Quarterly Financial Report

For the 3 and 12 months ended 31 December 2024

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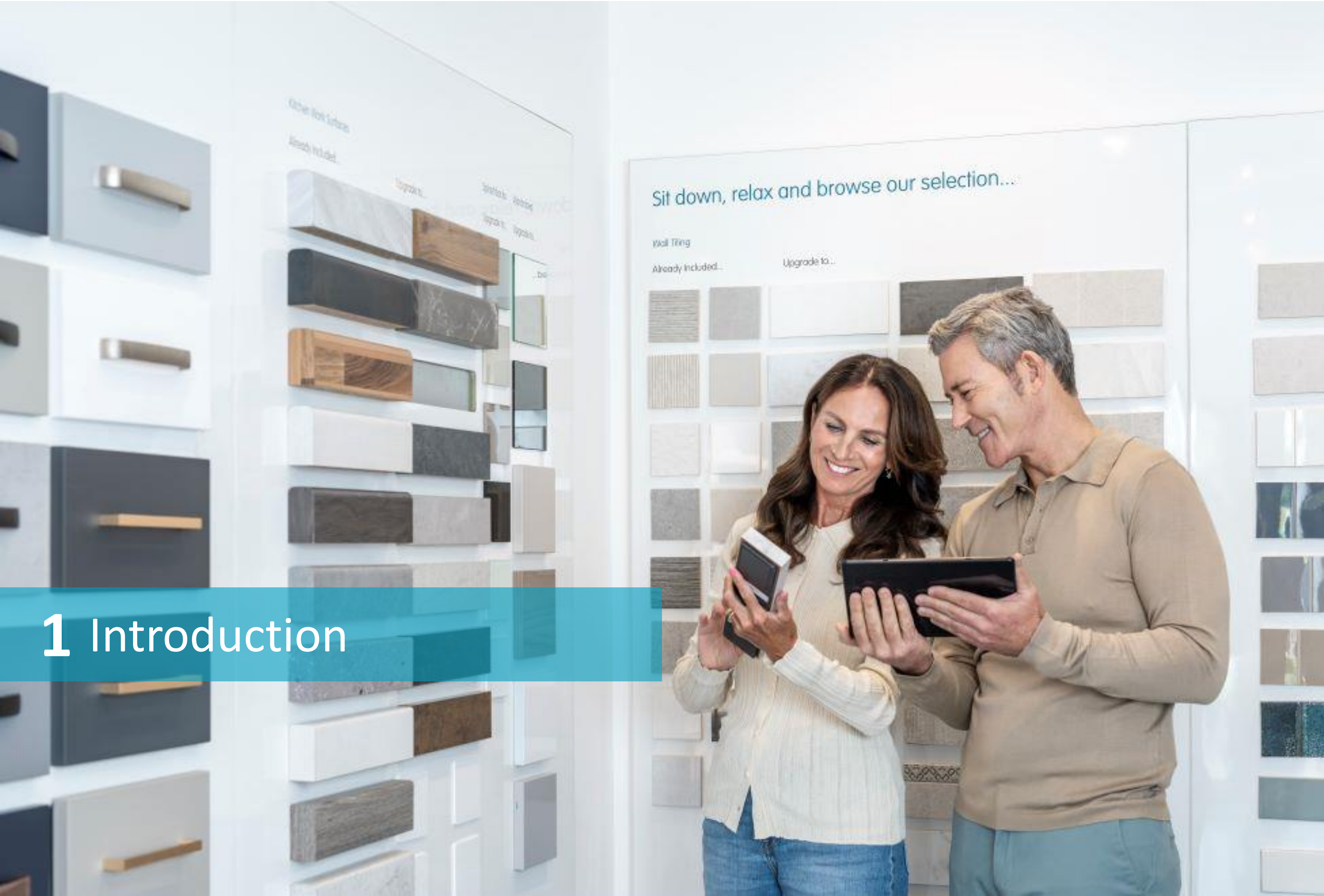
Contents



1 Introduction

Introduction

In accordance with the reporting requirements of its offering of £425m fixed rate notes and €465m floating rate notes, Miller Homes Group (Finco) plc is pleased to present its Quarterly Financial Report for the 3 and 12 months ended 31 December 2024.

All figures presented in this report relate to the group of companies headed by Miller Homes Group (Finco) plc (“the Group”).

The figures for the 3 and 12 months to 31 December 2024 and the 3 and 12 months to 31 December 2023 have been extracted from the audited records of the Group. All St. Modwen and consolidated proforma information on pages 11 and 12 is unaudited.

Set out below are some of the key metrics to provide an overview of the Group’s three operating divisions.

Scotland

Completions*	ASP (£000)**	Consented landbank***	Active Sites*
573	323	1,973	16
-19%	+1%	-4%	-16%

North

Completions*	ASP (£000)**	Consented landbank***	Active Sites*
1,725	269	5,064	31
+15%	-4%	-19%	+0%

Midlands & South

Completions*	ASP (£000)**	Consented landbank***	Active Sites*
1,515	286	6,658	21
+9%	+2%	+16%	-13%

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Completions*	ASP (£000)**	Consented landbank***	Active Sites*
3,813	283	13,695	68
+6%	-2%	-3%	-8%

* Last 12 months ended 31 December 2024. Percentage movement compared to the 12 months ended 31 December 2023. Includes Core and JV units.
** Last 12 months ended 31 December 2024. Percentage movement compared to the 12 months ended 31 December 2023. Core units only.
*** As at 31 December 2024. Percentage movement compared to 31 December 2023.

