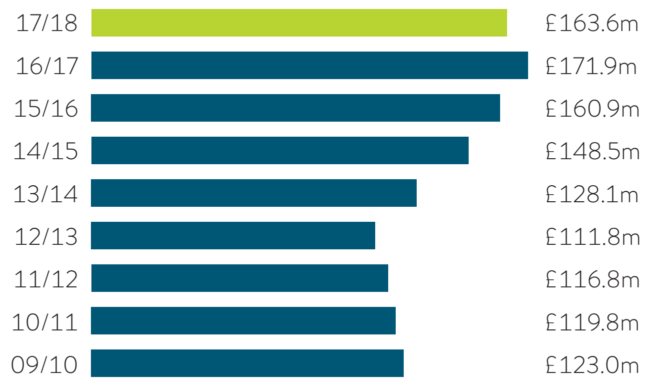
# FINANCIAL OVERVIEW

# PERFORMANCE

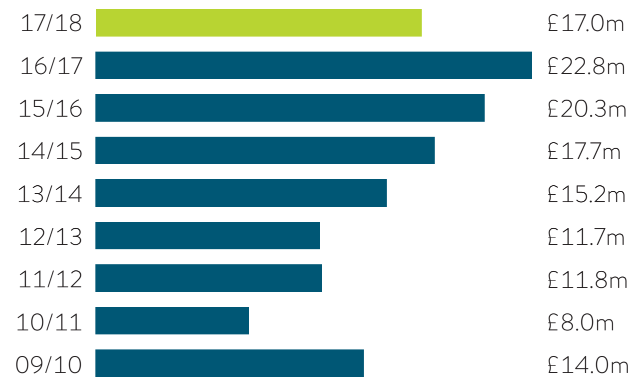
During 2017/18 the group generated turnover of £163.6m and an operating profit margin of 10%.

The decline in the group's turnover was driven by market conditions in the UK (-9%) and AIME (-10%), partially offset by an increase in Europe (+19%).

The reduction in operating profit margin is attributable to tighter market conditions in the UK alongside increased expenditure on investment projects enabling us to create sustained resilience and develop our Forward Integration strategy.




TURNOVER



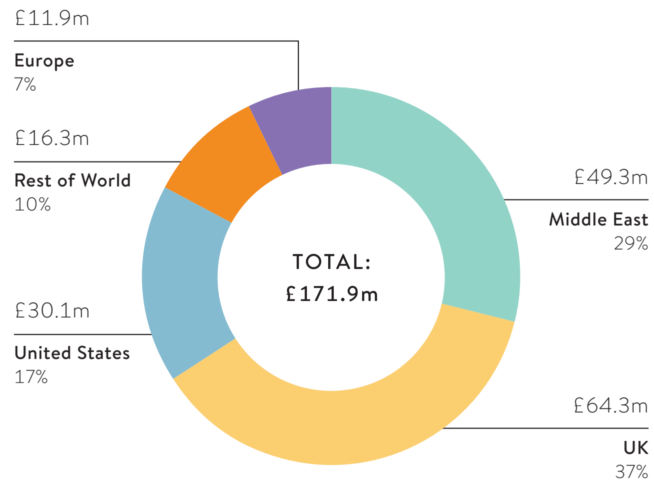

OPERATING PROFIT


OPERATING PROFIT MARGIN

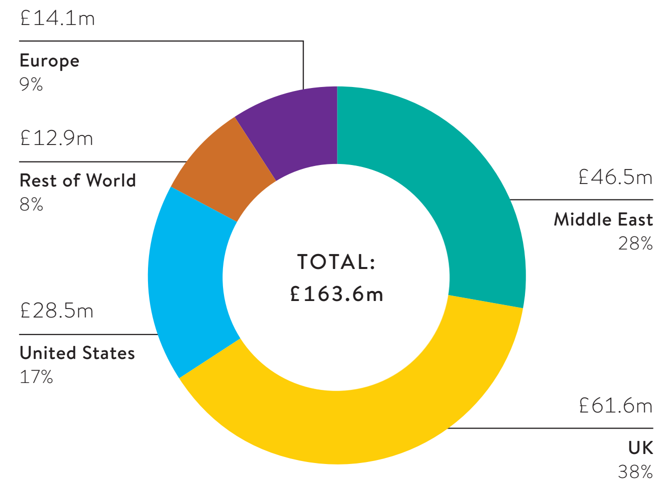
# GEOGRAPHICAL ANALYSIS

BuroHappold has a significant international presence, generating turnover in over 70 countries during 2017/18.

Turnover by project location remained consistent with prior year, the most significant being 38% (2017: 37%) generated in the UK and 28% (2017: 29%) in the Middle East.



