

Quarterly Financial Report

For the 3 months ended
31 March 2024



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1 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 months ended 31 March 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 months to 31 March 2024 are unaudited and the figures for the 3 months to 31 March 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*
650	313	1,945	17
-8%	-2%	-5%	-11%

North

Completions*	ASP (£000)**	Consented landbank***	Active Sites*
1,533	274	6,032	31
+3%	-3%	-4%	+0%

Midlands & South

Completions*	ASP (£000)**	Consented landbank***	Active Sites*
1,453	280	5,842	23
+5%	+0%	+2%	-4%

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Completions*	ASP (£000)**	Consented landbank***	Active Sites*
3,636	282	13,819	71
+1%	-2%	-2%	-4%



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

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

*** As at 31 March 2024. Percentage movement compared to 31 December 2023.



2 Operational and Financial Highlights

Financial overview

- The key metrics are set out below:

	3 months ended 31 Mar 2024	3 months ended 31 Mar 2023
Total completions	762	711
Revenue	£204.9m	£218.8m
Gross profit	£43.5m	£50.6m
Gross margin	21.2%	23.1%
Operating profit	£26.7m	£35.5m
Operating margin	13.0%	16.2%
ROCE *	22.0%	31.9%

- Operating profit for the 3 months ended 31 March 2024 decreased by 25% to £26.7m (Q1 2023: £35.5m) resulting in an operating margin of 13.0% (Q1 2023: 16.2%, FY 2023: 15.5%). The decline in operating margin in comparison to FY 2023 is largely a function of a higher overhead absorption rate of 8.4% (FY 2023: 6.8%). This is a function of lower private volumes and hence revenues in the first quarter, with volumes typically being more weighted to Quarters 2 and 4. Consequently, we believe that the FY 2024 overhead absorption rate will be similar to FY 2023. This is supported by the latest sales position for 2024 of £816m (2023: £848m) which represents both sales which have already completed up to May or reserved / exchanged contracts for completion in the remaining 7 months of the year.
- The decrease in operating profit was driven by a combination of:
 - total completions were 7% ahead at 762 homes (Q1 2023: 711). However, the mix of these completions was less weighted to private units which represented 55% of the quarter's completions compared to 75% last year. Part of this variance relates to last year's 75% being high in comparison to the full year outturn of 70%;
 - the change in mix of completions resulted in the average selling price falling to £275,000 from £301,000 last year. The year on year variance was compounded by last year's ASP being particularly high at £301,000 which exceeded the full year ASP of £288,000. In the current year, it is the opposite case, with the ASP of £275,000 in Quarter 1 being below our likely full year ASP, which we anticipate will be in line with FY23's £288,000. The private ASP was 2% lower with this being due to a combination of lower option revenues and locational mix. Importantly, the decline was not market related with prices continuing to be firm;

* ROCE calculated for the 12 month period ending 31 March 2024 is based on proforma operating profit and excludes exceptional items of £11.3m (Q1 2023: £20.6m).

Financial overview (continued)

- a reduction in gross margin to 21.2% (Q1 2023: 23.1%) primarily reflecting the impact of cost inflation which was incurred on a progressive basis during the course of 2023. By this we mean that in 2023, the gross margin declined progressively quarter on quarter such that the Q1 margin of 23.1% fell to 21.0% in Q4. Therefore, the 21.2% being achieved in the first quarter of this year is slightly ahead of the 21.0% in Q4 last year; and
- an 11% increase in administrative expenses due to higher staff costs.
- EBITDA is £27.4m (Q1 2023: £36.2m).

Trading

- Revenue
 - Revenue for the 3 months ended 31 March 2024 was £204.9m (Q1 2023: £218.8m), a decrease of 6%. This was largely due to core revenue derived from house sales being 3% down on the prior year period at £203.6m (Q1 2023: £208.8m) reflecting a 7% increase in core completions offset by a weaker sales mix which has led to a 9% reduction in core ASP. The reduction in other revenue reflected no land sales in the quarter (Q1 2023: £6.2m), and declining external revenue from Walker Timber of £1.3m (Q1 2023: £3.8m) as the proportion of supplies internal to the Group increases.
 - 62% of private completions in the 3 months ended 31 March 2024 were sold with client optional upgrades (Q1 2023: 81%). The average value of client options was £8,700 (Q1 2023: £10,700).
- Gross profit
 - Gross profit for the 3 months ended 31 March 2024 was £43.5m (Q1 2023: £50.6m) resulting in a gross margin of 21.2% (Q1 2023: 23.1%). 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 Q1 2023 to 21.0% at Q4 2023.
 - A combination of lower ASP and lower gross margin has led to the gross profit per core unit falling to £58,700 (Q1 2023: £72,900).
- Administrative expenses
 - Administrative expenses increased 11% to £17.2m (Q1 2023: £15.5m). This largely reflected an increase in staff costs, which was a function of salary inflation (£0.5m) and additional staff incentive costs (£0.5m). As a percentage of revenue, administrative expenses have increased to 8.4% (Q1 2023: 7.1%).

