Quarterly Financial Report

For the 3 and 6 months ended 30 June 2024

miller homes

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 6 months ended 30 June 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 6 months to 30 June 2024 are unaudited and the figures for the 3 and 6 months to 30 June 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*
563	314	1,945	16
-20%	-2%	-5%	-16%

North

Completions*	ASP (£000)**	Consented landbank***	Active Sites*
1,608	272	5,686	30
+8%	-3%	-9%	-3%

Midlands & South

Completions*	ASP (£000)**	Consented landbank***	Active Sites*
1,439	281	6,329	22
+4%	+0%	+10%	-8%

Miller Homes

Completions*	ASP (£000)**	Consented landbank***	Active Sites*
3,610	282	13,960	68
+1%	-2%	-1%	-8%

* Last 12 months ended 30 June 2024. Percentage movement compared to the 12 months ended 31 December 2023. Includes Core and JV units.
** Last 12 months ended 30 June 2024. Percentage movement compared to the 12 months ended 31 December 2023. Core units only.
*** As at 30 June 2024. Percentage movement compared to 31 December 2023.

2 Operational and Financial Highlights

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Financial overview

- The key metrics are set out below:

	6 months ended 30 Jun 2024	6 months ended 30 Jun 2023
Total completions	1,669	1,644
Revenue	£457.1m	£484.1m
Gross profit	£97.9m	£109.5m
Gross margin	21.4%	22.6%
Operating profit	£64.7m	£78.6m
Operating margin	14.2%	16.2%
ROCE*	20.5%	30.0%

- Operating profit for the 6 months ended 30 June 2024 decreased by 18% to £64.7m (H1 2023: £78.6m) resulting in an operating margin of 14.2% (H1 2023: 16.2%, FY 2023: 15.5%). The decline in operating margin in comparison to H1 2023 is largely a function of lower gross margins and a higher overhead absorption rate of 7.6% (H1 2023: 6.6%). 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 2% ahead at 1,669 homes (H1 2023: 1,644). The mix of these completions was less weighted to private units which represented 59% of the period's completions compared to 74% last year, which was high in comparison to the full year outturn of 70%. The reduction in private completions is due to combination of a lower number of sales outlets and a lower opening private order book;
  - the change in mix of completions resulted in the average selling price falling to £281,000 from £294,000 last year. The year-on-year variance was compounded by last year's ASP being particularly high at £294,000 which exceeded the full year ASP of £288,000. In the current year, it is the opposite case, with the ASP of £281,000 in the first half being below our likely full year ASP, which we anticipate will be similar to FY23's £288,000. The private ASP was unchanged at £344,000 while affordable and partnership ASPs increased by 13% and 28% respectively;
  - a reduction in gross margin to 21.4% (H1 2023: 22.6%) primarily reflecting the impact of cost inflation which was incurred on a progressive basis during the course of 2023. Quarterly gross margins have stabilised at around 21.0 to 21.5% over the last 3 reporting quarters; and

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

Operational and Financial Highlights

Financial overview (continued)

  - a 9% 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.

- EBITDA is £66.0m (H1 2023: £79.9m).

Trading

- Revenue
  - Revenue for the 6 months ended 30 June 2024 was £457.1m (H1 2023: £484.1m), a decrease of 6%. This was largely due to core revenue derived from house sales being 4% down on the prior year period at £453.9m (H1 2023: £471.8m) reflecting a 1% increase in core completions offset by a greater proportion of affordable and partnership units, which have contributed to a 4% reduction in core ASP. The reduction in other revenue reflected no land sales in the period (H1 2023: £6.2m), and declining external revenue from Walker Timber of £3.2m (H1 2023: £6.1m) as the proportion of supplies internal to the Group increases.
  - 68% of private completions in the 6 months ended 30 June 2024 were sold with client optional upgrades (H1 2023: 77%). The average value of client options was £8,900 (H1 2023: £10,900).

- Gross profit
  - Gross profit for the 6 months ended 30 June 2024 was £97.9m (H1 2023: £109.5m) resulting in a gross margin of 21.4% (H1 2023: 22.6%). 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 Q2 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 £60,700 (H1 2023: £68,300).

- Administrative expenses
  - Administrative expenses increased 9% to £34.8m (H1 2023: £32.0m). This largely reflected an increase in staff costs, which was a function of salary inflation (£1.2m) and additional staff incentive costs (£1.1m). As a percentage of revenue, administrative expenses have increased to 7.6% (H1 2023: 6.6%).

