update the Risk Register. The Risk Committee reports to the Executive Board and, in turn, submits the Risk Register to the Audit Committee.

Overview of principal risks

The heat map above illustrates our principal residual risks from an impact and likelihood perspective. A description of each risk, including controls, mitigating actions and a commentary on developments in 2024, is set out on pages 73 to 77.

1. Economic conditions, mortgage supply and rates

Risk description

Demand and selling prices for new homes are inextricably linked to consumer confidence, which is principally affected by employment prospects, disposable incomes and the availability and cost of mortgages, particularly those with a higher loan-to-value in excess of 80%.

Controls and mitigation

Sales rates, cancellation levels, visitor levels, leads and prices are monitored weekly, informing timely decision-making.

Our land acquisition diligence considers local employment, income levels and affordability, which, in turn, is informed by current trading experience.

Relationships are maintained with mortgage lenders and government agencies to ensure we use all available products and are involved in initiatives aimed at the new-build sector.

2024 commentary and change in the year

After encouraging growth in the first half of 2024, the UK economy flat-lined in the second half of the year. Two 25bps interest rate reductions occurred during the year, both of which had already been priced into swap rates at the start of 2024. This meant that mortgage rates were broadly stable throughout the year, in contrast to the spikes in the previous two years.

Transaction levels increased by 7% in the wider market, and we experienced a 20% increase in our private sales rate, as stable mortgage rates lifted the hesitancy to commit to what is the largest financial decision faced by the consumer-buying a home. House prices remained resilient, and there were price uplifts in many of our more recently acquired sites when launched during the course of the year.

2. Land availability

Risk description

The ability to secure the amount of consented and strategic land in the appropriate locations and on terms that enable the Group to achieve its business plan.

Controls and mitigation

There are established land acquisition hurdle rates for gross margin and ROCE, which are aligned to our business plan. Deferred acquisition terms are an important part of our overall land purchase strategy as well as a focus on strategic land pull through from options.

The Group has dedicated locally based land teams for both current and strategic land in each of our regions. Regional land bid success rates are reviewed at Group level to critically analyse the number of bids submitted, together with the reasons for unsuccessful offers.

The Chief Executive visits all sites prior to acquisition to ensure each fits within the Group's land strategy, with all land acquisitions and new strategic land options are approved by the Executive Board.

2024 commentary and change in the year

The Group had a dual focus on land acquisition in 2024, being a combination of individual site purchases and land acquired through M&A. Individual site purchases resulted in the addition of 29 sites (5,500 plots). The St. Modwen Homes acquisition having been agreed in December 2024 and in turn completing in January 2025, will add a further 3,541 plots to the 2025 owned landbank. Of the 5,500 plots acquired in 2024, 45% had originated from the strategic landbank, demonstrating its importance as a source of land for the Group.

The owned landbank increased to 12,219 plots (2023: 10,483) and accordingly the number of sites in the landbank rose to 92 (2023: 84) which is important as we seek to increase sales outlets from the 71 at the end of 2024 to over 100 by the end of 2025 aided by the St. Modwen Homes acquisition.

Principal Risks & Uncertainties continued

3. Availability and cost of materials and subcontractors

Risk description
The ability to procure sufficient materials and skilled labour to ensure we maintain build-quality standards, complete homes in line with build programmes, to deliver high-quality homes cost effectively.

Controls and mitigation
The central procurement team is responsible for the negotiations of terms on 61 product groups with 102 national suppliers, which covers around 95% of house-build materials. This ensures cost certainty over a fixed period and continuity of supply, with lead times and quality of materials monitored.

We assess competencies to ensure both the appropriate quality and reliability of supply, with feedback received from our construction team via a supplier-assessment app, developed by our in-house IT team.

Subcontractors are managed at a regional level with many relationships well established and long-standing. This helps mitigate the impact of labour and skill shortages when industry output increases in the future. Contracts are tendered to maintain price competition, with higher-value orders requiring the approval of Regional Managing Directors.

2024 commentary and change in the year
The cost landscape was relatively stable throughout the year resulting in a net neutral position. This was partly achieved through the expansion of online tendering to include regional subcontractors as well as national suppliers. In addition, national supply agreements were entered into for three new product groups, achieving both cost savings and increased standardisation. As the year progressed and following the November 2024 Budget, there was an increasing expectation for low single digit inflation in 2025.

4. Government regulation

Risk description
The risk associated with compliance in increased legislation and regulation from both the UK and Scottish Governments over the last few years, directly and indirectly impacting on the housebuilding industry.

Controls and mitigation
The Group understands the importance of being aware of emerging issues and potential regulation, to enable advance preparation and to ensure implementation within the necessary timescales and any cost impact is factored into land investment decision making in a timely manner. We participate in various industry working groups to both shape new legislation and understand the perspective of government. This is a multi-disciplinary approach, with the key functions in recent years being legal, technical, production and customer service.

2024 commentary and change in the year
There continued to be significant regulatory activity during 2024, including:

- Joint Plan for Acceleration for Cladding Remediation and progress reporting to MHCLG.
- Refinements to the New Homes Quality Code.
- Detailed discussions with the Scottish Government on proposals for Cladding Remediation in Scotland including responding to consultations.
- Participation in consultations on the Building Safety levy in England.
- Increase in Sustainability reporting requirements.
- The Cladding Remediation Act Scotland and discussions with developers to develop an agreement for delivery in Scotland.

5. Fire safety

Risk description
The risk associated with high rise buildings (exceeding 11m in height) built by the Group or companies subsequently acquired by the Group within the last 30 years, having fire-safety defects and must be remediated by virtue of the contract entered into in April 2023 with the Department for Levelling Up, Housing & Communities (DLUHC) in England, and with a similar contract and legislation for Scotland still to be put in place.

Controls and mitigation
The Group has developed a relatively low number of properties above 11 metres over the last 30 years but has accepted responsibility for properties built by entities we have subsequently acquired.

We have undertaken an exercise to establish the number of developments which are in excess of 11 metres to determine properties in scope, then with input from specialists, have determined which buildings fall within scope and require work. The remediation programme is managed by a dedicated resource overseen by the Group Technical Director, with a number of remediation projects designed, tendered and due to commence in 2025. Estimates for the remediation provisions that have been recorded in the financial statements have been prepared with the support of external cost surveyors with knowledge of the cost incurred in similarly affected properties.

2024 commentary and change in the year
During 2024 it was recognised and agreed that cladding remediation would require dedicated overhead and additional resource has been put in place. At the end of 2024, a provision of £44m has been recognised, an increase of £3m from the previous year.

6. Safety, health and environment (SHE)

Risk description
Breaches of SHE legislation can result in workplace injuries, environmental damage or physical damage to property. This could result in harm to individuals, financial penalties, reputational damage and delays to site-related activities.

Controls and mitigation
The in-house SHE team consists of 13 qualified professionals. The team is managed independently from the regional operational businesses, under the guidance of our SHE Director, who, in turn, reports directly to the Chief Executive.

The Group has a stand-alone SHE Committee with cross-disciplinary attendance, which monitors, among other things, the progress towards annual targets set on 12 performance indicators.

Site operations are subject to monthly audits, and SHE awareness toolbox talks are regularly communicated, both to staff and subcontractors. There is external assurance and verification of our systems and processes via a quality audit every two years.

Our internal awards initiative recognises and rewards the importance of SHE across the business.

Protection of the environment during construction is built into our operating methods, as we see increasing focus on conservation and the enhancement of the natural environment.

2024 commentary and change in the year
We maintained the momentum following our refreshed strategy in 2023 with the key focus being on improving the SHE culture with within the business with a focus on recognising success and good behaviour. This was overseen by the SHE Committee. During 2024, we experienced a reduction in reportable accidents to eight (2023: 12) which in turn led to fall in our Accident Incident Rate to 229 (2023: 307).

7. Reputation

Risk description
This risk covers the reputational risk arising from the acts or decisions taken, or omissions made, by the Group and the wider housebuilding sector.

Controls and mitigation
The Risk Committee has mapped out the potential areas of risk to the reputation of the business, and our stakeholder views, to understand the potential impact. It is understood that both crisis management and proactive intervention will have a bearing on the management of reputational risk. The cross-functional Risk Committee considers all matters relating to proactive risk management, to ensure good governance and horizon scanning. Crisis management is covered by the Head of Corporate Communications, reporting directly to the Executive Team. Reputational risk is actively considered in the ESG, Quality and SHE Committees.

Build quality and customer satisfaction are essential in maintaining our reputation as a housebuilder and the Group places great emphasis in ensuring that our customer journey, customer service and build quality are maintained and adequately resourced.

2024 commentary and change in the year
In 2024, the CMA launched an investigation into anti-competitive behaviour around sharing sensitive information in the house building industry. This followed a market study into housebuilding. The subsequent investigation did not include the Group.

There has been significant media interest in the lack of progress on cladding remediation by all relevant parties. This is carefully monitored by the Group and advice obtained via our external PR consultancy. The Group is less exposed to media interest in England.

Build quality and customer satisfaction scores have improved during 2024.

Principal Risks & Uncertainties continued

8. Attract and retain employees

Risk description
We recognise the importance of being able to retain and attract high-calibre and diverse employees, to achieve all aspects of our strategy.

Controls and mitigation
The Group's HR strategy focuses on all aspects of reward, retention, training and development, as well as on performance management. Salary and benefits benchmarking is undertaken annually.

We have had targets to improve physical mental and financial wellbeing of all of our employees, to increase the number of females in the business and to deliver 4 days training per annum per employee.

Staff roadshows, led by the Chief Executive, are undertaken annually with regional briefings by each Regional Managing Director also occurring bi-annually. Staff engagement surveys, and an independent review by Investors in People (IIP), are undertaken every three years. The Group has been awarded Platinum status by IIP, a level only 6% of IIP-accredited companies in the UK have achieved.

Succession-planning programme for all Regional and Group Director positions is supplemented by a leadership-development programme.

2024 commentary and change in the year
An Early Talent initiative was launched in 2024, which is a structured training programme for trainees and graduates over a three period with the aim that this cohort will account for 5% of the workforce. A comprehensive staff engagement survey was conducted during the year, achieving a score of 80%. There continued to be significant investment in training and development which led to the number of training days per employee increasing to 4.1 (2023: 3.1).

9. IT

Risk description
The key IT risks relate to the failure of any of the Group's key systems, particularly those for financial and customer information, surveying and valuation, through a successful cyber-attack or lack of investment leading to outdated systems. Any major failure could result in both financial and reputational damage and disrupt progress in delivering strategic priorities.

Controls and mitigation
The greatest IT risks relate to cyber events and security breaches. An annual cyber security plan is approved by the Executive Board. Our cyber plans and investments are becoming increasingly important in today's digital world. As technology continues to evolve, so do the risks associated with it. We continue to work with specialist companies who help us keep abreast of the latest cyber threats and implement mitigating solutions.

The Group strives to ensure the latest software is installed for its critical systems, to protect against the latest detected vulnerabilities, and facilitates access to these systems for staff who are becoming increasingly mobile. In addition, software is deployed to support threat detection, compliance and security incident management.

Security reviews are performed by external cyber specialists throughout the year.

Full back-up and system recovery is in place as part of the wider Disaster Recovery Plan, and again this is tested annually.

2024 commentary and change in the year
We continue to run internal awareness and testing to guard against phishing social engineering techniques, which is one of the most common and effective methods used by cyber criminals to exploit weaknesses in an organisation's security systems. We have also taken Cyber Insurance via our insurance partner Gallagher to provide expertise and insurance against costs incurred if we did have a major incident.

Pictured: Antonine Brae, Bo'ness, Scotland East

10. Availability of finance

Risk description
The Group requires access to adequate financial resources to meet its existing commitments and to achieve its strategic plan.

Controls and mitigation
Cash is managed by a combination of weekly and quarterly forecasts. The business plan covers a five-year period and is updated at least annually, and supported by sensitivity analysis to provide a basis for longer-term investment decisions. Additional downside sensitivity scenarios are prepared to stress test liquidity.

The secured notes do not have any financial covenants. The only financial condition is that the drawn balance of the revolving credit facility (RCF) is limited to 50% of net inventory.

2024 commentary and change in the year
The Group's cash balance at 31 December 2024 was £234.3m, further supplemented by a Revolving Credit Facility of £194.0m that remained undrawn (other than in respect of a working capital facility for an aggregate amount of £0.4m). In January 2025, the St. Modwen Homes acquisition led to an initial payment of £65m being made with the estimated deferred consideration of £125m being payable in July 2027.

11. Fraud

Risk description
The risk associated with fraudulent activity. The greatest potential fraud risks are considered to be customer fraud through money laundering, attempts to divert supplier payments and on-site theft of materials.

Controls and mitigation
The Group has a Risk Committee that has a specific remit for reviewing its approach.

We audit our compliance with AML procedures and verify all changes to supplier payment details.

2024 commentary and change in the year
We continued to be vigilant to fraud attempts and adapted our procedures in some areas during the year.

12. Pensions

Risk description
The Group's defined benefit scheme was closed to new entrants in 1997, and to future accrual in 2010. The surplus could fluctuate due to changes in longevity assumptions, bond yields or asset values.

Controls and mitigation
An investment strategy has been agreed with the scheme trustees that reduces volatility in the asset base. This is regularly reviewed in light of market conditions.

2024 commentary and change in the year
In order to preserve the current favourable funding position the scheme maintained an interest-rate hedge of 95% during the year. We are aware of the legal developments ruling regarding s37 actuarial confirmations. The trustees have reviewed significant changes to scheme rules over the relevant period and no action is required at present but this will be kept under review.

Board of Directors

Richard Akers
Chair

Profile
Richard joined Miller Homes as Chair in January 2025. He has spent his career in the property and land acquisition industry, including 20 years with Land Securities, and another nine years in non-executive director roles with Barratt Developments PLC. Richard is currently the Chair of Ibstock PLC, the Senior Independent Director at Shaftesbury Capital PLC and was the Chair of Redrow PLC until its merger with Barratt Developments PLC completed in October 2024. He has also served as a non-executive director for Unite Group PLC and EMAAR Malls in Dubai, and on the advisory board for the Battersea Power Station development.