Land

- 7 sites (910 plots) were acquired in the 3 months ended 31 March 2024. This compares to 1 site (78 plots) acquired in the prior year period. Net land spend was £45.7m (Q1 2023: £17.2m), which reflects £39.3m (Q1 2023: £3.3m) on new site acquisitions and £6.4m (Q1 2023: £13.9m) on the deferred element of prior year deals.

Land (continued)

- Land payables have increased to £118.3m (Dec 2023: £88.3m), of which £60.8m (Dec 2023: £49.3m) is payable within one year. The value of exchanged conditional contracts has increased to £41.7m (Dec 2023: £30.1m) of which £23.3m (Dec 2022: £12.3m) is likely to be payable within one year.
- The owned landbank is 10,652 plots, a 2% increase on the December 2023 landbank of 10,483 plots. Combined with 3,167 plots in the controlled landbank (Dec 2023: 3,577 plots), this results in a consented landbank of 13,819 plots (Dec 2023: 14,060 plots), representing 3.9 years' supply (Dec 2023: 4.0 years), based on the last 12 months completions.
- The strategic landbank is largely unchanged at 43,304 plots (Dec 2023: 43,293 plots).

Cash and leverage

- The period end cash balance was £176.1m (Dec 2023: £194.2m).
- The Group has a RCF facility of £194m (Q1 2023: £180m) 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 3 months to 31 March 2024 was a £2.3m outflow (Q1 2023: £9.2m inflow) primarily driven by lower EBITDA (£8.8m), higher net land investment (£22.7m) and changes in working capital (£4.3m) offset by lower development spend (£29.3m).
- Net LTV* is 78%, based on net inventory of £839.3m and net debt** of £650.7m and is unchanged from 30 December 2023.
- Net leverage is 4.3x, based on LTM EBITDA (excluding exceptional items) of £152.0m and net debt** of £650.7m. This compares to the net leverage position at 30 December 2023 of 3.9x.
- Embedded land bank value*** is £1,785m (Dec 2023: £1,719m) which is 2.7x net debt** (Dec 2023: 2.7x).
- Our latest forward sales for the next 12 months through to 31 March 2025 is £658m (2023: £672m) of which £428m (2023: £450m) relates to homes where contracts have been exchanged.

* LTV: Loan to value is net debt divided by net inventory (inventory less land payables).

** Excludes the capitalisation of deferred financing costs (£28.5m) – 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 31 March 2024 based on the March 2024 baseline for selling prices.

Financial Highlights



Revenue for the 3 months to 31 March 2024 decreased by 6% to £204.9m (Q1 2023: £218.8m), despite a 7% increase in core completions. Core ASP was 9% lower primarily due to a lower proportion of private completions in the period (55%) compared to the same period last year (75%).

Gross profit for the 3 months to 31 March 2024 was £43.5m (Q1 2023: £50.6m). Gross margin in the 3 month period was 21.2% (Q1 2023: 23.1%).

Administrative expenses for the 3 months to 31 March 2024 were 11% higher at £17.2m (Q1 2023: £15.5m) reflecting salary inflation and higher staff incentive costs.

Net finance costs in the 3 month period ended 31 March 2024 were £22.6m (Q1 2023: £20.4m). The increase reflects higher interest charge on the Senior Secured Notes (£1.5m), higher FX loss on the exchange rate swap asset (£0.6m) and a new imputed interest charge on the fire safety provision (£0.5m), partly offset by higher bank interest received (£0.3m).

