

The background of the slide is a photograph of a modern residential development. It shows a row of three-story brick houses with white window frames and doors. The houses have dark grey tiled roofs with dormer windows. A dark car is parked on a paved road in front of the houses. In the foreground, there is a green lawn and a young tree supported by stakes. The sky is blue with scattered white clouds. The left side of the image is overlaid with a semi-transparent dark blue rectangle containing the text.

Quarterly Financial Report

For the 3 and 6 months ended
30 June 2021

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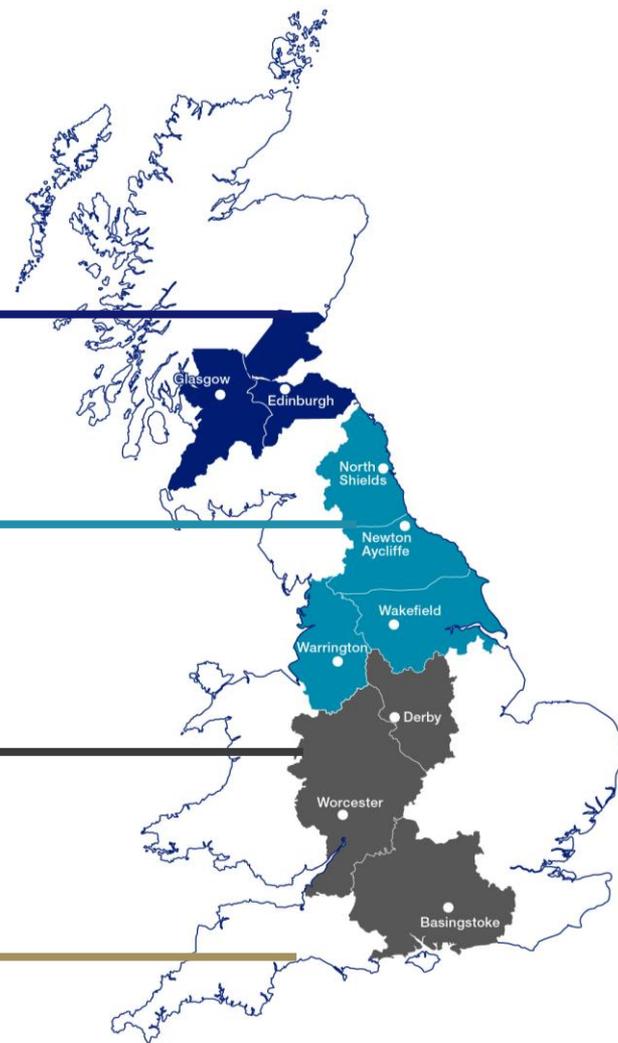


1 Introduction

Introduction

In accordance with the reporting requirements of its offering of £425m Senior Secured Notes (since increased to £455m), Miller Homes Group Holdings plc (“the Group”) is pleased to present its Quarterly Financial Report for the 3 and 6 months ended 30 June 2021.

The figures for the 3 and 6 months to 30 June 2021 and 2020 are unaudited.



Scotland Completions*	ASP (£000)*	Consented landbank**	Active sites*
882 +30%	287 +0%	2,343 +2%	19 -10%
North Completions*	ASP (£000)*	Consented landbank**	Active sites*
1,357 +20%	246 +1%	5,709 -4%	29 -2%
Midlands & South Completions*	ASP (£000)*	Consented landbank**	Active sites*
1,366 +30%	299 +0%	6,330 -4%	28 -1%
Miller Homes Completions*	ASP (£000)*	Consented landbank**	Active sites*
3,605 +26%	276 +1%	14,382 -3%	76 -4%

* Last 12 months ending 30 June 2021. Percentage movement compared to period ending 31 March 2021.

**As at 30 June 2021. Percentage movement compared to 31 March 2021.



2 Operational and Financial Highlights

Trading

- Strong first half year performance, with completions more than double H1 2020 and 13% ahead of the last pre-COVID reporting period.