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2 Operational and Financial Highlights

Operational and Financial Highlights

Financial overview

- The key metrics are set out below:

	12 months ended 31 Dec 2024	12 months ended 31 Dec 2023
Total completions	3,813	3,585
Revenue	£1,060.2m	£1,015.9m
Gross profit*	£228.6m	£223.5m
Gross margin	21.6%	22.0%
Operating profit*	£156.6m	£157.1m
Operating margin	14.8%	15.5%
ROCE **	22.9%	24.0%

- Operating profit* for the year decreased marginally to £156.6m (2023: £157.1m) resulting in an operating margin of 14.8% (2023: 15.5%).

- The decrease in operating profit was driven by a combination of:
  - total completions increased 6% to 3,813 (2023: 3,585) however the mix was less weighted to private units which represented 57% of completions compared to 70% last year. Private completions fell by 13% to 2,112 homes due to a combination of a lower number of sales outlets and a lower opening private order book;
  - the change in mix of completions resulted in the core average selling price (ASP) falling to £283,000 from £288,000 last year. The private ASP increased by 2% to £347,000 (2023: £341,000) while affordable and partnership ASPs increased by 7% and 30% respectively;
  - a reduction in gross margin to 21.6% (2023: 22.0%). The reduction in margin was mainly driven by the impact of cost inflation which was incurred on a progressive basis during 2023. This resulted in gross margin falling from 23.1% at Q4 2022 to 21.2% at Q4 2023. Gross margin has since recovered to 22.4% in Q4 2024; and
  - an 9% increase in administrative expenses as a result of higher staff costs including higher staff incentives.

- EBITDA* is £160.7m (2023: £160.8m).

* Gross Profit, Operating profit and EBITDA exclude exceptional items of £3.9m (2023: £11.3m), £7.4m (2023: £11.3m) and £7.4m (2023: £11.3m) respectively. Gross margin and operating margin are based on these adjusted figures.

** ROCE calculated for the 12 month period ending 31 December 2024 is based on operating profit and excludes exceptional items of £7.4m (2023: £11.3m).

Operational and Financial Highlights

Trading

- Revenue
  - Revenue for the year 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 (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).
  - 71% of private completions in the year were sold with client optional upgrades (2023: 78%). The average value of client options was £8,900 (2023: £10,700).

- Gross profit
  - Gross profit adjusted for exceptional items increased by 2% to £228.6m (2023: £223.5m) representing a gross margin of 21.6% (2023: 22.0%). The reduction in margin was mainly driven by the impact of cost inflation which was incurred on a progressive basis during 2023. This resulted in gross margin falling from 23.1% at Q4 2022 to 21.2% at Q4 2023.
  - A combination of lower ASP and lower gross margin has led to the gross profit per core unit falling to £61,800 (2023: £64,300).

- Administrative expenses
  - Administrative expenses, adjusted for exceptional transaction costs associated with the St. Modwen Homes acquisition, increased by 9% to £75.4m (YTD 2023: £69.0m). This largely reflected an increase in staff costs including higher staff incentive costs. As a percentage of revenue, adjusted administrative expenses have increased to 7.1% (2023: 6.8%).

Land

- There has been a significant step-up in land acquisitions this year with 29 sites (5,508 plots) acquired in the year ended 31 December 2024, compared to 17 sites (3,008 plots) in the prior year. Net land spend increased to £174.3m (2023: £142.2m), which reflects £143.4m (2023: £85.9m) on new site acquisitions and £30.9m (2023: £56.3m) on the deferred element of prior year deals. In addition to the 29 core sites acquired in the period, a joint venture was established with Present Made to deliver 692 mixed tenure homes in Houghton Conquest, Bedfordshire.
- Land payables have increased to £169.6m (Sep 2024: £125.0m), of which £117.3m (Sep 2024: £89.1m) is payable within one year. The value of exchanged conditional contracts has decreased to £26.9m (Sep 2024: £45.9m) of which £20.7m (Sep 2024: £30.8m) is likely to be payable within one year.

Operational and financial highlights

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Land (continued)

- The owned landbank is 12,219 plots, a 13% increase on the September 2024 landbank of 10,810 plots. Combined with 1,476 plots in the controlled landbank (Sep 2024: 2,847 plots), this results in a consented landbank of 13,695 plots (Sep 2024: 13,657 plots), representing 3.7 years' supply (Sep 2024: 3.9 years), based on the last 12 months' completions. There are a further 759 plots (Sep 2024: 785 plots) in our JV owned landbank.
- The strategic landbank has decreased 1% to 43,317 plots (Sep 2024: 43,610 plots).