Land

- There has been a significant step-up in land acquisitions this year with 14 sites (2,180 plots) acquired in the 6 months ended 30 June 2024, compared to 5 sites (693 plots) in the prior year period. Net land spend increased to £91.3m (H1 2023: £33.4m), which reflects £77.5m (H1 2023: £16.7m) on new site acquisitions and £13.8m (H1 2023: £16.7m) on the deferred element of prior year deals. In addition to the 14 sites acquired in the period, a joint venture was established with Present Made to deliver 650 mixed tenure homes in Houghton Conquest, Bedfordshire.

Operational and financial highlights

Land (continued)

- Land payables have increased to £135.2m (Mar 2024: £118.3m), of which £95.2m (Mar 2024: £60.8m) is payable within one year. The value of exchanged conditional contracts has increased to £42.1m (Mar 2024: £41.7m) of which £19.6m (Mar 2024: £23.3m) is likely to be payable within one year.

- The owned landbank is 11,062 plots, a 4% increase on the March 2024 landbank of 10,652 plots. Combined with 2,898 plots in the controlled landbank (Mar 2024: 3,167 plots), this results in a consented landbank of 13,960 plots (Mar 2024: 13,819 plots), representing 4.0 years' supply (Mar 2024: 3.9 years), based on the last 12 months completions. There are a further 777 plots (March 2024: 161 plots) in our JV owned landbank.

- The strategic landbank has decreased 2% to 42,635 plots (Mar 2024: 43,304 plots).

Cash and leverage

- The period end cash balance was £159.4m (Mar 2024: £176.1m).

- The Group has a RCF facility of £194m (Mar 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 6 months to 30 June 2024 was a £11.7m inflow (H1 2023: £32.9m inflow) . The movement is primarily driven by lower EBITDA (£13.9m), higher net land investment (£52.2m) and net cash outflows to JVs (£10.5m) offset by lower development spend (£49.4m) and changes in working capital (£10.7m).

- Net LTV* is 78%, based on net inventory of £853.2m and net debt** of £666.3m and is unchanged from 31 March 2024.

- Net leverage is 4.5x, based on LTM EBITDA (excluding exceptional items) of £146.9m and net debt** of £666.3m. This compares to the net leverage position at 31 March 2024 of 4.3x.

- Embedded land bank value*** is £1,851m (Mar 2024: £1,785m) which is 2.8x net debt** (Mar 2024: 2.7x).

- Forward sales for the next 12 months through to 30 June 2025 is £535m (2023: £541m) of which £311m (2023: £331m) 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 (£26.8m) – 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 June 2024 based on the June 2024 baseline for selling prices.

Financial Highlights

miller homes

Revenue for the 3 months to 30 June 2024 decreased by 5% to £252.2m (Q2 2023: £265.3m), primarily reflecting a 4% decrease in core completions. Core ASP was 1% lower primarily due to a lower proportion of private completions in the period (62%) compared to the same period last year (73%).

Gross profit for the 3 months to 30 June 2024 was £54.4m (Q2 2023: £58.9m). Gross margin in the 3 month period was 21.6% (Q2 2023: 22.2%).

Administrative expenses for the 3 months to 30 June 2024 were 7% higher at £17.6m (Q2 2023: £16.5m) primarily reflecting salary inflation and higher staff incentive costs.

Net finance costs in the 3 month period ended 30 June 2024 were £19.5m (Q2 2023: £20.1m). The decrease primarily reflects higher bank interest received (£1.2m) offset by an imputed interest charge on the fire safety provision (£0.4m) and lower interest on loans to JVs (£0.1m).

