GallifordTry

Sustainable Growth

Full year results to 30 June 2024

3 October 2024

Agenda

Full year results to 30 June 2024

- Highlights
- Financial review
- Sustainable Growth
- Q&A

Bill Hocking

Chief Executive

Strong start to 2030 strategy

GallifordTry

£1.8bn
Revenue
(FY23: £1.4bn)
UP 27%

2.5%
Divisional operating margin[1] (FY23: 2.4%)
UP 13 BPS

£32.7m
Profit before tax[1]
(FY23: £23.4m)
UP 40%

Increased revenue, margin and PBT

27.9p
EPS[1]
(FY23: 18.9p)
UP 48%

15.5p
Dividend
(FY23: 10.5p)
UP 48%

£155m
Average month-end cash
(FY23: £135m)
UP 15%

£10m
Share buyback of up to £10m announced

£3.8bn
Order book and 92% FY25 work secured
(FY23: £3.7bn and 92%)
UP 3%

Strong balance sheet and good shareholder returns; confident outlook

[1]Stated before exceptional items and FY23 excludes the £2.8m impairment of financial assets.

Financial review

Wallyford Learning Campus, East Lothian

Kris Hampson

Chief Financial Officer

Strong performance

- Strong revenue growth in all businesses.
- High-quality order book/contract portfolio driving improved operating margins and strong year-on-year profit delivery.
- EPS[1] growth from strong trading and augmented by completion of 2022 share buyback programme.

	FY24	FY23	Var
Revenue (£m)	**1,772.8**	1,393.7	+27.2%
Operating profit before amortisation[1] (£m)	**29.6**	21.9	+35.2%
Profit before tax[1] (£m)	**32.7**	23.4	+39.7%
Effective tax rate[1] (%)	**14.6**	15.1	50bps
Earnings per share[1] (p)	**27.9**	18.9	+47.6%

[1] Stated before exceptional items of £2.6m (FY23: £10.5m) related to digital investment and FY23 excludes the £2.8m impairment of financial assets. Profit after tax includes non-cash exceptional items relating to the 2019 Group corporation tax relief recovery.

Segmental analysis

- Strong revenue growth across all business segments.
  - Building – strong, consistent demand.
  - Infrastructure revenue growth of 39% driven by strong AMP7 demand in water.
  - Investments benefited from financial close on first PRS development.
- Divisional operating margin up.
- Exceptional costs: £2.6m investment related to new digital ERP systems (2023: £10.5m); now complete. No change since HY24.

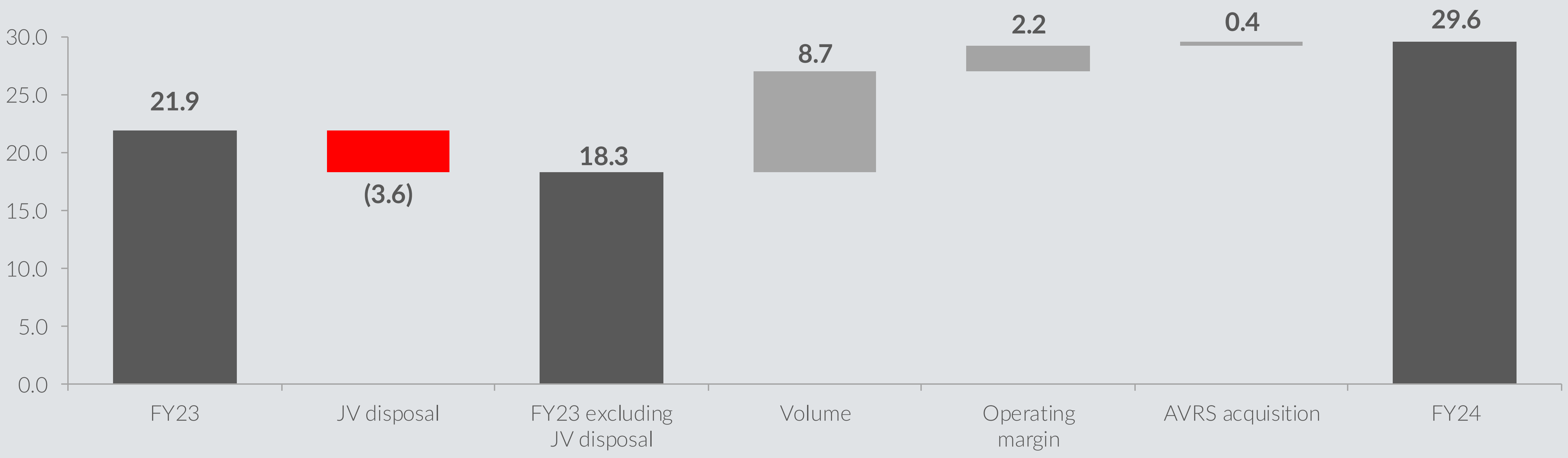
	FY24	FY23	Var
Revenue (£m)	**1,772.8**	1,393.7	+27.2%
Building	**938.3**	797.1	+17.7%
Infrastructure	**819.8**	590.8	+38.8%
Investments	**14.7**	5.8	+153.4%

	FY24[1]	FY23	Var
Operating profit /(loss)[1] (£m)	**29.6**	21.9	+£7.7m
Building	**24.0**	18.5	+£5.5m
Infrastructure	**20.1**	14.5	+£5.6m
Investments	**(1.0)**	1.4	£(2.4)m
Central	**(13.5)**	(12.5)	£(1.0)m
Operating margin (%)			
Building	**2.6**	2.3	+23bps
Infrastructure[1]	**2.5**	2.5	-
Combined divisional[1]	**2.5**	2.4	+13bps

[1] Stated before exceptional items of £2.6m (FY23: £10.5m) related to digital investment. FY23 also excludes £2.8m relating to impairment of financial assets.

Increasing operating profit

Operating profit bridge



Stated before exceptional items of £2.6m (FY23: £10.5m) related to digital investment. FY23 also excludes £2.8m relating to impairment of financial assets.