	H1 2021	H1 2020	H1 2019
Total completions	1,910	925	1,684
Revenue	£524.7m	£217.1m	£389.2m
Gross profit	£124.6m	£51.3	£98.0
Gross margin	23.7%	23.6%	25.2%
Operating profit	£97.9m	£32.4m	£77.8m
Operating margin	18.7%	14.9%	20.0%
ROCE	30.4%	20.1%	29.2%

- Private sales rate for the 6 months ending 30 June 2021 was 0.95 net reservations per site per week (H1 2020: 0.55, H1 2019: 0.73), 73% ahead of H1 2020 and 30% ahead of H1 2019.
- Volumes
 - Volumes for the 6 months to 30 June 2021 were 1,910 core and joint venture completions. This compares to 925 completions in the same period in 2020 and 1,684 completions in the 6 months ending 30 June 2019, an increase of 106% on H1 2020 and 13% on H1 2019.
- Average Selling Price (ASP)
 - H1 2021 ASP increased by 15% to £280,000 (H1 2020: £243,000, H1 2019: £243,000). The improvement in ASP was driven by a combination of an 11% increase in private ASP to £320,000 (H1 2020: £289,000, H1 2019: £281,000) and an increase in the proportion of higher value private homes sold in the period to 79% (H1 2020: 72%, H1 2019: 78%). This is forecast to around 75% for the full year, which will have a corresponding impact on the ASP.
 - The 11% increase in the private ASP to £320,000 (H1 2020: £289,000) predominantly reflected a higher proportion of homes sold in our Midlands and South division in the current year along with annual house price inflation which benefited all regional businesses.
- Revenue
 - H1 2021 revenue was £525m (H1 2020: £217m, H1 2019: £389m) up 142% on H1 2020 which is a combination of a 109% increase in core completions and a 15% increase in ASP.

Trading *(continued)*

- Gross profit
 - Gross profit in the 6 months ending 30 June 2021 was £125m (H1 2020: £51m, H1 2019: £98m) , a 143% increase on the prior year period and a 27% increase on H1 2019.
 - Gross margin was 23.7% and compares with 23.6% in H1 2020.
- Administrative expenses
 - Increase in administrative expenses to £29m in the 6 months to 30 June 2021 (H1 2020: £21m, H1 2019: £23m) which primarily reflects the inclusion of staff incentive costs in light of the current year financial performance.
- EBITDA (before exceptional items) for 12 months ended 30 June 2021 is £183m (LTM 2020: £127m, LTM 2019: £158m), an increase of 44% and 16% respectively.
- Continued strong trading momentum has resulted in forward sales for the next 12 months of £707m (H1 2020: £468m, H1 2019: £368m), 51% higher than June 2020 and 92% higher than June 2019.

Land

- 1,371 plots were acquired in Q2 2021 which resulted in 3,091 plots being acquired in the 6 months to 30 June 2021. This compared to 445 plots being acquired in the 6 months to June 2020 and 2,273 plots in the full year 2020.
- The owned landbank is 11,672 plots, an 11% increase on the December 2020 landbank of 10,494 plots. Combined with 2,710 plots in the controlled landbank, this results in a consented landbank of 14,382 plots (Dec 2020: 14,667 plots), representing 4.1 years' supply (Dec 2020: 5.8 years), based on the last 12 months' completions.
- In May 2021, Wallace Land Investments and Management Limited, a strategic land promotion company with c17,500 plots was acquired at a cost of £17m. As a result, our strategic landbank has increased by 82% to 37,802 plots (Dec 2020: 20,776 plots).