Stewart Lynes
Chief Executive Officer

Profile
Stewart is a qualified quantity surveyor with over 20 years' experience in the sector. He joined the Group in 2008 and was promoted to Managing Director for Scotland in 2013, before expanding his role in 2018 and assuming responsibility for the North of England division. In 2019, Stewart was promoted to Chief Operating Officer and then to Chief Executive in 2022. Stewart takes a keen interest in attracting and developing the best people, delivering high levels of customer service, driving innovation across the business, and influencing our land strategy to support growth.

Ian Murdoch
Chief Financial Officer

Profile
Ian is a chartered accountant having trained with KPMG where he worked for nine years. He joined Miller Homes in 2005 having previously spent four years at the Miller Group as Group Financial Controller. Ian was appointed as Finance Director in 2011 and Chief Financial Officer in 2017. He has broad experience covering both financial and operational aspects of the Group. In addition to his mainstream finance role, Ian has responsibility for tax, treasury and the Group's defined benefit pension scheme.

Julie Jackson
General Counsel and Company Secretary

Profile
Julie is qualified as a solicitor to practice in both Scotland and England. She joined the Miller Group in 2003 having worked in private practice for 14 years specialising in property development and investment. Julie has held various senior positions with Miller Homes and was appointed General Counsel in 2009 and Company Secretary in 2016. Julie has responsibility for all legal, governance and compliance matters, including Corporate Communications and ESG, and chairs the Land Directors' meetings on a national basis.

Stephen Stone
Independent Director

Profile
Stephen has been in the housebuilding industry for more than 40 years, including as an Operating Partner to Apollo since 2021. He recently co-founded Flint Housing, a private provider of affordable and shared ownership homes in England. He was the CEO of Crest Nicholson from 2005 to 2018 and prior to that worked at Countryside Properties. Stephen was Chair of the board for Keepmoat from 2019 to 2021, he also serves or has served as non-executive director on the boards of the NHBC, Orbit Group, the HBF and Ilke Homes. He is a Chartered Architect and member of the RIBA.

Peter Sinensky
Non-Executive Director (shareholder appointed)

Profile
Peter is a Partner at Apollo in the Private Equity business based in New York. Prior to joining Apollo in 2011, he was at J.P. Morgan in the Mergers & Acquisitions Investment Banking team. In addition to his involvement with Miller Homes, Peter serves or has served on the board of directors of The New Home, Novolex, OneMain Holdings, Lumileds, Vacuumshmelze and Vectra. He holds a BSc in Finance and Accounting from the Kelley School of Business at Indiana University.

Edward Jones
Non-Executive Director (shareholder appointed)

Profile
Ed is a Partner at Apollo in the Real Assets business based in London. Prior to joining Apollo in 2010, he was at Citi in the Real Estate Private Equity team and at AEW Europe/ Curzon Global Partners in the investment team. In addition to his involvement with Miller Homes, Ed serves on the board of directors of Apollo Credit Management, Atlantic Leaf Properties and Lapithus Management and sits on the Apollo European Core Plus investment committee. He holds an MA in Land Economy from the University of Cambridge with first class honours.

Rajesh Jegadeesh
Non-Executive Director (shareholder appointed)

Profile
Rajesh is a Managing Director on the Private Equity team at Apollo based in London. Since joining Apollo, Rajesh has been involved in various transactions, including Allwyn, Double Eagle III, Vistra (fka TXU), General Electric EFS, CPV Fairview and Caledonia Power. Prior to joining Apollo, Rajesh was in the Mergers & Acquisitions Group at Lazard, based in New York. Rajesh graduated with highest distinction and Most Outstanding Academic Achievement from the Goizueta Business School at Emory University. He attended the university as a full Emory Scholar.

Key to committee membership
- Member of the Main Board
- Member of the Miller Homes Group (Finco) plc Board
- Member of the Operational Executive Board

Corporate Governance statement

Board of Directors

The Board of Directors of Miller Homes Limited is responsible for the business's management, direction and performance. The Directors of Miller Homes Limited are Chief Executive Officer, Stewart Lynes; Chief Financial Officer, Ian Murdoch; and General Counsel and Company Secretary, Julie Jackson.

Apollo

Apollo is a high-growth, global alternative-asset manager. It seeks to provide an excess return at every point along the risk-reward spectrum, from investment grade to private equity, focusing on three business strategies: yield, hybrid and opportunistic.

Through its investment activity across a fully integrated platform, it serves its clients' retirement-income and financial-return needs, and offers innovative capital solutions to businesses.

As of 31 December 2024, Apollo had approximately $751 billion in assets under management.

Main Board

The Main Board represents the holding company, Castle-Builder Topco Limited, a company registered in Jersey. Richard Akers chairs this Board as Non-Executive Chairman of the Group. The role of the Board is to deliver value to all of its stakeholders and to promote the long-term sustainable success of the company.

The Board has executive representation from the three Directors of Miller Homes Limited, as listed above.

The Non-Executive Investor Directors on the Board are featured on page 79. Stephen Stone, an experienced former CEO and Chairman in the housing industry, is a Non-Executive member of the main Board.

The corporate governance applies to Miller Homes Group (Finco) plc. Further details are presented below.

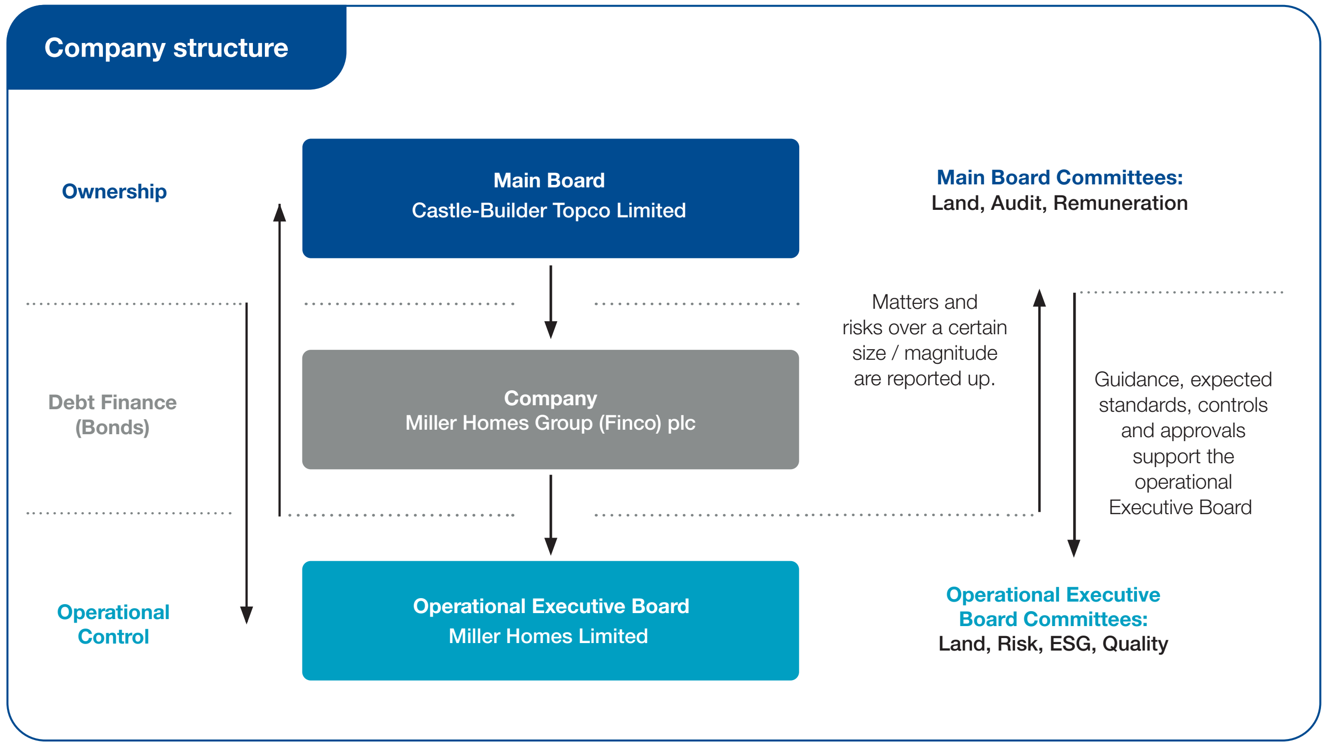
The Group considers these individuals to possess the necessary experience and detailed industry knowledge to discharge their duties as Directors. This Board formally meets four times a year, but also has separate meetings, both on strategy and to hear presentations directly from other operational and functional Directors within the business. Monthly operational updates take place via virtual meetings, with all Directors present.

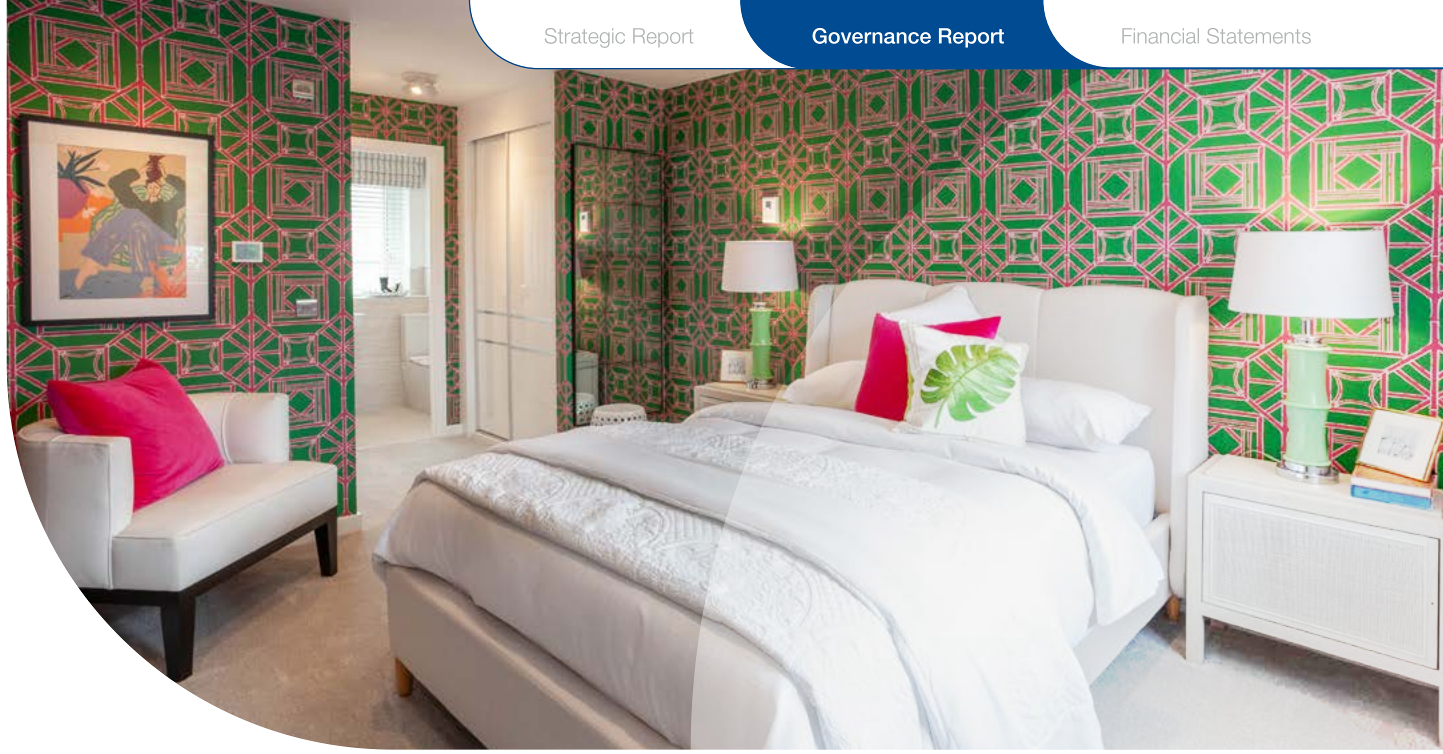
The Directors consider they have appropriate and sufficient contact with employees.

The Main Board is considered to have oversight of the Company and is responsible for its long-term success.

It sets the long-term strategic aims and objectives, structure, key management decisions, financial reporting, as well as approving both significant capital expenditure and land acquisition over a certain level.

The Directors recognise the importance of good corporate governance and operate in a manner that reflects the size, risks and complexities of the business in accordance with its values.





Pictured: Constarry Gardens, Croy, Scotland West

Skill	Number of Directors
Housebuilding	5
Legal	1
Finance and Accounting	4
Sustainability	1
Mergers and Acquisitions	8

The Operational Executive Board

The Executive Board has been established with subcommittees that support the Executive Board and focus mainly on operational aspects. The Executive Board meets regularly throughout the year and reviews the financial and operating performance of the Group.

The Executive Board is chaired by the Chief Executive, and its attendees comprise the Chief Executive Officer, Chief Financial Officer, and General Counsel and Company Secretary. The HR Director also attends to discuss people matters.

The Executive Board receives reports from the separate subcommittees (see structure chart) and is responsible for the implementation of the strategy set by the Main Board and for promoting the long-term success of the Group.

Its principal responsibilities include financial management, governance controls, risk management, compliance, people, reputation and cultural direction.

The Executive Board has a regular agenda that ensures its responsibilities are addressed and, if necessary, revised throughout the year. Papers are compiled and issued before meetings, and written minutes are circulated by the Company Secretary.

The Group operates within a framework of policies available to all staff members on its internal website. Its principal policies are Anti-Bribery; Modern Slavery; Equality; Fraud Prevention; Data Protection; Sustainability Strategy; and Safety, Health and Environment.

The Company Secretary holds registers of compliance with the policies, and training is provided to enhance employee awareness.

Additionally, the Executive Board is responsible for evaluating significant risks to the business. A rigorous evaluation process is carried out twice yearly and is specifically supported by the Risk Committee which meets on a quarterly basis.

