

# Quarterly Financial Report

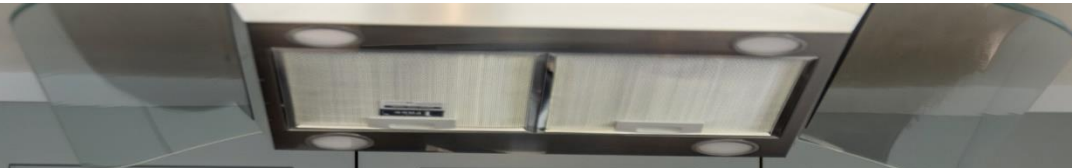
For the 3 and 9 months ended  
30 September 2024



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# 1 Introduction

# Introduction

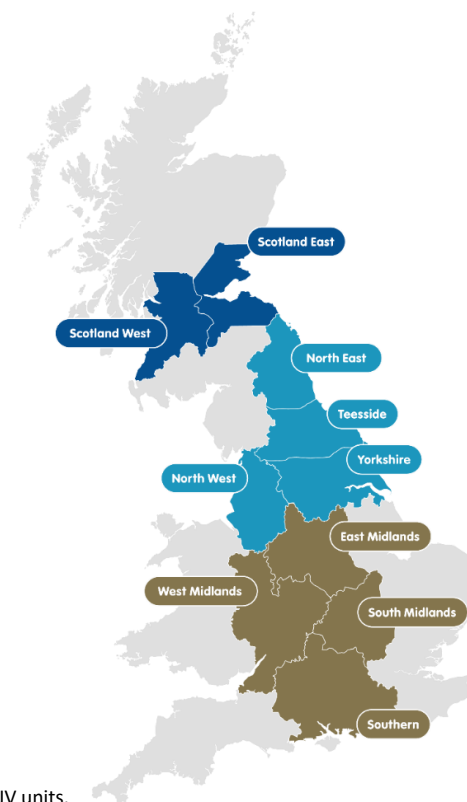
In accordance with the reporting requirements of its offering of £425m fixed rate notes and €465m floating rate notes, Miller Homes Group (Finco) plc is pleased to present its Quarterly Financial Report for the 3 and 9 months ended 30 September 2024.

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 9 months to 30 September 2024 are unaudited and the figures for the 3 and 9 months to 30 September 2023 have been extracted from the audited records of the Group.

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*
542	324	1,676	16
-23%	+2%	-18%	-16%
North			
Completions*	ASP (£000)**	Consented landbank***	Active Sites*
1,605	272	5,300	30
+7%	-3%	-16%	-3%
Midlands & South			
Completions*	ASP (£000)**	Consented landbank***	Active Sites*
1,446	285	6,681	21
+4%	+2%	+16%	-13%
Miller Homes			
Completions*	ASP (£000)**	Consented landbank***	Active Sites*
3,593	284	13,657	67
+0%	-1%	-3%	-9%



\* Last 12 months ended 30 September 2024. Percentage movement compared to the 12 months ended 31 December 2023. Includes Core and JV units.

\*\* Last 12 months ended 30 September 2024. Percentage movement compared to the 12 months ended 31 December 2023. Core units only.

\*\*\* As at 30 September 2024. Percentage movement compared to 31 December 2023.



## 2 Operational and Financial Highlights

## Financial overview

- The key metrics are set out below:

	9 months ended 30 Sep 2024	9 months ended 30 Sep 2023
Total completions	2,547	2,539
Revenue	£707.3m	£724.7m
Gross profit	£149.7m	£162.4m
Gross margin	21.2%	22.4%
Operating profit	£98.0m	£114.1m
Operating margin	13.9%	15.7%
ROCE *	20.2%	27.0%

- Operating profit for the 9 months ended 30 September 2024 decreased by 14% to £98.0m (YTD 2023: £114.1m) resulting in an operating margin of 13.9% (YTD 2023: 15.7%, FY 2023: 15.5%). The decline in operating margin in comparison to YTD 2023 is largely a function of lower gross margins and a higher overhead absorption rate of 7.7% (YTD 2023: 6.9%). Aided by a higher weighting of completions in the second half of the year, the full year overhead absorption rate should be around 7.0% (FY23 6.8%) which will have a consequential favourable impact on operating margin.
- The decrease in operating profit was driven by a combination of:
  - total completions were broadly flat at 2,547 homes (YTD 2023: 2,539). The mix was less weighted to private units which represented 58% of the period's completions compared to 72% last year. The reduction in private completions is 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 3% to £348,000 (YTD 2023: £339,000) while affordable and partnership ASPs increased by 11% and 30% respectively;
  - a reduction in gross margin to 21.2% (YTD 2023: 22.4%). Excluding a £6.4m land sale on a larger site in the period, which was made at cost, the adjusted gross margin was 21.4% on a like-for-like basis. 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 Q3 2023 to 21.2% at Q4 2023. Quarterly gross margins have stabilised at around 21.0 to 21.5% over the last 12 months; and
  - an 8% increase in administrative expenses as a result of higher staff costs due to wage inflation, higher staff incentive costs and investment in our customer service team to support changes to our customer journey processes.