	3 months ended 31 Mar 2024 £m	3 months ended 31 Mar 2023 £m	% change
Revenue	204.9	218.8	(6.4)
Cost of sales	(161.4)	(168.2)	4.0
Gross profit	43.5	50.6	(14.0)
Administrative expenses	(17.2)	(15.5)	11.0
Other operating income	0.2	0.3	33.3
Group operating profit	26.5	35.4	(25.1)
Share of result in joint ventures	0.2	0.1	100.0
Operating profit	26.7	35.5	(24.8)
Net finance costs	(22.6)	(20.4)	(10.8)
Profit before taxation	4.1	15.1	(72.8)
Income taxes	(1.8)	(4.8)	62.5
Profit for the period	2.3	10.3	(77.7)
<i>Gross margin %</i>	21.2%	23.1%	2120 bps
<i>Operating margin %</i>	13.0%	16.2%	1300 bps
Profit for the period	2.3	10.3	(77.7)
Income taxes	1.8	4.8	62.5
Net finance costs	22.6	20.4	(10.8)
Depreciation	0.7	0.7	-
EBITDA	27.4	36.2	(24.3)

Financial Highlights

Analysis of revenues, completions and ASP

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Private revenue for the 3 months ended 31 March 2024 decreased by 24% to £139.7m (Q1 2023: £183.5m), which was driven by a 22% decrease in completions and a 2% decrease in ASP.

Affordable revenue increased by 47% to £22.7m (Q1 2023: £15.4m) driven by a 33% increase in completions and an 11% increase in ASP in the quarter.

Partnership revenue increased by 316% to £41.2m (Q1 2023: £9.9m) driven by an 197% increase in completions along with a 40% increase in ASP in the quarter.

Core completions rose by 7% to 741 units (Q1 2023: 694 units). Private completions decreased by 22% to 407 units (Q1 2023: 523 units). Affordable completions increased by 33% to 141 units (Q1 2023: 106 units). Partnership completions tripled to 193 units (Q1 2023: 65 units).

The **core ASP** for the 3 months decreased by 9% to £275,000 (Q1 2023: £301,000) reflecting a decrease in the private ASP and a decrease in the proportion of private completions in the period to 55% (Q1 2023: 75%).

Private ASP decreased by 2% to £343,000 (Q1 2023: £351,000) primarily due to regional mix and lower uptake of options. Affordable ASP increased by 11% to £161,000 (Q1 2023: £145,000) and Partnership ASP increased 40% to £213,000 (Q1 2023: £152,000), reflecting a greater proportion of completions taken in the Midlands & South where house prices are 6% higher and average unit size is 23% larger.

	3 months ended 31 Mar 2024	3 months ended 31 Mar 2023
	£m	£m
Private revenue	139.7	183.5
Affordable revenue	22.7	15.4
Partnership revenue	41.2	9.9
Land sales	-	6.2
Other	1.3	3.8
Total revenue	204.9	218.8

	Units	Units
Private completions	407	523
Affordable completions	141	106
Partnership completions	193	65
Core completions	741	694
Joint venture completions	21	17
Total completions	762	711

	£'000	£'000
Private ASP	343	351
Affordable ASP	161	145
Partnership ASP	213	152
Core ASP	275	301

* Affordable revenue and completions as previously reported for the 3 month period ended 31 March 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. 1.17 €/£. A swap contract was entered into in May 2022 at an exchange rate of c. 1.19 €/£. At the quarter end, this resulted in an asset of £2.6m and largely offsets the impact on the Senior Secured Notes of the movement in exchange rates over the period.

Net cash outflow from operating activities for the 3 months ended 31 March 2024 was £15.5m (Q1 2023: £1.0m outflow), a variance of £14.5m. This was mainly driven by higher net land spend (£28.0m), higher receivables (£5.4m), lower core turnover (£5.1m), greater use of part exchange incentives (£3.9m) and taxation (£3.0m) offset by lower development spend (£32.5m).

Net cash outflow from investing activities for the 3 months ended 31 March 2024 was £2.1m (Q1 2023: £1.8m outflow) reflecting loans to joint ventures and fixed asset purchases.

Net cash outflow from financing activities was £0.5m in the 3 months to 31 March 2024 (Q1 2023: £0.5m outflow).

