RNS Number : 6145Z
Savills PLC
08 August 2024

8 August 2024

Savills plc
('Savills' or 'the Group')

RESULTS FOR THE HALF YEAR ENDED 30 JUNE 2024

Improved performance driven by early signs of market recovery

Savills plc, the international real estate advisor, today announces its unaudited results for the six months ended 30 June 2024.

Summary results:

	H1 2024	H1 2023*	Change
Revenue	£1,063.2m	£1,011.4m	5%
Underlying profit before tax**	£21.2m	£16.3m	30%
Reported profit before tax	£8.9m	£6.0m	48%
Underlying basic earnings per share**	12.1p	9.2p	32%
Reported basic earnings per share	6.1p	3.5p	74%
Interim dividend	7.1p	6.9p	3%
Net cash***	£34.0m	£12.8m	166%

*See Note 14 for details of prior period restatements in relation to a measurement period adjustment in accordance with IFRS 3.

** Underlying profit before tax ('underlying profit') and underlying basic earnings per share ('underlying EPS') are alternative performance measures used to assess the performance of the Group. Underlying profit is calculated on a consistently reported basis in accordance with Note 3 and Note 7 to the Interim Financial Statements. Underlying EPS is calculated using underlying profit, with the weighted average number of shares remaining the same as the GAAP measure (see Note 10(b)).

*** Net cash reflects cash and cash equivalents net of borrowings and overdrafts in the notional pooling arrangement (see Note 18).

Key highlights:

- **Transaction Advisory revenue up 9% with signs of market recovery**
- **Less transactional businesses performed well in aggregate with revenue up 3%**
    - **Property and Facilities Management revenue up 5%, Consultancy revenue up 3%**
    - **Savills Investment Management revenue down 10% reflecting continued weakness of key markets in continental Europe**
- **Business development activity supported by strong balance sheet, positioning the Group well for gradual recovery of global markets**

Commenting on the results, Mark Ridley, Group Chief Executive of Savills plc, said:

"Our improved performance in the first half reflects the positive effects of early recovery phases in a number of our markets, as well as the robust and growing earnings provided by our less transactional businesses. Whilst we have seen resilience in prime commercial leasing markets, global capital transaction volumes remain subdued, although activity is recovering in certain markets.

"Against this backdrop, we have continued to invest in growing our business and further enhancing the strength and diversity of the Group, including the expansion of our Global Prime Residential services, whilst improving our net cash position year-on-year.

"We have improved transaction pipelines in many locations and, with our core bench strength in place to support clients, Savills is well positioned to benefit as markets progressively recover through the next 12-18 months. Our expectations for the current year remain unchanged."

The analyst presentation will be held at 9.30am today by webinar. For joining instructions please contact nrichards@savills.com. A recording of the presentation will be available from noon at www.ir.savills.com.

Overview

The Group returned to growth during the first half of 2024, benefiting from the early stages of recovery in a number of regions. However, certain major markets, such as Germany, France and Greater China, remain subdued with very low transaction volumes as real estate markets progressively adjust to challenging conditions.

In the six months to 30 June 2024, Savills delivered revenue of £1,063.2m, an increase of 5% (7% in constant currency) over the comparable period (H1 2023: £1,011.4m). Underlying profit was £21.2m, 30% higher than the prior period (H1 2023: £16.3m) (32% in constant currency). The Group's underlying profit margin was 2.0% (H1 2023: 1.6%). This reflects reduced losses in our Transaction Advisory business and growth in Property and Facilities Management and Consultancy profits, offset by a reduction in earnings from Investment Management.

The Group continues to maintain a strong balance sheet with net cash of £34.0m at 30 June 2024 (H1 2023: £12.8m - restated).

Reported profit before tax increased by 48% to £8.9m (H1 2023: £6.0m).

Market conditions

The first half of 2024 saw the beginnings of recovery in a number of capital markets despite expectations of interest rate cuts from mid-year transitioning to "higher for longer". Occupiers began to commit to larger leasing transactions albeit in many markets there continues to be limited stock of the appropriate environmental standard.

In the UK, capital transactions remain largely focused on lot sizes below £100m. £20bn of commercial property investments were traded in the first six months of 2024, 8% lower than the same period in 2023. However, this is 6% higher than the second half of last year, supporting the sentiment that the market is beginning to recover.

Investment volumes in the Asia Pacific region fell by 9% in H1 2024. Hong Kong and mainland China showed reduced activity as these markets continued to face headwinds from higher borrowing costs. Activity in Japan remained relatively robust through the period and we saw improvement in pipelines in South Korea and Singapore.

Continental Europe continues to experience some of the weakest activity globally, with Germany, France and the Nordic region remaining subdued. In contrast, Ireland, southern European markets and the Middle East showed considerable resilience and early signs of recovery.

In the US, where Savills is primarily involved in occupier-focused activities, the market saw the return of larger occupier leasing transactions as corporates began to commit to future growth. Whilst there is still a trend of movement towards the southern states of Texas and Florida, we have seen considerable recovery in New York and Washington consistent with renewed corporate commitment to larger strategic moves.

Prime Residential (high equity component) markets, particularly in the UK, Middle East and the South of France remained relatively buoyant in the first half of 2024, whilst activity in other regions such as Singapore fell during the period. The same is true of new build markets which tend to be more highly dependent on mortgage finance.

Business development during the period

During the period, enabled by the Group's strong balance sheet, we continued to expand our Global Prime Residential services with the acquisition of a lettings management business in Switzerland (Verbier Hospitality SA)

Residential services with the acquisition of a lettings management business in Switzerland (Verbier Hospitality SA) and increasing our shareholding in an agency in the Riviera region of France (Riviera Estates SAS). We also invested significantly in prime residential in the United Arab Emirates and further invested in residential sales in Sydney, Australia.

In addition, in April 2024, the Group acquired Situu Limited ('Situu'), a market leading flexible office advisory business in the UK to complement our WorkThere flexible occupier service. In July 2024, the Group also completed on the acquisition of a project management consultancy in Malaysia (PMCC Actus Sdn Bhd) and took on the UK property management business of Montagu Evans.

Many of our digitally-enabled businesses continue to perform well. Our market leading UK auction business continues to take market share in both the UK commercial and residential auction markets, selling almost £400m of property over the period, up 46% year-on-year. Cureoscity, our wholly-owned platform that connects occupiers, landlords and their managing agents has increased annual recurring revenue by over 50% year-on-year. Finally, we continue to investigate and experiment with new and emerging technologies, including AI, through our innovation and data teams globally.

Business review

The following table sets out Group revenue and underlying profit by operating segment:

Revenue	**H1 2024 £m**	**H1 2023 £m**	**Change**
Transaction Advisory	359.4	328.7	9%
Consultancy	200.5	195.5	3%
Property and Facilities Management	456.9	435.5	5%
Investment Management	46.4	51.7	(10%)
Group revenue	**1,063.2**	**1,011.4**	**5%**

Underlying profit	**H1 2024 £m**	**H1 2023 £m**	**Change**
Transaction Advisory	(13.4)	(17.0)	n/a
Consultancy	8.5	7.2	18%
Property and Facilities Management	23.2	20.1	15%
Investment Management	4.3	7.0	(39%)
Unallocated cost	(1.4)	(1.0)	n/a
Group underlying profit	**21.2**	**16.3**	**30%**

The following table sets out Group revenue and underlying profit by geographical area:

Revenue	**H1 2024 £m**	**H1 2023 £m**	**Change**
UK	435.9	409.4	6%
Asia Pacific	326.2	313.5	4%
Continental Europe and the Middle East ('CEME')	158.6	149.9	6%
North America	142.5	138.6	3%
Group revenue	**1,063.2**	**1,011.4**	**5%**

Underlying profit	**H1 2024 £m**	**H1 2023 £m**	**Change**
UK	32.9	31.6	4%
Asia Pacific	4.4	1.9	132%
Continental Europe and the Middle East ('CEME')	(14.4)	(12.3)	n/a
North America	(0.3)	(3.9)	n/a
Unallocated cost	(1.4)	(1.0)	n/a
Group underlying profit	**21.2**	**16.3**	**30%**

Revenue performance was driven by 9% growth in the transactional service lines and 3% in the less transactional service lines in aggregate. Of the latter, Property and Facilities Management grew revenue by 5%, Consultancy by 3% and Investment Management revenues declined by 10% as a result of reduced transaction and performance fees.

Transaction Advisory

Revenue	**H1 2024 £m**	**H1 2023 £m**	**Change**

UK	115.6	109.1	6%
Asia Pacific	61.7	50.2	23%
CEME	52.0	43.2	20%
North America	130.1	126.2	3%
Total	**359.4**	**328.7**	**9%**

Our Transaction Advisory revenue increased by 9% compared with H1 2023 (12% in constant currency), with leasing-related revenue generally remaining more resilient than capital transactions. Including the effect of business development costs in the period, the Transaction Advisory business sustained an underlying loss of £13.4m (H1 2023: loss of £17.0m) a net improvement of 21% period-on-period. With few exceptions such as Germany, Australia and China, commercial transactional service lines improved profits. Residential activity in Asia Pacific declined, and this together with international residential expansion costs, particularly in Southern Europe and the Middle East, reduced profits for the period.

UK Commercial

UK Commercial Transaction fee income increased by 3% to £38.8m (H1 2023: £37.5m), as a result of improved leasing activity, primarily retail, mitigating a slight reduction in overall investment volumes, particularly in Q1, compared with the prior period.

Capital transactions remained constrained throughout the period in the larger lot sizes in Central London, however in national capital markets in general, smaller lot sizes and sectors such as retail saw an improvement in transactional demand.

Occupational market trends were slightly more resilient, with office leasing volumes in both central London and the key regional cities decreasing slightly as the supply of prime sustainable office space was, and remains, constrained. Retail leasing showed encouraging growth during the period.

Logistics leasing markets in the UK performed better with take-up in the first six months of the year 44% higher than the same period in 2023, and 13% above the long-term average for the same period.

Against this backdrop, revenue stability in capital transactions and 8% growth in leasing represented a solid performance. The acquisition of Situu (flexible office advisory) and staff cost increases slightly reduced the UK Commercial Transaction underlying profit margin to 6.2% (H1 2023: 6.4%) during the period and underlying profit remained stable at £2.4m (H1 2023: £2.4m).

UK Residential

Our UK Residential business performed strongly in difficult market conditions with revenue up 7% to £76.8m (H1 2023: £71.6m). This was driven by 10% growth in re-sales agency, which mitigated declines in both new development sales and our Private Rented Sector ('PRS') businesses.

In the re-sales agency, Savills overall transaction volumes exchanged were up 4%. The average value of London and regional residential property sold by Savills in the period was lower in London at £2.0m (H1 2023: £2.3m) reflecting a greater share of the "core" market (covering properties with values up to c.£1.5m) and slightly reduced volumes traded in the higher value market. Outside London the average value traded was stable at £1.3m (H1 2023: £1.3m).

Revenue from the sale of new homes declined 22% on H1 2023. This reflected reduced activity in the higher value London market and the continuation of low trading volumes outside London.

Finally, our Operational Capital Markets business, which advises on the PRS, student and other institutional residential markets, saw a 3% decline in revenue period-on-period as a result of transactional timing.

Underlying profits in the UK residential transaction business improved by 11% to £5.2m (H1 2023: £4.7m).

Asia Pacific Commercial

Commercial transaction fee income in Asia Pacific increased by 34% (44% in constant currency) to £54.0m (H1 2023: £40.2m). The key areas of growth were Japan and Australia, albeit the latter off a very low base, with Hong Kong, Singapore and South Korea all experiencing further reductions in market-related transactional activity. There was a smaller increase in transactional revenues in mainland China, albeit that the prevailing level of activity remains far below the pre-COVID period. Leasing revenues across the region were marginally reduced primarily as a result of lower levels of activity in Hong Kong, mainland China and South Korea, which were partially compensated by improved activity in Singapore and Australia, particularly in the industrial and logistics sector.

Overall, the Asia Pacific commercial transaction business halved its underlying loss to £3.2m for the period (H1 2023: £6.2m loss).