Over the last 12 months, the Directors' view is that, while an improving picture, the macroeconomic conditions remain the most significant risk to the business. This risk has reduced slightly due to the forecast outlook for 2025 showing a more stable market with some reduction in bank base rates.

Governance and committees

Board committees: Castle-Builder Topco Limited

Remuneration committee T

Peter Sinensky
Non-Executive Director

Committee members
Stephen Stone
Investor Director
Chair

Committee remit
The Remuneration committee meets twice a year or as needed by the business.

Peter Sinensky chairs this committee. The Remuneration committee is responsible for determining the Group's policy on executive remuneration, bonus recommendations, benefits, succession planning, management incentive arrangements and other senior employee-related matters.

During the year consideration was given to succession planning for the Chair and executive directors as well as a review of incentive arrangements.

Total number of meetings this year
2

Audit committee T

Rajesh Jegadeesh
Non-Executive Director

Committee members
Stephen Stone
Investor Director
Investor Director

Committee remit
The Audit committee considers and makes recommendations regarding the integrity of the financial statements of the Group, the effectiveness of internal controls, risk management, and the internal and external audit process, including financial, operational and compliance controls and overseeing the effectiveness of the external auditor.

The audit partner from EY and the executive directors are invited to attend these meetings, which take place twice yearly and all executive directors took up this invitation. Separate meetings take place between the Chair of the Audit Committee, the CFO and the external auditors.

Total number of meetings this year
2

Operational committees: Miller Homes Limited

Land committee T

Richard Akers
Chair

Committee members
Chief Executive Officer
Stephen Stone
Investor Director
Investor Director

Committee remit
The Land Approval committee has delegated authority from the board to approve land acquisitions above a certain value or higher-risk acquisitions based on the planning status. Richard Akers chairs this committee. A comprehensive paper setting out the financial metrics, market assessment and build risk is prepared by the executive managing director for the relevant region.

With a high volume of land activity during 2024, there was an increase in the number of sites acquired above the threshold. The Land committee also approved the Houghton Conquest JV as a new Partnership arrangement with external debt.

Total number of meetings this year
7

Richard Akers now chairs the Land Committee which was chaired in 2024 by Chris Endsor.

Risk committee F

Ian Murdoch
Chief Financial Officer

Committee members
General Counsel and Company Secretary
IT Director
Group Legal Director
Finance Director - Taxation & Group Finance

Committee remit
The Group has a well established risk register detailing assessment of risk and management controls. The register is updated twice yearly and presented to the Audit committee. The Risk committee reviews the Group's risk management and controls on a continuous basis and makes recommendations to the Executive Board.

During 2024, the committee reviewed the internal risk controls, crisis management procedures with a particular focus on cyber security. In addition, the cladding remediation programme and costs were scrutinised.

Total number of meetings this year
4

Key

F Miller Homes Group (Finco) plc

T Castle-Builder Topco Limited

Governance and committees continued

Operational committees: Miller Homes Limited

ESG committee F

Julie Jackson
General Counsel and Company Secretary

Committee members

Chief Financial Officer
Executive Managing Director
HR Director
Associate Director Sustainability
Development Director
Strategic Land Director

Committee remit

This committee has responsibility for implementation of the Group's sustainability strategy and how the business is tackling environmental sustainability issues. The committee considers and approves individual projects to meet its ESG targets. A Better Place strategy has 19 KPIs which are promoted, monitored and reported on through this committee.

This year the committee supported the SBTi and published its net zero targets, it approved measures for nature and delivered the waste reduction project. The committee also considered further improvements to the employee wellbeing strategy and the promotion of community engagement.

Total number of meetings this year

5

Health & Safety committee F

Stewart Lynes
Chief Executive Officer

Committee members

General Counsel and Company Secretary
Chief Financial Officer
SHE Director
Executive Managing Directors
Development Director
HR Director

Committee remit

The committee has responsibility to improve the overall working conditions and ensure the health and safety of all of our employees, subcontractors and any visitors to our sites or other premises. The committee promotes a safety-first culture across the whole business on a proactive basis.

The committee reviews monthly reports from the SHE director and ensures best practice and acts upon recommendations from the Health & Safety Director. Direction was provided for corrective actions and training.

During the course of 2024, there was a continued focus on regional ownership of health and safety matters promoting a safety culture and individual responsibility.

Total number of meetings this year

12

Quality committee F

Stewart Lynes
Chief Executive Officer

Committee members

Chief Financial Officer
Development Director
Customer Service Director
Group Legal Director
HR Director
Sales and Marketing Director
Executive Managing Directors
Regional Managing Directors

Committee remit

The purpose of the Quality committee is to oversee and to monitor quality standards to ensure the delivery of high quality services and product, identifying areas for improvement and recommending actions to address any quality issues.

During 2024, the committee continued to refine compliance with the New Homes Quality Code, delivering continuous improvement of the customer journey. There was also a focus on improving construction quality by using key data and incentives to drive behaviours of the Customer Service teams.

Total number of meetings this year

5

Product committee F

Stewart Lynes
Chief Executive Officer

Committee members

Chief Financial Officer
Executive Managing Directors
Technical Director
Sales and Marketing Director
Procurement Director
Commercial Director

Committee remit

The Product committee reports on regulatory change and develops standard product design, place making guidance/layout design, product specification and product maintenance. The committee's primary role is to influence and develop a product range that our customers want to purchase, meets regulatory requirements, allows us to remain competitive in the land market and delivers a quality product for our customers.

In 2024 the committee delivered new Plotting a Better Place guidance, a new product range in Scotland and England following consultation with customers on what is desirable from a placemaking and community perspective and continued to work on solutions for Future Homes Standards.

Total number of meetings this year

2

Key

F Miller Homes Group (Finco) plc

T Castle-Builder Topco Limited

Directors' report

The Directors of Miller Homes Group (Finco) plc have pleasure in presenting their report and the audited financial statements for the year ended 31 December 2024.

Principal activities

The Company is a Holding Company. The principal business of the Group is residential housebuilding.

Business review and results

The operations of the Group and its principal risks and uncertainties, and relevant key performance indicators, are reviewed in detail in the Strategic report.

The Group profit after taxation for the financial year amounted to £42.5m (2023: £44.6m). No dividend will be paid.

Going concern

Despite some of the external challenges we faced as a sector including cost of living pressures, elevated mortgage rates and low levels of consumer confidence, the Group has remained profitable and cash generative. The consolidated balance sheet as at 31 December 2024 shows a net asset position of £627.8m and a cash position of £234.3m.

The Directors have prepared cashflow forecasts for 12 months from the date of approval of these financial statements that indicate that, based on its financial resources and taking account of severe but reasonably possible downside assumptions regarding sales rates and house prices, the Group and Company will have sufficient funds to meet their liabilities as they fall due for that period.

These projections take into account the funding facilities available to the Company and the Group including £425.0m of fixed rate senior secured notes, repayable in May 2029 and €465.0m of floating rate notes, repayable in May 2028. In addition the Group has a £194.0m revolving credit facility, which is committed until 30 September 2027 and was undrawn at the year end other than in respect of £0.4m of ancillary facilities. The secured notes do not have any financial covenants. The only financial condition is that the drawn balance of the revolving credit facility (RCF) is limited to 50% of net inventory.

After making appropriate enquiries, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Directors continue to adopt the going concern basis in preparing the Annual Report and the financial statements.

Directors

The Directors who held office during the year and at the date of this report are as follows:

- Stewart Lynes;
- Ian Murdoch;
- Rajesh Jegadeesh;
- Peter Sinensky

Control

The Company was ultimately controlled by Apollo Global Management Inc.

Corporate governance

The Directors recognise the importance of good corporate governance and operate on a basis that reflects the size, risks and complexities of the business, in accordance with its values as described below.

Employees

It is recognised that the culture of the business is extremely important in attracting high-calibre individuals. Equal opportunities and diversity are promoted throughout the business to ensure all employees are treated in a non-discriminatory manner at all stages of their employment, including recruitment and selection, rewards, training and career development. The Equality and Diversity Policy ensures all employees are treated equally and fairly with no discrimination in respect of age, disability, religious belief, sexual orientation, race, colour, marital status, political belief or nationality. Female employees represented 30% (2023: 31%) of total employees and 19% (2023: 20%) of Directors and senior management.

Supplier payment policy

It is Group policy to abide by the agreed terms of payment with suppliers where the goods and services have been supplied in accordance with the relevant terms and conditions of contract. We also subscribe to the Prompt Payment Code.

Guidelines for disclosure and transparency in private equity

The Directors consider that the Annual Report and the financial statements have been prepared in accordance with the Guidelines for Disclosure and Transparency in Private Equity.

Disclosure of information to auditor

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information the Group's auditor is unaware of, and each Director has taken all the steps they ought to have taken as a Director to make themselves aware of any relevant audit information, and to establish that the Group's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and Ernst & Young LLP will therefore continue in office.

Julie Jackson
Company Secretary

Date: 27 March 2025

Statement of Directors' responsibilities

in respect of the Annual Report and the financial statements

The Directors are responsible for preparing the Annual Report and the Group and parent company financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and parent company financial statements for each financial year. Under that law the Directors have elected to prepare the Group financial statements in accordance with UK adopted International Accounting Standards and applicable law and they have elected to prepare the parent Company financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice) including FRS 101 "Reduced Disclosure Framework".

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and parent Company and of the Group's profit or loss for that period. In preparing each of the Group and parent Company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant, reliable and prudent;
- for the Group financial statements, state whether they have been prepared in accordance with UK adopted International Accounting Standards;
- for the parent Company financial statements, state whether applicable UK accounting standards have been followed, subject to any material departures disclosed or explained in the financial statements;
- assess the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006.

They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic report and a Directors' report that comply with that law and those regulations.

Pictured: City Fields.
Wakefield, Yorkshire

Independent auditor's report

to the members of Miller Homes Group (Finco) plc

Opinion

In our opinion:

- Miller Homes Group (Finco) plc's Group financial statements and parent company financial statements (the "financial statements") give a true and fair view of the state of the Group's and of the parent company's affairs as at 31 December 2024 and of the group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Miller Homes Group (Finco) plc (the 'parent company') and its subsidiaries (the 'Group') for the year ended 31 December 2024 which comprise:

Group	Parent company
Consolidated statement of financial position as at 31 December 2024	Statement of financial position as at 31 December 2024
Consolidated income statement for the year then ended	Statement of changes in equity for the year then ended
Consolidated statement of comprehensive income for the year then ended	
Consolidated statement of changes in equity for the year then ended	Related notes 1 to 31 to the financial statements including a summary of significant accounting policies
Consolidated cash flows statement for the year then ended	
Related notes 1 to 31 to the financial statements, including material accounting policy information	

The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and UK adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the Group and parent company's ability to continue to adopt the going concern basis of accounting included:

- In conjunction with our walkthrough of the Group's financial close process, obtaining an understanding of management's going concern assessment process and challenging management to ensure key factors were considered in their assessment. We obtained an understanding of each of management's modelled scenarios, including the base case and a severe downside case.
- Assessing the appropriateness of the duration of the going concern assessment period to 31 March 2026 and considering our knowledge of significant events or conditions beyond this period, based on our procedures on the Group's business plan, cash flow forecasts and from knowledge arising from other areas of the audit.
- Obtaining management's going concern assessment, including the cash flow forecast, for the going concern period through to 31 March 2026 and testing these for arithmetical accuracy.
- Assessing the historical accuracy of forecasting and challenging the appropriateness of key assumptions in management's forecasts, including the impact of housing completions and average selling price on revenue generation. We also assessed these against information from the Office of National Statistics, with consideration to trends in respect of house price inflation.
- Verifying the inputs into the cash flow forecasts, the debt facility terms, and reconciling the available liquidity (cash and available facilities) as at 31 December 2024. We further reviewed signed borrowing agreements to confirm both availability to the Group and the forecast debt repayments through the going concern assessment period.
- Obtaining the reverse stress test scenario prepared by management and assessed the plausibility of the circumstances required.
- Challenging the plausibility and severity of the downside scenarios, as well as any mitigating factors included in the downside scenarios that are within control of the Group. This includes assessment of the Group's operating and non-operating cash outflows relating to the value and timing of discretionary land acquisitions and evaluating the Group's ability to control these outflows as mitigating actions if required.
- Assessing management's consideration of material climate change impacts in the going concern period, including incorporation of the expected costs of applying the Future Homes Standard during the going concern period.
- Reviewing the Group's going concern disclosures included in the Annual Report and Accounts in order to assess whether the disclosures appropriately described the assessment management performed and the key judgements taken.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and parent company's ability to continue as a going concern for the period to 31 March 2026.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group and parent company's ability to continue as a going concern.

Overview of our audit approach

Audit scope	• We performed an audit of the complete financial information of Miller Homes Group (Finco) Plc and its components. • The components where we performed full or specific audit procedures accounted for 100% of Profit before Tax (excluding exceptional items), 100% of Revenue and 99% of Total assets
Key audit matters	• Valuation of Work in Progress. • Completeness and valuation of the Fire Safety Remediation Provision. • Impairment of goodwill and other intangible assets • Impairment of investments in subsidiaries (parent only)
Materiality	• Overall Group materiality of £3.6m which represents 5% of Profit before Tax (excluding exceptional items)

An overview of the scope of the parent company and group audits

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for each company within the Group. Taken together, this enables us to form an opinion on the consolidated financial statements. We take into account size, risk profile, the organisation of the Group and effectiveness of Group wide controls when assessing the level of work to be performed at each company.

In assessing the risk of material misstatement to the Group financial statements, and to ensure we had adequate quantitative coverage of significant accounts in the financial statements, of the 7 reporting components of the Group, we selected 3 components covering entities which represent the principal business units within the Group.

Of the 3 components selected, we performed an audit of the complete financial information of 2 components ("full scope components") which were selected based on their size or risk characteristics. For the remaining 1 component ("specific scope component"), we performed audit procedures on specific accounts within that component that we considered had the potential for the greatest impact on the significant accounts in the financial statements either because of the size of these accounts or their risk profile.