Cash and leverage

- Free cash flow in Quarter 2 2021 was £51m (Q2 2020: £9m outflow, Q2 2019: £18m inflow) driven by increased volumes this year and the unwind of trade creditors during the prior year period as a direct result of the first national lockdown in Quarter 2020. This has resulted in cash at the quarter end of £227m, and the £151m RCF remains undrawn.
- Net LTV* is 32%, based on net inventory of £704m and net debt of £228m**, a reduction from 38% in the previous quarter.
- Net leverage is 1.2x, based on pre-exceptional EBITDA of £183m and net debt of £228m. This compares to net leverage of 1.9x in the previous quarter and 2.5x at 30 June 2020.

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

** Excludes the capitalisation of bond financing costs (£9.7m).

Financial Highlights

Revenue for the 3 months to 30 June 2021 increased by 369.0% to £263.6m (Q2 2020: £56.2m), in line with a 369.0% increase in core completions.

Gross profit for the 3 months to 30 June 2021 was £62.8m (Q2 2020: £12.6m). Gross margin in the 3 month period was 23.8% (Q2 2020: 22.4%).

Administrative expenses for the 3 months to 30 June 2021 totalled £15.1m (Q2 2020: £10.3m). The increase of £4.8m has primarily been driven by a higher staff incentive charge in the current year period.

Net finance costs in the 3 month period ended 30 June 2021 were £10.2m (Q2 2020: £13.7m). The decrease primarily reflects the lower intercompany loan interest following the £100m part repayment in March 2021, and a lower imputed charge on land payable on deferred terms.

	3 months ended 30 Jun 2021 £m	3 months ended 30 Jun 2020 £m	% change	6 months ended 30 Jun 2021 £m	6 months ended 30 Jun 2020 £m	% change
Revenue	263.6	56.2	369.0	524.7	217.1	141.7
Cost of sales	(200.8)	(43.6)	(360.6)	(400.1)	(165.8)	(141.3)
Gross profit	62.8	12.6	398.4	124.6	51.3	142.9
Other operating income	0.4	0.3	33.3	0.7	0.7	-
Administrative expenses	(15.1)	(10.3)	(46.6)	(29.4)	(20.5)	(43.4)
Group operating profit	48.1	2.6	1,750.0	95.9	31.5	204.4
Share of result in joint ventures	1.2	0.2	500.0	2.0	0.9	122.2
Operating profit	49.3	2.8	1,660.7	97.9	32.4	202.2
Net finance costs	(10.2)	(13.7)	25.5	(22.4)	(25.2)	11.1
Profit/(loss) before taxation	39.1	(10.9)	458.7	75.5	7.2	948.6
Income taxes	(9.7)	2.0	(585.0)	(17.0)	(1.4)	(1,114.3)
Profit/(loss) for the period	29.4	(8.9)	430.3	58.5	5.8	908.6
<i>Gross margin %</i>	23.8%	22.4%	140bps	23.7%	23.6%	10bps
<i>Operating margin %</i>	18.7%	5.0%	1,370bps	18.7%	14.9%	380bps
Profit for the period	29.4	(8.9)	430.3	58.5	5.8	908.6
Income taxes	9.7	(2.0)	(585.0)	17.0	1.4	(1,114.3)
Net finance costs	10.2	13.7	25.5	22.4	25.2	11.1
Depreciation	0.7	0.7	-	1.4	1.4	-
EBITDA	50.0	3.5	1,328.6	99.3	33.8	193.8

Financial Highlights

Analysis of revenues, completions and ASP



Private revenue increased by 351.7% to £234.0m (Q2 2020: £51.8m). Affordable revenue increased by 665.7% to £26.8m (Q2 2020: £3.5m). Revenue from land sales was £2.8m (Q2 2020: £0.9m) following the sale of a small land parcel in the period.

Core completions increased by 369.0% to 924 units (Q2 2020: 197 units). Private completions increased by 332.7% to 727 units (Q2 2020: 168 units). Affordable completions increased by 579.3% to 197 units (Q2 2020: 29 units).