	As at 31 Mar 2024 £m	As at 31 Dec 2023 £m	As at 31 Mar 2023 £m
Senior Secured Notes	(822.2)	(828.5)	(834.4)
Exchange rate swap	2.6	10.1	16.1
Lease liabilities	(7.2)	(7.6)	(7.9)
Cash and cash equivalents	176.1	194.2	186.5
Total external net debt	(650.7)	(631.8)	(639.7)
Deferred financing costs	28.5	30.2	34.7
Total external net debt	(622.2)	(601.6)	(605.0)

	3 months ended 31 Mar 2024 £m	3 months ended 31 Mar 2023 £m
Net cashflow from operating activities	(15.5)	(1.0)
Net cashflow from investing activities	(2.1)	(1.8)
Net cashflow from financing activities	(0.5)	(0.5)
Movement in cash and cash equivalents	(18.1)	(3.3)
Cash and cash equivalents at beginning of period	194.2	189.8
Cash and cash equivalents at end of period	176.1	186.5

Net Debt, Liquidity and Cashflow

Free cash flow for the 3 months ended 31 March 2024 was an outflow of £2.3m compared to an inflow of £9.2m in the prior year period, which represents a variance of £11.5m. The variance was driven primarily by higher net land investment, lower EBITDA and changes in working capital offset by lower development spend.

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 Mar 2024	3 months ended 31 Mar 2023
	£m	£m
EBITDA	27.4	36.2
Net land investment (in excess of)/less than cost of sales	(14.0)	8.7
Development spend in excess of cost of sales	(6.9)	(36.2)
Change in working capital	(2.6)	1.7
Cash flows from JVs (not included in EBITDA)	(1.9)	(1.4)
Shared equity loan receivables	0.2	0.4
Other	(4.5)	(0.2)
Free cash flow*	(2.3)	9.2
Net land spend (included in cost of sales)	31.8	26.5
Net land investment in excess of/(less than)cost of sales	14.0	(8.7)
Total net land spend	45.8	17.8
Free cash flow pre net land spend	43.5	27.0

* 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 £701.6m as at 31 March 2024 (Dec 2023: £678.7m). The increase is primarily due to a higher net inventories balance and higher trade receivables offset by higher trade payables.

Return on capital employed is 22.0% compared to 24.0% for the 12 months ended 31 December 2023.

	As at and for the 12 months ended 31 Mar 2024 £m	As at and for the 12 months ended 31 Dec 2023 £m	As at and for the 12 months ended 31 Mar 2023 £m
Net assets	588.1	585.8	547.4
External net debt	622.2	601.6	605.0
Intangible assets *	(508.7)	(508.7)	(508.7)
Capital employed	701.6	678.7	643.7
Operating profit (pre exceptional items) **	148.3	157.1	204.1
ROCE (%)	22.0%	24.0%	31.9%

* Intangible assets at 31 March 2024 of £551.7m (Q1 and 31 December 2023: £551.7m) net of a deferred tax liability on the brand value of £43.0m (Q1 and 31 December 2023: £43.0m).

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

Capital Employed, Inventory and Landbank



The Group acquired 7 sites (910 plots) in the 3 months ended 31 March 2024, which compares to 1 site (78 plots) in the prior year period.

Net inventory has increased by £31.2m in the 3 months due to a combination of the above land acquisitions (£13.3m movement, net of land payables movement), higher work in progress (£13.0m) and greater use of part exchange incentives increasing part exchange inventory by £4.8m.

The owned landbank at 31 March 2024 has increased to 10,652 plots (Gross development value: £3.3bn). All owned land which has a detailed planning permission is being developed.

The consented landbank has decreased to 13,819 plots (Dec 2023: 14,060 plots). Based on the last 12 months' core completions of 3,522 this represents 3.9 months' supply (Dec 2023: 4.0 months).

	As at 31 Mar 2024	As at 31 Dec 2023	As at 31 Mar 2023
	£m	£m	£m
Net inventory			
Land	543.9	500.5	471.9
Work in progress	399.7	386.7	406.1
Part exchange properties	14.0	9.2	4.0
Inventory	957.6	896.4	882.0
Land payables	(118.3)	(88.3)	(71.1)
Net inventory	839.3	808.1	810.9
Embedded landbank value*	£m	£m	£m
Estimated GDV	3,264.4	3,153.5	3,009.6
Estimated remaining development costs	(1,599.1)	(1,576.1)	(1,446.4)
Net land payables	(122.2)	(89.7)	(72.8)
Net proceeds from owned landbank	1,543.1	1,487.7	1,490.4
Net option value of strategic landbank	241.9	231.6	232.9
Total	1,785.0	1,719.3	1,723.3
Landbank	Plots	Plots	Plots
Owned / unconditional	10,652	10,483	10,122
Controlled	3,167	3,577	3,009
Consented	13,819	14,060	13,131
Strategic	43,304	43,293	43,931
Total	57,123	57,353	57,062

* 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 March 2024 based on the March 2024 baseline for selling prices.