Asia Pacific Residential

Residential transaction fee income in Asia Pacific declined by 23% to £7.7m (H1 2023: £10.0m) (20% in constant currency). A small number of large transactions in Hong Kong improved revenue from that market by 40%, however a 55% reduction in residential revenues in mainland China, as a result of economic conditions and a similar decline in Singapore, due largely to Government cooling measures, led to the revenue decline for the region as a whole.

Reduced revenue performance and the cost of investment in new teams in Australia resulted in an underlying loss of £0.6m for the first half of the year (H1 2023: £1.2m profit).

CEME

In CEME, transactional advisory revenue increased by 20% to £52.0m (H1 2023: £43.2m) (27% in constant currency). This represented a marginal reduction in commercial transactional revenues as markets remained highly subdued, particularly in Germany and France. Revenue growth derived from recent investment and recruitment in residential businesses in Italy, Switzerland, Portugal and the Middle East, which collectively delivered the region's revenue growth but remained loss-making in the start-up phase. This is anticipated to improve through the second half of the year.

Commercial transaction revenues across the region were down a further 4% (capital transactions by 6% and leasing by 2%) period-on-period as France, Italy and Spain saw significant reductions in transaction volumes overall and German capital markets remained depressed. H1 2024 investment volumes across Europe were down 8% from the same period last year and, by way of context, remain 42% below the five-year average.

The effect of previous restructuring significantly reduced Germany's losses and there were improvements in Ireland, the Netherlands and Czech Republic, however the combination of continued weakness in core markets and our investment, primarily in the residential sector, marginally increased the H1 loss to £16.7m (H1 2023: £16.2m loss).

North America

In North America, where the Group is substantially dependent upon leasing activity by corporate occupiers, revenue increased by 3% to £130.1m (H1 2023: £126.2m) (6% in constant currency). This was driven by improved performances in the major metropolis markets of New York, Washington and Chicago. In general, corporate occupier preparedness to undertake significant transactions improved greatly; including transactions carried over from 2023, we saw the volume of more substantial transactions increase by 47% period-over-period. Of particular note too, was growth in markets where we have invested the most recently such as Miami, Houston, Dallas, Atlanta and indeed our relatively young and growing Canadian office network. In addition, our Global Occupier Services team grew its mandated portfolio with significant account wins during the period.

Despite the impact of continued investment, the North American Transactional business substantially reduced its underlying loss to £0.5m (H1 2023: £2.9m loss).

Consultancy

Revenue	H1 2024 £m	H1 2023 £m	Change
UK	116.3	112.9	3%
Asia Pacific	35.7	37.6	(5%)
CEME	36.1	32.6	11%
North America	12.4	12.4	-
Total	**200.5**	**195.5**	**3%**

Consultancy revenues grew by 3% year-on-year (4% in constant currency). Generally, valuation was a little stronger in markets where transactional volumes were improving and we saw a greater propensity to commence longer range development plans which positively affected our planning and rural development practices in the UK.

In the UK, revenue was 3% ahead of the prior period with growth in the Rural, Building and Project Consultancy and Planning services, with relative stability in other services. Housing consultancy delivered a robust performance, albeit with a slowdown ahead of the UK general election.

The Asia Pacific business revenue declined by 5% (1% in constant currency), as a result of further reductions in valuation activity in mainland China and Hong Kong as market transactional volumes declined. Project Management revenues in the region were stable overall, with growth in South East Asia being offset by reductions in activity in Australia during the period.

In the CEME business, 11% revenue growth (12% in constant currency) was driven by Project Management and Building Consultancy and valuations primarily in the Middle East, Spain and the Netherlands which helped offset reductions in Germany.

The North American Consultancy business posted stable revenue, with small reductions in project management being offset by an improvement in workplace consultancy. The effect of restructuring carried out in 2023 enabled the business to move back into profit during the period.

As a result of the above factors, underlying profit of the Consultancy business increased by 18% to £8.5m (H1 2023: £7.2m).

Property and Facilities Management

Revenue	H1 2024 £m	H1 2023 £m	Change
Asia Pacific	225.4	221.8	2%
UK	183.6	167.6	10%
CEME	47.9	46.1	4%
Total	**456.9**	**435.5**	**5%**

Our Property and Facilities Management business increased global revenues by 5% (7% in constant currency) to £456.9m (H1 2023: £435.5m). Savills total area under management increased 6% to 2.63bn sq ft (H1 2023: 2.49bn sq ft).

In Asia Pacific, revenues increased by 2% (5% in constant currency), driven by the performance of our Singapore business and the inclusion of pass-through costs in Australia. These factors were outweighed by a reduction in reported revenues in mainland China and Hong Kong, although they were stable in constant currency. Cost savings in China and improved profitability in Singapore contributed to a 4% increase in underlying profits in the region.

UK Property and Facilities Management revenues grew 10% overall with double-digit growth in both Property and Facilities Management and 4% growth in residential management (lettings). Underlying profit increased by 38% period-on-period as the business exited from unprofitable mandates and the residential management business realised operating efficiencies from its technology investment of recent times.

The CEME business delivered revenue growth of 4% (8% in constant currency) driven by Germany, Middle East and Spain in particular. Investment in people in Germany, an office relocation in France (with duplication of office costs for the period) and cost inflation increased the losses for the period to £1.9m (H1 2023: £0.4m loss).

Overall, underlying profit for the Property and Facilities Management business grew by 15% to £23.2m (H1 2023: £20.1m).

Investment Management

Revenue from Investment Management decreased by 10% to £46.4m (H1 2023: £51.7m) (9% in constant currency), reflecting both lower transaction fees (down 6%) in line with reduced activity in the market and reduced performance fees (down 70%) and management fees (down 1%) in line with market value adjustments. Reduced liquidity in the major European markets and limited price transparency perpetuated the difficult market in which to deploy core investment capital However, the strength of the portfolio was evident in the relative stability of base management fees which represented approximately 89% (H1 2023: 81%) of Investment Management revenue.

Under INREV reporting standards, Assets Under Management ('AUM') increased by 8% to £22.1bn (H1 2023: £20.4bn) with £1.1bn of equity raised during the period. The relationship with Samsung Life progressed well and, having committed the first $1bn, Samsung Life exercised its option, during the period, to increase its shareholding to 29% of the Investment Management business (from 25%).

Notwithstanding the challenging market conditions, 68% of discretionary funds (by AUM) continued to exceed their respective target or benchmark returns on a 5-year rolling basis.

The reduction in fee income, particularly performance and transaction fees, led to a decrease of 39% in underlying profit to £4.3m (H1 2023: £7.0m), representing a 9.3% underlying profit margin (H1 2023: 13.5%).

Unallocated/central revenue and cost

The unallocated cost segment represents other costs, expenses and net interest not directly allocated to the operating activities of the Group's business segments. The H1 increase in unallocated net costs to £1.4m (H1 2023: £1.0m) primarily relates to the first time inclusion of the Group's share of the loss of VuCity Limited (a proptech investment of Grosvenor Hill Ventures), as it transitioned from investment to associate status at the end of 2023.

Transaction-related and restructuring costs

During the period the Group incurred an aggregate restructuring charge of £0.5m (H1 2023: £nil) and transaction-related costs of £8.5m (H1 2023: £7.1m). Transaction-related costs in the period primarily represent provisions for future consideration payments which are contingent on the continuity of recipients' employment at the time of payment. The majority of the charge relates to the most recent acquisitions in the Investment Management business (see Note 7).

Earnings and financial position

The Group's underlying profit margin in the period was 2.0% (H1 2023: 1.6%). This reflects the reduction in net losses in our global transaction business as transaction activity improved marginally in markets showing early signs of recovery.

Basic earnings per share for the six months to 30 June 2024 increased to 6.1p (H1 2023: 3.5p). Underlying basic earnings per share increased to 12.1p (H1 2023: 9.2p).

Cash and cash equivalents, net of overdrafts in notional pooling arrangements and bank overdrafts (see Note 18), at the period end stood at £261.6m (30 June 2023: £256.9m, 31 December 2023: £310.1m - refer to Note 14 in relation to a prior period restatement on finalisation of acquired fair values). The Group typically has a net outflow of cash in the first half of the year as a result of seasonality in trading and the major cash outflows associated with dividends, profit related remuneration payments and related payroll taxes in the first half of the year.

The Group had borrowings at 30 June 2024 of £236.6m (30 June 2023: £249.1m, 31 December 2023: £157.2m). These principally comprise £150.0m (30 June 2023 and 31 December 2023: £150.0m) of 7, 10 and 12 year fixed rate notes (carrying a weighted average interest rate of 3.19%) which were issued in June 2018. At 30 June 2024, borrowings also included £15.8m drawn under a revolving credit facility in North America (30 June 2023: £13.1m, 31 December 2023: £nil). At 30 June 2024, £59.0m of the Group's UK revolving credit facility ('RCF') was drawn (30 June 2023: £78.0m, 31 December 2023: £nil), with a total of £340.1m of borrowing facilities available to the Group (30 June 2023: £329.3m, 31 December 2023: £422.0m).

In summary, net cash, being cash and cash equivalents net of borrowings and overdrafts in notional pooling arrangements, was £34.0m (30 June 2023: £12.8m, 31 December 2023: £157.1m - restated).

The funding level of the UK defined benefit Savills Pension Scheme, which is closed to future service based accrual, increased during the period primarily as a result of a rise in AA-rated corporate bond yields offset in part by lower asset returns reducing the value of the Scheme's assets. The Scheme was in a surplus position of £5.3m at 30 June

2024 (30 June 2023: £2.5m surplus, 31 December 2023: £0.7m deficit).

Impact of foreign exchange

The Group generates revenues and profits in various territories and currencies because of its international footprint. Those results are translated on consolidation at the foreign exchange rates prevailing at the time. These exchange rates vary from period to period, so the Group presents some of its results on a constant currency basis. This means that the current period results are retranslated using the prior period exchange rates. This eliminates the effect of exchange from the period-on-period comparison of results.

The constant currency effect on revenue, profit and underlying profit is summarised below:

	Six months to 30 June 2024	Constant currency effect	Six months to 30 June 2024 at constant currency
	£m	£m	£m
Revenue	**1,063.2**	(22.6)	1,085.8
Profit before tax	**8.9**	(0.3)	9.2
Underlying profit before tax	**21.2**	(0.3)	21.5

Interim Dividend

The Board has declared an interim ordinary dividend of 7.1p (H1 2023: 6.9p). The dividend, which is designed to provide sustainable real income growth and be supported by the less transactional business earnings, will be payable on 30 September 2024 to shareholders on the register at 30 August 2024.

Principal and emerging risks

The key principal and emerging risks relating to the Group's operations for the next six months were considered to remain consistent with those disclosed in the Group's Annual Report and Accounts 2023. These are listed below, please refer to pages 33 to 36 thereof or to our investors' page on www.savills.com.

- Market conditions, macro-economic and geopolitical issues
- Achieving the right market positioning to meet the needs of our clients
- Recruitment and retention of high-calibre staff
- Reputational and brand risk
- Legal risk
- Failure or significant interruption to IT systems causing disruption to client service
- Operational resilience/business continuity
- Business conduct
- Changes in the regulatory environment/ regulatory breaches
- Acquisition/integration risk
- Environment and sustainability

Board Changes

As announced in March 2024, Adrianna Karaboutis was appointed as an additional Independent Non-Executive Director with effect from 14 March 2024.

Summary and outlook

Our improved performance in the first half reflects the positive effects of early recovery phases in a number of our markets, as well as the robust and growing earnings provided by our less transactional businesses. Whilst we have seen resilience in prime commercial leasing markets, global capital transaction volumes remain subdued, although activity is recovering in certain markets.

Against this backdrop, we have continued to invest in growing our business and further enhancing the strength and diversity of the Group, including the expansion of our Global Prime Residential services, whilst improving our net cash position year-on-year.

We have improved transaction pipelines in many locations and, with our core bench strength in place to support clients, Savills is well positioned to benefit as markets progressively recover through the next 12-18 months. Our expectations for the current year remain unchanged.