ASP increased by 0.7% to £282,000 (Q2 2020: £280,000). This reflects a 4.5% increase in the private ASP to £322,000 (Q2 2020: £308,000) due to house price inflation and a higher proportion of completions coming from our Scotland and Midlands and South divisions which have a higher ASP. Affordable ASP has increased by 14.3% to £136,000 (Q2 2020: £119,000).

	3 months ended 30 Jun 2021 £m	3 months ended 30 Jun 2020 £m	6 months ended 30 Jun 2021 £m	6 months ended 30 Jun 2020 £m
Private revenue	234.0	51.8	469.9	184.7
Affordable revenue	26.8	3.5	50.6	31.1
Land sales	2.8	0.9	4.2	1.3
Total revenue	263.6	56.2	524.7	217.1

	Units	Units	Units	Units
Private completions	727	168	1,470	640
Affordable completions	197	29	388	249
Core completions	924	197	1,858	889
Joint venture completions	28	9	52	36
Total completions	952	206	1,910	925

	£000	£000	£000	£000
Private ASP	322	308	320	289
Affordable ASP	136	119	130	125
Total ASP	282	280	280	243



3 Net Debt, Liquidity and Cashflow

Net Debt, Liquidity and Cashflow



Net cash inflow from operating activities for the 3 months ended 30 June 2021 was £47.4m (Q2 2020: £20.1m outflow). This principally reflects the positive impact of the significant increase in volumes and revenue in the current year period.

Net cash outflow from investing activities for the 3 months ended 30 June 2021 was £14.5m (Q2 2020: £0.1m inflow). This represents the acquisition of Wallace Land Investments and Management Limited, offset by the repayment of loans made to joint ventures.

Net cash flow from financing activities for the 3 months ended 30 June 2021 was £nil (Q2 2020: £130.1m outflow). The outflow in 2020 reflects the repayment of the RCF which was drawn in Quarter 1 2020 as a precautionary measure in response to the COVID-19 outbreak.

	As at 30 Jun 2021	As at 31 Dec 2020	As at 30 Jun 2020
	£m	£m	£m
Senior Secured Notes	(455.0)	(455.0)	(405.0)
Deferred financing costs	9.7	11.3	12.6
Cash and cash equivalents	227.0	242.8	92.2
Total external net debt	(218.3)	(200.9)	(300.2)

	3 months ended 30 Jun 2021	3 months ended 30 Jun 2020	6 months ended 30 Jun 2021	6 months ended 30 Jun 2020
	£m	£m	£m	£m
Net cash flow from operating activities	47.4	(20.1)	94.4	(49.6)
Net cash flow from investing activities	(14.5)	0.1	(10.8)	2.5
Net cash flow from financing activities	-	(130.1)	(100.0)	(0.5)
Movement in cash and cash equivalents	32.9	(150.1)	(16.4)	(47.6)
Cash and cash equivalents at beginning of period	193.5	242.3	242.8	139.8
Cash and cash equivalents acquired with Wallace Land Investments and Management Limited	0.6	-	0.6	-
Cash and cash equivalents at end of period	227.0	92.2	227.0	92.2

Net Debt, Liquidity and Cashflow



Free cash flow in the 3 months ended 30 June 2021 was £50.8m compared to an outflow of £8.6m for the 3 months ended 30 June 2020.

The increase of £59.4m primarily reflects the impact of increased revenues and the unwind of trade creditors during the prior year period following the first national lockdown.

Net land spend of £62.6m includes the cost associated with the acquisition of Wallace Land.

As the Group has continued to generate significant levels of cash, there are a number of available options. These include additional land purchases, bond redemptions or shareholder distributions.