The reporting components where we performed audit procedures accounted for 100% of the Group's Profit before tax (excluding exceptional items) measure used to calculate materiality, 100% of the Group's Revenue and 100% of the Group's Total assets. For the current year, the full scope components contributed 99% of the Group's Profit before Tax (excluding exceptional items) measure used to calculate materiality, 98% of the Group's Revenue and 99% of the Group's Total assets. The specific scope component contributed 1% of the Group's Profit before Tax (excluding exceptional items) measure used to calculate materiality, 2% of the Group's Revenue

Independent auditor's report continued

to the members of Miller Homes Group (Finco) plc

and 1% of the Group's Total assets. The audit scope of these components may not have included testing of all significant accounts of the component but will have contributed to the coverage of significant accounts tested for the Group.

Involvement with component teams

All audit work performed for the purposes of the audit was undertaken by the Group audit team.

Climate change

Stakeholders are increasingly interested in how climate change will impact the Group. The Group has determined that the most significant future impacts from climate change on their operations will be from evolving legal and regulatory requirements (e.g. the Future Homes Standard and biodiversity net gain requirements set by the government) and the availability of more efficient products and technologies to deliver climate-resilient homes. These are explained on pages 58-71 in the required Task Force for Climate related Financial Disclosures that form part of the "Other information" rather than the audited financial statements. Our procedures on these unaudited disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated, in line with our responsibilities on "Other information".

In planning and performing our audit we assessed the potential impacts of climate change on the Group's business and any consequential material impact on its financial statements.

Management concluded in their assessment that no issues were identified that would have a material impact on the carrying value of the Group's assets or liabilities or have any other material impact on the financial statements.

Our audit effort in considering the impact of climate change on the financial statements was focused on understanding management's assessment of the impact of climate risk, physical and transition, and their climate commitments. We also understood the Group's strategy to address these risks that may affect the financial statements and our audit.

As part of this evaluation, we performed our own risk assessment, supported by our climate change internal specialists, to determine the risks of material misstatement in the financial statements from climate change which needed to be considered in our audit. We identified the specific impact of climate change relating to the valuation of inventory, including land and work-in-progress under development arising from the requirements of the Future Homes Standard. Specifically, we considered this in the timing and nature of future cost assumptions underpinning the valuation of land and work-in-progress under development. We did this by understanding how future cost estimates were included within the site margin calculation in respect of the costs of applying the Future Homes Standard for units without foundations constructed prior to June 2025.

We also evaluated the Directors' considerations of climate change risks in their assessment of going concern and viability and associated disclosures. Where considerations of climate change were relevant to our assessment of going concern, these are described above.

We read the climate related information within the Annual Report, which included the Group's Task Force for Climate related Financial Disclosures and considered consistency with the financial statements and our audit knowledge.

Based on our work we have not identified the impact of climate change on the financial statements to be a key audit matter or to impact a key audit matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Valuation of WIP Development WIP £373.8m (2023: £386.7m) Land WIP £593.4m (2023: £500.5m) *Accounting policies (page 102) and note 15 of the Consolidated Financial Statements (page 111)* There is a significant WIP balance held on the balance sheet relating to sites currently under development and land that is planned for development. There is a risk that the balance is overstated, particularly for certain sites where development has not yet started or has only recently commenced. Key assumptions included are forecasted revenue and costs to come. Estimation is involved in forecasting the revenue and costs on each site The cost of sales on the sale of site is determined based on a percentage of costs incurred to total forecasted costs to come therefore there is a risk that gross margin is inaccurate due to poor or inaccuracies' in forecasting.	At year end there are 134 sites held as WIP. We used data analytics and applied qualitative and quantitative risk-based factors to identify 50 higher risk sites for testing. For all sites selected we performed the following procedures where appropriate: **Historical comparisons:** We have performed a retrospective review to compare the past overall build cost budget (including infrastructure and development costs) and sales forecasts to actual costs and selling prices achieved and assessed the accuracy of site budgets and forecasts. We have also compared revenue forecasts to post year-end sales data to assess the reasonableness of forecast sales prices. **Personnel interviews:** We attended all cost review meetings in December with commercial and regional management to gain an understanding of the performance and status of all development sites. We then challenged and assessed whether any contrary evidence was identified through other procedures performed that should be considered in site margin forecasts. **Test of detail:** For a risk-based sample of development sites, we have used the information gathered from the procedures above and attendance of Groups' regional cost review meetings to challenge management's estimated margins. We have reperformed the margin calculation for the sample of sites to verify its accuracy. We have also substantively tested actual costs incurred to date. For the sites not identified as higher risk, we performed the following procedures: margin look back (FY24 to FY22) to identify any significant margin fluctuations and challenged margin applied at year end; assessed post year end sales across all sites; and attended all December cost review meetings (which covered all year end sites). Finally, as part of our financial statements work, we have assessed the adequacy of the Group's disclosures in accordance with IAS 2 "Inventories" relating to the degree of estimation involved in calculating the gross margin and carrying value of development work in progress and land in inventories.	We are satisfied the valuation of work-in-progress and the cost of sales margin are appropriate.
Completeness and valuation of Fire Safety Remediation Provision £44.2m (2023: £41.1m) *Accounting policies (page 103) and note 20 of the Consolidated Financial Statements (page 113)* The estimation of the fire safety provision requires identification of the impacted properties, an assessment of the defects requiring remediation and the estimation of the corresponding future costs. The estimation of the fire safety remediation provision is associated with a high degree of uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole.	**Assessment of management's process:** We have performed inquiries to the Group's finance, operational, and legal personnel and inspected the documentation used to identify the buildings requiring remediation to assess the process and search for contrary evidence. We have also assessed the completeness of provision through comparison to claims raised and any ongoing correspondence with NHBC and other bodies. **Test of detail:** We have evaluated the competence, capabilities and objectivity of the specialist used by management. We evaluated the work of management's specialist to estimate the cost of remediation by challenging their assumptions, assessing basis of estimation (which included engaging with EY specialists), independently interviewing management's specialist and assessing completeness of sites identified. We have evaluated the existence and extent of the obligation for the Group to remediate life critical fire safety issues by inspecting the Pledge for England, the Self Remediation Contract with the Secretary of State for the Department of Levelling Up, Housing and Communities and evidence to support the Group's commitments in Scotland. **Assessing transparency:** We have assessed whether the Group's disclosures in respect of the Fire Safety provision, including of the risks and estimation uncertainty in the provision, have been adequately disclosed in accordance with IAS37 "Provisions, Contingent Liabilities and Contingent Assets".	Based on the procedures performed, including testing of key movements and review of the external valuation report prepared by management's expert, we are satisfied that the resultant year end provision is fairly stated.

Independent auditor's report continued

to the members of Miller Homes Group (Finco) plc

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Valuation of Goodwill and Intangible Assets Goodwill £379.7m (2023: £379.7m) Brand Value £172.0m (2023: £172.0m) Macroeconomic factors specific to the Housebuilding sector and the wider UK economic environment means that future demand for new build homes and purchase prices are challenging to predict. Additionally inflationary pressures may occur across the Group's supply chain resulting in increased costs. Both factors, as well as long term uncertainties including the impact of climate change, increased the challenge in predicting future expected cash flows used to calculate the recoverable value of the cash generating unit in the Group's impairment assessment. The estimated recoverable amount of these Intangible Asset balances is subjective due to the inherent uncertainty involved in forecasting and discounting future cash flows. The effect of these matters is that the estimations used to perform the impairment assessment of the Intangible Assets have a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements.	Our procedures will include: **Historical comparisons:** We have evaluated the track record of historical assumptions used against actual results achieved to assess management's ability to forecast. **Assessing methodology:** We have assessed whether the principles and integrity of the cash flow model are in accordance with IAS36 "Impairment of Assets". **Benchmarking assumptions:** We have benchmarked management's key assumptions used in the impairment testing to market data and to comparable companies. **Test of detail:** We have obtained the Group's board minutes, strategic plans and risk assessment and used these to assess assumptions underpinning management's impairment forecast. **Our valuation expertise:** We have developed a discount rate range that we have compared to managements to challenge the appropriateness of management rates. **Sensitivity analysis:** We have developed sensitivity scenarios using our valuation expertise to benchmark management's estimate of the cash-generating unit value in use. **Assessing transparency:** We have assessed the adequacy of the financial statement disclosures in accordance with IAS36 "Impairment of Assets", including the degree of estimation involved in the valuation of acquired intangible assets and sensitivities applied.	Based on the procedures performed, including direct testing of forecasts, stress testing and audit of assumptions underpinning management's discount rate calculation, we are satisfied that the Goodwill and Intangible Assets balances are fairly stated and no impairment charge is required.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Impairment of investment in subsidiaries Company £527.9m (2023: £527.9m) Macroeconomic factors specific to the Housebuilding sector and the wider UK economic environment means that future demand for new build homes and purchase prices are challenging to predict Additionally inflationary pressures may occur across the Group's supply chain resulting in increased costs. Both factors, as well as long term uncertainties including the impact of climate change, increased the challenge in predicting future expected cash flows used to calculate the recoverable value of the cash generating unit in the Company's investments impairment testing. The estimated recoverable amount of these investment in subsidiaries balances is subjective due to the inherent uncertainty involved in forecasting and discounting future cash flows. The effect of these matters is that the estimations used to perform the impairment testing of the investment in subsidiaries have a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements.	Our procedures will include: **Historical comparisons:** We have evaluated the track record of historical assumptions used against actual results achieved to assess management's ability to forecast. **Assessing methodology:** We have assessed whether the principles and integrity of the cash flow model are in accordance with applicable standards. **Benchmarking assumptions:** We have benchmarked management's key assumptions used in the impairment testing to market data and to comparable companies. **Test of detail:** We have obtained the Group's board minutes, strategic plans and risk assessment and used these to assess assumptions underpinning management's impairment forecast. **Discount rate:** We have developed, a discount rate range that we have compared to managements to challenge the appropriateness of management rates. **Sensitivity analysis:** We have developed sensitivity scenarios using our valuation expertise to benchmark management's estimate of the cash-generating unit value in use. **Assessing transparency:** We have assessed the adequacy of the financial statement disclosures of the parent Company investments impairment testing.	Based on the procedures performed, including direct testing of forecasts, stress testing and audit of assumptions underpinning management's discount rate calculation, we are satisfied that the Investment in Subsidiary balance is fairly stated and no impairment charge is required.

Independent auditor's report continued

to the members of Miller Homes Group (Finco) plc

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Group to be £3.6 million (2023: £6.9 million), which is 5% (2023: 9%) of Group's profit before tax (excluding exceptional items) (2023: profit before tax (excluding exceptional items)). We believe that profit before tax (excluding exceptional items) provides us with an appropriate basis for materiality and we consider this basis is most relevant to the users of the financial statements as this represents the underlying trading of the business by excluding exceptional items which are considered unusual or non-recurring.

We determined materiality for the parent company to be £13.5 million (2023: £14.5 million), which is 3% of net assets (2023: 3% of net assets).

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Group's overall control environment, our judgement was that performance materiality was 50% (2023: 75%) of our planning materiality, namely £1.8m (2023: £5.2m). We have set performance materiality at this percentage due to factors identified that indicated an elevated level of risk.

Audit work at component locations for the purpose of obtaining audit coverage over significant financial statement accounts is undertaken based on a percentage of total performance materiality. The performance materiality set for each component is based on the relative scale and risk of the component to the Group as a whole and our assessment of the risk of misstatement at that component. In the current year, the range of performance materiality allocated to components was £0.4m to £1.7m.

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of £178k (2023: £345k), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

The other information comprises the information included in the annual report set out on pages 1 to 87, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 87, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group and parent company'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 the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and determined that the most significant are financial reporting legislation (including related companies' legislation), distributable profits legislation, taxation legislation, health and safety, data protection laws, anti-bribery, employment law, building regulations and building safety regulations.
- We understood how Miller Homes Group (Finco) plc is complying with those frameworks by enquiring with management and the Group General Counsel. We corroborated our enquiries through our review of board minutes, review of Group compliance with policies and procedures and confirmation with external legal counsel.
- We assessed the susceptibility of the Group's financial statements to material misstatement, including how fraud might occur by enquiring with management to identify any fraud risks, including their awareness of any actual or suspected cases of fraud. We inquired on the controls in place to address the risks of fraud and considered the effectiveness of such controls. We designed specific procedures to address identified fraud risks including testing of journal entries based on specific criteria, assessing higher risk estimates for evidence of management bias, and evaluating the business rationale for significant unusual transactions.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved enquiries with Group General Counsel and corroborating responses with external legal counsel, and specific testing of journal entries, including testing of legal expenses.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's 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 and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Paul Copland
(Senior statutory auditor)

for and on behalf of
Ernst & Young LLP, Statutory Auditor

Edinburgh
27 March 2025

Consolidated income statement

for the year ended 31 December 2024

	Note	Pre-exceptional items 2024 £m	Exceptional items (note 2) 2024 £m	Total 2024 £m	Pre-exceptional items 2023 £m	Exceptional items (note 2) 2023 £m	Total 2023 £m
Revenue	4	**1,060.2**	**–**	**1,060.2**	1,015.9	–	1,015.9
Cost of sales		**(831.6)**	**(3.9)**	**(835.5)**	(792.4)	(11.3)	(803.7)
Gross profit		**228.6**	**(3.9)**	**224.7**	223.5	(11.3)	212.2
Administrative expenses		**(75.4)**	**(3.5)**	**(78.9)**	(69.0)	–	(69.0)
Other operating income	4	**41.3**	**–**	**41.3**	15.5	–	15.5
Other operating expenses	4	**(39.9)**	**–**	**(39.9)**	(14.1)	–	(14.1)
Group operating profit		**154.6**	**(7.4)**	**147.2**	155.9	(11.3)	144.6
Share of profit in joint ventures	13	**2.0**	**–**	**2.0**	1.2	–	1.2
Operating profit	2	**156.6**	**(7.4)**	**149.2**	157.1	(11.3)	145.8
Finance costs	7	**(94.0)**	**–**	**(94.0)**	(87.5)	–	(87.5)
Finance income	8	**8.5**	**–**	**8.5**	7.4	–	7.4
Net finance costs		**(85.5)**	**–**	**(85.5)**	(80.1)	–	(80.1)
Profit before taxation		**71.1**	**(7.4)**	**63.7**	77.0	(11.3)	65.7
Income taxes	9	**(22.3)**	**1.1**	**(21.2)**	(24.2)	3.1	(21.1)
Profit for the year		**48.8**	**(6.3)**	**42.5**	52.8	(8.2)	44.6

Consolidated statement of comprehensive income

for the year ended 31 December 2024

	2024 £m	2023 £m
Profit for the year	**42.5**	44.6
Items that will not be reclassified to profit or loss:		
Actuarial (loss)/gain on retirement benefit surplus	**(2.7)**	6.3
Deferred tax credit/(charge) on actuarial loss/gain	**2.2**	(2.2)
Total comprehensive income for the year attributable to owners of the parent	**42.0**	48.7

The notes on pages 100 to 122 form part of these financial statements.