Cash and leverage

- The year end cash balance was £234.3m (Sep 2024: £178.1m).
- The Group has a RCF facility of £194m (Sep 2024: £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. The drawn balance on the RCF is limited to 50% of net inventory.
- Free cash flow for the year was a £137.0m inflow (2023: £92.5m inflow), which equated to a conversion from EBITDA ratio of 85% (2023: 58%). The £44.5m increased inflow is primarily driven by lower development spend (£75.2m), lower exceptional items (£4.0m) and changes in working capital (£2.0m) offset by higher net land investment (£16.1m), other movements (£11.0m) and net cash outflows to JVs (£9.7m).
- Net Inventory %* is 73%, based on net inventory of £817.0m and net debt** of £594.5m. This compares to 76% at 30 Sep 2024.
- Net leverage is 3.7x (Sep 2024: 4.5x), based on LTM EBITDA (excluding exceptional items) of £160.7m and net debt** of £594.5m.
- Embedded land bank value*** is £1,899m (Sep 2024: £1,841m) which is 3.2x net debt** (Sep 2024: 2.8x).
- As at 31 December 2024, forward sales for the next 12 months through to 31 December 2025 is £455m (2023: £437m) of which £278m (2023: £311m) relates to homes where contracts have been exchanged.

* Net inventory %: Loan to value is net debt divided by net inventory (inventory less land payables) – refer page 19.

** Excludes the capitalisation of deferred financing costs (£23.5m) – refer page 15.

*** Embedded landbank value is the gross development value of our owned landbank less estimated remaining development costs and net land payables plus the net option value of the strategic landbank for plots in the landbank at 31 December 2024 based on the December 2024 baseline for selling prices.

Financial Highlights

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Revenue for the 3 months to 31 December 2024 increased by 21% to £352.9m (Q4 2023: £291.2m), reflecting a 21% increase in turnover from the sale of new homes.

Gross profit for the 3 months to 31 December 2024 was £78.9m (Q4 2023: £61.1m). Gross margin in the 3 month period was 22.4% (Q4 2023: 21.0%).

Administrative expenses for the 3 months to 31 December 2024 were 12% higher at £21.2m (Q4 2023: £19.0m) primarily reflecting higher salary costs including staff incentive arrangements.

Net finance costs in the 3 month period ended 31 December 2024 were £21.0m (Q4 2023: £20.7m). The increase primarily reflects higher imputed interest on land creditors (£1.3m) offset by lower imputed interest on provisions (£1.0m) as the full prior year cladding charge was booked in Q4 2023.

	3 months ended 31 Dec 2024 £m	3 months ended 31 Dec 2023 £m	% change	12 months ended 31 Dec 2024 £m	12 months ended 31 Dec 2023 £m	% change
Revenue	352.9	291.2	21.2	1,060.2	1,015.9	4.4
Cost of sales	(274.0)	(230.1)	(19.1)	(831.6)	(792.4)	(4.9)
Gross profit	78.9	61.1	29.1	228.6	223.5	2.3
Administrative expenses	(21.2)	(19.0)	11.6	(75.4)	(69.0)	9.3
Other operating income	0.2	0.3	33.3	1.4	1.4	-
Group operating profit	57.9	42.4	36.6	154.6	155.9	(0.8)
Share of result in joint ventures	0.7	0.6	16.7	2.0	1.2	66.7
Operating profit	**58.6**	**43.0**	**36.3**	**156.6**	**157.1**	**(0.3)**
Net finance costs	(21.0)	(20.7)	(1.4)	(85.5)	(80.1)	(6.7)
Profit before taxation	37.6	22.3	68.6	71.1	77.0	(7.7)
Income taxes	(10.6)	(7.6)	(10.5)	(22.3)	(24.2)	7.9
Profit for the period	**27.0**	**14.7**	**98.6**	**48.8**	**52.8**	**(7.6)**
Gross margin %	22.4%	21.0%	140 bps	21.6%	22.0%	-40 bps
Operating margin %	16.6%	14.8%	180 bps	14.8%	15.5%	-70 bps

Profit for the period	27.0	14.7	98.6	48.8	52.8	(7.6)
Income taxes	10.6	7.6	(10.5)	22.3	24.2	7.9
Net finance costs	21.0	20.7	(1.4)	85.5	80.1	(6.7)
Depreciation	2.1	1.7	(23.5)	4.1	3.7	(10.8)
EBITDA	**60.7**	**44.7**	**35.8**	**160.7**	**160.8**	**(0.1)**

Financial Highlights

Analysis of revenues, completions and ASP

Private revenue for the 3 months ended 31 December 2024 increased by 4% to £236.8m (Q4 2023: £228.0m), which was driven by a 5% increase in completions partly offset by an 1% decrease in ASP.

Affordable revenue increased by 31% to £47.2m (Q4 2023: £36.1m) driven by a 30% increase in completions.

Partnership revenue increased by 160% to £66.6m (Q4 2023: £25.6m) driven by an 100% increase in completions along with a 30% increase in ASP in the quarter.

Core completions rose 23% to 1,240 units (Q4 2023: 1,006 units). Private completions increased by 5% to 688 units (Q4 2023: 658 units). Affordable completions increased by 30% to 270 units (Q4 2023: 207 units). Partnership completions doubled to 282 units (Q4 2023: 141 units).

The **core ASP** for the 3 months decreased by 2% to £283,000 (Q4 2023: £288,000), reflecting a decrease in the proportion of private units in the period to 55% (Q4 2023: 65%).

Private ASP decreased by 1% to £344,000 (Q4 2023: £347,000) reflecting a higher proportion of units in the North. **Affordable ASP** increased by 1% to £175,000 (Q4 2023: £174,000) reflecting a 1% increase in the average affordable property size. **Partnership ASP** increased 30% to £236,000 (Q4 2023: £182,000), reflecting a 13% increase in the average partnership property size and geographic mix.