	3 months ended 30 Jun 2021 £m	3 months ended 30 Jun 2020 £m	6 months ended 30 Jun 2021 £m	6 months ended 30 Jun 2020 £m
EBITDA	50.0	3.5	99.3	33.8
Net land investment (in excess of) / less than cost of sales	(15.7)	3.3	(11.3)	(20.4)
Development spend less than / (in excess of) cost of sales	2.4	(28.4)	20.8	(52.1)
Change in working capital	7.7	12.7	(11.9)	6.4
Cash flows from JVs (not included in EBITDA)	1.5	0.1	4.4	1.8
Shared equity loan receivables	0.8	0.6	1.6	1.4
Other	4.1	(0.4)	4.7	2.1
Free cash flow*	50.8	(8.6)	107.6	(27.0)
Net land spend (included in cost of sales)	46.2	9.8	92.5	38.3
Net land investment in excess of / (less than) cost of sales	16.4	(3.3)	12.0	20.4
Total net land spend	62.6	6.5	104.5	58.7
Free cash flow pre net land spend	113.4	(2.1)	212.1	31.7

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



4 Capital Employed, Inventory and Landbank

Capital Employed, Inventory and Landbank

Capital employed decreased to £557.3m as of 30 June 2021 (Dec 2020: £577.8m) primarily due to lower net inventory which has reduced by £5.8m to £703.9m (Dec 2020: £709.7m) reflecting cost of sales exceeding investment in new land in the period as a result of increased volumes.

	As at and for the 12 months ended 30 Jun 2021 £m	As at and for the 12 months ended 31 Dec 2020 £m	As at and for the 12 months ended 30 Jun 2020 £m
Net assets	436.1	378.6	337.9
Net external debt	218.3	200.9	300.2
Intercompany loan	49.1	144.5	137.8
Intangible assets	(146.2)	(146.2)	(146.2)
Capital employed	557.3	577.8	629.7
Operating profit (pre-exceptionals)	180.3	114.8	122.5
ROCE (%)	30.4	20.1	20.1

Capital Employed, Inventory and Landbank

The Group acquired or unconditionally contracted on 1,371 plots in the 3 month period to 30 June 2021. In total, 3,091 plots have been acquired in the 6 months ended 30 June 2021, which compares to 445 plots in the prior year period.

The owned landbank at 30 June 2021 has increased to 11,672 plots (Gross development value: £3.1bn). All owned land which has a detailed planning permission is being developed.

The consented landbank has decreased by 2% to 14,382 plots (Dec 2020: 14,667 plots). Based on the last 12 months' core completions of 3,513 units, this represents 4.1 years' supply (Dec 2020: 5.8 years).

The strategic landbank has increased by 82% to 37,802 plots (Dec 2020: 20,776 plots) reflecting the acquisition of Wallace Land Investments and Management Limited in the period.

	As at 30 Jun 2021	As at 31 Dec 2020	As at 30 Jun 2020
	£m	£m	£m
Land	488.4	490.6	515.1
Work in progress	302.2	311.8	317.4
Part exchange properties	1.7	6.2	16.0
Inventory	792.3	808.6	848.5
Land payables	(88.4)	(98.9)	(134.8)
Net inventory	703.9	709.7	713.7

Landbank	Plots	Plots	Plots
Owned / unconditional	11,672	10,494	10,294
Controlled	2,710	4,173	3,708
Consented	14,382	14,667	14,002
Strategic	37,802	20,776	19,649
Total	52,184	35,443	33,651



5 Conclusion

- The UK housing market fundamentals remain supportive with low interest rates, strong mortgage availability, ongoing Government support and strong customer demand for family housing within our regions.
- Our private sales rate has been very strong in the period and delivered with a reduced level of incentives. Help to Buy backed sales have fallen to 19% of private reservations and compares to 39% and 33% in H1 2020 and H1 2019 respectively. Part exchange supported sales have fallen to 2% of private reservations (H1 2020: 10%, H1 2019: 15%) and as a consequence part exchange stocks are at a historic low of £1.7m (H1 2020: £16.0m).
- The strength of the market, lower usage of incentives and our forward selling strategy has benefited selling prices which are over 4% up on the start of the year. Given the strength of the market and current short term constraints on certain commodities, cost inflation is running at a similar level. Based on current levels of both selling price and cost inflation, there is an expectation of margin improvement in the second half of the year.
- We have seen a continuation of the strong sales market experienced in H1 2021 with a sales rate of 0.83 in the first 8 weeks of the second half year. Predictably, this is lower than the first half year as we return to more normal seasonality patterns induced by summer holidays and the easing of lockdown restrictions.
- The Wallace Land acquisition has been fully integrated into the business with one site acquired in the first half year.
- We are now fully sold for 2021 and with this visibility have confidence that full year volumes will exceed pre COVID-19 levels.