Consolidated statement of changes in equity

for the year ended 31 December 2024

	Share capital £m	Retained earnings £m	Total £m
Balance at 31 December 2022	527.9	9.2	537.1
Profit for the year	–	44.6	44.6
Actuarial gain on retirement benefit surplus (net of deferred tax)	–	4.1	4.1
Balance at 31 December 2023	527.9	57.9	585.8
Profit for the year	–	42.5	42.5
Actuarial loss on retirement benefit surplus (net of deferred tax)	–	(0.5)	(0.5)
Balance at 31 December 2024	**527.9**	**99.9**	**627.8**

Company statement of changes in equity

for the year ended 31 December 2024

	Share capital £m	Retained earnings £m	Total £m
Balance at 31 December 2022	527.9	(11.9)	516.0
Loss for the year	–	(32.7)	(32.7)
Balance at 31 December 2023	527.9	(44.6)	483.3
Loss for the year	–	(34.4)	(34.4)
Balance at 31 December 2024	**527.9**	**(79.0)**	**448.9**

The notes on pages 100 to 122 form part of these financial statements.

Statements of financial position

As at 31 December 2024

	Note	Group 2024 £m	Company 2024 £m	Group 2023 £m	Company 2023 £m
Assets					
Non-current assets					
Intangible assets	11	**551.7**	**–**	551.7	–
Property, plant and equipment	12	**9.5**	**–**	8.1	–
Right-of-use asset	21	**7.9**	**–**	7.2	–
Investments	13	**22.6**	**527.9**	13.2	527.9
Shared equity receivables	14	**1.9**	**–**	2.8	–
Trade and other receivables	16	**–**	**944.7**	10.1	893.1
Retirement benefit surplus	30	**12.8**	**–**	14.8	–
		606.4	**1,472.6**	607.9	1,421.0
Current assets					
Inventories	15	**986.6**	**–**	896.4	–
Trade and other receivables	16	**39.6**	**0.1**	35.1	0.1
Cash and cash equivalents	25	**234.3**	**–**	194.2	–
		1,260.5	**0.1**	1,125.7	–
Total assets		**1,866.9**	**1,472.7**	1,733.6	1,421.1
Liabilities					
Non-current liabilities					
Loans and borrowings	18	**(787.4)**	**(787.4)**	(798.3)	(798.3)
Trade and other payables	17	**(61.8)**	**(9.5)**	(39.0)	–
Lease liabilities	21	**(6.0)**	**–**	(5.2)	–
Provisions	20	**(47.5)**	**–**	(44.4)	–
Deferred tax	19	**(42.2)**	**–**	(41.7)	–
		(944.9)	**(796.9)**	(928.6)	(798.3)
Current liabilities					
Trade and other payables	17	**(291.8)**	**(226.9)**	(216.8)	(139.5)
Lease liabilities	21	**(2.4)**	**–**	(2.4)	–
		(294.2)	**(226.9)**	(219.2)	(139.5)
Total liabilities		**(1,239.1)**	**(1,023.8)**	(1,147.8)	(937.8)
Net assets		**627.8**	**448.9**	585.8	483.3
Equity					
Share capital	22	**527.9**	**527.9**	527.9	527.9
Retained earnings		**99.9**	**(79.0)**	57.9	(44.6)
Total equity attributable to owners of the parent		**627.8**	**448.9**	585.8	483.3

The notes on pages 100 to 122 form part of these financial statements. These financial statements were approved by the Board of Directors on 27 March 2025 and were signed on its behalf by:

Ian Murdoch
Director

Stewart Lynes
Director

Company registered number: 13862650

Consolidated cashflow statement

for the year ended 31 December 2024

	Note	2024 £m	2023 £m
Cashflows from operating activities			
Profit for the year		**42.5**	44.6
Adjustments for:			
Provisions		**3.9**	10.5
Depreciation		**4.1**	3.7
Finance income		**(8.5)**	(7.4)
Finance cost		**94.0**	87.5
Share of post-tax profit from joint ventures		**(2.0)**	(1.2)
Taxation		**21.2**	21.1
Operating profit before changes in working capital and non-cash items		**155.2**	158.8
Working capital movements:			
Movement in trade and other receivables		**(0.6)**	5.5
Movement in inventories		**(104.2)**	(27.1)
Movement in trade and other payables		**94.0**	(46.3)
Cash generated from operations		**144.4**	90.9
Interest paid		**(76.0)**	(73.0)
Interest received		**7.7**	6.6
Corporation tax paid		**(22.7)**	(16.9)
Net cash inflow from operating activities		**53.4**	7.6
Cashflows from investing activities			
Acquisition of property, plant and equipment		**(2.8)**	(1.3)
Loans to joint ventures		**(15.0)**	(1.3)
Loans repaid to joint ventures		**7.1**	2.9
Distributions from joint ventures		**0.5**	–
Net cash (outflow)/inflow from investing activities		**(10.2)**	0.3
Cashflows from financing activities			
Arrangement fees		**–**	(0.5)
Lease payments	25	**(3.1)**	(3.0)
Net cash outflow from financing activities		**(3.1)**	(3.5)
Net increase in cash and cash equivalents	25	**40.1**	4.4
Cash and cash equivalents at beginning of year		**194.2**	189.8
Cash and cash equivalents at end of year		**234.3**	194.2

The notes on pages 100 to 122 form part of these financial statements.

Notes
(forming part of the financial statements)

1 Accounting policies
Miller Homes Group (Finco) plc (the "Company") is a public company incorporated, domiciled and registered in England in the United Kingdom. The registered number is 13862650 and the registered address is 2 Centro Place, Pride Park, Derby, Derbyshire, England, DE24 8RF.

The Group financial statements have been prepared and approved by the Directors in accordance with UK adopted International Accounting Standards. The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements. The parent company financial statements have been prepared in accordance with UK accounting standards including FRS 101 Reduced Disclosure Framework. In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards, but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken:

- A cash flow statement and related notes;
- Comparative period reconciliations;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of key management personnel; and
- Disclosures of transactions with a management entity that provides key management personnel services to the Company.

Judgements made by the Directors in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 27.

As permitted by Section 408 of the Companies Act 2006 the income statement of the parent company is not presented.

1.1 Measurement convention
The financial statements are prepared on the historical cost basis as modified by the revaluation of shared equity loan receivables and derivative financial instruments.

1.2 Basis of consolidation
The consolidated financial statements include the financial statements of the parent company and all its subsidiary undertakings at the reporting date. The results of subsidiary undertakings acquired or disposed of during the year are included in the financial statements from or to the effective date of acquisition or disposal. Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated.

Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it 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. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Inter-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions are eliminated in the consolidated accounts.

1.3 Going concern
Despite some of the external challenges we faced as a sector including cost of living pressures, elevated mortgage rates, low levels of consumer confidence and reduced sales rates, the Group has remained profitable and cash generative. The consolidated balance sheet as at 31 December 2024 shows a net asset position of £627.8m and a cash position of £234.3m.

The Directors have prepared cashflow forecasts for 12 months from the date of approval of these financial statements that indicate that, based on its financial resources and taking account of severe but reasonably possible downside assumptions regarding sales rates and house prices, the Group and Company will have sufficient funds to meet their liabilities as they fall due for that period.

These projections take into account the funding facilities available to the Company and the Group including £425m of fixed rate senior secured notes, repayable in May 2029 and €465m of floating rate notes, repayable in May 2028. In addition the Group has a £194m revolving credit facility, which is committed until 30 September 2027 and was undrawn at the year end other than in respect of £0.4m of ancillary facilities. The secured notes do not have any financial covenants. The only financial condition is that the drawn balance of the revolving credit facility ("RCF") is limited to 50% of net inventory.

Consequently, the Directors are confident that the Group and Company will have sufficient funds to continue to meet their liabilities as they fall due for 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

1 Accounting policies continued

1.4 Jointly controlled entities (equity accounted investees)
Jointly controlled entities are those entities over whose activities the Group has joint control, established by contractual agreement and require unanimous consent for strategic financial and operating decisions. Jointly controlled entities are accounted for using the equity method (equity accounted investees) and are initially recognised at cost. The consolidated financial information includes the Group's share of the total comprehensive income and equity movements of equity accounted investees, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases. When the Group's share of losses exceeds its interest in an equity accounted investee, the Group's carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of an investee.

1.5 Non-derivative financial instruments
Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Trade and other receivables
Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition, they are measured at amortised cost less allowances for impairment and expected credit losses. Contract work in progress is shown within trade and other receivables as amounts recoverable on contracts and is stated at cost incurred plus attributable profit, less amounts transferred to the income statement, after deducting foreseeable losses and payments on account not matched with revenue. Where payments on account exceed the value of work certified at the balance sheet date this is shown within trade and other payables.

Trade and other payables
Trade and other payables on normal terms are not interest bearing and are stated at their nominal value. Trade payables on extended terms, particularly in respect of land payables, are recorded at their fair value at the date of acquisition of the asset to which they relate. The discount to nominal value is amortised over the period of the credit term and charged to finance costs.

Cash and cash equivalents
Cash and cash equivalents comprise cash balances and call deposits.

Interest-bearing borrowings
Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses. The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

1.6 Intangible assets

Goodwill
Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and is not amortised but is tested annually for impairment.

Other intangible assets
Expenditure on internally generated goodwill and brands is recognised in the income statement as an expense as incurred.

Other intangible assets that are acquired by the Group are stated at cost less accumulated amortisation and less accumulated impairment losses.

Amortisation
Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Intangible assets with an indefinite useful life and goodwill are systematically tested for impairment at each balance sheet date. Other intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

- Brand value: indefinite life

The fair value on acquisition has been calculated based on an external valuation of the brand.

1.7 Investments in subsidiaries
Investments in subsidiaries are measured at cost less impairment.

Notes continued
(forming part of the financial statements)

1 Accounting policies continued

1.8 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated. The estimated useful lives are as follows:

- Plant and equipment: 3 to 10 years
- Property: 25 years

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

1.9 Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not re-measured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

1.10 Inventories

Inventories, including land options and promotion agreements, are stated at the lower of cost and net realisable value. Net realisable value in relation to land and work in progress is assessed by taking account of estimated selling price less all estimated costs of completion. Land purchased on deferred payment terms is recorded at fair value. Any difference between fair value and the amount that will ultimately be paid is charged as a finance cost in the income statement over the deferral period.

The purchase and subsequent sale of part exchange properties is an activity undertaken in order to achieve the sale of a new property. As such, the activity is regarded as a mechanism for selling.

Accordingly, impairments and gains and losses on the sale of part exchange properties are classified as other operating income, with the sales proceeds of part exchange properties not being included in revenue.

1.11 Shared equity loan receivables

Receivables on extended terms granted as part of a sales transaction are secured by way of a legal charge on the relevant property, categorised as shared equity loan receivables and are stated at fair value. Gains and losses arising from changes in fair value are recognised directly in the income statement.

1.12 Foreign exchange

Balances denominated in foreign currencies are translated at the prevailing year end rate with exchange gains/losses recognised as finance income or costs. Foreign exchange swaps are stated at fair value. Gains and losses arising from changes in fair value are recognised directly in the income statement as finance income or costs.

1.13 Impairment of goodwill and intangibles

For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year. For other assets including investments in subsidiaries, the recoverable amount is determined if there is an indication of impairment.

The recoverable amount is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units, or CGUs.

1 Accounting policies continued

For the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1.14 Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement in the periods during which services are rendered by employees.

The Group participates in The Miller Group Limited Group Personal Pension Plan, a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The amount charged to the income statement represents the contributions payable to the scheme in respect of the accounting period.

Defined benefit plans

The Group operates a pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the Group. Pension scheme assets are measured using market values. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high-quality corporate bond of equivalent term and currency to the liability. The pension scheme surplus (to the extent that it is expected to be recoverable by the employer) or deficit is recognised in full. The movement in the scheme surplus/deficit is split between operating charges, finance items and, in the statement of comprehensive income, actuarial gains and losses. The scheme was closed to future accrual in 2010.

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

1.15 Provisions

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are measured at fair value with any difference between fair value and the amount that will be ultimately paid charged as a finance cost over the deferral period.

1.16 Revenue and profit recognition

Revenue principally represents the amounts (excluding value added tax) derived from the sale of new homes, affordable and Partnership housing contracts, land and timber kits. Revenue from new home sales represents the selling price for the home, net of any cash incentives, and is recognised on legal completion and receipt of cash. Profit is recognised on a per completion basis, by reference to the remaining margin forecast across the development (see note 27). Revenue from affordable and partnership housing contracts is recognised, either in line with the stage of completion determined by an independently verified valuation, or on physical completion depending upon contract terms. Revenue from land sales is recognised on legal completion. Timber kit revenue is recognised on the supply of goods or by reference to the stage of completion if the contract includes erection.

Notes continued

(forming part of the financial statements)

1 Accounting policies continued

1.17 Expenses

Leases

The Group applies IFRS 16 'Leases' using the modified retrospective approach allowed under the standard.