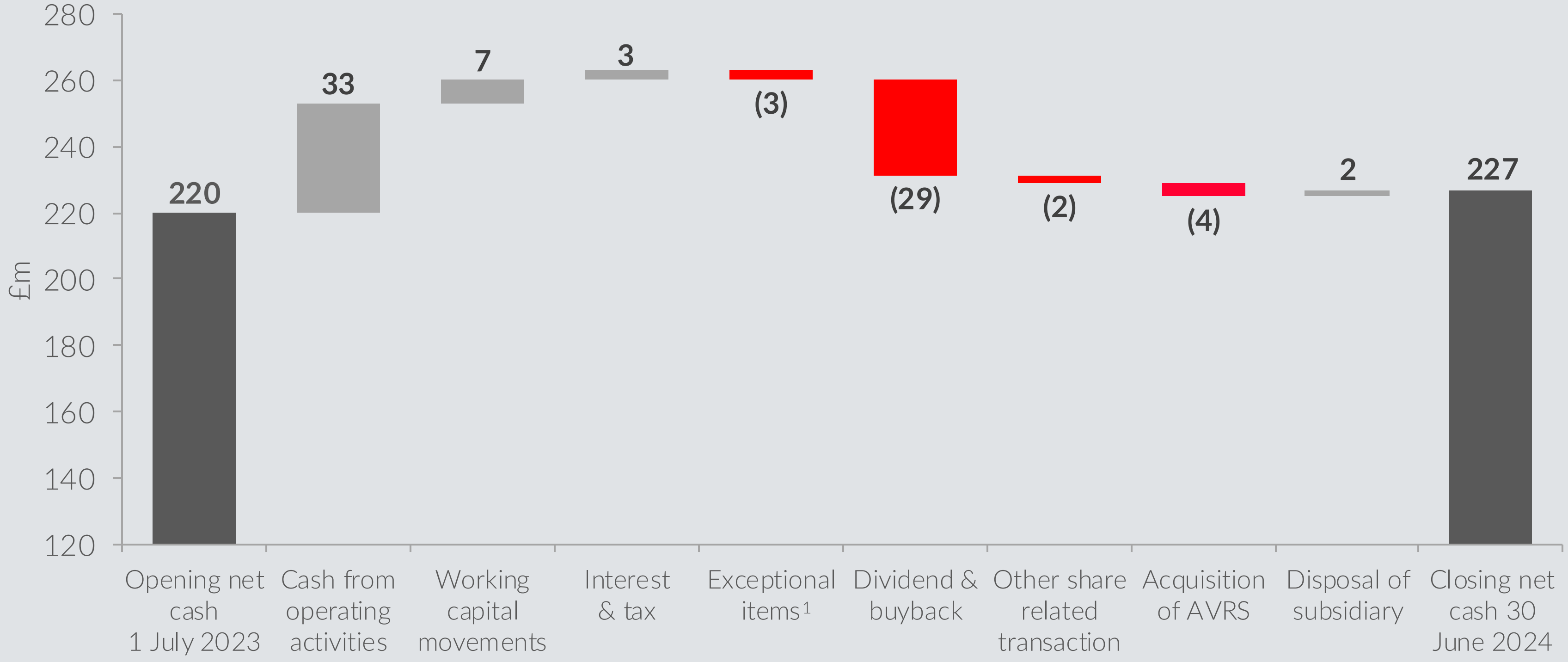
Strong balance sheet

- Growing net asset base.
- Continued balance sheet strength driven by net cash (up 3.1%) and PPP assets.
- Robust cash position.
  - Average month-end cash of £155m.
  - No bank debt.
  - No pension liability.
- PPP portfolio valued at £41.8m.
  - Annuity income stream of £3.8m.

Balance sheet £m	30 June 2024	30 June 2023
Intangible assets & goodwill	**97.9**	98.3
PPP & other investments	**41.8**	44.6
Other non-current assets	**71.7**	61.3
Working capital	**(274.6)**	(268.5)
IFRS 16	**(53.0)**	(39.1)
Net cash	**227.0**	220.2
Other	**11.6**	1.8
Total net assets	**122.4**	**118.6**
Average month-end cash	**154.8**	134.7

Robust cash performance

Average month-end cash £155m



[1]Excudes non-cash exceptional items relating to the 2019 Group corporation tax relief recovery.

96%

of invoices paid in 60 days, exceeding PPC requirement of 95%

26

average days to pay

How we allocate capital

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Prioritising a strong balance sheet

Strong balance sheet to support operations

- Competitive advantage.
- Gives confidence to clients and supply chain.
- Supports disciplined approach to project selection.
- Mitigates against any adverse market conditions.

Average month-end cash £155m

Reinvest in the business

- Ability to invest in technology and training to drive quality and efficiency.
- Accelerates adjacent market opportunities.
- Enables strategic and bolt-on acquisitions to enhance capabilities.

Four acquisitions since 2021

Circa £124m revenue from acquisitions[1]

Sustainable dividend policy

- Dividend will increase with earnings growth.
- Delivering sustainable returns to shareholders.

Dividend cover policy set at 1.8x

£24.2m dividends paid in FY24 including special dividend

11.5p final dividend leading to 15.5p FY dividend

Return excess cash

- Consider cash requirements for future growth.
- Return excess cash to shareholders when appropriate.

Additional returns:

2022: £15.0m share buyback
2023: £12.5m special dividend
2024: £10.0m share buyback announced

[1] Based on last set of pre-acquisition accounts.

Consistent delivery

Fourth year of sequential growth

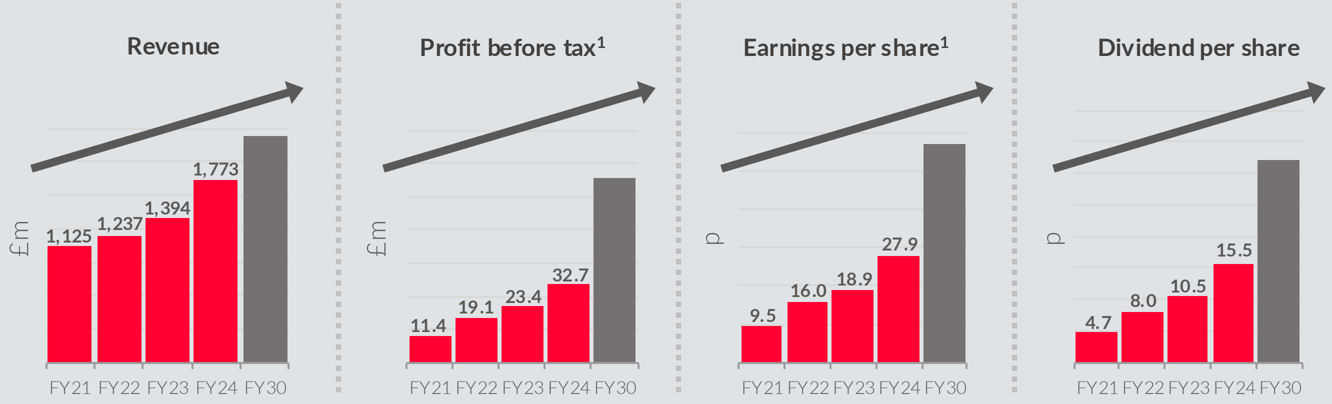
- Excellent start to new strategy period, building on the robust foundations of the business.
- Dividend growing in line with profit and 1.8x cover policy.
- Confident outlook, supported by high-quality order book and strong balance sheet.
- Strong foundations for future sustainable growth.