5 Trading Update

- We are encouraged by our sales performance. Our latest year to date private sales rate is 0.71 which is a 9% increase on the prior year period (2023: 0.65). Gross and net pricing remains firm with gross prices set to accommodate incentives at similar levels to last year.
- We entered the year with a 2024 forward sales position of £437m (2023: £481m) on 1,759 (2023: 1,782) core and JV homes. This has now grown to £816m (2023: £848m) and 2,908 homes (2023: 2,977) (and includes revenue on homes which we have completed in the first 5 months of the year). 73% (2023: 75%) of the £816m sales value relates to homes which have either exchanged or completed.
- Extensive work has been undertaken with our supply chain partners which has been further supported by tangible evidence from tendering recently acquired sites. This suggests that a neutral cost position can be maintained for 2024.
- As previously reported, we have a strong pipeline of 40 land opportunities for 2024, with 10 sites (1,688 plots) having already been acquired in the 5 months to date and a further 6 sites (848 plots) having been exchanged. In addition, at the beginning of May, we formed a joint venture with Apache Capital to build a 650 home mixed tenure scheme in Bedfordshire.
- At the end of March 2024, we had 64 active sales outlets. This is a low point in the year and is expected to increase to 70 by the end of the year. The net increase of 6, reflects the launch of 26 outlets offset by the closure of 20 outlets.
- Assuming a sales rate of 0.60 to 0.65 then full year volumes are likely to be in the range of 3,500 to 3,750 with the overall ASP broadly in line with last year.



6 Group Condensed Consolidated Financial Statements

Consolidated Income Statement

for the 3 month period ended 31 March 2024

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	Note	3 months ended 31 Mar 2024 £m	3 months ended 31 Mar 2023 £m
Revenue		204.9	218.8
Cost of sales		(161.4)	(168.2)
Gross profit		43.5	50.6
Administrative expenses		(17.2)	(15.5)
Other operating income		0.2	0.3
Group operating profit		26.5	35.4
Share of result in joint ventures		0.2	0.1
Operating profit		26.7	35.5
Finance costs	4	(23.9)	(21.3)
Finance income	5	1.3	0.9
Net finance costs		(22.6)	(20.4)
Profit before taxation		4.1	15.1
Income taxes		(1.8)	(4.8)
Profit for the period		2.3	10.3

Consolidated Statement of Financial Position



	Note	As at 31 Mar 2024 £m	As at 31 Dec 2023 £m	As at 31 Mar 2023 £m
Assets				
Non-current assets				
Intangible assets (incl goodwill)	6	551.7	551.7	551.7
Property, plant and equipment		8.2	8.1	8.1
Right of use assets		6.7	7.2	7.4
Investment in joint ventures		15.2	13.2	13.9
Shared equity loan receivables		2.6	2.8	3.1
Exchange rate swap		2.6	10.1	16.1
Retirement benefit obligations		14.8	14.8	8.2
		601.8	607.9	608.5
Current assets				
Inventories	7	957.6	896.4	882.0
Trade and other receivables		41.8	35.1	32.4
Cash and cash equivalents		176.1	194.2	186.5
		1,175.5	1,125.7	1,100.9
Total assets		1,777.3	1,733.6	1,709.4

Consolidated Statement of Financial Position *(continued)*



	Note	As at 31 Mar 2024 €m	As at 31 Dec 2023 €m	As at 31 Mar 2023 €m
Liabilities				
Non-current liabilities				
Loans and borrowings	8	(793.7)	(798.3)	(799.7)
Trade and other payables		(57.5)	(39.0)	(16.7)
Deferred tax		(41.8)	(41.7)	(34.5)
Lease liabilities		(4.8)	(5.2)	(5.4)
Provisions and deferred income		(43.4)	(44.4)	(33.1)
		(941.2)	(928.6)	(889.4)
Current liabilities				
Trade and other payables		(245.6)	(216.8)	(270.1)
Lease liabilities		(2.4)	(2.4)	(2.5)
		(248.0)	(219.2)	(272.6)
Total liabilities		(1,189.2)	(1,147.8)	(1,162.0)
Net assets		588.1	585.8	547.4
Equity				
Share capital		527.9	527.9	527.9
Retained earnings		60.2	57.9	19.5
Total equity attributable to owners of the parent		588.1	585.8	547.4

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

The March 2024 and March 2023 figures are unaudited.