The Group assesses at inception whether the contract is, or contains, a lease. A lease exists if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group assessment includes whether:

- the contract involves the use of an identified asset;
- the Group has the right to obtain substantially all of the economic benefits from the use of the asset throughout the contract period; and
- the Group has the right to direct the use of the asset.

At the commencement of a lease, the Group recognises a right-of-use asset along with a corresponding lease liability.

The lease liability is initially measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate or the interest rate inherent in the lease. The lease term comprises the non-cancellable period of the contract, together with periods covered by an option to extend the lease where the Group is reasonably certain to exercise that option based on operational needs and contractual terms. Subsequently, the lease liability is measured at amortised cost by increasing the carrying amount to reflect interest on the lease liability and reducing it by the lease payments made. The lease liability is re-measured when the Group changes its assessment of whether it will exercise an extension or termination option.

Right-of-use assets are initially measured at cost, comprising the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date, estimated asset retirement obligations, lease incentives received and initial direct costs. Subsequently, right-of-use assets are measured at cost, less any accumulated depreciation and any accumulated impairment losses, and are adjusted for certain re-measurements of the lease liability. Depreciation is calculated on a straight-line basis over the length of the lease.

The Group has elected to apply exemptions for short-term leases and leases for which the underlying asset is of low value. For these leases, payments are charged to the income statement on a straight-line basis over the term of the relevant lease.

Right-of-use assets are presented within non-current assets on the face of the balance sheet, and lease liabilities are shown separately on the balance sheet in current liabilities and non-current liabilities depending on the length of the lease term.

The Group did not act as a lessor under any arrangement in the current or prior year.

Finance income and cost

Finance costs comprise interest payable on senior secured notes, bank loans, the unwinding of the discount from nominal to present day value of trade payables on extended terms (land payables), imputed interest on leases and provisions, and net foreign exchange losses. Finance income comprises bank deposit interest, the unwind of the discount from nominal to present day value of trade receivables on extended terms (land debtors), interest on loans to joint ventures and interest on retirement benefit obligations.

Interest income and interest payable is recognised in profit or loss as it accrues. Dividend income is recognised in the income statement on the date the entity's right to receive payments is established.

1.18 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

1 Accounting policies continued

1.19 Segmental reporting

The Group has only one reportable operating segment, being housebuilding within the UK, under the control of the Executive Board. The Executive Board has been identified as the Chief Operating Decision Maker as defined under IFRS 8 Operating Segments.

1.20 Exceptional items

Exceptional items are those that, in the opinion of the Directors, are material by size or nature, non-recurring, outside the normal course of business and of such significance that they require separate disclosure.

1.21 Adopted IFRS not yet applied

During the year ended 31 December 2024 no new accounting standards were adopted which had a material impact on the Group's consolidated financial statements.

There are no new or amended standards expected to have a significant impact on the Group's consolidated financial statements in the year commencing 1 January 2025.

Notes continued
(forming part of the financial statements)

2 Operating profit
Operating profit is stated after charging the following:

	2024 £m	2023 £m
Depreciation:		
Depreciation on owned assets	**1.4**	1.1
Right-of-use asset depreciation	**2.7**	2.6
	4.1	3.7
Exceptional items:		
Acquisition costs (charged to administrative expenses)	**3.5**	–
Fire safety costs (charged to cost of sales)	**3.9**	11.3
	7.4	11.3

Exceptional items represent expected fire safety costs in relation to a small number of legacy high rise apartment scheme developments (see note 20) together with costs incurred in relation to its acquisition of St. Modwen Homes Group Limited, that completed on 31 January 2025.

	2024 £000	2023 £000
Auditor's remuneration:		
Audit of the Group's financial statements	**36**	35
Audit of financial statements of subsidiaries pursuant to legislation	**358**	350
Audit of joint ventures	**15**	–
Other services relating to transaction services	**20**	–

3 Post balance sheet event
On 31 January 2025 the Group acquired St. Modwen Homes Limited. The total purchase price is expected to be around £190m of which £65m was paid on completion with the balance due on 31 July 2027. Additional consideration of up to £20m may be payable depending upon the outcome of future events over the next 6 years.

The Group has not yet completed its initial accounting for the acquisition therefore the fair value of assets acquired and any related goodwill has not been disclosed.

4 Revenue and other operating income
The Group generates revenue primarily from the sale of new build homes. Other sources of revenue are land sales and timber kit sales.

	2024 £m	2023 £m
Major product lines		
Sale of new build homes	**1,046.2**	1,000.0
Land sales	**7.9**	6.2
Timber kit	**6.1**	9.7
	1,060.2	1,015.9
Timing of revenue recognition		
Products transferred at a point in time	**766.6**	850.8
Products transferred over time (see note 1.16)	**293.6**	165.1
	1,060.2	1,015.9

The following table provides information about balances arising from contracts with customers.

	2024 £m	2023 £m
Receivables included in trade receivables	**27.6**	10.9
Payables included within other creditors	**(11.1)**	(18.3)

Amounts included in trade receivables relate to work billed but not paid on housing association, partnership and timber kit contracts. Amounts included within other creditors represent advance consideration received from customers on housing association and partnership contracts and customer deposits.

4 Revenue and other operating income continued
The following table shows revenue expected to be recognised in the future related to performance obligations that are unsatisfied at the reporting date:

	2025 £m	2026 £m	2027 £m	2028 onwards £m
Future performance obligations	**198.9**	**86.7**	**52.2**	**9.1**

No information is provided about remaining performance obligations at 31 December 2024 that is part of a contract that had an original expected duration of one year or less, as allowed by IFRS 15.

Other operating income

	2024 £m	2023 £m
Part exchange sales	**40.1**	14.1
Management fees from joint ventures	**1.2**	1.4
	41.3	15.5

Other operating expenses

	2024 £m	2023 £m
Part exchange cost of sales	**(39.9)**	(14.1)

5 Staff numbers and costs
The average number of persons employed by the Group (including Directors) during the year was as follows:

	2024	2023
	1,231	1,269

The aggregate payroll costs of these persons were as follows:

	2024 £m	2023 £m
Wages and salaries	**79.2**	75.2
Social security costs	**9.3**	8.5
Pension costs	**4.8**	4.4
	93.3	88.1

6 Remuneration of key management
The nine (2023: eight) members of key management comprise the Executive Board Directors, the Divisional Managing Directors and the Human Resources Director as they are considered to have the authority and responsibility for planning, directing and controlling the activities of the Group. Retirement benefits accrued to nine (2023: eight) members of key management under money purchase schemes. Key management remuneration, including Directors, comprised:

	2024 £m	2023 £m
Salary and other benefits	**2.8**	2.4
Annual bonus	**2.3**	1.8
Other pension costs	**0.1**	0.1
	5.2	4.3

Notes continued
(forming part of the financial statements)

6 Remuneration of key management continued
In respect of the Directors who held office during the year, Directors' remuneration comprised:

	2024 £m	2023 £m
Salary and other benefits	1.2	1.1
Annual bonus	1.0	0.8
Other pension costs	–	–
	2.2	1.9

The aggregate emoluments of the highest paid Director were £1,021,000 (2023: £866,000) and contributions of £10,000 (2023: £8,500) were paid to a money purchase scheme on his behalf. Retirement benefits are accruing to three (2023: three) Directors under money purchase schemes.

7 Finance costs

	2024 £m	2023 £m
Interest payable on senior secured notes, loans and overdrafts	82.5	80.2
Exchange loss (including unrealised swap loss of £19.5m in 2024 and £9.6m in 2023)	2.0	0.8
Imputed interest on land payables on deferred terms	7.2	4.7
Imputed interest on provisions	1.8	1.4
Imputed interest on lease liabilities	0.5	0.4
	94.0	87.5

8 Finance income

	2024 £m	2023 £m
Bank interest	7.1	5.8
Imputed interest on land sale debtors	0.1	0.5
Finance income related to retirement benefit obligations	0.7	0.3
Interest on loans to joint ventures	0.4	0.6
Other interest	0.2	0.2
	8.5	7.4

9 Income taxes

	2024 £m	2023 £m
Current tax charge:		
Current year	(20.4)	(20.7)
Prior year	1.9	4.8
Deferred tax credit:		
Current year	(1.0)	0.7
Prior year	(1.7)	(5.9)
Total tax charge for the year	**(21.2)**	**(21.1)**
Reconciliation of effective tax rate:		
Profit before tax	63.7	65.7
Tax using the UK corporate tax rate of 25% (2023: 23.5%)	(15.9)	(15.5)
Effects of:		
Residential Property Development Tax	(4.5)	(4.5)
Permanent differences	(1.0)	(0.2)
Change of rate	(0.2)	(0.1)
Adjustment in respect of joint ventures	0.2	0.3
Prior year credit/(charge)	0.2	(1.1)
Total tax charge for the year	**(21.2)**	**(21.1)**

The corporate tax rate increased to 25% on 1 April 2023 with an additional rate of 4% in respect of Residential Property Development tax ("RPDT"). A rate of 25% or 29% is applied to deferred tax, depending upon whether RPDT is expected to apply to the reversal of temporary differences.

10 Dividends
There were no distributions to equity shareholders in the year ended 31 December 2024 (2023: £nil).

11 Intangible assets

Group	Goodwill £m	Brand value £m	Total £m
Cost and net book value			
Balance at 31 December 2022 and 2023	379.7	172.0	551.7
Balance at 31 December 2024	**379.7**	**172.0**	**551.7**

Amortisation and impairment
Intangible assets, including the Miller Homes brand value, are deemed to have an indefinite economic life and therefore are not amortised. The factors that result in the durability of the intangible assets are that there are no material legal, regulatory, contractual, competitive, economic or other factors that limit their useful life. Their carrying values are tested for impairment at least annually. The latest impairment review was performed at December 2024. The recoverable amount is determined using a 'value in use' calculation for the entire business with key assumptions being discount rate, sales rate, selling prices, projected gross margin and growth rate. A pre-tax discount rate of 16.5% (2023: 15.4%) is used reflecting the Group's risk adjusted WACC. Other assumptions are based upon expectations of future performance, which have been informed by past experience, but include an allowance for a lower than usual sales rates, selling prices and project gross margin in the early years. The values used are consistent with the forecasts for 2025–28 after which a terminal growth rate of 1.7% (2023: 1.8%) has been applied. The Directors believe these assumptions are appropriate and sensitivity analysis including the application of a higher discount rate and a lower terminal growth rate indicates that changes in the key assumptions would maintain a reasonable amount of headroom over the carrying value. The base model shows £1,001m of headroom and a 1% increase in WACC would reduce headroom by £104m.

Notes continued
(forming part of the financial statements)

12 Property, plant and equipment

Group	Property £m	Plant and equipment £m	Total £m
Cost			
Balance at 31 December 2022	4.8	9.4	14.2
Additions	–	1.3	1.3
Disposals	–	(0.1)	(0.1)
Balance at 31 December 2023	4.8	10.6	15.4
Additions	–	2.8	2.8
Balance at 31 December 2024	**4.8**	**13.4**	**18.2**
Accumulated depreciation			
Balance at 31 December 2022	0.1	6.2	6.3
Charge for the year	–	1.1	1.1
Disposals	–	(0.1)	(0.1)
Balance at 31 December 2023	0.1	7.2	7.3
Charge for the year	0.1	1.3	1.4
Balance at 31 December 2024	**0.2**	**8.5**	**8.7**
Net book value			
Balance at 31 December 2024	**4.6**	**4.9**	**9.5**
Balance at 31 December 2023	4.7	3.4	8.1

13 Investments

	Group 2024 £m	Company 2024 £m	Group 2023 £m	Company 2023 £m
Investment in joint ventures	**22.6**	**–**	13.2	–
Investment in subsidiaries	**–**	**527.9**	–	527.9
	22.6	**527.9**	13.2	527.9

Where an indication of impairment exists, investments are tested for impairment applying a similar methodology to that applied to intangible assets (see note 11).

Group	2024 £m	2023 £m
Joint ventures:		
At start of year	**13.2**	12.4
Share of results of joint ventures	**2.0**	1.2
Distributions	**(0.5)**	–
Reclassified to provisions	**–**	1.2
Movement in shareholder loans	**7.9**	(1.6)
At end of year	**22.6**	13.2

13 Investments continued

The Group has an interest in four active joint ventures: Mill View JV LLP, Miller Wates (Oakley) LLP, Miller M2 (Maddiston) Limited and Miller M2 (Kirkcaldy) Limited. It owns 50% of each and all are registered in the United Kingdom and engage in the principal activity of residential housebuilding. The Group's share of assets and liabilities of joint ventures is shown below:

	2024 £m	2023 £m
Current assets	**14.4**	3.9
Current liabilities	**(11.9)**	(2.9)
Loans provided to joint ventures	**20.1**	12.2
	22.6	13.2

The Group's share of the joint ventures income and expenses during the year (before tax) is shown below:

	2024 £m	2023 £m
Income	**20.0**	15.2
Expenses	**(17.6)**	(13.6)
	2.4	1.6

Company	2024 £m	2023 £m
Subsidiaries:		
At start and end of year	**527.9**	527.9

The subsidiary undertakings that are significant to the Group and traded during the year are set out below:

	Nature of business
Castle UK Bidco Limited	Holding Company
Miller Homes Group Limited	Holding Company
Miller Homes Holdings Limited	Holding Company
Miller Homes Limited	Residential housebuilding
Walker Timber Limited	Timber frame construction

Each is incorporated in the United Kingdom and the Group owns 100% of the ordinary share capital.

14 Shared equity loan receivables

Group	2024 £m	2023 £m
At start of year	**2.8**	3.5
Redemptions (net of fair value movements)	**(0.9)**	(0.7)
At end of year	**1.9**	2.8

15 Inventories

Group	2024 £m	2023 £m
Land	**593.4**	500.5
Work in progress	**373.8**	386.7
Part exchange properties	**19.4**	9.2
	986.6	896.4

Land and work in progress recognised as cost of sales amounted to £826.5m (2023: £784.9m).