Mark Ridley
Group Chief Executive

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors confirm that this condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as contained in UK-adopted international accounting standards and that the interim management report includes a fair review of the information required by DTR 4.2.7R and DTR 4.2.8R, namely:

- an indication of important events that have occurred during the first six months and their impact on the condensed consolidated interim financial statements and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- material related party transactions in the first six months of the financial year and that have materially affected the financial position or the performance of the Company during that period and any material changes in the related party transactions described in the last Annual Report that could have a material effect on the financial position or performance of the Company in the first six months of the current financial year.

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Directors of Savills plc are listed in the Company's Report and Accounts for the year ended 31 December 2023 with the exception of Adrianna Karaboutis who was appointed to the Board on 14 March 2024. A list of current Directors is maintained on the Savills plc website: www.savills.com.

By order of the Board

Mark Ridley, Group Chief Executive
Simon Shaw, Group Chief Financial Officer
7 August 2024

FORWARD-LOOKING STATEMENTS

The financial information contained in this announcement has not been audited. Certain statements made in this announcement are forward-looking statements. Undue reliance should not be placed on such statements, which are based on current expectations and are subject to a number of risks and uncertainties that could cause actual results to differ materially from any expected future results in forward-looking statements.

The Company accepts no obligation to publicly revise or update these forward-looking statements or adjust them to future events or developments, whether as a result of new information, future events or otherwise, except to the extent legally required.

Savills plc
Condensed interim consolidated income statement
for the period ended 30 June 2024

	Note	**Six months to 30 June 2024 (unaudited) £m**	Six months to 30 June 2023 (unaudited) £m	Year ended 31 December 2023 (audited) £m
Revenue	6	**1,063.2**	1,011.4	2,238.0
Less:				
Employee benefits expense		**(710.8)**	(674.9)	(1,496.3)
Depreciation		**(35.7)**	(34.7)	(69.6)
Amortisation of intangible assets		**(7.9)**	(7.9)	(15.8)
Impairment of goodwill		**-**	-	(3.9)
Other operating expenses		**(308.8)**	(297.0)	(619.5)
Increase in provision for expected credit loss		**(2.8)**	(0.7)	(1.8)
Other net gains		**1.8**	1.4	2.0
Share of post-tax profit from joint ventures and associates		**3.3**	4.8	10.2
Operating profit		**2.3**	2.4	43.3
Finance income	19	**28.9**	21.8	50.6
Finance costs	19	**(22.3)**	(18.2)	(38.5)
Net finance income	19	**6.6**	3.6	12.1
Profit before income tax		**8.9**	6.0	55.4
Income tax expense	8	**(1.4)**	(1.6)	(15.9)
Profit for the period		**7.5**	4.4	39.5
Attributable to:				
Owners of the parent		**8.3**	4.8	40.8
Non-controlling interests		**(0.8)**	(0.4)	(1.3)
		7.5	4.4	39.5
Earnings per share				
Basic earnings per share	10(a)	**6.1p**	3.5p	30.0p
Diluted earnings per share	10(a)	**5.8p**	3.4p	28.8p

Supplementary income statement information

Reconciliation to underlying profit before income tax				
Profit before income tax		**8.9**	6.0	55.4
- restructuring and transaction-related costs	7	**9.0**	7.1	28.5
- other underlying adjustments	7	**3.3**	3.2	10.9
Underlying profit before income tax	7	**21.2**	16.3	94.8

Notes 1 to 24 are an integral part of these condensed interim financial statements.

Savills plc
Condensed interim consolidated statement of comprehensive income
for the period ended 30 June 2024

	Six months to 30 June 2024 (unaudited) £m	Six months to 30 June 2023 (unaudited) £m	Year ended 31 December 2023 (audited) £m
Profit for the period	**7.5**	4.4	39.5
Other comprehensive income/(loss)			
Items that will not be reclassified to profit or loss:			
Remeasurement of defined benefit pension scheme and employee benefit obligations	**6.4**	(20.4)	(24.7)

Changes in fair value of equity investments at held at fair value through other comprehensive income ('FVOCI')	**(0.1)**	0.2	0.6
Tax on other items that will not be reclassified	**(1.5)**	7.0	8.4
Total items that will not be reclassified to profit or loss	**4.8**	(13.2)	(15.7)
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences	**(3.9)**	(29.3)	(27.3)
Total items that may be reclassified subsequently to profit or loss	**(3.9)**	(29.3)	(27.3)
Other comprehensive income/(loss) for the period	**0.9**	(42.5)	(43.0)
Total comprehensive income/(loss) for the period	**8.4**	(38.1)	(3.5)
Total comprehensive income/(loss) attributable to:			
Owners of the parent	**9.7**	(36.7)	(1.4)
Non-controlling interests	**(1.3)**	(1.4)	(2.1)
	8.4	(38.1)	(3.5)

Notes 1 to 24 are an integral part of these condensed interim financial statements.

Savills plc

Condensed interim consolidated statement of financial position

at 30 June 2024

	Note	**30 June 2024 (unaudited) £m**	30 June 2023 restated* (unaudited) £m	31 December 2023 restated* (audited) £m
Assets: Non-current assets				
Property, plant and equipment		**65.4**	71.4	68.1
Right of use assets		**183.4**	207.8	198.3
Goodwill		**451.3**	440.3	443.6
Intangible assets		**52.7**	60.5	55.8
Investments in joint ventures and associates		**37.3**	36.2	38.9
Deferred income tax assets		**61.4**	47.1	57.2
Financial assets at FVOCI	5	**4.8**	7.5	5.0
Financial assets at fair value through profit and loss ('FVPL')	5	**41.4**	36.7	38.5
Defined benefit pension surplus	15	**9.2**	5.8	3.2
Contract related assets		**1.7**	2.2	1.8
Trade and other receivables		**75.0**	47.0	69.3
		983.6	962.5	979.7
Assets: Current assets				
Contract assets		**12.1**	12.9	12.6
Trade and other receivables		**576.1**	576.7	656.7
Income tax receivable		**11.0**	9.3	4.7
Derivative financial instruments	5	**0.1**	1.5	1.0
Cash and cash equivalents†	18	**461.3**	442.6	506.6
		1,060.6	1,043.0	1,181.6
Liabilities: Current liabilities				
Borrowings	17	**117.2**	99.9	7.9
Overdrafts in notional pooling arrangement†	18	**190.7**	180.7	192.3
Lease liabilities		**51.7**	51.9	52.9
Derivative financial instruments	5	**4.4**	-	2.5
Contract liabilities		**19.1**	17.4	11.9
Trade and other payables		**489.5**	459.5	682.2
Income tax liabilities		**7.3**	3.8	6.9
Employee benefit obligations	15	**25.0**	25.2	18.5
Provisions		**9.0**	7.8	17.2
		913.9	846.2	992.3
Net current assets		**146.7**	196.8	189.3
Total assets less current liabilities		**1,130.3**	1,159.3	1,169.0
Liabilities: Non-current liabilities				
Borrowings	17	**119.4**	149.2	149.3
Lease liabilities		**185.7**	206.5	201.3
Derivative financial instruments	5	**4.0**	5.2	3.2
Other payables		**12.8**	26.5	10.4
Retirement and employee benefit obligations	15	**26.7**	25.4	26.2
Provisions		**25.2**	14.2	23.9
Deferred income tax liabilities		**1.6**	1.3	1.9
		375.4	428.3	416.2
Net assets		**754.9**	731.0	752.8

Equity:

Share capital	**3.6**	3.6	3.6
Share premium	**104.9**	104.9	104.9
Other reserves	**90.8**	85.6	94.5
Retained earnings	**518.4**	502.2	514.9
Equity attributable to owners of the parent	**717.7**	696.3	717.9
Non-controlling interests	**37.2**	34.7	34.9
Total equity	**754.9**	731.0	752.8

Notes 1 to 24 are an integral part of these condensed interim financial statements.

† Included within cash and cash equivalents are cash balances of £191.8m (30 June 2023: £181.9m, 31 December 2023: £193.3m) that are operated within a notional cash pooling arrangement together with overdraft balances of £190.7m (30 June 2023: £180.7m, 31 December 2023: £192.3m) presented above in current liabilities. See Note 18 for further details.

*See Note 14 for details of prior period restatements in relation to a measurement period adjustment in accordance with IFRS 3.

Savills plc
Condensed interim consolidated statement of changes in equity
for the period ended 30 June 2024

	Attributable to owners of the parent						
	Share capital £m	**Share premium £m**	**Other reserves £m**	**Retained earnings £m**	**Total £m**	**Non-controlling interests £m**	**Total equity £m**
Balance at 1 January 2024 (audited)	**3.6**	**104.9**	**94.5**	**514.9**	**717.9**	**34.9**	**752.8**
Profit for the period	**-**	**-**	**-**	**8.3**	**8.3**	**(0.8)**	**7.5**
Other comprehensive (loss)/income:							
Re-measurement of defined benefit pension scheme and employee benefit obligations	**-**	**-**	**-**	**6.4**	**6.4**	**-**	**6.4**
Changes in fair value of financial assets at FVOCI	**-**	**-**	**(0.1)**	**-**	**(0.1)**	**-**	**(0.1)**
Currency translation differences	**-**	**-**	**(3.4)**	**-**	**(3.4)**	**(0.5)**	**(3.9)**
Tax on other items directly taken to other comprehensive (loss)/income	**-**	**-**	**-**	**(1.5)**	**(1.5)**	**-**	**(1.5)**
Total comprehensive (loss)/income for the period	**-**	**-**	**(3.5)**	**13.2**	**9.7**	**(1.3)**	**8.4**
Employee share option scheme:							
- Value of services provided	**-**	**-**	**-**	**16.1**	**16.1**	**-**	**16.1**
- Tax on employee share option schemes	**-**	**-**	**-**	**0.8**	**0.8**	**-**	**0.8**
Purchase of treasury shares	**-**	**-**	**-**	**(11.5)**	**(11.5)**	**-**	**(11.5)**
Transaction with non-controlling interest (Note 20)	**-**	**-**	**(0.2)**	**6.4**	**6.2**	**5.1**	**11.3**
Dividends (Note 10)	**-**	**-**	**-**	**(21.5)**	**(21.5)**	**(1.5)**	**(23.0)**
Balance at 30 June 2024 (unaudited)	**3.6**	**104.9**	**90.8**	**518.4**	**717.7**	**37.2**	**754.9**

	Attributable to owners of the parent						
	Share capital £m	**Share premium £m**	**Other reserves £m**	**Retained earnings £m**	**Total £m**	**Non-controlling interests £m**	**Total equity £m**
Balance at 1 January 2023 (audited)	3.6	104.9	112.8	546.8	768.1	37.2	805.3
Profit for the period	-	-	-	4.8	4.8	(0.4)	4.4
Other comprehensive income/(loss):							
Re-measurement of defined benefit pension scheme and employee benefit obligations	-	-	-	(20.4)	(20.4)	-	(20.4)
Changes in fair value of financial assets at FVOCI	-	-	0.2	-	0.2	-	0.2
Currency translation differences	-	-	(28.3)	-	(28.3)	(1.0)	(29.3)
Tax on other items directly taken to other comprehensive income/(loss)	-	-	-	7.0	7.0	-	7.0
Total comprehensive loss for the period	-	-	(28.1)	(8.6)	(36.7)	(1.4)	(38.1)
Employee share option scheme:							
- Value of services provided	-	-	-	15.6	15.6	0.4	16.0
- Tax on employee share option schemes	-	-	-	0.1	0.1	-	0.1
Purchase of treasury shares	-	-	-	(11.9)	(11.9)	-	(11.9)
Transfer between equity accounts	-	-	0.9	(0.6)	0.3	(0.3)	-

Dividends (Note 10)	-	-	-	(39.4)	(39.4)	(1.0)	(40.4)
Balance at 30 June 2023 (unaudited)	3.6	104.9	85.6	502.0	696.1	34.9	731.0

	Attributable to owners of the parent						
	Share capital £m	**Share premium £m**	**Other reserves £m**	**Retained earnings £m**	**Total £m**	**Non-controlling interests £m**	**Total equity £m**
Balance at 1 January 2023 (audited)	3.6	104.9	112.8	546.8	768.1	37.2	805.3
Profit for the year	-	-	-	40.8	40.8	(1.3)	39.5
Other comprehensive income/(loss):							
Re-measurement of defined benefit pension scheme and employee benefit obligations	-	-	-	(24.6)	(24.6)	(0.1)	(24.7)
Changes in fair value of financial assets at FVOCI	-	-	0.6	-	0.6	-	0.6
Tax on items directly taken to other comprehensive income/(loss)	-	-	-	8.4	8.4	-	8.4
Currency translation differences	-	-	(26.6)	-	(26.6)	(0.7)	(27.3)
Total comprehensive (loss)/income for the year	-	-	(26.0)	24.6	(1.4)	(2.1)	(3.5)
Employee share option scheme:							
- Value of services provided	-	-	-	28.8	28.8	-	28.8
- Tax on employee share option schemes	-	-	-	0.5	0.5	-	0.5
Tax on other items taken to reserves	-	-	-	(0.4)	(0.4)	-	(0.4)
Purchase of treasury shares	-	-	-	(26.3)	(26.3)	-	(26.3)
Dividends	-	-	-	(48.8)	(48.8)	(2.2)	(51.0)
Transfer between reserves	-	-	7.7	(9.7)	(2.0)	2.0	-
Fair value of derivative financial instrument	-	-	-	(0.6)	(0.6)	-	(0.6)
Balance at 31 December 2023 (audited)	3.6	104.9	94.5	514.9	717.9	34.9	752.8

Notes 1 to 24 are an integral part of these condensed interim financial statements.