	3 months ended 31 Dec 2024 £m	3 months ended 31 Dec 2023 £m	12 months ended 31 Dec 2024 £m	12 months ended 31 Dec 2023 £m
Private revenue	236.8	228.0	732.0	830.1
Affordable revenue	47.2	36.1	120.3	101.9
Partnership revenue	66.6	25.6	193.9	68.0
Land sales	1.5	-	7.9	6.2
Other	0.8	1.5	6.1	9.7
Total revenue	**352.9**	**291.2**	**1,060.2**	**1,015.9**
	Units	Units	Units	Units
Private completions	688	658	2,112	2,432
Affordable completions	270	207	711	646
Partnership completions	282	141	875	397
Core completions	**1,240**	**1,006**	**3,698**	**3,475**
Joint venture completions	26	40	115	110
Total completions	**1,266**	**1,046**	**3,813**	**3,585**
	£'000	£'000	£'000	£'000
Private ASP	344	347	347	341
Affordable ASP	175	174	169	158
Partnership ASP	236	182	222	171
Core ASP	**283**	**288**	**283**	**288**

Strategic Acquisition – St. Modwen

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Transaction rationale

Unlocking further avenues for capital efficient growth

- Adds a new South West region and enables existing regions like East and West Midlands to reach capacity, generating significant regional overhead synergies.

Value creation from carve-out

- St. Modwen will benefit from being part of a larger, dedicated housebuilding business like Miller Homes.
- We were able to acquires St. Modwen at a significant discount to the book value.
- We expect ~£12m in annual cost savings through overhead cost reductions: St. Modwen's overhead cost base will be optimized from £21m to £9m per year, with £5m allocated to staff a new region and £4m dedicated to adding support staff and supplemental overheads in existing regions.

Synergies & Miller value add

- 7 large sites will feature dual-branding following the acquisition, offering both Miller Homes and St. Modwen's branded units, driving increased cash conversion and higher returns as additional homes are delivered.
- Incremental £10m cost savings are expected from procurement, as well as £10m savings by adopting a leaner operating model for managing the construction and cost control of development sites.
- Finally, we intend to replan 7 sites to incorporate Miller's product offering, allowing to boost site density, reducing build costs, and replace St. Modwen house types with more efficient, cost-effective Miller designs, driving higher profitability through £20m incremental cost savings.

600-800 p.a. next 4 years	~23% | ~19%	Sufficient to cover def. consideration
Additional units sold	**Gross | Operating margins***	**Cash generation**

* Margins excluding any impact from expected synergies

Acquisition of St. Modwen Homes

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The estimated closing TGAV is £300m which is subject to a completion accounts process. The purchase price discount allows the owned landbank to be impaired resulting in future margins to be in line with Miller hurdle rates.

The c.£110m difference between the acquisition price and the TGAV for the St. Modwen transaction results in a land impairment of c.£154m which reflect a 15% margin (£154m/£1,012m).

The additional remaining St. Modwen profit of £79m and land impairment results in a combined remaining profit of £233m which translates into a gross margin of 23% (£233m/£1,012m).

St. Modwen acquisition	£m
Purchase price	190
TGAV	300
Difference	(110)
Breakdown of £110m discount	
Land impairment	(154)
Tax asset*	42
Other assets/liabilities (net)	2
	(110)

WIP Impairment	Plots	GDV	Remaining Profit	Remaining Margin
	No.	£m	£m	£m
In SMH accounts**	3,451	1,012	79	8%
Land write down	-	-	154	15%
In Miller accounts***	3,451	1,012	233	23%

* Miller will obtain a corporation tax adjustment for the base cost of the SMH book cost (i.e. £300m TGAV) rather than the purchase price.

** Based off SMH £300m TGAV.

*** This does not reflect any synergy savings / benefits on procurement and prelims.

Acquisition of St. Modwen Homes

The acquisition completed on 31 January 2025.

The purchase price is an estimated £190m, of which £65m was settled at completion with the £125m unsecured balance to be settled on 31 July 2027. There are potential overage payments (up to £20m) in the event planning is obtained on certain strategic sites.

Operationally, the St. Modwen acquisition results in one additional region in the South-West, with other sites reallocated to existing Miller regions. This will result in significant overhead synergies with the annual incremental overhead of £9m comparing to the FY24 standalone cost of £21m. One-off rationalisation costs are estimated at £12m.

With Miller reporting EBITDA of £160.7m, FY24 Proforma EBITDA (including £44.6m from the St. Modwen acquisition) is £205.3m.