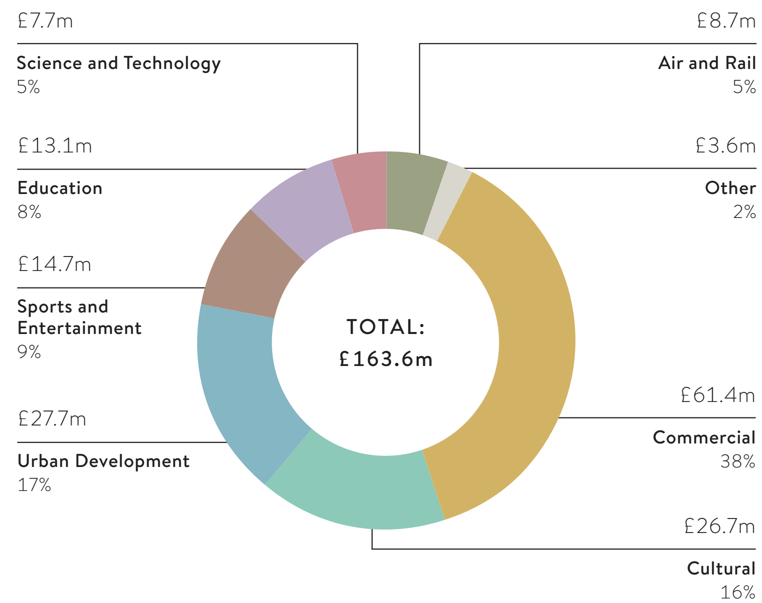

TURNOVER BY REGION 2016/17




TURNOVER BY REGION 2017/18

# SECTOR ANALYSIS

Our routes to market through our client sectors of Culture, Sport, Commercial and Urban Development remain as strong and balanced as ever. Clients are increasingly calling for our expertise, experience and insight to be applied to a growing proportion of Science and Technology, Air and Rail, and Education. Holding a multi-sector portfolio is of strategic importance to us. It allows us to focus our understanding on a targeted selection of clients language and core business needs and simultaneously allow those experiences, insights and innovation gains to be cross fertilised making our contribution to each and every sector richer in the process.

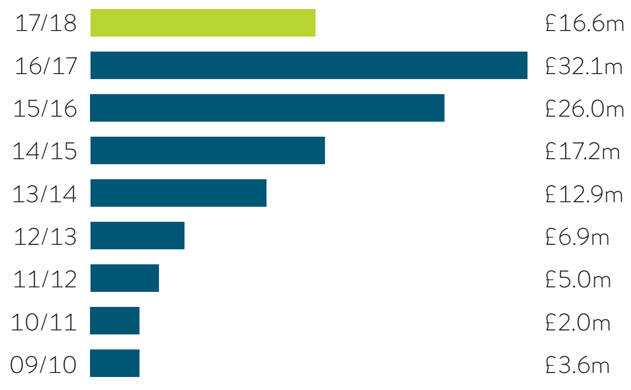



ACTUAL GWD BY SECTOR 2017/18

# LIQUIDITY

Increased investment expenditure in our processes and technology to continually improve and strengthen the business along with a reduction in advance payments from customers has contributed to the reduction in cash to £16.6m (2017: £32.1m).

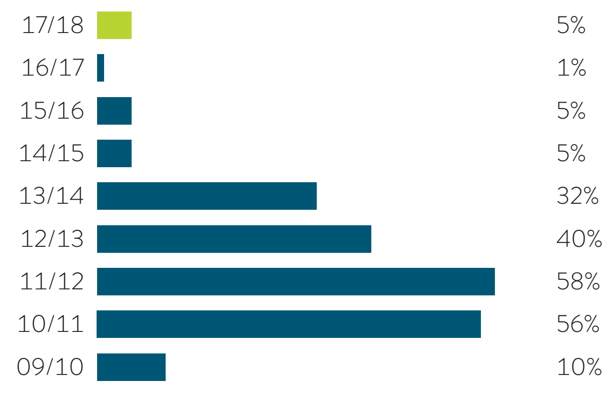
In addition, payments to current and former partners increased by £5m due to payment of return on investment following on from the successful performance in recent years.




CASH


OVERDRAFT AND LOANS


NET CASH / (DEBT)

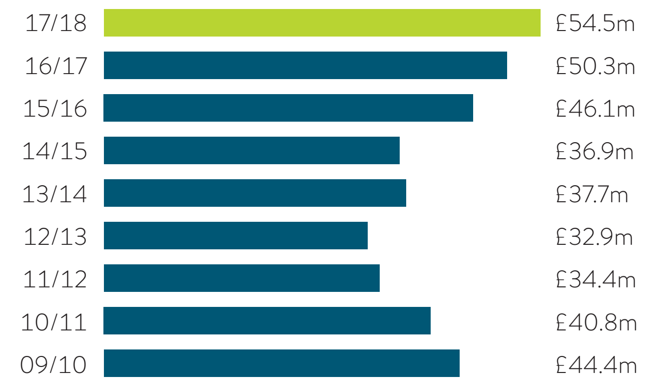



DEBT TO EQUITY RATIO

# WORKING CAPITAL

DSO increased from 107 to 120 days largely driven by amounts owed by customers based in the Middle East. This is also reflected in the increase in trade debtors from £50.3m to £54.5m. Working capital management remains a key focus of the group, with DSO and cash forecast to improve during 2018/19.


DSO DAYS



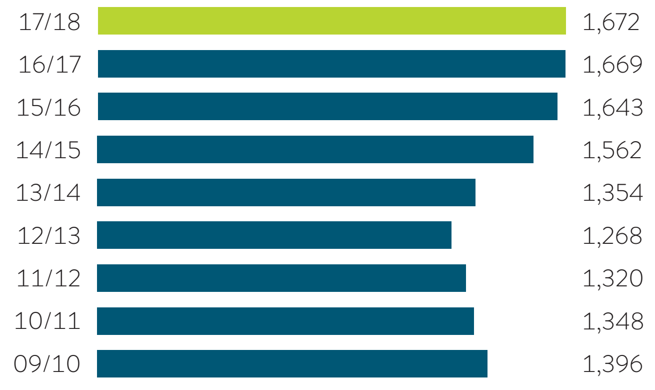

TRADE DEBTORS

**Days Sales Outstanding (DSO) represents the average number of days in which trade debtors are paid.**

# PEOPLE

We are dependent on the skills and approach of our people, and throughout they year we have been extremely proud to be able to nurture and attract exceptional talent at all levels.

We are a diverse and inclusive practice, reflecting the varied cultures of the communities and clients we serve. We strive to create a safe and inclusive workplace for all our employees to bring their whole selves to work and be accepted for who they are.




AVERAGE NUMBER OF EMPLOYEES