Savills plc

Condensed interim consolidated statement of cash flows

for the period ended 30 June 2024

	Note	**Six months to 30 June 2024 (unaudited) £m**	Six months to 30 June 2023 restated* (unaudited) £m	Year ended 31 December 2023 restated* (audited) £m
Cash flows from operating activities				
Cash (used in)/generated from operations	11	**(46.5)**	(166.1)	49.2
Interest received		**21.1**	21.2	40.6
Interest paid		**(16.7)**	(18.0)	(33.3)
Income tax paid		**(13.8)**	(22.9)	(37.7)
Net cash (used in)/generated from operating activities		**(55.9)**	(185.8)	18.8
Cash flows from investing activities				
Proceeds from sale of property, plant and equipment		**-**	3.9	5.3
Proceeds from sale of financial assets held at FVOCI and FVPL		**0.5**	2.1	4.8
Proceeds from sale of interests in joint ventures		**0.1**	-	0.3
Dividends received from joint ventures		**1.5**	2.9	8.6
Dividends received from associates		**2.7**	0.9	1.4
Dividends received from other parties		**-**	-	0.2
Repayment of loans by joint ventures		**-**	-	0.1
Repayment of loans by associates		**-**	0.1	0.2
Loans to associates		**-**	(0.1)	-
Loans to other parties		**(0.2)**	(1.6)	(2.5)
Acquisition of subsidiaries, net of cash and overdrafts acquired		**(0.8)**	(2.7)	(8.9)
Deferred consideration paid in relation to prior year acquisitions		**(0.4)**	(0.9)	(1.9)
Sublease income		**0.8**	-	0.7

Purchase of property, plant and equipment		**(6.4)**	(8.9)	(17.4)
Purchase of intangible assets		**(2.7)**	(3.1)	(5.5)
Purchase of financial assets held at FVOCI and FVPL		**(4.1)**	(3.5)	(6.7)
Purchase of investment in joint ventures		**(0.1)**	(0.2)	(0.5)
Net cash used in investing activities		**(9.1)**	(11.1)	(21.8)
Cash flows from financing activities				
Proceeds from borrowings		**82.8**	98.7	105.7
Repayments of borrowings		**(7.6)**	(11.3)	(109.9)
Transactions with non-controlling interests	20	**11.3**	-	-
Principal elements of lease payments		**(29.2)**	(27.5)	(54.7)
Purchase of treasury shares		**(11.5)**	(11.9)	(26.3)
Dividends paid		**(23.0)**	(40.4)	(51.0)
Net cash from/(used in) financing activities		**22.8**	7.6	(136.2)
Net decrease in cash, cash equivalents and bank overdrafts		**(42.2)**	(189.3)	(139.2)
Cash, cash equivalents and bank overdrafts at beginning of period		**310.1**	464.3	464.3
Effect of exchange rate fluctuations on cash held		**(6.3)**	(18.1)	(15.0)
Cash, cash equivalents and bank overdrafts at end of period	18	**261.6**	256.9	310.1

Notes 1 to 24 are an integral part of these condensed interim financial statements.

*See Note 14 for details of prior period restatements in relation to a measurement period adjustment in accordance with IFRS 3.

NOTES

1. General information

Savills plc ('the Company') is a public limited company incorporated and domiciled in England, United Kingdom. The address of its registered office is 33 Margaret Street, London W1G 0JD. Savills plc and its subsidiaries (together the 'Group') is a global real estate services group. The Group operates through a network of offices in the UK, Europe, Asia Pacific, North America, Africa and the Middle East.

This condensed consolidated interim financial report was approved for issue by the Board of Directors on 8 August 2024.

This condensed consolidated interim financial report does not comprise statutory financial statements within the meaning of section 434 of the Companies Act 2006. The financial information presented for the year ended 31 December 2023 is derived from the statutory accounts for that year. Statutory financial statements for the year ended 31 December 2023 were approved by the Board of Directors on 13 March 2024 and delivered to the Registrar of Companies. The auditor's report on these accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

This condensed consolidated interim financial report has been reviewed, not audited.

2. Basis of preparation

The annual financial statements of Savills plc are prepared in accordance with UK-adopted international accounting standards ('UK-adopted IFRSs' or 'IFRS'). This condensed consolidated interim financial report for the half-year reporting period ended 30 June 2024 has been prepared in accordance with the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority and in accordance with IAS 34 'Interim Financial Reporting' as contained in UK-adopted IFRSs.

The interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual financial statements for the year ended 31 December 2023, which has been prepared in accordance with UK-adopted IFRSs.

Consistent with our approach to preparing the annual financial statements for the year ended 31 December 2023, management has considered the impact of risks and opportunities relating to climate change, in accordance with the

TCFD obligations, when preparing the financial report for half-year reporting at 30 June 2024. Consistent with the 2023 year end, we concluded that as sufficient mitigation actions were in place relating to climate change risks, the risks identified did not have a material impact on the financial reporting judgements and estimates and are not expected to have a significant impact on the Group's going concern. For further information on our climate related risks and opportunities refer to our 2023 TCFD report - https://www.savills.com/why-savills/tcfd-report-2023.pdf.

Going concern

Management has performed a detailed going concern assessment to test the Group's liquidity and banking covenant compliance up until the end of 2025 based on latest financial forecasts. These forecasts take into account the Group's performance over the period and positive prospects (see 'Summary and outlook' section for more information) as well as the principal risks and uncertainties facing the business (see 'Principal and Emerging risks' section). In addition, sensitivity analysis has been performed to assess liquidity availability and covenant compliance over the period until 31 December 2025, looking at the level of decline in the base case forecast that could be withstood before the leverage ratio covenant would be breached. The results of this sensitivity analysis showed that the Group has sufficient headroom to withstand the impact of a severe global economic downturn. Based on the Group's net cash position of £34.0m at the period end and the level of undrawn facilities available (see Note 17 for information on the current level of undrawn facilities), alongside the assessment noted above, the Directors consider that the Group has adequate resources in place until at least the end of 2025 and have therefore adopted the going concern basis of accounting in preparing the interim financial report.

3. Accounting policies

Except as described below, the accounting policies applied and methods of computation used are consistent with those of the annual financial statements for the year ended 31 December 2023, as described in those financial statements.

- Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.

Adoption of standards, amendments and interpretations to standards

Standards, amendments and interpretations adopted for use in the United Kingdom and mandatorily effective for the first time for the financial year beginning 1 January 2024 relevant to the Group are as follows:

- Amendments to IFRS 7 and IAS 7 require additional disclosures with respect to supplier finance arrangements that exist within the Group, including the terms and conditions of the arrangements, the value of such liabilities presented in trade and other payables and ranges of payment due dates. The Group has commenced a review of its arrangements to ensure the required disclosure information can be made as at 31 December 2024. The disclosures are not required for interim reporting.

- Finance (No 2) Bill 2023, that includes Pillar Two legislation, was substantively enacted in the UK on 20 June 2023, to apply for periods commencing 1 January 2024. Pillar Two Model Rules (Amendments to IAS 12) as issued in May 2023, were adopted as from that date. The amendments to IAS 12 introduce a temporary mandatory relief from accounting for deferred tax that arise from legislation implementing OECD Pillar Two. As required by the amendments to IAS 12 the Group has applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes. Under the legislation, the Group is liable to pay a top-up tax for the difference between its GloBE effective tax rate per jurisdiction and the 15% minimum rate. Since Pillar Two legislation was not effective at the previous 31 December 2023 reporting date, the Group has no brought forward related current tax exposure. Management's assessment of the Group's potential exposure to additional top up tax based on current forecasts has identified some entities within the Group that may have an effective tax rate below 15% however operations in these entities are not significant and the value of the additional top-up tax would not be material for the Group.

Standards, amendments and interpretations adopted for use in the United Kingdom and mandatorily effective for the first time for the financial year beginning 1 January 2024 that are not relevant nor considered to have a significant impact on the Group and its financial statements include the following:

- Amendments to IAS 1: Classification of Liabilities as Non-Current or Current, Non-Current Liabilities with Covenants

- Amendments to IFRS 16: Lease Liability in a Sale and Leaseback

There are no other standards that are not yet effective that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions with the exception of IFRS 18

Presentation and Disclosure in Financial Statements which is effective from 1 January 2027. The Group has commenced a review of the requirements to ensure the presentation changes and additional disclosure information can be made in line with the required dates.

Use of non-GAAP measures

The Group believes that the consistent presentation of underlying profit before tax, underlying effective tax rate, underlying basic earnings per share and underlying diluted earnings per share provides additional useful information to Shareholders on the underlying trends and comparable performance of the Group over time by excluding significant non-operational costs/income from the GAAP measures. The 'underlying' measures are also used by the Group for internal performance analysis and incentive compensation arrangements for employees.

These terms are not defined terms under IFRS and may therefore not be comparable with similarly-titled profit measures reported by other companies. They are not intended to be a substitute for, or superior to, GAAP measures. The non-GAAP measures may be materially higher or lower than GAAP measures and should not be regarded as a complete picture of the Group's financial performance. In particular, underlying profit before tax may be materially higher or lower than reported profit before tax as a result of the adjustments.

The term 'underlying' refers to the relevant measure of profit, earnings or taxation being reported mainly excluding the impact (pre and post-tax where applicable) of the following items:

- the difference between IFRS 2 charges related to outstanding bonus-related deferred share awards and the estimated value of the current period bonus pool expected to be allocated to deferred share awards;

- amortisation of intangible assets arising from business combinations (this excludes software or other pre-existing intangible assets of the acquiree);

- items that are considered significant in size and non-operational in nature including restructuring costs, impairments of goodwill and intangible assets arising from business combinations and profits or losses arising on disposals of subsidiaries and other investments; and

- significant transaction-related costs associated with business combinations.

The majority of adjustments made to the GAAP measures to arrive at "underlying" measures relate to charges arising as a result of business combinations. The nature of the Group's business and the businesses that the Group acquires (being "asset light" people businesses) requires the Group to structure business acquisitions such that often payment of deferred consideration is linked to recipients' continuing and active engagement in the business at the date of the deferred payment, with these payments required to be expensed to the income statement under IFRS 3. For internal performance analysis and incentive compensation arrangements, these charges are considered part of the initial cost of acquiring a business, instead of an ongoing operational cost, and are therefore excluded from the Group's "underlying" measures. The same rationale is applied to the exclusion of amortisation of intangible assets arising from business combinations (excluding software or other pre-existing intangible assets of the acquiree), any impairments of goodwill and the aforementioned intangible assets, significant transaction-related costs associated with business combinations and significant restructuring costs. These items are not considered to reflect the business's trading performance and so are adjusted to ensure consistency between periods.