6 Group Condensed Consolidated Financial Statements

Consolidated Income Statement

for the 6 month period ended 30 June 2021



		3 months ended 30 Jun 2021 £m	3 months ended 30 Jun 2020 £m	6 months ended 30 Jun 2021 £m	6 months ended 30 Jun 2020 £m
	Note				
Revenue		263.6	56.2	524.7	217.1
Cost of sales		(200.8)	(43.6)	(400.1)	(165.8)
Gross profit		62.8	12.6	124.6	51.3
Other operating income		0.4	0.3	0.7	0.7
Administrative expenses		(15.1)	(10.3)	(29.4)	(20.5)
Group operating profit		48.1	2.6	95.9	31.5
Share of result in joint ventures		1.2	0.2	2.0	0.9
Operating profit		49.3	2.8	97.9	32.4
Finance costs	4	(10.2)	(13.9)	(22.6)	(25.7)
Finance income	5	-	0.2	0.2	0.5
Net finance costs		(10.2)	(13.7)	(22.4)	(25.2)
Profit/(loss) before taxation		39.1	(10.9)	75.5	7.2
Income taxes		(9.7)	2.0	(17.0)	(1.4)
Profit/(loss) for the period		29.4	(8.9)	58.5	5.8

The results for the 3 and 6 month periods ended 30 June 2021 and 2020 are unaudited.

Consolidated Statement of Financial Position



	Note	As at 30 Jun 2021 £m	As at 31 Dec 2020 £m	As at 30 Jun 2020 £m
Assets				
Non-current assets				
Intangible assets (incl goodwill)	6	146.2	146.2	146.2
Property, plant and equipment		1.3	1.5	1.3
Right of use asset		5.4	6.6	7.0
Investments		5.9	10.3	13.9
Shared equity loan receivables		5.4	7.0	7.5
Deferred tax		-	-	4.1
		164.2	171.6	180.0
Current assets				
Inventories	7	792.3	808.6	848.5
Trade and other receivables		34.8	22.2	17.8
Cash and cash equivalents		227.0	242.8	92.2
		1,054.1	1,073.6	958.5
Total assets		1,218.3	1,245.2	1,138.5

Consolidated Statement of Financial Position *(continued)*



	Note	As at 30 Jun 2021 £m	As at 31 Dec 2020 £m	As at 30 Jun 2020 £m
Liabilities				
Non-current liabilities				
Loans and borrowings	8	(494.4)	(588.2)	(530.2)
Trade and other payables		(28.0)	(44.5)	(45.4)
Lease liabilities		(4.0)	(5.0)	(5.2)
Deferred tax		(10.7)	(2.3)	-
Retirement benefit obligations		-	(13.8)	(14.2)
Provisions and deferred income		(2.7)	(2.7)	(2.6)
		(539.8)	(656.5)	(597.6)
Current liabilities				
Trade and other payables		(240.7)	(208.4)	(200.9)
Lease liabilities		(1.7)	(1.7)	(2.1)
		(242.4)	(210.1)	(203.0)
Total liabilities		(782.2)	(866.6)	(800.6)
Net assets		436.1	378.6	337.9
Equity				
Share capital		151.0	151.0	151.0
Retained earnings		285.1	227.6	186.9
Total equity attributable to owners of the parent		436.1	378.6	337.9

The December 2020 figures represent the audited financial statements of Miller Homes Group Holdings plc. The June 2021 and June 2020 figures are unaudited.