FY24 Actual to Proforma reconciliation

	Actual	Impairment (Note 1)	Miller efficiencies (Note 2)	Re-based overhead (Note 3)	Proforma
	£m	£m	£m	£m	£m
Revenue	220.3	-	-	-	220.3
Site profit	16.7	34.0	2.1	-	52.8
Other trading items	0.8	-	-	-	0.8
Gross profit	17.5	34.0	2.1	-	53.6
Admin expenses	(21.3)	-	-	12.3	(9.0)
Operating profit	(3.8)	34.0	2.1	12.3	44.6

Notes

1. The estimated acquisition price of £190m represents a significant discount to St. Modwen's TGAV of £300m. This enables the acquired land to be impaired by Miller Homes to generate a 23% margin. In FY24, the gross margin recognised by St. Modwen was 8% on revenue of £220m. The impact of the impairment would have been to increase the gross margin by 15% (£34m) resulting in a post impaired gross margin of 23%, in line with the 23% margin for the owned landbank acquired at 31 January 2025 as set out on page 12.
2. Once integrated, the St. Modwen acquisition will result in one additional region in the South West. The £12m savings of overhead cost shown above is based on the cost of the new South West region, additional resource for existing Miller regions taking on some of the St. Modwen sites and additional Group resource. This has been budgeted on a bottom-up basis.
3. The St. Modwen acquisition results in a number of near and medium-term synergy / efficiency opportunities. The near-term opportunities include savings in site preliminary costs (£5m) and material costs (£5m). Medium term initiatives relate to subcontractor re-tendering and site replans, neither of which have been factored into the proforma calculation. The near-term benefits amount to £10m which will be achieved across the owned landbank of 3,541 plots acquired. The £2m synergies have been calculated by pro-rata distributing the £10m over 3,541 plots, then multiplied by 727 completions in FY24.

3 Net Debt, Liquidity and Cashflow

Net Debt, Liquidity and Cashflow

The floating rate notes have been translated at the quarter end exchange rate of c. 1.20 €/£. A swap contract was entered into in May 2022 at an exchange rate of c. 1.19 €/£. At the quarter end, this resulted in a swap liability of £9.5m and largely offsets the impact on the Senior Secured Notes of the movement in exchange rates over the period.

Net cash inflow from operating activities for the 3 months ended 31 December 2024 was £55.7m (Q4 2023: £6.6m), a variance of £49.1m. This was mainly driven by higher core turnover (£60.8m) and lower net land spend (£12.4m) offset by higher development spend (£17.9m).

Net cash inflow from investing activities for the 3 months ended 31 December 2024 was £2.1m (Q4 2023: £5.8m inflow) reflecting net repayments from joint ventures offset by fixed asset purchases.

Net cash outflow from financing activities was £1.6m in the 3 months to 31 December 2024 (Q4 2023: £1.6m outflow).

	As at 31 Dec 2024 £m	As at 31 Dec 2023 £m
Senior Secured Notes	(810.9)	(828.5)
Exchange rate swap (liability)/asset	(9.5)	10.1
Lease liabilities	(8.4)	(7.6)
Cash and cash equivalents	234.3	194.2
Total external net debt	**(594.5)**	**(631.8)**
Deferred financing costs	23.5	30.2
Total external net debt	**(571.0)**	**(601.6)**

	3 months ended 31 Dec 2024 £m	3 months ended 31 Dec 2023 £m	12 months ended 31 Dec 2024 £m	12 months ended 31 Dec 2023 £m
Net cashflow from operating activities	55.7	6.6	53.4	7.6
Net cashflow from investing activities	2.1	5.8	(10.2)	0.3
Net cashflow from financing activities	(1.6)	(1.6)	(3.1)	(3.5)
Movement in cash and cash equivalents	56.2	10.8	40.1	4.4
Cash and cash equivalents at beginning of period	178.1	183.4	194.2	189.8
Cash and cash equivalents at end of period	**234.3**	**194.2**	**234.3**	**194.2**

Net Debt, Liquidity and Cashflow

Free cash flow for the 3 months ended 31 December 2024 was an inflow of £90.1m compared to £42.9m in the prior year period, which represents a variance of £47.2m. The variance was driven primarily by lower net land investment, lower development spend and higher EBITDA offset by greater use of part exchange shown in 'Other' and changes in working capital.

As the Group has continued to maintain significant levels of cash, there are a number of available options. These include, among other uses, acquisitions or other investments, which may involve additional land purchases or shareholder distributions and the Group (or any of its subsidiaries) or affiliates of the sponsor may from time-to-time purchase Senior Secured Notes.

	3 months ended 31 Dec 2024 £m	3 months ended 31 Dec 2023 £m	12 months ended 31 Dec 2024 £m	12 months ended 31 Dec 2023 £m
EBITDA	**60.7**	**44.7**	**160.7**	**160.8**
Exceptional items	(7.3)	(11.3)	(7.3)	(11.3)
Net land investment (in excess of)/less than cost of sales	(2.0)	(24.7)	(17.7)	(1.6)
Development spend less than/(in excess of) cost of sales	36.5	17.5	17.6	(57.6)
Change in working capital	7.2	9.2	3.4	1.4
Cash flows from JVs (not included in EBITDA)	3.7	5.9	(9.3)	0.4
Shared equity loan receivables	0.4	0.2	0.9	0.7
Other	(9.1)	1.4	(11.3)	(0.3)
Free cash flow*	**90.1**	**42.9**	**137.0**	**92.5**
Net land spend (included in cost of sales)	53.1	42.7	156.6	140.6
Net land investment (less than)/in excess of cost of sales	2.0	24.7	17.7	1.6
Total net land spend	**55.1**	**67.4**	**174.3**	**142.2**
Free cash flow pre net land spend	**145.2**	**110.3**	**311.3**	**234.7**

* Free cashflow represents the cash movement per the consolidated cashflow statement but excluding cashflows from financing activities, investing activities (other than movement in loans to/distributions from joint ventures), corporation tax paid and interest paid.