The adjustment for share-based payments relates to the impact of the accounting standard for share-based compensation. The annual bonus is paid in a mixture of cash and deferred shares and the proportions can vary from one period to another. Under IFRS, the deferred share element is amortised to the income statement over the vesting period whilst the cash element is expensed in the period. The adjustment above addresses this by adding to or deducting from profit the difference between the IFRS 2 charge in relation to outstanding bonus-related share awards and the estimated value of the current period bonus pool to be awarded in deferred shares. This adjustment is made to align the underlying staff cost in the period with the revenue recognised in the same period, providing additional information on the Group's performance over time with respect to profitability.

The underlying effective tax rate represents the underlying income tax expense expressed as a percentage of underlying profit before tax. The underlying income tax expense is the income tax expense excluding the tax effect of the adjustments made to arrive at underlying profit before tax and other tax effects related to these adjustments.

Underlying basic earnings per share and underlying diluted earnings per share both utilise the underlying profit after tax measure instead of GAAP earnings. The weighted average number of shares remain the same as the GAAP measure.

The Group also refers to revenue and underlying profit on a constant currency basis which are both non-GAAP measures. Constant currency results are calculated by translating the current period revenue and underlying profit using the prior period exchange rates (see Appendices). This measure allows the Group to assess the results of the current period compared to the prior period, excluding the impact of foreign currency movements.

A reconciliation between GAAP and underlying measures are set out in Note 7 (underlying profit before tax) and Note 10(b) (underlying basic earnings per share and underlying diluted earnings per share).

4. Estimates

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2023. Refer to Note 16 for information on the expected credit loss provision in relation to trade receivables and Note 5 for information on fair value estimates.

5. Financial risk management

Financial risk factors

The Group's activities expose it to a variety of financial risks including foreign exchange risk, interest rate risk, credit risk and liquidity risk. The condensed interim financial statements do not include all financial risk management information and disclosures as required in the annual financial statements; they should be read in conjunction with the Group's annual financial statements as at 31 December 2023. There have been no changes in any risk management policies since the year end.

Fair value estimation

The tables below analyse financial instruments carried at fair value, by valuation method.

The following table presents the Group's assets and liabilities that are measured at fair value at 30 June 2024:

£m	Level 2	Level 3	Total
2024			
Assets			
Financial assets at FVOCI - unlisted equity investments	**-**	**4.8**	**4.8**
Financial assets at FVPL	**-**	**41.4**	**41.4**
Derivative financial instruments	**0.1**	**-**	**0.1**
Total assets	**0.1**	**46.2**	**46.3**
Liabilities			
Derivative financial instruments	**0.4**	**8.0**	**8.4**
Total liabilities	**0.4**	**8.0**	**8.4**

The following table presents the Group's assets and liabilities that are measured at fair value at 31 December 2023:

£m	Level 2	Level 3	Total
2023			
Assets			
Financial assets at FVOCI - unlisted equity investments	-	5.0	5.0
Financial assets at FVPL	-	38.5	38.5
Derivative financial instruments	1.0	-	1.0
Total assets	1.0	43.5	44.5
Liabilities			
Derivative financial instruments	-	5.7	5.7
Total liabilities	-	5.7	5.7

The following table presents the Group's assets and liabilities that are measured at fair value at 30 June 2023:

£m	Level 1	Level 2	Level 3	Total
2023				
Assets				
Financial assets at FVOCI				
- Listed equity investments	0.6	-	-	0.6
- Unlisted equity investments	-	-	6.9	6.9
Financial assets at FVPL	-	-	36.7	36.7
Derivative financial instruments	-	1.5	-	1.5
Total assets	0.6	1.5	43.6	45.7
Liabilities				
Derivative financial instruments	-	-	5.2	5.2
Total liabilities	-	-	5.2	5.2

There were no transfers between levels of the fair value hierarchy in the period.

There were no changes in valuation techniques during the period.

The fair value of all other financial assets and liabilities approximate their carrying amount, with the exception of the Group's long term fixed rate private note placements detailed in Note 17.

Valuation techniques

Level 1

Level 1 instruments are those whose fair values are based on quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2

Level 2 instruments are those whose fair values are based on inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of derivative financial instruments relating to forward foreign exchange contracts are determined by using valuation techniques using observable market data.

Level 3

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

Financial assets held at FVOCI (unlisted equity investments) included in Level 3 fall under two categories. The first, where cost has been determined as the best approximation of fair value. Cost is considered the best approximation of fair value in these instances either due to insufficient more recent information being available and/or there being a wide range of possible fair value measurements due to the nature of the investments and cost is considered the best estimate of fair value within the range. The second, where management have determined the fair value of the unlisted equity security based upon the latest trading performance of the investments, cash flow forecasts of the investments and applying these to a discounted cash flow valuation and/or considering evidence from recent fundraising initiatives undertaken.

Financial assets held at FVPL included in Level 3 fall under two categories. The first, where the fair value of investment funds is based on underlying asset values determined by the Fund Manager's quarterly financial statements. The second, where management have determined the fair value of convertible loans based upon the latest trading performance of the equity investments and cash flow forecasts of the investments and applying these to a discounted cash flow valuation.

The derivative financial liabilities classified as Level 3 relate to put and call options, the fair value of which is derived from management's best estimate of the average EBITDA forecast of the relevant businesses. These include a call option on the Savills IM Holdings Ltd group whereby under this agreement Samsung Life has the option to increase its interest by up to 6% over the next two years, depending upon the quantum and timing of the provision of capital to Savills Investment Management's investment products, the maximum being achievable if at least US$2bn of capital is committed. This option is classed as non-current. Gains and losses are recognised in operating profits in the income statement. Derivative financial liabilities also include a put and call option on the remaining 40% of the Absolute Maintenance Services Pte Ltd and Solute Pte Ltd ('AMS') businesses (60% of which was acquired by the Group during 2022). Under this agreement, in 2024 the Group has the option to purchase and the non-controlling interest holder has the option to request the Group to purchase an additional 20%, with the remaining 20% in 2027. This option is classed as current and non-current. The loss upon recognition has been recognised in reserves. Subsequent gains and losses are recognised in operating profits in the income statement.

The following table presents changes in Level 3 items for the period ended 30 June 2024:

	Derivative financial instruments £m	Unlisted equity investments £m	Financial assets at FVPL £m
Opening balance 1 January 2024	**(5.7)**	**5.0**	**38.5**
Additions	**-**	**-**	**4.1**
Disposals	**-**	**-**	**(0.5)**
Exchange movement	**0.3**	**(0.1)**	**(0.1)**
Re-measurements	**(2.6)**	**(0.1)**	**(0.6)**
Closing balance 30 June 2024	**(8.0)**	**4.8**	**41.4**

6. Segment analysis

Six months to 30 June 2024 (unaudited)	**Transaction Advisory £m**	**Consultancy £m**	**Property and Facilities Management £m**	**Investment Management £m**	**Unallocated £m**	**Total £m**
Revenue						
United Kingdom						
- commercial	**38.8**	**96.0**	**160.9**	**20.4**	**-**	**316.1**
- residential	**76.8**	**20.3**	**22.7**	**-**	**-**	**119.8**
Total United Kingdom	**115.6**	**116.3**	**183.6**	**20.4**	**-**	**435.9**
CEME	**52.0**	**36.1**	**47.9**	**22.6**	**-**	**158.6**
Asia Pacific						
- commercial	**54.0**	**35.7**	**225.4**	**3.4**	**-**	**318.5**
- residential	**7.7**	**-**	**-**	**-**	**-**	**7.7**
Total Asia Pacific	**61.7**	**35.7**	**225.4**	**3.4**	**-**	**326.2**
North America	**130.1**	**12.4**	**-**	**-**	**-**	**142.5**
Total revenue	**359.4**	**200.5**	**456.9**	**46.4**	**-**	**1,063.2**
Underlying profit/(loss) before tax						
United Kingdom						
- commercial	**2.4**	**8.1**	**13.3**	**0.5**	**(1.4)**	**22.9**
- residential	**5.2**	**1.3**	**2.1**	**-**	**-**	**8.6**
Total United Kingdom	**7.6**	**9.4**	**15.4**	**0.5**	**(1.4)**	**31.5**
CEME	**(16.7)**	**0.8**	**(1.9)**	**3.4**	**-**	**(14.4)**
Asia Pacific						
- commercial	**(3.2)**	**(1.9)**	**9.7**	**0.4**	**-**	**5.0**
- residential	**(0.6)**	**-**	**-**	**-**	**-**	**(0.6)**
Total Asia Pacific	**(3.8)**	**(1.9)**	**9.7**	**0.4**	**-**	**4.4**
North America	**(0.5)**	**0.2**	**-**	**-**	**-**	**(0.3)**
Underlying profit/(loss) before tax	**(13.4)**	**8.5**	**23.2**	**4.3**	**(1.4)**	**21.2**

Six months to 30 June 2023 (unaudited)	**Transaction Advisory £m**	**Consultancy £m**	**Property and Facilities Management £m**	**Investment Management £m**	**Unallocated £m**	**Total £m**
Revenue						
United Kingdom						
- commercial	37.5	93.5	146.1	19.8	-	296.9
- residential	71.6	19.4	21.5	-	-	112.5
Total United Kingdom	109.1	112.9	167.6	19.8	-	409.4
CEME	43.2	32.6	46.1	28.0	-	149.9
Asia Pacific						
- commercial	40.2	37.6	221.8	3.9	-	303.5
- residential	10.0	-	-	-	-	10.0
Total Asia Pacific	50.2	37.6	221.8	3.9	-	313.5
North America	126.2	12.4	-	-	-	138.6
Total revenue	328.7	195.5	435.5	51.7	-	1,011.4
Underlying profit/(loss) before tax						
United Kingdom						
- commercial	2.4	8.6	9.7	3.5	(1.0)	23.2

- commercial	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
- residential	4.7	1.2	1.5	-	-	7.4
Total United Kingdom	7.1	9.8	11.2	3.5	(1.0)	30.6
CEME	(16.2)	0.1	(0.4)	4.2	-	(12.3)
Asia Pacific						
- commercial	(6.2)	(1.7)	9.3	(0.7)	-	0.7
- residential	1.2	-	-	-	-	1.2
Total Asia Pacific	(5.0)	(1.7)	9.3	(0.7)	-	1.9
North America	(2.9)	(1.0)	-	-	-	(3.9)
Underlying profit/(loss) before tax	(17.0)	7.2	20.1	7.0	(1.0)	16.3

Year ended 31 December 2023 (audited)	Transaction Advisory £m	Consultancy £m	Property and Facilities Management £m	Investment Management £m	Unallocated £m	Total £m
Revenue						
United Kingdom						
- commercial	100.6	227.8	304.5	43.2	-	676.1
- residential	171.0	43.2	51.2	-	-	265.4
Total United Kingdom	271.6	271.0	355.7	43.2	-	941.5
CEME	114.6	76.3	96.7	54.8	-	342.4
Asia Pacific						
- commercial	102.1	84.1	447.1	7.8	-	641.1
- residential	17.9	-	-	-	-	17.9
Total Asia Pacific	120.0	84.1	447.1	7.8	-	659.0
North America	266.7	28.4	-	-	-	295.1
Total revenue	772.9	459.8	899.5	105.8	-	2,238.0
Underlying profit/(loss) before tax						
United Kingdom						
- commercial	14.0	25.4	24.5	4.8	(8.7)	60.0
- residential	19.4	4.3	5.9	-	-	29.6
Total United Kingdom	33.4	29.7	30.4	4.8	(8.7)	89.6
CEME	(20.3)	5.0	(3.8)	9.3	-	(9.8)
Asia Pacific						
- commercial	(2.9)	1.9	22.2	0.7	-	21.9
- residential	1.5	-	-	-	-	1.5
Total Asia Pacific	(1.4)	1.9	22.2	0.7	-	23.4
North America	(7.4)	(1.0)	-	-	-	(8.4)
Underlying profit/(loss) before tax	4.3	35.6	48.8	14.8	(8.7)	94.8

Operating segments reflect internal management reporting to the Group's chief operating decision maker, defined as the Group Executive Board ('GEB'). The GEB primarily manages the business based on the geographic location in which the Group operates, with the Investment Management business being managed separately.