Notes continued
(forming part of the financial statements)

16 Trade and other receivables

	Group 2024 £m	Company 2024 £m	Group 2023 £m	Company 2023 £m
Current:				
Trade receivables	29.4	–	21.5	–
Corporation tax recoverable	2.9	–	–	–
Other receivables	4.8	–	11.2	–
Prepayments and accrued income	2.3	–	2.1	–
Amounts owed by parent undertakings	0.2	0.1	0.3	0.1
	39.6	0.1	35.1	0.1
Non-current:				
Amounts owed by subsidiary undertakings	–	944.7	–	883.0
Foreign exchange swaps (note 23)	–	–	10.1	10.1
	–	944.7	10.1	893.1

Amounts owed by subsidiary undertakings are repayable in May 2029. Interest is charged at 7%.

17 Trade and other payables

	Group 2024 £m	Company 2024 £m	Group 2023 £m	Company 2023 £m
Current:				
Trade payables	107.4	–	93.8	–
Other payables	14.8	–	22.2	–
Land payables	117.3	–	49.3	–
Corporation tax	–	–	1.3	–
Accruals and deferred income	52.3	9.6	50.2	9.7
Amounts owed to subsidiary undertakings	–	217.3	–	129.8
	291.8	226.9	216.8	139.5
Non-current:				
Foreign exchange swaps	9.5	9.5	–	–
Land payables	52.3	–	39.0	–
	61.8	9.5	39.0	–

The Group undertakes land purchases on deferred terms. The deferred creditor is reduced for imputed interest so represents the price to be paid for the land discounted to the present day. The difference between the nominal and initial fair value is amortised over the deferred period to finance costs, increasing the land creditor to its full cash settlement value on the payment date. The maturity profile of the total contracted cash payments in respect of land creditors is as follows:

	Balance £m	Total contracted cash payment £m	Due less than 1 year £m	Due between 1 and 2 years £m	Due between 2 and 5 years £m
As at 31 December 2024	169.6	182.8	117.3	48.2	17.3
As at 31 December 2023	88.3	94.8	49.3	26.3	19.2

18 Interest bearing loans and other borrowings

	Group 2024 £m	Company 2024 £m	Group 2023 £m	Company 2023 £m
Non-current:				
Senior secured notes	787.4	787.4	798.3	798.3

Senior secured notes

Analysis of debt:

	2024 £m	2023 £m
Senior secured floating rate notes (at Euribor plus 5.25%) due May 2028	385.9	403.5
Senior secured notes at 7.0% due May 2029	425.0	425.0
Debt arrangement fees	(23.5)	(30.2)
	787.4	798.3

The secured notes do not have any financial covenants and are secured by a floating charge over assets of the Group and a pledge over the shares of certain subsidiaries. The Euro denominated notes are converted at the year-end spot rate of €1.205 (2023: €1.153).

The Group has an RCF facility of £194m (2023: £194m) which is committed until September 2027. There are no cash drawings on the RCF at the year end, with only £0.4m of ancillary facilities utilised.

19 Deferred tax

Group	Retirement benefit obligations £m	Capital allowances £m	Other temporary differences £m	Brand value £m	Total £m
At 31 December 2022	(2.9)	0.3	11.3	(43.0)	(34.3)
Other comprehensive income debit	(2.2)	–	–	–	(2.2)
Income statement credit	(0.1)	(0.4)	(4.7)	–	(5.2)
At 31 December 2023	(5.2)	(0.1)	6.6	(43.0)	(41.7)
Other comprehensive income credit	2.2	–	–	–	2.2
Income statement charge	(0.2)	(0.6)	(1.9)	–	(2.7)
At 31 December 2024	(3.2)	(0.7)	4.7	(43.0)	(42.2)

20 Provisions

Group	Fire safety £m	Property £m	Other £m	Total £m
At start of year	41.1	1.7	1.6	44.4
Utilised in year	(2.6)	–	–	(2.6)
Created in year	3.9	–	–	3.9
Imputed interest	1.8	–	–	1.8
At end of year	44.2	1.7	1.6	47.5

The Group signed the Developer Pledge to undertake to remediate fire safety issues in England above 11 metres in April 2022. During 2022 the Government passed the Building Safety Act which widened the scope of liability for remediating building defects. In March 2023 the Group signed the Self Remediation Contract with the Secretary of State for the Department of Levelling Up, Housing and Communities, which sets out the detailed terms of developers' responsibilities to identify buildings that come within the scope of the obligations and to assess the risk of fire safety defects within these buildings and, where necessary and in accordance with the terms of the contract, to remediate those buildings.

Notes continued
(forming part of the financial statements)

20 Provisions continued

Prior to 2022, the Group had already undertaken a review of its legacy multi-storey apartment schemes in line with the relevant Government guidance at that time and has already carried out works to rectify some identified issues both in England and in Scotland. The Group extended its review to identify the population of buildings that may require remediation under the current legislation and Self Remediation Contract. That process included searches and consideration of the Group's records, insurance records, and all relevant information received from third parties. Whilst that process is complete there remains a residual risk that new information comes to light in the future that might extend the known population of buildings that may require remediation. The Group used third party reports as well as its internal expertise to assess the extent of remediation needed and estimate its cost.

An exceptional charge of £3.9m (2023: £11.3m) was booked to cover additional costs of remedial work identified resulting from extensions of liability identified during the year. Together with amounts provided in prior years, less amounts utilised during the year, a total fire safety provision of £44.2m is recorded in the balance sheet at 31 December 2024.

The amounts provided reflect the current best estimate of the extent and future costs of work required and reflects a discount rate of 4.5% (2023: 4.5%). However, these estimates may change as work progresses. Consequently, the ultimate cost of remediation and the range of possible estimates of these are uncertain and may differ from the Group's current best estimate.

The property provision covers the estimated costs to make good dilapidations on occupied properties. Other provisions represent legal and constructive obligations.

Provisions are expected to be utilised over the next three years.

21 Leases

The Group's leases consist primarily of office premises and equipment. Information about leases for which the Group is a lessee is presented below.

Group *Right-of-use assets*	Office premises £m	Equipment £m	Total £m
At 31 December 2022	3.7	4.2	7.9
Additions	0.6	1.3	1.9
Depreciation	(1.0)	(1.6)	(2.6)
At 31 December 2023	3.3	3.9	7.2
Additions	**2.9**	**0.8**	**3.7**
Disposals	**(0.3)**	**–**	**(0.3)**
Depreciation	**(1.0)**	**(1.7)**	**(2.7)**
At 31 December 2024	**4.9**	**3.0**	**7.9**

Group *Lease liabilities*	Office premises £m	Equipment £m	Total £m
At 31 December 2022	3.9	4.4	8.3
Additions	0.6	1.3	1.9
Lease payments	(1.1)	(1.9)	(3.0)
Imputed interest	0.1	0.3	0.4
At 31 December 2023	3.5	4.1	7.6
Additions	**2.9**	**0.8**	**3.7**
Disposals	**(0.3)**	**–**	**(0.3)**
Lease payments	**(1.1)**	**(2.0)**	**(3.1)**
Imputed interest	**0.3**	**0.2**	**0.5**
At 31 December 2024	**5.3**	**3.1**	**8.4**

Maturity:	2024 £m	2023 £m
Current	**2.4**	2.4
Non-current	**6.0**	5.2

The total cash outflow for leases during the year was £3.1m (2023: £3.0m), including £0.5m (2023: £0.4m) of interest.

22 Share capital

	2024 £m	2023 £m
Allotted, called up and fully paid		
527,939,635 ordinary shares of £1 each	**527.9**	527.9

23 Financial instruments

The Group's financial instruments comprise cash, other loans, trade and other receivables (including foreign exchange swaps), other financial assets and trade and other payables. The main purpose of these financial instruments is to finance the Group's operations.

Measurement of fair values

The fair value of financial assets and liabilities is set out in the table below. There is no difference between the fair value and carrying value of any financial assets and financial liabilities.

	Group 2024 £m	Company 2024 £m	Group 2023 £m	Company 2023 £m
Financial assets/(liabilities) measured at fair value:				
Foreign exchange swaps	**(9.5)**	**(9.5)**	10.1	10.1
Shared equity loan receivables	**1.9**	**–**	2.8	–
Financial assets not measured at fair value:				
Trade and other receivables	**39.6**	**944.8**	35.1	883.1
Cash and cash equivalents	**234.3**	**–**	194.2	–
Financial liabilities not measured at fair value:				
Trade and other payables (excluding land payables)	**174.5**	**226.9**	167.5	139.5
Land payables	**169.6**	**–**	88.3	–
Interest bearing loans and other borrowings	**787.4**	**787.4**	798.3	798.3
Lease liabilities	**8.4**	**–**	7.6	–

The following table provides an analysis of financial assets/(liabilities) that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Foreign exchange swaps	–	(9.5)	–	(9.5)
Shared equity receivables	–	–	1.9	1.9
As at 31 December 2024	**–**	**(9.5)**	**1.9**	**(7.6)**
As at 31 December 2023	–	10.1	2.8	12.9

Level 1: fair value measurements derived from quoted prices (unadjusted) in active markets to identical assets;

Level 2: fair value measurements derived from inputs other than quoted prices included within Level 1 that are observable for the asset, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: fair value measurements derived from valuation techniques that include inputs for the asset/liability that are not based on observable market data (unobservable inputs).

Notes continued
(forming part of the financial statements)

23 Financial instruments continued

Financial risk
The main risks associated with the Group's financial instruments are credit risk, liquidity risk, market risk, interest rate risk and exchange rate risk. The Board is responsible for managing these risks and the policies adopted are set out below.

(i) Credit risk
The Group's exposure to credit risk is limited by the fact that the Group generally receives cash at the point of legal completion of its sales. There are certain categories of revenue where this is not the case; for instance housing association and partnership revenues or land sales where management considers that the ratings of these various debtors are good and therefore credit risk is low. The Group has £1.9m (2023: £2.8m) of shared equity receivables which exposes it to credit risk although this asset is spread over a large number of properties. As such, the Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

(ii) Liquidity risk
Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The day to day working capital requirements of the Group are provided through its senior secured bond facility and a £194m RCF. The only financial condition of the RCF is that the drawn balance is limited to 50% of net inventory. The Group manages its funding requirements by monitoring cash flows against forecast requirements on a monthly basis.

(iii) Market risk
The Group is affected by movements in UK house prices. These in turn are affected by factors such as credit availability, employment levels, interest rates, consumer confidence and supply of land with planning. Whilst it is not possible for the Group to fully mitigate market risk on a national macroeconomic basis, the Group does continually monitor its geographical spread within the UK, seeking to balance investment in areas offering the best immediate returns with a long-term spread of its operations throughout the UK to minimise the effect of local microeconomic fluctuations.

(iv) Interest rate risk
Interest rate risk reflects the Group's exposure to interest rates in the market. The Group's senior secured bond facility is partly subject to floating interest rates based on Euribor. The Group has reduced its exposure to interest rate movements through the issue of fixed rate bonds. In total £425m of debt is fixed at a cost of funds of 7%. It is estimated that an increase of 1% in interest rates would increase the Group's net finance costs by £4.0m. The maturity of the financial liabilities has been disclosed in note 18.

(v) Exchange rate risk
Exchange rate risk reflects the Group's exposure to exchange rates in the market. The Group's senior secured bond facility includes €465m that is Euro denominated. The Group has reduced its exposure to exchange rate movements through entering into exchange rate swaps totalling €465m that mature between February 2025 and February 2027 at a fixed rate of €1.19, compared to a year end rate of €1.205. Following the year end a new €36m swap, that matures in February 2027, was entered into to replace an expiring swap.

Capital management
The Board's policy is to maintain a strong balance sheet so as to promote shareholder, customer and creditor confidence and to sustain the future development of the business. The Group is currently financed by a combination of equity share capital and senior secured bonds.

Management of cash and cash equivalents and net debt
The management of cash and net debt, and the ability to service and repay debt, remains a principal focus of the Directors. The Directors have considered the forecasts of future profitability and cash generation and consider that these forecasts support the going concern assertion.

24 Reconciliation of net cash flow to net debt

	2024 £m	2023 £m
Increase in cash and cash equivalents	**40.1**	4.4
Movement in senior secured notes	**10.9**	2.7
Movement in foreign exchange swap asset	**(19.6)**	(9.6)
Movement in lease liabilities	**(0.8)**	0.7
	30.6	(1.8)
Net debt at beginning of year	**(601.6)**	(599.8)
Net debt at end of year	**(571.0)**	(601.6)

25 Analysis of net debt

	At 31 Dec 2022 £m	Cash flow £m	Non cash movement £m	At 31 Dec 2023 £m	Cash flow £m	Non cash movement £m	At 31 Dec 2024 £m
Cash and cash equivalents	189.8	4.4	–	194.2	**40.1**	**–**	**234.3**
Senior secured notes	(801.0)	0.5	2.2	(798.3)	**–**	**10.9**	**(787.4)**
Foreign exchange swap asset	19.7	–	(9.6)	10.1	**–**	**(19.6)**	**(9.5)**
Lease liability	(8.3)	3.0	(2.3)	(7.6)	**3.1**	**(3.9)**	**(8.4)**
Net debt	(599.8)	7.9	(9.7)	(601.6)	**43.2**	**(12.6)**	**(571.0)**

26 Contingent liabilities
The Company and certain subsidiaries have contingent liabilities in relation to indemnities provided for performance bonds and guarantees of performance obligations. These relate to contracting or development agreements entered in the ordinary course of business. The Group's senior secured noteholders have a debenture and floating charge over the assets of the Company and certain of its principal subsidiaries.

27 Accounting estimates and judgements

Carrying value of inventories and cost of sales
Inventories of land and development work in progress are stated at the lower of cost and net realisable value ("NRV"). Due to the nature of development activity and, in particular, the length of the development cycle, the Group allocates site wide development costs such as infrastructure between units being built and/or completed in the current year and those for future years. These estimates are reflected in the margin recognised on developments where unsold plots remain, and in the carrying value of land and work in progress. There is a degree of uncertainty in making such estimates. Inventories were stated at fair value at the date of acquisition, which involved the exercise of judgement. This included determining the uplift to value to reflect the sales status of plots at the date of acquisition. Land options were assessed based on the value of the option, the likelihood of it being exercised and the time to exercise.