\* ROCE calculated for the 12 month period ending 30 September 2024 is based on operating profit and excludes exceptional items of £11.3m (30 September 2023: £20.6m).

## Financial overview (continued)

- EBITDA is £100.0m (YTD 2023: £116.1m).

## Trading

- Revenue
  - Revenue for the 9 months ended 30 September 2024 was £707.3m (YTD 2023: £724.7m), a decrease of 2%. This was largely due to core revenue derived from house sales being 2% down on the prior year period at £695.6m (YTD 2023: £710.3m). Core completions were down slightly at 2,458 (YTD 2023: 2,469) with a greater proportion of affordable and partnership units, which have contributed to a 2% reduction in core ASP. The reduction in other revenue reflected declining external revenue from Walker Timber of £3.2m (YTD 2023: £6.1m) as the proportion of internal supplies to the Group increases, offset by a 3% increase in land sales turnover.
  - 69% of private completions in the 9 months ended 30 September 2024 were sold with client optional upgrades (YTD 2023: 77%). The average value of client options was £8,700 (YTD 2023: £10,500).
- Gross profit
  - Gross profit for the 9 months ended 30 September 2024 was £149.7m (YTD 2023: £162.4m) resulting in a gross margin of 21.2% (YTD 2023: 22.4%). Excluding a £6.4m land sale on a larger site which was sold at cost, adjusted gross margin was 21.4%. 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 Q3 2023 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 £60,900 (YTD 2023: £65,800).
- Administrative expenses
  - Administrative expenses increased 8% to £54.2m (YTD 2023: £50.0m). This largely reflected an increase in staff costs, which was a function of salary inflation and additional staff incentive costs. As a percentage of revenue, administrative expenses have increased to 7.7% (YTD 2023: 6.9%).

## Land

- There has been a significant step-up in land acquisitions this year with 19 sites (2,852 plots) acquired in the 9 months ended 30 September 2024, compared to 9 sites (1,657 plots) in the prior year period. Net land spend increased to £117.8m (YTD 2023: £74.8m), which reflects £98.8m (YTD 2023: £30.2m) on new site acquisitions and £19.0m (YTD 2023: £44.6m) on the deferred element of prior year deals. In addition to the 19 sites acquired in the period, a joint venture was established with Present Made to deliver 692 mixed tenure homes in Houghton Conquest, Bedfordshire.

## Land (continued)

- Land payables have decreased to £125.0m (Jun 2024: £135.2m), of which £89.1m (Jun 2024: £95.2m) is payable within one year. The value of exchanged conditional contracts has increased to £45.9m (Jun 2024: £42.1m) of which £30.8m (Jun 2024: £19.6m) is likely to be payable within one year.
- The owned landbank is 10,810 plots, a 2% decrease on the June 2024 landbank of 11,062 plots. Combined with 2,847 plots in the controlled landbank (Jun 2024: 2,898 plots), this results in a consented landbank of 13,657 plots (Jun 2024: 13,960 plots), representing 3.9 years' supply (Jun 2024: 4.0 years), based on the last 12 months completions. There are a further 785 plots (June 2024: 777 plots) in our JV owned landbank.
- The strategic landbank has increased 2% to 43,610 plots (Jun 2024: 42,635 plots).

## Cash and leverage

- The period end cash balance was £178.1m (Jun 2024: £159.4m).
- The Group has a RCF facility of £194m (Jun 2024: £194m) which is committed until September 2027. There are no cash drawings on the RCF at the period end, with only £0.4m of ancillary facilities utilised.
- Free cash flow for the 9 months to 30 September 2024 was a £46.9m inflow (YTD 2023: £49.6m inflow). The movement is primarily driven by lower EBITDA (£16.1m), higher net land investment (£38.8m) and net cash outflows to JVs (£7.5m) offset by lower development spend (£56.2m) and changes in working capital (£4.0m).
- Net LTV\* is 76%, based on net inventory of £856.6m and net debt\*\* of £648.6m. This compares to 78% at 30 June 2024.
- Net leverage is 4.5x, based on LTM EBITDA (excluding exceptional items) of £144.7m and net debt\*\* of £648.6m and is unchanged from 30 June 2024.
- Embedded land bank value\*\*\* is £1,841m (Jun 2024: £1,851m) which is 2.8x net debt\*\* (Jun 2024: 2.8x).
- Forward sales for the next 12 months through to 30 September 2025 is £554m (2023: £494m) of which £333m (2023: £313m) relates to homes where contracts have been exchanged.