The operating segments are identified as the following regions: the UK, CEME, Asia Pacific and North America. The Savills Investment Management business is also considered a separate operating segment. The reportable operating segments derive their revenue primarily from property related services. Within the UK and Asia Pacific, both commercial and residential services are provided. Other segments are largely commercial-based.

The GEB also reviews the business with reference to the nature of the services in each region. Therefore, the Group has presented its segment analysis above in a matrix with the primary operating segments based on regions in which the Group operates.

The GEB assesses the performance of operating segments based on a measure of underlying profit before tax which adjusts reported pre-tax profit by profit/(loss) on disposals, share-based payment adjustment, significant restructuring costs, significant transaction-related costs, amortisation and impairment of intangible assets arising from business combinations, impairment of goodwill and other items that are considered non-operational and material.

A reconciliation of underlying profit before tax to reported profit before tax is provided in Note 7.

The Unallocated segment includes costs and other expenses at holding company and subsidiary levels, which are not directly attributable to the operating activities of the Group's business segments.

Inter-segmental revenue is not material.

7. Underlying profit before tax

	Six months to 30 June 2024 (unaudited) £m	Six months to 30 June 2023 (unaudited) £m	Year ended 31 December 2023 (audited) £m
Reported profit before tax	**8.9**	6.0	55.4
Adjustments:			
- Amortisation of acquired intangible assets arising from business acquisitions	**4.8**	5.0	9.9
- Impairment of goodwill	**-**	-	3.9
- Share-based payment adjustment (refer to Note 3)	**0.3**	(0.5)	(1.1)
- Profit on disposal of joint ventures	**-**	-	(0.4)
- Restructuring costs	**0.5**	-	13.9
- Transaction-related costs	**8.5**	7.1	14.6
- Fair value gain on step acquisition of subsidiary previously classified as an associate	**(4.4)**	-	-
- Fair value loss/(gain) on transaction-related options	**2.6**	(1.3)	(1.4)
Underlying profit before tax	**21.2**	16.3	94.8

There have been no impairments of goodwill and intangible assets arising from business combinations recognised in the current or prior period. Impairment of goodwill in the prior year related to the Indonesia cash generating unit.

Restructuring costs in the current period and prior year principally include the pay-out of settlement costs and the cost of a restructuring programme, which is focused principally on a small number of areas of the global business where management anticipates that market recovery will take longer to emerge.

Transaction-related costs includes a net £8.3m charge for future consideration payments which are contingent on the continuity of recipients' employment in the future (30 June 2023: £6.2m, 31 December 2023: £12.7m). For the period ended 30 June 2024, the period ended 30 June 2023 and the year ended 31 December 2023, a significant portion of the charge related to the acquisition of DRC Capital LLP ('DRC') in 2021. In the current period, transaction-related costs also consist of £nil professional advisory transaction fees (30 June 2023: £0.4m, 31 December 2023: £1.5m) and £0.2m of interest on deferred consideration and non-current future payments in relation to business acquisitions that are linked to employment (30 June 2023: £0.4m, 31 December 2023: £0.3m). In the current period, transaction-related costs included a £nil (30 June 2023: £0.1m, 31 December 2023: £0.1m) charge relating to prepaid amounts issued as part of business acquisitions that are linked to continued active engagement in the business. Of these items, prepaid amounts that are linked to active engagement in the business are recorded as employee benefits expenses in the income statement, unwinding of interest is recorded as a finance cost in the income statement and all other charges/(credits) are recorded within other operating expenses.

In the current period, a fair value gain of £4.4m was recognised on the re-measurement of the Group's holding in its associate, Riviera Estates SAS, prior to the Group's acquisition of a further 24% equity interest in the business, bringing the Group's total shareholding to 75%.

The fair value loss on transaction-related call options in the current period relates primarily to the re-measurement of the AMS option, which gives the Group the right to purchase the remaining 40% shareholding in these subsidiaries (20% in 2024 and 20% in 2027). In the prior period and prior year, the fair value gain related to the re-measurement of the Samsung Life call option, which at the time gave Samsung Life the right to purchase up to an additional 10% shareholding in the Savills IM Holding Ltd group subject to the quantum of capital it has invested in Savills Investment Management products during the initial 5 year term. In H1 2024, Samsung Life exercised the first tranche of the option, purchasing an additional 4% in the Savills IM Holding Ltd group leaving Samsung Life the right to purchase a further 6% shareholding under the terms of the option (Note 20).

8. Income tax expense

The income tax expense has been calculated on the basis of the statutory rates in each jurisdiction adjusted for any disallowable charges.

	Six months to 30 June 2024 (unaudited) £m	Six months to 30 June 2023 (unaudited) £m	Year ended 31 December 2023 (audited) £m
UK			
- Current tax	**4.8**	2.4	13.9
- Deferred tax	**(1.7)**	0.5	(2.5)
Foreign tax			
- Current tax	**3.7**	3.0	13.8
- Deferred tax	**(5.4)**	(4.3)	(9.3)
Income tax expense	**1.4**	1.6	15.9

The forecast Group effective tax rate is 15.7% (30 June 2023: 26.7%, 31 December 2023: 28.7%), which is lower (30 June 2023: higher, 31 December 2023: higher) than the UK standard effective annual rate of corporation tax of 25.0% (30 June 2023 and 31 December 2023: 23.5%). This primarily reflects the effect of prior year tax credits recognised in the period. The Group underlying effective tax rate is 26.5% (30 June 2023: 24.5%, 31 December 2023: 22.4%).

Detailed analysis of the impact from the application of OECD's Pillar Two Model Rules on both historical performance and forward-looking projections is underway. As the Group does not generally operate in low tax jurisdictions, the impact is not expected to be material.

9. Dividends

	Six months to 30 June 2024 (unaudited) £m	Six months to 30 June 2023 (unaudited) £m	Year ended 31 December 2023 (audited) £m
Amounts recognised as distribution to equity holders in the period:			
In respect of previous period			
Ordinary final dividend of 13.9p per share (2022: 13.4p)	**21.2**	18.2	18.2
Supplemental interim dividend of 2.0p per share (2022: 15.6p)	**0.3**	21.2	21.2
In respect of current period			
Interim dividend of £nil per share (2023: 6.9p)	**-**	-	9.4
	21.5	39.4	48.8

Proposed interim dividend for the six months ended 30 June 2024	£9.7m

The Board has declared an interim dividend for the six months ended 30 June 2024 of 7.1p per ordinary share (30 June 2023: 6.9p) to be paid on 30 September 2024 to shareholders on the register on 30 August 2024. The interim dividend has not been recognised in these interim financial statements. It will be recognised in equity in the year to 31 December 2024.

10(a). Basic and diluted earnings per share

Six months to 30 June (unaudited)	**2024 Earnings £m**	**2024 Shares million**	**2024 EPS Pence**	2023 Earnings £m	2023 Shares million	2023 EPS pence
Basic earnings per share	**8.3**	**135.7**	**6.1**	4.8	136.1	3.5
Effect of additional shares issuable under option	**-**	**7.1**	**(0.3)**	-	5.5	(0.1)
Diluted earnings per share	**8.3**	**142.8**	**5.8**	4.8	141.6	3.4

Year to 31 December (audited)	2023 Earnings £m	2023 Shares million	2023 EPS Pence
Basic earnings per share	40.8	135.9	30.0
Effect of additional shares issuable under option	-	5.8	(1.2)
Diluted earnings per share	40.8	141.7	28.8

10(b). Underlying basic and diluted earnings per share

	2024	**2024**	**2024**	2023	2023	2023

Six months to 30 June (unaudited)	**2024 Earnings £m**	**2024 Shares million**	**2024 EPS pence**	2023 Earnings £m	2023 Shares million	2023 EPS Pence
Basic earnings per share	**8.3**	**135.7**	**6.1**	4.8	136.1	3.5
- Amortisation of intangible assets arising from business combinations after tax	**3.7**	**-**	**2.7**	3.6	-	2.6
- Share-based payment adjustment after tax	**0.1**	**-**	**0.1**	(0.5)	-	(0.4)
- Restructuring costs after tax	**0.4**	**-**	**0.3**	-	-	-
- Transaction-related costs after tax	**8.3**	**-**	**6.1**	7.1	-	5.2
- Other exceptional items after tax	**(1.8)**	**-**	**(1.3)**	(1.2)	-	(0.9)
- Effect of application of annual tax rate	**(2.6)**	**-**	**(1.9)**	(1.1)	-	(0.8)
Underlying basic earnings per share	**16.4**	**135.7**	**12.1**	12.7	136.1	9.2
Effect of additional shares issuable under option	**-**	**7.1**	**(0.6)**	-	5.5	(0.2)
Underlying diluted earnings per share	**16.4**	**142.8**	**11.5**	12.7	141.6	9.0

Year to 31 December (audited)	2023 Earnings £m	2023 Shares Million	2023 EPS Pence
Basic earnings per share	40.8	135.9	30.0
- Amortisation of intangible assets arising from business combinations after tax	7.6	-	5.6
- Impairment of goodwill after tax	4.0	-	2.9
- Share-based payment adjustment after tax	(0.6)	-	(0.4)
- Profit on disposal of joint ventures after tax	(0.4)	-	(0.3)
- Restructuring costs after tax	10.6	-	7.8
- Transaction-related costs after tax	14.3	-	10.5
- Fair value loss on transaction-related call option after tax	(1.4)	-	(1.0)
Underlying basic earnings per share	74.9	135.9	55.1
Effect of additional shares issuable under option	-	5.8	(2.2)
Underlying diluted earnings per share	74.9	141.7	52.9

Refer to Note 7 for the gross amounts of the above adjustments and a reconciliation between reported profit before tax and underlying profit before tax, alongside further details on each of the adjustments.

11. Cash generated from operations

	Six months to 30 June 2024 (unaudited)	Six months to 30 June 2023 (unaudited)	Year ended 31 December 2023 (audited)
	£m	£m	£m
Profit for the period	**7.5**	4.4	39.5
Adjustments for:			
Income tax (Note 8)	**1.4**	1.6	15.9
Depreciation	**35.7**	34.7	69.6
Amortisation of intangible assets	**7.9**	7.9	15.8
Fair value gain on derivative financial instrument and FVPL investments	**0.1**	-	(2.1)
(Gain)/loss on disposal of property, plant and equipment and intangible assets	**(0.2)**	0.3	(4.0)
Impairment of property, plant and equipment	**-**	-	3.9
Net finance income	**(6.6)**	(3.6)	(12.1)
Share of post-tax profit from joint ventures and associates	**(3.3)**	(4.8)	(10.2)
Dividends from other parties	**-**	-	(0.2)
Increase in employee and retirement obligations	**8.1**	9.8	2.5
Exchange movement and fair value movements on financial instruments in operating activities	**(2.0)**	(2.2)	0.5
(Decrease)/increase in provisions	**(7.1)**	(3.1)	11.2
Increase in insurance reimbursement asset	**-**	-	(3.4)
Charge for share-based compensation	**16.1**	16.0	28.8
Operating cash flows before movements in working capital	**57.6**	61.0	155.7
Decrease/(increase) in trade and other receivables and contract assets	**85.0**	33.0	(45.5)
Decrease in trade and other payables and contract liabilities	**(189.1)**	(260.1)	(61.0)
Cash (used in)/generated from operations	**(46.5)**	(166.1)	49.2

Foreign exchange movements resulted in a £0.5m increase in current and non-current trade and other receivables (30 June 2023: £21.5m decrease and 31 December 2023: £20.1m decrease) and a £5.2m decrease in current and non-current trade and other payables (30 June 2023: £23.7m decrease and 31 December 2023: £21.3m decrease).