TSR 144%

From 1 July 2020 to 30 June 2024

Positive earnings momentum

Consistent and profitable growth since 2020 demerger



Key: Full year; Illustrative, not financial guidance

[1] Pre-exceptional items and FY23 stated before one-time contract settlement of £2.8m announced on 8 June 2023.

Sustainable Growth

Modern Methods of Construction at Brent Cross Town Regeneration

Bill Hocking

Chief Executive

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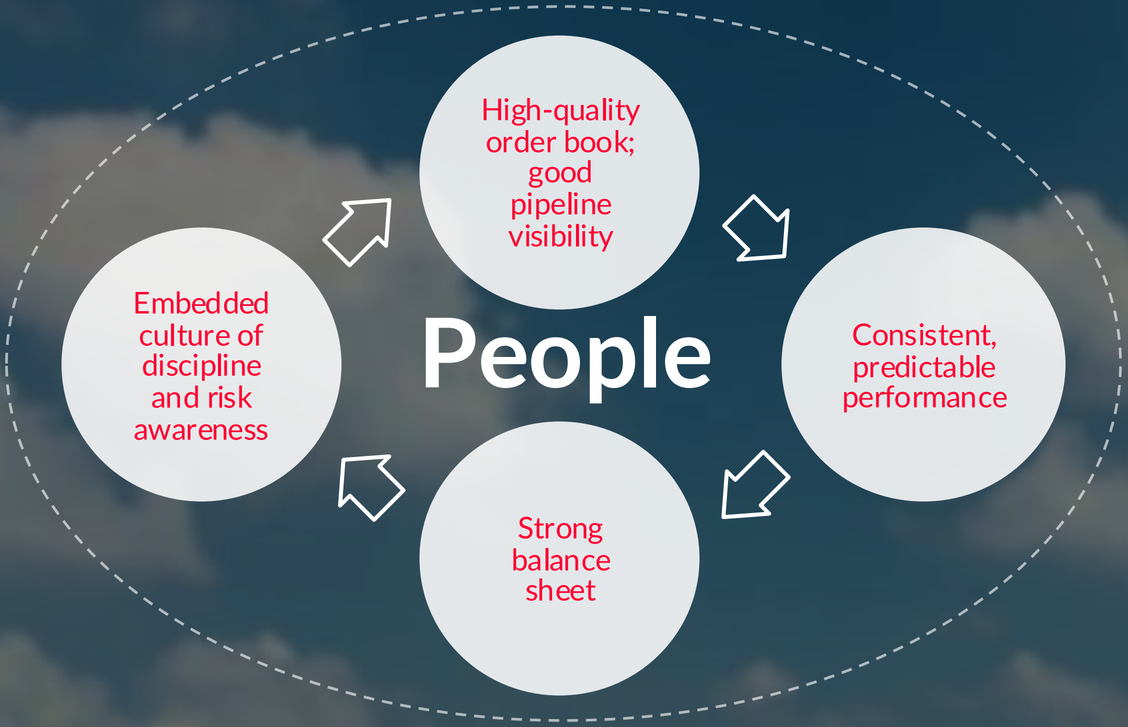
Our engine for Sustainable Growth

An embedded culture of discipline and risk awareness that drives a high-quality order book and selective bidding