	3 months ended 30 Jun 2024 £m	3 months ended 30 Jun 2023 £m	% change	6 months ended 30 Jun 2024 £m	6 months ended 30 Jun 2023 £m	% change
Revenue	252.2	265.3	(4.9)	457.1	484.1	(5.6)
Cost of sales	(197.8)	(206.4)	4.2	(359.2)	(374.6)	4.1
Gross profit	54.4	58.9	(7.6)	97.9	109.5	(10.6)
Administrative expenses	(17.6)	(16.5)	6.7	(34.8)	(32.0)	8.7
Other operating income	0.6	0.5	(20.0)	0.8	0.8	-
Group operating profit	37.4	42.9	(12.8)	63.9	78.3	(18.4)
Share of result in joint ventures	0.6	0.2	200.0	0.8	0.3	166.7
Operating profit	**38.0**	**43.1**	**(11.8)**	**64.7**	**78.6**	**(17.7)**
Net finance costs	(19.5)	(20.1)	3.0	(42.1)	(40.5)	(4.0)
Profit before taxation	18.5	23.0	(19.6)	22.6	38.1	(40.7)
Income taxes	(6.0)	(6.8)	11.8	(7.8)	(11.6)	32.8
Profit for the period	**12.5**	**16.2**	**(22.8)**	**14.8**	**26.5**	**(44.2)**
Gross margin %	21.6%	22.2%	-60 bps	21.4%	22.6%	-140 bps
Operating margin %	15.1%	16.2%	-110 bps	14.2%	16.2%	-200 bps

Profit for the period	12.5	16.2	(22.8)	14.8	26.5	(44.2)
Income taxes	6.0	6.8	11.8	7.8	11.6	32.8
Net finance costs	19.5	20.1	3.0	42.1	40.5	(4.0)
Depreciation	0.6	0.6	-	1.3	1.3	-
EBITDA	**38.6**	**43.7**	**(11.7)**	**66.0**	**79.9**	**(17.4)**

Financial Highlights

Analysis of revenues, completions and ASP

Private revenue for the 3 months ended 30 June 2024 decreased by 18% to £185.6m (Q2 2023: £225.2m), which was driven by a 19% decrease in completions partly offset by a 1% increase in ASP.

Affordable revenue decreased by 7% to £20.5m (Q2 2023: £22.0m) driven by a 19% reduction in completions and a 15% increase in ASP in the quarter.

Partnership revenue increased by 180% to £44.2m (Q2 2023: £15.8m) driven by a 130% increase in completions along with a 21% increase in ASP in the quarter.

Core completions fell 4% to 873 units (Q2 2023: 910 units). Private completions decreased by 19% to 539 units (Q2 2023: 665 units). Affordable completions also decreased by 19% to 125 units (Q2 2023: 154 units). Partnership completions doubled to 209 units (Q2 2023: 91 units).

The **core ASP** for the 3 months decreased by 1% to £287,000 (Q2 2023: £289,000) reflecting a decrease in the proportion of private completions in the period to 62% (Q2 2023: 73%) offset by higher ASPs on affordable and partnership completions.

Private ASP increased by 1% to £344,000 (Q2 2023: £339,000) primarily reflecting a 2% increase in size of the average private unit. **Affordable ASP** increased by 15% to £164,000 (Q2 2023: £143,000) reflecting a mix of higher value affordable units. **Partnership ASP** increased 21% to £211,000 (Q2 2023: £174,000), reflecting a 20% increase in the average partnership property size as we broaden the mix of partnership units.

	3 months ended 30 Jun 2024 £m	3 months ended 30 Jun 2023 £m	6 months ended 30 Jun 2024 £m	6 months ended 30 Jun 2023 £m
Private revenue	185.6	225.2	325.3	408.7
Affordable revenue	20.5	22.0	43.2	37.4
Partnership revenue	44.2	15.8	85.4	25.7
Land sales	-	-	-	6.2
Other	1.9	2.3	3.2	6.1
Total revenue	**252.2**	**265.3**	**457.1**	**484.1**

	Units	Units	Units	Units
Private completions	539	665	946	1,188
Affordable completions	125	154	266	260
Partnership completions	209	91	402	156
Core completions	**873**	**910**	**1,614**	**1,604**
Joint venture completions	34	23	55	40
Total completions	**907**	**933**	**1,669**	**1,644**

	£'000	£'000	£'000	£'000
Private ASP	344	339	344	344
Affordable ASP	164	143	162	144
Partnership ASP	211	174	212	165
Core ASP	**287**	**289**	**281**	**294**

* Affordable revenue and completions as previously reported for the 3 and 6 month periods ended 30 June 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. 1.18 €/£. 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 £0.7m 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 30 June 2024 was £4.5m (Q2 2023: £3.0m outflow), a variance of £1.5m. This was mainly driven by higher net land spend (£29.3m), lower core turnover (£12.9m), higher administrative expenses (£1.2m) and higher interest payments (£1.0m) offset by lower development spend (£28.4m) and working capital movements (£15.0m).