4 Capital Employed, Inventory and Landbank

Capital Employed, Inventory and Landbank

Capital employed is £690.1m as at 31 December 2024 (Dec 2023: £678.7m). The increase is primarily due to a higher net inventories balance and higher JV investments offset by higher trade payables.

Return on capital employed is 22.9% compared to 24.0% for the 12 months ended 31 December 2023 with the slight reduction attributed to increased land investment over the past 12 months.

	As at and for the 12 months ended 31 Dec 2024 £m	As at and for the 12 months ended 31 Dec 2023 £m
Net assets	627.8	585.8
External net debt	571.0	601.6
Intangible assets *	(508.7)	(508.7)
Capital employed	690.1	678.7
Operating profit (pre exceptional items) **	156.6	157.1
ROCE (%)	**22.9%**	**24.0%**

* Intangible assets at 31 December 2024 of £551.7m (2023: £551.7m) net of a deferred tax liability on the brand value of £43.0m (2023: £43.0m).

** Operating profit (pre exceptional items) for the 12 months ended 31 December 2024 excludes exceptional items of £7.4m (12 months ended 31 December 2023: £11.3m).

Capital Employed, Inventory and Landbank

The Group acquired 10 sites (2,656 plots) in the 3 months ended 31 December 2024 taking the year-to-date position to 29 sites (5,508 plots). This compares to 17 sites (3,008 plots) in the prior year.

Net inventory has increased by £8.9m in the 12 months due to a combination of the above land acquisitions (£11.6m movement, net of land payables movement and cost of sales) and an increase in part exchange inventory (£10.2m) offset by lower work in progress (£12.9m)

The owned landbank at 31 December 2024 has increased to 12,219 plots (Gross development value: £3.8bn). All owned land which has a detailed planning permission is being developed.

The consented landbank has decreased to 13,695 plots (Dec 2023: 14,060 plots). Based on the last 12 months' core completions of 3,698 this represents 3.7 years' supply (Dec 2023: 4.0 years).

Our JV landbank increased to 759 plots with the increase in the year attributable to the new JV with Present Made.

Net inventory	As at 31 Dec 2024 £m	As at 31 Dec 2023 £m
Land	593.4	500.5
Work in progress	373.8	386.7
Part exchange properties	19.4	9.2
Inventory	**986.6**	**896.4**
Land payables	(169.6)	(88.3)
Net inventory	**817.0**	**808.1**

Embedded landbank value*	£m	£m
Estimated GDV	3,843.3	3,153.5
Estimated remaining development costs	(2,000.2)	(1,576.1)
Net land payables	(182.3)	(89.7)
Net proceeds from owned landbank	**1,660.8**	**1,487.7**
Net option value of strategic landbank	237.8	231.6
Total	**1,898.6**	**1,719.3**

Landbank	Plots	Plots
Owned / unconditional	12,219	10,483
Controlled	1,476	3,577
Consented	**13,695**	**14,060**
Strategic	43,317	43,293
Total	**57,012**	**57,353**
JV owned and controlled	759	182

* Embedded landbank value is the gross development value of our owned landbank less estimated remaining development costs and net land payables plus the net option value of the strategic landbank for plots in the landbank at 31 December 2024 based on the December 2024 baseline for selling prices.

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5 Trading Update

Trading Update

- Our latest year to date private sales rate (which includes St. Modwen reservations from 1 February) is 0.77 and is a 7% increase on the prior year period (2023: 0.72). Net private reservations achieved in the 3 month period are 31% ahead of last year, which is a function of higher sales rates and increased sales outlets fuelled by the St. Modwen Homes acquisition.

- We entered the year with a 2025 forward sales position of £455m on 1,718 core and JV homes. This has now grown to £815m and 2,882 homes (and includes revenue on homes which we have completed in the first 3 months of the year). This compares to £669m at the same period last year, with the 22% increase due in part to the St. Modwen Homes acquisition which represents £104m of the overall forward sales position.

- Sales pricing continues to be firm, with prices trending around 1% ahead of our budget. Cost inflation is forecast at around 2% for 2025. Notwithstanding the neutralising effect of forecast HPI and CPI increases for 2025, we should still experience gross margin progression due to the positive impact of prior year land acquisitions as well as the St. Modwen Homes acquisition.

- We are encouraged by the further planning reforms being delivered by the Planning and Infrastructure Bill. This includes a national scheme of delegation, setting out which applications should be delegated to planning officers and which should go to planning committees. In addition, the statutory consultee scheme is also to be overhauled. We are well placed to benefit from an improved planning landscape having a strategic landbank in excess of 50,000 plots, with 34,000 plots in England.

- We currently have 91 active sales outlets, an increase of 20 since the year end, with the St. Modwen Homes acquisition accounting for 16 outlets. The expectation is that this will increase to over 100 by the end of this year, driven further by our 2025 land acquisition strategy.

- The integration of the St. Modwen Homes business is progressing in line with our plan. A rationalisation programme is currently underway which is likely to result in a one-off exceptional cost of £12m in 2025 with all systems to be fully integrated over the course of Quarter 2 and Quarter 3. The St. Modwen brand is being retained and will present dual-brand opportunities on our larger developments. This will materialise from FY26 onwards as we obtain the necessary consents to amend existing planning permissions, and we anticipate that this could add around 300 homes per annum to our annual completions.