12. Analysis of liabilities arising from financing activities

Six months to 30 June 2024 (unaudited)	At 1 January £m	Cash flows £m	Non-cash movements recognised in income statement £m	Other non-cash movements £m	Movements through business combinations and disposals £m	Exchange movements £m	At 30 June £m
Bank loans	(3.1)	(75.9)	-	-	-	0.8	(78.2)
Loan notes	(150.7)	0.7	-	-	-	-	(150.0)
Transaction costs	0.8	-	(0.2)	-	-	-	0.6
Lease liabilities*	(254.3)	34.3	(5.1)	(13.5)	-	1.2	(237.4)
Liabilities arising from financing activities	**(407.3)**	**(40.9)**	**(5.3)**	**(13.5)**	**-**	**2.0**	**(465.0)**

Six months to 30 June 2023 (unaudited)	At 1 January £m	Cash flows £m	Non-cash movements recognised in income statement £m	Other non-cash movements £m	Movements through business combinations and disposals £m	Exchange movements £m	At 30 June £m
Bank loans	(4.5)	(90.4)	-	-	-	0.4	(94.5)
Loan notes	(153.7)	3.0	-	-	-	-	(150.7)
Transaction costs	1.4	-	(0.3)	-	-	-	1.1
Lease liabilities*	(277.6)	32.0	(4.5)	(16.0)	0.1	8.0	(258.0)
Liabilities arising from financing activities	(434.4)	(55.4)	(4.8)	(16.0)	0.1	8.4	(502.1)

Year to 31 December 2023 (audited)	At 1 January £m	Cash flows £m	Non-cash movements recognised in income statement £m	Other non-cash movements £m	Movements through business combinations and disposals £m	Exchange movements £m	At 31 December £m
Bank loans	(4.5)	1.0	-	-	-	0.4	(3.1)
Loan notes	(153.8)	3.2	-	-	-	(0.1)	(150.7)
Transaction costs	1.4	-	(0.6)	-	-	-	0.8
Lease liabilities*	(277.6)	63.9	(9.2)	(38.4)	(0.5)	7.5	(254.3)
Liabilities arising from financing activities	(434.5)	68.1	(9.8)	(38.4)	(0.5)	7.8	(407.3)

* The part of the lease payment that represents cash payments for the principal portion of the lease liability is presented as a cash flow resulting from financing activities (period to 30 June 2024: £29.2m, period to 30 June 2023: £27.5m, year to 31 December 2023: £54.7m). The part of the lease payment that represents interest portion of the lease liability is presented as an operating cash flow, consistent with the presentation of the Group's loan and bank interest payments (period to 30 June 2024: £5.1m, period to 30 June 2023: £4.5m, year to 31 December 2023: £9.2m).

Non-cash movements recognised in the income statement represent amortisation of transaction costs and unwinding of discount on lease liabilities. Other non-cash movements to lease liabilities represent new leases and disposal of leases.

Cash subject to restrictions in Asia Pacific amounts to £21.1m (30 June 2023: £23.2m, 31 December 2023: £34.3m) which is cash pledged to banks in relation to property management contracts and cash remittance restrictions in certain countries. These amounts are accessible by the Group and are consolidated within the Group's cash and cash equivalents.

13. Goodwill

Management have determined that there has been no impairment of goodwill in the period. The US and Australia CGUs continue to be identified as the material CGUs that are considered to be sensitive to changes in key assumptions. Refer to the Group's Annual Report and Accounts 2023 for key assumptions applied. Latest full year trading expectations for these regions remain materially consistent with management's original expectations.

14. Acquisition of subsidiaries

On 3 January 2024, the Group acquired 100% of the equity interest in Verbier Hospitality SA, which specialises in holiday rentals in Verbier, Switzerland. In addition, on 11 April 2024, the Group acquired Situu Limited and Situu Management Limited, a flexible office advisory business in the UK. On 12 April 2024, the Group also acquired a further 24% equity interest in Riviera Estates SAS, a luxury property agency in the south of France, bringing the total shareholding to 75%.

Total acquisition consideration for these transactions is provisionally determined at £11.5m, of which £6.3m was settled on completion. The remainder of the acquisition consideration relates to deferred consideration of £0.2m payable within one year of the reporting date and £5.0m relating to the fair value of the initial 50% investment in Riviera Estates SAS (equity accounted as an associate).

Goodwill of £9.3m has been provisionally determined. Goodwill is attributable to the experience and expertise of key staff and strong industry reputation and is not expected to be deductible for tax purposes.

The acquired businesses contributed revenue of £2.1m and a loss of £0.1m to the Group for the period from acquisition to 30 June 2024. Had the acquisitions been made at the beginning of the financial year, revenue would have been £4.2m and the loss would have been £0.3m. The impact on the Group's overall revenue and profits is not material.

Due to the timing of the acquisitions, the fair values of the assets acquired and liabilities assumed are provisional and will be finalised within 12 months of the acquisition date. These are summarised below:

	Provisional fair value to the Group £m
Non-current assets: Property, plant and equipment	0.7
Intangible assets	1.9
Current assets: Trade and other receivables	1.0
Accrued income	0.1
Cash and cash equivalents	5.5
Total assets	9.2
Current liabilities: Trade and other payables	(4.6)
Contract liabilities	(2.0)
Current tax payable	(0.4)
Net assets acquired	**2.2**
Goodwill	9.3
Purchase consideration	**11.5**
Consideration satisfied by:	
Cash paid	6.3
Fair value of associate holding, prior to acquisition	5.0
Deferred consideration < 1 year	0.2
	11.5

Update to provisional fair value of prior period acquisition at 30 June 2023

On 31 March 2023, the Group acquired 51% of the equity interest in BeLiving SRL, a real estate company specialising in residential sales and rentals in Italy. Provisional fair values relating to this acquisition as at 30 June 2023 were finalised at 31 December 2023, with adjustments recognised as at 31 December 2023. This adjustment is considered a measurement period adjustment in accordance with IFRS 3 and as a result the prior period comparatives have been restated.

The changes to the Statement of Financial Position as at 30 June 2023 were an increase of £0.4m to the value of non-current assets, an increase to non-current liabilities of £0.3m, a decrease to current assets of £0.1m, and an increase to current liabilities of £0.1m acquired. This resulted in an additional £0.1m of goodwill recognised upon acquisition.

Update to provisional fair value of prior period acquisition at 31 December 2023

On 27 November 2023, the Group acquired 100% of the equity interest in Nash Bond, a leading retail agency and lease consultancy business based in the UK. Provisional fair values relating to this acquisition as at 31 December 2023 were finalised at 30 June 2024, with adjustments recognised as at 30 June 2024. This adjustment is considered a measurement period adjustment in accordance with IFRS 3 and as a result the prior period comparatives have been restated.

The changes to the Statement of Financial Position as at 31 December 2023 were an increase of £0.1m to the value of current assets and a £0.3m decrease to current liabilities acquired. The value of deferred consideration payable also increased by £0.4m (impacting current liabilities), therefore there was no change to the value of goodwill recognised upon acquisition.

15. Retirement and employee benefit obligations

Defined benefit plans

The Group operates two defined benefit plans.

The Pension Plan of Savills (the 'UK Plan') is a UK-based plan which provided final salary pension benefits to some employees, but was closed with regard to future service-based benefit accrual with effect from 31 March 2010. From 1 April 2010, pension benefits for former members of the UK Plan are provided through the Group's defined contribution Personal Pension Plan.

The Savills Fund Management GMBH Plan (the 'SFM Plan') is a Germany-based plan which provides final salary benefits to 6 active employees and 108 former employees. The plan is closed to future service-based benefit accrual.

Significant actuarial pension assumptions are detailed in the Group's Annual Report and Accounts 2023 and as follows:

	UK Plan			**SFM Plan**		
	Six months to 30 June 2024	Six months to 30 June 2023	Year ended 31 December 2023	**Six months to 30 June 2024**	Six months to 30 June 2023	Year ended 31 December 2023
Expected rate of salary increases	**3.25%**	3.25%	3.25%	**2.50%**	2.50%	2.50%
Projection of social security contribution ceiling	**-**	-	-	**2.25%**	2.25%	2.25%
Discount rate	**5.10%**	5.10%	4.50%	**3.82%**	4.02%	3.55%
Inflation assumption	**3.10%**	3.20%	3.00%	**2.20%**	2.20%	2.20%
Rate of increase to pensions in payment						
- accrued before 6 April 1997	**3.00%**	3.00%	3.00%	**-**	-	-
- accrued after 5 April 1997	**2.90%**	3.00%	2.80%	**-**	-	-
- accrued after 5 April 2005	**2.00%**	2.10%	2.00%	**-**	-	-
- pension promise before 1 January 1986	**-**	-	-	**2.20%**	2.20%	2.20%
- pension promise after 1 January 1986	**-**	-	-	**2.20%**	2.20%	2.20%
Rate of increase to pensions in deferment						
- accrued before 6 April 2001	**5.00%**	5.00%	5.00%	**-**	-	-
- accrued after 5 April 2001	**2.70%**	2.80%	2.50%	**-**	-	-
- accrued after 5 April 2009	**2.50%**	2.50%	2.50%	**-**	-	-

The amounts recognised in the statement of financial position are as follows:

UK Plan	**30 June 2024 £m**	30 June 2023 £m	31 December 2023 £m
Present value of funded obligations	**(180.0)**	(179.8)	(195.1)
Fair value of plan assets	**185.3**	182.3	194.4
Asset/(liability) recognised in the statement of financial position (included in retirement benefit surplus)	**5.3**	2.5	(0.7)

31 December

SFM Plan	**30 June 2024** **£m**	30 June 2023 £m	31 December 2023 £m
Present value of funded obligations	**(10.2)**	(9.9)	(10.8)
Fair value of plan assets	**14.1**	13.2	14.0
Asset recognised in the statement of financial position (included in retirement benefit surplus)	**3.9**	3.3	3.2

In June 2023, the High Court handed down a decision (Virgin Media Limited v NTL Pension Trustees II Limited and others) which potentially has implications for the validity of amendments made by schemes, including the UK Plan, which were contracted-out on a salary-related basis between 6 April 1997 and the abolition of contracting-out in 2016. The Court of Appeal upheld this decision in July 2024. Given the timing of the Court of Appeal decision, the updated valuation as at 30 June 2024 does not reflect the High Court ruling. Management have commenced a review to determine the impact of the decision on the IAS 19 liabilities of the UK Plan.

The amount recognised within the income statement in relation to the UK Plan for the period ended 30 June 2024 is a net interest of £nil (30 June 2023: £0.5m interest income, 31 December 2023: £1.0m interest income).

Total employee benefit obligations of £51.7m relates to holiday pay and long service leave (30 June 2023: £50.6m, 31 December 2023: £44.0m).

16. Trade receivables - Loss allowance

The Group has no significant concentrations of credit risk. The trade receivables balance is spread across a large number of different customers and geographic regions.

Local management have assessed the expected credit losses for trade receivables in the current geopolitical and economic environment and the expected loss rates have been reviewed based on their judgement as to the impact on their trade receivables portfolio. Overall, the expected loss rate on trade receivables has increased to 4.9% (31 December 2023: 4.0%) primarily due to a higher proportion of balances being greater than 90 days past due.

A summary of trade receivables and the loss provision has been provided below:

30 June 2024	**Current**	**More than 30 days past due**	**More than 60 days past due**	**More than 90 days past due**	**More than 180 days past due**	**Total**
Expected loss rate	**0.4%**	**0.7%**	**2.0%**	**7.2%**	**40.6%**	**4.9%**
Gross carrying amount (£m)	**267.9**	**43.6**	**24.5**	**36.3**	**38.9**	**411.2**
Loss allowance provision (£m)	**(1.0)**	**(0.3)**	**(0.5)**	**(2.6)**	**(15.8)**	**(20.2)**

30 June 2023	**Current**	**More than 30 days past due**	**More than 60 days past due**	**More than 90 days past due**	**More than 180 days past due**	**Total**
Expected loss rate	0.2%	0.2%	1.1%	4.7%	40.9%	5.2%
Gross carrying amount (£m)	264.0	40.9	28.0	34.0	46.0	412.9
Loss allowance provision (£m)	(0.5)	(0.1)	(0.3)	(1.6)	(18.8)	(21.3)

31 December 2023	**Current**	**More than 30 days past due**	**More than 60 days past due**	**More than 90 days past due**	**More than 180 days past due**	**Total**
Expected loss rate	0.3%	0.5%	2.1%	6.4%	45.9%	4.0%
Gross carrying amount (£m)	364.5	43.6	24.3	28.2	35.1	495.7
Loss allowance provision (£m)	(1.0)	(0.2)	(0.5)	(1.8)	(16.1)	(19.6)

17. Borrowings

Movements in borrowings are analysed as follows:

	6 months ended 30 June 2024 **£m**	6 months ended 30 June 2023 £m	12 months ended 31 December 2023 £m
Opening amount as at 1 January	**157.2**	159.7	159.7
Additional borrowings (including additional overdraft)*	**87.6**	100.9	107.2
Repayments of borrowings	**(7.6)**	(11.3)	(109.9)

Amortisation of transaction costs	**0.2**	0.3	0.6
Foreign exchange movement	**(0.8)**	(0.5)	(0.4)
Closing amount	**236.6**	249.1	157.2

* Period to 30 June 2024 includes a £4.8m increase in overdraft balances (period to 30 June 2023: £2.2m increase, year to 31 December 2023: £1.5m increase) within additional borrowings.