The Group has established internal controls that are designed to ensure an effective assessment is made of inventory carrying values and the costs to complete developments. The Group reviews the carrying value of its inventories on a quarterly basis with these reviews performed on a site by site basis using forecast sales prices and anticipated costs to complete based on a combination of the specific trading conditions of each site in addition to future anticipated general market conditions. NRV represents the estimated selling price of units less all estimated costs of completions including an appropriate allocation of overheads.

Retirement benefit obligations
The value of the defined benefit plan liabilities is determined by using various long term actuarial assumptions, including future rates of inflation, growth, yields, returns on investments and mortality rates. As actual changes in inflation, growth, yields and investment returns may differ from those assumed, this is a key source of estimation uncertainty within the financial statements. Changes in these assumptions over time and differences to the actual outcome will be reflected in the statement of comprehensive income. Note 30 details the main assumptions in accounting for the Group's defined benefit pension scheme along with sensitivities of the liabilities to changes in these assumptions.

Intangible assets
Intangible assets are deemed to have an indefinite economic life and are tested for impairment as described in note 11.

Provisions
Provisions include the cost of remedial work on a number of legacy properties. As explained in note 20 the ultimate cost of this is uncertain.

Notes continued
(forming part of the financial statements)

28 Related party transactions
Transactions with related parties, not disclosed elsewhere within the Financial Statements, are as follows:

	2024 £m	2023 £m
Amounts owed by joint ventures	**20.1**	12.2
Interest receivable on loans to joint ventures	**0.4**	0.6

29 Ultimate parent company
At 31 December 2024, the Company was an immediate subsidiary undertaking of Castle UK Midco 2 Limited. The ultimate parent Company registered in the United Kingdom is Castle UK Midco 1 Limited. The address of the immediate and ultimate UK registered parent Companies is 2 Centro Place, Derby, DE24 8RF. The Company heads the largest UK group in which the results of this Company are consolidated.

The ultimate parent Company was AP Castle Holdings SCSp, which has its registered office address at 7, Rue de la Chapelle, L – 1325, Luxembourg. The largest and smallest group in which the results of this Company are consolidated is that headed by Castle-Builder Topco Limited, which has its registered office at PO Box 536, 13-14 Esplanade, St. Helier, Jersey, JE4 5UR. The consolidated financial statements of this Group are not available to the public.

At the date of approval of these financial statements, the Company was ultimately controlled by funds controlled by Apollo Global Management Inc, whose address is 9 West 57th Street, 42nd Floor, New York, NY 10019.

30 Retirement benefit surplus
The Group operates defined contribution and defined benefit pension schemes.

Defined contribution schemes

	2024 £m	2023 £m
Group defined contribution schemes consolidated income statement charge	**4.8**	4.4

Defined benefit scheme
Miller Homes Limited, the Group's main subsidiary, is the principal employer of The Miller Group Limited pension scheme. This is a defined benefit scheme that is closed to future accrual. The assets of the scheme have been calculated at net asset value or fair (bid) value using the latest available prices. The liabilities of the scheme have been calculated at the balance sheet date by rolling forward the June 2022 funding liability and restating it using the following assumptions:

Principal actuarial assumptions	2024	2023
Weighted average assumptions to determine benefit obligations		
Discount rate	**5.35%**	4.50%
Rate of price inflation (RPI)	**3.40%**	3.25%
Weighted average assumptions to determine net cost		
Discount rate	**4.50%**	4.80%
Rate of price inflation (RPI)	**3.25%**	3.45%
Rate of price inflation (CPI)	**2.55%**	2.60%

Members are assumed to exchange 25% of their pension for cash on retirement. The assumptions have been chosen by the Group following advice from the Group's actuarial advisers.

The following table illustrates the life expectancy for an average member on reaching age 65, according to the mortality assumptions used to calculate the scheme liabilities:

Assumptions

Retired member aged 65 (male/female life expectancy at age 65)	**21.1/23.5 years**
Non retired member aged 45 (male/female life expectancy age 65)	**21.9/24.4 years**

The base mortality assumptions are based upon the CMI 2023 model with no 2021 weighting parameter and a 2022 and 2023 weighting parameter of 100%. Allowance for future increases in life expectancy is made with an annual rate of improvement in mortality of 1.0% assumed.

30 Retirement benefit surplus continued
The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Assumptions	Change in assumption	Movement in scheme liabilities
Discount rate	Decrease by 0.1%	£1.1m (1.1%) increase
	Increase by 0.1%	£1.0m (1.0%) decrease
Rate of inflation	Increase by 0.1%	£0.7m (0.6%) increase
	Decrease by 0.1%	£0.6m (0.6%) decrease
Life expectancy: future improvements	Increase by 0.1%	£0.4m (0.4%) increase
	Decrease by 0.1%	£0.4m (0.4%) decrease

The amounts recognised in the consolidated income statement were as follows:

	2024 £m	2023 £m
Interest cost	**(5.0)**	(5.6)
Interest income	**5.7**	5.9
Total recognised in finance income in the consolidated income statement	**0.7**	0.3

The amounts recognised in the consolidated statement of comprehensive income were as follows:

	2024 £m	2023 £m
(Loss)/gain on scheme assets excluding interest income	**(13.5)**	3.2
Actuarial gain/(loss) arising from changes in assumptions	**8.9**	(3.6)
Experience adjustment	**(0.2)**	4.2
Demographic assumptions	**2.1**	2.5
Total pension (cost)/credit recognised in the consolidated statement of comprehensive income	**(2.7)**	6.3

The asset included in the consolidated statement of financial position is as follows:

	2024 £m	2023 £m
Present value of funded obligations	**(101.0)**	(114.8)
Fair value of scheme assets	**113.8**	129.6
	12.8	14.8

	2024 £m	2023 £m
Defined benefit surplus at start of year	**14.8**	8.2
Income recognised in the consolidated income statement	**0.7**	0.3
Amounts recognised in the consolidated statement of comprehensive income	**(2.7)**	6.3
Defined benefit surplus at the end of year	**12.8**	14.8

Deferred tax is provided on the surplus at a rate of 25% (2023: 35%).

Notes continued
(forming part of the financial statements)

30 Retirement benefit surplus continued

Movements in the present value of defined benefit obligations were as follows:

	2024 £m	2023 £m
Present value of defined benefit obligations at start of year	**(114.8)**	(117.9)
Interest cost	**(5.0)**	(5.6)
Actuarial gain/(loss) arising from changes in assumptions	**8.9**	(3.6)
Experience adjustment	**(0.2)**	4.2
Demographic assumptions	**2.1**	2.5
Benefits paid from scheme	**8.0**	5.6
Present value of defined benefit obligations at the end of year	**(101.0)**	(114.8)

Movements in the fair value of scheme assets were as follows:

	2024 £m	2023 £m
Fair value of scheme assets at start of year	**129.6**	126.1
Interest income	**5.7**	5.9
Actuarial (loss)/gain on scheme assets	**(13.5)**	3.2
Benefits paid from scheme	**(8.0)**	(5.6)
Fair value of scheme assets at end of year	**113.8**	129.6

The analysis of scheme assets at the balance sheet date are as follows:

	2024	2023
Debt type securities and unleveraged gilts*	**89.0%**	88.4%
Liability driven investments	**8.6%**	10.4%
Cash	**2.4%**	1.2%
Total	**100.0%**	100.0%

* Split 80.9% (2023: 75.0%) which is valued based on a quoted market price in an active market and 8.1% (2023:13.4%) not in an active market

Funding

The scheme is subject to the funding legislation outlined in the Pensions Act 2004. This, together with the documents issued by the Pensions Regulator and Guidance Notes adopted by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension plans in the UK. The funding of the scheme is based on a separate actuarial valuation for funding purposes for which the assumptions may differ from the assumptions used in the financial statements. The latest full actuarial valuation carried out at 30 June 2022, by a qualified independent actuary, showed a deficit of £0.7m.

In line with the requirements noted above, the actuarial valuation is agreed between the Group and the trustees and is calculated using prudent, as opposed to best estimate, actuarial assumptions. Following the completion of the triennial actuarial valuation, it has been agreed that no further contributions are required to meet the recovery plan. Consequently, the expected employer contribution to the scheme in the year ending 31 December 2025 is £nil. Benefit payments by the scheme of £6.9m are expected in 2025.

Virgin Media legal decision

On 16 June 2023 the High Court in England issued a ruling in respect of Virgin Media v NTL Pension Trustees II Limited calling into question the validity of rule amendments made to defined benefit pension schemes contracted-out between 6 April 1997 and 5 April 2016. Amendments over this time required confirmation from the Scheme Actuary that the 'Reference Scheme Test' would continue to be met. In the absence of such a confirmation, the Rule amendment would be void. This ruling could have wide ranging implications for many UK pension schemes.

The Miller Group Limited Pension Scheme was contracted-out and the Trustees, with the assistance of the scheme's legal advisors, have reviewed benefit changes during the period impacted. Contemporary evidence exists showing that the proper procedures were followed at the time the benefit changes were made. Consequently, the Virgin Media High Court ruling is not currently expected to have a significant impact on the Miller Group Limited Pension Scheme.

31 Group companies

In accordance with Section 409 of the Companies Act 2006 a full list of subsidiaries, associates and joint ventures and the effective percentage of equity owned as at 31 December 2024 are disclosed below. All companies are incorporated in the United Kingdom, engaged in housebuilding and associated activities and are owned directly by Miller Homes Holdings Limited unless indicated as follows:

Fully owned subsidiaries

Trading

Castle UK Bidco Limited (xii) – B	Miller Homes Group Holdings Limited (viii) – B
Miller Homes Holdings Limited (vii) – A	Miller Houghton Conquest Limited – B
Miller Homes Limited – A	Walker Timber Limited – A
Miller Residential Development Services Limited – A	Miller Homes Group Limited (xi) – B

Dormant

Birch Limited – B	Fairclough Homes Limited – B
Birch Homes Limited (i) – B	MF Development Company UK Limited – B
Cussins Homes (Yorks) Limited – B	MF Development Funding Company UK Limited – B
Highfields Developments Limited – B	Miller Fairclough UK Limited (iv) – B
James Miller & Partners Limited – A	Miller Houghton Conquest Limited – D
Lemmington Estates Limited – B	MF Strategic Land Limited (iii) – B
MHL (Mancos) Limited – A	MH Pension Trustees Limited – A
Miller (Cobblers Hall) Limited – B	Miller Fairclough Management Services Limited (iii) – B
Miller East Kilbride Limited – A	Land & City Properties (Bollington) Limited (iv) – A
Miller Airdrie Limited – B	Lowland Plaid Limited – D
Miller Homes (Yorkshire) Limited – A	Miller (Telford South) Limited (ii) – A
Miller Homes Cambridge Limited – B	Miller Homes St Neots Limited – A
Miller Homes Cambuslang Limited – A	Miller Framwellgate Limited – B
Miller Homes Special Projects Portfolio Limited – A	Wallace Land Investment and Management Limited (vi) – A
Miller (Eccles) Limited (ii) – B	
Miller Midco 1 Limited (x) – B	
Miller Midco 2 Limited (ix) – B	
Miller Maidenhead Limited – B	
Miller Residential (Northern) Limited – B	
Miller Homes St Neots Limited – A	
Miller Homes Two Limited – A	
Miller Maidenhead Limited – B	
Miller Residential (Northern) Limited – B	

Notes continued
(forming part of the financial statements)

31 Group companies continued

Joint ventures (all 50%)

Trading	*Dormant*
Miller Wates (Southwater) Limited – B	Mount Park Developments Limited (vi) – A
Miller Wates (Chalgrove) Limited – B	Perth Land and Estates Limited (vi) – A
Miller Wates (Oakley) LLP – B	College Street Residential Developments Limited (vi) – A
Miller M2 (Maddiston) Limited – A	Lancefield Quay Limited – A
Miller M2 (Kirkcaldy) Limited – A	Scotmid-Miller (Great Junction Street) Limited – A
Mill View JV LLP (v) – B	St Andrews Brae Developments Limited – E
	Iliad Miller (No 2) Limited (vi) – A
	Iliad Miller Limited (vi) – A
	Miller Wates (Wallingford) Limited – B
	Miller Wates (Bracklesham) Limited – B
	Miller Wates (Didcot) Limited – B
	Canniesburn Limited – C

Associates (45%) (non-trading)

New Lauriston (Glasgow) Limited – A

The letter following the name of each company identifies the address of its registered office as follows:

A – 2 Lochside View, Edinburgh	(i) Held via Birch Limited
B – 2 Centro Place, Derby	(ii) Held via Miller Homes Special Projects Portfolio Limited
C – 52-54 Rose Street, Aberdeen	(iii) Held via Miller Fairclough UK Limited
D – 18 Bothwell Street, Glasgow	(iv) Held via Miller Residential Development Services Limited
E – 14-17 Market Street, London	(v) Held via Miller Houghton Conquest Limited
	(vi) Held via Miller Homes Limited
	(vii) Held via Miller Homes Group Holdings Limited
	(viii) Held via Miller Midco 2 Limited
	(ix) Held via Miller Midco 1 Limited
	(x) Held via Miller Homes Group Limited
	(xi) Held via Castle UK Bidco Limited
	(xii) Held via Miller Homes Group (Finco) plc

Subsidiaries exempt from audit under S479A of Companies Act 2006

Miller Residential Development Services Limited	SC207758
Wallace Land Investment and Management Limited	SC362683
Miller Homes Holdings Limited	SC255430
Miller Homes Group Holdings Limited	10854458
Castle UK Bidco Limited	13787225
Land & City Properties (Bollington) Limited	SC213825

The production of this report supports the work of the Woodland Trust, the UK's leading woodland conservation charity. Each tree planted will grow into a vital carbon store, helping to reduce environmental impact as well as creating natural havens for wildlife and people.