\* LTV: Loan to value is net debt divided by net inventory (inventory less land payables) – refer page 16.

\*\* Excludes the capitalisation of deferred financing costs (£25.1m) – refer page 12.

\*\*\* 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 30 September 2024 based on the September 2024 baseline for selling prices.



# Financial Highlights



**Revenue** for the 3 months to 30 September 2024 increased by 4% to £250.2m (Q3 2023: £240.6m), primarily reflecting a £6.4m land sale and a 1.3% increase in turnover from the sale of new homes.

**Gross profit** for the 3 months to 30 September 2024 was £51.8m (Q3 2023: £52.9m). Gross margin in the 3 month period was 20.7% (Q3 2023: 22.0%). Excluding the £6.4m land sale turnover from land sold at cost in the period, gross margin would have been 21.2%.

**Administrative expenses** for the 3 months to 30 September 2024 were 8% higher at £19.4m (Q3 2023: £18.0m) primarily reflecting salary inflation and higher staff incentive costs.

**Net finance costs** in the 3 month period ended 30 September 2024 were £22.4m (Q3 2023: £18.9m). The increase primarily reflects higher net foreign exchange loss (£1.4m), higher imputed interest on land creditors (£1.2m), higher imputed interest on cladding (£0.5m) and lower bank interest receivable (£0.5m) offset by lower interest payable on debt (£0.1m).

	3 months ended 30 Sep 2024	3 months ended 30 Sep 2023	% change	9 months ended 30 Sep 2024	9 months ended 30 Sep 2023	% change
	£m	£m		£m	£m	
Revenue	250.2	240.6	4.0	707.3	724.7	(2.4)
Cost of sales	(198.4)	(187.7)	(5.7)	(557.6)	(562.3)	0.8
Gross profit	51.8	52.9	(2.1)	149.7	162.4	(7.8)
Administrative expenses	(19.4)	(18.0)	7.8	(54.2)	(50.0)	8.4
Other operating income	0.4	0.3	(33.3)	1.2	1.1	(9.1)
Group operating profit	32.8	35.2	(6.8)	96.7	113.5	(14.8)
Share of result in joint ventures	0.5	0.3	66.7	1.3	0.6	116.7
<b>Operating profit</b>	<b>33.3</b>	<b>35.5</b>	<b>(6.2)</b>	<b>98.0</b>	<b>114.1</b>	<b>(14.1)</b>
Net finance costs	(22.4)	(18.9)	(18.5)	(64.5)	(59.4)	(8.6)
Profit before taxation	10.9	16.6	(34.3)	33.5	54.7	(38.8)
Income taxes	(3.9)	(5.0)	22.0	(11.7)	(16.6)	29.5
<b>Profit for the period</b>	<b>7.0</b>	<b>11.6</b>	<b>(39.7)</b>	<b>21.8</b>	<b>38.1</b>	<b>(42.8)</b>
<i>Gross margin %</i>	20.7%	22.0%	-130 bps	21.2%	22.4%	2120 bps
<i>Operating margin %</i>	13.3%	14.8%	-150 bps	13.9%	15.7%	1390 bps
Profit for the period	7.0	11.6	(39.7)	21.8	38.1	(42.8)
Income taxes	3.9	5.0	22.0	11.7	16.6	29.5
Net finance costs	22.4	18.9	(18.5)	64.5	59.4	(8.6)
Depreciation	0.7	0.7	-	2.0	2.0	-
<b>EBITDA</b>	<b>34.0</b>	<b>36.2</b>	<b>(6.1)</b>	<b>100.0</b>	<b>116.1</b>	<b>(13.9)</b>

# Financial Highlights

## Analysis of revenues, completions and ASP



**Private revenue** for the 3 months ended 30 September 2024 decreased by 12% to £169.9m (Q3 2023: £193.4m), which was driven by an 18% decrease in completions partly offset by an 8% increase in ASP.

**Affordable revenue** increased by 5% to £29.9m (Q3 2023: £28.4m) driven by an 8% increase in ASP and a 2% reduction in completions in the quarter.