Net cash outflow from investing activities for the 3 months ended 30 June 2024 was £11.7m (Q2 2023: £1.8m outflow) reflecting loans to a new joint venture and fixed asset purchases. Net cash outflow from financing activities was £0.5m in the 3 months to 30 June 2024 (Q2 2023: £0.5m outflow).

	As at 30 Jun 2024 £m	As at 31 Dec 2023 £m	As at 30 Jun 2023 £m
Senior Secured Notes	(819.6)	(828.5)	(824.7)
Exchange rate swap	0.7	10.1	6.1
Lease liabilities	(6.8)	(7.6)	(7.5)
Cash and cash equivalents	159.4	194.2	181.2
Total external net debt	**(666.3)**	**(631.8)**	**(644.9)**
Deferred financing costs	26.8	30.2	33.1
Total external net debt	**(639.5)**	**(601.6)**	**(611.8)**

	3 months ended 30 Jun 2024 £m	3 months ended 30 Jun 2023 £m	6 months ended 30 Jun 2024 £m	6 months ended 30 Jun 2023 £m
Net cashflow from operating activities	(4.5)	(3.0)	(20.0)	(4.0)
Net cashflow from investing activities	(11.7)	(1.8)	(13.8)	(3.6)
Net cashflow from financing activities	(0.5)	(0.5)	(1.0)	(1.0)
Movement in cash and cash equivalents	(16.7)	(5.3)	(34.8)	(8.6)
Cash and cash equivalents at beginning of period	176.1	186.5	194.2	189.8
Cash and cash equivalents at end of period	**159.4**	**181.2**	**159.4**	**181.2**

Net Debt, Liquidity and Cashflow

Free cash flow for the 3 months ended 30 June 2024 was an inflow of £14.0m compared to £23.7m in the prior year period, which represents a variance of £9.7m. The variance was driven primarily by higher net land investment, lower EBITDA and loans to JVs offset by lower development spend and changes in working capital.

The movement in cashflows to JVs reflects entering a new JV with Present Made on a 650 unit development in Bedfordshire.

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 Jun 2024 £m	3 months ended 30 Jun 2023 £m	6 months ended 30 Jun 2024 £m	6 months ended 30 Jun 2023 £m
EBITDA	**38.6**	**43.7**	**66.0**	**79.9**
Net land investment (in excess of)/less than cost of sales	(10.1)	19.4	(24.1)	28.1
Development spend less than/(in excess of) cost of sales	3.0	(17.1)	(3.9)	(53.3)
Change in working capital	(5.0)	(20.0)	(7.6)	(18.3)
Cash flows to JVs (not included in EBITDA)	(12.1)	(2.1)	(14.0)	(3.5)
Shared equity loan receivables	0.2	-	0.4	0.4
Other	(0.6)	(0.2)	(5.1)	(0.4)
Free cash flow*	**14.0**	**23.7**	**11.7**	**32.9**
Net land spend (included in cost of sales)	36.1	36.2	67.9	62.7
Net land investment in excess of/(less than) cost of sales	10.1	(19.4)	24.1	(28.1)
Total net land spend	**46.2**	**16.8**	**92.0**	**34.6**
Free cash flow pre net land spend	**60.2**	**40.5**	**103.7**	**67.5**

* 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 £731.4m as at 30 June 2024 (Dec 2023: £678.7m). The increase is primarily due to a higher net inventories balance and a higher JV investments offset by higher trade payables.

Return on capital employed is 20.5% compared to 24.0% for the 12 months ended 31 December 2023.

	As at and for the 12 months ended 30 Jun 2024 £m	As at and for the 12 months ended 31 Dec 2023 £m	As at and for the 12 months ended 30 Jun 2023 £m
Net assets	600.6	585.8	563.5
External net debt	639.5	601.6	611.8
Intangible assets *	(508.7)	(508.7)	(508.7)
Capital employed	731.4	678.7	666.6
Operating profit (pre exceptional items) **	143.2	157.1	197.6
ROCE (%)	**20.5%**	**24.0%**	**30.0%**

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

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

Capital Employed, Inventory and Landbank

The Group acquired 7 sites (1,270 plots) in the 3 months ended 30 June 2024 taking the year-to-date position to 14 sites (2,180 plots). This compares to 5 sites (693 plots) in the prior year 6 month period.