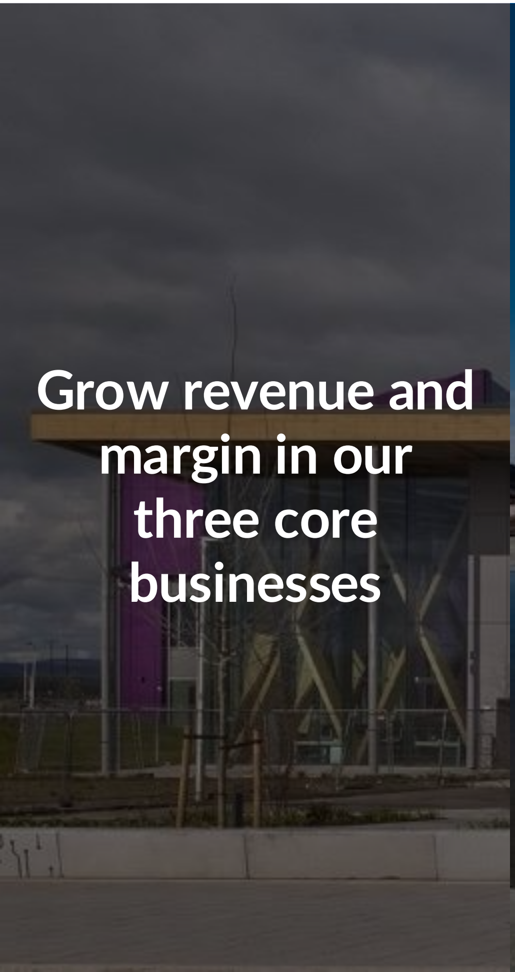


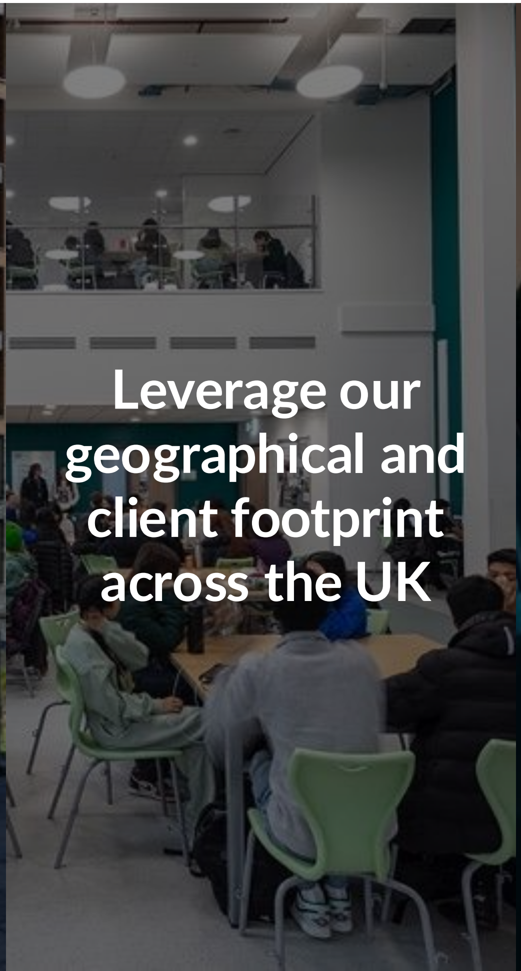
Focused risk management

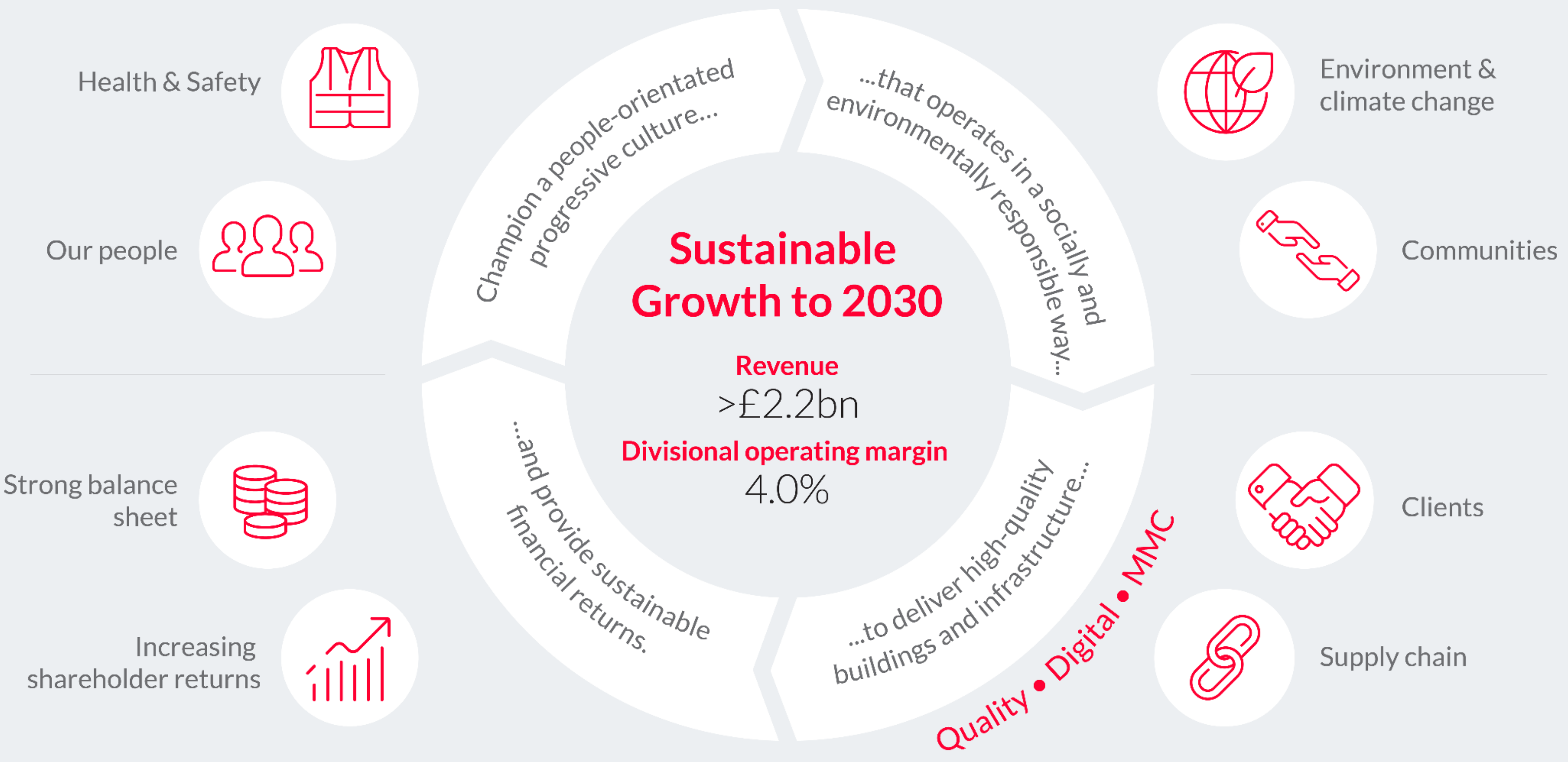
Assessing and managing risks and uncertainties is the central element of our process and business strategy

Contract selection	Robust review and approval pre-contract to avoid onerous risks.	Board approval required for all bids with specific risk factors or with a value of over £25m.	Technical, commercial and financial parameters applied.
Commercial control and reporting	Project level controls and management oversight of project forecasts.	Monthly cross-disciplinary contract review meetings on all projects.	Standardised monitoring and reporting; commercial health checks.

Strategy to 2030







Growth via core markets

Building
Highways
Environment

Growth via adjacent markets

Private Rented Sector | Capital maintenance and asset optimisation within existing Environment sector | Green retrofit | Affordable homes | Specialist Services