Consolidated Cashflow Statement

for the 6 month period ended 30 June 2021



	3 months ended 30 Jun 2021 £m	3 months ended 30 Jun 2020 £m	6 months ended 30 Jun 2021 £m	6 months ended 30 Jun 2020 £m
Cash flows from operating activities				
Profit/(loss) for the period	29.4	(8.9)	58.5	5.8
Depreciation	0.7	0.7	1.4	1.4
Finance income	-	(0.2)	(0.2)	(0.5)
Finance cost	10.2	13.9	22.6	25.7
Share of post tax result from joint ventures	(1.2)	(0.2)	(2.0)	(0.9)
Taxation	9.7	(2.0)	17.0	1.4
Operating profit before changes in working capital	48.8	3.3	97.3	32.9
Working capital movements:				
Movement in trade and other receivables	2.2	10.7	(10.4)	4.2
Movement in inventories	1.5	21.1	29.4	(17.4)
Movement in trade and other payables	12.2	(43.9)	1.5	(49.3)
Cash generated from operations	64.7	(8.8)	117.8	(29.6)
Interest paid	(12.2)	(10.2)	(13.0)	(12.6)
Corporation tax paid	(5.1)	(1.1)	(10.4)	(7.4)
Net cash inflow/(outflow) from operating activities	47.4	(20.1)	94.4	(49.6)
Cash flows from investing activities				
Acquisition of property, plant and equipment	-	(0.1)	-	(0.1)
Acquisition of Wallace Land Investments and Management Limited	(17.2)	-	(17.2)	-
Movement in loans with joint ventures	2.7	0.2	6.4	2.6
Net cash (outflow)/inflow from investing activities	(14.5)	0.1	(10.8)	2.5
Cash flows from financing activities				
Decrease in senior secured notes	-	(0.5)	-	(0.5)
(Decrease)/increase in other long term borrowings	-	(129.6)	(100.0)	-
Net cash outflow from financing activities	-	(130.1)	(100.0)	(0.5)
Movement in cash and cash equivalents	32.9	(150.1)	(16.4)	(47.6)
Cash and cash equivalents at beginning of period	193.5	242.3	242.8	139.8
Cash and cash equivalents acquired with Wallace Land Investments and Management Limited	0.6	-	0.6	-
Cash and cash equivalents at end of period	227.0	92.2	227.0	92.2

1. Reconciliation of net cash flow to net debt

	3 months ended 30 Jun 2021 £m	3 months ended 30 Jun 2020 £m	6 months ended 30 Jun 2021 £m	6 months ended 30 Jun 2020 £m
Movement in cash and cash equivalents	33.5	(150.1)	(15.8)	(47.6)
Decrease in senior secured notes	-	0.5	-	0.5
Decrease in intercompany loan classed as debt	-	-	100.0	-
Decrease in other long term borrowings	-	129.6	-	-
Non-cash movement*	(2.0)	(4.0)	(6.2)	(8.0)
Movement in net debt in period	31.5	(24.0)	78.0	(55.1)
Net debt at beginning of period	(298.9)	(414.0)	(345.4)	(382.9)
Net debt at end of period	(267.4)	(438.0)	(267.4)	(438.0)

Net debt comprises:	As at 30 Jun 2021 £m	As at 31 Dec 2020 £m	As at 30 Jun 2020 £m
External net debt	(218.3)	(200.9)	(300.2)
Intercompany loans	(49.1)	(144.5)	(137.8)
Net debt at end of period	(267.4)	(345.4)	(438.0)

*The non-cash movement for the 3 months ended 30 June 2021 represents £0.8m (Q2 2020: £0.8m) of arrangement fee amortisation and £1.2m (Q2 2020: £3.2m) of rolled up interest on the unsecured shareholder loan notes.