**Partnership revenue** increased by 151% to £41.9m (Q3 2023: £16.7m) driven by a 91% increase in completions along with a 31% increase in ASP in the quarter.

**Core completions** fell 2% to 844 units (Q3 2023: 865 units). Private completions decreased by 18% to 478 units (Q3 2023: 586 units). Affordable completions also decreased by 2% to 175 units (Q3 2023: 179 units). Partnership completions doubled to 191 units (Q3 2023: 100 units).

The **core ASP** for the 3 months increased by 4% to £286,000 (Q3 2023: £276,000) reflecting higher ASPs across all tenures offset by a decrease in the proportion of private units in the period to 57% (Q3 2023: 68%).

**Private ASP** increased by 8% to £355,000 (Q3 2023: £330,000) partly reflecting a 6% increase in size of the average private unit. **Affordable ASP** increased by 8% to £171,000 (Q3 2023: £159,000) reflecting a higher proportion of units in the South.

**Partnership ASP** increased 31% to £219,000 (Q3 2023: £167,000), reflecting a 19% increase in the average partnership property size as we broaden the mix of partnership units across the country.

	3 months ended 30 Sep 2024	3 months ended 30 Sep 2023	9 months ended 30 Sep 2024	9 months ended 30 Sep 2023
	£m	£m	£m	£m
Private revenue	169.9	193.4	495.2	602.1
Affordable revenue *	29.9	28.4	73.1	65.8
Partnership revenue	41.9	16.7	127.3	42.4
Land sales	6.4	-	6.4	6.2
Other	2.1	2.1	5.3	8.2
<b>Total revenue</b>	<b>250.2</b>	<b>240.6</b>	<b>707.3</b>	<b>724.7</b>

	Units	Units	Units	Units
Private completions	478	586	1,424	1,774
Affordable completions *	175	179	441	439
Partnership completions	191	100	593	256
<b>Core completions</b>	<b>844</b>	<b>865</b>	<b>2,458</b>	<b>2,469</b>
Joint venture completions	34	30	89	70
<b>Total completions</b>	<b>878</b>	<b>895</b>	<b>2,547</b>	<b>2,539</b>

	£'000	£'000	£'000	£'000
Private ASP	355	330	348	339
Affordable ASP *	171	159	166	150
Partnership ASP	219	167	215	166
<b>Core ASP</b>	<b>286</b>	<b>276</b>	<b>283</b>	<b>288</b>

\* Affordable revenue and completions as previously reported for the 3 and 9 month periods ended 30 September 2023 are now disaggregated into Affordable and Partnership revenue streams for comparison purposes.



### 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 £8.5m 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 30 September 2024 was £17.7m (Q3 2023: £5.0m), a variance of £12.7m. This was mainly driven by lower net land spend (£12.9m), higher net part exchange receipts (£4.1m), higher core turnover (£3.2m) and lower development spend (£1.8m) offset by working capital movements (£8.5m) and higher administrative expenses (£1.4m).

Net cash inflow from investing activities for the 3 months ended 30 September 2024 was £1.5m (Q3 2023: £1.9m outflow) reflecting net repayments from joint ventures offset by fixed asset purchases. Net cash outflow from financing activities was £0.5m in the 3 months to 30 September 2024 (Q3 2023: £0.9m outflow).

	As at 30 Sep 2024	As at 31 Dec 2023	As at 30 Sep 2023
	£m	£m	£m
Senior Secured Notes	(811.8)	(828.5)	(828.3)
Exchange rate swap (liability)/asset	(8.5)	10.1	9.8
Lease liabilities	(6.4)	(7.6)	(7.1)
Cash and cash equivalents	178.1	194.2	183.4
<b>Total external net debt</b>	<b>(648.6)</b>	<b>(631.8)</b>	<b>(642.2)</b>
Deferred financing costs	25.1	30.2	31.8
<b>Total external net debt</b>	<b>(623.5)</b>	<b>(601.6)</b>	<b>(610.4)</b>

	3 months ended 30 Sep 2024	3 months ended 30 Sep 2023	9 months ended 30 Sep 2024	9 months ended 30 Sep 2023
	£m	£m	£m	£m
Net cashflow from operating activities	17.7	5.0	(2.3)	1.0
Net cashflow from investing activities	1.5	(1.9)	(12.3)	(5.5)
Net cashflow from financing activities	(0.5)	(0.9)	(1.5)	(1.9)
Movement in cash and cash equivalents	18.7	2.2	(16.1)	(6.4)
Cash and cash equivalents at beginning of period	159.4	181.2	194.2	189.8
<b>Cash and cash equivalents at end of period</b>	<b>178.1</b>	<b>183.4</b>	<b>178.1</b>	<b>183.4</b>