Net inventory has increased by £45.1m in the 6 months due to a combination of the above land acquisitions (£24.4m movement, net of land payables movement and cost of sales), higher work in progress (£14.6m) and greater use of part exchange incentives increasing part exchange inventory by £6.1m.

The owned landbank at 30 June 2024 has increased to 11,062 plots (Gross development value: £3.3bn). All owned land which has a detailed planning permission is being developed.

The consented landbank has decreased to 13,960 plots (Dec 2023: 14,060 plots). Based on the last 12 months' core completions of 3,485 this represents 4.0 years' supply (Dec 2023: 4.0 years).

Our JV landbank increased to 777 plots following the formation of a new JV with Present Made in the quarter.

Net inventory	As at 30 Jun 2024 £m	As at 31 Dec 2023 £m	As at 30 Jun 2023 £m
Land	571.8	500.5	459.8
Work in progress	401.3	386.7	414.1
Part exchange properties	15.3	9.2	4.5
Inventory	**988.4**	**896.4**	**878.4**
Land payables	(135.2)	(88.3)	(78.5)
Net inventory	**853.2**	**808.1**	**799.9**

Embedded landbank value*	£m	£m	£m
Estimated GDV	3,428.1	3,153.5	2,942.1
Estimated remaining development costs	(1,678.5)	(1,576.1)	(1,421.9)
Net land payables	(144.2)	(89.7)	(80.9)
Net proceeds from owned landbank	**1,605.4**	**1,487.7**	**1,439.3**
Net option value of strategic landbank	246.0	231.6	236.7
Total	**1,851.4**	**1,719.3**	**1,676.0**

Landbank	Plots	Plots	Plots
Owned / unconditional	11,062	10,483	9,823
Controlled	2,898	3,577	3,131
Consented	**13,960**	**14,060**	**12,954**
Strategic	42,635	43,293	43,896
Total	**56,595**	**57,353**	**56,850**
JV owned and controlled	777	182	251

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

5 Trading Update

Trading Update

- Our latest year to date private sales rate is 0.69 which is a 15% increase on the prior year period (2023: 0.60). Sales rates during the normally quieter summer months of July and August have been particularly encouraging with no meaningful slowdown over this period. At the same time, gross and net pricing have remained 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 £976m (2023: £979m) and 3,396 homes (2023: 3,383) (and includes revenue on homes which we have completed in the first 8 months of the year). 82% (2023: 87%) of the £976m sales value relates to homes which have either exchanged or completed.

- 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 a strong pipeline of 40 land opportunities for 2024, with 15 sites (2,261 plots) having already been acquired in the 8 months to date and a further 6 sites (882 plots) having been exchanged. In addition, at the beginning of May, we formed a joint venture with Present Made to build a 650 home mixed tenure scheme in Bedfordshire.

- We welcome the new Government's recognition that planning is a significant barrier to economic growth, and alongside the HBF, we look forward to working collaboratively to deliver the much needed new homes the country requires.

- At the end of August 2024, we had 70 active sales outlets, which is expected to decrease to 69 by the end of the year. The net decrease of 1 reflects the planned launch of 13 outlets to be offset by the expected closure of 14 outlets.

- The strong sales market in recent months has enabled us to improve our range of completion outcomes for the full year to 3,600 to 3,800 units with the overall ASP similar to last year.

6 Group Condensed Consolidated Financial Statements

Consolidated Income Statement

for the 3 and 6 month periods ended 30 June 2024

	Note	3 months ended 30 Jun 2024 £m	3 months ended 30 Jun 2023 £m	6 months ended 30 Jun 2024 £m	6 months ended 30 Jun 2023 £m
Revenue		**252.2**	**265.3**	**457.1**	**484.1**
Cost of sales		(197.8)	(206.4)	(359.2)	(374.6)
Gross profit		**54.4**	**58.9**	**97.9**	**109.5**
Administrative expenses		(17.6)	(16.5)	(34.8)	(32.0)
Other operating income		0.6	0.5	0.8	0.8
Group operating profit		**37.4**	**42.9**	**63.9**	**78.3**
Share of result in joint ventures		0.6	0.2	0.8	0.3
Operating profit		**38.0**	**43.1**	**64.7**	**78.6**
Finance costs	*4*	(22.1)	(21.7)	(46.0)	(43.0)
Finance income	*5*	2.6	1.6	3.9	2.5
Net finance costs		(19.5)	(20.1)	(42.1)	(40.5)
Profit before taxation		**18.5**	**23.0**	**22.6**	**38.1**
Income taxes		(6.0)	(6.8)	(7.8)	(11.6)
Profit for the period		**12.5**	**16.2**	**14.8**	**26.5**