Drivers of revenue growth

Drivers of margin growth

Maturing client procurement and sector attitudes

Robust risk management; selective approach to contracts

Quality right first-time; reducing time and cost of rework

Digital tools and processes to drive quality, efficiency and carbon savings

Increasing capabilities in higher-margin adjacent markets

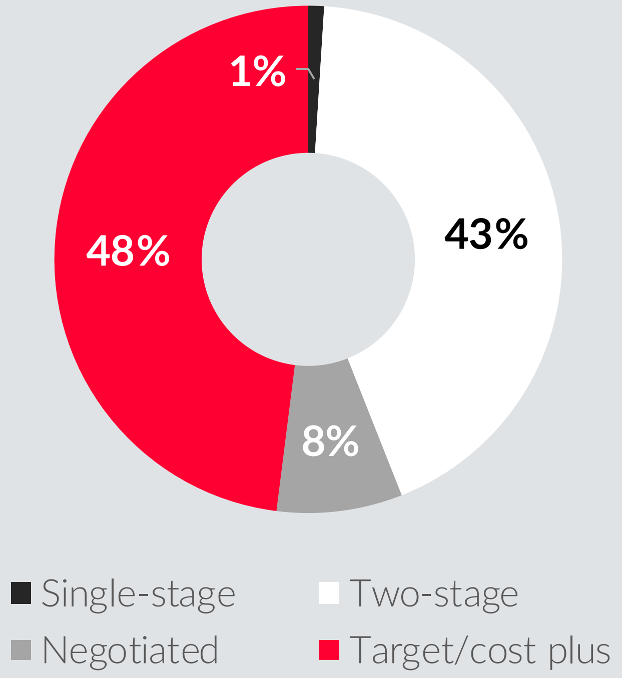
Modern Methods of Construction

High-quality supply chain

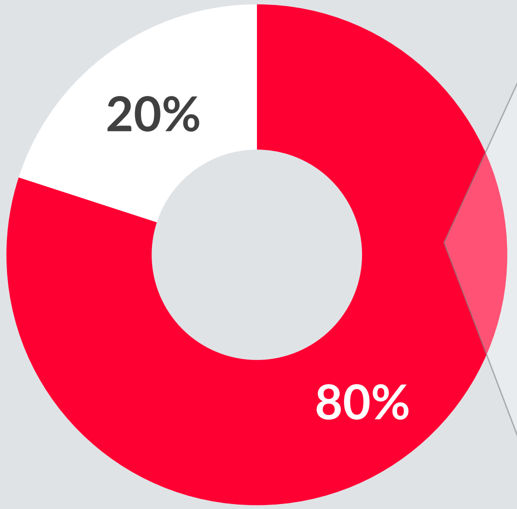
Overhead leverage

Winning work based on quality over cost

Order book procurement route



Example of scoring criteria

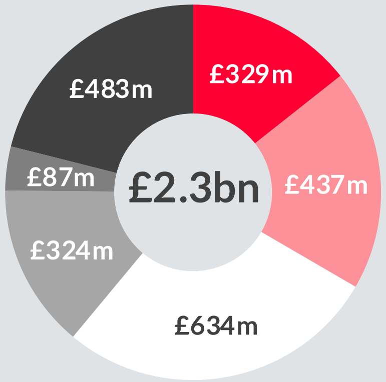


Scoring criteria

- Non-financial
- Financial

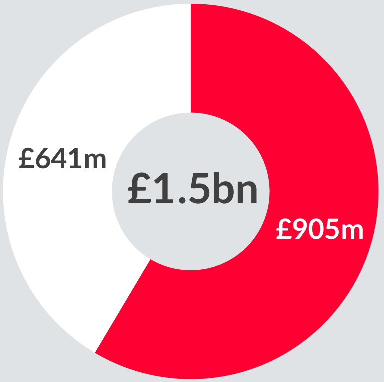
Management	20%
Project delivery	19%
Health, Safety and Environment	6%
Quality	9%
Sustainability and carbon	8%
Social value	8%
Contract management	10%

High-quality £3.8bn order book



Building order book

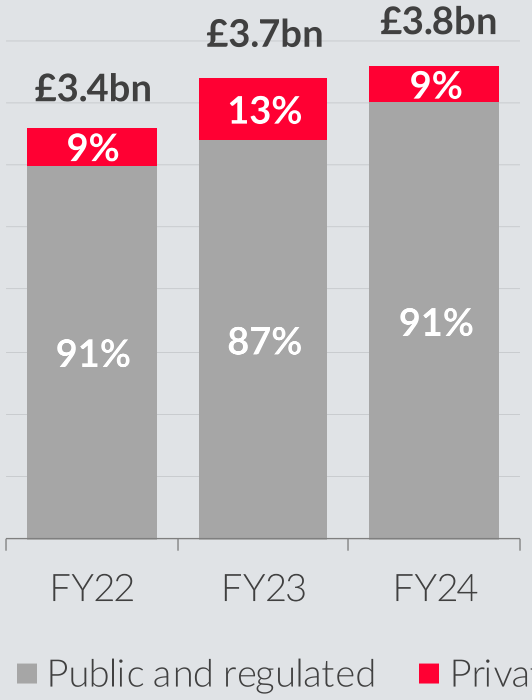
- Custodial
- Defence
- Education
- FM
- Health
- Commercial and other



Infrastructure order book

- Environment
- Highways

Order book by client type



93%
Repeat clients for FY24

92%
Work secured for FY25

70%
Work secured for FY26

Frameworks provide long-term visibility

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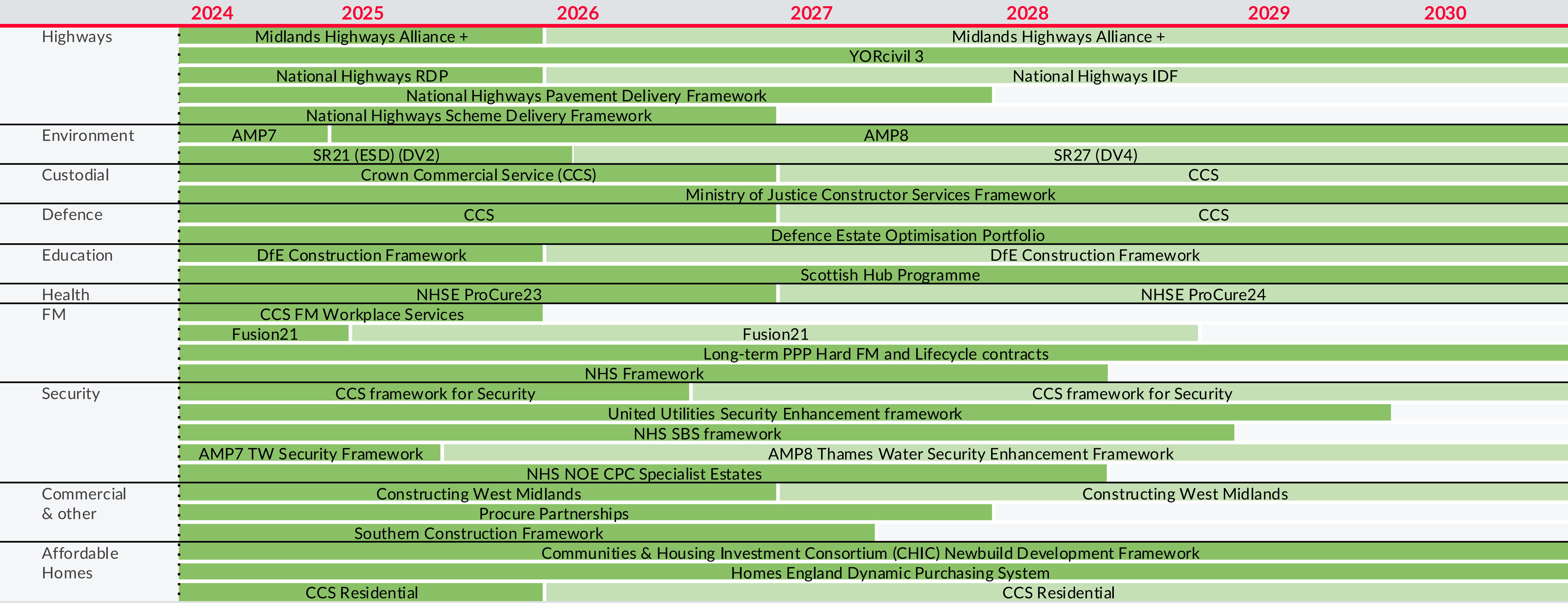