	30 June 2024	30 June 2023	31 December 2023
	£m	£m	£m
Current			
Bank overdrafts	**9.0**	5.0	4.2
Unsecured bank loans	**78.2**	94.2	3.0
Loan notes due within one year or on demand	**30.0**	0.7	0.7
Non-current			
Unsecured bank loans	**-**	0.3	0.1
Loan notes	**120.0**	150.0	150.0
Transaction costs	**(0.6)**	(1.1)	(0.8)
	236.6	249.1	157.2

The Group has the following undrawn borrowing facilities:

	30 June 2024	30 June 2023	31 December 2023
	£m	£m	£m
Floating rate - expiring within 1 year or on demand	**37.2**	46.3	58.8
Floating rate - expiring between 1 and 5 years	**301.0**	282.1	360.0
Floating rate - expiring greater than 5 years	**1.6**	-	-
Fixed rate - expiring within 1 year or on demand	**0.3**	0.9	3.0
Fixed rate - expiring between 1 and 5 years	**-**	-	0.2
	340.1	329.3	422.0

The Group holds a £360m multi-currency revolving credit facility ('RCF'), which includes a £90m accordion facility, expiring in June 2026. As at 30 June 2024 £59.0m (30 June 2023: £78.0m, 31 December 2023: none) of the RCF was drawn.

The unsecured bank loans reflect a £0.8m working capital loan in Thailand, which is repayable on demand and denominated in Thai baht (30 June 2023: £0.9m, 31 December 2023: £0.9m), a £1.8m working capital loan in Indonesia, which is repayable on demand and denominated in Indonesian rupiah (30 June 2023: £1.1m, 31 December 2023: £1.4m) and £0.8m of loans in Singapore, denominated in Singapore dollar (30 June 2023: £1.4m, 31 December 2023: £0.8m). Of the loans in Singapore, £0.5m relates to a factoring facility maturing within one year (30 June 2023: £0.8m, 31 December 2023: £0.3m) and a £0.2m bridging loan expiring within one year (30 June 2023: £0.5m, 31 December 2023: £0.4m). The remaining £0.1m of loans in Singapore are bank loans maturing within one year (30 June 2023: £0.1m, 31 December 2023: £0.1m). The balance also includes £15.8m utilisation of a revolving credit facility in North America for working capital purposes (30 June 2023: £13.1m, 31 December 2023: £nil).

The Group holds £150.0m of debt through the issuance of 7, 10 and 12 year fixed rate private note placements in the US institutional market, which were issued in June 2018.

The carrying amounts of borrowings are materially approximate to their fair value, with the exception of the Group's long-term fixed rate private note placements. The fair value of these loan notes as at 30 June 2024 is £134.5m (30 June 2023: £123.4m, 31 December 2023: £135.6m). The difference between the fair value and the book value is not recognised in the reported results for the period. The fair value has been calculated based upon a discounted cash flow valuation utilising observable market rates of borrowing that are comparable to the remaining length of the loan notes. The valuation technique falls within Level 2 of the fair value hierarchy in IFRS 13.

18. Notional pooling arrangement

For internal cash management purposes, the Group maintains a notional cash pooling arrangement with Barclays Bank PLC, whereby credit cash balances (cash) and debit cash balances (overdrafts) for the participating bank accounts are notionally offset. There is no overdraft cost or charge associated with any pooled overdraft that is fully offset by pooled credit cash balances. As at 30 June 2024, the notional cash pooling arrangement included cash balances of £191.8m presented in cash and cash equivalents (30 June 2023: £181.9m, 31 December 2023: £193.3m) and overdrafts of £190.7m (30 June 2023: £180.7m, 31 December 2023: £192.3m) presented in current liabilities. This represents as at 30 June 2024 surplus pooled credit cash balances of £1.1m (30 June 2023: surplus pooled credit cash balances of £1.2m, 31 December 2023: surplus pooled credit cash balances of £1.0m).

For the purpose of the statement of cash flows, cash and cash equivalents net of overdrafts comprise the following:

	30 June 2024 **£m**	30 June 2023 restated* £m	31 December 2023 restated* £m
Cash and cash equivalents	**461.3**	442.6	506.6
Overdrafts in notional pooling arrangement	**(190.7)**	(180.7)	(192.3)
Bank overdrafts (see Note 17)	**(9.0)**	(5.0)	(4.2)
	261.6	256.9	310.1

*See note 14 for details of prior period restatements in relation to a measurement period adjustment in accordance with IFRS 3.

19. Finance income and costs

Finance income and finance costs have increased in the period as a result of global interest rate rises.

20. Transaction with non-controlling interest

Under IFRS 10, transactions with non-controlling interests must be accounted for as equity transactions. During the period, the Group undertook the following transaction with a non-controlling interest:

	Effective holding disposed	Total effective holding at 30 June 2024
Savills IM Holdings Ltd	4%	71%

In March 2024, Samsung Life completed on its call option to purchase a further 4% in Savills IM Holdings Limited for consideration of £11.3m, increasing their shareholding to 29%. The carrying amount of the Savills IM Holdings Limited group net assets on the date of disposal was £133.6m. The Group has recognised an increase in non-controlling interest of £5.1m and a profit of £6.2m to retained earnings in respect of this transaction..

	30 June 2024 £m
Carrying amount of non-controlling interests disposed of	(5.1)
Consideration paid by non-controlling interest holder	11.3
Excess of consideration received recognised in parent's equity	**6.2**

21. Related party transactions

There were no material related party transactions during the period. All related party transactions take place on an arm's-length basis under the same terms as those available to other customers in the ordinary course of business.

As at 30 June 2024, there were £0.7m of loans receivable from joint ventures (30 June 2023: £0.1m, 31 December 2023: £0.1m), £0.9m of loans receivable from associates and £0.2m of loans payable to associates (30 June 2023: £1.6m of loans receivable from associates and £0.2m of loans payable to associates, 31 December 2023: £0.6m of loans receivable from associates).

22. Contingent liabilities

The Group is involved in a number of disputes in the ordinary course of business. Provision is made in the financial statements for all claims where costs can be estimated reliably and settlement is probable.

23. Events after the balance sheet date

There have been no material events that require adjustment to the Financial Statements or are considered to have a material impact on the understanding of the Group's current financial position.

material impact on the understanding of the Group's current financial position.

24. Seasonality

Traditionally, a significant percentage of revenue is seasonal which has historically caused revenue, profits and cash flow from operating activities to be lower in the first half and higher in the second half of each year. The concentration of revenue and cash flow in the fourth quarter is due to an industry-wide focus on completing transactions toward the calendar year end.

SHAREHOLDER INFORMATION

Like many other listed public companies, Savills no longer issues a hard copy of the Interim Statement to shareholders.

This announcement together with the attached financial statements and notes may be downloaded from the investor relations section of the Company website at www.savills.com.

Appendices

Constant currency

The Group generates revenues and profits in various territories and currencies because of its international footprint. Those results are translated on consolidation at the foreign exchange rates prevailing at the time. These exchange rates vary from year to year, so the Group presents some of its results on a constant currency basis. This means that the current period results are retranslated using the prior period exchange rates. This eliminates the effect of exchange from the year-on-year comparison of results.

The constant currency effect on revenue, reported profit and underlying profit is summarised below:

	2024 £m	2024 Constant currency effect £m	2024 at Constant currency £m
Revenue	1,063.2	(22.6)	1,085.8
Profit before tax	8.9	(0.3)	9.2
Underlying profit before tax	21.2	(0.3)	21.5

The Group's segmental results for the current period are presented below in constant currency:

2024 at Constant Currency	Transaction Advisory £m	Consultancy £m	Property and Facilities Management £m	Investment Management £m	Unallocated £m	Total £m
Revenue						
United Kingdom - commercial	38.8	96.0	160.9	20.4	-	316.1
United Kingdom - residential	76.8	20.3	22.7	-	-	119.8
Total United Kingdom	115.6	116.3	183.6	20.4	-	435.9
CEME	54.8	36.6	49.9	23.1	-	164.4
Asia Pacific - commercial	57.8	37.2	232.8	3.7	-	331.5
Asia Pacific - residential	8.0	-	-	-	-	8.0
Total Asia Pacific	65.8	37.2	232.8	3.7	-	339.5
North America	133.3	12.7	-	-	-	146.0
Revenue	369.5	202.8	466.3	47.2	-	1,085.8
Underlying profit/(loss) before tax						
United Kingdom - commercial	2.4	8.1	13.3	0.5	(1.4)	22.9
United Kingdom - residential	5.2	1.3	2.1	-	-	8.6
Total United Kingdom	7.6	9.4	15.4	0.5	(1.4)	31.5
CEME	(16.8)	0.8	(1.9)	3.5	-	(14.4)
Asia Pacific - commercial	(3.1)	(2.0)	10.0	0.4	-	5.3
Asia Pacific - residential	(0.6)	-	-	-	-	(0.6)
Total Asia Pacific	(3.7)	(2.0)	10.0	0.4	-	4.7
North America	(0.5)	0.2	-	-	-	(0.3)
Underlying profit/(loss) before tax	(13.4)	8.4	23.5	4.4	(1.4)	21.5

The constant currency effect on the Group's segmental results for the current period is presented below:

2024 - Constant Currency Effect	Transaction Advisory £m	Consultancy £m	Property and Facilities Management £m	Investment Management £m	Unallocated £m	Total £m

2024 - Constant Currency Effect	£m	£m	£m	£m	£m	£m
Revenue						
United Kingdom - commercial	-	-	-	-	-	-
United Kingdom - residential	-	-	-	-	-	-
Total United Kingdom	-	-	-	-	-	-
CEME	**(2.8)**	**(0.5)**	**(2.0)**	**(0.5)**	**-**	**(5.8)**
Asia Pacific - commercial	**(3.8)**	**(1.5)**	**(7.4)**	**(0.3)**	**-**	**(13.0)**
Asia Pacific - residential	**(0.3)**	-	-	-	-	**(0.3)**
Total Asia Pacific	**(4.1)**	**(1.5)**	**(7.4)**	**(0.3)**	**-**	**(13.3)**
North America	**(3.2)**	**(0.3)**	-	-	-	**(3.5)**
Revenue	**(10.1)**	**(2.3)**	**(9.4)**	**(0.8)**	**-**	**(22.6)**
Underlying profit/(loss) before tax						
United Kingdom - commercial	-	-	-	-	-	-
United Kingdom - residential	-	-	-	-	-	-
Total United Kingdom	-	-	-	-	-	-
CEME	**0.1**	-	-	**(0.1)**	-	-
Asia Pacific - commercial	**(0.1)**	**0.1**	**(0.3)**	-	-	**(0.3)**
Asia Pacific - residential	-	-	-	-	-	-
Total Asia Pacific	**(0.1)**	**0.1**	**(0.3)**	-	-	**(0.3)**
North America	-	-	-	-	-	-
Underlying profit/(loss) before tax	**-**	**0.1**	**(0.3)**	**(0.1)**	**-**	**(0.3)**

END

IR GZGGRVNKGDZM