# Net Debt, Liquidity and Cashflow



Free cash flow for the 3 months ended 30 September 2024 was an inflow of £35.2m compared to £16.7m in the prior year period, which represents a variance of £18.5m. The variance was driven primarily by lower net land investment, lower development spend and improved JV cashflows offset by lower EBITDA 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 30 Sep 2024	3 months ended 30 Sep 2023	9 months ended 30 Sep 2024	9 months ended 30 Sep 2023
	£m	£m	£m	£m
<b>EBITDA</b>	<b>34.0</b>	<b>36.2</b>	<b>100.0</b>	<b>116.1</b>
Net land investment less than/(in excess of) cost of sales	8.4	(5.0)	(15.7)	23.1
Development spend in excess of cost of sales	(15.0)	(21.8)	(18.9)	(75.1)
Change in working capital	3.8	10.5	(3.8)	(7.8)
Cash flows from JVs (not included in EBITDA)	1.0	(2.0)	(13.0)	(5.5)
Shared equity loan receivables	0.1	0.1	0.5	0.5
Other	2.9	(1.3)	(2.2)	(1.7)
<b>Free cash flow*</b>	<b>35.2</b>	<b>16.7</b>	<b>46.9</b>	<b>49.6</b>
Net land spend (included in cost of sales)	35.6	35.2	103.5	97.9
Net land investment (less than)/in excess of cost of sales	(8.4)	5.0	15.7	(23.1)
<b>Total net land spend</b>	<b>27.2</b>	<b>40.2</b>	<b>119.2</b>	<b>74.8</b>
<b>Free cash flow pre net land spend</b>	<b>62.4</b>	<b>56.9</b>	<b>166.1</b>	<b>124.4</b>

\* 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 joint ventures), corporation tax paid, interest paid and transaction costs.



4 Capital Employed, Inventory and Landbank

# Capital Employed, Inventory and Landbank



Capital employed is £722.4m as at 30 September 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 20.2% compared to 24.0% for the 12 months ended 31 December 2023.

	As at and for the 12 months ended 30 Sep 2024 £m	As at and for the 12 months ended 31 Dec 2023 £m	As at and for the 12 months ended 30 Sep 2023 £m
Net assets	607.6	585.8	575.2
External net debt	623.5	601.6	610.4
Intangible assets *	(508.7)	(508.7)	(508.7)
Capital employed	722.4	678.7	676.9
Operating profit (pre exceptional items) **	141.0	157.1	185.5
<b>ROCE (%)</b>	<b>20.2%</b>	<b>24.0%</b>	<b>27.0%</b>

\* Intangible assets at 30 September 2024 of £551.7m (30 September and 31 December 2023: £551.7m) net of a deferred tax liability on the brand value of £43.0m (30 September and 31 December 2023: £43.0m).

\*\* Operating profit (pre exceptional items) for the 12 months ended 30 September 2024 excludes exceptional items of £11.3m (12 months ended 31 December 2023: £11.3m and 12 months ended 30 September 2023: £20.6m).

# Capital Employed, Inventory and Landbank



The Group acquired 5 sites (672 plots) in the 3 months ended 30 September 2024 taking the year-to-date position to 19 sites (2,852 plots). This compares to 9 sites (1,657 plots) in the prior year 9 month period.

Net inventory has increased by £48.5m in the 9 months due to a combination of the above land acquisitions (£15.3m movement, net of land payables movement and cost of sales), higher work in progress (£29.8m) and an increase in part exchange inventory (£3.4m).

The owned landbank at 30 September 2024 has increased to 10,810 plots (Gross development value: £3.3bn). All owned land which has a detailed planning permission is being developed.

The consented landbank has decreased to 13,657 plots (Dec 2023: 14,060 plots). Based on the last 12 months' core completions of 3,464 this represents 3.9 years' supply (Dec 2023: 4.0 years).

Our JV landbank increased to 785 plots with the increase in the year attributable to the new JV with Present Made.