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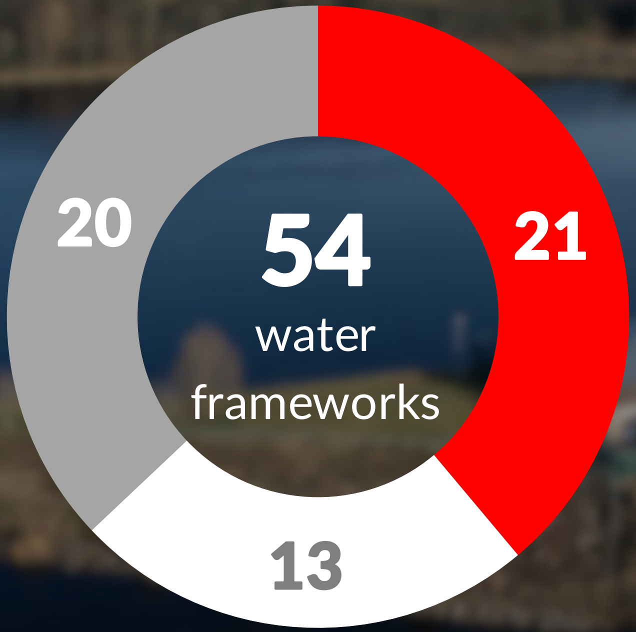
Frameworks provide long-term visibility

Affinity Water
love every drop anglianwater
Dŵr Cymru Welsh Water
Northumbrian Water living water
Scottish Water Always serving Scotland
Severn Trent Water
South Staffs Water
South West Water
Southern Water
Thames Water
United Utilities
Wessex Water YTL GROUP
Yorkshire Water
Environment Agency



Design & Build
Capital Maintenance
Water Technologies

13/13

We are working with all 13 of the UK's major water and sewerage companies

Contract wins

GallifordTry

Building

£72m remodelling/refurbishment of Adelaide House in London.

£87m build to rent development at Brent Cross Town.

£101m of projects for Ministry of Justice and Defence Infrastructure Organisation.

£69m Paisley Grammar School Community Campus.

Infrastructure

£88m contract to complete the South East Aylesbury Link Road.

£34m scheme to redevelop the A629 in Halifax by Calderdale.

Specialist Services

United Utilities Security Enhancement Framework.

NHS SBS Security Services.

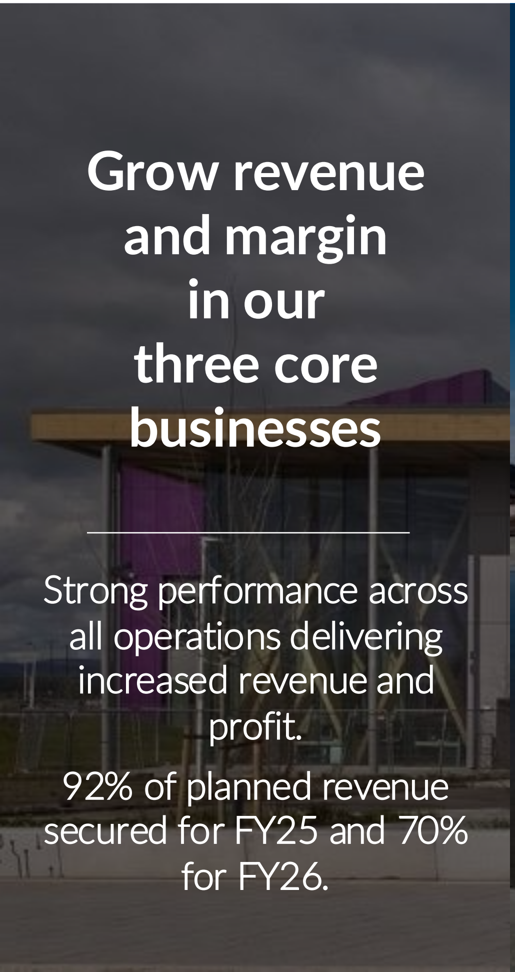
Pagabo Small Works Dynamic Purchasing System (DPS) framework.

£835m NHS framework.

Southern Water's Tier 2 Delivery Partners.

Strategy to 2030

Excellent progress at strategy start period



Grow revenue and margin in our three core businesses

Strong performance across all operations delivering increased revenue and profit.

92% of planned revenue secured for FY25 and 70% for FY26.

Grow our specialist businesses in higher margin, adjacent markets

Won places on new £835m NHS framework; and secured two further security frameworks.

Re-enter the Affordable Homes market

New Government has come out strongly on delivery of affordable homes.

Well positioned for the good opportunities coming our way.

Leverage our geographical and client footprint across the UK

£3.8bn national order book, with 91% of clients in the public and regulated sectors.

New Water Tech facility in Paisley.

Continue to generate growing shareholder returns

15.5p dividend per share.

144% TSR from 1 July 2020 to 30 June 2024.

Additional share buyback of up to £10.0m announced.

ESG

Supporting our growth strategy

Environment: carbon | biodiversity | resources

71%	reduction in Scope 1 and 2 carbon emissions since 2012*
93%	of our company car fleet is electric/plug-in hybrid
17.7	tonnes of waste per £100,000 of revenue
2030	Net zero by 2030 within our operations and by 2045 across all operations

Social: No harm | talent | community

0.04	Accident Frequency Rate
87%	Employee advocacy score
No1	Apprentice Employer in Construction
c£300m	Social and local economic value delivered
26	days taken on average to pay suppliers

Governance and reporting

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

CDP
DRIVING SUSTAINABLE ECONOMIES

MSCI ESG RATINGS AAA

clearassured BRONZE

disability confident EMPLOYER

WINNER The JobCrowd TOP COMPANY FOR APPRENTICES TO WORK FOR 2024/25 CONSTRUCTION & CIVIL ENGINEERING

Platinum MEMBER OF The 5% Club

*Adjusting for acquisitions.

Summary

- Excellent start to new strategy period and strong trading in new financial year.
- Confident outlook, supported by high-quality order book and strong balance sheet.
- Additional capital return through £10m share buyback programme.
- Strong foundations for future sustainable growth, with dividend per share to triple over strategy period.

A compelling investment

GallifordTry

High-quality business operating in robust markets generating growing returns

Robust market opportunity

- Excellent position in chosen sectors.
- Non-cyclical demand driven by ageing infrastructure, growing population and climate change.
- Strategy for growth in adjacent markets with higher margins.
- Increasing barriers to entry.

Rigorous risk management

- Embedded culture of assessing and managing risk.
- Rigorous contract selection and delivery.
- High-quality, well bid order book; robust pipeline.
- Broad, risk managed portfolio.

A progressive culture

- Retain, gain and develop employees who share our vision, values and purpose.
- Focus on quality and innovation, using digitalisation.
- Embedded ESG strategy.