Consolidated Statement of Financial Position

	Note	As at 30 Jun 2024 £m	As at 31 Dec 2023 £m	As at 30 Jun 2023 £m
Assets				
Non-current assets				
Intangible assets (incl goodwill)	*6*	551.7	551.7	551.7
Property, plant and equipment		8.3	8.1	8.0
Right of use assets		6.2	7.2	6.9
Investment in joint ventures		27.3	13.2	15.9
Shared equity loan receivables		2.4	2.8	3.1
Exchange rate swap		0.7	10.1	6.1
Retirement benefit obligations		14.8	14.8	8.2
		611.4	**607.9**	**599.9**
Current assets				
Inventories	*7*	988.4	896.4	878.4
Trade and other receivables		36.0	35.1	43.5
Cash and cash equivalents		159.4	194.2	181.2
		1,183.8	**1,125.7**	**1,103.1**
Total assets		**1,795.2**	**1,733.6**	**1,703.0**

Consolidated Statement of Financial Position *(continued)*

	Note	As at 30 Jun 2024 £m	As at 31 Dec 2023 £m	As at 30 Jun 2023 £m
Liabilities				
Non-current liabilities				
Loans and borrowings	*8*	(792.8)	(798.3)	(791.6)
Trade and other payables		(40.0)	(39.0)	(24.2)
Deferred tax		(41.8)	(41.7)	(34.3)
Lease liabilities		(4.4)	(5.2)	(5.0)
Provisions and deferred income		(43.8)	(44.4)	(32.4)
		(922.8)	**(928.6)**	**(887.5)**
Current liabilities				
Trade and other payables		(269.4)	(216.8)	(249.5)
Lease liabilities		(2.4)	(2.4)	(2.5)
		(271.8)	**(219.2)**	**(252.0)**
Total liabilities		**(1,194.6)**	**(1,147.8)**	**(1,139.5)**
Net assets		**600.6**	**585.8**	**563.5**
Equity				
Share capital		527.9	527.9	527.9
Retained earnings		72.7	57.9	35.6
Total equity attributable to owners of the parent		**600.6**	**585.8**	**563.5**

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

The June 2024 and June 2023 figures are unaudited.

Consolidated Cashflow Statement

for the 3 and 6 month periods ended 30 June 2024

miller homes

	3 months ended 30 Jun 2024 £m	3 months ended 30 Jun 2023 £m	6 months ended 30 Jun 2024 £m	6 months ended 30 Jun 2023 £m
Cash flows from operating activities				
Profit for the period	12.5	16.2	14.8	26.5
Depreciation	0.6	0.6	1.3	1.3
Finance income	(2.6)	(1.6)	(3.9)	(2.5)
Finance cost	22.1	21.7	46.0	43.0
Share of post tax result from joint ventures	(0.6)	(0.2)	(0.8)	(0.3)
Taxation	6.0	6.8	7.8	11.6
	38.0	43.5	65.2	79.6
Working capital movements:				
Movement in trade and other receivables	5.6	(11.1)	1.3	(3.6)
Movement in inventories	(32.8)	2.2	(98.0)	(12.8)
Movement in trade and other payables	14.7	(9.1)	56.5	(27.1)
Cash generated from operations	25.5	25.5	25.0	36.1
Interest paid	(24.4)	(23.3)	(34.2)	(32.6)
Corporation tax paid	(5.6)	(5.2)	(10.8)	(7.5)
Net cashflow from operating activities	**(4.5)**	**(3.0)**	**(20.0)**	**(4.0)**
Cash flows from investing activities				
Acquisition of property, plant and equipment	(0.2)	-	(0.5)	(0.4)
Movement in loans with joint ventures	(11.5)	(1.8)	(13.3)	(3.2)
Net cashflow from investing activities	**(11.7)**	**(1.8)**	**(13.8)**	**(3.6)**
Cash flows from financing activities				
Lease payments	(0.5)	(0.5)	(1.0)	(1.0)
Net cashflow from financing activities	**(0.5)**	**(0.5)**	**(1.0)**	**(1.0)**
Movement in cash and cash equivalents	(16.7)	(5.3)	(34.8)	(8.6)
Cash and cash equivalents at beginning of period	176.1	186.5	194.2	189.8
Cash and cash equivalents at end of period	**159.4**	**181.2**	**159.4**	**181.2**