Consolidated Cashflow Statement

for the 3 month period ended 31 March 2024

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	3 months ended 31 Mar 2024 £m	3 months ended 31 Mar 2023 £m
Cash flows from operating activities		
Profit for the period	2.3	10.3
Provisions	-	-
Depreciation	0.7	0.7
Finance income	(1.3)	(0.9)
Finance cost	23.9	21.3
Share of post tax result from joint ventures	(0.2)	(0.1)
Taxation	1.8	4.8
	27.2	36.1
Working capital movements:		
Movement in trade and other receivables	(4.3)	7.5
Movement in inventories	(65.2)	(15.0)
Movement in trade and other payables	41.8	(18.0)
Cash generated from operations	(0.5)	10.6
Interest paid	(9.8)	(9.3)
Corporation tax paid	(5.2)	(2.3)
Net cashflow from operating activities	(15.5)	(1.0)
Cash flows from investing activities		
Acquisition of property, plant and equipment	(0.3)	(0.4)
Movement in loans with joint ventures	(1.8)	(1.4)
Net cashflow from investing activities	(2.1)	(1.8)
Cash flows from financing activities		
Arrangement fees	0.0	-
Lease payments	(0.5)	(0.5)
Net cashflow from financing activities	(0.5)	(0.5)
Movement in cash and cash equivalents	(18.1)	(3.3)
Cash and cash equivalents at beginning of period	194.2	189.8
Cash and cash equivalents at end of period	176.1	186.5

Notes to the Condensed Consolidated Financial Statements



1. Reconciliation of net cash flow to net debt

	3 months ended 31 Mar 2024	3 months ended 31 Mar 2023
	£m	£m
Movement in cash and cash equivalents	(18.1)	(3.3)
Movement in lease liabilities	0.5	0.5
Non-cash movement*	(3.0)	(2.4)
Movement in external net debt in period	(20.6)	(5.2)
External net debt at beginning of period	(601.6)	(599.8)
External net debt at end of period	(622.2)	(605.0)

External net debt comprises:

	As at 31 Mar 2024	As at 31 Dec 2023	As at 31 Mar 2023
	£m	£m	£m
Senior Secured Notes	(822.2)	(828.5)	(834.4)
Exchange rate swap	2.6	10.1	16.1
Cash and cash equivalents	176.1	194.2	186.5
Lease liabilities	(7.2)	(7.6)	(7.9)
Deferred financing costs	28.5	30.2	34.7
External net debt at end of period	(622.2)	(601.6)	(605.0)

* The non-cash movement for the 3 months ended 31 March 2024 represents £1.7m (Q1 2023: £1.6m) of arrangement fee amortisation, £1.2m net unrealised loss (Q1 2023: £0.6m loss) on the FX translation of the Senior Secured Notes and exchange rate swap and £0.1m (Q1 2023: £0.1m) 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 months ended 31 March 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 Mar 2024 £m	3 months ended 31 Mar 2023 £m
Interest payable on Senior Secured Notes, bank loans and overdrafts	20.6	19.1
Net foreign exchange loss	1.2	0.6
Imputed interest on land payables on deferred terms	1.5	1.5
Imputed interest on provisions	0.5	-
Imputed interest on lease liabilities	0.1	0.1
	23.9	21.3

5. Finance income

	3 months ended 31 Mar 2024 £m	3 months ended 31 Mar 2023 £m
Interest on loans to joint ventures	0.1	0.1
Bank interest	1.1	0.8
Other	0.1	-
	1.3	0.9

6. Intangible assets	As at 31 Mar 2024 £m	As at 31 Dec 2023 £m	As at 31 Mar 2023 £m
Goodwill	379.7	379.7	379.7
Brand value	172.0	172.0	172.0
	551.7	551.7	551.7

7. Inventories	As at 31 Mar 2024 £m	As at 31 Dec 2023 £m	As at 31 Mar 2023 £m
Land	543.9	500.5	471.9
Work in progress	399.7	386.7	406.1
Part exchange properties	14.0	9.2	4.0
	957.6	896.4	882.0

8. Loans and borrowings – non-current	As at 31 Mar 2024 £m	As at 31 Dec 2023 £m	As at 31 Mar 2023 £m
Senior Secured Notes	(822.2)	(828.5)	(834.4)
Deferred financing costs	28.5	30.2	34.7
	(793.7)	(798.3)	(799.7)

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 £822.2m (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 £2.6m (Dec 2023: £10.1m) exchange rate swap asset at the quarter end.