*The non-cash movement for the 6 months ended 30 June 2021 represents £1.6m (H1 2020: £1.6m) of arrangement fee amortisation and £4.6m (H1 2020: £6.4m) of rolled up interest on the unsecured shareholder loan notes.

2. Reporting entity

Miller Homes Group Holdings plc is a Company domiciled in England and Wales. The condensed consolidated financial statements for the 3 and 6 month periods ended 30 June 2021 comprise the Company and its subsidiaries (together referred to as the “Group”) and reflect the underlying trading results of Miller Homes Holdings Limited.

The financial statements 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 condensed consolidated financial statements is based on the accounting policies set out in the audited financial statements of both Miller Homes Group Holdings plc and Miller Homes Holdings Limited.

4. Finance costs

	3 months ended 30 Jun 2021 £m	3 months ended 30 Jun 2020 £m	6 months ended 30 Jun 2021 £m	6 months ended 30 Jun 2020 £m
Interest payable on senior secured notes, bank loans and overdrafts	7.4	7.4	14.9	14.4
Interest payable on amounts owed to immediate parent company	1.2	3.2	4.6	6.4
Imputed interest on land payables on deferred terms	1.4	3.1	2.8	4.6
Finance costs related to employee benefit obligations	0.1	0.1	0.1	0.1
Imputed interest on lease liabilities	0.1	0.1	0.2	0.2
	10.2	13.9	22.6	25.7

Notes to the Condensed Consolidated Financial Statements



5. Finance income	3 months	3 months	6 months	6 months
	ended 30 Jun	ended 30 Jun	ended 30 Jun	ended 30 Jun
	2021	2020	2021	2020
	£m	£m	£m	£m
Interest on loans to joint ventures	-	0.1	0.1	0.2
Other	-	0.1	0.1	0.3
	-	0.2	0.2	0.5

6. Intangible assets	As at 30	As at 31	As at 30
	Jun 2021	Dec 2020	Jun 2020
	£m	£m	£m
Goodwill	92.2	92.2	92.2
Brand value	54.0	54.0	54.0
	146.2	146.2	146.2

7. Inventories	As at 30	As at 31	As at 30
	Jun 2021	Dec 2020	Jun 2020
	£m	£m	£m
Land	488.4	490.6	515.1
Work in progress	302.2	311.8	317.4
Part exchange properties	1.7	6.2	16.0
	792.3	808.6	848.5

8. Loans and borrowings – non-current	As at 30 Jun 2021	As at 31 Dec 2020	As at 30 Jun 2020
	£m	£m	£m
Senior secured notes	(455.0)	(455.0)	(405.0)
Deferred financing costs	9.7	11.3	12.6
Intercompany loan (unsecured)	(49.1)	(144.5)	(137.8)
	(494.4)	(588.2)	(530.2)

Senior Secured Notes: Following the Group's acquisition of Miller Homes Holdings Limited on 5 October 2017 the Group issued £425m of Senior Secured Notes, and repaid existing bank loans. The Group bought back and cancelled £20m of its Senior Secured Notes in June 2018 (£14m FRN, £6m fixed).

On 27 July 2020, a £160m private placement was concluded, the purpose of which was to repay £110m of Senior Secured Floating Rate Notes and to take advantage of emerging land opportunities. This transaction also resulted in an extension in the maturity of our senior secured debt with the new Senior Secured Notes due in October 2024, one year later than the Senior Secured Floating Rate Notes. Our revised senior secured debt post this transaction is £404m Senior Secured Notes (due October 2024) and £51m Senior Secured Floating Rate Notes (due October 2023).

Intercompany loan: The intercompany loan is payable to Miller Midco 2 Limited, a company ultimately controlled by Bridgepoint funds. The loan is unsecured and repayable in October 2027. On 27 November 2018, £43.5m of this loan was repaid. On 29 March 2021, a further £100.0m of this loan was repaid.