1. Reconciliation of net cash flow to net debt	3 months ended 30 Jun 2024 £m	3 months ended 30 Jun 2023 £m	6 months ended 30 Jun 2024 £m	6 months ended 30 Jun 2023 £m
Movement in cash and cash equivalents	(16.7)	(5.3)	(34.8)	(8.6)
Movement in lease liabilities	0.5	0.5	1.0	1.0
Non-cash movement*	(1.1)	(2.0)	(4.1)	(4.4)
Movement in external net debt in period	(17.3)	(6.8)	(37.9)	(12.0)
External net debt at beginning of period	(622.2)	(605.0)	(601.6)	(599.8)
External net debt at end of period	**(639.5)**	**(611.8)**	**(639.5)**	**(611.8)**

External net debt comprises:	As at 30 Jun 2024 £m	As at 31 Dec 2023 £m	As at 30 Jun 2023 £m
Senior Secured Notes	(819.6)	(828.5)	(824.7)
Exchange rate swap	0.7	10.1	6.1
Cash and cash equivalents	159.4	194.2	181.2
Lease liabilities	(6.8)	(7.6)	(7.5)
Deferred financing costs	26.8	30.2	33.1
External net debt at end of period	**(639.5)**	**(601.6)**	**(611.8)**

* The non-cash movement for the 3 months ended 30 June 2024 represents £1.7m (Q2 2023: £1.6m) of arrangement fee amortisation, £0.7m net unrealised gain (Q2 2023: £0.3m loss) on the FX translation of the Senior Secured Notes and exchange rate swap and £0.1m (Q2 2023: £0.1m) lease liability interest.

* The non-cash movement for the 6 months ended 30 June 2024 represents £3.4m (H1 2023: £3.2m) of arrangement fee amortisation, £0.5m net unrealised loss (H1 2023: £1.0m loss) on the FX translation of the Senior Secured Notes and exchange rate swap and £0.2m (H1 2023: £0.2m) 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 6 months ended 30 June 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 Jun 2024 £m	3 months ended 30 Jun 2023 £m	6 months ended 30 Jun 2024 £m	6 months ended 30 Jun 2023 £m
Interest payable on Senior Secured Notes, bank loans and overdrafts	20.8	19.7	41.4	38.8
Net foreign exchange (gain)/loss	(0.7)	0.4	0.5	1.0
Imputed interest on land payables on deferred terms	1.5	1.5	3.0	3.0
Imputed interest on provisions	0.4	-	0.9	-
Imputed interest on lease liabilities	0.1	0.1	0.2	0.2
	22.1	**21.7**	**46.0**	**43.0**

5. Finance income

	3 months ended 30 Jun 2024 £m	3 months ended 30 Jun 2023 £m	6 months ended 30 Jun 2024 £m	6 months ended 30 Jun 2023 £m
Interest on loans to joint ventures	0.1	0.2	0.2	0.3
Bank interest	2.5	1.3	3.6	2.1
Other	-	0.1	0.1	0.1
	2.6	**1.6**	**3.9**	**2.5**

6. Intangible assets	As at 30 Jun 2024 £m	As at 31 Dec 2023 £m	As at 30 Jun 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 30 Jun 2024 £m	As at 31 Dec 2023 £m	As at 30 Jun 2023 £m
Land	571.8	500.5	459.8
Work in progress	401.3	386.7	414.1
Part exchange properties	15.3	9.2	4.5
	988.4	**896.4**	**878.4**

8. Loans and borrowings – non-current	As at 30 Jun 2024 £m	As at 31 Dec 2023 £m	As at 30 Jun 2023 £m
Senior Secured Notes	(819.6)	(828.5)	(824.7)
Deferred financing costs	26.8	30.2	33.1
	(792.8)	**(798.3)**	**(791.6)**

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 £819.6m (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 £0.7m (Dec 2023: £10.1m) exchange rate swap asset at the quarter end.