- We continue to make good progress on our build quality and customer satisfaction metrics. Our customer satisfaction score increased to 95% (2023: 92%) and we were awarded 5 stars in the HBF survey for the 13th time in the last 14 years.

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6 Group Condensed Consolidated Financial Statements

Consolidated Income Statement

for the 3 and 12 month periods ended 31 December 2024

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	Note	3 months ended 31 Dec 2024 £m	3 months ended 31 Dec 2023 £m	12 months ended 31 Dec 2024 £m	12 months ended 31 Dec 2023 £m
Revenue		**352.9**	**291.2**	**1,060.2**	**1,015.9**
Cost of sales		(274.0)	(230.1)	(831.6)	(792.4)
Gross profit		**78.9**	**61.1**	**228.6**	**223.5**
Administrative expenses		(21.2)	(19.0)	(75.4)	(69.0)
Other operating income		0.2	0.3	1.4	1.4
Group operating profit		**57.9**	**42.4**	**154.6**	**155.9**
Share of result in joint ventures		0.7	0.6	2.0	1.2
Operating profit		**58.6**	**43.0**	**156.6**	**157.1**
Finance costs	*4*	(24.0)	(23.6)	(94.0)	(87.5)
Finance income	*5*	3.0	2.9	8.5	7.4
Net finance costs		(21.0)	(20.7)	(85.5)	(80.1)
Profit before taxation		**37.6**	**22.3**	**71.1**	**77.0**
Income taxes		(10.6)	(7.6)	(22.3)	(24.2)
Profit for the period		**27.0**	**14.7**	**48.8**	**52.8**

Consolidated Statement of Financial Position

	Note	As at 31 Dec 2024 £m	As at 31 Dec 2023 £m
Assets			
Non-current assets			
Intangible assets (incl goodwill)	*6*	551.7	551.7
Property, plant and equipment		9.5	8.1
Right of use assets		7.9	7.2
Investment in joint ventures		22.6	13.2
Shared equity loan receivables		1.9	2.8
Exchange rate swap asset		-	10.1
Retirement benefit surplus		12.8	14.8
		606.4	**607.9**
Current assets			
Inventories	*7*	986.6	896.4
Trade and other receivables		39.6	35.1
Cash and cash equivalents		234.3	194.2
		1,260.5	**1,125.7**
Total assets		**1,866.9**	**1,733.6**

Consolidated Statement of Financial Position *(continued)*

	Note	As at 31 Dec 2024 £m	As at 31 Dec 2023 £m
Liabilities			
Non-current liabilities			
Loans and borrowings	*8*	(787.4)	(798.3)
Trade and other payables		(52.3)	(39.0)
Deferred tax		(42.2)	(41.7)
Lease liabilities		(6.0)	(5.2)
Exchange rate swap liability		(9.5)	-
Provisions and deferred income		(47.5)	(44.4)
		(944.9)	**(928.6)**
Current liabilities			
Trade and other payables		(291.8)	(216.8)
Lease liabilities		(2.4)	(2.4)
		(294.2)	**(219.2)**
Total liabilities		**(1,239.1)**	**(1,147.8)**
Net assets		**627.8**	**585.8**
Equity			
Share capital		527.9	527.9
Retained earnings		99.9	57.9
Total equity attributable to owners of the parent		**627.8**	**585.8**

The December 2023 and December 2024 figures represent the audited accounts of Miller Homes Group (Finco) plc.

Consolidated Cashflow Statement
for the 3 and 12 month periods ended 31 December 2024

	3 months ended 31 Dec 2024 £m	3 months ended 31 Dec 2023 £m	12 months ended 31 Dec 2024 £m	12 months ended 31 Dec 2023 £m
Cash flows from operating activities				
Profit for the period	27.0	14.7	48.8	52.8
Provisions	-	(0.8)	-	(0.8)
Depreciation	2.1	1.7	4.1	3.7
Finance income	(3.0)	(2.9)	(8.5)	(7.4)
Finance cost	24.0	23.6	94.0	87.5
Share of post tax result from joint ventures	(0.7)	(0.6)	(2.0)	(1.2)
Taxation	10.6	7.6	22.3	24.2
	60.0	43.3	158.7	158.8
Working capital movements:				
Movement in trade and other receivables	(5.3)	(6.5)	(0.6)	5.5
Movement in inventories	(11.0)	(3.2)	(104.2)	(27.1)
Movement in trade and other payables	42.1	2.8	90.5	(46.3)
Cash generated from operations	85.8	36.4	144.4	90.9
Interest paid	(26.5)	(26.4)	(76.0)	(73.0)
Interest received	2.2	2.1	7.7	6.6
Corporation tax paid	(5.8)	(5.5)	(22.7)	(16.9)
Net cashflow from operating activities	**55.7**	**7.4**	**53.4**	**7.6**
Cash flows from investing activities				
Acquisition of property, plant and equipment	(2.2)	(0.7)	(2.8)	(1.3)
JV distributions	0.5	-	0.5	-
Movement in loans with joint ventures	3.8	6.5	(7.9)	1.6
Net cashflow from investing activities	**2.1**	**5.8**	**(10.2)**	**0.3**
Cash flows from financing activities				
Arrangement fees	-	(0.1)	-	(0.5)
Lease payments	(1.6)	(1.5)	(3.1)	(3.0)
Net cashflow from financing activities	**(1.6)**	**(1.6)**	**(3.1)**	**(3.5)**
Movement in cash and cash equivalents	56.2	10.8	40.1	4.4
Cash and cash equivalents at beginning of period	178.1	183.4	194.2	189.8
Cash and cash equivalents at end of period	**234.3**	**194.2**	**234.3**	**194.2**