	As at 30 Sep 2024	As at 31 Dec 2023	As at 30 Sep 2023
	£m	£m	£m
<b>Net inventory</b>			
Land	552.5	500.5	460.1
Work in progress	416.5	386.7	423.6
Part exchange properties	12.6	9.2	5.8
<b>Inventory</b>	<b>981.6</b>	<b>896.4</b>	<b>889.5</b>
Land payables	(125.0)	(88.3)	(69.6)
<b>Net inventory</b>	<b>856.6</b>	<b>808.1</b>	<b>819.9</b>
<b>Embedded landbank value*</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Estimated GDV	3,349.3	3,153.5	2,974.4
Estimated remaining development costs	(1,621.3)	(1,576.1)	(1,461.4)
Net land payables	(134.4)	(89.7)	(75.9)
<b>Net proceeds from owned landbank</b>	<b>1,593.6</b>	<b>1,487.7</b>	<b>1,437.1</b>
Net option value of strategic landbank	247.1	231.6	236.7
<b>Total</b>	<b>1,840.7</b>	<b>1,719.3</b>	<b>1,673.8</b>
<b>Landbank</b>	<b>Plots</b>	<b>Plots</b>	<b>Plots</b>
Owned / unconditional	10,810	10,483	9,921
Controlled	2,847	3,577	3,171
<b>Consented</b>	<b>13,657</b>	<b>14,060</b>	<b>13,092</b>
Strategic	43,160	43,293	43,661
<b>Total</b>	<b>56,817</b>	<b>57,353</b>	<b>56,753</b>
JV owned and controlled	785	182	222

\* 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 30 September 2024 based on the September 2024 baseline for selling prices.





5 Trading Update

- Our latest year to date private sales rate is 0.68 which is a 19% increase on the prior year period (2023: 0.57). Sales rates have remained consistently strong throughout the year. At the same time, gross and net pricing have remained firm with gross prices set to accommodate incentives at similar levels to last year.
- As previously reported, we continued to believe that a neutral cost position can be maintained for 2024. In the absence of house price inflation, gross margin progression is likely to occur in 2025 as we see the benefit from recent site acquisitions.
- We have acquired 23 sites (3,642 plots) at the time of this report, with around 10 further sites likely to be acquired by year end.
- We welcome the proposed planning reforms by the Government which are likely to see the return of a plan-led system.
- At the end of November 2024, we had 72 active sales outlets, which is expected to decrease to 70 by the end of the year.
- We had previously provided guidance of 3,600 to 3,800 total completions for this year and helped by the strong second half year sales market and further positive momentum in the partnerships business, we believe that volumes will be at the upper end of this range. Increased non-private volumes should lead to the core ASP being marginally lower than last year and similar to the year-to-date figure of £283,000.



## 6 Group Condensed Consolidated Financial Statements

# Consolidated Income Statement

for the 3 and 9 month periods ended 30 September 2024



	Note	3 months ended 30 Sep 2024 £m	3 months ended 30 Sep 2023 £m	9 months ended 30 Sep 2024 £m	9 months ended 30 Sep 2023 £m
<b>Revenue</b>		<b>250.2</b>	<b>240.6</b>	<b>707.3</b>	<b>724.7</b>
Cost of sales		(198.4)	(187.7)	(557.6)	(562.3)
<b>Gross profit</b>		<b>51.8</b>	<b>52.9</b>	<b>149.7</b>	<b>162.4</b>
Administrative expenses		(19.4)	(18.0)	(54.2)	(50.0)
Other operating income		0.4	0.3	1.2	1.1
<b>Group operating profit</b>		<b>32.8</b>	<b>35.2</b>	<b>96.7</b>	<b>113.5</b>
Share of result in joint ventures		0.5	0.3	1.3	0.6
<b>Operating profit</b>		<b>33.3</b>	<b>35.5</b>	<b>98.0</b>	<b>114.1</b>
Finance costs	4	(24.0)	(20.9)	(70.0)	(63.9)
Finance income	5	1.6	2.0	5.5	4.5
Net finance costs		(22.4)	(18.9)	(64.5)	(59.4)
<b>Profit before taxation</b>		<b>10.9</b>	<b>16.6</b>	<b>33.5</b>	<b>54.7</b>
Income taxes		(3.9)	(5.0)	(11.7)	(16.6)
<b>Profit for the period</b>		<b>7.0</b>	<b>11.6</b>	<b>21.8</b>	<b>38.1</b>