Strong financial position

- Track record of financial delivery.
- Strong balance sheet; no bank debt or pension liabilities.
- Margin growth.
- Increasing shareholder returns.

Questions

Bill Hocking

Chief Executive

Kris Hampson

Chief Financial Officer

Appendices

1. A platform for sustainable growth
2. Sustainable Growth Strategy
3. Sustainable Growth Strategy targets
4. Our sustainability commitments
5. A destination employer
6. Why we target frameworks
7. Forward order book
8. Contract types
9. PPP Investments valuation

Appendices

1. A platform for sustainable growth

2016-2020
RETAIN, IMPROVE, DELIVER

Focus on culture and embedding best practices.

2020-2021
TRANSITIONAL YEAR

Establishing GT as a leading standalone construction group.

2021-2026
SUSTAINABLE GROWTH STRATEGY

Controlled margin and revenue growth.

2024-2030
STRATEGY TO 2030

Revenue: >£2.2bn

Divisional operating margin 4.0%

Appendices

2. Sustainable Growth Strategy

GallifordTry

A people-orientated, progressive culture driven by our values.

Health and safety: Prioritising health, safety and wellbeing and ensuring no harm to anyone linked with our operations.

Our people: Creating an inclusive environment and progressive culture that enables all individuals to reach their potential.

Earn a sustainable return on the value we deliver.

- Taking a disciplined approach to selecting the work we take on and carefully managing risk at every stage of the project.
- Delivering strong, predictable cash flows and margin improvement.
- Generating increasing shareholder returns.

Deliver excellence for our clients.

Clients: Delivering lower carbon, superior buildings and infrastructure with a better social footprint for clients in our chosen markets through a focus on innovation, digitalisation and quality.

Supply chain: Aligning our supply chain with our culture and creating collaborative relationships that deliver best practice, innovation and sustainable outcomes for clients, communities and the environment.

Protect the environment and create greater social value for communities.

Environment and climate change: Adopting sustainable resourcing and consumption practices and taking measures to mitigate carbon production and climate change to protect our environment and biodiversity.

Communities: Making a positive impact in communities where we operate by delivering greater social value and improving lives.

Appendices

3. Sustainable Growth Strategy targets

	2030 target
Revenue	**>£2.2bn**
Divisional operating margin[1]	**4.0%**
Cash	**Operating cash generation**
Dividend	**1.8x covered by earnings**

Appendices

4. Our sustainability commitments

Strategic priorities	Sustainability pillars		FY23	FY24	Ambition
Progressive culture	Health and safety	Lost Time Frequency Rate	0.20	0.14	No harm
		Accident Frequency Rate	0.09	0.04	No harm
	Our people	Early careers[1] as a % of total employees	10.0%	10.2%	>9.0%
		Women as a % of total employees	21.6%	22.5%	YoY increase
		Employee advocacy	86%	87%	>80%
Socially responsible delivery	Environment and climate change	Scope 1 and 2 carbon emissions market-based(CO_2e tonnes)	10,751	10,486	Net zero by 2030
		Scope 3 carbon emissions (CO_2e tonnes) - estimated	477,000	Not reported[2]	Net zero by 2045
		Waste intensity (tonnes/£100K revenue)	21.8	17.7	YoY reduction
	Communities	% of completed projects delivering >25% of Social and Local Economic Value as % of contract value	94%	79%	60%
		CCS performance	43.4	42.9	>39 and above industry ave
Quality and innovation	Clients	% of repeat business in order book	87%	92%	>80%
		% of full year planned revenue secured at start of the financial year	92%	92%	>85%
	Supply chain	% of Business Unit core trades spend with Aligned subcontractors	58%	61%	70%-80%
		Prompt payment – % of invoices paid within 60 days	98%	96%	>95%

[1]We have revised the methodology used to calculate our early careers numbers to align to the methodology used by The 5% Club as at 31 July for the respective year. This now includes sponsored students on work placements as well as graduates, apprentices and trainees.

[2] Following our initial full Scope 3 footprinting exercise, we are now focusing on developing a quantity-based approach to estimating emissions and have therefore ceased reporting of estimated full Scope 3 emissions using the spend based methodology.

Appendices

5. A destination employer

4,200
Employees in our business

87%
Employee advocacy score

No1
Construction & civil engineering employer for apprentices and No2 for graduates