1. Reconciliation of net cash flow to net debt	3 months ended 31 Dec 2024 £m	3 months ended 31 Dec 2023 £m	12 months ended 31 Dec 2024 £m	12 months ended 31 Dec 2023 £m
Movement in cash and cash equivalents	56.2	10.8	40.1	4.4
Lease payments	1.5	1.5	3.1	3.0
Arrangement fee for £14m RCF extension	-	0.1	-	0.5
Non-cash movement*	(5.2)	(3.6)	(12.6)	(9.7)
Movement in external net debt in period	52.5	8.8	30.6	(1.8)
External net debt at beginning of period	(623.5)	(610.4)	(601.6)	(599.8)
External net debt at end of period	**(571.0)**	**(601.6)**	**(571.0)**	**(601.6)**

External net debt comprises:	As at 31 Dec 2024 £m	As at 31 Dec 2023 £m
Senior Secured Notes	(810.9)	(828.5)
Exchange rate swap	(9.5)	10.1
Cash and cash equivalents	234.3	194.2
Lease liabilities	(8.4)	(7.6)
Deferred financing costs	23.5	30.2
External net debt at end of period	**(571.0)**	**(601.6)**

* The non-cash movement for the 3 months ended 31 December 2024 represents £1.6m (Q4 2023: £1.7m) of arrangement fee amortisation, £0.1m net unrealised loss (Q4 2023: £0.1m gain) on the FX translation of the Senior Secured Notes and exchange rate swap and £3.5m (Q4 2023: £2.0m) lease liability additions/interest.

* The non-cash movement for the 12 months ended 31 December 2024 represents £6.7m (2023: £6.6m) of arrangement fee amortisation, £2.0m net unrealised loss (2023: £0.8m loss) on the FX translation of the Senior Secured Notes and exchange rate swap and £3.9m (2023: £2.3m) lease liability net additions/interest.

2. Reporting entity

Miller Homes Group (Finco) plc (the "Company") is a Company domiciled in England and Wales. The condensed consolidated financial statements for the 3 and 12 months ended 31 December 2024 comprise the Company and its subsidiaries (together referred to as the "Group").

The Company's statutory financial statements for the period ended 31 December 2023 did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report and did not contain a statement under section 498 (2) or (3) of the Companies Act 2006 and were given an unqualified audit opinion.

3. Accounting policies

The preparation of these pro forma condensed consolidated financial statements is based on the accounting policies set out in the audited financial statements of Miller Homes Group (Finco) plc.

4. Finance costs

	3 months ended 31 Dec 2024 £m	3 months ended 31 Dec 2023 £m	12 months ended 31 Dec 2024 £m	12 months ended 31 Dec 2023 £m
Interest payable on Senior Secured Notes, bank loans and overdrafts	20.6	20.8	82.5	80.2
Net foreign exchange loss	0.1	(0.2)	2.0	0.8
Imputed interest on land payables on deferred terms	2.7	1.4	7.2	4.7
Imputed interest on provisions	0.4	1.4	1.8	1.4
Imputed interest on lease liabilities	0.2	0.2	0.5	0.4
	24.0	**23.6**	**94.0**	**87.5**

5. Finance income

	3 months ended 31 Dec 2024 £m	3 months ended 31 Dec 2023 £m	12 months ended 31 Dec 2024 £m	12 months ended 31 Dec 2023 £m
Imputed interest on land sale receipts payable on deferred terms	0.1	0.5	0.1	0.5
Finance income related to employee benefit obligations	0.7	0.3	0.7	0.3
Interest on loans to joint ventures	0.1	0.2	0.4	0.6
Bank interest	2.1	1.8	7.1	5.8
Other	-	0.1	0.2	0.2
	3.0	**2.9**	**8.5**	**7.4**

6. Intangible assets

	As at 31 Dec 2024 £m	As at 31 Dec 2023 £m
Goodwill	379.7	379.7
Brand value	172.0	172.0
	551.7	**551.7**

7. Inventories

	As at 31 Dec 2024 £m	As at 31 Dec 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**

8. Loans and borrowings – non-current

	As at 31 Dec 2024 £m	As at 31 Dec 2023 £m
Senior Secured Notes	(810.9)	(828.5)
Deferred financing costs	23.5	30.2
	(787.4)	**(798.3)**

Senior Secured Notes: On 9 May 2022 the Group issued £425m fixed rate notes and €465m floating rate notes. The floating rate notes have been translated at the quarter end exchange rate, giving rise to a sterling equivalent balance for the combined Senior Secured Notes of £810.9m (Dec 2023: £828.5m). As previously noted, the Group has swap contracts to hedge the currency element of the floating rate notes, which gave rise to a £9.5m (Dec 2023: £10.1m asset) exchange rate swap liability at the quarter end.