# Consolidated Statement of Financial Position



	Note	As at 30 Sep 2024 £m	As at 31 Dec 2023 £m	As at 30 Sep 2023 £m
<b>Assets</b>				
<b>Non-current assets</b>				
Intangible assets (incl goodwill)	6	551.7	551.7	551.7
Property, plant and equipment		8.2	8.1	8.0
Right of use assets		5.7	7.2	6.4
Investment in joint ventures		26.2	13.2	17.9
Shared equity loan receivables		2.3	2.8	3.0
Exchange rate swap asset		-	10.1	9.8
Retirement benefit obligations		14.8	14.8	8.2
		<b>608.9</b>	<b>607.9</b>	<b>605.0</b>
<b>Current assets</b>				
Inventories	7	981.6	896.4	889.5
Trade and other receivables		35.0	35.1	28.0
Cash and cash equivalents		178.1	194.2	183.4
		<b>1,194.7</b>	<b>1,125.7</b>	<b>1,100.9</b>
<b>Total assets</b>		<b>1,803.6</b>	<b>1,733.6</b>	<b>1,705.9</b>

# Consolidated Statement of Financial Position *(continued)*



	Note	As at 30 Sep 2024 £m	As at 31 Dec 2023 £m	As at 30 Sep 2023 £m
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Loans and borrowings	8	(786.7)	(798.3)	(796.5)
Trade and other payables		(35.9)	(39.0)	(18.9)
Deferred tax		(41.9)	(41.7)	(34.4)
Lease liabilities		(4.0)	(5.2)	(4.6)
Exchange rate swap liability		(8.5)	-	-
Provisions and deferred income		(43.8)	(44.4)	(31.3)
		<b>(920.8)</b>	<b>(928.6)</b>	<b>(885.7)</b>
<b>Current liabilities</b>				
Trade and other payables		(272.8)	(216.8)	(242.5)
Lease liabilities		(2.4)	(2.4)	(2.5)
		<b>(275.2)</b>	<b>(219.2)</b>	<b>(245.0)</b>
<b>Total liabilities</b>		<b>(1,196.0)</b>	<b>(1,147.8)</b>	<b>(1,130.7)</b>
<b>Net assets</b>		<b>607.6</b>	<b>585.8</b>	<b>575.2</b>
<b>Equity</b>				
Share capital		527.9	527.9	527.9
Retained earnings		79.7	57.9	47.3
<b>Total equity attributable to owners of the parent</b>		<b>607.6</b>	<b>585.8</b>	<b>575.2</b>

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

The September 2024 and September 2023 figures are unaudited.

# Consolidated Cashflow Statement

for the 3 and 9 month periods ended 30 September 2024

millerohomes

	3 months ended 30 Sep 2024 £m	3 months ended 30 Sep 2023 £m	9 months ended 30 Sep 2024 £m	9 months ended 30 Sep 2023 £m
<b>Cash flows from operating activities</b>				
Profit for the period	7.0	11.6	21.8	38.1
Depreciation	0.7	0.8	2.0	2.0
Finance income	(1.6)	(2.0)	(5.5)	(4.5)
Finance cost	24.0	20.9	70.0	63.9
Share of post tax result from joint ventures	(0.5)	(0.3)	(1.3)	(0.6)
Taxation	3.9	5.0	11.7	16.6
	33.5	36.0	98.7	115.5
Working capital movements:				
Movement in trade and other receivables	3.4	15.6	4.7	12.0
Movement in inventories	4.8	(11.1)	(93.2)	(23.9)
Movement in trade and other payables	(8.1)	(22.1)	48.4	(49.1)
Cash generated from operations	33.6	18.4	58.6	54.5
Interest paid	(9.8)	(9.5)	(44.0)	(42.1)
Corporation tax paid	(6.1)	(3.9)	(16.9)	(11.4)
<b>Net cashflow from operating activities</b>	<b>17.7</b>	<b>5.0</b>	<b>(2.3)</b>	<b>1.0</b>
<b>Cash flows from investing activities</b>				
Acquisition of property, plant and equipment	(0.1)	(0.2)	(0.6)	(0.6)
Movement in loans with joint ventures	1.6	(1.7)	(11.7)	(4.9)
<b>Net cashflow from investing activities</b>	<b>1.5</b>	<b>(1.9)</b>	<b>(12.3)</b>	<b>(5.5)</b>
<b>Cash flows from financing activities</b>				
Arrangement fees	-	(0.4)	-	(0.4)
Lease payments	(0.5)	(0.5)	(1.5)	(1.5)
<b>Net cashflow from financing activities</b>	<b>(0.5)</b>	<b>(0.9)</b>	<b>(1.5)</b>	<b>(1.9)</b>
Movement in cash and cash equivalents	18.7	2.2	(16.1)	(6.4)
Cash and cash equivalents at beginning of period	159.4	181.2	194.2	189.8
<b>Cash and cash equivalents at end of period</b>	<b>178.1</b>	<b>183.4</b>	<b>178.1</b>	<b>183.4</b>