11.4%
Churn

WINNER The JobCrowd TOP COMPANY FOR APPRENTICES TO WORK FOR 2024/25 CONSTRUCTION & CIVIL ENGINEERING

Platinum MEMBER OF The 5% Club

ARMED FORCES COVENANT

disability confident EMPLOYER

clear assured BRONZE

GallifordTry

Appendices

6. Why we target frameworks

Improved risk and favourable outcomes

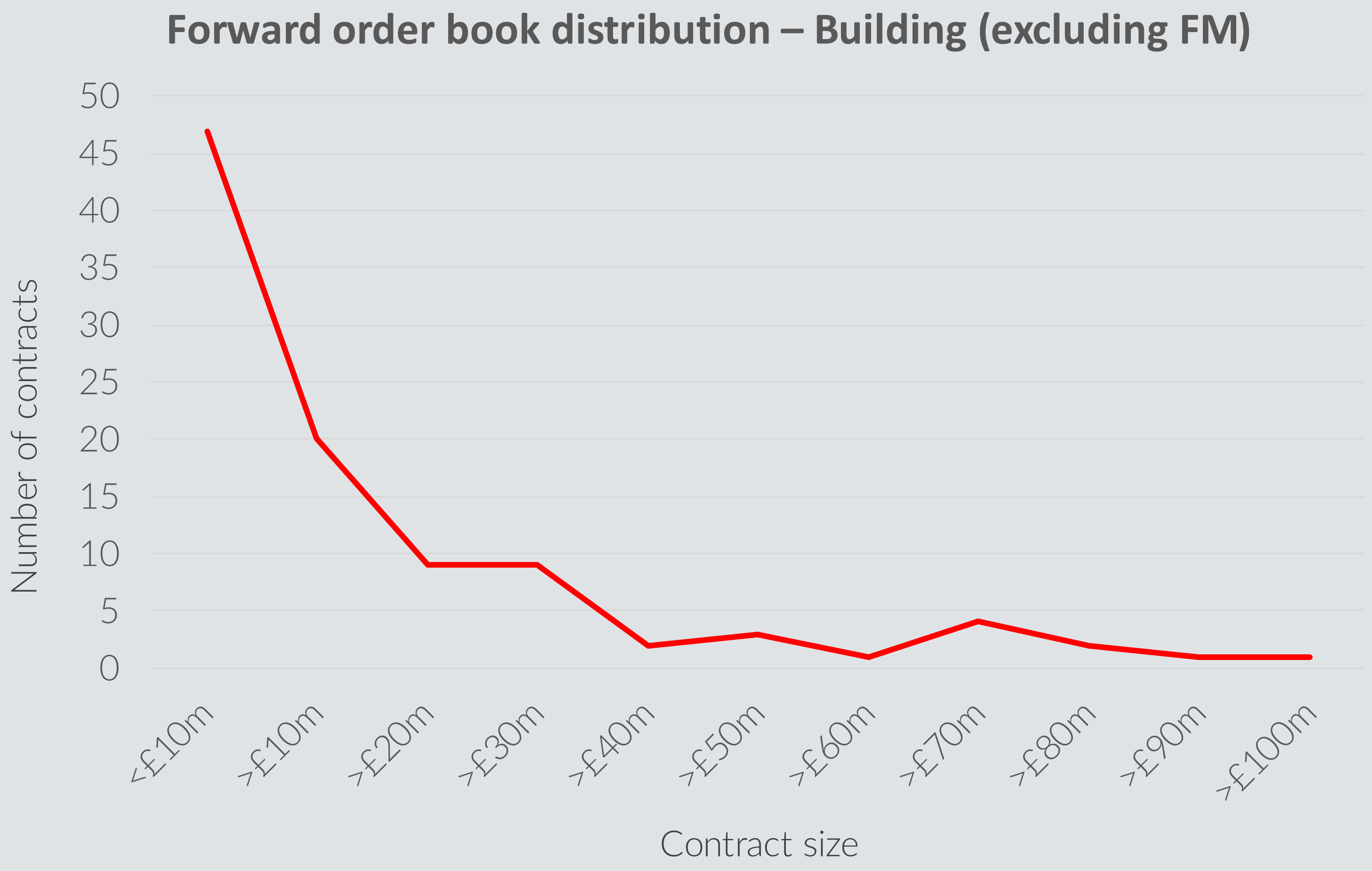
- Improved risk allocation:
  - Established and well-understood terms and conditions.
  - Long-term client relationships.
  - Predictable behaviours.
  - Certainty in tendering and typically reduced cost of tenders.
- Frameworks allow strategic planning:
  - Long-term visibility.
  - Continuous improvement.
  - Enhanced project outcomes.

A5630 Anstey Lane, awarded as part of the Midlands Highways Alliance framework

Appendices

7. Forward order book

- <£20m average contract size.



Appendices

8. Contract types

Target cost/cost reimbursable

Where an overall target contract value is agreed with the client, including margin, risk and inflation contingencies, and the actual cost of the work plus agreed fee is paid by the client. Any cost savings or overspends against the target are shared.

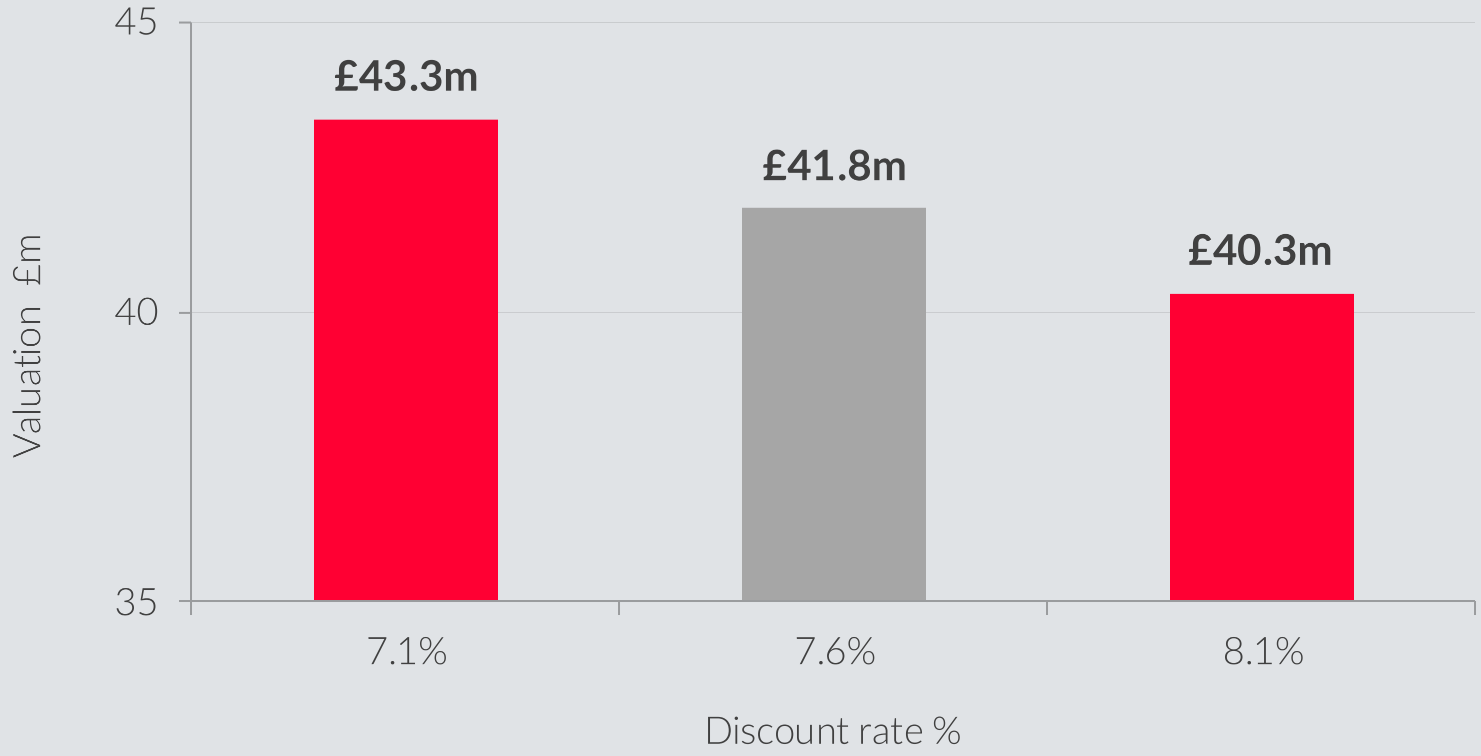
Two-stage tendering

An initial information stage facilitates early collaboration between client and contractor, helping to ensure design, cost certainty and project timescales. This initial phase allows us to submit details under a pre-construction agreement and includes aspects regarding project preliminaries, method statements, design, overheads and profit. The second stage of the process is a package pricing exercise, using the criteria agreed in the first stage, and where the contract is negotiated by us, subject to the approval of the design team.

Appendices

9. PPP Investments valuation

PPP Investments valuation



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