## 1. Reconciliation of net cash flow to net debt

	3 months ended 30 Sep 2024	3 months ended 30 Sep 2023	9 months ended 30 Sep 2024	9 months ended 30 Sep 2023
	£m	£m	£m	£m
Movement in cash and cash equivalents	18.7	2.2	(16.1)	(6.4)
Movement in lease liabilities	0.5	0.5	1.5	1.5
Arrangement fee for £14m RCF extension	-	0.4	-	0.4
Non-cash movement*	(3.2)	(1.7)	(7.3)	(6.1)
Movement in external net debt in period	16.0	1.4	(21.9)	(10.6)
External net debt at beginning of period	(639.5)	(611.8)	(601.6)	(599.8)
<b>External net debt at end of period</b>	<b>(623.5)</b>	<b>(610.4)</b>	<b>(623.5)</b>	<b>(610.4)</b>

External net debt comprises:

	As at 30 Sep 2024	As at 31 Dec 2023	As at 30 Sep 2023
	£m	£m	£m
Senior Secured Notes	(811.8)	(828.5)	(828.3)
Exchange rate swap	(8.5)	10.1	9.8
Cash and cash equivalents	178.1	194.2	183.4
Lease liabilities	(6.4)	(7.6)	(7.1)
Deferred financing costs	25.1	30.2	31.8
<b>External net debt at end of period</b>	<b>(623.5)</b>	<b>(601.6)</b>	<b>(610.4)</b>

\* The non-cash movement for the 3 months ended 30 September 2024 represents £1.7m (Q3 2023: £1.7m) of arrangement fee amortisation, £1.4m net unrealised loss (Q3 2023: £0.1m gain) on the FX translation of the Senior Secured Notes and exchange rate swap and £0.1m (Q3 2023: £0.1m) lease liability interest.

\* The non-cash movement for the 9 months ended 30 September 2024 represents £5.1m (YTD 2023: £4.9m) of arrangement fee amortisation, £1.9m net unrealised loss (YTD 2023: £0.9m loss) on the FX translation of the Senior Secured Notes and exchange rate swap and £0.3m (YTD 2023: £0.3m) lease liability 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 9 months ended 30 September 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 30 Sep 2024	3 months ended 30 Sep 2023	9 months ended 30 Sep 2024	9 months ended 30 Sep 2023
	£m	£m	£m	£m
Interest payable on Senior Secured Notes, bank loans and overdrafts	20.5	20.6	61.9	59.4
Net foreign exchange loss	1.4	-	1.9	1.0
Imputed interest on land payables on deferred terms	1.5	0.3	4.5	3.3
Imputed interest on provisions	0.5	-	1.4	-
Imputed interest on lease liabilities	0.1	-	0.3	0.2
	<b>24.0</b>	<b>20.9</b>	<b>70.0</b>	<b>63.9</b>

## 5. Finance income

	3 months ended 30 Sep 2024	3 months ended 30 Sep 2023	9 months ended 30 Sep 2024	9 months ended 30 Sep 2023
	£m	£m	£m	£m
Interest on loans to joint ventures	0.1	0.1	0.3	0.4
Bank interest	1.4	1.9	5.0	4.0
Other	0.1	-	0.2	0.1
	<b>1.6</b>	<b>2.0</b>	<b>5.5</b>	<b>4.5</b>

# Notes to the Condensed Consolidated Financial Statements



## 6. Intangible assets

	As at 30 Sep 2024 £m	As at 31 Dec 2023 £m	As at 30 Sep 2023 £m
Goodwill	379.7	379.7	379.7
Brand value	172.0	172.0	172.0
	<b>551.7</b>	<b>551.7</b>	<b>551.7</b>

## 7. Inventories

	As at 30 Sep 2024 £m	As at 31 Dec 2023 £m	As at 30 Sep 2023 £m
Land	552.5	500.5	460.1
Work in progress	416.5	386.7	423.6
Part exchange properties	12.6	9.2	5.8
	<b>981.6</b>	<b>896.4</b>	<b>889.5</b>

## 8. Loans and borrowings – non-current

	As at 30 Sep 2024 £m	As at 31 Dec 2023 £m	As at 30 Sep 2023 £m
Senior Secured Notes	(811.8)	(828.5)	(828.3)
Deferred financing costs	25.1	30.2	31.8
	<b>(786.7)</b>	<b>(798.3)</b>	<b>(796.5)</b>

**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 £811.8m (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 £8.5m (Dec 2023: £10.1m asset) exchange rate swap liability at the quarter end.